



# **Building Products Investor Strategy Presentation**

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Chief Executive Building  
Products**



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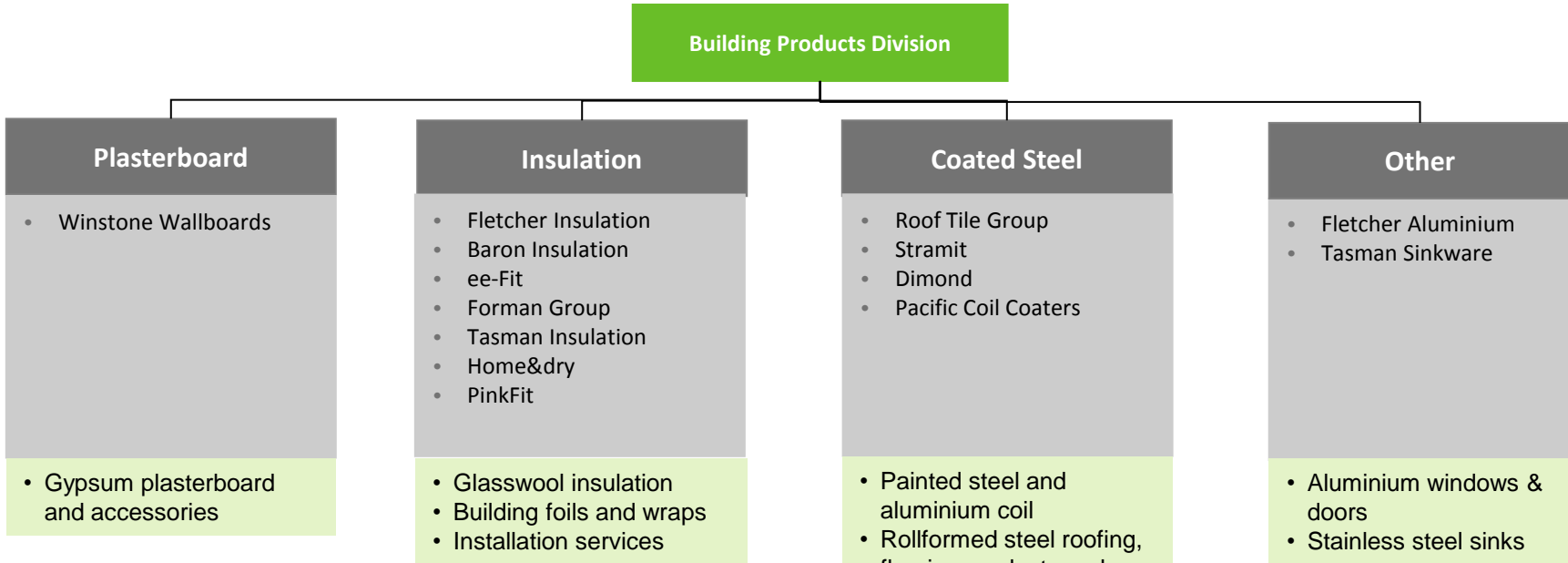
## Disclaimer

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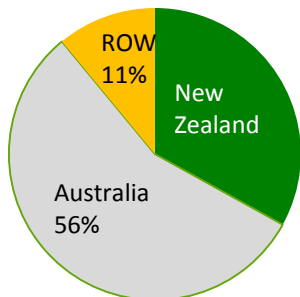
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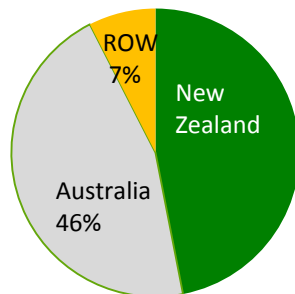
# Building Products Division



**Revenue**



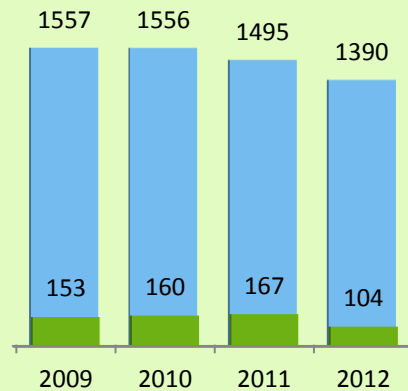
**People**



# Building Products Division Financial Results

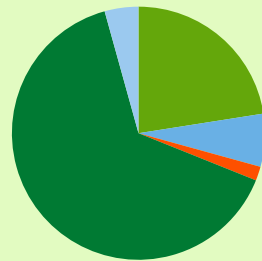
## Summary Financials (NZ\$m)

### Yearly Trends



■ EBIT (pre unusuals) ■ Sales

### Revenue Source FY12



■ Insulation  
 ■ Plasterboard  
 ■ Sinkware  
 ■ Coated Steel  
 ■ Fletcher Aluminium

NZ\$m	1 H	1 H	% Δ
	2012	2013	
Net Sales	737	701	-5
EBITDA (excl unusuals)	83	76	-8
EBIT (excl unusuals)	64	56	-12
Funds Employed	911	783	-14
EBITDA/sales %	11.3	10.8	
EBIT/sales %	8.7	8.0	
ROFE %	14.1	14.3	



# Plasterboard – Winstone Wallboards

## No. 1 in New Zealand

**Sole New Zealand plasterboard manufacture currently at 65% capacity**

## Superior Logistics

## Product/service excellence

Significant proportion of sales from value added performance board

## Competitive cost position



### Key Drivers:

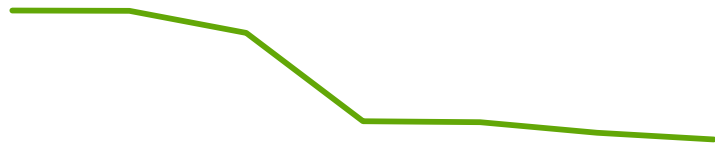
- Sales split between Residential and Commercial sectors (approx split 75% and 25% respectively)
- Trade exposed
  - USD
  - AUD



# Plasterboard – Volume and Pricing

## Winstone Wallboards

Volume 10mm Board m2



2006 2007 2008 2009 2010 2011 2012

## Winstone Wallboards

Real average selling price (2012 prices)\*



2006 2007 2008 2009 2010 2011 2012



## Plasterboard tendering mechanics in Canterbury:

- Ministry of Business, Innovation and Employment (MBIE) tender covered the supply of plasterboard for EQC and Southern Response Earthquake Services (SRES) - estimated at 6M m<sup>2</sup> over 3 to 4 years.
- The tender sought to use the existing distribution channels as much as possible.
- Winstone Wallboards and Knauf Plasterboard Australia were named as the successful panellists.
- End Users can choose the supplier to use (i.e. no set quotas put in place.)
- Winstone Wallboards is to provide a rebate to EQC and SRES based on volumes used.

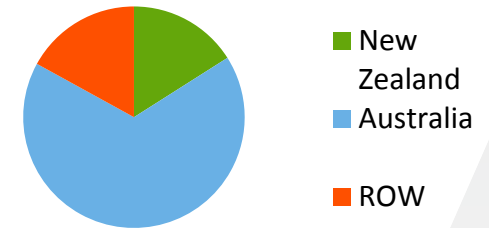


# Coated Steel

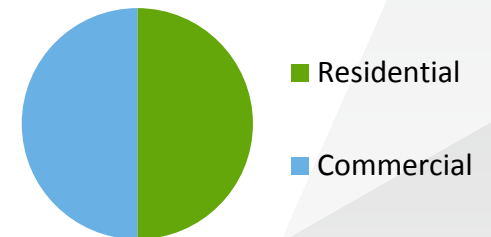
Coated Steel comprises the following businesses:

- **Pacific Coil Coaters**
- **Stramit**
- **Dimond**
- **The Roof Tile Group**

## Revenue origin

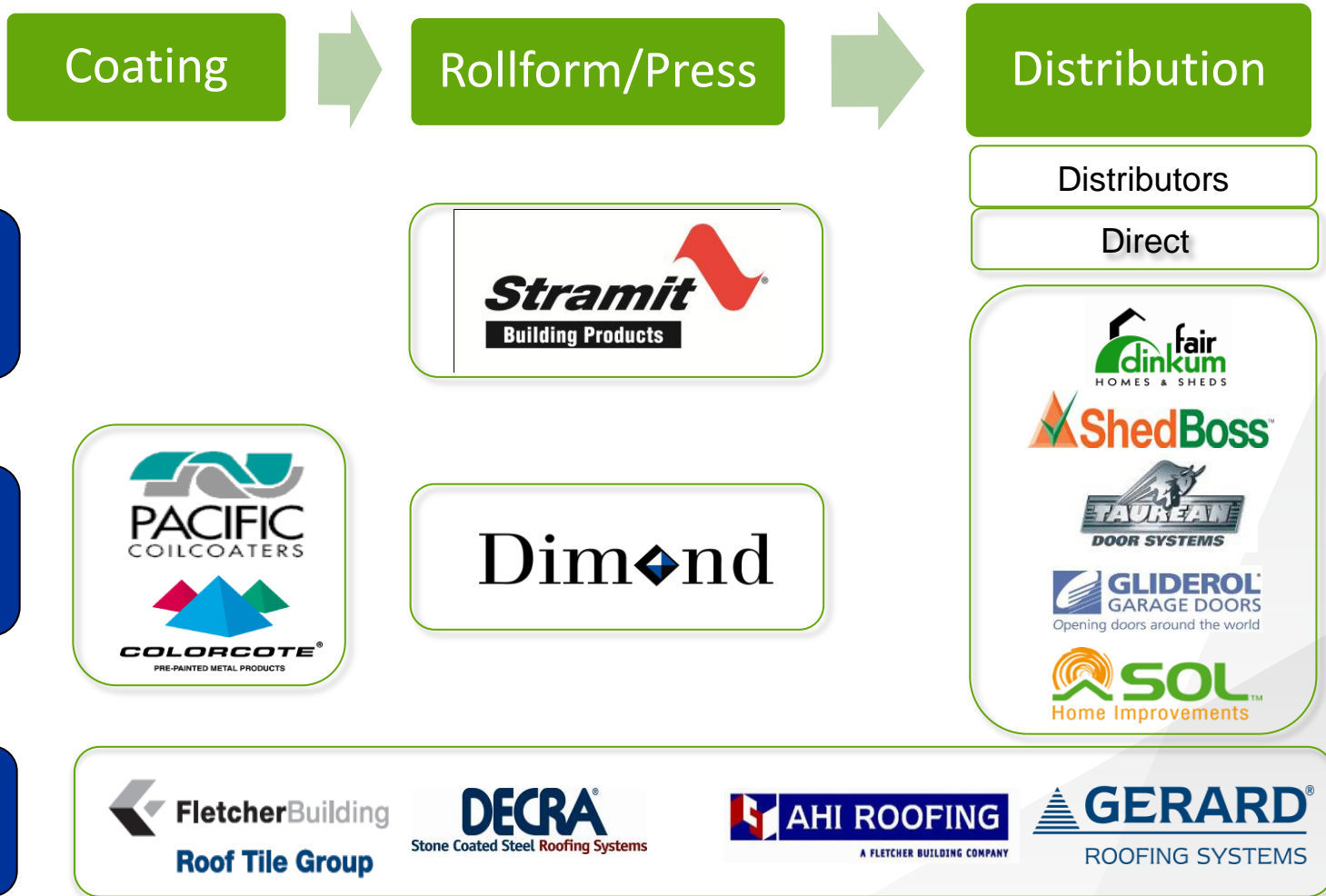


## Sector Exposure





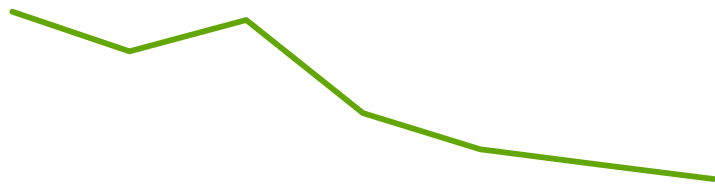
# Coated Steel Value Chain



# Coated Steel - Volumes Pricing

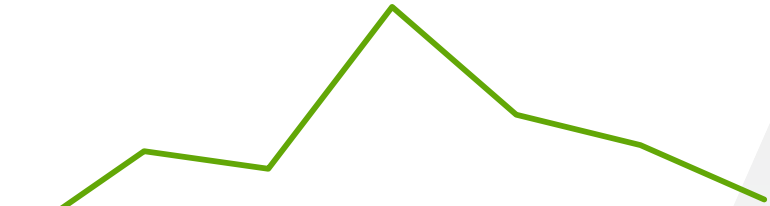
## Stramit

Unpainted Steel Tonnes Sold\*



## Stramit

Real average selling price (2012 prices)\*

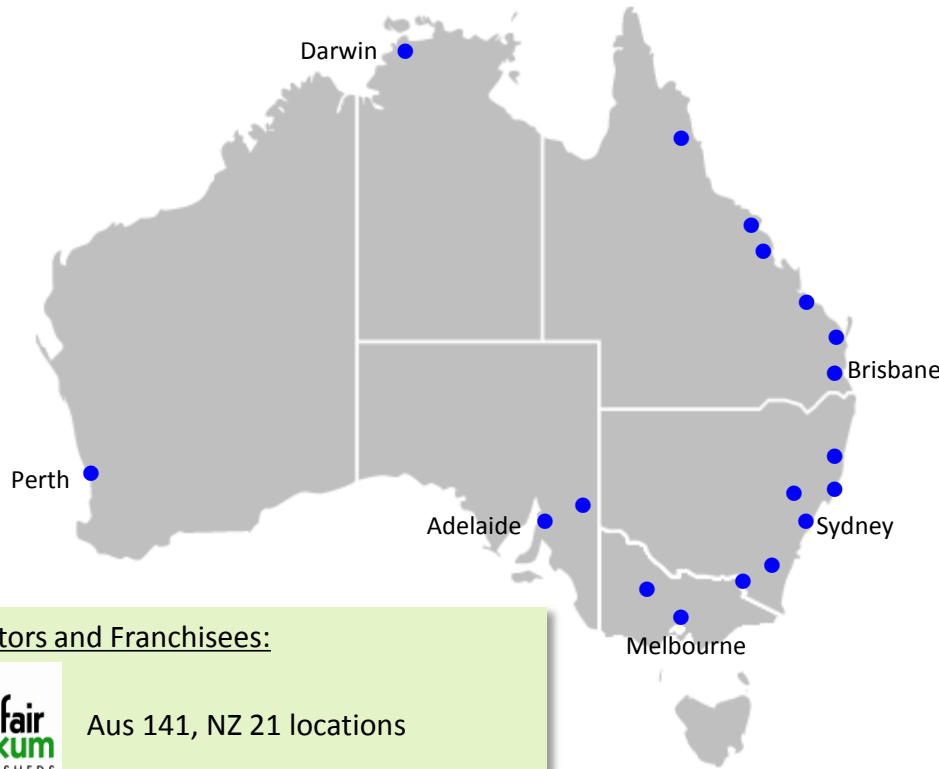


2006 2007 2008 2009 2010 2011 2012

2006 2007 2008 2009 2010 2011 2012

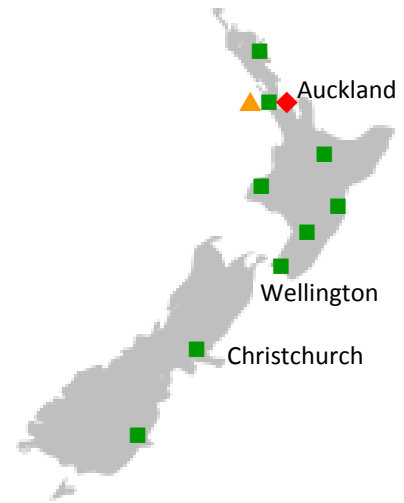


# Coated Steel Distribution Locations



Legend:

- Stramit
- Dimond
- ◆ Pacific CoilCoaters
- ▲ Roof Tile Group & Gerard NZ



Distributors and Franchisees:



Aus 141, NZ 21 locations



Aus 24, NZ 11 locations



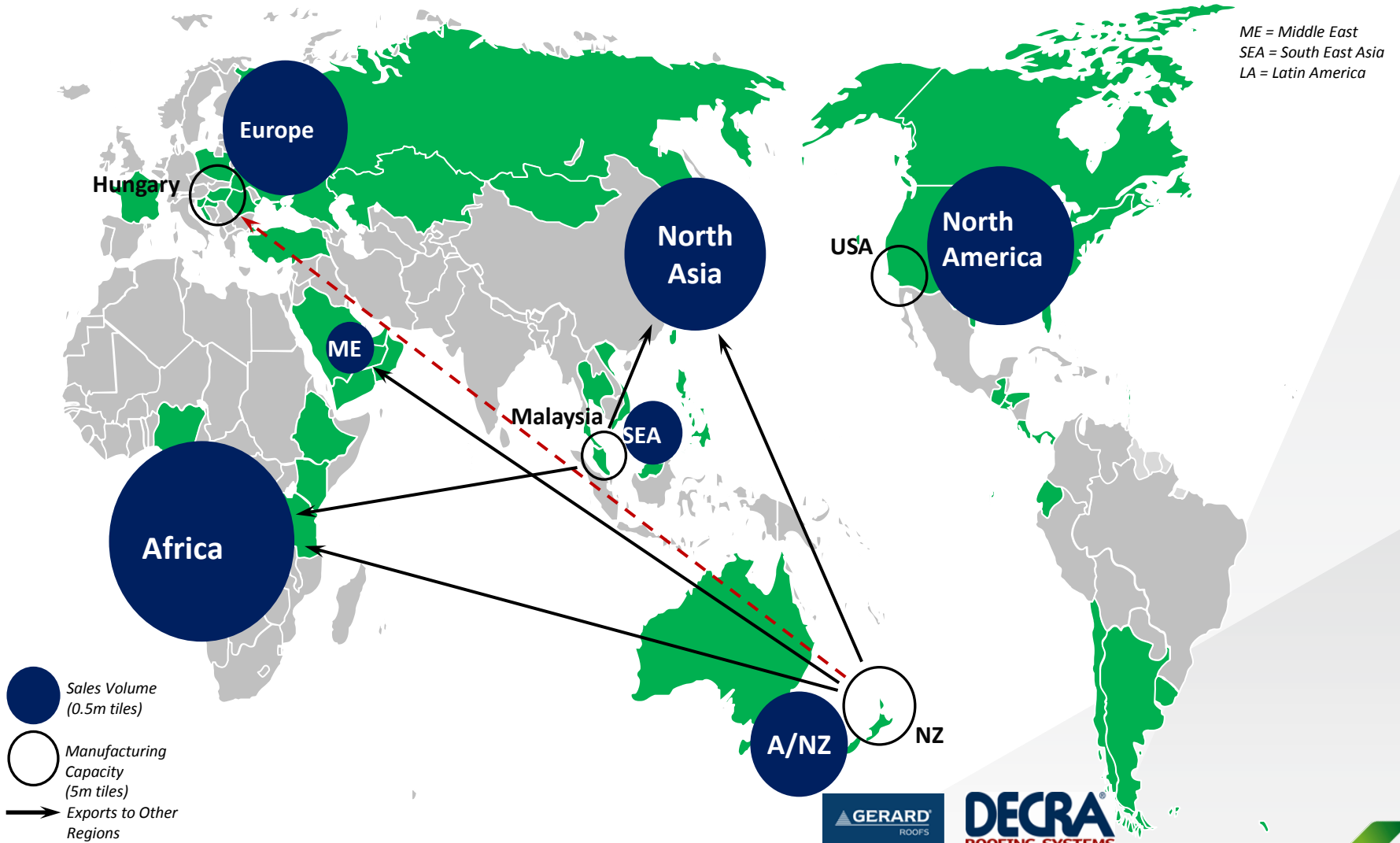
Aus 28 locations



Aus 14, NZ 46 locations



# Roof Tiles Sales Volumes and Manufacturing Locations

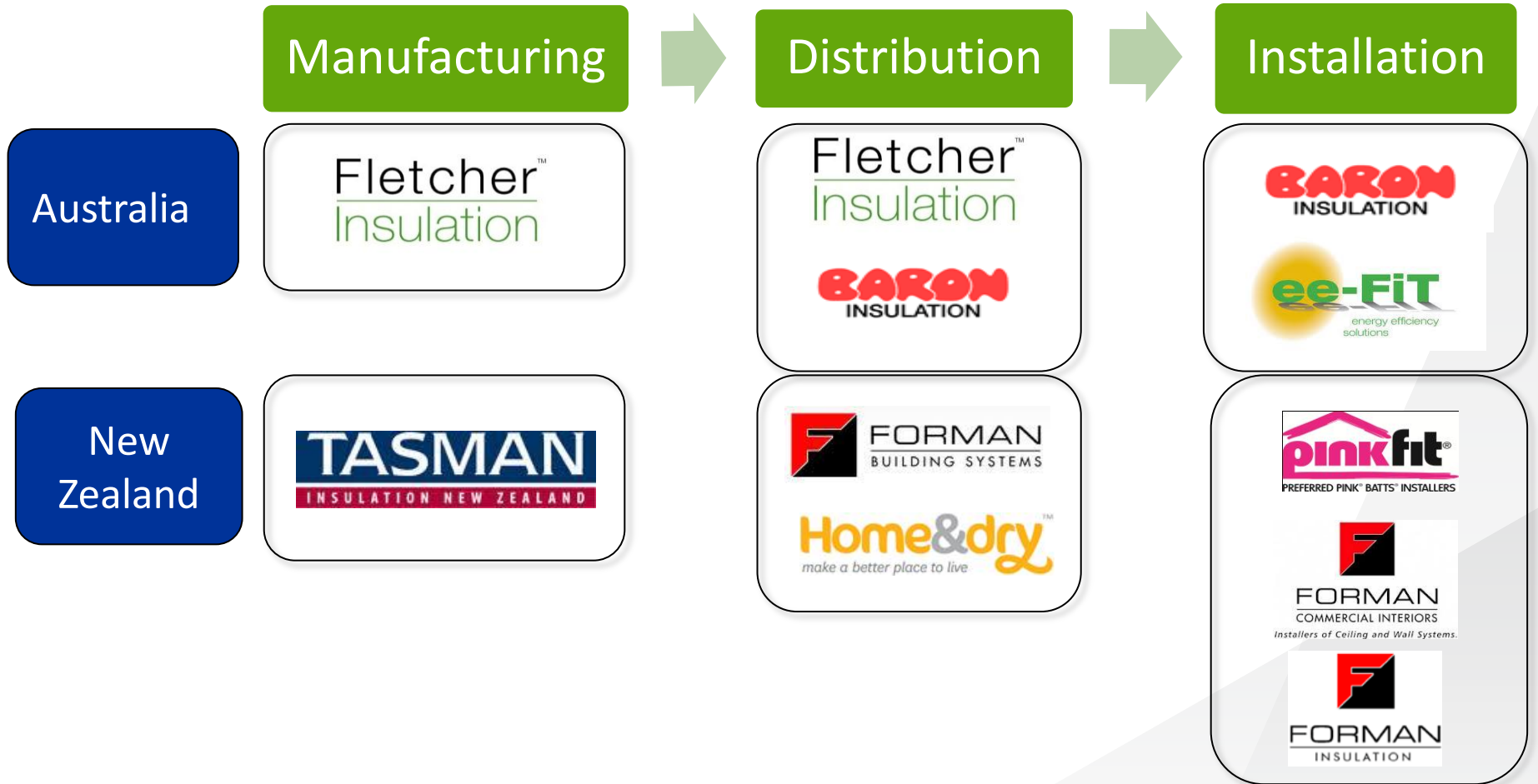


# Growth Opportunities in Coated Steel are Significant

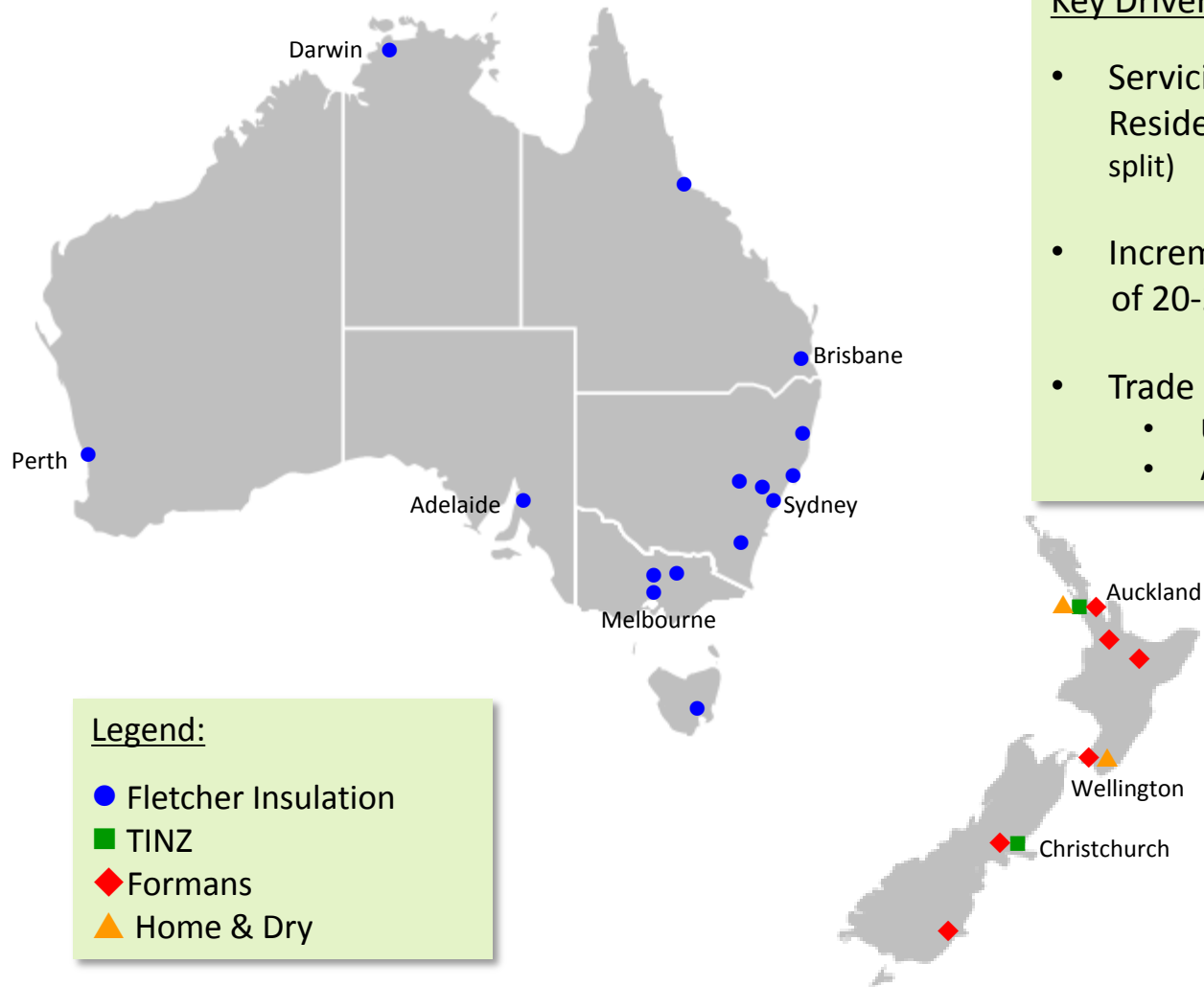
- Insulated panels
- Garage doors
- Pre-engineered buildings, additions and alterations
- Industry consolidation



# Insulation Value Chain



# Insulation Distribution Locations



Legend:

- Fletcher Insulation
- TINZ
- ◆ Formans
- ▲ Home & Dry

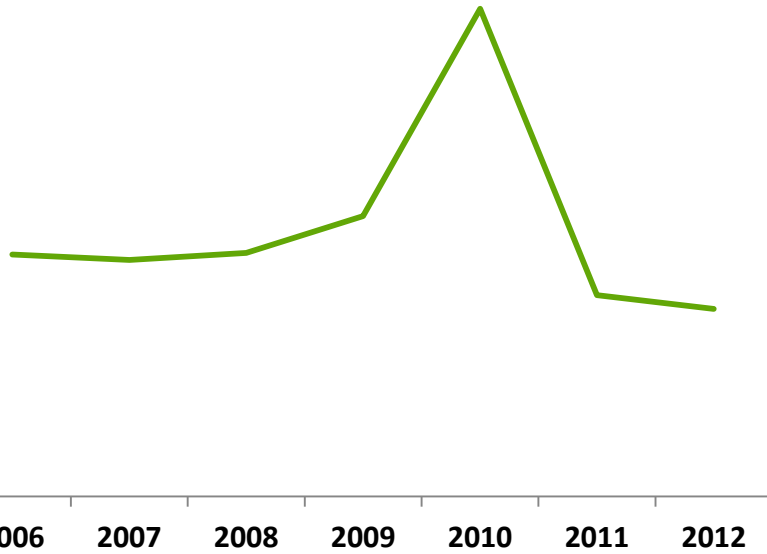
Key Drivers:

- Servicing both Commercial and Residential sectors (approx 50/50% split)
- Incremental flow through of 20-25%
- Trade exposed
  - USD
  - AUD

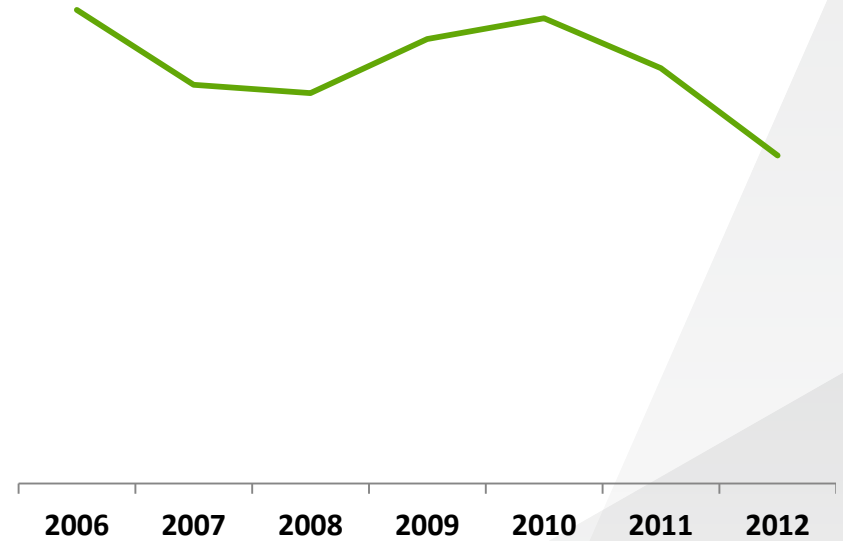


# Insulation – Volume and Pricing

**Fletcher Insulation**  
Pink Batts Tonnes Sold



**Fletcher Insulation**  
Real average selling price (2012 prices)

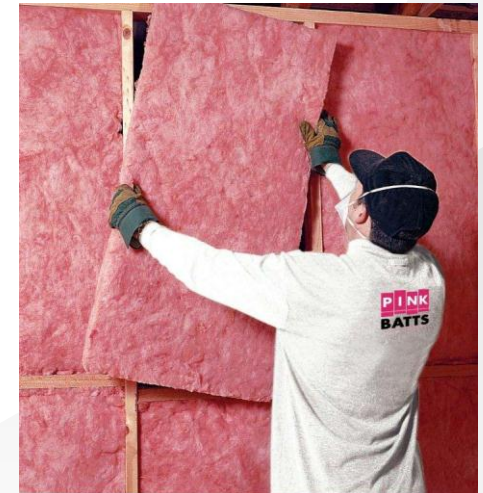




## State of Australian Insulation

- Addressed Fletcher Insulation's falling market share
- Market still depressed
  - Post insulation subsidy
  - High AUD hurting competitiveness
  - Reduced building consents
- Long term confidence in market and business

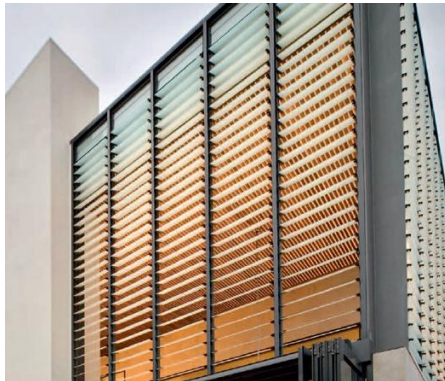
Fletcher<sup>™</sup>  
Insulation



# Other Businesses

## Fletcher Aluminum

No. 2 in New Zealand's market  
Innovative product range  
Scale fabrication investment in Christchurch



## Tasman Sinkware

No. 1 in Australian market  
Australia's only world class sink manufacturer  
Strong brands in premium and mid-range products



# Building Products - Capturing Value

