



26 February 2016

## GrainCorp provides guidance for 2016 Financial Year

GrainCorp today announced that it expects to report FY16 underlying EBITDA<sup>1</sup> in the range of \$240 million to \$270 million (FY15: \$235 million) and FY16 underlying NPAT<sup>2</sup> of \$40 million to \$55 million (FY15: \$45 million).

GrainCorp Managing Director & Chief Executive Officer Mark Palmquist said the expected result reflects the continued challenging conditions being felt across the entire industry.

"The agriculture sector in Australia continues to face the same macro conditions experienced in FY15, including low grain stocks in eastern Australia, increased availability of grain globally and cheap ocean freight reducing Australia's export competitiveness. These headwinds have dampened the immediate outlook, but not the benefits of the progress we have made across the business on our strategic initiatives.

"The Storage & Logistics business is being affected by another below average winter crop and low levels of grain carry in eastern Australia. While our market share has remained in line with last harvest, the prevailing global commodity conditions are resulting in a delayed export program and this year we expect grain exports from eastern Australia to be only 3 million tonnes (FY15: 3.5 million tonnes).

"The outlook for GrainCorp Malt remains solid. There has been good progress with the growth initiatives in GrainCorp Oils, however our GrainCorp Foods and oilseed crush margins continue to be pressured, in line with global commodity conditions.

"We remain firmly focused on the delivery of our strategy to diversify earnings and improve efficiencies. We are confident our strategy will continue to deliver significant value as cycles return to normal," Mr Palmquist said.

GrainCorp will release its results for the first half of the 2016 financial year on 11 May 2016. GrainCorp's FY16 guidance remains subject to a number of variables, including:

- 2H16 volumes: sorghum receivals; direct to port receivals; port bookings and elevations;
- Global crush margins impact on Australian edible oils;
- 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 (before significant items).

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