



Sun Innovation Plan

Project Flip IIR

Project Sunflower Charter One



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Innovation Strategy

Objective: Deliver innovation to grow \$ share and share of shelf

Innovation Strategy Principles:

1. Focus on liquid portfolio
2. Focus on top consumer need of scent
3. Optimize mix through “Weed & Feed”
4. Deliver scent innovation 1x per year

3-year Innovation Plan

2014

Project Harmony

Deliver parity scent performance vs. Xtra across top 3 variants

2015

Project Flip

Leverage existing scent within Sun portfolio to expedite “new” news

2016

Project Sunflower

Launch new scent variant to diversify portfolio

Optimize mix by eliminating low performing variants

Project Flip

Leverage existing scent within Sun portfolio to expedite “new” news



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Background:

- Sun has not launched a new scent variant that reached acceptable distribution levels since Original Oxi in 2011.
- Xtra has consistently launched new scent variants every year giving them a shelf space advantage and allowing them to quickly replace underperformers while bringing consumers and retailers “new” news.

Opportunity:

- Create new news for both consumers and customers in 2015 by delivering an incremental scent variant.
- This new variant would leverage existing Fresh Morning Breeze fragrance and repackage it in a different bottle color with a new name and label.



Why Fresh Morning Breeze?

Rationale:

- Fresh Morning Breeze is parity on intensity to our #1 scent variant, Tropical Breeze
- Project Flip would use upgraded Project Harmony scent as FMB is one of the variants being upgraded
- FMB has the highest velocity of all the Sun variants
- FMB is the #4 most incremental SKU in Sun portfolio and the most incremental at DG



Project Detail

Scope

- Market Research resources to decide new variant name
- Visual Branding resources to create new label
- Financial resources to develop portfolio harmonization and sku rationalize variants with low ACV

Assumptions

- Variant: 1 new scent
- Sizes: 45oz, 150oz, and 188oz
- Pricing: CPL parity to Xtra
- Margin: equal to or greater than Fresh Morning Breeze

Recommendation

- 1 in 1 out: SKU Rat Island Essence
 - 3 sizes, 2% ACV, \$0.5MM in volume

Constraints

- Customer commitment to new variant distribution



Timing

- **BPM recommends completion of project is done through the PRP process**
- **Project scope does not require full Gate review**

Timeline

- 4/30/14: Consumer Research – name & bottle color development
- 5/25/14: Packaging Development
- 6/1/14: Design Lock
- 6/20/14: Sales Samples
- 12/10/14: Ready for STT
- 2/15: Q1 2015 Resets

Next Steps

- Customer Check In
- Confirm Project Harmony Timing



Project Sunflower

To launch a 4th power variant and diversify Sun's fragrance portfolio in 2016



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Background & Opportunity

Background:

- Sun has not launched a new scent variant that reached acceptable distribution levels since Original Oxi in 2011
- Sun's Top 3 variants account for 78% of volume, while Xtra's Top 5 are 84% of volume
- Xtra has shelf space advantage vs. Sun from consistent scent innovation
- 4 of Sun's Top 5 fragrances are in one fragrance space

Opportunity:

- Create a 4th power SKU
- Gain Share of Shelf
- Diversify the fragrance portfolio to bring in new customers
- Focus fragrance innovation in the Fresh/Mainstream space

Among Top 5 Variants Sun overindexes in “Indulgent” space



#1) Signature



#4) Indulgent



#2) Fresh/Mainstream Bright

Focus Area for
Sunflower

#3) Fresh/Mainstream Edgy

#5) Nostalgic

#6) Bold/Active

#7) Harsh

Among Top 5 Variants, Xtra is more diversified and has presence in consumer centric “Fresh/Mainstream”



#1) Signature

**#2) Fresh/Mainstream
Bright**

#5) Nostalgic

#6) Bold/Active

#4) Indulgent



**#3) Fresh/Mainstream
Edgy**

#7) Harsh



Scope & Action Standards



Scope

- Formula – new fragrance
- Sizes – 45oz, 150oz, 188oz, 250oz
- Packaging – new labels, new bottle color

Action Standards

	Success Criteria	Objective:	Timing
PRODUCT	Fragrance Action Standard vs. Benchmark	Parity to Xtra at both Neat & Damp	Q3 2015
PROJECT FINANCIALS	Net Sales \$MM	\$22MM	
	Incremental Net Sales \$MM	\$13.2MM	
	Gross Profit \$MM	\$1.3MM	
	Gross Margin %	10%	
	Share Target: \$ & units	\$ share 0.4pts, EQ share 1pt	
	Cannibalization Rate %	40%	
	Source of Volume (brand)	Sun Laundry, Xtra	
RETAIL	Distribution % ACV	Parity to top 3 variants (above 45%)	Q1 2016
	Ship To Trade Date	12/18/15	Q4 2015

Recommendation

- Perform Packaging Test – May 2014
- Brief Fragrance Houses – June 2014



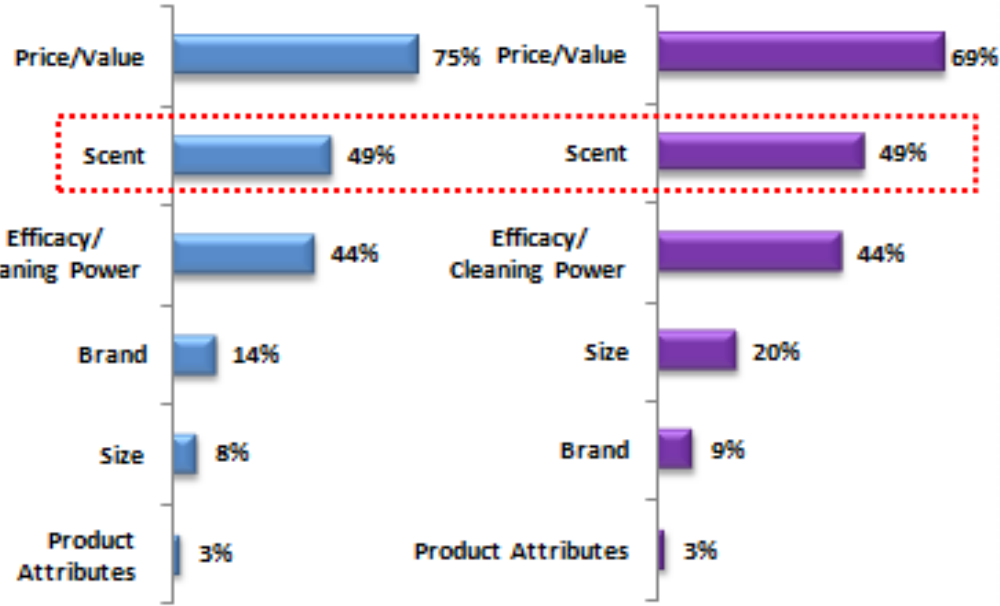
Key Project Milestones	Timing
Consumer Research	5/10/2014
Brief Fragrance Houses	7/7/14
Design Lock	7/22/2014
CLT	10/14/14
Charter 2	3/18/15
Launch Proposal	5/20/15
Formula Lock	5/22/2015
Sales Samples	6/4/2015
Production Date	11/6/2015
STT	12/18/2015



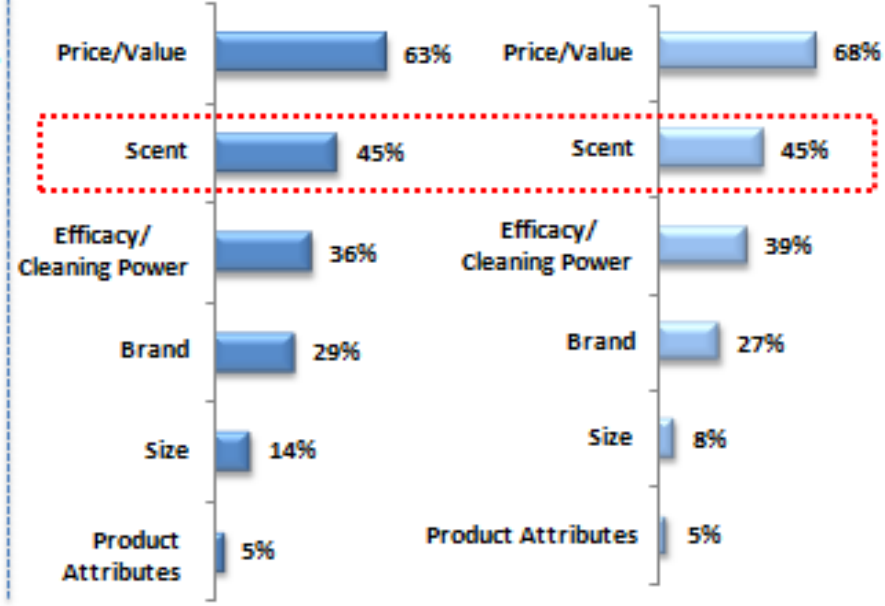


Value Consumer Purchase Drivers

Brand Level



Top Retailers





95% of Sun's Volume is in Top 5 Variants

Top 5 account for 95% of Volume



**Tropical
Breeze**



**Clean
& Fresh**



**Original Fresh
Oxi**



**Fresh Morning
Breeze**



**Mountain
Fresh**

Bottom 5 account for 5% of Volume



**Mountain
Fresh w/Bleach**



**Fresh
Lavender**



**Free
& Clear**



**Original Fresh
w/Cuddlesoft**



**Island
Essence**

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Xtra has a more balanced scent portfolio

Top 5 account for 79% of Volume



Tropical
Passion



Mountain
Rain



Calypso
Fresh



Spring
Sunshine



Plus
Oxiclean

Bottom 6 account for 21% of Volume



Summer
Fiesta



Lavender &
Sweet Vanilla



Warm Vanilla
Comfort



Sparkling Fresh



Rain Lily



Fresh Cotton
Breeze

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Sun vs. Xtra Variant Comparison



Sun

- Top 3 variants account for 78% of the volume
- 3 scents with significant distribution (>35%)

Xtra








- Top 5 variants account for 80% of the volume
- 6 scents with significant distribution (>35%)

Sun Variants						Xtra Variants					
Variant	EQ's	% of Volume	% ACV	\$/MM ACV	ANI	Variant	EQ's	% of Volume	% ACV	\$/MM ACV	ANI
Tropical Breeze	5,214,982	35%	57	\$483	1.6	Tropical Passion	6,307,935	23%	64	\$620	1.7
Clean & Fresh	3,292,912	22%	46	\$389	1.2	Mountain Rain	5,721,726	21%	66	\$522	1.4
Oxi	3,191,793	21%	46	\$430	1.2	Calypso Fresh	3,864,840	14%	36	\$604	1.0
Fresh Morning Breeze	1,529,621	10%	11	\$818	1.2	Spring Sunshine	3,257,341	12%	64	\$620	1.7
Mountain Fresh	1,050,115	7%	6	\$1,216	1.8	Oxi	3,864,840	14%	41	\$498	1.1
Mountain Fresh w/ BL	252,831	2%	2	\$280	1.0	Summer Fiesta	1,844,759	7%	39	\$312	1.0
Fresh Lavender	225,585	1%	3	\$472	1.0	Lavender/ Sweet Vanilla	2,070,346	7%	12	\$1,120	1.0
Free Clear	225,585	1%	3	\$472	1.0	Vanilla Comfort	1,122,482	4%	16	\$432	1.0
Original Fresh w/ CS	107,079	1%	2	\$228	1.0	Sparkling Fresh	553,085	2%	18	\$225	1.0
Island Essence Oxi	95,065	1%	2	\$269	1.4	Rain Lily	246,853	1%	9	\$170	1.0
						Fresh Cotton Breeze	27,906	0%	1	\$122	1.0



Xtra is leveraging innovation to gain share of shelf.

Sun vs. Xtra Innovation

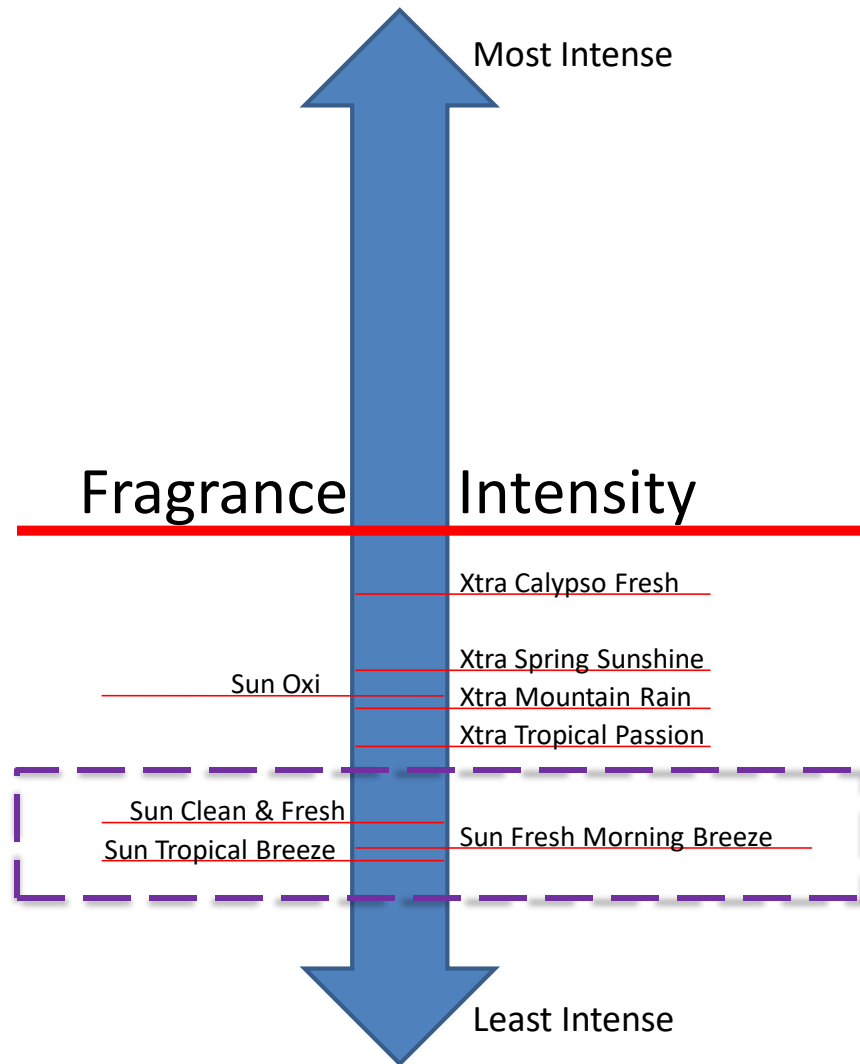
	2009	2010	2011	2012	2013
		 Fresh Morning Breeze	 Oxi		 Island Essence
	 Calypso Fresh	 Nice 'N Fluffy	 Oxi	 Warm Vanilla Comfort	 Rain Lilly
	 Summer Fiesta				

Sun vs. Xtra ANI

		ANI	ANI Pt Chg vs YAG
Walmart	Sun	4.16	(0.90)
	Xtra	6.82	1.11
Family Dollar	Sun	8.47	(1.71)
	Xtra	9.28	1.56
Dollar General	Sun	4.15	(0.57)
	Xtra	9.69	1.87
Food	Sun	5.68	(0.35)
	Xtra	5.87	(0.12)



Fresh Morning Breeze is parity on intensity to #1 scent variant, Tropical Breeze.



Project Flip would already include the upgraded Project Harmony scent as Fresh Morning Breeze is one of the variants being upgraded.

Fresh Morning Breeze has the highest velocity of all the Sun variants.



Sun Variant	% of Volume	EQ Per point of Distribution	%ACV
Tropical Breeze	35%	91,729	58
Oxi	22%	72,657	47
Clean & Fresh	21%	69,286	46
Fresh Morning Breeze	10%	144,042	11
Mountain Fresh	6%	109,655	6
Mountain Fresh with Bleach	2%	65,062	4
Fresh Lavender	1%	70,439	3
Free Clear	1%	34,040	4
Island Essence Oxi	1%	50,484	2
Original Fresh with Cuddle Soft	1%	37,317	-

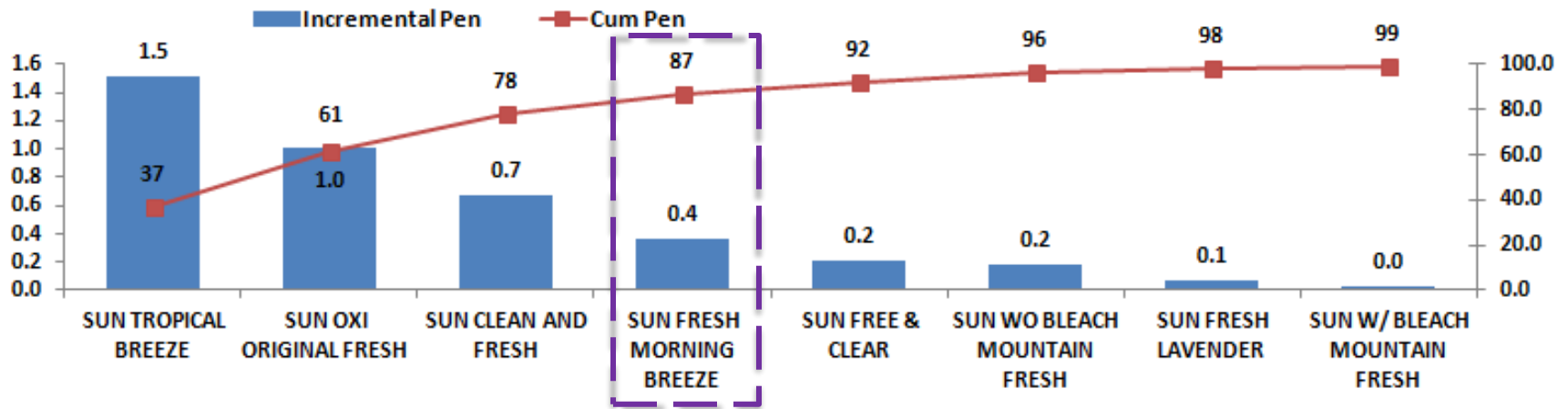
**total XAOC*

***data 12 weeks ending 2/22/14*

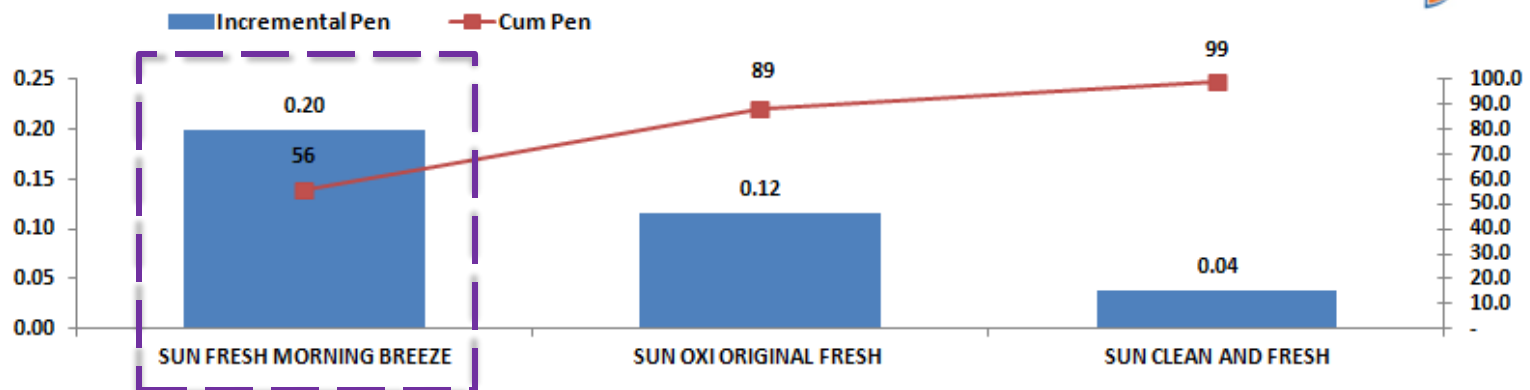
Fresh Morning Breeze is the #4 most incremental SKU in Sun portfolio and the most incremental at DG.



Sun Liquid - Variant Incrementality & Exclusivity - Total US-24 wks 11-30-13



Sun Liquid - Variant Incrementality & Exclusivity - Dollar General- 24 wks 11-30-13



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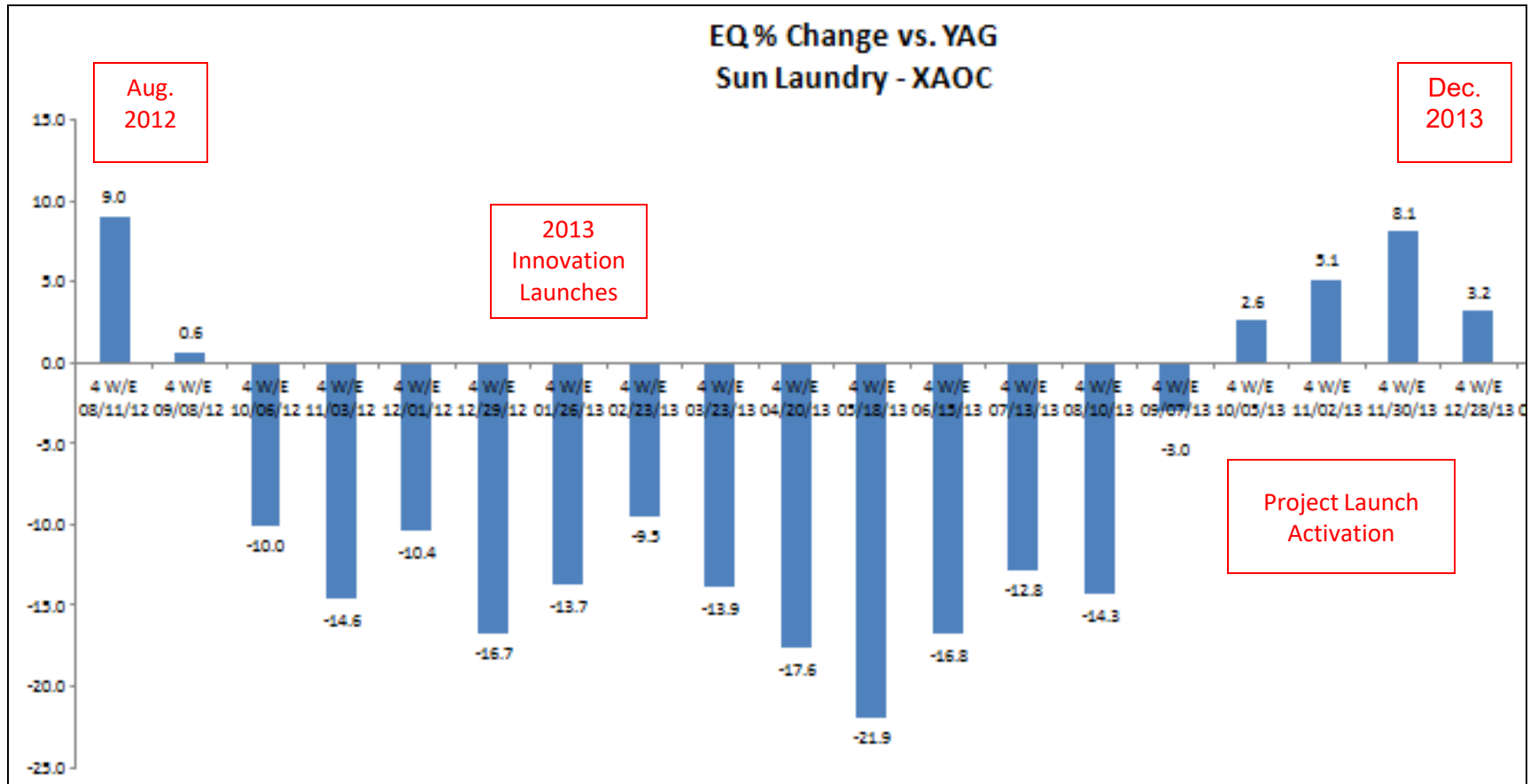
FMB Top 10 Customers

63% of Fresh Morning Breeze volume is sold at DG

Retailer	GSD	% of Volume
DOLLAR GENERAL	\$ 11,213,747	63%
FAMILY DOLLAR	\$ 2,741,276	15%
KROGER	\$ 1,436,849	8%
H E BUTT GROCERY	\$ 674,992	4%
WINCO FOODS	\$ 639,275	4%
DOLLAR TREE DISTR INC	\$ 182,814	1%
UNIFIED WESTERN GROC	\$ 122,911	1%
DEMOULAS SUPERMARKETS	\$ 121,242	1%
MILITARY	\$ 102,878	1%
BI-MART CORP	\$ 89,426	1%



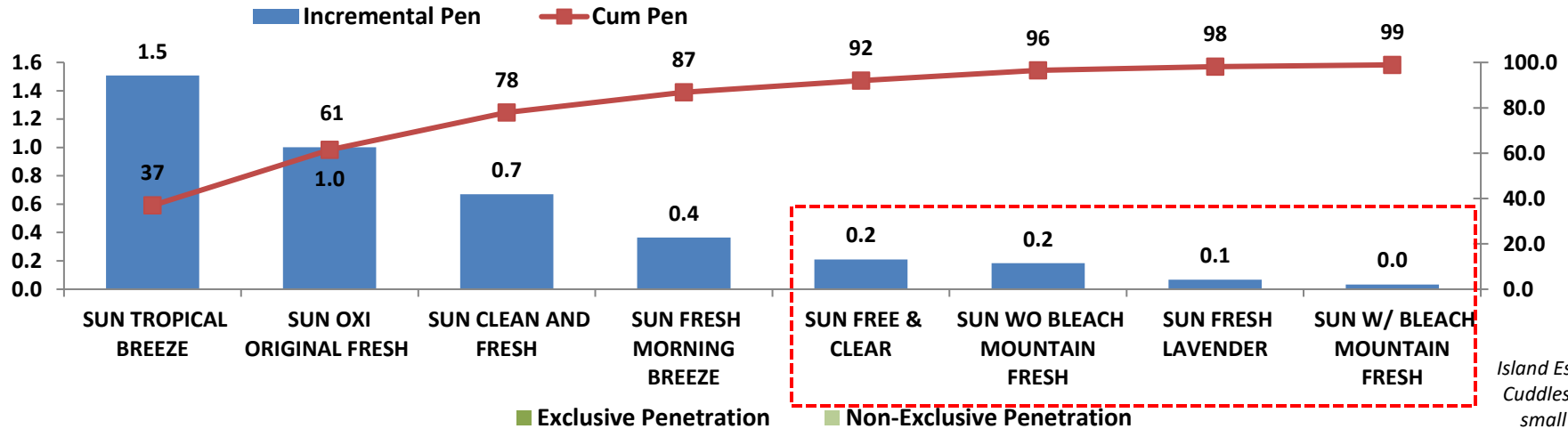
2013 Innovation launched during time of instability on base business



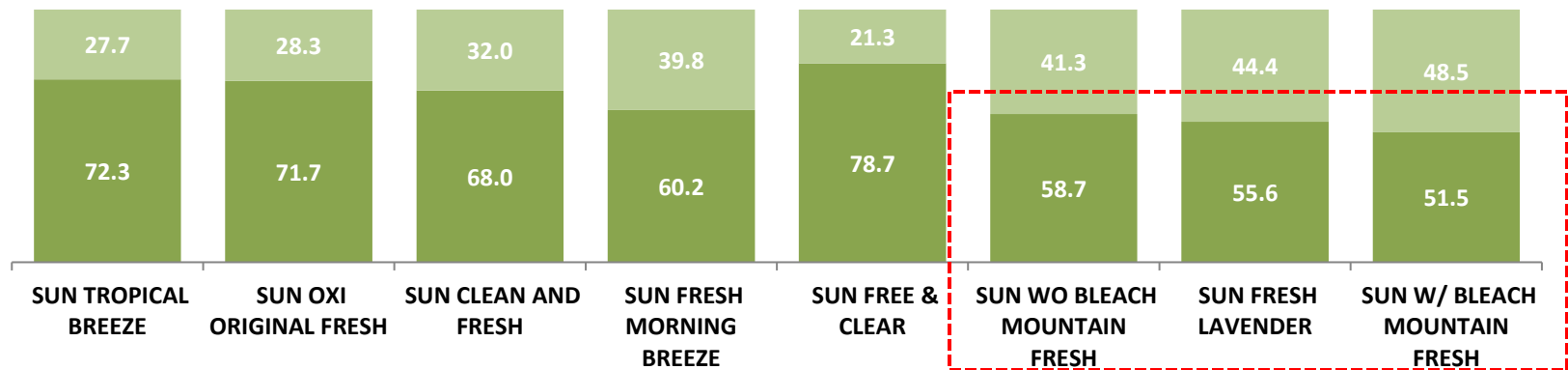


Sun variant Incrementality & Exclusivity

Sun Liquid - Variant Incrementality & Exclusivity - Total US-24 wks 11-30-13



Island Essence & Cuddlesoft too small to be captured



ANI	1.7	1.2	1.1	1.1	1.5	1.2	1.0	1.3
ANI Chg YAG	0.0	0.0	-0.7	-0.1	0.0	0.0	-0.1	0.1
% ACV	53	42	43	10	3	3	2	3
% ACV Chg vs YAG	8	8	3	0	-1	-1	-3	-1





Sun Oxi

Active Freshness in White Cherry Blossom scent

New Sun Oxi formula Active Fresh detergent has a special Oxi-Freshness formula designed to eliminate bacteria, germs and odors, so clothes come out cleaner and extra fresh.

ScentCast Accord:

White Mallow Flowers: An uplifting blend of jasmine, refreshing pineapple and white mallow flower is sprinkled with clean powder and vanilla wrapped musks.



Alternate Names:

Summer Rainstorm Spring Awakening

Rationale:

1. Oxi is fastest growing market segment, and fastest growing for Sun in 2012-1013
2. Qualitative finding that consumers want BBW scents in their laundry – that's 'the best freshness'
3. G-Source testing shows White Cherry Blossom top and significantly preferred over mean



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Sun Triple Clean Clear & Clean in Cool Night Rain scent

New Sun Clear & Clean formula has Clear Crystals which remove residues and odors for a clean rinsing wash. Enjoy laundry that's not only looks clean, it feels and smells clean too

ScentCast Accord:

Water Blossom: A bright sparkling top of peach, melon and apple flows into a heart of watery muguet and rose to create this refreshing blend of spring's first petals - dewy & dazzling.



Alternate Names:

Blue Ocean & Cotton

Sunrise after Rain

Rationale:

1. The clean rinsing benefit we feel is rising as part of 'Next Nature' – a cleaner and purer wash
2. Crystals are becoming associated with extra freshness and therefore odor removal
3. G-Source testing shows Cool Night Rain is a clear winner among names tested

Givaudan[®]





Sun Triple Clean

New Experiential - Tropical Rain, in Hawaiian Rain Blossom scent

One of the freshest scents in nature is tropical rain. Let this wonderful scent take you away to a special natural freshness experience, like rain in the tropics

ScentCast Accord:

Mono Sunset: Bask in the brilliance of warm tuberose, coconut, and ylang notes as they melt into a heart of jasmine and orange blossom. Sweet sandalwood and musky vanilla bring an end to this sundrenched accord



Alternate Names:

Tahitian Rainflower Pacific Ocean Rain
Rainflower Orchid

Rationale:

1. Insight: In repeated G-Source testing (6 rounds) tropical rain concepts rise to the top. Tropical is too hot on its own, the rain/rainflowers add refreshing and cleansing water
2. Hawaii adds value to the experiential end of any brand, it can't be saturated; Hawaiian Rain Blossom won its test
3. Tropical expressions in detergents have now exceeded \$400m, - there's an opportunity to extend Tropical Breeze



Givaudan[®]



Sun Triple Clean

New Experiential - Sunshine & Happiness in Sunrise & Shower Fresh scent

*Enjoy some sunshine in your laundry!
Scents you would enjoy to make your
laundry sunshine fresh*

ScentCast Accord:

Citrus Sequoia: A unique blend of cool and warm...Sparkling, energizing citrus notes of bergamot and grapefruit are balanced by creamy sweetness of orris and pineapple verbena. Warmth from amber, jasmine and musky sequoia bark envelop the scent with uplifting energy.



Alternate Names:

Sunshine & Spring Rain

Orange Blossom & Sunshine

Sunshine & Citrus Zest

Rationale:

1. Insight: Shower freshness is the most refreshing scent of the day, and one consumers in laundry groups would like to capture in the clothes; Sunshine & Shower Fresh won it's G-Source round
2. This concept fills a color gap in the Sun line, and capitalizes on the brand name/equity.
3. This direction for experiential laundry scents is driven by optimism trends expressed cross category



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Xtra has greater ANI & variant distribution in the Dollar Channel



Dollar General			
	% of Sales	% ACV	ANI
Fresh Morning Breeze	46%	100.0	1.9
Oxi	43%	100.0	1.9
Tropical Breeze	10%	57.0	1.1
Clean & Fresh	0%	7.0	1.0
Sun			6.0
Tropical Passion	19%	100.0	2.0
Lavender/Sweet Vanilla	15%	99.0	1.0
Mountain Rain	14%	100.0	1.9
Spring Sunshine	12%	99.0	1.0
Calypso Fresh	12%	98.7	1.0
Oxi	11%	99.0	1.2
Summer Fiesta	9%	99.3	1.0
Warm Vanilla Comfort	7%	94.7	1.0
Xtra			10.1

Family Dollar			
	% of Sales	% ACV	ANI
Tropical Breeze	30%	100.0	2.3
Mountain Fresh	29%	100.0	2.8
Oxi	13%	93.7	1.0
Clean & Fresh	13%	96.7	1.0
Fresh Morning Breeze	9%	98.7	1.0
Fresh Lavender	6%	94.0	1.0
Sun			9.2
Tropical Passion	26%	100.0	2.4
Spring Sunshine	18%	99.7	1.9
Lavender/Sweet Vanilla	15%	98.7	1.0
Mountain Rain	10%	98.0	1.0
Oxi	10%	96.3	1.0
Summer Fiesta	8%	99.0	1.0
Calypso Fresh	7%	84.7	1.0
Warm Vanilla Comfort	5%	93.0	1.0
Rain Lily	1%	40.0	1.0
Xtra			11.3

Xtra has greater ANI & variant distribution in Walmart, Sun has greater in Food West



Walmart			
	% of Sales	% ACV	ANI
Tropical Breeze	42%	97.0	2.0
Clean & Fresh	32%	94.3	1.0
Oxi	26%	95.0	1.0
Sun			4.0
Calypso Fresh	27%	100.0	1.0
Tropical Passion	23%	100.0	2.0
Mountain Rain	21%	99.0	1.0
Oxi	19%	99.0	1.0
Summer Fiesta	8%	99.0	1.0
Spring Sunshine	2%	35.7	1.0
Xtra			7.0

Food West			
	% of Sales	% ACV	ANI
Tropical Breeze	27%	76.0	1.4
Clean & Fresh	25%	79.3	1.5
Oxi	20%	57.0	1.8
Mountain Fresh	7%	27.0	1.7
Mountain Fresh w/ BL	6%	15.0	2.0
Fresh Morning Breeze	5%	31.0	1.0
Free & Clear	5%	24.0	1.5
Island Essence	3%	12.3	1.4
Cuddlesoft	3%	15.7	1.1
Fresh Lavender	1%	11.7	1.0
Sun			14.5
Mountain Rain	29%	15.3	1.4
Tropical Passion	25%	13.0	1.3
Spring Sunshine	14%	14.3	1.2
Oxi	8%	6.7	1.0
Calypso Fresh	6%	3.3	1.0
Summer Fiesta	5%	7.0	1.0
Warm Vanilla Comfort	4%	4.7	1.0
Lavender/Sweet Vanilla	4%	1.7	1.0
Rain Lily	1%	1.7	1.0
Xtra			8.5



Sun bottom 5 variants only account for 5% of volume

Bottom 5 skus account for only 5% of total dollar volume:

- **Island Essence Oxi** (3 sizes, 2% ACV, \$0.5MM)
- **Original Fresh w/ Cuddlesoft** (2 sizes, 2% ACV, \$1.3MM)
- **Fresh Lavender** (3 sizes, 3% ACV, \$2MM)
- **Free Clear** (4 Sizes, 3% ACV, \$3.5MM)
- **Mountain Fresh w/ Bleach** (3 sizes, 2% ACV \$5MM)



**Opportunity
SKU's to
optimize Sun
Portfolio**

Xtra's innovation has helped them grow share of shelf at our top 3 retailers while Sun has declined

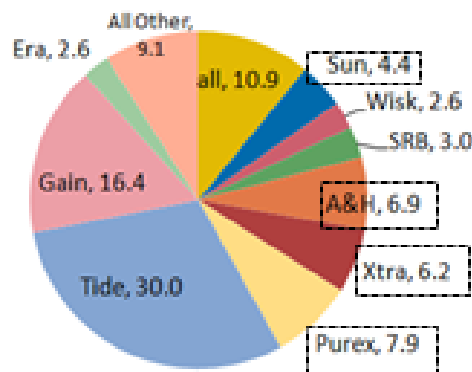


Walmart

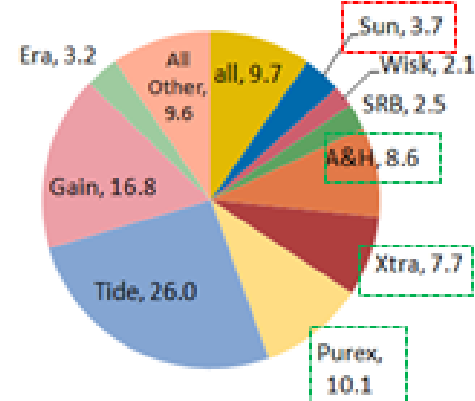
While the liquid set grew +5.8ft, Sun declined -0.7pts due to 140.5 oz losses

Xtra, A&H, Purex all had share growth

July 2012 – Avg Linear Feet = 185.5



June 2013 – Avg Linear Feet = 191.3

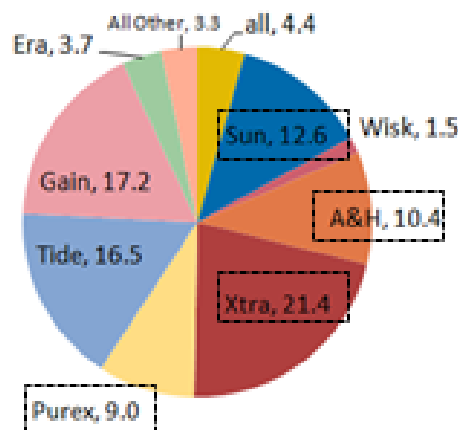


Dollar General

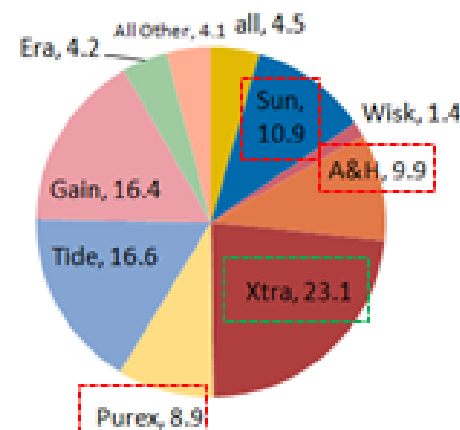
Sun lost share of shelf space driven primarily by the expansion of the liquid shelf

Xtra had the greatest % growth, while A&H/Purex had slight declines

July 2012 – Avg Linear Feet = 68.3



June 2013 – Avg Linear Feet = 74.5



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Xtra's innovation has helped them grow share of shelf at our top 3 retailers while Sun has declined

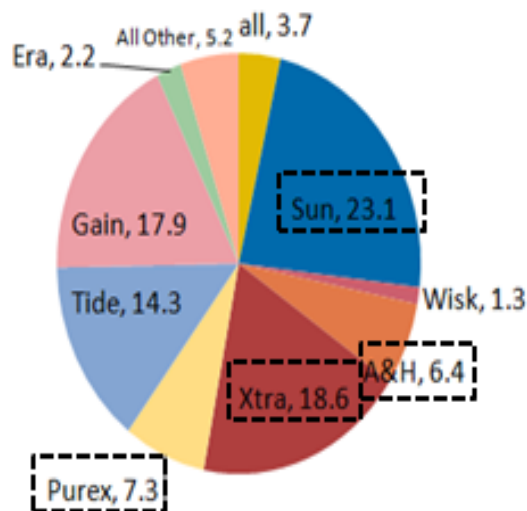


Family Dollar

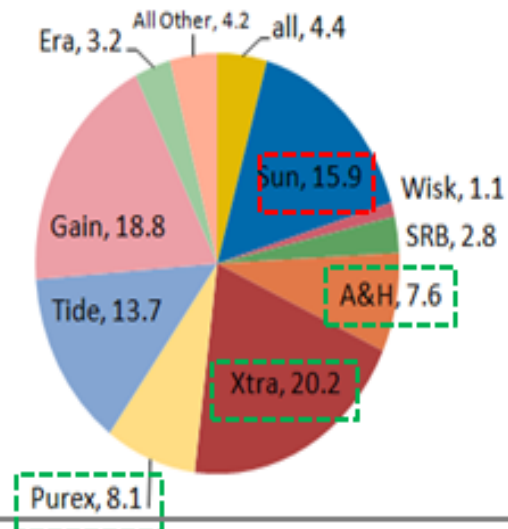
Sun had the greatest declines driven by losses in the 117 oz

Xtra, A&H and Purex all showed growth and SRB was introduced

July 2012 – Avg Linear Feet = 83.8



June 2013 – Avg Linear Feet = 87.4



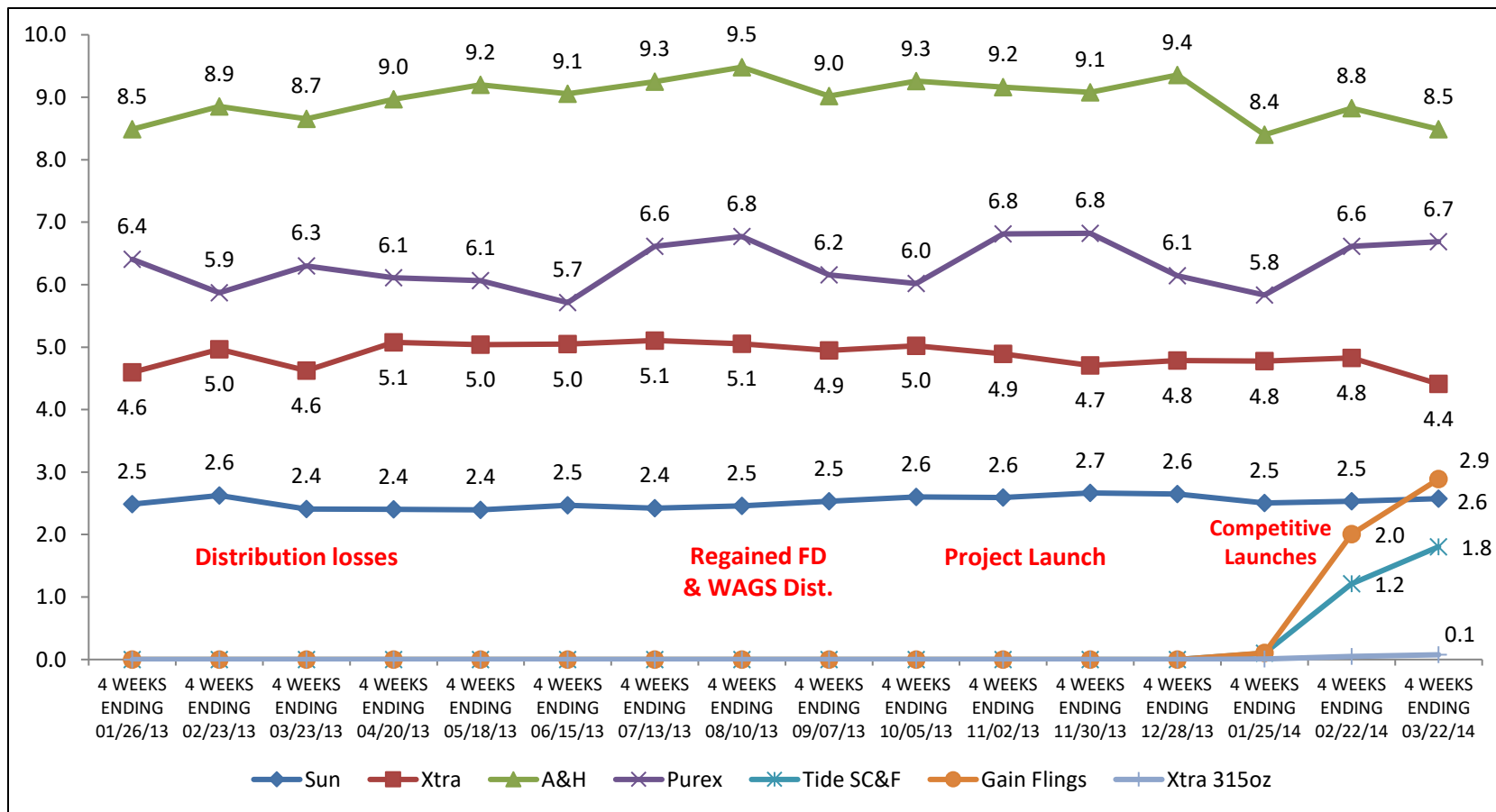
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XAOC: L4wks \$ Share +0.2pts VYA



- L4wks growth driven by Walgreens (+4.7pts) and Dollar General (+1pt)



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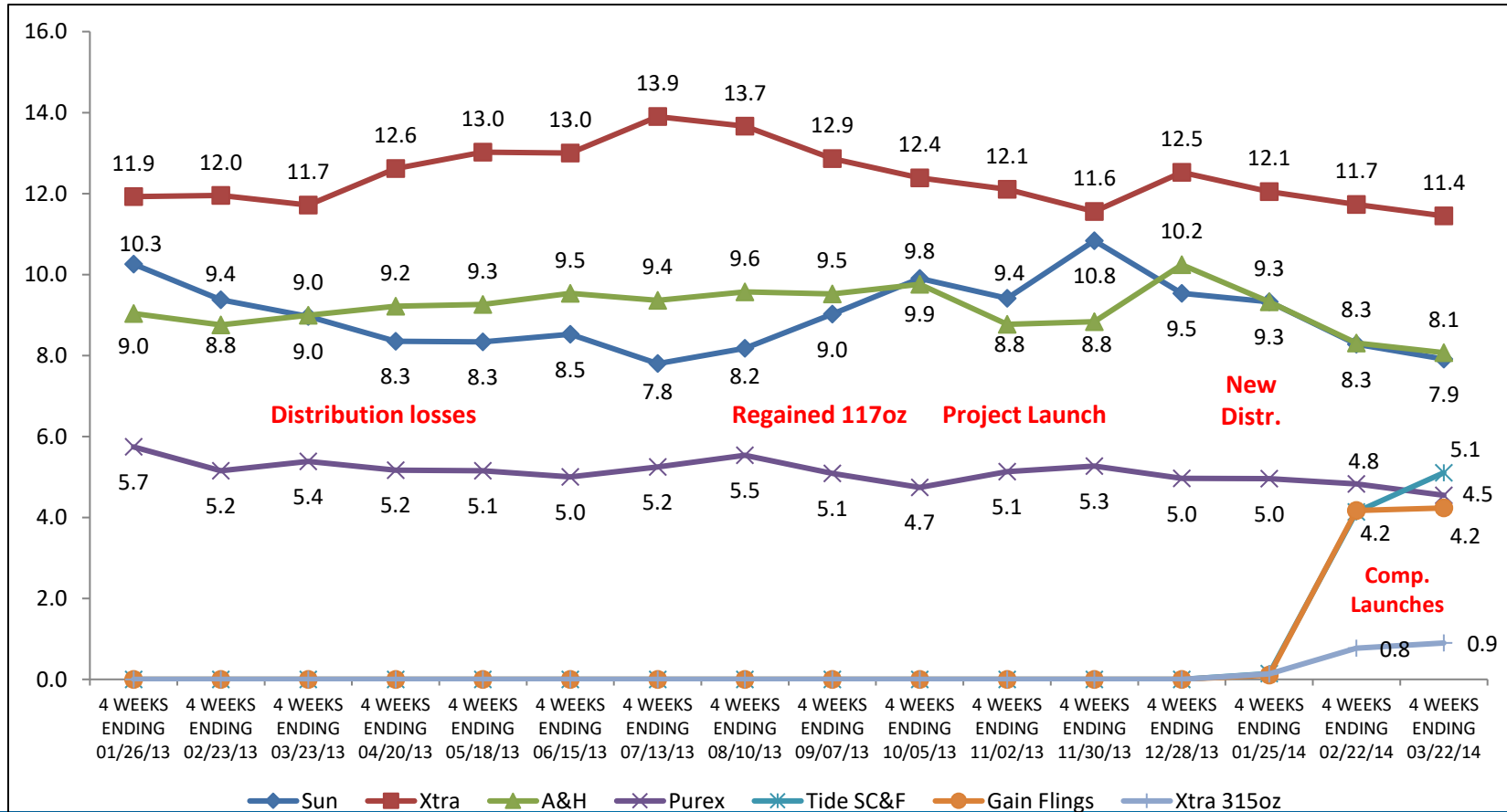


Family Dollar: L4wks Sun \$ Share -1.1pts VYA



While Sun built Q4 momentum, Q1 2014 is experiencing declines

- Cycling over 188oz distribution loss of FMB (-\$0.6MM VYA) and Fresh Lavender (-\$0.5MM VYA)
- \$1 IRC's on 188oz began shipping 1/23, on shelf 2/1



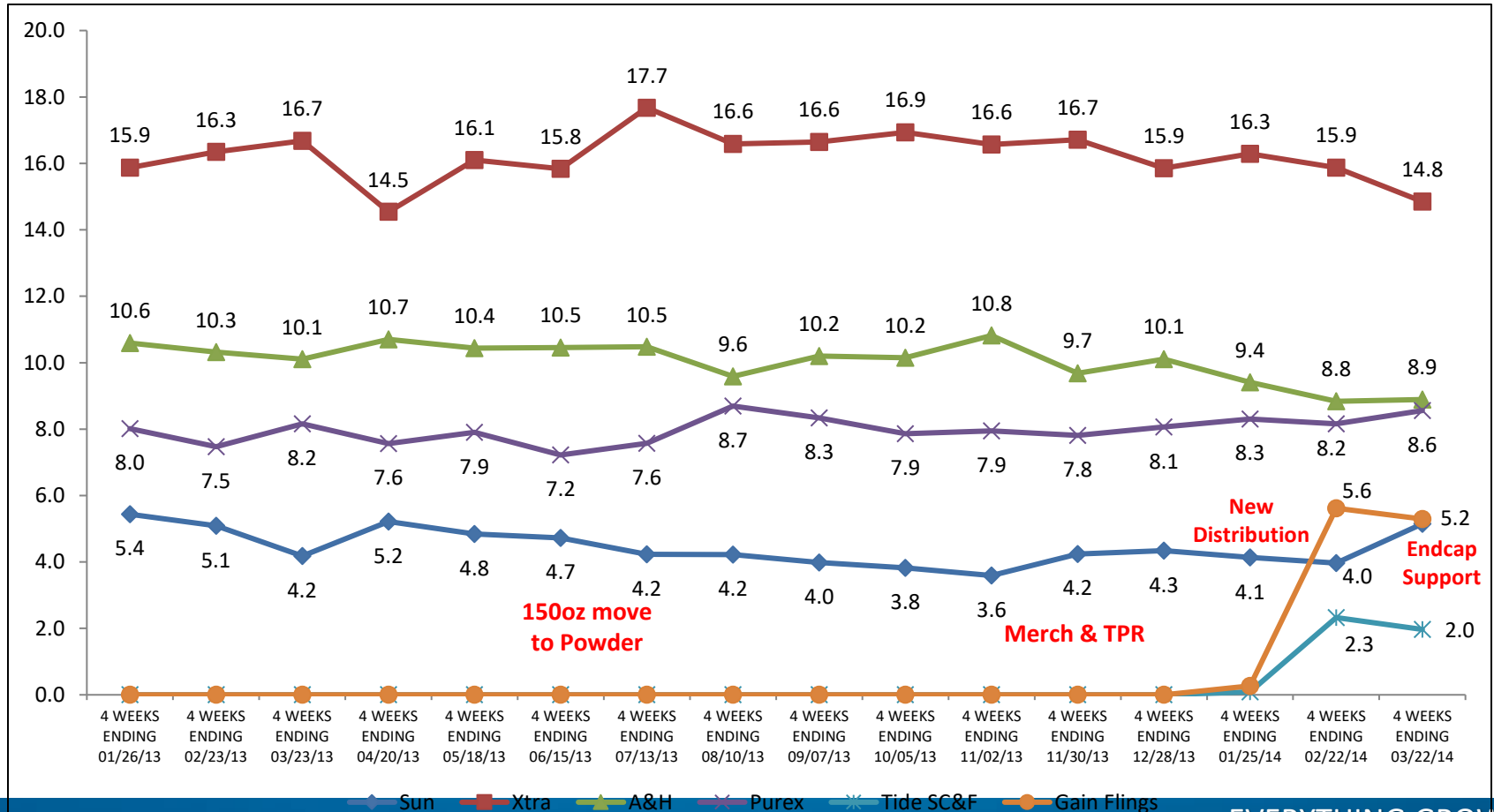
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Dollar General: L4wks \$ Share +1.0pts VYA



- \$ Share has reached it's highest level since April 2013 as a result of new distribution & merchandising support
- \$1 IRC's on 150oz began shipping 2/19, on shelf 3/8



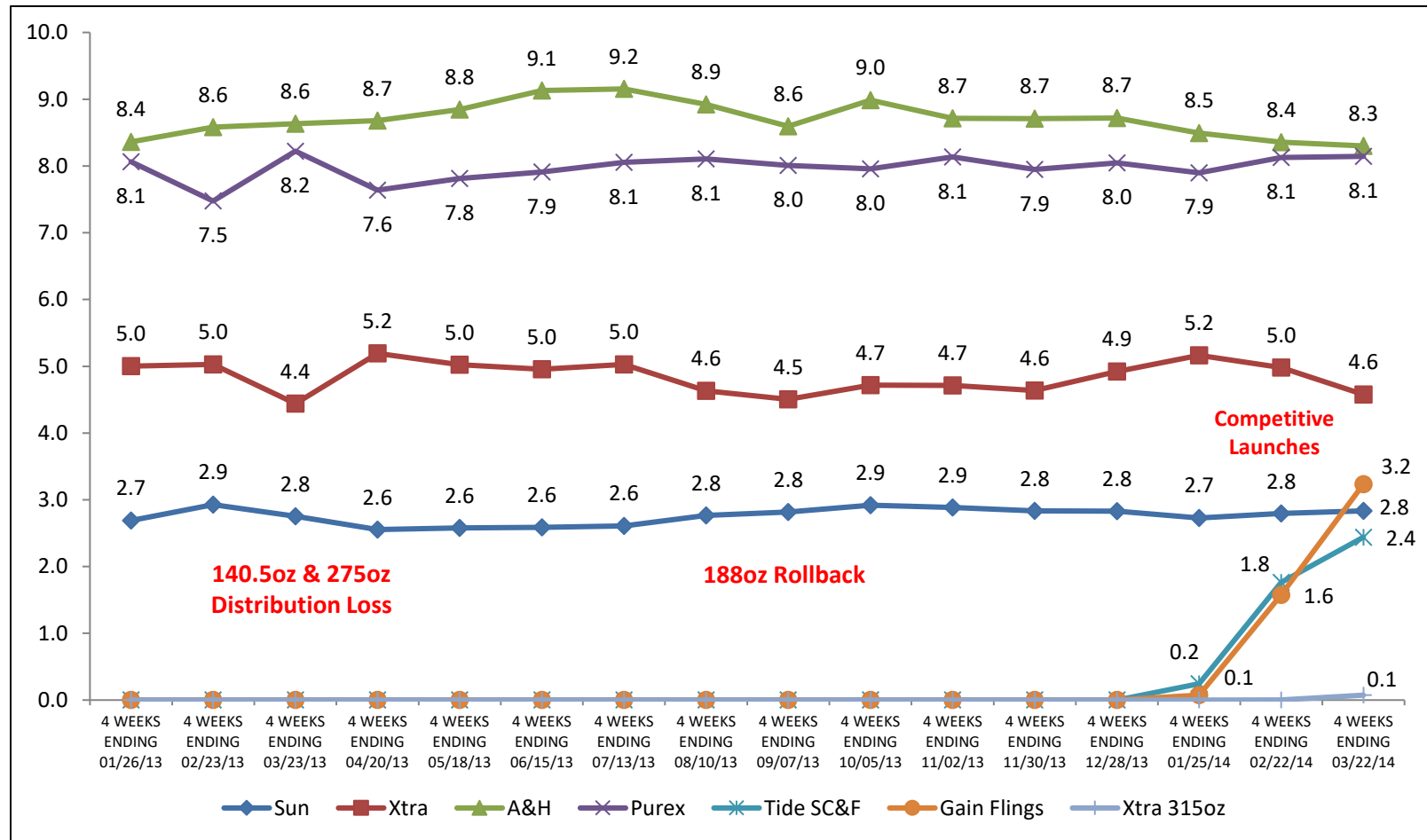
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Walmart: L4wks Sun \$ Share Flat VYA



- 13 week \$4.97 Rollback on 188oz begins 4/7



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