1H15 Results Presentation

26 August 2015

Peter Diplaris – CEO and Managing Director
Paul Townsend – Chief Financial Officer

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1H15 Results Presentation

Peter Diplaris – CEO and Managing Director

26 August 2015

Deeko | Handee Ultra | Libra | Orchid | purex | Sorbent | TENA | TORK | Treasures | Viti

Highlights

Strong 1H15 Results, FY15 guidance maintained & buyback to commence in 4Q15

- NPAT growth of 15.2% to $32.5m and EBIT growth of 11.8% to $51m
- EBITDA growth of 8.5% to $65.2m
  - Strong performance in Tissue with 15.3% EBITDA growth
  - Personal Care EBITDA growth 3.1% after solid growth in FY14
- Net Debt Leverage ratio at 1.6x EBITDA
- On-market buyback of up to 10% of issued capital (up to $100m) over 12 months to commence in 4Q15
- Unfranked Interim dividend 4 cps
- Strategy on track with market and operational improvement initiatives being executed
- On track to deliver low to mid-single digit growth in EBITDA and NPAT in FY15, despite US$ headwinds
- Earnings levers identified/implemented to help offset potential cost/FX headwinds in FY16

NPAT: $32.5m
+15.2%

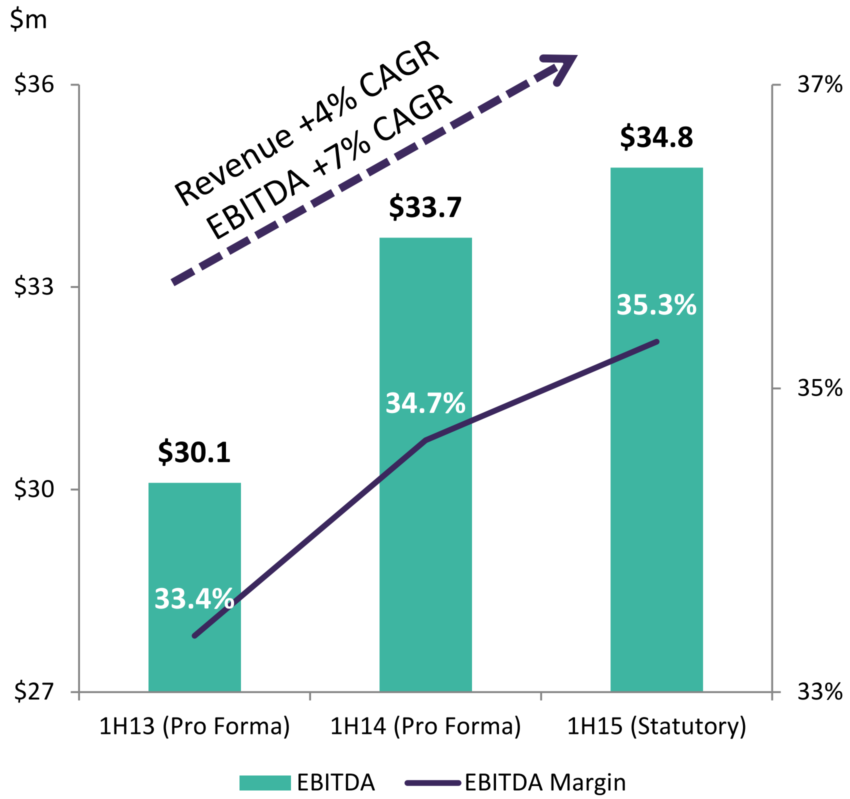
EBIT: $51.0m
+11.8%

EBITDA: $65.2m
+8.5%

Segment Performance: Personal Care

Continued earnings growth and margin expansion

Personal Care EBITDA ($m)



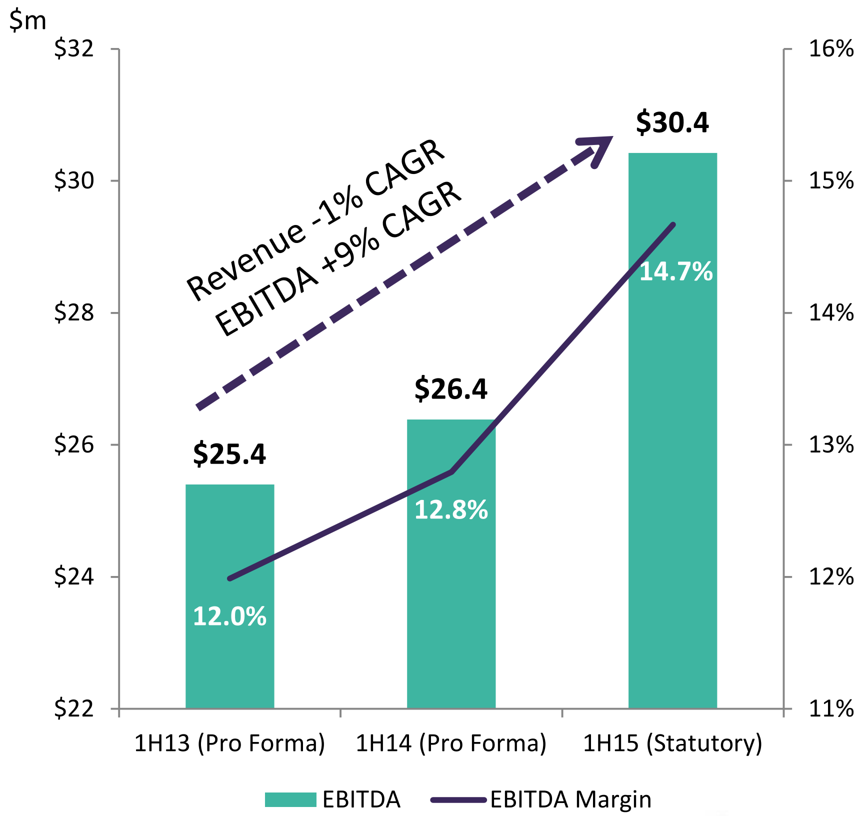
Revenue +1.2m (+1.2%), EBITDA +$1.1m (+3.1%)

- **Performance**
  - EBITDA +3.1% and margin expansion to 35.3% (from 34.7%) after strong growth last year and despite cost impost from FX/raw materials
  - TENA and Libra maintained leading positions in the market
- **Incontinence Care**
  - Sales performing strongly +9.6%, including very strong growth in retail and healthcare
  - New marketing campaign started in April, including TVC, digital & e-commerce
- **Baby Care**
  - Treasures sales growth in Australasia +4.4%
  - Private label sales down -27%
- **Feminine Care**
  - Australian volume share held steady
  - Libra brand marketing program strengthened in 2H15 after investment in 'Live Fearless' campaign (began in July 2015)

Segment Performance: Tissue

Improved sales mix and cost reduction driving earnings growth

Tissue EBITDA ($m)



Revenue +1.2m (+0.6%), EBITDA +$4.0m (+15.3%)

- **Consumer Tissue**
  - Solid sales growth of 4.3% in higher margin Sorbent, Handee Towel, Purex NZ & Viti/Orchid Fiji offset -17% decline in private label NZ and secondary brands (eg Economy NZ)
  - Sorbent quality improved from April and new Sorbent and Handee communication launched in July
  - 1H15 results achieved in a competitive market with a new entrant
- **Professional Hygiene**
  - New contracts and improved sales mix through Tork proprietary products
- **COGS**
  - Benefits generated by Tissue Capital Investment Program and other cost reductions more than offsetting FX cost and inflationary imposts
  - Further initiatives being implemented in 2H15 to reduce cost, including SKU simplification, fibre initiatives and other operational efficiency improvements.

FY15 Outlook

FY15 guidance unchanged

EBITDA	Low to mid-single digit growth
NPAT	Low to mid-single digit growth
Capex	Approx. $15m in maintenance capex and $8m in deferred growth capex
Free Cash Flow	$95m to $100m before change in Working Capital
Capital Management	**Clear principles:** 1) Dividend policy: Distribute 70-80% of statutory NPAT 2) Optimal gearing range: 1.5x to 2.5x EBITDA 3) Distribute excess cash to shareholders unless reinvest; Gateway for reinvestment - return to exceed hurdle rate above Asaleo Care WACC **Implementation:** On-market buyback of up to 10% of issued capital (up to $100m) over 12 months to commence in 4Q15

1H15 Results Presentation

Paul Townsend – Chief Financial Officer

26 August 2015

1H15 Results vs. Pro Forma 1H14

Strong Performance and on target for FY15 guidance

Consolidated $Am	Statutory 1H15	Pro Forma 1H14	% Change
Revenue	305.9	303.6	0.8%
Cost of Sales	(179.4)	(182.3)	-1.6%
Gross profit	**126.4**	**121.3**	**4.2%**
Distribution expenses	(37.0)	(35.7)	3.6%
Sales, Marketing & Admin	(36.5)	(37.1)	-1.5%
Other Income/expenses	(2.0)	(3.0)	-31.9%
EBITDA	**65.2**	**60.1**	**8.5%**
Depreciation and Amortisation	14.2	14.5	-1.6%
EBIT	**51.0**	**45.6**	**11.8%**
Net Finance Costs	(5.3)	(6.5)	-18.5%
NPBT	45.7	39.2	16.8%
Income tax benefit/(expense)	(13.2)	(10.9)	21.6%
NPAT (vs Pro Forma)	**32.5**	**28.2**	**15.2%**
NPAT *(vs Statutory)*	32.5	-41.7	n/a

Revenue

- Growth from improved sales mix through increase in sales of core brands of Consumer Tissue , proprietary systems in Professional Hygiene and Incontinence, offsetting decline in private label and secondary lower margin brands.

Cost of Sales

- Reduced cost of sales through tissue capital investment program benefits and non capex and procurement savings, partly offset by adverse FX impacts on raw materials/finished goods pricing and cost-base inflation.

Gross Profit

- 1H15 margin increased to 41.3% from 40.0% in 1H14.

Expenses

- **Distribution**: Increase in line-haul volume in Consumer Tissue and 1H14 line-haul costs lower due to stock move in CY13 in advance of the capital investment program. Increased volumes in Tissue and Incontinence driving higher logistics costs.
- **Sales and marketing & admin:** Decrease in 1H15 due to higher advertising activity in Feminine Care in 1H14 to support new product launches.

EBITDA

- **EBITDA Margin:** Increased to 21.3% from 19.8% in 1H14 due to improved mix and cost reductions despite FX headwinds.
- 1H EBITDA has historically only represented 40-45% of annual EBITDA due to seasonality and a similar profile is expected in FY15.

Net Finance costs

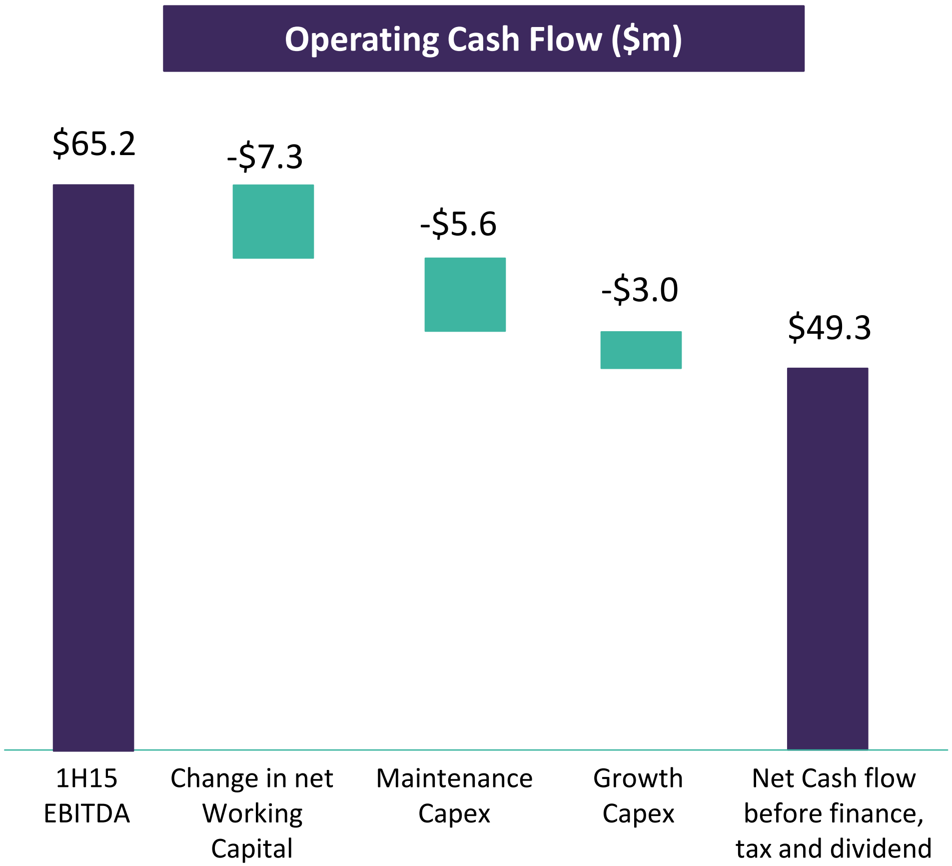
- Reduction due to lower net debt and reduced interest rates.

Statutory NPAT

- 1H14 significantly impacted by non-recurring IPO related expenses.

Operating Cash Flow

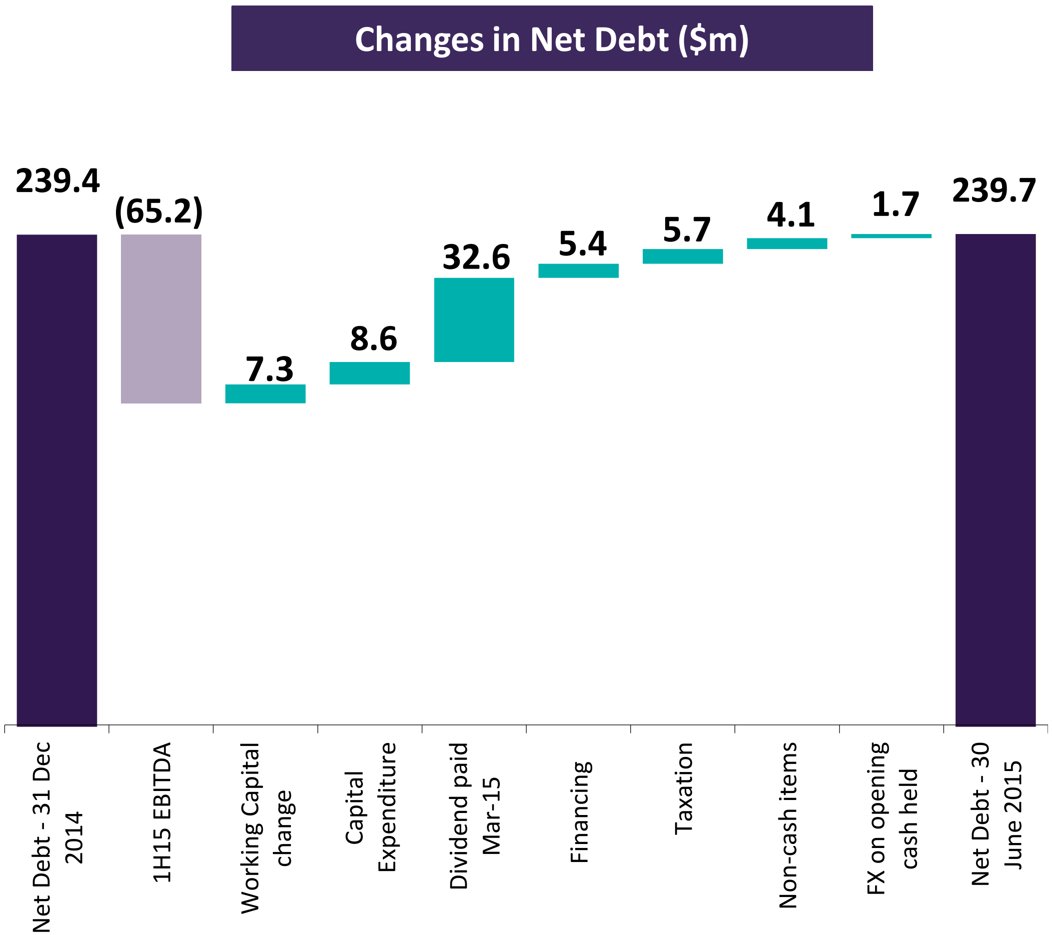
Strong cash generation following completion of Tissue capex program



- **Working Capital**
  - Increase in Consumer Tissue finished goods inventory due to timing of promotional activity
  - Timing of customer ordering and receipt of payments
  - Increase in pre-payments due to timing of annual insurance
- **Maintenance Capex**
  - Base Maintenance Capex expected to be ~$15m in FY15
- **Growth Capex**
  - Related to residual activity and retention payments associated with the Tissue Capital Investment Program

Net Debt Movement

Leverage 1.6x EBITDA



- **Dividend**
  - Dividend of $32.6m was higher than Prospectus forecast as a result of NPAT being higher than forecast
- **Financing**
  - Gross financing cash outflow of ($9.5m) less movement on net interest accrued on drawn debt between 31 Dec 2014 and 30 June 2015 ($4.1m)
- **Tax**
  - No Australian tax payable until FY16
  - Tax paid $5.7m including NZ tax paid of $5.2m & Fiji $0.5m

Debt Management

Net Debt costs to fall following re-pricing

	As at 30 June 2015
Total Facilities	$350m
Drawn Debt	$265m
Cash	$26.0m
Net Debt	$239.7m*

Leverage target range

- Target leverage range between 1.5x and 2.5x to minimise cost of capital and maintain investment grade credit profile.
- Expecting to be at low end of range by 4Q15 (before impact of capital management)

Facilities

- Facility A: $157.5m due 30 June 2017. Average margin 1.10%
- Facility B: $157.5m due 30 June 2019. Average margin 1.30%
- Facility C: $35m due 30 June 2017. Average margin 1.10%

Benefits negotiated from re-pricing in May 2015

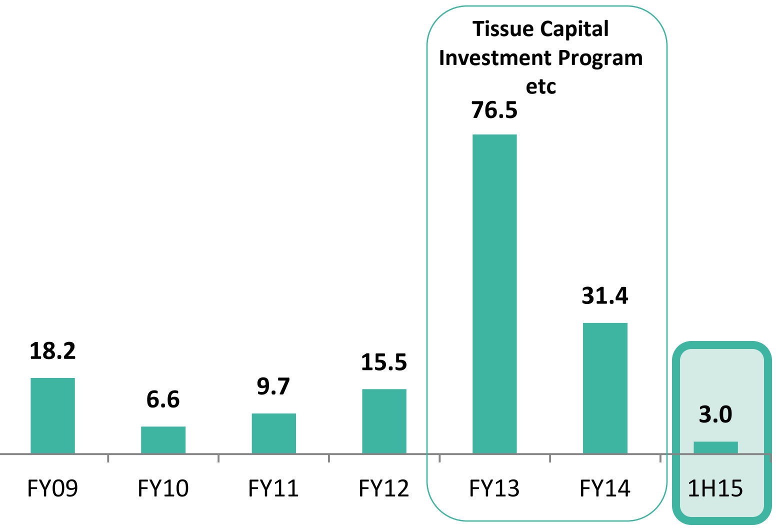
- 20 basis point reduction in margin costs on Facility A, B & C
- Pricing broadly consistent with other investment grade issuers

* After adjusting for accrued interest of $0.7m on drawn debt

Capital Expenditure

No substantial Growth Capex requirements on horizon

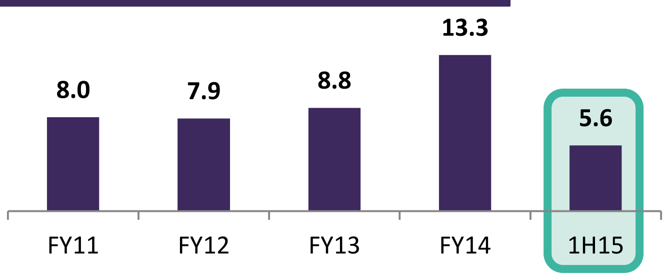
Growth Capex ($m)



Growth Capex

- Tissue Capital Investment Program complete
- 1H15 spend mainly related to peripheral parts of Tissue program and retention payments
- ~$150m invested in upgrading the factories over past 6 years, including:
    - **Tissue:** $106.5m in FY13 to FY14
    - **Personal Care:** $19.3m in FY09 to FY11
    - **Facial**: $13.8m in FY08 & FY09

Maintenance Capex ($m)



Maintenance Capex

- Maintenance Capex spend to be approximately $15m per annum going forward
- 1H15 Maintenance Capex was $5.6m

Capital Management – Principles

Disciplined drive to maximising shareholder returns

Strategic Focus

Focus: 4 key areas for business

- **Product Innovation & Differentiation**
- **Range & Coverage**
- **Distribution Innovation**
- **Cost Reduction & Efficiency**

Strategic enablers →

Optimise Assets

Focus: Deliver Return on Investment

$150m capex invested between FY09 and FY14

Maintenance capex less than depreciation over the medium term

Cash Flow & Profit Growth →

Capital Allocation Framework

Focus: Deliver Return on Investment

Dividends

- Distribute 70-80% of statutory NPAT
- Expect to pay franked dividends from Sept 16

Investments

- Disciplined approach to evaluating investments - organic & inorganic
- Gateway: hurdle rate > Asaleo's WACC

Excess Cash

- Most efficient distribution mechanism judged at the relevant time

Optimal gearing range of 1.5x to 2.5x EBITDA

Asset Base Growth

→ **Maximise Total Shareholder Returns over time**

Capital Management – Plan

On-market buyback of up to 10% of issued capital (up to $100m) to commence 4Q15

Objectives

- Objectives of Capital Management:
  - Optimise shareholders' returns
  - Treat shareholders equitably by being provided with the option of participating in the program
  - Earnings per share and dividend per share accretive
  - Maintain an efficient and flexible capital structure
- Intent for gearing to stabilise around the mid-point of the optimal gearing range of 1.5x to 2.5x EBITDA

Implementation Plan

On-market buyback of up to 10% of issued capital (up to $100m) over the 12 month period to commence in 4Q15

Note - SCA will not participate in the buyback*

* SCA's stake in Asaleo Care will increase from the current 32.5% as a result of the buyback being undertaken and SCA not participating. A 5% buyback will result in SCA's stake in Asaleo Care increasing to 34.3% and a 10% buyback will result in its stake increasing to 36.2%

FX - Sensitivities & Hedging Policy

Rolling 12 month hedging policy to mitigate risk

Gross FX Sensitivity (excluding mitigation from hedging)

Assumption	Variance	Forecast FY15 NPAT impact ($m)
A$/US$	+/-1%	**+0.4/-0.4**
NZ$/US$	+/-1%	**+0.4/-0.4**
A$/EUR	+/-1%	**+0.3/-0.3**
NZ$/EUR	+/-1%	**+0.1/-0.1**

NZ$/A$: Natural hedge in FY15 due to offset between:
- Net imports of NZ finished goods, and
- NZ EBITDA translated into Asaleo Care 's A$ accounts

FX Hedging Policy

Time Period	Policy*
0-6 months	75%-100% of exposure hedged
7-12 months	25% -75% of exposure hedged

* The exposure and hedging in place is measured at the end of each month on a rolling 12 month basis in respect of cashflows.

FX - Impact of Natural Hedges & Offsets

Potential market hedges and offsets to gross FX sensitivities

1 Pulp Prices

- There has been a strong historic correlation between pulp prices and US$/A$[1]
- Although the historic correlation has existed, no conclusions can be drawn as to whether future prices will reflect these historic trends

2 Pulp & Finished goods

- Pulp costs ~15% of total expenses[2] & finished goods ~12% of total expenses[2]
  - A$ & NZ$ decline vs. US$ - increases costs of pulp
  - A$ & NZ$ increase vs. EUR - reduces costs of EUR denominated finished goods (~80% of purchase value)

3 Competitive dynamics[3]

Category	Competitor dynamics
Feminine Care	Asaleo Care is only local manufacturer competing against imported products primarily from Asia
Incontinence Care	Asaleo Care is part local manufacturer & part importer (EUR cost base) competing against imported products primarily from Asia
Baby Care	Asaleo Care is NZ manufacturer competing against Australian & imported products
Consumer Tissue	**Paper**: Asaleo Care has local paper making competing against local and imported paper makers **Converting**: Asaleo Care has local converting competing against other local converting.
Professional Hygiene	Local manufacturing competing against local and imported paper makers and tissue importers (including private label)

Net Impact of FX Change from Competitive Dynamics

Net impact depends on market dynamics:

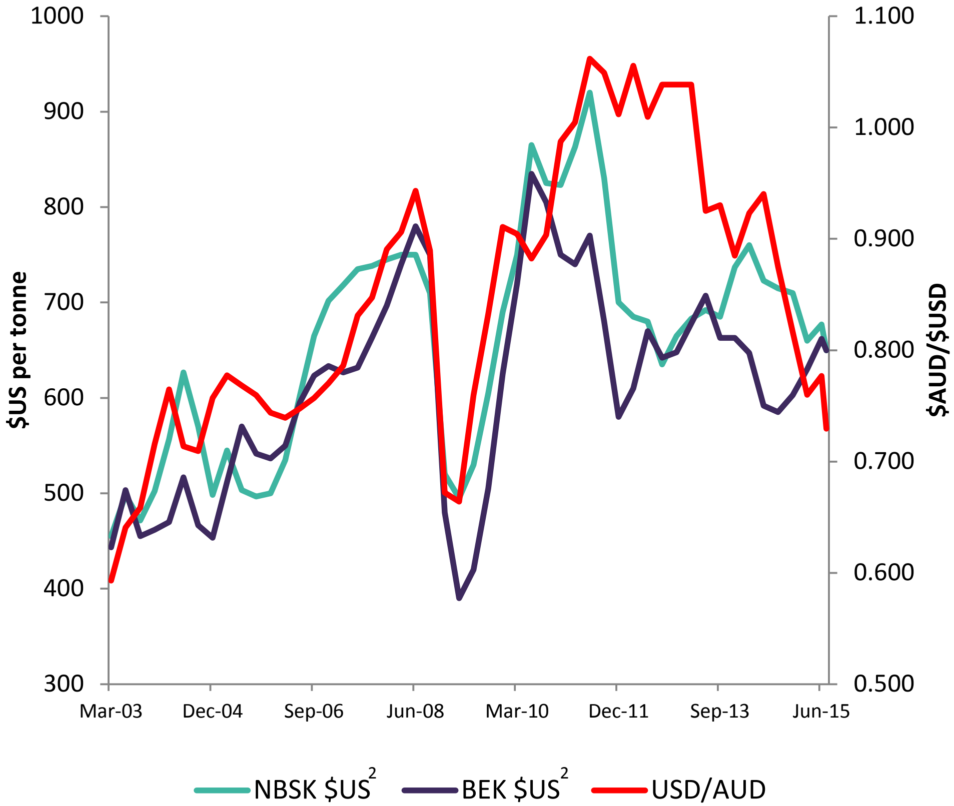
- **Short term:** Competitor WIP & inventory, denominated currency, FX & hedging positions, competitor responses to price increases & promotional activity, market supply & demand dynamics
- **Medium to longer term:** competitor response to changes to prices & promotional activity

1. Source: Data from Brian McClay & Associates Inc. (August 2015) as set out on following page.
2. Cost structure on FY14 Pro Forma basis

Pulp Market

Historically pulp price correlated to US$ movements

Pulp price index and FX



Average market pulp prices (1H15 vs 1H14)

- Softwood - NBSK & Radiata
  - Canada
  - NZ

-9%

- Hardwood - BEK
  - South America

+5%

- Asaleo Care purchases were evenly split between hardwood and softwood in 1H15

1 Although the historic correlation has existed, no conclusions can be drawn as to whether future prices will reflect these historic trends.

2 Source: China pricing from Brian McClay & Associates Inc. – 30 June 2015. Historic pulp price index shown is indicative and does not represent the actual price paid by Asaleo Care. Latest price on chart is from RISI, 30 July 2015.

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Peter Diplaris – CEO and Managing Director

26 August 2015

Strategic Focus has moved to market following Tissue rebuild

Major marketing initiatives in core brands

Product Innovation & Differentiation

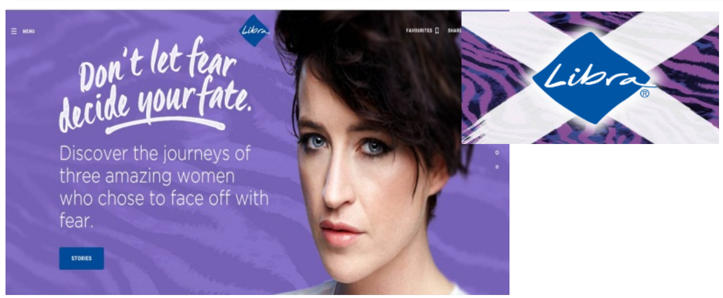
Range & Coverage

Distribution Innovation

Cost Reduction & Efficiency

- *"Small detail, big difference"* campaign begun in July 2015
- Quality improvement
- Branding imagery and packaging refreshed with contemporary feel

- "*This is the good sheet*" campaign begun in July 2015
- *"Ultra strong, Ultra absorbent", "Interlock weave"* to highlight product attributes
- Refreshed branding & packaging



- High profile brand ambassadors to tell Libra's "*Live Fearless*" story through their own journey in unique digital led media strategy creating engagement
- Packaging and branding relaunched to stand out
- NPD: "Slimpon"

- Black and white masterbrand campaign across TV, Digital, Sampling & Print
- Increasing category users is the "prize" as portion of people that use no product at all but who identify as incontinent at 24% of women & 67% of men
- NPD: "TENA Thin Pads"

Strategic Focus

Significant opportunities within existing markets

- Product Innovation & Differentiation
- **Range & Coverage**
- Distribution Innovation
- Cost Reduction & Efficiency

Nappies into Australia

- Successful sales through IGA and Chemist Warehouse
- In NZ, market share has gone from 22% in FY10 to 29% in 1H15
- NPD: Treasures' Slim Fit nappy pants – slimmer with same absorbency due to better Super Absorbent Polymers and acquisition layer, and less pulp. Nappy Pants were 27% of NZ Treasures nappy sales in 1H15

TENA into NZ healthcare

- Healthcare team being built in NZ
- Success in being added to the panel to supply the NZ District Area Health Boards (largest contract for Incontinence Healthcare in NZ). This will allow for sales in B2B Healthcare sector where previously unable to sell product

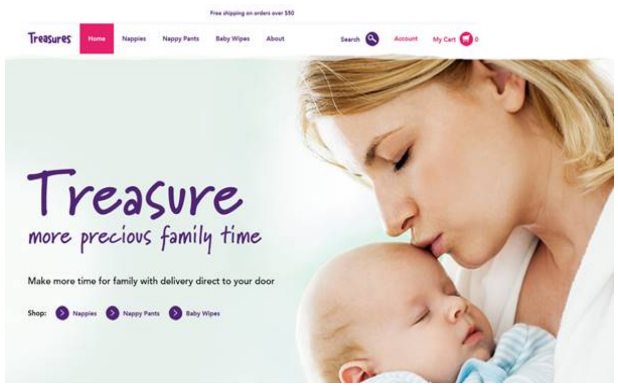
Papua New Guinea

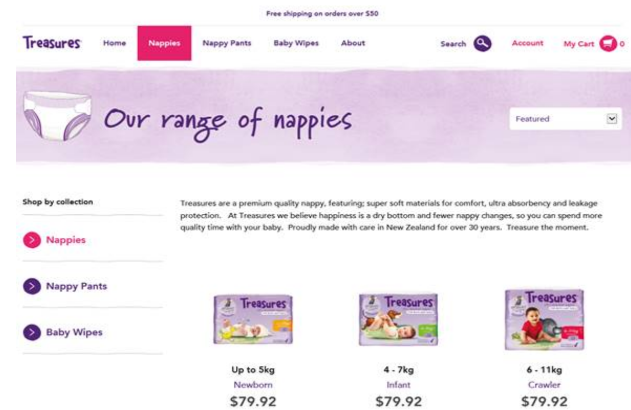
- Appointed an established PNG distributor with strong network and market presence that represents other leading global brands outside Asaleo Care product categories
- Shipments to PNG from Fiji commenced June 2015.
- Tax incentives to export from Fiji to other parts of Melanesia

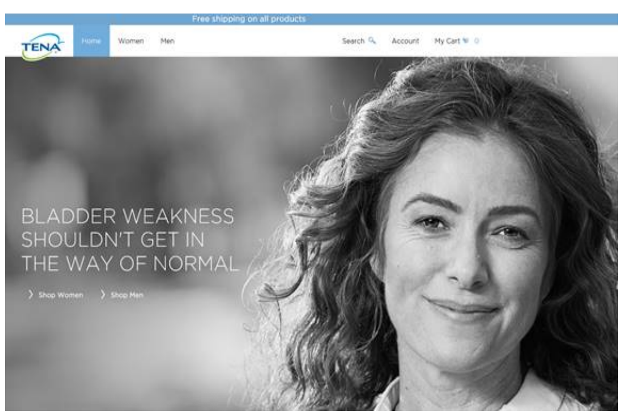
Strategic Focus

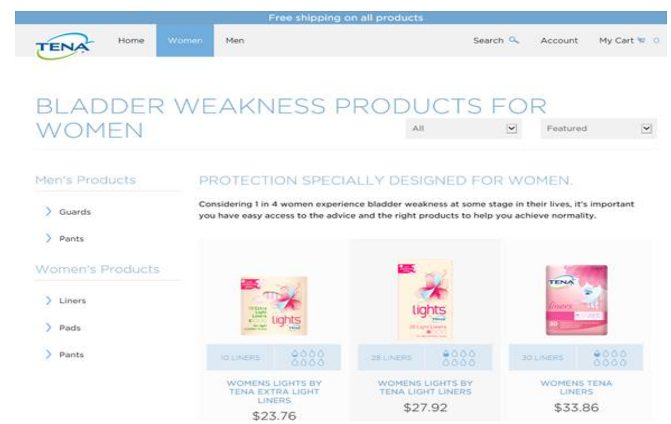
Treasures & TENA B2C online stores launched in Australia; Treasures NZ online store growing

- **Product Innovation & Differentiation**
- **Range & Coverage**
- **Distribution Innovation**
- **Cost Reduction & Efficiency**









Strategic Focus

Further material efficiency opportunities identified and being targeted

- Product Innovation & Differentiation
- Range & Coverage
- Distribution Innovation
- **Cost Reduction & Efficiency**

Operations excellence & efficiency
- Machine efficiency
- Operational improvements
- Usage reductions
- Targeted minor CAPEX

Complexity Reduction
- SKU simplification
- Specification simplification

Cost Structure Optimisation
- Procurement
- Logistical footprint
- Manufacturing footprint consolidation

Product Sourcing Opportunities
- Trans-Tasman manufacturing footprint
- Make vs. Buy
- Distribution costs

Key initiatives to lead to FY16 Incremental Savings

- Functional restructuring & overhead rationalisation
- SKU simplification, fibre initiatives and other operational efficiency improvements
- Other efficiencies identified and to be implemented in FY15

Checklist of key 2015 strategic initiatives

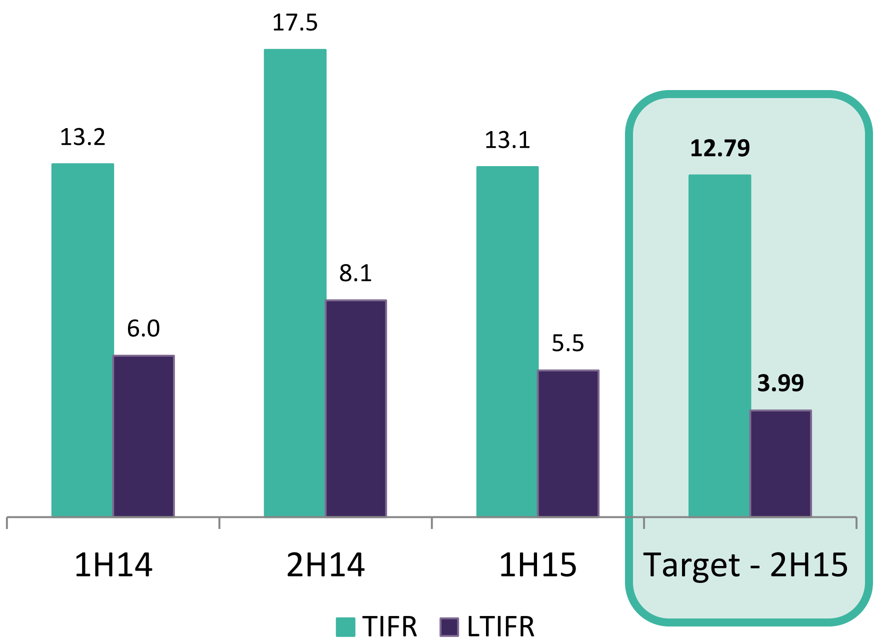
Already delivered key parts of 2015 strategic enablers

	Initiative	Delivered	
Product Innovation & Differentiation	Sorbent - Enhance softness & strength to meet evolving market preferences	March 2015	✓
	Launch Libra Slimpons into market and grow market share	March 2015	✓
	Launch TENA Thin Pads	April 2015	✓
	Launch Treasures' Slimfits in NZ & Australia	June 2015	✓
	Re-launch of Sorbent with more contemporary look to reflect product improvement, including new packaging and marketing campaign	July 2015	✓
	Re-fresh Handee branding and packaging, and launch major marketing campaign to support new branding	July 2015	✓
	Re-launch Libra packaging and branding and deliver "Live Fearless" digital media led marketing campaign	July 2015	✓
	Deliver high impact "Beauty of Normal" masterbrand campaign across TV, Digital, Sampling & Print	April 2015	✓
Range & Coverage	Expand Treasures rollout out in Australia	Feb 2015	✓
	Become an approved supplier on NZ District Area Health Board of incontinence products with TENA	June 2015	✓
	Launch range into PNG	June 2015	✓
Distribution Innovation	Launch new Treasures B2C online store in Australia	July 2015	✓
	Launch new TENA B2C online store in Australia	July 2015	✓
Cost Reduction & Efficiency	Streamline business unit structure and reduce headcount (including via natural attrition)	July 2015	✓
	SKU simplification, fibre initiatives and other operational efficiency improvements	WIP	
	Other efficiencies identified and to be implemented in FY15	WIP	

Safety

Key area of business focus with targeted objectives for improvement

Rolling Lost time injury Frequency Rates (R12)



- ~50% improvement in LTIFR since 2010
- Reduction in injury frequency rates compared to last year
- Target for improved performance in 2015 with areas of focus including:
  - Standardised Safety Management System
  - Continuous Improvement in Safety Leadership Capability
  - Management of ‘high risks’
  - Improved Incident Root Cause Analysis

- LTIFR – Lost Time Injury Frequency Rate (no. of lost time injuries per million hours worked)
- TIFR – Total Injury Frequency Rate (no. of lost time, doctors cases and restricted work injuries per million hours worked)
- In 2015, the scope of measures was expanded with LTI including contractors, and TIFR including Restricted Work Injuries and contractors (Lost Time, Doctors Cases and Restricted Work Injuries)
- R12 is the frequency rate calculated on a rolling 12 month basis

Summary

Strong 1H15 Results, FY15 guidance maintained & on-market buyback to commence in 4Q15

1H15 Performance	• NPAT +15.2% and EBITDA +8.5%: Strong results primarily driven by improved sales mix and manufacturing cost reductions • Strategic initiatives are on track and we believe these will help build the right platform for future growth
FY15 Guidance	• On track to deliver low to mid-single digit growth in EBITDA & NPAT in FY15, despite US$ headwinds • Earnings levers identified/implemented to help offset potential cost/FX headwinds in FY16
Capital Management	• Unfranked interim dividend of 4 cps • On-market buyback of up to 10% of issued capital (up to $100m) over 12 months to commence in 4Q15

Appendices

- Asaleo Care - Business Overview
- Past Strategic Focus & Financial Results
- Tissue Capital Investment Program
- Sustainability at Asaleo Care
- Segment Performance
- Business Unit Financials
- Statutory Balance Sheet
- 1H14 Statutory to Pro Forma Results Reconciliation

Asaleo Care – Business Overview

Leading personal care and hygiene company that manufactures, markets and distributes Personal Care and Tissue products under market leading brands

Incontinence Care

TENA[1]

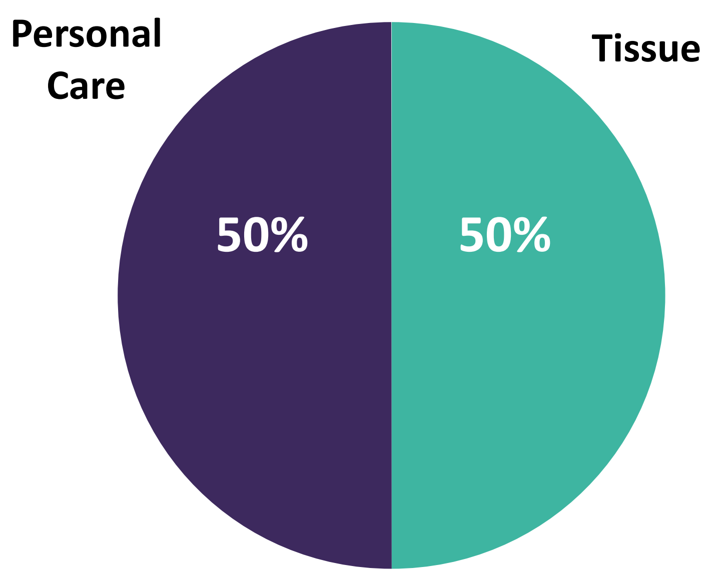
Feminine Care

Libra

Baby Care

Treasures

FY14 EBITDA split



Consumer Tissue

Sorbent – Always Soft · Always Strong

Handee

purex

Deeko

Viti

Orchid

Professional Hygiene

TORK[1]

1. Licensed from SCA.

Past Strategic Focus & Financial Results

Significant operational improvements & ~$150m Growth Capex invested from FY09-FY14

1. Fix Tissue

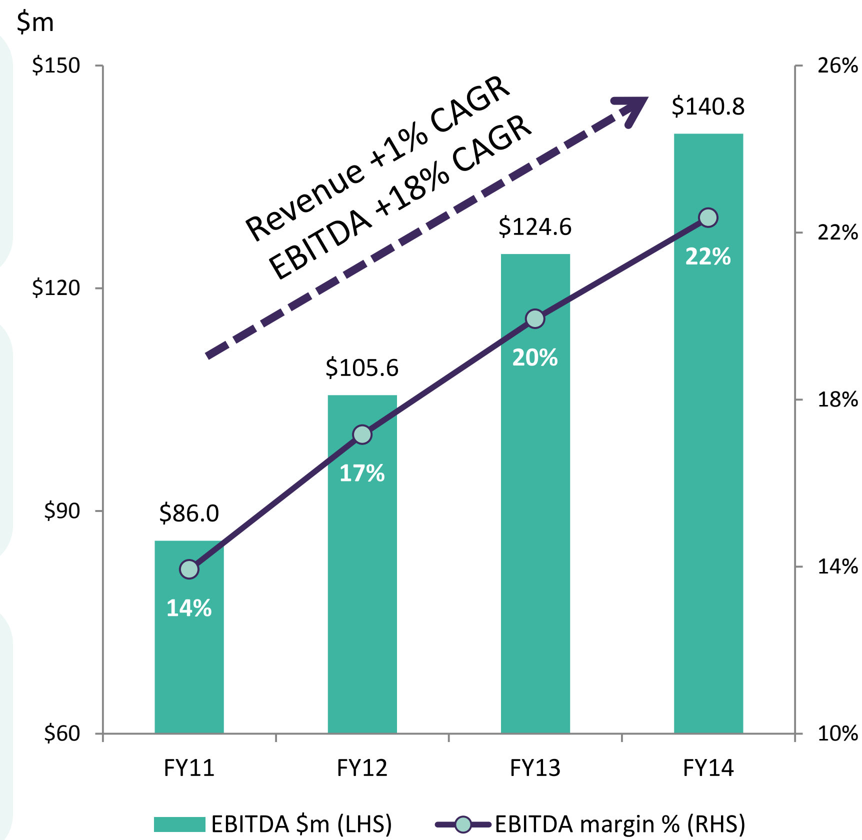
FY09-FY14 Capex: ~$125m
- Tissue Capital Investment Program & Facial plant investment
- Focus on core brands, change sales mix including exiting low margin business
- Shut underperforming assets
- Tissue EBITDA CAGR FY11-14: +26%

2. Grow Personal Care

FY09-FY14 Capex: ~$25m
- Upgrading machines & optimising footprint
- Accelerate new product development
- Marketing support
- Personal Care EBITDA CAGR FY11-14: +11%

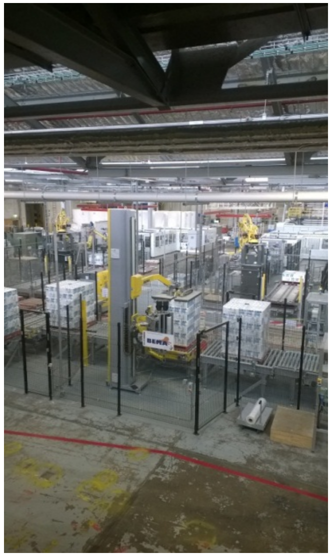
3. Non-capex profit improvement initiatives

- Machine efficiency improvement
- Product mix
- Sourcing
- Logistics footprint
- Right sizing structure



Tissue Capital Investment Program

Project complete and market demand fully supplied



The Project: $114.8m Capex

- Reconfiguring Tissue manufacturing footprint to increase efficiency and flexibility, and reduce the costs of production
- 6 new machines commissioned
- 4 existing machines relocated
- Exit of Te Rapa Tissue manufacturing (Baby to remain at Te Rapa)
- Shift structure change from 7 to 5 days

Project Progression

- **1Q13 - 3Q13:**
  - Production volumes inflated by stock-building done on non-optimal cost basis
- **1Q14:**
  - Lower production volumes due to machine relocations, decommissionings, line start ups
- **2Q14 - 3Q14:**
  - Commissioning and ramp up for new and relocated lines
- **4Q14**
  - Production with the optimal cost structure
  - Program effectively complete following successful execution of commissioning
  - Delay in commissioning increased overall fixed unit costs through lower volumes than planned.
- **1H15**
  - Project completed

Sustainability at Asaleo Care

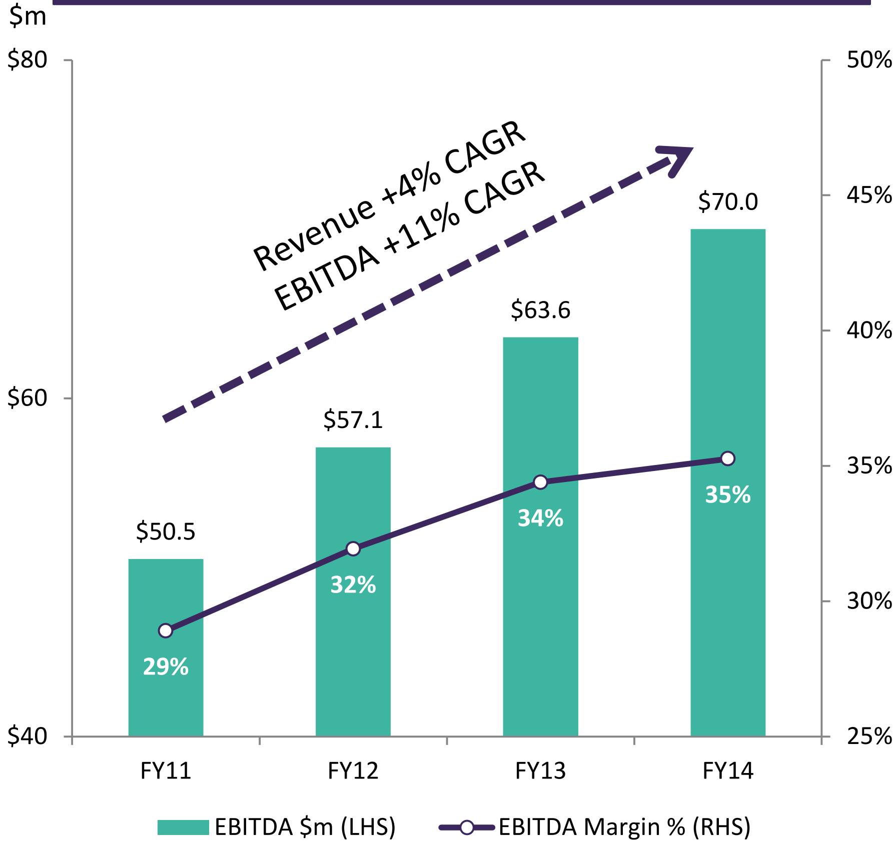
We are committed to understanding and managing our sustainability impacts

Business	Sustainability is core to our products and innovations. We are committed to demonstrating we are responsible stewards of the resources we use and act in accordance with applicable regulatory requirements.	**Areas of Focus** • Transparent reporting • Sound governance & regulatory compliance • Product safety
Community	Being a good corporate citizen and engaging with and supporting communities and industry is important to the way we operate.	**Areas of Focus** • Local employment • Local manufacturing • Community support • Responsible sourcing program
World	We recognise the need to operate in a responsible manner and continuously improve &/or better manage our use of natural resources.	**Areas of Focus** • Reduce CO_2 emissions • Reduce water consumption in water stressed areas • Reduce waste to Landfill • Responsible forestry and fibre sourcing

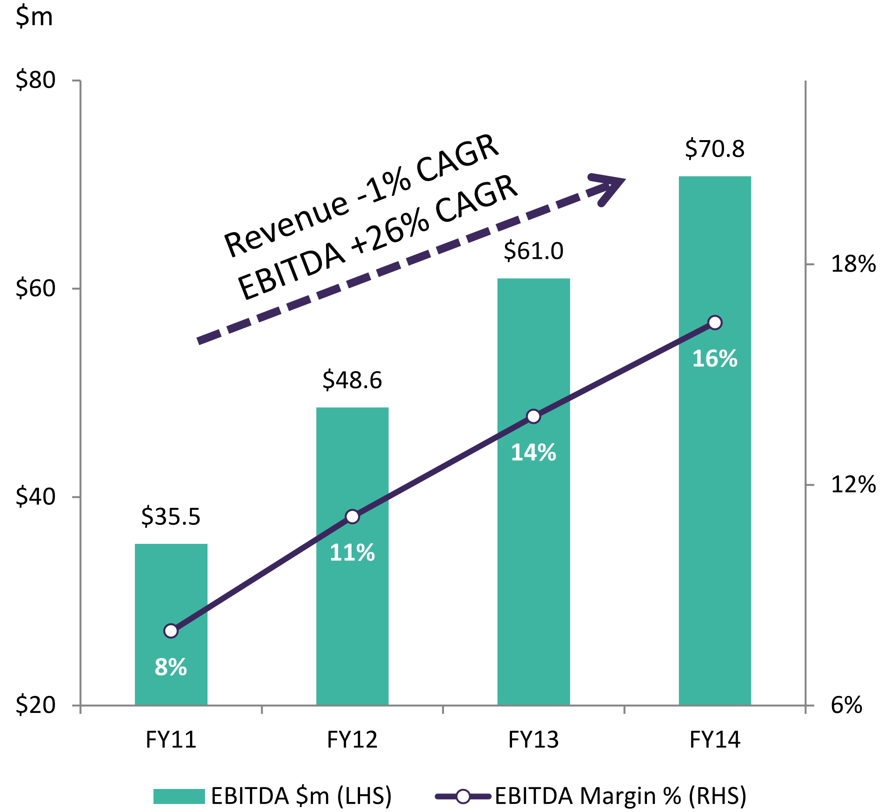
Segment Performance

Strong earnings growth in both segments since FY11

Personal Care – Pro Forma EBITDA ($m)



Tissue – Pro Forma EBITDA ($m)



Business Unit Financials

Consistent improvement in profitability trends on stable revenue base

Personal Care – Pro Forma

	FY11	FY12	FY13	FY14	FY11-14 CAGR	1H14	2H14	1H15 Statutory	1H15 vs 1H14 Growth
Revenue ($m)	174.7	178.8	184.9	198.5	4%	97.3	101.2	98.5	1.2%
EBITDA ($m)	50.5	57.1	63.6	70.0	11%	33.7	36.3	34.8	3.1%
EBITDA Margins	28.9%	31.9%	34.4%	35.3%	6.4 pps*	34.7%	35.8%	35.3%	0.6 pps

Tissue – Pro Forma

	FY11	FY12	FY13	FY14	FY11-14 CAGR	1H14	2H14	1H15 Statutory	1H15 vs 1H14 Growth
Revenue ($m)	442.7	436.5	440.2	431.4	-1%	206.2	225.2	207.4	0.6%
EBITDA ($m)	35.5	48.6	61.0	70.8	26%	26.4	44.4	30.4	15.3%
EBITDA Margins	8.0%	11.1%	13.9%	16.4%	8.4 pps*	12.8%	19.7%	14.7%	1.9 pps

* EBITDA Margin FY11-14 CAGR reflects percentage point change between FY11 and FY14

Statutory Balance Sheet

Strong net debt position

Consolidated (A$m)	30-Jun-15	31-Dec-14	Change (%)
Cash and cash equivalents	26.0	35.4	-26%
Trade and other receivables	37.6	35.5	6%
Inventories	145.4	139.2	4%
Derivative financial instruments	10.0	7.0	42%
Total current assets	219.1	217.1	1%
Property, plant and equipment	352.8	366.2	-4%
Intangible assets	186.0	190.1	-2%
Total non-current assets	538.8	556.3	-3%
Total assets	**757.9**	**773.4**	**-2%**
Trade and other payables	77.0	79.4	-3%
Derivative financial instruments	1.3	0.8	68%
Currrent tax liabilities	0.7	1.5	-53%
Provisions	21.8	22.0	-1%
Total current liabilities	100.8	103.7	-3%
Borrowings	264.5	269.6	-2%
Deferred tax liability	15.8	10.5	50%
Provisions	1.3	1.7	-24%
Total non-current liabilities	281.7	281.9	0%
Total liabilities	**382.5**	**385.6**	**-1%**
Net assets	**375.4**	**387.8**	**-3%**
Contributed equity	360.4	360.4	0%
Other reserves	29.3	41.6	-30%
Accumulated (losses)	(14.3)	(14.2)	0%
Total equity	**375.4**	**387.8**	**-3%**

Commentary

- **Derivative financial instruments - assets:** Fair value of the FX hedging portfolio which is in-the-money at June 15.
- **PP&E:** Decrease resulting from 1H15 depreciation expense ($14.2m) being in excess of 1H15 capex and the devaluation of the $NZD on the NZ asset base.
- **Intangible assets:** Represents local Brands and Goodwill from the JV transaction – decrease in 1H15 due to depreciation of the $NZD.
- **Payables:** Dec-14 balance includes ($4.8m) of interest accrual, the underlying trade payables at June-15 are in-line with Dec-14.
- **Derivatives financial instruments - liabilities:** Fair value of interest rate swaps , NZ energy hedge and FX hedges which are out-of-the-money.
- **Current tax:** Represents income tax liabilities for NZ and Fiji operations.
- **Provisions:** Primarily represents employee and minor restructuring provisions.
- **Borrowings:** Gross drawn borrowings of $265M less capitalised borrowing costs of ($0.5m) which Includes the May 2015 refinance of ($0.2m).
- **Deferred taxes:** Increase in net DTL due to usage of AU tax losses .
- **Contributed Equity:** Reflects the contributed shareholder equity less transaction costs.
- **Other Reserves:** Includes the equity component of the MIP and the FCTR, with the decrease due to the devaluation of the $NZD during 1H15.
- **Accumulated Losses:** Jun-15 balance includes 1H15 NPAT of $32.5M less Mar-15 dividend payment of ($32.6m). Asaleo Care Limited (stand-alone) has $35.9m available for distribution to shareholders.

1H14 Statutory to Pro Forma Results Reconciliation

1H14 Pro Forma significantly impacted by non-recurring IPO related expenses

Consolidated $A millions	Statutory 1H14	Pro Forma 1H14	Variance
Revenue	303.6	303.6	-
EBITDA	**8.7**	**60.1**	**51.4**
Finance costs	(51.7)	(6.5)	45.2
Tax expense	15.7	(10.9)	(26.6)
Net Profit / (Loss) After Tax	**(41.7)**	**28.2**	**69.9**

Reconciliation from Statutory to Pro Forma

1. **EBITDA:** Pro Forma adjustments are represented by Share based payment (MIP) expense, IPO transaction costs, Restructuring costs associated with the capital investment program, Profit on sale of the Te Rapa site and rebate income from SCA from an agreement which ceased on 30 June 2014.
2. **Finance Costs:** Pro Forma adjustments represented by Debt establishment costs write-off, Settlement of existing swap book, Preference share interest expense and interest expense differential on IPO facility.
3. **Tax Expense:** Pro Forma tax expense applies an FY2014 effective tax rate of 28%.

asaleo care