



# Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: 27 February 2007  
To: The Manager  
Announcements  
Company announcements office

Lodged via [www.asxonline.com](http://www.asxonline.com)

## PUBLIC ANNOUNCEMENT

Please find attached details of a share purchase plan which will open on 5 March and close on 2 April 2007.

**Nigel Hart**  
Company Secretary

**GrainCorp Limited**  
Level 17, Tower 1, Darling Park 201 Sussex Street, Sydney NSW 2000  
PO Box A268, Sydney South NSW 1235  
Telephone: (02) 9325 9100 Facsimile: (02) 9325 9180  
[www.graincorp.com.au](http://www.graincorp.com.au)



1 March 2007

Dear Shareholder,

### Share Purchase Plan

On behalf of the Board of Directors, I am pleased to provide you with the opportunity to acquire up to \$5,000 worth of new shares in GrainCorp Limited under a Share Purchase Plan (SPP). These shares will be issued free of brokerage and transaction costs.

The SPP will enable GrainCorp to continue to reduce its gearing and will provide additional capital for further growth. Accordingly, GrainCorp will be better positioned to take advantage of opportunities as they arise, especially if changes in grain export arrangements occur.

As previously advised, the 2006/07 financial outlook for GrainCorp reflects the drought conditions across the east coast. The company is forecasting a loss in the range of \$20-30 million. However, the company will remain cash flow positive for the period. In 2006 a strategic business improvement plan was adopted by the board to grow company earnings before interest, tax, depreciation and amortisation over the next three years by \$26 million. The target is to consistently deliver greater than a 10% return on equity per annum and a net profit after tax of greater than \$40 million. The SPP equity contribution will assist in the implementation of key aspects of the plan to deliver on the new earnings targets.

The SPP will open on 5 March 2007 and will close on 2 April 2007, unless closed earlier by the GrainCorp board at its sole discretion.

You are eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares in GrainCorp on 28 February 2007 with a registered address in Australia. Participation is entirely voluntary, and you can apply for a parcel of ordinary shares valued at \$1,000, \$2,500 or \$5,000.

The price at which the shares will be issued under the SPP is an amount equal to the lesser of:

- \$9.82 based on 2.5% discount to VWAP 30 days prior to SPP offer; and
- 97.5% of the average daily volume weighted average share prices of all ordinary shares in GrainCorp traded on the Australian Stock Exchange (ASX) during the 5 business days prior to the SPP closing date of 2 April 2007.

To apply you need to complete the attached form and return it to Computershare along with your payment by 5.30 pm (Sydney time) on 2 April 2007.

Details of the SPP, along with frequently asked questions and the terms and conditions, are attached. If you have questions please call Computershare on 1300 786 305. The Board suggests you consider obtaining independent advice before deciding whether to participate in the SPP.

Shareholders will be advised of new share allotments on or around 13 April 2007.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Don Taylor', written over a horizontal line.

Don Taylor  
Chairman



**GrainCorp Limited**  
 ABN 60 057 186 035

Shareholder Registry  
 Computershare Investor Services Pty Limited  
 GPO Box 253  
 Sydney NSW 2001  
 Telephone (within Australia): 1300 786 305  
 Telephone (outside Australia): 61 3 9415 4231  
 Facsimile: (02) 8235 8212  
 Website: www.computershare.com.au

Entitlement Number:  
 Record Date: 7.00pm (Sydney time) 28 February 2007  
 Offer Closes: 5.30pm (Sydney time) 2 April 2007

**SHARE PURCHASE PLAN ACCEPTANCE FORM**

**IMPORTANT:**

This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Acceptance Form please consult a professional adviser.

Pursuant to the Terms and Conditions of the GrainCorp Limited (GrainCorp) Share Purchase Plan (SPP) contained in the accompanying booklet to GrainCorp shareholders dated 1 March 2007, GrainCorp is offering each Eligible Shareholder the opportunity to apply for up to A\$5,000 worth of ordinary shares (Shares).

If you do not wish to apply for Shares under this offer there is no need to take any action.

**METHOD OF ACCEPTANCE**

You can apply for Shares and make your payment either by BPay®, cheque or money order. Details on the various payment methods available are provided overleaf.

You must check the processing cut-off time for Bpay transactions with your bank, credit union or building society as it may be earlier than 5.30pm (Sydney Time) on the 2 April 2007.

You may not transfer your rights under the SPP  
 No signature is required

Broker Code (Broker stamp required)	Advisor Code

015977-V4

 <small>GrainCorp Limited ABN: 60 057 186 035</small>	<b>Please see overleaf for Payment Options</b>	 Biller Code: 019968 Ref No: _____		
<small>Put cheque(s) here. Do not staple.</small>				
I/We wish to apply for shares equivalent to the value set out below in accordance with the Terms and Conditions of the Share Purchase Plan as set out in the Accompanying booklet dated 1 March 2007 which I/we acknowledge I/We have read and understood. (Subject to Scalesback in accordance with the Terms and Conditions of the SPP.)				
<input style="width: 50px; height: 25px;" type="text"/> (A\$1,000)	or	<input style="width: 50px; height: 25px;" type="text"/> (A\$2,500)	or	
<input style="width: 50px; height: 25px;" type="text"/> (A\$5,000)				
<b>Payment Details</b>				
Drawer	Cheque number	BSB number	Account number	Cheque amount
				A\$
<small>Make your cheque or money order payable to "GrainCorp Share Issue Account"</small>				
<small>Contact Details: Please provide your contact details in case we need to speak to you about this form. These are not compulsory. These details will only be used in the event that Computershare Investor Services Pty Limited (CIS) has a query about this Acceptance Form.</small>				
Name of contact person		Contact person's daytime telephone number		
		(      )		

# How to apply for Shares

## Payment Details

### Bpay®

You can apply for Shares by making your payment through BPay®. Details of the facility are listed below. **There is no requirement to return this form if you make your payment by BPay®.**

Your payment must be received by no later than **5.30pm (Sydney time) on 2 April 2007.**

**You must check the processing cut-off time for Bpay transactions with your bank, credit union or building society as it may be earlier than 5.30pm (Sydney Time) on the 2 April 2007.**

By making your payment by BPay® you confirm that you agree to all of the Terms and Conditions of the SPP as enclosed with this form.

### Cheque or Money Order

Alternatively, you can apply for Shares by making your payment by cheque or money order. Make your cheque or money order payable to 'GrainCorp Share Issue Account' in Australian currency for the relevant amount. If you pay by cheque, your cheque must be drawn on an Australian branch of a financial institution and crossed "Not Negotiable". Please ensure you submit the correct amount. Incorrect payments may result in your acceptance being rejected. Please complete cheque details in the boxes provided.

**If paying by cheque or money order, complete and return the Acceptance Form and include the cheque or money order in the envelope provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your acceptance being rejected. Pin (do not staple) your cheque or money order to the Acceptance Form where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.**

If you are paying by cheque or money order, your Acceptance Form and cheque or money order must be received at the Sydney office of Computershare Investor Services Pty Limited (CIS) by no later than the close of the offer at **5.30pm (Sydney time) on 2 April 2007.** You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Return your Acceptance Form with cheque or money order in the envelope provided or deliver in person to the address below.

### Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au).

**If you have any enquiries concerning this Acceptance Form or the SPP, please contact the Share Purchase Plan information line on 1300 786 305 or (03) 9415 4231.**

This form may not be used to notify your change of address. For information, please contact CIS on 1300 855 080 or visit our website [www.computershare.com.au](http://www.computershare.com.au) (Issuer sponsored holders only).

**CHESS holders must contact their Controlling Participant to notify a change of address.**

01/5077-V4

### Payment Options:



Billers Code: 019968

Ref No:

Telephone & Internet Banking – BPay®

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: [www.bpay.com.au](http://www.bpay.com.au)

### OR

Return the Acceptance Form with cheque or money order:



#### By Mail

GrainCorp Limited  
Computershare  
Investor Services Pty Limited  
GPO Box 253  
Sydney NSW 2001  
AUSTRALIA

SAMPLE CUSTOMER  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN TAS 7000



#### In Person

Computershare Investor  
Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2001



**GrainCorp**

Share Purchase Plan Booklet  
GrainCorp Limited ABN 60 057 186 035

## *Share Purchase Plan*

This document has been prepared by GrainCorp Limited (ABN 60 057 186 035) ("GrainCorp"). The Share Purchase Plan ("SPP") is an initiative that provides eligible shareholders with the opportunity to purchase additional GrainCorp shares at a discount and without brokerage and transaction costs. This document does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider the appropriateness of participating in the SPP having regard to your objectives, financial situation and needs. You should also consider obtaining independent advice before making any financial decisions.

Questions relating to the SPP can be directed to Computershare Investor Services Pty Limited on 1300 786 305 (within Australia) or +61 3 9415 4231 (outside Australia), or to your broker or financial or other professional advisor.



## > Frequently Asked Questions

1. What is a Share Purchase Plan ("SPP")?	A SPP is a way in which eligible shareholders may purchase additional ordinary shares in GrainCorp Limited (" <b>GrainCorp</b> ") at a discount to the volume weighted average share price of all ordinary shares in GrainCorp over a prescribed period (please see details of the Issue Price in the answer to question 7 below and the terms and conditions attached to this document) and without brokerage and other transaction costs.
2. Can I participate in both the SPP and the Dividend Reinvestment Plan ("DRP")?	Yes. Shareholders can participate in both the SPP and the DRP without limiting their ability to accept either offer.
3. Why is GrainCorp issuing more shares?	Issuing more shares will enable GrainCorp to further reduce its gearing and will provide additional capital for further growth. Accordingly the Company will be better positioned to undertake future investments and/or acquisitions as opportunities arise.
4. Who is eligible to participate in the SPP?	Shareholders appearing in the register as registered holders of fully paid ordinary shares of GrainCorp at the close of business on 28 February 2007 with a registered address in Australia are eligible to participate in the SPP.
5. Do I have to participate in the SPP?	No. Participation is optional. Before you apply for shares under the SPP, it is suggested that you seek independent advice from your broker or financial or other professional adviser. You can also monitor GrainCorp's share price, which is quoted in the financial pages of major Australian newspapers, and at <a href="http://www.asx.com.au">www.asx.com.au</a> under the code GNC. If you do not participate, you will retain your existing holding of shares.
6. How much can I invest under the SPP?	The maximum investment under the SPP is \$5,000. You may only apply for a parcel of shares with a total value of \$1,000, \$2,500, or \$5,000.
7. Issue price	<p>The issue price<sup>1</sup> of shares under the SPP is an amount equal to the lesser of:</p> <ul style="list-style-type: none"><li>&gt; \$9.82 based on 2.5% discount to VWAP 30 days prior to SPP offer; and</li><li>&gt; 97.5% of the average daily volume weighted average share prices of all ordinary shares in GrainCorp traded on the Australian Stock Exchange (ASX) during the 5 business days prior to the SPP closing date of 2 April 2007.</li></ul> <p>The price at which GrainCorp's shares trade on the <b>ASX</b> between the date of this offer and the date shares are allotted to participating Shareholders may rise or fall, therefore the issue price of shares under the SPP may exceed or be less than the market price of GrainCorp's shares at the time of allotment to participating Shareholders.</p>

<sup>1</sup> ASIC Class Order 02/831 requires that the issue price be less than the market price during a specified period in the 30 days prior to either the date of the offer or the date of the issue.

<p>8. Can my offer under the SPP be transferred to a third party?</p>	<p>No. The offer is non-renounceable and cannot be transferred.</p>
<p>9. What do I do if I receive more than one Acceptance Form?</p>	<p>If you receive more than one Acceptance Form or if you hold shares in more than one capacity, for example, if you are both a sole and a joint holder of shares, the maximum amount you may apply to invest under the SPP in any 12 month period is \$5,000. This limitation is imposed by the Australian Securities &amp; Investments Commission. Please refer to the Terms and Conditions for an example. However, if you are a shareholder who acts as trustee or nominee for one or more named persons (each a "<b>beneficiary</b>"), each named beneficiary is taken to be an eligible shareholder for the purposes of the SPP and each such beneficiary may make an application through the nominee to participate in the SPP. By applying to purchase shares under the SPP, you certify that you have not exceeded this limit of \$5,000. This does not include an issue under the DRP.</p>
<p>10. How many shares will I acquire if I accept the offer under the SPP?</p>	<p>The number of shares that you will receive under the SPP will be equal to the value of the parcel of shares you have applied for (i.e. \$1,000, \$2,500, or \$5,000) divided by the issue price. If the parcel of shares does not equal a whole number of shares when the issue price has been determined, the value of the shares issued to you will be rounded down to the nearest share. The amount will not be refunded to you. It will be paid to the 'Youth Enterprise Trust' charity as nominated by the Board. For example, if you applied for a parcel of \$5000, assuming an issue price of \$9.82, you will receive 509 new shares with \$1.62 being donated to the charity Youth Enterprise Trust.</p> <p>GrainCorp reserves the right to scale back acceptances on a pro-rata basis (as nearly as practicable) if applications exceed \$30 million. Applications moneys received in excess of this will be refunded to shareholders without interest. Decisions made about scaling back by the Board of GrainCorp are final.</p>
<p>11. What are the rights attached to shares acquired under the SPP?</p>	<p>New shares acquired under the SPP will rank equally with existing shares in all respects and will have the same entitlements for voting, dividends (including the dividend for the period ending 30 September 2007) and other entitlements.</p>
<p>12. How long is the offer period?</p>	<p>The offer period is from 5 March to 2 April 2007 at 5.30pm (Sydney time). Therefore, if you wish to apply for any shares under the SPP, you should complete the enclosed Acceptance Form and forward it with your cheque, money order or make a BPay payment, so that it is received by Computershare Investor Services Pty Ltd before 5.30pm (Sydney time) on 2 April 2007.</p>





> Frequently Asked Questions cont.

<p>13. How do I apply for shares under the SPP?</p>	<p>You can choose to pay for a parcel of shares under the SPP by BPay, cheque or money order.</p> <p>If you wish to participate in the SPP using the BPay facility, follow the BPay instructions in the enclosed Acceptance Form and ensure that your payment is made prior to the close of the offer at 5:30 pm (Sydney time) on 2 April 2007.</p> <p>If you wish to participate in the SPP and pay by cheque or money order, simply:</p> <ul style="list-style-type: none"><li>&gt; complete and sign the enclosed Acceptance Form (please note that your acceptance will not be valid unless it is completed correctly and signed);</li><li>&gt; make your cheque or money order payable to "GrainCorp Share Issue Account"; and</li></ul> <p>send the Acceptance Form with a cheque or money order in the enclosed business reply envelope so that it is received prior to the close of the offer at 5:30 pm (Sydney time) on 2 April 2007 at Computershare Investor Services Pty Limited, GPO Box 253, Sydney, NSW, 2001, Australia. Acceptance Forms received after this time will not be accepted.</p>
<p>14. Can I withdraw, revoke or change an SPP application form?</p>	<p>No. Once you have sent in an application form, you will not be able to withdraw, revoke or change your Acceptance Form.</p>
<p>15. When will I receive my shares under the SPP?</p>	<p>Shares acquired under the SPP will be allotted on or around 13 April 2007.</p>
<p>16. Where can I get more information on the SPP?</p>	<p>If you have any questions, please contact us through Computershare:</p> <p><b>Telephone:</b> 1300 786 305 (toll free within Australia) +61 3 9415 4231 (outside Australia)</p> <p><b>Facsimile:</b> +61 2 8235 8212</p> <p><b>Or</b></p> <p><b>Website:</b> <a href="http://www.graincorp.com.au">www.graincorp.com.au</a></p> <p><b>Email:</b> <a href="mailto:enquiries@graincorp.com.au">enquiries@graincorp.com.au</a></p>
<p>17. What about privacy?</p>	<p>Computershare Investor Services Pty Limited ("<b>Computershare</b>") advises that Chapter 2C of the Corporations Act requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity with which you hold shares. This information must continue to be included in the public register if you cease to be a shareholder. The Privacy Amendment (Private Sector) Act 2000 does not alter these statutory obligations.</p> <p>Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your Shareholding. Computershare's privacy policy is available on their website (<a href="http://www.computershare.com.au">www.computershare.com.au</a>).</p>

## > Terms and conditions

Shareholders will be bound by the constitution of GrainCorp Limited ("**GrainCorp**") and these terms and conditions by accepting the offer to acquire shares under the Share Purchase Plan ("**SPP**").

### Participation

Shareholders appearing in the share register as registered holders of fully paid ordinary shares of GrainCorp at the close of business on 28 February 2007 with a registered address in Australia will be eligible to participate in the SPP.

If you are eligible to participate in the SPP, you have the choice as to the amount you wish to apply for, with parcels of shares with a total value of approximately \$1,000, \$2,500, or \$5,000 available. The maximum investment is \$5,000 worth of shares under the SPP or a similar arrangement in any consecutive 12 month period.

If you apply to participate in the SPP by completing and returning the Acceptance Form or by making a BPay payment:

- > you certify to GrainCorp that you are an eligible shareholder (ie, your name appears in the share register as registered holder of fully paid ordinary shares of GrainCorp at the close of business on 28 February 2007 with a registered address in Australia);
- > you certify to GrainCorp that you have not applied for shares with an aggregate application price in excess of \$5,000 under the SPP (and any similar arrangement in the 12 months prior to your application), even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- > you authorise GrainCorp (and its officers and agents) to correct any error in, or omission from, your Acceptance Form and to complete the Acceptance Form by the insertion of any missing details;
- > you acknowledge that GrainCorp may at any time irrevocably determine that your Acceptance Form is valid, in accordance with these terms and conditions, even if the Acceptance Form is incomplete, contains errors or is otherwise defective; and
- > you irrevocably and unconditionally agree to these terms and conditions.

### Price

The issue price per share under the SPP is an amount equal to the lesser of:

- > \$9.82 based on 2.5% discount to VWAP 30 days prior to SPP offer; and
- > 97.5% of the average daily volume weighted average share prices of all ordinary shares in GrainCorp traded on the Australian Stock Exchange (ASX) during the 5 business days prior to the SPP closing date of 2 April 2007.

The market price of GrainCorp's shares may rise or fall between the date of the close of this offer and the date when the shares are allotted under the SPP. Therefore, the issue price of shares under the SPP may exceed or be less than the market price of GrainCorp's shares at the time of allotment to participating Shareholders.

There is no certainty that GrainCorp's shares will trade at or above the issue price following the issue of shares under the SPP. Shareholders should consider obtaining independent advice from a broker or financial or other professional adviser before making a decision to acquire shares under the SPP.



## > Terms and conditions cont.

### Participation costs

No brokerage or other transaction costs will apply to the application for or the acquisition of shares under the SPP.

### Multiple and joint holdings

Shareholders that receive more than one Acceptance Form, due to multiple individual holdings or joint holdings, may only apply for a maximum of \$5,000 worth of shares. For example, if a person has an individual holding in the name of John Smith and a joint holding in the names of John Smith and James Black, John Smith may still only accept up to \$5,000 worth of shares in total and not \$5,000 worth for the individual holding and half of the other \$5,000 for the joint holding.

For each shareholder who is expressly recorded in the share register as holding shares as trustee or nominee for one or more named persons (each a "**beneficiary**"), each such named beneficiary is taken to be an eligible shareholder for the purposes of the SPP. Each beneficiary may make an application through the trustee or nominee to participate in the SPP. For example, if ABC Pty Limited makes an application on behalf of John Smith, then the application is deemed to be made by John Smith. However, if ABC Pty Limited does not make an application as a trustee or nominee for a named beneficiary, then the application will be received by ABC Pty Limited and the rules for multiple individual holdings will apply, that is, it may only accept up to \$5,000 worth of shares in total.

### Applying for shares and closing date

Shareholders applying for shares under the SPP and **paying using BPay** must follow the instructions in the enclosed Acceptance Form and ensure payment is made prior to the close of the offer at 5:30 pm (Sydney time) on 2 April 2007.

Shareholders applying for shares under the SPP **paying by cheque or money order** must complete the enclosed Acceptance Form and forward it with a cheque or money order payable to "GrainCorp Share Issue Account" in the enclosed reply paid envelope so that it is received prior to the close of the offer at 5:30 pm (Sydney time) on 2 April 2007 at Computershare Investor Services Pty Limited, GPO Box 253, Sydney, NSW, 2001, Australia. Acceptance Forms received after 5:30 pm (Sydney time) on 2 April 2007 will not be accepted.

If the full amount is not tendered with the Acceptance Form, GrainCorp reserves the right to return the cheque or money order and Acceptance Form or refund all your payment and not allot any shares to the shareholder. If the cheque or money order for application moneys is dishonoured or the BPay payment is declined or not authorised, GrainCorp reserves the right to not allot any shares to the shareholder, and/or to cancel any shares already allotted in consideration for such application moneys. Applications and payments under the SPP may not be withdrawn or cancelled once they have been received by Computershare.

## Issue of shares

GrainCorp may allot fewer shares than an eligible shareholder applies for under the SPP (or none at all) if GrainCorp considers that issuing those shares would breach any law or any ASX Listing Rule, or if GrainCorp considers that any person holding shares directly as a registered holder, and/or directly or indirectly through one or more custodians as beneficial owner, will otherwise receive, in aggregate, shares having a total subscription price of more than \$5,000.

The offer of shares under the SPP is in accordance with ASIC Class Order 02/831, which grants relief from the requirement to prepare a prospectus for this offer. It is important to note that participation in the SPP is optional. The offer is also non-renounceable, therefore, shareholders cannot transfer their right to purchase shares under the SPP to a third party. New shares will rank equally with existing shares in all respects and will have the same entitlements for voting, dividends (including the dividend for the period ending 30 September 2007) and other entitlements.

Shares under the SPP are anticipated to be quoted on ASX on or around 16 April 2007. A holding statement or allotment confirmation notice will be dispatched to successful applicants on or around 13 April 2007.

## GrainCorp's rights

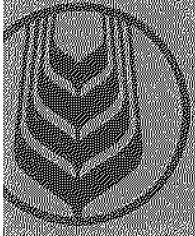
GrainCorp reserves the right to reject any application for shares under the SPP, which it believes does not comply with these terms and conditions.

GrainCorp reserves the right to modify, suspend or cancel the SPP at any time. If GrainCorp does this it will notify the ASX. In the event that the offer is cancelled, all application money will be refunded to shareholders without interest.

GrainCorp reserves the right to scale back acceptances on a pro-rata basis (as nearly as practicable) if applications exceed \$30 million. Application moneys received in excess of this will be refunded to shareholders without interest. Decisions made about scaling back by the Board of GrainCorp are final.

GrainCorp may settle, in any manner they deem fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of this SPP whether generally or in relation to any participant, application or shares, and GrainCorp's decision shall be conclusive and binding on all participants and other persons to whom the determination relates. GrainCorp reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of GrainCorp under these Terms and Conditions may be exercised by the Company's directors or any delegate of the directors.

The Frequently Asked Questions in this document form part of these Terms and Conditions.



> GrainCorp