11 May 2017

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

GRAINCORP LIMITED: GNC

INVESTOR PRESENTATION

FINANCIAL HALF YEAR ENDED 31 MARCH 2017

Please find **attached** the Investor Presentation relating to the financial Half Year ended 31 March 2017.

GrainCorp is holding a briefing for investors and analysts commencing at 10:00am (Sydney time) to present the Half Year Results. The briefing will be webcast live and can be accessed from the following link: http://goo.gl/cirAxL. An archived version will also be available later in the day.

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

2017 Half Year Results

11 May 2017

GrainCorp

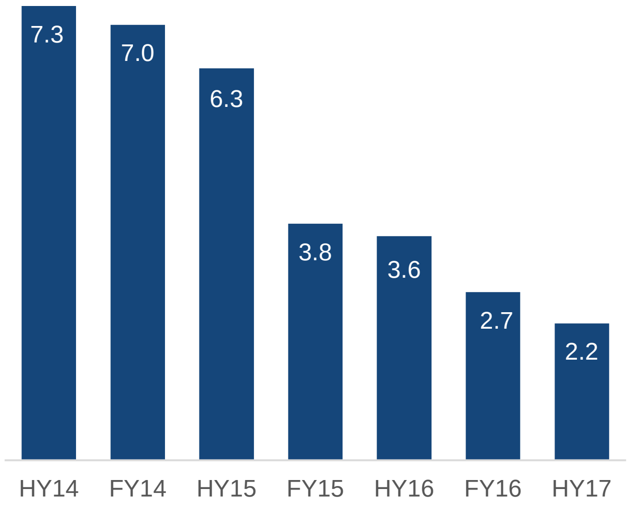
Disclaimer

This presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which GrainCorp operates, any applicable legal requirements, as well as matters such as general economic conditions.

While GrainCorp believes that the expectations reflected in the forward looking statements in this presentation are reasonable, neither GrainCorp nor its directors or any other person named in the presentation can assure you that such expectations will prove to be correct or that implied results will be achieved. These forward looking statements do not constitute any representation as to future performance and should not be relied upon as financial advice of any nature. Any forward looking statement contained in this document is qualified by this cautionary statement.

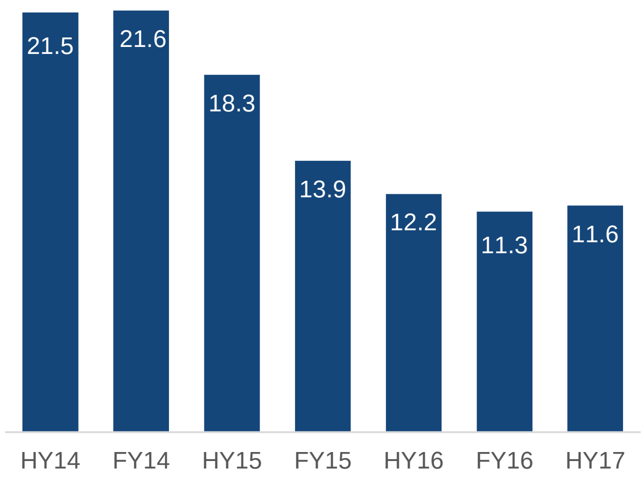
Commitment to safety is fundamental

LTIFR(1) performance



Rolling 12-month average LTIFR 39% lower than HY16

RIFR(2) performance



Rolling 12-month average RIFR 5% lower than HY16

1. Lost Time Injury Frequency Rate ('LTIFR') calculated as the number of lost time injuries per million hours worked, on a rolling 12-month average. Includes permanent and casual employees and GrainCorp controlled contractors.
2. Recordable Injury Frequency Rate ('RIFR') calculated as the number of injuries per million hours worked, on a rolling 12-month average. Includes permanent and casual employees and GrainCorp controlled contractors. Includes lost time injuries, medical injuries and restricted work injuries.

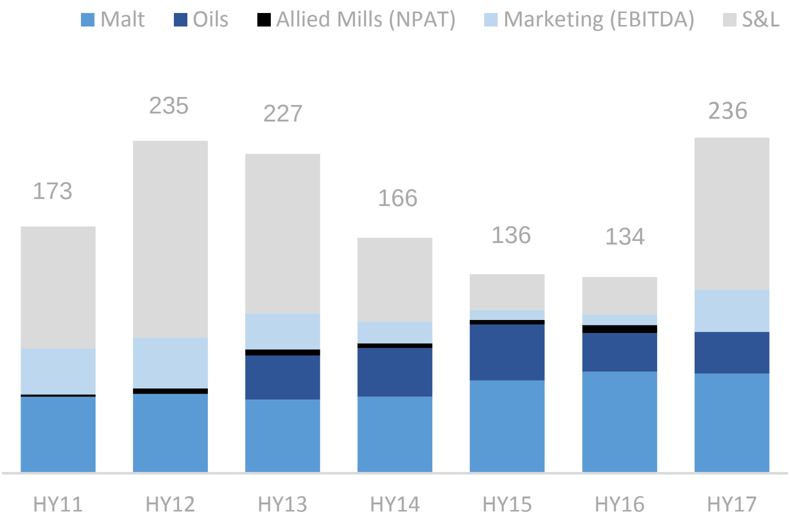
Strong performance driven by record harvest and large export volumes

- HY17 underlying earnings of $236M EBITDA[(1)] and $100M NPAT[(2)].
- HY17 Statutory NPAT of $90M[(3)].
- **Dividend:** fully franked HY17 interim dividend of 15 cents per share.
- **Overview:** A strong result benefiting from record Australian crop and ongoing strength in the Malt business. Capital investment program well advanced with projects starting to contribute to earnings.
- **FY17 guidance:** remains at $130-160M underlying NPAT and $385-425M underlying EBITDA.
- **Malt:** Continued operational efficiencies and improved sales mix offset by unfavourable foreign exchange impact.
- **Oils:** Improved crush margin and contribution from bulk liquid terminals; continued margin pressure in Foods with the business focused on improving production efficiency at West Footscray.
- **Storage & Logistics:** Earnings benefiting from large harvest, increased grain receivals and stronger bulk export volumes. S&L and the broader industry are contending with significant supply chain disruptions, due to an extended industrial dispute affecting our Victorian rail provider.
- **Marketing:** Performance benefiting from large export program and continued diversification of grain origination.

1. EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items.
2. Net profit after tax and before significant items.
3. Net Profit After Tax including significant items of $10.1M. See Appendix for further detail.

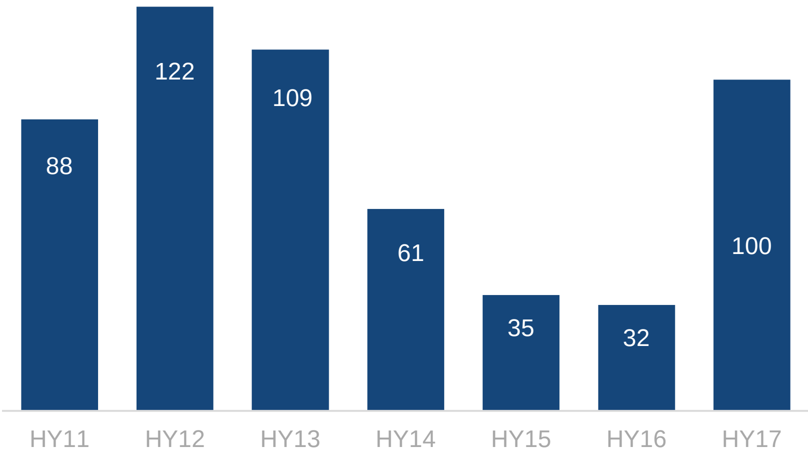
Earnings profile highlights benefits of portfolio and leverage to east coast grain production

UNDERLYING EBITDA[1,2] $M



1H	173	235	227	166	136	134	**236**
2H	177	179	168	127	99	122	

UNDERLYING NPAT[1] $M

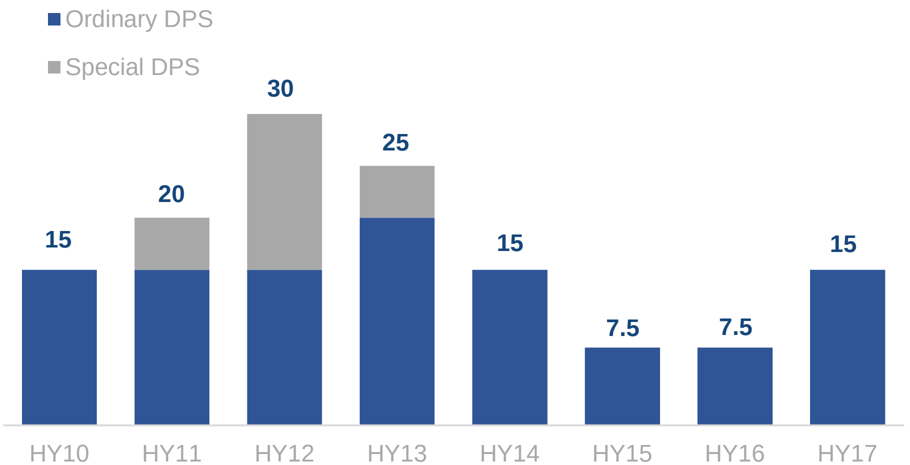


1H	88	122	109	61	35	32	**100**
2H	84	83	66	34	10	21	

1. Totals represent EBITDA and NPAT before significant items (inclusion of Oils from FY13).
2. Bar chart reflects business unit proportions of EBITDA (excludes corporate costs).

Increase in dividend reflects growth in earnings

DIVIDENDS PER SHARE (DPS)[1]



	HY10	HY11	HY12	HY13	HY14	HY15	HY16	HY17	8-yr avg[2]
Payout ratio[3]	55%	45%	49%	53%	56%	49%	53%	34%	**48%**

- **HY17 interim dividend**: fully franked interim dividend of 15 cents per share. Expecting a similar second half dividend, assuming no material change in market conditions.
- **Payout ratio**: 34% of NPAT[3]
- **Dividend policy:** Payout 40-60% of full year NPAT[3] through the business cycle
- Targeting to pay an ordinary dividend each year

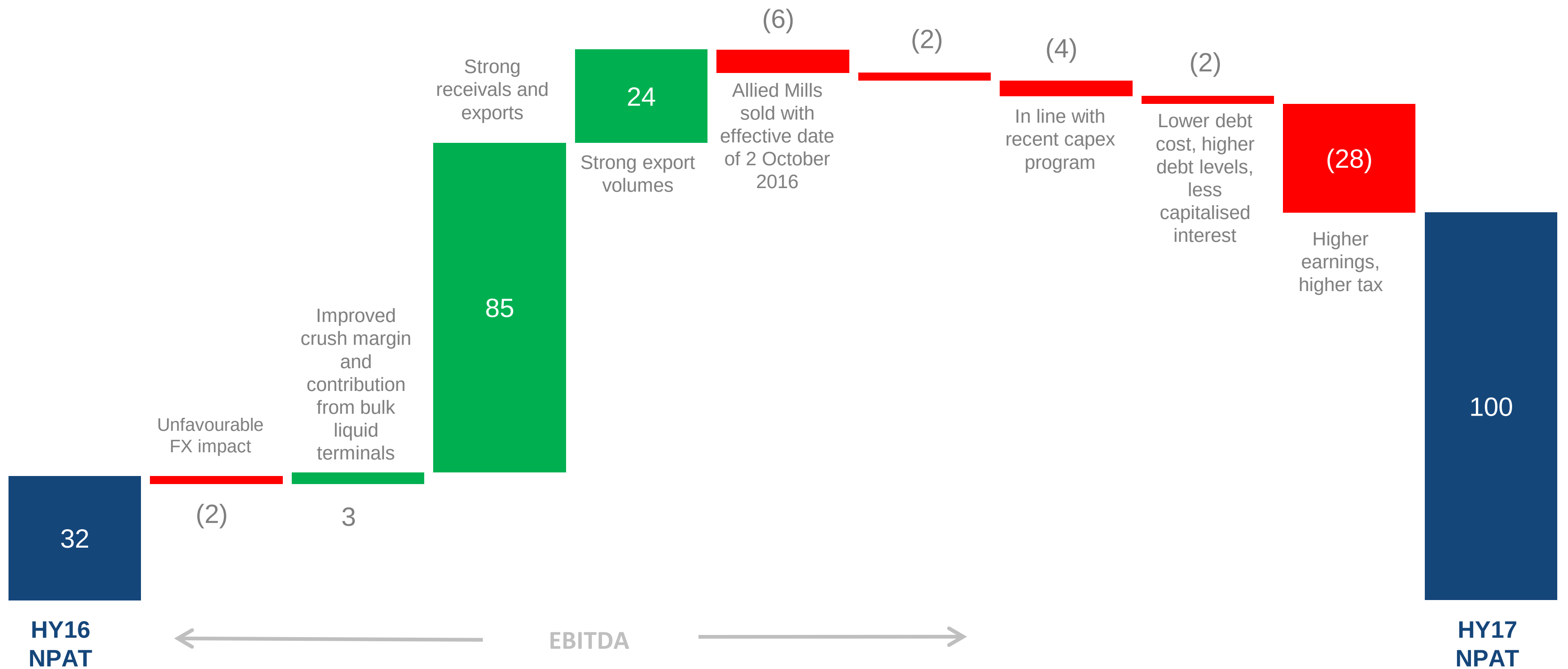
HY17 dividend dates

- Record: 3 July 2017
- Payment: 17 July 2017

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

Higher earnings generated by grains businesses

HY16 TO HY17 EARNINGS BRIDGE(1) $M



	Malt	Oils	Storage & Logistics	Marketing	Allied Mills (2)	Corporate	D&A	Net Interest	Tax	
HY17 ($M)	74	32	113	32	-	(15)	(73)	(21)	(42)	**100**
HY16 ($M)	76	29	28	8	6	(13)	(69)	(19)	(14)	**32**

1. Excludes significant items - see appendix for further information.
2. HY16 includes 60% share of Allied Mills' NPAT before significant items.

Segment performance

Financial summary

$M	Revenue		EBITDA[1]	
	HY17	HY16	HY17	HY16
Malt	538	593	74	76
Oils	459	440	32	29
Storage & Logistics	395	213	113	28
Marketing	1,320	976	32	8
Allied Mills[2]	-	-	-	6
Corporate costs	-	-	(15)	(13)
Eliminations and other	(256)	(152)	-	-
Total	**2,456**	**2,070**	**236**	**134**

1. Before significant items – see appendix for further detail.
2. Sold effective date 2 October 2016. Represents Allied Mills' 60% share of NPAT.

Malt – ongoing strong performance

$M	HY17	HY16
Revenue	538	593
EBITDA	74	76
EBIT	49	50
Capital Expenditure	45	29

- Malt sales volumes consistent other than slight reduction from sale of malt plants - high capacity utilisation, above 90%
- Strong demand for specialty products; US Craft volume growth of 6% in 2016[1]
- Continued operational efficiencies from strategic initiatives; benefiting from expansion of warehousing and distribution network
- Unfavourable foreign exchange impact from higher AUD (to USD) and lower GBP
- Sale of malt plant in Clingen, Germany (capacity 15,000mt[2]) in second quarter of FY17
- Expansion of malt plant in Pocatello, Idaho (100,000mt to 220,000mt) on track for completion mid-calendar year 2017

1. Brewers Association – March 2017.
2. mt = metric tonnes.

Oils – challenging year, modest improvement

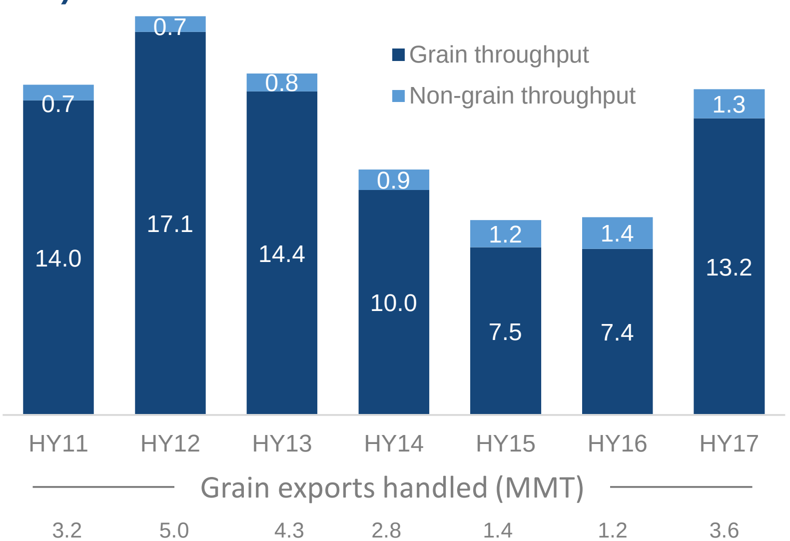
$M	HY17	HY16
Revenue	459	440
EBITDA	32	29
EBIT	15	14
Capital Expenditure	19	39

- **Oilseeds:** sales volumes consistent year on year
- Improved oilseeds earnings due to increased canola supply driving lower procurement costs and stronger demand for meal
- **Foods**: volumes stable
- Continued margin pressure in Foods, with the business focused on improving production efficiency at West Footscray
- Some stabilisation in New Zealand dairy sector
- **Liquid Terminals**: performance benefiting from new tanks, capacity utilisation 94% (HY16: 91%)

Storage & Logistics – large harvest, increased receivals and exports

$M	HY17	HY16
Revenue	395	213
EBITDA	113	28
EBIT	85	2
Capital Expenditure	38	30

THROUGHPUT (GRAIN + NON-GRAIN)[1] (MMT)



- Large east coast harvest providing increased grain receivals and stronger bulk grain export volumes
- ~160 silos operated during harvest - average receivals per site ~70,000mt (2016: ~180 sites, ~40,000mt)
- Export task deferred into second half as country outloads impacted by weather events and ongoing extended industrial dispute by S&L's rail provider in Victoria
- Continued growth of on-farm storage

Volume drivers:

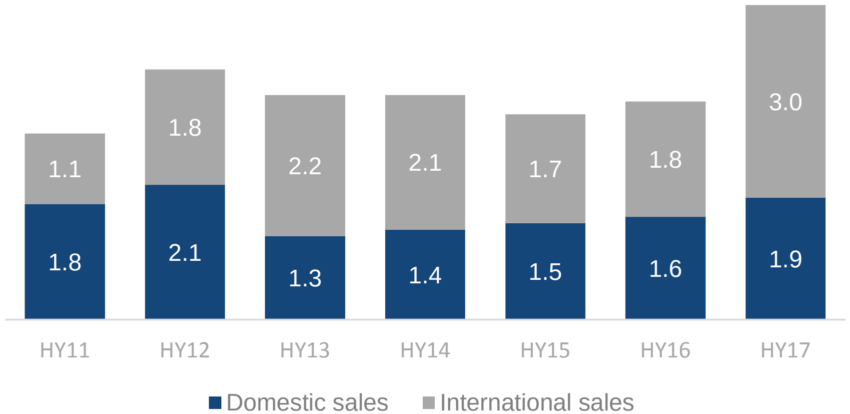
- Low carry-in of 1.7 mmt (HY16: 1.6 mmt)
- Total grain receivals of 13.3 mmt YTD[2] (including direct-to-port receivals and 0.1 mmt summer crop) (HY16: 8.0mmt)
- Exports (YTD): grain (bulk and containers) 3.6 mmt (HY16: 1.2 mmt); non-grain handled 1.3 mmt (HY16: 1.4 mmt)
- Grain throughput (YTD): 13.2 mmt (HY16: 7.4 mmt)

1. Represents the throughput volumes handled by S&L including the average of country sites and handled at Port (grain and non-grain).
2. 'Year to date' (YTD) - all grains received up-country plus grain received at port (ex-farm and from other bulk handlers) year-to-date, at 31 March 2017.

Marketing – benefiting from record Australian crop and increased export activity

$M	HY17	HY16
Revenue	1,320	976
EBITDA	32	8
Interest expense[1]	(6)	(6)
PBTDA[1]	26	2
Marketing inventory[2]	450	437
Capital expenditure	11	3

MARKETING VOLUMES (MMT)[3]



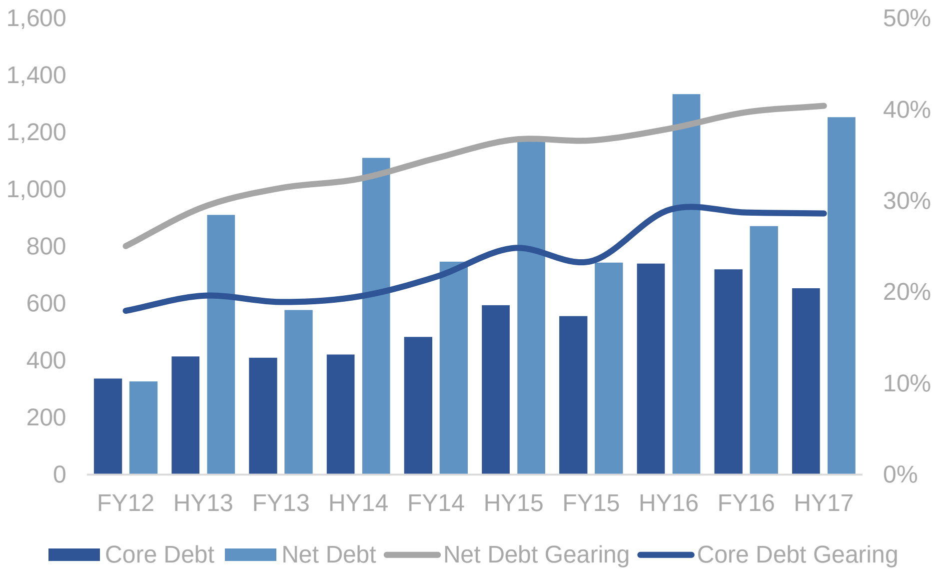
- Strong performance driven by large export program
- Continued diversification of grain origination, with successful execution out of South Australia, Western Australia, Europe, Canada and the Black Sea
- Alternative origination sources continued to compete strongly with Australian grain due to abundant global supply and low ocean freight rates
- GrainsConnect Canada, a 50-50 JV with Zen-Noh, continued to make good progress. Two high-speed rail loading facilities under construction (out of total of four) and the third, in Vegreville, Alberta, announced during the half year
- 4.9 mmt sales delivered[3] (1.9 mmt domestic, 3.0 mmt export and international) (HY16: 3.4 mmt)
- Marketing inventory of $450M[2]

1. Interest expense treated as part of cost of goods sold. Marketing's performance measured as PBTDA.
2. Marketing's grain inventory predominantly funded via separate short-term debt facilities. See slide 17 for further details.
3. Delivered tonnes including bulk and container sales, Pools and UK's Saxon Agriculture.

Balance sheet and capex

Increase in gearing in line with capital expenditure and seasonal turnover

CORE DEBT[1] AND NET DEBT[2]

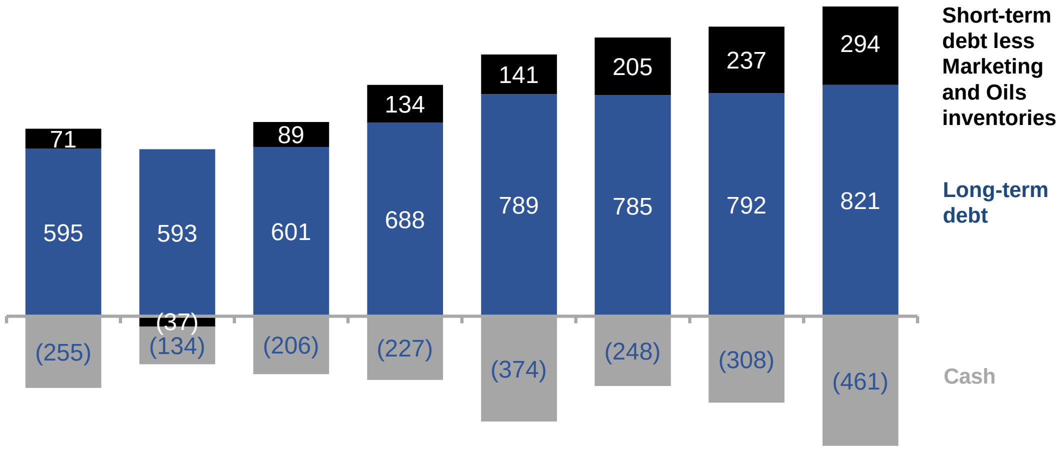


- Core debt $654M[3] and net debt $1,254M[3], with the half year representing seasonal turnover
- Core debt gearing[4] at ~29% (or 24% excluding barley inventory) and net debt gearing[5] at ~40% (rolling quarterly average)
- Net Debt Gearing peaked during 1H17 – remaining below target of 45%
- Range of maturities on term debt from November 2019 to April 2022, with average term debt of 3.5 years
- Barley inventory facility for Malt - $143M included in Core Debt[3]

1. Core Debt = Total Debt less Cash less Marketing, Oils grain and oilseed inventory.
2. Net Debt is Total Debt less Cash.
3. At 31 March 2017.
4. Core Debt Gearing = Core Debt / (Core Debt + Equity).
5. Net Debt Gearing = Net Debt / (Net Debt + Net Assets) as quarterly rolling average.

Strong and flexible balance sheet

CORE DEBT[1] $M



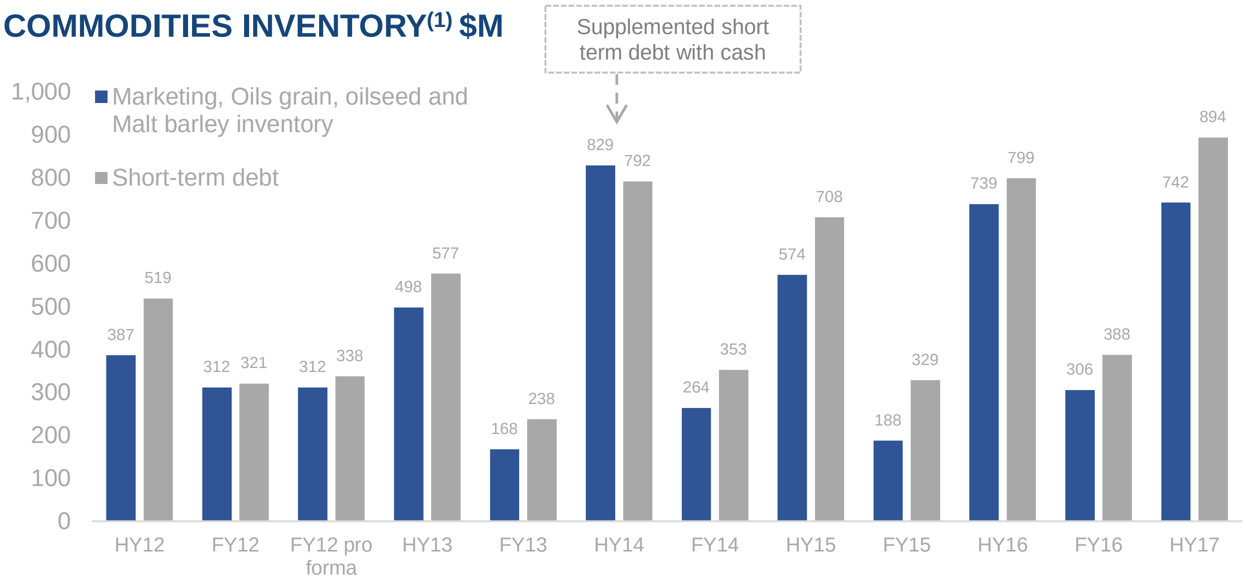
FY13	HY14[3]	FY14	HY15[3]	FY15	HY16[3]	FY16	HY17[3]	
411	**422**	**483**	**595**	**556**	**741**	**721**	**654**	**Core Debt[1]**
19%	19%	22%	25%	23%	29%	29%	29%	Core Gearing[2]
1.05x	1.24x	1.55x	2.04x	2.45x	2.79x	2.86x	1.92x	Core Debt[4] / EBITDA[3]

- Core debt stabilised as expected and in line with strategic initiatives and portfolio optimisation
- Debt facilities matching asset life over a range of maturity dates
- Average tenure of term debt is 3.5 years (range 2.5 to 5.0 years and with next renewal in November 2019)
- Barley inventory facilities for Malt - $143M included in Core Debt (HY17)

1. Core Debt = Total Debt less Cash less Marketing, Oils grain and oilseed inventory.
2. Core Gearing = Core Debt / (Core Debt + Equity).
3. HY EBITDA based on underlying EBITDA for 'last twelve months' ('LTM') ending 31-Mar.
4. Represents the six-monthly rolling average of Core Debt.

Commodities inventory funded with specific commodity inventory facilities

COMMODITIES INVENTORY[1] $M



Marketing, Oilseed and Malt barley funding strategy

- Marketing's grain trading activities, Oils' oilseed and tallow positions and malting barley are predominantly funded with specific short term commodity inventory debt facilities:
  - Match debt with asset life
  - Fluctuates with seasonal grain purchases and underlying soft commodity prices

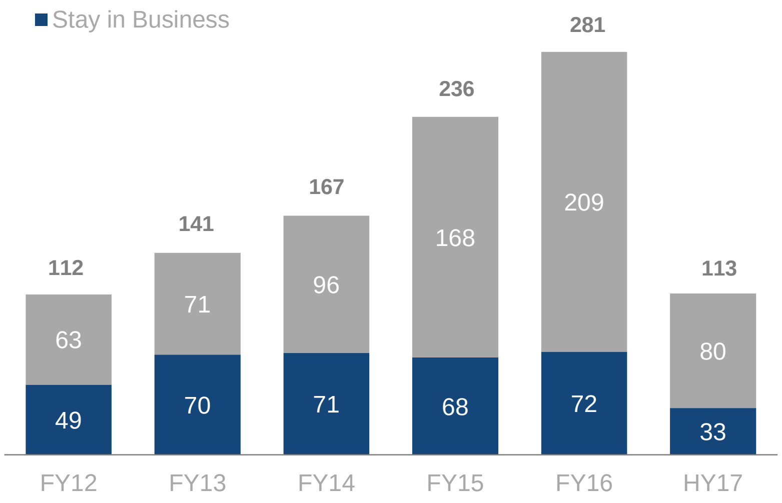
Treatment

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

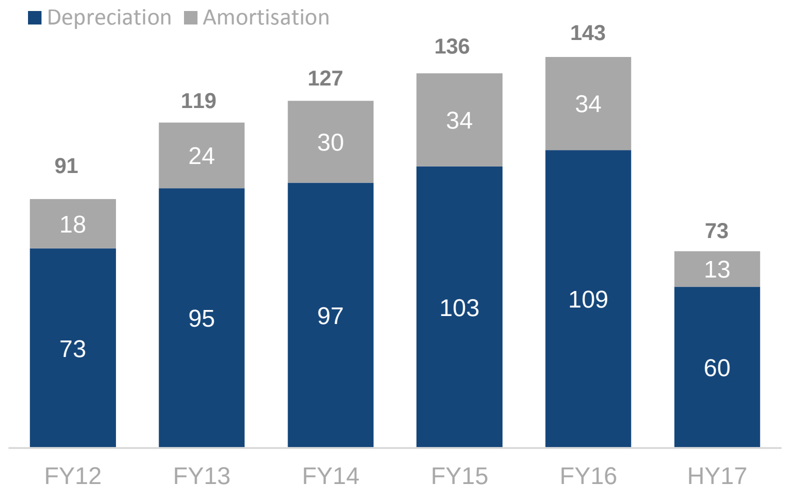
1. Commodities inventory in FY12 - FY15 includes Marketing and Oils inventory (Oils inventory from 2013). Malt barley facilities were established in 1H16 and are included in FY16-17 inventory.

Capex investment reducing from FY16 peak

CAPEX[1] $M



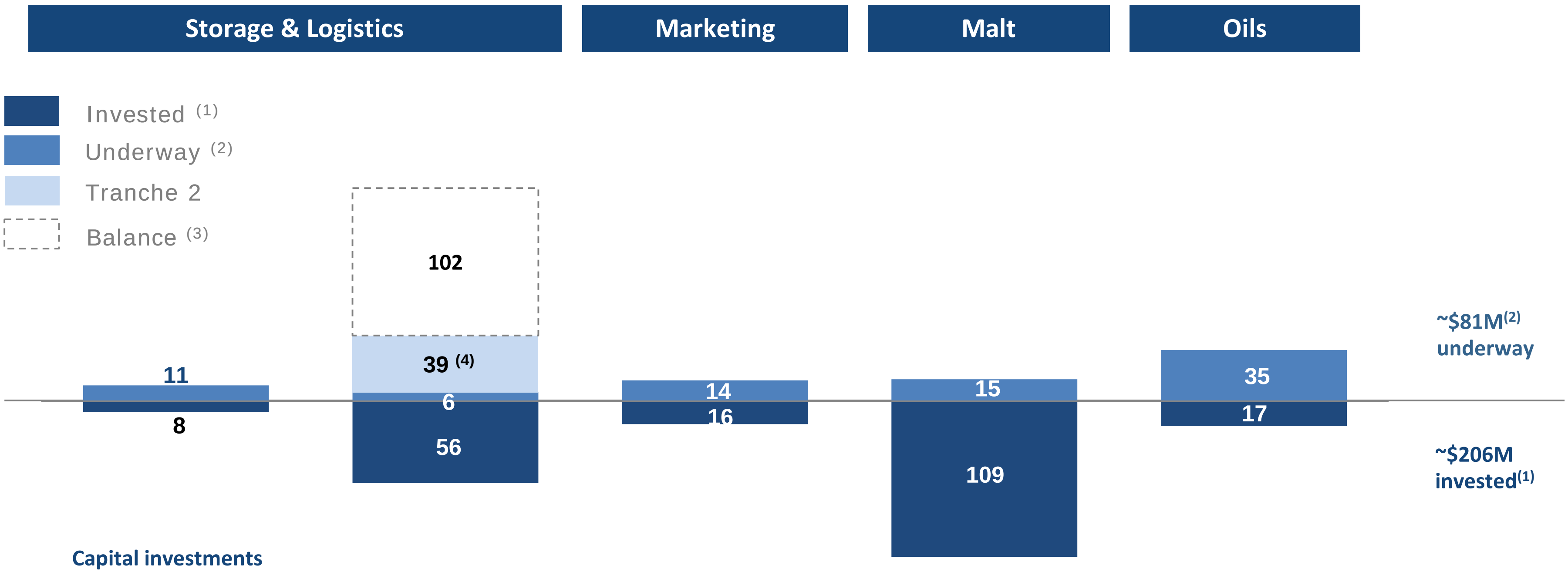
DEPRECIATION & AMORTISATION $M



- FY16 was the year where growth capex program peaked
- Free cash flow after growth capex[2] of $125M generated in HY17 – includes sale of Allied Mills and Clingen malt plant as part of portfolio optimisation
- FY17: committed growth capex ~$110-140M and stay-in-business capex ~$60-80M
- Depreciation & Amortisation higher due to recent capex program

1. Excluding acquisitions.
2. Free cash flow after growth capex = operating cash flow + investing cash flow.

Capital investment – major projects underway



Capital investments

S&L
- Container packing

S&L
- Project Regeneration

Marketing
- GrainsConnect Canada

Malt
- Pocatello, Idaho expansion
- Operational excellence

Oils
- Numurkah crushing expansion

- **Hurdle rate of >12% IRR[5]**
- **Excludes projects already commissioned**

1. Growth capex in progress (excludes commissioned projects).
2. Growth capex projects announced and underway.
3. Growth capex announced but projects not yet underway.
4. Evaluation of Tranche 2.
5. Ungeared, after tax.

FY17 Outlook

Malt outlook – continued strong demand and high utilisation

GrainCorp

	Market fundamentals	GrainCorp FY17 outlook
Malt	• Global barley crop production ~147.0mmt[1] (FY16: 148.7mmt) • Beer demand in mature markets continues to soften; slower growth in developing markets • Continued growth in North American craft beer segment but at slower rate than past five years • Global shift in beer production from large brewers to smaller brewers • Distilling demand steady	• Volumes consistent with previous year • Continued strong demand for specialty products • Expansion project at Pocatello, Idaho, from 100,000mt to 220,000mt, progressing well. Commissioning scheduled for Q3, operational in Q4. • In process of selling German malt assets

1. United States Department of Agriculture (USDA) - April 2017.

Oils outlook – volumes stable, focus on production efficiency

	Market fundamentals	GrainCorp FY17 outlook
Oils	• Australian canola crop production estimate of 4.2mmt[1] (FY16: 2.9mmt) – favourable for crush margins • Competitive crushing and refining marketplace • Steady demand for bulk liquid storage • Early signs of stabilisation in infant formula sector as brand rationalisation continues	• Sales volumes stable • Continued margin pressure in Foods • Foods focused on improving production efficiency at West Footscray • High capacity utilisation for crushing operations and bulk liquid terminals

1. Australian canola production estimate, using the average of the Australian Crop Forecasters' April 2017 report and ABARES' February 2017 Report.

Grains outlook: above-average harvest and strong FY17 export program

Storage & Logistics (S&L)	• Record Eastern Australian crop production estimate of 28.2mmt[(1)] for FY17 (FY16: 18.6mmt) • 2017 sorghum crop estimate of 1.2mmt[(2)] - impacted by poor seasonal conditions (FY16: 1.9mmt) • Strong export program • Higher grain stocks on farm with low grain prices; GrainCorp recently launched **FarmDirect,** a post-harvest delivery service for growers • Additional trains and trucks to support large export program (short-term) – challenged by ongoing industrial disputes by S&L's rail provider in Victoria
Marketing	• Global grain production has increased year on year with most major exporters increasing inventories • Freight costs remain low – minimal freight advantage for Australia • Strong Australian production has improved opportunities and increased competitiveness with higher exportable surplus from Australia

1. Eastern Australia's wheat, barley, canola, chickpeas and sorghum production estimates, using the average of the Australian Crop Forecasters' April 2017 Report (27.6mmt) and ABARES' February 2017 Report (28.8mmt).
2. Eastern Australia's sorghum production estimate, using the average of the Australian Crop Forecasters' April 2017 Report and ABARES' February 2017 Report.

FY17 Earnings Guidance

GrainCorp

	EBITDA	NPAT
Guidance	• **Underlying EBITDA** (before significant items): $385M – $425M	• **Underlying NPAT** (before significant items): $130M – $160M
Assumptions / Variables	**Variables** • 2H17 volumes: direct to port receivals; port elevations • Ongoing impact of industrial dispute affecting Victorian rail provider and impacting grain export program, additional freight bookings • Global crush margins impact on edible oils margins • New season opportunities for Marketing in Q4 • Level of AUD vs USD, CAD and GBP FX • Barley and oilseed procurement	• Depreciation & Amortisation: ~$150M • Tax: ~30%

Appendix

Significant items

$M	Segment	EBITDA	D&A	Net Interest	Tax	NPAT	Details
Underlying		**235.9**	**(72.5)**	**(21.5)**	**(41.8)**	**100.1**	
Restructuring costs	Oils	(3.4)			1.0	(2.4)	Oils network optimisation: decommissioning and product transition costs.
Impairment and gain on sale of assets	Malt, Corporate	(9.2)			1.5	(7.7)	Portfolio optimisation: sale of assets in Malt Germany and Corporate (Allied Mills) and an impairment following the devaluation of currency in an investment in other entities.
Total Significant Items		**(12.6)**			**2.5**	**(10.1)**	
Statutory		**223.3**	**(72.5)**	**(21.5)**	**(39.3)**	**90.0**	

GrainCorp