



# Media Release

**IMMEDIATE RELEASE**

Wednesday 19<sup>th</sup> November 2008

## **GRAINCORP RESULTS IN LINE WITH GUIDANCE – RETURN TO PROFIT IN 2009**

GrainCorp Limited today released its full financial year results for the year ended 30<sup>th</sup> September 2008, recording a drought affected after tax loss of \$19.9 million.

GrainCorp Managing Director, Mark Irwin, said the result was in line with previous market guidance and was similar to the loss incurred in the previous drought affected year. He also expressed confidence that the company would return to profit in 2009.

“Despite the 2008 NPAT loss, our FY 08 EBITDA of \$51.3 million was up 60.8% from FY 07, reflecting the positive contribution from the record sorghum crop, Hunter Grain and GrainCorp Merchandise. Overall earnings were however dragged down by interest costs, reflecting higher interest rates and higher inventory funding costs (resulting from record grain prices) and by a disappointing grain Marketing result,” Mr Irwin said.

“The effect of drought in many areas of Queensland, NSW and Victoria significantly reduced the size of the 2007 winter crop harvest, and thus grain receivals and carry. The dry conditions at the end of 2007 meant that carry-in stocks were down 75% on FY 07 at record low levels of 1.2 MMT. As 2008 progressed, we received a record 2.1 MMT from the record 2008 summer sorghum harvest. This contributed to total grain receival of 6.5 MMT, an increase of 116% from FY 07,” Mr Irwin said.

### **Results Summary**

Carry-in - 1.2 MMT	EBITDA - \$51.3m
Receivals - 6.5 MMT	EBIT - \$11.1m
Export grain handled - 0.8 MMT	Interest – Corporate - \$22.7m
Carry out - 2.2 MMT	Interest – Inventory - \$24.3m
Non-grain exports - 2.1 MMT	Net profit/(loss) after tax - \$(19.9m)

### **Outlook**

Seasonal conditions currently point to a return to a much improved winter crop harvest in Queensland and northern and central NSW, however this positive news is tempered somewhat by conditions in southern NSW and Victoria which continue to be effected by drought. On top of a strong winter harvest for northern NSW and Queensland, these regions are again well placed for a strong summer sorghum harvest.

“On 19<sup>th</sup> September 2008 we released a full year grain receival forecast of between 7.5 MMT and 10 MMT. The spread reflects uncertainty over the size of the current winter crop and the forthcoming sorghum crop, and the extent to which grain flows in this harvest will impact on our receivals. We will be in a position to further report on receivals at the end of harvest.” Mr Irwin said.

For a copy of the GrainCorp 2008 Financial Year presentation visit [www.graincorp.com.au](http://www.graincorp.com.au)

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*GrainCorp's vision is to be Australasia's leading handler and supplier of agriproducts and bulk products.*

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