



Infrastructure Products Investor Strategy Presentation

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Infrastructure Products**



Disclaimer

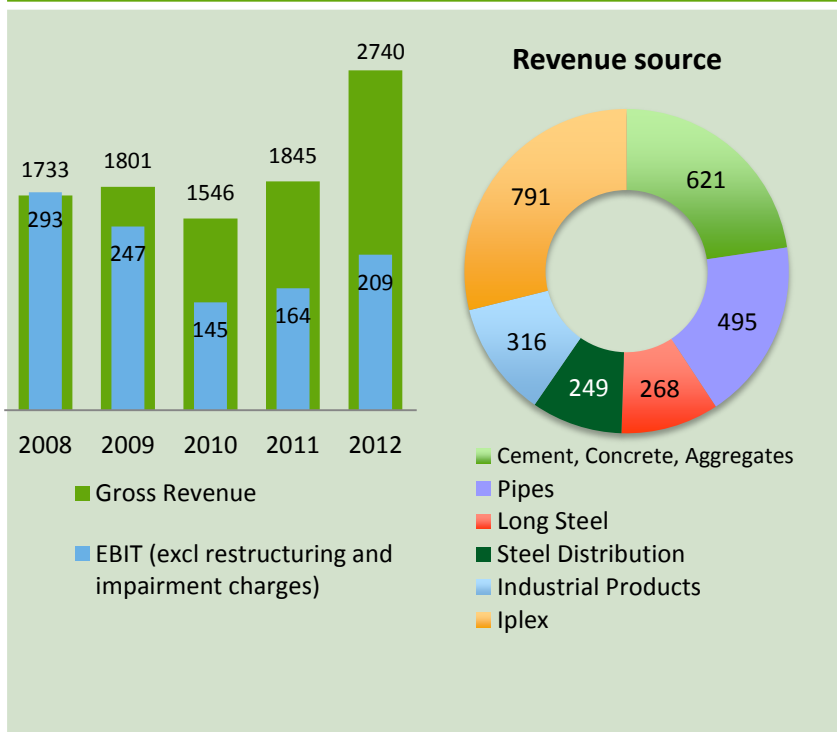
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Infrastructure Products



Summary Financials (NZ\$M)



NZ\$m	June 11 12 mths	June 12 12 mths	% Δ	Dec 12 6 mths
Sales (external)	1,530	2,299	50.3	1,052
EBITDA	241	302	25.3	148
EBIT ¹	164	209	27.4	102
Cement concrete and Aggregates	64	69		31
Pipes	62	61		28
Long Steel & Steel Distribution	24	11		13
Industrial Products	1	8		(1)
Iplex	13	60		31
Funds Employed	1,877	1,998	6.4	1,916
EBIT/sales %	10.7%	9.1%		9.7%
ROFE %	8.7%	10.5%		10.6%

1 – Excluding restructuring and impairment charges



Introducing the Division

Infrastructure Products Division

- Manufacturer, distributor and marketer of heavy construction materials
- Focuses on strengthening and extending core positions in key markets of Australia & NZ and leveraging superior capabilities
- Values and builds upon trusted brands, deep experience and unique heritage

Products

- Product slate includes cement, aggregates, concrete, concrete products including pipe & masonry, plastic pipe, copper tube, long steel and steel distribution
- Products typically used in the early part of the construction cycle

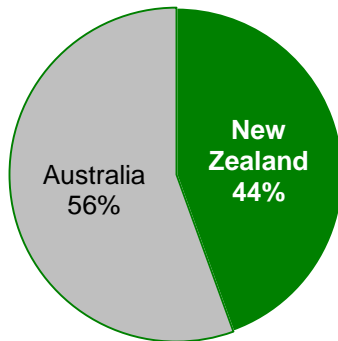


Divisional Overview

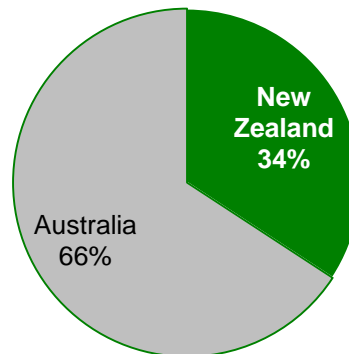
Infrastructure Products

Firth Concrete	Golden Bay Cement	Rocla Quarry & Winstone Aggregates	Rocla & Humes Pipeline Products	Iplex Pipelines	Crane Copper Tube	EasySteel / Reinforcing	SIMS / Pacific Steel & Wire
<ul style="list-style-type: none"> • Ready-mix concrete • Masonry 	<ul style="list-style-type: none"> • Cement 	<ul style="list-style-type: none"> • Sand • Aggregate 	<ul style="list-style-type: none"> • Concrete Pipes • Poles • Sleepers • Barriers 	<ul style="list-style-type: none"> • PE Pipe • PVC Pipe & Fittings 	<ul style="list-style-type: none"> • Copper Tubing 	<ul style="list-style-type: none"> • Distributor of steel • Reinforcing • Wire products 	<ul style="list-style-type: none"> • Scrap steel • Reinforcing steel & wire production

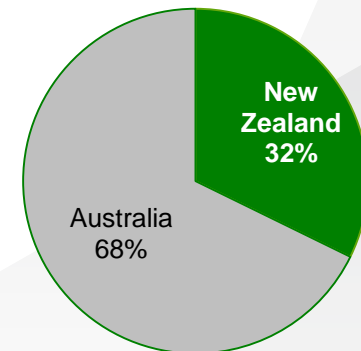
Revenue¹



EBIT¹



General Managers¹
(Controlled by revenue stream)

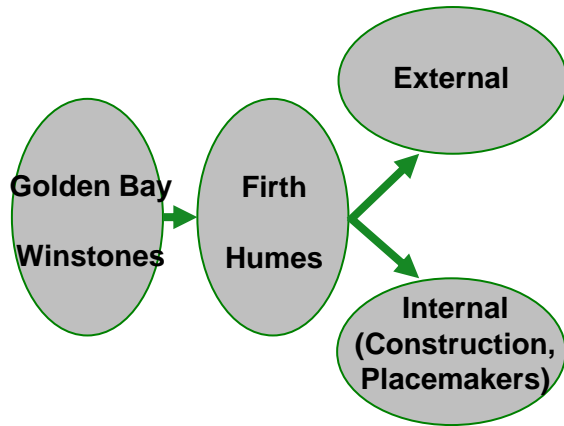


¹ Based on 30 June 2012 results

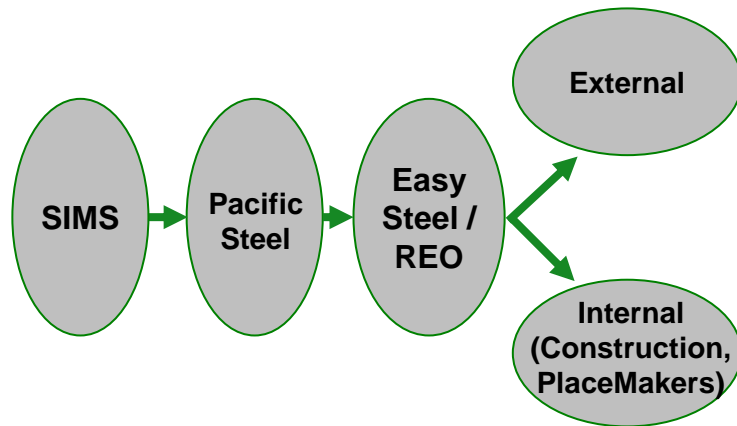


Divisional Value Chains

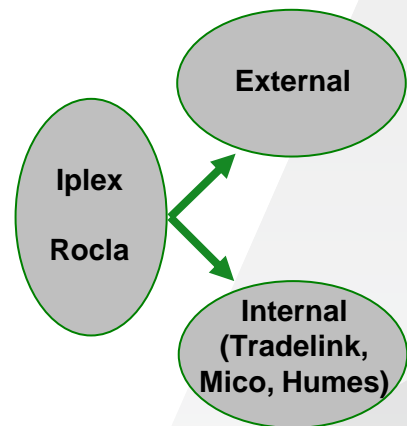
Concrete



Steel



Pipelines



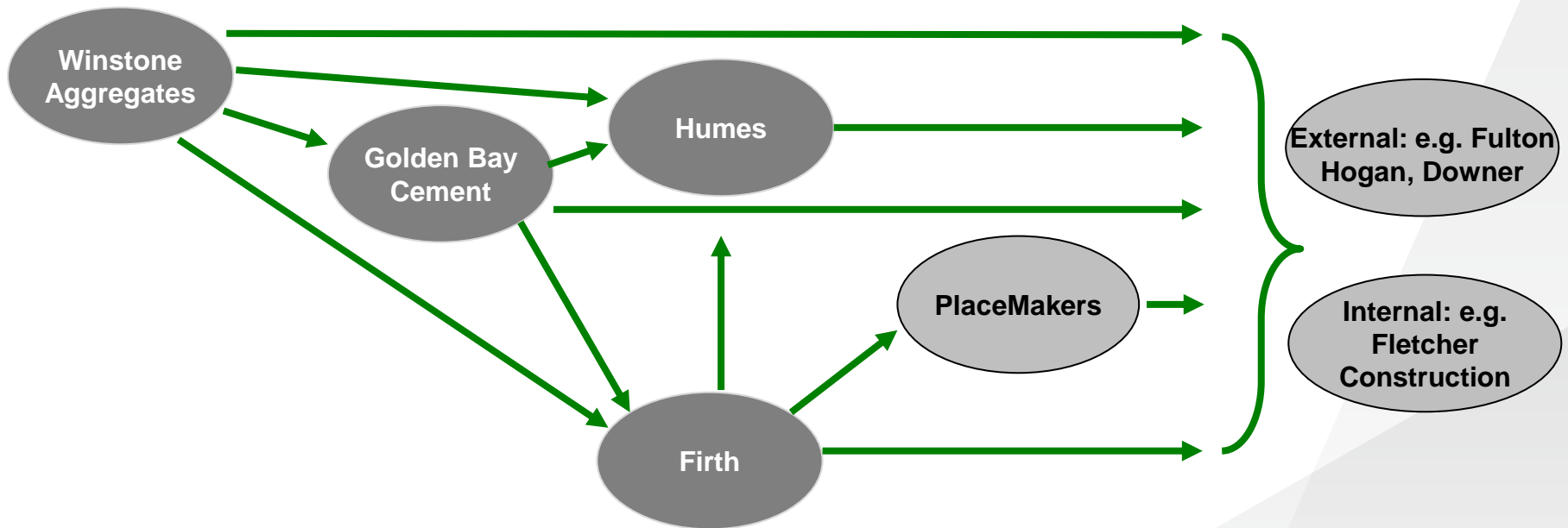
Concrete NZ Value Chain

Construction Materials

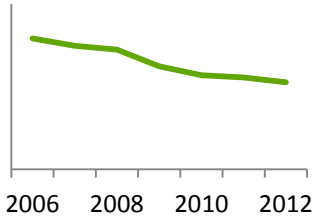
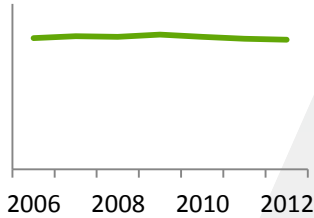
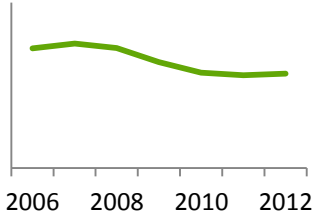
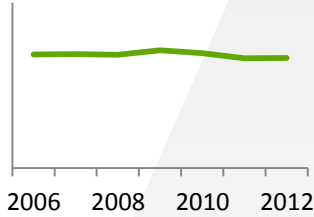
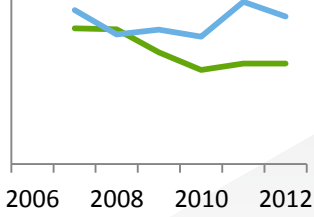
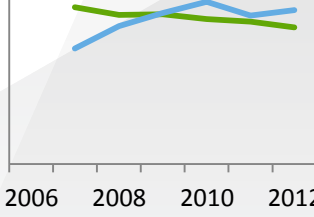
Manufactured Building Materials

Product Distribution

End Users



Concrete NZ Value Chain Overview

Business unit	Key facts	Volumes	Price (NZD Real 2012)
<p>GBC – New Zealand’s largest cement manufacturer located in Portland, Whangarei</p>	<ul style="list-style-type: none"> Capacity 920,000 tonnes (North Island 70% of market) 6 marine terminals 		
<p>Firth – New Zealand’s largest ready-mixed concrete company, concrete masonry & premixed mortar manufacturer</p>	<ul style="list-style-type: none"> 78 sites 320 ready-mixed concrete trucks 		
<p>Aggregates – largest independent sand producer in Australia; major hard rock producer in New Zealand</p>	<ul style="list-style-type: none"> Australia 20 sand quarries New Zealand <ul style="list-style-type: none"> 16 quarries 3 cleanfill operations Transport operation 		



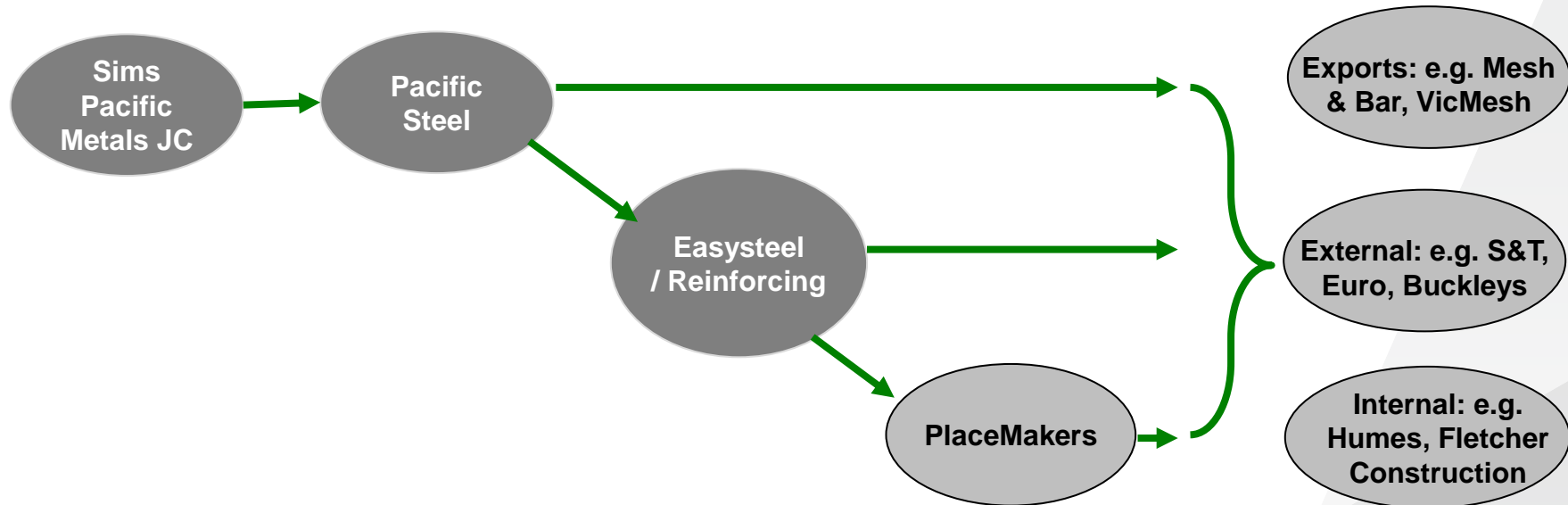
Steel NZ Value Chain

Construction Materials

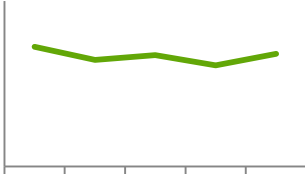
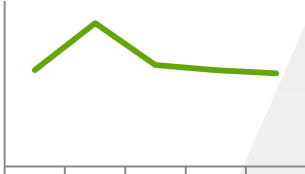
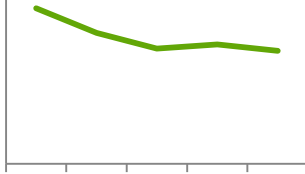
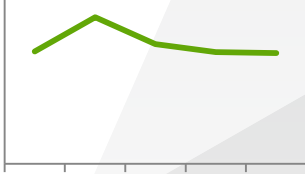
Manufactured Building Materials

Product Distribution

End Users



Steel NZ Value Chain Overview

Business unit	Key facts	Volumes	Price (NZD Real 2012)
<p>Pacsteel – NZ's only steel reinforcing manufacturer</p>	<ul style="list-style-type: none"> • Only producer of SEISMIC reinforcing bars, coil and ductile mesh feed • Extremely low embodied carbon 	 <p>2008 2009 2010 2011 2012</p>	 <p>2008 2009 2010 2011 2012</p>
<p>Steel Distribution – major distributor, processor and fabricator of a range of steel, steel reinforcing and wire products</p>	<ul style="list-style-type: none"> • 13 locations with 2 sales offices 	 <p>2008 2009 2010 2011 2012</p>	 <p>2008 2009 2010 2011 2012</p>

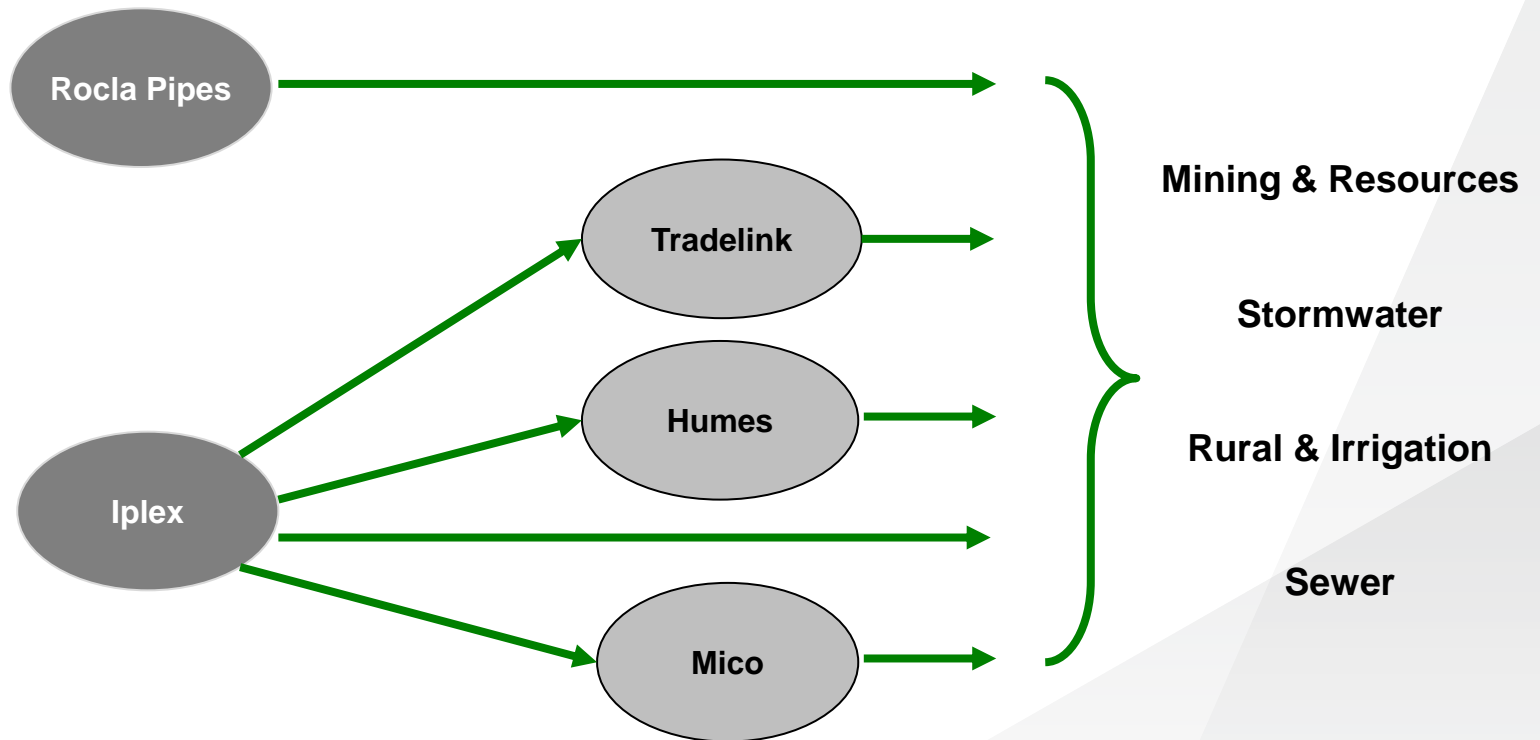


Pipelines AU & NZ Value Chains

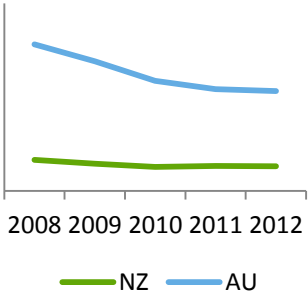
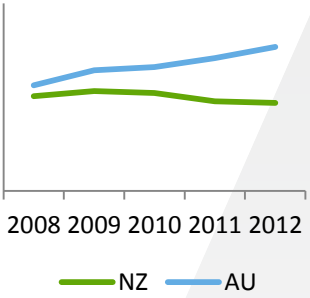
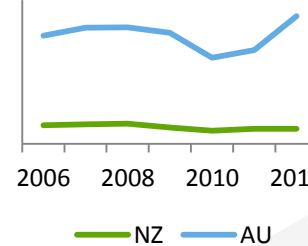
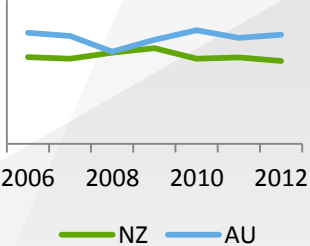
Manufactured Building Materials

Product Distribution

End Uses



Pipelines AU & NZ Value Chains Overview

Business unit	Key facts	Volume	Price (NZD Real 2012)
<p>Concrete Pipes and Products – four integrated businesses across AU & NZ - Pipes, Poles, Sleepers & Structures and Barrier Systems</p>	<ul style="list-style-type: none"> Leading manufacturer and supplier of engineered infrastructure products including concrete pipe and related precast, utility poles, rail sleepers and arches and road safety barrier systems 	 <p>2008 2009 2010 2011 2012</p> <p>— NZ — AU</p>	 <p>2008 2009 2010 2011 2012</p> <p>— NZ — AU</p>
<p>Iplex – plastic pipe manufacturer in NZ and AU</p>	<ul style="list-style-type: none"> 5 PVC and 5 PE plastic pipe factories in AU 2 PE/PVC factories in New Zealand 	 <p>2006 2008 2010 2012</p> <p>— NZ — AU</p>	 <p>2006 2008 2010 2012</p> <p>— NZ — AU</p>



Infrastructure Products - Capturing Value

Divisional Levels

Group Levels

Value Chain Drivers

- Leveraging scale to drive utilisation and efficiencies
- Innovation and enhanced leading value propositions
- Disciplined cost management; continuous focus on offsetting inflation
- Deep functional capability – sales and operations management; supply chain optimization

Market Opportunities

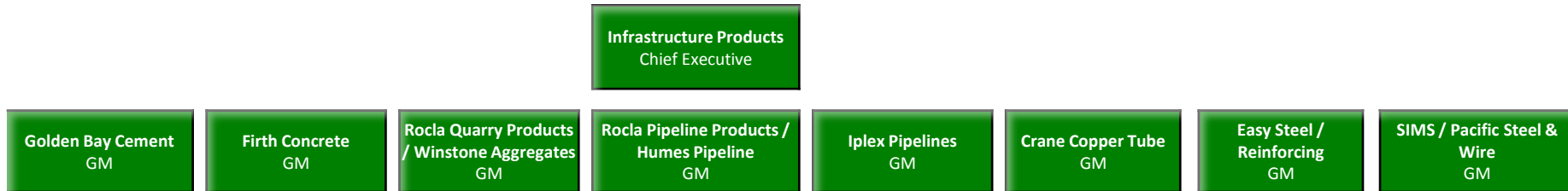
- Opportunities to grow share in vertical chains
- Christchurch rebuild and NZ construction
- Potential for acquisition of adjacent businesses

FB Unite



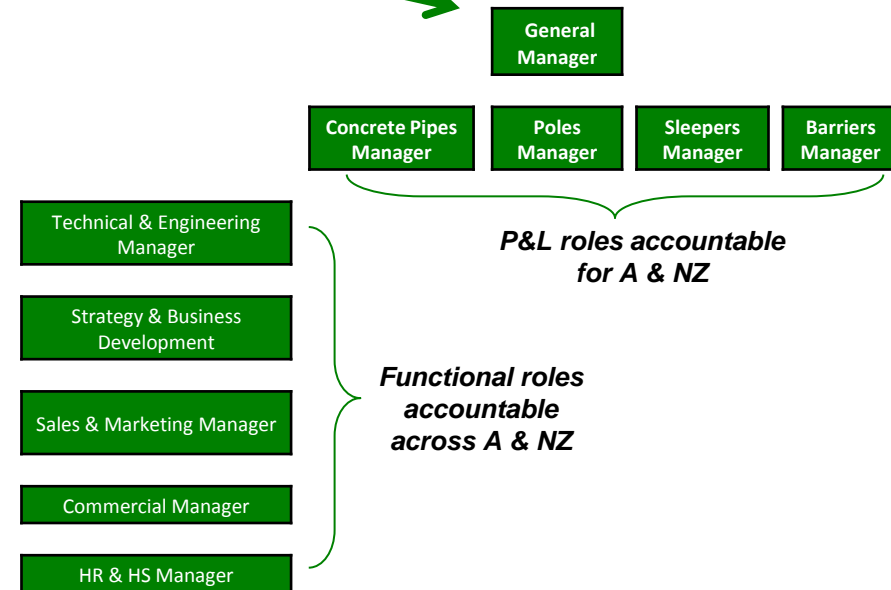
Infrastructure Products – Building Capability

Reorganized Division into logical BU's yielding \$4m EBIT and highlighted several important themes e.g. GM roles >\$200m, multi geography roles where common industry segments



Structure better utilizes Group & Divisional scale while unlocking benefits of decentralized model

- More purposeful P&L roles owning narrower but deeper A/NZ segments e.g. business segment P&L Mgrs
- Strong functional guidance through common BU A/NZ functional roles e.g. technical support, marketing
- Increased career opportunities for talent



Infrastructure Products – Key Priorities

- Capture market growth
- Disciplined cost management
- Closer customer relationships
- Capital spend below depreciation

