16 November 2016

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

GRAINCORP LIMITED: GNC

APPENDIX 4E AND ANNUAL REPORT

FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

Please find attached the Appendix 4E and Annual Report relating to the financial year ended 30 September 2016.

For those Shareholders that elect to receive a hard copy of the Annual Report, this document will be mailed to Shareholders commencing the week of 28 November 2016.

Annual General Meeting

GrainCorp's Annual General Meeting will be held at 10:00am (AEDT) on Friday 24 February 2017 at the Pullman Hotel, 36 College Street, Sydney NSW.

Yours sincerely,

Gregory Greer
Company Secretary

GrainCorp Limited

Level 28, 175 Liverpool Street
Sydney NSW 2000

PO Box A268
Sydney South NSW 1235

T 02 9325 9100
F 02 9325 9180

ABN 60 057 186 035

graincorp.com.au

GrainCorp

GRAINCORP LIMITED
APPENDIX 4E
FOR THE YEAR ENDED 30 SEPTEMBER 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
	Up / Down	% Movement		2016 $ M
Revenue from ordinary activities	Up	1.8%	to	**4,158.3**
Profit before significant items from ordinary activities after tax attributable to owners of GrainCorp Limited	Up	18.4%	to	**52.7**
Significant items[1] from ordinary activities net of tax	Up	75.8%	to	**(21.8)**
Profit from ordinary activities after tax attributable to owners of GrainCorp Limited	Down	3.7%	to	**30.9**
Net profit for the period attributable to owners of GrainCorp Limited	Down	3.7%	to	**30.9**

Dividend Information	**Amount per security**	**Franked amount per security at 30% tax**
Interim dividend per share (paid 15 July 2016)	7.5 cents	7.5 cents
Final dividend per share	3.5 cents	3.5 cents
Record date for determining entitlements to the final dividend		30 November 2016
Payment date for final dividend		14 December 2016

Additional Information

Net Tangible Assets per share: $5.42 (2014: $5.64)

Additional Appendix 4E disclosure requirements can be found in the attached Annual Report.

This report is based on the consolidated financial statements and notes which have been reviewed by PricewaterhouseCoopers.

Further information regarding the company and its business activities can be obtained by visiting the company's website at www.graincorp.com.au.

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[1] Significant items: GrainCorp defines significant items as not in the ordinary course of business, non-recurring and material in nature and amount. Significant items are shown in Note 8 of the Annual Report.

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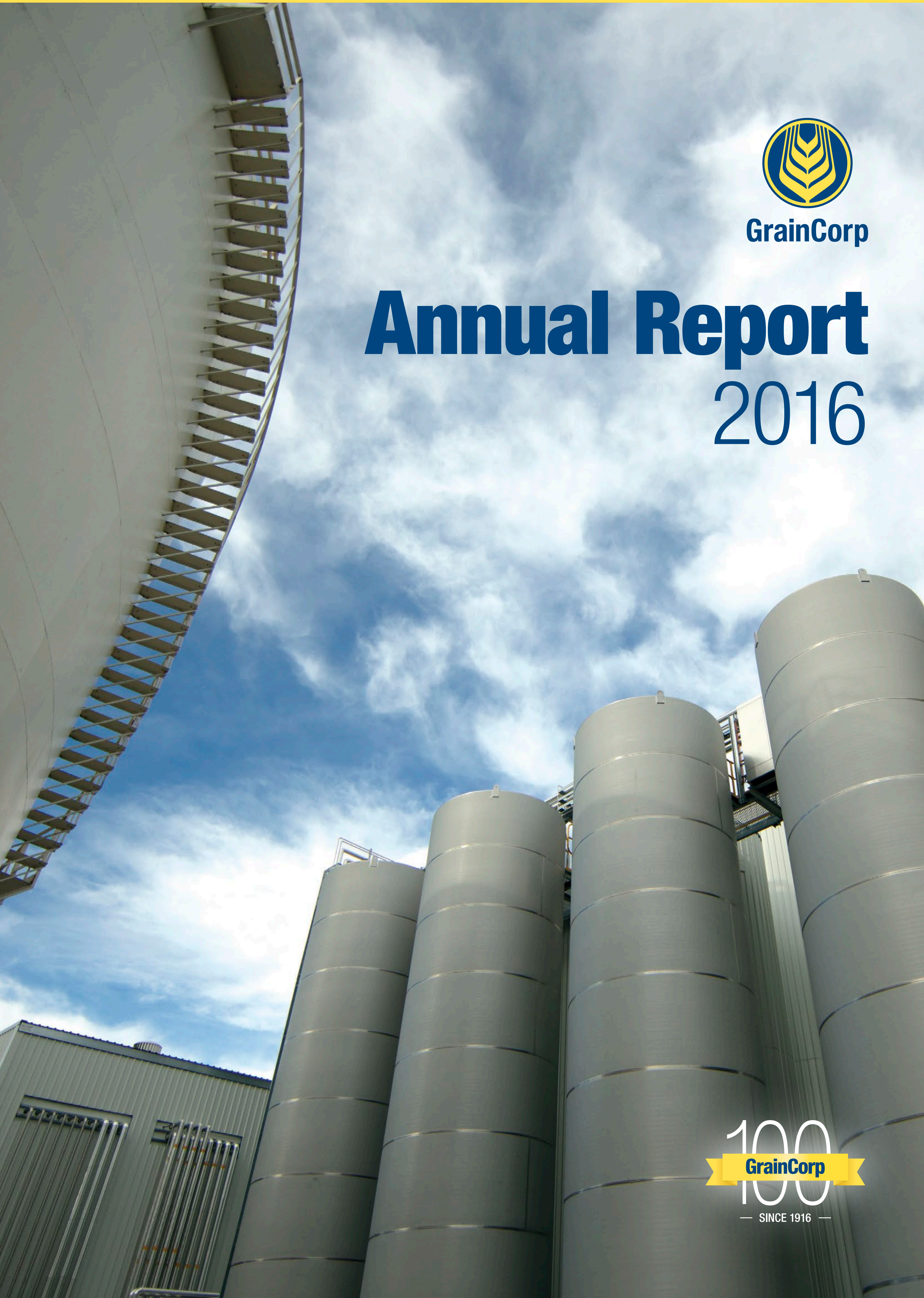


GrainCorp

Annual Report 2016

100 GrainCorp

— SINCE 1916 —

2016 is an important year for GrainCorp as it marks 100 years since the establishment of the NSW Grain Elevators Board, which was ultimately the foundation of our Storage & Logistics business.

We're proud of our Australian heritage and we look forward to an exciting second century of growth, working as a partner with local growers, regional communities and customers around the world.

Contents

Annual General Meeting

24 February 2017, 10.00am
Pullman Sydney Hyde Park Hotel
36 College Street
Sydney NSW 2010

Interim Results
Half year end – 31 March 2017
Results announcement – 11 May 2017

Full Year Results
Full year end – 30 September 2017

Cover image: GrainCorp Oils' crushing and refining plant – Numurkah, Victoria.


NADESHIKO
PANAMA

GrainCorp Overview

GrainCorp is a leading global food ingredients and agribusiness company with an integrated business model across three main grain activities: supply chain, origination and processing.

GrainCorp Overview

GrainCorp focuses its activities on three core grains (wheat, barley and canola) where we have a comparative advantage through grain origination, freight differentials and technical expertise.

GrainCorp has operations in Australia, New Zealand, Asia, North America, Europe and the United Kingdom. These markets collectively represent over 50 percent of the global export trade in wheat, barley and canola.

GrainCorp has four reporting segments:

- GrainCorp Storage & Logistics
- GrainCorp Marketing
- GrainCorp Malt
- GrainCorp Oils

GrainCorp also owns 60% of Allied Mills.

Our Mission and Vision

Our mission is to be an international leader in food ingredients and agribusiness, creating value by connecting consumers and producers.

Our vision is to grow as our customers' preferred partner – driven by our passionate people and strategic assets around the world.

Our Values

Our values help define our organisational culture by providing a common understanding of how we do things at GrainCorp and how we should behave towards each other, our customers and other stakeholders.

> **Safety** – We act consciously every day to keep ourselves and our teams safe.

> **Our people** – We work together as part of a high performing team and deliver what we promise.

> **Customers** – We build strong relationships and deliver value to customers.

> **Excellence** – We consistently look for better ways to do things.

> **Sustainability** – We understand the bigger picture and add value to the bottom line.

> **Our community** – We support the communities in which we operate.

> **Integrity** – We act with high integrity, energy and passion.

Our International Operations

Accumulation
Largest regional accumulation network

Storage
Over 20mmt of country staorage and handling capacity

Marketing
Marketing to local and global markets

Road & Rail
Full freight connectivity for rapid turnaround

Ports
7 bulk grain ports with 15mmt elevation capacity
14 bulk liquid terminals

Processing
A key end producer of malt, oils and flour

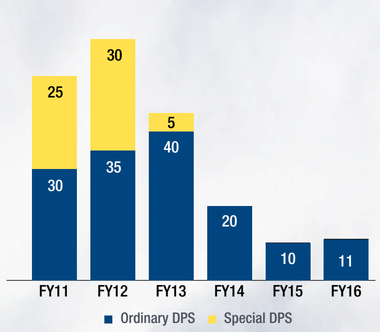
Chairman's Review

The 2016 financial year was challenging for GrainCorp with our grains businesses again impacted by below-average production in eastern Australia and global conditions that reduced Australia's export competitiveness. Our processing businesses delivered the majority of earnings, highlighting the importance of our diversification strategy to our objective of managing the inherent variability of the east coast Australian grain harvest.

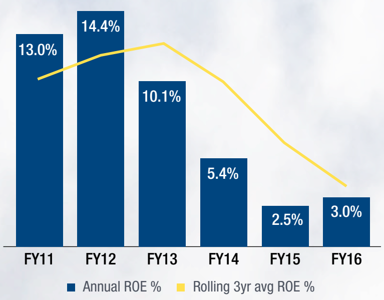
Financial performance

GrainCorp's financial results were in line with the guidance we provided in February - with underlying earnings before interest, tax, depreciation and amortisation ('EBITDA') of $256 million and underlying net profit after tax ('NPAT') of $53 million. This reflects the challenges experienced in the Australian grains and Oils businesses and a strong performance from Malt.

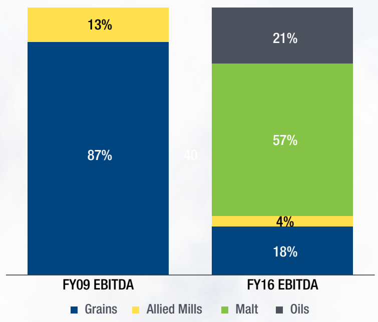
Dividends Per Share (c)



Return on Equity ('ROE')



Managing variability



"We have a large program of projects underway to help drive each of our corporate objectives."

Dividend

The Board has declared a final dividend of 3.5 cents per share for the period to 30 September 2016, taking the total dividend for the year to 11 cents per share. This represents a payout ratio of 48%, in line with the Company's policy of paying out 40-60% of underlying NPAT through the cycle.

Performance on corporate objectives

We continue to focus on three corporate objectives: managing variability in earnings, delivering earnings growth and improving return on equity ('ROE').

As I highlighted last year, we have a large program of projects underway to help drive each of these corporate objectives. During the year we completed two major projects in the Oils business, involving the optimisation of our edible oils refining and packing operations and expansion of our bulk liquid storage capacity.

We have several other projects at different stages of completion which will grow the capacity of our malt and oilseed processing businesses, strengthen our storage and handling network and expand our grain origination capability. Each of these will help build more stable and reliable earnings streams.

Our ROE has been disappointing in recent years, however we are focused on improving it through the cycle by continuing to drive cost efficiencies across the business and by delivering growth in earnings from the capital investments we have made.

A more promising year ahead

We expect 2017 to be a stronger year for the grains businesses, driven by higher production across each of the growing regions in Victoria, New South Wales ('NSW') and Queensland. At the time of writing, yield and quality remain uncertain and the harvest is expected to be approximately three weeks late.

100-year anniversary of Storage & Logistics

This is an important year for GrainCorp as it marks 100 years since the New South Wales Government passed legislation to establish the NSW Grain Elevators Board, paving the way for bulk grain handling in the state. It allowed for the construction of up to 200 grain storage silos around NSW, to be linked by rail to shipping terminals in Sydney and Newcastle. This was ultimately the foundation of GrainCorp's Storage & Logistics business. Today, we are a leading international agribusiness with diversified operations spanning four continents and the global food supply chain.

On behalf of the Board, I would like to thank our Managing Director & Chief Executive Officer, Mark Palmquist, his management team and all GrainCorp employees for the significant contributions they have made this year.

I would also like to thank our customers, shareholders and other stakeholders for their continued support.

Don C Taylor
Chairman

Managing Director and CEO's Review

I am pleased with the progress we made during 2016 despite the challenges in our operating environment. We were again faced with below-average grain production in eastern Australia during a period of global oversupply and depressed grain prices. Combined with cheap ocean freight rates, this continued to impact Australia's competitiveness in major export regions, which affected the performance of both of our grains businesses.

Our processing businesses had a mixed year, with Malt delivering another strong result and Oils performing below expectations.

In this competitive and challenging market environment, it will be critical to our success that we strengthen our focus on customers and continue to adapt to their needs. We need to remain agile and evolve with our customers by providing efficient supply chains and innovative solutions. This was a priority in 2016 and it will remain so in the coming year.

Safety performance

GrainCorp focuses on promoting the right safety attitudes and behaviours at every level of the organisation because it is critical our people get home safely each day.

I am pleased to report improvements in our key metrics during the year, including Lost Time Injury Frequency Rate ('LTIFR'), which reduced from 3.8 to 2.7, and Recordable Injury Frequency Rate ('RIFR'), which reduced from 13.9 to 11.3. However, our goal is *Zero Harm – Safe for Life* and we believe all injuries can be prevented. We are aiming for a 15% reduction in the Group's RIFR in FY17 by maintaining a relentless focus on safety processes and continuing to drive a positive safety culture throughout the organisation.

Financial performance

GrainCorp delivered underlying EBITDA of $256 million and underlying NPAT of $53 million.

Malt had a strong year with sales of 1.3mmt and EBITDA of $161 million, up 15% on the prior year. The business continued to enhance its service offering to the craft beer sector and expanded its distribution network from seven to 11 warehouses across North America. We also implemented a number of strategic initiatives which were successful in driving efficiencies across the business. Capacity utilisation was in the high 90s (%).

Oils had a more challenging year, delivering sales of 1.1mmt and EBITDA of $61 million, down 16%. The business was impacted by the sales mix and supplies to the infant formula category, reduced crush margins, a weaker dairy sector and the protracted commissioning of the edible oils optimisation project to accommodate the product approval processes.

Storage & Logistics delivered EBITDA of $48 million, up 12%, in another low-volume year. Grain carry-in was 1.6mmt on 1 October 2015 and carry-out was 1.7mmt on 30 September 2016. Grain export volumes were 3.0mmt, the lowest level since 2008, and non-grain handled was 3.0mmt.

Marketing was impacted by lower eastern Australian grain volumes and low exports, delivering EBITDA of $3.3 million, compared to a $2.0 million loss in the prior year. The business continued to diversify its origination sources with approximately one third of grains sourced from outside eastern Australia.

Strategic priorities

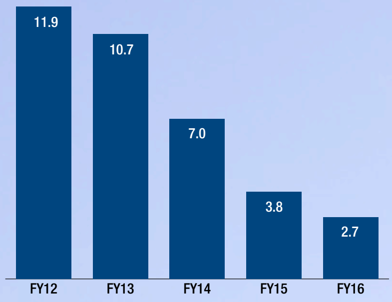
At our investor day in June we highlighted three strategic priorities for the Company:

(1) Deliver on our growth initiatives;

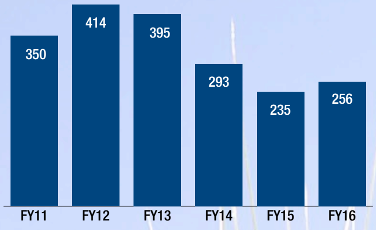
(2) Maintain a disciplined approach to capital management; and

(3) Growth and portfolio optimisation.

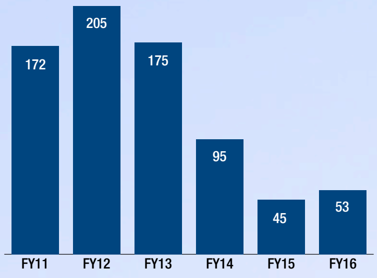
Lost Time Injury Frequency Rate (‘LTIFR’)[1]



Underlying EBITDA ($m)



Underlying NPAT ($m)



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.

“It is critical to our success that we strengthen our focus on customers and continue to adapt to their needs.”

These are important objectives as the capital investment program winds down. We expect our net debt gearing to peak in mid-2017 with cashflows from the projects used to reduce debt and build balance sheet flexibility. Achieving optimal growth and returns from our asset base, and delivering shareholder value, will continue to be priorities.

Organic growth projects

In 2016 we made significant progress on the growth projects within our existing businesses.

Oils commissioned the third of its bulk liquid terminal expansions at Pinkenba, Brisbane, which will service increasing demand from the petroleum fuel sector.

The edible oils optimisation project was also completed in the second half of the year with upgrades to the refining and packing operations in Numurkah and West Footscray in Victoria, and the closure of our site in Murrarie, Queensland. This was a complex project involving the construction of two world-class manufacturing facilities and the relocation of over 140 individual food product lines.

In December 2015 Marketing announced the expansion of its grain origination footprint in Canada with the formation of GrainsConnect Canada, a 50-50 joint venture (JV) with Japanese agricultural cooperative Zen-Noh. The JV will operate grain receival sites across Alberta and Saskatchewan and help build our relationships with international customers by growing our grain origination capability. Construction started in the second half of 2016 and will be progressively staged through to the end of 2018.

The NSW, Victorian and Federal governments committed funding during the year to support vital rail siding upgrades in NSW and Victoria. These commitments have triggered investment from our Storage & Logistics business as part of Project Regeneration, with the upgrades expected to deliver substantially improved rail efficiency for users of GrainCorp’s network.

Our Malt plant expansion in Pocatello, Idaho is now well advanced and due for completion in mid-calendar year 2017. The project is largely underpinned by long term supply agreements and will enable us to increase our exposure to the attractive North American craft brewing sector.

Outlook

As the Chairman has stated, 2017 should be a stronger year for our grains businesses, driven by an above-average crop in eastern Australia, and for our Oils business as its growth projects contribute to earnings. We expect to face continued challenges such as weak global grain prices and a global oversupply of grain, which may impact international grain flows and Australia’s competitiveness in international markets.

I am confident we are well positioned to deliver on our strategic objectives due to our deep expertise in the agribusiness and food ingredients sector, strong market positions, diversified earnings mix and prudent approach to risk management.

GrainCorp’s success is based on the hard work of our people and I am particularly proud of the positive contributions they continue to make to our communities around the world. I would like to thank our people for their efforts during the year and our shareholders for their continued support.

Mark L Palmquist
Managing Director & CEO

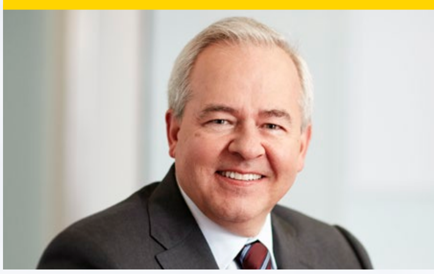
Board of Directors

Don C Taylor

BCom, CA, GradCertRurSc, FAICD

Chairman and Non-executive Director

Don Taylor joined the GrainCorp Board in October 2003 and has been Chairman since December 2005. Prior to joining the Board, he was the Executive Chairman of Grainco Australia Limited. Mr Taylor is a member of the Business Risk Committee and the People Remuneration and Nominations Committee, and attends all meetings of the Board Audit Committee and Safety Health and Environment Governance Committee. Mr Taylor was previously a Non-executive Director of Beston Global Food Company Limited. Mr Taylor has extensive experience as Chairman and Director on boards of public companies in the agriculture industry.



Mark L Palmquist

BBus, GAICD

Managing Director & Chief Executive Officer

Mark Palmquist joined the GrainCorp Board as Managing Director & CEO in October 2014. He was previously Executive Vice President and Chief Operating Officer, Ag Business, for CHS Inc., a leading global agribusiness, diversified in energy, grains and food. He has held a variety of leadership roles for a broad range of CHS agricultural inputs and marketing areas, retail businesses and grain-based food and food ingredients operations. Mr Palmquist was previously a Director of Rahr Malting, a leading US maltster. Mr Palmquist is a Director of Allied Mills Australia Pty Ltd, and GrainCorp's appointed representative on the Board of Five Star Flour Mills.

Rebecca P Dee-Bradbury

BBus, GAICD

Non-executive Director

Rebecca Dee-Bradbury joined the GrainCorp Board in September 2014. Ms Dee-Bradbury is Chairman of the People Remuneration and Nominations Committee and a member of the Board Audit Committee. She was previously Chief Executive Officer/President Developed Markets Asia Pacific and ANZ for Mondelez from 2010 to 2014. Ms Dee-Bradbury is a Non-executive Director of BlueScope Steel Limited, and was previously a Non-executive Director of Tower Limited until her resignation in September 2016. Ms Dee-Bradbury is an Honorary Fellow of the University of Melbourne, and an inaugural member of the Business Advisory Board at Monash Business School. She brings to the Board significant experience in strategic brand marketing, business integration and transformation, customer relationship management and innovation.

Donald G McGauchie AO

FAICD

Non-executive Director

Donald McGauchie re-joined the GrainCorp Board in December 2009 (having previously served during the period from October 2000 to July 2003). Mr McGauchie is a member of the People Remuneration and Nominations Committee. He is Chairman of Nufarm Limited and Chairman of Australian Agricultural Company Limited. Mr McGauchie was previously a Non-executive Director of James Hardie plc. He also has farming interests and extensive experience acting as chairman and director on public company boards.

Peter I Richards

BCom

Non-executive Director

Peter Richards joined the GrainCorp Board in November 2015. Mr Richards was formerly the Managing Director of Norfolk Group Limited in 2013, and Managing Director and Chief Executive Officer of Dyno Nobel Limited from 2005 to 2008, having held various senior positions in the company both in Australia and the United States since 1990. Mr Richards is a member of the Board Audit Committee and the Safety Health Environment and Governance Committee. Mr Richards is also the Chairman and Non-executive Director of Cockatoo Coal Limited, Emeco Holdings Limited, and NSL Consolidated Limited. Mr Richards was previously a Non-executive Director of Sedgman Limited and Non-executive Director of Bradken Limited. He has over 35 years business experience with global companies, having worked in operational and business development roles in Australia, the United Kingdom and the United States.

Simon L Tregoning

BCom, FAICD

Non-executive Director

Simon Tregoning joined the GrainCorp Board in December 2008. Mr Tregoning is a member of the Safety Health Environment and Governance Committee and a member of the People Remuneration and Nominations Committee. He is also a Director of Capilano Honey Limited. Mr Tregoning was previously Vice-President of Kimberly Clark Corporation, has extensive overseas senior executive experience and is an experienced company director.

Barbara J Gibson

BSc, MAICD, FTSE

Non-executive Director

Barbara Gibson joined the GrainCorp Board in March 2011. Ms Gibson is Chairman of the Safety Health Environment and Governance Committee and is a member of the Business Risk Committee. Ms Gibson is an experienced executive having spent 20 years with Orica Limited. She is a fellow of the Australian Academy of Technological Sciences and Engineering and Chairman of Warakirri Asset Management Pty Limited. Ms Gibson was previously a Non-executive Director of Nuplex Industries Limited until her resignation in September 2016.

Peter J Housden

BCom, FCPA, FAICD

Non-executive Director

Peter Housden joined the GrainCorp Board in October 2008. Mr Housden is Chairman of the Board Audit Committee. Mr Housden is a Director of Alliance Aviation Services Limited, Seeing Machines Limited and Lincor Limited. He was previously a Director of Calibre Group Limited. Mr Housden is also Chairman of Royal Wolf Holdings Limited and Chairman of the Audit and Risk Committee for Sydney Trains (NSW Government). Mr Housden has extensive experience acting on public company boards.

Daniel J Mangelsdorf

BAgEc(Hons), FAICD

Non-executive Director

Dan Mangelsdorf was elected as an independent Director of GrainCorp Limited in 2008, after having served as a major shareholder representative director from 2005. Mr Mangelsdorf is Chairman of the Business Risk Committee and a member of the Board Audit Committee. Mr Mangelsdorf owns and operates farming interests in NSW, and is an experienced company director with agricultural, supply chain, international trade and risk management expertise. He is also Chairman and Non-executive Director of Warakirri Agricultural Trust.

Executive Leadership Team

Andrew Baker
Chief Information Officer

Andrew Baker was appointed Chief Information Officer in July 2015. Mr Baker has experience across a variety of industries including resources, industrial and fast moving consumer products. He has held several IT leadership roles in Accenture, Mars Corporation and was previously the Chief Information Officer at BlueScope Steel.

Alistair Bell
Group Chief Financial Officer

Alistair Bell was appointed Group Chief Financial Officer in November 2010. Mr Bell leads the international finance, planning, treasury, risk, investor relations and shared services. Prior to joining GrainCorp, Mr Bell held various CFO, COO and strategy positions with public, private equity and multinational companies spanning various industries. He is a Director of Allied Mills and Chairman of its Audit Committee (a 60/40 Australian JV) and a Director of GrainsConnect Canada, a 50/50 Canadian JV. For the past nine years, he has been a Director of Alzheimer's Australia, NSW, and a member of its Investment Committee and Chairman of its Audit & Risk Committee. Mr Bell is also a director of GrainCorp subsidiary companies.

Phil Caris
Group General Manager Human Resources

Phil Caris was appointed Group General Manager Human Resources in September 2015. Mr Caris leads GrainCorp's global people and culture strategy and is responsible for leadership, talent, engagement, employee relations, performance, reward and diversity & inclusion. Prior to joining GrainCorp, Mr Caris was Executive General Manager of Human Resources and Safety at Coates Hire and has held a number of other senior human resource leadership roles with companies including BHP, Coca-Cola and TNT both in Australia and overseas.

Marcus Kennedy
Chief Development Officer

Marcus Kennedy was appointed Chief Development Officer in August 2015. Mr Kennedy is responsible for corporate strategy development, implementation and governance, and corporate affairs. He joined GrainCorp in 2012 and was most recently the General Manager Strategy & Business Improvement for GrainCorp Oils. Mr Kennedy has held several senior commercial and strategy leadership roles across a variety of industries including financial services, insurance, resources and agriculture.

Greg Friberg
President and CEO GrainCorp Malt

Greg Friberg was appointed President and CEO GrainCorp Malt in July 2013. Mr Friberg joined United Malt Holdings (acquired by GrainCorp in 2009) in 1999 and has held a number of senior management and commercial roles across the Group. Mr Friberg has extensive experience across the grains and malting industries having previously worked for ConAgra Grain Company and Columbia Grain Inc.

Allan N. Johns
Group General Manager GrainCorp Storage & Logistics

Allan Johns was appointed Group General Manager GrainCorp Storage & Logistics in November 2013. He has held a number of corporate and operating positions in the Company in the past 28 years including General Manager Ports, Chief Development Officer, Deputy Divisional Manager for Southern NSW, Grain Trading Manager and Customer Marketing Manager. He has previously served as a Non-executive Director of Allied Mills and Grain Trade Australia. Mr Johns is also a director of GrainCorp subsidiary companies.

Klaus Pamminger
Group General Manager GrainCorp Marketing

Klaus Pamminger was appointed Group General Manager GrainCorp Marketing in August 2012. Mr Pamminger joined GrainCorp in 2007 and was previously Trading Manager GrainCorp Marketing. Mr Pamminger is responsible for all domestic and international grain and oilseed marketing and trading activities. Before joining GrainCorp, he worked for a number of companies in Australia and the USA. Mr Pamminger is also a director of GrainCorp subsidiary companies.

Sam Tainsh
Group General Manager GrainCorp Oils

Sam Tainsh was appointed Group General Manager GrainCorp Oils in August 2012, and is responsible for the edible oils crushing, refining, food ingredients, feeds, liquid terminals and used oils businesses. Mr Tainsh joined GrainCorp in July 2001 and was previously Group General Manager GrainCorp Marketing. Before joining GrainCorp, he worked as a commodity trader at Louis Dreyfus Corporation in Australia and the USA. Mr Tainsh is also a director of GrainCorp subsidiary companies.

Directors' Report

Directors' Report

Introduction

The following people were Directors of GrainCorp during the financial year 2016 and up to the date of this report:

- D C Taylor (Chairman)
- M L Palmquist (Managing Director & CEO)
- R P Dee-Bradbury
- B J Gibson
- P J Housden
- D J Mangelsdorf
- D G McGauchie AO
- P I Richards (appointed 9 November 2015)
- D B Trebeck (retired 18 December 2015)
- S L Tregoning

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Details of the current members of the Board of Directors, including their experience, qualifications, special responsibilities and term of office are included on pages 8 to 9 of the Annual Report.

Details of Directors' interests in shares and options of GrainCorp are set out in Section 8 of the Remuneration Report.

Group Company Secretary

Gregory Greer *BCom, MPA, GIA(Cert)*

Gregory Greer joined GrainCorp in 2004 and was appointed by the Board as Group Company Secretary on 23 June 2014. Mr Greer is responsible for the Group's company secretarial, risk and insurance functions. Mr Greer has held a number of corporate positions in the Company during his tenure.

Murray Floyd *LLB, Grad Dip Corp Gov, Legal Practitioner Admitted Qld Supreme Court 1989*

Murray Floyd was appointed by the Board as Joint Company Secretary on 25 February 2016, in addition to his responsibilities as Acting Group General Counsel. Mr Floyd has been with GrainCorp since 2013 and has over 25 years of legal experience. He has held previous executive as well as in-house legal and governance roles in large listed Australian multi-national companies including BHP, Boral and Transpacific Industries.

Betty Ivanoff *LLB, Grad Dip Leg Prac, Legal Practitioner Admitted NSW Supreme Court 1999; MAICD*

Betty Ivanoff served as Joint Company Secretary from 26 March 2013 to 25 February 2016.

Meetings of Directors

The following table sets out the number of meetings of GrainCorp's Directors (including meetings of Committees of Directors) held during the 12 months to 30 September 2016, and the number of meetings attended by each Director.

Director	Board		Board Audit Committee		People, Remuneration & Nominations Committee		Business Risk Committee		Safety, Health, Environment & Governance Committee	
	A	B	A	B	A	B	A	B	A	B
D C Taylor	12	12	~	4#	7	6	4	4	~	4#
M L Palmquist[1]	12	11	~	4#	~	7#	~	4#	~	4#
R P Dee-Bradbury[2]	12	12	4	4	6	6	~	1#	~	~
B J Gibson	12	11	~	~	~	~	4	4	4	4
P J Housden	12	12	4	4	~	2#	~	3#	~	~
D J Mangelsdorf	12	12	4	4	~	~	4	4	~	~
D G McGauchie	12	11	~	~	7	5	~	~	~	~
D B Trebeck[3]	4	4	~	~	1	1	~	~	1	0
S L Tregoning[4]	12	12	1	1	6	5	~	~	4	4
P I Richards[5]	11	11	3	3	~	~	~	~	2	2

A Number held during period in office.
~ Not a member of the relevant Committee.
B Number attended by members of the Committee and other Directors.
Attended by invitation.

[1] The Board Meeting held on 19 July 2016 consisted of Non-Executive Directors only. Mr Mark Palmquist was not required to attend.

[2] Ms Rebecca Dee-Bradbury was appointed Chairman of the People, Remuneration & Nominations Committee following approval from the Board on 25 February 2016.

[3] Mr David Trebeck retired as Director on 18 December 2015 and consequently stepped down as Chairman of the People, Remuneration & Nominations Committee and as a permanent member of the Safety, Health, Environment and Governance Committee.

[4] Mr Simon Tregoning stepped down as a permanent member of the Board Audit Committee and was appointed a permanent member of the People, Remuneration & Nominations Committee following approval from the Board on 25 February 2016.

[5] Mr Peter Richards was appointed a permanent member of the Board Audit Committee and the Safety, Health, Environment and Governance Committee following approval from the Board on 25 February 2016.

Operating and Financial Review

About GrainCorp

Our History

GrainCorp started in 1916 under the *Grain Elevator Act* and was administered as a branch of the New South Wales Government's Department of Agriculture. The Company led the development of Australia's first bulk grain handling system with the construction of 200 country elevators linked by rail to shipping terminals at Sydney and Newcastle. By October 1989, the Company had gone through a number of changes and was known as the Grain Handling Authority of NSW ('GHA'). At this time, the GHA was corporatised and became the NSW Grain Corporation. The NSW Grain Corporation was privatised in April 1992 and sold to the grain grower owned Prime Wheat Association that became GrainCorp. GrainCorp listed on the Australian Stock Exchange in 1998.

GrainCorp has grown through acquisition and organic growth. GrainCorp acquired Victorian based Vicgrain in 2000, Allied Mills in a joint venture with Cargill Australia in 2002, Queensland based Grainco in 2003, an international portfolio of malt businesses from United Malt Holdings in 2009, Schill Malz in October 2011 and edible oils businesses Gardner Smith and Integro Foods in October 2012. In 1996, GrainCorp was the first Australian bulk handler to trade grain in the Australian domestic market, and in 2008 commenced exporting wheat to international markets following the removal of the export single wheat desk.

Overview

GrainCorp is Australia's leading agribusiness with an integrated business model across three grain activities: supply chain, origination and processing. GrainCorp focuses its activities on the core grains of wheat, barley, canola and sorghum where the Company has comparative advantages through grain origination, proximity to growth markets and technical expertise. GrainCorp has operations in Australasia, North America and Europe (including the United Kingdom), with these regions collectively representing over 50% of global export trade in wheat, barley and canola.

GrainCorp has four reporting segments:

- Storage & Logistics
- Marketing
- Malt
- Oils

In addition to the above reporting segments, GrainCorp owns 60% of Allied Mills.

Our Corporate Objectives

We aim to:

- Manage earnings variability by participating in multiple grain chains and geographies;
- Deliver growth by realising opportunities and competing in the global grain market; and
- Improve shareholder returns by creating and capturing value along the grain supply chain.

We have made significant achievements in meeting these corporate objectives through:

- Dividends to shareholders representing 59% of underlying NPAT before significant items during the past five years, in line with our dividend policy of paying 40-60% of NPAT through the business cycle.
- Delivering an average ROE before significant items of 8.1% over the past six years since the commencement of the diversification strategy.
- Reducing earnings volatility by growing earnings from business units with more stable earnings.
- Organic and acquisitive growth, enabled by a strong and flexible balance sheet.
- Creation of GrainCorp Malt and GrainCorp Oils processing businesses.

Our Business Model

We operate a business model based on:

- **Our core grains** – wheat, barley, canola and sorghum. We focus on the 'drier climate' grains where we have comparative advantages of grain origination, proximity to growth markets and technical expertise.
- **Our operating geographies** – Australasia, North America and Europe. These regions collectively service over 50% of the global trade in our core grains; our operations provide market insight, price risk management and multi-origin capability.
- **Our integrated activities** – supply chain, origination and processing. We create and capture value in our core grains along the grain chain, with insight into consumer requirements in these grains.

Our Strategy

We operate in a global grain market that offers considerable growth prospects in the demand for grain and processed grains such as malt and edible oils.

Population growth and rising affluence over the next 40 years is projected to drive a 50% increase in global grain demand and 100% increase in the global trade in grains.

Our strategy is to apply our comparative advantages in the supply of grain, malt and edible oils to participate in this growth opportunity, serving customers in Australia and internationally.

Creating Value

We create and capture value for consumers, growers and shareholders from the following competitive advantages:

- **Strategic assets** – our unique 'end-to-end' infrastructure network at all stages of the grain chain in our core grains.
- **Geographic location** – proximity to the world's growth markets for grain in Asia, the Middle East and Africa.
- **Grain origination** – access to grain with strong quality advantages to satisfy a diversified range of consumer products.

Group Financial Summary

Key Results ($ M)		2012	2013	2014	2015	2016
Revenue		3,329.4	4,462.0	4,094.1	4,085.5	4,158.3
Underlying EBITDA[6]		413.9	395.4	293.3	235.4	255.5
Underlying EBIT[7]		322.7	276.6	166.8	99.1	112.9
Net profit after tax		204.9	140.9	50.3	32.1	30.9
Dividend (cents per share)[8]		65.0	45.0	20.0	10.0	11.0
Financial Position						
Total assets	$ M	2,840.3	3,170.3	3,333.2	3,673.7	3,575.8
Total equity	$ M	1,540.5	1,758.6	1,744.5	1,821.8	1,742.0
Net assets per ordinary share[9]	$	7.32	7.69	7.62	7.97	7.61
Net debt to net debt and equity[10]	%	17.5	24.8	29.8	29.0	33.4
Core debt to core debt and equity[11]	%	1.0	18.9	21.5	23.4	29.3
Shareholder Returns						
Basic earnings per ordinary share	cents	102.6	61.9	22.0	14.0	13.5
Return on equity	%	14.4	10.1	5.4	2.5	3.0
Dividend per ordinary share[8]	cents	65.0	45.0	20.0	10.0	11.0
Dividend yield per ordinary share[12]	%	7.3	3.6	2.3	1.1	1.4
Business Drivers (million metric tonnes)						
Storage & Logistics						
Grain carry-in		6.0	4.3	2.3	1.9	1.6
Country network grain receivals		12.2	10.4	8.0	7.4	7.8
Grain received at port ex-farm and from other bulk handlers		3.0	2.2	1.7	1.4	1.0
Grain exports handled		10.6	8.3	4.4	3.5	3.0
Non-grain handled		1.8	1.9	1.9	2.5	3.0
Domestic outload		6.3	6.3	5.7	5.6	5.7
Grain carry-out		4.3	2.3	1.9	1.6	1.7
Throughput (grain + non-grain)		28.5	23.8	15.7	14.5	14.6
Marketing						
Total Marketing sales (including Pools)		6.9	6.1	6.2	6.0	6.7
GrainCorp international grain sales		4.4	4.1	3.9	3.6	4.1
Malt						
Malt sales		1.3	1.3	1.3	1.3	1.3
Oils						
Oils crushing & refining sales		-	0.6	0.5	0.6	0.6

Segment Results ($ M)	2015 Revenue	2015 Underlying EBITDA[6]	2016 Revenue	2016 Underlying EBITDA[6]
Storage & Logistics	390.1	42.5	399.3	48.1
Marketing	1,858.6	(2.0)	1,938.8	3.3
Malt	1,126.4	140.0	1,190.5	161.4
Oils	933.3	72.6	923.5	61.0
Allied Mills (60% share of NPAT)	-	8.8	-	10.2
Corporate and eliminations	(222.9)	(26.5)	(293.8)	(28.5)
Total	**4,085.5**	**235.4**	**4,158.3**	**255.5**

[6] Underlying EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, excluding significant items.

[7] Underlying EBIT is a non-IFRS measure representing earnings before interest and tax, excluding significant items.

[8] All dividends were fully franked.

[9] Excludes reset preference shares at nominal value.

[10] Net debt is total debt less cash.

[11] Core debt is net debt less commodity inventory.

[12] Using closing price immediately prior to or on 30 September divided by dividends per year.

Group Financial Analysis and Commentary

The Group reported underlying net profit after tax ('NPAT') of $53 million, up $8 million, or 18%, on the prior year. Underlying earnings before interest, tax, depreciation and amortisation ('EBITDA') increased by $20 million, or 9%, to $256 million.

Revenue from continuing operations increased 2% to $4,158 million (2015: $4,086 million).

Malt

Business Unit Overview
GrainCorp Malt offers deep grain expertise and tailored relationships with the advantage of a single point of contact worldwide.

GrainCorp Malt is the world's fourth largest commercial maltster with malting houses in Australia, Canada, United States, United Kingdom and Germany. GrainCorp Malt supplies malt to global brewers, craft brewers and distillers.
- Global footprint offering security of supply.
- Malting capacity of approximately 1.3 mmt per annum, with additional 120,000 mt capacity under construction at Pocatello.

FY16 Performance
- 1.3 mmt of malt sales.
- Capacity utilisation high 90s (%).
- Strategic initiatives successful in driving operational improvements from energy and water usage, water reduction and labour efficiency.
- Expansion of distribution network, servicing North American craft beer sector, from seven to 11 warehouses across North America.

Oils

Business Unit Overview
GrainCorp Oils is a leading producer of edible oils in Australasia. Locally grown and processed, our oil is used in the production of a wide range of food and animal feed products.

GrainCorp Oils' ownership and management of key assets in the oilseed supply chain, along with GrainCorp Oils' size and quality assurance, enables us to produce high quality products at competitive prices.
- Operations include crushing, storage, refining, packaging, recycling and animal liquid feeds.
- Australia's largest integrated edible oils business.
- 14 bulk liquid terminals in Australia, New Zealand and China.
- Production of over 500,000 tonnes of animal feed in Australia and New Zealand.

FY16 Performance
- Oilseed sales volumes of 0.33 mmt. Foods sales volumes of 0.22 mmt.
- Bulk liquid terminals capacity utilisation of 92%; additional capacity at Brisbane commissioned during the year.
- Oilseeds business impacted by weaker crush margins – tighter supply, increased oilseed costs.
- Edible oils margins impacted by sales mix and supplies to infant formula category.
- Weak Australasian dairy sector impacted feeds and terminals businesses.
- Commissioning of edible oils plants at West Footscray and Numurkah was protracted to accommodate product approval processes.

Storage & Logistics

Business Unit Overview
GrainCorp has the largest grain storage & logistics network in eastern Australia, spanning regional storage facilities, rail and road operations and bulk grain ports.

From the farm gate to international export markets, GrainCorp's ownership of key supply chain assets allows us to source, handle, store and transport grain efficiently and securely. Our supply chain assets also allow us to provide grain quality assurance to our customers.

- Largest grain storage network in eastern Australia.
- Approximately 170 country receival sites with over 20 mmt of storage capacity.
- 7 port terminals with 15 mmt of elevation capacity.
- Up to 4 mmt of rail freight capacity.
- Servicing over 100 domestic and international grain buyers.

FY16 Performance
- Carry-in of 1.6 mmt (FY15: 1.9 mmt).
- Grain throughput of 11.6 mmt (FY15: 12.0 mmt). Throughput including non-grain 14.6 mmt (FY15: 14.5 mmt).
- Country receivals of 7.8 mmt (FY15: 7.4 mmt).
- Grain exports of 3.0 mmt (including containers) (FY15: 3.5 mmt).
- Non-grain exports of 3.0 mmt (FY15: 2.5 mmt).
- Improved performance in low volume environment but impact of fixed take-or-pay rail costs incurred with low utilisation given low exports.

Marketing

Business Unit Overview
GrainCorp Marketing has direct connections with producers and grain buyers, both domestic and international. Our origination and marketing teams on the ground across four continents partner with our customers to analyse the market, manage price risk and create value at every stage of the supply chain.

- One of the leading sellers of grain into the domestic Australian market.
- Sells and delivers around 6.7 mmt annually to 30+ countries.

FY16 Performance
- Challenging environment with margins impacted by lower availability of grain and strong competition from alternative supply origins.
- Lower fuel costs and ocean freight rates continued to impact Australia's freight advantage to major export destinations.

Allied Mills

Business Overview
GrainCorp has a 60% joint venture interest in Allied Mills, Australia's largest supplier of milled edible flour (for human consumption).

Allied Mills' offering includes value-added products such as frozen, par-baked artisan bread and other frozen bakery products, pre-mixes, batters and food coatings. Allied Mills has a network of seven flour mills and four mixing plants, four frozen product manufacturing facilities and a starch plant, supported by warehouse and distribution capabilities.

FY16 Performance
- Slightly improved performance on last year with growing contribution from value-add product initiatives (e.g. frozen and par-bake bakery products and pre-mixes). Strategy remains focused on this area.
- Milling margins flat to declining.

Outlook

The 2017 financial year should be a stronger year for our grains businesses, driven by an above-average crop in eastern Australia, and for our Oils business, as its growth projects contribute to earnings. We expect to face continued challenges such as low global grain prices and a global oversupply of grain, which may impact international grain flows and Australia's competitiveness in international markets.

Sustainability

GrainCorp is committed to sustainable value creation. Our long-term objectives in sustainability go hand in hand with value creation for our shareholders. GrainCorp has published a 2016 Sustainability Report which can be accessed via the GrainCorp website. Below is a summary of the report's key sections and GrainCorp's performance for 2016:

Safety

Safety, as one of our core values, is of paramount importance. We focus on promoting the right safety attitudes and behaviours at every level of the organisation. Over the past three years we have focused on embedding a series of initiatives across our businesses, which ensure safety is relevant and a priority for all employees in both a professional and personal context.

FY16 performance

- 19% reduction in Recordable Injury Frequency Rate ('RIFR')
- 29% reduction in Lost Time Injury Frequency Rate ('LTIFR')
- The following lead measures to drive accountability in each business unit were implemented:
  - All business units set a near miss/hazard reporting target for each site. Each business unit has achieved its target.
  - Safety, Health & Environment ('SHE') Line Leadership Reviews were initiated to monitor and continue to improve SHE leadership effectiveness. Reviews are conducted monthly at each site and results are communicated at the executive level. All business units achieved their target.
  - Significant Risk Reviews were initiated at each site. The reviews set out the minimum requirement each site must meet in order to adequately control risks associated with confined spaces, electricity, fire & explosion and mobile plant. Reviews are conducted monthly at each site and results are communicated at the executive level. All business units achieved their target.
  - Completion rates of workplace safety e-learning modules significantly improved over the year from an average of 73% in the first quarter of 2016 to an average of 89% in the fourth quarter of 2016.

People

At GrainCorp, we believe that creating an optimal working environment is fundamental to our business success. This requires us to focus on building an engaged and diverse workforce that attracts and retains talented employees, while also nurturing leadership.

FY16 performance

- The sixth annual GrainCorp Leadership Group ('GLG') Conference was held, involving around 80 leaders from across our international business. This is an important forum that facilitates communication and strategy across all of our business units and geographies.
- Emerging leaders worked with members of the GLG on progressing strategic projects that investigated new revenue streams and opportunities for innovation, continuous improvement and cost reduction.
- A standard leadership capability model was introduced. To support leadership capability development in line with this framework, four new custom leadership programs (LEAD – Launch, Elevate, Accelerate and Discover), corresponding to the four levels of leadership within GrainCorp, are being implemented. The programs have been developed internally to retain competence in-house. The first in the series, Launch, has been rolled out to over 200 Australian front line leaders with a further 200 leaders globally to participate in 2017.
- Three permanent, full-time leadership coaches are now employed. The coaching process holds leaders accountable to their leadership learnings, embedding new behaviours and resulting in more sustainable leadership programs.
- Overall engagement score of 63% (up from 59% in 2014, the last survey) with a 92% participation rate.
- Reinstated GrainCorp's Graduate Program and commenced recruitment of nine new graduate positions across Engineering, Finance/Commerce, IT and Agricultural Science disciplines to commence in 2017. We are targeting a 50/50 gender balance for this intake.
- Women comprised 27% of the total GrainCorp workforce (up from 25% in 2015).
- Women in people leadership roles remained at 19%.
- Female representation at Board level remained at 25%.
- Female representation at Executive level reduced to 0%.

Environment

As a business involved in agriculture and food, we recognise that we are deeply connected to the health of the land and its ecosystems. GrainCorp recognises we have a responsibility to do our part in supporting the environment in these communities. When operating our facilities, the efficient use of resources and responsible management of waste are key areas of focus. Underpinning our approach to the environment are the principles of: Avoid, Reduce, Reuse and Recycle.

GrainCorp focuses its environmental stewardship on four key areas:

Energy: We aim to continuously improve energy efficiency and reduce the carbon intensity of our operations;

Emissions: Our approach is to target our most energy intensive operations and seek energy efficiencies to reduce our emissions;

Water: Our approach is to limit the amount of water used in our processes while improving the quality of any water that we discharge. We aim to recycle and reuse water wherever possible; and

Waste: Minimising waste is fundamental to the sustainability of our operations.

FY16 performance

- Numerous initiatives across the business have contributed to reductions in emissions, water consumption and energy use per tonne/throughput. The annual World Environment Day Awards highlighted 48 initiatives that were implemented across the business, which delivered improvements to our operations while reducing their environmental impact.
- A solar feasibility study within our Storage & Logistics business was undertaken. The analysis revealed that payback on investment is not financially viable at this time. We continue to review technological developments in this area and consider opportunities as they arise.
- The Australian operations have again commissioned a voluntary Reasonable Assurance audit against its annual National Greenhouse & Energy Reporting obligations.
- GrainCorp Oils' Auscol and Bulk Liquid Terminals businesses have initiated tracking of their waste to landfill tonnages.
- All Bairds Malt manufacturing plants have registered 14001 certifications and remaining plants have conducted gap audits with Lloyds Register and are working toward 14001 registrations for FY17.

Community

We strive to help support and sustain the local communities in which we operate. We recognise that being part of their community is of critical importance to all of our people across the eight countries we operate in. At GrainCorp we do what we can to make a positive contribution to each of these communities, beyond just being part of them.

GrainCorp Community Fund

Each year GrainCorp commits to donating up to AUD$400,000 to various initiatives via the GrainCorp Community Fund. This year donations included:

- The Murrayville Recreation Reserve, which received AUD$25,000 to install new lights for netball/basketball/tennis courts. GrainCorp operates a grain receival site in Murrayville, Australia.
- The Waaia Football Netball Club, which received AUD$17,000 for the installation of a cool room for food and beverage storage. The Waaia township is close to GrainCorp's newly upgraded Oils site in Numurkah, Australia.
- The Frankleigh Park kindergarten, which received NZD$12,500 for the installation of shade umbrellas. The kindergarten is local to the GrainCorp Oils site in New Plymouth, New Zealand.
- TG Osthofen Handball Office, which received EUR€2,500 to purchase jerseys and training equipment for 14 of their junior teams. GrainCorp Malt's Schill Malz head office is located in Osthofen, Germany.

GrainCorp Sponsorship

GrainCorp Sponsorship

Each of GrainCorp's businesses engage in sponsorship activities as relevant to their operations. This year sponsorships included:

- Sponsorship of Numurkah Football Netball Club, who have 20 football and netball teams made up of local community members.
- Sponsorship of a table at the All In For Kids Charity Poker Tournament in Calgary, Canada – organised by Kids Up Front, a Calgary organisation that seeks to give unused concert, sports and show tickets to underprivileged children.

- Sponsorship of the annual charity bike event Pollie Pedal in Australia, where federal politicians ride through communities to raise awareness and funds for important causes. This year's ride raised funds for Carers Australia.
- Sponsorship of a table at the Pulse Gala Dinner in Australia, where over 300 growers, advisors and industry leaders attended, providing an excellent forum for growers and agronomists from different corners of Victoria to discuss farming practises and share information.

Aboriginal and Torres Strait Islanders: Employment and Community Engagement

At GrainCorp, we value our relationship with Aboriginal and Torres Strait Islander communities. We are working to strengthen these relationships through our Reconciliation Action Plan ('RAP') which sets out our strategy to engage with Aboriginal and Torres Strait Islander communities and employees to create practical initiatives that will help to foster a mutual understanding of each other's culture. We also believe that creating a workplace culture that supports and values the employment of Aboriginal and Torres Strait Islander employees is important to our success as a business. Through our partnership with the Clontarf Foundation, which assists young Aboriginal and Torres Strait Islander men in gaining entry to the workforce, we offer school-based traineeships within our Storage & Logistics business.

- The RAP Committee ran the third Annual Indigenous Art Auction, raising AUD$10,000 for several schools in inner Sydney.
- GrainCorp employees volunteered to ride in the annual Sydney to Wollongong bike ride event to raise money for Multiple Sclerosis. GrainCorp sponsored members of the Clontarf Foundation and supported them throughout their preparation for and participation in the event.
- Sponsored the SW Indigenous Network Golf Day at the Toowoomba Golf Club in Queensland.
- Raised employees' awareness of the Aboriginal and Torres Strait Islander community through the celebration of Reconciliation Week and NAIDOC Week by the organisation of localised events such as team morning teas. The Carrington silos in Australia were also lit up in recognition of these events.
- Four school-based traineeships are currently being completed by Aboriginal and Torres Strait Islander children with Storage & Logistics in partnership with the Clontarf Foundation.

Risk

There are various risks associated with owning shares in GrainCorp. Some of these risks are specific to GrainCorp and its business while others are risks of a more general nature that apply to any stock market investment.

The list of risks set out below is not exhaustive and does not take into account the personal circumstances of shareholders. Shareholders should seek professional advice if they are in any doubt about the risks associated with holding shares in GrainCorp.

Risks Affecting GrainCorp's Business

- **Weather conditions** - Weather conditions can cause variability in grain production, which may impact GrainCorp's operating results in a number of ways, including variability in the volume of grain that GrainCorp stores, handles, transports, trades, exports and uses in its business, as well as by affecting the creditworthiness of agricultural producers who transact with GrainCorp.
- **Other external factors** - GrainCorp's business and financial performance are subject to external factors, including farmer sowing decisions, domestic and international government farm support programs and policies, demand for biofuels, commodity price volatility, the outbreak of plant disease or pest and the occurrence of and resistance of pests to pesticides used to protect grain in storage.
- **Regulation** - GrainCorp's business is regulated by a range of laws and regulations in countries where GrainCorp operates. GrainCorp may be subject to costs, investigations, penalties, liabilities, loss of reputation and other adverse effects as a result of failure to comply with these laws and regulations. Further, the introduction of new laws and regulations could materially adversely impact GrainCorp's business and financial performance, for example by necessitating increased levels of expenditure on compliance, monitoring, controls, access regimes and arrangements and land use restrictions.
- **Transportation** - GrainCorp's operations rely on rail and road transportation to move grain from farms into country storage sites, and from these sites to port terminals and domestic consumers. A disruption or delay in rail transportation service provision, for instance as a result of temporary or permanent rail track closures, may adversely impact GrainCorp's operations and operating results. GrainCorp also charters vessels in and to international jurisdictions to transport products to consumers. A disruption in international shipping activities, for instance ship diversion, port blockages or acts of piracy, may adversely impact GrainCorp.
- **Operational risks** - GrainCorp's business is subject to various operational risks, including claims and disputes in relation to grain or finished product inventory, machinery breakdown, supply issues, loss of long term agreements for supply or for premises, regulatory requirements, workplace disputes and impacts of environmental obligations.

- **Market demand** - During times of reduced market demand for grain, GrainCorp may suspend or reduce operations and production at some of its facilities. The extent to which GrainCorp efficiently manages available capacity at its facilities will affect its profitability.
- **Commodity prices** - GrainCorp's business may be adversely affected by changes in the price of commodities, additional raw materials, the cost of energy and other utility costs caused by market fluctuations beyond GrainCorp's control, which have in the past, and could in the future, adversely affect margins.
- **Hedging risk** - GrainCorp engages in hedging transactions to manage risks associated with fluctuations in the price of commodities, transportation costs, energy and utility prices, interest rates and foreign currency exchange rates. However, GrainCorp's hedging strategies may not be successful in minimising its exposure to these fluctuations. Further, it is possible that GrainCorp's risk management policies may not successfully prevent GrainCorp's traders from entering into unauthorised transactions that have the potential to alter or impair GrainCorp's financial position.
- **Food and feed industry risks** - GrainCorp is subject to food and stockfeed industry risks such as spoilage, contamination, fumigation or treatment applications which do not meet destination requirements, incorrect grade classification, tampering or other adulteration of products, product recalls, government regulation, destination or industry standards, shifting customer and consumer preferences and concerns and potential product liability claims. These matters could adversely affect GrainCorp's business and operating results.
- **Capital requirements** - GrainCorp requires significant amounts of capital to operate its business and fund capital expenditure. If GrainCorp is unable to generate sufficient cash flows, or raise sufficient external financing on acceptable terms to fund these activities, GrainCorp may be forced to limit its operations and growth plans, which may adversely impact efficiency, productivity, competitiveness and financial results.
- **Debt obligations** - GrainCorp's debt obligations are subject to certain operating, financial and other covenants. If GrainCorp fails to meet these covenants, GrainCorp may be forced to repay those debt obligations on demand. GrainCorp may also not be able to put in place new debt facilities on acceptable terms by the time existing debt facilities expire.
- **Global and regional economic conditions** - The level of demand for GrainCorp's services and products is affected by global and regional demographic and macroeconomic factors, including population growth rates and changes in standards of living. A significant downturn in global economic growth, or recessionary conditions in major geographic regions, may lead to a change in consumer preferences impacting demand for grain and agricultural commodities, such as malt and flour, which could have a materially adverse effect on GrainCorp's business and financial performance.
- **Customers and suppliers** - The current weak global economic conditions and the tightening of credit markets have adversely affected, and may in the future continue to adversely affect, the financial viability of some of GrainCorp's customers, suppliers and other counterparties, which in turn may negatively impact GrainCorp's operations and financial performance.

General Risks

- **Economic risks** - General economic conditions, fluctuations in interest and inflation rates, commodity prices, currency exchange rates, energy costs, changes in governments, changes in fiscal, monetary and regulatory policies, the development of new technologies and other changes to general market conditions may have an adverse effect on GrainCorp, its future business activities and the value of GrainCorp shares.
- **Market conditions** - Share market conditions may affect the value of shares regardless of GrainCorp's financial or operating performance. Share market conditions can be unpredictable and are affected by many factors including changes in investor sentiment toward particular market sectors (in particular agriculture and food supply) and the domestic and international economic outlook.
- **Significant events** - Significant events may occur in Australia or internationally that could impact the market for commodities relevant to GrainCorp, GrainCorp's operations, the price of shares and the economy generally. These events include war, terrorism, civil disturbance, political actions and natural events such as earthquakes and floods.

Additional Disclosures

Earnings per share ('EPS')

Basic EPS from continuing operations decreased 3.6% to 13.5 cents (2015: 14.0 cents).

Dividends

Since year end the Directors have approved the payment of a fully franked final dividend totalling $8.0 million. This represents the equivalent of a final dividend of 3.5 cents per share on issue at the record date of 30 November 2016. The dividends will be paid on 14 December 2016.

Dividend	Date Paid	Fully Franked Dividend per Share	Total Dividend ($ M)
Final dividend for the year ended 30 September 2016	14 December 2016	3.5 cents	8.0

The following dividends on issued ordinary shares of GrainCorp have been paid since the end of the financial year 2015:

Dividend	Date Paid	Fully Franked Dividend per Share	Total Dividend ($ M)
Final dividend for the year ended 30 September 2015	15 December 2015	2.5 cents	5.7
Interim dividend for the half year ended 31 March 2016	15 July 2016	7.5 cents	17.2

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 September 2016 which have significantly affected or may significantly affect:

a) the Group's operations in future financial years; or

b) the results of those operations in future financial years; or

c) the Group's state of affairs in future financial years.

Insurance of officers

During the financial year, the Group has paid, or agreed to pay, premiums to insure persons who are, or have been, an officer of the Company or a related entity, or any past, present or future Director or officer of the Company, or any of its subsidiaries or related entities. The contracts prohibit disclosure of the amount of the premium paid. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company may decide to employ the external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. Details of the amounts paid to the external auditor PwC for audit and non-audit services provided during the year are set out in note 7 of attached financial report.

In accordance with the advice received from the Board Audit Committee ('BAC'), the Board is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the BAC to ensure they do not impact the integrity and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics of Professional Accountants.

A copy of the external auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41 and forms part of this report.

Corporate governance statement

During the year ended 30 September 2016, the Company's corporate governance framework was consistent with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council. GrainCorp's Corporate Governance Statement can be viewed at:

http://www.graincorp.com.au/investors-and-media/investor-information/corporate-governance

Directors' Report - Remuneration Report

1. Key Management Personnel

This report details the remuneration of GrainCorp's Key Management Personnel ('KMP') for FY16. GrainCorp's KMP comprise the Directors of the Company and members of the Executive Leadership Team ('ELT') who have the authority and responsibility for planning, directing and controlling GrainCorp's activities.

All incumbents were employed in their respective positions for the duration of the financial year, unless otherwise stated.

Table 1: Key Management Personnel FY16

Current KMP	Position title	Term
Non-executive Directors		
D C Taylor	Chairman	Full Year
R P Dee-Bradbury	Non-executive Director	Full Year
B J Gibson	Non-executive Director	Full Year
P J Housden	Non-executive Director	Full Year
D J Mangelsdorf	Non-executive Director	Full Year
D G McGauchie	Non-executive Director	Full Year
P I Richards	Non-executive Director	Part Year - Commenced 9 November 2015
S L Tregoning	Non-executive Director	Full Year
Executive Director		
M L Palmquist	Managing Director and Chief Executive Officer ('MD & CEO')	Full Year
Executive KMP		
A G Bell	Group Chief Financial Officer ('CFO')	Full Year
G A Friberg	President and CEO GrainCorp Malt	Full Year
A N Johns	Group General Manager ('GGM') GrainCorp Storage & Logistics	Full Year
K Pamminger	GGM GrainCorp Marketing	Full Year
S J Tainsh	GGM GrainCorp Oils	Full Year
Former KMP	**Position title**	**Term**
Non-executive Directors		
D B Trebeck	Non-executive Director	Part Year - Retired 18 December 2015

This report incorporates the disclosure requirements of accounting standard AASB 124 *Related Party Disclosures*, as well as those prescribed by the *Corporations Act 2001*. Details of equity holdings, loans and other transactions with respect to KMP are disclosed in Section 8 of this report.

There have been no changes to the KMP after the reporting date and before the date of signing this report.

2. Remuneration at a glance

This section details the alignment of GrainCorp's FY16 KMP remuneration outcomes with FY16 Company performance. It forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

Total fixed remuneration ('TFR')

At the start of FY16, the Board reviewed the fixed remuneration of each Executive KMP, as well as the MD & CEO. As a result, each Executive KMP received a fixed remuneration increase ranging between 1.8% and 3.7%, and the MD & CEO received a fixed remuneration increase of 2.5%.

In March of 2016, the Board undertook a further review of Executive KMP fixed remuneration with respect to market in an effort to ensure ongoing retention of Executive KMP. As a result, three Executive KMP who were positioned around the 25th percentile of the market received additional fixed remuneration increases ranging between 5.6% and 15%.

Short term incentive ('STI')

Executive KMP STI outcomes ranged from 29% to 68% of maximum STI. More details on the STI outcomes has been outlined in Section 3 and the current STI structure is outlined in Section 5.

The Company conducted a review of the executive STI plan and its link to Company performance following shareholder feedback from the 2015 Annual General Meeting. The Board exercised discretion to reduce the STI outcomes to ensure that these were appropriately aligned with the Company's financial performance.

For FY17, STI outcomes will not – as in prior years – be based on budget NPAT. Instead, an STI pool will be generated, reflecting GrainCorp's NPAT performance. A minimum (threshold) level of NPAT performance will be required for any STI payments to be made. Consideration will be given to not only NPAT, but the invested capital used to generate that NPAT.

The Board believes the FY17 changes will more closely align STI outcomes with Company performance, rather than budget targets.

Long term incentive ('LTI')

LTI awards relating to the 2014 financial year ('FY14') lapsed, with no vesting occurring for the relative Total Shareholder Return ('TSR') or Return on Equity ('ROE') performance hurdles measured over the three-year performance period to 30 September 2016.

For future grants, commencing FY17, the minimum ROE threshold will be calculated based on the 10 years prior to the commencement of the relevant LTI performance period (i.e. excludes the three-year LTI performance period).

Remuneration outcomes for FY16

The table below outlines the Executive KMP remuneration outcomes for FY16.

The information contained in this table is different from the statutory disclosures in Section 7 (which are based on accounting standards), as it only reflects remuneration that was awarded during FY16. The statutory disclosures also include the value of conditional awards that may or may not vest.

The cash STI values represent the cash portion of STI awards earned in FY16 (to be paid in cash in December 2016). Deferred STI represents the deferred component of the STI earned in FY16, which is to be granted as rights in FY17, and will vest (subject to continued service) at the end of the deferral period. The LTI value represents the market value of vested performance rights which were granted in FY14.

Table 2: Remuneration outcomes for FY16

	Year	TFR[13] $'000	Cash STI $'000	Deferred STI $'000	Other Benefits[14] $'000	LTI Vested[15] $'000	Total $'000
Executive Director							
M L Palmquist	**2016**	**1,193**	**554**	**553**	**103**	**-**	**2,403**
	2015	1,189	682	681	206	-	2,758
Executive KMP							
A G Bell	**2016**	**630**	**191**	**133**	**-**	**-**	**954**
	2015	579	264	185	1	55	1,084
G A Friberg[16]	**2016**	**670**	**335**	**235**		**-**	**1,240**
	2015	583	368	259	-	-	1,210
A N Johns	**2016**	**528**	**193**	**136**	**-**	**-**	**857**
	2015	513	354	248	-	43	1,158
K Pamminger	**2016**	**522**	**153**	**107**	**-**	**-**	**782**
	2015	487	162	114	-	45	808
S J Tainsh	**2016**	**548**	**155**	**108**	**-**	**-**	**811**
	2015	521	255	179	-	53	1,008
Total	**2016**	**4,091**	**1,581**	**1,272**	**103**	**-**	**7,047**
	2015	3,872	2,085	1,666	207	196	8,026

For more detail on performance and remuneration outcomes, please see Section 3 of this report.

Frequently asked questions – Remuneration

1	How do remuneration outcomes reflect shareholder value?	A significant portion of on-target Executive KMP remuneration is 'at-risk', contingent on the achievement of measures related to overall Company performance and aligned to Company strategy and shareholder interests. Specifically, financial incentive performance measures (i.e. NPAT in the STI and TSR and ROE in the LTI) provide a direct link between Executive KMP reward outcomes and company performance over the short and long-term.
2	How does GrainCorp address the challenges to incentive target-setting in light of variability in external / environmental conditions?	To appropriately account for this variability, the Board conducts regular reviews of performance measures and targets (e.g. the one-year target setting approach for ROE). The Board sets challenging targets that reflect GrainCorp's budgets, to ensure the executives continue to drive company performance, while cognisant of external conditions. The ROE portion of LTI awards will not vest if GrainCorp's three-year average ROE performance is below the rolling ten-year average ROE. Currently the rolling ten-year average ROE is based on the period up to and including the three-year performance period. From FY17, the rolling ten-year average ROE will be based on the ten years up to the commencement of the three-year performance period so that the minimum ROE threshold is known at the grant date. GrainCorp also uses longer averaging periods to determine the number of rights granted (i.e. 20-trading-day volume weighted average price) ('VWAP') and in calculating TSR (i.e. a 12-month start and end averaging period) to mitigate against share price volatility (up or down), which may either advantage or disadvantage plan participants.
3	Why is the actual financial STI target not disclosed (e.g. NPAT budget)?	GrainCorp's objective is to be as transparent as possible, without disclosing commercially sensitive information. Consequently, while the STI scorecard measures, description, weighting and performance in FY16 for Executive KMP have been provided, the specific targets for measures such as NPAT have not. Please see Section 5 for further detail.

[13] Total fixed remuneration includes superannuation contributions, net annual leave accruals and non-monetary benefits; e.g. parking salary sacrifice.

[14] Other benefits provided to Mr Palmquist include the gross value of items such as airline flights, accommodation, health insurance, and tax advice.

[15] All performance rights granted under the FY14 LTI plan lapsed during FY16 due to performance hurdles not being achieved.

[16] TFR converted from USD to AUD based on a rate of $0.7368 (average rate from 1 October 2015 to 30 September 2016). STI converted based on rate of $0.7663 (spot rate on 30 September 2016).

Frequently asked questions – Remuneration

4	What changes have been made so that STI outcomes better reflect Company performance?	GrainCorp operates in a complex environment, whereby Company performance can be affected by external factors outside of management's influence. For example, the unpredictability of external factors such as the weather and the cyclical nature of commodities make performance forecasting and budgets more uncertain than in most other industries. The Board, in response to shareholder feedback received at the FY15 AGM, reviewed the STI funding approach during FY16, with changes to take effect from FY17. The Board did not believe it was appropriate to make significant changes to the STI midway through the FY16 year. However, the Board did exercise discretion to restrict most Executive KMP STI payments for FY16 to ensure alignment with overall company financial performance. For FY17, STI outcomes will not – as in prior years – be based on budget NPAT. Instead, an STI pool will be generated, reflecting GrainCorp's NPAT performance. A minimum (threshold) level of NPAT performance will be required for any STI payments to be made. Consideration will be given to not only NPAT, but the invested capital used to generate that NPAT. The Board believes the FY17 changes will more closely align STI outcomes with company performance, rather than budget targets.
5	Why does GrainCorp use a broad comparator group for the relative TSR measure in the LTI?	GrainCorp is uniquely positioned in the Australian-listed environment in terms of its operations. Similar to a number of Australian companies, there are no Australian-listed comparators within the industry in which we operate. Consequently, the selected TSR comparator group represents GrainCorp's competitors in terms of organisations of similar size and complexity. It is also consistent with the group used to define GrainCorp's remuneration 'peer group' for corporate roles.
6	Why is the LTI performance period only three years?	The Board's view is that a three-year performance period appropriately aligns with the performance horizons in the strategic business plans and allows for the measurement of sustained long-term performance. The current structure of the LTI plan has been effective in achieving its dual objectives of Executive KMP retention and alignment with shareholder interests.
7	Can the Company claw back any incentive awards?	Yes, STI or LTI awards can be clawed back if there is gross misconduct, material misstatement or fraud.
8	What changes have occurred to the MD & CEO's STI deferral?	The MD & CEO has elected to defer 50% of his STI into performance rights, rather than cash, for a period of 12 months. This change is effective from 1 October 2016. Deferral into GrainCorp equity better aligns the MD and CEO's remuneration outcomes with shareholders' outcomes.
9	Has the Company considered the introduction of a mandatory shareholding requirement for executives?	While the Board has considered a mandatory shareholding requirement, it believes shareholder and Executive KMP alignment is already achieved as a significant portion of Executive KMP reward is delivered through equity (i.e. STI deferral and LTI awards). Shares held by Key Management Personnel are outlined in Section 8 of this report.
10	What was the rationale for the MD & CEO's sign-on bonus?	The Board deemed it necessary to include a potential deferred sign-on payment in the contract, recognising the uncertainty in relation to the Company's ownership during the period in which candidates were being sought. Potential vesting of the MD & CEO's deferred sign-on payment would have been due during FY17, of up to $7,200,000. This amount has been reduced by the total gross quantum of TFR paid, gross STI at target and gross value of LTI benefits as these amounts have been awarded. Following the award of FY16 STI, no deferred sign-on payment will be due and has now lapsed without any payment.
11	Are there proposed changes to fees for Non-executive Directors for FY17?	With the exception of the Chairman's fee, other Non-executive fees (base fees, Committee Chair and Committee member fees) will increase by 3% from 1 October 2016. The Chairman's fee will increase from $330,000 to $370,000 to recognise market movements and appropriate positioning of GrainCorp's fees. The Chairman's last fee increase was 1 October 2012.

3. Company performance and remuneration outcomes

Short-term incentives awarded in FY16

FY16 STI performance

Performance is assessed against a balanced scorecard of measures aligned to GrainCorp's annual plan. Targets for each scorecard measure are determined prior to the start of the performance period.

The table below outlines KMP performance in FY16, prior to any discretionary adjustments applied by the Board to reflect GrainCorp's financial performance irrespective of budget.

Table 3: FY16 STI performance outcomes

KMP	Financial measures weighting (%) and performance		Safety, health and environment weighting (%) and performance. Agreed objectives include reduction in Annual Injury Frequency Rate ('AIFR')		Non-financial weighting (%) and performance. Agreed objectives include talent management, project completion
Name Position Title	**Group NPAT**	**Business Unit Financial**	**Group SHE**	**Business Unit SHE**	
M L Palmquist MD & CEO	60 🟡	-	10 🔴	-	30 🟡
A G Bell CFO	60 🟡	-	10 🔴	-	30 🟡
G A Friberg President and CEO GrainCorp Malt	30 🟡	30 🟡	5 🔴	5 🟢	30 🟡
A N Johns GGM GrainCorp Storage & Logistics	20 🟡	40 🟢	-	10 🟡	30 🟡
K Pamminger GGM GrainCorp Marketing	20 🟡	50 🔴	-	5 🟢	25 🟡
S J Tainsh GGM GrainCorp Oils	20 🟡	40 🔴	-	10 🟡	30 🟡

🔴 Minimum performance threshold not met 🟡 Minimum performance threshold met or exceeded 🟢 Stretch/maximum performance achieved

FY16 awarded STI outcomes

The Board decided to exercise discretion with respect to Executive KMP STI outcomes for FY16 to better align with Group NPAT and business unit results delivered. As a result, STI outcomes were capped at a maximum of 90% of target STI for all Executive KMP except G Friberg, due to Malt's exceptional performance and significant contribution to GrainCorp's overall financial performance. The table below outlines FY16 STI outcomes.

Table 4: FY16 STI remuneration outcomes

	Actual STI awarded as a % of target STI	Actual STI awarded ($'000s)	Amount paid in cash ($'000s)	Amount deferred ($'000s)[17]	STI awarded as a % of maximum STI	STI forfeited as a % of maximum STI
Executive Director						
M L Palmquist	90	1,107	554	553	60[18]	40
Executive KMP						
A G Bell	90	324	191	133	45	55
G A Friberg[19]	136	570	335	235	68	32
A N Johns	90	329	193	136	45	55
K Pamminger	70	260	153	107	29	71
S J Tainsh	67	263	155	108	34	66

Long-term incentives vesting in FY16

Key details of the FY14 LTI grant and vesting outcomes

As a result of the relative TSR and ROE performance hurdles (measured over the three-year period to 30 September 2016) not being met, none of the FY14 LTI grant vested.

Performance against the relative TSR and ROE performance hurdles are outlined in the tables below.

Table 5: FY14 LTI TSR performance measure results

TSR percentile ranking	Percentage of grant vesting
Below the 50^{th} percentile	0%

Table 6: FY14 LTI ROE performance measure results

Financial year	Minimum of ROE target range	Maximum of ROE target range	GrainCorp ROE performance	Percentage of grant vesting
2014	6.0%	6.6%	5.4%	-
2015	2.4%	2.6%	2.5%	-
2016	2.7%	3.0%	3.0%	-
3 year average	**3.7%**	**4.1%**	**3.6%**	**0%**

The FY14 LTI grant was the last grant prior to the introduction of the minimum performance threshold for the ROE performance hurdle. Further information regarding the minimum ROE threshold can be found in Section 5 of this report.

[17] The STI deferred amount represents the portion earned in FY16 that is to be deferred into performance rights for all Executive KMP. The amounts presented differ from the statutory disclosures that are prepared in accordance with the accounting standards in Section 7 and 8 of this report.

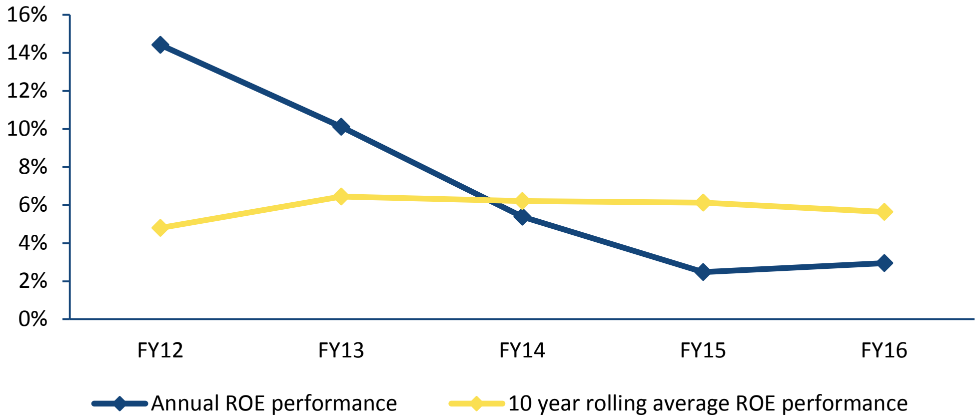
[18] The maximum STI for the MD & CEO is 150% of TFR. This means that an STI payment of 90% of TFR is equal to 60% of the maximum STI.

[19] Converted from USD to AUD based on a rate of $0.7663 (spot rate on 30 September 2016).

Historical Company performance

Historical ROE performance

The graph below outlines GrainCorp's historical ROE performance. The variability in ROE performance is characteristic of the industry in which we operate, where performance is subject to the weather, grain production volumes, commodity prices, global economic conditions and exchange rates.



Five year financial performance

GrainCorp's performance on key metrics of sustainable value creation for the past five financial years is summarised below.

Table 7: Historical Company financial performance

		2016	2015	2014	2013	2012
Underlying NPAT	$M	53	45	95	175	205
Statutory NPAT	$M	31	32	50	141	205
Basic EPS	cents	13.5	14.0	22.0	61.9	102.6
Total dividends per Share	cents	11	10	20	45	65
Closing Share price	$	7.85	9.05	8.55	12.35	8.96[20]

[20] Share price for Monday 1 October 2012.

4. Remuneration governance

Executive remuneration governance

Role of the People Remuneration and Nominations Committee ('PRNC')

The PRNC assists the Board to ensure GrainCorp's remuneration approach aligns with the business strategy and the interests of our shareholders. The PRNC reviews proposals made by management and makes recommendations to the Board on individual remuneration arrangements, target-setting, performance assessment of incentive plans, succession planning for the MD & CEO, and NED fee arrangements. Detailed information on the PRNC's role, responsibilities and membership can be found in the PRNC Charter (see www.graincorp.com.au) and under Principle 2 of the Corporate Governance Statement.

Support from management and external advisors

To ensure the Board's decisions are fully informed, the PRNC receives advice from management and the Company's external remuneration advisor, Ernst & Young ('EY').

EY's engagement terms include protocols to maintain its independence. During the year, EY provided the PRNC and Board with advice on various remuneration matters.

None of the advice provided during the year by EY included a remuneration recommendation (as defined in the *Corporations Amendment (Improving Accountability on Directors and Executive Remuneration) Act* 2011).

Incentive plan governance

A summary of the key governance elements of the STI and LTI plans are provided below.

Table 8: Incentive plan governance – key features

	STI	LTI
Performance measures / assessment	• KPIs and STI outcomes for the MD & CEO are approved by the Board. KPIs and STI outcomes for Executive KMP are approved by the PRNC.	• The LTI is typically granted (or awarded) around November of each year and vests (depending on performance against the performance measures) on 30 September at the end of the three-year performance period. • The appropriateness of the LTI performance measures are reviewed annually by the PRNC to ensure alignment to GrainCorp's business strategy and shareholder value creation.
Clawback	• The Board in its discretion may determine that some, or all, of an employee's STI deferral is forfeited for gross misconduct, material misstatement or fraud.	• The Board in its discretion may determine that some, or all, of an employee's LTI award is forfeited for gross misconduct, material misstatement or fraud.
Cessation of employment	• Subject to Board discretion, the deferred component may: – Be forfeited for resignation or termination for cause; and – Be paid in full at their normal payment date for cessation of employment due to redundancy, disability, death or retirement.	• Subject to Board discretion: – Rights are forfeited for resignation and termination for cause; and – Rights are pro-rated for the portion of the performance period served and vest at the normal vesting date for cessation of employment due to redundancy, disability, death or retirement.
Change of control	• The deferred component will be paid in full on change of control, unless the Board determines otherwise.	• Rights vest in full on change of control, unless the Board determines otherwise. Rights that do not vest on change of control will lapse.

Hedging of unvested equity awards

Executives cannot sell, transfer or otherwise deal with their rights (e.g. by using them as security for a loan). Executives may sell, transfer or deal with any shares received on vesting of their rights subject to compliance with GrainCorp's Share Trading Policy.

5. Executive remuneration framework

Executive KMP remuneration framework

Remuneration benchmarking

GrainCorp aims to provide competitive remuneration opportunities measured against comparable companies. GrainCorp benchmarks roles against ASX-listed companies of similar size and complexity, using external market benchmarks conducted by independent remuneration advisors. Comparators are within 50% to 200% of GrainCorp's market capitalisation for Group Area Executive KMP roles, and within 50% to 200% of revenue accountability for Operational Executive KMP roles.

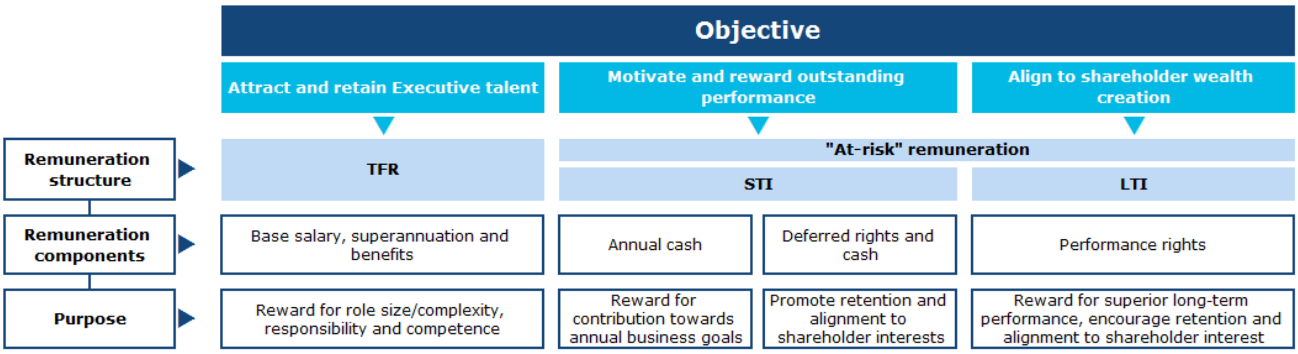
Market positioning policy

GrainCorp's target positioning for fixed remuneration is market median. Total target remuneration opportunity is positioned at market median, with the opportunity to earn up to the 75th percentile for the achievement of stretch STI and LTI targets.

Summary of the Executive KMP remuneration framework

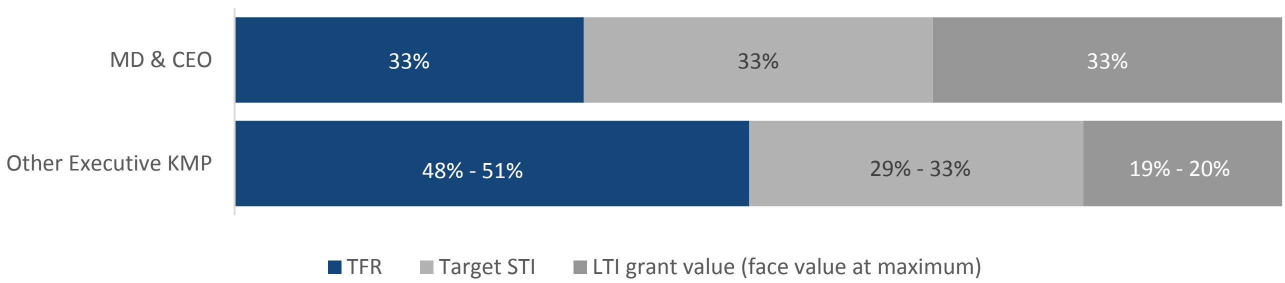
GrainCorp's remuneration strategy rewards Executive KMP for the delivery of its business strategy.

The diagram below provides an overview of this approach.



On-target Executive KMP remuneration opportunities and mix

A significant portion of executive remuneration is 'at-risk' to ensure alignment with the Company's strategic objectives. Executive KMP target remuneration mix is summarised in the chart below. Remuneration mix is presented as a portion of total target remuneration and comprises TFR, target STI opportunity and LTI grant value (i.e. maximum LTI opportunity).



FY16 Short-term incentives

The following table outlines the executive STI plan under which awards were made in FY16.

Table 9: FY16 STI plan

Element	Description
Purpose of STI plan	The STI is an annual 'at-risk' incentive award linked to the achievement of specific financial and non-financial Company, business-unit and individual targets.
Eligibility	Executive KMP and other employees as determined by the Board are eligible to participate in the STI plan.
Opportunity	Performance is assessed on a scale from 0% to 200% (maximum) of target. The target STI opportunities as a percentage of total target remuneration is disclosed above.
Performance period	One financial year.
Performance measures	Executive KMP are assessed on a balanced scorecard of measures: • Group and business unit financial metric; • Group and business unit safety, health and environment weighting and performance, including RIFR; • Individual KPIs based on agreed objects, potentially including talent management and project completion. Assessment of STI measures occurs following the end of the financial year, by the Board in relation to the MD & CEO, and by the CEO in relation to Executive KMP, and approved by the PRNC.
Vehicle	STI is delivered as cash with a portion of the STI outcome deferred into rights.
Deferral	50% of the MD & CEO's awarded STI is deferred into rights, while 41.2% of awarded STI for other Executive KMP is deferred into rights. Deferred awards for the MD & CEO vest after 12 months. Deferred awards for other Executive KMP vest 50% after 12 months, and 50% after 24 months. There are no other performance conditions on the deferred portion of awards beyond continued employment by GrainCorp.
Clawback	The Board in its discretion may determine that some, or all, of an employee's STI deferral is forfeited for gross misconduct, material misstatement or fraud.
Discretion	STI outcomes are subject to Board discretion. In FY16 the Board exercised their discretion to reduce STI outcomes for Executive KMP (except G Friberg) to ensure that STI outcomes reflected Group NPAT and business unit results.

FY16 Long-term incentives

The following table outlines the LTI plan under which awards were made in FY16.

Table 10: FY16 LTI plan

Element	Description
Purpose of LTI plan	To provide a performance-based 'at-risk' remuneration element over a longer time horizon, which reflects GrainCorp's multi-year performance
Eligibility	All members of the ELT are eligible to participate in the LTI plan.
Maximum Opportunity	The Board determines LTI opportunities based on a percentage of TFR.
Instrument and allocation methodology	Eligible participants are granted rights to GrainCorp shares for nil consideration. Rights vest subject to the achievement of the specified performance measures and do not carry any voting or dividend rights. LTI opportunities are converted to a number of rights that are granted using a face value approach; i.e. based on the 20-trading-day VWAP for GrainCorp shares following the release of the Company's annual financial results. Using a 20 trading-day VWAP helps mitigate against share-price volatility at the time of grant.
Performance period	Both performance measures are measured over a three-year performance period.
Performance measures	FY16 awards are subject to two separate tranches, each with one performance hurdle and an ongoing service condition: ROE (50% of the award) and relative TSR (50% of the award). ***ROE*** ROE focuses Executives on generating earnings that efficiently use shareholder capital and the reinvestment of earnings. ROE is defined as underlying NPAT divided by average shareholders' equity, as determined by the Board from the Company's financial results. Due to the volatility in production conditions and seasonal variability, GrainCorp's Board sets a one-year ROE target range as part of the budgeting process each year. The three-year ROE hurdle is the

Table 10: FY16 LTI plan

<table>
<tr><th>Element</th><th>Description</th></tr>
<tr><td>Performance measures (Cont.)</td><td>
average of the three annual targets set by the Board. Annual ROE targets are set in November each year and disclosed following the end of the performance period.
One-year targets allow the Company to account for the variability in the agribusiness industry and for near-term capital management objectives. The following factors are considered by the Board in the target-setting process:

Expected earnings for each business area, overlaid with estimated production and market conditions for the forthcoming year (i.e. harvest volumes, receivals, export demand, malt contract sales, local and government trading environments and industry and climatic conditions);
External analysts’ views of GrainCorp’s performance;
External market forecasts (e.g. from the Australian Bureau of Agricultural Resource Economics and Sciences and Australian Crop Forecasters);
Capital investment strategy for the forthcoming year; and
Historical ROE performance.

The proportion of rights that may vest based on ROE performance will be determined by the Board, based on the following vesting schedule.
<table>
<tr><th>Three-year average ROE performance</th><th>Percentage of ROE-tested rights to vest</th></tr>
<tr><td>Below minimum of target range</td><td>Nil</td></tr>
<tr><td>At minimum of target range</td><td>50%</td></tr>
<tr><td>Within target range</td><td>Straight line between 50% and 100%</td></tr>
<tr><td>At maximum of target range and above</td><td>100%</td></tr>
</table>
To further align Executive KMP remuneration outcomes with shareholder value creation, ROE performance must exceed a minimum threshold – regardless of budget ROE during the three-year performance period – before any of the ROE tranche may vest. The minimum ROE threshold is GrainCorp’s average ROE for the 10 years prior to the end of the relevant performance period.
</td></tr>
<tr><td></td><td>
Relative TSR
Relative TSR focuses Executive KMP on shareholder value creation as it measures the percentage change in a company’s share price, plus the value of dividends received during the period.
GrainCorp’s TSR is measured relative to a peer group of 100 ASX-listed companies (i.e. 50 companies above and 50 companies below GrainCorp’s market capitalisation ranking). The peer group is defined at the start of the performance period. As GrainCorp is uniquely positioned in the Australian-listed environment (in terms of operations), the selected comparator group represents GrainCorp’s competitors in terms of organisations of similar size and complexity.
For the FY16 LTI grant, a 12 month opening/base line reporting period from 1 October 2014 to 30 September 2015 was applied for calculating relative TSR. The proportion of rights that may vest based on TSR performance is determined by the Board, based on the following vesting schedule.
<table>
<tr><th>Relative TSR (percentile ranking)</th><th>Percentage of TSR-tested rights to vest</th></tr>
<tr><td>At or below the 50th percentile</td><td>Nil</td></tr>
<tr><td>Above the 50th and below the 75th percentile</td><td>Straight line between 50% and 100%</td></tr>
<tr><td>At or above the 75th percentile</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>Retesting</td><td>There is no re-testing allowed in relation to LTI awards.</td></tr>
<tr><td>Discretion</td><td>Vesting of any LTI awards is always subject to Board discretion.</td></tr>
</table>

For future grants, commencing FY17, the minimum ROE threshold will be calculated based on the 10 years prior to the commencement of the relevant LTI performance period (i.e. excludes the three-year LTI performance period).

Summary of employment terms

Employment terms

GrainCorp's Executive KMP are employed by GrainCorp Operations Limited under common law contracts with no fixed term. Contracts may be terminated at any time, provided that the notice period is given. The table below outlines a summary of key employment terms for Executive KMP.

Table 11: Employment terms

	MD & CEO	Other Executive KMP
Notice period	Six months	Three to six months
Termination entitlements	Six months' severance	Not in excess of 52 weeks' base salary

As noted in the FY14 Remuneration Report, the Board deemed it necessary to include a potential deferred sign-on payment ($7,200,000) in the MD & CEO's contract, recognising the uncertainty in relation to the Company's ownership during the period in which candidates were being sought.

Potential vesting of the MD & CEO's deferred sign-on payment would have been due during FY17. The amount has been reduced by the total gross quantum of TFR paid, gross STI at target and gross value of LTI benefits, as these amounts have been awarded.

Following the award of FY16 STI, no deferred sign-on payment will be due and has now lapsed without any payment.

6. NED fees framework

The PRNC regularly reviews NED fee arrangements to ensure fees remain competitive. This includes periodical benchmarking against companies of similar size and complexity to GrainCorp.

NED fees are paid from an aggregate annual fee pool of $2,000,000 (including superannuation contributions), as approved by shareholders at the 2014 AGM.

NED fees comprise a base fee plus a fee for participation in Board Committees (i.e. Committee Chairs and members). NEDs do not participate in any performance-related incentive awards.

The Board Chair receives a higher fee to reflect the additional time commitment and responsibilities required of the role and does not receive any additional fees for participation in Board Committees.

The fee policy for the year ended 30 September 2016 is outlined below. With the exception of the Board Chair, compulsory superannuation contributions are paid in addition to fees set out below.

Table 12: Board fees

		FY16 fees ($)
Board		
Non-executive Chair		330,000
NEDs		117,500
Board Committees		
Board Audit Committee	Chair	27,900
	Member	11,250
People, Remuneration and Nominations Committee	Chair	20,600
	Member	11,250
Business Risk Committee	Chair	20,600
	Member	11,250
Safety, Health, Environment & Governance Committee	Chair	20,600
	Member	11,250

7. KMP remuneration disclosures

Remuneration for Executive KMP for FY16 and FY15 is shown in the table below. The remuneration information presented below has been calculated in accordance with accounting standards and includes the apportioned accounting value for unvested deferred STI and LTI awards (which, subject to performance and service conditions, may or may not vest). As such, the following remuneration information differs from the remuneration outcomes in FY16 presented in section 2 for Executive KMP for FY16 and FY15 is shown in the table below.

Table 13: Statutory executive KMP remuneration disclosures

		Short-term benefits			Post-employment		Other long-term benefits[21]			
	Year	Base salary and fees $'000	Non-monetary benefits $'000	STI cash[22] $'000	Super-annuation benefits $'000	Termination benefits $'000	STI deferral $'000	LTI awards $'000	Long service leave $'000	Total $'000
Executive Director										
M L Palmquist	**2016**	**1,193**	**103**	**554**	**-**	**-**	**618**	**158**	**21**	**2,647**
	2015	1,189	206	682	-	-	341	84	20	2,522
Executive KMP										
A G Bell	**2016**	**610**	**1**	**191**	**19**	**-**	**151**	**8**	**10**	**990**
	2015	555	6	264	19	-	160	63	10	1,077
G A Friberg	**2016**	**642**	**20**	**335**	**8**	**-**	**249**	**11**	**-**	**1,265**
	2015	554	21	368	8	-	195	38	-	1,184
A N Johns	**2016**	**499**	**-**	**193**	**29**	**-**	**174**	**7**	**22**	**924**
	2015	484	-	354	29	-	177	54	22	1,120
K Pamminger	**2016**	**492**	**-**	**153**	**30**	**-**	**135**	**7**	**10**	**827**
	2015	457	-	162	30	-	240	55	8	952
S J Tainsh	**2016**	**513**	**-**	**155**	**35**	**-**	**141**	**8**	**5**	**857**
	2015	485	5	255	31	-	171	59	9	1,015
Former Executive KMP										
B Ivanoff[23]	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	386	-	194	29	-	130	45	7	791
Total	**2016**	**3,949**	**124**	**1,581**	**121**		**1,468**	**199**	**68**	**7,510**
	2015	4,110	238	2,279	146	-	1,414	398	76	8,661

[21] The value of STI deferral and LTI awards represents the accounting value, rather than the cash value to participants. It includes the value of equity grants for LTI Plan and Deferred Equity Plans. It also includes the accounting value of the deferred cash based awards put in place of deferred equity.

[22] The accounting value of short term incentive deferred share rights / deferred cash is reflected in the 'STI deferral' column.

[23] Due to a change in responsibilities effective FY16 the Group General Counsel role is no longer considered KMP for reporting purposes.

Remuneration for Non-Executive KMP for FY16 and FY15 is shown in the table below.

Table 14: Statutory NED remuneration disclosures

Non-executive Directors	Year	Base salary and fees $'000	Superannuation benefits $'000	Total $'000
D C Taylor	**2016**	**299**	**31**	**330**
	2015	296	34	330
R P Dee-Bradbury[24]	**2016**	**141**	**13**	**154**
	2015	120	11	131
B J Gibson	**2016**	**149**	**14**	**163**
	2015	145	14	159
P J Housden	**2016**	**145**	**14**	**159**
	2015	141	13	154
D J Mangelsdorf	**2016**	**149**	**14**	**163**
	2015	145	14	159
D G McGauchie	**2016**	**129**	**12**	**141**
	2015	125	12	137
P I Richards[25]	**2016**	**118**	**11**	**129**
	2015	-	-	-
S L Tregoning	**2016**	**140**	**13**	**153**
	2015	136	13	149
Former KMP				
Non-executive Directors				
D B Trebeck[26]	**2016**	**33**	**3**	**36**
	2015	145	14	159
Total	**2016**	**1,303**	**125**	**1,428**
	2015	1,253	125	1,378

[24] Ms Dee-Bradbury assumed Chair of the PRNC effective 25 February 2016.

[25] Mr Richards was appointed on 9 November 2015.

[26] Mr Trebeck retired on 18 December 2015.

8. Shareholdings and other mandatory disclosures

Movement of rights held during the reporting period

Details of the movement in performance rights in the Company, during the reporting period are detailed in the table below.

Table 15: Movement of performance rights during FY16

	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Forfeited or lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Executive Director						
M L Palmquist	147,601	151,291	-	-	298,892	-
Executive KMP						
A G Bell	53,549	52,271	-	25,055	80,765	11,376
G Friberg	45,882	65,380	-	20,618	90,644	17,341
A N Johns	47,388	56,175	-	22,173	81,390	15,253
K Pamminger	47,276	39,889	-	22,118	65,047	6,988
S J Tainsh	49,758	49,466	-	23,282	75,942	11,008

Number and value of rights granted, vested and forfeited under the deferred STI and LTI awards

Details of the rights granted as remuneration and held, and vesting profile as at 30 September 2016 for each Executive KMP is presented in the table below. Rights are granted for nil consideration (i.e. zero exercise price) and automatically vest following performance testing (i.e. do not need to be exercised).

No performance rights vest if the conditions are not satisfied, hence minimum value yet to vest is nil. The maximum value of the grants yet to vest has been determined as the amount of the grant date fair value that is yet to be expensed.

Table 16: Number of rights granted, vested and forfeited during FY16

	Equity granted						Vested in FY16		
	Plan[27]	Number of rights	Grant date	Fair value at grant $'000	Financial year in which rights may vest	Maximum fair value yet to vest $'000	Vested in the year (%)	Forfeited in the year (%)	Number of ordinary shares
Executive Director									
M L Palmquist	LTI 2016	151,291	18-Dec-15	787	2018	714	-	-	-
	LTI 2015	147,601	17-Dec-14	786	2017	618	-	-	-
Executive KMP									
A G Bell	LTI 2016	29,520	18-Dec-15	154	2018	139	-	-	-
	DEP 2015	22,751	22-Dec-15	179	2016 and 2017	30	50%	-	11,376
	LTI 2015	28,494	17-Dec-14	152	2017	119	-	-	-
	LTI 2014	25,055	02-May-14	138	2016	-	-	100%	-
G A Friberg	LTI 2016	30,698	18-Dec-15	160	2018	145	-	-	-
	DEP 2015	34,682	22-Dec-15	273	2016 and 2017	45	50%	-	17,341
	LTI 2015	25,264	17-Dec-14	135	2017	106	-	-	-
	LTI 2014	20,618	02-May-14	114	2016	-	-	100%	-
A N Johns	LTI 2016	25,669	18-Dec-15	134	2018	121	-	-	-
	DEP 2015	30,506	22-Dec-15	240	2016 and 2017	40	50%	-	15,253
	LTI 2015	25,215	17-Dec-14	134	2017	106	-	-	-
	LTI 2014	22,173	02-May-14	122	2016	-	-	100%	-
K Pamminger	LTI 2016	25,913	18-Dec-15	135	2018	122	-	-	-
	DEP 2015	13,976	22-Dec-15	110	2016 and 2017	18	50%	-	6,988
	LTI 2015	25,158	17-Dec-14	134	2017	105	-	-	-
	LTI 2014	22,118	02-May-14	122	2016	-	-	100%	-
S J Tainsh	LTI 2016	27,450	18-Dec-15	143	2018	129	-	-	-
	DEP 2015	22,016	22-Dec-15	173	2016 and 2017	29	50%	-	11,008
	LTI 2015	26,476	17-Dec-14	141	2017	111	-	-	-
	LTI 2014	23,282	02-May-14	128	2016	-	-	100%	-

[27] DEP 2016 for Executive KMP will be granted following the 20-trading-day VWAP period after the announcement of results and will therefore be reported in the FY17 report.

Value of deferred cash awarded, vested and forfeited under the deferred STI and LTI awards

Details of the deferred cash awarded as remuneration and vesting profile as at 30 September 2016 for each Executive is presented in the table below. No deferred cash awards vest if the conditions are not satisfied (minimum value yet to vest is nil). The maximum value of the deferred cash awards yet to vest has been determined as the amount of the deferred cash award that is yet to be expensed.

Table 17: Value of deferred cash awarded, vested and forfeited during FY16

		Deferred cash awarded				Vested in FY16	
	Plan	Value of deferred cash awarded $'000	Financial year awarded	Period of vesting	Maximum value yet to vest $'000	Vested in the year (%)	Forfeited in the year (%)
Executive Director							
M L Palmquist	DEP 2015[28]	682	2016	2016	-	100%	-
Executive KMP							
A G Bell	DEP 2014	138	2015	2016	-	50%	-
G A Friberg	DEP 2014	186	2015	2016	-	50%	-
A N Johns	DEP 2014	127	2015	2016	-	50%	-
K Pamminger	DEP 2014	277	2015	2016	-	50%	-
S J Tainsh	DEP 2014	156	2015	2016	-	50%	-

Shares held by KMP

KMP have a relevant interest in the following number of shares in the Company as at the date of this report.

Table 18: Number of shares held by KMP

Name	Balance at the start of the year	Received during the year on exercise of rights	Other changes during the year	Balance at the end of the year
Non-executive Directors				
D C Taylor	44,859	-	-	44,859
R P Dee-Bradbury	2,400	-	-	2,400
B J Gibson	7,000	-	-	7,000
P J Housden	8,083	-	-	8,083
D J Mangelsdorf	15,528	-	-	15,528
D G McGauchie	88,957	-	-	88,957
P I Richards	-	-	-	-
S L Tregoning	14,465	-	-	14,465
Executive Director				
M L Palmquist	9,679	-	10,000	19,679
Executive KMP				
A G Bell	30,167	-	-	30,167
G Friberg	11,177	-	-	11,177
A N Johns	34,872	-	-	34,872
K Pamminger	-	-	-	-
S J Tainsh	18,239	-	-	18,239
Former KMP				
Non-executive Directors				
D B Trebeck[29]	75,637	-	-	75,637

Loans to KMP and their related parties

No loans were provided to KMP or their related parties as at the date of this report.

D C Taylor
Chairman

Sydney
16 November 2016

[28] Mr. Palmquist's DEP 2015 was paid as cash, whereas DEP 2015 for the remaining Executive KMP was granted as performance rights.

[29] Mr Trebeck's changes and balance at the end of the year are as of the date of his retirement, 18 December 2015.

Auditor's Independence Declaration

As lead auditor for the audit of GrainCorp Limited for the year ended 30 September 2016, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GrainCorp Limited and the entities it controlled during the period.

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
16 November 2016

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2016 Financial Report

2016 Financial Report

Notes to the Financial Statements

Consolidated Income Statement

For the year ended 30 September 2016

	Note	2016 $ M	2015 $ M
Revenue	4	4,158.3	4,085.5
Other income / (loss)	5	60.2	(21.5)
Goods purchased for resale		(2,201.5)	(2,137.2)
Raw materials and consumables used		(1,201.8)	(1,151.3)
Employee benefits expense	6	(353.3)	(335.4)
Finance costs		(39.7)	(43.0)
Depreciation and amortisation	15, 16	(142.6)	(136.3)
Operating leases		(58.5)	(57.6)
Repairs and maintenance		(39.4)	(39.4)
Other expenses	6	(116.3)	(112.8)
Significant items	8	(32.4)	(16.5)
Share of results of investments accounted for using the equity method	30	9.3	9.1
Profit before income tax		**42.3**	**43.6**
Income tax expense	9	(11.4)	(11.5)
Profit for the year attributable to the owners of GrainCorp Limited		**30.9**	**32.1**

	Note	Cents	Cents
Earnings per share			
Basic earnings per share	23	13.5	14.0
Diluted earnings per share	23	13.5	14.0

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2016

	Note	2016 $ M	2015 $ M
Profit for the year		**30.9**	**32.1**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Remeasurements of retirement benefit obligations	20	(17.4)	(1.1)
Income tax relating to these items	9	2.6	0.6
Items that may be reclassified to profit and loss:			
Changes in fair value of cash flow hedges		4.6	(21.6)
Share of comprehensive income of joint ventures	30	(0.1)	0.1
Income tax relating to these items	9	(2.1)	5.2
Exchange differences on translation of foreign operations		(78.4)	89.2
Other comprehensive income for the year, net of tax		**(90.8)**	**72.4**
Total comprehensive income for the year attributable to owners of GrainCorp Limited		**(59.9)**	**104.5**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 September 2016

	Note	2016 $ M	2015 $ M
Current assets			
Cash and cash equivalents	10	307.6	374.0
Trade and other receivables	11	457.7	473.2
Inventories	12	499.3	554.9
Derivative financial instruments	13	70.7	91.5
Assets classified as held for sale	15	19.1	0.4
Current tax assets		1.1	2.5
Total current assets		**1,355.5**	**1,496.5**
Non-current assets			
Trade and other receivables	11	1.3	1.6
Derivative financial instruments	13	3.9	5.7
Investments in other entities		12.7	15.4
Deferred tax assets	14	71.2	63.8
Property, plant and equipment	15	1,456.3	1,375.5
Intangible assets	16	491.3	545.6
Investments accounted for using the equity method	30	183.6	169.6
Total non-current assets		**2,220.3**	**2,177.2**
Total assets		**3,575.8**	**3,673.7**
Current liabilities			
Trade and other payables	17	351.8	348.8
Borrowings	18	387.8	329.3
Derivative financial instruments	13	59.0	103.7
Current tax liabilities		2.6	7.8
Provisions	19	66.3	81.4
Total current liabilities		**867.5**	**871.0**
Non-current liabilities			
Trade and other payables	17	39.8	43.5
Borrowings	18	791.5	789.1
Derivative financial instruments	13	18.7	21.2
Deferred tax liabilities	14	60.7	78.0
Provisions	19	11.5	11.9
Retirement benefit obligations	20	44.1	37.2
Total non-current liabilities		**966.3**	**980.9**
Total liabilities		**1,833.8**	**1,851.9**
Net assets		**1,742.0**	**1,821.8**
Equity			
Contributed equity	21	1,346.1	1,346.0
Reserves		37.8	116.8
Retained earnings		358.1	359.0
Total equity		**1,742.0**	**1,821.8**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 September 2016

	Hedging reserve $ M	Capital reserve $ M	Share option reserve $ M	Translation reserve $ M	Total reserves $ M	Contributed equity $ M	Retained earnings $ M	Total equity $ M
As at 30 September 2014	**(3.1)**	**8.3**	**1.1**	**34.5**	**40.8**	**1,344.8**	**358.9**	**1,744.5**
Profit for the year	-	-	-	-	-	-	32.1	32.1
Other comprehensive income:								
Exchange difference on translation of foreign operations	(0.6)	-	-	92.7	92.1	-	(2.9)	89.2
Changes in fair value of cash flow hedges	(21.6)	-	-	-	(21.6)	-	-	(21.6)
Remeasurements of defined benefit obligations	-	-	-	-	-	-	(1.1)	(1.1)
Share of other comprehensive loss of joint ventures	0.1	-	-	-	0.1	-	-	0.1
Deferred tax credit / (expense)	5.2	-	-	-	5.2	-	0.6	5.8
Total other comprehensive income	**(16.9)**	**-**	**-**	**92.7**	**75.8**	**-**	**(3.4)**	**72.4**
Total comprehensive income	(16.9)	-	-	92.7	75.8	-	28.7	104.5
Transactions with owners:								
Dividends paid	-	-	-	-	-	-	(28.6)	(28.6)
Share-based payments	-	-	1.4	-	1.4	-	-	1.4
Less: Treasury shares vested to employees	-	-	(1.2)	-	(1.2)	1.2	-	-
Total transactions with owners	-	-	0.2	-	0.2	1.2	(28.6)	(27.2)
As at 30 September 2015	(20.0)	8.3	1.3	127.2	116.8	1,346.0	359.0	1,821.8
Profit for the year	-	-	-	-	-	-	30.9	30.9
Other comprehensive income:								
Exchange difference on translation of foreign operations	2.0	-	-	(86.3)	(84.3)	-	5.9	(78.4)
Share of other comprehensive income joint ventures	(0.1)	-	-	-	(0.1)	-	-	(0.1)
Changes in fair value of cash flow hedges	4.6	-	-	-	4.6	-	-	4.6
Remeasurements of defined benefit obligations	-	-	-	-	-	-	(17.4)	(17.4)
Deferred tax credit / (expense)	(2.1)	-	-	-	(2.1)	-	2.6	0.5
Total other comprehensive income	**4.4**	**-**	**-**	**(86.3)**	**(81.9)**	**-**	**(8.9)**	**(90.8)**
Total comprehensive income	4.4	-	-	(86.3)	(81.9)	-	22.0	(59.9)
Transactions with owners:								
Dividends paid	-	-	-	-	-	-	(22.9)	(22.9)
Share-based payments	-	-	3.0	-	3.0	-	-	3.0
Less: Treasury shares vested to employees	-	-	(0.1)	-	(0.1)	0.1	-	-
Total transactions with owners	-	-	2.9	-	2.9	0.1	(22.9)	(19.9)
As at 30 September 2016	**(15.6)**	**8.3**	**4.2**	**40.9**	**37.8**	**1,346.1**	**358.1**	**1,742.0**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 September 2016

	Note	2016 $ M	2015 $ M
Cash flows from operating activities			
Receipts from customers		4,350.5	4,315.5
Payments to suppliers and employees		(4,125.7)	(4,006.9)
		224.8	308.6
Proceeds from bank loans – inventory funding		(4.0)	9.1
Interest received		1.3	2.6
Interest paid		(38.4)	(42.6)
Income taxes paid		(32.2)	(6.6)
Net inflow from operating activities	31	**151.5**	**271.1**
Cash flows from investing activities			
Payments for property, plant and equipment		(268.2)	(223.6)
Payments for computer software		(7.9)	(12.8)
Proceeds from sale of property, plant and equipment		4.4	6.2
Payments for investment / business (net of cash acquired)		(5.9)	(2.3)
Dividends received		-	0.2
Loans repaid by related parties		-	19.1
Net outflow from investing activities		**(277.6)**	**(213.2)**
Cash flows from financing activities			
Proceeds from borrowings		801.1	679.8
Repayment of borrowings		(696.6)	(561.8)
Dividend paid	22	(22.9)	(28.6)
Net inflow / (outflow) from financing activities		**81.6**	**89.4**
Net decrease / (increase) in cash and cash equivalents		**(44.5)**	**147.3**
Cash and cash equivalents at the beginning of the year		374.0	206.2
Effects of exchange rate changes on cash and cash equivalents		(21.9)	20.5
Cash and cash equivalents at the end of the year	10	**307.6**	**374.0**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 September 2016

1. Summary of significant accounting policies

The financial report includes consolidated financial statements for GrainCorp Limited ('GrainCorp' or the 'Company') and its controlled entities (collectively the 'Group'). GrainCorp Limited is a company incorporated in Australia, limited by shares which are publicly traded on the Australian Securities Exchange.

The financial report of GrainCorp Limited for the period ended 30 September 2016 was authorised for issue in accordance with a resolution of the Directors on 16 November 2016. The Directors have the power to amend and reissue the financial report.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

a) Basis of preparation

The financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

The accounting policies have been applied consistently to all periods presented in the financial report. New or amended accounting standards that have current year application did not have a significant impact on the presentation of the Group's financial statements. No accounting standards issued but not yet effective have been early adopted in the financial year. The financial report has been prepared on a going concern basis.

i. Statement of compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report of GrainCorp Limited complies with the International Financial Reporting Standards ('IFRS').

Certain comparative amounts have been reclassified to align with current period presentation.

ii. Historical cost convention

The financial statements have been prepared using the historical cost basis with the exception of derivative financial instruments and commodity inventories which are measured at fair value.

iii. Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

iv. Rounding amounts

All figures in the financial statements are presented in Australian dollars and have been rounded off to the nearest hundred thousand dollars, or in certain cases, to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Director's Report) Instrument 2016/191*, unless otherwise indicated.

b) Principles of consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of GrainCorp as at 30 September 2016 and the results of all subsidiaries for the year then ended. GrainCorp and its subsidiaries together are referred to in these financial statements as the Group (refer to note 27 for full listing of subsidiaries).

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(g)).

1. Summary of significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and the equity of subsidiaries are shown separately in the Consolidated Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position, respectively.

ii. Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control. This exists when decisions about relevant activities require unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity accounting method. The investments are carried at the lower of the equity accounted amount and the recoverable amount.

The Group's share of joint ventures' post-acquisition profit or loss is recognised in the Consolidated Income Statement from the date that joint control commences until the date that joint control ceases. The Group's share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying value of the investment. Dividends reduce the carrying amount of the equity accounted investment.

When the Group's share of losses exceeds its equity accounted carrying value of a joint venture, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture.

iii. Employee share trust

The Group has formed a trust to administer the Group's employee share schemes. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

Shares held by the GrainCorp Employee Share Ownership Plan Trust are disclosed as treasury shares and deducted from contributed equity. Refer to note 21 for further information.

iv. Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, for example when any voting rights relate to administrative tasks only, and key activities are directed by contractual agreement. Structured entities often have restricted activities and a narrow and well defined objective. Involvement with structured entities is disclosed in note 28.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

i. Sale of goods

Revenue is generated from the marketing and sale of grain, production and provision of malt products, processing and crushing of oilseeds and the supply of edible oils and feeds. Revenue is recognised when the risks and rewards of the ownership of goods are transferred to an external party. This is either when goods are delivered, or for export sales, in accordance with the shipping terms.

ii. Services

Service revenue is earned from grain handling services including receival, storage and handling of grain. Revenue recognition for receival and handling occurs as the service is rendered and for storage, it is recognised over the storage period.

iii. Rental income

Rental income is recognised on a straight-line basis over the lease term.

iv. Interest income

Interest income is recognised as the interest accrues using the effective interest method and is classified within other income.

v. Dividends

Dividends are recognised as revenue when the right to receive payment is established.

1. Summary of significant accounting policies (continued)

d) Government grants

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Where government grants take the form of a transfer of non-monetary assets for the use of the entity, both the asset and grant are recorded at a nominal amount.

e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributed to temporary differences between the tax bases of assets and liabilities and their carrying amount in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

GrainCorp and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are offset in the consolidated financial statements.

f) Goods and services tax ('GST') and other value-added taxes

Revenues, expenses and assets are recognised net of the amount of associated indirect taxes, except where the amount of GST incurred is not recoverable from the taxation authority, in which case it is recognised as part of the cost of acquisition of an asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

g) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair value of the assets transferred, the liabilities incurred and equity interest issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement

1. Summary of significant accounting policies (continued)

and the fair value of any pre-existing equity interest in the subsidiary. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value in of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with *AASB 139 Financial Instruments: Recognition and Measurement,* either in the income statement or as a change to other comprehensive income. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

i) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost which is the original invoice amount less an allowance for any unrecoverable amount. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after period end.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. A provision for impairment of trade receivables is established when there is objective evidence that the Group will be unable to collect all amounts due according to the original terms of receivables. Movements in the amount of the provision are recognised in the income statement.

j) Inventories

i. Consumable stores

Consumable stores held for own consumption are valued at the lower of cost and net realisable value.

ii. Raw materials

Raw materials held for own use are valued at the lower of cost and net realisable value. Cost also includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to the purchases of raw materials.

iii. Finished goods and work in progress

Finished goods and work in progress are stated at the lower of cost and net realisable value. Cost comprises raw materials, direct labour and other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

iv. Trading inventory

Trading inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and an appropriate portion of variable overhead. Costs are assigned to individual items of inventory on the basis of weighted average costs.

v. Commodities inventory

Commodities inventory, principally grain inventories acquired with the purpose of selling in the near future and generating a profit from fluctuation in price or broker-traders' margin, is measured at fair value less costs to sell, with changes in fair value recognised in the income statement.

k) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1. Summary of significant accounting policies (continued)

Non-current assets and disposal groups held for sale are presented separately from the other assets in the Consolidated Statement of Financial Position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Consolidated Income Statement.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

l) Investments and other financial assets

Classification
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

i. *Financial assets at fair value through profit or loss*
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within the next 12 months.

ii. *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Consolidated Statement of Financial Position.

iii. *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

iv. *Available-for-sale financial assets*
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when all rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the Group measures a financial asset at fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised costs using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary financial assets classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Consolidated Income Statement as gains and losses from investment securities.

1. Summary of significant accounting policies (continued)

Details on how the fair value of financial instruments is determined are disclosed in note 32.

m) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).
- Hedges of a net investment in a foreign operation (net investment hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in the cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

i. Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

ii. Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred into equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within other income or other expense.

iii. Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to the income statement when the foreign operation is partially disposed of or sold.

1. Summary of significant accounting policies (continued)

iv. Derivatives that do not qualify for hedge accounting

Where derivative instruments do not qualify for hedge accounting, changes in fair value are recognised immediately in the income statement and are included in other income or other expenses.

n) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount determined in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation.

o) Property, plant and equipment

i. Cost of asset

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. For acquired assets, cost includes the purchase price, costs that are directly attributable to bringing the asset to the necessary location and condition and an initial estimate of any dismantling, removal and restoration costs that have been recognised as provisions. For self-constructed assets, cost includes the cost of all materials used in construction, direct labour and borrowing costs incurred during the construction.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

ii. Depreciation

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the cost over their estimated useful lives as follows:

- Freehold buildings – 2 to 50 years
- Leasehold improvements – lower of asset life and the remaining term of lease
- Plant and equipment – 1 to 50 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Assets located at port sites are depreciated over useful lives based on management's judgement of the likelihood of continuing renewal of the underlying operating leases.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount, and are included in the Consolidated Income Statement.

iii. Leased Assets

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. Each lease payment is allocated between the liability and finance charges and the interest element of the finance cost is charged to the income statement. The leased asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the expected total lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the lease term.

Lease income from operating leases where the Group is lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

1. Summary of significant accounting policies (continued)

p) Intangible assets

i. Computer software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to computer software. Costs capitalised include external direct costs of materials and service, direct payroll and payroll-related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over an estimated useful life of 3 to 7 years.

Computer software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset. Capitalised development costs are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 3 to 7 years.

ii. Goodwill

The measurement of goodwill on acquisition is described in note 1(g).

Goodwill is stated at cost less accumulated impairment losses. Refer note 1(q) for accounting policy on impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity or operation sold.

iii. Trade name

Trade names acquired as part of a business combination are recognised separately from goodwill. Trade names are carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of 3 to 9 years.

iv. Customer contracts and relationships

Customer contracts and relationships acquired as part of a business combination are recognised separately from goodwill. The customer contracts and relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of 5 to 10 years.

q) Impairment of assets

Intangibles are tested for impairment where there is an indication that the asset may be impaired. Goodwill and other indefinite life assets are formally tested at least annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, cash-generating units ('CGU'). Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose, identified according to operating segments.

r) Repairs and maintenance

Property, plant and equipment are required to be overhauled on a regular basis. This is managed as part of an ongoing maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are generally paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the reporting date.

t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until

1. Summary of significant accounting policies (continued)

the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

u) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries are included in other payables. Non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is charged to expense as the leave is taken and measured at the rates paid or payable.

ii. Other long-term employee benefit obligations

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

iii. Pension obligations

Group companies operate various pension plans. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. The schemes are funded through payments to trustee-administered funds determined by periodic actuarial calculations.

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Under this method each participant's benefits under the plan are attributed to years of service, taking into consideration future salary increases and the plan's benefit allocation formulae. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately equal to the terms of the related pension liability.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

iv. Life assurance and health insurance

Some Group entities pay premiums for life assurance and health insurance. The payments are recognised as employee benefit expense when they are due.

v. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to

1. Summary of significant accounting policies (continued)

accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

vi. Share-based payments

Share-based compensation benefits are provided to employees via the LTI Plan. Information relating to these schemes is set out in note 34.

The fair value of share-based payment awards is recognised as an employee expense, with a corresponding increase in the share option reserve included in equity, over the period that the employees unconditionally become entitled to the awards. The total amount to be expensed is determined by reference to the fair value of the awards granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to vest. At the end of each period, the entity revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions and any impact is recognised in the income statement with a corresponding adjustment to equity.

vii. Bonus plans

The Group recognises a liability and an expense for bonuses. The liability is recognised where the Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

v) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

w) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into Australian dollars using the exchange rate on the date of the transactions. Assets and liabilities denominated in foreign currencies are translated to Australian dollars at balance date.

Foreign exchange gains or losses resulting are recognised in the Income Statement for monetary assets and liabilities such as receivables and payables, except for qualifying cash flow hedges, qualifying net investment hedges in foreign operations, or are attributable to part of the net investment in a foreign operation are recognised in other comprehensive income. Refer to note 32 for further detail.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as investments classified as available for sale financial assets, are included in the fair value revaluation reserve in equity.

1. Summary of significant accounting policies (continued)

iii. Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which case income and expenses are translated at the rate on the dates of the transactions).

iii. All resulting exchange differences are recognised as a separate component of equity and disclosed in the Statement of Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, a proportionate share of such exchange differences is reclassified to profit and loss, as part of the gain and loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

x) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Shares acquired by an employee share trust that is consolidated are not cancelled, but are presented as a deduction from equity.

y) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

z) Parent entity financial information

The financial information for the parent entity, GrainCorp Limited, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below.

i. Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of GrainCorp Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii. Tax consolidation legislation

GrainCorp Limited is the head entity in a tax consolidated group comprising the head entity and all of its wholly-owned Australian subsidiaries. The head entity, GrainCorp Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

The members of the tax consolidated group have entered into a tax funding agreement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. Under the terms of the agreement the wholly-owned entities fully compensate GrainCorp Limited for any current tax payable

1. Summary of significant accounting policies (continued)

assumed and are compensated by GrainCorp Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to GrainCorp Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' accounts.

The amounts receivable/payable under the tax funding agreement are due on demand, subject to set-off or agreement to the contrary, and regardless of whether any consolidated group liability is actually payable by the parent entity. These amounts are recognised as current inter-company receivables or payables. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

iii. Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

iv. Share-based payments

The grant by the Company of rights over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

aa) Significant Items

GrainCorp defines significant items as those items not in the ordinary course of business, non-recurring and material in nature and amount.

ab) New and amended accounting standards adopted by the Group

GrainCorp has adopted all of the new, revised or amending Accounting Standards and Interpretations Issued by the Australian Accounting Standards Boards (‘AASB’) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

ac) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2016 reporting periods and have not been early adopted by the Group. The Group’s assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact to Group	Application date of standard	Application date for Group
AASB 9 Financial Instruments	AASB 9 is a new standard that replaces AASB 139. The standard includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and introduces a reformed approach to hedge accounting. The standard is available for early adoption.	The new standard is not expected to have a significant impact on the financial statements.	1 January 2018	1 October 2018
AASB 15 Revenue from contracts with customers	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard is available for early adoption.	The new standard is not expected to have a significant impact on the financial statements.	1 January 2018	1 October 2018

1. Summary of significant accounting policies (continued)

Title of standard	Nature of change	Impact to Group	Application date of standard	Application date for Group
	Early application of the standard is permitted.			
AASB 16 Leases	AASB 16 is a new standard that replaces AASB 117. The new standard removes the distinction between operating and finance leases, recognising all lease assets and liabilities on balance sheet, with limited exceptions for short term leases and leases of low value assets	The Group has not yet fully assessed the impact of the changes.	1 January 2019	1 October 2019

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. These key accounting estimates and judgements are below.

i. *Estimated impairment of goodwill and other assets*
The Group tests annually whether goodwill and indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1(q). The recoverable amounts of cash-generating units have been determined based on the higher of fair value less cost to sell and value-in-use. The calculations to determine the recoverable amount of cash-generating units require the use of assumptions. Refer to note 16 for details of these assumptions.

ii. *Treatment of inactive sites*
From time to time, the Group decides to close and/or suspend operations at certain sites based on consideration of market factors or other relevant factors. These sites can become operational in future periods. The Group conducts an impairment assessment for these inactive sites with consideration for plans to divest, lease, license or decommission. Impairment is measured by comparing the carrying value of the assets with the recoverable value calculated at the higher of fair value less cost to sell or value in use. The total value of such sites as at 30 September 2016 amounts to $14.9 million (2015: $21.7 million).

iii. *Defined benefit plans' obligations*
The calculation of defined benefit plans' obligations is determined on an actuarial basis, using a number of assumptions including discount rates and future salary increases. Discount rates are based on interest rates applicable to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid. Refer to note 20 for details of these assumptions.

iv. *Income taxes*
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law pertaining in each jurisdiction. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

v. *Fair value where there is no organised market*
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market

2. Critical accounting estimates and judgements (continued)

prices or dealer quotes for similar instruments are used for long-term debt instruments held. Physical positions comprising inventory, forward sales and forward purchases for commodity trading do not have quoted market prices available. Other techniques, such as obtaining bid values from a variety of commodity brokers and trade marketers, are used to determine fair value for these financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

vi. Port leases and the useful lives of port assets

Operating leases over port facilities are on terms ranging from 3 to 99 years. The majority of these leases include options to extend terms. Given the nature of the Group's relationship with port operators it is anticipated that most leases will be continually renewed. As a result, the useful lives of certain port assets may be assessed by management to be in excess of the lease term of the underlying port lease.

vii. Ownership interest in Allied Mills

GrainCorp has a 60% equity interest in Allied Mills Australia Pty Limited ('Allied Mills'), with the other 40% held by Cargill Australia Limited ('Cargill'). However, GrainCorp's voting rights in Allied Mills are 50%, equal with Cargill.

GrainCorp entered into an agreement with Cargill on 2 October 2002 to establish Allied Mills as a joint venture. The agreement establishes that neither party has control of Allied Mills, due to both parties holding 50% of the voting rights and equal Board representation between the two parties.

Therefore, although GrainCorp owns more than half of the equity interest in Allied Mills, this ownership is not judged to constitute control. Hence the Group applies the concept of equity accounting and does not consolidate this entity.

viii. Judgements in providing for claims and losses

Provision is made for various claims for losses or damages received from time to time. Management estimates the provision based on historical information, business practices and its experience in resolving claims and losses.

3. Segment information

a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Managing Director & CEO.

For management purposes, the Group is organised into four business units based on their products and services, forming the four reportable segments reviewed by the Managing Director & CEO in making strategic decisions.

REPORTABLE SEGMENT	PRODUCTS AND SERVICES
Storage & Logistics	Grain receivals, transport, testing, storage of grains and other bulk commodities and export/import of grain and other bulk commodities.
Marketing	Marketing of grain and agricultural products, and the operation of grain pools.
Malt	Production of malt products, provision of brewing inputs and other malting services to brewers and distillers, sale of farm inputs, and export of malt.
Oils	Processing and crushing of oilseeds, supplying edible oils and feeds, operating bulk liquid port terminals, storage, packaging, transport and logistics operations.

Corporate includes the share of profit from equity accounted investments along with unallocated corporate costs.

Management measures performance based on a measure of EBITDA, after adjusting for the allocation of interest expense to the Marketing and Oils segments and significant items. Other than interest associated with Marketing and Oils, Group financing (including interest income and interest expense) and income taxes are managed on a Group basis and are not allocated to operating segments.

Revenue from external customers is measured in a manner consistent with that in the Consolidated Income Statement. Inter-segment pricing is determined on an arm's length basis.

Segment assets reported to management are measured in a manner consistent with that of the financial statements, based on the operations of the segment.

b) Description of segments

2016	Storage & Logistics $ M	Marketing $ M	Malt $ M	Oils $M	Reportable segments $ M	Corporate $ M	Eliminations $ M	Total $ M
Reportable segment revenue								
External revenue	237.9	1,806.4	1,190.5	923.5	4,158.3	-	-	4,158.3
Inter-segment revenue	161.4	132.4	-	-	293.8	-	(293.8)	-
Total reportable segment revenue	**399.3**	**1,938.8**	**1,190.5**	**923.5**	**4,452.1**	**-**	**(293.8)**	**4,158.3**
Total revenue from continuing operations	**399.3**	**1,938.8**	**1,190.5**	**923.5**	**4,452.1**	**-**	**(293.8)**	**4,158.3**
Reportable segment result	**48.1**	**4.0**	**161.4**	**61.2**	**274.7**	**(28.5)**	**-**	**246.2**
Share of profit of joint ventures	-	(0.7)	-	(0.2)	(0.9)	10.2	-	9.3
Profit before significant items, net interest, depreciation, amortisation and income tax								255.5
Net interest	-	(10.0)	-	(1.6)	(11.6)	(26.6)	-	(38.2)
Depreciation and amortisation	(51.8)	(4.0)	(53.7)	(32.0)	(141.5)	(1.1)	-	(142.6)
Significant items (note 8)	(1.1)	(0.3)	(3.1)	(23.5)	(28.0)	(4.4)	-	(32.4)
Profit before income tax from continuing operations	**(4.8)**	**(11.0)**	**104.6**	**3.9**	**92.7**	**(50.4)**	**-**	**42.3**
Other segment information								
Capital expenditure	71.7	5.7	129.5	74.0	280.9	1.1	-	282.0
Reportable segment assets	567.5	258.3	1,402.7	787.4	3,015.9	559.9	-	3,575.8
Reportable segment liabilities	(94.9)	(235.9)	(724.2)	(116.6)	(1,171.6)	(662.2)	-	(1,833.8)

3. Segment information (continued)

2015	Storage & Logistics $ M	Marketing $ M	Malt $ M	Oils $M	Reportable segments $ M	Corporate $ M	Eliminations $ M	Total $ M
Reportable segment revenue								
External revenue	263.9	1,761.7	1,126.4	933.3	4,085.3	-	-	4,085.3
Inter-segment revenue	126.2	96.9	-	-	223.1	0.2	(223.3)	-
Total reportable segment revenue	**390.1**	**1,858.6**	**1,126.4**	**933.3**	**4,308.4**	**0.2**	**(223.3)**	**4,085.3**
Dividends	-	-	-	-	-	0.2	-	0.2
Total revenue from continuing operations	**390.1**	**1,858.6**	**1,126.4**	**933.3**	**4,308.4**	**0.4**	**(223.3)**	**4,085.5**
Reportable segment result	**42.5**	**(2.0)**	**140.0**	**72.3**	**252.8**	**(26.5)**	**-**	**226.3**
Share of profit of joint ventures	-	-	-	0.3	0.3	8.8	-	9.1
Profit before significant items, net interest, depreciation, amortisation and income tax								235.4
Net interest	-	(14.3)	-	(1.2)	(15.5)	(23.5)	-	(39.0)
Depreciation and amortisation	(52.0)	(3.9)	(50.6)	(28.8)	(135.3)	(1.0)	-	(136.3)
Significant items (note 8)	(1.6)	-	(4.4)	(9.4)	(15.4)	(1.1)	-	(16.5)
Profit before income tax from continuing operations	**(11.1)**	**(20.2)**	**85.0**	**33.2**	**86.9**	**(43.3)**	**-**	**43.6**
Other segment information								
Capital expenditure	54.8	0.5	54.5	126.3	236.1	0.3	-	236.4
Reportable segment assets	526.1	341.7	1,484.3	726.1	3,078.2	595.5	-	3,673.7
Reportable segment liabilities	(99.7)	(330.5)	(767.9)	(124.0)	(1,322.1)	(529.8)	-	(1,851.9)

Geographical information	2016 $ M	2015 $ M
Sales revenue from external customers based on the location of the customer:		
Australasia	1,659.9	1,708.0
North America	680.5	628.9
Europe	589.1	497.8
Asia	995.7	960.8
Middle East and North Africa	189.5	254.7
Other	43.6	35.3
	4,158.3	4,085.5
Non-current assets based on geographical location of assets:[30]		
Australasia	1,440.4	1,380.9
North America	504.9	459.7
Europe	188.0	252.2
Asia	0.9	1.2
Middle East and North Africa	11.0	13.7
	2,145.2	2,107.7

[30] Excludes derivative financial instruments and deferred tax assets.

4. Revenue

	2016 $ M	2015 $ M
Sales revenue		
Sale of goods	3,916.4	3,821.9
Services	231.1	251.9
	4,147.5	4,073.8
Other revenue		
Dividends	-	0.2
Rental income	10.8	11.5
	10.8	11.7
Total revenue	**4,158.3**	**4,085.5**

5. Other income

	2016 $ M	2015 $ M
Net gain / (loss) on derivative / commodity trading:		
Net realised gain / (loss) on financial derivatives	12.0	52.5
Net realised gain / (loss) on foreign currency derivatives	20.1	(70.4)
	32.1	(17.9)
Net unrealised gain / (loss) on financial derivatives	(17.1)	(12.6)
Net unrealised gain / (loss) on commodity contracts (forward purchases and sales)	(7.0)	(3.7)
Net unrealised gain / (loss) on foreign currency derivatives	40.0	(21.3)
Net unrealised gain / (loss) on commodity inventories at fair value less costs to sell	(3.9)	9.7
	12.0	(27.9)
Net gain / (loss) on derivative / commodity trading	**44.1**	**(45.8)**
Compensation for impairment of assets received from third party	-	5.3
Interest	1.5	4.0
Sundry income	14.6	15.0
Total other income	**60.2**	**(21.5)**

The Group recorded a net gain of $44.1 million on derivative and commodity trading activities. An offsetting realised net loss on delivered commodity contracts and commodity inventories is recognised in the income statement as part of Revenue and Goods purchased for resale, respectively.

The Group manages its exposure to commodity and foreign currency price risk for commodity contracts by entering foreign currency and commodity derivative contracts in accordance with the Group’s risk management policy. Refer to note 32 for further details.

6. Expenses

	2016 $ M	2015 $ M
Employee benefits expense		
Defined contribution superannuation	12.2	13.1
Other employee benefits	341.1	322.3
Total employee benefits expense	**353.3**	**335.4**
Other expenses		
Insurance	8.8	9.4
Motor vehicle cost	11.4	10.5
Travel	12.3	11.7
Software maintenance	15.2	14.3
Consulting	9.3	10.6
Communication	5.4	5.9
Other	53.9	50.4
Total other expenses	**116.3**	**112.8**

7. Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

	2016 $'000	2015 $'000
PwC Australia		
Audit and review of financial reports and other work under the *Corporations Act 2001*	955	983
Other assurance services	67	137
Total remuneration of PwC Australia	**1,022**	**1,120**
Related practices of PwC Australia		
Audit and review of financial reports	1,036	862
Other services	49	16
Total remuneration of related practices of PwC Australia	**1,085**	**878**
Total auditors remuneration	**2,107**	**1,998**

Any PwC non-audit engagements are subject to the Group's corporate governance procedures, auditor independence policies and Board Audit Committee approval.

8. Significant items

Net profit after tax for the current year includes the following items whose disclosure is relevant in explaining the financial performance of the Group.

	Business Unit	Profit before tax $ M	Tax $ M	NPAT $ M
Significant items for 2016 comprise:				
Restructuring costs [31]	Oils, Allied Mills	(23.6)	8.1	(15.5)
Impairment of assets[32]	S&L, Oils, Malt	(6.9)	2.1	(4.8)
Transaction related costs[33]	Corporate, Marketing	(4.0)	1.0	(3.0)
Gain on sale of assets[34]	S&L	2.1	(0.6)	1.5
Net significant items		**(32.4)**	10.6	**(21.8)**

	Business Unit	Profit before tax $ M	Tax $ M	NPAT $ M
Significant items for 2015 comprise:				
Restructuring costs [35]	S&L, Oils, Allied Mills	(12.1)	3.4	(8.7)
Impairment of assets[36]	Malt	(4.4)	0.7	(3.7)
Net significant items		**(16.5)**	**4.1**	**(12.4)**

[31] Restructuring costs of $15.5 million (after tax) relate primarily to GrainCorp Oils Network Optimisation and Oilseeds crushing capacity expansion.

[32] Impairment of assets of $4.8 million (after tax) relate to assets in Storage & Logistics, GrainCorp Oils and GrainCorp Malt.

[33] Transaction costs of $3.0 million (after tax) comprise of legal and consulting fees.

[34] Gain on sale of assets comprises of Storage & Logistics net income of $1.5 million arising from property sales.

[35] Restructuring costs of $8.7 million (after tax) relate to GrainCorp Oils Network Optimisation and Oilseeds crushing capacity expansion, Storage & Logistics Project Regeneration costs and Allied Mills restructure. The costs include redundancy and depreciation.

[36] Impairment of assets of $3.7 million (after tax) relate to two sites in GrainCorp Malt.

9. Income tax expense

	2016 $ M	2015 $ M
Income tax expense		
Current tax	34.3	33.4
Deferred tax	(23.0)	(21.8)
Under / (over) provision in prior years	0.1	(0.1)
	11.4	11.5

	2016 $ M	2015 $ M
Reconciliation to effective tax rate		
Profit from continuing operations before income tax expense	42.3	43.6
Less: Equity accounted profits not subject to taxation (note 30)	(8.1)	(8.0)
Profit subject to tax	34.2	35.6
Income tax expense calculated at 30% (2015: 30%)	10.3	10.7
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible/non-assessable items	1.3	(0.8)
Under / (over) provision in prior years	0.1	(0.1)
Difference in overseas tax rates	(0.3)	1.7
Income tax expense	**11.4**	**11.5**
Effective tax rate[37]	**33.3%**	**32.3%**

	2016 $ M	2015 $ M
Tax expense / (income) relating to items of other comprehensive income		
Change in fair value of cash flow hedges	2.1	(5.2)
Remeasurement of retirement benefit obligations	(2.6)	(0.6)
	(0.5)	(5.8)

	2016 $ M	2015 $ M
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	48.4	38.4

	2016 $ M	2015 $ M
Unrecognised temporary differences		
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities / (assets) have not been recognised	106.4	98.1

[37] Effective tax rate is calculated as the income tax expense divided by profit subject to tax (excluding equity accounted profits).

10. Cash and cash equivalents

	2016 $ M	2015 $ M
Cash at bank and on hand	293.8	253.3
Deposits at call	13.8	120.7
Total cash and cash equivalents	**307.6**	**374.0**

11. Trade and other receivables

Current	2016 $ M	2015 $ M
Trade receivables	378.3	365.0
Provision for impairment of trade receivables	(2.5)	(1.9)
	375.8	363.1
Other receivables	41.5	57.1
Prepayments	32.6	33.0
Margin deposits	7.8	20.0
Total current trade and other receivables	**457.7**	**473.2**

Non-current	2016 $ M	2015 $ M
Loan to joint venture (note 33)	0.2	0.2
Other receivables	1.1	1.4
Total non-current trade and other receivables	**1.3**	**1.6**

12. Inventories

	2016 $ M	2015 $ M
Consumable stores	2.4	2.4
Raw materials	209.2	210.2
Work in progress	22.0	24.0
Finished goods	131.1	145.5
Trading stock at net realisable value	32.4	12.9
Commodities inventory at fair value less cost to sell	102.2	159.9
Total inventories	**499.3**	**554.9**

a) Inventory expense

Inventories recognised as an expense during the year ended 30 September 2016 amounted to $3,214.8 million (2015: $3,033.7 million).

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 September 2016 amounted to $6.0 million (2015: $3.1 million). The expense is included in other expenses in the Consolidated Income Statement.

b) Secured inventory

The value of inventory secured against bank loans is $224.9 million (2015: $249.4 million). Refer to note 18.

13. Derivative financial instruments

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 September.

Current assets	2016 $ M	2015 $ M
Commodity futures and options	2.2	12.1
Commodity contracts (forward purchases and sales)	53.3	61.5
Foreign currency derivatives	15.2	17.9
Total current derivative financial instrument assets	**70.7**	**91.5**
Non-current assets		
Commodity futures and options	-	1.0
Commodity contracts (forward purchases and sales)	-	0.2
Foreign currency derivatives	3.9	4.5
Total non-current derivative financial instrument assets	**3.9**	**5.7**

Current liabilities	2016 $ M	2015 $ M
Commodity futures and options	1.2	8.2
Utility swap contracts	0.1	0.2
Commodity contracts (forward purchases and sales)	45.6	39.6
Foreign currency derivatives	11.7	54.5
Interest rate swap contracts – cash flow hedges	0.4	1.2
Total current derivative financial instrument liabilities	**59.0**	**103.7**
Non-current liabilities		
Commodity futures and options	-	1.3
Commodity contracts (forward purchases and sales)	-	1.8
Foreign currency derivatives	3.9	9.7
Interest rate swaps contracts – cash flow hedges	14.8	8.4
Total non-current derivative financial instrument liabilities	**18.7**	**21.2**

a) Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to manage financial risk and the financial exposure of commodity trading in accordance with the Group's financial risk management policies (refer to note 32). Of the Group's derivative transactions, only the interest rate swap contracts and some foreign exchange contracts currently qualify for hedge accounting as defined under *AASB 139 Financial Instruments: Recognition and Measurement.*

i. Commodity futures and options

To manage exposure to commodity price risk, the Group enters into commodity futures contracts and commodity options contracts.

ii. Commodity contracts (forward purchases and sales)

As part of its grain, tallow and vegetable oil marketing activities as a commodity trader the Group enters into forward purchase and forward sales contracts. All open contracts are fair valued at balance date with any gains and losses on these contracts, together with the costs of the contracts, being recognised immediately through the income statement.

The Group also enters into forward purchase and grain futures contracts to manage the underlying price risks in the purchase of raw materials for malt and edible oil production and the subsequent sale of malt and edible oil products from own use manufacture. These contracts are entered into and continue to be held for the purpose of delivery of raw materials and subsequent sale of processed product arising from the Group's expected purchase, sale or usage requirements; and are classified as non-derivative, and not fair valued.

13. Derivative financial instruments (continued)

iii. Foreign currency derivatives

The Group manages currency exposures arising from grain futures taken out in the US, Canada, Europe and New Zealand and from export contracts for sales of grain, edible oils and meal. In accordance with the Group's risk management policy, this exposure is managed through transactions entered into in foreign exchange markets. Forward exchange contracts and currency option contracts have been used for this purpose. The foreign exchange contracts are timed to mature when the futures contracts expire.

Transactional currency exposures arise from sales or purchases of malt, edible oils and raw materials in currencies other than the Group's functional currencies. Group companies hedge their foreign currency exposure using forward exchange and swap contracts.

iv. Interest rate swap contracts

The Group's policy is to protect part of the loans from exposure to increasing interest rates. Accordingly, the Group enters into interest rate swap contracts under which the Group is entitled to receive interest at variable rates and obliged to pay interest at fixed rates. The contracts require settlement of net interest receivable or payable at each reset period. The settlement dates coincide with the dates on which interest becomes payable on the underlying debt.

The gain or loss from remeasuring the interest rate swap contracts at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit and loss when the hedged interest expense is recognised. In the year ended 30 September 2016, there were no balances reclassified into profit and loss and included in finance costs (2015: $nil). There was no hedge ineffectiveness in the current or prior year.

v. Utility swap contracts

The Group manages exposure to utility price risk in malt production through the use of gas swap contracts. Gains and losses on these contracts are recognised immediately through the income statement.

b) Risk exposures

Information about the Group's exposure to credit risk, foreign exchange, utility price, commodity price and interest rate risk is provided in note 32.

14. Deferred tax assets and liabilities

Deferred tax assets	2016 $ M	2015 $ M
The balance comprises temporary differences attributable to:		
Unrealised losses on derivative contracts	1.6	9.9
Inventories	2.7	3.0
Creditors and other payables	3.6	4.7
Retirement benefit obligation	8.4	7.0
Provisions and accruals	31.9	47.1
Tax losses recognised	34.4	5.7
Deferred revenue	11.0	15.8
Other	5.9	5.8
Set-off deferred tax liabilities pursuant to set-off provision	(28.3)	(35.2)
Net deferred tax assets	**71.2**	**63.8**
Movements:		
Opening balance at 1 October	63.8	26.8
Recognised in the income statement	10.6	31.0
Recognised in other comprehensive income	(3.2)	6.0
Closing balance at 30 September	**71.2**	**63.8**

Deferred tax assets recoverable within 12 months: $47.5 million (2015: $28.2 million).

Deferred tax liabilities	2016 $ M	2015 $ M
The balance comprises temporary differences attributable to:		
Prepayments	0.6	1.1
Inventories	0.6	1.5
Consumables	1.0	0.9
Creditors and other payables	3.0	12.4
Property, plant and equipment	72.8	82.2
Intangible assets	9.4	13.0
Unrealised gains on derivative contracts	1.6	2.1
Set-off deferred tax liabilities pursuant to set-off provision	(28.3)	(35.2)
Net deferred tax liabilities	**60.7**	**78.0**
Movements:		
Opening balance 1 October	78.0	62.0
Recognised in the income statement	(12.4)	9.2
Recognised in other comprehensive income	(3.8)	0.2
Exchange differences	(1.1)	6.6
Closing balance 30 September	**60.7**	**78.0**

Deferred tax liabilities recoverable within 12 months: $3.3 million (2015: $13.8 million).

15. Property, plant and equipment

	Land $ M	Buildings & structures $ M	Leasehold improvements $ M	Leased plant and equipment $ M	Plant and equipment $ M	Capital works in progress $ M	Total $ M
As at 30 September 2014							
Cost	132.1	349.7	34.5	7.1	1,372.6	97.5	1,993.5
Accumulated depreciation and impairment	-	(175.5)	(10.8)	(5.5)	(582.0)	(3.1)	(776.9)
Net book value	**132.1**	**174.2**	**23.7**	**1.6**	**790.6**	**94.4**	**1,216.6**
Movement							
Transfer to assets held for sale	(0.2)	(0.2)	-	-	-	-	(0.4)
Transfer between asset categories (note 16)	-	3.8	(0.6)	0.1	32.3	(38.5)	(2.9)
Additions	0.6	6.5	0.1	0.1	52.8	166.0	226.1
Disposals	(0.1)	-	-	-	(0.7)	-	(0.8)
Depreciation	-	(19.3)	(1.7)	(0.2)	(85.6)	-	(106.8)
Impairment	-	(2.5)	-	-	-	(0.1)	(2.6)
Exchange difference	3.6	4.9	0.3	0.1	32.5	4.9	46.3
Closing net book value	**136.0**	**167.4**	**21.8**	**1.7**	**821.9**	**226.7**	**1,375.5**
As at 30 September 2015							
Cost	136.0	325.0	34.5	7.5	1,570.4	226.7	2,300.1
Accumulated depreciation and impairment	-	(157.6)	(12.7)	(5.8)	(748.5)	-	(924.6)
Net book value	**136.0**	**167.4**	**21.8**	**1.7**	**821.9**	**226.7**	**1,375.5**
Movement							
Transfer to assets held for sale	(11.0)	(1.3)	(0.1)	-	(3.8)	-	(16.2)
Transfer between asset categories (note 16)	1.4	17.4	1.2	(1.3)	138.6	(165.1)	(7.8)
Additions	-	11.8	1.0	-	54.7	205.3	272.8
Disposals	(0.4)	-	(0.1)	-	(1.5)	(0.7)	(2.7)
Depreciation	-	(18.3)	(1.4)	(0.1)	(91.4)	-	(111.2)
Impairment	(4.3)	(0.1)	(0.1)	-	(1.0)	(2.1)	(7.6)
Exchange difference	(5.3)	(5.1)	(0.2)	(0.1)	(31.2)	(4.6)	(46.5)
Closing net book value	**116.4**	**171.8**	**22.1**	**0.2**	**886.3**	**259.5**	**1,456.3**
As at 30 September 2016							
Cost	120.7	339.0	35.8	5.2	1,715.9	261.6	2,478.2
Accumulated depreciation and impairment	(4.3)	(167.2)	(13.7)	(5.0)	(829.6)	(2.1)	(1,021.9)
Net book value	**116.4**	**171.8**	**22.1**	**0.2**	**886.3**	**259.5**	**1,456.3**

a) Assets held for sale

From time to time, the Directors of GrainCorp resolve to sell certain sites that have been closed to operations based on their historic and expected receivals and production utilisation. As at 30 September 2016, four sites measured at $19.1 million, including inventory (2015: five sites measured at $0.4 million) were actively marketed for sale.

16. Intangible assets

	Computer software $ M	Trade name $ M	Customer relationship $ M	Goodwill $ M	Capital works in progress $M	Total $ M
As at 30 September 2014						
Cost	94.1	3.5	124.9	408.5	-	631.0
Accumulated amortisation and impairment	(38.4)	(1.3)	(66.3)	-	-	(106.0)
Net book value	**55.7**	**2.2**	**58.6**	**408.5**	**-**	**525.0**
Movement						
Transfer between asset categories (note 15)	2.9	-	-	-	-	2.9
Additions	10.3	-	-	-	-	10.3
Disposals	(0.2)	-	-	-	-	(0.2)
Amortisation charge	(16.1)	(0.3)	(17.4)	-	-	(33.8)
Exchange difference	1.7	0.2	2.5	37.0	-	41.4
Closing net book value	**54.3**	**2.1**	**43.7**	**445.5**	**-**	**545.6**
As at 30 September 2015						
Cost or fair value	108.3	4.3	130.5	445.5	-	688.6
Accumulated amortisation and impairment	(54.0)	(2.2)	(86.8)	-	-	(143.0)
Net book value	**54.3**	**2.1**	**43.7**	**445.5**	**-**	**545.6**
Movement					-	
Transfer to assets held for sale	(0.1)	-	-	-	-	(0.1)
Transfer between asset categories (note 15)	6.8	1.0	-	-	-	7.8
Additions	6.7	-	-	-	0.3	7.0
Disposals	(0.5)	-	-	-	-	(0.5)
Amortisation charge	(18.8)	(0.3)	(14.6)	-	-	(33.7)
Exchange difference	(2.6)	(0.1)	(1.7)	(30.4)	-	(34.8)
Closing net book value	**45.8**	**2.7**	**27.4**	**415.1**	**0.3**	**491.3**
As at 30 September 2016						
Cost or fair value	106.0	5.2	117.9	415.1	0.3	644.5
Accumulated amortisation and impairment	(60.2)	(2.5)	(90.5)	-	-	(153.2)
Net book value	**45.8**	**2.7**	**27.4**	**415.1**	**0.3**	**491.3**

a) Impairment tests for goodwill

For the purposes of impairment testing goodwill acquired through business combinations is allocated to cash-generating units ('CGU'). Management have identified the Group's operating segments as the lowest level within the Group at which goodwill is monitored for internal management purposes:

	2016 $ M	2015 $ M
Storage & Logistics	10.1	10.1
Marketing	8.0	8.2
Malt	295.3	325.5
Oils	101.7	101.7
Total goodwill	**415.1**	**445.5**

16. Intangible assets (continued)

b) Key assumptions used for value-in-use calculations

The recoverable amount of the CGUs is determined based on value-in-use calculations undertaken at the CGU level. These calculations use projected cash flows from financial budgets and a growth model based on an initial five-year forecast which are approved by management. Projected cash flows are based on past performance and management's expectation of grain handling volumes for Storage & Logistics, trading volumes and market conditions for Marketing, malt sales volumes for Malt and crushing and refining sales in Oils.

Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 2.0% to 2.5%. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

Post-tax discount rates of 6.7% to 7.8% (pre-tax discount rate 8.7% to 9.9%) have been applied to discount the forecast future attributable post-tax cash flows. These post-tax discount rates reflect specific risks relating to the relative segment and its country of operation.

Any reasonably possible change to the above key assumption would not cause the carrying value of a CGU to exceed its recoverable amount.

17. Trade and other payables

Current	2016 $ M	2015 $ M
Trade payables	188.5	179.8
Income received in advance	25.2	32.9
Other payables	138.1	136.1
Total current trade and other payables	**351.8**	**348.8**

Non-current	2016 $ M	2015 $ M
Income received in advance	33.8	41.0
Other payables	6.0	2.5
Total non-current trade and other payables	**39.8**	**43.5**

18. Borrowings

Current	2016 $ M	2015 $ M
Short-term facilities – unsecured	147.9	75.2
Inventory funding facilities – secured	239.7	253.5
Leases – secured	0.2	0.6
Total current borrowings	**387.8**	**329.3**
Non-current		
Term funding facilities – unsecured	782.6	779.9
Leases – secured	8.9	9.2
Total non-current borrowings	**791.5**	**789.1**

a) Bank overdraft

No interest is payable on overdrawn amounts, providing the Group's net cash position is positive.

b) Short-term and inventory funding facilities

These facilities are available to be drawn down on demand. The facilities are renewable at the option of the financier each 12 months. Interest was payable for the term drawn in the range 0.5% - 3.5% (2015: 0.5% - 4.2%).

c) Term funding facilities

Interest was payable for the term drawn in the range 0.8% - 3.2% (2015: 0.8% - 4.0%).

d) Assets pledged as security

Leases are secured by the underlying assets. The inventory funding facilities are secured against the related inventory. The total secured liabilities (current and non-current) are as follows:

	2016 $ M	2015 $ M
Lease liabilities	9.1	9.8
Inventory funding facilities	239.7	253.5
Total secured liabilities	**248.8**	**263.3**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2016 $ M	2015 $ M
Leased assets	0.2	0.3
Inventory	224.9	249.4
Total assets pledged as security	**225.1**	**249.7**

Lease liabilities (other than liabilities recognised in relation to surplus space under non-cancellable operating leases) are effectively secured as rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Inventory funding facilities are secured against the related inventory.

Loans under term funding facilities are secured by a negative pledge that imposes certain covenants on the Group. The negative pledge states that (subject to certain exceptions) the subject entity will not provide any other security over its assets, and will ensure that certain financial ratios and limits are maintained at all times, including: interest cover, gearing ratio and net tangible assets. All such borrowing covenant ratios and limits have been complied with during the financial year.

18. Borrowings (continued)

e) Financing arrangements

Borrowings under the following Group debt facilities as at the date of this report and amounts drawn at year end:

2016	Maturity date[38]	Principal facility amount $ M[38]	Amount utilised $ M[39]
Term debt	November 2019	385.0	324.8
Term debt	April 2020	225.0	225.0
Term debt	April 2022	232.8	232.8
Commodity inventory funding[40]	November 2017	1,153.2	239.7
Working capital[41]	November 2017	405.0	147.9
Total financing arrangements		**2,401.0**	**1,170.2**

2015	Maturity date	Principal facility amount $ M	Amount utilised $ M
Term debt	November 2019	385.0	292.8
Term debt	April 2020	225.0	225.0
Term debt	April 2022	262.1	262.1
Commodity inventory funding[42]	November 2016	1,130.6	253.5
Working capital[43]	November 2016	405.0	75.2
Total financing arrangements		**2,407.7**	**1,108.6**

f) Risk exposures

Information about the Group's exposure to risks arising from current and non-current borrowings and interest rate and foreign currency movements is provided in note 32.

g) Fair value

Current and non-current liabilities are stated at costs that approximate fair value.

[38] As at 9 November 2016.

[39] As at 30 September 2016.

[40] The maturity date and principal facility amount for the inventory funding facility is as at 9 November 2016. Subsequent to balance date, the maturity date was extended from November 2016 to November 2017 and the principal facility amount changed from $1,130.6 million to $1,153.2 million. This facility is renewed subsequent to balance date each year to align with the seasonal requirements of the Group.

[41] The maturity date and principal facility amount for the working capital facility is as at 9 November 2016. Subsequent to balance date, the maturity date was extended from October 2016 to November 2017. The principal facility amount remained $405.0 million.

[42] The maturity date and principal facility amount for the inventory funding facility is as at 12 November 2015. Subsequent to balance date, the maturity date was extended from November 2015 to November 2016 and the principal facility amount changed from $564.1 million to $1,130.6 million. This facility is renewed subsequent to balance date each year to align with the seasonal requirements of the Group.

[43] The maturity date and principal facility amount for the working capital facility is as at 12 November 2015. Subsequent to balance date, the maturity date was extended from October 2015 to November 2016. The principal facility amount remained $405.0 million.

19. Provisions

Current	2016 $ M	2015 $ M
Claims and losses	16.0	19.0
Workers' compensation	0.2	-
Restoration	3.7	3.8
Onerous contracts	1.4	0.7
Restructuring	0.6	13.2
Employee benefits	44.4	44.7
Total current provisions	**66.3**	**81.4**
Non-current		
Workers' compensation	0.1	0.4
Restoration	2.7	1.7
Onerous contracts	3.1	4.5
Employee benefits	5.6	5.3
Total non-current provisions	**11.5**	**11.9**

a) Claims and losses

Provision is made for various claims for losses or damages received from time to time. Management estimates the provision based on historical information, business practices and its experience in resolving claims and losses.

b) Workers' compensation

GrainCorp Operations Limited was a self-insurer for workers' compensation in NSW up to 29 June 2006. As required by the NSW workers' compensation self-insurance licensing requirements, provision is made based on an annual actuarial assessment for GrainCorp Operations Limited's potential liability arising from past self-insurance.

c) Restoration

Provision is made to satisfy obligations to remove redundant plant and equipment, and for make-good obligations for leased head office premises.

d) Onerous contracts

Provision is made for the unavoidable costs of meeting contractual obligations where the costs of meeting those obligations exceed the economic benefits expected to be received from the contract.

e) Restructuring

Provisions for restructuring are recognised when a detailed plan has been approved and the restructuring has either commenced or been publicly announced, or firm contracts related to the restructuring have been entered.

f) Movements in provisions

2016	Claims and losses $ M	Workers' compensation $ M	Restoration $ M	Onerous contracts $ M	Restructuring Provision $ M
Carrying amount at beginning of year	19.0	0.4	5.5	5.2	13.2
Additional provisions recognised	0.8	0.7	1.7	0.8	
Amounts used	(2.3)	(0.8)	(0.5)	-	(12.6)
Unused amounts reversed	(1.2)	-	-	(1.5)	-
Exchange difference	(0.3)	-	(0.3)	-	-
Carrying amount at end of year	**16.0**	**0.3**	**6.4**	**4.5**	**0.6**

19. Provisions (continued)

g) Amounts not expected to be settled within the next 12 months

The Group's current provision for employee benefits includes $44.4 million (2015: $44.7 million) in respect to accrued annual leave, vesting sick leave and a portion of long service leave, where employees have completed the required period of service and, as the Group does not have an unconditional right to defer settlement, the entire obligation is categorised as a current liability. Based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

Group long service leave obligations expected to be settled within the next 12 months amount to $0.6 million (2015: $0.7 million).

20. Retirement benefit obligations

a) Retirement benefit plans

Defined contribution superannuation plans
Employees of the Group's Australian entities are entitled to benefits on retirement, disability or death from the Group's defined contribution superannuation plans. Contributions to these employee superannuation plans are charged as an expense as the contributions are paid or become payable. The Group's legal or constructive obligation is limited to these contributions. The expense recognised for the year is disclosed in note 6.

Defined benefit plans
The Group provides funded defined benefit plans for employees of its US, Canada, UK and Australia based Malt entities. These plans provide lump sum benefits based on years of service and final average salary. The following sets out details of the defined benefit plans.

b) Retirement benefit liability recognised in the Statement of Financial Position

	2016 $ M	2015 $ M
Present value of the defined benefit obligations	210.4	209.0
Fair value of defined benefit plans assets	(166.3)	(171.8)
Net liability recognised in Statement of Financial Position	**44.1**	**37.2**

The Group intends to continue to contribute to the defined benefit plans at a rate in line with the latest recommendations provided by the plans' actuaries.

The retirement benefit liability recognised in Australia represents that of the top-up defined benefit fund. This fund operates under terms that are similar in nature to a defined contribution fund, and as such does not have an investment in plan assets. However, contractual terms between the Company and certain employees result in an obligation that is in substance that of a defined benefit fund and this obligation has been recognised as a retirement benefit liability.

c) Categories of plan assets

	2016 %	2015 %
The major categories of plan assets are as follows:		
Cash	1%	1%
Equity instruments	46%	48%
Debt instruments	52%	47%
Other assets	1%	4%
Total	**100%**	**100%**

20. Retirement benefit obligations (continued)

d) Reconciliations

	2016 $ M	2015 $ M
Reconciliation of the present value of the defined benefit obligations:		
Balance at the beginning of the year	209.0	184.0
Current service cost	1.5	1.3
Interest cost	7.4	7.3
Scheme participants contributions	0.1	0.1
Remeasurements	46.5	2.1
Benefits paid	(12.2)	(8.1)
Exchange difference	(41.9)	22.3
Balance as at 30 September	**210.4**	**209.0**
Reconciliation of fair value of plan assets:		
Balance at the beginning of the year	171.8	151.9
Interest income	6.1	5.8
Remeasurements	29.1	1.0
Contributions by Group companies	4.3	4.1
Scheme participants contributions	0.1	0.1
Actual plan administration expense	(0.3)	(0.3)
Benefits paid	(12.2)	(8.1)
Exchange difference	(32.6)	17.3
Balance as at 30 September	**166.3**	**171.8**

e) Amounts recognised in the income statement

	2016 $ M	2015 $ M
The amounts recognised in the income statement are as follows:		
Current service cost	1.5	1.3
Net interest expense	1.3	1.5
Total expense included in employee benefits expense	**2.8**	**2.8**

f) Amounts recognised in other comprehensive income

	2016 $ M	2015 $ M
Remeasurements of retirement benefit obligations	(17.4)	(1.1)
Cumulative remeasurements recognised	(44.4)	(27.0)

20. Retirement benefit obligations (continued)

g) Principal actuarial assumptions

2016	North America	UK	Australia
Principal actuarial assumptions used (expressed as weighted averages):			
Discount rate	3.13%	2.30%	3.10%
Future salary increases	2.00%	3.10%	3.00%

2015	North America	UK	Australia
Principal actuarial assumptions used (expressed as weighted averages):			
Discount rate	3.82%	3.90%	4.20%
Future salary increases	2.50%	3.30%	4.00%

h) Sensitivity analysis

Changes in the following principal actuarial assumptions would have the following effect on the defined benefit pension obligation:

	2016 $ M Increase/(decrease)	2015 $ M Increase/(decrease)
Discount rate:		
0.25% increase	(8.1)	(7.2)
0.25% decrease	8.5	7.5
Inflation:		
0.25% increase	4.0	3.1
0.25% decrease	(3.9)	(3.1)

The sensitivity information has been derived for all plans using projected cash flows valued using the relevant assumptions and membership profiles as at 30 September 2016. Extrapolation of these results beyond the sensitivity figures shown may not be appropriate.

i) Employer contributions

Employer contributions to the defined benefit plans are based on the recommendations of the plans' actuaries. Actuarial assessments are made at time intervals as required by local regulations (ranging from annual to three-year intervals).

Total employer contributions expected to be paid by the Group for the year ended 30 September 2017 are $6.4 million (2016: $5.1 million).

21. Contributed equity

	2016		2015	
Consolidated and Company	**Number**	**$ M**	**Number**	**$ M**
Fully paid ordinary shares				
Total contributed equity – Company	228,855,628	1,347.9	228,855,628	1,347.9
Less: Treasury shares	(169,947)	(1.8)	(183,871)	(1.9)
Total consolidated contributed equity		**1,346.1**		**1,346.0**

21. Contributed equity (continued)

Movements in ordinary share capital of the Company during the past two years were as follows:

	Details	Total number of shares	Ordinary share capital $ M
30-Sep-14	Balance brought forward	228,855,628	1,347.9
30-Sep-15	Balance brought forward	228,855,628	1,347.9
30-Sep-16	Total contributed equity - Company	228,855,628	1,347.9
	Less: Treasury shares	(169,947)	(1.8)
30-Sep-16	**Total consolidated contributed equity**		**1,346.1**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Employee equity schemes
Details of employee share and rights schemes are set out in note 34.

Treasury shares
Treasury shares are shares in GrainCorp Limited that are held by the GrainCorp Employee Share Ownership Plan Trust for purposes of issuing shares under employee share plans including: the GrainCorp Long Term Incentive Plans and the GrainCorp Deferred Equity Plan (refer to note 34 for further information). Under the employee share plans, 729,316 rights were granted or issued during the year (2015: 298,633). At 30 September 2016, the aggregate amount of unvested performance rights of 960,715 as set out in note 34, is partially covered by the Treasury shares above.

Capital risk management
The Group's objective when managing capital is to safeguard the Group's ability to maintain an optimal capital structure so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of debt and equity and the mix of debt and equity is measured by reference to the Group's core debt gearing ratio (long-term debt net of cash and cash equivalents to total equity).

The Group maintains a core debt gearing ratio of less than 30% although this may change as the earning base continues to diversify. At 30 September 2016, core debt gearing was 29% (2015: 23%).

The core debt gearing ratio is as follows:

	2016 $ M	2015 $ M
Total borrowings (note 18)	1,179.3	1,118.4
Cash and cash equivalents (note 10)	(307.6)	(374.0)
Net debt	871.7	744.4
Commodity inventory[44]	(150.4)	(188.3)
Core debt	721.3	556.1
Total equity	1,742.0	1,821.8
Core debt gearing ratio	**29%**	**23%**

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group complied with all borrowing covenant ratios and other capital requirements during the year.

[44] Marketing and Oils grain and oilseed inventory.

22. Dividends

	2016 $ M	2015 $ M
Dividends paid in the year:		
Final fully franked dividend for the year ended 30 September 2015 of 2.5 cents (2014: 5.0 cents)	5.7	11.4
Interim fully franked dividend for the half year ended 31 March 2016 of 7.5 cents (2015: 7.5 cents)	17.2	17.2
Total dividends paid	**22.9**	**28.6**

Dividend not recognised at year end

Since year end the Directors have approved the payment of a final dividend, expected to be paid on 14 December 2016:

Final fully franked dividend for the year ended 30 September 2016 of 3.5 cents (2015: 2.5 cents final dividend)	8.0

This dividend will be paid out of retained profits at 30 September 2016, but is not recognised as a liability at year end.

Franking credits available

	2016 $ M	2015 $ M
Franking credits available for the subsequent financial year	24.4	39.2

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

a) Franking debits that will arise from the receipts of the current tax liability;

b) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;

c) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and

d) Franking credits that may be prevented from being distributed in subsequent financial years.

The impact on the franking account of the dividend approved by the Directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $3.4 million (2015: $2.5 million).

23. Earnings per share

	2016	2015
Basic earnings per share (cents)	13.5	14.0
Diluted earnings per share (cents)	13.5	14.0
Weighted average number of ordinary shares – basic	228,675,977	228,657,219
Add adjustment for calculation of diluted earnings per share (performance rights)	877,525	416,910
Weighted average number of ordinary shares – diluted	229,553,502	229,074,129

Basic and diluted earnings per share are calculated by dividing profit for the year by the weighted average number of shares on issue over the year.

Performance rights

Performance rights first granted in 2005 under the GrainCorp Performance Share Rights Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The rights have not been included in the determination of basic earnings per share. Details relating to the rights are set out in the Remuneration Report and note 34.

24. Contingencies

The Group may from time to time receive notices of possible claims for losses or damages. A provision of $16.0 million (2015: $19.0 million) has been recognised to cover any liabilities which may arise out of such claims. Based on information currently available, the Directors believe that no further provision is required at this time. A contingent liability exists for any amounts that ultimately become payable over and above current provisioning levels.

25. Commitments

a) Financial Commitments

	2016 $ M	2015 $ M
Capital expenditure commitments		
Total capital expenditure contracted for at the reporting date but not provided for in payables:		
- Not later than one year	56.0	68.3
- Later than one year and not later than five years	3.2	3.4
- Later than five years	-	-
Total capital expenditure commitments	**59.2**	**71.7**
Operating lease commitments		
Cancellable operating leases	0.2	5.1
Non-cancellable operating leases	307.8	334.1
Total operating lease commitments	**308.0**	**339.2**
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
- Not later than one year	52.1	45.5
- Later than one year and not later than five years	98.7	118.2
- Later than five years	157.0	170.4
Total non-cancellable operating lease commitments	**307.8**	**334.1**
Finance leases		
Commitments in relation to finance leases are payable as follows:		
- Not later than one year	0.8	1.3
- Later than one year but not later than five years	4.2	3.3
- Later than five years	13.7	16.2
Minimum lease payments	18.7	20.8
Future finance charges	(9.6)	(11.0)
Total finance lease liabilities	**9.1**	**9.8**
Representing lease liabilities:		
Current	0.2	0.6
Non-current	8.9	9.2
	9.1	**9.8**

b) Financial guarantees

Financial guarantees are provided by Group entities as follows:

i. GrainCorp Operations Limited was a self-insurer for workers' compensation in NSW up to 29 June 2006. As required by the NSW workers' compensation self-insurance licensing requirements, a bank guarantee in favour of the WorkCover Authority NSW for $0.6 million (2015: $0.6 million) is in place, representing an actuarial assessment of the contingent liability arising from past self-insurance for periods prior to 29 June 2006.

ii. In the normal course of business the Group enters into guarantees. At 30 September 2016 these guarantees amounted to $12.9 million (2015: $12.1 million). The Directors do not believe any claims will arise in respect of these guarantees.

25. Commitments (continued)

iii. GrainCorp and the wholly owned Australian incorporated entities listed in note 27 are parties to a deed of cross guarantee as described in note 29. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees, to each creditor, payment in full of any debt in accordance with the deed of cross guarantee. No deficiency of net assets existed for the Group as at 30 September 2016.

No liability was recognised by the Group in relation to these guarantees, as the fair value of the guarantees is immaterial.

26. Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity, GrainCorp Limited, show the following aggregate amounts:

	2016 $ M	2015 $ M
Statement of financial position		
Current assets	2.4	1.7
Total assets	1,817.8	1,771.5
Current liabilities	0.4	2.4
Total liabilities	0.6	2.5
Shareholders' equity		
Contributed equity	1,346.1	1,346.0
Share option reserve	4.2	1.4
Capital reserve	8.3	8.3
Hedging reserve	(0.1)	(0.1)
Translation reserve	(0.5)	2.0
Retained earnings	459.2	411.4
Total shareholders' equity	1,817.2	1,769.0
Profit for the year	**70.7**	**71.8**
Total comprehensive income	**70.7**	**71.8**

b) Guarantees entered into by the parent entity

GrainCorp Limited and the wholly-owned Australian incorporated entities listed in note 27 are parties to a deed of cross guarantee as described in note 29. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees, to each creditor, payment in full of any debt in accordance with the deed of cross guarantee. No deficiency of net assets existed for the Group as at 30 September 2016.

No liability was recognised by GrainCorp Limited in relation to these guarantees, as the fair value of the guarantees is immaterial.

c) Contingent liabilities of the parent entity

GrainCorp Limited did not have any contingent liabilities as at 30 September 2016 (2015: nil).

d) Contractual commitments for the acquisition of property, plant or equipment

GrainCorp Limited did not have any commitments for the acquisition of property, plant and equipment as at 30 September 2016 (2015: nil).

27. Subsidiaries

The Consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Class of shares	Country of incorporation	Equity holdings 2016	Equity holdings 2015
ABN 36 073 105 656 Pty Ltd (formerly Globex International Pty Limited)[45]	Ordinary	Australia	100%	100%
Agricultural Risk Management Services Pty Limited	Ordinary	Australia	-	100%
Auscol Pty Ltd	Ordinary	Australia	100%	100%
Australia Malt Finco Pty Ltd	Ordinary	Australia	100%	100%
Australia Malt Holdco Pty Ltd	Ordinary	Australia	100%	100%
Barrett Burston Malting Co. Pty. Ltd.	Ordinary	Australia	100%	100%
Barrett Burston Malting Company WA Pty Limited	Ordinary	Australia	100%	100%
Champion Liquid Feeds Pty Limited	Ordinary	Australia	100%	100%
Containerlink Pty Limited[45]	Ordinary	Australia	100%	100%
Grainco Australia Pty Limited	Ordinary	Australia	100%	100%
GrainCorp AG Finance	Ordinary	Australia	-	100%
GrainCorp Australia Pty Ltd	Ordinary	Australia	100%	100%
GrainCorp Commodity Management (Holdings) Pty Ltd (formerly Gardner Smith (Holdings) Pty Ltd)	Ordinary	Australia	100%	100%
GrainCorp Commodity Management Pty Ltd (formerly Gardner Smith Pty Limited)	Ordinary	Australia	100%	100%
GrainCorp Foods Australia Pty Ltd (formerly Integro Foods Australia Pty Ltd)	Ordinary	Australia	100%	100%
GrainCorp Holdings Australia Pty Ltd	Ordinary	Australia	100%	100%
GrainCorp Liquid Terminals Australia Pty Ltd (formerly Pacific Terminals (Australia) Pty Ltd)	Ordinary	Australia	100%	100%
GrainCorp Oils Holdings Pty Ltd	Ordinary	Australia	100%	100%
GrainCorp Oilseeds Pty Ltd (formerly Riverland Oilseeds Pty Ltd)	Ordinary	Australia	100%	100%
GrainCorp Operations Limited	Ordinary	Australia	100%	100%
GrainCorp Services Limited	Ordinary	Australia	100%	100%
GrainCorp Superannuation Pty Ltd	Ordinary	Australia	100%	100%
GrainCorp Warehouse Cashflow Pty Ltd	Ordinary	Australia	100%	100%
GSEST Pty Ltd[45]	Ordinary	Australia	100%	100%
Hunter Grain Pty Limited	Ordinary	Australia	100%	100%
Hunter Grain Transport Pty Limited	Ordinary	Australia	100%	100%
Malt Real Property Pty Limited	Ordinary	Australia	100%	100%
Security Superannuation Fund Pty Limited[45]	Ordinary	Australia	100%	100%
Vicgrain (Assets) Pty Limited	Ordinary	Australia	100%	100%
Vicgrain Pty Limited	Ordinary	Australia	100%	100%
Canada Malting Co. Limited	Ordinary	Canada	100%	100%
Coastal Containers Limited	Ordinary	Canada	100%	100%
GrainCorp Canada Inc.	Common	Canada	100%	100%
GrainCorp Operations Canada Inc.	Ordinary	Canada	100%	-
Gardner Smith Commodities Trading (Shanghai) Co., Ltd	Ordinary	China	100%	100%
Shanghai Grand Port Liquid Storage Terminals Co., Ltd	Ordinary	China	100%	100%
GrainCorp Europe GmbH & Co. KG	-	Germany	100%	100%

[45] Subject to members voluntary liquidation or deregistration.

27. Subsidiaries (continued)

Name of entity	Class of shares	Country of incorporation	Equity holdings 2016	Equity holdings 2015
GrainCorp Europe Management GmbH	Ordinary	Germany	100%	100%
Rhein-Ruhr-Malz GmbH	-	Germany	100%	100%
Schill Malz GmbH Co. KG	Ordinary	Germany	100%	100%
Schill Malz Verwaltungs-GmbH	-	Germany	100%	100%
Thüringer Malz GmbH	-	Germany	100%	100%
Barrett Burston Malting Co (NZ) Limited	Ordinary	New Zealand	100%	100%
GrainCorp Commodity Management (NZ) Limited (formerly Gardner Smith NZ Limited)	Ordinary	New Zealand	100%	100%
GrainCorp Feeds Limited (formerly BLM Feeds Limited)	Ordinary	New Zealand	100%	100%
GrainCorp Foods NZ Limited (formerly Integro Foods NZ Limited)	Ordinary	New Zealand	100%	100%
GrainCorp Liquid Terminals NZ Limited (formerly Pacific Terminals NZ Limited)	Ordinary	New Zealand	100%	100%
GrainCorp Operations Asia Pte Ltd	Ordinary	Singapore	100%	100%
Gardner Smith Africa Pty Ltd[46]	Ordinary	South Africa	100%	100%
Bairds Malt Limited	Ordinary	UK	100%	100%
Bairds Malt (Pension Trustees) Limited	Ordinary	UK	100%	100%
Brewers Select Limited	Ordinary	UK	100%	100%
GrainCorp (Canada) Holdings UK Limited	Ordinary	UK	100%	100%
GrainCorp Europe (UK) Ltd	Ordinary	UK	100%	100%
GrainCorp UK Limited	Ordinary	UK	100%	100%
Malt UK Holdco Limited	Ordinary	UK	100%	100%
Maltco 3 Limited	Ordinary	UK	100%	100%
Mark Lawrence (Grain) Limited	Ordinary	UK	100%	100%
Moray Firth Maltings Limited	Ordinary	UK	100%	100%
Norton Organic Grain Limited	Ordinary	UK	100%	100%
Saxon Agriculture Limited	Ordinary	UK	100%	100%
Scotgrain Agriculture Limited	Ordinary	UK	100%	100%
Ulgrave Limited	Ordinary	UK	100%	100%
GrainCorp Holdings USA	-	USA	100%	100%
GrainCorp USA	Ordinary	USA	100%	100%
Great Western Malting Co	Ordinary	USA	100%	100%
Malt US Holdco, Inc	Ordinary	USA	100%	100%

28. Unconsolidated structured entities

The term 'unconsolidated structured entities' refers to all structured entities that are not controlled by GrainCorp Operations Limited. GrainCorp Operations Limited enters into transactions on behalf of GrainCorp Pools Pty Ltd as authorised manager to facilitate customer transactions.

GrainCorp Operations has no intention, nor does it provide any financial support to GrainCorp Pools Pty Ltd.

GrainCorp Operations Limited received a management fee in the range of 2% to 3% based on the final pool return.

[46] Subject to members voluntary liquidation or deregistration.

29. Deed of cross guarantee

GrainCorp and its wholly-owned Australian incorporated entities listed in note 27, with the exception of ABN 36 073 105 656 Pty Ltd, Containerlink Pty Ltd and GSEST Pty Ltd are parties to a deed of cross guarantee under which each of the companies guarantees the debts of the other and are thus relieved from the requirement to prepare a financial report and Directors' report under *Class Order 98/1418* (as amended) issued by the Australian Securities and Investments Commission.

The abovementioned parties to the deed of cross guarantee represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties in the deed of cross guarantee that are controlled by GrainCorp Limited, they also represent the 'Extended Closed Group'.

Set out below is the consolidated income statement, a summary of movements in consolidated retained earnings and a consolidated statement of financial position for the Closed Group for the year ended 30 September 2016.

Consolidated income statement	**2016 $ M**	**2015 $ M**
Revenue	2,895.4	2,851.2
Other income	50.3	(25.9)
Goods purchased for resale	(1,985.8)	(1,854.2)
Raw materials and consumables used	(445.4)	(414.8)
Employee benefits expense	(246.6)	(241.0)
Depreciation and amortisation	(100.8)	(96.5)
Finance costs	(30.5)	(35.4)
Operating leases	(45.8)	(57.6)
Repairs and maintenance	(37.9)	(38.2)
Other expenses	(94.0)	(86.4)
Significant items	(29.1)	(13.8)
Share of results from investments accounted for using the equity method	10.6	9.1
Loss before income tax	(59.6)	(3.5)
Income tax benefit	16.2	12.2
(Loss) / profit for the year	**(43.4)**	**8.7**
Other comprehensive income:		
Changes in the fair value of cash flow hedges	(2.9)	(5.6)
Share of other comprehensive (loss) / income of joint ventures	(0.1)	0.1
Remeasurements of defined benefit obligations	-	(0.2)
Income tax relating to components of other comprehensive income	0.9	1.8
Other comprehensive income for the year, net of tax	(2.1)	(3.9)
Total comprehensive (loss) / income for the year	**(45.5)**	**4.8**
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	200.6	220.5
(Loss) / profit for the year	(43.4)	8.7
Dividends provided for or paid	(22.9)	(28.6)
Retained earnings at the end of the financial year	**134.3**	**200.6**

29. Deed of cross guarantee (continued)

Set out below is the consolidated statement of financial position of the Closed Group as at 30 September.

Consolidated statement of financial position	**2016 $ M**	**2015 $ M**
Current assets		
Cash and cash equivalents	66.8	145.1
Trade and other receivables	298.6	291.8
Inventories	225.7	258.5
Derivative financial instruments	62.1	84.7
Assets classified as held for sale	10.7	0.4
Total current assets	**663.9**	**780.5**
Non-current assets		
Trade and other receivables	195.4	197.8
Investment in subsidiaries	418.0	418.0
Investments accounted for using the equity method	179.2	169.6
Investments in other entities	12.1	14.7
Property, plant & equipment	1,004.6	953.8
Deferred tax assets	47.3	32.9
Intangible assets	101.3	115.8
Derivative financial instruments	1.1	3.2
Total non-current assets	**1,959.0**	**1,905.8**
Total assets	**2,622.9**	**2,686.3**
Current liabilities		
Trade and other payables	192.2	200.4
Borrowings	238.7	215.2
Derivative financial instruments	52.4	86.9
Current tax liabilities	-	6.1
Provisions	55.2	53.7
Total current liabilities	**538.5**	**562.3**
Non-current liabilities		
Trade and other payables	21.4	27.2
Borrowings	558.7	527.0
Derivative financial instruments	9.0	9.7
Provisions	9.3	8.6
Retirement benefit obligations	0.3	0.3
Total non-current liabilities	**598.7**	**572.8**
Total liabilities	**1,137.2**	**1,135.1**
Net assets	**1,485.7**	**1,551.2**
Equity		
Contributed equity	1,346.1	1,346.0
Reserves	5.3	4.6
Retained earnings	134.3	200.6
Total equity	**1,485.7**	**1,551.2**

30. Investments accounted for using the equity method

a) Carrying amounts

		Ownership interest		Carrying amount	
				2016	2015
Company	Principal activity	2016	2015	$ M	$ M
Allied Mills Australia Pty Ltd[47]	Mixing & milling	60%	60%	177.8	168.4
GrainsConnect Canada Operations Inc	Grain elevation & storage	50%	-	3.9	-
National Grower Register Pty Ltd	Register management	50%	50%	0.7	0.6
Flex Biofuels Pty Ltd	Sales and purchases of biofuels	50%	50%	0.4	0.6
PumpFree Pty Ltd	Liquid oil transportation	23%	-	0.8	-
				183.6	**169.6**

All of the above joint ventures are incorporated in Australia, except for GrainsConnect Canada which is incorporated in Canada.

b) Movements in carrying amounts

i. Group share of commitments and contingent liabilities in respect of joint ventures

Group's share of joint venture's expenditure commitments, other than for supply of inventories:

	2016 $ M	2015 $ M
Capital commitments	22.2	16.0
Lease commitments	5.3	1.9
	27.5	**17.9**

ii. Summarised financial information of joint ventures

The tables below provide summarised financial information for the joint venture that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Group's share of those amounts.

	Allied Mills Australia Pty Ltd	
	2016	2015
Summarised statement of financial position	$ M	$ M
Current assets	180.7	179.3
Non-current assets	314.6	311.6
Total assets	**495.3**	**490.9**
Current liabilities	124.1	137.5
Non-current liabilities	74.9	72.6
Total liabilities	**199.0**	**210.1**
Net Assets	**296.3**	**280.8**
Reconciliation of carrying amounts:		
Opening net assets 1 October	280.8	268.0
Profit for the period	17.0	14.5
Significant items (after tax)	(1.4)	(1.8)
Other comprehensive (loss) / income	(0.1)	0.1
Closing net assets	**296.3**	**280.8**
Group share of net assets	**177.8**	**168.4**

[47] Equity interest in Allied Mills is 60%, however, voting rights are 50%, refer to note 2.

30. Investments accounted for using the equity method (continued)

	Allied Mills Australia Pty Ltd	
	2016	2015
Summarised statement of comprehensive income	$ M	$ M
Revenue	505.5	497.5
Operating profit (after tax)	17.0	14.5
Significant items (after tax)	(1.4)	(1.8)
Other comprehensive (loss) / income	(0.1)	0.1
Total comprehensive income[48]	**15.5**	**12.8**
Group share of comprehensive income	**9.3**	**7.7**

iii. Individually immaterial joint ventures

In addition to the interest in joint ventures disclosed above, the Group also has an interest in a number of individually immaterial joint ventures that are accounted for using the equity accounting method.

	2016	2015
	$ M	$ M
Aggregated carrying amount of individually immaterial joint ventures	5.8	1.2
Aggregated amounts of the Group's share of:		
(Loss) / profit from continuing operations	(0.9)	0.4
Significant items (after tax)	(0.4)	-
Total comprehensive (loss) / income[48]	(1.3)	0.4

31. Reconciliation of profit after income tax to net cash flow from operating activities

	2016	2015
	$ M	$ M
Profit for the year	**30.9**	**32.1**
Net profit on sale of non-current assets	(2.6)	(1.7)
Dividends received	-	(0.2)
Non-cash employee benefits expense – share-based payments	3.0	1.4
Share of profit of joint ventures not received as dividends	(8.1)	(9.1)
Depreciation / amortisation	144.9	140.6
Impairment expense	9.7	4.4
	177.8	167.5
Changes in operating assets and liabilities (net of acquired entities):		
Decrease in inventories	51.6	30.4
(Increase) in deferred tax asset	(7.4)	(37.0)
(Increase) / decrease in derivatives	(29.5)	53.9
Decrease / (increase) in receivables	16.8	(70.4)
Increase in trade payables	1.5	79.8
(Decrease) / increase in other liabilities	(11.8)	25.1
(Decrease) / increase in provision for income tax	(3.7)	26.5
(Decrease) / increase in provision for deferred tax liability	(17.7)	16.0
(Decrease) / increase in defined benefit pension plan liability	(10.5)	5.1
(Decrease) / increase in provisions	(15.6)	(25.8)
Net cash provided by operating activities	**151.5**	**271.1**

[48] Total comprehensive income / loss does not include interest on loans to joint ventures. Refer to note 33 2(b).

32. Financial risk management

Overview
The Group's activities expose it to a variety of financial risks including:

- Market risk - commodity price risk, utility price risk, foreign currency risk, interest rate risk
- Credit risk
- Liquidity risk

The overall management of these financial risks seeks to minimise any potential adverse effects on the Group's financial performance that may arise from the unpredictability of financial markets. All areas of risk management are subject to comprehensive policies, procedures and limits which are monitored by management and approved by the Board, the Board Audit Committee or the Business Risk Committee under authority from the Board.

Group Treasury manages interest rate risk, liquidity risk, counterparty credit risk and foreign currency risk in accordance with policies approved by the Board.

The Business Risk Committee reviews and agrees policies for managing risks arising from commodity trading, crushing and processing of edible oils and sales as well as malt production and sales including the setting of limits for trading in derivatives to manage commodity price risk, foreign currency risk and utility price risk.

The Group's principal financial instruments comprise receivables, cash and short-term deposits, payables, bank loans and overdrafts, finance leases and derivative financial instruments.

Derivative financial instruments are utilised to manage commodity price risk, utility price risk, and foreign currency risk arising from trading in commodities, as well as purchasing and sale activities in Malt and Oils in the ordinary course of business; and to manage the inherent interest rate risk of Group borrowings. Certain foreign exchange derivatives for activities in Malt and Oils and interest rate swaps currently qualify for hedge accounting as cash flow hedges.

The Group uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk, and assessments of market forecasts for interest rate, foreign exchange, commodity and utility prices. Ageing analysis and monitoring of specific credit limits are undertaken to manage credit risk. Liquidity risk is monitored through the use of rolling cash flow forecasts, and by comparing projected net debt levels against total committed facilities.

Market risk

Commodity price risk – commodity trading
Commodity price risk arises due to grain and edible oil price fluctuations impacting on the value of commodity forward purchase and forward sales contracts written by the Group as part of its grain, meal and edible oil marketing activities. The Group's policy is generally to lock in favourable margins between the purchase and sale price of commodities but differences in the timing of entering into these contracts create an exposure to commodity price risk.

To manage exposure to this commodity price risk, the Group enters into various exchange traded commodity derivative contracts (futures and options) as well as over-the-counter contracts with terms between 2 and 24 months depending on the underlying transactions. These contracts are predominantly in Australia, New Zealand, US, Canada and Europe based financial markets and denominated in the currencies of those jurisdictions. Changes in fair value are recognised immediately in the income statement.

Commodity trading assets and liabilities subject to commodity price risk as at 30 September:

	Fair value of derivatives and physical inventory $ M	Net effect of a 20% appreciation in price on post-tax profit or loss $ M	Net effect of a 20% depreciation in price on post-tax profit or loss $ M
2016	110.9	4.7	(4.7)
2015	183.8	(1.1)	1.1

32. Financial risk management (continued)

The fair value for commodity trading assets and liabilities subject to commodity risk is defined as follows:

- Commodity inventory at fair value: the market value amount as at reporting date.
- Forward purchase and sales contracts: mark to market as at reporting date.
- Commodity futures: mark to market as at reporting date.
- Commodity options: market value amount as at reporting date.

Discussion of sensitivity analysis
A 20% movement in commodity prices has been determined as a reasonably possible change based on recent market history specific to agricultural commodities. However, due to controls the Group has in relation to commodity trading, such as trading limits and stop losses, it is not expected that a change of this magnitude would crystallise. The 20% movement is calculated over the market value amount of the net exposure of the commodity physical and derivative contracts.

Commonly traded commodities include wheat, sorghum, barley, tallow, vegetable oil, canola and pulses.

Commodity price risk – malt and oils production
The Group enters into forward physical purchase and sales contracts along with commodity derivative contracts to manage the underlying price risks in the purchase of raw materials for malt and oils production and the subsequent sale of malt and oils products from own use manufacture. These contracts are entered into and continue to be held for the purpose of delivery of raw materials and subsequent sale of processed malt and oils arising from the Group's expected purchase, sale or usage requirements; and are classified as non-derivative, and not fair valued.

Utility price risk – malt production
The Group enters into utility price swap contracts to fix utility costs incurred in malt processing. Changes in fair value are recognised immediately in the income statement.

Assets and liabilities subject to utility price risk as at 30 September:

	2016 $ M	2015 $ M
Utility contracts at fair value:		
Liability	(0.1)	(0.2)

At 30 September, if the price of utility swap contracts moved as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	2016 $ M	2015 $ M
Profit / (loss)		
20% increase	0.1	0.3
20% decrease	(0.1)	(0.3)

32. Financial risk management (continued)

Foreign currency risk

The Group is exposed to foreign currency risk arising from transactions entered into in its normal course of business and as a result of its investments in foreign operations. GrainCorp operates in seven local currencies across its global operations: Australian Dollar, US Dollar, Canadian Dollar, UK Pound Sterling, Euro, New Zealand Dollar and Japanese Yen. Movements in foreign currency exchange rates will result in gains or losses in the income statement due to the revaluation of certain balances or in movements in the foreign currency translation reserve from the revaluation of foreign operations. The Australian dollar is the presentation currency of the Group.

Transactional currency exposures arise from sales or purchases in currencies other than the functional currencies of each of the entities within the Group. For example, the Group is exposed to transactional exposure in respect of non-functional currencies on foreign currency denominated contracts taken out on the Australian, US, Canadian and European markets to manage commodity price risk from commodity trading. In accordance with the Group's risk policy, forward exchange contracts and foreign currency options are utilised to manage this risk, with the contract timed to mature when the relevant underlying commodity contracts expire.

The investment of capital in foreign operations, such as overseas subsidiaries, with functional currencies other than the Australian Dollar exposes the Group to the risk of changes in foreign exchange rates. The Group's Consolidated Statement of Financial Position is therefore affected by exchange differences between the Australian Dollar and functional currencies of foreign operations. Variations in the value of these overseas operations arising as a result of exchange differences are reflected in other comprehensive income. The Group monitors this risk via its foreign currency risk policy and conducts hedging, such as the use of net investment hedges, in accordance with this policy. Refer to note 1(m).

Expressed in Australian Dollars, the table below indicates GrainCorp's exposure and sensitivity to movements in exchange rates on the profit or loss and equity of the Group, based on the global currency exposures at 30 September. The tables are based upon the Group's financial asset and liability profile at 30 September, which fluctuates over the course of normal operations.

2016	**Exposure at reporting date $M**	**Impact on profit / (loss) after tax $ M**		**Impacts on other components of equity $ M**	
Movement in exchange rate		**+10%**	**-10%**	**+10%**	**-10%**
Australian Dollar	(74.0)	2.9	(2.9)	(8.1)	8.1
US Dollar	(13.4)	(4.0)	4.0	3.0	(3.0)
Canadian Dollar	181.3	9.7	(9.7)	3.0	(3.0)
UK Pound Sterling	5.9	(3.7)	3.7	4.1	(4.1)
Euro	(82.6)	(1.2)	1.2	(4.6)	4.6
New Zealand Dollar	29.5	(0.5)	0.5	2.6	(2.6)
Yen	(46.9)	(3.3)	3.3	-	-

2015	**Exposure at reporting date $M**	**Impact on profit / (loss) after tax $ M**		**Impacts on other components of equity $ M**	
Movement in exchange rate		**+10%**	**-10%**	**+10%**	**-10%**
Australian Dollar	(90.1)	2.9	(2.9)	(9.2)	9.2
US Dollar	71.0	1.6	(1.6)	3.3	(3.3)
Canadian Dollar	70.9	1.8	(1.8)	3.2	(3.2)
UK Pound Sterling	1.0	(5.1)	5.1	5.2	(5.2)
Euro	(62.5)	0.6	(0.6)	(5.0)	5.0
New Zealand Dollar	36.5	0.1	(0.1)	2.5	(2.5)
Yen	(39.2)	(2.7)	2.7	-	-
Malaysian Ringgit	12.3	0.9	(0.9)	-	-

32. Financial risk management (continued)

Interest rate risk

The Group's interest rate risk arises from interest obligations on all borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt. Current policy is to maintain between 40% and 75% of long-term borrowings at fixed rates. To manage this mix, the Group predominantly uses interest rate swaps. Under interest rate swap contracts, the Group is entitled to receive interest at variable rates and is obliged to pay interest at fixed rates, calculated by reference to an agreed-upon notional principal amount. The contracts require settlement of net interest receivable or payable at each reset period. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

At 30 September 2016, after taking into account the effect of interest rate swaps, approximately 44%, that is $343 million of the Group's long-term borrowings are at a fixed rate of interest (2015: 51%, $394 million).

The Group constantly analyses its interest rate exposure with consideration given to cash flows impacting on rollovers/repayments of debt, alternative hedging instruments and the mix of fixed and variable interest rates.

At balance date, the Group had the following mix of financial assets and liabilities with interest at fixed and variable rates:

	2016 $ M	2015 $ M
Fixed rate instruments		
Financial assets	0.2	0.2
Financial liabilities	(351.7)	(404.1)
Net fixed rate instruments	**(351.5)**	**(403.9)**
Variable rate instruments		
Financial assets	307.6	374.0
Financial liabilities	(827.6)	(714.3)
Net variable rate instruments	**(520.0)**	**(340.3)**

At balance date the Group had the following borrowings outstanding exposed to variable interest rate risk:

	2016		2015	
	Weighted average interest rate %	Balance $ M	Weighted average interest rate %	Balance $ M
Current:				
Short-term facilities	1.56%	(147.9)	1.00%	(75.2)
Inventory funding facilities	1.89%	(239.7)	2.80%	(253.5)
Interest rate swaps (notional principal amount)	1.16%	110.0	1.16%	236.4
	1.76%	(277.6)	2.39%	(92.3)
Non-current:				
Term facilities	2.23%	(782.6)	2.26%	(779.9)
Interest rate swaps (notional principal amount)	1.16%	232.6	1.16%	157.9
	2.23%	(550.0)	2.26%	(622.0)
Net exposure to cash flow interest rate risk		**(827.6)**		**(714.3)**

32. Financial risk management (continued)

Sensitivity analysis

At balance date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	2016 $ M	2015 $ M
Profit / (loss)		
+ 100 basis points	(5.3)	(3.5)
– 100 basis points	5.3	3.5
Increase / (decrease) in equity		
+ 100 basis points	3.4	3.9
– 100 basis points	(3.4)	(3.9)

Credit risk

The Group's exposure to credit risk arises from potential default of customers or counterparties. The carrying amount of financial assets represents the maximum exposure at the reporting date:

	2016 $ M	2015 $ M
Trade receivables	378.3	365.0
Other receivables	42.8	58.7
Derivative contracts at fair value	74.6	97.2
Amounts receivable from joint ventures	0.2	0.2
Margin deposits	7.8	20.0
Bank balances and call deposits	307.6	374.0
Total exposure to credit risk	**811.3**	**915.1**

It is the Group's policy that customers who wish to trade on credit terms are subject to a credit assessment, which may include an assessment of their independent credit rating (provided by an independent credit bureau), supplier references, financial position, country risk, past trading experience and industry reputation. Credit limits are determined for each individual customer based on the credit assessment. These limits are approved under the credit policy that is approved by the Board.

The Group does not have any significant credit risk exposure to a single customer or group of customers. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is usually not significant but where appropriate, an allowance for doubtful debtors may be raised. On occasion, the Group may also hold collateral, which may take the form of physical commodities, bank guarantees, personal guarantee or mortgage over property until the debt is recovered. There was no significant concentration of credit risk within the Group as it deals with a large number of customers, geographically dispersed.

The credit risk arising from favourable derivatives transactions and deposits with financial institutions exposes the Group to credit risk if the contracting entity is unable to complete its obligations under the contracts. To respond to this risk, the Group has a panel of authorised counterparties. Authorised counterparties are principally large banks and recognised financial intermediaries with acceptable credit ratings determined by a rating agency. The Group’s net exposure and credit assessment of its counterparties are continuously monitored to ensure any risk is minimised.

The Group may also be subject to credit risk for transactions that are not included in the statement of financial position, such as when a guarantee is provided for another party. Details of contingent liabilities are disclosed in note 24.

32. Financial risk management (continued)

The ageing of trade receivables at the reporting date was:

	2016		2015	
	Gross $ M	Impairment $ M	Gross $ M	Impairment $ M
Not past due	326.7	(0.3)	315.6	(0.4)
Past due up to 30 days	41.8	-	32.0	-
Past due 31 to 60 days	4.8	-	7.2	-
Past due 61 to 90 days	1.3	(0.2)	3.2	-
Past due over 90 days	3.7	(2.0)	7.0	(1.5)
Total trade receivables	**378.3**	**(2.5)**	**365.0**	**(1.9)**

The movement in the provision for impairment in respect of trade receivables during the year was as follows:

	2016 $ M	2015 $ M
Balance at 1 October	(1.9)	(1.2)
Provisions made during the year	(1.4)	(1.0)
Impairment loss recognised	0.6	0.2
Provisions reversed during the year	0.1	0.2
Exchange difference	0.1	(0.1)
Balance at 30 September	**(2.5)**	**(1.9)**

None of the Group's other receivables or other financial assets are past due (2015: nil).

No provision for impairment is recognised at 30 September 2016 in respect of advances to joint ventures (2015: $nil impaired).

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and committed available credit facilities. The Group manages liquidity risk by regularly monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties.

At balance date, the Group had approximately $308.2 million (2015: $421.5 million) of unused credit facilities available for immediate use.

32. Financial risk management (continued)

Maturity analysis of financial liabilities

The tables below show the contractual maturities of financial liabilities, including estimated interest payments. The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 30 September 2016	Carrying Value	Total	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M	Over 5 years $ M
Non-derivatives:						
Bank borrowings [49]	(1,170.2)	(1,187.8)	(387.6)	-	(562.2)	(238.0)
Trade payables	(188.5)	(188.5)	(188.5)	-	-	-
Other payables	(144.1)	(144.1)	(138.1)	(1.2)	(4.8)	-
Finance leases	(9.1)	(18.7)	(0.8)	(1.7)	(2.5)	(13.7)
Derivatives:						
Interest rate swap contracts	(15.2)	(15.2)	(0.4)	-	(7.3)	(7.5)
Foreign Currency Derivatives	(15.6)					
- outflow		(501.9)	(403.7)	(76.7)	(21.5)	-
- inflow		486.3	391.6	72.8	21.9	-
Commodity futures and options:	(1.2)					
- outflow		(1.2)	(1.2)	-	-	-
- inflow		-	-	-	-	-
Commodity contracts (forward purchases and sales):	(45.6)					
- outflow		110.8	110.8	-	-	-
- inflow		(156.4)	(156.4)	-	-	-
Utility contracts (utility swaps):	(0.1)					
- outflow		(0.5)	(0.5)	-	-	-
- inflow		0.4	0.4	-	-	-

In addition to the cash flows above, financial guarantees (refer to note 25) would be payable immediately in the event that a default of terms occurred.

[49] The Group's bank borrowings facilities and maturity dates are set out in note 18(e). Cash outflows associated with bank borrowings are inclusive of principal and interest.

32. Financial risk management (continued)

As at 30 September 2015	Carrying Value	Total	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M	Over 5 years $ M
Non-derivatives:						
Bank borrowings [50]	(1,108.6)	(1,126.4)	(328.8)	-	(299.5)	(498.1)
Trade payables	(179.8)	(179.8)	(179.8)	-	-	-
Other payables	(138.6)	(138.6)	(136.1)	(2.5)	-	-
Finance leases	(9.8)	(20.8)	(1.3)	(0.8)	(2.5)	(16.2)
Derivatives:						
Interest rate swap contracts	(9.6)	(9.6)	(2.2)	-	(7.4)	-
Foreign Currency Derivatives	(64.2)					
- outflow		(888.8)	(754.0)	(118.8)	(16.0)	-
- inflow		824.6	700.7	110.6	13.3	-
Commodity futures and options:	(9.5)					
- outflow		(13.1)	(10.9)	(2.2)	-	-
- inflow		3.6	3.6	-	-	-
Commodity contracts (forward purchases and sales):	(41.4)					
- outflow		(298.5)	(297.0)	(1.5)	-	-
- inflow		257.1	256.8	0.3	-	-
Utility contracts (utility swaps):	(0.2)					
- outflow		(2.3)	(2.1)	(0.2)	-	-
- inflow		2.1	2.0	0.1	-	-

[50] The Group's bank borrowings facilities and maturity dates are set out in note 18(e). Cash outflows associated with bank borrowings are inclusive of principal and interest.

32. Financial risk management (continued)

Fair value measurements

Financial instruments carried at fair value are classified using a valuation method based on the following hierarchy:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (use of unobservable inputs).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 September:

30 September 2016	Level 1 $ M	Level 2 $ M	Level 3 $ M	Total $ M
Assets				
Financial assets at fair value through profit or loss				
- Derivatives	10.3	2.1	-	12.4
- Commodity contracts	-	1.4	51.9	53.3
Derivatives used for hedging	8.9	-	-	8.9
Commodity inventory at fair value less cost to sell (note 12)	-	5.0	97.2	102.2
Total assets	**19.2**	**8.5**	**149.1**	**176.8**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Derivatives	2.4	-	-	2.4
- Commodity contracts	-	0.3	45.3	45.6
Derivatives used for hedging	26.4	3.3	-	29.7
Total liabilities	**28.8**	**3.6**	**45.3**	**77.7**

30 September 2015	Level 1 $ M	Level 2 $ M	Level 3 $ M	Total $ M
Assets				
Financial assets at fair value through profit or loss				
- Derivatives	11.8	19.4	-	31.2
- Commodity contracts	-	1.5	60.2	61.7
Derivatives used for hedging	4.3	-	-	4.3
Commodity inventory at fair value less cost to sell (note 12)	-	6.4	153.5	159.9
Total assets	**16.1**	**27.3**	**213.7**	**257.1**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Derivatives	35.0	2.3	-	37.3
- Commodity contracts	-	0.2	41.2	41.4
Derivatives used for hedging	46.2	-	-	46.2
Total liabilities	**81.2**	**2.5**	**41.2**	**124.9**

32. Financial risk management (continued)

Fair value estimation
The fair value of financial assets and liabilities must be estimated for recognition and measurement for disclosure purposes. The fair values of financial assets and liabilities are shown in note 13.

The fair value of financial instruments traded on active markets (such as exchange traded commodity derivatives and forward exchange contracts) is based on the quoted markets prices and forward exchange market rates as at the reporting date. The quoted market price used for financial assets and liabilities held by the Group is the market settlement price on the reporting date. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over the counter commodity and foreign currency derivatives) are determined using the Black-Scholes pricing model, which is sourced from a widely used market pricing provider. The fair value of interest rate swap contracts is received from market counterparties as at balance date. The valuation methodology used by the counterparties reflects common market practice of net present value of estimated future cash flows determined by observable yield curves. These instruments are included in Level 2.

The fair value of physical positions comprising inventory, forward sales and forward purchases for commodity trading do not have quoted market prices available. To obtain the market prices, bid values are sourced from commodity brokers and trade marketers, defined by commodity and grade type. The market prices are amended through location and grade differentials (market zone adjustments) to bring them to a common point. These instruments are included in Level 3. Refer to commodity price risk for the sensitivity of fluctuations of unobservable inputs used to calculate the Level 3 instruments.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no instruments reclassified between levels for the year ended 30 September 2016.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at balance date.

The following table presents the changes in Level 3 instruments for the year ended 30 September 2016 and 30 September 2015.

	2016		2015	
	Commodity Contracts $M	Commodity inventory at fair value $ M	Commodity Contracts $M	Commodity inventory at fair value $ M
Opening balance as at 1 October	19.1	153.5	18.7	213.9
Gains / (losses) recognised in profit and loss	12.6	(5.2)	(8.4)	9.2
Net acquisitions and disposals	(25.1)	(51.1)	8.8	(69.6)
Closing balance as at 30 September	**6.6**	**97.2**	**19.1**	**153.5**

Fair value of other financial instruments
The carrying amounts of other financial assets and liabilities are reasonable approximations of their fair values.

32. Financial risk management (continued)

Offsetting financial assets and liabilities

Agreements with derivative counterparties are based on an International Swaps and Derivatives Association (ISDA) Master netting agreement. Under the terms of these agreements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not have any legal enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default on the bank loans or other credit events.

The following table presents the recognised financial instruments that are offset, or subject to offsetting arrangements mentioned above, as at 30 September 2016 and 30 September 2015:

30 September 2016	Gross amounts $ M	Gross amount offset $ M	Net amount in statement of financial position $ M	Amounts that are not offset $ M	Net amount $ M
Financial assets					
Cash and cash equivalents	307.6	-	307.6	-	307.6
Trade and other receivables	463.0	(4.0)	459.0	-	459.0
Derivative financial instruments	75.6	(1.0)	74.6	(14.8)	59.8
Total assets	**846.2**	**(5.0)**	**841.2**	**(14.8)**	**826.4**
Financial liabilities					
Trade and other payables	336.6	(4.0)	332.6	-	332.6
Derivative financial instruments	78.7	(1.0)	77.7	(14.8)	62.9
Total liabilities	**415.3**	**(5.0)**	**410.3**	**(14.8)**	**395.5**
30 September 2015					
Financial assets					
Cash and cash equivalents	415.8	(41.8)	374.0	-	374.0
Trade and other receivables	477.5	(2.7)	474.8	-	474.8
Derivative financial instruments	99.8	(2.6)	97.2	(24.8)	72.4
Total assets	**993.1**	**(47.1)**	**946.0**	**(24.8)**	**921.2**
Financial liabilities					
Cash overdraft	41.8	(41.8)	-	-	-
Trade and other payables	321.1	(2.7)	318.4	-	318.4
Derivative financial instruments	127.5	(2.6)	124.9	(24.8)	100.1
Total liabilities	**490.4**	**(47.1)**	**443.3**	**(24.8)**	**418.5**

33. Key Management Personnel disclosures and related party transactions

1. Key Management Personnel ('KMP') disclosures

a) KMP compensation

	2016 $'000	2015 $'000
Short-term employee benefits	6,957	8,058
Post-employment benefits	246	271
Long-term benefits	556	1,100
Share-based payments	1,179	788
Total KMP compensation	**8,938**	**10,217**

Detailed remuneration disclosures including details of rights provided as remuneration and shares issues on the exercise of such rights, together with terms and conditions of rights are provided in sections 1 to 8 of the Remuneration Report on pages 25 to 40.

b) Other transactions with KMP

Transactions for storage, handling, transport, testing, seed sales and purchase of grain, fertiliser and other agricultural products from Directors or Director related entities took place during both financial years covered by this report and occurred within a normal customer relationship on terms no more favourable than those available on similar transactions to other customers. Below are aggregate amounts due, from and to Directors, any other KMP and their Director related and KMP related entities at balance date. These balances are the result of transactions conducted under normal trading terms and conditions.

Directors and other KMP who transacted business with the Group were A Bell, R Dee-Bradbury, B Gibson, P Housden, D Mangelsdorf, D McGauchie, M Palmquist, K Pamminger, D Taylor and D Trebeck. (2015: A Bell, B Gibson, P Housden, B Ivanoff, A Johns, D Mangelsdorf, D McGauchie, M Palmquist, K Pamminger, D Taylor and D Trebeck).

	Consolidated	
Director related and KMP related entities	**2016 $'000**	**2015 $'000**
Current receivables	2,793	5,246
Current payables	5	9

2016: Current receivables include $1,241,000 relating to Allied Mills Australia Pty Ltd of which M Palmquist and A Bell are Directors. $1,236,000 receivable from Australian Agricultural Company Ltd, an entity related to D McGauchie. $14,000 receivable from Parkhurst Pastoral Pty Ltd of which D Taylor is a Director. $302,000 receivable from Klaus Trading Services Pty Ltd of which K Pamminger is a Director. Current payables include $4,000 relating to Allied Mills Australia Pty Ltd of which M Palmquist and A Bell are Directors, and $1,000 payable to Bluescope Steel Limited, an entity related to R Dee-Bradbury.

2015: Current receivables include $3,689,000 relating to Allied Mills Australia Pty Ltd of which M Palmquist (appointed on 27 October 2014) and A Bell are Directors and B Ivanoff (resigned on 27 October 2014) was a Director during the year. $863,000 receivable from Australian Agricultural Company Ltd, an entity related to D McGauchie. $691,000 receivable from Nuplex Industries Limited of which B Gibson is a Director. $2,000 receivable from Warakirri 2 Pty Ltd, an entity related to D Mangelsdorf. $1,000 receivable from National Grower Register Pty Ltd of which A Johns is a Director. Current payables include $9,000 relating to Allied Mills Australia Pty Ltd of which M Palmquist (appointed on 27 October 2014) and A Bell are Directors and B Ivanoff (resigned on 27 October 2014) was a Director.

33. Key Management Personnel disclosures and related party transactions (continued)

2. Related party transactions

a) Transactions with related parties – wholly-owned members of the Group

Details of wholly-owned members of the Group and ownership interests in controlled entities are set out in note 27. Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with wholly-owned entities within the Group were as follows:

	Parent entity	
	2016 $'000	2015 $'000
Fee for liabilities guarantee	324	1,206
Interest expense payable to subsidiaries	2	3
Interest revenue from subsidiaries	62,999	62,146

b) Transactions with related parties

Details of related companies are shown in note 30. Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with related parties were as follows:

	Consolidated		Parent entity	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Freight income from Allied Mills Australia Pty Ltd ('Allied Mills')	7,473	8,115	-	-
Sales income from Allied Mills	75,832	57,083	-	-
Purchases from Allied Mills	8,602	5,308	-	-
Interest income from Allied Mills	-	614	-	614
Storage income from Allied Mills	5,995	7,470	-	-
Sales income from Five Star Flour Mills ('Five Star')	73,542	96,477	-	-
Interest income from National Grower Register Pty Ltd ('NGR')	11	11	-	-

c) Outstanding balances in relation to transactions with related parties

Aggregate amounts receivable from and payable to other related parties at the end of the reporting period were as follows:

	Consolidated		Parent entity	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Subsidiaries				
Non-current receivables	-	-	1,510,873	1,473,479
Joint ventures				
Loan to NGR (note 11)	175	175	-	-
Current trade receivable Allied Mills	1,241	3,689	-	-
Current trade receivable Five Star	-	6,881	-	-
Current payable Five Star	26	-	-	-

33. Key Management Personnel disclosures and related party transactions (continued)

d) Terms and conditions

Transactions between GrainCorp and related parties in the Group during the years ended 30 September 2016 and 2015 consisted of:

i. loans advanced and repaid within the Group;
ii. payment of dividends to GrainCorp;
iii. management fees for administrative services paid to GrainCorp;
iv. liability guarantee fees paid to GrainCorp;
v. sale of goods; and
vi. reimbursement of expenses.

These transactions occurred within a normal customer relationship on terms no more favourable than those available on similar transactions to other customers, except when there is no interest or fixed terms for repayment on intercompany loans within the Group. Outstanding balances are unsecured and repayable in cash.

34. Share-based payments

a) Long Term Incentive ('LTI') Plan

The LTI plan was designed to provide longer term focus and alignment to business strategy through performance hurdles of Return on Equity ('ROE') and relative Total Shareholder Return ('TSR').

Grant quantum is derived by a percentage of fixed remuneration as determined by the Board. The dollar value is converted into the number of rights by dividing it by the Volume Weighted Average Price ('VWAP') of GrainCorp's shares over the 20 trading days after annual results are released. The vesting period is 3 years subject to meeting ROE and relative TSR performance hurdles. Full details of the LTI plan and link to performance can be found in the Remuneration Report.

The grant-date fair value of the rights granted through the LTI plan was measured based on a Monte-Carlo simulation for the TSR component and a binomial tree valuation methodology for the ROE component. The inputs used in the measurement of the fair values at grant date for grants made include the following:

Grant date	2 May 2014	17 December 2014	18 December 2015
Fair value at grant date (TSR)	$2.84	$3.42	$2.93
Fair value at grant date (ROE)	$8.17	$7.23	$7.48
Estimated vesting date	30 September 2016	30 September 2017	30 September 2018
Share price at grant date	$8.94	$7.90	$8.05
Volatility	20%	20%	20%
Risk free interest rate	2.72%	2.20%	2.05%
Dividend yield	3.5%	3.0%	2.5%

Set out below is a summary of the number of rights granted under the plan:

Grant date	Expiry date	Balance at start of year	Granted during year	Exercised during the year	Forfeited during year	Expired during year	Balance at end of year	Exercisable at end of year
2 May 2014	30 Sep 2016	131,206	-	-	(17,960)	(113,246)	-	-
17 Dec 2014	30 Sep 2017	298,633	-	-	(20,425)	-	278,208	-
18 Dec 2015	30 Sep 2018	-	377,628	-	(21,651)	-	355,977	-
		429,839	377,628	-	(60,036)	(113,246)	634,185	-

b) Deferred Equity Plan ('DEP')

Short term incentives awarded to Executives are not paid in full in the performance year. Rather a significant portion (50% for the Managing Director & CEO and at least 40% for other Executives) is deferred and paid subject to the Executive remaining with the Company for subsequent periods. This reflects the Board's desire to encourage retention and performance.

34. Share-based payments (continued)

For the Managing Director & CEO the 50% deferred component of STI is paid 12 months following the initial STI awards as rights. For the other Executives the deferred component is paid over two years as rights (ie 50% deferred component at the end of year one and 50% of deferred component at the end of year two).

Grant quantum under the DEP is a deferred proportion of the prior financial year's total short term incentive. The dollar value is converted into the number of rights by dividing it by VWAP of GrainCorp's shares over the 20 trading days after annual results are released. The vesting period is 50% at the end of one year and 50% at the end of two years.

Grant date	22 December 2015	22 December 2015
Fair value at grant date	$7.96	$7.77
Estimated vesting date	30 September 2016	30 September 2017
Share price at grant date	$8.11	$8.11
Dividend yield	2.5%	2.5%

Grant date	Expiry date	Balance at start of year	Granted during year	Exercised during the year	Forfeited during year	Expired during year	Balance at end of year	Exercisable at end of year
22 Dec 2015	30 Sep 2016 & 30 Sept 2017	-	351,688	(2,253)	(22,905)	-	326,530	163,265
		-	351,688	(2,253)	(22,905)	-	326,530	163,265

c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses in the income statement were as follows:

	2016 $ M	2015 $ M
Share-based payments expense	3.0	1.4

35. Events occurring after the reporting period

No matters or circumstances have arisen since 30 September 2016 which have significantly affected or may significantly affect:

a) the Group's operations in future financial years; or

b) the results of those operations in future financial years; or

c) the Group's state of affairs in future financial years.

Directors’ Declaration

In the Directors’ opinion:

a) the financial statements and notes set out on pages 42 to 105 are in accordance with the *Corporations Act 2001*, including:

   i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the consolidated entity’s financial position as at 30 September 2016 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 29 will be able to meet any obligation or liabilities to which they are, or may become, subject to by virtue of a deed of cross guarantee described in note 29.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

D C Taylor
Chairman

Sydney
16 November 2016

Independent auditor's report to the members of GrainCorp Limited

Report on the financial report

We have audited the accompanying financial report of GrainCorp Limited (the company), which comprises the consolidated statement of financial position as at 30 September 2016, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the GrainCorp Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1a, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Auditor's opinion
In our opinion:

(a) the financial report of the company is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1a.

Report on the Remuneration Report

We have audited the remuneration report included in pages 25 to 40 of the directors' report for the year ended 30 September 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion
In our opinion, the remuneration report of the company for the year ended 30 September 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
16 November 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 2000
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Shareholder Information

Holdings distribution as at 31 October 2016

Range	Securities	%	No. Of Holders	%
100,001 and Over	196,296,075	85.7	46	0.3
50,001 to 100,000	1,947,831	0.9	28	0.2
10,001 to 50,000	9,651,418	4.2	529	3.9
5,001 to 10,000	7,203,131	3.1	1,012	7.5
1,001 to 5,000	10,878,936	4.8	4,667	34.4
1 to 1,000	2,878,237	1.3	7,290	53.7
Total	**228,855,628**	**100.0**	**13,572**	**100.0**
Unmarketable Parcels	**9,091**	**0.00**	**728**	**5.4**

Twenty largest shareholders as at 31 October 2016

Rank	Name	Shares held	Issued Capital
1	ADM Australia Holdings II Pty Limited	45,420,054	19.9%
2	J P Morgan Nominees Australia Limited	37,888,803	16.6%
3	HSBC Custody Nominees (Australia) Limited	29,718,818	13.0%
4	Citicorp Nominees Pty Limited	22,896,510	10.0%
5	National Nominees Limited	15,472,060	6.8%
6	RBC Investor Services Australia Nominees Pty Limited	13,301,945	5.8%
7	BNP Paribas Noms Pty Ltd	11,197,546	4.9%
8	UBS Nominees Pty Ltd	4,142,108	1.8%
9	Citicorp Nominees Pty Limited	2,697,699	1.2%
10	RBC Investor Services Australia Nominees Pty Limited	1,727,507	0.8%
11	Jarjums Holdings Pty Limited	1,700,000	0.7%
12	RBC Investor Services Australia Nominees Pty Limited	1,415,017	0.6%
13	BNP Paribas Nominees Pty Ltd	1,354,565	0.6%
14	Mrs Ingrid Kaiser	1,133,976	0.5%
15	AMP Life Limited	842,689	0.4%
16	HSBC Custody Nominees (Australia) Limited- A/C 2	427,513	0.2%
17	Milton Corporation Limited	362,290	0.2%
18	Invia Custodian Pty Limited	306,139	0.1%
19	Warbont Nominees Pty Ltd	269,788	0.1%
20	BNP Paribas Nomiees Pty Ltd	269,000	0.1%
Total		**192,544,027**	**84.1%**
Balance of Register		**36,311,601**	**15.9%**
Grand Total		**228,855,628**	**100.0%**

Substantial shareholders

The following organisations disclosed a substantial shareholding notice in GrainCorp Limited by 9 November 2016:

Name	Notice Date	Shares held	Issued Capital
ADM Group Company	2 December 2013	45,420,054	19.9%
Perpetual Limited	12 July 2016	29,102,433	12.7%
Ellerston Capital	25 August 2016	22,485,912	9.8%
The Goldman Sachs Group, Inc	22 August 2016	15,619,996	6.8%
Dimensions Entities	22 July 2015	11,446,574	5.0%

Voting rights

On a show of hands, every member present in person or by proxy shall have one vote, and upon each poll, each share shall have one vote.

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Corporate Directory

Board of Directors

Don C Taylor
(Chairman)

Mark L Palmquist
(Managing Director & CEO)

Rebecca P Dee-Bradbury
(Non-executive Director)

Barbara J Gibson
(Non-executive Director)

Peter J Housden
(Non-executive Director)

Donald G McGauchie
(Non-executive Director)

Daniel J Mangelsdorf
(Non-executive Director)

Peter I Richards
(Non-executive Director)

Simon L Tregoning
(Non-executive Director)

Company Secretary

Gregory Greer

Murray Floyd

Registered Office
Level 28
175 Liverpool Street
Sydney NSW 2000
AUSTRALIA

Tel: + 61 2 9325 9100
Fax: + 61 2 9325 9180

Company website
www.graincorp.com.au

Share Registry
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

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GrainCorp