

ANALYSTS PRESENTATION: March 2009



**Interior of Christchurch Frame
& Truss Manufacturing Plant**

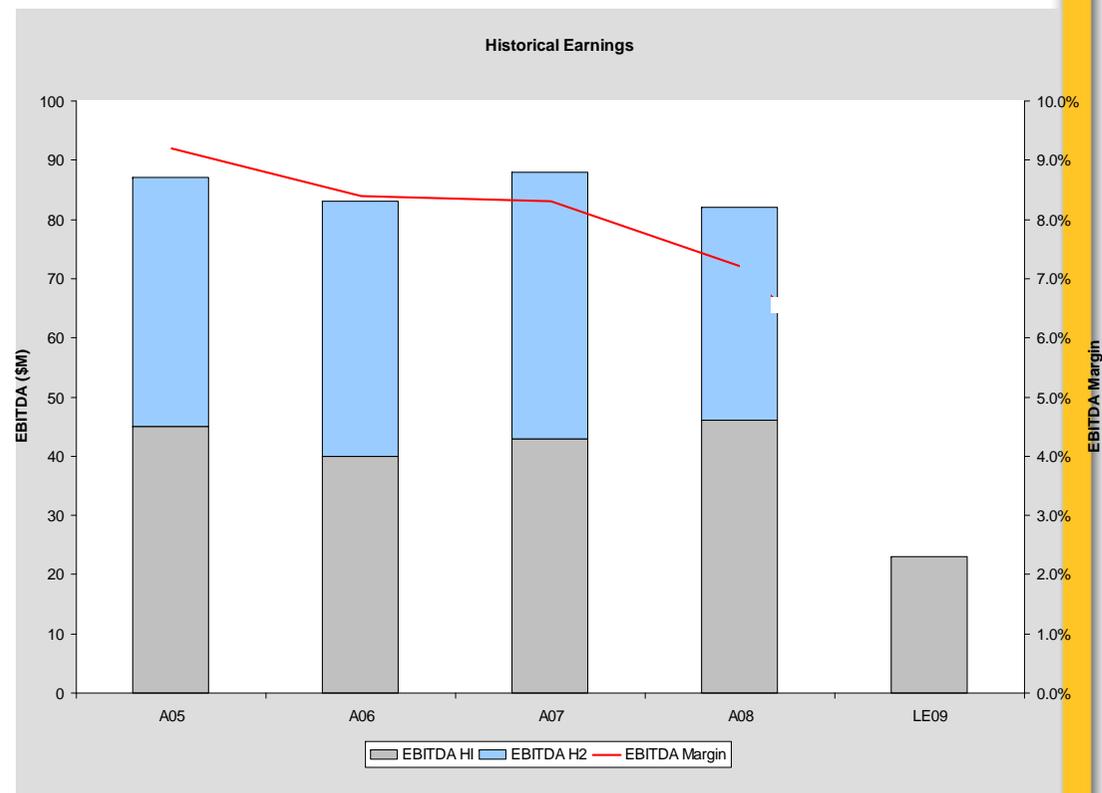
CAUTIONARY STATEMENT

This presentation contains not only a review of operations, but also some forward looking statements about Fletcher Building and the environment in which the company operates. Because these statements are forward looking, Fletcher Building's actual results could differ materially. Media releases, management commentary and analyst presentations are all available on the company's website and contain additional information about matters which could cause Fletcher Building's performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Fletcher Building.

MARKET POSITION

- 62 outlets across New Zealand
- 34% market share trade of core building materials
- No.1 in key building materials
- Trade focus – 80+% of sales

Historical earnings



VISION

Vision

To be the supplier of choice for the trade and serious DIY

Business Description

A New Zealand building products distribution business with leading market positions in building materials and frame & truss manufactured products

Goals

- Provide a channel to market for Fletcher Building's core building materials products
 - Winstone Wall boards
 - Tasman Insulation
 - Firth Masonry
- Maximise the division's return on investment

Themes

- Refine the current operating model and develop the optimal ownership structure
- Focus on the operational improvements required to return the business to a 40%+ ROFE
- Facilitate the rationalisation of the NZ building material distribution industry

FOCUS ON TWO CORE CUSTOMER SEGMENTS: THE TRADE AND THE SERIOUS DIY

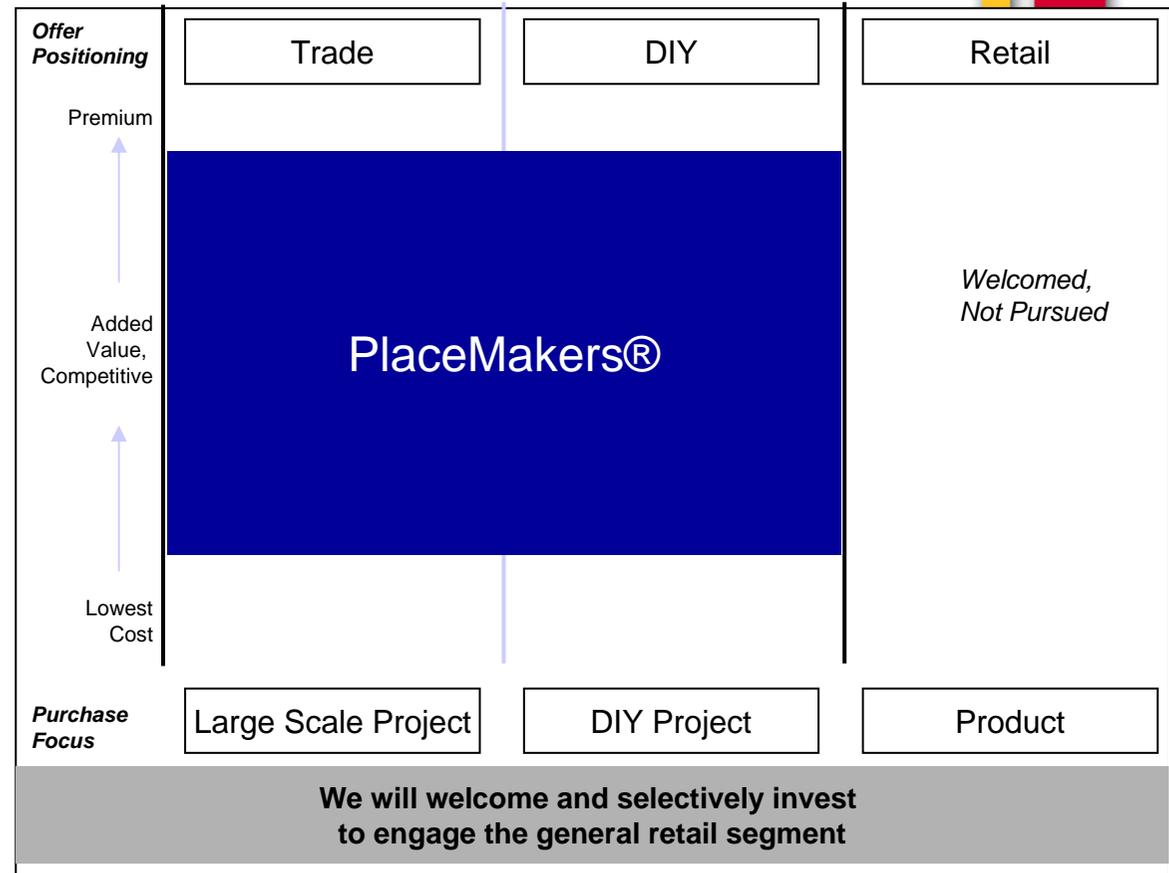
Primary segment : Trade Customers

Our fundamental operating question should always be:

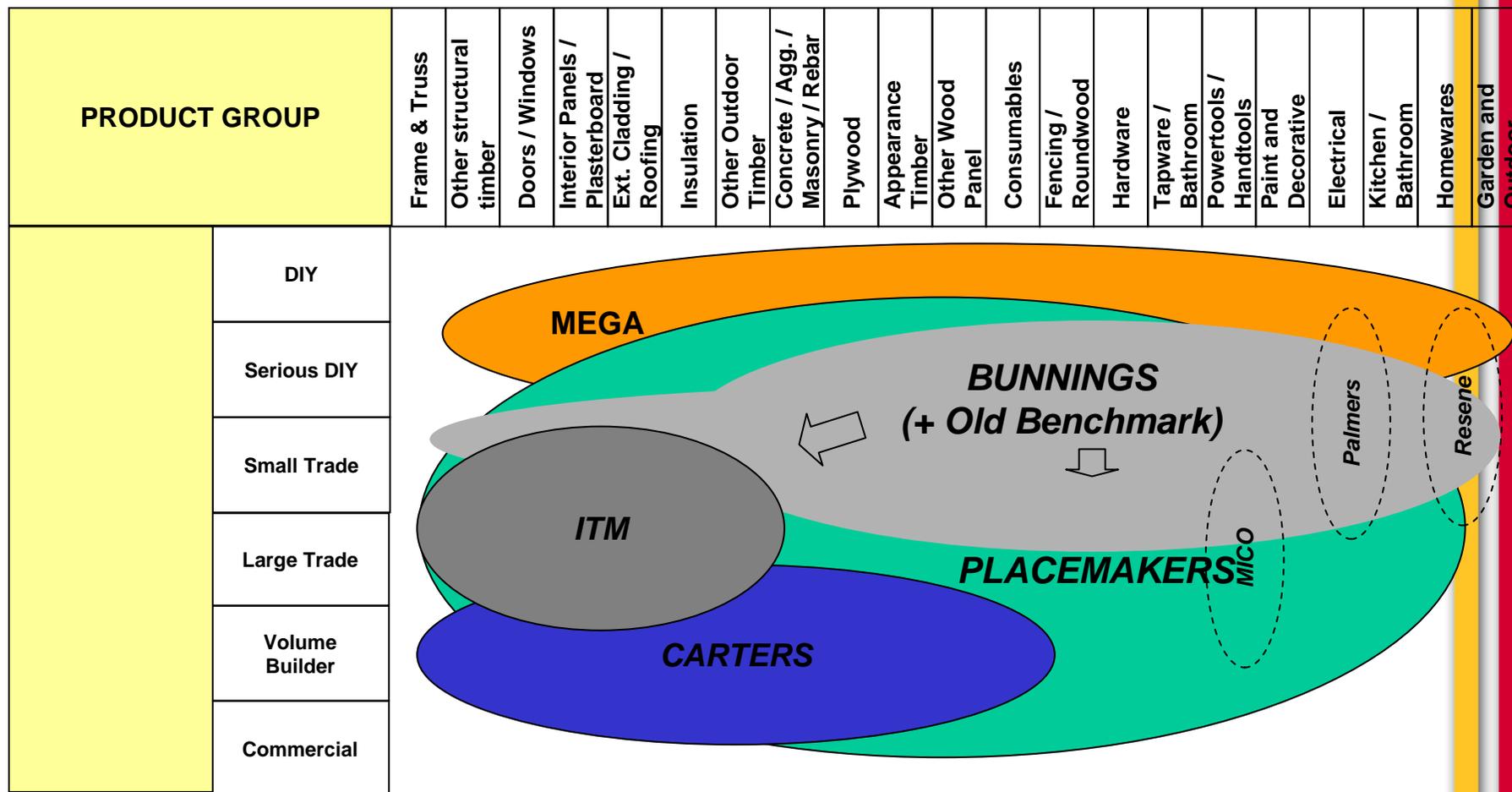
“ How does this enhance our business with the Trade?”

Secondary segment: Serious DIY Customers

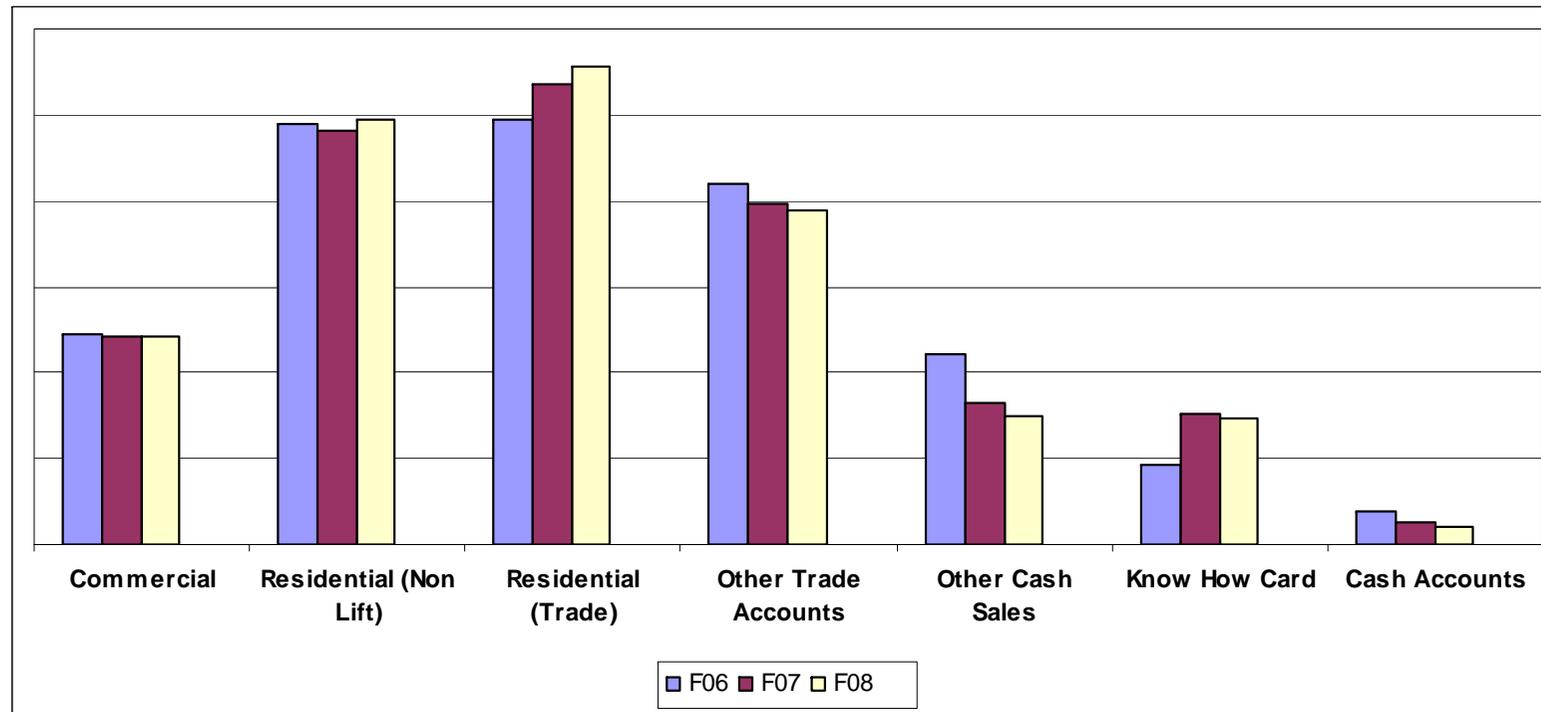
For both core segments, we will position our offer as knowledgeable staff helping customers to achieve success through the delivery of authentic trade quality product and services at competitive prices.



Market Segment and Product Analysis by Competitor



CONSISTENT MARKET SEGMENT PERFORMANCE



- ❑ Continued importance of the residential market despite current market
- ❑ The increasing growth of commercial mix in current market
- ❑ The decline of cash sales as competitors gain share
- ❑ The importance of the Know How Card in maintaining a viable retail presence

MARKET LEADERSHIP

PlaceMakers Competitive Advantage

1. Joint Venture Operator Model
 - Model attracts and incentivises the right people
 - Decentralised relationships
 - Owner (JVO) to Owner (Customer)
2. PlaceMaker's brand power
 - Range of trade authentic products/services
 - Know How Can Do positioning
 - Geographic reach into key markets

HALF YEARLY REVIEW

Market Activity

- Highly competitive on declining sales base

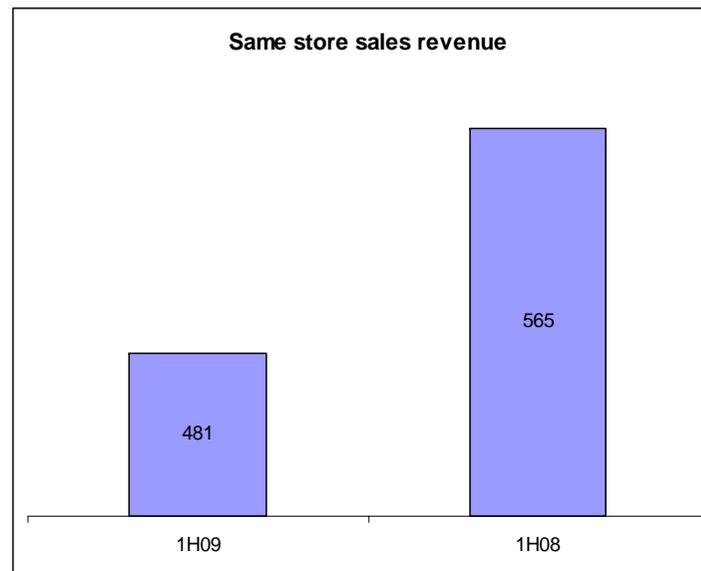
Market Share

- Trending upwards since 2007

Earnings

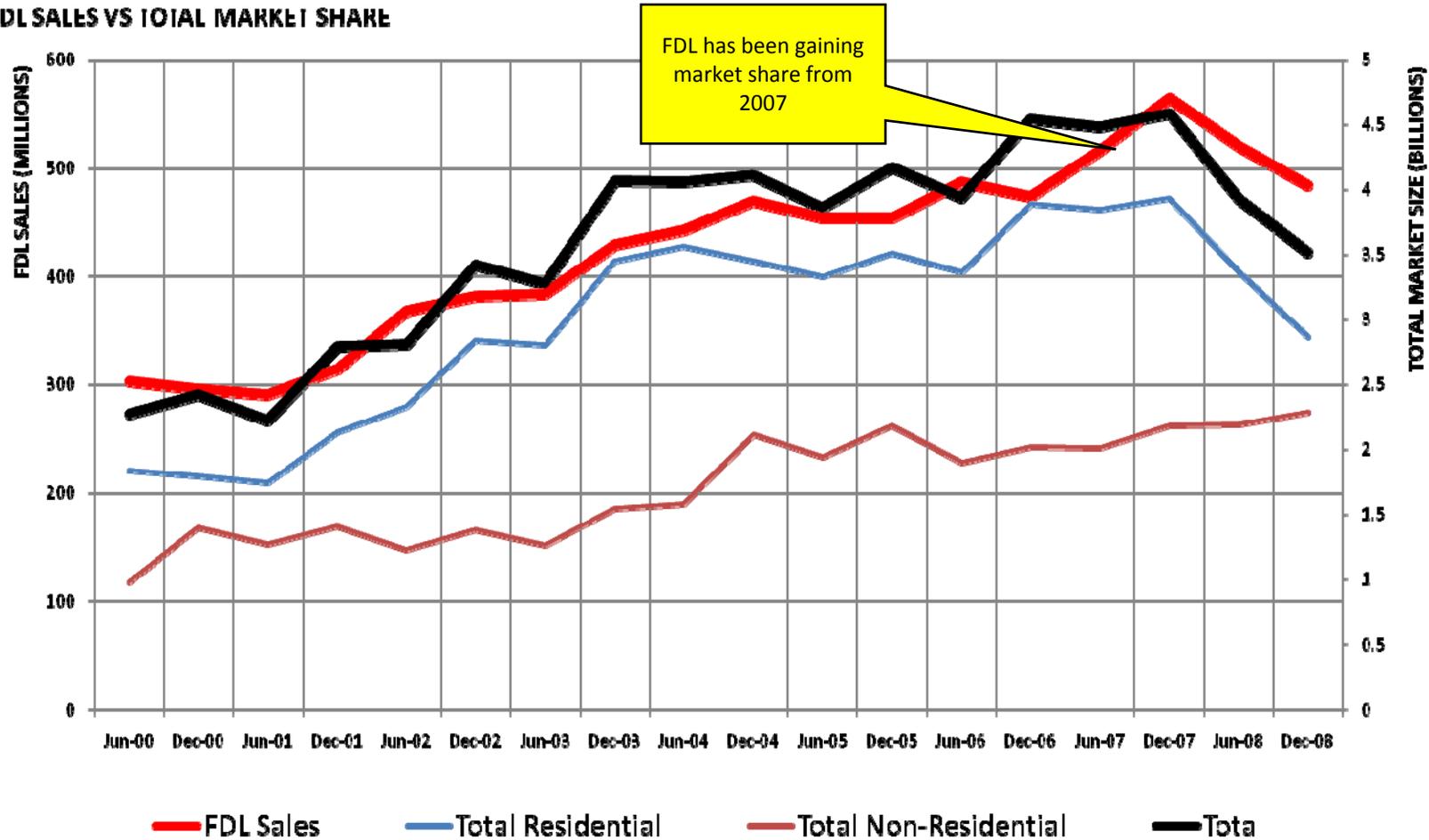
- Sales down 14.9%, margin % down as a result

\$m		%	1H09	1H08
Sales	↓	14.9	481	565
EBIT	↓	57.1	18	42
Margin %	↓	49.7	3.7	7.4
Funds	↑	12.6	188	167
Return on Funds %	↓	61.9	19.1	50.3



FDL HAS REGAINED MARKET SHARE THROUGH THE DOWNTURN

FDL SALES VS TOTAL MARKET SHARE



Source: The Temple Group – December 2008