



Media Release

IMMEDIATE RELEASE

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GRAINCORP TO SELL SERVICE CENTRES AND EXIT MERCHANDISE

GrainCorp (GNC) today confirmed that it had decided to sell a number of its merchandise service centres, and exit the merchandise sector by the end of the current financial year.

GrainCorp Managing Director, Mr Mark Irwin, said the decision to wind down the GrainCorp Merchandise business was made after consideration of the results of a review of GrainCorp's participation in the sector.

"We initiated a three month review of the merchandise sector and concluded that GrainCorp needed to significantly expand merchandise operations to become profitable. During the review we did not find any attractive expansion options".

"The cost of finalising the merchandise operations by September 2010 is estimated at up to \$3.5 million after tax".

Mr Irwin also advised that GrainCorp had already closed eight merchandise centres at Goondiwindi, Trangie, Narromine, Coonamble, Junee, Hillston, Warracknabeal and Charlton, and made ten positions redundant.

The remaining merchandise centres at Narrabri, Gunnedah, Parkes, Horsham, Lockhart, Quandialla, Oaklands, West Wyalong, Condobolin, Tottenham, Nevertire, Gilgandra, Burren Junction, Bellata, Dalby, Miles and Meandarra will continue to trade over the next nine months.

Where possible, GrainCorp will offer a number of these merchandise service centres for sale as operating businesses.

"We expect to be able to sell a number of service centres as going concerns over the next six months. Where an outlet is sold, we will work to transition customer accounts and inventory, and where possible staff, to the new owners. This means it will be business as usual for customers of these centres".

Mr Irwin also said, "I would like to thank all GrainCorp Merchandise staff for their hard work and their focus on providing great customer service. The decision to wind down our participation in the merchandise sector is no reflection on the work done by our in-store staff or the field agronomists. They have all done a great job, and this has been a very difficult decision to make".

"I would also like to express my appreciation to the customers and suppliers who supported GrainCorp Merchandise since the commencement of merchandise operations in 1996", Mr Irwin said.

Contact: David Ginns - Corporate Affairs (02) 9325 9132 or 0419429943