



McPherson's Limited

ACN 004 068 419

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Australia

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9 July 2009

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

Dear Sir / Madam,

**RE: GRANTING OF OPTIONS**

In accordance with Listing Rule 3.10.3 directors advise that McPherson's Limited proposes to grant 1.5 million options over ordinary shares in the Company to Mr. Paul Maguire under the McPherson's Limited Share / Option Purchase Plan.

As announced on 6<sup>th</sup> July 2009 Mr. Maguire has been nominated to replace Mr. David Allman as Managing Director of the Company after a transition period. The options will form part of Mr. Maguire's remuneration arrangements.

Subject to the approval of shareholders which will be sought at the McPherson's Limited Annual General Meeting on 13<sup>th</sup> November 2009, 1.5 million options are to be granted to Mr. Maguire and be exercisable in four tranches on the terms and conditions as outlined in the schedule attached.

Yours faithfully,

**P.R. BENNETT**  
Company Secretary

Att.

Tranche	Number of Options	Exercise Price (1)	Exercise Conditions		Exercise Dates	
					From	To
1	375,000	\$1.64	Note 2	Note 3	06-July-2010	06-July-2013
2	375,000	\$1.64	Note 2	Note 3	06-January-2011	06-January-2014
3	375,000	\$1.64	Note 2	Note 3	06-July-2011	06-July-2014
4	375,000	\$1.75	Note 2	Note 3	06-January-2012	06-January-2015

**1,500,000**

**Notes:**

1. The exercise price for tranches 1, 2 and 3 is the volume weighted average share price over the 20 trading days prior to 6th July 2009.
2. The share price must exceed the relevant exercise price for a continuous period of 40 trading days.
3. Total Shareholder Return\* must exceed 15% per annum for the period to the relevant exercise date.

*\* Total Shareholder Return is a function of share price growth and dividend payments.*