FAL Foodland Associated Limited ACN 008 667 650

COMPANY ANNOUNCEMENT **4 JULY 2005**

PROGRESS ON DEMERGER OF FAL AND ACQUISITIONS BY WOOLWORTHS AND METCASH

Foodland Associated Limited ("FAL") today announced the overall transaction and demerger process it is conducting is progressing well and it expects to move forward with the first major regulatory step (being filing of the draft scheme booklet with ASIC) soon, but the completion timetable and issue of the scheme booklet will be delayed. The booklet provides the information necessary for shareholders to vote on the demerger and the sale of FAL's New Zealand and Australian businesses to Woolworths and Metcash.

The scheme documents are required to include the latest financial information from each of Woolworths and Metcash in accordance with their reporting periods. In addition, the complex nature of the tripartite transaction has required preparation and agreement on a significant amount of documentation and information.

Taking into account the above and with the objective of ensuring that shareholders are properly informed, FAL expects that the final scheme booklet will now be in a form to be available to shareholders in late August, with printing and despatch in early September and the shareholder meetings being in early October.

The FAL, Woolworths and Metcash teams continue to work closely in order to complete the transaction documentation as quickly as possible. Simultaneously, the respective parties will engage with FAL employees, franchisees, landlords and suppliers to facilitate a smooth handover of the businesses.

FAL shareholders with any questions should call the FAL shareholder information centre 1800 068 729 (within Australia) or +61 3 9415 4125 (international) which will be operating Monday to Friday between 11.00am and 5.00pm AEST / 9.00am to 3.00pm AWST.

For more information, please contact:

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This announcement is available on the FAL website. The address is www.fal.com.au.