

MEDIA RELEASE

ASALEO CARE delivers strong first half results

HIGHLIGHTS

Strong 1H15 Financial Performance:

- 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 - EBITDA growth of 15.3%
 - Solid performance in Personal Care - EBITDA growth of 3.1%
- Net Debt Leverage ratio at 1.6x EBITDA

Strategy on track:

- Strategy on track with market and operational improvement initiatives being executed
- Substantial marketing initiatives in Sorbent, Handee, Libra and TENA

Capital Management initiatives:

- Unfranked dividend of 4cps for 1H15
- On-market buyback of up to 10% of issued capital (up to \$100m) to commence in 4Q15

FY15 Guidance unchanged:

- EBITDA and NPAT: Low to mid-single digit growth
- Free Cash Flow: \$95m to \$100m before change in Working Capital

Asaleo Care today announced a strong Net Profit After Tax result of \$32.5 million for the 6 months ended 30 June 2015. This was an increase of 15.2% on Pro Forma 1H14.

Chief Executive Officer and Managing Director, Peter Diplaris, said “Our Company has faced a more challenging trading environment compared to the prior corresponding period. We have encountered adverse exchange rates and inflationary imposts, as well as increased competition from new entrants in the Tissue and Personal Care categories. Despite this, we have delivered strong first half results with all key financial measures growing against the prior corresponding period. These results were primarily driven by improved sales mix and manufacturing cost reductions.”

“The Tissue business had a strong half with Tissue EBITDA increasing 15.3%. A key driver for Consumer Tissue was improved mix, with 4.3% sales growth on higher margin core brands offsetting a decline in sales of secondary brands and private label in New Zealand. In the Professional Hygiene business, new contracts were signed and the sales mix was improved with a higher proportion of Tork proprietary products. The Personal Care business performed well after a strong 2014, with EBITDA increasing by 3.1% and TENA and Libra maintaining leading positions in the Incontinence Care and Feminine Care markets.”

“Our 2015 strategic initiatives are on track following the successful completion of the \$115m Tissue Capital Investment Program in 2014. These strategic initiatives will help build the right platform for future growth and are based around product innovation and differentiation, range and coverage, distribution innovation and cost reduction and efficiency. Major marketing initiatives have also been launched for core brands including Sorbent’s ‘Small detail, big difference’, Handee’s ‘This is the good sheet’, Libra’s ‘Live Fearless’ and TENA’s ‘The Beauty of Normal’. We also recently launched online stores in Australia for both TENA and Treasures.”



The Directors declared an interim unfranked dividend of 4 cents per share for the first half of 2015. In addition, Directors announced an on-market buyback of up to 10% of issued capital (up to \$100m) to commence in the fourth quarter of 2015. SCA has indicated that it will not participate in the buyback, and its stake in Asaleo Care will increase from the current 32.5% as a result of the buyback program. A partial 5% buyback will increase SCA's shareholding to 34.3% and a 10% buyback will increase its shareholding to 36.2%.

Mr Diplaris said "In February we communicated our capital management principles. Following an assessment of the various options and consistent with those principles, the Company will undertake an on-market share buyback which reflects the Directors' confidence in the future of the business and commitment to deliver value to our shareholders. It will leave us with an efficient capital structure and provide sufficient capacity to pursue our previously stated strategy and take advantage of growth opportunities as they are identified".

1H15 Key Financials

	Statutory 1H15 (A\$m)	Pro Forma 1H14 (A\$m)	Growth (%)
Revenue	305.9	303.6	0.8%
Gross Profit	126.4	121.3	4.2%
EBITDA	65.2	60.1	8.5%
EBIT	51.0	45.6	11.8%
NPAT (vs Pro Forma)	32.5	28.2	15.2%
NPAT (vs Statutory)	32.5	-41.7	n/a
Leverage	1.6x	2.1x	-0.5x
Dividend	4cps	n/a	n/a

About Asaleo Care Limited (ASX:AHY)

Asaleo Care is a leading Personal Care and Hygiene Company that manufactures, markets, distributes and sells essential everyday consumer products. The Company's portfolio of market leading brands includes Sorbent, Handee, Purex, Libra, Treasures, Deeko, Viti, Orchid, TENA and Tork. Some of these brands have been in the market for over 60 years and its products are used daily in households and businesses across Australia, New Zealand, Fiji and a number of countries in the Pacific. Asaleo Care has eleven manufacturing and distribution facilities and employs about 1,000 people across Australia, New Zealand and Fiji.

For more information about Asaleo Care visit www.asaleocare.com

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