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Laminates & Panels Investor Strategy Presentation

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Panels



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.

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Meeting Agenda

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Welcome

What is Laminates & Panels?

Financial Review

Key Initiatives Update

Growth Opportunities

Formica 100 Year Celebration



Laminex, Formica, and Homapal are all leading players in their respective markets

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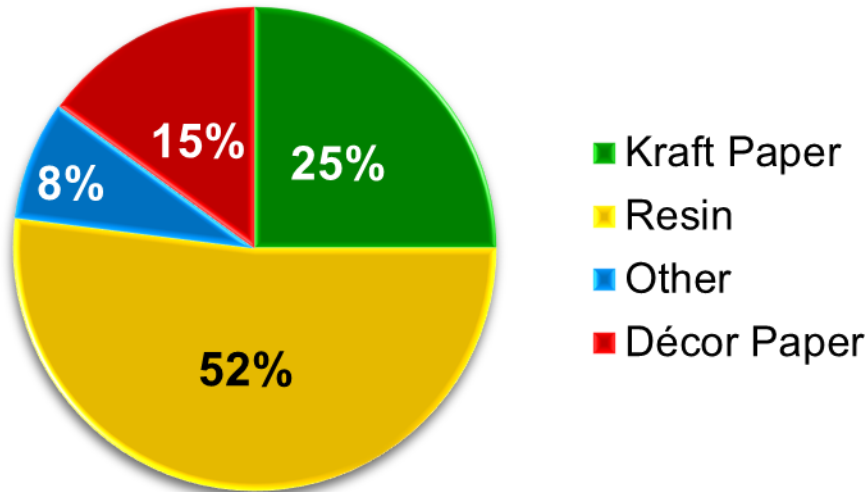


Investing for growth in new and developing markets while growing share in traditional markets through innovation, design, technology and digital capabilities



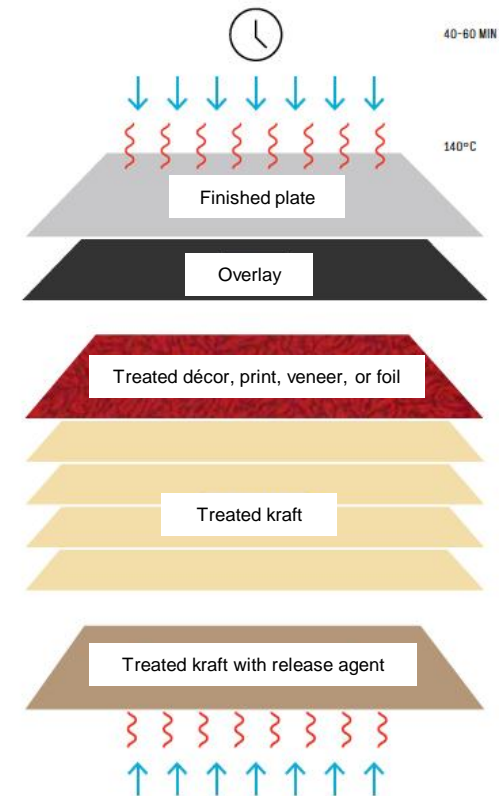
High pressure manufacturing process

Key Material Components



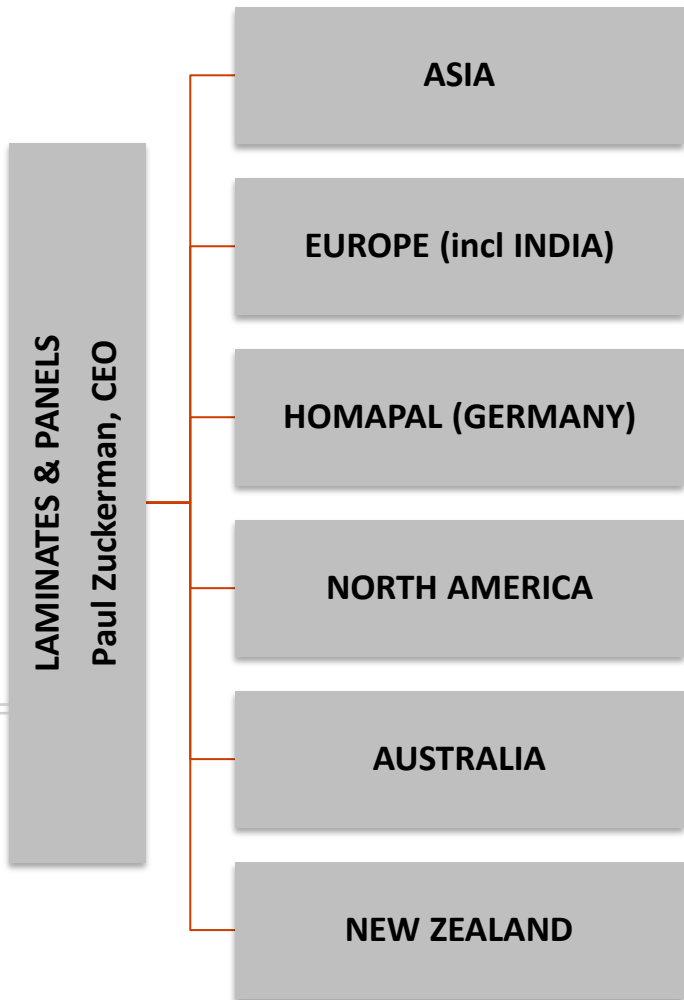
- The main cost of manufacturing laminate is in the material components which represent more than 50% of the manufacturing cost.
- Laminate comes in endless choices of colors and patterns based on the paper décor.

Pressed at high pressure under heat which bonds the papers.



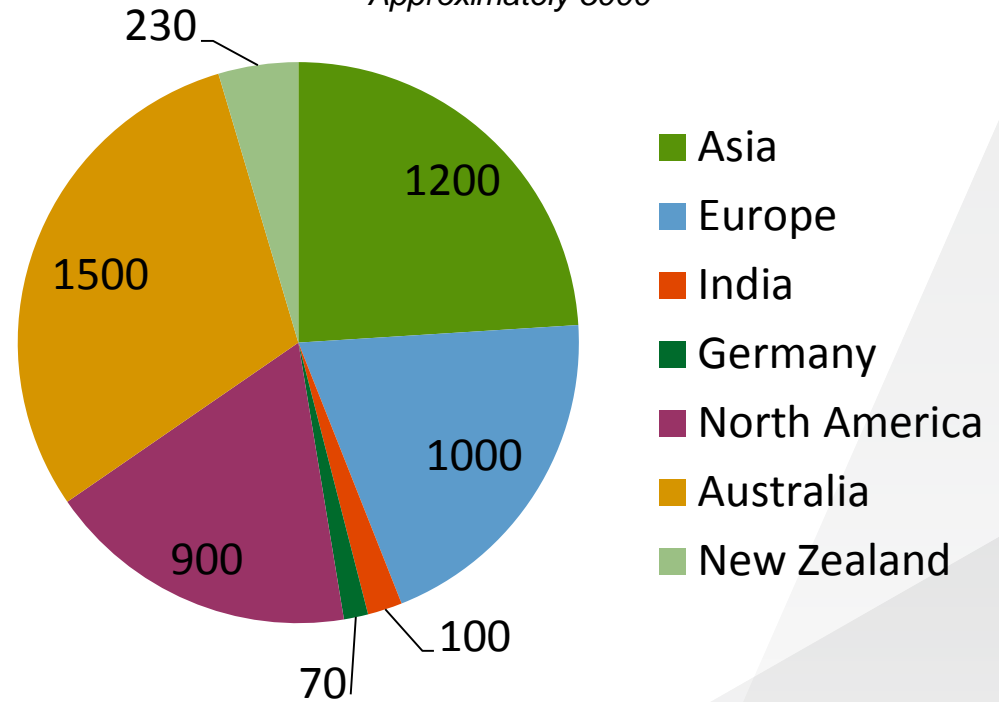
Laminate & Panels operates under a single, integrated global management structure with employees in over 25 countries

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Global Employees

Approximately 5000*

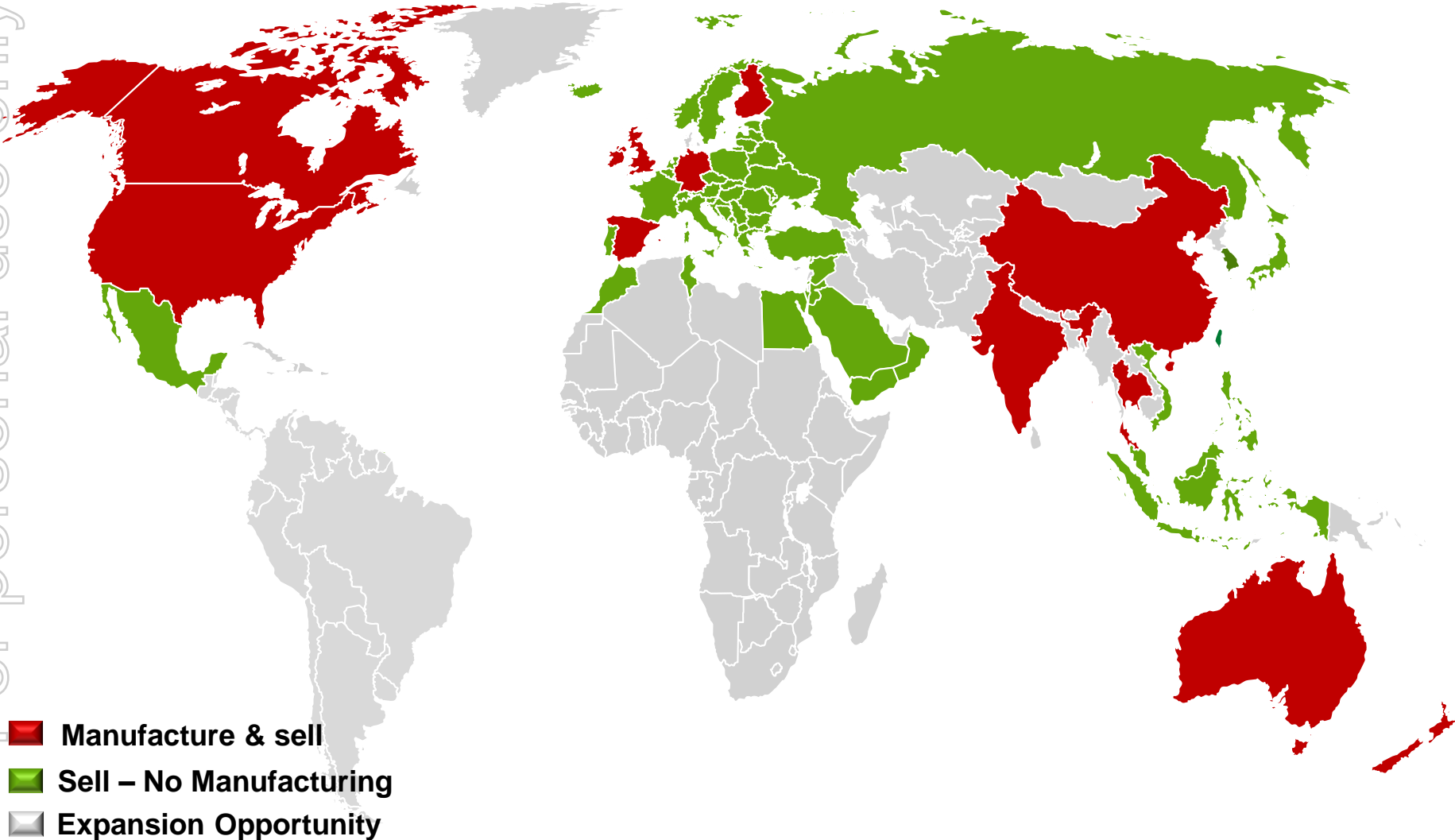


* Continuous pursuit of efficiencies in face of difficult global economic conditions has seen this number reduced by 15% in the past 2 years.



Laminates & Panels has a truly global reach, unlike other competitors selling into several countries and manufacturing in some

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Laminates & Panels has a stable of leading brands in key geographic and product segments.

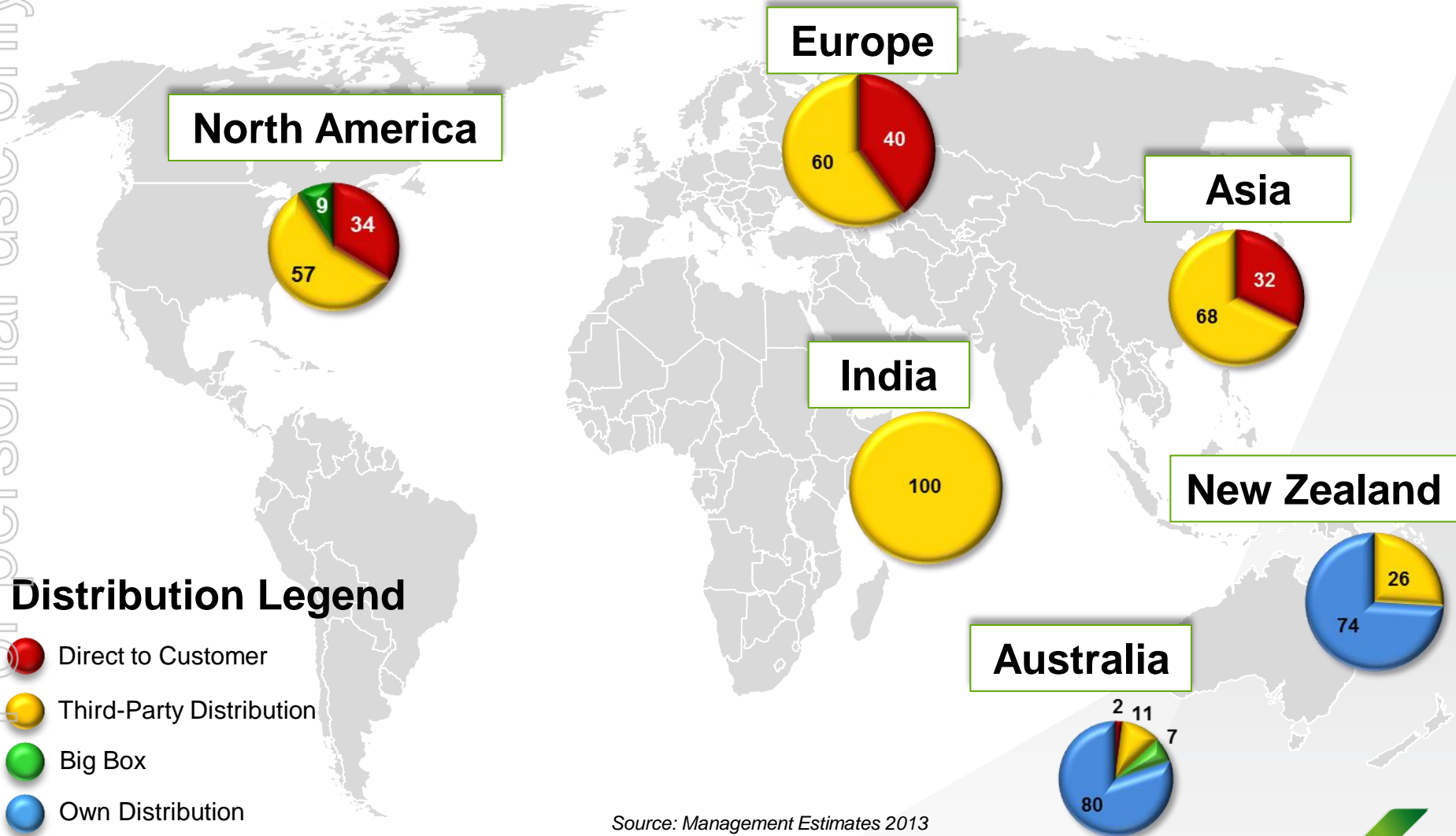
BRAND	REACH	PRODUCT SEGMENTS	
 World's favourite laminate	Global	 HPL	 LPL
 Inspire your space	Australia and New Zealand	 HPL	 LPL
	Australia	 BENCHTOP	
	New Zealand	 LPL	
 by FORMICA GROUP	Europe	 WORKTOP	
	Global	 METALLICS	

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Channels to market vary by geography

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Distribution Legend

- Direct to Customer
- Third-Party Distribution
- Big Box
- Own Distribution

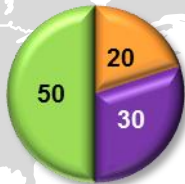
Source: Management Estimates 2013



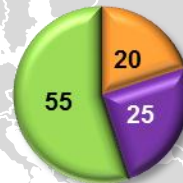
End use markets differ by region, with higher exposure to residential in Australia and New Zealand and higher exposure to non residential elsewhere

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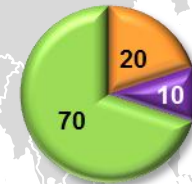
North America



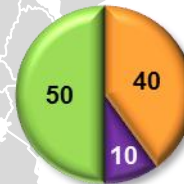
Europe



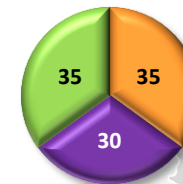
Asia



India



Australia/New Zealand



End-Use Market Legend

- Residential
- Residential Remodel
- Commercial

Source: Management Estimates 2013



Laminates & Panels products are used in a wide variety of end-use applications, including residential, commercial and infrastructure

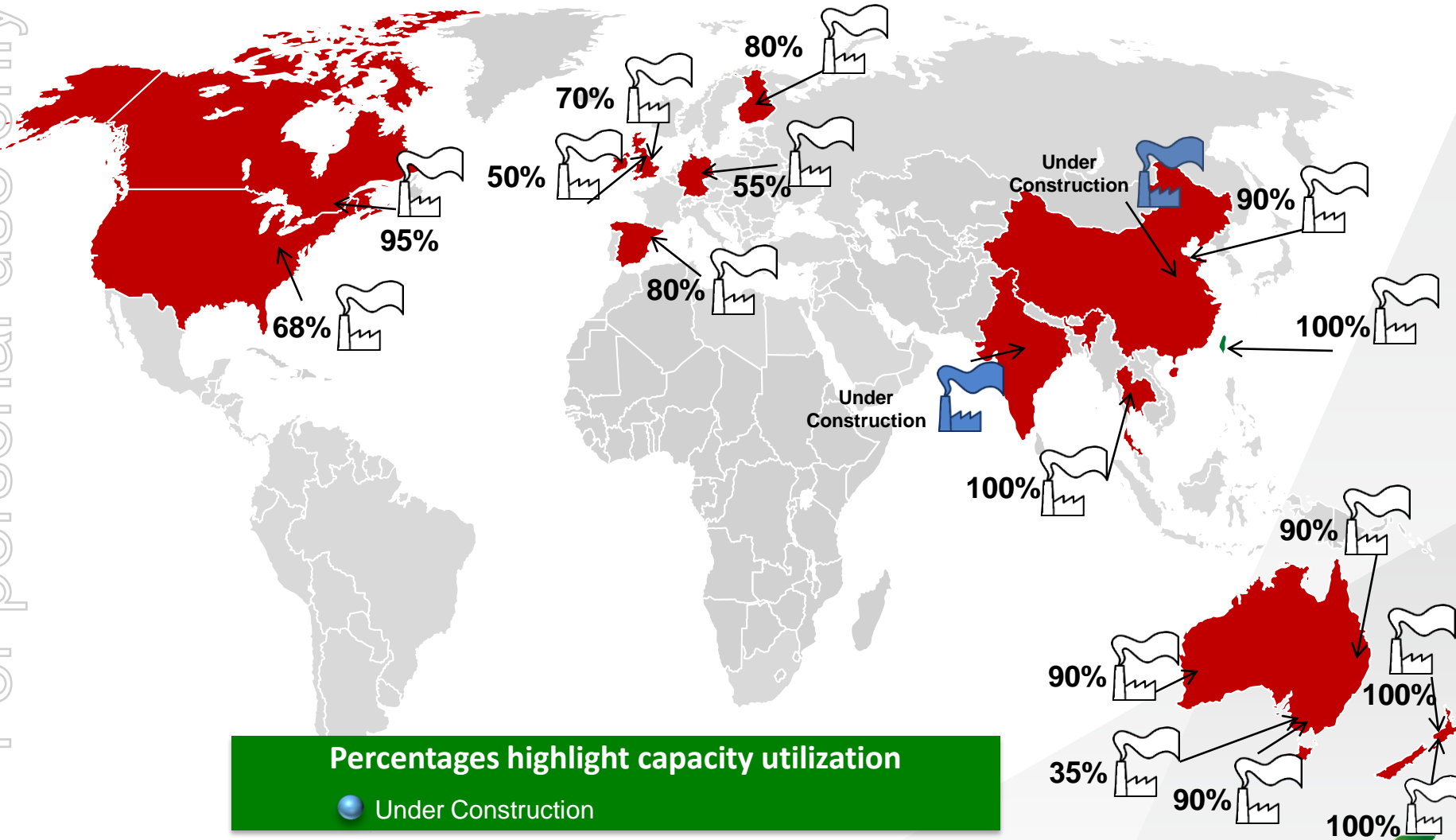
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<p>Residential</p>	<p>New Renovating</p>		<p>Benchtops Shelving / Laundry Closet / Kitchen</p>
<p>Commercial</p>	<p>Shops Fitting Office / Furniture High Rise Kitchens Hotel Decorating</p>		<p>Shop Fitouts Furniture Hotel Lobby</p>
<p>Infrastructure</p>	<p>Hospital Schools Transport Government Buildings</p>		<p>Counter tops Ships, Rail Stations</p>



The business has high quality, well positioned manufacturing assets in all regions, and has recently taken capacity out of Australia and Europe

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Source: Management Estimates 2013



Laminates & Panels has strong market positions (#1 or #2) in all North American markets.

Traditional Markets

Canada

3 players

#1 market position

49% share

USA

3 players

#2 market position

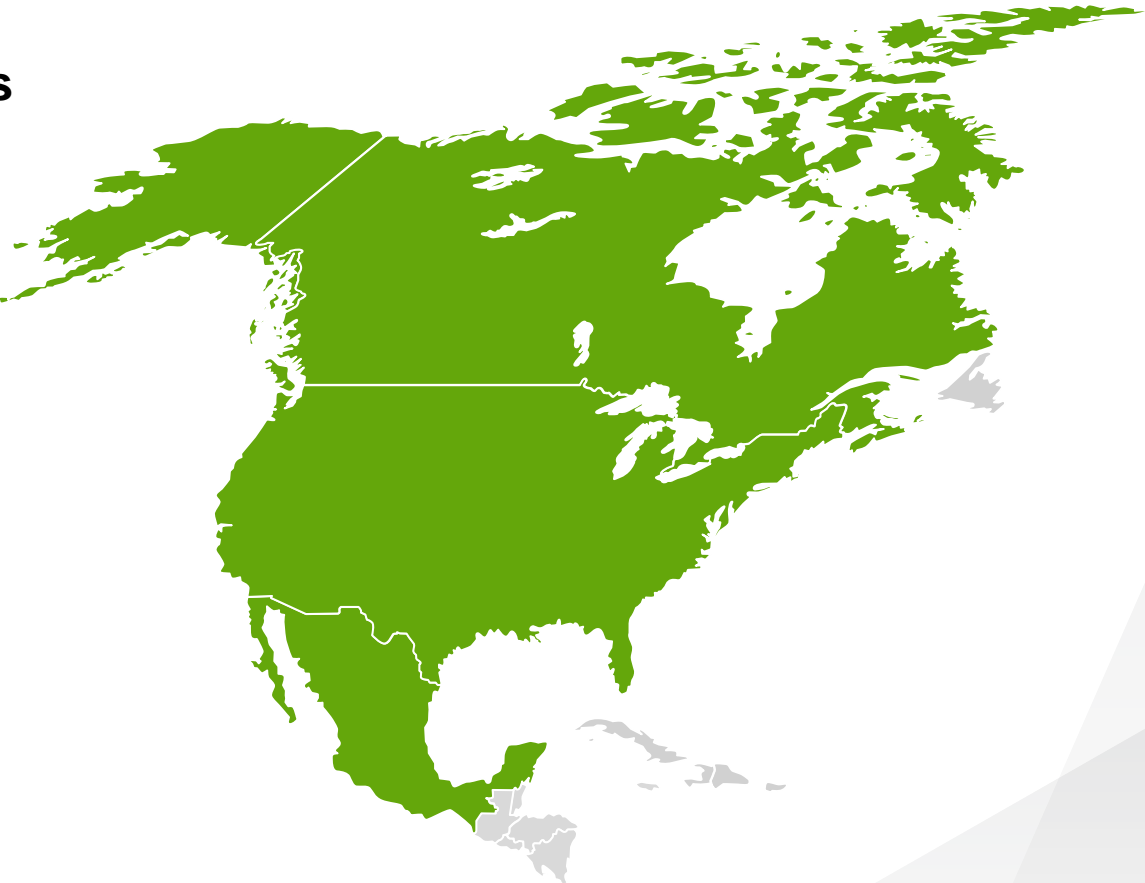
32% share

Mexico

3 players;

#1 market position

33% share



Source: Management Estimates 2013



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Laminates & Panels has strong positions in Western Europe, except in Germany and Italy, and increasing presence in the growth markets of Russia, Eastern Europe

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Traditional Markets

UK

3 players
#1 market position
40% share

France

3 players
#3 market position
19% share

Spain

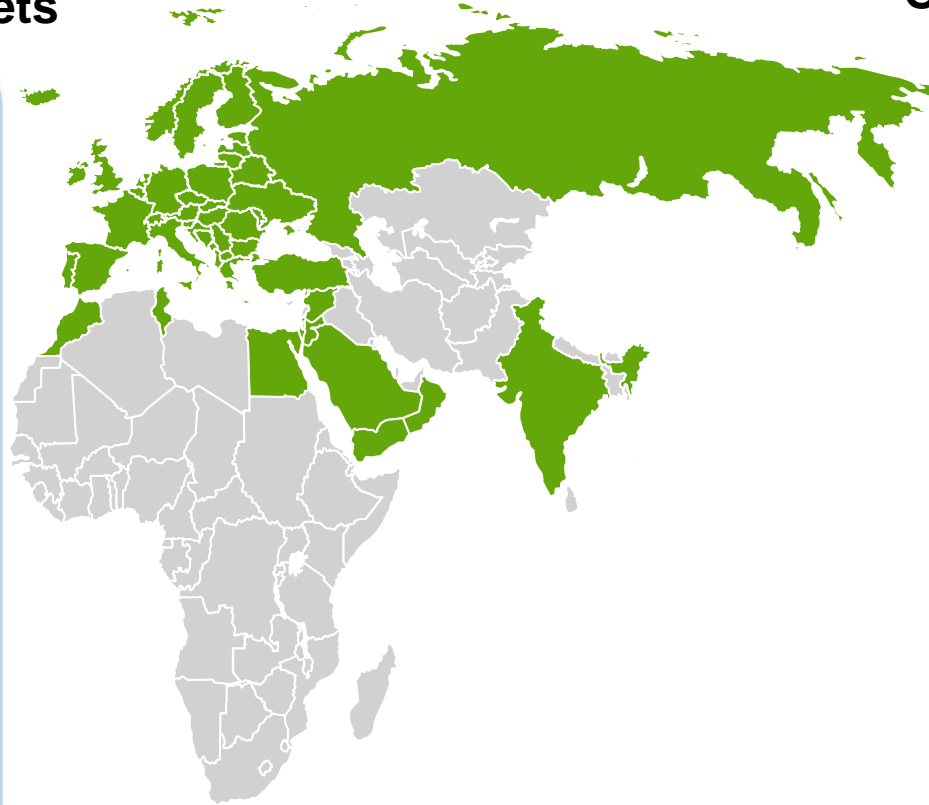
6 players
#1 market position
49% share

Scandinavia

4 players
#1 in market position
65% share

Benelux

4 players
#2 market position
25% share



Other Major Markets

Germany

6 players
#6 market position
2% share

Italy

6 players
#6 market position
2% share

Growing Markets

Russia

5 players
#5 market position
10% share

India

10 players
#10 market position
1% share

Source: Management Estimates 2013



Laminates & Panels has strong positions in China, Taiwan, Thailand and other parts of South East Asia, but limited presence in Japan or Korea

Traditional Markets

China High End

6 players
#1 market position
40% share

China Mid-Tier

8 players
#8 market position
3% share

Taiwan

4 players
#1 market position
52% share

Thailand

6 players
#1 market position
53% share

Malaysia

8 players
3 market position
10% share

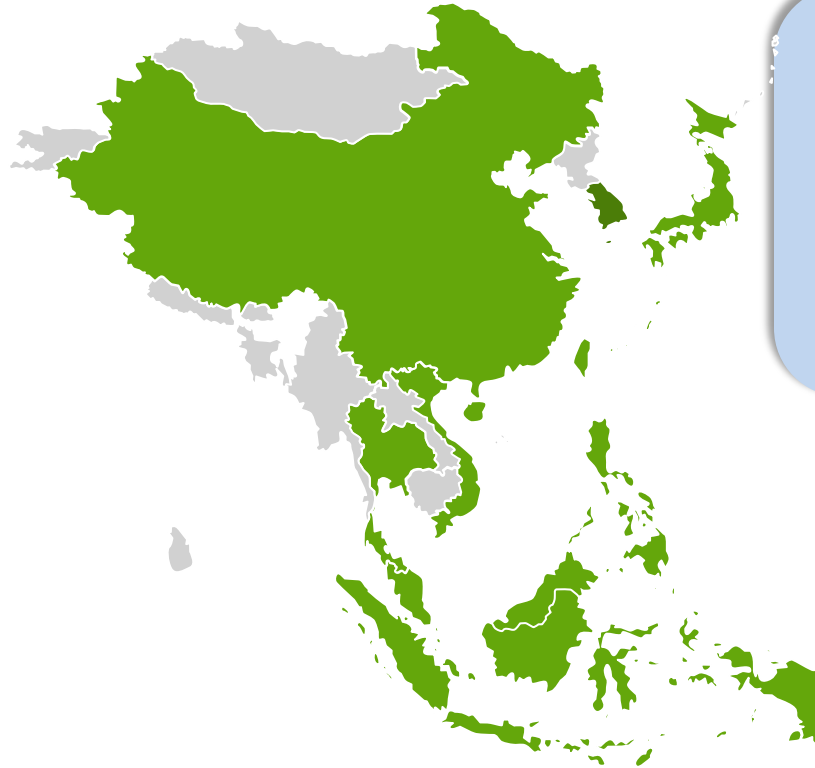
Other Major Markets

Japan

8 players
#8 market position
1% share

Korea

8 players
#6 market position
2% share



Source: Management Estimates 2013

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Laminates & Panels is the number 1 player in both Australia and New Zealand

Traditional Markets

Australia

3 players

#1 market position

59% share

New Zealand

5 players

#1 market position

55% share

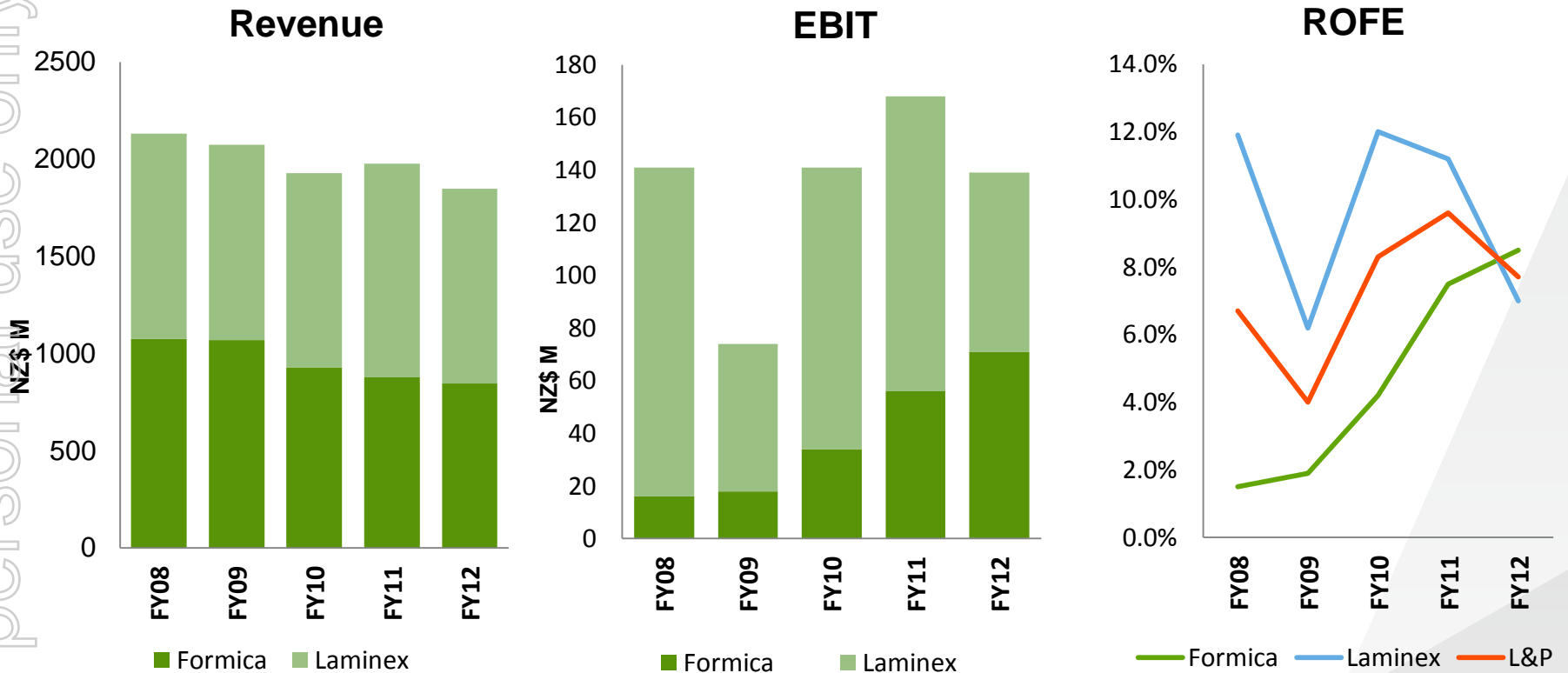


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FY12 showed revenue declines in NZ, Australia and Europe. North America has slowly improved whilst Asia continued to grow

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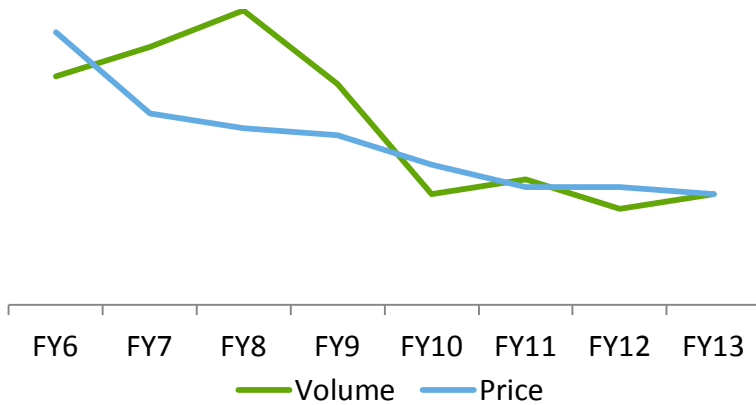
Despite significant headwinds that have reduced top line growth, Formica has recently posted significant improvement in earnings, while Laminex has been faced with the need to restructure to meet reduced demand and changing market dynamics.



Australian volumes of commodity particle board and MDF have experienced real declines in prices accompanied with declining volumes in recent years

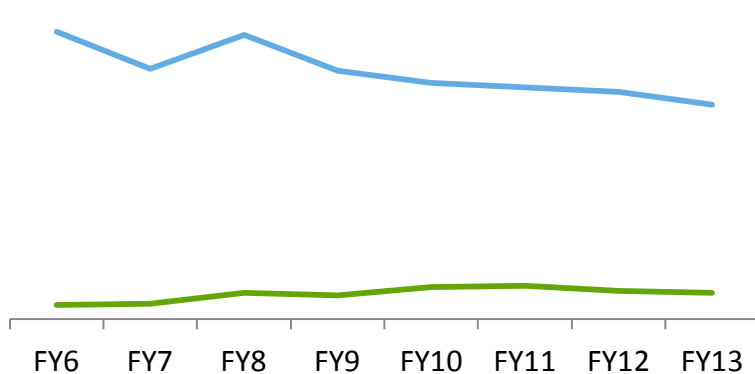
White Particle Board

Volume 000's
m³pa

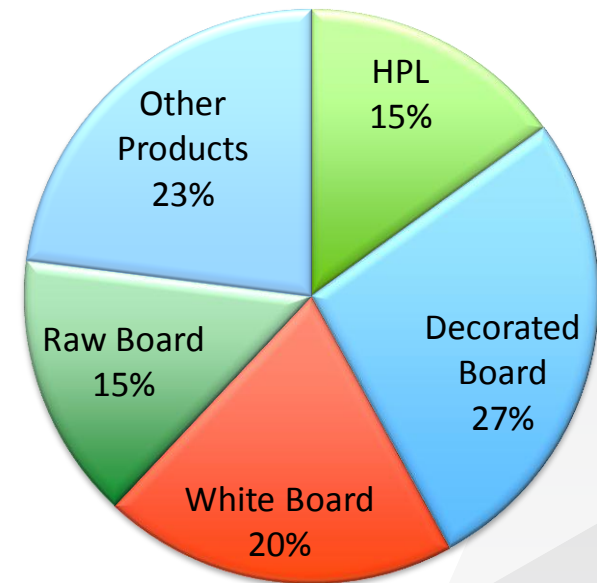


Raw MDF

Volume 000's
m³pa



Australia Revenue by Products



35% of Laminex sales are commodity raw board and white board

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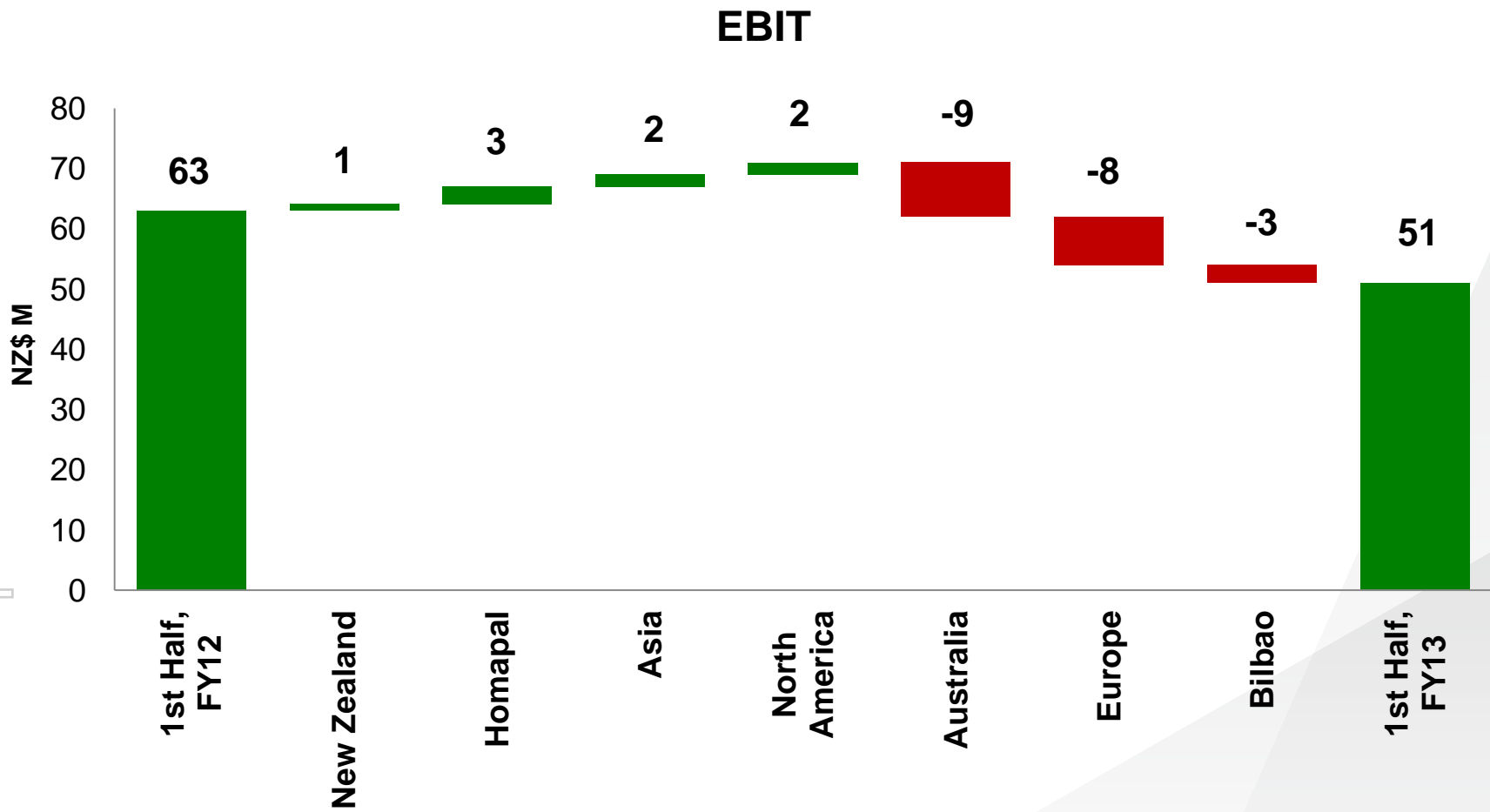


FY13 continues to be challenging with revenue and volume down in almost all markets. Europe deteriorated significantly and Australia continues to slow. New Zealand's volume and revenue were impacted by exit of some hardware.

	First Half Volumes	Revenue, Domestic Currency
North America	↑ 1%	↑ 1%
Asia	↓ -1%	↓ -1%
Europe	↓ -12%	↓ -13%
Australia	↓ -8%	↓ -8%
New Zealand	↓ -10%	↓ -11%
Total	↓ 6%	↓ -5%



First half EBIT declined over FY12 due to conditions in Europe and Australia both deteriorating significantly. Elsewhere EBIT improved



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Key Initiatives Update – Cost Out: All regions continue to pursue cost reduction and improvements in efficiencies to combat market deterioration and inflationary pressures

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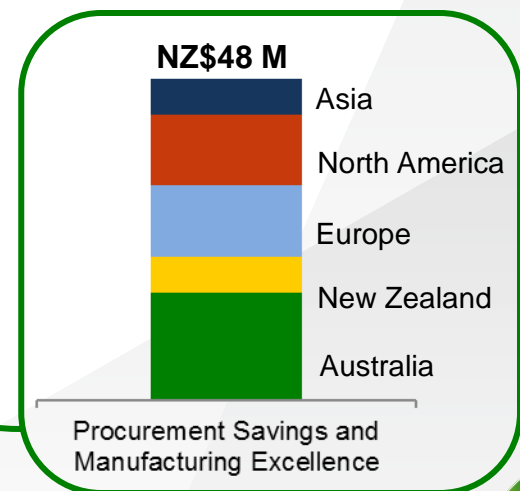
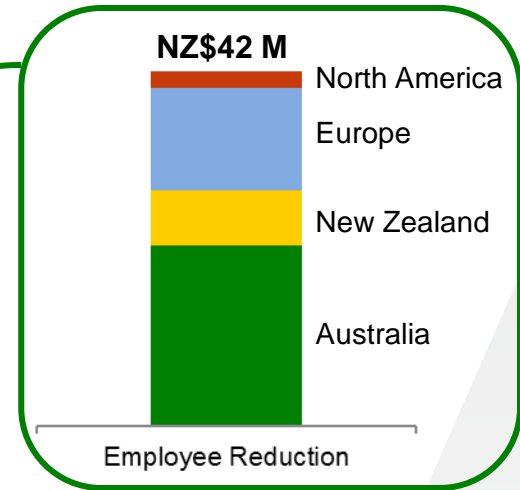
PEOPLE

- Headcount reductions across the division since FY 2011 of 15%
- Includes Bilbao closure in FY13 which has reduced manufacturing cost base

PROCUREMENT AND OPERATIONS

- Manufacturing excellence program currently being rolled out to all manufacturing sites
- Procurement savings by aggregating purchases, moving off shore, and working across Fletcher Building

NZ\$90m Annualized



Key Initiatives Update – Capacity Expansion in Asia; construction of new factory in China

Key Milestones:

- Construction of new site in Jiujiang \$NZ 75m (approximately 500 miles southwest of existing site in Shanghai)
- Installing 3 presses, including 1 large format to address demand opportunities in Asia and Europe
- Scheduled for completion October 2013
- Construction on target despite weather interruptions
- Will employ 200+ local people
- One of the first multinational companies in Jiujiang



- Existing factory in Shanghai
- New factory in Jiujiang



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Key Initiatives Update – Capacity Expansion in Asia; construction stages at May 2013

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Most recent photographs of construction



Key Initiatives Update – Establish manufacturing capability in India

Key Milestones:

- Acquired site in Dec 2012
- Constructed in 2010 but requires upgrading to Fletcher standards
- Cost including upgrade NZ\$18m
- Upgrade due for completion Dec. 2014
- Currently developing sales and distribution infrastructure to complement factory



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Growth Opportunities – Innovation

Décor Development

- Current launch of anniversary range
- Extension of large scale (fx180) into wood grains, and marbles
- Formica Decometal {from Homapal} awarded the prestigious “Red Dot” award in 2013

Product Development

- Tight post form radius laminates to meet contemporary trends
- Highly scratch resistant and extremely heat resistant surfaces
- Laminex impressions range – deeply textured low pressure laminate

Web Service

- Developing new global website with full eMarketing capabilities
- Increase interaction and relevance to customer needs
- Fully integrated into CRM to maximize marketing qualified leads

Growth Opportunities – Working Smarter

Stage 1 of Global IT Upgrade/Replacement

- Commenced in Feb 2013 and involves global best practice design in conjunction with INFOR (supplier of existing ERP platform)
- Initial roll-out in North America targeted for March-June 2014

Sales Excellence and CRM

- Currently deploying standard CRM through Salesforce.com across the business
- North America complete, Europe, Asia and New Zealand underway. Australia to follow
- Expected complete by Dec. 2014

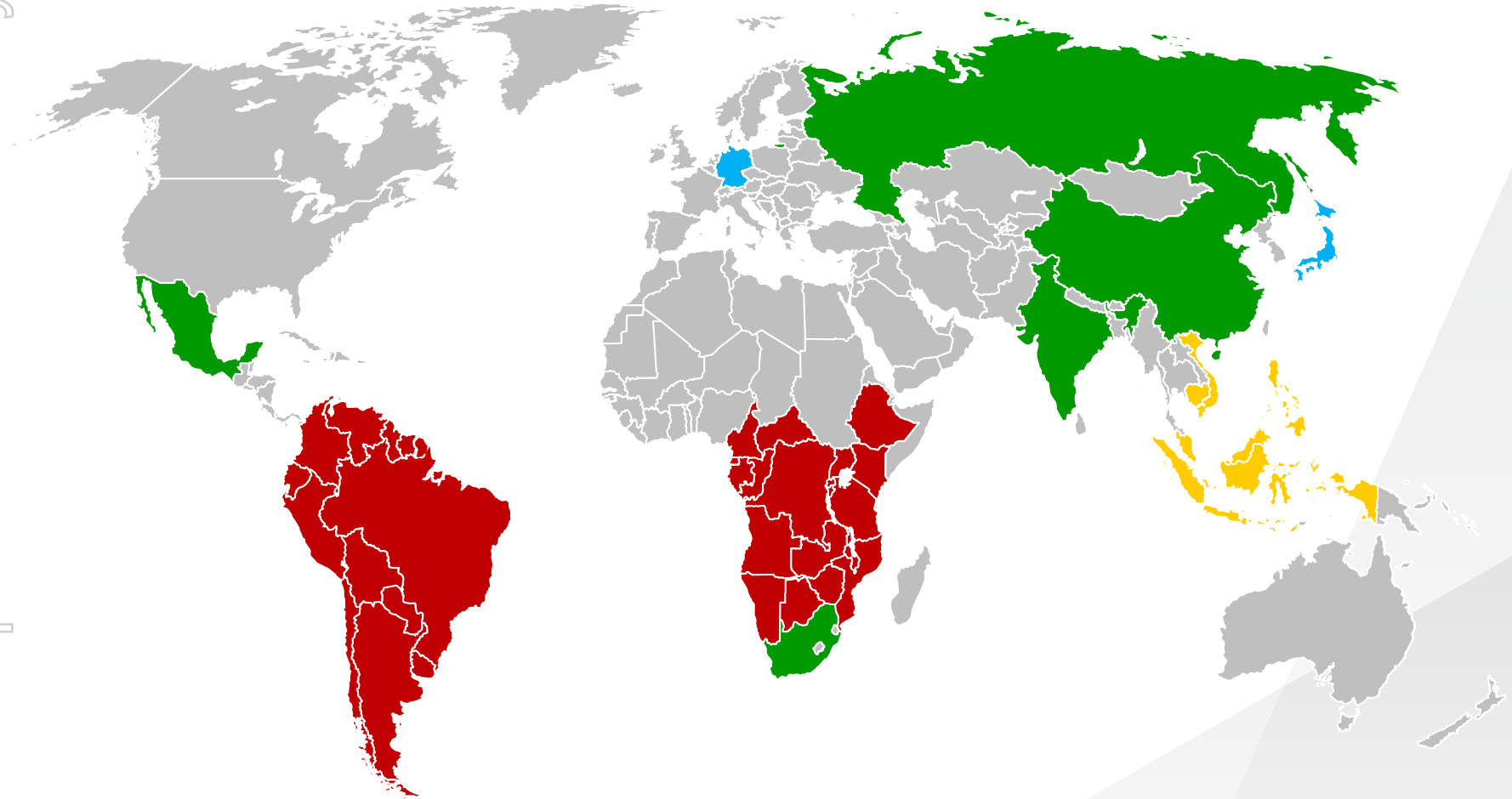
FBUnite


- Shared services in Australia and New Zealand
- Pooled procurement opportunities
- Warehousing and logistics synergies



Growth Opportunities – Geographic Expansion opportunities exist in several areas

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-  Longer term growth opportunities
-  Growth markets currently being actively pursued
-  Potential areas for growth in the developed world
-  Near term opportunities in Asia



100 Year Anniversary – 2013 marks 100 years since Formica was founded in Cincinnati, Ohio in 1913

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May 1913

Plant rented in Cincinnati, OH to make laminated insulators

1934

Laminex in Australia established

1948

Formica expanded outside the USA

1994

Established operations in China

2002

Fletcher acquires Laminex

2007

Fletcher acquires Formica

2013

Formica® 100 years old. 2nd plant in China. New plant in India

KEY EVENTS

- Global celebration across all regions including countries where ownership is not under Fletcher Building
- Launch of a special anniversary patterns collection
- Events for employees and customer
- Global and regional trade shows
- Robust social media plan



What's in a Name

Prior to 1913, the mineral MICA was used as an insulating material. The founders developed a new plastic that was a substitution for Mica. **HENCE THE NAME "SUBSTITUTE"**

--- ForMICA ---



1920s



1930s



1940s



1950s



1960s



1970s-1980s



1990s-2011



After 100 years Formica products have evolved through innovation and design, and contemporary use include many new non traditional applications.



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- Strong compact laminates, both internal and exterior uses
- Laboratory uses and clinical resistant applications
- Color core is highly popular in fashionable application such as cosmetic displays and counters.

