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MEDIA RELEASE

METCASH LIMITED AND FOODSTUFFS JOIN FORCES TO CREATE TRANS TASMAN GROCERY GIANT

Australia's leading independent grocery wholesaler and distributor, Metcash Limited, and New Zealand's largest grocery distributor, Foodstuffs (NZ) Limited, have joined forces to create one of Australasia's largest grocery alliances.

The joint venture, which will have combined buying power of \$15 billion, will allow Metcash and Foodstuffs to access a broader range of lower priced products.

Initially, the groups will focus on building their respective private label businesses through their combined buying power, while also sharing information, technology, training and other aspects of their operations.

Chief Executive Officer of Metcash, Mr Andrew Reitzer, said "The combination of our buying power and other economies of scale generated through our alliance will allow us to supply cost effective and high quality groceries to our combined customer bases throughout New Zealand and Australia.

"We are delighted to be teaming up with the market leader in New Zealand and the initial benefits of our strategic alliance will be evidenced in the boost in our private label businesses", he added.

Foodstuffs NZ managing director Tony Carter said, "Our alliance will mean we can provide lower prices for our customers through the significantly increased buying power of the joint venture".

Foodstuffs (NZ) is 100% New Zealand-owned and is the country's biggest grocery distributor. It owns and operates the PAK'nSAVE, New World and Four Square brands and already has more than 1,500 products in its private label range, of which "Pam's" is its flagship brand.

Metcash, which recently acquired the Australian assets of Foodland Associated Limited, supplies groceries to more than 4,000 outlets across Australia, including about 1,100 IGA supermarkets, with its private label brands being "IGA", "Way Of Life" and "Black & Gold".

Mr Reitzer concluded, "Metcash is committed to championing the independent retailer and will continue to invest in partnerships with the necessary capital to build the independent grocery sector into a stronger force in the Australian and New Zealand markets".

For Further Information Call:

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