

Fletcher Building Limited Analysts Presentation



THE **laminex** GROUP

12 - 13 March 2008

Cautionary Statement

This confidential 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.

The Laminates and Panels Division of Fletcher Building Limited is comprised of The Laminex Group and Formica Corporation.

The Laminex Group was acquired by Fletcher Building Limited in November 2002 and subsequently integrated with the existing Scott Panel and Hardware and Fletcher Wood Panels operations.

The Formica Corporation was acquired by Fletcher Building Limited in July 2007.

The Laminex Group and Formica Corporation are operated and managed as separate business units, but jointly responsible for the implementation of Formica acquisition synergies.

■ Vision

The Laminex Group

will be the **innovative market leader**

for **decorative surfaces**

and related products in

Australia and New Zealand.

Vision

- Innovative
- Market Leader
- Powerful Integrated Product Offer
- Decorative Focus
- Australia and New Zealand Geography
- Globally Competitive
- Zero Harm

Leading Brands



Laminex[®]
Inspire your space



World's favourite laminate



GREEN*first*[™]

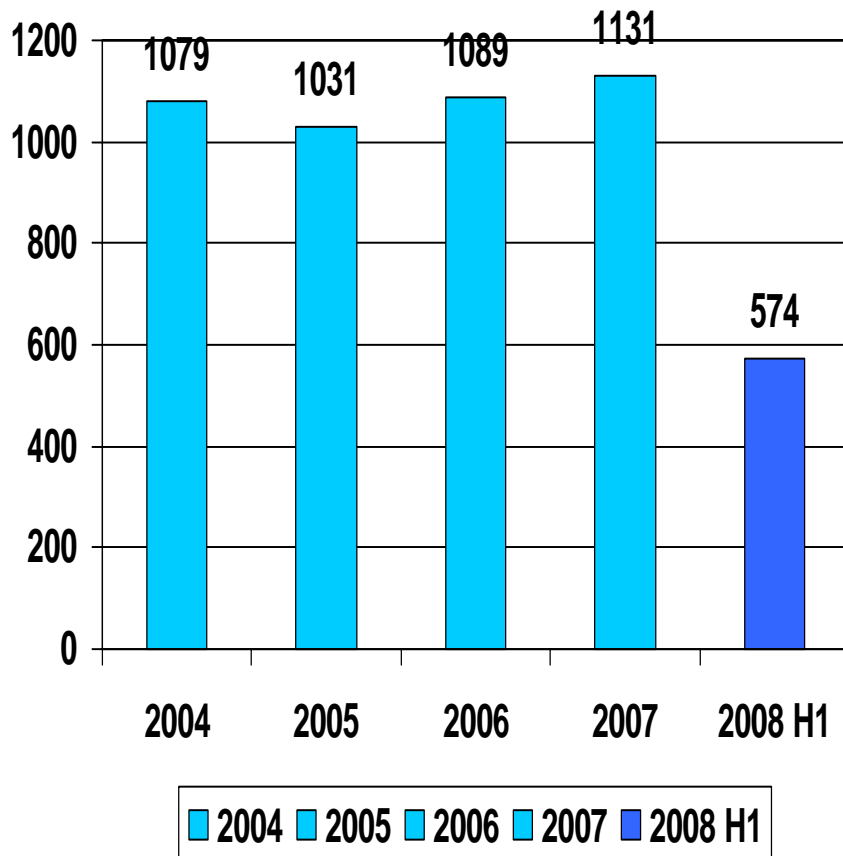
Leading Products



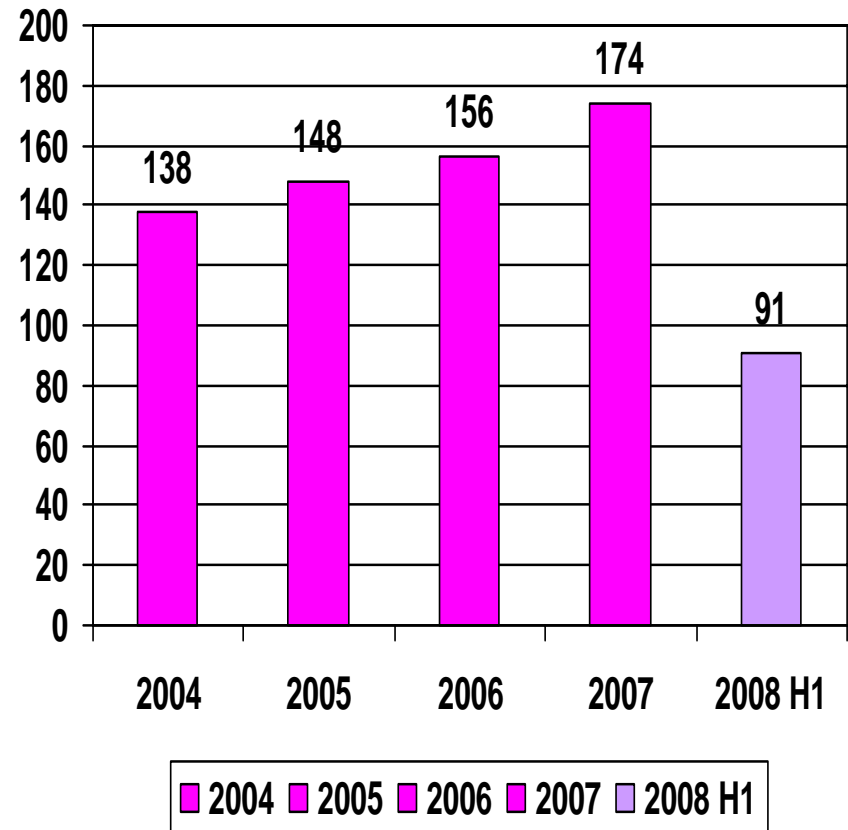
Strategic Objectives

- Increase Market Share
- New Product Sales
- New Segment Sales
- Acquisitions
- Operational Effectiveness
- Zero Harm

Revenue and EBIT - NZ\$M



REVENUE

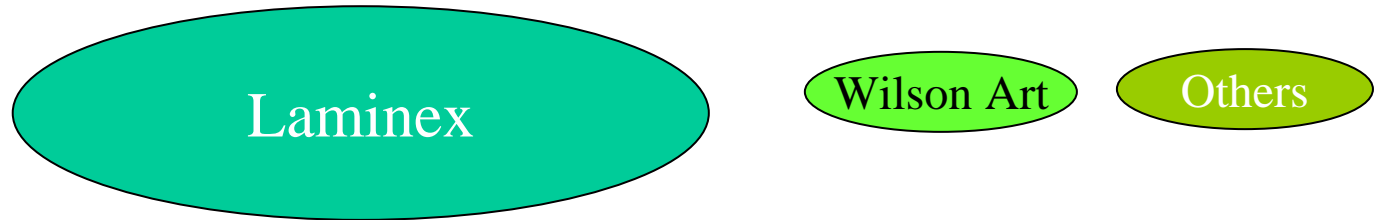


EBITDA

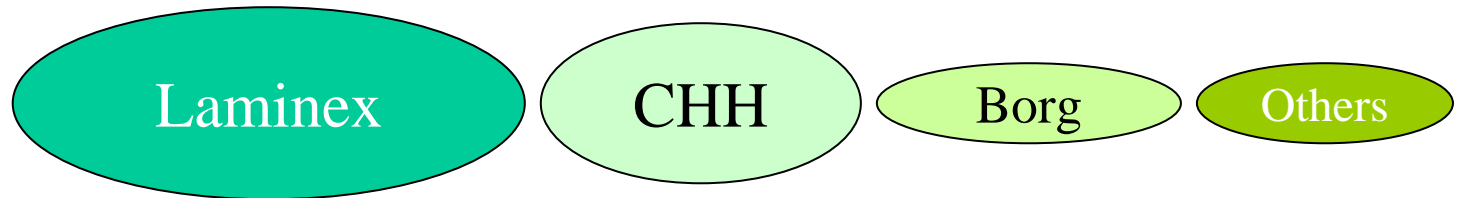
Industry Structure

Laminex relative market position by major product group

HPL



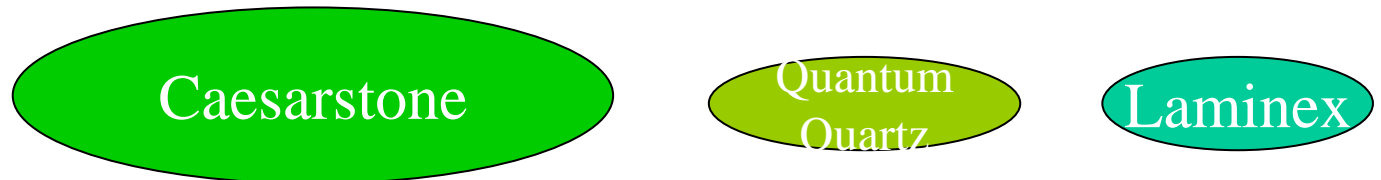
**Decorative
MDF/PBD**



**Raw
MDF/PBD
excludes Export**



**Engineered
Stone**



Market Performance

Housing Starts - Units

- Australia - marginal growth from 05/06 to 07/08 and 9% growth in 08/09
- New Zealand - 9% reduction in 2007/08 and further 6% reduction in 2008/09

Total Housing Starts ('000)	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Forecast	08/09 Forecast
Australia	160.4	150.6	152.9	155.0	168.7
New Zealand	27.4	25.5	26.5	24.0	22.5
TOTAL	187.8	176.1	179.4	179.0	191.2

Market Performance

Residential & Non-Residential Values

- NZ market stable in both commercial and residential (including A&A)
- Australia with stable non-residential and increase in residential (including A&A)

Residential & Non-Residential	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Forecast	2008/09 Forecast
NZ Residential	5.3	5.1	5.1	5.2	5.0
NZ Non-Residential	3.7	4.1	3.7	3.7	3.8
TOTAL NZ	9.0	9.1	8.8	8.9	8.8
Australian Residential	37.5	35.9	36.0	38.6	40.7
Australian Non-Residential	19.8	22.1	24.2	25.6	25.1
TOTAL AUSTRALIA	57.3	58.0	60.2	64.2	65.8

Source : BIS Shrapnel (Aust) (2004/05 Prices)
& Infometrics (NZ) (1995/96 Prices)

Leading Market Positions

- Laminex holds a leading market position in decorative HPL, MDF and PBD products
- No. 2 market position in commodity MDF and PBD

Market Shares 2006/07

Decorative Products

High Pressure Laminate

Decorated MDF

Decorated Particleboard

Raw Products

Raw MDF

Raw Particleboard

Aus

NZ

62%

68%

57%

55%

43%

65%

31%

25%

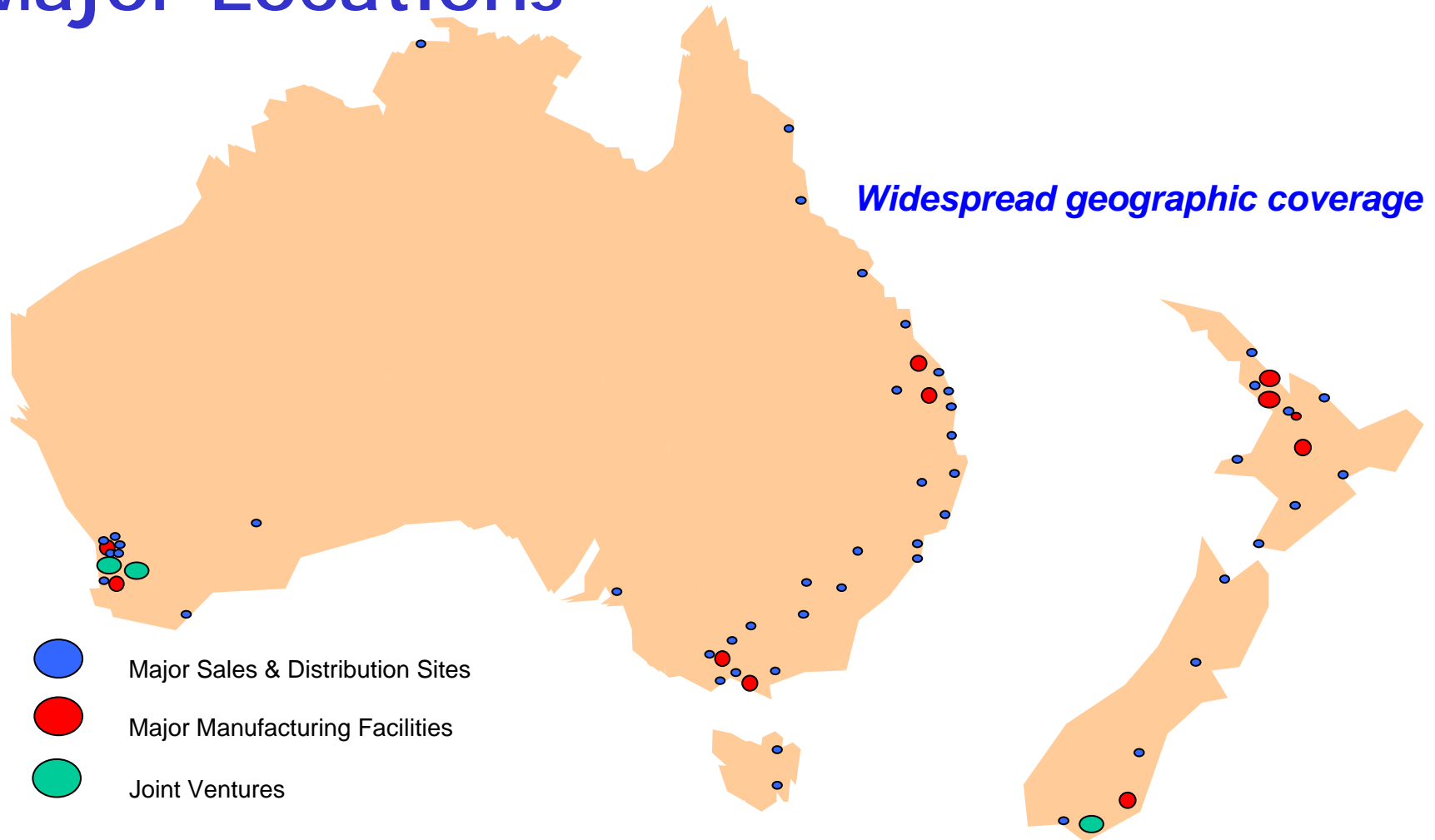
30%

62%

Competitive Advantages

- No.1 or No.2 market positions in key product categories
- Integrated decorative product range
- Brand recognition
- Extensive distribution branch network
- Vertically integrated manufacturing facilities
- Joint ventures in some key suppliers
- Access to Formica Corporation product range and low cost Asian manufacture

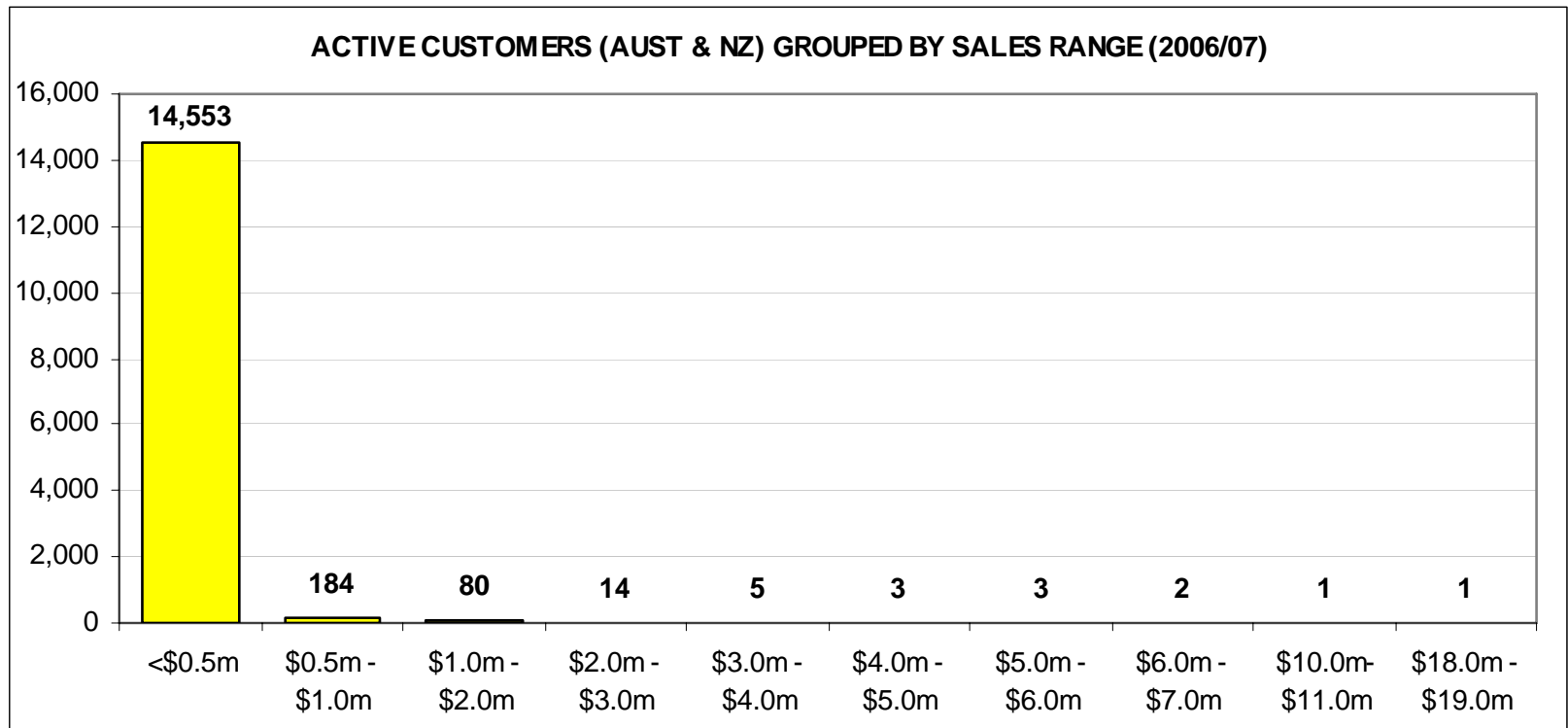
Major Locations



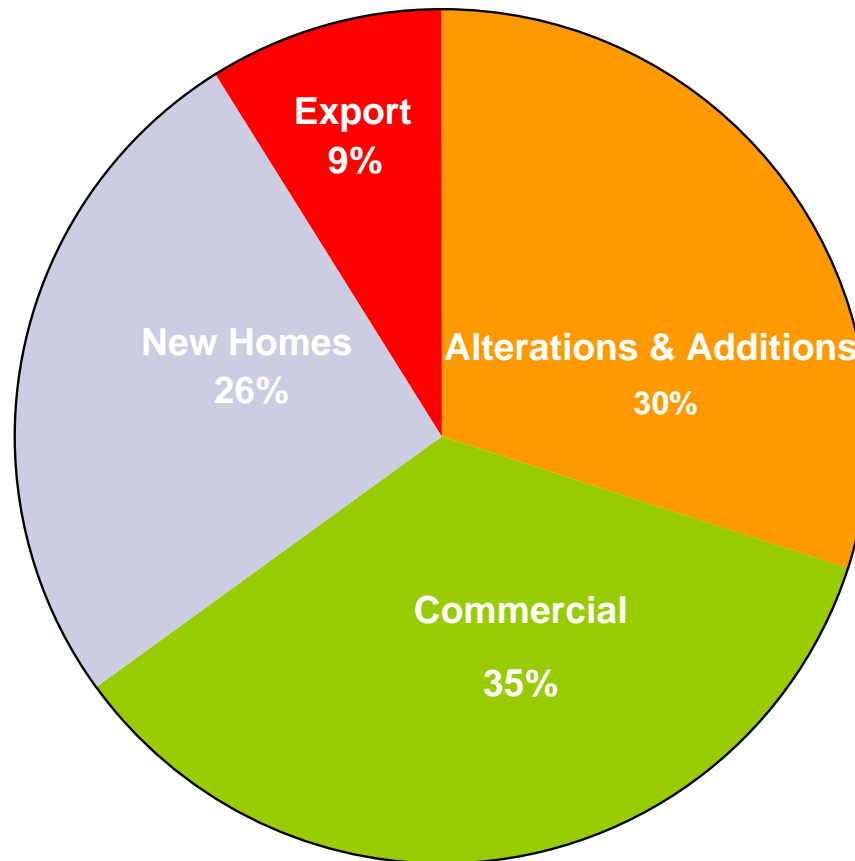
Changing Market Conditions

- Flat market
- A large fragmented customer base - some consolidation
- Competitive industry
 - Large retailers growing their presence with imports
 - Low cost Asian kitchen and furniture
 - New products (Engineered Stone)
- Growing requirement for environmentally sensitive products

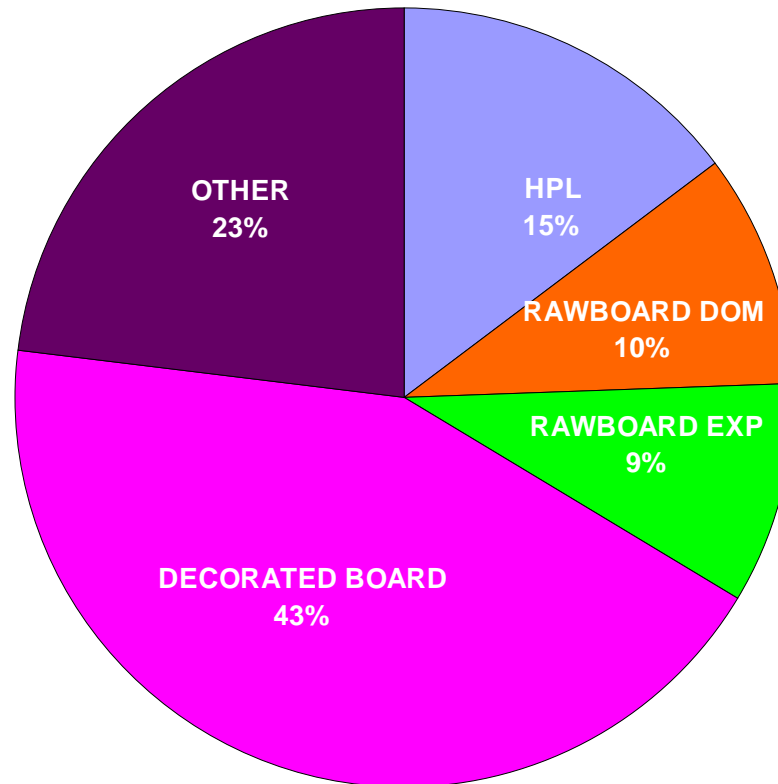
Customer Size



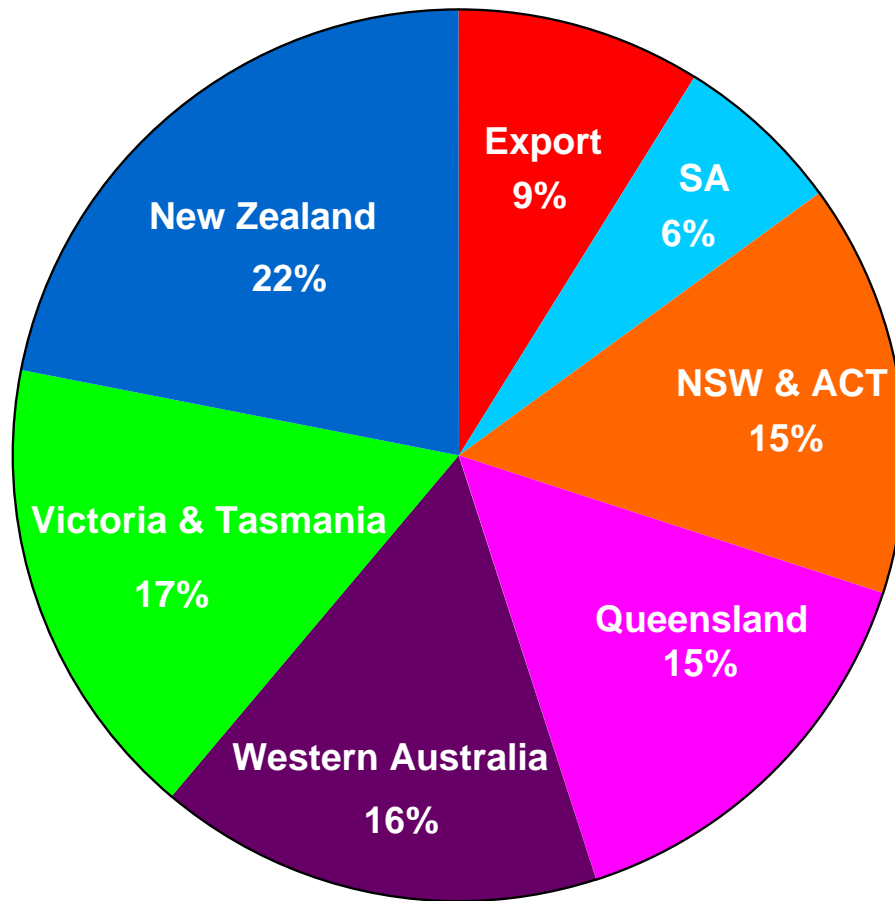
Revenue by Segment 2006/07



Revenue by Product 2006/07



Revenue by Major Region 2006/07

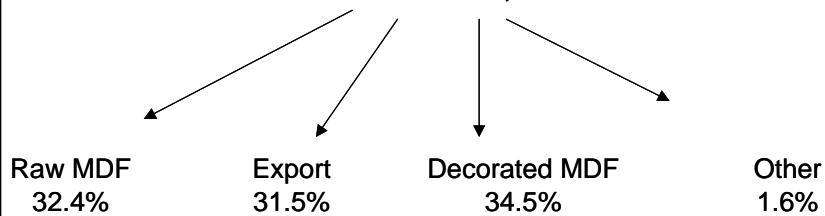


Manufacturing Footprint

MEDIUM DENSITY FIBREBOARD

MANUFACTURING FACILITIES
 Australia: Gympie Qld, Welshpool WA
 Outsourced: Dongwha Patinna (NZ) Ltd

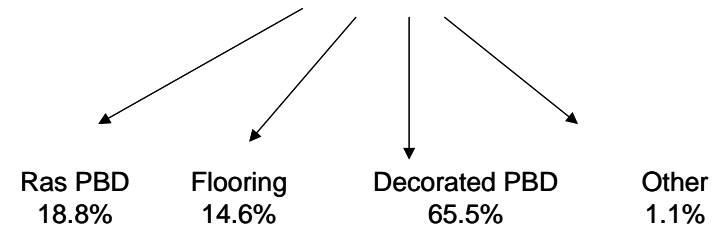
Total Volume: 423,000m3



PARTICLEBOARD

MANUFACTURING FACILITIES
 Australia: Dardanup WA, NZ: Kumeu and Taupo
 Outsourced: CHH Australia

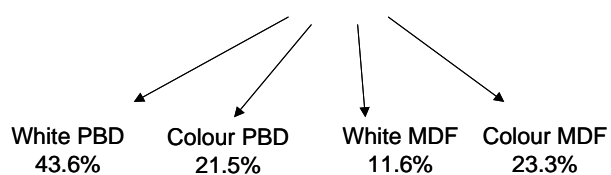
Total Volume: 455,000m3



DECORATED MDF & PBD

MANUFACTURING FACILITIES
 Australia: Gympie & Brisbane Qld, Dardanup & Welshpool WA, Ballarat Vic
 NZ: Hamilton

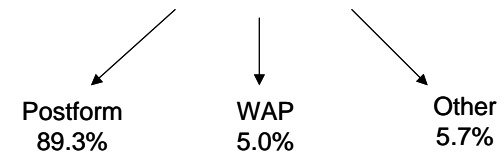
Total Volume: 25.300mill. m2



HIGH PRESSURE LAMINATE

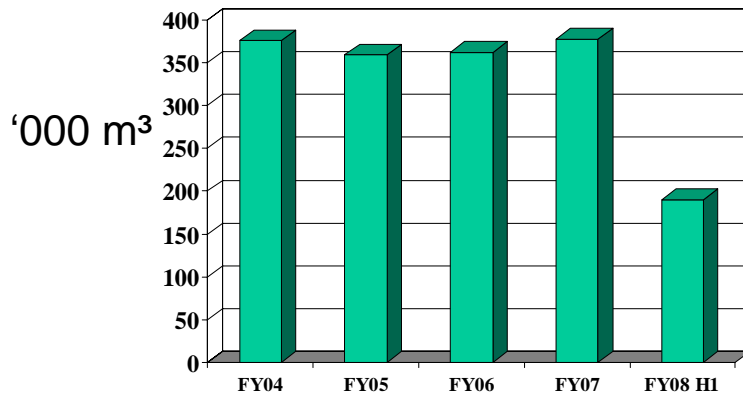
MANUFACTURING FACILITIES
 Australia: Cheltenham Vic NZ: Papakura
 Outsourced: China, Spain, India, Malaysia

Total Volume: 3.700mill. m2



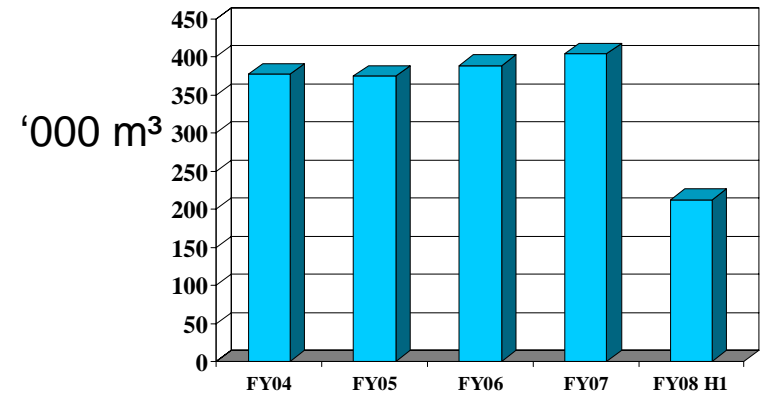
Manufacturing Performance

Medium Density Fibreboard

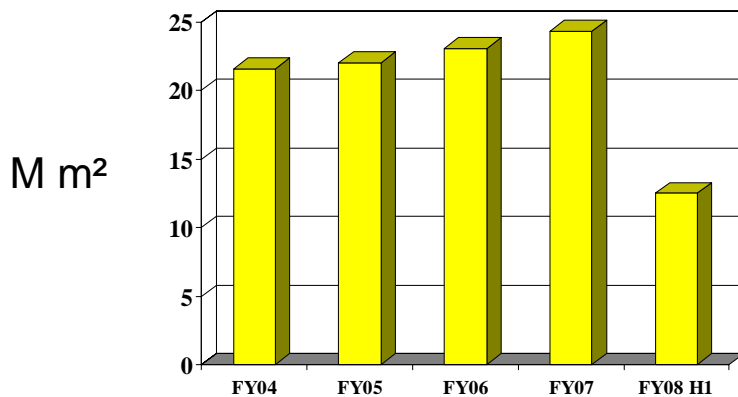


MDF - Excludes Taupo MDF facility

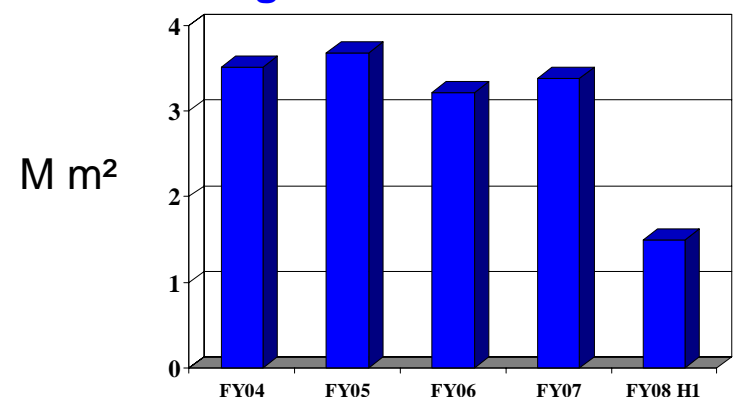
Particleboard



Low Pressure Laminate

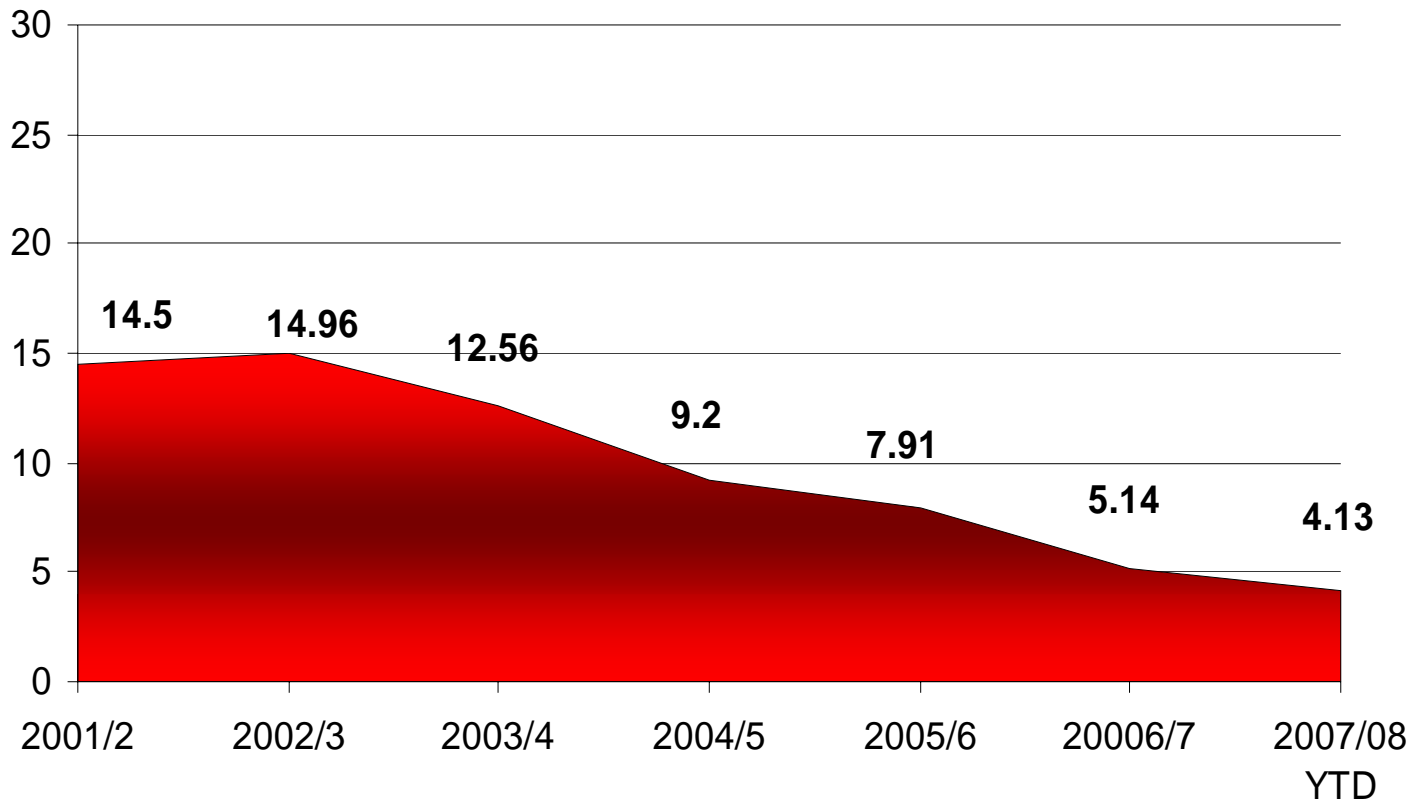


High Pressure Laminate





TLG LTIFR 2001/02 - 31 JAN 2008 (ROLLING)



- Zero Harm Philosophy - continuous improvement
- Safety Management System based on ASNZS4801

Significant Operational Issues Resolved

Taupo MDF Facility

- Annual MDF production at Taupo was 164,000 m³, 70% to Asia
- On the 11th September 2006 fire destroyed the MDF Press
- All export of MDF from Taupo was ceased immediately
- The NZ domestic market was supported ongoing by new supply arrangements
- A decision was taken in May 2007 not to re-build the MDF facility
- November 2007, Laminex purchased 20% of the shares in DPNZ

Significant Operational Issues Resolved

Penrose HB/IB Facility Closure

- In October 2007, Laminex closed its Hardboard/Softboard manufacturing facility.
- The decision to close the Plant was driven by:
 - Significant environmental compliance costs
 - Rising cost of input materials
 - Reduced export earnings, and
 - Declining financial performance
- Proposal for the redevelopment of the site for an Auckland Sales and Distribution Centre is advanced

Growth

Significant Formica Related Synergies

HPL Import and Facility Rationalisation

- HPL Formica China imports underway
- Key synergy identified at the time of the Formica acquisition
- Papakura to close prior to June 2008
- Cheltenham HPL facility re-structured in January 2008
- Procurement synergies identified
- Opportunities for Formica product and colour range introduction to Laminex

Major Investments

Dardanup Particleboard Drier

- New Drier commissioned in December 2006,
- Capex of \$16m.
- Significant improvement achieved in environmental and production performance
- 64% reduction in energy costs
- Drier officially opened by WA Minister for Forests, The Honourable Kim Chance in January 2008.

Major Investments

Dongwha Patinna NZ Limited (DPNZ) Acquisition

- In November 2007, The Laminex Group acquired 20% of the shares of the DPNZ MDF business
- Located near Invercargill in New Zealand's South Island
- Guarantees future supply of raw MDF to The Laminex Group New Zealand domestic market.
- Synergies identified in the acquisition for both DPNZ and Laminex
- Call option for an additional 30% of the shares of DPNZ

Major Investments

Gympie Heat Energy Plant (HEP)

- Investing A\$15m in a new HEP and cyclone
- Under construction and will be commissioned in May 2008
- Eliminates significant business interruption risk
- Allows for future capacity expansion



Major Investments

Western Australia Branch Upgrades

- Investing A\$4m upgrading the Western Australian branch network
- New consolidated WA Metro DC will be completed in May 2008
- Adjacent to the Welshpool MDF facility, will incorporate WA sales, distribution and administration.
- Continue distribution for product from WA manufacturing to the east coast
- A new sales and distribution branch in Bunbury, ready for trading in May 2008



Bunbury

Capacity Upgrade - Dardanup Particleboard Facility

- Currently developing a proposal to increase particleboard production to 300,000m³ p.a. (11% increase)
- Opportunity also exists to invest in wood processing equipment to improve the wood fibre yield
- Total capex estimated at A\$14m

Capacity Upgrades - Gympie MDF facility

- Currently developing proposal to increase MDF production capacity by 6%
- Investment includes upgrades to both MDF press lines
- Total capex estimated at A\$6m

Growth Product Opportunities

- Chemical Resistant Laminate
- Engineered Stone : Essa Stone
- Solid Surface Benchtop Material
- Engineered Veneers
- Splashbacks
- Greenfirst product range
- Kitchen Components

Kitchen Components

- Ballarat componentry plant has developed kitchen component manufacturing base
- Development of kitchen component sales to a big box retail business in Australia
- Design Services group developing and marketing the 20/20 design software

Kitchen Components

Kitchen Retail Joint Venture

- Creating a kitchen distribution joint venture with major whitegoods and electronic retailer in Australia
- Kitchens to be sold through retail outlets
- The Laminex Group to manufacture kitchen components for joint venture
- Store pilot program targeted for June 2008 quarter



Kitchen Components

Powder Coated Door Plant

- Construction of powder coated door plant at Ballarat
- Investment of \$4m with plant commissioned in January 2009
- New plant will provide significant growth opportunities in The Laminex Group door product range

Acquisitions

- The Laminex Group is reviewing acquisition opportunities as part of our growth strategy
- Opportunities exist in both the core business segments and emerging kitchen component segment
- Reviewing acquisitions across Australia, New Zealand

Outlook

- Relatively flat market across most segments
- Australia anticipating some market growth in FY09
- Continued tight labour market
- Continued delivery of Formica synergies
- Grow earnings through implementation of strategic objectives
- Investigate acquisition opportunities

Thank you