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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 2010 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.



Agenda

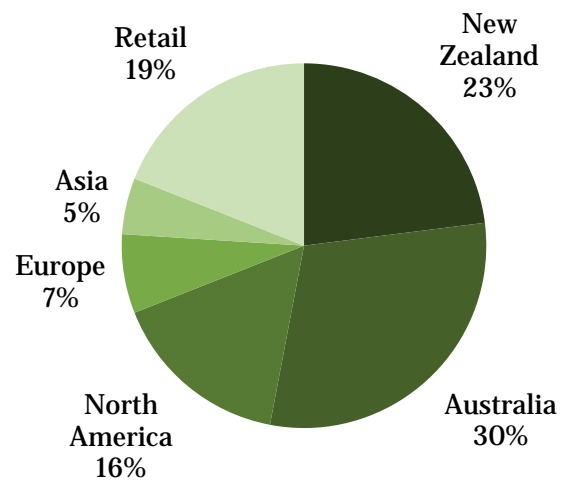
- Company Overview
- Strategy
- Divisional Performance
- Financial Results
- Outlook



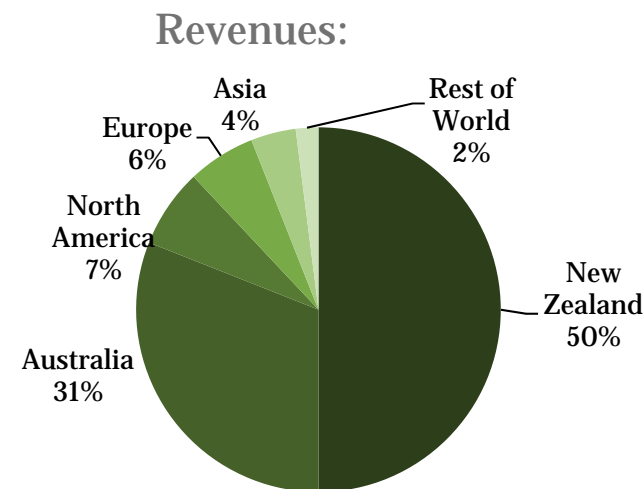


Fletcher Building at a glance

- Revenue - year to 30 June 2009: NZ\$7,103 million
- Market Capitalisation NZ\$5.1 billion
Ranked # 1 on NZX
62 on ASX
- Employees: 16,000
- Listed on NZ and Australian Stock Exchanges
- Shareholders:



** As at 31 March 2010*



** Year ended 30 June 2009*



Market leading business



Building
Products

Plasterboard
Insulation
Roof Tiles
Single Businesses:
▪ Aluminium
▪ Sinkware

Revenue-13%



Distribution

Building Materials
Distribution
▪ 63 PlaceMakers
stores

Revenue-13%



Infrastructure

Construction
Concrete:
▪ Cement
▪ Readymix
▪ Aggregates
▪ Concrete
Products
▪ Concrete Pipes
and Quarries

Revenue-29%



Laminates
& Panels

The Laminex Group
▪ MDF
▪ Particleboard
▪ LPM
▪ HPL
Formica
▪ HPL

Revenue-28%



Steel

Coated Steel
Long Steel:
▪ Reinforcing bar,
mesh and wire
▪ Scrap
Distribution

Revenue-17%

* Revenue contribution for 6 months ended 31 December 2009



Residential construction activity: improving trend in NZ and Australia, other markets at record lows

| Building Consents | Dec 2009 12 mth rolling | Dec 2008 12 mth rolling | Dec 2007 12 mth rolling | 09/08 % Mvmt |
|----------------------|----------------------------|----------------------------|----------------------------|-----------------|
| New Zealand | 14,425 | 18,456 | 25,590 | -22 |
| Australia | 144,992 | 146,912 | 159,358 | -1 |
| US ¹ | 569,000 | 859,000 | 1,388,000 | -34 |
| England ² | 90,320 | 156,430 | 172,290 | -42 |
| Spain ³ | 111,140 | 264,795 | 651,427 | -58 |

1. Years to December. 2009 figure provided by McGraw Hill, includes single and multi-family dwellings

2. England figures are housing starts for 12 months to December: 2009 figure is provisional

3. 12 months ended 31 December; Includes single and multi-unit developments

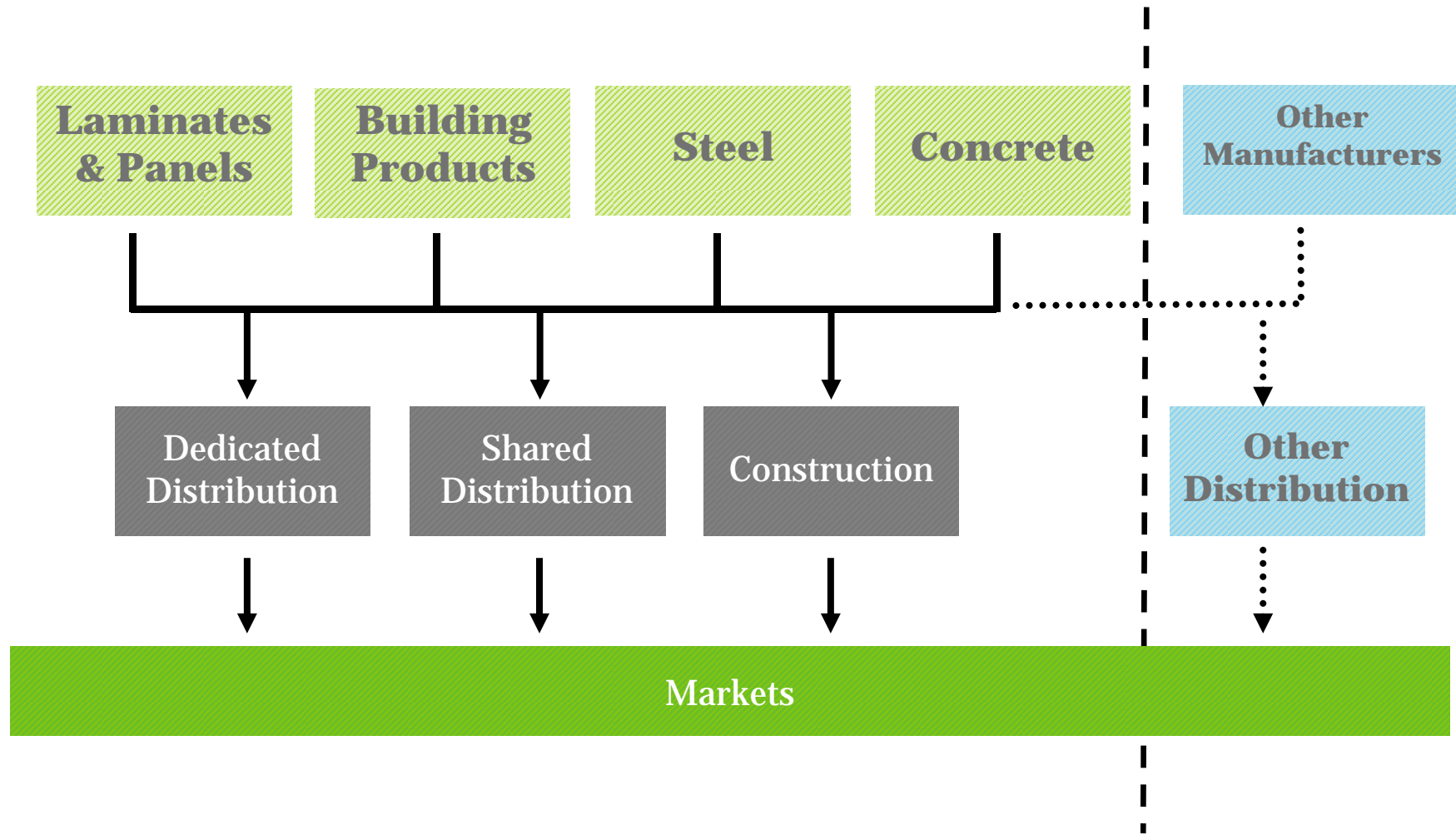


NZ economic fundamentals are sound

- Banking system has weathered GFC well – no government bailouts required
- Government stimulus measures have been modest – longer term burden on fiscal and monetary policy settings will not be significant
- Key drivers of the economy remain robust – agriculture and tourism
- Net inbound migration up year on year



Fletcher Building has a vertically integrated value chain



Strategy

Longer term strategy continues to be:

- improve earnings reliability
- maintain and improve internal capabilities
- pursue acquisition opportunities where these meet key investment criteria

Our aspirations by geography:

New Zealand Maintain and extend domestic businesses, strengthen channels to market.

Australia Create the leading Australasian building products and construction materials business by establishing strong market positions.

International Develop existing operations into the world's leading laminates and panels business.



Significant restructuring of cost base undertaken:

- Employee numbers reduced by 3,000 to 16,000 worldwide
- Plant closures in NZ (particleboard and door plants) and Australia (MDF plant)
- Projects in train in Laminex and Formica addressing customer profitability, cost-to-serve, direct and indirect supply chain costs
- Capex reduced to below rate of depreciation:
 - 1H10: \$77m Capex versus \$101m depreciation
 - working capital reductions
- Focus now on 'up-turn' plans: managing impacts of increasing demand for key products





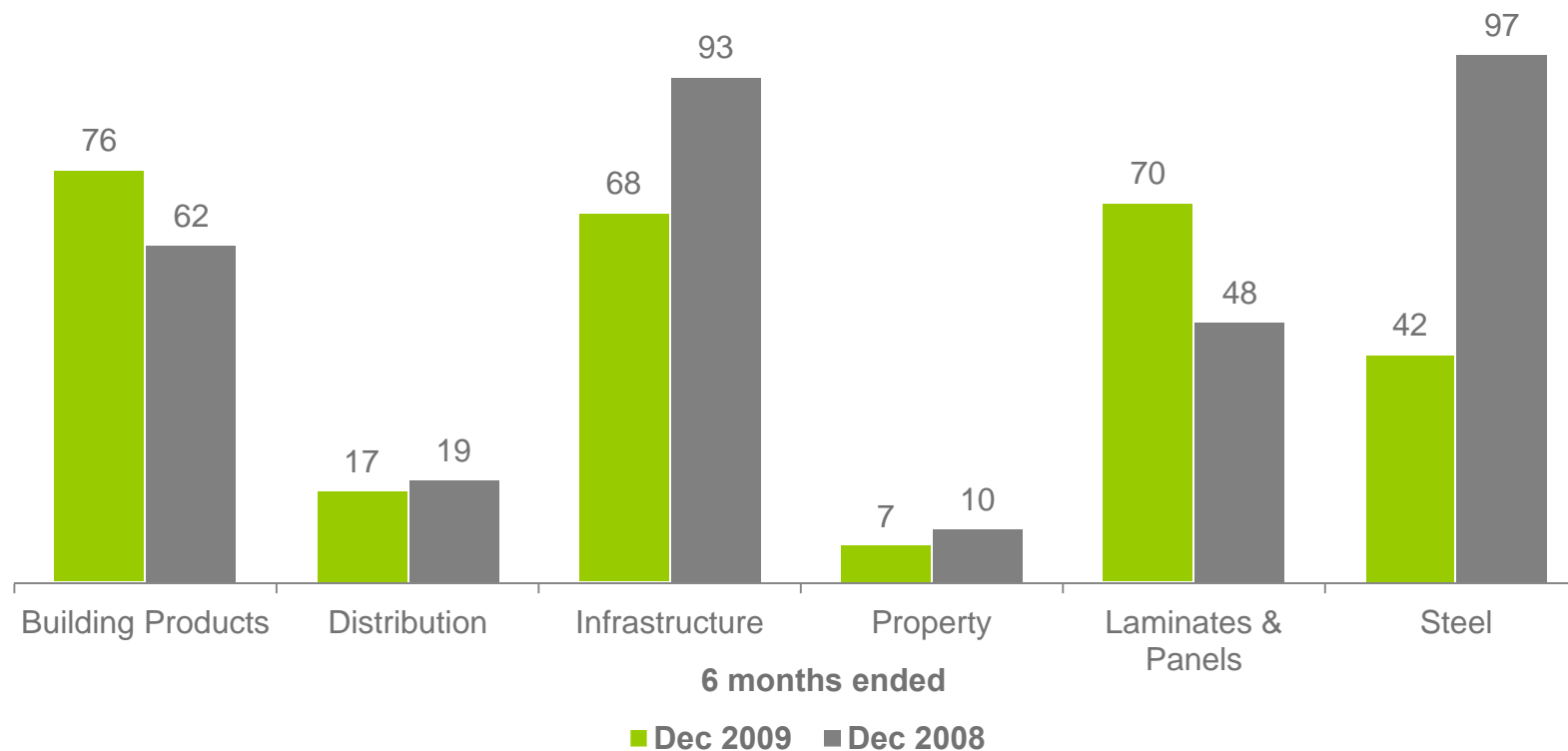
Divisional Performance

- 6 months to 31 Dec 2009



Strong performance in Building Products, Laminates & Panels, while Steel had lower volumes and prices

EBIT NZ\$million¹



1. *Earnings before interest, tax, and unusual items*



Building Products



Plasterboard

Winstone Wallboards

- New Zealand's sole manufacturer and leading supplier of gypsum plasterboard

Insulation

Fletcher Insulation/Tasman Insulation NZ/Forman Group/Home&Dry

- No.1 in Australasia with approx 50% of bulk glasswool insulation market

Roof Tiles

AHI Roofing/Decra Roofing Systems

- World's leader supplier of metal roof tiles

Single Businesses

- Fletcher Aluminium
- Tasman Sinkware



Building Products result

| NZ\$m | Dec09 6 mths | Dec 08 6 mths | % Δ |
|------------------------------|-----------------|------------------|-----|
| Sales | 436 | 412 | +6 |
| EBITDA ¹ | 89 | 74 | +20 |
| EBIT ¹ | 76 | 62 | +23 |
| Funds Employed | 641 | 655 | -2 |
| EBITDA ¹ /sales % | 20.4 | 18.0 | |
| EBIT ¹ /sales % | 17.4 | 15.0 | |
| ROFE ¹ % | 23.7 | 18.9 | |

- **Plasterboard** performance impacted by low NZ housing starts in first quarter, some improvement in second quarter.
- **Insulation** strong demand in Australia driven by government stimulus package (but withdrawn in Feb 2010).
- **Roof Tiles**
Export markets mixed improved trend in NZ.

1. *Excluding unusual items*



Building Products: volumes typically lower but strong short-term growth in Insulation due to government stimulus

| Gross Sales NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|---------------------------|------------------|------------------|-----|----------|---------|----------|
| New Zealand | | | | | | |
| - Plasterboard | 89 | 115 | -23 | ↓ | - | ↓ |
| - Insulation ¹ | 84 | 82 | +2 | ↑ | ↑ | ↑ |
| - Roof Tiles ² | 94 | 107 | -12 | ↓ | ↑ | ↑ |
| Australia | | | | | | |
| - Insulation | 174 | 106 | +64 | ↑ | ↑ | ↑ |
| - Sinkware | 17 | 18 | -6 | ↓ | ↑ | ↑ |

1. Includes Forman & Tasman Access Floors (which now reports into Forman)

2. Includes US based Decra business



Distribution



PlaceMakers

The premier suppliers of building materials to New Zealand's commercial and residential construction markets

- 63 outlets across New Zealand principally trading as PlaceMakers
- 34% market share of the core building materials sectors
- No.1 in key building materials
- Trade focus: 85% of sales
- 50 of the 63 outlets operate as joint ventures rather than a franchise model



Distribution result

| NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ |
|------------------------------|------------------|------------------|-----|
| Sales | 435 | 481 | -10 |
| EBITDA ¹ | 22 | 24 | -8 |
| EBIT ¹ | 17 | 19 | -11 |
| Funds Employed | 141 | 189 | -25 |
| EBITDA ¹ /sales % | 5.1 | 5.0 | |
| EBIT ¹ /sales % | 3.9 | 4.0 | |
| ROFE ¹ % | 24.1 | 20.1 | |

- Sales impacted by weak NZ housing starts but pick up in activity seen in second quarter.
- 10% cost reduction from reduced employee numbers and lower facility costs.
- Frame and truss manufacturing continues to see productivity gains.

1. *Excluding unusual items*



Infrastructure



Concrete New Zealand

Firth/Humes Pipeline Systems/Golden Bay Cement/Winstone Aggregates

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

Concrete Australia

Rocla Quarry Products/Rocla Pipeline Products

- 35% of Australian concrete pipe market

Construction

Fletcher Construction

- New Zealand's leading construction company
- Commercial (buildings) and Engineering (infrastructure)
- South Pacific (general)

Property

Fletcher Residential

- New Zealand's largest home builder



Infrastructure result

| NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ |
|------------------|------------------|------------------|-----|
| Sales | 974 | 1,018 | -4 |
| EBITDA | | | |
| - Concrete NZ | 44 | 66 | -33 |
| - Concrete Aust. | 37 | 40 | -8 |
| - Construction | 22 | 21 | +5 |
| - Property | 7 | 10 | -30 |
| Total EBITDA | 110 | 137 | -20 |
| EBIT | 75 | 103 | -27 |
| Funds Employed | 1,047 | 1,064 | -2 |
| EBITDA/sales % | 11.3 | 13.5 | |
| EBIT/sales % | 7.7 | 10.1 | |
| ROFE % | 14.3 | 20.2 | |

NZ Concrete

- Lower volumes in cement, aggregates, readymix, masonry and concrete pipe.
- Continued softness in residential & commercial construction markets.

Australia Concrete

- More favourable mix in quarries and non-pipe concrete products.

Construction

- Infrastructure work levels remained high, but commercial activity weaker.
- Backlog \$1.1 billion as at Dec 09.



Infrastructure: lower concrete volumes in NZ and Australia

| Gross Sales NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|---------------------------|------------------|------------------|-----|----------|---------|----------|
| New Zealand | | | | | | |
| - NZ Concrete | 310 | 361 | -14 | ↓ | ↓ | ↓ |
| - Construction | 519 | 485 | +7 | ↑ | ↓ | - |
| Australia Concrete | 202 | 218 | -7 | ↓ | - | ↓ |



Property activities include quarry end use, residential and surplus assets

| EBIT NZ\$m | 1H 10 | 2H 09 | 1H 09 | 2H 08 | 1H 08 |
|----------------|----------|----------|-----------|-----------|-----------|
| Quarry end use | 0 | 0 | 0 | 42 | 0 |
| Residential | 5 | 8 | 4 | 8 | 11 |
| Surplus assets | 2 | 0 | 6 | 0 | 19 |
| Total | 7 | 8 | 10 | 50 | 30 |

Property activities include residential land, quarry end use and other property transactions. With its extensive quarry land holdings, Infrastructure generates earnings from waste materials handling, through to residential and commercial development. Because of the nature of the developments, earnings will be of a recurring nature, but will have a degree of volatility.



Laminates & Panels



Laminex

- Leading high pressure laminate & decorative surfaces
- Estimated Australasian market shares
 - Decorated board – No.1
 - Medium density fibreboard – No.2
 - Particleboard – No.2
- Over 50 distribution outlets owned across Australasia

Formica

- Global player, strongest brand internationally for high pressure laminate
- No. 2 in the US, No. 1 in Canada
- Market share leader in HPL in UK and Spain
- In Asia, focus is mainly on commercial applications



Laminates & Panels result

| NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ |
|------------------------------|------------------|------------------|-----|
| Sales | 965 | 1,069 | -10 |
| EBITDA | | | |
| - Laminex | 79 | 64 | +23 |
| - Formica | 27 | 25 | +8 |
| Total EBITDA ¹ | 106 | 89 | +19 |
| EBIT ¹ | 70 | 48 | +46 |
| Funds Employed | 1,695 | 2,289 | -26 |
| EBITDA ¹ /sales % | 11.0 | 8.3 | |
| EBIT ¹ /sales % | 7.3 | 4.5 | |
| ROFE ¹ % | 8.3 | 4.2 | |

1. Excluding unusual items

Laminex

- Volumes down in NZ and Australia.
- Cost savings and lower input costs boosted performance.

Formica

- US and European markets weak, Asia markets stable overall with regional variability
- Prices remained firm and resin costs decreased.
- Continued improvement in operating performance.



Laminates & Panels: Asian region stronger overall but all other markets were weaker

| Gross Sales NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|----------------------|------------------|------------------|-----|----------|---------|----------|
| New Zealand | | | | | | |
| - Laminex | 79 | 101 | -22 | ↓ | ↑ | ↑ |
| Australia | | | | | | |
| - Laminex | 439 | 455 | -4 | ↓ | - | ↑ |
| Formica | | | | | | |
| - Asia | 101 | 112 | -10 | ↑ | ↑ | ↑ |
| - Europe | 192 | 228 | -16 | ↓ | ↑ | ↓ |
| - Nth America | 175 | 211 | -17 | ↓ | ↑ | ↑ |



Formica: continued growth in Asia while North America and Europe weak

| EBITDA NZ\$m ¹ | 1H10 | 2H09 | 1H09 | 2H08 |
|---------------------------|------|------|------|------|
| Asia | 21 | 19 | 20 | 14 |
| North America | 11 | 17 | 2 | -17 |
| Europe ² | 2 | 8 | 9 | 30 |
| Corporate | -7 | -9 | -6 | -17 |
| EBITDA ¹ | 27 | 35 | 25 | 10 |

1. Before unusual items

2. Includes \$5m of restructuring costs in 1H10



Steel



Rollforming and Coated Steel

Pacific CoilCoaters/Stramit Building Products/Dimond

- Approx. 25% of Australian market (Stramit)
- Major player in New Zealand roofing market (Dimond)

Long Steel

Pacific Steel Group/Sims Pacific Metals (50%)

- No.1 in New Zealand market
- 50% shareholding in Sims Pacific Metals
- NZ's sole electric arc furnace

Distribution

Fletcher Easysteel/CSP Coating Systems/Fletcher Reinforcing

- Reinforcing bar, flats, rod and wire



Steel result

| NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ |
|------------------------------|------------------|------------------|-----|
| Sales | 583 | 777 | -25 |
| EBITDA ¹ | 54 | 110 | -51 |
| EBIT ¹ | 42 | 97 | -57 |
| Funds Employed | 522 | 623 | -16 |
| EBITDA ¹ /sales % | 9.3 | 14.2 | |
| EBIT ¹ /sales % | 7.2 | 12.5 | |
| ROFE ¹ % | 16.1 | 31.1 | |

- Steel prices and volumes down significantly in the first half.
- Long steel margins contracted but infrastructure activity supported volumes.
- Rollforming volumes impacted by lower housing and commercial activity.

1. *Excluding unusual items*



Steel: volumes and prices lower

| Gross Sales NZ\$m | Dec 09 6 mths | Dec 08 6 mths | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|------------------------------|------------------|------------------|-----|----------|---------|----------|
| New Zealand | | | | | | |
| - Long Steel | 129 | 227 | -43 | ↓ | ↓ | ↓ |
| - Coated products | 80 | 99 | -19 | ↓ | - | ↓ |
| - Distribution & Services | 125 | 186 | -33 | ↓ | ↓ | ↓ |
| Australia | | | | | | |
| - Rollforming | 326 | 378 | -14 | ↓ | - | ↓ |





Financial Results



2010 half year results summary

| NZ\$m | Dec 2009 6 months | Dec 2008 6 months | % Change |
|---------------------------|----------------------|----------------------|----------|
| Sales | 3,393 | 3,757 | -10 |
| EBITDA ¹ | 372 | 428 | -13 |
| EBIT ¹ | 271 | 322 | -16 |
| Net earnings ¹ | 154 | 186 | -17 |
| Unusual items after tax | 0 | -14 | |
| Net earnings | 154 | 172 | -10 |
| EPS – cps ¹ | 25.5 | 36.8 | -31 |
| Dividend - cps | 14 | 24 | -42 |

1. EBITDA, EBIT, Net Earnings and EPS all before Unusual Items



Balance sheet strengthened with stronger operating cashflow

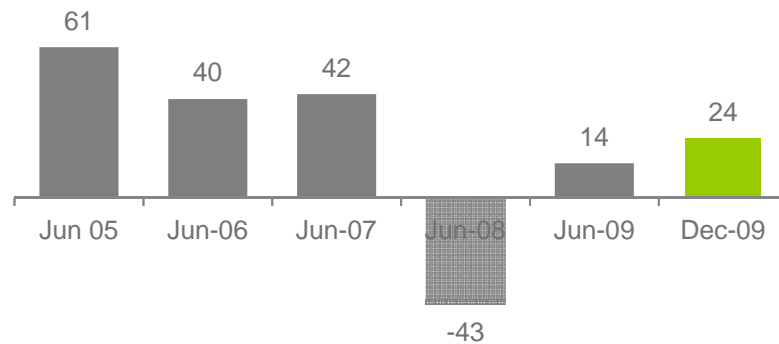
| NZ \$m | Dec 2009 6 months | Dec 2008 6 months | % Δ |
|--|----------------------|----------------------|-----|
| Operating Cashflow | 317 | 208 | +52 |
| Net Debt | 1,135 | 2,003 | -43 |
| Net Debt / Net Debt Plus Equity % | 27.3 | 41.3 | -34 |
| EBIT ¹ / Total Interest (times) | 5.2 | 4.1 | +27 |
| Return ¹ on Funds % | 13.2 | 13.7 | -4 |

1. *Excluding unusual items*

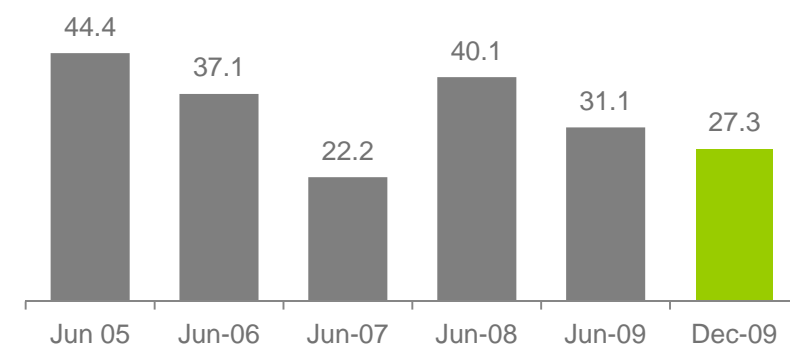


Key Ratios

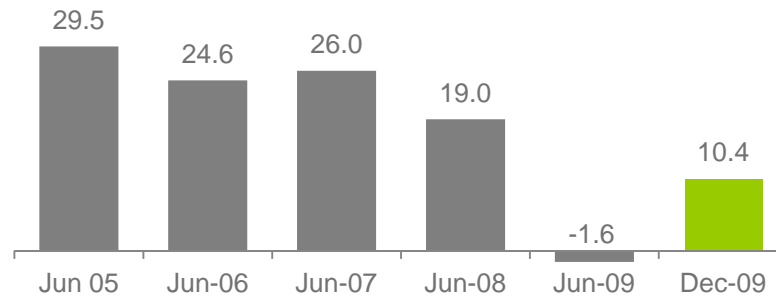
Total Shareholder Return (TSR) Percentage



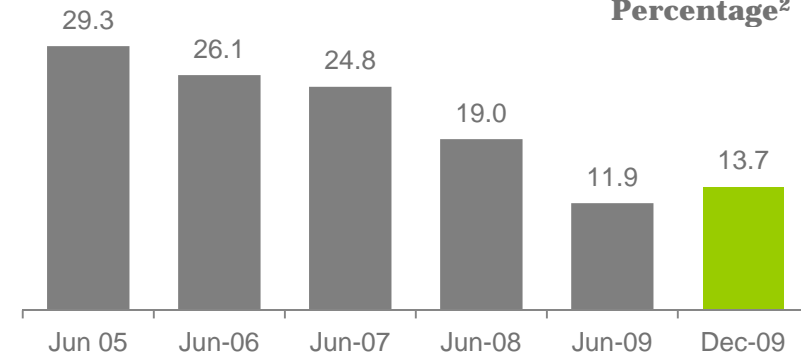
Debt/Debt Plus Equity Percentage



Return on Average Equity Percentage¹



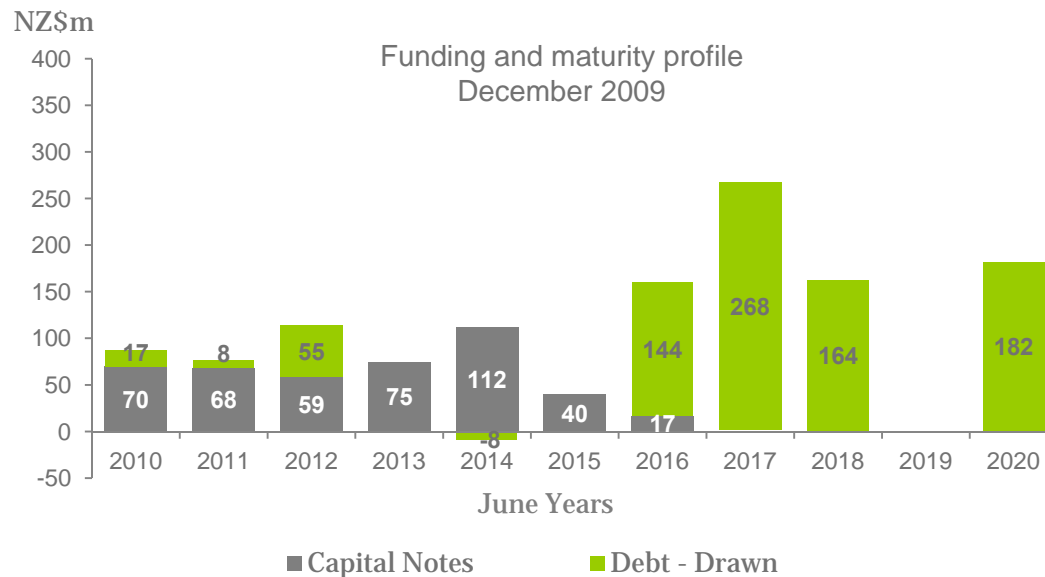
Return on Average Funds Percentage²



1. Earnings before interest, tax, depreciation and amortisation
2. Earnings before interest, tax, depreciation and amortisation, and unusual items



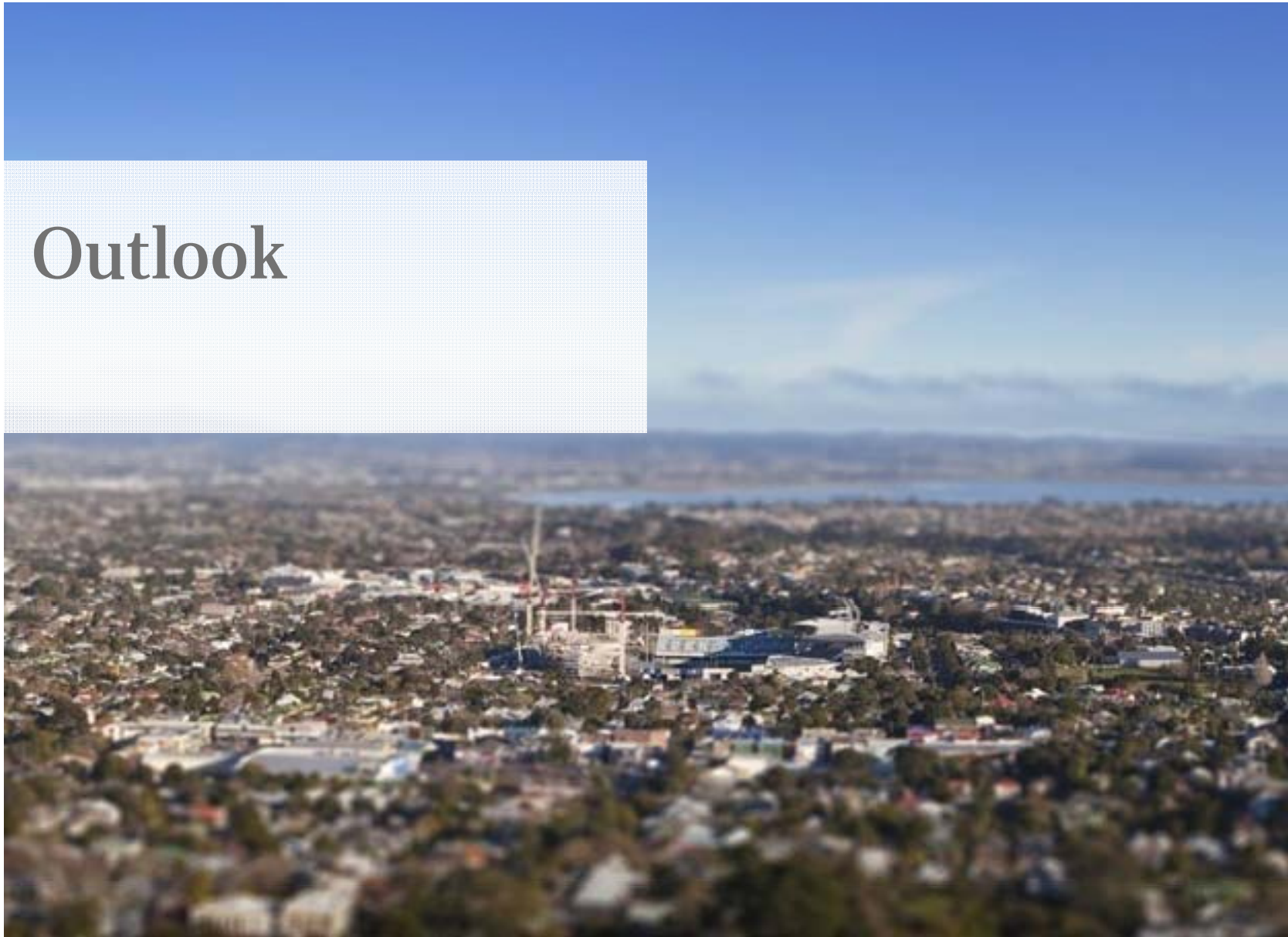
Debt maturity profile



- Undrawn credit lines of \$1.1 billion.
- Syndicated bank loan renegotiated and term extended.
- Average maturity of debt is 6 years.
- Average interest rate on debt is 7.49%.
- 89% of borrowings are at fixed rates.



Outlook



Outlook 2010

- Outlook for FY10 dependent upon the uplift in NZ and Australian new housing construction markets being sustained.
- Government infrastructure spending in NZ and Australia will help to underpin construction, concrete and steel businesses.
- Weak commercial building activity expected to continue.
- Termination of Australian insulation scheme will adversely impact second half earnings, with one-off charges of NZ\$18 million.
- Asia expected to continue to achieve growth overall, Europe expected to remain weak, North American volumes expected to be stable at low levels.
- Continued focus on achieving operational efficiencies and cost reductions.

