FLETCHER BUILDING

HALF YEAR RESULTS TO 31 DECEMBER 2012

20 February 2013

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Disclaimer

This half year results presentation dated 20 February 2013 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

Half Year Results

RESULTS OVERVIEW

***Stonefields housing development**, Auckland*

Results overview

Net earnings of $146 million

Operating earnings of $262 million
- In line with guidance given at ASM
- New Zealand earnings up, Australia down

Cashflow from operations $204 million
- Up strongly from prior corresponding period

Revenues down 3% to $4,380 million
- Due to divestment of businesses during the year

Interim dividend 17.0 cents per share:
- Fully franked for Australian tax purposes
- Dividend Reinvestment Plan will be operative for the interim dividend

Strong improvement in New Zealand residential consents, but Australia flat

Building Consents	Dec 2012 12 months	Dec 2011 12 months	Dec 2010 12 months	12/11 %Mvmt
New Zealand				
Residential Consents	16,929	13,662	15,602	+24
Non Res WPIP ($m)	4,509	4,521	4,817	-
Infrastructure WPIP ($m)	6,692	6,714	6,162	-

Source: Statistics NZ, Infometrics

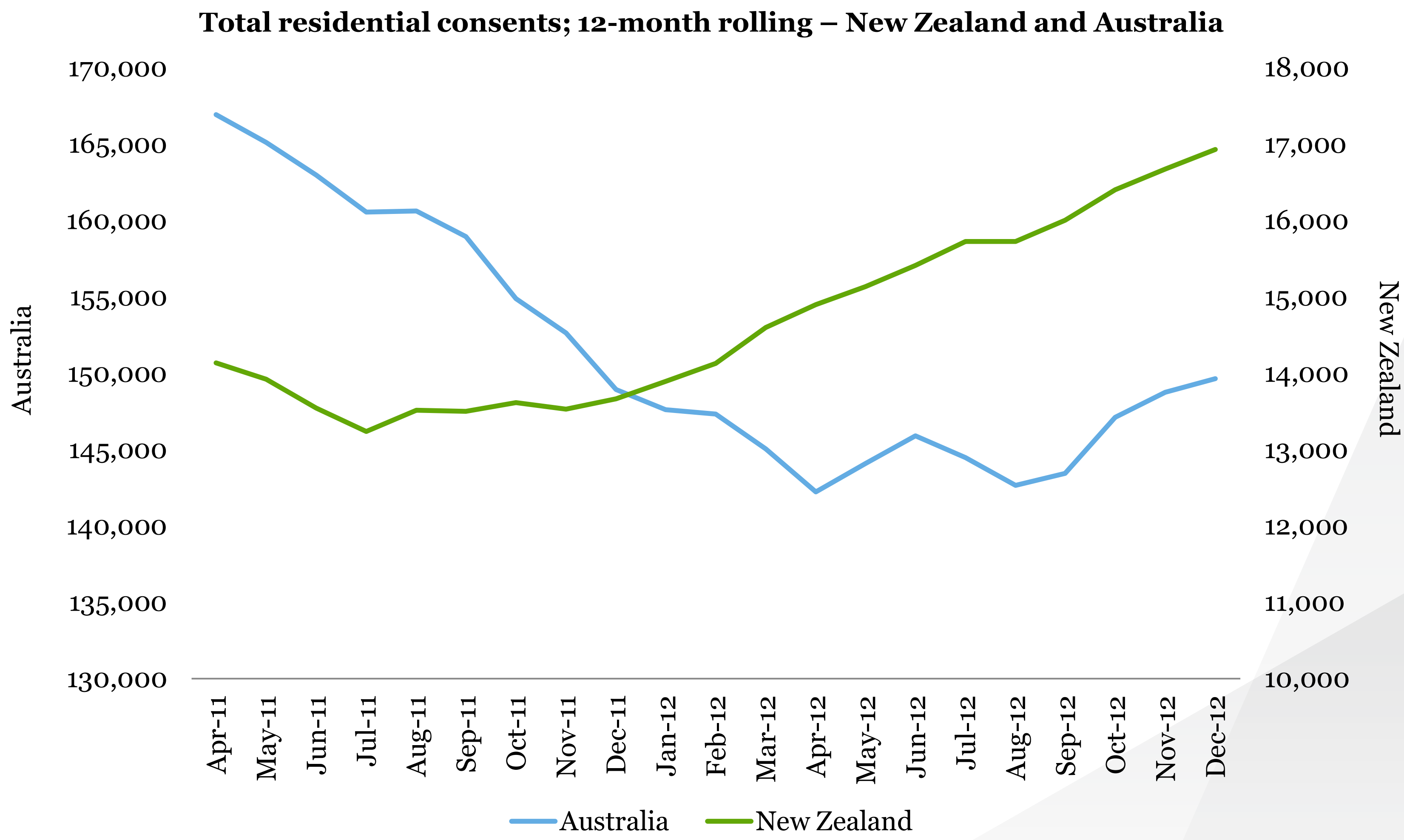
Australia				
Residential Consents	149,650	149,044	176,564	-
Non Res WPIP (A$Bn)	33.2	33.1	37.7	-
Infrastructure WPIP (A$Bn)	128.6	101.4	79.4	+27

Source: ABS, BIS Shrapnel

US				
Residential Construction Starts	780,000	609,000	600,000	+28
Commercial & Industrial (US$Bn)	136.2	122.8	122.8	+11
Institutional (US$Bn)	147.5	151.6	163.0	-3

Source: US Dept. of Housing and Urban Development, IHS Global Insight

Sustained trend in New Zealand residential consents over the past year

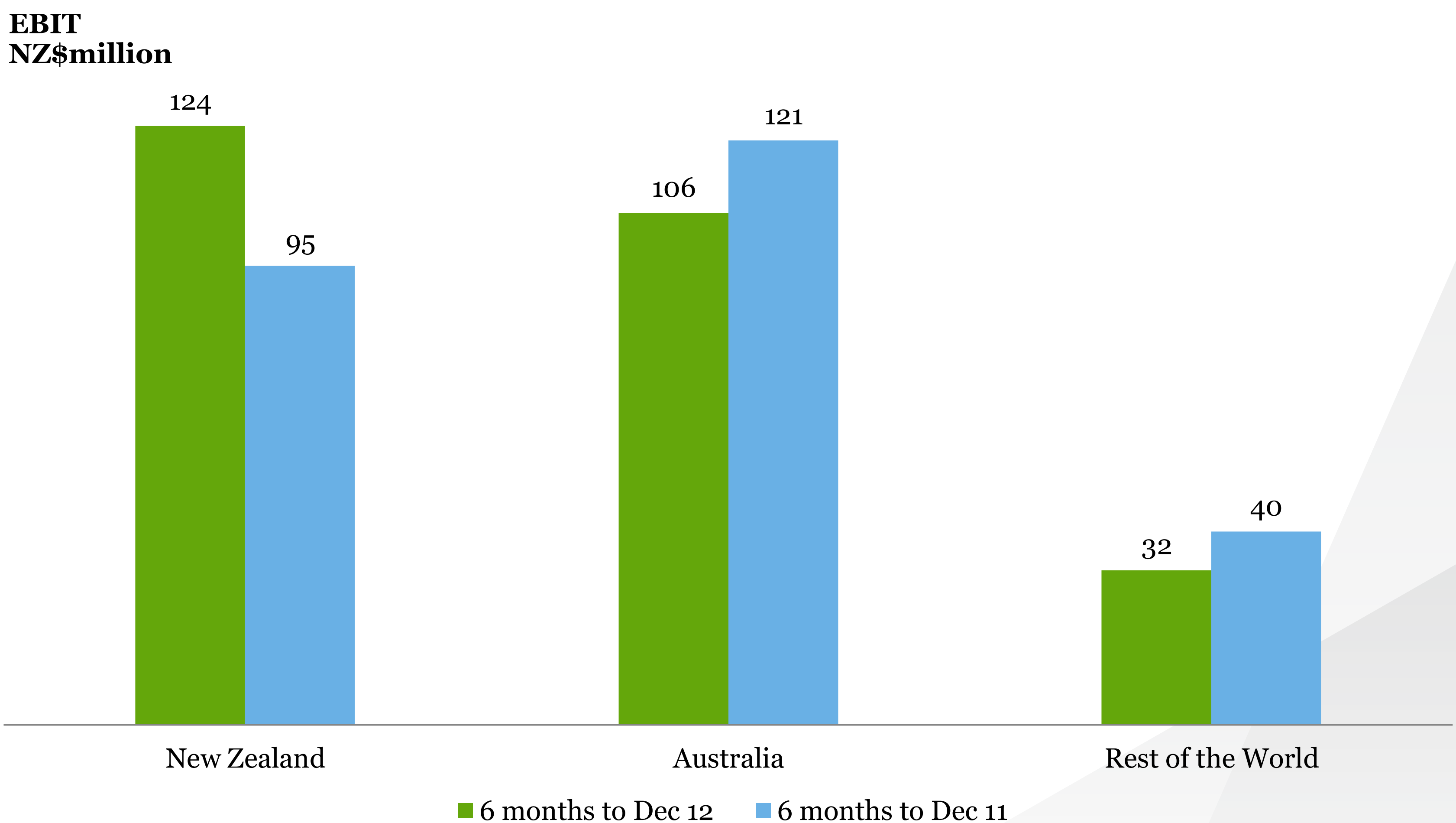


Source: Statistics NZ, ABS

New Zealand earnings increase offset by decline in Australia

NZ$m	Dec 2012 6 months	Dec 2011 6 months	% Change
Sales	4,380	4,494	-3
EBITDA	374	372	+1
EBIT	262	256	+2
Net earnings	146	144	+1
Earnings per share (cents)	21.3	21.2	-
Dividend (cents per share)	17.0	17.0	-

Strong improvement in New Zealand operating earnings but Australia down on lower volumes



Earnings Commentary

First half performance driven by improved trading conditions and an increase in building consents in New Zealand

Strong improvement in Construction division due to increased house sales and rebuilding activity in Canterbury

Conditions in Australia remain challenging in both residential and commercial construction, negatively impacting volumes

Revenue up in South-East Asia, down in China and Europe, flat in North America

Further restructuring undertaken during the period:

- Closure of Formica plant in Bilbao, additional $3m in costs incurred
- Other restructuring costs of $7m

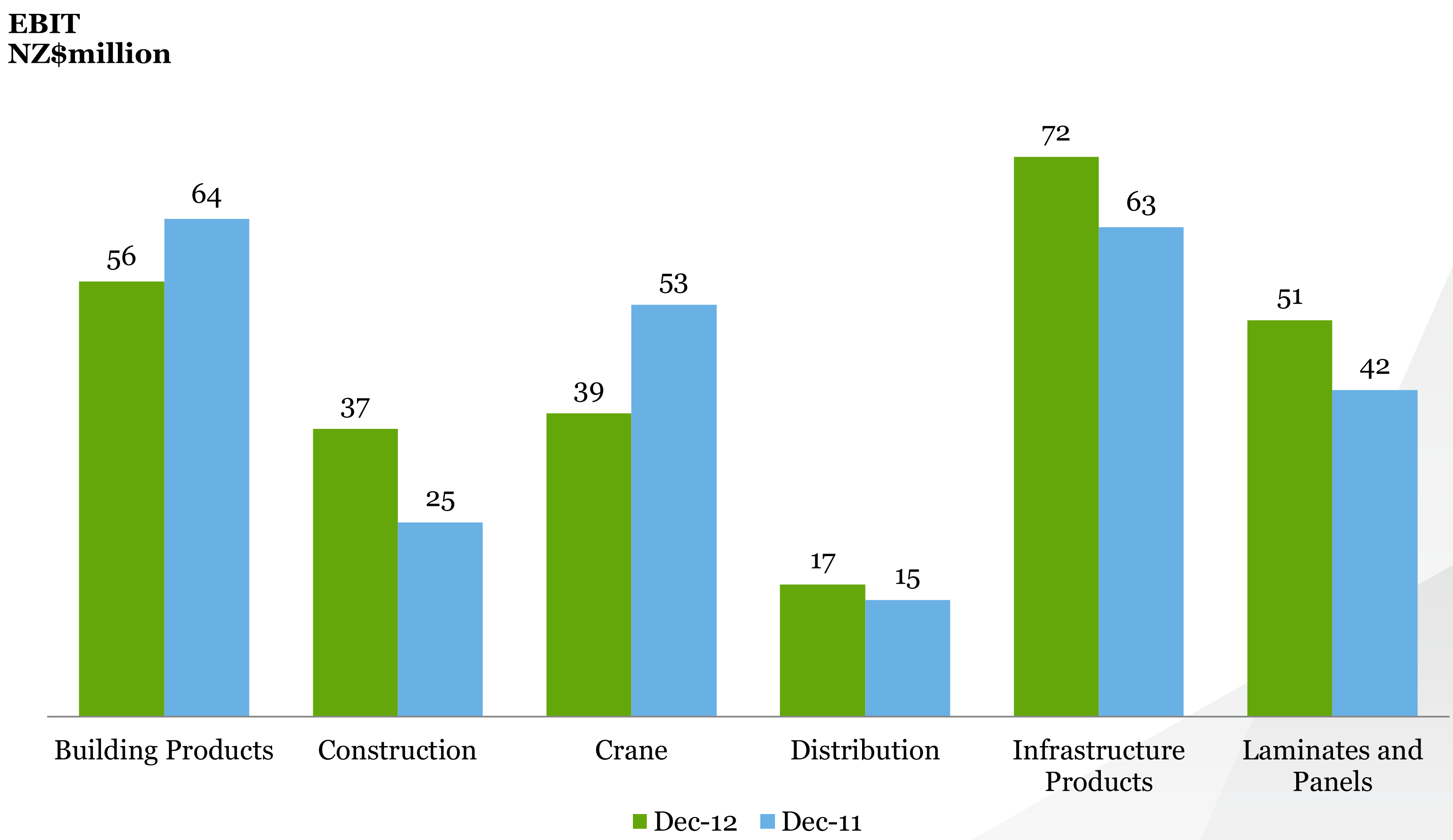
Multi-year business transformation programme initiated; benefits will be evident from the next financial year

Half Year Results

DIVISIONAL PERFORMANCE

***Winstone Wallboards**, Christchurch*

Divisional operating earnings overview



Building Products result

NZ$m	Dec 12 6 mths	Dec 11 6 mths	% Δ
Sales	701	737	-5
EBITDA	76	83	-8
EBIT	56	64	-12
Funds Employed	783	911	-14
EBITDA/sales %	10.8	11.3	
EBIT/sales %	8.0	8.7	
ROFE %	14.3	14.1	

Plasterboard
Increase in operating earnings due to higher volumes.

Insulation
Operating earnings down 54% due to weaker demand and increased competition in Australia.

Coated Steel
Australia rollforming volumes down 8%. New Zealand coated steel flat.

Roof Tile volumes up 8% with strong increase in Europe and Africa.

Building Products: earnings impacted by weak Australian market

Gross Sales NZ$m	Dec 12 6 mths	Dec 11 6 mths	% ∆	Volume ∆	Price ∆	EBITDA ∆
Building Products	307	314	-2			
- Plasterboard				↑	↑	↑
- Insulation[1]				↓	-	↓
Coated Steel Products	485	500	-3			
- Roof Tile Group[2]				↑	-	↓
- Coated Steel NZ[3]				↑	-	↑
- Coated Steel Aus				↓	-	↓

1. *Includes Forman and Home & Dry*
2. *Includes NZ, Europe, Asia, Africa, USA*
3. *Includes Dimond and Pacific Coilcoaters*

Construction result

NZ$m	Dec 12 6 mths	Dec 11 6 mths	% Δ
Sales	613	520	+18
EBITDA	41	30	+37
Total EBIT	37	25	+48
Funds Employed	88	145	-39
EBITDA/sales %	6.7	5.8	
EBIT/sales %	6.0	4.8	
ROFE %	84.1	34.5	

Uplift in Canterbury with strong new residential house building and earthquake recovery work

Construction backlog of $1,192m as at Dec 2012.

- Preferred contractor on $500m roading project

Residential earnings up 55% due to strong sales in Stonefields subdivision in Auckland.

Canterbury update

Considerable progress on repairs

1,100 + firms contracted, 18,600 contractors inducted
47,000 emergency repairs completed
31,000 full scope repairs completed
$1bn paid to contractors to end of January

Canterbury Home Repair Programme due to be completed by the end of 2015

Commercial construction will be driven initially by fringe city and commercial hub developments in early 2013.

Larger landmark projects expected to start in late 2013, dependent on land acquisition.

Crane result

NZ$m	Dec 12 6 mths	Dec 11 6 mths	% Δ
Sales	1050	1229	-15
EBITDA	56	71	-21
EBIT:			
Pipelines	31	29	+7
Distribution			
- Australia	9	23	-61
- New Zealand	0	(1)	-
Industrial Products	(1)	2	-
Total EBIT:	39	53	-26
Funds Employed	1,235	1,334	
EBITDA/sales %	5.3	5.8	
EBIT/sales %	3.7	4.3	
ROFE %	6.3	7.9	

Pipelines

Australia – declines in revenue from residential and mining sectors, offset by increased gas sector activity.

New Zealand – volumes up; export shipments improved.

Distribution

Earnings impacted by lower sales due to weak Australian residential market.

Progressing with branch enhancement and productivity improvement initiatives at Tradelink.

Distribution result

NZ$m	Dec 12 6 mths	Dec 11 6 mths	% Δ
Sales	424	387	+10
EBITDA	21	19	+11
EBIT	17	15	+13
Funds Employed	143	137	+4
EBITDA/sales %	5.0	4.9	
EBIT/sales %	4.0	3.9	
ROFE %	23.8	21.9	

Operating earnings increased 13%, driven by improvement in Auckland and Christchurch markets.

Pressure on margins continued in competitive environment.

Efficiency improvements in supply chain, procurement and inventory management.

Increased investment in capacity in Canterbury.

Infrastructure Products result

NZ$m	Dec 12 6 mths	Dec 11 6 mths	% Δ
Sales	711	682	4
EBITDA	109	100	9
EBIT	72	63	14
Funds Employed	1,291	1,297	-
EBITDA/sales %	15.3	14.7	
EBIT/sales %	10.1	9.2	
ROFE %	11.2	9.7	

Cement, concrete & aggregates
New Zealand volumes rose in line with market activity:
- Cement volumes up 2%
- Aggregates volumes up 10%
- Readymix volumes up 18%

Australia quarry volumes down in softer market.

Concrete pipes and products
Volumes down in Australia and flat in New Zealand.

Steel
Long steel volumes up 5% due to improved NZ domestic demand.
Distribution earnings up on prior corresponding period.

Infrastructure Products: Increase in New Zealand construction activity drove volume growth

Gross Sales NZ$m	Dec 12 6 mths	Dec 11 6 mths	% ∆	Volume ∆	Price ∆	EBITDA ∆
Cement, concrete & aggregates[1]	331	309	+7			
- Cement				↑	↓	↓
- Readymix				↑	-	↑
- Aggregates						
- New Zealand				↑	-	↑
- Australia				↓	↑	↑
Concrete pipes and products[2]	256	241	+6			
- New Zealand				-	-	-
- Australia				↓	↑	-
Pacific Steel	130	129	+1	↑	↓	↑

1. *Includes Firth, Golden Bay Cement, Winstone Aggregates and Rocla Quarry Products.*
2. *Includes Humes Pipelines and Rocla Pipeline Products.*

Laminates & Panels result

NZ$m	Dec 12 6 mths	Dec 11 6 mths[1]	% Δ
Sales	881	939	-6
EBITDA			
- Laminex	47	56	-16
- Formica	34	41	-17
Total EBITDA	81	97	-16
EBIT	51	63	-19
Funds Employed	1,818	1,830	-1
EBITDA/sales %	9.2	10.3	
EBIT/sales %	5.8	6.7	
ROFE %	5.6	6.8	

1. *Before significant items*

Formica

Operating earnings down 12% with additional costs of $3m from closure of Bilbao.

Volumes in North America up slightly. Operating earnings growth driven by improved margins and efficiency gains.

South-East Asia volumes up but China and Taiwan subdued.
European volumes down 11% with continuing weak demand.

Laminex

Revenues down 10% in Australia due to lower volumes; New Zealand revenues stable.
Cost reduction and product rationalisation starting to deliver cost saving benefits

Laminates & Panels: volumes declined in Australia, Asia & Europe, up marginally in North America

Gross Sales NZ$m	Dec 12 6 mths	Dec 11 6 mths	% Δ	Volume Δ	Price Δ	EBITDA Δ
Australia						
- Laminex[1]	426	472	-10	↓	-	↓
New Zealand						
- Laminex	62	71	-13	↓	↑	↑
Formica						
- Asia	109	111	-2	↓	-	↑
- Europe	118	142	-17	↓	↑	↓
- Nth America	160	159	1	↑	-	↑

1. *Domestic volumes, excluding export volumes*

Formica: decline in earnings due to additional costs of Bilbao plant closure and lower volumes in Europe

EBIT NZ$m	1H13	1H12	% Change
Asia	21	18	17
North America	14	12	17
Europe	(6)	2	-
Corporate	(6)	(6)	-
EBIT $NZ	23	26	(12)

Half Year Results

FINANCIAL RESULTS

***Golden Bay Cement**, Whangarei*

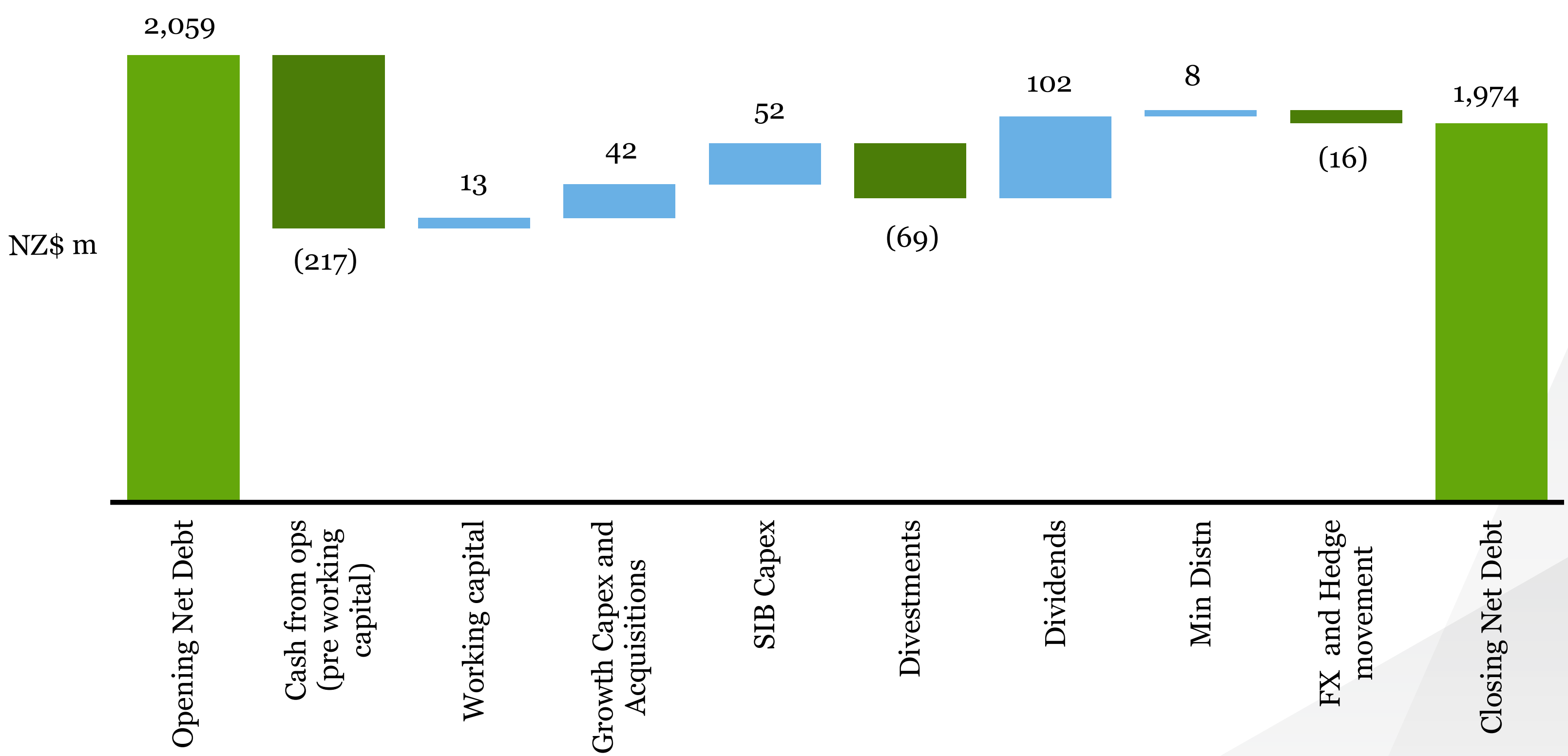
$10m in restructuring costs taken "above the line" in HY13

	Reported EBIT		EBIT *Excluding restructuring and impairment charges*	
	6 months to Dec 2012	6 months to Dec 2011	6 months to Dec 2012	6 months to Dec 2011
Building Products	56	64	60	64
Construction	37	25	37	25
Crane	39	53	39	53
Distribution	17	15	17	15
Infrastructure Products	72	63	72	63
Laminates & Panels	51	42	57	63
Corporate	(10)	(6)	(10)	(6)
Total	**262**	**256**	**272**	**277**

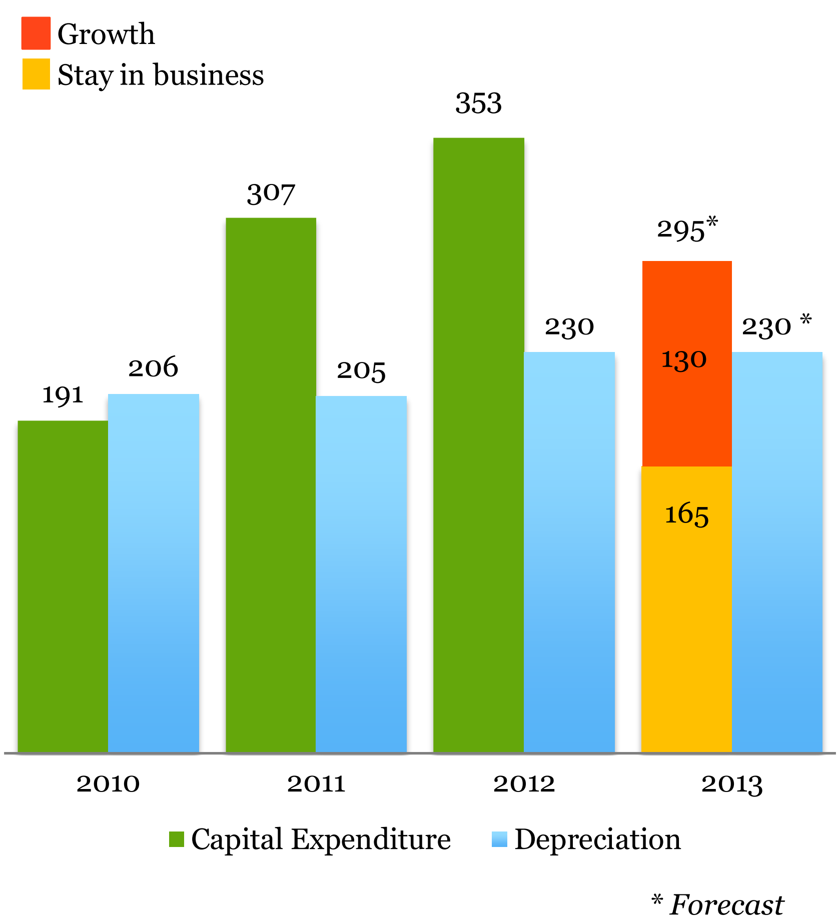
Cashflow from operations improved due to tighter working capital management

		Dec 2012 6 months		Dec 2011 6 months	% Change
EBITDA		**374**		**372**	+1
Funding costs		(75)		(73)	-3
Cash tax paid		(41)		(51)	+20
Non cash unusual impact		0		12	-
Provisions movement/other		(41)		(28)	-46
Working capital movements:					
- Debtors	128		127		
- Creditors	(146)		(174)		
- Stock	0		(41)		
- Other	5		(15)		
		(13)		(103)	-87
Cashflow from operations		**204**		**129**	+58

Reduction in net debt due to sales proceeds from business divestments



Forecast capital expenditure reduction of $58m versus FY12

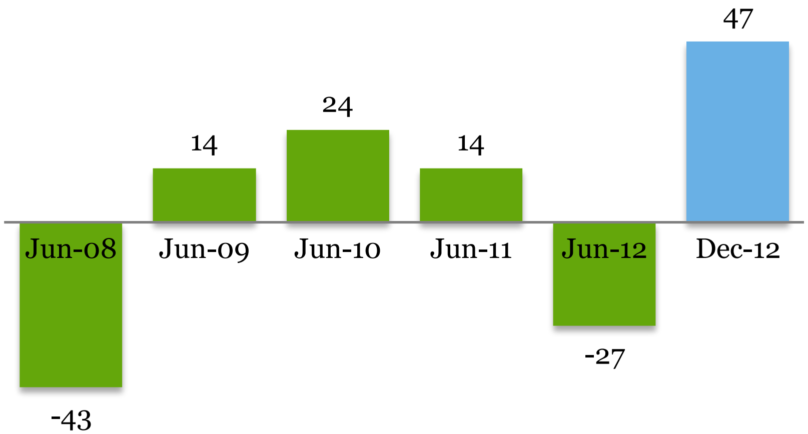


	Dec 12 6 mths	Dec 11 6 mths	% Δ	FY13 Forecast
Stay-in-business	52	101	-49	165
Growth[1]	31	22	+41	119
Acquisitions	11	31	-65	11
Total	**94**	**154**	**+39**	**295**
Depreciation	**112**	**116**	**-3**	**230**

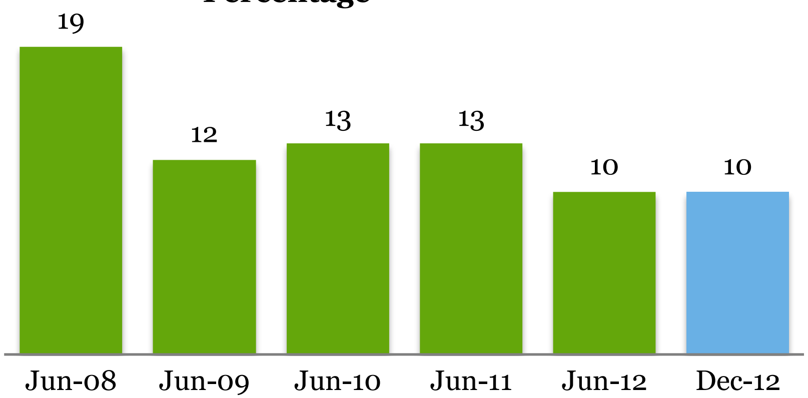
1. *Forecast includes investment in new Formica plant in China and investment in India*

Key Ratios

Total Shareholder Return (TSR) Percentage

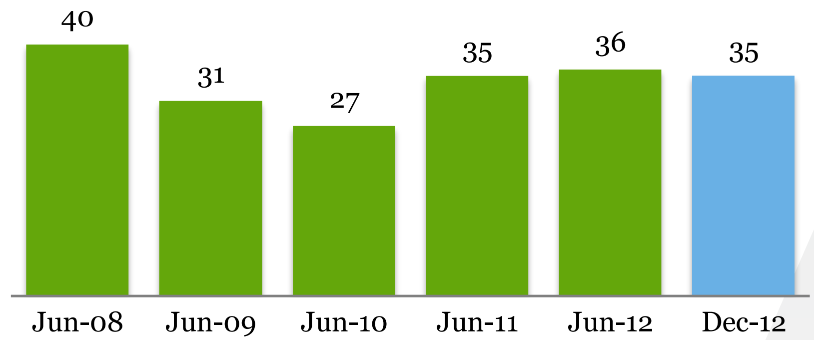


Return on Average Funds Percentage[1]

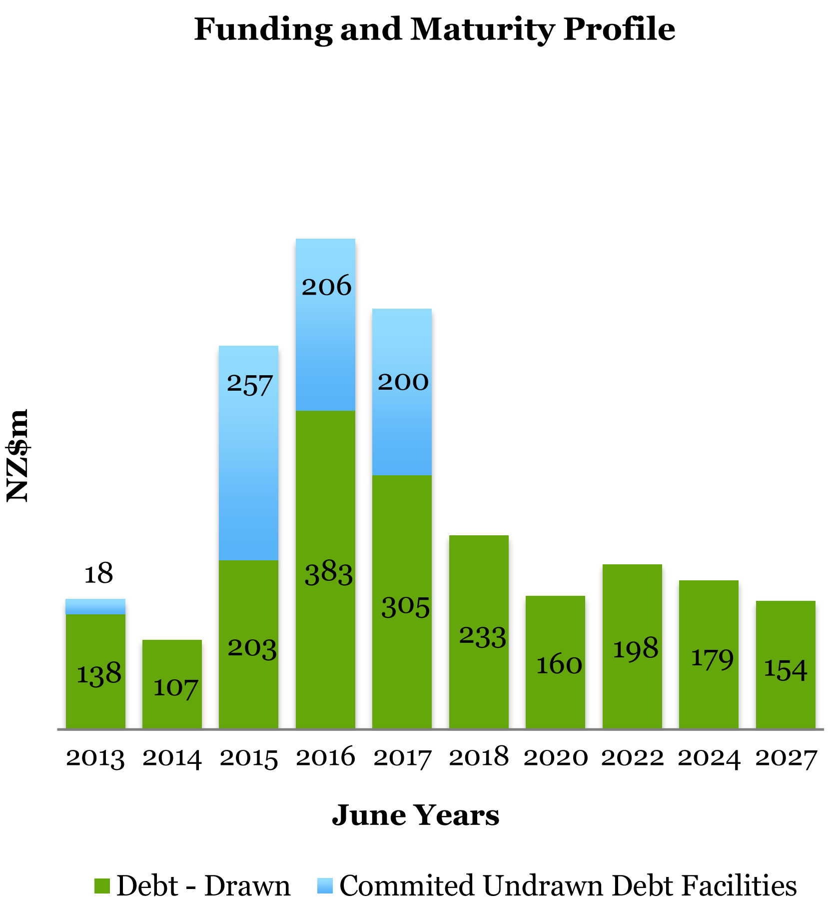


1. *Earnings before interest, tax, and significant items / average funds*

Debt/Debt Plus Equity Percentage



Debt maturity profile



Undrawn credit lines and cash on hand of $844 million.

Average maturity of debt is 5 years.

Approximately 70 per cent of all borrowings have fixed interest rates.

Average interest rate on debt is 6.7%.

Half Year Results

BUSINESS TRANSFORMATION

***PlaceMakers**, Auckland*

Transformation overview

A systemic review of Fletcher Building's existing business model

Multiple workstreams, including:

- Shared services
- Procurement
- Distribution
- Logistics
- Operational Excellence
- Digital strategy

Multi-year programme; scale of benefits will evolve over time

Financial benefits expected to be realised in the medium to long-term (from FY14 onwards)

Shared services

Aimed at cost-reduction in core support functions and leveraging Fletcher Building's scale

Areas of focus:

- Finance (accounts receivable, accounts payable, credit management)
- Human resources (payroll, recruitment, learning and development, health and safety)
- ICT (user support, IT maintenance and infrastructure)

Procurement

Aimed at achieving coordination and cost savings from the $800m annual indirect third-party procurement spend across Fletcher Building

Central group procurement function will leverage the group's size, experience and leading practice

Suppliers will benefit from reduced cost of serving one central function, greater collaboration and innovation

Property

Total group property costs across New Zealand and Australia currently in excess of $250m per annum

A review of the property portfolio currently underway

- consolidate and rationalize surplus or underutilized properties
- lower costs to operate

Assessment of the distribution footprint will follow, as well as a review of freight and logistics costs across the group

Half Year Results

OUTLOOK

Iplex Pipelines, Harihari, NZ

Outlook FY2013

New Zealand

- Uplift in housing consents in first half should lift performance of businesses exposed to residential sector in the second half
- Infrastructure projects continue to underpin non-residential activity
- Reconstruction work in Canterbury expected to remain at high levels

Australia

- Downturn in residential and weak commercial construction activity likely to remain in second half
- Cost reduction initiatives will partly mitigate the impact of continued weak underlying trading conditions

Asia: Improvement dependent on expected upturn in China

North America: Improvement expected in the second half

Europe: Depressed conditions likely to continue

Financial outlook FY2013

Guidance provided at Annual Shareholders Meeting confirmed.

Operating earnings for the 2013 financial year are expected to be in the range of $560 million to $610 million, inclusive of all restructuring charges.

Second half growth expected from momentum seen in New Zealand market.

Assumes no further deterioration in Australia or other markets.

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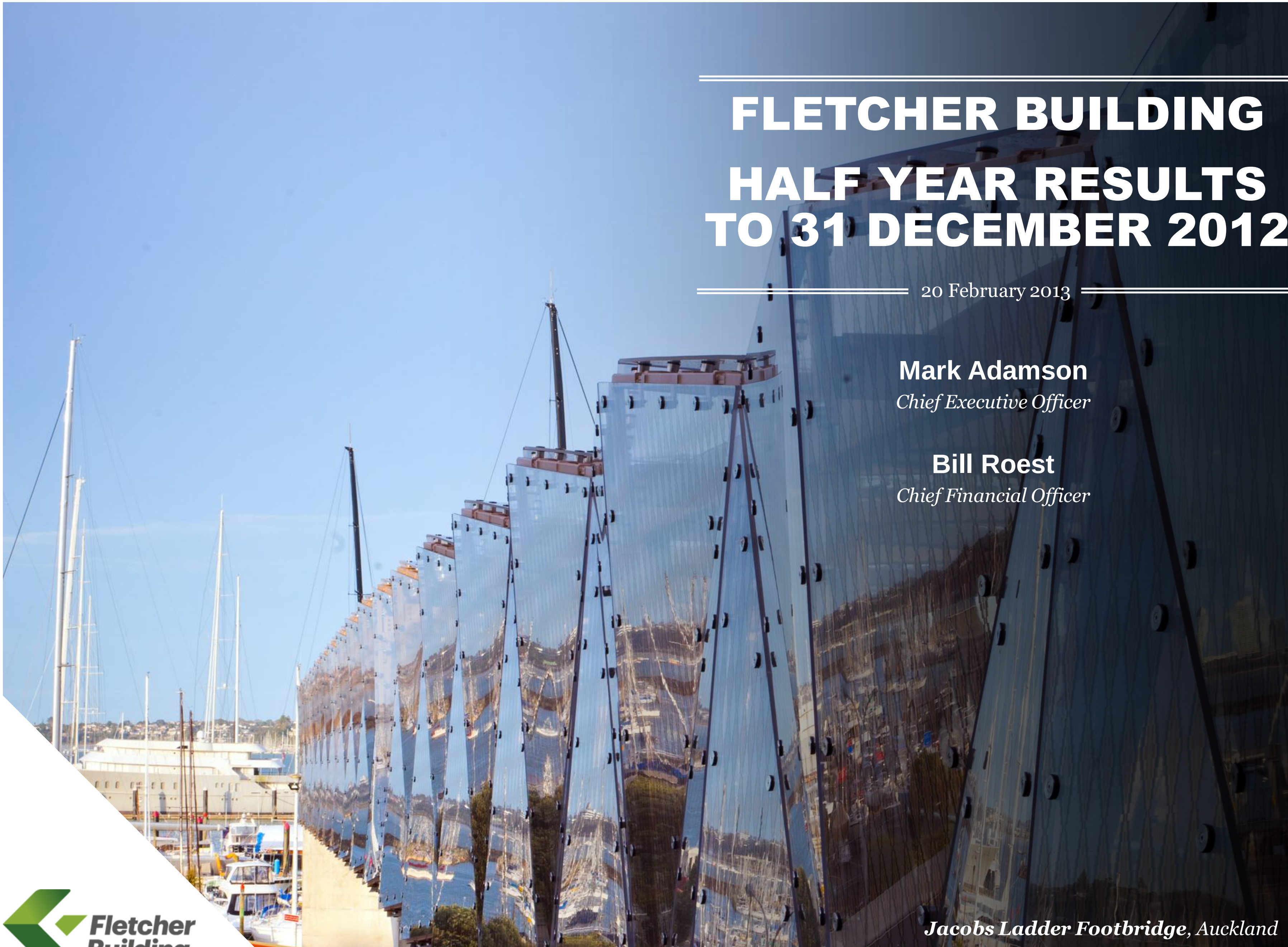

***Jacobs Ladder Footbridge**, Auckland*

Fletcher Building