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Media Release

**METCASH LTD ANNOUNCES NATIONAL
SUPPLY CONTRACT WITH 7-ELEVEN STORES**

National grocery and liquor wholesale distributor and marketer, Metcash Limited, today announced the signing of a supply contract with 7-Eleven Pty Ltd and its 350 franchised convenience stores across Australia.

The contract is worth potentially \$200 million in annual sales to Metcash, while 7-Eleven stores will reap many benefits from dealing with Metcash's Convenience Store Distribution Division.

For the range of products to be supplied under this agreement, the 7-Eleven stores are currently being supplied directly by manufacturers, resulting in an average 80 deliveries per month to each store, while Metcash expects to make an average of only 10 deliveries per month.

Chief Executive Officer of Metcash, Mr Andrew Reitzer, said "Metcash will use its proven buying strength in acting as a primary distributor for all the grocery and dry goods ranged by 7-Eleven stores.

"We will effectively become a one stop shop and delivery system for 7-Eleven, with the potential to expand into fresh products over time", he added.

The independently owned 7-Eleven stores are currently undergoing a full systems upgrade and will enjoy strong efficiency gains through the use of Metcash's Convenience Store Distribution Division.

Chief Executive Officer of 7-Eleven, Mr Warren Wilmot, said, "Through the use of Metcash's distribution systems, 7-Eleven will be better able to support our independent franchises through improved pricing, as well significantly reduced delivery and administrative costs".

Metcash expects to generate substantial savings over the next five years for 7-Eleven and other independent retailers it supplies through a range of recently announced initiatives in logistics and partnership arrangements with major manufacturers.

Some of these savings have already been attained through the implementation of world leading "Put to Light" and "Voice Directed Picking" technologies.

"Through these developments, we expect to take the management of stock and our supplier relationships to a higher level in Australia – with 7-Eleven and our other independent retailer customers enjoying the benefits", concluded Mr Reitzer.

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