



13 December 2016

ASX ANNOUNCEMENT

Response to ACCC proceedings

The Australian Competition and Consumer Commission (ACCC) has instituted proceedings against Pental Limited and Pental Products Pty Ltd (**Pental**) in the Federal Court today. The proceedings relate to claims made by Pental on the packaging for its White King Bathroom Wipes and on its websites that the wipes were flushable and/or that they disintegrate like toilet paper, which the ACCC alleges to be false, misleading or deceptive conduct.

The product packaging was inherited by Pental from a major international company with a long history of selling consumer products. Accordingly, Pental held the belief that the labelling and packaging of the White King Bathroom Wipes were in conformity with all relevant legal requirements.

In September 2014, Pental undertook its own review of the White King Bathroom Wipes packaging and removed the claims relating to disintegration like toilet paper. This was well prior to any ACCC investigation or any controversy about 'flushability' claims.

Pental continued to sell the White King Bathroom Wipes as 'flushable' products as it believed that flushing down the toilet was a suitable means of disposal for the product. There is no legal standard for flushability and therefore there is an inherent degree of ambiguity about the meaning of that term.

Nevertheless, in response to the ACCC's concerns, Pental took action to remove the word 'flushable' from the White King Bathroom Wipes packaging and its websites in or around July 2016.

Pental takes its obligations under the *Competition and Consumer Act 2010* (Cth) seriously. Pental has fully co-operated with the ACCC since it commenced an investigation in February 2016.

Pental is therefore disappointed that the ACCC has decided to issue proceedings despite Pental's proactive approach in removing the claims of concern to the ACCC and the fact that other larger multinational companies continue to sell similar products labelled as 'flushable'.

Pental will keep the market informed of developments.

About Pental Limited

Pental is Australia's largest manufacturer of soap, supplying its own brands of Country Life, Natural Selections, Sunlight, Velvet, Knights Castile and Lux Flakes, together with the sale of icon brands such as White King, Janola, Jiffy Firelighters, Softly premium wool wash, Huggie fabric softener, Country Homestead wool mix, Sureguard moth and silverfish repellent, Hi Speed iron cleaner and Aim toothpastes. More information on Pental is available at: www.pental.com.au



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