

# MARBLETREN D GROUP LIMITED

Annual General Meeting  
17 November 2010



Presented by:  
**Hamish Giles**  
*Chairman*

**Rob Walton**  
*Managing Director*



**MARBLETREN D**  
GROUP LIMITED



## Group Overview

- Marbletrend Annual Results
- Subsequent Events
- Outlook
- Conclusion

# Corporate Structure



70%

Marbletrend Holdings Pty Ltd

100%

Marbletrend Pty Ltd

Sales & Marketing

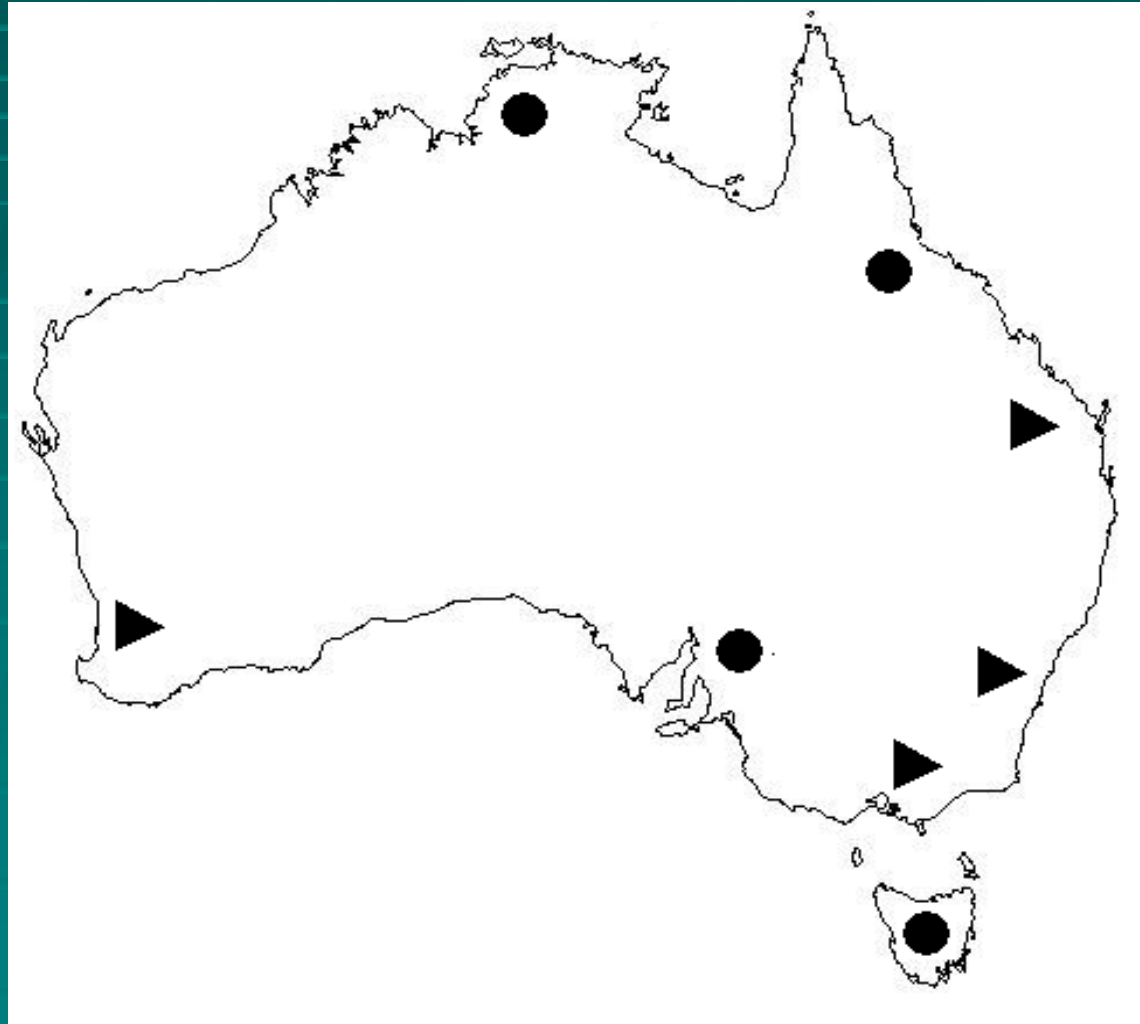
Procurement

Finance & Administration

Manufacturing



## Australian Operations



▶ Company owned

● Agents



**MARBLETREND**  
GROUP LIMITED

## Key Clients

**BUNNINGS**  
warehouse



**Plumbtec**  
BATHROOM KITCHEN & PLUMBING SUPPLIES





# Products



The more stars the more water efficient

**WATER RATING**

A part government initiative program  
Created by: BWSB

6	litres per full flush
3	litres per half flush

3.8 litres per average flush  
The water efficiency star (WATERSTAR) rate  
For more information and to compare products, refer to  
[www.waterrating.gov.au](http://www.waterrating.gov.au)

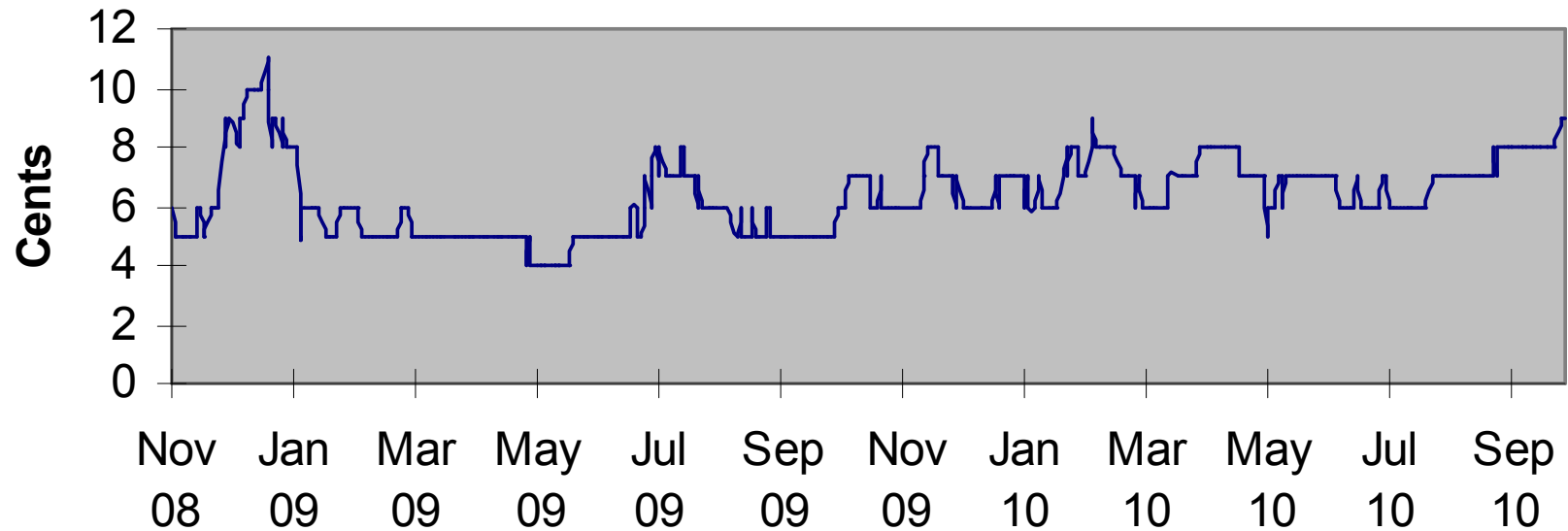




## Company Performance

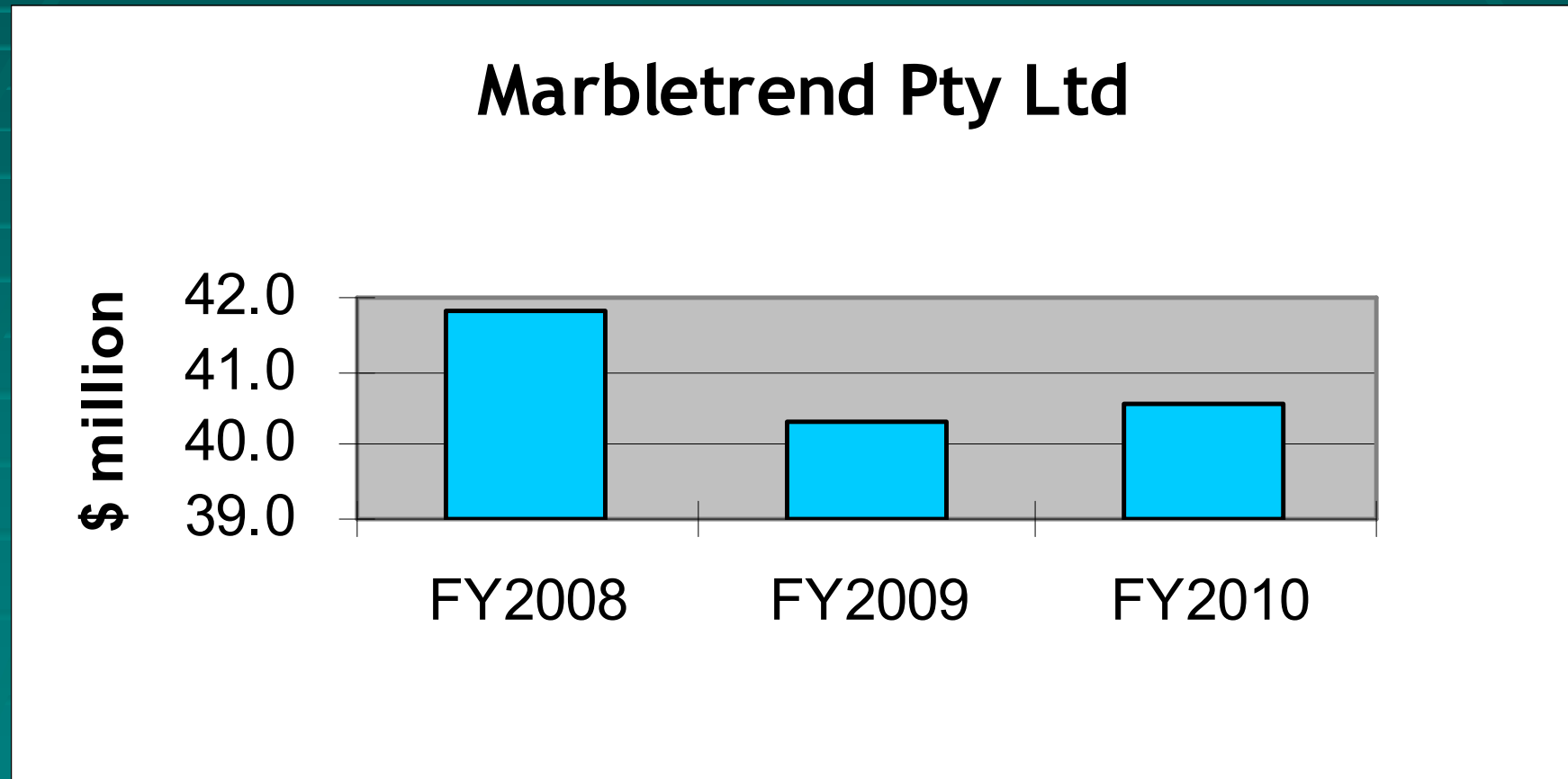
Shares quoted on ASX	60,063,298
Share price as @ 16/11/10	8.2 cents
Market Capitalisation	\$4,925,190

### MBD Share Price - Past 2 years





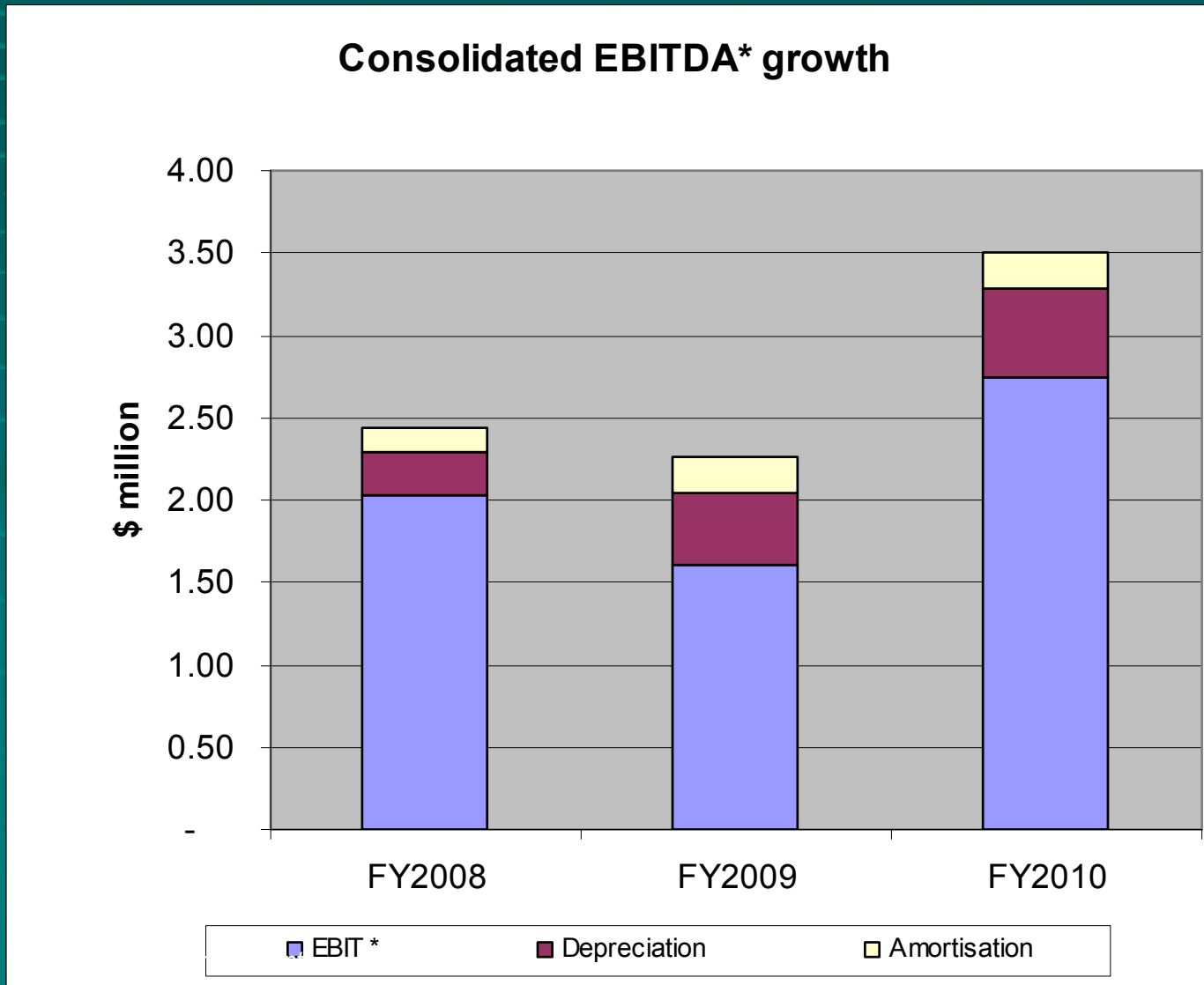
## Gross Revenue Growth







## Consolidated EBITDA\* Growth



\* Before impairment

# Cashflows and Dividend

	FY2008	FY2009	FY2010
<b>Operating Cashflows</b> (\$ million)	(0.71)	1.51	1.30
<b>Dividends Paid/ Declared</b> (\$ million)	nil	1.26	0.43
<b>Basic EPS</b> (cents per share), based on weighted average number of shares	1.72	(6.60)	1.49

Dividend payments in the last 2 years:

July 2008	0.5 cents per share
January 2009	0.5 cents per share
January 2010	0.5 cents per share
October 2010	0.5 cents per share



## FY10 Financial Highlights

- Group revenue (before rebates) of **\$40.5 Million** - up 0.7% on pcp
- EBITDA of **\$2.7 Million** - up 70.5% on pcp
- Net Profit After Tax of **\$1.2 Million**, up from Net Loss After Tax of \$3.9 Million pcp
- Gearing at **52.2%** and interest cover of **9.3 times**
- Gearing ratio (net debt/ EBITDA) of **2.96 times**, down from 5.2 times pcp
- Positive operating cash flow of **\$1.3 Million**
- Basic EPS of **1.49 cents**, -6.6 cents pcp
- **0.5 cent Interim** dividend and **0.5 cent Final dividend** (incorporating Special Dividend) paid FY10



## FY10 Operational Highlights

- Strong relationships with key customers including Bunnings, Tradelink, Reece, Plumbing Plus, Plumbtec, Hardings and Mitre 10
- Continued expansion of safety and training standards delivering to industry practice
- Completion of 3 year strategic plan incorporating establishment of distribution centre in China
- Rationalisation of property assets incorporating re-racking of warehouses, Perth relocation and detailed 3 year property requirement review
- Management of the volatility of the AUD
- Management of supply issues in respect to toilets and commissioning of new manufacturing plants in China



## Strategy - Managing for Growth

- Continue product innovation strategy to provide business stability
- Continue restructure program to ensure client and market focus
- Investment in development of detailed marketing plan and initiatives
- Deliver operational savings (circa \$500k p.a.)
- Manage resources to respond to expected growth
- Consolidate and grow presence in New South Wales
- Continue to target strategic acquisitions
- Maintain focus on safety, quality and sustainability



## Strategy - Opportunities

- Further product innovation and research and development in respect to our core product lines
- Vertical integration of complementary products
- Strategic acquisitions
- Diversification of manufacturing capacity within China
- Enhanced supply chain management
- Further expansion of the distribution centre in China
- Appointment of key account managers including appointment of specialized support to manage growth in Bunnings account



## FY10 Subsequent Events

- Mining services continues to struggle particularly in Western Australia
- Shower screen sales continue to be strong with wide range support across a broad customer base
- Toilet supply issues now resolved
- Shower base and Vanity sales continue ahead of budget
- All categories trading well



## Financial Outlook

- FY11 outlook remains subject to the pace of macro economic recovery and sustainability of consumer sentiment
- Robust sales activity including product innovation and supply chain efficiencies underpins confidence in FY11 results
- Key Performance Indicators for operating business

KPI	KPI Benchmark	30-Jun-10	31-Oct-10
Gross Revenue Growth	10.0%	0.3%	11.3% *
Gross Margin	42.0%	41.3%	42.7%
EBIT Margin	10.0%	3.0%	6.5%
Inventory as a % of Gross Revenue	17.0%	19.4%	16.4% *
Return on Investment	25.0%	9.8%	18.1% *

\* Annualised





## Summary

- Robust sales growth and is being achieved notwithstanding uncertain economic and business environment
- New Products performing strongly with additional product releases due in H2 FY2011
- Continued focus on safety, quality and commitment to core values
- Well positioned for growth in strategic market segments



## **Disclaimer**

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It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.