

Speech at farewell function as Chairman of Fletcher Building

Held at the Auckland Museum 16 March 2010

Distinguished guests, ladies and gentlemen, and many friends.

Thank you Jonathan and Ralph for your gracious and generous remarks and thank you to all for joining us this evening to mark my departure and of more importance to welcome Ralph as the new Chairman of Fletcher Building Ltd.

To paraphrase Steve Jobs, creator and leader of Apple, life is about joining the dots. But while in our minds we can join the dots of the past we cannot predict the dots of the future. It is the search for those future dots and the willingness to join them that creates the amazing opportunities in life. He also observed that some of the dots are more critical than others to the interconnectedness of the events in our lives.

My early dots started here at the Auckland War Memorial Museum when as a youngster my cousins brought me here for regular visits. So it is a special treat to be here tonight with so many people with whom I have worked and so many friends. As a child, my Auntie took me to my first movie at the Civic Theatre here in Auckland and I still remember clearly the dramatic story about the Royal Canadian Mounted Police. Little did I realize that my dots would connect me so powerfully to the company which originally built that historic theatre.

As a young economist, travelling on an plane across the Tasman, I met Ron and Margaret Trotter and some further dots were put in place. Much later, Ron invited me to join the Fletcher Challenge Group board in 1994. I did so with some reluctance at the time but with much arm twisting by Ron. It was not as if I did not have enough to do, being CEO of Telecom, President of the IHC, and on the board of the ANZ Banking Group in Melbourne, among other things. Yet if I had not acceded, a wonderful opportunity would have been lost for me to connect many more dots in my life.

After I became Chairman of the Fletcher Challenge Group eleven years ago, in 1999, we undertook what was and I think remains the largest corporate restructuring exercise ever pursued in New Zealand. Fletcher Challenge was a huge company and had been born of a wonderful vision. So many of us on the board and in the management team were reluctant restructurists. This was a company which had been pre-eminent in NZ but which was facing demanding times. But we did what we judged to be commercially necessary and relisted what amounted to the crown jewels from the old Group as a new company called Fletcher Building. It was no. 17 on the stockmarket in 2001. Today it is no. 1 again. Moreover, the reorganisation of the old FCL group delivered very large share price premiums to shareholders at the time.

On this journey with me have been a team of board members and a management team of a quality unparalleled in my experience. We have seen together good times and tough times. But throughout, the board and management have been strong and disciplined, open to new ideas and determined to improve on the old; to maintain the 100 year old Fletchers traditions of hard work and creativity; to embrace innovation, to be professional; to maintain high standards; and in doing so to deliver value to our customers and through that to our shareholders.

I know that is the way it will continue to be with our new Chairman, Ralph Waters. Most of you will know him, many of you will be friends with him. He is one of the finest people I have had the privilege and pleasure of working with: highly intelligent, commercially astute, vastly experienced, strong and decisive, with abundant integrity. We could not have found a better person to be Chairman of this, the largest listed company in New Zealand.

It gives me huge satisfaction to be able to leave the company in such a strong position. This is due to the oversight of my board colleagues and to an exceptionally high quality management team, outstandingly lead by our Chief Executive Jonathan Ling. I thank them for their drive and energy and enthusiasm and skill. And most of all tonight, I thank them for their personal support for me while I have been Chairman.

To Gillian, and you all know how I feel about her, can I just say she has been the most amazing force in my life, always brainy and personable and warm and loving. But her charming manner can be deceptive: no one gives me a more clearcut and honest assessment of matters at hand than she does. I have had the great good fortune to have some of the most senior and interesting jobs in NZ and I could not have done any of them without her. She makes my life a joy and I thank her for everything.

I leave with real gratitude for the friendships I have made and for the excitement of the journey. But it is time for me to connect some more dots and for the company to continue its process of refreshment. It has a remarkably strong base from which to proceed. Gillian and I wish the board and the staff all the very best for the future. May there be plenty of dots for you to connect. You would be surprised to know how many Gillian and I still plan to put together. I hope you all feel the same about grasping the opportunities the future provides.

Auckland

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