McPherson's Limited

FULL YEAR RESULT – JUNE 2004

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PROFIT & LOSS

A$ Millions

	June 04	June 03	
Consumer Products EBITA	26.3	11.5	
Printing EBITA	12.2	12.8	
Corporate, etc.	(3.1)	(2.6)	
Group EBITA	35.3	21.8	
Net Interest	(7.6)	(4.1)	
NPBT	27.8	17.7	+ 57%
NPAT	21.1	13.0	+ 63%
EPS (cents)	38.0	31.9	+ 19%
DPS (cents)	19.0	15.0	+ 27%

Note: *Earnings figures are before goodwill amortisation and net of restructuring costs.*

BALANCE SHEET AT 30th JUNE 2004

$ A Millions

	June 04	1st July 03
Fixed Assets (including intangibles)	138.8	139.7
Net Working Capital	66.5	76.5
Other	(18.1)	(19.6)
Funds Employed	187.2	196.6
Shareholders' Funds	107.5	92.6
Net Debt	79.7	104.0
Funds Employed – Consumer Products	150.2	159.6
Funds Employed – Printing Division	37.0	37.0
	187.2	196.6

OPERATIONAL DEVELOPMENTS

- McPherson's Housewares and Cork Asia Pacific merged to form McPherson's Consumer Products. Relocation of McPherson's Housewares into Cork premises at Kingsgrove (Sydney) and closure of two warehouses. Restructure expense of $3.7 million 2003/04. Synergies of $6 million per annum.

- Closure of non-core Retail Solutions business. Some loss of income but creation of warehouse space at Kingsgrove required for growth.

- Marketing of Beauty Care and Hair Care products in Europe by Richardson Sheffield. Loss of license income offset by additional Richardson earnings.

- Re-equipment and restructure for Book and Commercial Printing. Restructure expense of $0.7 million and capital expenditure of $5.3 million in 2003/04.

ONGOING 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

		2003/04	Average 5 Years 2000 - 2004
1.	ROSF	21%	25%
2.	Cash Flow / Profit	+ 58%	+ 34%
3.	EPS Growth *	+ 14%	+ 14%

CPS	July 1999
Crown	Feb 2000
APG	May 2001
Cork	July 2003

** Based on pre-tax earnings per share*

BUSINESS STRATEGY

Consumer Products

- Expansion into other 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
- Ongoing cost reduction

OBJECTIVES

- Ongoing financial objectives
- Realise benefits from formation of McPherson's Consumer Products
- Next acquisition