



Acquisition of Amatek Holdings Limited

2 March 2005



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- ❑ the issue of ordinary shares (“Shares”) by FBU in connection therewith.

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Agenda

- ❑ Transaction overview
- ❑ Overview of Amatek
- ❑ Rationale for acquisition
- ❑ Financial impact
- ❑ Acquisition financing
- ❑ Summary

Transaction overview

- ❑ Fletcher Building Limited has acquired Amatek Holdings Limited (“Amatek”)
- ❑ Amatek comprises four businesses operating in Australia:
 - Rocla Pipeline Products (steel reinforced concrete pipe and precast products)
 - Rocla Quarry Products (sand quarries)
 - Stramit (steel roofing and purlins)
 - Insulation Solutions (glasswool and foil insulation)
- ❑ Rocla Concrete Ties, a US-based precast concrete business, is excluded from the transaction
- ❑ Amatek acquired from private interests whose principal shareholders are investors managed by CVC Capital Partners Europe and DLJMB Merchant Banking II Inc
- ❑ Purchase price is A\$530 million (NZ\$582 million)
- ❑ Transaction has ACCC and FIRB approval

Overview of Amatek



- Designs, manufactures and distributes a range of steel reinforced concrete pipes and other concrete products (including poles, railway sleepers, box culverts, stormwater access systems and bridge components)
- Strong brandname supported by 17 pipes branches Australia-wide, of which 10 operate from manufacturing sites
- Market leading positions in poles and sleepers



- Extracts and processes predominantly sand for concrete and construction applications and glass manufacturing
- The company operates at 14 quarry sites across Australia



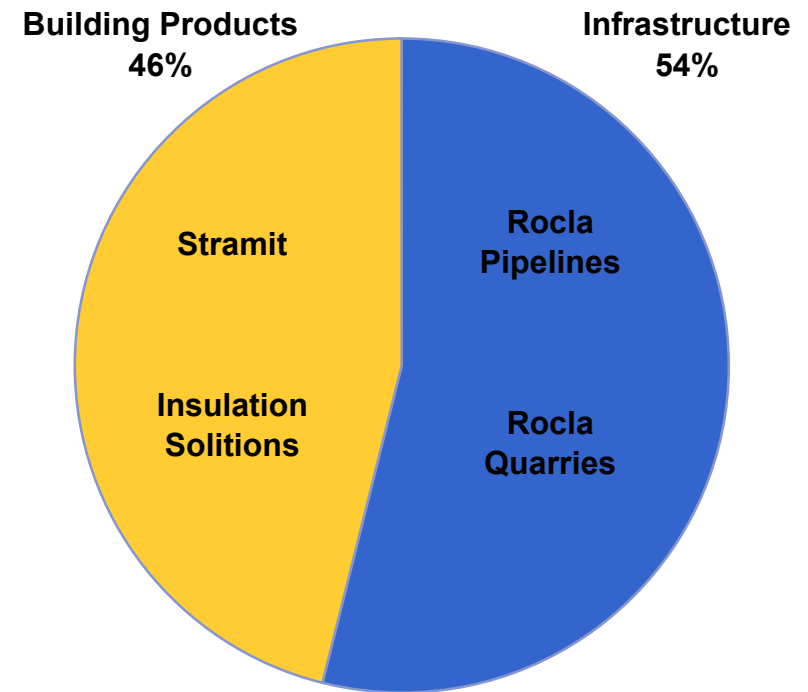
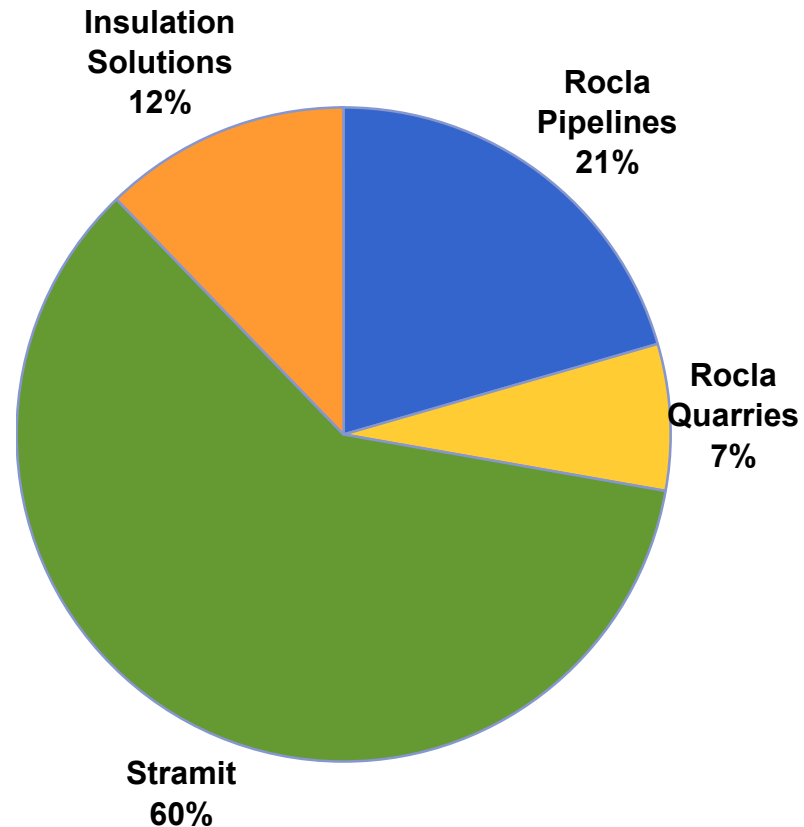
- A leading roll-former of steel building products, including roofing, sheds, walling, gutters, fascias, frames, trusses, purlins, flooring and structural formwork
- The company operates 25 sites nationally, supplying both the residential and commercial/industrial construction sectors



- One of 3 Australian manufacturers and distributors of glasswool insulation products
- The company operates two plants – glasswool in Melbourne and reflective laminated foil in Sydney
- The company has nationwide distribution through a network of state and regional sales offices and warehouses

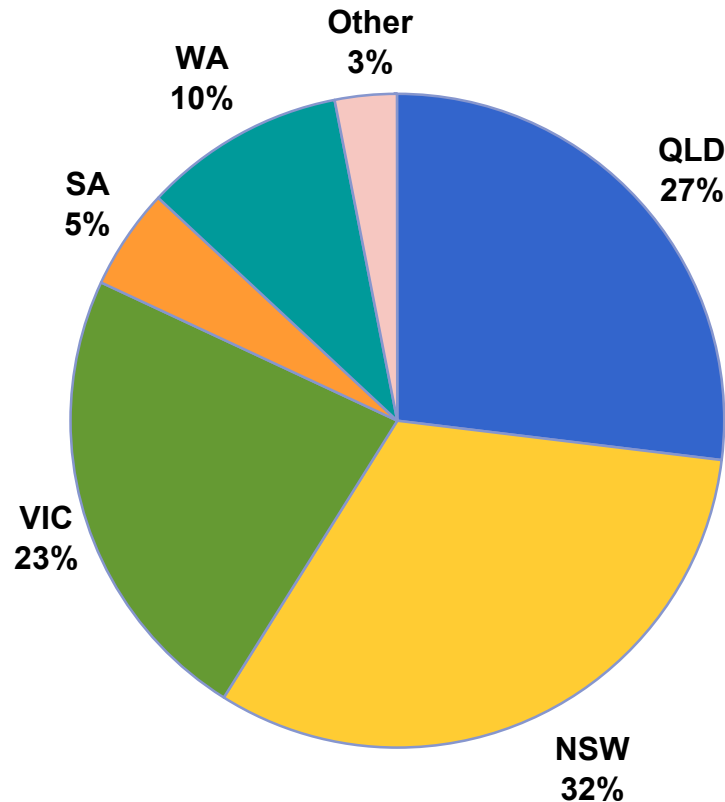
Overview of Amatek (continued)

Revenue Contribution by Business (2004A) EBITDA Contribution by Business (2004A)

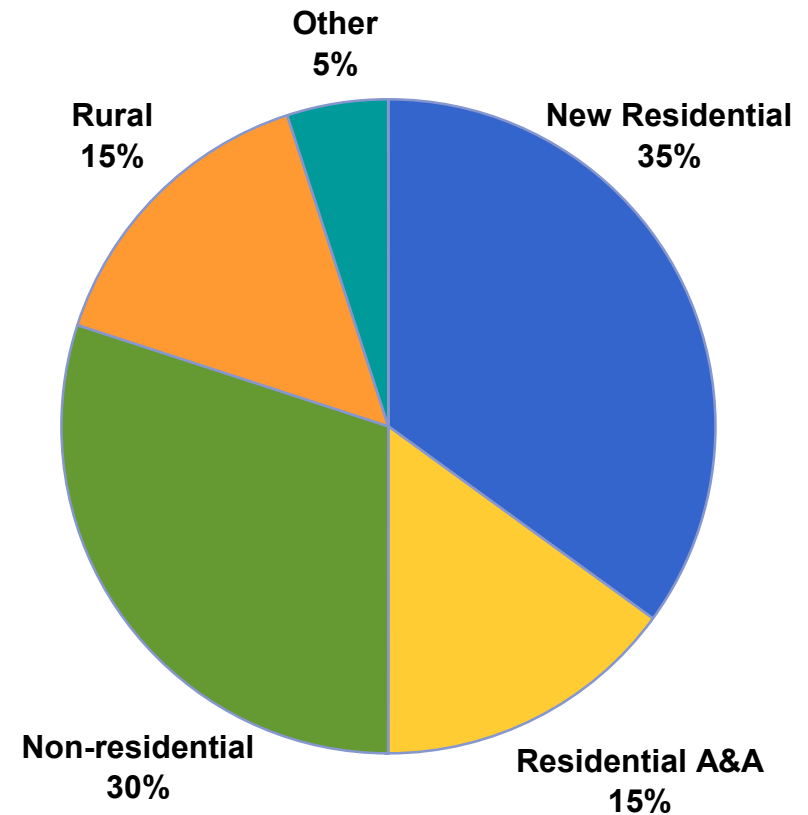


Overview of Amatek (continued)

Revenue Contribution by State (2004A)



Estimated Revenue by Sector (2005E)



Consistent with our acquisition criteria



Leading market positions and recognised brands



Good industry structure



Complementary to existing Fletcher Building operations



Good management in place



Attractive acquisition parameters and positive financial impact

Amatek's complementary businesses

Building Products

Existing FBU Brands

Amatek Brands

Dimond

Stramit

Pink Batts
NEW ZEALAND'S
FAVOURITE INSULATION

PINK BATTS
AUSTRALIA'S FAVOURITE INSULATION



Infrastructure

Existing FBU Brands

Amatek Brands

**WINSTONE
AGGREGATES**
NZ's No.1 Rock Group

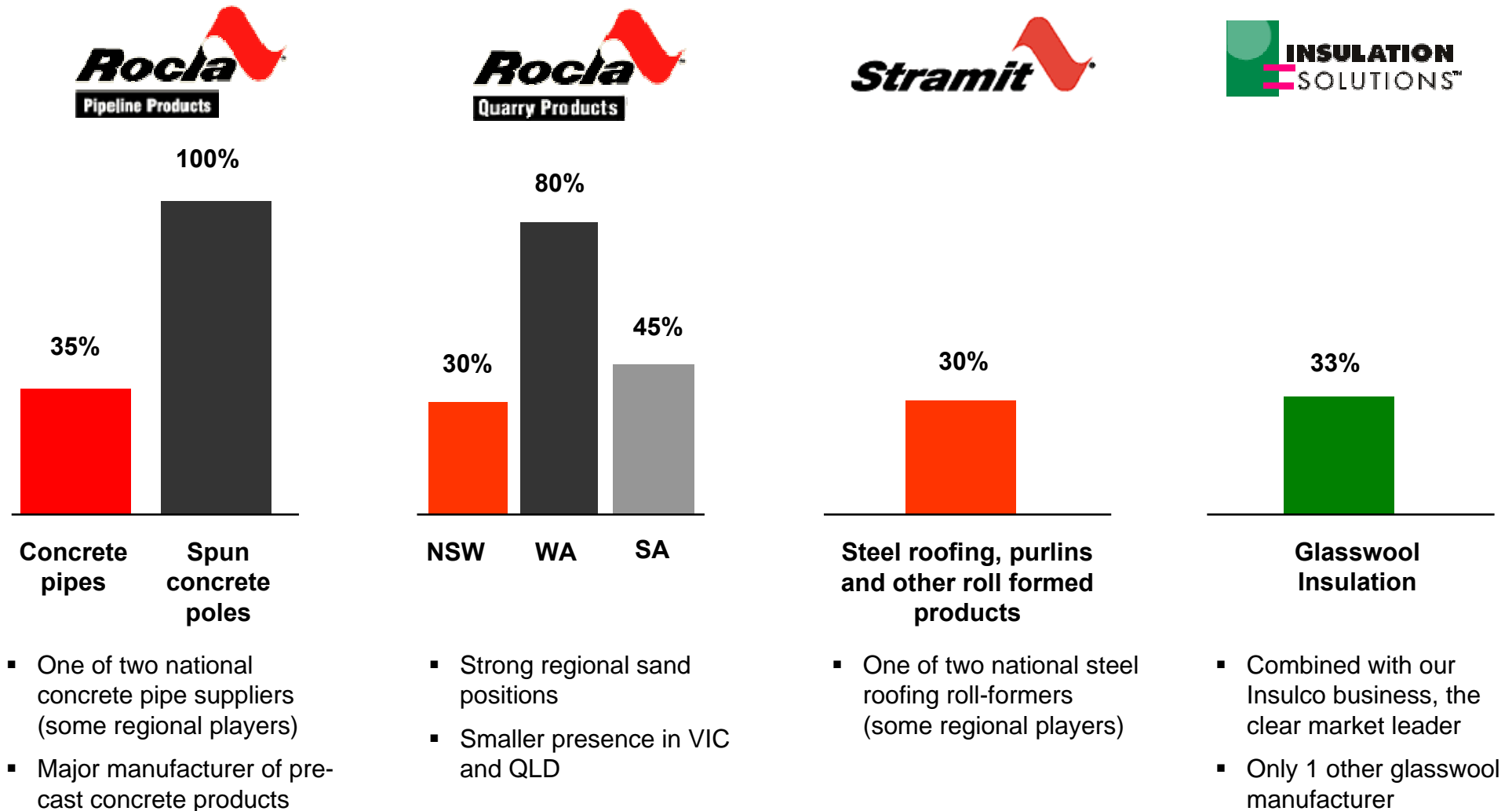
Rocla
Quarry Products

HUMES

Rocla
Pipeline Products

stresscrete

Strong market positions



Source: Management estimates

Experienced management team

Rocla Pipeline Products

- **General Manager, Stephen Baker**
24 years with RPP
- **Finance & Accounting Manager, Jim Curtis**
22 years with RPP

Rocla Quarry Products

- **General Manager, Geoff West**
12 years with RQP
- **Financial Controller, Steve Alonas**
17 years with RQP

Stramit

- **General Manager, Quentin Reid**
Joined Stramit in March 2000. Previous roles with Boral and Armco Steel
- **Group Finance Manager, Tim Richards**
Joined Stramit in July 2002. Previous roles with Boral

Insulation Solutions

- **General Manager, Wayne Neville**
8 years with Insulation Solutions. Previous roles with Laminex and BTR Group
- **National Sales Manager, David Ferguson**
9 years with Insulation Solutions. Previously with Bluescope Steel (20 years)

Strong track record of earnings growth expected to continue

Amatek Years ended 30 June

A\$m	2003 ¹	2004 ¹	2005(E) ²
External sales	659	743	808
EBITDA ³	60	77	86
EBITA	41	59	64

Notes:

1. Combined normalised results for Rocla Pipeline Products, Rocla Quarry Products, Stramit and Insulation Solutions as provided by Amatek
2. Fletcher Building estimates, based on actuals to end of January plus estimates to June 2005
3. After deducting Amatek corporate overhead (approximately A\$7-8m per annum). Fletcher Building estimates this would reduce by A\$4m per annum on an ongoing basis

Source: Normalised Amatek management accounts and Fletcher Building estimates

Estimated synergies and growth opportunities

Synergies

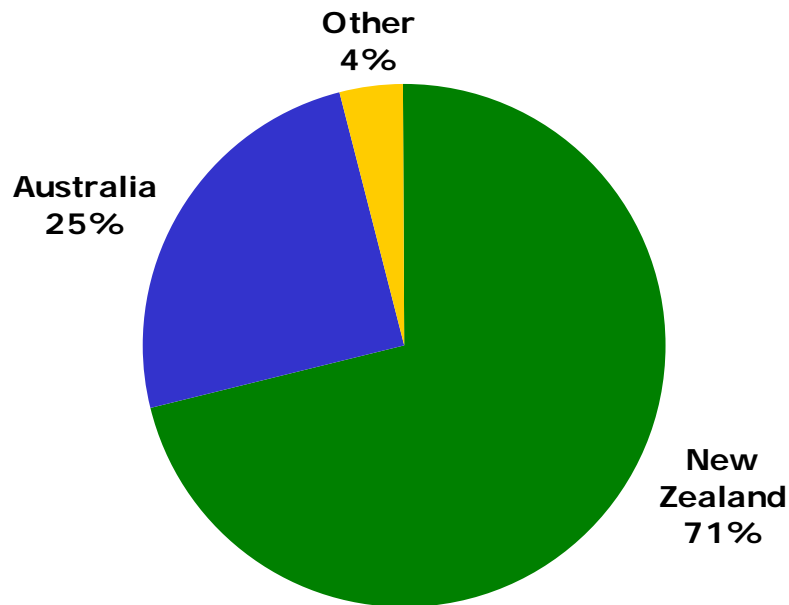
- ❑ **Total synergies estimated at A\$10m p.a.**
 - A\$4m p.a. immediately from corporate cost savings
 - Further A\$6m p.a. expected to be realised from year 2
- ❑ **Key areas include:**
 - Immediate corporate cost saving
 - Insulation freight savings by manufacturing closer to customer
 - Optimising glasswool manufacturing
 - Ownership change effects
- ❑ **Furthermore, A\$15-20m of capex for existing FBU insulation capacity increase deferred for 2-3 years**

Identified growth opportunities

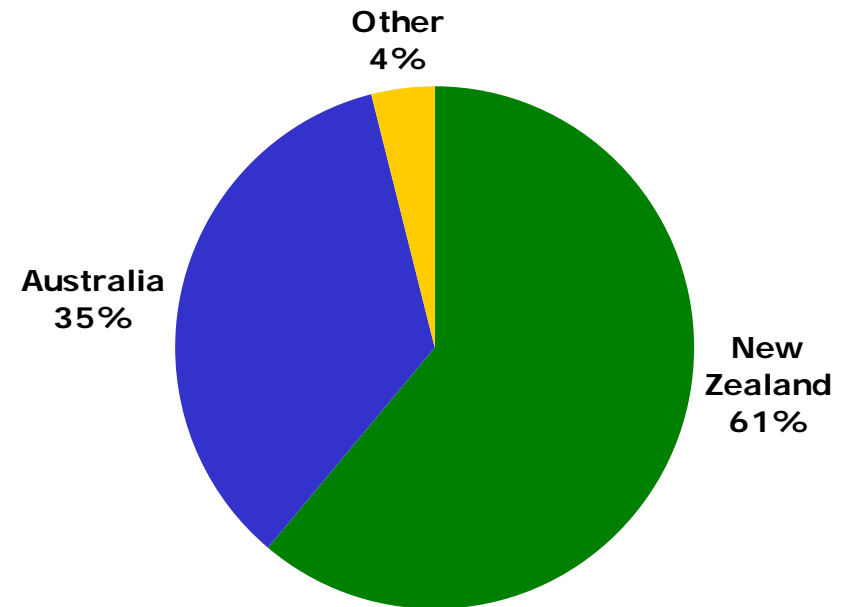
- ❑ **Rocla Pipeline Products**
 - New products under development
 - Concrete sleeper demand through railroad upgrades
- ❑ **Rocla Quarry Products**
 - Expansion of existing quarries
 - New quarries/reserves under negotiation
- ❑ **Stramit**
 - Increasing steel roofing penetration
 - Growth in sheds market through rural recovery
- ❑ **Insulation Solutions**
 - Regulation driving greater penetration and greater use per dwelling

More balanced NZ/Australia revenue profile

FBU Revenue – FY2004¹



Combined FBU / Amatek Revenue – Pro Forma FY2004²



Notes:

1. Annualised for full year of Tasman Building Products
2. Assumed exchange rate A\$0.91

Source: Amatek management accounts and Fletcher Building results to 30 June 2004

Composition of acquisition cost

	\$Am	\$NZm ¹
Fixed Assets	242	266
Net Working Capital	76	84
Goodwill and Intangibles ²	158	172
Deferred Tax Asset	60	66
Investments	4	5
Total Acquisition Cost ²	540	593

Notes:

1. Assumed exchange rate A\$0.91
2. Includes transaction costs (stamp duty, fees and expenses) of approximately A\$10 million. Total goodwill is approximately A\$25 million

Attractive acquisition valuation metrics

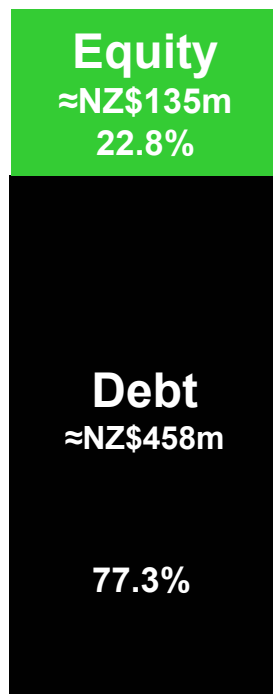
A\$m	2005 Estimate	2005 Adjusted ¹
Purchase Price ²	530	470
Amatek EBITDA ³	86	86
EV / EBITDA multiple (pre synergies)	6.2x	5.5x
EV / EBITDA multiple (post synergies) ⁴	5.5x	4.9x

Notes:

1. Adjusted to exclude future tax benefits acquired (at the estimated discounted cash value) that do not contribute to EBITDA
2. Excludes transaction costs (stamp duty, fees and expenses)
3. Estimate based on 7-months actual plus 5-months estimate
4. Annualised synergies estimated to be A\$10 million

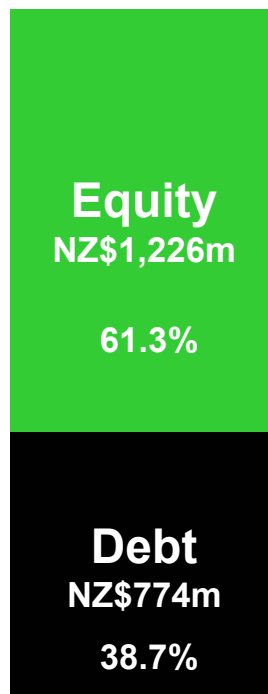
Appropriate financing mix

Acquisition Funding ¹

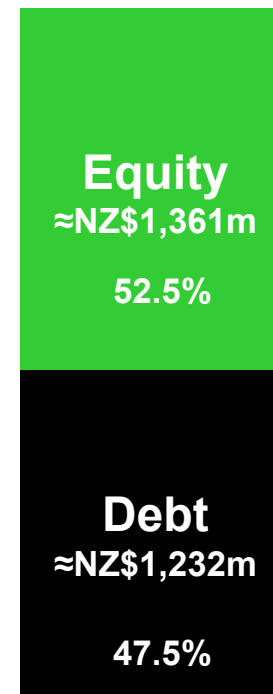


Acquisition NZ\$593m ²
(A\$530m + A\$10m transaction costs)

Effect on FBU Capital Structure



Pre transaction
(FBU 31-Dec-04)



Post transaction
(FBU 31-Dec-04 + Amatek)

Notes:

1. Assumes underwritten placement of 20 million shares
2. Assumed exchange rate A\$0.91

Building on successful acquisition track record

- ❑ Two key acquisitions - Laminex and Tasman Building Products
- ❑ Both integrated successfully
- ❑ Earnings from these acquisitions have exceeded expectations
- ❑ These acquisitions have realised synergies of \$10 million in FY04, and \$15 million expected for FY05
- ❑ A number of further growth opportunities

Equity Capital Raising Indicative Timetable

- Wednesday 2 March
 - 10.00am FBU remains suspended on NZX and ASX
 - 2.00pm Bookbuild commences
 - 8.00pm Initial book close
- Thursday 3 March
 - 7.00am Final book close
 - 9.45am Allocations finalised
 - 10.00am FBU trading recommences
 - By 4.00pm Return of placement confirmation
 - By 5.00pm Return of CARD form (settlement details)
- Thursday 10 March
 - By 3pm DvP settlement in NZ\$ funds via Austraclear

Conclusion



Amatek meets all of our acquisition criteria



Highly complementary businesses to existing portfolio



Continues selective expansion outside New Zealand to diversify and increase reliability of earnings



Positive financial impact
– EPS accretive pre synergies after new equity raising
– EVA positive in first year



Furthers Fletcher Building as a significant Australasian building materials business

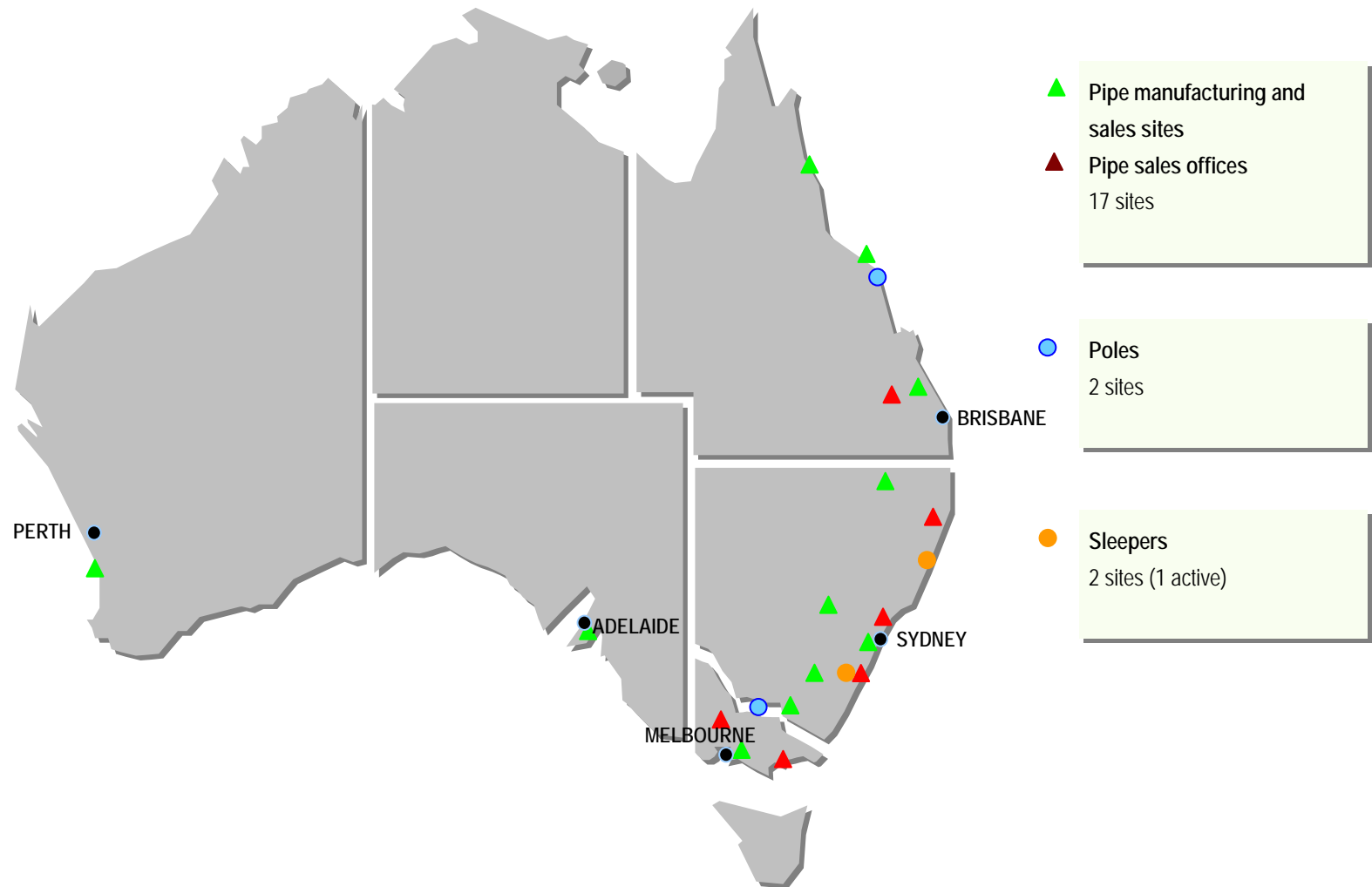
Appendix

Overview of Amatek and locations

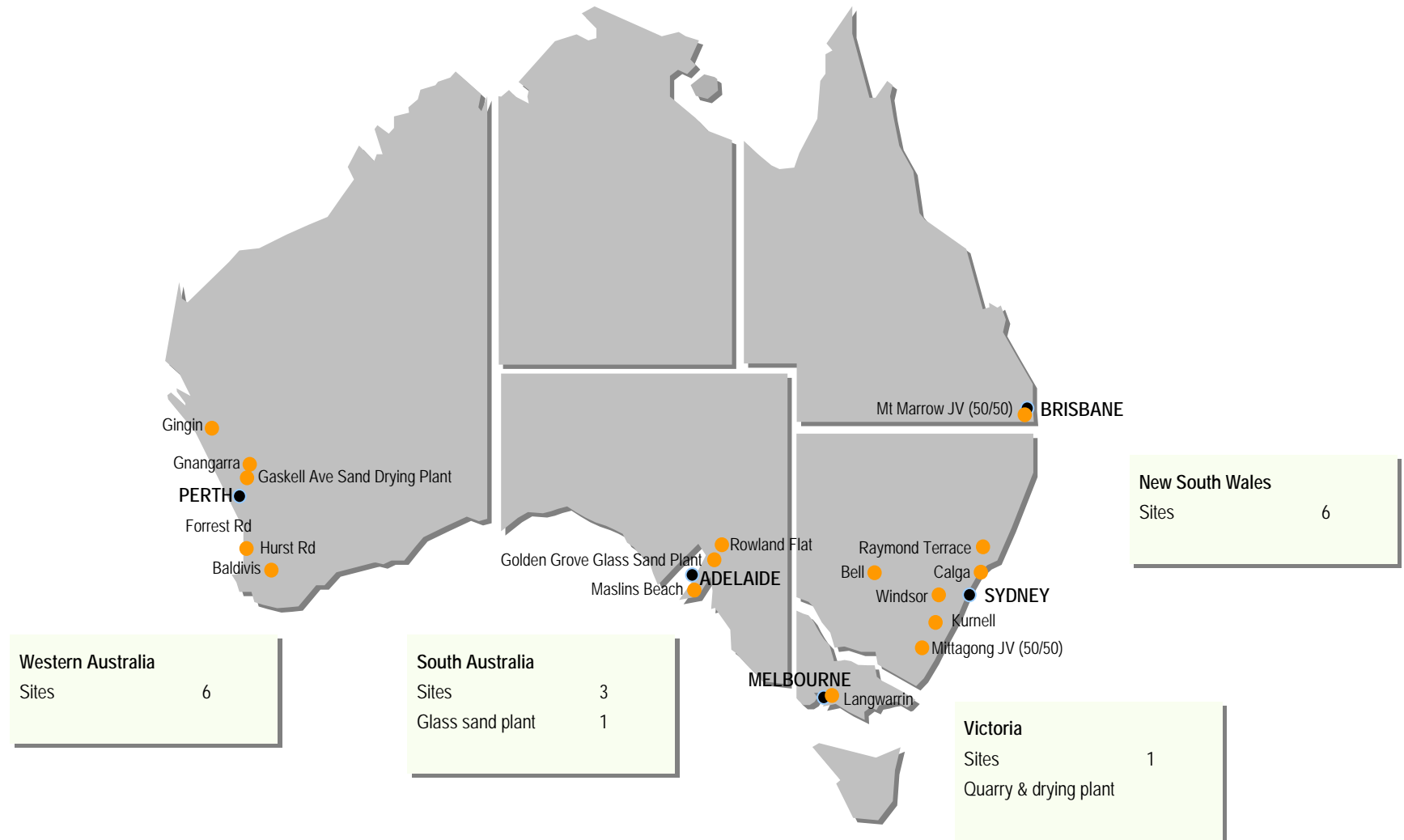
Overview of Amatek

	Rocla Pipeline Products	Rocla Quarry Products	Stramit	Insulation Solutions
Products	<ul style="list-style-type: none"> ▪ Designs, manufactures and distributes a range of steel reinforced concrete pipes and other concrete products 	<ul style="list-style-type: none"> ▪ Extracts and processes both sand for concrete and construction applications and glass manufacturing, and hard rock for use in roads, rail ballast and concrete aggregate 	<ul style="list-style-type: none"> ▪ Leading manufacturer of steel building products, including, sheds, roofing, walling, gutters, fascias, frames, trusses, purlins, flooring and structural formwork 	<ul style="list-style-type: none"> ▪ One of Australia's leading manufacturers and distributors of glasswool insulation products with approximately 33% market share
Sites	<ul style="list-style-type: none"> ▪ 17 pipes branches Australia-wide ▪ Includes 10 operating from manufacturing sites ▪ 2 poles and 2 sleepers sites 	<ul style="list-style-type: none"> ▪ 14 quarry sites across Sydney, Adelaide, Perth and a site at both Brisbane and Melbourne 	<ul style="list-style-type: none"> ▪ 25 manufacturing sites nationally 	<ul style="list-style-type: none"> ▪ Glasswool plant in Melbourne ▪ Reflective laminated foil plant in Sydney ▪ Nationwide network of sales offices and warehouses
Key customer segments	<ul style="list-style-type: none"> ▪ Residential ▪ Commercial ▪ Capital works ▪ Local government 	<ul style="list-style-type: none"> ▪ Residential ▪ Commercial ▪ Capital works 	<ul style="list-style-type: none"> ▪ Residential ▪ Commercial ▪ Alterations & Additions ▪ Capital works 	<ul style="list-style-type: none"> ▪ Residential ▪ Commercial ▪ Alterations & Additions ▪ Export

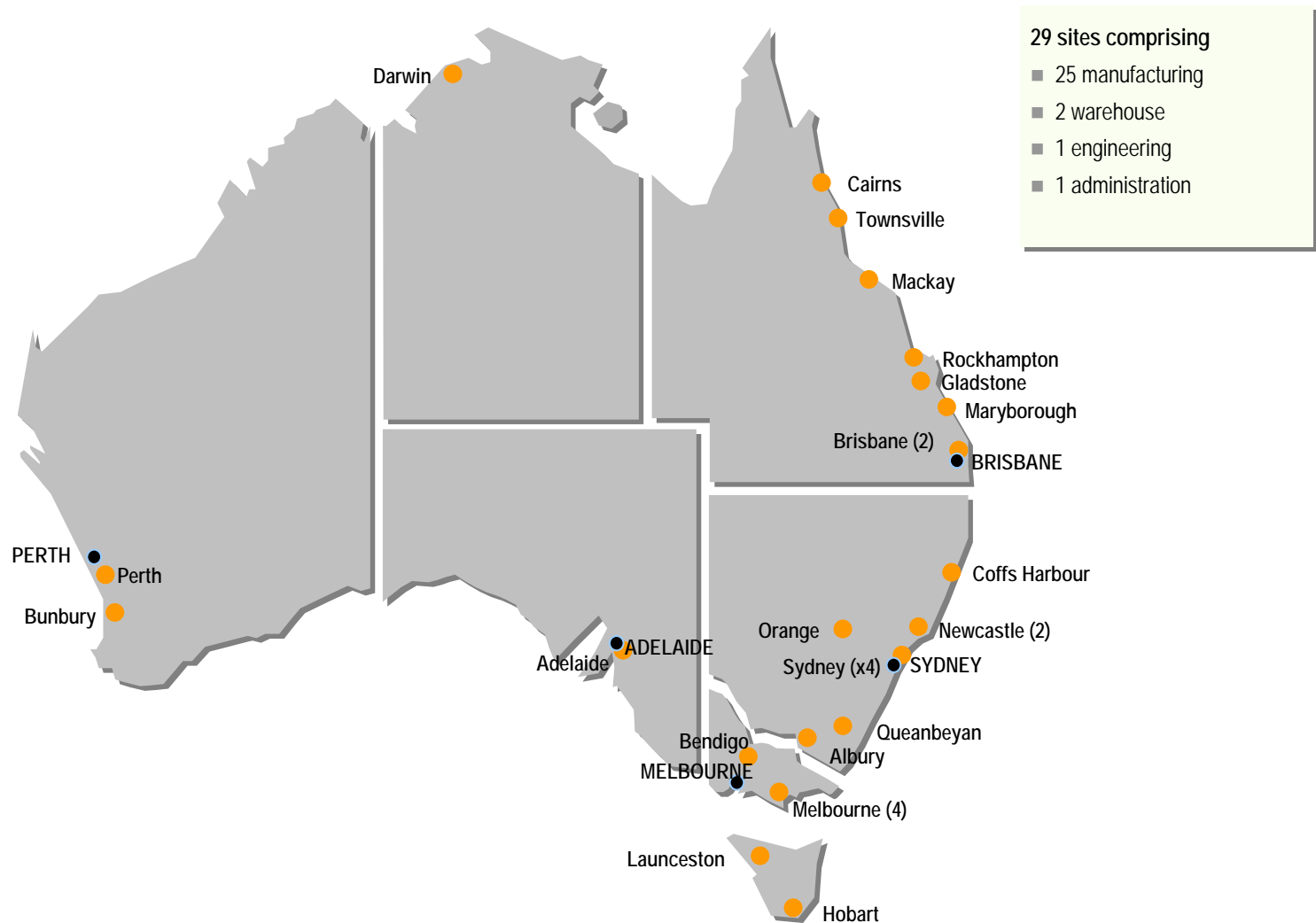
Rocla Pipeline Products sites



Rocla Quarry Products sites



Stramit sites



Insulation Solutions sites

