



6 April 2016

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

**GRAINCORP LIMITED: GNC
INVESTOR PRESENTATION**

The attached Investor Presentation will be used by GrainCorp for the purpose of investor meetings at the Credit Suisse Asian Investment Conference in Hong Kong 6 – 7 April 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gregory Greer", written over a faint, illegible background.

Gregory Greer
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Investor Presentation

6-7 April 2016



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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Global themes and industry trends in agribusiness and food



Global themes

Global commodity markets operating in disinflationary pricing environment

Access to supply and food security

Increasing demand for food quality and transparency

Fragmenting of mass markets to better meet niche customer demands

Increasing competition → domestic and international



Industry trends

Scale - supply chain investment and customisation

Diversification and consolidation

Customer relevance

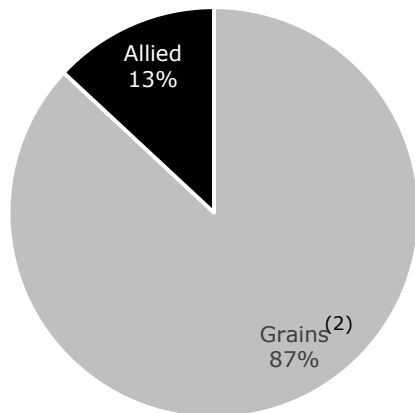
Our corporate objectives → aligned with shareholder interests



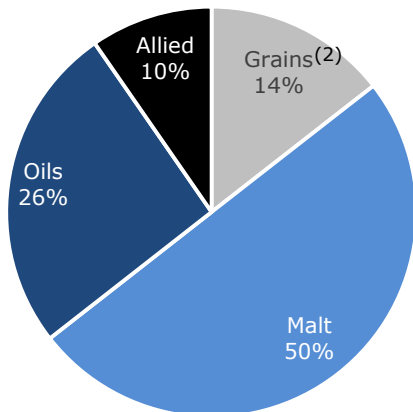
Manage variability

EBITDA by segment⁽¹⁾ \$M

FY09



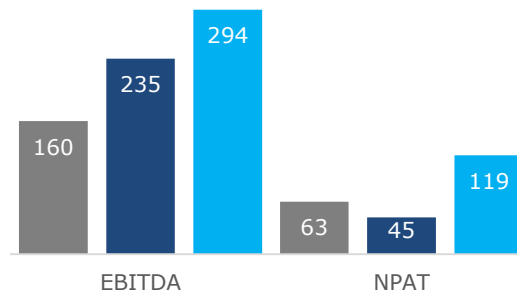
FY15



Deliver growth

EBITDA and NPAT⁽³⁾ \$M

■ FY09
■ FY15
■ 7yr Avg

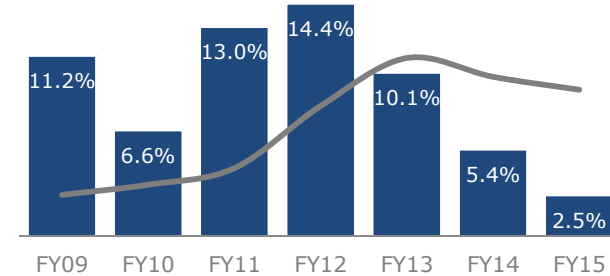


Growth in earnings over the longer-term despite impact of challenging year for grains business – highlights importance of diversification strategy

Improve returns

Return on Equity %

■ Annual ROE % — Rolling 5 yr avg ROE %



Strategic initiatives to optimise/grow the business and improve returns

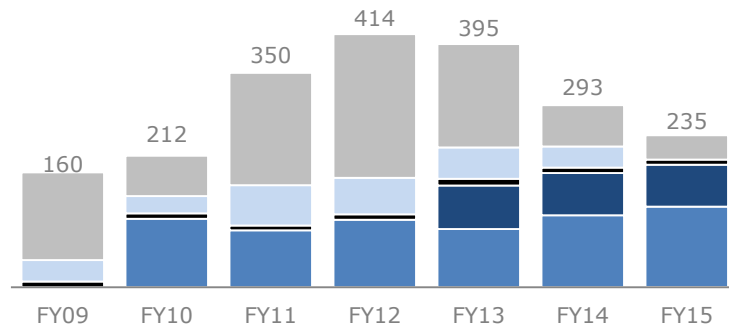
1. Underlying EBITDA. Excludes corporate costs.
 2. Includes S&L and Marketing EBITDA.
 3. Underlying EBITDA and NPAT. Includes corporate costs.

Earnings profile reinforces the importance of diversification



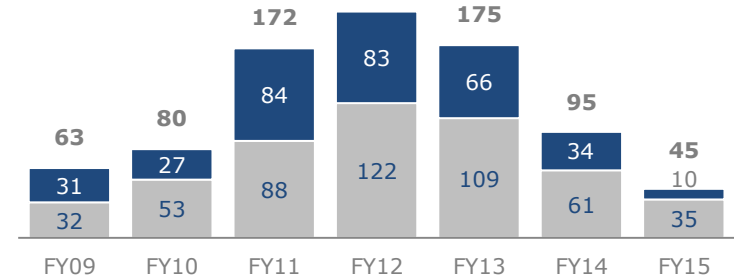
EBITDA⁽¹⁾ \$M

■ Malt ■ Oils ■ Allied ■ Marketing ■ S&L



NPAT⁽¹⁾ \$M

■ Fiscal 1H ■ Fiscal 2H



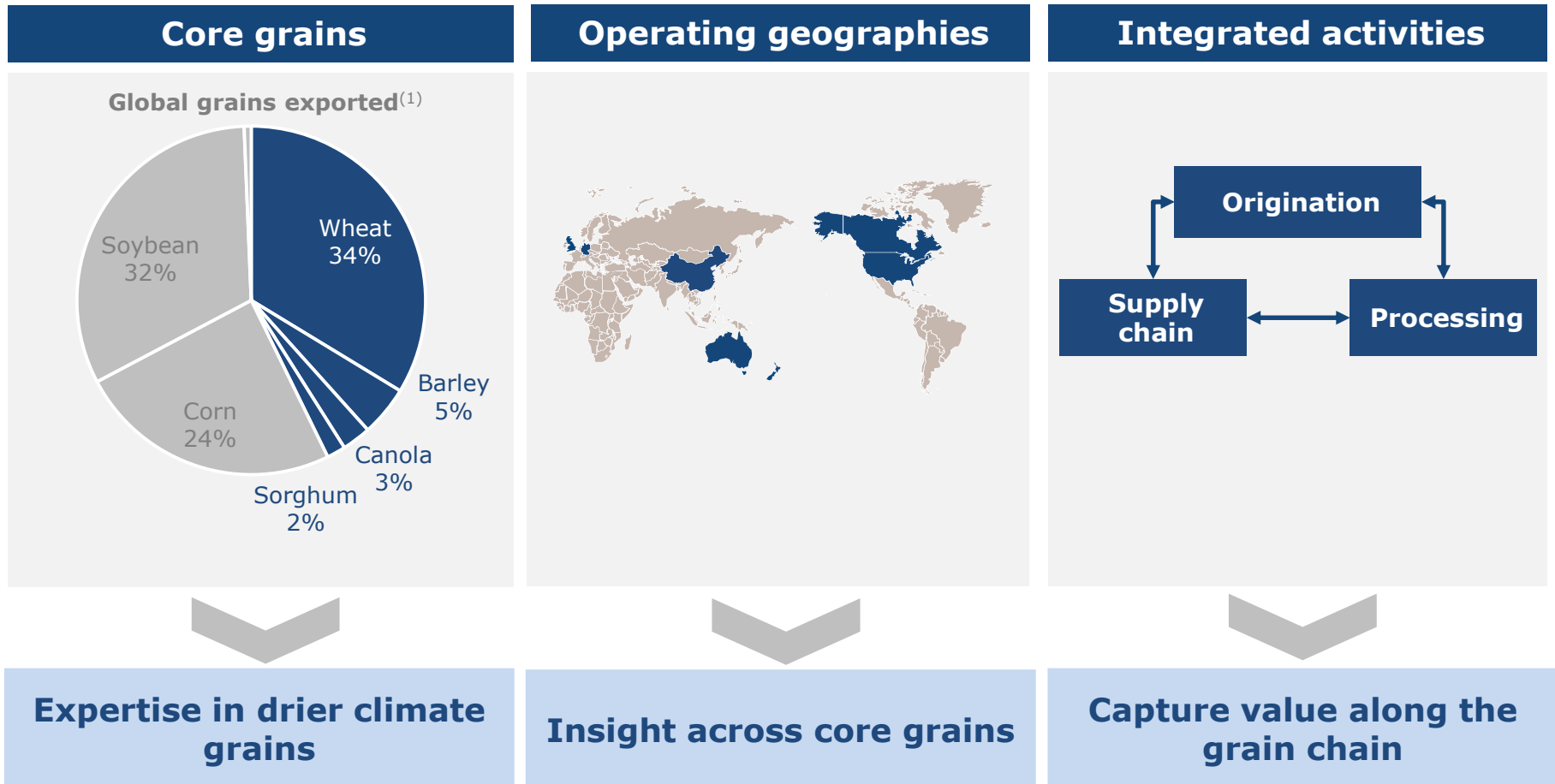
	FY09	FY10	FY11	FY12	FY13	FY14	FY15
2H	78	100	177	179	168	127	99
1H	82	112	173	235	227	166	136

	FY09	FY10	FY11	FY12	FY13	FY14	FY15
2H	31	27	84	83	66	34	10
1H	32	53	88	122	109	61	35

Investment in our processing businesses and continued operational improvements building increased and less variable earnings base

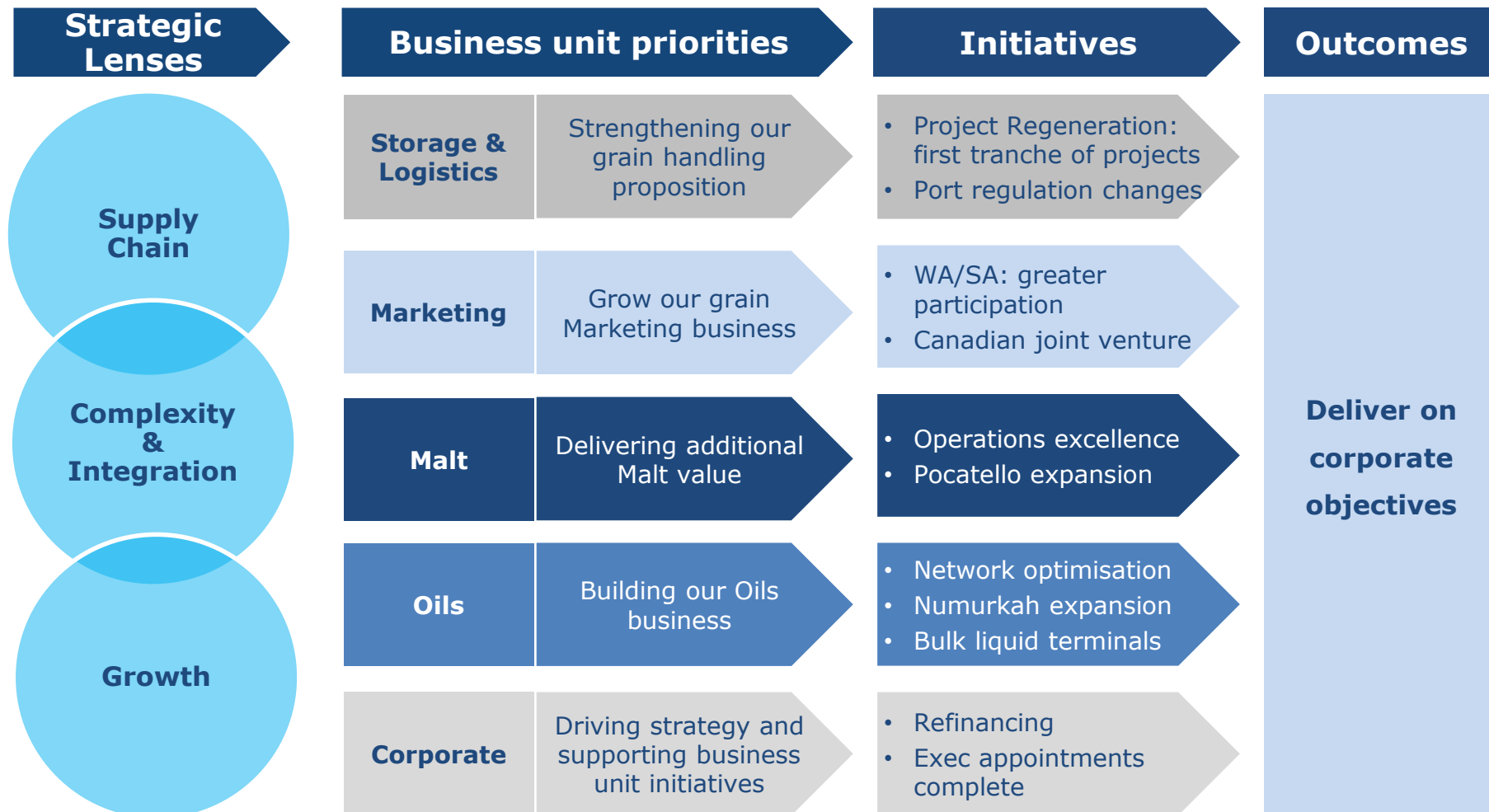
1. Before significant items. EBITDA and NPAT reflect inclusion of Malt from FY10 and Oils from FY13.

Our business model → integrated approach



1. Excludes rice.

2016 focus



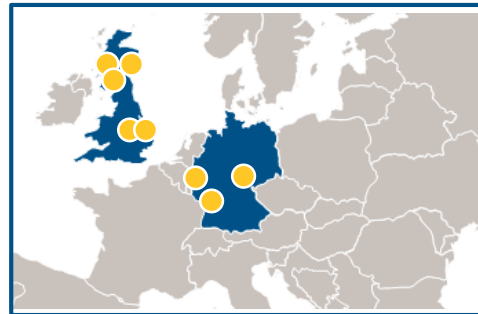
Malt: enhancing competitiveness and pursuing growth



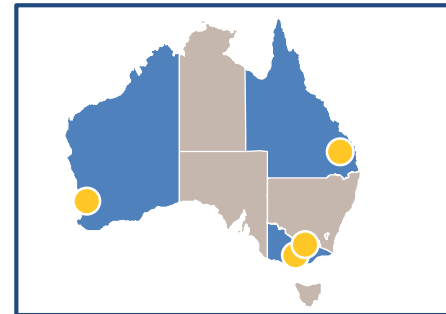
North America



Europe



Australia



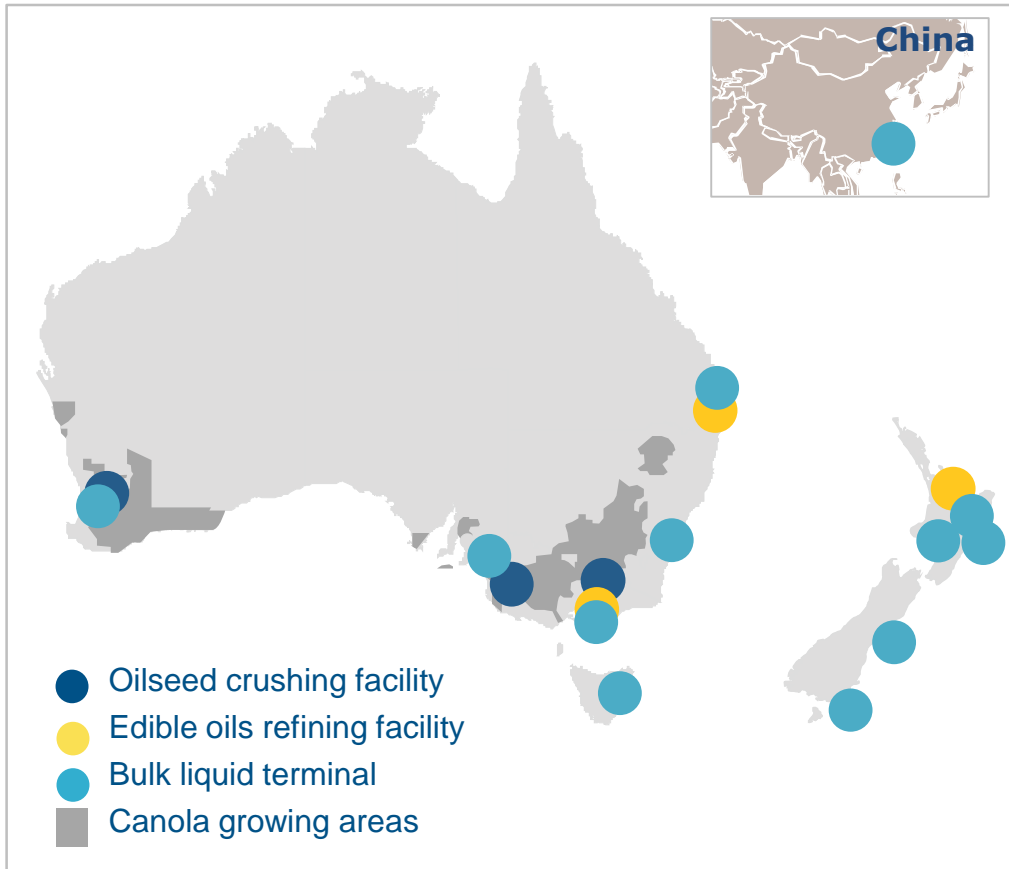
Region	North America	Europe	Australia	Total
Plants	Canada: Montreal, Thunder Bay, Calgary USA: Pocatello, Vancouver	UK: Witham, Grantham, Arbroath, Pencaitland, Inverness Germany: Worms, Mulheim, Clingen	Perth, Brisbane, Melbourne, Geelong	17 plants
Production capacity	0.75mmt⁽¹⁾	0.41mmt	0.26mmt	1.42mmt
Average utilisation	95%+	UK: 95%+ Germany: ~90%+	~95%	90%+
Market share capacity	~25%	UK: ~15-17% EU: ~2%	~30%	4th largest independent maltster globally

1. Including Pocatello expansion

Oils: substantial investment in growth and supply chain



Oils Assets



Assets & Capabilities

Assets

- **Crushing:** 3 plants; ~415kt capacity
- **Refining:** 3 plants (going to 2); ~315kt capacity
- **Port Terminals:** 14 bulk liquid terminals with ~295k m³
- **Complementary businesses:** Feeds, Auscol

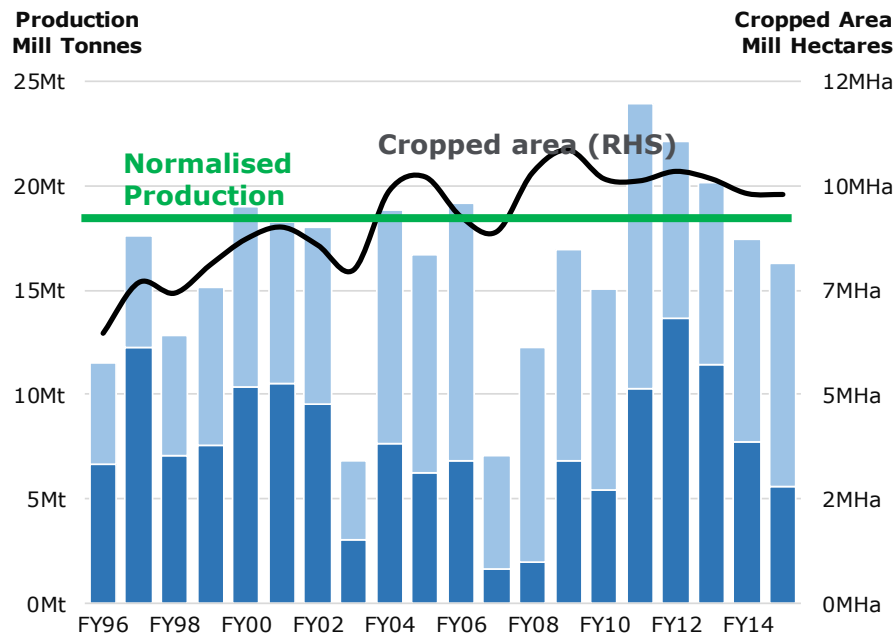
Capabilities

- Storage
- Transport
- Commodity management

Storage & Logistics: Eastern Australian grain supply chain network



Eastern Australia production and exports for major grains



Production increasing with crop area and yield gains

Exports driven by production and carry-over

GrainCorp Assets & Capabilities

Assets

- **Country Sites:** ~175 country sites with ~20mmt of storage capacity
- **Port Terminals:** 7 bulk ports with ~15mmt elevation capacity
- **Container Packing:** 2 packers with ~0.7mmt packing capacity
- **Rail:** Manage 12+ trains with ~4mmt capacity, including 4 company owned trains

Capabilities

- Network not easily replicated → replacement value substantially greater than book value
 - Largest in eastern Australian grain
- Network delivers value add → access to both domestic and export markets
 - 100+ grain buyers competing at silos

Marketing: broadening our grain origination



Europe

- Diversified sourcing of barley and wheat

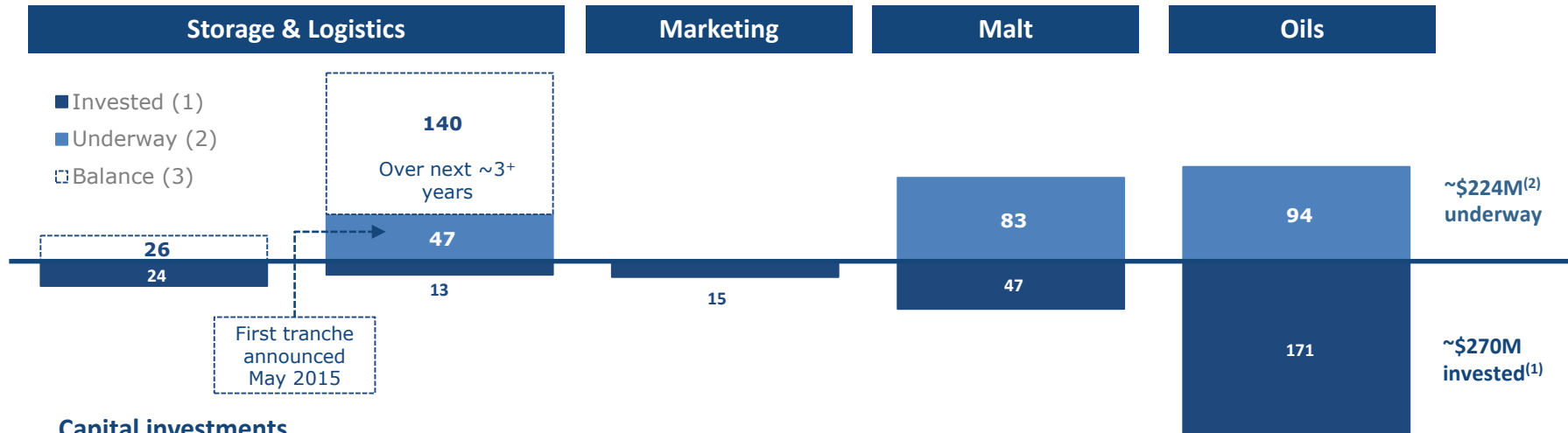
WA & SA

- Increasing origination and exports
- Enhanced service offering to existing customers

Canada

- Joint venture with Zen-Noh
- New container packing facility
- Increasing exposure to SE Asian customers

Capital investment for growth in more reliable earnings



Capital investments

- | | | | | |
|---|---|---|---|--|
| <p>S&L</p> <ul style="list-style-type: none"> • Customer service • Non-grain opportunities | <p>S&L</p> <ul style="list-style-type: none"> • Network revitalisation → rail loading infrastructure and capacity expansions (13 sites) | <p>Marketing</p> <ul style="list-style-type: none"> • Global trading and risk management platform | <p>Malt</p> <ul style="list-style-type: none"> • Operations excellence (energy, water, waste, labour) • Global model & customer segmentation • Pocatello expansion (2H17) | <p>Oils</p> <ul style="list-style-type: none"> • Integration completed • Footprint optimisation (2H16) • Terminals (Fremantle, Port Kembla completed; Brisbane 1H16) • Numurkah expansion – oil & meal (FY17) |
|---|---|---|---|--|

Hurdle rate of >12% IRR⁽⁴⁾

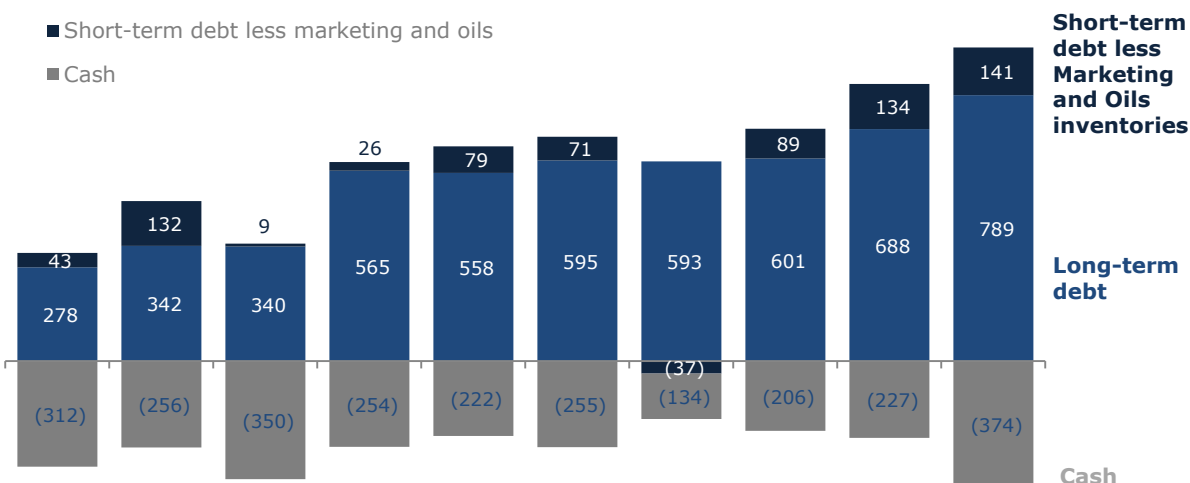
1. Growth capex invested FY13 to FY15, as at balance date 30 September 2015.
2. Growth capex projects announced and underway, as at balance date 30 September 2015.
3. Growth capex announced but projects not yet underway, as at balance date 30 September 2015.
4. Ungeared, after tax.

Strong and flexible balance sheet



Core Debt⁽¹⁾ \$M

- Long term debt
- Short-term debt less marketing and oils
- Cash



FY11	HY12	FY12	FY12 Pro forma ⁽³⁾	HY13 ⁽⁴⁾	FY13	HY14 ⁽⁴⁾	FY14	HY15 ⁽⁴⁾	FY15	
9	218	16	320	415	411	422	483	595	556	Core Debt⁽¹⁾
1%	13%	1%	16%	20%	19%	19%	22%	25%	23%	Core Gearing ⁽²⁾
0.05x	0.53x	0.04x	0.67x	0.99x	1.04x	1.26x	1.65x	2.26x	2.36x	Core Debt / EBITDA

1. Core Debt = Total Debt less Cash less Marketing and Oils grain and oilseed inventory.
2. Core Gearing = Core Debt / (Core Debt plus Equity).
3. FY12 Pro forma Core Debt / EBITDA includes Oils acquisition debt and FY12 EBITDA as detailed in the ASX Announcement dated 28 August 2012.
4. HY EBITDA based on last twelve months ('LTM') ending 31-Mar. Includes Oils LTM.
5. At the time of refinancing.

- Core debt increasing as expected and in line with implementation of strategic initiatives
- Debt facilities matching with asset life
- New five-year construction facility of \$210M (\$150M drawn) established in Nov-2014
- Successful refinancing of term debt facilities (unsecured bi-lateral):
 - Revolving facilities of \$175M (\$143M drawn), maturing in Nov-2019;
 - Acquisition facilities of \$225M maturing Apr-2020;
 - Multi-currency facility of \$262M maturing in Apr-2022.
- Average tenure of term debt increased to 5.3 years (range 4.5 to 7 years)⁽⁵⁾

FY16 Outlook and Guidance



GrainCorp



Grains outlook – subdued export demand for Australian grain continues



	Market fundamentals	GrainCorp FY16 outlook
Storage & Logistics (S&L)	<ul style="list-style-type: none"> • Eastern Australian crop production estimate of 17.7mmt⁽¹⁾ (FY15: 16.5mmt) • Low carry → exportable surplus below normal • Uncertain sorghum crop at this stage • Global commodity conditions are limiting exports of grain → reduced port and rail bookings and slower velocity of grain 	<ul style="list-style-type: none"> • Carry-in: 1.6mmt at historically low levels (FY15: 1.9mmt) • Country receivals: 7.5mmt - 8.0mmt (FY15: 7.4mmt); 7.2mmt⁽²⁾ receivals to end February 2016 • Grain exports: 2.9mmt - 3.3mmt (FY15: 3.5mmt); 0.8mmt YTD⁽³⁾; stem bookings 2.7mmt⁽⁴⁾ (2015: 3.8mmt) • Non-grain exports: ~2.5mmt (FY15: 2.5mmt) • Carry-out: 1.5mmt – 2.0mmt (FY15: 1.6mmt) • Rail freight: Impact of long-term take or pay arrangements continues. Below normal exportable surplus resulting in decreased rail freight utilisation → unrecoverable logistics costs • Challenging harvest: Weather impacted receivals harvest and quality
Marketing	<ul style="list-style-type: none"> • Ample global supplies of grain impacting demand for Australian grain • Lower eastern Australia grain stocks and continued competition to originate grain • Reduced freight advantage to major export regions making Australian grain less competitive • More typical marketing patterns across Australia and exports 	<ul style="list-style-type: none"> • Challenging given another low exportable surplus and continuing competition for grain in eastern Australia • Strong growth in Western Australian origination and sales program • Implementation of our international grain origination growth strategy continuing to gain traction → diversifying our origination and sales mix

1. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the average of the Australian Crop Forecasters' February 2016 Report and ABARES' February 2016 Report.
2. All grains received up country to end February 2016.
3. All grains exported to end February 2016.
4. All grains shipping stem bookings at end February 2016 for period end February to end September 2016.

Below normal grain stocks resulting in lower S&L volumes



	Drivers (mmt)	FY15	FY16 YTD ⁽¹⁾	FY16 Outlook	FY16 Outlook
Storage & Logistics	Eastern Australia Grain Production	16.5		17.7 ⁽²⁾	
	Grain carry-in (1-Oct)	1.9		1.6	<ul style="list-style-type: none"> • At historically low levels • Limited early season export program
	Country network receivals	7.4	7.2 ⁽³⁾	7.5-8.0	<ul style="list-style-type: none"> • Dependent on sorghum crop volumes • Market share in line with FY15
	Grain exports	3.5	0.9 ⁽⁴⁾	2.9-3.3	<ul style="list-style-type: none"> • 2.7mmt⁽⁵⁾ booked on the shipping stem (FY15: 4.6mmt) → expecting higher execution rate in 2016 from lower total bookings of 3.6mmt • Delay in shipping program means low utilisation of rail freight obligations
	Non-grain exports	2.5	1.0	~2.5	<ul style="list-style-type: none"> • Strong demand for woodchip exports continues
	Carry-out	1.6		1.5 – 2.0	<ul style="list-style-type: none"> • Again expected to be in line with prior year
	Grain received at port	1.4	0.3	~0.9	<ul style="list-style-type: none"> • Grain received direct at port ex-farm and other bulk handlers

1. YTD reflects Year-to-Date.
2. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the average of the Australian Crop Forecasters' February 2016 Report and ABARES' February 2016 Report.
3. All grains received up country to end February 2016.
4. All grains exported to end February 2016.
5. All grains shipping stem bookings at end February 2016 for period end February to end September 2016.

Processing outlook – well placed through strong competitive position GrainCorp

	Market fundamentals	GrainCorp FY16 outlook
Malt	<ul style="list-style-type: none"> Global barley crop production ~143.4mmt⁽¹⁾ (FY15: 141.5mmt) Beer demand in mature markets continues to soften and slower growth in developing markets Continued strong growth in North American craft beer segment Distilling demand consistent year-on-year in line with global economy 	<ul style="list-style-type: none"> Forward sales of 1.2mmt at end February 2016 Malt sales volume: ~1.3mmt (FY15: 1.25mmt) Lower Australian dollar against US dollar benefits earnings translation and exports from Australia, however partially offset by lower CAD and GBP against the AUD Continued incremental benefits from strategic initiatives being realised Final Port of Vancouver compensation receipt was received in FY15: ~A\$5m
Oils	<ul style="list-style-type: none"> Australian canola crop production estimate of 2.9mmt⁽²⁾ (FY15:3.5mmt) Global commodity deflationary period impacting crush margins Growing domestic and international demand for canola oil Continued competition in crushing and refining Continued demand for bulk liquid terminals capacity Infant formula growth in ANZ 	<ul style="list-style-type: none"> Foods and crush margins affected by global commodity conditions High capacity utilisation for crushing Capacity utilisation across bulk liquid terminals remains high – Pinkenba to contribute modestly in 2H16 Low volumes for NZ feed continue as a result of weak dairy sector Modest earnings uplift from completed strategic initiatives to be seen in 2H16 with full impact in FY17

1. World barley production estimates. Source: United States Department of Agriculture’s website: accessed 2 February 2016.
 2. Australian canola production estimate, using the average of the Australian Crop Forecasters’ February 2016 report and ABARES’ February 2016 Report.

FY16 Earnings Guidance



	EBITDA	NPAT
Guidance	<ul style="list-style-type: none"> • Underlying EBITDA (before significant items): \$240M – \$270M • Includes 60% share of Allied Mills NPAT before significant items 	<ul style="list-style-type: none"> • Underlying NPAT (before significant items): \$40M – \$55M
Assumptions / Variables	<p>Variables</p> <ul style="list-style-type: none"> • 2H16 volumes: sorghum receivals; direct to port receivals; port elevations • Global crush margins impact on edible oils margins • New season opportunities for Marketing in Q4 • Level of AUD vs USD, CAD and GBP FX • Barley and oilseed procurement 	<ul style="list-style-type: none"> • Depreciation & Amortisation: ~\$140M • Tax: ~30% • Significant items totalling ~\$12M including Oils and S&L optimisation.

Winter crop post harvest review & strategic initiatives



Production & Receivals

- Slightly below average levels of grain production in eastern Australia with mixed quality
- Winter receivals of 7.2mmt to end February 2016, representing upcountry market share of ~45% in line with prior year
- Reduced port elevation and rail bookings
- 173 silos operated during harvest

Strategic initiatives progressing well

- Project Regeneration - Calleen site was open for harvest and received 115,000 tonnes; another 11 sites at different stages as Storage & Logistics improves supply chain efficiency
- Oils footprint optimisation – Numurkah first production trials successful and two of three new process lines at West Footscray completed
- Liquid Terminals expansion in Brisbane adding capacity of 45,000m³ has been successfully commissioned on time
- Pocatello expansion is on track with pilings completed and welding of steep tanks and foundation pouring underway

Appendices



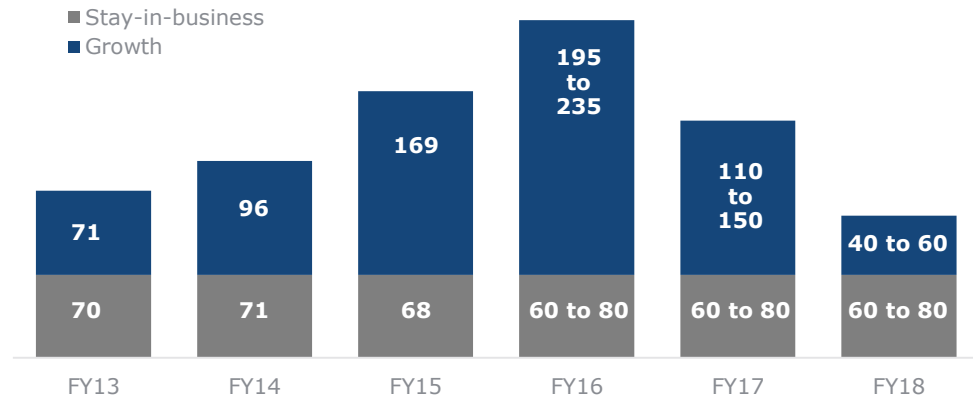
Strategic initiatives implementation and capex timing



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

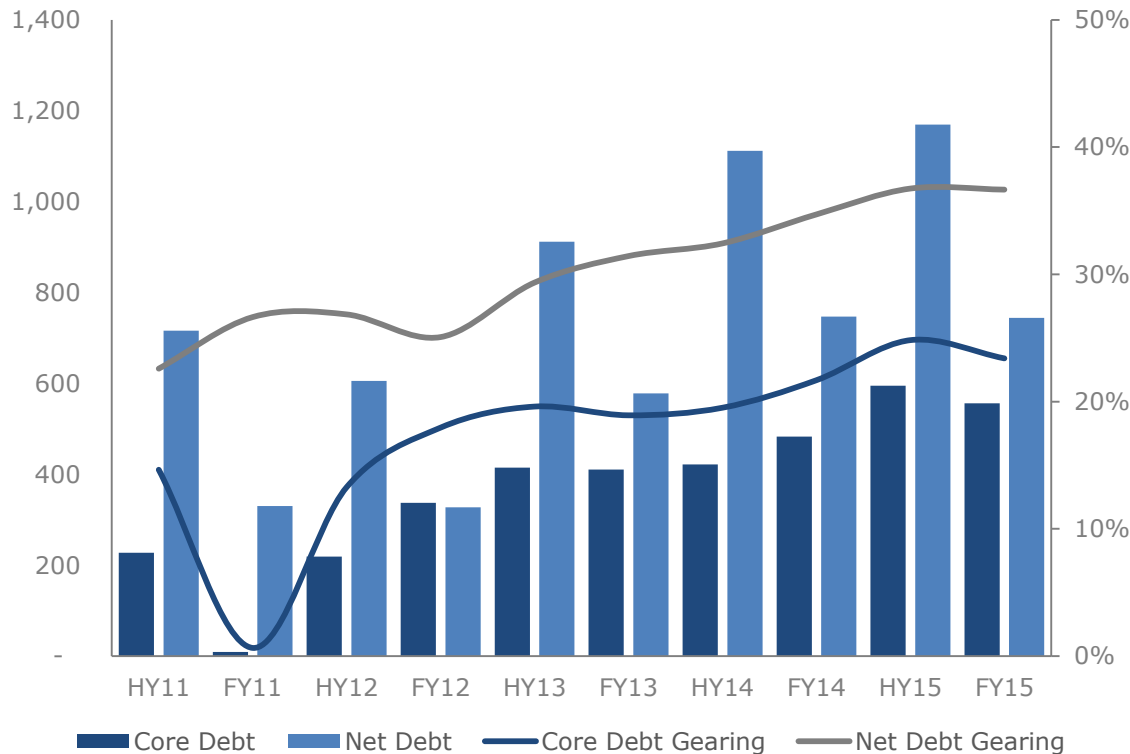


1. Includes S&L network revitalisation.

Core Debt & Net Debt



Core Debt⁽¹⁾ and Net Debt⁽²⁾



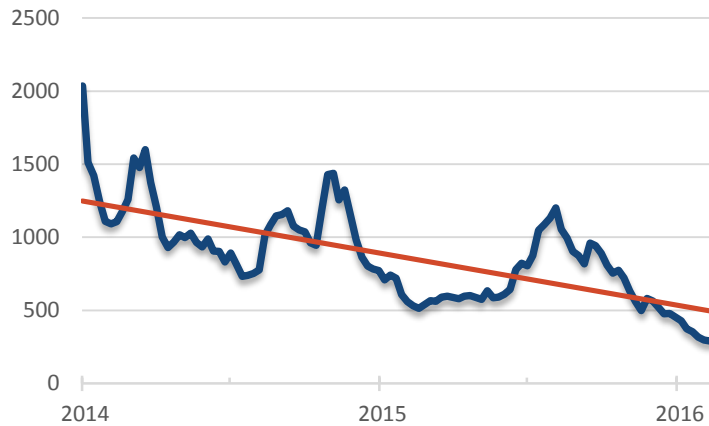
- FY15 core debt at \$556M and Net Debt \$744M
- Core debt gearing⁽³⁾ at ~23% and Net debt gearing⁽³⁾ at ~37% (rolling quarterly average)
- Net debt gearing expected to peak in 1H17 → remaining below target of 45%
- Increased debt capacity and extended maturity to average 5.3 years (4.5-7 years)⁽⁵⁾

1. Core Debt is total debt less cash less Commodities Inventory (Marketing, Oilseeds).
2. Net Debt is total debt less cash.
3. Core Debt Gearing = Core Debt / (Core Debt + Equity)
4. Net Debt Gearing = Net Debt / (Net Debt + Net Assets) as quarterly rolling average.
5. At the time of refinancing.

Macro-economic factors affecting global grains trading

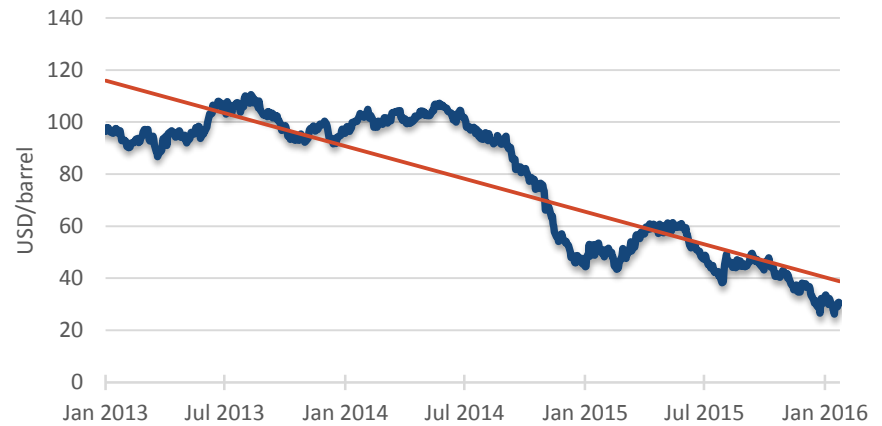


Baltic Dry Index



Source: Bloomberg

Crude Oil



Source: Bloomberg

Chicago Board of Trade - Wheat



Source: Bloomberg