

leading brands



CONSUMER PRODUCTS

Australia

All major brands including Wiltshire, Manicare, Lady Jayne and the key impulse merchandise brand Home Living achieved sales growth compared with the prior year. However, the decline in value of the Australian dollar during the year and consequent product cost increases placed significant pressure on margins. Management promptly responded by implementing a profit improvement programme which included increasing selling prices and renegotiating supplier arrangements on improved terms wherever possible, in conjunction with reductions in shipping costs and a range of overhead expenses.

A number of further initiatives were implemented to streamline the warehousing operations of the Australian businesses and improve the matching of product storage locations with the delivery requirements of major customers. This involved the relocation of certain product ranges between existing premises and has resulted in a much more efficient utilisation of warehouse facilities.

These initiatives culminated in the operations of the Company's consumer products businesses, McPherson's Consumer Products and Multix, being combined into a single entity which was finalised and announced on 6 July 2009. The merged business trades as McPherson's Consumer Products and is headquartered at Kingsgrove, New South Wales. The various changes will directly reduce warehouse and distribution expenses and have enabled the logistics, information technology, finance and customer service functions to be consolidated. The project was successfully completed on time and without interruption to the businesses or impacting customer requirements or service levels.

New Zealand

McPherson's Consumer Products business in New Zealand has a strategic focus on selling managed product programmes to customers in all major retail channels. The three business segments of Housewares, Glassware and Personal Care provide growth opportunities from the same key brands as Australia, complemented by licensed brands to achieve a complete marketing range.

The acquisition of Mita during the prior year has provided sales revenue growth and positions McPherson's Consumer Products as the leading supplier of hair accessories to the New Zealand market. This strategic acquisition is also supporting the opportunity to leverage hair care programmes from pharmacy into the grocery channel.

The acquisition of Oneida Australia in 2008 also provides opportunities for the New Zealand business to generate sales of Stanley Rogers and Oneida branded cutlery.

The Wiltshire brand is New Zealand's largest and most recognised brand in housewares with an aggressive programme of product development and innovation. McPherson's has maintained its dominant position in the supply of glassware in the New Zealand market, marketing both company-owned brands and licensed brands.

Asia

Through its Asian headquarters in Singapore, McPherson's Consumer Products markets an extensive range of hair, beauty and personal care products throughout the Asian region. Brands include the key company owned brands of Manicare, Lady Jayne and Swisspers, complemented by licensed brands. Additional products have also been introduced to the region in the housewares category, which provides growth opportunities for the future.

North America

McPherson's operates in Canada and the United States through exclusive agency agreements with leading distributors of housewares products. The business mainly markets products under the company-owned Wiltshire and Regent-Sheffield brands.

