



**GrainCorp**

## News Release

31 December 2019

### Completion of sale of Australian Bulk Liquid Terminals

GrainCorp today announced that the sale of its Australian Bulk Liquid Terminals business to ANZ Terminals Pty Ltd has completed.

The sale includes 6 bulk liquid storage facilities but, as GrainCorp announced on 15 November 2019, excludes GrainCorp's Port Kembla Liquid Terminal (NSW) to address potential competition concerns the ACCC had about port-side bulk liquid storage in NSW. The total sale price of \$333 million includes a deferred component of \$19 million, the payment of which is subject to the satisfaction of certain milestones relating to the extension and commencement of lease agreements on certain terminal sites in future periods.

GrainCorp will be reporting, as part of the half-year results for FY2020, a profit before tax on the sale of approximately \$93 million. This profit includes the impact of the long-term storage agreement ("LTSA") with ANZ Terminals being considered a sale and leaseback transaction for accounting purposes<sup>1</sup>. The estimated impact on the balance sheet associated with the LTSA will be an additional right-of-use ("RoU") asset of \$38 million and lease liability of \$97 million. Over the LTSA term the income statement will reflect depreciation of the RoU asset on a straight-line basis, and the interest expense associated with the annual lease liability. Contractual payments will reduce the lease liability over the lease term with no impact to the income statement.

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<sup>1</sup> In accordance with accounting standard AASB 16 Leases which is effective for reporting periods beginning on or after 1 January 2019.