GrainCorp

Growing Solutions

To: The Manager
Announcements
Company Announcements Office

PUBLIC ANNOUNCEMENT

Reset Preference Share Conversion Adjustment

The Directors of GrainCorp Limited ("GrainCorp") have reviewed Clause 3.9 ('Adjustments for return of capital') and Clause 3.11 ('Discretion in adjustment of Conversion mechanism') in the Terms of Issue for the Reset Preference Shares (quoted as GNCPA) and resolved to alter the Minimum and Maximum Conversion Numbers in accordance with Clause 3.11.

An adjustment to the Minimum and Maximum Conversion Numbers is automatically made if GrainCorp makes a return of capital or a distribution by way of dividend to holders of Ordinary Shares (other than by way of a share buy-back) which exceeds twice the amount of those distributions made in the previous financial year.

The Directors consider that the adjustment under Clause 3.9 should only apply to the Special Dividend of 10 cents per share declared by the directors on 26 May 2004. The adjustment should not apply to the Interim Dividend of 17 cents per share declared by directors on 26 May 2004. The Directors consider that it is not appropriate in the circumstances for the adjustment to apply to the Interim Dividend and that such adjustment would affect the relative values of Reset Preference Shares and Ordinary Shares.

Clause 3.9 requires the Volume Average Weighted Price (VWAP) to be utilised in the calculation of the adjustment. The VWAP is determined during the period from the first Business Day after the announcement of the return of capital to ASX up to and including the last Business Day of trading cum the return of capital.

In accordance with this requirement the company will calculate the VWAP for the period 27 May 2004 to 11 June 2004.

An announcement on the adjustment and alteration to the Minimum and Maximum Conversion Numbers will be made on 15 June 2004.

Nigel Hart
Corporate Services Manager
and Company Secretary

Friday 4 June 2004