

EcoQuest Limited



Steve Moncur MD

Corporate Information



Our Vision: a future where disposable personal care products finish up as compost instead of landfill

Our Mission: create a globally recognised brand of biodegradable disposable personal care products based on proven and tested principles of sustainability

Our Byline: Sustainable personal care that performs

Directors and Management



Sylvia Tulloch - Chairman

- Track record in building value in the ASX Technology Space
- Experienced in IR in both Australia and Germany
- On government and industry Boards
- Respected scientist, with strong commercialisation credentials

Stewart Pyrah – Sales & Marketing Director

- highly successful leader of international fmcg business and brands.
- has held leadership roles with PZ Cussons (Imperial Leather, Morning Fresh), Boots The Chemist and most recently Foster Grant as MD of the European operation pre and post the recently successful NASDAQ ipo.

Michael Greenup – Operations Director

- 35 years experience of owning and operating successful businesses
- a long-standing EcoQuest shareholder
- 12 years consulting and sourcing in China and Malaysia, responsible for EcoQuests subcontractor manufacturers.

Steve Moncur – Managing Director

- Qualified as a chartered management accountant in the UK
- a career with widespread commercial, strategic and operations management experience in the FMCG sector.
- in the eco-nappy industry since 2002, and is credited with launching the first private label eco-nappy in the UK
- Was Operations Director for Swedish-based Naty AB, the largest eco-disposable nappy seller in Europe and Australia.

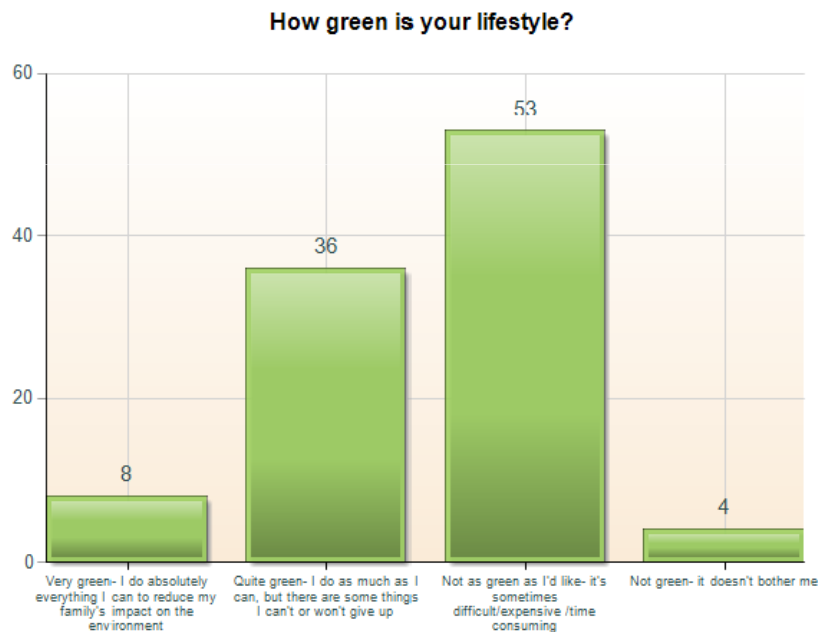
Matthew Hiscox – Sales & Marketing Manager, Australia

- Over 18 years experience in the sales and marketing industry, including the FMCG & Pharmaceutical sector, most recently, as a consultant for Cosmax Prestige Brands Australia, the nation's leading independent importer and distributor of prestige fragrances and cosmetics.

Market Research



Why choose EcoQuest?



53% of Mums surveyed wish they were “more” green: difficulty, cost and time are considered the barriers to a greener lifestyle. Findings suggest that there is room for companies to offer better greener” alternatives that address and defeat these barriers.

*USA moms survey

The Value Proposition



- ❑ Consumers want green products, but not at the expense of performance
- ❑ Little Takas nappies score highly on absorbency, softness and comfortable fit
- ❑ Market research confirms consumers will pay a premium for a genuinely environmentally friendly Brand “Purchase of Conscience”

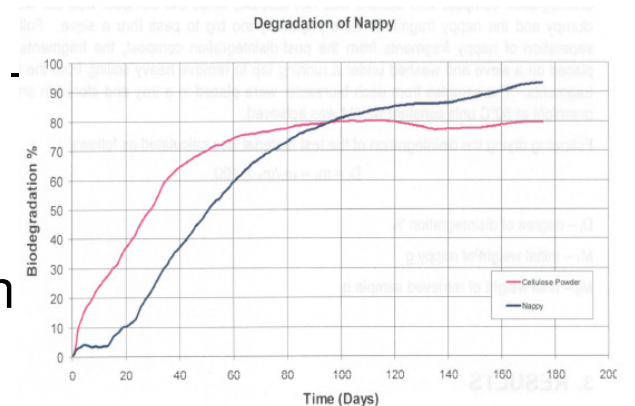
Science and Technology



- ❑ Standard disposable nappies can take up to 100 years to decompose in landfill - made from non-biodegradable materials derived from fossil fuel sources
- ❑ Little Takas nappies replace environmentally unfriendly materials with
 - Polylactic acid (PLA)– biodegradable (Non GM modified corn)
 - Corn based bio film certified for biodegradability and compostibility
 - Fibrous pulp
 - Viscose

All from certified sustainable sources

Other eco nappies present a less compelling case claiming such things as: chlorine free, biodegradable back sheet, free from harsh chemicals, measurably low eco footprint; made from renewable resources; fragrance free; latex free. None come close to the Little Takas position of 90% biodegradability



Representation of percentage degradation of nappy and cellulose following 6 months biodegradation testing.

Source: NATA report on biodegradation testing, 7 January 2010

Market Volume



- ❑ Australia 2009 - 299,000 babies born
- ❑ Babies wear nappies for c. two years and wear 6-8 nappies per day
- ❑ Full year volume estimate = 1 billion nappies per annum, Market Value \$A500 million
- ❑ 5% volume share = 50 million nappies
- ❑ Global Market for nappies/diapers estimated to be US\$26.6bn for 2010
- ❑ Brand Shares:

P&G (Pampers)	31.5%
Kimberly Clark (Huggies)	22.3%
- ❑ Eco volume estimated 500million (directors estimate), with growth 25% pa

Market Drivers - Green is Growing

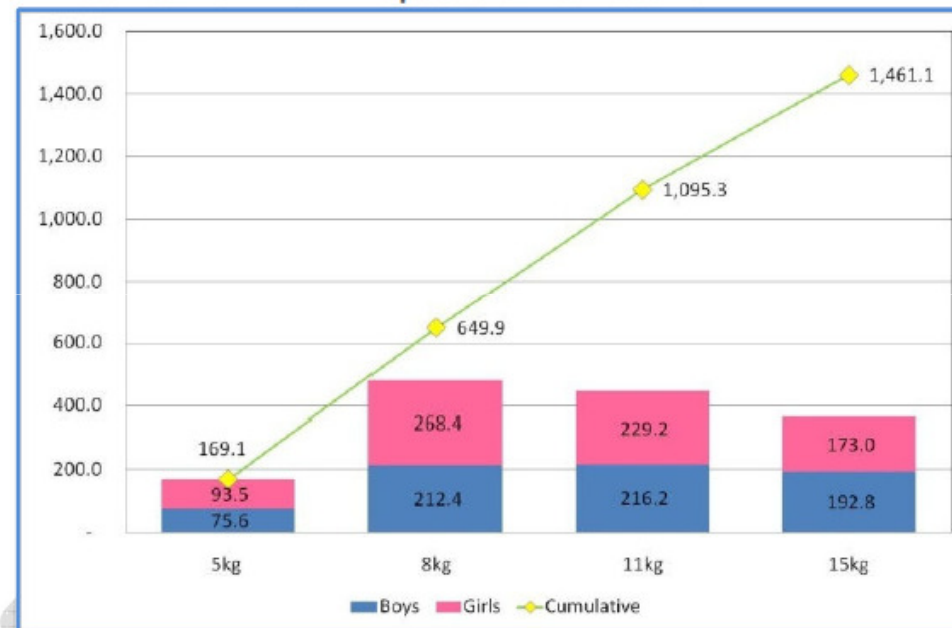


- ❑ Acute awareness of Global Warming driving consumer demand
- ❑ Product eases consumer conscience, but fits into modern lifestyles
- ❑ Media focused on green issues
- ❑ National and Local Government have “waste” on their agenda
- ❑ Consumers willing to pay a premium for Green products that perform
- ❑ Mainstream retail wanting green product lines.
- ❑ Concern over landfill that standard oil based nappies cannot address.

Sector Analysis



Exhibit 20: Maximum Disposable Market Size



Source: Pegasus Estimates

Competitors



- ❑ Naty (Nature Baby Care) - Market Share 1% price \$21 per pack
 - Swedish company sold throughout Europe, Australia and North America
 - Nature baby care is sold through supermarket chains, internet and specialist outlets
 - Nature baby care sells a whole range of baby ECO products and feminine hygiene products. Nappies represent 80% of their turnover.

- ❑ Other environmentally friendly disposable nappy brands include: Market share not known prices range from \$21 to \$32
 - EcoBots, Baby Love (68% biodegradable)
 - Bamboo (partially biodegradable)
 - gDiapers (washable cover with removable flushable liners)
 - Moltex
 - Private label variants

Branding Strategy



Little Takas



- ❑ An Aussie name will resonate in Australia
- ❑ Elements used in production are from sustainable sources – not oil based materials
- ❑ Globally, the Australian image of clean open spaces and healthy outdoor people will be a background to market acceptance
- ❑ Distinctive personality, memorable with high Shelf Impact

Launch Strategy

PR Campaign



Big bang media launch 14th
October

Ongoing editorial campaign in
woman's and pregnancy
magazines

Celebrity ambassador Elka
Whalan (nee Graham) Olympic
swimmer, Silver medallist

Monthly online video blog and
fortnightly written blog

Appearances at specific industry
events



Sales Channels



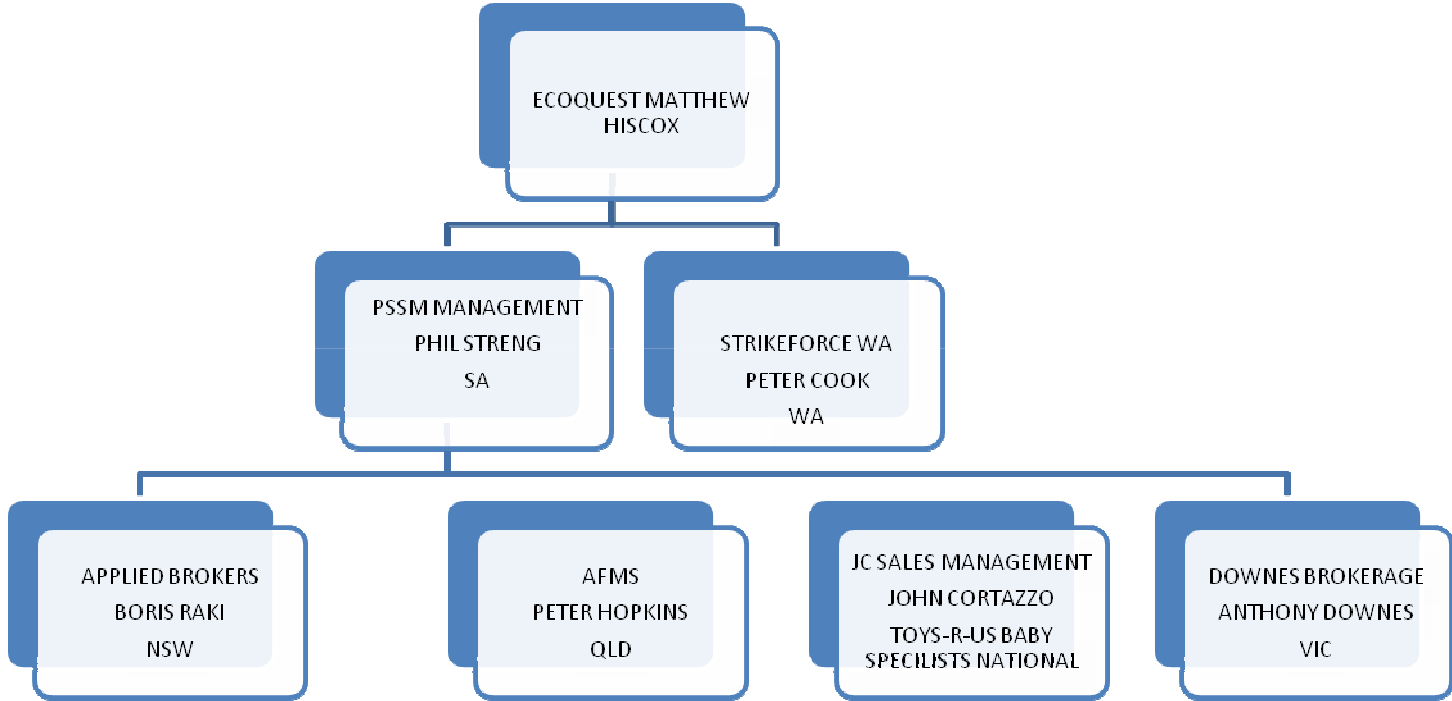
□ Revenue model

- Mass market retail
- Internet
- Independent Grocers
- Pharmacy

□ Revenue streams

- Nappy 80%
- Wipes 20%

Australian Distribution Model



Little Takas Rollout



- IGA state based groups
 - Drakes
 - Romeo's
 - Ritchie's

- Toys-R-Us National pharmacy groups
- One or both of the 2 major grocery retailers
 - 1st within the next six months
 - 2nd major within one year

- Approach European Distributers Q1 2011
- Approach Brokers in USA in Q1 2011

Future Product Developments



□ Product Extensions

- Range extension- increase sizes, larger consumer packs
- Travel pack size wipes

□ New market entries

- Feminine hygiene (san-pro)
- Adult incontinence
- Nappy sacks

Milestones



All products nappies & wipes, manufactured, shipped and delivered.	August 2010
Little Takas Website goes live	August 2010
1 st order (1 million nappies) distributed to independent retailers	September 2010
Product and PR launch	October 2010
New Product development commencement	September 2010
2 nd order (2 million nappies) manufactured shipped and delivered	November 2010

Milestones



Product development meetings in China	November 2010
Metcash listing access to over 1200 stores	January 2011
New nappy product specification in place	January 2011
New nappy sample runs in factory	March 2011
New product available for manufacturing. Delivers reduced COG's. BEP now 10million pads.	June 2011
Listing with either Coles or Woolworths	June 2011

Corporate Information



- ❑ 12 month high = 0.15 – low = 0.075
- ❑ Current cash \$830k
- ❑ Ecoquest has zero third party debt
- ❑ Current total shareholders = 715
- ❑ Top 3 shareholders hold 22%
- ❑ Top 20 shareholders hold 52%



- ASX Ticker ECQ
- German 3rd Market Ticker 51S.BE

Corporate Information



Share Price November 2010	\$0.09
Market Cap	\$9,000,000
Total Shares on Market	104,634,612
Options	22,602,749 listed 24,500,000 unlisted

Financials



- First trading profit by end of Q4 2011
- Positive Cash-Flow by end of Q2 2012
- BEP reduced to 10 million pads by Q4 2011

Financials



- Cogs target minimum of 50% of sales value
 - Wipes in place today
 - Nappies by end of Q2 2011
 - Gross Margins circa 50%
- Sales price \$19.95 – Nappies
- Sales price \$4.95 – Wipes
- Cost reductions delivered by Nappy redesign
 - Alternative materials
 - Lighter materials
 - Change of manufacturer

Growth Strategy



- Positive cash flow driven by:
 - Change of credit terms from suppliers
 - Lower purchase costs
 - Factoring & asset finance

- Growing sales by:
 - Price promotion
 - Sampling
 - PR activities

Growth Strategy



- Replacing Nature baby care
 - Little Takas has better sustainable content
 - Higher Biodegradability
 - Better margin to the retailer

- European market entry by end of Q4 2011
 - Initially Internet retail
 - Specialised baby store

- Acquisition of complimentary businesses

- Achieve 5% market share

Summary



- ❑ Highly skilled and experienced management team with proven track record of successful delivery
 - Nappy market expert with specialised knowledge of green disposable product and other green products, including toiletries, wipes, pull-up pants and feminine hygiene.
 - Sylvia Tulloch at the helm with past green technology commercialisation success with Dyesol.
- ❑ Leading edge technology and market leading claim
 - 90% biodegradable nappy best in supermarkets globally
 - Product development identified highest sustainable content
 - Introduction of novel & patentable nappy
- ❑ Product within massive total global market and growth market segment
 - \$27bn market value
 - Green disposable market growing circa 25% p.a. (NBC growth rate)
 - Large growth in demand in Europe and USA.
- ❑ Business plan built on low break even volume
 - Driven by reducing cogs already identified and costed
 - Will be delivered within 6 months
 - Will deliver better than average profitability