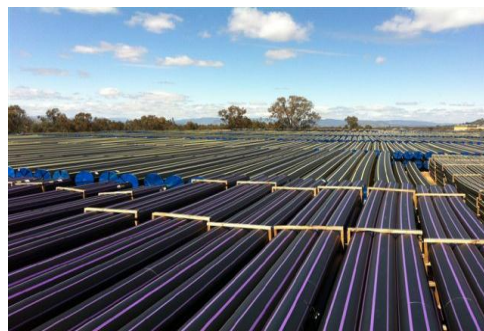


Fletcher Analysts Briefing Pipelines Division Overview

21 May 2013

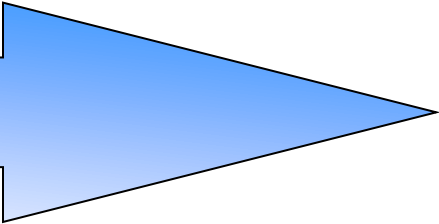


Business: Plastic Pipe & Fittings Systems

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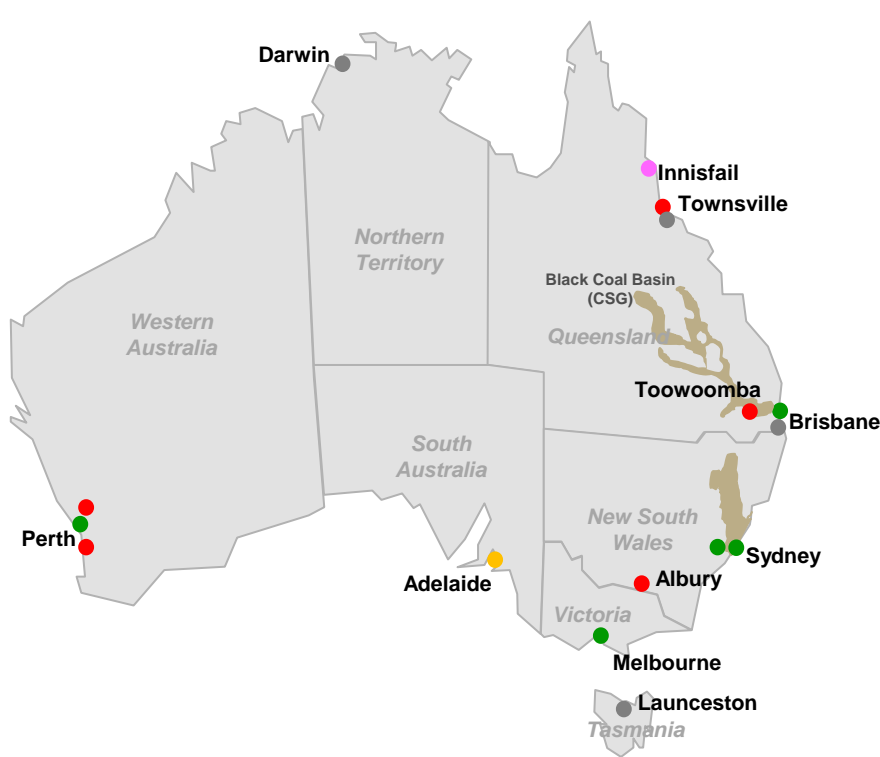


Plastic pipe and fittings systems for distribution of Water,
Gas & Conduits for Telecommunications & Electrical



Locations: Australia and New Zealand

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Aust. Locations x 16		
●	PVC Factory	x5
●	PE Factory	x5
●	PVC Fittings Factory	x1
●	Metals Factory	x1
●	Warehouse	x4

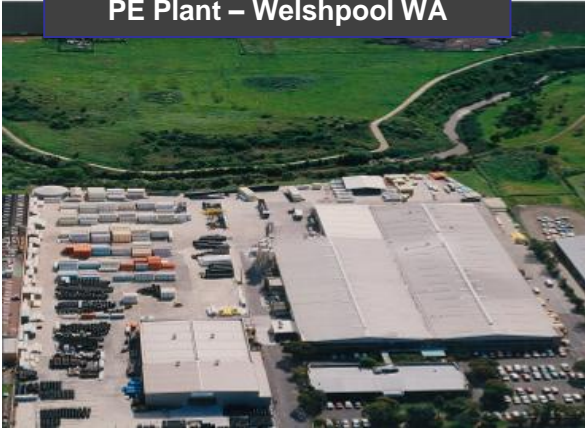


NZ Locations		
●	Iplex NZ	x2

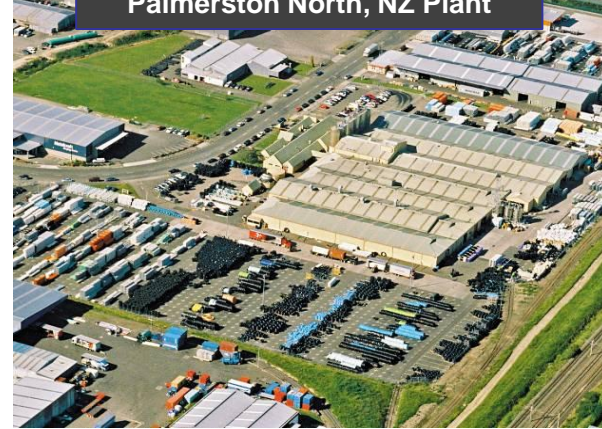


Factory Layouts

PE Plant – Welshpool WA



Palmerston North, NZ Plant



PVC Pipe Plant – Reservoir VIC



Adelaide PVC Fittings Plant



Product Overview



PVC Pipe and Fittings

- Higher pressure ratings – diameters up to 600mm
- Joined using rubber-ring sealed fittings
- Lower cost raw material than PE



PE Pipe and Fittings

- Lower pressure ratings - diameters up to 2,000mm
- Joined by a butt-weld process or electro-fusion fittings
- More robust - better in areas with unstable/moving ground



Other Products

- Ductile Iron Pipe and Fittings (manufactured and purchased)
- Glass Reinforced Pipe
- BlackMAX (Polybutylene)
- Plastic Hot and Cold Water Systems (K1, K2 and Pro-fit)



Distribution Capability



- National coverage
- 110 local fleet & 40 semi trailers loaded per day.
- We ship pipe from 1m to 25m length (18mm to 2metre diameter), coils, metals, fittings



- RF technology for pick-pack
- Truck route planning tools used at major sites
- Order tracking and E-pod



- National & State Civil call centres with ~14,500 inbound calls and ~10,000 outbound calls per month
- Merchant deliveries operate under an agreed delivery frequency schedule
- We also offer a Next Day delivery schedule for contractors (incl early AM)

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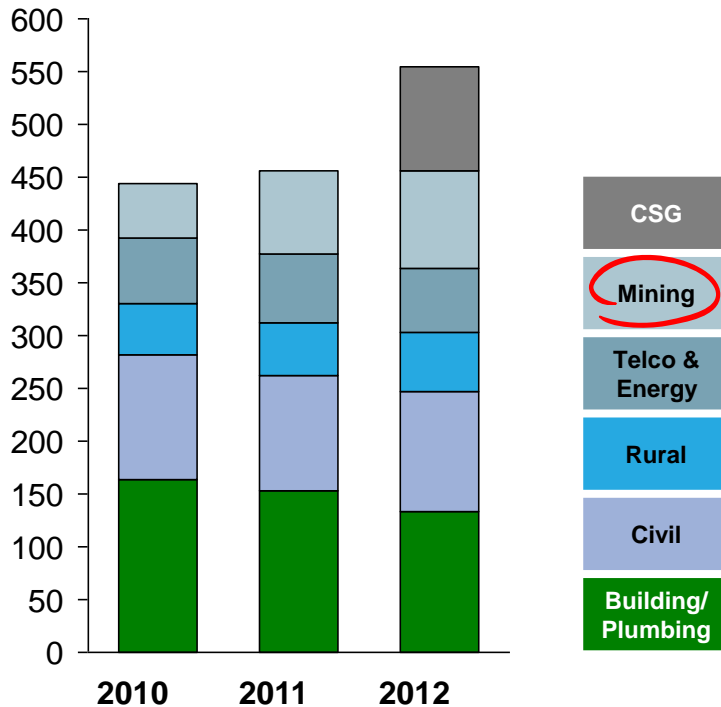


Markets Trends - Australia

Base market conditions in Australia are trending toward levels lower than FY10 – Mining drop the most pronounced

Pipelines Australia

A\$M



- Base market conditions weak – trending down over the three year period
- Our Plumbing sales have deteriorated 10% CAGR over the last three years
- Mining drop in F13 pronounced
- CSG business in F12 and F13 has proven a real success - helped mitigate a weaker base business

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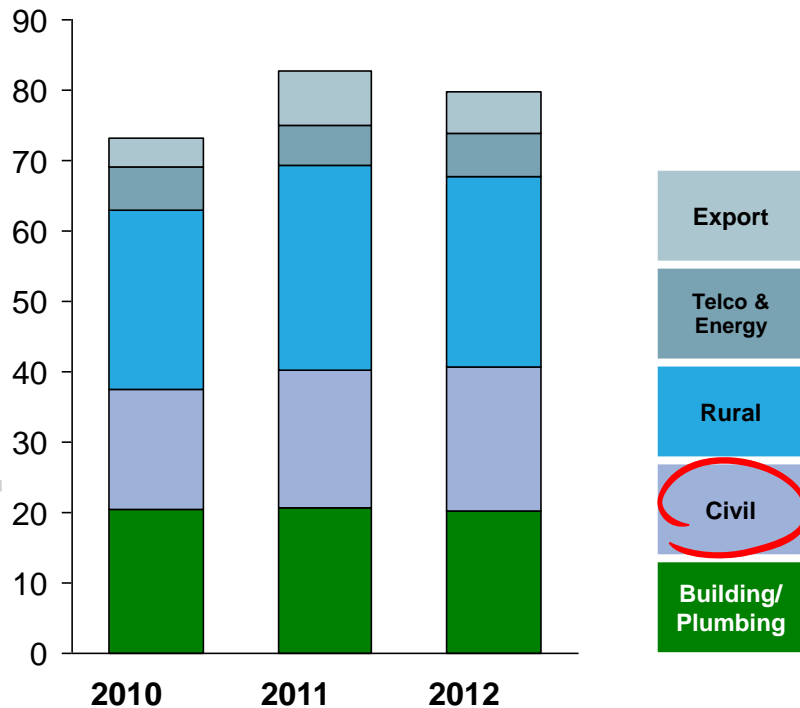


Markets Trends - New Zealand

Strong economic conditions in NZ and the Christchurch rebuild activity are both driving solid sales growth

Pipelines New Zealand

NZ\$M



- Rural sector strengthening - partly off some market growth and also due to Iplex business initiatives
- Civil performance very strong - driven by improved Council capital programs, Christchurch rebuild & an extension to our large bore PE capacity
- After three flat years between F10-F12 Plumbing activity is seeing modest lift in FY13

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Key Stories Emerging from Business Results

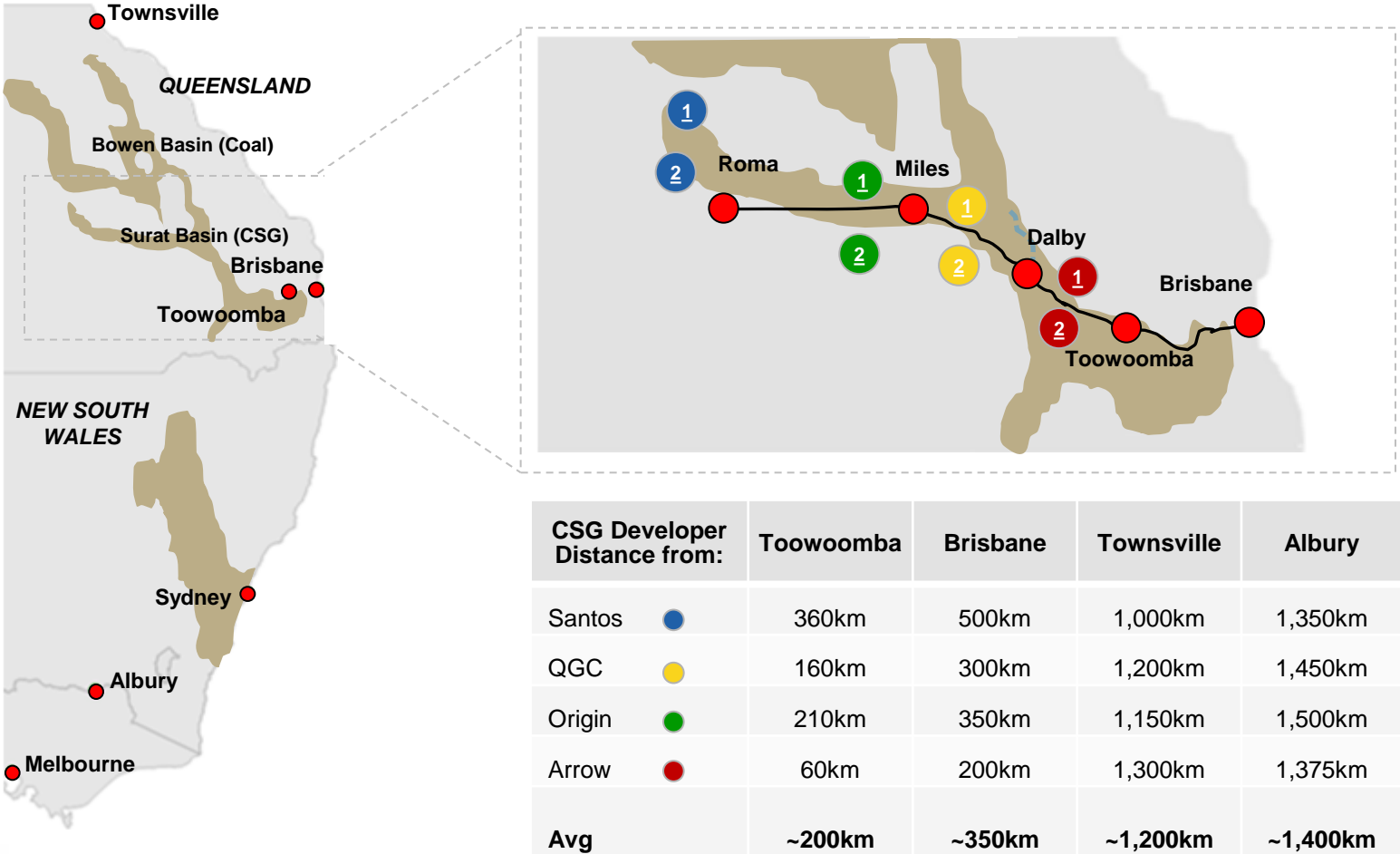
- A subdued Australian economy is impacting our base market sectors:
 - Spare Industry capacity and annual cost escalations requires the forming of several business 'reset' initiatives in order to drive profit growth in flat markets
- CSG demand has provided a strong earnings opportunity for Iplex:
 - CSG volumes expected to be steady over the medium term - but dip next financial year due to the current status of various customers CSG development projects
- New Zealand is performing well in a strengthening economy:
 - Civil & Rural are key strength areas, with ChCh recovery also starting to come through

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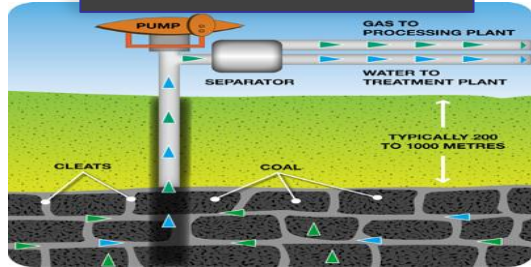
The CSG Demand Story

The emerging CSG market is generating immediate demand in QLD with NSW evolving



The CSG Process

Gas Extraction Process



- Gas extracted by drilling into coal seams
- Well depth generally 400-700m meters
- Both gas and water is released

Gas Well Head



- New well head in field at Santos
- Up to 500-1,000 in typical gas field
- Well life up to 5-10 years

PE Pipe Being Laid



- PE Pipe used to connect wells
- Gas transported to field compression stations
- Gas then transported through steel pipelines to LNG plants

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Iplex Expansion for CSG



- Produced 30,000T in FY12 and Forecast 35,000 in FY13
- Initial production at Albury - now moved to new Toowoomba plant



- Toowoomba plant built on time & on budget (A\$12M + site lease)
- Installed new technologies improve energy efficiency and outputs
- Producing above rated throughputs



- Quality demands and expectations beyond anything done before
- Every pipe and weld is tested with new technologies both post production and infield
- Iplex have invested in field and technical capabilities

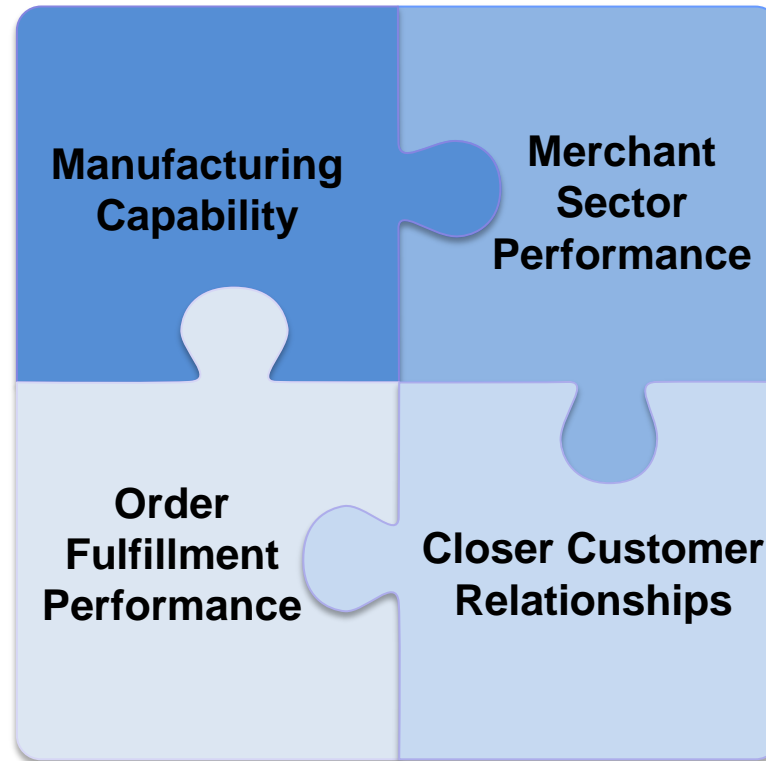
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Strategy & Initiatives

Vision

Number 1 supplier in all our major markets through a **lowest delivered cost** position and targeted customer **value creation**



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