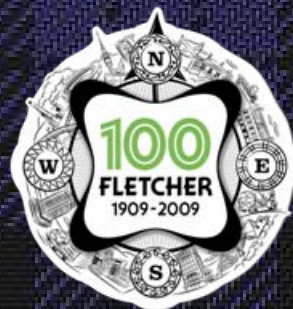


From neighbourhoods to nations



Since 1909, the Fletcher group of companies has contributed to New Zealand's industrial and cultural prosperity, and enhanced our built environment. In 2009 we celebrate 100 years of heritage as we look forward to a new century of supporting the development of neighbourhoods and nations.



www.fletchersince1909.com



Fletcher Building Half Year Results 2009

12 February 2009

Disclaimer

This half year results presentation dated 12 February 2009 provides additional comment on the media release of the same date. As such, it should be read in conjunction with, and subject to, the explanations and views of future outlook on market conditions, earnings and activities given in that release.

Agenda

- Introduction
- Company and Market Overviews
- Divisional Performances
- Financial Results
- Strategy
- Outlook

COMPANY & MARKET OVERVIEWS



Kumutoto Meridian Building, Wellington, NZ

Good result in challenging times

NZ\$m	Dec 2008 6 months	Dec 2007 6 months	% Δ	Reported Jun 2008 12 months
Sales	3757	3547	+6	7091
EBITDA	409	490	-17	966
EBIT	303	394	-23	768
Net earnings	172	235	-27	467
EPS – cps	34.1	47.0	-27	93.2
Dividend - cps	24.0	24.0	-	48.5

Dividend Reinvestment Plan Discount 3%

Results overview

- Operations impacted by deteriorating economic conditions and slowdown in residential and commercial construction activity.
- Restructuring costs of \$19m and one-off costs of \$10m incurred.
- Offsetting this was a strong performance by the Steel Division.
- Price increases offsetting most input cost increases.

Residential construction activity has continued to slow

	Dec 2008 6 months	Dec 2007 6 months	Dec 2006 6 months	07/08 Mvmt %
New Zealand	7866	12671	13619	-38
Australia	67700	85185	79197	-21
US ('000)	389.3	623.3	816.0	-38

Lower activity levels and increased input costs impacted EBITDA margin

	Dec 2008 6 months ¹ EBITDA/Sales %	Dec 2007 6 months ¹ EBITDA/Sales %	Jun 2008 12 months ¹ EBITDA/Sales %
Building Products	14.5	19.6	19.9
Distribution	4.6	7.7	7.2
Infrastructure	12.1	17.2	18.2
- Concrete NZ ²	18.2	22.8	23.3
- Concrete Aus	18.2	18.8	18.3
Laminates & Panels	7.3	11.6	9.7
- Laminex	10.5	15.8	14.8
- Formica	4.0	7.0	4.4
Steel	12.1	8.6	8.7

1. Gross sales

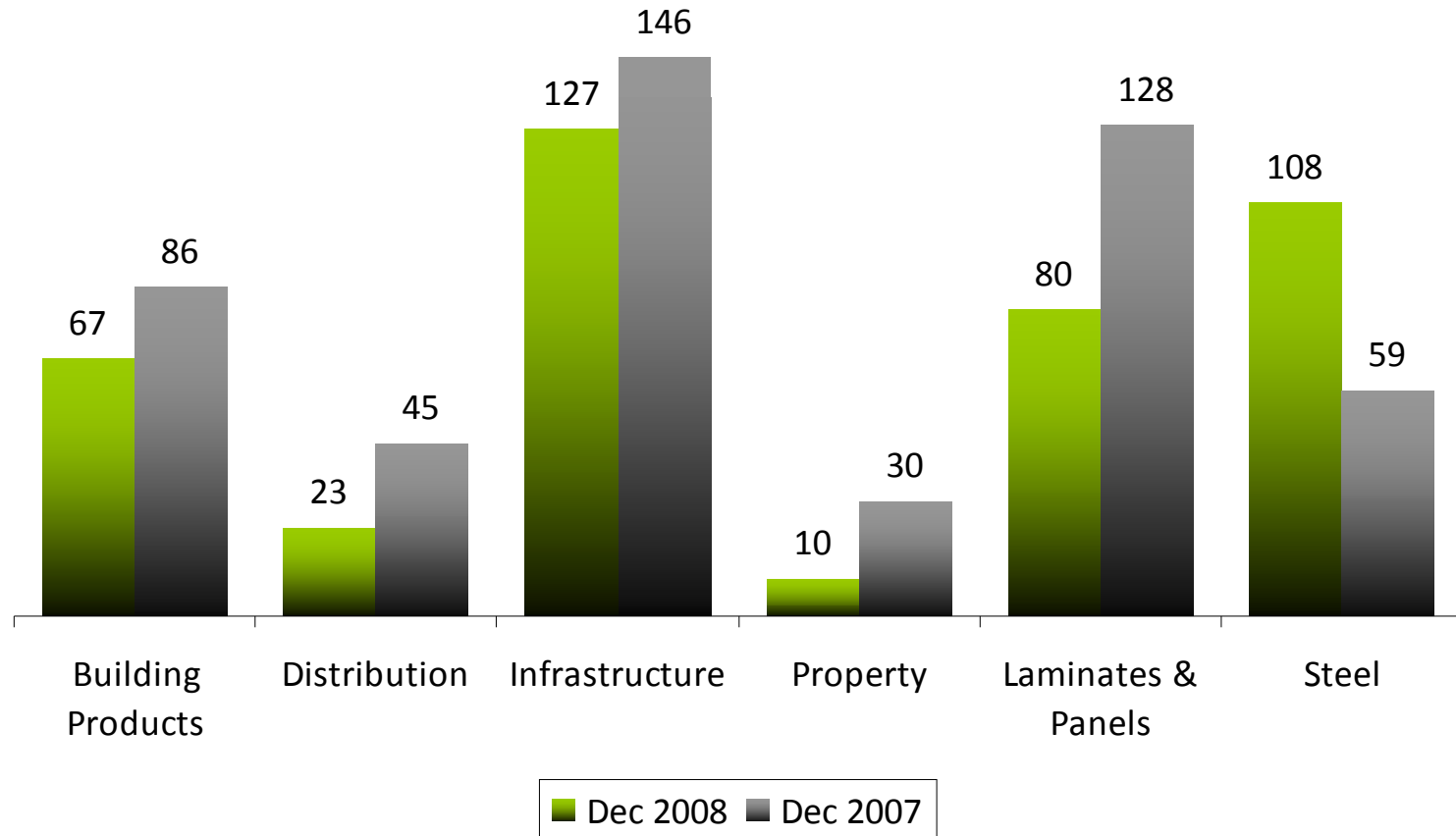
2. Normalised, excluded sale of land and operations

DIVISIONAL PERFORMANCES



Strong performance in Steel, while other divisions experienced lower volumes and margins

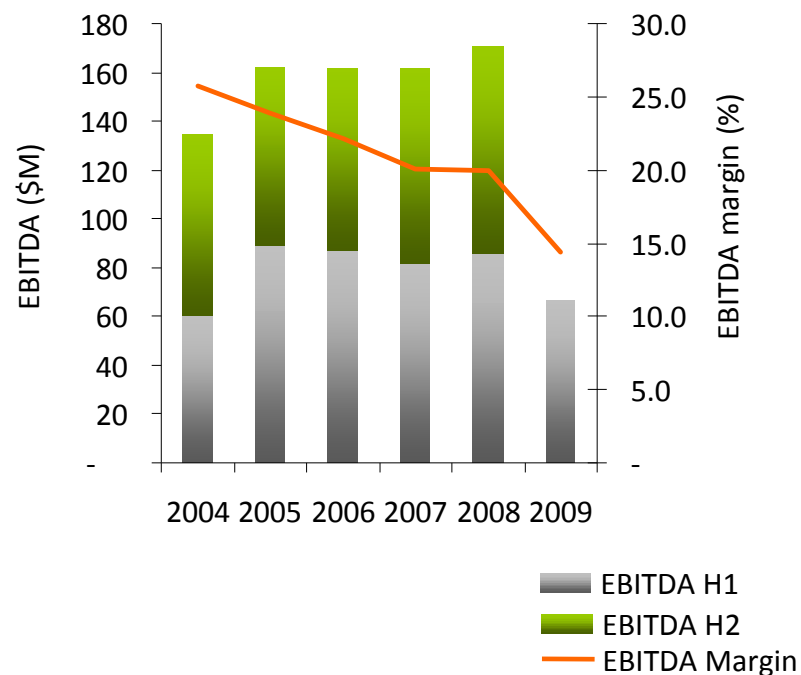
EBITDA NZ\$million



Building Products results

NZ\$m	Dec 08	Dec 07	% Δ
	6 mths	6 mths	
Sales	412	376	+10
EBITDA	67	86	-22
EBIT	55	74	-26
Funds Employed	655	572	+15
EBITDA/sales %	16.3	22.9	-29
EBIT/sales %	13.3	19.7	-32
ROFE %	16.8	25.9	-35

Building Products
EBITDA and EBITDA margin*



* Gross sales

Building Products: lower volume levels but improved prices

Gross Sales NZ\$m	Dec 08 6 mths	Dec 07 6 mths ¹	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand						
- Plasterboard	115	110	+5	↓	↑	↓
- Insulation ²	82	78	+5	↓	↑	↓
- Metal Roof Tiles ³	107	84	+27	↑	↑	↑
Australia						
- Insulation	106	103	+3	↓	↑	↑
- Sinkware	18	22	-18	↓	↑	↓

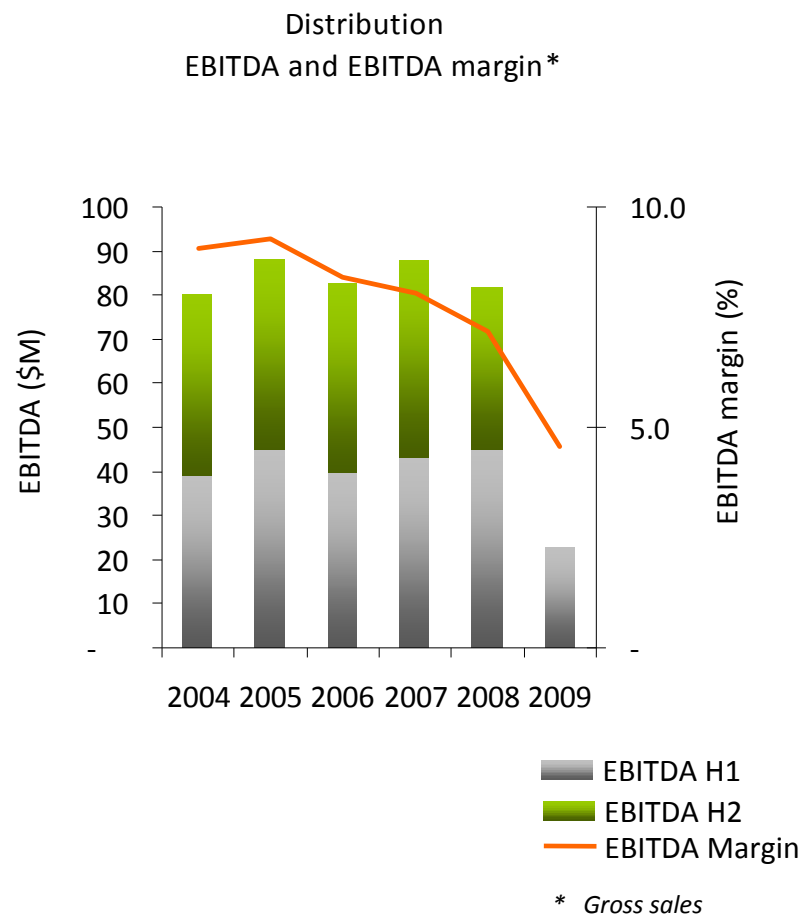
1. Restated to current exchange rates
2. Includes Forman & Tasman Access Floors (which now reports into Forman)
3. Includes US based Decra business

Building Products

- **Plasterboard**
 - Lower volumes due to reliance on housing activity in NZ.
 - Improved sales mix and overhead cost control helped result.
- **Insulation**
 - Australia: sluggish demand in NSW and Victoria.
 - New Zealand: volumes down in weak housing market.
 - Commercial activity was robust.
- **Metal roof tiles**
 - Strong export performance despite higher steel prices.
 - Europe, Middle East and Africa performed well.
 - NZ volumes down significantly.

Distribution results

NZ\$m	Dec 08	Dec 07	% Δ
	6 mths	6 mths	
Sales	481	565	-15
EBITDA	23	45	-49
EBIT	18	42	-57
Funds Employed	188	167	+13
EBITDA/sales %	4.8	8.0	-40
EBIT/sales %	3.7	7.4	-50
ROFE %	19.1	50.3	-62



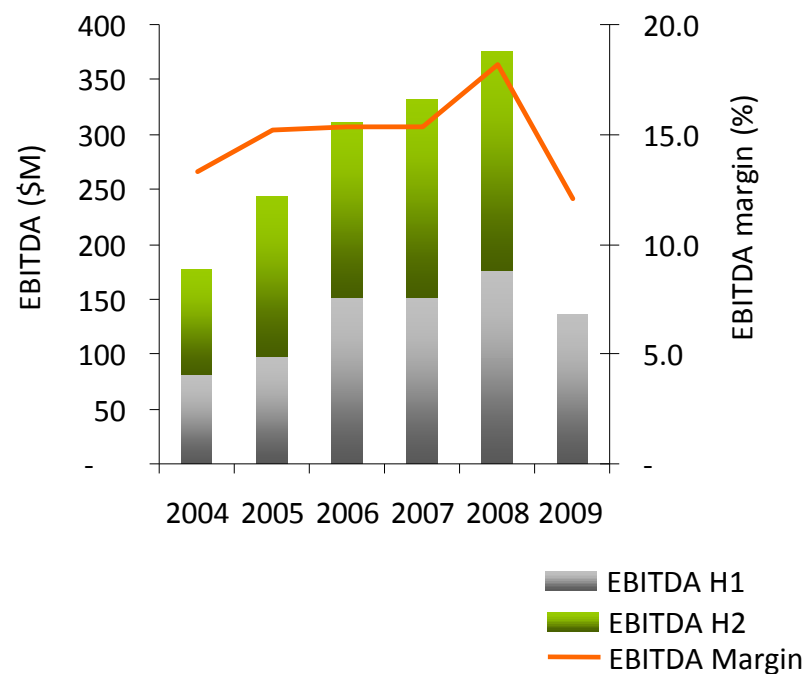
Distribution

- Sales in line with residential building consents.
- Lower volumes on fixed cost base impacted returns.
- Store refurbishment and expansion programme was reduced.
- Rationalisation of frame and truss manufacturing activities from 23 to 18 sites.
- Significant staff reductions.

Infrastructure results

NZ\$m	Dec 08 6 mths	Dec 07 6 mths	% Δ
Sales	1018	921	+11
EBITDA			
- Concrete & Construction	127	146	-13
- Property	10	30	-67
Total EBITDA	137	176	-22
EBIT	103	145	-29
Funds Employed	1064	879	+21
EBITDA/sales %	13.4	19.1	-30
EBIT/sales %	10.1	15.7	-36
ROFE %	19.4	33.0	-41

Infrastructure
EBITDA and EBITDA margin*



* Gross sales

Property activities include quarry end use, residential and surplus assets

EBIT					
NZ\$m	2006	2007	2008	1H08	1H09
Quarry end use		6	42		
Residential	25	34	19	11	4
Surplus assets	10	9	19	19	6
Total	35	49	80	30	10

- Property activities, be they residential land or quarry end use, are becoming an increasingly important earnings component of the Infrastructure division. With its extensive quarry land holdings, Infrastructure is expected to generate increasing 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

Infrastructure: steady sales despite volume decline

Gross Sales NZ\$m	Dec 08 6 mths	Dec 07 6 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand						
- NZ Concrete	356	362	-2	↓	↑	↓
- Construction	485	403	+20	-	-	↓
Australia Concrete	218	191	+14	↓	↑	↑

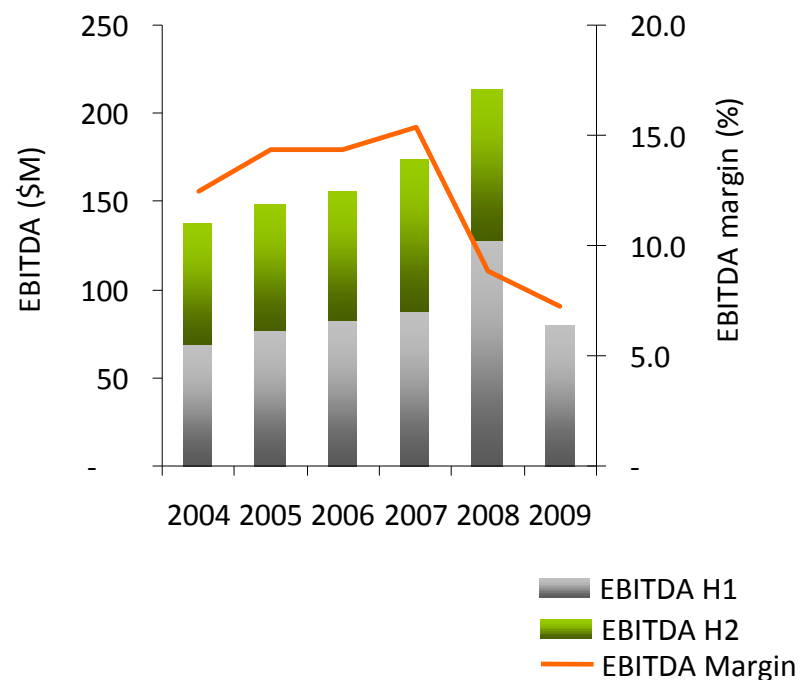
Infrastructure

- NZ concrete volumes down <10%.
- Australian concrete continued to perform well, pipe business recorded strong start to the year.
- Residential margins substantially down but volumes 17% ahead pcp.
- Strong Construction backlog at \$1,166 million.

Laminates & Panels results

NZ\$m	Dec 08 6 mths	Dec 07 6 mths	% Δ
Sales	1069	1074	-
EBITDA			
- Laminex	58	90	-36
- Formica	22	38	-42
Total EBITDA	80	128	-38
EBIT	39	91	-57
Funds Employed	2289	1884	+21
EBITDA/sales %	7.5	11.9	-37
EBIT/sales %	3.6	8.5	-58
ROFE %	3.4	9.7	-65

Laminates & Panels
EBITDA and EBITDA margin*



* Gross sales

Laminates & Panels: volumes generally weaker but prices improved

Gross Sales NZ\$m	Dec 08 6 mths	Dec 07 6 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand						
- Laminex	101	127	-20	↓	↑	↓
Australia						
- Laminex	455	445	+2	↓	↑	↓
Formica						
- Asia	111	92	+21			
- Europe	228	229	-			
- Nth America	211	217	-3			

Laminates & Panels

- Volumes down in Australia and NZ, but market shares stable.
- Successful transfer of HPL sourcing for Australasian markets to Formica China.
- Higher resin costs impacted margins.
- In Australia:
 - Volumes were lower due to residential exposure.
 - Export volumes were down 18%.
 - Western Australian plant's output impacted by gas supply restrictions.
- In New Zealand weak housing market impacted sales

Formica: downturn in Europe negatively impacted result

EBITDA				
NZ\$m		1H08	2H08	1H09
Asia		16	14	20
Europe		22	30	7
North America		10	-17	1
Corporate		-10	-17	-6
Reported EBITDA	NZ\$	38	10	22

Formica North America: Evendale operation performance on track to meet full year targets

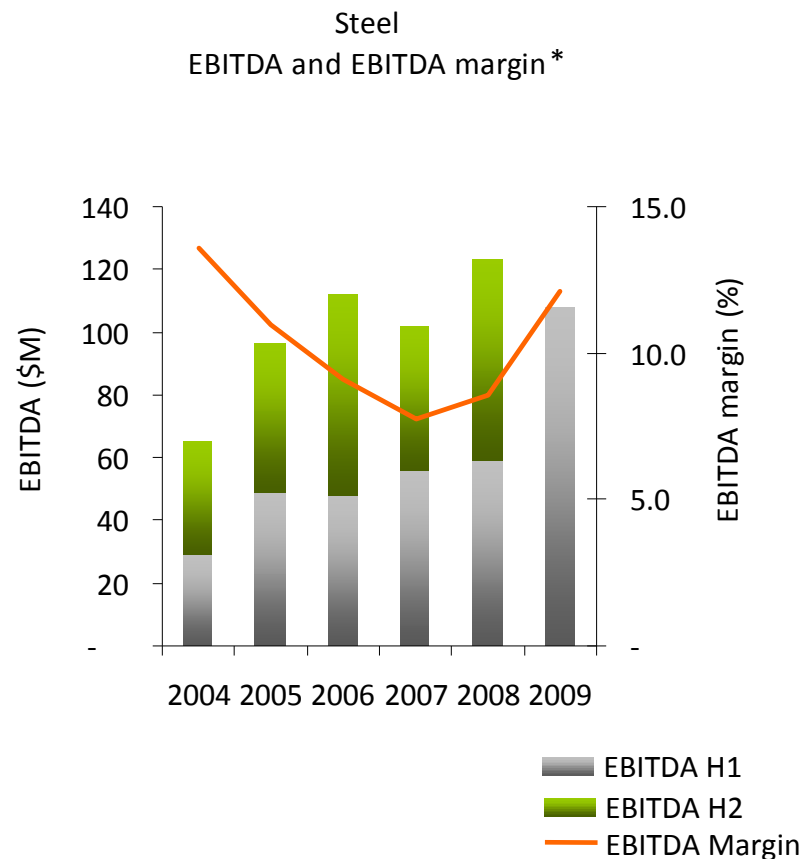
US\$m		
EBITDA for 6 months to Dec 07		7.5
Restructuring Costs		-0.6
Operational Improvements:		
• SG&A Initiatives	3.3	
• Evendale Performance	3.9	7.2
	<hr/>	
Market Impact		-13.7
		<hr/>
EBITDA for 6 months to Dec 08		0.4
		<hr/>

Formica: improved operational performance but marked deterioration in US and European markets

- **US:** High Pressure Laminate sales down by 18% due to slowdown in residential and commercial activity.
 - Manufacturing performance at Evendale plant has continued to improve. Scrap rate now under 8% versus a peak of 16.3%
- **Europe:** UK and Spain markets very weak, other parts of Europe deteriorated during the half year.
 - Boiler malfunction at main UK plant in Newcastle cost US\$4m and impacted results.
- **Asia:** remained strongest region with sales up 8% but some signs of economic slowdown.

Steel results

NZ\$m	Dec 08	Dec 07	% Δ
	6 mths	6 mths	
Sales	777	611	+27
EBITDA	108	59	+83
EBIT	95	47	+102
Funds Employed	623	542	+15
EBITDA/sales %	13.9	9.7	+43
EBIT/sales %	12.2	7.7	+58
ROFE %	30.5	17.3	+76



* Gross sales

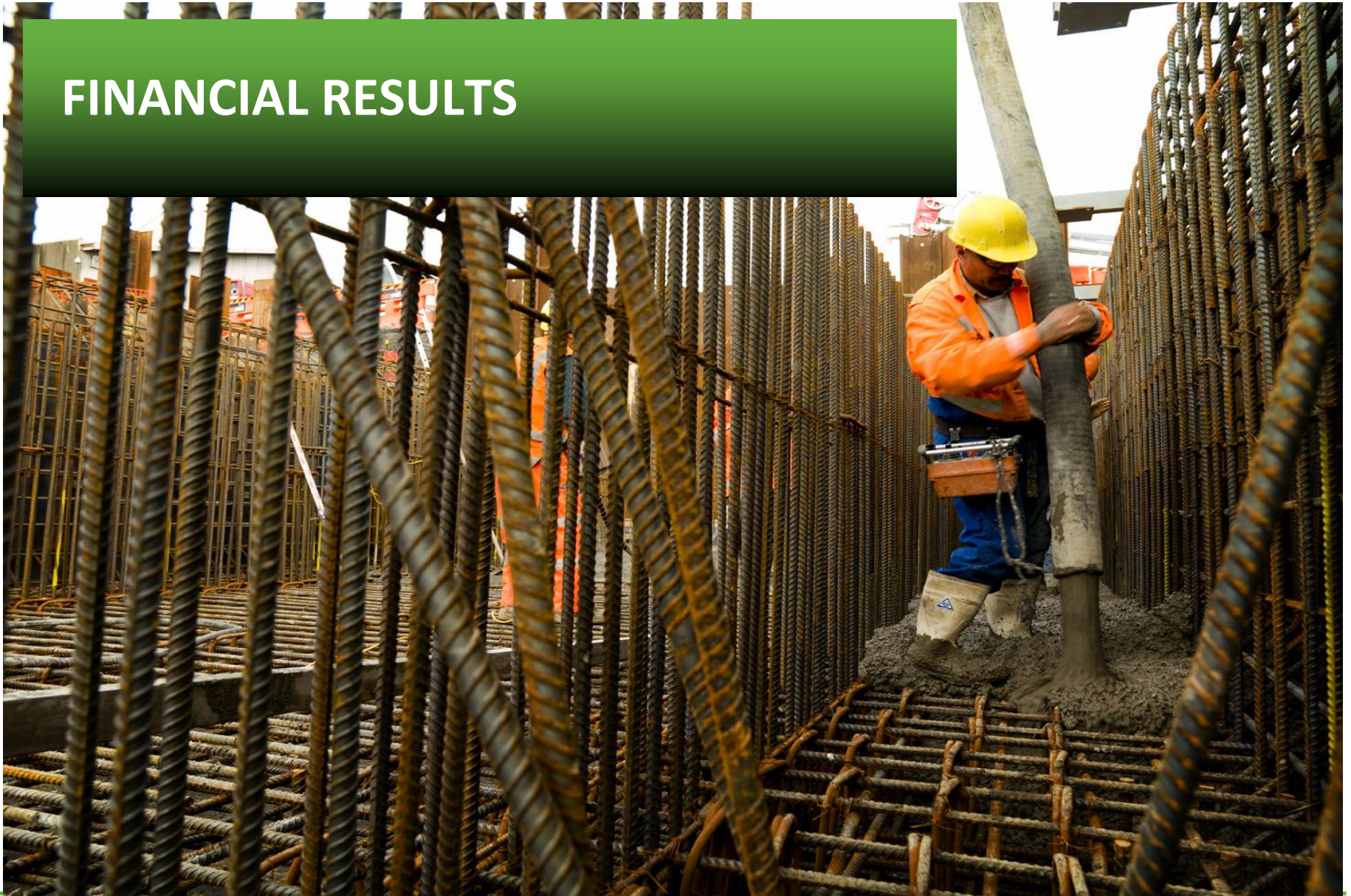
Steel earnings up based on price volatility and volume gains in long steel

Gross Sales NZ\$m	Dec 08 6 mths	Dec 07 6 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand						
- Long Steel	227	126	+80	↑	↑	↑
- Coated products	99	97	+2	-	↑	-
- Distribution & services	186	142	+31	↓	↑	↑
Australia						
- Rollforming	378	316	+20	-	↑	↑

Steel performance strong in volatile market

- High but volatile steel and scrap prices were experienced in the first part of the year, benefiting the long steel business with earnings up 350%.
- Coated products business lifted earnings by 8%.
- Strong demand in Australia for steel building products with earnings up 11%.

FINANCIAL RESULTS



Net earnings

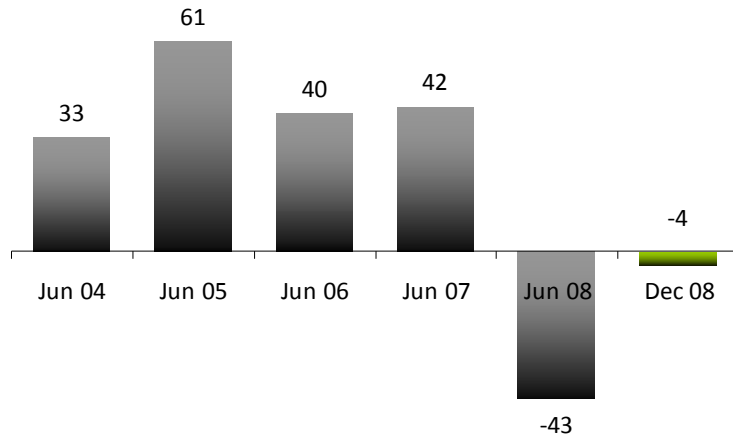
NZ \$m	Dec 2008 6 months	Dec 2007 6 months	% Δ
EBIT	303	394	-23
Interest	79	67	+18
Tax	47	83	-43
Minority Interests	5	9	-44
Net Earnings	172	235	-27

Balance sheet remains strong

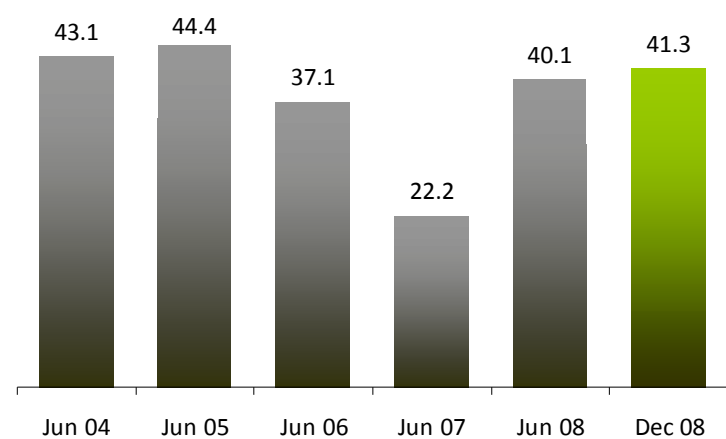
NZ \$m	Dec 2008 6 months	Dec 2007 6 months	% Δ
Operating Cashflow	208	245	-15
Net Debt (ND)	2003	1628	+23
Net Debt / Equity %	41.3	39.7	+4
EBIT/Total Interest (times)	3.8	5.9	-36
Return on Funds %	13.1	20.4	-36

Key ratios

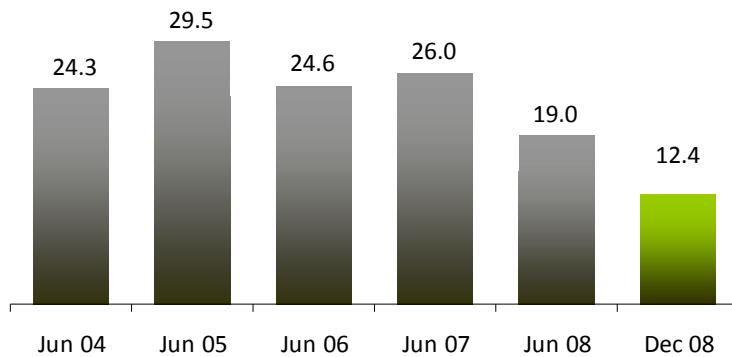
**Total Shareholder Return (TSR)
Percentage**



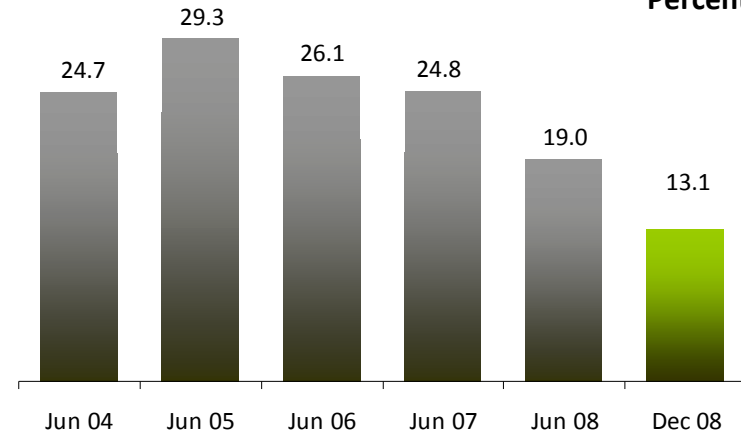
**Debt/Debt Plus Equity
Percentage**



**Return on Average Equity
Percentage**

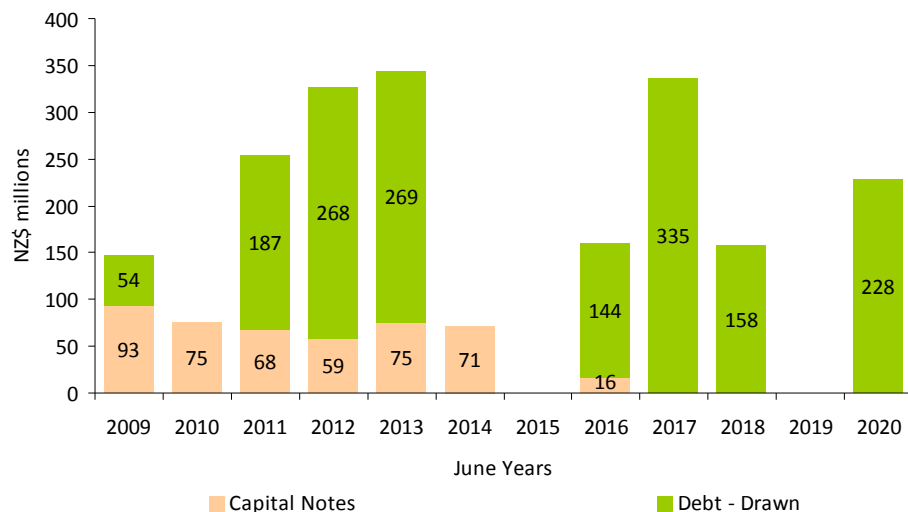


**Return on Average Funds
Percentage**



Debt maturity profile

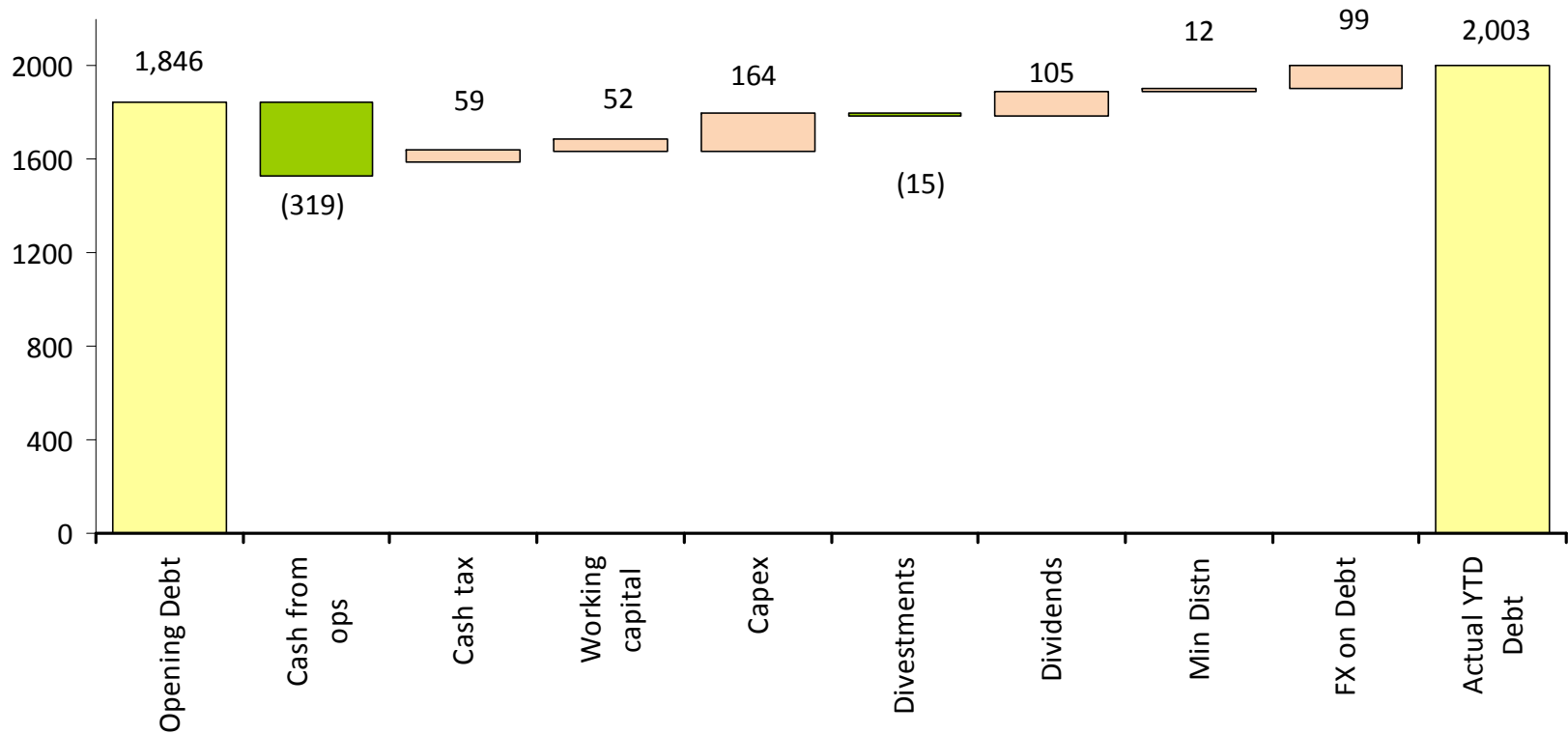
Funding & Maturity



- Debt requiring refinancing within the next 12 months is \$211m, including \$93m of capital notes and \$64m of undrawn facilities.
- The next major refinancing is September 2010.
- Average maturity of debt is 6 years.
- Interest rates have reduced from an average of 7.6% in June 2008 to 6.65% in December 2008.
- The portfolio is 60% fixed.

Net debt movement

NZ\$million



Capital expenditure

NZ\$m	1H09 Actual			FY09 Forecast		
	Carry Over	New Approved	Total	Carry Over	New Approved	Total
Building Products	32	3	35	44	20	64
Distribution	14	4	18	14	5	19
Infrastructure	27	25	52	45	54	99
Laminates & Panels	8	8	16	16	16	32
Formica	17	12	29	30	26	56
Steel	9	5	14	19	12	31
Total	107	57	164	168	133	301

- Capital expenditure for FY10 is expected to reduce and be in line with depreciation

STRATEGY

Strategic objectives remain unchanged

Earnings Reliability

Internal Growth

External Growth

Significant restructuring of the business already completed

- Reduction in worldwide employee numbers by 1100 since 1 July 2008.
- Further reductions being implemented in second half.
- Plants have reduced number of shifts and hours of operation where appropriate.
- Other initiatives include:
 - Rationalisation of frame and truss operations
 - Reduction in ready mix cement truck fleet
- Strategic review underway of Laminex and Formica to determine future integrated business model.

OUTLOOK



Tauranga Harbour Link, NZ

Outlook 2009

- Strong infrastructure investment in NZ and Australia expected to continue.
- Residential markets all weaker globally and positive impacts of government initiatives hard to predict
 - **NZ**: no significant deterioration expected beyond current low base
 - **Australia**: has weakened recently.
 - **US**: continues to be very weak
 - **Europe**: Spain and UK worst hit, but virtually all markets have deteriorated.
 - **Asia**: great variability within this region. Outlook mixed.
- Ongoing focus on cost control, managing production capacity and cash management.

