



CONCRETE ANALYST'S PRESENTATION

31 May 2012

Mark Malpass

Chief Executive of Concrete Division

Disclaimer

This presentation contains not only a review of operations, but also some forward looking statements 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 2012 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.



Agenda

Division result

Business unit overviews

Key strategic issues



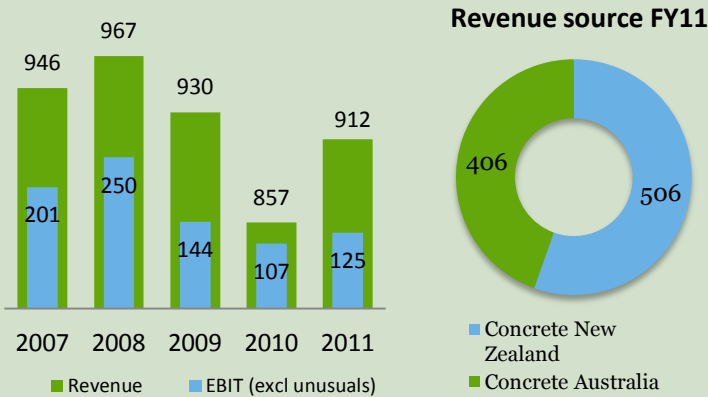
Concrete Division



Division Overview

The Concrete division consists of a vertically integrated concrete business in New Zealand and concrete products businesses in Australia.

Summary Financials (NZ\$M)



Key Brands



Business Description

Firth (NZ)

NZ's leading national concrete company supplying readymix and masonry products throughout the country.

Winstone Aggregates (NZ)

NZ's largest cement manufacturer and distributor of aggregates and sand to roading, readymix concrete and concrete product industries, and other building and civil engineering customers.

Humes (NZ)

NZ's leading supplier of manufactured concrete infrastructure products to civil contractors, developers, local governments and other authorities.

Golden Bay Cement (NZ)

NZ's largest cement manufacturer for readymix producers, concrete product manufacturers, building materials distributors, paving and construction contractors, and other major users

Rocla Pipelines (AUS)

Leading Australian supplier of manufactured concrete infrastructure products to civil contractors, developers, local governments and other authorities.

Rocla Quarry (AUS)

Construction sands manufacturer supplying sands to the building & construction industries throughout Australia.



Concrete Results

NZ\$m	Dec 2011 6 months	Dec 2010 6 months	%r
Sales	468	442	+6
EBITDA			
•Concrete NZ	47	51	-8
•Concrete Aust.	44	36	+22
Total EBITDA	91	87	+5
EBIT	60	57	+5
Funds Employed	1052	1027	
EBITDA/sales %	19.4	19.7	
EBIT/sales %	12.8	12.9	
ROFE %	11.4	11.1	

NZ Concrete

Volume declines in cement, aggregates and masonry reflecting weaker construction markets

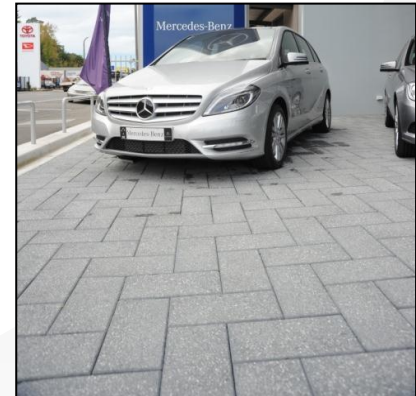
Ongoing cost out programme helped offset volume declines

Australia Concrete

Strong first half results through a focus on product pricing and operational enhancements



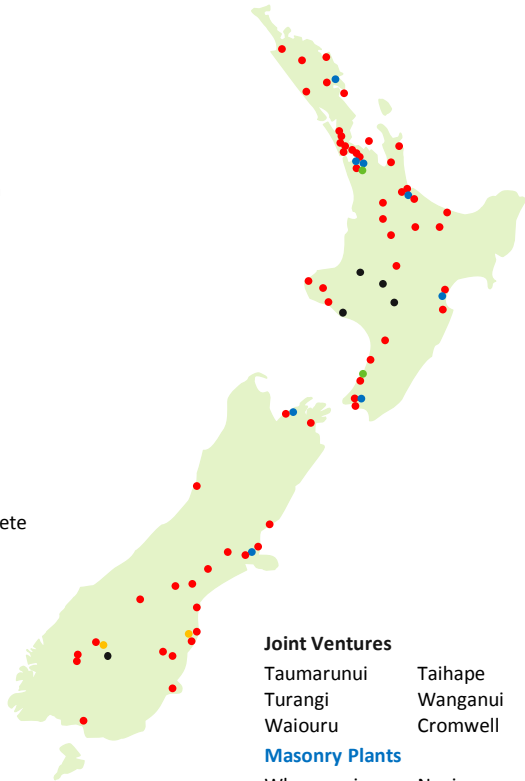
Firth Industries



Firth Industries

Certified Plants

- | | |
|-------------------|---------------------|
| Kaitia | Taupo |
| Puketona Junction | Awatoto |
| Russell | Hastings |
| Whangarei | New Plymouth |
| Dargaville | Stratford |
| Marsden Point | Hawera |
| Matakana | Palmerston North |
| Wesltsford | Otaki |
| Mangawhai | Kapiti |
| Silverdale | Belmont |
| Albany | Aotea Quay |
| Henderson | Nelson |
| Hamer Street | Blenheim |
| East Tamaki | Greymouth |
| Leonard | Stockton |
| Road | Hamner Springs |
| Waiheke Island | Amberly |
| Pukekohe | Darfield |
| Takanini | Hornby |
| Auckland Airport | Canterbury Concrete |
| Thames | Ashburton |
| Whitianga | Geraldine |
| Whangamata | Fairlie |
| Waihi | Timaru |
| Katikati | Twizel |
| Mt Maunganui | Hildethorpe |
| Te Puke | Oamaru |
| Whakatane | McRaes Mine |
| Te Awamutu | Palmerston |
| Te Rapa | Dunedin |
| Rotorua | Queenstown |
| Kawerau | Wanaka |
| Tokoroa | Edendale |
| | Invercargill |



Joint Ventures

- | | |
|------------|----------|
| Taumarunui | Taihape |
| Turangi | Wanganui |
| Waiouru | Cromwell |

Masonry Plants

- | | |
|--------------|--------------|
| Whangarei | Napier |
| Drury | Belmont |
| East Tamaki | Nelson |
| Mt Maunganui | Christchurch |

Oamaru Shingle Supplies

- | | |
|-------------|-------------------|
| Hildethorpe | Parkburn Cromwell |
|-------------|-------------------|

Dricon Plants

- | | |
|--------|----------|
| Tuakau | Waikanae |
|--------|----------|

NZ's largest ready mix producer

66 plants (including 6 unmanned)

30%+ market share

6 Joint Venture plants (all 50% share except one at 32.5%)

New state of art Central Mix plant opening in Te Rapa May 2012

NZ's largest masonry manufacturer

8 plants owned

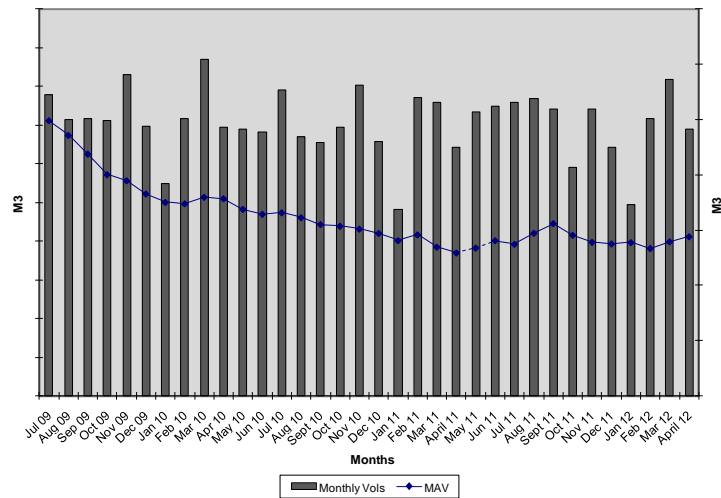
50% JV with 2 plants

Employ 565 people (down from 675 in 2008)



Firth Industries - Readymix

Certified volumes and MAV



Volume is the issue in most markets excluding Christchurch

Readymix footprint review to result in several plant closures, relocation or capacity sharing agreement

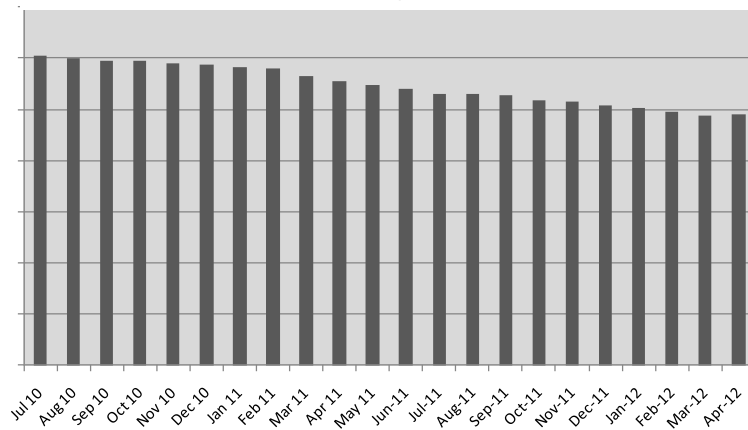
Masonry market decline

Christchurch residential market stagnated pending rebuild decisions

Masonry cost per tonne down 4% over past 3 years, excluding raw materials costs

Northern plants being reviewed

Masonry Volumes



Winstone Aggregates - Overview



Contact Us:

Revenue Support Office
822 Great South Road, Penrose
Auckland
P: (09) 295 9904 F: (09) 295 9373

Customer Services / Transport
68 Hanna Road, Penrose
P: (09) 295 1000 F: (09) 295 1001

Alport Road Sand Plant
106 Alport Road, State Highway 21
Bullhita
P: (07) 843 9344 F: (07) 843 9345

Amberley Sand Plant
Amberley Beach Road, Amberley
Christchurch
P: (03) 314 9127 F: (03) 314 8908

Awarakei Shingle Plant
Maki Road, Awarakei, Napier
P: (06) 835 8474 F: (06) 835 4479

Belmont Quarry
Hobden Crescent, Belmont
Lower Hutt, Wellington
P: (04) 565 1655 F: (04) 565 1655

Cambernet Hardrock & Pacific Pumice
2566 Old Coach Road, R.D. 6
Clarendon, Te Pahi 3246
P: (07) 533 3967 F: (07) 533 3962

Dry Creek Cement
Howards Hill Rd, Howards
Wellington
P: (04) 953 7074 F: (04) 955 1555

Flat Top Quarry
Haturu Road, R.D. 3, Kaitiaki
P: (09) 420 9545 F: (09) 420 9550

Hastings Disposal/Reuse Centre
1438 Omaha Road, Hastings
P: (06) 879 6908 F: (06) 879 6950

Helesville Sand Plant
20 Salsyard Street, Helesville
P: (09) 420 7299 F: (09) 420 7509

Huma Quarry
Huma Gorge Road, Huma Papakura
P: (09) 429 5700 F: (09) 399 3244

Otaika Quarry
State Highway 1, Otaika, Whangarei
P: (09) 430 4400 F: (09) 430 4072

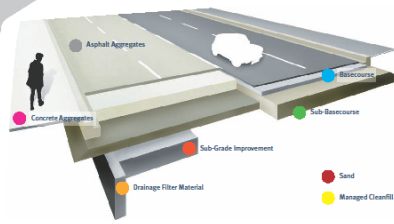
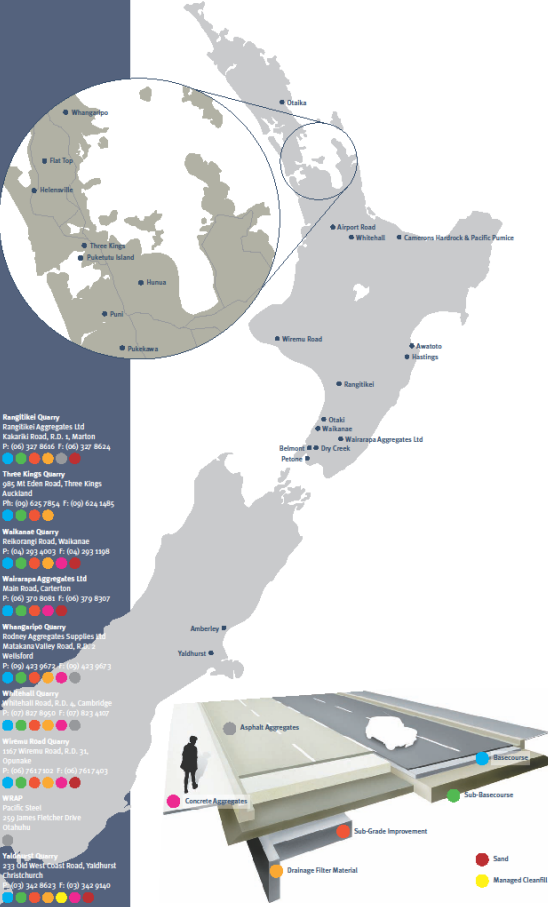
Otaki Quarry
Mata Road, Otaki
P: (06) 346 8032 F: (06) 346 8005

Pelton Sand Plant
Marine Parade, Pelton, Lower Hutt
P: (04) 568 7792 F: (04) 570 9400

Puketapu Quarry
Smeades Quarry Rd, Puketapu
P: (09) 295 1000 F: (09) 295 1001

Puketapu Island Quarry
Island Road, Puketapu, Auckland
P: (09) 295 5400 F: (09) 295 5360

Puni Sand Plant
Elbow Road, Puni, R.D. 3, Puketapu
P: (09) 298 6001 F: (09) 738 8949



NZ's largest quarry operator

19 hardrock operations (incl JV)

Four sand operations

Four cleanfill sites

NZ's largest licensed cleanfill operator

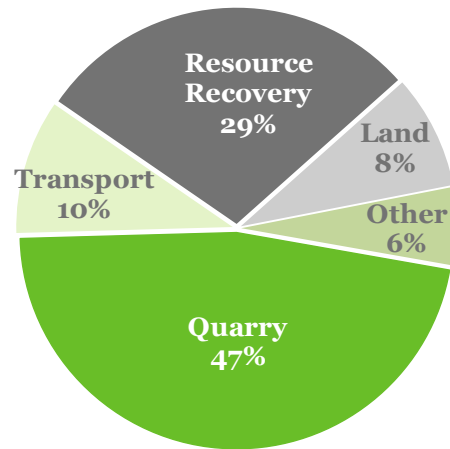
A bulk transport operator with 66 units in service including 12 bulk cement tankers leveraging off group company needs

Employs 291 people nationally



Winstone Aggregates - Quarry

FY11 EBIT Breakdown



FY2011 volumes 28% off the top of the cycle

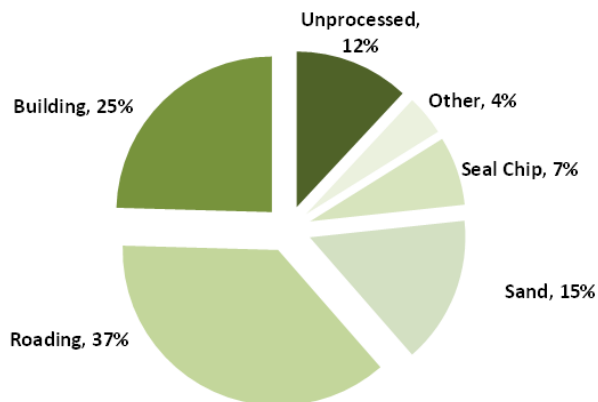
Resource Recovery/Cleanfill diversification delivering ahead of budget

Average selling price reset underway

Costs controlled with lean operating practices

Christchurch rebuild a significant play, along with Waterview work commencing

FY2011 Quarry Sales Volume



Winstone Aggregates – Quarry End Use



Wiri

43ha (net) industrial zoned land on two sites

Development and Sales commenced with 4 hectares to Kiwirail

Three Kings

15ha future commercial, residential

Filling commenced April 12

Discussions continue on releasing value of land prior to completion of filling

Pokeno

16ha industrial zoned land

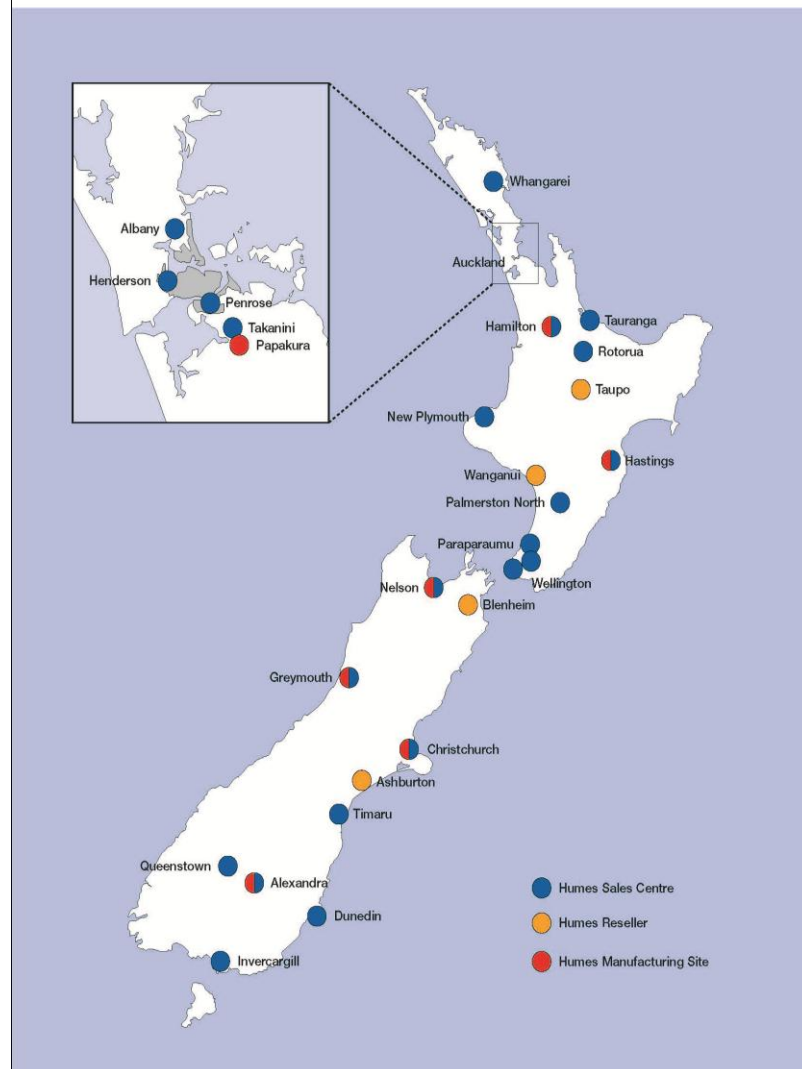
Ready to develop

Creating saleable titles by boundary adjustment

Interest has grown in FY12



Humes Concrete Pipe & Precast - Overview



NZ's largest pipeline systems company

22 sales centres

NZ's largest concrete pipe manufacturer

Four pipe manufacturing plants

New vibration technology plants at Papakura (Auckland) & Rolleston (Christchurch)

Large concrete product manufacturer

7 precast manufacturing plants

- Drainage products
- Rural product
- Box culverts
- Access pits

Significant manufacturer of concrete wastewater treatment systems

Large plastic pipe, valve, fittings and streetware distributor

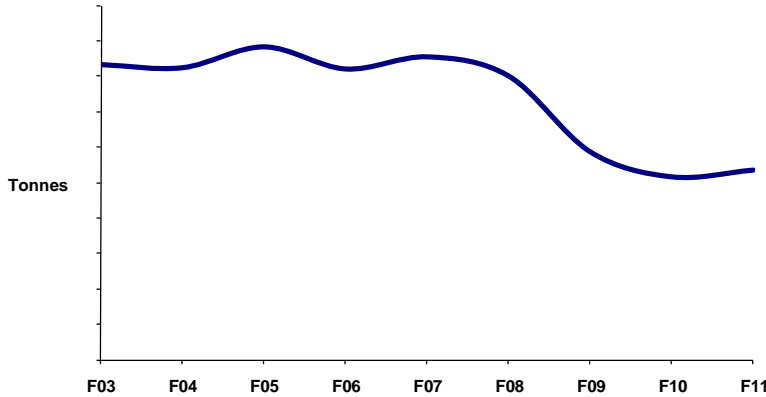
NZ's leading supplier of roading envelope hardware including safety barriers & lighting poles

Employs 365 people nationally



Humes - Pipe

Concrete pipe sales volumes

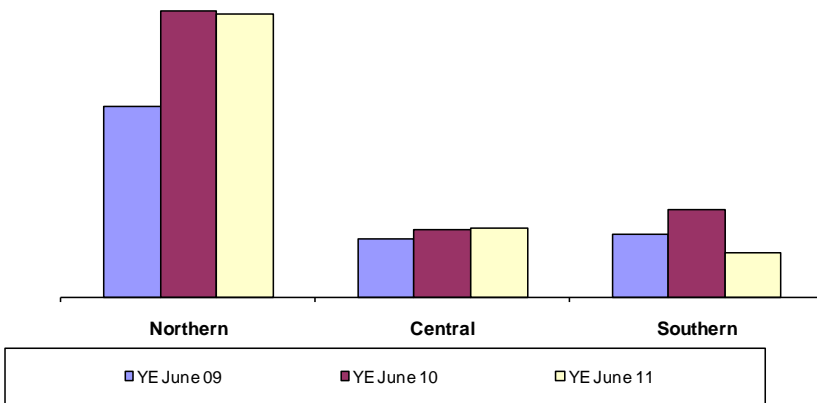


F09 saw dramatic decline in pipe market and sales volumes

Quoting volumes increased by 32% in FY10 and then fell 10% in FY11

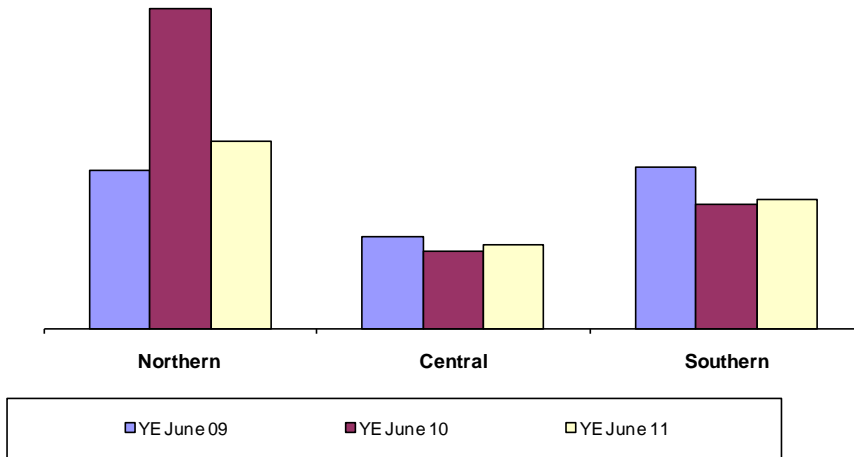
Assessed market share has remained stable and was around 52% in FY11

Concrete pipe quoted tonnes



Humes - Precast

Concrete precast quoted tonnes



Source : Humes & Pipeline Systems

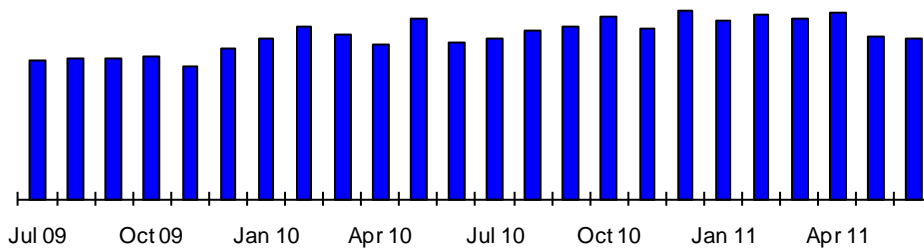
New sleeper plant commissioned in Hamilton

Double capacity to meet 7 year Kiwi Rail contract – 150,000 sleepers per annum

Significant environmental improvement and health & safety improvements

All products order backlog June 11 is 18% higher than June 09

Total all products open sales orders \$



Source : Humes & Pipeline Systems



CSP Pacific

Leading supplier of roading envelope hardware including safety & lighting



TL-1 Plastic Barrier



TL-4 Steel Barrier



ABSORB 350™
Crash Cushion



Raptor Pole Protector



X-350 Terminal End



Bridge Rail and Posts



Safence™
Wire Rope Barrier



Universal TAU-II™
Crash Cushion



Multiplate Structures



Decorative Columns



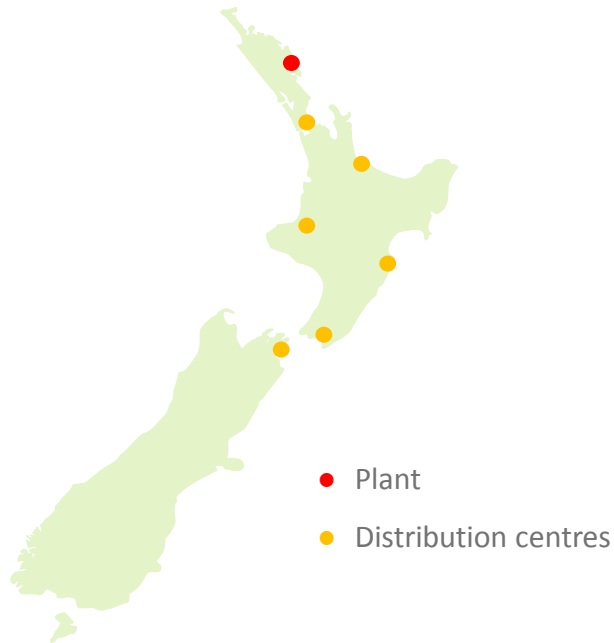
Oclyte™
Streetlight Columns



Breakaway
Signpost System



Golden Bay Cement - Overview



NZ's largest cement manufacturer

1 million tonne, strategically located plant (North Island 70% market)

\$105m upgrade completed 2005, increased capacity and updated plant; next 5 years plant maintenance capex only

State of the art distribution centre in Auckland commissioned Feb 2010

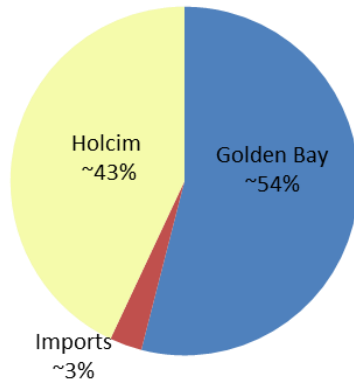
Key employer in the Whangarei district with 226 employees

Winner of EECA 2012 Renewable Energy Award



Golden Bay Cement – Market position

New Zealand Market Share estimate



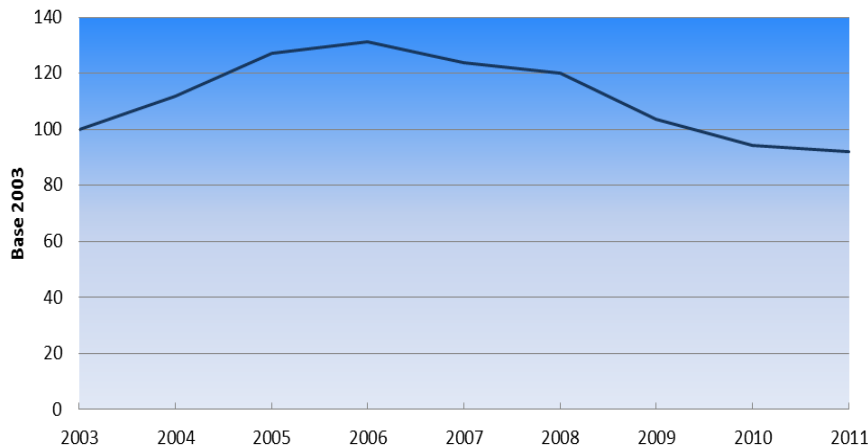
Source : Golden Bay Cement

FY11 NZ Sales down 2% pa

Share position strong

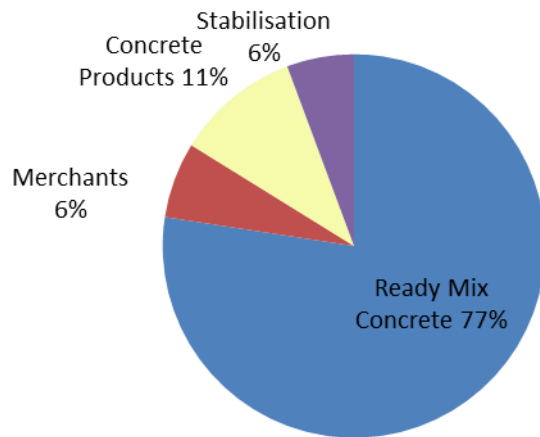
Export sales steady 17% of total sales

New Zealand sales volumes



Golden Bay Cement – Competitive Environmental

New Zealand sales analysis FY11



Cement imports have increased due to high exchange rates and low shipping rates

Clinker grinding plant being considered by syndicate in Mt Maunganui

Difficult to recover cost increases in current environment

Key competitor approaching decision time on plant replacement

High leverage to an increase in volumes



Rocla Pipeline Products - Overview



One of the two largest concrete pipe manufacturers, market share 35%

Largest concrete poles manufacturer

One of two largest railway sleeper manufacturers

Manufacturer of steel reinforced plastic pipe & tanks

One of two largest integrated suppliers of safety barrier products

2nd largest manufacturer of corrugated steel products & leader in large span engineered structures

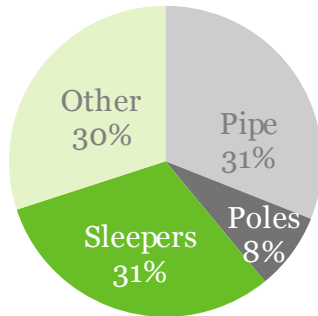
18 manufacturing facilities

850+ people employed



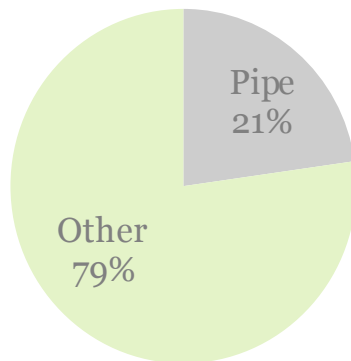
Rocla Pipeline Products: Concrete Pipe and Products

Sales tonnes FY11



Source : Rocla Pipeline products

Margin contribution FY11



Source: Rocla Pipeline Products

Pipe volumes increased 4% in FY 11

Pipe contribution to GM has improved & stabilised around 21-22%

Strategy to grow non-pipe products has delivered

Sleepers

Water quality

Poles

Pipeline precast

Box culverts

Bridges

Safety barriers (ACP acq Sept 10)

Corrugated metal pipe (Atlantic acq Jan 12)



Rocla Pipeline Products - Concrete Pipe and Products



Despite tough markets in some Regions since acquisition EBIT growth has been good

Growth focus

Plastream plastic pipe facility established

Adelaide pipe site sold & relocating to new facility

Segmental Shaft technology secured

Atlantic Civil Products acquired

Regional outlook mixed

NSW signs of housing recovery

Victoria forecast to decline

Queensland – volumes not declining but price pressure

WA steady



Rocla Quarry Products - Overview



An independent sand quarry operator with 17 quarries in NSW, Victoria, SA and WA

Products supplied includes:

- Concrete sands
- Building and plaster sands
- Dried sands
- Silica sands (including glass sands)
- Fill sands

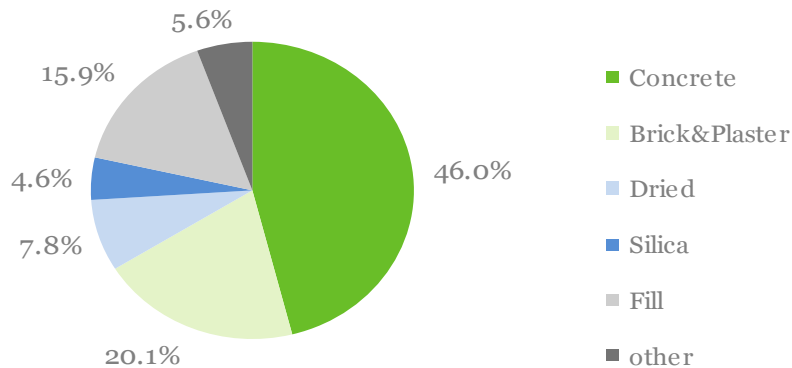
Participant in a joint venture hard rock quarry in Queensland

Employs 160 people nationally



Rocla Quarry Products - Performance

Revenue by Segment FY11



Forecast FY12

Sydney market remains flat

Housing flat and a drop in Non Residential

Drop in Fill sand as major developments have slowed

Sydney Sand market a developing story

The Penrith Lakes operations will close FY2014

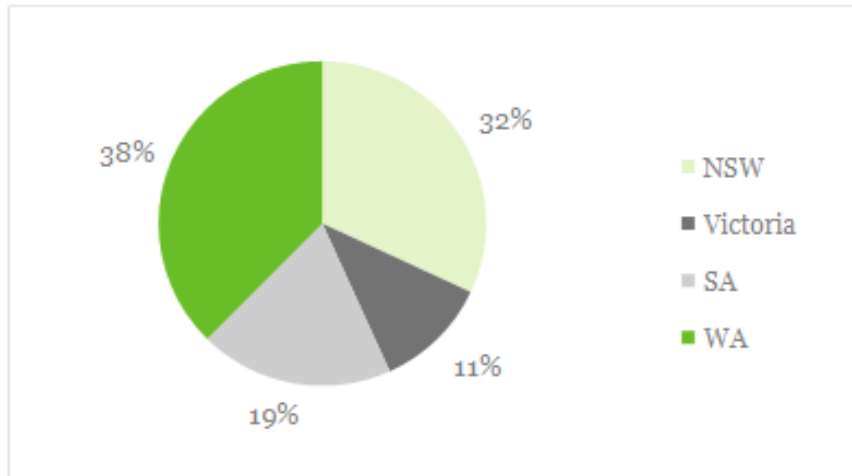
Advanced progress to upgrade Rocla's existing Calga quarry

Commenced development of greenfield quarry at Green Valley



Rocla Quarry Products - Performance

Revenue by State FY11



Strong share position in most key markets

City	Rocla Share %
Sydney	25%
Melbourne	12%
Adelaide	33%
Perth	61%

Source: Rocla Quarry Products FY11 estimates

States all in different parts of the cycle

Key leverage is to a NSW upturn

Growth opportunities in Pilbara Region of WA from large Gas development and associated infrastructure projects at Onslow



Key strategic issues

Challenging Environment

Low volume environment, underutilised assets

Increasing competitive dynamic

Concrete Division sources of competitive advantage

Capability – people, assets, technology

High degree of integration

Strategic positions and capacity

Scale and powerful brands

Strong industry relationships

Strategies are focused on costs, utilising scale, asset productivity and growth

