



Metcash Limited

ABN 32 112 073 480
50 Waterloo Road
Macquarie Park
NSW 2113 Australia

PO Box 6226
Silverwater Business Centre
NSW 1811 Australia
Ph: 61 2 9751 8200
Fax: 61 2 9889 1557

1 June 2009

The Manager, Companies
Australian Securities Exchange
Company Announcements Office
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RE: METCASH LIMITED – FULL YEAR RESULTS

Please find attached announcement and Appendix 4E pertaining to the Metcash Limited full year results.

Yours faithfully

A handwritten signature in black ink, appearing to read "John Randall".

John Randall
Company Secretary



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Media Release

METCASH LIMITED BEATS EARNINGS GUIDANCE DESPITE TOUGH TIMES

- Wholesale sales rose by 9.3 per cent to \$10.97 billion
- EBITA grew 12.1 per cent to \$382.5 million
- EBITA margin increased from 3.4 per cent to 3.49 per cent
- Profit after tax, pre non-recurring item (NRI), increased 13.8 per cent to \$219.7 million
- Earnings per share pre goodwill amortisation and non-recurring item grew 13.3 per cent to 29.53 cents per share
- Dividends increased 14.3 per cent to 24 cents fully franked.

Strong consumer support for independent retailers has translated into a strong Metcash result.

Normalised profit after tax and before first half non-recurring items, which grew 13.8 per cent from \$193.1 million to \$219.7 million, was achieved on a 9.3 per cent rise in wholesale sales from \$10.04 billion to \$10.97 billion.

The strong growth was above market guidance and was posted amid volatile economic conditions and continuing strong competition in the supermarket sector.

The Board is pleased to announce that a final dividend of 14 cents per share has been declared, making the total dividend for the year of 24 cents. The dividend will be fully franked at 30 per cent with a record date of 25 June 2009 and payable on 8 July 2009.

Metcash Chief Executive Officer, Mr Andrew Reitzer said:

“Metcash has delivered a strong result, with sales accelerating in the second half on the back of strong consumer support of our independent retailer customers. Our customers’ share of the grocery market, as measured by Nielsen, has lifted to 19 per cent.

“Another highlight of the year has been the continued reduction in our cost of doing business during the economic downturn, with our primary focus on supply chain improvements and technological innovations to improve warehouse productivity.

“We are continuing to invest in our core businesses to retain their competitiveness against the national chains and reduce costs.

“Metcash’s key business, IGA Distribution (IGA>D) delivered another great result, which underpinned the group’s overall strong performance. The division posted strong growth in EBITA (Earnings Before Interest Tax and Amortisation) – with wholesale sales growing by 11.3 per cent and comparable sales by 9.0 per cent.

“We are seeing consumers eating out less often and shopping more at our customers’ supermarkets. More Australians are holidaying in Australia and shopping at the widely dispersed IGA network of independent supermarkets.

“Australian Liquor Marketers, the company’s liquor division, generated strong sales and EBITA growth, which was an excellent performance in the face of aggressive price competition from the national chains and market uncertainty caused by changes to ‘pre mixed’ drinks excise.

“Our specialised convenience distribution division, Campbells Wholesale also performed well with solid sales and EBITA, with strong growth in the product categories of foodservice, soft drinks and confectionery.

Mr Reitzer said that the Metcash balance sheet remained strong with all funding lines in place and the company has successfully extended its \$700 million syndicated loan facility to May 2012.

“Although the trading environment remains volatile and there are financial uncertainties affecting customers’ wealth and discretionary spending, we see no weakening of sales in consumer essentials – our core focus. We believe that earnings per share growth will be up by 7 to 10 per cent in the 2010 financial year, subject to unemployment and economic conditions not deteriorating above government forecasts”, concluded Mr Reitzer.

BUSINESS PILLARS’ PERFORMANCE

IGA Distribution (IGA>D)

Metcash’s grocery distribution business, IGA>D, posted 11.3 per cent sales growth and EBITA growth of 14.7 per cent from \$275.1 million to \$315.5 million.

Sales on a comparable store basis rose 9.0 per cent as consumers continued to support the IGA network of around 1,270 outlets across Australia. The division kept a strong focus on cost controls, while benefiting from the impact of the newly established Fresh business.

Both the Fresh and expanded private label brands, led by the recently launched IGA Signature range, are allowing IGA Distribution’s independent retailers to provide a distinct and more competitive offering to consumers. The entrepreneurial IGA store owners continue to drive a differentiated offer and strong branded promotions keep independent retailers competitive.

The annualised run rate on total Fresh sales has reached \$950 million per annum, with bakery showing 93 per cent growth in sales during 2009, followed by delicatessen growth of 30 per cent and meat at 24 per cent.

The division is moving to source a higher proportion of its fresh produce direct from the farm gate.

A strong focus is to increase the number of stores serviced by Fresh, in order to help the stores ensure quality standards and consistency.

The division has recently expanded its fresh meat offering, with the acquisition of a meat facility in Western Australia, while fresh foodservice has also grown following an acquisition in Queensland.

Australian Liquor Marketers (ALM)

ALM’s sales grew 5.6 per cent while EBITA jumped 8.2 per cent to \$33.8 million, with beer volumes the stand out performer with a 25 per cent sales growth during the year.

Sales to IGA Plus Liquor rose 29 per cent, whilst sales to the fast growing Cellarbrations and Bottle-O chains increased by 19 per cent.

A major factor in the division's performance was the Federal Government's increase in the excise duty on pre-mixed drinks, which saw their sales volumes fall 11 per cent whilst spirit sales grew 19 per cent during the year.

Independent Brands Australia's (IBA) banners now cover 2,308 outlets.

Campbells Wholesale (CW)

Campbells Wholesale experienced growth in sales of 7.1 per cent to \$1.66 billion and EBITA rose 7.8 per cent to \$33 million.

Primary category sales of foodservice, soft drinks and confectionery rose 10.6 per cent, producing higher margins.

Campbells Wholesale's market share now stands at 35 per cent of the \$4.1 billion convenience sector.

DIVIDEND POLICY

Directors have previously stated the intention to return earnings to shareholders, while retaining adequate funds within the business to invest in future growth opportunities.

The Board has determined that the company's dividend pay out ratio should be at least 60 per cent of Earnings Per Share (EPS). In 2009 the total dividend of 24 cents represents 91 per cent of reported EPS or 81 per cent of pre-goodwill amortisation and non-recurring item earnings per share.

THE FUTURE

While the trading environment remains volatile and financial uncertainties continue to negatively impact overall consumer spending, we see no weakening in the core grocery market served by Metcash.

Management's EPS guidance for the 2010 financial year is a 7 to 10 per cent growth of normalised earnings per share, subject to unemployment and economic conditions not deteriorating above current government forecasts.

For Further Information Call:

Andrew Reitzer
Metcash Limited
(02) 9741 3060

Tim Allerton
City Public Relations
(02) 9267 4511
(0412) 715 707

Appendix 4E

Preliminary final report

Name of entity:

METCASH LIMITED ABN 32 112 073 480

For the year ended 30 April 2009

For announcement to the market

MTS for the year ended 30 April 2009

Extracts from this report for announcement to the market (see note 1).

\$Amillion

Revenues from ordinary activities	up	8.51%	to	11,067.5
Profit (loss) from ordinary activities after tax attributable to members	up	2.55%	to	202.5
Net profit (loss) for the period attributable to members	up	2.55%	to	202.5

Please refer to page 3 for detailed explanation of the results

Dividends (distributions)

	Amount per security	Franked amount per security
Final dividend (<i>Preliminary final report only - item 6.4</i>) – MTS	14c	14c
Previous corresponding period (<i>Preliminary final report - item 6.5</i>) -	12c	12c
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	25 June 2009	

Explanatory Note on Results

EBITA (from Normal operations) for the year is 13.9% up on the previous year, whilst normalised profit after tax (excluding non recurring items) has increased by 13.8%. Reported PAT pre goodwill amortisation and non-recurring items was up 11.1% with EPS calculated on the same basis up 10.9%.

	30-Apr-09 \$'m	30-Apr-08 \$'m	Increase on last year %
Turnover Total	10,981.7	10,116.1	8.6%
EBITA from Normal Operations	387.0	339.9	13.9%
Share Based Payments	(4.5)	(4.8)	-5.4%
EBITA after Share Based Payments	382.5	335.1	14.1%
Net Interest	(61.0)	(51.1)	19.4%
Profit Before Tax and Amortisation	321.5	284.0	13.2%
Tax	(94.9)	(85.0)	11.6%
Minority Interest	(0.7)	-	
Normalised PAT pre-Amortisation	225.9	199.0	13.5%
Amortisation of Intangibles	(6.2)	(5.9)	4.3%
Normalised Profit after tax	219.7	193.1	13.8%
EPS (basic)	28.7 cps	25.3 cps	13.6%
Significant and Non-recurring items			
Net Non-recurring profit/(loss) after tax	(17.2)	4.3	
Reported Profit after tax	202.5	197.4	2.6%
EPS (basic)	26.5 cps	25.9 cps	2.4%
EPS Guidance			
Reported PAT	202.5	197.4	
Amortisation of Intangibles	6.2	5.9	
Net Non-recurring profit/(loss) after tax	17.2	-	
Reported PAT pre-Amortisation and NRI	225.9	203.3	11.1%
EPS (Basic)	29.5 cps	26.6 cps	10.9%

Earnings per security (EPS)

1. Details of basic and diluted EPS reported separately in accordance with AASB 133: *Earnings Per Share* are as follows.

MTS	
Basic Earnings per share	26.47 Cents
Diluted Earnings per share	26.45 Cents
Earnings used in Basic and Diluted earnings per share =	\$202,489,000
· Weighted average number of ordinary shares (used in Basic EPS)	764,843,880
· There have been no changes to ordinary shares since balance date	
· Weighted average number of ordinary shares (used in diluted EPS) =	765,423,259
(764,843,880 ordinary shares + 579,379 potential ordinary shares).	
· Weighted average number of converted, lapsed or cancelled potential ordinary shares included in the calculation of diluted EPS = (34,075)	
· There are 20,286,222 potential ordinary shares that are non-dilutive.	-
There have been no issues of potential ordinary shares after balance date.	

NTA backing	Current period	Previous corresponding period
2. Net tangible asset backing per ordinary security (cents)	12.98	16.16

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations or, the details of discontinuing operations they have disclosed in their accounts).

3. Discontinuing Operations

None

Control gained over entities having material effect

4.1 Name of entity (or group of entities)	Refer to Note 8
4.2 Date of the gain or loss of control	Refer to Note 8
4.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired (if material)	N/A

Loss of control of entities having material effect

5.1 Name of entity (or group of entities)	N/A
5.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	
5.3 Date to which the profit (loss) has been calculated	
5.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	
5.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	

Dividends (in the case of a trust, distributions)

6.1 Date the dividend (distribution) is payable

8 July 2009

6.2 Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)

25 June 2009

6.3 If it is a final dividend, has it been declared?

Yes

(Preliminary final financial report only)

Amount per security

		Amount per security	Franked amount per security at 30%	Amount per security of foreign source dividend
<i>(Preliminary final financial report only)</i>				
6.4 Final dividend:	Current year - MTS	14c	14c	- c
6.5	Previous year – MTS <i>(Half yearly and preliminary final financial reports)</i>	12c	12c	- c
6.6 Interim dividend:	Current year - MTS	10c	10c	- c
6.7	Previous year -MTS	9c	9c	- c

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

6.8 Ordinary securities
6.9 Preference securities

Current Year	Previous Year
24c	21c
-	-

The dividend or distribution plans shown below are in operation.

The last date (s) for receipt of election notices for the dividend or distribution plans

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with AASB 134 Interim Financial Reporting)*

Nil

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period	Previous
	\$Amillion	corresponding period \$Amillion
7.1 Profit (loss) from ordinary activities before tax	2.7	3.2
7.2 Income tax on ordinary activities	(0.8)	-
7.3 Profit (loss) from ordinary activities after tax	1.9	3.2
7.4 Extraordinary items net of tax		
7.5 Net profit (loss)	1.9	3.2
7.6 Adjustments		
7.7 Share of net profit (loss) of associates and joint venture entities	1.9	3.2

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$Amillion	Previous corresponding period \$Amillion
8.1 Equity accounted associates and joint venture entities				
Produce Traders Trust	40.0%	40.0%	-	-
Abacus Independent Retail Property Trust	25.0%	25.0%	-	-
Ritchies Stores Pty Ltd	26.0%	26.0%	-	-
BMS Retail Group Pty Ltd	25.1%	25.1%	-	-
Dramet Pty Ltd	26.0%	26.0%	-	-
Coco's Fresh Food Markets	26.0%	26.0%	-	-
Dart Trading Co Pty Ltd	26.0%	0.0%	-	-
Bamlane Pty Ltd	26.0%	0.0%	-	-
Mundin Pty Ltd	26.0%	0.0%	-	-
G'Butt Pty Ltd	26.0%	0.0%	-	-
Mussen Pty Ltd	26.0%	0.0%	-	-
Ully Pty Ltd	26.0%	0.0%	-	-
Adcome Pty Ltd	40.0%	40.0%	-	-
Progressive Trading Pty Ltd (Progressive)	49.0%	49.0%	-	-
8.2 Total			1.9	3.2
8.3 Other material interests			-	-
8.4 Total			1.9	3.2

Issued and quoted securities at end of current period – Metcash Limited (MTS)

(Description includes rate of interest and any redemption or conversion rights together with prices and dates.)

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
9.1 Preference securities (description)	-	-	-	-
9.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
9.3 Ordinary securities	764,888,363	764,888,363	-	-
9.4 Changes during current period				
(a) Increases through conversion of employee options	38,000	38,000	187.0	187.0
a) Increases through conversion of employee options	57,770	57,770	392.5	392.5
(a) Increases through conversion of employee options	-	-	-	-
(b) Decreases through returns of capital, buybacks	-	-	-	-
9.5 Convertible debt securities (description and conversion factor)	(description and conversion factor)	-	-	-
9.6 Changes during current period				
(a) Increase through issues				
9.7 Options (description and conversion factor)	Total number		Exercise price	Expiry date (if any)
	340,000		243.0	02/09/2010
	3,800,000		401.3	02/09/2011
	8,675,181		392.5	02/09/2011
	19,387,142		426.7	07/02/2014
9.8 Issued during current period	21,091,806		426.7	07/02/2014
Reinstated	8,225		392.5	02/09/2011
	13,100		426.7	07/02/2014
9.9 Exercised during current period	38,000		187.0	10/07/2008
	57,770		392.5	02/09/2011
9.10 Expired during current period	14,500		187.0	10/07/2008
	605,880		392.5	02/09/2011
	1,717,764		426.7	07/02/2014
9.12 Debentures (description)	(description)	-		
9.13 Changes during current period				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
9.14 Unsecured notes (description)	(description)	-		
9.15 Changes during current period				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted.	-	-		

(Half-Year financial report only)

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on accounts to which one of the following applies. *(Tick one)*

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached. *(Preliminary Final only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)*

6 The entity has a formally constituted audit committee.



Sign here: Date: 1 June 2009
(Secretary)

Print name: J A Randall

Metcash Limited

ABN 32 112 073 480



Preliminary Financial Report

For the year ended 30 April 2009

Corporate Information

ABN 32 112 073 480

DIRECTORS

Carlos S dos Santos (Chairman)
Peter L Barnes (Deputy Chairman)
Andrew Reitzer (CEO)
Michael R Butler
Neil D Hamilton
Michael R Jablonski
Edwin M Jankelowitz
Joao Louis S Jardim (Lou Jardim)
Richard A Longes
V Dudley Rubin

Directors were in office for this entire period.

COMPANY SECRETARY

John A Randall

REGISTERED OFFICE

50 Waterloo Road
Macquarie Park NSW 2113
Telephone: 61 2 9751 8200

SHARE REGISTER

Registries Limited
GPO Box 3993
Sydney NSW 2001
Telephone: 61 2 9290 9600
Facsimile: 61 2 9279 0664

AUDITORS

Ernst & Young

INTERNET ADDRESS

www.metcash.com

Income Statement

FOR YEAR ENDED 30 April 2009	Notes	Consolidated	
		2009	2008
		\$'m	\$'m
Revenue	2(i)	11,067.5	10,199.1
Cost of sales		(9,950.9)	(9,137.0)
Gross profit		1,116.6	1,062.1
Distribution costs		(369.5)	(335.4)
Administrative costs		(363.5)	(383.7)
Share of profit of associates		1.9	3.2
Specific Item			
Termination of Derivative Financial Instrument	2(iv)	(24.6)	-
Finance costs			
Other finance costs	2(v)	(70.2)	(61.9)
Profit before income tax		290.7	284.3
Income tax expense		(87.5)	(86.8)
Net profit for period		203.2	197.5
Profit attributable to minority interest		(0.7)	-
Profit attributable to the members of the parent company		202.5	197.5
Earnings per share (cents per share)			
- basic earnings per share		26.47	25.86
- diluted earnings per share		26.45	25.74
Franked dividends per share		22.00	21.00

Balance Sheet

Consolidated

As at 30 April 2009

	2009 \$'m	2008 \$'m
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	148.6	180.5
Trade and other receivables	967.7	975.1
Inventories	680.5	576.7
Income tax receivable	-	10.2
Derivative Financial Instruments	-	3.8
Other	5.6	4.6
TOTAL CURRENT ASSETS	1,802.4	1,750.9
NON-CURRENT ASSETS		
Receivables	40.1	35.8
Investments in associates accounted for using the equity method	84.1	80.5
Other financial assets	0.2	0.2
Property, plant and equipment	163.4	140.0
Net Deferred tax assets	16.2	20.1
Intangible assets	1,180.1	1,116.1
TOTAL NON-CURRENT ASSETS	1,484.1	1,392.7
TOTAL ASSETS	3,286.5	3,143.6
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,188.0	1,153.9
Interest bearing loans and borrowings	6.9	5.7
Provisions	72.7	73.1
Income tax payable	42.2	-
TOTAL CURRENT LIABILITIES	1,309.8	1,232.7
NON-CURRENT LIABILITIES		
Interest bearing loans and borrowings	638.2	610.6
Provisions	59.1	60.6
TOTAL NON-CURRENT LIABILITIES	697.3	671.2
TOTAL LIABILITIES	2,007.1	1,903.9
NET ASSETS	1,279.4	1,239.7
EQUITY		
Contributed equity	1,889.7	1,889.4
Other equity	(765.9)	(765.9)
Reserves	23.9	20.7
Retained earnings	129.7	95.5
Minority Interest	2.0	-
TOTAL EQUITY	1,279.4	1,239.7

Metcash Limited

Statement of Changes in Equity

For the Year Ended 30 April 2009

Metcash Group	Attributable to equity holders of Metcash Limited							Total equity \$'m
	Contributed equity \$'m	Other equity \$'m	Share-based payments \$'m	Retained Earnings \$'m	Capital Reserve \$'m	Foreign Currency Translation Reserve \$'m	Minority Interest \$'m	
At 01 May 2008								
Total equity at the beginning of the financial period	1,889.4	(765.9)	12.6	95.5	12.8	(4.7)	-	1,239.7
Currency translation differences	-	-	-	-	-	(1.3)	-	(1.3)
Net income/(expenses) recognised directly in equity	-	-	-	-	-	(1.3)	-	(1.3)
Profit for the period	-	-	-	202.5	-	-	0.7	203.2
Total recognised income and expenses for the period	-	-	-	202.5	-	(1.3)	0.7	201.9
Exercise of options	0.3	-	-	-	-	-	-	0.3
Minority Interest on acquisition	-	-	-	-	-	-	1.3	1.3
Cost of share-based payment	-	-	4.5	-	-	-	-	4.5
Dividend	-	-	-	(168.3)	-	-	-	(168.3)
At 30 April 2009								
Total equity at the end of the financial period	1,889.7	(765.9)	17.1	129.7	12.8	(6.0)	2.0	1,279.4
At 01 May 2007								
Total equity at the beginning of the financial period	1,885.8	(765.9)	7.8	43.0	12.8	(3.3)	-	1,180.2
Currency translation differences	-	-	-	-	-	(1.4)	-	(1.4)
Net income/(expenses) recognised directly in equity	-	-	-	-	-	(1.4)	-	(1.4)
Profit for the period	-	-	-	197.5	-	-	-	197.5
Total recognised income and expenses for the period	-	-	-	197.5	-	(1.4)	-	196.1
Exercise of options	3.6	-	-	-	-	-	-	3.6
Cost of share-based payment	-	-	4.8	-	-	-	-	4.8
Dividend	-	-	-	(145.0)	-	-	-	(145.0)
At 30 April 2008								
Total equity at the end of the financial period	1,889.4	(765.9)	12.6	95.5	12.8	(4.7)	-	1,239.7

Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2009	Notes	Consolidated	
		2009 \$m	2008 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,818.3	10,855.6
Payments to suppliers and employees		(11,380.9)	(10,429.3)
Dividends received		1.3	1.5
Interest received		9.2	7.1
Borrowing costs		(64.0)	(60.1)
Income tax paid		(31.0)	(63.8)
Goods and services tax paid		(104.8)	(113.5)
NET CASH FLOWS FROM OPERATING ACTIVITIES		248.1	197.5
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		7.1	21.6
Purchase of property, plant and equipment		(36.7)	(31.8)
Payments for intangibles		(21.3)	(15.1)
Proceeds from sale of retail stores		7.1	5.7
Proceeds from loans repaid by other entities		21.1	35.1
Loan to associates		-	(12.5)
Loans to other entities		(16.1)	(8.2)
Payment on acquisition of businesses	8	(65.8)	(5.8)
Payment on acquisition of associates		(1.6)	(1.0)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(106.2)	(12.0)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of ordinary shares		0.3	3.6
Payment to terminate derivative financial instrument		(24.6)	-
Proceeds from borrowings – other		550.0	575.0
Repayments of borrowings – other		(525.0)	(575.0)
Payment of dividends on ordinary shares		(168.3)	(145.0)
Repayment of finance lease principal		(6.1)	(5.4)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(173.7)	(146.8)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(31.8)	38.7
Add opening cash brought forward		180.5	141.9
Effect of exchange rate changes on cash		(0.1)	(0.1)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		148.6	180.5

Explanatory Notes to the 4E

30 April 2009

1 Summary of significant accounting policies

There have been no changes to the accounting policies as previously disclosed in last year's Annual Report 2008.

2. REVENUES AND EXPENSES

	2009 \$'m	2008 \$'m
Specific Items		
Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:		
(i) Revenue		
Revenue from sale of goods	10,981.7	10,116.1
Rent	76.6	66.0
Interest from other person/corporation	9.2	7.0
Fair value gain on Derivative Financial Instrument	-	3.8
Other revenue	-	6.2
	11,067.5	10,199.1
(ii) Other income		
Net profit from disposal of property, plant & Equipment	0.1	5.3
(iii) Expenses		
Depreciation of non-current assets	27.5	28.9
Amortisation of non-current assets (software)	12.9	12.8
Amortisation of intangibles	6.2	5.9
(iv) Significant Item		
Termination of Derivative Financial Instrument	24.6	-
Metcash Limited entered into an interest rate "collar" as a condition of its syndicated loan agreement. Due to significant movements in interest rates, steps were taken to terminate the derivative financial instrument		
(v) Other finance costs		
Interest expense	66.4	61.9
Fair value loss on Derivative Financial Instrument	3.8	-
	70.2	61.9

3 INCOME TAX EXPENSE

The effective income tax rate is 30.1 %. This approximates the statutory corporate rate of 30%.

Explanatory Notes to the 4E (continued)

30 April 2009

	2009 \$'m	2008 \$'m
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4 DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

(a) Dividends paid during the year

Franked dividends	168.3	145.0
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5 CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

6 CONTRIBUTED EQUITY

(a) Ordinary shares:

Issued and fully paid	1,889.7	1,889.4
Total contributed equity	1,889.7	1,889.4

	2009 Number of shares	2009 \$'m
<i>Movements in ordinary shares on issue</i>		
At 1 May 2008	764,792,593	1,889.4
Issued during the year:		
Dividend Reinvestment Plan		
- Exercise of employee options 38,000 ordinary shares at 187.0 cents per share	38,000	0.1
- Exercise of employee options 57,770 ordinary shares at 392.5 cents per share	57,770	0.2
At 30 April 2009	764,888,363	1,889.7

7 EVENTS AFTER THE BALANCE SHEET DATE

There are no events that have occurred after the end of the financial year that would materially affect the numbers reported or would require disclosure in this full year financial report.

Explanatory Notes to the 4E (continued)

30 April 2009

8 BUSINESS COMBINATION

The Metcash Group acquired the assets of the following entities:

Date of acquisition	Entity Purchased	% Acquired
2 June 2008	Market Garden Produce (MGP)	100%
3 July 2008	Solomons Food Group (SFG) - Produce	100% (1)
16 August 2008	APFB GemFruit (APFB)	100% (1)
28 December 2008	RKH Services Pty Ltd	26% (2)
28 November 2008	Rainfresh Group (Rainfresh Pty Ltd, Nufruit Pty Ltd, NFRF Developments Pty Ltd)	51%
5 February 2009	Solomons Food Group (SFG) - Food Service	100% (1)
1 April 2009	Kelly's Providores Pty Ltd	100% (1)

(1) Acquisition of business assets.

(2) Acquisition of minority interest. RKH Services Pty Ltd is now 100% owned.

Details of the fair value of the assets and liabilities acquired are as follows:

	Total \$'m
(b) Purchase consideration:	
Cash paid to date	63.1
Direct costs relating to the acquisition	2.8
Total purchase consideration	65.9
Deferred Consideration	2.3
Cash acquired	(0.1)
Fair value of net identifiable assets acquired (c)	(6.9)
Goodwill	61.2

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

Accounts Receivable	10.2
Property, plant and equipment	7.8
Inventory	1.0
Goodwill	1.1
Creditors and Employee benefits provision	(12.2)
Deferred tax asset relating to employee benefits provision	0.3
Minority Interest	(1.3)
Fair value of net identifiable assets acquired	6.9

The fair value of the identifiable assets and liabilities of MGP, SFG, APFB, Kelly's, RKH and Rainfresh approximated their carrying values at the dates of acquisition.

The results of MGP, SFG, APFB, Kelly's, RKH and Rainfresh from acquisition to 30 April 2009 have not been disclosed separately as they are not significant to the total Group results.

The revenue and results of the total Metcash Group for the period ended 30 April 2009, as though MGP, SFG, APFB, Kelly's, RKH and Rainfresh had been acquired on 1 May 2008, would not be significantly different to the Group results as currently reported.

The accounting for the above business combinations is provisional as at 30 April 2009.

9 SEGMENT INFORMATION

Segment products and locations

The economic entity predominantly operates in the industries indicated. Food distribution activities comprise the distribution of grocery and tobacco supplies to retail outlets, convenience stores and hospitality outlets. Liquor distribution activities comprise the distribution of liquor products to retail outlets and hotels. Cash and Carry Distribution comprises the distribution of grocery and tobacco supplies via cash and carry warehouses. Geographically the group operates predominately in Australia. The New Zealand operation represents less than 10% of revenue, results and assets of the consolidated entity.

Segment accounting policies

The selling price between segments is at normal selling price and is paid under similar terms and conditions as any other customers of the economic entity.

Explanatory Notes to the 4E (continued)

30 April 2009

9 SEGMENT INFORMATION (Continued)

Business segments	Food Distribution		Cash and Carry Distribution		Liquor Distribution		Eliminations		Consolidated	
	2009 \$'m	2008 \$'m	2009 \$'m	2008 \$'m	2009 \$'m	2008 \$'m	2009 \$'m	2008 \$'m	2009 \$'m	2008 \$'m
Segment Revenue										
Sales to customers outside the consolidated entity	6,681.8	6,066.0	1,660.4	1,550.8	2,639.5	2,499.3		-	10,981.7	10,116.1
Inter-segment revenues	809.7	875.1	-	-	109.6	99.6	(919.3)	(974.7)	-	-
Unallocated revenue									85.8	83.0
Total segment revenue	7,491.6	6,941.1	1,660.4	1,550.8	2,749.0	2,598.9	(919.3)	(974.7)	11,067.5	10,199.1
Segment result	315.5	275.1	33.0	30.6	33.8	31.2	-	-	382.3	336.9
Unallocated result									(91.5)	(52.6)
Consolidated entity profit from ordinary activities before income tax expense									290.8	284.3
Segment Assets	2,071.0	1,913.7	431.2	356.2	619.6	621.9	-	-	3,121.8	2,891.8
Unallocated Assets									164.7	251.8
Total Assets									3,286.5	3,143.6
Segment Liabilities	777.1	758.7	152.3	143.3	370.5	364.6	-	-	1,299.9	1,266.6
Unallocated liabilities									707.2	637.3
Total Liabilities									2,007.1	1,903.9
Acquisition of property, plant and equipment and intangible assets	64.4	4.7	16.4	8.0	1.2	4.8	-	-	82.0	17.5
Depreciation	5.4	4.8	3.9	3.5	4.8	4.6	-	-	14.1	12.9
Amortisation	3.1	2.3	1.9	1.4	1.0	0.7	-	-	6.0	4.4
Non-cash expenses other than depreciation	11.0	3.2	1.8	0.3	1.0	1.0	-	-	13.8	4.5

The revenue, expenses, assets and liabilities of the Holding company are included in the unallocated portion of the segment note. All assets and liabilities of the holding company are held in Australia.