

Managing Director's presentation

MBD Corporation Limited
Annual General Meeting
19 November 2014



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Financial results summary

Measure	2013-14	2012-13
Revenue \$'000s	30,682	34,864
EBITDA \$'000s	(2,574)	(4,380)
NPAT continuing operations \$'000s	(2,678)	(6,754)
EPS cents per share (cps)	(6.04)	(10.6)
Net Assets \$'000s	(211)	5,690
Cash – operating activities \$'000s	24	(1,348)
Closing inventory \$'000s	5,867	6,879
Dividend paid cents per share (cps)	0.00	0.05



Key actions taken during FY14

- Extensive roll out of new shower products essential for the future
- Large number of shower displays installed, important for creating demand
- Supplier renegotiation and new supply lines leading to continuation of stable and strong gross margins on core lines
- Implemented China cross docking
- Significantly reduced costs
 - Team size from 72 to 61
 - Transport renegotiation
- Better inventory controls through Integrated Business Planning

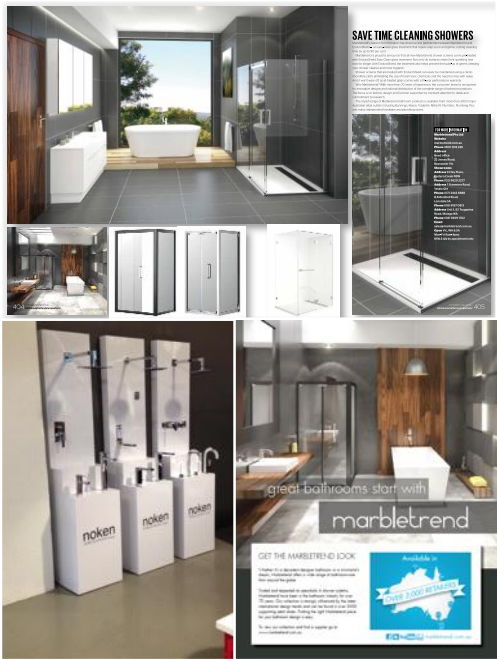


2014-15 YTD progress

- Improving market conditions and strong pipeline building for 2015
- Revenue on forecast
- New ranges established and growing with key customers introducing our new lines in their core ranges
- Majority of older ranges exited
- Gross margins improving and stable
- Expenses under budget with further planned reductions
- Inventory footprint reducing
- Service levels improved including successful implementation of centralised customer service
- Working capital cycle improved allowing for better stock flow



The year in review



Advertising & Promotions



Tradeshows



Store Displays



End of Collection Sale



Industry Events



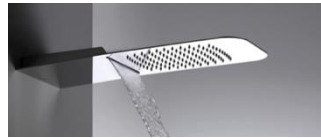
Research Night



3 year strategic review

- Rapid change in market dynamics
 - Commoditisation of volume lines
 - Retail price reductions
- Shower focus and specialisation
 - Significant 'upside' in 'untapped' markets
- Channel diversity
 - Development of new product lines and services attractive to new customers
- Leverage supply chain initiatives already implemented
- Further reduction in costs
 - Warehousing footprint and transport
- Maximise the stronger core team we have developed
- Introduce an improved IT platform to allow us to take advantage of the next stages of growth





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Summary

- Endured a difficult year
- The business has much stronger platform
- The new products are now established and breaking through
- 'End to end' supply chain initiatives in place ready to leverage
- Market opportunities available and we are 'freed up' to focus
- Ability to be a leaner operation with a higher margin

Thank you



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