FOCUS

Fletcher Building

Full Year Results to 30 June 2018

ROSS TAYLOR
— Chief Executive Officer

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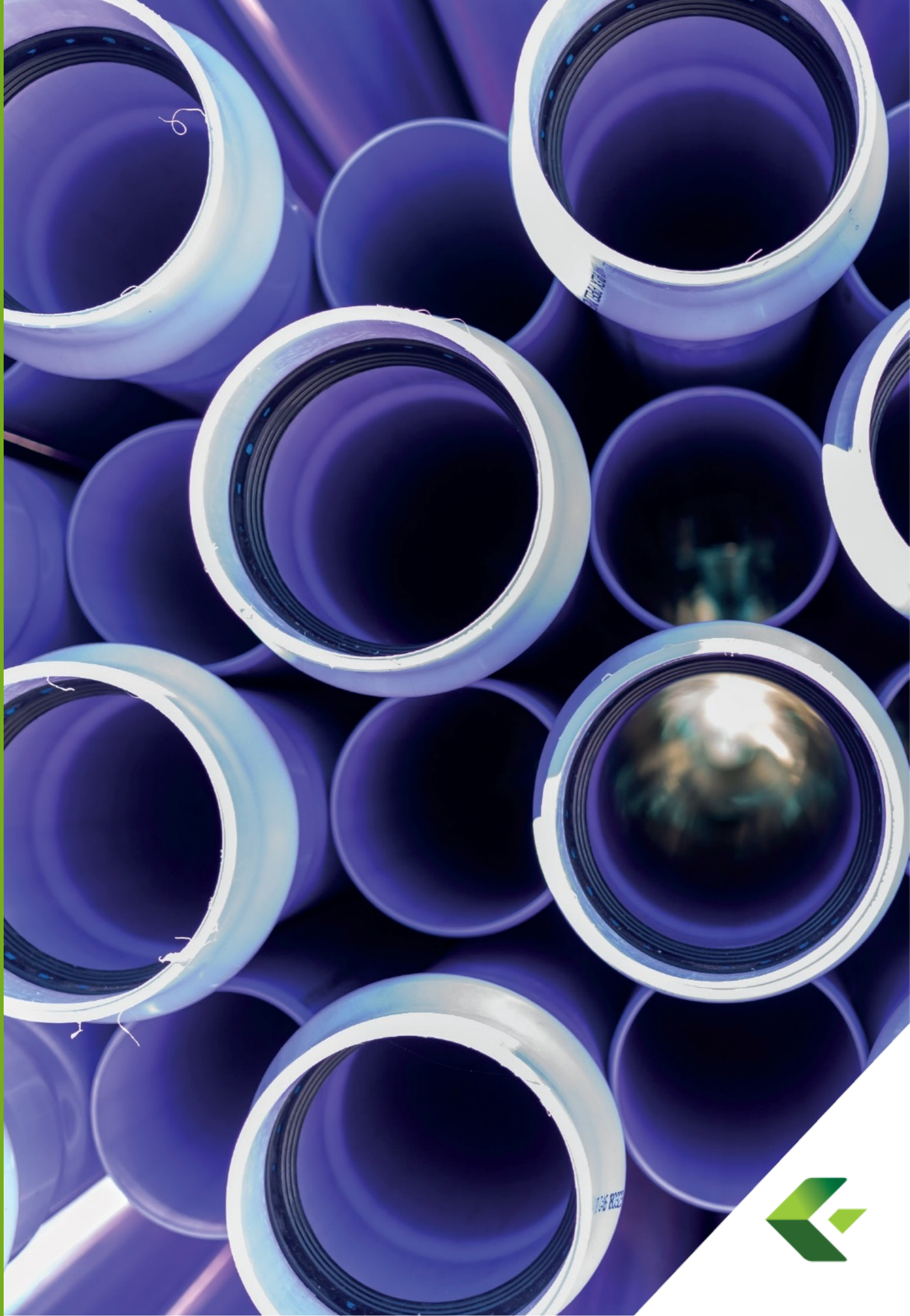
— Chief Financial Officer

22 August 2018



Important Information

This Full Year Results presentation dated 22 August 2018 provides additional comment on the management commentary of the same date. As such, it should be read in conjunction with, and subject to, the explanations and views of future outlook on market conditions, earnings and activities given in that commentary.

In certain sections of this presentation the Group has chosen to present certain financial information exclusive of the impact of Significant Items and/or the results of the Building + Interiors (B+I) business unit, consistent with previous market guidance. Where such information is presented, it is clearly described and marked with an appropriate footnote. This allows the readers of this presentation to better understand the underlying operations and performance of the Group.

The Group's financial results, including comparative information, have been presented in accordance with the revised divisional structure announced on 21 June 2018.

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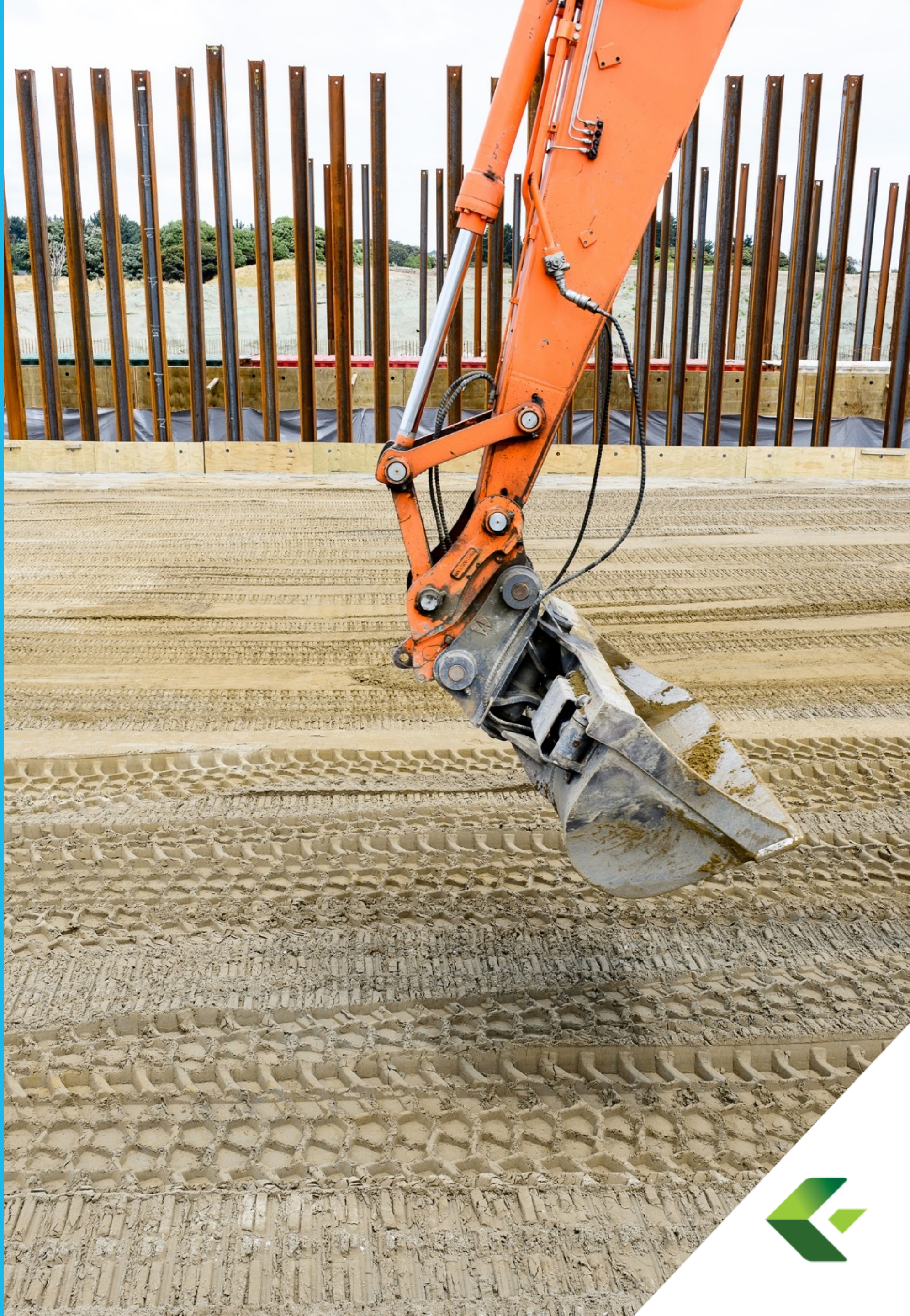


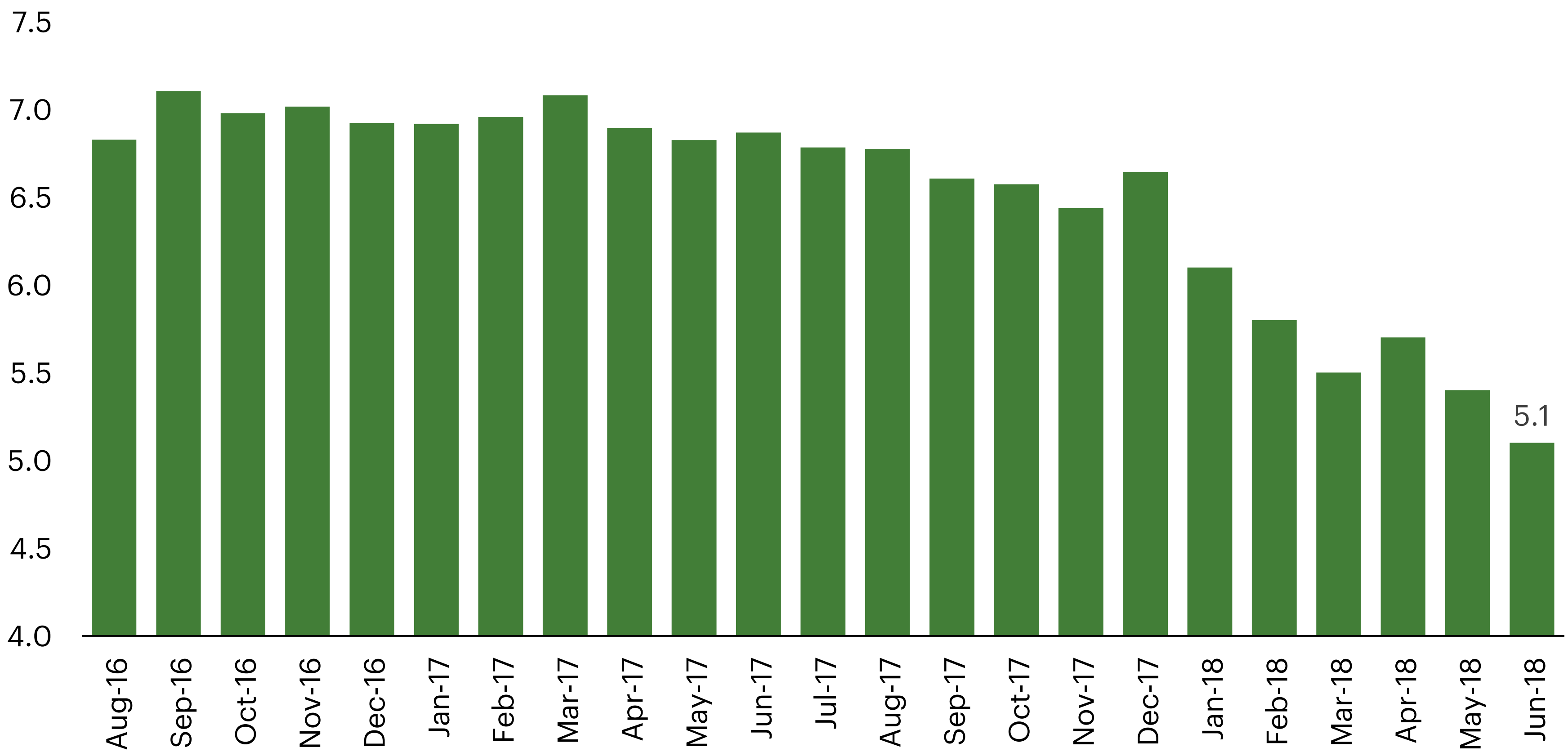
Results Overview

NZ$m	June 2017 12 months	June 2018 12 months	Change $m
Revenue	9,399	9,471	72
Operating earnings before significant items[1]	525	50	(475)
Net earnings before significant items	321	(60)	(381)
Significant items (post tax)	(227)	(130)	97
Net earnings	94	(190)	(284)
Cashflow from operating activities[2]	243	396	153
Basic earnings per share (cents)	13.5	(25.5)	(39.0)
Dividends declared per share (cents)	39.0	0.0	(39.0)
Operating earnings before significant items ex B+I[3]	817	710	(107)

[1] *Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building's financial statements for the year ended 30 June 2018. Details of significant items can be found in note 4 of the financial statements.*
[2] *Cashflow from operating activities is EBITDA less net interest, less cash tax, less provisions and net of working capital movements*
[3] *Measure excludes the impact of the Building + Interiors (B+I) business unit*

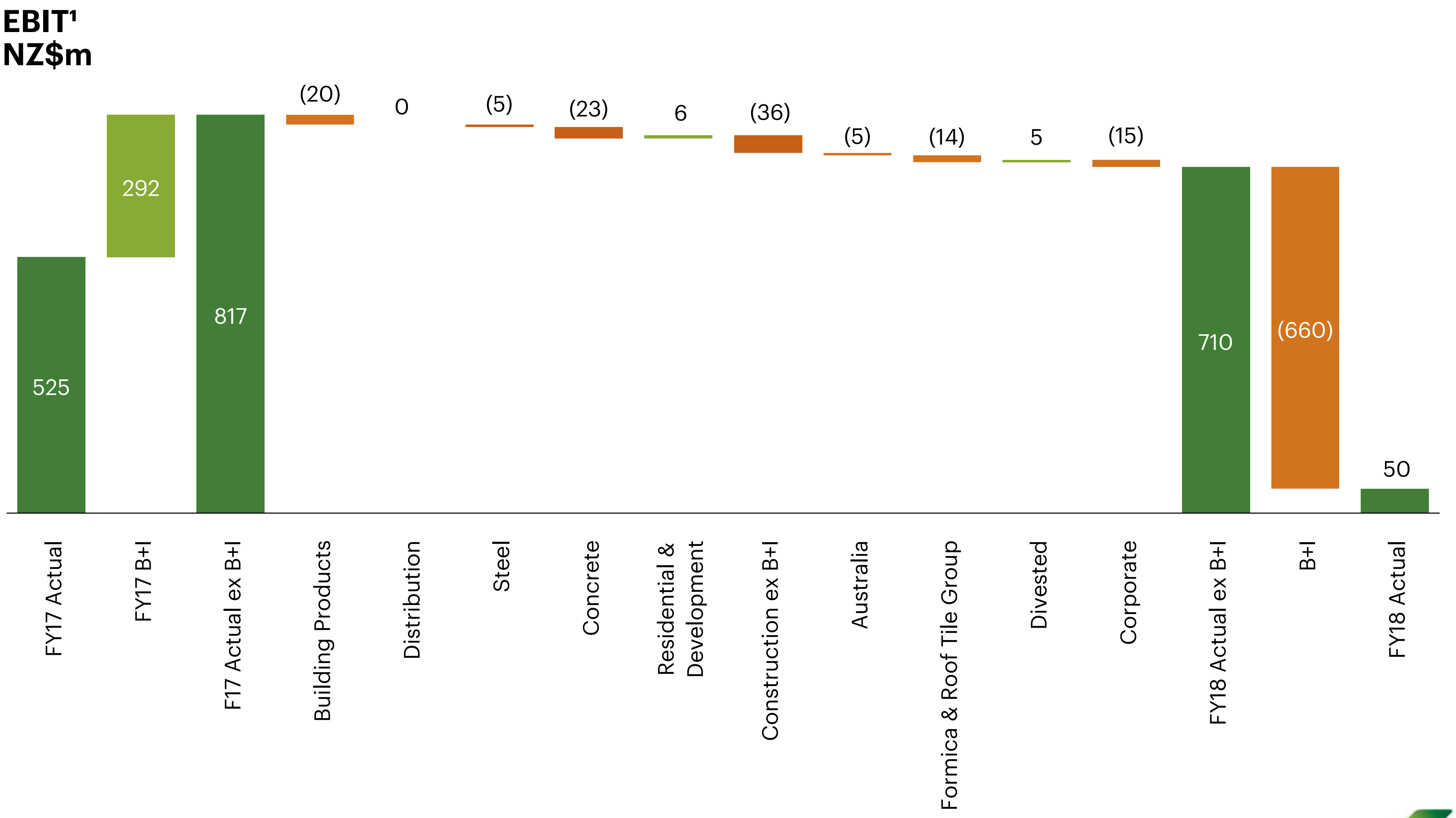
Results Overview
Safety performance

Fletcher Building Total Recordable Injury Frequency Rate[1]



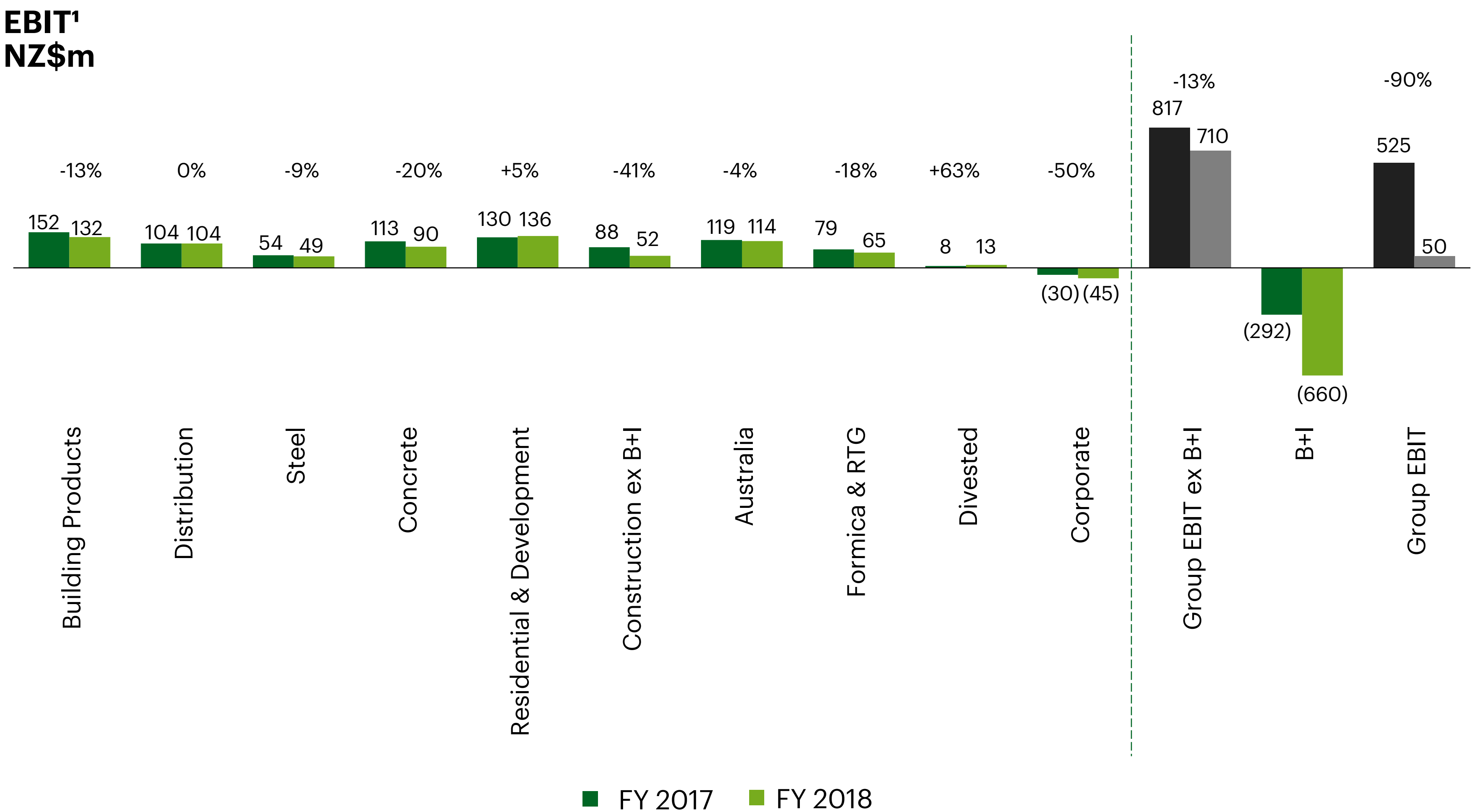
[1] *Number of injuries over the last 12 months rolling per million hours worked*

Results overview
FY18 vs FY17 EBIT bridge



[1] *Before significant items*

Results overview
EBIT by division



[1] *Before significant items*

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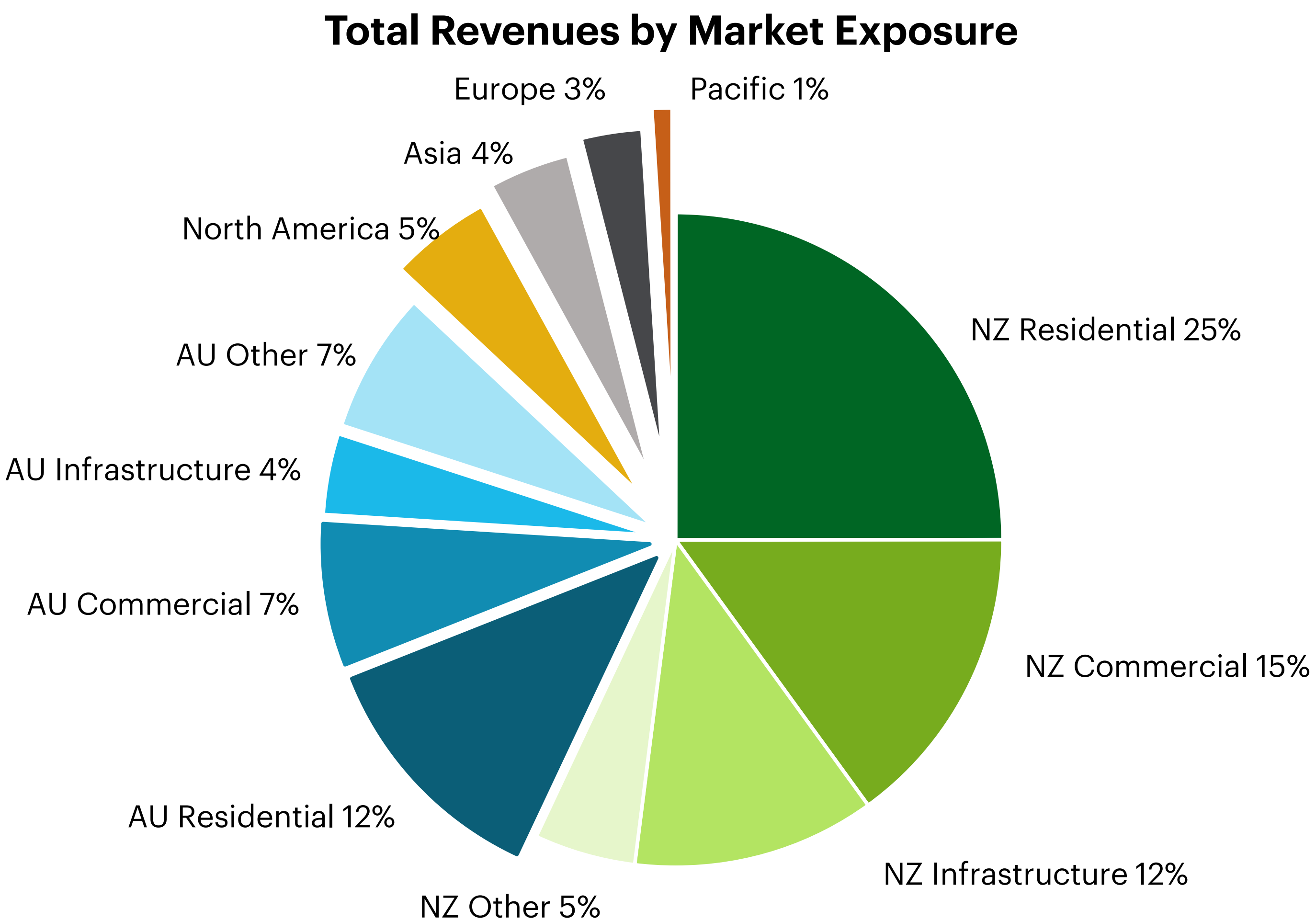
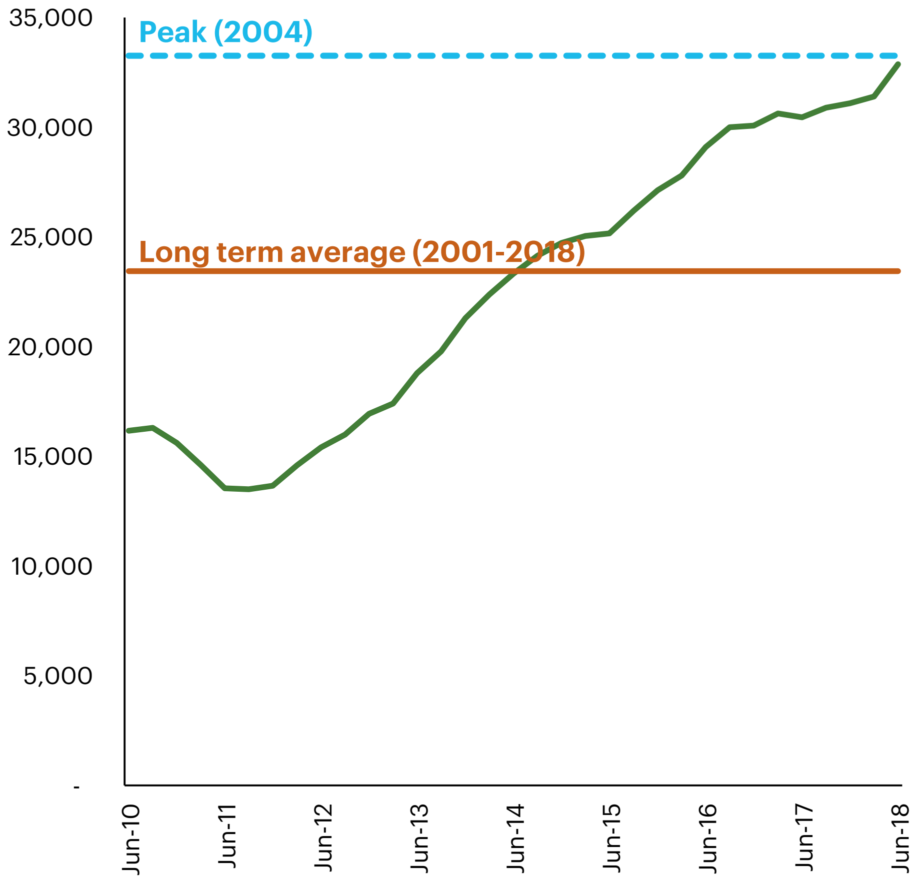
Industry context
Revenue exposure to markets

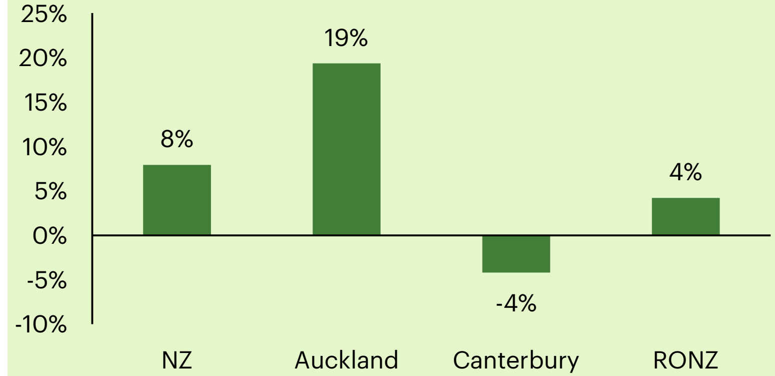


Industry context
NZ Residential consents up 8%, high net migration

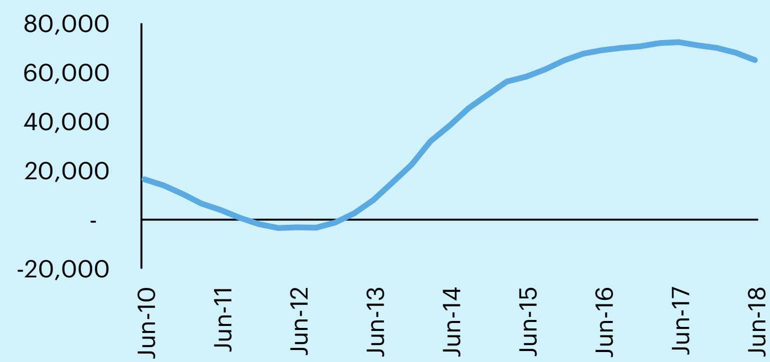
Total Residential Consents[1]



Change Year on Year



Net Migration Rolling 12 Month

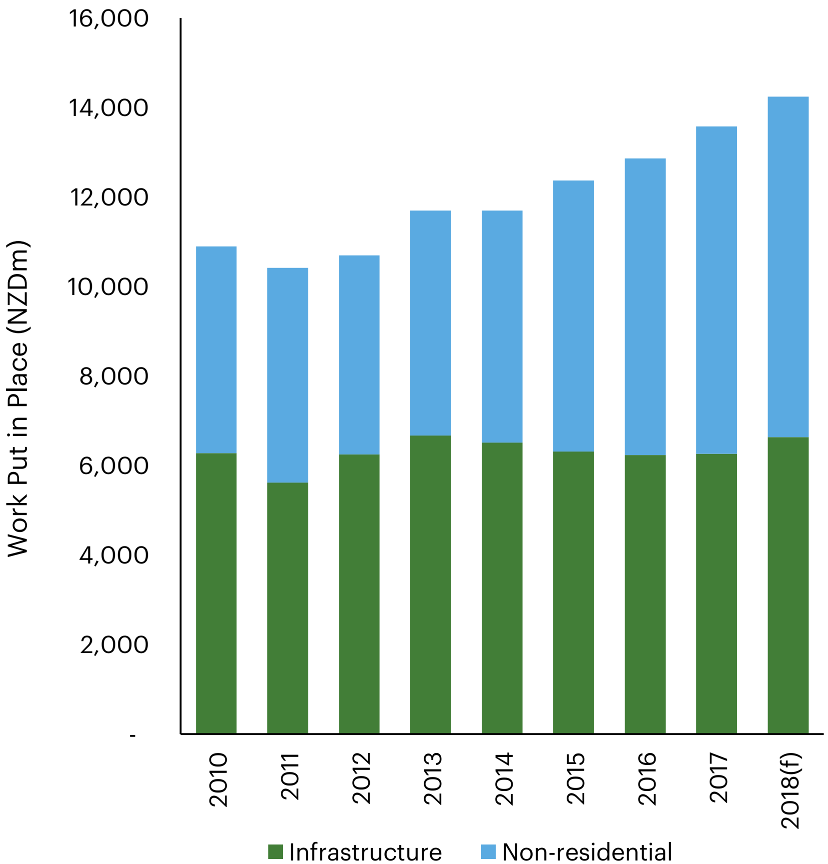


Source: Statistics NZ, Infometrics

[1] *Twelve months rolling*

Industry context
NZ infrastructure and commercial sectors strong

NZ Infrastructure and Non-residential Work Put in Place



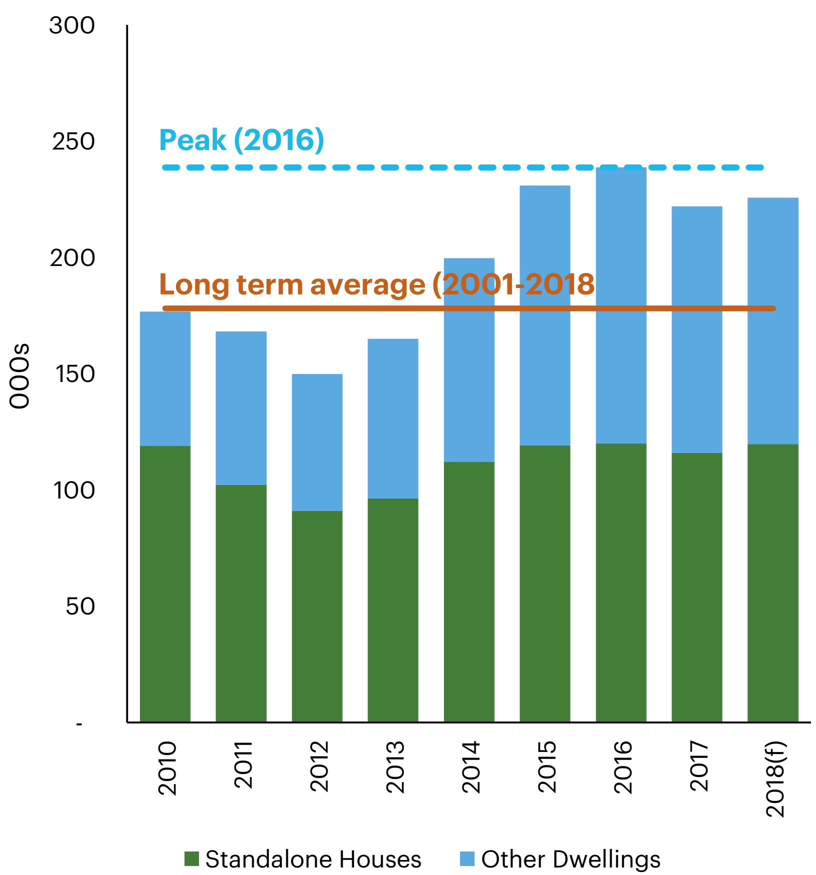
Source: Infometrics – Financial years

NZ Infrastructure and Commercial Work Put in Place Change Year-on-Year

Source: Infometrics – FY2018 growth yoy

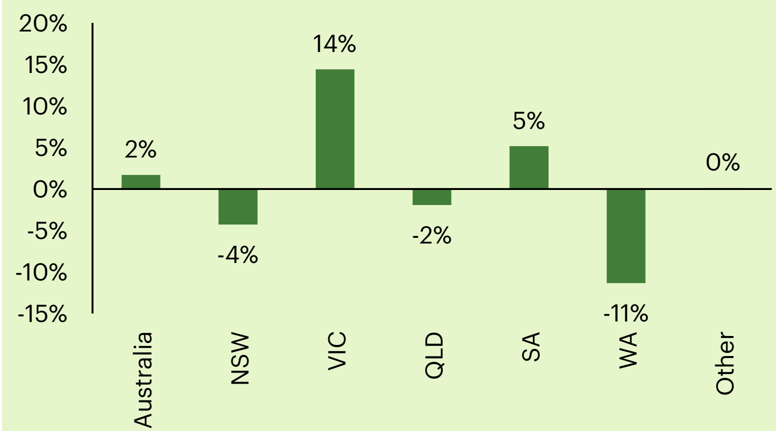
Industry context
AU residential activity off recent peaks

Australian Residential Approvals

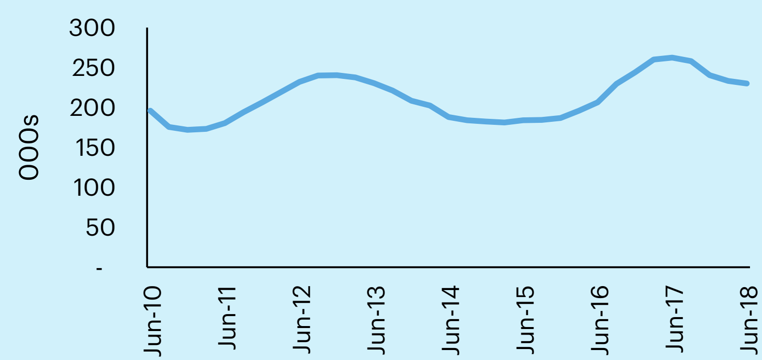


Source: BIS – Financial years

Australian Residential Approvals Growth Change Year-on-Year



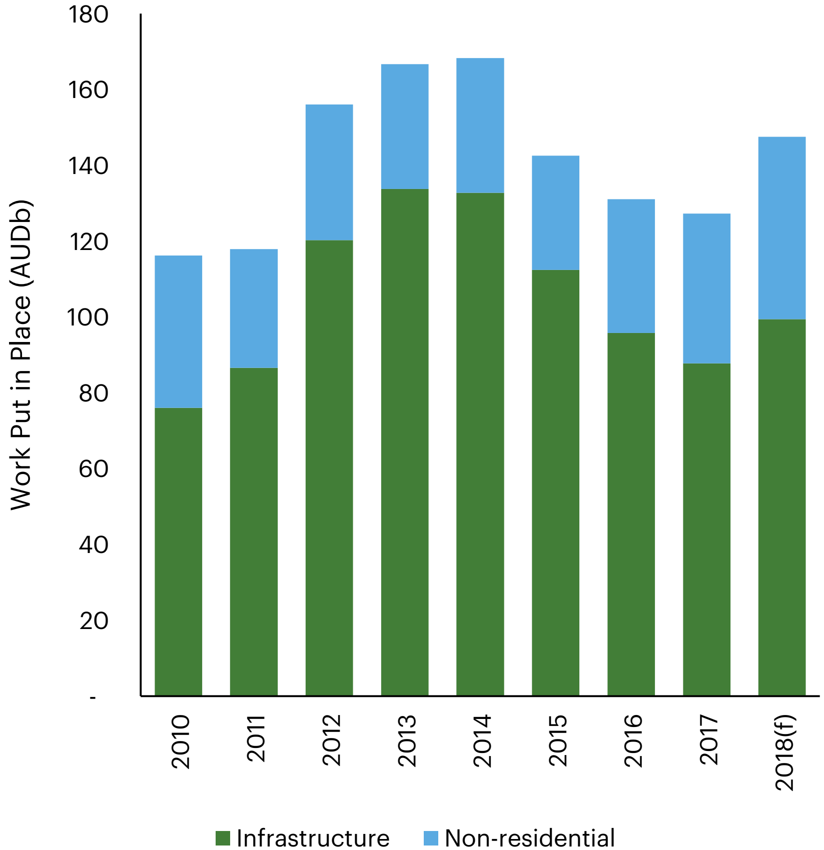
Net Migration Rolling 12 Month



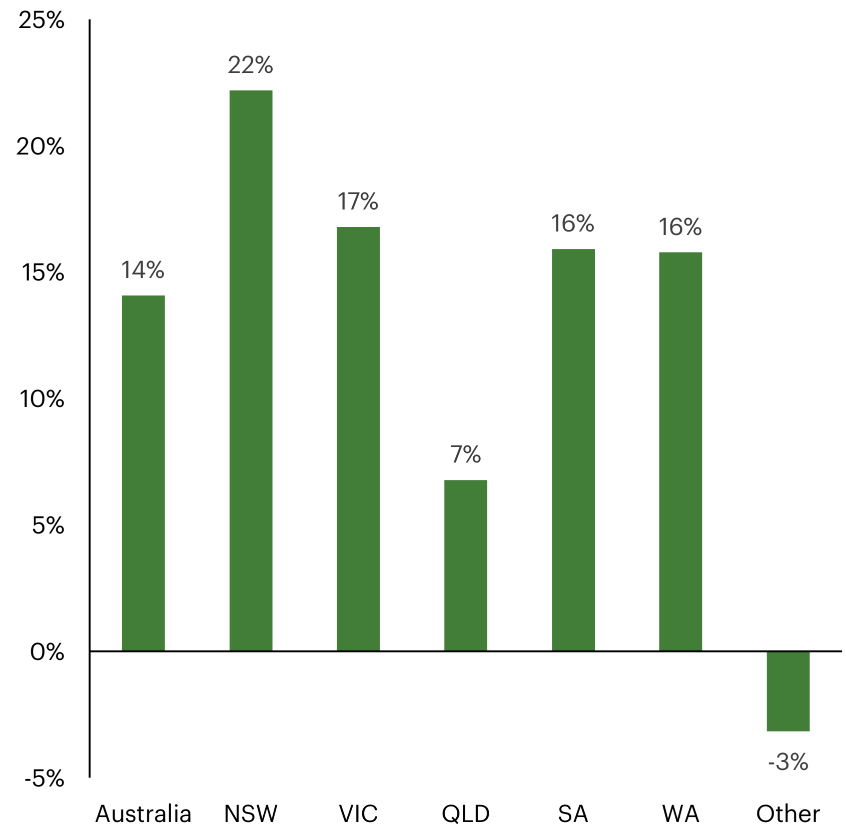
Source: BIS – Financial years

Industry context
AU infrastructure and commercial work showing good growth

Australian Infrastructure and Non-residential Work Put in Place



Australian Infrastructure and Commercial Work change Year-on-Year



Source: BIS Shrapnel – Financial years

Industry context
Formica core markets

Key Formica markets	UK	USA	China
Largest market exposure	Commercial c70% of total sales	Commercial c70% of total sales	Commercial c70% of total sales
Formica market share	21%	36%	40%
Average forecast GDP growth 2018-2023[1]	1.6%	2.0%	6.1%

[1] *Source: IMF Economic Outlook July 2018*

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Building Products
Result detail

NZ$m	June 2017 12 mths	June 2018 12 mths	Change
Gross Revenue	745	764	3%
External Revenue	589	613	4%
EBITDA	165	145	(12)%
EBIT	152	132	(13)%
Trading Cashflow	143	142	(1)%
EBIT margin %	20%	17%	(3)%pt
ROFE[1] %	31%	27%	(4)%pt
Capex	16	19	19%
Cash Conversion[2]	84%	95%	11%pt
Domestic board sales (000m^2)	+6%	-1%	
Glasswool sales (tonnes)	0%	-1%	
Concrete pipe vol (000t)	+7%	-9%	
Plastic pipe sales vol (t)	+4%	+15%	

Building Products performance

- Revenue up 3% to $764m but EBIT down 13% to $132m
- Selected price increases and higher volumes drove revenue increases
  - Plastic pipe volumes up 15%, average wallboard sales prices up modestly
  - Domestic wallboard sales volumes and glass wool sales volumes both down 1%, concrete pipe volumes -9%
- Contraction in EBIT margins was a result of:
  - Higher energy, raw material and supply chain costs which could not be fully recovered in price
  - One off costs – Winstone Wallboards due to repairs and raw material delay, Humes fire at Penrose site, provisions for obsolete stock and historical claims

[1] *EBIT/Closing Funds*
[2] *Cash conversion = FCF/EBIT*

Building Products
Outlook

Outlook Comments

- Revenue flat year on year as demand for products supplied into the residential market is likely to soften
- Continued margin pressure from increased input costs plus investment in overheads and supply chain
- Look to recover input costs through price where possible, though markets remain highly competitive

Divisional Exposure

	Resi	Com	Infra	Other	Total
Building Products	55%	21%	15%	9%	100%

Market Outlook 12 months

	Resi	Com	Infra
Building Products	Slight decline	Flat	Growth

Distribution
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	1,519	1,530	1%
External Revenue	1,470	1,490	1%
EBITDA[1]	112	113	1%
EBIT[1]	104	104	0%
Trading Cashflow	93	112	20%
EBIT[1] margin %	7%	7%	0%pt
ROFE[2] %	41%	39%	(2)%pt
Capex	16	20	25%
Cash Conversion[3]	73%	88%	15%pt
PlaceMakers revenue	6.3%	0.1%	
PlaceMakers stores	61	62	
Mico revenue	6.0%	4.5%	
Mico stores	63	65	

[1] *Before significant items*
[2] *EBIT(before significant items)/Closing Funds*
[3] *Cash conversion = FCF/EBIT (before significant items)*

Distribution performance

- Revenues were up 1%
  - PlaceMakers and Mico experiencing good growth in regional NZ offset by slower growth in Auckland region
  - Christchurch market continued to contract
- FY18 EBIT of $104m consistent with FY17
  - PlaceMakers earnings up 1% with growth in specialty timber and fasteners
  - Mico earnings growth driven by further penetration of own branded bathroom product ranges
  - Snappy went from initial design to transacting online involving a $2m investment
- Trading Cashflow improved 20% to $112m due to improvement in working capital

Distribution
Outlook

Outlook Comments

- PlaceMakers and Mico are expected to grow both market share and revenue due to:
  - Volume growth
  - Entering new adjacencies

Divisional Exposure

	Resi	Com	Infra	Other	Total
Distribution	70%	21%	0%	9%	100%

Market Outlook 12 months

	Resi	Com	Infra
Distribution	Slight decline	Flat	Growth

Steel
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	491	532	8%
External Revenue	378	411	9%
EBITDA[1]	58	54	(7)%
EBIT[1]	54	49	(9)%
Trading Cashflow	35	55	57%
EBIT[1] margin %	11%	9%	(2)%pt
ROFE[2] %	29%	27%	(2)%pt
Capex	16	14	(13)%
Cash Conversion[3]	22%	82%	60%pt
Easysteel volumes (t)	+18%	+3%	
PCC local volumes (t)	+15%	-3%	
Fletcher Reinforcing Volumes (t)	+10%	-10%	

Steel performance

- 8% growth in revenue driven by
  - Easysteel growing 15% due to full year impact of integration of Calder Stewart Roofing business
  - 3% increase in core structural steel volumes
  - Pacific Coilcoaters and Fletcher Reinforcing revenue consistent with last year
- EBIT decline 9% to $49m due to:
  - Sustained increases in cost of steel
  - Fletcher Reinforcing margin compression
- Significant improvement in trading cashflow reflects better management of working capital

[1] *Before significant items*
[2] *EBIT(before significant items)/Closing Funds*
[3] *Cash conversion = FCF/EBIT (before significant items)*

Steel
Outlook

Outlook Comments

- Revenue expected to grow given higher exposure to commercial and infrastructure
- EBIT margin likely to be held as overheads are constrained and further procurement gains realised, offsetting input cost inflation

Divisional Exposure

	Resi	Com	Infra	Other	Total
Steel	26%	38%	12%	24%	100%

Market Outlook 12 months

	Resi	Com	Infra
Steel	Slight decline	Flat	Growth

Concrete
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	781	812	4%
External Revenue	507	545	7%
EBITDA[1]	153	135	(12)%
EBIT[1]	113	90	(20)%
Trading Cashflow	142	128	(10)%
EBIT[1] margin %	14%	11%	(3)%pt
ROFE[2] %	18%	14%	(4)%pt
Capex	87	62	(29)%
Cash Conversion[3]	48%	74%	26%pt
Domestic cement volumes	+1%	+4%	
Aggregates sales volumes	+29%	+6%	
Ready mix volumes	+3%	+2%	

Concrete performance

- GBC revenues benefited from domestic cement volumes increasing 4%
- Aggregates revenue was up in line with the 6% increase in volumes due to higher demand from infrastructure and roading sectors
- A 2% increase in ready mix volumes contributed to a solid improvement in Firth revenues
- Despite a 4% improvement in gross revenues across the Concrete division, EBIT reduced 20% to $90m in FY18 due to:
  - FY17 $12m gain on sale of a Firth property
  - Increased energy and supply chain costs
  - Inability to fully pass on input cost increases due to strong price competition (especially in North Island)
  - Costs associated with commissioning new Firth ready mix and masonry plants
  - Margin impact of different product mix
  - An increase in depreciation
- Capex decreased 29% to $62m reflecting a significant year of investment in cement supply chain and masonry plants in FY17
  - Lower capex was key driver of 26%pt increase in cash conversion in FY18

[1] *Before significant items*
[2] *EBIT(before significant items)/Closing Funds*
[3] *Cash conversion = FCF/EBIT (before significant items)*

Concrete
Outlook

Outlook Comments

- Revenue forecast to decline in FY19 as strong demand for aggregates in roading projects is offset by moderating readymix sales which is impacted by exposure to residential
- Coupled with increased input costs, there is likely to be a modest decline in EBIT in FY19

Divisional Exposure

	Resi	Com	Infra	Other	Total
Concrete	42%	32%	23%	3%	100%

Market Outlook 12 months

	Resi	Com	Infra
Concrete	Slight decline	Flat	Growth

Residential & Development
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	420	575	37%
External Revenue	420	575	37%
EBITDA	130	136	5%
EBIT	130	136	5%
Trading Cashflow	(49)	109	NM
EBIT margin %	31%	24%	(7)%pt
ROFE[1] %	24%	23%	(1)%pt
Capex	0	1	NM
Cash Conversion[2]	(35)%	79%	NM
Residential EBIT	76	85	12%
Land Development EBIT	54	51	(6)%

Residential & Development performance

- Significant increase in divisional revenue to $575m
- Residential EBIT up 12% reflecting increase in volume of units sold to 714 from 499.
- Residential EBIT was negatively impacted by a $12m provision for a forecast loss on Atlas Quarter apartment project in Christchurch – excluding this EBIT was up 28%
- Strong demand for homes in Auckland priced between $600k to $900k
- Christchurch market subdued with no price growth
- Land Development EBIT benefitted from sale of 10ha block in Wiri, in addition to three development locations in Australia
- A $158m improvement in trading cashflow reflected a reduction in the acquisition of land compared to FY17

[1] *EBIT/Closing Funds*
[2] *Cash conversion = FCF/EBIT*

Residential & Land Development
Outlook

Outlook Comments

- Expect to increase houses built and sold in FY19 with commensurate increase in revenues
- Margins expected to be lower overall due to proportionally higher sales in Christchurch
- Investment in land plus work in progress likely will lead to increase in funds invested in FY19
- Land Development earnings are expected to be lower than in FY18 and closer to $25m level

Forecast Exposure of Revenue

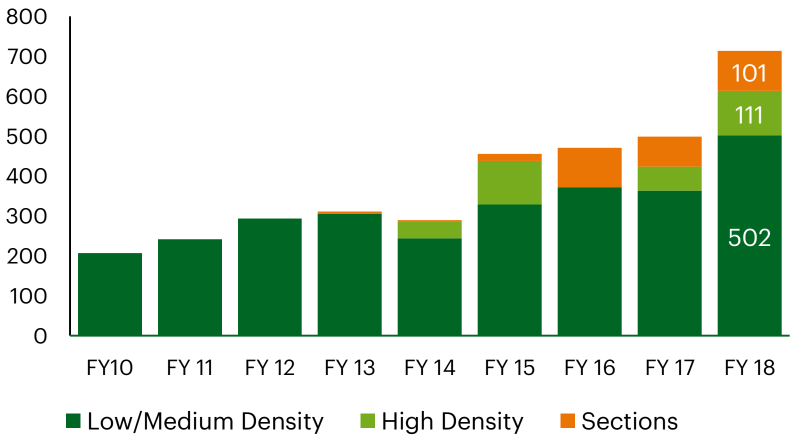
	Low density	High density
Auckland	76%	8%
Christchurch	10%	6%

Demand Outlook 12 months

	Low density	High density
Auckland	Low growth	Flat
Christchurch	Flat	Flat

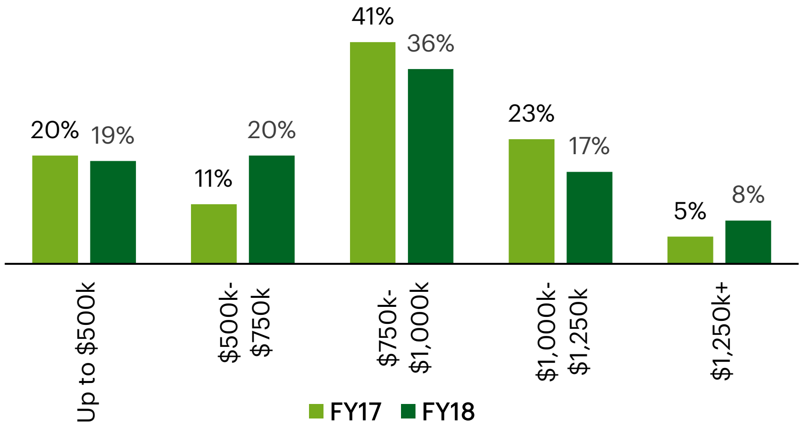
New Zealand Residential
Performance and trends

Residential units sold

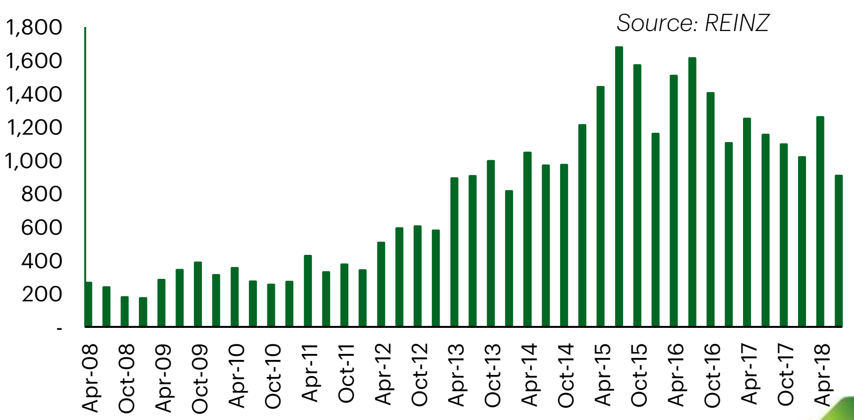


Contributions to average FY2018 Fletcher Living margins

Distribution of sales prices for FY18 residential sales



Sales of Auckland houses in $800k - $1m price band



Construction
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	2,246	1,685	(25)%
External Revenue	2,085	1,605	(23)%
EBITDA[1]	(184)	(588)	NM
EBIT[1]	(204)	(608)	NM
Trading Cashflow	(103)	(172)	(67%)
EBIT[1] margin %	(9)%	(36)%	NM
Capex	28	33	18%
Cash Conversion[2]	NM	NM	NM
B+I	(292)	(660)	NM
Higgins	39	42	8%
Infrastructure, Brian Perry Civil, South Pacific	49	10	(80)%

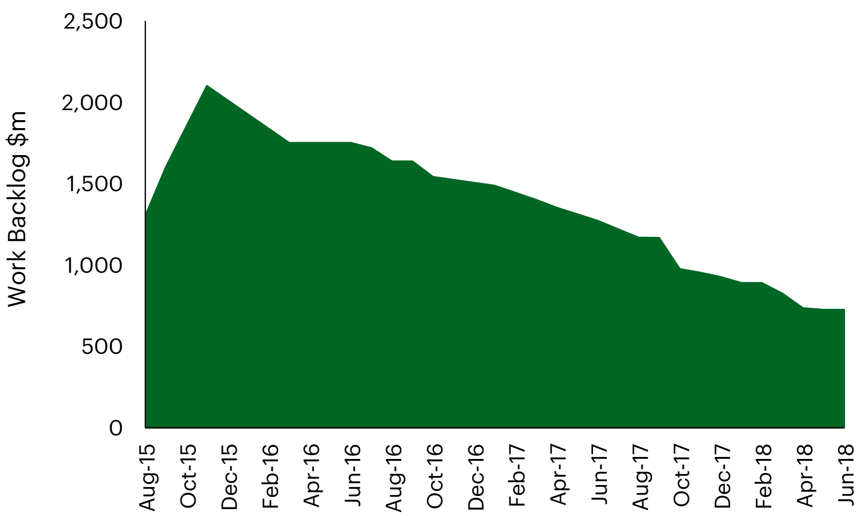
Construction performance

- Decrease in revenues reflects completion of a number of major projects in B+I, Infrastructure and South Pacific plus re-phasing of some B+I projects with revised completion dates
  - At 30 June 2018 backlog of work was $1,784m
- Operating loss of $608m compared to loss of $204m in FY17 and included loss of $660m for B+I
- EBIT excluding B+I of $52m was 41% lower than $88m in FY17 reflecting:
  - Infrastructure and South Pacific earnings decline versus last year due to completion of major projects in previous periods
  - Offset by 8% improvement in Higgins earnings
- Increase in trading cash outflows reflects B+I projects
- Additional risks and forecast cost increases in Puhoi to Warkworth project were identified, leading to nil margin being forecast
- Of 16 projects identified in February 2018 B+I update;
  - 7 complete at 30 June 2018
  - 3 forecast to be finished by the end of calendar 2018
  - 6 forecast to be finished in calendar 2019

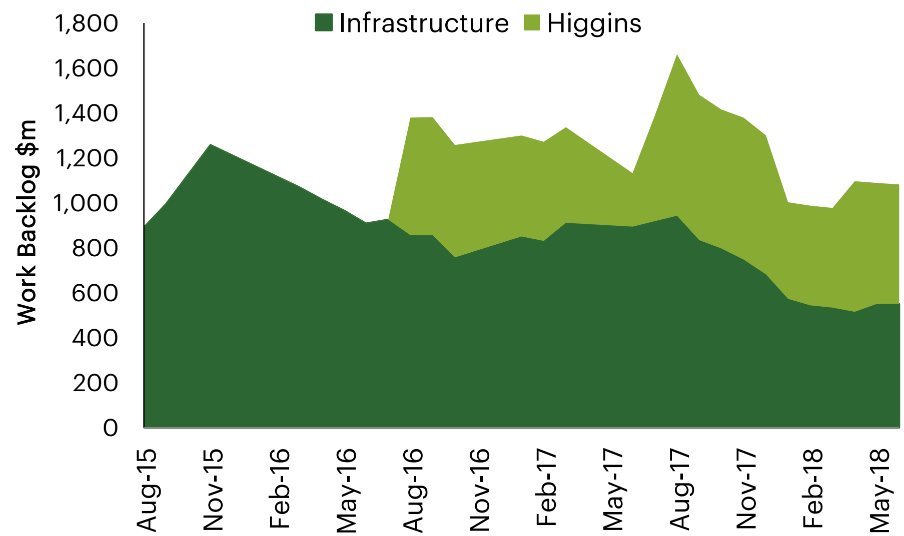
[1] *Before significant items*
[2] *Cash conversion = FCF/EBIT (before significant items)*

Construction
Backlog

B+I Backlog



Higgins and Infrastructure Backlog



- Backlog continues to reduce as projects are completed

- Higgins has seen recent increases to backlog due to additional new work
- Infrastructure backlog continues to reduce

Australia
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	2,858	3,076	8%
External Revenue	2,771	2,973	7%
EBITDA[1]	181	176	(3)%
EBIT[1]	119	114	(4)%
Trading Cashflow	143	146	2%
EBIT[1] margin %	4%	4%	0%pt
ROFE[2] %	7%	6%	(1)%pt
Capex	70	79	11%
Cash Conversion[3]	61%	60%	(1)%pt
Building Products Aus. EBIT[1]	84	76	(10)%
Distribution Aus. EBIT[1]	10	13	30%
Steel Aus. EBIT[1]	25	25	0%

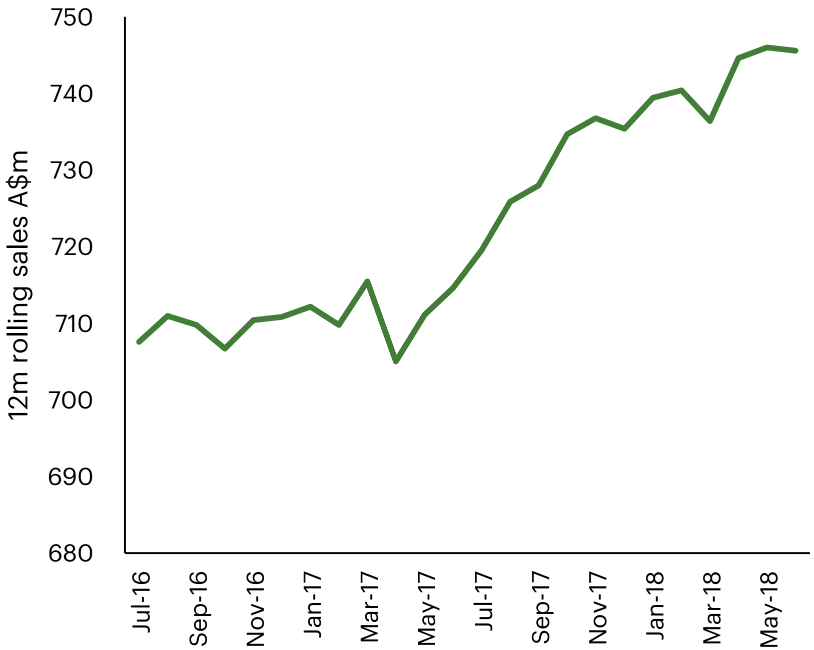
Australia performance

- All Australian businesses reported increases in revenue contributing to 8% growth across the division
- Building Products Australia revenue increased 9% but EBIT declined 10% due to:
  - Higher input costs in Laminex Australia not fully recovered;
  - Operational underperformance at Rocla; and
  - Redundancy and restructuring costs in Fletcher Insulation
- Distribution Australia recorded 8% revenue increase and 30% increase in EBIT:
  - Tradelink grew revenues by 7% and controlled operating costs plus delivered procurement benefits to increase EBIT by 60%
- Steel Australia reported 3% higher revenues, but EBIT was consistent with last year
  - Stramit cost input increases were not fully recovered through market price increases, plus it incurred some restructuring charges

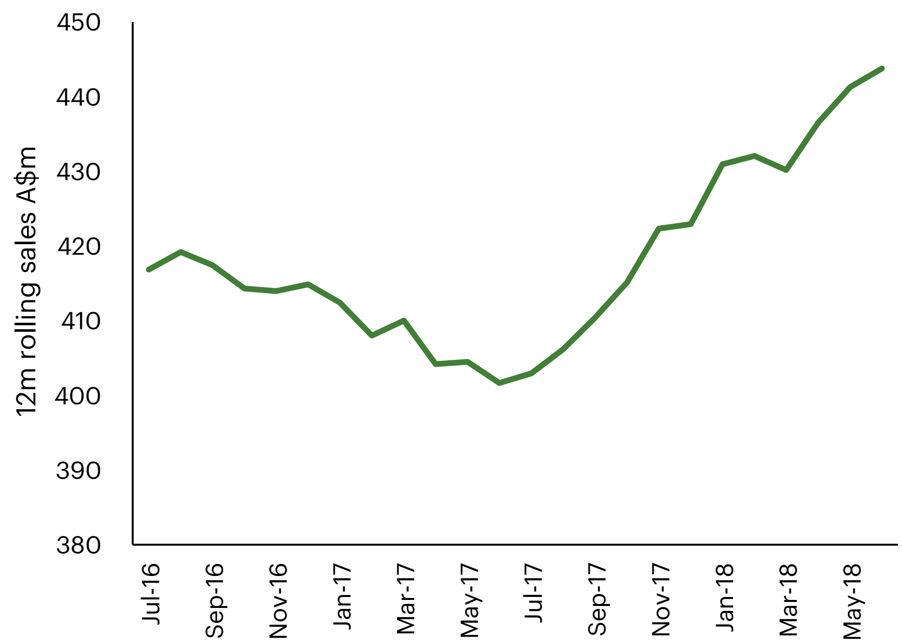
1 *Before significant items*
2 *EBIT(before significant items)/Closing Funds*
3 *Cash conversion = FCF/EBIT (before significant items)*

Australia
Revenue growth

Tradelink Rolling 12m sales



Iplex AU Rolling 12m sales



- Evidence of revenue growth in both Tradelink and Iplex Australia over last 12 months
- Reflects a combination of:
  - Market share gains (Tradelink) – driven by improved customer service, new stores; and
  - Volume + price growth (Iplex Australia) – driven by industry growth and recovery of higher input costs

Australia
Outlook

Outlook Comments

- Forecast revenue growth above market rates due to:
  - Product development;
  - Opening new stores; and
  - Entering adjacencies
- Near term improvement in EBIT likely due to revenue gains plus continued operational turnaround of Australian businesses

Divisional Exposure

	Resi	Com	Infra	Other	Total
Australia	41%	25%	13%	21%	100%

Market Outlook 12 months

	Resi	Com	Infra
Australia	Decline	Flat	Growth

Formica & Roof Tile Group
Result detail

NZ$m	June 2017 12 months	June 2018 12 months	Change
Gross Revenue	1,120	1,177	5%
External Revenue	1,101	1,151	5%
EBITDA[1]	119	106	(11)%
EBIT[1]	79	65	(18)%
Trading Cashflow	90	110	22%
EBIT[1] margin %	7%	6%	(1)%pt
ROFE[2] %	7%	5%	(2)%pt
Capex	62	61	0%
Cash Conversion[3]	37%	76%	39%pt
Formica EBIT[1]	74	75	1%
Roof Tile Group EBIT[1]	13	(2)	NM
Divisional Costs EBIT[1]	(8)	(8)	0%

Formica & Roof Tile Group performance

- Divisional revenues increased 5% to $1,177m but EBIT was 18% lower at $65m due to the deterioration of RTG trading
- Formica revenues increased by 8% due to 3% increase in North America, 8% increase in Asia and stable year on year in Europe
- Formica EBIT growth of 1% represented good growth in North America and Asia offset by a small decline in Europe
- Roof Tile Group revenues were down 15% in local currencies due to softening conditions in Africa, loss of volume in Japan, reduced activity in USA due to poor weather and softening of demand in NZ
- Roof Tile Group reported an operating loss of $2m compared to EBIT of $13m in FY17
- Significant items include a $52m impairment of the carrying value of Roof Tile Group, following a review of the recoverable value during the divestment process

1 *Before significant items*
2 *EBIT(before significant items)/Closing Funds*
3 *Cash conversion = FCF/EBIT (before significant items)*

Formica & Roof Tile Group
Outlook

Outlook Comments

- Focus remains on divestment of Roof Tile Group and Formica
- Both expected to complete in FY19
- Steady revenue and earnings growth in Formica's businesses based on:
  - Exposure to a robust US commercial sector;
  - Strong activity levels in East Asia, and
  - Reduction in allocated central costs

Divisional Exposure*

	Resi	Com	Infra	Other	Total
Formica N/America	30%	70%	0%	0%	100%
Formica Asia	11%	62%	0%	27%	100%
Formica Europe	19%	73%	0%	8%	100%

Market Outlook 12 months

	Outlook
North America	Low growth
Asia	Growth
Europe	Low growth

** Excludes Roof Tile Group*

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Key financial results & ratios

NZ$m	Group June 2017 12 months	Group June 2018 12 months	Change $m	Group Excl. B+I June 2017 12 months	Group Excl. B+I June 2018 12 months	Change $m
Revenue	9,399	9,471	72	8,417	8,866	449
Operating earnings before significant items	525	50	(475)	817	710	(107)
Operating earnings	273	(118)	(391)			
Net earnings	94	(190)	(284)			
Trading cashflow[1]	467	639	172	635	924	289
Cashflow from operating activities	243	396	153	411	681	270
ROFE[2] (%)	9.4%	0.9%	(8.5)%pt	14.6%	12.6%	(2.0)%pt
Net Debt/EBITDA[3] (x)	2.7x	4.8x	2.1x	1.9x	1.4x	(0.5)x

- Operating earnings before significant items and excluding B+I of $710m in line with guidance of $680m - $720m
- B+I losses of $660m in line with previous guidance

[1] *Trading cashflow = EBITDA + Change in net working capital + provisions and other adjustments*
[2] *Return on Funds Employed pre significant items, rolling 12 months*
[3] *Rolling 12 months. Ratio for the group excluding B+I excludes B+I result from EBITDA only*

Financial results
Profit & Loss

NZ$m (except Operating Margin & EPS)	Reported Results		Change
	June 2017 12 months	June 2018 12 months	$m
Revenue	9,399	9,471	72
Operating earnings before significant items	525	50	(475)
Operating margin %	6%	1%	(5)%pt
Significant items	(252)	(168)	84
Operating earnings (EBIT)	273	(118)	(391)
Funding costs	(111)	(157)	(46)
Tax	(57)	96	153
Non-controlling interests	(11)	(11)	-
Net earnings/(loss)	94	(190)	(284)
Net earnings/(loss) before significant items	321	(60)	(381)

Financial results
Significant items

NZ$m Significant Items	Reported Results June 2017 12 months	June 2018 12 months	Change $m
Restructuring charges	(30)	(91)	(61)
Impairment of carrying values	(222)	(114)	(108)
Gains on sale	-	37	37
Total significant items	(252)	(168)	84
Tax	25	38	13
Total significant items after tax	(227)	(130)	97

Significant items

- Three categories of significant items reported for FY18:
  - Restructuring charges associated with the new strategy
  - Impairment of carrying values primarily of Rocla and Roof Tile Group
  - Gains on sale of stakes in Sims Metals JV and Dongwha

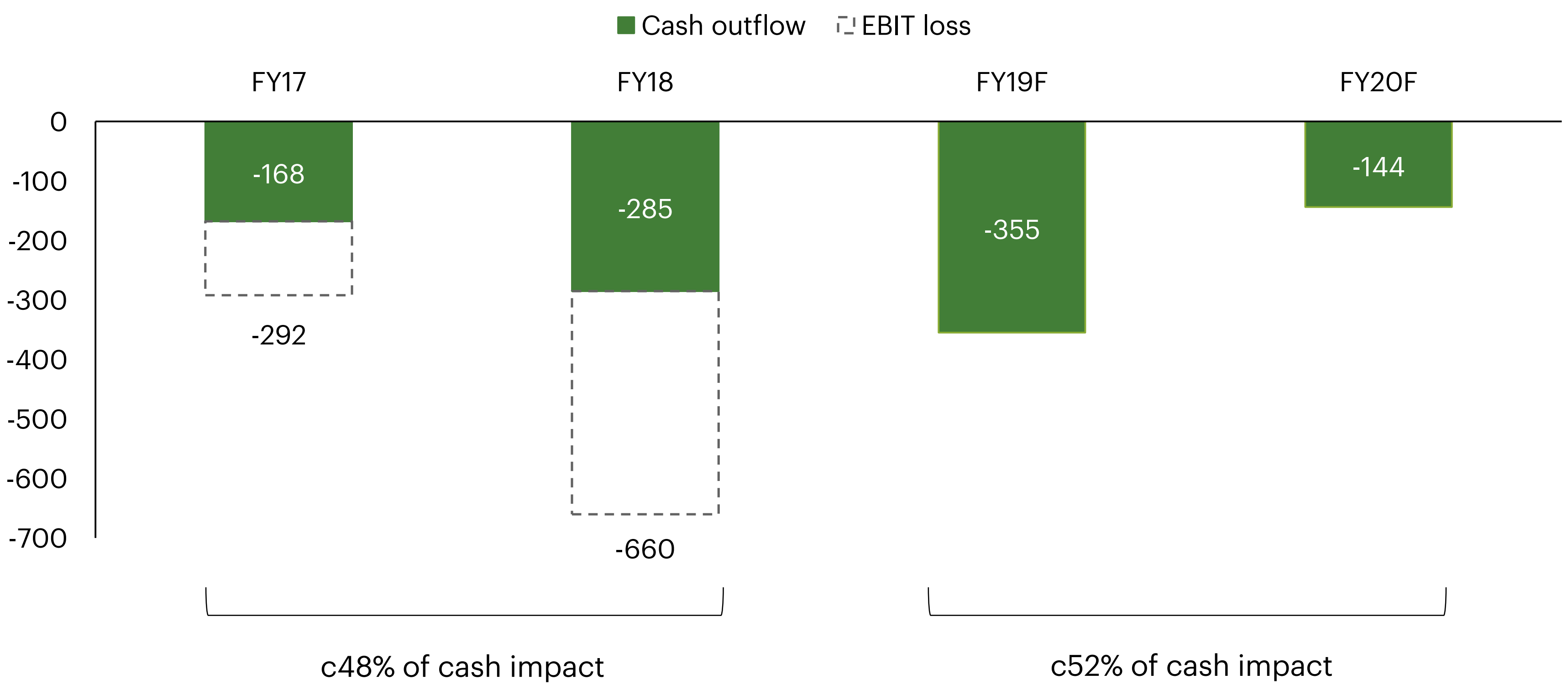
Financial results
Operating cash flow

NZ$m	As reported			Excluding B+I		
	June 2017 12 months	June 2018 12 months	Change $m	June 2017 12 months	June 2018 12 months	Change $m
Operating earnings before significant items	**525**	**50**	(475)	**817**	**710**	(107)
Depreciation and amortisation	203	214	11	203	214	11
Provisions, cash impact of significant items and other	(85)	(55)	30	(82)	(58)	24
Trading cashflow before working capital movements	**643**	**209**	(434)	**938**	**866**	(72)
Working capital movements – construction contracts	74	396	322	(52)	4	56
Working capital movements – other	(250)	34	284	(251)	54	305
Trading cashflow	**467**	**639**	172	**635**	**924**	289
Less cash tax paid	(99)	(85)	14	(99)	(85)	14
Less interest paid	(125)	(158)	(33)	(125)	(158)	(33)
Cashflows from operating activities	**243**	**396**	153	**411**	**681**	270
Free Cash Flow[1]	**49**	**250**	201	**217**	**535**	318

[1] *Trading cashflow = EBITDA + Change in net working capital + provisions and other adjustments*
[2] *Free Cash Flow = Trading cashflow less capex less cash tax*

Financial results
Cash impact of B+I losses

Cash flow impact of FY17 and FY18 B+I losses
NZ$m



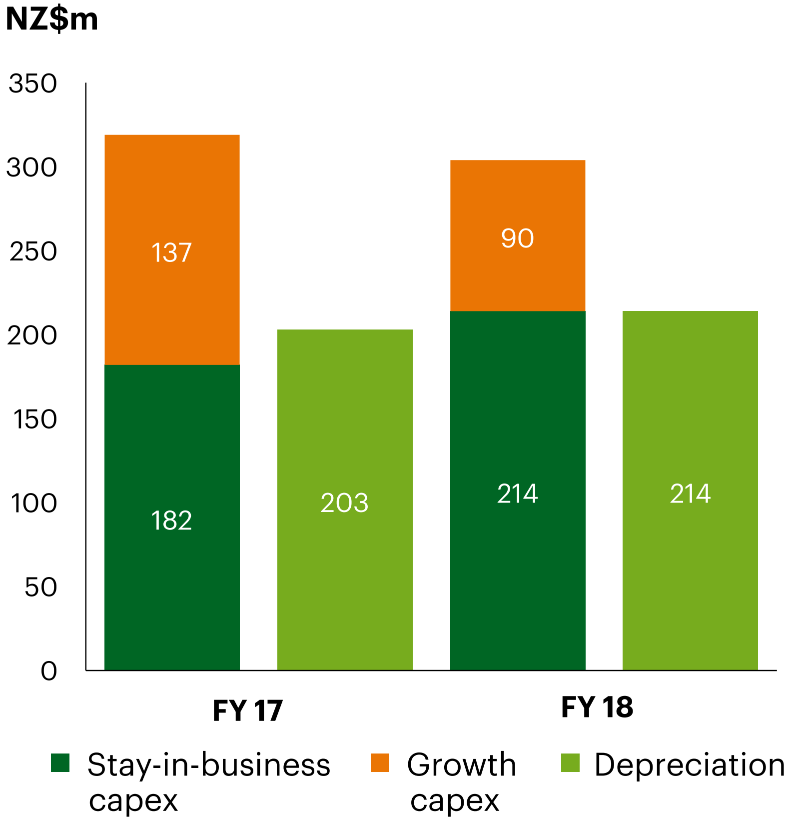
Financial results
Working capital movements

Net inflow from/(investment in) working capital NZ$m	June 2017 12 months	June 2018 12 months	Change $m
Building Products	(14)	5	19
Distribution	(19)	0	19
Steel	(23)	5	28
Concrete	6	(1)	(7)
Residential & Development	(178)	(29)	149
Construction	74	414	340
Australia	(2)	(20)	(18)
Formica and Roof Tile Group	(10)	17	27
Other	(10)	39	49
Total Working Capital Movements	**(176)**	**430**	**606**

Financial results
Working capital metrics

Key working capital metrics	Debtor Days			Inventory Days			Payables Days		
	As at June 2017	As at June 2018	Change (days)	As at June 2017	As at June 2018	Change (days)	As at June 2017	As at June 2018	Change (days)
Building Products	37	36	(1)	77	79	2	35	36	1
Distribution	38	38	-	44	43	(1)	41	42	1
Steel	46	43	(3)	78	73	(5)	35	46	11
Concrete	36	36	-	30	32	2	37	40	3
Australia	49	48	(1)	86	86	-	54	56	2
Materials and Distribution Total	**43**	**42**	**(1)**	**68**	**68**	**-**	**45**	**47**	**2**

Financial results
Capex and depreciation

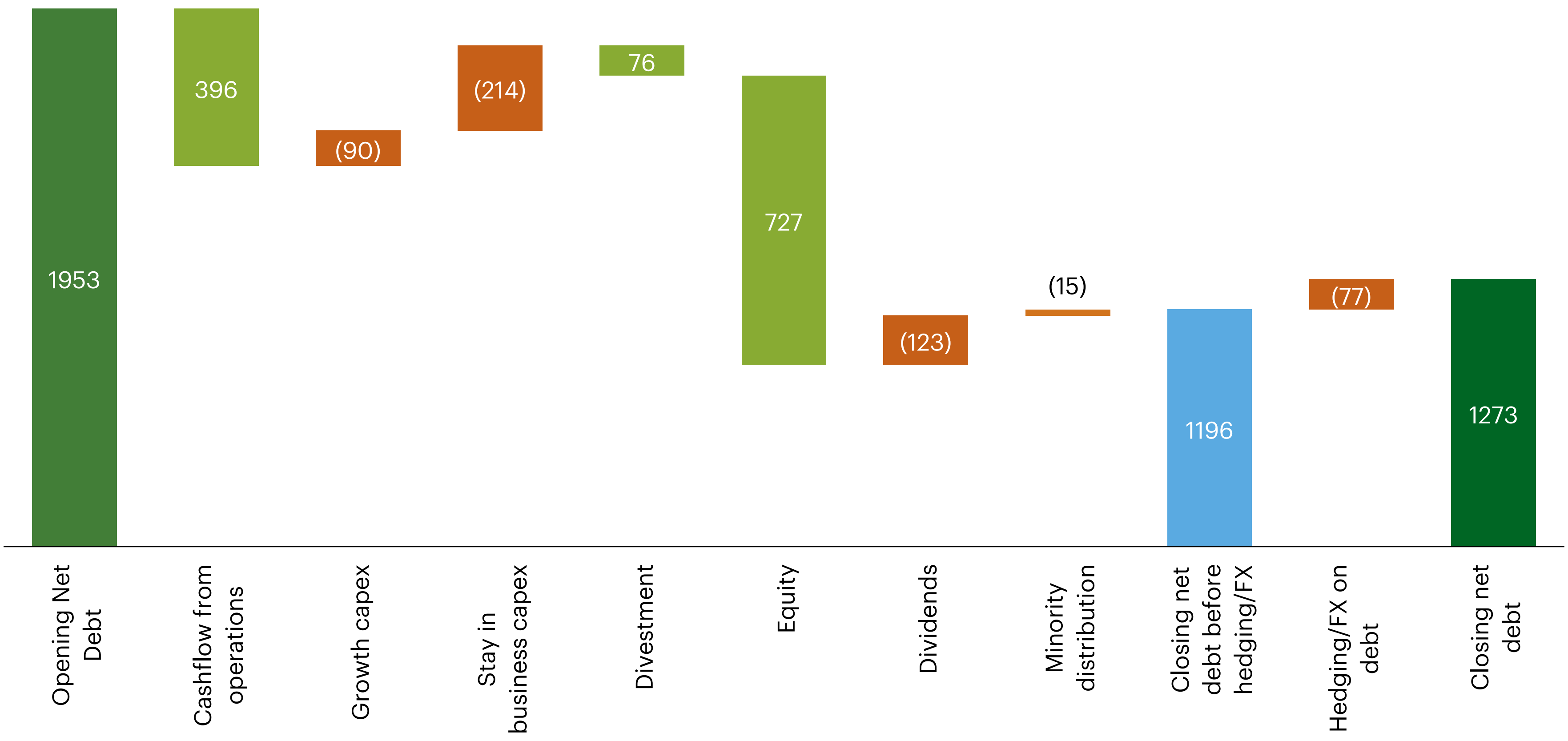


NZ$m	June 2017 12 months	June 2018 12 months	Change
Stay-in-business	182	214	18%
Growth	137	90	(34)%
Total Capex	319	304	(5)%
Acquisitions	317	-	NM
Depreciation/ Amortisation	203	214	5%

- FY19 capex expected to be in the range of $275m - $325m excluding Formica and RTG
- FY19 depreciation & amortisation is expected to be in the range of $170m - $190m excluding Formica and RTG

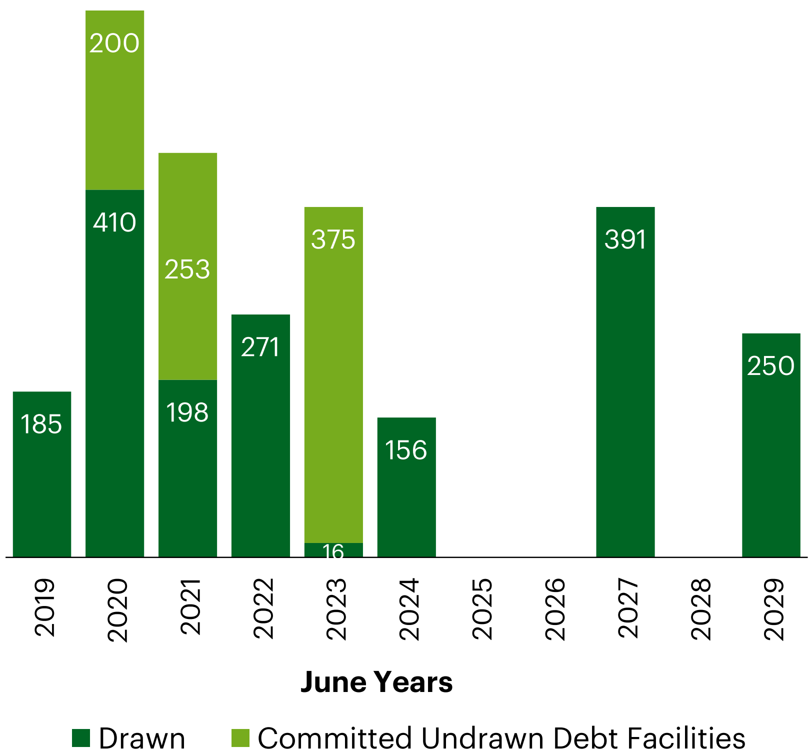
Financial results
Net debt reduced

NZ$m



Financial results
Debt maturity profile

Funding and Maturity Profile
30 June 2018



- Undrawn credit lines of $828m and cash of $665m
- Average maturity of debt facilities is 4.2 years
- Approximately 56% of all borrowings have fixed interest rates
- Average interest rate on debt is 6.2% (based on year end borrowings)
- Mix of currency (hedged)
  - NZ$ 43%
  - AU$ 36%
  - US$ 13%
  - Other 8%

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Outlook FY19

New Zealand

- Expect slight softening of residential sector through FY19, albeit expected decline in number of new dwelling consents is from a high point
- Activity levels in non-residential, commercial and infrastructure sectors expected to increase modestly

Australia

- Residential activity forecast to decline as a result of slowdown in multi-unit dwellings, tightening of bank lending and restrictions on foreign ownership
- Infrastructure on Eastern Seaboard to benefit from large state and federal funded projects in rail, road and pipelines

Group earnings

- Expected to be stable in FY19 compared to FY18 except for Land Development earnings which are likely to be lower
- Earnings guidance will be provided at the Annual Shareholders' Meeting

Future Focus

Focus for FY19

- Strategy day in June 2018 set out the four areas where we intend to focus
- FY19 will progress these focus areas significantly

1. Refocus on the core	2. Stabilise Construction	3. Strengthen Australia	4. Exit non-core businesses
• Defend and grow NZ Building Products and Distribution • Leverage complementary positions in Concrete and Residential	• Close out B+I within provisions • Grow infrastructure and roading businesses	• Achieve a successful turnaround • Replicate select NZ positions in Australia	• Divest Formica and RTG

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Industry Context
Sectoral exposure, based on revenue

Geographical Exposure by Sector[1]	Residential (New + A&A)*	Commercial	Infrastructure	Other	TOTAL
New Zealand	9%	6%	4%	2%	21%
Australia	8%	4%	4%	6%	22%
Rest of World	4%	7%	0%	1%	12%
Total Manufacturing	**21%**	**17%**	**8%**	**9%**	**55%**
New Zealand	11%	3%	0%	1%	15%
Australia	4%	4%	0%	0%	8%
Rest of World	0%	0%	0%	0%	0%
Total Distribution	**15%**	**7%**	**0%**	**1%**	**23%**
New Zealand	5%	6%	9%	1%	21%
Australia	0%	0%	0%	0%	0%
Rest of World	0%	0%	1%	0%	1%
Total Construction	**5%**	**6%**	**10%**	**1%**	**22%**
New Zealand	25%	15%	13%	4%	57%
Australia	12%	8%	4%	6%	30%
Rest of World	4%	7%	1%	1%	13%
Fletcher Building Total	**41%**	**30%**	**18%**	**11%**	**100%**

[1] *Based on FY18 total revenue including internal sales. Excludes business sold or closed during the year *A&A – Additions and Alterations*

Appendix
Company structure

CEO – Ross Taylor

- **Building Products** – Michele Kernahan[1]
  - Winstone Wallboards
  - Laminex NZ
  - Tasman Insulation
  - Humes
  - Iplex NZ
- **Distribution** – Bruce McEwen
  - Place-Makers
  - Mico
- **Steel** – Hamish Mcbeath
  - Pacific Coil Coaters
  - Easysteel
  - Fletcher Reinforcing
- **Concrete** – Ian Jones
  - Winstone Aggregates
  - Golden Bay Cement
  - Firth
- **Resi. + Dev.** – Steve Evans
  - Residential
  - Land Dev.
  - Panelisation
- **Construction** – Peter Reidy[1]
  - Building + Interiors
  - Infrastructure
  - Brian Perry Civil
  - Higgins
  - South Pacific
- **Australia** – Dean Fradgley
  - Laminex AU
  - Iplex AU
  - Rocla
  - Fletcher Insulation
  - Tradelink
  - Tasman Sinkware
  - Stramit
- **Formica** – Francisco Irazusta
  - Formica NAM
  - Formica Asia
  - Formica EU
  - Homapal
  - RTG
- **Finance** – Bevan McKenzie
- **People** – Claire Carroll
- **Tech.** – John Bell
- **EHS** – Wendi Croft[2]
- **Legal** – Charles Bolt

Key: Operating Divisions (Building Products, Distribution, Steel, Concrete, Resi. + Dev., Construction, Australia) | Exits (Formica) | Supporting Functions (Finance, People, Tech., EHS, Legal)

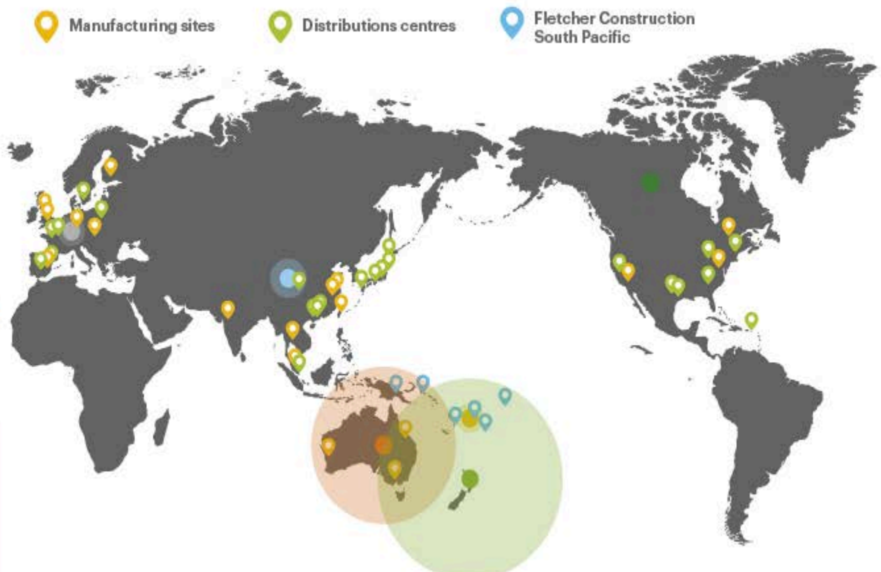
[1] *Effective early November 2018*
[2] *Interim*

Appendix
Company overview

Revenue: $9.5 billion
People: 21,100

Full time worker equivalent 1 = 1% of total #

External Revenue FY18 ($m)



New Zealand	Australia	North America	Asia	Europe	South Pacific
$5,220m	$3,018m	$465m	$314m	$316m	$138m
10,590 people	5,765 people	1,066 people	1,505 people	1,211 people	963 people

78% of total workers are from Australasia

FOCUS

Fletcher Building

Full Year Results to 30 June 2018

ROSS TAYLOR
— Chief Executive Officer

BEVAN MCKENZIE
— Chief Financial Officer

22 August 2018