NEWS RELEASE

GrainCorp

12 November 2015

GrainCorp FY15 Result

GrainCorp today confirms earnings of $235 million EBITDA[1] (FY14: $293 million) and underlying NPAT[2] of $45 million (FY14: $95 million) for the financial year ended 30 September 2015. Along with the statutory NPAT of $32 million after significant items, these results are in line with the market update provided on 3 November.

GrainCorp's Board has declared a final dividend of 2.5 cents per share (cps), taking the full year dividend to 10.0 cps (FY14: 20.0 cps), representing a payout of 51% of underlying NPAT. Over a five-year period this represents an average payout ratio of 61%, in line with GrainCorp's dividend policy of paying 40-60% of NPAT through the business cycle.

Managing Director and Chief Executive Officer, Mark Palmquist said: "Solid performances from our processing operations have reduced the impact of the challenging conditions faced by our grains businesses. Our processing businesses contributed approximately 85% of our earnings in a year constrained by a much smaller crop in eastern Australia – a clear demonstration of the importance of our commitment to diversification."

GrainCorp has also reported a further improvement in safety performance. This year saw a 46% reduction in lost time injury frequency rate which builds on the 34% reduction in the previous financial year.

"I am pleased to report GrainCorp's Malt business continued to perform strongly, thanks to continued high capacity utilisation and further improvements in underlying performance being delivered through efficiency projects. We remain well positioned in the ongoing growth of the craft beer sector, particularly in North America, and the signs of emerging growth in other markets," Mr Palmquist said.

"GrainCorp Oils has performed well with higher crush volumes and we are encouraged by the stabilisation of refining volumes for GrainCorp Foods. The Liquid Terminals business continues to perform strongly and we have made good progress in the various expansion projects across GrainCorp Oils.

"As outlined earlier in the month, our grains businesses faced a tougher year off the back of last harvest's smaller crop, which resulted in lower throughput volumes for Storage & Logistics and severely restricted opportunities for GrainCorp Marketing. In this light I'm pleased with the cost control and risk management demonstrated by these businesses.

"We are committed to maintaining a strong balance sheet to fund our improvement program. Net debt gearing is at 37%[3] and, even bearing in mind our investment program across the business, is expected to peak in 1H17 below our target range of 45%. GrainCorp continues to diversify its earnings base in a measured way, to provide further reliability and insulation from seasonal variability."

Outlook

Commenting on the operating outlook for FY16, Mr Palmquist said:

"Conditions are likely to remain challenging next year, with a very low carry-in of 1.6 million tonnes and another smaller crop likely to limit export opportunities from eastern Australia. We

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[1] Earnings Before Interest, Tax, Depreciation and Amortisation
[2] Net Profit After Tax
[3] Quarterly rolling average

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do, however, expect a return to more typical grain marketing patterns in Australia due to lower year-on-year levels of export bookings relative to expected production.

"Our position in Malt remains strong, with strong forward sales of capacity, strong growth in North American craft and continued incremental benefits from embedding our strategic projects. We also expect continued improvements in the performance of GrainCorp Oils thanks to the stabilisation of refining volumes and partial contributions from Liquid Terminals projects and our consolidated oilseeds crushing and refining footprint."

FURTHER INFORMATION

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