



16 June 2016

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

GrainCorp Limited: GNC
Investor Day Presentation
GrainCorp Foods – West Footscray, Victoria

Please find attached the Investor Day Presentation being presented by Managing Director & CEO, Mr Mark Palmquist, and the Executive Team at GrainCorp Foods West Footscray, Victoria, commencing at 9:00am AEST.

The opening two presentations will be webcast and can be accessed from the following link: <http://goo.gl/IPfRKq>

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gregory Greer".

Gregory Greer
Company Secretary

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2016 Investor Day

Unlocking the value in grain

16 June 2016



GrainCorp



100
Years of Growth
— SINCE 1916 —

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.

While GrainCorp believes that the expectations reflected in the forward looking statements in this presentation are reasonable, neither GrainCorp nor its directors or any other person named in the presentation can assure you that such expectations will prove to be correct or that implied results will be achieved. These forward looking statements do not constitute any representation as to future performance and should not be relied upon as financial advice of any nature. Any forward looking statement contained in this document is qualified by this cautionary statement.

Safety on site

- Personal identification
- Designated walkways
- Site evacuation - assembly areas
- Hazard reporting
- Personal Protective Equipment (PPE)



Agenda



Time	Mins	Activity	Presenting
9.00am	5	Welcome & Safety	Luke Thrum (Investor Relations)
9.05am	35	Global View & Strategy	Mark Palmquist (MD & CEO)
9.40am	20	Capital Management	Alistair Bell (Group CFO)
10.00am	30	Malt – “Enhancing our Malt proposition”	Greg Friberg (President & CEO Malt)
10.30am	20	Morning tea	
10.50am	30	Oils: “Capturing additional Oils value”	Sam Tainsh (Group GM Oils)
11.20am	30	Storage & Logistics: “Strengthening and shaping our grain supply chain”	Neil Johns (Group GM S&L)
11.50am	30	Marketing: “Broadening our grain Marketing business”	Klaus Pamminger (Group GM Marketing)
12.20pm	15	Wrap-up	Mark Palmquist (MD & CEO)
12.35pm	30	Lunch	
1.05pm	30	Slippage buffer	
1.30pm - 2.30pm	60	Site tours	GrainCorp Foods – West Footscray
3.00pm		Depart	



GrainCorp

100 YEARS OF GROWTH

GrainCorp Global View and Strategy

Unlocking the value in grain

Mark Palmquist – Managing Director & Chief Executive Officer



Global View and Strategy

Macro trends

- Global themes
- Industry trends

GrainCorp approach

- Business model
- Corporate objectives

Strategic priorities

- Deliver on strategic growth initiatives
- Disciplined approach to capital management
- Growth and portfolio optimisation

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

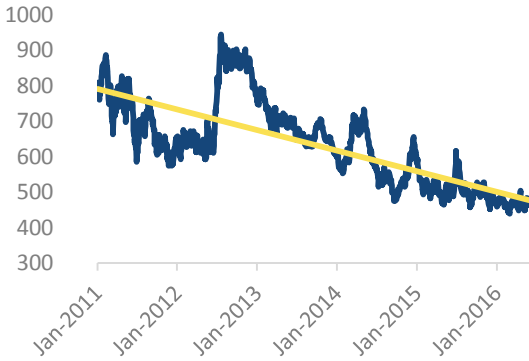
Diversification and consolidation

Customer relevance

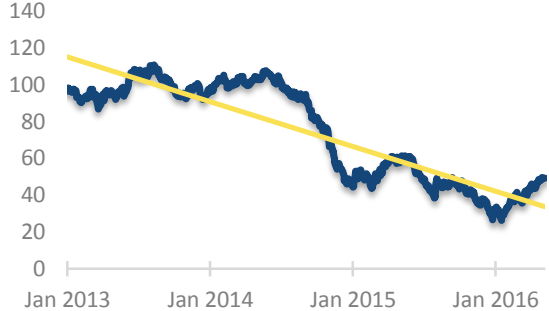
Disinflationary pricing environment



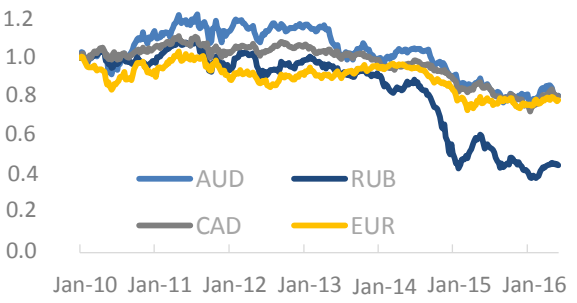
CHICAGO BOARD OF TRADE - WHEAT



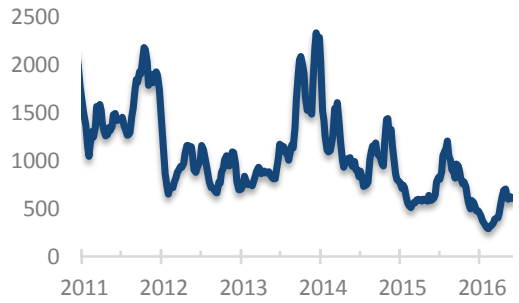
CRUDE OIL (USD/BARREL)



INDEXED EXCHANGE RATES (V USD)



BALTIC DRY INDEX



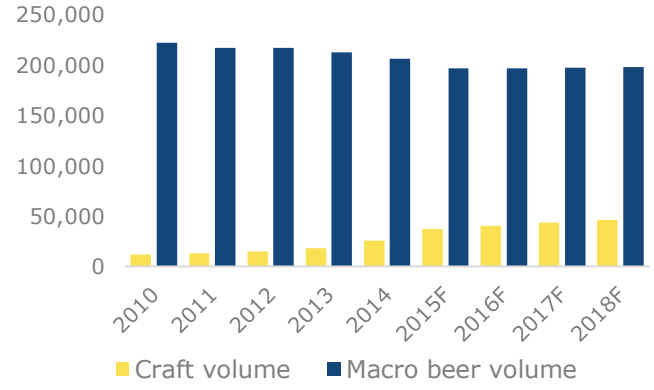
Source: Bloomberg.

Changing consumer demands

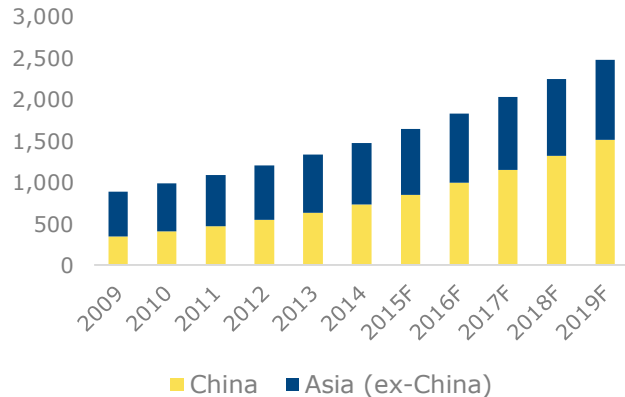


- Focus on **transparency** of supply chain
- Increasing demand for **quality, customised and 'premium'** food products
- **Fragmentation of mass markets** (e.g. Craft beer sector, infant formula)
- Growing interest in **health and wellbeing**

US MACRO VS CRAFT BEER CONSUMPTION ('000 HL)¹

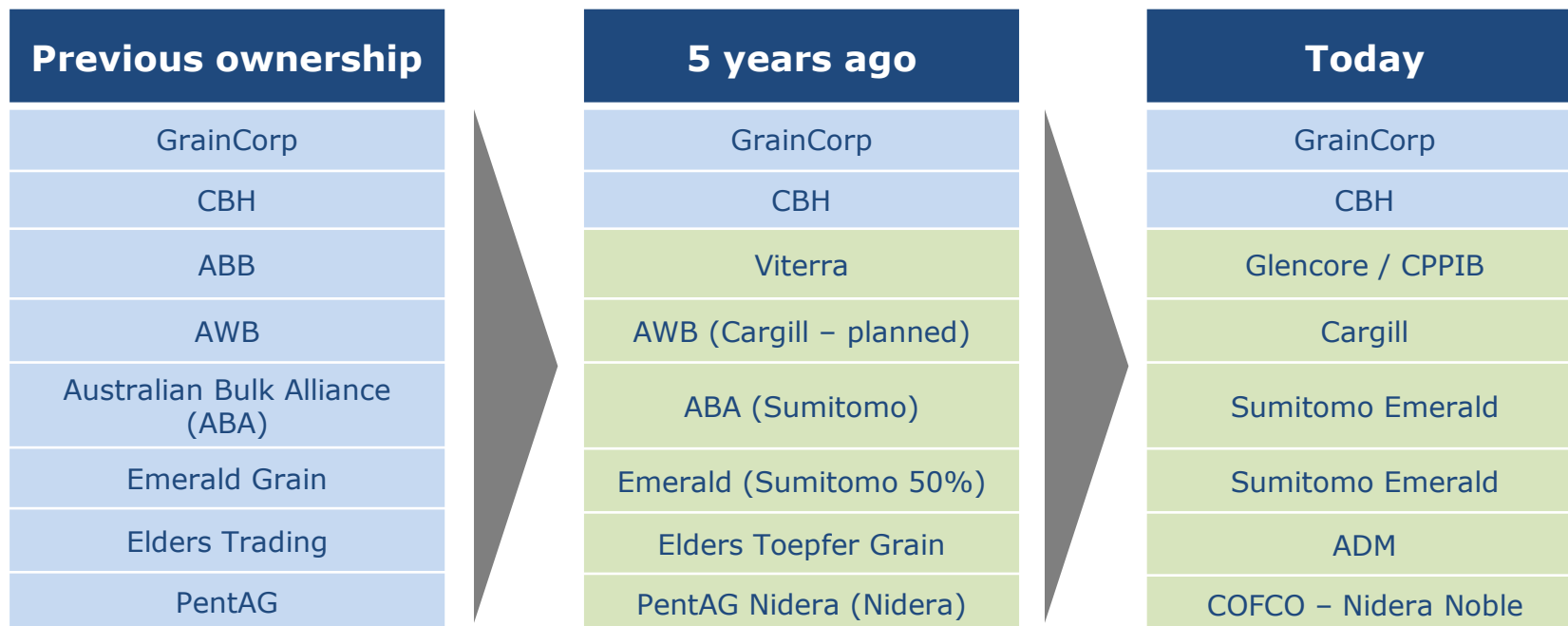


INFANT FORMULA CONSUMPTION (KMT) - ASIA²



1. Source: Canadean and Brewers Association.
 2. Source: Euromonitor.

Australian agribusiness – growth in international participation



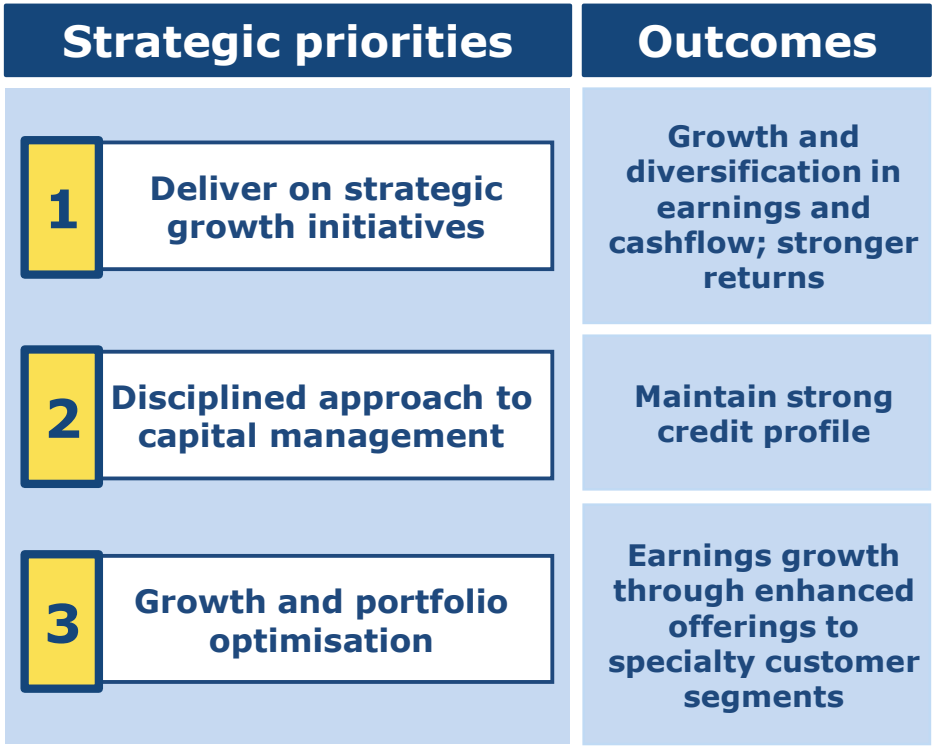
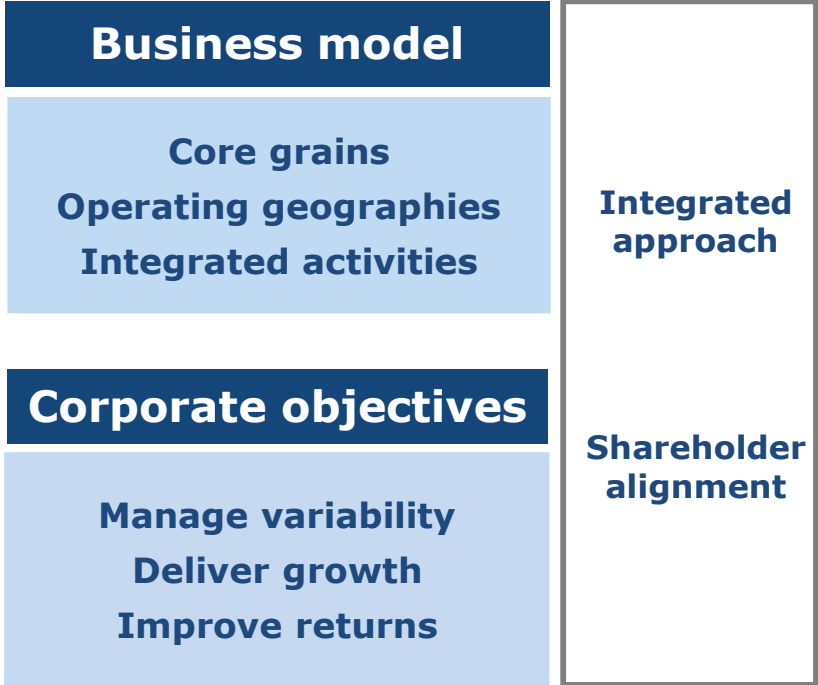
- Majority Australian ownership
- International ownership

Changing environment - East Coast Australian grain flows



Factor	Trend	Impact
Domestic demand	<ul style="list-style-type: none"> Moderate growth, reflecting increased demand for livestock use. 	Structural
On-farm storage	<ul style="list-style-type: none"> Continues to increase, as growers seek flexibility in a deregulated market. 	Structural & Cyclical
Port capacity	<ul style="list-style-type: none"> Has increased with new capacity available for bulk exports 	Structural
Bulk exports vs containers	<ul style="list-style-type: none"> Container volumes steady, becoming a baseload 	Structural
Road vs Rail transport	<ul style="list-style-type: none"> Government under-investment in rail vs road and lower oil price have driven transport shift to road 	Structural & Cyclical

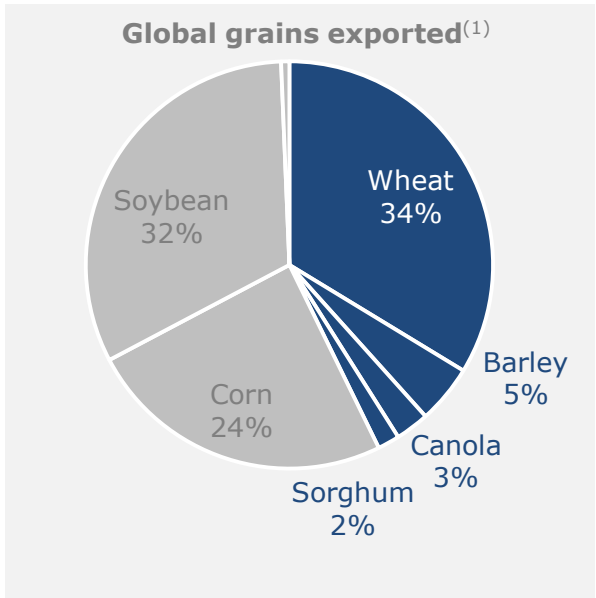
Our strategy – aligned to drive shareholder value



Our business model → integrated approach

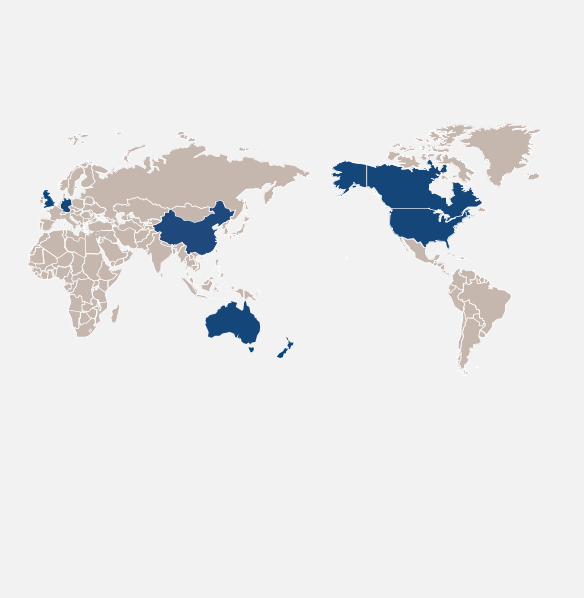


Core grains



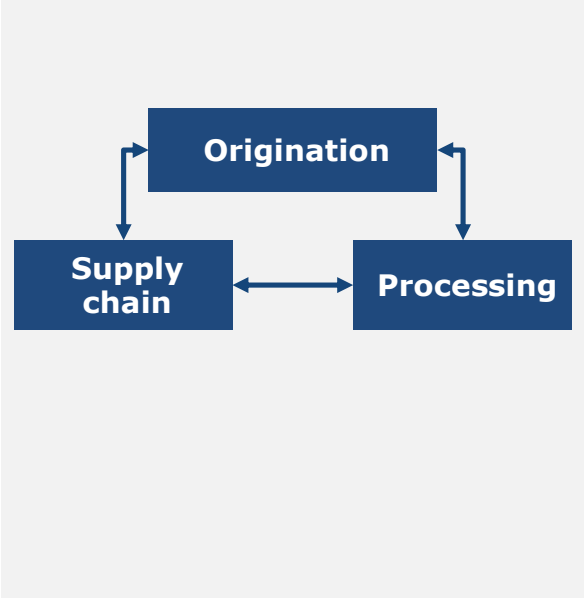
Expertise in drier climate grains

Operating geographies



Insight and visibility across core grains

Integrated activities



Capture value along the grain chain

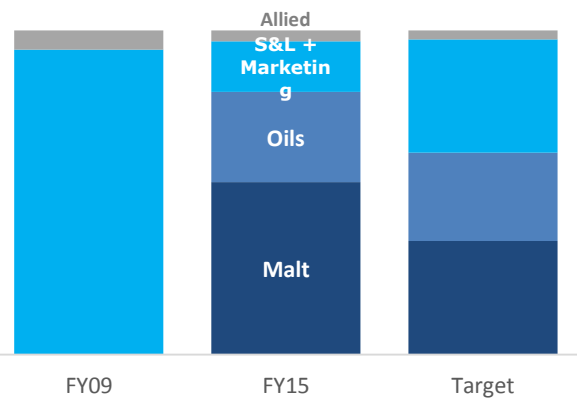
1. Excludes rice.

Our corporate objectives → aligned with shareholder interests



Manage variability

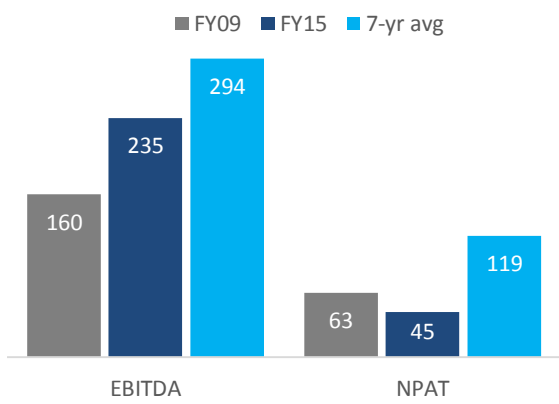
EARNINGS BY SEGMENT⁽¹⁾ \$M



Growth in Oils and Malt creating a balanced portfolio

Deliver growth

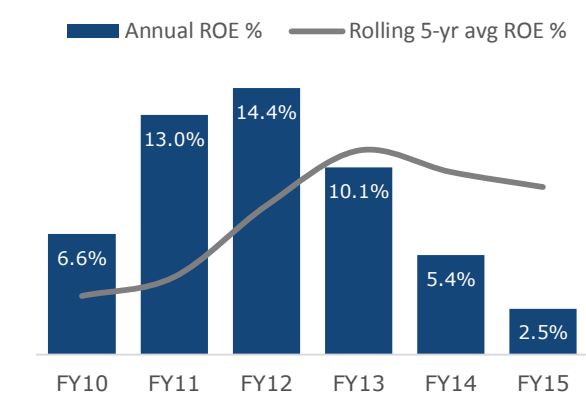
EBITDA & NPAT⁽²⁾ \$M



Growth in earnings over longer term highlights importance of diversification

Improve returns

RETURN ON EQUITY %



Some improvement through the cycle but greater reliability required

Strategic initiatives underway to optimise and grow the business

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.

1

Deliver on strategic growth initiatives



Focus on successful execution of growth projects



Oils

Oils

S&L

Malt

Marketing

Edible Oils network optimisation –
Footscray and Numurkah, Victoria

Bulk liquid
storage capacity
expansion -
Brisbane

Re-shaping of
country network
– 11 sites

Malt capacity
expansion –
Pocatello, Idaho

50-50 JV in
Canada
Growth in
WA/SA
origination

Q4 FY16 (West Footscray)
Q3 FY16 (Numurkah)

Q2 FY16

Phase 1:
FY2016-2017

Mid CY2017

FY16-FY17

TIMING

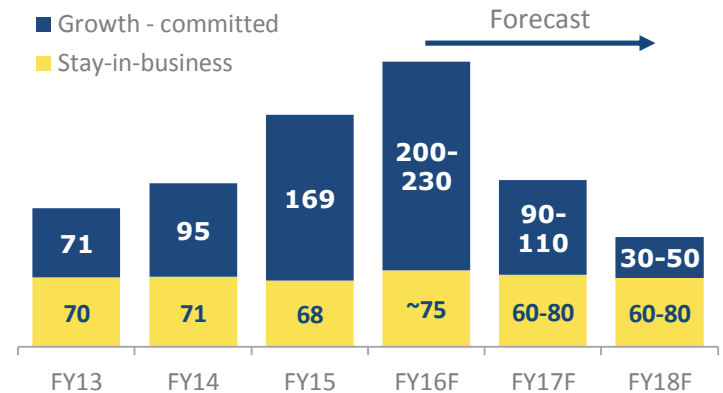
Improved ROE through the cycle
Diversification of earnings and cash flow

2 Disciplined approach to capital management



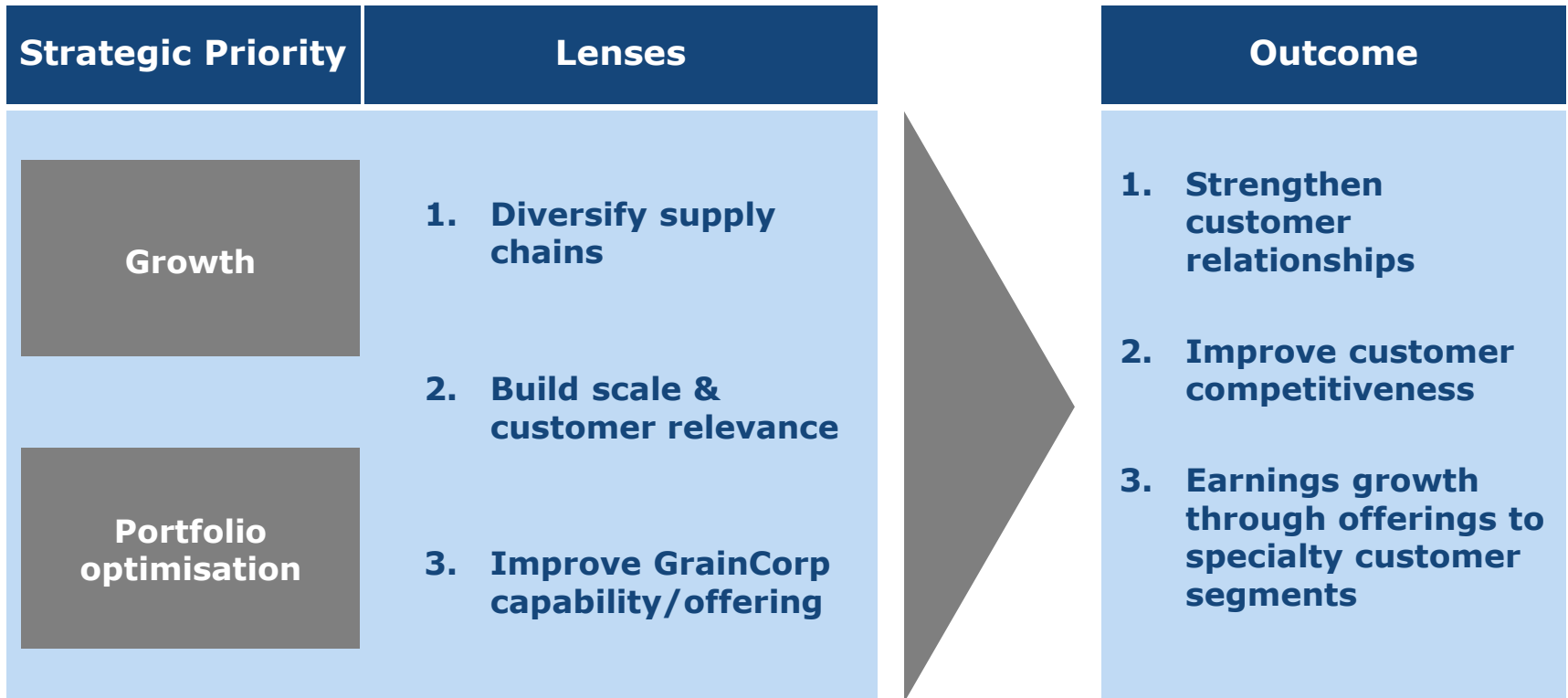
- Majority of investment underway in processing businesses – more stable earnings, less dependent on grain production in Eastern Australia
- Maintaining a disciplined approach to capital management as growth projects are completed – retaining flexibility with timing of future investments
- Net debt gearing⁽¹⁾ expected to peak in 1H17, as previously advised, with majority of initiatives delivered in FY16 and coinciding with traditional seasonal peak
- Focus is to reduce net gearing and create additional balance sheet flexibility
- Net debt gearing⁽¹⁾ targeted <45% and core debt gearing⁽²⁾ <30%.

CAPEX (\$M)



Convert capital expenditure to free cash flows

1. Quarterly rolling average.
 2. Core debt / (core debt + equity)



Maintain disciplined approach to allocation of new investment capital

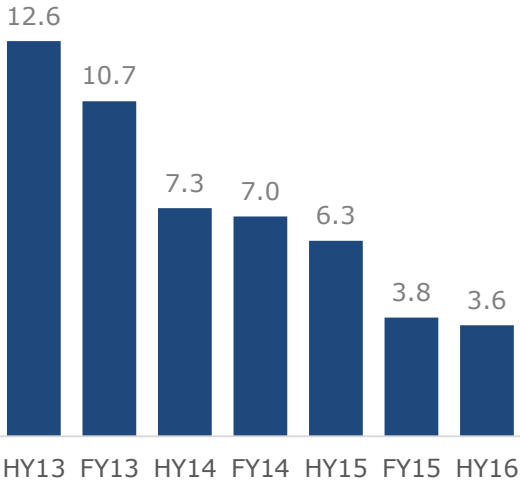
Hurdle rate: >12% IRR⁽¹⁾

Empowering employees to achieve safety vision



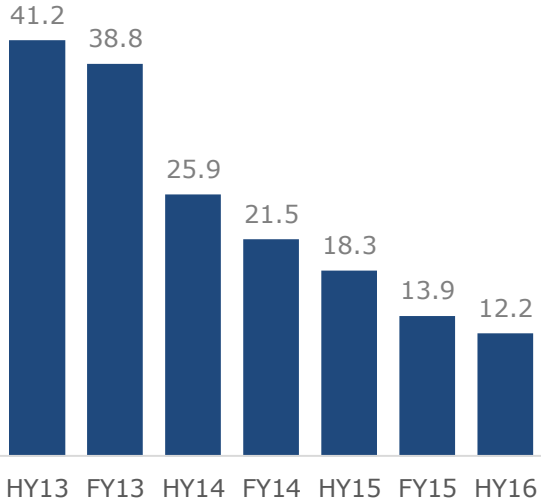
Safety vision: 'Zero Harm - Safe for Life'

LTIFR⁽¹⁾ PERFORMANCE



Rolling 12-month average LTIFR 43% lower than HY15

AIFR⁽²⁾ PERFORMANCE



Rolling 12-month average AIFR 34% lower than HY15

1. Lost Time Injury Frequency Rate ('LTIFR') calculated as the number of lost time injuries per million hours worked, on a rolling 12-month average. Includes permanent and casual employees and GrainCorp controlled contractors.
 2. All Injury Frequency Rate ('AIFR') calculated as the number of injuries per million hours worked, on a rolling 12-month average. Includes permanent and casual employees and GrainCorp controlled contractors. Includes lost time injuries, medical and restricted work injuries.

Strong executive leadership team, senior leaders and emerging talent



Executive Leadership Team

Mark Palmquist (MD & CEO)			
Greg Friberg (President & CEO Malt)	Neil Johns (Group GM S&L)	Klaus Pamminger (Group GM Marketing)	Sam Tainsh (Group GM Oils)
Andrew Baker (Group CIO)	Alistair Bell (Group CFO)	Phil Caris (Group GM – HR)	Marcus Kennedy (CDO)

GrainCorp Leadership Group

Emerging Leaders Program



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Capital Management

Disciplined approach to capital management

Alistair Bell – Group Chief Financial Officer

Capital Management

Earnings growth and diversification

Capital investment

- Strategic growth initiatives and profile

Debt profile

- Debt profile matching growth initiatives

Disciplined approach to capital management



- Majority of investment in processing businesses – more stable earnings, less dependent on grain production in Eastern Australia
- Focus is on completing the projects to generate cash flows and to reduce net gearing
- Net debt gearing ratio ⁽¹⁾ expected to peak in 1H17
- Net debt gearing targeted at <45% to remain strong credit within banking community
- Balance sheet currently designed for organic growth and improving ROE – ability to weather seasonal and market variability whilst preserving flexibility benefit of Common Terms Deed.

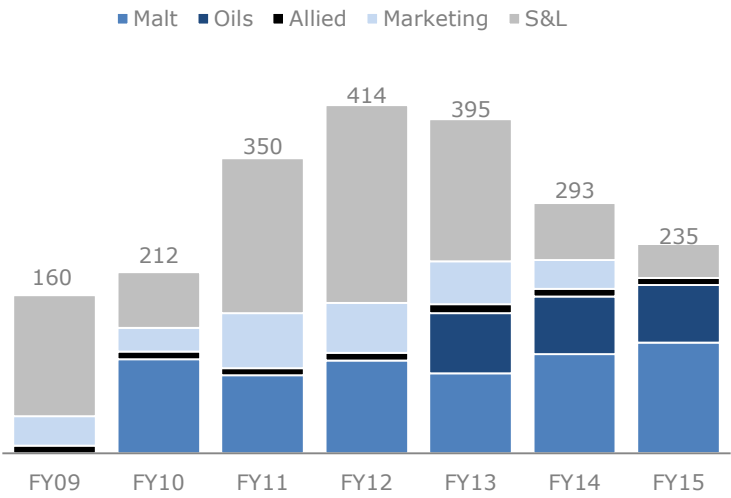


1. Quarterly rolling average
 2. NPAT before significant items

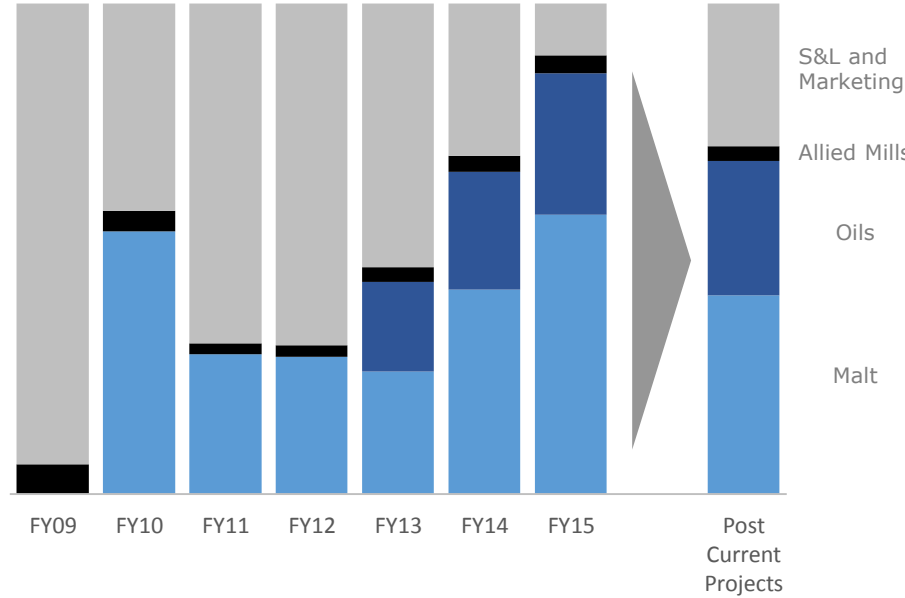
Earnings profile benefiting from diversification



EARNINGS PROFILE⁽¹⁾ \$M



EARNINGS COMPOSITION⁽²⁾



Objective: Improve ROE through the cycle

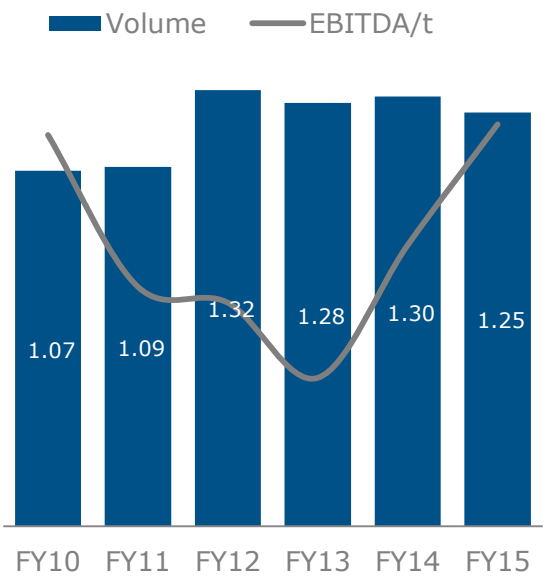
1. EBITDA before significant items. Reflects inclusion of Malt from FY10 and Oils from FY13. Allied - 60% share of NPAT.
 2. EBITDA excludes corporate costs. Allied 60% share NPAT and Marketing PBTDA.

Business unit performance



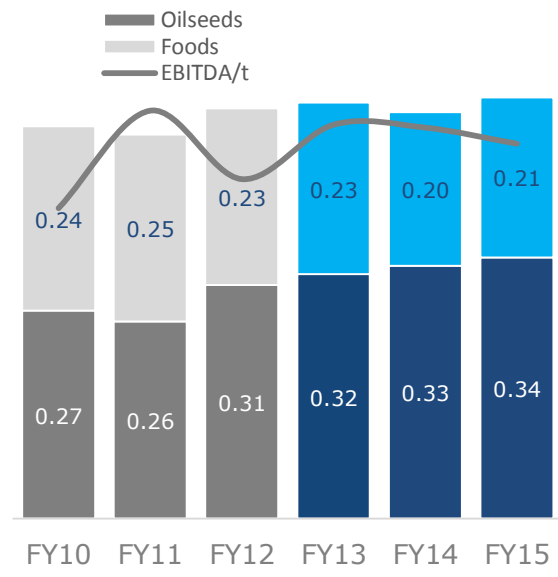
Malt

MALT SALES & EBITDA/T⁽¹⁾



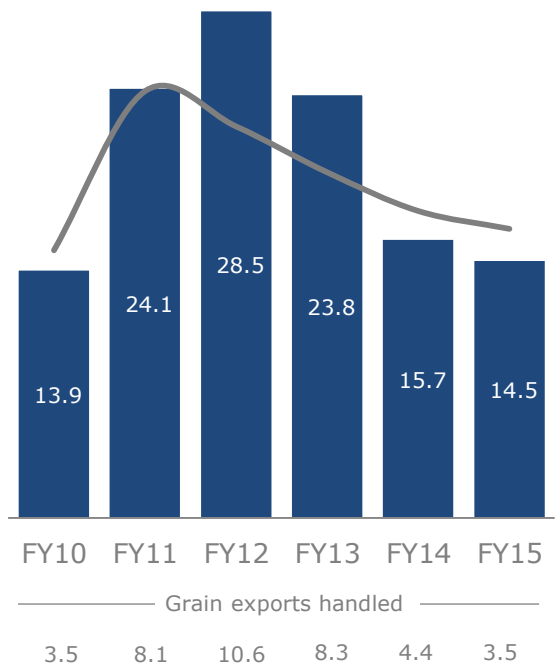
Oils

OILS SALES⁽²⁾ & EBITDA/T



S&L

S&L THROUGHPUT & EBITDA/T⁽³⁾

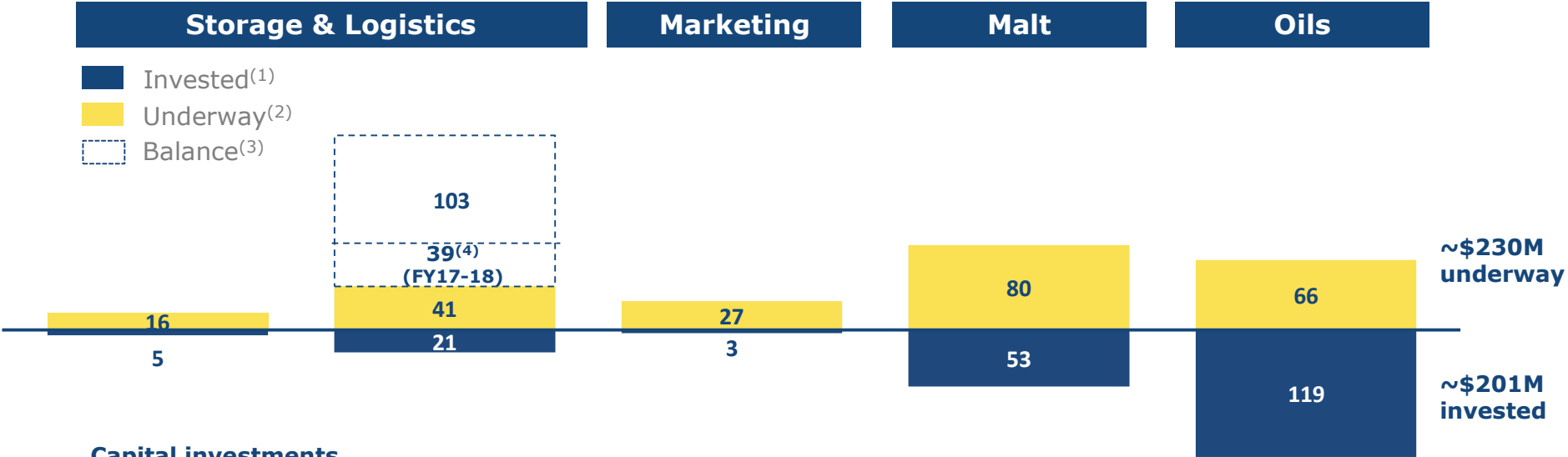


1. Excluding Port of Vancouver compensation receipts.

2. Sales volumes for GrainCorp Oilseeds (crushed oil and meal) and GrainCorp Foods (refined oil products). FY10 to FY12 includes GrainCorp Oilseeds' sales volumes for each 12 months ended 31 March and GrainCorp Foods' sales volumes for each 12 months ended 30 June.

3. S&L EBITDA / throughput tonne.

Capital investment for growth in more reliable earnings



Capital investments

S&L

- Customer service
- Container packer

S&L

- Network revitalisation → rail loading infrastructure and capacity expansions
- Tranche 1 (11 sites) underway
- Tranche 2 being evaluated

Marketing

- GrainsConnect: 50-50 Canadian Joint Venture with Zen-Noh

Malt

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

Oils

- Oils refinery relocation to Victoria in 2H16
- Terminals (Fremantle, Port Kembla complete; Brisbane completed 1H16)
- Numurkah expansion – oil & meal (FY17-18)

Hurdle rate of >12% IRR⁽⁵⁾

1. Growth capex invested on current committed projects.
 2. Growth capex projects announced and underway.
 3. Growth capex announced but projects not yet underway.
 4. Evaluation of Tranche 2
 5. Ungeared, after tax.

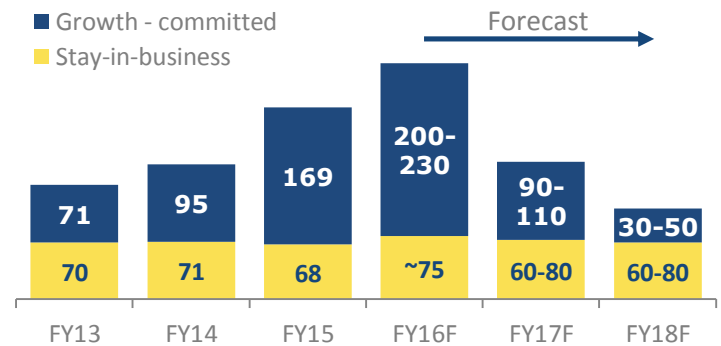
Strategic initiatives implementation and associated capex



Business Unit	Project	FY14	FY15	FY16	FY17	FY18
Oils	Integration	Underway	Operational	Operational	Operational	Operational
	Oils refining/packing relocation	Planning	Underway	Operational	Operational	Operational
	Bulk Liquid Terminals expansion	Planning	Underway	Operational	Operational	Operational
	Port Kembla Terminal development	Planning	Underway	Operational	Operational	Operational
	Numurkah crush expansion		Planning	Underway	Operational	Operational
Malt	Operations excellence	Underway	Underway	Operational	Operational	Operational
	Pocatello malt plant expansion		Planning	Underway	Operational	Operational
S&L	Network revitalisation	Planning	Operational	Operational	Operational	Operational
Marketing	GrainsConnect JV - Canada		Planning	Underway	Operational	Operational



CAPEX (\$M)



Balance sheet & dividends



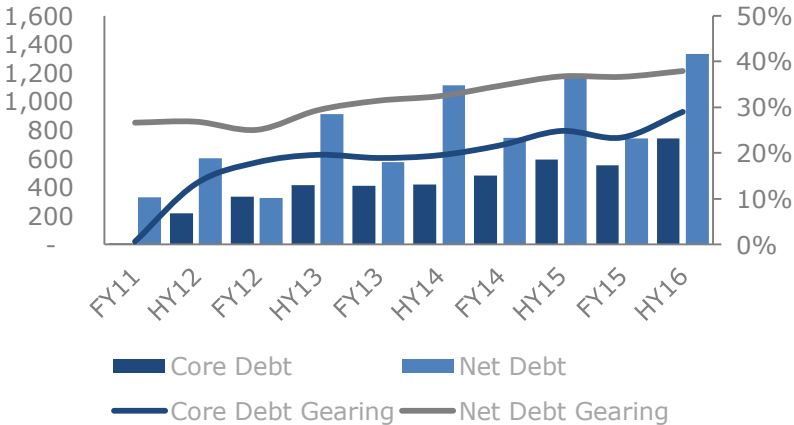
Core Debt & Net Debt

- HY16 core debt at \$741M and Net Debt \$1,335M
- Core debt gearing⁽¹⁾ at ~29% (or 25% excluding barley inventories) and Net debt gearing⁽²⁾ at ~38% (rolling quarterly average)
- Net debt gearing⁽²⁾ expected to peak in 1H17 → remaining below target of 45%
- Average tenure of term debt is 4.5 years (range 3.5 to 6.0 and with next renewal in November 2019)

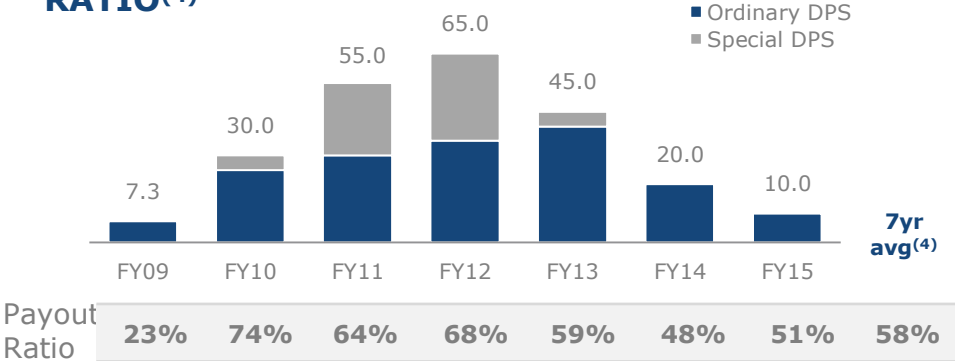
Dividends

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

CORE DEBT⁽¹⁾ AND NET DEBT⁽²⁾



TOTAL DIVIDENDS (DPS⁽³⁾) AND PAYOUT RATIO⁽⁴⁾



1. Core Debt Gearing = Core Debt / (Core Debt + Equity)
 2. 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. Seven year weighted payout ratio before significant items.

Good balance in debt, liquidity, maturity and structure



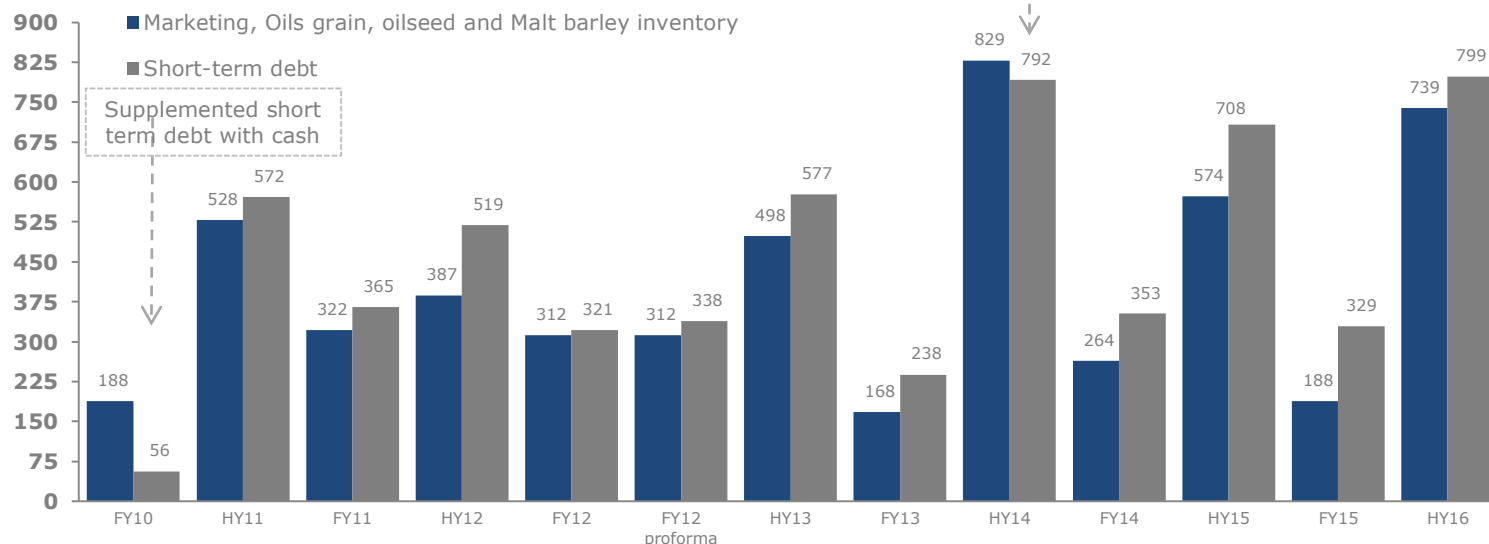
	Use and Position	Strategy Implications
Short term debt	<ul style="list-style-type: none"> • Use: Marketing's grain trading activities, Malt and Oilseeds activities, working capital requirements • Position: \$1,366M limit and \$799M drawn⁽¹⁾ 	<ul style="list-style-type: none"> • Marketing: flexible facilities to fund international grain trading activities and manage customer exposure • Oilseeds: specific inventory facilities for seasonal fluctuations • Malt: barley inventory facilities now established - \$145M included in Core Debt
Term debt	<ul style="list-style-type: none"> • Use: Corporate planning (growth & investments) • Position: \$850M limit and \$776M drawn⁽¹⁾, net debt gearing of 38% • Average tenure of term debt 4.5 years (range 3.5 – 6.0) and with next renewal in November 2019 • Term debt bank covenants: Interest Cover Ratio, Gearing Ratio, Net Tangible Assets test • Unsecured multi-currency bilateral structure 	<ul style="list-style-type: none"> • Targeting net debt gearing <45% (rolling quarterly average) – maintains headroom and expect peak in 1H17 (similar to current levels)⁽²⁾ • Core debt represents long term planning and targeting <30% – post build phase • Financial capacity to accommodate organic initiatives • Maintain a good credit profile
Cash	<ul style="list-style-type: none"> • Use: dividends and growth • Position: \$248M cash⁽¹⁾ 	<ul style="list-style-type: none"> • Targeting to pay a dividend each year ⁽³⁾ – flexibility via special dividends • Reliable dividend payer • Support strategic initiatives

1. As at 31 March 2016.
 2. Subject to grain prices and volumes over the relevant period.
 3. Dividend policy – Pay 40-60% of Net Profit After Tax through the business cycle.

Commodities inventory funded with specific commodity inventory facilities



COMMODITIES INVENTORY⁽¹⁾ - \$M



Marketing, Oilseed and Malt barley funding strategy

- Marketing's grain trading activities, Oils' oilseed and tallow positions and malting barley are predominantly funded with specific short term commodity inventory debt facilities:
 - Match debt with asset life
 - Fluctuates with seasonal grain purchases and underlying soft commodity prices

Treatment

- Marketing's performance measured as PBTDA → interest treated as part of cost of goods sold
- Commodity inventory funding recognised as Operating Cash Flow → match funding purpose and seasonal working capital

1. Commodities inventory in FY10 – FY15 includes Marketing, Oils grain and oilseed inventory. Malt Barley facilities were established in 1H16 and are included HY16 inventory.



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GrainCorp Malt

Enhancing our Malt proposition

Greg Friberg – President & CEO GrainCorp Malt

Malt

Industry trends

Assets and capabilities

Value proposition

Strategic direction

1. Capacity expansion
2. Segment growth opportunities
3. Productivity improvements

Malt industry trends



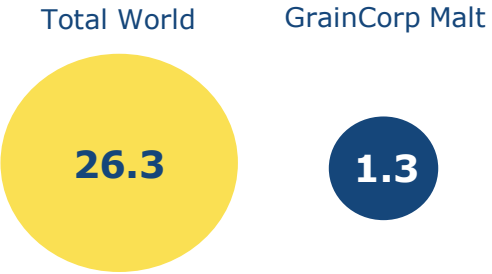
Global malt production



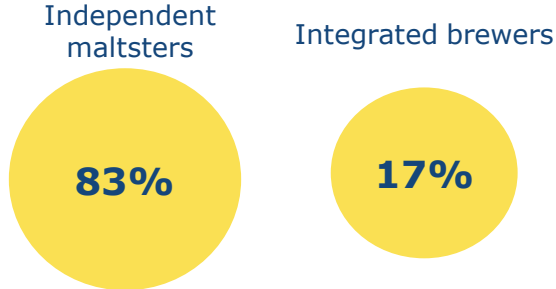
GLOBAL MALT PRODUCTION (MMT)



MALT PRODUCTION (MMT PER ANNUM)



MALTSTER VOLUMES (%)

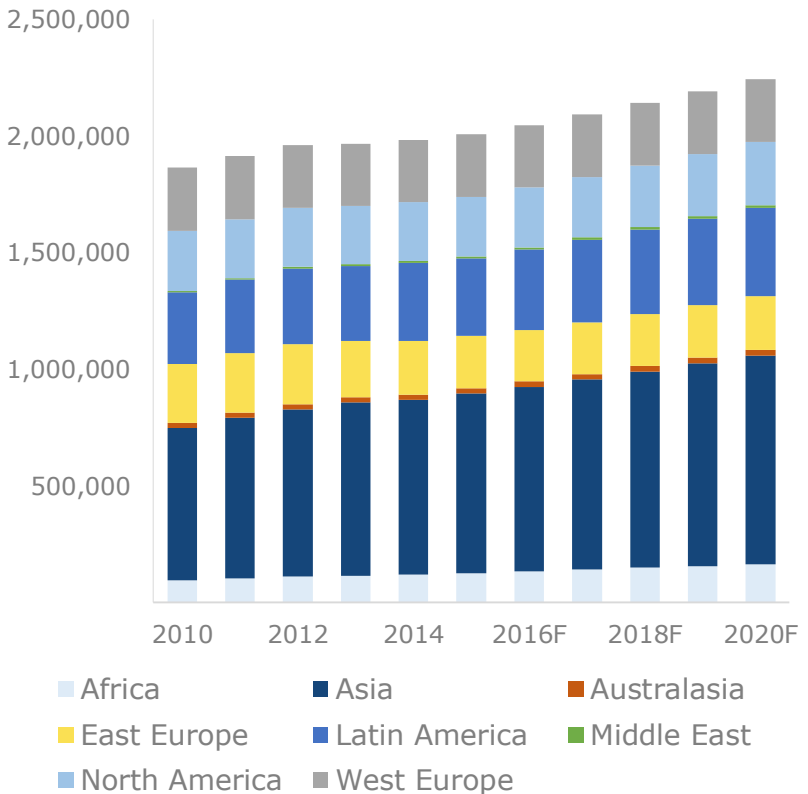


Source: GrainCorp analysis; Huvet Consulting; Gauger Report.

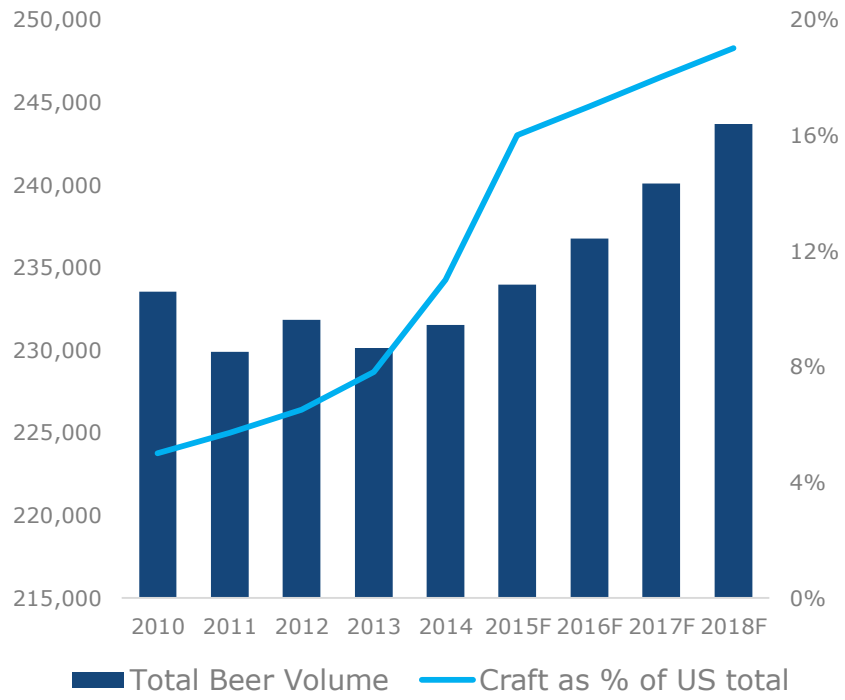
Beer consumption



TOTAL BEER CONSUMPTION BY REGION ('000 HL)



US BEER CONSUMPTION ('000 HL)



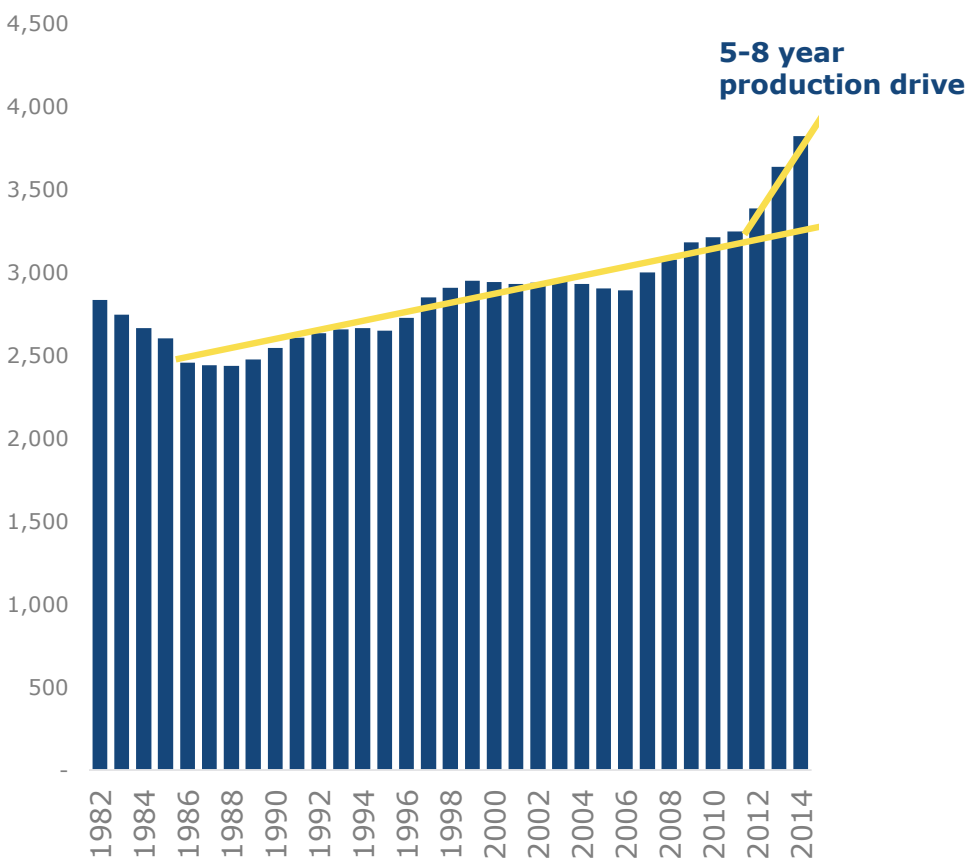
Source: Canadean and Brewers Association

Scotch whisky production



STOCKS OF SCOTCH IN BONDED WAREHOUSES

mLPA Litres of Pure Alcohol



- 'Premiumisation' by increasing the marketing age of whisky from 7-10 years to 12-18 years
- Approx. 8 years longer in warehouse - requiring extensive warehouse expansions

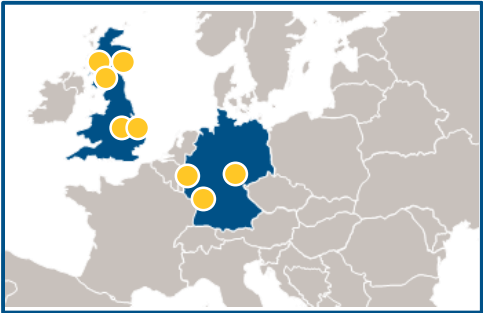
Malt assets and capabilities



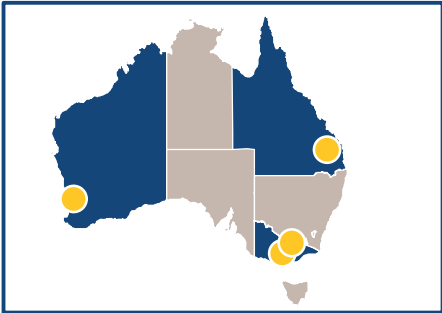
NORTH AMERICA



EUROPE



AUSTRALIA



Region	North America	Europe	Australia	Total
Plants	Canada: Montreal, Thunder Bay, Calgary USA: Pocatello, Vancouver	UK: Witham, Grnatham, 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%	4 th largest independent maltster globally

1. Including Pocatello expansion

Malt – value proposition



Capability	<ul style="list-style-type: none"> • Access, pricing and position management. • Global footprint. • Elevation, storage and drying services. 	<ul style="list-style-type: none"> • Production of a range of specialty malts. • Continued development of supply chain costs 	<ul style="list-style-type: none"> • Bagging, warehouse and distribution network. • Third party product offering. 	<ul style="list-style-type: none"> • Support services to craft market. • Brewing supplies. • Technical expertise.
Customers	Global brewers, regional brewers, microbrewers, distillers.			
Earnings drivers	Supply chain expertise, malt processing techniques, energy efficiency, warehousing and distribution processes.			
Customer value	<ul style="list-style-type: none"> • Barley quality. • Competitive pricing. • Consistent, secure supply. • Product Innovation. 	<ul style="list-style-type: none"> • Malt quality, consistency. • Broad range of specialty malts. 	<ul style="list-style-type: none"> • Speed of delivery. • Quality and consistency. 	<ul style="list-style-type: none"> • 'One-stop-shop' – full service.

Malt – strategic direction



Malt Approach

Pursue growth

Enhance competitiveness

Malt Strategic Initiatives

1 Capacity expansion → building North American capacity to meet customer demand

2 Segment growth opportunities → North American craft; distilling; other emerging growth opportunities

3 Productivity improvements → generating efficiencies to improve competitiveness

Capacity expansion - Pocatello



Opportunity

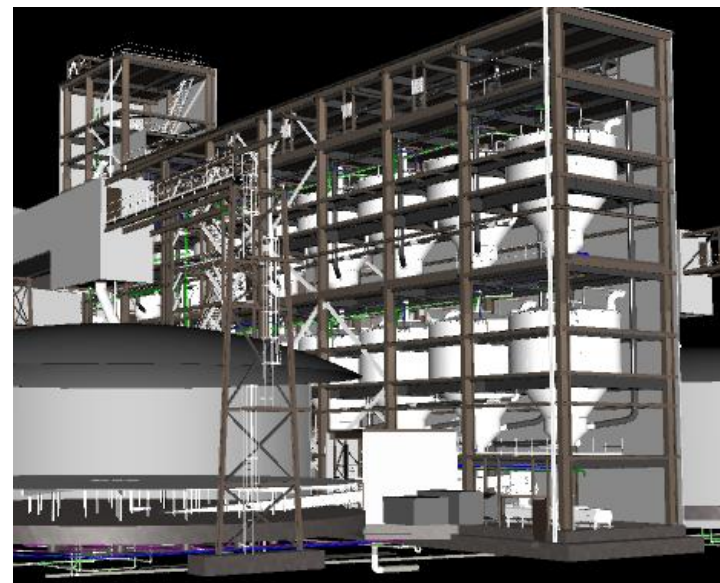
- Increasing production capacity at GrainCorp's malting plant in Pocatello, Idaho by 120kmt (total plant capacity 220kmt after expansion)
- Scheduled for completion in mid 2017

Rationale

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

Customer support

- Expansion backed by existing customers, with considerable offtake already signed.
- Increasing craft interest



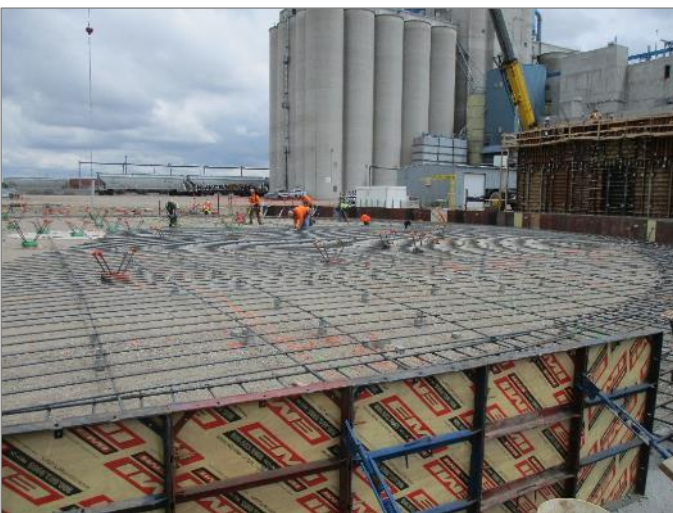
3D IMAGE OF GERMINATION BED AND STEEP TANKS



Capacity expansion - Pocatello



GERMINATION BED ROOF BEING ASSEMBLED

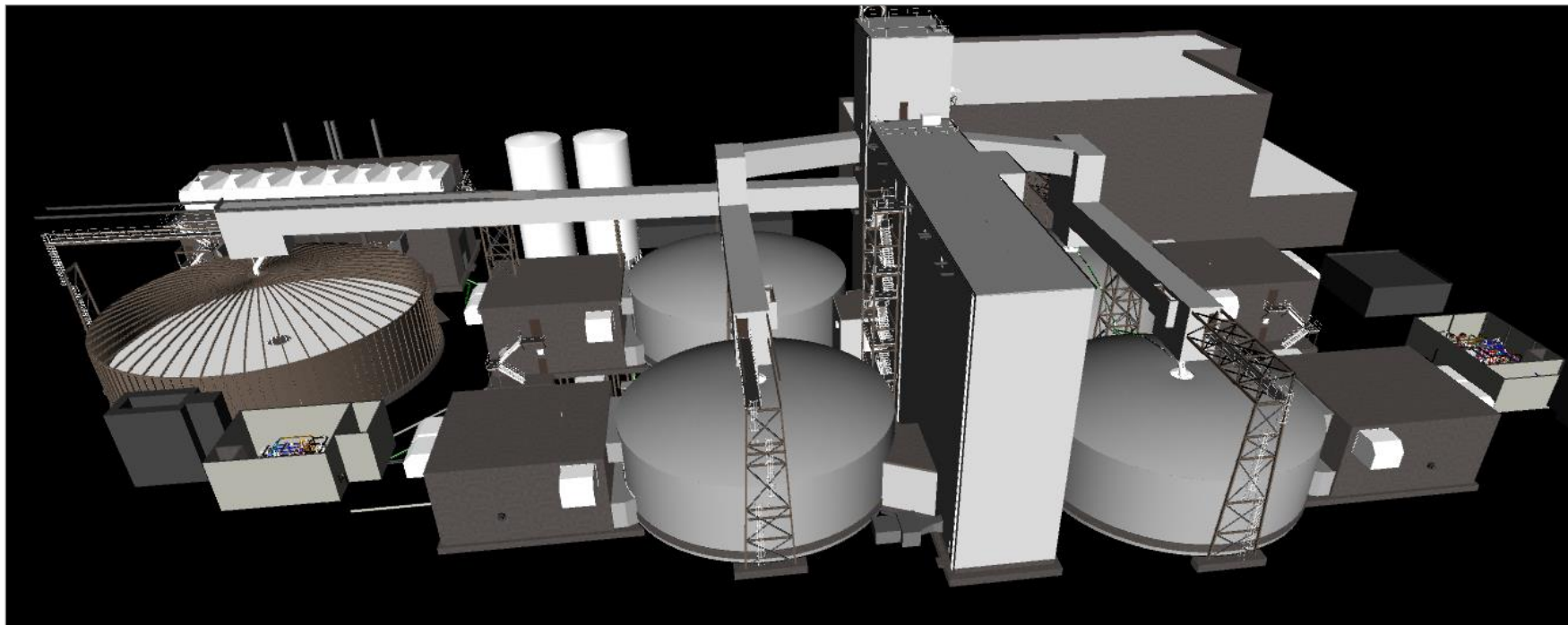


POURING OF KILN FOUNDATION



STEEP TANKS IN PLACE

Capacity expansion - Pocatello



**3D IMAGE OF MALTING PLANT ONCE
COMPLETE**

Craft growth in North America



Existing warehouses:



- Vancouver, WA
- San Francisco, CA
- Calgary, AB
- Denver, CO
- Chicago, IL
- Hickory, NC
- Champlain, NY

Warehouses in progress:



- Vancouver, BC
- San Diego, CA
- Dallas, TX
- Toronto, ON

- Warehouses around North America to better serve customers
- Emerging Craft growth opportunities in South America, UK, Europe and Asia

Country Malt Group warehouse progress



CHAMPLAIN, NEW YORK



TORONTO, ONTARIO

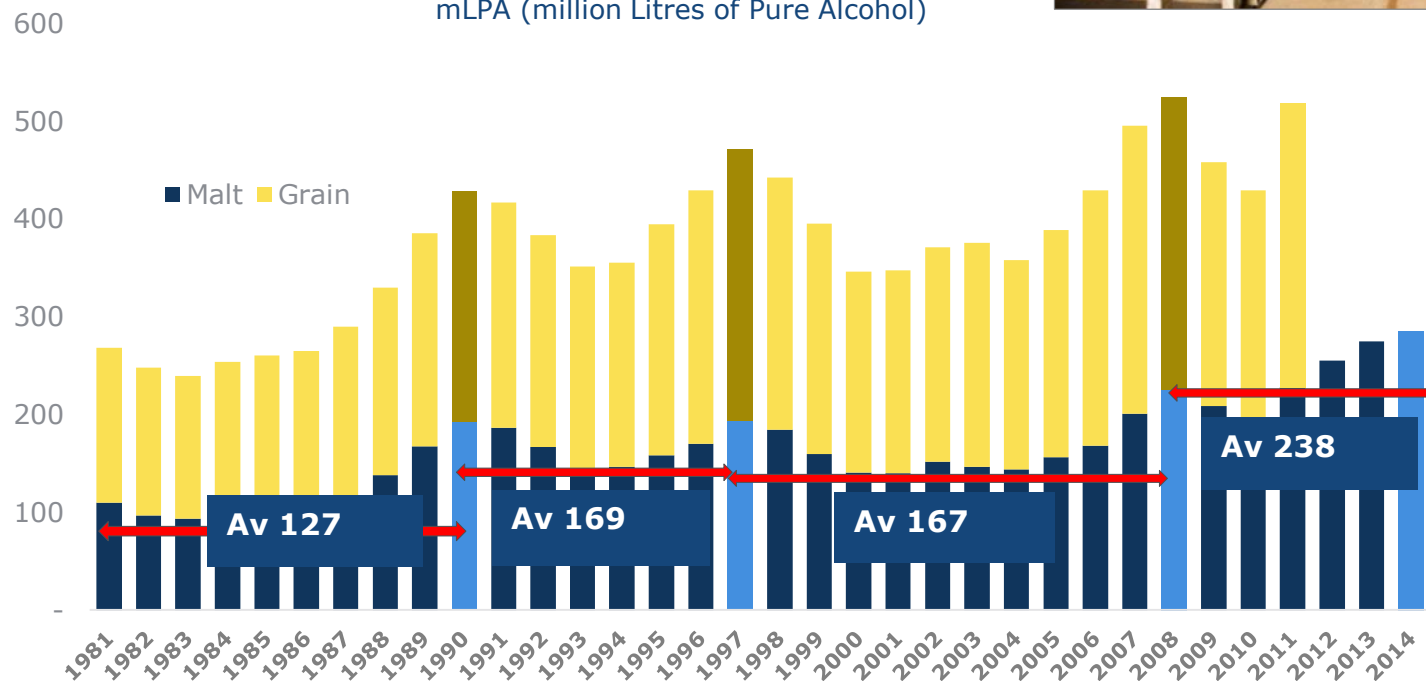


Distilling sector

- General trend of increasing Scotch production
- There is a cyclic nature to the production of scotch. Cycles are between 7 and 11 years. The previous cycle peak was in 2008
- 2014 at an all time production high as distillers put more in to storage and 'premiumise' brands (add value with longer ageing).



PRODUCTION OF SCOTCH WHISKEY
mLPA (million Litres of Pure Alcohol)



Productivity improvements



Over 84 initiatives completed since 2013 to drive efficiencies and improve Malt's competitive offering

Co-generation plant, Thunder Bay, Ontario, Canada

- In 2016, Canada Malting Co. installed a combined heat and power plant at its malt plant in Thunder Bay, reducing energy costs by moving from electricity to natural gas for on-site power generation.
- The plant was supported by the Ontario government and will drive considerable cost savings while also reducing the facility's environmental impact.



Product innovation

- In 2016, Great Western Malting, Vancouver, WA USA, added new capabilities for the production of new specialty malt products.
- In 2016, GWM also opened its Malt Innovation Center. This includes micro-malting, brewery, and distilling capabilities.
- Furthering malt product offering.



Kiln system, Geelong, Australia

- In 2015, high efficiency kiln burner system.





GrainCorp

100

Years of Growth

100

— SINCE 1916 —



GrainCorp

100 YEARS OF GROWTH

GrainCorp Oils

Capturing additional Oils value

Sam Tainsh – Group General Manager, GrainCorp Oils

Oils

Industry trends

Value proposition

Strategic initiatives

1. Network optimisation
2. Terminals capacity expansion
3. Crush expansion
4. Innovation

Industry trends

Demand growth

Increasing demand for oils from growing Asian middle class and feed from Australian livestock sectors

Focus on health, natural products

Increasing demand for healthier oils and ingredients

Canola oil consumption

Increasing consumption in Asia

Supply chain integrity

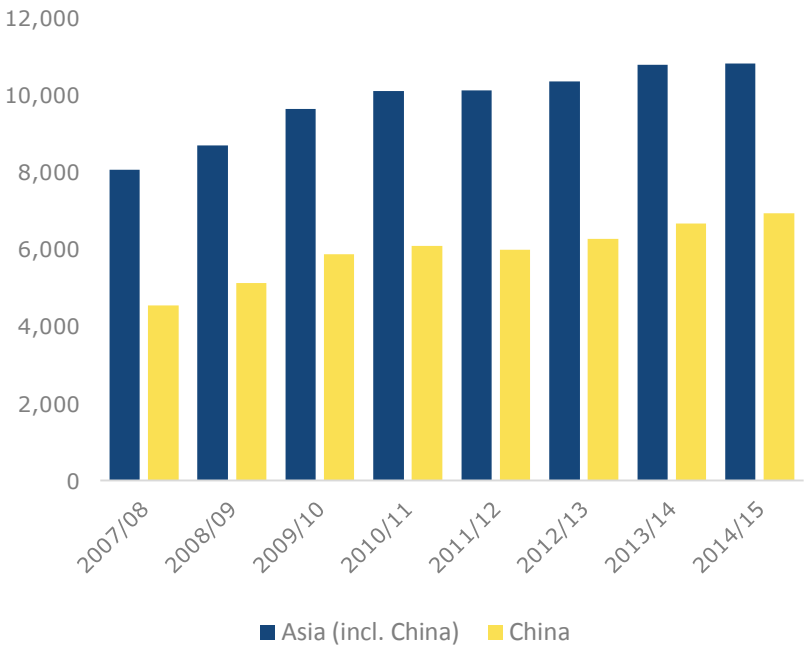
Increased focus on traceability and transparency of supply chain

Industry trends – growing consumption of oils in Asia

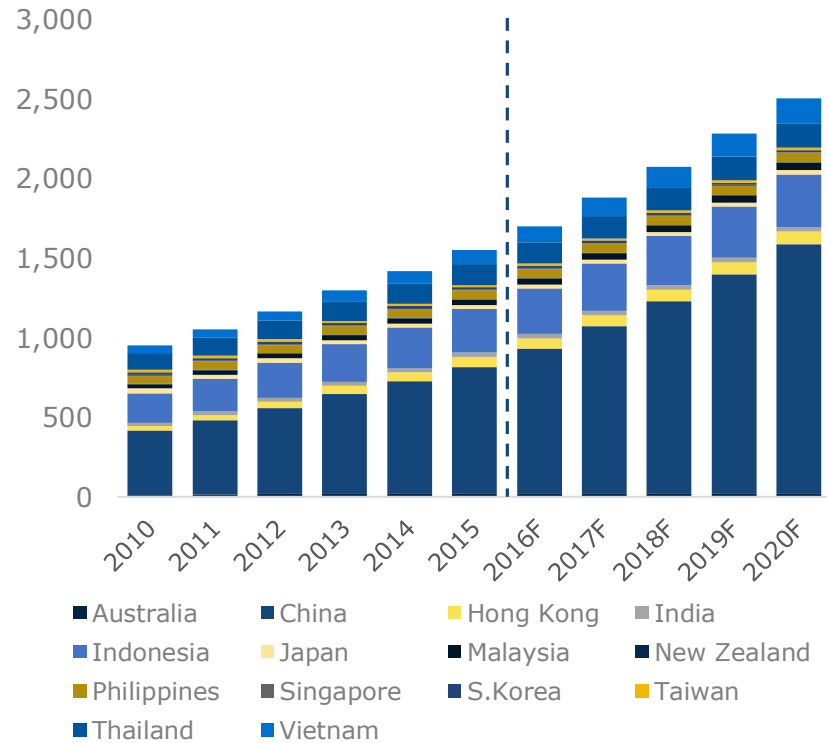


Increasing demand for oils – growing middle class and larger focus on health

CANOLA OIL CONSUMPTION (KMT) – ASIA⁽¹⁾



INFANT FORMULA CONSUMPTION (KMT) – ASIA⁽²⁾



1. Source: Oil World
2. Source: Euromonitor

Oils – value proposition



—● Edible oils —● Bulk Liquid Terminals

	Crushing	Refining	Storage
Capability	2 plants; ~390kt crushing capacity (producing 60% meal, 40% oil).	2 plants; ~315kt refining capacity (producing basic & complex fats and oils products).	14 bulk liquid terminals; ~295km ³ capacity: (storing oils, fats, fuels, chemicals).
Customers	Edible oil refiners Dairy and poultry producers	Food manufacturers Bakeries Quick service restaurants	Oil & tallow exporters Oils, Fuels & Chemical importers
Earnings drivers	<ul style="list-style-type: none"> Capacity utilisation Gross margin and commodity management Crush process cost 	<ul style="list-style-type: none"> Capacity utilisation Gross margin and commodity management Refining process cost Product mix 	<ul style="list-style-type: none"> Capacity utilisation Storage rate Storage cost
Customer value	Quality, supply chain security, innovation, non-GM and specialities	Innovation, reliability, oils procurement	Service, confidence ('peace-of-mind')

Oils – strategic direction



Oils Approach

Investment in growth and supply chain integration
→ Enhance capabilities, lower supply chain cost

Product development
→ Partner with customers, more value add products

Oils Strategic Initiatives

1 Network optimisation → Investment to boost the competitiveness of locally produced food ingredients

2 Capacity expansion → Expanding bulk liquid terminal portfolio to accommodate additional requirements of industrial customers

3 Crush expansion → Increase edible oils crushing capacity to service growing international food demand and local meal demand

4 Innovation → driving further growth

1 Network optimisation – edible oils



PREVIOUSLY

3,000km+ round trip for distribution to end customer

Finished product transported to end customer in Syd/Mel

Murrarie

Refining & Packing



Sydney

Numurkah

Crushing



Melbourne

Refining



West Footscray



NOW OPERATIONAL

Over 550,000km of truck journeys removed from roads each year

Finished product transported to end customer in Syd/Mel

Numurkah

Crushing & Refining

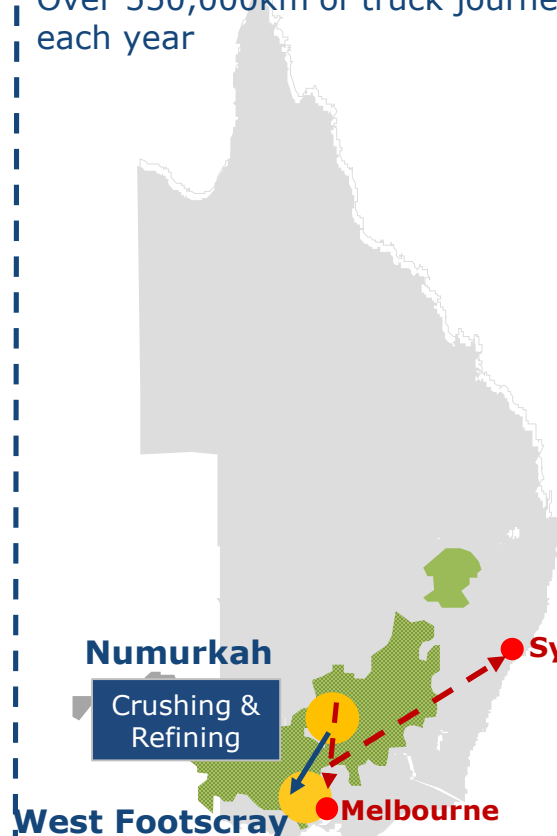


Sydney

Melbourne

West Footscray

Refining	Packing
<ul style="list-style-type: none"> • Farm to food grade • Complex blending 	<ul style="list-style-type: none"> • Margarine • Shortenings • Bottled Oil

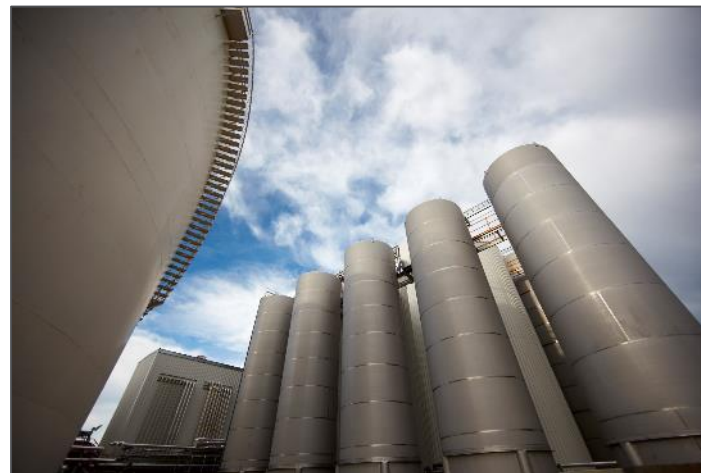


Network optimisation – Numurkah, VIC



Oilseeds crushing/refining:

- Upgrade of GrainCorp's Oilseeds plant in Numurkah:
 - Seed → Crushing + Refining → Food
- World class manufacturing facilities located close to oilseed growing regions and food manufacturers
- Significant reduction in transportation and labour costs
- Capability to produce complex blends
- Cost \$125 million; expected to contribute ~\$20 million p.a. to underlying EBITDA



**OILSEEDS CRUSHING/REFINING,
NUMURKAH, VIC**



Network optimisation – West Footscray, VIC

Foods operations:

- Upgrade of GrainCorp's Foods facility in West Footscray. Relocation of Murrarie (QLD) Foods operations to West Footscray
- World class manufacturing facility in close proximity to food manufacturers
- Capability to manufacture products for retail and industrial – strong product innovation capability
- Reduction in logistics, transportation and labour costs
- Improvements to environmental performance – net reduction in carbon emissions of 25,000 tonnes p.a.



FOODS PACKING/REFINING, WEST FOOTSCRAY, VIC



Bulk liquid terminals capacity expansion



Capacity expansion:

- Expansion of GrainCorp's bulk liquid storage capacity by a combined 65,000m³ at:
 - Fremantle, WA (completed 2015);
 - Port Kembla, NSW (completed 2015); and
 - Pinkenba, QLD (completed 2016).
- Cost \$70 million; expected to contribute ~\$8 million p.a. to underlying EBITDA
- Capacity to accommodate additional requirements of industrial customers
- Expanded offering to include fuel and chemical storage



NEW LIQUID TERMINAL STORAGE TANKS AT PINKENBA, QLD

Pinkenba Expansion

- Two-year construction, using 2,500 tonnes of Australian steel
- Stores a combined 45 million litres of fuel – enough to fill the petrol tanks of 750,000 cars
- Over one kilometre of underground piping
- State-of-the-art automation and environmental systems.

Bulk liquid terminals – Pinkenba (QLD)



Bulk liquid terminals – Pinkenba (QLD)



Crushing capacity expansion

Crushing capacity expansion and efficiency improvements:

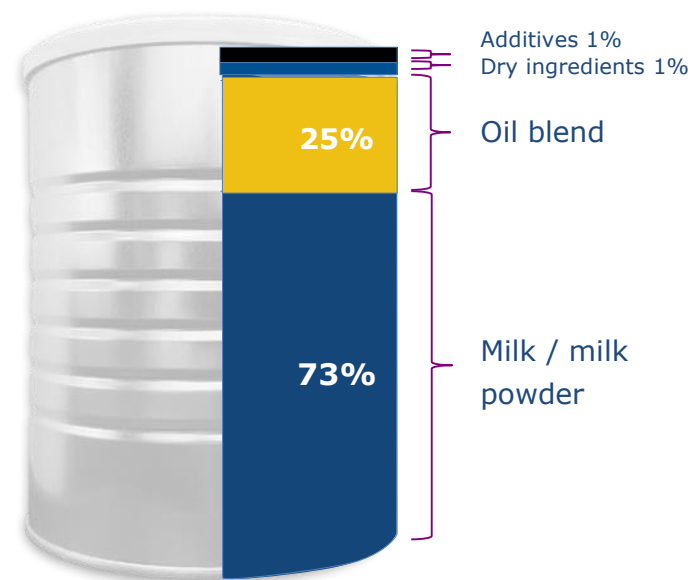
- Increase in Numurkah site crush capacity by 40% to 1,000 tonnes/day
- Cost \$50 million; expected to contribute ~\$10 million p.a. to underlying EBITDA
- Project scheduled for 2016-2019;
- Best practice technology to capture higher oil yield
- Meets demand for Australian and Asian consumption growth



NUMURKAH SITE UNDER CONSTRUCTION FOR OPTIMISATION PROJECT

Infant formula

- Around 25% of infant formula comprises a complex blend of oils – requiring specialized technical expertise and processes
- Innovation critical to quality-sensitive industry
- Market is substantial, particularly in China, with strong growth expected to continue
- GrainCorp is well positioned to capture this opportunity.



Canola

- Strong innovation capability at upgraded Numurkah crushing/refining plant - enables development of both meal and oil variations





GrainCorp

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Years of Growth

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GrainCorp Storage & Logistics

Strengthening and shaping our grain supply chain

Neil Johns – Group General Manager Storage & Logistics

Storage & Logistics

Industry trends

- Market and customers
- Cyclical and structural drivers

Strategic direction

- Value proposition
- Strategic direction

Strategic initiatives

1. Competitive supply chain
2. Manage cost and risk
3. End-to-end services

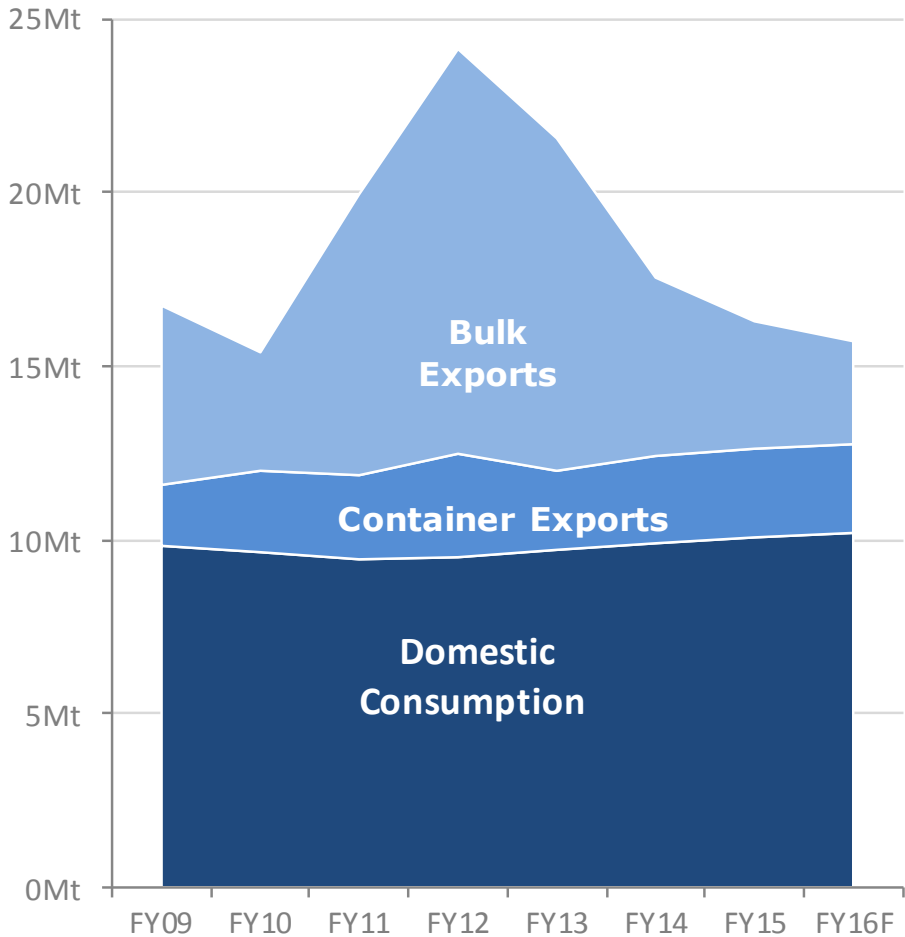


Eastern Australian grains market



Complex eastern Australian grain market driven by three markets

EASTERN AUSTRALIAN GRAIN MARKET⁽⁴⁾



S&L share⁽²⁾	18.5 Mt Grain Production⁽¹⁾ (Average FY09 – FY16)
70% share	~6 Mt Bulk Exports Underpin grain prices Variable with production
20% share	~2.5 Mt Container Exports Back load empty containers Plateaued in recent years
45% share	~10 Mt Domestic⁽³⁾ Base demand Modest growth

(1) Major grains: Wheat, barley, canola and sorghum (based on ~9.7m hectares and average yield of ~1.9mt/ha)

(2) Current estimated share of market

(3) Comprising 3.5Mt human and 6.5Mt animal consumption

(4) Estimated disposal of grain to the three markets (exclude carry-out) 66

Storage & Logistics customers

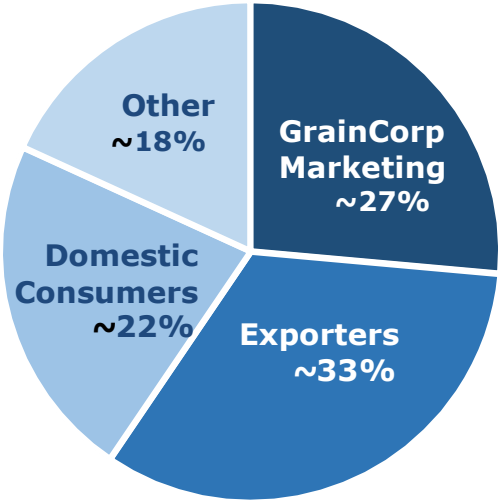


Competitive eastern Australian grain market with large number of participants

S&L customers

- Service growers and buyers
 - 8,000 growers
 - 60 buyers ⁽¹⁾
- Participate in all grain markets
 - Export - bulk and container
 - Domestic - human and feed
 - Transport - rail and road

SHARE OF RECEIVALS ⁽²⁾



		Markets		
Growers	Buyers	Bulk Export	Box Export	Domestic
S&L Warehousing Products	GrainCorp Marketing	✓	✓	✓
S&L Cash Price Services	Exporters	✓	✓	✓
	Domestic Consumers		✓	✓
	Other			✓

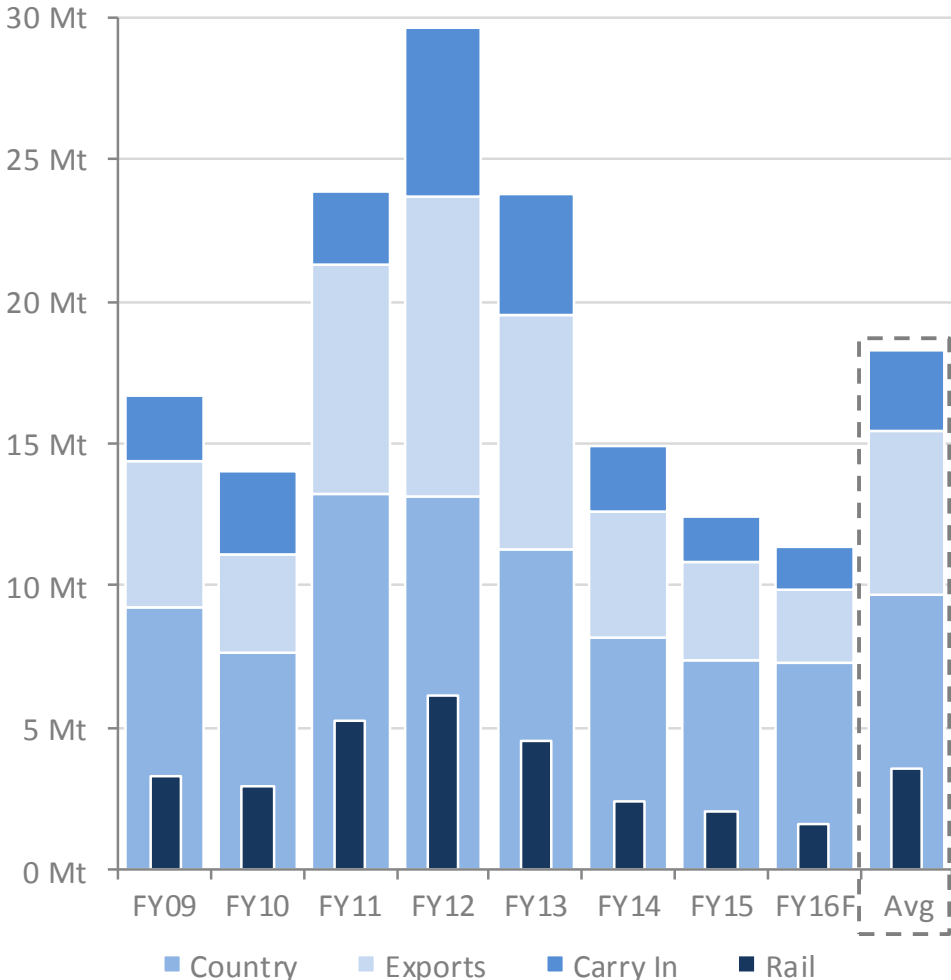
(1) Buyers over 5,000 tonnes
 (2) First buyers of grain in FY16

Cyclical drivers



Below average production has driven lower throughput in past three years

S&L VOLUME DRIVERS



17.4 Mt grain throughput ⁽³⁾
(Average FY09 – FY16F)

7.7 Mt Country receivals ⁽¹⁾
Lower production
→ 2.0 Mt below average ⁽²⁾

1.6 Mt Carry-in ⁽¹⁾
Record low carry-in
→ 1.5 Mt below average ⁽²⁾

2.6 Mt Exports ⁽¹⁾
Deferred and lower task
→ 3 Mt below average ⁽²⁾

1.6 Mt Rail Task ⁽¹⁾
Lower rail task
→ 2 Mt below average ⁽²⁾

(1) FY16 forecast (2) Average of FY09 to FY16
(3) Carry-in + country receivals + grain exports

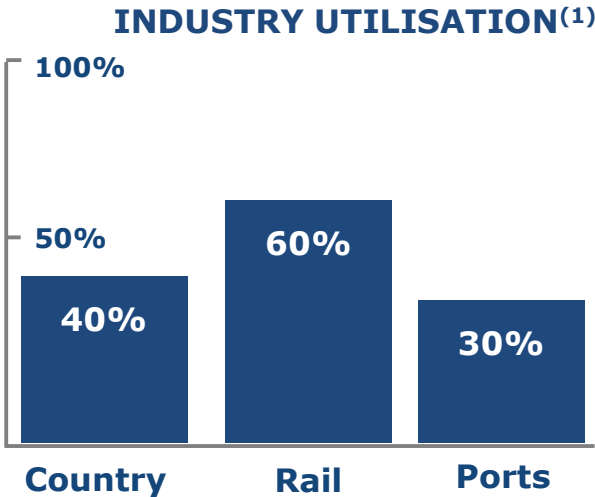
Structural drivers

New supply chains will drive innovation and new arrangements

1. Excess capacity

Challenge volumes

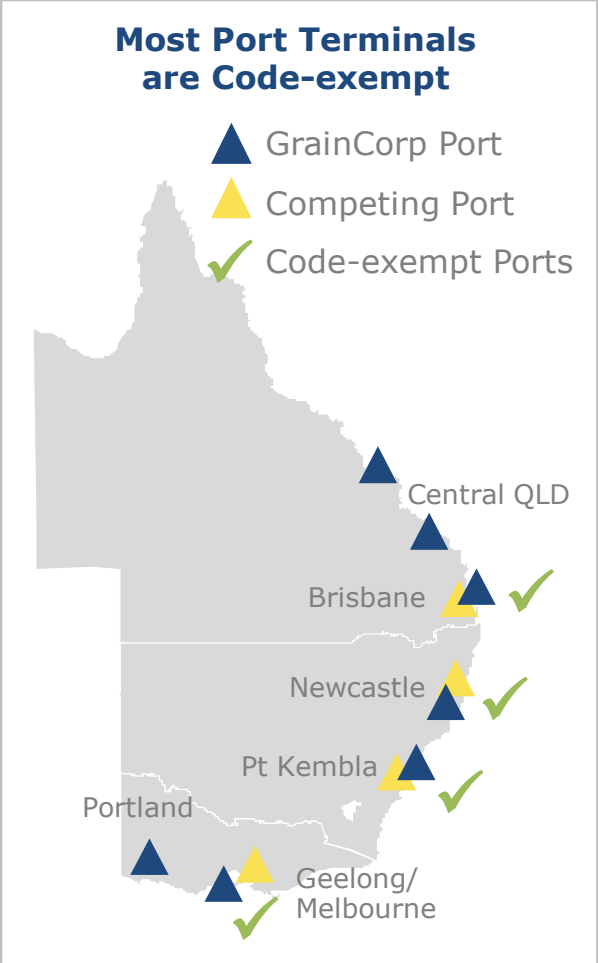
- Additional capacity
 - New grain port terminals
 - New rail providers
 - Growth of on-farm storage



2. Transactional

Variable margins

- Moving away from LTAs(2) that support fixed costs
 - S&L Port LTAs expire end FY16. Forecast gain from unused LTA bookings in FY15 is ~(+)\$7m
 - S&L Rail LTAs expire in FY19. Forecast cost from unused capacity in FY16 is ~(-)\$12m



(1) Average volume / estimated grain industry capacity
 (2) LTA = Long Term Agreement with 'take or pay' provisions

S&L – value proposition



Network Scale

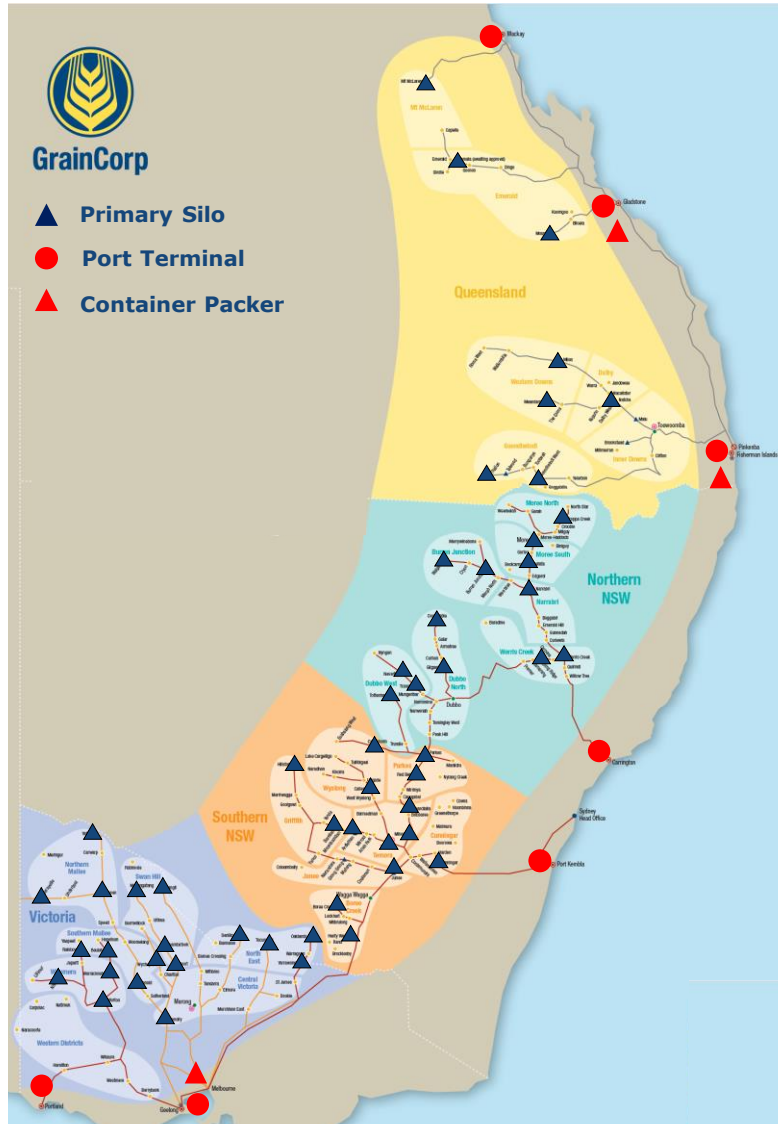
Capability	Business value	Customer value
<ul style="list-style-type: none"> • 175 country silos • 7 port terminals • 3 box packers 	<ul style="list-style-type: none"> • Scale economies • Geographic coverage 	<ul style="list-style-type: none"> • Manage variability • Access to grain

Integrated Network

Capability	Business value	Customer value
<ul style="list-style-type: none"> • 3Mt rail freight • 2Mt road freight 	<ul style="list-style-type: none"> • Links network • Optionality 	<ul style="list-style-type: none"> • Flexible solutions

Open Access and Grain Integrity

Capability	Business value	Customer value
<ul style="list-style-type: none"> • Warehousing • Multiple buyers • Grain quality 	<ul style="list-style-type: none"> • Access markets • Market insight 	<ul style="list-style-type: none"> • Optionality



S&L strategic direction



S&L Approach		
Network Scale	Integrated Network	Open Access & Grain Integrity
Competitive supply chain	Managing cost and risk	End-to-end services

S&L Strategic Initiatives

- 1 Project Regeneration** → lowering rail rates and defending volumes
- 2 Container Packing** → increasing packing capacity
- 3 Optimisation** → managing supply chain as a network
- 4 Non-Grain at Ports** → growing non-grain volumes
- 5 Execution Services** → managing supply chain for customers
- 6 Customer Tools** → new digital initiatives to create value

S&L strategic initiatives

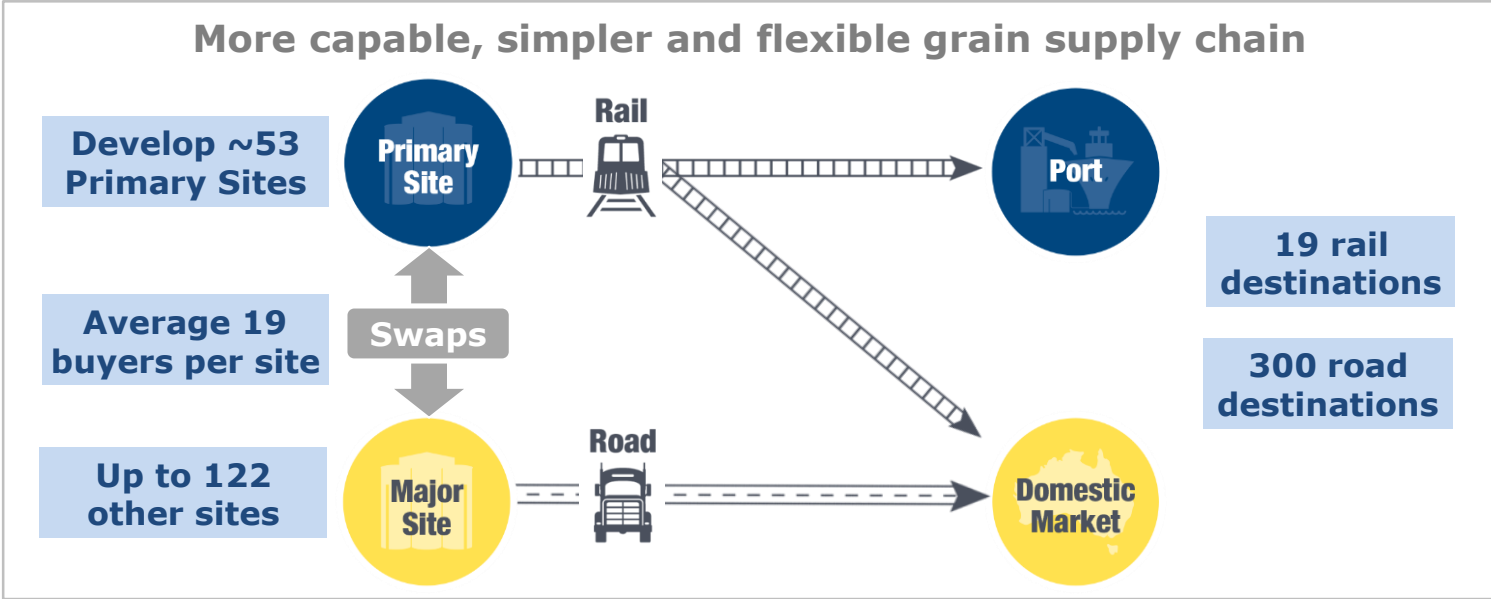


Strengthening supply chain

1 Project Regeneration
Reduce rail rates by >\$5 / tonne

3 Optimisation
Reduce cost by ~\$10m pa

4 Non-grain at Ports
Cover port fixed costs



Shaping supply chain

6 Customer Tools
New services for customers

5 Execution Services
Seamless service for customers

2 Container Packing
Export options for customers

Competitive supply chain



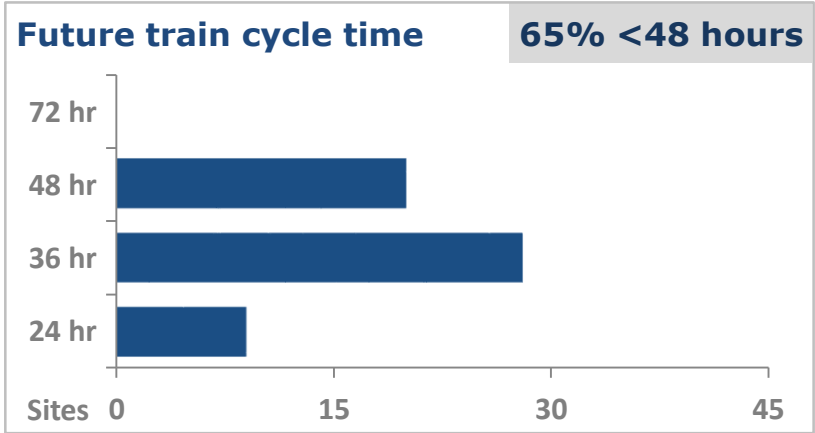
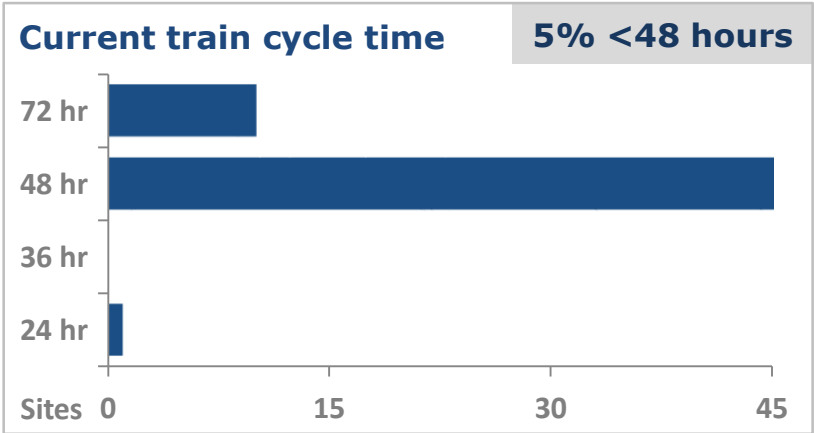
1

Project Regeneration

- Core network of 53 Primary Silos
 - Lower rail rates
 - Swap grain to maximise use of rail
 - Defend country and export grain
- \$200M to upgrade rail loading capability
 - Loaders at up to 44 sites
 - Rail sidings at up to 31 sites
- Support faster cycling trains through
 - Point to point unit trains
 - Quick loading and less shunting
 - On-demand and reliable loading

Update

- \$10m cost savings from consolidation
 - 20% reduction in permanent staff
- Delivery of Regeneration on track
 - 11 sites in 1st Tranche and pre-works at cost of \$62M (\$20M to go)
 - Validating feasibility of 6-10 sites in 2nd Tranche for 2017/18 at cost of \$40M
 - \$15m support (to date) for rail sidings (NSW and VIC governments and NSRF)
- Exploring future train arrangements
 - Flexibility and higher capacity wagons



Selected Regeneration projects



New over-rail bins and siding
Calleen, SNSW



New over-rail bins and siding
Nevertire, NNSW



New bespoke rail spout
Burren Junction, NNSW



New over-rail bins and siding
Ardlethan, SNSW



New rail loader
Rainbow, VIC



New bespoke elevator
Junee Sub, SNSW

Competitive supply chain



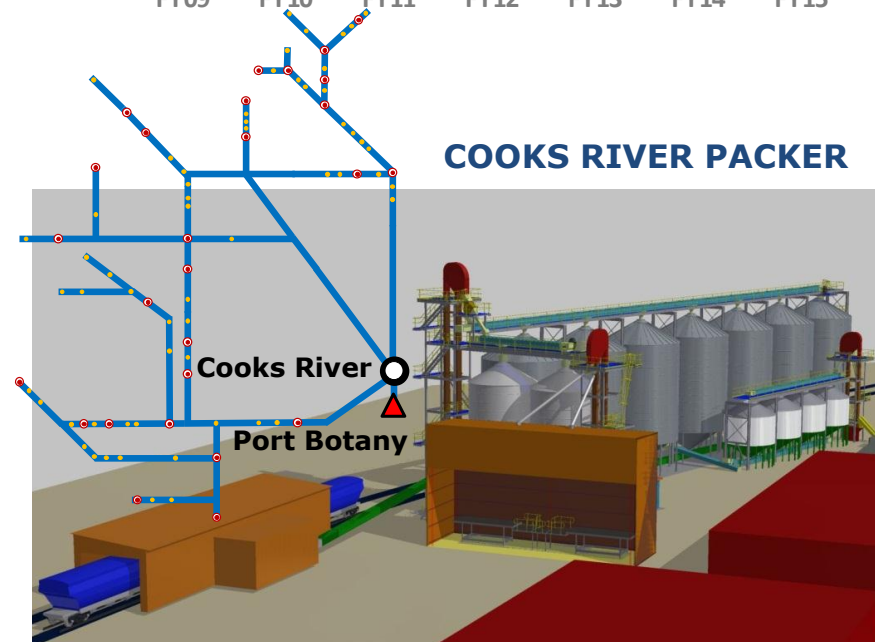
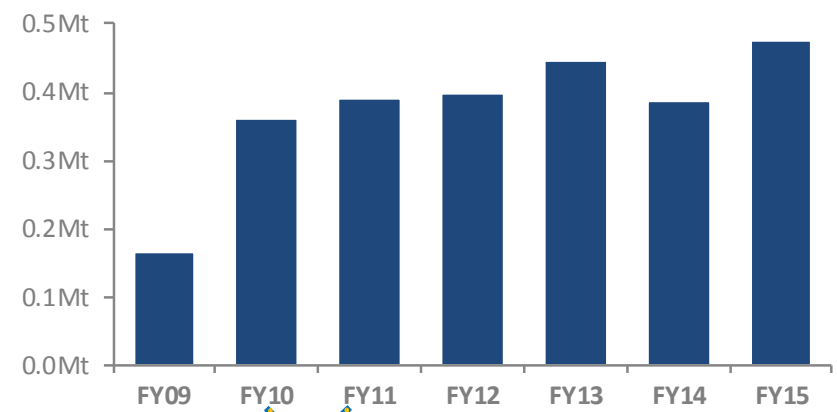
2 Container Packing

- Packing grain near container terminals
 - Link country silos with bulk trains
 - Complement bulk grain export
- Packing capability in VIC and QLD
 - Geelong: upgraded 350Ktpa capacity
 - Brisbane: upgraded 200Ktpa capacity
 - Gladstone: new 75Ktpa capacity

NSW capability

- New NSW packing capability sought⁽¹⁾
 - Joint Venture with MCS⁽²⁾
 - At MCS Intermodal Terminal in Sydney⁽³⁾
- Competitive and integrated capability
 - Access empty containers
 - Bulk grain rail ex NSW country silos
 - Close to Port Botany (rail and road)

INCREASE IN PACKING
FY09 to FY15



(1) Subject to approvals
(2) Maritime Container Services Pty Ltd
(3) St Peters, 4km by rail from Port Botany

Managing cost and risk



3

Optimisation

- Managing supply chain as a network
 - Ready access to grain for customers
 - Reduce complexity and cost
 - Create and share value

1. New Order & Swap Process

Pooling inventory through efficient order allocation and supporting stock swaps

- Service: DIFOT increased by 20%
- Lower cost: increase outloads per site

2. Croptimiser

Pooling quality through efficient binning

- Service: 500Kt upgraded for 3,000 growers
- Lower cost: fewer segregations

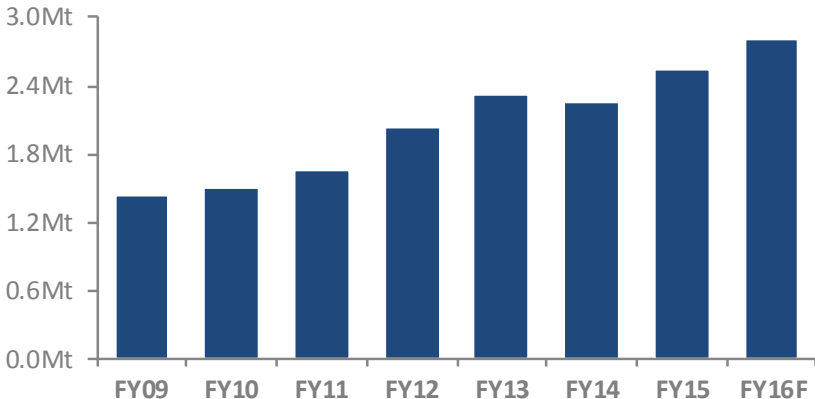


4

Non-grain at Ports

- Forecast 2.8Mt non-grain in FY16
 - 6 ports export and import non-grain
- Manage variable export grain task
 - Underpin fixed costs
 - Complement grain business
- Target 50% increase in next 5 years
 - Grow woodchips and fertiliser
 - New import / export products

INCREASE IN NON-GRAIN FROM FY09 TO FY16F



End-to-end services



5

Execution Services

- Managing supply chain for customers
 - Convenient and seamless execution
 - Coordinate handling and transport
 - Delivered cost surety
 - Optimise outload and transport

1. ExportDirect

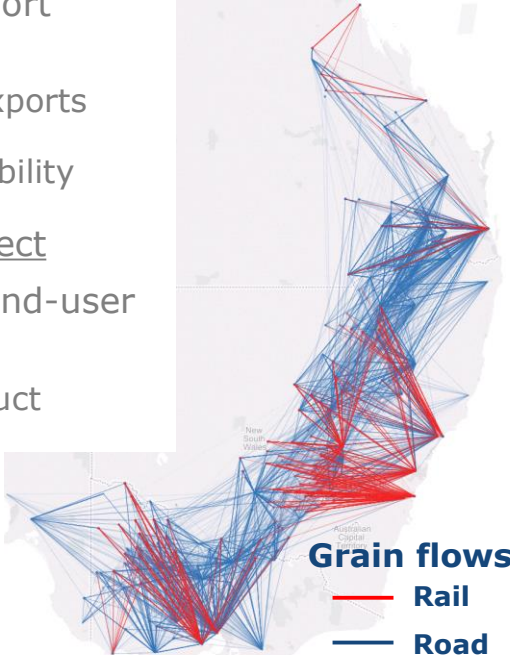
Country to port conversion

- 80% of exports
- More flexibility

2. DomesticDirect

Country to end-user conversion

- New product



6

Customer Tools

- New digital services for customers
 - 75% transactions undertaken on-line
- 1. CropConnect New on-line grower offer and buyer bid system for warehoused grain
 - Market grain to more buyers at lower cost
- 2. FastWeigh 'Paperless' country silo
 - Speed up receipts and timely information
 - Platform for new real time delivery tools



GrainCorp

100 YEARS OF GROWTH



GrainCorp Marketing

Broadening our grain Marketing business

Klaus Pamminger – Group General Manager Marketing

Marketing

Industry trends

- Macro trends
- Current market environment

Value proposition

Strategic direction and growth initiatives

- Expand origination
- Enhance customer offering

Marketing industry trends



Fluctuations in grain supply, currency, cargo freight rates and crude oil prices

- Importance of having the capability for multi-origin supply.
- Ensures seamless, competitive, reliable and quality grain flow to meet customer needs.

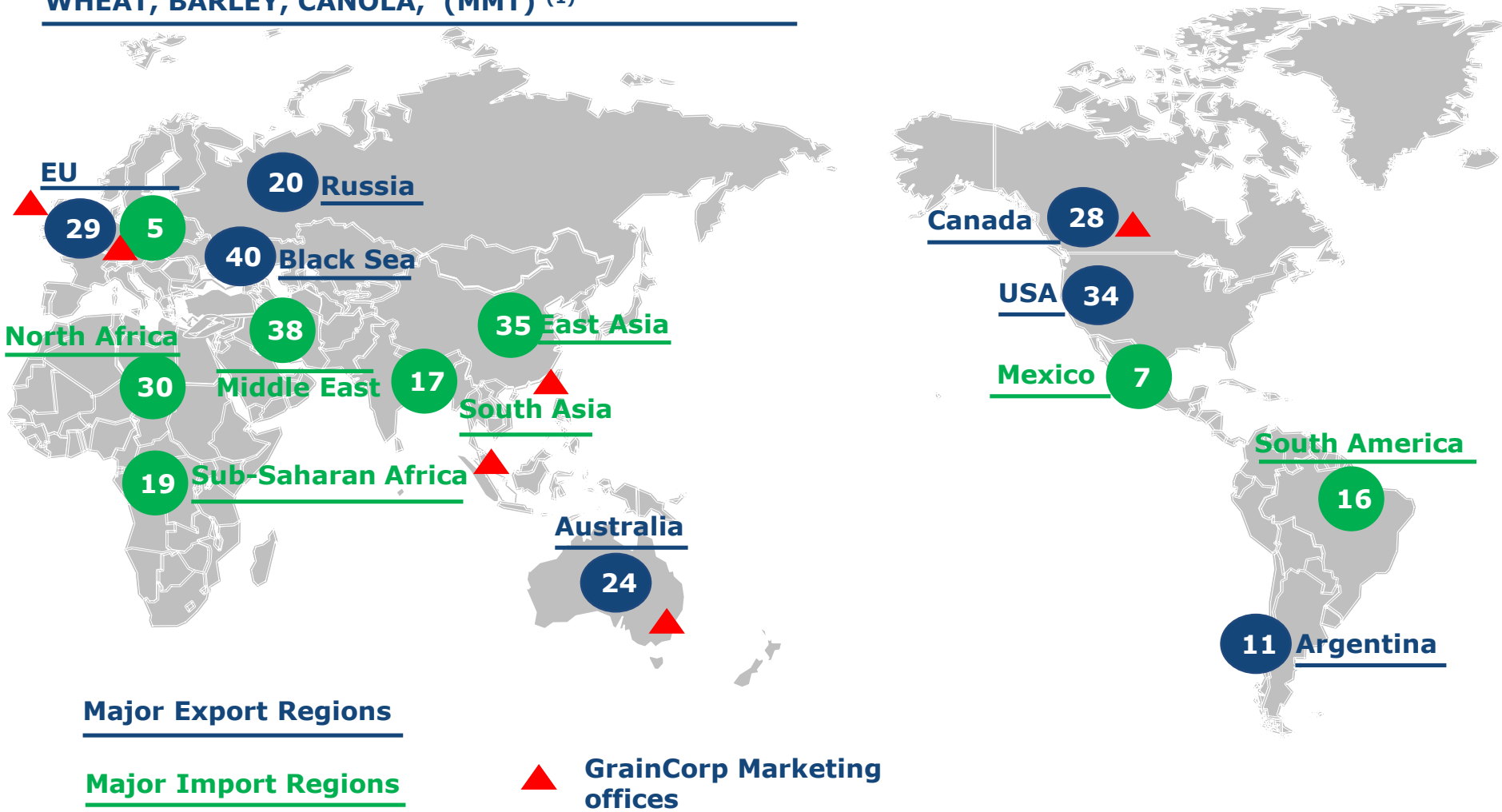
Consolidation of grain participants

- Importance of integrated supply chains.

International grain flow



WHEAT, BARLEY, CANOLA, (MMT) ⁽¹⁾



1. Global exports / imports - wheat, barley, canola, sorghum. 10 year average to 2015. Source: USDA (accessed May 2016).

Current market environment - macro trends impacting traditional business



	Trend	Impact
Structural	Population and income growth in developing economies	<ul style="list-style-type: none"> • Change in traditional export markets – growing demand from Asia and Africa as population grows and middle income levels rise
	Consumer focus on health and wellbeing	<ul style="list-style-type: none"> • Rise in income levels – ‘health/wellbeing’ more affordable • Growing demand from Asian middle class
	Global yield challenges	<ul style="list-style-type: none"> • Growing scarcity of arable land and increased production from Africa and Russia is driving change in traditional origination markets and global trade flows
	Consolidation & Integration	<ul style="list-style-type: none"> • Growing ownership of supply chain from ‘farm to plate’ to secure food supply • ‘Upstream’ investments made by foreign companies to secure supply
	Technology	<ul style="list-style-type: none"> • Technology and data analytics - driving improved yields and yield forecasting capability
	Regulatory environment	<ul style="list-style-type: none"> • Deregulation of markets and decisions by Governments & Authorities
Cyclical	Global commodity prices and currency fluctuations	<ul style="list-style-type: none"> • Downward trend of commodity prices over the past 36 months • Cheaper ocean freight (low oil prices) – reducing competitiveness of ECA grain • Currency devaluation has increased competitiveness of Black Sea and South America exports
	Extreme weather	<ul style="list-style-type: none"> • Climate change/cyclical weather patterns e.g. El Nino • Access to alternative origination required
	Energy prices	<ul style="list-style-type: none"> • Energy prices influencing grain supply and demand – ethanol, biodiesel

Marketing – value proposition



Marketing – value proposition	
Capabilities	<ul style="list-style-type: none"> • Origination, marketing and delivery of grains, pulses and oilseeds to customers globally – through both bulk and container shipments. • Eight offices in Australia, the UK, Germany, China, Singapore and Canada. • Global intelligence, access to diversified supply sources, risk management, technical expertise (particularly dry grains), independent alternative.
Customers	<ul style="list-style-type: none"> • Australian end-users - human consumption, feedlot and stockfeeders. • International end-users - over 90 international customers across more than 30 countries.
Earnings drivers	<ul style="list-style-type: none"> • Effective price risk management / forward sales contracting. • Supply chain efficiencies – diversification of origination, logistics solutions. • Strong customer relationships.
Customer value	<ul style="list-style-type: none"> • Access to quality grains at competitive pricing. • Consistent, reliable supply. • Diversified supply origination. • Technical support to help with procurement strategies.

Marketing – strategic direction



Marketing approach

Expand origination capability

- Pursue opportunities in WA/SA and internationally

Customer focus – leveraging Marketing strengths

- Eastern Australian grain origination, international offices and cross-BU collaboration

Marketing strategic initiatives

1 Expand origination capability

2 Enhance customer offering through consistency and quality of origination

GrainCorp origination - 2008



GRAINCORP MARKETING, (MMT)

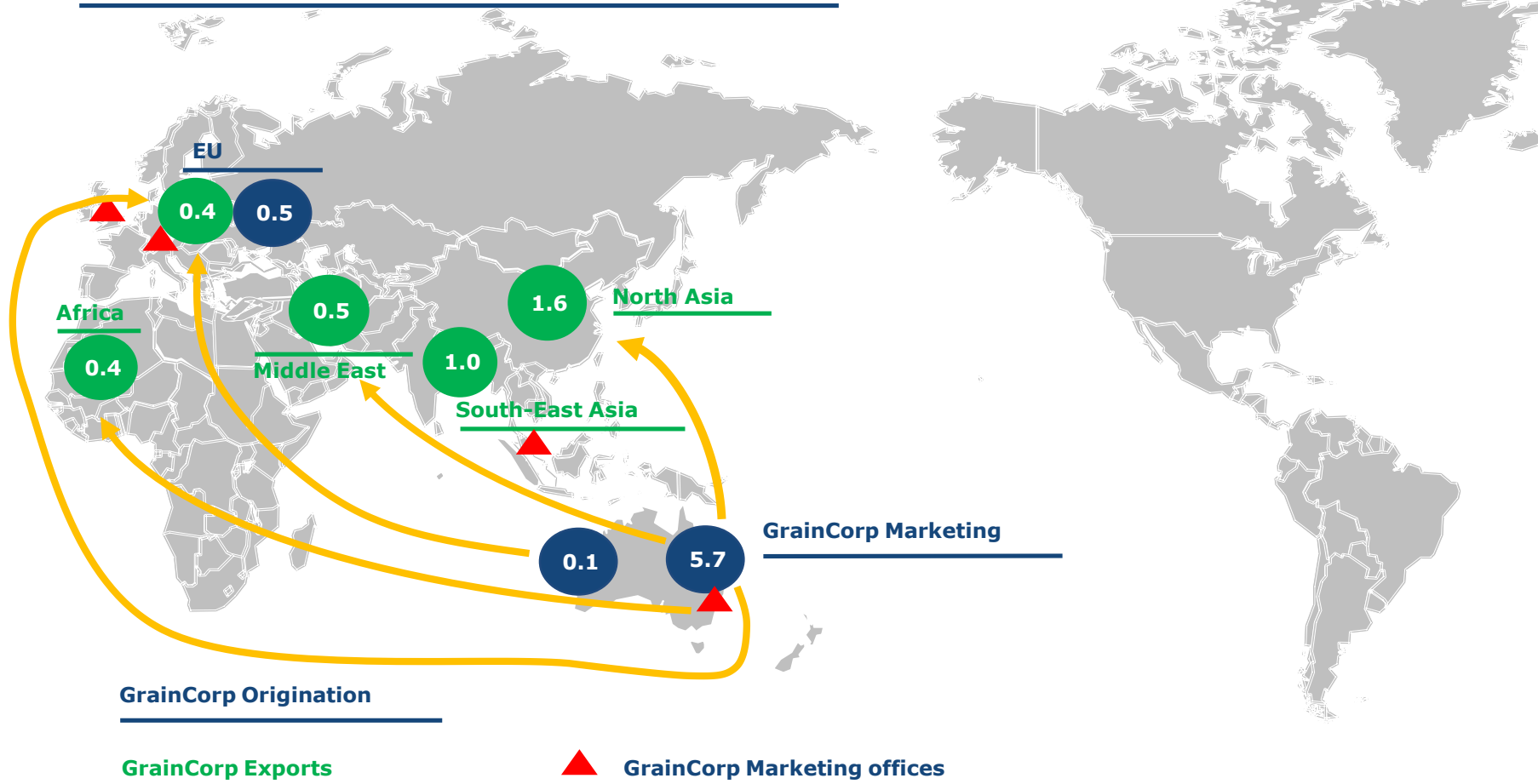


1. Global exports / imports – wheat, barley, canola, sorghum. 10 year average to 2014. Source: USDA (accessed May 2015).

GrainCorp origination - 2012



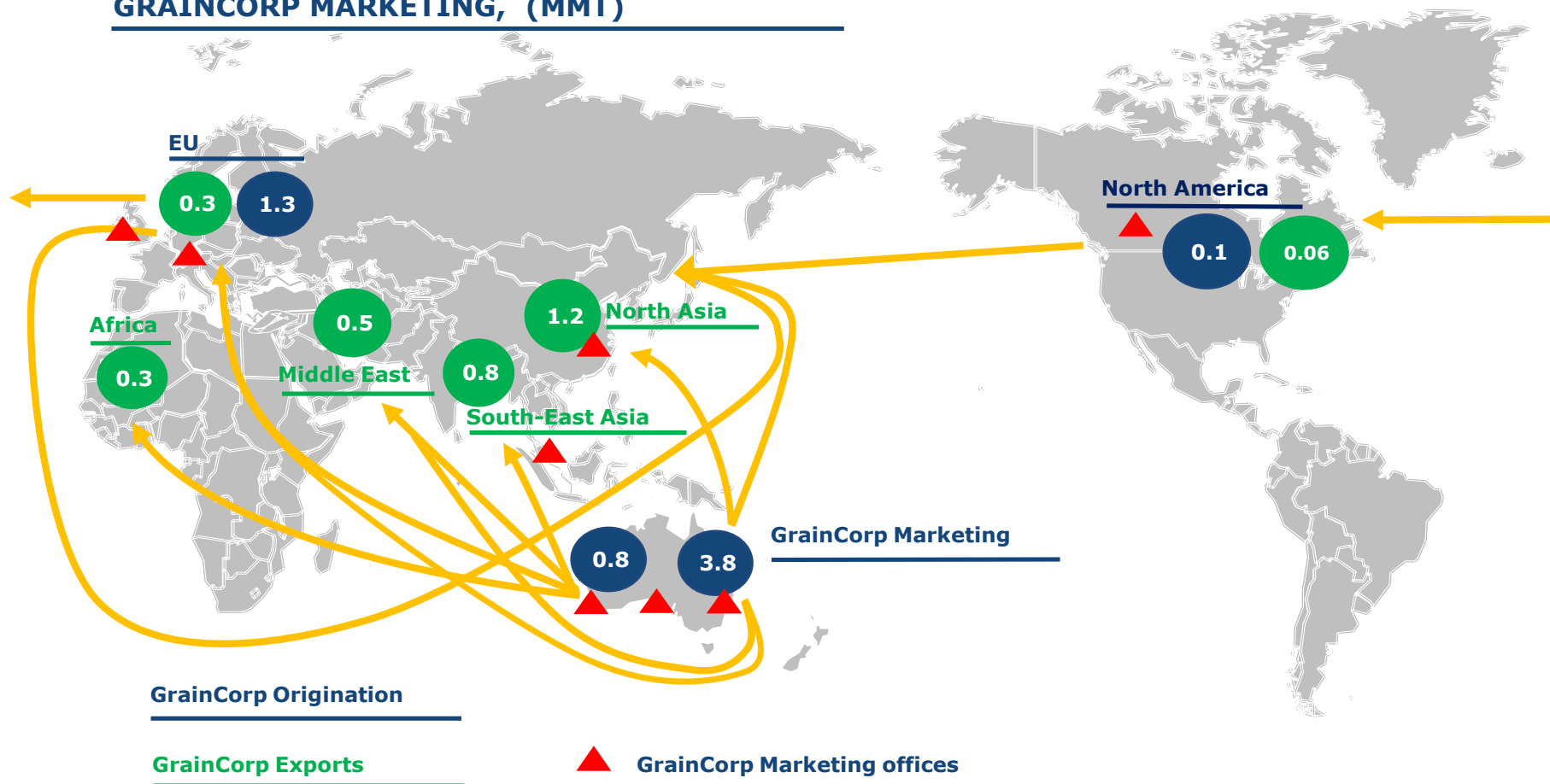
GRAINCORP MARKETING, (MMT)



GrainCorp origination - 2015



GRAINCORP MARKETING, (MMT)



GrainsConnect, Canada



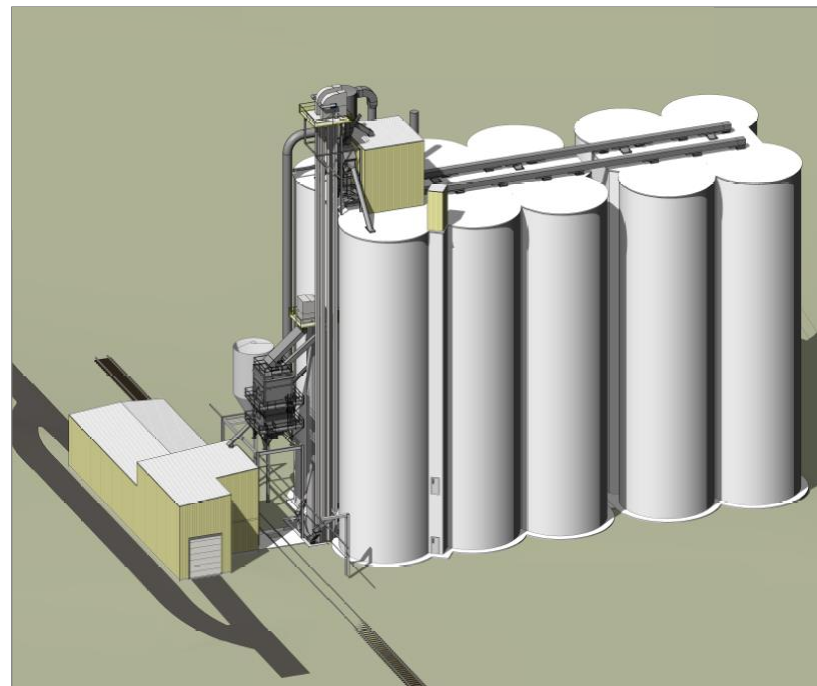
GrainsConnect Canada (GCC)

- A 50/50 joint venture between GrainCorp and Zen-Noh Grain Corporation (USA).
- Will expand each JV partner's grain origination footprint in Canada and enable multi-origin service offering to existing and new customers in Asia and MENA.
- Represents a substantial investment in Canadian grain infrastructure.
- CAD\$120 million investment in four high-speed shuttle loaders with a total throughput of 1 MT. Each shareholder contributed CAD\$30 Million in equity – balance debt-funded.
- Construction commenced in 2H16, with sites to be progressively opened over 2017-18.



- Zen-Noh Grain Corporation (USA) is a subsidiary of major Japanese agricultural cooperative Zen-Noh.
- A key existing GrainCorp customer of Australian and European grains.
- Annual sales of USD\$54billion & net assets of USD\$4.4 billion.
- Handles 30% of the 25MMT of compound feed in Japan.
- Supplier of rice, livestock, fruit & veg and fertiliser.
- Will take approximately 50% of the throughput of GCC.

- Leverages GrainCorp's existing Canadian footprint in Marketing and Malt.
- Provides exposure to Canadian grain market: average annual production of 63MMT vs Australia 36MMT.
- Expands on multi origin service offering to both existing customers.
- Provides exposure to new customers in Asia and MENA via Zen-Noh's customer relationships and experience in exporting commodities from North America to Japan and other Asian destinations.



3D IMAGE: SHUTTLE TRAIN LOADER

1 GrainsConnect, Canada

Project update

- Regulatory approvals have been obtained including MOFCOM (Ministry of Commerce of the People's Republic of China).
- Land has been purchased and civil and construction contractors have been commissioned to start building grain elevators and shuttle loaders.



**SITE PREPARATION AT MAYMONT,
SASKATCHEWAN**



**INITIAL DRILLING FOR GRAIN ELEVATOR
CONSTRUCTION AT MAYMONT,
SASKATCHEWAN**

Marketing – customer focus

Focused on enhancing customer relevance via consistent and quality multi-origin supply

Seeking to broaden the range of qualities provided across each core grain

Providing a competitive offering throughout the whole year, reducing reliance on specific regional supply



GrainCorp

100

Years of Growth

— SINCE 1916 —

2016 Investor Day
Unlocking the value in grain