



Media Release

IMMEDIATE RELEASE

Wednesday 23 July 2008

UPDATE ON OFFER FOR RIDLEY CORPORATION

GrainCorp has announced that the offer for Ridley Corporation Limited has been adversely impacted by the GrainCorp share price and the overall state of the share market. Therefore GrainCorp does not intend to increase the consideration or extend the offer period.

"We believe the fundamental rationale for the offer remains sound and that the synergies described in the bidder's statement can be achieved," said Mark Irwin, GrainCorp Managing Director.

"The Directors of GrainCorp believe our share price is currently undervalued. The price does not appropriately reflect the strength of our assets and the improving conditions for the 2008 grain harvest in the areas covered by our storage and logistics network."

"Our current share price and the external factors impacting on the share market, make the ratio on which the bid is based potentially unattractive to Ridley shareholders," Mr Irwin said.

"As a consequence of not increasing the consideration or extending the offer period, if the conditions to the bid (including the 90% minimum acceptance condition) are not satisfied by 26 August 2008 (being the last day of the offer period), the offer will lapse."

"We value Ridley as a customer and we hope to build on the positive working relationships that have developed between key Ridley and GrainCorp operational staff."

"While our offer may not be successful, our Storage and Logistics, Hunter Grain and Allied Mills businesses are significant suppliers to Ridley Agriproducts and we believe we can grow our services to them, to the mutual benefit of all parties."

"By working together, both companies can identify and extract new supply chain efficiencies. In doing so, we can develop added value for shareholders, which in the long run is a shared aim of both organisations."

"For GrainCorp, the enhancement of shareholder value remains our overriding focus in all activities. GrainCorp now has an opportunity to direct increased attention to specific initiatives related to our infrastructure assets and the pursuit of opportunities related to the removal of the export wheat monopoly."

GrainCorp is a leading Australian agribusiness, with extensive bulk handling infrastructure on the east coast and a national and international grain marketing operation.

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