



**McPHERSON'S
LIMITED**

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Australia

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16 March 2006

The Manager
Companies Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY, NSW. 2000.

Dear Sir/Madam,

Re: Share Issue

McPherson's Limited announced today that it had entered into an underwriting agreement with Tricom Equities Limited (**Tricom**) in respect of a partial underwriting of the McPherson's Limited Dividend Reinvestment Plan (**DRP**) for the dividend due to be paid on 3 April 2006. Tricom will underwrite a placement of 1,914,043 ordinary shares in McPherson's Limited. This is the number of additional shares that would have been issued if all shareholders had elected for full participation in the **DRP** for the dividend to be paid on 3 April 2006. A total of 2,461,865 shares (inclusive of **DRP** participation) will be issued increasing the total number of issued shares to 62,953,401.

The new shares will be issued at a price of \$1.72 as determined in accordance with the **DRP** rules, and will rank equally with existing ordinary shares from the date of their allotment. The funds raised will be used for general working capital purposes. Shareholder approval is not required in connection with the proposed issue.

Yours faithfully,

sent by electronic means without signature

P.R. BENNETT
Company Secretary.