McPherson's Limited

HALF YEAR RESULT – DECEMBER 2006

David Allman
Managing Director

PROFIT & LOSS
A$ Millions

	December 06	December 05
Sales	165.3	167.8
EBITDA	25.3	20.4
Depreciation	(2.7)	(3.0)
EBITA	22.6	17.4
Interest	(6.1)	(6.1)
NPBT	16.5	11.3
Tax	(4.7)	(3.0)
NPAT	11.8	8.3
EPS (cents)	18.6	13.8
DPS (cents)	9.0	7.0

Note: *December 2005 excludes amortisation of intangibles ($0.6 million) and UK exit costs ($1.1 million)*

EBITDA BREAKDOWN
(A$ Millions)

	December 06	December 05
Consumer Products – Australia	19.3	14.3
– International	4.2	5.1 (Richardson 0.9)
	23.5	**19.4**
Printing	**4.0**	**2.5**
Corporate	**(2.2)**	**(1.5)**
GROUP	**25.3**	**20.4**

BALANCE SHEET AT 31st DECEMBER 2006

A$ Millions

	December 06	December 05
Fixed Assets (including intangibles)	211.3	212.7
Net Working Capital	83.8	79.5
Other	(41.7)	(30.7)
Funds Employed	253.4	261.5
Shareholders' Funds	136.1	121.7
Net Debt	117.3 (46%)	139.8 (53%)
	253.4	261.5
Funds Employed – Consumer Products	219.9	223.5
Funds Employed – Printing	38.9	38.9
	258.8	262.4

CONSUMER PRODUCTS COMMENTARY

- EBITDA / Sales = 18.2% (prior year 14.8%)

Australia

- Significant improvement at Kingsgrove:-
  - Higher productivity
  - Expense reductions
  - SKU and inventory reduction (exit low contribution products)
  - Working smarter
  - New product successes
  - A$ and above factors offset cost increases

- Multix / Accantia in line with prior year
  - Grocery sector tough
  - New product successes
  - Cost increases

International

- New Zealand in line with prior year – second half growth expected.
- North America / Asia in line with prior year.
- Development of sourcing as a profit contribution.

PRINTING COMMENTARY

- EBITDA / Sales of 11% (14% excluding equipment operating lease expense). Prior year 7.0% / 10%.

- Capital expenditure programme benefits starting to flow.

OBJECTIVES

- Restore ROSF to 20% per annum (achieved 2001 – 2005).
- Further organic growth.
- Strategic acquisitions producing target level returns.