Metcash Limited
ABN 32 112 073 480
1 Thomas Holt Drive
Macquarie Park
NSW 2113 Australia

29 August 2018

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

Dear Sir/Madam

METCASH LIMITED 2018 ANNUAL GENERAL MEETING AND GROUP OUTLOOK

In accordance with Listing Rule 3.13.3, please find attached the following documents that will be delivered at the Metcash Limited 2018 Annual General Meeting later today:

- Chairman's Address
- CEO Presentation, including updated statement on Group outlook

Yours faithfully

Julie D. Hutton

Julie Hutton
Company Secretary

2018 Annual General Meeting
Chairman's Address

Ladies and Gentlemen

I will now provide an overview of our FY18 financial performance and capital management initiatives, as well as comment on other important matters such as our strategic direction, senior management and Board changes, and remuneration outcomes for the year.

I will then invite Jeff to talk about the company's operating performance and outlook in more detail, as well as expand on his future plans for the company.

Turning firstly to the financials.

We were pleased to report that underlying profit after tax increased 10.7% to $215.6m. The prior year included an additional 53rd week of trading, so on a comparable basis the increase would be higher. This performance represents an 8.9% increase in underlying earnings per share to 22.1 cents.

The increase in earnings was achieved despite highly competitive and challenging conditions.

The improvement in underlying earnings was underpinned by the ongoing execution of our strategic initiatives across all our pillars, with our Working Smarter program and the integration of Home Timber & Hardware (HTH) being key contributors to our improved profitability.

The entire organisation has done an admirable job in reducing costs, and the Hardware management team should be complimented on the successful combination of two large and complex groups in HTH and Mitre 10.

The integration of HTH is now largely complete, with our Hardware team having gained the support of both the HTH and Mitre 10 independent retailers, while also delivering synergies well ahead of the target set at the time of acquisition.

After a year of solid performance in our Supermarkets, Convenience and Liquor businesses, we were disappointed to receive advice from the Drakes Supermarkets Group that it would not commit to a long-term supply agreement to have its South Australian stores supplied by our proposed new 'best in class' distribution centre in that state. Our current supply agreement with these Drakes stores runs until June 2019.

The advice from Drakes was carefully considered in our year-end accounts and was the primary driver of a $352.1m impairment charge to goodwill and other net assets in the Food pillar. The impairments were non-cash in nature and have no impact on the company's debt facilities or compliance with banking covenants.

The impairment charge is shown as a significant item in our FY18 accounts, and led to the company reporting a statutory loss for the year of $149.5m.

Our proposed new distribution centre in South Australia is designed to deliver operational efficiencies and enable local independent retailers access to a wider range of products. The new DC requires a significant investment for Metcash that includes long term lease commitments, and it is for this reason we have been seeking long-term supply commitments from our South Australian retailers.

This week the company announced that it has signed a legally binding Heads of Agreement with Foodland Supermarket, the governing body for independent Foodland supermarket retailers in South Australia.

The agreement sets out the proposed terms for Foodland retailers to commit to being supplied from the new DC for a period of 10 years.

Good progress has been made and we now have long-term supply agreements signed with Foodland multiple store owners such as the Romeo's and the Chapley's, as well as the remaining members of the Foodland Supermarket Board who are owners of Foodland supermarkets in South Australia.

Together with other existing fixed term supply agreements with Foodland and IGA supermarket retailers in South Australia, Metcash now has long term supply agreements in place with retailers representing the majority of our Supermarket sales in that state.

This obviously excludes the Drakes Supermarkets in South Australia which we now understand will be supplied from a new DC that they intend to construct.

Turning now to our strategic direction and capital management.

I am pleased to report that Jeff's transition into the Group CEO role has been a seamless one. Jeff succeeded Ian Morrice following our half year results last December, and he has quickly formed relationships with our key stakeholders and developed a clear vision as to how he will lead our company into the future.

We have a strong balance sheet with the capacity to invest, and the next phase of our strategy will focus on delivering growth initiatives and cost efficiencies. This includes investing in new initiatives, accelerating current initiatives where appropriate, and ensuring we continue our strong focus on costs to provide a sustainable cost structure. This focus will be particularly vital in our Supermarkets business as we address the loss of the Drakes volume in SA.

It is important to note that supporting the ongoing success of independent retailers across our Food, Liquor and Hardware pillars continues to be at the heart of our strategy.

Jeff will talk more about his plans for the future shortly.

In addition to having the capacity to fund our new initiatives, our strong balance sheet and cashflows enabled us to return capital to shareholders.

Earlier this month we announced the successful completion of a $150m Off-Market Buy-Back, which is $25m higher than the indicative $125m announced on 25 June 2018.

There was strong shareholder support for the Buy-Back resulting in the company purchasing 66.4 million shares, or 6.8% of issued capital, at the maximum tender discount of 14%. The Buy-Back is expected to be ~5.2% EPS accretive on an annualised basis, which means all shareholders benefit irrespective of whether they participated.

The Board has also maintained its dividend payout ratio of approximately 60% of underlying earnings. In line with this policy, a final dividend of 7.0 cents per share was declared, bringing total dividends for the year to 13.0 cents per share, fully franked.

I would now like to briefly comment on senior management and Board changes.

Our company was fortunate to have a very strong internal candidate in Scott Marshall to take over as CEO Supermarkets & Convenience from Steven Cain following Steven's resignation in March this year.

Scott was the incumbent CEO of our Liquor business which has performed strongly for the past four years, and he previously led the Supermarkets' Western Australia operations. Scott has more than 25 years' experience in wholesale and retail at Metcash, and has well established relationships across our Supermarkets retail network.

Scott's appointment has been well received by our suppliers, our retailer partners and the Metcash Supermarkets & Convenience team.

Also in March, we were pleased to appoint Anne Brennan as a non-executive director.

Anne is a very experienced company director with a distinguished executive career in the corporate sector and in professional services. Anne's appointment is put forward for election by shareholders at this meeting and I will talk more on Anne when we discuss Resolution 2(a). Shareholders should be aware that due to a prior commitment, that Anne declared as we appointed her, she is unfortunately unable to be with us today.

Anne's appointment followed advice from Patrick Allaway that he would retire from the Metcash Board following completion of the company's FY18 reporting process. Patrick has made an outstanding contribution as Chair of the Audit, Risk and Compliance Committee where he brought improved oversight to our capital management, reporting and risk management framework.

Subsequently, your Board has elected Tonianne Dwyer as our new Chair of the Audit, Risk and Compliance Committee. In addition to being a highly qualified director, Tonianne has over 20 years' experience in investment banking and real estate.

My aim as Chair of Metcash is to have an appropriately diversified Board and I am confident that our mix of Director skills, background and gender balance delivers this.

I would now like to briefly comment on remuneration.

We are now in the final year of our five-year remuneration transition which has included a progressive increase in executive 'at risk' remuneration as a component of on target total reward. Our executives now have most of their on-target remuneration 'at risk', and this is directly linked to performance outcomes including our share price.

Remuneration outcomes for the year included STI bonus payments to key management personnel ranging from 0% to 81% of maximum, with the average payment being 47% of maximum.

It is important to note that the Board considered the impairment related to the Drakes advice and applied its discretion to reduce the bonus payments. The Drakes advice is also likely to significantly impact Management's long-term incentive.

It is pleasing to report that we have continued to make significant inroads into achieving gender pay equality across the Group. At year-end, the gap had reduced to less than 2%.

I will provide some further information on remuneration when we discuss Resolution 3.

Looking forward, we remain focused on supporting our independent retail networks to be strong and grow in highly competitive and challenging markets.

Many of our retailers already have some of the best stores in the world.

I believe the quality, commitment and passion of our leadership team and Board will underpin the successful execution of the next phase of the company's strategy, and the ongoing success of Metcash and our partners.

I would also like to thank my Board colleagues, the leadership team and our partner independent retailers and suppliers for their ongoing commitment and support.

Finally, on behalf of your Board, I would like to thank you our shareholders for your support.

I will now hand over to Jeff.

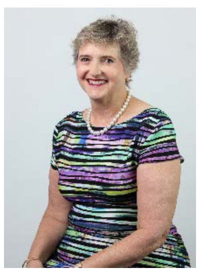
Thank you.

Welcome to Metcash Limited
2018 Annual General Meeting

Board of Directors

Rob Murray
Chairman

Jeff Adams
Group Chief Executive Officer



Fiona Balfour
Chair – People & Culture Committee

Anne Brennan

Tonianne Dwyer
Chair – Audit, Risk & Compliance Committee

Murray Jordan

Helen Nash

Julie Hutton
Company Secretary

Metcash Management

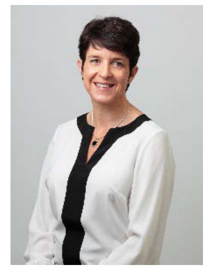
Brad Soller
Group CFO

Scott Marshall
CEO, Supermarkets & Convenience

Rod Pritchard
Acting CEO, Australian Liquor Marketers

Mark Laidlaw
CEO, Independent Hardware Group

Penny Coates
Chief People & Culture Officer



Linda Venables
Chief Logistics Officer – Food & Liquor

Edwin Gear
Chief Information Officer

Meeting Agenda

1 Receive and consider financial report and reports of the directors and auditor for the year ended 30 April 2018

- Chairman's Address
- CEO review of financial performance

2(a) Resolution to elect Ms Anne Brennan as a director

2(b) Resolution to elect Mr Murray Jordan as a director

3 Resolution to adopt the Remuneration Report

4 Resolution to approve the grant of performance rights to Mr Jeffrey Adams, Group CEO

Chairman’s Address

- Comments on FY18 performance
- Advice from Drakes Supermarkets in South Australia
- Strategic direction
- Capital management
- Senior management and Board changes
- Remuneration

Review of FY18 financial performance

JEFF ADAMS
GROUP CHIEF EXECUTIVE OFFICER

Metcash

OUR PURPOSE & VISION

CHAMPIONING SUCCESSFUL INDEPENDENTS

INDEPENDENCE IS WORTH FIGHTING FOR

OUR VALUES

WE **BELIEVE:** INDEPENDENCE IS WORTH FIGHTING FOR; IN TREATING **OUR PEOPLE, RETAILERS AND SUPPLIERS** THE WAY WE LIKE TO BE TREATED; AND IN **GIVING BACK** TO THE COMMUNITIES WHERE WE LIVE AND WORK.

BEST STORE IN TOWN

PASSIONATE ABOUT INDEPENDENTS

A FAVOURITE PLACE TO WORK

BUSINESS PARTNER OF CHOICE

SUPPORT THRIVING COMMUNITIES

Group overview

- Group sales up 4.3%[1] to $14.5bn
- Group EBIT [2,3] up 9.2% to $332.7m – predominantly driven by growth in Hardware earnings
- Underlying profit after tax [4] up 10.7% to $215.6m
- Impact of loss of sales to Drakes Supermarkets in SA recognised in asset impairment
- Statutory loss after tax of $149.5m – includes goodwill and net asset impairment of $345.5m (post tax)
- Working Smarter program cumulative savings of ~$95m
- Strong operating cash flows
- Strong balance sheet

1. FY17 excludes sales of $253.5m relating to the 53rd trading week and FY18 includes a full year of HTH sales (FY17: 7 months)
2. Group EBIT in FY17 includes the earnings on $253.5m of sales relating to the 53rd trading week
3. Food EBIT has been increased by $8.4m (FY17: $8.1m) to reflect the reclassification of net transaction costs associated with the Customer Charge Cards Agreement out of EBIT and into finance costs. The revision had no impact on profit/(loss) before tax.
4. Underlying profit after tax excludes: Working Smarter restructure costs of $7.7m (post tax), HTH integration costs of $11.9m (post tax) and an impairment of goodwill and other net assets of $345.5m (post tax)

Profit & Loss

	FY18 $m	FY17 $m	% Change
Sales revenue	14,463.7	14,121.9	2.4%
53rd trading week	-	(253.5)	-
Total revenue (52 trading weeks)	14,463.7	13,868.4	4.3%
EBITDA[1]	**400.7**	**368.3**	**8.8%**
Depreciation and amortisation	(68.0)	(63.5)	(7.1%)
EBIT[1]	**332.7**	**304.8**	**9.2%**
Net finance costs[1]	(26.4)	(33.6)	21.4%
Profit before tax and NCI	**306.3**	**271.2**	**12.9%**
Tax	(87.9)	(74.6)	(17.8%)
Non-controlling interests	(2.8)	(1.8)	-
Underlying profit after tax	**215.6**	**194.8**	**10.7%**
HTH integration and acquisition costs (post tax)	(11.9)	(9.5)	(25.2%)
Working Smarter restructure costs (post tax)	(7.7)	(13.4)	42.5%
Impairment of goodwill and other net assets (post tax)	(345.5)	-	-
Reported (loss)/profit after tax	**(149.5)**	**171.9**	**-**

EPS based on underlying profit after tax	22.1c	20.3c	8.9%

ROFE[2]	20.5%	19.0%	150bps

1. Food EBIT has been increased by $8.4m (FY17: $8.1m) to reflect the reclassification of net transaction costs associated with the Customer Charge Cards Agreement out of EBIT and into finance costs.
2. ROFE based on average of opening and closing funds employed. FY18 funds employed calculated prior to $352.1m impairment of goodwill and other net assets.

Balance Sheet

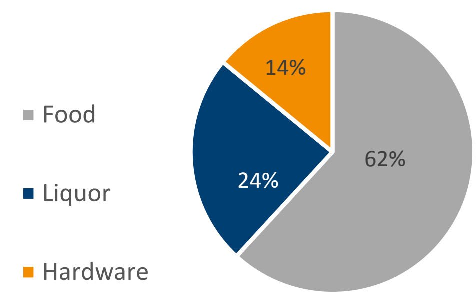
	30 April 2018 $m	30 April 2017 $m
Trade receivables and prepayments	1,184.2	1,133.3
Current assets - customer charge cards agreement[1]	274.0	276.0
Current liabilities - customer charge cards agreement[1]	(274.0)	(276.0)
Inventories	784.4	759.2
Trade payables and provisions	(1,896.2)	(1,811.4)
Net working capital	**72.4**	**81.1**
Intangible assets	818.4	1,152.7
Property, plant and equipment	236.7	242.1
Equity accounted investments	88.3	103.3
Customer loans and assets held for resale	51.4	51.9
Total funds employed	**1,267.2**	**1,631.1**
Net cash / (debt)	42.8	(80.8)
Tax, put options and derivatives	78.6	87.1
NET ASSETS/EQUITY	**1,388.6**	**1,637.4**

1. The Group revised its presentation of the Customer Charge Cards Agreement, which was disclosed as a contingent liability in previous financial years. During the current year, the Group has reported matching amounts receivable and payable on the balance sheet, each of $274m (FY17: $276.0m) in respect of this agreement.

Results overview by pillar

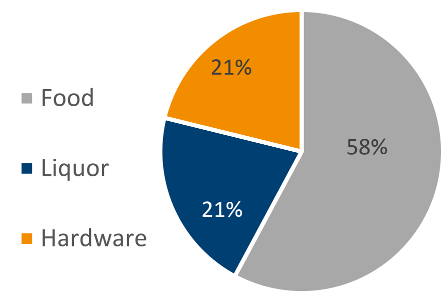
	FY18 $m	FY17 $m	% Change
Sales revenue			
Food	8,899.6	9,011.4	(1.2%)
Liquor	3,465.5	3,278.5	5.7%
Hardware[1]	2,098.6	1,578.5	33.0%
Total sales revenue (52 trading weeks)	**14,463.7**	**13,868.4**	**4.3%**
53rd trading week	-	253.5	-
Total sales revenue	**14,463.7**	**14,121.9**	**2.4%**

Sales revenue (%)



EBIT[2]			
Food[3]	188.6	188.1	0.3%
Liquor	68.4	67.0	2.1%
Hardware[4]	69.0	48.5	42.3%
Business Pillars	**326.0**	**303.6**	**7.4%**
Corporate[5]	6.7	1.2	-
Total EBIT	**332.7**	**304.8**	**9.2%**

EBIT (%)



1. FY17 includes 7 months of HTH sales of $521.5m
2. FY17 EBIT includes earnings on $253.5m of sales related to 53rd trading week
3. Food EBIT has been increased by $8.4m (FY17: $8.1m) to reflect the reclassification of net transaction costs associated with the Customer Charge Cards Agreement out of EBIT and into finance costs. The revision had no impact on profit/(loss) before tax.
4. FY18 Hardware EBIT includes full year of earnings from HTH (FY17: 7 months)
5. FY18 Corporate EBIT includes reversal of provision against the Huntingwood, NSW DC hail insurance claim settled in 1H18

Food – initiatives update

Winning Range ("Mini DSA")

- Warehouse: ~6,000 SKUs deleted and ~2,900 introduced
- "Winning Range" agreed with retailers and implementation underway
- Positioned to deliver improved wholesaler and retailer efficiencies and sales growth

DSA

- Focus on delivering high quality and competitive stores
- A further 75 completed in FY18, total now completed 325
- Average sales growth > 10% and average growth in basket size > 5%
- Focus on key learnings with the aim to simplify and accelerate the program

Channel Clarity

- Focus on brand that best fits store offer
- Implementation of first phase (Supa IGA) in progress
- Agreement reached with retailer working group on second phase (IGA)

Community Co – mid tier private label range

- Continued expansion in range and network coverage
- Positive customer response
- ~80 products added in FY18
- ~180 products now on offer

Increased focus on fresh

- Strong sales growth in 'ready meals'
- Youfoodz introduced into network
- Case ready mince in NSW, QLD and WA in 1H18

indieDirect

- Efficiency benefits through digitalisation of "Charge Through"
- Trials and retailer Working Groups in progress

Liquor – initiatives update

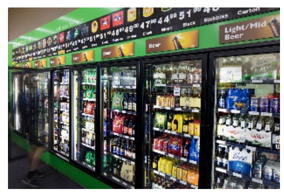
Store investment

- Improve quality of IBA store network and shopper experience
- 111 cool rooms upgrades in year (total upgrades ~500)
- 67 stores ‘refreshed’ in year (total ‘refreshed’ ~250)

Core range

- Focused on higher value premium products (wine and spirits)
- Supports differentiated, localised offer
- IBA category and range extension program implemented in ~1,500 stores

Network growth



- Continued focus on converting existing wholesale customers to IBA network and consolidation strategy
- Acquired Thirsty Camel in SA and NT in March 2018 (~ 70 stores)
- New large contract customer added to wholesale platform in 1H18

New brands

Porters rebrand completed and footprint expansion underway

- 3 new stores in Sydney, NSW in 2H18
- Store identification in progress with focus on demographics suitable for premium offer
- Rollout initially focused in NSW with planned national footprint (target ~100 stores)

Hardware – initiatives and integration update

Store investment

Success of Sapphire program supports acceleration of rollout

- Total of 30 stores upgraded
- Average retail sales improvement >15%
- Plans to accelerate program to ~200 stores by 2022

Hardings expansion

- Rollout of Hardings Plumbing into NSW and Tasmania

Trade focus

- 4 new Trade focused stores opened, targeting a further 8 in FY19

Core Ranging

- Core ranging program now across five categories (fasteners, paint, power tools, handtools, cement)

HTH integration

- Integration largely complete with synergy benefits exceeding target
  - New trading terms introduced across IHG in August 2017
  - Merchandising synergies shared with store owners through trading terms
  - Brand strategy launched in February 2018
    - Mitre 10 and HTH both strong brands
    - HTH stores to migrate to Mitre 10 brand through Sapphire program
  - Site rationalisation including 5 company-owned stores at 'clash' sites being transitioned to independent retailers
- Annualised gross synergy benefits of ~$34m
  - Brought forward the closure of NSW DC – full savings were expected in FY20
  - Gross realised synergies in FY18 of ~$20m (cumulative $24m)

Strategic focus – next phase

Mfuture
Building a better Metcash

A five year program focused on:

Growth initiatives

- Investing the right way for the benefit of all our stakeholders

Accelerating existing transformation initiatives

- Making what works best happen faster

Improving our infrastructure

- Delivering the systems and processes to enable change

Embedding a sustainable cost culture

- “Working Smarter” as business as usual

Five year aspirations

Food

- Grow the Grocery business
  - Brand clarity – network of the future
  - Winning Range
  - Acceleration of IGA DSA upgrade program
  - Private label (Community Co, Black & Gold)
  - Express format (DSA program) – 10 store trial in FY19
- As strong in Fresh as we are in Grocery
  - A leading convenience offer – leverage the BAYN shopper mission
  - Drive core ranges and growth in: Produce, Centre of Plate, Fresh and Ready Meals
  - Accelerate our Bakery and Deli solution (successful trials completed)
- Drive process simplification and efficiency
  - Project Align – organisational efficiencies for today and the future
  - Increased focus on costs to address loss of sales to Drakes in SA
  - indieDirect – digitalisation of “Charge-Through”

Wembley Supa IGA, WA

Bli Bli Supa IGA, Queensland

Five year aspirations (cont.)

Liquor

- Continue to grow the IBA retail network
  - Retail store trial (acquisition of 10 stores)
  - Increase presence in premium market – expansion of Porters Liquor
  - e-commerce trials
- 'Best Store in Town'
  - Range and stores tailored to community
  - IBA category and range extension program
  - Accelerate store refresh program
  - Private label expansion
  - Shopper loyalty – digital
- World class wholesaler
  - Competitive offer to contract customers – best range and price
  - Providing suppliers with best route to market

Plumpton Cellarbrations, NSW

IGA Liquor Montrose, Vic

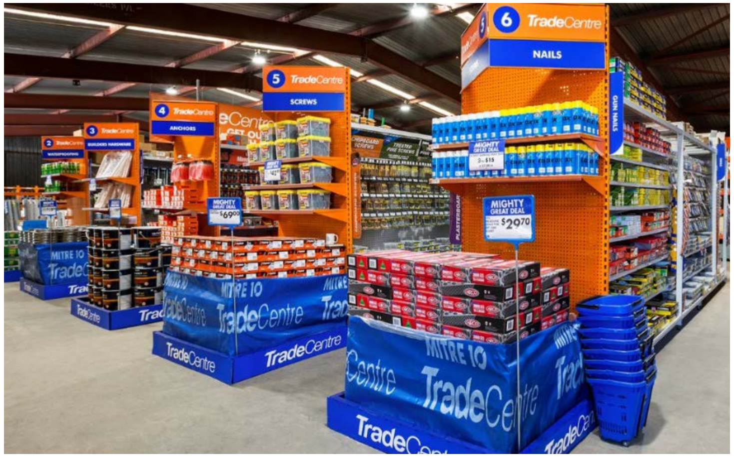
Five year aspirations (cont.)

Hardware

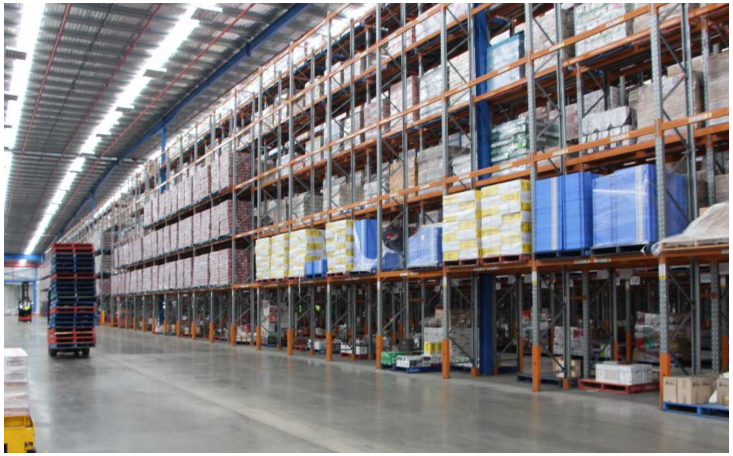
- 'Best Store in Town'
  - Sapphire transformation (~40 stores per year)
  - Core Range
  - Store in Store – Stihl, Weber, Hardings Plumbing roll out
  - Dual brand strategy (Mitre 10 & HTH)
  - Digital – Click & Collect now across all brands (growing strongly)
- Leverage the strength of our Trade business (build scale)
  - Sapphire Trade only model
  - Trials completed on four Trade focused stores
  - Further roll out – target of 12 stores by end of FY19
  - Tradies technology (Truck Tracker & Trade+)
  - Attract new Trade business

Logistics

- DC's to be repositioned for the future
  - More frequent / smaller truck deliveries
  - Cross-dock facilities for indieDirect



Danahers Mitre 10, Vic



Group outlook

- **Food**
  - The improvement in FY19 sales highlighted at our full year results has continued through the period to date, with a slow down in the rate of decline of non tobacco sales
  - Highly competitive market conditions are however expected to continue through the remainder of FY19
  - The announcement regarding Drakes Supermarkets in South Australia is not expected to have a material impact on Supermarkets' earnings in FY19
  - FY19 earnings is expected to be impacted by ~$10m of operating investment by the Supermarkets business in growth opportunities that we anticipate will deliver earnings benefits beyond FY19
  - Additional Working Smarter savings are expected to help mitigate the impact of difficult market conditions and cost inflation
- **Liquor**
  - Strong sales in the FY19 period to date, partly reflecting the benefit from the roll forward of new contract customers noted in our FY18 results
  - Modest growth in Liquor market expected to continue through the balance of FY19
  - Uncertainty associated with further rollout of CDS in ACT, Qld and WA
  - Continued focus on building and improving quality of IBA network
- **Hardware**
  - Solid level of new construction and DIY activity was expected to continue into 1H19
  - Sales have continued to grow in the FY19 period to date, albeit at a lower rate compared to the strong 1H18
  - Full synergy benefits expected to be realised in FY19

Metcash Limited
2018 Annual General Meeting

Metcash