
FLETCHER BUILDING

FORSYTH BARR PRESENTATION

19 October 2011

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Chief Executive Officer

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 August 2011 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.



Fletcher Building at a glance

	2001	2011
Revenue (NZ\$billion)	2.3	7.4
Operating Profit (EBIT NZ\$million)	94	596
Market Capitalisation (NZ\$billion)	0.78	4.5
Employees	7,000	>20,000



Fletcher Building at a glance

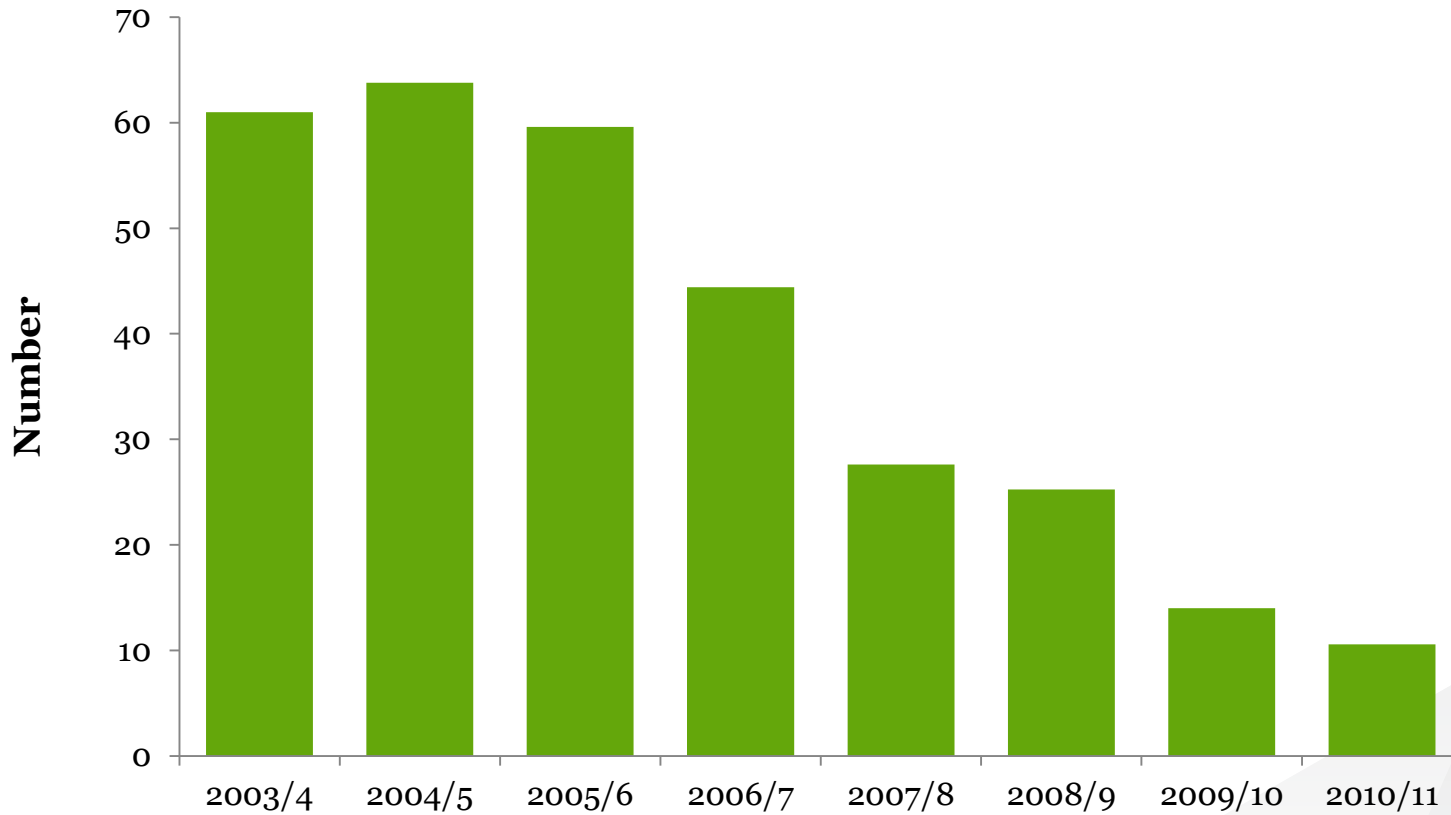
	2001	2011
Market Ranking:		
-NZX	17	2
-ASX		58
Share Price	\$2.26	\$6.70
Total Shareholder Return		484%*

* Based on period from 26 March 2001 to 30 June 2011



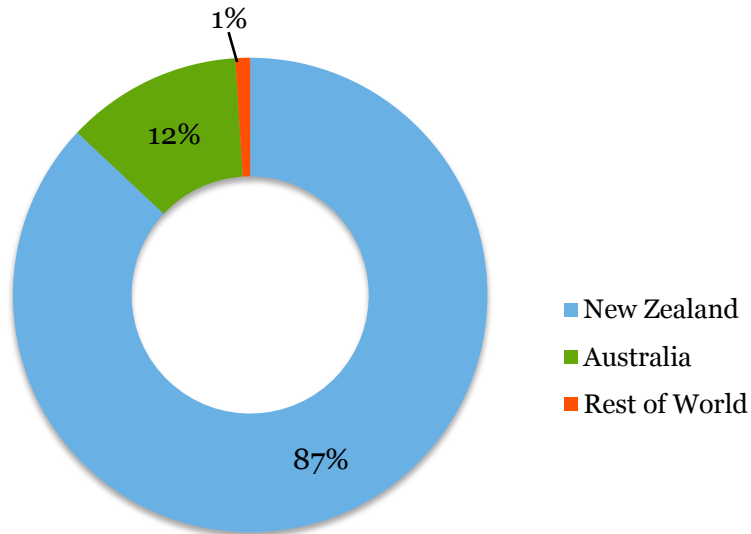
Safety performance

Total recorded injury frequency rate

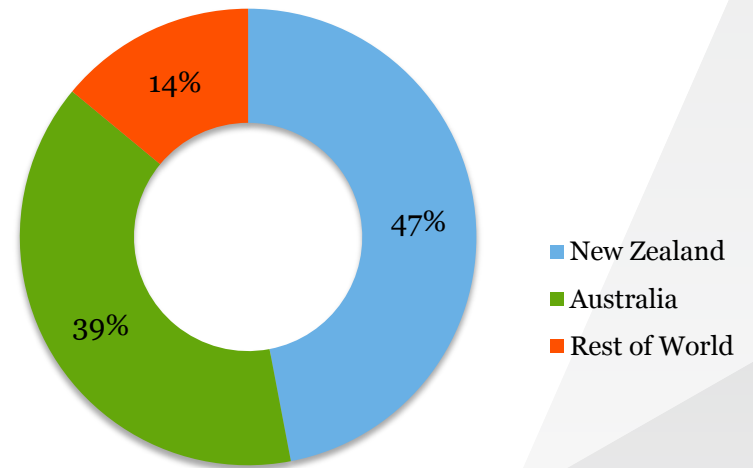


Fletcher Building then and now

Revenue 2001:



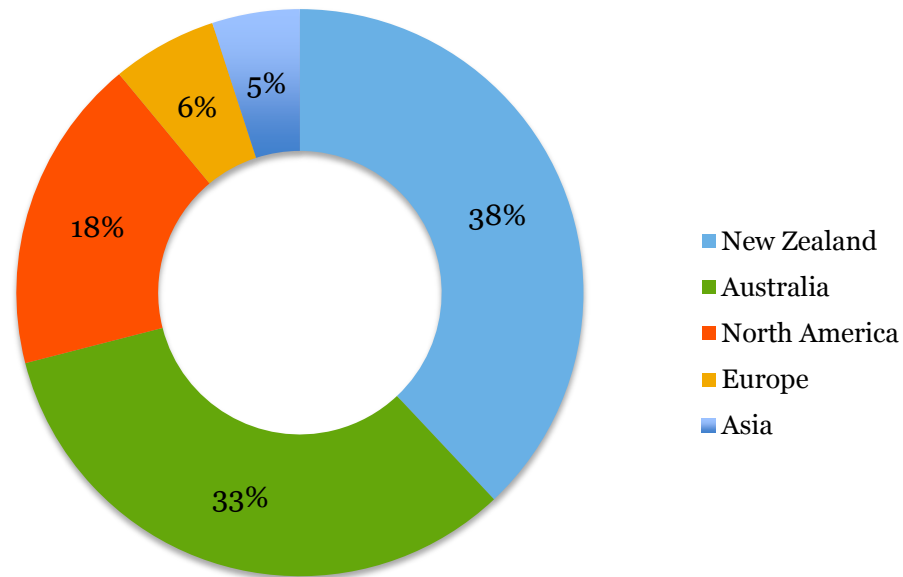
Revenue 2011:*



* Pro-forma combined Fletcher Building and Crane Group



Fletcher Building shareholder base



Market leading businesses



Building
Products

Crane

Distribution

Infrastructure

Laminates
& Panels

Steel

**Plasterboard
Insulation
Roof Tiles
Single Businesses:**

- Aluminium
- Sinkware

**Pipelines –
Manufacture &
Distribution**

**Trade Distribution
Australia and NZ**

**Copper Tube –
Manufacture &
Distribution**

**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



Strategic objectives

Grow our Australian and New Zealand building products and construction materials positions

Develop Laminex and Formica into the World's leading laminates and panels business

Maintain our strong market positions in New Zealand

Pursue opportunities to transform our businesses



The Fletcher Building way

Decentralised organisation structure. Maximum autonomy and accountability with Business Unit General Manager.

Small corporate office.

Improve or eliminate underperforming businesses

Have the right people in the right roles at the right time.

A bias to action and do what you say you will do.



Fletcher Building acquisition criteria

No. 1 or 2 market position

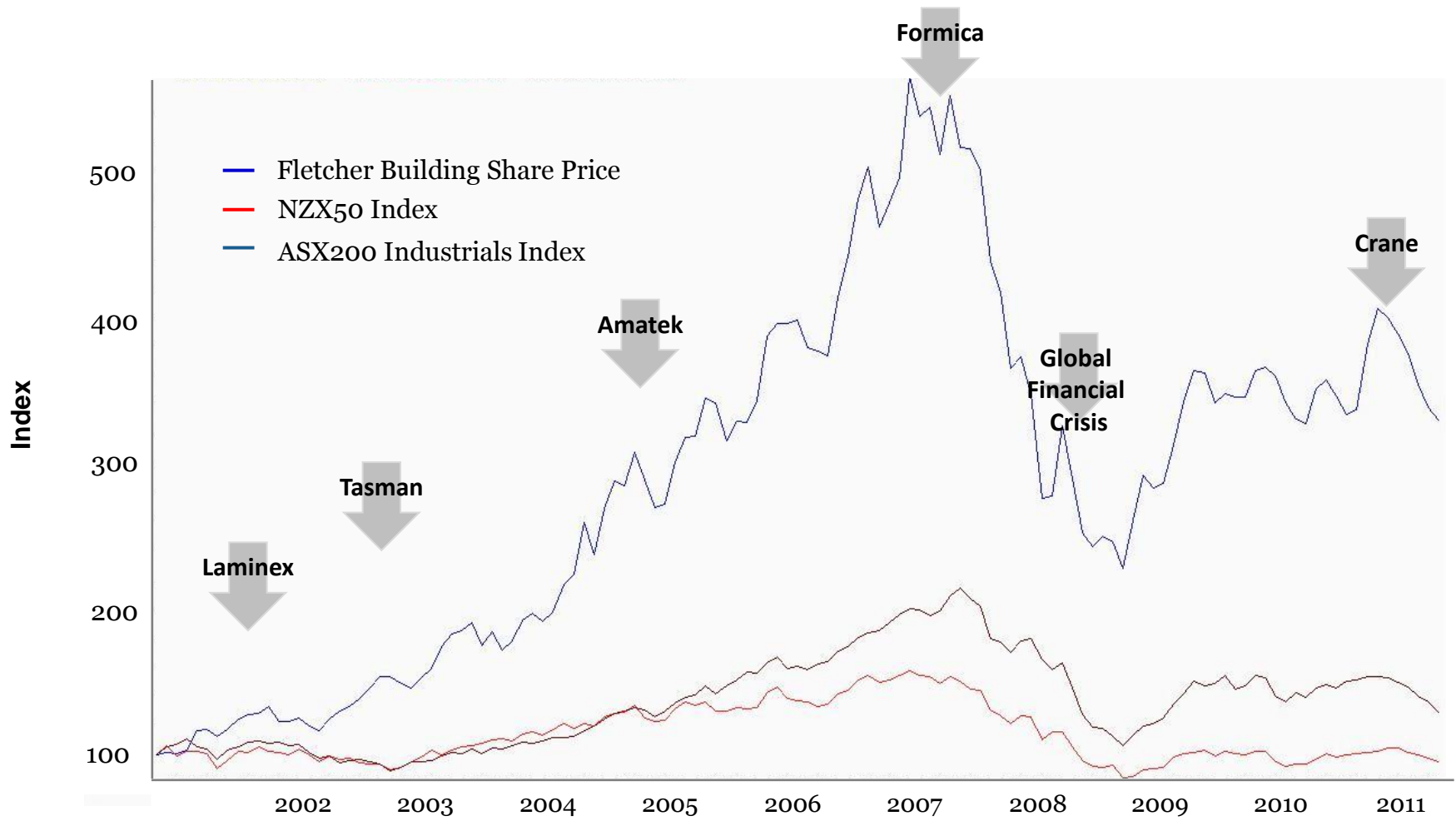
Attractive industry structure

Capable management available

Attractive financial returns



Successful diversification has driven out-performance



Overview of Crane's businesses

Crane Division (FY10 in A\$m, to nearest million)	Aust.	NZ	Key Brands
<p>Pipelines</p> <p>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</p> <p>Building applications include: civil works, houses and commercial buildings, on farm irrigation, telecommunications, and mining and industrial projects</p>	✓	✓	    
<p>Trade Distribution – Australia</p> <p>More than 240 stores under the Tradelink, Hudson Building Supplies, Northern's, Mico, Bathroom Basement and H&L brands</p> <p>Tradelink – Plastic pipe and plumbing products distribution through a network of 220+ branches</p> <p>Hudson – Hardware and timber supplies</p>	✓		  
<p>Trade Distribution – New Zealand</p> <p>Nationwide network of 100+ branches primarily targeting trade</p> <p>MasterTrade – Plumbing, bathroom, and electrical supplies</p> <p>Mico – Pipelines, plumbing, and bathroom supplies</p> <p>Corys – Electrical products</p>		✓	  
<p>Industrial Products</p> <p>Metals Distribution – Distribution of non-ferrous metal products in Australia and New Zealand</p> <p>Crane Copper Tube – Manufacturer of copper tube</p>	✓	✓	  

Source: Crane FY10 Annual Report and Crane Group



Canterbury earthquake rebuilding

Another major earthquake of magnitude 5.5 occurred on Sunday 9 October

Government has confirmed that this will further delay rebuilding

Non-availability of insurance for new construction activity is a major constraining factor

NZ Treasury expectations are that rebuilding will not “begin in earnest” until second half of calendar 2012

EQR contract is progressing well:

- 20 hubs established, with over 900 accredited contractors
- \$200m paid to date to contractors; payments currently running at \$40m per month;
- 17,500 full scope repairs either completed or underway



Trading update – 12 October 2011

New Zealand

Continued low levels of activity in the residential and commercial construction sectors;

- Recent modest uplift in residential consents has yet to flow through to activity levels
- Group businesses exposed to the residential and commercial markets have recorded lower earnings year over year;
- Further earthquakes have delayed Canterbury rebuilding

Australia

Significant downturn in residential consents and continued weak approval levels in commercial construction have impacted earnings.

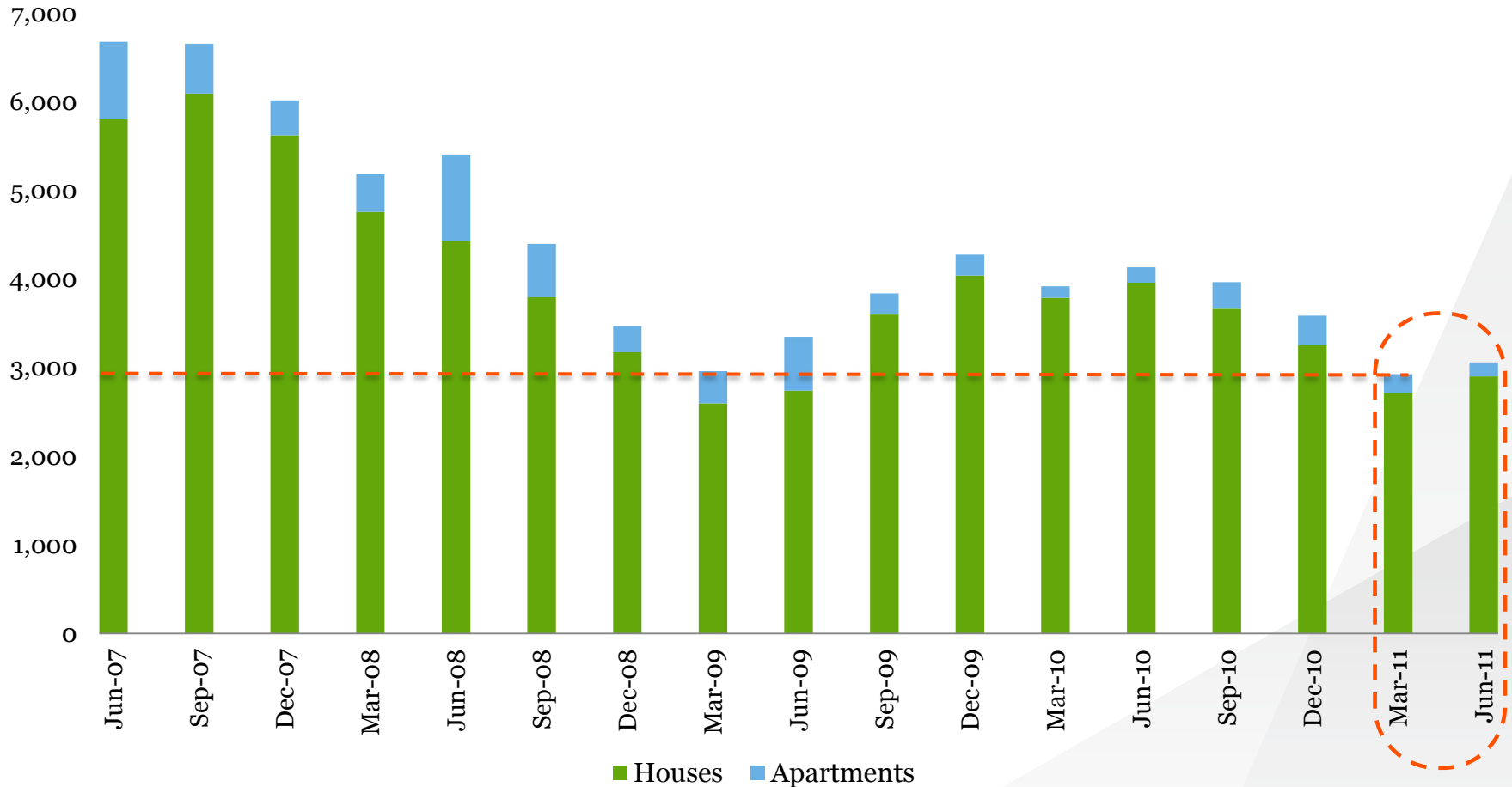
- Laminex earnings negatively impacted due to:
 - High exposure to the new residential, and additions & alterations sectors
 - Sensitivity of earnings to volume changes

Long steel exports to Australia impacted by surplus capacity globally and strong Australian currency



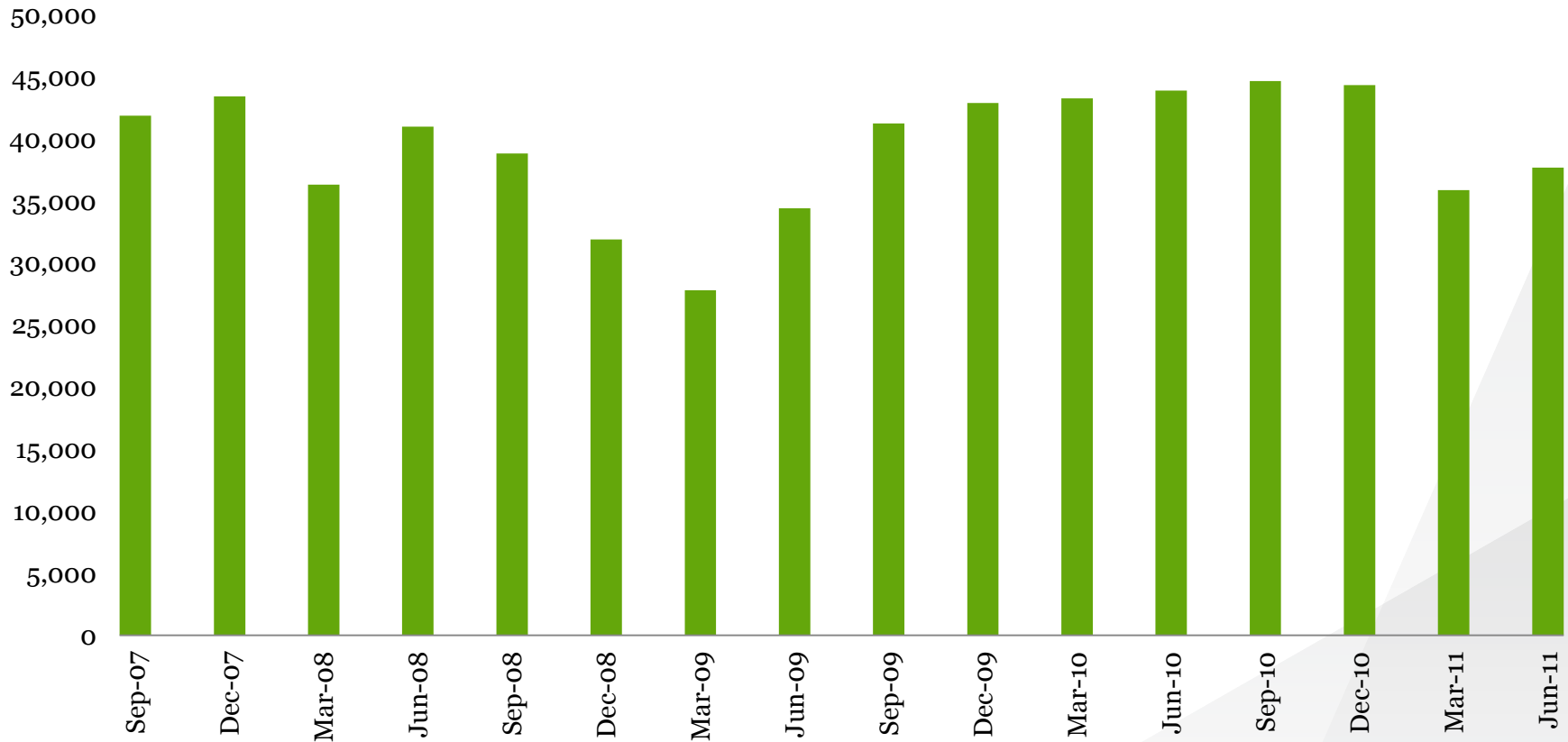
New Zealand residential consents in March and June quarters were at historically low levels

Housing consents



Australian residential consents have slowed considerably in the last two quarters

Total Dwellings (incl conv)



Finance approvals for additions and alterations in Australia have been trending down

Additions & Alterations loans



Financial outlook FY2012

Based on:

- Current assessment of market conditions, and
- Unaudited internal forecasts:

Net earnings for the 2012 half year are expected to be around 10% lower than the 2011 result of \$166 million

Net earnings for the 2012 financial year are expected to be similar to the \$359 million pre-unusuals result reported for FY2011



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