

Skellerup Holdings Limited

Presentation of HY14 Financial Results

20 February 2014

Skellerup HY14 Highlights

- Increase in NPAT to \$10.8 million (unaudited)
 - Up \$1.3 million on prior corresponding period (pcp).
- Increase in Industrial Segment EBIT
 - Across the board improvement reflecting the benefit of restructuring, operating efficiencies and product development
- Increase in Agri Segment EBIT
 - Underpinned by strong NZ dairy sector
- Operating Cash Flow of \$13.0 million
 - Down \$1.7 million on pcp due to timing of sales and slight increase in inventory
- Increase in Interim Dividend to 3.5 cents per share
 - Reflects earnings growth and low debt

Skellerup HY14 Financial Summary

NZ\$Million Unaudited	HY14	HY13	Movement %
Revenue	97.3	95.0	2%
EBITDA	19.3	17.4	11%
Depreciation & amortisation	3.7	3.6	(3%)
EBIT	15.6	13.8	13%
Interest expense	0.4	0.6	33%
Tax expense	4.4	3.7	(19%)
NPAT	10.8	9.5	14%
Earnings cents per share	5.61	4.92	14%
Dividend cents per share	3.5	3.0	17%

- Modest revenue growth with stronger second half anticipated.
- Operational improvements continue to improve earnings.

Skellerup HY14 Financial Summary

NZ\$Million Unaudited	HY14	HY13	Movement %
Total Assets	175.8	172.6	2%
Total Liabilities	52.1	52.2	-
Net Assets	123.7	120.4	3%
Net Debt	3.4	4.5	24%
Operating Cash Flow	13.0	14.6	(11%)
Capital Expenditure	4.1	5.1	20%
Working Capital	43.8	50.2	(13%)

- Operating Cash Flow of \$13.0 million funded:
 - Capital expenditure of \$4.1 million
 - Dividends of \$9.6 million
 - *Net Debt increased \$1.2 million from the June 2013 year end*

Skellerup Industrial Division

NZ\$ Million	HY14	HY13	HY12
Revenue	59.6	59.4	65.9
EBIT	9.2	7.8	11.0
EBIT/Revenue	15.4%	13.1%	16.7%

- Revenue flat, EBIT up 18% on pcp
 - Growth in US market with Gulf products and Masport pumps
 - Deks relocation within US to Chicago completed
 - Australian revenue solid in spite of overall market environment
 - Flexiflo demand stronger than expected
 - Deks product extension
 - Gulf margin improvement
 - Foam returns much improved with benefits of lower cost manufacturing beginning to show

Skellerup Agri Division

NZ\$ Million	HY14	HY13	HY12
Revenue	37.6	35.5	37.0
EBIT	8.9	8.3	9.0
EBIT/Revenue	23.7%	23.4%	24.3%

- Revenue up 6% on pcp, EBIT up 8% on pcp
 - NZ Dairy sector strong underpinning domestic liner and tubing sales
 - Improving international prospects for specialised rubber footwear
 - Integration of two small, recent acquisitions to our animal hygiene business underway – enhances our product range and distribution capability
- Christchurch
 - Final settlement made in January 2014 on land at Wigram Skies Business Park
 - Tenders for new facility received and under evaluation

Skellerup Focus & Outlook

- Realising the benefits of repositioning undertaken in the Industrial business over the past 24 months:
 - North America
 - Australasia
- Capitalising on continued tightening of food standards to realise growth particularly in our Agri business
- Finalising arrangements for our new dairy rubberware facility in Christchurch
- FY14 forecast NPAT increased to a range of \$22 to \$24 million
 - Improved performance across the business.

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