METCASH LIMITED
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30 November 2015

Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/ Madam

METCASH LIMITED – 2016 HALF YEAR RESULTS PRESENTATION

Please find attached the Metcash Limited 2016 Half Year results presentation.

Yours faithfully

Greg Watson
Company Secretary

METCASH

FY16 Half Year Results - 30 November 2015

GROUP UPDATE

IAN MORRICE

GROUP CHIEF EXECUTIVE OFFICER

Group update – positive momentum continues

- Group revenue up 1.4% to $6.6b
  - MF&G revenue up 0.7%, continued trend improvement
  - ALM revenue up 3.5% and Hardware revenue up 1.2%
- Group Underlying EBIT of $133.7m in line with expectations
  - ALM and Hardware continued positive momentum
  - MF&G EBIT reflects incremental price investment and a softer Convenience result
- Transformation Plan
  - Sales uplift from Price Match has continued, warehouse sales up 350bp[1]
  - DSA rollout on track, 78 DSA stores complete with 29 in progress
- Next stage of Transformation - "Working Smarter"
  - Savings run rate of ~$100m by Year 3 (FY19)
- New channels – launched Tmall initiative in China
- Strengthened Balance Sheet
- No interim dividend, in line with prior announcement

1. LfL statistics of ~850 stores with comparable prior year data

Damage to NSW DC

- Huntingwood Distribution Centre damaged by hail on 25 April 2015
- Group's contingency plans activated to ensure supply to retailers
- Supply restored to NSW retailers through Victoria, Queensland & ACT distribution centres
- Supply to ~600 Supermarkets and ~1,500 Liquor customers from outside of NSW
- Four temporary DCs now established in NSW to ensure NSW supply through peak season
- Full reoccupation of Huntingwood not expected until mid 2016
- Insurance policy expected to cover the hail event for material damage and consequential loss

FINANCIALS

BRAD SOLLER
CHIEF FINANCIAL OFFICER

Profit & Loss

	1H16 $m	1H15 $m	Change
Group Sales	**6,606.0**	**6,515.3**	**1.4%**
MF&G	91.9	119.2	(22.9%)
Liquor	25.9	24.9	4.0%
Hardware	11.6	9.5	22.1%
Corporate	4.3	(0.4)	
Underlying EBIT	**133.7**	**153.2**	**(12.7%)**
Net finance costs	(12.8)	(24.0)	46.7%
Tax	(33.5)	(36.2)	7.5%
Non-controlling interests	(0.5)	(0.5)	
Underlying profit after tax	**86.9**	**92.5**	**(6.1%)**
Discontinued operations after tax[1]	35.1	9.2	
Reported profit after tax	**122.0**	**101.7**	**20.0%**

Underlying EPS[2]	9.4c	10.3c	
Underlying ROFE[3]	13.8%	14.5%	

1. Discontinued operations includes the profit after tax on the sale of the Automotive business of $31.4m and the Automotive trading result after tax of $3.7m for the pre-sale period
2. Underlying earnings exclude significant items and discontinued operations
3. Underlying ROFE based on average of opening and closing funds employed. Opening 1H15 funds employed has not been adjusted for the sale of the Automotive business or the $640m impairment recognised in FY15

Cashflows

	1H16 $m	1H15 $m
Net cash from operating activities	3.1	128.0
Net cash from/(used in) investing activities	237.0	(73.9)
Dividends paid and other financing activities	(7.6)	(43.3)
Reduction in net debt	**232.5**	**10.8**

- **Operating cashflows** negatively impacted by ~$90m due to elevated working capital related to damage to the NSW DC
- **Investing activities** includes $240m net cash proceeds (before tax) from the sale of the Automotive business
- The reduction in **Dividends paid** is due to no FY15 final dividend being paid

Balance Sheet

	31 Oct 2015 $m	30 Apr 2015[1] $m
Trade receivables and prepayments	1,055.0	989.1
Inventories	803.5	712.5
Trade payables and provisions	(1,801.6)	(1,695.4)
Net working capital	**56.9**	**6.2**
Intangible assets	1,141.4	1,284.5
Property, plant and equipment	269.6	276.0
Equity accounted investments	103.7	102.1
Customer loans and assets held for resale	56.9	90.6
Total funds employed	**1,628.5**	**1,759.4**
Net debt	(435.3)	(667.8)
Tax, put options and derivatives	82.0	65.0
NET ASSETS/EQUITY	**1,275.2**	**1,156.6**

1. 30 Apr 2015 Balance Sheet includes $57.8m of net working capital and $208.8m of total funds employed relating to the Automotive business.

Metcash

Borrowings

Net debt	1H16 $m	FY15 $m
Gross debt	(466.1)	(751.1)
Cash and cash equivalents	30.8	83.3
Net debt	(435.3)	(667.8)
Total available facilities	1,198.6	1,498.1

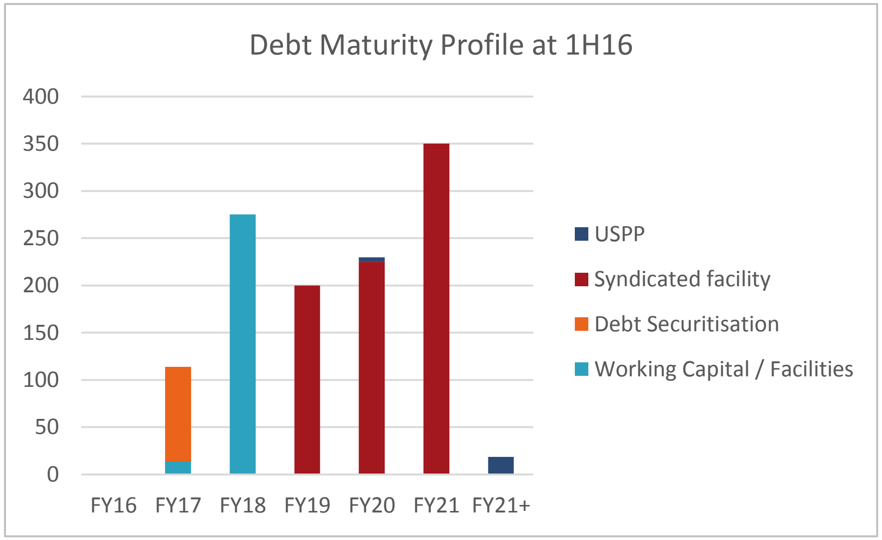
Debt metrics	1H16	FY15
Weighted average debt maturity	3.1 years	3.7 years
Weighted average cost of debt	4.2%	4.7%
% Fixed debt	44.9%	71.1%

Debt ratios	1H16	FY15
Interest coverage[1]	7.4x	6.5x
Gearing ratio[2]	25.4%	36.6%
Underlying EBITDAR coverage[3]	2.7x	2.8x
Gross debt coverage[4]	1.4x	2.1x

1. Underlying EBITDA/Net Interest Expense. Net interest expense in 1H16 has been adjusted to exclude $9.6m one-off interest gain
2. Net Debt/(Shareholder's Equity + Net Debt)
3. Underlying EBITDAR/(Net interest expense + Net rent expense) (rolling 12 months). Net interest expense in 1H16 has been adjusted to exclude $9.6m one-off interest gain
4. Gross Debt (hedged)/Underlying EBITDA (rolling 12 months)

Key changes in debt profile

- Repaid US$200m of USPP debt
- Remaining US$25m USPP debt matures in FY20 (US$5m) and FY24 (US$20m)
- A further ~$110m of facilities cancelled
- Available facilities reduced to $1.2b
- Interest rate hedges restructured, reducing weighted average cost of debt



DIVISIONAL RESULTS

IAN MORRICE

GROUP CHIEF EXECUTIVE OFFICER

Our strategy

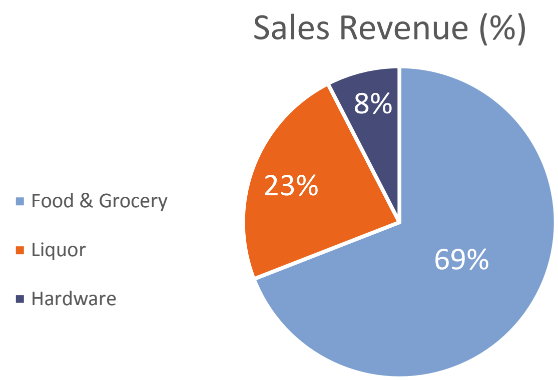
SHOPPER-FOCUSED RETAIL BRANDS

SUPERMARKETS	CONVENIENCE	LIQUOR	HARDWARE
Diamond ▪ Competitive Pricing ▪ Compelling Fresh ▪ Core Range & Private Label ▪ Store Investment (DSA) ▪ Retail Excellence **Build IGA differentiators** ▪ Individual character ▪ Heart & Soul of community	**Campbells** ▪ Shift to food service ▪ House brands ▪ B2B digital **C-store distribution** ▪ Extend network reach ▪ Growth category focus	**Grow IBA retail banners** **Like for like growth** ▪ Build the retail brands ▪ Category management ▪ Store investment **Extend ALM wholesale base**	**Grow the Mitre 10 network** **Like for like growth** ▪ Core range & Private Label ▪ Sapphire store investment ▪ Store in store specialists ▪ Optimise JV performance **Build Trade differentiator**

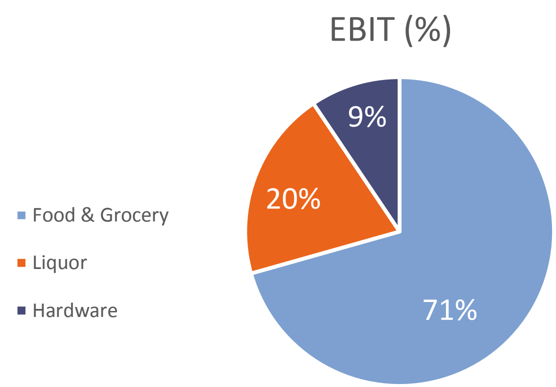
WORLD CLASS WHOLESALE PARTNER
SUPPORTING SUCCESFUL INDEPENDENTS

Results - overview by Pillar

Sales Revenue	1H16 $m	1H15 $m	Change
Food & Grocery	4,540.2	4,508.4	0.7%
Liquor	1,535.1	1,482.7	3.5%
Hardware	530.7	524.2	1.2%
Metcash Group	**6,606.0**	**6,515.3**	**1.4%**

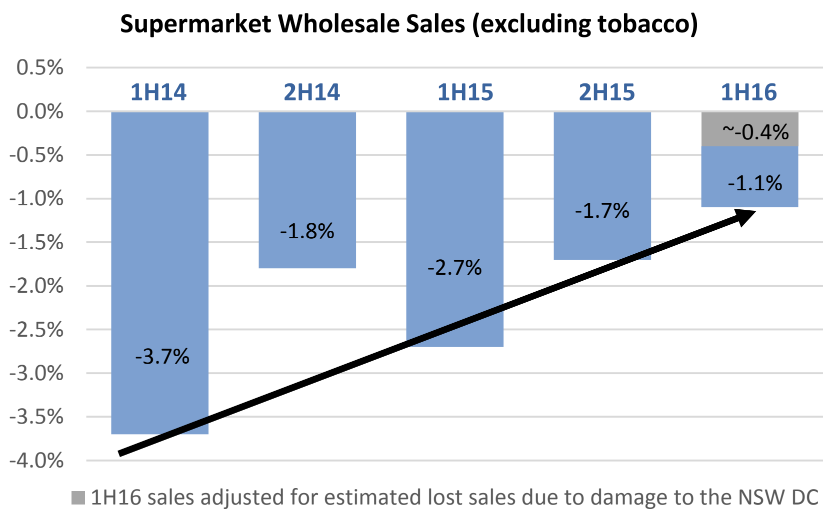


EBIT	1H16 $m	1H15 $m	Change
Food & Grocery	91.9	119.2	(22.9%)
Liquor	25.9	24.9	4.0%
Hardware	11.6	9.5	22.1%
Business Pillar Total	**129.4**	**153.6**	**(15.8%)**
Corporate	4.3	(0.4)	
Metcash Group	**133.7**	**153.2**	**(12.7%)**



MF&G – Financials

MF&G	1H16 $m	1H15 $m	Change
Sales Revenue			
Supermarkets	3,766.2	3,762.0	0.1%
Convenience	774.0	746.4	3.7%
Total Sales	4,540.2	4,508.4	0.7%
Total EBIT	91.9	119.2	(22.9%)
EBIT (%)	2.0%	2.6%	(60bps)



1. Scan data from 986 IGA stores

Sales Revenue

Supermarkets

- Total sales broadly flat (+0.1%)
  - Adjusting for estimated impact of damage to the NSW DC, sales were up ~1%
- Total wholesale sales (excluding tobacco) declined by 1.1%
  - Adjusting for estimated impact of damage to the NSW DC, sales only declined ~0.4%
  - Significant improvement in the underlying sales trend (excluding tobacco) since 1H14
- Supermarkets (excluding tobacco) experienced ongoing deflation of 1.7%
- IGA Retail sales[1] continued to grow, up 0.6% LfL in the half

Convenience

- Total sales up 3.7%
- CSD continued to grow however this was partly offset by a decline in Campbells

MF&G – Financials

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Sales Revenue			
Supermarkets	3,766.2	3,762.0	0.1%
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Total Sales	4,540.2	4,508.4	0.7%
Total EBIT	91.9	119.2	(22.9%)
EBIT (%)	2.0%	2.6%	(60bps)

EBIT

- Total EBIT of $91.9m
- EBIT declined $27.3m (22.9%) reflecting investment in price in Supermarkets and a softer performance in Convenience
  - Softer Convenience EBIT due to a sales decline in Campbells re-seller business and a negative margin impact from major CSD customers
  - 1H16 includes incremental investment in Supermarket transformation initiatives of ~$20m, primarily in price investment

Continuing progress in transformation of MF&G

INITIATIVE	UPDATE
COMPETITIVE PRICING	▪ Competitive pricing in ~1,280 stores (FY15: ~1,100 stores) ▪ Price Match now in ~920 stores (FY15: ~600 stores) ▪ Price Match sales momentum continued, ~350bp improvement in LfL warehouse sales[1]
SHOPPER-LED WAY	▪ Introduced ~120 new mid-tier private label products ▪ Private Label warehouse sales up 4.5% ▪ Improved promotional program
COMPELLING FRESH	▪ Continued roll-out of Your Kitchen (~150 stores) and Cheese Shop (~80 stores) ▪ Retail LfL growth of ~22%[2] maintained for Fresh in DSA stores (FY15: 23%)
RETAIL EXCELLENCE	▪ Scan data provided by ~1,280 stores (FY15: ~1,200 stores) ▪ Metcash Training Academy now has ~400 stores (FY15: ~100 stores) participating, with over ~6,500 active users
NETWORK INVESTMENT	▪ DSA stores: 78 completed, with 29 currently in progress (FY15: 52 stores) ▪ On track to complete ~150 stores by the end of FY16 ▪ Retail and Warehouse sales uplift sustained at 15%[2]

1. Represents LfL wholesale sales movement (excluding tobacco) compared to pre Price Match comparable period of ~850 stores
2. Represents LfL sales growth achieved in DSA stores since launch. Based on a sample of stores which had traded for 24+ months and had 4+ weeks trading post launch date with comparable prior period sales

ALM – Financials

Liquor	1H16 $m	1H15 $m	Change
Sales Revenue	1,535.1	1,482.7	3.5%
EBIT	25.9	24.9	4.0%
EBIT (%)	1.7%	1.7%	-

Sales Revenue

- Total sales increased by 3.5%
- Adjusting for estimated impact of damage to the NSW DC, total sales would have been up ~4.5%
- Wholesale sales through the bannered IBA network increased by 4.4%
- LfL Retail sales[1] in the IBA network increased 3.1%
- Positive result in a broadly flat liquor market (+0.3%[2])

EBIT

- EBIT increased by $1.0m (4.0%)
- EBIT benefited from conversion of stores to IBA banners and investment in the network
- Ongoing focus on improved sales mix with a shift to higher margin categories and Private Label

Initiatives update

- Further 61 stores converted to IBA banners
- Completed ~120 cool room upgrades and refreshed ~50 stores

1. Represents LfL Retail sales growth achieved in ~ 1,150 stores, MAT 30 September 2015
2. Aztec – 26 weeks ended 27/09/2015

Hardware – Financials

Hardware	1H16 $m	1H15 $m	Change
Sales Revenue	530.7	524.2	1.2%
EBIT	11.6	9.5	22.1%
EBIT (%)	2.2%	1.8%	40bps

Sales Revenue

- Total Hardware sales increased by 1.2%, impacted by the net closure of 13 stores
- Trade business and joint ventures continued to grow

EBIT

- EBIT increased by $2.1m (22.1%)
- Increase due to focus on supply chain costs and higher contribution from joint ventures

Initiatives update

- 5 Sapphire stores completed, targeted sales uplift of ~15%
- A further 4 Sapphire stores in progress
- Training academy active in ~320 stores

GROUP OUTLOOK

IAN MORRICE

GROUP CHIEF EXECUTIVE OFFICER

Next stage of Transformation - 'Working Smarter' program

Objective	▪ To make doing business with Metcash simpler for our customers and suppliers
Structured program commenced	▪ Working Smarter program and governance framework established to improve productivity ▪ Addressable cost base of ~$1.2b
Key areas of focus	▪ Organisation simplification ▪ Back office efficiencies ▪ Logistics ▪ Procurement
Already commenced delivering value	▪ Quick wins identified and already delivered in procurement and some organisation simplification
Significant value to be delivered	▪ Savings run rate of ~$100m by Year 3 (FY19) ▪ One off implementation costs of ~$50m ▪ No significant benefit in FY16

Savings run rate of ~$100m by Year 3

Group Outlook

- Highly competitive trading conditions continue in all our markets, particularly Food & Grocery

- Balance Sheet strengthened

- Transformation Plan remains on track
  - Strongly supported by retailers
  - Working Smarter program to deliver savings run rate of ~ $100m by Year 3 (FY19)

- Metcash does not intend to pay a dividend in FY16

- As previously advised, the improved performance from strategic initiatives in Food & Grocery, together with positive results from ALM and Hardware, will not offset Food & Grocery headwinds in FY16

Appendices

1. Financial highlights
2. Restated Sales and EBIT to reflect sale of Automotive
3. Bannered store numbers
4. Contact details

1. Financial highlights

Financial Performance	1H16	1H15	1H14	1H13	1H12
Sales ($m)	6,606.0	6,515.3	6,471.9	6,246.3	6,068.9
Underlying EBIT ($m)[1]	133.7	153.2	175.4	197.0	199.6
Net finance costs ($m)	(12.8)	(24.0)	(28.5)	(29.8)	(32.4)
Underlying profit after tax ($m)	86.9	92.5	99.6	113.3	112.5
Reported profit after tax ($m)	122.0	101.7	98.9	82.0	94.4
Operating cash flows ($m)	3.1	128.0	229.3	144.7	252.4
Cash realisation ratio (%)[2]	76.4%	93.8%	174.6%	131.5%	208.4%
Financial Position	**1H16**	**1H15**	**1H14**	**1H13**	**1H12**
Shareholder equity ($m)	1,275.2	1,654.7	1,583.5	1,613.1	1,421.6
Gearing ratio (net hedged) (%)	25.4%	31.4%	33.7%	29.6%	36.0%
Return on funds employed (%)[3]	13.8%	14.5%	18.2%	22.2%	26.0%
Share Statistics	**1H16**	**1H15**	**1H14**	**1H13**	**1H12**
Fully paid ordinary shares	928.4	903.3	880.7	880.7	771.3
Weighted average ordinary shares	928.4	896.0	880.7	838.4	769.5
Underlying earnings per share (cents)	9.4	10.3	11.3	13.5	14.6
Reported earnings per share (cents)	13.1	11.4	11.2	9.8	12.3
Dividends declared per share (cents)	-	6.5	9.5	11.5	11.5
Dividend payout ratio (%) (underlying)	-	63%	84%	85%	79%

1. Underlying earnings exclude significant items and discontinued operations
2. Cash Flow from operations/Reported NPATDA (depreciation and amortisation not tax effected). For 1H16, this ratio excluded the ~$90m working capital impact of the hail claim and the $31.4m profit on sale of the automotive business.
3. Underlying ROFE based on average of opening and closing funds employed.

2. Restated Sales and EBIT to reflect sale of Automotive

Half year result	1H16	1H15	1H14	1H13	1H12
Sales					
Food & Grocery	4,540.2	4,508.4	4,483.8	4,552.1	4,533.7
Liquor	1,535.1	1,482.7	1,538.1	1,272.6	1,108.0
Hardware	530.7	524.2	450.0	421.6	427.2
Total sales	6,606.0	6,515.3	6,471.9	6,246.3	6,068.9
EBIT					
Food & Grocery	91.9	119.2	146.0	170.7	181.2
Liquor	25.9	24.9	23.3	16.6	13.1
Hardware	11.6	9.5	10.3	10.1	8.4
Corporate	4.3	(0.4)	(4.2)	(0.4)	(3.1)
Underlying EBIT ($m)[1]	133.7	153.2	175.4	197.0	199.6

Full year result	FY15	FY14	FY13	FY12
Sales				
Food & Grocery	9,217.8	9,072.4	9,120.6	9,331.7
Liquor	3,103.6	3,160.8	2,917.6	2,336.2
Hardware	1,048.4	941.8	854.9	833.2
Total sales	13,369.8	13,175.0	12,893.1	12,501.1
EBIT				
Food & Grocery	216.8	293.4	368.9	388.4
Liquor	57.6	52.1	46.1	34.9
Hardware	30.1	28.0	23.5	20.8
Corporate	(7.2)	(5.1)	(0.8)	(2.6)
Underlying EBIT ($m)[1]	297.3	368.4	437.7	441.5

1. Underlying earnings excludes significant items and discontinued operations

3. Bannered store numbers

Pillar	Oct 15	Apr 15
Supermarkets[1]	1,695	1,708
Campbells	18	18
Liquor	2,632	2,571
Hardware	383	396
Total	**4,728**	**4,693**

Store movement	Supermarkets	Liquor	Hardware
Number of stores at April 2015	1,708	2,571	396
Stores joined banner during the period	18	230	6
Stores left banner during the period	(31)	(169)	(19)
Number of stores at October 2015	**1,695**	**2,632**	**383**

1. Includes supermarkets under the IGA, Friendly Grocer and Eziway banners

3. Bannered store numbers

Supermarkets	Oct 15	Apr 15
Supa IGA	417	428
IGA	828	829
IGA-Xpress	198	198
Total IGA bannered stores	**1,443**	**1,455**
Friendly Grocer / Eziway	252	253
Total Supermarkets	**1,695**	**1,708**

Liquor	Oct 15	Apr 15
Cellarbrations	501	478
Bottle-O & Bottle-O Neighbourhood	617	636
IGA Liquor	488	486
Other	1,026	971
Total Liquor	**2,632**	**2,571**

Hardware	Oct 15	Apr 15
Mitre 10	314	327
True Value Hardware	69	69
Total Hardware	**383**	**396**

Contact details

For additional information contact:

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METCASH

SUCCESSFUL INDEPENDENTS