

Further to the announcement made on Friday 9 June 2006 noting that Arrovest Pty Ltd (ABN 98 117 953 205) ("Arrovest"), an associate of the Perich Group of companies, has announced an unconditional on-market bid for all the shares in So Natural Foods Australia Limited ("SNF") at A\$0.50 per share ("Offer Price"), the Board of SNF confirms that it is in the process of evaluating the terms of the on-market bid and the Bidder's Statement prepared by Arrovest and preparing its formal response to the on-market bid, in accordance with the requirements of the Corporations Act 2001.

SNF is also required by law to appoint an expert to assess the fairness and reasonableness of the on-market bid, as SNF and Arrovest have a common director, Mr Ronald Perich.

The Board notes that although the formal Offer Period is not scheduled to open until 26 June 2006, Arrovest is now permitted to buy SNF shares on-market and has indicated that it intends to accept at the Offer Price every SNF share offered to it at an official meeting of ASX.

SNF shareholders are advised to take no action in relation to Arrovest's on-market offer or any document received from Arrovest until they receive the SNF directors' formal recommendation.

The SNF directors will keep SNF shareholders fully informed of further developments as they occur and provide a formal recommendation on the offer in ample time for shareholders to make an informed decision.

SNF has appointed Mallesons Stephen Jaques to provide legal advice to SNF.

SNF shareholders may wish to seek independent advice before making any decision whether to take any action in relation to Arrovest's on-market bid or whether to offer to sell any SNF shares to Arrovest prior to the Offer Period.

Company Secretary

Michael Jenkins