Fletcher Building

Investor Presentation October 2013

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 2013 Annual 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.

Presentation outline

Fletcher Building at a glance

Results Overview

Business Transformation Programme

Outlook

Supplementary Information

- Divisional Performances

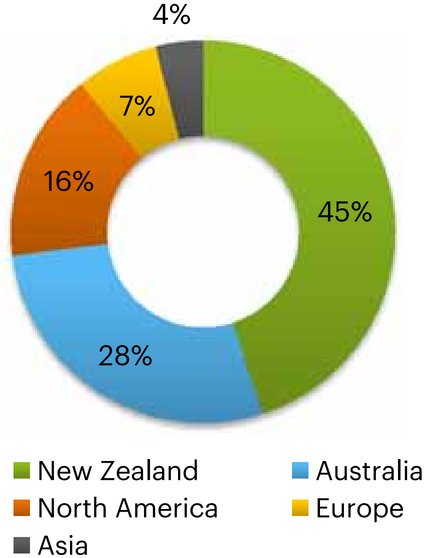
Fletcher Building at a glance

Revenue – 12 months to 30 June 2013: **NZ$8.52 billion**

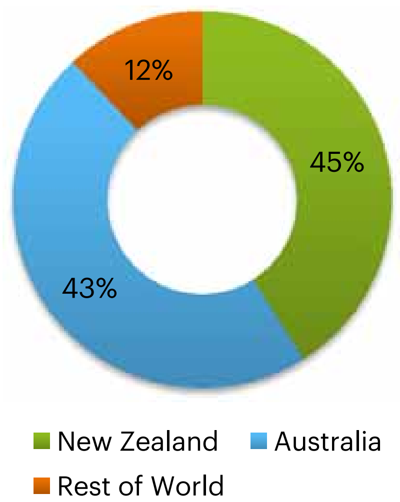
Market Capitalisation[1]: **NZ$6.60 billion**

Employees: **18,830**

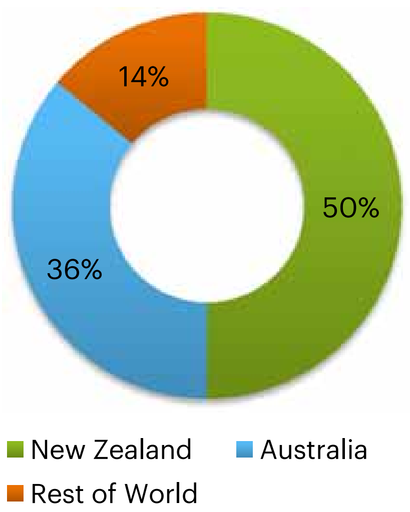
Shareholders:
(as at 30 June 2013)



Revenues:
(year to 30 June 2013)



EBIT
(year to 30 June 2013)



1. *Market Capitalisation as at 22 October 2013*

Business structure grouped around 5 divisions

Infrastructure Products

- Cement
- Readymix
- Aggregates

- Concrete Products
- Concrete pipes
- Quarries

- Long steel
- Reinforcing bar, mesh and wire

- Iplex pipelines
- Copper tube

Building Products

Building Materials Manufacture

- Plasterboard
- Insulation
- Roof tiles
- Coated steel
- Aluminium windows & doors
- Sinkware

Laminates & Panels

Laminex

- MDF
- Particleboard
- LPM
- HPL

Formica

- HPL

Distribution

New Zealand

- 57 PlaceMakers branches
- 12 PlaceMakers frame and truss sites
- 63 Mico branches

Australia

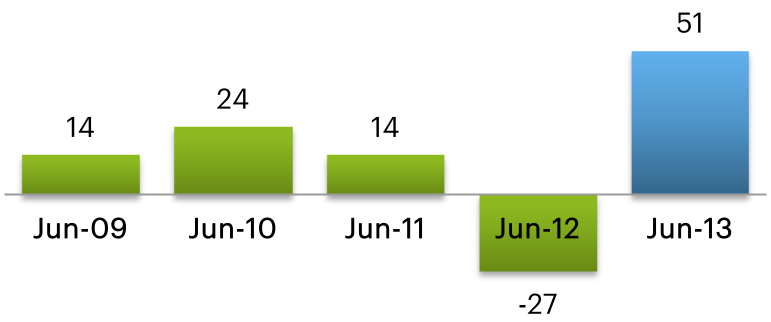
- 223 Tradelink branches
- 17 Hudson Building Supplies branches
- 12 Northern's Plumbing Supplies branches

Construction

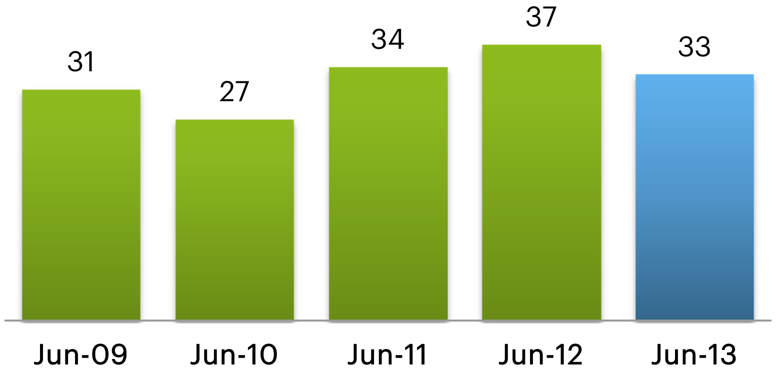
- General construction
- Infrastructure projects
- Residential house development

5 year performance overview

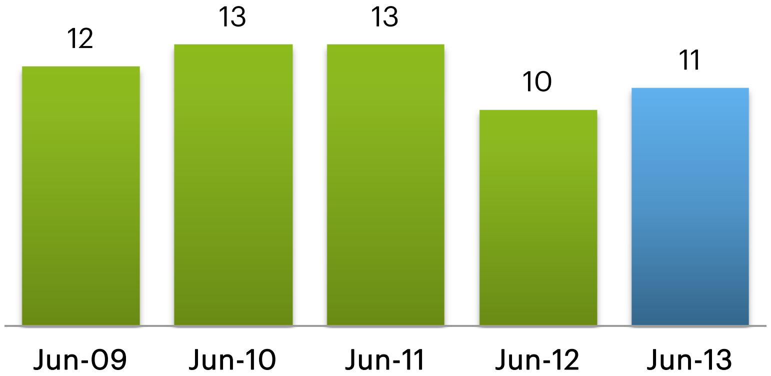
Total Shareholder Return (TSR)
Percentage



Debt/Debt Plus Equity
Percentage



Return on Average Funds
Percentage[1]



1. *Earnings before interest, tax and significant items / average funds*

Strategic overview

Fletcher Building: Who Are We

An integrated manufacturer and distributor of infrastructure and building products, as well as a construction company

Fletcher Building: How We Create Value

Building, acquiring and managing strong asset positions in core markets

Building positions in the value chain ranging from the customer upstream to raw material extraction

Empowering our business units to build deep customer, product and market knowledge to grow share

Leveraging our size and scale to drive efficiencies and invest in world class capabilities

Results Overview

CSP Pacific streetlight columns, Auckland

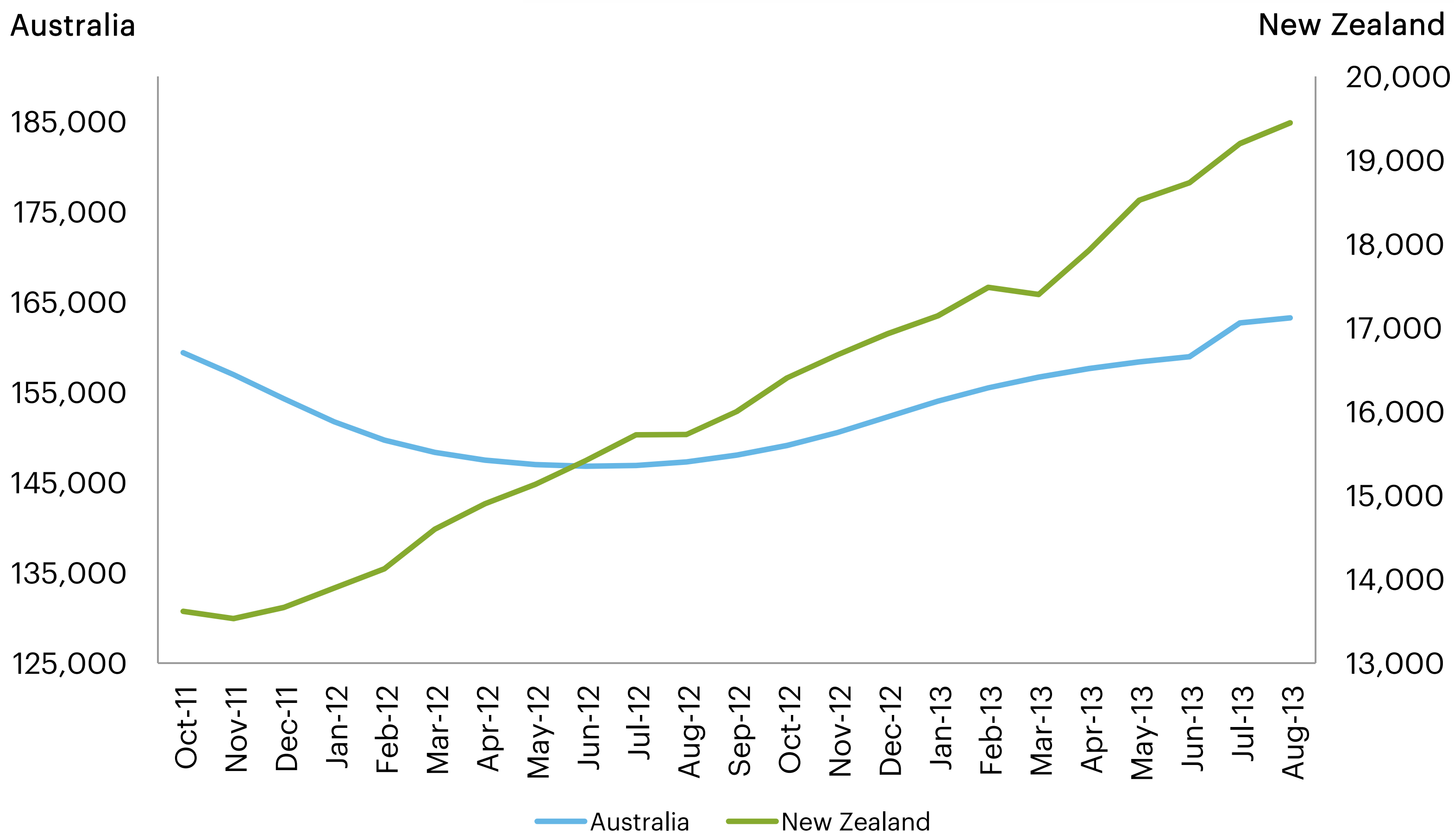
Financial results overview

NZ$m	June 2012 12 months	**June 2013 12 months**	% Δ
Sales	8,839	**8,517**	-4
EBITDA[1]	786	**789**	-
EBIT[1]	556	**569**	+2
Net earnings[1]	317	**326**	+3
Significant items after tax	(132)	**0**	
Net earnings	185	**326**	+76
EPS - cps[1]	46.5	**47.6**	+2
Dividend - cps	34.0	**34.0**	-

1. *EBITDA, EBIT, Net Earnings and EPS all before* significant items

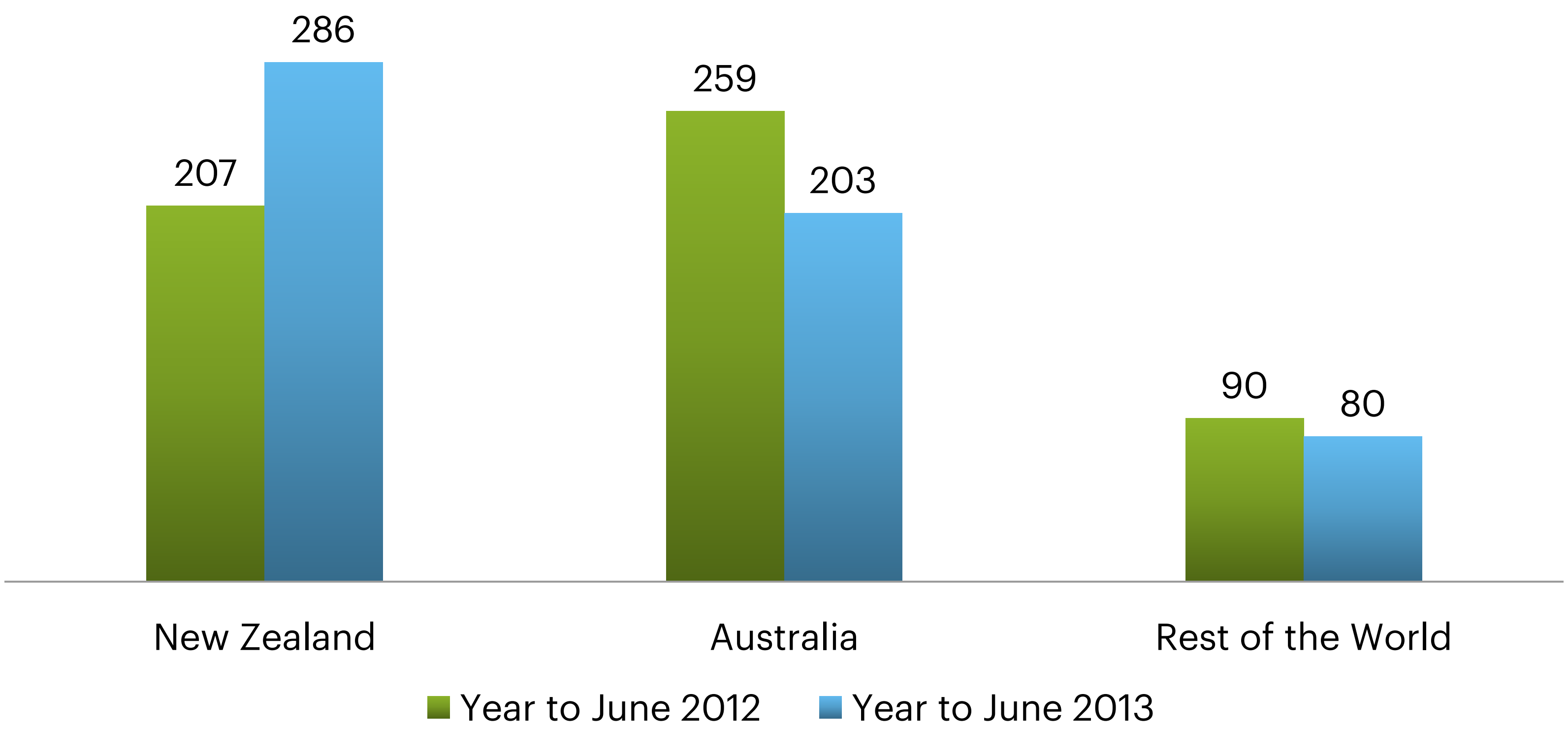
Continued upward trend in New Zealand residential consents throughout the past year

Total residential consents 12 month rolling – New Zealand and Australia



New Zealand operating earnings up strongly with volume growth, while most other markets were down

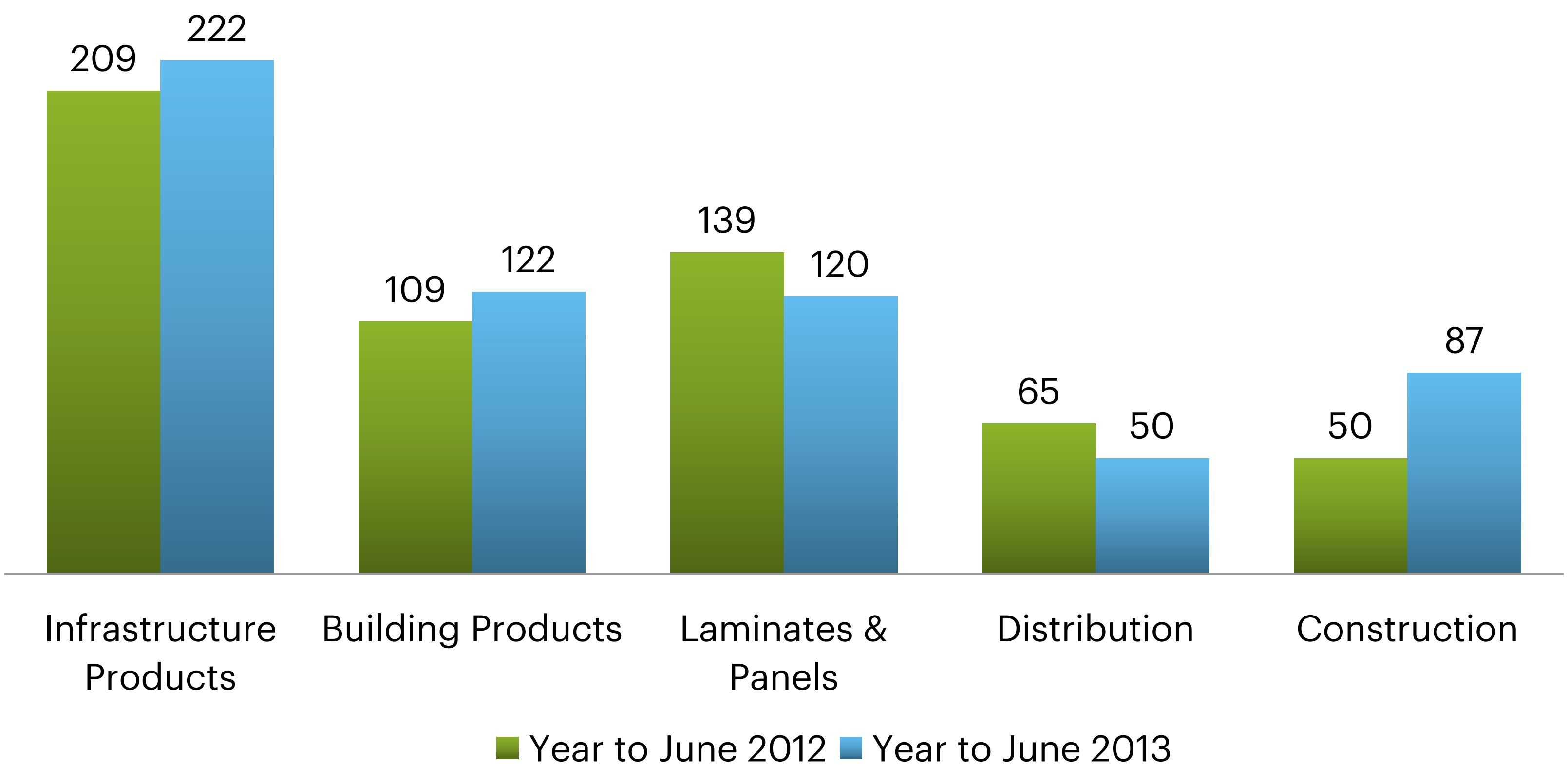
EBIT[1]
NZ$million



1. *EBIT before significant items*

Divisional operating earnings overview

EBIT[1]
NZ$million



1. *EBIT before significant items*

Earnings commentary

New Zealand operating earnings[1] up 38%, driven by increased house-building activity and repairs and rebuilding work in Canterbury

Deterioration in Australian volumes evident early in the year, and the market remained soft throughout FY13

Improvement in North America, but Europe worsened and Asia was mixed

Revenues down due to sale of businesses:

- Cory's Electrical (December 2012)
- Mico Metals and Austral Wright (June 2012)

Operating cashflow up 25% with increased contributions from Building Products, Distribution and Construction Divisions

New organisation structure now based around 5 Divisions

All restructuring charges taken 'above the line' offset by gains on sale of businesses and property disposals

1. *Excluding significant items*

Canterbury update

Considerable progress on repairs

46,000 full scope repairs completed: half-way point now passed

$1.5 billion of work completed

Repairs to the final Earthquake Commission referred property are now expected to be completed in December 2014

NZ Govt and Christchurch City Council ('CCC') to share cost of Central Christchurch rebuild and horizontal infrastructure:

Anchor projects in CBD costing $1.9Bn: NZ Govt $1.1Bn, CCC $0.778Bn

- Includes Convention Centre, Performing Arts Precinct, Stadium

Horizontal Infrastructure to cost $2.9Bn: NZ Govt $1.8Bn, CCC $1.1Bn

Total cost of Canterbury rebuild estimated at $40Bn:*

Residential: $18Bn

Commercial & Social: $15Bn

Infrastructure: $5Bn

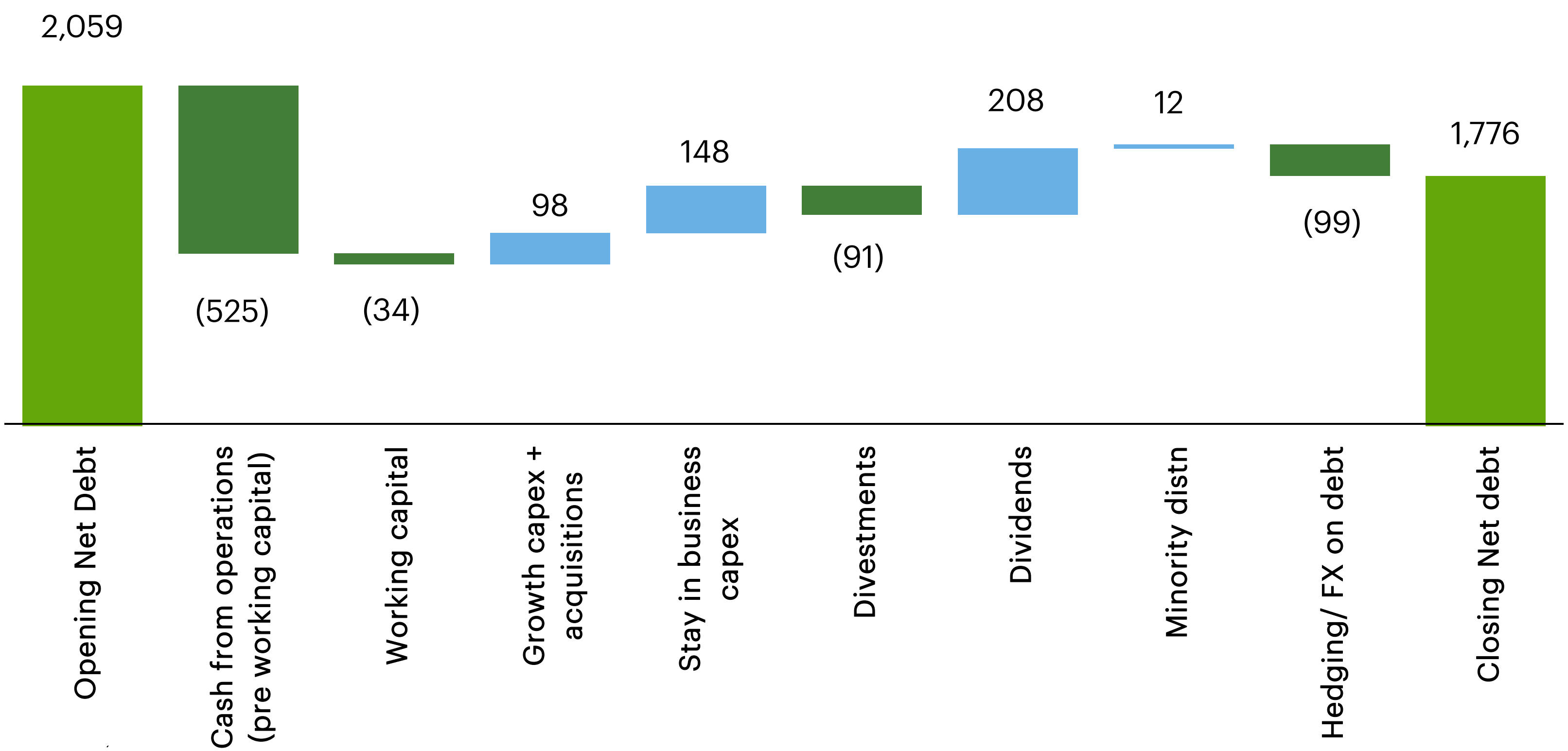
** Source: NZ Govt/Treasury Budget Estimates*

Cashflow from operations increased by 25%

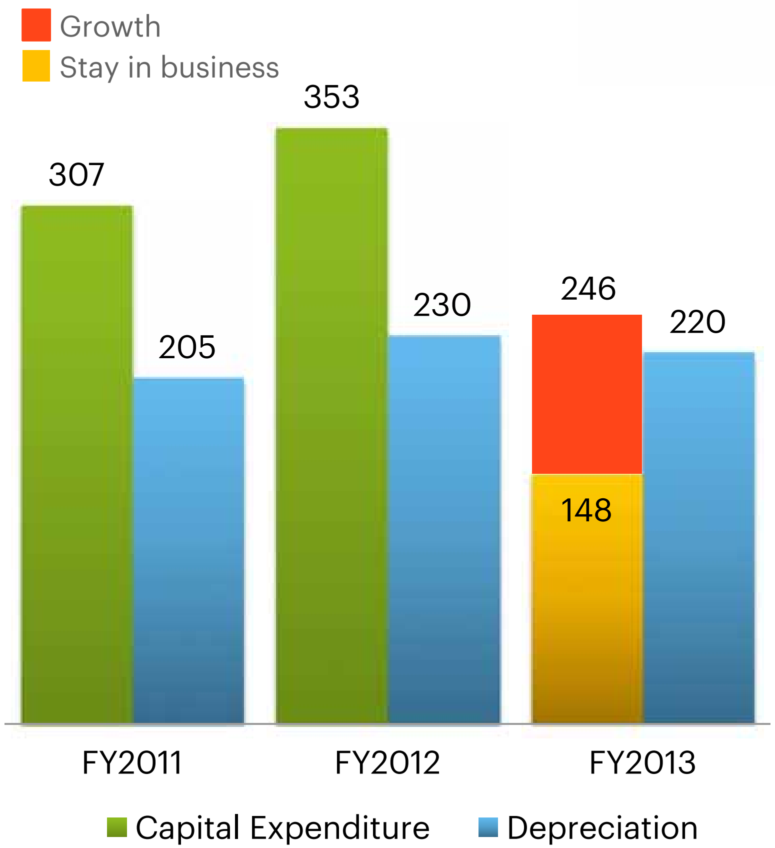
	June 2012 12 months		June 2013 12 months		% Δ
EBITDA		633		**789**	25
Funding costs		(152)		**(146)**	-4
Cash tax paid		(123)		**(60)**	-50
Non cash unusual impact		122		**0**	-
Provisions movement/other		(23)		**(58)**	248
Working capital movements:					
Debtors	15		**34**		
Creditors	(115)		**(6)**		
Stock	71		**12**		
Other	20		**(6)**		
		(9)		**34**	
Cashflow from operations		448		**559**	+25

Reduction in net debt due to proceeds from divestments and operating cashflows

NZ$million



Capital expenditure to increase modestly in FY14 – includes investment in FBUnite projects



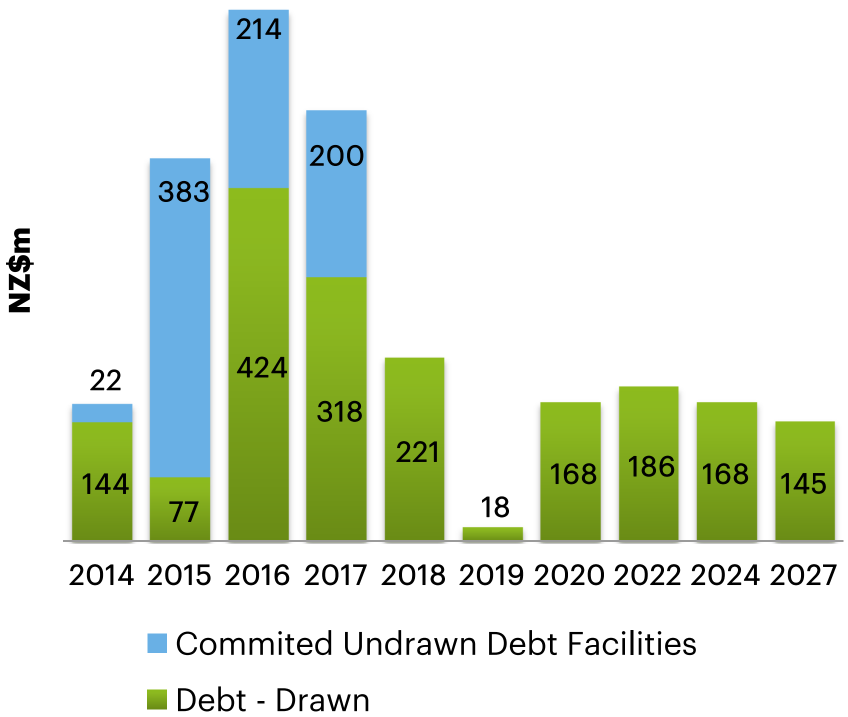
	June 2012 12 months	**June 2013 12 months**	% Δ
Stay-in-business	207	**148**	-29
Growth	60	**85**	+42
Acquisitions	86	**13**	-86
Total	353	**246**	-30
Depreciation	230	**220**	-4

For FY14, capital expenditure is expected to be in the range of $250m-$300m

Some project deferral from FY13

Debt maturity profile

Funding and Maturity Profile



Undrawn credit lines and cash on hand of $943 million.

Average maturity of debt is 5 years.

Approximately 74% of all borrowings have fixed interest rates.

Average interest rate on debt is 6.7%.

Business Transformation

Fletcher Reinforcing, Auckland

FBUnite: multi-year business transformation programme

PEOPLE

Developing a winning culture.

Organisational development
- Learning Academy
- Leadership
- Performance management
- Talent management
- Global employee engagement

Intranet

HRIS

INNOVATION & GROWTH

Responsive to market changes.

Future distribution opportunities

Future growth opportunities

Digital
- ICT roadmap
- Digital business strategy
- Customer/marketing/CRM

PERFORMANCE EXCELLENCE

Optimising operational performance.

Network optimisation
- Freight/logistics
- Distribution footprint

Operational excellence
- Manufacturing
- Supply chain
- Health & Safety

EFFICIENCY

Creating the lowest possible cost structure.

Procurement
- Indirect
- Direct
- ICT

Shared services centre
- Finance – Accounts Payable/ Accounts Receivable
- HR – Payroll, learning and development
- Desktop support
- Purchasing

Property
- Portfolio management
- Rationalisation
- Transactions

FBUnite transformation programme

All workstreams established with senior leadership teams in place

Specific Workstream updates:

- Shared Services Centre established in Auckland
- Group Procurement teams in place and a number of categories already completed
- Centralised property management team
- Manufacturing excellence programme launched
- IT and digital strategy focussed on project prioritisation and implementation

Total benefits arising from FBUnite expected to be in the range of $75m-$100m p.a.

- Benefits should become evident in FY15
- Capital and operating expenditure will be incurred in FY14 which will offset early benefits

Management changes

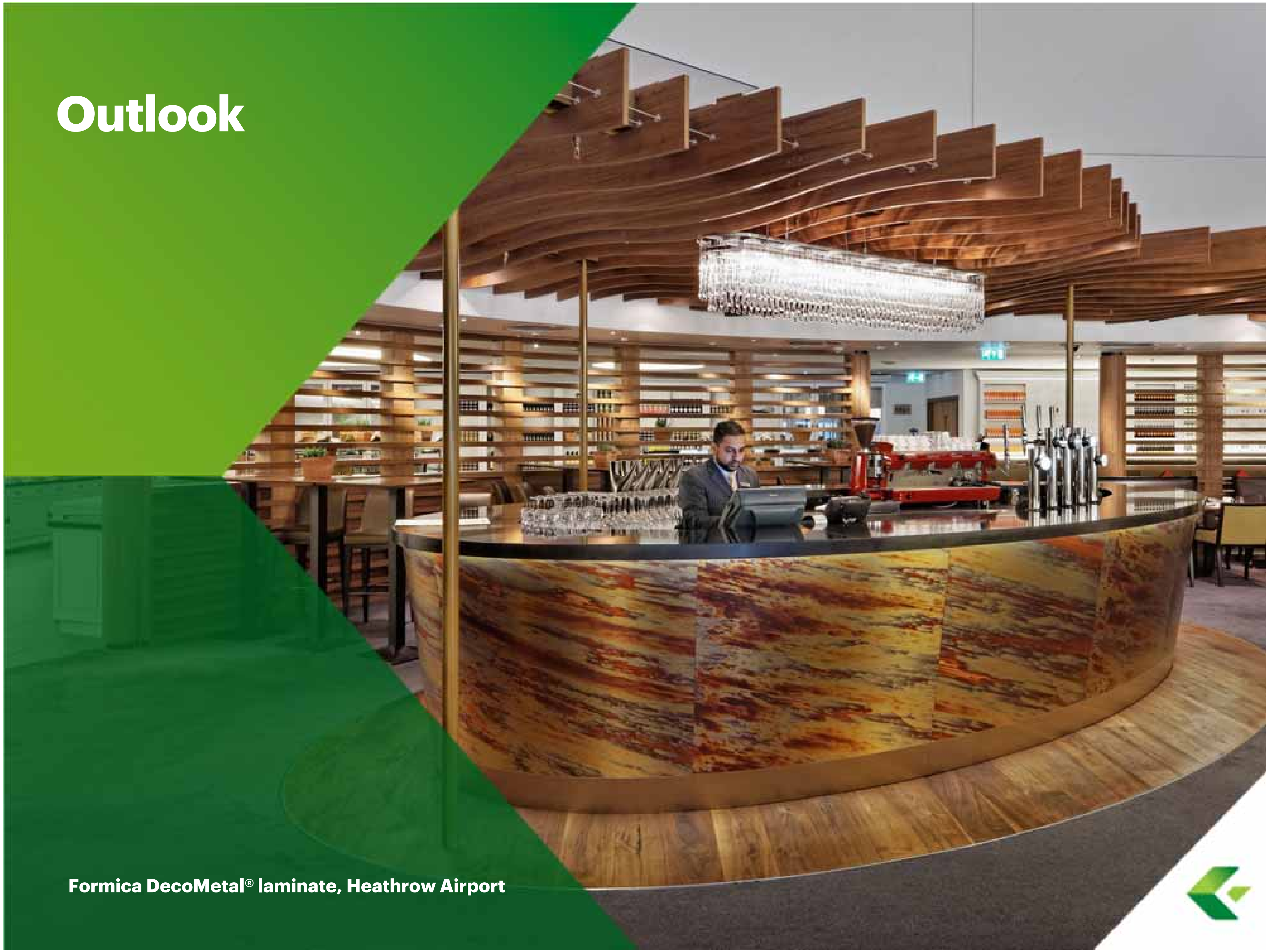
Nick Olson
Chief Financial Officer

Tim Hickey
Chief Executive
Distribution Australia

Charles Bolt
Company Secretary
and General Counsel

Carl Powell
Chief Information
Officer

Outlook



Formica DecoMetal® laminate, Heathrow Airport

Outlook FY2014

New Zealand

- Increase in construction activity expected across most sectors
- Strong increase in housing consents expected to underpin activity levels in the first half
- Canterbury rebuild will continue to boost activity
- Steady improvement in commercial building expected
- Civil infrastructure to benefit from major projects in Auckland, Canterbury and the health and education sectors

Australia

- Conditions expected to remain flat
- Activity levels in New South Wales appear to be improving, but Victoria remains subdued
- Confident that change in government and policy reform will lead to a more positive business environment over time
- Declining investment in mining and resources sectors a potential drag on activity

Outlook FY2014

North America:

- Increases in new housing construction will benefit Formica
- Commercial market remains flat

Europe:

- Remains difficult, particularly Spain
- Break even target

Asia:

- Growth expected in South East Asia
- Northern Asia and China may be more subdued

Financial Outlook:

- Operating earnings expected to be between $610 million to $650 million
- Further appreciation in the New Zealand/Australian dollar exchange rate could impact earnings
- Assumes no deterioration of flat Australian market

Supplementary Information

Dimond cladding, Auckland

Infrastructure Products
Result

NZ$M	June 2012 12 months	**June 2013 12 months**	% Δ
Sales	2,299	**2,095**	-9
EBITDA	302	**312**	+3
EBIT	209	**222**	+6
Cement, Concrete + Aggs	69	**73**	+6
Pipes + Products	61	**67**	+10
Iplex/ CCT	68	**54**	-21
Steel	11	**28**	+255
Funds Employed	1,974	**1,841**	-7
EBITDA/sales %	13.1	**14.9**	
EBIT/sales %	9.1	**10.6**	
ROFE %	10.6	**12.1**	

Cement, concrete & aggregates
New Zealand volumes improved:
- Cement volumes up 4%
- Aggregates volumes up 6%
- Readymix volumes up 19%

Australian quarry volumes decreased by 15% in soft market.

Concrete pipes and products
Volumes down 9% in Australia and up 9% in New Zealand.

Iplex
- Australian volumes down 4%, but underpinned by CSG contracts
- New Zealand volumes up

Steel
Long steel volumes up 6% on improved New Zealand demand. Distribution earnings up due to business improvement initiatives

Infrastructure Products
Increased NZ activity drove volume growth

Gross Sales NZ$m		June 2012 12 months	**June 2013 12 months**	% Δ	Volume Δ	Price Δ	EBITDA Δ
Cement, concrete & aggregates[1]		619	**669**	+8			
Cement					▲	▼	▼
Readymix					▲	-	▲
Aggregates:	- New Zealand				▲	-	-
	- Australia				▼	▲	▲
Concrete pipes & products[2]		495	**500**	+1			
New Zealand					▲	-	▲
Australia					▼	▲	-
Long Steel		269	**262**	-3	▲	-	▲
Steel Distribution[3]		239	**220**	-8		-	▲
Plastic Pipes		791	**755**	-5			
New Zealand					▲	▼	▲
Australia					▼	▼	▼

1. *Includes Firth, Golden Bay Cement, Winstone Aggregates and Rocla Quarry Products.*
2. *Includes Humes Pipelines and Rocla Pipeline Products.*
3. *Figures restated to exclude CSP Galvanising*

Building Products
Result

NZ$M	June 2012 12 months	**June 2013 12 months**	% Δ
Sales	1,390	**1,350**	-3
EBITDA[1]	146	**159**	+9
EBIT[1]	109	**122**	+12
Funds Employed	788	**770**	-2
EBITDA/sales %	10.5	**11.8**	
EBIT/sales %	7.8	**9.0**	
ROFE %	13.8	**15.8**	

Plasterboard
Volumes and earnings up in strong New Zealand residential market.

Insulation
Operating earnings down 23% due to continued competitive pressures in Australia and New Zealand.

Coated Steel
Australian rollforming volumes down year on year, New Zealand volumes & earnings improved.

Restructuring initiatives reduced Stramit's cost base.

Roof Tile volumes up 10% with growth in New Zealand, Europe and Africa.

1. *Before significant items*

Building Products
Earnings ahead due to improvement in NZ market

Gross Sales NZ$m	June 2012 12 months	**June 2013 12 months**	% Δ	Volume Δ	Price Δ	EBITDA Δ
Building Products	600	**584**	-3			
Plasterboard				▲	-	▲
Insulation[1]				▼	▼	▼
Coated Steel Products	954	**940**	-1			
Roof Tile Group[2]				▲	-	▲
Coated Steel NZ[3]				▲	-	▲
Coated Steel Australia				▼	-	▼

1. *Includes Forman and Home & Dry*
2. *Includes NZ, Europe, Asia, Africa, USA*
3. *Includes Dimond and Pacific Coilcoaters*

Laminates & Panels
Result

NZ$M	June 2012 12 months	**June 2013 12 months**	% Δ
Sales	1,849	**1,738**	-6
EBITDA[1]	205	**180**	-12
EBIT[1]			
- Laminex[1]	68	**62**	-9
- Formica[1]	71	**58**	-18
Total EBIT	139	**120**	-14
Funds Employed	1,799	**1,788**	-1
EBITDA/sales %	11.1	**10.4**	
EBIT/sales %	7.5	**6.9**	
ROFE %	7.7	**6.7**	

1. *Before significant items*

Formica

Operating earnings reduced by 18% due to declines in Europe and further Bilbao closure costs.

Volumes in North America up slightly. Operating earnings growth driven by improved margins and efficiency gains.

South-East Asia volumes up but China and Taiwan subdued.

European volumes down 5% with continuing weak demand.

Laminex

Operating earnings 9% lower, with Australia down but New Zealand up strongly.

Revenues down 9% in Australia due to pressure on prices and margins.

Laminates & Panels
Volumes up in North America, down elsewhere

Gross Sales NZ$m	June 2012 12 months	**June 2013 12 months**	% Δ	Volume Δ	Price Δ	EBITDA Δ
Laminex						
Australia	901	**816**	-9	▼	-	▼
New Zealand[1]	133	**117**	-12	▼	-	▲
Formica						
Asia	213	**205**	-4	-	-	-
Europe	294	**247**	-16	▼	-	▼
North America	336	**339**	+1	▲	-	▲

1. *O'Briens countertop businesss sold in November 2012*

Formica: decline in earnings due to additional costs of Bilbao plant closure and lower volumes in Europe

EBIT NZ$m[1]	June 2012 12 months	**June 2013 12 months**	% Δ
Asia	38	**37**	-3
North America	34	**41**	+21
Europe	13	**(5)**	-
Corporate	(14)	**(15)**	-
Total EBIT	71	**58**	(18)

1. *Excluding significant items*

Distribution
Result

NZ$M	June 2012 12 months	**June 2013 12 months**	% Δ
Sales:			
PlaceMakers	779	**850**	+9
Tradelink/Mico	1,482	**1,291**	-13
EBITDA	87	**71**	-18
EBIT:	65	**50**	
PlaceMakers	27	**36**	+33
Tradelink/Mico	38	**14**	-63
Funds Employed:			
PlaceMakers	141	**136**	
Tradelink/Mico	675	**567**	
EBIT/sales %			
PlaceMakers	3.5	**4.2**	
Tradelink/Mico	2.6	**1.1**	
ROFE %			
PlaceMakers	19.1	**26.5**	
Tradelink/Mico	5.6	**2.5**	

PlaceMakers

Strong revenue growth due to recovery in residential homebuilding.

Earnings growth assisted by cost reduction and efficiency measures.

Tradelink

Revenue down in difficult trading conditions

Branch improvement programme underway & early results encouraging

Construction
Result

NZ$M	June 2012 12 months	**June 2013 12 months**	% Δ
Sales	1,040	**1,193**	+15
EBITDA	61	**95**	+56
EBIT	50	**87**	+74
Funds Employed	109	**69**	-37
EBITDA/sales %	5.9	**8.0**	
EBIT/sales %	4.8	**7.3**	
ROFE %	45.9	**126.1**	

Residential earnings up 55% due to strong house sales in Auckland.

Continued momentum in Canterbury with residential house repairs and earthquake recovery work.

Construction backlog of $1,022m as at 30 June 2013.

- Preferred contractor/solution provider on $640m of other projects.

Further land procured for new residential housing in Auckland.

Strong improvement in New Zealand residential consents, but Australia flat

Building Consents		June 2011 12 months	June 2012 12 months	**June 2013 12 months**	13/12 % Mvmt
New Zealand					
Residential Consents		13,539	15,414	**18,731**	+22
Non Res WPIP ($m)*		4,798	4,452	**5,010**	+13
Infrastructure WPIP ($m)*		5,999	6,447	**6,817**	+6
Australia			*Source: Statistics NZ, Infometrics*		
Residential Consents	- Standalone houses	102,410	91,186	**93,224**	+2
	- Other dwelling types	65,761	58,691	**64,308**	+10
	- Total	168,171	149,877	**157,532**	+5
Non Res WPIP (A$Bn)*		34.8	33.8	**33.8**	-
Infrastructure WPIP (A$Bn)*		86.8	76.7	**86.8**	+13
US			*Source: ABS, BIS Shrapnel*		
Residential Consents (US$Bn)**		237.5	259.9	**290.5**	+12
Non Res WPIP (US$Bn)**		333.2	347.1	**360.3**	+4
Infrastructure WPIP (US$Bn)**		207.9	210.0	**212.1**	+1

Source: HIS Global Insight

** FY13 data includes estimate for month of June 2013*
*** Information presented for calendar years. 2013 represents forecast position*

Fletcher Building – key listing information

Listed on the New Zealand and Australian stock exchanges

New Zealand

Largest listed company by market capitalisation on the NZX[1]

Australia

Ranked #44 on the ASX[1]

Fletcher Building gained inclusion in the S&P/ASX 200 index in March 2011

US

Level I sponsored American Depository Receipt (ADR) programme launched December 2010

Citi act as depository bank

Ticker: FCREY   CUSIP: 339305302

1. *Ranking as at 22 October 2013*