



FletcherBuilding

Annual Shareholders' Meeting 2004



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Dr Roderick Deane - Chairman

Directors

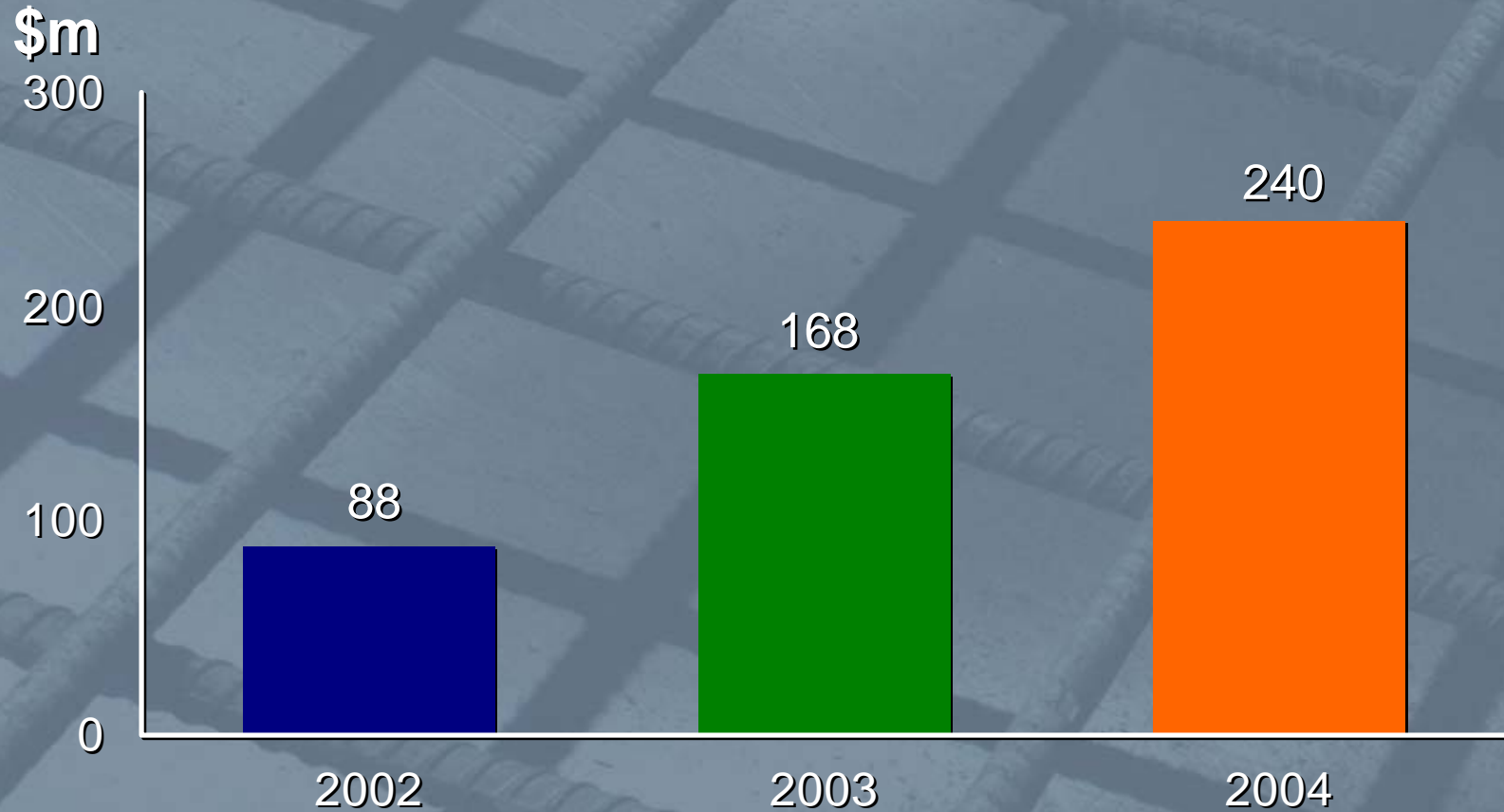
- Dr Roderick Deane (Chairman)
- Paul Baines
- Hugh Fletcher
- Geoffrey McGrath
- Ralph Norris
- Sir Dryden Spring
- Kerrin Vautier
- Ralph Waters (Managing Director)



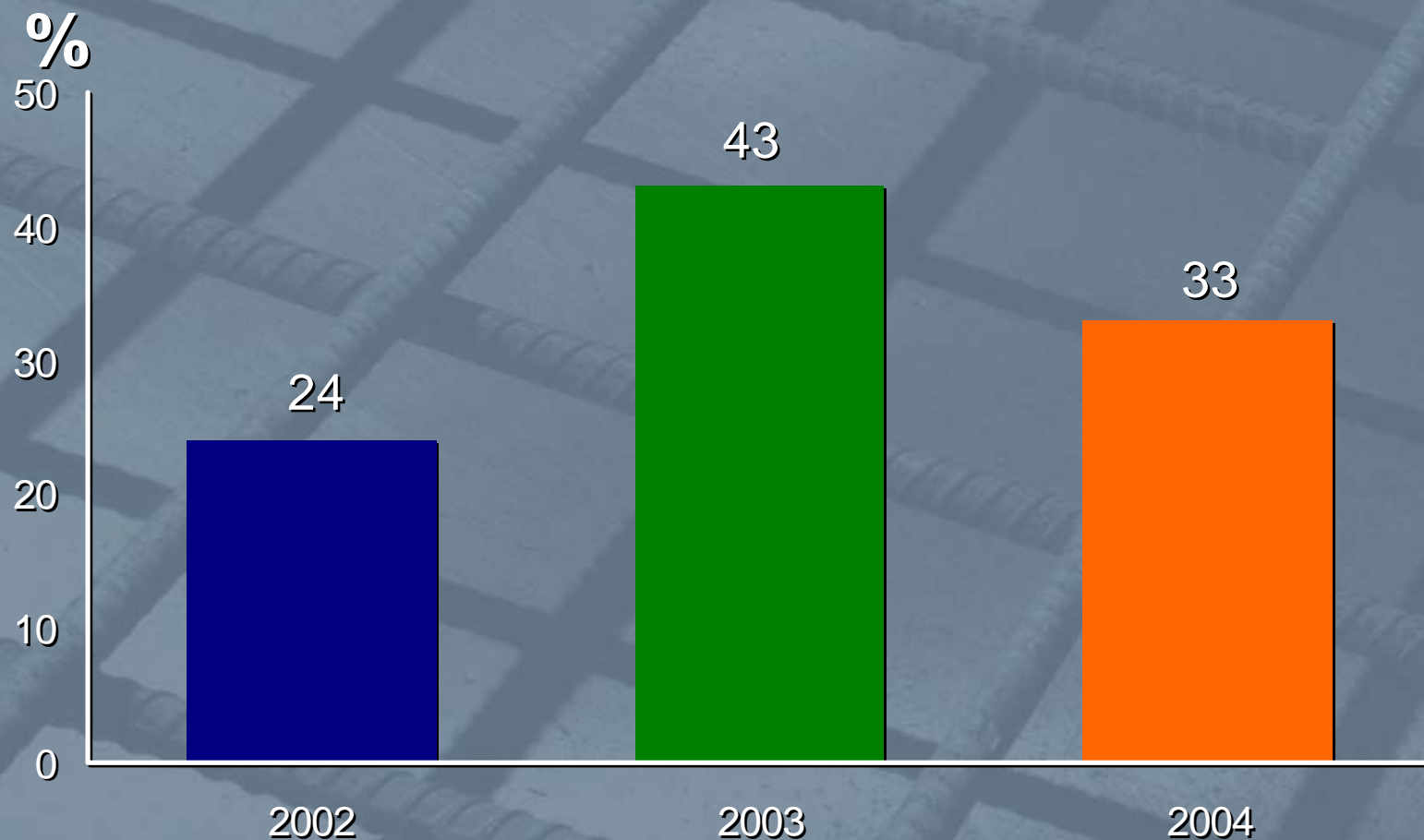
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Earnings

After-tax earnings pre unusuals



Total shareholder return



Strategic development

Fletcher Building in 2001

- Small in relation to some competitors
- Limited growth horizons
- Tied to New Zealand economy

Strategic development

Fletcher Building in 2004

- 70% larger by revenue
- Broader geographical and market base
- Reduced exposure to the New Zealand economic cycle



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Current earnings performance

- Benefit from acquisitions
- Benefit from internal improvements
 - reduced costs
 - margin improvements
 - service improvements
 - market share increases
- Country and sector cycles less important

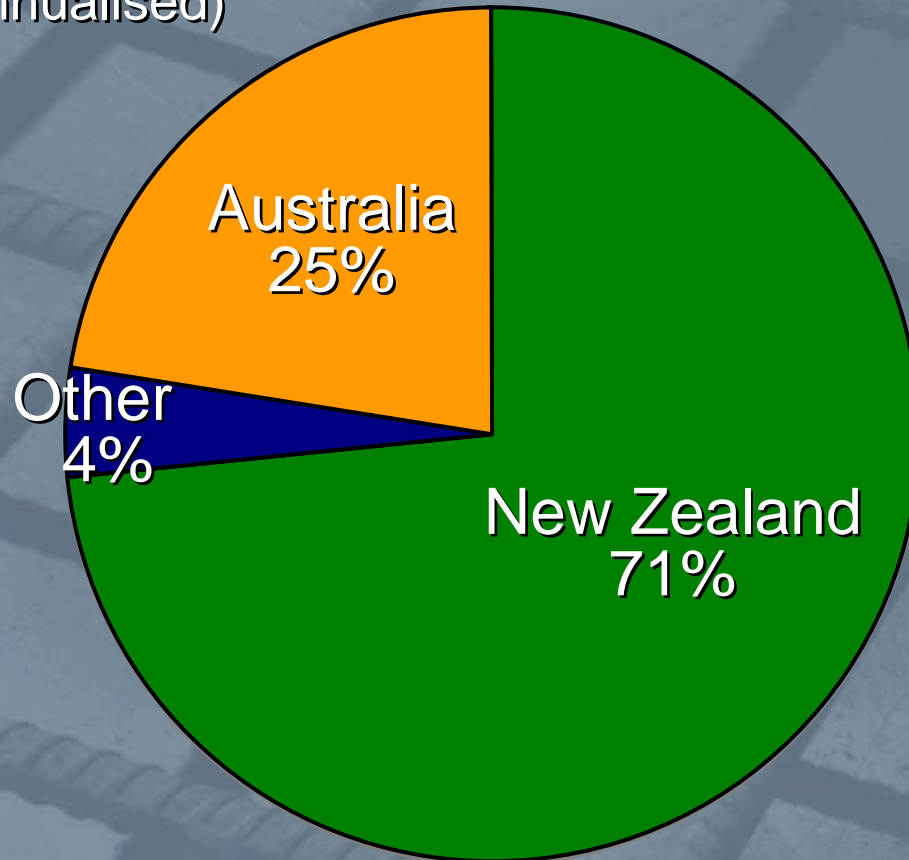
Investment

Two key acquisitions

- Laminex and Tasman integrated successfully
- Synergies of more than \$10 million to net earnings in 2004 and 2005 years

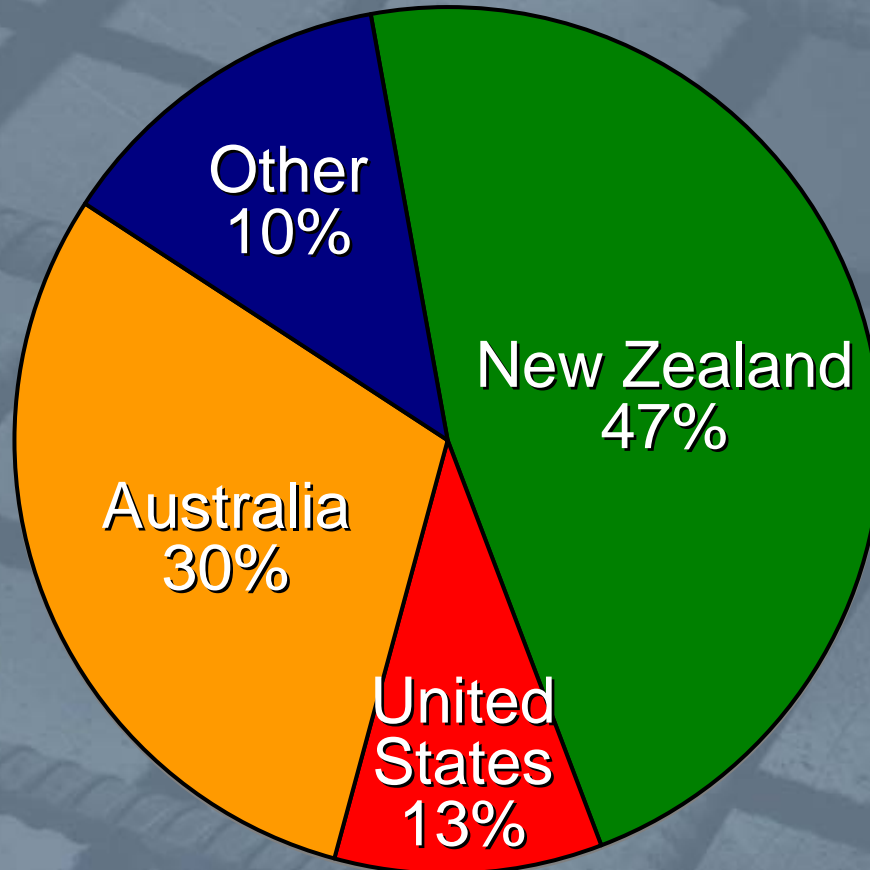
Investment

A broader revenue base
(2004 year, annualised)



Investment

A broader shareholding base





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Investment

Internal projects include:

- Golden Bay upgrade – \$70 million
- Auckland and Queenstown residential land – over \$200 million
- PlaceMakers store upgrades – \$44 million



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Sustainability

Environmental awards

- Winstone Aggregates
 - Quarrying
- Laminates and Panels
 - ISO certification – two plants
- Fletcher Construction
 - ISO certification – Engineering Division
 - Mangere oxidation ponds
 - Central Auckland Motorway Upgrade
- Tasman Insulation
 - Environmental Choice New Zealand



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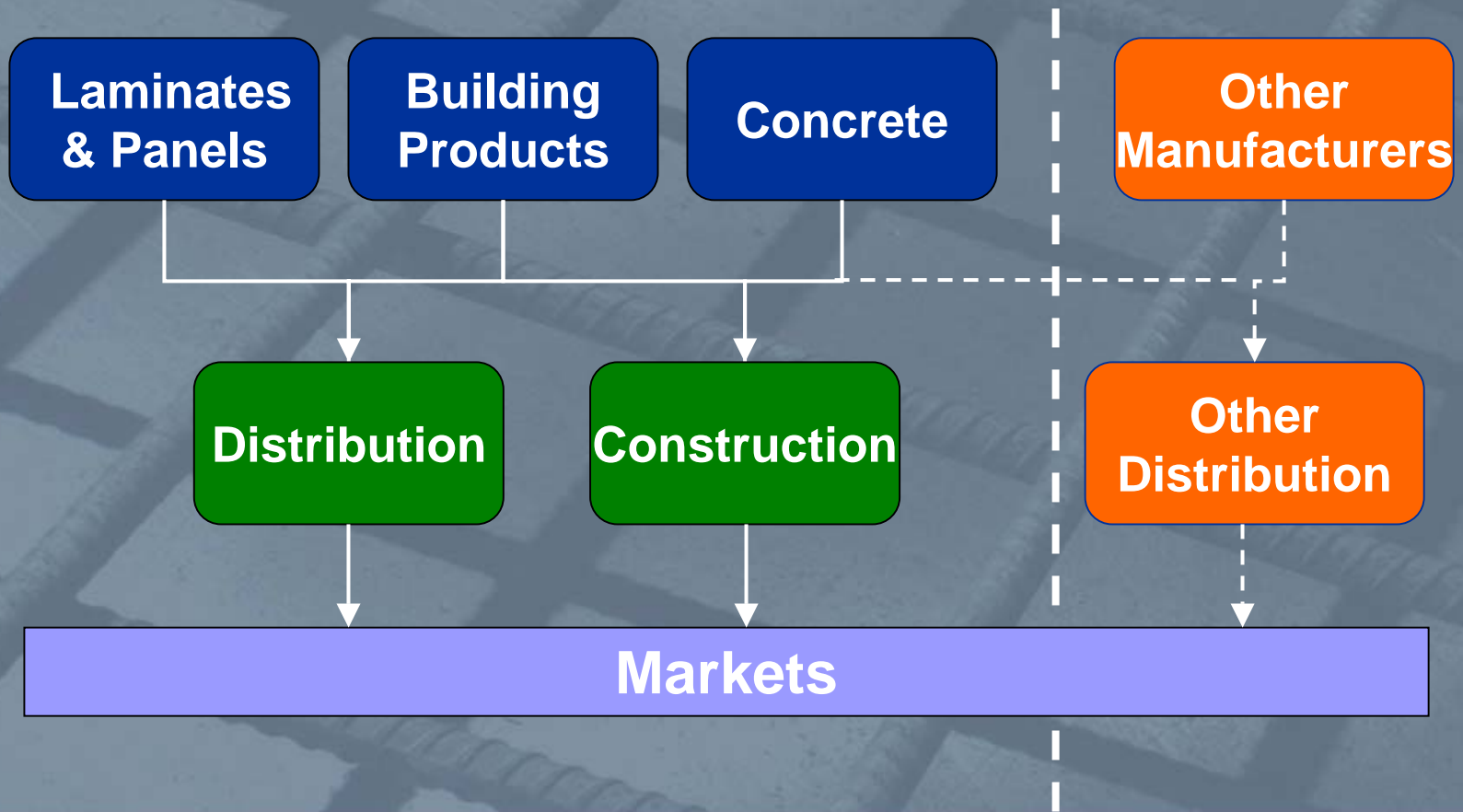
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Ralph Waters

Managing Director & Chief Executive Officer

A building materials manufacturer with control over its distribution



Key brands

Building Products

Laminates & Panels

Concrete



Dimond



Scott THE laminex GROUP



Key brands

Construction



Spaceline

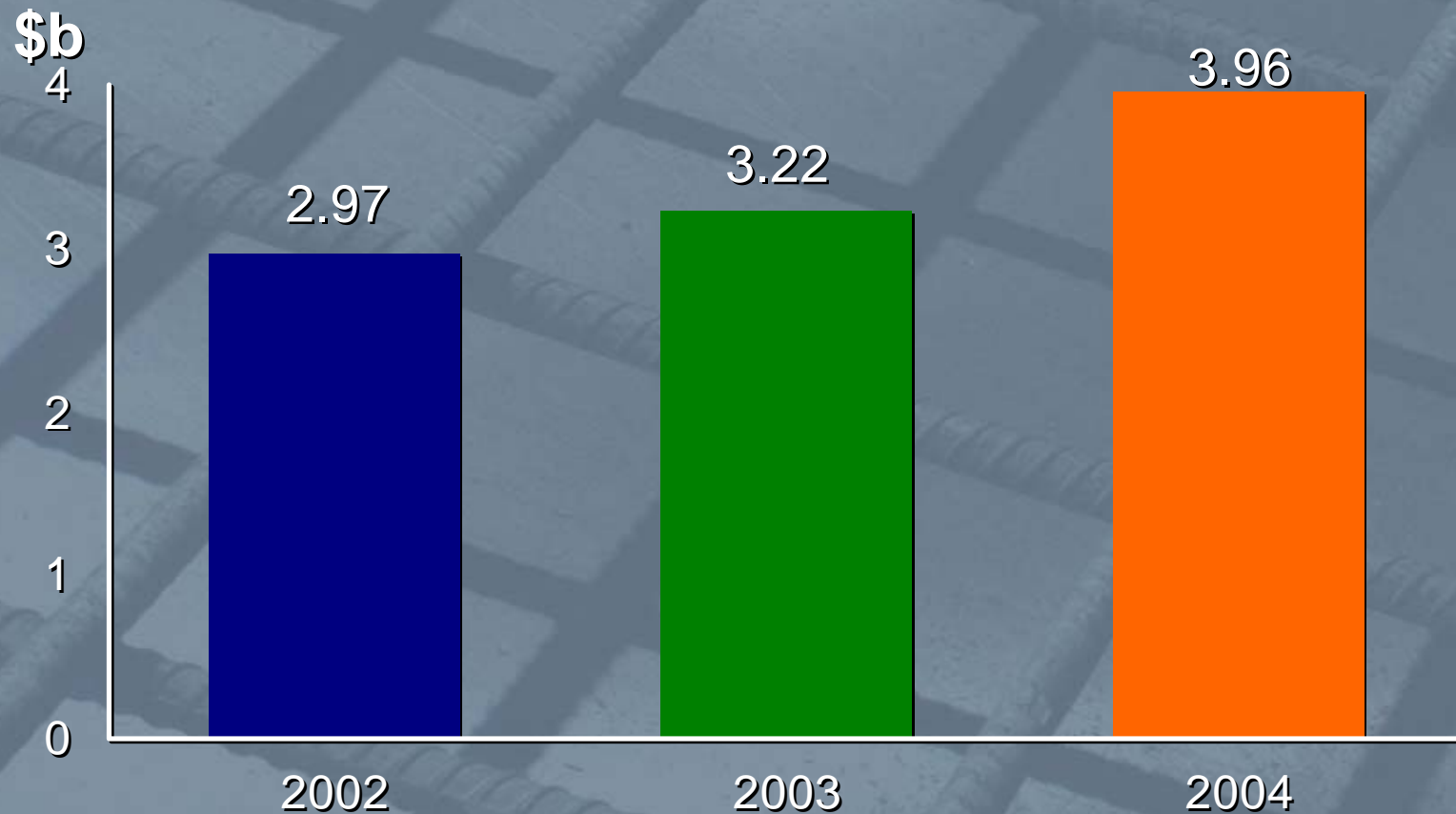


Distribution



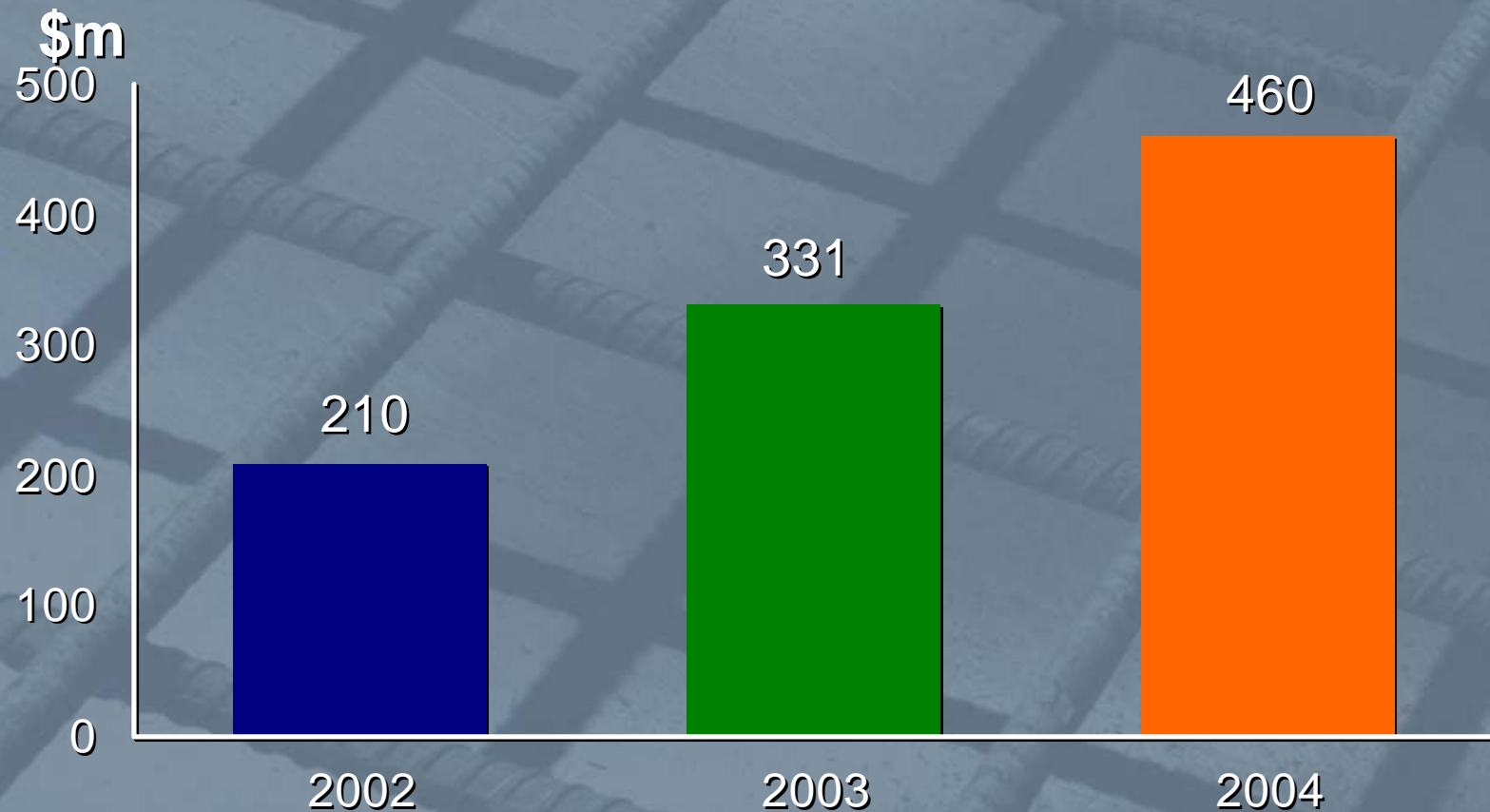
Financial performance

Revenue



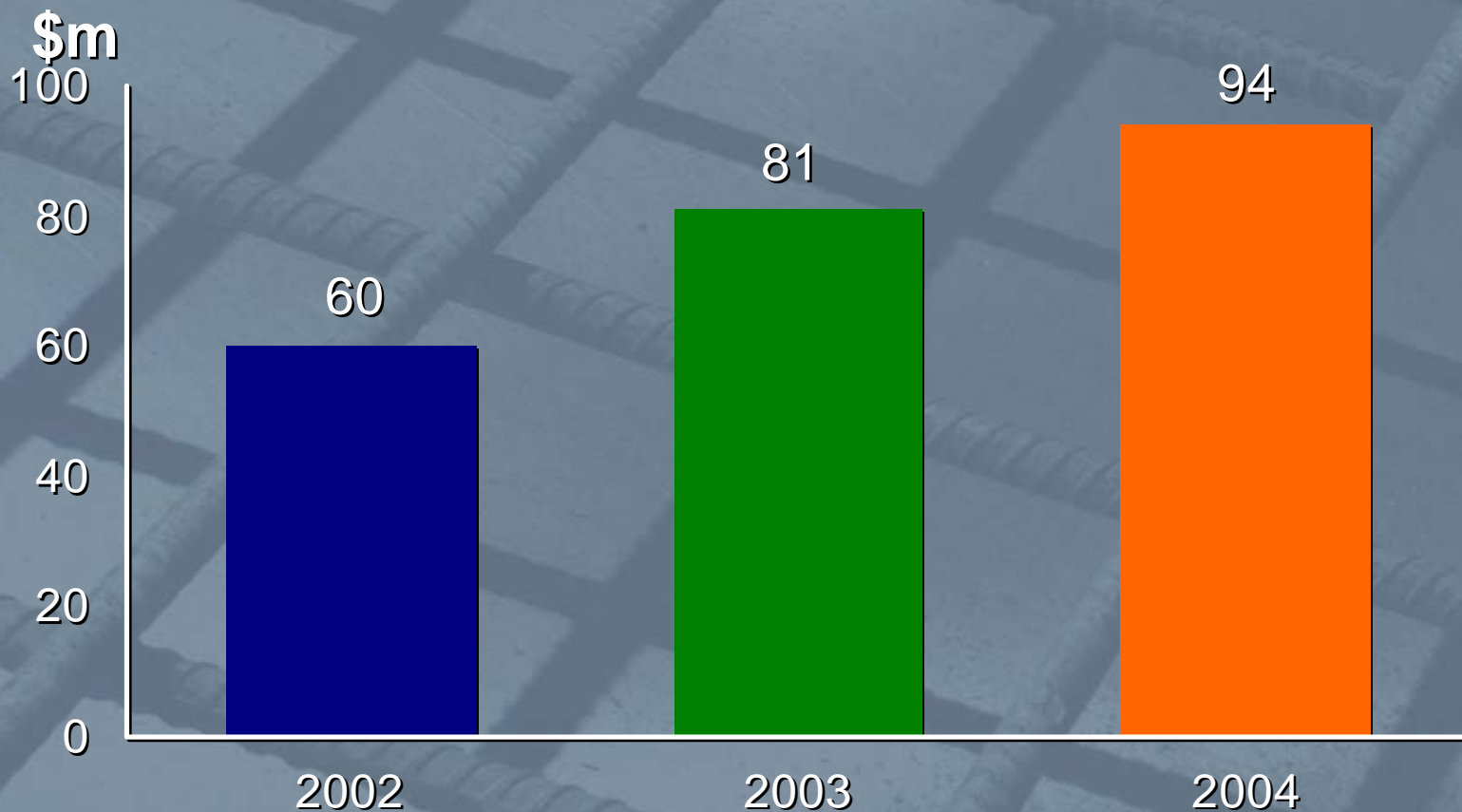
Financial performance

Operating earnings pre unusuals



Financial performance

Concrete division – Operating earnings

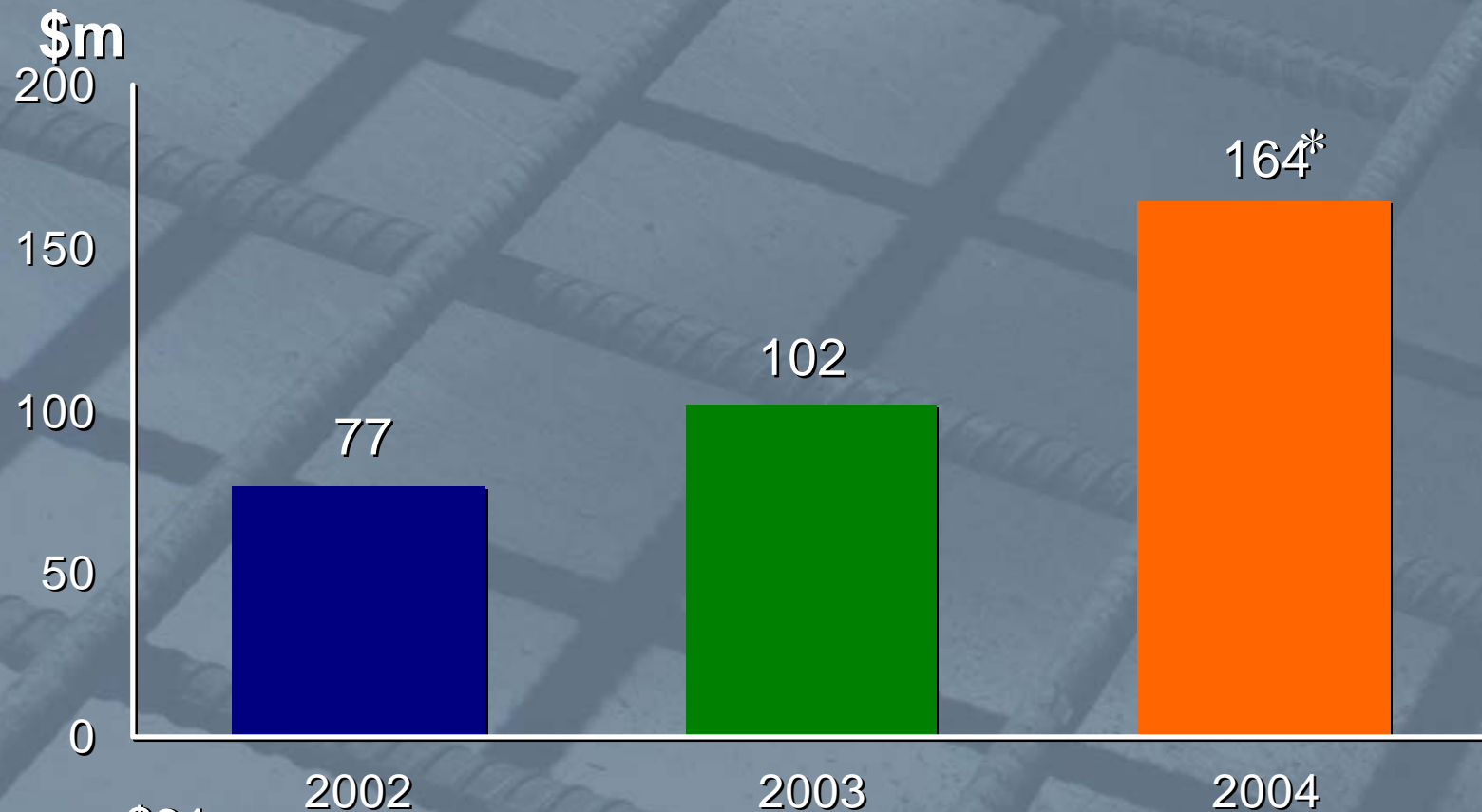


Concrete

- Revenue \$518 million – up 6%
- Operating earnings \$94 million – up 16%
- Pricing and margin improvements
- Record cement sales
- Record sales of concrete products
- Golden Bay upgrade – Stage 1 complete

Financial performance

Building Products division – Operating earnings



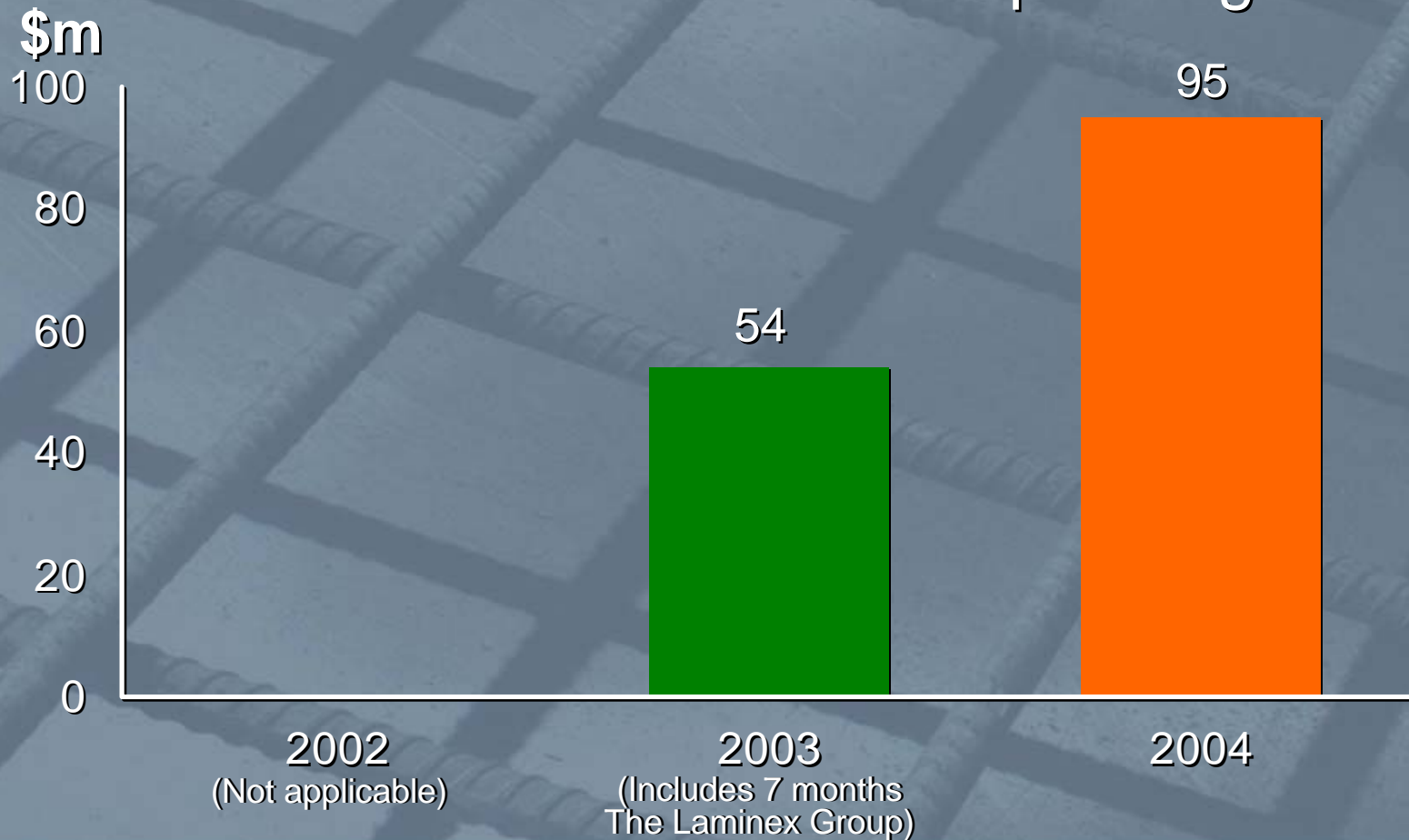
* Tasman \$31m

Building Products

- Revenue \$927 million – up 45%
- Operating earnings \$164 million – up 61%
- Tasman Building Products \$31 million
- Strong domestic demand benefits all operations
- Productivity improvement in Aluminium
- Upstream steel improves despite power prices
- Downstream steel improves

Financial performance

Laminates & Panels division - Operating earnings



Laminates and Panels

- Revenue \$994 million – up 51%
- Operating earnings \$95 million – up 76%
- Full year of Laminex (previous seven months)
- Strong activity in housing and commercial
- Export sales value reduced by high \$A
- Gains from integration of Australian and NZ businesses
- Gains from warehouse consolidation

Financial performance

Construction division - Operating earnings

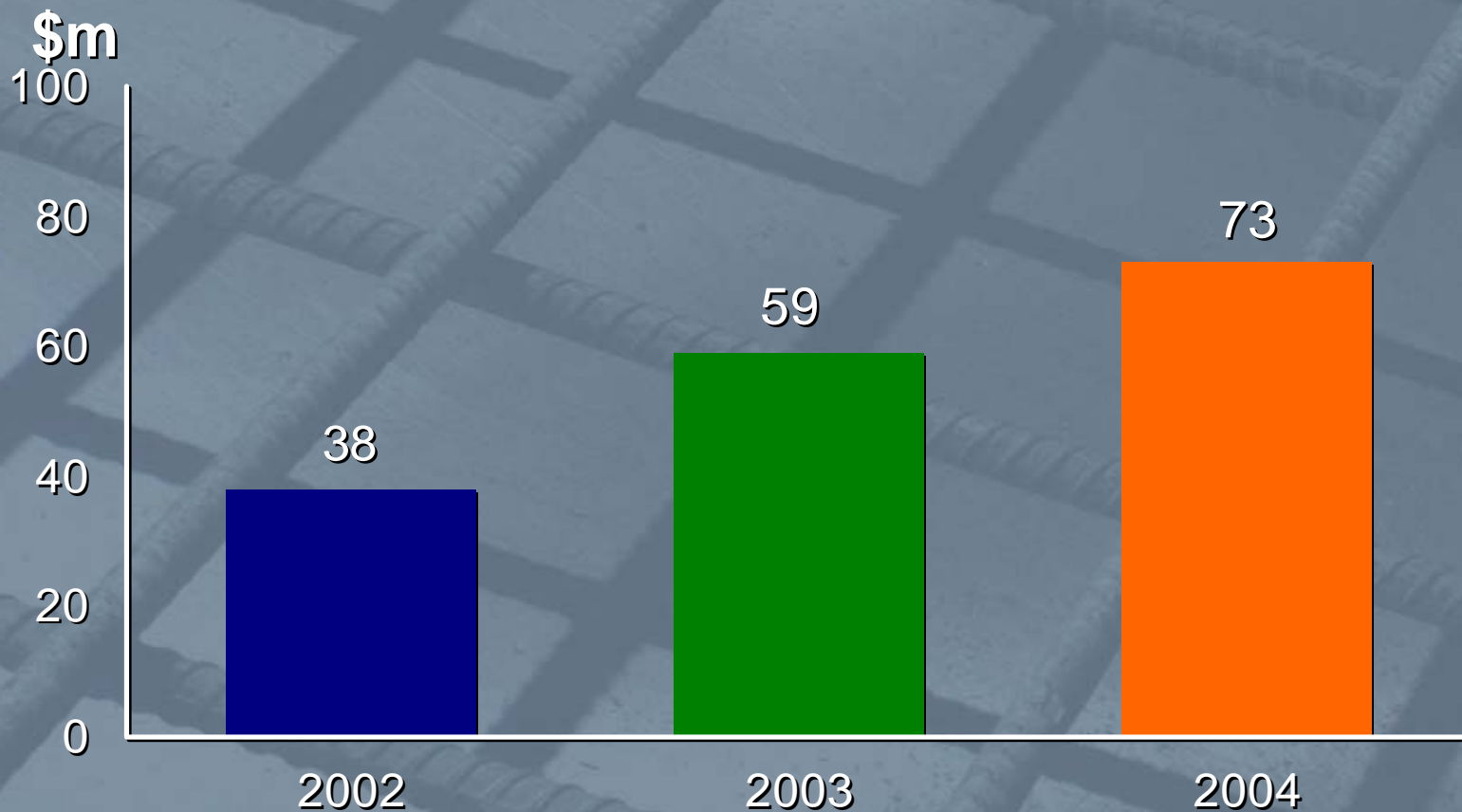


Construction

- Revenue \$643 million – up 4%
- Operating earnings \$42 million – up 24%
- Strong gain by Building operations
- Hospital and Motorway projects completed
- Fletcher Residential – record operating earnings
- Record backlog – \$470 million

Financial performance

Distribution division - Operating earnings

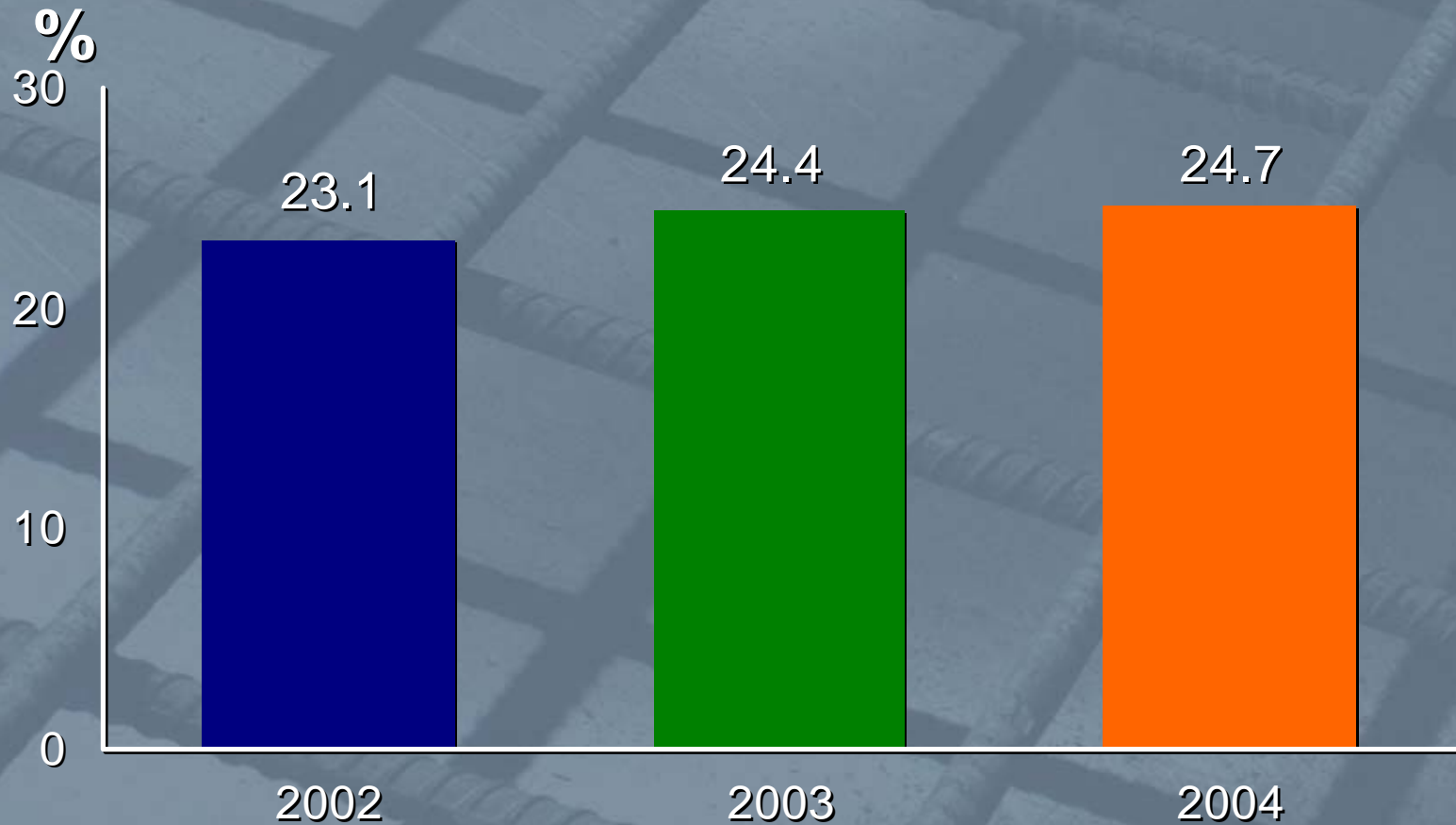


Distribution

- Revenue \$863 million – up 16%
- Operating earnings \$73 million – up 24%
- Market share increases in core products
- Purchasing improvements
- Reduction in administration costs
- Store additions and upgrades – New Lynn, Riccarton, Queenstown, Mount Wellington, Builders Hardware Company

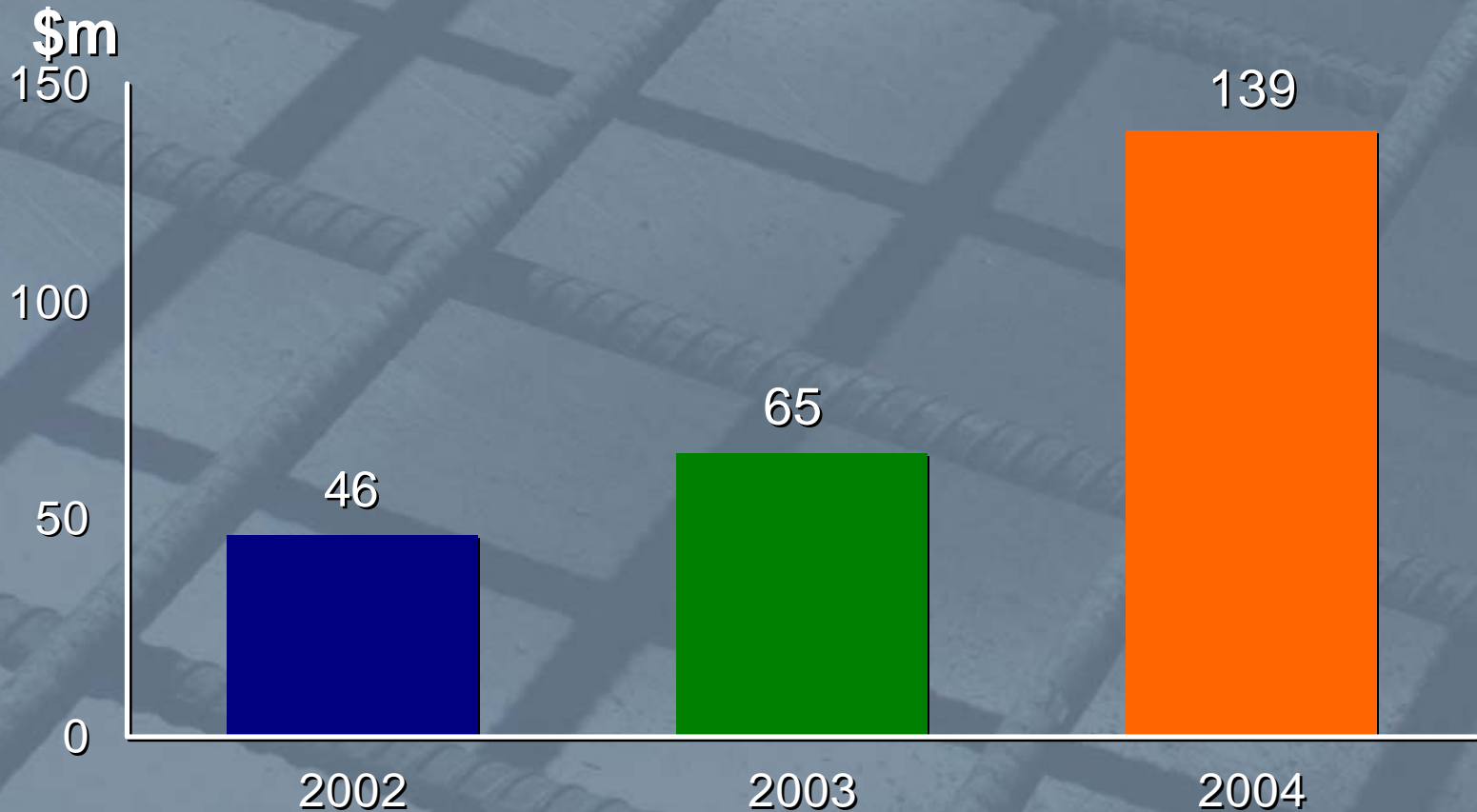
Performance measurement

Return on funds



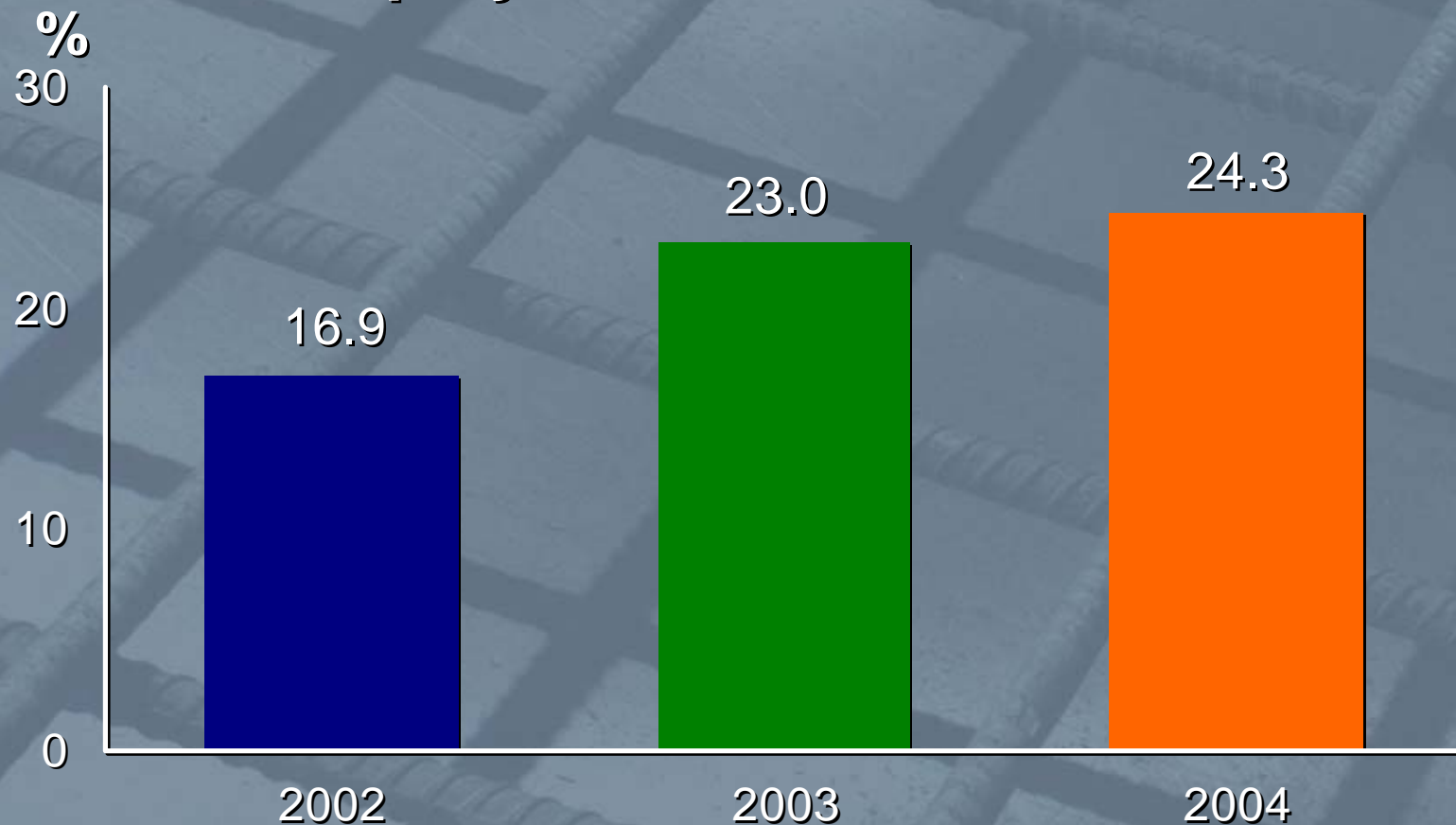
Financial performance

Economic value added



Performance measurement

Return on equity





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Outlook

- Residential slowing likely in June 05 half-year
- Strong non-residential and infrastructure demand to continue
- Anticipated full-year operating earnings in the range of \$475 million to \$500 million



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