

# 2014/15 Review and Key Highlights

CEO & Managing Director Greg Beashel

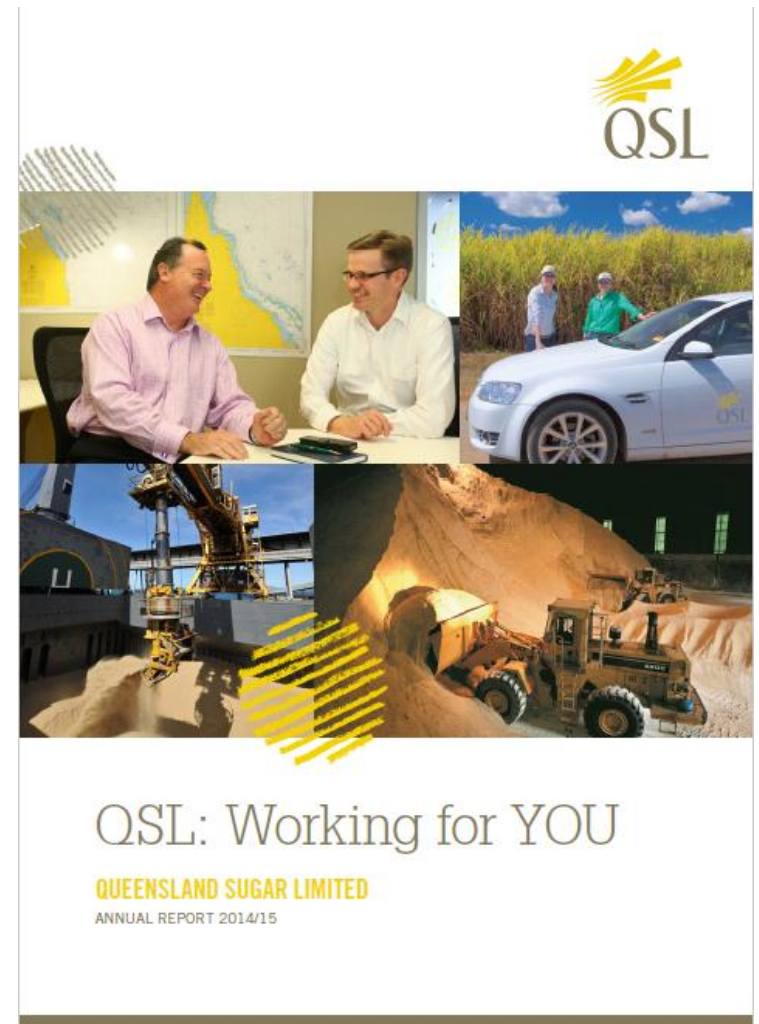
QSL AGM – 23 October 2015



# Outline



1. Review of goals for 2014/15
2. Key highlights
3. Breakdown of value created by QSL
4. Our goals for 2015/16



# Our 2014/15 Goals

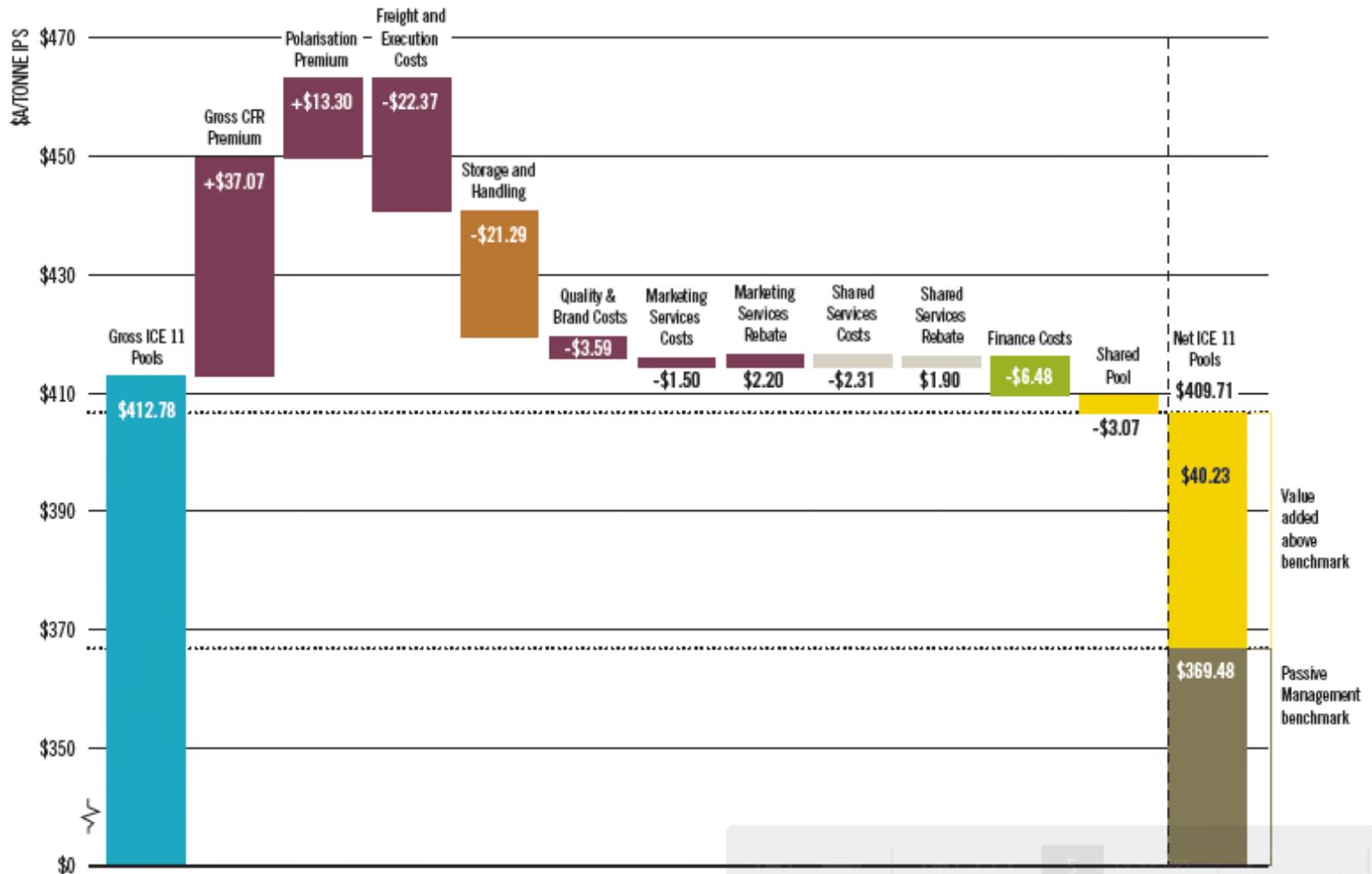
- **Maximise returns to growers and millers**
  - Pool returns significantly outperform market
  - Effectively implement miller EI changes
- **Build capability for the future**
  - Implement changes to attract additional business in 2017 and beyond
  - Build an organisational culture that enables success 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

## Key highlights

- The weighted average return for QSL-managed ICE 11 pools outperformed the Passive Management Benchmark by \$40.23 per IPS tonne
- Secured an exemption from state Payroll Tax, equating to a saving of \$1 million per annum backdated to 1 July 2010
- Successfully implemented Miller Economic Interest marketing arrangements and associated Master Logistics Plan
- Finance facilities extended to \$700 million
- No Lost-Time Injuries
- 100% Delivered In-Full On-Time Result

# Overall value created by QSL

## COMPONENTS OF TOTAL QSL-MANAGED ICE 11 POOLS VERSUS THE PASSIVE MANAGEMENT BENCHMARK FOR THE 2014 SEASON



# Market trends 2014/15 – ICE 11

- Fifth consecutive year of global sugar surplus, with downward pressure on raw sugar prices
- Raw sugar futures averaged US14.5c/lb for the period
- Sugar prices negatively influenced by the strength of the USD and the deteriorating political & economic climate in Brazil, where the Real fell by 50% to over 3.2 USD/R\$

## RAW SUGAR ICE 11 14/15 FINANCIAL YEAR



# Market trends 2014/15 – Currency

- The AUD lost more than 20% of its value during this period, falling from the US95 cent level to below US75 cents.
- While not offsetting the full effects of the global surplus, the currency move provided some relief to Australian commodity exporters

## AUD/USD CURRENCY

14/15 FINANCIAL YEAR



# Pricing

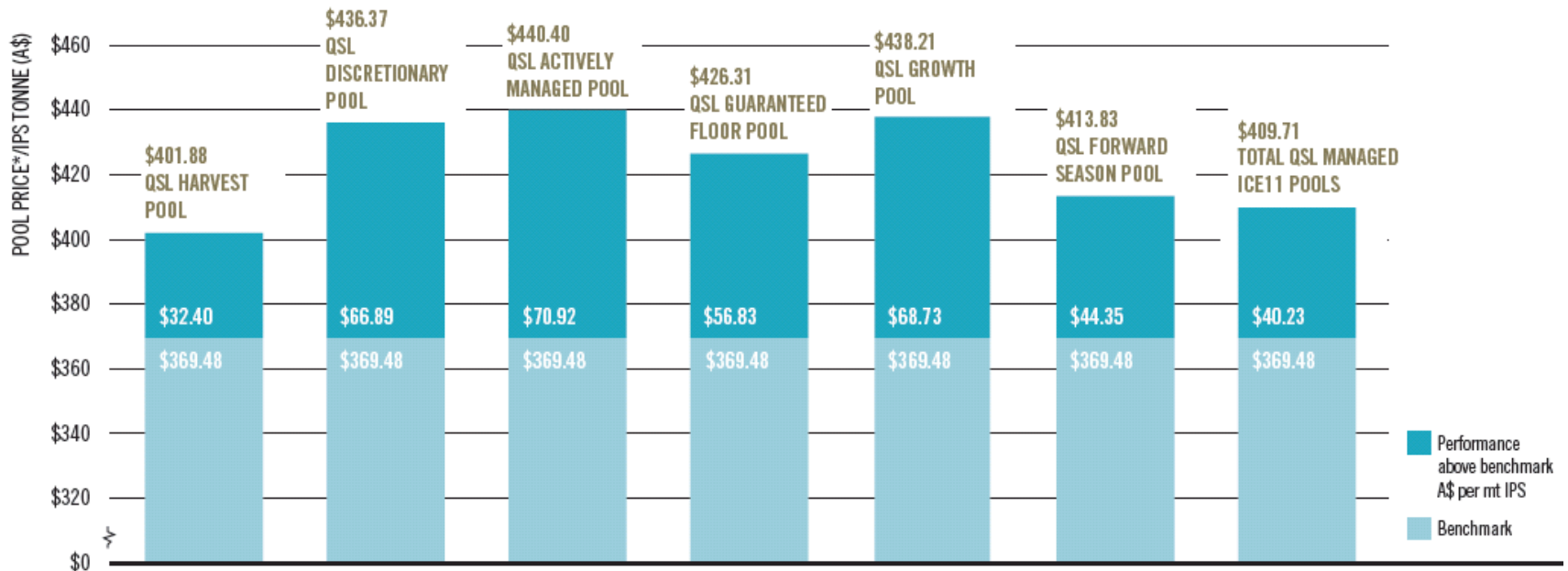
*Knowledge, expertise and experience in hedging*



- Significantly outperformed the Passive Management Benchmark in all pools
- Simplified the pool offerings

## QSL POOL PRICES FOR 2014 SEASON

14/15 FINANCIAL YEAR





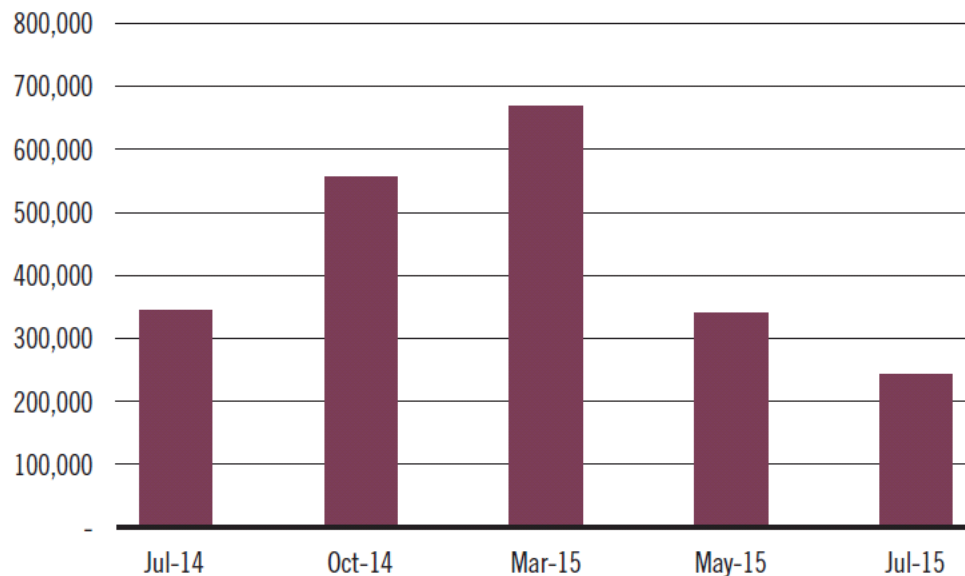
# Marketing

*Maximising returns through optimising sales timing and customer premiums*



- Marketing returns above the FOB physical market premium average
- Retained long-term supply priority to key refinery partners in Korea and Indonesia

## 2014 SEASON SALES BY FUTURES CONTRACT - QSL MARKETED TONNAGE (MT)



# Logistics

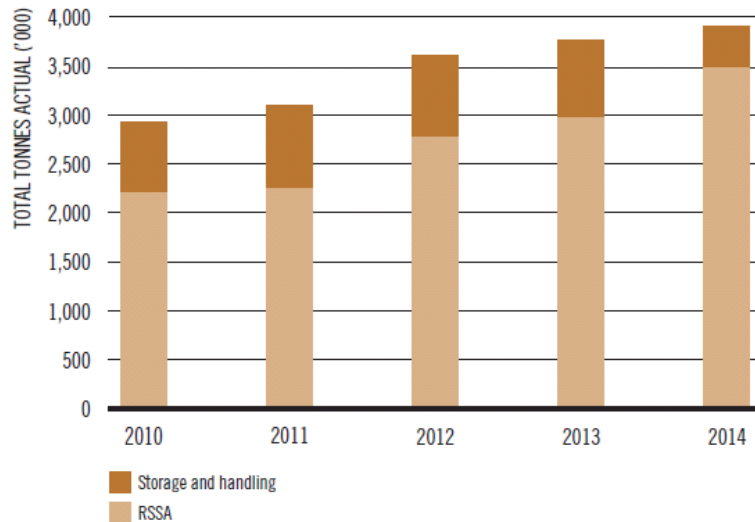
*Safe and efficient storage, handling and shipping of raw sugar*



- All sugar exports delivered in full and on time (100% DIFOT)
- Zero LTIs and achieved 2015 Total Recordable Injury Frequency Rate (TRIFR) target of 8 in September 2014, 13 months ahead of schedule.
- Revised TRIFR target of 5 was met in June 2015.

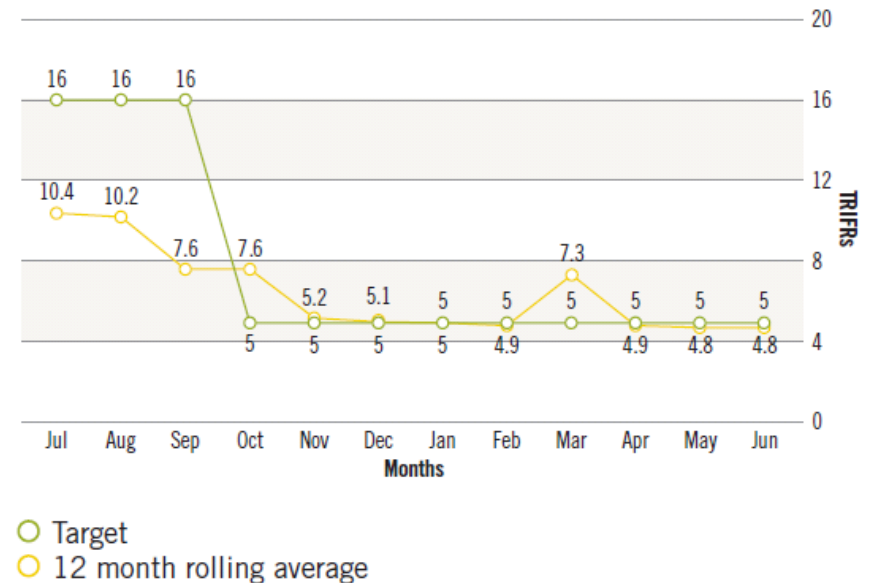
## TONNES HANDLED THROUGH THE BULK SUGAR TERMINALS

LAST 5 SEASONS



## ROLLING 12-MONTH INCIDENT STATISTICS

FOR THE PERIOD ENDING JUN 2015



# Finance

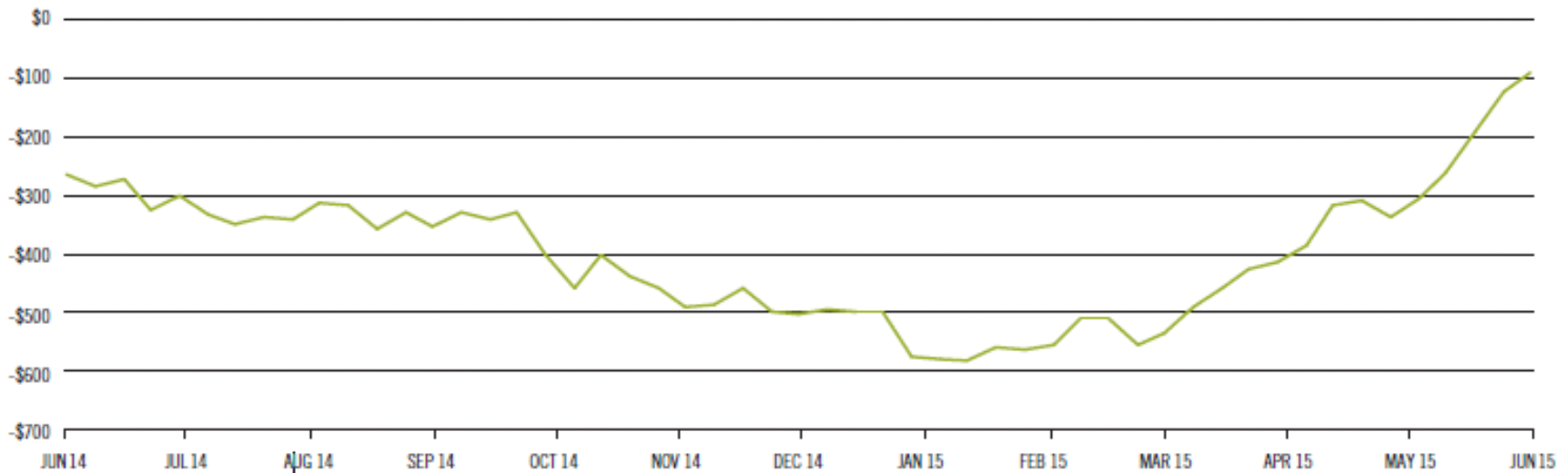
*Low-cost financing through advance payments and access to long-term pricing*



- Finance facilities expanded to \$700 million
- Granted state Payroll Tax exemption of \$1 million per annum
- New forward pricing tool

## DEBT PROFILE

14/15 FINANCIAL YEAR



# Our 2015/16 Goals

- **Maximise returns to growers and millers**
  - Pool returns significantly outperform market
  - Effectively control costs across the organisation
- **Build capability for the future**
  - Secure more volume for 2017 season and beyond
  - Extend terminal contract with STL
  - Invest in QSL culture to deliver a compelling customer and staff value proposition
- **Improve operational excellence**
  - Continued improvement in safety and environmental performance
  - Excel at service delivery to refining customers

# Wilmar legal issue

- Wilmar has commenced legal action against QSL in relation to costs associated with the 2010 season
- QSL denies all of Wilmar's claims
- QSL filed its defence on 14 August 2015
- The matter goes back to Court for further directions (as to timing, etc) on 6 November
- It is expected that the hearing of this matter will be some time mid-2016

The background is a warm, golden-yellow color with various abstract patterns. In the top left, there is a large orange grid. In the top right, there are several circles connected by thin 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

