



Annual Results Presentation

13 August 2003

This Annual Results presentation dated 13 August 2003 provides additional comment on the media release of the same date. As such, it should be read in conjunction with and subject to the explanations and views of future outlook on market conditions, earnings and activities given in that release.

Highlights

- ❑ Net profit up 81% to \$168 million
- ❑ Operating Earnings pre unusuials up 61% to \$331 million
- ❑ Acquisition of Laminex
- ❑ Major refinancing initiatives
- ❑ Sale of Bolivia & India operations



Summary of Results

\$m	Jun 2003 12 Mths	Jun 2002 12 Mths	% YOY Change
Revenue	3221	2966	+9
EBITDA	429	294	+46
EBITA	338	212	+59
EBIT Before Unusuals	331	205	+61
Net Earnings Before Unusuals	168	88	+91
Net Earnings	168	93	+81
EPS Before Unusuals (cents)	43.4	25.5	+70
EPS After Unusuals (cents)	43.4	27.0	+61
Dividend cps	19.0	14.0	+36



Segmental EBIT

\$m	Jun 2003 12 Mths	Jun 2002 12 Mths	% YOY Change
Building Products	112	85	+32
Distribution	55	34	+62
Concrete	83	60	+38
Construction	34	30	+13
Laminex	44		N/A
Corporate/Unallocated	3	-4	N/A
EBIT Pre Unusuals as per Accounts	331	205	+61



Building Products Results

\$m	Jun 2003 12 Mths	Jun 2002 12 Mths	% YOY Change
Revenue	865	820	+5
EBIT	112	85	+32
Margin	12.9%	10.4%	+24
Funds	401	433	-7
Return on Funds	27.9%	19.6%	+42



Building Products

Winstone Wallboards

- Volume and earnings up with market conditions
- Prices steady
- Improved volumes of value added product
- Profit well ahead of last year

Fletcher Aluminium

- Substantial improvement in earnings
- Restructuring and manufacturing efficiencies continuing



Building Products

Fletcher Wood Panels

- Strong local and export sales
- Results impacted by currency and electricity, especially in the second half
- Acquired the balance of Paynter Profile JV in July 2003

Scott Panel & Hardware

- Excellent result reflecting current market conditions

Now both part of the Laminates and Panels group and actively pursuing synergies



Building Products

Steel Manufacturing

- Record production and sales volumes
- Continued growth in export volumes
- High scrap prices, currency and power issues impacted the second half results
- Productivity gains through
 - operation changed to benefit from off-peak power prices at weekends
 - Wire mill reduced from 4 to 3 shift operations



Building Products

Steel Processing and Distribution

- EasySteel, CSP Galvanising and Dimond had improved earnings with further improvements expected
- Pacific Coilcoaters continued to produce strong earnings in both the domestic and export markets
- Productivity improvements across all operations e.g.
 - EasySteel distribution consolidation
 - CSP zinc utilisation
 - Dimond manufacturing consolidation

Distribution Results

\$m	Jun 2003 12 Mths	Jun 2002 12 Mths	% YOY Change
Gross Revenue	807	686	+18
EBIT	55	34	+62
Margin	6.8%	5.0%	+36
Funds	96	101	-5
Return on Funds	57.3%	33.7%	+70



Distribution

- Excellent sales through both the buoyant market and improved store performance
- Margins improved through better buying and pricing
- Major store upgrade programme underway
- Building Depot and Hire-a-Hubby to be divested
- Builders Hardware Company acquired in July

Distribution

Impact of Building Depot/Hire-a-Hubby

\$m	Adj Results	B'Depot & Hire-a-Hubby Results	Distribution Result
Gross Revenue	744	63	807
EBIT	59	-4	55
Margin	7.9%		6.8%
Funds	92	4	96
Return on Funds	64.1%	N/A	57.4%

Concrete Results

\$m	Jun 2003 12 Mths	Jun 2002 12 Mths	% YOY Change
Revenue	497	470	+6
EBIT	83	60	+38
Margin	16.7%	12.8%	+30
Funds	400	416	-4
Return on Funds	20.8%	14.4%	+44



Concrete

Golden Bay

- Volume up with domestic demand at record levels
- Prices steady
- Production costs per tonne down, offset partly by power costs
- Distribution costs higher due to greater requirement for road transport to meet demand
- Major plant upgrade underway

Concrete

Firth

- Volumes at record levels through market and share gains
- Pricing better
- Manufacturing costs per m³ down
- Substantial profit improvement over last year

Concrete

Winstone Aggregates

- Higher volumes through strong demand
- Rationalisation initiatives now coming through
- Lower manufacturing costs and overheads
- Profit well up on previous year

Concrete

Humes

- Volumes up through strong demand
- Margins under pressure
- Earnings up 33% on previous year

Stresscrete

- Market conditions excellent
- Operational performance continues to improve
- Earnings up on previous year

Concrete

International

- Bolivia sale completed
- Indian assets sold
- Peru operation in profit, but markets very competitive

Construction Results

\$m	Jun 2003 12 Mths	Jun* 2002 12 Mths	% YOY Change
Revenue	618	871	-29
EBIT	34	30	+13
Funds	-62	-95 ¹	-35

* Includes full Australian income for 2002

¹ Note as per Dec 02 J02 includes property funds now in Corporate



Construction

Construction

- Strong performance in all divisions
- South Pacific market improving
- Major projects include Manukau Waste Water, Auckland Hospital, Lambton Towers, PwC Tower and Grafton Gully
- Outlook excellent

Construction

Residential

- Another excellent year
- Sales steady – margins up
- Land prices will put pressure on future margins

Laminates & Panels Results

\$m	Jun*	Proforma**	Proforma	% YOY Change
	2003 7 Mths	Jun 2003 12 Mths	Jun 2002 12 Mths	
Revenue	432	723	726	
EBIT	44	78	64	+22
Margin	10.2%	10.8%	8.8%	+23
Funds	757	757	776***	-3
Return on Funds	9.3%	10.3%	8.2%	+26

* Acquired on 13 November 2002

** Estimate of 12 mths earnings on similar basis to the 7 mths result

*** Estimate of Funds assuming that 'fair value' adjustments had occurred



Laminex

- Domestic demand strong throughout year
- Exports impacted by strong currency and increased competition
- Productivity improvements include
 - Tullamarine warehouse
 - paper treater at Dardenup
 - IT consolidation
 - increased capacity at Wespine
- EBITDA slightly below maximum earnout target but well above our estimates

Profit After Tax

\$m	Jun 2003 12 Mths	Dec 2002 6 Mths	Jun 2002 12 Mths
EBIT before Unusuals	331	160	+205
Interest	-59	-23	-51
Tax	-85	-45	-54
Minority Interests	-19	-9	-12
NPAT before Unusuals	168	83	88
Adjustments Net of Tax			5
Profit After Tax as per Accounts	168	83	93

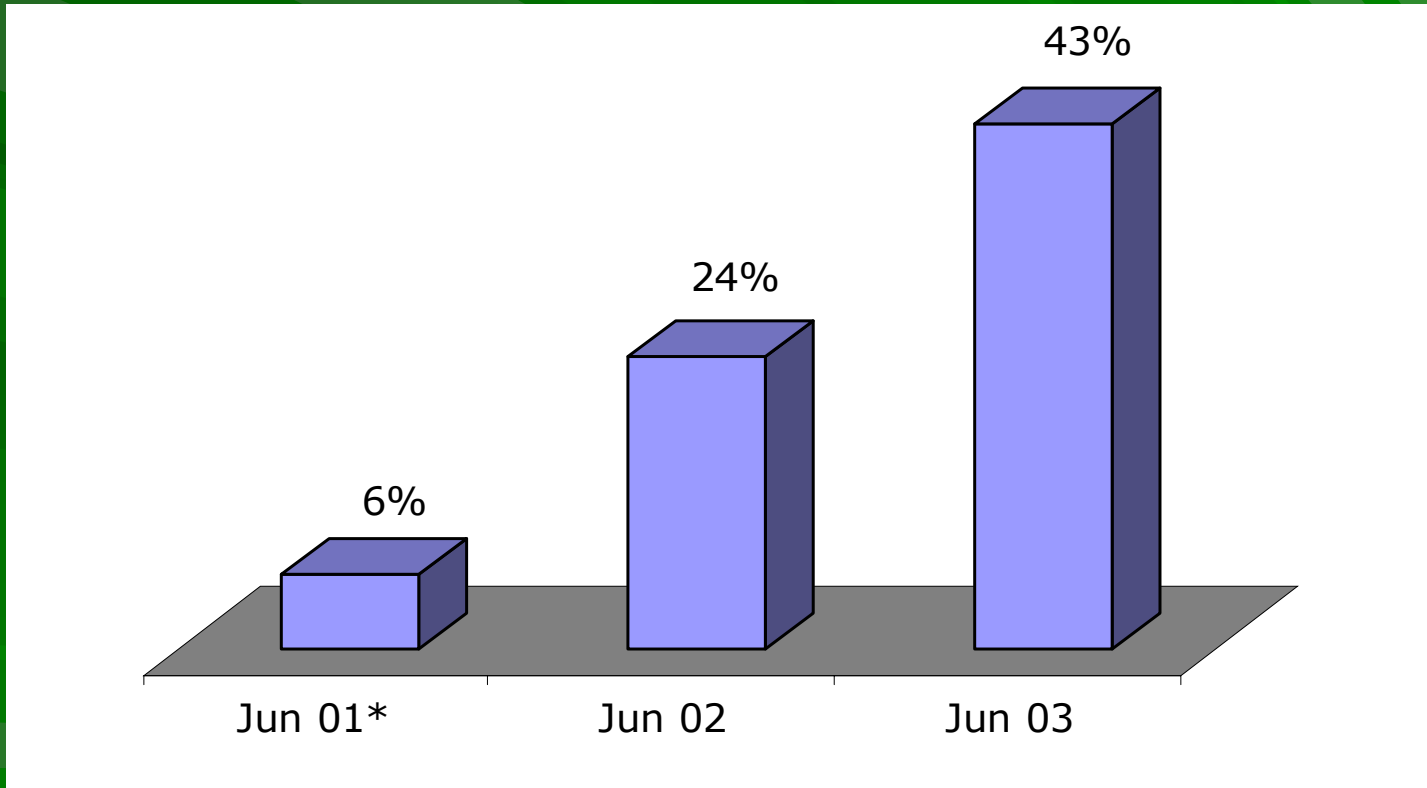
Simplified Balance Sheet

	Jun 2003 NZ\$m	Jun 2002 NZ\$m
Assets		
Current Assets	919	637
Fixed Assets	969	666
Intangibles & Goodwill	198	8
Provision for Taxation	104	108
Investments	155	72
Total Fletcher Building Assets	2345	1491
Liabilities		
Current Liabilities	627	502
Net Term Debt	502	168
Capital Notes	356	230
Total Fletcher Building Liabilities	1485	900
Equity		
Equity & Minority Interests	860	591
Total Fletcher Building Liabilities and Equity	2345	1491



Key Ratios

Total Shareholder Return (TSR)



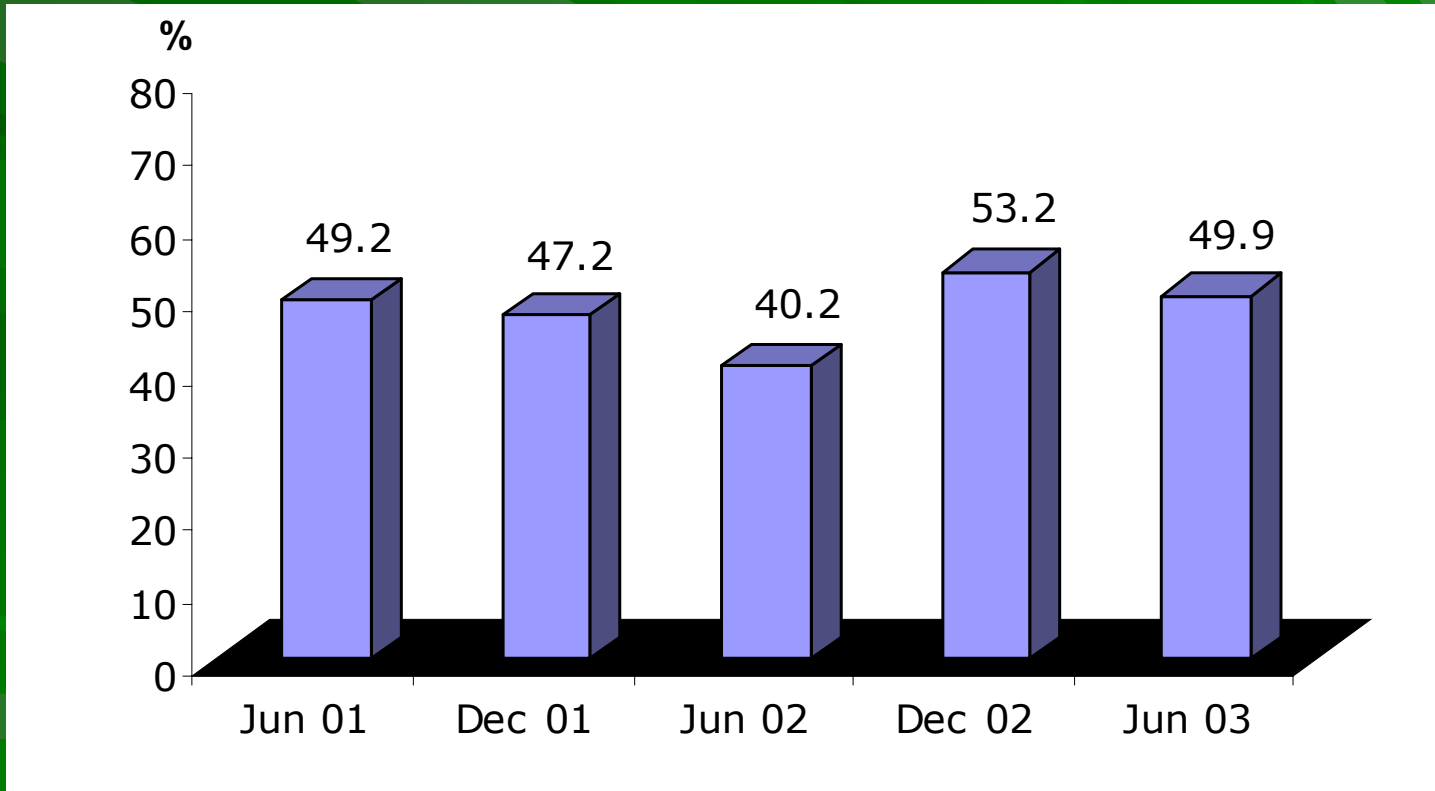
* June 01 is the return for the 3 months from separation date

** TSR calculated ((Gross Dividend Paid + Movement in Share Price)/Opening Share Price)



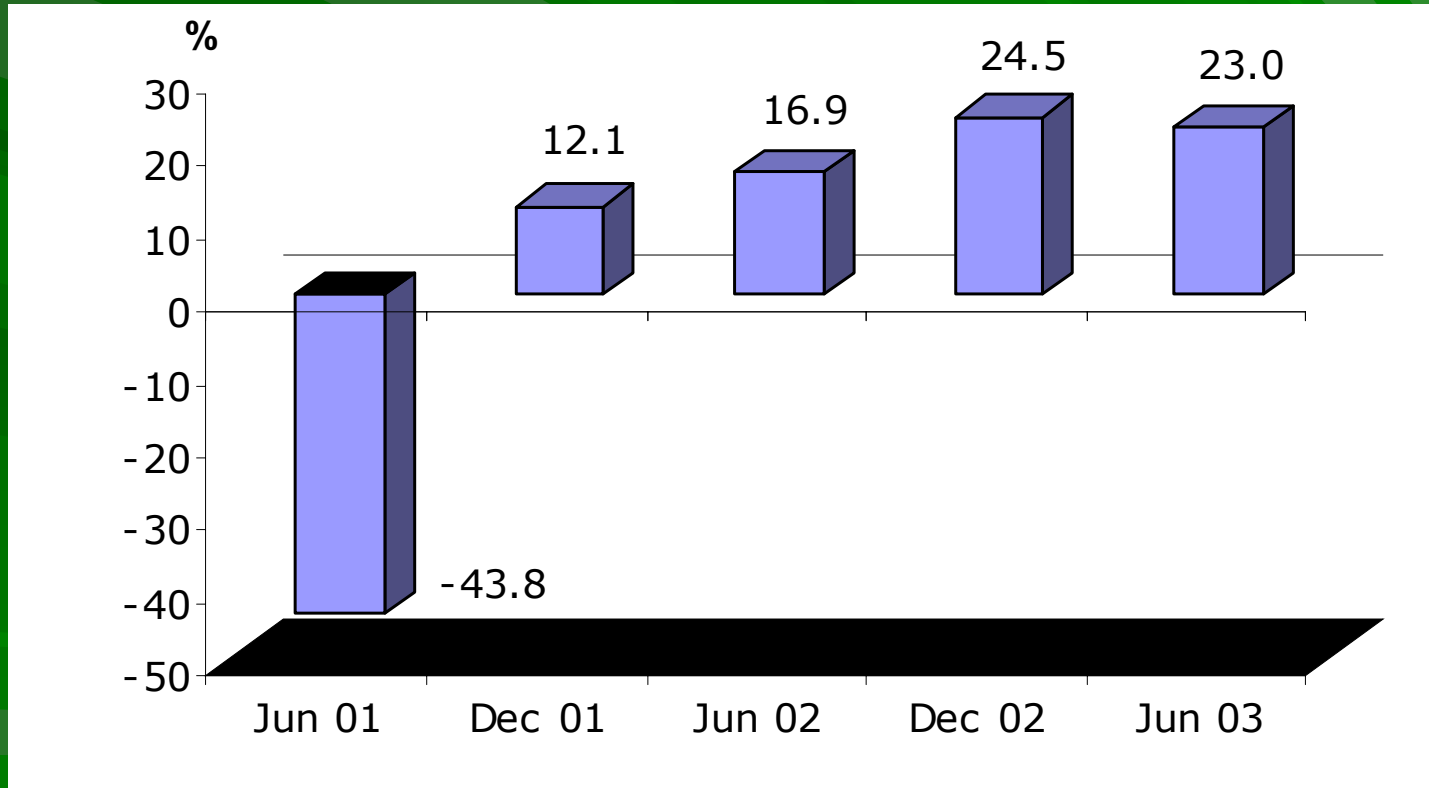
Key Ratios

Debt/Debt Plus Equity



Key Ratios

Return on Average Equity*

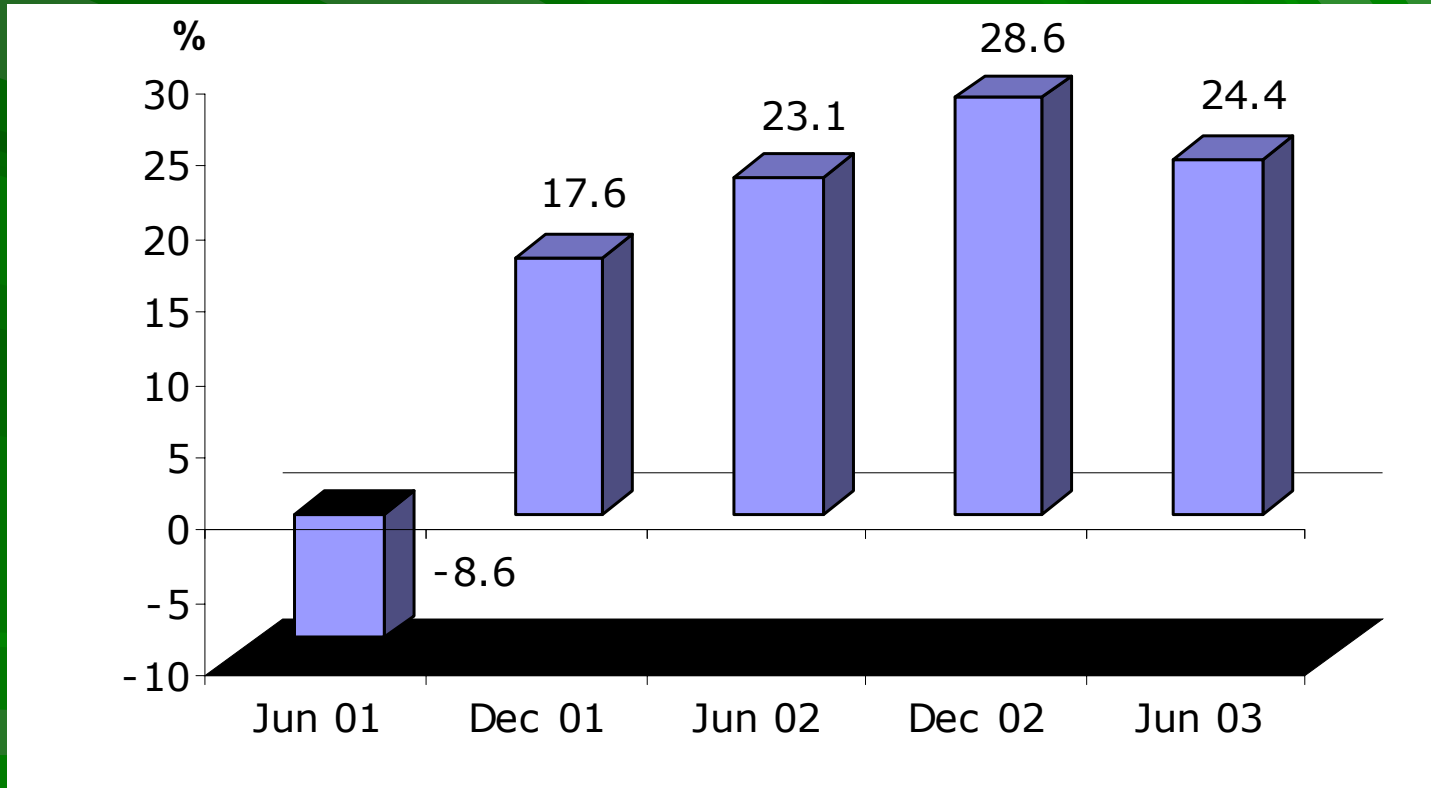


* Net earnings after capital notes interest/shareholders funds



Key Ratios

Return on Average Funds*

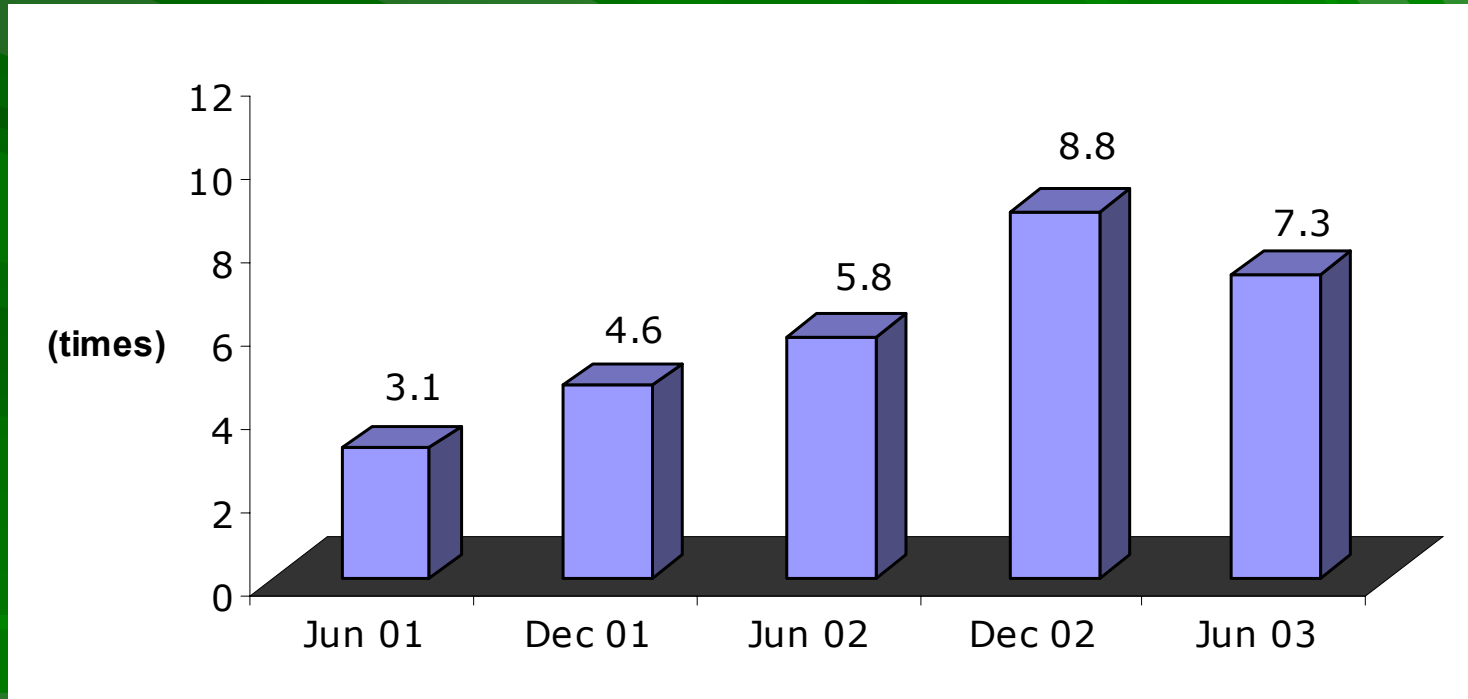


* $EBIT / (\text{Average net debt} + \text{equity} + \text{capital notes}) - \text{deferred tax asset}$



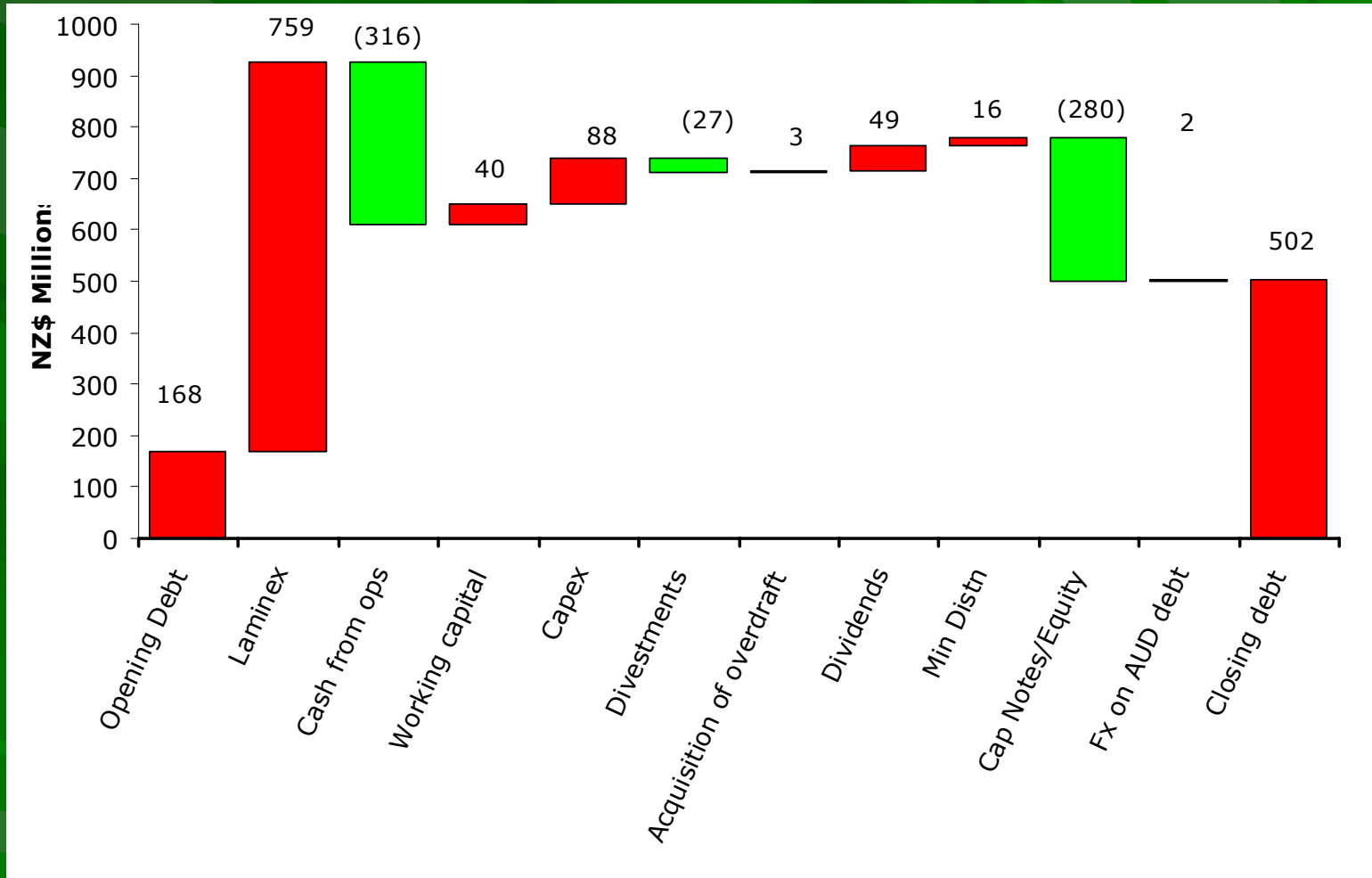
Key Ratios

Interest Cover*



* EBITDA pre unusualls/interest paid including capital note interest

Net Term Debt Movement



Strategic Agenda

Building Products

- Replace Fletcher Wood Panels and Scott Panel & Hardware (now part of Laminates & Panels Group)
- Steel industry rationalisation still desirable

Concrete & Distribution

- Secure appropriate regional add-on businesses



Strategic Agenda

Construction

- Secure residential housing land for future years
- Bid to infrastructure work

Laminates & Panels

- Pursue Australia/New Zealand synergies
- Sydney, Adelaide and Brisbane warehouse consolidations



Outlook

- ❑ First half of 03-04 should be similar to last six months
- ❑ No sharp downturns in prospect
- ❑ Expect further improvement and another satisfactory year

