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## **MEDIA RELEASE**

# **FOODWORKS' SHAREHOLDERS VOTE IN SUPPORT OF THE PURCHASE OF 45 COLES STORES**

FoodWorks' shareholders today voted in support of FoodWorks' purchase of 45 Coles stores, eight with adjoining liquor outlets. This transaction has also been given approval by the Australian Competition and Consumer Commission and can now proceed as planned.

FoodWorks CEO Peter Noble was delighted to receive the support of shareholders and the ACCC for the most significant growth development in the company since its 2007 internal capital raising.

"The support of our shareholders for this acquisition, which is valued at around \$35 million, has been outstanding. This development enables us to not only achieve a long-term goal of company owned stores quickly and cost effectively but also increases our buying power and market presence," Mr Noble said.

"This deal will benefit our shareholders and also increase competition in the Australian grocery sector. Our increased market presence and buying power will benefit all of our retail members. The support of our suppliers will allow us continue to give the customers of all of our stores great range, top quality fresh produce and excellent value.

According to Mr Noble all existing store staff will be offered employment on their existing terms and conditions.

"Current store staff will transfer to FoodWorks on their existing terms and conditions of employment, and they will retain their entitlements. The retail experience and local knowledge of the individual store staff is for us one of the most important assets of this transaction.

"We are looking forward to working with the store staff and the local community to develop each of these stores. Our stores offer customers a bright, modern shopping experience and most importantly outstanding customer service," he said.

According to Mr Noble support for the local community will be a core part of the culture of these new stores, as it is in other FoodWorks stores.

"We are proud to support the local communities that we operate in as we appreciate their support for our stores," Mr Noble said.

The stores included in the sale, which are in various locations throughout South Australia, Victoria, New South Wales and Queensland, are ideal in size and location to help accelerate FoodWorks' growth strategy.

"We made the decision to purchase these stores as we believe that they have great potential to develop and generate excellent returns for our shareholders. Our business model and ownership structure is unique in the supermarket industry in Australia. We are Australian owned and operated and our

shareholder base is restricted to our retail store owners and their related parties. Our retailers are at the centre of small and medium business in Australia,” Mr Noble said.

“We realise that there’s more to being the local grocer than just having a shop in an area. We are looking forward to meeting with local customers to find out what they want from their supermarket,” Mr Noble said.

The stores will transition to Foodworks progressively, with the process to be completed by Easter 2010. FoodWorks share ownership is restricted to members and their associated entities, and is not open to the general market.

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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’