

# ATLAS

PEARLS AND PERFUMES

ACN 009 220 053

## SHAREHOLDER UPDATE No. 42 – June 2013

Dear Shareholder,

Welcome to our first Shareholder Update as Atlas Pearls and Perfumes. The hard work of the last few years is starting to deliver rewards. Over the past 6 months we have seen a steady improvement in pearl prices and a growing demand for quality Atlas white and silver pearls. We now have a client base of over 80 traders providing a broad sales platform. Our work in perfume and cosmetics will see the first products on shelves within the next quarter, a period where we expect one of our best ever revenue results. We are also pleased to unveil the first in our web series 3000 Hands: Sharing and Sustaining. This introduction to our unique story and point of difference as leaders in sustainable luxury can be viewed via the following link:

<http://vimeo.com/67171104>



Natasha Kerr



**3000 Hands**  
Sharing & Sustaining

# ATLAS

PEARLS AND PERFUMES

## CORPORATE

Our AGM for the 2012 period was held on the 30th of May 2013 and all resolutions were passed. Thank you to those shareholders and friends of Atlas who attended. We have now moved to a Australian financial rather than calendar year reporting system. This will bring us in-line with the majority of Australian businesses.

Following the AGM our board membership remains Stephen Birkbeck (Chairman/CEO), Geoff Newman, Tim Martin and Joseph Taylor.

## PEARLS

### HATCHERY/GROW-OUT

Despite many Indonesian pearl farmers reporting a difficult season our two hatcheries have had very good results and the number of juvenile pearl oysters in grow-out is encouraging for the quality selection programme. These results are a testament to the benefits of the selective breeding programme. This season we have a more balanced spread of stock between Bali and Lembata strengthening our risk mitigation position.

### FARMING ACTIVITIES

A second commercial harvest has been achieved in the Punggu island site and the resulting pearls have demonstrated excellent quality. We now intend to rapidly expand this site over the next 12 months. Harvests from Alyui and Alor have also been pleasing. Importantly, our seeding programmes in Bali and Lembata are registering improved results as a consequence of the selection programme and we anticipate this flowing through to even better pearl harvests at the end of this two-year cycle.

In May a significant volume of high value crushed Mother of Pearl was processed in North Bali and has been sold to a European client for utilization in pharmaceutical products.



**3000 Hands**  
Sharing & Sustaining

# ATLAS

PEARLS AND PERFUMES

## RESEARCH AND DEVELOPMENT

A dedicated breeding and research hatchery facility will be built within the next year. This facility will act as a stud farm for the breeding programme and will be the first of its kind for pearl oysters. Importantly, this new hatchery will also provide additional backup to our two existing facilities further mitigating any potential interruptions to the breeding schedule.

## MARKETING

As mentioned above, our sales results for the past 6 months have been encouraging with best prices achieved since 2008 and significantly higher than 2012. As the number of pearls we harvest slowly increases so does the strength of our position in the market. There is now no doubt that the decline in supply of South Sea pearls is affecting market demand. Our auction scheduled for the first quarter of 2013/14 will see the single largest offering of Atlas pearls to date.

## PERFUME

The acquisition of Essential Oils of Tasmania was finalised early this year and our Tasmanian venture is working at full steam to commercialise products for which there is already strong demand. As an example, the EOT pearl powder process, developed recently, has come through independent testing with flying colours and a solid tick for use in cosmetics.



**3000 Hands**  
Sharing & Sustaining

*3000 Hands. Atlas Pearls and Perfumes Corporate Social Responsibility strategy and overall corporate philosophy*



# ATLAS

PEARLS AND PERFUMES

## 3000 HANDS: SHARING AND SUSTAINING

The first of our web-based videos was premiered at our AGM and drew strong praise. The aim of this series is to tell the story of Atlas and to define our strong point of difference in the luxury market. Yours is a company with a unifying belief that success relies on shared benefit for all stakeholders. This principle is central to the 3000 Hands: Sharing and Sustaining logo. We hope you will share the journey.



## 3000 Hands

Sharing & Sustaining

Stephen Birkbeck

Executive Chairman and CEO

T: +61 (8) 9284 4249 F: +61 (8) 9284 3031 W: [www.AtlasPearlsAndPerfumes.com.au](http://www.AtlasPearlsAndPerfumes.com.au) E: [Atlas@AtlasPearlsAndPerfumes](mailto:Atlas@AtlasPearlsAndPerfumes)

