

Metro Performance Glass

Business introduction

Business snapshot

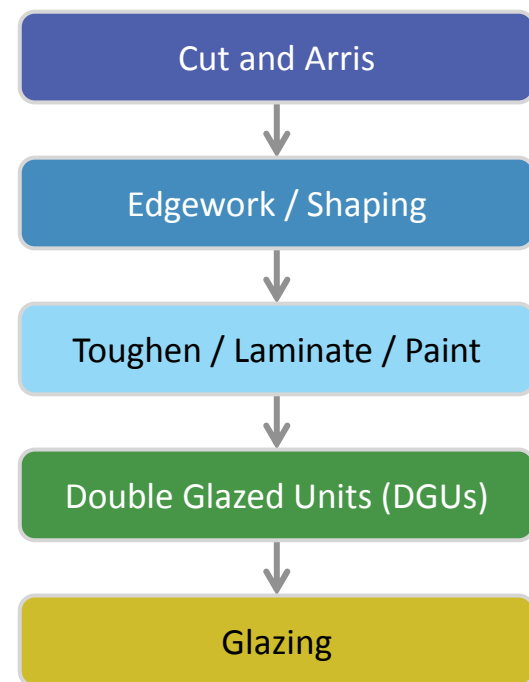
Metroglass is the leading value added glass provider in New Zealand with >50% share and national coverage through 17 sites, >700 employees and >260 vehicles

Key facts

- Market leader with >50% share (~2x largest competitor)¹
- National coverage through 17 sites
- Low customer concentration (largest customer <2% of sales)
- >700 employees, including largest glazing workforce in NZ
- Strong logistics and distribution capabilities with >260 vehicles



Key activities



Metroglass converts float glass into end use products and applications including windows, shower screens, balustrades, splashbacks and other applications

Note:

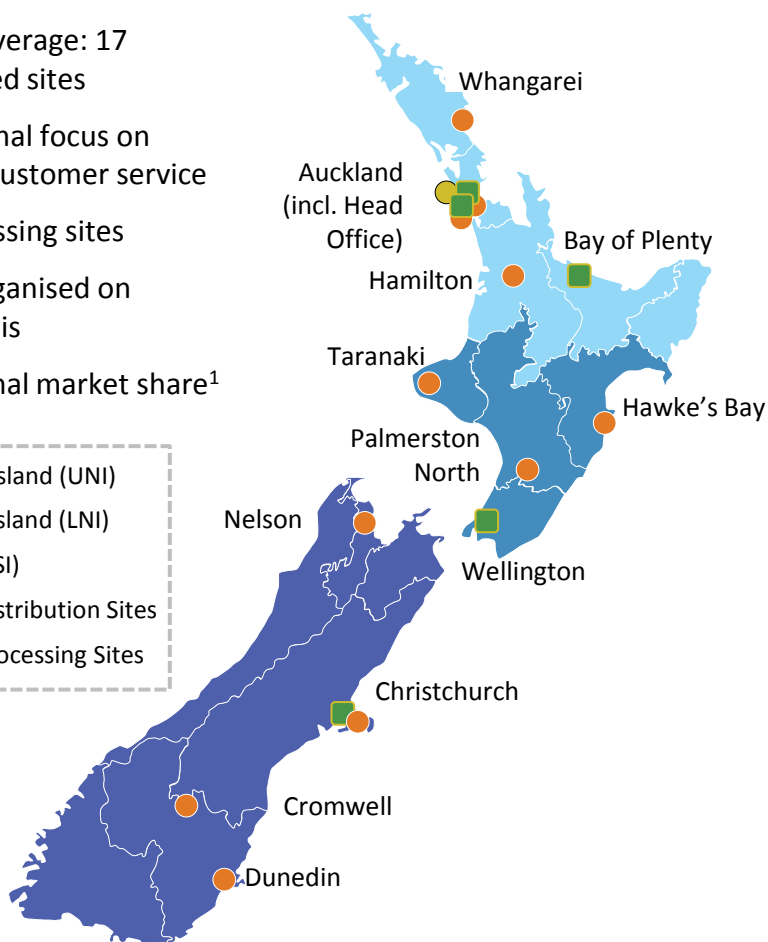
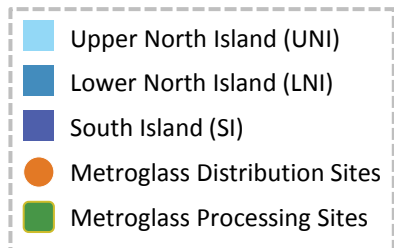
1. Based on industry interviews, publicly available import data and financial information as analysed by Partners in Performance and reported on in the Partners in Performance Report prepared for Metroglass dated 6 June 2014.

Business overview

Metroglass has established national coverage through 17 sites, >700 employees and >260 vehicles

Metroglass operations

- National coverage: 17 decentralised sites
- Organisational focus on DIFOT and customer service
- 5 key processing sites
- Business organised on regional basis
- >50% national market share¹

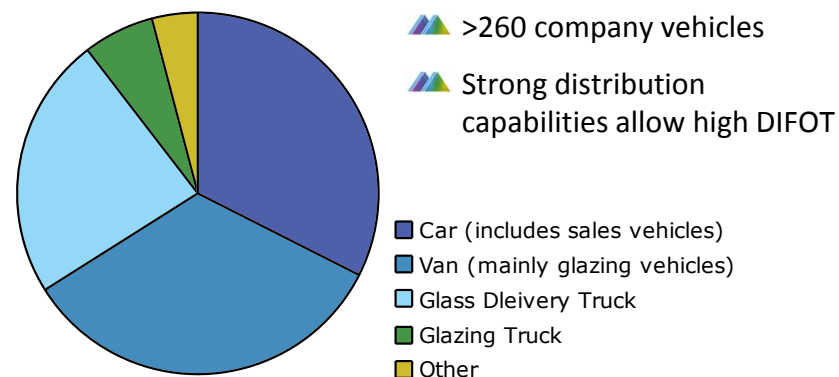


Employees

	HO	UNI	LNI	SI	Total
Mgmt/Sales/Admin	25	80	33	43	181
Glass Processing		180	62	79	321
Logistics		33	14	18	65
Glazing		53	38	61	152
Total	25	346	147	201	719

<20 unionised staff

Vehicles



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Key products

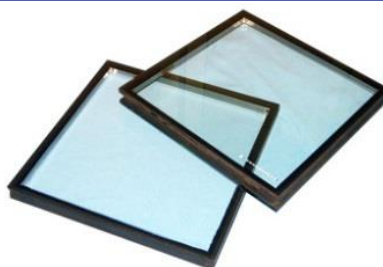
Metro offers a comprehensive product range, including DGUs, toughened glass, laminates and hardware

Annealed / cut-to-size



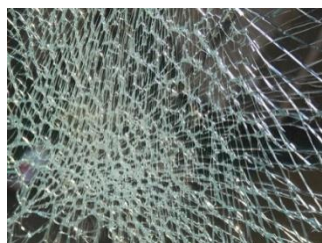
- Unprocessed glass that is cut-to-size for the customer

Double glazed units



- Two window panes are separated by air or gas to reduce heat transfer

Toughened



- Glass processed by furnace in controlled thermal treatment to increase strength
- When it breaks, glass shatters in small pebble-like granules, less likely to cause injury vs. jagged shards of annealed glass

Laminates



- Two or more pieces of glass are bonded together by an interlayer
- When broken, the cracked glass is held together by the interlayer which prevents glass falling and causing injury

Other



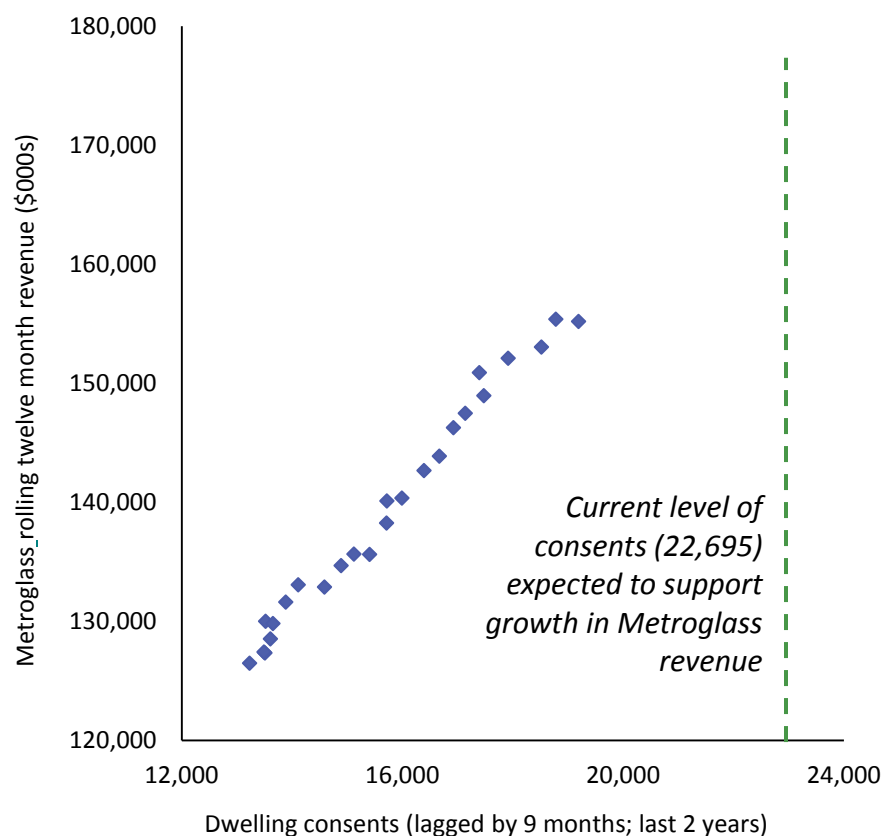
- Metro offers a range of other products including balustrades, decorative glass (e.g. splash backs, screen & digital prints, mirrors), shower screens, pool fences, heat soaked safety glass, façade glazing systems and commercial hardware

← Metro offers an extensive range of sizes, thicknesses, colours and finishes across these →

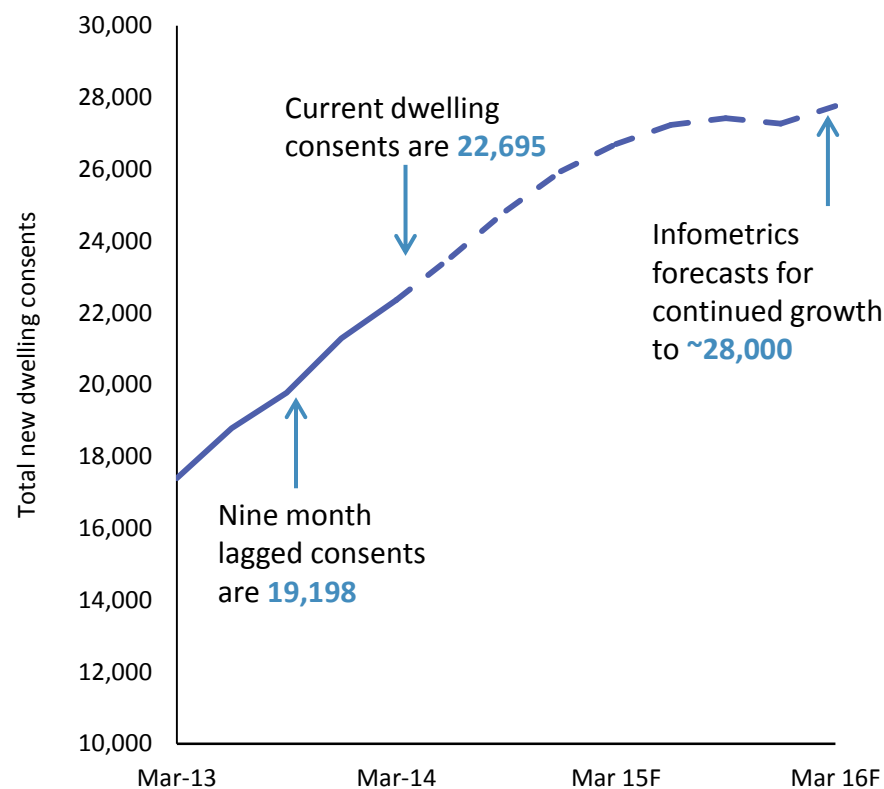
Consents and Metroglass revenue

Metroglass' revenue has historically exhibited a correlation with 9 month lagged dwelling consents, which supports future revenue growth

Metroglass rolling twelve month sales vs. LTM dwelling consents¹



Historical and forecast dwelling consents activity²

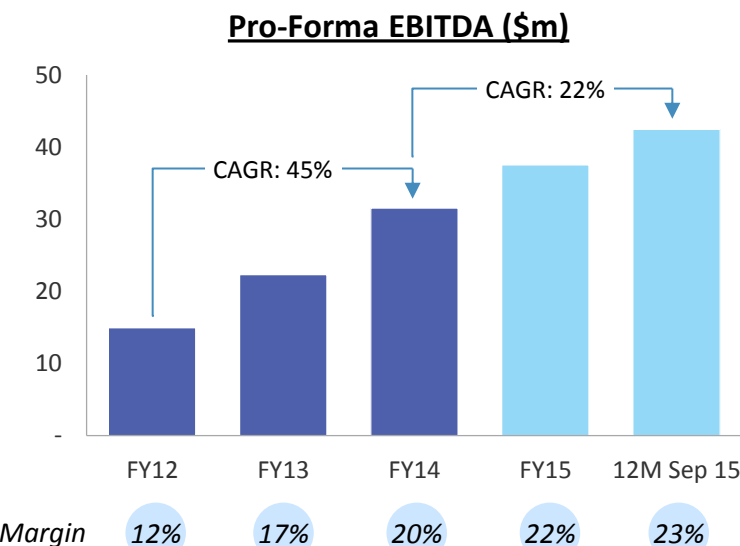
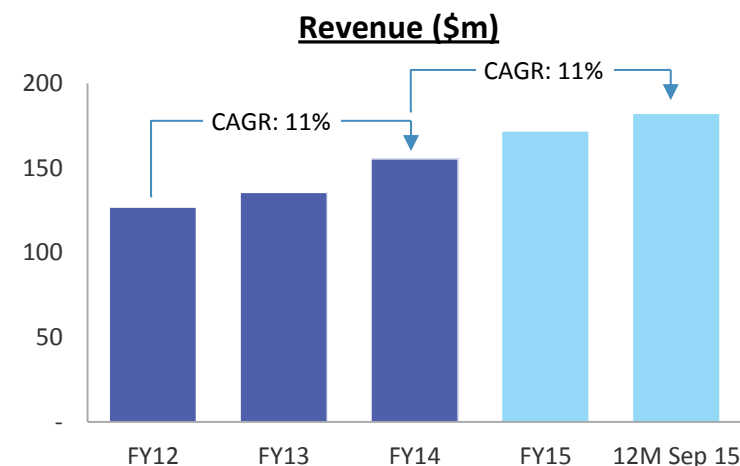
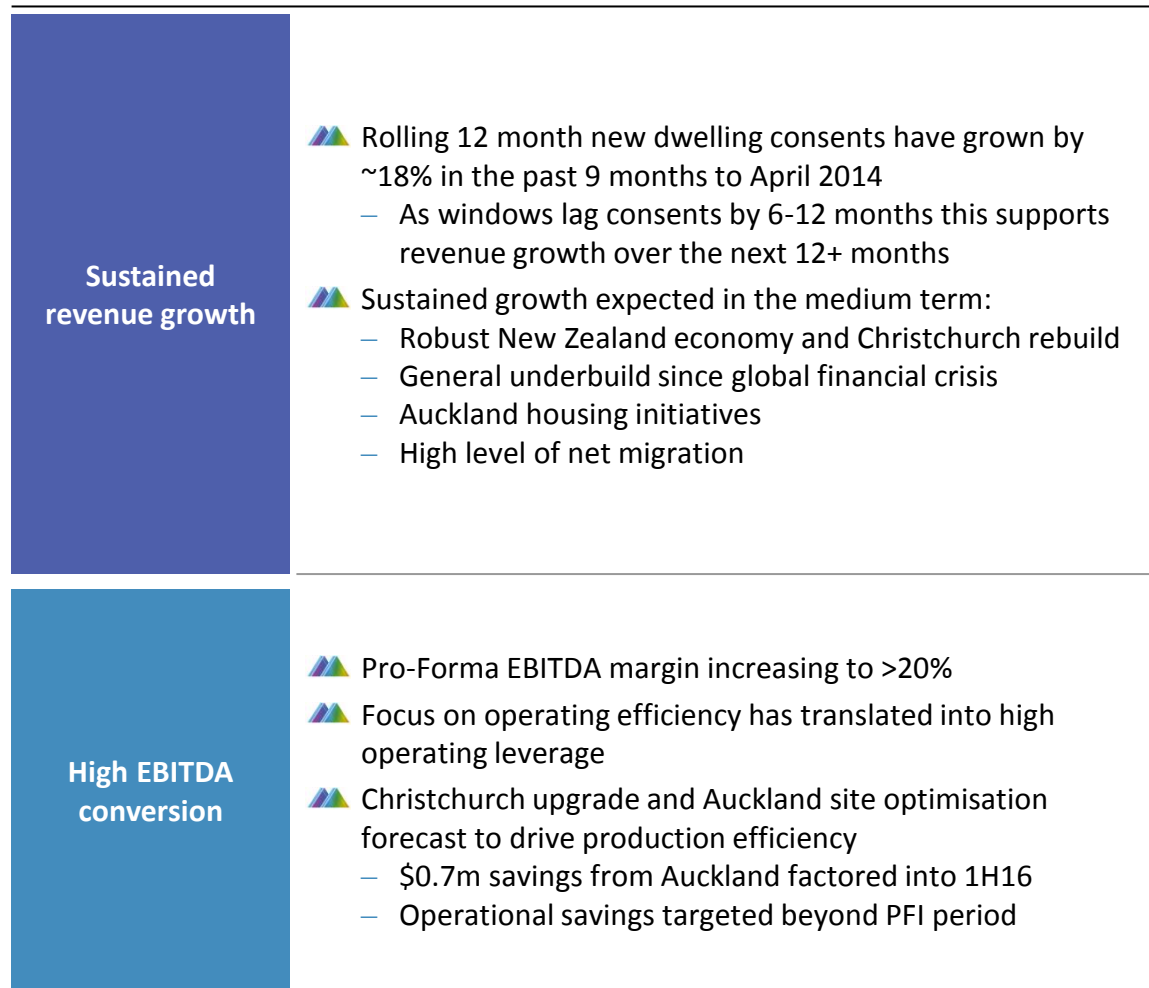


Note:

1. Company Information and Statistics New Zealand. Data is monthly for 2 years to April 2014. Note that historical c
2. Infometrics, rolling twelve month consents (March-2013 – March-2016; forecast released July 2014). Current consents are to April 2014.

Revenue and Pro-Forma EBITDA

Metroglass is forecasting a continuation of recent strong growth in revenue and Pro-Forma EBITDA



Investment highlights

Metroglass is New Zealand's leading glass processor, with significant exposure to the forecast improvement in construction activity and a strong financial position

1	Clear #1 in the market	<ul style="list-style-type: none"> Metroglass' market share is >50% (nearly double the size of its nearest competitor)¹ Economies of scale and investment in automation give Metroglass a manufacturing cost advantage over competitors The NZ market generally expects custom processed glass delivered in 2–3 days' lead times, causing logistical complexity and restricting the threat of imports Regional nature of NZ market makes start up economics challenging for new entrants
2	Markets set for material upswing over multi-year timeframe	<ul style="list-style-type: none"> Rolling 12 month new dwelling consents grew ~18% over the past 9 months. Glass demand generally lags consents by 6–12 months RBNZ has stated, "Nationwide construction spending is expected to rise as a share of GDP, to a level similar to that in the mid-2000s and remain strong for several years" Systemic underbuild over the past 5 years, strong migration trends and the rebuild of Christchurch (\$40b rebuild over 5+ years) will underpin this sustained demand Industry forecasts are for 34% growth in residential and non-residential Work Put In Place over the next 2 years²
3	Strong financial profile	<ul style="list-style-type: none"> From FY12-FY14, Pro Forma revenue and EBITDA grew at 11% p.a. and 45% p.a. respectively, highlighting Metro's strong operational leverage FY14 Pro Forma EBITDA margin >20% and strong operational cash conversion
4	Investment in long term growth	<ul style="list-style-type: none"> Current upgrades at two manufacturing sites are expected to deliver material EBITDA uplift as well as increase capacity to meet forecast demand Targeting growth in specific market segments (performance glass, retrofit)
5	Experienced management team	<ul style="list-style-type: none"> CEO managed James Hardie's US\$900m US business Average tenure of the 3 Regional Managers and the General Manager – Operations at Metroglass is 13 years

Note:

1. Based on industry interviews, publicly available import data and financial information as analysed by Partners in Performance and reported on in the Partners in Performance Report prepared for Metroglass dated 6 June 2014.

2. Infometrics WPIP forecast growth from March 2014 – March 2016 (forecast released July 2014).

Key offer statistics

Key Metroglass offer statistics

Listing	NZX Main Board and ASX
Offer Price	\$1.70
Number of Shares being offered under the Offer	143.7 million (being 77.6% of the number of Shares on issue upon completion of the Offer)
Gross proceeds from the Offer	\$244.2 million
Number of Shares held by the Selling Shareholders ¹ upon completion of the Offer	34.3 million (being 18.5% of the number of Shares on issue upon completion of the Offer)
Number of Shares held by Senior Management upon completion of the Offer	7.1 million (3.8%, 75% of their current investment)
Number of Shares on issue on completion of the Offer	185.0 million
Indicative market capitalisation ²	\$314.6 million
Net debt on completion of the Offer ³	\$50 million
Indicative enterprise value (EV) ⁴	\$364.6 million

Note:

1. Details of Selling Shareholders' respective holdings after completion of the Offer are set out in Section 10.1 of the Prospectus. The Selling Shareholders are largely unrelated organisations who are not expected to act in concert in respect of their holdings of Shares following completion of the Offer.
2. The market capitalisation of Metro, based on the Offer Price multiplied by the number of shares on issue on completion of the Offer.
3. Net debt on completion of the Offer is equal to total debt upon completion of the Offer of \$55.0 million less cash and cash equivalents of \$5.0 million.
4. Enterprise value (EV) is equal to the sum of the indicative market capitalisation and the net debt position on completion of the Offer.

Key IPO dates and pricing metrics

Key Metroglass IPO dates

Prospectus registered	Monday 7 July 2014
Broker Firm Offer Opening Date	Tuesday 15 July 2014
Broker Firm Offer Closing Date	Monday 28 July 2014, 12.00 noon
Allotment Date	Tuesday 29 July 2014
Expected dispatch of holding statements	Tuesday 29 July 2014
Expected commencement of trading on the NZX Main Board and ASX	Wednesday 30 July 2014
Expected payment of first Dividend	July 2015

Key Metroglass IPO pricing metrics

Investment metric	Forecast	
	FY2015 PF	12 months to Sep-15 F
Enterprise Value / EBITDA	9.7x	8.6x
Enterprise Value / EBITA	11.0x	9.9x
Market Capitalisation / NPATA	14.5x	12.9x
Cash Dividend Yield ¹	2.1%	4.5%
Gross Dividend Yield ²	3.0%	6.3%

Note:

1. Forecast dividend for FY2015 to be paid in May 2015 in respect of the eight month period from allotment to 31 March 2015. Dividends are payable at the discretion of the Board and are subject to legal tests being met. Metroglass' dividend policy is set out in Section 10.7 of the Prospectus. The FY2015PF Cash Dividend Yield is not annualised.

2. Gross dividend yield calculated based on the forecast dividend in each of FY2015 PF (3.6 cents/share) and Y/E Sep-15 F (7.7 cents/share) grossed up for full imputation credits at the New Zealand corporate tax rate of 28%. The FY2015PF Gross Dividend Yield is not annualised.

Important notice

Important Notice

The offer (the **Offer**) of fully paid ordinary shares (**Shares**) in Metro Performance Glass Limited (**Metroglass**) is made on the terms and conditions set out in a prospectus dated 7 July 2014 (the **Prospectus**). The Offer is not yet open. When the Offer opens, applications for Shares must be made on the application form accompanying the investment statement in respect of the Offer.

This presentation is a summary only and excludes material information. It does not provide sufficient information to base an investment decision on. A decision whether or not to invest in Shares when the Offer opens should be made on the basis of the information provided in the Prospectus and the investment statement in respect of the Offer.

None of the persons named in this presentation release guarantees, or undertakes any liability in respect of, the Shares.

Application has been made to NZX Limited (**NZX**) for permission to list Metroglass and to quote the Shares on the NZX Main Board and all of the requirements of NZX relating to that application that can be complied with on or before the date that the Prospectus was made available on this website have been duly complied with. However, NZX accepts no responsibility for any statement on this website. The NZX Main Board is a registered market operated by NZX, which is a registered exchange, regulated under the Securities Markets Act 1988. An application will be made to ASX after the Investment Statement and the Prospectus have been lodged with ASIC for Metroglass to be admitted to the official list of the ASX and for quotation of the Shares on the ASX. The ASX is not a registered market for the purposes of the Securities Markets Act 1988.

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