

SPAR Australia

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PRESS RELEASE

SPAR converts 11 Metcash supplied stores since December 2010

SPAR Australia today announced that since 1st December 2010, it has converted 11 Metcash supplied stores to the group. The latest of these conversions is Keith and Margaret Simpson's 7 IGA stores in South East Queensland.

Keith Simpson, a long-term independent retailer and a key member of groups such as Foodstore and IGA has decided that his future is better served through a partnership with SPAR.

Mr Simpson has had a long association with Lou Jardin, SPAR Australia Managing Director, and believes in the philosophies that drive SPAR. Keith Simpson said he felt his business will benefit from the better service SPAR can provide and from what Mr Jardin describes as 'a family business supporting family businesses'.

'When Lou spelled out his plan for independent supermarkets, where all key stakeholders share equally in the success of the business, I knew that this was a business I wanted to be part of. Equally we won't be disadvantaged on price and will be able to compete more effectively in the market'.

Joining the Simpson's in their conversion to SPAR Australia is Farmer Charlies, a group of 3 stores in the Northern NSW region. Supermarket General Manager Wayne Holt said their decision was due to dissatisfaction with support provided by their current supplier.

'We have big plans for our business, and SPAR Australia can provide the direction and support we want in a warehouse'.

Farmer Charlies will undergo a dramatic transformation over the next few months, introducing a state-of-the-art bake house as the businesses are repositioned as fresh food destination stores.

According to Mr Holt the first of these transformations is underway.

'Ballina is the next store in the pipeline and with SPAR's support we will be expanding the store into a full offer supermarket with a bakery, upgraded delicatessen and the addition of a meat department'.

In addition to the Simpson's and Farmer Charlies conversion to SPAR Australia, SPAR Sussex Inlet, which converted from IGA in December 2010 has reported a sales increase of 7% over the crucial Christmas and New Year period due to the changeover.

Owner Dimitri Spyarakis gives great praise to the SPAR team on the professionalism of the conversion. He says he is thrilled with the results, noting that:

'What SPAR offered was a great international brand, very competitive pricing, excellent trading terms, and most importantly to us, genuine personal service. The Fabulous range has also had a great impact for us as the product has stood out on the fixtures with customers commenting on the price and quality of the range.'

SPAR Australia is currently in negotiations with a large number of independent retailers who are looking for a better service option and making the switch from their current supplier.

About SPAR

SPAR Australia is an unlisted public company independently owned and as of the 1st December 2010 is 51% owned by its new majority shareholder Jardim Investments with the balance of the shares owned by its retail customers.

The SPAR brand is one of the most successful in the world servicing more than 10 million customers a day through more than 13,000 stores in over 30 countries. SPAR stores are all 100 percent locally owned.

Lou Jardin took over as Managing Director in December 2010 and has vowed to take the company to new heights by inserting his family orientated values, and focusing on making every SPAR store more competitive.

For further information, please contact:

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