




ATLAS
PEARLS AND PERFUMES

(ASX:ATP)
AGM PRESENTATION
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Market Driven

Atlas Pearls and Perfumes returned to profit in FY14 on the back of high pearl prices and a full year contribution from Essential Oils of Tasmania.

This would not have been possible without strong customer appreciation for Atlas products.

This appreciation is a team achievement backed up by a solid market recovery:

- Atlas currently enjoys solid demand and strong prices by owning the market space for white, good quality 9-13mm pearls in the context of a relative shortage of merchandise of this particular categories,
- The commitment, dedication and skills of our pearl farmers have put Atlas pearls in a category of its own in terms of colour and quality, hence creating a strong barrier to entry,
- The improved “private auction” format has been continuously commanding the respect of the trading community,
- Atlas has enhanced it’s capabilities in optimizing value adding, through better matching, designing and manufacturing, of the pearl product,
- Customer satisfaction has and will continue to be the focus of our attention.



13-14 Review

- FY 14 was the first 12 month June financial year end for the group,
- End of June auction last year produced an outstanding result with Group Turnover of \$16.3m up 55% when compared to the normalized 30 June 2013 results,
- Strong Normalised EBITDA of \$3.5M (21% of Turnover),
- Atlas is one of only three major players producing quality White South Sea Pearls,
- Perfume division increased contribution to earnings with over \$2M of sales being generated by EOT,
- New management team was recruited during FY14 to support the next stage of growth.



Financial Snapshot

Share Price	10 cents
12mth high/low	14 cents (H) & 4.2 cents (L)
Shares on Issue	328M
Shareholders	2200
Market Cap	\$33M
Debt	\$5M
Convertible Notes	\$1M
Turnover	\$16.3M
Normalised EBITDA	\$3.5M
NPAT	\$1.8M
Total Assets	\$41M
Shareholders Funds	\$29M



12 Month Share Price

14-15 and Beyond

- Harvests to date for FY15 have demonstrated a lower average weight compared to the same period in FY14,
- As a result the new management team decided to proceed with a comprehensive review of all pearl oyster stocks available for harvest in the current financial year,
- We are now anticipating a short-term decline in pearl production driven by smaller average pearl sizes (estimated sizes for FY15 to be 15% under FY14),
- The current drop in size is the combination of managerial decisions, which included the seeding of younger oysters using smaller nuclei size and related adjustments in production protocol. As initial results did not meet expectations, correctives measures were taken as early as 2012,
- This trend is expected to reverse in FY16 as a result of the natural flushing of the concerned oysters that were replaced with stronger animals and an increase in the number and quality of seeded oysters to be harvested in that year,
- Modern pearl farming is made up of production sequences that are intimately connected. It is agility or the ability to positively react to a constantly changing environment that determines the success of sustainable pearl ventures.



Pearling Core Business and Beyond

- Atlas is positioning itself to continue capturing demand and price uplift from Asia and the re-emerging North American market,
- First and foremost, customers form the epicentre of our business model,
- Second, producing superior quality pearls is the only way to address fluctuation demand,
- Only the best shells will be presented within the right seeding windows and given appropriate cultivation period,
- Initiated focus on commercialization and value adding will be reinforced,
- Atlas will keep promoting it's key R&D collaborative projects with JCU, GIA and other relevant institutions to keep it's competitive advantage,
- As part of it's social mandate, Atlas will continue acquiring and transferring skills and knowledge and promote the wellbeing of the communities it's operations are based around



Business Model Evolution

- Atlas continues to build the foundation to mitigate the effect of pearling related fluctuations and develop complementary source of income independent from the jewellery industry,
- Atlas won two key awards at this year's Western Australian Industry and Export Awards:-
 - Innovation Award
 - Agribusiness Award
- These awards recognise the transition of Atlas into a diversified producer of luxury ingredients
- Our innovative in-house technology, which enables us to extract perfumes and proteins from pearls and other botanicals, is ground breaking and recent industry engagement in France will allow Atlas to take our research breakthrough's into new bio-active applications. This gives Atlas significant upside to the established agri-business export revenues



Essential Oils of Tasmania

- \$1.1 million Commercialisation Australia Grant is funding new innovative extraction of Australian botanicals to transform into perfumes and cosmetics to sell in the luxury supply chain
- Pearl Powder and Extracts Milling facility now fully operational and the Company is now actively marketing these product lines to overseas interests via the World Senses JV in New York
- Company owns the only commercial scale Supercritical CO2 machine in Australia which gives a compelling competitive advantage in producing pure extracts
- First Consumer Range of Perfumes "Wild Islands to be release in Summer 2015
- 2014 Boronia harvest now complete and expected to generate in excess of \$0.5M this financial year



Thank You