

MEDIA RELEASE

ASALEO CARE LIMITED FY14 FULL YEAR RESULTS

HIGHLIGHTS

- **Strong Financial Performance:**
 - Profitability forecasts delivered in record underlying result
 - Pro Forma EBITDA up 13% on FY13 and 0.8% on Prospectus forecast
 - Pro Forma NPAT up 17.7% on FY13 and 2.4% on Prospectus forecast
 - Net debt reduced by \$56.5m to \$239.4m or 1.7x EBITDA, towards lower end of optimal leverage range of 1.5x to 2.5x EBITDA

- **Successful execution of Tissue Capital Investment Program**
 - \$115m Tissue Capital Investment Program substantially complete & market demand fully supplied
 - 93% of planned annualised incremental benefits currently being realised as machines near their optimal performance
 - No substantial Growth Capex requirements on horizon

- **Dividend above Prospectus forecast**
 - Unfranked dividend of 5.4cps in 2H14, 12% above Prospectus guidance
 - Capital Management principles to deliver value to shareholders, including intention to distribute 70-80% of statutory NPAT

FY15 OUTLOOK

- **EBITDA:** Low to mid single digit growth
- **NPAT:** Low to mid single digit growth

Asaleo Care today reported a Pro Forma Net Profit after Tax of \$72.3 million for the 12 months ended 31 December 2014. On an underlying basis, this was an increase of 17.7% on FY13 and was 2.4% ahead of the Prospectus forecast.

Asaleo Care Chief Executive Officer and Managing Director, Peter Diplaris, said “2014 was a transformational year for Asaleo Care. The Company listed on the ASX, achieved record underlying profitability and completed the Tissue Capital Investment Program. I would like to acknowledge the contribution of all of the Company’s employees”

The Personal Care business had strong growth with net sales increasing 7.4% and Pro Forma EBITDA up 10.1% against 2013. Net sales grew 8.5% in Incontinence Hygiene, 2.4% in Feminine Hygiene and 19.6% in Baby Hygiene. Following market share gains in 2014, Tena became market leader in Incontinence Hygiene in the retail market in Australasia, and Libra remains the market leader in Feminine Hygiene. The launch of the Treasures baby brand in Australia and market share gains in New Zealand drove Asaleo Care’s growth in Baby.

Pro Forma EBITDA for the Tissue business grew 16.1% on last year and was 3.4% higher than Prospectus forecast. The major drivers of the increased EBITDA were cost reductions derived from both the Tissue Capital Investment Program, and overhead savings. Tissue sales declined 2% on prior year primarily due to first half supply constraints for Consumer Tissue Toilet relating to the Tissue Capital Investment Program. Net sales were also impacted by promotional pricing activity in the second half, to regain some share loss emanating from the first half supply constraints.

With the Tissue Capital Investment Program effectively complete, the company's focus is now on sustainable earnings growth and shareholder returns.

The Board declared a final unfranked dividend of 5.4 cents per share for the second half of 2014, 12% above the Prospectus guidance. Clear Capital Management principles to deliver value to shareholders have also been set out.

FY14 Key Financials

A\$m	Actual Pro Forma FY14	Prospectus Pro Forma FY14	FY13	Actual Proforma FY14 vs. Prospectus	Actual Proforma FY14 vs. FY13	Prospectus Forecast met	FY14 Growth (vs FY13)
Revenue	629.9	642.2	625.1	-1.9%	0.8%	X	✓
EBITDA	140.8	139.7	124.6	0.8%	13.0%	✓	✓
EBIT	113.2	111.1	97.3	1.9%	16.4%	✓	✓
NPAT (Pro Forma)	72.3	70.6	61.4	2.4%	17.7%	✓	✓
NPAT (statutory)	3.0	1.0	23.1	198.3%	-87.1%	✓	X
Dividends	5.4cps	4.8cps	N/A	12%	N/A	✓	N/A

Tuesday 24 February 2014

About Asaleo Care Limited (AHY ASX):

Asaleo Care is a leading hygiene and personal care company that manufactures, markets and distributes Personal Care and Tissue products used in households and businesses across Australia, New Zealand and the Pacific every day. Asaleo Care's portfolio of market-leading brands includes Sorbent, Handee, Purex, Libra, Treasures, Deeko, Viti, Orchid, TENA and Tork.

With twelve manufacturing and distribution facilities throughout Australia, New Zealand and Fiji, Asaleo Care employs around 1,030 people who work together to make it easier for hygiene, health and wellbeing to be part of everyday life.

This Release contains general background information about the Company and does not purport to be complete. This presentation is for information purposes only and does not purport to be a solicitation of an offer to buy any securities in the Company. The operating and historical financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future performance or condition. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This public announcement contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate.

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