

# 2013/14 Review and Key Highlights

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QSL AGM – 20 October 2014



# Disclaimer

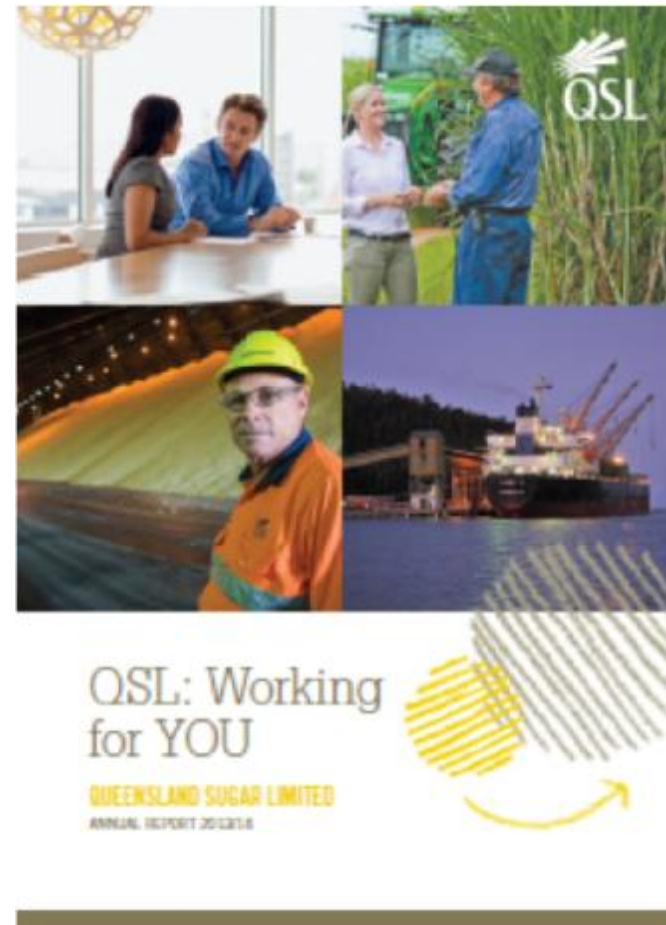


“The information provided in this document/these slides is designed to give you a summary update on QSL’s current marketing and pricing activity and does not constitute financial product, investment advice or a recommendation to allocate sugar to any particular pool and should not be construed as such. QSL has made every effort to accurately summarise the relevant arrangements, but this presentation cannot cover every aspect of the relevant contractual information. Information about past performance should not be relied upon and is not an indication of future performance. Pool performance figures presented in this document/these slides is indicative only as pool performance figures only become final on or after 30 June in any year.”

# Outline



1. Our goals for 2013/2014
2. Key highlights
3. Performance
4. Our goals for 2014/15



# Our 2013/2014 Goals



## Key Highlights for 2013/2014

- Maintained a strong focus on safety, with a reduction in the Total Recordable Injury Frequency Rate from 39.9 to 12.8
- Outperformed the market benchmark on a weighted average basis for QSL-managed ICE11 pools by \$9.22 per tonne IPS.
- Value added through chartering and net premiums was \$5.18 per tonne IPS
- Sold 2.975m tonnes of sugar and handled 3.765m tonnes of sugar through the bulk sugar terminals
- Delivered 96.2% of shipments on time and in full
- Weighted average cost of funds was 2.9% - the lowest in 5 years
- Implementation of 'Option B', giving all milling members the option to sell their Miller Economic Interest Sugar internationally



## Miller 'Economic Interest'

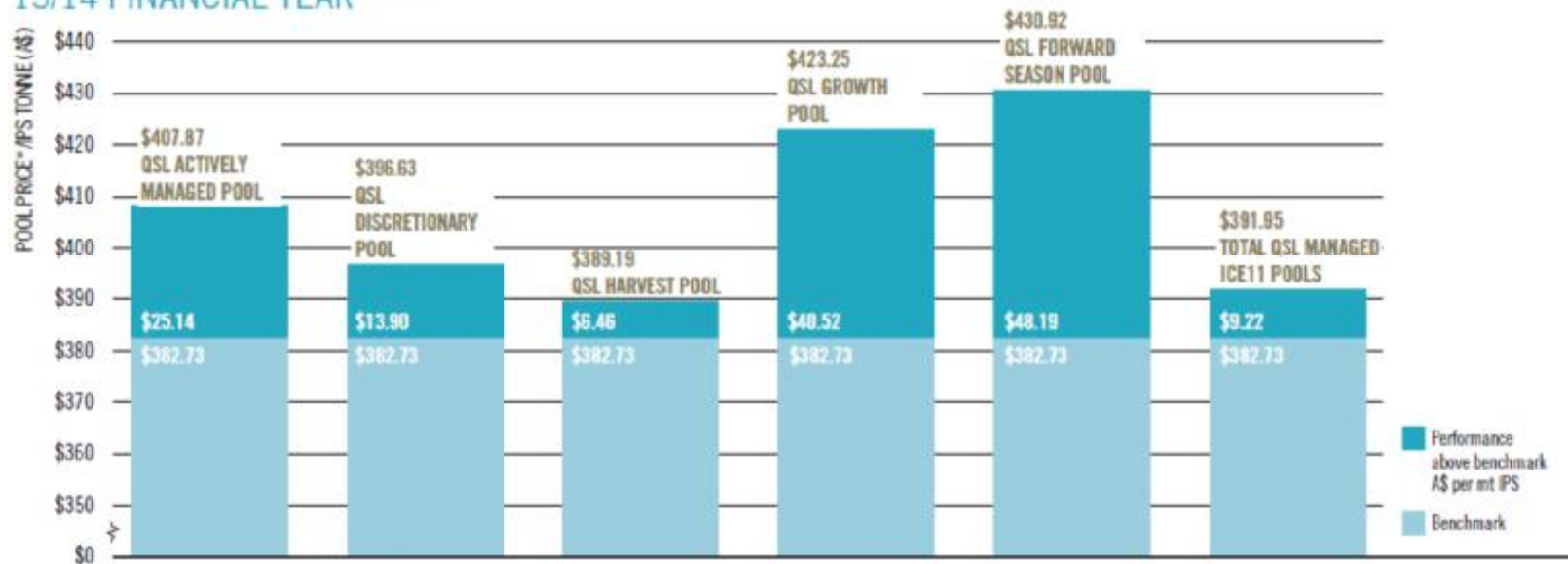
- Implementation of 'Option B', giving all milling members the option to sell their economic interest sugar internationally
- Wilmar, MSF, Mackay Sugar Limited and Tully Sugar took up this option for the 2014 season
- Associated costs 'ring-fenced' to each Miller member
- Restrictions on sugar returned to QSL marketing program – only accepted if no negative impact on grower returns.

# Pricing

Outperform market benchmark returns

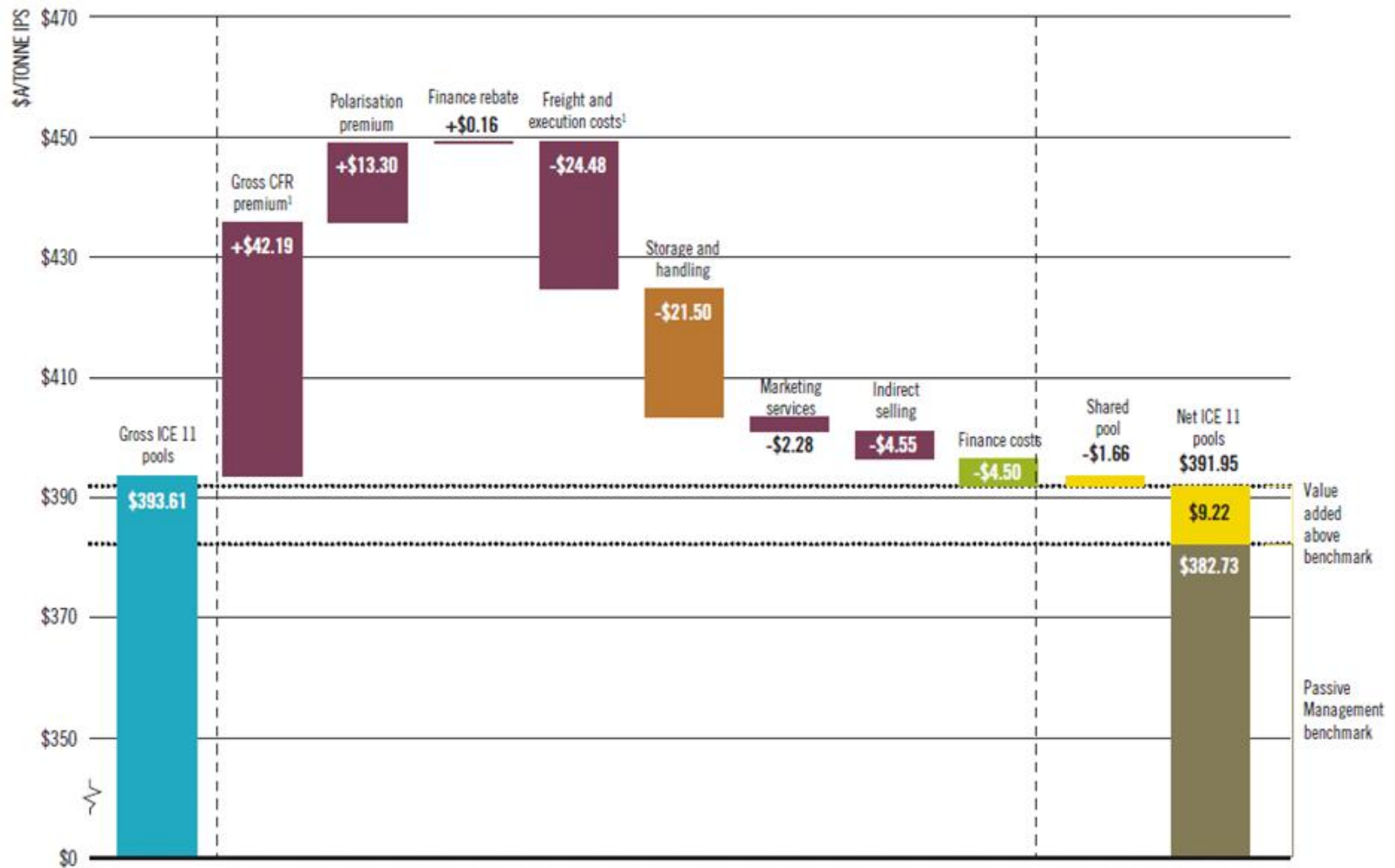


## QSL POOL PRICES FOR 2013 SEASON 13/14 FINANCIAL YEAR



- Outperformed the market benchmark on a weighted average basis by \$9.22 per tonne IPS
- Guaranteed Floor Pool achieved a net price of \$391.71 per tonne IPS (not benchmarked as price was locked in at the start of the season)
- US Quota Pool achieved a net price of \$395.62

# Value created in QSL-managed ICE11 pools



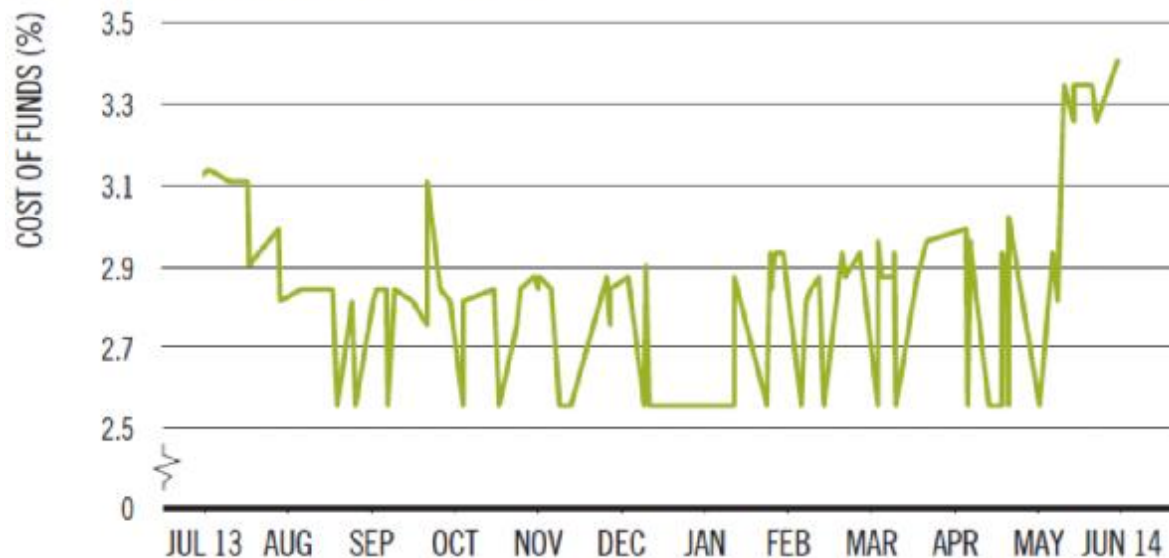


# Financing

Maintain access to long-term pricing at competitive rates



## QSL AVERAGE COST OF FUNDS 13/14 FINANCIAL YEAR



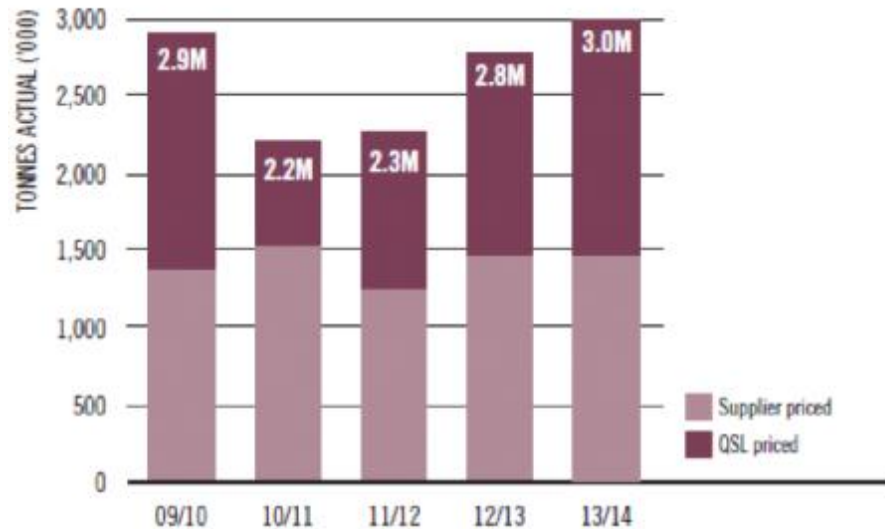
- In late May 2014 QSL's credit rating was downgraded resulting in QSL utilising the \$500m syndicated facility agreement at a higher funding cost
- In July 2014 QSL retracted its credit rating and was unable to draw on borrowings from Commercial Paper. These exclude the fixed facility fees.

# Marketing

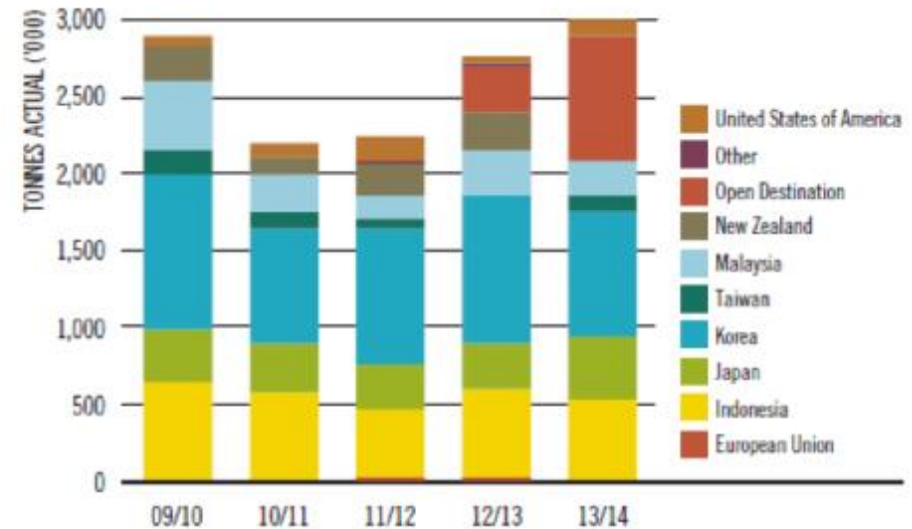
Maximising returns through optimising sales timing and customer premiums



**TOTAL TONNES MARKETED (SOLD) BY QSL  
LAST 5 FINANCIAL YEARS**



**QSL MARKETS  
LAST 5 FINANCIAL YEARS**



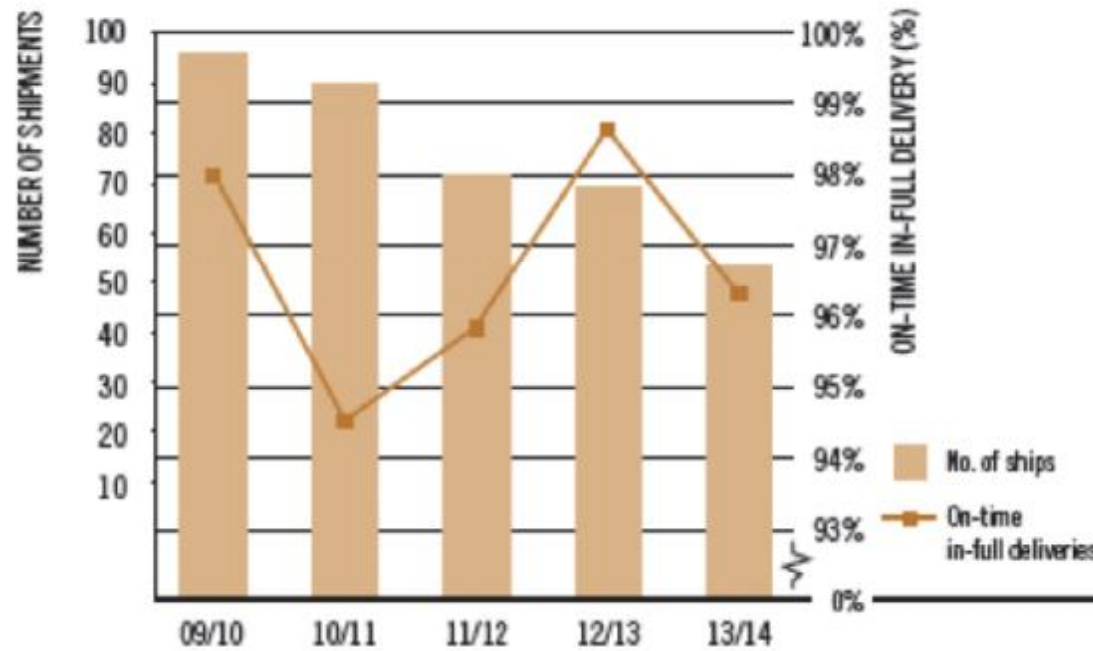
- Other Origin sales decreased due to a reduction in opportunities.
- Actively managing short open positions in the freight market added \$0.44 per tonnes IPS based on the QSL-managed ICE 11 tonnage.
- Value to the ICE 11 Shared Pool via above-benchmark premiums was \$4.74 per tonne IPS.

# Logistics

Operate safe and efficient storage and shipping of raw sugar



## ON-TIME IN-FULL DELIVERIES LAST 5 FINANCIAL YEARS



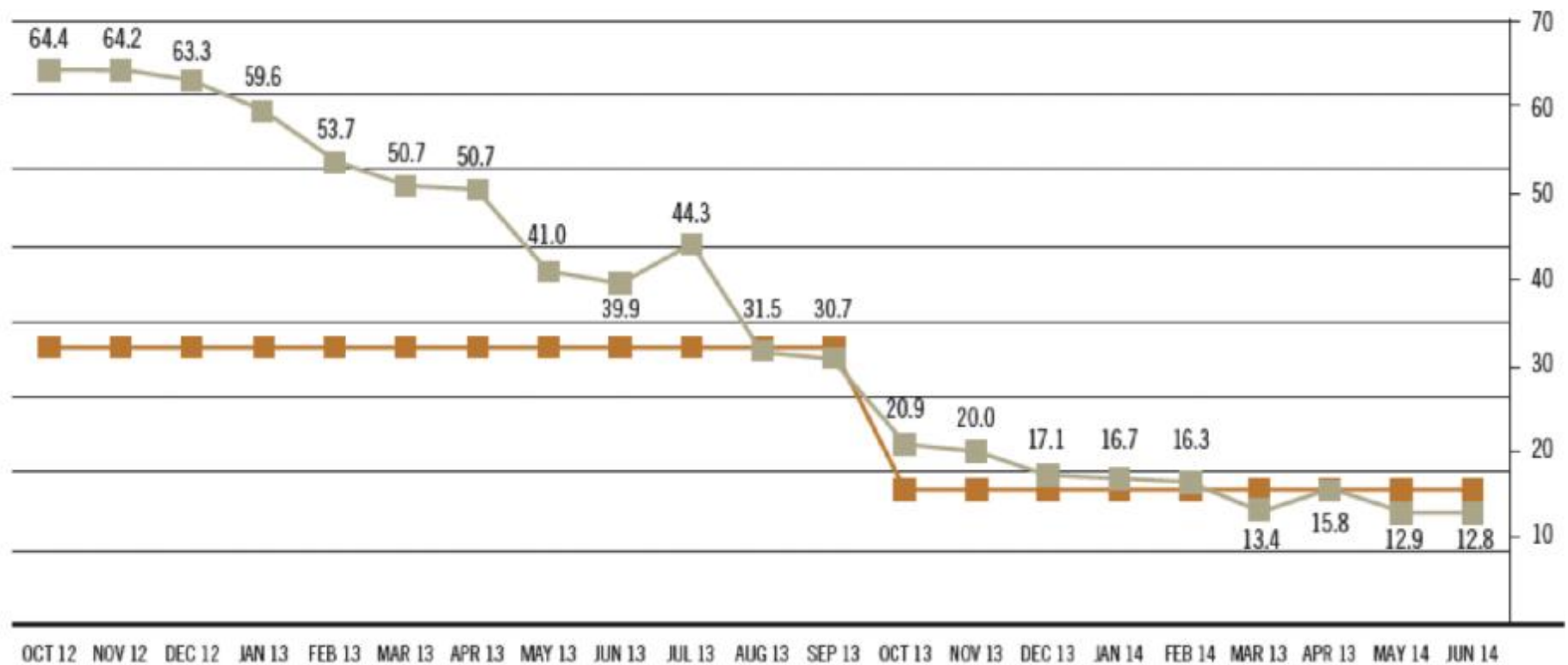
- Delivered more than 96% of shipments on time and in full
- Flexibility provided by managing the terminals as one ensures we can meet customers' expectations and deliver on time and in full.

# Safety


Safety starts with me



## SAFETY PERFORMANCE – TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR) (SINCE OCT 2012)



- Total Recordable Injury Frequency Rate year-on-year target of 50% reduction achieved ahead of schedule (March 2014)



## Our 2014/15 Goals

- **Maximise returns to growers and millers**
  - Pool returns significantly outperform market
  - Effectively implement miller EI changes
- **Build capability for the future**
  - Implement changes to attract additional business in 2017 and beyond
  - Build an organisational culture that enables success in 2017 and beyond, and creates true competitive advantage
- **Improve operational excellence**
  - Continued improvement in safety and environmental performance
  - Excel at service delivery to refining customers
  - Effectively control costs across the organisation

The background is a warm, golden-yellow color with various abstract patterns. In the top left, there is a grid of thick yellow lines. To the right, there are several circles connected by thin black lines, some filled with a grid pattern and others with horizontal lines. A large, faint blue circle is centered in the middle of the page. The overall aesthetic is clean and modern.

Thank You

