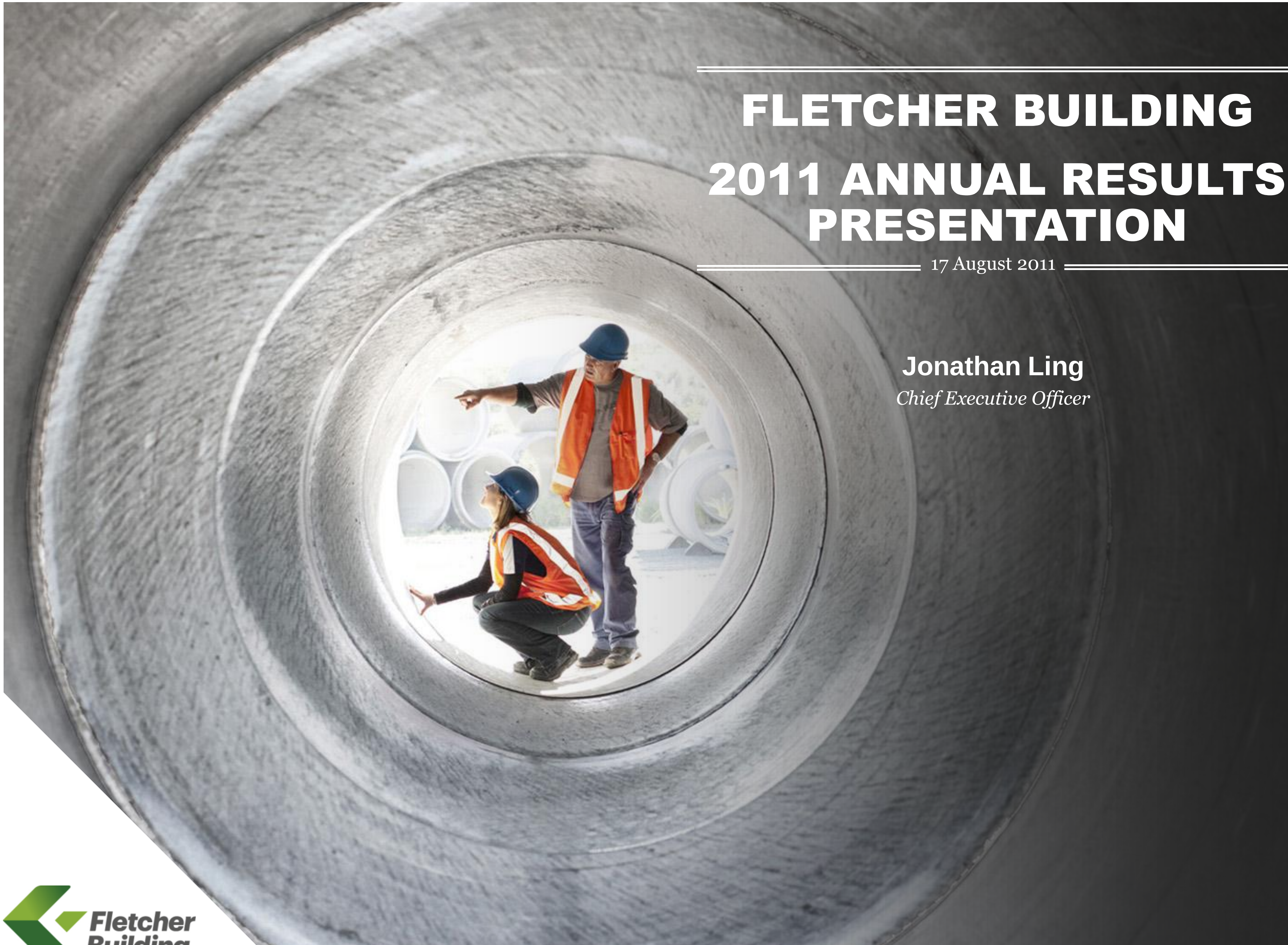


FLETCHER BUILDING

2011 ANNUAL RESULTS PRESENTATION

17 August 2011

Jonathan Ling

Chief Executive Officer

Fletcher Building

Disclaimer

This annual results presentation dated 17 August 2011 provides additional comment on the media release of the same date. As such, it should be ready in conjunction with, and subject to, the explanations and views of future outlook on market conditions, earnings and activities given in that release.

Agenda

Annual Results

COMPANY & MARKET OVERVIEW

Results overview

Net earnings before unusual items $359 million, up 19%

Operating earnings[1] before unusual items $596 million, up 14%

Cashflow from operations $402 million, down 23%

- Increase in working capital of $148 million

Revenues up 9% to $7,416 million

- Includes 3 months contribution from Crane Group
- Strong performance in Infrastructure and Laminates & Panels divisions
- Revenues in NZ impacted by residential slowdown and Canterbury earthquakes

Final dividend for the year 17.0 cents per share:

- Fully imputed for NZ tax purposes
- Dividend Reinvestment Plan will be operative for the dividend
- Total for the year 33.0 cents

1. *Earnings before interest and tax*

Slowdown in residential consents in NZ and Australia, and commercial markets remain subdued

Building Consents	June 2011 12 months	June 2010 12 months	June 2009 12 months	11/10 %Mvmt
New Zealand				
Residential Consents	13,539	16,167	14,175	-16
Non Res WPIP ($m)	4,777	4,618	5,314	+3
Infrastructure WPIP ($m)	7,450	6,851	6,224	+9
Australia				*Source: Infometrics*
Residential Consents	162,685	171,429	133,088	-5
Non Res WPIP (A$Bn)	34.5	34.9	33.7	-1
Infrastructure WPIP (A$Bn)	87.3	76.7	76.0	+14
US				*Source: BIS Shrapnel*
Residential Construction*1	418,200	483,300	426,700	-13
Commercial & Industrial (US$Bn)*	53.5	49.1	77.5	+9
Institutional (US$Bn)*	99.8	112.5	119.2	-11

Source: McGraw Hill

** FY10 data includes estimates for April - June*
1. *Single Family Dwellings*

Continued underlying earnings growth despite economic headwinds, helped by initial contribution from Crane Group

NZ$m	June 2011 12 months	June 2010 12 months	% Change
Sales	7,416	6,799	+9
EBITDA[1]	801	727	+10
EBIT[1]	596	521	+14
Net earnings[1]	359	301	+19
Unusual items after tax	-76	-29	
Net earnings	283	272	+4
EPS – cps[1]	57.1	49.7	+15
Dividend - cps	33	29	+14

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

Earnings Commentary

NZ businesses impacted by slowdown in residential construction activity in second half of FY11

Adverse impacts from earthquakes in Canterbury region, and floods and cyclone in Australia:

- Net earnings approximately $20 million lower

Australian businesses performed well but slowdown seen in second half of FY11

Continued strong growth in Asia, but Europe and US markets remain depressed

Unusual Items: relate mainly to Insulation business writedown and Crane costs on acquisition

Total unusual items after tax of $76m:

Crane acquisition and restructuring costs (net)	$11m
Insulation inventory and plant write down	$24m
Reduction in asset carrying values of Australian insulation business and some NZ assets	$46m
Reversal in part of unusual tax adjustment taken in FY10	($13m)
Other	$8m
	$76m

Australian Insulation market continues to face challenging conditions

Termination of Australian government insulation subsidy scheme in February 2010 left industry with massive oversupply of insulation

Imported volumes have swamped the market, boosted by strong Australian dollar

Fletcher Insulation Sydney plant mothballed in April 2010

Batts stockpile has not reduced as quickly as first expected, and demand for retrofit insulation has slumped

Medium term prospects for industry profitability have deteriorated

Unusual items in FY11 result:

- $24 million inventory and plant writedown
- $39 million goodwill writedown

Canterbury update

- **Fletcher appointed to act as agent for EQC**
- **Project management of residential repairs between $10,000 and $100,000**
- **Current status:**

Scorecard – to Friday 5 August	
Hubs established	**18+** 1 more in process of establishment
Contracting firms	**795** accredited – well ahead of plan
People	**6,476** contractors, trades people and others inducted
Emergency repairs	Over **21,905** completed / **1,234+** in progress
Winter heat programme	**10,055** completed – **7,189** heat pumps and **2,866** solid fuel burners and repairs
Full-scope repairs	**11,305** completed or in progress
Payments	Over **$119m** paid to contractors Currently paying **$500M pa** (annualised)

- **Fletcher Construction part of alliance to undertake infrastructure repairs**
- **Scope includes 200km roads, 800km pipes to rebuild, also manholes and pumping stations, bridges, footpaths, parks and amenities**

Australian Carbon Reduction Scheme

Impacts of tax on Fletcher Building will be through:

Increased natural gas and electrical costs as retailers and generators pass on additional costs of the Carbon Tax

From 2014, increased costs due to the tax on transport diesel

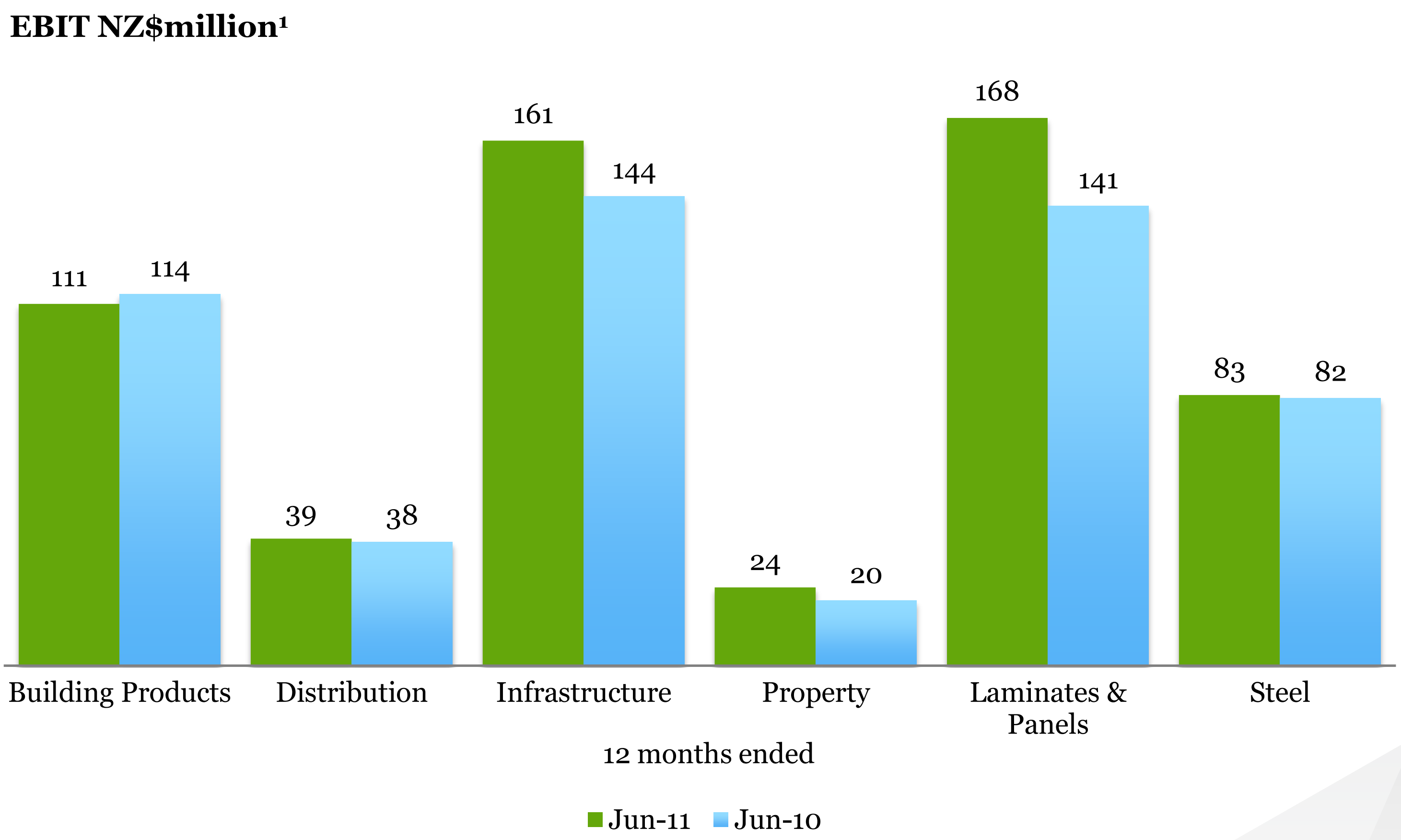
Laminex will incur the tax but will qualify for free emissions for 66% of its emissions as an "emissions intensive, trade exposed industry"

Unknown factor is the ability to pass cost increases on to end-user

Annual Results

DIVISIONAL PERFORMANCE

Strong performance in Infrastructure and Laminates & Panels divisions:



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

Building Products result

NZ$m	June 11 12 Mths	June 10 12 Mths	% Δ
Sales	692	798	-13
EBITDA[1]	138	140	-1
EBIT[1]	111	114	-3
Funds Employed	583	667	-13
EBITDA[1]/sales %	19.9	17.5	
EBIT[1]/sales %	16.0	14.3	
ROFE[1] %	19.5	17.1	

Plasterboard operating earnings adversely impacted by slowdown in residential housing starts and Christchurch earthquakes

- One off gain of $16m from sale and leaseback of Auckland factory

Insulation earnings down 26% due to market disruption in Australia.

Roof Tiles volumes up in Africa, Europe and Asia but down in NZ and USA.

1. *Excluding unusual items*

Building Products: decline in insulation and plasterboard volumes impacted earnings

Gross Sales NZ$m	June 11 12 mths	June 10 12 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand						
Plasterboard	145	165		↓	-	↓
Insulation[1]	178	173		↓	-	↓
Australia						
Insulation	205	290		↓	↓	↓
Sinkware	32	32		↓	↑	↑
Roof Tiles[2]	175	178		↑	↑	↑

1. *Includes Forman & Tasman Access Floors (which now reports into Forman)*
2. *Includes NZ, Europe, Japan, Africa, USA; excluding insurance proceeds in prior year*

Distribution result

NZ$m	June 11 12 Mths	June 10 12 Mths	% ∆
Sales	856	878	-3
EBITDA	48	47	+2
EBIT	39	38	+3
Funds Employed	143	139	+3
EBITDA/sales %	5.6	5.4	
EBIT/sales %	4.6	4.3	
ROFE %	27.3	27.3	

Sales down 3% due to slowdown in residential and commercial building activity in the second half, and slowdown in Christchurch post earthquake

Operating earnings rose 3% as a result of cost reductions.

DIY segment weakened following GST increase, competitive activity intensified.

Infrastructure result

NZ$m	June 11 12 mths	June 10 12 mths	% ∆
Sales	2,052	2,020	+2
EBITDA			
Concrete NZ	106	98	+8
Concrete Aust.	80	69	+16
Construction	47	47	-
Property	24	20	+20
Total EBITDA	257	234	+10
EBIT	185	164	+13
Funds Employed	1,134	1,022	+10
EBITDA/sales %	12.5	11.6	
EBIT/sales %	9.0	8.1	
ROFE %	16.3	16.1	

NZ Concrete

- Cement earnings up despite lower domestic volumes.
- Demand for concrete and related products typically weaker.

Australia Concrete

- Improved margins through new product development and broadened business base

Construction

- 5% decline in turnover, earnings flat.
- Costs incurred in relation to large contract tenders
- Includes management fee from EQC contract.
- Current backlog $764m.

Infrastructure: revenue growth despite variable volumes

Gross Sales NZ$m	June 11 12 mths	June 10 12 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand Concrete:	662	636	+4			
Cement				↓	↑	↑
Readymix				↓	↓	↓
Aggregates				↑	↑	↑
Concrete Pipe				↑	↑	↑
Construction	997	1,046	-5			
Australia Concrete:	408	386	+6			
Concrete Products				↓	↑	↑
Quarry Products				↑	↓	↑

Property activities include quarry end use, residential and surplus assets

EBIT NZ$m	2011	2010	% Change
Quarry end use	0	0	-
Residential	23	18	+28
Surplus property assets	1	2	-50
Total	**24**	**20**	**+20**

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 result

NZ$m	June 11 12 mths	June 10 12 mths	% Δ
Sales	1,979	1,930	+3
EBITDA			
Laminex	149	148	+1
Formica	83	69	+20
Total EBITDA[1]	232	217	+7
EBIT[1]	168	141	+19
Funds Employed	1,745	1,695	
EBITDA[1]/sales %	11.7	11.2	
EBIT[1]/sales %	8.5	7.3	
ROFE[1] %	9.6	8.3	

Laminex

- Australian revenues up strongly in first half due to new housing and govt education building programme
- Slowdown seen in second half across all sectors
- Prior year result included $16m one-off gains

Formica

- EBIT up 65% due to efficiency gains and cost out.
- US and European markets remained weak.
- Asia revenues up 9%

1. *Excluding unusual items*

Laminates & Panels: volumes growth in Australia and Asia, offset by flat or weaker volumes in other regions

Gross Sales NZ$m	June 11 12 mths	June 10 12 mths	% ∆	Volume ∆	Price ∆	EBITDA ∆
New Zealand						
Laminex	143	149	-4	↑	-	↓
Australia						
Laminex[1]	979	875	+12	↑	-	↑
Formica						
Asia	207	196	+6	↑	↑	↑
Europe	332	376	-12	↓	↑	-
Nth America	346	373	-7	↓	↑	↑

1. *Domestic volumes, excluding export volumes*

Formica: continued improvement in earnings, due to Asia growth and cost reduction programme

EBIT NZ$m	FY11	FY10	% Change
Asia	34	29	+17
North America	28	15	+87
Europe	9	5	+80
Corporate	-15	-15	-
EBIT $NZ	56	34	+65

Steel result

NZ$m	June 11 12 Mths	June 10 12 mths	% Δ
Sales	1,214	1,172	+4
EBITDA	106	107	-1
EBIT	83	82	+1
Funds Employed	577	535	
EBITDA/sales %	8.7	9.1	
EBIT/sales %	6.8	7.0	
ROFE %	14.4	15.3	

Strong performance in coated steel despite impacts of floods and earthquakes:

- Operating earnings up 32% to $58m

Difficult market conditions in long steel with earnings down 61%.

Strong recovery in distribution and services earnings, up 86% to $13m on prior year.

Steel: decline in long steel volumes and margins

Gross Sales NZ$m	June 11 12 mths	June 10 12 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
New Zealand						
Long Steel	247	272	-9	↓	-	↓
Coated Steel	176	168	+5	-	↑	↑
Distribution & Services	258	250	+3	↑	↑	↑
Australia						
Rollforming	662	637	+4	↓	↑	↑

Crane Group Update

Acquisition completed on 28 March 2011

Majority of head office cost synergies have now been realised

Crane and Fletcher Building corporate offices to be integrated in 2H11

Trading performance has been in line with expectations

3 month EBIT[1] contribution: NZ $29m

Pipeline contracts being pursued in energy, water and telecommunications sectors

Awarded coal seam gas contract with Fluor ($55m)

Tendering for other coal seam gas opportunities

1. *Before unusual items*

Crane Group – full year earnings overview

	FY2011 A$M Revenue	FY2011 A$M EBIT[1]
Pipelines	519	35
Tradelink	927	42
Trade Distribution - NZ	286	2
Industrial Products	291	5
Intersegment/Unallocated	(146)	(14)
Total	**1,876**	**71**

1. *Before unusual items*

Annual Results

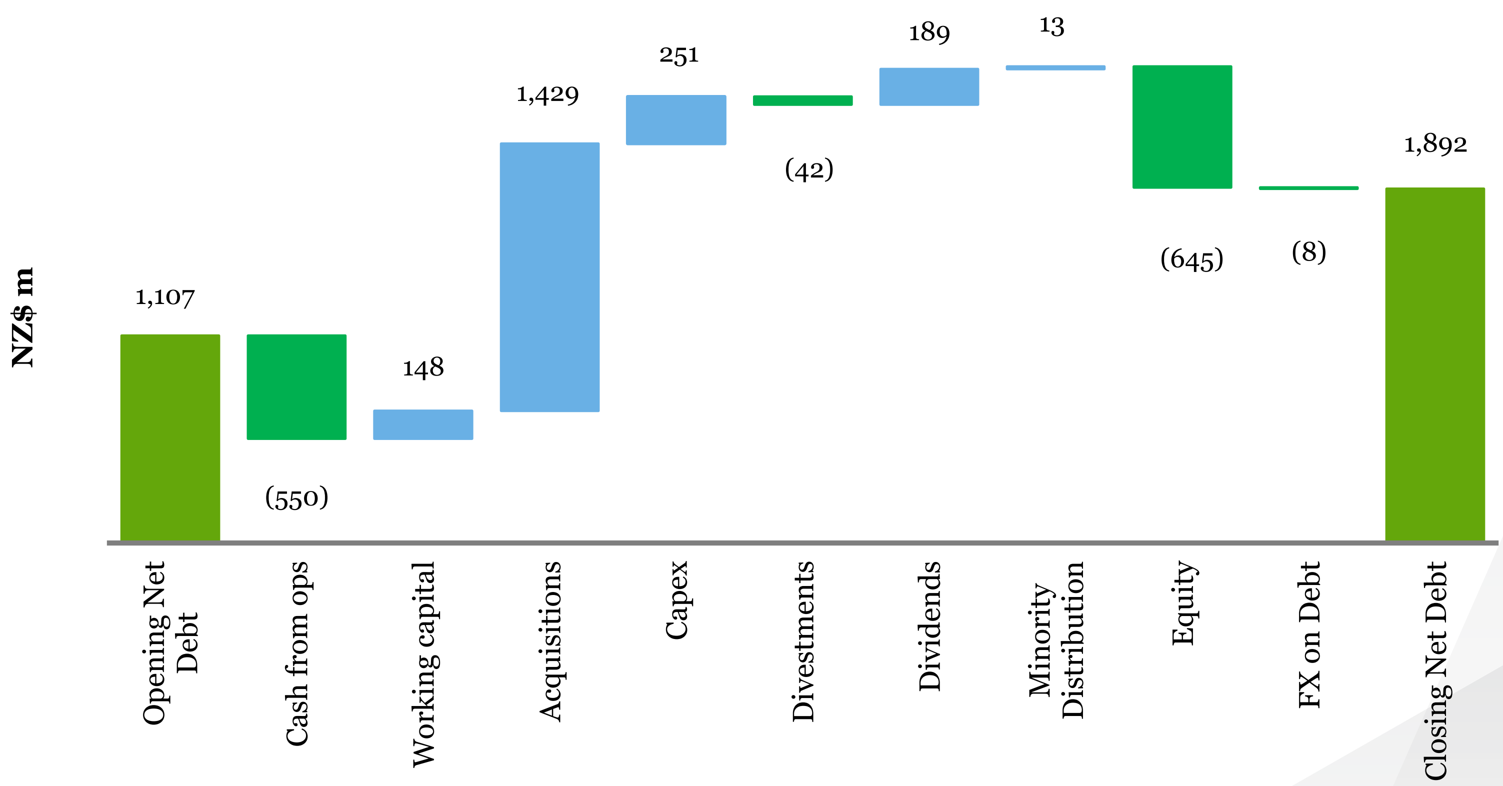
FINANCIAL RESULTS

Net earnings

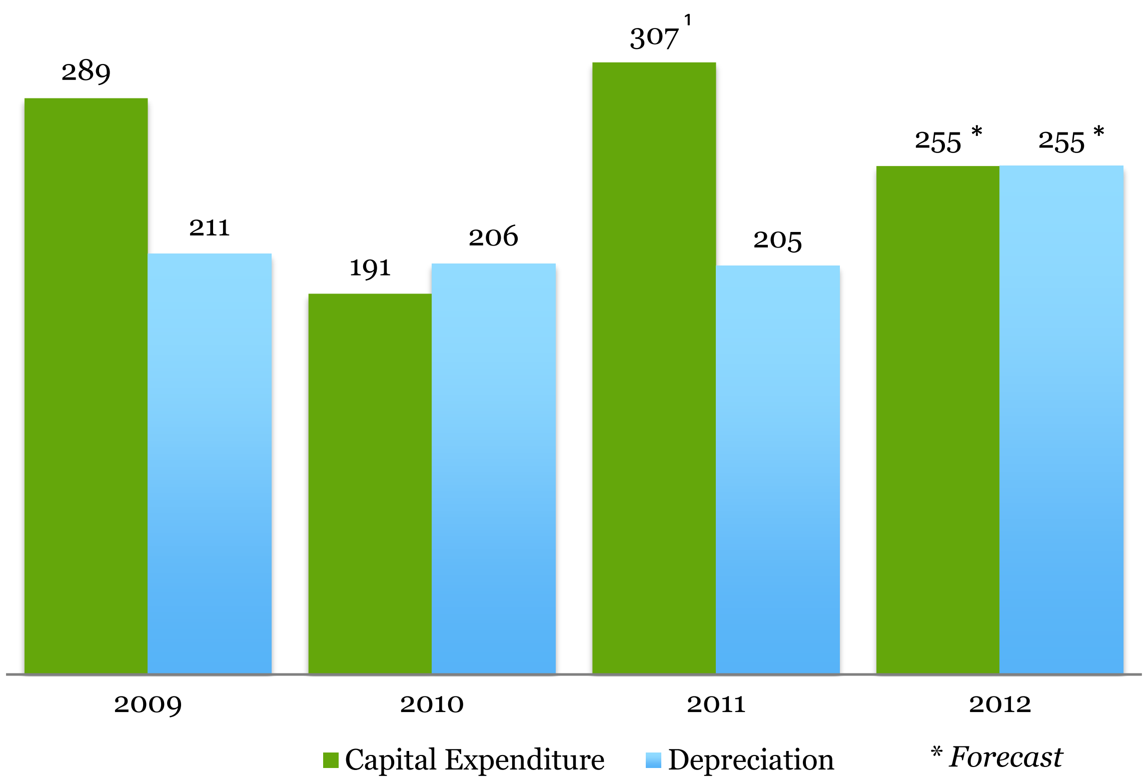
NZ $m	June 2011 12 months	June 2010 12 months	% ∆
EBIT[1]	596	521	+14
Interest[1]	118	107	+10
Tax[1]	111	103	+8
Minority Interests	8	10	-20
Net Earnings before unusual items	359	301	+19
Unusual items after tax	(76)	(29)	
Net Earnings	**283**	**272**	+4

1. *Before unusual items*

Crane acquisition partly funded through bank debt



Capital expenditure expected to remain in line with depreciation



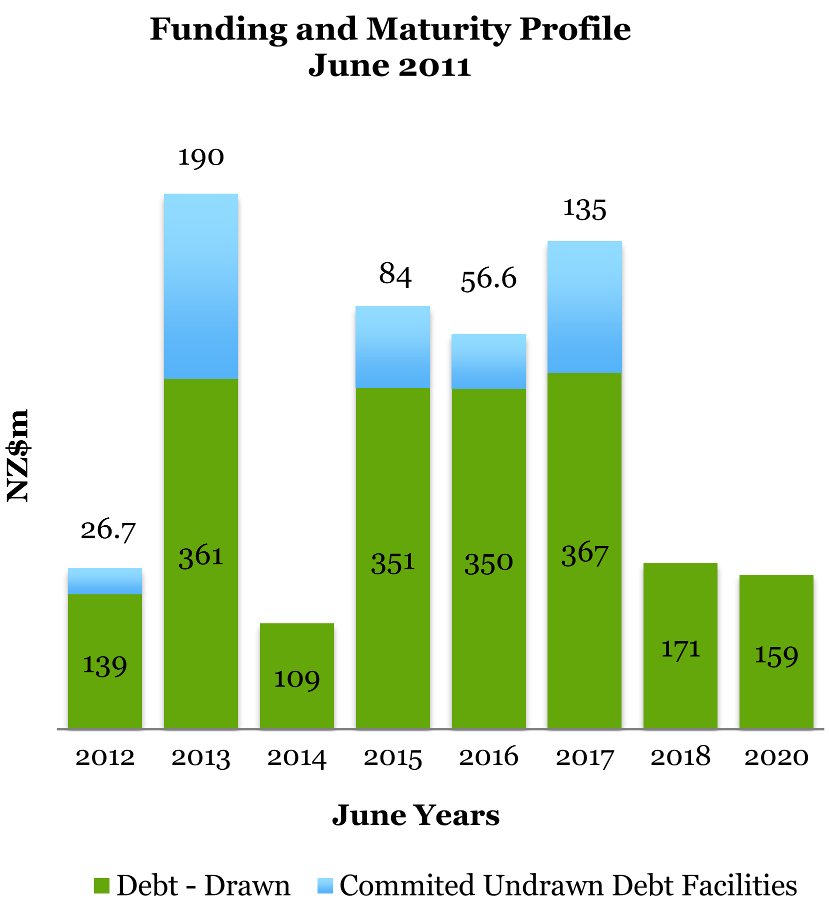
Forecast excludes potential expenditure on:

Business acquisitions other than small "bolt-on's"

Formica expansion in China / SE Asia

1. *Excludes acquisition of shares in Crane Group Ltd*

Debt maturity profile



Undrawn credit lines of $492 million.

Average maturity of debt is 4 years.

Average interest rate on debt is 6.6%.

66% of borrowings are at fixed rates.

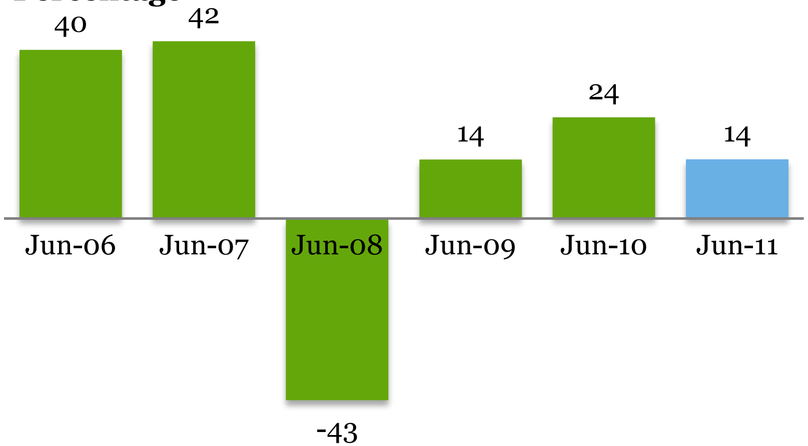
Crane Group part financed through existing debt facilities

Major portion of syndicated debt facility refinanced out a further 3-5 years

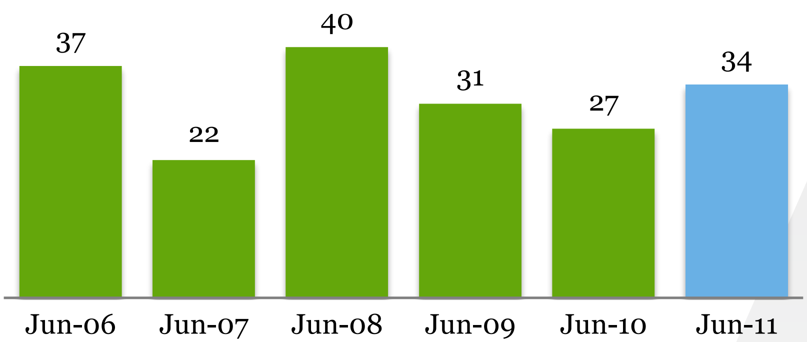
Further long term debt issuance to extend duration being considered

Key Ratios

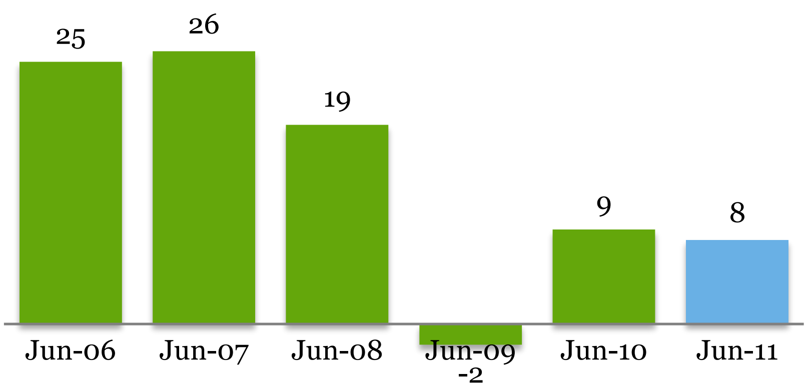
Total Shareholder Return (TSR) Percentage



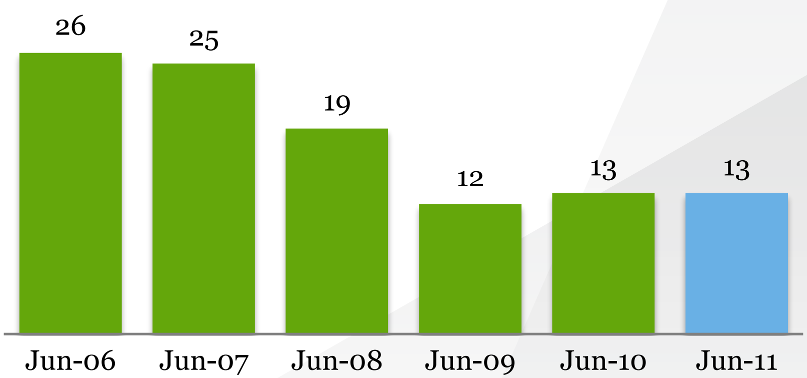
Debt/Debt Plus Equity Percentage



Return on Average Equity Percentage[1]



Return on Average Funds Percentage[2]



1. *Net earnings / average equity*
2. *Earnings before interest, tax, and unusual items / average funds*

Annual Results

STRATEGY

Strategy

Improved earnings reliability through geographic and end-market diversification

Decentralised business model

Portfolio approach that creates value through application of proven operating model

Target attractive industry positions in Australia and NZ

Further opportunities to invest in Australia and NZ will be pursued, along with Formica growth in Asia

Annual Results

OUTLOOK

Outlook 2012

New Zealand:

Gradual improvement in housing starts

Christchurch rebuilding to gain momentum

Commercial activity remains patchy

Infrastructure outlook underpinned by government spending

Australia:

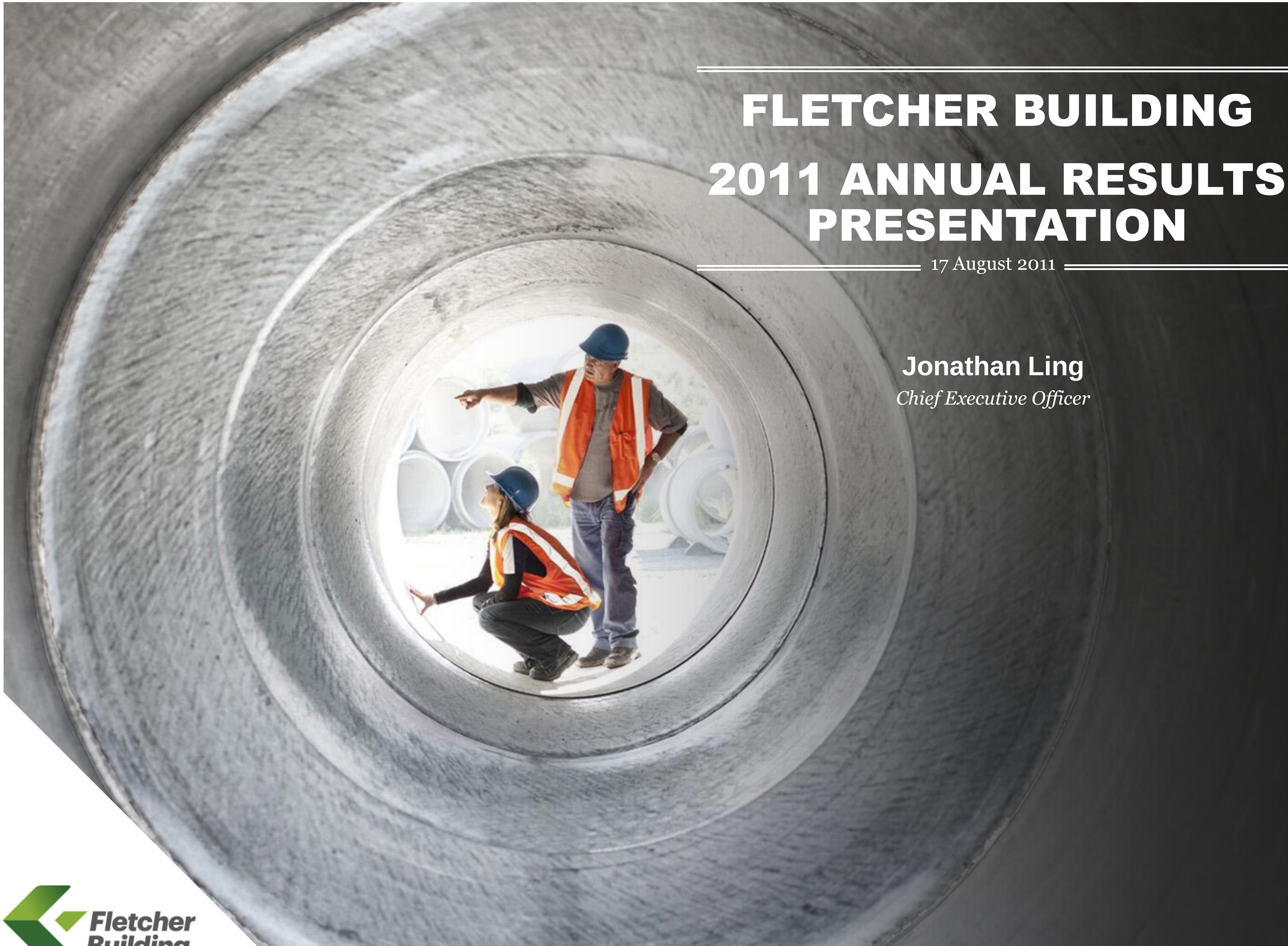
No improvement in residential construction in the short term

Commercial outlook subdued

Infrastructure boosted by strong mining sector

Trading conditions in North America and Europe expected to remain flat

China, SE Asia and Taiwan all exhibiting growth



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