Appendix 4D and Interim Financial Report
for the half year (26 weeks) ended 29 December 2013

Name of entity

Pental Limited

ABN or equivalent company reference

29 091 035 353

Half year ended ('current period')

From 1 July to 29 December 2013

Previous corresponding period ended

From 1 July to 31 December 2012

Pental Limited

Results For Announcement To The Market

For the half year (26 weeks) ended 29 December 2013

Revenue and Net Profit		**Change %**		**Amount $'000**
Revenue from continuing operations	**up**	**3.27%**	**to**	**39,567**
Profit after tax attributable to members from continuing operations	**up**	**>100%**	**to**	**2,147**
Profit attributable to members	**up**	**>100%**	**to**	**2,147**

NTA Backing	**Current Period (cents per share)**	**Previous Corresponding Period (cents per share)**
Net tangible asset backing per ordinary security	1.50	1.59

Interim Dividends (distributions)	**Amount per security (cents per share)**	**Franked amount per security (cents per share)**
Current period	Nil	Nil
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividend	Not Applicable

This half-year report should be read in conjunction with the most recent annual report.

This report is designed to meet the half yearly reporting requirements and does not include the full disclosures as contained in the annual financial statements.

PENTAL LIMITED

ACN 091 035 353

Financial report for the half-year (26 weeks) ended 29 December 2013

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Directors' report

The directors of Pental Limited submit herewith the financial report of Pental Limited (the Company) and its subsidiaries (the Group) for the half-year (26 weeks) ended 29 December 2013. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Name

Mr Peter Robinson B.Eco (Mon) Non-Executive Independent Chairman	Appointed Non-Executive Director on 29 November 2002 Appointed Chairman on 5 March 2009
Mr Alan Johnstone Non-Executive Director	Appointed Non-Executive Director on 3 September 2003
Mr John Rishworth Non-Executive Independent Director	Appointed Non-Executive Director on 8 September 2004
Mr John Etherington Non-Executive Independent Director	Appointed Non-Executive Director on 2 April 2013
Mr Mel Sutton Non-Executive Independent Director	Appointed Non-Executive Director on 3 October 2013

The above named directors held office during and since the end of the half-year.

Review of operations

The consolidated net profit after tax for the 26 week period ended 29 December 2013 was $2.147 million (2012: $0.247 million).

The "continuing operations" consolidated Net Profit Before Tax was $3.067 million (2012: loss $0.877 million). The Consumer Products business (continuing operations) continues to make solid progress following the restructure of the Group.

	Half Year (i)(ii)			
$'000	**Dec-13**	**Dec-12**	**Change**	
Gross Sales	53,803	52,125	1,678	3.2% ↑
Earnings Before Interest Tax Depreciation & Amortisation (EBITDA)	4,903	3,576	1,327	37.1% ↑
Depreciation & Amortisation (iii)	(1,014)	(386)	(628)	+100% ↑
Earnings Before Interest & Tax (EBIT)	3,889	3,190	699	21.9% ↑
Profit/(Loss) Before Tax	3,067	(877)	3,944	+100% ↑

(i) Continuing operations

(ii) Unaudited non-IFRS financial table

(iii) Includes net reversal of impairment of brand names in prior period.

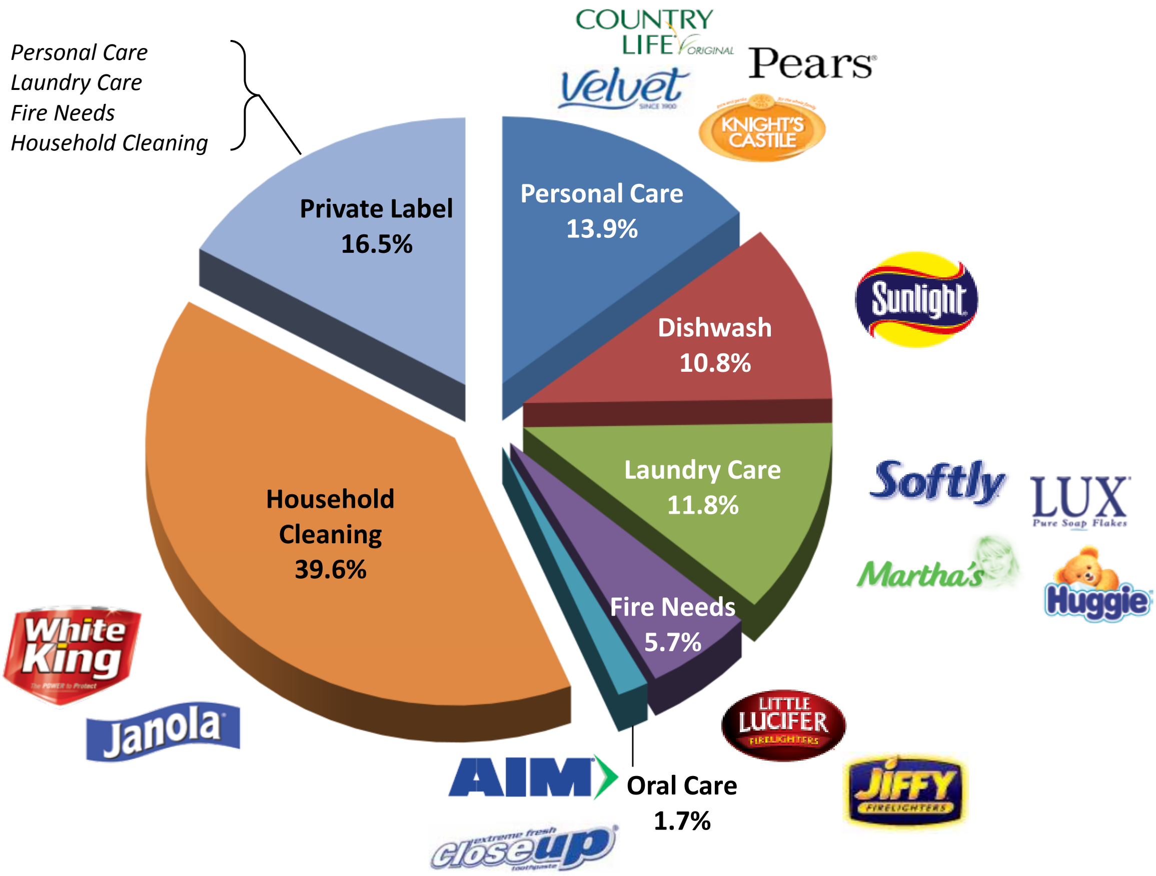
Highlights during the half included:

- Gross sales rose 3.2%;
- Consumers Products (continuing operations) EBITDA increased by 37.1% to $4.903 million;
- Finance costs decreased by $3.245m million to $0.822 million;
- Net profit after tax increased by $1.900 million to $2.147 million
  – primarily from previously announced reductions in finance costs;
- Earnings per share of 0.14 cents (Dec 2012: 0.07 cents);
- Net debt of $4.696m with gearing (net borrowings / equity) at 6.7% compared to 30 June 2013 of 13.2%;

- The early exercise of the Loyalty options raised $5.661 million (net of costs and tax), with Piggy Back options issued to Loyalty option holders who had exercised early;
- The upgraded bleach plant efficiency is expected to continue to improve and is ready for the new private label volume in the second half;
- Capital expenditure for the half includes:
  - remaining costs of the bleach plant relocation and upgrade;
  - installation of the new case packer (stage 2 of the bleach plant project) which occurred over December 2013 and January 2014; and
  - packaging equipment for new wax firelighters.

Following the successful execution of many Profit Delivery Projects ("PDPs") during the 2013 financial year, new PDPs have been created which will enable the business to continue to be a low cost producer whilst delivering quality, innovation and exceeding customer needs in this highly competitive and challenging FMCG market.

Product innovation will continue to be one of the key elements of maintaining and growing our brands, supported by expanding our private label business at acceptable margins. Pental operates in a number of categories that are driven by leading brands, with private label exposure. The sales mix for the half year is as follows:



The back end of the first half saw the business win a number of new private label tenders on the back of a more efficient bleach manufacturing plant and has successfully gained ranging on a number of new products that will commence in February 2014. Some of the major successes were:

- Launch of the individually wrapped non-toxic wax firelighters – first to market in Australia & New Zealand;
- Ranging confirmation of White King 4 in 1 In-bowl Cleaner - the overall "market" segment for in-bowl cleaning is worth $51 million;
- Rejuvenated and reformulated Velvet soap as a Beauty Bar;
- Refreshed Martha Gardener as "Martha's" with new packaging;
- Launched a new Sunlight variant "Power Burst", which has been successfully accepted in New Zealand;
- Launch of Janola Marble Citrus in New Zealand has boosted brand growth in the in-cistern category;
- Securing the Private Label tenders for bleach in Woolworths, Coles & Aldi; and

- Securing the Private Label tender for the 24 pack Fire Lighters in Mitre 10.

Through these initiatives, sales increased 3.22%. On a geographic basis, sales in the Australian market increased by 2.72% while in the New Zealand sales increased 8.37% (15.07% in New Zealand dollars).

Trade spend (sales rebates) at 26.46% of gross sales was consistent to the same period last year.

Gross margins have continued to improve through the successful execution of many Profit Delivery Projects. Further improvement is expected with the bleach manufacturing process in the second half, as production flow continues to be refined and the plant increases throughput with the new private label business.

The cost of doing business (comprising of all operational costs and excluding gross margin, trade spend and other income) was marginally above the prior period predominately due to:

- rental cost arising after the sale and leaseback of the Shepparton properties and for the relocated corporate office;
- increased depreciation arising from new capital investment;
- integration of corporate office employees (reduced in number following the group restructure) previously shared with the discontinued operations; offset by
- lower marketing costs due to timing of activities to occur in the second half.

Net borrowings decreased by $3.516 million to $4.696 million, arising from the improved cash flow from operations and the early exercise of the Loyalty options that raised $5.751 million (gross proceeds). Gearing net of cash (net borrowings/equity) at the half year was 6.7% (June 2013: 13.2%). As a result, finance costs decreased by $3.245 million.

The capital raising from the early exercise of loyalty options, debt reduction initiatives in prior periods and the successful turnaround of the business have enabled Pental to once again renegotiate its funding facilities. The new $16 million, three year banking facility (effective 25 February 2014) with its principal banker ANZ, will enable the business to consolidate its funding facilities with one provider at a more competitive interest rate, under normalised terms and conditions. This removes any restrictions on future dividend payments and capital investment.

Environmental Regulations

As reported in the 30 June 2013 annual report, the Group's operations are subject to a number of environmental regulations in relation to its manufacturing sites.

On 29 January 2014, the Pollution Abatement Notice (PAN) issued in January 2013, was revoked by the Environmental Protection Authority (EPA) following the EPA's appointed auditor recommendation that no further work or remedial action be required to be undertaken by the Company on its former Port Melbourne site.

In relation to the Shepparton manufacturing site, work has commenced on the removal of the diesel underground storage tanks (UST), with further testing to be completed once the UST/lines have been removed.

Outlook

The general business conditions, in an extremely competitive FMCG market, are expected to remain consistent with the first half. The major focus will continue to be on product innovation, supported by improving manufacturing efficiency and sourcing of material/products, whilst leveraging our Australian made and owned status for branded and private label products.

With the successful capital raising from a significant number of Loyalty Option holders exercising their options, Pental is currently undertaking the technical scope of works to commence the capital expenditure projects detailed in the Piggy back options prospectus dated 15 November 2013.

Dividend

With the success of the business turnaround strategy to date, assuming continuation in the current financial performance and market conditions in the second half, and barring other unforeseen circumstances, the Board will evaluate the payment of dividends on completion of the 2014 financial year.

With respect to the half year ended 29 December 2013, no interim dividend was declared or paid.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the half-year financial report.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

Peter Robinson
Chairman
Melbourne, 27 February 2014

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

Board of Directors
Pental Limited
Level 6, 390 St Kilda Road
MELBOURNE, VIC 3004

27 February 2014

Dear Board Members

Auditor's Independence Declaration – Pental Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pental Limited.

As audit partner for the review of the financial statements of Pental Limited for the half year ended 29 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Andrew Reid
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 3 9671 7000
Fax: +61 3 9671 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of Pental Limited

We have reviewed the accompanying half-year financial report of Pental Limited, which comprises the condensed consolidated statement of financial position as at 29 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 29 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pental Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pental Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pental Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 29 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Andrew Reid

Partner

Chartered Accountants

Melbourne, 27 February 2014

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 29 December 2013 and performance for the half year ended on that date of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Peter Robinson
Chairman
Melbourne, 27 February 2014

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 29 December 2013

		Consolidated	
		Half-year ended	
	Note	29 Dec 2013 $'000	31 Dec 2012 $'000
Continuing Operations			
Gross sales revenue		53,803	52,125
Sales rebates and discounts		(14,236)	(13,812)
Sales revenue		39,567	38,313
Other revenue/other income		431	378
Changes in inventories of finished goods and work in progress		(754)	3,730
Raw materials, consumables used and utilities		(20,597)	(25,131)
Employee benefits expense		(5,752)	(5,159)
Depreciation expense		(1,014)	(529)
Freight expense		(4,034)	(4,691)
Repairs and maintenance expense		(405)	(383)
Marketing expense		(1,538)	(2,032)
Other expenses		(2,015)	(1,449)
Net reversal of impairment of brand names		-	143
Profit from continuing operations before interest and tax		**3,889**	**3,190**
Finance costs		(822)	(4,067)
Profit/(loss) from continuing operations before tax		**3,067**	**(877)**
Income tax (expense)/benefit		(920)	256
Net profit/(loss) from continuing operations		**2,147**	**(621)**
Net profit from discontinued operations	5	-	868
Profit Attributable to Members of the Parent Entity		**2,147**	**247**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on cash flow hedges taken to equity		(126)	(15)
Income tax relating to components of other comprehensive income		38	5
Other comprehensive income/(loss) for the period (net of tax)		(88)	(10)
Total comprehensive income for the period		**2,059**	**237**
Earnings/(loss) per share Attributable to the Members of the Parent Entity from Continuing and Discontinued Operations			
From continuing and discontinued operations:			
Basic (cents per share)		0.14	0.07
Diluted (cents per share)		0.13	0.07
From continuing operations			
Basic (cents per share)		0.14	(0.17)
Diluted (cents per share)		0.13	(0.17)

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Condensed consolidated statement of financial position as at 29 December 2013

	Note	Consolidated 29 Dec 2013 $'000	Consolidated 30 Jun 2013 $'000
Current Assets			
Cash and cash equivalents		7,860	5,476
Trade and other receivables		23,211	22,434
Inventories		9,510	10,264
Other		537	380
Total Current Assets		**41,118**	**38,554**
Non-Current Assets			
Property, plant and equipment		12,855	10,699
Deferred tax assets		2,574	3,418
Goodwill		25,084	25,084
Brand names		14,728	14,728
Other intangible assets		455	521
Total Non-Current Assets		**55,696**	**54,450**
Total Assets		**96,814**	**93,004**
Current Liabilities			
Trade and other payables		12,374	13,506
Borrowings		1,500	1,632
Other financial liabilities		307	810
Provisions		1,667	2,810
Total Current Liabilities		**15,848**	**18,758**
Non-Current Liabilities			
Borrowings		11,056	12,056
Provisions		107	108
Total Non-Current Liabilities		**11,163**	**12,164**
Total Liabilities		**27,011**	**30,922**
Net Assets		**69,803**	**62,082**
Equity			
Issued capital	4	83,971	78,309
Reserves		(88)	-
Accumulated losses		(14,080)	(16,227)
Total Equity		**69,803**	**62,082**

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Condensed consolidated statement of changes in equity as at 29 December 2013

	Note	Issued capital $'000	Hedging reserve $'000	Accumulated losses $'000	Total $'000
Balance at 30 June 2012		59,783	(3)	(16,203)	43,577
Restatement	1	-	-	(1,917)	(1,917)
Balance at 1 July 2012		59,783	(3)	(18,120)	41,660
Profit for the period		-	-	247	247
Gain/(loss) on cash flow hedges		-	(15)	-	(15)
Deferred tax arising on hedges		-	5	-	5
Total comprehensive income for the period		-	(10)	247	237
Placement of shares		431	-	-	431
Rights issue		18,868	-	-	18,868
Share issue costs		(1,754)	-	-	(1,754)
Income tax on share issue costs		524	-	-	524
Balance at 31 December 2012		**77,852**	**(13)**	**(17,873)**	**59,966**
Balance at 1 July 2013		78,309	-	(16,227)	62,082
Profit for the period		-	-	2,147	2,147
Gain/(loss) on cash flow hedges		-	(126)	-	(126)
Deferred tax arising on hedges		-	38	-	38
Total comprehensive income for the period		-	(88)	2,147	2,059
Options converted to shares		5,751	-	-	5,751
Share issue costs		(127)	-	-	(127)
Income tax on share issue costs		38	-	-	38
Balance at 29 December 2013		83,971	(88)	(14,080)	69,803

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Condensed consolidated statement of cash flows for the half-year ended 29 December 2013

	Consolidated	
	Half-year ended	
	29 Dec 2013 $'000	31 Dec 2012 $'000
Cash flows from operating activities		
Receipts from customers	63,562	102,365
Payments to suppliers and employees	(61,768)	(98,840)
Interest and other costs of finance paid	(822)	(3,345)
Interest received	23	10
Income tax received	-	172
Net cash provided by operating activities	995	362
Cash flows from investing activities		
Payment for property, plant and equipment	(3,069)	(234)
Payment for other intangible assets	(34)	-
Proceeds from sale of property, plant and equipment - deposit	-	5,000
Net cash provided by/(used in) investing activities	(3,103)	4,766
Cash flows from financing activities		
Repayment of borrowings	-	(5,944)
Proceeds from issue of shares	5,751	19,299
Payment for share issue costs	(127)	(1,754)
Net cash provided by financing activities	5,624	11,601
Net increase/(decrease) in cash and cash equivalents	3,516	16,729
Cash and cash equivalents at the beginning of the period	4,344	3,722
Cash and cash equivalents at the end of the period	7,860	20,451

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the adoption of the new and revised accounting policies' discussed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB13.
- Revised AASB 119 Employee Benefits and AASB 2012-10 Amendments to Australian Accounting Standards arising from AASB 119.
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.
- AASB 2012-2 Amendments to Australian Accounting Standards- Disclosures- Offsetting Financial Assets and Financial Liabilities.
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements from 2009-2011 Cycle.

The adoption of all new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half years. However, the adoption of AASB 13 has resulted in new disclosure requirements in the Group's half year financial statements. These disclosures are contained in Note 6 to the financial statements.

The report presents the results of the current period, which comprised the 26 week period that commenced 1 July 2013 and ended 29 December 2013. The prior period results was based on 6 month period that commenced on 1 July 2012 and ended on 31 December 2012.

Restatement of trade and other payables (trade spend liability)

As disclosed in the 2013 annual report, following the restructure of the Group in the 2013 financial year, the new management team conducted a review of all sales related balances of the Consumer Products business. The review highlighted the need to improve its processes around tracking trade spend and promotional activities. As a result, new processes have been implemented to increase the granularity of information captured and improve the ability to measure the success of sales promotions activities, and the tracking of related trade spend liabilities.

The review highlighted that, in prior periods, Pental had consistently but incorrectly estimated period-end trade spend liabilities. Pental believed that this estimate fully accounted for trade spend liabilities to customers relating to the relevant period end.

It was impracticable to allocate the increased sales promotions liability between opening balance liabilities due to the level of granularity of information available in prior periods. Accordingly, opening retained earnings for the period ended 31 December 2012 was reduced by $1.917 million as a result of an increase in the opening trade spend liability of $2.739 million and a net decrease in tax liabilities of $0.822 million. These adjustments do not affect the current half year profit or the result of the prior period.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is more specifically focused on the Group's operating divisions.

The Group comprises the following main segments, based on the Group's management reporting system:

Segment	**Product**
Consumer products (continuing operations)	Soaps, Detergents, Bleach and other fast moving consumer goods
Specialty chemicals (discontinued operations)	Oleine, Stearine, Glycerine, Distilled Fatty Acids

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by primary business operating division.

	Consumer Products (Continuing Operations)		**Specialty Chemicals** (Discontinued Operations)		**Total**	
	29 Dec 2013 $'000	**31 Dec 2012 $'000**	**29 Dec 2013 $'000**	**31 Dec 2012 $'000**	**29 Dec 2013 $'000**	**31 Dec 2012 $'000**
Segment Revenue						
Gross Sales	53,803	52,125	-	30,066	53,803	82,191
Less rebates and discounts	(14,236)	(13,812)	-	-	(14,236)	(13,812)
	39,567	38,313	-	30,066	39,567	68,379
Segment Results						
Profit/(Loss) before significant income and expenses, finance costs and tax	3,889	3,052	-	(227)	3,889	2,825
Other income/(expenses) – significant items	-	143	-	1,574	-	1,717
Segment earnings before interest and tax	3,889	3,195	-	1,347	3,889	4,542
Eliminations					-	(5)
Finance costs					(822)	(4,076)
Profit/(Loss)before tax					3,067	461
Income tax benefit/(expense)					(920)	(214)
Consolidated Profit/(Loss) for the year					2,147	247

Other income/(expenses) – significant items: For details in relation to Consumer Products – refer to consolidated statement of profit or loss and other comprehensive income. For details in relation to Speciality Chemicals – refer to Note 5.

The segment result represents the profit/(loss) earned by each segment without allocation of finance costs and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment:

	29 Dec 2013 $'000	30 Jun 2013 $'000
Consumer products (continuing operations)	95,547	90,536
Specialty chemicals (Holding Company)	78,600	80,288
Intercompany eliminations	(77,333)	(77,820)
Total segment assets	**96,814**	**93,004**

3. Dividends

During the period, Pental Limited did not make any dividend payments and the Directors do not propose the payment of an interim dividend in respect to the half year ended 29 December 2013 (31 December 2012: nil).

4. Issuances, repurchases and repayments of equity securities

On 15 November 2013 the Company issued a Piggy Back Options Prospectus to encourage Loyalty Option holders to exercise their Loyalty Options early. Loyalty Options holders that exercised their right by 29 November 2013 to acquire one fully paid ordinary share were issued one free Piggy Back option. As a result the Company issued 287,838,746 Piggy Back Options and 287,569,536 shares during the 26 weeks ending 29 December 2013, raising $5.751 million less share issue costs of $0.089 million (net of tax).

Options

As at 29 December 2013, the Company had 87,611,644 Loyalty Options (ASX code: PTLO) on issue, exercisable on a 1:1 basis for entitled ordinary shareholders at an exercise price of $0.02. The Loyalty Options expire on 11 September 2014 and carry no rights to dividends and no voting rights.

The company also has 287,838,746 Piggy Back Options (ASX code: PTLOA) on issue exercisable on a 1:1 basis for entitled ordinary shareholders at an exercise price of $0.03. The Piggy Back Options expire on 6 June 2015 and carry no rights to dividends and no voting rights.

	6 months to 29 Dec 2013 No.	12 months to 30 Jun 2013 No.
Share Capital		
Opening balance of ordinary shares, fully paid	1,504,398,685	191,593,493
Placement of shares	-	28,739,023
Rights issue	-	1,283,746,959
Options converted to shares	287,569,536	319,210
Balance at end of financial period	1,791,968,221	1,504,398,685
Fully paid ordinary shares	**$'000**	**$'000**
Balance at beginning of financial period	78,309	59,783
Placement of shares	-	431
Rights issue	-	19,256
Options converted to shares	5,751	6
Share issue costs	(127)	(1,683)
Income tax relating to share issue costs	38	516
Balance at end of financial period	83,971	78,309

5. Discontinued Operations

Following a strategic review of its operations reported at the 31 December 2011 half year, the Group announced the closure of its loss making Specialty Chemicals business on 2 November 2012 as the business was no longer commercially viable.

The profit/(loss) for the period from the discontinued operations is analysed as follows:

	29 Dec 2013 $'000	31 Dec 2012 $'000
Revenue	-	30,066
Operating expenses	-	(30,293)
Significant expenses		
- Employee restructuring costs	-	(6,891)
- Closure costs	-	(1,535)
- Debt forgiveness	-	10,000
Profit/(loss) before interest and income tax	-	1,347
Finance costs	-	(9)
Income Tax (expense)/benefit	-	(470)
Profit/(loss) after income tax	**-**	**868**

6. Fair value measurements

The only financial assets or financial liabilities carried at fair value are interest rate swaps and foreign currency contracts. The directors consider the interest rate swap and foreign currency contracts to be Level 2 financial instruments because, unlike Level 1 financial instruments, their measurements are derived from inputs other than quoted prices that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices). There have been no transfers between level 1, 2 and 3 for recurring fair value measurements during the half-year. The interest rate swaps and foreign currency contracts fair values have been obtained from third party valuations derived from discounted cash flow forecasts of forward rates (from observable yield curves at the end of the reporting period) and contract rates.

The fair value of the interest rate swaps at 29 December 2013 was a liability of $181 thousand (30 June 2013: $810 thousand)

The fair value of the foreign currency contracts at 29 December 2013 was a liability of $126 thousand (30 June 2013: Nil).

The directors consider that the carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

7. Subsequent events

The following event occurred subsequent to balance date:

Finance Facility

On 25 February 2014, the Company entered into a new three year banking arrangement with its principal banker, ANZ. This will allow the business to consolidate its funding facilities to one provider at a more competitive interest rate, with normalised terms and conditions, which removes any restrictions on future dividend payments and capital investment. The total facility is for $16 million. The Receivable Finance Facility with GE Capital will be discontinued.