Media Release **15 August 2003**

Shareholders approve Grainco Australia / GrainCorp merger

Grainco Australia Limited shareholders today accepted a $1.392 per share merger offer from ASX listed GrainCorp Limited (GrainCorp), passing all resolutions by a vote of over ninety-seven (97) percent.

Speaking after the meetings in Toowoomba today, Grainco Australia Executive Chairman, Mr Don Taylor thanked shareholders for their overwhelming support. A total of fifty-seven (57) percent of shareholders voted either in person or by proxy.

"The board firmly believes a merger with GrainCorp will create an organisation with the financial strength and industry expertise to improve service levels for growers and facilitate the future needs of the Queensland grains industry. We are delighted our shareholders feel the same way," he said.

He went on to say, "Our industry is under going rapid change, the decision by shareholders today will ensure a strong, viable storage and handling business is maintained in Queensland."

The merger is on track for implementation on 1 October 2003, at which time cash payments and/or GrainCorp reset preference shares will be provided to Grainco Australia shareholders. The priority offer to Grainco Australia shareholders closes on 22 August 2003.

Managing Director of GrainCorp, Mr Tom Keene said the result was an enormous vote of confidence by Grainco Australia shareholders in the merged business.

"We will now buckle down to the task of providing the best possible service to Queensland growers in the coming harvest" he said.

"The merger means that the creation of a larger, geographically and earnings diversified company that is better placed to service customers and reward shareholders."

GrainCorp has been through an extensive program of modernisation, geographic expansion and supply chain diversification – including public listing on the ASX in 1998, the merger with Vicgrain in 2000 and the purchase of Allied Mills in 2002 in a JV with Cargill Australia. The recent drought has failed to distract GrainCorp from its long-term strategic plan.

"We are ready to build on the strength of our business and continue with our strategy of geographic and earnings diversification. The merger with Grainco Australia is the next step," added Mr Keene.

At an extraordinary general meeting (EGM) earlier this week GrainCorp shareholders approved changes to its constitution to allow for the issue of reset preference shares and the appointment of Grainco Australia nominee Don Taylor to its board.

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