

INVESTOR PRESENTATION

September 2011

Bill Roest

Chief Financial Officer



Humes Pipelines, Auckland

Agenda

Company and Market Overview

Strategy

Divisional Performance

Financial Results

Outlook

Appendix:
Additional information



Investor Presentation

COMPANY & MARKET OVERVIEW

Christchurch, August 2011



Fletcher Building at a glance

Revenue - year to 30 June 2011:

NZ\$7.4 billion

Market Capitalisation:

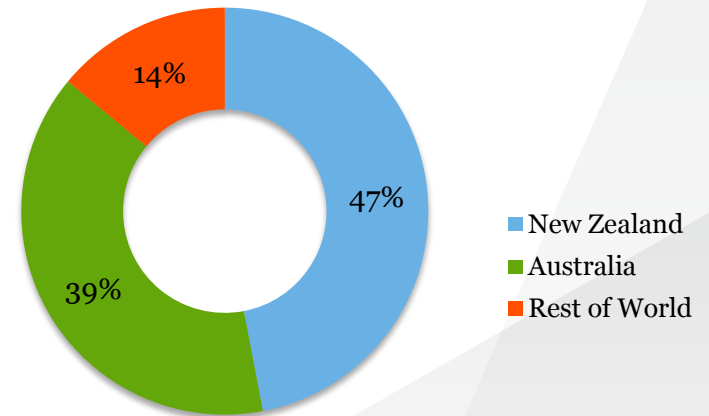
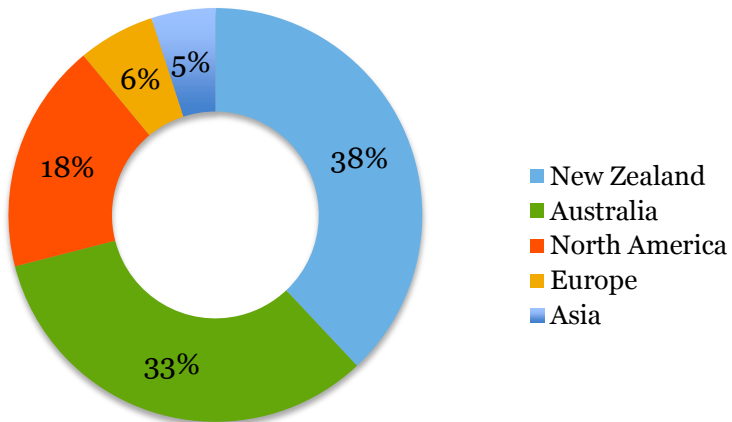
NZ\$5.2 billion

Employees:

20,000

Shareholders: (as at 30 June 2011)

Revenues 2011 : (as at 30 June 2011)



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

Australia

Ranked #50 on the ASX

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



Market leading businesses



Building Products

Distribution

Infrastructure

Laminates & Panels

Steel

Crane

**Plasterboard
Insulation
Roof Tiles
Single Businesses:**

- Aluminium
- Sinkware

**Building Materials
Distribution**

- 62 PlaceMakers stores

Construction

Concrete:

- Cement
- Readymix
- Aggregates
- Concrete Products
- Concrete Pipes
- Quarries

The Laminex Group

- MDF
- Particleboard
- LPM
- HPL

Formica

- HPL

Coated Steel

Long Steel:

- Reinforcing bar, mesh and wire
- Scrap

Distribution

**Pipelines –
Manufacture &
Distribution**

**Trade Distribution
Australia and NZ**

**Copper Tube –
Manufacture &
Distribution**



Slowdown in residential consents in NZ and Australia, and commercial markets remain subdued

Building Consents	June 2011 12 months	June 2010 12 months	June 2009 12 months	11/10 %Mvmt
New Zealand				
Residential Consents	13,539	16,167	14,175	-16
Non Res WPIP (\$m)	4,777	4,618	5,314	+3
Infrastructure WPIP (\$m)	7,450	6,851	6,224	+9
Australia				
				<i>Source: Infometrics</i>
Residential Consents	162,685	171,429	133,088	-5
Non Res WPIP (A\$Bn)	34.5	34.9	33.7	-1
Infrastructure WPIP (A\$Bn)	87.3	76.7	76.0	+14
US				
				<i>Source: BIS Shrapnel</i>
Residential Construction* ¹	418,200	483,300	426,700	-13
Commercial & Industrial (US\$Bn)*	53.5	49.1	77.5	+9
Institutional (US\$Bn)*	99.8	112.5	119.2	-11

* FY10 data includes estimates for April - June
1. Single Family Dwellings



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STRATEGY



Formica for Tinderbox, UK



Strategy

Improved earnings reliability through geographic and end-market diversification

Decentralised business model

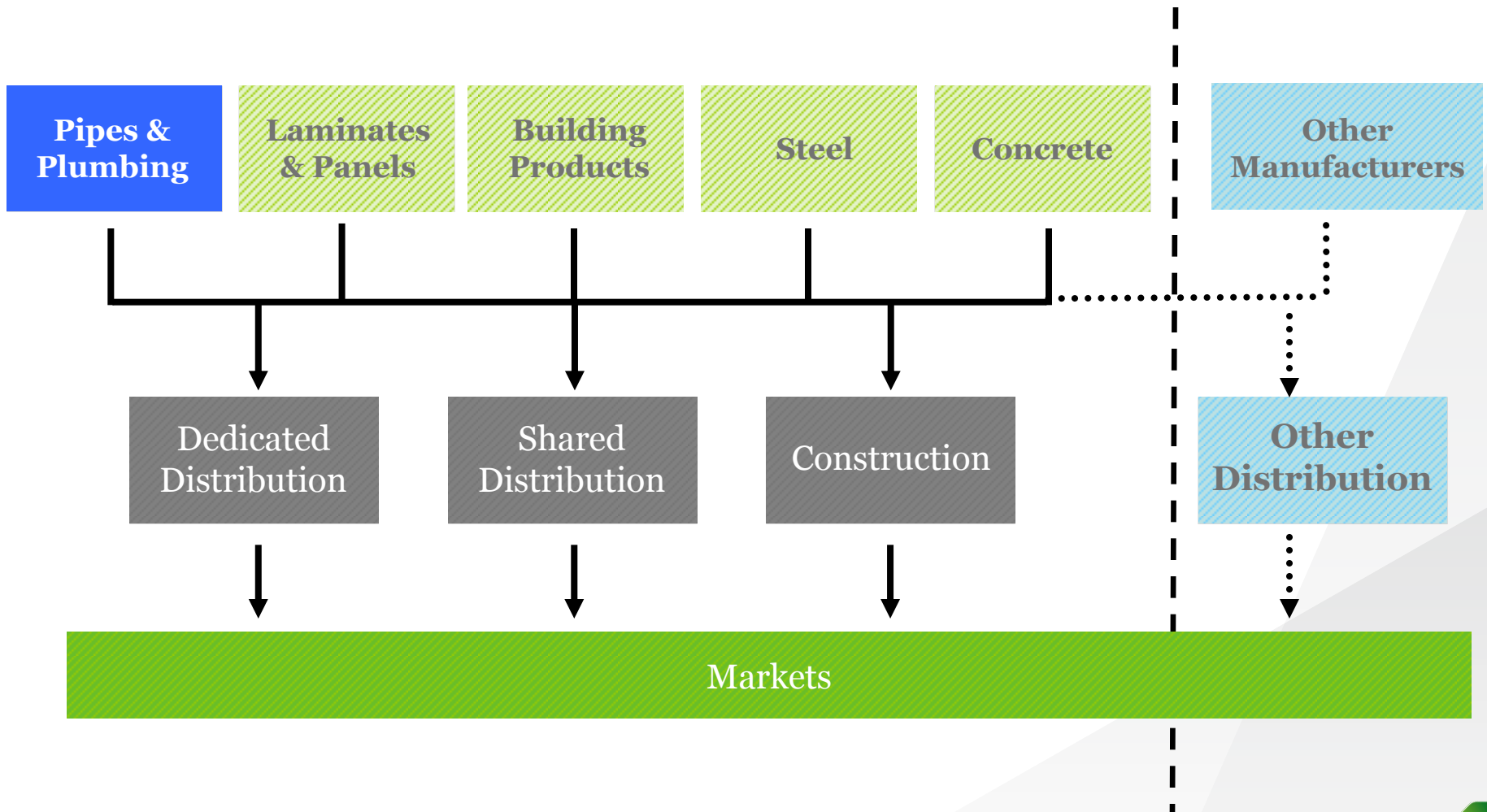
Portfolio approach that creates value through application of proven operating model

Target attractive industry positions in Australia and NZ

Further opportunities to invest in Australia and NZ will be pursued, along with Formica growth in Asia



Fletcher Building has a vertically integrated value chain



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FINANCIAL RESULTS

The Cloud, Auckland waterfront



Continued underlying earnings growth despite economic headwinds, helped by initial contribution from Crane Group

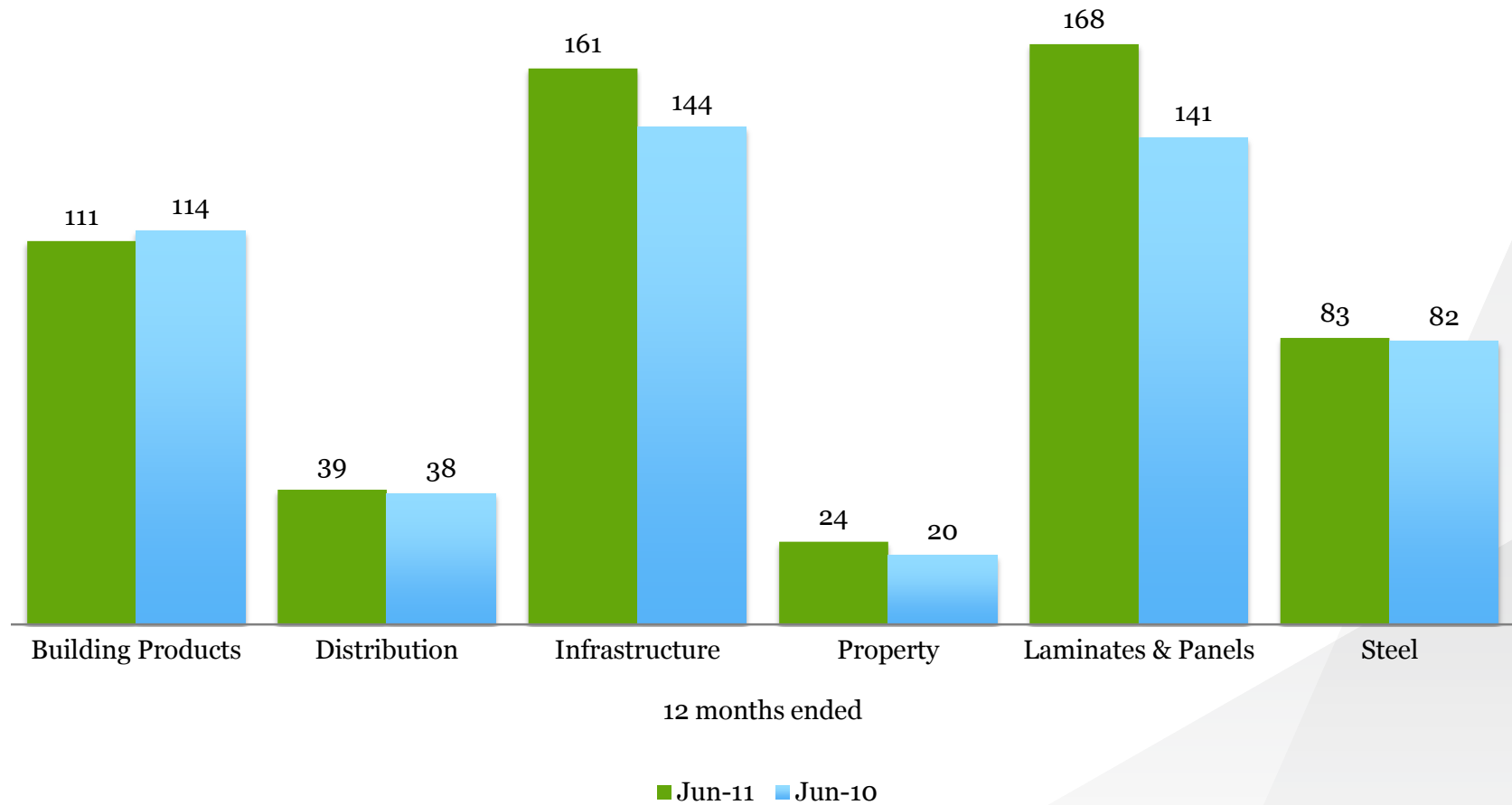
NZ\$m	June 2011 12 months	June 2010 12 months	% Change
Sales	7,416	6,799	+9
EBITDA ¹	801	727	+10
EBIT ¹	596	521	+14
Net earnings ¹	359	301	+19
Unusual items after tax	-76	-29	
Net earnings	283	272	+4
EPS – cps ¹	57.1	49.7	+15
Dividend - cps	33	29	+14

1. EBITDA, EBIT, Net Earnings and EPS all before Unusual Items



Strong performances in Infrastructure and Laminates & Panels divisions

EBIT NZ\$million¹

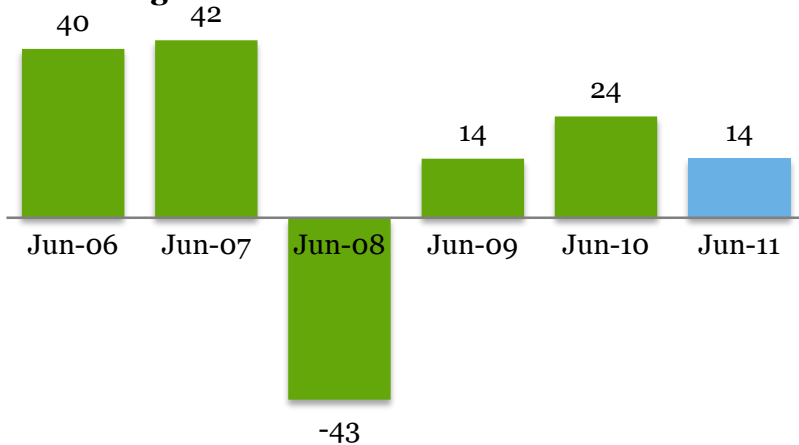


1. Earnings before interest, tax, and unusual items

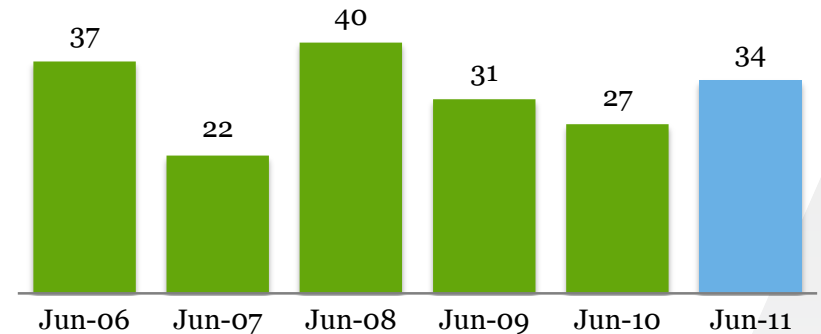


Key Ratios

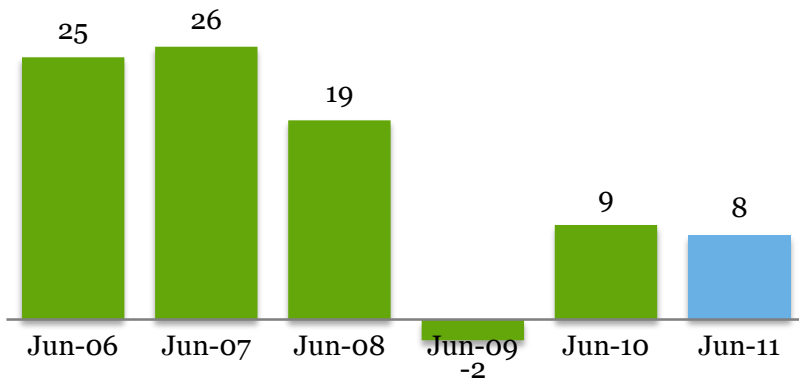
Total Shareholder Return (TSR) Percentage



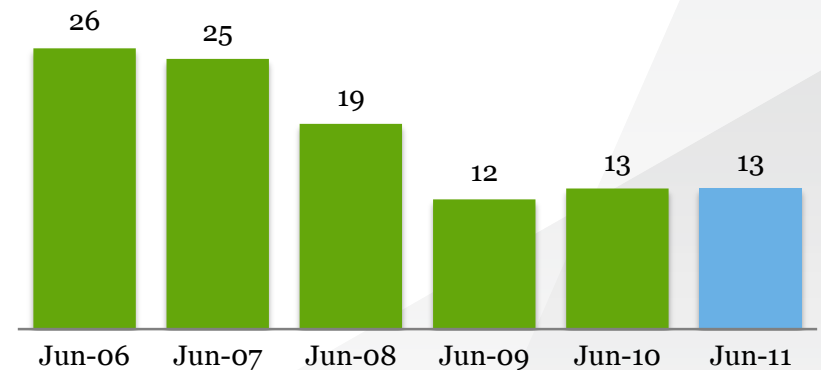
Debt/Debt Plus Equity Percentage



Return on Average Equity Percentage¹



Return on Average Funds Percentage²

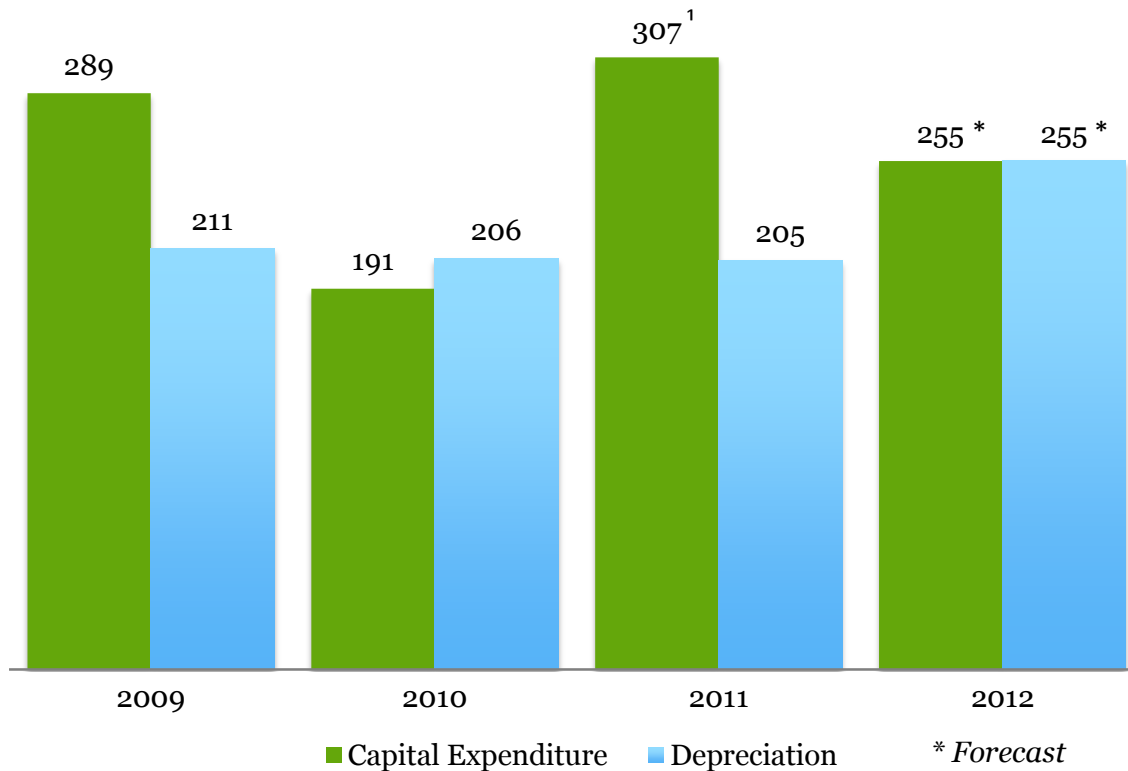


1. Net earnings / average equity

2. Earnings before interest, tax, and unusual items / average funds



Capital expenditure expected to remain in line with depreciation



Forecast excludes potential expenditure on:

Business acquisitions other than small “bolt-on’s”

Formica expansion in China / SE Asia

1. Excludes acquisition of shares in Crane Group Ltd
















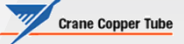
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UPDATE ON KEY DEVELOPMENTS

Iplex, Adelaide

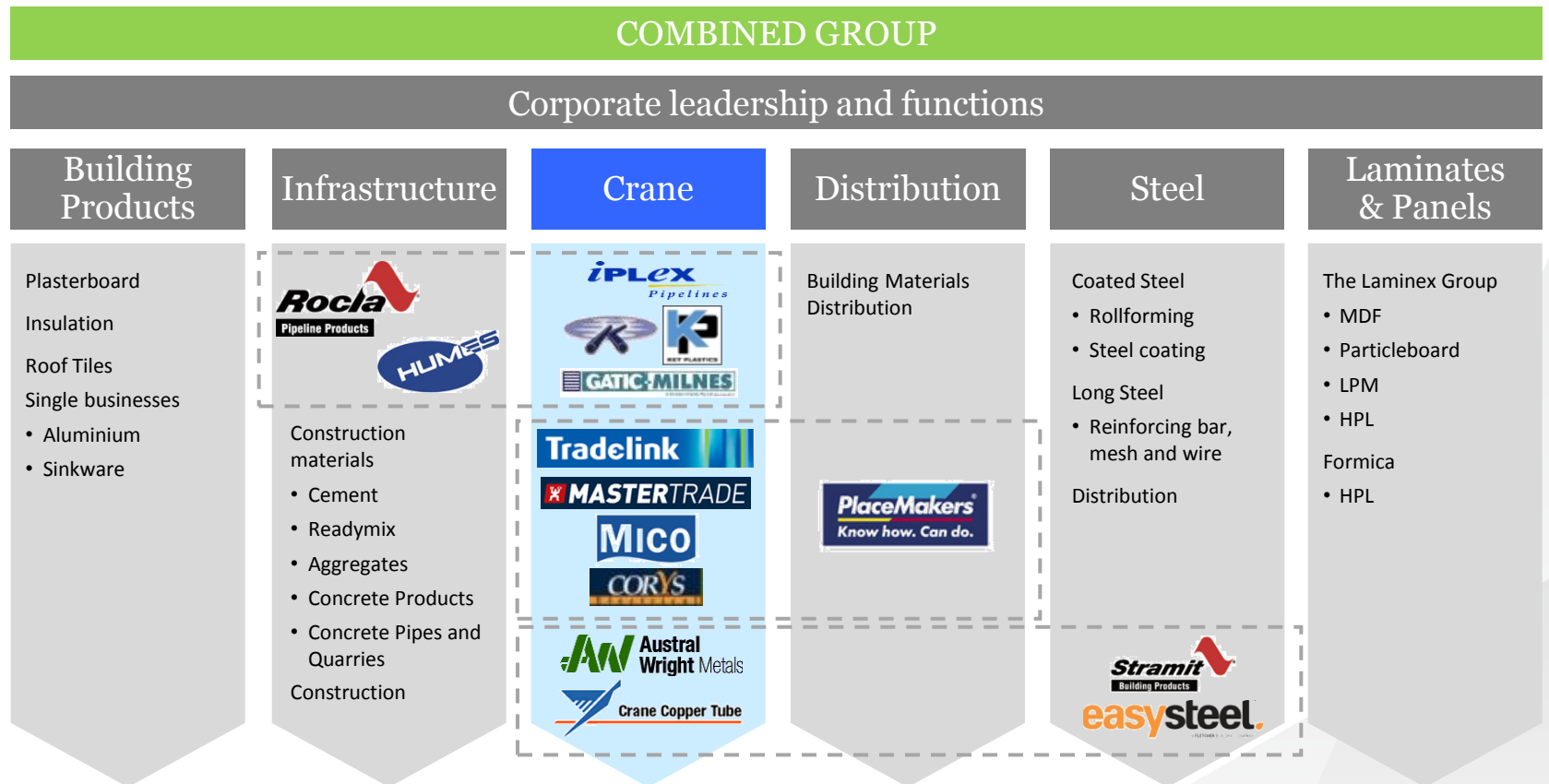


Overview of Crane's businesses

Crane Division (FY11 in A\$m, to nearest million)	Aust.	NZ	Revenue	EBIT	Key Brands
Pipelines Manufacturer and distributor of pipes and fittings from 15mm to 2,000mm in diameter with 20 manufacturing and distribution facilities across Australia and New Zealand Building applications include: civil works, houses and commercial buildings, on farm irrigation, telecommunications, and mining and industrial projects	✓	✓	519	35	    
Trade Distribution – Australia More than 240 stores under the Tradelink, Hudson Building Supplies, Northern's, Mico, Bathroom Basement and H&L brands Tradelink – Plastic pipe and plumbing products distribution through a network of 220+ branches Hudson – Hardware and timber supplies	✓		927	42	  
Trade Distribution – New Zealand Nationwide network of 100+ branches primarily targeting trade MasterTrade – Plumbing, bathroom, and electrical supplies Mico – Pipelines, plumbing, and bathroom supplies Corys – Electrical products		✓	286	2	  
Industrial Products Metals Distribution – Distribution of non-ferrous metal products in Australia and New Zealand Crane Copper Tube – Manufacturer of copper tube	✓	✓	291	5	  
Inter-segment revenue eliminations / unallocated EBIT			(146)	(14)	
TOTAL			1,876	71	



Divisional structure following the Crane acquisition



Note: Dashed lines indicate primary areas of complementary Fletcher Building and Crane businesses



Canterbury update

- **Fletcher appointed to act as agent for EQC**
- **Project management of residential repairs between \$10,000 and \$100,000**
- **Current status:**

Scorecard – to Friday 5 August

Hubs established	18+ 1 more in process of establishment
Contracting firms	795 accredited – well ahead of plan
People	6,476 contractors, trades people and others inducted
Emergency repairs	Over 21,905 completed / 1,234+ in progress
Winter heat programme	10,055 completed – 7,189 heat pumps and 2,866 solid fuel burners and repairs
Full-scope repairs	11,305 completed or in progress
Payments	Over \$119m paid to contractors Currently paying \$500M pa (annualised)

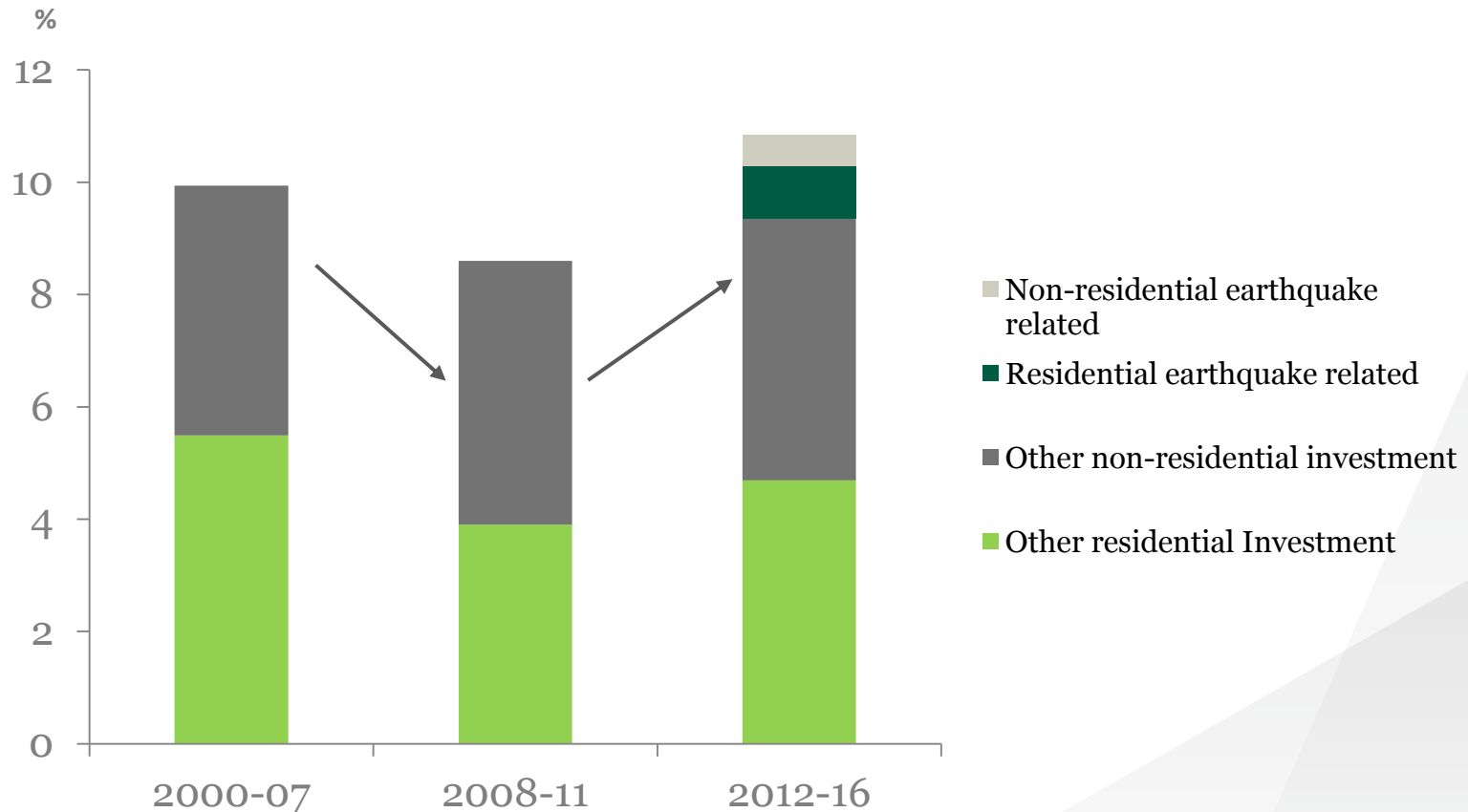
- **Fletcher Construction part of alliance to undertake infrastructure repairs**
- **Scope includes 200km roads, 800km pipes to rebuild, also manholes and pumping stations, bridges, footpaths, parks and amenities**



Impact of post earthquake construction related activity

Nationwide construction

(average quarterly real construction as a percent of potential GDP, 1995/96 prices)



Source: Statistics New Zealand, RBNZ estimates.



Weathertightness – fixing “leaky homes”

PWC report to government of March 2010 estimated 22,000 to 89,000 dwellings affected by weathertightness failures

Consensus forecast is 42,000 dwellings require repair, at a total cost of \$11.3 billion

10 years for complete remediation

New scheme proposed from second half of 2011:

Government to pay 25% cost of repair

Local council to pay 25% cost of repair

Home owner to pay remaining 50%, but supported by government guarantee of associated bank borrowing

Enabling legislation passed by parliament in July 2011



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OUTLOOK

Dimond Claudelands, Hamilton



Outlook 2012

New Zealand:

Gradual improvement in housing starts

Christchurch rebuilding to gain momentum

Commercial activity remains patchy

Infrastructure outlook underpinned by government spending

Australia:

No improvement in residential construction in the short term

Commercial outlook subdued

Infrastructure boosted by strong mining sector

Trading conditions in North America and Europe expected to remain flat

China, SE Asia and Taiwan all exhibiting growth



Investor Presentation

APPENDIX

Crane Cooper Tube, Adelaide



Building Products

Plasterboard

Winstone Wallboards

New Zealand's sole manufacturer and leading supplier of gypsum plasterboard

Insulation

Fletcher Insulation | Tasman Insulation NZ | Forman Group | Home&Dry

Leading manufacturer in Australasia of bulk glasswool insulation market

Roof Tiles

AHI Roofing | Decra Roofing Systems

Major global supplier of metal roof tiles

Single Businesses

Fletcher Aluminium

Tasman Sinkware



Building Products result

NZ\$m	June 11 12 Mths	June 10 12 Mths	% Δ
Sales	692	798	-13
EBITDA ¹	138	140	-1
EBIT ¹	111	114	-3
Funds Employed	583	667	-13
EBITDA ¹ /sales %	19.9	17.5	
EBIT ¹ /sales %	16.0	14.3	
ROFE ¹ %	19.5	17.1	

Plasterboard operating earnings adversely impacted by slowdown in residential housing starts and Christchurch earthquakes

- One off gain of \$16m from sale and leaseback of Auckland factory

Insulation earnings down 26% due to market disruption in Australia.

Roof Tiles volumes up in Africa, Europe and Asia but down in NZ and USA.

1. Excluding unusual items



Distribution

PlaceMakers

The premier supplier of building materials to New Zealand's commercial and construction markets

62 outlets across New Zealand trading as PlaceMakers

33% market share of the core building materials sectors

No.1 in key building materials

Trade focus: 85% of sales

Most outlets operated as joint ventures



Distribution result

NZ\$m	June 11 12 Mths	June 10 12 Mths	% Δ
Sales	856	878	-3
EBITDA	48	47	+2
EBIT	39	38	+3
Funds Employed	143	139	+3
EBITDA/sales %	5.6	5.4	
EBIT/sales %	4.6	4.3	
ROFE %	27.3	27.3	

Sales down 3% due to slowdown in residential and commercial building activity in the second half, and slowdown in Christchurch post earthquake

Operating earnings rose 3% as a result of cost reductions.

DIY segment weakened following GST increase, competitive activity intensified.



Infrastructure

Concrete New Zealand

Firth | Humes Pipeline Systems | Golden Bay Cement | Winstone Aggregates

- 15% of NZ aggregates markets
- 55% of NZ cement market
- 34% of NZ readymix concrete market
- 50% of NZ pre-cast and concrete pipe market

Concrete Australia

Rocla Quarry Products | Rocla Pipeline Products
35% of Australian concrete pipe market

Construction

Fletcher Construction

- New Zealand's leading construction company
- Commercial (buildings) and Engineering (infrastructure)
- South Pacific (general)

Property

Fletcher Residential

- New Zealand's largest home builder



Infrastructure result

NZ\$m	June 11 12 mths	June 10 12 mths	% Δ
Sales	2,052	2,020	+2
EBITDA			
Concrete NZ	106	98	+8
Concrete Aust.	80	69	+16
Construction	47	47	-
Property	24	20	+20
Total EBITDA	257	234	+10
EBIT	185	164	+13
Funds Employed	1,134	1,022	+10
EBITDA/sales %	12.5	11.6	
EBIT/sales %	9.0	8.1	
ROFE %	16.3	16.1	

NZ Concrete

- Cement earnings up despite lower domestic volumes.
- Demand for concrete and related products typically weaker.

Australia Concrete

- Improved margins through new product development and broadened business base

Construction

- 5% decline in turnover, earnings flat.
- Costs incurred in relation to large contract tenders
- Includes management fee from EQC contract.
- Current backlog \$764m.



Laminates & Panels

Laminex

Leading high pressure laminate & decorative surfaces

Estimated Australasian market positions

Decorated board – No.1

Medium density fibreboard – No.1

Particleboard – No.2

Over 50 distribution outlets owned across Australasia



Formica

Global player, strongest brand internationally for high pressure laminate

No. 2 in the US, No. 1 in Canada

Market share leader in HPL in UK and Spain

In Asia, focus is mainly on commercial applications



Laminates & Panels result

NZ\$m	June 11 12 mths	June 10 12 mths	% Δ
Sales	1,979	1,930	+3
EBITDA			
Laminex	149	148	+1
Formica	83	69	+20
Total EBITDA ¹	232	217	+7
EBIT ¹	168	141	+19
Funds Employed	1,745	1,695	
EBITDA ¹ /sales %	11.7	11.2	
EBIT ¹ /sales %	8.5	7.3	
ROFE ¹ %	9.6	8.3	

Laminex

- Australian revenues up strongly in first half due to new housing and govt education building programme
- Slowdown seen in second half across all sectors
- Prior year result included \$16m one-off gains

Formica

- Earnings up 65% due to efficiency gains and cost out.
- US and European markets remained weak.
- Asia revenues up 9%

1. Excluding unusual items



Formica: continued improvement in earnings, due to Asia growth and cost reduction programme

EBIT NZ\$m	FY11	FY10	% Change
Asia	34	29	+17
North America	28	15	+87
Europe	9	5	+80
Corporate	-15	-15	-
EBIT \$NZ	56	34	+68



Steel

Rollforming and Coated Steel

Pacific CoilCoaters|Stramit Building Products|Dimond

Approx. 24% of Australian market (Stramit)

Major player in New Zealand roofing market (Dimond)



Long Steel

Pacific Steel Group|Sims Pacific Metals (50%)

No.1 in New Zealand market

50% shareholding in Sims Pacific Metals

NZ's sole electric arc furnace

Distribution

Fletcher Easysteel|CSP Coating Systems|Fletcher Reinforcing

Reinforcing bar, flats, rod and wire



Steel result

NZ\$m	June 11 12 Mths	June 10 12 mths	% Δ
Sales	1,214	1,172	+4
EBITDA	106	107	-1
EBIT	83	82	+1
Funds Employed	577	535	
EBITDA/sales %	8.7	9.1	
EBIT/sales %	6.8	7.0	
ROFE %	14.4	15.3	

Strong performance in coated steel despite impacts of floods and earthquakes:

- Operating earnings up 32% to \$58m

Difficult market conditions in long steel with earnings down 61%.

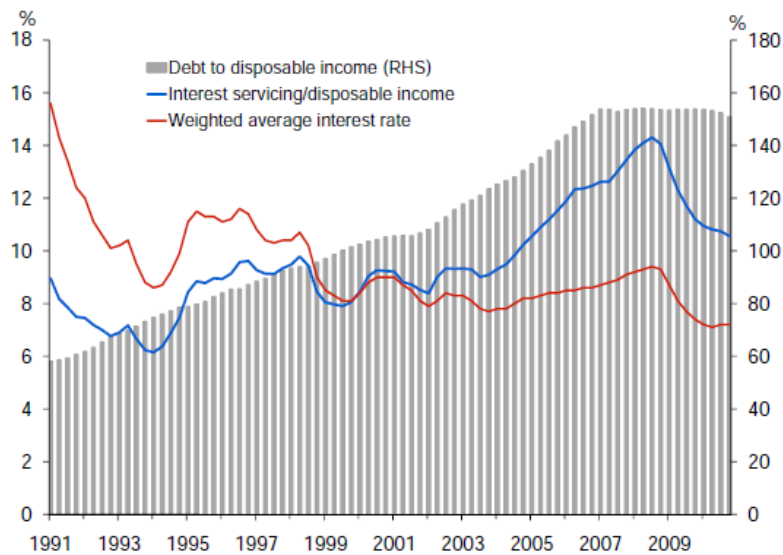
Strong recovery in distribution and services earnings, up 86% to \$13m on prior year.



New Zealand: Key residential indicators

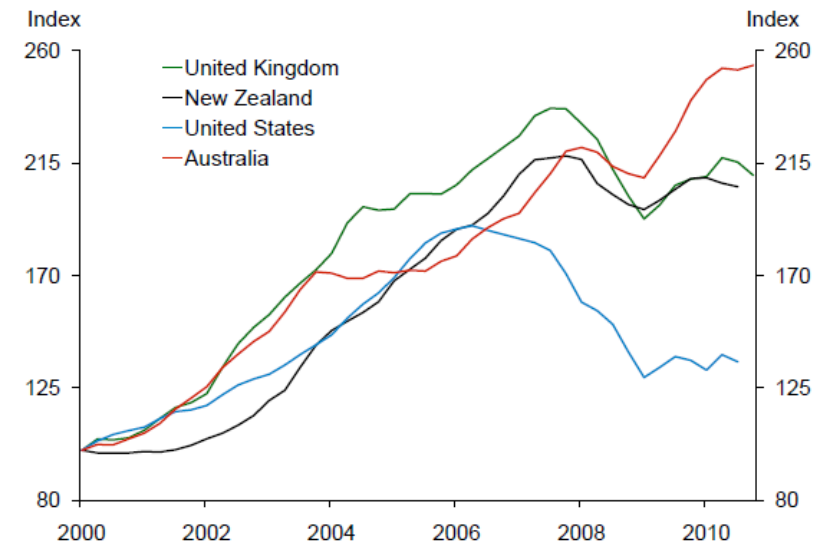
Figure A7

Household debt and servicing costs



House prices

(March 2000 = 100)

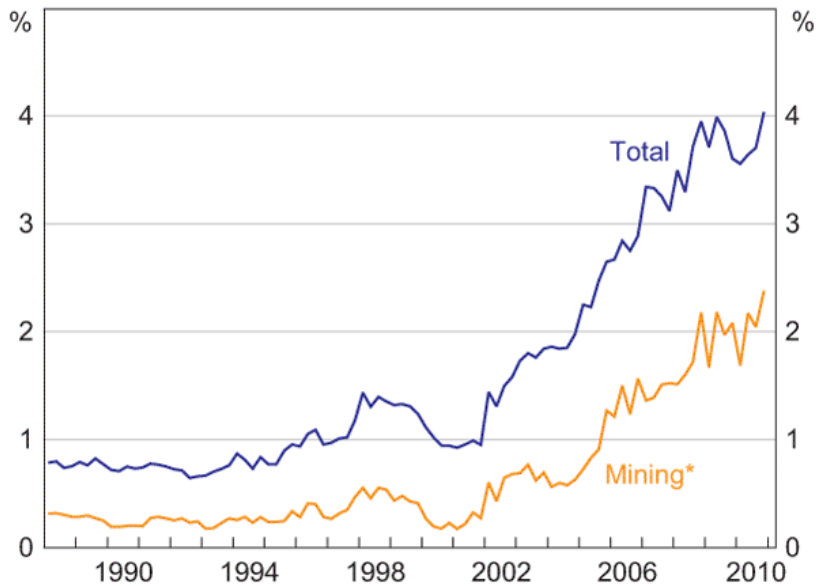


Source: Quotable Value Ltd, Bank for International Settlements, Haver Analytics.



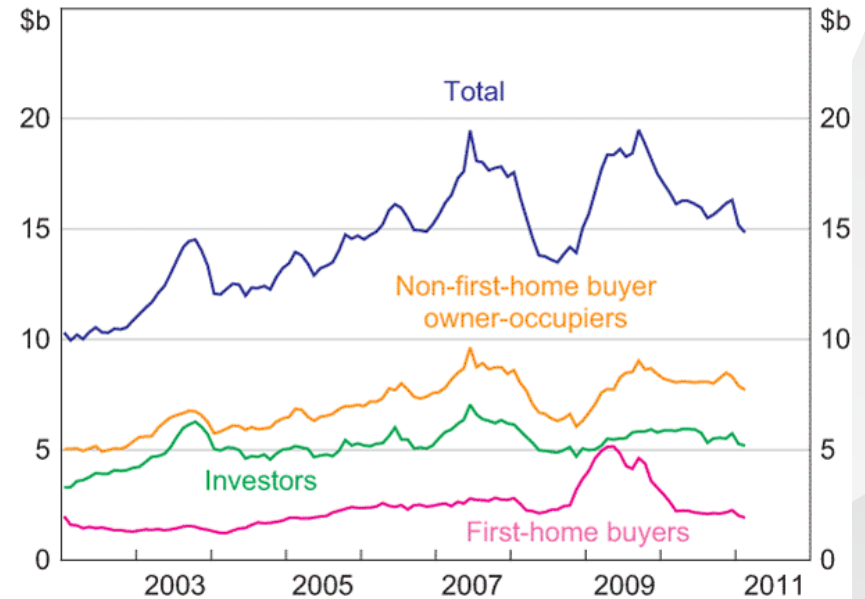
Australia: Key construction sector indicators

Private Engineering Construction Work Done
Per cent of nominal GDP



* Mining work done data are not seasonally adjusted
Source: ABS

Housing Loan Approvals*



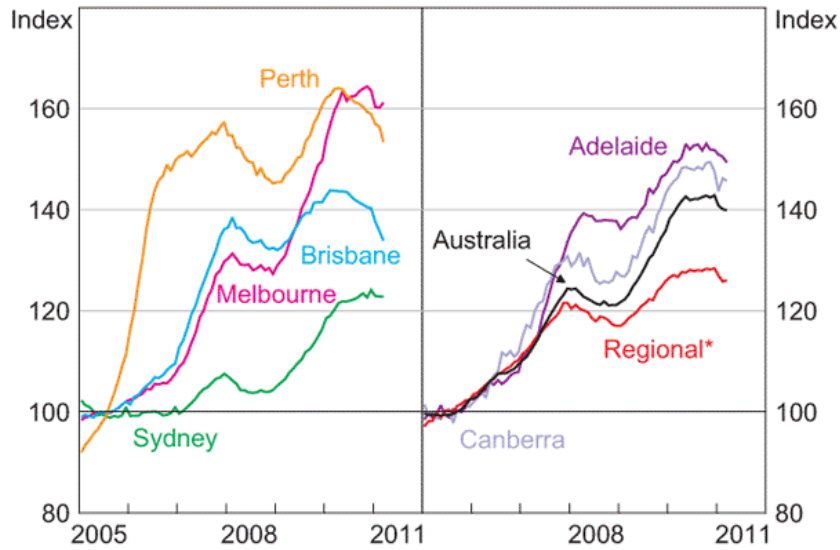
* Excludes owner-occupier refinancing, alterations & additions and investor approvals for new construction and by 'others'
Sources: ABS; RBA



Australia: Key residential indicators

Dwelling Prices

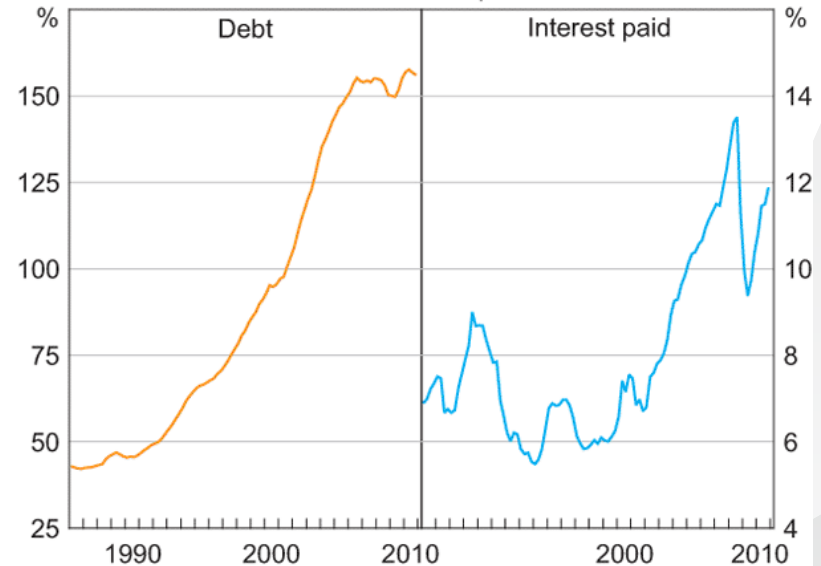
2005 average = 100



* Excluding apartments; measured as areas outside of capital cities in NSW, Qld, SA, Vic and WA
Sources: RBA; RP Data-Rismark

Household Finances*

Per cent of household disposable income



* Household sector excludes unincorporated enterprises. Disposable income is after tax and before the deduction of interest payments.
Sources: ABS; RBA



New Zealand Economic and Fiscal Data¹

Economic data

March years	2011	2012	2013	2014	2015
Real GDP growth (annual average % change)	1.0	1.8	4.0	3.0	2.7
Inflation (annual % change March quarter)	4.5	3.1	2.4	2.5	2.6
90-day interest rate (March quarter)	3.0	3.0	3.9	4.7	5.0
Unemployment rate (March quarter)	6.8	5.7	4.8	4.8	4.6

Fiscal data

June years

Operating balance before gains and losses (% of GDP)	-8.4	-4.7	-1.8	-0.3	0.5
Net debt (% of GDP)	20.8	26.2	28.5	29.5	29.6
Gross sovereign-issued debt (% of GDP)	35.8	37.2	35.5	37.9	35.0

¹ NZ Government Budget estimates, May 2011



INVESTOR PRESENTATION

September 2011

Bill Roest

Chief Financial Officer