

March 2005



FletcherBuilding

Disclaimer

This presentation contains not only a review of operations, but also some forward looking statements about Fletcher Building and the environment in which the company operates. Because these statements are forward looking, Fletcher Building's actual results could differ materially. Media releases, management commentary and analysts presentations, including those relating to the December 2004 half year results, are all available on the company's website and contain additional information about matters which could cause Fletcher Building's performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Fletcher Building.

Fletcher Building

- ❑ One of New Zealand's top industrial companies with a history going back to the early 1900's
- ❑ The leader in the NZ building industry
- ❑ FBU is listed on NZX and ASX
- ❑ Strong market shares in all its building sectors
- ❑ Full information on www.fletcherbuilding.co.nz

Company Dimensions

Revenue: NZ\$5.0 billion (including Amatek)

Market cap: >NZ\$3.2 billion No.3 on NZX

Employees: Over 14,000 (including Amatek)

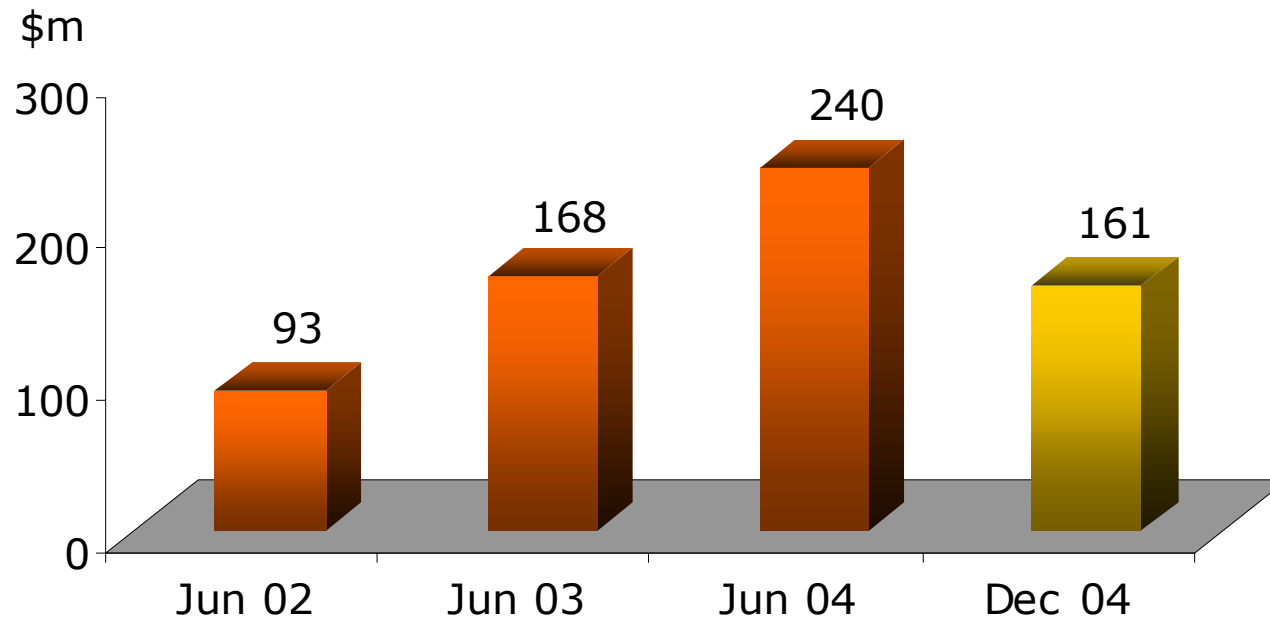
Shares: 462 million
Daily average turnover \approx 1,500,000

Shareholders:

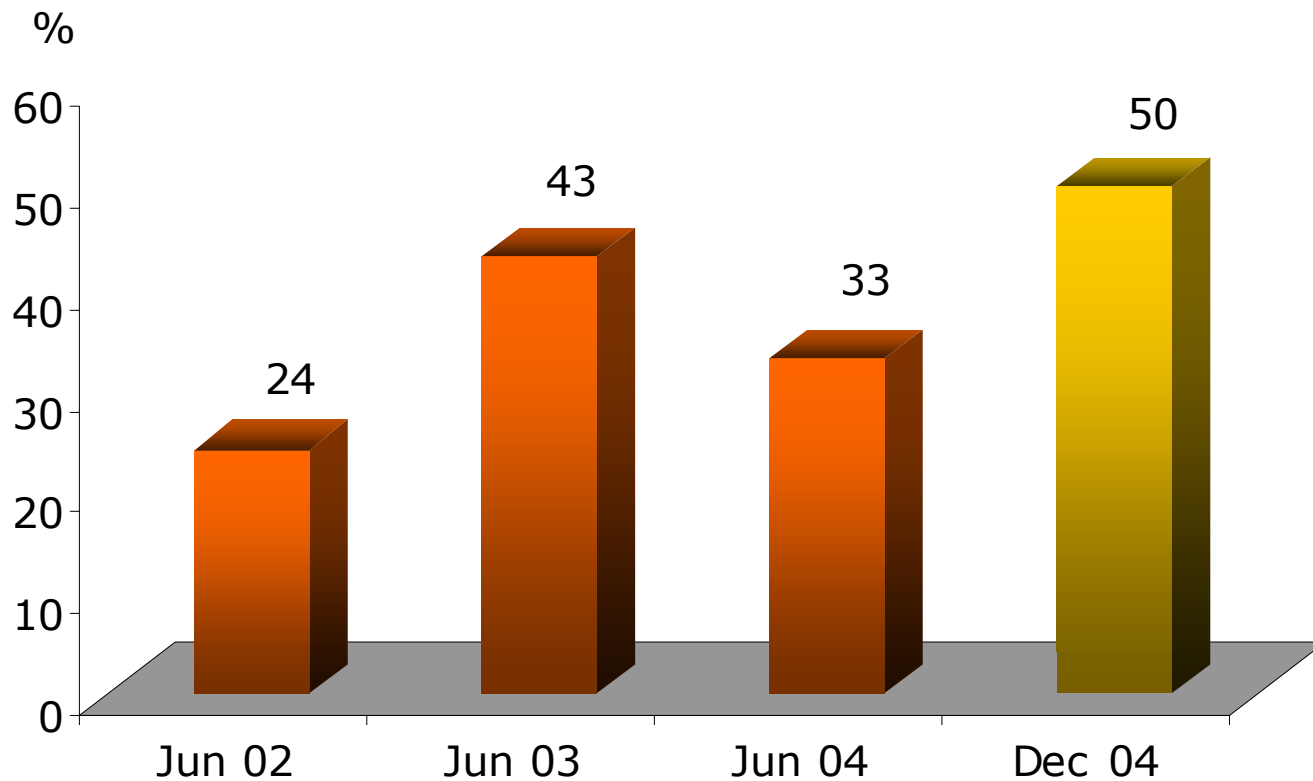
| | |
|-------|-----|
| NZ | 47% |
| Aust | 30% |
| USA | 13% |
| Other | 10% |

Earnings

Net Earnings



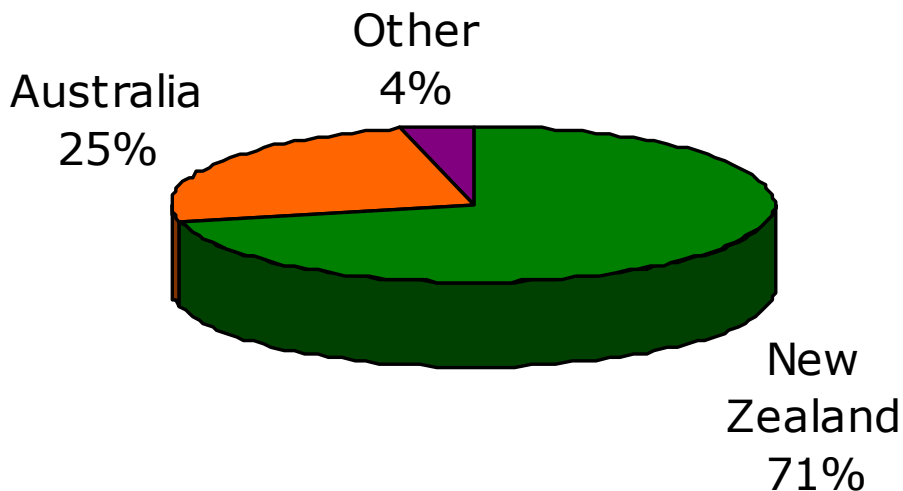
Total Shareholder Return*



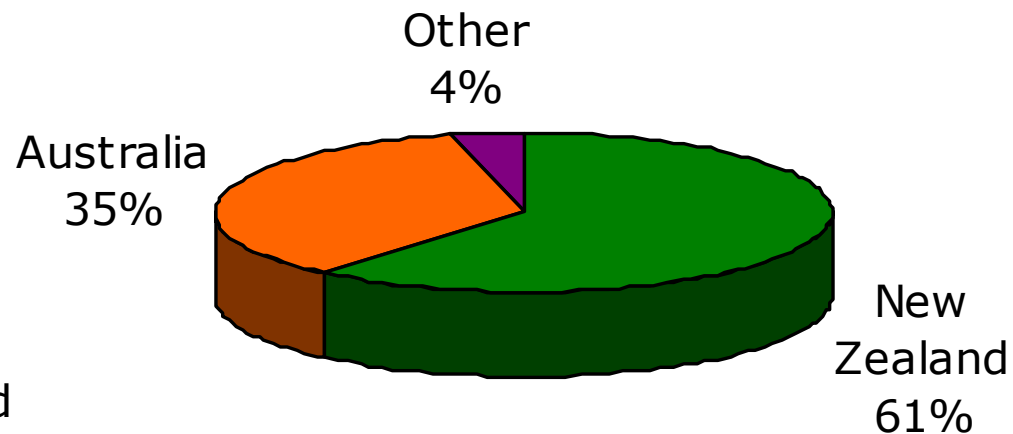
* TSR calculated $((\text{Gross Dividend Paid} + \text{Movement in Share Price}) / \text{Opening Share Price})$

A Broader Revenue Base

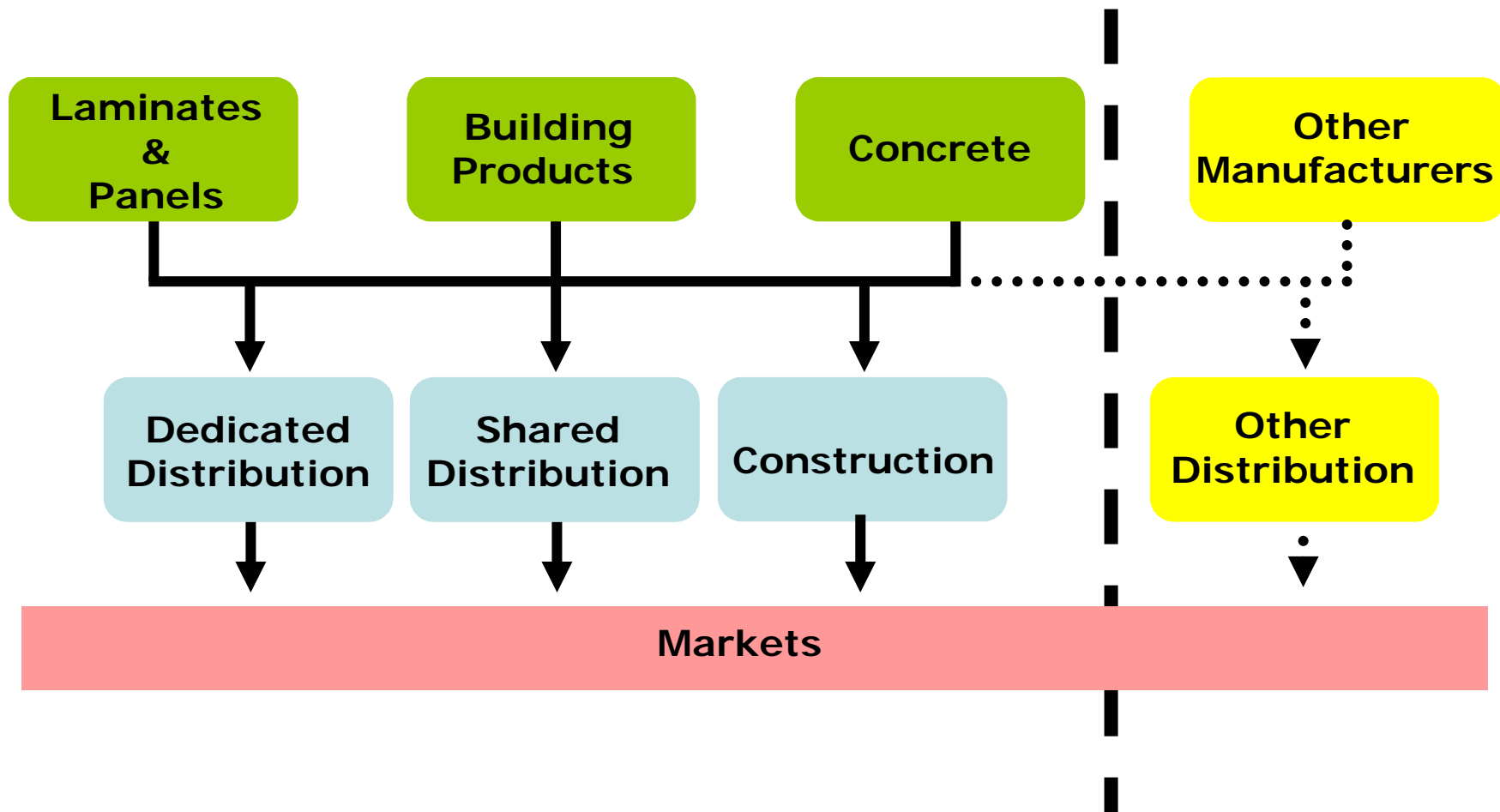
2004 Year Annualised

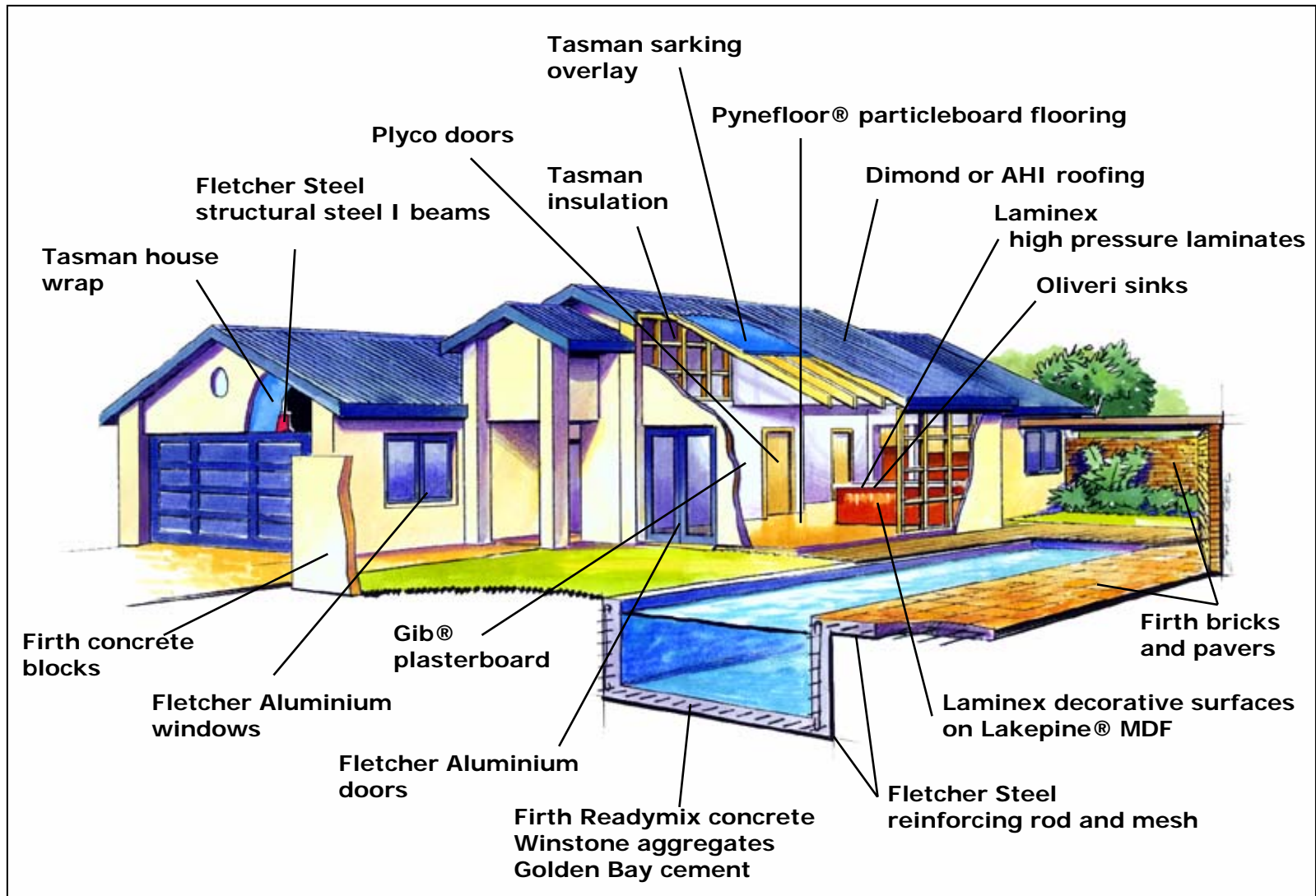


Adjusted for 12 months Amatek



The Fletcher Building Value Chain Delivers High Returns





Infrastructure - Concrete



50% of NZ cement market



33% of NZ RMC market



25% of NZ aggregates market



60% of NZ + 35% of Australia concrete pipe market



60% of NZ pre cast market



30% NSW and 80% of WA sand market

Infrastructure - Construction

New Zealand's leading construction company

Commercial (Buildings)



Engineering (Infrastructure)



South Pacific (General)

Residential (NZ largest home builder)

Building Products



Winstone Wallboards Ltd

94% of NZ market



FLETCHER
ALUMINIUM

No.2 in NZ



No.1 in Australasia with 60%
Australia, 80% NZ glass wool market



No.1 in Australasia (also facility in California)



No.2 in Australasia



No.1 in Australasia

Building Products - Steel



50% of Sims (scrap metal)



Sole producer of long products in NZ



250,000 EAF steel mill
(rod, bar & wire)



General steel distribution



30% Australia & NZ rollforming market



50% of flat steel painting in NZ

Laminates & Panels



Over 50 owned distribution outlets across Australasia

HPL (2 mills)
No.1 Australasia

Decorated Board
No.1 Australasia

MDF (3 mills)
No.2 in Australasia

Particle Board (2 mills)
No.2 in Australasia

Hardboard (1 mill)
No.2 in Australasia

Distribution



No.1 in segment

54 PlaceMakers
stores in NZ

35% of building
materials market

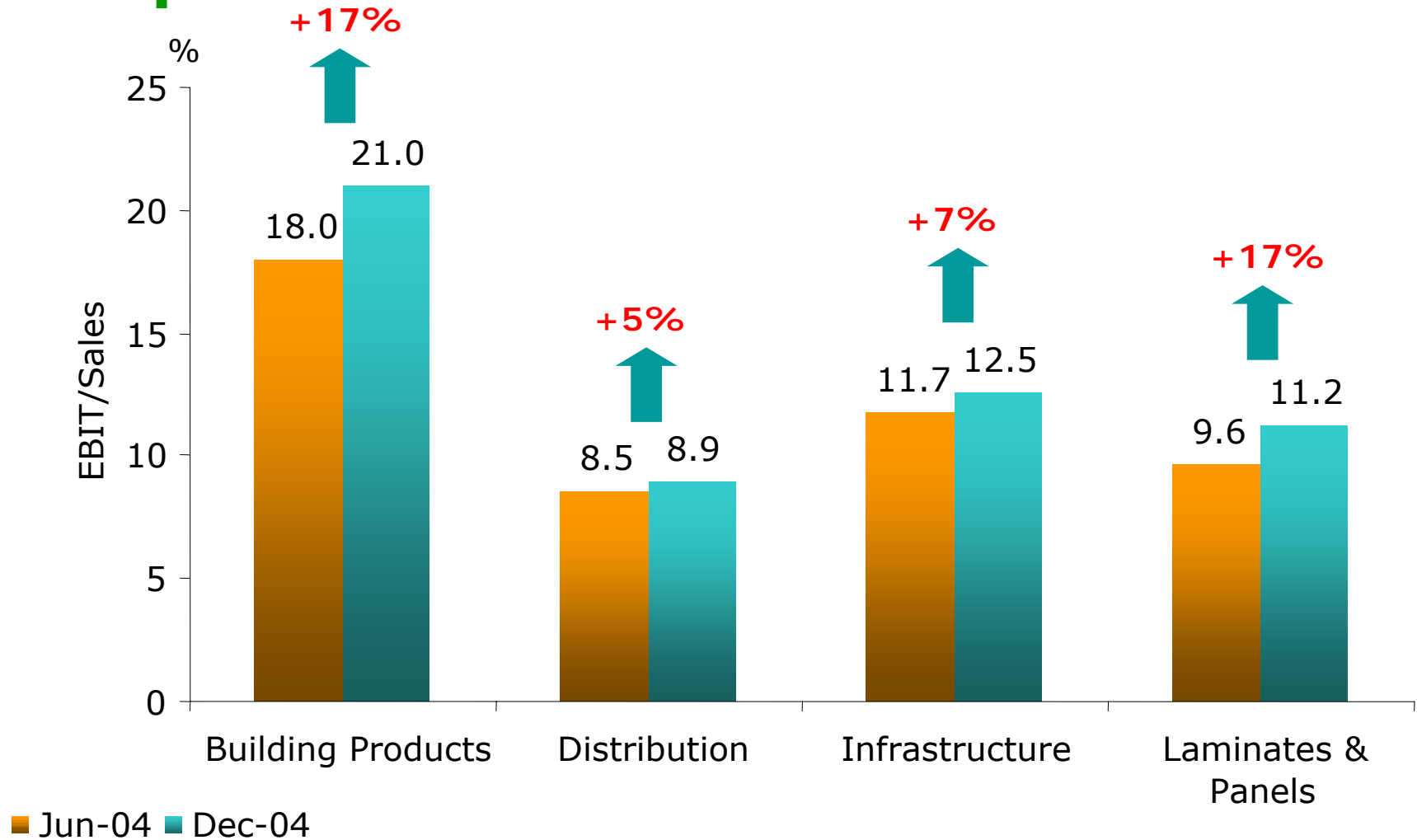
Joint Venture rather
than franchise

Trade focus – 80%
of sales

Summary of Results

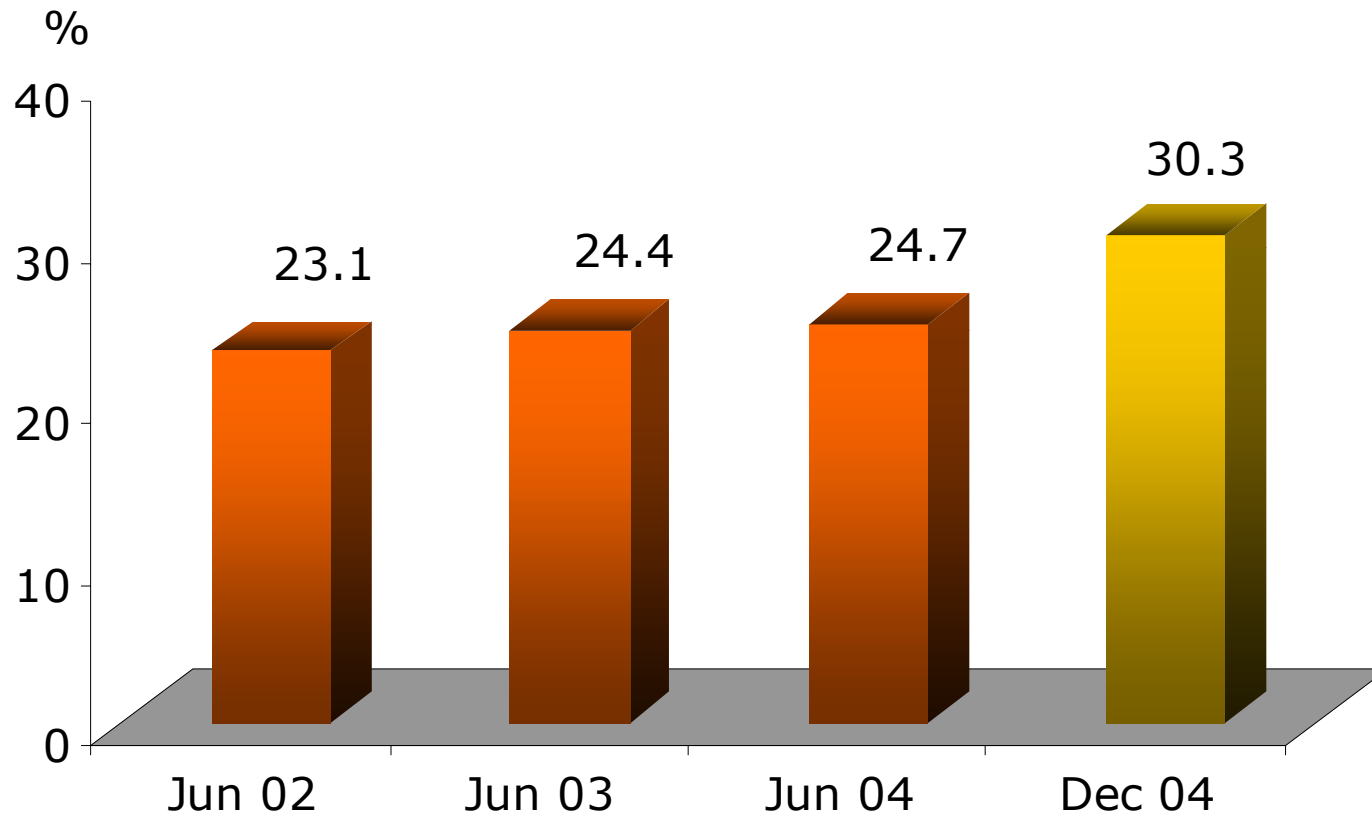
| \$m | Jun 2002 | Jun 2003 | Jun 2004 | Dec 2004 |
|--------------|-------------|-------------|-------------|-------------|
| Revenue | 2966 | 3221 | 3958 | 2171 |
| EBITDA | 299 | 429 | 582 | 349 |
| EBITA | 217 | 338 | 471 | 294 |
| EBIT | 210 | 331 | 460 | 288 |
| Net Earnings | 93 | 168 | 240 | 161 |
| EPS (cents) | 27.0 | 43.4 | 55.7 | 36.7 |
| Dividend cps | 14.0 | 19.0 | 25.0 | 15.0 |

Financial Performance Again Improved Across All Divisions



Performance Measurement

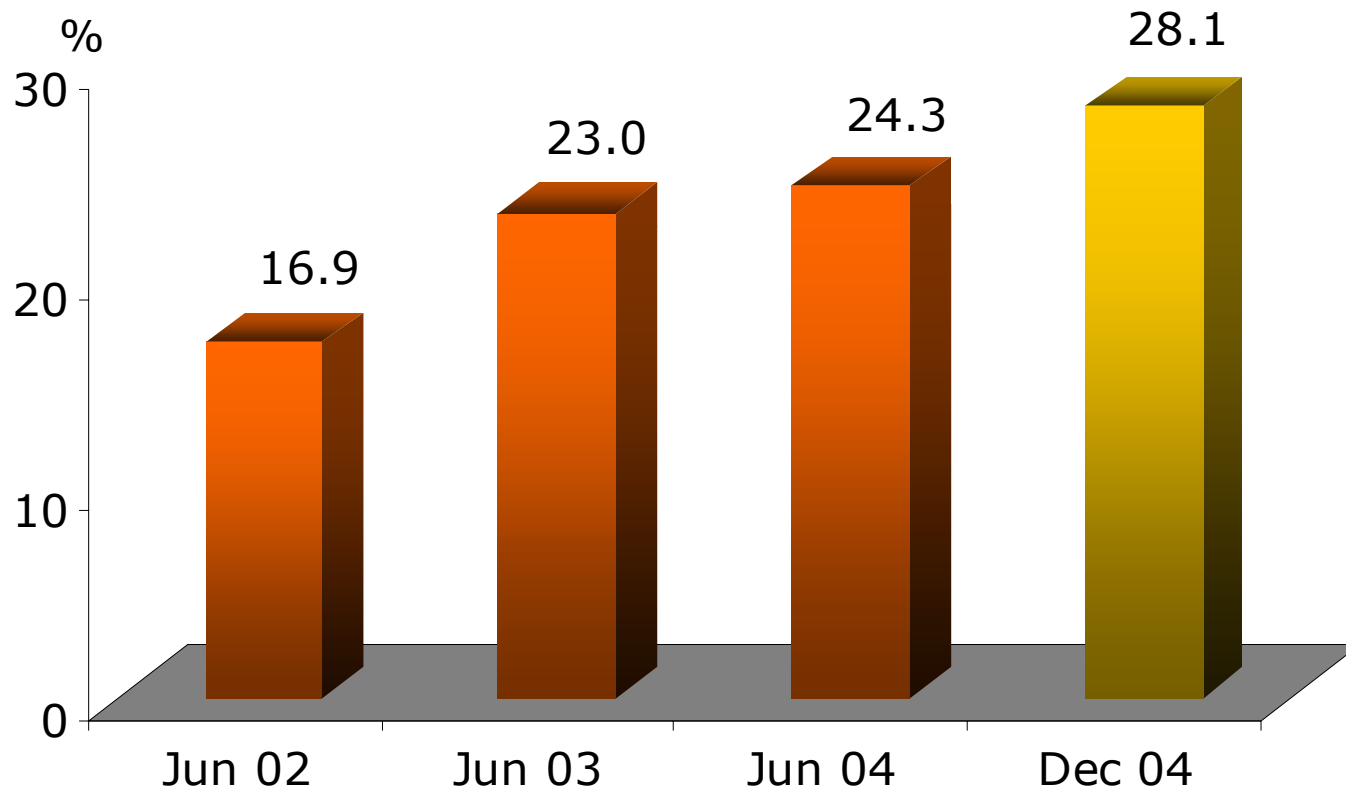
Return on Average Funds*



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

Performance Measurement

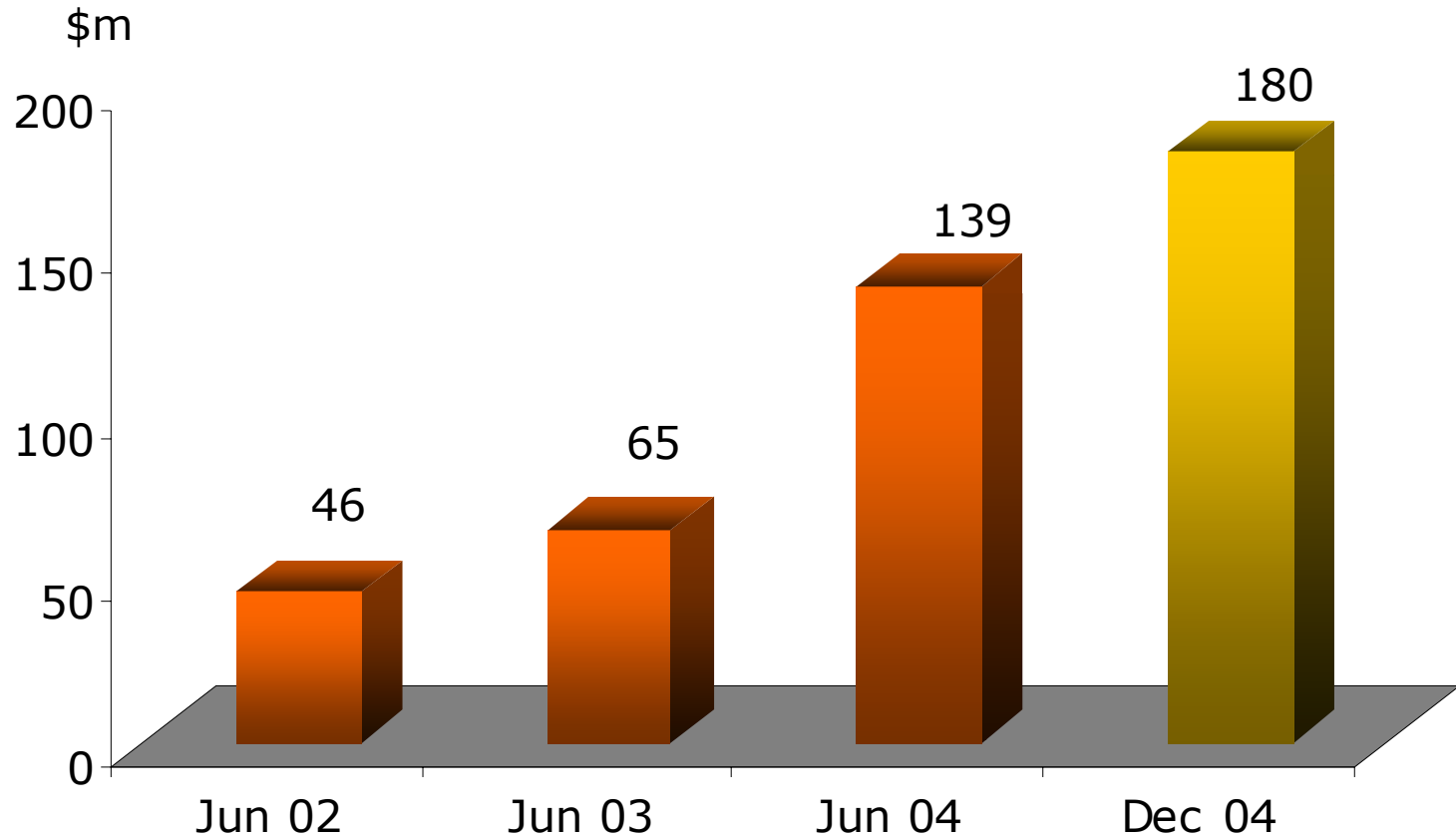
Return on Average Equity*



* Net earnings/shareholders funds

Performance Measurement

Economic Value Added

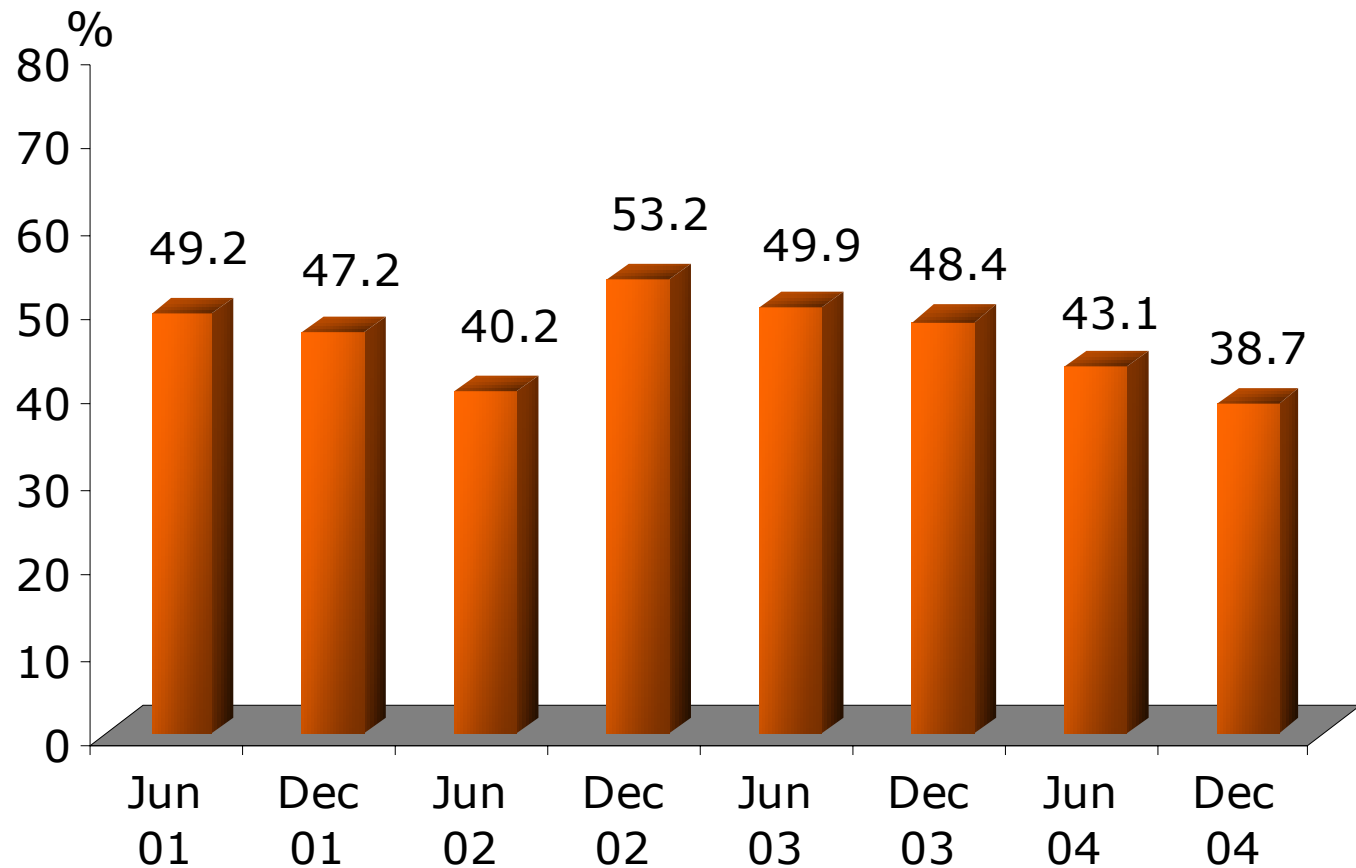


Simplified Balance Sheet

| | Dec 2004 NZ\$m | Jun 2004 NZ\$m |
|---|----------------------|----------------------|
| Assets | | |
| Current Assets | 1182 | 1022 |
| Fixed Assets | 1048 | 1023 |
| Intangibles & Goodwill | 334 | 342 |
| Provision for Deferred Taxation | 83 | 86 |
| Investments | 163 | 159 |
| | <hr/> | <hr/> |
| Total Fletcher Building Assets | 2810 | 2632 |
| Liabilities | | |
| Current Liabilities | 810 | 666 |
| Net Debt | 374 | 448 |
| Capital Notes | 400 | 400 |
| | <hr/> | <hr/> |
| Total Fletcher Building Liabilities | 1584 | 1514 |
| Equity | | |
| Equity & Minority Interests | 1226 | 1118 |
| | <hr/> | <hr/> |
| Total Fletcher Building Liabilities and Equity | 2810 | 2632 |

Key Ratios

Debt/Debt Plus Equity



Strategic Agenda

Earnings Reliability

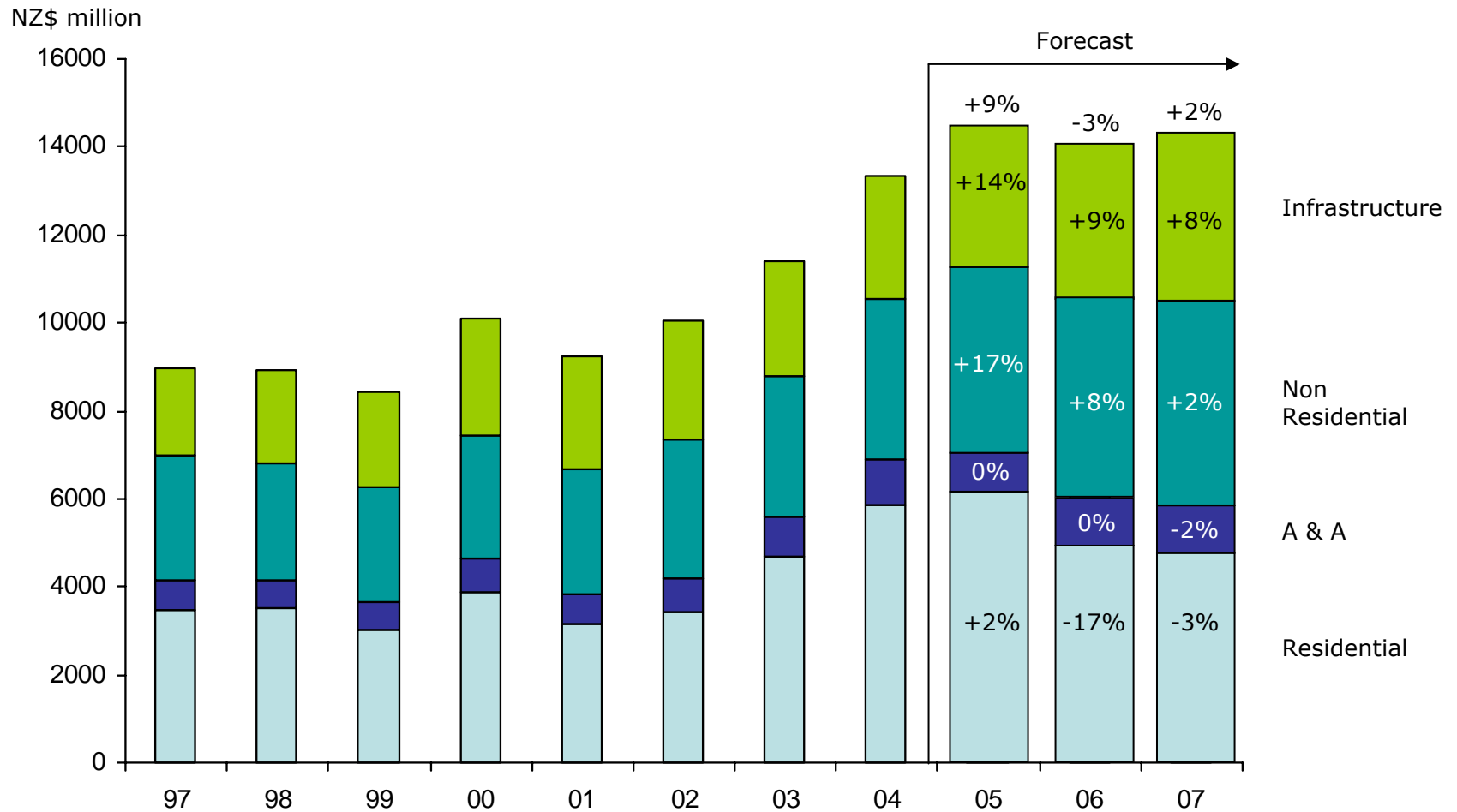
Internal Growth

External Growth

Earnings Reliability

- ❑ Our spread of activities has reduced earnings volatility
- ❑ Decline forecast in residential is not overwhelming and not universal across Australia/New Zealand
- ❑ Non-residential and infrastructure markets will still be strong in 2006
- ❑ Continue to improve earnings other than through volume (e.g. Laminex)

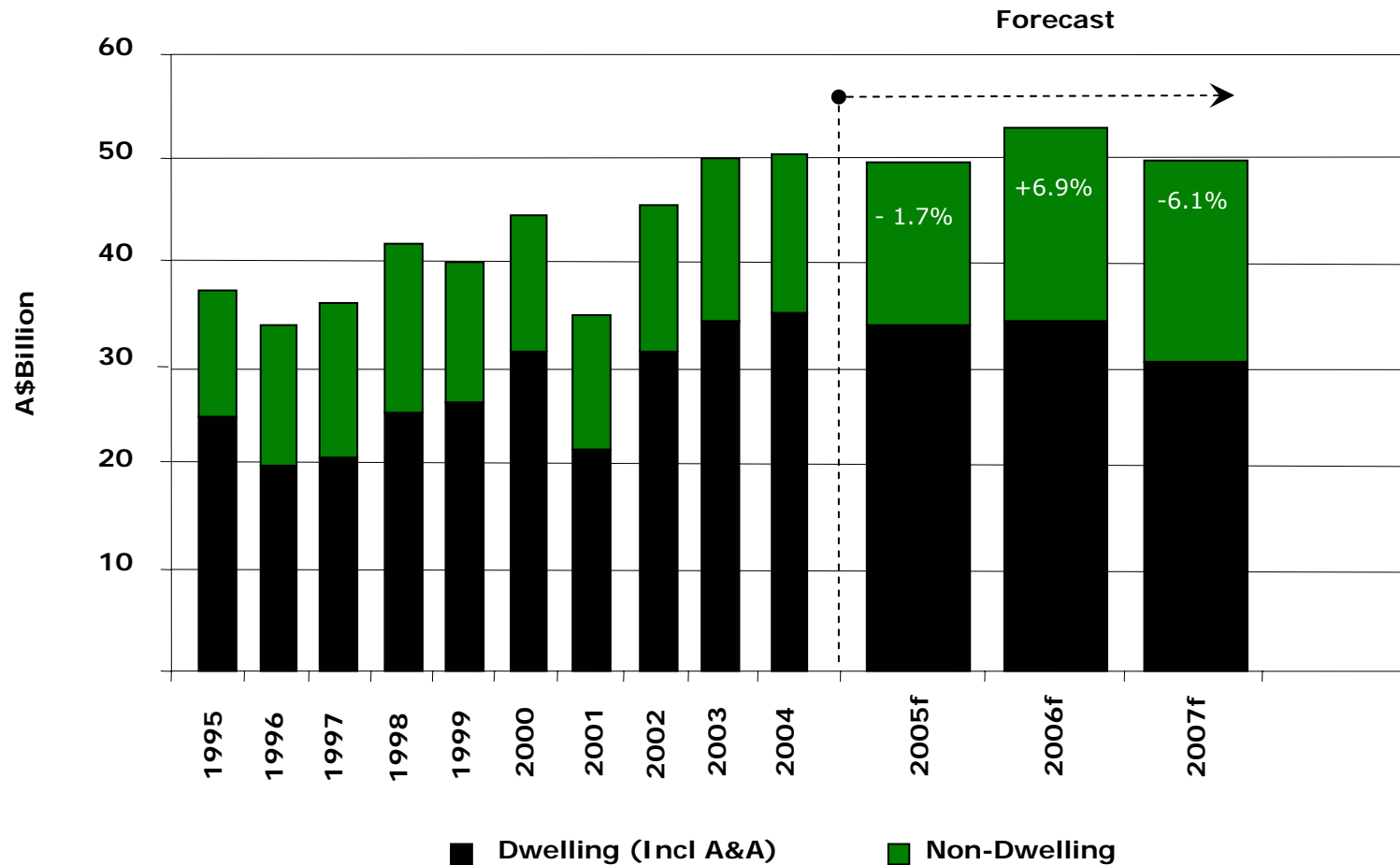
New Zealand Value of Work Commenced



Source : Infometrics

Australia

Value of Work Commenced



Source : BIS Shrapnel Building in Australia December 2004 Update

Internal Growth Opportunities

- ❑ Lifting capacity in a number of business units
 - Cement
 - R.M.C.
 - Aggregates
 - Roof Tiles
 - Insulation
 - Steel
 - Particle Board & MDF

External Growth Opportunities

- ❑ We have the financial capacity
- ❑ Amatek acquisition achieved
- ❑ Other options but not short term

Transaction Overview

- Amatek comprises four businesses operating in Australia:
 - Rocla Pipeline Products (steel reinforced concrete pipe & 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 A\$530 million (NZ\$582 million)
- 20 million new shares placed at NZ\$7.05 (.2% discount to market)

Consistent with our acquisition criteria



Leading market positions and recognised brands



Good industry structure



Complementary to existing Fletcher Building operations



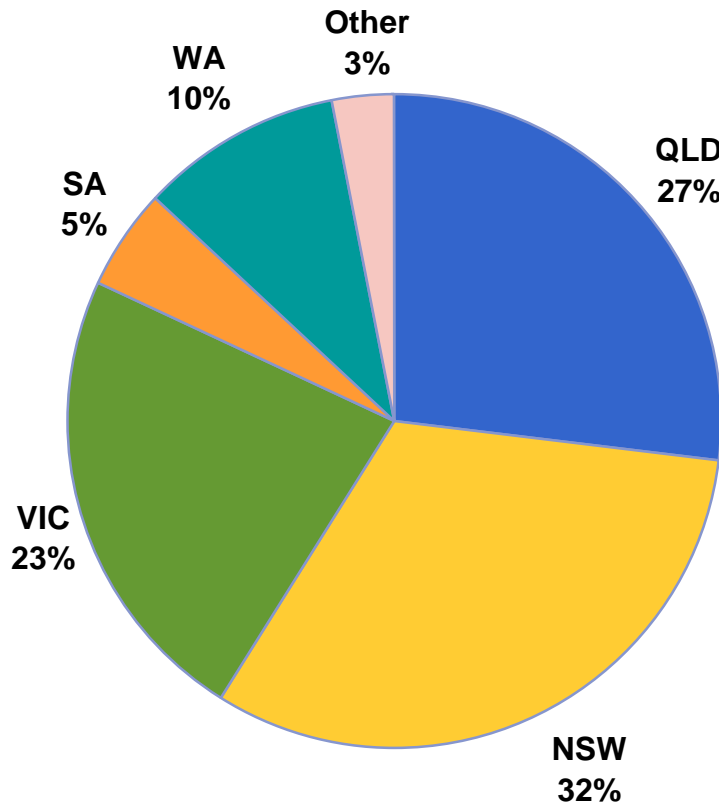
Good management in place



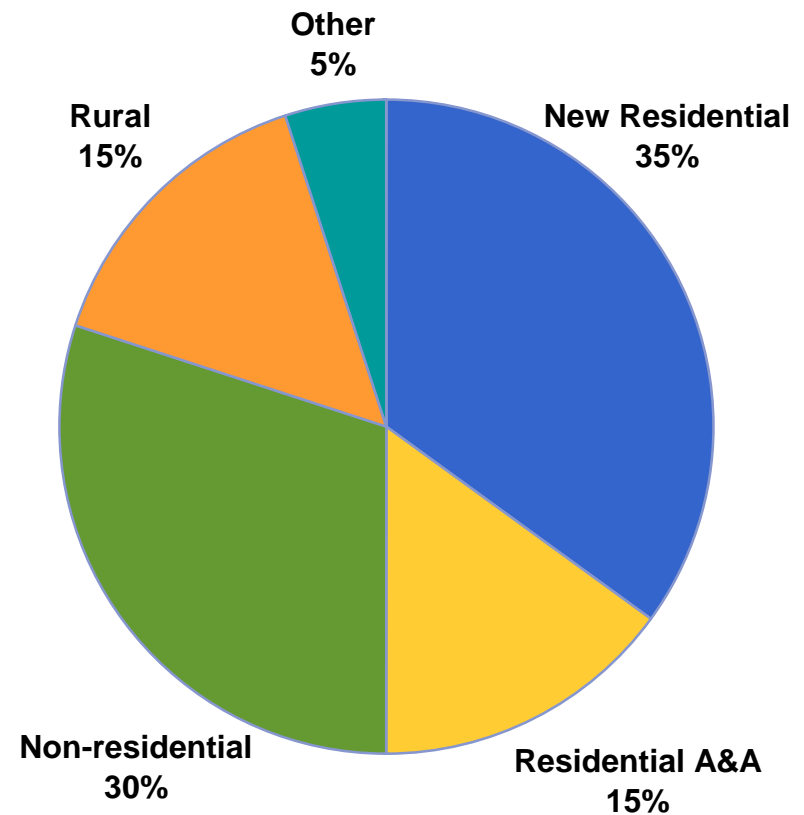
Attractive acquisition parameters and positive financial impact

Overview of Amatek

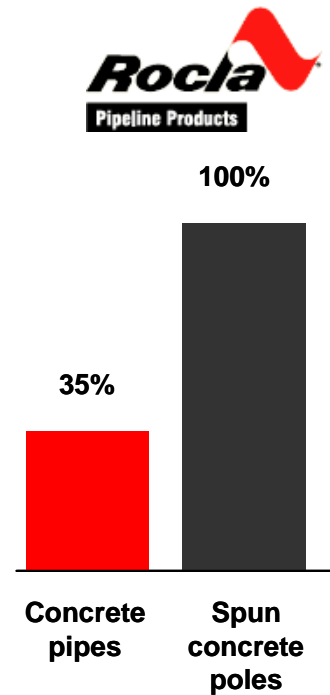
Revenue Contribution by State (2004A)



Estimated Revenue by Sector (2005E)

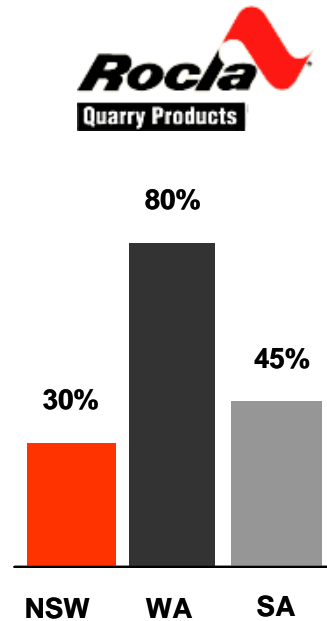


Strong Market Positions

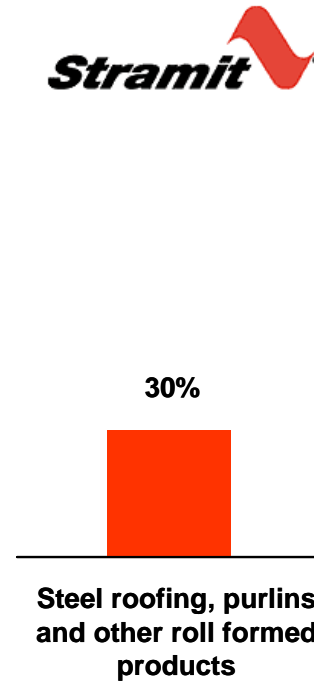


- One of two national concrete pipe suppliers (some regional players)
- Major manufacturer of pre-cast concrete products

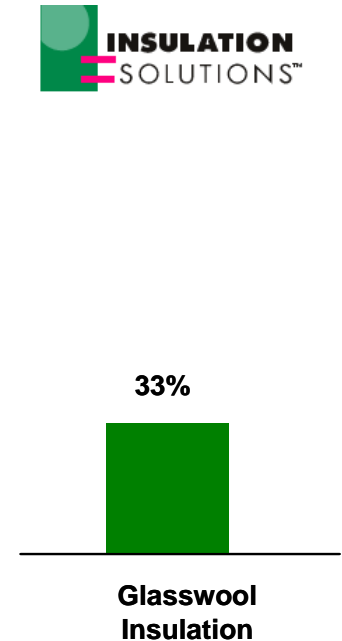
Source: Management estimates



- Strong regional sand positions
- Smaller presence in VIC and QLD



- One of two national steel roofing roll-formers (some regional players)



- Combined with our Insulco business, the clear market leader
- Only 1 other glasswool manufacturer

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

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

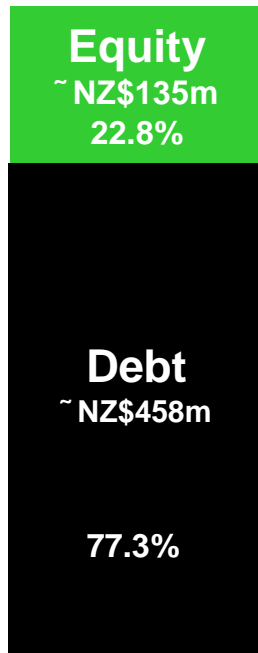
| A\$m | 2005 Estimate | 2005 Adjusted ¹ |
|--|---------------|----------------------------|
| Purchase Price ² | 530 | 470 |
| Amatek EBITDA ³ | 86 | 86 |
| EV / EBITDA multiple (pre synergies) | 6.2x | 5.5x |
| EV / EBITDA multiple (post synergies) ⁴ | 5.5x | 4.9x |

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

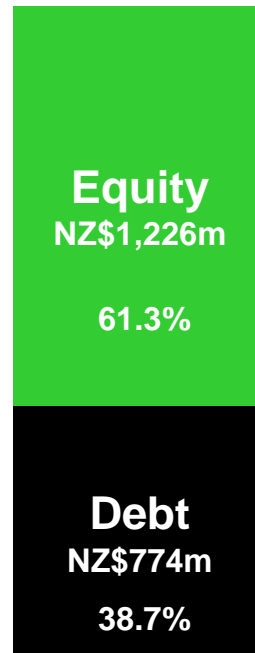
Appropriate Financing Mix

Acquisition Funding ¹

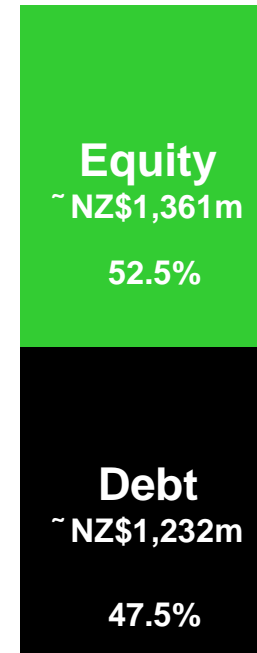


Acquisition NZ\$593m ²
(A\$530m + A\$10m transaction costs)

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

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

Outlook

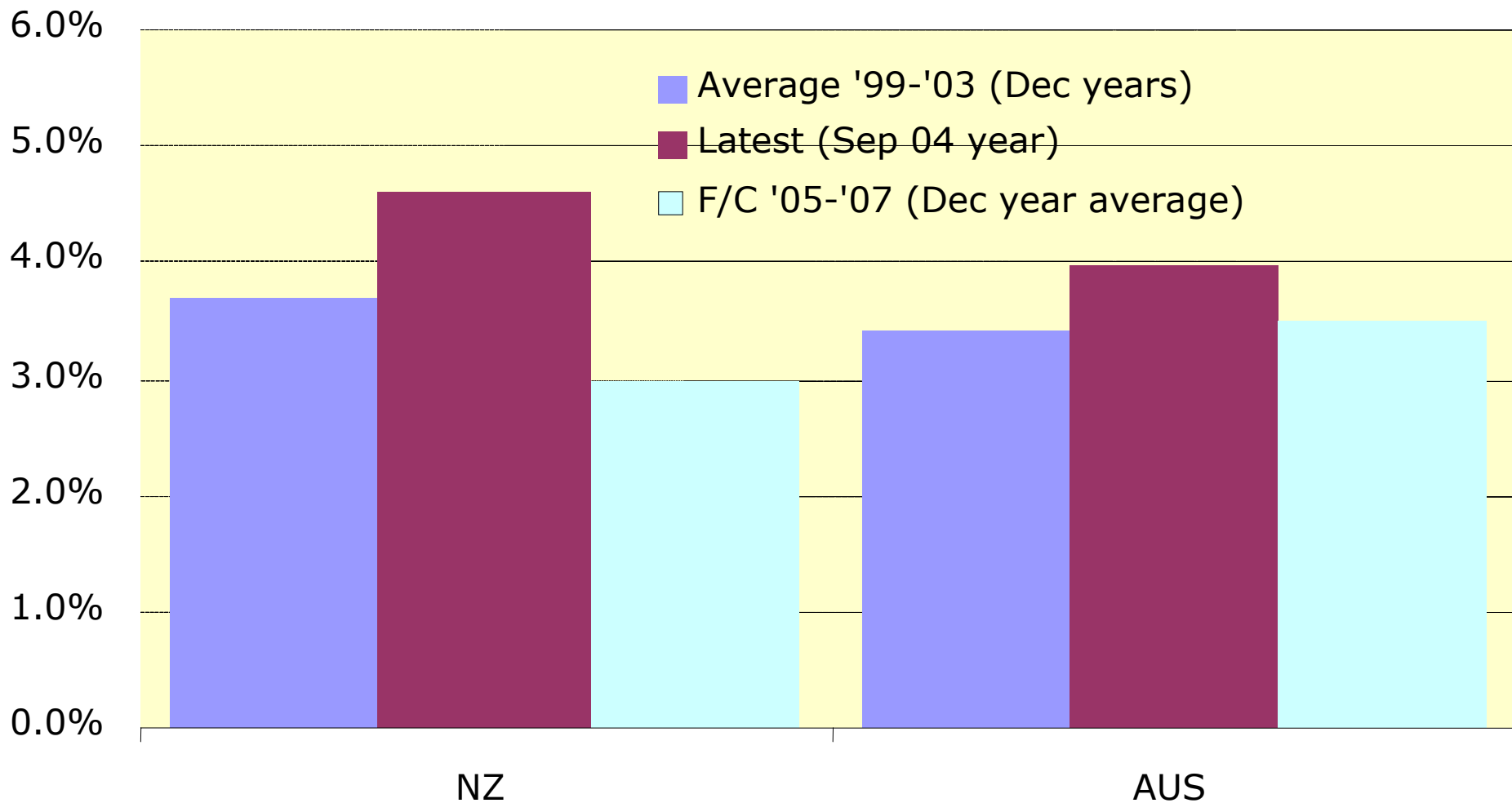
- ❑ NZ and Australia residential markets will soften this year, but from record high levels
- ❑ Non-residential and infrastructure outlook is strong for next two to three years in New Zealand
- ❑ Full year outlook \$525-545 million EBIT excluding Amatek



FletcherBuilding

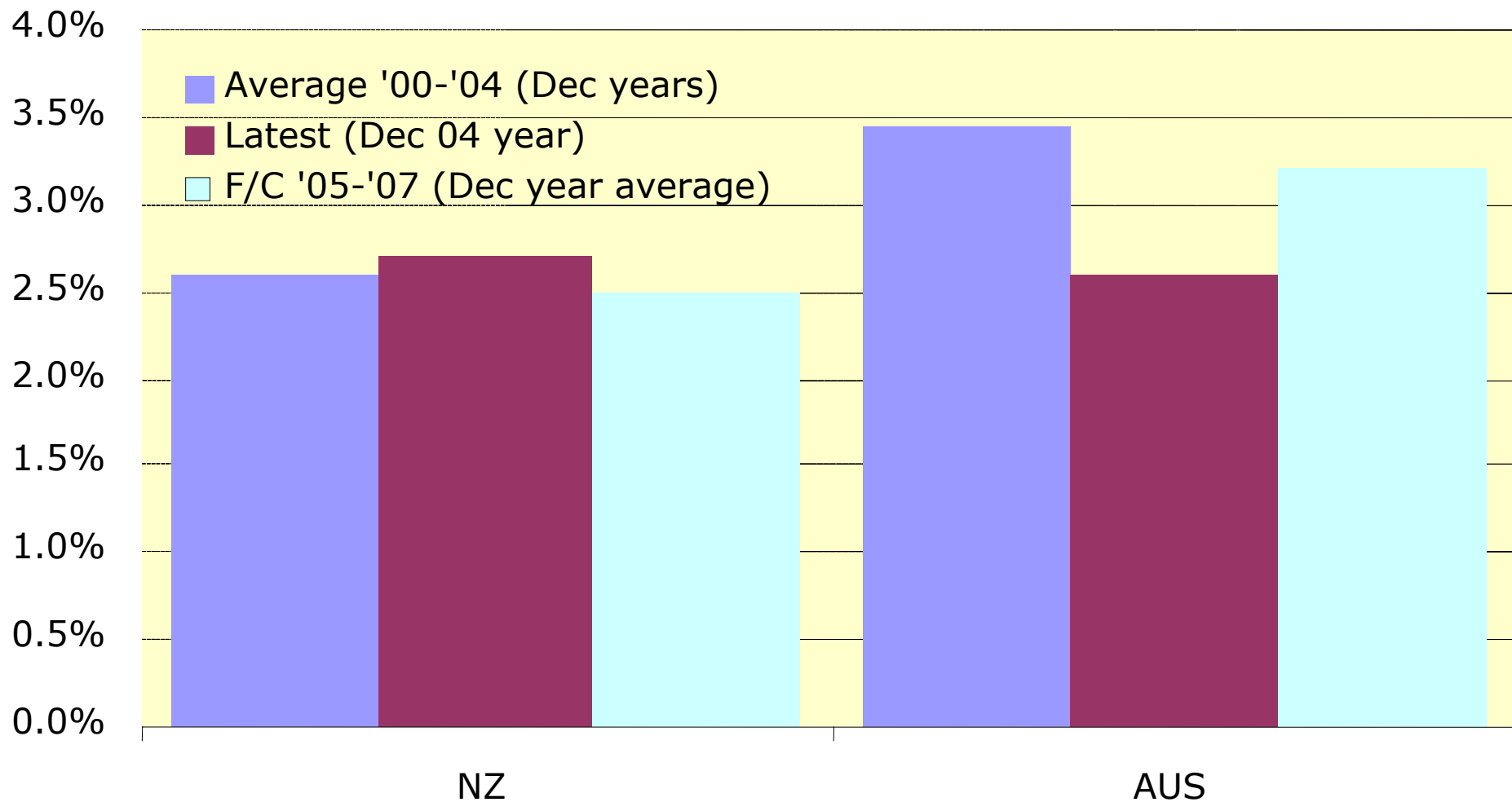
Real GDP

Annual Average % Change

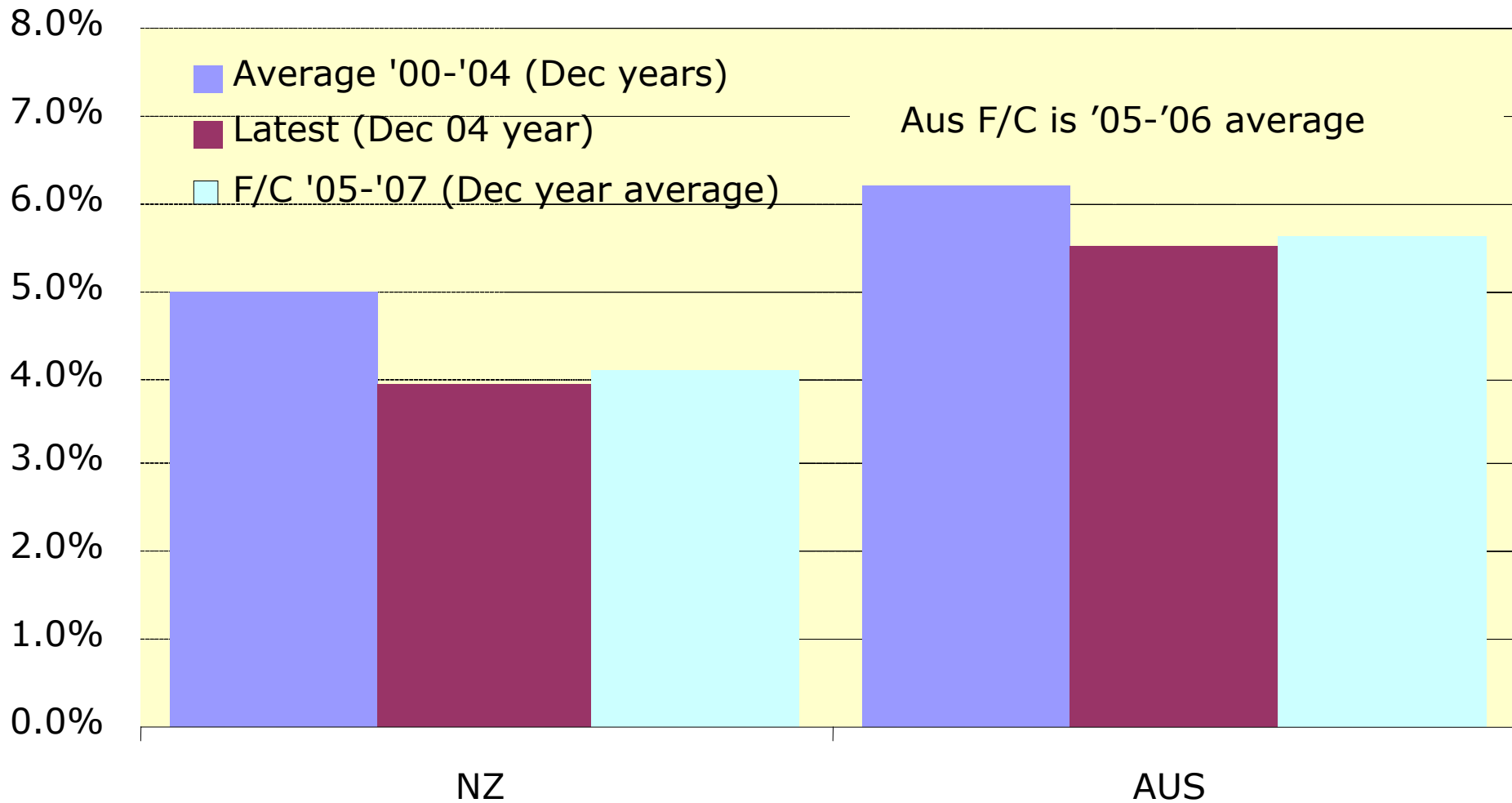


Inflation

Annual % Change

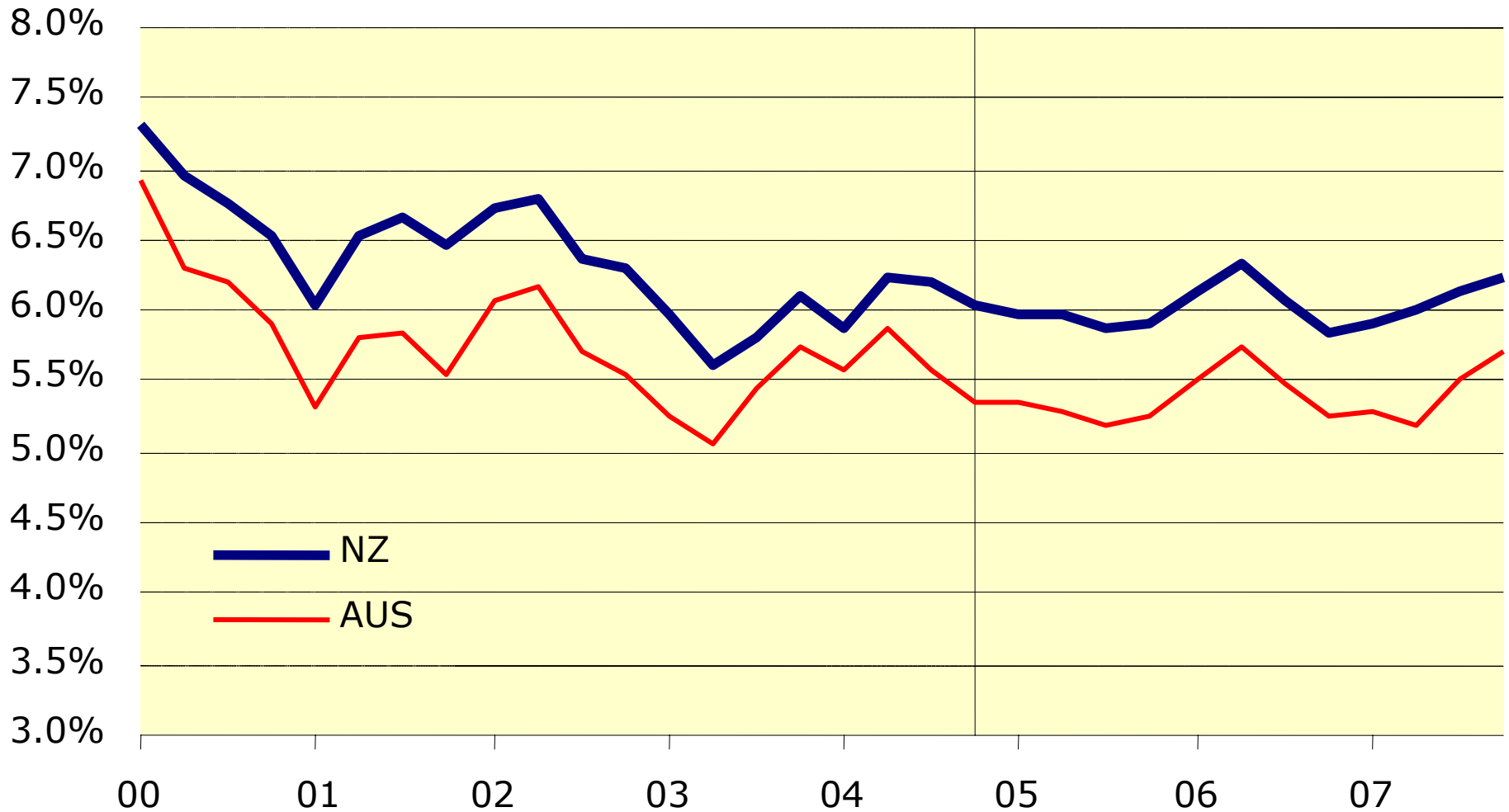


Unemployment Rate



Ten Year Bond Interest Rates

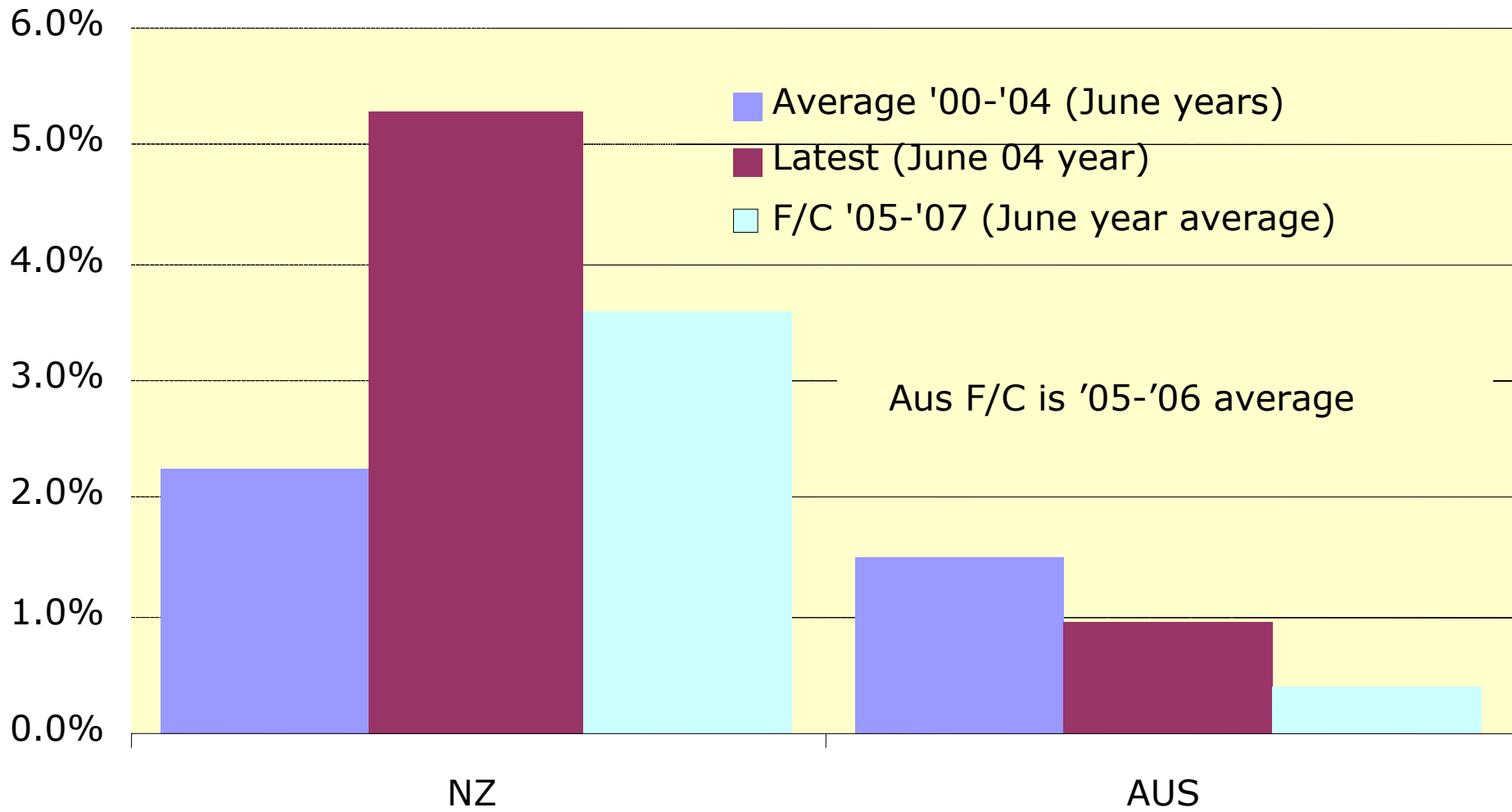
Quarterly Average Level



March 2005

Fiscal Balance

As a % of GDP



Current Account Balance As a % of GDP

