



Metcash Limited

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4 September 2006

Company Announcements Officer
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

ASX/Media Release

METCASH SHARE SALE FACILITY

Metcash is pleased to announce the establishment of a share sale facility (Facility) for eligible shareholders to sell their shares free of brokerage and GST.

All shareholders with 2,500 or less Shares as at Friday, 1 September 2006 are eligible shareholders and will be invited to participate in the Facility. The Facility is entirely voluntary and is a convenient and cost-effective way for eligible shareholders to sell their Shares.

The Facility opens on Monday, 4 September 2006 and is expected to close on Friday, 13 October 2006.

Attached are all documents that have been mailed to eligible shareholders today. Alternatively, detailed information on the Facility can be accessed on our website (www.metcash.com) or through the Metcash Share Registry on 1800 655 325.

For further information:

A handwritten signature in black ink that reads "John Randall".

JOHN RANDALL
Company Secretary



Metcash Limited ABN 32 112 073 480

1 September 2006

[NAME]
[ADDRESS 1]
[ADDRESS 2]
[ADDRESS 3]

Dear Shareholder,

Metcash Share Sale Facility

Metcash Limited (Metcash) is pleased to offer a share sale facility (Facility), to allow eligible shareholders to sell their shares in Metcash (Shares) without paying brokerage or GST. The Facility is voluntary and is a convenient and cost-effective way to sell your Shares.

As an eligible shareholder with [#] Shares as at 1 September 2006, you are invited to participate in the Facility.

As an example of how the Facility would operate, if your Shares were sold through the Facility at the closing price on the ASX on 1 September 2006, you would receive \$[#,###], which should be paid to you within ten business days of your Participation Form being processed by Metcash's share registry, Registries Limited. However, please be reminded the price of Shares changes from time to time – altering actual proceeds that would be paid to you.

The Facility opens on 4 September 2006 and is expected to close on 13 October 2006.

To participate, you should read the enclosed booklet which contains important information about the Facility including full terms and conditions. Then, please complete and sign the white Participation Form enclosed and return it to Registries Limited in the enclosed reply paid envelope provided before the facility closes.

If you have any questions in relation to the Facility, please call Registries Limited on 1800 655 325.

Yours faithfully,

[insert signature]

Carlos S dos Santos
Chairman



Metcash Limited ABN 32 112 073 480

1 September 2006

[NAME]
[ADDRESS 1]
[ADDRESS 2]
[ADDRESS 3]

Dear Shareholder,

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As an eligible shareholder with [#] Shares as at 1 September 2006, you are invited to participate in the Facility.

As an example of how the Facility would operate, if your Shares were sold through the Facility at the closing price on the ASX on 1 September 2006, you would receive \$[#,###], which should be paid to you within ten business days of your Participation Form being processed by Metcash's share registry, Registries Limited. However, please be reminded the price of Shares changes from time to time – altering actual proceeds that would be paid to you.

The Facility opens on 4 September 2006 and is expected to close on 13 October 2006.

To participate, you should read the enclosed booklet which contains important information about the Facility including full terms and conditions. Then, please complete and sign the orange Participation Form enclosed and return it as soon as possible to the sponsoring broker with whom your Metcash shares are held in CHESS. Only your sponsoring broker can submit your form on your behalf. You should return your form to the sponsoring broker in time for them to stamp and return the form to Registries before the Facility closes.

If you have any questions in relation to the Facility, please call Registries Limited on 1800 655 325.

Yours faithfully,

[insert signature]

Carlos S dos Santos
Chairman

Metcash Limited Share Sale Facility

Information Booklet 2006

Metcash Limited ABN 32 112 073 480



Metcash

Introducing the Metcash Share Sale Facility

Following a review of the Metcash Limited (Metcash) shareholder register, Metcash has decided to offer a Share Sale Facility (Facility) to eligible holders of Metcash ordinary shares (Shares).

Key features of the Facility

- Voluntary participation
- No brokerage or GST
- Open until Friday, 13 October 2006

If you wish to participate in the Facility

- Read this information booklet
- Complete the Participation Form – filling out your name, and signing and dating the form
- Return the Participation Form as follows:

Issuer-sponsored holders (white Participation Form)	CHESS-sponsored holders (orange Participation Form)
Using the reply paid envelope or mail to: Registries Limited PO Box R67 Royal Exchange NSW 1223 or deliver to: Registries Limited Level 2, 28 Margaret St Sydney NSW 2000	Mail or deliver to: The sponsoring broker with whom your Metcash shares are held in CHESS DO NOT send your Participation Form to the share registry as they cannot act on your instructions. Only your sponsoring broker can submit your form on your behalf

The Participation Form must be received by Metcash's share registry, Registries Limited (Registries), any time between now and 7.00pm on Friday, 13 October 2006. If you are a CHESS-sponsored holder, you must return your Participation Form to your sponsoring broker in time for them to stamp and return your form to Registries by 7.00pm on Friday, 13 October 2006.

Key dates

- Facility opens – Monday, 4 September 2006
- Facility closes – Friday, 13 October 2006

Shareholder proceeds – two examples

Shareholder 1	Shareholder 2
Holds 2,500 Metcash Shares	Holds 1,725 Shares
If these Shares were sold through the Facility at the closing price on Friday, 1 September 2006, Shareholder 1 would receive \$10,525.00 – calculated as 2,500 Shares multiplied by \$4.21	If these Shares were sold through the Facility at the closing price on Friday, 1 September 2006, Shareholder 2 would receive approximately \$7,262.25 – calculated as 1,725 Shares multiplied by \$4.21
Proceeds should be received within 10 business days of the Participation Form being processed	Proceeds should be received within 10 business days of the Participation Form being processed

- However, please be reminded that the price of Shares changes from time to time, altering actual sale proceeds

If you have any questions in relation to the Facility, please call Metcash's share registry on 1800 655 325

Metcash Limited Share Sale Facility

Purpose of the Facility

The Facility provides Eligible Shareholders with an easy and convenient way to sell their holding of Shares without paying brokerage or GST.

Participation in the Facility is entirely voluntary.

Eligible Shareholders are encouraged to read this booklet, and consult their professional adviser if they are unsure whether or not to participate in the Facility.

Eligibility to participate

All Eligible Shareholders may participate in the Facility.

An Eligible Shareholder is a shareholder who:

- Owned 2,500 or less Shares as at 7.00pm (Sydney time) on Friday, 1 September 2006; and
- Has a registered address in Australia.

Costs of using the Facility

Eligible Shareholders who participate in the Facility (Participating Shareholders) will incur no brokerage or transaction costs or GST. Metcash will pay all brokerage, transaction costs and any applicable GST.

Any tax consequences arising from the sale of Shares are the responsibility of Participating Shareholders. Further information on taxation consequences is included later in this booklet.

How to use the Facility

Eligible Shareholders who want to participate in the Facility should:

- Read the terms of the Facility set out in this booklet and on the Participation Form
- Ensure that their name and address details on the Participation Form are correct
- Complete their contact details, then sign and date the Participation Form – following the instructions on the reverse of the form
- Return the Participation Form as soon as possible, and in any event so that it is received by Registries before 7.00pm on the closing date of the Facility, expected to be Friday, 13 October 2006. If you are an Issuer-sponsored holder, return your white form to Registries Limited using the reply paid envelope provided. If you are a CHESSE-sponsored holder, return your orange form to your sponsoring broker with whom your Metcash shares are held. If you are a CHESSE-sponsored holder, you must return your Participation Form to your sponsoring broker in time for them to stamp and return your form to Registries by 7.00pm on Friday 13 October 2006. Your Participation Form will only be processed if a signed and stamped (if applicable) Participation Form is received by Registries before Friday 13 October 2006
- Participation Forms returned by email or facsimile will not be accepted

Once a Participation Form is returned to Registries, Participating Shareholders may not withdraw from the Facility and are irrevocably bound to sell their Shares through the Facility.

Participating Shareholders are not entitled to sell a portion of their holding through the Facility. Participating Shareholders must sell all of their Shares through the Facility.

Facility offer period

The Facility will be open for approximately 6 weeks – from Monday, 4 September 2006 to Friday, 13 October 2006.

Metcash may extend or shorten this period, or suspend, reinstate, or terminate any part of or all of the Facility as and when it wishes. If it does so, it will make an announcement to the Australian Stock Exchange (ASX) and post the announcement on its website (www.metcash.com). If the Facility is suspended or reinstated, Metcash may deal with unprocessed Participation Forms as it sees fit.

Procedure for sale of Shares through the Facility

Eligible Shareholders who wish to participate in the Facility must complete the Participation Form and return it as set out under “How to use the Facility”.

Shares will be sold after the Participation Form is received by Registries and processed.

Registries will process Participation Forms in the order in which they are received, ordinarily in weekly batches.

Under the Facility, Participating Shareholders appoint Metcash to arrange for Deutsche Securities Australia Limited (the Broker) to sell their Shares as part of a batch of Shares.

Sales by the Broker (as an execution only broker) will occur in the ordinary course of trading on ASX, generally on the first trading day of each week after they have been processed by Registries.

If the Broker considers that selling all Shares in a particular batch on one day may not be prudent or appropriate in the light of prevailing market conditions, or may give rise to an excessive concentration of sales, the Broker may delay the sale of some or all of those Shares to subsequent days. Despite this, no Shares will be sold more than 2 weeks after the Facility closes.

Sale price for Shares sold through the Facility

The price payable for a Share sold through the Facility (Sale Price) will be the volume weighted average price of all Shares sold through the Facility on the day on which that Share is sold. Separate batches will be prepared and sold each week while the Facility is open.

The Broker is obliged to take all reasonable steps to ensure that Shares are sold for the best price reasonably obtainable at the time of the relevant sale. The Sale Price will be calculated by the Broker and may not be challenged in the absence of manifest error.

Eligible Shareholders should note that the price of Shares may change during the course of a day or during the time the Facility is open, and that the Sale Price may be different to the price quoted by public sources and may not be the highest price obtainable on the day on which their Shares are sold.

The price of Shares can be found from a number of sources including daily newspapers and the ASX website (www.asx.com.au).

The closing price for Shares on the ASX on Friday, 1 September 2006 was \$4.21.

Payment of Proceeds to Participating Shareholders

Proceeds to Participating Shareholders will be calculated as follows:

- Number of Shares sold through the Facility, multiplied by
- Sale Price for the relevant Shares,
- Rounded up to the nearest cent.

Participating Shareholders should receive their proceeds within 10 business days after their Participation Form is processed.

Proceeds will be paid to Participating Shareholders in the same manner that they have previously received dividends – by either direct credit or cheque.

Participating Shareholders will also receive a statement notifying them of the number of Shares sold through the Facility and the Sale Price for those Shares.

Interest will not be paid on any proceeds of the sale of Shares through the Facility.

Key differences between selling Shares through the Facility and selling through a broker on the ASX

While the Facility is open, Eligible Shareholders may sell their Shares through the Facility or through a broker on the ASX.

Some of the differences between these sale methods are outlined below.

	Eligible Shareholders who participate in the Facility	Eligible Shareholders who sell their Shares through a broker
Costs	Will incur no brokerage or transaction costs or GST	Will pay any brokerage and transaction costs (including any applicable GST component of such costs)
Procedure	Must complete and return the Participation Form, there is no need to appoint a broker	Must appoint and open an account with a broker, or sell through an existing broker
Number of Shares	Must sell all and not some of their Shares	May sell any number of Shares
Price	Will automatically receive the Sale Price – Participating Shareholders cannot set a sale price	Will receive the market price at the time their sale is effected by their broker, unless a minimum price is set in which case they may receive the minimum price if their Shares are sold This price may be higher or lower than the Sale Price under the Facility
Date of sale	Cannot choose the sale date. The sale date will depend upon when the Participation Form is processed by Registries and when the Broker effects the sale	Can determine the date on which the sale occurs – by giving specific instructions to the broker

Impact of shareholding changes after the record date

Eligible Shareholders whose shareholding increases or decreases after the record date of Friday, 1 September 2006 may still be able to participate in the Facility.

The Facility will apply to all Shares held by an Eligible Shareholder at the time the Participation Form is processed, unless at the time their Participation Form is processed, the holding has increased to over 2,500 Shares, in which case the Eligible Shareholder is no longer eligible to sell any Shares through the Facility.

Additional terms and information concerning the Facility

Taxation consequences of participating in the Facility

The following is a general description of the Australian capital gains tax implications of selling Shares through the Facility for Australian resident individuals holding Shares on capital account (ie. as a long term investment). However, tax law is complex and its operation depends upon the particular circumstances of individual shareholders. Eligible Shareholders should therefore consult their tax adviser before using the Facility.

Participating Shareholders may be required to pay capital gains tax (CGT) on the sale of Shares. Whether or not they will be so required, and how much must be paid, depends on when the Shares were acquired and how much was paid for them.

A capital gain will arise if the Sale Price is greater than the Participating Shareholder's cost base in the Shares. A cost base will generally include the amount paid for the Shares plus certain incidental costs such as any brokerage and stamp duty on acquisition of the Shares.

Participating Shareholders who acquired their Shares in the Metcash capital reorganisation in April 2005 and who chose to apply CGT scrip roll-over are taken to have a cost base in these Shares which is equal to the cost base in their Metcash Trading Limited shares just prior to the reorganisation.

The cost base of Shares held by Participating Shareholders who are former Foodland shareholders will be a reasonable proportion of the cost base of their Foodland shares just prior to the Foodland demerger. Such Participating Shareholders should refer to the Cost Base Summary available on the Metcash website www.metcash.com.

For Shares acquired or taken to be acquired before 1 July 1999, CGT is payable on one half of the gain

calculated without indexation for inflation. Alternatively, a Participating Shareholder can choose to pay CGT on the excess of the sale proceeds over the cost base in the Shares indexed for inflation until 30 September 1999.

For Shares acquired or taken to be acquired on or after 1 July 1999, CGT is payable on one half of the gain, calculated without indexation for inflation. However, CGT is payable on the whole of the gain on Shares the Participating Shareholder has held for less than one year.

Participating Shareholders who acquired their Shares in the Metcash capital reorganisation in April 2005 and who chose to apply CGT scrip roll-over are taken to have acquired their Shares at the time that they acquired their shares in Metcash Trading Limited.

Participating Shareholders who are former Foodland shareholders and who chose to apply CGT demerger relief are taken to have acquired their Shares at the time that they acquired their Foodland shares.

If proceeds received through the Facility are less than the amount paid to acquire the Shares, Participating Shareholders will realise a capital loss. This can reduce capital gains made on sale of other shares or assets (in the same or a later tax year), but is not deductible against income.

A capital loss available from sale of other assets may be applied to reduce a gain on sale of Shares. In cases where CGT is payable on one half of the gain, the gain is first reduced by the loss before being reduced by one half.

CGT as described above does not apply to Participating Shareholders who hold their Shares as revenue assets (for example, for Participating Shareholders who are share traders). Nor does it apply as described above to companies, trusts and superannuation funds.

Financial Services Guides

The Broker is the holder of an Australian financial services licence (licence number 238160).

Participating Shareholders appoint Metcash as their agent to receive a Financial Services Guide (and any update of this document) from the Broker. The Broker has provided Metcash with a Financial Services Guide in relation to the Facility, and will provide any updates to Metcash.

Metcash will post the Financial Services Guide (and any updates) on its website (www.metcash.com) along with the other Facility documents.

The Broker is not an authorised deposit-taking institution under the Banking Act 1959 (Cth). The obligations of the Broker do not represent deposits or other liabilities of Deutsche Bank AG, and Deutsche Bank AG does not guarantee the Broker in any way.

Additional terms of the Facility

Eligible Shareholders who have more than one registered holding of Shares will receive a Participation Form for each registered holding of 2,500 Shares or less as at Friday, 1 September 2006, and may participate in the Facility in respect of each registered holding, as if they were owned by separate persons. Metcash may (but is not obliged to) accept a Participation Form as valid even if it is late, incomplete or is otherwise defective.

Metcash, the Broker and Registries reserve the right to reject or not process any Participation Form, whether correctly completed or not.

None of Metcash, the Broker or Registries accepts any liability for failure by a sponsoring broker to stamp and return a form on behalf of a CHESS-sponsored holder.

None of Metcash, the Broker, Registries and any other person involved with the Facility are giving, or are obliged to give, any investment advice, or are making, or are obliged to make, any securities recommendation, to any Eligible Shareholder in respect of the Facility. This booklet and the Participation Form do not constitute advice or a recommendation by any of Metcash, the Broker or Registries to buy, sell or hold securities in Metcash or that the Facility or any other facility is the best way to sell Shares.

Any decision to sell Shares through the Facility must be made by an Eligible Shareholder after considering their objectives, financial situation and needs, an assessment of Metcash, an analysis of the Facility terms and any other relevant matters.

Eligible Shareholders who are unsure of what action to take should consult their professional adviser.

Metcash, the Broker and Registries may appoint agents and delegates to perform any of their obligations, or exercise any of their powers or discretions, in relation to the Facility.

The terms of the Facility (set out in this booklet and on the Participation Form) may be changed by Metcash by giving notice to ASX and posting such notice on Metcash's website (www.metcash.com), but no such change will apply to any completed sale of Shares through the Facility. Eligible Shareholders are bound by any such change whether or not they receive notice of the change. The Participation Form contains specific acknowledgements, warranties and undertakings given by Participating Shareholders.

The terms of the Facility are governed by the laws in force in New South Wales.

Personal information may be collected on the Participation Form by Metcash, the Broker and Registries for the purpose of the administration of, and the sale of Shares through, the Facility. That information may be used by each of them and may be disclosed by each of them to each other, to their respective related or associated bodies corporate, to external service companies such as mail service providers, for those purposes, or as otherwise required or permitted by law. Please contact Registries on 1800 655 325 to correct inaccurate or out of date information.





Financial Services Guide of Deutsche Securities Australia Limited (ABN 65 003 204 368, Australian Financial Service Licence Number 238160) for use in connection with the Metcash Share Sale Facility

Date: 4 September 2006

1. What is a financial services guide?

This Financial Services Guide ("FSG") is an important document. It contains information about Deutsche Securities Australia Limited ("Deutsche Securities", "we" or "us") to help you decide whether to use the financial services we provide.

This FSG is not intended for persons who are wholesale clients for the purposes of the Corporations Act 2001 and references in it to "you" and "your" are references to clients who are retail clients.

This FSG also contains information about:

- the services we are authorised to provide and the types of products we are authorised to offer under our Australian Financial Services Licence;
- how we (and other relevant persons) may be remunerated for these services;
- our internal and external complaints handling procedures and how you can access them.

2. Who are we and how can you contact us?

Deutsche Securities has been appointed by Metcash Limited ("Metcash") as broker in relation to its Metcash Share Sale Facility (as described in the Metcash Share Sale Facility Information Booklet). If you elect to participate in this facility we will be instructed to arrange for the sale of your shares and pay the proceeds to Registries Limited, Metcash's registry. You can contact us in the following ways:

Mail: Level 16, Deutsche Bank Place, cnr Hunter & Phillip Streets, Sydney, NSW 2000

Telephone: (02) 8258 1234

Fax: (02) 8258 1400

Deutsche Securities is licensed under the Corporations Act to provide these services. Our Australian Financial Services Licence Number is 238160.

Deutsche Securities is a wholly owned subsidiary of Deutsche Bank AG (ABN 13 064 165 162, Australian Financial Services Licence Number: 238153).

Deutsche Securities is a participant in the following licensed markets and clearing and settlement facilities:

- the licensed market operated by the Australian Stock Exchange Limited (ABN 98 008 624 691);
- the clearing and settlement facilities operated by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532) and Australian Clearing House (ABN 48 001 314 503)

3. What financial services are we providing?

Deutsche Securities will deal in financial products by disposing of securities when acting as broker in relation to the Metcash Share Sale Facility.

4. Who do we act for when providing these services?

In providing these financial services and products to retail clients, we act at the direction of Metcash and its registry and are responsible for the financial services provided to you.

5. Remuneration (including commissions) and other benefits for the services we provide

In providing services in connection with the Metcash Share Sale Facility Deutsche Securities will be paid by Metcash a fee of \$80,000 together with an amount being the difference between 0.50% of the dollar value of the trades completed under the Facility and \$80,000 where that amount is a positive number. Deutsche Securities may also benefit if, in connection with selling shares under the Facility, it receives commission (which may be up to 0.5%) from a client which buys those shares through a crossing. Any such commissions are payable by the client following the trade. No brokerage or other fee (or applicable GST) is payable by you.

Financial Services Guide of Deutsche Securities Australia Limited (ABN 65 003 204 368, Australian Financial Service Licence Number 238160) for use in connection with the Metcash Share Sale Facility

Date: 4 September 2006

6. Remuneration and other benefits received by our directors and employees

All Deutsche Bank group employees and directors are remunerated by salary and do not directly receive any commissions or fees. However, they may be eligible for an annual bonus which is discretionary and is based on a number of factors such as individual, divisional and group performance. The discretionary bonus may be payable as cash or as a combination of cash and different forms of equity.

The different forms of equity are awarded to selected individuals in anticipation of ongoing contribution to the success of the organisation, and to align the interests of employees and Deutsche Bank group shareholders. Vesting periods may apply to such awards. Awards are primarily made in the form of notional Deutsche Bank AG shares, which perform in direct relation to Deutsche Bank AG registered shares, however have no associated voting rights or dividends. In limited circumstances, awards may also be granted in the form of Deutsche Bank AG shares and performance options. Performance options are rights to buy Deutsche Bank AG shares in the future at a fixed price.

7. How do you provide us with instructions?

You give Metcash instructions which enable us to act as broker in relation to the Metcash Share Sale Facility.

8. What should you do if you have a complaint?

You should initially contact Metcash's registry, Registries Limited, for resolution of a complaint.

Should your complaint not be satisfactorily resolved within 3 days, please contact:

Head of Compliance
Deutsche Securities Australia Limited
GPO Box 7033
Sydney NSW 2001
Tel (02) 8258 2381
Fax (02) 8258 2223
Email ausnz.complaints@db.com

To provide you with an independent arbiter in the event of an unresolved complaint, Deutsche Securities is also a member of The Financial Industry Complaints Service Limited,

PO Box 579, Collins St West, Melbourne Vic 8007
Tel 1300 78 08 08.
Facsimile (03) 9621 2291
Email fics@fics.asn.au
Internet www.fics.asn.au

The Australian Securities and Investments Commission ("ASIC") also has a freecall Infoline on 1300 300 630 which you may use to obtain information about your rights.

9. How is my personal information dealt with?

Neither Metcash or its registry provide your personal information to Deutsche Securities in connection with the Facility.

However if you would like a copy of our full privacy policy, please visit the following website:

www.australia.db.com