



13 November 2014

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

**GRAINCORP LIMITED: GNC  
INVESTOR PRESENTATION  
FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

Please find attached the Investor Presentation relating to the financial year ended 30 September 2014.

GrainCorp is holding a briefing for investors and analysts commencing at 10.00am (Sydney time) to present the FY14 Results. The briefing will be webcast live and can be accessed from the following link: [www.brrmedia.com/event/129100](http://www.brrmedia.com/event/129100). An archived version will also be available later in the day.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gregory Greer", written over a light blue horizontal line.

**GREGORY GREER**  
**Company Secretary**

**GrainCorp Limited**

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# FY14 Results

13 November 2014



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.

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.

# Agenda



- Introduction (Mark Palmquist)
- Result Overview (Don Taylor)
- Segment Performance (Don Taylor)
- Balance Sheet & Capex (Alistair Bell)
- FY15 Outlook (Mark Palmquist)
- Strategic Initiatives Updates & CEO View (Mark Palmquist)
- Questions

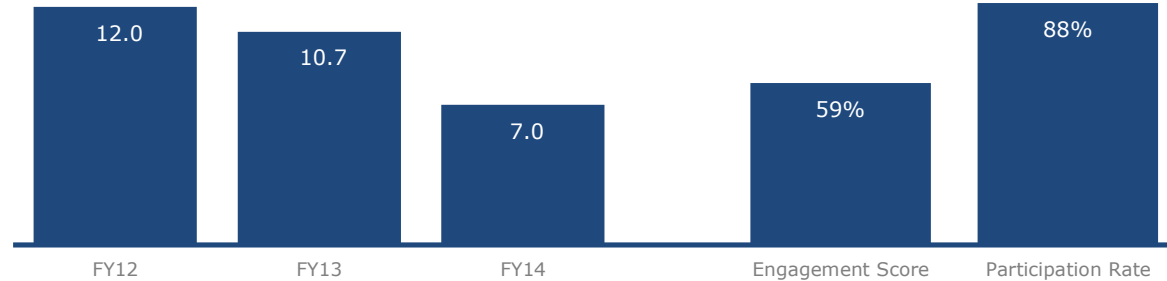
# Commitment to values driving positive outcomes



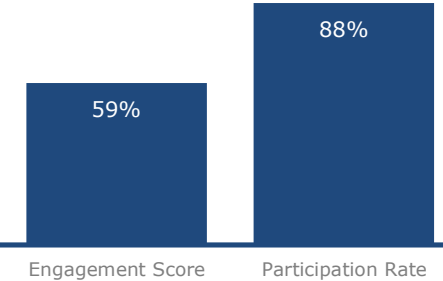
**Values**

- SAFETY**
- OUR PEOPLE**
- CUSTOMERS**
- EXCELLENCE**
- SUSTAINABILITY**
- OUR COMMUNITY**
- INTEGRITY**

## Safety Performance<sup>(1)</sup>



## Employee Engagement



**Safety**

- 34% reduction in Lost Time Injury Frequency Rate<sup>(1)</sup>
- 44% reduction in All Injury Frequency Rate<sup>(2)</sup>

**People**

- Sustained employee engagement across the business at 59%
- Women held 20% of people leadership roles (22% of workforce is female)

**Environment**

- Established baselines for energy, emissions, water and waste
- Benchmarked energy use across Malt and external audits across Oils

**Community**

- Community support through GrainCorp Community Fund
- Indigenous community engagement through Reconciliation Action Plan

1. Measured as Lost Time Injury Frequency Rate ('LTIFR') calculated as the number of lost time injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.  
 2. Measured as All Injury Frequency Rate ('AIFR') calculated as the number of injuries per million hour worked. Includes permanent and casual employees and GrainCorp controlled contractors.

# Diversified earnings support challenging period for grains businesses



- FY14 earnings of \$293M EBITDA<sup>(1)</sup> and \$95M NPAT<sup>(2)</sup>.
- FY14 statutory NPAT of \$50M after significant items<sup>(3)</sup>.
- **Significant items:** \$44M<sup>(3)</sup> including:
  - \$25M including Oils network optimisation and S&L network rationalisation
  - \$19M relating to increased claims provision
- **Dividend:** fully franked FY14 final dividend of \$0.05 per share (totalling \$0.20 per share for FY14).
- **Strategic initiatives:** major strategic initiatives underway; ~\$515M capex program supporting implementation; \$111M invested over the last two years.
- **Storage & Logistics:** below-average carry-in and below-normal grain production in eastern Australia resulting in lower exportable surplus, below-normal upcountry receivals and grain exports.
- **Marketing:** below-normal grain production in eastern Australia resulting increased competition for grain and margin pressure.
- **Malt:** consistent levels of high capacity utilisation; implementation of strategic initiatives improving earnings; favourable foreign exchange impact on translation and export competitiveness.
- **Oils:** higher crushed oilseeds volumes; lower refined volumes resulting from reduced customer volumes; continued high capacity utilisation at liquid terminals; solid contributions from liquid feeds and commodity management businesses.

1. EBITDA is a non IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items.

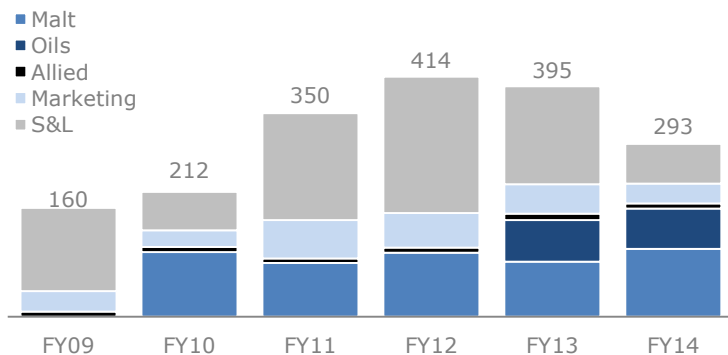
2. Net profit after tax and before significant items.

3. Significant items of \$44M (after tax) includes provisions relating to Oils' network optimisation and Storage & Logistics' network rationalisation and increase in claims provision. See appendix for further detail.

# Earnings profile highlighting benefits of diversification along the grain chain



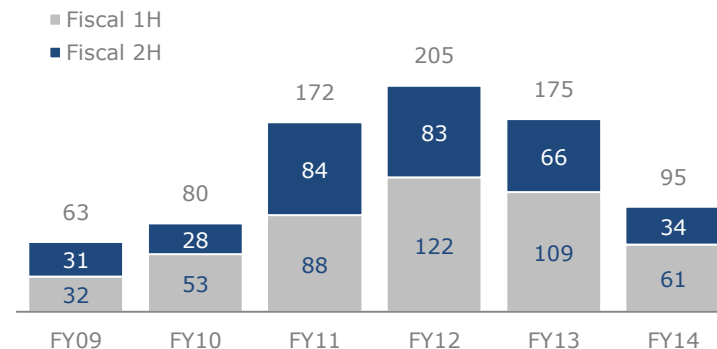
## EBITDA<sup>(1)</sup> \$M



<b>2H</b>	78	100	177	179	168	<b>127</b>
<b>1H</b>	82	112	173	235	227	<b>166</b>

- ~83% increase in EBITDA from FY09 to FY14
- Diversification highlighted in earnings profile

## NPAT<sup>(1)</sup> \$M



<b>2H</b>	31	27	84	83	66	<b>34</b>
<b>1H</b>	32	53	88	122	109	<b>61</b>

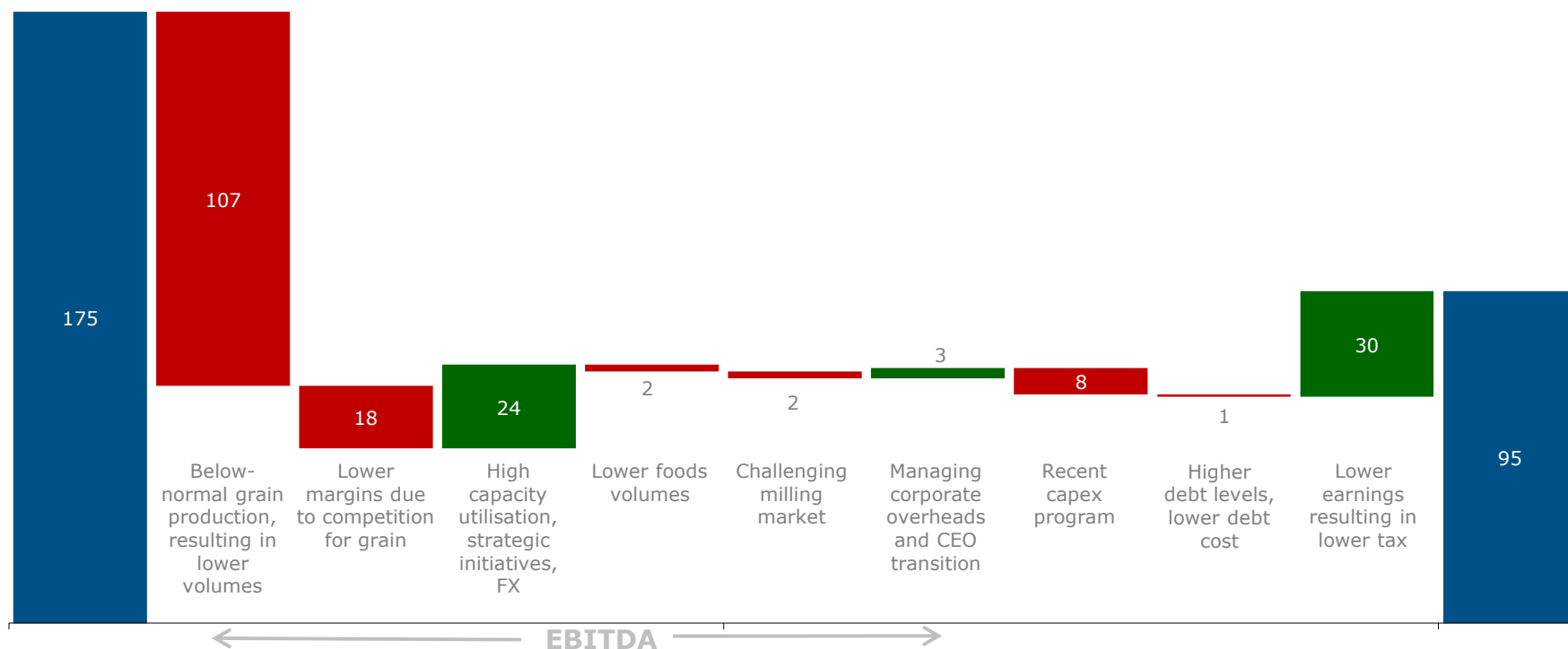
- ~50% increase in NPAT from FY09 to FY14

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

# Processing businesses highlighting the importance of earnings diversification



## FY13 to FY14 Earnings Bridge<sup>(1)</sup> \$M



	EBITDA									
FY13 NPAT	Storage & Logistics	Marketing	Malt <sup>(2)</sup>	Oils	Allied Mills <sup>(3)</sup>	Corporate	D&A	Net Interest	Tax	FY14 NPAT
<b>FY14 (\$M)</b>	72	36	125	73	10	(23)	(127)	(40)	(32)	<b>95</b>
<b>FY13 (\$M)</b>	179	54	101	75	12	(26)	(119)	(39)	(62)	<b>175</b>

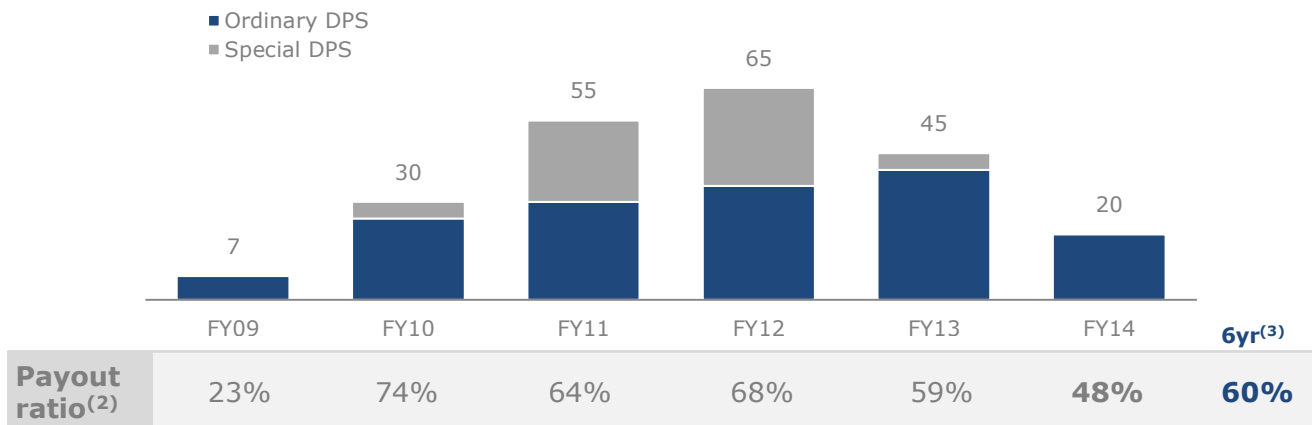
1. Excludes significant items - see appendix for further information.
2. Includes Port of Vancouver compensation receipts of \$4.6M in FY14 (\$4.0M in FY13).
3. 60% share of NPAT.



# Diversified earnings supporting dividend, in line with policy



## Total FY14 dividends (DPS<sup>1</sup>)



- **FY14 final dividend:** fully franked final dividend of \$0.05 per share
- **Total FY14 dividends:** \$0.20 per share
- **Payout ratio:** 48% of NPAT<sup>(2)</sup>
- **Dividend policy:** Payout 40 – 60% NPAT through the business cycle
- Targeting to pay an ordinary dividend each year

## FY14 Dividend Dates

- Record: 2 Dec 14
- Payment: 16 Dec 14

1. DPS is dividends per share shown in cents.  
 2. Payout ratio based on NPAT before significant items.  
 3. Six year weighted payout ratio before significant items.

# Segment Performance



GrainCorp



# Portfolio of grain businesses capture value along the grain chain



\$M	Revenue		EBITDA <sup>(1)</sup>	
	FY14	FY13	FY14	FY13
Storage & Logistics	444	655	72	179
Marketing	1,907	2,169	36	54
Malt <sup>(2)</sup>	1,049	977	125	101
Oils	937	962	73	75
Allied Mills <sup>(3)</sup>	-	-	10	12
Corporate Costs	-	-	(23)	(26)
Eliminations and other	(243)	(301)	-	-
<b>Total</b>	<b>4,094</b>	<b>4,462</b>	<b>293</b>	<b>395</b>

1. Before significant items – see appendix for further detail.

2. EBITDA includes Port of Vancouver compensation receipts of \$4.6M in FY14 (\$4.0M in FY13). Final compensation receipt to be received in FY15.

3. Allied Mills 60% share of NPAT.

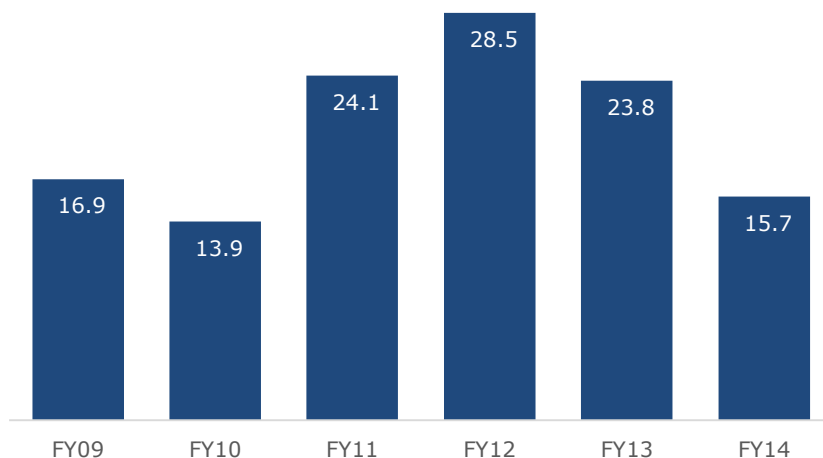
# Storage & Logistics – lower grain production resulting in lower volumes



\$M	FY14	FY13
Revenue	444	655
EBITDA	72	179
EBIT	23	128
Capital Expenditure	62	60

- Lower earnings due to below-normal grain production resulting in lower volumes and market share
  - **Carry-in:** 2.3mmt<sup>(1)</sup> (FY13: 4.3mmt)
  - **Country receivals:** 8.0mmt (FY13: 10.4mmt); ~46% share of production<sup>(2)</sup>
  - **Exports:** grain exports<sup>(3)</sup> of 4.4mmt (FY13: 8.3mmt); non-grain exports of 1.9mmt (FY13: 1.9mmt)
  - **Throughput**<sup>(4)</sup>: reflecting lower upcountry receivals and export volumes, 15.7mmt (FY13: 23.8mmt)

**Storage & Logistics Throughput (mmt) <sup>(4)</sup>**



1. mmt = million metric tonnes.  
 2. Based on eastern Australia’s wheat, barley, canola and sorghum production estimates, using the average of Australian Crop Forecasters’ October 2014 report and ABARES September 2014 report.  
 3. Grain exports includes bulk and containers.  
 4. Average of country grain inload (carry-in + receivals) and outload (carry-in + receivals – carry-out) + ports grain and non-grain. exports handled. See appendix for further detail.

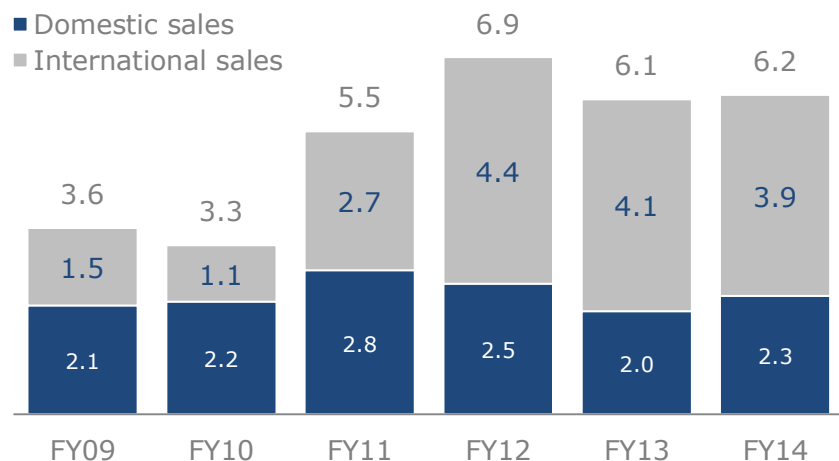
# Marketing – lower grain production and competition for grain



\$M	FY14	FY13
Revenue	1,907	2,169
EBITDA	36	54
Interest expense <sup>(2)</sup>	(16)	(17)
PBTDA <sup>(2)</sup>	20	37
Marketing inventory <sup>(3)</sup>	186	151

- Earnings lower due to lower grain production in eastern Australia, greater competition for grain and margin pressure
- 6.2mmt delivered sales<sup>(1)</sup> → 2.3mmt domestic, 3.9mmt export and international
- Marketing inventory of \$186M<sup>(3)</sup>
- ~50% of marketed grain acquired from growers and ~85% sold to end users
- Increasing contribution from international offices and Western Australia and South Australia sales

## Marketing Volumes (mmt) <sup>(1)</sup>



1. Delivered tonnes including bulk and container sales, Pools and UK's Saxon Agriculture.  
 2. Interest expense treated as part of cost of goods sold. Marketing's performance measured as PBTDA.  
 3. Marketing's grain inventory predominantly funded via separate short-term debt facilities. See slide 18 for further details.

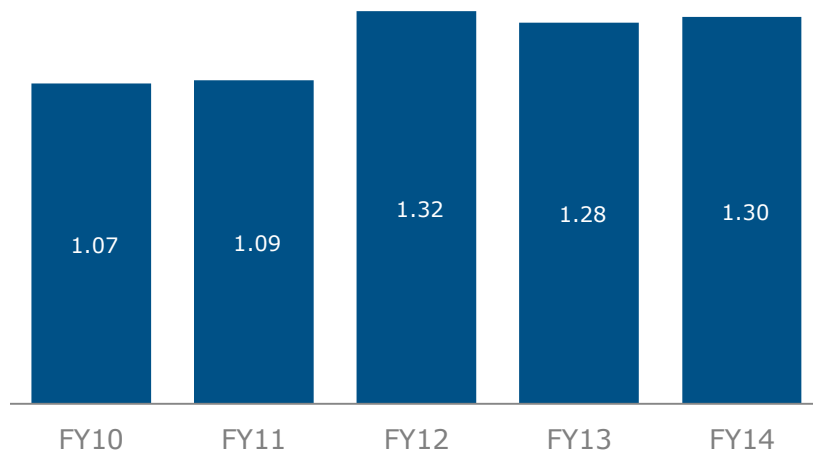
# Malt – continued high capacity utilisation and underlying improvements



\$M	FY14	FY13
Revenue	1,049	977
EBITDA <sup>(1)</sup>	125	101
EBIT <sup>(1)</sup>	79	62
Capital Expenditure	36	43

- Sales of 1.30mmt
- Continued high capacity utilisation above 90%
- Result benefitting from implementation of strategic initiatives
- Favourable impact from foreign exchange rates → translation and export competitiveness
- Rationalisation of malt footprint in Germany with closure of Sangerhausen plant

## Malt Sales (mmt)



1. Includes Port of Vancouver compensation receipts of \$4.6M in FY14 (\$4.0M in FY13).

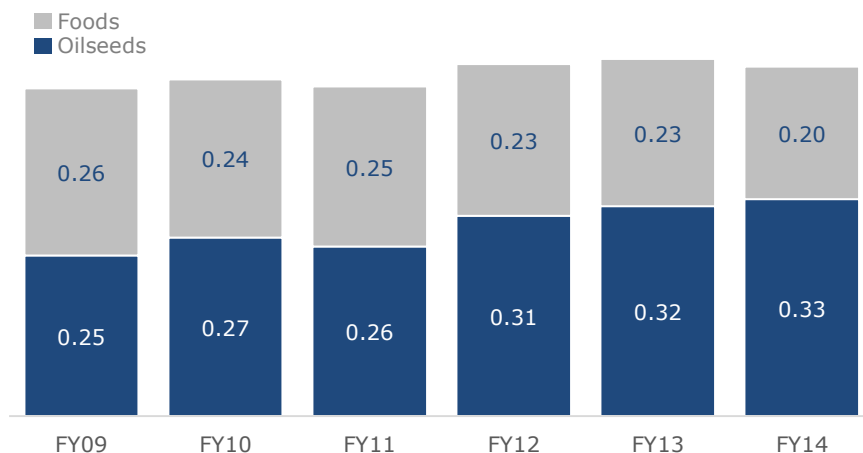
# Oils – solid result and strategic initiatives on track



\$M	FY14	FY13
Revenue	937	962
EBITDA	73	75
EBIT	47	50
Capital Expenditure	64	25

- Lower earnings from Foods offset by strong performances in Oilseeds, Liquid Terminals and complementary businesses
- **Oilseeds:** sales volumes of 0.33mmt<sup>(1)</sup>; higher volumes than prior year
- **Foods:** sales volumes of 0.20mmt<sup>(1)</sup>; lower volumes than prior year and lower margins due to sales mix
- **Liquid Terminals:** continued high capacity utilisation above 95%; stable earnings under long term agreements
- **Complementary businesses:** performing in line with expectations; solid contributions from liquid feeds and commodities management businesses

## Crushing & Refining Sales (mmt) <sup>(1)</sup>



1. Sales volumes for GrainCorp Oilseeds (crushed oil and meal) and GrainCorp Foods (refined oil products). FY09 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.

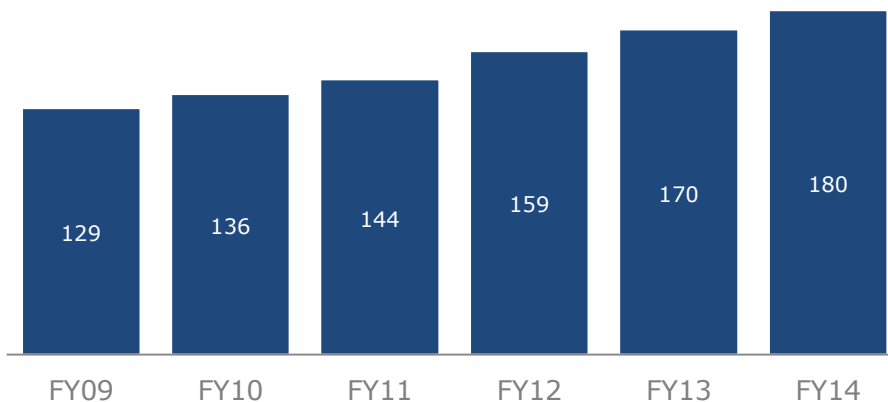
# Allied Mills – challenging milling market conditions



\$M (60%) JV Share	FY14	FY13
EBITDA	27	27
Equity profit <sup>(1)</sup>	10	12
Shareholder loan interest received	1	1
Net Asset Value <sup>(2)</sup>	180	170

- Contributions from value add product initiatives
- Challenging milling market conditions
- To support value add product strategy, acquired The Pastryhouse in New Zealand → a leading international brand in frozen pastry products
- Tullamarine expansion of frozen bakery products underway
- GrainCorp’s share of net asset value \$180M

**60% Net Asset Value (\$M)**



1. Allied Mills 60% share of NPAT. Excludes shareholder loan interest received.  
 2. FY14 includes 60% of Shareholders Equity (\$161M) and Shareholder Loan (\$19M).



# Balance Sheet and Capex



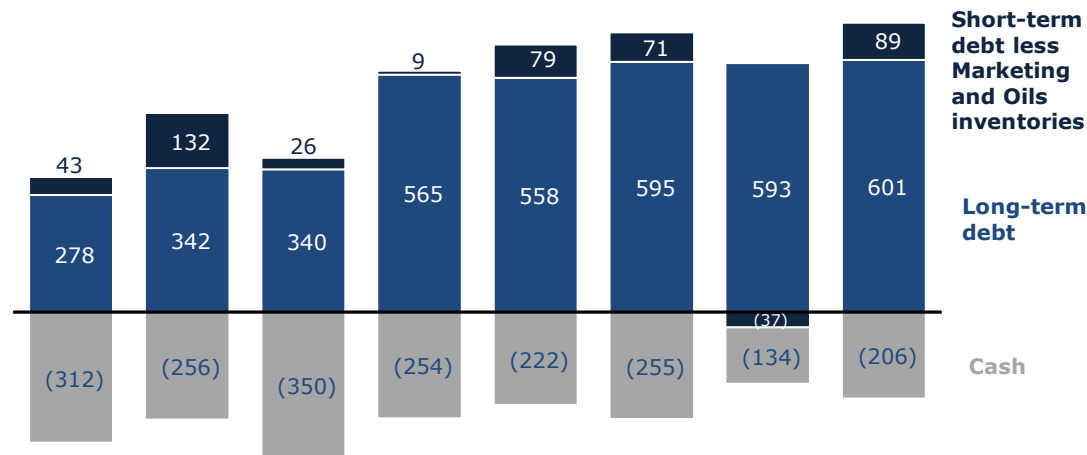
GrainCorp



# Strong and flexible balance sheet



## Core Debt<sup>(1)</sup> \$M



- Core debt increasing as expected and in line with implementation of strategic initiatives
- FY14 Core Debt<sup>(1)</sup> of \$483M
- FY14 Core Gearing of 22%
- Core Gearing target of <25%
- Debt facilities matching with asset life
- HY14 marketing inventory funding supplemented with cash

FY11	HY12	FY12	FY12 Pro forma <sup>(3)</sup>	HY13 <sup>(4)</sup>	FY13	HY14 <sup>(4)</sup>	FY14	
9	218	16	320	415	411	422	483	<b>Core Debt<sup>(1)</sup></b>
1%	13%	1%	16%	20%	19%	19%	22%	<b>Core Gearing<sup>(2)</sup></b>
0.05x	0.53x	0.04x	0.67x	0.99x	1.04x	1.26x	1.65x	<b>Core Debt / EBITDA</b>

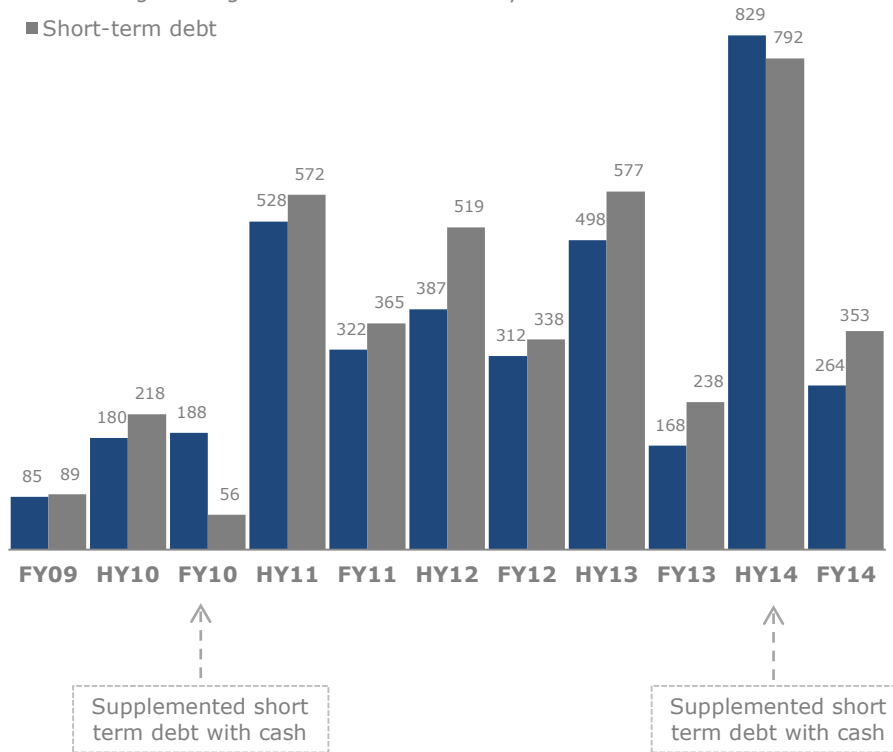
1. Core Debt = Total Debt less Cash less Marketing and Oils grain and oilseed inventory.  
 2. Core Gearing = Core Debt / (Core Debt plus Equity).  
 3. FY12 Pro forma Core Debt / EBITDA includes Oils acquisition debt and FY12 EBITDA as detailed in the ASX Announcement dated 28 August 2012.  
 4. HY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

# Commodities inventory funded with specific commodity inventory facilities



## Commodities inventory<sup>(1)</sup> (\$M)

- Marketing & Oils grain and oilseed inventory
- Short-term debt



## Marketing and Oilseed funding strategy

- Marketing's grain trading activities and Oils' oilseed and tallow positions 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

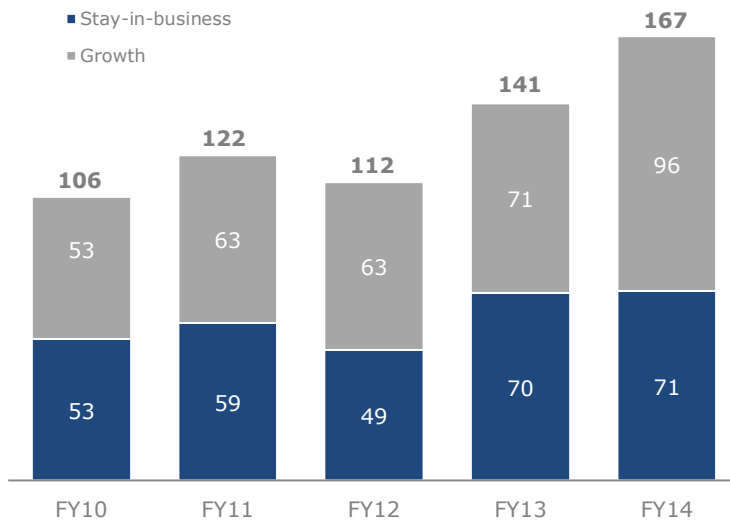
- Marketing's performance measured as PBTDA → interest treated as part of cost of goods sold
- Commodity inventory funding recognised as Operating Cash Flow → match funding purpose

1. Commodities inventory excludes Malt barley and Malt inventory held for processing activities. Variance between commodities inventory and short-term debt reconciles with "Short-term debt less Marketing and Oils inventories" on prior slide.

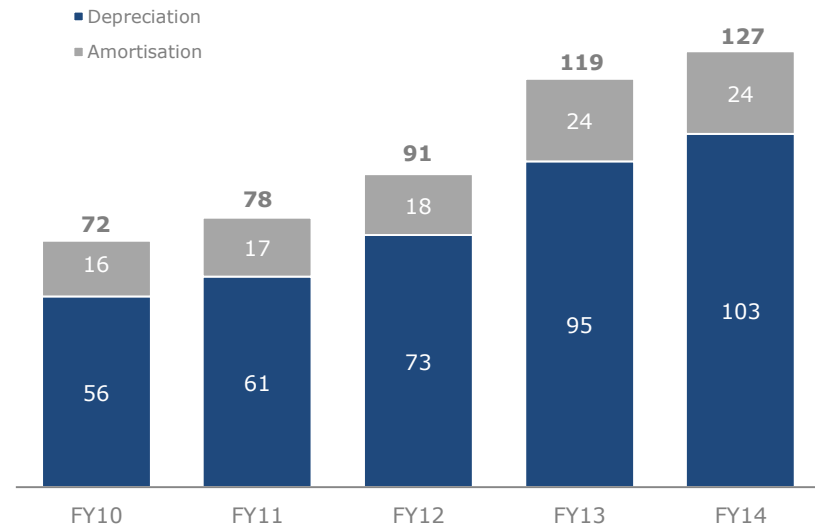
# Capex supporting safety, network efficiencies and strategic initiatives



## Capex<sup>(1)</sup> \$M



## Depreciation & Amortisation \$M



- \$111M<sup>(2)</sup> invested to progress strategic initiatives in FY13 and FY14 representing ~35% of capex program for announced initiatives excluding Project Regeneration
- FY15 capex will include ~\$160M – \$200M growth capex
- Stay-in-business capex increased from FY12 due to inclusion of Oils
- Depreciation & amortisation higher from FY12 due to inclusion of Oils and recent capex program
- Minority investment in Five Star Flour Mills not included in FY14 capex

1. Excluding acquisitions.  
2. See slide 36 for further details.

# FY15 Outlook



GrainCorp



# Grains outlook – lower grain production eastern Australia



	Market fundamentals	GrainCorp FY15 outlook
Storage & Logistics	<ul style="list-style-type: none"> <li>• Eastern Australian crop production estimate of 16.2mmt<sup>(1)</sup> is below normal (FY14: 17.2mmt; FY13: 19.4mmt)</li> <li>• Domestic demand for grain in eastern Australia of ~10mmt will be satisfied first</li> <li>• Exportable surplus significantly below normal at ~6.0mmt (FY14: ~7.9mmt; FY13: ~9.4mmt)</li> <li>• Potentially higher proportion of supply directly to domestic customers</li> <li>• Queensland and northern NSW sorghum crop dependent on summer rains</li> </ul>	<ul style="list-style-type: none"> <li>• Carry-in of 1.9mmt significantly lower than recent years (FY14: 2.3mmt; FY13: 4.3mmt)</li> <li>• Lower grain production likely to result in below-normal upcountry grain receivals</li> <li>• Expecting lower grain export volumes resulting from below-normal exportable surplus</li> <li>• Increased complexity for grain outload task</li> <li>• Year to date receivals of 2.5mmt<sup>(2)</sup></li> <li>• Year to date exports of 0.2mmt<sup>(3)</sup> and 4.3mmt booked on the shipping stem<sup>(4)</sup> → expecting low execution rate in 2015</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>• Continuing strong international grain demand</li> <li>• Lower eastern Australia production volumes and continued competition to originate grain</li> <li>• Strong domestic feed demand driven by drought conditions in Queensland and northern NSW</li> </ul>	<ul style="list-style-type: none"> <li>• Challenging given lower production and significant competition for grain in eastern Australia</li> <li>• Targeting sales originating from Western Australia and South Australia with slots booked on shipping stems</li> <li>• Continue targeting additional grain origination opportunities outside Australia</li> </ul>

1. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the Australian Crop Forecasters' October 2014 report.  
 2. Wheat, barley, canola, sorghum received up country as at 10 November 2014.  
 3. Wheat, barley, canola and sorghum exports to 12 November 2014. Wheat, barley, canola and sorghum shipping stem bookings as at 12 November 2014. Reflects Year-To-Go bookings to 30 September 2015.

# Lower grain production likely to result in lower S&L volumes



	Drivers (mmt)	FY14	FY15 Outlook	FY15 YTD <sup>(1)</sup>	FY15 Outlook
Storage & Logistics	Eastern Australia Grain Production	17.2	▼	16.2 <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Grain production forecast below normal and lower than prior year</li> </ul>
	Grain carry-in (1-Oct)	2.3	▼	1.9	<ul style="list-style-type: none"> <li>Below average and lower than recent years</li> <li>Expected to result in lower storage revenue and smaller export program</li> </ul>
	Country network receivals	8.0	▼	2.5 <sup>(3)</sup>	<ul style="list-style-type: none"> <li>Expected to be lower than prior year</li> <li>2.5mmt<sup>(3)</sup> receivals year to date</li> </ul>
	Grain exports	4.4	▼	0.2 <sup>(4)</sup>	<ul style="list-style-type: none"> <li>Expected to be lower than prior year</li> <li>0.2mmt<sup>(4)</sup> exports year to date</li> <li>4.3mmt<sup>(5)</sup> booked on the shipping stem → expecting low execution rate in 2015</li> </ul>

1. YTD reflects Year-to-Date.
2. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the Australian Crop Forecasters' October 2014 report.
3. Wheat, barley, canola, sorghum received up country as at 10 November 2014.
4. Wheat, barley, canola, sorghum exports to 12 November 2014.
5. Wheat, barley, canola and sorghum shipping stem bookings as at 12 November 2014. Reflects Year-To-Go bookings to 30 September 2015.

# Processing outlook – well placed through strong competitive position



	Market fundamentals	GrainCorp FY15 outlook
Malt	<ul style="list-style-type: none"> <li>Global barley crop production ~140mmt<sup>(1)</sup> (FY14: 145mmt)</li> <li>Weather related barley production issues in Canada and USA</li> <li>Beer demand in mature markets continues to soften and slower growth in developing markets</li> <li>Continued demand for quality malt</li> </ul>	<ul style="list-style-type: none"> <li>Forward sales of 1.1mmt YTD</li> <li>Sales expected to be consistent with FY14</li> <li>Continued strong capacity utilisation above 90% supported by malt portfolio position</li> <li>Potential increase in unrecoverable processing and transport costs related to barley production issues</li> <li>Continued incremental benefits from strategic initiatives being realised</li> </ul>
Oils	<ul style="list-style-type: none"> <li>Australian canola crop production estimate of ~3.4mmt<sup>(2)</sup> (FY14: 3.7mmt)</li> <li>Growing domestic and international demand for canola oil</li> <li>Continued competition in crushing and refining</li> <li>Continued demand for bulk liquid terminals capacity</li> </ul>	<ul style="list-style-type: none"> <li>High capacity utilisation for crushing</li> <li>Refining volumes stabilising</li> <li>Consistently high capacity utilisation across bulk liquid terminals</li> <li>Complementary contributions from Liquid Feeds and Commodity Management businesses</li> </ul>

1. World barley production estimates. Source: United States Department of Agriculture's website: accessed 11 November 2014.  
 2. Australian canola production estimate, using the Australian Crop Forecasters' October 2014 report.



# Strategic Initiatives Updates & CEO View



GrainCorp



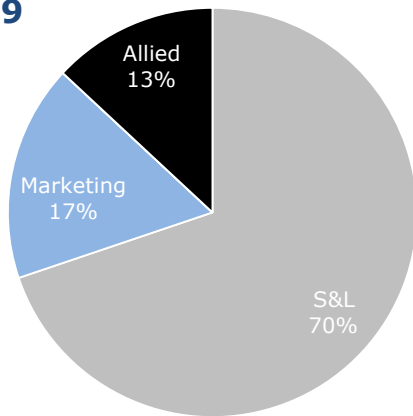
# Focus on corporate objectives



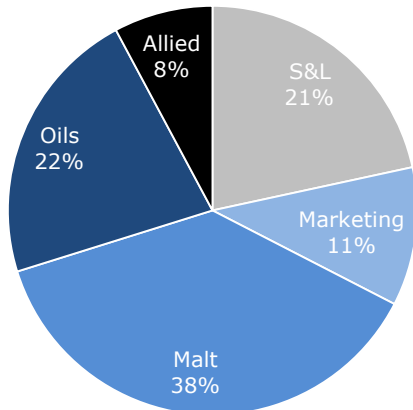
## Manage variability

### EBITDA by segment<sup>(1)</sup> \$M

FY09



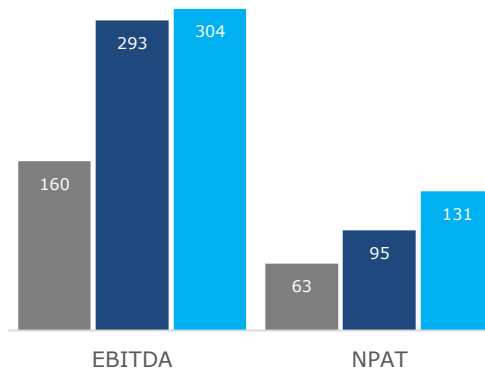
FY14



## Deliver growth

### EBITDA and NPAT<sup>(2)</sup> \$M

■ FY09 ■ FY14 ■ 6yr Avg

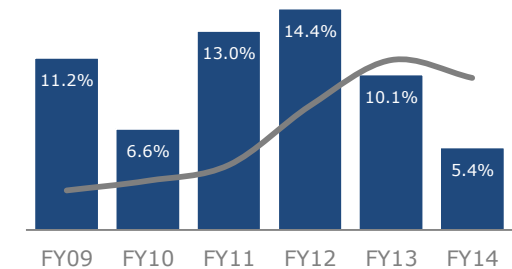


Growth in total EBITDA and NPAT but on a per share basis, growth relatively flat

## Improve returns

### Return on Equity %

■ Annual ROE %  
— Rolling 5 yr avg ROE %



Some improvement through the cycle but greater reliability required

Strategic initiatives targeting optimisation and / or growth in all segments

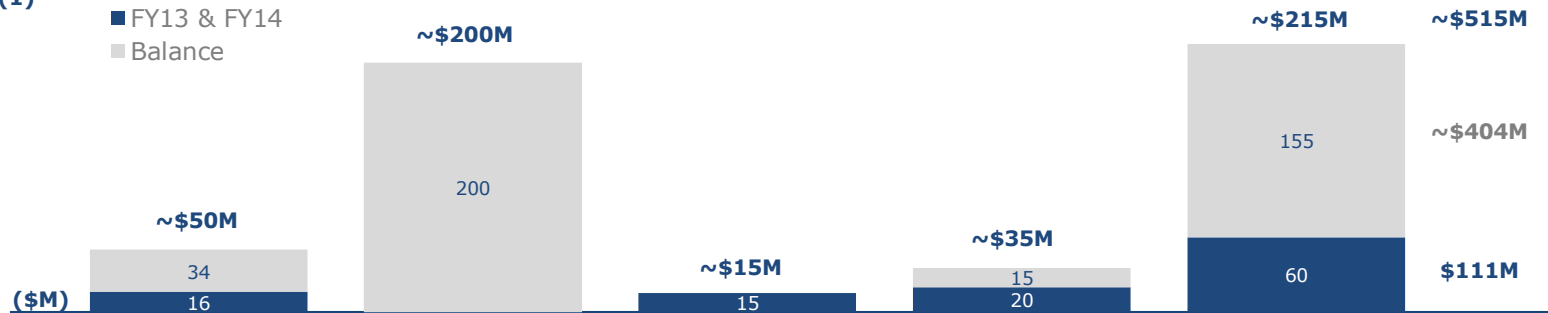
1. Underlying EBITDA. Excludes corporate costs.  
2. Underlying EBITDA and NPAT. Includes corporate costs.

# Strategic initiatives targeting optimisation and growth in reliable earnings



	Storage & Logistics		Marketing	Malt	Oils
Initiatives	Customer service	Network rationalisation and revitalisation	Customer focussed growth	Operations excellence	Network footprint
	Non-grain opportunities			Global model	Liquid terminals growth
	Port flexibility		Broaden origination footprint	Niche market growth	Integration

## Capex<sup>(1)</sup>



1. See Slide 36 in appendix for a detailed breakdown.

# Storage & Logistics initiatives to deliver more efficient network and improved customer service



## Updates

### Network rationalisation and revitalisation

- On track with all elements of Project Regeneration
  - Site closures according to plan
  - New cluster model implemented
  - Export Direct in place with significant uptake from customers
  - Detailed rail optimisation planning underway
  - Engagement with government encouraging and continuing

### Port flexibility – Code of Conduct

- Ports Code of Conduct in place providing a:
  - Level playing field for bulk grain terminals in eastern Australia
  - Pathway for reduced regulation in the future
- ACCC exemption for Carrington terminal in Newcastle
- ACCC has outlined process to seek further exemptions under their guidelines

### Improving customer service

- Majority of initiatives implemented including increased mobile stackers and weighbridges, and site improvements; wagon loading optimisation consistently delivering according to plan and embedded within the business

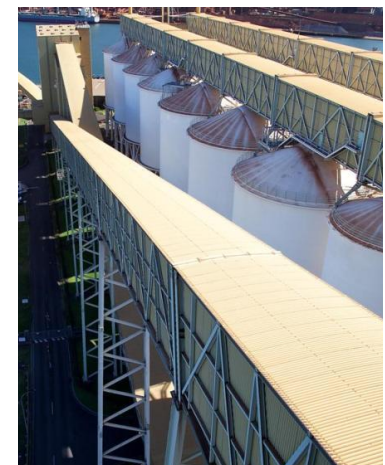
### Non-grain opportunities

- Range of non-grain opportunities being explored and scoped

*Project Regeneration on track*



*Code of Conduct providing level playing field and potential ACCC exemptions*



# Marketing initiatives to deliver global view and broadening grain origination footprint



## Updates

### Broaden grain origination footprint

- Increased contribution from international offices, Western Australia and South Australia
- Recently developed small scale container packing facility in Strathmore, Canada
- Exploring additional grain origination opportunities

### Customer focussed growth

- Benefits from minority investment in leading Egyptian flour miller Five Star Flour Mills

### Enabling technology

- Global risk and trading platform rolled out in Australia, Germany and Canada

*Strathmore container packing facility established*



*Five Star Mills investment*



# Malt initiatives to improve efficiency and pursue growth in niche markets



## Updates

### Operations excellence

- Progress targeting cost reduction and other efficiencies → energy, labour, water, waste

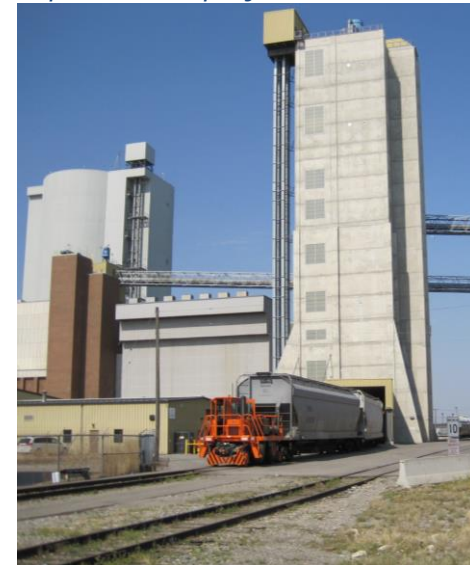
### Niche market growth

- Continued strong demand for quality malt in craft and distilling markets in North America and Scotland respectively
- Further potential growth in craft sector

### Global model

- Corporate office relocated to Vancouver Washington, USA
- Implementation of IT system nearing completion

*Calgary malt plant water usage improvement project delivered*



# Oils initiatives to optimise processing footprint and grow liquid terminals capacity



## Updates

### Network footprint

- ~\$125M optimisation project on track
  - Several construction milestones achieved at West Footscray
  - Detailed planning at Numurkah with construction to commence in early CY15

### Liquid terminals expansions

- ~\$70M growth projects on track
  - Fremantle and Port Kembla projects complete with a substantial proportion of capacity leased
  - Pinkenba project progressing according to plan with strong fundamentals and underlying demand

### Integration

- Final stages of IT integration nearing completion including SAP implementation

*Liquid terminal projects on track → Port Kembla and Fremantle complete*



# CEO view



## First Impressions

- Commitment to our values
- “Zero Harm – Safe for Life”
- Passionate people
- Focus on customers

## Immediate Focus

- Execute on our portfolio of organic strategic initiatives
- Strong focus on capital management and investment discipline

## Outlook

- Strong fundamentals through the cycle
- Well positioned along the grain chain
- Enhance our capabilities and explore opportunities to build further on our model

**Deliver on our strategic initiatives and explore opportunities to build further on our model**



# Questions



# Appendix



# Significant items



Significant items <sup>(1)</sup> (\$M)	Segment	EBITDA	D&A	Net Interest	Tax	NPAT	Details
<b>Underlying</b>		<b>293.3</b>	<b>(126.5)</b>	<b>(40.1)</b>	<b>(32.2)</b>	<b>94.5</b>	
Claims and losses	S&L	(27.5)			8.3	(19.2)	Increased allowance for claims due to higher likelihood of claims arising due to low grain volumes in the network, an expected second below-normal grain production year and due to the emptying of closed sites and consolidation of stock under Project Regeneration.
Restructuring costs	S&L, Oils	(23.0)			6.9	(16.1)	Storage & Logistics network rationalisation and Oils network optimisation costs.
Impairment of assets	S&L, Malt, Oils	(11.7)			2.1	(9.6)	Storage & Logistics network rationalisation, Oils network optimisation and a site closure in GrainCorp Malt.
Takeover response costs & acquisition and integration costs	Corporate	0.6			0.1	0.7	Costs related to responses to ADM takeover proposals. Reversal of provision related to Oils acquisition.
<b>Total Significant Items</b>		<b>(61.6)</b>			<b>17.4</b>	<b>(44.2)</b>	
<b>Statutory</b>		<b>231.7</b>	<b>(126.5)</b>	<b>(40.1)</b>	<b>(14.8)</b>	<b>50.3</b>	

# Grain volumes FY13 and FY14



Volume driver (mmt)	FY13	FY14	Comments
Grain carry-in (1 Oct)	4.3	2.3	<ul style="list-style-type: none"> <li>Grain stored at start of period</li> <li>FY14 carry-in below average of ~3mmt</li> </ul>
Country network receivals	10.4	8.0	<ul style="list-style-type: none"> <li>~46% share of production<sup>(1)</sup></li> <li>Lower receivals due to lower grain production in eastern Australia</li> </ul>
Grain exports handled	8.3	4.4	<ul style="list-style-type: none"> <li>Lower exportable surplus resulting in lower grain exports</li> <li>Including bulk and containers</li> </ul>
Non-grain exports	1.9	1.9	<ul style="list-style-type: none"> <li>Exports include woodchips and cottonseed and mineral sands</li> <li>Does not include imports (eg orange juice, meals and fertiliser)</li> </ul>
Grain carry-out (30 Sep)	2.3	1.9	<ul style="list-style-type: none"> <li>Grain stored at period end</li> </ul>
<b>Throughput<sup>(2)</sup></b>	<b>23.8</b>	<b>15.7</b>	<ul style="list-style-type: none"> <li>Average of country sites in and out, and ports grain and non-grain exports handled</li> </ul>
Domestic grain outload	6.3	5.7	<ul style="list-style-type: none"> <li>Higher proportion grain direct to domestic consumers</li> </ul>
Grain received at port	2.2	1.7	<ul style="list-style-type: none"> <li>Grain received direct at port ex-farm and other bulk handlers</li> </ul>

1. Based on eastern Australia's wheat, barley, canola and sorghum production estimates, using the average of Australian Crop Forecasters' October 2014 report and ABARES September 2014 report.

2. Average country grain inload (carry-in + receivals) and outload (carry-in + receivals - carry-out) + ports grain and non-grain exports handled.

# Capex plan supporting strategic initiatives



## Strategic initiatives capex plan by business unit (\$M)

Business Unit	FY13 and FY14 Capex	FY15 Capex Plan	Capex Balance	Capex Total	Initiatives announced and underway
Storage & Logistics (a)	16	~4 – 10	~24 – 30	~50	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Non-grain opportunities</li> <li>• Ports flexibility</li> </ul>
Storage & Logistics (b)	–	~35 – 40	~160 – 165	~200	<ul style="list-style-type: none"> <li>• Network rationalisation and revitalisation</li> </ul>
Marketing	15	–	–	~15	<ul style="list-style-type: none"> <li>• Customer focussed growth</li> <li>• Broaden origination footprint</li> </ul>
Malt	20	~10 – 15	~0 – 5	~35	<ul style="list-style-type: none"> <li>• Operations excellence</li> <li>• Global model</li> <li>• Niche market growth</li> </ul>
Oils	60	~95 – 105	~50 – 60	~215	<ul style="list-style-type: none"> <li>• Integration</li> <li>• Network footprint</li> <li>• Liquid terminals growth</li> </ul>
<b>Total</b>	<b>111</b>	<b>~144 – 170</b>	<b>~234 – 260</b>	<b>~515</b>	

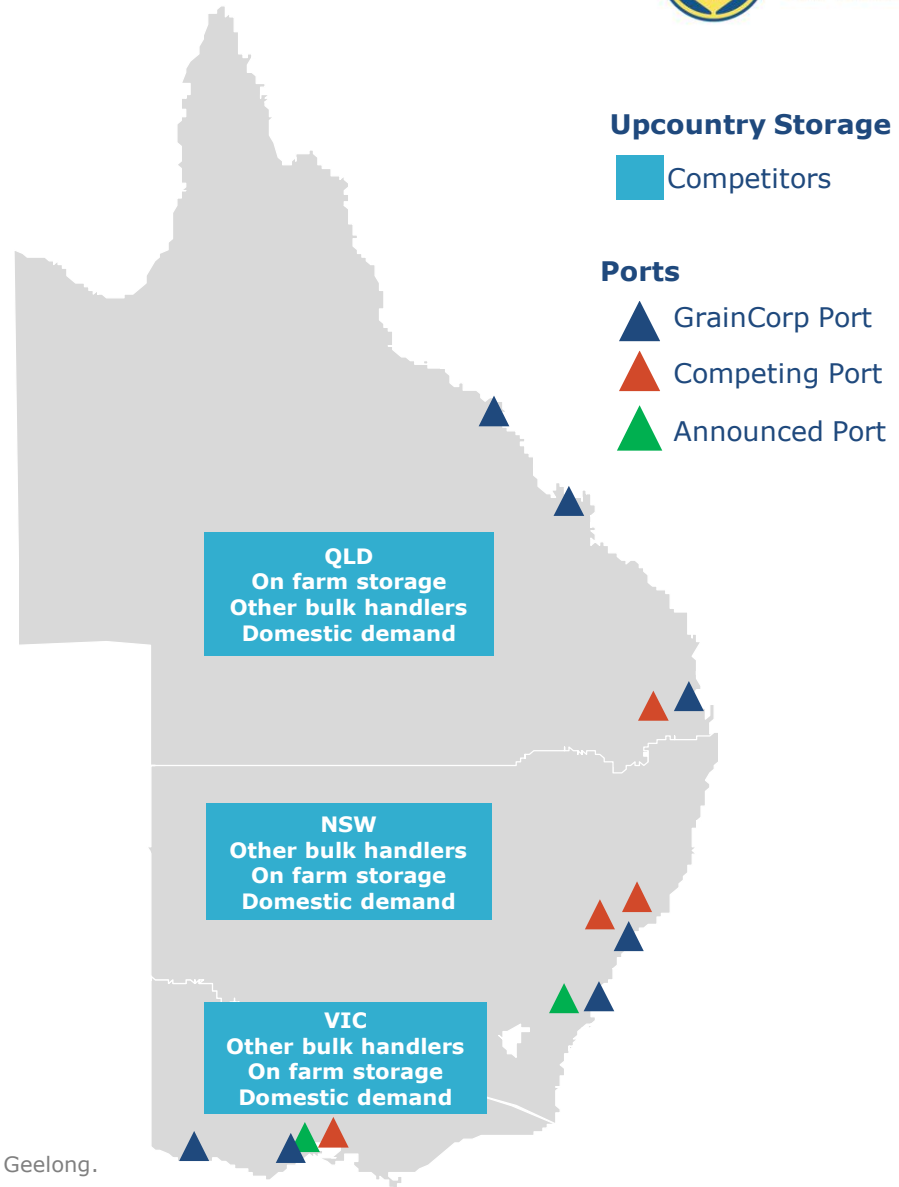
# Eastern Australia competitive landscape



Upcountry Storage Capacity	
GrainCorp	~20mmt
Competitors	~10mmt
On-farm	~10mmt
<b>Total</b>	<b>~40mmt</b>

Production / Exports	
Eastern Australia grain production	~18mmt
Domestic demand	~10mmt
<b>Exportable surplus</b>	<b>~8mmt</b>

Grain Export Capacity	
GrainCorp	~15.0mmt
Competitors <sup>(1)</sup>	~5.0mmt
Container exports	~3.5mmt
<b>Total</b>	<b>~23.5mmt</b>



1. Including competing ports announced at Port Kembla and Geelong.

# Upcoming events and activities



Date	Event / Milestone	Location
Oct 14 – Jan 15	Weekly Harvest Updates	Online <a href="http://www.graincorp.com.au/investors-and-media/media/harvest-bulletins">http://www.graincorp.com.au/investors-and-media/media/harvest-bulletins</a>
18 Dec 14	Annual General Meeting	Sydney & Webcast <a href="http://www.graincorp.com.au/investors-and-media/presentation-and-events/annual-general-meetings">http://www.graincorp.com.au/investors-and-media/presentation-and-events/annual-general-meetings</a>
14 May 15	HY15 Results Release	TBA
12 Nov 15	FY15 Results Release	TBA
18 Dec 15	FY15 AGM	TBA
TBA	2015 Investor Day	TBA