

03 November 2015

GrainCorp announces expected FY15 results

GrainCorp Limited ("GrainCorp") announces that it expects to report FY15 underlying NPAT of \$45M and statutory NPAT of \$32M. GrainCorp also expects to report FY15 underlying EBITDA of \$235M.

The expected FY15 results remain subject to audit completion. GrainCorp will release its audited results and a more detailed update on 12 November 2015.

Managing Director and Chief Executive Officer, Mark Palmquist said: "Whilst it's pleasing our processing businesses have contributed a significant portion of the year's expected earnings, FY15 has largely been influenced by factors in our grains business. Continued challenging conditions in global grain markets have affected the result of GrainCorp Marketing. This has only been partially offset by a good performance from Storage & Logistics with upcountry receivables of 7.4mmt and grain exports of 3.5mmt in the face of a smaller eastern Australian crop."

GrainCorp expects to report sales volumes for Marketing of 6.0mmt, full year EBITDA loss of \$2M (1H15 gain of \$8M) and full year PBTDA loss of \$16M (1H15 loss of \$1M).

"Lower grain production in eastern Australia resulted in intense competition to originate grain, while bigger crops and stock levels in other regions also generated strong competition from alternative supply origins," Mr Palmquist said.

"This situation was exacerbated by lower fuel costs and ocean freight rates, which reduced Australia's freight advantage to major export destinations and made Australian grain more expensive, severely limiting the opportunities available.

"Our team has maintained strong discipline in the face of these challenges and given that many of our competitors have reported experiencing similarly difficult conditions, we have actually performed relatively well.

"I'm also pleased about the positive performance of Storage & Logistics in the tough environment, due to improvements in cost management and a strong sorghum export program in the second half."

GrainCorp also expects to report Significant Items totalling approximately \$12M (after tax). The Significant Items total is slightly higher than previously indicated, due to additional restructuring costs in Storage & Logistics and Oils and an impairment of a Malt elevator in Canada.

Harvest update

The average of the forecasters' most recent updates is 16.1mmt of winter crop for eastern Australia.¹

¹ Based on eastern Australia's wheat, barley and canola production estimates, using the average of Australian Crop Forecasters' October 2015 report and ABARES September 2015 report.

Mr Palmquist said that the eastern Australian harvest is now underway, with GrainCorp already receiving 1.4mmt², mostly in Queensland and northern New South Wales.

“Growers in areas of Victoria and southern New South Wales have had to contend with particularly hot and dry conditions in September and October. This will temper grain production forecasts relating to our FY16 year but it is too early to make definitive predictions. There is a long way to go before harvest is complete and good finishing rains would still be very welcome in many areas.”

GrainCorp is providing weekly harvest updates for up country grain receivals which are available at: graincorp.com.au

FURTHER INFORMATION

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² As at 2 November 2015.