



Press Release

CropDesign and Grain Biotech Australia in Wheat Alliance

Deal Targets Accelerated Product Development in Cereals

GENT, BELGIUM/PERTH, AUSTRALIA, November 21, 2000 – CropDesign N.V. (CropDesign) and Grain Biotech Australia Pty Ltd (GBA) announced today that they have signed an agreement for a joint wheat product development program for Australia. The alliance is designed to accelerate introduction of CropDesign's yield enhancement technologies into commercial wheat varieties for Australia and elsewhere. Under the terms of the agreement, CropDesign and GBA will make certain of their technologies and wheat germplasm available to the program. The alliance has exclusive rights to the program for Australia, while CropDesign has exclusive rights outside of Australia. CropDesign and GBA will share royalties from any wheat varieties developed by the alliance and which are licensed internationally. CropDesign also has the exclusive right outside of Australia to use wheat germplasm from the program containing its technology for backcrossing. Backcrossing is a plant breeding method commonly used to transfer valuable traits between varieties. Research under the new alliance has already commenced at GBA's laboratories.

CropDesign employs several growth and development technologies, including cell cycle and other plant genes, to develop products such as higher yielding and hardier varieties of wheat, rice and other cereals. Earlier this year CropDesign was issued a broad U.S. patent, based on an invention of Dr. Pete John at the Australian National University in Canberra, covering plant cell cycle technology. Cell cycle is the process of cell division and cell growth, and is fundamental to all plants and animals. Changes in cell cycle can effect plant cell growth and cell size, as well as plant maturity, shape and general health. By modulating cell cycle and other genes, CropDesign and GBA intend to develop hardier and high yielding wheat varieties adapted for specific environmental requirements. Access to the results of the TraitMill™, CropDesign's plant evaluation system for high-throughput evaluation of genes for crop improvement, is a key part of the agreement.

According to Dr. Herman Van Mellaert, CropDesign CEO, the alliance with GBA will help validate the company's strategy and technologies for cereal yield enhancement and stress tolerance under actual field conditions. "This agreement with GBA leverages our gene discovery and function research further into product development. It is also the first of a number of partnering opportunities to make use of the TraitMill™ for rapid evaluation of crop improvement genes". Van Mellaert added, "Moving CropDesign's technology from the laboratory to the wheat field is necessary to confirm its potential for value creation at the farm gate. This agreement gives us a head-start in developing higher yielding wheat and other cereals for Australia and the rest of the world. With GBA's expertise in wheat germplasm development and biotechnology, we have an



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ideal partner for our functional genomics research in this important crop". Wheat is the most important food crop worldwide.

Dr. Ian Edwards, CEO of Grain Biotech Australia said: "This agreement provides excellent synergies by bringing together our expertise in molecular biology and wheat breeding with CropDesign's world-class functional genomics resources. In Australia we face a number of abiotic or environmental stresses that limit wheat production, and we believe that the cell cycle genes will constitute an important addition to our portfolio of novel genes. Sustainable competitiveness in wheat development requires precisely the combination of strengths in functional genomics, high-throughput gene evaluation, biotechnology and modern plant breeding that we expect to achieve with this agreement". Dr. Edwards, former Worldwide Director of Field Crops Research for Pioneer Hi-Bred International, Inc. has 35 years of international experience in wheat breeding and variety and hybrid development. Dr. Edwards added, "GBA is committed to ensuring that Australia's wheat producers and end users have access to leading technologies that will not only enhance yield but ensure the country's competitiveness in the global wheat market".

CropDesign, based in Gent, Belgium is an agbiotech company focussed on the application of functional genomics for improved crop performance, including higher yield, heightened tolerance to stress and diseases and better quality. CropDesign applies its technology in rice, wheat and other cereals. Founded in 1998, CropDesign employs over 60 people at its research facilities in Gent.

Grain Biotech Australia is headquartered in Perth, Western Australia. It is the country's first private company to combine biotechnology with applied plant breeding to produce wheat varieties with added value for producers, processors and consumers. The company was founded in 1999 with strong grower support, including the Council of Grain Grower Organizations and the Export Grain Centre. GBA conducts the largest Australian private wheat research and development program.

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