



## **MEDIA RELEASE**

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### **FoodWorks to manage own private label warehousing & logistics through partnering with CEVA Logistics**

FoodWorks Chief Executive Officer, Mr Peter Noble today announced the Australian independent supermarket group's partnership with global logistics company, CEVA Logistics at the 2008 FoodWorks National Conference in Queenstown, New Zealand.

The new warehousing partnership arrangement will enable FoodWorks to have full control of their growing private label portfolio, with CEVA Logistics having the capability to support the independent supermarket group's extensive private label expansion targets through their comprehensive end-to-end solution offer.

Attended by around 500 FoodWorks retailers, support staff, Board of Directors and key supplier and service providers, Mr Noble clearly stated the company's focus on having complete control of their own growth and future direction, during the CEO and Chairman's Address at the annual Conference running from Saturday 4 until Wednesday 8 October 2008.

Mr Noble said FoodWorks' targets for the coming year for their 706 stores nationally surrounded active property development, rapid private label development and a growing focus on supply chain efficiency.

"Through partnering with CEVA Logistics, FoodWorks are in a position to head up our 'own brands' supply chain, which basically means we can cut out the middle man and control our private label products with CEVA Logistics' end to end solution efficiencies, passing the cost and time benefit onto our retailers and customers," Mr Noble said.

CEVA Logistics is one of the worlds leading supply chain companies, providing innovative and integrated supply chain solutions tailored to specific business requirements. With capability locally, nationally and globally, CEVA Logistics offers a fully integrated logistics service. When it comes to FoodWorks, CEVA Logistics is able to provide global sourcing, local warehousing and distribution to outlets across every state of Australia.

CEVA Logistics Managing Director, Mr Howard Critchley said there is ample room for FoodWorks to significantly grow and expand their 'own brand' offering in their warehousing facilities nationally and that this partnership complements CEVA's already strong presence in designing supply chain solutions within the food group sector.

"We are extremely excited to have a major nationally operating supermarket company the likes of FoodWorks come on board with us. We're looking forward to fully supporting their supermarkets' freight management and warehousing needs now and well into the future," Mr Critchley said.

The new warehousing and logistics arrangement will commence later this month, and will service all FoodWorks stores nationally by the early stages of 2009.

This year's CEO and Chairman's Address theme was 'It's more fun to be a Pirate than to join the Navy', with the underlying reference that FoodWorks independent retailers are commercially motivated teams of people operating in high risk, high return environments, unique to everyone else, unlike other supermarket alternatives.

Mr Noble also detailed the dramatic shift in the Australian supermarket landscape, seeing a 'race for space', with the fight for supermarket property sites and the emerging 'format wars'.

“As the industry becomes ever more competitive, with new formats like Aldi and Cosco developing networks in Australia, our focus has narrowed in on developing and enhancing our private label offer and on new business and property in order to grow our business, and be different to, and better than, our competitors.

“With consumers becoming much more price sensitive, through expanding and launching a number of new category specific private label product lines, we can retain control of the quality and the price point to our customers, in addition to now being able to manage the full pick, pack and despatch logistics process,” he said.

Last year’s FoodWorks National Conference theme of ‘Going for Growth’ centred on FoodWorks plans for the implementation of strategic growth initiatives to be funded by the \$10.4 million generated from their internal capital raising undertaken mid 2007. FoodWorks has enjoyed a successful year which has witnessed them enter South Australia and Western Australia to officially become a nationally operating company, the opening of 58 new branded supermarkets across the country and launch of around 200 private label products within five new category specific brands. FoodWorks also achieved strong total business like for like sales growth for financial year 2007 – 2008, running parallel with the leading supermarket chain’s results.

“Having finished last financial year at or above the leading supermarket chain’s sales growth, achieving 6.3 percent like for like, and a rise of 7.8 percent in basket size at our branded stores, we cannot be discounted as a major player in the supermarket stakes,” Mr Noble said.

Also revealed during the CEO and Chairman’s Address were:

- FoodWorks’ new logo, “Works for me!” replacing “What can we do for you today?”; and
- the joint venture between LJ Hooker and FoodWorks, providing a tailored broking service for the sale and purchase of supermarkets.

This year’s week long Conference has a comprehensive program of inspiring, informative and entertaining presentations, activities, workshops, events and guest speakers, including international renowned jeweler - Michael Hill “Rags to Riches”, marketing and advertising guru - Penny Burke “Branded Customer Experience”, retail and food supply chain expert - Martin Kneebone “Fresh Foods – Your Competitive Advantage” and retail systems and software specialist - David Callander “Technology for Profits”.

Other achievements for FoodWorks over the past year highlighted during the CEO and Chairman’s Address at the FoodWorks National Conference 2008 included the group’s:

- 400<sup>th</sup> branded store in April 2008;
- first head lease in December last year, with the second one scheduled to open in Coolamon later this year;
- launch of their first “Perfect Store” concept supermarket in Bradbury, NSW in December 2007, with their third to be opened in Casterton, Victoria later this year;
- list on the National Stock Exchange in December 2007 to provide more transparency to their retailer shareholders; and
- restructure the FoodWorks support office functions in February 2008, introducing a new Retail Operations headed by their first Chief Operating Officer, Rick Wight, previously the CEO of Blockbuster Australia.

For more information about FoodWorks, visit [www.foodworks.com.au](http://www.foodworks.com.au).

For more information about CEVA Logistics visit [www.cevalogistics.com](http://www.cevalogistics.com)

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