



McPherson's Limited

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ASX and Media Release

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McPherson's demerger approved by shareholders

Total focus on consumer products to assist growth

Shareholders of McPherson's Limited (ASX:MCP) today approved the demerger of the company's printing business, MPG Printing Limited, at an extraordinary general meeting in Sydney. The demerger will take place through an in-specie distribution of all MPG Printing shares to McPherson's shareholders who are on the register on 24 January 2012. MPG Printing shares will be issued and share certificates will be dispatched to McPherson's shareholders on 31 January 2012.

'Following the demerger, McPherson's Limited will be a focused consumer products business with scope for a re-rating of the share price, which the directors and others believe is adversely affected by the ownership of two totally unrelated operations,' said David Allman, chairman of McPherson's. 'It will be better placed to develop its core operations both organically and by acquisition.'

Mr Allman announced at the meeting that McPherson's has recently entered into a conditional agreement to purchase the brands and inventory of Cosmex International Pty Limited, which will strengthen McPherson's position in the personal care market. Details of the acquisition are in a separate release issued today.

MPG Printing has entered into an agreement to acquire the OPUS Group, conditional on approval by MPG Printing shareholders at a general meeting in March 2012. Following this meeting, regardless of the outcome, MPG Printing intends to seek a listing of its shares on the Australian Securities Exchange.

Earnings guidance reaffirmed

McPherson's performance continues to track in line with previous guidance, which anticipated a profit before tax for the year to 30 June 2012 approximately 20% lower than the previous year and a profit before tax for the first half approximately 30% lower than the previous year. This guidance reflected general market conditions and issues affecting the company such as retailer ranging strategies.

Strategic initiatives to improve performance are progressing well. These are expected to benefit earnings in the second half of the financial year, which are anticipated to be in line with the previous corresponding period.

About McPherson's

McPherson's, established in 1860, is a leading marketer of non-electrical housewares, personal care and household consumable products in Australasia, with operations in Australia, New Zealand and Asia. Product ranges include cutlery, kitchen knives, kitchen utensils, bakeware, cookware, glassware, beauty care, hair care, impulse merchandising products, and 'kitchen essentials' such as bags, baking paper, food wraps and aluminium foil.

McPherson's markets numerous brands; however its principal brands are Wiltshire, Stanley Rogers, Manicare, Lady Jayne, Multix and Swisspers, many of which are market leaders in the categories in which they compete.

About MPG Printing

MPG Printing is a major diversified printing company operating two fully-equipped book and commercial printing facilities at Mulgrave and Maryborough in Victoria. The company is one of Australia's leading producers of books, offering a wide range of integrated products and services to publishers and commercial print users. MPG Printing specialises in the latest highly technical digital printing, short-run book production, quality bound titles and high-class print production. It also offers a wide range of high quality commercial services in the production and distribution of loose-leaf product, journals, newsletters and technical manuals.

About OPUS Group

OPUS Group is an Asia Pacific specialist business services and communication solutions company, distributing published content with the speed, scale and technology to deliver innovative, customised content delivery solutions for customers across multiple specialist divisions. Operating in three key segments; professional and educational publications, government communications, and out of home media, OPUS has expanded to become one of the leading specialist players in the Asia-Pacific region. The OPUS Group has significant global capability with facilities in Singapore, Sydney, Canberra and Auckland and strategic content distribution alliances in China, North America and the UK. The OPUS businesses hold leading positions in their respective markets and have long term relationships with their customers.

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