



## H2 2008/09 post results presentation

- Continues 53 year history of profits
- Record cash flows
- Conservative balance sheet
- Well positioned for future growth and profits

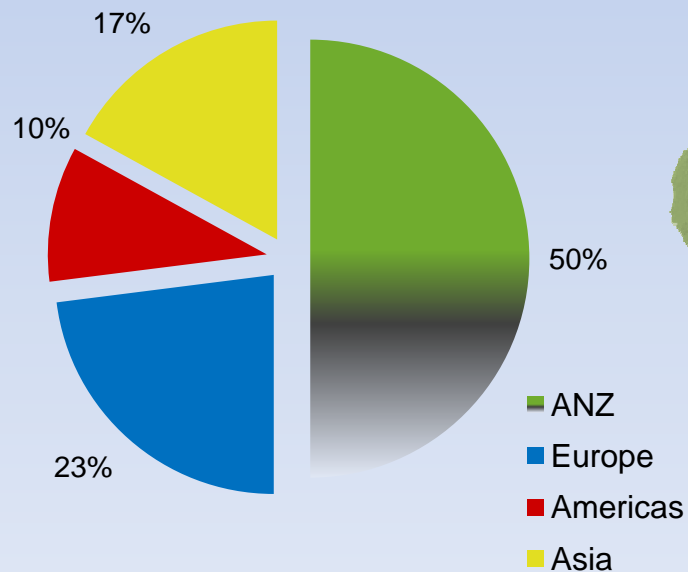
- Investor data
- Results overview
- H2 2009 highlights
- Business results
- SHE performance
- Funding & capital structure, other financials
- Looking forward



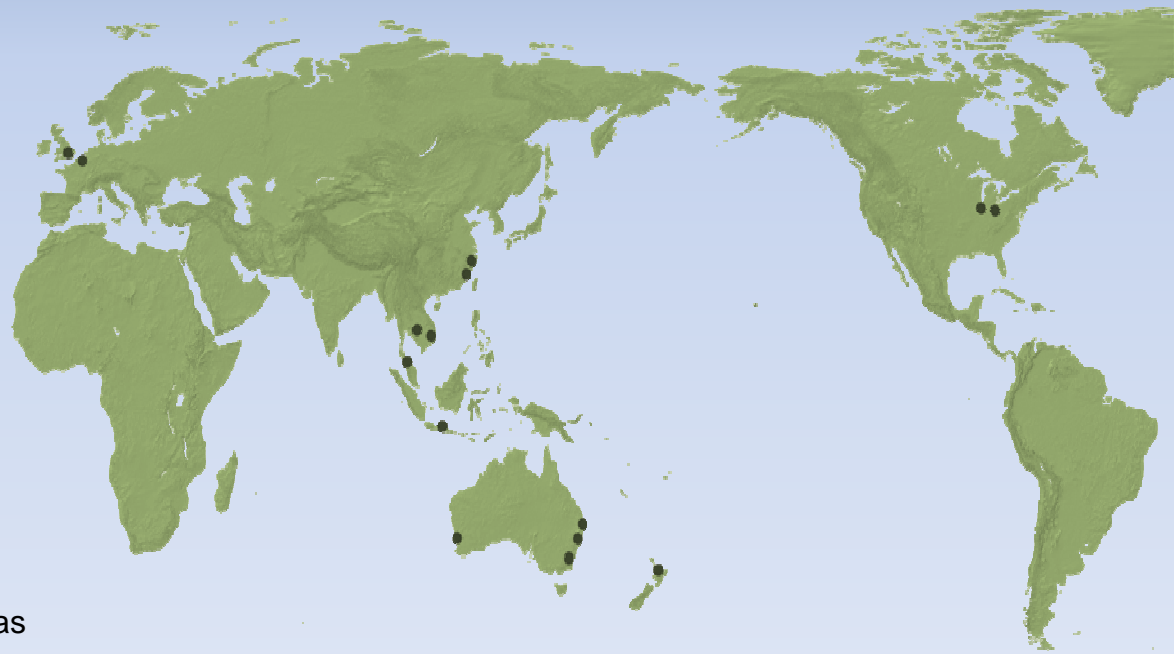
## Nuplex's global operations

Nuplex is an international business, with manufacturing sites in 10 countries and global sales to more than 80 countries operating in 2 business groups, Resins and Specialties

Sales



Nuplex's manufacturing locations



Stock exchange listings	New Zealand	(NZX)
	Australia	(ASX)
Ticker code	NUP	
Number of shares	189.8 million	
Number of shareholders	10,674	
Market capitalisation	NZX	NZ\$440 million
	ASX	AU\$350 million
Ownership	<p>■ Instos ■ Retail</p>	<p>■ NZ ■ Australia</p>
Registered office	Penrose, Auckland	New Zealand
Corporate Office	Botany, NSW	Australia



## Results review – 2008/09

	2007/08	2008/09	Change
Revenue (\$m)	1,532	1,494	-2.5%
EBITDA (\$m)	122	92	-24.9%
Operating profit (\$m)	53	24	-55.8%
Net profit after tax (\$m)	48	17	-65.4%
Cash dividend (cps)	*	8.5	n/a
Payout ratio	65%	67%	
Number of employees	1,816	1,670	-8.0%

\* Due to the rights issue in April 2009 and the share consolidation in June 2009, 2008/09 dividends are not comparable with 2007/08



## Results review – half year

	H2 2007/08	H2 2008/09	Change
Revenue (\$m)	783	699	-10.8%
EBITDA (\$m)	61	48	-21.4%
Operating Profit (\$m)	29	12	-58.3%
Net Profit after Tax (\$m)	24	11	-54.8%

	H1 2008/09	H2 2008/09	Change
Revenue (\$m)	795	699	-12.1%
EBITDA (\$m)	43	48	+10.8%
Operating Profit (\$m)	12	12	+3.4%
Net Profit after Tax (\$m)	6	11	+78.3%

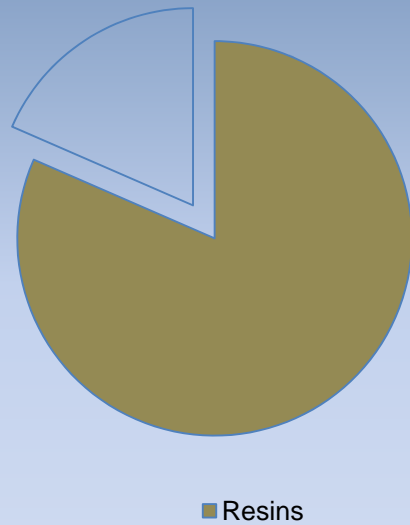
- **Strongest operating cashflow ever achieved**
  - Ongoing management actions in response to business downturn
    - Strict controls on discretionary spending maintained
    - Capital expenditure restricted to essential projects
    - Debtor management and inventory reduction programmes
- **Demand generally stabilised**
  - Evident in Europe, Americas and South East Asia
  - China remained strong
  - Weakness in NZ continued
  - Australian demand softened in H2 but most resilient market outside China for most sectors
- **Successful capital raising**
  - 96% uptake on rights issue
- **New capacity for composite resins commissioned in Australia**
  - Improved efficiency and ability to produce broader product range
- **Raw material costs eased on low demand**
  - Generally beneficial to margins



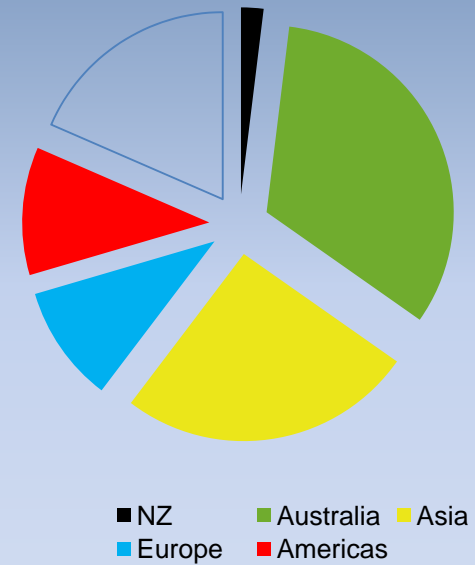
# Business Results

# Nuplex resins business EBITDA

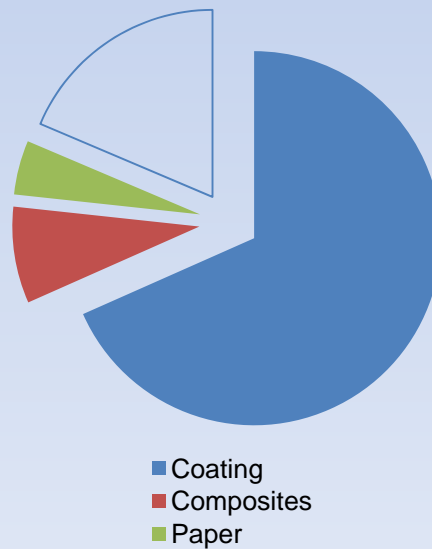
**Earnings  
Segment**



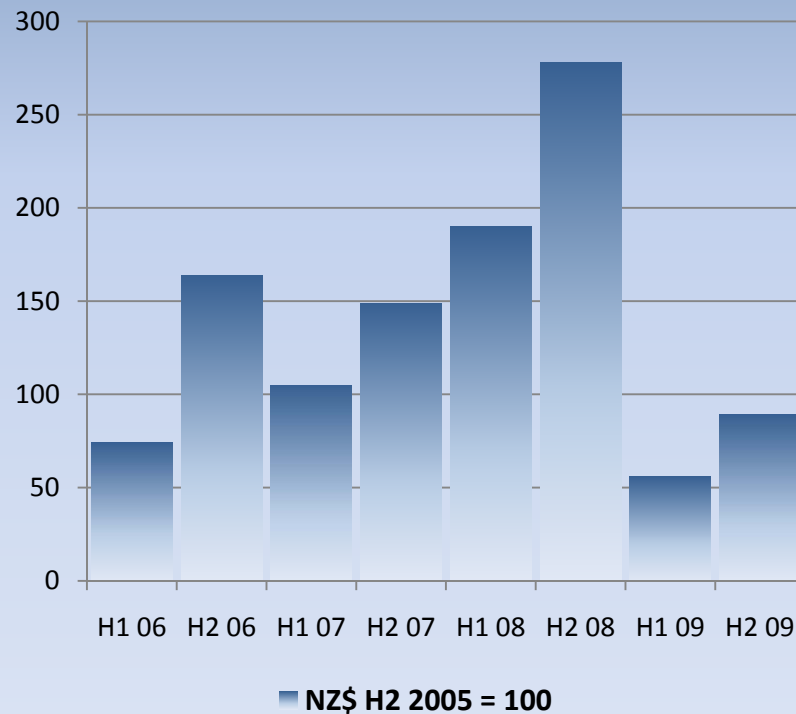
**Earnings  
By region**



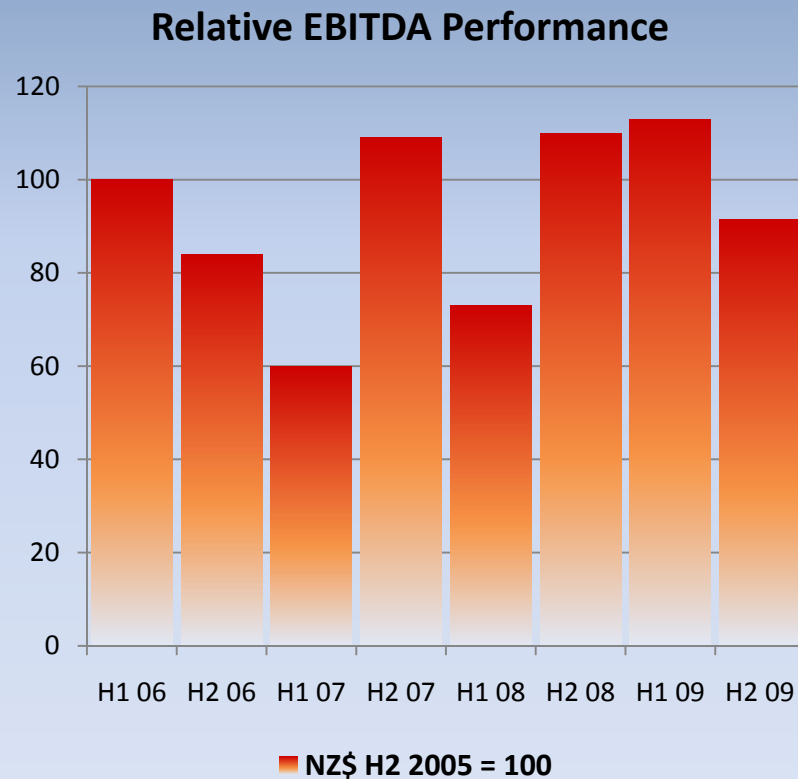
**Earnings  
By market**



### Relative EBITDA Performance

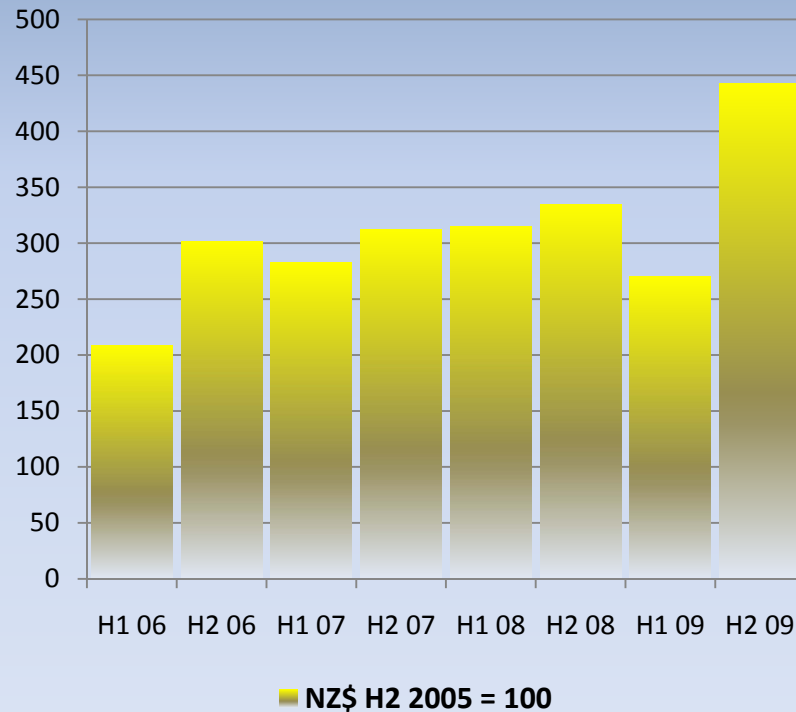


- Market
  - Stabilised from January
  - Signs of improvement late in period
- Margin
  - Soft raw material costs
  - General margin recovery
  - Reasonably disciplined industry
- Outlook
  - Slightly improved demand
  - Reasonable margins expected
  - New technology well accepted



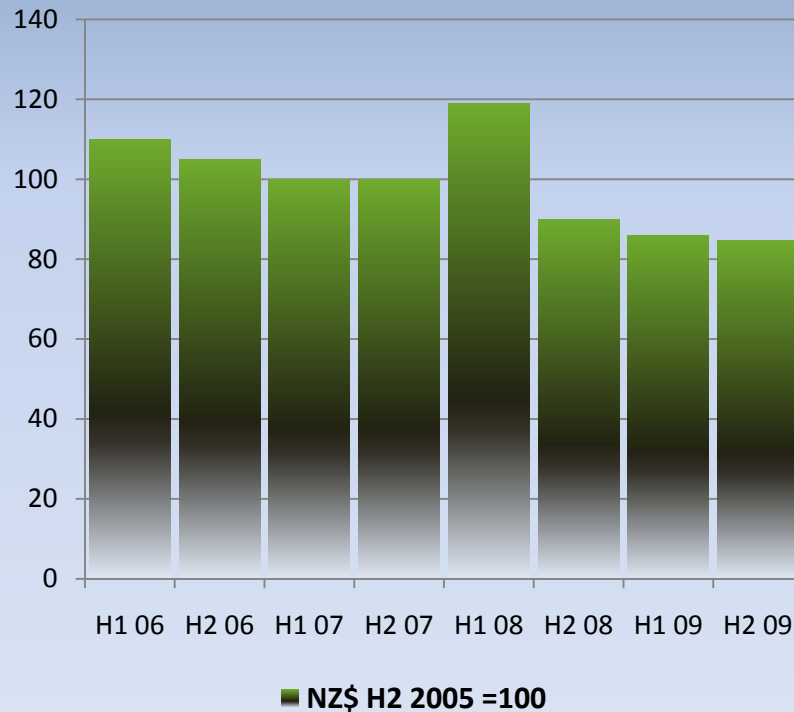
- Market
  - Experienced slow downwards drift
  - G-Cure providing some growth
  
- Margin
  - Soft raw material costs
  - Major restructuring reduced costs
  - Reduced Brazil loss
  
- Outlook
  - Some optimism but early days
  - Full benefits from restructuring

**Relative EBITDA Performance**



- Market
  - Bounced back very strongly
  - China & Vietnam the stand outs
    - All operations improved in H2
  - SE Asia exports still constrained
  - Progress with composites business
  
- Margin
  - Soft raw material costs
  - Generally strong margins
  
- Outlook
  - Still growth but lower rate
  - Reasonable margins maintained

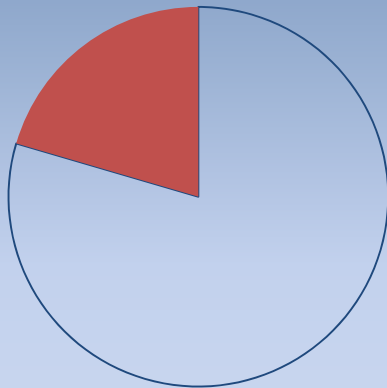
**Relative EBITDA Performance**



- Market
  - NZ market very soft
  - Australia slipped during H2
    - Signs of improvement post year end
  
- Margin
  - Soft raw material costs
  - General margin recovery
  - Some restructuring
  - Reasonably disciplined industry
  
- Outlook
  - Slightly improved demand
  - Reasonable margins expected
  - New technology well accepted

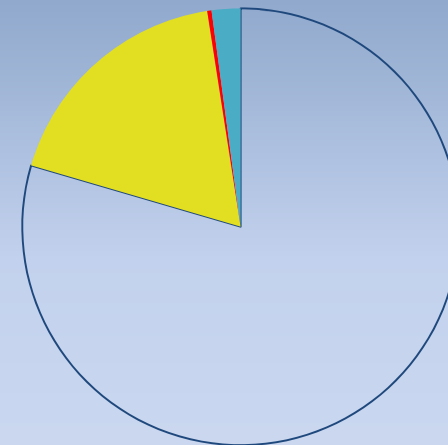
# Nuplex specialties business earnings

**Earnings  
Segment**



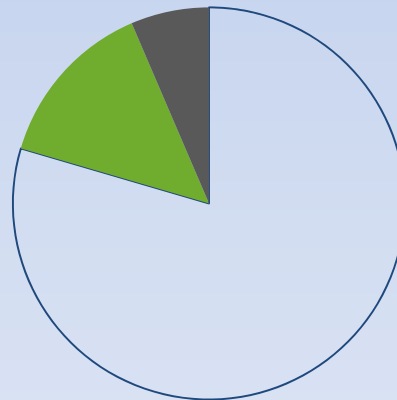
■ Specialties

**Earnings  
By market**



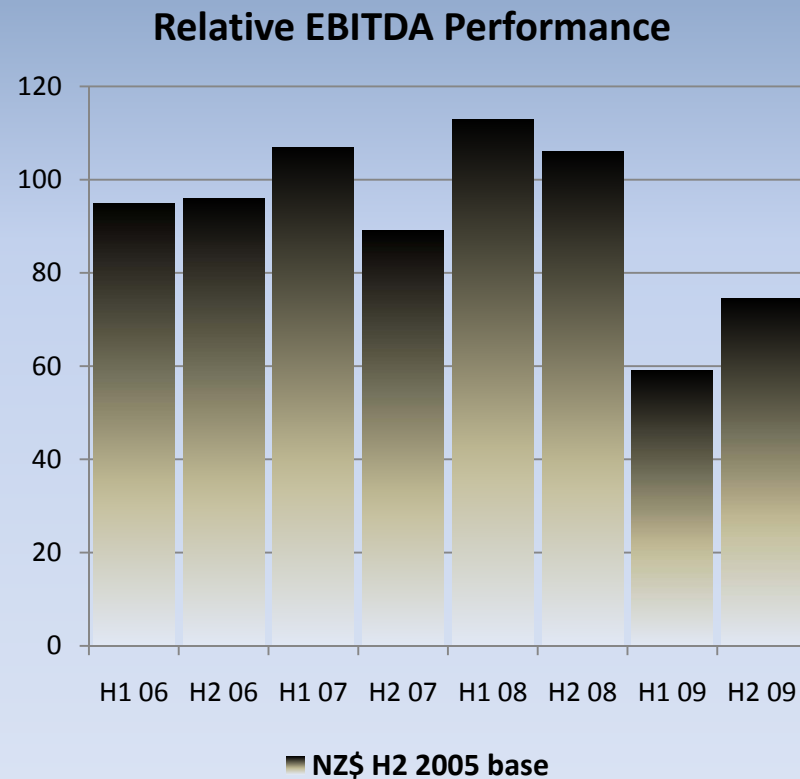
■ Specialty Products  
■ Construction Products  
■ Masterbatch

**Earnings  
By region**



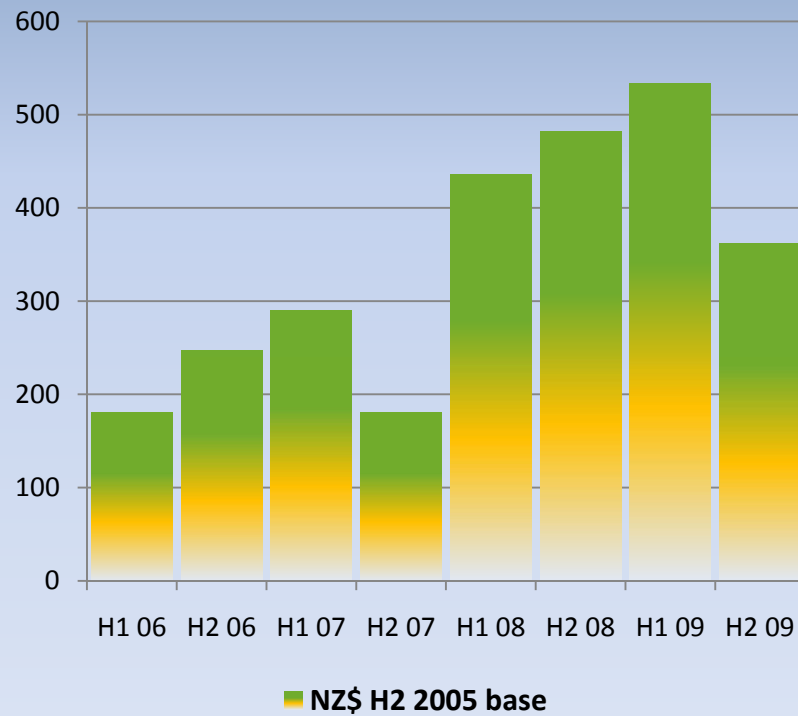
■ Australia ■ New Zealand

# Specialties – New Zealand



- Market
  - Demand weak across most sectors
  - Improvement H2 – no bad debts
  - Industrial markets shrinking
- Margin
  - Generally stable
- Outlook
  - Soft demand
  - Some growth from new products

**Relative EBITDA Performance**



- Market
  - Soft market conditions
    - Significant destocking effect
  - Some supply issues
- Margin
  - Satisfactory margins retained
- Outlook
  - Subdued demand to continue
  - Reasonable growth prospects
    - New products
    - New markets

## Funding & capital structure, other financials

**Note that all reference to currency is NZ\$**

Opening balance at 31.12.08	370,965
FX Impact	(10,347)
Net proceeds from capital raising	(153,627)
Repayments from cash flow	(11,684)
Closing balance at 30.06.09	195,307

	30.06.08	31.12.08	30.06.09
Equity	365,061	368,873	521,622
Capital Notes	52,344	52,381	52,417
Bank Debt	350,337	370,965	195,307
Finance Leases	822	758	969
Cash on Hand	50,843	68,898	119,499
Net Debt	352,660	352,206	129,194

### **Unutilised assets**

Properties not in use for operation purposes at Seven Hills, NSW, Australia and Avondale, Auckland, New Zealand remain subject to further remediation which will be completed as required by regulators and/or when the market for industrial property strengthens and a reasonable sale price can be achieved.

- Capital notes at 9.3%
- Bank debt effectively  $\approx 9.5\%$ 
  - Combination of
    - Size of facility related to fixed costs
    - Margin
    - Mark to market of swaps
    - Amortisation of costs
- Anticipate 2009/10 interest costs to be  $\approx$  \$21 million.

- Effective tax rate on operating profits is 27.7% (30.1%)
- Major impact on tax rate was improved operating result in China



## Cash flow from operations

	2007/08	2008/09
First Half	44,058	44,265
Second Half	32,691	78,966
<b>Total</b>	<b>76,749</b>	<b>123,231</b>

## Capital expenditure

Type	Spend	Major Items
Sustenance	\$5.7 m	
Compliance	\$1.9 m	<ul style="list-style-type: none"><li>○ Surabaya fire protection</li></ul>
Growth	\$10.6 m	<ul style="list-style-type: none"><li>○ Wacol composite resin capacity</li><li>○ US G-Cure capacity</li><li>○ Surabaya composite resin capacity</li></ul>

In spite of constrained spending, all plant has been maintained to the optimum level for safety and reliability.

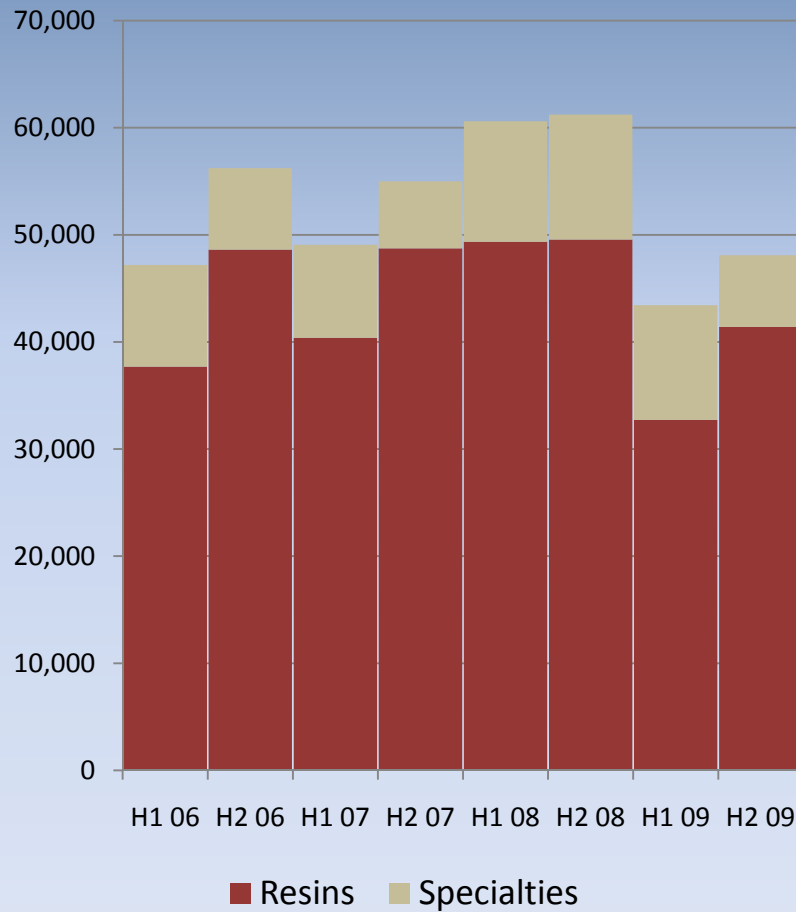
## Covenants as at June 30, 2009

Senior debt cover ratio	In compliance
Senior debt interest cover	In compliance
Total interest cover	In compliance
Quasi equity	In compliance
Tangible assets in guaranteeing group	In compliance
EBIT in guaranteeing group	In compliance

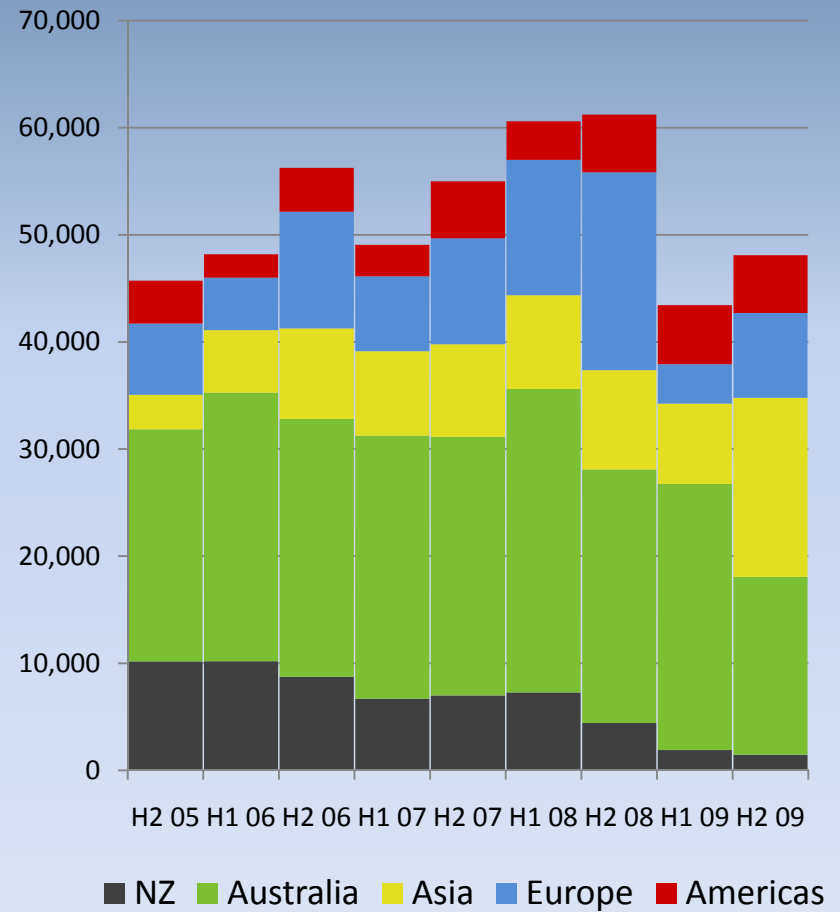
Based on unaudited management accounts, July 2009 is non-compliant with respect to the EBIT in the guaranteeing group as a consequence of continued earnings growth in Asia. The Banks have waived this covenant until 31 December, 2009.

# Growth History

### EBITDA – NZ\$



### EBITDA – NZ\$



- Trading conditions generally stable
- General optimism that there is no downside from here
- Supply chain now in line with underlying demand
- Recovery slow but will gain momentum in the mid term
- Investment to continue
  - Innovative and sustainable technology
  - Capacity in high growth regions
- Business will be right sized

Region	Forecast	Comments
Americas		<ul style="list-style-type: none"> <li>○ Market to pick up in H2</li> <li>○ Significantly lower operational cost base</li> <li>○ Gains from new technology</li> </ul>
Asia		<ul style="list-style-type: none"> <li>○ Growth to continue at lower rate</li> <li>○ Benefits from Composites capacity in H2</li> <li>○ Some tightening of margins</li> </ul>
Australia		<ul style="list-style-type: none"> <li>○ Market to be relatively similar to 08/09</li> <li>○ Anticipate some recovery in Composites in H2</li> <li>○ Lower operational cost base</li> </ul>
Europe		<ul style="list-style-type: none"> <li>○ Market to continue slow recovery</li> <li>○ Restructuring costs expected to be profit neutral</li> <li>○ Gains from new technology</li> </ul>
New Zealand		<ul style="list-style-type: none"> <li>○ Market to remain depressed</li> <li>○ High fixed cost position</li> </ul>
Corporate		<ul style="list-style-type: none"> <li>○ Interest costs much lower than 08/09</li> <li>○ Capital expenditure no more than depreciation</li> </ul>



THANK YOU