
Metcash Trading Limited (ABN 61 000 031 569) ("Metcash")

Company notices – subsections 650B(3) & 650D(1) Corporations Act 2001

Notices of variation and fresh election of consideration

To: Australian Securities and Investments Commission ("ASIC");

Foodland Associated Limited ("Foodland"); and

Each person to whom offers were made under the takeover bid referred to in this notice.

Interpretation

Terms defined in the Bidder's Statement dated 21 January 2005 given by Metcash to Foodland have the same meaning when used in this notice.

Variation

Metcash gives notice under subsection 650D(1) of the Corporations Act 2001 that:

- 1 it varies its Offer by improving the consideration offered under:
 - the Cash Alternative by increasing the cash sum offered from \$7.18 to \$8.55 per Foodland Share; and
 - the Metcash A Share Alternative by increasing the number of Metcash A Shares offered from 2.66 to 2.79 Metcash A Shares per Foodland Share, to which no further adjustment will be made under section 23.1(c) of the Bidder's Statement; and
- 2 the Offer is varied accordingly.

Source of additional consideration

The additional cash which would be payable under the Offer due to the increase is approximately \$161m. This additional cash will be sourced from an increase to the Syndicated Facility.

ANZ has confirmed to Metcash that internal approval has been granted for this increase. Metcash and ANZ are in the process of amending the Syndicated Facility Agreement which was executed on 17 March 2005. The Syndicated Facility will be increased to \$1,025m.

Fresh election of consideration

Metcash gives notice under subsection 650B(3) of the Corporations Act 2001 that Foodland Shareholders who have already accepted the Offer are entitled to re-elect which form of consideration they would prefer. If a Foodland Shareholder wishes to make this fresh election, the Foodland Shareholder must send in a new Acceptance Form indicating the new choice and do so within 1 month of receipt of this notice.

Lodgement with ASIC

A copy of this notice was lodged with the ASIC on 3 May 2005. ASIC takes no responsibility for the contents of this notice.

Dated 3 May 2005

Signed for and on behalf of Metcash pursuant to a resolution passed at a meeting of directors of Metcash.



John Randall, Company Secretary