

MEDIA RELEASE

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FoodWorks officially goes National, breaking into South Australian market *~Australian independent supermarket group FoodWorks enters their last uncharted state: South Australia~*

The CEO of FoodWorks, Mr Peter Noble today announced that the Australian independent supermarket group had successfully signed up their first FoodWorks stores in South Australia, officially enabling them to operate and compete on a national scale.

The expansion into South Australia is a significant event in the growth of the FoodWorks brand nationally, allowing the group to officially operate in all eight Australian states and territories, providing a genuinely formidable opponent to the major chains and follows on from last year's announcement of the establishment of 23 supermarkets in Western Australia.

Mr Noble said "This is a major milestone achievement for us as we start 2008 focused squarely on growth, providing us with an impressive platform from which to continue to build the brand and accelerate our expansion.

"The opportunities ahead of us now both in South Australia and on a national scale are boundless and we can't wait to get started," Mr Noble said.

Celebrating their third birthday as a merged company in November 2007, FoodWorks has grown to be Australia's second largest leading independent supermarket retailing group with over 700 stores, supporting in excess of \$1.35 billion in annual aggregate store turnover, with the entry into South Australia anticipated to significantly grow their annual retail sales in the short to medium term.

FoodWorks National Business Development Manager Mr Simon Thompson said that "In many ways entering the South Australian market was the final remaining frontier.

"In order to advance and continue to grow in an extremely dynamic and competitive Australian supermarket industry, this is a critical development," Mr Thompson said.

The new stores joining the group will soon to be sporting the fresh, bold orange and green FoodWorks design and signage, with rebranding commencing in April 2008.

The entry into South Australia tops off a busy and productive couple of months for the growing FoodWorks group including:

- the launch of their first "Perfect Store" concept store in Bradbury, NSW in December, with another 20 stores secured to open over the next three months;
- the significant extension of their private label offering now in full swing with around 250 new category specific product lines in the final design and branding phase for launch in-store soon; and
- the continued strong like for like store sales growth, with the January month to date, week ending 20 January 2008 recording an impressive 8.4 percent rise.

- ENDS -

Notes to Editor

What is FoodWorks?

FoodWorks is the only truly independent retail group of significant size in Australia, and is now bigger, bolder and stronger than ever before. With the unwavering support of their retail Members, FoodWorks has been assertively propelled onto centre stage in the Australian supermarket sector, bringing to the forefront their innovative, cutting-edge way of doing business today and well into the future.

The proud, independent traditions of their heritage, harnessed to a modern, challenging strategic blueprint and a support team driven to succeed has seen FoodWorks achieve not only all their strategic objectives, but accomplish this in an environment where their business continues to deliver on a daily basis with industry leading like for like sales growth and financial performance above plan.

FoodWorks prides itself in its fresh, contemporary approach to retail whilst still retaining a friendly, community-focused relationship with their customers. Each and every retailer in FoodWorks is different and all have a strong sense of independence, but all proudly uphold the positioning statement 'What can we do for you today?'

FoodWorks' Mission

FoodWorks' mission is to build the prosperity of its independent retailer Members.

Background

Created from the Merger of the FoodWorks Supermarket Group Ltd (FSG) and Australian United Retailers (AUR) in November 2004 in response to rapid industry consolidation and increased competition, Australian United Retailers Limited (AURL) is an independent retail supermarket group trading under the "FoodWorks" Brand.

Foundation members of FoodWorks were originally AUR, Foodstore, FoodWorks, Buy Rite, Cut Price, 727, Rite-Way, Food-Rite, Foodwise, Tuckerbag, Night Owl and Food-Way proprietors.

Today

Having made a powerful entrance into the Western Australian market in early 2007, FoodWorks now has over 700 supermarkets, food and convenience stores now spanning eight states / territories nationally with more than 390 of these operating under the FoodWorks brand, clearly visible by the bold, fresh orange and green logo design and signage.

FoodWorks recently completed a major restructure in order to effectively represent the interests of Members in the competitive Australian supermarket industry. Now, having raised \$10.4 million from their internal capital raising, FoodWorks is well resourced for superior growth and strongly positioned to take full advantage of the plentiful opportunities available in the market place.

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