

NUPLEX INDUSTRIES LIMITED FACT SHEET (NZX, ASX: NPX) | DECEMBER 2014

INNOVATION, CHEMISTRY, SOLUTIONS



ABOUT NUPLEX

Nuplex is a leading, global manufacturer of resins used in paints, coatings and structural materials. The company has an integrated sales, manufacturing and R&D network, located across Australia & New Zealand, Asia, Europe and the Americas and sells its products in over 80 countries world-wide.

The global coating resins operations supply resins used in a wide variety of paint and coating applications, including: decorative and trim paint, automotive coatings, vehicle refinishing, wood flooring and furniture coatings, metal furniture coatings, consumer electronics and

whitegoods coatings, marine & protective coatings, and coatings for infrastructure and transport.

In Australia & New Zealand, Nuplex is also a leading producer of resins used in composites, inks, textiles, adhesives and pulp & paper products.

The company has approximately 1,600 employees operating in 13 countries, spread over four continents. The Nuplex Executive Team are located throughout the company's global operations and the CEO and CFO are located in Sydney, Australia.

AMBITION & STRATEGY

AMBITION: TO BE THE LEADING, TRUSTED, INDEPENDENT RESINS MANUFACTURER GLOBALLY

STRATEGY: TO ACHIEVE SUPERIOR SHAREHOLDER RETURNS BY DELIVERING HIGH QUALITY PRODUCTS TO OUR CUSTOMERS THROUGH PURSUING OPERATIONAL EXCELLENCE, INNOVATION AND BUILDING MARKET LEADING POSITIONS

STRENGTHENING THROUGH OPERATIONAL EXCELLENCE			GROWING THROUGH BUILDING MARKET LEADING POSITIONS		
SAFETY	PEOPLE	NuLEAP	EMERGING MARKETS	R&D	STRATEGIC ACQUISITIONS
Build a culture of Zero Harm	Engage our One Global Team	Improve the way we work	Expand capacity and presence	Develop innovative products	Meet disciplined criteria

KEY THEMES FOR INVESTORS

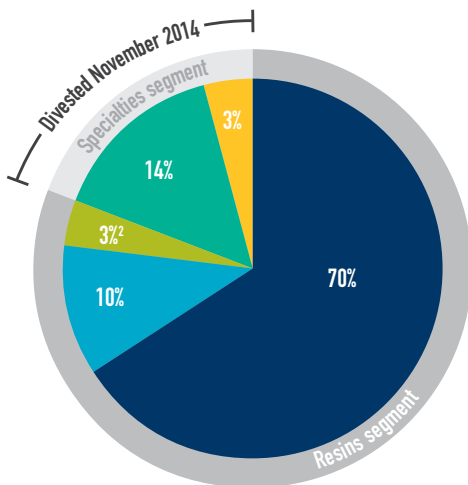
Nuplex is:

- **Targeting** return on funds employed of greater than 16% within FY16-FY18 (11.0% FY14)
- **Growing** in the emerging markets of China, S.E. Asia, Central & Eastern Europe including Russia.
 - Asia; expanding presence via new sites (China), adding capacity (Vietnam, Indonesia and Thailand), establishing new sales offices (India).
 - Targeting \$500m in sales by FY18 (\$293m in FY14).
 - Expected to contribute 32% of sales in FY18 (18% in FY14).
 - Entering new geographies (Russia).
- **Delivering** cost and revenue synergies via NuLeap, Nuplex's multi-year strategic operational improvement program.
- **Improving returns** from ANZ via a streamlining of its manufacturing operations and a restructure of its business units.
 - Targeting return on funds employed of 10% within FY16-FY18 (ANZ Resins 1% FY14, 7% FY13).
- **Developing** new and innovative products through Nuplex's continued investment in R&D.
- **Building** trusted, long term customer relationships through offering security of supply, innovative products, consistent quality and cost competitiveness.

BUSINESS OVERVIEW

BUSINESS UNITS

FY14 % SALES BY REPORTING SEGMENT AND BUSINESS UNIT¹



- Specialties
- Masterbatch

- 1 Includes Specialties reporting segment (comprising of Nuplex Specialties and Masterbatch) which was divested 28 November 2014.
- 2 Includes ANZ based Pulp & Paper and Construction Products.

WHAT ARE RESINS?

COATING RESINS ARE A KEY INGREDIENT IN SURFACE COATINGS (SUCH AS HOUSEHOLD PAINT, WOOD FINISHES, CAR PAINT AND COATINGS ON WHITE GOODS) THAT ENHANCE AND PROTECT ALMOST ALL MAN MADE CONSUMER ITEMS AND CAPITAL GOODS. RESINS BIND THE COATING'S INGREDIENTS TOGETHER AND ENABLE IT TO STICK TO THE SURFACE TO WHICH IT HAS BEEN APPLIED. IMPORTANTLY IT ALSO LARGELY DETERMINES THE COATING'S PERFORMANCE AND APPEARANCE CHARACTERISTICS, SUCH AS ITS WATER OR SCRATCH RESISTANCE, ABILITY TO PROTECT AGAINST CORROSION AND IF IT HAS A GLOSS OR MATT FINISH.

COMPOSITE RESINS ARE THE CENTRAL BINDING FORCE IN STRUCTURAL MATERIALS SUCH AS FIBREGLASS. THEY IMPART PERFORMANCE CHARACTERISTICS SUCH AS UV, WATER AND TEMPERATURE RESISTANCE AND ARE USED IN THE MANUFACTURE OF BOATS, POOLS, ROOF SHEETING, BATHROOM WARE, REFRIGERATED TRANSPORT UNITS AND INFRASTRUCTURE PIPES.

BUSINESS UNIT	ACTIVITY	LOCATION	MARKETS & END PRODUCTS
COATING RESINS	Manufactures resins used in architectural, industrial & protective coatings.	All 4 regions –ANZ, Asia, EMEA (Europe, Middle East & Africa), Americas	Markets; building & construction, automotive, vehicle refinish, transport, infrastructure, marine & protective, furniture.
COMPOSITE RESINS	Manufactures resins & coatings used in fibreglass, & distributes products used in fibreglass production.	ANZ & S.E. Asia	Markets; building & construction, manufacturing. End products; marine & leisure craft, transport.
OTHER RESINS	<i>Pulp & Paper</i> Manufactures resins & distributes process chemicals used in production of pulp & paper.	ANZ	End products; cardboard & paper packaging, newspapers & tissues.
	<i>Construction Products</i> Manufactures resins for self-leveling commercial flooring.	ANZ	Markets; residential, commercial & industrial building & construction.

RESINS SEGMENT

AUSTRALIA & NEW ZEALAND

Over the past 60 years, in Australia and New Zealand, Nuplex has established itself as a leading manufacturer of resins for decorative and trim paint, composites, pulp & paper products, adhesives, inks and textiles. Each are ranked 1st or 2nd by market share in their relevant markets.

ASIA

Nuplex Asia has the most extensive, independent coating resins manufacturing network in the region. With manufacturing sites in China, Indonesia, Malaysia, Thailand, and Vietnam, Nuplex Asia supplies resins used in a wide variety of industries including automotive coatings, vehicle refinish products, metal and wood coatings. In Vietnam, Nuplex is also the leading supplier of resins used in architectural coatings.

EUROPE, MIDDLE EAST & AFRICA (EMEA)

A leading supplier of resins for the industrial and protective coatings markets throughout the region, Nuplex EMEA predominantly supplies resins used in automotive coatings, vehicle refinish, metal coatings used in infrastructure and transport, as well as building and construction.

AMERICAS

Nuplex Americas is a direct point of contact for many multi-national customers and has a leading position in the vehicle refinish and other high performance metal and protective coatings markets.

DIVIDEND POLICY

Nuplex's policy is to payout between 55 and 65 per cent of full year net profit after tax attributable to shareholders, subject to funding requirements for growth. Payout ratio in FY12 67%, FY13 97% (equivalent to 66% of NPAT before significant items and ANZ restructuring costs), and FY14 80%.

EXECUTIVE LONG TERM INCENTIVE (LTI) PLAN

Nuplex operates an LTI Plan which provides at-risk performance-based remuneration for senior executives. Under the plan, which is approved by shareholders, executives are issued performance share rights which may vest depending on the achievement of performance hurdles set by the Board.

The performance criteria for FY2011 to FY2013 were based on relative Total Shareholder Return (TSR) and growth in Earnings Per Share (EPS). In FY2014, EPS has been replaced with target Return on Funds Employed (ROFE). TSR is measured against the NZ50 Index comparator group and both the EPS growth and ROFE targets are set by the Board.

ACQUISITION & DIVESTMENT HISTORY

2014 A\$127.5m	<p>Sold non-core ANZ focused Nuplex Specialties (agency & distribution) and Masterbatch (plastic additives manufacturer) businesses to Axieo Pty Limited.</p> <p>Transformed Nuplex into a dedicated global resins business with better balance to Northern Hemisphere manufacturing markets and emerging growth markets, particularly in Asia.</p>	<p>POST DIVESTMENT FY14 PRO FORMA SALES</p> <p>■ Europe, Middle East & Africa ■ Americas ■ Asia ■ ANZ</p>
2012 €75m	<p>German based Vivero operations and related product groups acquired from Bayer MaterialScience. Consolidated Nuplex's position as a leading resins supplier in Europe and provided:</p> <ul style="list-style-type: none"> - An on the ground presence in Germany, Europe's leading manufacturing economy - Technology and products to be leveraged across Nuplex's global operations - Established positions in the growing emerging markets of Central and Eastern Europe. 	
2011 A\$21m	<p>Masterbatch operations acquired from Acquos.</p> <ul style="list-style-type: none"> - Built Australia and New Zealand's leading masterbatch supplier Nuplex Masterbatch, via the combination of the acquired operations with Nuplex's existing masterbatch operations. <p>A\$26m</p> <p>Fibrelogic Pipe Systems acquisition by Nuplex and RPC Technologies via a 50/50 joint venture. Nuplex equity investment A\$6.75m</p>	
2005 €110m	<p>Coating resins operations acquired from Akzo-Nobel.</p> <p>Transformed Nuplex into a global supplier via the addition of:</p> <ul style="list-style-type: none"> - A manufacturing presence in Europe and America - Additional manufacturing sites in China and S.E. Asia - An Innovation Centre in The Netherlands as well as R&D Centres in The Netherlands and America. 	

KEY FINANCIALS

NZ\$(m)	FY14	FY13	FY12	FY11	FY10
SALES	1,639.9	1,664.9	1,615.9	1,575.0	1,459.9
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION	125.7	126.4	131.0	130.9	139.4
NET PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS	52.4	42.9	62.5	66.5	64.2
EARNINGS PER SHARE (CPS)	26.4	21.7	31.8	34.0	34.0
DIVIDEND PER SHARE (CPS)	21.0	21.0	21.0	21.0	21.0
GEARING (NET DEBT / NET DEBT + EQUITY)	31.1%	26.0%	28.1%	11.7%	12.1%
WORKING CAPITAL TO SALES RATIO	15.3%	14.7%	16.5%	15.1%	16.1%

FINANCIAL TARGETS

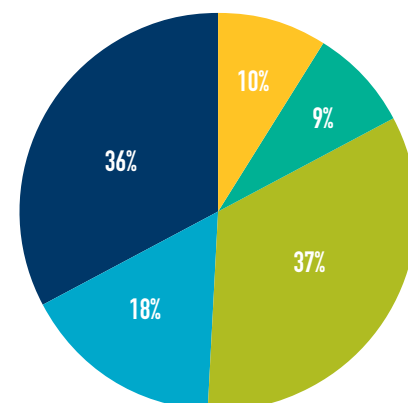
	TARGET	FY14	3 YR AVERAGE
WORKING CAPITAL TO SALES RATIO	>16% in FY16-FY18	11.0%	11.7%
NET DEBT / NET DEBT + EQUITY RATIO	15-17%	15.3%	15.5%
STAY IN BUSINESS CAPITAL EXPENDITURE	20-35%	31.1%	28.5%

HISTORICAL SHARE PRICE (NZ\$)

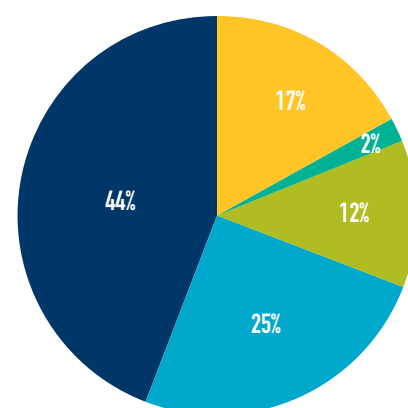


GROUP REGIONAL SPLIT¹

FY14 SALES BY REGION



FY14 EBITDA BY REGION



■ Europe, Middle East & Africa
■ Americas
■ ANZ
■ Asia
■ New Zealand

¹ Includes Specialties reporting segment (comprising of Nuplex Specialties and Masterbatch) which was divested 28 November 2014.

GOVERNANCE

BOARD OF DIRECTORS

PETER SPRINGFORD

– Chairman and Independent Director

– Ex-officio member of the Audit, Human Resources and Safety, Health & Environment Committees

ROB AITKEN

– Independent Director

– Safety, Health & Environment Committee Chair, Audit Committee and Human Resources Committee member

BARBARA GIBSON

– Independent Director

– Human Resources Committee Chair, Safety, Health & Environment Committee member

DAVID JACKSON

– Independent Director

– Audit Committee Chair

EMERY SEVERIN

– Executive Director, Managing Director and Chief Executive Officer

EXECUTIVE TEAM

EMERY SEVERIN

Emery joined the Board following his appointment as Managing Director and Chief Executive Officer in April 2010. With over 25 years in senior management roles in the steel, and building and construction industries, Emery brings his strong leadership experience to Nuplex. Prior to joining Nuplex, Emery spent 14 years with Australia's leading international building materials company, Boral Limited during which time he ran the Australian construction materials and American building materials operations. Before joining Boral, Emery spent 10 years working for BHP Steel in a range of line management roles including the management of their S.E. Asian operations and their Steel Making & Casting operations in Newcastle, Australia.

IAN DAVIS

Chief Financial Officer

RUBEN MANNIEN

Regional President, Asia

PAUL KIEFFER

Regional President, Europe, Middle East and Africa

MICHAEL J. KELLY

Regional President, Americas

ZEL MEDAK

Regional President, Australia and New Zealand

CLIVE DEETLEFS

Vice President, Operations

PAUL DAVEY

Vice President, Human Resources

WILLIAM WEAVER

Vice President, Technology

JAMES WILLIAMS

Vice President, General Counsel & Company Secretary

JOSIE ASHTON

Director, Corporate Communications

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COMPANY INFORMATION

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SHARE INFORMATION

NZX and ASX exchange code: NPX

Financial year end: 30 June

Industry sector:

NZX: Primary / Building ; ASX: Materials

Indices: NZX50, NZX50 Portfolio,
NZX Midcap, NZX All

As at 28 November 2014:

• **Share price:** NZX: \$3.05 / ASX: \$2.79

• **Shares on issue:** 198,125,827

• **Market capitalisation:** NZ\$604m/
AU\$596m

• **Historic dividend yield (gross):** 6.8%

REGISTRY INFORMATION

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