

Annual General Meeting – FY17

15 February 2018

GrainCorp
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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.

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Agenda

1. **Chairman's Address** (Mr Graham Bradley AM)
2. **CEO's Presentation** (Mr Mark Palmquist)
3. **Business of the Annual General Meeting** (Mr Graham Bradley AM)
    - Resolutions
    - Shareholder Questions
    - Poll Voting
4. **Meeting Closed** (Mr Graham Bradley AM)

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Chairman’s Address

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CEO Presentation

Mark Palmquist

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FY17 Summary

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FY17: Strong year, driven by large Australian crop

$M		FY17	FY16
Underlying EBITDA[1]	▲	390	256
Underlying NPAT[2]	▲	142	53
Statutory NPAT[3]	▲	125	31
Dividend (cents per share) - 100% franked	▲	30cps	11cps

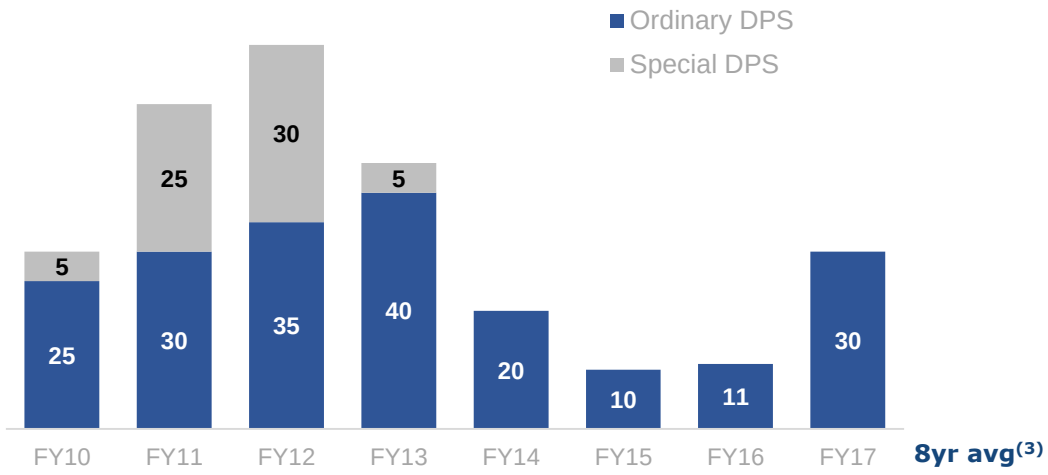
- **Malt:** Solid demand in craft beer and distilling; high utilisation.
- **Oils:** Good performance from Bulk Liquid Terminals. Disappointing Foods result - accelerated cost reduction program underway.
- **Storage & Logistics:** Large harvest, substantial increase in receivals and exports. Continued to progress network optimisation and enhance customer offerings.
- **Marketing:** Large increase in volumes and margins; continued to diversify 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 and after significant items.

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Increase in dividends reflects growth in earnings

DIVIDENDS PER SHARE (DPS)[1]



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	8yr avg[3]
Payout ratio[2]	74%	64%	68%	59%	48%	51%	48%	48%	**59%**

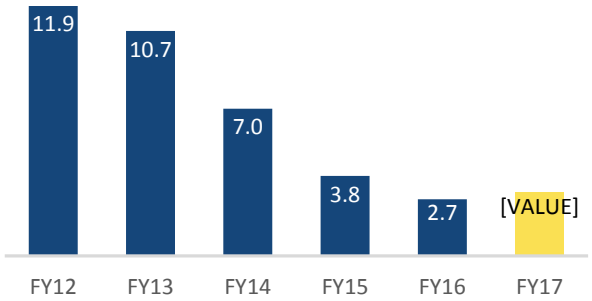
- **FY17 total dividends:** total FY17 dividends of 30 cents per share
- **Payout ratio:** 48% of NPAT[2]
- **Dividend policy:** Payout 40-60% NPAT[2] through the business cycle, and targeting to pay an ordinary dividend each year

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

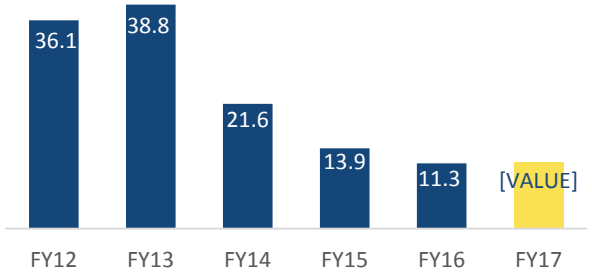
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Commitment to safety is fundamental

LOST TIME INJURY FREQUENCY RATE(1)



RECORDABLE INJURY FREQUENCY RATE(2)



LTIFR and RIFR increased marginally in FY17, emphasising the need for continued, strong focus to drive sustained performance improvements.

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.
2. Recordable Injury Frequency Rate (“RIFR”) is calculated as the number of injuries per million hours worked. Includes lost time injuries, medical injuries and restricted work injuries. Includes permanent and casual employees and GrainCorp controlled contractors.

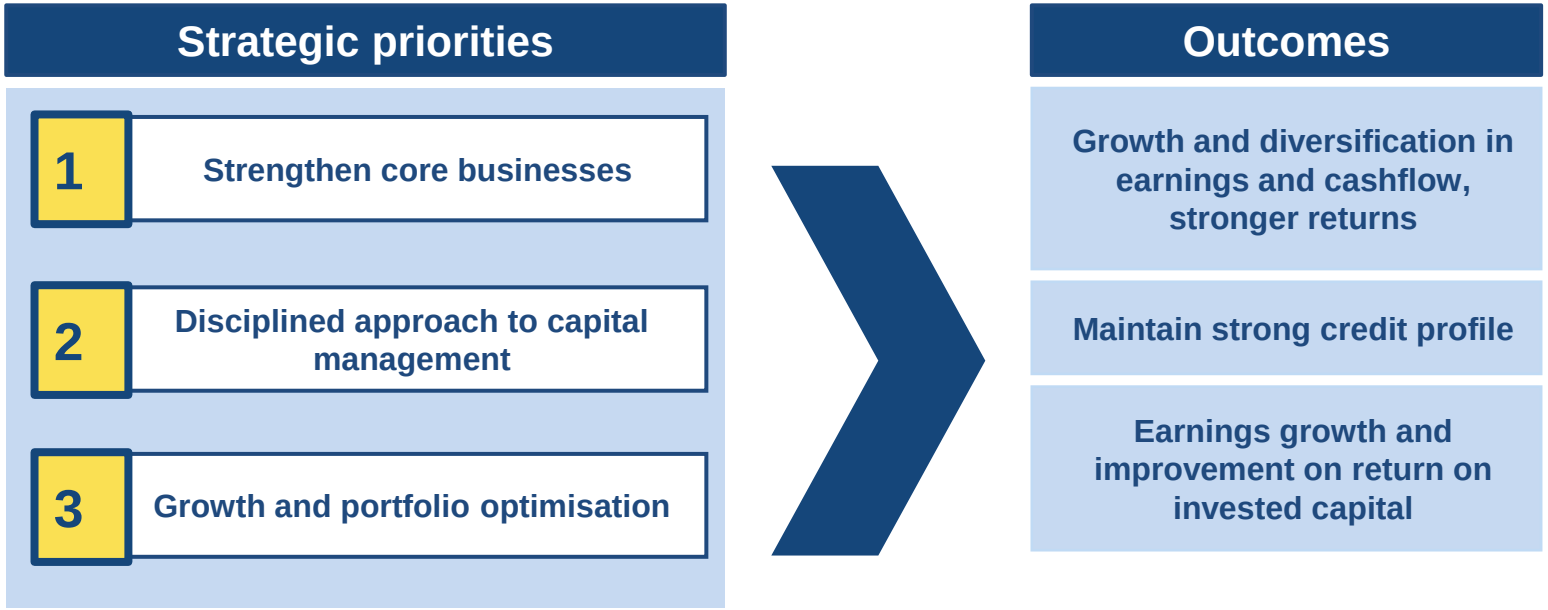
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Strategic Priorities

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Strategic priorities



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Strengthen core businesses









Grains	Oils			Malt
• Integration to form Grains unit • Re-shaping country network ('Regen') • GrainsConnect Canada (GCC), 50-50 JV • Expanding origination footprint	Bulk liquid storage capacity expansion	Foods repositioning – undertaking accelerated cost reduction program	Crush capacity expansion – Numurkah, VIC	Malt capacity expansion and upgrade – Pocatello, Idaho
Timing				
• Integration during FY18 • FY17-18 in line with govt. support (Regen) • FY18-19 (GCC first trains)	Completed FY16	FY18, first phase in 1st half	Q4 FY18	Expansion completed Q4 FY17; upgrade completed Q1 FY18

Improved ROE through the cycle

Diversification of earnings and cash flow

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GrainCorp Grains: combining storage, logistics and marketing

- Creation of a single Grains unit, combining Storage & Logistics and Marketing to form **GrainCorp Grains** in August 2017
- Streamlining the Grains operations will:
    - improve GrainCorp's grower customer performance
    - enable GrainCorp to be more responsive at the farmgate
    - improve GrainCorp's/eastern Australia's competitiveness against global competition
- Revenue enhancement and cost reduction opportunities:
    - growth in share of ex-farm grain origination
    - growth in share of domestic market
    - cost reduction on track through restructuring / continuous improvement
- Continuing to diversify grain origination: Australia, Canada (GrainsConnect Canada), Europe, UK and Black Sea



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GrainCorp Foods restructure

- GrainCorp Foods has experienced ongoing margin compression and protracted process to capture efficiency improvements at West Footscray
- GrainCorp Oils is repositioning the Foods business:
    - combining Foods and Oilseeds businesses to simplify structure
    - accelerating cost reduction
    - driving operational efficiency improvement program
    - refocusing customer and support structure
- Cost reduction on track through restructuring / continuous improvement



Food packing at West Footscray, Victoria

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GrainCorp Malt: growing capacity; growth in craft beer sector

Pocatello, Idaho expansion and upgrade:

- Increased malt production capacity in Pocatello, Idaho by 120kmt
- Total plant capacity 220kmt after expansion
- Supported by significant offtake agreement
- Completed expansion in Q4 FY17; completed upgrade of existing plant in Q1 FY18

Growth in craft beer sector:

- Expanded craft distribution network – 11 warehouses in North America
- Acquired Cryer Malt in September 2017 – the largest distributor of craft brewing ingredients in Australia and New Zealand

Growth in distilling:

- Single malt whisky
- Craft distillers

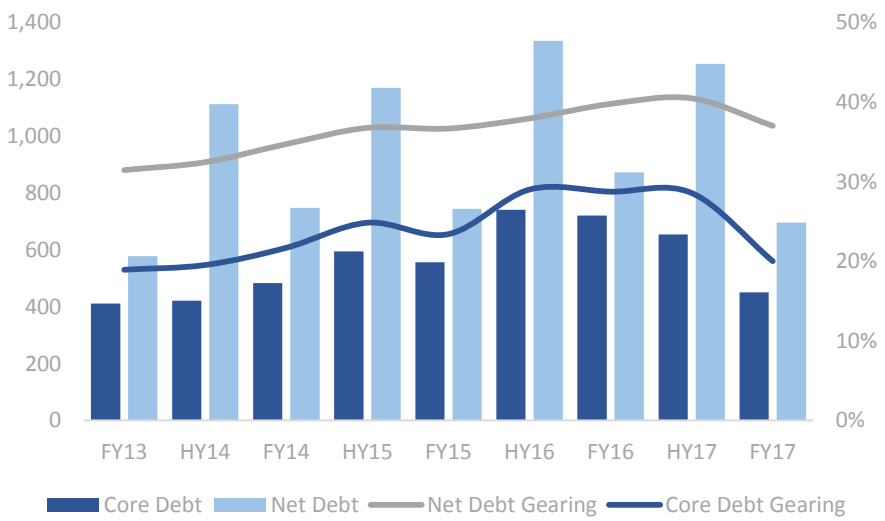


Malt plant in Pocatello, Idaho

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Disciplined approach to capital management

CORE DEBT[1] AND NET DEBT[2]



- Balance sheet continues to strengthen as capital investment program winds down and with portfolio optimisation
- Reduction in gearing driven by increased cash flow, reduced capex and sale of Allied Mills
  - Core debt gearing[3] ~20%
  - Net debt gearing[4] ~37%
- Core debt / EBITDA[5] of 1.4x (Sep 2016: 2.9x)
- Average term debt of 3.0 years[6]
- Balance sheet flexibility to pursue growth options

1. Core debt = total debt less cash less commodities inventory (Marketing, Oils).
2. Net debt = total debt less cash.
3. Core debt gearing = core debt / (core debt + equity).
4. Net debt gearing = net debt / (net debt + equity) as quarterly rolling average.
5. Represents the six monthly rolling average of core debt
6. At 30 September 2017.

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Portfolio optimisation

- Improving return on invested capital remains a key focus
- Sale of Allied Mills completed 31 March 2017:
  - GrainCorp 60% share of equity value: $190 million(1)
  - Equates to Allied Mills enterprise value: $455 million(2)
- Sale of three German malt plants during FY17
- Continue diversification with focus on core capabilities

1. Pre tax and transaction costs
2. Based on an FY16 average level of working capital and grain inventory / prices

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Outlook

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Processing outlook

	Market fundamentals	GrainCorp FY18 outlook
Malt	• Global barley crop production ~142mmt[1] (FY17: 146mmt) • Growing US craft beer market; 6% growth in sales volumes in CY2016[2] (US$24 billion of sales) • Global shift in beer production from large brewers to smaller brewers • Distilling demand growing • Increased energy costs in Australia	• High capacity utilisation • Strong demand for specialty products • Continue to benefit from efficient distribution network • Contribution from Pocatello expansion (additional 120,000mt) and upgrade of existing plant

Oils	• Australian canola crop production estimate of ~3.7mmt[3], (FY17: 4.3mmt), pressure on oilseed crush margins
	• Continued steady demand for bulk liquid storage
	• Increased energy costs in Australia
	• Increased demand for specialty oils for ANZ infant formula products
	• Ongoing shift in consumer preferences to dairy blends
		• Pressure on oilseed crush margins due to reduced canola supply
		• High capacity utilisation of bulk liquid terminals
		• Continued margin pressure in Foods. GrainCorp responding by:
		  - Combining Foods and Oilseeds businesses to simplify structure
		  - Implementing accelerated cost reduction program
		• Growth in dairy blends

1. Source: United States Department of Agriculture '*World Agricultural Production*' – February 2018.
2. Relating to CY 2016 - Brewers Association, sourced February 2018.
3. Average of ACF's February 2018 report and ABARES' February 2018 report.

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Grains outlook

	Market fundamentals	GrainCorp FY18 outlook
Grains	• Total east coast Australian winter crop production of 15.1mmt[1] (FY17: 27.2mmt[1]) • FY18 summer crop estimates approximately 1.5mmt[3] • Low exportable surplus on east coast Australia (ECA), with production skewed to Victoria and southern NSW • Domestic demand taking priority as local consumers secure supply. Domestic grain flows are being drawn north as supplies are under pressure across northern New South Wales and Queensland • High global grain supply keeping international prices depressed and impacting Australia's export competitiveness • Continued growth in on-farm storage capacity	• Year to date total grain receivals of 5.8mmt[2]. Small summer crop expected. • Year to date grain exports of 1.0mmt – full year exports expected to be 60-75% below FY17 • Managing the take-or-pay rail commitment in a low volume year • Flexing the network with less sites open this season • Continue to diversify grain origination, with throughput via GrainsConnect Canada (first trains operating from initial two sites) • Capturing benefits from formation of Grains business unit on track

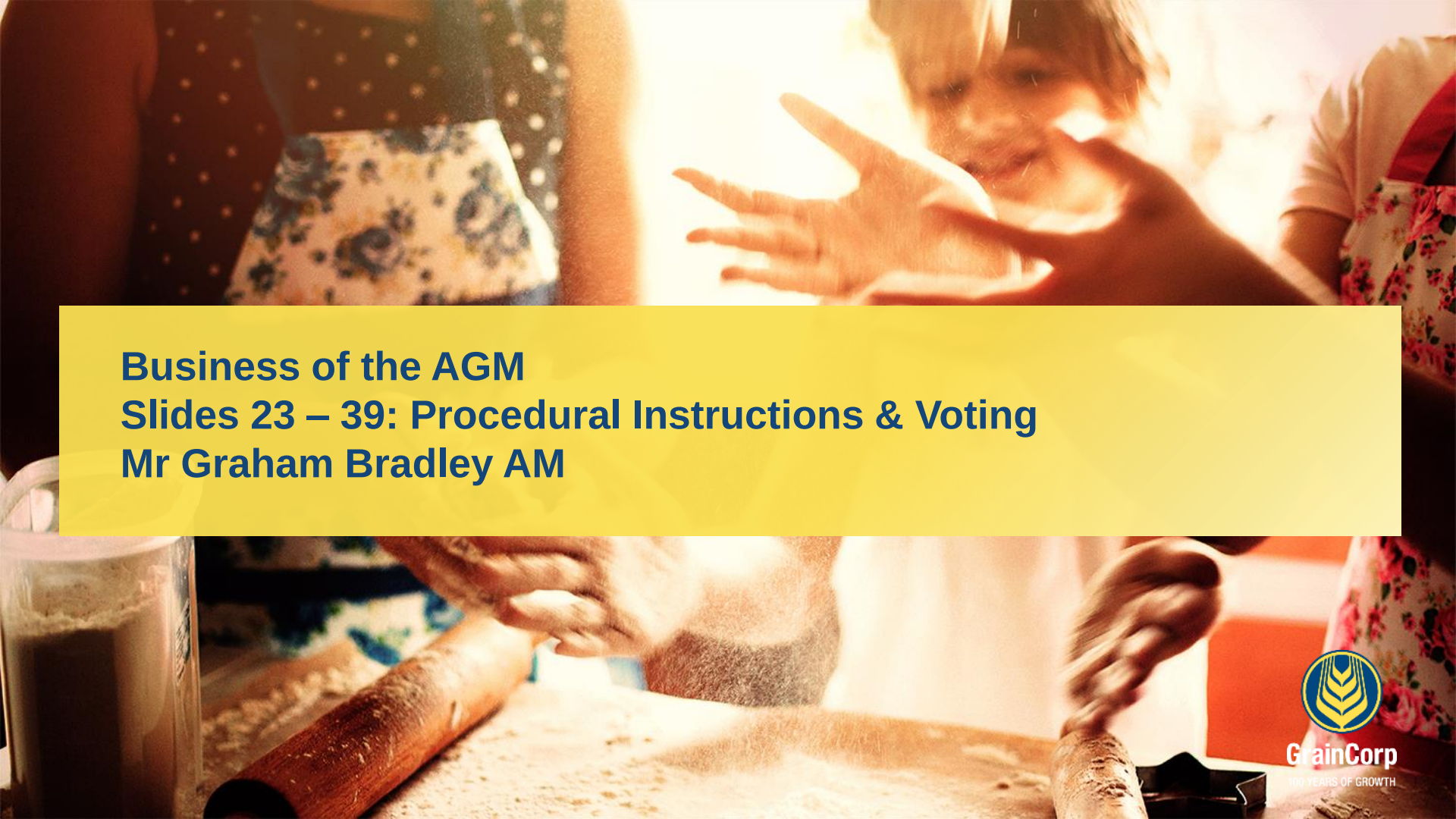
1. Eastern Australian wheat, barley, canola and chickpea production estimate, using average of ABARES' February 2018 forecast of 14.9mmt and ACF's February 2018 forecast of 15.2mmt.
2. Tonnes received up country and direct to port from 1 October 2017
3. Eastern Australian sorghum production estimate, using average of ABARES' and ACF's February 2018 reports.

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FY18 Earnings Guidance

	EBITDA	NPAT
Guidance	• Underlying EBITDA (before significant items): $240 – 265 million	• Underlying NPAT (before significant items): $50 – 70 million. • This includes the ongoing tax benefit from the recent change in US corporate tax rate, with an $18 million tax benefit in FY18
Assumptions/variables	**Variables** • 2H18 volumes: sorghum receivals; direct-to-port receivals; port elevations; carry-over grain • Impact of timing of grain export program and additional freight bookings • Global crush margins impact on edible oils margins • New season opportunities for grain trading in Q4 • Level of AUD vs USD, CAD and GBP FX • Barley and oilseed procurement	• Depreciation & Amortisation: ~$150 million • GrainCorp's effective tax rate, on a recurring basis, will benefit from the change in US tax rate

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Business of the AGM
Slides 23 – 39: Procedural Instructions & Voting
Mr Graham Bradley AM

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Business of the AGM

For Consideration

Item 1: Consideration of Financial Statements and Reports

Ordinary Resolutions

Item 2: Adoption of the Remuneration Report

Item 3: Election of Directors

3.1 Election of Mr Graham Bradley AM

3.2 Re-election of Ms Rebecca Dee-Bradbury

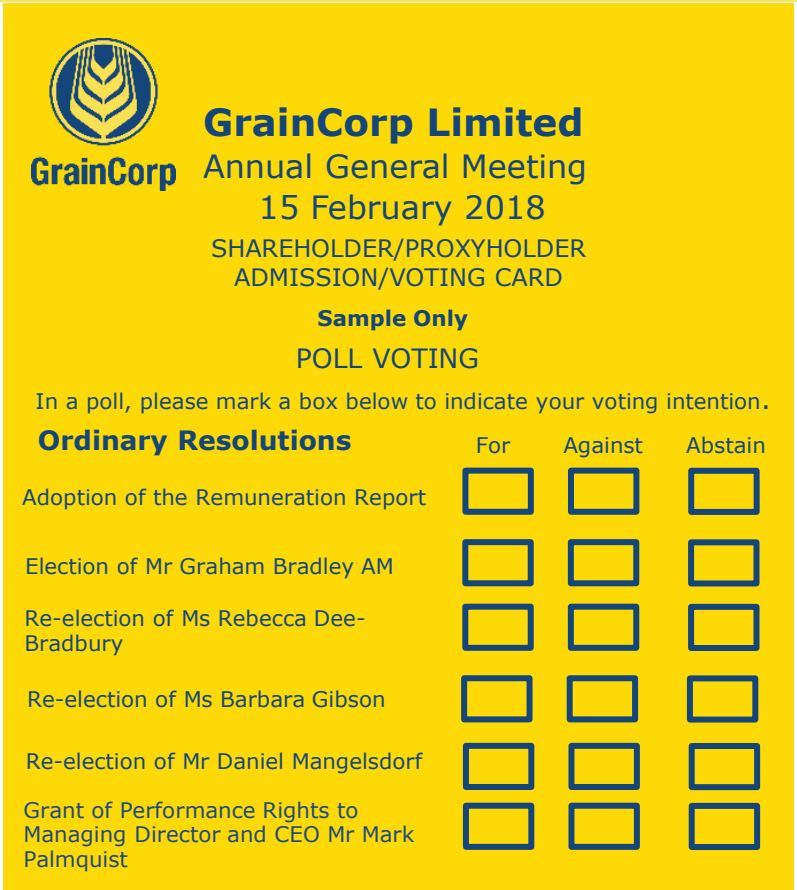
3.3 Re-election of Ms Barbara Gibson

3.4 Re-election of Mr Daniel Mangelsdorf

Item 4: Grant of Performance Rights to Managing Director and CEO Mr Mark Palmquist

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Voting Cards & Visitors







Item 1: Consideration of the Financial Statements and Reports

To receive and consider the Financial Statements and Report of the Directors and Auditor for the year ended 30 September 2017

Item 2: Adoption of the Remuneration Report

To consider and, if thought appropriate, pass the following ordinary resolution:

"That the Remuneration Report (which forms part of the Directors' Report) of GrainCorp Limited for the financial year ended 30 September 2017 set out on pages 28 to 40 of the 2017 Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company

Proxy & direct votes

Item 2: Adoption of the Remuneration Report

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 2	160,460,172	401,464	7,249,919	168,111,555
% vote	95.5%	0.2%	4.3%	73.5% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

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Item 3: Election / Re-election of Directors



MR GRAHAM BRADLEY AM

BA, LLB (Hons I, Sydney), LLM (Harvard), FAICD

CHAIRMAN AND NON-EXECUTIVE DIRECTOR



MS REBECCA DEE-BRADBURY

BBus, GAICD

NON-EXECUTIVE DIRECTOR



MS BARBARA GIBSON

BSc, MAICD, FTSE

NON-EXECUTIVE DIRECTOR



MR DANIEL MANGELSDORF

BAgEc(Hons), FAICD

NON-EXECUTIVE DIRECTOR

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Item 3.1: Election of Mr Graham Bradley AM



MR GRAHAM BRADLEY AM

BA, LLB (Hons I, Sydney), LLM (Harvard), FAICD

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

3.1) To consider and, if thought appropriate, pass the following ordinary resolution:

"That for the purposes of ASX Listing Rule 14.4, article 11.3(c) of the Constitution and for all other purposes, Mr Graham Bradley AM, appointed on 1 March 2017, to fill a casual vacancy, being eligible and offering himself for election, be elected as a Director of the Company."

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Proxy & direct votes

Item 3.1: Election of Mr Graham Bradley AM

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.1	167,442,465	414,411	250,954	168,107,830
% vote	99.6%	0.2%	0.2%	73.5% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

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Item 3.2: Re-election of Ms Rebecca Dee-Bradbury



MS REBECCA DEE-BRADBURY

BBus, GAICD

NON-EXECUTIVE DIRECTOR

3.2) To consider and, if thought appropriate, pass the following ordinary resolution:

"That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Ms Rebecca Dee-Bradbury, retiring by rotation, being eligible and offering herself for election, be re-elected as a Director of the Company."

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Proxy & direct votes

Item 3.2: Re-election of Ms Rebecca Dee-Bradbury

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.2	165,030,867	419,220	2,539,302	167,989,389
% vote	98.2%	0.3%	1.5%	73.4% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

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Item 3.3: Re-election of Ms Barbara Gibson



MS BARBARA GIBSON

BSc, MAICD, FTSE

NON-EXECUTIVE DIRECTOR

3.3) To consider and, if thought appropriate, pass the following ordinary resolution:

"That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Ms Barbara Gibson, retiring by rotation, being eligible and offering herself for election, be re-elected as a Director of the Company."

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Proxy & direct votes

Item 3.3: Re-election of Ms Barbara Gibson

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.3	167,499,311	419,641	207,951	168,126,903
% vote	99.6%	0.3%	0.1%	73.5% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

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Item 3.4: Re-election of Mr Daniel Mangelsdorf



MR DANIEL MANGELSDORF

BAgEc(Hons), FAICD

NON-EXECUTIVE DIRECTOR

3.4) To consider and, if thought appropriate, pass the following ordinary resolution:

"That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Mr Daniel Mangelsdorf, retiring by rotation, being eligible and offering himself for election, be re-elected as a Director of the Company."

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Proxy & direct votes

Item 3.4: Re-election of Mr Daniel Mangelsdorf

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.4	166,820,236	412,727	862,784	168,095,747
% vote	99.2%	0.3%	0.5%	73.5% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

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Item 4: Grant of Performance Rights to Managing Director and CEO Mr Mark Palmquist

To consider and, if thought appropriate, pass the following ordinary resolution:

"That approval be given for all purposes for the grant of Performance Rights under the Company's equity incentive plans to Managing Director and Chief Executive Officer, Mr Mark Palmquist, in the manner set out in the Explanatory Notes to this Notice of Meeting."

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Proxy & direct votes

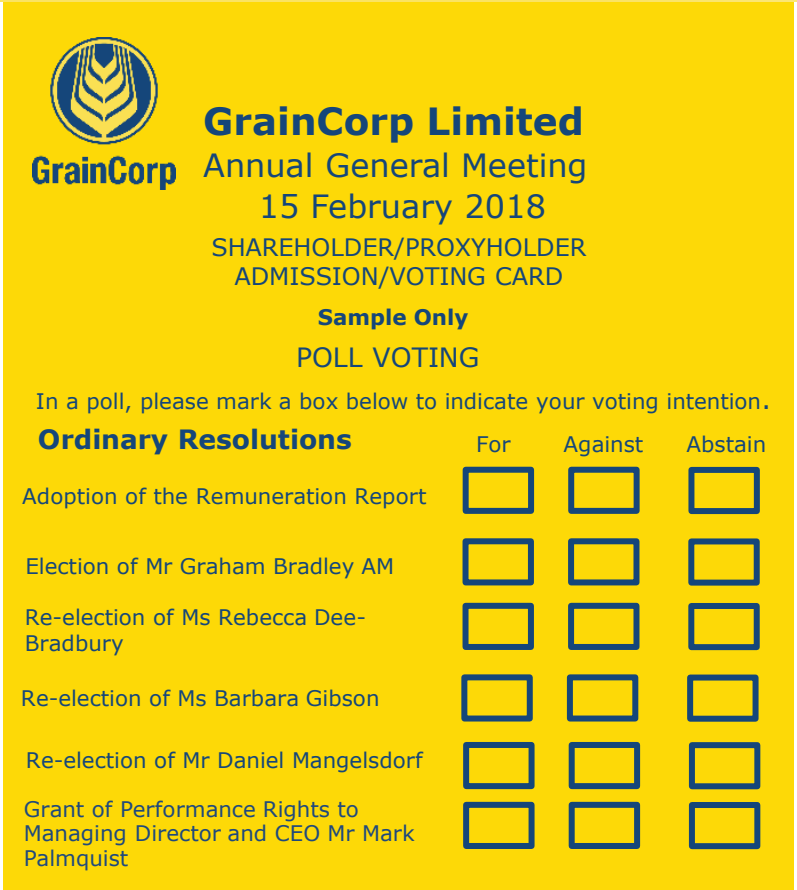
Item 4: Grant of Performance Rights to Managing Director and CEO

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 4	162,267,912	426,896	5,403,950	168,098,758
% vote	96.5%	0.3%	3.2%	73.5% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

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Poll Voting



GrainCorp Limited

Annual General Meeting

15 February 2018

SHAREHOLDER/PROXYHOLDER
ADMISSION/VOTING CARD

Sample Only

POLL VOTING

In a poll, please mark a box below to indicate your voting intention.

Ordinary Resolutions	For	Against	Abstain
Adoption of the Remuneration Report	☐	☐	☐
Election of Mr Graham Bradley AM	☐	☐	☐
Re-election of Ms Rebecca Dee-Bradbury	☐	☐	☐
Re-election of Ms Barbara Gibson	☐	☐	☐
Re-election of Mr Daniel Mangelsdorf	☐	☐	☐
Grant of Performance Rights to Managing Director and CEO Mr Mark Palmquist	☐	☐	☐

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Meeting Closed

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Annual General Meeting – FY17

15 February 2018

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