



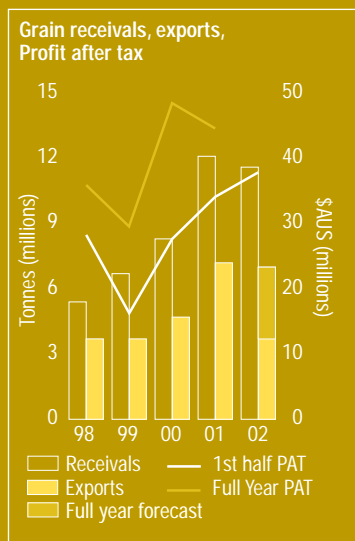
**MAINTAINING
STEADY GROWTH &
CONSISTENT
RETURNS**



**ACTIVELY
SEEKING OPPORTUNITIES
IN A CHANGING
ENVIRONMENT**

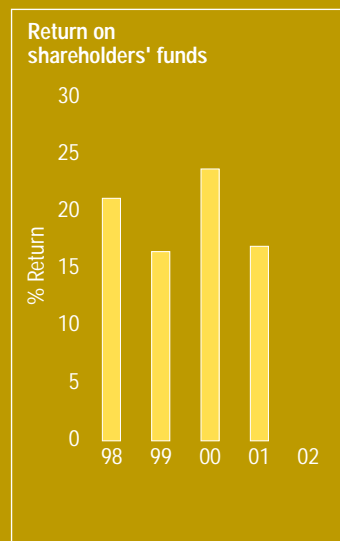
Receivables, exports & net profit

Grain receivals at GrainCorp facilities in the latest six months increased slightly on the previous corresponding period. We expect exports of 7 million tonnes this year and at the half-way point 3.7 million tonnes of this had been exported. We forecast a full year profit of between \$45 million and \$47 million, providing these export targets are met.



Return on shareholders' funds

During the past half year GrainCorp was listed as one of Australia's top 25 performing companies by The Bulletin magazine. GrainCorp has consistently exceeded 15% return on shareholders' funds annually. We aim to maintain this level of return for the full year, subject to meeting export forecasts.



	6 months to 31/3/02 \$'000	6 months to 31/3/01 \$'000	change %
Storage and handling revenue	171,997	169,945	1.2%
Marketing revenue	210,662	111,044	89.2%
Total revenue	382,659	280,989	36.2%
Profit before tax	52,509	51,264	2.4%
Net profit attributable to shareholders	37,752	34,055	10.9%
Total assets	587,017	551,188	6.5%
Earnings per share	0.94c*	0.83c	13.0%
Dividend per share	0.34c	0.43c	(20.9%)

*Ordinary Shares on issue: 40,206,596



SHARE REVIEW

GrainCorp Limited

A MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

A SOLID, CONSISTENT HALF YEAR

GrainCorp has had a pleasing half-year performance to 31 March 2002. We have maintained the steady growth predicted last year and continued to achieve a consistent return on shareholders' funds; in short, your company continues to prosper.

Interim after tax profit rose by 10.9%, while earnings per share of 94 cents is 13% higher than the previous corresponding half-year.

Strategy working

The result reflects the success of our strategy to spread seasonal risk across a broader range of activities and geographic areas, and to maintain competitive strength through modernised assets and economies of scale. GrainCorp is now realising productivity gains from a significant capital expenditure program, cost reductions and the diversification benefits of the Vicgrain merger in October 2000.

Services for customers are improving through an integrated business strategy. Increased grain trading through GrainCorp's storage and handling facilities has been a pivotal part of the strategy, and it is generating increasing revenue and earnings.

Financial details

The latest result followed a 36% increase in operating revenue to \$382.7 million during the six months. Grain trading and marketing was a major contributor to the increase in revenue. Strong demand from growers for our Pool products has supported this.

Capital expenditure of \$31.8 million in the latest six months helped expand and improve our storage and handling assets. Newcastle port facilities were upgraded, primarily to handle increasing cottonseed exports and non-grain products. Modernisation of key country sites to improve customer service and secure tonnage has been and will continue to be a key part of GrainCorp's strategy.

Dividend

A fully franked interim dividend of 34 cents a share is included in this mailing. Last year's interim of 43 cents reflected a one-off increase in anticipation of the reduction in the tax rate effective 1 July 2001 to provide shareholders with the benefit of the 34 per cent franking rate. GrainCorp has a dividend payout ratio policy of 65% of earnings and we expect to maintain this ratio for the full year.

The future

The grain industry will experience significant evolutionary change in the next few years and we are positioning GrainCorp to be a leader in that environment – a participant that thrives rather than one that is overtaken by events.

Traditional structures will be overtaken by more efficient ones; alliances of partners that may previously have seemed unlikely will deliver improved productivity. In line with this thinking, we are actively seeking opportunities to extend GrainCorp's business to complementary areas of the grain supply chain.

GrainCorp is taking a four-pronged strategic direction in developing its business, including a controlled strategy to expand outside its core business.

Our four-part strategy:

To 'right-size' our core business – involving major, targeted capital expenditure to improve facilities and grower services; substantial up-grading of port facilities; geographic expansion such as the move into South Australia at Naracoorte, and site rationalisation.



GRAINCORP WAS RATED AS ONE OF AUSTRALIA'S TOP 25 COMPANIES LAST YEAR IN TERMS OF RETURN ON SHAREHOLDERS' FUNDS.

Differentiating our business – through our unique online services; facilitating increased use of warehousing; offering a dynamic, open marketplace at all sites, and a co-ordinated approach to customer relationships that understands customer preferences.

Supply chain competition – involving us securing deregulated export business such as barley and canola handling in Victoria and preparing for deregulation of those grains in NSW in 2005; leasing and crewing our own trains, and participating in the export monopoly through a 3.23% holding in AWB Ltd.

Growth opportunities - we are actively examining growth outside our core operations, provided it will meet financial performance measures, is significant in size, matches our culture and provides growth potential and better value than organic development.

GrainCorp's skills have extended well beyond the logistics of grain storage and handling to expertise in most aspects of grain quality management. We see grain processing as one of the natural extensions of GrainCorp's core grain management role. It is a way to further grow an integrated business that is protected against seasonal variances, that healthily challenges competition and that has a secure future.

Full year forecast

For the first time, the company made a full year forecast when announcing the first six month's result. It is a sign of our financial maturity and a practice we expect to maintain to keep investors better informed. We expect a full year after tax profit in the range of \$45 – 47 million, subject to export tonnage targets of 7 million tonnes being met. The half-year to 31 March 2002 saw 3.7 million tonnes of grain exports completed. We plan to begin crop receival forecasts from August 2002 and will post updates on our website.

The company is soundly placed. We have continued our consistent increase in earnings and we have a strategy that is positioning us well for future growth.

Our thanks to all GrainCorp staff for their efforts during the past six months, to growers and buyers for their business, and to shareholders for their continued support.

Ron Greentree
Chairman



Tom Keene
Managing Director



SA MOVE TO CREATE MORE CONSISTENT EARNINGS

Four long low concrete bunkers on the sandy soil plains at Naracoorte are spearheading GrainCorp's expansion into South Australia.

The new storage facility, capable of storing 80,000 tonnes, will offer a cost-effective alternative to growers in the significant wheat, barley and canola grain growing areas in south east South Australia and south west Victoria. The centre is strategically located to gather grain to ship through GrainCorp's terminal at Portland in Victoria.

Naracoorte has four 20,000 tonne bunkers, multiple segregations and fast outloading facilities. The facility is almost complete, in readiness for the harvest that begins at the end of the year.

A competitive pick up service is being offered to farmers in the area.

GrainCorp managing director, Tom Keene, comments that the expansion into South Australia makes sound business sense, as it will spread risk created by unfavourable weather patterns.

"We saw damaging rains in Northern NSW downgrade delivery tonnages to our silos in the harvest of 2000/2001. However, the merger with VicGrain in 2000, gave us a geographical spread that allowed GrainCorp to emerge from that harvest performing above expectation. Expanding to South Australia further reduces weather risk to our business," he said.

Southern Division manager, Jack Tansley, points out that production is expected to increase in the area, where technology is helping convert traditional grazing land to crops. "New techniques of introducing clay into the sandy soil to improve water uptake and retention is converting the area," he says.

SHAREHOLDER INFORMATION

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

Computershare Investor Services
GPO Box 7045 Sydney NSW 1115
T: 02 8234 5000
F: 02 8234 5050

Investor Enquiries:
T: 02 8234 5222 or 1300 855 080

GrainCorp Limited sponsoring broker:
ABN AMRO Morgans Limited
GPO Box 202 Brisbane QLD 4001
T: 1800 777 946

GrainCorp Limited
Level 10, 51 Druitt Street
Sydney NSW 2000
T: 02 9325 9100
F: 02 9325 9180
E: investor@graincorp.com.au

VISIT THE SHAREHOLDER PAGE ON OUR WEBSITE FOR RECENT ANNOUNCEMENTS AND REPORTS: www.graincorp.com.au

NEW CARD STREAMLINES BUSINESS

The introduction of a single National Grower Register (NGR) database and identity card will cut the amount of 'plastic' that growers have to carry and make it easier for them to manage their business. The system will streamline grain delivery and trading processes through minimising paperwork and administration for growers and reducing duplication of industry data records and details.

GrainCorp Operations Limited, AusBulk Ltd and Grainco Australia Limited have agreed to the central database and single ID card for each grower. Between them, the three companies serve 85% of Australia's grain growers and own 95% of the bulk handling facilities in the eastern and southern states of Australia.

NGR registration is necessary for those wishing to use GrainCorp's warehousing facilities. All who warehouse with us are offered a wide range of grain handling and marketing services, including access to our unique online services where growers can receive instant, updated delivery summaries and transfer the title of their grain.

Growers are being reminded to add their new NGR number to their GrainCorp online registration details. There is no cost to farmers when registering with NGR.

MORE INFORMATION IS AVAILABLE AT
freecall 1800 556 630
www.ngr.com.au

PORT FACILITIES DEAL TO BRING BENEFITS

GrainCorp and Grainco Australia Ltd have formed a joint venture company that will offer customers an integrated country to port service and lead to better utilisation of existing port capacity and capital. Cost savings generated through providing a least-cost pathway from farm to port can be passed back through the supply chain.

The joint venture company, Bulk Terminals Australia (BTA), will operate GrainCorp's Newcastle facilities at Carrington and Kooragang Island and Grainco Australia's facilities in Brisbane at Fisherman Islands and Pinkenba.

Each company had been considering building separate port facilities alongside its competitor. The joint venture will give both companies equal access to the Brisbane and Newcastle facilities, although they will continue to compete for product with each other and with other companies along the supply chain.

The move, to take effect in September 2002, will reduce planned capital expenditure and increase competition along the agricultural supply chain, delivering cost saving and efficiency benefits back to growers and customers. It will also allow efficient upgrading of present services and introduction of new services.

GrainCorp's Carrington terminal handles grain products while the Kooragang Island facility, which has recently undergone significant upgrade, primarily handles cottonseed, meal and other agri-food products. Grainco Australia's Brisbane port facilities handle a range of products including grain, cottonseed, silica sand and woodchips.