



**Metcash Limited**

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**ASX/Media Release**

**METCASH PROVIDES PROFIT GUIDANCE AND FOODLAND UPDATE**

The Directors of Metcash Limited ("Metcash") wish to advise progress with the integration of the former FAL Australian business and provide guidance on expected results for the 2007 financial year.

The update remains within the guidance provided at the time of the finalisation of the acquisition of FAL Australia and the 100 day update (provided on 6 March 2006). Specifically, the acquired assets will generate earnings before interest and tax for the 2007 financial year in the range of \$80 - \$90 million, before restructuring costs. It should be noted that approximately 60 per cent of the incremental earnings will be generated in the second half of the financial year.

Restructuring costs are expected to be between \$7 million and \$10 million for the 2007 financial year.

Metcash today also provides earnings guidance in relation to the 2007 financial year. Management expects full year earnings per share (EPS) to be in the range of 22.5 cents to 25 cents, pre restructuring costs, but post amortisation of intangibles of approximately \$6 million.

This guidance is provided assuming:

- 50 Action stores are sold by 30 November 2006.  
To date, new owners have been identified for almost all of these stores and 13 have been sold and handed over to independent retailers.
- continuation of current underlying trading conditions.

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