



MARBLETREND

Managing Directors Presentation

16 November 2011

Annual General Meeting

Marbletrend, Bayswater, Victoria

Presented by Jeff Nicol

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Business and industry overview



Our business....

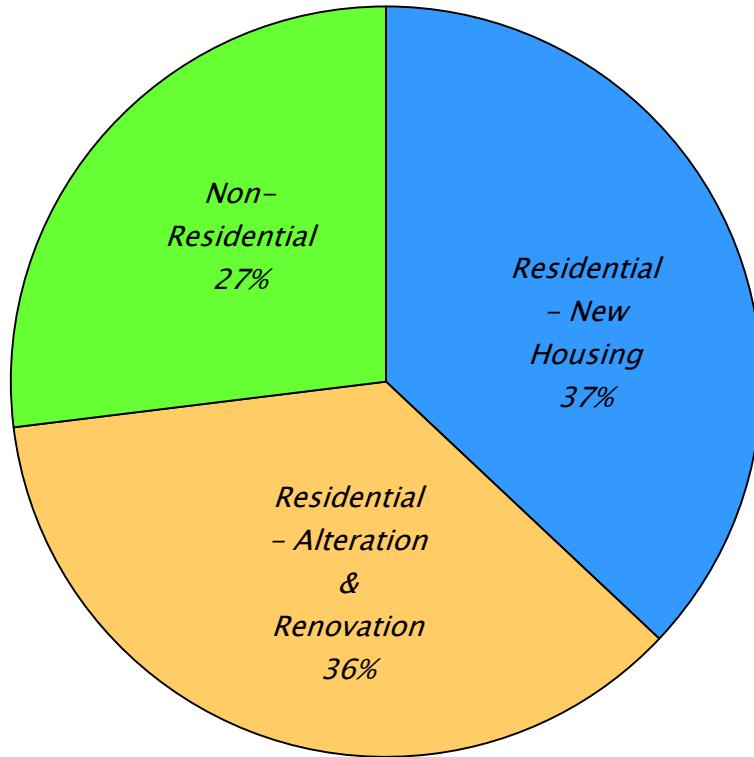
- ▶ Fashion and innovation
- ▶ Specialise in bathroom products
- ▶ Manufactures and wholesalers
- ▶ Logistics and distribution to a wide range of retail and commercial customers

Our industry....

- ▶ Home improvement
- ▶ Renovation
- ▶ New building and construction
- ▶ Commercial
- ▶ Mining



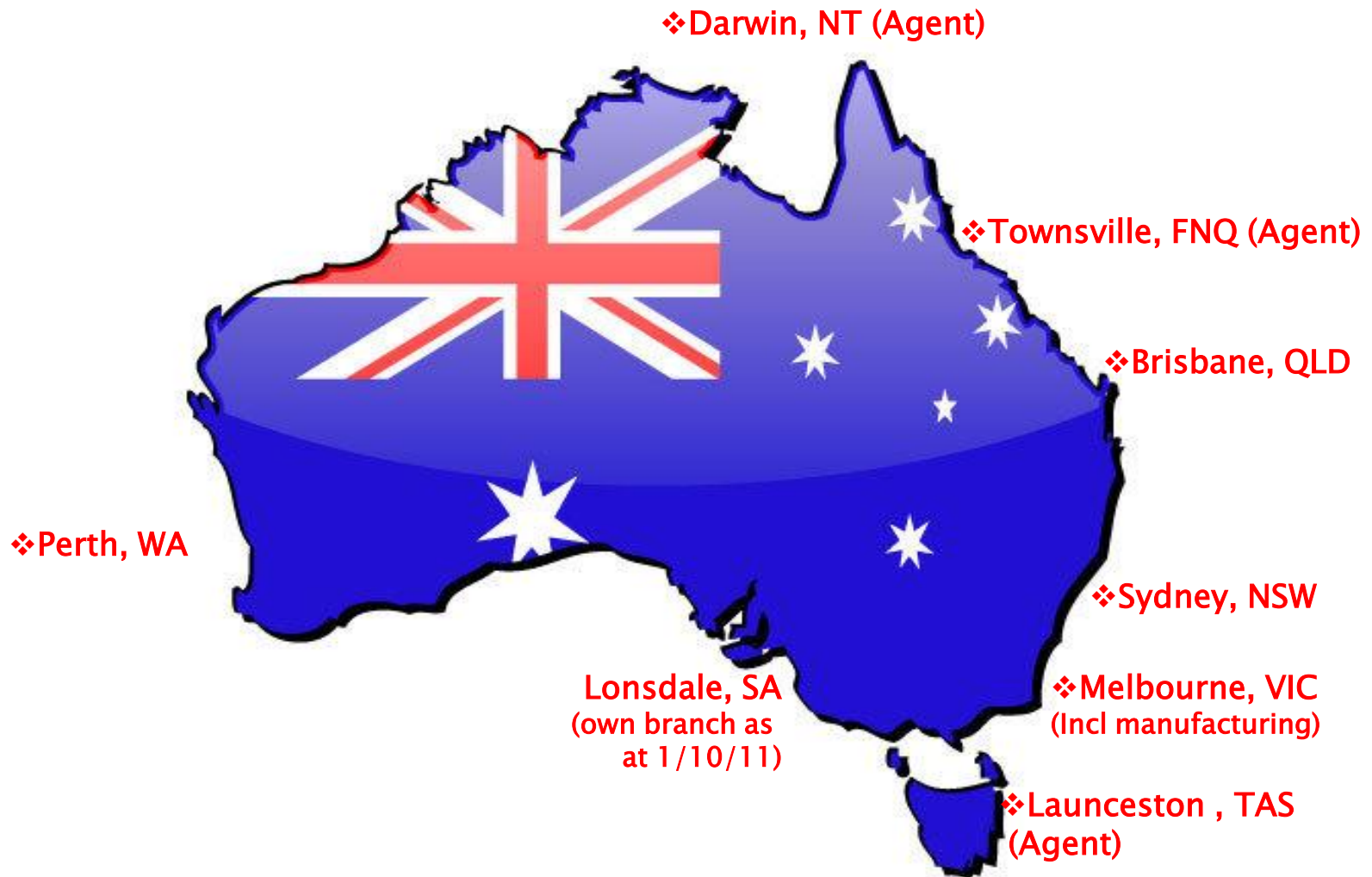
Our markets....



- Total Australian construction – \$119B
- Bathroom products – \$2B
- We contest in \$1.4B (excl tap ware)
- We have 3.25% share in contested market

Source – Australian Construction Forecasting Council & Marbletrend Management estimates

Our distribution....



Strong manufacturing partnerships



Direct from factory gate to all ports



Our team....

- ▶ *'Products under constant water pressure need to be trusted'*
- ▶ Our team are:
 - Experienced
 - Knowledgeable
 - Professional
- ▶ Safety focus and knowledge increased
- ▶ Formed a Leadership Team to guide and drive the business
- ▶ Strong emphasis on management growth and development to take the business to the next level
- ▶ Team training and development a key to our success

2010/11 Highlights



2010/11 highlights....

- ▶ Gross sales up by 15.4%
- ▶ EBITDA up by 30.4%
- ▶ NPAT up by 18.2%
- ▶ EPS up by 22.1%
- ▶ 1.0 cent per share fully franked

2010/11 financial results....

Measure	2010/11	2009/10	Change
Gross sales \$'000s	\$46,787	\$40,550	+15.4%
EBITDA \$'000s	\$3,258	\$2,498	+30.4%
EBITDA %	7.0%	6.2%	+12.9%
NPAT \$'000s	\$1,452	\$1,228	+18.2%
EPS cents per share (cps)	1.82cps	1.49cps	+22.1%
Net assets \$'000s	\$10,059	\$7,333	+37.1%
Cash – operating activities \$'000s	\$1,076	\$1,305	-17.5%
Average inventory \$'000s	\$9,845	\$7,875	+25.0%

Note – Marbletrend Group Limited financial results

Key business drivers

KPI	Benchmark	30 June 2011	30 June 2010
Gross revenue growth	10.0%	15.4%	0.3%
Gross margin	43.5%	43.2%	41.3%
EBITDA margin	10.0%	7.0%	6.2%
Inventory as a % of Gross Revenue	18.5%	18.9%	17.8%
EBIT as a % of shareholders equity	25.0%	28.6%	24.6%

Note - Marbletrend Pty Ltd KPI's

Strategic direction....



Vision

- ▶ Own the bathroom category
 - Consumers know Marbletrend = bathrooms
 - Complete the range
 - ‘Win’ the decision makers on bathroom fashion

- ▶ Launch into new products and markets using our core capabilities:
 - Continuous product enhancement & innovation
 - National distribution
 - Knowledgeable people

Key strategic planks

- ▶ Build the **brand** to mean something to decision makers on bathroom fashion
- ▶ **Product** development that is trendy, fashionable and continuously innovative
- ▶ Diversity in our **customers** and market mix
- ▶ Best **distributor** in our chosen markets – consistent, reliable, low cost
- ▶ Utilise strong **China** base for growth
- ▶ Best **people** – knowledgeable, professional, positive
- ▶ Be **innovative** in all areas of our business

Reaching the decision makers....



Decision makers in
bathroom fashion

Digital & Social Media

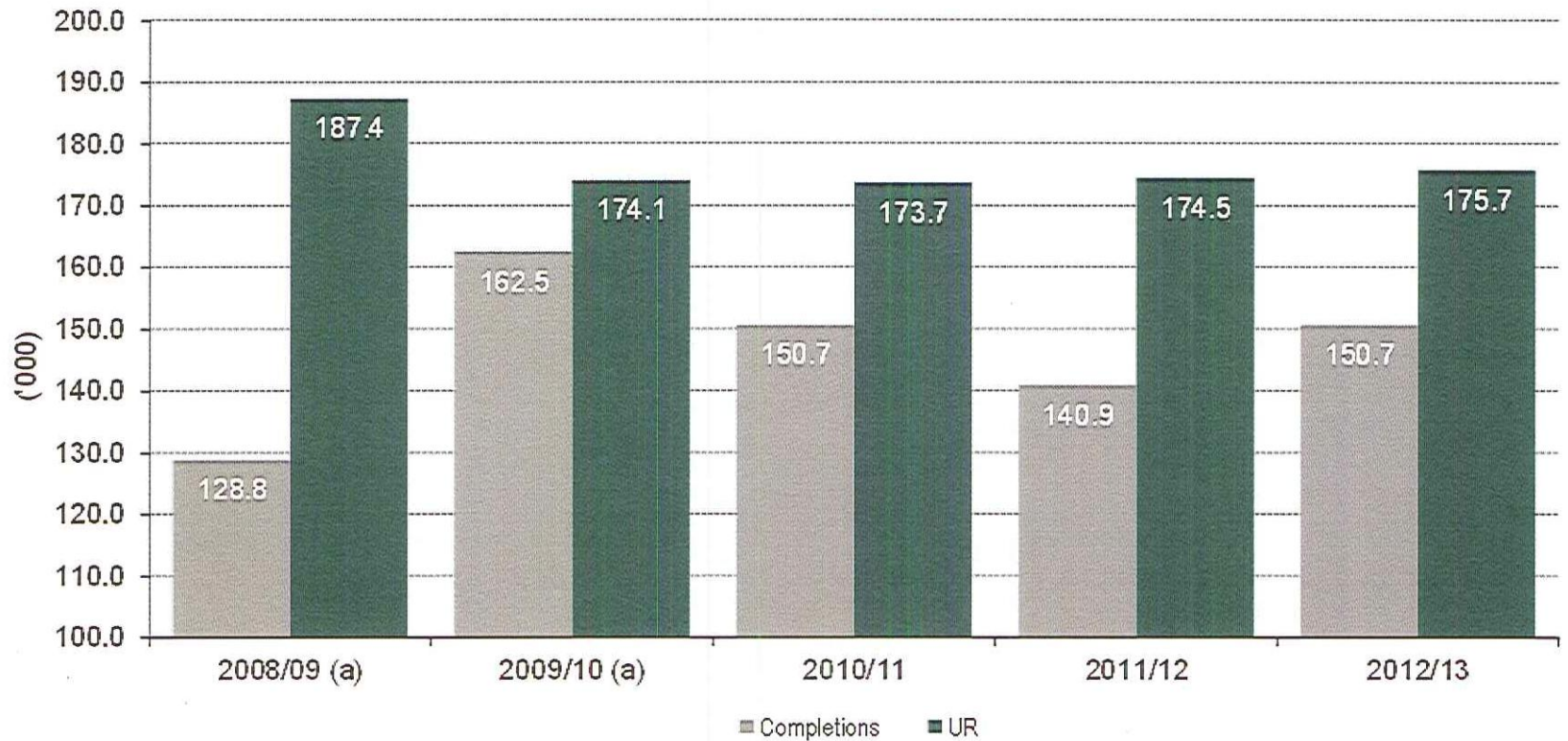
Outlook....



Continued weak new home building but fundamentals remain strong....

Underlying Requirement for Housing vs Dwelling Completions - Australia

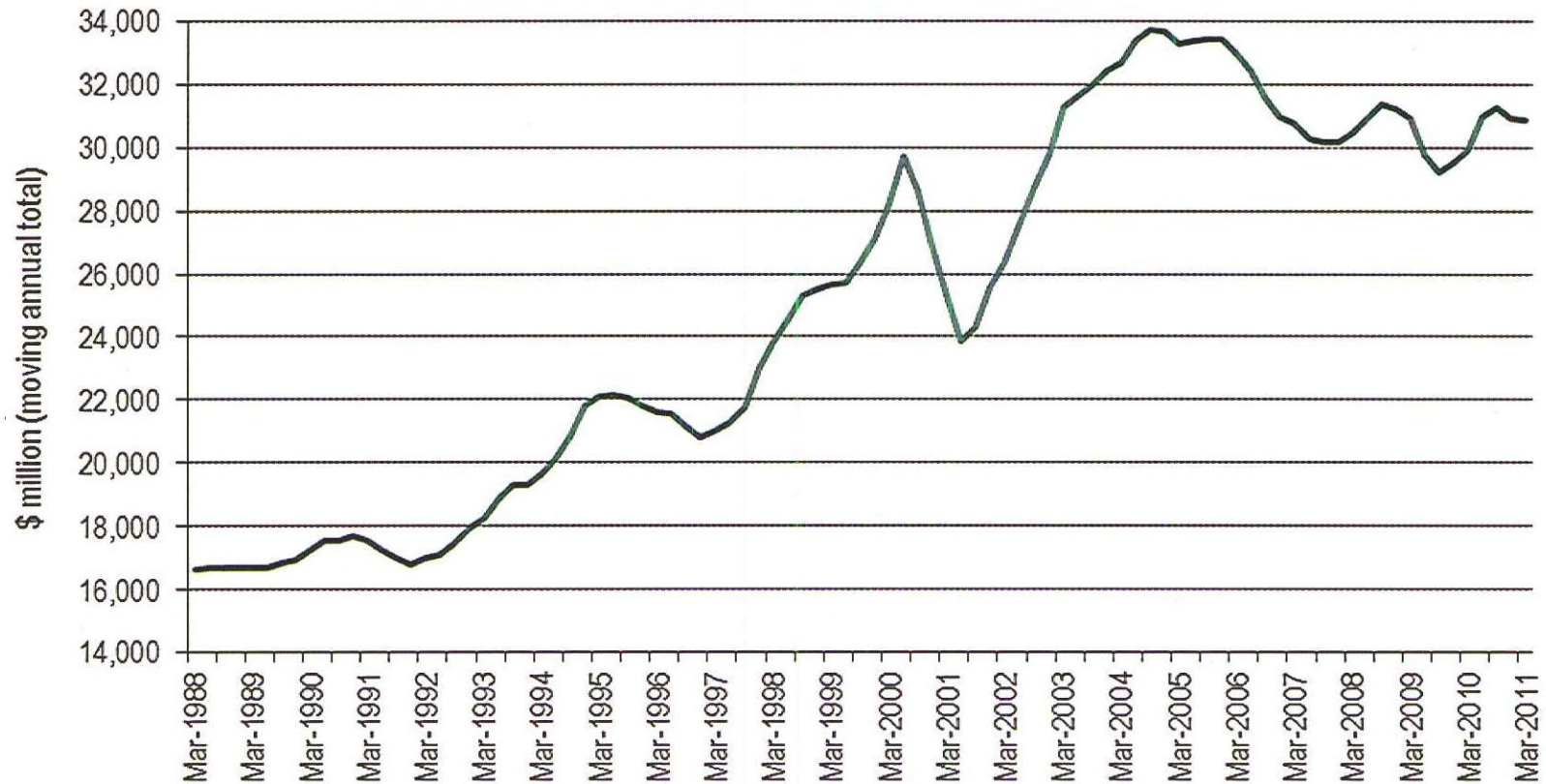
Source: ABS, HIA Economics



Renovations flat but holding....

Renovations Investment in Australia

Source: ABS 5206



Our focus....

- ▶ Investing in strengthening resources to take us through the next growth phase
 - People
 - Property
 - Systems

- ▶ Continuous innovation and enhancement of our product range

- ▶ Diversifying our customer base and markets domestically and globally

Strategy summary

- ▶ Marbletrend is about....
 - **Customers**
 - Balanced mix buying the wider range
 - **Products**
 - Leading edge, continuous innovation and enhancement
 - Great quality at attractive prices
 - **Distribution**
 - Fast, reliable, low cost
 - Strong manufacturing base globally supported domestically
 - **People**
 - Knowledgeable, positive
 - **Innovation**
 - Ahead of trend, best practice

Thank you!

