

2002

**Core business delivers
11% earnings growth.**

2003 and beyond

**Earnings growth through
supply chain diversification.**



GrainCorp Limited

PAT \$48.6 million

EBITDA \$119.8 million

Chairman's & Managing Director's Message

All of GrainCorp's activity during the past year has been focussed on continuing to mould the company into a modern, seamless and integrated operation along the grain supply chain. This strategy has involved acquisitions in milling and rail, partnerships in port operations, investment in storage and handling, and geographic expansion into other grain growing areas.

GrainCorp has announced a full year after tax profit of \$48.6 million for the year to 30 September 2002. A 12 million tonne receival figure in 2001/02 flowed through to a strong export performance of just under seven million tonnes, while the merger with Vicgrain in 2000 is continuing to produce benefits.

Marketing revenue has been increasing steadily from its inception as a new business line in 1995. The increase in revenue is a reflection of grain prices and increasing trade volumes. Total revenue rose by 34.8% on the previous corresponding period. Net profit continued its steady increase with a 9% lift while earnings per share of \$1.21 is 11% higher than the \$1.09 of 2001. EBITDA increased 4% on the last reporting period.

Following a first half dividend of 34 cents, GrainCorp is pleased to announce a final, fully franked dividend of 44 cents per share bringing the total to 78 cents per share. GrainCorp has a dividend payout ratio policy of 65% of after tax profits.

GrainCorp's operations within the grain supply chain are expanding. In pursuit of our key commercial and strategic aims, actions have been taken over the past twelve months which will help to even out seasonal variations and secure our core business. Returns on the accomplishments made this year will be realised in the next financial year.

Future growth will be built on these foundations.

Allied Mills - diversification and strength

GrainCorp entered the milling arena in 2002 through the purchase of a 60% equity share of Allied Mills. Allied Mills is a national milling company with the largest single share of the flour milling market and an impressive list of flour customers. Allied Mills will supply flour to Goodman Fielder Ltd for their Baking and Consumer Foods divisions through long term supply arrangements.

The acquisition of Allied Mills is a key plank in GrainCorp's strategy. The purchase has resulted from a rigorous approach to growth opportunities aimed at increasing and diversifying our earnings base. Allied Mills also presents an unique opportunity for GrainCorp to enter into flour milling sector as a major player. The investment in Allied Mills will be earnings per share (EPS) positive.

Rail - supply chain integration

On November 1, GrainCorp entered into another segment of the grain



Ron Greentree
Chairman



Tom Keene
Managing Director

supply chain through the acquisition of two locomotives and forty rail wagons. This expansion is designed to offer a competitive, seamless service to customers from grain accumulation right through to delivery at port.

Bulk Terminals Australia (BTA) - expansion in Queensland

GrainCorp's access to port facilities now extends into Queensland in the form of Bulk Terminals Australia (BTA). BTA is a joint venture partnership with Grainco Australia and officially commenced operations from 1 November 2002. BTA, in which GrainCorp maintains an equal shareholding, will operate Grainco Australia's existing port facilities in Brisbane, at Fisherman Islands and Pinkenba, together with GrainCorp's facilities at Carrington and Kooragang Island in Newcastle under a long term licence agreement.

Share Review



Financial Highlights

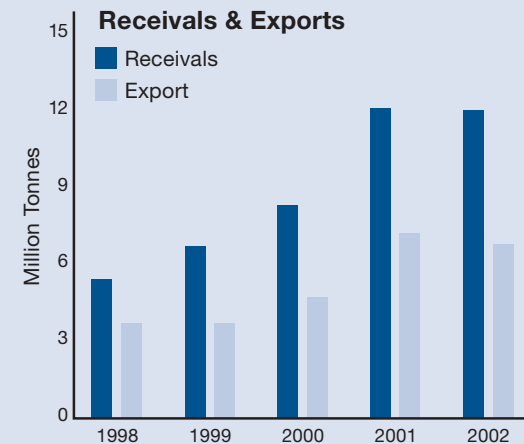
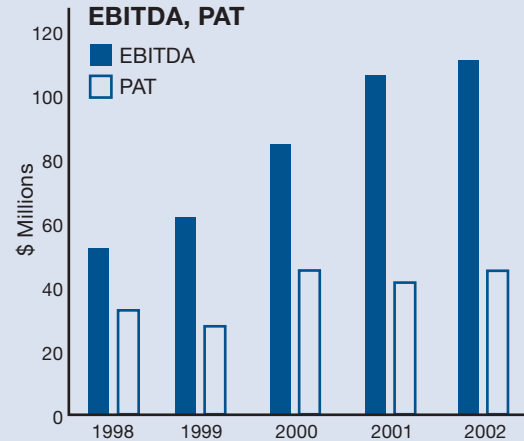
Strong operating profits over the past two years have generated significant surplus cashflow which has been utilised for servicing debt, rewarding shareholders and continued infrastructure and other investment activities.

Financial Summary	2002 \$'000	2001 \$'000
Storage and handling revenue	275,856	264,564
Marketing revenue	424,150	254,713
Total revenue	700,006	519,277
EBITDA	119,771	115,005
Borrowing costs	10,888	11,884
Depreciation and amortisation	41,091	38,933
Net profit before tax	67,792	64,188
Tax	19,189	19,627
Net profit after tax	48,603	44,561
Earnings per share	121.2	109.4
Dividend per share	78	72

Production figures New South Wales and Victoria

	72-73	82-83	91-92	94-95
El Nino year				
Production (,000t)	3,359	1,893	3,333	1,819
Following year	5,452	12,932	6,600	6,429
5 year average*	5,287	7,602	6,102	5,609

* 5 year average is calculated up to but not including El Nino year.
(Data sourced from ABARE)



The BTA partnership represents a 'common-sense' utilisation of existing port capacity and capital and will generate cost savings through providing a least-cost pathway from farm to port which can be passed back through the supply chain.

Storage & Handling Investment

GrainCorp has invested \$300 million over the past 6 years to grow our physical assets in strategic areas and in the rejuvenation of existing capital. Investment has been highly selective and targeted towards ensuring that GrainCorp strengthens its competitive position by delivering

a modern and efficient service. Further capital investment will depend on achieving appropriate rates of return.

While competition is increasing, so too is the overall market, as Australian growers become more productive in yields per hectare and the steady increase in hectares planted year on year continues.

Geographic Expansion

Expansion of our receival network will assist in managing seasonal variations and increase receivals overall. GrainCorp's new receival facility in Naracoorte, South

Australia is ready for operation during the 2002/03 harvest. The receival centre is strategically located for a least-cost path to haul grain to GrainCorp's terminal at Portland in Victoria.

Ron Greentree
Chairman

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Latest News

Expansion into Rail Operation

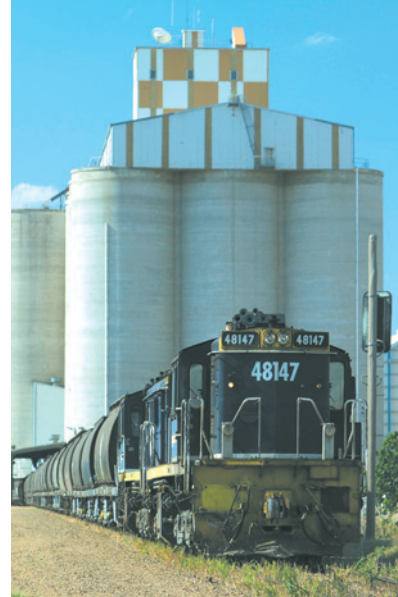
Rail transport is a key link in GrainCorp's business. GrainCorp's activity along the grain supply chain begins with grain accumulation and trading and extends to storage and handling, road and rail logistics to domestic users such as Allied Mills, or international customers through its port terminals.

On November 1, GrainCorp acquired two locomotives and 40 rail wagons through a long-term lease agreement, intended for operation around western Victoria, following the natural and least cost pathway to GrainCorp's

port terminals at Geelong and Portland.

The move into rail is designed to offer a seamless operation and to negotiate the supply chain from silo to port.

GrainCorp has received accreditation to operate trains in the States of New South Wales, Victoria, South Australia and Queensland. Low production and the importance of meeting current domestic demands will impact significantly on tonnes hauled to port this year.



Allied Mills – a truly national company

The highlight of GrainCorp's strategy to add value in the supply chain was the purchase in August of Goodman Fielder's milling assets, now known as Allied Mills. GrainCorp's partner in the successful bid is Cargill Australia. The joint venture bought the company for around \$200 million, with GrainCorp taking a 60% equity stake.

The business is a natural fit with GrainCorp's experience and expertise and is an area in which we can create value by leveraging on existing businesses. As the grain industry consolidates and evolves, GrainCorp will continue to extend its reach into activities where we can add value. The investment diversifies our

earnings streams and will assist in reducing our exposure to the seasonal variations in storage and handling.

Allied Mills is also an unique opportunity to build a strategic partnership with Goodman Fielder, Australia's leading food company - delivering added value to all partners.

As a team, GrainCorp and Cargill Australia possess the right mix of skills and experience to ensure the growth and viability of the milling business.

Cargill has operated in Australia since 1968 and has established a strong commercial relationship with

Goodman Fielder. It has extensive experience in grain and oilseed processing and operates flour mills in North America, South America and Asia.

GrainCorp and Cargill already work together through two jointly operated receival centres at Red Bend and Henty in NSW, demonstrating commitment to working as an integrated team.

Allied Mills has 13 operating sites including 9 wheat flour mills, 3 non-wheat flour mills, 4 mixing facilities, 3 external warehouses and a Research and Development facility. There are approximately 800 staff across all facilities.

Shareholder Information

GrainCorp Limited shareholders requiring information regarding their shareholdings should contact the Company's registry at:

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