

Participate in the Economic Recovery Using Citiwarrants Today

Share	MTS
Rating	Buy / Medium Risk
Current Price*	\$4.12
12 Month Price Target	\$5.10
Interim Dividend	14c
Dividend Yield	5.9%

*Current price as at 22nd March 2010

Use Citi Instalment Warrants to increase exposure to Metcash Dividends



Metcash

- MTS is expected to pay a 14c dividend this June, This equates to a dividend yield of 5.9% p.a. Using the below strategy investors can significantly increase this yield
- The share is trading at a 30% discount to Woolworths, if MTS can narrow this gap you would expect significant capital growth potential
- With the market expecting some major changes in the hardware sector, MTS has chosen to participate in this potential growth area with the acquisition of Mitre 10. WOW and Bunnings have also accelerated their plans to open new stores
- Citi Investment Research and Analysis rate MTS a Buy / Medium Risk with a price target of \$5.10. A research report with important disclosures accompanies this note.

Strategy

- Using Citi Instalment or Self-Funding Instalment Warrants rather than shares, investors can potentially enhance their income stream and exposure to dividends and capital growth using the same amount of capital.
- For example, if you had \$100,000 to invest in either the underlying shares or the IOV series Instalment warrants, the dollar returns could be as follows:

Code	MTS	MTSIOV
Buy Price	\$4.12	\$1.00
Number of Units	24,272	100,503
Dividend per share	\$0.14	\$0.14
Dividend Received*	\$3,398.06	\$14,070.35
Sell Price on 23/09/10**	\$4.95	\$1.45
Profit	\$23,543.69	\$59,798.99
Total Return on Investment (p.a.)	23.54%	59.80%

*Forecast Dividends between 12/03/2010 and 23/09/2010

**Hypothetical sell price

- **By Investing in the Instalments over MTS shares the Investor is entitled to an extra \$10,600 in dividends.**
- Citi Instalments and Self Funding instalments available over MTS include:

Code	Maturity	Strike	Gearing	Delta
MTSIOI	15/12/2011	\$4.00	97%	0.63
MTSIOO	15/12/2011	\$2.75	67%	0.87
MTSIOV	23/09/2010	\$3.50	85%	0.76



Other Considerations

- As the holder of the Citi Instalment you are entitled to the dividend
- Depending upon the investor's tax circumstance, if the instalment is held for 45 days the investor is entitled to the franking credits
- If the investment is held for more than 1 year the investor will be eligible for the CGT discount.
- Instalment warrants are also available for Self Managed Super Funds (SMSF)

Risks

- Investors should read the relevant Product Disclosure Statement, which details the potential risks associated with investing in Self Funding Instalments. Such risks can include:
 - Factors affecting the price of the warrant, e.g. the price of the underlying security
 - Possible illiquidity of trading market
 - General market risks
 - Legislative and tax risks

Contact Details

For further details on this or any other Citi Structured Product please contact the sales desk on 1300 30 70 70 or email australia.warrants@citi.com

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