

> OVERVIEW

New Zealand Insulators – Temuka, South Canterbury. Manufacturing porcelain insulators for the electricity industry since 1924. A ‘last man standing’ local manufacturer. A business working starting to register positive growth. A treasured New Zealand asset. This is our story ...

88 years old and unlike so many New Zealand manufacturers, still alive and (albeit smaller than we used to be) – still sustainably profitable.

How can we compete against the scary-low labour rates and heavily-protected exchange rates in the developing world? Everyone asks this.

Well, we own our 210,000 square foot Temuka facility, with cash in the bank. We also own our own opencast mine in Kakahu, and operate with the lowest of regional overheads. And we’re flexible enough to make specialised products in small quantities, plus we make BETTER products than our competitors. We can compete just fine.



*NZI 11kV
Tie Top Line Post
Part No. 460818
Made in NZ*

So when inflation hits the cheap imports, and the exchange rate worm turns, as they certainly will – NZI will be uniquely positioned. Better still, we have an entire electrical distribution network who trust NZI product coming out of Temuka, and who express a desire to support locally-made product if our pricing is competitive.

We have also now completed the transition to ensure only products made in Temuka carry the NZI badge. We want our clients to have certainty that when they select the NZI brand, they are buying products manufactured in New Zealand.

Of course New Zealand Insulators also represents some global brands – including DTR (Korea), NGK Stanger (Australia), Avon (NZ), Sofamel (Spain), Bussmann (India) and Efen (Germany). Our 2012 Catalogue or website is the best way to evaluate NZI’s current core-stock product range.

Plus we make many OEM products specifically for clients (switches, transformers, transmission) ... as well as insulation products for projects (new lines, lines maintenance, rail electrification). NZI has made, over the years, upwards of 500 different insulator designs.

The intention of the Profile is to give you a snapshot of NZI, where we’ve been and where we’re heading.



*Rayleine Peattie,
33 years with NZI*

> HISTORY

We became New Zealand Insulators when National Electric (NEECO) took over the Canterbury Pipe & Tile Company in 1924. Tiles, pipes, bricks and some insulators had been made on our site since Joseph Whitehead established the Temuka brickworks in 1868.

Using the clay deposit found in our Kakahu Valley mine and with NEECO's capital/distribution - insulator production got into full swing.

The 1930's Depression hit NZI hard but during WW2 NZI was declared an 'essential industry' by the Government and insulator volumes grew quickly.



*NZI 22kV
ALP22/450
Tie Top Pin Type
Part No. 106941
Made in NZ*

The Thomas Street site was partially destroyed by fire in 1950, which meant the business could rebuild and install new generation kilns. The expanding New Zealand economy in the 50's and 60's saw infrastructure spending, and NZI's workforce grew to around 250.

In 1966 Cable Price took over NEECO. Variously we were then owned by Brierley Investments (1988), Skellerup Group (1993), and the ill-fated Maine Investments (1996).

Across the 80's and 90's NZI had some boom years, and was split into three divisions with the Low Voltage division having it's own site in Ashburton. The business at peak employed more than 400 people, and many many staff stayed with NZI for their entire working lives.

So far however, the 21st Century hasn't been easy for New Zealand Insulators. Well-organised importers dealt a telling blow to NZI's market share. And rightly or wrongly, we stood our ground on price. The company retrenched several times - shrinking gradually to annual sales of NZ\$6million (down from \$18mill in 2002) with just 34 staff. Sales decline is hard.

During 2011 however, we made some positive moves. New catalogue, product range additions, extended North Island sales representation, refocusing on manufacturing rather than importing, market pricing, adding the DTR polymer agency - we worked hard to get NZI back on the front foot.

*David Chambers,
31 years with NZI*



We're not crying about having lost market share, we've set off to see if we can't win some back.

Last year, production staff in Temuka grew from 28 to 40 as we responded to the increasing demand.

This brings us to 2012, our 88th year. We're part of Tom Sturgess's Tiri Group www.tiri.co.nz and enjoy supportive well-funded private ownership. Our newly updated

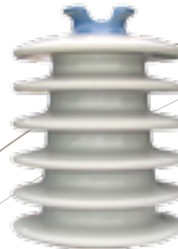
Catalogue is out and our new Auckland warehouse is up and running. We'll chip away all year to win customer support, to ensure our new initiatives bed down, to make NZI strong from the inside out.

> NZI BRANDED PRODUCT

The NZI brand stands for trusted reliability. Product badged NZI means it has been manufactured by us, in Temuka, to a certified ISO9001 quality system, by local craftsmen and women.

Go to nzinsulators.co.nz and click on the section 'NZI Brand' – it details the following products that we manufacture in Temuka:

- Reels & Spike
- LV Insulators
- 11kV Insulators
- 22kV Insulators
- 33kV Insulators
- Guy & Fence Strains
- Insulator Bundles
- Station Posts
- Disconnects
- Pole Mounted Cutouts
- Fuseholders
- J-Type Fuse Carriers
- Busbar Support
- DMC Standoffs
- Fastlug Connectors



NZI 33kV
ALP33/920
Tie Top Pin Type
Part No. 115029
Made in NZ



Warren Cornelius,
30 years with NZI

> **AGENCY BRANDS DISTRIBUTED BY NZI**

NZI also proudly represents in New Zealand the following brands from around the globe:

- | | |
|---|--|
| AX Brand (<i>various</i>) | Spindles
Clevis Thimbles |
| DTR (<i>Korea</i>) | Polymeric Deadends Strains
Polymeric Line Posts
Polymeric Surge Arrestors
Polymeric Station Posts, Standoff & EDO |
| Avon (<i>NZ</i>) | Line Hardware |
| CECEC (<i>China</i>) | Glass Discs |
| NGK Stanger (<i>Australia</i>) | EDO/HVI Dropouts
ABS & SF6 Gas Switches
LVI/LVFI Links
NSD Disconnects |
| Bussmann (<i>India</i>) | Industrial Fuselinks
House Service Fuselinks
J Type Fuselinks
DIN Blade Fuselinks
12kV Fuselinks |
| Efen (<i>Germany</i>) | Disconnects |
| Sofamel (<i>Spain</i>) | Overhead Safety Equipment |

Roydon Frisby,
26 years with NZI



NZI 22kV
Ultra Premium
Tie Top, Line Post
Part No. 464368
Made in NZ

> **TEMUKA POTTERY**

To most New Zealanders NZI is an insurance company and Temuka is a range of pottery. Both of course are true.

But the other NZI is an insulator factory and yes, since 1931, we've operated a separate business within NZI called Temuka Pottery. Here is the Temuka Pottery story ...

In the early 1930's our third Manager Arthur Toplis diversified NZI into also making pottery. He was a skilled potter by trade, and during his time Temuka established itself as a quality brand. He won a contract to make electric jugs, and later we were also appointed to make crockery for NZ Railways. Our 'railways cup' made from the very same Kakahu clay blend we use for insulators today – was generally considered to be indestructible.



*Tekau
Dinner Plate
Part No.
955604
Made in NZ*

Of course Temuka's finest hour was our Riverstone series during the 1970's, designed by the late Jack Laird, of Nelson. The curvy, matt, brown Riverstone sold literally millions of pieces – and still represents the relationship that many Kiwis have with the Temuka brand.

Riverstone suffered from the cultural cringe of the pink-and-grey 80's and Temuka went into a highly decorative phase, followed by a colourful hand-painted phase which was the 90's. Volumes have declined gradually across the past 20 years.

NZI's decision to downsize the Temuka 'Homeware' retail network, and in 2009 to close our own shop/cafe in Temuka signalled to a watching world that we were turning our back on our pottery business.

*Heather George,
25 years with NZI*



But thankfully that's not true. In 2011 we have made moves to revitalise one of New Zealand much-loved brands:

We started reworking the Temuka Pottery range – with designs being retired and some new designs being launched throughout the year.

Plus we have reopened the Temuka Pottery Shop in Mendelson Barn, on the State Highway Bypass in Temuka. Operated under license by the owners of the 100%

Homemade Café, the new Temuka Pottery Shop is open and trading strongly. And we're looking for a second licensee in 2012.

At this stage Temuka Pottery remains a small division inside NZI, but stay tuned as we think it possesses genuine potential.

> ASPIRATIONS

With supportive New Zealand ownership, under the guidance of NZI's thirteenth manager, Greg Howell – NZI is setting out to achieve certain things. We thought it worth noting what they are:

Our primary goal is to get NZI back into growth mode – to reorganise our sales, marketing, product range and pricing so that New Zealand's electricity networks can once again have NZI as a cornerstone brand being specified. Our goal is to double the size of NZI to \$12mill annual sales. We've set a deadline, but we're not saying what it is quite yet.



*NZI 11kV
Clamp Top Line Post
Part No. 464589
Made in NZ*

Our second goal is to ensure NZI is a thriving, sustainable business when our centenary comes around – which is 2024. If we get there, it'll mean we've done that which is required for NZI to be a viable business for many years to come.

However on Greg's watch, we get to not only care about what happens – but also how it happens.

Our GM is very fussy about manners in the workplace. Nothing too weird - just greetings, farewells, respecting elders, treatment of visitors, never a bad word spoken about our customers, no raised voices, the correct use of email, eliminating the word 'they', no blaming and less gossiping.

His other big thing is attending to the needs of the various stakeholders – Customers, Staff, Suppliers, Shareholders and the Community. Excellent businesses ensure that the needs of all five are met, or at least balanced in a sustainable way.



*Dave Johnson,
35 years with NZI*

We've also hired more staff, and in 2012 will be investing in automation to enhance our competitive position – but it all comes back to goal number one, getting some growth runs on the board.

If you're in a position to help us, please do.

> CONTACTING NZI

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*NZI 12kV
 Standoff T-Insert
 Part No. 599263
 Made in NZ*

AUCKLAND BRANCH

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 Phone +64-9-4125941

WEBSITES

nzinsulators.co.nz
 temukapottery.co.nz

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*Robin Breakwell,
 45 years with NZI*



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TEMUKA POTTERY SHOP

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 Phone 03-6155651, Fax 03-6155652

Open 7 Days: Weekdays 9am-5pm, Weekends 10am-4pm,
 Public Holidays 10am-3pm (closed some Public Holidays, see website).