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Company Announcements Officer
Australian Stock Exchange Limited
Level 10, 20 Bridge Street
SYDNEY NSW 2000

IMPLICATION FOR FOODLAND TAKEOVER OFFER OF METCASH CAPITAL REORGANISATION BECOMING EFFECTIVE

Metcash Trading Limited is pleased to advise Foodland shareholders of the positive implications of Metcash's Capital Reorganisation becoming effective today.

First, Metcash confirms that as a result of the Capital Reorganisation becoming effective the Exchange Ratio related to its Takeover Offer for Foodland Associated Limited will be adjusted from 2.44 to 2.66 Metcash A Shares for each Foodland share.

Based on the Metcash closing price on Wednesday, 6 April of \$3.17, the adjusted Exchange Ratio derives a value for Foodland Australia under the Share Offer of \$994 million. The Metcash Cash Offer remains \$846 million.

Second, following the Capital Reorganisation becoming effective, the two shareholder votes required to transfer Foodland New Zealand to Foodland NZ shareholders are now assured.

As outlined in Metcash's Bidder's Statement, these shareholder votes are:

1. Metcash ordinary shareholders approval of the NZ Holdco Transfer. Following the implementation of the Capital Reorganisation, Newco will be the only ordinary shareholder of Metcash and will vote in favour of the transfer.
2. NZ Shareholders approval of the cancellation of NZ Shares. As disclosed in the Bidder's Statement, the constitution of Metcash and the terms of issue of the NZ Shares provide that each NZ Shareholder irrevocably appoints Metcash as its attorney and agent for the purposes of voting in favour of this cancellation. Therefore, this second resolution will be passed unanimously.

For further information

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