



26 May 2015

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

GRAINCORP LIMITED: GNC
UBS EMERGING COMPANIES CONFERENCE SERIES: FOOD & AGRIBUSINESS

Please find attached the Investor Presentation being presented by GrainCorp Group Chief Financial Officer, Mr Alistair Bell, at UBS's Emerging Companies Conference Series: Food & Agribusiness at 9.30am AEST today in Sydney.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gregory Greer", written in a cursive style.

Gregory Greer
Company Secretary

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UBS Food & Agribusiness Conference

26 May 2015

Alistair Bell (Group Chief Financial Officer)



GrainCorp



Disclaimer



This presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which GrainCorp operates, any applicable legal requirements, as well as matters such as general economic conditions.

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**Diversification strategy →
Delivering the value
in Grain**

→ Global View & Industry Trends

→ Business Model & Corporate Objectives

→ Investment in Malt

→ Investment in Oils

→ Capital Management

Global themes and industry trends in agribusiness and food



Global themes

Access to supply and food security

Increasing demand for food quality and transparency

Increasing competition → domestic and international



Industry trends

Supply chain
investment

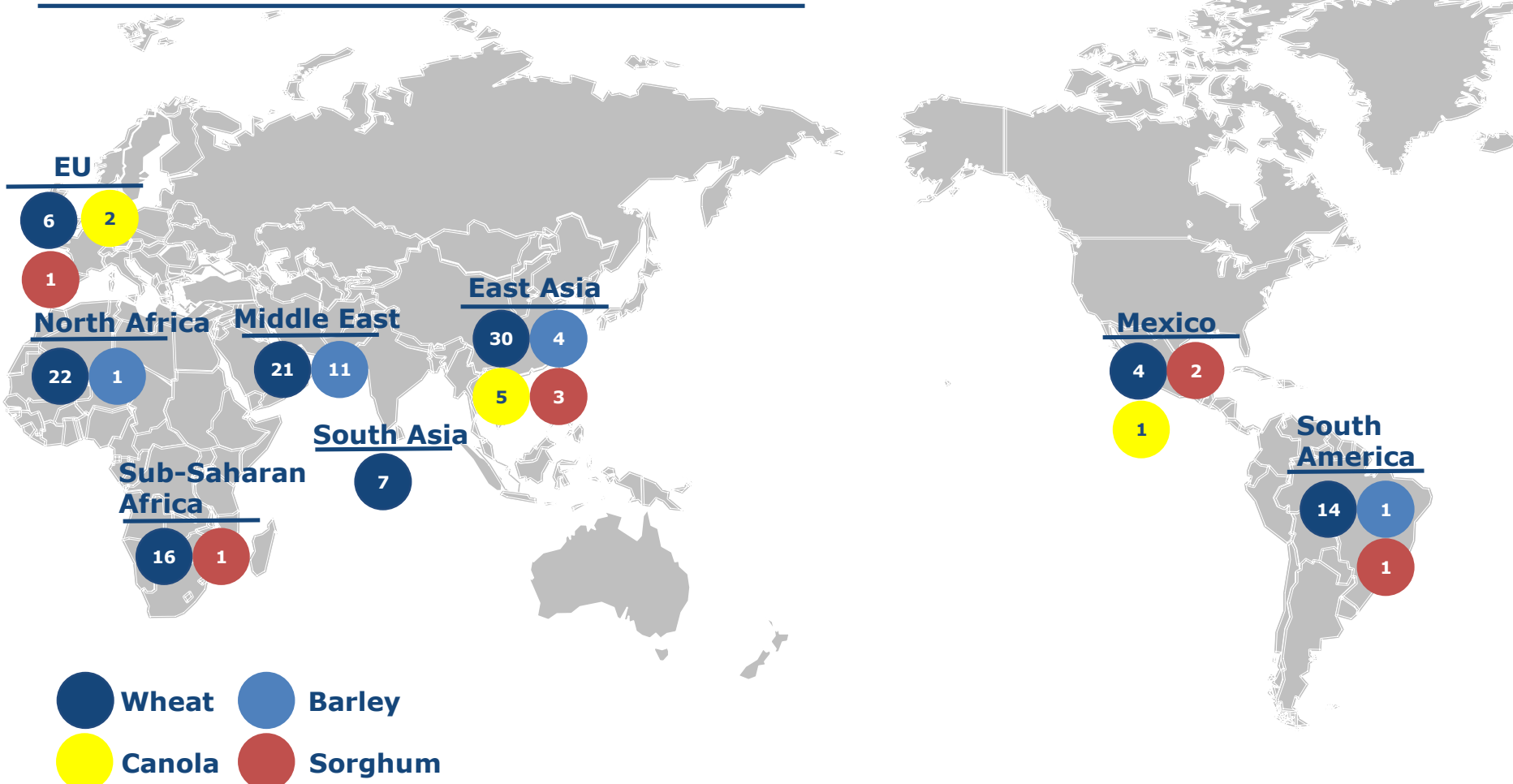
Diversification and
consolidation

Customer
relevance

Core grains → destinations



Wheat, barley, canola, sorghum (mmt per annum¹)

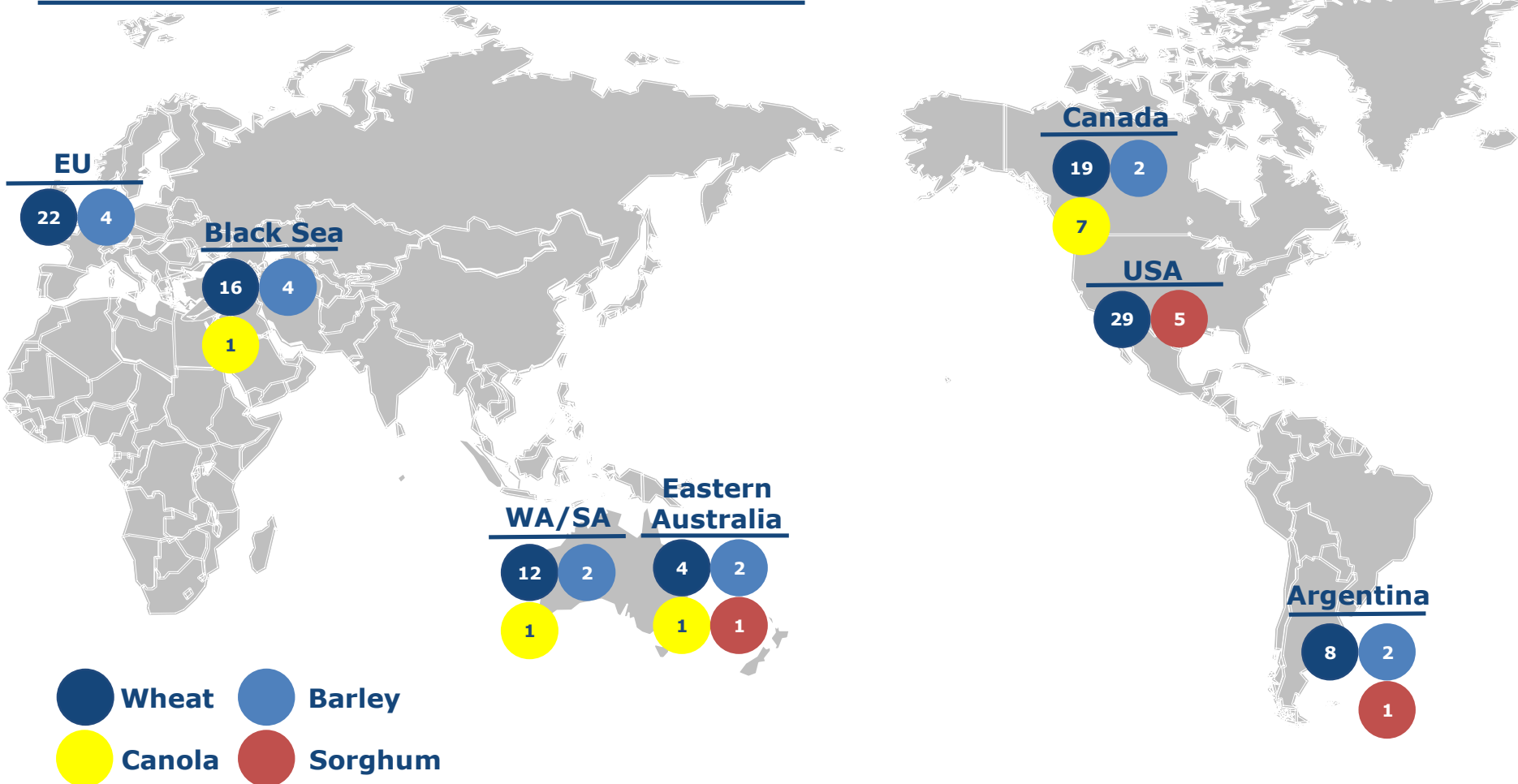


1. Global exports / imports – wheat, barley, canola, sorghum. 10 year average to 2014. Source: USDA (accessed May 2015).

Core grains → origination

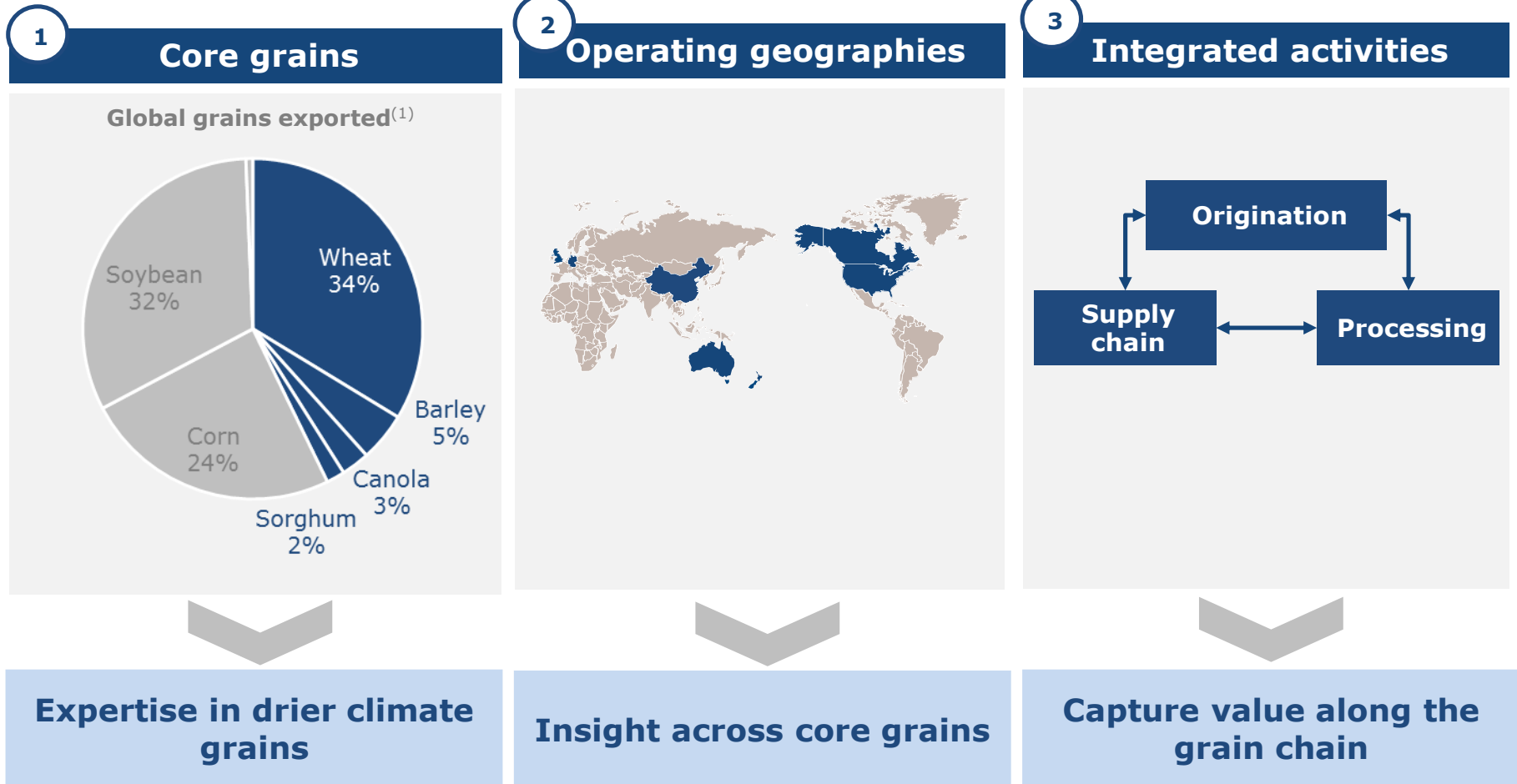


Wheat, barley, canola, sorghum (mmt per annum¹)



1. Global exports / imports – wheat, barley, canola, sorghum. 10 year average to 2014. Source: USDA (accessed May 2015).

Our business model → integrated approach



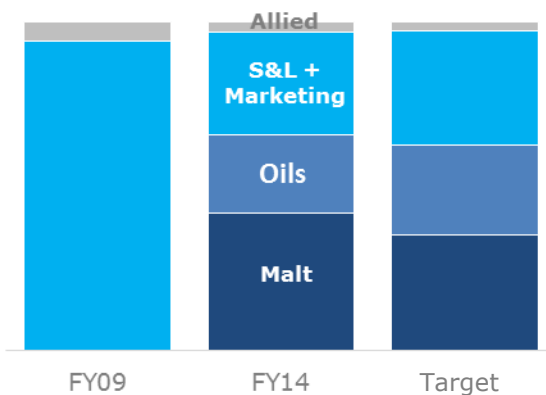
1. Excludes rice.

Our corporate objectives → aligned with shareholder interests



1 Manage variability

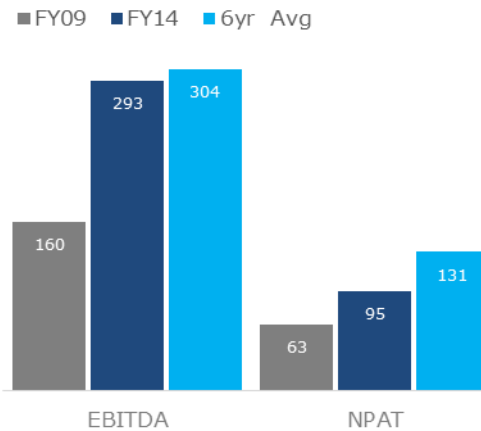
Earnings by segment⁽¹⁾ \$M



Growth in Oils and Malt creating a balanced portfolio

2 Deliver growth

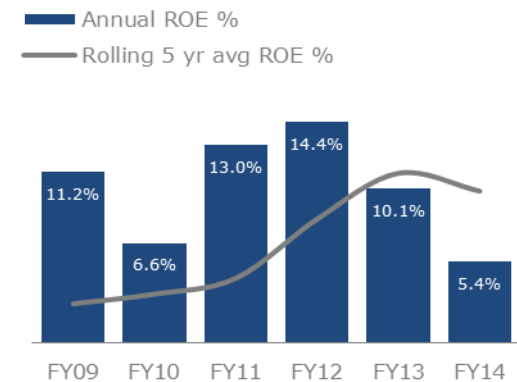
EBITDA and NPAT⁽²⁾ \$M



Growth in total EBITDA and NPAT but on an EPS basis, growth relatively flat

3 Improve returns

Return on Equity %



Some improvement through the cycle but greater reliability required

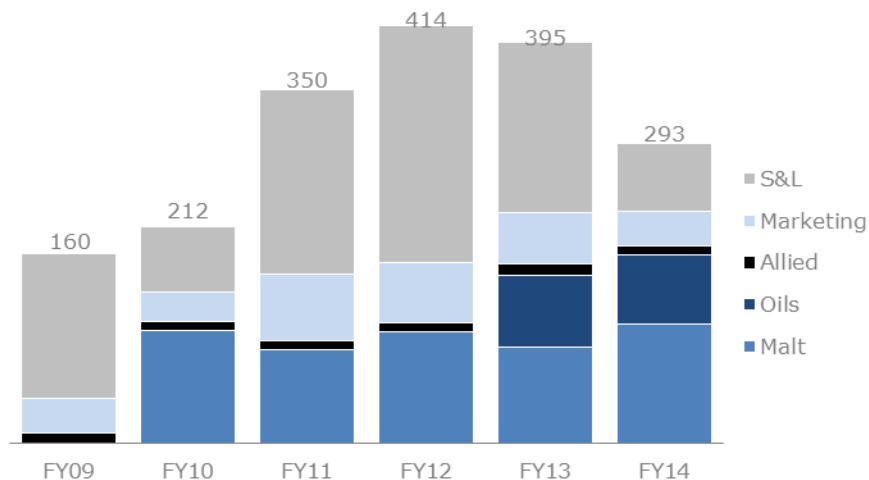
Strategic initiatives underway targeting optimisation and / or growth in all segments

1. Malt, Oils and S&L EBITDA, Marketing PBTDA Allied 60% share of NPAT. Excludes corporate costs
 2. Underlying EBITDA and NPAT. Includes corporate costs.

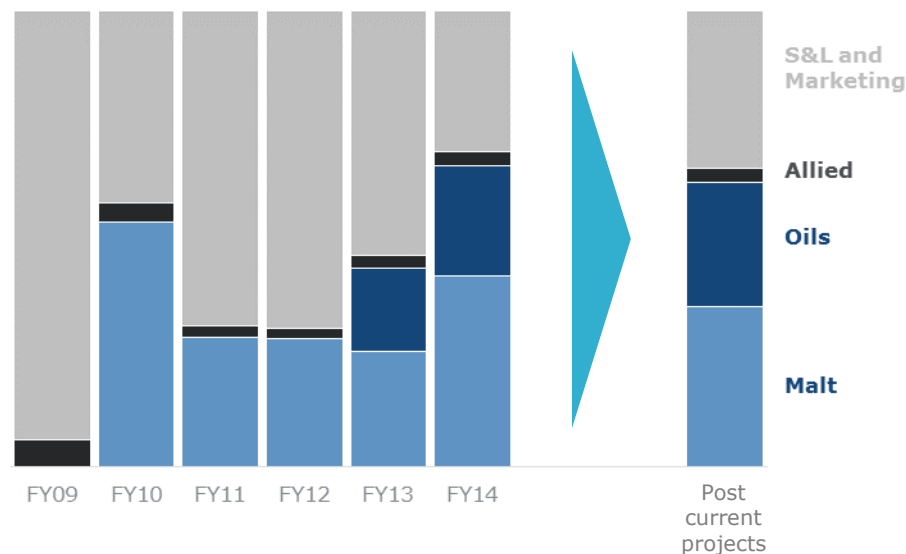
Earnings profile benefiting from diversification



Earnings profile⁽¹⁾ \$M



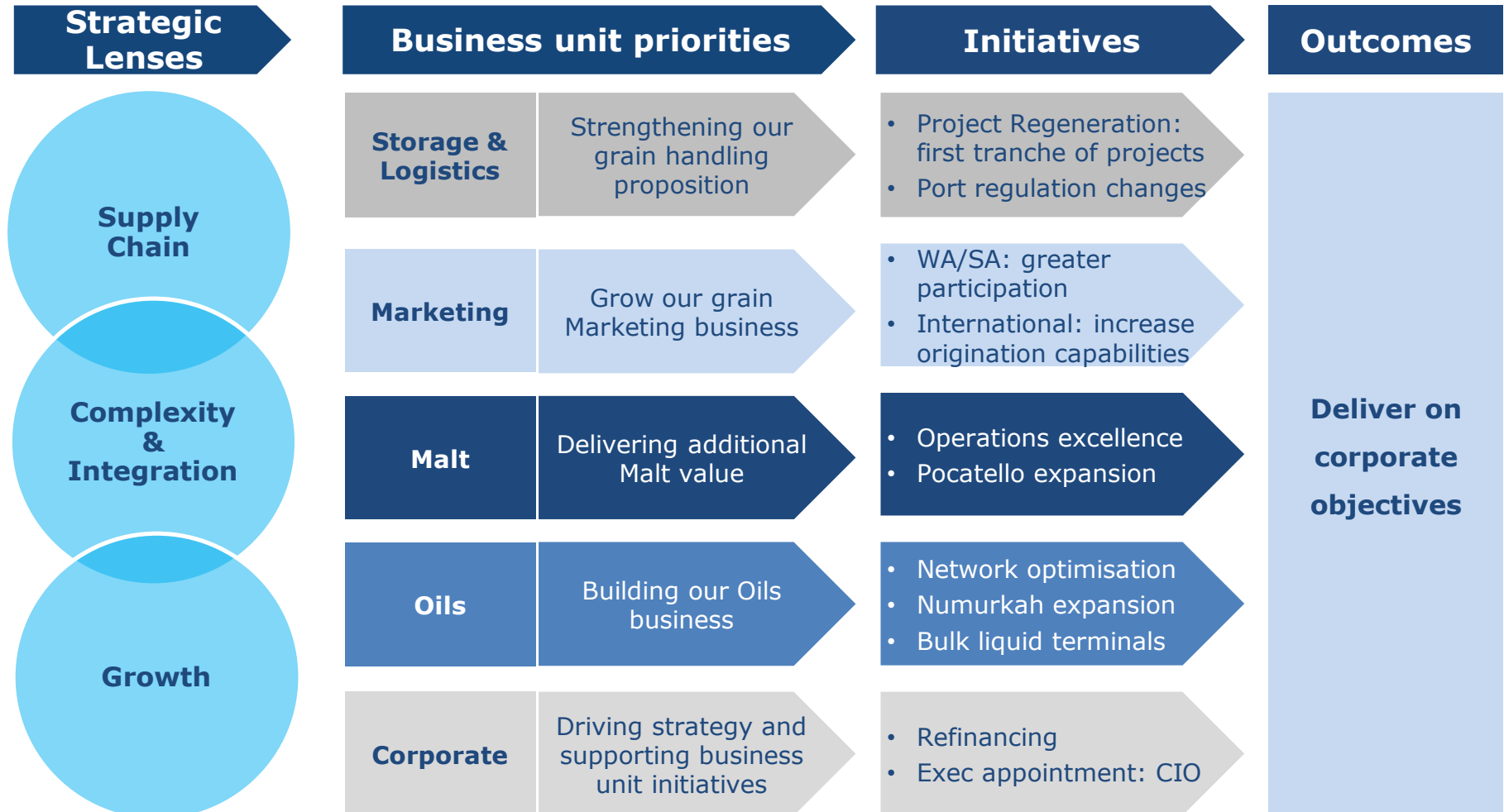
Earnings composition⁽²⁾



Objective: Improve ROE through the cycle

1. Before significant items. EBITDA reflects inclusion of Malt from FY10 and Oils from FY13. Allied 60% share of NPAT.
 2. EBITDA excludes corporate costs. Allied 60% share NPAT and Marketing PBTDA.

Strategic lenses → to shape business unit priorities



Investing in North American malt processing



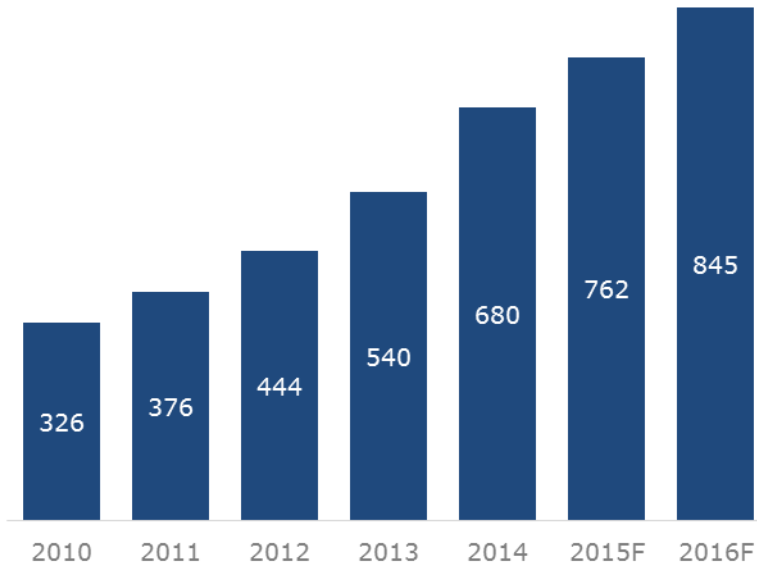
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North American malt



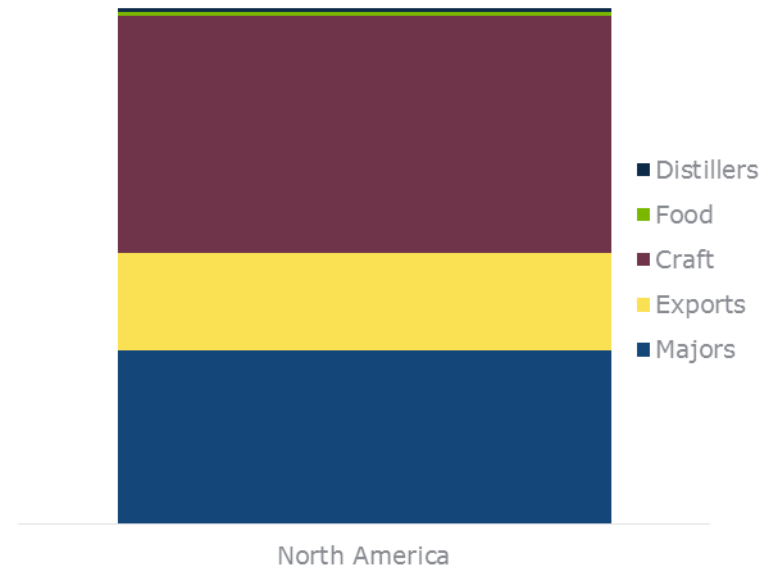
North American malt growth driver⁽¹⁾

North American Craft Beer - Malt Requirement (kmt)



GrainCorp's North American malt customers

Customer base & sales mix (by volume)



1. Source: Brewers Association

Malt plant expansion



GrainCorp Malt footprint



Pocatello Expansion

Capacity Increase: US\$75M (above hurdle rate of 12% IRR)

- Increase production capacity at Pocatello by 120kmt to 220kmt (completion expected 2017)

Customers & Positioning

- Backed by customer support and demand from craft sector
- Extremely high capacity utilisation in USA
- Well positioned to further support craft growth market

Rationale

- Reliable barley production region
- Low cost supply chain
- Improve production efficiency on existing capacity
- Engaged workforce
- Supportive community

1. Source: Brewer's Association 2014 data on US craft brewing.
2. Including Pocatello expansion.
3. Ungeared, after tax.



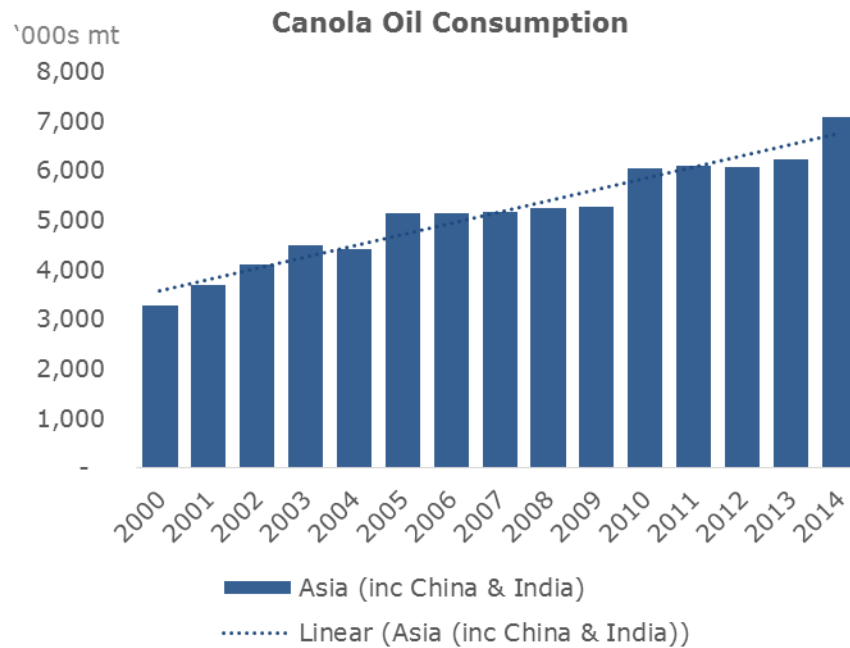
Building our Australian edible oils business



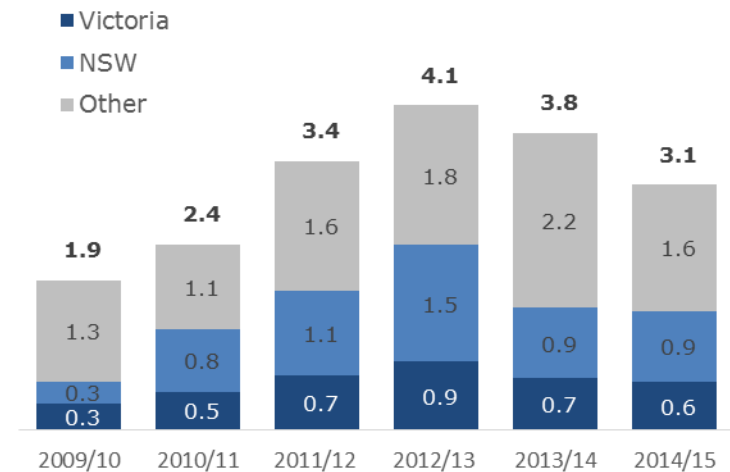
Canola oil



Canola oil consumption → Asian demand ⁽¹⁾



Australian canola production ⁽¹⁾



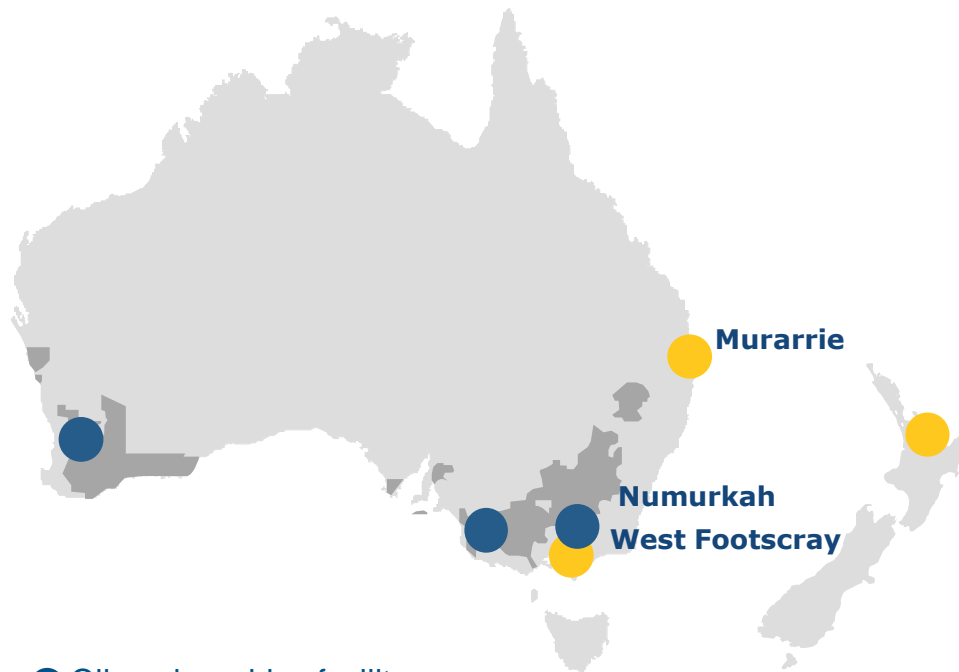
1. Source: USDA accessed April 2015.
 2. Source: ABARES accessed May 2015.

Oils network optimisation and crush expansion



Edible oils crushing and refining network

Investment



- Oilseed crushing facility
- Edible oils refining facility
- Canola growing areas

Network Optimisation: \$125M

- West Footscray expansion and upgrade
- Numurkah upgrade
- Murarrie capacity relocation (in 2016)

Crush Expansion: \$50M

- Increase Numurkah capacity by 40% to 1,000 t/day (completion expected in 2017)
- Increasing canola oil exports demand to Asia
- Canola meal for poultry and dairy

Disciplined approach to capital management



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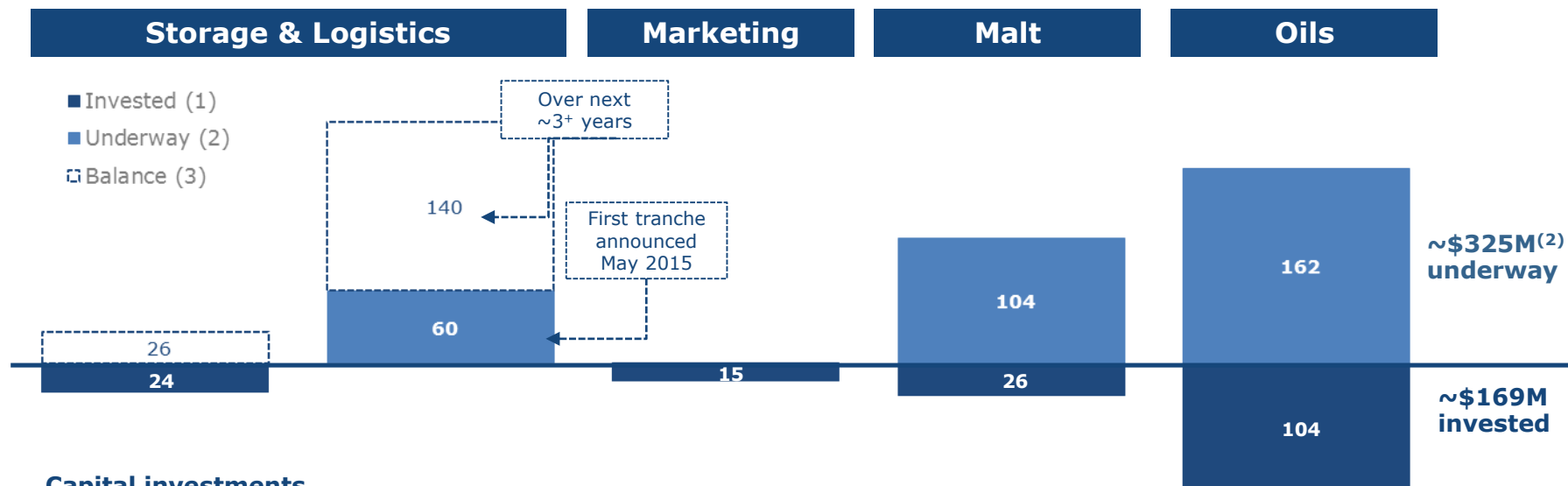
Disciplined approach to capital management



- Majority of investment underway in processing businesses → more stable earnings, less dependent on grain production in Eastern Australia
- Building a pipeline of organic opportunities
- Flexibility with the timing of capital investment for a number of the opportunities
- Net debt gearing ratio⁽¹⁾ expected to peak in 1H17 as majority of initiatives delivered in FY16, and coincides with seasonal peak → similar to existing gearing ratio⁽²⁾
- Net debt gearing targeted <45%

1. Quarterly rolling average.
2. Subject to grain prices and volumes over the relevant period.

Capital investment for growth in reliable earnings



Capital investments

S&L

- Customer service
- Non-grain opportunities

S&L

- Network revitalisation → rail loading infrastructure and capacity expansions (13 sites)

Marketing

- Global trading and risk management platform

Malt

- Operations excellence (energy, water, waste, labour)
- Global model & customer segmentation
- Pocatello expansion (2H17)

Oils

- Integration completed
- Footprint optimization (2H16)
- Terminals (Fremantle, Port Kembla completed; Pinkenba early 2016)
- Numurkah expansion – oil & meal (FY17)

Hurdle rate of >12% IRR⁽⁴⁾

1. Growth capex invested FY13 to HY15.
2. Growth capex projects announced and underway.
3. Growth capex announced but projects not yet underway.
4. Ungeared, after tax.

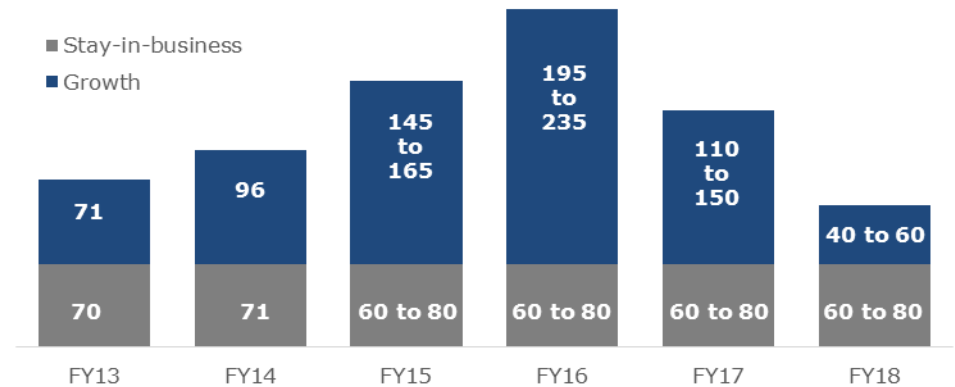
Strategic initiatives implementation and associated capex



Business Unit	Project	FY13	FY14	FY15	FY16	FY17	FY18
Oils	Integration						
	Capacity relocation						
	Fremantle terminal expansion						
	Port Kembla terminal development						
	Pinkenba terminal development						
	Numurkah crush expansion						
Malt	Operations excellence						
	Pocatello malt plant expansion						
S&L	Customer service						
	Network revitalisation						
Marketing	Trading & risk management platform						

Planning
Development
Operational

Capex⁽¹⁾ \$M



1. Includes S&L network revitalisation.

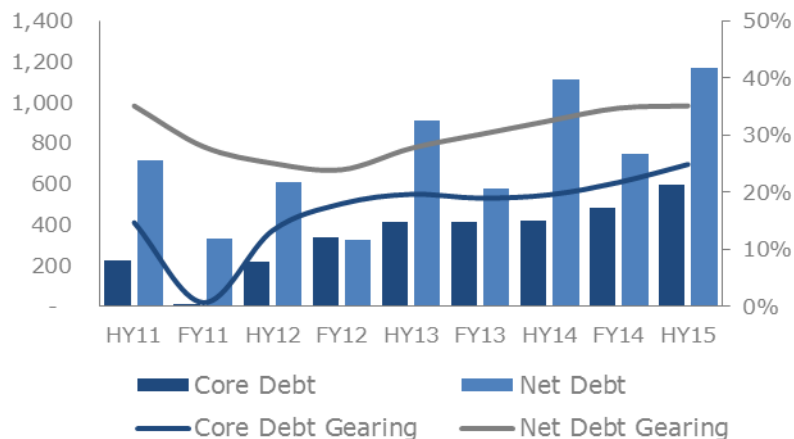
Balance sheet & dividends



Core Debt & Net Debt

- HY15 core debt at \$595M and Net Debt \$1,170M
- Core debt gearing at ~25% and Net debt gearing at ~37% (rolling quarterly average)
- Net debt gearing expected to peak in 1H17 → remaining below target of 45%
- Increased debt capacity and extended maturity to average 5.3 years (4.5 – 7 years)

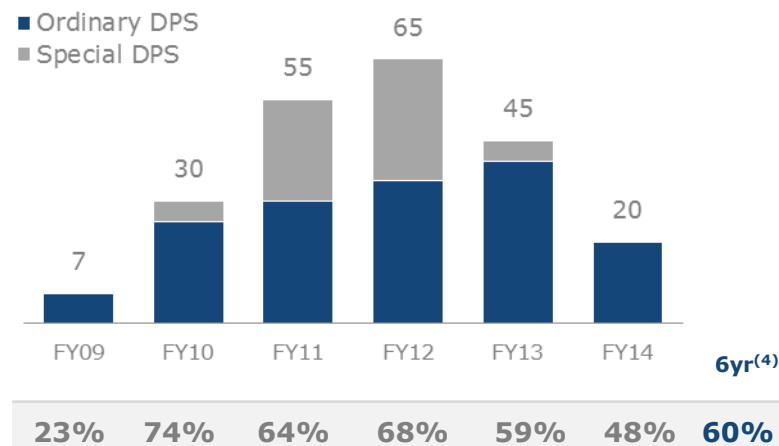
Core Debt⁽¹⁾ and Net Debt⁽²⁾



Dividends

- Dividend policy: payout 40 – 60% NPAT through the business cycle
- Targeting to pay an ordinary dividend each year
- Flex via special dividends

Total dividends (DPS³) and Payout Ratio



1. Core debt is total debt less cash less Commodities Inventory (Marketing, Oilseeds). Core gearing = Core Debt / (Core Debt + Equity)
2. Net Debt is total debt less cash. Net Debt Gearing = Net debt / (Net Debt + Net Assets) as quarterly rolling average.
3. DPS is dividends per share shown in cents.
4. Payout ratio based on NPAT before significant items. Six year weighted payout ratio before significant items.

Wrap Up and Questions



- 1** Global view → macro themes driving industry trends
- 2** Greater diversification and building scale
- 3** Disciplined approach to capital management
- 4** Strategy execution and delivery of initiatives
- 5** Focus on values driving performance → Safety, People, Customers