



McPherson's Limited

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22 August 2011

Manager, Company Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**Full Year Ended 30 June 2011
Results Briefing**

Attached is a copy of the Full Year ended 30 June 2011 Results Briefing to analysts and brokers, presented by Paul Maguire, Managing Director, McPherson's Limited.

Yours faithfully

P.R. BENNETT
Company Secretary

Enc.



McPherson's Limited

Results for the year to 30 June 2011

Paul Maguire
Managing Director
McPherson's Limited

Philip Bennett
Chief Financial Officer
McPherson's Limited

Paul Witheridge
Chief Financial Officer
McPherson's Consumer Products

McPherson's Limited:

Financial summary for FY 2011

	June 2010 (\$A million)	June 2011 ⁽¹⁾ (\$A million)	
Sales	354.0	348.8	
EBITDA	50.0	51.9	
Depreciation & amortisation	(5.5)	(5.5)	
EBIT	44.5	46.4	4% EBIT growth
Interest	(7.9)	(6.8)	Interest cover 6.8 times
NPBT	36.6	39.6	
Tax	(11.0)	(11.6)	
NPAT	25.6	28.0	9% NPAT growth
Pre-tax cash flow ⁽²⁾	41.9	50.8	
EPS (cents)	36.4	39.0	7% EPS growth
Final dividend (cents)	10.0	14.0	
Total dividends (cents)	20.0	26.0	30% increase

⁽¹⁾ Excludes Printing impairment charge of \$8.5 million.

⁽²⁾ June 2010 adjusted for change in 1st day's cash policy (increase of \$2.1 million in 2010 pre-tax cash flow).

McPherson's Limited:

Balance sheet

	June 2010 ⁽³⁾ (\$A million)	June 2011 ⁽⁴⁾ (\$A million)	
Fixed assets (including intangibles)	210.4	202.9	
Net working capital	101.1	94.4	
Other	(37.6)	(40.0)	
	273.9	257.3	
Shareholders' funds	196.9	200.8	
Net debt	77.0	56.5	27% reduction in net debt
Total funds employed	273.9	257.3	
Gearing (Net debt / Shareholders' funds)	39%	28%	Gearing improved significantly
Funds employed – Consumer Products	243.6	235.5	
Funds employed – Printing	30.3	21.8	
	273.9	257.3	
Group EBIT / Funds Employed	16%	18%	

(3) June 2010 adjusted for change in 1st day's cash policy.

(4) Includes Printing impairment charge of \$8.5 million.

McPherson's Consumer Products: FX Hedging (Australia)

- Comprehensive FX hedging program in place using Options, Forward Exchange Contracts (FECs) and Collars
- Options – Protect downside with premium cost but allow upside benefit
FECs – Fixed rate with lost forward points
Collar – Downside protection in exchange for limiting upside benefit
- Net P&L outcomes determined by:
 - Spot rates (impacting inventory and COGs)
 - FX gains / losses from overseas payables
 - Option premiums
 - Hedging gains and losses
 - Accounting Standards

McPherson's Consumer Products:

FX Hedging (Australia) continued

- Accounting Standards (AASB 139)
 - Allow FEC outcomes to impact COGS and inventory
 - Prevent option premiums from impacting COGS and inventory
 - Require options to be “marked to market” with time value changes (including premiums) impacting P&L
 - To be amended (IFRS9) – 2015?
- Current Policy
 - Hedge 8 months forward on a rolling basis for 100% of USD requirements
 - Cover monitored and upgraded as appropriate
- Please note - commodity prices (e.g. stainless steel, aluminum and resin) tend to move in the same direction as the AUD, thus off-setting a large portion of the effect of currency fluctuations. In addition, profitability is impacted by competitor and customer responses to fluctuations in both currency and commodity prices.

McPherson's Printing



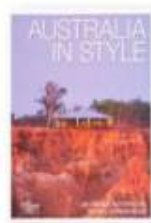
McPherson's Printing: Financial summary

	June 2010 (\$A million)	June 2011 ⁽⁵⁾ (\$A million)
Sales	64.3	58.9
EBITDA (before equipment leases)	8.5	7.5
Equipment lease expense	(1.8)	(1.6)
Depreciation / amortisation	(2.9)	(3.0)
EBIT	3.8	2.9
EBITDA (before equipment leases) / sales	13.2%	12.7%
EBIT / sales	5.9%	4.9%

McPherson's Printing remains focused on cost containment

Recent investment in new technology will increase efficiency and provide opportunities to expand into additional market sectors

⁽⁵⁾ Excludes Printing impairment charge of \$8.5 million.



McPherson's Consumer Products



Sydney



Melbourne



Auckland



Singapore



Hong Kong

McPherson's Consumer Products: Financial summary

	June 2010 (\$A million)	June 2011 (\$A million)	
Sales	289.7	289.9	<i>Growth in key brands, off-set by the loss of an agency brand and reduced impulse merchandising opportunities</i>
EBITDA	47.7	50.9	
Depreciation / amortisation	(2.5)	(2.5)	
EBIT	45.2	48.4	<i>7% EBIT growth, benefiting from a stronger currency, partly off-set by an increase in USD product costs and increased promotional support to customers</i>
EBITDA / sales	16.5%	17.6%	
EBIT / sales	15.6%	16.7%	
GEOGRAPHIC EBIT BREAKDOWN			
Australia	39.3	42.7	<i>International earnings adversely affect by the stronger AUD</i>
International	5.9	5.7	
EBIT	45.2	48.4	
EBIT / Funds Employed	19%	21%	



McPherson's Consumer Products: Trading commentary

- Retail sales in the second half were subdued, with consumer and business confidence adversely impacted by cost of living increases, global economic uncertainty, and concerns about the impact of the proposed carbon tax
- Discretionary retail purchases were adversely impacted by an increase in the overall savings rate, and consumers reallocating what they spend their money on and where they spend their money
- Challenging trading conditions resulted in retailers requesting deeper discounting and greater support
- The appreciation in the Australian dollar, while boosting margins, lead to increased competitor activity
- USD product cost pressures continued to be felt in Asia

McPherson's Consumer Products: Operations

- Operations in Australia, New Zealand, and Singapore
- Distributors in Canada and South Africa
- Highly professional sourcing operation in China
- Sophisticated logistics capability and large in-field presence
- Established relationships and credibility with a multiplicity of customers in various channels
- Strong track record of innovation and product development
- A stable of owned brands complemented by agency brands
- Brands that typically occupy the number one or number two position in the categories in which they compete



swisspers



glam
manicare

artiste
manicare

cosmetica
manicare

Lady Jayne 
since 1928

cameo

hl
homeliving
if you need it we've got it

wiltshire®

wiltshire®
STAYSHARP®

wiltshire®
BAR-B.


Stanley Rogers


CROWN
glassware

TYPHOON®
designed to perform

chef'n

Luigi Bormioli
ITALY

McPherson's Consumer Products: Existing product categories

Housewares



~ 35% of sales
3,000+ SKUs

Channels:

- Department stores
- H'wares Independents
- Grocery and discount department stores
- Hardware
- Commercial

Personal care



~ 25% of sales
1,500+ SKUs

Channels:

- Grocery stores
- Pharmacy stores
- Discount dep't stores

Household consumables



~ 30% of sales
200+ SKUs

Channels:

- Grocery stores
- Discount dep't stores

Impulse merchandising



< 10% of sales
100+ SKUs

Channels:

- Grocery stores
- Discount dep't stores
- Hardware

- Strength through a multiplicity of products, brands, categories and channels
- Each category is managed differently where appropriate

McPherson's Consumer Products Business Model

SUPPLIERS

MCPHERSON'S (MCP)

CHANNELS

CONSUMERS

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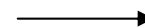
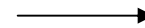
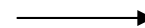
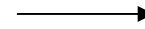
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■ MCP adds value through, and derives a competitive advantage from, its:

- People
- Processes
- IT Systems
- Product range
- Brand offering
- Category breadth
- Channel breadth
- Sales relationships
- Innovation process
- Sourcing capability
- Supply chain
- Field coverage



Grocery

Discount
Department Stores

Department
Stores

Independent
Houseware Stores

Hardware

Pharmacy

On-line

Foodservice

Other

Other



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Existing
 Potential



Outlook

- The retail sales environment is expected to remain challenging, with currency and raw material costs volatile at present, but the business will be managed accordingly
- A focus on innovation and new products will be maintained to underpin the strength of McPherson's Consumer Products brand portfolio
- Efficiency gains are expected from rigorous cost control and business initiatives
- Upward pressure on product costs in China is expected to remain but sourcing initiatives will assist in managing this trend
- Solid fully franked dividends are expected to continue
- MCP has a strong balance sheet to support growth via acquisitions