



27 February 2015

## GrainCorp provides FY15 guidance

GrainCorp advises that it expects to report FY15 EBITDA<sup>1</sup> in the range of \$240-\$270 million (FY14: \$293 million) and FY15 operating NPAT<sup>2</sup> of \$45-\$60 million (FY14: \$95 million).

GrainCorp Managing Director & Chief Executive Officer Mark Palmquist said that a smaller crop, lower carry-in and an expected reduction in export volumes for the Storage & Logistics business were significant themes in the current operating environment.

"We continue to make pleasing progress on our strategic initiatives, with some good cost savings embedded into the business. However, the smaller winter crop on top of low levels of carry means the exportable surplus is almost 2 million tonnes below average, reducing anticipated port elevations," Mr Palmquist said.

"Recent rains in Queensland have improved the outlook for the summer sorghum crop, however grain exports from eastern Australia will be 2.5-3 million tonnes this year versus 4.4 million tonnes last year. This reduces the recoverability of our fixed rail freight costs.

"The outlook for our processing businesses is solid, and I remain very confident that our business is in a strong position, with further opportunities to generate cost savings and efficiency as the eastern Australian production cycle improves," he said.

GrainCorp's FY15 guidance remains subject to a number of variables, including:

- 2H15 volumes: sorghum receivals; direct to port receivals; port elevations;
- Drought effect on domestic demand and associated stock movements;
- Processing and transport costs related to low quality barley in North America;
- New season opportunities for GrainCorp Marketing in Q4;
- Foreign exchange movements; and
- Barley and oilseed procurement.

## FURTHER INFORMATION

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation.

<sup>2</sup> Net profit after tax (before significant items).