



# Fletcher Building Limited Annual Results to June 2008

13 August 2008

# Disclaimer

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This annual results presentation dated 13 August 2008 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

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- Introduction
- Chairman
- Company and Market Reviews
- Divisional Performance
- Financial Results
- Strategy
- Outlook

# Highlights

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Record  
operating earnings

**\$NZ768 million**

Net earnings

**\$NZ467 million**

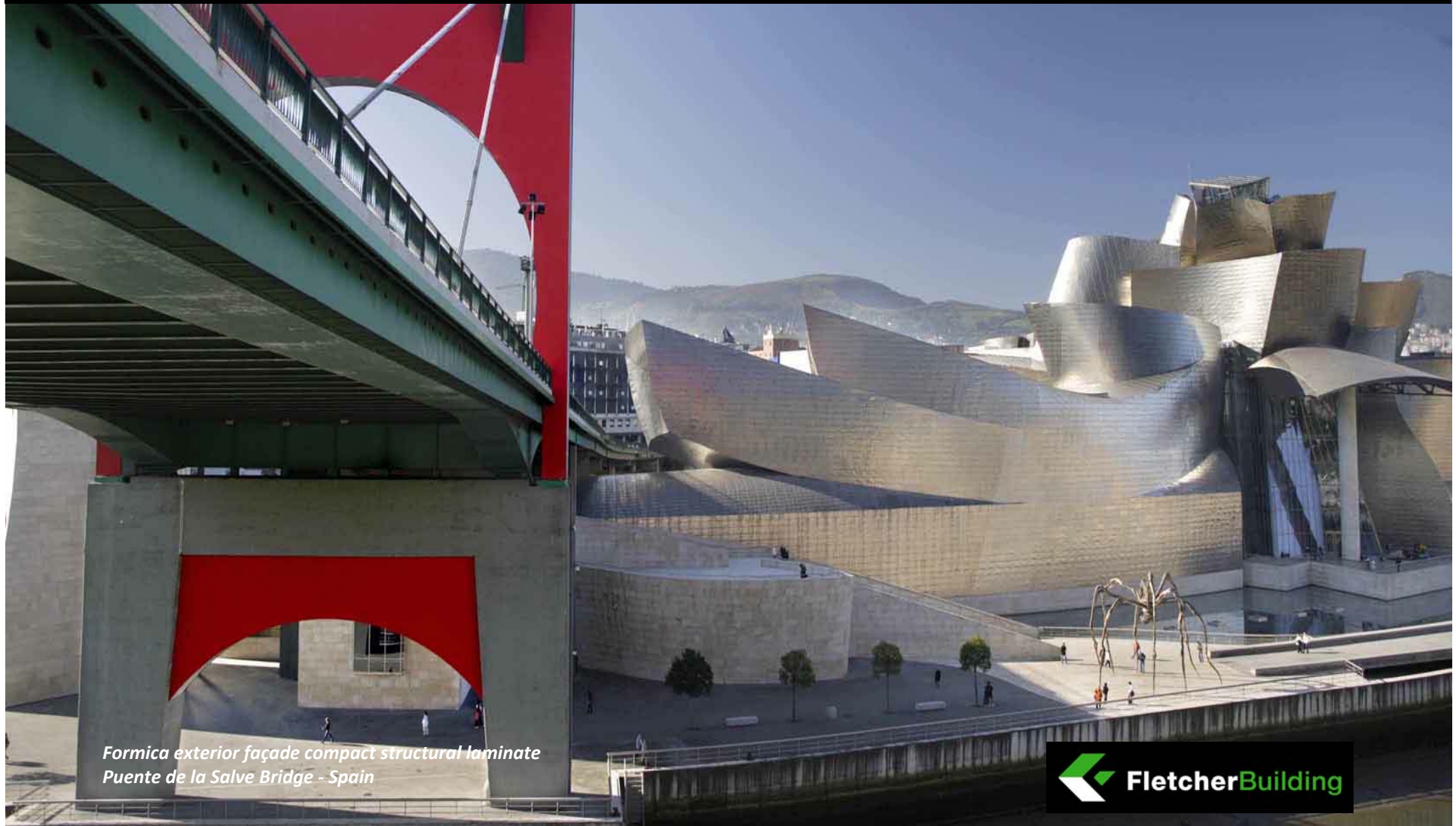
EPS

**93.2 cps**

Dividend

**Final 24.5 cps  
making total for year 48.5 cps**

# COMPANY & MARKET OVERVIEW



*Formica exterior façade compact structural laminate  
Puente de la Salve Bridge - Spain*

# Further improvement in earnings pre unusu

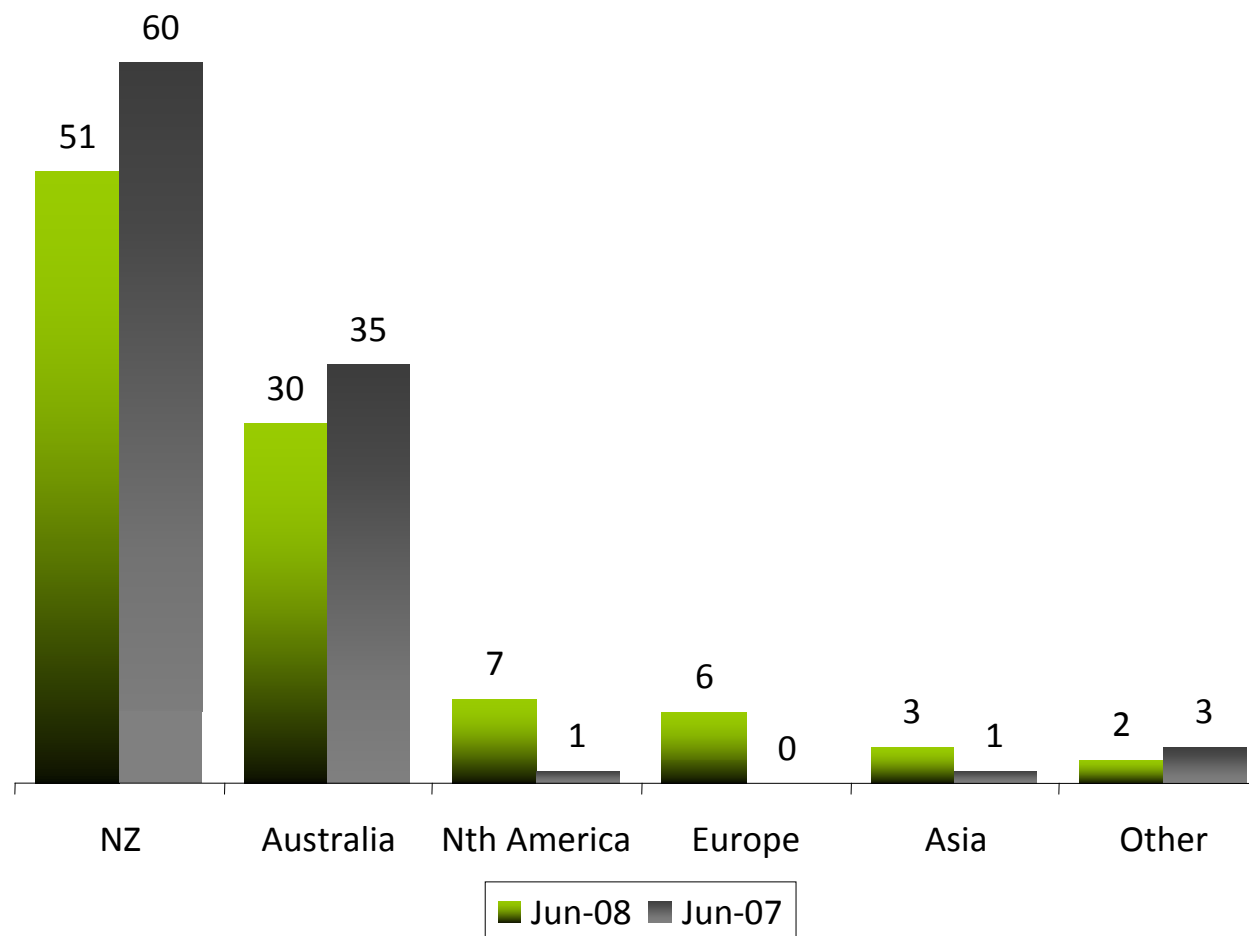
| NZ\$m          | Jun 2008 <sup>3</sup><br>12 months | Proforma<br>Jun 2007<br>12 months | % Δ | Reported<br>Jun 2007<br>12 months |
|----------------|------------------------------------|-----------------------------------|-----|-----------------------------------|
| Sales          | 7091                               | 5926                              | +20 | 5926                              |
| EBITDA         | 966                                | 854                               | +13 | 859                               |
| EBIT           | 768                                | 698                               | +10 | 703 <sup>1</sup>                  |
| Net earnings   | 467                                | 399                               | +17 | 484 <sup>2</sup>                  |
| EPS – cps      | 93.2                               | 84.0                              |     | 101.9                             |
| Dividend - cps | 48.5                               | 45.0                              |     | -                                 |

1. Includes unusual gain of \$5m in 2007
2. Includes tax benefit of \$80m in 2007
3. Includes Formica acquired 2 July 2007

Annual Results – August 2008

# Diversification of sales continues to improve

External Revenue by Region  
Percentage



Annual Results – August 2008

# New Zealand residential exposure is reducing

|                     | EBITDA<br>NZ\$m | NZ Res.<br>% | NZ Non-Res.<br>% | Non-NZ<br>% |
|---------------------|-----------------|--------------|------------------|-------------|
| Infrastructure      | 376             | 26           | 54               | 20          |
| Building Products   | 171             | 40           | 26               | 34          |
| Steel               | 123             | 8            | 44               | 48          |
| Distribution        | 82              | 75           | 25               | -           |
| Laminates & Panels  | 214             | 7            | 7                | 86          |
| <b>Total EBITDA</b> | <b>966</b>      | <b>26</b>    | <b>35</b>        | <b>39</b>   |

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Source : Management estimates

Annual Results – August 2008



# New Zealand markets – residential declining with non residential and infrastructure steady

|                                      | Annual percentage changes in quarterly data |        |        |                 |
|--------------------------------------|---|--------|--------|-----------------|
|                                      | Sep 07                                      | Dec 07 | Mar 08 | Jun 08 Forecast |
| Residential Consents Numbers         | -7  | -7     | -17    | -14             |
| Additions & alterations value (real) | -5  | +4     | +5     | -1              |
| Non residential value (real)         | -5  | -1     | 0      | +3              |
| Infrastructure value (real)          | +3  | 0      | -1     | -1              |

Source : Infometrics Forecasts

- Residential consents have fallen in New Zealand with the impact on individual businesses being dependent on where they are in the chain i.e. there can be substantial lags in consents and activity.
- Non residential and infrastructure are largely project-based and as such, values from period to period fluctuate depending on project size. Underlying this is a solid level of forward work and committed government infrastructure spending.

## Margins have held up well but slowdown now evident in some businesses

|                    | 6 Mths<br>Dec 2007<br>EBITDA/Sales % | 6 Mths<br>Jun 2008<br>EBITDA/Sales % | 12 Mths<br>Jun 2008<br>EBITDA/Sales % |
|--------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Building Products  | 19.6                                 | 20.3                                 | 19.9                                  |
| Steel              | 8.6                                  | 8.7                                  | 8.7                                   |
| Distribution       | 7.7                                  | 6.7                                  | 7.2                                   |
| Infrastructure     | 17.2                                 | 19.2                                 | 18.2                                  |
| - Concrete NZ      | 22.8                                 | 23.7                                 | 23.3                                  |
| - Concrete Aus     | 18.8                                 | 17.8                                 | 18.3                                  |
| Laminates & Panels | 11.6                                 | 7.8                                  | 14.8                                  |
| - Laminex          | 15.8                                 | 13.8                                 | 14.8                                  |
| - Formica          | 7.0                                  | 1.8                                  | 4.4                                   |

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# Formica reconciliations

| US\$m                        | May 2007<br>Investor<br>Presentation | Actual<br>Jun<br>2008 | Note |
|------------------------------|--------------------------------------|-----------------------|------|
| Normalised EBITDA            |                                      |                       |      |
| North America                | 46                                   | 24                    |      |
| Europe                       | 33                                   | 41                    |      |
| Asia                         | 22                                   | 23                    |      |
| Corporate                    | -18                                  | -15                   |      |
|                              | 83                                   | 73                    |      |
| <b>Evendale Improvements</b> | <b>11</b>                            | <b>-25</b>            | 1    |
| Trading EBITDA               | 94                                   | 48                    |      |
| Depreciation                 | -25                                  | -25                   |      |
| EBIT                         | 69                                   | 23                    |      |
| <b>Synergies</b>             | 10                                   | -                     |      |
| <b>- one off costs</b>       | <b>-15</b>                           | <b>-10</b>            | 2    |
| Reported EBIT                | 64                                   | 13                    |      |

Note: Tax benefits achieved but not included in reconciliation

Annual Results – August 2008

## 1. Evendale Improvements

- Key issue is timing and execution.
- Not achieved this period but still considered very achievable.
- All improvements are based on metrics achieved across other Formica plants and are cost out or productivity and process.
- Targeting to be completed by June 2009, so expect about US\$12.5 m of improvement costs to be incurred in 2009.

## 2. Synergies – three key categories

- Laminex will have US\$8m– have closed Papakura plant and now sourcing from Asia. Expected full benefit to be achieved in 2010. Earlier benefits offset by costs of achievement.
- Corporate costs – expect US\$7m p.a. savings in 2009 and a further US\$3m p.a. in 2010
- Odenton closure action and will save US\$4m in 2009

## 3. Deferred Payment US\$50m

- The net cash amount to the vendor is currently US\$10m with the balance in dispute.

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# Property activities – quarry end use, residential and surplus assets

| NZ\$m          | 2004      | 2005      | 2006      | 2007      | 2008      |
|----------------|-----------|-----------|-----------|-----------|-----------|
| Quarry end use |           |           |           | 6         | 42        |
| Residential    | 19        | 22        | 25        | 34        | 19        |
| Surplus assets |           | 9         | 10        | 9         | 19        |
| <b>Total</b>   | <b>19</b> | <b>31</b> | <b>35</b> | <b>49</b> | <b>80</b> |

- 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

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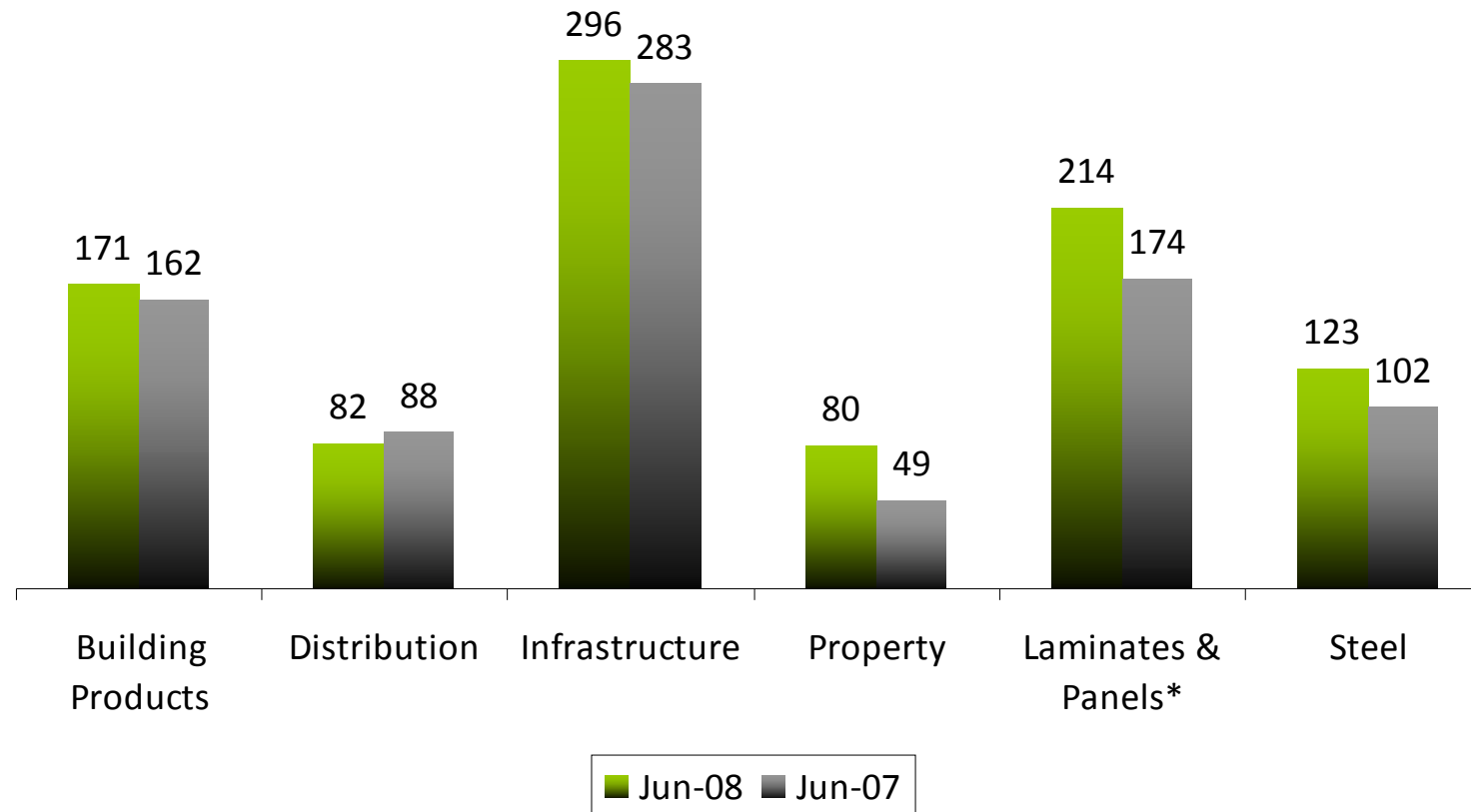
Outlook

# DIVISIONAL PERFORMANCE

*Forman ceiling – Auckland International Airport*

# Overall good divisional performances in difficult market conditions

EBITDA NZ\$million



\* Includes Formica acquired 2 July 2007

Annual Results – August 2008

# Building Products results

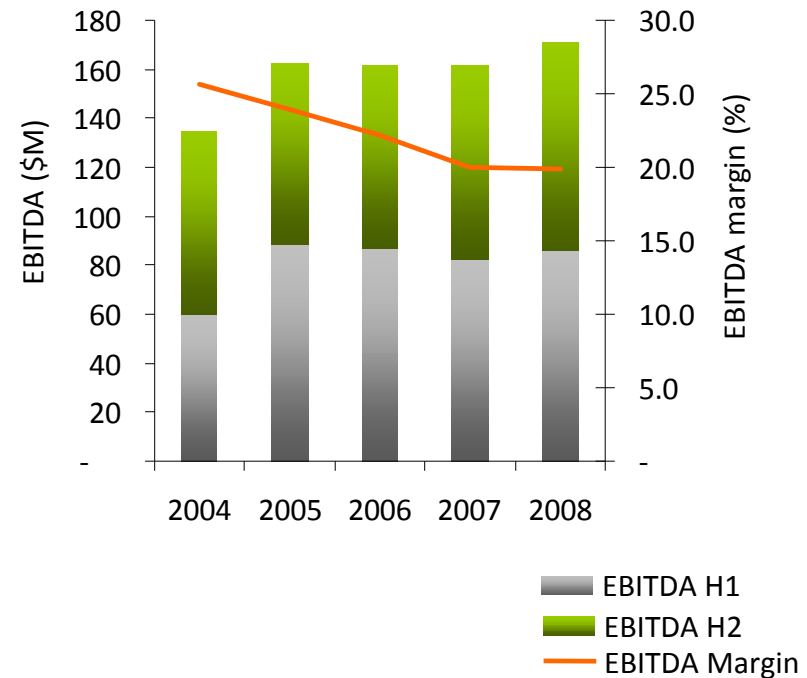
| NZ\$m          | 2008** | 2007 | % Δ |
|----------------|--------|------|-----|
| Sales          | 739    | 697  | +6  |
| EBITDA         | 171    | 162  | +6  |
| EBIT           | 148    | 141* | +5  |
| Funds Employed | 631    | 565  | +12 |
| EBITDA/sales % | 23.1   | 23.2 | -   |
| EBIT/sales %   | 20.0   | 20.2 | -1  |
| ROFE %         | 23.4   | 25.0 | -6  |

\* Excludes unusual write downs of \$6m

\*\* Includes a full year of Forman

Annual Results – August 2008

Building Products  
EBITDA and EBITDA margin



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# Building Products sales levels maintained

| Gross Sales<br>NZ\$m | 2008 | 2007 | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|----------------------|------|------|-----|----------|---------|----------|
| <b>New Zealand</b>   |      |      |     |          |         |          |
| - Plasterboard       | 218  | 213  | +2  | ↓        | ↑       | ↓        |
| - Insulation         | 144* | 111  | +30 | ↑        | ↑       | ↓        |
| - Metal Roof Tiles   | 110  | 104  | +6  | ↑        | ↓       | ↑        |
| <b>Australia</b>     |      |      |     |          |         |          |
| - Insulation         | 192  | 194  | -1  | ↑        | ↓       | ↑        |
| - Sinkware           | 41   | 40   | +3  | ↓        | ↑       | ↑        |

\* Includes Forman acquisition for full year

Annual Results – August 2008



# Building Products

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## □ Plasterboard

- Performed well with volumes slightly down on last year
- Strong performance board sales
- Higher distribution costs.
- A new bulk warehouse and distribution centre was completed in Christchurch, strengthening service in the region.

## □ Insulation

- Increased volumes as markets respond to tightening building code requirements and increasing energy efficiency awareness.
- Input cost increases were not recovered in price in Australia

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# Building Products

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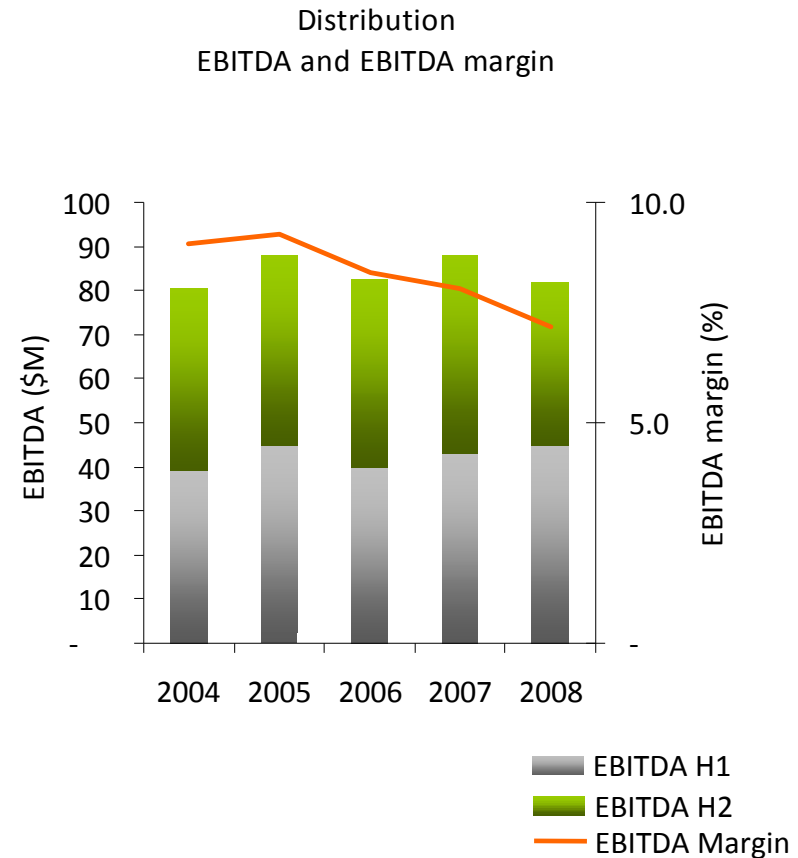
## □ Metal roof tiles

- Businesses experienced strong demand conditions with increased volumes and pricing in the USA, demonstrating the product's global niche characteristics.
- New Zealand export pricing was affected by adverse exchange rate conditions.
- Earnings were lifted by an insurance recovery after the oven fire at the Decra California plant.
- The new tile plant, under construction in Hungary, will be commissioned in the 2nd half of FY2009

[Overview](#)[Divisional Performance](#)[Financial Results](#)[Strategy](#)[Outlook](#)

# Distribution results

| NZ\$m          | 2008 | 2007 | % Δ |
|----------------|------|------|-----|
| Sales          | 1083 | 1064 | +2  |
| EBITDA         | 82   | 88   | -7  |
| EBIT           | 73   | 80   | -9  |
| Funds Employed | 185  | 163  | +13 |
| EBITDA/sales % | 7.6  | 8.3  | -8  |
| EBIT/sales %   | 6.7  | 7.5  | -11 |
| ROFE %         | 39.4 | 49.1 | -20 |



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# Distribution sales up despite increased competition in slowing market

| Sales NZ\$m        | 2008        | 2007        | % Δ        | Volume Δ | Price Δ | EBITDA Δ |
|--------------------|-------------|-------------|------------|----------|---------|----------|
| <b>New Zealand</b> |             |             |            |          |         |          |
| - Same store       | 1064        | 1056        | 1          | ↓        | ↑       | ↓        |
| - Additional       | 10          |             |            |          |         |          |
| - Upgrades         | 9           | 8           |            |          |         |          |
| <b>Total</b>       | <b>1083</b> | <b>1064</b> | <b>1.9</b> |          |         |          |

| Stores   | 2008      |
|--|-----------|
| Retail Sites under Joint Venture management        | 57        |
| Retail Sites Company owned                         | 7         |
| Manufacturing sites under Joint Venture management | 1         |
| Manufacturing sites company owned                  | 2         |
| <b>Total Sites</b>                                 | <b>67</b> |

# Distribution

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- ❑ Challenging 2<sup>nd</sup> half eroded the gains made in the 1<sup>st</sup> half.
- ❑ Despite the declining market, market share in core products has improved.
- ❑ ERP system development progressing. Completion of initial system 2009.
- ❑ Refurbishment continues with Thames, Dunedin and Wairau Park underway or completed and a new Frame & Truss operation in Christchurch.

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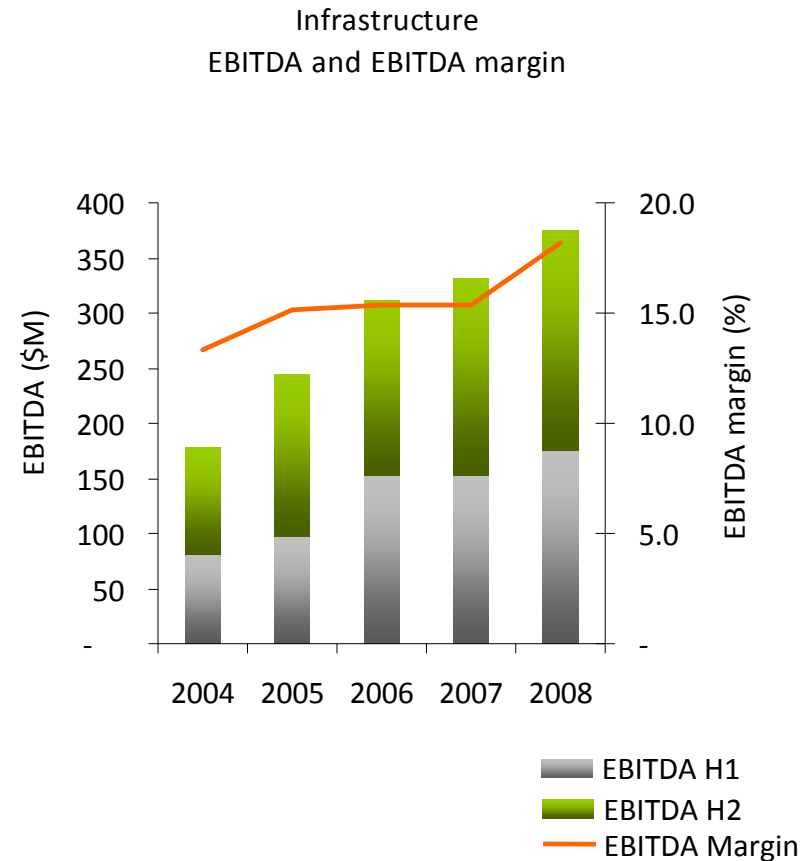
Financial  
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# Infrastructure results

| NZ\$m                     | 2008       | 2007       | % Δ        |
|---------------------------|------------|------------|------------|
| Sales                     | 1857       | 1944       | -4         |
| EBITDA                    |            |            |            |
| - Concrete & Construction | 296        | 283        | +5         |
| - Property                | 80         | 49         | +63        |
| <b>Total EBITDA</b>       | <b>376</b> | <b>332</b> | <b>+13</b> |
| EBIT                      | 308        | 271        | +14        |
| Funds Employed            | 1027       | 767        | +34        |
| EBITDA/sales %            | 20.2       | 17.0       | +19        |
| EBIT/sales %              | 16.6       | 13.9       | +19        |
| ROFE %                    | 30.0       | 35.3       | -15        |



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# Infrastructure - steady sales on back of good workload

| Gross Sales<br>NZ\$m      | 2008 | 2007 | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|---------------------------|------|------|-----|----------|---------|----------|
| <b>New Zealand</b>        |      |      |     |          |         |          |
| - NZ Concrete             | 741  | 722  | +3  | ↓        | ↑       | ↓        |
| - Construction            | 803  | 832  | -3  | -        | -       | ↑        |
| <b>Australia Concrete</b> | 389  | 328  | +19 | ↑        | ↑       | ↑        |

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# Infrastructure

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- ❑ Construction earnings improved as a result of good project mix and outcomes. Outlook remains strong based on continued public sector investment.
- ❑ Residential house volumes impacted by a marked 2<sup>nd</sup> half sales decline.
- ❑ A significant increase in input costs has put margin pressure on construction contracts and products. Keen attention to margin maintenance through price increases and cost reductions has assisted in maintaining margins.
- ❑ Australian concrete growth reflects strength of the Queensland infrastructure market and the successful diversification into concrete products other than pipes.

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# Laminates & Panels results adversely affected by Formica\*\*

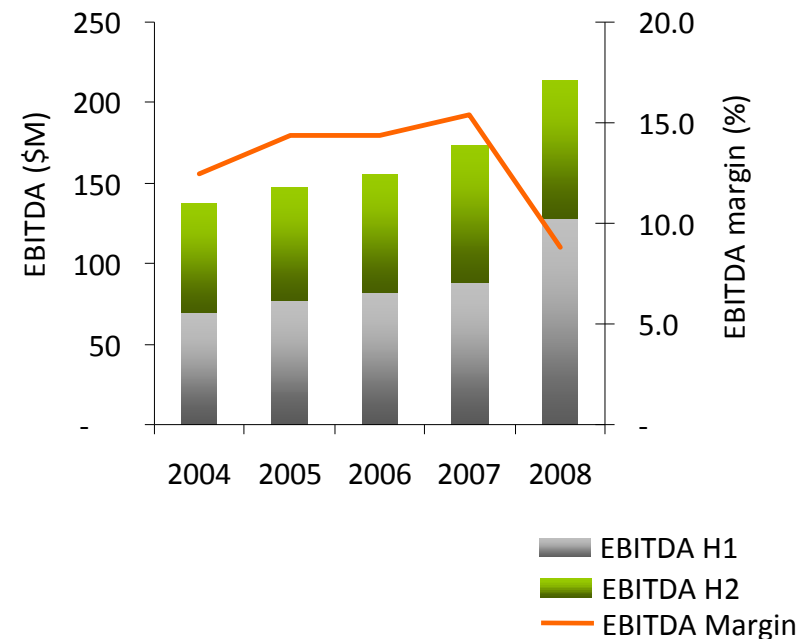
| NZ\$m          | 2008 | 2007 | % Δ  |
|----------------|------|------|------|
| Sales          | 2132 | 1058 | +102 |
| EBITDA         |      |      |      |
| - Laminex      | 166  | 174  | -5   |
| - Formica      | 48   | -    | -    |
| Total EBITDA   | 214  | 174  | +23  |
| EBIT           | 141  | 131* | +8   |
| Funds Employed | 2094 | 814  | +157 |
| EBITDA/sales % | 10.0 | 16.4 | -39  |
| EBIT/sales %   | 6.6  | 12.4 | -47  |
| ROFE %         | 6.7  | 16.1 | -58  |

\* Excludes unusual gain of \$20m

\*\* Formica acquired on July 2<sup>nd</sup> 2008

Annual Results – August 2008

Laminates & Panels  
EBITDA and EBITDA margin



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# Laminates & Panels sales increased through Formica acquisition

| Gross Sales<br>NZ\$m | 2008 | 2007 | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|----------------------|------|------|-----|----------|---------|----------|
| <b>New Zealand</b>   |      |      |     |          |         |          |
| - Laminex            | 230  | 278  | -13 | ↓        | ↑       | ↓        |
| <b>Australia</b>     |      |      |     |          |         |          |
| - Laminex            | 890  | 852  | +4  | ↑        | ↑       | ↓        |
| <b>Formica</b>       |      |      |     |          |         |          |
| - Asia               | 178  |      |     |          |         |          |
| - Europe             | 486  |      |     |          |         |          |
| - Nth America        | 422  |      |     |          |         |          |

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# Laminates & Panels

- ❑ Australian domestic decorative surfaces volumes increased marginally, with prices increasing by 2-3%.
- ❑ Australian volumes of commodity white and raw board products increased by 10% with prices in these products remaining flat.
- ❑ Decline in the NZ housing market in the 2nd half of the year has seen a reduction of 10% in sales volumes across all product groups.
- ❑ NZ sales also declined as a result the closure of:
  - Taupo MDF operation post the fire in September 2006
  - Penrose Hardboard/Softboard facility in October 2007
  - Papakura HPL manufacturing line in April 2008

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# Laminates & Panels

- ❑ The Papakura HPL facility ceased production as part of the strategic decision to source some of the division's Australian and NZ HPL requirements from Formica Corporation HPL facility in China.
- ❑ Export sales volumes of MDF to Asia reduced by 14% as the domestic demand in Australia for MDF increased. However, export prices in USD increased by 5%.
- ❑ Operational improvements and investment initiatives has resulted in increases in manufacturing volumes across Australia and New Zealand.
- ❑ June operating performance of Western Australia plants was significantly impacted by restricted gas supply post an explosion at a gas processing facility.

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# Formica

- ❑ Substantial restructuring of the senior management team and Mark Adamson appointed CEO in May 2008.
- ❑ Downturn in the US building market with new residential activity significantly down YOY.
- ❑ A slowdown in US commercial activity during 2<sup>nd</sup> half FY08.
- ❑ A short term increase in costs due to a number of unexpected operational issues encountered during the ramp up of the Ohio based Evendale manufacturing facility to cope with the transfer of production from the closure of the Sierra plant in California.
- ❑ Rising input costs being offset by product price increases.
- ❑ Slowdown in Spain and the United Kingdom, offset by strong performances in Nordic and Benelux countries, and Eastern Europe.
- ❑ Solid performance in Taiwan and Thailand
- ❑ Successful transfer of production from Papakura in New Zealand to China.

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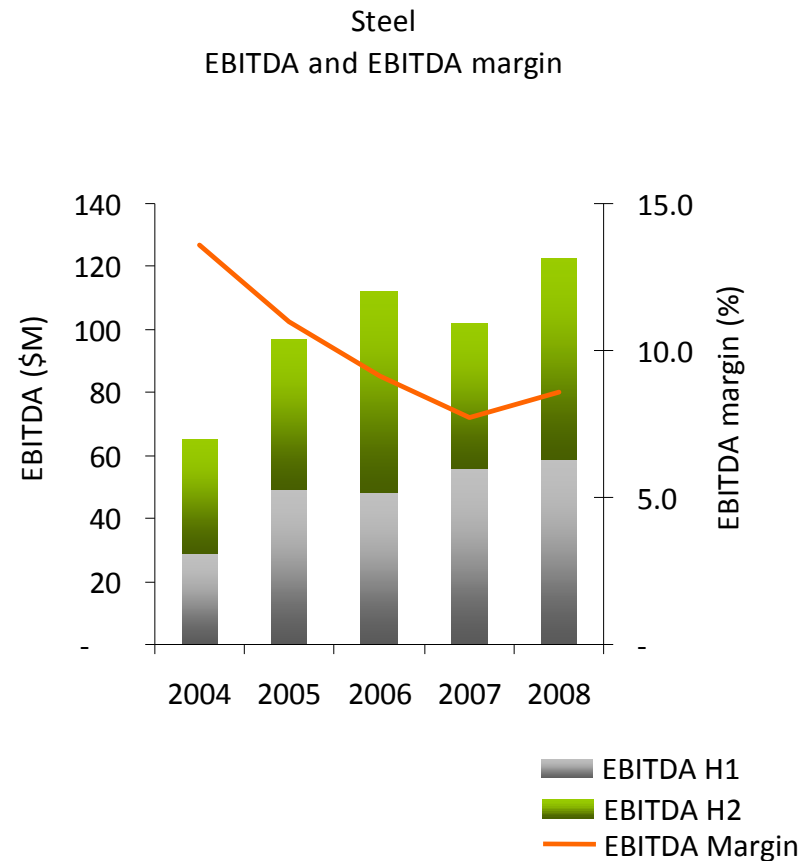
# Formica

|                            |      | 1 <sup>st</sup> Half | 2 <sup>nd</sup> Half | Full Year |
|----------------------------|------|----------------------|----------------------|-----------|
| Normalised EBITDA          |      | 41                   | 32                   | 73        |
| Evendale – increased costs |      | -13                  | -12                  | -25       |
| Trading EBITDA             |      | 28                   | 20                   | 48        |
| Depreciation               |      | -12                  | -13                  | -25       |
| EBIT                       |      | 16                   | 7                    | 23        |
| One off costs              |      |                      | -10                  | -10       |
| Reported EBIT              | US\$ | 16                   | -3                   | 13        |
|                            | NZ\$ | 21                   | -5                   | 16        |

- The increased costs relate in the main to the following:
  - Increased labour through poor process
  - Increased materials through high scrap rates
  - Increased freight through poor quality
  - Increased indirect costs – maintenance & consulting

# Steel results

| NZ\$m          | 2008 | 2007 | % Δ |
|----------------|------|------|-----|
| Sales          | 1279 | 1161 | +10 |
| EBITDA         | 123  | 102* | +21 |
| EBIT           | 101  | 80*  | +26 |
| Funds Employed | 587  | 496  | +18 |
| EBITDA/sales % | 9.6  | 8.8  | +9  |
| EBIT/sales %   | 7.9  | 6.9  | +14 |
| ROFE %         | 17.2 | 16.1 | +7  |



\* Excludes unusual write down of \$9m

Annual Results – August 2008

# Steel revenues up on price increases and acquisitions

| Gross Sales<br>NZ\$m | 2008 | 2007 | % Δ | Volume Δ | Price Δ | EBITDA Δ |
|----------------------|------|------|-----|----------|---------|----------|
| <b>New Zealand</b>   |      |      |     |          |         |          |
| - Long Steel         | 288  | 260  | +11 | ↑        | ↑       | ↑        |
| - Rollforming        | 195  | 198  | -2  | ↓        | ↑       | ↓        |
| - Distribution       | 299  | 249  | +20 | ↑        | ↑       | ↑        |
| <b>Australia</b>     |      |      |     |          |         |          |
| - Rollforming        | 654  | 609  | +7  | ↓        | ↑       | ↑        |

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# Steel improved YOY performance in buoyant market

- ❑ Steel and scrap prices increased across the business in 2<sup>nd</sup> half 2008.
- ❑ Strong export and local demand led, with emphasis from Infrastructure projects.
- ❑ Benefits realised from FY07 restructuring and closing all loss making businesses.
- ❑ Acquisitions – Eziform, Garage World, AG&S – added to EBIT result for Australia.

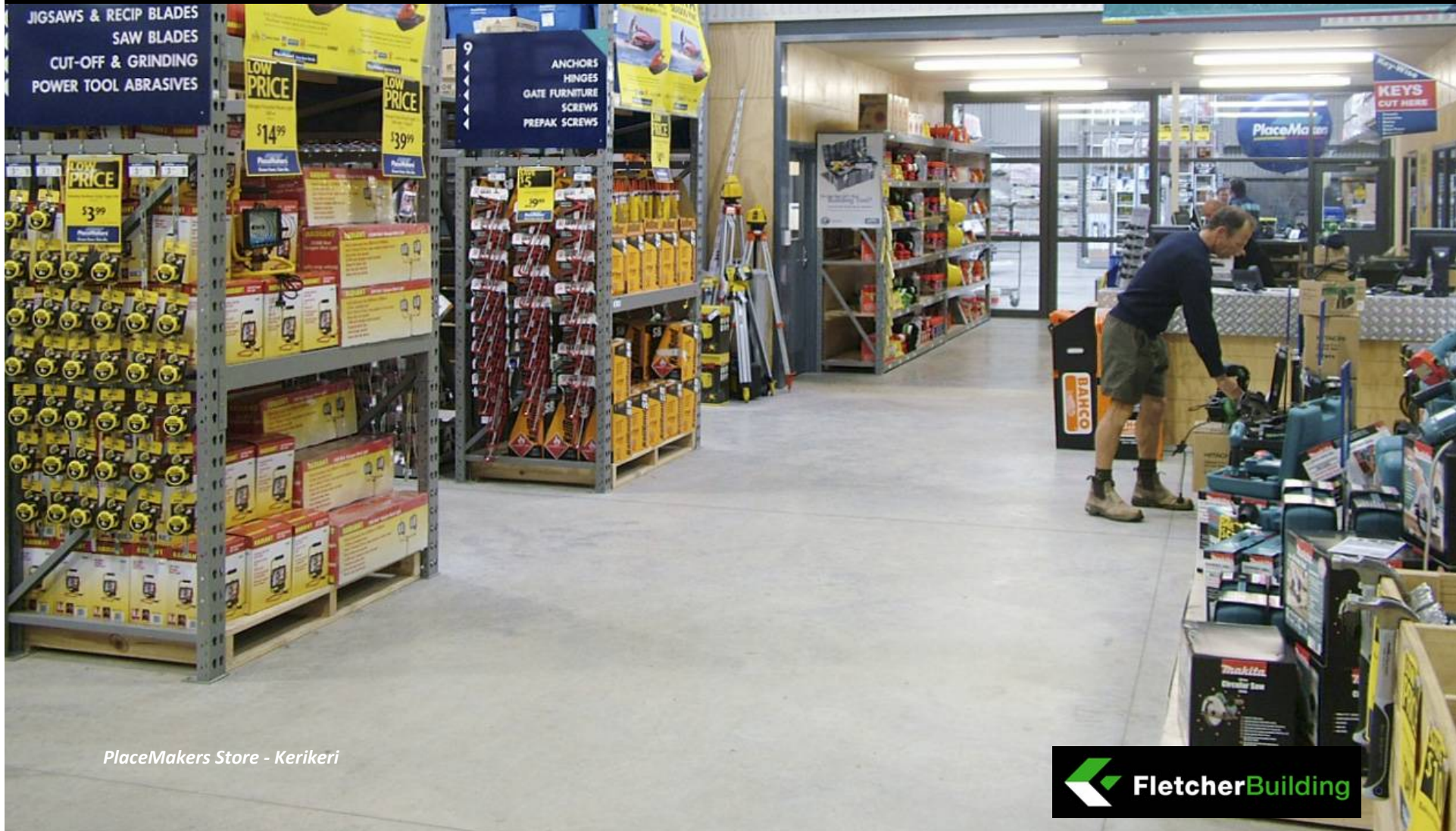
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# FINANCIAL RESULTS



PlaceMakers Store - Kerikeri

# Net earnings – after unusu

| NZ \$m             | Jun 2008<br>12 months | Jun 2007<br>12 months | % Δ | Overview                  |
|--------------------|-----------------------|-----------------------|-----|---------------------------|
| EBIT               | 768                   | 703                   | +9  | Divisional<br>Performance |
| Interest           | 136                   | 87                    | +56 | Financial<br>Results      |
| Tax                | 150                   | 113                   | +33 | Strategy                  |
| Minority Interests | 15                    | 19                    | -21 | Outlook                   |
| Net earnings       | 467                   | 484                   | -4  |                           |

## Balance sheet remains strong

| NZ \$m              | Jun 2008<br>12 months | Jun 2007<br>12 months | % $\Delta$ |
|---------------------|-----------------------|-----------------------|------------|
| Operating Cashflow  | 434                   | 483                   | -10        |
| Net Debt (ND)       | 1846                  | 654                   | +182       |
| Net Debt / Equity % | 40.1                  | 22.2                  | +81        |
| Interest Cover      | 7.1                   | 9.8                   | -28        |
| Return on Funds %   | 19.0                  | 24.8                  | -23        |

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# Summary balance sheet

|   | Jun<br>2008<br>NZ\$m | Jun<br>2007<br>NZ\$m |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| Current Assets  | 2438                 | 1742                 |
| Fixed Assets  | 2129                 | 1515                 |
| Intangibles & Goodwill                                | 1256                 | 629                  |
| Provision for Deferred Taxation                       | -61                  | 3                    |
| Investments   | 241                  | 141                  |
| <b>Total Fletcher Building Assets</b>                 | <b>6003</b>          | <b>4030</b>          |
| <b>Liabilities</b>                                    |                      |                      |
| Current Liabilities                                   | 1341                 | 1080                 |
| Other Liabilities                                     | 60                   |                      |
| Net Debt  | 1846                 | 654                  |
| <b>Total Fletcher Building Liabilities</b>            | <b>3247</b>          | <b>1734</b>          |
| <b>Equity</b>   |                      |                      |
| Equity & Minority Interests                           | 2756                 | 2296                 |
| <b>Total Fletcher Building Liabilities and Equity</b> | <b>6003</b>          | <b>4030</b>          |

Overview

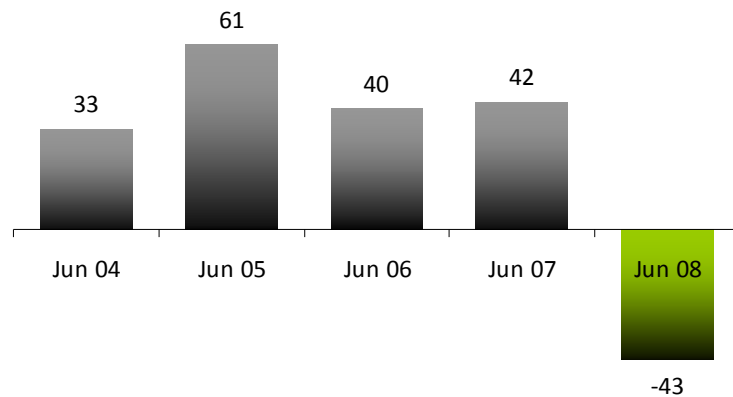
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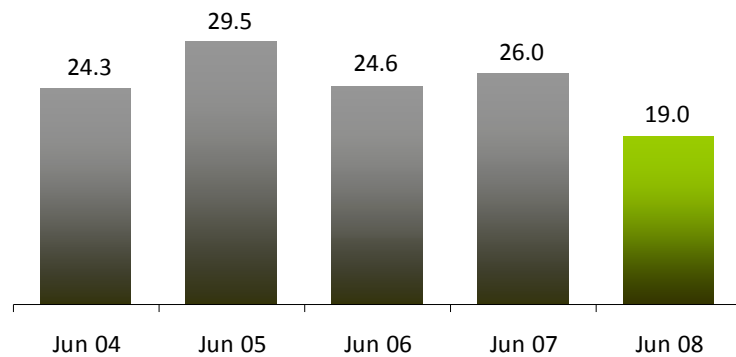
Outlook

# Key ratios

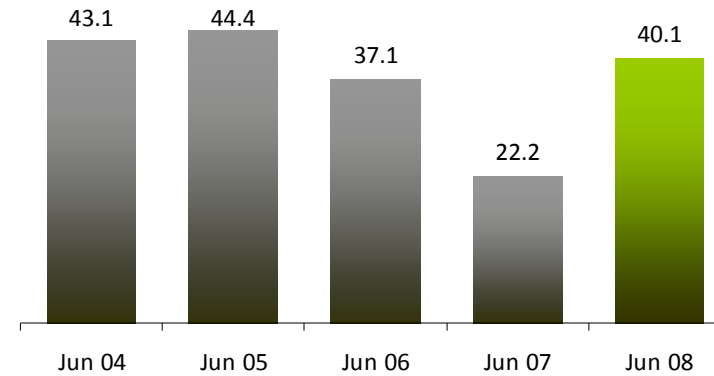
**Total Shareholder Return (TSR)  
Percentage**



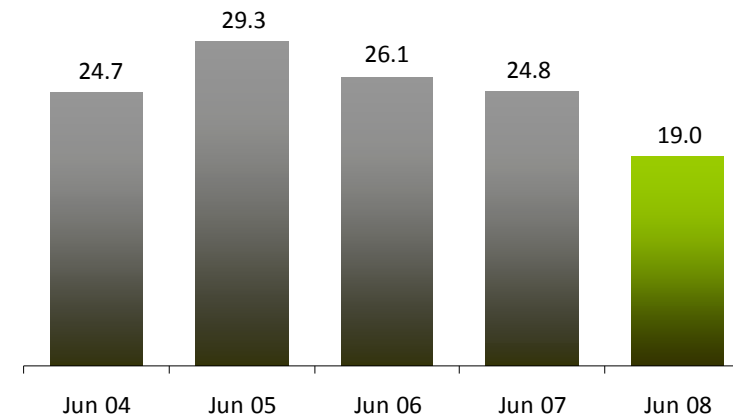
**Return on Average Equity  
Percentage**



**Debt/Debt Plus Equity  
Percentage**



**Return on Average Funds  
Percentage**



Overview

Divisional  
Performance

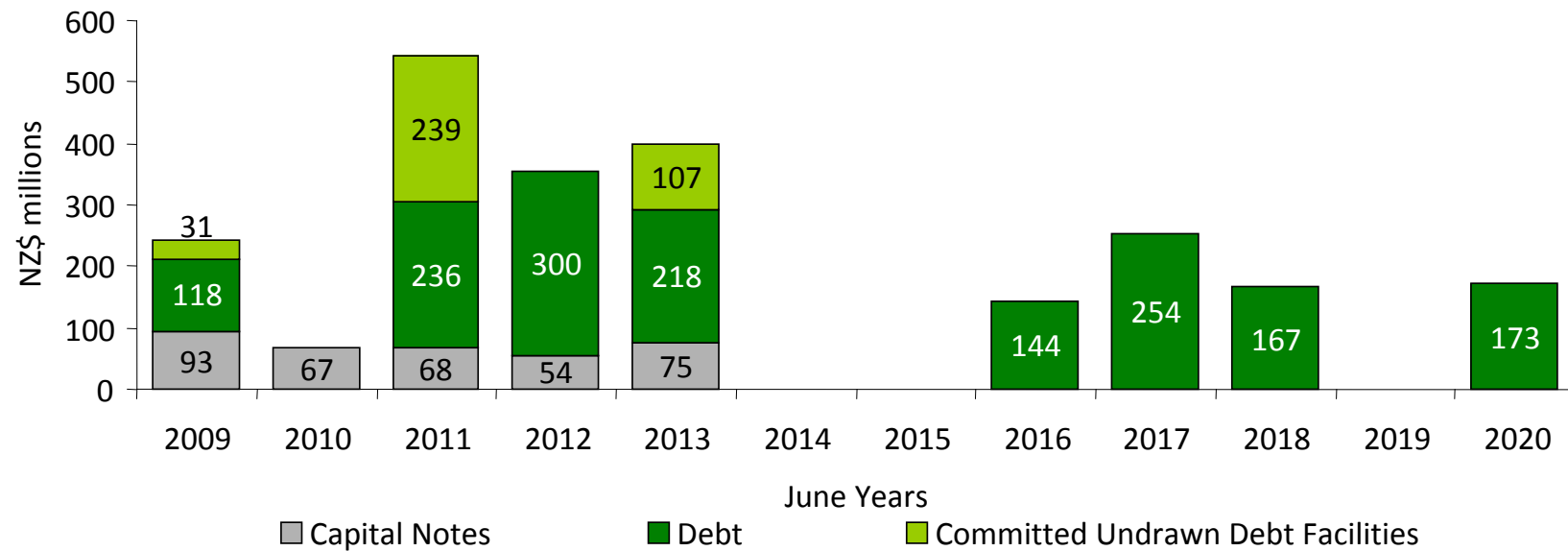
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# Debt maturity profile

## Funding & Maturity



Overview

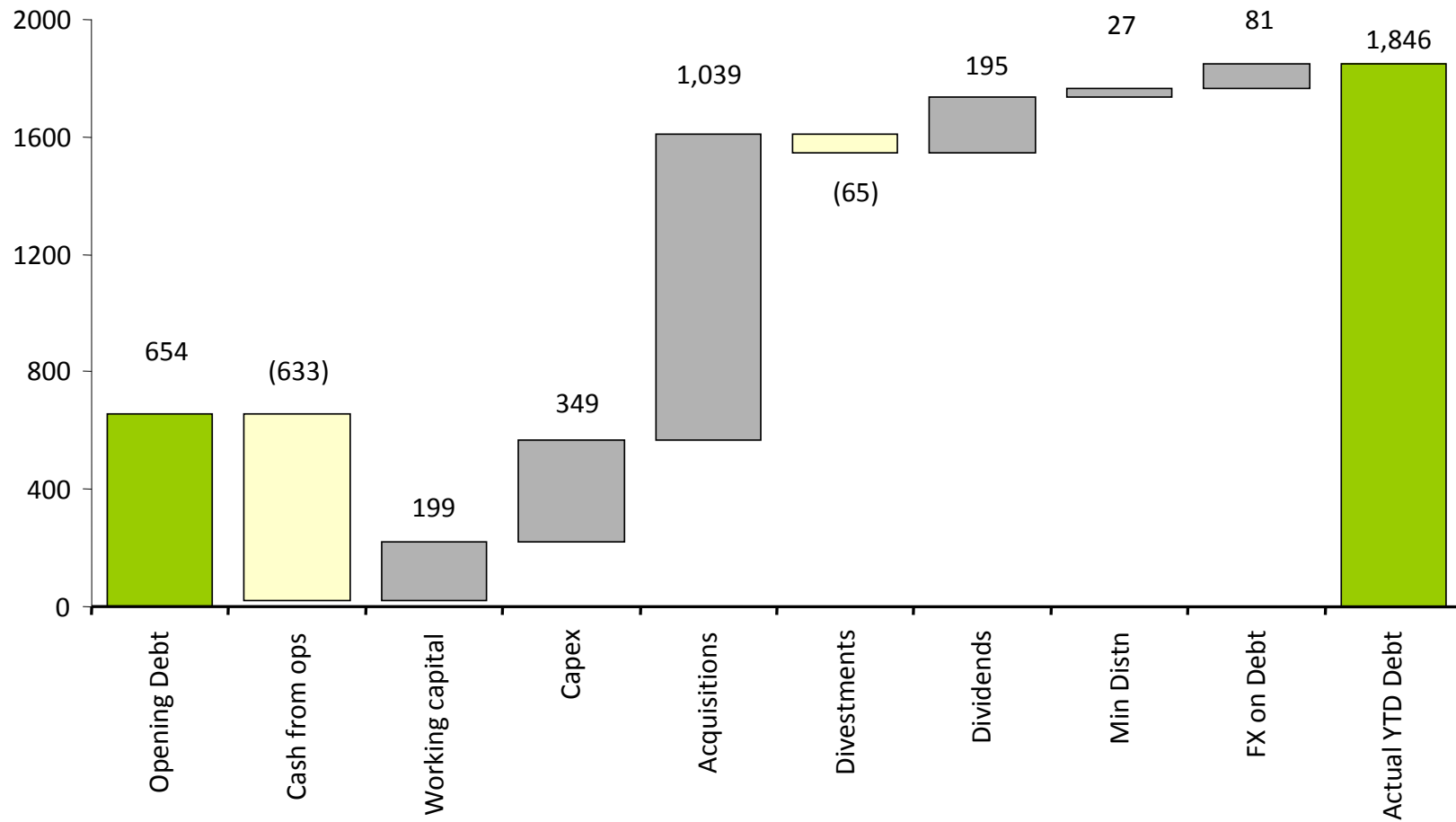
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# Net debt movement

NZ\$million



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# Asset carrying values

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A comprehensive review is undertaken prior to each reporting date to consider the carrying value of all assets. In particular,

- with regard to residential land holding in Auckland and Queenstown, management are comfortable that current book values are below market value. This is supported by independent valuation.
- with regard to poor performing businesses and specifically Formica North America, management are comfortable that plans are in place to improve the business and that the plans support the current carrying value.

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# STRATEGY



*Central Motorway Junction - Auckland*

# Strategic agenda remains unchanged

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Earnings Reliability

Internal Growth

External Growth

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# Earnings reliability is still the over-riding strategic objective

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- ❑ Company outlook is cognisant of both product and geographic diversity.
- ❑ For New Zealand – Infometrics July 08 estimate of total volume of work commenced.
- ❑ For Australia – BIS 08 estimate of total volume of work commenced.
- ❑ For US McGraw Hill estimates of total volume of construction contracts

Overview

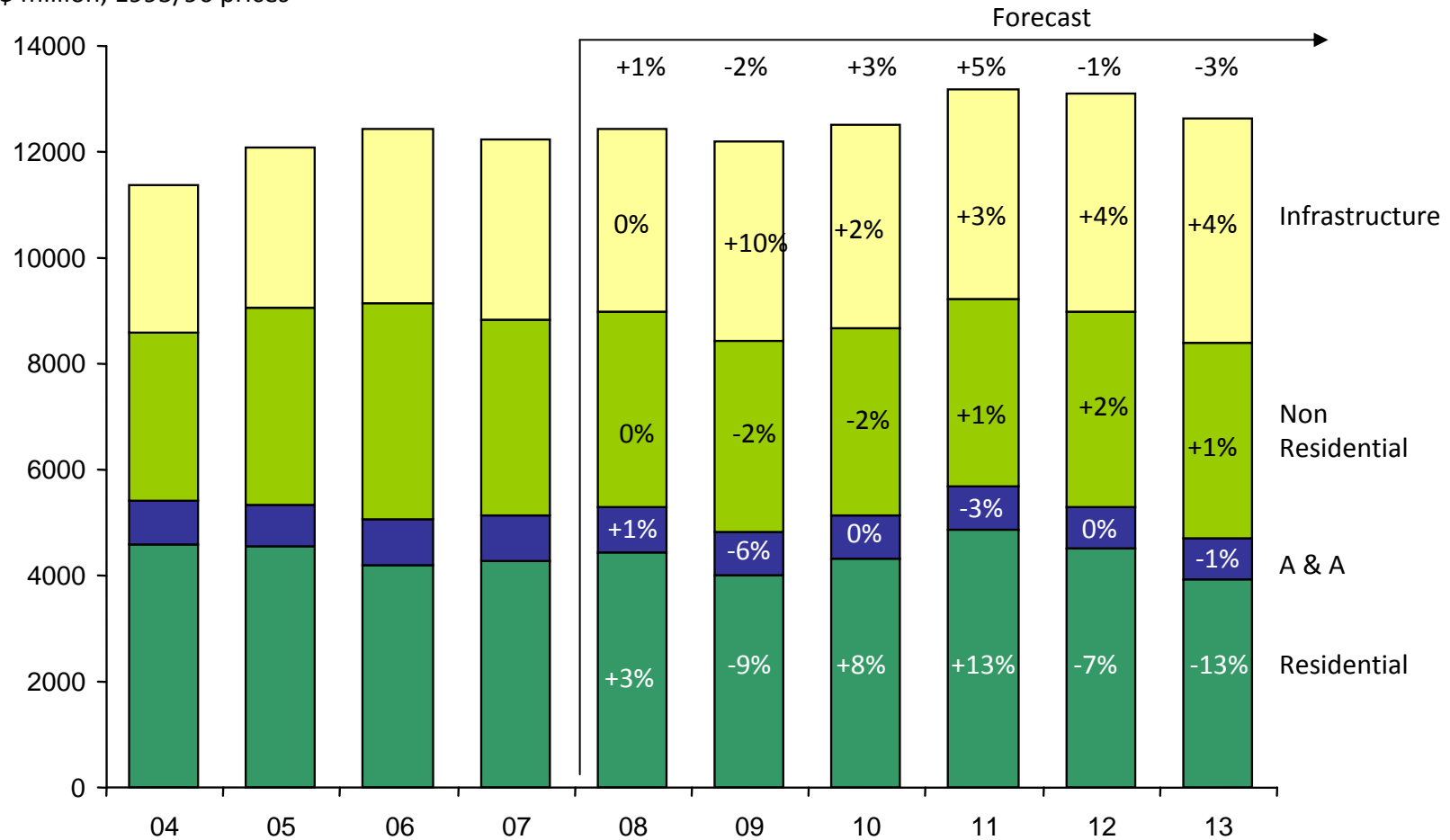
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# New Zealand Volume of work commenced

NZ\$ million, 1995/96 prices



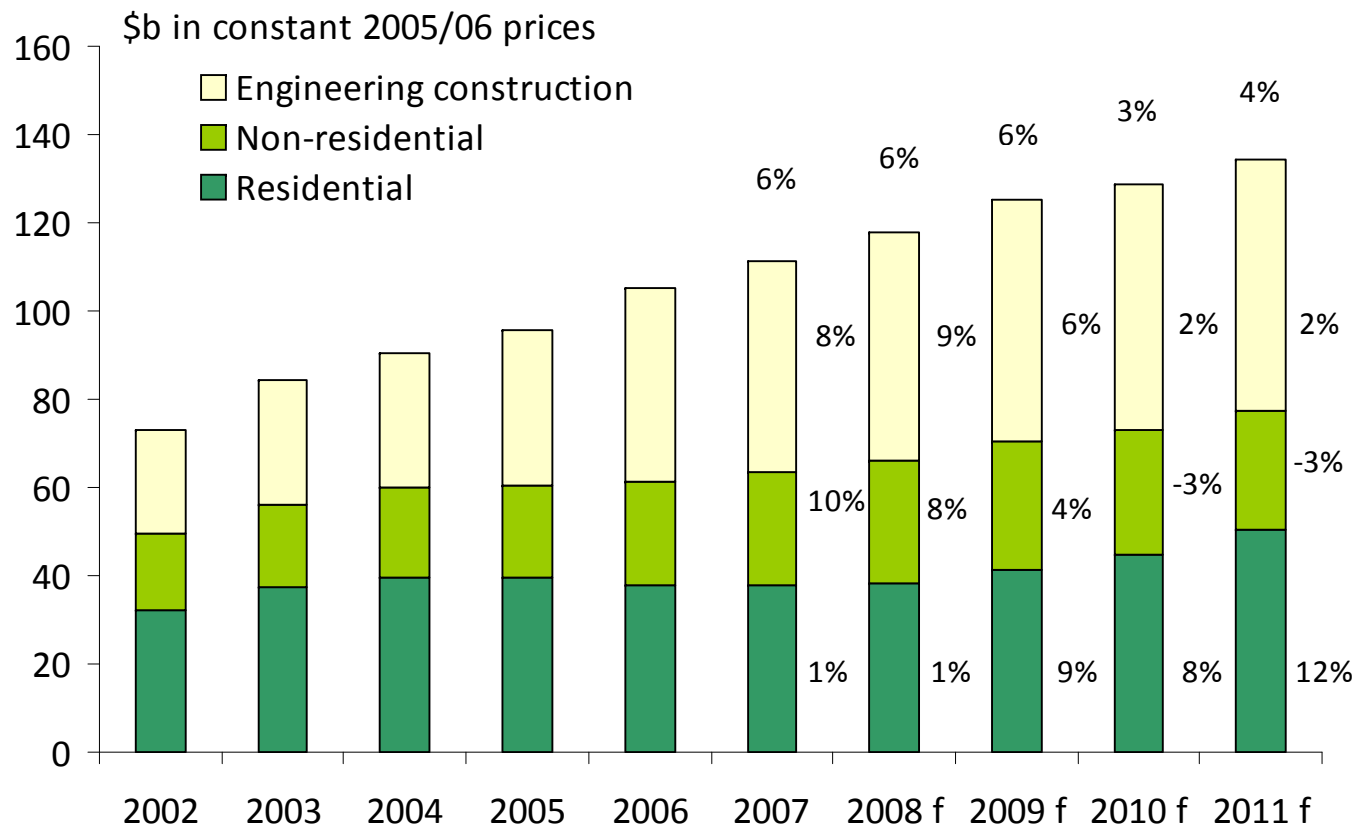
Source : Infometrics

Annual Results – August 2008

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# Australia

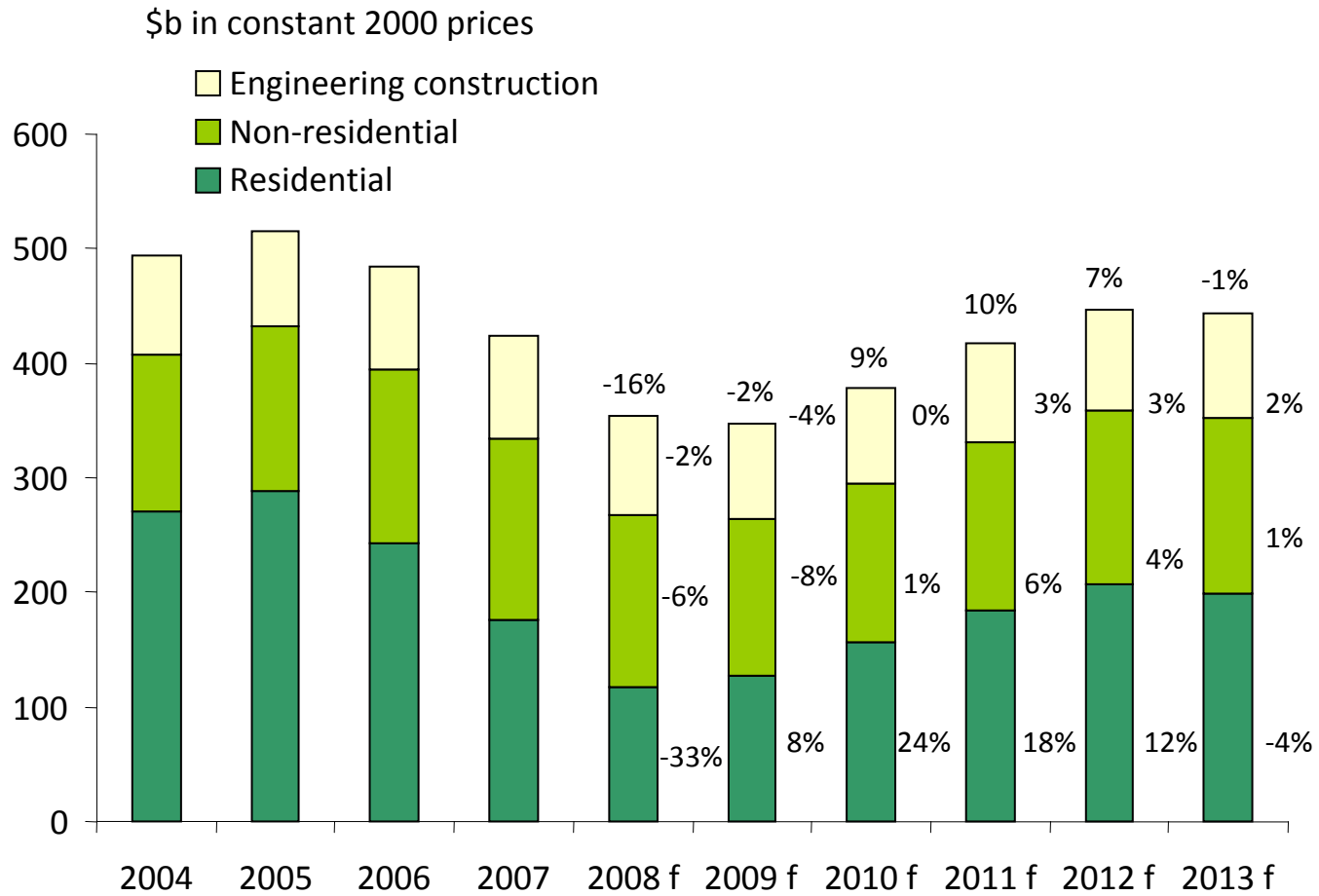
## Volume of work commenced



Source : BIS Shrapnel

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# USA Volume of work commenced



Source : McGraw Hill June 2008

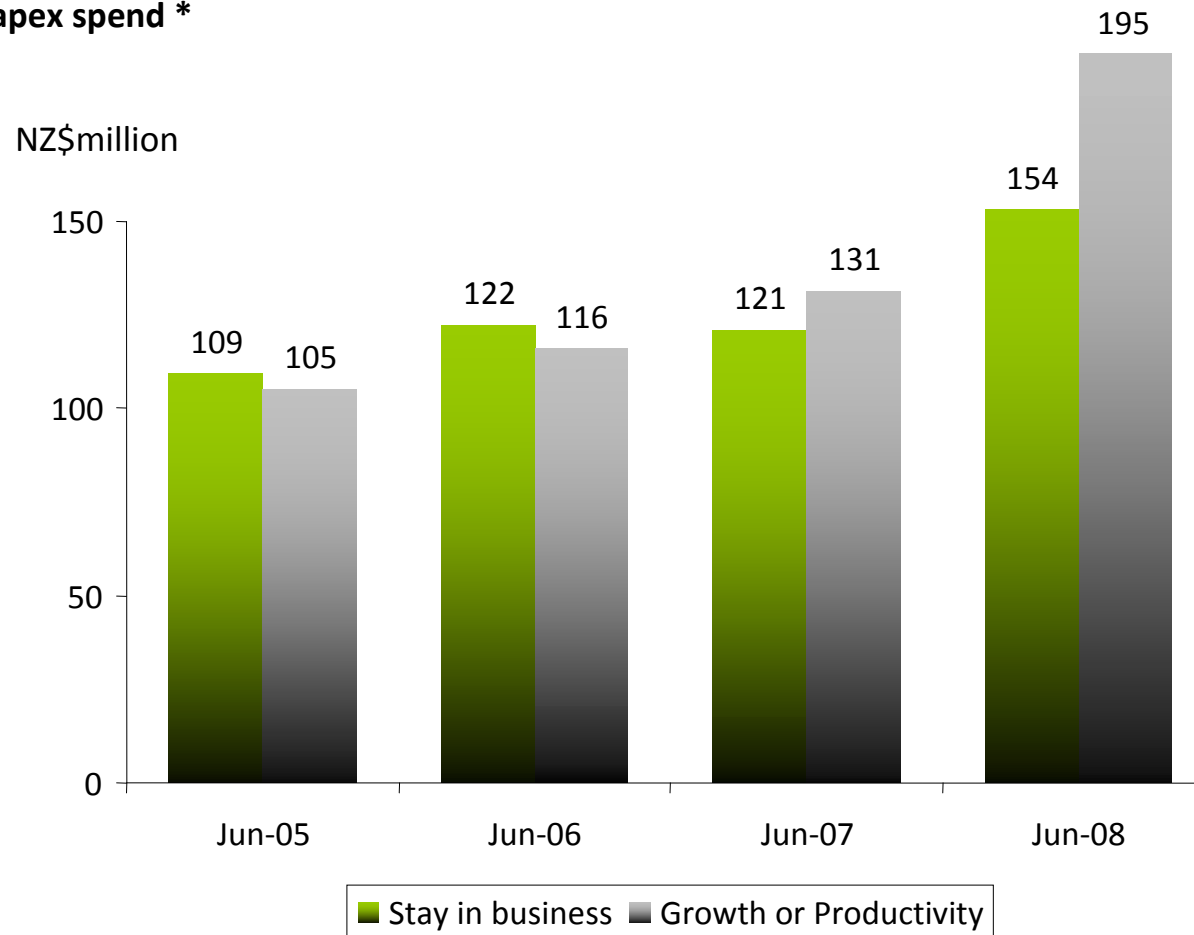
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# Internal growth

## Historical capex spend \*



\* Excludes major acquisitions

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# Growth projects

## Building Products

- New Christchurch distribution centre completed
- Furnace rebuild at Auckland and Dandanong glasswool plants completed
- 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 and Garage World

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# External growth opportunities

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- ❑ Strong balance sheet
- ❑ Focus on smaller 'bolt on' acquisitions
- ❑ Opportunities will emerge in the downturn

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# OUTLOOK



*University of Auckland Business School*



# Outlook 2009/2010

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- ❑ Good infrastructure markets in Australasia
- ❑ Residential
  - NZ weakening
  - Australia could weaken
  - US remains weak
- ❑ Europe market softness partly offset by eastern Europe
- ❑ Asia will remain strong
- ❑ Significant operational improvements expected in Formica USA

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**Fletcher**Building