



14 May 2015

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

**GRAINCORP LIMITED: GNC
INVESTOR PRESENTATION
FINANCIAL HALF YEAR ENDED 31 MARCH 2015**

Please find attached the Investor Presentation relating to the financial Half Year ended 31 March 2015.

GrainCorp is holding a briefing for investors and analysts commencing at 9.30am (Sydney time) to present the Half Year Results. The briefing will be webcast live and can be accessed from the following link: <http://www.brrmedia.com/event/138505>. An archived version will also be available later in the day.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 in a cursive style.

**Gregory Greer
Company Secretary**

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HY15 Results

14 May 2015



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

- Result Overview (Mark Palmquist)
- Segment Performance (Mark Palmquist)
- Balance Sheet & Capex (Alistair Bell)
- FY15 Outlook (Mark Palmquist)
- Other Updates (Mark Palmquist)
- Questions

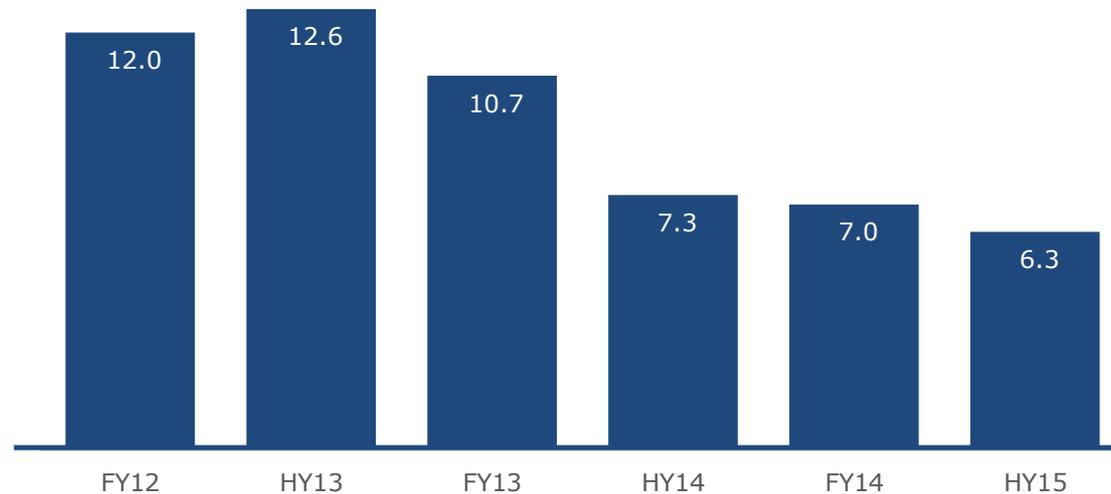
Commitment to values driving positive outcomes



Values

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

Safety Performance⁽¹⁾



**Rolling 12 month average LTIFR⁽¹⁾ 14%
lower than same time last year.**

1. 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.

Earnings from Malt and Oils support challenging period for grains businesses



- HY15 earnings of \$136M EBITDA⁽¹⁾ and \$35M NPAT⁽²⁾.
- HY15 statutory NPAT of \$30M after significant items⁽³⁾.
- **Dividend:** fully franked HY15 interim dividend of 7.5 cents per share.
- **Malt:** consistent levels of high capacity utilisation; implementation of strategic initiatives improving earnings; favourable foreign exchange impact; better than expected processing results from poor quality barley in North America.
- **Oils:** higher crushed oilseeds volumes and margins; refined volumes stabilising however at lower margins; continued high capacity utilisation at liquid terminals and additional contribution from two completed expansions; solid contributions from commodity management businesses offset by unfavourable feeds conditions in NZ dairy.
- **Storage & Logistics:** below-average carry-in and below-normal grain production in eastern Australia resulting in lower upcountry receivals, grain exports and rail freight utilisation.
- **Marketing:** below-normal grain production in eastern Australia resulting in increased competition for grain and margin pressure; alternative origination sources competing strongly with Australian grain.
- **Funding:** new 5-year construction facility established and successful refinancing of term debt facilities, extending tenure in the range of 4.5 to 7 years.

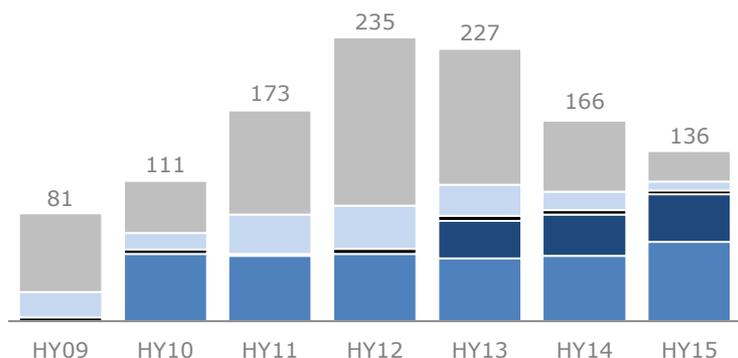
1. EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items.
2. Net profit after tax and before significant items.
3. Significant items of \$4.5M after tax. See appendix for further detail.

Earnings profile highlighting benefits of diversification along the grain chain



EBITDA⁽¹⁾ \$M

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



1H	82	112	173	235	227	166	136
2H	79	100	177	179	168	127	

NPAT⁽¹⁾ \$M



1H	32	53	88	122	109	61	35
2H	31	28	84	83	66	34	

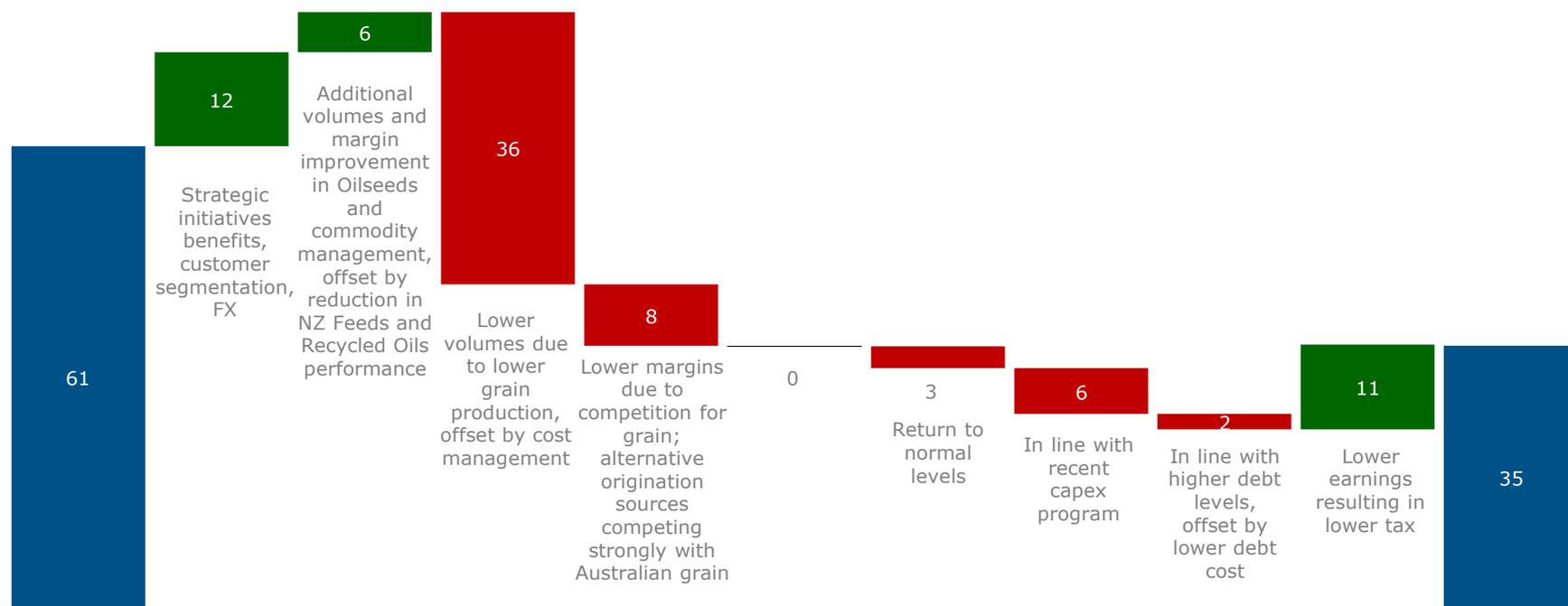
Malt & Oils earnings platform demonstrating the importance of diversification

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

Processing businesses demonstrating the importance of earnings diversification



HY14 to HY15 Earnings Bridge⁽¹⁾ \$M



← EBITDA →

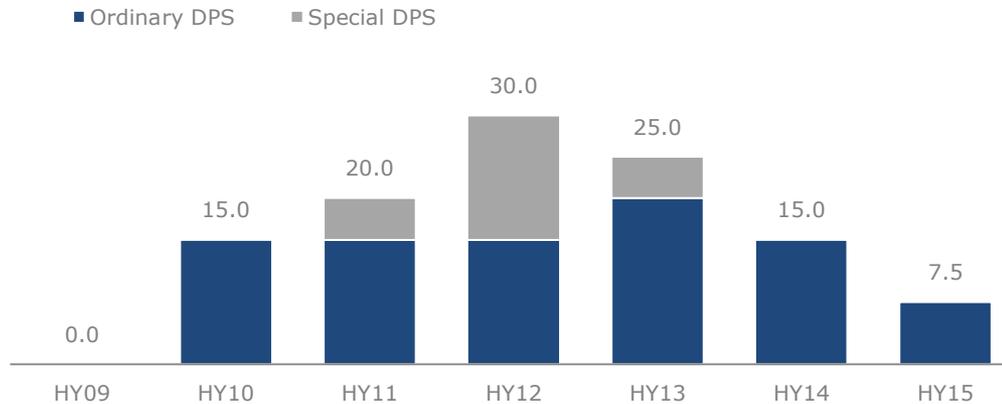
HY14 NPAT	Malt ⁽²⁾	Oils	Storage & Logistics	Marketing	Allied Mills ⁽³⁾	Corporate	D&A	Net Interest	Tax	HY15 NPAT
HY15 (\$M)	69	42	27	8	4	(13)	(67)	(22)	(13)	35
HY14 (\$M)	57	36	63	16	4	(10)	(61)	(20)	(24)	61

1. Excludes significant items - see appendix for further information.
 2. Includes Port of Vancouver compensation receipts of \$5.3M in HY15 (\$4.6M in HY14). This is the final compensation receipt.
 3. 60% share of NPAT before significant item.

Diversified earnings supporting dividend



Dividends per share¹



Payout ratio ⁽²⁾	HY09	HY10	HY11	HY12	HY13	HY14	HY15
	0%	54%	48%	44%	65%	68%	49%

- **HY15 interim dividend:** fully franked interim dividend of 7.5 cents per share
- **Payout ratio:** 49% of NPAT⁽²⁾
- **Dividend policy:** Payout 40 – 60% NPAT through the business cycle
- Targeting to pay an ordinary dividend each year

HY15 Dividend Dates

- Record: 3 July 2015
- Payment: 17 July 2015

1. DPS is dividends per share shown in cents.
 2. Payout ratio based on NPAT before significant items.

Segment Performance



GrainCorp



Portfolio of grain businesses capture value along the grain chain



\$M	Revenue		EBITDA ⁽¹⁾	
	HY15	HY14	HY15	HY14
Malt ⁽²⁾	533	507	69	57
Oils	471	476	42	36
Storage & Logistics	209	280	27	63
Marketing	917	966	8	16
Allied Mills ⁽³⁾	-	-	4	4
Corporate Costs	-	-	(13)	(10)
Eliminations and other	(155)	(173)	-	-
Total	1,975	2,056	136	166

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

2. EBITDA includes Port of Vancouver compensation receipts of \$5.3M in HY15 (\$4.6M in HY14). This is the final compensation receipt.

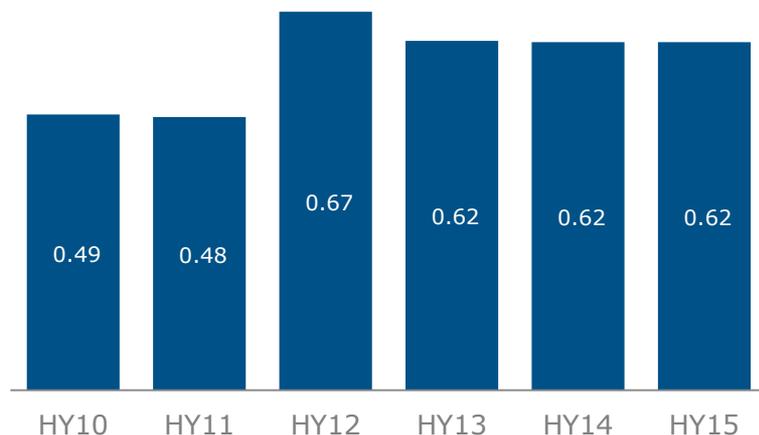
3. Allied Mills 60% share of NPAT before significant item.

Malt – continued high capacity utilisation and underlying improvements



\$M	HY15	HY14
Revenue	533	507
EBITDA ⁽¹⁾	69	57
EBIT ⁽¹⁾	45	35
Capital Expenditure	16	13

Malt Sales (mmt)



- Sales of 0.62mmt; continued high capacity utilisation above 90% (higher than prior year given plant closure)
- Better than expected processing results from poor quality barley in North America
- Improved energy and water efficiencies and waste reduction from implementation of strategic initiatives
- Minor favourable impact from lower Australian dollar to US dollar exchange rate → translation and export competitiveness
- Continued double digit growth in craft sector in USA and emerging growth in other markets → supporting malt product mix

1. Includes Port of Vancouver compensation receipts of \$5.3M in HY15 (\$4.6M in HY14). This is the final compensation receipt.

Oils – solid result and strategic initiatives on track



\$M	HY15	HY14
Revenue	471	476
EBITDA	42	36
EBIT	27	24
Capital Expenditure	47	21

- **Oilseeds:** sales volumes of 0.18mmt⁽¹⁾; higher volumes and improved margins
- **Foods:** sales volumes of 0.10mmt⁽¹⁾; volumes stabilising however lower margins due to sales mix
- **Liquid Terminals:** continued high capacity utilisation above 95%; partial contribution from recently completed projects at Fremantle and Port Kembla
- **Complementary businesses:** solid contributions from commodity management businesses offset by feed sales in NZ dairy sector
- Oils optimisation and bulk liquid terminals initiatives on track

Crushing & Refining Sales (mmt) ⁽¹⁾



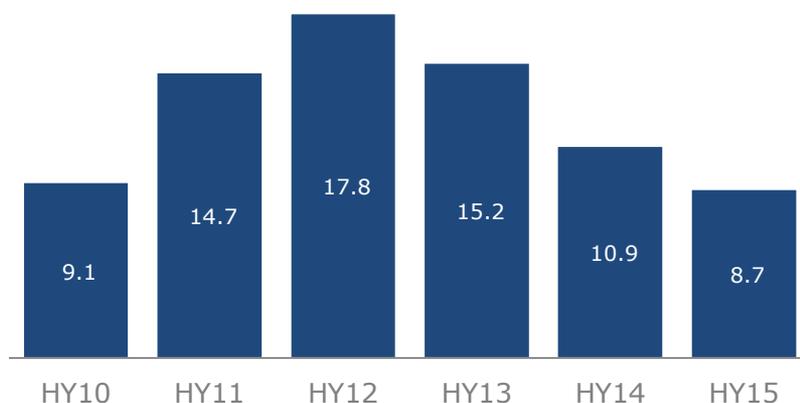
1. Sales volumes for GrainCorp Oilseeds (crushed oil and meal) and GrainCorp Foods (refined oil products). FY09 to FY12 includes GrainCorp Oilseeds' sales volumes for each 12 months ended 31 March and GrainCorp Foods' sales volumes for each 12 months ended 30 June.

Storage & Logistics – lower grain production resulting in lower volumes



\$M	HY15	HY14
Revenue	209	280
EBITDA	27	63
EBIT	1	38
Capital Expenditure	23	29

Storage & Logistic Throughput (mmt) ⁽¹⁾



- Lower earnings due to below-normal grain production resulting in lower volumes
 - **Carry-in:** 1.9mmt⁽¹⁾ (HY14: 2.3mmt)
 - **Country receivals:** 6.7mmt (HY14: 7.6mmt); ~47% share of winter crop⁽²⁾
 - **Exports:** grain exports⁽³⁾ of 1.4mmt (HY14: 2.8mmt); non-grain exports of 1.2mmt (HY14: 0.9mmt)
 - **Throughput**⁽⁴⁾: 8.7mmt (HY14: 10.9mmt)
- **Rail freight:** fixed cost under take or pay arrangement; low utilisation given lower exports
- **Project Regeneration:** lower operating cost per tonne resulting from these initiatives; first tranche of detailed capital projects announced

1. mmt = million metric tonnes.

2. Based on eastern Australia's wheat, barley, and canola production estimates, using the average of Australian Crop Forecasters' April 2015 report and ABARES February 2015 report.

3. Grain exports includes bulk and containers.

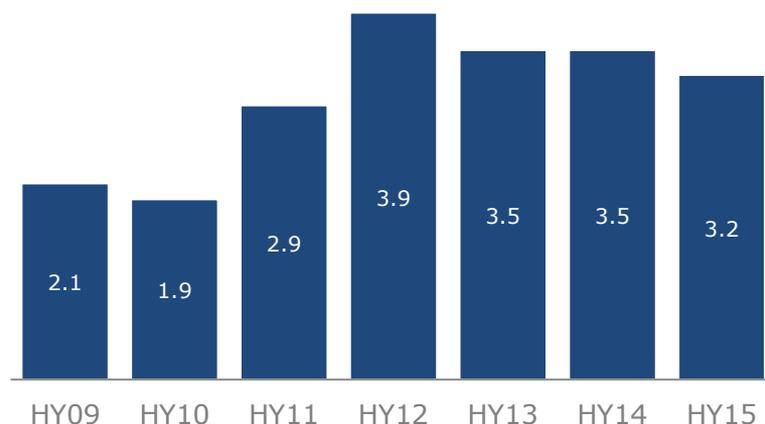
4. Average of country grain inload (carry-in + receivals) and outload (carry-in + receivals - carry-out) + ports grain and non-grain. exports handled. See appendix for further detail.

Marketing – lower grain production and strong international competition



\$M	HY15	HY14
Revenue	917	966
EBITDA	8	16
Interest expense ⁽²⁾	(9)	(8)
PBTDA ⁽²⁾	(1)	8
Marketing inventory ⁽³⁾	439	711

Marketing Volumes (mmt) ⁽¹⁾



- Earnings lower due to lower grain production in eastern Australia, greater competition for grain domestically and margin pressure on exports
- Alternative origination sources competing strongly with Australian grain
- Reduced natural advantages of Australian grain (eg quality, freight) resulting in weaker than expected demand for Australian grain, hence lower margins
- 3.2mmt delivered sales⁽¹⁾ → 1.5mmt domestic, 1.7mmt export and international
- Increasing proportion of grain originated outside of Eastern Australia
- Majority of marketed grain acquired from growers and sold to end users
- Marketing inventory of \$439M⁽³⁾

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.

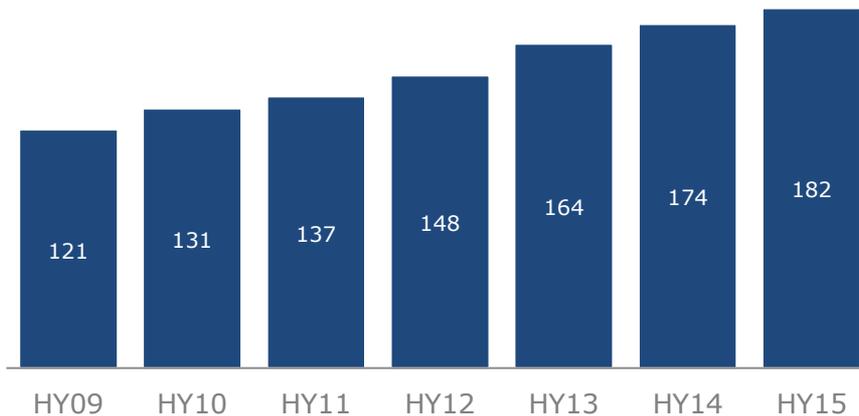
Allied Mills



\$M (60%) JV Share ⁽¹⁾	HY15	HY14
EBITDA	11	12
Equity profit ⁽¹⁾	4	4
Shareholder loan interest received	1	1
Net Asset Value ⁽²⁾	182	174

- Changing retail market conditions
- Tullamarine expansion of frozen bakery products completed in first half
- Strategy remains focussed on value add product initiatives
- GrainCorp's share of net asset value \$182M

60% Net Asset Value - \$M



1. Allied Mills 60% share of NPAT before significant item. Excludes shareholder loan interest received.
 2. HY15 includes 60% of Shareholders Equity (\$163M) and Shareholder Loan (\$19M).

Balance Sheet and Capex



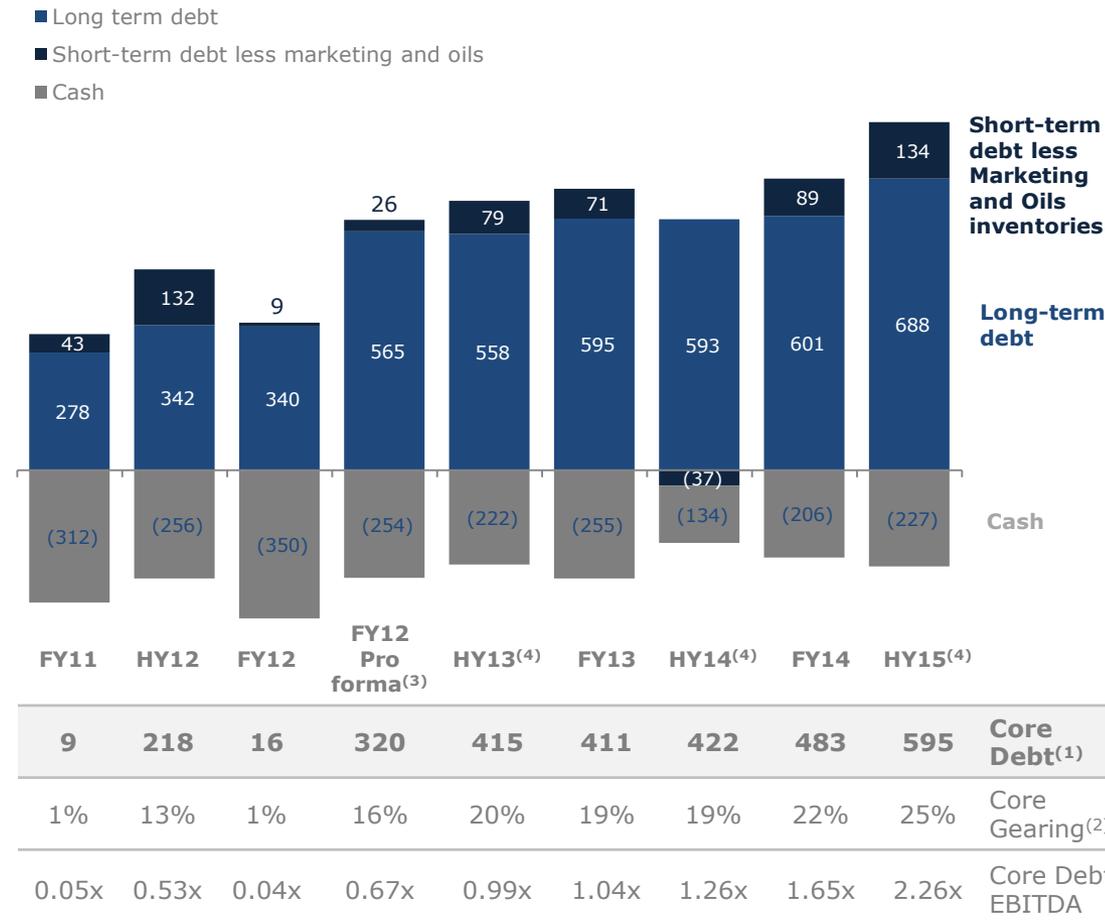
GrainCorp



Strong and flexible balance sheet



Core Debt⁽¹⁾ \$M



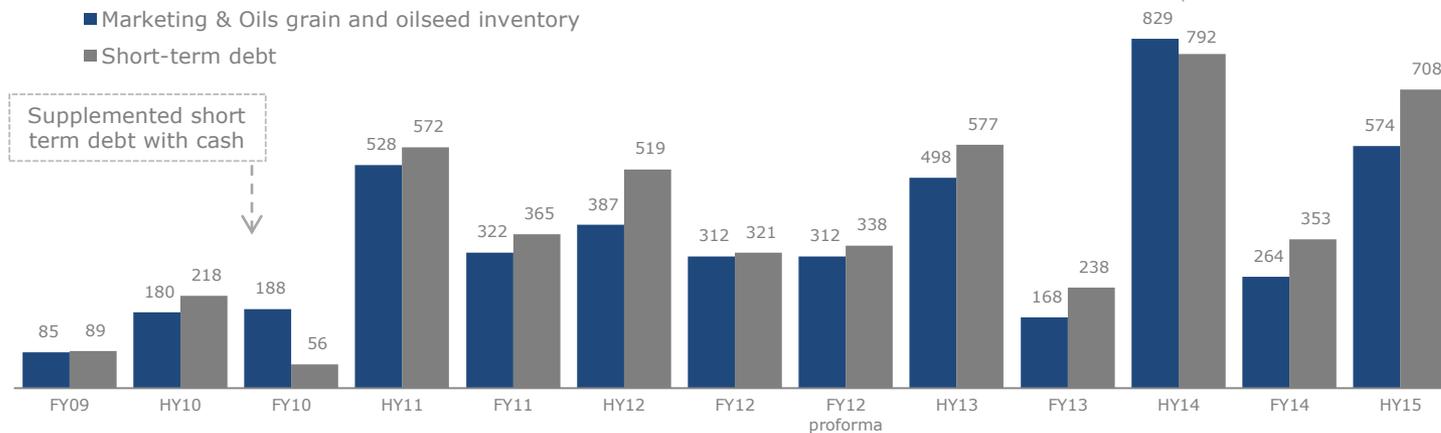
- Core debt increasing as expected and in line with implementation of strategic initiatives, ahead of earnings
- Debt facilities matching with asset life
- New 5-year construction facility of \$210M (\$75M drawn) established in Nov-2014
- Successful refinancing of term debt facilities (unsecured bi-lateral):
 - Revolving facilities of \$175M (\$133M drawn), maturing in Nov-2019;
 - Acquisition facilities of \$225M maturing Apr-2020;
 - Multi-currency facility of \$245M maturing in Apr-2022.
- Average tenure of term debt increased to 5.3 years (range 4.5 to 7 years)

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 \$M



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

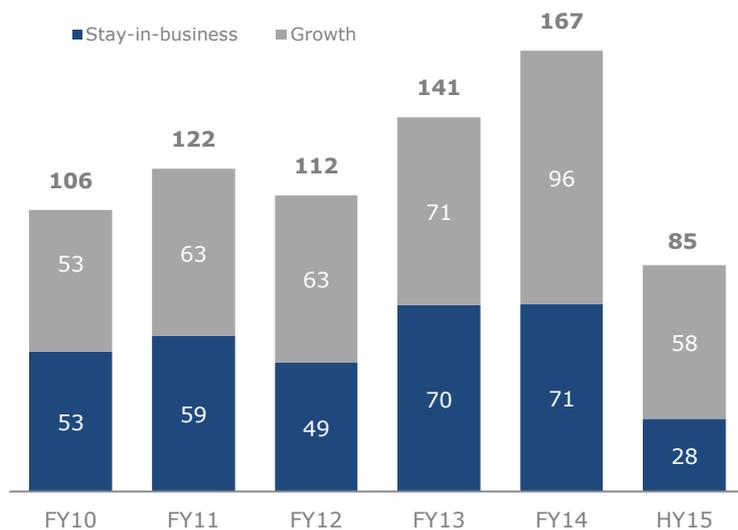
- Marketing's performance measured as PBTDA → interest treated as part of cost of goods sold
- Commodity inventory funding recognised as Operating Cash Flow → match funding purpose and seasonal working capital

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.

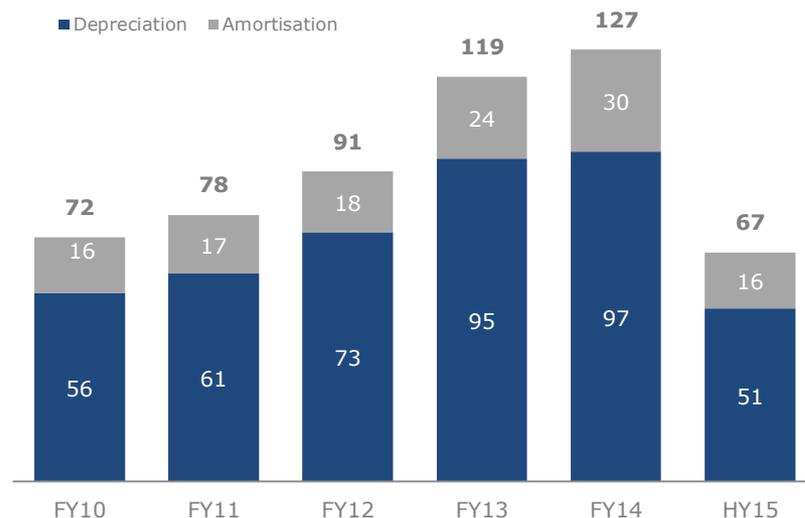
Capex supporting safety, network efficiencies and strategic initiatives



Capex⁽¹⁾ \$M



Depreciation & Amortisation \$M



- ~\$170M⁽²⁾ invested since FY13 representing ~54%⁽³⁾ of capex program for announced initiatives
- FY15 capex will include ~\$145M – \$165M growth capex
- Strategic initiatives implementation on track
- 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

1. Excluding acquisitions.
 2. See Appendix for further details.
 3. Excluding Project Regeneration.

FY15 Outlook



GrainCorp



FY15 Grains outlook – lower grain production eastern Australia



	Market fundamentals	GrainCorp FY15 outlook
Storage & Logistics	<ul style="list-style-type: none"> • Eastern Australian crop production estimate of 16.3mmt⁽¹⁾ is below normal (FY14: 17.3mmt) • Domestic demand for grain in eastern Australia of ~10mmt will be satisfied first • Exportable surplus significantly below normal at ~6.3mmt (FY14: ~7.3mmt) → lowest exportable surplus in ~5years • Average sorghum crop with high proportion likely to be held for feed • Higher domestic prices for grain, relative to international markets, has delayed grain export program from eastern Australia 	<ul style="list-style-type: none"> • Carry-in: 1.9mmt significantly lower than recent years (FY14: 2.3mmt) • Country receivals: 7.0–7.5mmt (FY14: 8.0mmt); 6.7mmt⁽²⁾ receivals year-to-date • Grain exports: 2.5–3.0mmt (FY14: 4.4mmt); 1.6mmt YTD⁽³⁾; stem bookings year-to-go 2.8mmt⁽⁴⁾ → expecting low execution rate in 2015 • Non-grain exports: ~2.5mmt (FY14: 1.9mmt) • Carry-out: 1.8–2.0mmt (FY14: 1.9mmt) • Rail freight: Contracted under long term take or pay arrangements. Below normal exportable surplus resulting in decreased rail freight utilisation → unrecoverable logistics costs • Logistics complexity: Increased complexity for grain outload task
Marketing	<ul style="list-style-type: none"> • Lower eastern Australia production volumes and continued competition from domestic market to originate grain • Australian grain quality is above average • Strong competition from alternative supply origins and reduced freight advantage to major export regions making Australian grain less competitive 	<ul style="list-style-type: none"> • Challenging given lower production and higher proportion of crop used to satisfy domestic demand • Weaker than expected demand for Australian grain resulting from alternative sources surpluses, quality and reduced freight advantage • Implementation of grain origination growth strategy outside Eastern Australia continuing to gain traction

1. Eastern Australia's wheat, barley, canola and sorghum production estimates, using the average of the Australian Crop Forecasters' April 2015 report and ABARES' February 2015 Report.
2. Wheat, barley, canola, sorghum received up country year-to-date.
3. Wheat, barley, canola and sorghum exports year-to-date.
4. Wheat, barley, canola and sorghum shipping stem bookings year-to-go.

Below normal grain production resulting in lower S&L volumes



	Drivers (mmt)	FY14	FY15 YTD ⁽¹⁾	FY15 Outlook	FY15 Outlook
Storage & Logistics	Eastern Australia Grain Production	17.3		16.3 ⁽²⁾	<ul style="list-style-type: none"> Grain production forecast below normal and lower than prior year
	Grain carry-in (1-Oct)	2.3		1.9	<ul style="list-style-type: none"> Below average and lower than recent years Expected to result in lower storage revenue and smaller export program
	Country network receivals	8.0	6.7 ⁽³⁾	7.0–7.5	<ul style="list-style-type: none"> Below normal and lower than recent years Expected to result in lower storage revenue and smaller export program
	Grain exports	4.4	1.6 ⁽⁴⁾	2.5–3.0	<ul style="list-style-type: none"> 2.1mmt⁽⁵⁾ booked on the shipping stem → expecting low execution rate in 2015 Delay in shipping program means low utilisation of rail freight obligations
	Non-grain exports	1.9	1.5	~2.5	<ul style="list-style-type: none"> Strong demand for woodchip exports
	Carry-out	1.9		1.8–2.0	<ul style="list-style-type: none"> Expected to be in line with or lower than prior year

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' April 2015 report and ABARES' February 2015 Report.
3. Wheat, barley, canola, sorghum received up country year-to-date.
4. Wheat, barley, canola, sorghum exports year-to-date.
5. Wheat, barley, canola and sorghum shipping stem bookings year-to-go.

FY15 Processing outlook – well placed through strong competitive position



	Market fundamentals	GrainCorp FY15 outlook
Malt	<ul style="list-style-type: none"> Global barley crop production ~141mmt⁽¹⁾ (FY14: 145mmt) Weather related barley production issues in Canada and USA Beer demand in mature markets continues to soften and slower growth in developing markets Continued demand for quality malt Continued strong growth in North American craft beer segment 	<ul style="list-style-type: none"> Forward sales of 1.2mmt YTD Malt sales volume: ~1.27mmt Better than anticipated processing results from extremely poor barley quality in North America to date as the crop for next year approaches Continued incremental benefits from strategic initiatives being realised Lower Australia dollar to benefit earnings translation and exports from Australia
Oils	<ul style="list-style-type: none"> Australian canola crop production estimate of ~3.4mmt⁽²⁾ (FY14: 3.8mmt) Growing domestic and international demand for canola oil Continued competition in crushing and refining Continued demand for bulk liquid terminals capacity 	<ul style="list-style-type: none"> High capacity utilisation for crushing → good demand for meal and oil Refining volumes stabilised; however volumes at lower margins Consistently high capacity utilisation across bulk liquid terminals Complementary contributions from Commodity Management businesses offset by low volumes for NZ Feeds

1. World barley production estimates. Source: United States Department of Agriculture's website: accessed May 2015.
 2. Australian canola production estimate, using the average of the Australian Crop Forecasters' April 2015 report and ABARES' February 2015 Report.

FY15 Earnings Guidance



	EBITDA	NPAT
Guidance	<ul style="list-style-type: none"> • EBITDA (before significant items): \$240M – \$270M 	<ul style="list-style-type: none"> • Underlying NPAT (before significant items): \$45M – \$60M
Assumptions / Variables	<ul style="list-style-type: none"> • Includes 60% share of Allied Mills NPAT before significant items <p>Variables</p> <ul style="list-style-type: none"> • 2H15 volumes: sorghum receivals; direct to port receivals; port elevations • Drought effect on domestic demand and associated stock movements • New season opportunities for Marketing in Q4 • Foreign exchange movements • Barley and oilseed procurement 	<ul style="list-style-type: none"> • Depreciation & Amortisation: ~\$135M • Tax: ~26% • Significant items totalling ~\$7M including Oils, Malt and Allied optimisation and asset impairment

Other Updates



Other updates



2015/16 Winter Crop

- Favourable rain in late April / May in Eastern Australia
- Planting underway; rain required in critical growing period
- Australian Bureau of Meteorology forecasting El Niño event

Announcements

- **S&L:** Network revitalisation – first tranche of works announced (11 May)
- **S&L:** Favourable draft ruling on exemption for Geelong; ongoing consultation on Portland; Port Kembla exemption application process commenced
- **Capital management:** Construction facility established (Nov-14) and term debt facilities refinanced (May-15)

Questions



Appendix



Significant items



\$M	Segment	EBITDA	D&A	Net Interest	Tax	NPAT	Details
Underlying		136.1	(66.5)	(21.8)	(13.1)	34.7	
Restructuring costs	S&L, Oils, Allied Mills	(1.8)	(1.5)		0.6	(2.7)	Relating to Oils network optimisation, S&L Project Regeneration costs and Allied Mills.
Impairment of assets	Malt		(1.8)			(1.8)	Relating to a site in Malt.
Total Significant Items		(1.8)	(3.3)		0.6	(4.5)	
Statutory		134.3	(69.8)	(21.8)	(12.5)	30.2	

Grain volumes HY14 and HY15



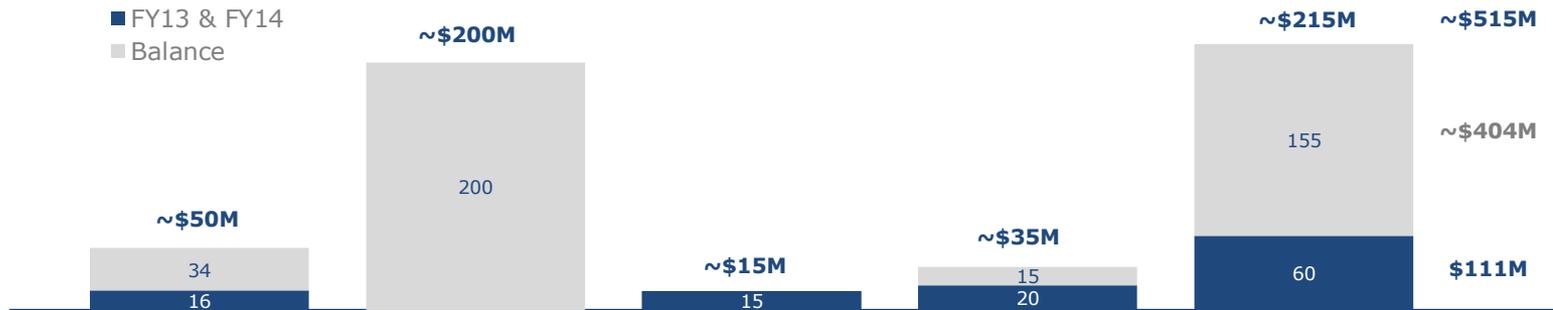
Volume driver (mmt)	HY14	HY15	Comments
Grain carry-in (1 Oct)	2.3	1.9	<ul style="list-style-type: none"> Grain stored at start of period HY14 & HY15 carry-in below average of ~3mmt
Country network receivals	7.6	6.7	<ul style="list-style-type: none"> ~47% share of winter crop production⁽¹⁾ Lower receivals due to lower grain production in eastern Australia
Grain exports handled	2.8	1.4	<ul style="list-style-type: none"> Lower exportable surplus resulting in lower grain exports Including bulk and containers
Non-grain exports	0.9	1.2	<ul style="list-style-type: none"> Exports include woodchips and cottonseed and mineral sands Does not include imports (eg orange juice, meals and fertiliser)
Grain carry-out (30 Sep)	5.4	5.2	<ul style="list-style-type: none"> Grain stored at period end
Throughput⁽²⁾	10.9	8.7	<ul style="list-style-type: none"> Average of country sites in and out, and ports grain and non-grain exports handled
Domestic grain outload	2.7	2.6	<ul style="list-style-type: none"> Higher proportion grain direct to domestic consumers
Grain received at port	2.2	0.6	<ul style="list-style-type: none"> Grain received direct at port ex-farm and other bulk handlers

1. Based on eastern Australia's wheat, barley and canola production estimates, using the average of Australian Crop Forecasters' April 2015 report and ABARES' February 2015 report.
2. Average country grain inload (carry-in + receivals) and outload (carry-in + receivals - carry-out) + ports grain and non-grain exports handled.

Strategic initiatives targeting optimisation and growth in reliable earnings



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



Eastern Australia competitive landscape



Upcountry Storage Capacity

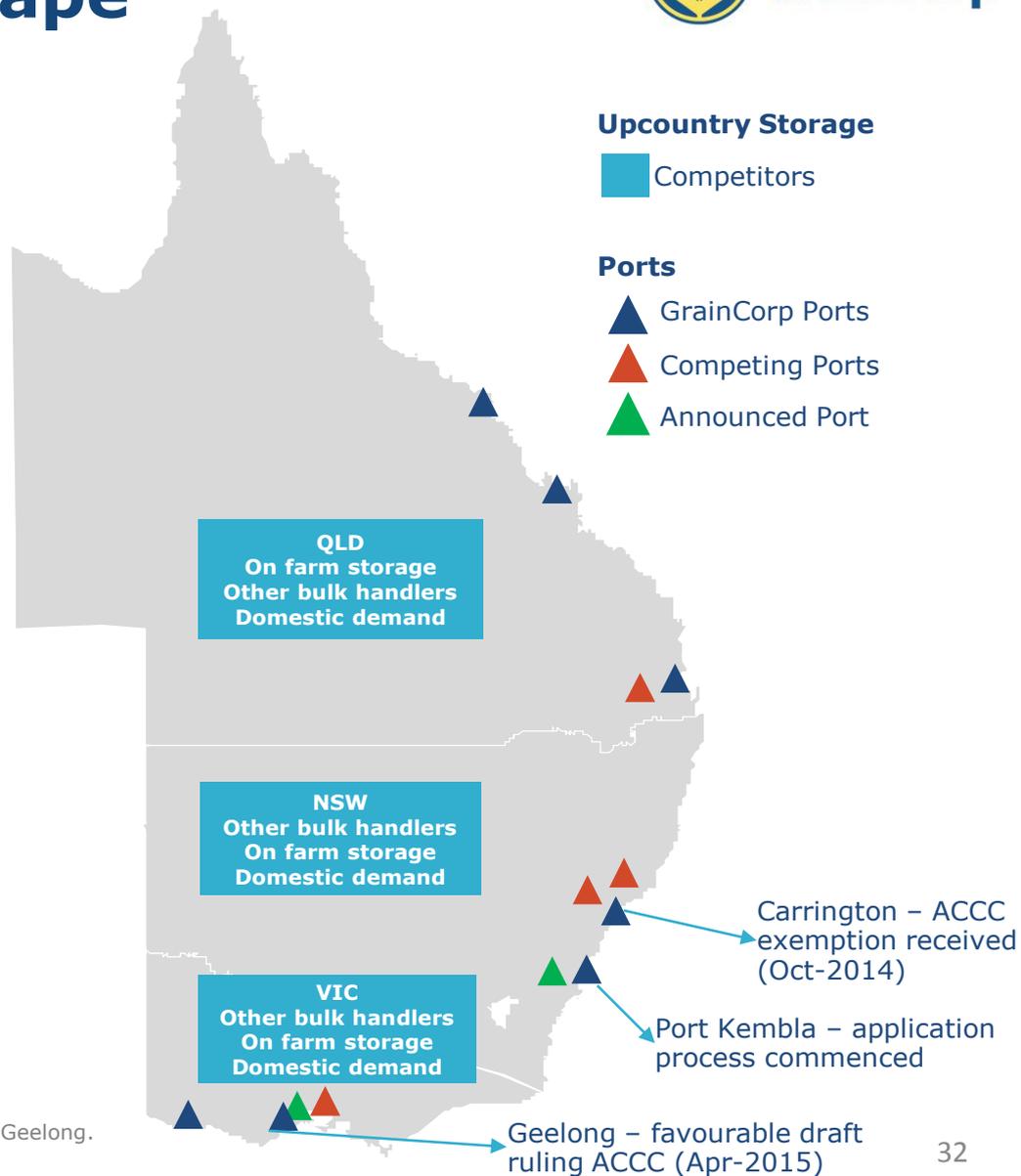
GrainCorp	~20mmt
Competitors	~10mmt
On-farm	~10mmt
Total	~40mmt

Production / Exports

Eastern Australia grain production	~18mmt
Domestic demand	~10mmt
Exportable surplus	~8mmt

Grain Export Capacity

GrainCorp	~15.0mmt
Competitors ⁽¹⁾	~5.0mmt
Container exports	~3.5mmt
Total	~23.5mmt



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

Upcoming events and activities



Date	Event / Milestone	Location
20 May 15	2015 Investor Day	Geelong
12 Nov 15	FY15 Results Release	TBA
18 Dec 15	FY15 AGM	TBA