30 August 2013

FULL YEAR RESULTS

Pental Limited (Pental or the Group) today released its Financial Report for the year ended 30 June 2013.

Pental announced a consolidated Net Profit After Tax (NPAT) for the year ended 30 June 2013 of $1.89 million (FY 12 Net Loss After Tax $61.39 million). The NPAT is $1.73 million higher than the 2 November 2012 Prospectus forecast. The result includes all restructuring and closure costs.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of the Consumer Products business (continuing operations) was only marginally below the Prospectus forecast. The difference between the reported NPAT and the underlying EBITDA from continuing operations is shown in the table (i) below:

	$'000
Reported NPAT	**1,893**
Net loss from discontinued operations	310
Income tax expense	556
Finance and borrowing costs	5,663
Earnings before interest and tax (EBIT) from continuing operations	**8,422**
One off/Significant items (net)	127
Underlying EBIT	**8,549**
Depreciation and amortisation	1,069
Underlying EBITDA	**9,618**

(i) Unaudited non-IFRS financial table

The year under review was an extremely challenging one for the Group but it was also a year in which the Group took major steps forward to restore shareholder value.

These steps included a significant reduction in debt to a sustainable level; the closure of the unviable Specialty Chemicals business that was completed to plan and a refocusing of the Consumer Products business.

The restructure of the Group is now complete and the directors believe Pental has turned the corner towards a brighter future.

Total borrowings decreased by $49.74 million to $13.69 million. The Group's net debt position at 30 June

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2013 is $8.21 million.

The Consumer Products business increased its underlying EBITDA by 80.1% to $9.62 million following the implementation of the turnaround plan announced in December 2011.

The successful execution of many of the Profit Delivery Projects whilst operating in the challenging Fast Moving Consumer Goods (FMCG) market is a credit to the management team.

The business continued to be under pressure from major retail customers to increase promotional allowances and reduce prices. However management took a balanced approach to these pressures through product innovation, tactical marketing of its core brands, product and supply chain cost reductions, and strategic promotional pricing. As a result it was able to achieve an EBITDA that was only marginally below the Prospectus forecast.

The business signed an exclusive Pears Product distribution agreement for Australia and New Zealand during the year allowing it to build on its strong brands portfolio amongst retail customers. Although sales were down 3.0% on last year, management took a strategic decision not to re-tender for certain business and not to participate in all supplier funded promotions if they returned unacceptable margins.

Management will continue to take this commercially sensible approach whilst still recognising the requirements of its retail customers.

The Group's relocated bleach plant was commissioned in Shepparton on 29 July 2013. The project was completed on time and with no lost sales during the relocation period. The second stage of this upgraded facility is forecast to be operational in November 2013. It will include new packing equipment which will enable the business to grow its private label business whilst continuing to reduce production costs.

Management has identified opportunities to further improve profitability through manufacturing and supply chain efficiencies as well as investment in capital that meet the required investment return hurdle rates. Profit improvement programs will remain a key focus for the business going forward.

For further details please refer to the Review of Operations section of the Directors' Report.

The extremely competitive FMCG market conditions are expected to continue into the foreseeable future. While Pental has a solid brand portfolio, competition for shelf space and pressure on pricing is unlikely to subside.

The restructure of the business has placed the Group in a much stronger position to move forward. The Company intends to maximise the leverage from its Australian made and owned status that will be supported with strong product innovation. The Company will also continue to expand its private label business and keep pursuing alternative sales channels.

Now that the Group's business turnaround plan has been successfully executed and the operations are refocused on the Consumer Products business, the Company will move into the next phase of its 3 year strategic re-invigoration plan and continue to explore future growth opportunities.

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 Close Up and Aim toothpastes. More information on Pental is available at: www.pental.com.au