



McPherson's Limited

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ASX/Media Release

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(ASX: MCP)

Completion of Housewares Divestment Application of Funds to Reduce Debt

As foreshadowed in its half yearly results release, McPherson's Limited (MCP) has completed the divestment of the remaining 49% share of its interest in the McPherson's Housewares joint venture.

The divestment of the remaining 49% interest has generated proceeds of \$21.3m, inclusive of \$2.2m of repaid working capital loans previously made by MCP to the joint venture. The total profit before tax generated from the divestment in fiscal 2016 will be approximately \$2.0m.

As announced at the half year, net proceeds from the divestment have been applied to reduce debt.

\$10.0m has been applied to reduce bonds, inclusive of accrued interest, as follows:

Bond acquired	Face Value	Buyback Consideration
4 year, BBSW + 4.3%, maturing 31 March 2019.	\$5.0m	\$5.0m
6 year, 7.1% fixed rate, maturing 31 March 2021	\$5.0m	\$5.0m

The settlement date for the bond buyback is today, 26 April 2016. Total buyback facilitation and legal costs of approximately \$0.1m have been incurred.

The remaining proceeds of \$11.2m have been applied to reduce the Group's secured working capital loans from Westpac Banking Corporation and National Australia Bank.

The consequential reduction in debt materially strengthens the Group's balance sheet.

For further information please contact:

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About McPherson's

McPherson's, established in 1860, is a leading supplier of health & beauty, consumer durable and household consumable products in Australasia, with operations in Australia, New Zealand and Asia.

The Health & Beauty division markets and distributes beauty care, hair care, skin care and fine fragrance product ranges; the Home Appliance division markets and distributes large appliances such as ovens, cooktops, washing machines and dishwashers; the Household Consumables division markets and distributes kitchen essentials such as plastic bags, baking paper, cling wrap and aluminium foil.

McPherson's manages some significant brands for overseas agency partners such as Gucci, Dolce&Gabbana and Hugo Boss fine fragrances; however, the majority of revenue is derived from the company's diversified portfolio of owned brands, including Manicare, Lady Jayne, Dr LeWinn's, A'kin, Swisspers, Moosehead, Maseur, Euromaid, Baumatic and Multix.