Media Release **5 February 2003**

Grain Industry Merger Talks

Two of Australia's leading grain industry players, public unlisted Grainco Australia Limited (GA) and ASX listed GrainCorp Limited (GrainCorp) today announced that they have entered into discussions with a view to a possible merger of the two companies.

GA Managing Director, Dave Woodall said the company had been pursuing a range of options to allow its shareholders to unlock their share value, to own stock in a publicly listed company, as well as gaining access to competitive, least cost grain handling services in Queensland.

GrainCorp Managing Director Tom Keene said the opportunity to merge the two businesses made commercial and strategic sense for the shareholders of both companies.

Any change to Grainco Australia's constitution to effect a merger would require an extraordinary General Meeting of shareholders.

The two companies recently entered into a joint venture, Bulk Terminals Australia to operate their respective Brisbane and Newcastle port facilities. The partnership was created against a backdrop of Australia's grain handling and marketing bodies examining ways to diversify geographically and undertaking potential heavy capital expenditure in ports. BTA has avoided capital investment duplication at port, enabling investment in better port services while passing savings generated back through the supply chain.

Footnote: *Grainco Australia Limited is a world-class, geographically diversified bulk commodity, logistics and trade facilitation group.*

GrainCorp Limited is a leading Australian agribusiness specialising in grain supply chain management from seed development to grain storage, transport, logistics and marketing.

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