



Fletcher Building Limited 2009 Annual Shareholders Meeting





Dr Roderick Deane Chairman



Directors

- Dr Roderick Deane (Chairman)
- Hugh Fletcher
- Dr Alan Jackson
- John Judge
- Jonathan Ling (Managing Director)
- Sir Dryden Spring
- Gene Tilbrook
- Kerrin Vautier
- Ralph Waters



Meeting agenda

- Chairman's overview
- One hundred years of Fletcher in New Zealand
- Chief Executive Officer's address
- Trading outlook
- Shareholder questions and discussion
- Consideration of, and voting on, the resolutions of the meeting

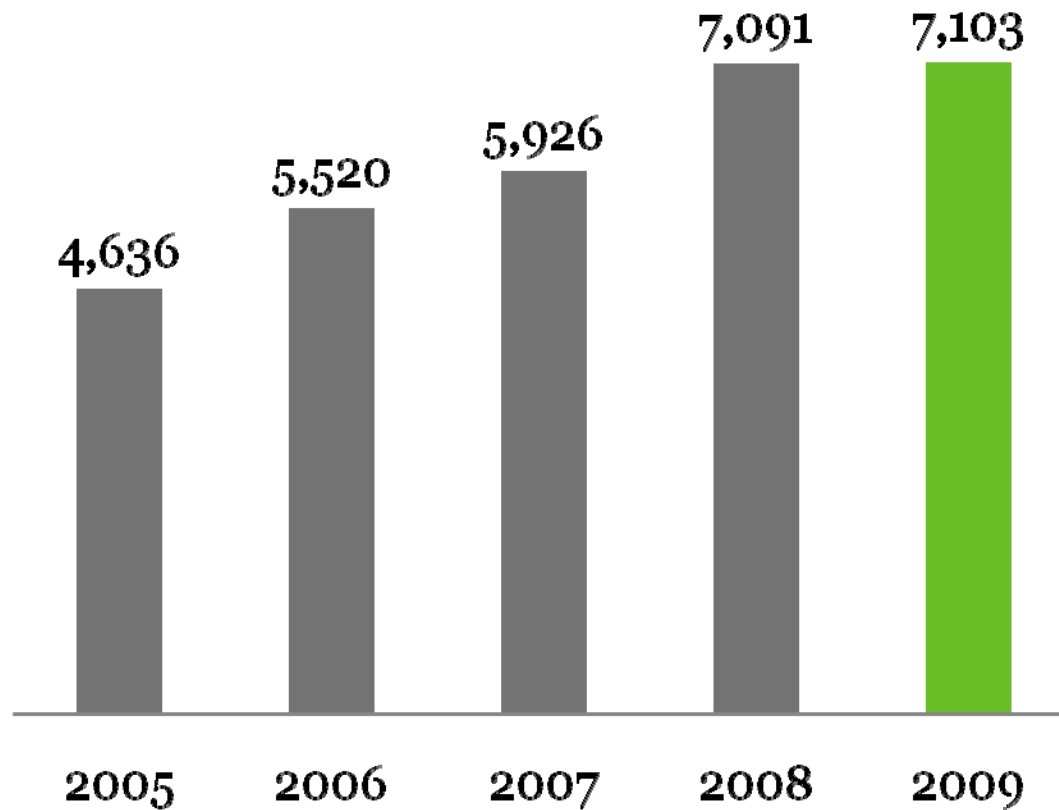


Overview remarks



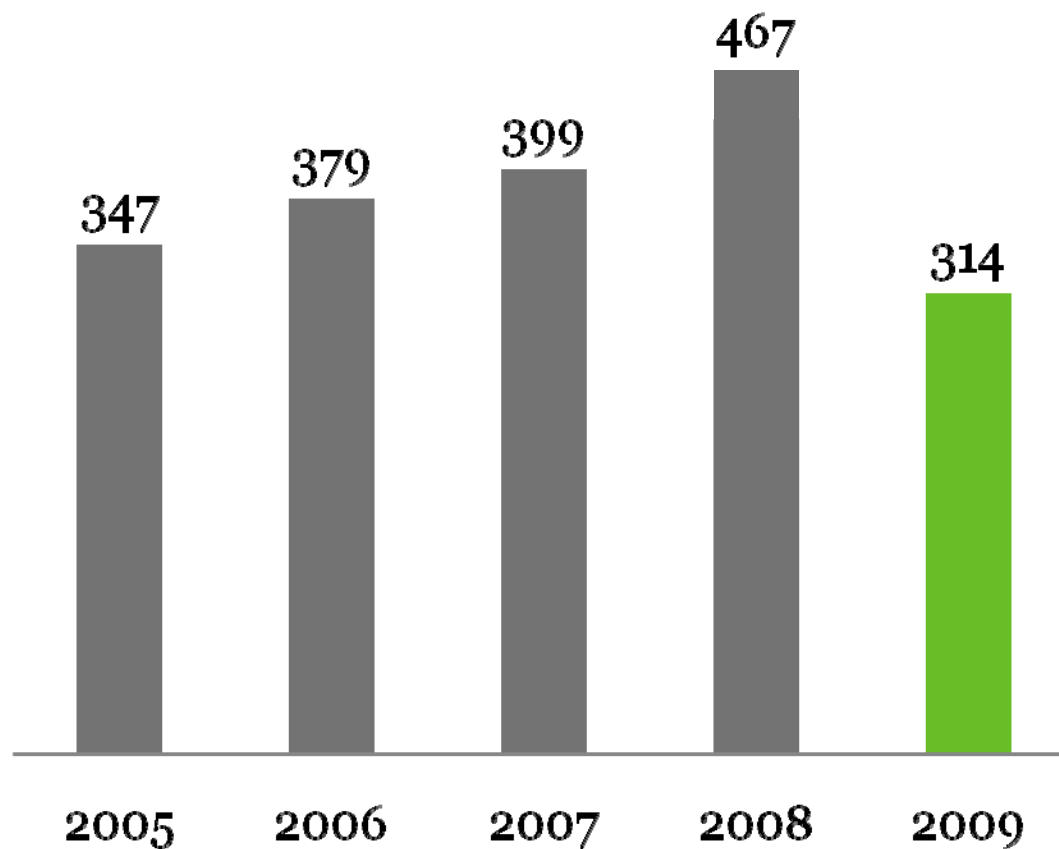
Sales

NZ\$m



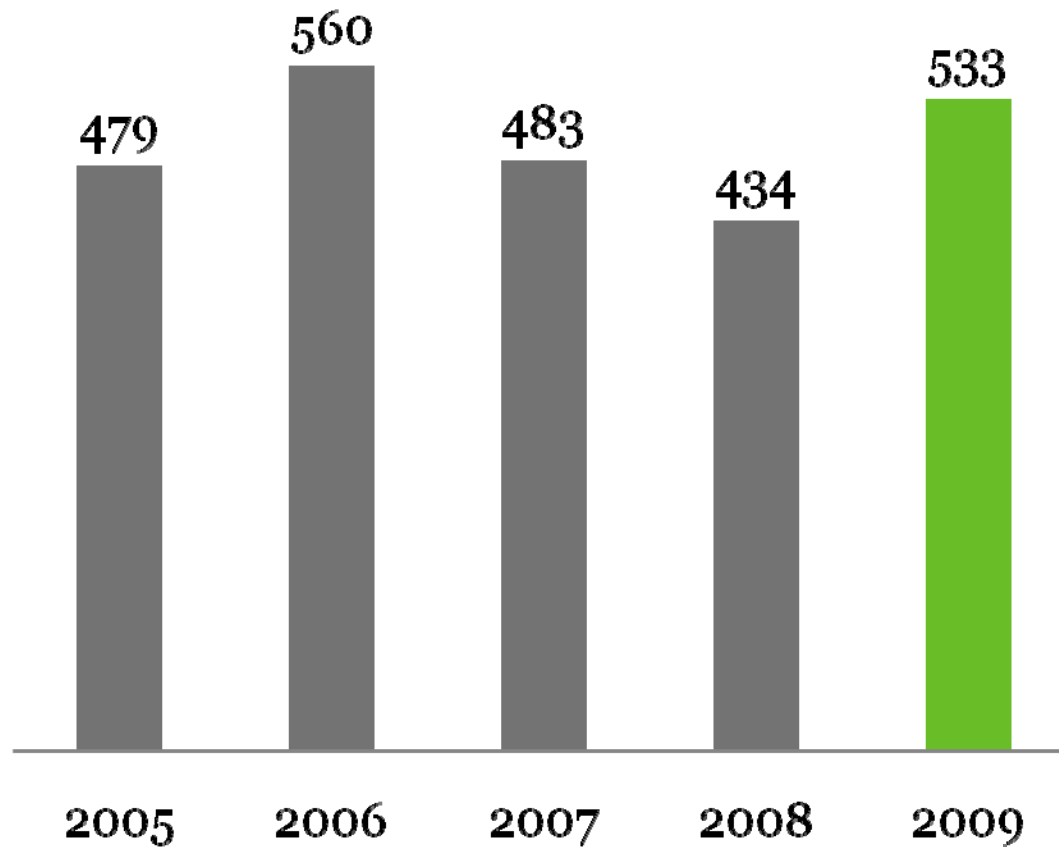
Net earnings before unusual items

NZ\$m



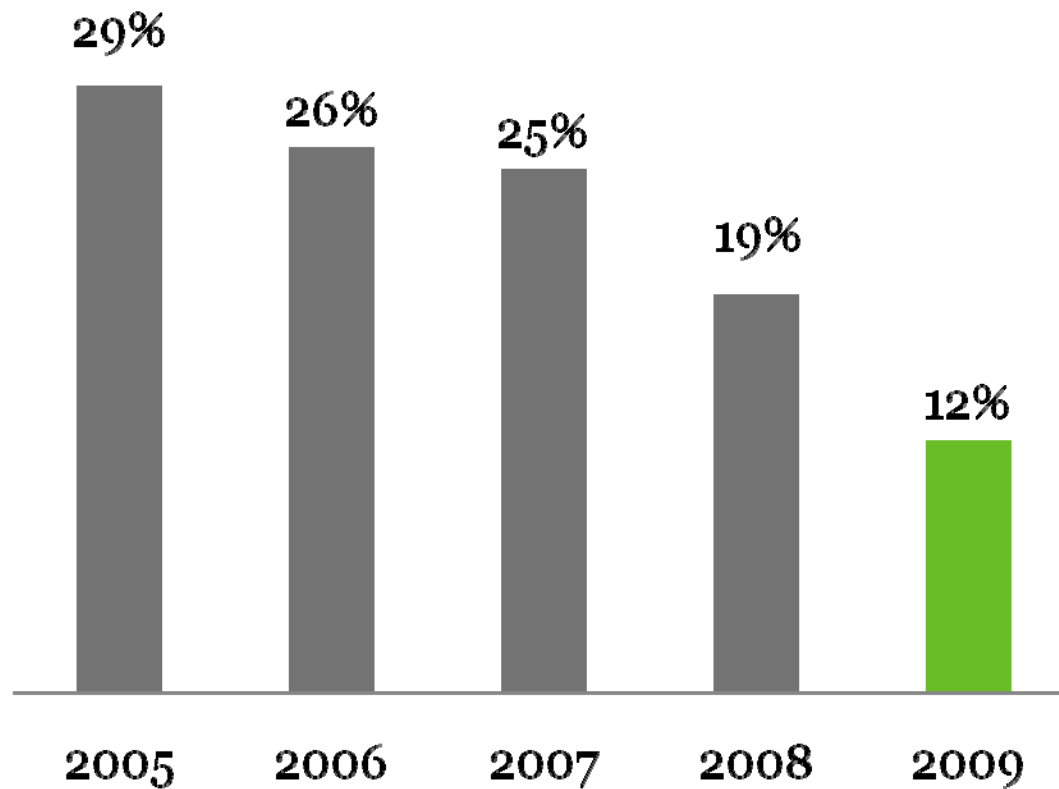
Cashflow from operations

NZ\$m



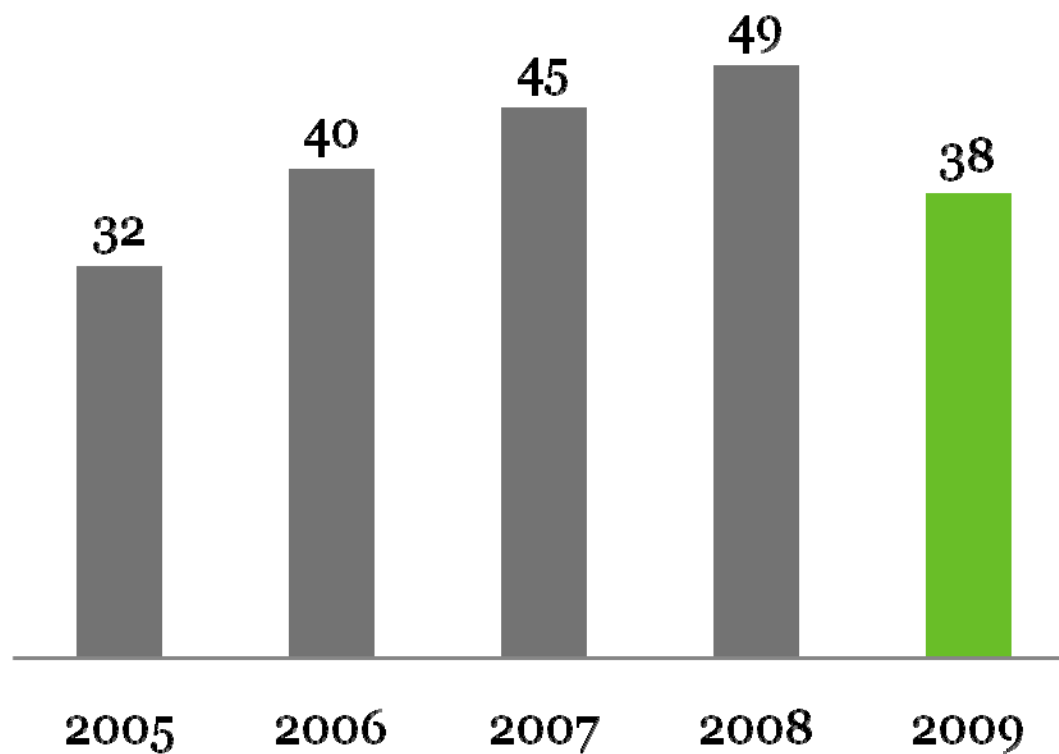
Return on average funds

Percentage



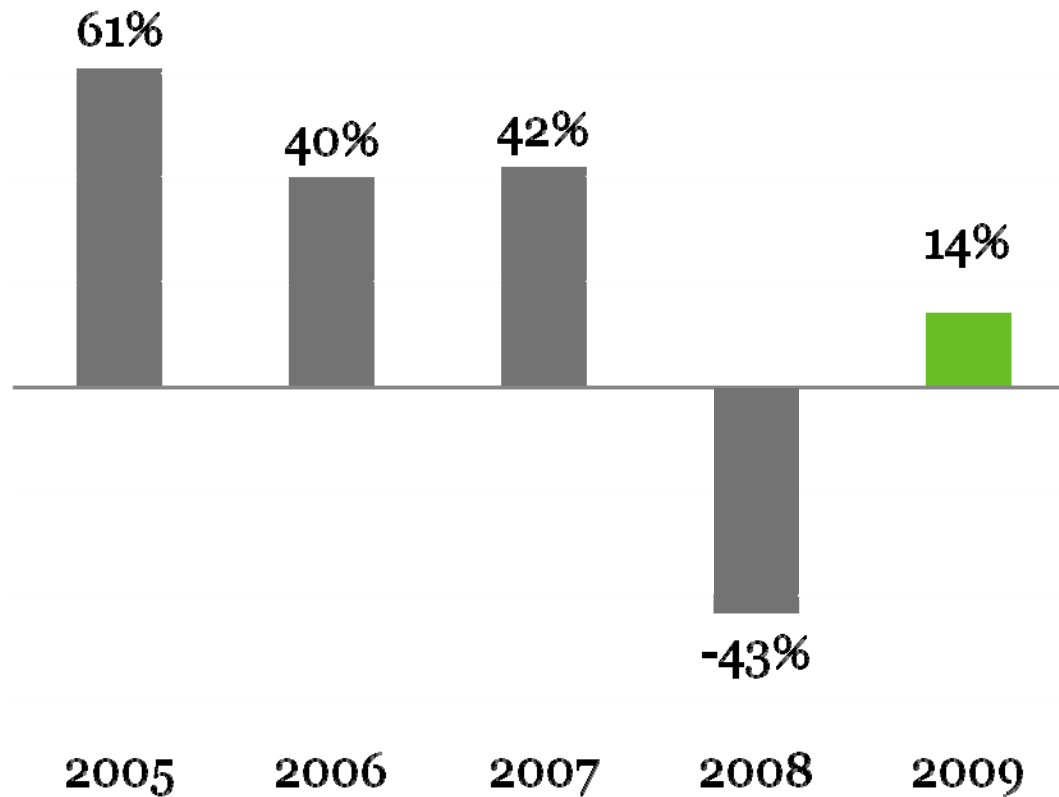
Dividends

Cents per share

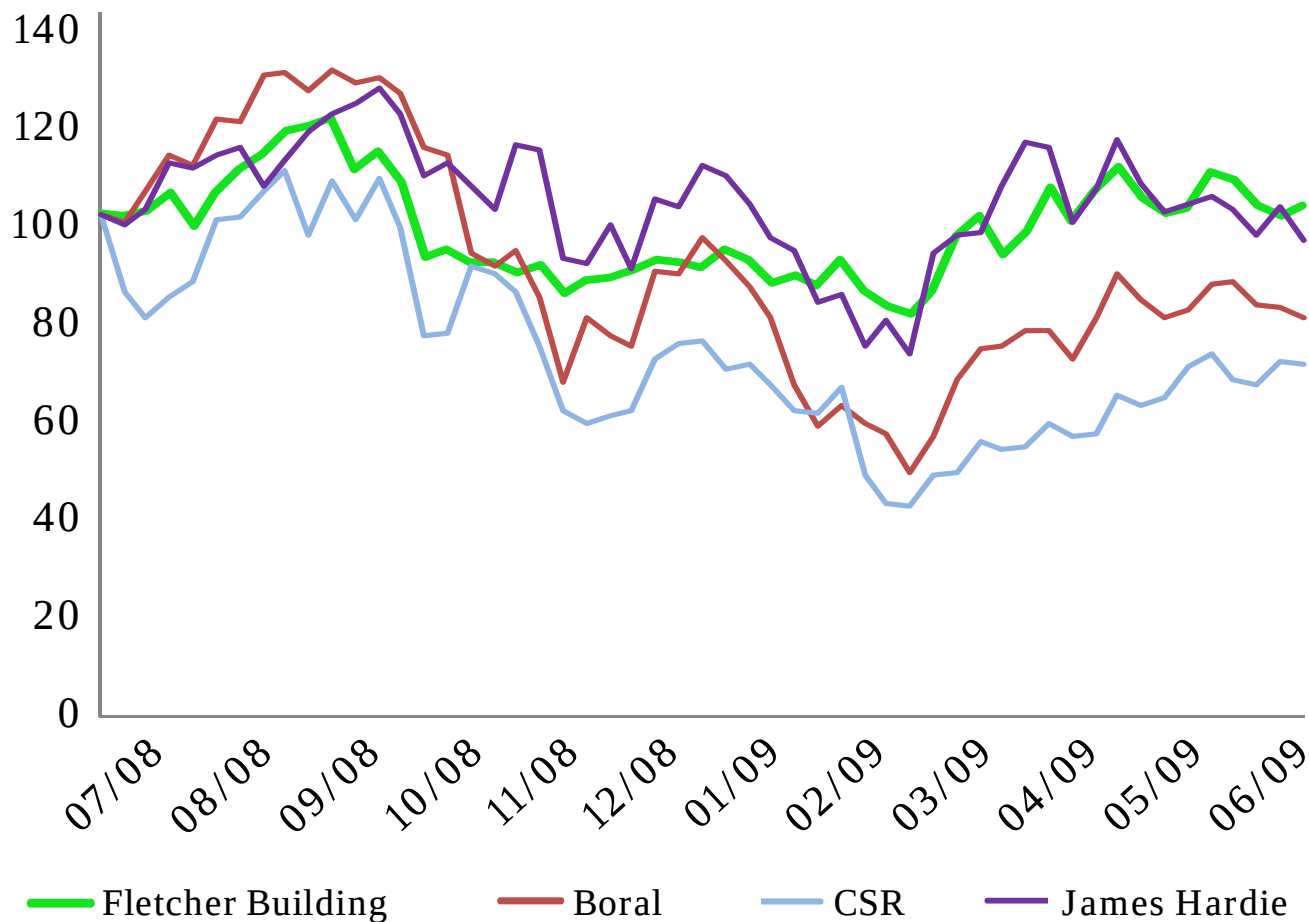


Total shareholder return

Percentage



Fletcher Building relative share price performance



Unusual items: proactively re-sizing the business

Redundancy and restructuring costs: \$43 million (after tax)

- labour reduction of 2,500 to 16,500 across the group

Capacity reduction initiatives: \$100 million (after tax)

- closure of Laminex particleboard and MDF plants
- reduction in Formica European capacity
- Formica streamlined product portfolio

Adjustments to asset carrying values: \$157 million (after tax)

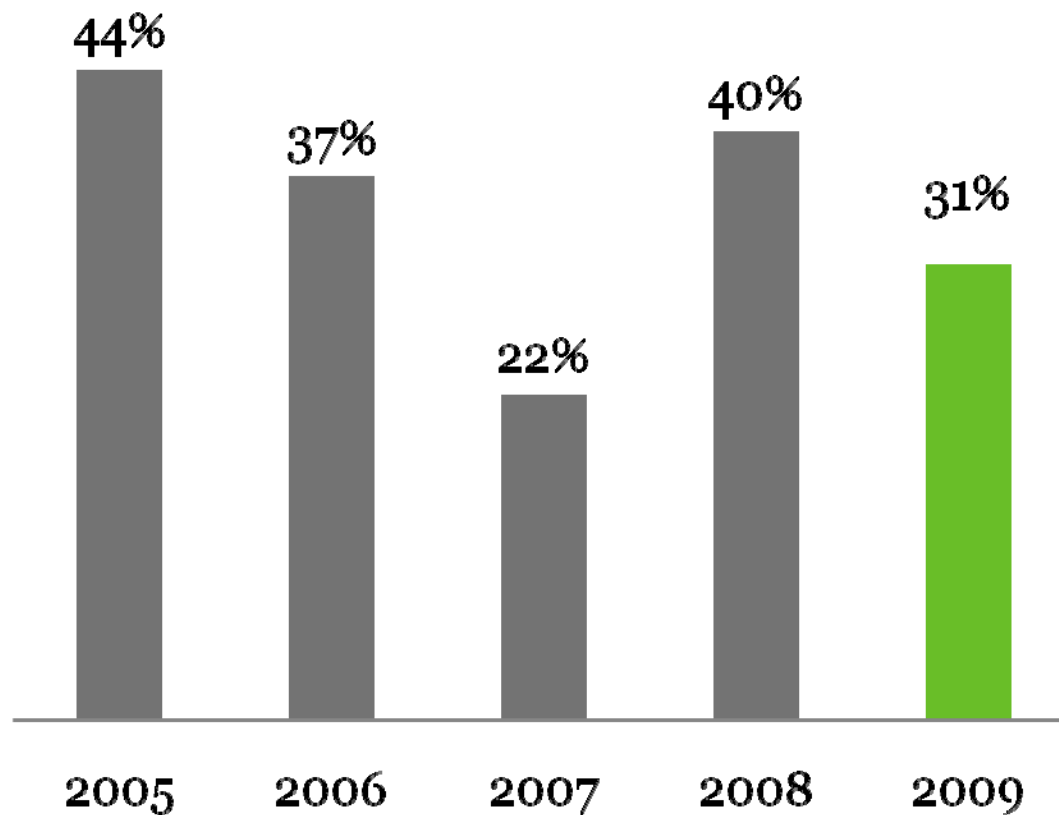
- reduction in goodwill for Formica: \$56 million
- impairment of fixed assets in Formica: \$65 million
- other assets: \$36 million

Tax benefit recognition: \$60 million of tax losses written down



Balance sheet strengthened with equity raising

**Debt / debt plus equity
Percentage**



Changes to the board

Directors retired during the year as part of planned succession arrangements:

- Paul Baines
- Geoff McGrath

Two new directors appointed:

- Alan Jackson
- Gene Tilbrook

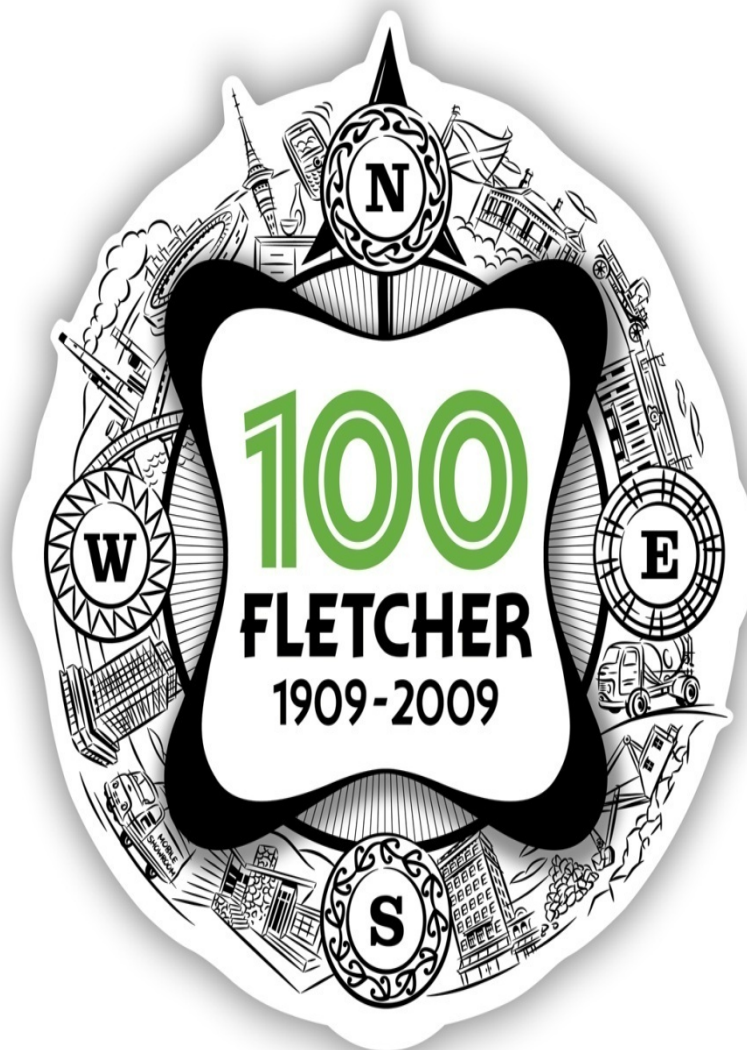
Roderick Deane to retire as chairman on 31 March 2010; it is the current intention that Ralph Waters be appointed chairman

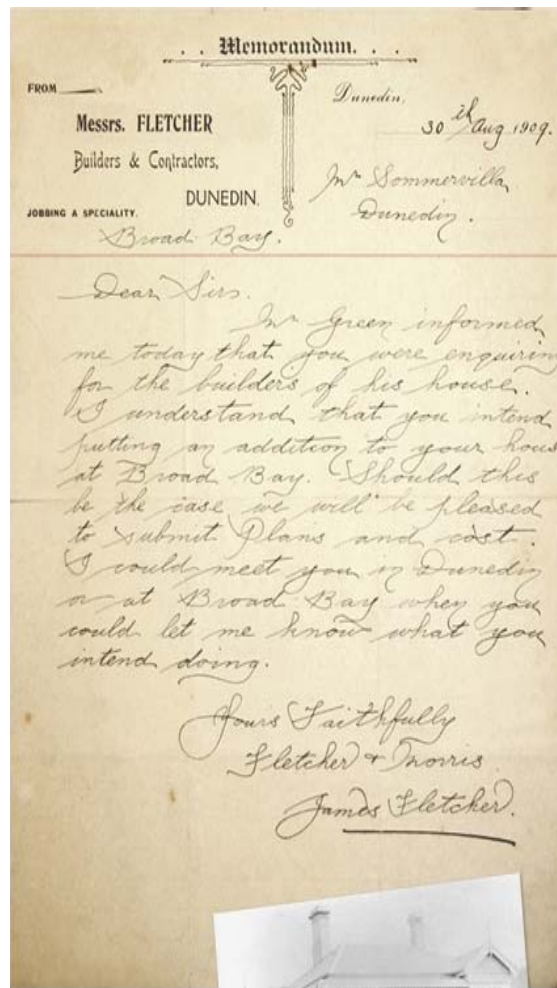




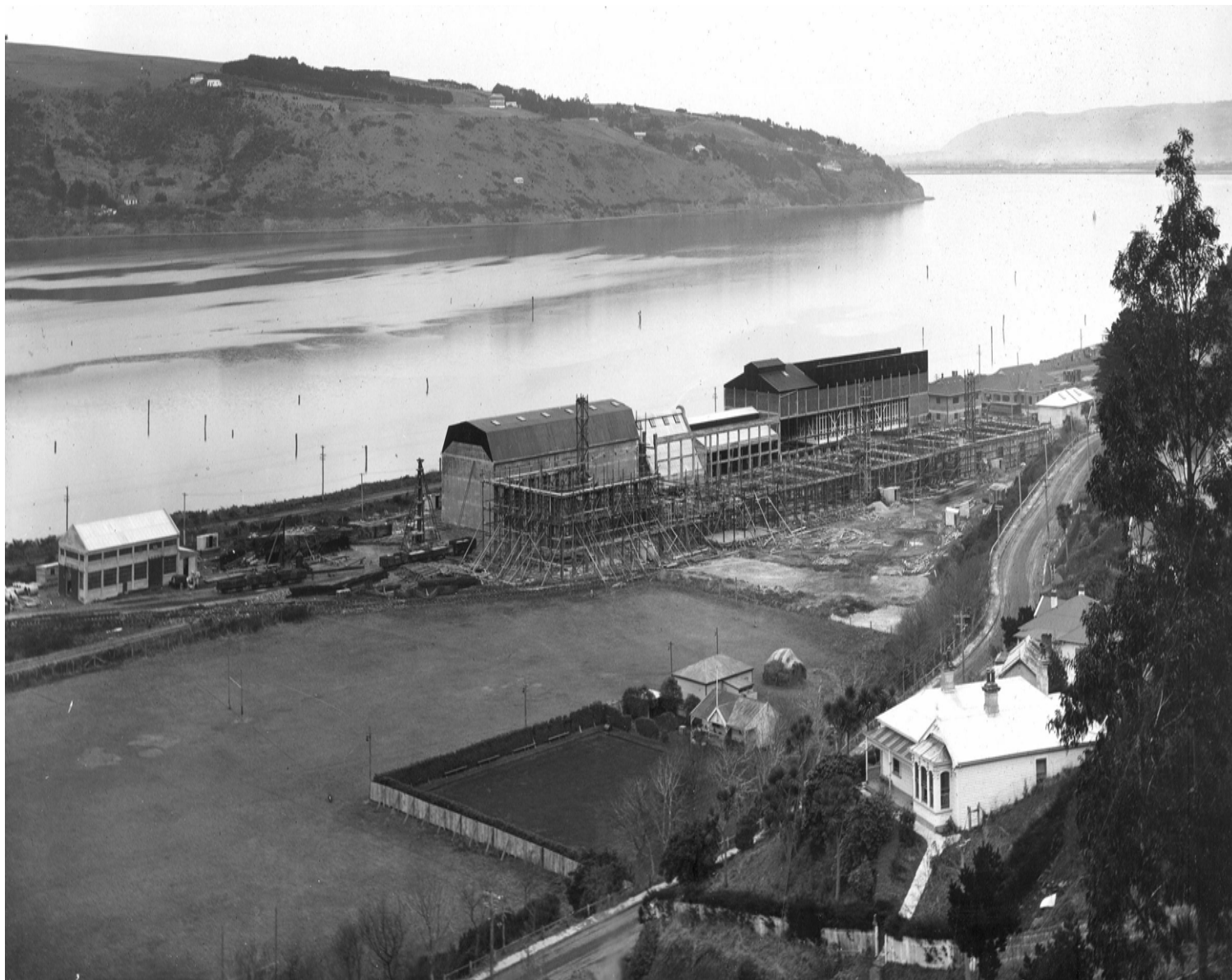
Hugh Fletcher Director





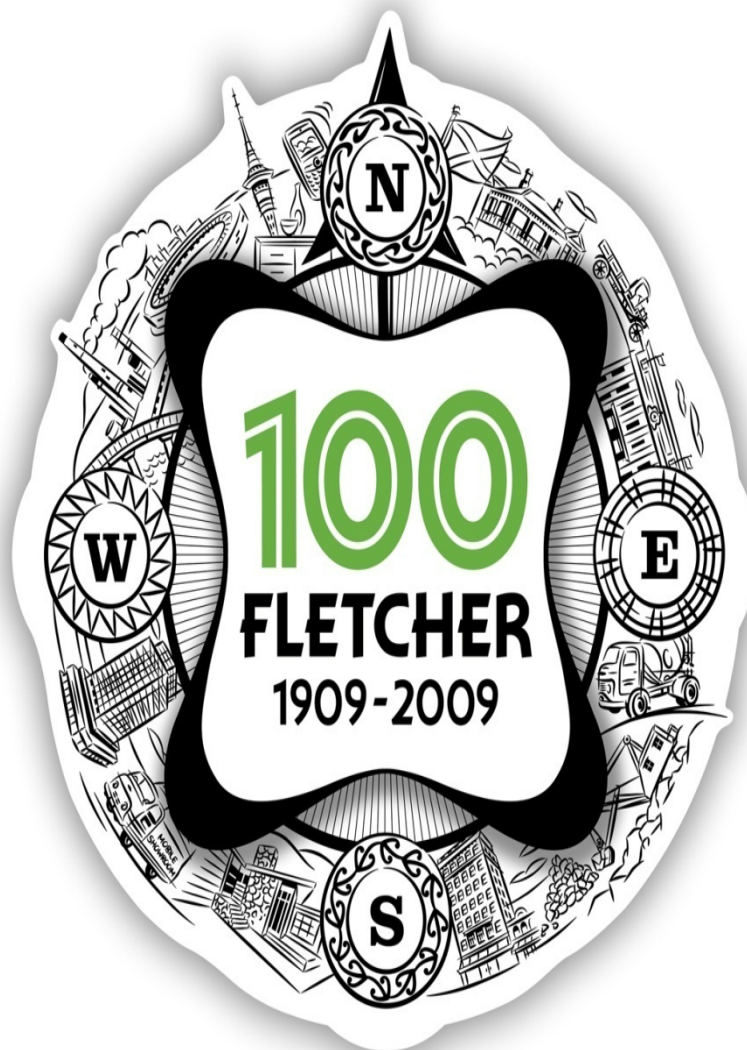














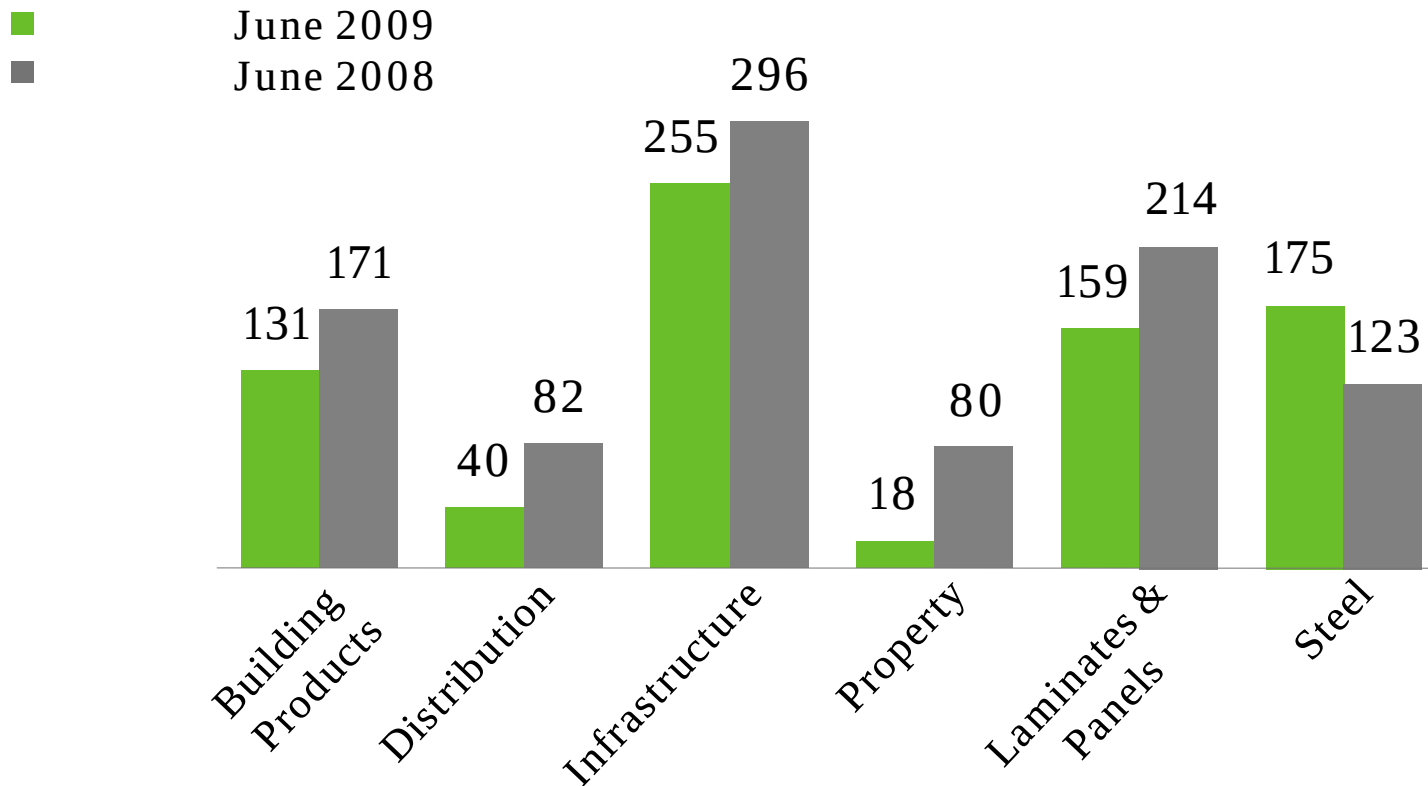
Jonathan Ling Chief Executive Officer



Strong performance in Steel, other businesses typically had lower volumes and margins

EBITDA NZ\$million¹

12 months ended



¹ Earnings before interest, tax, depreciation and amortisation, and unusual items



Residential construction activity was significantly lower in all key markets

Building Consents	Jun 2009 12 months	Jun 2008 12 months	Jun 2007 12 months	09/08 % Mvmt
New Zealand	12,503	20,902	23,344	-40
Australia	132,073	162,732	153,400	-19
US ¹	565,000	859,000	1,389,000	-34
England ²	71,480	139,880	155,240	-49
Spain ³	68,116	147,426	231,136	-54

¹ Years to December. 2009 forecast provided by McGraw Hill, includes single and multi-family dwellings

² England figure for 2009 is provisional

³ 12 months ended 31 May. Excludes multi-unit developments



Building Products result



NZ\$m	Jun 09 12mths	Jun 08 12mths	% Δ
Sales	771	739	+4
EBITDA ¹	131	171	-23
EBIT ¹	106	148	-28
Funds Employed	644	631	+2
ROFE %	16.5	23.5	

- **Plasterboard** performance impacted by low NZ housing starts.
- **Insulation** in NZ & Australia benefited from stimulus packages in second half.
- **Metal Roof Tiles**
Strong growth in international sales offset by weak NZ market and high steel prices.

¹ Excluding unusual items



Distribution result



NZ\$m	Jun 09 12mths	Jun 08 12mths	% Δ
Sales	883	1,083	-18
EBITDA ¹	40	82	-51
EBIT ¹	30	73	-59
Funds Employed	144	185	-22
ROFE %	20.8	39.5	

- Sales impacted by weak NZ housing starts but market share maintained.
- Significant staff reductions implemented.
- Frame and truss manufacturing activities consolidated.

¹ Excluding unusual items



Infrastructure result



NZ\$m	Jun 09 12mths	Jun 08 12mths	% Δ
Sales	2,052	1,857	+11
EBITDA ¹			
- Concrete NZ	125	174	-28
- Concrete Aust.	78	72	+8
- Construction	52	50	+4
- Property	18	80	-78
Total EBITDA	273	376	-27
EBIT ¹	203	308	-34
Funds Employed	1,042	1,027	+1
ROFE %	19.5	30.0	

¹ Excluding unusual items

NZ Concrete

- Volume declines in cement, aggregates, readymix, masonry and concrete pipe.
- Reflects weaker residential & commercial construction markets only partly offset by infrastructure activity.

Australia Concrete

- Good volume growth in quarry volumes and non-pipe concrete products.

Construction

- Strong growth in infrastructure work, commercial activity weaker.
- Backlog \$1.2 billion



Laminates & Panels result



NZ\$m	Jun 09 12mths	Jun 08 12mths	% Δ
Sales	2,052	1,857	+11
EBITDA			
- Laminex	99	166	-40
- Formica	60	48	+25
Total EBITDA ¹	159	214	-26
EBIT ¹	74	141	-47
Funds Employed	1,832	2,094	-13
ROFE %	4.0	6.7	

¹ Excluding unusual items

Laminex

- Volumes down in NZ and Australia, export markets weak.
- Significant input cost increases in first half

Formica

- Strong performance in Asia. US and European markets significantly weaker.
- Prices remained firm and input cost pressures eased in second half.



Formica growth in Asia and North America turnaround boosted result, but Europe weak

EBITDA NZ\$m ¹	2H09	1H09	2H08	1H08
Asia	19	20	14	16
North America	17	2	-17	10
Europe	8	9	30	22
Corporate	-9	-6	-17	-10
Reported EBITDA (NZ\$)	35	25	10	38

¹ Before unusual items



Steel result



NZ\$m	Jun 09 12mths	Jun 08 12mths	% Δ
Sales	1,321	1,279	+3
EBITDA ¹	175	123	+42
EBIT ¹	154	101	+52
Funds Employed	562	589	-5
ROFE %	27.4	17.1	

- Strong result in first half reflected high steel prices and strong demand.
- Second half sales 30% lower than first half.
- Continued strong demand from infrastructure-related projects.
- Rollforming volumes lower due to weaker residential and light commercial markets.

¹ Excluding unusual items





Health and safety

Current operating climate

- No significant pick up in activity across the group
- Overall volumes are generally stable except for:
 - insulation in Australia and New Zealand
 - international markets for metal roof tiles
- Commercial building recovery will require improvement in broader economy and increased bank capacity
- Increased infrastructure spending by government continues to be a positive factor
- Cautious about the immediate outlook and timing/pace of a recovery

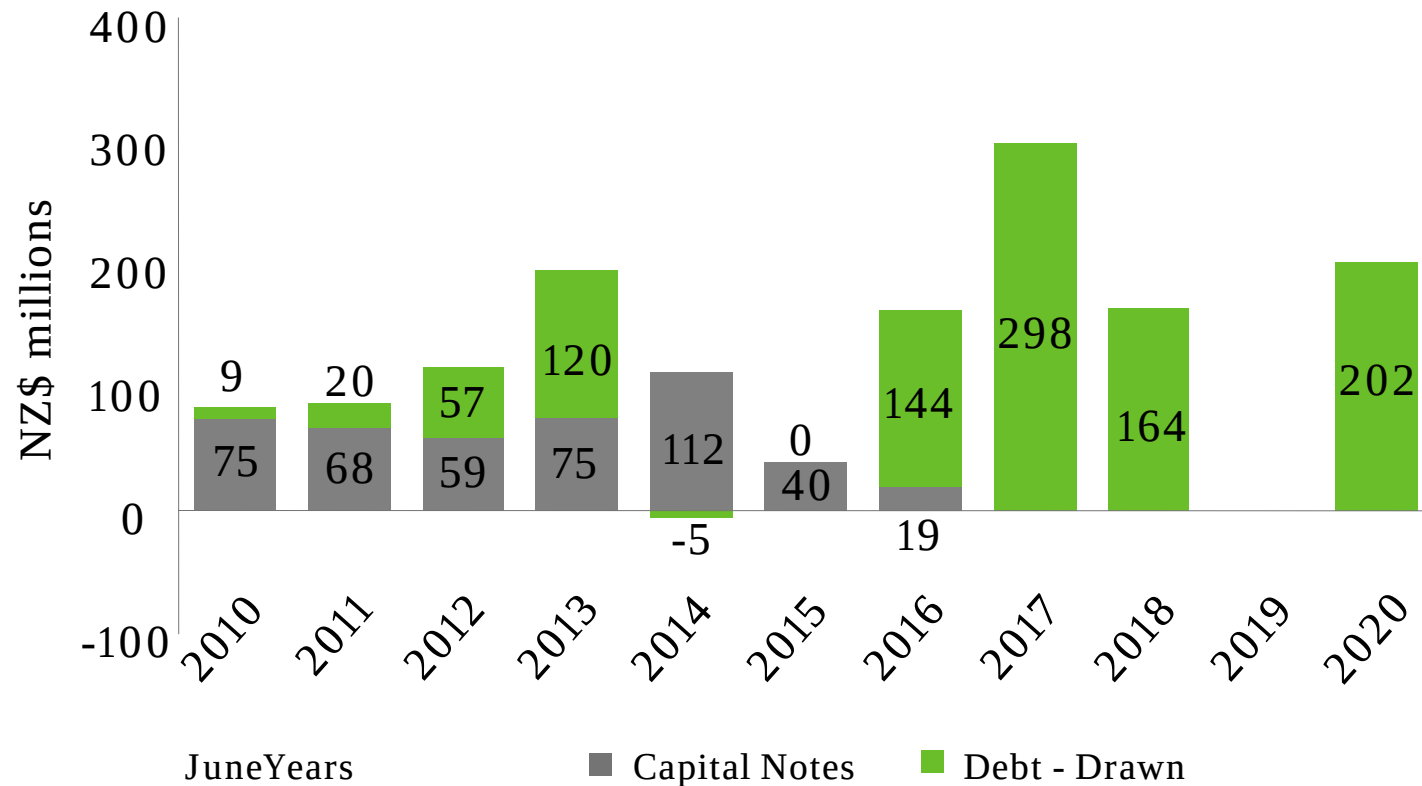


Positioned for the future



No significant debt refinancing until 2013

Funding and Maturity Profile



Upturn Plans



Strategy

Longer term strategy continues to be:

- improve earnings reliability
- maintain and improve internal capabilities
- pursue acquisition opportunities where these meet key investment criteria

Our aspirations by geography:

New Zealand Maintain and extend domestic businesses, strengthen channels to market.

Australia Create the leading Australasian building products and construction materials business by establishing strong market positions.

International Develop existing operations into the world's leading laminates and panels business.





Dr Roderick Deane Chairman



Market outlook 2010

- Subdued outlook for FY10 with low activity levels expected in most markets.
- Infrastructure spending in NZ and Australia will assist construction, concrete and steel businesses.
- Weak residential and commercial building activity will impact results; Insulation will benefit from government stimulus package.
- Asia expected to continue growth overall, Europe expected to remain weak, North American volumes expected to be stable at low levels.
- Continued focus on achieving operational efficiencies and cost control given lower volumes.



Performance outlook

- Current range of analysts' forecast net earnings excluding unusual items for FY 2010 is NZ\$261 million to \$340 million
- Based on current trading performance net earnings should fall within this range provided no further deterioration in key markets
- Without a sustained recovery in volumes, earnings will likely be at the lower end of the range
- Current intention is to maintain the dividend at 14.0 cents per share for each half year. Final decision dependent on financial outcome for the year



