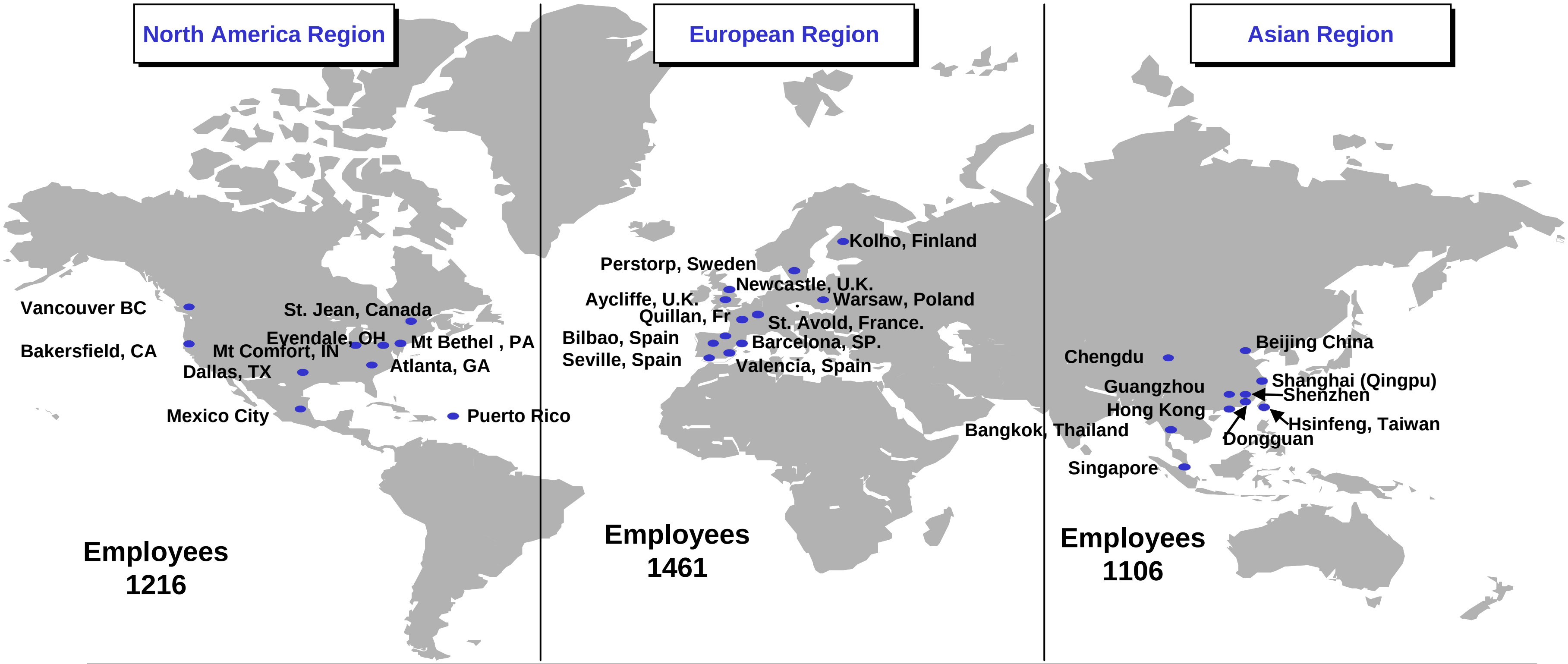
Formica Group Presentation to Analyst Evendale Ohio U.S. Friday, 12th of September 2008

CAUTIONARY STATEMENT

This presentation contains not only a review of operations but also some forward looking statements about Formica Corporation and its parent Fletcher Building and the environment in which the companies operate. Because these statements are forward looking, Fletcher Building's actual results could differ materially. Media releases, management commentary and analysts 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.

FORMICA GROUP



- The main material components used in the manufacture of high pressure laminate (HPL) are decorative papers, kraft papers melamine and phenolic resins.
- Approximately 65% of Formicas revenue is derived in the US, UK and Spain
- Formica is a global HPL business unlike Laminex it does not have board plants and Thermally Fused melamine (TFM) facilities. It does not have its own branch distribution network with sales mainly to Distributors and direct customers

FORMICA GROUP

PRODUCT PORTFOLIO

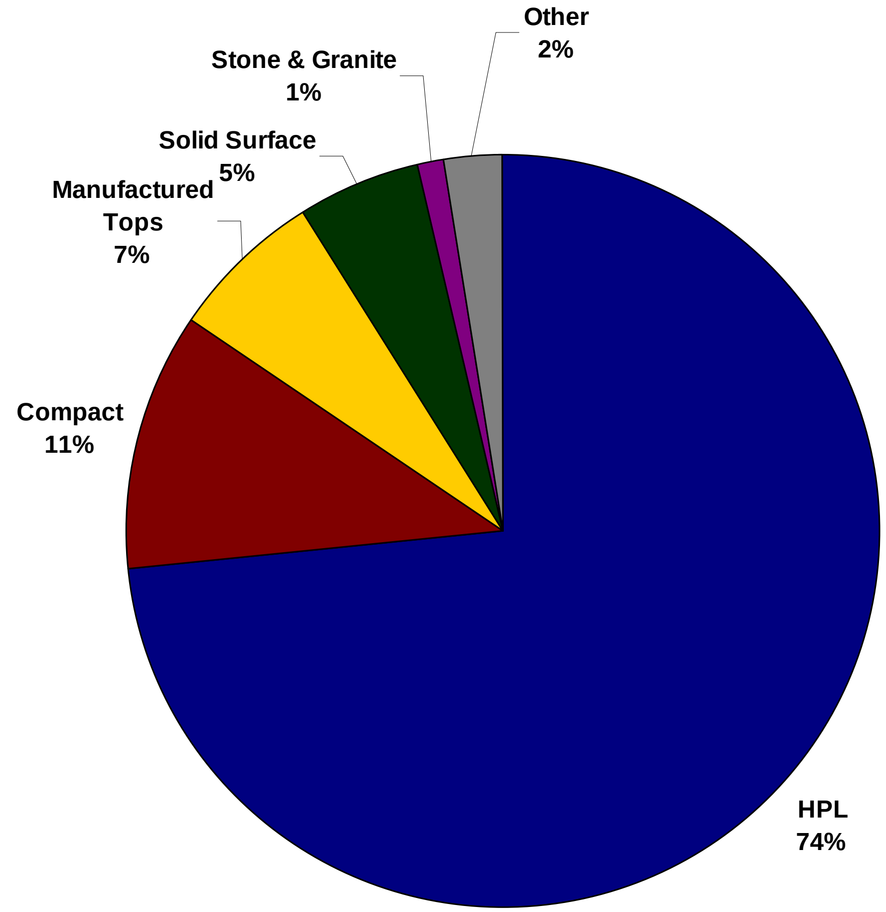
Laminates are resin-treated papers, highly resistant to abrasion and impact, that provide design and wear benefits for countertops, cabinets and furniture

Compact and Thick stock products are thicker sheets of high pressure laminate frequently used as partitions or exterior cladding

Manufactured Tops are ready-to-install surfaces with a post-formed or edge-banded high pressure laminate surface over a substrate usually of fiberboard or wood

Solid Surface materials are homogenous polyester/acrylic-based sheets for countertops and work surfaces

Other Products/Services includes low pressure laminates, industrial laminates, sourced flooring and treated papers

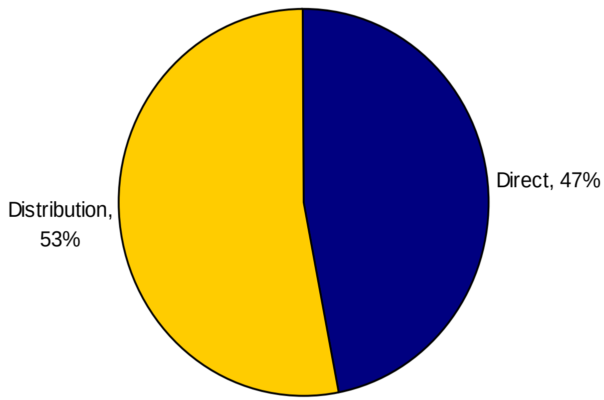


FORMICA GROUP

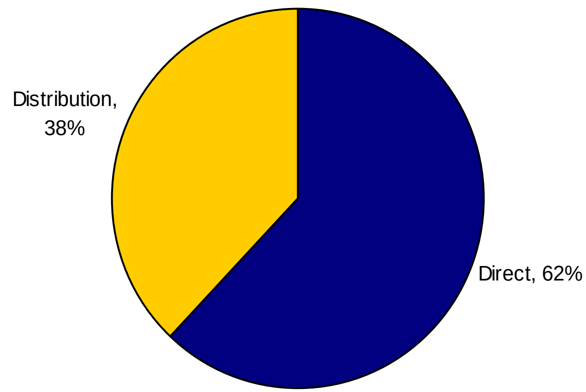
CHANNELS TO MARKET

- Products are marketed directly to OEMs and fabricators, as well as through established distributors to the commercial and residential end markets

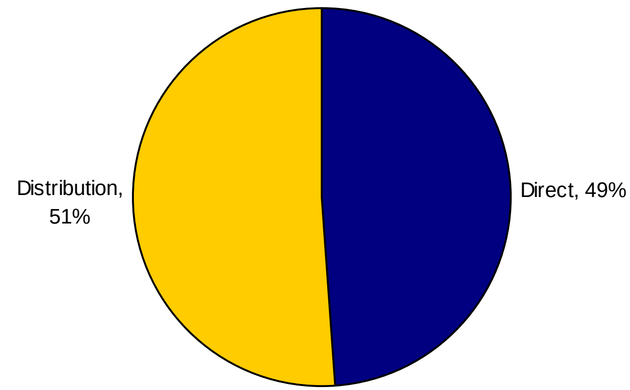
<u>Nth America</u>



<u>Europe</u>



<u>Asia</u>



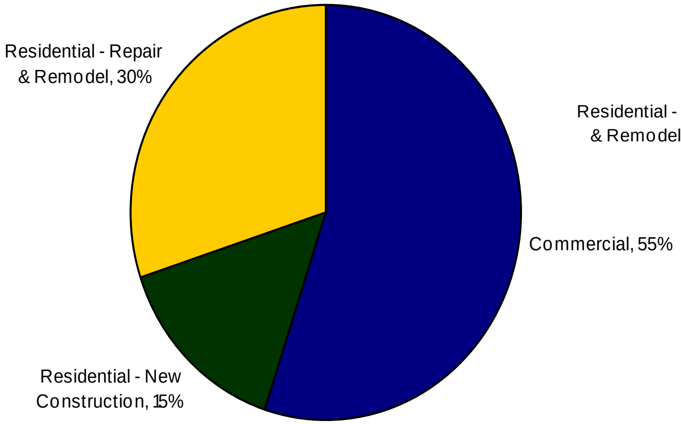
<u>Source: Management Estimates</u>

FORMICA GROUP

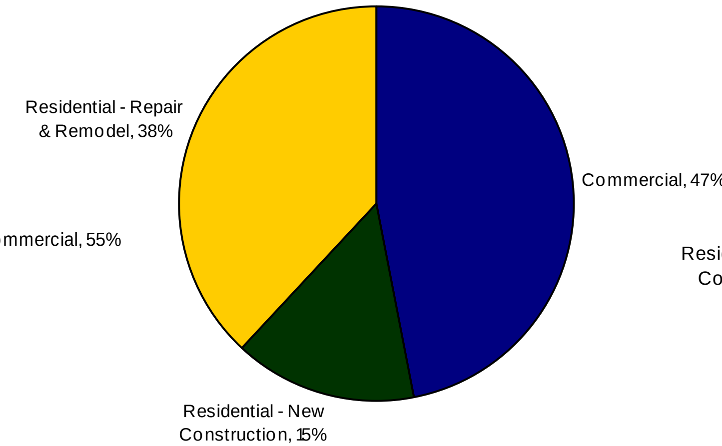
PRODUCT END-USE APPLICATIONS

- The majority of the Company's sales are made to the repair and remodel segment of both the commercial and residential construction markets
- Formica's exposure to the volatile residential new construction market is limited

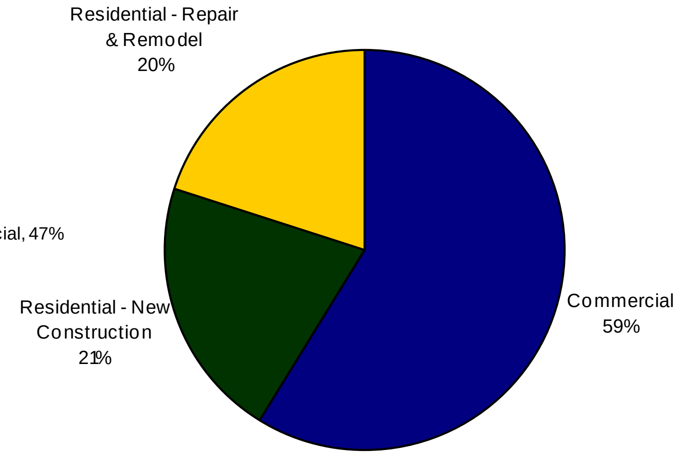
Nth America



Europe



Asia

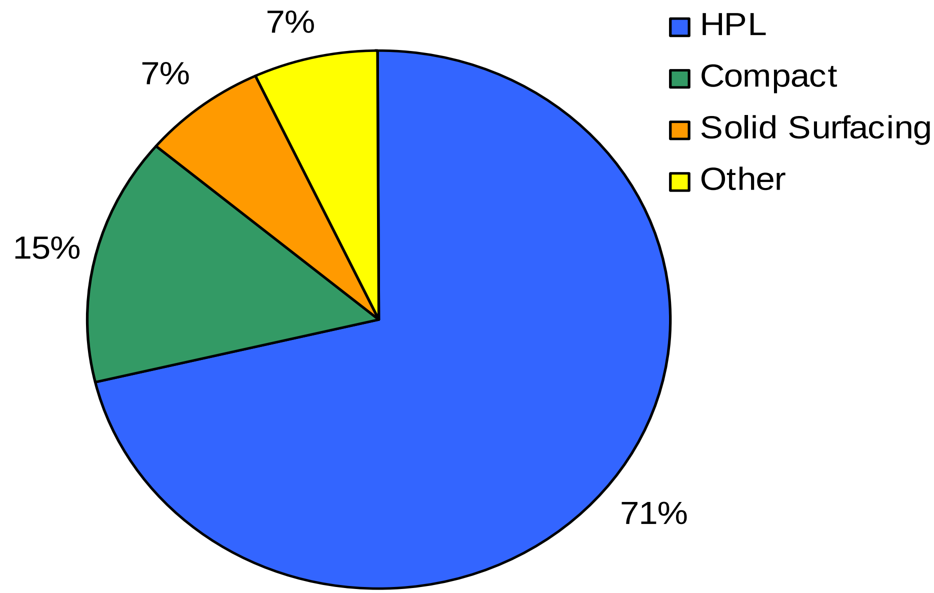


Source: Management Estimates

FORMICA EUROPE

Market Analysis

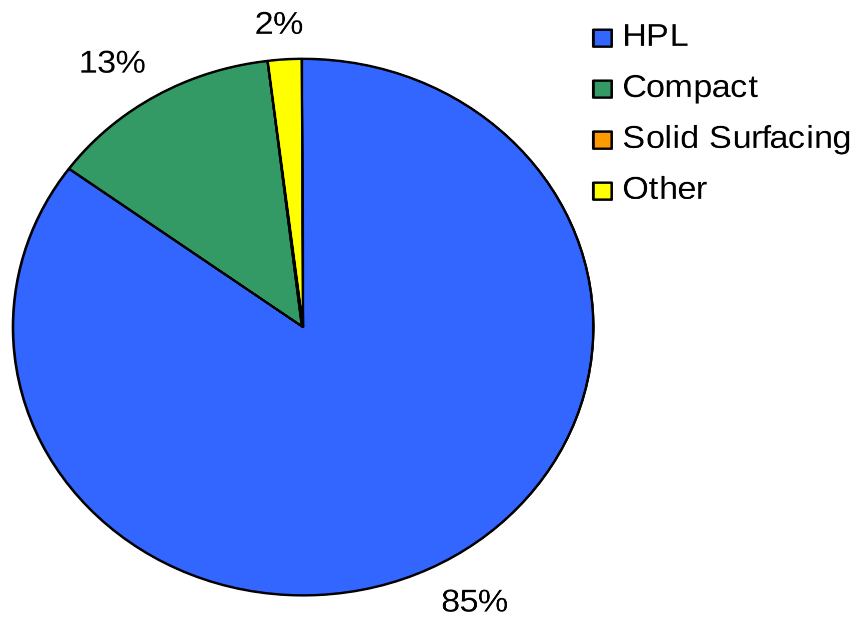
- **U.K.** HPL market share leader dominating residential furniture category through large customers
- **Spain** HPL market share leader with even an even split between residential and commercial
- **Scandinavia and Finland** focused primarily on HPL, Worktops, and Compact. Currently adding additional capacity.
- **Central Europe** has seen strong growth with an even split between residential and commercial primarily focused on HPL and Compact
- **France** Distribution growing as a percentage of the business
- **Growth** opportunities in rapidly growing Eastern European markets including Russia
- **Growth** in Compact laminate.



FORMICA ASIA

Market Analysis

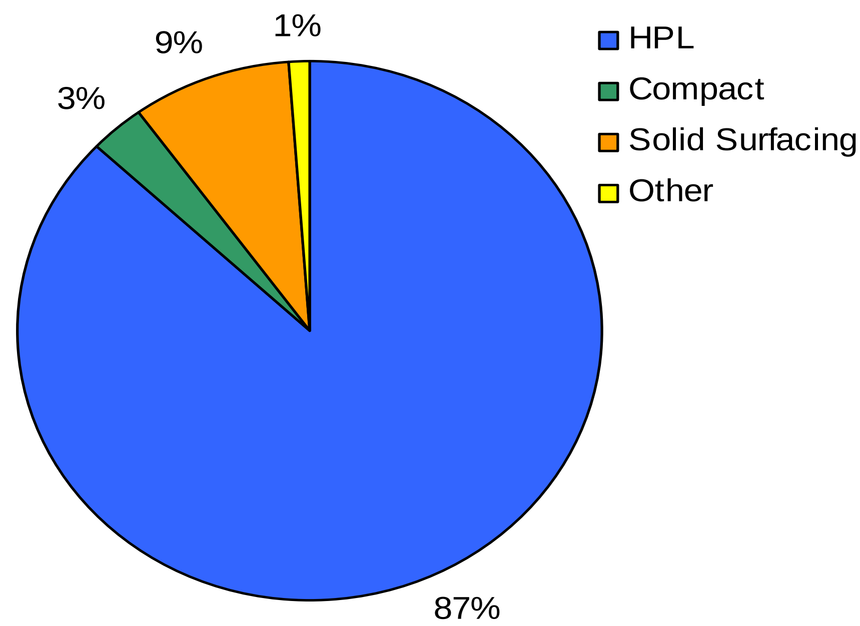
- **China** is primarily focused on the higher margin commercial HPL market, with significant growth opportunities. Currently adding extra capacity.
- **Hong Kong** has leveraged strong demand for hard surface products (Solid Surface / Engineered Stone)
- **Taiwan** primary focus is on premium commercial applications (Furniture, government and healthcare) and maintains >50% share in the Compact toilet cubicle market
- **Thailand** (Asean) is also primarily focused on premium commercial applications (Furniture, government and healthcare), while significant introductions in 2008 focused on expansion of this premium position
- **Export** opportunities within the region, and also key strategic supplier to the FBU HPL operations in Australasia under Laminex



NORTH AMERICA

Market

- **United States** primarily HPL and Solid Surface sheet business.
- **Focus** on Big Box retailers.
- **Commercial** demand driven by A&D sales specialists
- **Canada** HPL market leader
- **Mexico** sells primarily lower priced, thinner grade HPL market focused on commercial applications
- **Mexico** growth opportunities.



PROGRESS SINCE APRIL 2008

North America

- **Market**
  - US market continues to be challenging in all segments
- **Restructure**
  - Closed Global office in Cincinnati and restructured business to give Regional Management more control over local manufacturing units
  - Realigned and downsized North American management structure to focus on operational accountability and responsibility. Replaced a number of key management charged with the responsibility of improving the Evendale plant performance.
  - Expected to save US$7 million in FY09, and a further US$ 3 million in FY10
- **Evendale**
  - Continuing progress on manufacturing improvement

PROGRESS SINCE APRIL 2008 (continued)

North America (cont)

- Progress is being made across a number of fronts including distribution review, margin management and new product development

Asia

- **Market**
  - Demand remains firm
  - Focus is on growing residential penetration in China / Hong Kong
- **HPL Sourcing for Laminex**
  - Laminex have closed their Auckland HPL plant and are now sourcing from Asia

PROGRESS SINCE APRIL 2008 (continued)

Europe

- **Market**
  - Spain and UK softer but Nordic, Benelux and Eastern Europe still firm.
- **Growth**
  - Commenced capacity expansion at Formica Finland through the relocation of the New Zealand press

General

- **Pricing**
  - Significant price increases put into market place this year in April and August
  - Key driver is impact on industry of major input price increases in Resin, Energy, and Paper.

FORMICA NORTH AMERICA

FORMICA NORTH AMERICA

BUSINESS PROFILE

Internal Snapshot

- Employees – 1, 216
- Manufacturing Plants – 2
- Distribution Centers – 7
- Product Mix
  - ✓ HPL
  - ✓ Metal Veneer
  - ✓ Wood Veneer
  - ✓ Specialty
  - ✓ Solid Surfacing
- Residential Markets
- Commercial Markets

The Market

- Market Size
  - ✓ HPL – 1.2 billion s.f.
  - ✓ Solid Surface - $500m
- Competitors
  - ✓ HPL – WilsonArt, Panolam
  - ✓ Solid Surfacing
    - ✓ Corian (DuPont)
    - ✓ Hi-Macs (Hanwha)
    - ✓ Staron (Samsung)
- Key Segments
  - ✓ Home Centers
  - ✓ New Home Construction
  - ✓ Healthcare
  - ✓ Hospitality
- Market Outlook

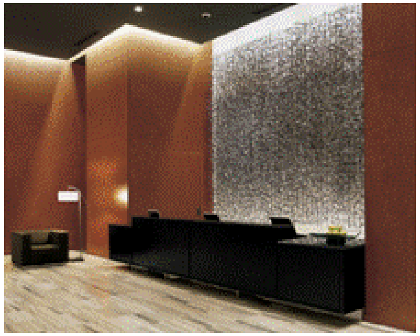
	08	09
✓ Residential	↓	↑
✓ Commercial	↓	↓

Formica Strengths

- Brand
- Design
- Plate Technology – textured visuals
- Distribution Network
- Customer Relations
- Segmentation Focus

PRODUCT APPLICATION - COMMERCIAL

- Commercial Furniture
  - Laboratory Tops
  - Game Tables
  - Buffet Countertops
  - Workstations
  - Bartops
  - Salad Bars
  - Cabinets
- Commercial Construction
  - Doors
  - Walls
  - Desk / Serving Tops
  - Millwork
  - Countertops
- Store Fixtures
  - Store Fixtures and Displays
  - Flame-retardant Interiors
  - Dressing Room Partitions
- Specialty Products
  - Bowling Lane Floors
  - Mobile Home Interiors
  - Doors
  - Access Flooring Tiles
  - Moldings
  - Closets
  - Slot Machines
  - Window Sills




PRODUCT APPLICATION - RESIDENTIAL

- Kitchen & Bath
  - Countertops
  - Cabinets
  - Backsplashes
  - Shower / Tub Surround
- Residential Furniture
  - Tabletops
  - Bedroom Suites
  - Entertainment Centers
  - Home Office Furniture
  - Night Stands



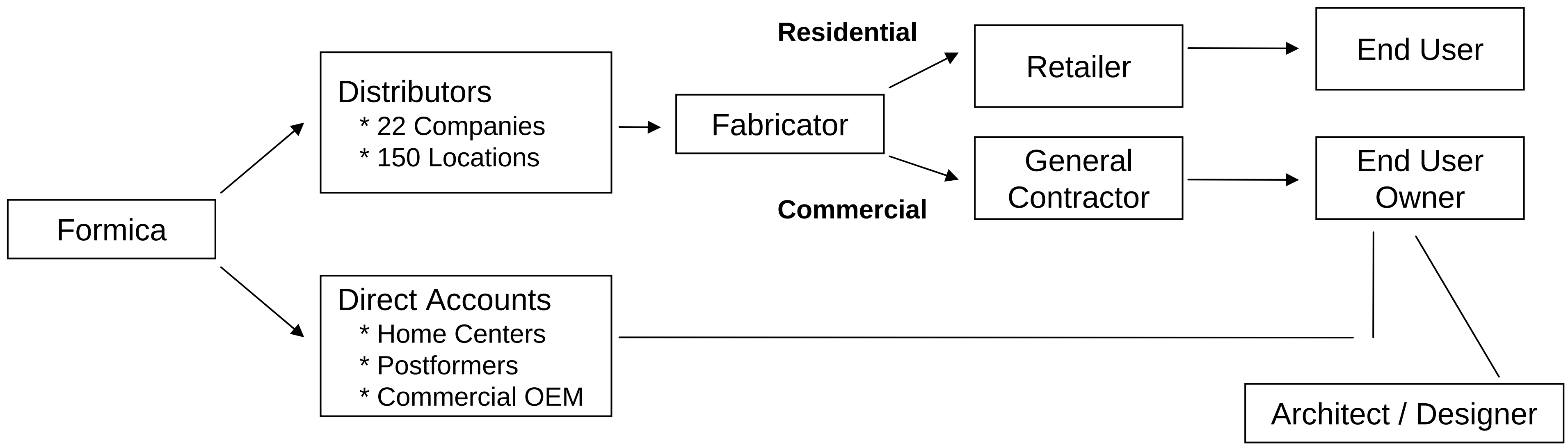



Business Overview

KEY ISSUES

- Organization
  - Reporting Structure
  - Right-Size the Business
- Operational
  - Evendale Plant Improvements
  - Service Model
- Revenue
  - Price Increase/Fuel Surcharge
  - Continued Innovation/New Product Development

GO TO MARKET FlOW



Process for Selecting Focus Segments

Commercial
- Education
- Retail
- Government
- Office
- Hospitality
- Healthcare
- Religious
- Transportation

Residential
- Home Center
- Builder
- Remodel/Replacement
  - ✓ Kitchen & Bath
  - ✓ Manufactured Homes
  - ✓ Multi-Family

Buyer Criteria
- Brand
- Design
- Bundle of Products
- JIT Delivery
- Price
- Access

Formica “Fit” Segments
- Residential → K&B
  - ✓ Home Center
  - ✓ Builder
- Commercial → Retail
  - ✓ Hospitality
  - ✓ Healthcare

Industry's 1st Premium Textured Finish

- 1 out of every 3 sq. ft. of Formica HPL sold residentially is Etchings and Honed
- Approx twice value of standard laminate
- Entry card with Big Builders and Home Centers

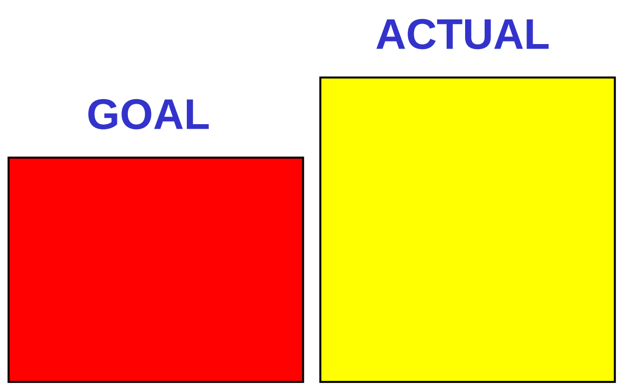
- Etchings
- Introduced in 2003
- Reminiscent of natural stone and granite

- Honed
- Introduced in 2005
- Reminiscent of natural soft brushed stone

RADIANCE UPDATE

- Multi-gloss level that resembles natural Granite
- More Realistic Visual
  - ✓ Smooth Finish for Easy Maintenance
  - ✓ Advantageous Price
  - ✓ 6 New Colors
  - ✓ 3 Existing Granites
  - ✓ 3 Existing Quarstones

Radiance Launch Results



DISTRIBUTION STRATEGY

Objective: Align and grow with Independent Distribution companies that are best-in-class in these areas:

- Sales Coverage
- Logistics
- Technology
- Human Resources
- Marketing
- Product Lines
- Financial Strength

Results:

2006

- 48 Distribution companies
- 130 locations

Note: 2002 – 75 Distribution companies

2008

- 22 Distribution companies
- 150+ locations

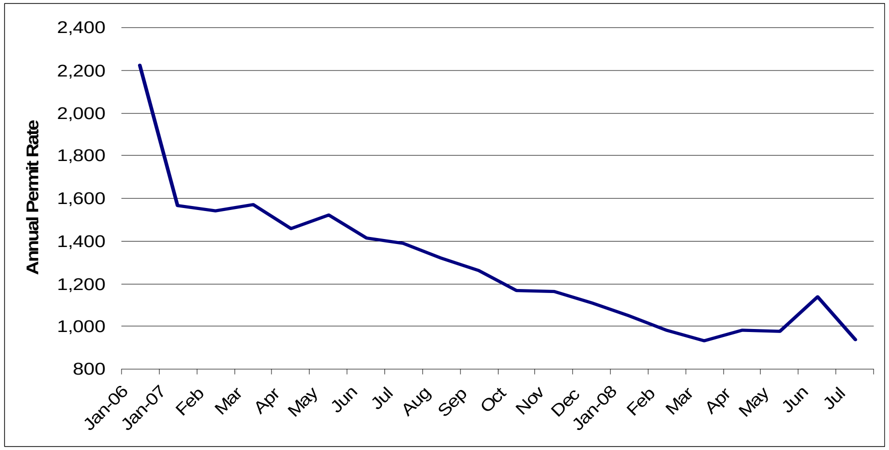
Benefits:

- Sales Force Reorganization
- Technology Link – reduce costs
- Supply Chain Re-engineering

Current Market Conditions

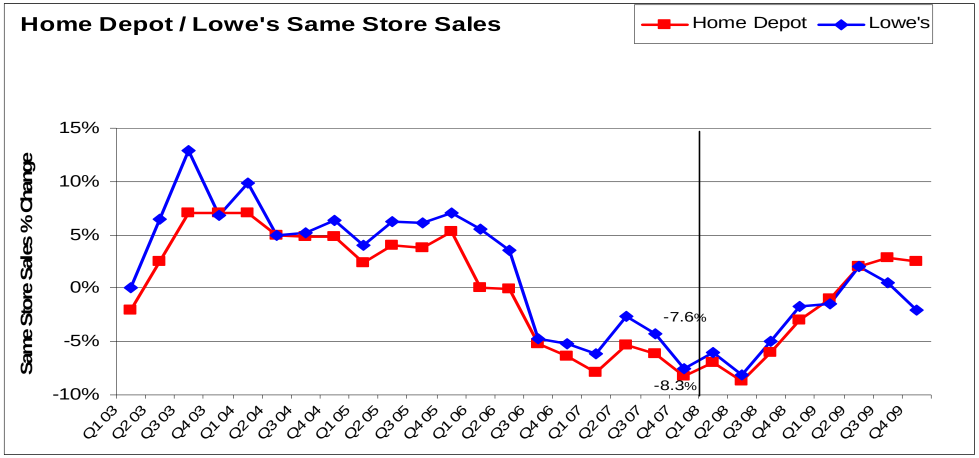
RESIDENTIAL MARKET CONDITIONS

Building Permits



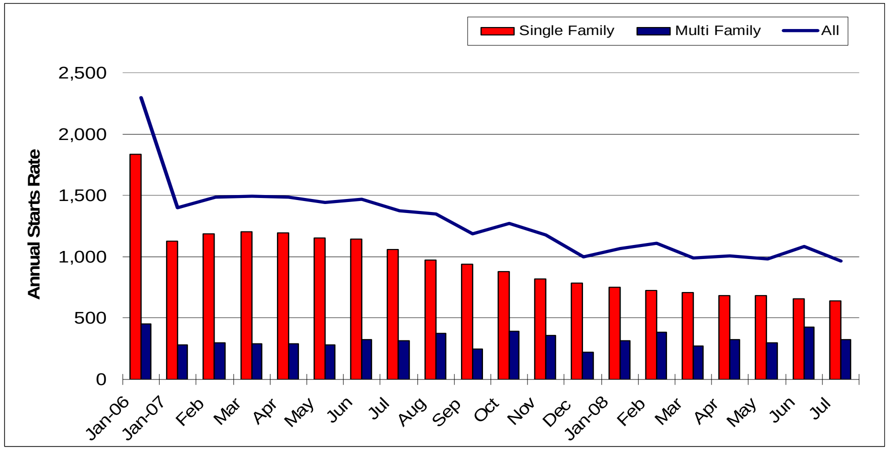
Source: NAHB (National Association of Home Builders)

Home Depot / Lowe's Same Store Comps and Forecast (Proxy for Remodel)



Source: Bank of America / Raymond James Equity Analysis

Annual Home Starts



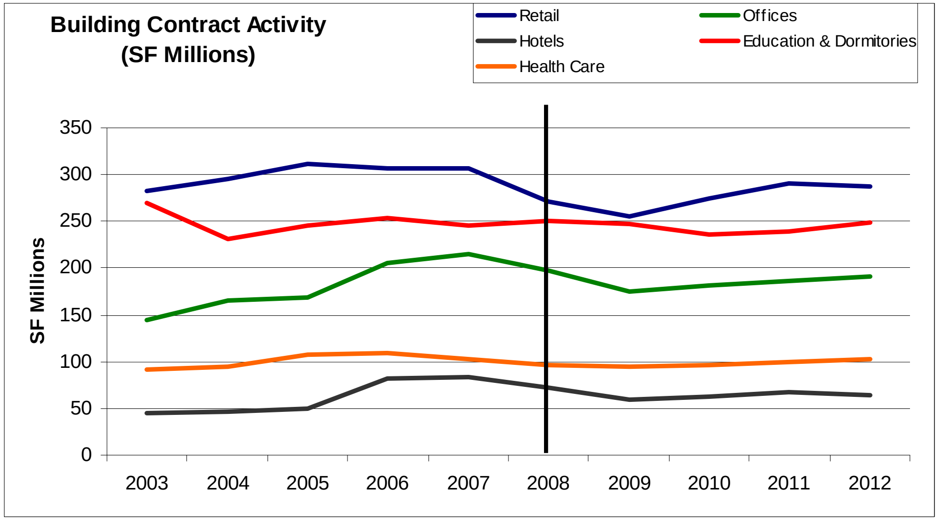
Source: NAHB (National Association of Home Builders)

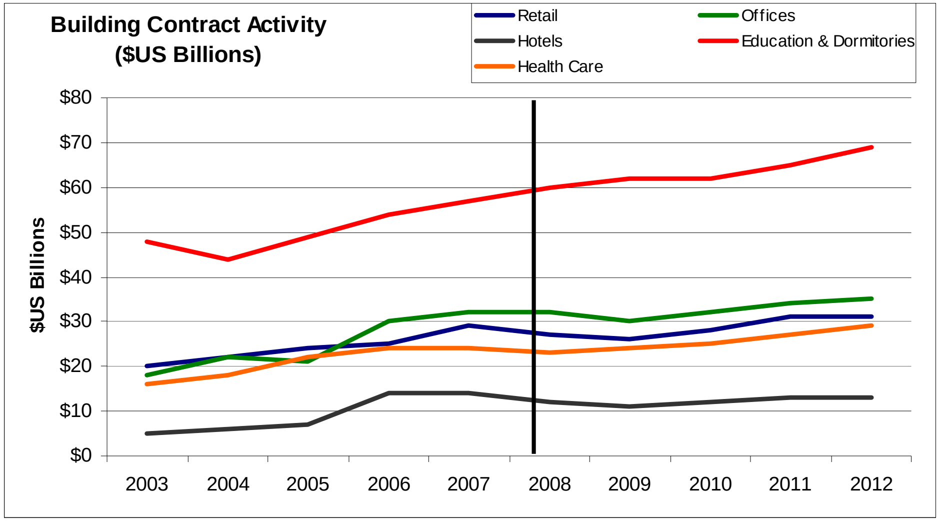
Residential Construction Forecast

	History					Forecast				
Residential Dwelling Units (000s)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Single Family	1,553	1,626	1,331	937	610	665	850	1,010	1,125	1,075
% Change		**4.7%**	**-18.1%**	**-29.6%**	**-34.9%**	**9.0%**	**27.8%**	**18.8%**	**11.4%**	**-4.4%**
Multiple family	469	531	515	446	335	355	385	430	485	480
% Change		**13.2%**	**-3.0%**	**-13.4%**	**-24.9%**	**6.0%**	**8.5%**	**11.7%**	**12.8%**	**-1.0%**
Total Residential	2,022	2,157	1,846	1,383	945	1,020	1,235	1,440	1,610	1,555
% Change		**6.7%**	**-14.4%**	**-25.1%**	**-31.7%**	**7.9%**	**21.1%**	**16.6%**	**11.8%**	**-3.4%**

Source: McGraw Hill July 2008

COMMERCIAL MARKET CONDITIONS





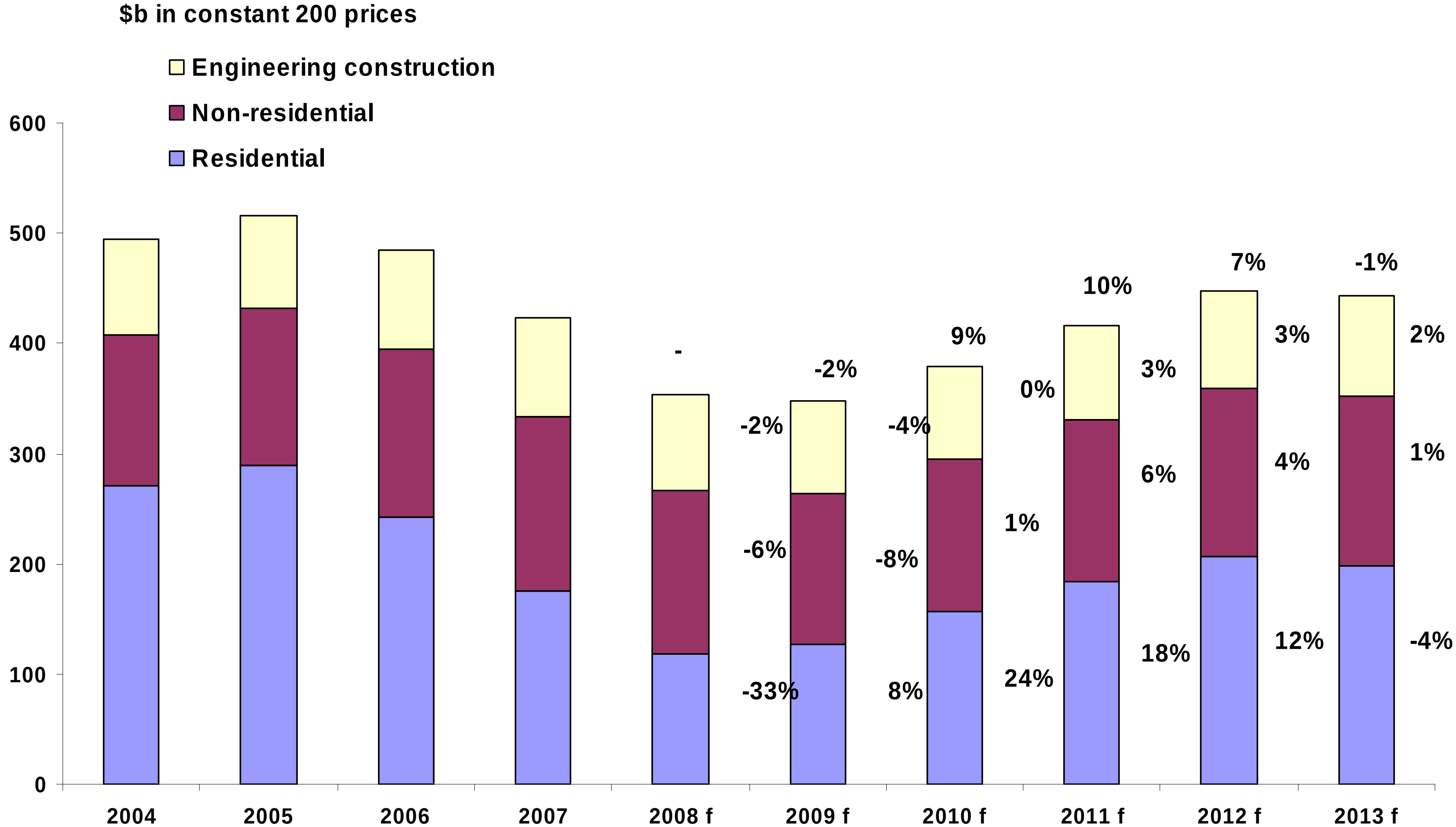
Core Commercial Contract Activity Forecast

Includes the core industries which serve as the base of Formica's commercial opportunity:

- Retail Stores
- Office Space
- Hotel / Motel
- Education Facilities and Student Dormitories
- Health Care Facilities

Source of All: McGraw Hill Spring 2008 Construction Forecast

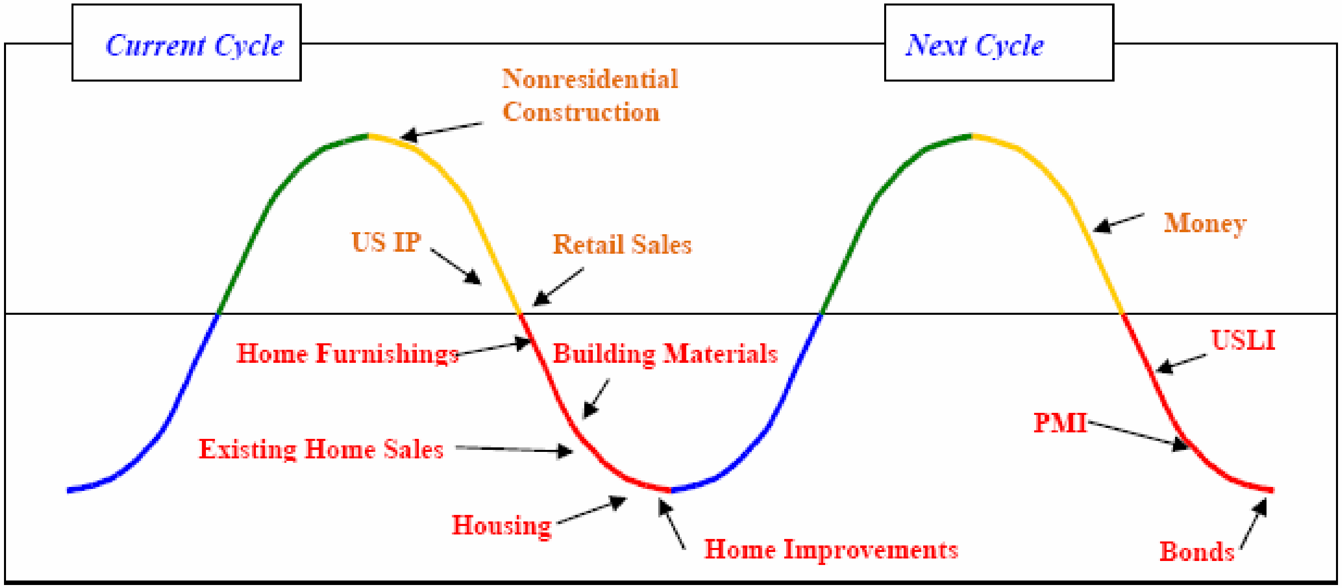
USA VOLUME OF WORK COMMENCED



Source: McGraw Hill June 2008

Annual Results - August 2008

BUSINESS CYCLE ANALYSIS



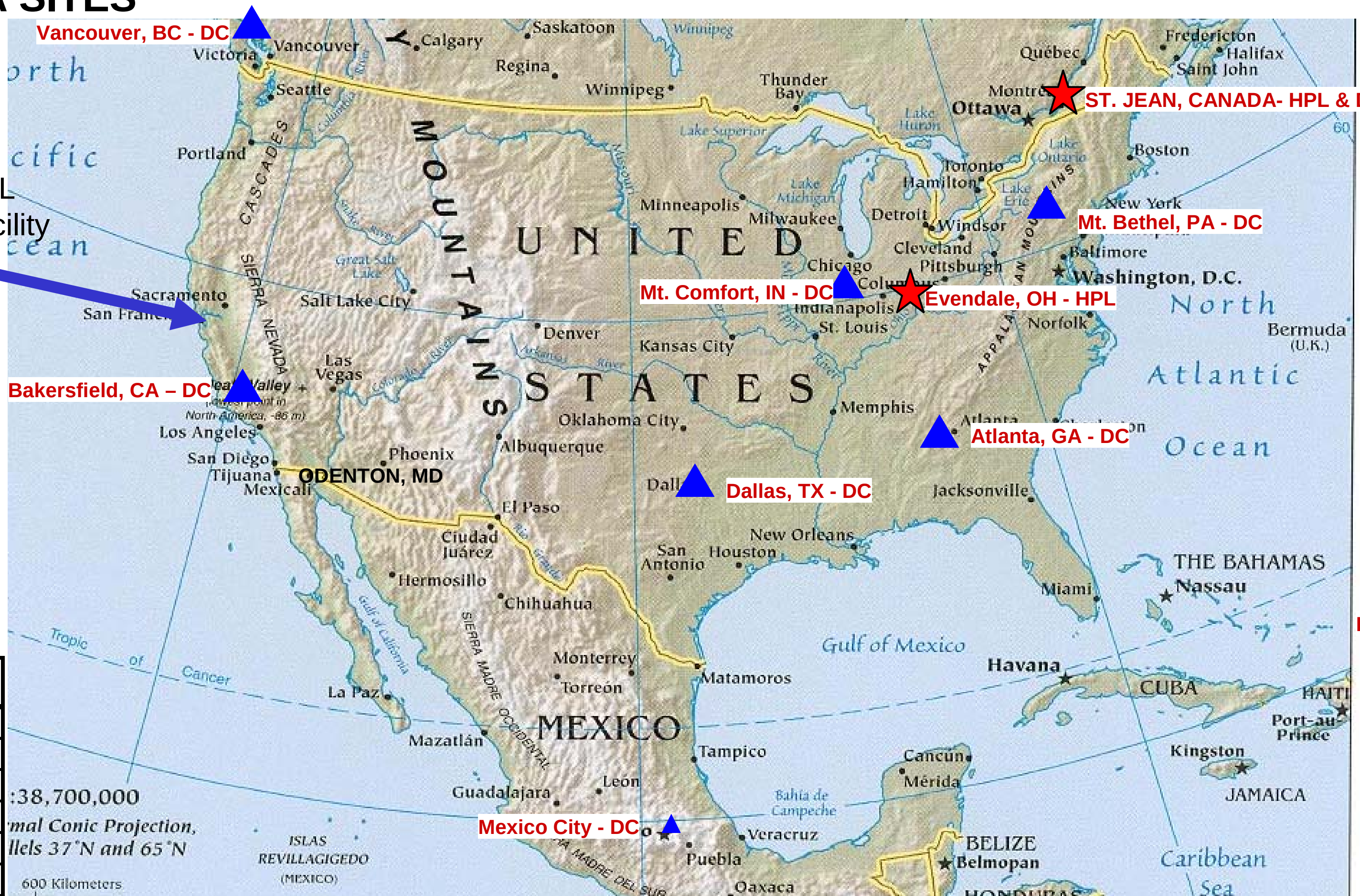
Industry	2008 Outlook
Housing Starts	Negative - Decline to late 2009
Existing Home Sales	Negative - Ongoing decline in 2008
Home Improvement Construction	Negative - Further decline
Building Materials Retail	Negative - Decline through 2009
Home Furnishings Retail	Negative - Decline through 2009

Source: NBMDA Economic Outlook Report Summer 2008

Operations Overview

NORTH AMERICA SITES

Previously 3rd HPL Manufacturing facility in California



Puerto Rico DC

DC Locations
Atlanta, GA
Dallas, TX
Mt Comfort, IN
Mt Bethel, PA
Bakersfield, CA
Puerto Rico
St Jean, Canada
Vancouver, BC
Mexico City

Plant Locations	Primary Products	Production Volume
Evendale, OH	HPL	#1
St Jean, Canada	HPL	#2

MANUFACTURING CONSOLIDATION, OPERATIONAL EFFICIENCY IMPROVEMENT STILL UNDERWAY

Despite transition challenges, the logic for North America production consolidation holds true. A path to recovery of projected performance exists

Logic for Consolidation:

- Excess Network Capacity and Fixed Costs
- Facility Locations Driving Excessive Transportation Costs
- Flexible Manufacturing Capabilities Needed to Meet Market Demands
- Simplify Service Model

Implementation Challenges:

- Impact of New Employees……..Training
- "State" of Existing Equipment
- Support Processes and Systems not Matched to Increased Volume and Complexity

IMPACT & RECOVERY ACTIONS TO DATE

Impact of Consolidation challenges:

Service:

- Production volume could not keep up with demand
- Inventory declined impacting service

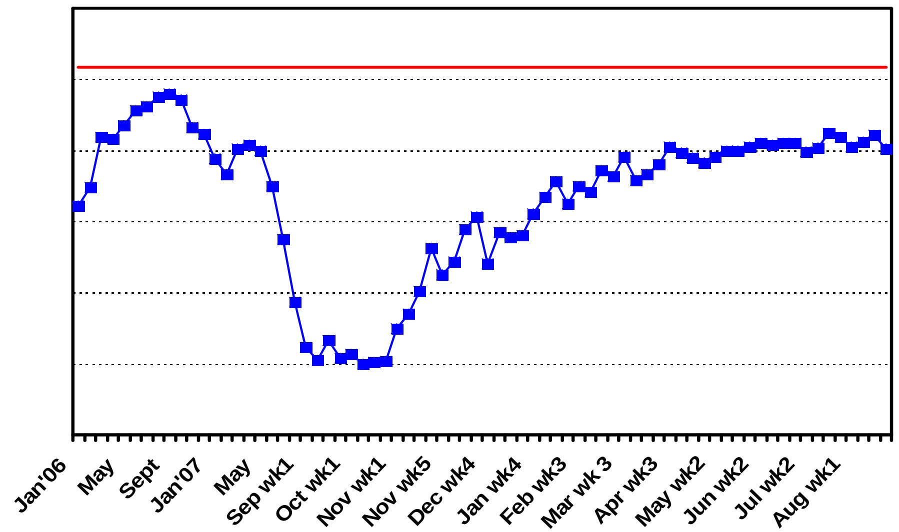
Cost:

- Scrap rates well above target levels
- Productivity not in line with plan
- Maintenance spending high to support equipment

Initial Recovery Actions:

- Ramped up production volumes to meet customer demand at elevated unit cost; restored service levels
- Major equipment investments:
  - Installation of new Trim Sand line
  - Rebuild of Phenolic treater
  - Major upgrade to press and plates
- Organizational Restructure: consolidated NA Ops responsibilities, restructured Evendale org to ensure accountability/ upgraded key positions

Service Levels (Customer Fill Rates)



Evendale Scrap Index

CONTINUATION OF EVENDALE RECOVERY EFFORTS

Evendale is implementing a relentless approach to shop floor improvements, leveraging the lean expertise from Formica Europe: David Pallas (VP, Global Operations) and team

Led by Formica Europe
Lean Deployment Team

- Intensified approach to Evendale shop floor management
  - Employee training program
  - Visual management tools
  - Equipment OEE (Overall Equipment Efficiency) tracking
- Lean deployment in Model Cell (Phenolic Treaters)
  - Similar process in North Shields facility has improved OEE
- Relentless focus on maintaining and rebuilding equipment:
  - Scheduled rebuilds: presses, phenolic treaters
  - New automated cutter/ collator

Customer Impacts:

- Increased 'certainty' in production resulting in increased certainty in shipping
- Improved quality experience

Financial Impacts:

- Lower scrap rates
- Increased labor productivity
- Reduced long term maintenance spending

EVENDALE PLANT TOUR

TOUR GUIDES

Mitch Quint Vice President Operations North America

Mark Ferguson Evendale Plant Manager

Dale Setty Production Manager

FORMICA HISTORY OF CINCINNATI MANUFACTURING

Formica's First Factory on 2nd & Main,
May 1913.

Formica's Move to Spring Grove Ave.,
circa 1921.

Bottom RHS
Ground was broke for the new Evendale site was June 28, 1950. It was opened February 5, 1951.

EVENDALE FACILITY

• **Site**	123.7 acres
• **Facility size**	850,000 sqft
- Production area :	650,000 sqft
- Logistics:	200,000 sqft
• **Administration Buildings**	
- NAHQ & Divisional	118,000 sqft
• **Shift Schedule**	3 shifts/ 5 days
• **Total employees**	~410

MANUFACTURING PROCESS