

Speech at farewell function as Chairman of Fletcher Building

Held at the Te Papa Tongarewa, the Museum of NZ, 17 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.

Can I also acknowledge my other fellow directors from Fletcher Building who has so kindly travelled from Auckland to be with us: Kerrin Vautier, who recently joined the Reserve Bank board, and John Judge who is also Chairman of ACC.

Given that Sir Ronald Trotter, whom you will be pleased to know I caught up with this morning and who sends his warmest best wishes to his Wellington friends, and one of our current board members, John Judge, and myself have each been Chairman of Te Papa, it is unusually appropriate for us to be having this function at my favourite museum. It was of course built by Fletchers.

Last week, along with a couple of thousand other Wellington Festival goers, Gillian and I attended a brilliant lecture by the revolutionary British evolutionist Richard Dawkins. Those of you who were there will recall that he began by asserting that "the fact of your own existence is the most astonishing fact you'll ever have to confront; don't dare ever see your life as boring, monotonous or joyless." He titled the lecture "Life is Astonishing".

Well, I can vouch for that. And I can guarantee that life with Gillian is never boring and always endlessly fascinating. Moreover, in a series of magic opportunities, I have benefitted from the most diverse array of amazing jobs encompassing the charitable world, the arts, the business sector and the public service. I have sensibly declined the risks and agonies of politics.

It was my friend and mentor Ron Trotter who invited me to join the Fletcher Challenge 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 at the time, as you might have detected from Ralph's most

generous account of my disconcertingly diverse career. Yet if I had not acceded, a wonderful opportunity would have been lost for me to expand my horizons. Indeed, people may be surprised to learn that I have spent more time working in the Fletcher group than I spent with any other company.

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 restructurers. 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 imperative 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 past decade, 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 and 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. Many of you will know him and his lovely wife Helen, who is also here tonight. Some of you will be friends with them. Ralph 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, a real team player, and a man of 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 impressive foundations laid by Ralph and the early members of his team, to the strong strategic oversight of my board colleagues, and of course to our current exceptionally high quality management team, outstandingly lead by our present Chief Executive Jonathan Ling. I thank them for their drive and skill, and their energy and enthusiasm. And most of all tonight, I thank Jonathan and his wife Di for their personal friendship and support for me while I have been Chairman.

There are some other people here tonight to whom I would like to extend my warmest appreciation: Carole Cossill who was my wonderful Personal Assistant for 21 years and whose support I valued immeasurably; Marion Harrison who so graciously organised this evening and much else in my life at Fletcher Building; and Debby Mackley who has always made sure Gillian and I get everywhere we need to be, and I can assure you that is no mean task.

Paul Baines was a director of the Fletcher Group for longer than me. Throughout our period together on this and other boards Paul has been hugely supportive to me and a splendid contributor to the many companies and organizations he has helped. He is an exceptional person and as fine a non-executive director as any I have worked with.

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. She manages both our business affairs and our social life with much creativity. She ensures my life is full of interest and challenge. She is my wisest and cleverest counsellor. But as a few of you may have realized, Gillian's warm and charming manner can sometimes be deceptive: no one gives me more insightful, penetrating and amusing assessments 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.

And just in case Gillian, like Carole, tries to fill my diary in the way Carole used to, I have reminded her that she must leave me some time for my Australian connections where I remain Chairman of Pacific Road Group and a Director of Woolworths, to say nothing of a range of other

activities in both the business and charitable worlds. But my life will now be less diary driven and more project related; and I will have more time for walking my dogs, planting our wetlands, going to the opera, and travelling the world.

Gillian and I have many of our closest friends here tonight. You are our real support base and you are the real reason we live here in Wellington. It is also coincidentally my favourite city in the world. I take much pleasure in thanking publically our friends for all their amazing help and endless support over many years. We have been much blessed.

Finally, I leave Fletcher Building with real gratitude for the friendships I have made and for the excitement of the journey. But, to paraphrase Steve Jobs of Apple fame, it is time for me to connect some new dots in life 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 enjoying the opportunities the future provides. Thank you. Please stay on and enjoy the rest of the evening with us.

Wellington, 17 March 2010.