



ASX and Media Release

16 December 2011

McPherson's issues demerger prospectus

Independent expert recommends shareholder approval

McPherson's Limited (ASX: MCP) today dispatched to shareholders its prospectus and notice of meeting for the demerger of MPG Printing Limited, McPherson's printing division. A general meeting of shareholders to vote on resolutions to effect the demerger will take place at 10 am on Monday 16 January 2012 at 10 Shelley Street, Sydney.

Shareholders are also being sent an independent expert's report by Lonergan Edwards & Associates Limited which states that in its opinion the proposed demerger is in the best interests of McPherson's shareholders. Lonergan Edwards' report states: '... the proposed demerger will allow both distinct businesses to be rated against their direct peers. Prima facie, it appears that there is scope for the Consumer Products business of MCP to be re-rated over time following implementation of the proposed demerger.'

Assuming shareholders approve the demerger, it will proceed through an in-specie distribution of all MPG Printing shares to persons who are McPherson's shareholders on 24 January 2012 (being the ASX approved record date for the distribution). The distribution will be made on 31 January 2012 (being the ASX approved date for the distribution to be effected) in the ratio of one MPG Printing share for every four McPherson's shares held. McPherson's shareholders will be deemed to have received a capital return and a dividend as explained in the notice of meeting. The number of shares held by shareholders in McPherson's will not change.

As announced on 18 November, MPG Printing has entered into an agreement to acquire the OPUS Group, conditional on implementation of the proposed demerger and approval by MPG Printing shareholders and regulators. The proposed demerger is not conditional on the acquisition of OPUS.

Following implementation of the proposed demerger, a general meeting of MPG Printing shareholders will take place to vote on the acquisition of OPUS. MPG Printing intends to seek a listing of its shares on the ASX after this meeting, which is expected to be held in March 2012.

Mr David Allman, chairman of McPherson's, said: 'The proposed demerger of MPG Printing is an important step in the evolution of McPherson's. Assuming shareholder approval, McPherson's shareholders will own shares in two separate public companies – a dedicated consumer products business and a book and commercial printing business – with strong market positions. The demerger will enable both companies to focus their resources on growth opportunities in their sector.'

Shareholder meeting on 16 January 2012

At the shareholder meeting on 16 January, McPherson's shareholders will be invited to pass two resolutions to effect the demerger:

- (a) a resolution to approve the in-specie distribution of shares in MPG Printing to McPherson's shareholders (which requires 50% of the votes cast to be in favour of the resolution in order for it to be passed); and
- (b) a resolution to amend McPherson's existing constitution to enable the proposed demerger to proceed (which requires 75% of the votes cast to be in favour of the resolution in order for it to be passed).

Approximate timetable

2011

22 December	MPG Printing becomes an unlisted public company
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2012

14 January (10 am)	Deadline for McPherson's shareholders to lodge proxy forms for demerger meeting
14 January (7 pm)	Record date for demerger meeting
16 January (10 am)	Demerger meeting
18 January	McPherson's shares trade on ASX on 'ex-return of capital' and 'ex-dividend basis
24 January	Record date for demerger dividend and return of capital
31 January*	Dispatch of MPG Printing share certificates to shareholders
February*	OPUS acquisition prospectus and notice of meeting dispatched to MPG Printing shareholders
March*	OPUS acquisition meeting

**Subject to change*

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.

Mr Simon Rowell, formerly chairman of McPherson's, has been appointed chairman of MPG Printing.

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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