



Distribution Investor Strategy Presentation

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Disclaimer

The presentation contains not only a review of operations, but also some forward looking statement 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 February 2013 Half 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.



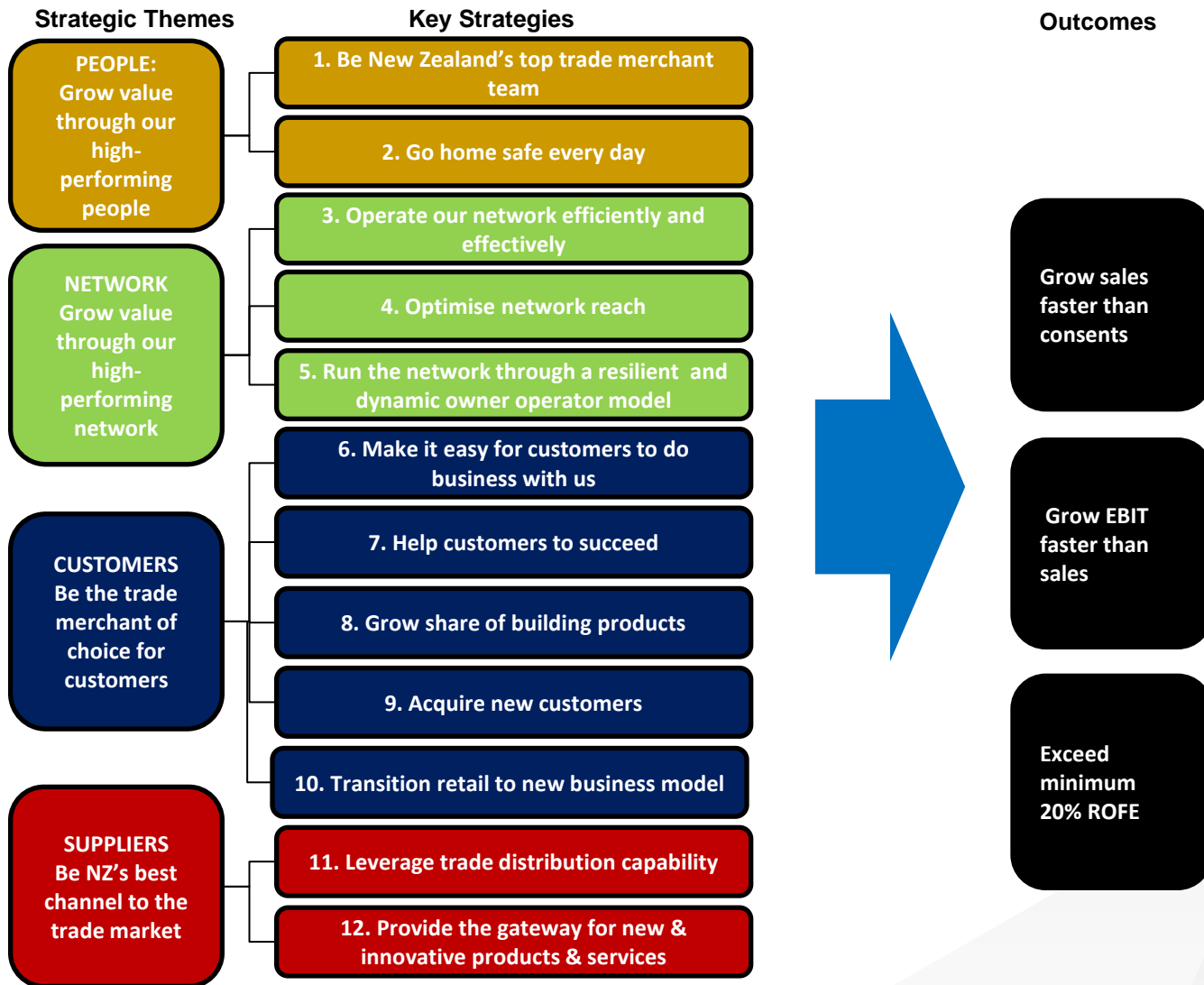
PlaceMakers...

Together we're building New Zealand

WE ARE HERE



PlaceMakers strategic refresh focused on four themes...



We offer our customers value in many different ways



HOW WE CREATE VALUE	Influencing industry standards	QS services	Scale procurement	Brand development	Franchise systems management	Fit for purpose supply chain	In-branch customer service
		Bill of materials	Strategic sourcing	Category management and bundling	Trade branch operations	Delivery chain optimisation	Billing and payments
		Value engineering	Regulatory compliance	Loyalty program	Trade support	Order make-up / dispatch	Customer feedback
		Visual modelling	Risk management	Customer relationship management	Omni-channel	DIFOTIS outcomes	Warranty activation / production certification
		Information management		Job pricing			



Different customer segments have differing needs

CUSTOMER	GROUP HOME	COMMERCIAL	RESIDENTIAL	OTHER TRADE	CASH / RETAIL
SALES MIX	19%	13%	35%	19%	14%
VALUE ADD					
DIFOT					
RANGE / QUALITY					
KNOW HOW					
SERVICE / PARTNERSHIP					
BACK OF HOUSE					

- Value Add: Loyalty, Rewards, Social Events, End User Client Management (technology – guided collaboration tool), installed solutions i.e. roofing
- Range/ Quality: Extensive relevant product choice / knowledge
- Know How: Staff skill set: New to Market Product Knowledge, Code Mark System Knowledge, Regulatory Knowledge
- Service/ Partnership: Lead generation, Business Services and Support (petrol, phone), Account Management, Credible provider for Partnership (Leadership i.e. education)
- Back of House Process: Back office Efficiencies, Remote Debtors, Administration, Technological Efficiencies – Business Integration



PlaceMakers are well placed to extend its offer relative to other merchants...

PLACEMAKERS COMPARED WITH KEY COMPETITORS - TRADE			
KEY ATTRIBUTES	IMPORTANCE	PLACEMAKERS	NZ TRADE MARKET
Value Add Sevices	Med - High	Focus on performance, differentiation and strong loyalty offer	Mixed capability and focus
DIFOT	High	Efficiency in logistics	Fragmented retail / trade crossover
Product Quality and Range	Med - High	Leading trade brands, + 'special orders'	Quality brands / wide offers / sourcing capability
Know How	High	Trade credibility	Merchants have trade know how
Service/ Partnership	High	Strong local relationship within national franchise disciplines	Wide range of outcomes
Digital enablement	High	Rapidly evolving digital platform	Slow industry development

- Strong customer proposition
- Mixed customer proposition
- Poor customer proposition



And those customer needs are changing over time

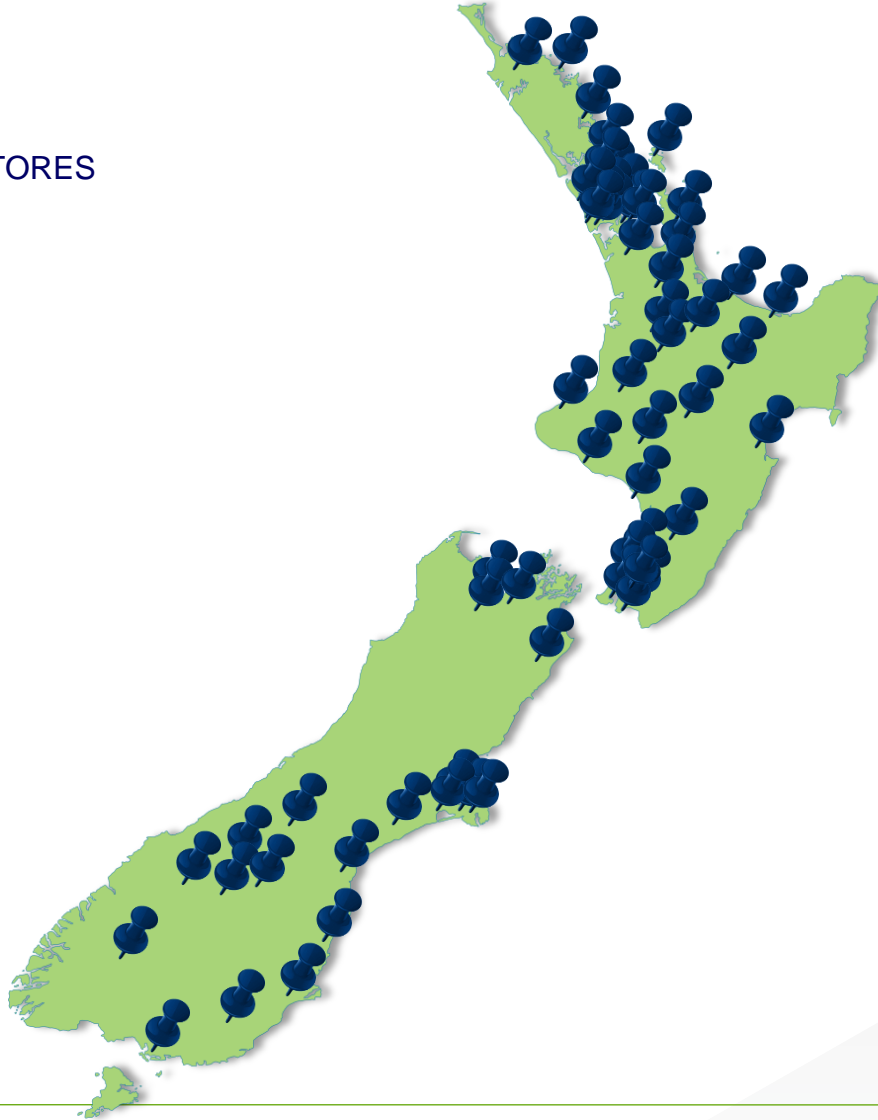
	INSIGHTS FROM LAST TWELVE MONTHS	EXPECTATIONS FOR NEXT FIVE YEARS
Customers	<ul style="list-style-type: none"> • Group builders seek efficient supply chains • SME builders face increasingly complex regulatory hurdle • Skill shortages • Forward housing demand is still weak outside of Auckland and Christchurch • Retail customers continue to migrate away from PlaceMakers 	<ul style="list-style-type: none"> • Growth will be slow, unpredictable and concentrated in main centres • Builders will be forced to evolve skills and want assistance in risk mitigation • SME builders in particular in franchisor type services from merchants • Specialist trades represent a growing segment • Omni-channel demand to increase • Customers will be delocalised from branch • Demographic shift will drive move from DIY shift to DIFM • Growing proportion of buying groups, notably Group builders • Commercial and residential sectors increasingly blurred - driven by multi unit housing, industry regulation and need for affordable housing • Increased Asian supply chain segments driven by intensity of Christchurch and Auckland market • Customer 'retail / trade straddle' not sustainable, but retail merchant practices evolve in trade merchants



Branch Network Overview

Key:

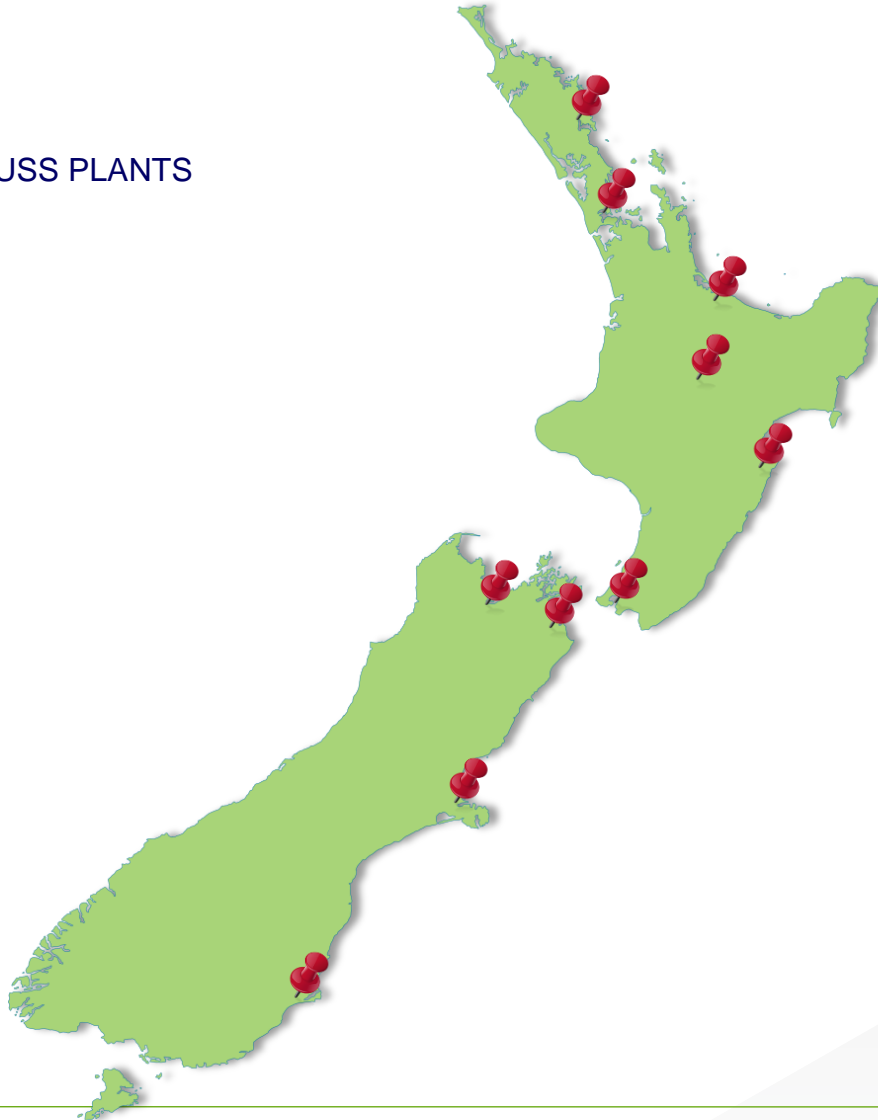
 CURRENT STORES



Current Frame and Truss Plants

Key:

 FRAME & TRUSS PLANTS



Frame & Truss assembly is a critical part of the trade merchant offer



KEY NUMBERS – FY12

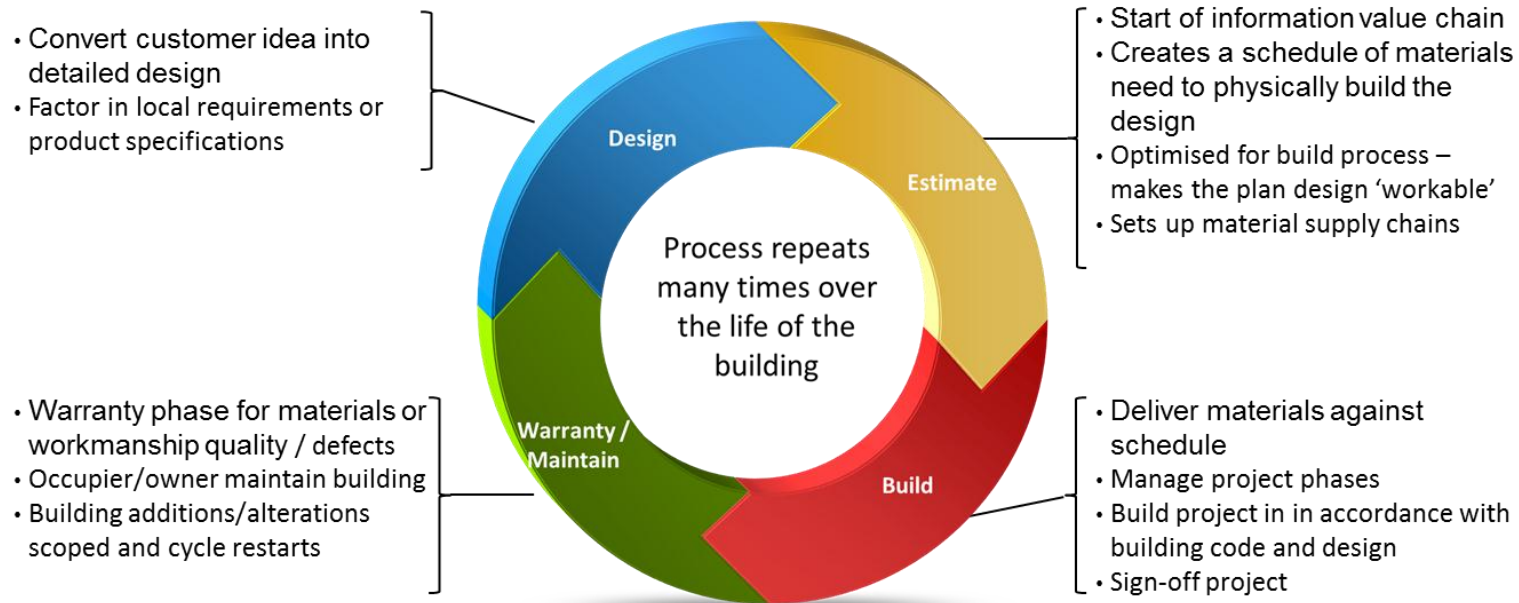
- Annual sales \$50M+
- Plant Numbers 13
- People Employed 200+

BUSINESS SUMMARY

- Significant growth FY13 over FY12
- Custom jobbing shop
- Driven by builder, not specifier led
- Significant touch point in building process
- Highly competitive, fragmented market
- Unique point of difference in the PlaceMakers offer



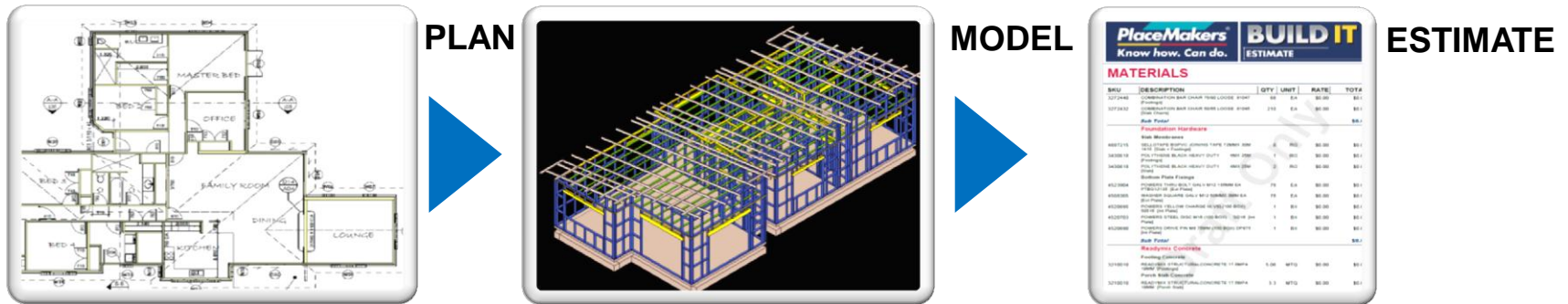
Estimations underpins PlaceMakers Trade Platform Strategy



- Data from the “Take Off” drives the information value chain
- Provides platform for PlaceMakers to serve trade and homeowner / DIY customers multi-channel
- Building products supply chain integration creates optimisation opportunities across Fletcher Building and other materials suppliers
- Centralised capability acquired in January 2013. Being rolled out alongside the “BuildIT” pricing and quoting platform 2HFY13 / 1HFY14. Currently providing services to Dimond



Driving the information value chain with the “Take Off”



UPSTREAM (PRE-BUILD)

PlaceMakers

- Demand signals to drive capacity for efficiency and service
- Demand aggregation for volumetric purchasing
- Share of wallet growth

Supplier

- Demand signals to drive capacity
- Provide sales leads
- Share of wallet growth
- Cutting lists for project-specific detail – lower cost to serve

JOB MANAGEMENT (DURING BUILD)

Builder / Sub-trade

- Materials ordering
- Sub-trades management
- Back costing

PlaceMakers

- Share of wallet growth
- Order and delivery management
- Invoicing and debt management
- Variation management

Suppliers

- Supply scheduling

Regulators / Bank

- Status of build
- Materials supplied

DOWNSTREAM (POST-BUILD)

Homeowner

- Warranty, installation details (e.g. paint)
- Renovation confidence

Supplier

- Warranty, installation details (e.g. paint, producer statements)

PlaceMakers

- Whole of life relationship

Regulators

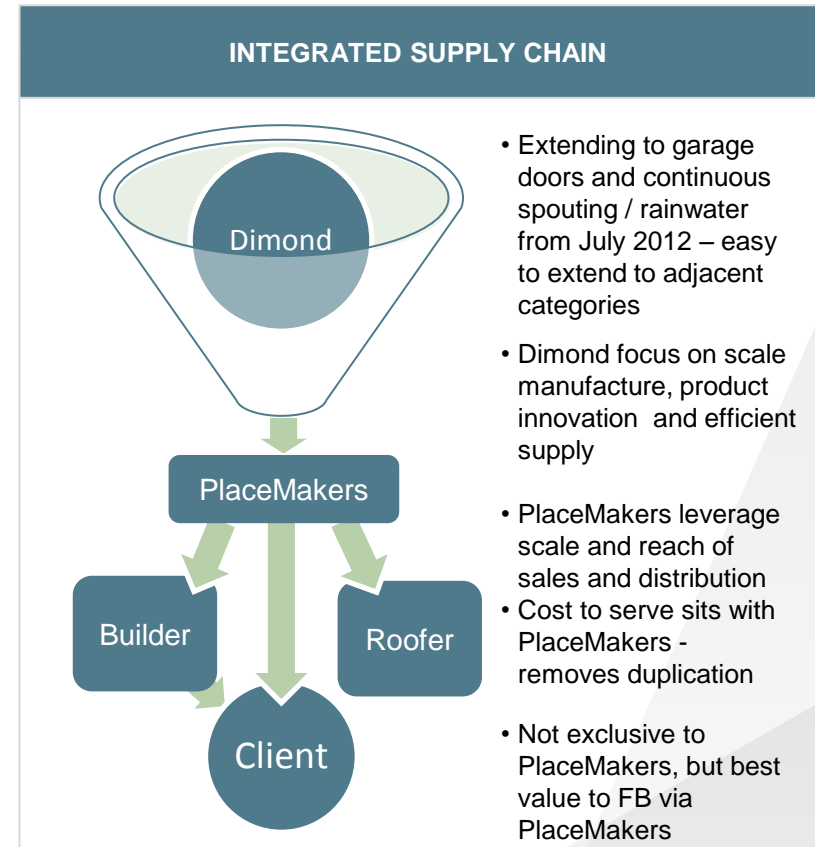
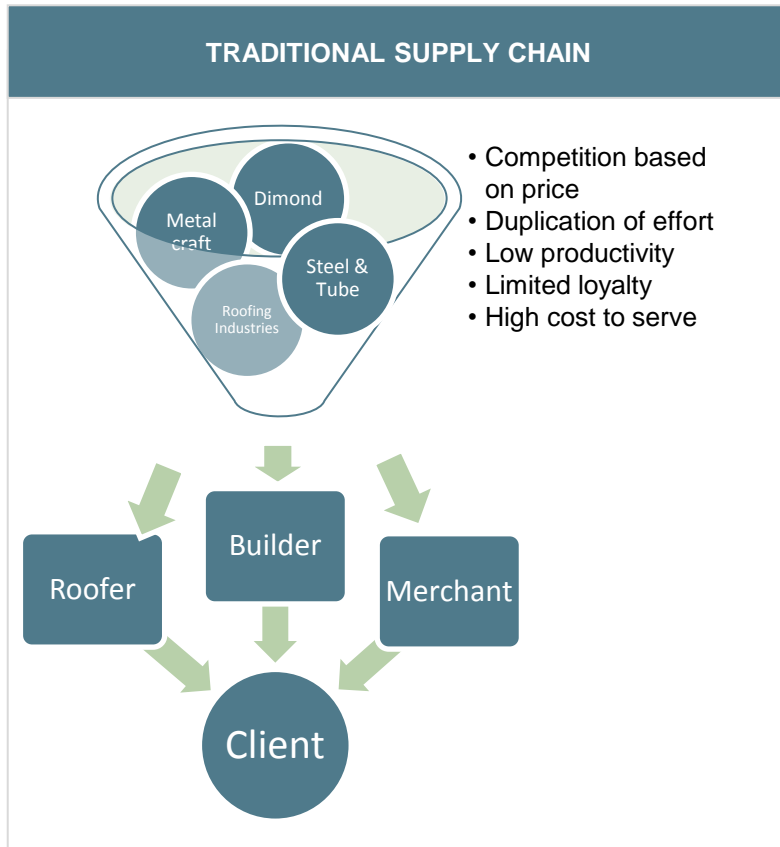
- Building information



Integrate and leverage scale across Fletcher Building Supply Chain



Residential Long Run Roofing Supply Chain



Other Opportunities

- Mico Plumbing – front of wall, back of wall, store within a store
- Concrete Slabs – Firth and Fletcher Reinforcing installed solution
- Roof Tiles Group – extension of Dimond model

- Fletcher Aluminium – doors and windows
- Healthy Home Group – installed home climate systems
- Fletcher Building House – HomeStar, Best Homes



PlaceMakers Technology Overview



The Key Parts of the Trade Platform



PriceIT – Online Quotes and Ordering for PlaceMakers Trade Customers



Next Generation Digital will revolutionise the building process

1. Today, we have good 'point' solutions related to ordering, deliver and internal process management
2. Next generation digital solutions will provide end to end integration (consent to end of building life)



Next Generation Digital will revolutionise the building process



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