Building Products Investor Strategy Presentation

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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 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

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Plasterboard

- Winstone Wallboards

- Gypsum plasterboard and accessories

Insulation

- Fletcher Insulation
- Baron Insulation
- ee-Fit
- Forman Group
- Tasman Insulation
- Home&dry
- PinkFit

- Glasswool insulation
- Building foils and wraps
- Installation services

Coated Steel

- Roof Tile Group
- Stramit
- Dimond
- Pacific Coil Coaters

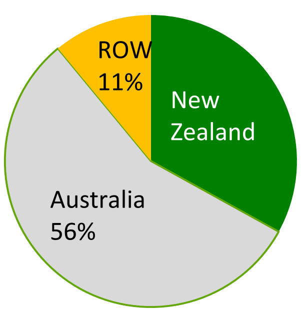
- Painted steel and aluminium coil
- Rollformed steel roofing, flooring products and light structural products
- Pressed steel and stone chipped roofing tiles and installation
- Sheds and home improvement and garage doors

Other

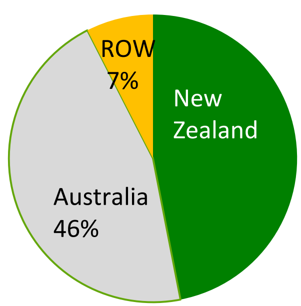
- Fletcher Aluminium
- Tasman Sinkware

- Aluminium windows & doors
- Stainless steel sinks

Revenue



People

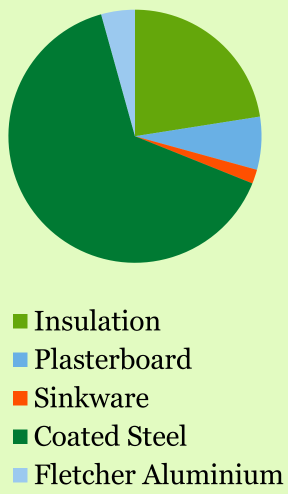


Building Products Division Financial Results

Summary Financials (NZ$M)

Yearly Trends

Revenue Source FY12



NZ$m	1 H 2012	1 H 2013	% Δ
Net Sales	737	701	*-5*
EBITDA (excl unusuals)	83	76	*-8*
EBIT (excl unusuals)	64	56	*-12*
Funds Employed	911	783	*-14*
EBITDA/sales %	11.3	10.8	
EBIT/sales %	8.7	8.0	
ROFE %	14.1	14.3	

Plasterboard – Winstone Wallboards

No. 1 in New Zealand

Sole New Zealand plasterboard manufacture currently at 65% capacity

Superior Logistics

Product/service excellence

Significant proportion of sales from value added performance board

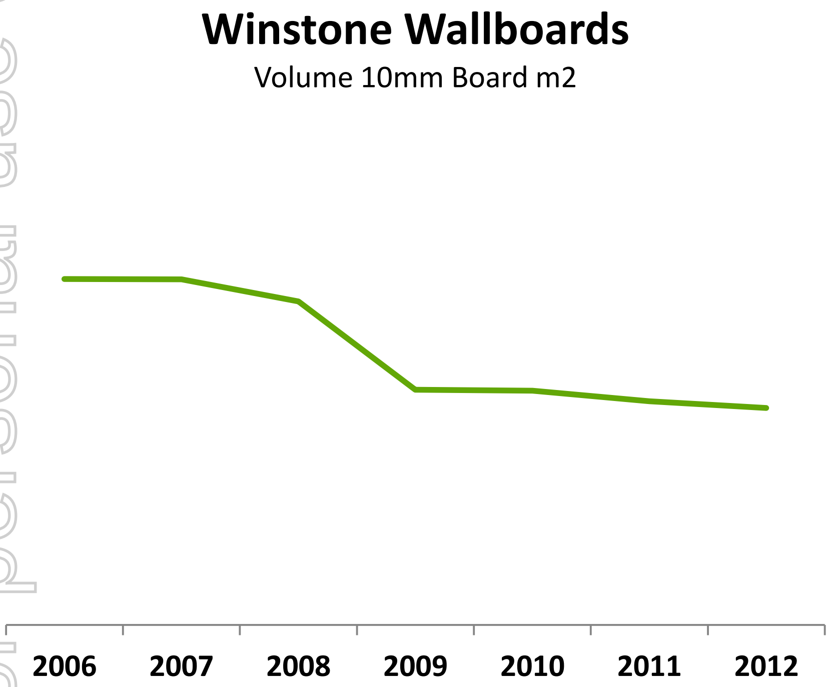
Competitive cost position

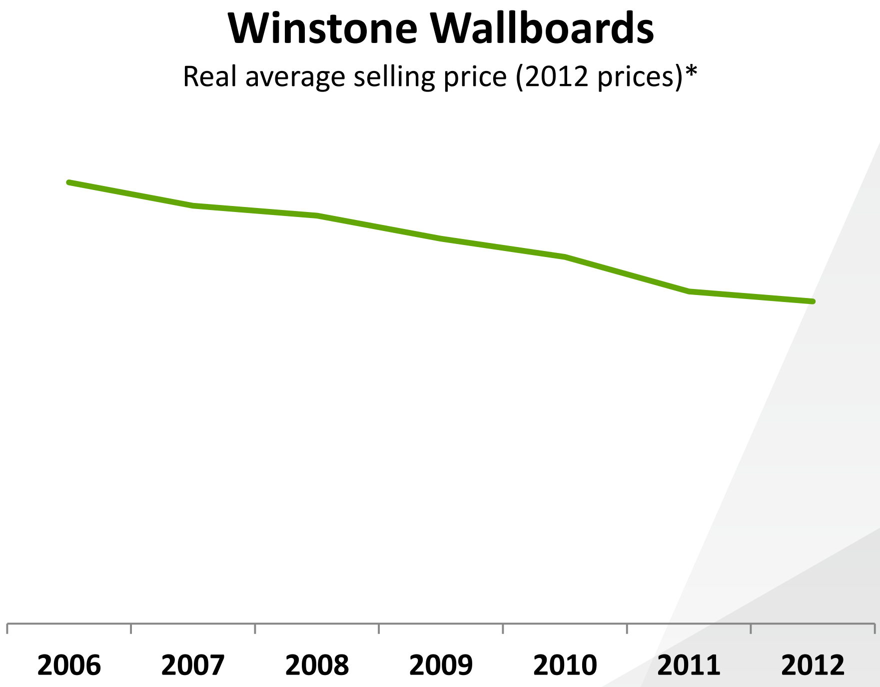
GIB®

Key Drivers:

- Sales split between Residential and Commercial sectors (approx split 75% and 25% respectively)
- Trade exposed
  - USD
  - AUD

Plasterboard – Volume and Pricing





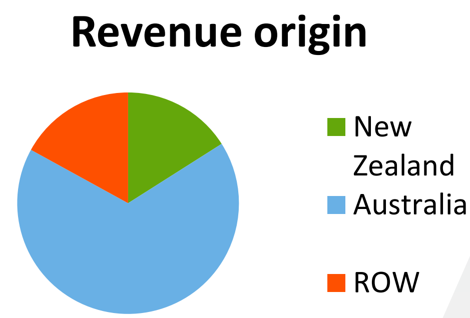
Plasterboard tendering mechanics in Canterbury:

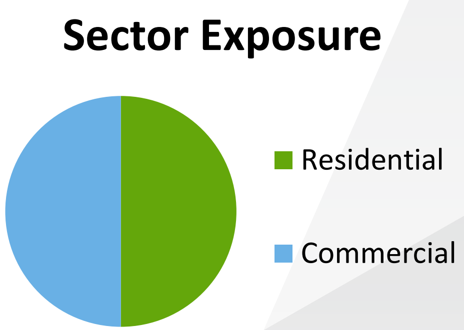
- Ministry of Business, Innovation and Employment (MBIE) tender covered the supply of plasterboard for EQC and Southern Response Earthquake Services (SRES) - estimated at 6M m^2 over 3 to 4 years.
- The tender sought to use the existing distribution channels as much as possible.
- Winstone Wallboards and Knauf Plasterboard Australia were named as the successful panellists.
- End Users can choose the supplier to use (i.e. no set quotas put in place.)
- Winstone Wallboards is to provide a rebate to EQC and SRES based on volumes used.

Coated Steel

Coated Steel comprises the following businesses:

- **Pacific Coil Coaters**
- **Stramit**
- **Dimond**
- **The Roof Tile Group**





Coated Steel Value Chain

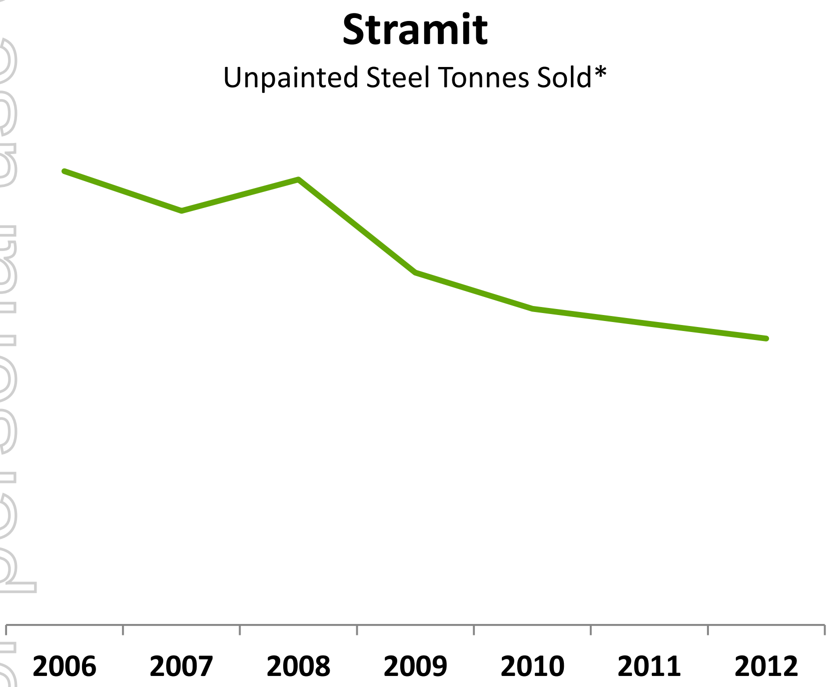
Coating → Rollform/Press → Distribution

Distributors

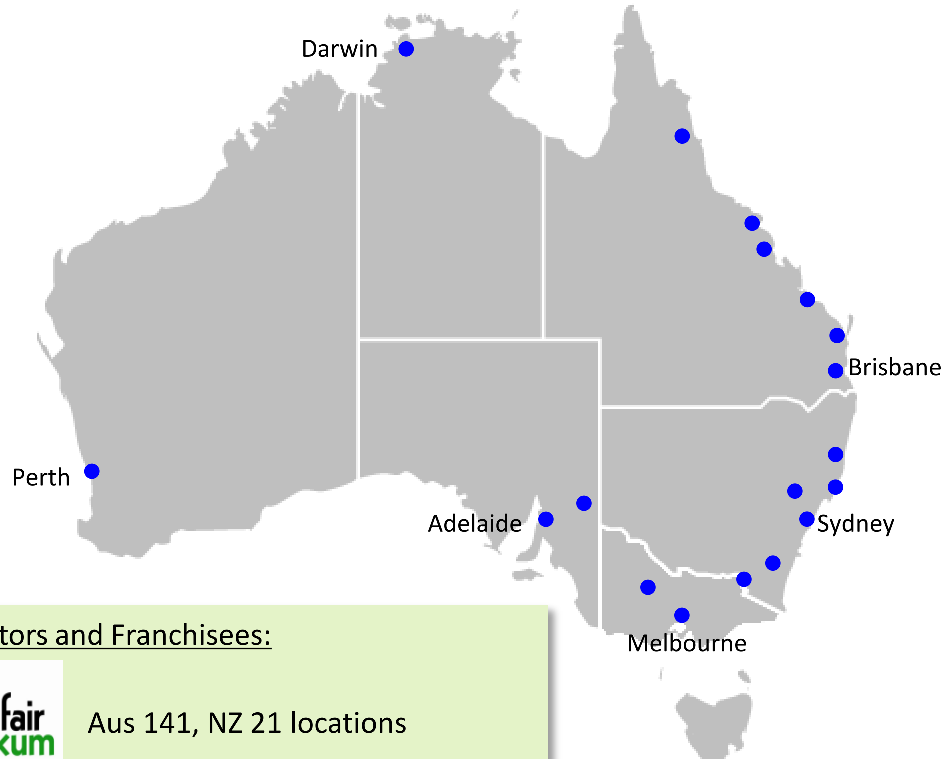
Direct

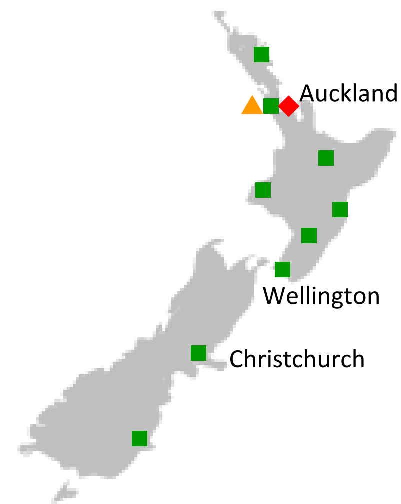
	Coating	Rollform/Press	Distribution
Australia		Stramit Building Products	Fair Dinkum Homes & Sheds; ShedBoss; Taurean Door Systems; Gliderol Garage Doors – Opening doors around the world; SOL Home Improvements
New Zealand	Pacific Coilcoaters; Colorcote Pre-Painted Metal Products	Dimond	
Aus / NZ / ROW	Fletcher Building Roof Tile Group; DECRA Stone Coated Steel Roofing Systems; AHI Roofing – A Fletcher Building Company; Gerard Roofing Systems		

Coated Steel - Volumes Pricing



Coated Steel Distribution Locations





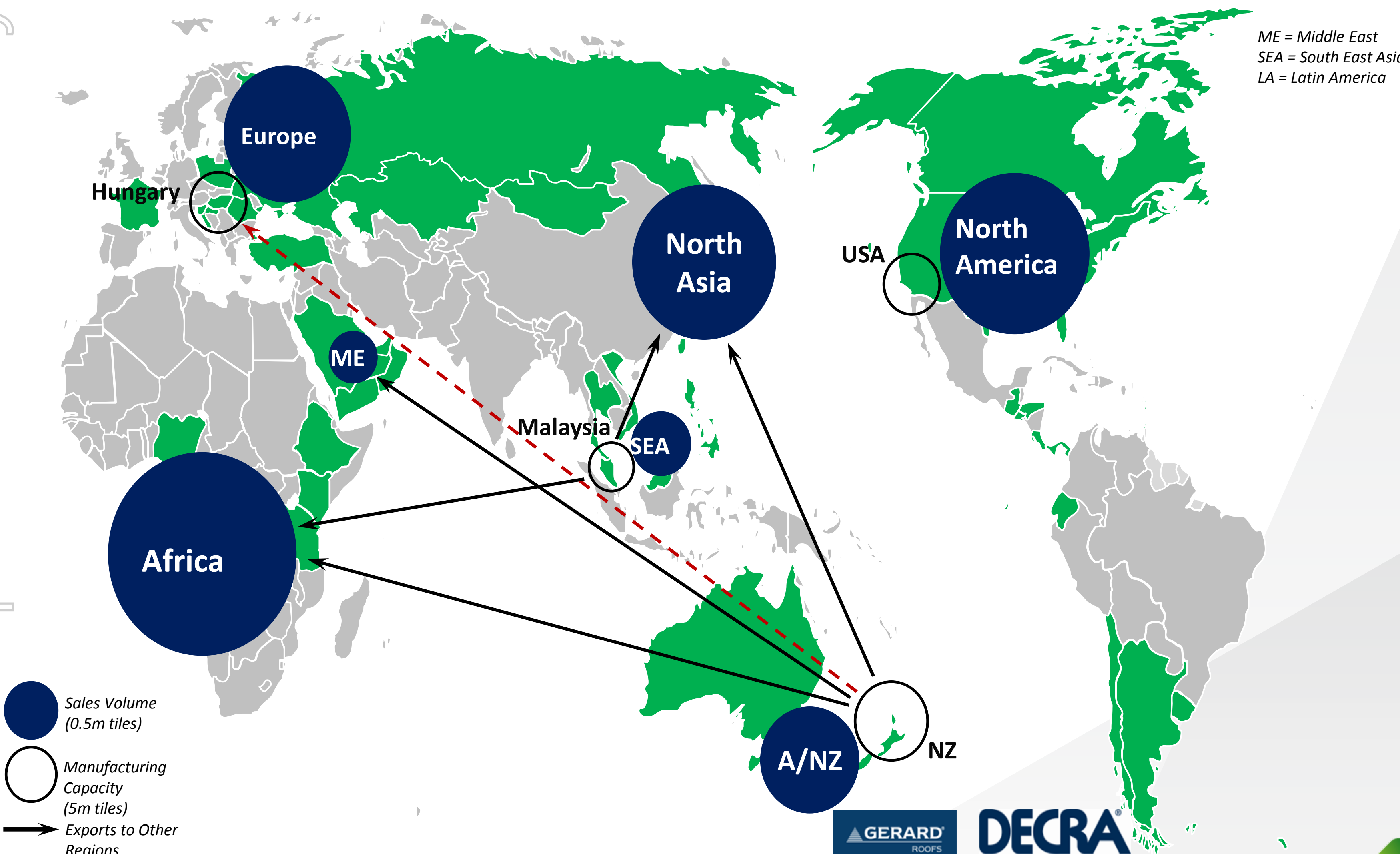
Legend:

- ● Stramit
- ■ Dimond
- ◆ Pacific CoilCoaters
- ▲ Roof Tile Group & Gerard NZ

Distributors and Franchisees:

- fair dinkum HOMES & SHEDS: Aus 141, NZ 21 locations
- ShedBoss: Aus 24, NZ 11 locations
- SOL Home Improvements: Aus 28 locations
- GERARD ROOFING SYSTEMS: Aus 14, NZ 46 locations

Roof Tiles Sales Volumes and Manufacturing Locations



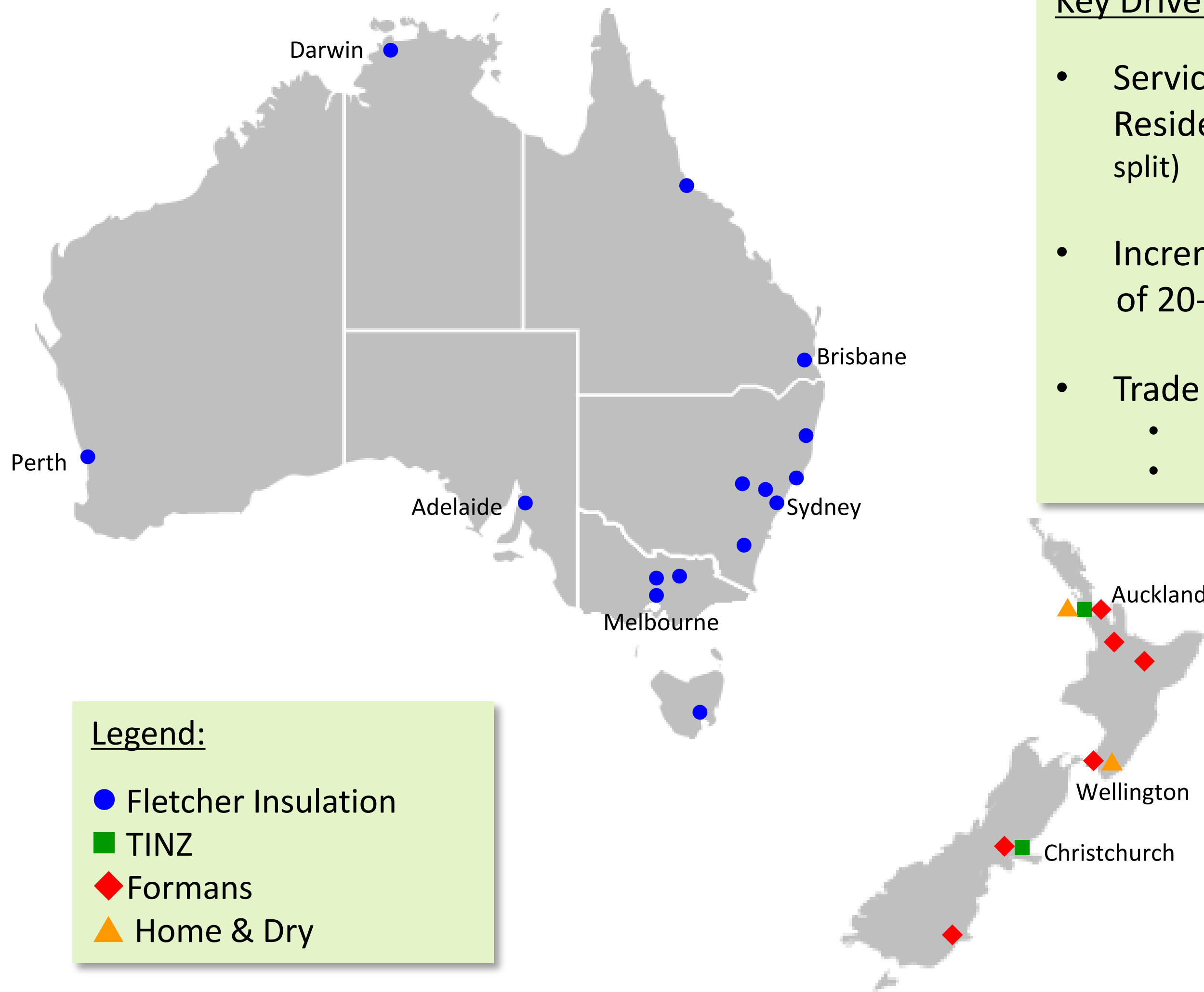
Growth Opportunities in Coated Steel are Significant

- Insulated panels
- Garage doors
- Pre-engineered buildings, additions and alterations
- Industry consolidation

Insulation Value Chain

	Manufacturing	Distribution	Installation
Australia	Fletcher Insulation	Fletcher Insulation Baron Insulation	Baron Insulation ee-FiT energy efficiency solutions
New Zealand	Tasman Insulation New Zealand	Forman Building Systems Home&dry make a better place to live	pinkfit Preferred Pink Batts Installers Forman Commercial Interiors Installers of Ceiling and Wall Systems. Forman Insulation

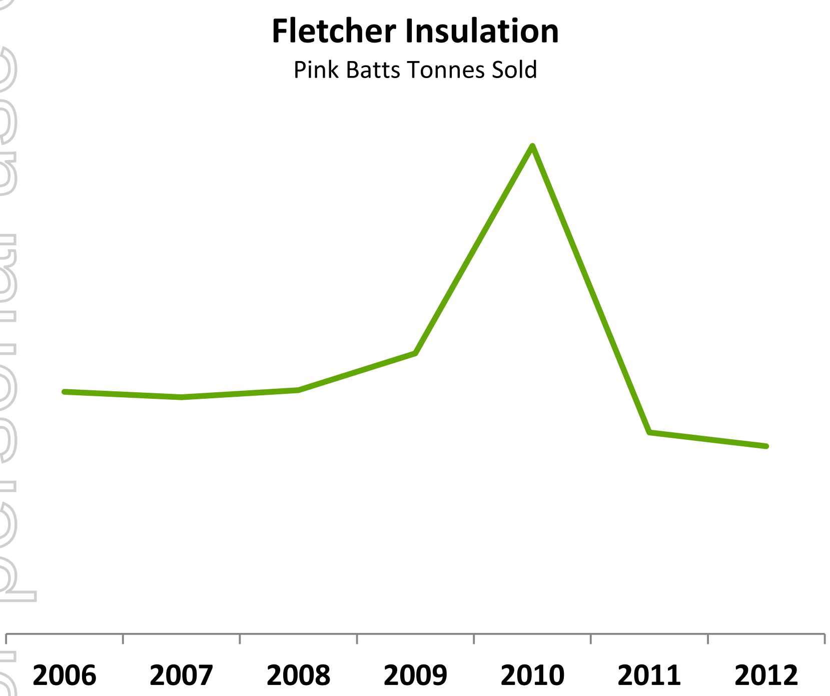
Insulation Distribution Locations

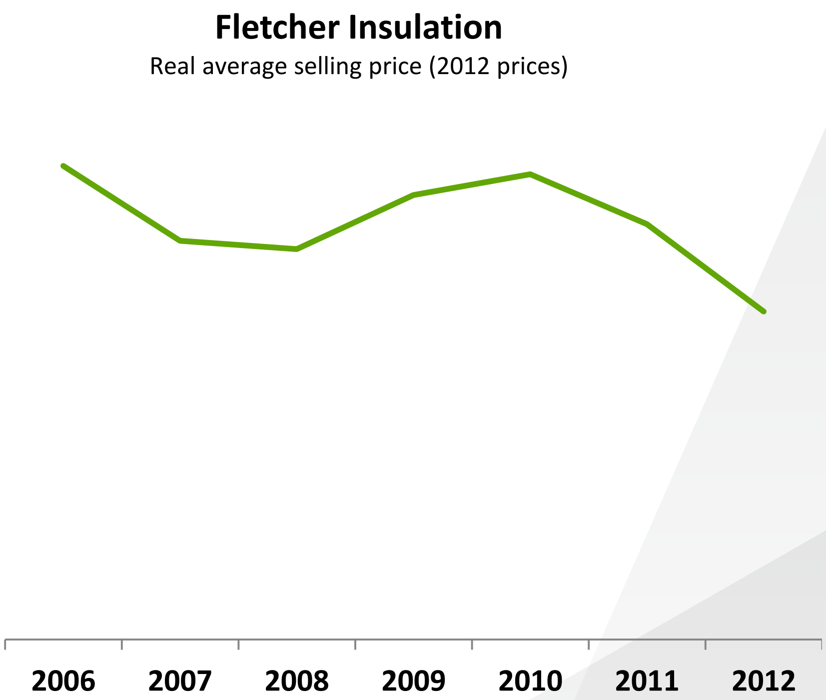


Key Drivers:

- Servicing both Commercial and Residential sectors (approx 50/50% split)
- Incremental flow through of 20-25%
- Trade exposed
  - USD
  - AUD

Insulation – Volume and Pricing





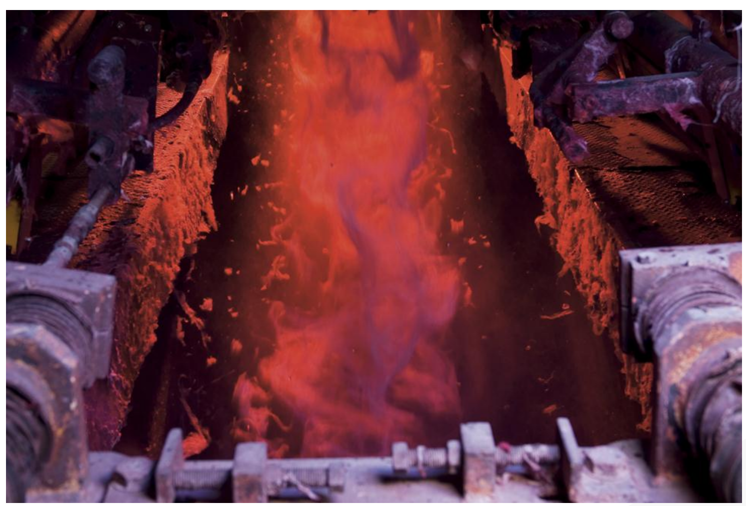
State of Australian Insulation

- Addressed Fletcher Insulation's falling market share

- Market still depressed
  - Post insulation subsidy
  - High AUD hurting competitiveness
  - Reduced building consents

- Long term confidence in market and business

Fletcher Insulation



Other Businesses

Fletcher Aluminum

- 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

Building Products - Capturing Value

	Divisional Levers	Group Levers
Value Chain Drivers	• **Zero harm** • **Cost** – drive competitive cost positions • **Functional capability** – marketing and channel management; Franchise distribution and network management • **Innovation** – through products and service delivery	**FB Unite**
Market Opportunities	• **Maintain share** of expanding New Zealand markets • **Australia** continue to grow share while lowering cost base • **Christchurch rebuild** • **Potential for acquisition of adjacent businesses**	