McPherson's Limited
Year ended 30 June 2010

Results for Announcement to the Market

				$A000's
Revenue	Down	1%	to	**354,265**
Profit after tax attributable to members	Up	33%	to	**25,649**
Net profit for the period attributable to members	Up	33%	to	**25,649**

Dividends/distributions	**Amount per security**	**Franked amount per security**
Final dividend	**10.0¢**	**10.0¢**
Interim dividend	10.0¢	10.0¢

Payment date for final dividend	1 October 2010
Record date for determining entitlements to the dividend	10 September 2010

Note – Impact on Results from Application of Amended Accounting Standard

With effect from 1 July 2009, McPherson's Limited has applied AASB 2008-8 which amends AASB 139 *Financial Instruments: Recognition and Measurement*. Additionally, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors,* AASB 2008-8 has been applied retrospectively and therefore comparative information has been restated where applicable.

The restatement of comparative information arising from the amended accounting standard has resulted in a decrease in reported Profit after Tax for the previous corresponding period (the year ended 30 June 2009) of $203,000.

Without the restatement of the previous corresponding period result:

- Prior year Profit after Tax would have been reported as $19,473,000 rather than $19,270,000;
- Prior year Earnings per Share would have been reported as 30.2 cents rather than 29.9 cents; and
- Current year Profit after Tax would have increased by 32% over last year rather than 33%.

McPherson's Limited
Statement of Comprehensive Income
For the year ended 30 June 2010

	June 2010	June 2009 Restated
	A$000's	A$000's
Revenue		
Sales Revenue	**353,953**	356,847
Interest	**47**	34
Royalties	**265**	534
Total revenue	**354,265**	357,415
Other Income		
Waste recoveries	**779**	1,013
Commissions	**155**	86
Net gain on disposal of property, plant and equipment	**5**	14
Sundry	**695**	379
Total Other Income	**1,634**	1,492
Share of net profit of associate	**195**	234
Total Revenue and Other Income	**356,094**	359,141
Expenses		
Materials and consumables used	**183,556**	191,410
Employee costs	**65,485**	66,240
Rental expenses relating to operating leases	**9,588**	9,888
Amortisation of other intangibles	**495**	787
Depreciation/other amortisation	**4,972**	4,978
Advertising and promotional	**10,577**	10,790
Repairs and maintenance	**1,938**	2,125
Cartage and freight	**14,958**	14,698
Restructure costs	**706**	2,452
Other expenses from ordinary activities	**19,190**	18,997
Borrowing costs expense	**7,973**	9,899
Total expenses	**319,438**	332,264
Profit before income tax expense	**36,656**	26,877
Income tax expense	**(11,007)**	(7,607)
Profit after income tax expense	**25,649**	19,270

The above statement of comprehensive income should be read in conjunction with the following notes and appendices.

McPherson's Limited
Statement of Comprehensive Income (continued)
For the year ended 30 June 2010

	June 2010	June 2009 Restated
	A$000's	A$000's
Profit after income tax expense	**25,649**	19,270
Other comprehensive income		
Changes in the fair value of cash flow hedges	**11,604**	(14,734)
Exchange differences on translation of foreign operations	**5**	1,018
Income tax relating to components of other comprehensive income	**(3,481)**	4,424
Other comprehensive income	**8,128**	(9,292)
Total comprehensive income	**33,777**	9,978

	June 2010	June 2009 Restated
	Cents	Cents
Basic earnings per share	**36.4**	29.9
Diluted earnings per share	**36.2**	29.9

The above statement of comprehensive income should be read in conjunction with the following notes and appendices.

McPherson's Limited
Statement of Financial Position
As at 30 June 2010

	June 2010	June 2009 Restated	June 2008[1] Restated
	A$000's	A$000's	A$000's
Current assets			
Cash	**467**	2,281	940
Receivables	**57,368**	55,782	56,820
Inventories	**64,297**	61,251	56,226
Derivative financial instruments	**258**	18	1,973
Total current assets	**122,390**	119,332	115,959
Non-current assets			
Other financial assets	**1,281**	1,486	1,752
Property, plant and equipment	**22,262**	23,707	23,534
Intangibles	**188,135**	188,505	188,696
Deferred tax assets	**6,274**	9,918	6,119
Total non-current assets	**217,952**	223,616	220,101
Total assets	**340,342**	342,948	336,060
Current liabilities			
Payables	**41,227**	39,242	42,532
Derivative financial instruments	**1,529**	11,481	502
Borrowings	**312**	1,394	250
Provisions	**10,947**	11,334	10,739
Current tax liabilities	**2,365**	2,663	5,366
Total current liabilities	**56,380**	66,114	59,389
Non-current liabilities			
Derivative financial instruments	**290**	2,090	-
Borrowings	**72,018**	105,026	107,057
Provisions	**1,084**	1,211	1,652
Deferred tax liabilities	**13,672**	13,673	14,427
Total non-current liabilities	**87,064**	122,000	123,136
Total liabilities	**143,444**	188,114	182,525
Net assets	**196,898**	154,834	153,535

[1] As AASB 2008-8 has been applied retrospectively, AASB 101 *Presentation of Financial Statements* requires presentation of a third statement of financial position.

The above statement of financial position should be read in conjunction with the following notes and appendices.

McPherson's Limited
Statement of Financial Position (continued)
As at 30 June 2010

	June 2010	June 2009 Restated	June 2008 Restated
	A$000's	A$000's	A$000's
Shareholders' equity			
Share capital	**127,193**	112,727	113,024
Reserves	**(2,290)**	(11,352)	(1,146)
Retained profits	**71,995**	53,459	41,657
Total shareholders' equity	**196,898**	154,834	153,535

The above statement of financial position should be read in conjunction with the following notes and appendices.

McPherson's Limited
Statement of Changes in Equity
For the year ended 30 June 2010

	Share Capital A$000's	Reserves A$000's	Retained Profits A$000's	Total A$000's
Balance at 1 July 2009	**112,727**	**(11,352)**	**53,459**	**154,834**
Profit after income tax	-	-	25,649	25,649
Cash flow hedges, net of tax	-	8,123	-	8,123
Exchange differences on translation of foreign operations	-	5	-	5
Total comprehensive income	**-**	**8,128**	**25,649**	**33,777**
Transactions with shareholders				
Share based payments expense	-	986	-	986
Share issues - equity raising	15,000	-	-	15,000
Transaction costs on share issues, net of tax	(534)	-	-	(534)
Transfers	-	(52)	52	-
Dividends paid	-	-	(7,165)	(7,165)
	14,466	934	(7,113)	8,287
Balance at 30 June 2010	**127,193**	**(2,290)**	**71,995**	**196,898**

The above statement of changes in equity should be read in conjunction with the following notes and appendices.

McPherson's Limited
Statement of Changes in Equity
For the year ended 30 June 2010

	Share Capital A$000's	Reserves A$000's	Retained Profits A$000's	Total A$000's
Balance at 1 July 2008	**113,024**	**(1,497)**	**42,008**	**153,535**
Adjustment on application of AASB 2008-8, net of tax	-	351	(351)	-
	113,024	**(1,146)**	**41,657**	**153,535**
Profit after income tax, as reported in the 2009 financial statements	-	-	19,473	19,473
Cash flow hedges, net of tax, as reported in the 2009 financial statements	-	(10,513)	-	(10,513)
Adjustment on application of AASB 2008-8 net of tax	-	203	(203)	-
Exchange differences on translation of foreign operations	-	1,018	-	1,018
Restated total comprehensive income	**-**	**(9,292)**	**19,270**	**9,978**
Transactions with shareholders				
Share based payments expense	-	4	-	4
Share buyback – shares purchased	(296)	-	-	(296)
Transaction costs on share buyback, net of tax	(1)	-	-	(1)
Transfers	-	(918)	918	-
Dividends paid	-	-	(8,386)	(8,386)
	(297)	(914)	(7,468)	(8,679)
Balance at 30 June 2009	**112,727**	**(11,352)**	**53,459**	**154,834**

The above statement of changes in equity should be read in conjunction with the following notes and appendices

McPherson's Limited
Cash Flow Statement
For the year ended 30 June 2010

	June 2010	June 2009
	A$000's	A$000's
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**388,702**	391,245
Payments to suppliers and employees (inclusive of GST)	**(341,280)**	(355,634)
Interest received	**42**	38
Interest and borrowing costs paid	**(8,073)**	(9,870)
Income tax paid	**(10,896)**	(10,412)
Dividends received	**400**	500
Net cash inflows from operating activities	**28,895**	15,867
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	**(3,618)**	(4,984)
Proceeds from disposal of property, plant and equipment	**21**	74
Payments for purchase of intangibles	**(77)**	(88)
Net cash outflows from investing activities	**(3,674)**	(4,998)
Cash flows from financing activities		
Proceeds from issue of shares	**15,000**	-
Costs from issue of shares	**(763)**	-
Payments for buyback of shares	**-**	(296)
Costs from buyback of shares	**-**	(1)
Proceeds from borrowings	**115,500**	112,500
Repayment of borrowings	**(148,500)**	(114,500)
Dividends paid	**(7,165)**	(8,386)
Repayment of hire purchase liabilities	**(11)**	(50)
Net cash outflows from financing activities	**(25,939)**	(10,733)
Net (decrease)/increase in cash held	**(718)**	136
Cash at beginning of the financial year	**897**	719
Net effect of exchange rate changes on cash	**(15)**	42
Cash held at end of financial year	**164**	897

The above cash flow statement should be read in conjunction with the following notes and appendices

McPherson's Limited
Notes to the Financial Statements
For the year ended 30 June 2010

Material factors affecting the revenues and expenses of the economic entity for the current period.

Material factors affecting the revenues and expenses of the economic entity for the period ended 30 June 2010 and significant trends or events since that date, are included in the attachment to this announcement.

Material factors affecting the assets, liabilities and equity of the economic entity for the current period.

Significant movements in equity are set out on Page 6.

Material factors affecting the cash flows of the economic entity for the current period.

A reconciliation of net cash provided by operating activities to operating profit after income tax is attached as Appendix A to this report.

Changes in accounting policies

The Company detailed its assessment of the impact on Accounting Policies arising from new standards and interpretations applicable from 1 July 2009 in Note 1(z) to the 30 June 2009 Financial Statements, entitled "New accounting standards and interpretations".

On adoption of the standards and interpretations listed in Note 1(z) of the 30 June 2009 Financial Statements, only AASB 2008-8, which amends AASB 139 *Financial Instruments: Recognition and Measurement,* had any impact on the Company's results. The amendment must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.*

The impact on the results from the application of the amended standard is discussed and quantified on pages 1 and 7 of this Appendix 4E.

Fundamental errors

N/A

Extraordinary items

N/A

Reconciliation of income tax expense

A reconciliation of prima facie income tax to the actual income tax expense is attached as Appendix B to this report.

Segment note

Information on the business segments of the Group is attached as Appendix C to this report and is prepared in accordance with Accounting Standard AASB 8: *Segment Reporting*.

Discontinuing operations

N/A

Events occurring after reporting date

Financing Arrangements

Subsequent to the end of the financial year the renegotiation of the Group's term debt facilities has been finalized and documented, which has resulted in the term of those facilities being extended and now having a maturity date of 31st August 2013.

Impairment Testing – Intangibles

Goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) according to business segment. The recoverable amount of a CGU is determined based on a value-in-use calculation. These calculations use cash flow projections based on financial budgets covering a 1 year period. Cash flows beyond the projected period are extrapolated using estimated growth rates between -2.3% and 3% (2009: 1% and 3%). In performing the value-in-use calculations for each CGU, the Company has applied a post-tax discount rate of 11.5% (2009: 11.5%) to discount the forecast future attributable post tax cash flows. The equivalent pre-tax discount rate is 15.1% (2009: 15.1%).

At 30 June 2010 the value-in-use of each CGU exceeds the carrying value of its net assets.

Brandnames

Brandnames are allocated to the Group's cash-generating units (CGUs) according to business segment. All brandnames are currently allocated to the Consumer Products Australia segment.

The recoverable amount of a brandname is determined using the 'relief from royalty method'. The 'relief from royalty method' assumes that if a business did not own the identifiable brandname under consideration it would have to pay a royalty to the owners of the brandname for its use. The calculation is prepared on a discounted cash flow analysis of the future royalty stream which is based on financial budgets covering a 1 year period. The calculations assume sales growth rates beyond the projected period range from 1% to 3% (2009: 1% to 3%) and a post-tax discount rate of 11.5% (2009: 11.5%), the equivalent pre-tax discount rate equating to 15.1% (2009: 15.1%).

At 30 June 2010 the discounted cash flows exceed the carrying value of the brandnames.

McPherson's Limited
Notes to the Financial Statements
For the year ended 30 June 2010

Basis of financial report preparation

This report is a general purpose financial report prepared in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Act, 2001. This report should be read in conjunction with the most recent Annual Report.

Statement of compliance

The financial report complies with Australian Accounting Standards, which includes Australian equivalents to International Financial Reporting Standards (AIFRS).

Compliance with AIFRS ensures the financial report complies with International Financial Reporting Standards (IFRS).

Additional dividend information

Details of dividends declared or paid during or subsequent to the year ended 30 June 2010 are as follows:

	A$000's
• Interim ordinary dividend of 10.0 cents per fully paid ordinary share paid on 1 April 2010 (fully franked)	7,165
• Final ordinary dividend of 10.0 cents per fully paid ordinary share declared by directors (fully franked) but not recognised as a liability at year end.	7,165

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan will not operate with respect to the final dividend for the year ended 30 June 2010 and will remain suspended until further notice.

McPherson's Limited
Notes to the Financial Statements
For the year ended 30 June 2010

NTA Backing

	Current Period	Previous Corresponding Period
	cents	cents
Net tangible asset backing per ordinary share	12.2	(52.2)

Control gained over entities during the period

Nil.

Loss of control of entities during the period

Nil.

Associate entity

The Group has a 33⅓% shareholding in an associate company, Denward Court Pty Ltd, which is incorporated in Australia and whose principal activity is book binding.

Audit

This report is based on accounts which are in the process of being audited.

McPherson's Limited

P.R. Bennett
Company Secretary

Signed this 24th day of August 2010

APPENDIX A

McPherson's Limited
Reconciliation of net cash provided by operating activities to operating profit after income tax
For the year ended 30 June 2010

	June 2010 A$000's	June 2009 Restated A$000's
Operating profit after income tax	**25,649**	19,270
Amortisation of other intangibles	**495**	787
Depreciation/other amortisation	**4,972**	4,978
Share based payments	**986**	4
Profit on disposal of property, plant and equipment	**(5)**	(14)
Time value in option hedging contracts	**(388)**	290
Finance charges included in lease payments	**2**	3
Share of profit in associate not received as dividends or distributions	**(195)**	(234)
Dividends received from associate	**400**	500
Operating assets and liabilities, excluding the effects from purchase of businesses:		
Increase/(decrease) in payables	**1,884**	(3,150)
Increase/(decrease) in other provisions	**(65)**	(226)
Increase/(decrease) in employee entitlements	**(448)**	309
Increase/(decrease) in tax payable	**111**	(2,838)
(Increase)/decrease in receivables	**(1,560)**	1,295
(Increase)/decrease in inventories	**(2,943)**	(5,107)
Net cash inflow provided by operating activities	**28,895**	15,867

APPENDIX B

McPherson's Limited
Reconciliation of prima facie income tax to actual income tax expense
For the year ended 30 June 2010

	June 2010	June 2009 Restated
	A$000's	A$000's
Operating profit before tax	**36,656**	26,877
Prima facie income tax at 30%	**10,997**	8,063
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of net profit of associate	**(59)**	(70)
Share based payments	**296**	1
Tax rate differences in overseas entities	**(267)**	(250)
Under/(over) provision in prior years	**27**	(17)
Net benefit of tax losses not previously recognised	**(59)**	(229)
Other	**72**	109
Income tax expense	**11,007**	7,607
Current tax	**10,670**	7,891
Deferred tax	**310**	(267)
Under/(over) provision in prior years	**27**	(17)
Income tax expense	**11,007**	7,607
Deferred income tax expense (revenue) included in tax expense comprises:		
Decrease/(increase) in deferred tax assets	**293**	(114)
Increase/(decrease) in deferred tax liabilities	**17**	(153)
	310	(267)

APPENDIX C

McPherson's Limited
Segment Report
For the year ended 30 June 2010

	Consumer Products $000's	Printing $000's	Inter-segment Eliminations/ Unallocated $000's	Consolidated $000's
2010 Segment Information				
Sales to external customers	289,737	64,216	-	353,953
Inter-segment sales	-	84	(84)	-
Total sales revenue	289,737	64,300	(84)	353,953
Other revenue/income	978	963	5	1,946
Share of net profit of associate	-	195	-	195
Total segment revenue, other income and share of net profit of associate	290,715	65,458	(79)	356,094
Profit before interest, tax, depreciation and amortisation	47,726	6,714	(4,391)	50,049
Depreciation and amortisation expense	(2,526)	(2,938)	(3)	(5,467)
Segment result	45,200	3,776	(4,394)	44,582
Net borrowing costs				(7,926)
Profit before income tax				36,656
Income tax expense				(11,007)
Profit after income tax				25,649
Segment assets	313,734	42,527	(15,919)	340,342

APPENDIX C

McPherson's Limited
Segment Report Prior Period Comparative
For the year ended 30 June 2010

	Consumer Products $000's	Printing $000's	Inter-segment Eliminations/ Unallocated $000's	Consolidated $000's
2009 Segment Information (Restated)				
Sales to external customers	288,456	68,391	-	356,847
Inter-segment sales	-	60	(60)	-
Total sales revenue	288,456	68,451	(60)	356,847
Other revenue/income	825	1,229	6	2,060
Share of net profit of associate	-	234	-	234
Total segment revenue, other income and share of net profit of associate	289,281	69,914	(54)	359,141
Profit before interest, tax, depreciation and amortisation	40,865	7,365	(5,723)	42,507
Depreciation and amortisation expense	(2,701)	(3,044)	(20)	(5,765)
Segment result	38,164	4,321	(5,743)	36,742
Net borrowing costs				(9,865)
Profit before income tax				26,877
Income tax expense				(7,607)
Profit after income tax				19,270
Segment assets	307,142	51,622	(15,816)	342,948

APPENDIX C

McPherson's Limited
Segment Report (continued)
For the year ended 30 June 2010

Segment Information (continued)

Operating segments are reported in a manner which is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Managing Director of McPherson's Limited.

The internal reports reviewed by the Managing Director, which are used to make strategic decisions, are separated into two distinct reporting segments; Consumer Products and Printing.

The above reporting segments derive revenue from the following products and services:

Consumer Products:
Producers of kitchen knives, scissors, cutlery, kitchen utensils, hair, beauty and personal care products, plastic bags, wraps, foils and other consumer products.

Printing:
Printers of a wide range of products including quality books, paperbacks and loose leaf printing.

Geographical information

	Segment revenues from sales to external customers		**Segment non-current assets**	
	2010 A$000's	2009 A$000's	**2010 A$000's**	2009 A$000's
Australia	**317,804**	319,879	**204,606**	206,784
North America	**471**	1,936	**-**	-
Asia, New Zealand	**35,678**	35,032	**7,072**	6,914
	353,953	356,847	**211,678**	213,698

Segment revenues

Segment revenues are allocated based on the location in which the revenue originated.

Revenues of approximately $76,627,000 (2009: $76,538,000) and $65,196,000 (2009: $61,979,000) were derived from two external customers. These revenues were attributable to the Consumer Products segment.

Segment assets

Segment assets are allocated based on where the asset is located. Non-current segment assets exclude deferred tax assets.

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an 'arms-length' basis and are eliminated on consolidation.