



# The Laminex Group Laminates & Panels

Investor Presentation

October 2009

David Worley, Chief Executive Laminex



# 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 August 2009 full 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.



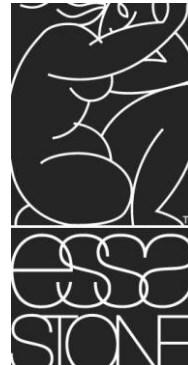
- Group Vision
  - The Laminex Group will be the **innovative market leader** for **decorative surfaces** and related products in our core geographies of Australia and New Zealand.
- Safety Vision
  - Zero harm



# Leading Brands



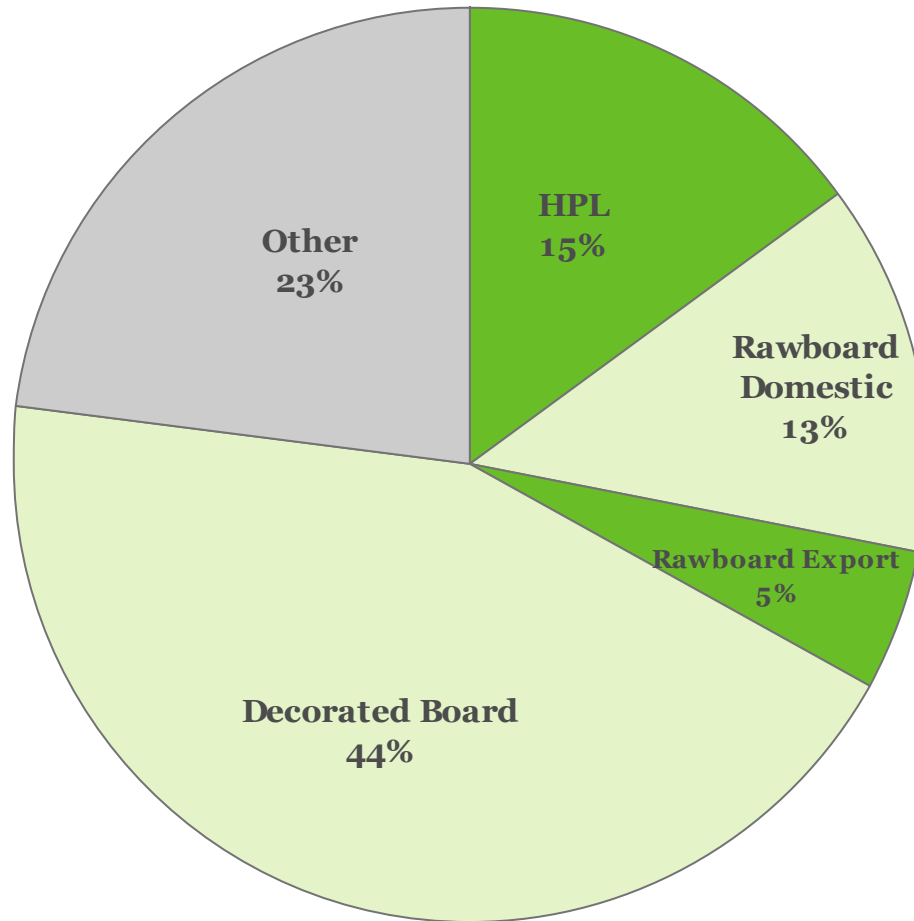
**Laminex**<sup>®</sup>  
Inspire your space



**GREEN***first*<sup>™</sup>



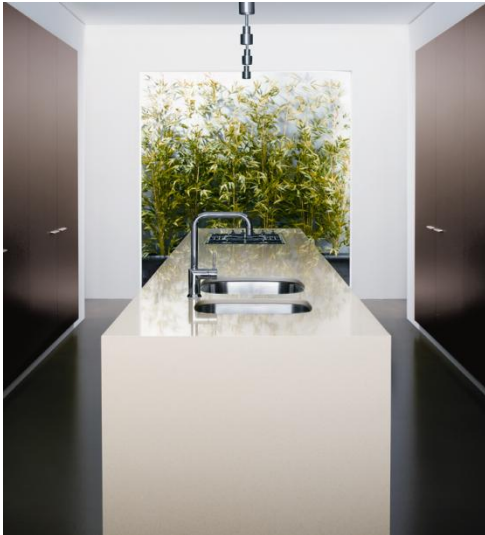
# Revenue by Product 2008/2009



# Leading Products



Kitchen fit out with TLG doors, bench tops and cupboards



TLG Essa stone bench top



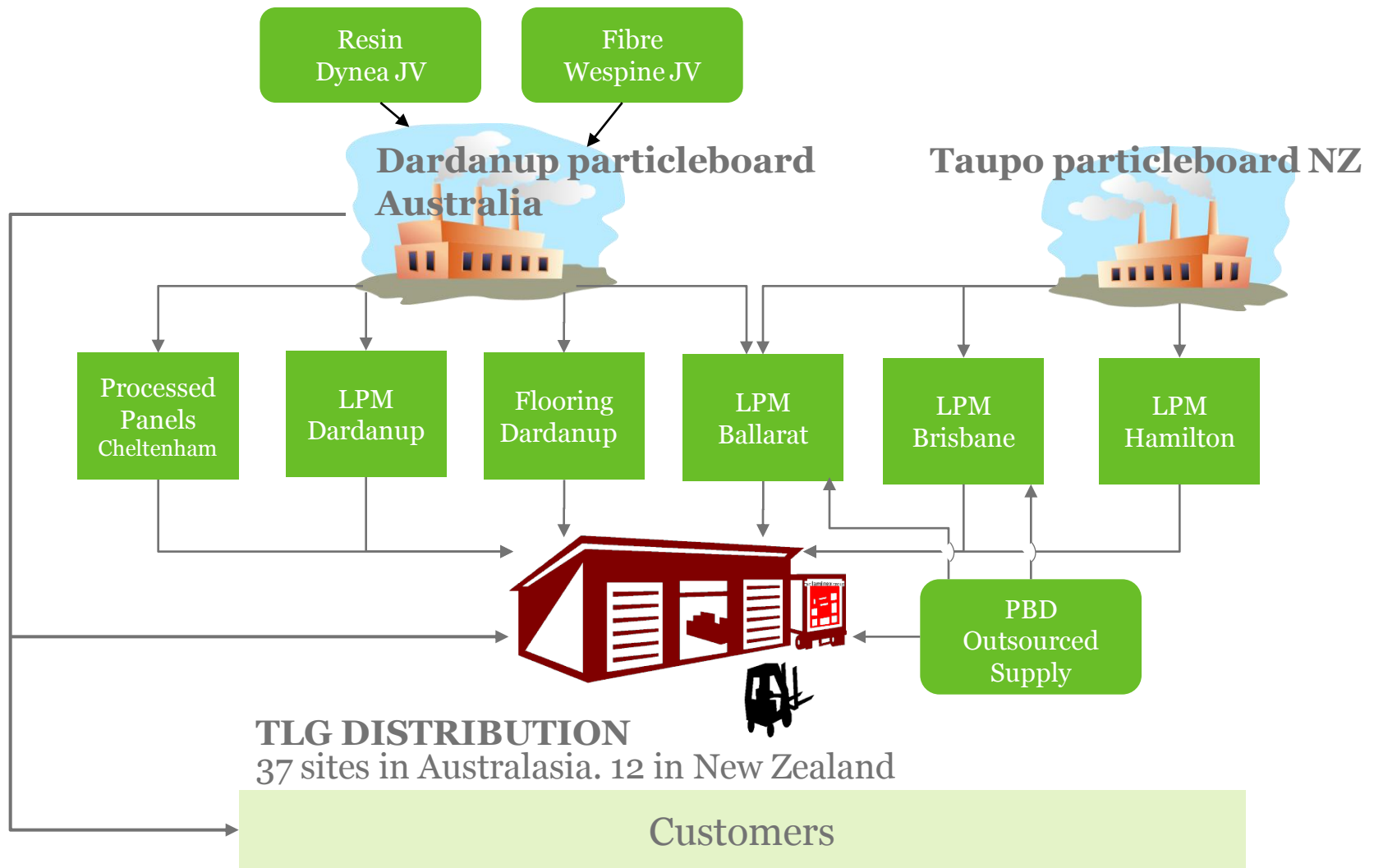
TLG fine edge doors



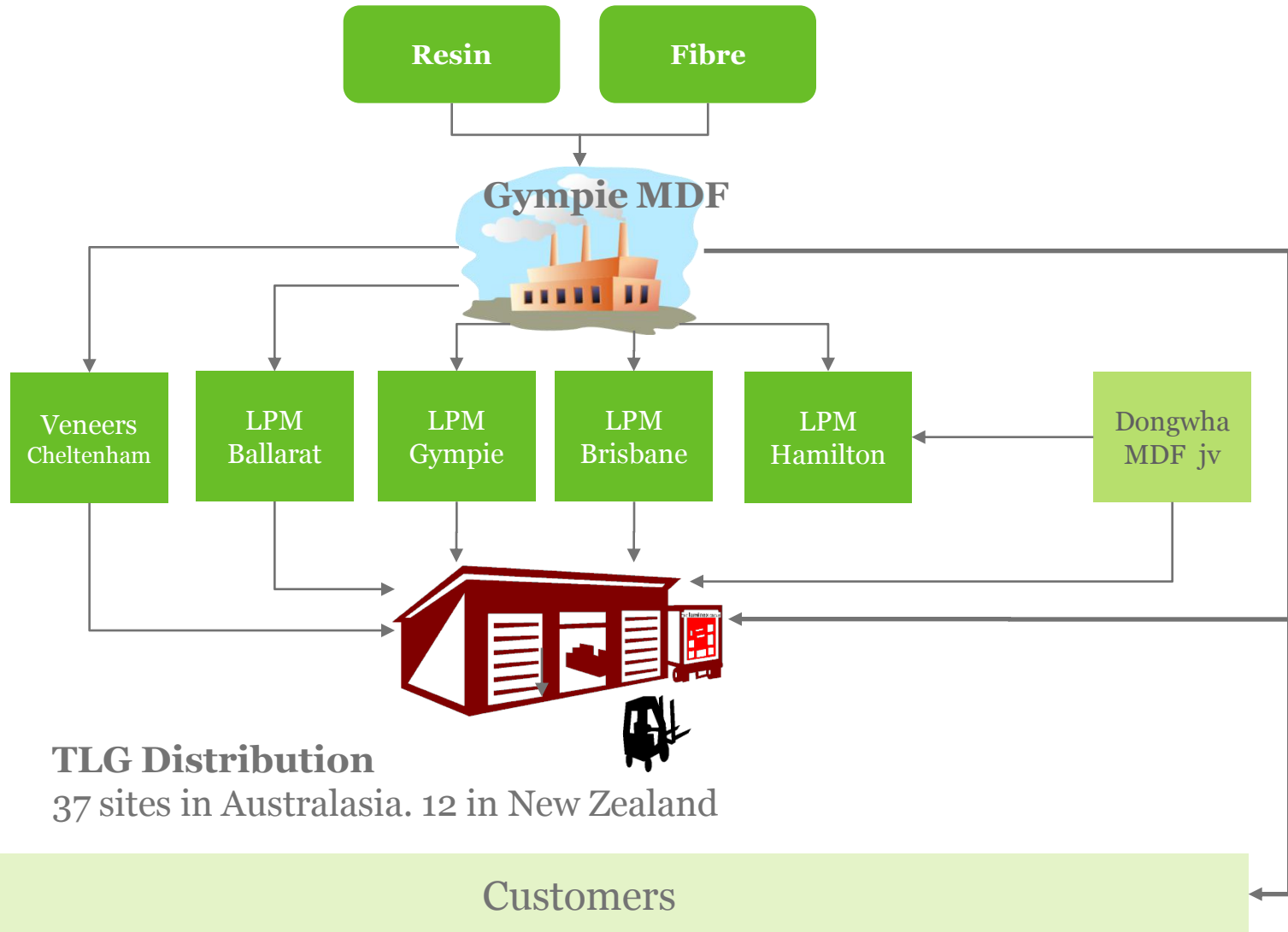
TLG Veneers product as used in the Melbourne Convention Centre



# Integrated supply chain particleboard

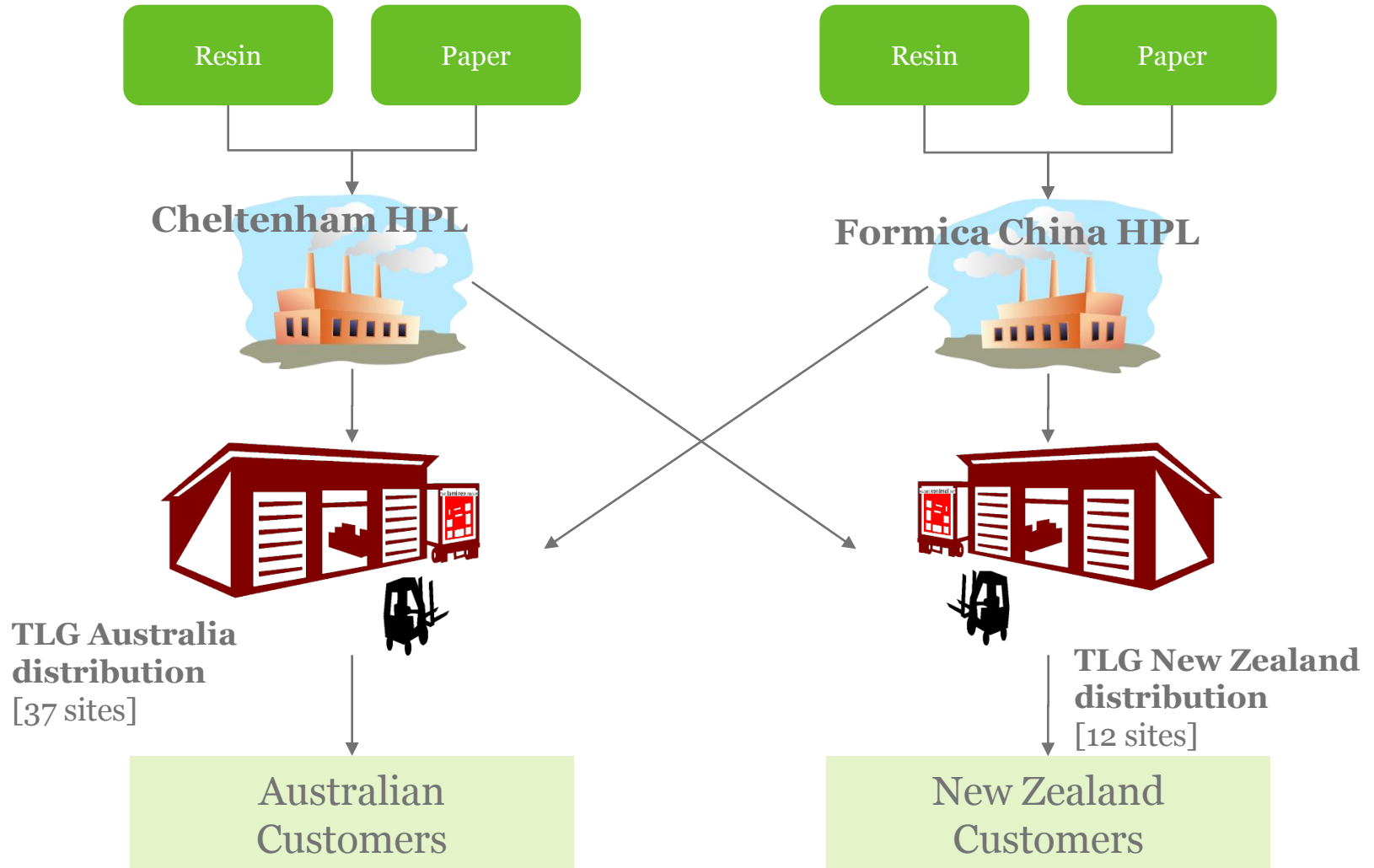


# Integrated supply chain medium density fibreboard (MDF) 8

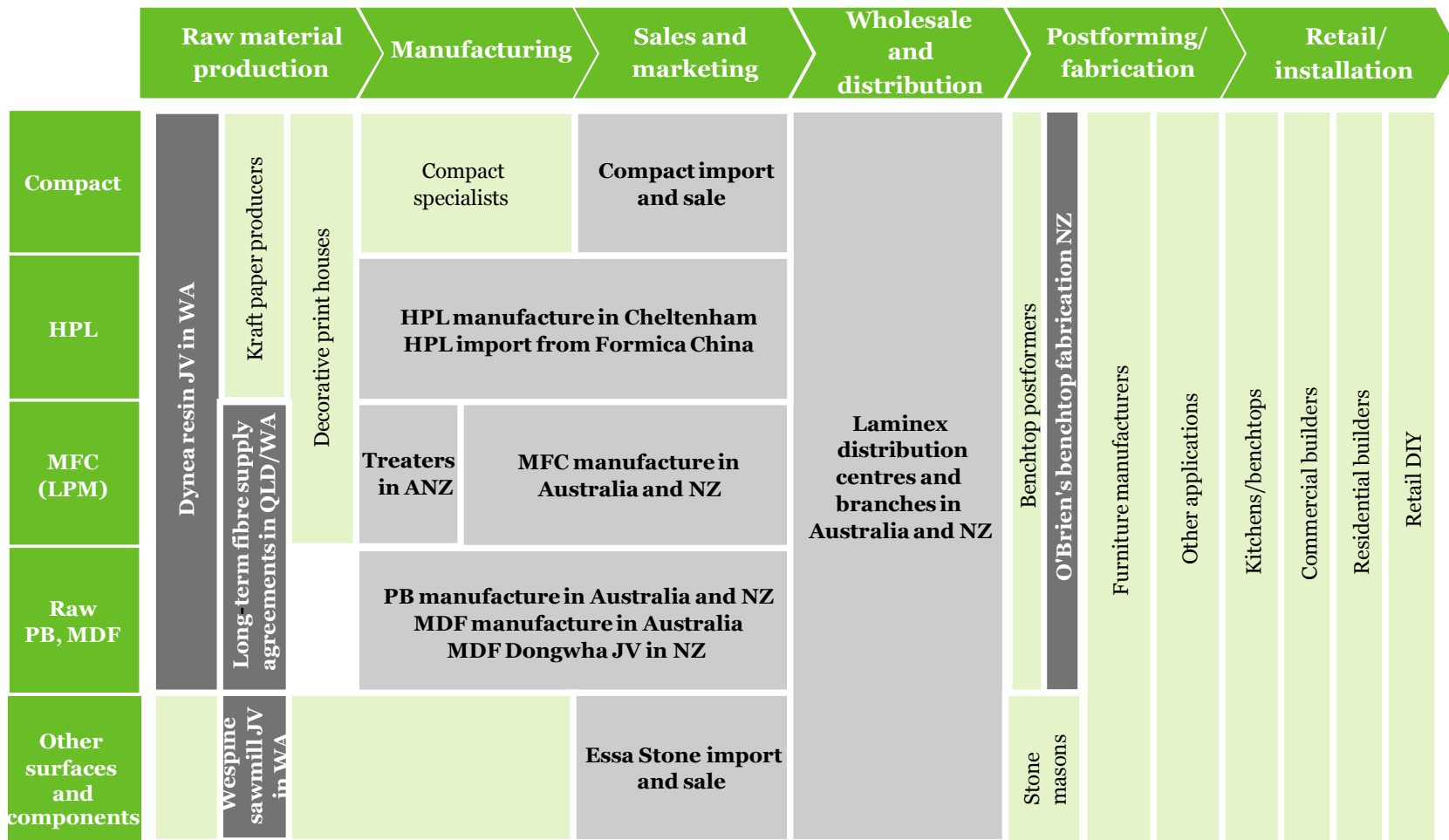




# Integrated supply chain high pressure laminate (HPL)



# Laminex has a vertically and horizontally integrated position in ANZ

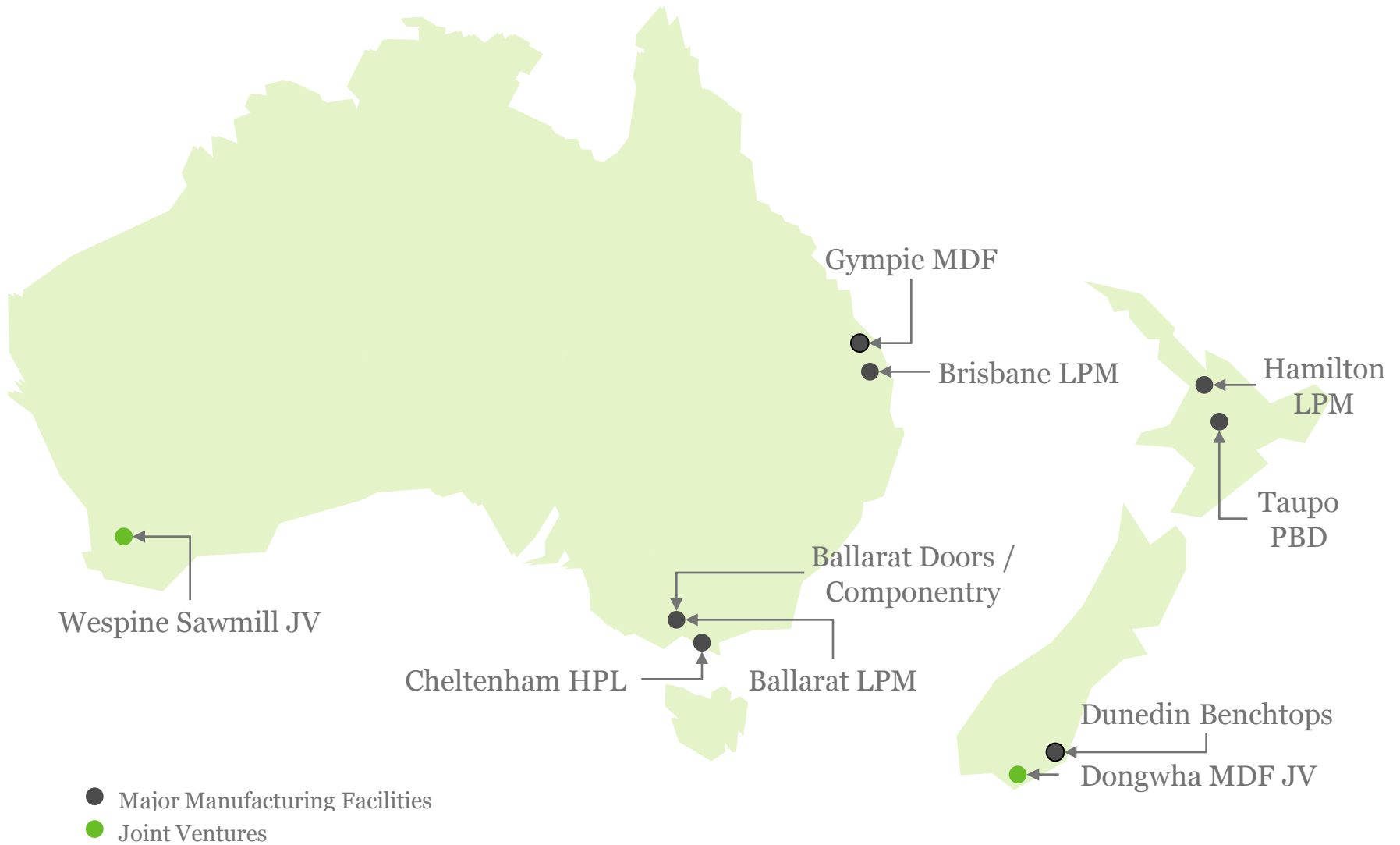


■ Laminex ■ JV/subsidiary ■ No current participation

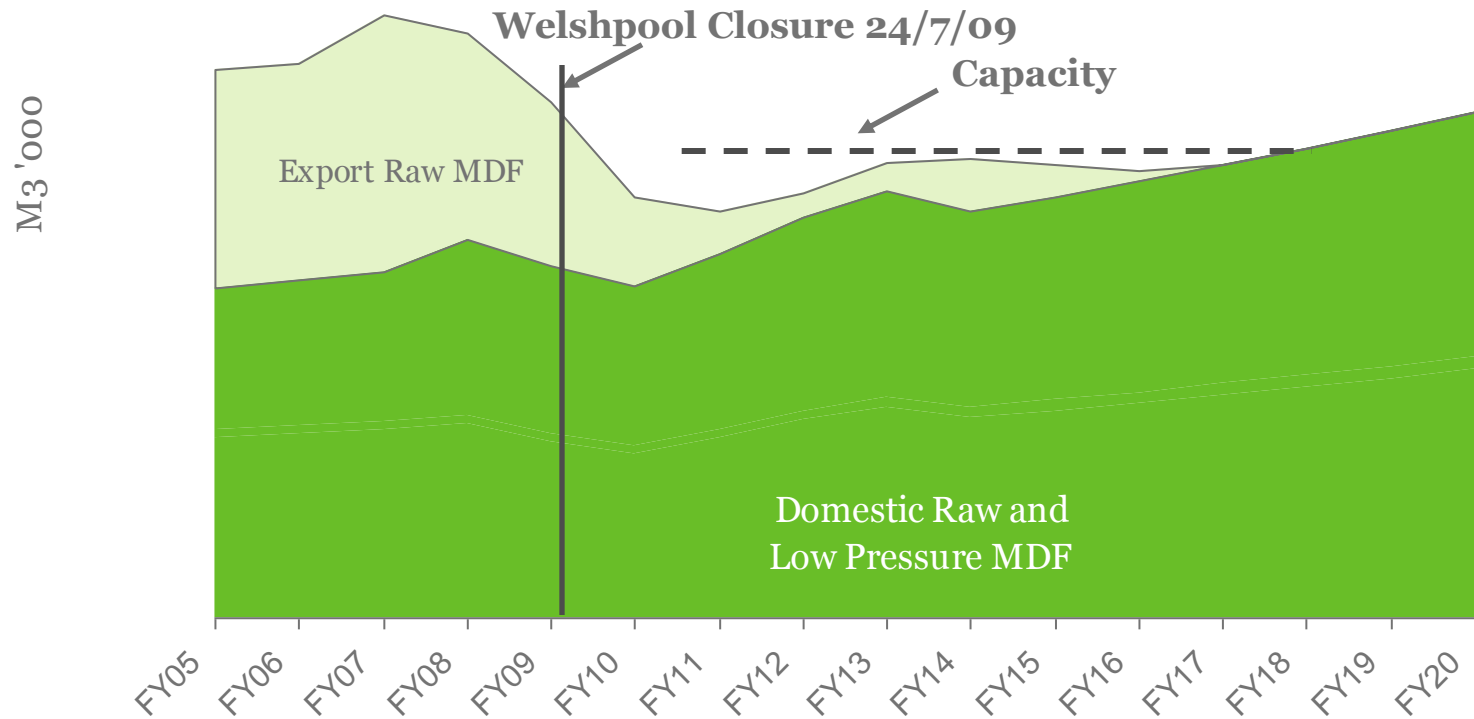
Note: Areas do not represent size  
Source: TLG management estimates



# Manufacturing Locations



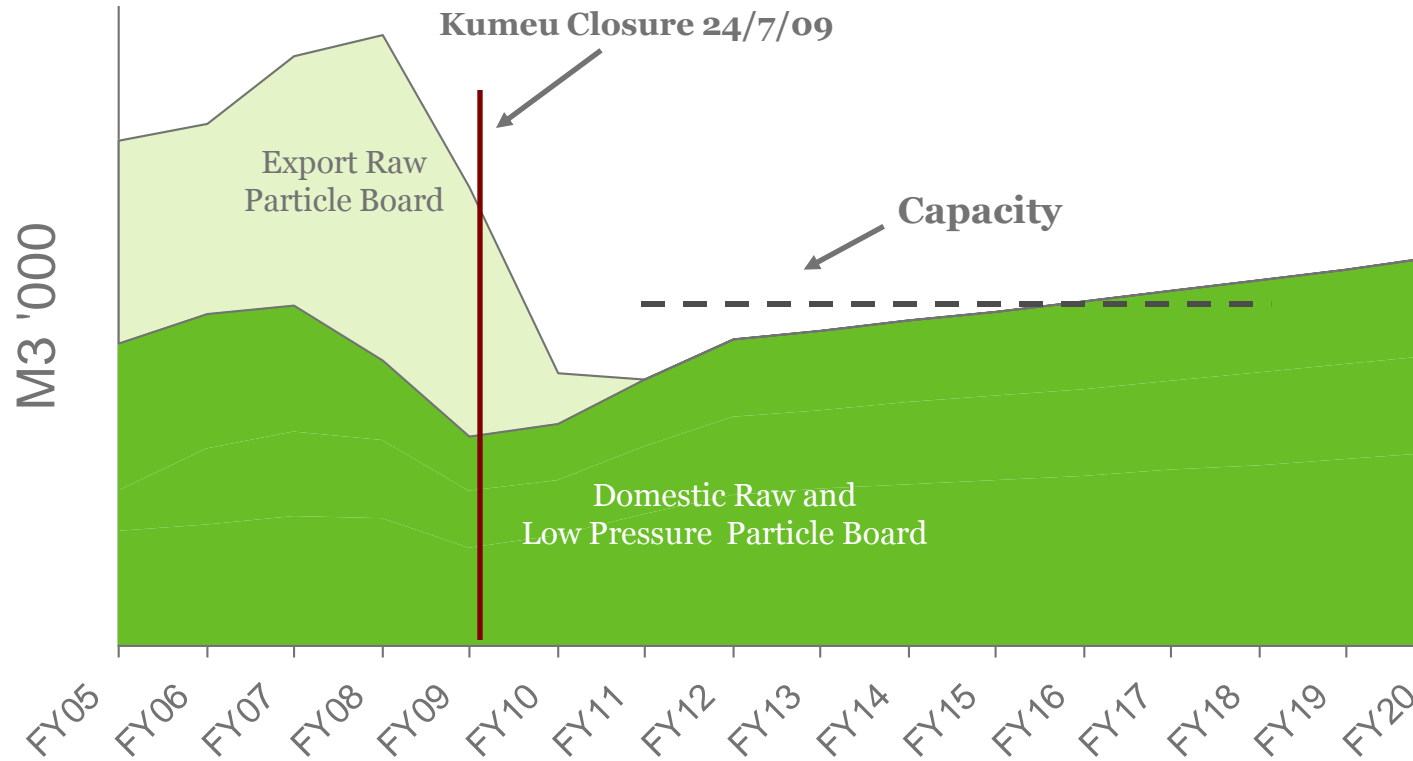
# Australian MDF volumes/ capacity



Source: HIA, BIS and Management estimates



# New Zealand particleboard volumes/ capacity



Source: Infometrics and Management estimates

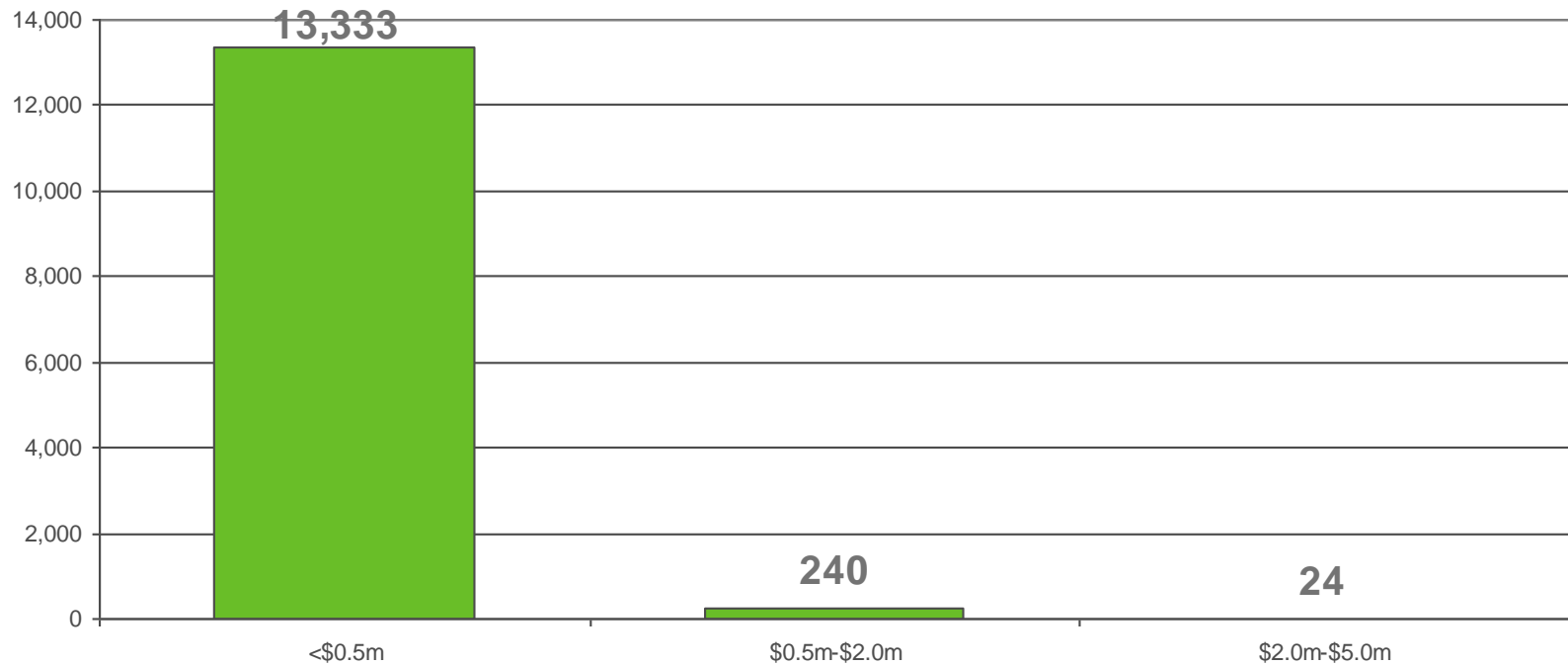


# Distribution Locations

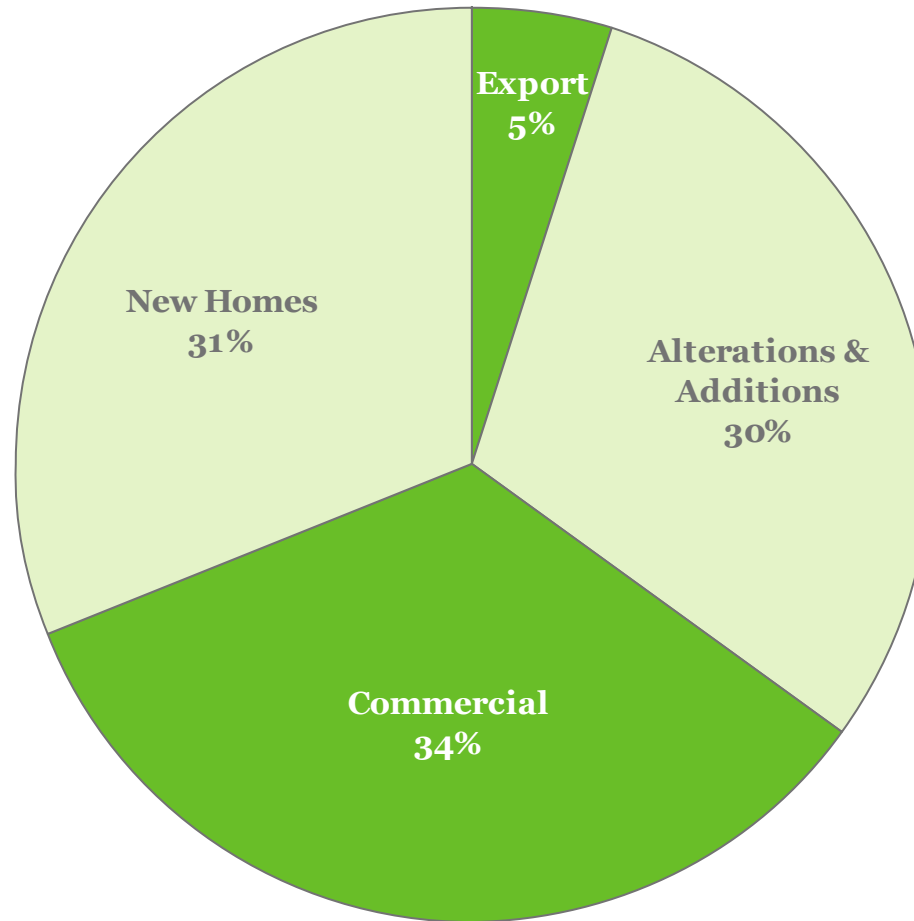
37 sites in Australia, 12 in New Zealand



## NUMBER OF ACTIVE AUSTRALIAN & NZ CUSTOMERS 2008-09 BY SALES GROUPINGS

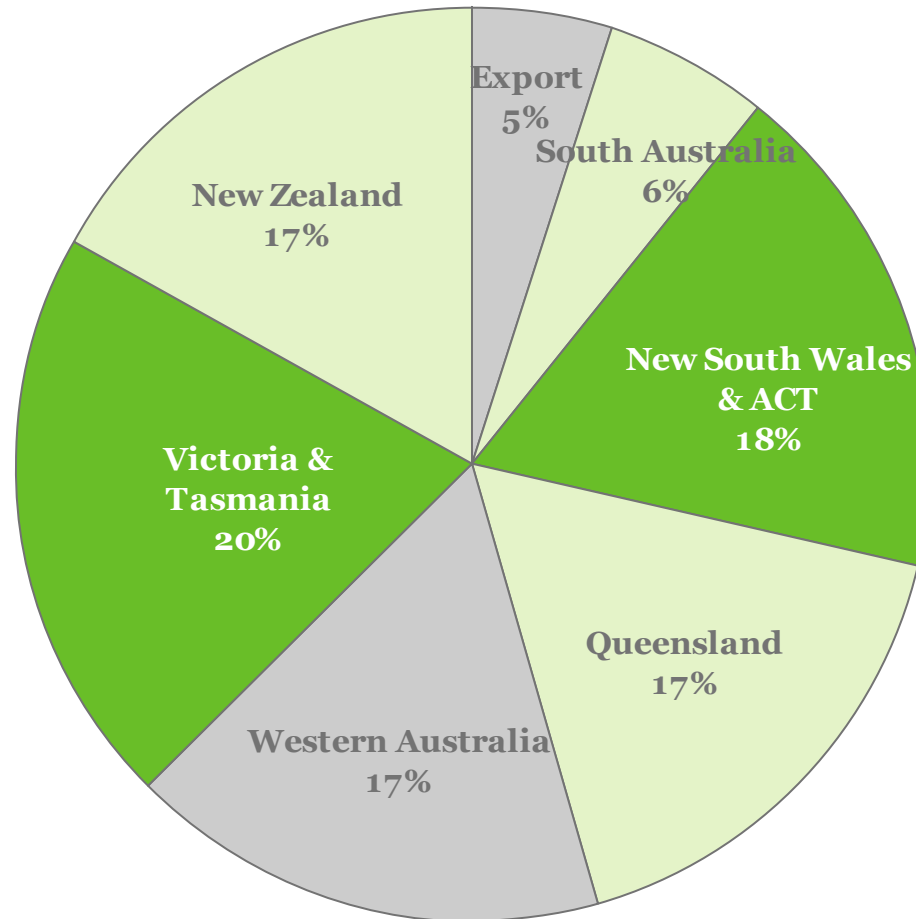


# Revenue by segment 2008/2009



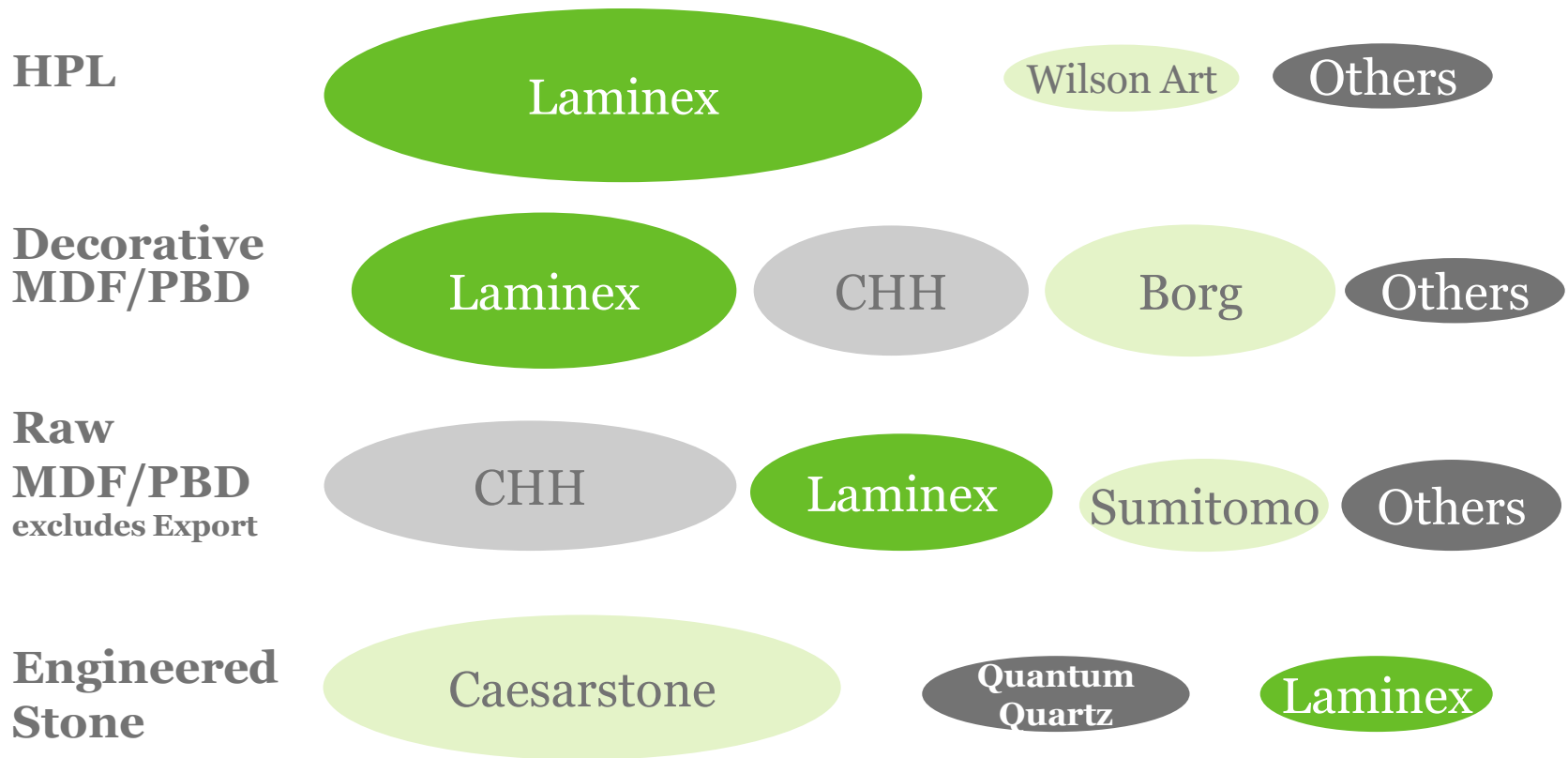


# Revenue by major region 2008/2009



# Industry Structure

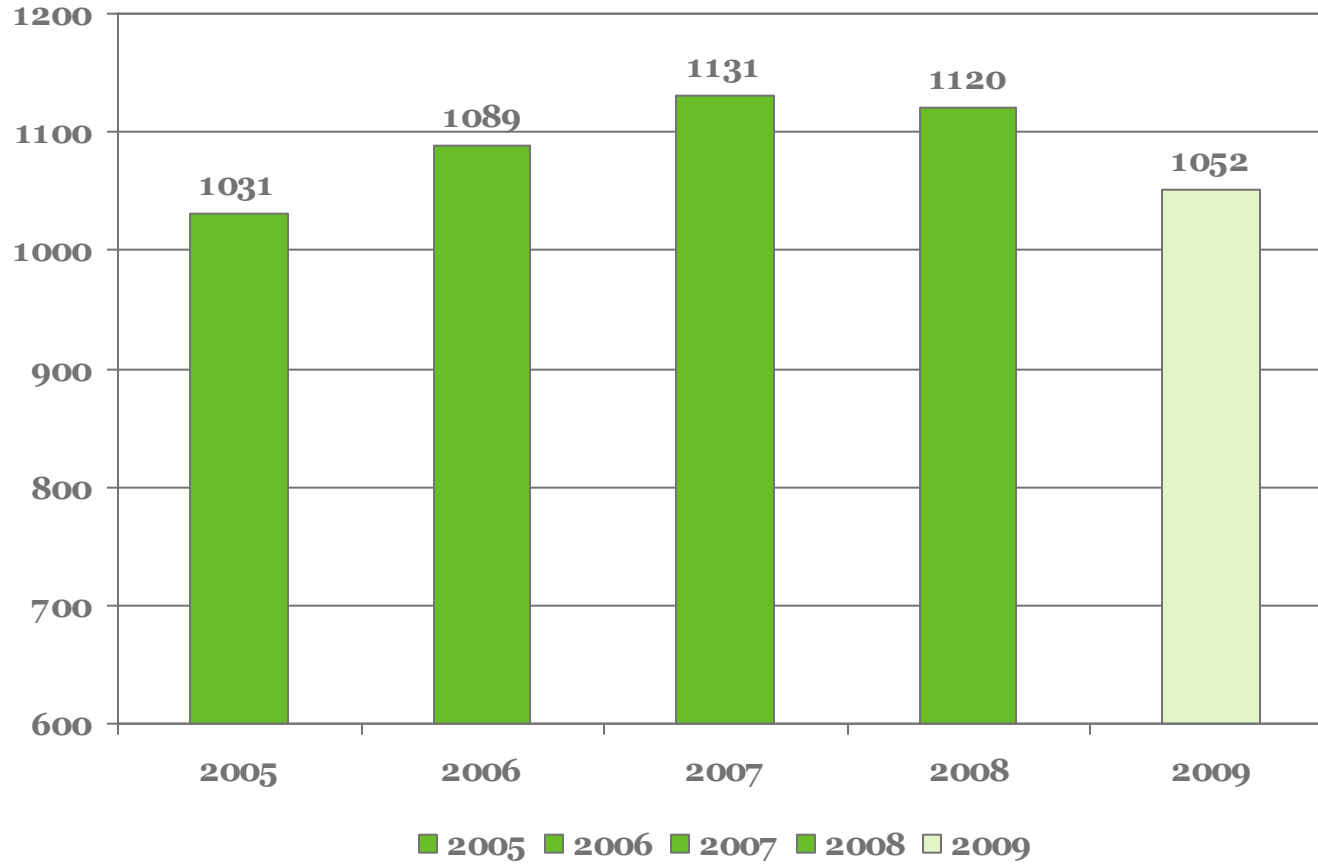
## Laminex relative market position by major product group



Source :Management estimates based on volumes



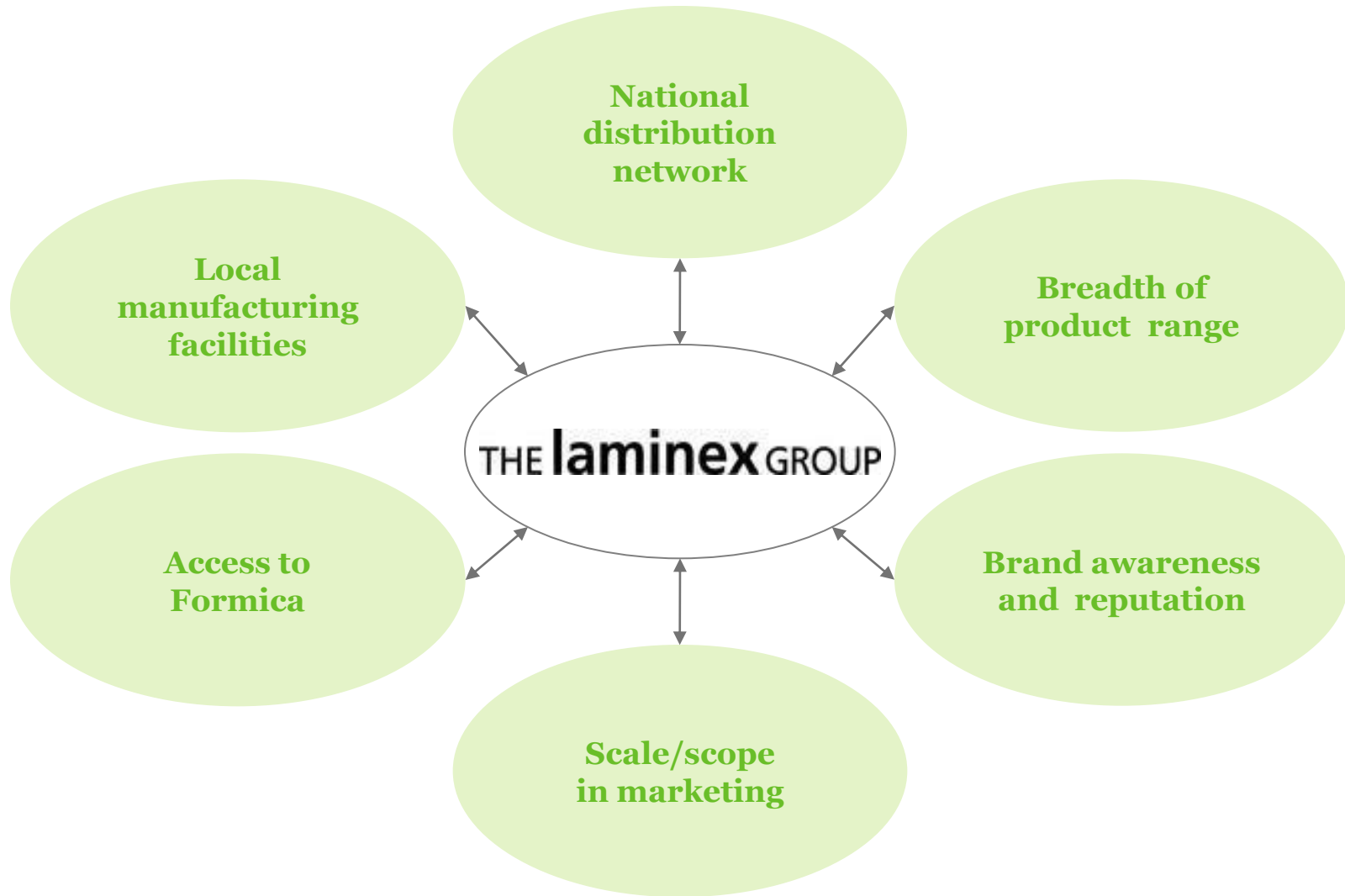
# Revenue NZ\$m



## Business optimisation / Reset programme

	Product/ Customer Optimisation	Distribution Optimisation	Manufacturing Footprint	Cost Reductions	Manufacturing Excellence	NZ Business
<b>Status</b>	<b>Cost to Serve</b>					
	<ul style="list-style-type: none"> <li>Implementation of SKU/ customer rationalisation</li> <li>New pricing policies</li> </ul>	<ul style="list-style-type: none"> <li>Understanding our true value proposition</li> <li>Channel strategy</li> <li>Cost reduction</li> <li>Footprint optimisation</li> </ul>	<ul style="list-style-type: none"> <li>Plant closures (Kumeu and Welshpool)</li> <li>Capacity optimisation</li> <li>Low pressure lines rationalisation underway</li> </ul>	<ul style="list-style-type: none"> <li>Procurement (includes resin price falls)</li> <li>Back office consolidation</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing efficiency</li> <li>Inventory optimisation</li> </ul>	<ul style="list-style-type: none"> <li>Broad-based turnaround including:</li> <li>Cost &amp; headcount reduction</li> <li>Share of wallet</li> <li>Product /customer optimisation</li> <li>Footprint optimisation eg Kumeu &amp; Auckland DC</li> </ul>
	<ul style="list-style-type: none"> <li>All states completed:</li> <li>Detailed analysis</li> <li>Implementation workshops</li> <li>First round targets</li> <li>National tracking tool</li> </ul>	<ul style="list-style-type: none"> <li>Initial scoping review complete</li> <li>Vision complete</li> <li>Detailed planning underway</li> </ul>	<ul style="list-style-type: none"> <li>Kumeu ceased production 17<sup>th</sup> July</li> <li>Welshpool MDF ceased production 24<sup>th</sup> July</li> <li>Closure activities underway</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in quarter 1 resin costs</li> <li>Procurement and other savings in progress</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity identification phase underway</li> <li>Benchmarking review complete</li> </ul>	<ul style="list-style-type: none"> <li>New management team in place</li> <li>Opportunities scoped and action</li> <li>Market limiting full recovery in F10</li> </ul>





# Product innovation opportunities

- Powder coated doors and componentry panel
- Cross selling Formica products
- Engineered stone: Essa Stone
- Solid surface benchtop material
- Splashbacks
- Greenfirst product range
- Plywood
- Veneers



# Major Investments

## Ballarat Doors / Componentry

- Relocation / rationalise production
- Capex \$8m
  - Powder coated doors and panels: new products
  - Fine edged doors: market leading
  - Upgraded manufacturing equipment: efficiencies
- Commissioned June qtr 2009
- Growth opportunities in doors and componentry product ranges in which we have low market share

