



24 August 2015

ASX ANNOUNCEMENT

Pental Full-Year Result

Underlying Net Profit Before Tax Higher; Gross Sales Rise in Tough Market

Performance Highlights

Underlying Net Profit Before Tax up 15.6% to \$8.020 million;

Net Profit after Tax and One-Off Items (employee restructuring cost and plant and equipment impairment charge of \$0.985 million) down 4.7% to \$5.087 million;

Gross Sales up 1.62% to \$111.150 million;

Final Dividend 1.80 cents per share fully franked;

Significant increase in net cash position to \$11.040 million.

OVERVIEW

Pental Limited Chief Executive Officer, Charlie McLeish, said the latest results showed the Company was continuing to improve its overall financial position ahead of its previously announced manufacturing facility enhancements, which are expected to further increase profitability and sales in the medium term.

"I'm very pleased to announce these results as they show our balance sheet is getting stronger over time and that, with our current \$5.3 million capital expenditure program underway, zero debt and healthy cash reserves, Pental is very well positioned to expand capacity, reduce costs, and pursue additional growth opportunities.

"Since setting a new strategic direction three years ago, Pental has grown its gross sales and underlying Net Profit Before Tax (NPAT) year-on-year in a highly competitive market and continues to make positive inroads on delivering against our strategic objectives."

"Also, as per our commitment to delivering returns to our loyal shareholders, the company will be paying out 61% of underlying earnings as fully franked dividends."

Pental Chairman, Peter Robinson added: "We delivered strong growth in branded sales in Australia of 5.7% and tactically defended our market position in New Zealand in the face of aggressive promotional campaigns by competitors."

"Our leading brands continued to be strengthened through product innovation and marketing investment, such as the White King advertising television campaign in the first half. This not only ensured Pental's core brand remained strong and front of mind in the marketplace but produced an increase in sales of featured products."

"A refresh of the Shepparton manufacturing team has seen a significant cultural change in the business, driving our core values around Customers, People, Quality, Fairness and Safety."



PENTAL LIMITED

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This has improved performance of the site and has facilitated in accelerating the execution of our manufacturing strategy.”

“We delivered a solid result for the 2015 financial year, enabling the Company to pay a total dividend for the financial year of 2.58 cents per share (based on shares issued at 28 June 2015). A fully franked final year dividend of 1.80 cents per ordinary share will be payable to shareholders on 30 September 2015, with a record date of 11 September 2015.”

OUTLOOK

The continued positive direction of Pental remains steadfastly based on leveraging the power of our brands and a strong culture of product innovation. New products drive sales growth and brand strength provides margin support. Private label continues to be an important growth channel but, as with brand products, the key focus will be on continuing to compete on value rather than price alone.

Strengthening our manufacturing capabilities to become a leading low-cost producer through process improvements and further capital investments, and investing to grow our power brands, are cornerstones in our strategic plans. Our strategy also includes pursuing growth in new markets such as Asia and new channels such as commercial and industrial, where we will continue to invest to grow our capabilities. Similarly, Pental will continue to pursue any value-creating acquisition or distributorship opportunities that may arise in expanding markets with strong growth potential.

As much as brands and new sale markets and channels are important for sales and margin growth, an entrenched culture of active cost control via Profit Delivery Project initiatives ensures Pental remains equipped to profitably grow in a highly competitive grocery retail market.

The Board and management remain of the firm belief that strong brand management supported by innovation, a continued focus on driving manufacturing costs down and tight cost controls provides the foundations that will improve shareholder returns over the long term.

For further information, contact:

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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

