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nuplex[®]

Nuplex Asia Overview

Bangkok, Thailand
March 2015



Agenda

1. Company Overview
2. Nuplex Asia – Overview
3. Nuplex Asia – Growth strategy
4. Nuplex Asia – Synthese Thailand
5. Site tour safety
6. Appendices

Specialised, global chemicals company

Delivering high-quality resins that enable coatings to protect, strengthen and enhance everyday assets and capital goods

- \$630m¹ market cap
- Dual listed NZX/ASX
- 1,700 employees
- Sales in over 80 countries
- **Solution provider** consistently delivering
 - Innovative products
 - Technical and Application R&D support
 - High-quality, 'on specification' products
 - Security of supply
 - Cost competitive offering



1. Closing share price 17 March 2015 , \$3.17

1H15 result key points

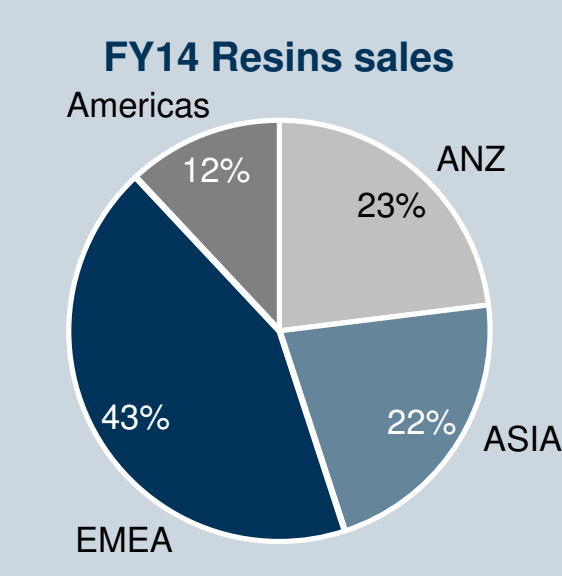
Transformational period, delivering earnings growth and strategic positives

- Divested Nuplex Specialties and Masterbatch businesses for A\$127.5m
- Nuplex is now a dedicated resins business
- 10.1% EBITDA growth
 - Growth in Europe, Asia and Americas
 - ANZ showing signs of improvement
- Dividend maintained at 10 cents per share
- Return on Funds Employed increased to 11.8% from 11.5%
- Post-divestment, Board reviewing strategy. To be completed June 2015 quarter
- As part of strategy review, share buy-back of up to 5% announced

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Global strength, local expertise

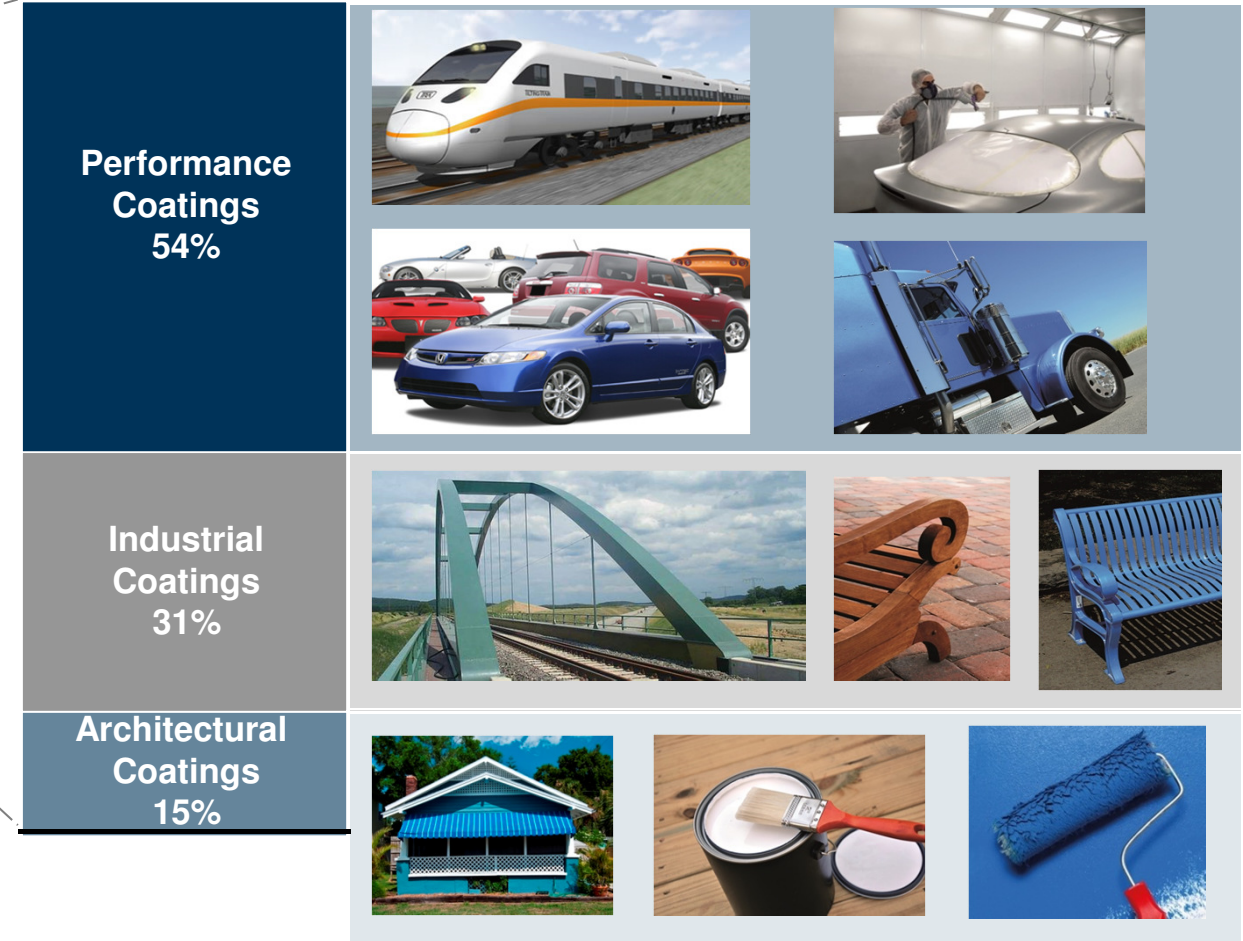
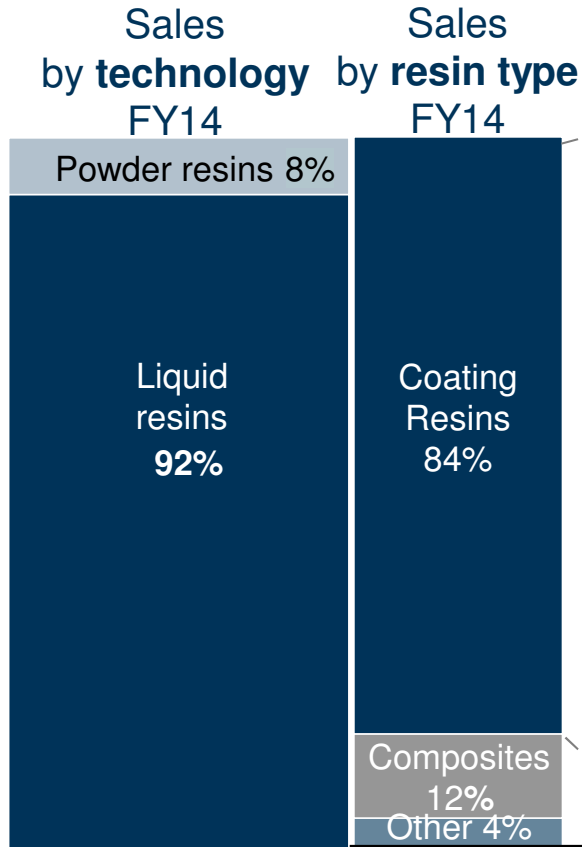
12 countries, 17 manufacturing sites



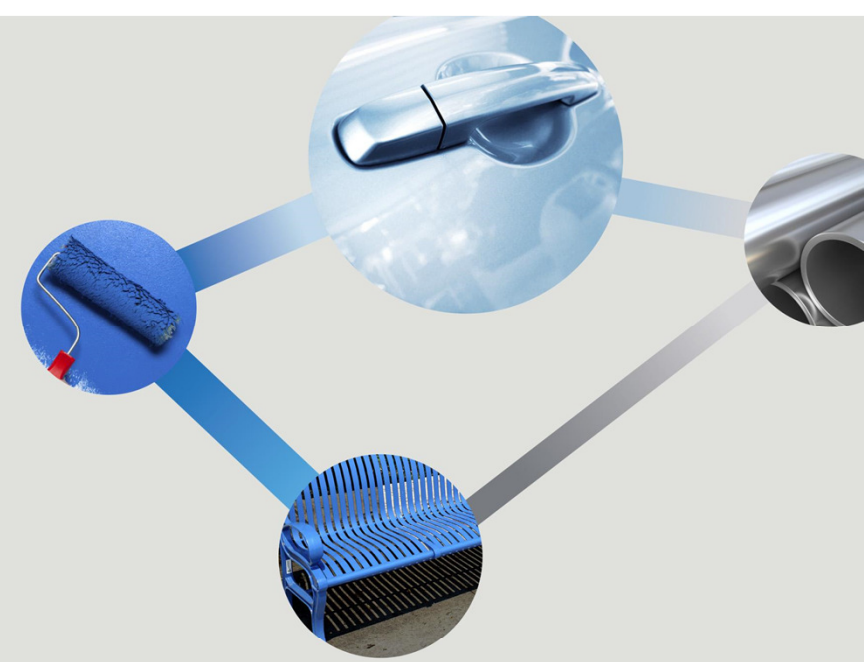
Focused on performance and industrial coatings

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Coating resins sales by market category FY14



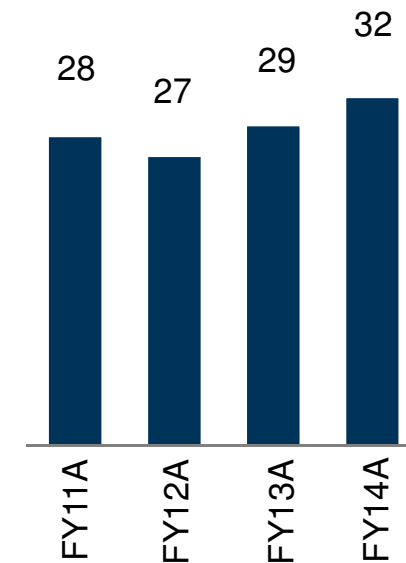
2. Nuplex Asia – Overview



Nuplex first began operating in Asia in 1998

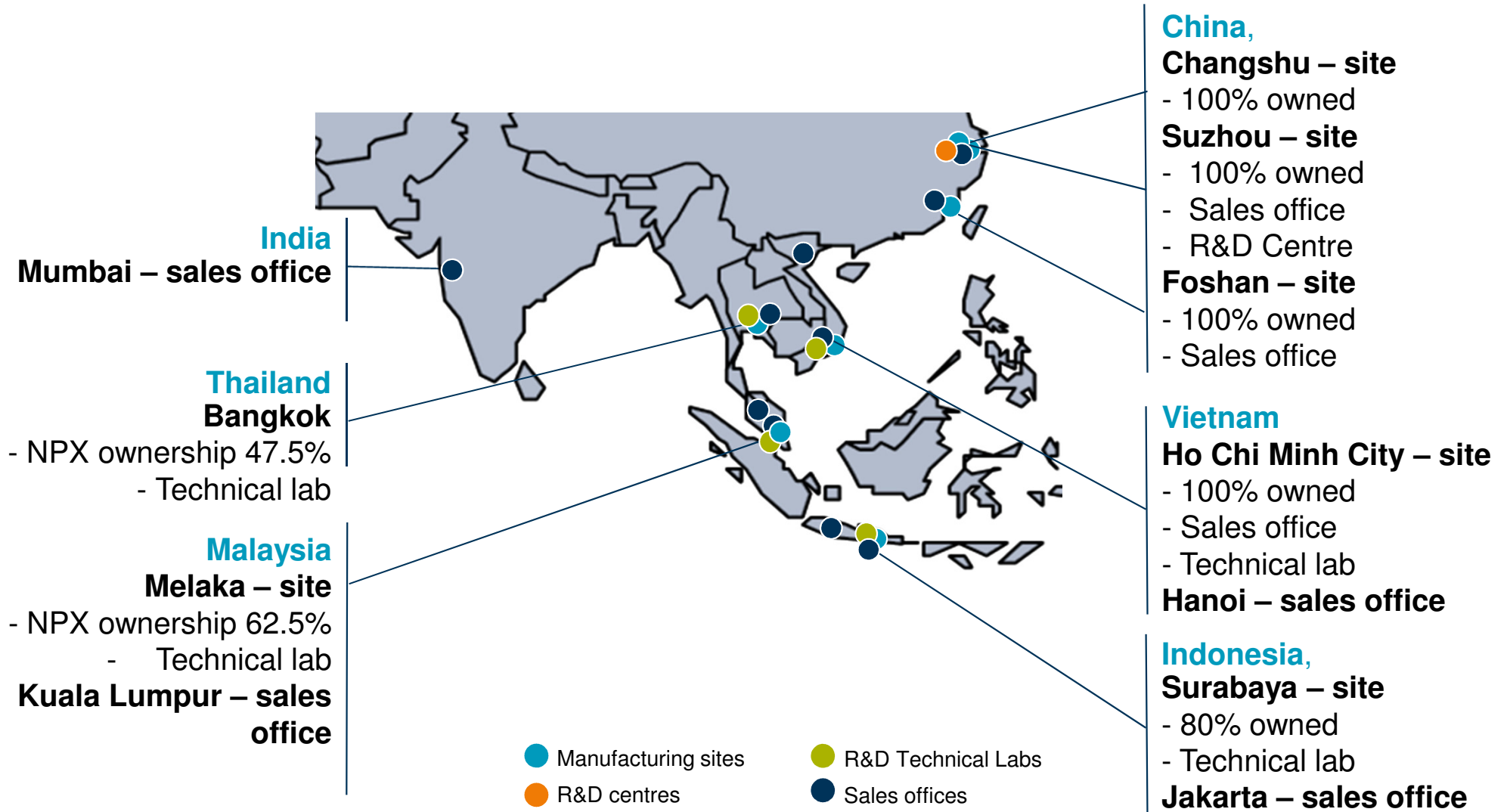
- 1998 – Via A.C.Hatrick acquisition, entered Vietnam
- 2004 – Entered China via acquisition of site at Foshan
- 2005 – Via Akzo Nobel acquisition added
 - Suzhou, China
 - Surabaya, Indonesia
 - Melaka, Malaysia
 - Bangkok, Thailand
- 2011 to 2014/5 – approx. \$60m invested
 - Increasing capacity to grow with market
 - Introducing new technologies to drive market growth

Asia EBITDA (NZ\$m)



10 sales offices, 7 manufacturing sites, 4 technical labs, 1 R&D centre

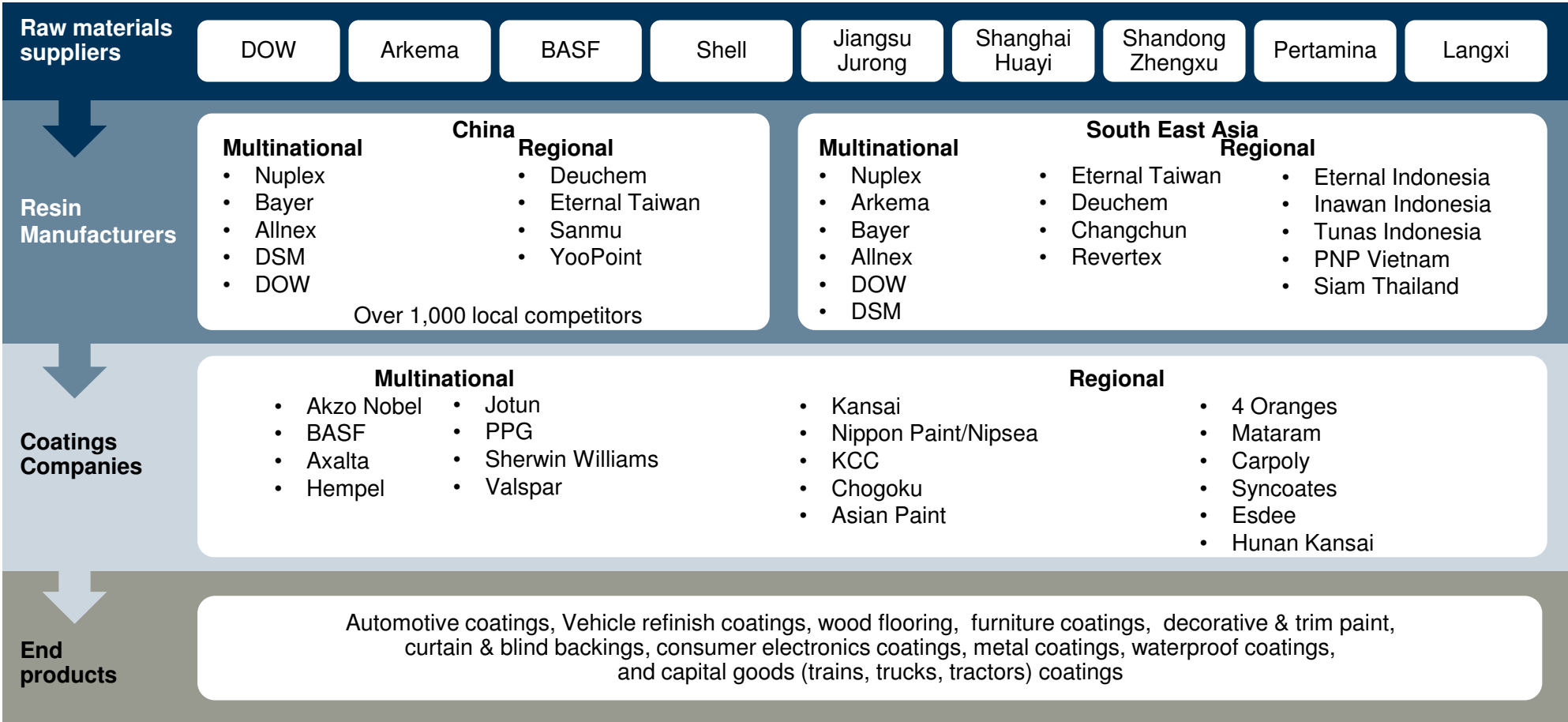
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Market context

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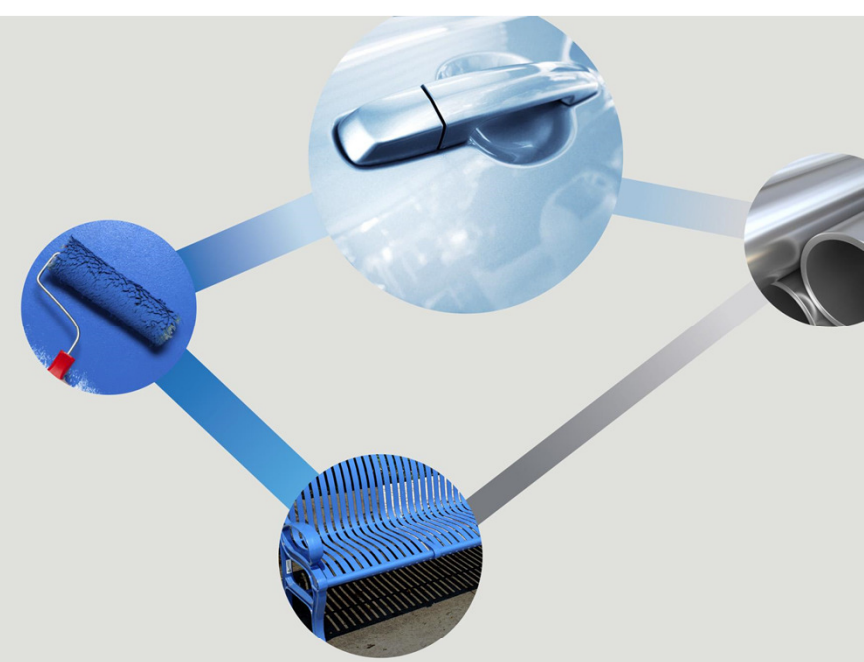
EXAMPLES OF



Competitive advantage

Security of supply	Innovative R&D	Consistent quality	Cost competitive
<p><i>Production network</i></p> <ul style="list-style-type: none">• Multiple supply locations• Secure raw material supply<ul style="list-style-type: none">– Supply agreements– China Procurement Desk• Able to offer 'back-up' production	<p><i>Product development & technical support</i></p> <ul style="list-style-type: none">• Leverage R&D developments from EMEA, ANZ and Americas• Provide local technical and application support• Deliver tailored technology and products for local customers and markets	<p><i>Experience & expertise</i></p> <ul style="list-style-type: none">• Consistent batch to batch quality is a key differentiator• Leveraging global know-how to deliver<ul style="list-style-type: none">– High engineering standards– Process excellence	<p><i>Value offering</i></p> <ul style="list-style-type: none">• Efficient and lean operations• Source raw materials globally, regionally and locally• Geographic spread optimizes logistics

3. Nuplex Asia – Growth strategy

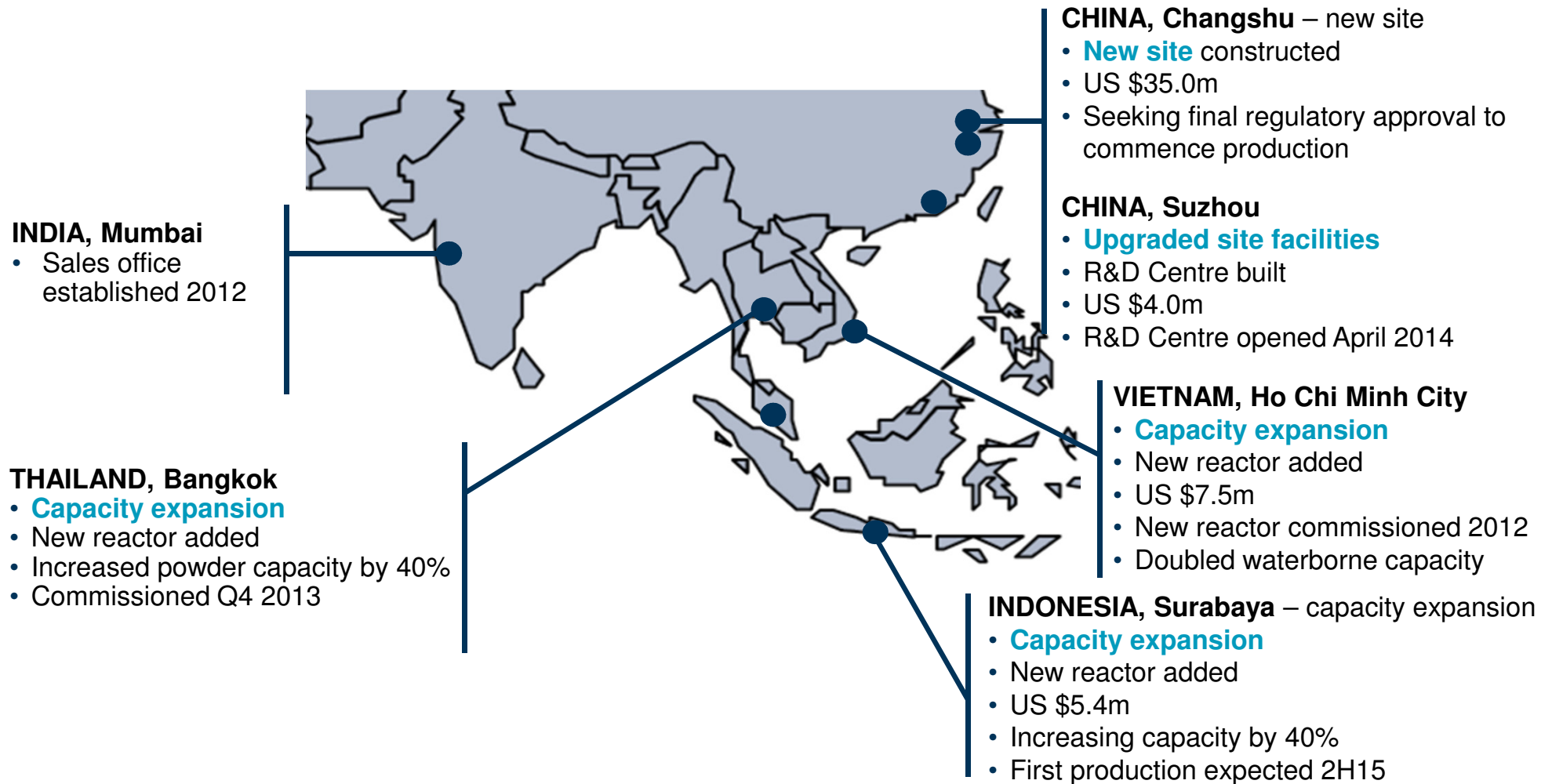


Growth opportunity

	Key markets	Approach to growth
China	<ul style="list-style-type: none">• Domestically focused manufacturing• Automotive OEM• Vehicle Re-finish	<ul style="list-style-type: none">• Grow with the market• Broaden product portfolio and market segments
Indonesia	<ul style="list-style-type: none">• Decorative• General Industrial (metal)	<ul style="list-style-type: none">• Invest to grow with industrial markets
Malaysia	<ul style="list-style-type: none">• Decorative• Vehicle Re-finish	<ul style="list-style-type: none">• Seeding new markets within region
Vietnam	<ul style="list-style-type: none">• Decorative	<ul style="list-style-type: none">• Continue to grow as the market leader
Thailand	<ul style="list-style-type: none">• General Industrial (metal)• India (export)	<ul style="list-style-type: none">• Invest to grow with powder markets in Asia

2011: Commenced program to increase presence across Asia

75% increase in capacity provides platform for growth in FY16¹



1. Since the beginning of 2011

April 2012: Vietnam – New capacity commissioned

New water borne plant



Reactor Floor



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October 2013 : Thailand – new reactor commissioned

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Commissioning Ceremony



April 2014: China – Suzhou R&D Centre

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R&D Centre



Synthesis Lab



Application Lab



Analytical Lab



September 2014: China – Completed construction of Changshu

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Reactor room



Drumming station



Production building



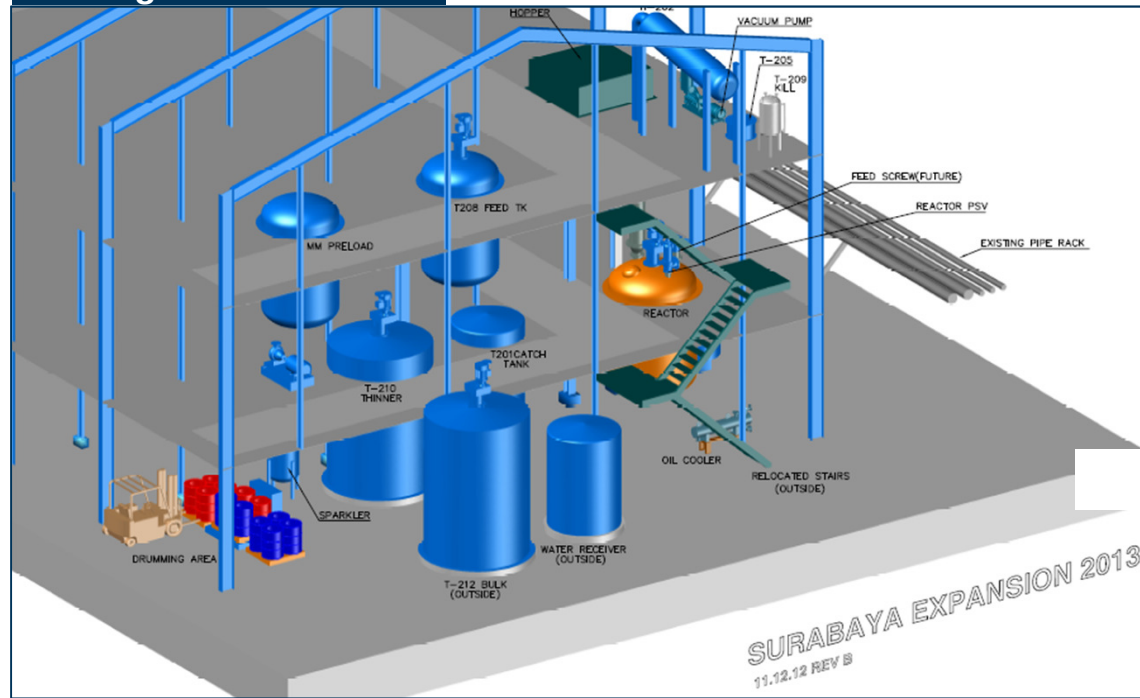
Site entrance



2015: Indonesia – New reactor installed, first production in 2H

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3D design for new reactor



New reactor



2015 onwards: Nuplex Asia – Filling new capacity

Nuplex Asia, on track to deliver >18% ROFE by FY18

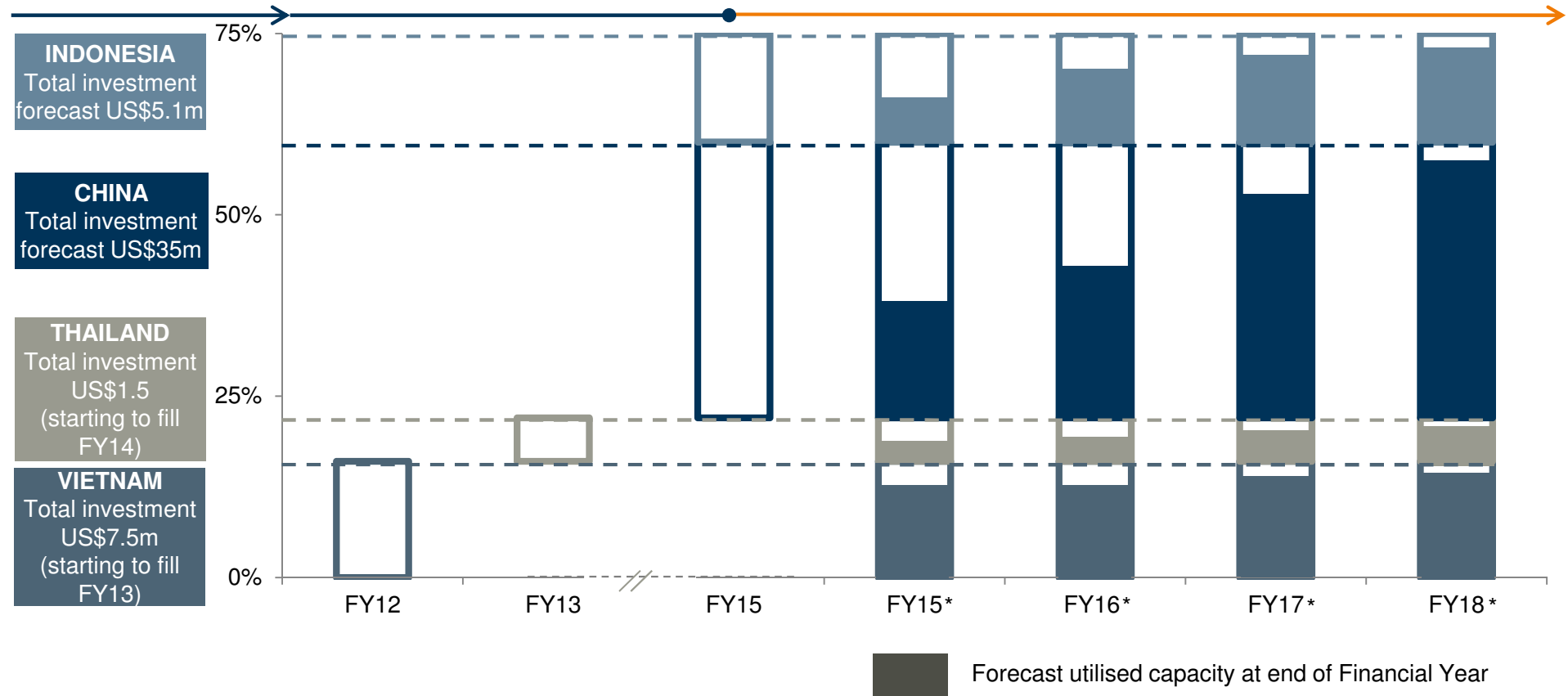
INVESTMENT & COMMISSIONING PHASE

October 2010
Commenced capacity expansion program

April 2012
Capacity started to be commissioned

GROWTH & RETURNS PHASE

December 2014
Capacity expected to be filled over 3 to 5 years from initial commissioning

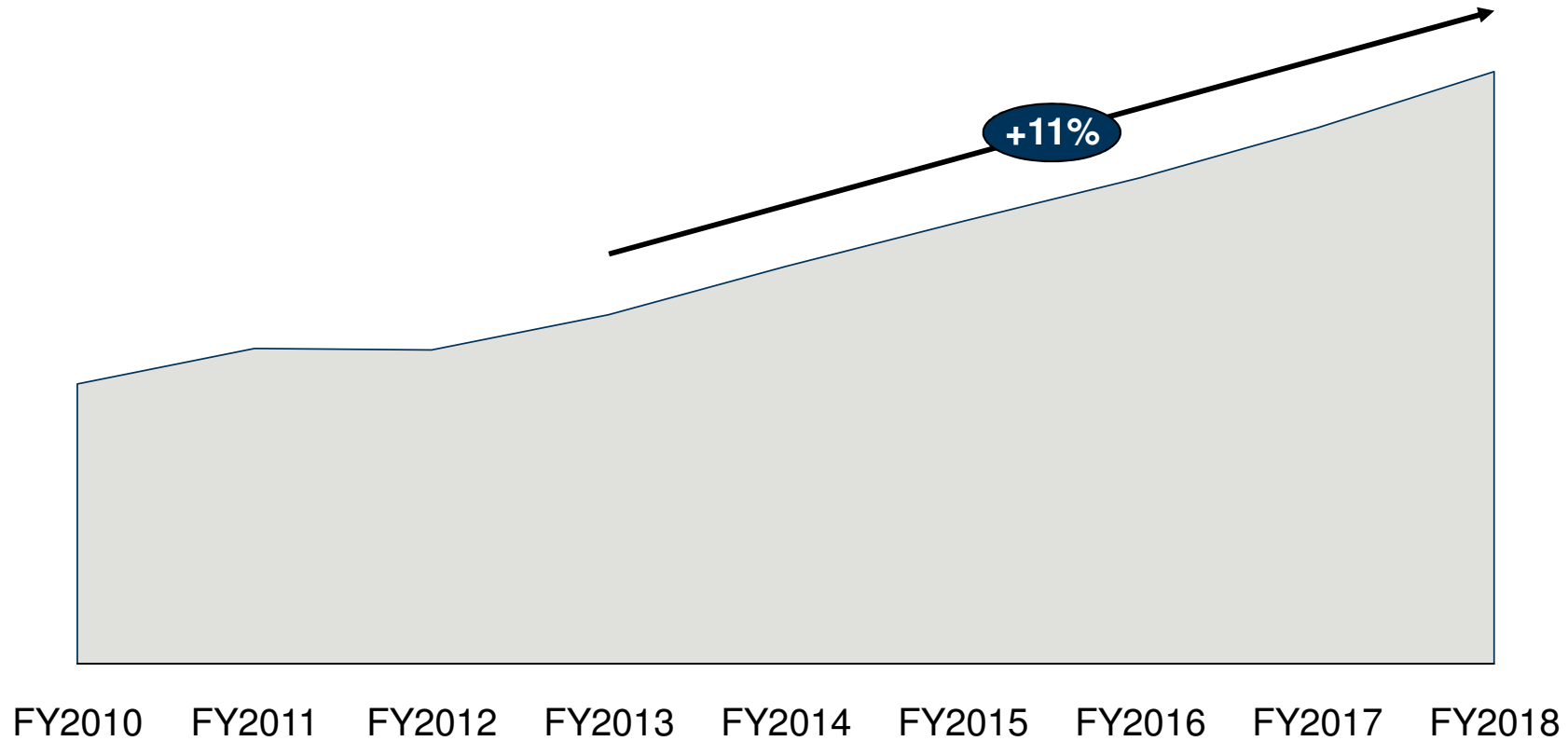


* Approximate forecast, not to scale

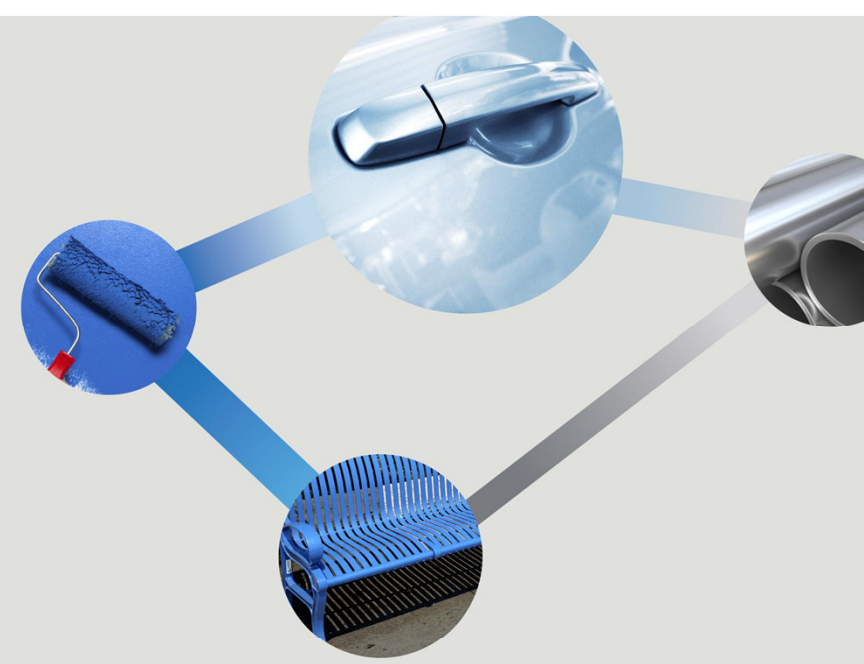
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By end of FY18 Nuplex Asia expected to deliver ~NZ\$500m sales

Asia sales growth projection
CAGR %



1. Forecast subject to unforeseen circumstances and economic uncertainty



4. Nuplex Asia – Synthese Thailand

Synthese Thailand - JV formed in 2000, 47.5% owned by Nuplex

Produces powder resins, Sells powder and liquid resins

- 2000 Synthese JV established between Akzo Nobel and Thai Urethane Plastic Co. (TUP)
- 2005 Nuplex acquired Akzo Nobel resins assets
 - Including stake in Synthese, Thailand
- JV ownership structure
 - 47.5% Akzo Nobel
 - 47.5% Thai Urethane Plastic Co. (TUP)
 - 5% private investor
- JV
 - Owns powder resins plant
 - Employees 30 staff
 - Undertakes product development and technical support
- TUP
 - Owns the site
 - Tolls some liquid resins for JV to sell
- Synthese R&D team collaborates with Nuplex's powder resins R&D team in UK



Powder resins – end uses



Appliances



Commercial Construction



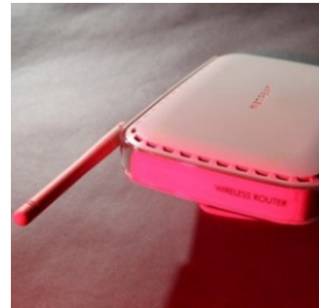
Agriculture & Construction Equipment



Furniture



General Industrial



Electrical Devices



Trade Coaters

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Powder coatings – applied via spraying

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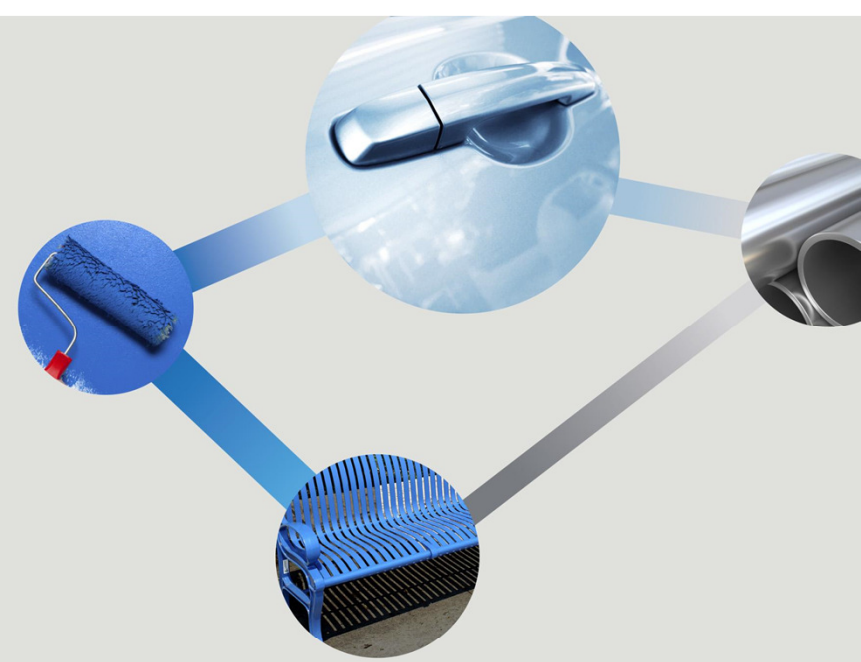
Automated



Manual



5. Site tour safety



Safety Rules

PLEASE

- Sign visitors sheet
- Wear visitors badge
- Stay with your host at all times while on-site
- In case of an emergency, follow the instructions of your host
- Wear personal protective equipment provided

Safety Rules

PLEASE **NO**

- Smoking
- Matches or lighters
- Mobile phones or hand held devices
- Photos to be taken
- Sandals or high heels



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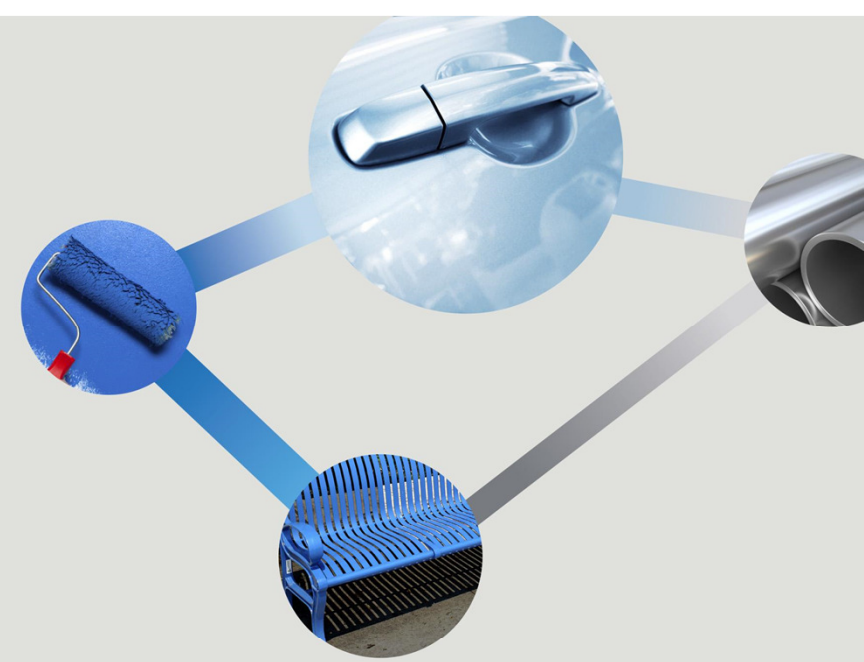
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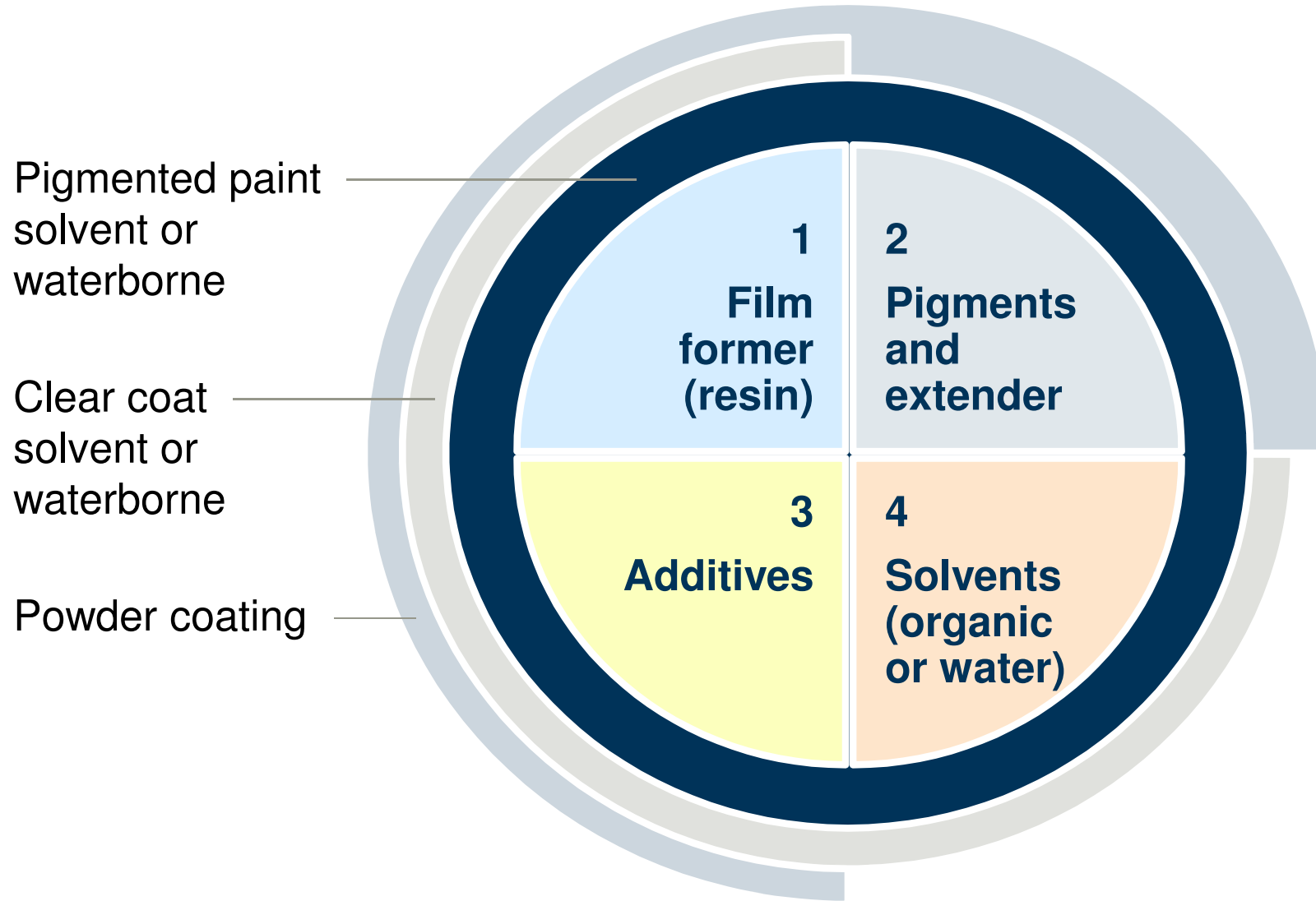
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Appendix 1 - Additional information

The four key components of paint



The role of resin

The resin is responsible for adhesion to the substrate, holds the pigment in place and is the key component influencing properties such as gloss, colour, durability, flexibility, and toughness

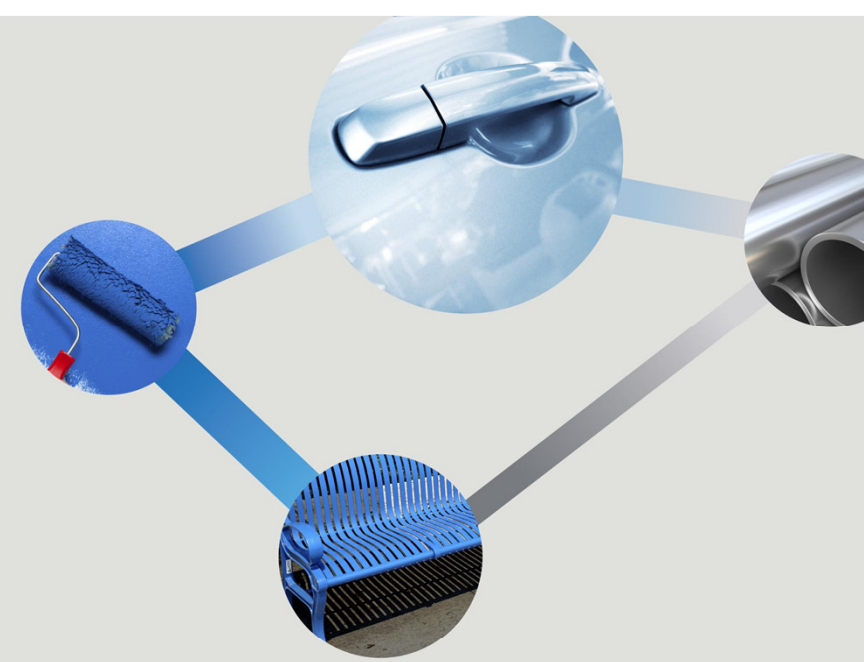
Thickness

Average human hair 75um

Average Automotive coating 112um

}	Clearcoat	40-50um
	Basecoat	15-53um
	Primer	10-35um
	Electrocoat	20-25um
	Substrate	



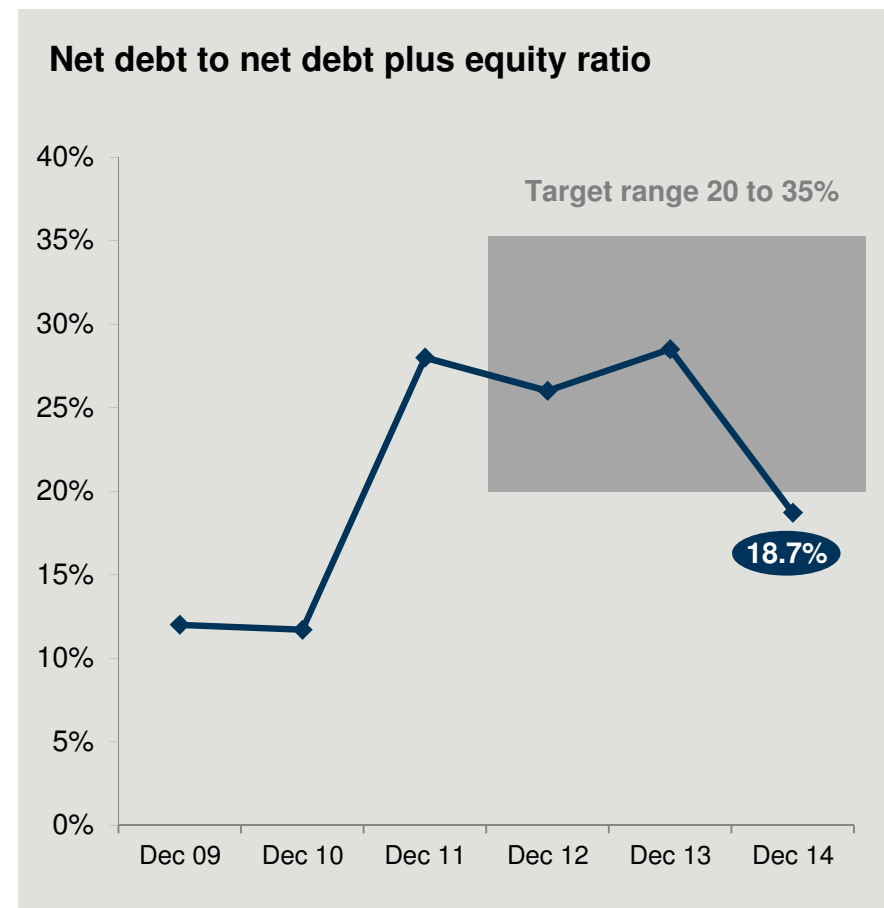


Appendix 2 - 1H15 Result Overview

1H15 financial outcomes

Solid growth in global resins business

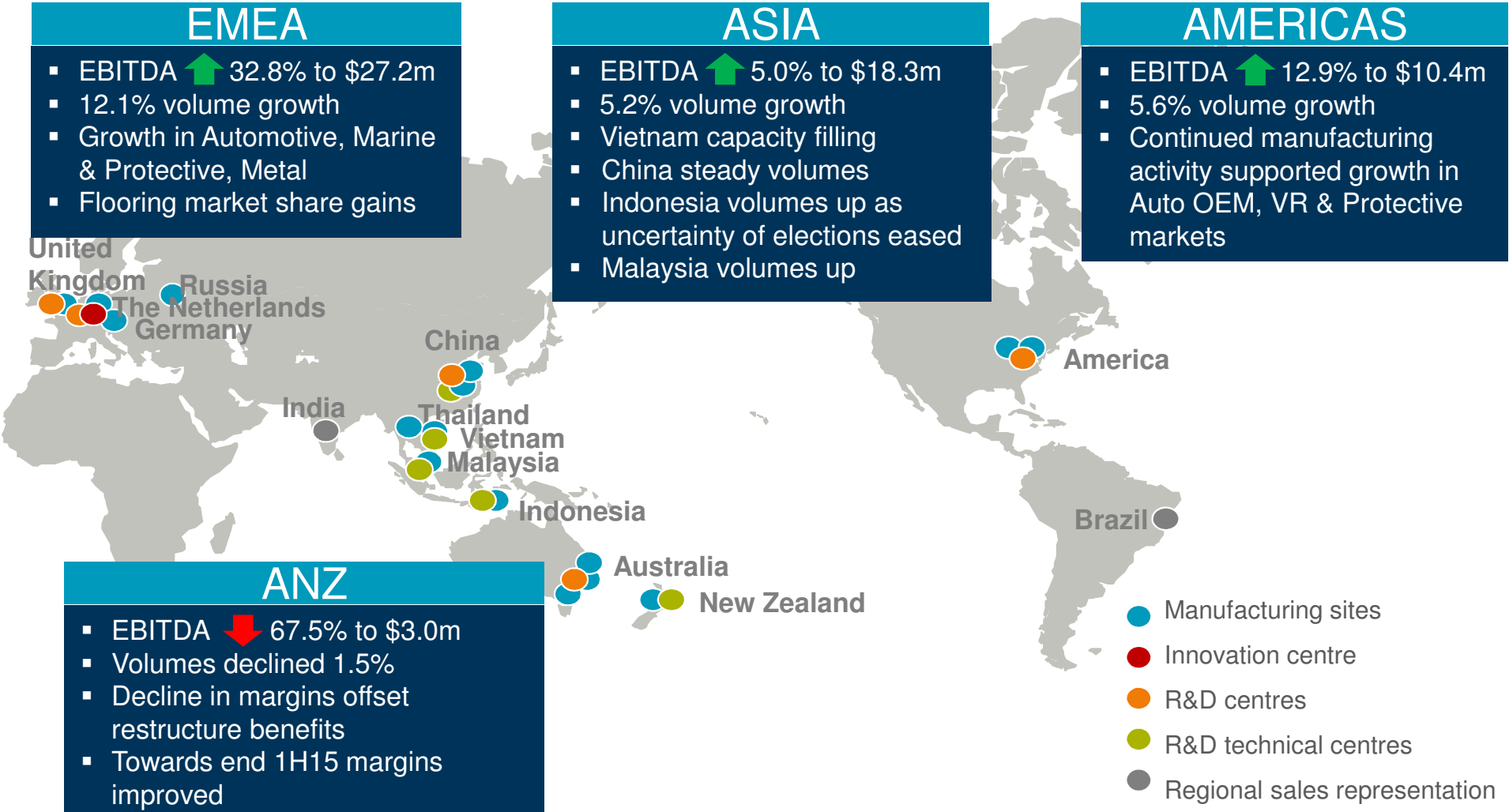
(NZ\$m)	1H15 result	1H14 result	Change (%)
Continuing operations			
Sales revenue	685.8	↑ 668.8	2.5%
Operating EBITDA ¹	54.5	↑ 49.5	10.1%
Continued and discontinued operations			
Net profit ² after tax	37.3	↑ 11.4	227.2%
Significant items	8.4	↑ (14.6)	157.5%
Earnings per share (cents)	18.8	↑ 5.8	224.1%
Dividends per share (cents)	10.0	↔ 10.0	-
Return on Funds Employed(%) ³	11.8	↑ 11.0	7.3%



1 Earnings before interest, tax, depreciation, amortisation, significant items, associates and minority interest.
 2 Profit attributable to equity holders of the parent company
 3 As defined by earnings before interest, tax and significant items divided by average funds employed.
 All amounts are presented in NZ\$ unless stated otherwise.

1H15 operating EBITDA from continuing operations






10.1% growth driven by performance in Europe, Americas and Asia



Committed to delivering ROFE >16% by the end of FY18

EMEA now delivering in excess of target

Return on Funds Employed^{1,2}

	As at 30 June 2014	FY18 target	Comments	Progress as at 31 Dec 14
Group	11.0%	>16%	• To be achieved by end of FY18	
EMEA	14.4%	> 16%	• As at 1H15, delivering in excess of target ROFE	
Asia	> 18%	> 18%	• Capacity expansion to deliver meaningful uplift in FY16	
Americas	> 18%	> 18%	• Sustain above cost of capital returns	
ANZ	0.8%	> 10 %	• Improvement expected in 2H15	

1. ROFE defined as (Earnings before interest, tax and significant items) for the preceding twelve months divided by average opening and closing funds employed over the same twelve month period. Average funds employed exclude capital works under construction.

2. ROFE target subject to unforeseen circumstances and economic uncertainty

FY15 outlook

EBITDA guidance reiterated

	Market outlook for next 6 months	Priorities
EMEA	<ul style="list-style-type: none"> Steady markets 	<ul style="list-style-type: none"> Grow market share in Flooring, Protective, Metal segments
Asia	<ul style="list-style-type: none"> Ongoing growth 	<ul style="list-style-type: none"> Commission <ul style="list-style-type: none"> - new site in China - new capacity in Indonesia
Americas	<ul style="list-style-type: none"> Ongoing growth 	<ul style="list-style-type: none"> Grow with market
ANZ	<ul style="list-style-type: none"> Australia: Steady markets New Zealand: buoyant construction activity 	<ul style="list-style-type: none"> Improve margins Complete streamlining of manufacturing network

EBITDA GUIDANCE RANGE	
From continuing operations (excluding Nuplex Specialties and Masterbatch)	\$109 - \$119m
Including 5 month contribution of discontinued operations (from Nuplex Specialties and Masterbatch)	\$115 - \$125m

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