



Annual Shareholders' Meeting

12 November 2008



FletcherBuilding



Dr Roderick Deane
Chairman



Directors

- Dr Roderick Deane (Chairman)
- Paul Baines
- Hugh Fletcher
- John Judge
- Jonathan Ling (Managing Director)
- Geoffrey McGrath
- Sir Dryden Spring
- Kerrin Vautier
- Ralph Waters

Meeting agenda

- Chairman's overview
- Chief Executive Officer's address
- Trading outlook
- Shareholder questions and discussion
- Consideration of, and voting on, the resolutions of the meeting

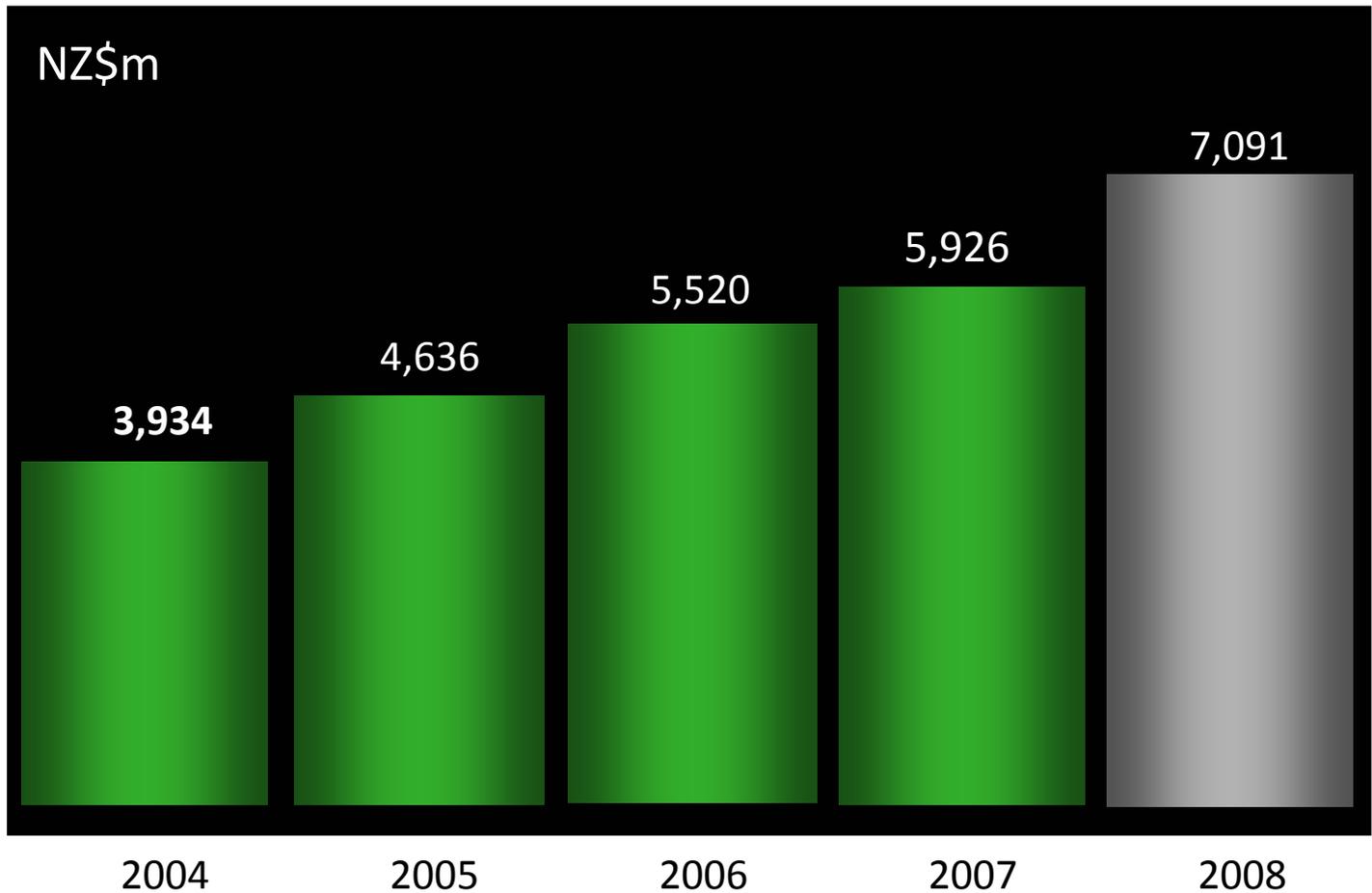


Overview remarks

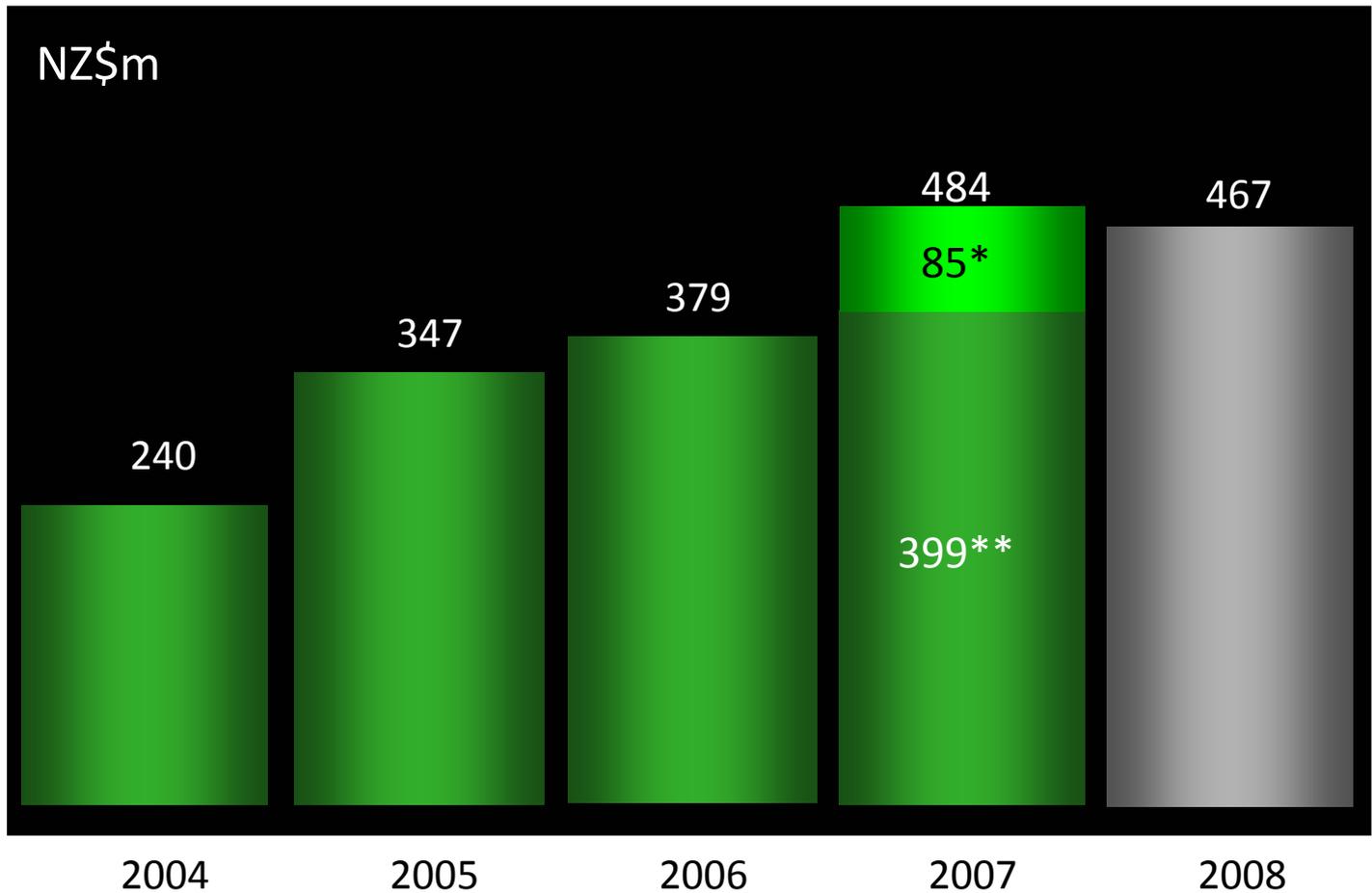


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Sales



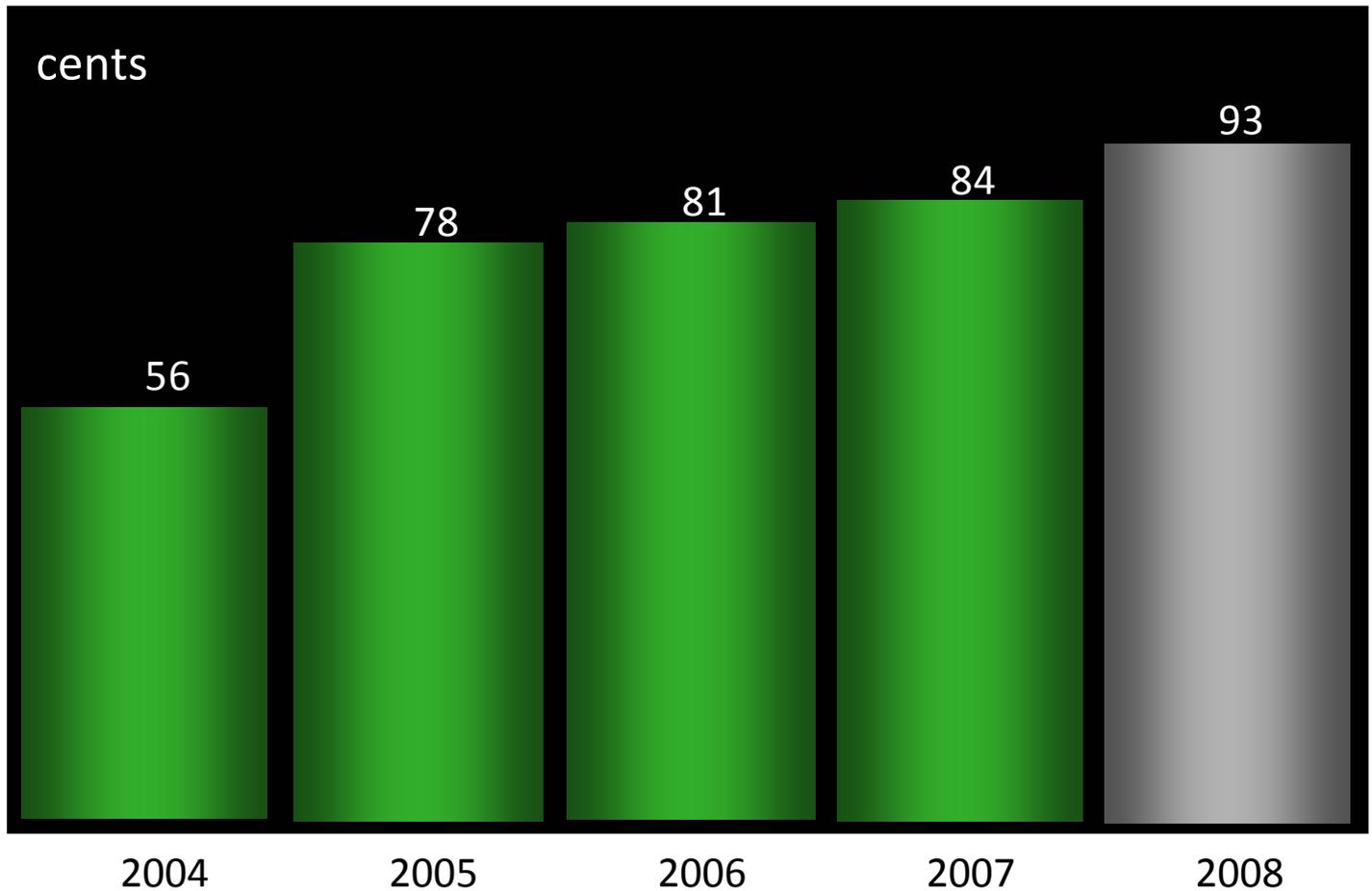
Net earnings



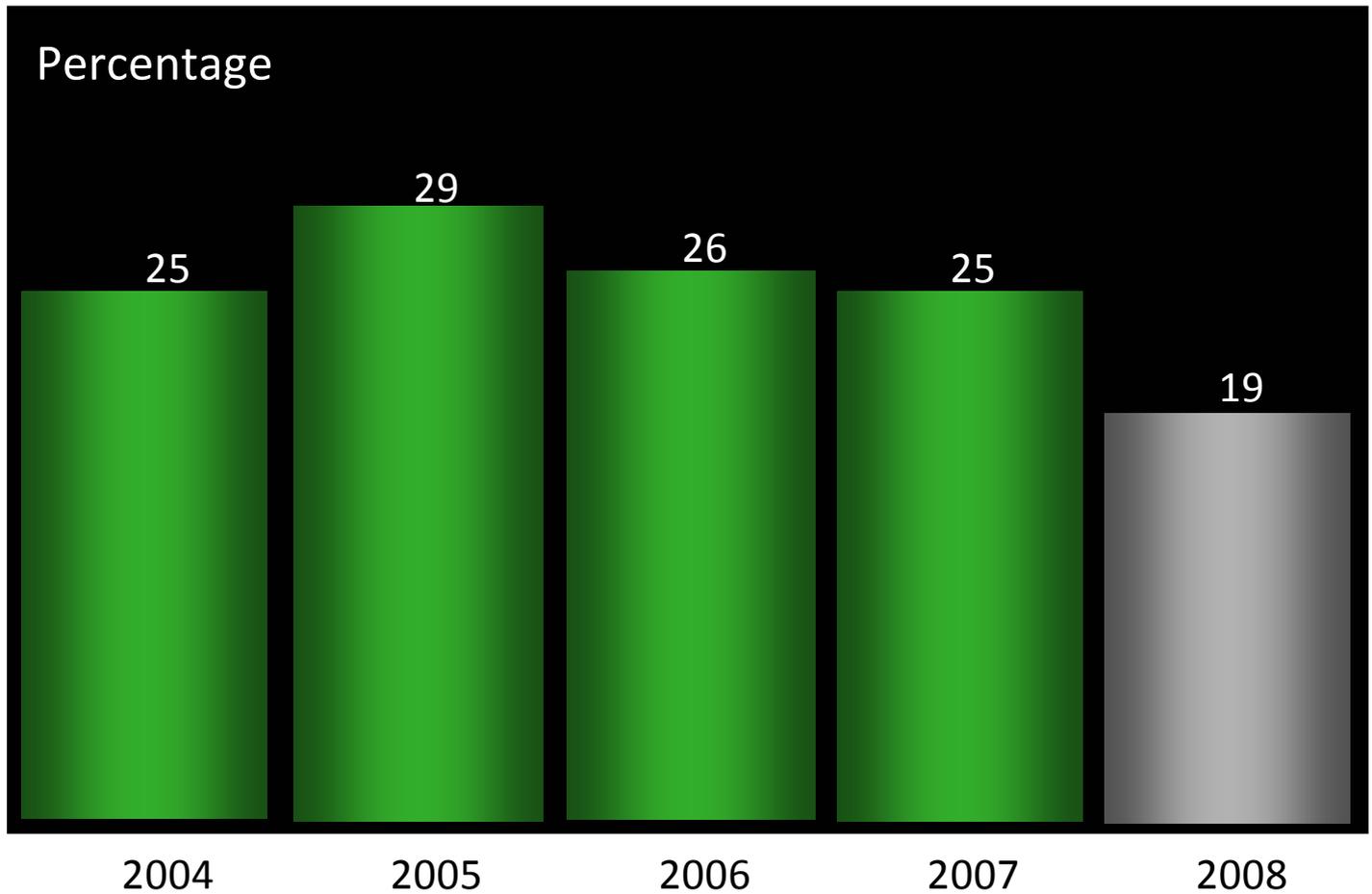
* Net unusual items

** Net earnings on a normalised basis

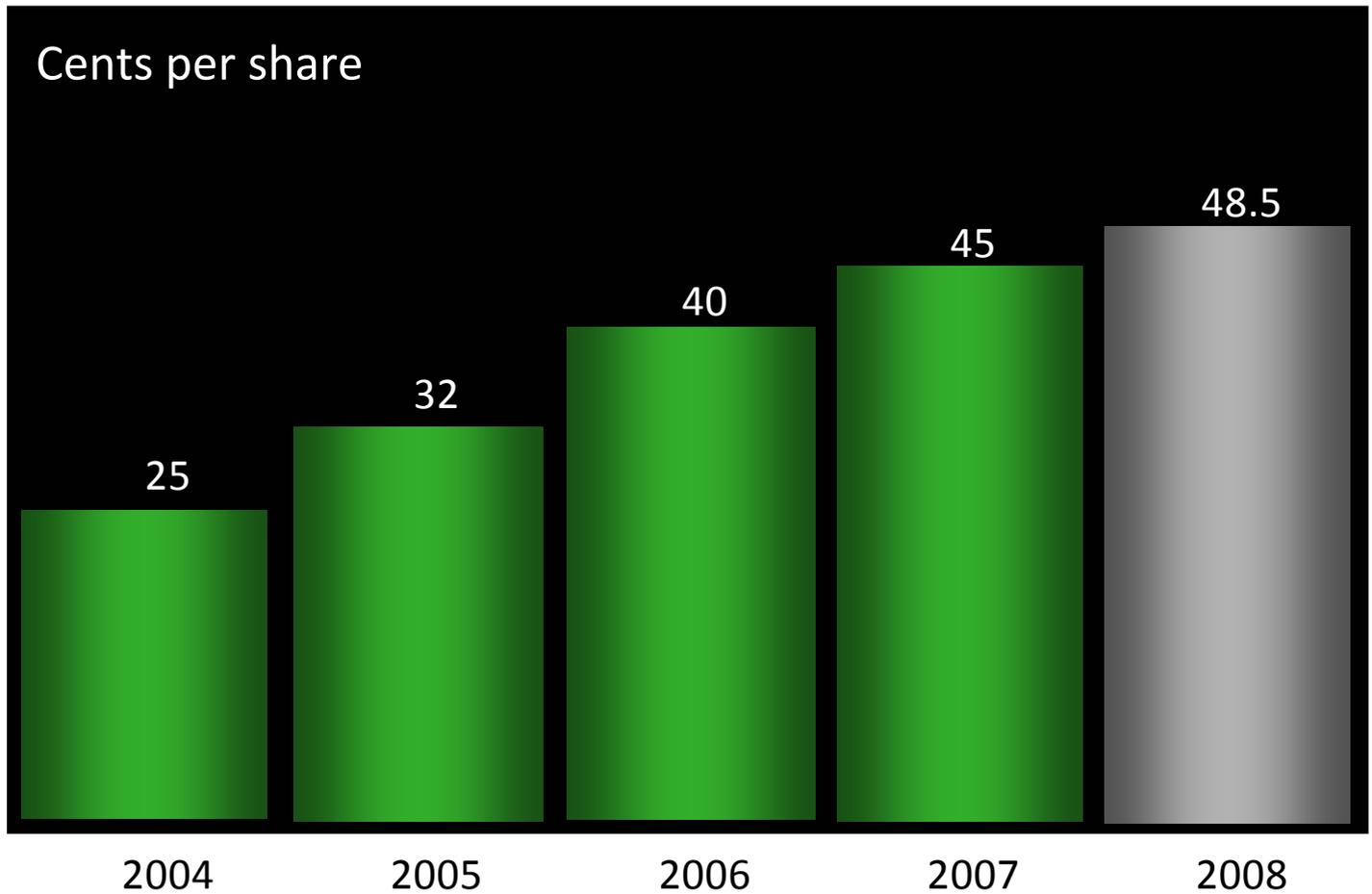
Earnings per share - pre-unusuals



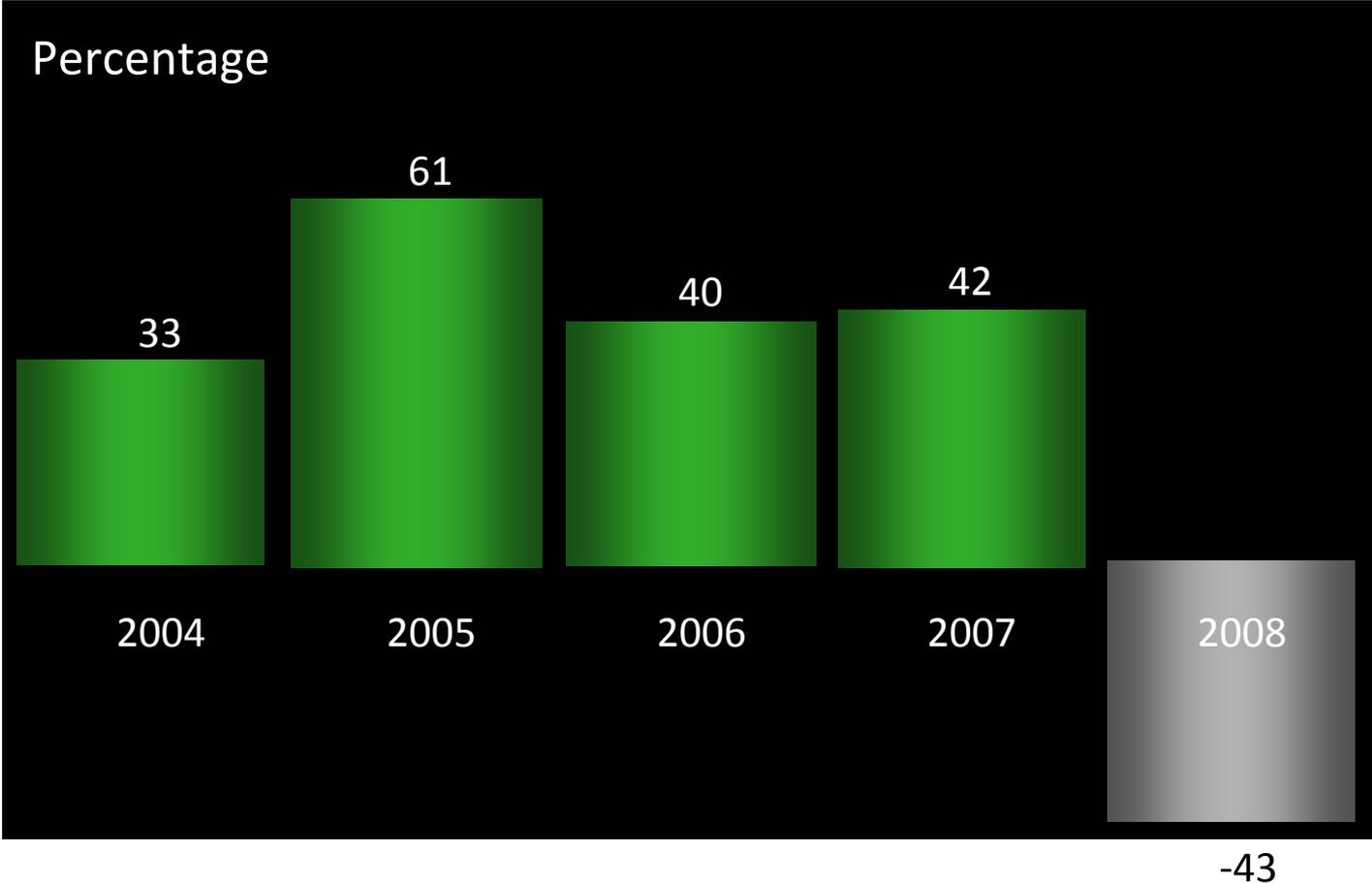
Return on average funds



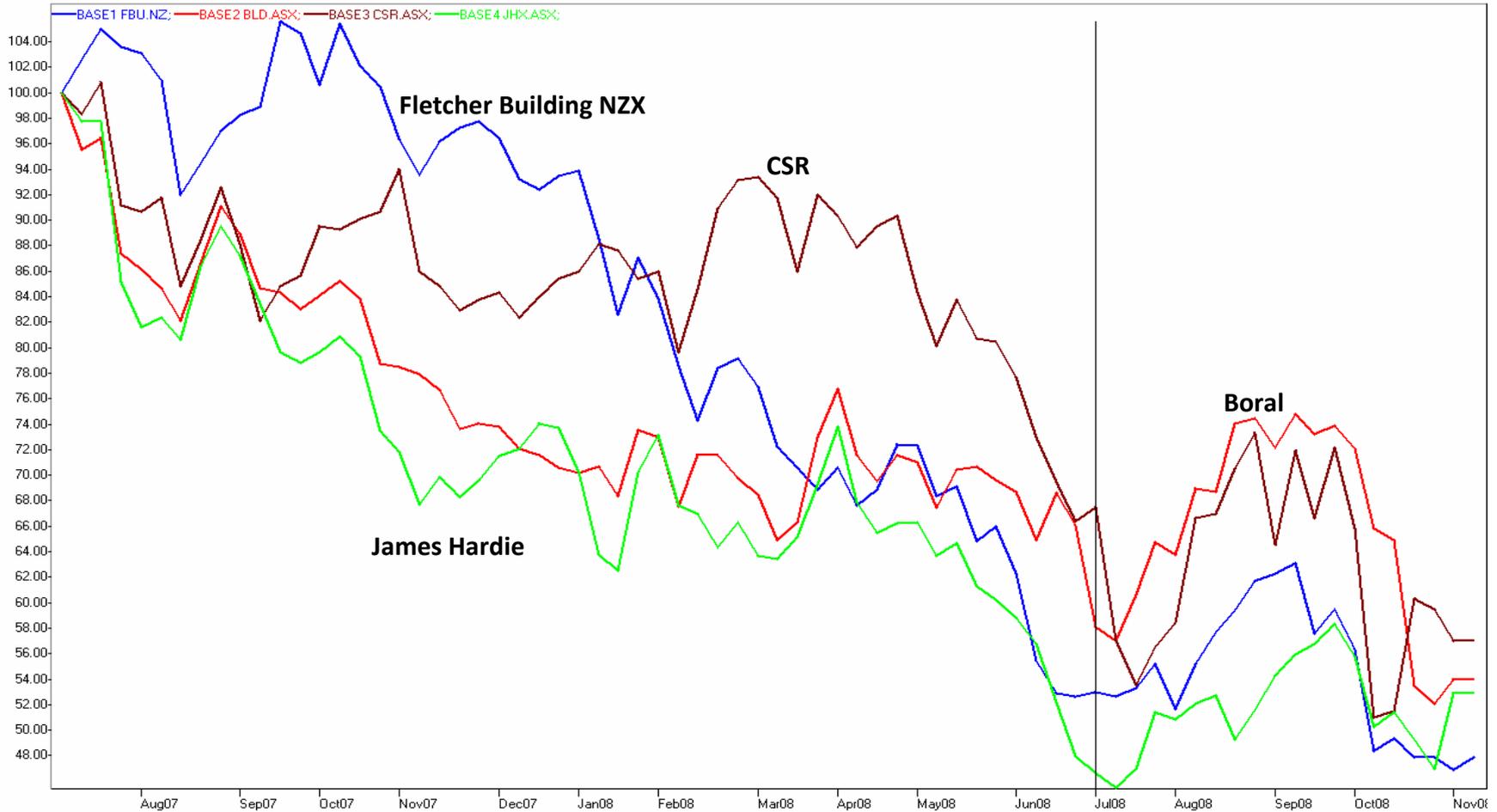
Dividends



Total shareholder return (TSR)



Fletcher Building relative share price performance





International business context



Responding to a challenging environment

- Reducing operating expenditure
- Constraining capital expenditure
- Working capital and cashflow management
- Maintaining conservative balance sheet settings



Governance and reporting



Our people





Jonathan Ling
Chief Executive and Managing Director





Results overview



Market conditions in FY2008

New Zealand:

- Residential market softened throughout the year
- Commercial and infrastructure markets remained strong

Australia:

- Markets were softer overall
- Slowdown noticeable in the second half

North America:

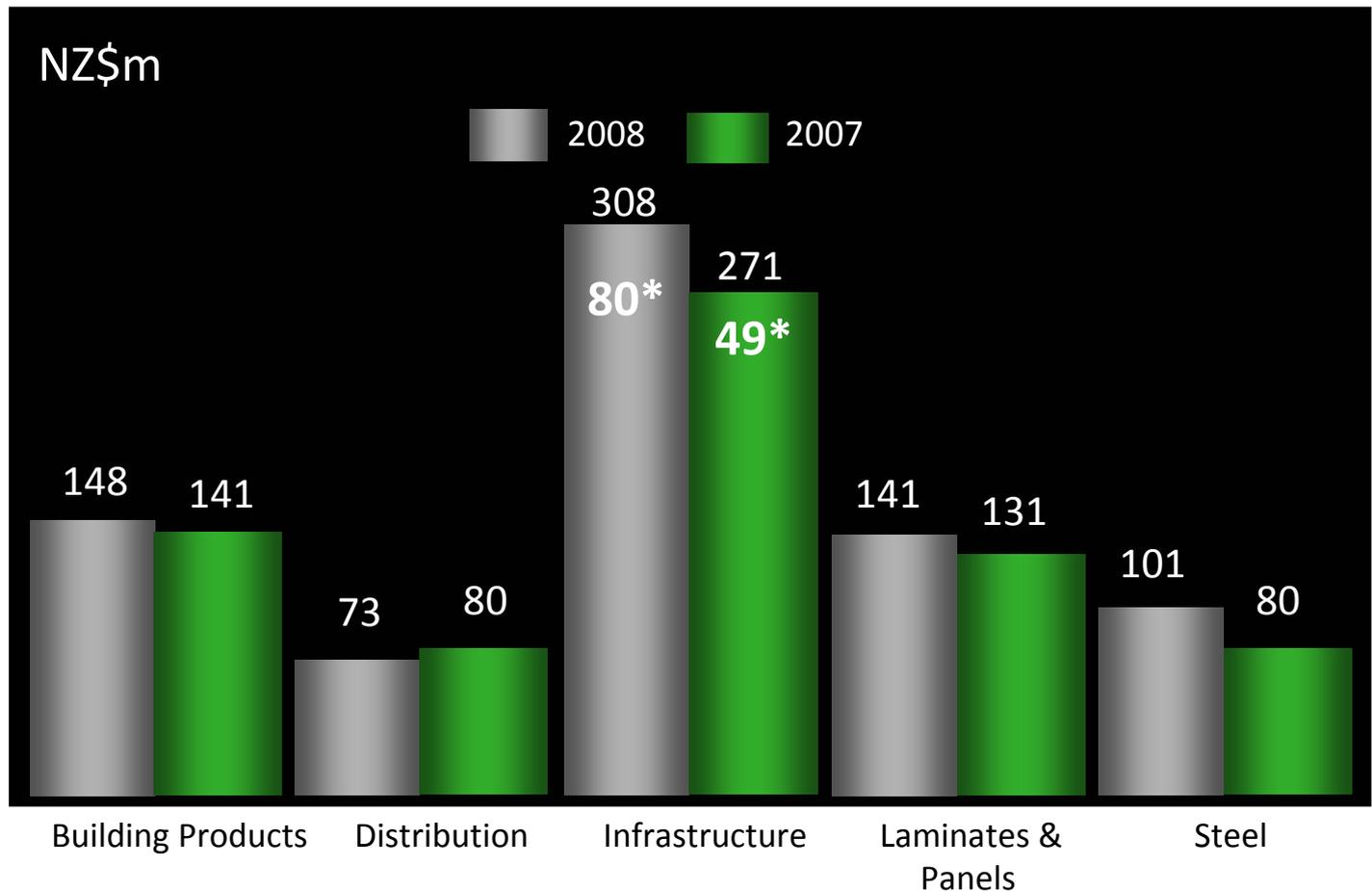
- Sub-prime mortgage crisis had a marked impact on residential market
- Canada remained strong

Europe:

- UK and Spain came under pressure, other European markets solid

Asia: Remained strong

Operating earnings pre-unusuals



* Property earnings

Building Products

- **Sales** up 6% to \$739 million
- **Operating earnings** up 5% to \$148 million
- Insulation earnings up 12% including Forman Insulation
- Metal roof tiles earnings up 16%
- Wallboards earnings down 2% due to weakness in the last quarter
- Strong performances in sinkware and floors

Distribution

- **Sales** up 2% to \$1.08 billion
- **Operating earnings** fell by 9% to \$73 million
- Margins impacted by increased competition and deteriorating retail market conditions
- PlaceMakers store refurbishment continued with Thames, Dunedin and Wairau Park;
- A new Frame & Truss operation in Christchurch
- Continued focus on working capital

Infrastructure

- **Sales** down 4% to \$1.857 billion
- **Operating earnings** up 14% to \$308 million
- Earnings from property related activities \$80 million versus \$49 million in FY2007
- Lower demand in NZ for cement, aggregates, readymix concrete, and masonry
- Pipe business: 24% volume growth in NZ
- Construction: strong year, work backlog \$1.3 billion
- Australia concrete products and quarry earnings up 25% to \$59 million

Laminates & Panels

- **Sales** doubled to \$2.1 billion with Formica
- **Operating earnings** up 8% to \$141 million
- US
 - Market for HPL declined 9%
 - Evendale plant consolidation impacted earnings
- UK and Spain experienced market weaknesses
- Australia
 - Sales higher but operating earnings down due to higher input costs, lower margins
- NZ sales impacted by closure of Penrose and Taupo

Steel

- **Sales** up 10% to \$1.3 billion
- **Operating earnings** up 26% to \$101 million
- Second half saw improved earnings with exit of unprofitable businesses and higher scrap prices
- Long steel: record scrap metal prices negatively impacted results
- Rollforming: strong year in both NZ and Australia
- New businesses – Eziform Sheetmetals and Fair Dinkum Homes and Sheds performed well
- Further acquisitions: Garage World, Shed Boss



Current operating climate



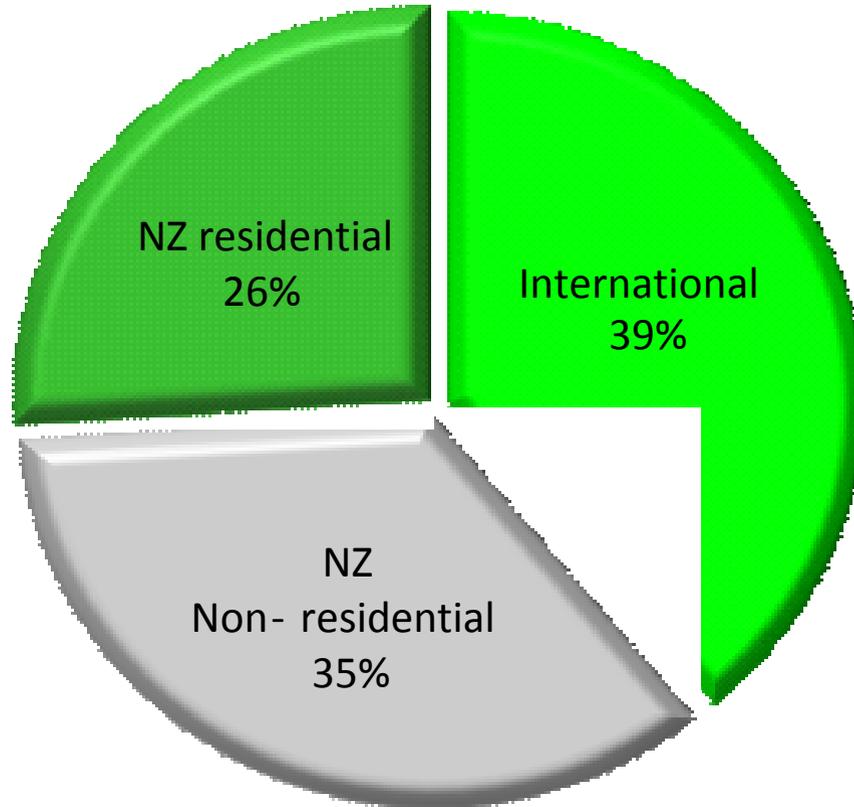


Geographic and business diversification

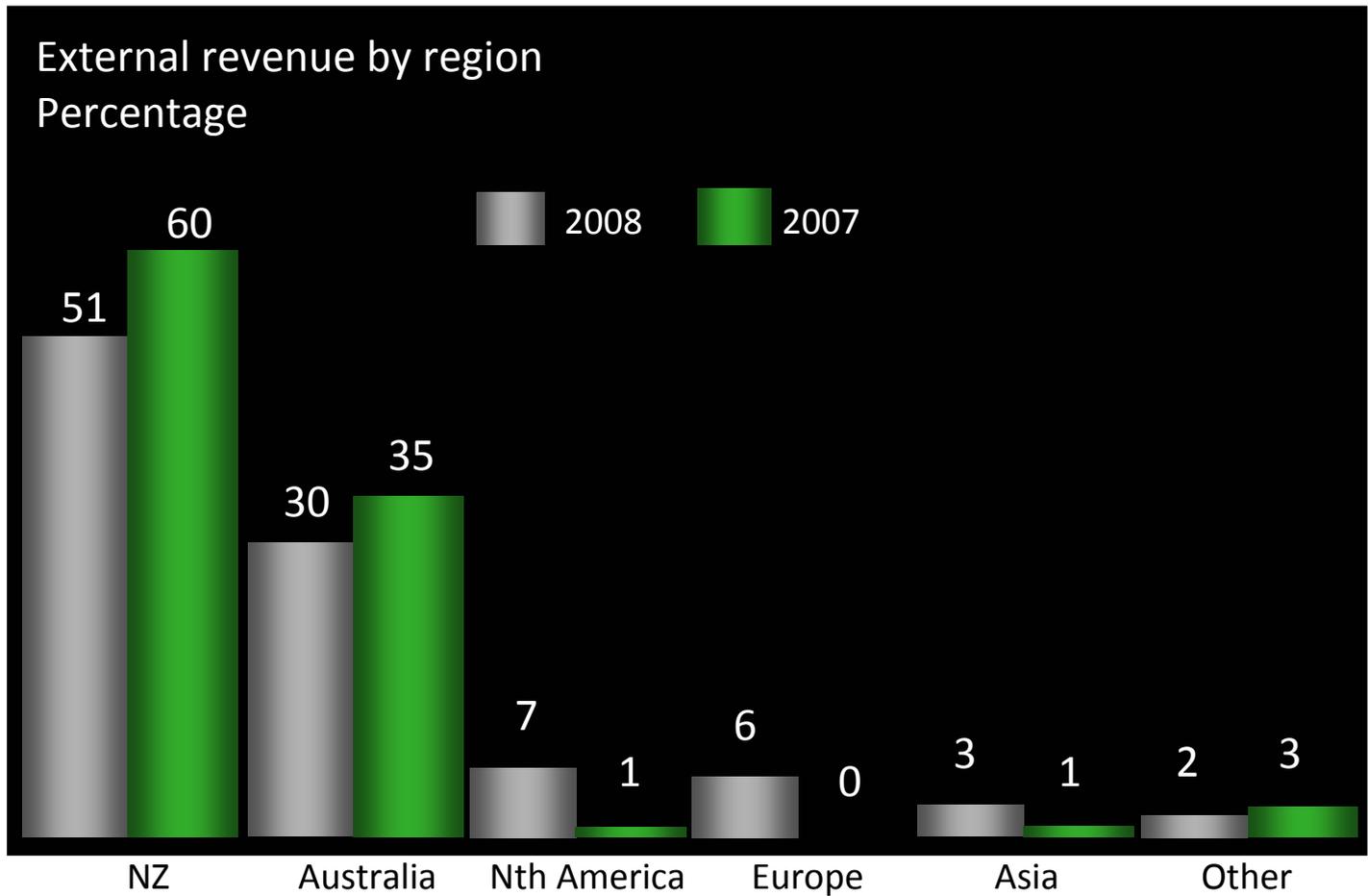


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New Zealand residential exposure is reducing



Diversification of sales continues to improve

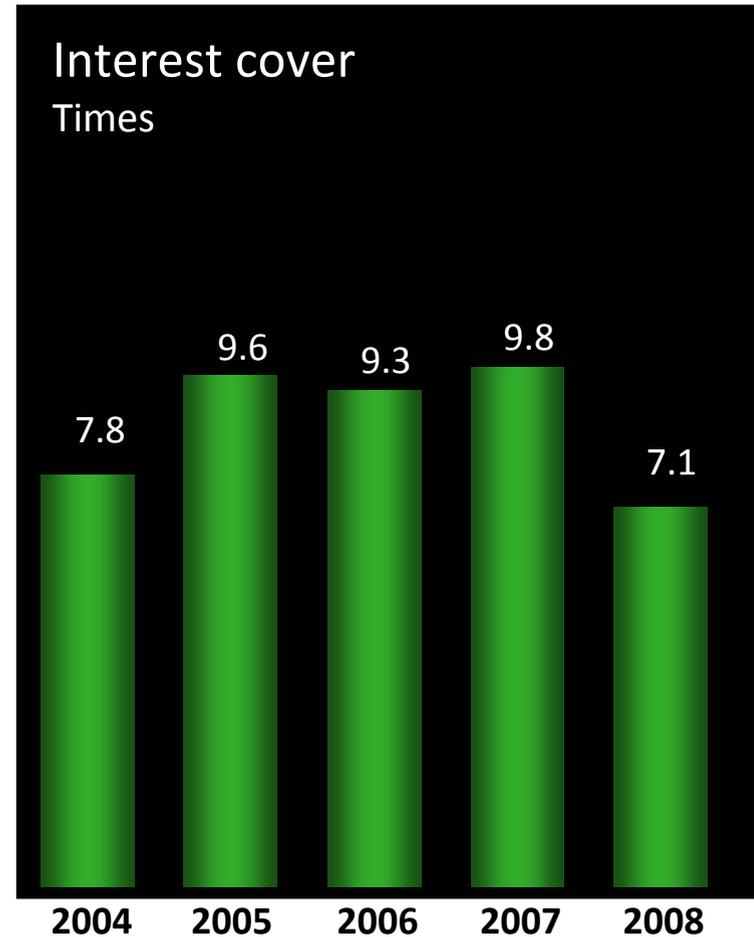
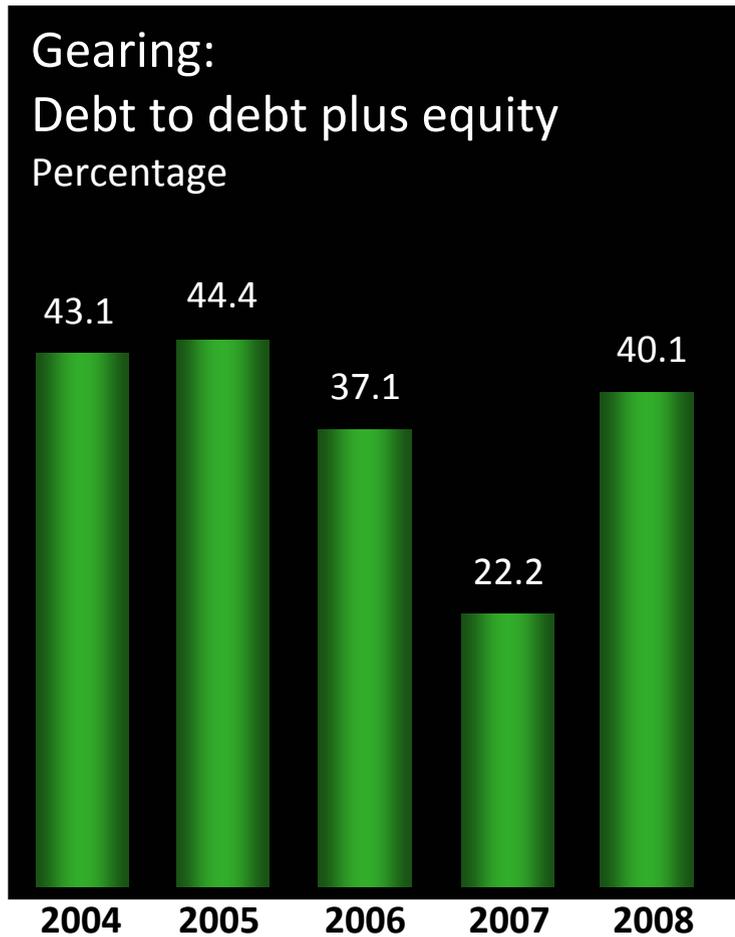




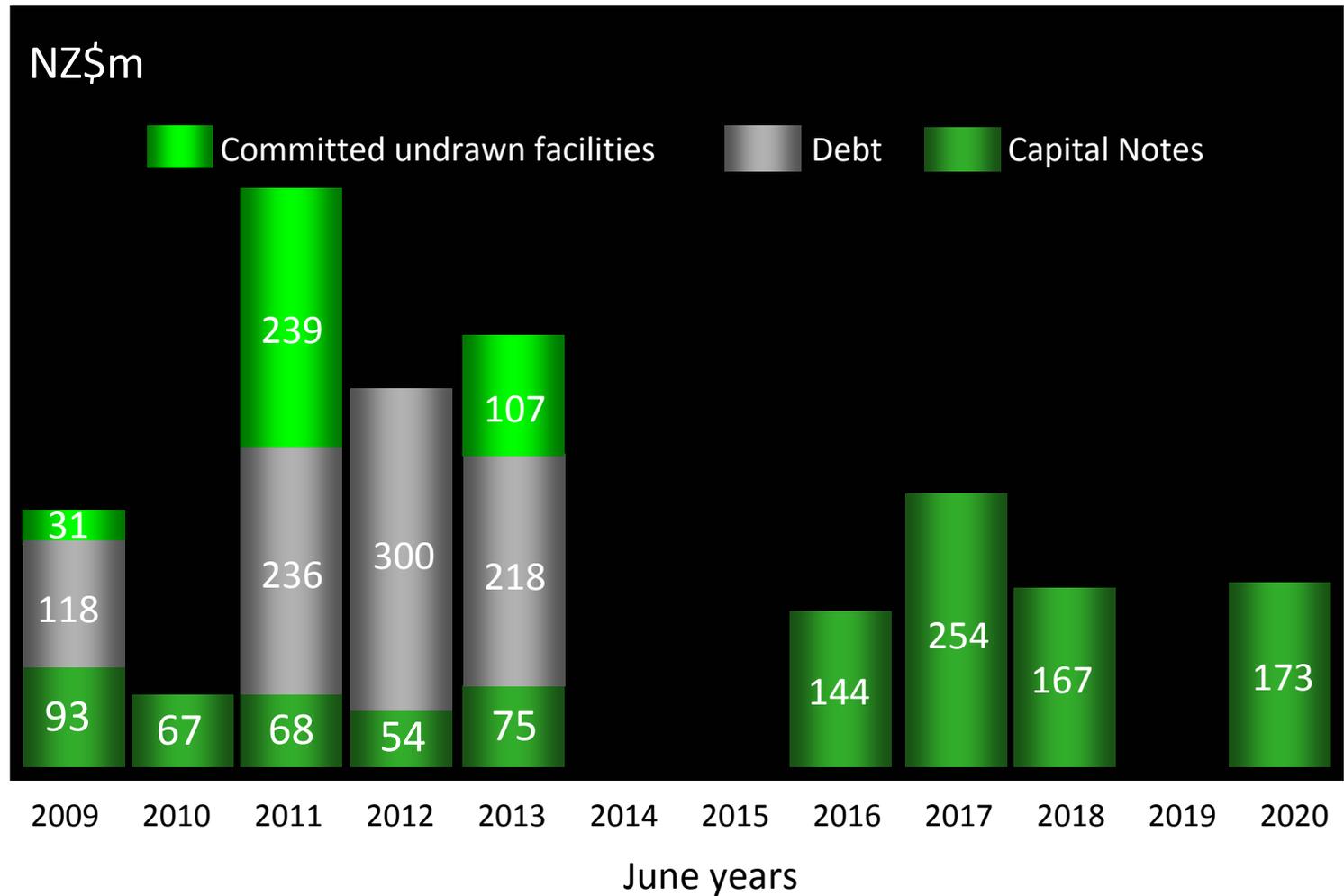
Financial strength



Financial position remains strong



Debt maturity profile





Responding to the current environment



Responding to the current environment

- Cost savings are being pursued across the business
- Shift numbers and staffing levels at key plants reduced in response to lower volumes
- Prices adjusted to reflect increased input and transportation costs
- Inventory and working capital actively managed
- Capital expenditure reduced to approx. \$250 million in FY 2009



Sustainability



Environmental sustainability

- NZ Emissions Trading scheme legislation passed
 - Will come into effect in 2010
 - Golden Bay Cement and Pacific Steel will be required to acquire and surrender emission units
 - all operations will face higher energy costs
- Participated in the Carbon Disclosure Project:
 - we have a clear understanding of our emissions profile
 - and options for further reduction
- Australian Govt. emissions trading scheme also proposed
- Climate Change and Environmental Sustainability Council established



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Dr Roderick Deane
Chairman





Outlook



Market outlook 2009

- Good infrastructure markets in New Zealand and Australia
- Residential
 - NZ housing consents at 25 year low
 - Australia weakening
 - US remains weak
- Europe: UK and Spain down, other European markets likely to be softer
- Asia still showing growth albeit slower
- Significant operational improvements expected in Formica USA

Performance outlook

- Current range of analysts' forecast net earnings excluding unusu-als for FY 2009 is NZ\$289 million to NZ\$354 million
- If current trading conditions are maintained then net earnings for the full year should be within this range
- Range reflects significant level of uncertainty globally
- Dividend
 - Current intention is to maintain dividend at same cents per share as 2008
 - Final decision dependent on financial outcome for the year



Dr Roderick Deane
Chairman





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