

ASX ANNOUNCEMENT



2 November 2012

Symex Holdings Limited announces business turnaround and capital raising of up to A\$23.5m

Major restructuring

Symex Holdings Limited (**Symex** or **Company**) is pleased to announce details of its business turnaround and capital raising that will position the Company for the future:

- a placement and a 7 for 1 renounceable rights issue raising up to \$23.5m;
- a sole focus on the *Pental Consumer* products business (**Pental**) and a proposed change of Company name to Pental Limited;
- a new strategic investor in the Saleslink Group, a major FMCG marketing and sales organisation;
- the closure of the loss making *Speciality Chemicals* business (Oleo business);
- major asset sales with its Port Melbourne property contracted to be sold for \$25m and an option deed over its Shepparton property which will realise at least a further \$6m by June 30, 2013;
- a new 3 year banking facility with the ANZ; and
- a new management team.

Capital raising highlights

- The Company is undertaking a capital raising of up to approximately \$23.5m at an offer price of \$0.015 per share to existing and new shareholders through a placement and a seven for one renounceable rights issue (**Offer**).
- Total of up to 1,762m shares will be on issue after completion of the Offer.
- The proceeds of the Offer will be used to restructure the Company's operations and substantially improve balance sheet ratios.
- The Directors have indicated their intention to take up their rights.
- Commitments totaling \$13.8m (including the placement referred to below) have been received.

- Symex has forecast earnings guidance for FY13 of \$10m EBITDA on revenue of \$111m for Pental on a pro forma basis.

Details of the capital raising

Placement

On 2 November 2012 Symex agreed with Sales Link Australasia Pty Ltd atf The Saleslink Group Investments Trust (**Sales Link**) to issue approximately 13.7% of its expanded capital¹, being in aggregate 242,333,333 shares to Sales Link, for an aggregate amount of \$3,635,000 at \$0.015 per share.

The above issue of Shares to Sales Link comprises the issue of:

- 28,739,023 shares to raise \$431,085 representing approximately 15% of the current shares on issue, as soon as reasonably practicable after the lodgment with ASIC of the prospectus for the Offer (**Placement**); and
- 213,514,310 shares to raise \$3,203,915 under the rights issue.

The Company has also entered into an exclusive sales agent agreement with Sales Link for sales to independent stores that acquire the Company's products from Metcash Limited, *Officeworks* and certain hardware and convenience stores. Additionally, the Company has entered into an exclusive sales agent agreement with Pharmalink Pty Ltd (a Sales Link related entity) for sales to pharmacy wholesalers, direct purchase pharmacy retailers and *Priceline*. Each agreement has a minimum term of 2 years and the sales agent is to receive commissions at market rates.

Sales Link maintains a national network of offices across Australia and New Zealand and operates in the grocery industry providing account management and marketing services.

Offer

- Symex is raising up to \$23.5m under the Offer or a maximum of 1,542m shares under the rights issue and 28.7m shares under the placement. No shareholder approval is required for the Offer. All new shares will rank equally with existing shares.
- Renounceable pro rata rights issue to all shareholders on the basis of seven new shares for every one share held at 7pm (Melbourne time) on 13 November 2012 and at an issue price of \$0.015 per share (**Rights Issue**).
- Shortfall facility to allow shareholders to apply for new shares in excess of their entitlement.
- A timetable for the Offer is set out below.

¹ Assumes all the rights under the Offer are exercised and the Company has approximately 1,762m shares on issue.

A prospectus in relation to the Rights Issue was lodged with ASIC and ASX today (**Prospectus**) and is available on the ASX website(www.asx.com.au) and on Symex's website (www.symex.com.au).

The Offer price of \$0.015 per new share represents a discount of:

- 80% to the closing price of Symex's shares on the ASX on 29 June 2012;
- 82% to 10 day VWAP to the closing price of Symex's shares on the ASX on 29 June 2012;
- 84% to 30 day VWAP to the closing price of Symex's shares on the ASX on 29 June 2012; and
- 33% to the theoretical ex rights price (TERP)².

After the successful completion of the Offer, the Company intends to offer shareholders one free *Loyalty Option* for every four shares held at an exercise price of \$0.02 and with an 18 month expiry date. The offer of the *Loyalty Options* will be made under a separate prospectus which will be provided to eligible shareholders with a record date likely to be in February 2013. Any shareholders who wish to acquire *Loyalty Options* will need to complete the application form accompanying the prospectus for the Loyalty Options. The exercise of the *Loyalty Options* will provide the Company with additional equity within the next 18 months.

M&A Partners is acting as the Company's financial adviser. Patersons Securities Limited is acting as sole lead manager to the Offer. Minter Ellison is acting as the Company's lawyers.

Rationale for the Offer

The Company is undergoing significant transformation with a substantial restructuring and the establishment of a platform for sustainable growth focusing on the core Pentol business.

- Increased flexibility to invest in key brands and drive organic growth.
- Strengthened balance sheet will allow future funding flexibility.
- A full take up of the Rights Issue will see a further reduction in bank debt.

Use of Funds

It is expected that the proceeds from the Offer (less associated costs) will be used to provide:

- capital to restructure the group including the enhancement of the bleach plant and the closure of *Specialty Chemicals* business; and
- working capital to invest in the Company's brand portfolio and drive organic growth.

² Assumes all the rights under the Offer are exercised and the Company has approximately 1,762m shares on issue.

FY13 Earnings Guidance

Symex has forecast earnings guidance for FY13 of \$10m EBITDA on revenue of \$111m for Pental on a pro forma basis.

The FY13 forecast EBITDA is driven by operational improvements and *Profit Delivery Projects* including:

- brand turnaround - consolidating brands and increasing marketing /advertisement spending;
- product turnaround - new product design and product innovation; and
- substantially reduced fixed cost base resulting from restructuring across:
 - warehousing and transporting;
 - improved manufacturing processes;
 - price increases with major retailers;
 - reduction of raw material costs through formulations of materials and improved supply arrangements;
 - new trading arrangements in New Zealand resulting in the reduction of trade spending and commissions; and
 - introduction of new products to market.

The FY13 guidance is based on assumptions including:

- no improvement in current Australian retail conditions which are expected to remain challenging for the foreseeable future; and
- no major changes in the domestic customer landscape.

Please refer to the Prospectus for further details regarding the assumptions and sensitivity analysis underlying the forecasts.

Alan Fisher, CEO of Symex, commented that “Symex is enjoying a stronger position today as a direct result of the numerous initiatives the new management team have executed over the last year”. The Company restructure has allowed management to focus on the core profitable Pental business – prioritising the innovation and growth within its highly regarded core brands.

Shareholder enquiries

Eligible shareholders will be sent a copy of the Prospectus and entitlement and acceptance form on or around 15 November 2012. In addition, further information on the transaction can be found in the capital raising investor presentation released to the ASX today.

Timetable for the Offer

Announcement of Offer	2 November 2012
Ex date and rights trading commences	7 November 2012
Record Date (7.00 pm Melbourne time) for right to participate in Offer	13 November 2012
Prospectus and entitlement and acceptance form dispatched	15 November 2012
Opening date for the Offer	15 November 2012
Rights trading ends	22 November 2012
Deferred settlement trading commences	23 November 2012
Closing date for lodgement of entitlement and acceptance forms and payment	29 November 2012
ASX notified of under subscriptions	4 December 2012
Allotment of new shares under the Offer	6 December 2012
Dispatch of holding statements	7 December 2012
Trading for new shares commences on a normal basis	7 December 2012

Note: the above timetable is indicative only and subject to change. All references to time are in Melbourne time. The Company reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend the indicative timetable set out above or to withdraw the Offer at any time.

The Placement and Renounceable Right Issue is arranged by M&A Partners Pty Ltd (AFSL 333092) who are Advisers to the Company.

About Symex

Symex is an ASX listed manufacturer and supplier of fast moving consumer goods (**FMCG**). The core business operates as *Pental*, providing a range of family products to Australia and New Zealand for more than 50 years. Pental is Australia's largest bar soap, firelighters and bleach manufacturer. Its core business is cleaning being a leading supplier of retail products for both personal care and home cleaning.

For more information on Symex and Pental visit their web sites at www.symex.com.au and www.pental.com.au and for comment contact Albert Zago (CFO) on 03 9251 2371.

About M&A Partners

M&A Partners is a boutique corporate advisory business established by principals Mark Hardgrave and

Antony Lynch. M&A Partners specialize in providing advice to public and private companies relating to mergers, acquisitions and disposals; Corporate Restructurings ; Privatisations; Strategic and Financial advice and debt and equity capital raisings.

Further information can be found at: www.mapartners.com.au.

Important Information

This announcement should be read in conjunction with the Capital Raising Presentation lodged with ASX today, including all key risks.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the new shares nor the rights have been, or will be, registered under the U.S. Securities Act of 1933 (**US Securities Act**) or the securities law of any state or other jurisdiction of the United States. Accordingly, the rights, and the new shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirement of the U.S Securities Act and any other applicable state securities laws.

