

# ATLAS PEARLS AND PERFUMES (ASX:ATP)

COMPANY PRESENTATION – JUNE 2014



**ATLAS**  
PEARLS AND PERFUMES



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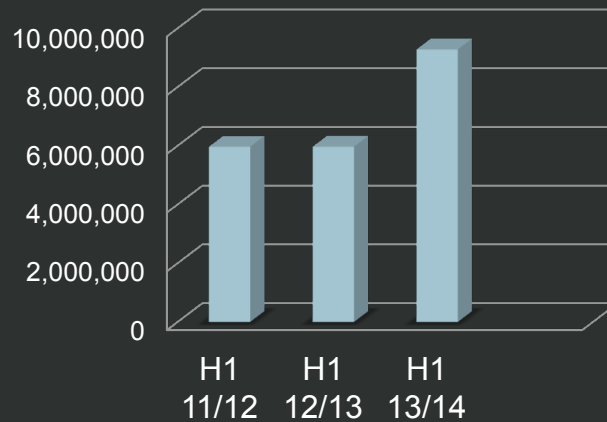


# FINANCIAL HIGHLIGHTS

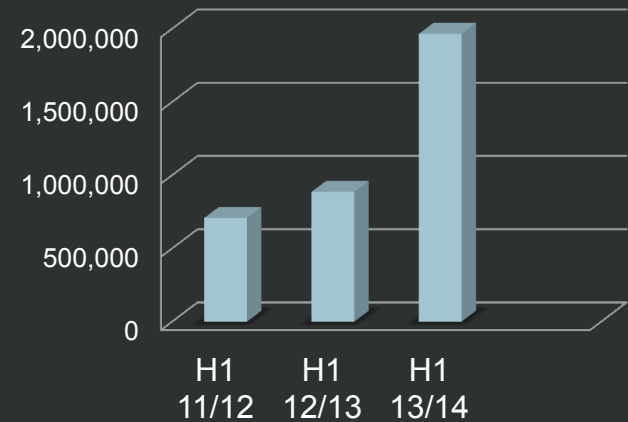
## 6 months to 31st December 2013:

Total Revenue	up 165% to \$9.3M
Net Profit after Tax	up 110% to \$0.2M
Positive EBITDA	up 257% to \$1.9M
Cash Reserves	increased to \$3.3M
NTA	8.7 cents per share
Current Share Price	6.9 cents

### Group Turnover



### EBITDA



# FINANCIAL HIGHLIGHTS

## ATP, ATLAS SOUTH SEA PEARL ORD

The chart of daily prices over 1 year for security ATP



# PROFIT AND LOSS

	Half Year Ended 31 Dec 2013 \$	Six Months Ended 30 June 2013 \$
Revenue from continuing operations	9,282,195	3,505,125
Cost of goods sold	(4,193,787)	(1,389,004)
Gross profit	5,088,408	2,116,121
Other income	271,620	1,754,041
Marketing expenses	(159,056)	(88,221)
Administration expenses	(3,188,092)	(3,444,476)
Finance costs	(310,667)	(240,532)
Other expenses	(1,816,595)	(3,763,505)
<b>Profit/(Loss) before income tax</b>	<b>(114,381)</b>	<b>(3,666,572)</b>
Income tax (expense)/benefit	323,987	1,471,927
<b>Net Profit/(loss) after tax</b>	<b>209,605</b>	<b>(2,194,645)</b>
Tax expense/(benefit)	(323,987)	(1,471,927)
Finance/Interest net costs	301,336	221,903
Depreciation & amortisation	118,831	136,160
Foreign Exchange (gain)/loss	(54,877)	(1,090,931)
Agriculture Standard revaluation (gain)/loss	1,541,283	2,907,773
Other Non-operating (income)/expense	173,614	241,610
<b>Normalised EBITDA</b>	<b>1,965,805</b>	<b>(1,250,057)</b>

# BALANCE SHEET

	31 Dec 2013	30 June 2013
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	3,274,412	1,767,156
Trade and other receivables	1,112,747	1,074,871
Inventories + Biological Assets	8,906,009	13,030,472
<b>Total current assets</b>	<u>13,293,168</u>	<u>15,872,499</u>
<b>Non-current assets</b>		
Other non-current assets	541,509	594,910
Inventories + Biological Assets	15,114,547	11,758,960
Property, plant and equipment	4,122,769	4,513,455
Deferred tax assets	3,167,331	2,936,629
<b>Total non-current assets</b>	<u>22,946,156</u>	<u>19,803,955</u>
<b>Total assets</b>	<u><b>36,239,324</b></u>	<u>35,676,454</u>
<b>Current liabilities</b>		
Trade and other payables	2,022,728	2,329,224
Borrowings	1,368,687	4,436,797
Other current liabilities	271,316	341,400
<b>Total current liabilities</b>	<u>3,662,731</u>	<u>7,107,421</u>
<b>Non-current liabilities</b>		
Other non current liabilities	512,600	390,148
Borrowings	3,891,581	837,646
Deferred tax liabilities	1,722,123	1,544,570
<b>Total non-current liabilities</b>	<u>6,126,304</u>	<u>2,772,364</u>
<b>Total liabilities</b>	<u><b>9,789,034</b></u>	<u>9,879,785</u>
<b>Net assets</b>	<u><b>26,450,290</b></u>	<u>25,796,669</u>
<b>Equity</b>		
Contributed equity	30,624,648	30,203,033
Reserves	(7,262,573)	(7,284,974)
Retained profits/(accumulated losses)	3,088,215	2,878,610
<b>Total equity</b>	<u><b>26,450,290</b></u>	<u>25,796,669</u>





## BRIEF HISTORY

For 20 years, Atlas has maintained a world-class pearling business that is considered a leader in ethical and sustainable production of luxury goods.

Improvements in management structure and vision, the acquisition of Essential Oils of Tasmania (EOT), the formation of World Senses and a new corporate name, mean Atlas is now a company that goes beyond pearling.

The Company's well-established strengths in innovation, knowledge and ethics helped it maintain operations and cash flow during the GFC while many pearling businesses ceased to operate.

The Company's head office and retail outlet are located in Perth while it has extensive pearl farming operations in Indonesia and 5 retail outlets in Bali.

Atlas employs over 800 people who work to produce highly sought after white and silver South Sea pearls. The EOT operations are located in Tasmania.



# COMPETITIVE ADVANTAGES

Atlas is one of the world's largest producer of *Pinctada maxima*

## Competitive Advantage

- Produces pearls at a third of the price of Australian competitors
- Average size range of 9-13 mm (as opposed to Australian producers 14-19mm) resulting in unchallenged market space.
- Colour (white/silver) lustre is equal to, or best in the world

## Strategy

- Optimise existing 5 pearl farms in short to medium term
- Open third technical hub in medium to long term to further grow the production base as well as provide additional risk mitigation
- Increase production of pearls in the short term

## Objective

- To sustainably produce world class pearls and perfumes to world scale volume.



# COMPANY VISION

To build a market driven culture and through maximising end value and utilisation of all by-products, create the world's most profitable south sea pearl and perfumes enterprise by increasing volume and quality of production.

## Positioning

- The supplier of choice for quality in the 9-13 mm size range and an unique range of pearl and ethically based range of cosmetics

## Core Growth

- Increase volume of high quality pearls
- Improve the efficiency of pearl oyster breeding and reduce the pearl growing cycle through selective breeding program in association with James Cook University
- Increase weight and quality

## Secondary Growth

- Maximise use of all by-products
- Develop an eco-chic BRAND of jewellery
- Compliment brand appeal with perfumes and cosmetic products
- Open up wholesale sales of pearl cosmetic active ingredients
- Expand Value Added Growth

# ORGANIC GROWTH STORY

## Organic Growth

By increasing revenue from trade sale of pearls to AU\$15 million by 2015/16 and other revenues from flavours, fragrances and value added of \$10 million, the Company will be in a more diverse strategic position and less of a commodity based investment.

## Objective

Total sales of \$25 million

## Acquisitions

The Company will focus on leveraging higher up into the luxury supply chain, e.g. the French Fragrance Industry.



# 3 YEAR STRATEGIC PLAN

## Organic Vision – Year 3 (2015/16)

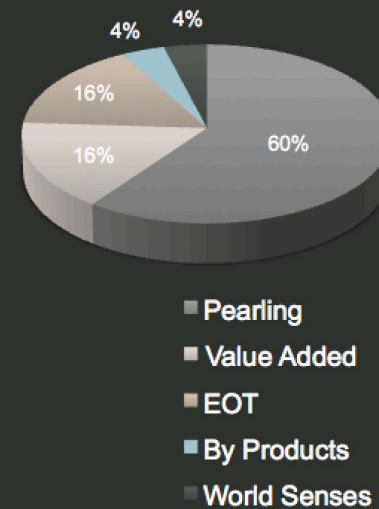
Target: \$25.0 million revenue

### Year 3 Revenue Targets

- Pearling \$15.0 million
- EOT Flavour & Fragrances \$4.0 million
- Value Added Division \$4.0 million
- World Senses JV (50% share) \$1.0 million
- By Products and others \$1.0 million

Total Group Revenue Year 3 \$25.0 million

Group Turnovers Forecast 2015/16





# PEARL EXTRACTS

- Propriety I.P.
- Fast track natural complementary medicines
- Can license technology

## Four Cosmetic Bases

- Mother of Pearl Powder
- Mother Of Pearl Powder Extracts via CO2
- Viscera Extracts from the tissue of this oceanic organism
- Compounds on the shell exterior

## One Perfume Extract

- Fractionation of these extracts into a fragrance concentrate
- OCEAN COMPOUNDS : NOVEL : SEXY : EFFECTIVE



# MARKETING STRATEGY

- Linked to the mainstream luxury sector
- Development of push pull strategies
- Innovative design and key Ambassador roles
- Central CSR Platform



## FARMS AND HUMAN RESOURCES

- Atlas has 5 pearl farms across the Indonesian archipelago
- Two technical hubs in place to optimise production and mitigate risk – plans in place to open a third hub over course of next 3 years
- Freehold Land Titles and long term water leases
- Islands and bays specifically suited to pearl farming
- Locations centered at West Papua, Flores, Nusa Tenggara Timur and Bali
- Provides a geographic spread on risk
- With 20 years of exposure to Indonesia the Company is well versed on managing Sovereign Risk
- Stable Indonesian workforce of >800
- Experienced, qualified and loyal Ex-Pat Management Team



# ESSENTIAL OILS OF TASMANIA

- Acquired in January 2013
- 30 Years exporting experience to leading international flavour houses
- Current Turnover of \$2 million
- Aim to lift to Turnover to \$6.5 million in 5 years through increased production of Boronia, Tasmanian Mountain Pepper to meet market demands
- Business will relocate over the course of the next three years to state of a art manufacturing and tourism facility at Brookfield, (South of Hobart) via a new Joint Venture
- \$1.1 million Commercialisation Australia Grant has been awarded
- State of the Art Pearl Milling and CO2 extraction units have been commissioned
- Managing Director elect Stephen Gleeson appointed July 2014

## Objective

To achieve gross turnover of \$6.5 million and an additional \$1 million from the newly created Brookfield Joint Venture in Tasmania.



# CORPORATE SNAPSHOT

## Board of Directors

Executive Chairman & CEO  
Director (Non-Executive)  
Director (Non-Executive)  
Director (Non- Executive)  
Director (Non-Executive)

**Stephen Birkbeck**  
**Geoffrey Newman**  
**Dr Joseph Taylor**  
**Timothy Martin**  
**Stephen Arrow**

## Capital Structure (ASX: ATP)

Ordinary Shares on Issue	<b>326,616,452</b>
Convertible Notes	<b>1,100,000</b>
Number of Shareholders	<b>2,200</b>

## Contact Details

Website	<a href="http://AtlasPearlsAndPerfumes.com.au">AtlasPearlsAndPerfumes.com.au</a>
Head Office	47-49 Bayview Terrace Claremont WA 6010 Tel: (08) 9284 4249



# TOP 20 SHAREHOLDERS

## ATLAS PEARLS AND PERFUMES LTD

ORDINARY SHARES (GROUPED) As of 11 Jun  
2014

### Top Holders Snapshot - Ungrouped

Composition : ORD, EMP

Rank	Name	Units	% of Units
1.	RAINTREE PEARLS & PERFUMES PTY LTD	24,197,997	7.41
2.	CHEMCO SUPERANNUATION FUND PTY LTD <CHEMCO SUPER FUND NO 2 A/C>	22,400,000	6.86
3.	SP & K BIRKBECK HOLDINGS PTY LTD <SP & K BIRKBECK S/F A/C>	18,929,202	5.80
4.	JINGIE INVESTMENTS PTY LTD	14,900,200	4.56
5.	ARROW PEARL CO PTY LTD	11,508,089	3.52
6.	ABERMAC PTY LTD <RAMAC A/C>	10,833,333	3.32
7.	WESTWOOD PROPERTIES PTY LTD	8,000,000	2.45
8.	FARJOY PTY LTD	7,099,412	2.17
9.	MR NELSON MICHEL PIERRE ROCHER	6,612,185	2.02
10.	ATLAS PEARL EMPLOYEE SHARE PLAN PTY LTD <ATLAS SHARE PLANS A/C>	5,076,051	1.55
11.	MR CHRIS CARR + MRS BETSY CARR	5,000,000	1.53
12.	COAKLEY PASTORAL CO PTY LTD <TIM COAKLEY SUPER FUND A/C>	5,000,000	1.53
13.	FIVE TALENTS LIMITED	4,820,000	1.48
14.	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	4,729,126	1.45
15.	BYRON BAY CELEBRANT PTY LTD <CHRIS & LYNDA DEAN S/F A/C>	4,170,589	1.28
16.	QUEENSRIDGE INVESTMENTS PTY LTD <GLEESON SUPER FUND A/C>	3,649,072	1.12
17.	MR PAWEL REJ + MRS MIROSLAWA REJ	3,078,000	0.94
18.	DORRAN PTY LTD	3,000,000	0.92
19.	MR TIMOTHY JAMES MARTIN	2,800,000	0.86
20.	NEJEKA PTY LTD <MANSFIELD SUPER FUND A/C>	2,800,000	0.86
<b>Totals: Top 20 holders of ORDINARY SHARES (GROUPED)</b>		<b>168,603,256</b>	<b>51.62</b>
<b>Total Remaining Holders Balance</b>		<b>158,013,196</b>	<b>48.38</b>



# ATLAS

PEARLS AND PERFUMES

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