

Infrastructure Division

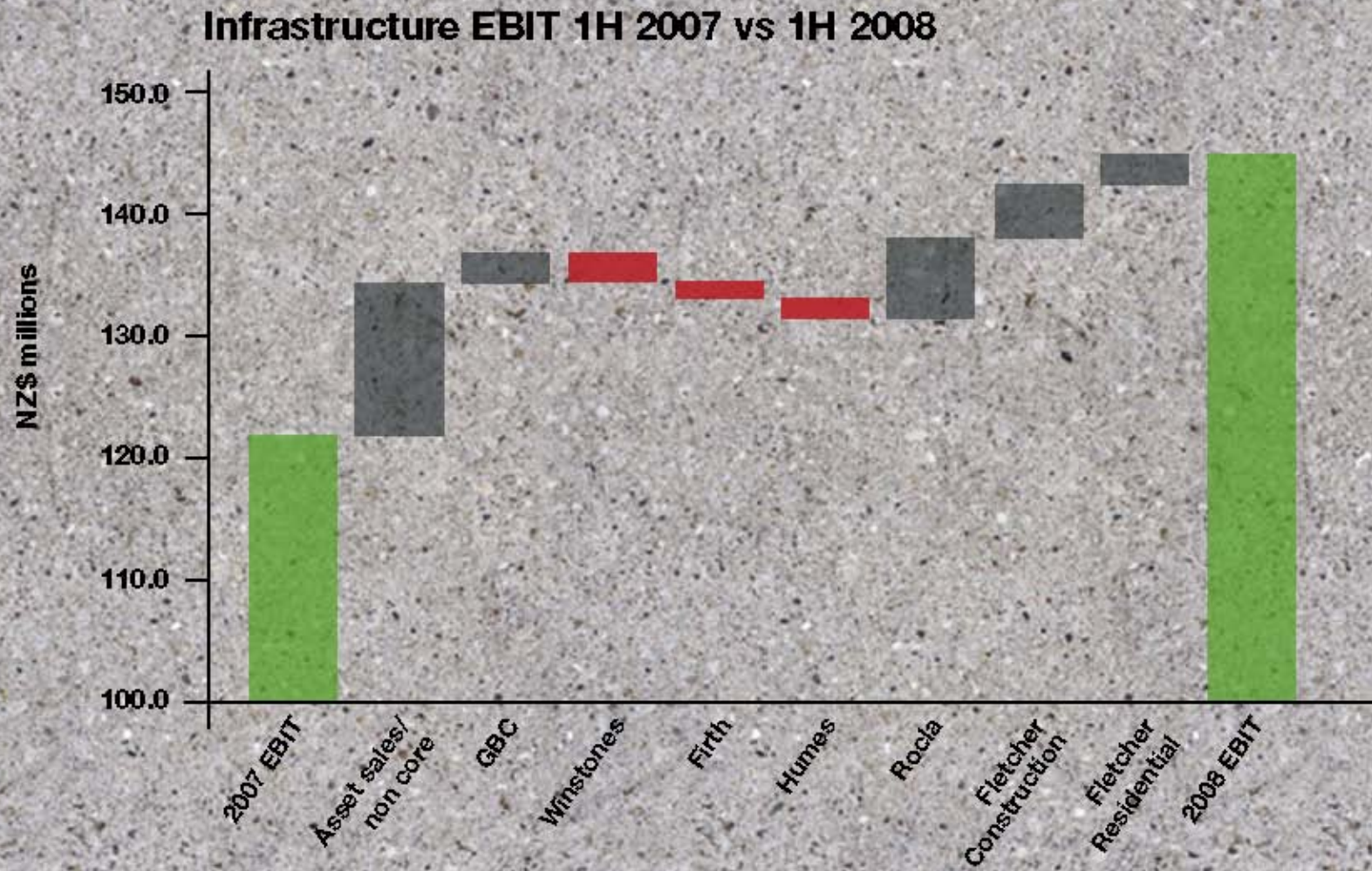
Mark Binns
Sydney 2008

Analysts' Presentation

Cautionary Statement

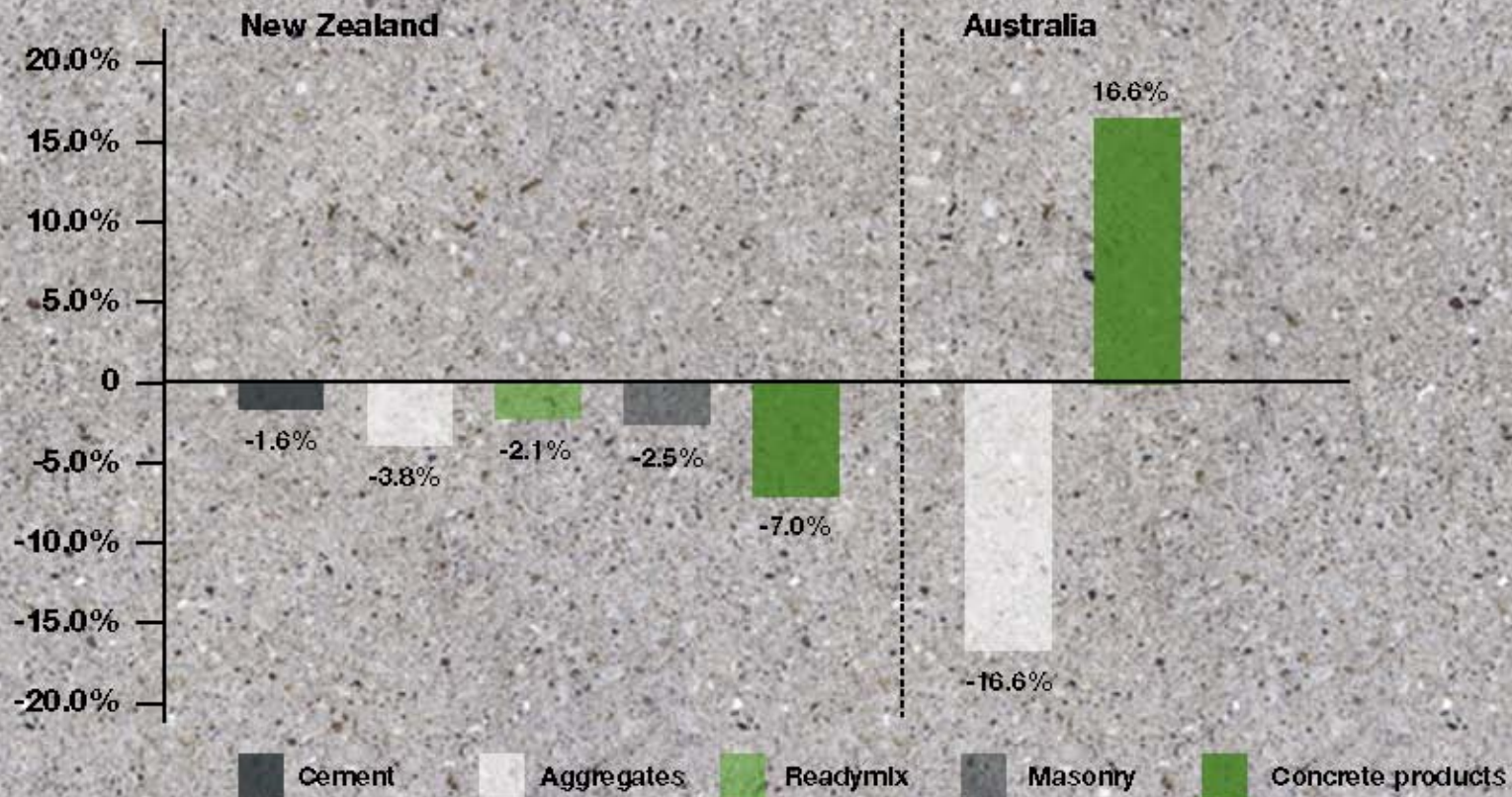
This presentation contains not only a review of operations, but also some forward looking statements about Fletcher Building and the environment in which the company operates. Because these statements are forward looking, Fletcher Building's actual results could differ materially. Media releases, management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

Continuing strong financial performance...



... despite declining product volumes

Sales Volumes – Change 1H 2008 vs 1H 2007



Building on a solid core: 1H 2007 – 1H 2008

PCP comparison NZ

AGGREGATES



Revenue +0%

EBIT -13%

**Market 40%
share
(Auckland)**

CEMENT



Revenue +10%

EBIT +8%

**Market 52%
share**

CONCRETE & PRODUCTS



Revenue -9%

EBIT - 9%

**Market 30%
share
(RMC)**

CONSTRUCTION



Revenue -5%

EBIT +26%

Backlog \$1.2b

Source: Fletcher Building business units (exclude profit on asset sales (\$16m Dec07 and \$5m Dec06))

Infrastructure

Building diversity: 1H 2007 – 1H 2008

PCP comparison Australia

ROCLA PIPES



| | |
|---------------------------------|------|
| Revenue | +19% |
| EBIT | +35% |
| Market share | 35% |
| NSW & Victoria are challenging. | |
| QLD is strong. | |

ROCLA QUARRIES



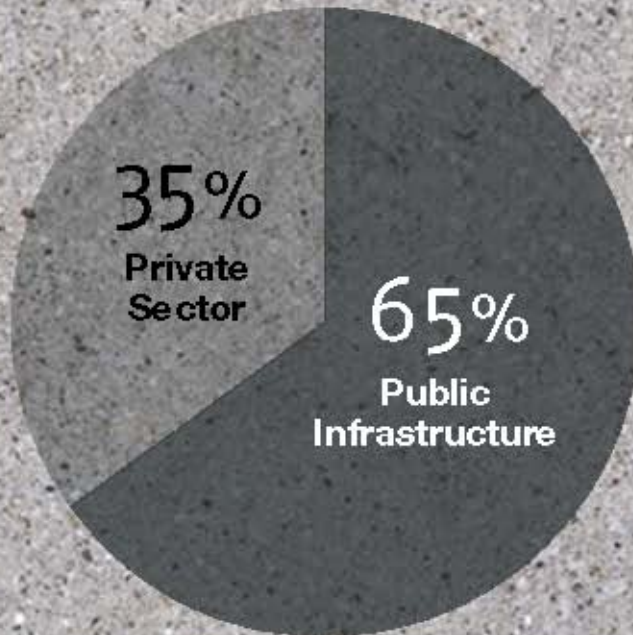
| | |
|-----------------------------|----|
| Revenue | 0% |
| EBIT | 0% |
| Sydney market remains soft. | |
| Other states are strong, | |
| - particularly QLD | |

Source: Roca Pipeline Products, Roca Quarry Products

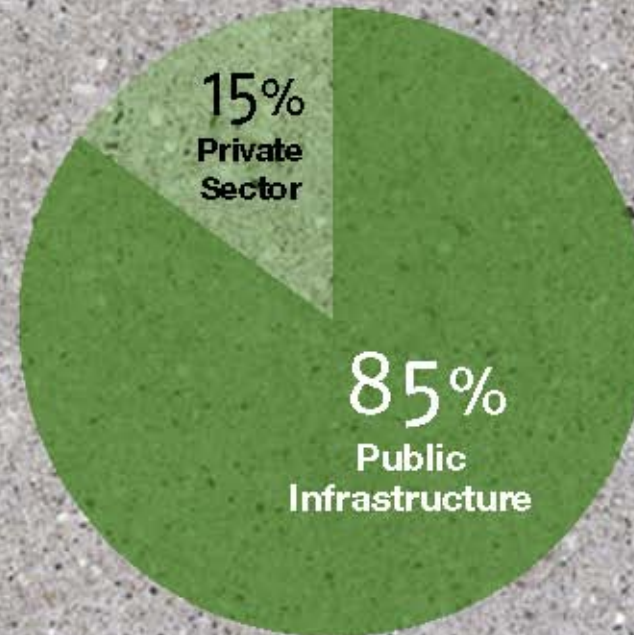
Infrastructure: a positive environment

Public infrastructure work increasing

Construction Backlog
\$1.2b at Feb 08



Key Prospects
at Feb 08



Source: Fletcher Construction backlog

Infrastructure: major projects



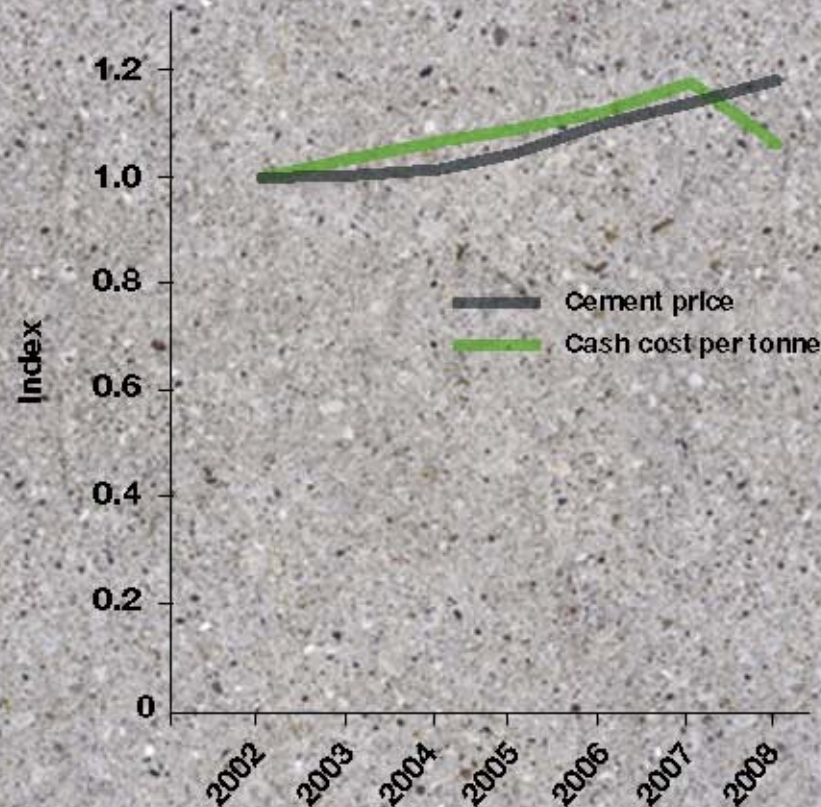
Source: Fletcher Construction



Infrastructure

Strategic focus: reducing production costs

Domestic Cement Prices

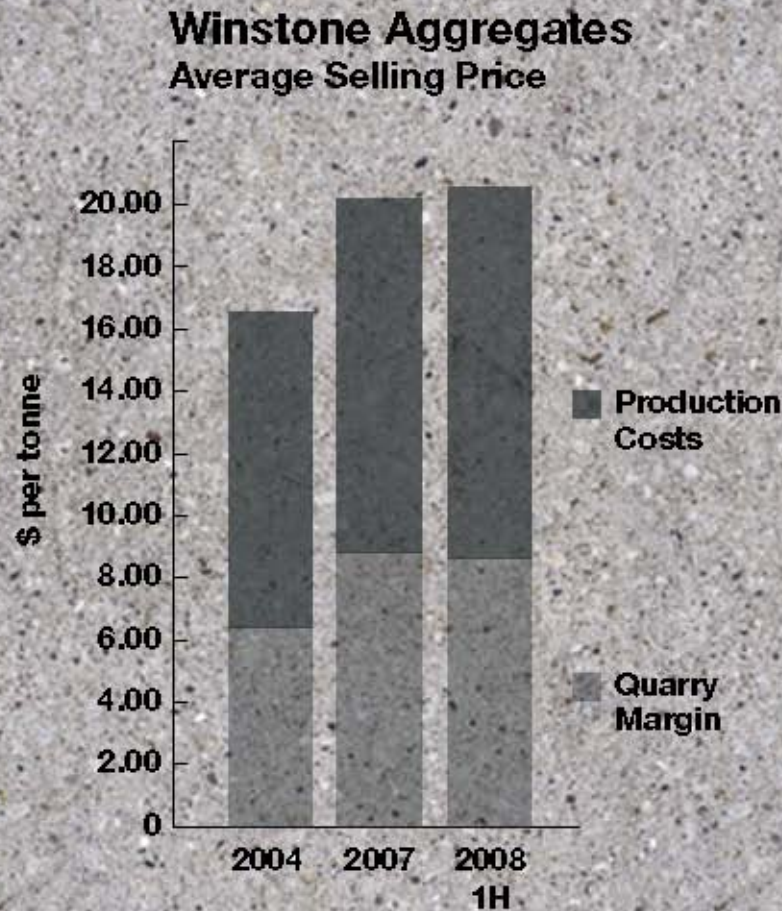


Source: Golden Bay Cement

- Price increases restrained by competitive pressure.
- Price increase of \$5.60 per tonne announced, effective 1 February 2008.
- Production output ahead of expectation; no clinker imported!
- Manufacturing costs reduced.

Source: Golden Bay Cement

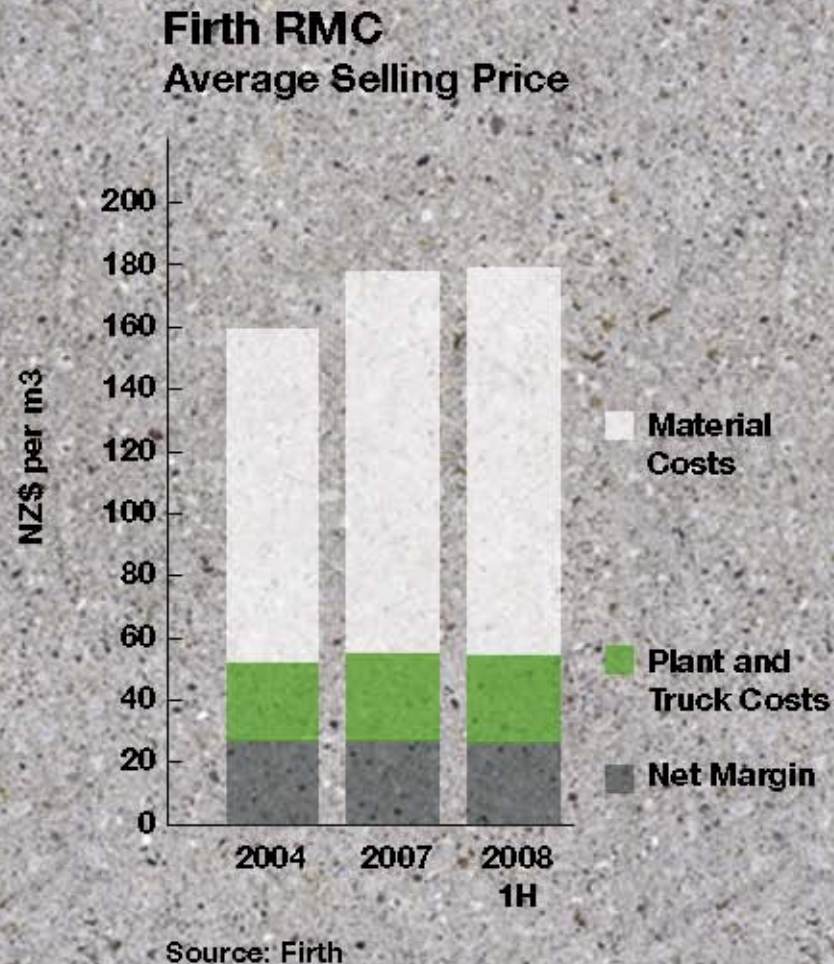
Strategic focus: maintaining margin



Source: Winstone Aggregates

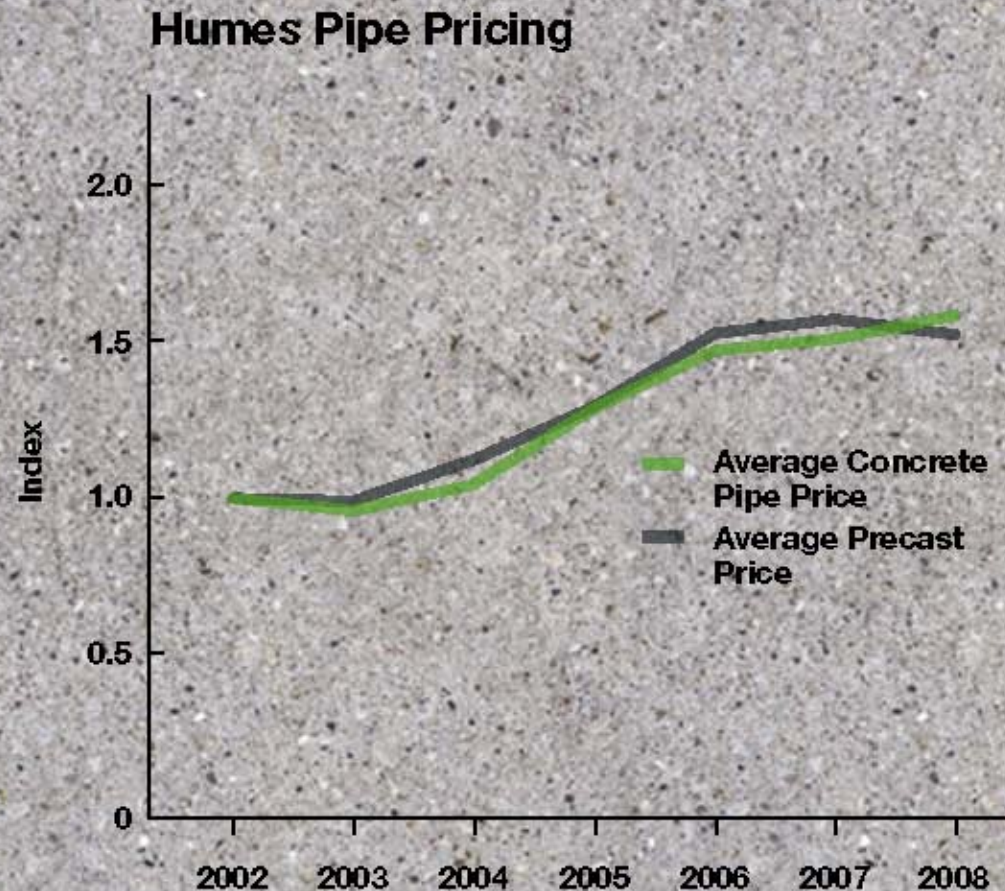
- Price increases more difficult to achieve.
- Operational improvements are reducing costs further this year.
- Hunua volumes down – both roading and manufacturing (RMC and asphalt.)

Strategic focus: maintaining margin



- Price leadership.
- Demand conditions might lead to softer prices.
- Increased material and distribution costs have been successfully passed on.

Strategic focus: production efficiencies



Source: Humes Pipeline Systems

- Price increases more subdued.
- Significant EBIT growth has now slowed.
- Slow 1st half likely to be followed by bigger 2nd half.
- Highest backlog ever.
- Manufacturing upgrade for Papakura is to proceed – with good efficiency gains.

Strategic focus: divest under-performing assets



✓ Stresscrete

✓ Firth Peru

✓ Other

\$40-50m

Strategic focus: organic growth

- .NZ Aggregates: acquisitions
 - **Cameron's Quarry (Bay of Plenty);**
 - **Land for future development.**
- NZ Concrete: investments
 - **Four new plants;**
 - **Masonry plant upgrade.**
- NZ Concrete Pipe: investment
 - **Plant upgrade at Papakura.**



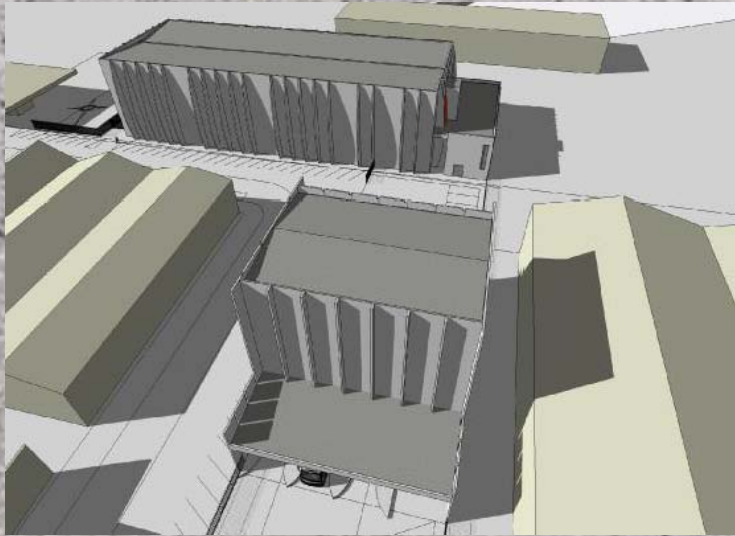
Strategic focus: organic growth

- Australia Concrete Pipe / Products: expansion
 - **Sleeper upgrade completed;**
 - **Copa Water acquired;**
 - **Rockhampton pole plant upgrade.**
- NZ Roding Products: 'bolt on'
 - **Armorflex acquired;**
 - **Trenchshoring NZ Ltd established (JV).**
- Australian Quarries: investment
 - **Quarry land acquired (NSW, WA, SA);**
 - **Sand glass plant upgrade.**



Total \$65m

Strategic focus: positioning for organic growth



- **New cement terminal for Auckland – high strategic importance;**
- **Non-pipe products delivering growth for Rocla;**
- **Rocla Quarries positioned well for a turnaround in NSW infrastructure opportunities;**
- **Recycling opportunities under consideration.**

Strategic focus: Quarry End Use



Long-term value creation

- **Five opportunities being explored**

Three Kings

- **Residential zoning sought**
- **2014 start – post filling**
- **\$200m in revenue (2007 dollars / present values)**

Pokeno

- **16 Ha. land for industrial zoning**
- **Quarry zone intact**
- **Further land for future use**

Outlook for Infrastructure: FY 2008 / 2009

Construction

full order book

Housing

down

Product Volumes

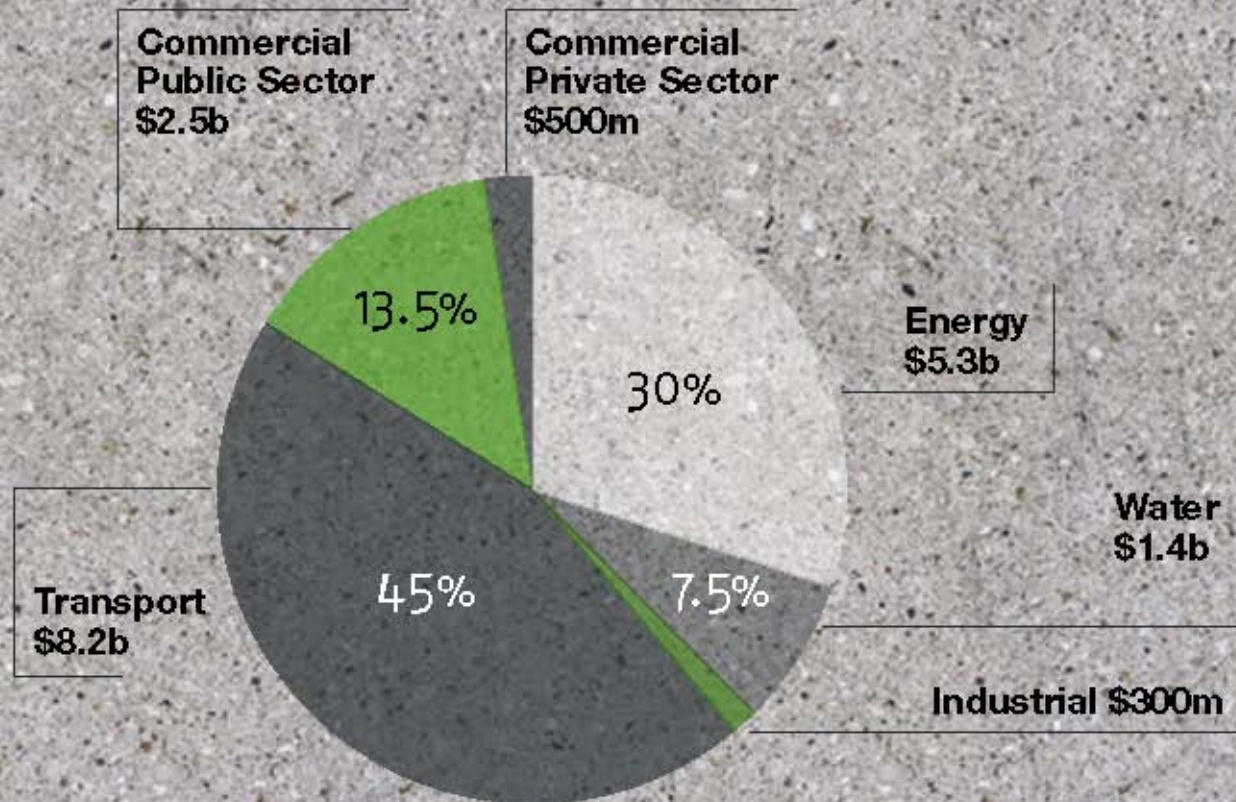
flat

Margins

some areas of weakness

Outlook for Infrastructure: Longer term

Identified Prospects 2008 – 2012



Source: Fletcher Construction



Infrastructure