



ABN-AMRO NEW ZEALAND DAY

SYDNEY 4 MARCH 2008

Jonathan Ling Chief Executive Officer

Disclaimer

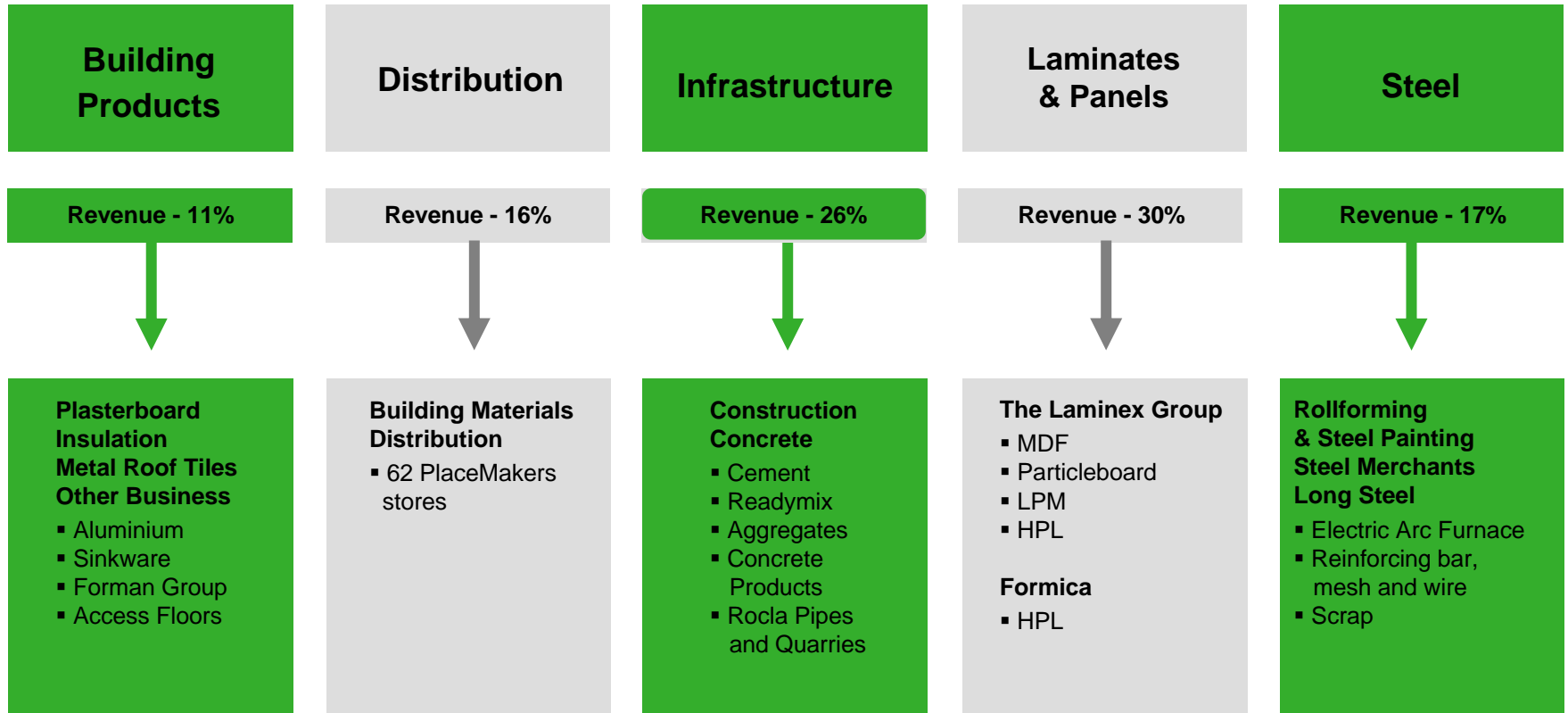
This presentation contains not only a review of operations, but also some forward looking statements about Fletcher Building and the environment in which the company operates. Because these statements are forward looking, Fletcher Building's actual results could differ materially. Media releases, management commentary and analysts presentations, including those relating to the February 2008 half year results, 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.

COMPANY OVERVIEW

Fletcher Building is Australasia's largest building and construction materials supplier, by market capitalisation, with leading market positions in USA and Europe

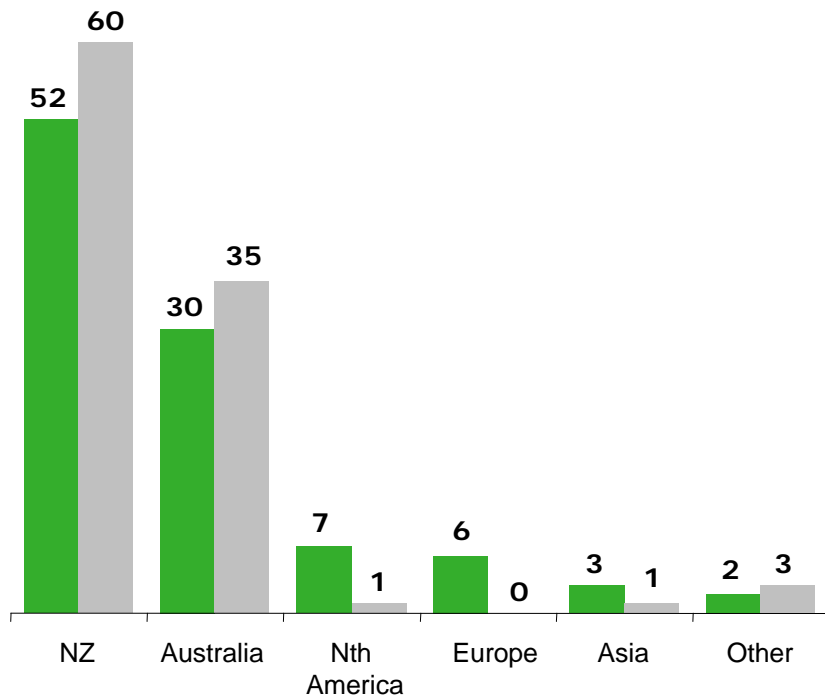
Countries:	Operations in 11 countries	
Annual Turnover:	NZ\$7+ billion	
Market Capitalisation:	NZ\$4.8 billion	
Dual Listed:	NZX/ASX	
Demerged:	March 2001	
Employees:	20,000+	
Shareholders:	NZ	43%
	Aus	35%
	USA	12%
	Other	10%

Market leading businesses

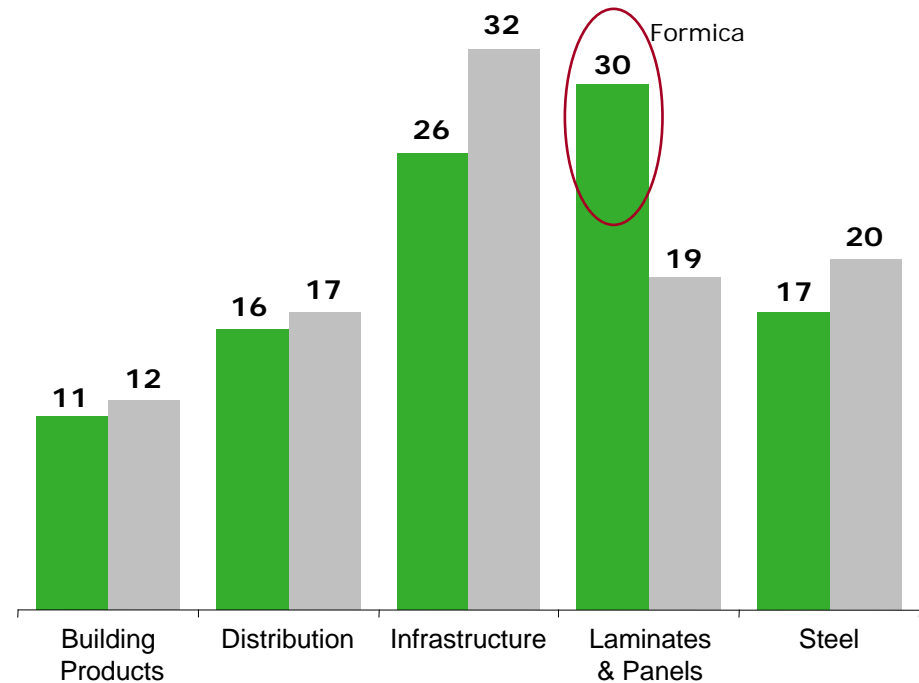


Diversification of revenue is improving

Revenue by Region
Percentage



Revenue by Division
Percentage



■ 1H08 ■ 1H07

Our strategic agenda

Earnings Reliability

Internal Growth

External Growth

Record earnings & EPS achieved over previous period

\$m		%	1H08	1H07
Sales	↑	19	3,547	2,980
EBITDA	↑	17	490	418
EBIT	↑	16	394	340
Net Earnings	↑	22	235	193
EPS (cps)	↑	14	47.0	41.1
Dividend (cps)	↑	9	24.0	22.0

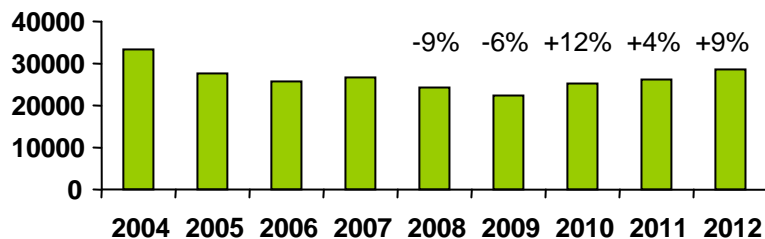
MARKET FORECASTS

ABN-AMRO NZ Day 4 March 2008



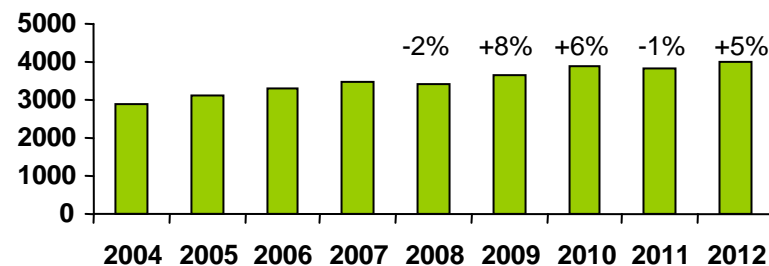
New Zealand - Volume of work commenced

Residential consents



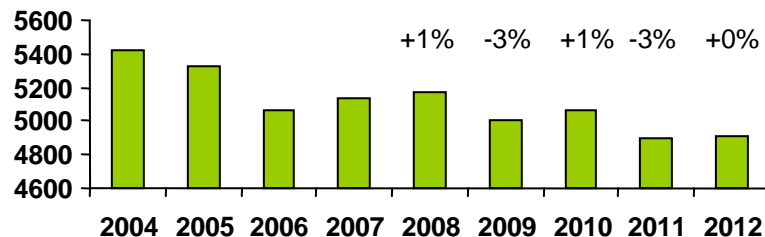
Infrastructure WPIP

\$m 1995/96
prices



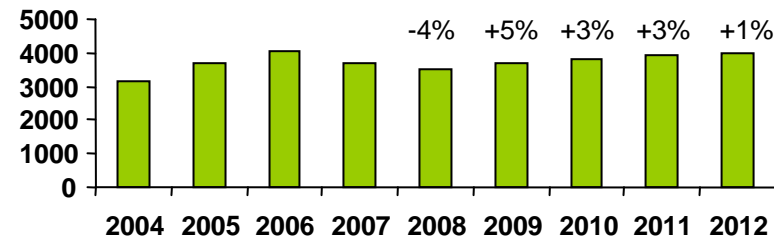
Residential incl A&A WPIP

\$m 1995/96
prices



Non Residential WPIP

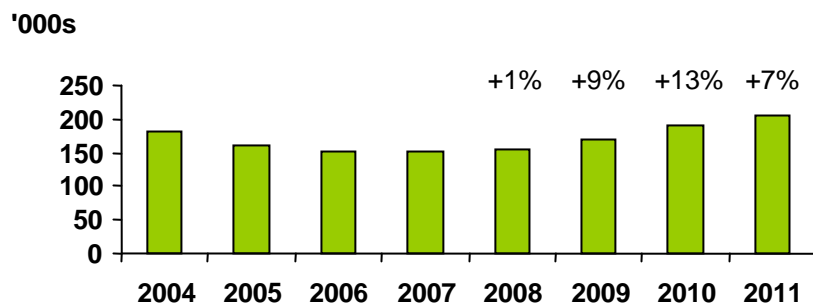
\$m 1995/96
prices



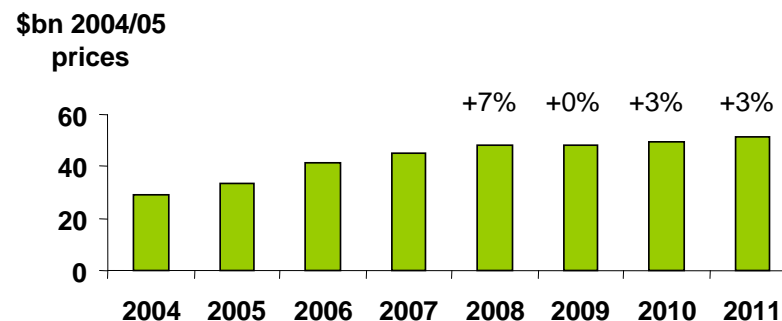
Source: Infometrics March 2008 data = June Years

Australia - Volume of work commenced

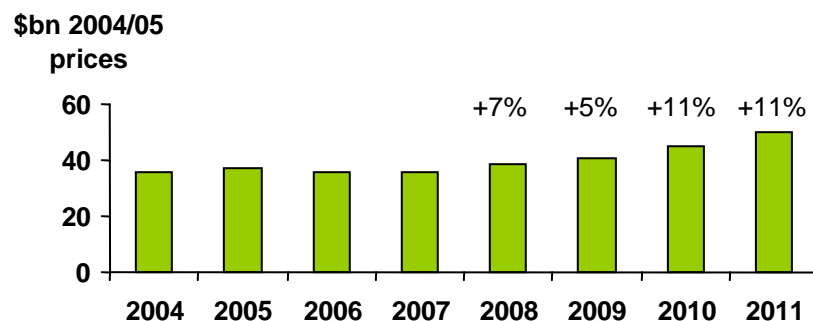
Residential approvals



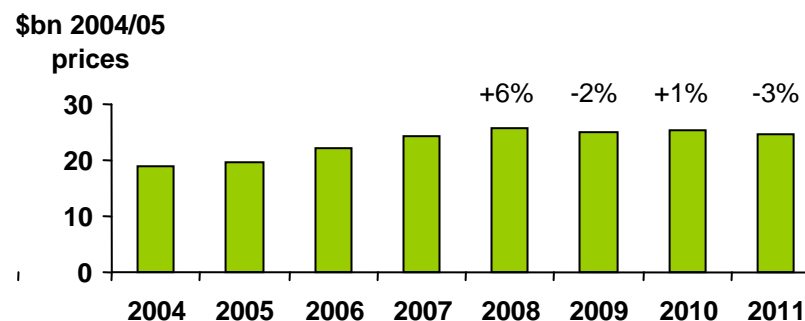
Infrastructure WPIP



Residential incl A&A WPIP



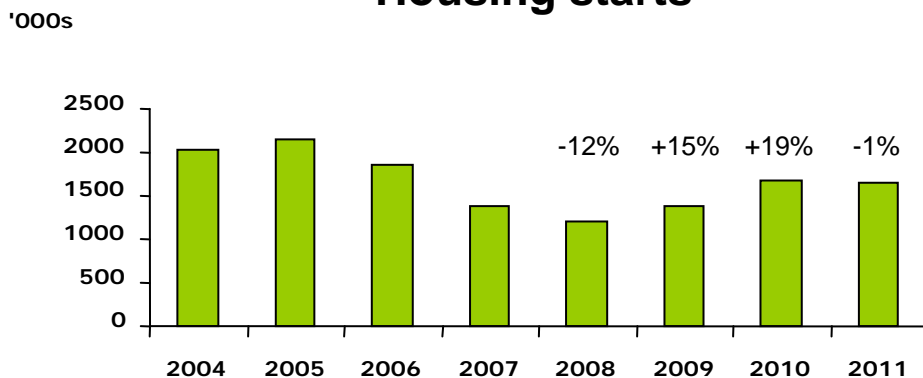
Non Residential WPIP



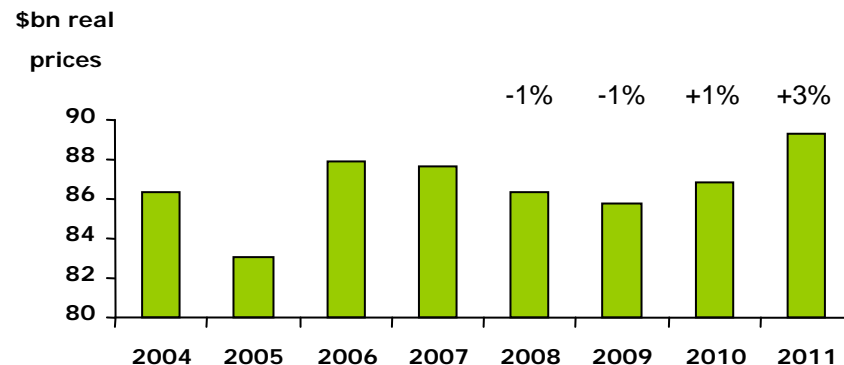
Source : BIS Shrapnel December 2007 data = June Years

USA - Volume of work commenced

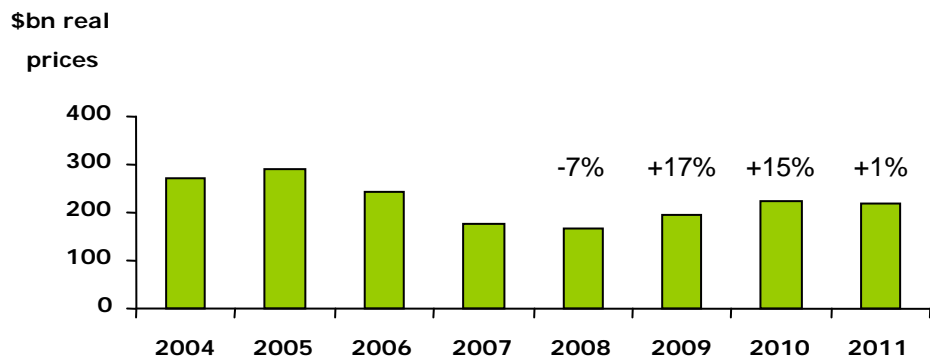
Housing starts



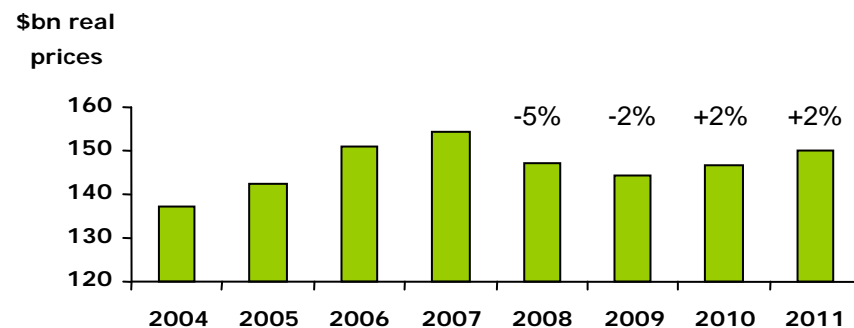
Infrastructure WPIP



Residential WPIP



Non Residential WPIP



Source : McGraw-Hill Winter 07/08

GROWTH



Growth projects: Internal pipeline remains strong

Building Products

- New Christchurch distribution centre underway
- Furnace rebuild at Auckland glasswool plant in progress
- Completion of Hungarian roof tile plant in 2009

Distribution

- Upgrades to Cromwell, Taranaki, Ohakune, Thames, Christchurch Frame & Truss
- Site acquired in Warkworth
- Major IT project underway

Infrastructure

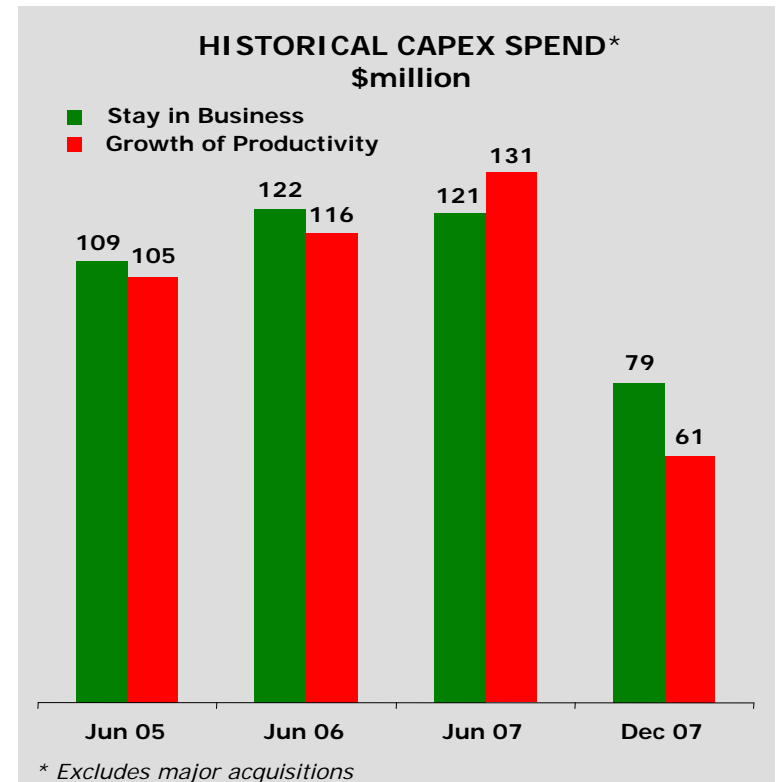
- Australian quarry expansion
- Cement terminal in Auckland
- Cameron's Quarry acquired in Bay of Plenty

Laminates & Panels

- Particleboard upgrade in Australia
- China HPL press
- 20% investment in Dongwha to secure MDF supply

Steel

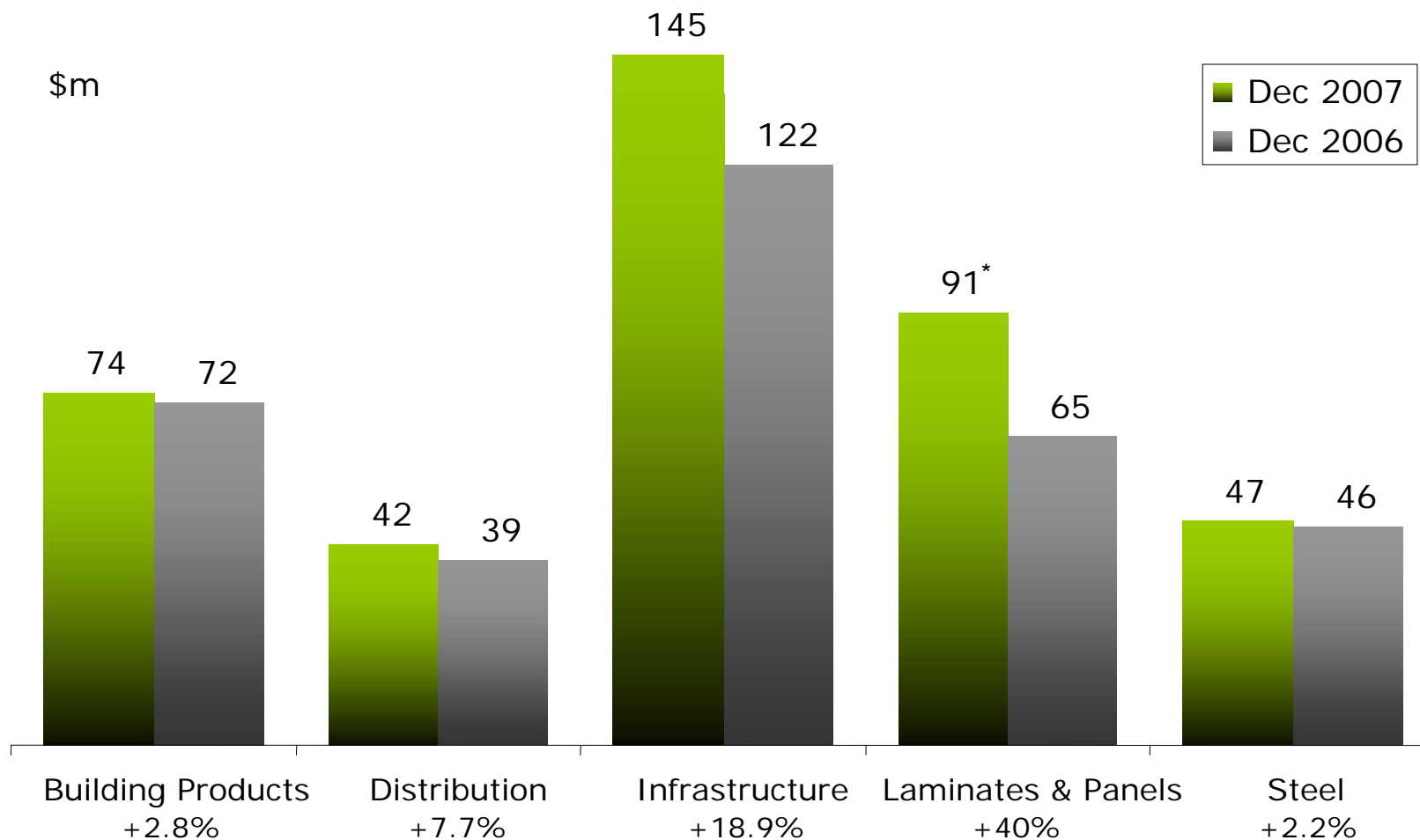
- Acquisition of Fair Dinkum Homes and Sheds



DIVISIONAL REVIEWS



Earnings for all divisions increased in the first half despite challenging market conditions



* Includes Formica acquired 2 July 2007

Building Products

Plasterboard

- Leading NZ market position

Insulation

- No.1 in Australasia with 60% of Australian and 70% of NZ bulk insulation market

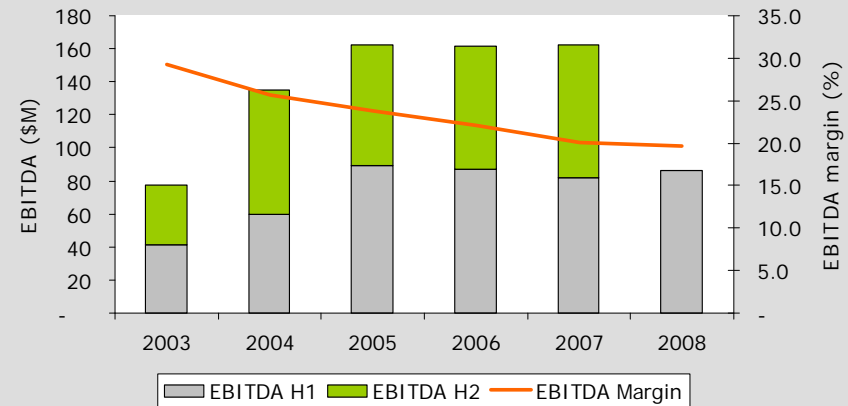
Metal Roof Tiles

- Largest manufacturer of steel roof tiles worldwide

Other

- Fletcher Aluminium
- Tasman Sinkware
- Forman Insulation

Historical earnings



Notes:

- The Tasman Building Products Group was acquired on 30 September 2003
- Insulation Solutions was acquired on 1 March 2005
- The Forman Group was acquired on 1 December 2006

Notes:

- All Steel products such as rollforming, steel painting, long steel and steel merchants were reorganized from the Building Products division to form the Steel division in October 2006. The above numbers have been fully adjusted to exclude such steel products from the Building Products numbers since 2003
- EBITDA reference excludes unusual items

Building Products

Plasterboard

- Business stable

Insulation

- Overall strong despite NSW weakness

Metal Roof Tiles

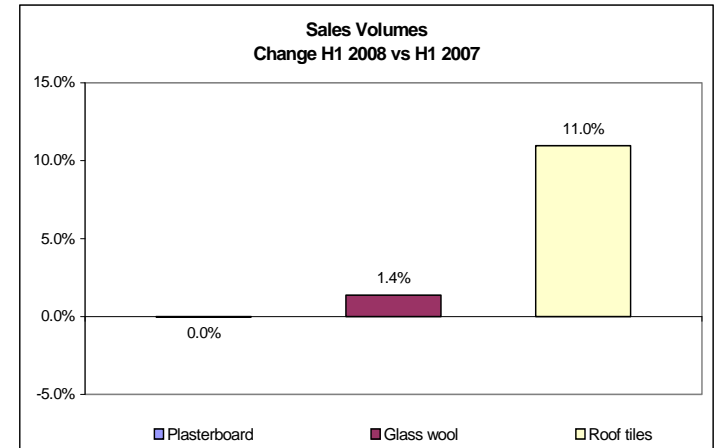
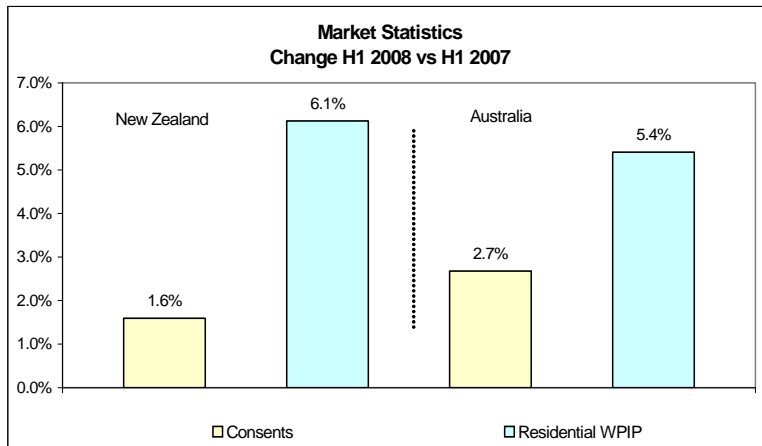
- Strong volumes offset by FX translation

Other

- Moulding business divested

\$m	%	1H08	1H07
Sales	↑ 9.3	376	344
EBIT	↑ 2.8	74	72
Margin %	↓ -5.7	19.7	20.9
Funds	↑ 2.7	572	557
Return on Funds %	↓ 6.8	25.9	27.8 ₁

1. Proforma return adjusted for acquisition



Building Products – Growth drivers

Plasterboard

- Performance boards
- Increasing average house size
- Air quality

Insulation

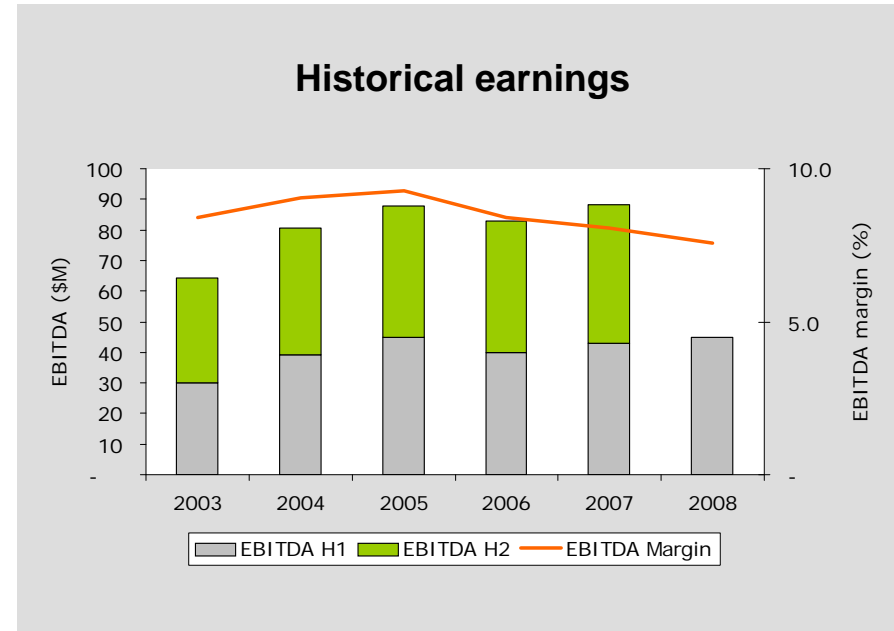
- Energy efficiency
- Regulations

Metal Roof Tiles

- Japan/Europe penetration

Distribution – PlaceMakers

- 62 outlets across New Zealand
- 34% market share trade of core building materials
- No.1 in key building materials
- Trade focus – 80+% of sales
- Joint Venture rather than franchise (55 of 62) outlets in Joint Venture



Distribution

Market Activity

- Competitive period for market

Market Share

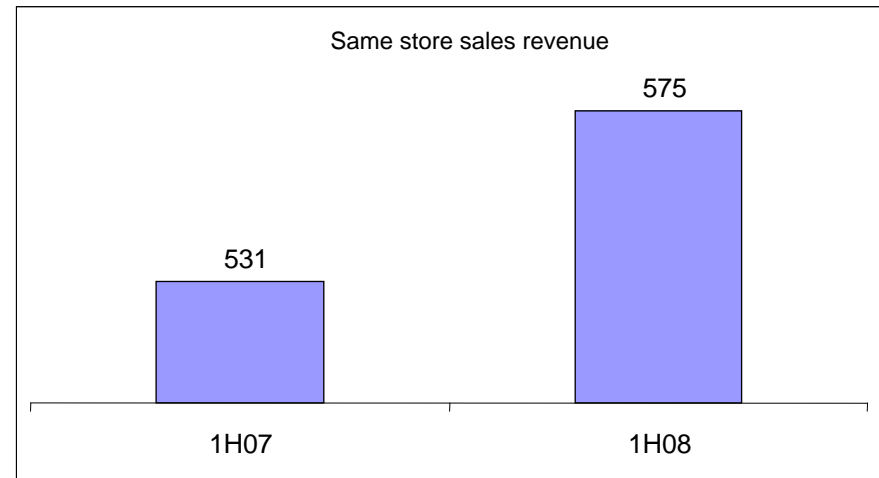
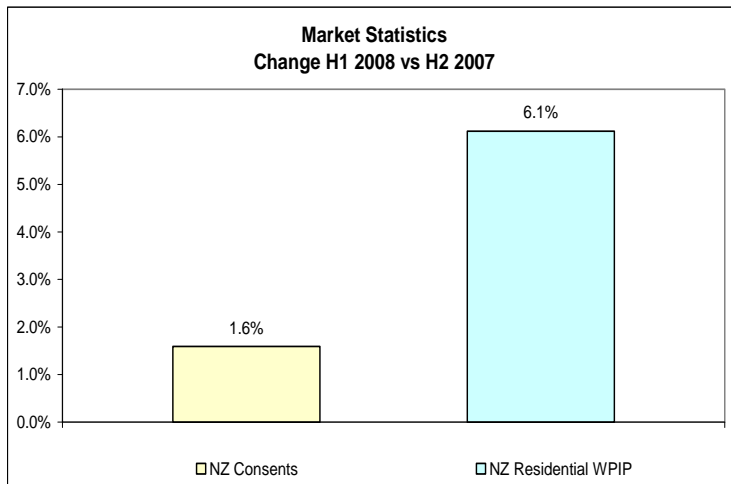
- Remained stable despite pressure

Earnings

- Sales up 9%, margins held up well

\$m	%	1H08	1H07
Sales	↑ 9.1	565	518
EBIT	↑ 7.7	42	39
Margin %	↓ 1.3	7.4	7.5
Funds	↑ 12.1	167	149
Return on Funds %	↓ 3.8	50.3	52.3

1. Proforma return adjusted for acquisition



Distribution – Growth drivers

- Joint Venture partner model
- Acquisition of independents
- New store locations
- Store upgrade / enhancement
- Product extensions e.g. kitchen components

Infrastructure

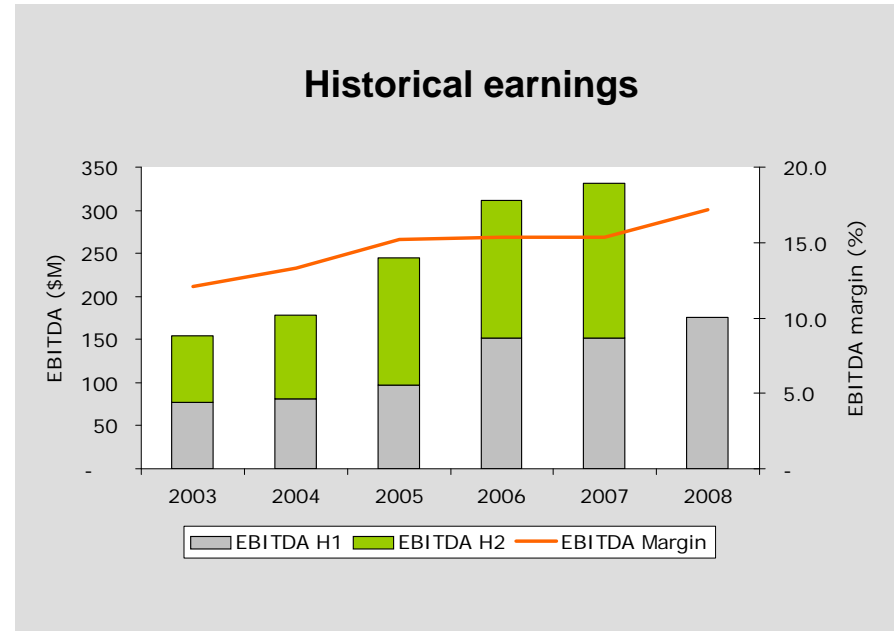
Market Shares

Concrete

- 25% of NZ aggregates market
- 50% of NZ cement market
- 33% of NZ readymix concrete market
- 35% of Australian concrete pipe market
- 55% of NZ pre-cast and concrete pipe market

Construction

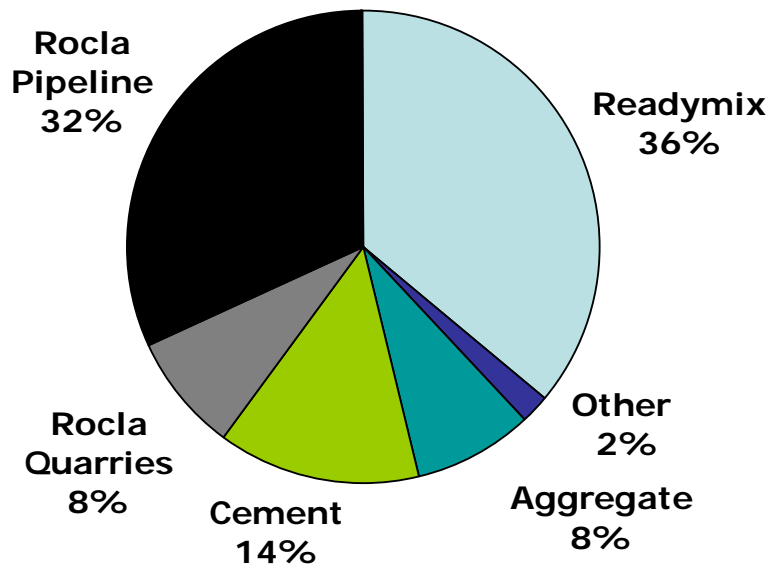
- New Zealand's leading construction company
- Commercial (buildings)
- Engineering (infrastructure)
- South Pacific (general)
- One of New Zealand's larger home builders



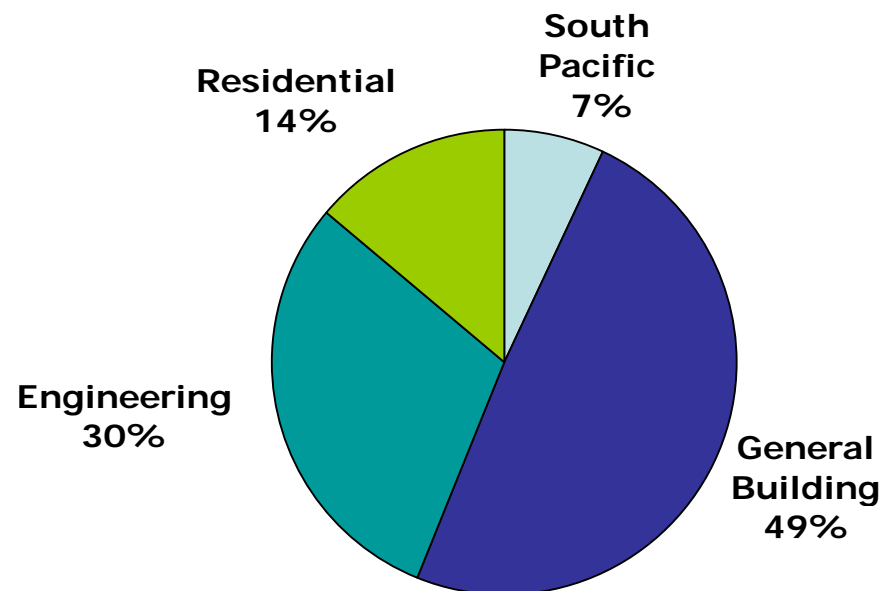
Note: Rocla Pipeline Products and Rocla Quarry Products were acquired on 1 March 2005

Infrastructure – Concrete & Construction

H1 2008 Concrete
Revenue by Business



H1 2008 Construction
Revenue by Segment



Infrastructure

Quarries

- NZ volumes down 4%
- Rocla earnings +25%

Cement

- Volumes and earnings stable

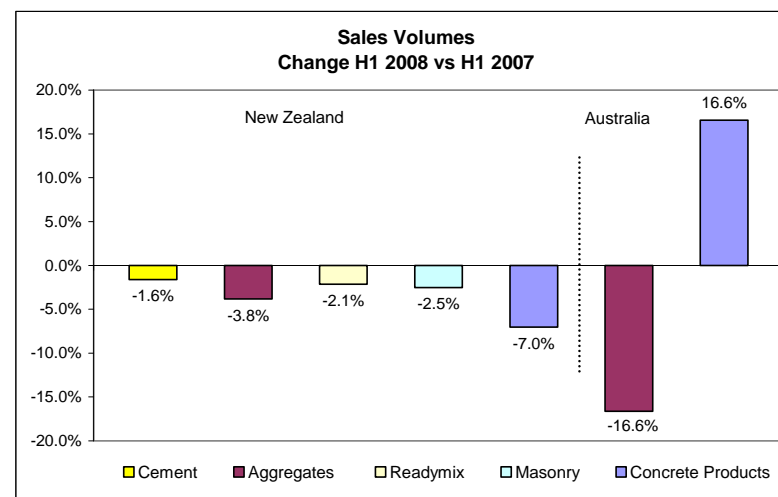
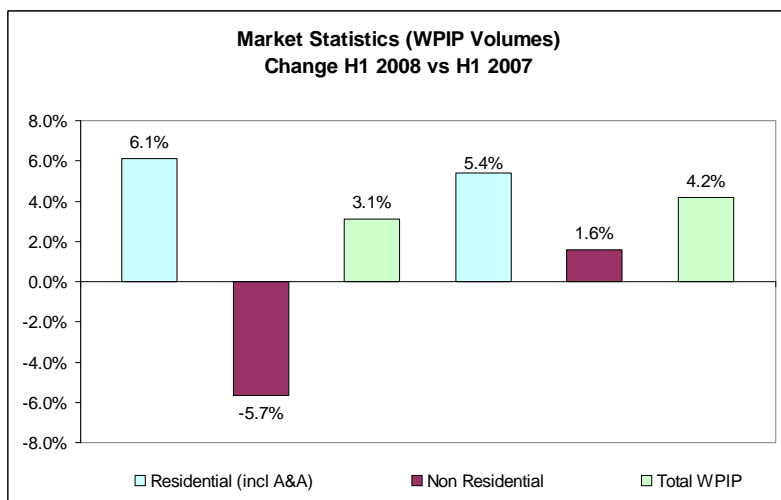
Construction

- Earnings increased vs pcp
- Backlog over \$1 billion

Other

- Stresscrete divested for profit \$16m

\$m	%	1H08	1H07
Sales	↓ 4.3	921	962
EBIT	↑ 18.9	145	122
Margin %	↑ 23.6	15.7	12.7
Funds	↑ 14.3	879	769
Return on Funds %	↑ 4.1	33.0	31.7



Source: Infometrics BIS Feb 08

Infrastructure – Growth drivers

Cement

- Productivity improvements from recent kiln upgrade

Aggregates

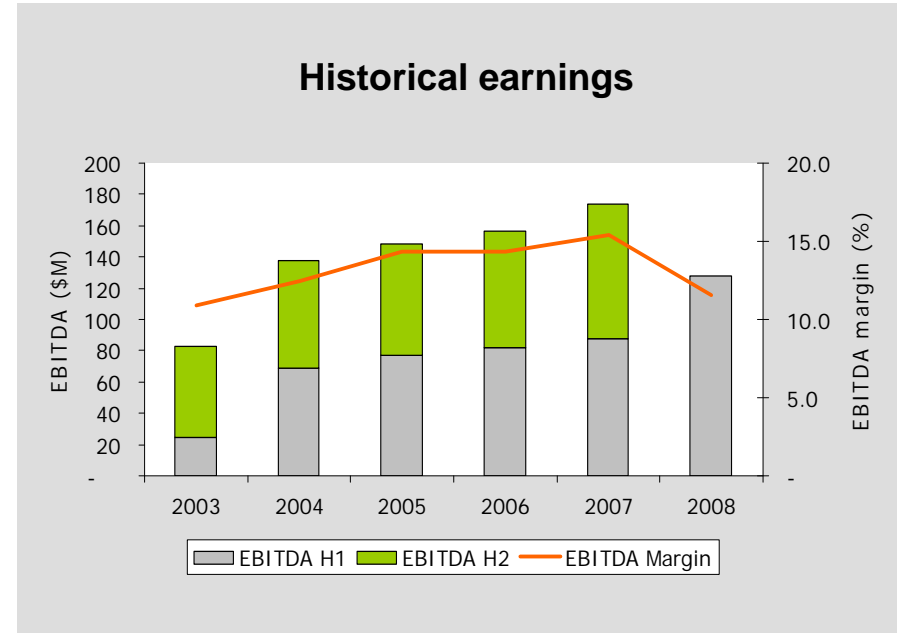
- Geographic expansion e.g. Cameron's
- Quarry end use

Construction

- Over NZ\$1 billion backlog of work

Laminates & Panels

- Leading high pressure laminate and decorative surfaces
- Decorated board – No.1¹
- Medium density fibreboard – No.2¹
- Particleboard – No.2¹
- Over 50 owned distribution outlets across Australasia



¹ Estimated Australasian market share

Notes:

- EBITDA reference excludes unusual items

Laminates & Panels (including Formica)

Australia

- Good sales growth, margins competitive

New Zealand

- Strong sales despite loss of Taupo

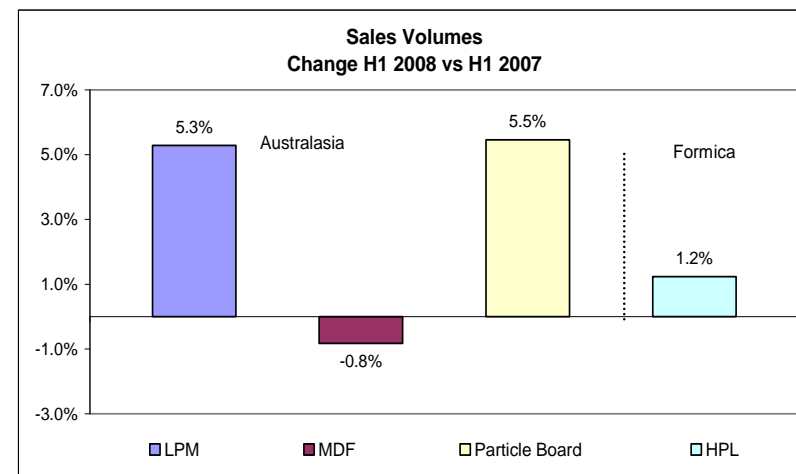
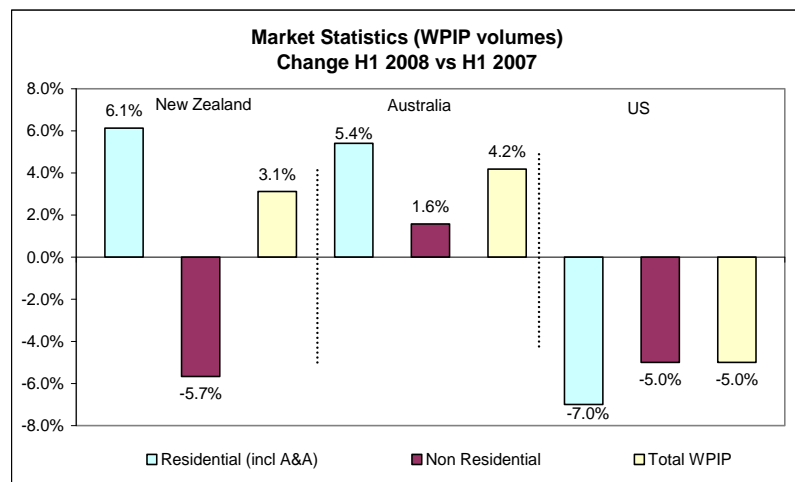
Formica

- Integration continues

Other

- Penrose hardboard plant closed

\$m	%	1H08	1H07
Sales	↑ 94.2	1,074	553
EBIT	↑ 40.0	91	65
Margin %	↓ 28.0	8.5	11.8
Funds	↑ 116.8	1,884	869
Return on Funds %	↓ 35.3	9.7	15.0



Source: Infometrics BIS Feb 08

Source: Infometrics BIS Feb 08

Laminates & Panels – Growth drivers

Laminex

- Product extension e.g. componentry
- Particleboard upgrade
- HPL sourcing from Asia

Formica

- USA manufacturing consolidation
- Asian sourcing solid surfaces
- Asian and Eastern European growth
- Laminex / Formica synergies

Source: Infometrics BIS Feb 08

Laminates & Panels: Formica's contribution

Market Activity

- Demand remained strong in Asia and Europe
- North American demand reduced re credit issues

HPL sourcing

- Australia is now sourcing HPL product from Asia
- Will reduce manufacturing costs across Australasia

Restructuring

- Sierra press closed
- Volumes transferred to Evendale
- Evendale incurred US\$11.3m restructuring costs

Synergies

- Numerous synergy projects underway or completed
- Synergy realisation will continue for next 12 months

	US\$m
Sales	404
Normalised EBITDA	40.8
Less Depreciation	12.5
Normalised EBIT	28.3
Less: Increased Manufacturing & One-offs	12.3
	US\$ 16.0
	NZ\$ 21.0

Steel

Rollforming & Steel Painting

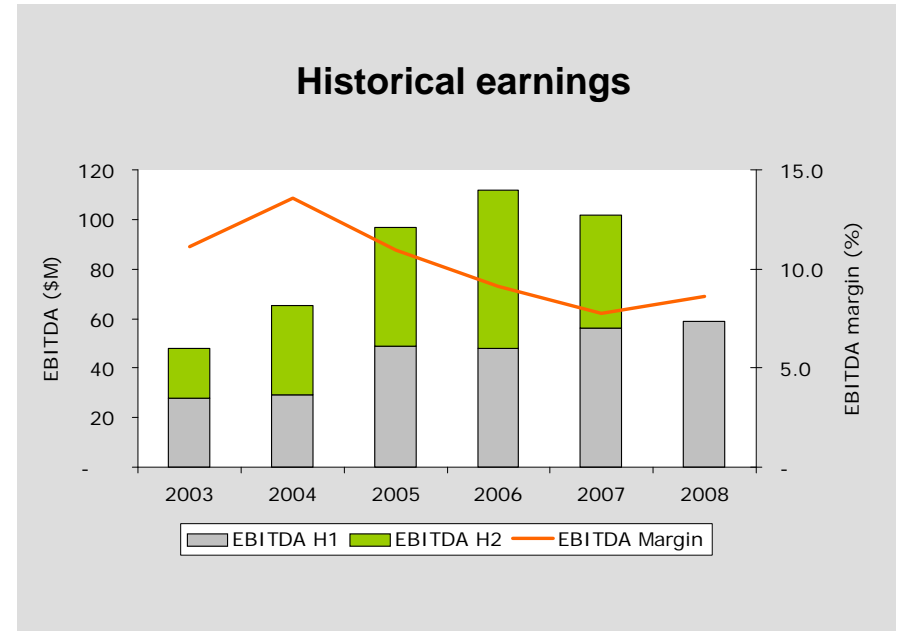
- 30% of Australian market
 - Stramit
 - Dimond

Long Steel Products

- >80% of NZ market
- Reinforcing bar, flats, rod and wire
- 50% Sims Pacific Metals
- NZ's sole electric arc furnace

Steel Merchants

- 60-70% of New Zealand market



Notes:

- All Steel products such as rollforming, steel painting, long steel and steel merchants were reorganized from the Building Products division to form the Steel division in October 2006. The above numbers have been fully adjusted to include such steel products from the Building Products numbers since 2003
- EBITDA reference excludes unusual items

Note: Stramit Building Products was acquired on 1 March 2005

Steel

Rollforming

- Stramit, Dimond and Pacific Coilcoaters improved earnings

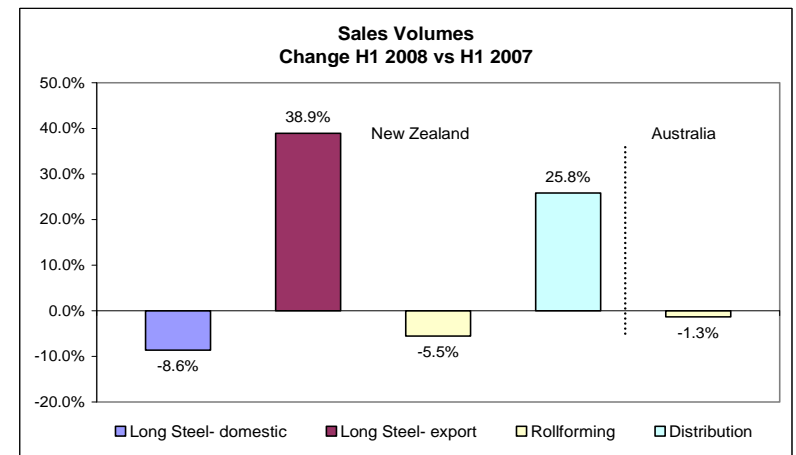
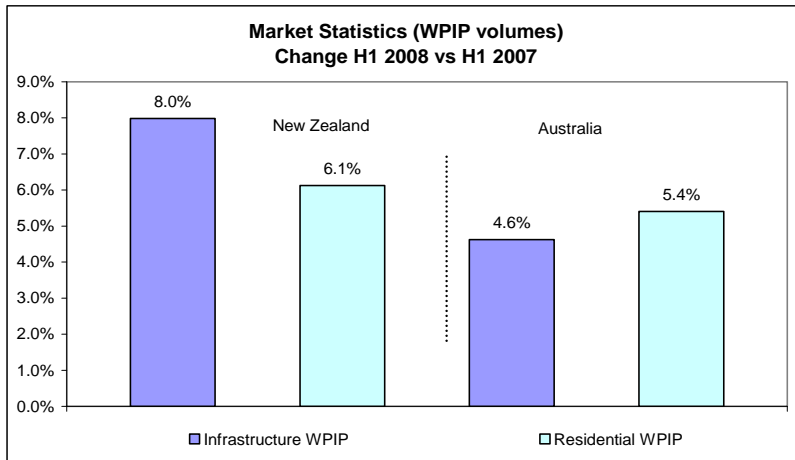
Long Steel

- Earnings down slightly on pcp
- Significant improvement on last 6 months

Steel Merchants

- EasySteel performed well in difficult market

\$m	%	1H08	1H07
Sales	↑ 1.5	611	602
EBIT	↑ 2.2	47	46
Margin %	↑ 1.3	7.7	7.6
Funds	↑ 14.3	542	474
Return on funds %	↓ 10.8	17.3	19.4



Source: Infometrics BIS Feb 08

Steel – Growth drivers

Rollforming

- Production extension – pre-engineered building
- Industry rationalisation

Long Steel

- Industry rationalisation
- Capacity utilisation/expansion
- Export growth

Source: Infometrics BIS Feb 08

FINANCIALS



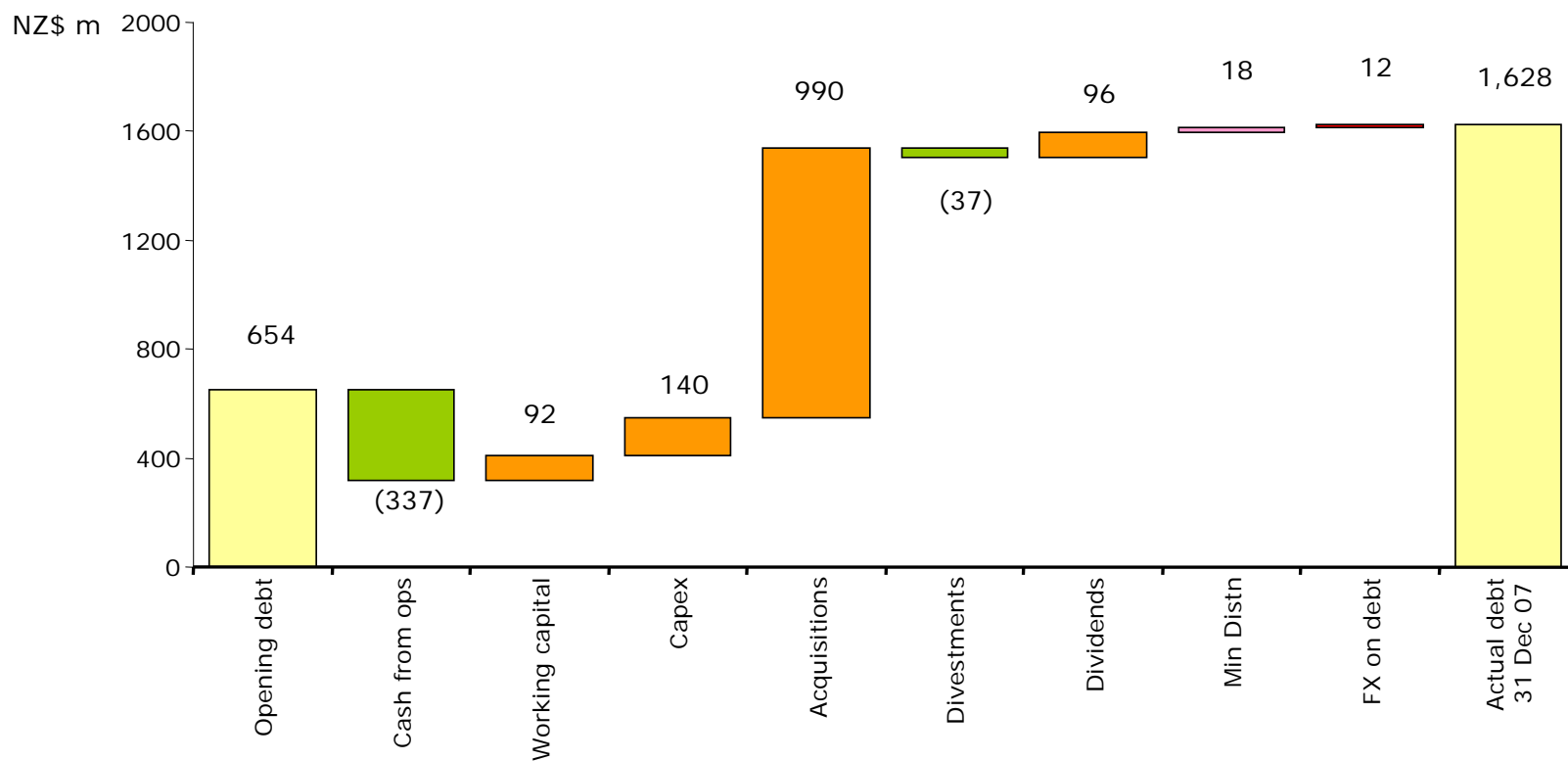
Net earnings increased 21.8% from the previous period

\$m	%	1H08	1H07
EBIT	↑ 15.9	394	340
Interest	↑ 48.9	67	45
Tax	↓ 9.8	83	92
Minority Interest	↓ 10.0	9	10
Net Earnings	↑ 21.8	235	193

Balance Sheet

\$m	%	1H08	1H07
Operating Cashflow	↑ 7.9	245	227
Net Debt (ND)	↑ 148.9	1,628	654
Net Debt / Equity %	↑ 7.0	39.7	37.1
Interest Cover	↓ 21.5	7.3 x	9.3 x
Return on Funds %	↓ 21.8	20.4	26.1

Net debt movement



OUTLOOK

A photograph of two men wearing safety glasses and ear protection, looking intently at a bright, glowing industrial process, likely a molten metal stream, in a dark setting.

ABN-AMRO NZ Day 4 March 2008

 FletcherBuilding

Outlook for next few years market activity

New Zealand

- Strong infrastructure market
- Steady non-residential, offsetting expected weakness in residential markets

Australia

- Residential expected to remain steady
- Non-residential and infrastructure activity declining

US

- Significant decline in US housing forecast to impact on non-residential activity
- Government spending on health and education provides some offset to this decline

Europe

- Forecast declines in major residential markets of Spain and UK
- Eastern Europe expected to be strong

Asia

- Continued market growth expected in a competitive environment

Source: Infometrics BIS Feb 08

Outlook 2008

Markets

- Economic uncertainty in key markets complicates forecasting financial performance

Formica

- Continued focus on integrating Formica with existing business lines
- Completion of restructuring and profit improvement projects
- Realisation of expected synergies

Strategy

- Continue to reassess business portfolio and exit non-strategic operations
- Pursuit of growth in key areas will be the primary focus
- Acquisitions will be considered on an opportunistic basis

Outlook

- We maintain our guidance for the full year to 30 June 2008 of a NPAT between NZ\$450-460 million which is in line with the analysts consensus forecast

Source: Infometrics BIS Feb 08



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