
PRESENTATION TO MACQUARIE CONFERENCE

2 May 2013

Mark Adamson
Chief Executive Officer

Disclaimer

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, including those relating to the 2013 half year results announcement, 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.



Presentation Overview

Fletcher Building overview

Simplification of divisional structure

FBUnite: overview of transformation programme

Trading Update

Balance sheet

Outlook



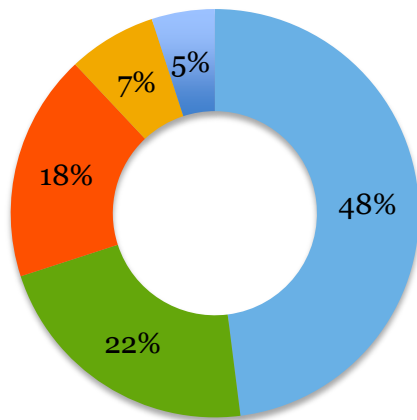
Fletcher Building at a glance

Revenue – 12 months to 30 June 2012: NZ\$8.87 billion

Market Capitalisation: NZ\$5.96 billion

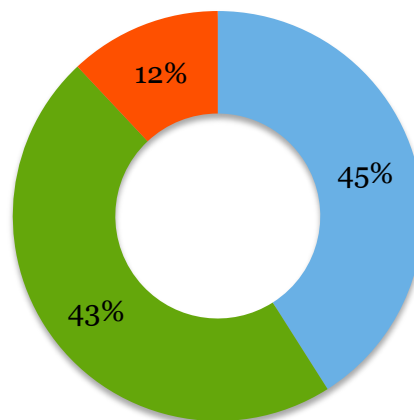
Employees: 19,000

Shareholders:
(as at 31 Dec 2012)



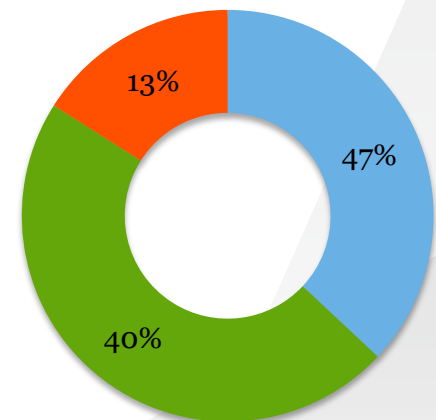
■ New Zealand ■ Australia
 ■ North America ■ Europe
 ■ Asia

Revenues:
(6 months to 31 Dec 2012)



■ New Zealand
 ■ Australia
 ■ Rest of World

EBIT
(6 months to 31 Dec 2012)



■ New Zealand
 ■ Australia
 ■ Rest of World



Business structure has been simplified around 5 divisional groupings



Infrastructure Products

- Cement
- Readymix
- Aggregates
- Concrete Products
- Concrete pipes
- Quarries
- Long steel
- Reinforcing bar, mesh and wire
- Iplex pipelines
- Copper tube distribution



Building Products

Building Materials Manufacture

- Plasterboard
- Insulation
- Roof tiles
- Coated steel
- Aluminium windows & doors
- Sinkware



Laminates & Panels

Laminex

- MDF
- Particleboard
- LPM
- HPL

Formica

- HPL



Distribution

New Zealand

- 57 PlaceMakers branches
- 12 PlaceMakers frame and truss sites
- 63 Mico branches

Australia

- 223 Tradelink branches
- 17 Hudson Building Supplies branches
- 12 Northern's Plumbing Supplies branches



Construction

Construction

- General construction
- Infrastructure projects
- Residential house development



FBUnite: multi-year business transformation programme



PEOPLE

Developing a winning culture.

Organisational development

- Learning Academy
- Leadership
- Performance management
- Talent management
- Global employee engagement

Intranet

HRIS



INNOVATION & GROWTH

Responsive to market changes.

Future distribution opportunities

Future growth opportunities

Digital

- ICT roadmap
- Digital business strategy
- Customer/marketing/CRM



PERFORMANCE EXCELLENCE

Optimising operational performance.

Network optimisation

- Freight/logistics
- Distribution footprint

Operational excellence

- Manufacturing
- Supply chain
- Health & Safety



EFFICIENCY

Creating the lowest possible cost structure.

Procurement

- Indirect
- Direct
- ICT

Shared services centre

- Finance – Accounts Payable/Accounts Receivable
- HR – Payroll, learning and development
- Desktop support
- Purchasing

Property

- Portfolio management
- Rationalisation
- Transactions



Efficiency: creating the lowest possible cost structure

Shared Services:

Reducing cost of core support functions

Areas of focus:

- Finance (accounts receivable, accounts payable, credit management)
- Human resources (payroll, recruitment, learning and development, health and safety)
- ICT (user support, IT maintenance and infrastructure)

Procurement:

Coordination across **\$800m** p.a. of indirect third-party procurement spend

Central group procurement function will leverage the group's size, experience and leading practice

Suppliers will benefit from reduced cost of serving one central function, greater collaboration and innovation

Property:

Total group property costs across New Zealand and Australia in excess of **\$250m** p.a.

A review of the property portfolio underway:

- consolidate and rationalize surplus properties
- lower costs to operate

Assessment of the distribution footprint will follow



Strategy remains focussed on improved operational leverage and targeted growth opportunities

Maintain and build on our position in building and construction products sectors, as well as in distribution, primarily in New Zealand and Australia.

Deliver earnings reliability for the group through geographic and end market diversification.

Create value through a business model that ensures that operating decisions are made as close to the customer as possible while also leveraging size and scope of the portfolio to deliver greater efficiency and enhanced operating capabilities.

Pursue selected growth opportunities:

- **organic growth through existing businesses.**
- **investment in new businesses, or bolt on acquisitions, in markets with attractive growth prospects, where Fletcher Building has the expertise and capabilities to achieve competitive advantage.**



Investor Presentation

TRADING UPDATE



Ngaruawahia Bypass, New Zealand



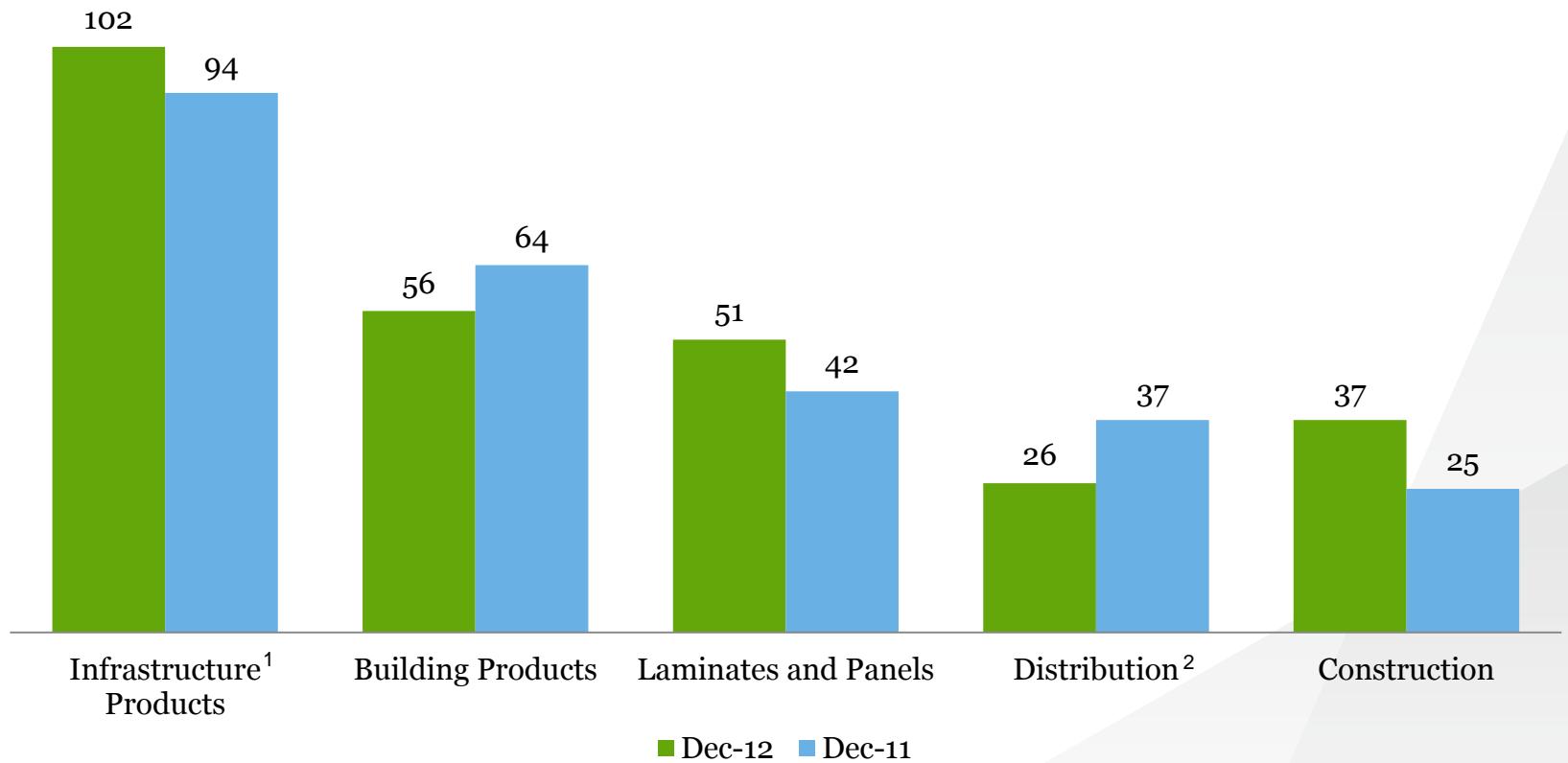
New Zealand earnings increase offset by decline in Australia

| NZ\$m | Dec 2012 6 months | Dec 2011 6 months | % Change |
|----------------------------|----------------------|----------------------|----------|
| Sales | 4,380 | 4,494 | -3 |
| EBITDA | 374 | 372 | +1 |
| EBIT | 262 | 256 | +2 |
| Net earnings | 146 | 144 | +1 |
| Earnings per share (cents) | 21.3 | 21.2 | - |
| Dividend (cents per share) | 17.0 | 17.0 | - |



Divisional operating earnings overview

EBIT
NZ\$million

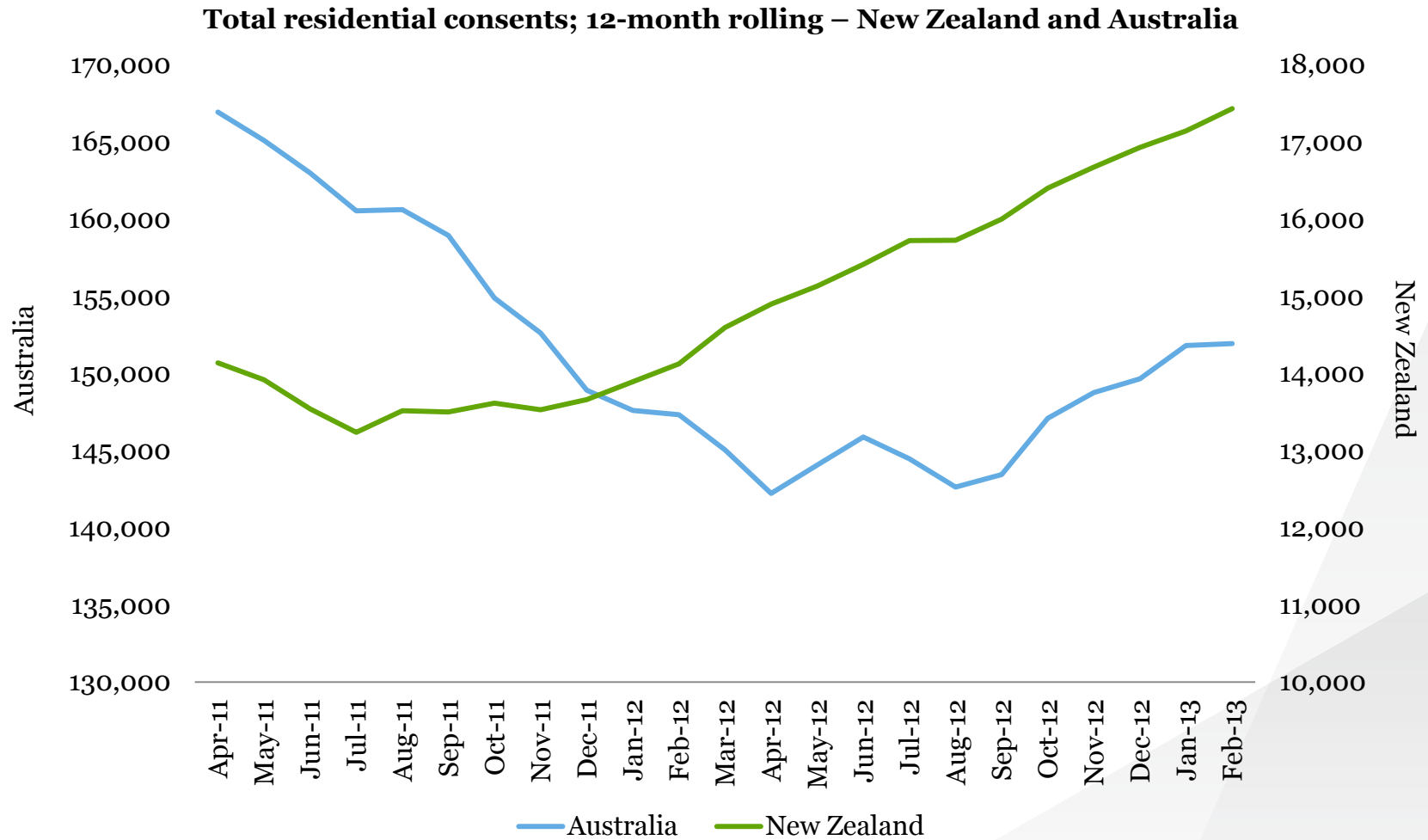


1. Includes Iplex Pipelines and Crane Copper Tube

2. Includes Tradelink and Mico Plumbing



Sustained improvement in New Zealand residential consents; Australia remains subdued



Source: Statistics NZ, ABS



Competitive trends and themes

High A\$ and NZ\$ has increased import competition

Historically low shipping rates also making imports more viable

Change in mix of stand-alone versus multi-unit residential construction

Move to provide total solutions versus product-by-product approach

Digital technology enabling new low-cost routes to market



Canterbury update

Considerable progress on residential home repairs:

47,000 emergency repairs completed

35,000 full scope repairs completed

\$1bn paid to contractors to end of January

Home Repair Programme due to be completed by the end of 2015

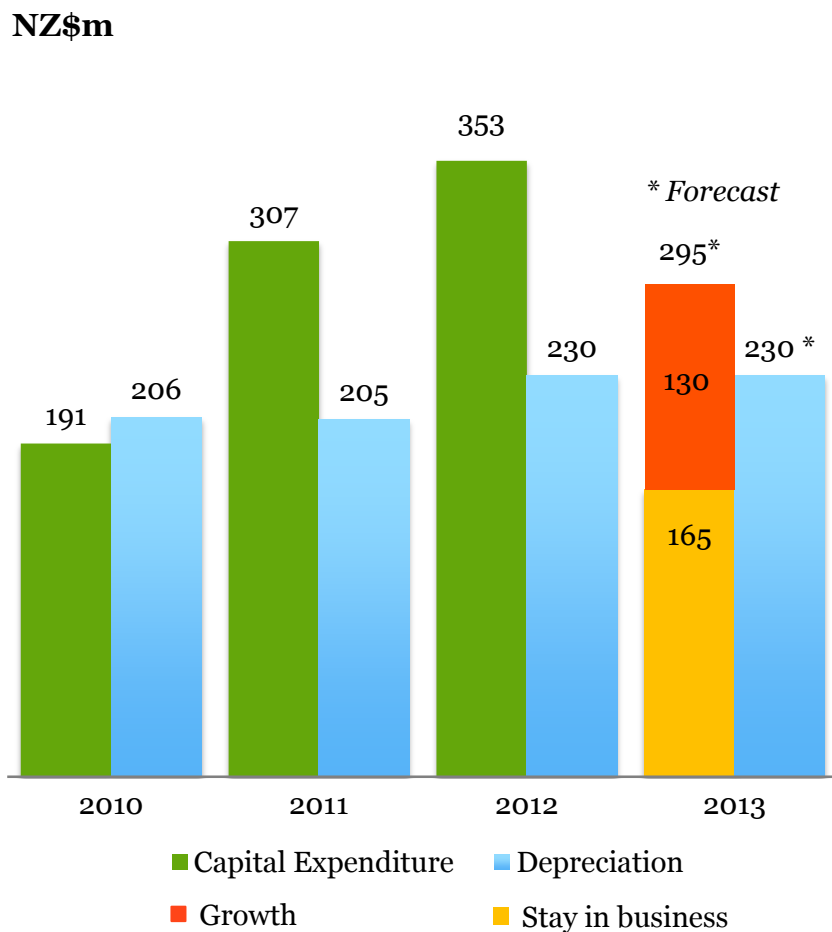
Commercial construction driven initially by fringe city and commercial hub developments, with larger landmark projects expected to start in late 2013, dependent on land acquisition

Latest NZ Treasury estimates of total cost of rebuilding: NZ\$40 billion

NZ Government share of rebuild costs estimated at \$15 billion



Forecast capital expenditure for FY13 is \$58m lower than FY12



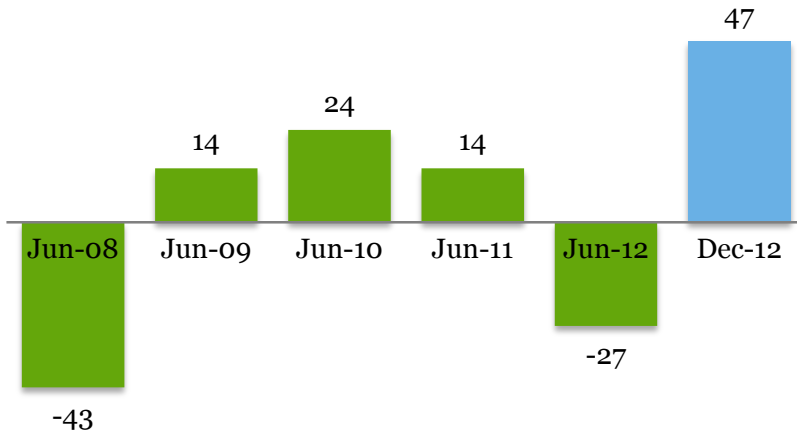
| | Dec 12 6 mths | Dec 11 6 mths | % Δ | FY13 Forecast |
|---------------------|------------------|------------------|------------|------------------|
| Stay-in-business | 52 | 101 | -49 | 165 |
| Growth ¹ | 31 | 22 | +41 | 119 |
| Acquisitions | 11 | 31 | -65 | 11 |
| Total | 94 | 154 | +39 | 295 |
| Depreciation | 112 | 116 | -3 | 230 |

1. Forecast includes investment in new Formica plant in China and investment in India

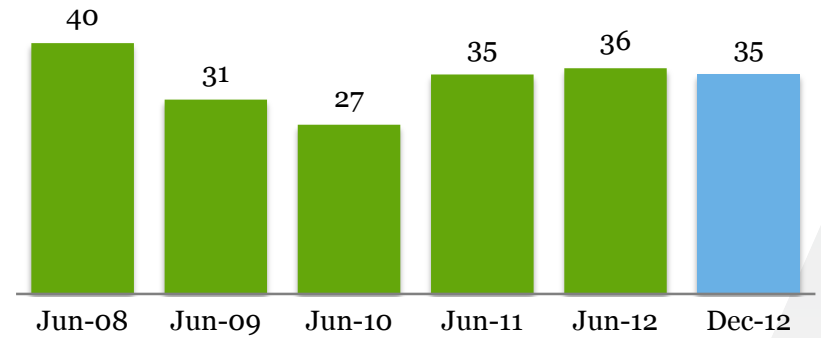


Key Ratios

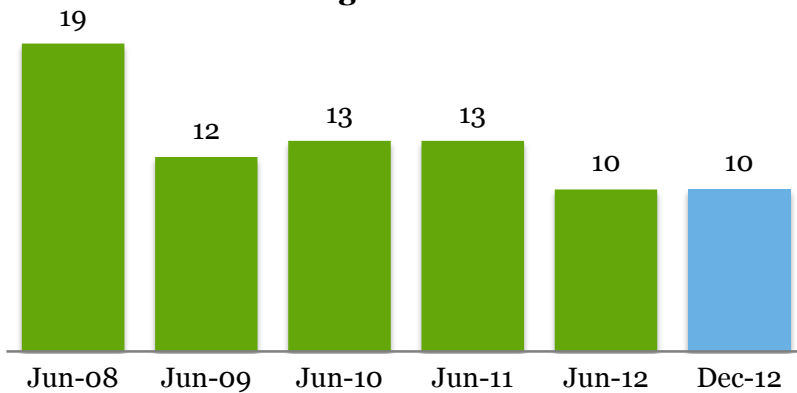
Total Shareholder Return (TSR) Percentage



Debt/Debt Plus Equity Percentage



Return on Average Funds Percentage¹



1. Earnings before interest, tax, and significant items / average funds



Investor Presentation

OUTLOOK

Winstone Wallboards, Christchurch



Outlook FY2013

New Zealand

- Uplift in housing consents in first half should lift performance of businesses exposed to residential sector in the second half
- Infrastructure projects continue to underpin non-residential activity
- Reconstruction work in Canterbury expected to remain at high levels

Australia

- Downturn in residential and weak commercial construction activity likely to remain in second half
- Cost reduction initiatives will partly mitigate the impact of continued weak underlying trading conditions

Asia: Improvement dependent on expected upturn in China

North America: Improvement expected in the second half

Europe: Depressed conditions likely to continue



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