McPherson's Limited
Acquisition of Home Appliances Pty Limited and Equity Raising

7 March 2013

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Executive Summary

Acquisition Overview

» McPherson's has entered into a contract, which is conditional on receiving customary approvals, to acquire an ~82% interest in Home Appliances Pty Ltd ("HAPL")[1] for a total consideration of $22.0 million, representing 4.9x normalised FY12 EBITDA[2]

- Remaining equity will be held by key HAPL management to align interests
- McPherson's has an option to acquire the remaining ~18% of HAPL at the end of FY15 and the HAPL management shareholders will have a reciprocal option to put their shares to McPherson's at that time

» HAPL is a leading Australian importer and distributor of large appliances

- 15 year track record with 29% p.a. sales growth for the past three years[3]
- Owner of Euromaid, the 3rd largest cooking brand in Australia with 12% market share[4]

» Final completion of the acquisition is expected to occur by the end of March 2013

Financial Impact

» The acquisition is expected to be earnings per share accretive in FY14[5], being the first full financial year following completion of the acquisition

» McPherson's balance sheet is expected to improve following completion of the acquisition and equity raising

Equity Raising

» Acquisition will be fully funded through a fully underwritten placement to institutions and sophisticated investors to raise $24.0 million at an issue price of $2.20 per new share, representing approximately 15% of current shares on issue and a non-underwritten Share Purchase Plan

» Shares issued under the placement will be entitled to the FY13 interim dividend of 10.0 cents per share payable on 11 April 2013

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[1] The Chairman of McPherson's has a pecuniary interest in McPherson's that far exceeds an indirect pecuniary interest he holds in a selling vendor of HAPL. Consequently the Chairman has excused himself from all board deliberations in relation to the proposed acquisition of HAPL where there may have been a perceived conflict of interest. The board of McPherson's unanimously support the acquisition
[2] FY12 EBITDA of $5.5 million adjusted for non-recurring and internal expenses
[3] Calculated as compound annual growth rate in gross sales from FY09 – FY12
[4] Calculated by total unit sales. Source: GfK
[5] Excludes the impact of equity raised through an SPP

Strategic Rationale

✓ **Continues McPherson's track record of successful acquisitions**

- Delivers on the strategy of generating growth through acquisition of compatible businesses; and
- Targeting companies with well regarded brands, scope to grow and the potential to leverage McPherson's infrastructure

✓ **Channel diversification**

- Introduces new customers in new channels to further diversify the business

✓ **Increased scale and synergies**

- Delivers scale benefits with scope for significant synergies across the business

✓ **Growth opportunities**

- The large, stable market provides opportunities for smaller businesses such as HAPL to target market share gains in adjacent product categories

✓ **Brand extension, channel and market expansion**

- Enables the combined brand portfolio to be used to extend to new products, categories and markets

Overview of Home Appliances

Market Overview

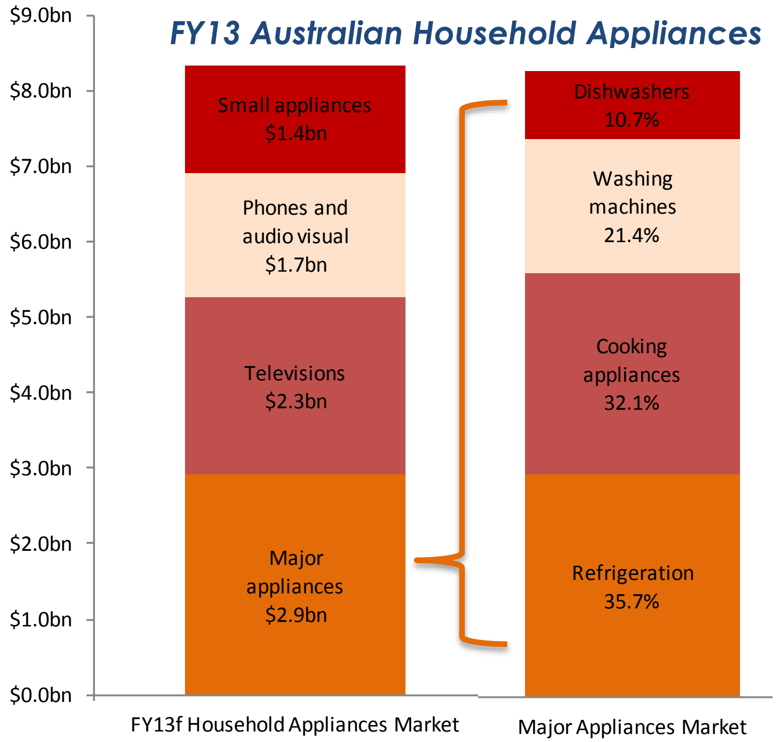
» **The wholesale market for household appliances is estimated to reach $8.4 billion in FY13**

- HAPL targets the 'major appliances' segment, the largest segment in this market, estimated to be valued at $2.9 billion in FY13

» **The market is large, relatively stable and moving to a growth phase**

- Expected increase in housing starts and improved economic performance to drive interest in large cooking appliances
- Consumer engagement with cooking and home appliances is increasing – the "MasterChef effect"

Source: GfK, IBIS



Overview of Home Appliances

Business Overview

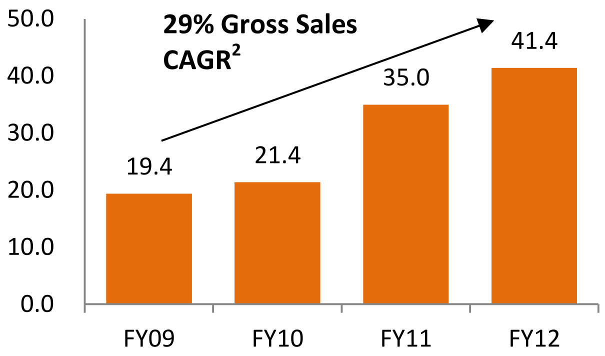
» **Home Appliances Pty Ltd ("HAPL") is a leading marketer and distributor of large appliances sold through major electrical retailers, kitchen companies and the commercial channel**

- Large appliance range focused on ovens, cooktops and rangehoods and also including microwaves, washing machines, dishwashers, BBQs and coffee machines
- Strategic sourcing from a selection of world-class manufacturers
- Strong relationships with major electrical goods retailers including Harvey Norman, Good Guys, Bing Lee, Betta stores and Winnings

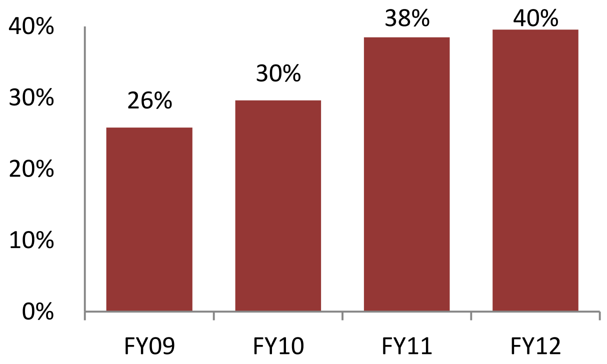
» **HAPL is the largest Australian owned supplier of cooking products with over 100,000 appliances sold each year**

- FY12 gross sales revenue of $41.4 million, 40% gross margin and normalised EBITDA[1] of $5.5 million
- Track record of steady growth and margin improvement during a challenging retail market with 29% p.a sales growth and 35% p.a. EBITDA[1] growth over the past 3 years[2]

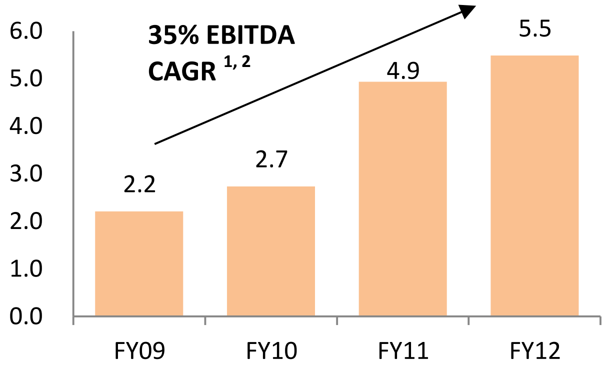
HAPL Gross Sales ($m)



HAPL Gross Margin (%)



HAPL EBITDA[1] ($m)



Source: HAPL Management Accounts

[1] EBITDA after normalisation adjustments for non-recurring and internal expenses
[2] Calculated as compound annual growth rate from FY09 – FY12

Overview of Home Appliances

Brand Profile

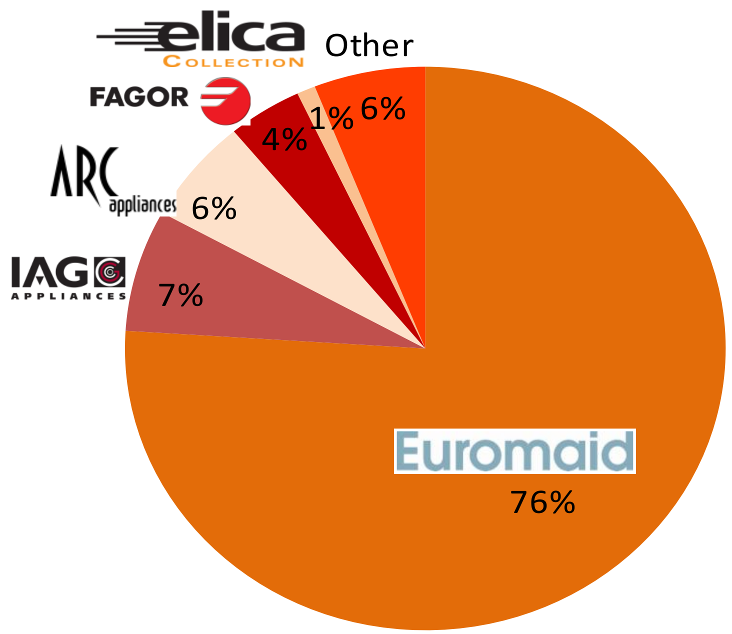
» **Key owned brands; Euromaid, IAG and ARC**
- Generated 90% of FY12 revenue

» **Euromaid is the primary HAPL brand**
- Generated 76% of FY12 revenue
- #2 in freestanding ovens[1]
- #3 in the cooking retail market (12% market share)[1]
- Value brand positioning

» **Exclusive distribution rights to other brands including Elica and Fagor**
- Premium brand positioning

Source: HAPL Management Accounts

FY12 Net Revenue Mix by Brand



Home Appliance Brands

[1] Calculated by total sales. Source: GfK

Overview of Home Appliances

Product Profile

» Focus on quality, affordable kitchen and related appliances

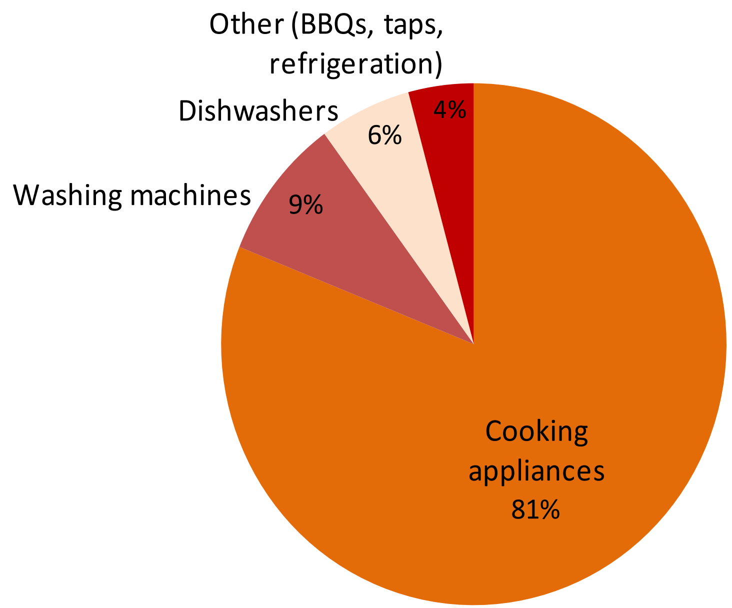
» Track record of developing new products to target under-served niches

» Cooking appliances (e.g. ovens & cooktops) generated 81% of FY12 revenue

» 73% of revenue was generated by 3 cooking appliance segments

- Freestanding ovens: 38%
- Built-in ovens: 19%
- Cooktops: 16%

FY12 Net Revenue Mix by Product



Source: HAPL Management Accounts

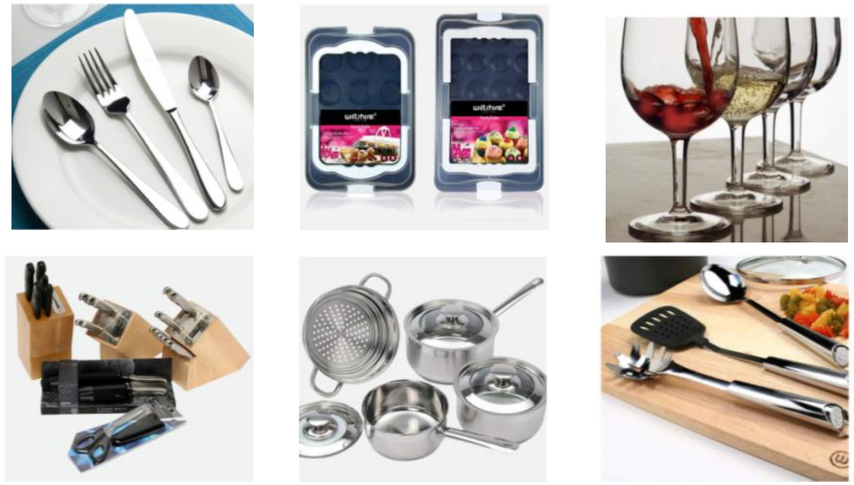
Overview of Home Appliances

Expanded Housewares Offering

» The acquisition of Home Appliances expands the current offering in Housewares and allows McPherson's to benefit from the increased consumer engagement with cooking

Home Appliances Acquisition

Existing McPherson's Housewares Division



From the oven to the table

elica aria nuova

IAG APPLIANCES

ARC appliances

Euromaid

FAGOR

LARGE APPLIANCES

wiltshire

Stanley Rogers

CROWN glassware

Füri

chef'n TASTEFUL INGENUITY

Luigi Bormioli ITALY

KITCHENWARE

Overview of Home Appliances

Targeted Growth Opportunities

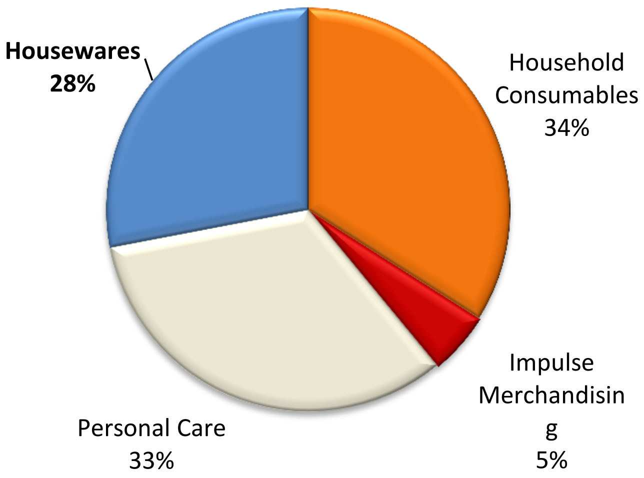
Opportunity	Strategy
Organic growth in existing channels and geographies: — **Retail** — **Commercial** — **Kitchen installers**	Improved distribution in retail and market share growth in commercial and kitchen due to increased sales capability
Brand / Product extension	Brand and product range extensions used to target identified opportunities in existing and new categories; including ovens, BBQs, washing machines, refrigeration and other
Channel expansion	Expansion in the hardware and on-line channels
Market expansion	Growth in New Zealand and entry into other markets
Synergistic acquisitions	Further expansion through earnings accretive acquisitions

Acquisition Impact on McPherson’s

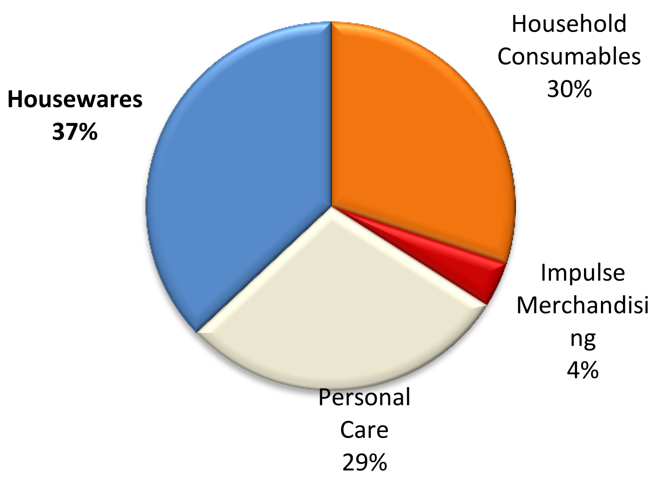
Financial Impact on McPherson’s

- The acquisition is expected to be earnings per share accretive in FY14[1], being the first full financial year following completion of the acquisition
- The acquisition diversifies McPherson’s channel base and increases the revenue contribution from the company’s Housewares segment from 28% to 37% of total revenue[2]
- Projected synergies from this acquisition will complement the many other productivity initiatives currently being pursued by McPherson’s
- McPherson’s balance sheet is expected to improve following completion of the acquisition and share placement

MCP 1H FY13 REVENUE



MCP 1H FY13 PRO-FORMA REVENUE



Source: HAPL Management Accounts and McPherson’s half yearly results

[1] Excludes the impact of equity raised through an SPP
[2] Based on pro forma 1HFY13 revenue

Acquisition Impact on McPherson’s

Acquisition Integration of Home Appliances

» McPherson’s has extensive experience integrating businesses to yield synergistic benefits

- Recent acquisitions of Footcare International and Cosmex International in 2012

» Home Appliances is operated by an experienced management team with proven success, particularly in executing growth strategies in niche market segments

» The post acquisition ownership structure of Home Appliances aligns the interests of the HAPL senior management team and McPherson’s, ensuring a smooth transition

- HAPL management will own ~18% of Home Appliances
- McPherson’s has an option to acquire the remaining ~18% at the end of FY15 and the HAPL management shareholders will have a reciprocal option to put their shares to McPherson's at that time

McPherson's

Acquisition Funding

- Acquisition will be fully funded via a $24.0 million fully underwritten placement to institutional and sophisticated investors, representing approximately 15% of current shares on issue ("Placement") and a non-underwritten Share Purchase Plan ("SPP")[1]

- Under the Placement, approximately 10.9 million new shares to be issued at a price of $2.20 per share ("Placement Price") represents a:
  - 12.7% discount to the last closing price of $2.52 on Thursday, 7 March 2013, and
  - 12.2% discount to the 5 day volume weighted average price of $2.51.

- Shares issued under the Placement will rank equally with existing McPherson's shares and will be entitled to the FY13 interim dividend of 10.0 cents per share payable on 11 April 2013

- A non-underwritten SPP will be offered to eligible retail shareholders (in Australia and New Zealand only)[1]. Further details of the SPP will be sent out to eligible shareholders in due course
  - Proceeds from the SPP will primarily be used by McPherson's to repay debt and for general corporate purposes

- CBA Equities Limited is acting as Sole Lead Manager, Bookrunner and Underwriter to the equity raising

Sources	$m
Placement	24.0
SPP[1]	Up to 6.0
Total	**Up to 30.0**

Uses	$m
Acquisition of Home Appliances[2]	22.0
Refinance remaining net debt of Home Appliances[2]	Up to 2.0
Estimated transaction costs	1.0
Repay debt and general corporate purposes	Up to 5.0
Total	**Up to 30.0**

[1] The SPP will not be capped. McPherson's reserves the right to accept total applications in excess of $6.0 million or scale back applications in its absolute and sole discretion
[2] Upon completion of the acquisition and equity raising, McPherson's will repay all existing HAPL net debt which will not exceed $11.0 million ("Net Debt"). The total acquisition consideration of $22.0 million includes the ~82% selling shareholders' proportion of Net Debt. As part of the terms of the acquisition, McPherson's will also repay the proportion of Net Debt owed by the remaining ~18% HAPL shareholders (up to $2.0 million), this amount will be deducted from any final payment made for the remaining equity in HAPL that McPherson's does not own

Conditions for Completion of Acquisition

- The acquisition of Home Appliances is conditional on receiving customary approvals and other standard completion conditions
- To the extent the acquisition does not proceed, the proceeds from the Placement and SPP will be used by McPherson's to repay existing company debt, for working capital and for general corporate purposes
- To comply with the technical requirements of the Corporations Act which apply to McPherson's as a listed public company, McPherson's will be convening a shareholders' meeting within 2 months of acquiring Home Appliances to approve Home Appliances giving the McPherson's lenders the customary security they require over its assets

Placement Timetable

Placement	Date
Placement bookbuild	Thursday, 7 March 2013
Announce completion of Placement on ASX	Friday, 8 March 2013
Settlement of new shares issued under the Placement	Wednesday, 13 March 2013
Issue of new shares under the Placement	Thursday, 14 March 2013
Normal settlement trading of new shares issued under the Placement	Thursday, 14 March 2013

The above timetable is indicative only and subject to change. McPherson's and CBA Equities reserve the right to amend any and all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, McPherson's and CBA Equities reserve the right to extend the closing time and date of the bookbuild, or to close the bookbuild early without any notification. The commencement of quotation of new shares is subject to confirmation from ASX. All references in this investor presentation are to Sydney time.

Key Risks

This section discusses the key risks attaching to an investment in shares in McPherson's, which may affect the future operating and financial performance of McPherson's and the value of McPherson's shares (before and after the proposed acquisition by McPherson's of Home Appliances). It also sets out the key acquisition risks in relation to McPherson's' upcoming proposed acquisition of Home Appliances.

Activities of McPherson's, as in any business, are subject to risks which may impact on its future performance. The future performance of McPherson's and the future investment performance of McPherson's shares may be influenced by a range of factors. Many are outside the control of McPherson's. Prior to making any decision as to whether this investment is suitable for you, you should carefully consider the following risk factors applicable to McPherson's.

Careful consideration should be given to the following risk factors, as well as the other information contained in this Presentation and your own knowledge and enquiries, before an investment decision is made. Some of the risks may be mitigated by McPherson's using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of McPherson's and not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed should not be taken as exhaustive of the risks faced by McPherson's. Factors other than those listed may in the future materially affect the financial performance of McPherson's and the value of McPherson's shares. You should read this Presentation in its entirety and in conjunction with McPherson's other periodic and continuous disclosure announcements lodged with the ASX and available at www.McPhersons.com.au, consider your own personal circumstances and consult your professional advisers before deciding whether to invest in McPherson's. No assurances or guarantees of future profitability, payment of dividends, returns on capital or performance of McPherson's are provided.

General risks

General risks that may affect the market price of McPherson's shares include:

1. Market conditions

The market price of McPherson's shares will fluctuate due to various factors, many of which are non-specific to McPherson's, including recommendations by brokers and analysts, Australian and international general economic conditions, seasonal fluctuations in business, inflation rates, interest rates, exchange rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism and war, investor perceptions / sentiment in local and international share markets and stock market investment risk. In the future, these factors may cause McPherson's shares to trade at a lower price.

2. Exchange rate risk

McPherson's is exposed to the effect of foreign exchange rate fluctuations as a result of conducting its operations in currencies other than A$. McPherson's financial statements are maintained in Australian dollars. However, a significant portion of McPherson's expenses are incurred in currencies other than A$ (such a US$) Exchange rate movements affecting such currencies may impact the profit and loss account or assets and liabilities of McPherson's, to the extent the foreign exchange rate risk is not hedged or not appropriately hedged.

3. Domestic and global economic conditions

The Australian and global economies continue to experience challenging economic conditions. Any further deterioration in the domestic and global economy, or a downturn in regions where McPherson's conducts business, may have a material adverse effect on the performance of McPherson's business.

4. Changes in accounting or financial reporting standards

Accounting or financial reporting standards may change. This may affect the reported earnings of McPherson's and its financial position from time to time.

5. Taxation

Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in McPherson's shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which McPherson's operates, may impact the future tax liabilities of McPherson's.

6. Litigation

McPherson's is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. McPherson's will endeavour to mitigate its litigation risk through insurance and commercial practices. However, McPherson's may become subject to litigation which could have a material adverse effect on the financial position, financial performance, cash flows, ability to pay dividends and share price of McPherson's.

7. Dividends

The payment of dividends on McPherson's' shares is dependent on a range of factors including the profitability of its group, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the McPherson's Board having regard to its operating results and financial position at the relevant time. That said, there is no guarantee that any dividends will be paid by McPherson's or, if paid, that they will be paid at previous levels.

8. Legislative and regulatory changes

Legislative or regulatory changes, including property or environmental regulations or regulatory changes in relation to products sold by McPherson's, could have an adverse impact on McPherson's.

9. Liquidity risk

There can be no assurance that there will continue to be an active market for McPherson's shares or that the price of McPherson's shares will increase. There may be relatively few buyers or sellers of shares on the ASX at any given time. This may affect the volatility of the market price of McPherson's shares. It may also affect the prevailing market price at which McPherson's shareholders are able to sell their McPherson's shares. This may result in McPherson's shareholders receiving a market price for their McPherson's shares that is less or more than the price they paid for those McPherson's shares.

Operational risks

The following summary, which is not exhaustive, represents the risks the McPherson's Board believes are specific to an investment in McPherson's and may affect the performance of McPherson's and the value of its shares:

1. Competition

McPherson's operates in a competitive business environment in Australia and internationally. Each of the markets in which McPherson's operates is characterised by competition on the basis of quality, price and brand awareness. Consequently, McPherson's financial performance, revenues, market share and operating margins could be adversely affected if the actions of competitors or potential competitors become more effective, or if new competitors enter the market, and McPherson's is unable to counter these actions.

2. Changing consumer preferences and buying patterns

There can be no assurance that demand by consumers to purchase products sold by McPherson's will stay at current levels or will increase. McPherson's will endeavour to mitigate this risk through commercial practices. However, changing consumer preferences and buying patterns could have a material adverse effect on the financial position and financial performance of McPherson's.

3. Brand names may diminish in reputation and value

Brand names are crucial assets to each of the businesses within McPherson's and the success of McPherson's is heavily reliant on its reputation and branding. McPherson's success in generating profits and increasing its market share is based on the success of its key brands. Unforeseen issues or events which place McPherson's reputation at risk may impact on its future growth and profitability. The reputation and value associated with these brand names could be adversely impacted by a number of factors, including failure to provide customers with the quality of product and service standards they expect, disputes or litigation with third parties such as employees, suppliers or customers, adverse media coverage, product tampering or recalls, unauthorised use its brands of ineffective brand management.

4. Decline in economic activity

The environment in which McPherson's operates is currently experiencing challenging conditions due to volatility in consumer sentiment and underlying demand. These conditions have arisen largely as a result of uncertainty about future Australian and international economic conditions, which has been precipitated by factors including the global financial crisis. If Australian and international economic conditions worsen, there is a risk that the trading environment will deteriorate as consumers or governments reduce their level of consumption or redirect their spending to cheaper products or stores. A reduction in consumer spending or a change in spending patterns is likely to result in a reduction in McPherson's revenue and may have a material adverse effect on future financial performance and financial position.

5. Relationship with suppliers

McPherson's enjoys a good relationship with its key suppliers and relies on goods it buys from its suppliers to produce the products that it sells to consumers. If, for any reason, McPherson's is no longer able to purchase goods from suppliers as it requires to produce the products that it sells to customers, this will have a material adverse effect on the financial position and financial performance of McPherson's.

6. Distribution channels

McPherson’s distributes its products through a number of distribution channels but its reliance on some channels are larger than others. If, for any reason McPherson’s, is no longer able to distribute its products to all existing channels, this will have a material adverse effect on the future financial performance and financial position of the firm.

7. Operating costs

McPherson's ability to operate profitably is dependent on a combination of the scalability of its operations and the costs of its operating structure. McPherson's 'ability to maintain a relatively low cost operating structure is not guaranteed and there is no assurance that current levels of operating costs can be maintained.

8. Reliance on key personnel

Recruiting and retaining qualified personnel are important to McPherson's success. McPherson's growth and profitability may be limited by the loss of key senior management personnel, the inability to attract new suitably qualified personnel or by increased compensation costs associated with attracting and retaining key personnel.

9. Supply chain management

The efficiency of McPherson's overall supply chain is vital to McPherson's ongoing success. Any adverse changes or inefficiencies in McPherson's supply chain (such as increased freight costs due to increasing geographical diversity and increasing distributor reach) could have an adverse impact on McPherson's gross margins and prospects.

10. Reliance on key customers

While McPherson's sells products and solution to many customers, there can at times be a significant proportion of sales being made to a small number of key customers. The loss of a key customer may lead to a reduction in the sales being made by McPherson's.

11. Product substitution

The Company's larger retail supermarket chain customers may decide to promote their private labels across a broader range of products than they currently do which may adversely affect the sale of certain branded products distributed by the Company.

Acquisition risks

In relation to the proposed acquisition by McPherson's of Home Appliances, the following is a non-exhaustive list of the associated acquisition risks:

1. Reliance on information provided

McPherson's undertook a due diligence process in respect of Home Appliances, which relied in part on the review of financial and other information provided by the vendors of Home Appliances. Despite taking reasonable efforts, McPherson's has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, McPherson's has prepared (and made assumptions in the preparation of) the financial information relating to Home Appliances on a stand-alone basis and also to McPherson's post-acquisition (Combined Group) included in this Presentation in reliance on limited financial information and other information provided by the vendors of Home Appliances. McPherson's is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by McPherson's in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Home Appliances and the Combined Group may be materially different to the financial position and performance expected by McPherson's and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on McPherson's. These risks are partly mitigated by the vendors providing certain warranties in favour of McPherson's in the relevant sale agreement as well as McPherson's holding back part of the purchase price (called a retention amount) to cover any breach of warranty claims.

2. Analysis of acquisition opportunity

McPherson's has undertaken financial, business and other analyses of Home Appliances in order to determine its attractiveness to McPherson's and whether to pursue the acquisition. It is possible that such analyses, and the best estimate assumptions made by McPherson's, draw conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by Home Appliances are different than those indicated by McPherson's analysis, there is a risk that the profitability and future earnings of the operations of the Combined Group may be materially different from the profitability and earnings expected as reflected in this Presentation.

3. Integration risk

The acquisition involves the integration of the Home Appliances business, which has previously operated independently to McPherson's. As a result, there is a risk that the integration of Home Appliances may be more complex than currently anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits, and this may affect McPherson's operating and financial performance. Further, the integration of Home Appliances' accounting functions may lead to revisions, which may impact on the Combined Group's reported financial results.

4. Historical liability

If the acquisition of Home Appliances completes, McPherson's may become directly or indirectly liable for any liabilities that Home Appliances has incurred in the past, which were not identified during its due diligence or which are greater than expected, and for which the market standard protection (in the form of insurance, representations and warranties and indemnities) negotiated by McPherson's prior to its agreement to acquire Home Appliances turns out to be inadequate in the circumstances. Such liability may adversely affect the financial performance or position of McPherson's post-acquisition. Once again, this risk is partly mitigated by the vendors providing certain warranties in favour of McPherson's in the relevant sale agreement.

5. Completion of acquisition

The acquisition is conditional upon a number of factors, including funding, renewal of key supply contracts and other standard completion conditions. To the extent the acquisition does not proceed, the proceeds from the placement will be used by McPherson's to repay debt, for working capital and for general corporate purposes.

International Selling Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

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- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Singapore

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This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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United Kingdom

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