



Investor Day Brisbane

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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 2015 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.



Laminates & Panels: Key Themes

Laminex

- Capitalise on strong market activity
- Optimise distribution network
- Build on non-residential success
- Drive cost and manufacturing efficiency

Formica North America

- Continue market share gains
- Expand distribution network
- Build Formica brand position
- Strong operational performance

Formica Asia

- Expand SE Asia business
- Optimise manufacturing and supply across region – fill Jiujiang
- Rebuild China sales and distribution network
- Drive cost and manufacturing efficiency

Formica Europe

- Expand revenue and margin in core markets
- Assess alternate channels to market
- Drive cost and manufacturing efficiency
- Evaluate further manufacturing footprint rationalisation



Laminates & Panels: Highlights – Successful New Product Developments

Clipwall – a new, pre-decorated walling system launched by Laminex in Australia

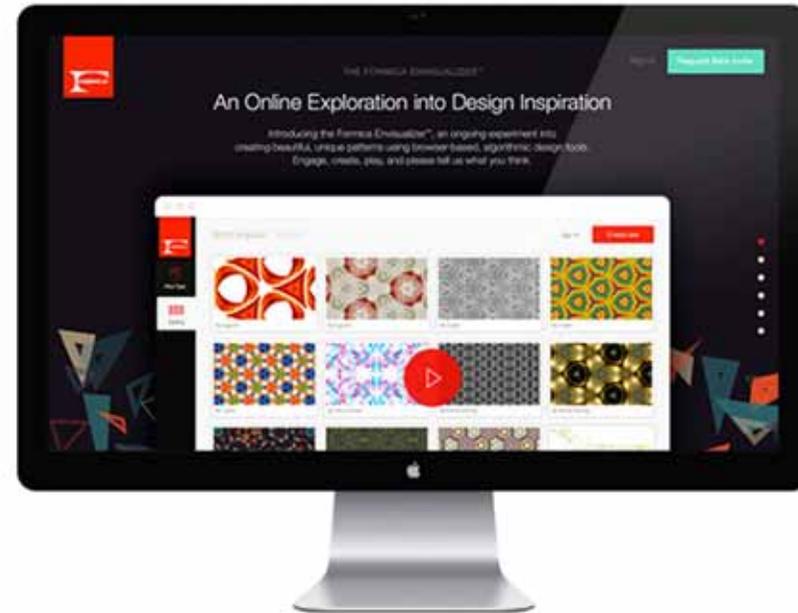


New Magnetic Chalk Board
– from German Homapal business



Laminates & Panels: Highlights – Successful New Product Developments

Formica Protec+
Anti-microbial laminate

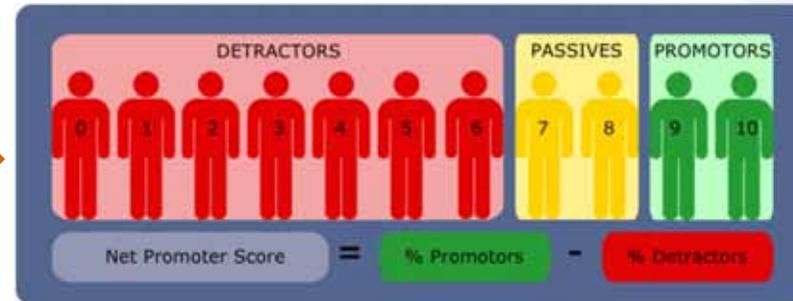


Formica Envisualizer
Architectural Design Tool



Laminates & Panels: Focus on the Customer Experience

- Driven by customer feedback to improve business performance

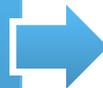


- Investing in R&D and marketing capability



- Customer Centricity
- Sales Effectiveness
- Marketing Effectiveness

- Investing in systems capability

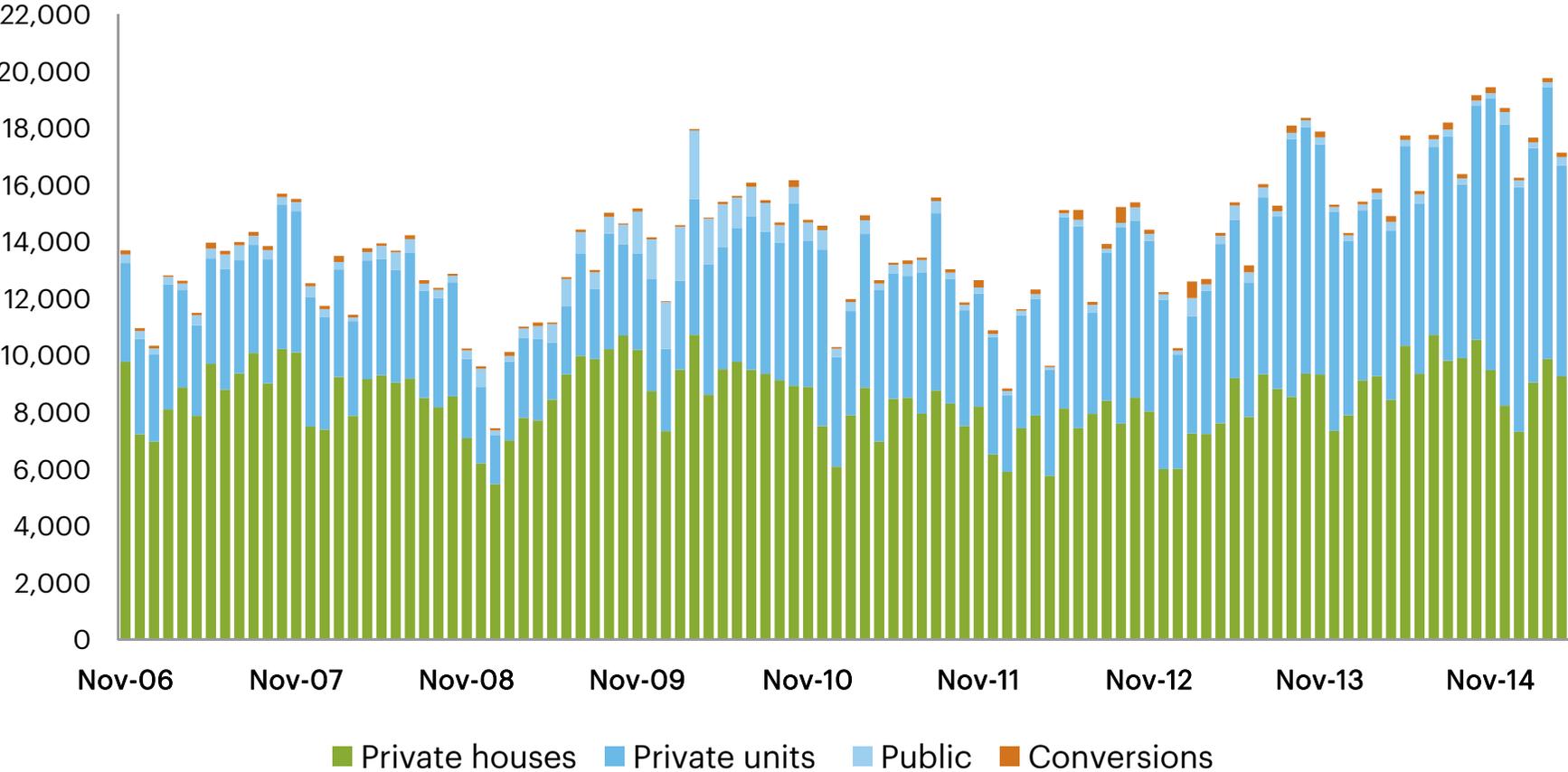


- Successful IT upgrade in North America and commencement in Europe
- Expansion of Digital capabilities



Trends in Australian residential construction

Dwelling approvals by type



- Strong growth overall, led by increased building of units
- Many smaller builders/developers involved, especially outside capital cities

Source: BIS Shrapnel, March 2015



Laminates & Panels: Laminex / Australia & New Zealand

Market Drivers:

- Strong activity overall, residential led
- Increased volumes of imported furniture
- Kitchen furniture imports for new multi-residential and new/renovated DIY growing at around 20% pa
- Continued preference for engineered stone in residential



Market Commentary:

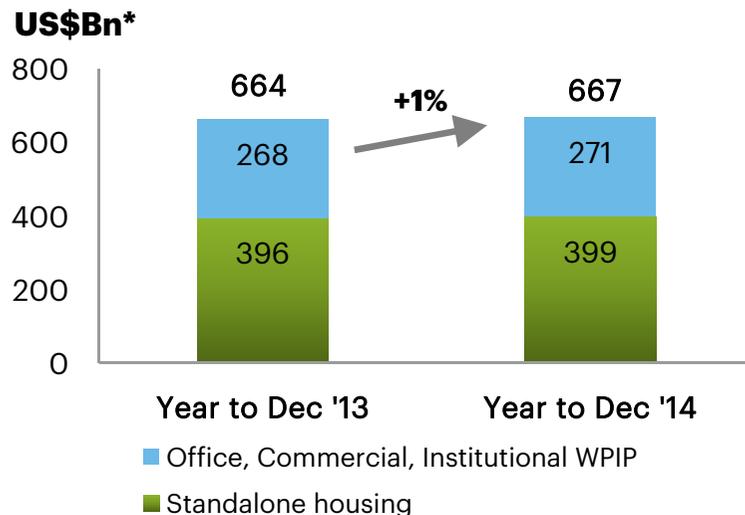
- Strong demand for medium density fibre board, particle board and related products:
 - Australian board plants fully loaded
 - Laminex Australia is net buyer of particleboard
- Weaker Australian dollar pushing cost higher of imported raw material (resin and papers) and imported finished products
- Growth in commercial walling
- Share gain in NSW



Laminates & Panels: North America

Market Drivers:

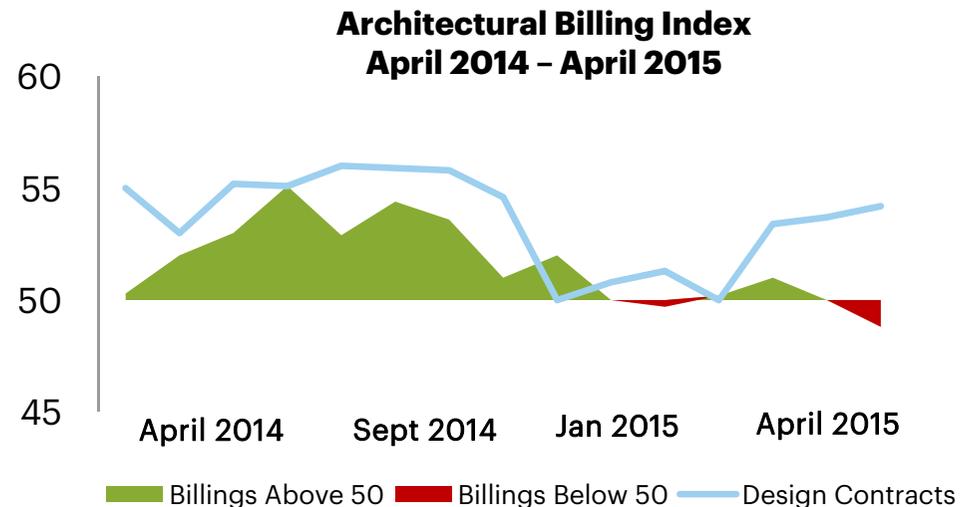
- **United States**
 - Residential new construction up (but bias towards high value properties).
 - Remodel growth low approximately 1%
 - Commercial - healthcare and government flat, retail and hospitality up
- **Canada flat - Mexico returning to growth**



*North America US (Billions of 2010 US\$)
USA & Canada – Source - IHS Global Insight

Market Commentary:

- Strong local competition around service and availability
- Improved pricing and lower oil costs have assisted margins
- Growth in engineered stone continues with new capacity recently installed in Georgia



The Index measures “work on the board” and is a leading indicator of non-residential construction activity that normally projects 9 to 12 months into the future. A score of 50 represents no change in billings from previous period, above 50 indicates increases, below 50 indicates a decline from the previous month



Laminates & Panels: Europe

Market Drivers:

- United Kingdom - market improving slowly but characterised by increased competition
- Spain - volumes recovering but pricing remains low
- Scandinavia – demand and pricing remains firm and ahead of last year
- Eastern Europe - Russia well down since sanctions and trouble in the Ukraine. Debt risk with collapse of the ruble

Market Commentary:

- MFC (melamine faced chipboard) - continuing to grow as a substitute/adjacent product
- Compact (thick laminate) for washrooms and exterior, continues to grow assisting capacity utilisation, generally at lower margins
- Commodity laminates (such as high volume colours and continuous laminates), are characterised by excess supply with adverse pressure on prices
- Premium laminates although smaller in market size, are characterised by price stability, good margins and better supply demand balance



Laminates & Panels: Asia

Market Drivers:

- Thailand - improved market activity since return of political stability
- Taiwan - Government investment recovering in public health and education
- **China** - slowing commercial construction and reducing Government institutional investment (eg schools and hospitals)
 - Local manufacturers improving capability and quality and highly competitive

Market Commentary:

- China Distribution – we are rebuilding our distributor channel in core East Coast markets
- Regulation - greater focus and increased compliance (environmental)
- Jiujiang Plant - Loading
 - Supplementing ASEAN capacity
 - Export – Europe/Aust
 - Domestic initiatives and new applications



Jiujiang Plant 2015



Laminates & Panels: Global Wrap-Up

