



# BUILDING PRODUCTS ANALYST'S PRESENTATION

31 May 2012

**Tim Richards**

*Chief Executive of Building Products*

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## Cautionary Statement

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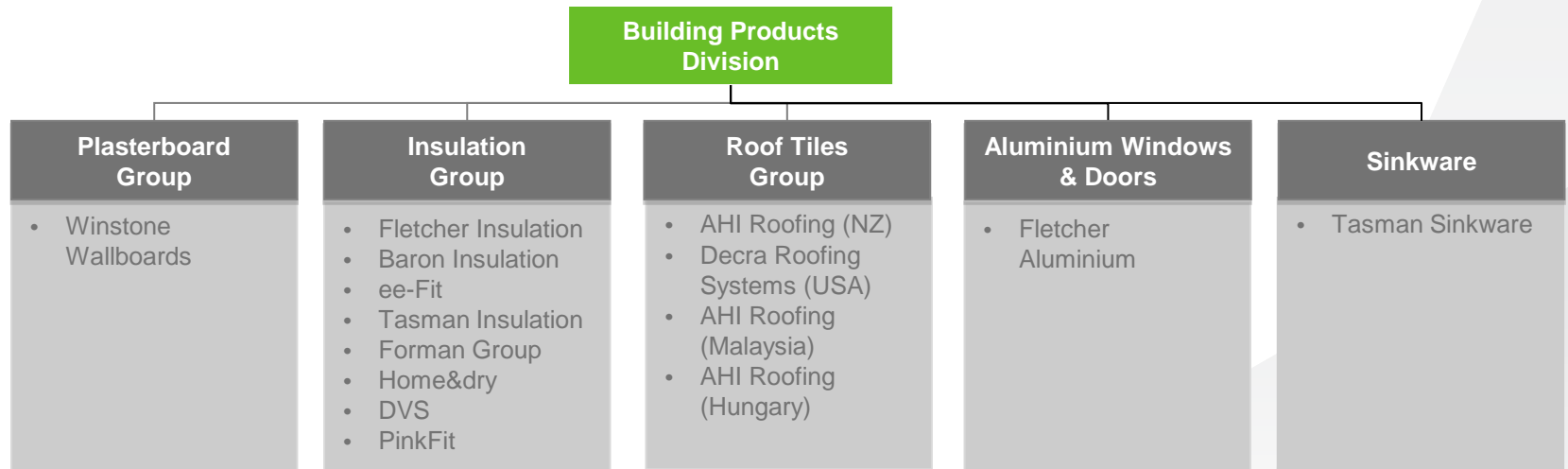
This presentation contains not only a review of operations, but also some forward looking statements about Fletcher Building and the environment in which the company operates. Because these statements are forward looking, Fletcher Building's actual results could differ materially. Media releases, management 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.



# Building Products Division

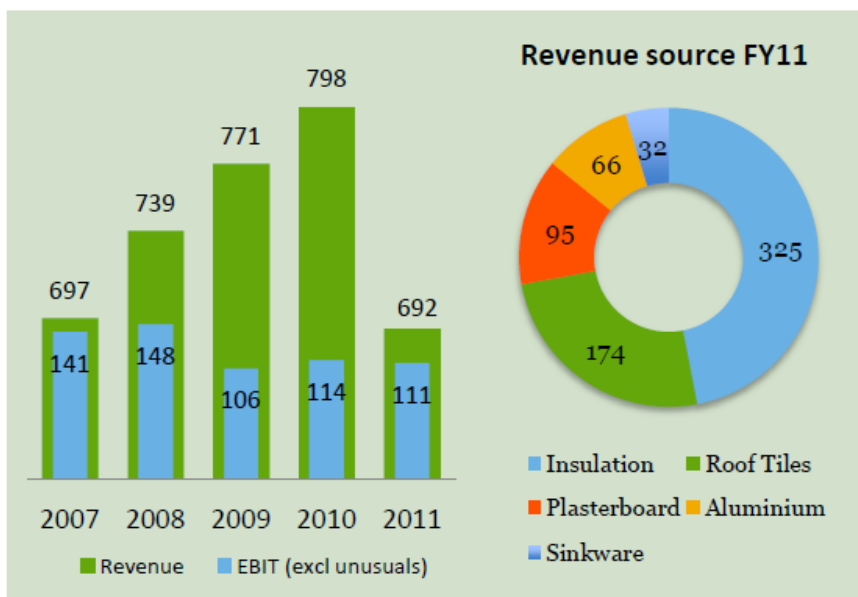
**The Building Products Division currently comprises:**

- Plasterboard Group
- Insulation Group
- Roof Tiles Group
- Fletcher Aluminium
- Tasman Sinkware



# Building Products Division Financial Results

## Summary Financials (NZ\$M)



NZ\$m	1HY12	1HY11	%
Net Sales	355	371	-4
EBITDA (excl unusuals)	56	69	-19
EBIT (excl unusuals)	43	56	-23
Funds Employed	578	674	-14
EBITDA/sales %	15.8	18.6	-15
EBIT/sales %	12.1	15.1	-20
ROFE %	14.9	16.6	-10



## Volumes down across all businesses with some price improvement

Gross Sales NZ\$m	Dec 11	Dec 10	%	Volume	Price	EBITDA
<b>New Zealand</b>						
Plasterboard	71	77	-8	↓	-	↓
Insulation <sup>a</sup>	93	91	+2	↓	↓	↓
Roof Tiles <sup>b</sup>	93	93	-	-	↑	↓
Aluminium	31	36	-14	↓	↓	↓
<b>Australia</b>						
Insulation	104	106	-2	↓	↓	↓
Sinkware	15	18	-17	↓	↑	↓

Notes: a) Includes Forman Group  
b) Includes NZ, Europe, Japan, Africa, USA



# Plasterboard Group



## Winstone Wallboards

No. 1 in New Zealand

Sole New Zealand plasterboard manufacturer

Leading market share

Significant proportion of sales from value added performance board



# Key Facts

## Plasterboard



## Products

- Plasterboard
- Compounds/Accessories
- Systems
- Rondo residential products

## Comments

- Two manufacturing plants (Auckland and Christchurch)
- Distributes through merchants, including all major groups
- 192 employees (FTEs)



# Insulation Group

## Australia



### Fletcher Insulation

### Baron Insulation

- Commercial & Industrial

### ee-Fit

- Providing an installed solution to customers

## New Zealand



### Tasman Insulation

- New Zealand's sole manufacturer

### Forman Group

- NZ's No. 1 distributor and installer of commercial insulation, ceiling and wall systems
- NZ's No. 1 distributor and installer of industrial insulation

### Pinkfit/ Home&dry

- Providing an installed solution to customers.
- Partnering with EECA for EnergyWise home insulation retrofit subsidies, marketing directly to home owners





# Insulation Group



**Strategic review of Australian insulation business being undertaken**

**Australian market suffering from excess inventory, increased competition, reduced demand, as a result of sudden termination of government home insulation subsidy scheme**

**High Australian dollar has undermined domestic manufacture of insulation material**

**Outcome of strategic review may result in additional costs to improve business performance**



## Roof Tile Group



**World's largest manufacturer of stone chip coated metal roof tiles**

**Global manufacturing presence in New Zealand, the U.S.A., Malaysia & Hungary**

**Core market positions in New Zealand, the U.S.A., Japan, Sub Saharan Africa & Eastern Europe**



## Roof Tile Group

### Growth Strategy:

Drive growth by a disciplined **focus on selected global core markets**

Define & implement **optimal market models** to allow more “in country” management of outcomes and hence value creation opportunity

Enhance the **product offer** and hence penetration against other roofing materials e.g. Value Based Tile launch in selected core markets

Implement **Multi-Domestic Model** – initially increase capacity utilisation of existing footprint through integrated supply chain and then move to “in region” manufacture in selected global markets, support of increased volume

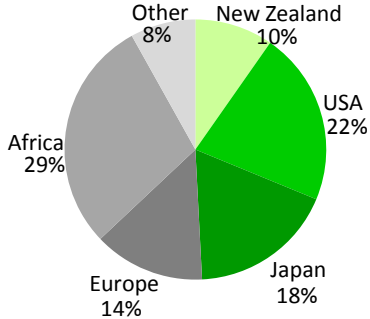
Build **organisational capability**



# Key Facts



**Sales Volumes by Geography**



## Complementary businesses



### Fletcher Aluminium

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



# Key residential products and brands



# Key commercial products and brands

