



September 3rd, 2009

## **MEDIA RELEASE**

### **FOODWORKS SECURES NEW METCASH SUPPLY AGREEMENT FOR COLES STORES**

FoodWorks has today signed a long-term agreement with Metcash to supply the 45 supermarkets and eight associated liquor outlets it is acquiring from Coles.

At the wholesale level FoodWorks will increase its purchases through Metcash by an additional \$250m per annum. The acquisition will bring FoodWorks' aggregate retail sales to an estimated \$2.2b per annum. The new arrangement with Metcash includes an initial ten year term and incorporates access to warehouse products including the new Metcash fresh initiative.

FoodWorks CEO Peter Noble says the agreement is a great outcome for FoodWorks and Metcash, for consumers and the independent supermarket industry.

"Central to our thinking in reaching this agreement with Metcash was maintaining a competitive position in the marketplace. It is therefore logical that we build a long term position with Metcash that gives Metcash greater buying power and FoodWorks a sustainable, long-term, competitive position that is mutually beneficial," Mr Noble said.

"Choice of range and value for money for consumers in our stores is vital for the success of the independent sector and for ensuring strong, competitive choice in the Australian supermarket landscape.

"The new agreement encompasses our existing 700 member stores by way of extending the current supply arrangements for a further 10 years," he said.

The stores acquired from Coles will transition to Foodworks progressively over a six month period starting in late September and finishing in April 2010.

-ENDS-

For images or to arrange an interview please contact:

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FoodWorks is Australia's largest truly independent supermarket chain. At the conclusion of this transaction our network will include over 745 outlets with more than 440 branded stores. The majority of our branded stores are owned individually by our members and there will be 45 company owned stores.

FoodWorks share ownership is restricted to our members and their associated entities and is not open to the general market.

From small to large, country to city, each FoodWorks store is different. But while every store is unique, each offers their local community a shopping experience tailored to their needs. Our stores offer great value, quality fresh produce, a large range of branded products, a varied selection of private label products and most importantly exceptional customer service.

FoodWorks – 'works for me'