



marbletrend

MANAGING DIRECTOR'S PRESENTATION
21 NOVEMBER 2012

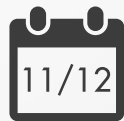
ANNUAL GENERAL MEETING
MARBLETREND, BAYSWATER, VIC

Presented by JEFF NICOL

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Luxe



BUSINESS AND INDUSTRY OVERVIEW

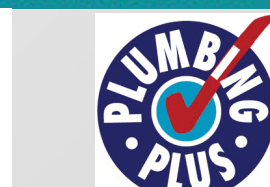
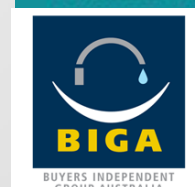
Our BUSINESS



- Fashion and innovation
- Specialise in bathroom products
- Manufacturers 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 DISTRIBUTION



HEAD OFFICE

Melbourne – VIC

OFFICES & WAREHOUSES

Brisbane – QLD

Lonsdale – SA

Perth – WA

Sydney – NSW

Darwin – NT

Launceston – TAS

Townsville FNQ



Our DISTRIBUTION



MANUFACTURING

- Melbourne – VIC
- China

BRANCHES

- Brisbane – QLD
- Lonsdale – SA
- Perth – WA
- Sydney – NSW

AGENTS

- Darwin – NT
- Launceston – TAS
- Townsville FNQ

National coverage through branches and agencies. Global buying power!



2011/12
HIGHLIGHTS

The YEAR in summary



- Modest revenue growth in challenging economic conditions particularly in second half
- Margins under pressure due to market conditions and increased costs
- Solid category growth despite loss of Bunnings toilet review
- Strategic investment and repositioning of the business for the future

Key FINANCIALS



MEASURE	2011/12	2010/11
Revenue \$'000s	\$42,886	\$42,243
EBITDA \$'000s	\$2,220	\$3,258
NPAT \$'000s	\$791	\$1,452
EPS cents per share (cps)	1.29cps	1.82cps
Net assets \$'000s	\$10,407	\$10,059
Cash - operating activities \$'000s	\$1,678	\$1,076
Average inventory \$'000s	\$10,187	\$9,845
Dividend cents per share (cps)	1.05cps	1.00cps



BUSINESS
STRATEGY

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 Plans



- 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

BUILD the Brand

To mean something to decision makers on bathroom fashion



- What we said...
 - Create demand for our products to consumers
 - Refresh the look and feel of the brand
- What we did...
 - Engaged experienced marketing team
 - Significant social media campaign
 - Refreshed our brand
- What's to come...
 - Build a house of brands
 - Complete brand roll out
 - Launch new website

The BRAND



BRANDING



DIGITAL



PACKAGING



SOCIAL MEDIA



facebook.com/MarbletrendAus
+ Help! I'm renovating my bathroom
+ I'm mates with Marbletrend



@MarbletrendAus



Youtube.com/MarbletrendAus



marbletrend.com.au

marbletrend



BUSINESS STRATEGIC DIRECTION

Product DEVELOPMENT

That is fashionable and continuously innovative



- What we said...
 - Understand global trend and fashion
 - Use fashion lifecycles to drive the range
- What we did...
 - Researched the global market
 - Developed an ongoing research tool
 - Designed, developed and sourced new products across all categories
- What's to come...
 - Launch products and collections across all categories
 - Implementation of lifecycle management on all products

New PRODUCTS



DIVERSITY

In customers and market mix



- What we said...
 - Build a wider customer base buying a broader range
 - Develop new channels to market
- What we did...
 - Significant investment in front line sales team
 - Employed key new talent with diverse skill sets
 - Implemented a CRM system
- What's to come...
 - Implementation of new account management plans
 - Developing further export markets

Leverage From Strong CHINA Base

For stable supply and global growth



- What we said...
 - Provide a consistent cost base and reliable supply lines
 - Research export opportunities from our manufacturing base
- What we did...
 - Renegotiated with all suppliers to provide improved trading terms and consistent pricing
 - Developed new manufacturing relationships to support product growth
- What's to come...
 - Implement consolidation to enable better inventory management and stock flow
 - Further develop export opportunities to niche markets

Best PEOPLE

Knowledgeable, professional, positive



- What we said...
 - Strengthen the core team by recruiting people with wider skill sets
 - Increase safety awareness and improve systems
 - Implement stronger training and development
- What we did...
 - Invested in growing the sales, marketing and product development teams
 - Strengthened the HR and safety culture
 - Implemented stronger performance reviews and development plans
- What's to come...
 - Implement the findings of our OHS review
 - Drive the new performance planning system
 - Target the agreed training hours for each person focused on behavioural and technical needs for each individual

Be INNOVATIVE

In all areas of our Business



- What we said...
 - Upgrade and improve our IT and information systems and capabilities
 - Implement stronger processes across all areas of the business
- What we did...
 - Completed a significant IT review and implemented findings
 - Revised, developed and implemented a range of new processes and procedures for better efficiency and productivity
- What's to come...
 - Lift management information capability to a higher level to assist team to drive performance
 - Focus on using our supply chain to offer different solutions to customers



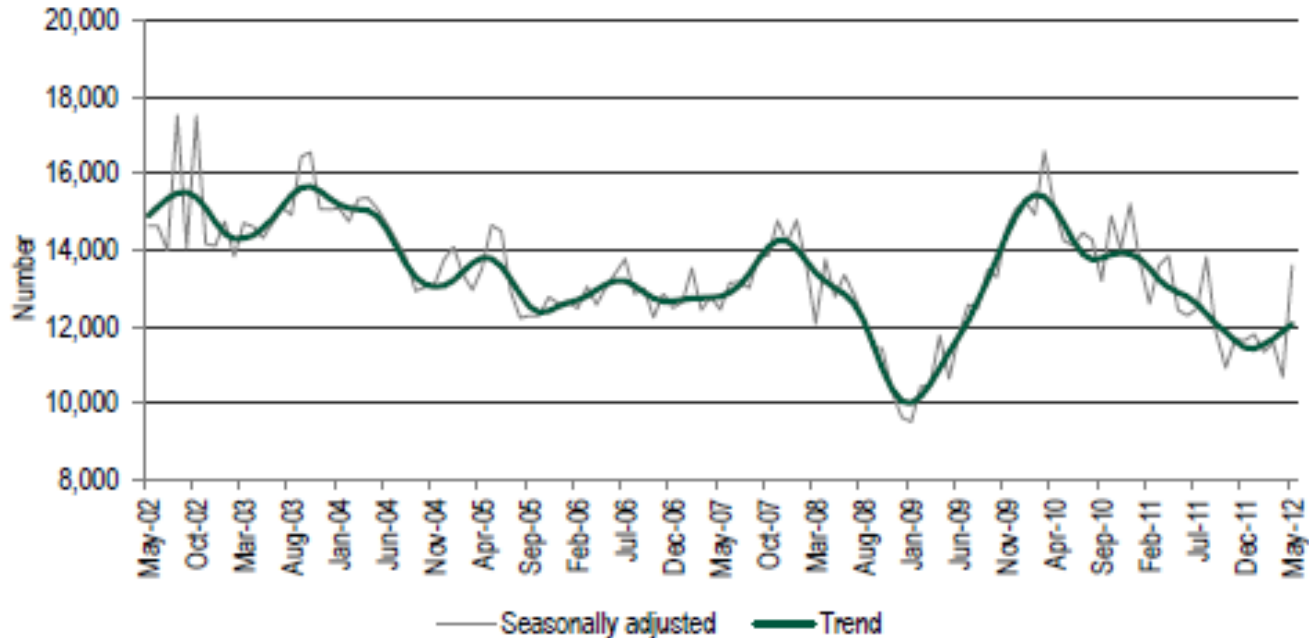
OUTLOOK

New HOUSING MARKET Contracted



Monthly Building Approvals - Australia

Source: ABS 8731

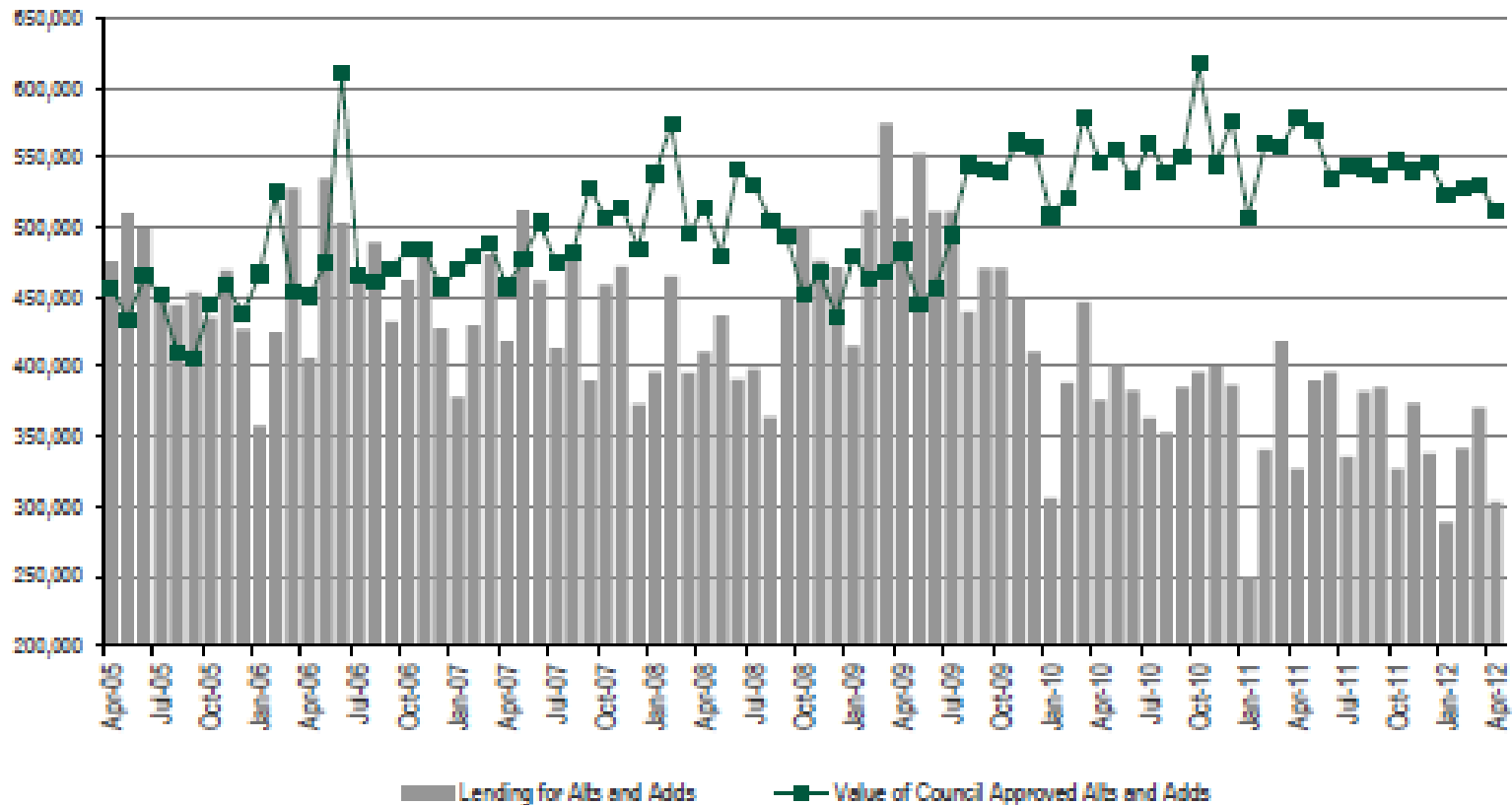


RENOVATIONS MARKETS Declined



Major Alterations and Additions Market - Australia

Monthly Lending and Monthly Council Approvals (\$'000)

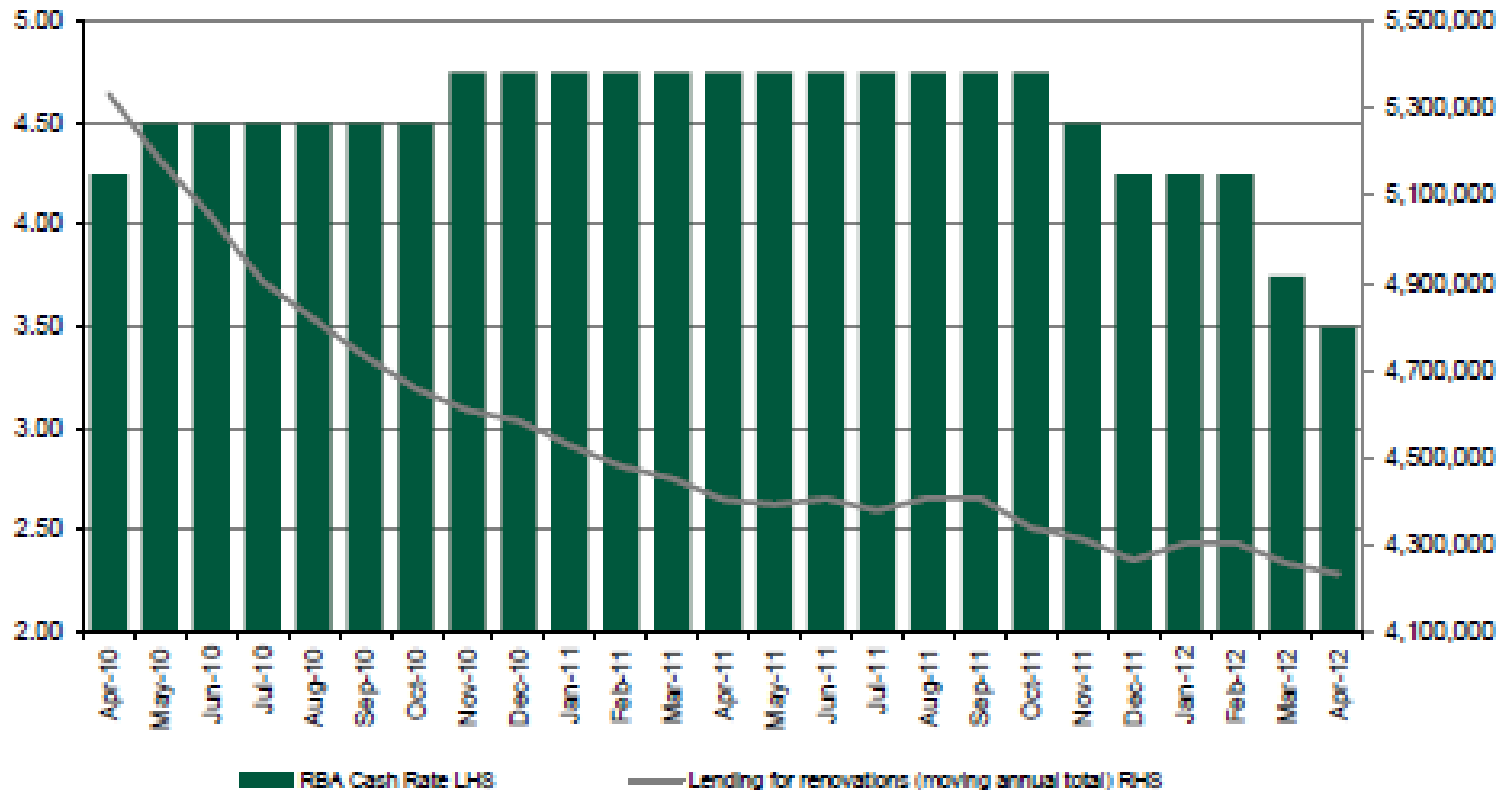


CONSUMERS are not Confident



Australia: Lending for Renovations and Interest Rates

Source: ABS Housing Finance; RBA; HIA



IMPROVEMENT Forecast



New Housing Forecast

Value of work done on new housing, CVM \$ million

	AUS	% change
2003/04	39,647	
2004/05	39,653	0
2005/06	37,732	-5
2006/07	37,899	0
2007/08	38,067	0
2008/09	38,003	0
2009/10	39,197	3
2010/11	39,979	2
2011/12 (f)	36,997	-7
2012/13 (f)	38,438	4
2013/14 (f)	40,194	5

RENOVATIONS will Hold



Housing Renovations Forecast

Value of work done on housing renovations, CVM \$ million

	AUS	% change
2003/04	28,799	
2004/05	28,987	0.7
2005/06	28,545	-1.5
2006/07	29,169	2.2
2007/08	29,877	2.4
2008/09	28,947	-3.1
2009/10	29,924	3.4
2010/11	29,959	0.1
2011/12 (f)	29,495	-1.5
2012/13 (f)	29,887	1.3
2013/14 (f)	30,153	0.9



Our VIEW

- Expect difficult market conditions to continue
 - New housing will struggle to recover quickly
 - Renovations flat
 - Mining accommodation projects patchy but are expected to continue

However, we remain POSITIVE



- Strategic investment made in FY12 into strengthening all parts of the business to ensure future growth
- Whilst market has been down, we have been very active in:
 - Building a significant product pipeline
 - Creating demand for Marbletrend products
 - Lifting our service levels
 - creating value through our supply chain
- When the cycle turns up, we are now very well positioned

Our FOCUS



- Driving the new pipeline of products into the market
- Continuous innovation and enhancement of our product range focused on global trends and fashion
- Diversifying our customer base and markets domestically and globally
- Realising the impacts of our sales and operational planning system

CITYWIDE Building Supplies



- As announced on ASX, 50% joint venture in a concrete plant and building supplies operation in Port Melbourne, Vic.
- Strategic fit into building supplies portfolio
- CBD proximity
- Commercial builder and concreter customer base enabling access to projects from the ground up
- Concrete plant operational in December 2012



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!