Interim Results Presentation

Half Year Ended 30 November 2008

29 January 2009

- Functional & Decorative
- Construction & Mining
- Garage Doors & Openers
- Scientific & Medical
- Water Products & Services

Safety is a core value at Alesco

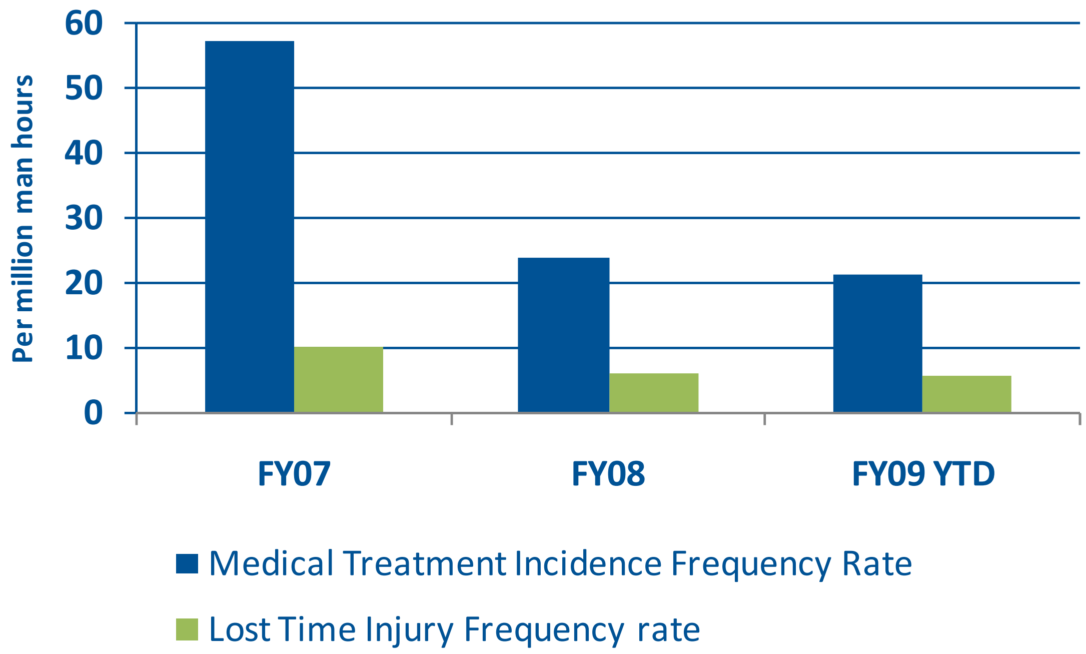
Year three of five year Safety Improvement Plan

- **Ongoing external audits show improving overall performance and identify focus areas**
- **Groupwide and divisional strategies in place**
- **Extensive OH&S training continuing at all levels of business**
- **Third annual 'Alesco Safety Day' to be held in February**

Safety is good business and there is no good business without safety

Safety statistics

Our target is Zero Harm



Financial performance

$m	6 Months Ended Nov-08	Nov-07	Chg
Revenue	**563.2**	540.2	**4.3%**
EBITA[1]	**50.8**	60.4	**-16.0%**
Operating Cash Flow	**41.2**	38.3	**7.4%**
PAT[2]	**26.0**	35.1	**-25.9%**
PAT	**12.6**	31.5	**-59.8%**
EPS (cents)[2]	**28.5**	42.6	**-33.1%**
DPS (cents)	nil	31.0	

1 Before significant items

2 Before amortisation and significant items

Operational performance

- **Lower overall performance, in line with guidance**
  - Global financial crisis brings rapid decline in economic activity
  - New Zealand economy in recession
  - Particularly disappointing result from Functional & Decorative Products
- **Positive signs**
  - Scientific & Medical solid performance
  - B&D Australia turn-around in underlying performance becoming apparent after two years of restructuring
- **Strategic restructuring and operational cost reduction initiatives well underway**
  - Benefits will start to flow through in second half
  - Overall performance will still be driven by economic activity

Our end markets are experiencing mixed fortunes with new housing and renovations falling

New housing sector	• Declining activity with Victoria the "bright spot" • NSW/NZ – historic lows • WA & Qld - coming off highs
Renovation sector	• Growth slowing
Industrial sectors	• Some slowdown in infrastructure markets • Continuing strength in markets for environmental and healthcare products & services
Consumer demand	• Significant reduction in discretionary spend
Agricultural	• Showing signs of recovery

Despite this economic backdrop Alesco continues to execute its operational strategy

Significant restructuring initiatives are delivering results

- **Restructuring and efficiency-based initiatives well progressed following period of rapid growth through acquisition**
  - Integration of Parchem Construction Supplies network
  - Formation of Lincoln Group under one management team
  - Investment in B&D Australia systems and equipment
  - Expansion of garage door openers manufacturing capacity
  - Integration of Biolab distribution networks
  - Improved TEM management capabilities and new systems
  - Site consolidations

- **Accelerated operational cost cutting and cash flow enhancement programs in response to current economic climate**

- **Approximately 10% reduction in workforce since January 2008**

Balance Sheet & Debt Management

- **Capital management initiatives in response to tightening of global credit markets**
- **Application of free cash and suspension of interim dividend to lower gearing levels over medium term**
  - Continued focus on reducing working capital
  - Future capital investment constrained to safety and critical maintenance
- **Alesco operating within its banking covenants**
- **Successful extension of $180 million of debt facilities in 2008**
- **Discussions have commenced with core lender to renew $130 million due in January 2010**

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Strategy remains intact through the cycle

Investment Strategy – top down focus

Operational Strategy – bottom up focus

Target Financial Outcomes

- Invest in industrial and consumer durable businesses:
  - Strong brands and market positions
  - Diverse customers and suppliers
  - Niche markets
- Disciplined capital management and investment return criteria
- Portfolio management

- Safety focus targeting zero harm
- Empowering our people
- Growth through innovation
- 80:20 methodology
- Brand and channel management
- IT and supply chain management

- EBITA to sales ratio above 10%
- RNOA above 20%
- Return on equity above 15%
- Strong cash flow and fully franked dividends
- Strong and sustainable EPS growth

Identifying businesses that will respond to the "Alesco Way" operational improvement model

"Alesco Way" core competencies applied to improve financial performance

A return on funds employed that is greater than our cost of capital creates value for our shareholders

Operational strategy focus during downturn

Investment Strategy – top down focus	Operational Strategy – bottom up focus	Target Financial Outcomes
Long-term investment strategy remains valid Portfolio remains attractive No acquisitions anticipated in short-medium term.	Safety focus Cost reduction Cash flow enhancement Previously outlined restructuring and streamlining initiatives following acquisitions	EBIT to sales ratio below 10% for the first time since FY04 RNOA & ROE unsatisfactory – improvement through operational strategies Strong cash flow continuing Suspension of interim dividend to strengthen balance sheet Decline in EPS first time since FY01
Identifying businesses that will respond to the “Alesco Way” operational improvement model	**“Alesco Way” core competencies applied to improve financial performance**	**A return on funds employed that is greater than our cost of capital creates value for our shareholders**

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Group Results

Result down - in line with guidance

Revenue

- Revenue up by 4.3% to $563.2m – includes full six months from TEM

Trading EBITA

- EBITA before amortisation and significant items down 16.0% at $50.8m

Net Profit

- Net profit before amortisation and significant items down 25.9% at $26.0m

Operating cash flow

- Stronger cash flow with net cash provided from operating activities up 7.4% to $41.2 million

Restructuring Initiatives

- Restructuring and cost out programs to deliver benefits in second half
- $5.7m significant item (post- tax)

Revenue *

$m	6 Months Ended Nov-08	Nov-07	Chg
Functional & Decorative Products	**167.1**	169.0	**-1.2%**
Construction & Mining	**99.3**	102.9	**-3.5%**
Garage Doors & Openers	**100.2**	109.1	**-8.1%**
Scientific & Medical	**85.0**	76.1	**11.7%**
Water Products & Services	**111.2**	80.6	**38.0%**
Other	**0.4**	2.5	**n/a**
Total	**563.2**	**540.2**	**4.3%**

*** Includes full six months contribution from Water Products & Services (4 months contribution in prior corresponding period)**

EBITA[1]*

$m	6 Months Ended Nov-08	Nov-07	Chg
Functional & Decorative Products	**13.7**	19.3	-29.2%
% to sales	***8.2%***	*11.4%*	*-3.2%*
Construction & Mining	**10.4**	14.8	-29.7%
% to sales	***10.5%***	*14.4%*	*-3.9%*
Garage Doors & Openers	**13.3**	13.1	1.4%
% to sales	***13.3%***	*12.1%*	*1.2%*
Scientific & Medical	**8.3**	8.1	2.9%
% to sales	***9.8%***	*10.6%*	*-0.8%*
Water Products & Services	**8.6**	9.2	-7.2%
% to sales	***7.7%***	*11.5%*	*-3.8%*
Other	**-3.5**	-4.1	
Total	**50.8**	**60.4**	**-16.0%**
% to sales	***9.0%***	***11.2%***	***-2.2%***

1. Before significant items

*** Includes full six months contribution from Water Products & Services (4 months contribution in prior corresponding period)**

Cashflow reconciliation

	$Mn
Net profit after tax	**12.6**
Income tax expense	8.4
Net financing costs	14.1
Amortisation of identifiable intangibles	7.7
Significant items	8.0
EBITA before significant items	**50.8**
Significant items (net of tax)	-5.7
EBITA	**45.1**
Depreciation	9.0
Capital expenditure	-10.3
Income taxes paid	-9.5
Working capital movement	-0.3
Other	7.2
Operating cash flow	**41.2**

Gearing

$m	6 Months Ended Nov-08	 Nov-07	 Chg
Operating cash flow ($m)	41.2	38.3	7.4%
Closing net debt ($m)	333.9	318.4	4.8%
Closing book equity ($m)	574.3	593.6	-3.3%
Interest cover (EBITDA/Interest)	4.3	5.4	-21.0%
Net Debt/(Net Debt + Equity)	36.8%	34.9%	5.3%

- **Second half cashflow and suspension of interim dividend will reduce gearing and improve interest cover for 12 months**
- **12 months rolling interest cover 4.8 times EBITDA**
- **Target material reduction in debt levels**

Debt facilities

Total facilities

- **$410m - committed debt facilities**
- **($360m from October 2009)**
- **$25m - uncommitted facilities**

- Sufficient funding going forward

Maturity profile

- **$50m September 2009 – HSBC**
- **$130m January 2010 – CBA**
- **$50m June 2010 – BNP**
- **$50 June 2011 – BNP**
- **$130 June 2011 - ANZ**

- HSBC facility will not be renewed
- Discussions commenced on renewal of CBA facility

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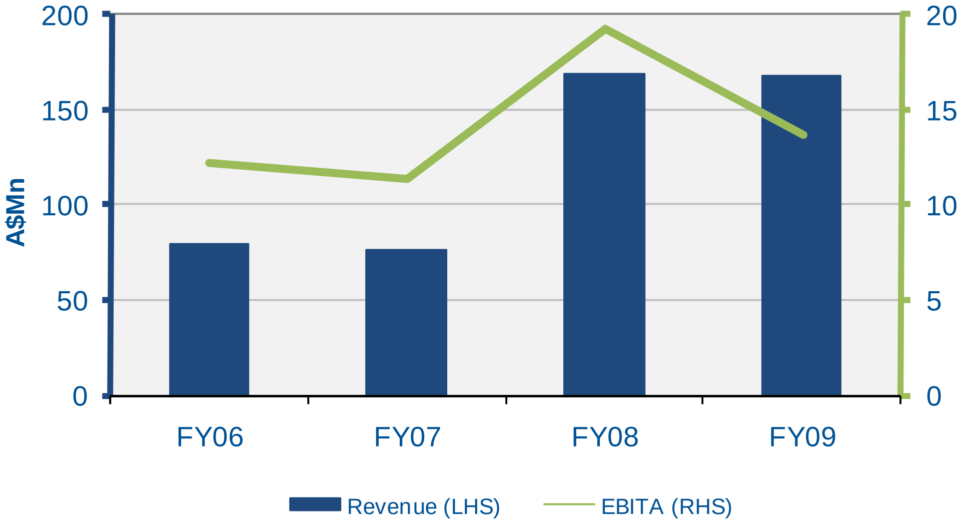
Divisional Results

Functional & Decorative Products



- Cost base being realigned with reduced revenue expectations
- Divisional restructure continuing
- New combined Perth facility
- Significant slowdown in NZ
- Outsourcing Robinhood manufacturing

Performance against six months to November 2007		
Revenue ($m)	167.1	-1.2%
EBITA ($m)	13.7	-29.2%
Performance against year to May 2008		
ROFE	17.6%	-3.9%
Avg TWC/Sales	23.1%	1.1%
Cash conversion*	110.3%	

* EBITDA less capital expenditure plus movements in working capital divided by EBITA

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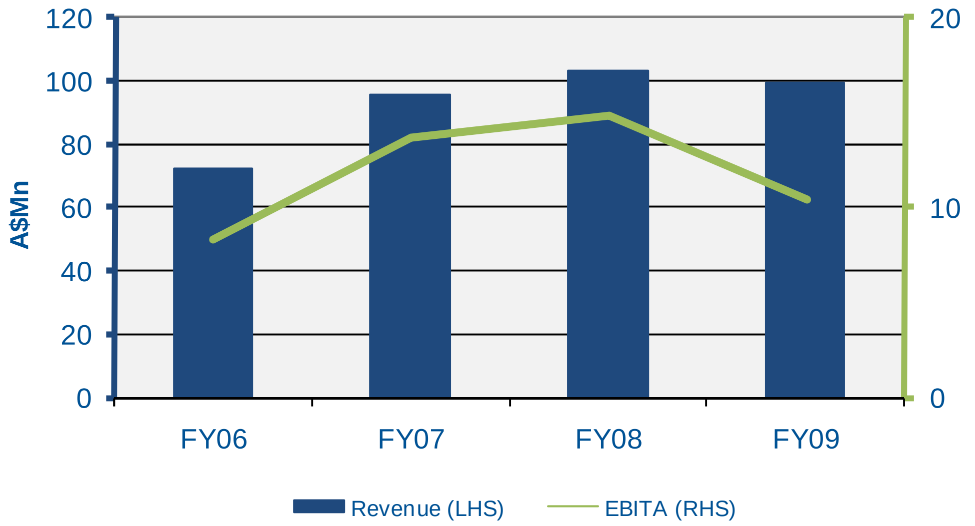
Construction & Mining



Performance against six months to November 2007		
Revenue ($m)	99.3	-3.5%
EBITA ($m)	10.4	-29.7%
Performance against year to May 2008		
ROFE	19.5%	-5.0%
Avg TWC/Sales	25.6%	2.7%
Cash conversion*	89.0%	

* EBITDA less capital expenditure plus movements in working capital divided by EBITA

- **Significant slowdown in capital spending affecting equipment sales**
- **Further cost cutting initiatives in concrete products businesses**
- **Integration of Parchem Construction Supplies**
- **SAP successfully implemented into Concrete Technologies**
- **Exit of Hankook wholesale tyre business**
- **Reduced demand in NSW & NZ (new housing and infrastructure)**
- **FY08 – first half includes other income of $1.7m**

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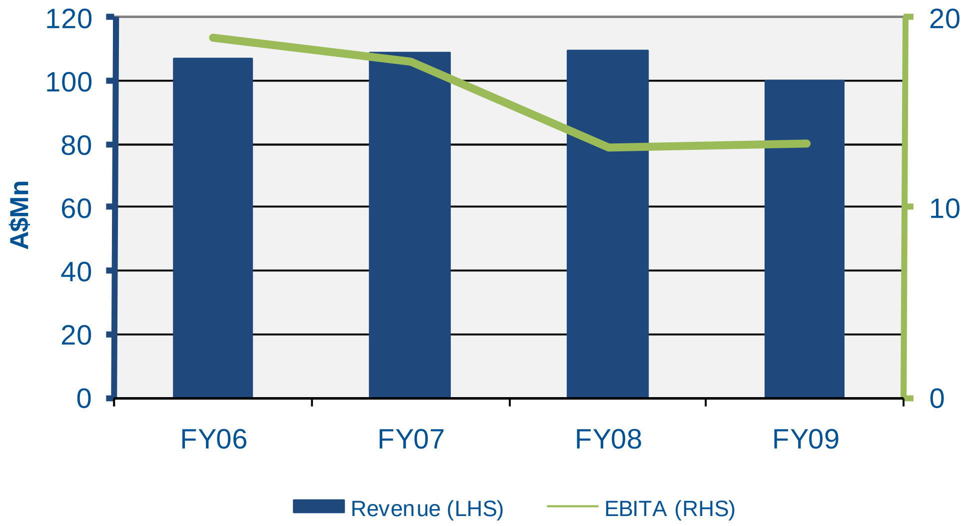
Garage Door & Openers

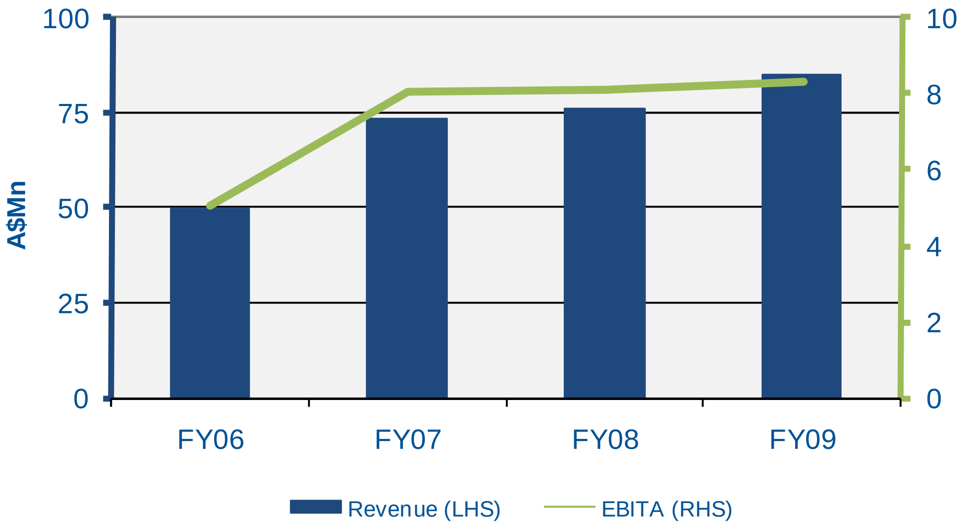


Performance against six months to November 2007		
Revenue ($m)	100.2	-8.1%
EBITA ($m)	13.3	1.4%
Performance against year to May 2008		
ROFE	9.6%	0.1%
Avg TWC/Sales	21.7%	steady
Cash conversion*	108.0%	

* EBITDA less capital expenditure plus movements in working capital divided by EBITA

- **Strong performance of B&D Australia in tough environment**
  - Benefits of recent restructuring and investment
  - Improved customer service
  - Price increases
- **Poor performance of B&D New Zealand**
  - Restructuring initiatives
- **Successful introduction of new opener products:**
  - GDO 10 Industrial opener
  - GDO 11 Residential opener

Scientific & Medical

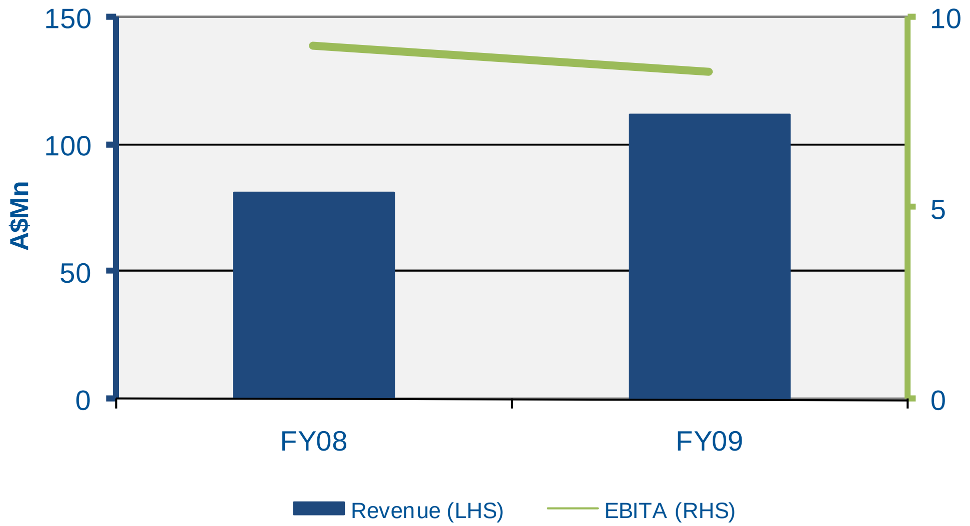


Performance against six months to November 2007		
Revenue ($m)	85.0	11.7%
EBITA ($m)	8.3	2.9%
Performance against year to May 2008		
ROFE	19.7%	-1.5%
Avg TWC/Sales	15.4%	-0.6%
Cash conversion*	114.6%	

* EBITDA less capital expenditure plus movements in working capital divided by EBITA

- **Organisational restructure under new GGM**
- **Site consolidation into new facilities:**
  - Melbourne
  - Perth
- **New warehouse management system in Auckland**

Water Products & Services



Performance against six months to November 2007		
Revenue ($m)	111.2	38.0%
EBITA ($m)	8.6	-7.2%
Performance against year to May 2008		
ROFE	7.7%	-2.4%
Avg TWC/Sales	18.5%	-3.7%
Cash conversion*	110.5%	

* EBITDA less capital expenditure plus movements in working capital divided by EBITA

- **Organisational restructure under new management team**
- **National coverage of 3 segments:**
  - Industrial
  - Commercial
  - Retail/Trade
- **Commencement of east coast IT rollout**
- **Streamlined administration on east coast**
- **Aggressive cost cutting program**

Outlook

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Group Outlook

- **General consensus is for challenging year ahead**
  - Continued weakness in housing markets
  - Discretionary spending is slowing with declining consumer confidence
  - Timing and impact of government initiatives unclear
- **Current environment makes forecasting too difficult**

- **Restructuring initiatives continue to ensure more appropriate cost base with benefits flowing in second half**
- **Reduced gearing levels assisted by working capital efficiencies, reduced capital investment and suspension of interim dividend**
- **Diverse portfolio of businesses are well positioned to face the challenging environment ahead**

Doors & Openers

DOMINATOR

automatic TECHNOLOGY

Garador

lincoln GROUP

TREZZINI Solid Surface Veneer

WILSONART

SILESTONE by Cosentino

Robinhood easyiron

Parbury

blum

JP HARDWARE SUPPLIES

SUPERTUB

TOTAL EDEN water for life

Dekorform

Robinhood

lincoln sentry

LabServ

PLASTIC PLUMBING & IRRIGATION SUPPLIES

promedica

McCRACKEN'S WATER SERVICES PUMPS AND IRRIGATION

BIOLAB

App-Tek

ENVIROEQUIP

TOTAL EDEN McCRACKEN'S GROUP water for life

DAVIDSON Leaders in Measurement and Calibration

dataTaker

jacobsmedical australia a division of BIOLAB

parchem CONSTRUCTION SUPPLIES

Sensor Technologies

FOSROC

parchem

CONCRETE PLUS LTD

Concrete TECHNOLOGIES Trade & Display Outlets

MARATHON TYRES

DURAFLOOR INDUSTRIAL FLOORING SYSTEMS

MICHELIN

Emer-Clad WATERPROOFING MEMBRANE SYSTEMS

Flextool

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