

Harvest 10

2014/15 Performance Insight

Wheat

10/10

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**5 Day
Payment
Terms**

Key Objectives

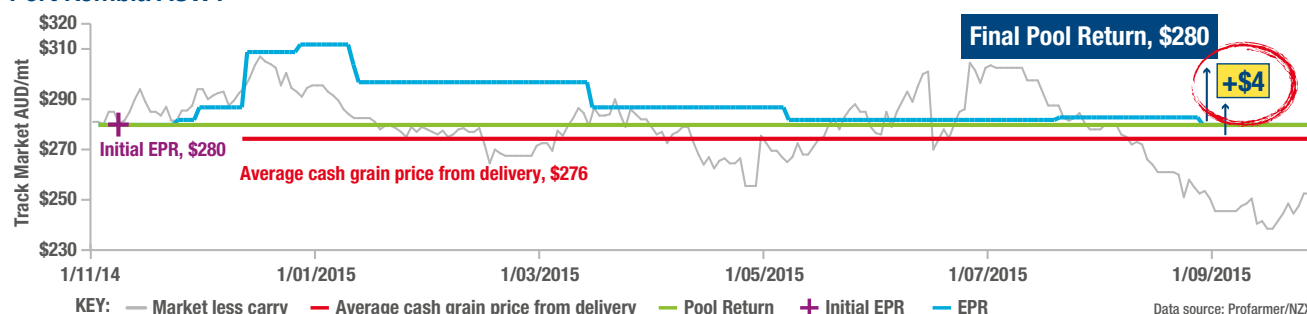
GrainCorp's Harvest 10 (H10) Pool is designed to protect value and reduce price risk exposure, whilst allowing participation in the market over the 10 month marketing window.

Outcomes

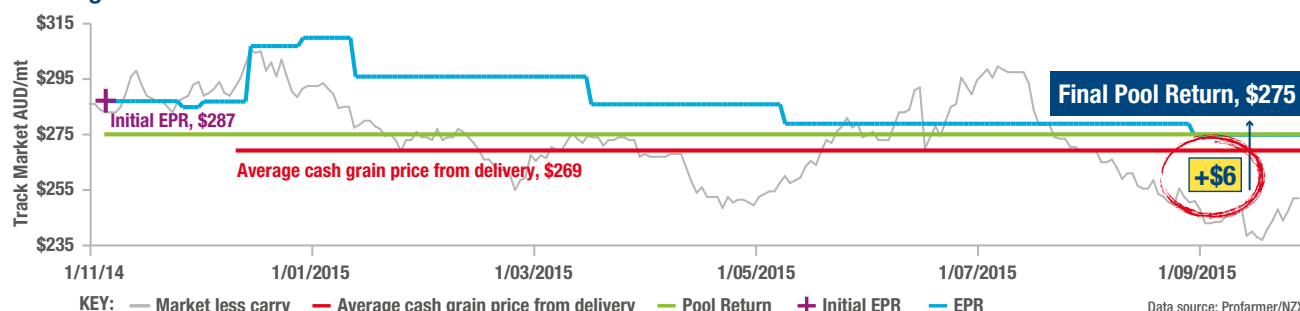
The 2014/15 H10 Wheat Pool returned above average prices for the period of the Pool's life. The Pool's monthly estimates reflected the general market decline over the Pools life, however the use of hedging as price protection, reduced the full extent of the declining market. Hedges are a key attribute of the H10 Pool, and are managed daily by Pools management to ensure appropriate price protection.

2014/15 Harvest 10 Performance

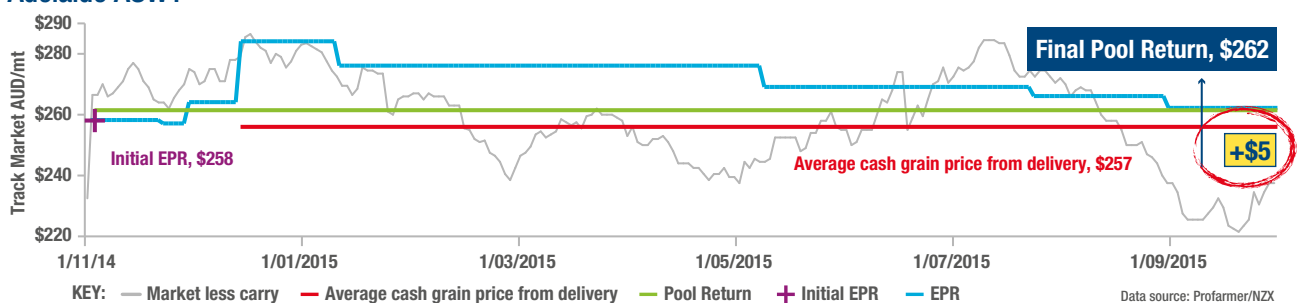
Port Kembla ASW1



Geelong ASW1



Adelaide ASW1



Harvest 10

For performance, better cash flow and simplicity, it's 10/10

Wheat

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Pool Managers Overview.

The 2014/15 Australian harvest period saw a heavy export program with strong harvest prices.

Exporters purchased expensive early shipping slots, as international markets incentivised prompt delivery. As a result, the exporters competed strongly for grain ownership from the growers to ensure the supply of these early shipping commitments. The Pool made sales throughout this period and used options to reduce falling market exposure post-harvest.

Once these commitments were filled, prices quickly retracted to more subdued levels. Furthermore, the global balance sheet became burdensome with solid forecast production across the northern hemisphere. Futures markets reflected this supply comfort, with further declines witnessed from late December 2014 through to May 2015. The Pool continued to sell down grain over this period with some of the declines being offset by our hedges in the futures market, protecting value for participants.

International futures markets gained support in May and rallied sharply in late June on the back of quality concerns following wet harvest conditions in key areas of the US soft

red wheat (SRW) production region. This provided the Pool an opportunity to increase our physical sales position. Whilst the rally was short lived, this is a key attribute of the H10 Pool and allowed participation outside of the common January to May sales period.

Futures and domestic values fell rapidly over August, however our physical ownership was very low and therefore the material impact to equity of the Pool was significantly reduced.

Overall, the H10 Wheat Pool achieved its objectives of providing price protection, and market participation over the pools life.



Bernie Byrnes
Pools Manager



Theo Saroukos
Relationship Manager – Pools

**Contracting
NOW!**

Enjoy less risk and more rewards with the flexibility of three payments options

Key Features

- ✓ 5 day payment terms¹
- ✓ Payment finalised in October
- ✓ Earn quality increments
- ✓ Wheat & Barley received
- ✓ Expert Risk Management

Transparency for an informed decision

All GrainCorp's pool products are managed and operated within the requirements of the Grain Trade Australia pool operating standards.

Payment Options	Harvest	April	July	October
Option 1 Harvest Advance	70%			100%
Option 1 Deferred Payment			75%	100%
Option 3 Quarterly Distribution	25%	50%	75%	100%

¹ See terms and conditions for 5 Days End of Week of Delivery as per GTA

To find out more about Harvest 10 and how you can benefit this harvest, contact your local GrainCorp merchant or visit graincorp.com.au

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07 4679 8801

Northern New South Wales
02 6926 5555

Southern New South Wales
02 6926 8437

Victoria
03 5431 1206

South Australia
08 8361 5601

Western Australia
08 9356 4616



GrainCorp