



# 2008 Orica Day Consumer Products Patrick Houlihan

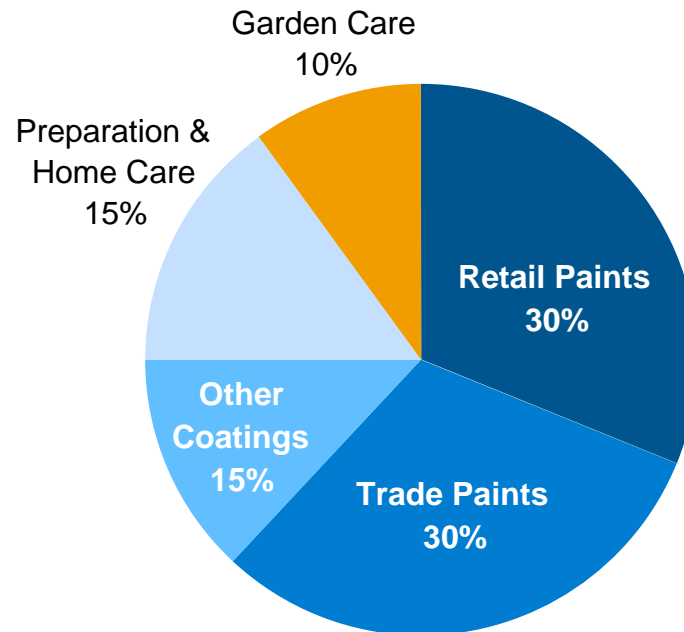
11 March 2008



# A marketer of branded consumer products with a focus in coatings, home & garden care

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## Revenue by business mix

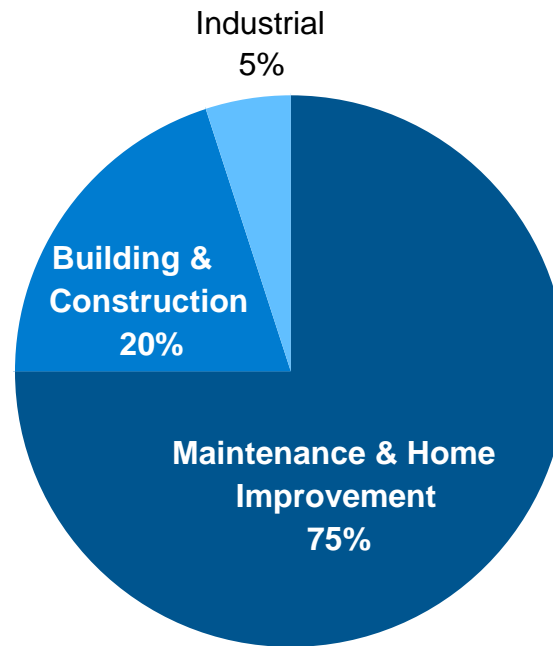


2007 sales revenue

# Used in home improvement, architectural maintenance and construction

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## Revenue by end market

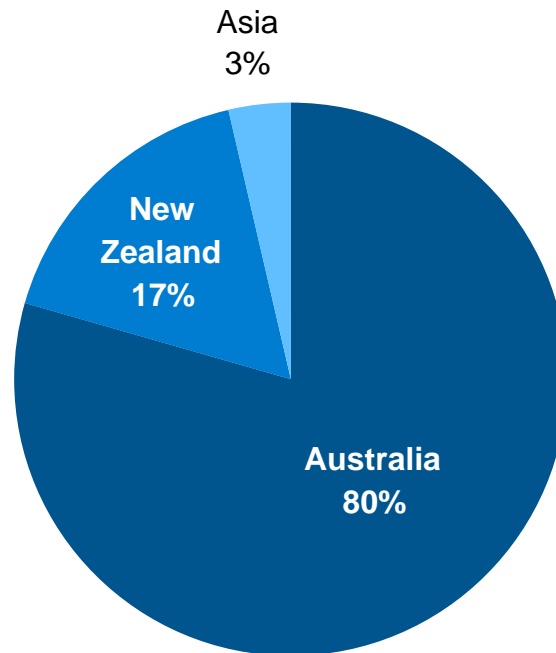


2007 sales revenue

# Leading positions in ANZ complemented by niche positions in SE Asia & China

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## Revenue by geography



2007 sales revenue

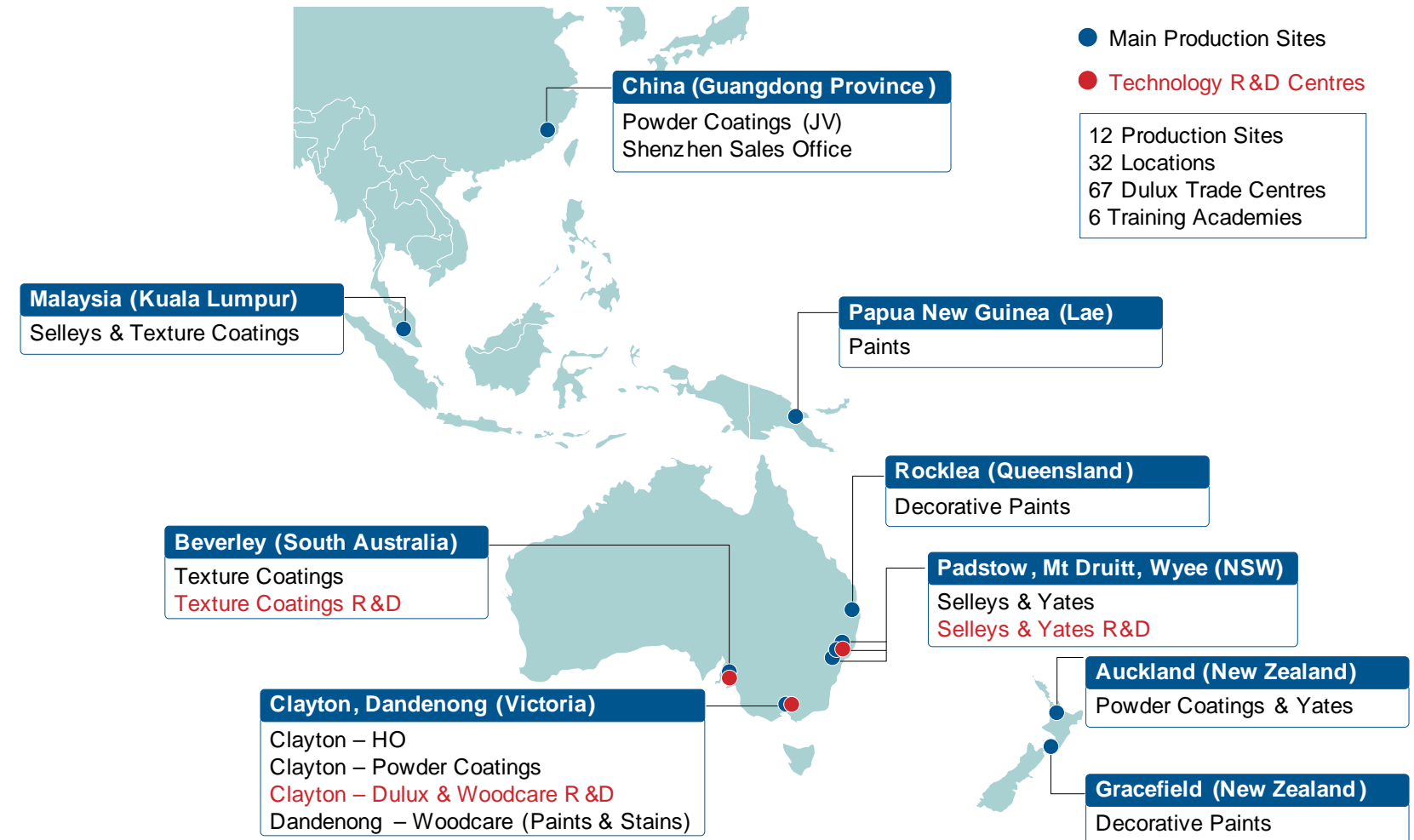
# Consumer Products – key business metrics

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- Sales \$826M up 5% on 2006
- EBIT\* \$111M up 14% on 2006
- RONA 49%
- Employees 2,200
- Customers 25,000+
- SKUs 10,000+

\*Note: EBIT excludes Yates restructure provision of \$9.5M

# Consumer Products Australasian business footprint



# Proven Customer Service Leadership

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## Strong relationships with all key customers

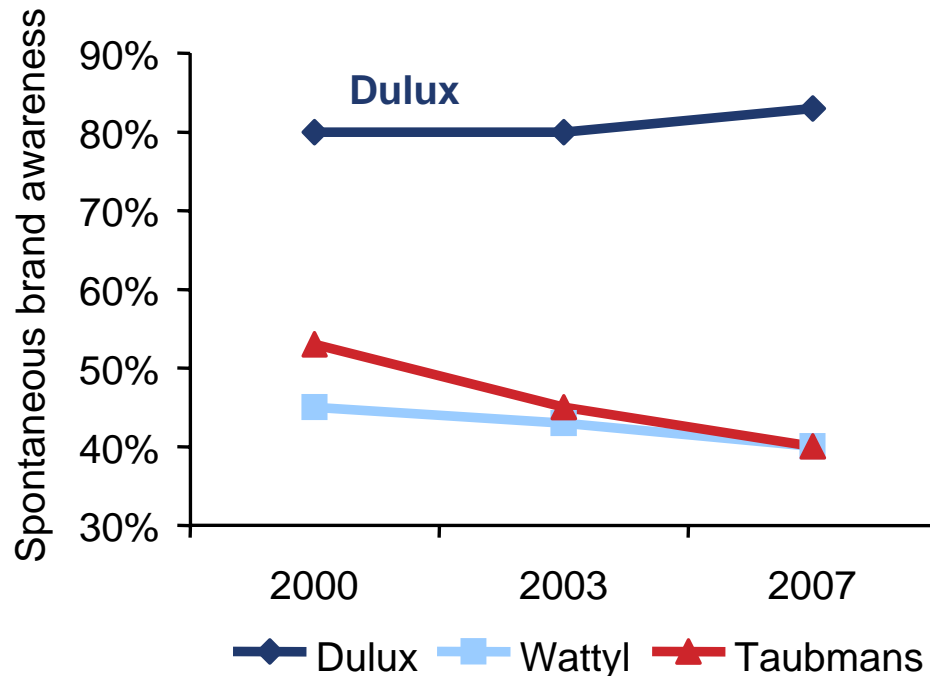
### Underpinned by:

- Supply chain excellence
- Customer relationship management
- Strong Trade Store network in ANZ

### Acknowledged via Supplier of the Year Awards:

- Mitre 10 Australia – won by OCP 12 out of last 13 years (Dulux 11 times)
- M10 NZ – '01, '03, '04, '06, '07 won by Dulux & Selleys
- John Danks – last two successive awards won by Selleys

# Consumer Products Brand Leadership

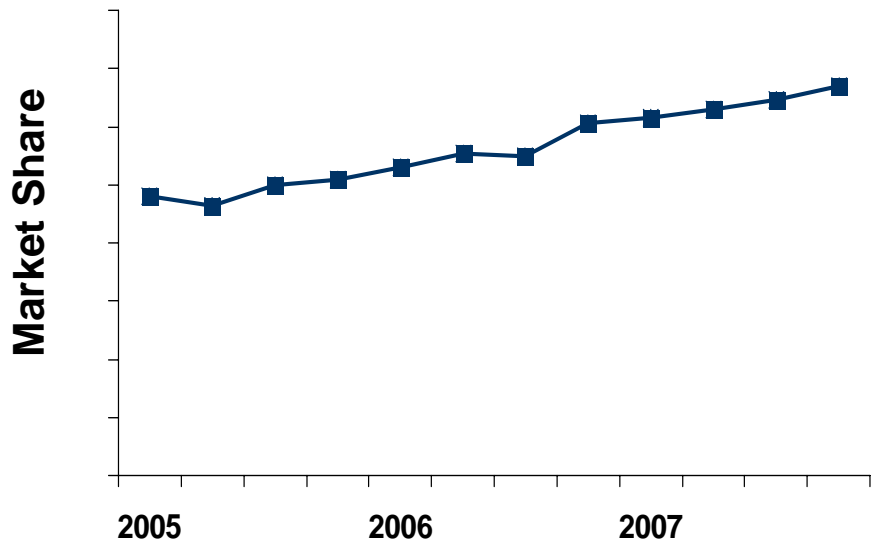


- Dulux brand awareness maintained over time
- Supported by increased investment
- More than twice competitors' awareness
- Similar positions of strength for Selleys & Yates

Source: Millward Brown

# Dulux Australia's market share has grown over time

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- Focus on core competencies has delivered continuous share growth
- Supported by investment
- Growth in both Retail and Trade channels

Source: Industry data

# Consumer Products Sustainability Leadership

## Innovation

- Environmentally friendly products



## Recycling

- Recognised for industry leadership – Banksia Award



## Community

- Green Star Corporate Office
- Dulux NZ - Excellence Award



# Industry drivers

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## Volume

- GDP growth, discretionary income and consumer confidence
- Housing turnover, maintenance & renovation
- Building & construction

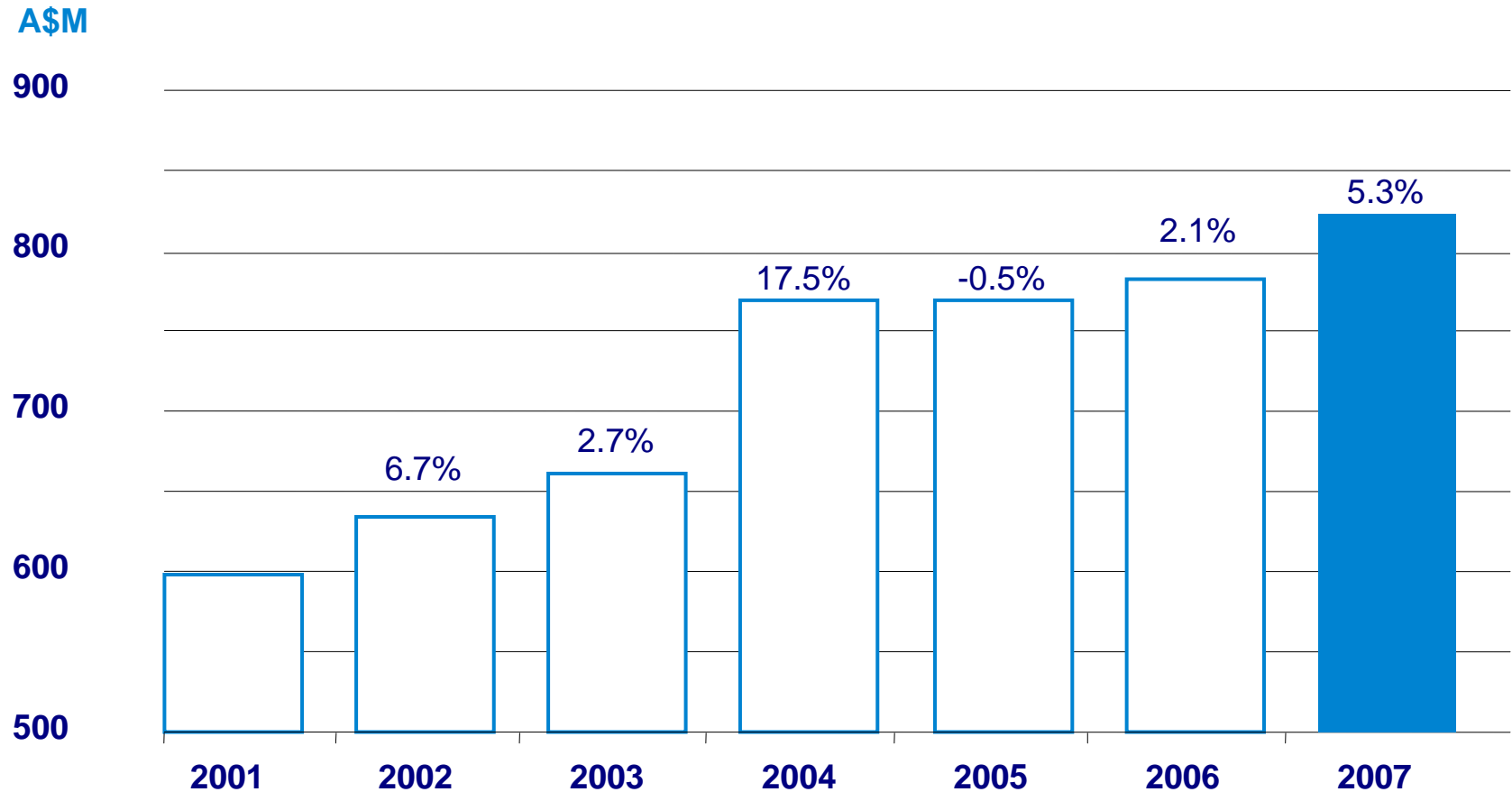
## Value

- DIY activity, fashion and lifestyle
- Category differentiation versus commodity

## Other

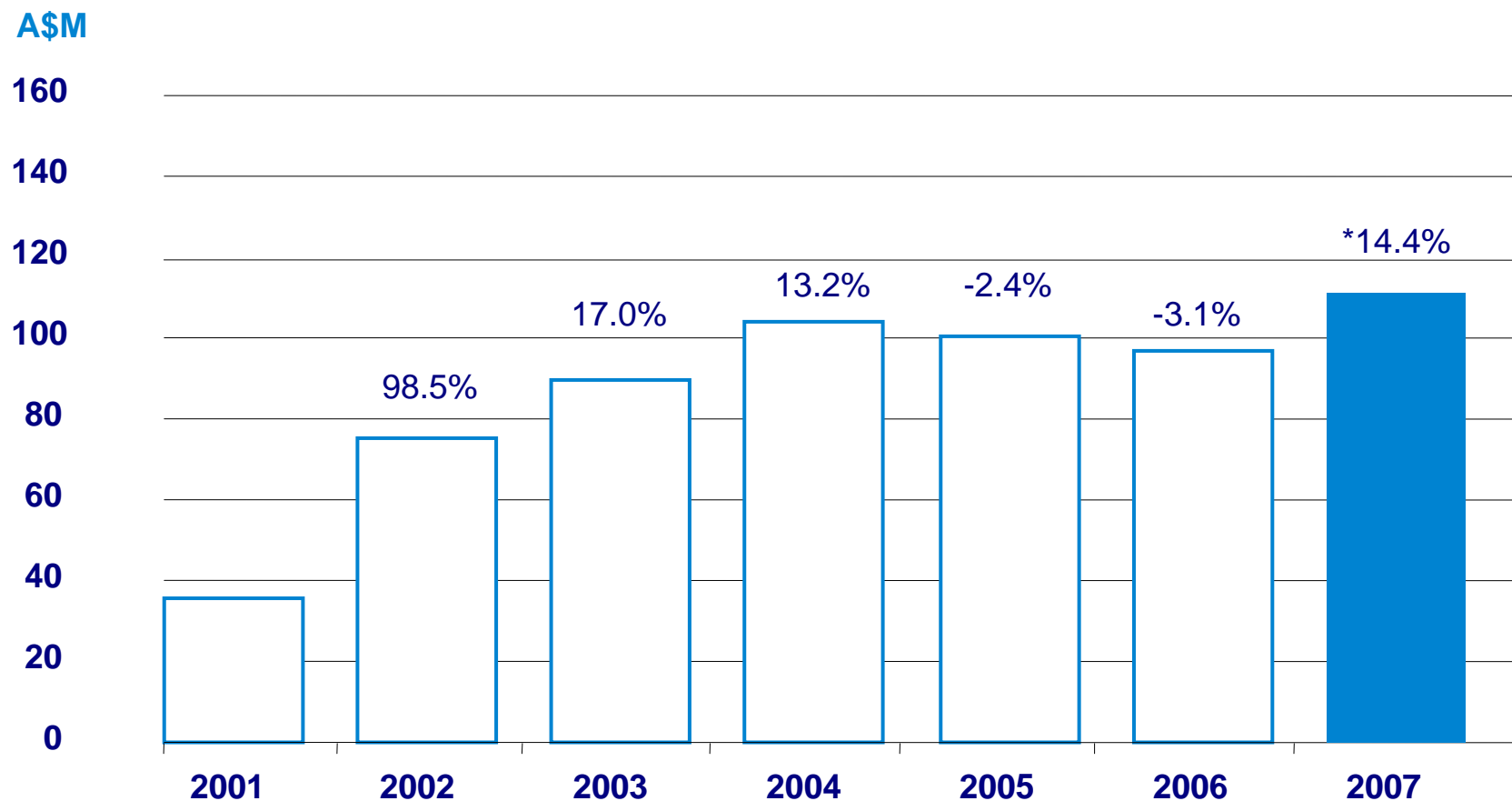
- Customer inventory management
- Water restrictions impacting garden and car care markets

# Sales Growth



**Compound average growth rate since 2001 is 5.5%**

# Underlying EBIT Growth



**Compound average growth rate since 2001 is 19.0%**

\*Note: 2007 EBIT excludes Yates restructure provision of \$9.5M

# Priorities for 2008 – Optimise & grow the core

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## Revenue Growth

- Driving share growth in premium segments
- Investment in marketing to support brand strength and market leadership
- Continue to build & leverage OCP's core competencies
  - *Marketing effectiveness*
  - *Innovation & technology*
  - *Customer relationship management*
  - *Supply chain excellence*
- Leverage OCP synergy

# Priorities for 2008 – Optimise & grow the core

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## **Cost Productivity**

- Continued supply chain productivity supported by six sigma
- Yates restructuring
- OCP synergy

## **Capital Productivity**

- Rocklea automated filling upgrade
- New Powder Coatings factory
- Maintain Trade Working Capital disciplines
- Continued focus on cash conversion

# OCP Summary

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## **OCP is well placed for sustainable performance**

- Proven track record
- Clear understanding and focus on core competencies
- Strong management team – averaging 11 years experience in OCP
- Excellent business characteristics:
  - Market leading businesses
  - ‘Blue-chip’ brands supported by world class innovation capability
  - Customer focused culture
  - Best assets
  - Operational efficiency and continuous improvement



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