BUILDING OUR BRANDS
For New Markets

2016 ANNUAL GENERAL MEETING

pental

Who we are

Personal Care	THE AUSTRALIAN COUNTRY LIFE	Velvet Since 1900	Pears	AIM	Knights Castile
House-Hold Cleaning	White King The POWER to Protect	Janola NZ			
Laundry	Softly	Huggie	Martha's	LUX Pure Soap Flakes	
Fire needs	LITTLE LUCIFER FIRELIGHTERS	JIFFY FIRELIGHTERS			
Kitchen	Sunlight NZ				

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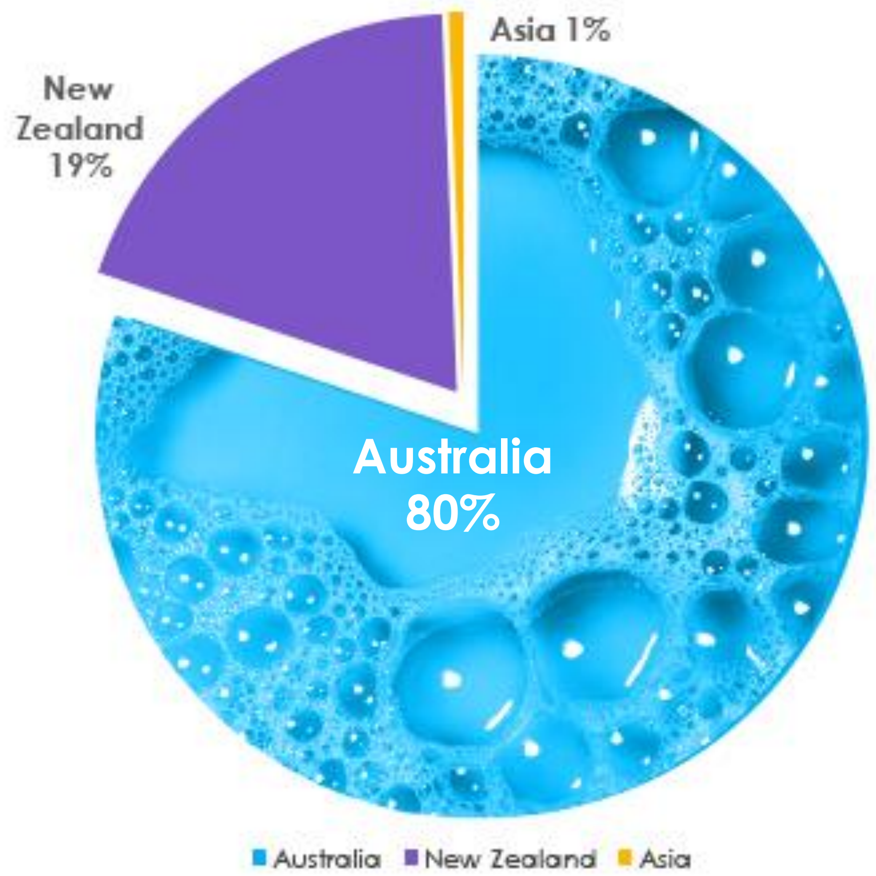
Our business

Established 62 years ago

Headquartered in Melbourne

Gross Sales by Region



Manufacturing facilities

- Shepparton – 90% of products
  - Soap plant
  - Bleach Liquid plant
  - Laundry Liquids plant
  - Firelighters plant
  - New Bulk liquid plant
- Supplemented by 3rd party contract manufacturing in NZ

Distribution channels

- 4,000 supermarkets
- 700 pharmacies
- 300 petrol & convenience, corner and hardware stores

Warehousing

- 3 warehouses: Shepparton (Vic), Christchurch (NZ) and Shanghai Free Trade Zone (China)

FY16 Review

FY2016 in review

Underlying EBITDA up 5.3% to $10.8 million

Improved market share in a number of segments

Sales constrained by major plant upgrades and plant performance issues

Number of new products launched into market

Sales to Asia have commenced

Reported NPAT up 10.6% to $5.6 million

Profit delivery projects generated $1.1 million of cost savings

Major plant upgrades completed, now moving into next phase

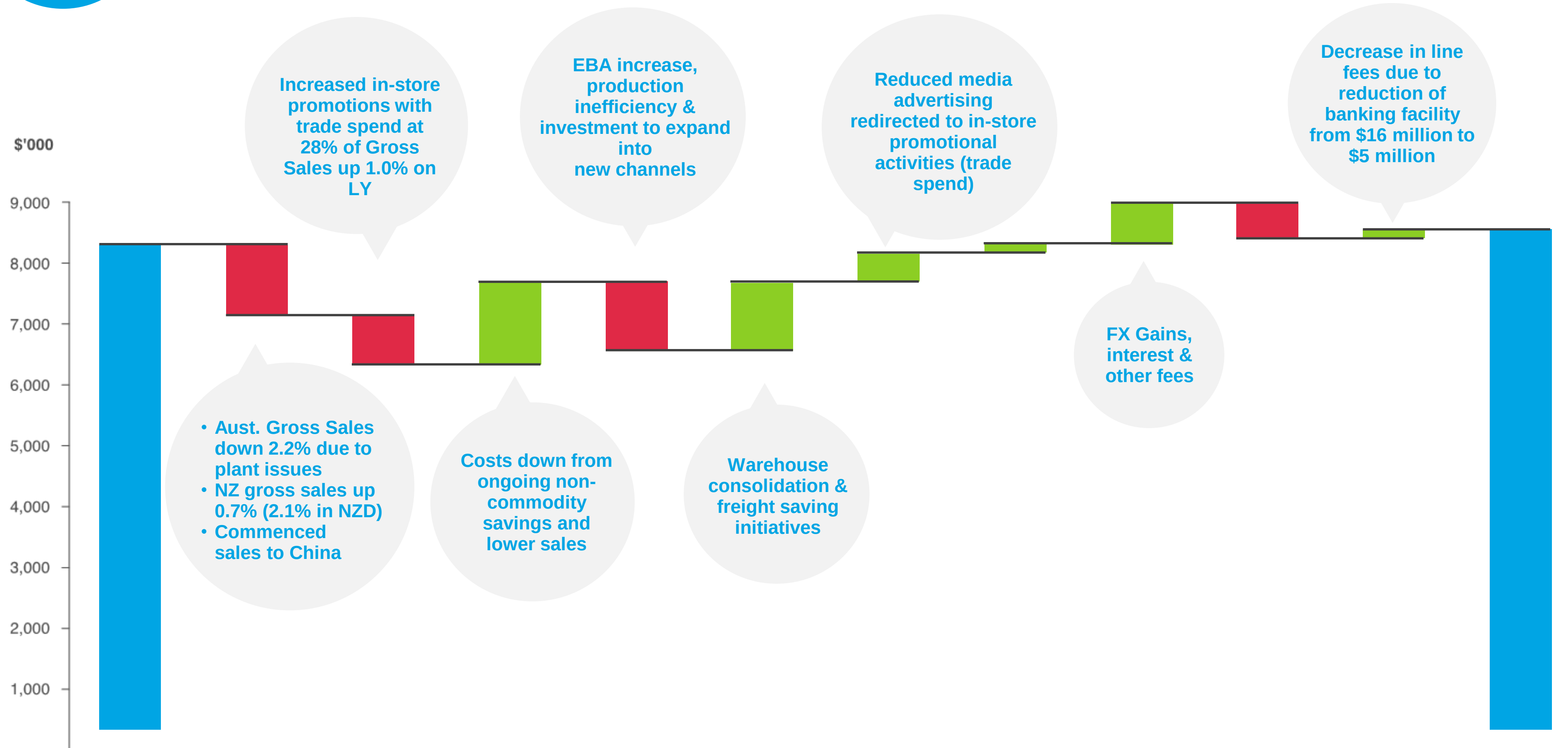
Key financial results

$'000	FY16	FY15	Change	%
Gross Sales (GSV)	**109,980**	**111,150**	**(1,170)**	**-1.1%**
Net Sales	**79,223**	**81,163**	**(1,930)**	**-2.4%**
Underlying EBITDA (i)	**10,834**	**10,287**	**548**	**5.3%**
Underlying EBITDA to gross sales (i)	9.85%	9.26%		
Depreciation	(2,552)	(2,113)	(439)	
Underlying EBIT (i)	**8,282**	**8,174**	**108**	**1.3%**
Underlying EBIT to GSV(i)	7.53%	7.35%		
Underlying NPBT(i)	**8,218**	**8,020**	**198**	**2.5%**
Reported NPAT	**5,628**	**5,087**	**541**	**10.6%**
Basic EPS (cents)	4.13	4.08		1.2%
Dividend Per Share (cents)	2.95	2.58(ii)		14.3%

- **GSV constrained by major plant upgrades and plant performance issues**
- Net sales down 2.4% as a result of manufacturing issues and increased trade spend
- **EBITDA improvement of 5.3% from reduction in net operational costs**
- Increased depreciation as a result of Shepparton capital investment
- **No one-off or significant items in FY16**
- Full year DPS up 14.3% Dividend payout ratio 71%

(i) Before one-off significant items - FY15: Employee restructure cost $0.432m and $0.553m equipment impairment
(ii) Total FY15 dividends divided by number of shares on issue at year end. FY15 Interim 0.85 cents & final 1.80 cents

Net profit before tax



Underlying NPBT FY15	Change in Gross Sales	Trade Rebates & Discounts	Raw Materials & Change in Stock	Employee Expenses	Freight Out & Distribution	Marketing	Other Expense	Other Revenue	Depreciation	Finance Costs	NPBT FY16
8,020	(1,170)	(760)	1,308	(1,079)	1,105	488	46	609	(439)	90	8,218

Working capital & balance sheet

Key balance sheet items		
$'000	**FY16**	**FY15**
Cash	**12,335**	11,040
Net assets	**83,177**	81,734
Net debt / equity	0%	0%

Working capital		
$'000	**FY 16**	**FY 15**
Trade & other receivables	**23,582**	24,118
Inventories	**8,866**	7,400
Trade & other payables	**(16,659)**	(15,371)
Working Capital	**15,789**	**16,147**

- **Net cash position of $12.3m**
  - $10.1m is on short term deposit
  - Nil debt
- **Solid operating cash flow of $11.3m (4.7% down on LY)**
  - FY16 tax liability of $2.3m tax not due until FY17
- **Banking facility reduced from $16 million to $5 million at the company's discretion**
  - Substantial capacity to redraw as required
- **2.2% ($0.359 million) reduction in working capital:**
  - Lower debtors
  - Inventory higher due to:
    - 4th Qtr. increase to minimise any lost sales during the planned annual plant maintenance
    - Cover increased promotional activities in 1st Qtr. FY17
  - Creditors higher due to capital expenditure and cost of stock build

Operational Update

Delivering on strategy 5 key pillars to drive growth

1 CREATE A SOLID PLATFORM FOR GROWTH:

Nail the basics

Install cost effective high performance back end capability

2 DRIVE YEAR ON YEAR REAL PRODUCTIVITY SAVINGS

3 OPTIMISE VALUE GROWTH FROM THE CURRENT PORTFOLIO:

Focus on growth categories and our Power brands

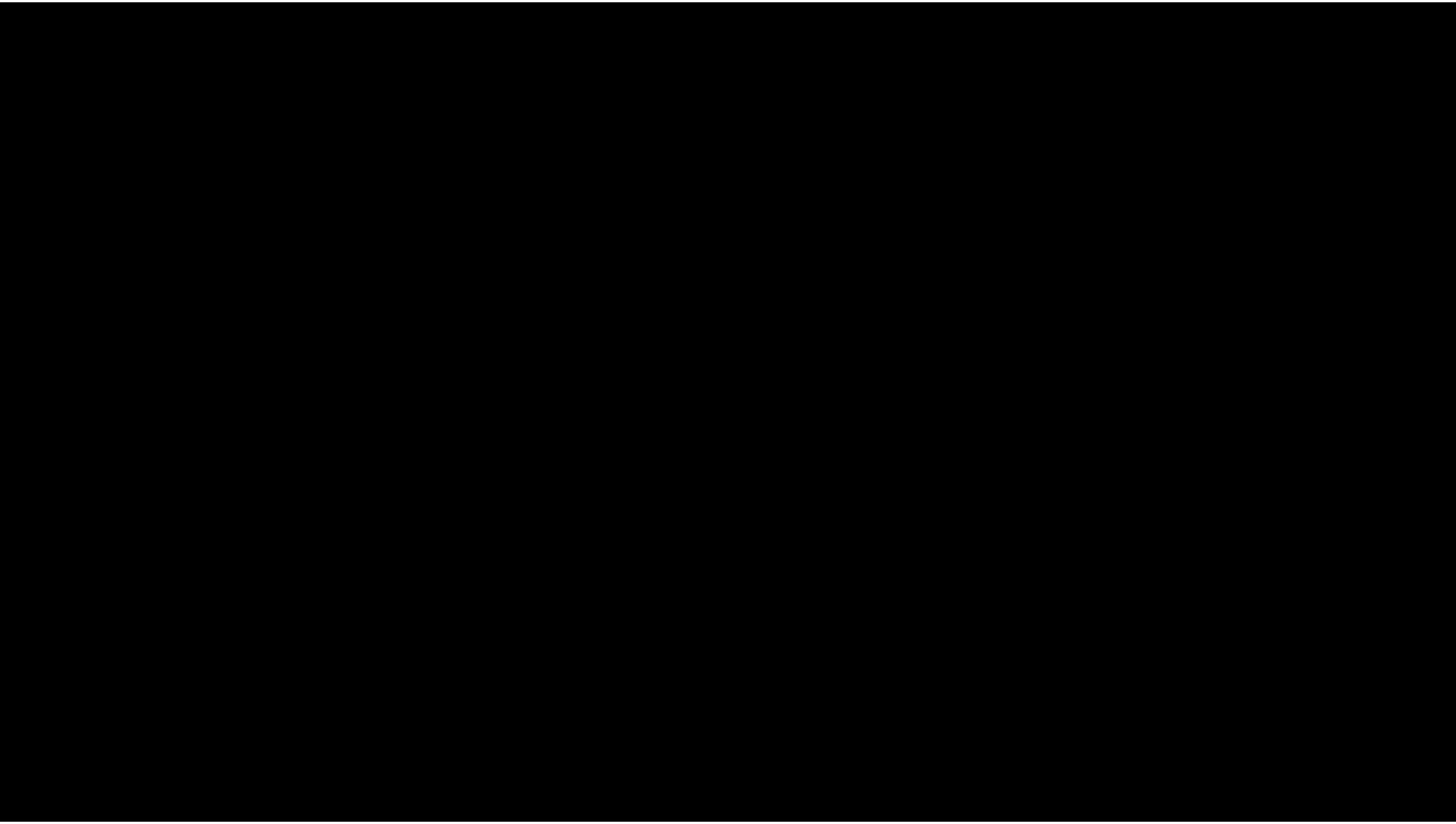
Optimise pack and price in the right Channel

Drive innovation

4 ACCELERATE OUR CAPABILITY TO GROW THE EXPORT BUSINESS

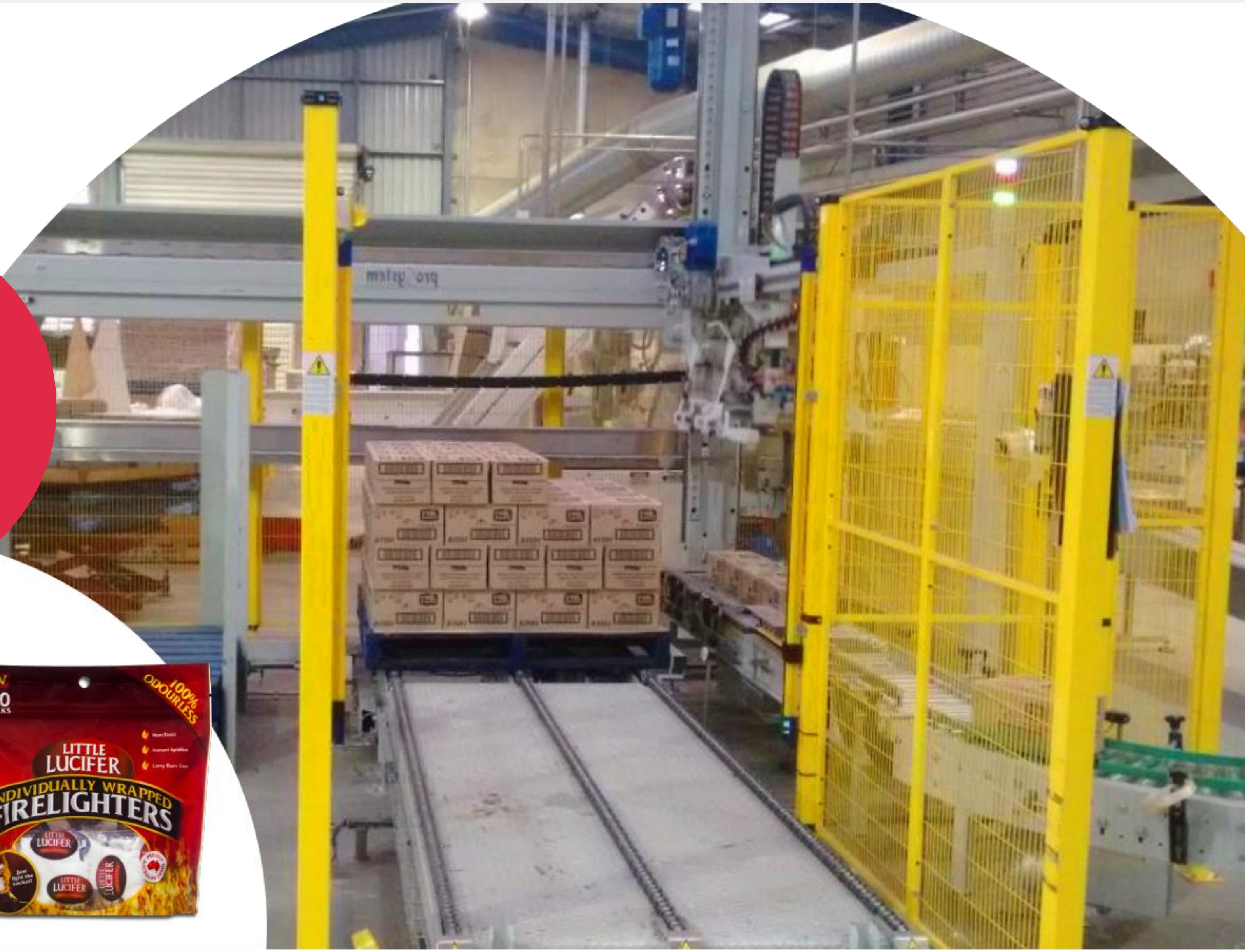
5 DRIVE GROWTH THROUGH NON–RETAIL: COMMERCIAL & INDUSTRIAL CHANNELS

Creating a solid platform for growth



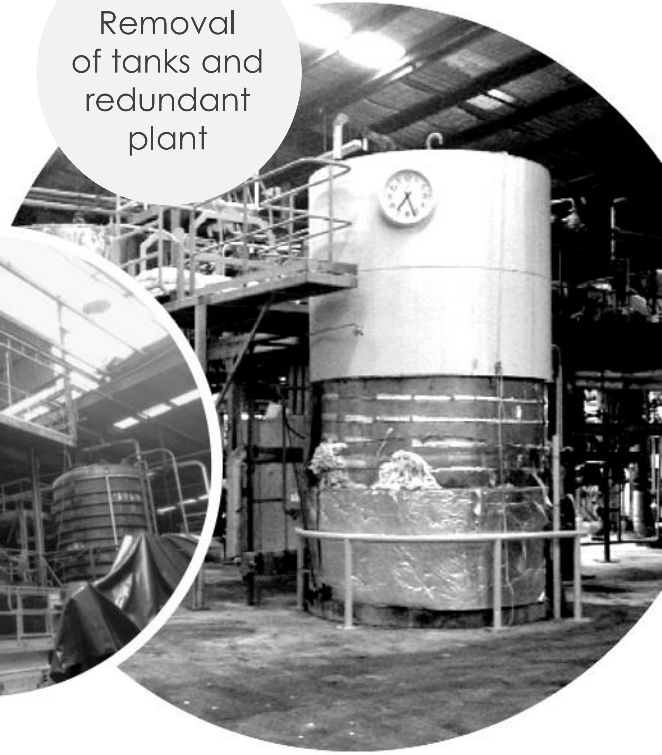
Capital works completed Firelighters Line

New Firelighters Palletiser – with no packing labour



Capital works completed Swing Plant

New state-of-the-art "SWING" (Soap with inside Glycerine) plant - increased tallow yields & reduced manning costs



Removal of tanks and redundant plant

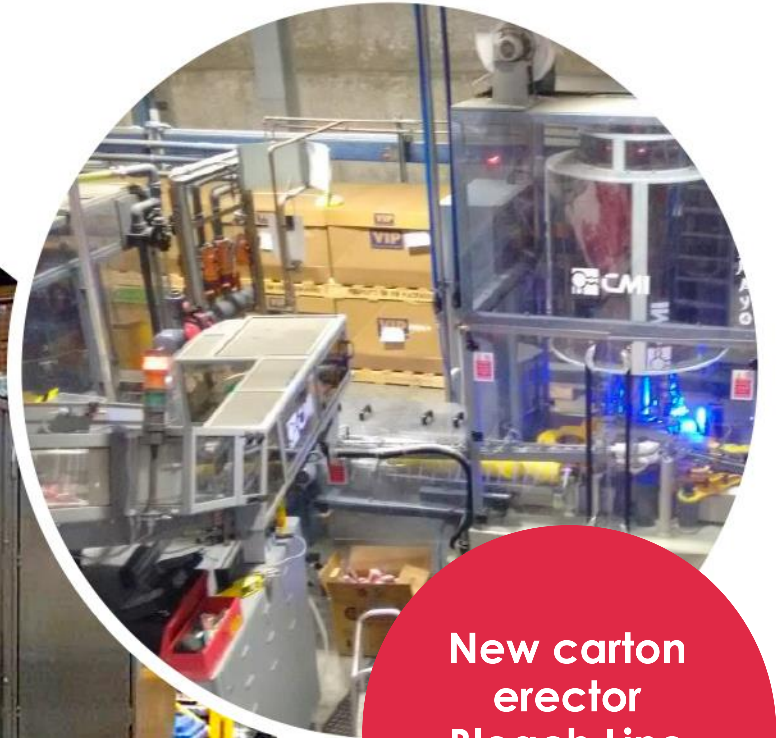
Capital works completed Bleach Line A

Old Line A
Filler / Capper

New Line A
"drip free" Filler / Capper – waste reduction

Capital works completed Bleach Line B

New Trigger / Capper Bleach Line B – labour removed



New carton erector Bleach Line B – Labour removed

Operational scorecard

Operations	FY17 Outcome	Outcomes and Actions Moving Forward
Safety	✓	o Lost Time Injuries down by 50% (1 injury) o No injuries during 7000 hours of capital works
People	✓	o Enhanced preventative maintenance processes and engineering skills to manage new start of the art equipment
Environment	✓	o Waste discharge from the site greatly improved by replacing Bleach Line A filler & SWING plant
Quality	✓	o HACCP accreditation achieved
Customer Service: Delivered in Full on Time (DIFOT)	✗	o Issues: 1) Old filling equipment; 2) Teething issues with new equipment; and 3) Raw material suppliers o Short term fix - increased stock holdings o Increased engineering focus "on the plant floor" to minimise down time and support for new capital works

Building for growth (Capital Expenditure)

New Capital Project	Capex	Status	Status	Benefit
Bulk filling line	$1.4m	Commissioned September 2016		Growth in commercial & industrial channels + cost savings
Additional Soap cutting and wrapping equipment	$0.6m	Commissioned August 2016		Increase throughput rates for growth into Asian export market
Modernisation of Soap Plant (Stage 2) - consolidation of five soap lines	WIP	- Planning underway with business case to be developed		Increase operational flexibility and reduce operating costs
Liquids upgrade	WIP	- High performance cost effective options being considered, but business case dependent on additional sales volume		Increase operational flexibility and throughput rates

After these major capital projects, CAPEX expected to be normalised

Investing in brands

White King outpacing category growth: +1% growth vs LY vs 1.5% decline for bathroom cleaning* category

Future innovation in bathroom cleaning will expand White King's footprint

White King has a strong hold on bathroom cleaning and is outpacing growth in all major cleaning categories

Bathroom Cleaning* ranges are the star performers for White King:

Improved shelf position and ranging has enhanced White King's on shelf presence

*Toilet Cleaning and Bathroom cleaning combined: $200M category
Source: Aztec Scan data, Value, MAT to 26/06/2016
** Based on sales value, MAT to 29/06/2016

Investing in brands

Pental is the one and only firelighter manufacturer in Australia

Simplified Jiffy pack design to focus on key call outs and differentiation from imported competition:

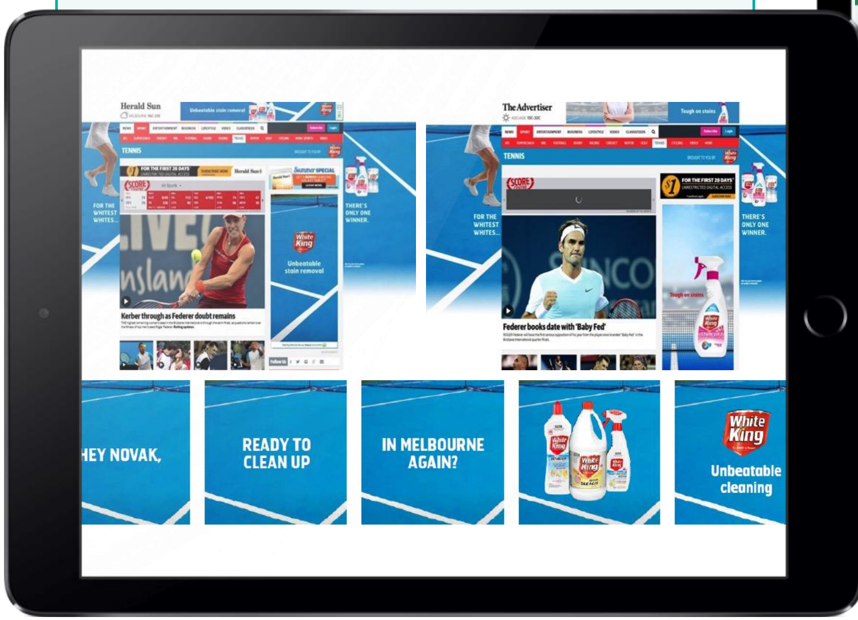
• No Kerosene • Burn Time
• Odourless • Ease of Use

Little Lucifer driving category growth via innovation through individually wrapped firelighters (+13.5%; Dollar growth vs YA)

Source: Aztec Scan data, Value, MAT to 26/06/2016

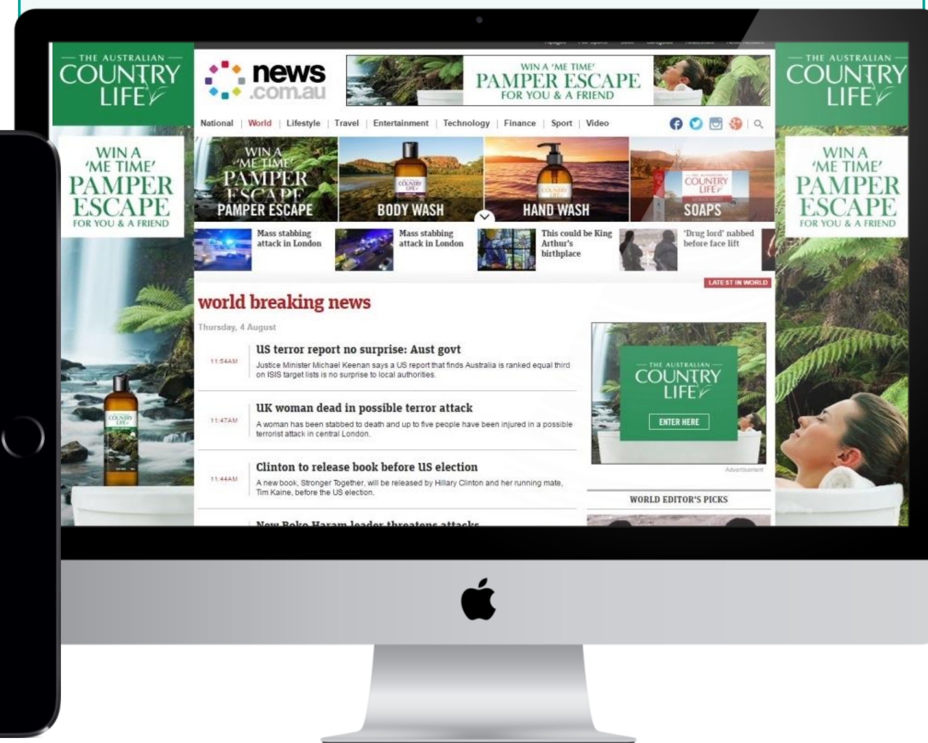
Investing in brands

White King advertising in the digital space with integrated **sponsorship during January 2016 Australian tennis season**



Consumer Giveaway Online

Country Life Escape promotion



Country Life campaign

Message:

- Escape Everyday with Country Life

Campaign objectives:

- To build awareness and consumer engagement, incentive trial and purchase

Media:

- Social media
- Digital presence
- Consumer giveaways
- Sampling campaign
- Campaign Hashtags

Investing in brands (New Zealand)

Sunlight has maintained it's strong position within the highly competitive **NZ Manual Dish Wash Category**

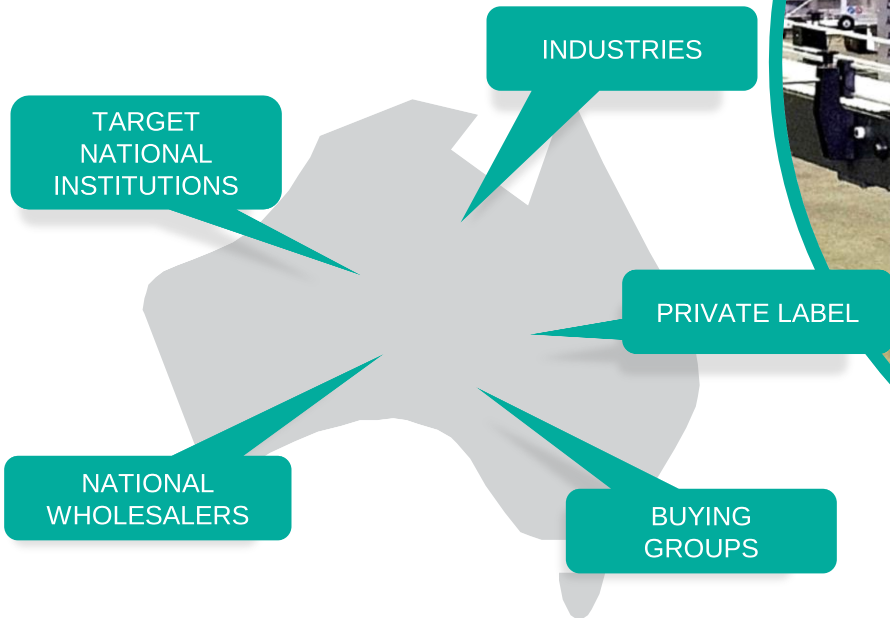
Sunlight tactical support helping to drive sales and outpace category dollars (+8.7% vs 0.8%)

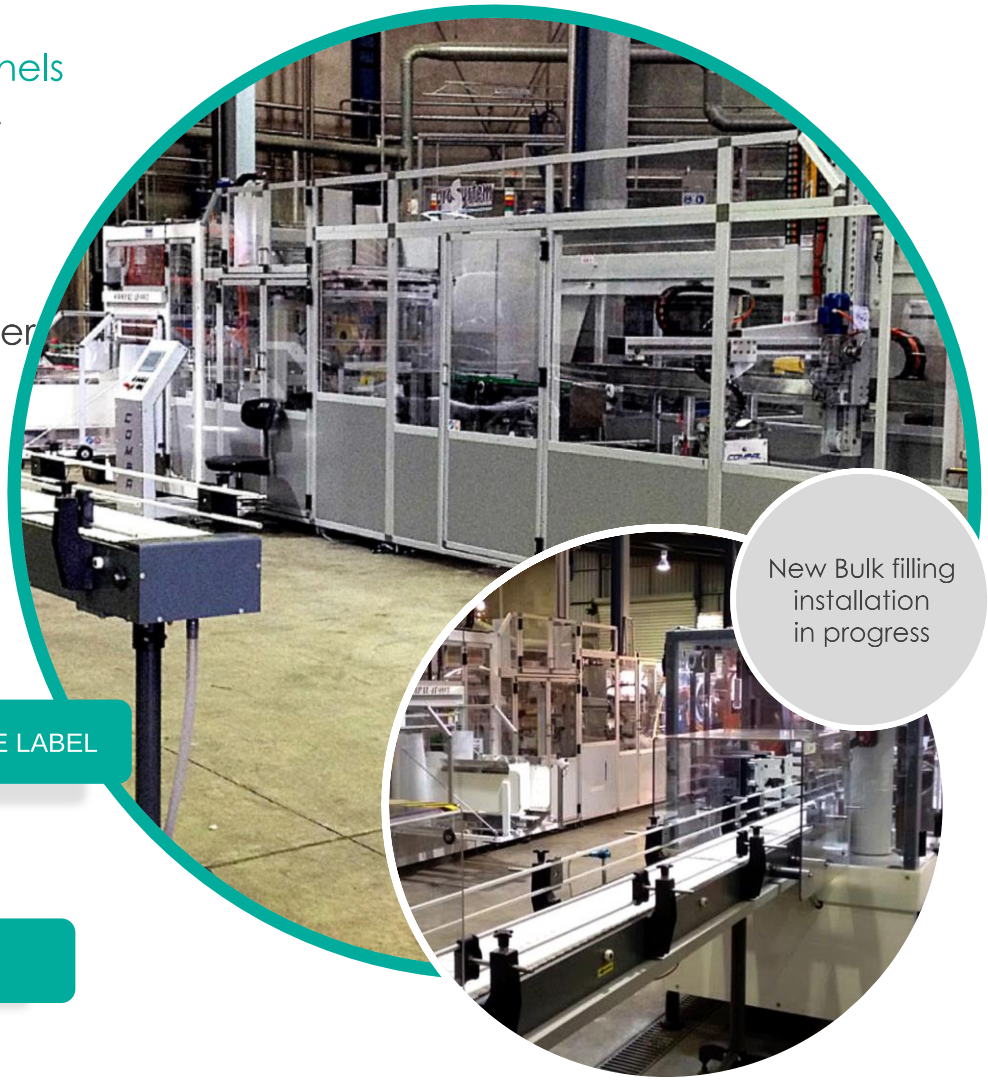
Aztec MAT 26/06/16

Outlook

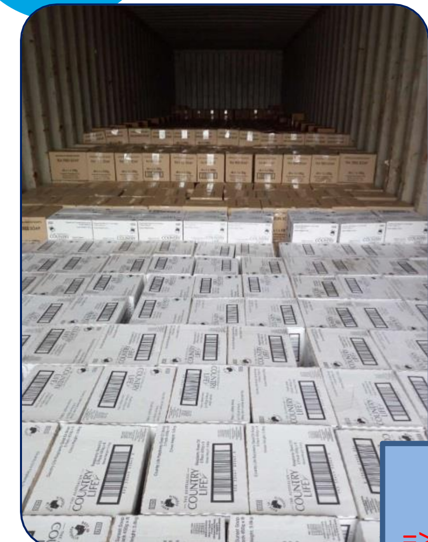
Entering New Domestic Sales Channels

- ✓ Completed an extensive review of Channels
- ✓ Long-term expansion objectives into new channels with our power brands
- ✓ New range of industrial-sized cleaning products developed
- ✓ Bulk liquids plant commissioned September 2016





Exporting to New Markets



In container to China

=> e-commerce platforms
=> brick & mortar stores

Arriving & labelled at Shanghai FTZ

Exporting to New Markets

- Sales to China commenced in FY16
- Direct relationships with Chinese retailers
- Appointed Sales Agents.
- Using Free Trade Zones for Warehousing and Distribution
- Distribution channels
  - Supermarkets: Century Mart, InTime and Choice Supermarkets
  - E-commerce : FTZmall.com.cn, JD.com, YHD.com, Koala.com
  - Pharmacy
- Sales in Hong Kong expected 2nd half of FY17

Brands into Asia include:

- Country Life & Velvet Soaps
- White King Products
- Softly Laundry Products

Growing In China

Pental
China Distribution
Authorization.

NFTZ China

7th November 2016

What's in the Pipeline

THE AUSTRALIAN COUNTRY LIFE

- NPD – Bars & Liquids
- In-store activation
- Social Media
- New Fragrances
- Consumer Promo
- Export

White King

- NPD – Toilet, Bathroom and HH
- In-Store Activation
- Export

Opening New Channels

- Industrial & Commercial
- Expanding Pharmacy

LITTLE LUCIFER / JIFFY FIRELIGHTERS

- NPD – Firelighters, Woodchips
- Strengthening Positioning
- NZ Distribution Push

Velvet Since 1900

- New Export Range
- In-store Activation
- NPD – Bars & Washes

Sunlight

- NPD – Fragrance & Form
- Tactical Support
- NZ Distribution Push

Delivering on Strategy. 5 key pillars Moving Forward

1

MANUFACTURING CONTINUOUS IMPROVEMENT

- **Enhance preventative maintenance processes**
- **Drive Out Costs**

3

Export Growth

- Continue the Growth in China.
- Commence Exporting into other Asian Countries

4

New Domestic Sales Channels.

- Commercial
- Industrial
- Foodservice

2

Brands and Development of New Products.

- **Price Increase Recovery**
- **Brand Protection**
- **Private Label Opportunities**

5

IMPLEMENTATION OF NEXT PHASE OF CAPITAL WORKS

- Modernise and increase capacity of the soap plant and liquid lines

Thank you