McPherson's Limited

FULL YEAR RESULT – 2002 / 03

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FINANCIAL RESULTS

A$ Millions

	June 03	June 02	
Housewares EBITA	11.5	6.8	
Printing EBITA	12.8	14.9	
Corporate, etc.	(2.6)	(3.1)	
Group EBITA	21.7	18.6	
Net Interest	(4.0)	(4.4)	
NPBT (before amortisation)	17.7	14.2	+ 25%
NPAT (before amortisation)	13.0	10.7	+ 21%
EPS (before amortisation)	31.9	27.4	+ 16%
DPS	15.0	12.0	+ 25%

BALANCE SHEET AT 30th JUNE 2003

$ Millions

	June 03	June 02
Fixed Assets (including intangibles)	54.5	57.4
Net Working Capital	58.3	61.5
Other	(7.4)	(11.9)
Funds Employed	105.4	107.0
Shareholders' Funds	62.5	50.3
Net Debt	42.9	56.7
Net Debt / Funds Employed	41%	53%
NPAT (before amortisation) / Shareholders' Funds	23%	22%

FINANCIAL OBJECTIVES

1. 20% per annum net return (before amortisation) on shareholders' funds.

2. Pre-tax cash flow > pre-tax (and amortisation) profit.

3. EPS growth through acquisitions which produce rationalisation benefits and improve competitive position.

RESULTS / CASH FLOW / GROWTH

1. **RESULTS**
   20% return achieved for each of past four years (2000 and 2001 assisted by tax losses).

2. **CASH FLOW OBJECTIVE**
   Achieved each of last five years – average 28% greater.

3. **GROWTH**

CPS	July 1999
Crown	February 2000
APG	May 2001
EPS (year on year)	+ 16%
(1999 to 2003)	+ 157%
Cork	July 2003

BUSINESS STRATEGY

Housewares

- Expansion into related categories
- Brands
- Focus on margins
- Key capabilities
  - Design / Sourcing
  - Logistics
  - Marketing (including customer relationships)

Printing

- Specific niche markets
- Core customer relationships (75% of revenue)
- Equip to focus on specific markets

CORK

- Acquired 1st July for $101 million, plus costs
- $15 million EBITA (calendar 2003)
- Consumer products has same business model as McPherson's Housewares
- Immediately EPS positive
- $6 million in synergies by 2004/05

FINANCIAL OBJECTIVES 2003/04

- Cork synergies in place for 2004/05 ($6 million)
- Debt reduction (net debt < shareholders' funds June 2004)
- Ongoing return and cash flow objectives