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MEDIA RELEASE

Major Internet initiative for rural Australia

Wesfarmers Dalgety Limited and Rural Press Limited, two of the largest companies operating in rural and regional Australia, have teamed with international strategy consultants McKinsey & Company to create a "one stop" Internet portal network for agriculture.

The companies are well advanced in including additional strategic partners and investors in this major initiative, including telecommunications and Internet service providers, and businesses from the product manufacturing, rural distribution and services sector.

Primary producers will be able to source a wide range of technical and commodity information and will be able to buy inputs and sell outputs through a non-exclusive range of suppliers. The network will be a relevant and highly efficient tool for the rural sector.

Managing Director of Wesfarmers Dalgety, Richard Goyder, said that the new Internet project would be on a scale not yet seen in rural Australia.

"The plan is to finalise capital raising of \$40 million in August from founding and other strategic partners to fund the development and operation of an agricultural Internet network. This network will focus on the needs of primary producers, giving them the widest possible choice of product and service providers.

"The real potential for Australian agriculture arising from this project is exciting. The interface to the farmer will be a portal with seamless links to specialised modules such as merchandise, fuel, and marketing of wool, grain and livestock."

Brian McCarthy, Managing Director of Rural Press Limited, said that discussions with other potential partners were well advanced.

"We will make a series of announcements in the near future about additional partners and investors, as well as the final structure of the business. The Internet site is already under construction and we anticipate it will go live in stages commencing in late August.

"To date, the lack of reliable and fast Internet access in rural Australia has prevented a project of this scale being offered to primary producers.

"Advances in technology are now reaching the point that enables efficient and cost-effective Internet access to many producers.

"Our aim is to develop a network that is user-friendly and provides fast, easy access. This will be achieved by the careful design of technology, a supportive call-centre and access to high speed Internet services.

"The network will assist the agricultural sector by offering services, prices and solutions that will improve farm returns."

McKinsey & Company Managing Director John Stuckey claimed that this type of partnership and business model was unique within Australia and even internationally.

"The partners have learned from experience in the United States. Firstly, that strategic partnering of key incumbents is increasingly important to E-Business success. Secondly, that creating a network of partners allows the costs of creating a major Internet business to be spread across a number of businesses and revenue streams. The result for primary producers will be an Internet network that offers genuine benefits to their businesses and a sustainable economic model for all business founding partners."

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