

Analysts Briefing November 2006



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Cautionary Statement

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 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.

Results Record (Restated)

	June 2005 (12 months)	December 2005 (6 months)	June 2006 (12 months)
\$m's			
Operating Revenue*	733	550	1082
EBIT	82	38	93
Margin	11%	7%	9%
Total Funds Employed	428	439	461
EBIT/Funds	22%	17%	20%

* excludes inter-company revenue

* Proforma returns based on 12 months of Amatek

Reporting Structure

Rollforming
and
Coatings

Long Steel
Products

Easysteel



Key Strategies

- Be operationally excellent in support of business unit market strategies
 - IFOTIS levels
 - OEE, Utilisation rates
 - Change over times, extend branch capability
 - Lead times
 - In-market, high-service, flexible manufacturing operations
 - Organisation alignment behind BU strategies

Key Strategies

□ Internal growth initiatives

- New products and product enhancement opportunities
- New branches in targeted areas
- Expand organisational capability
- Invest and develop technologies in our existing businesses
 - But likely to be small

Growth

□ Organic Growth

- Competent management
- Focus on performance (KPI's i.e OEE, IFOTIS)
- EBIT, Funds, Cash
- Strong market and market share growth
- Extend markets

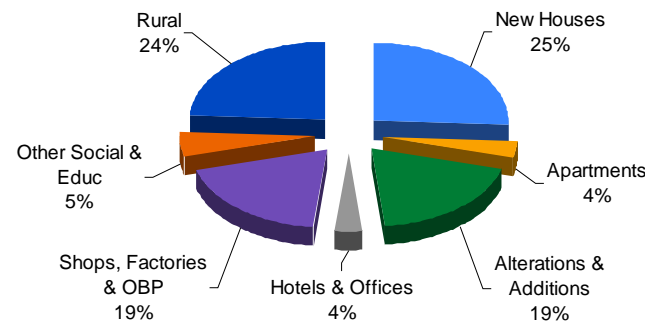
□ External Growth

- Likely to be Australasian focused
- Related or complimentary product opportunities

Rollforming - Australia



- Stramit Building Products is a leading Australian manufacturer of steel building products, including roofing, walls, gutters and fascias, frames and trusses, purlins, flooring and structural formwork, with turnover in excess of A\$500m
- Acquired as part of Amatek acquisition in March 2005
- Have successfully implemented a new computer system with the last region implemented June 2006 – provides a strong IT platform for service and growth
- Diversified customer base across a range of sectors within Australia



Source: Management Estimates



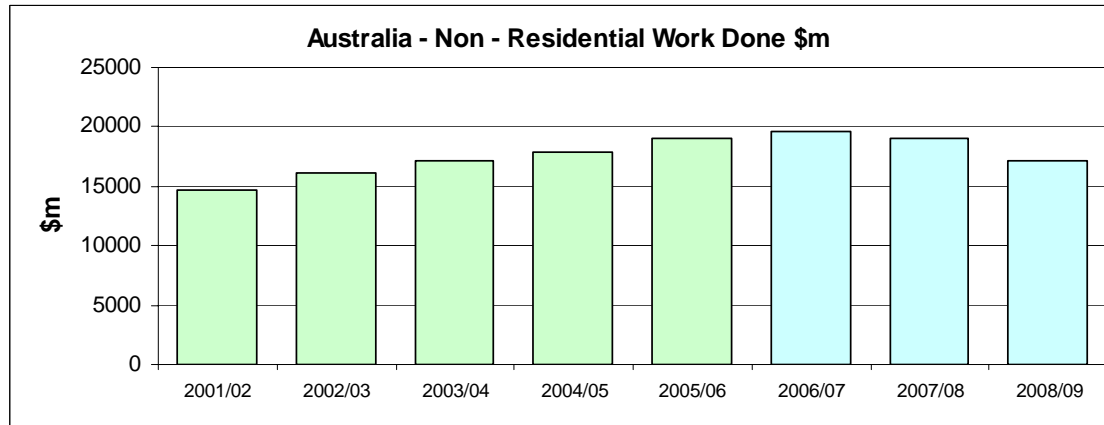
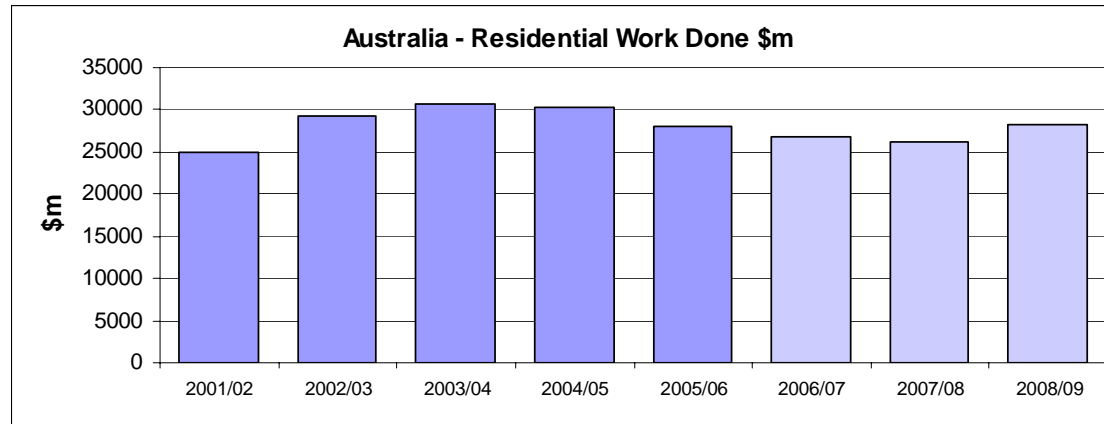
Rollforming - Australia



- Service driven – be the easiest supplier to do business with
- Service optimised through decentralised branch operations
- Continued investment in branch capability with Speed Deck Ultra mills installed in 2006 at Cairns, Maddington and Adelaide
- New branch opened in Murwillumbah in Feb 2006 and a replacement branch under construction in Hobart
- Employees 1150



Australian Market Forecasts



Source: BIS Shrapnel Work Done \$ Residential and Non-Residential – Constant 2003/04 – All in A\$

Rollforming -New Zealand

- The leading NZ supplier of metal purlins, roofing, cladding and composite flooring systems
- Drive on innovation - new capability introduced with automated folders installed in Auckland and Christchurch
- Dimond operates out of 12 regional sales centres
- There are 4 major manufacturing sites and 4 small factories



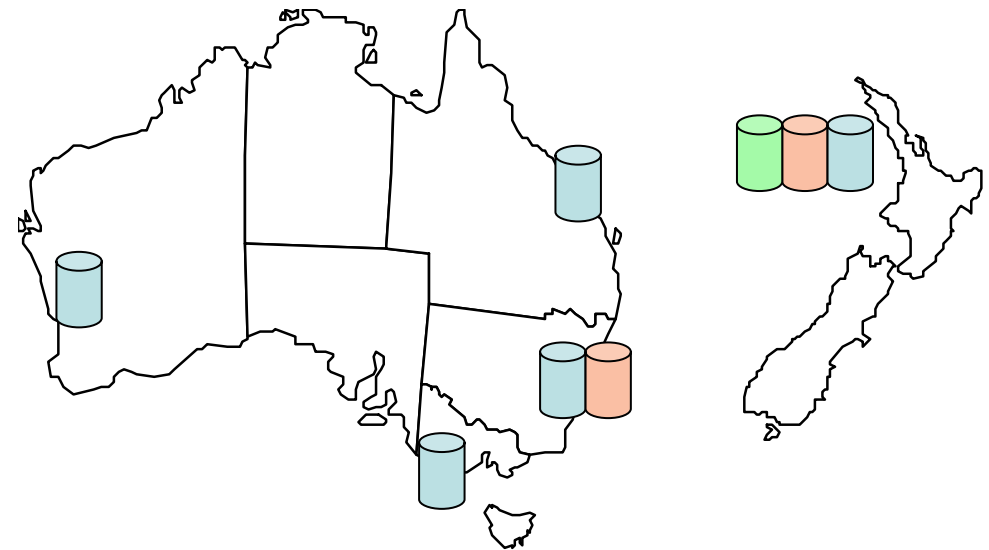
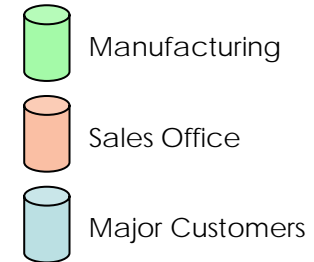
Coatings - New Zealand

- A leading New Zealand manufacturer of pre-painted metal products used in the manufacture of both residential and commercial roofing, cladding, and rainwater systems
- Exports significant quantities to Australia, North America and the Pacific Islands
- Focused on flexible small run manufacturing offering minimum of a house-lot of a single colour. Offers largest colour range in New Zealand domestic market
- Developed new painting line technology – now two line capability

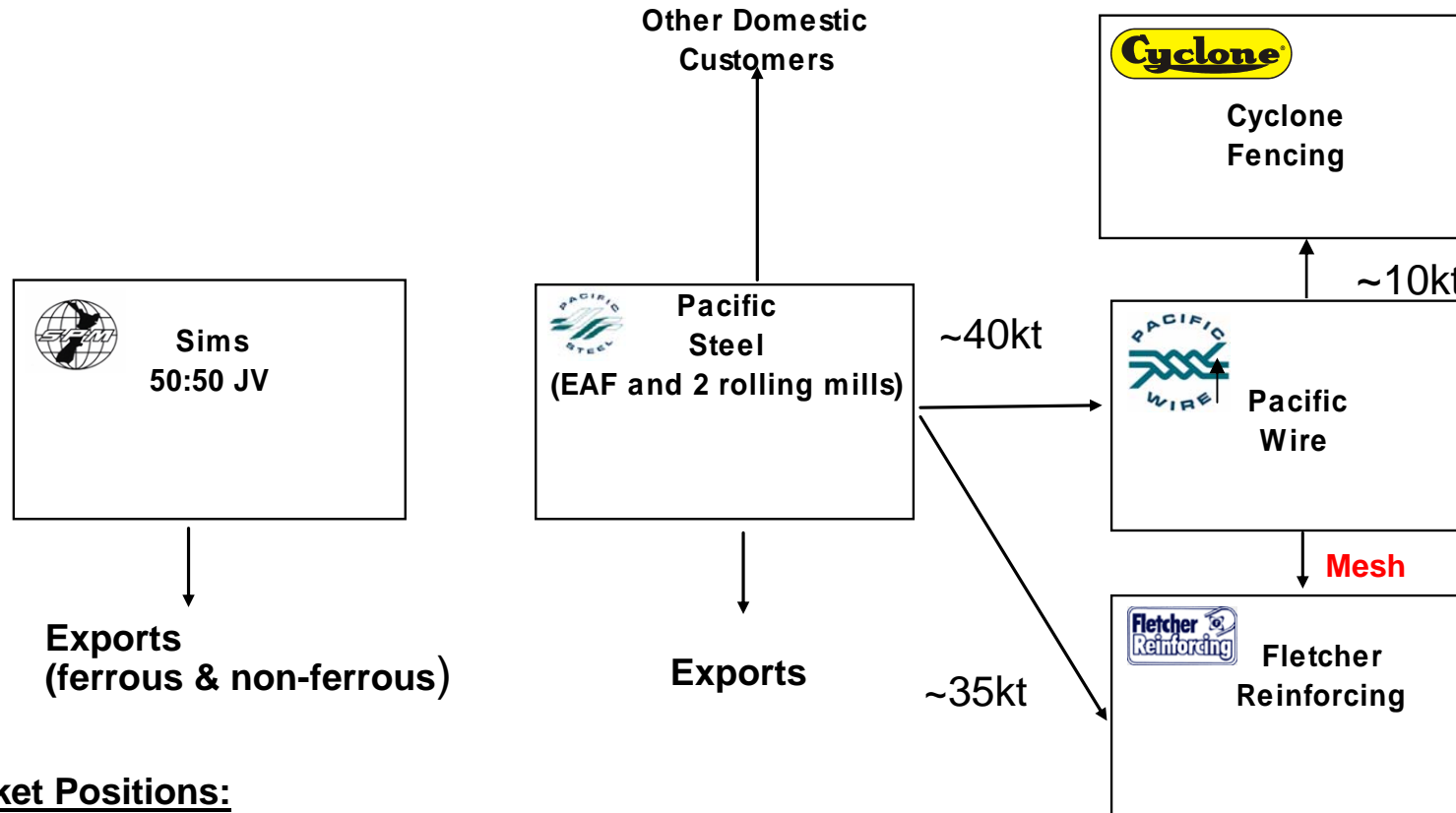


Long Steel Products – Key Facts

- 500 staff
- Markets:-
 - 60% New Zealand
 - 40% Export
 - Australia
 - Pacific Islands
 - North America
- Sole New Zealand manufacturer of long steel products
- Strong brands



The Pacific Steel Group Value Chain



Market Positions:

90% NZ scrap

80% NZ rebar

100% NZ Rod

60% - 80% NZ Wire

Source: Management Estimates

Long Steel Products - Growth

- 160,000 to 250,000 tpa achieved through productivity from 2001 to 2006
- Transformer and shell investment will lift capacity to 300,000 tpa
- QT investment to reduce additive costs in steel making
- Australian market growth
- New wire products
 - Zinc aluminium coating
 - Coloured wire



SEISMIC[®]
MA

Cyclone[®]



 **FLETCHER PACIFIC**
STEEL FIJI

SEISMIC[®]
QT

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 **FletcherBuilding**

Transformer Update

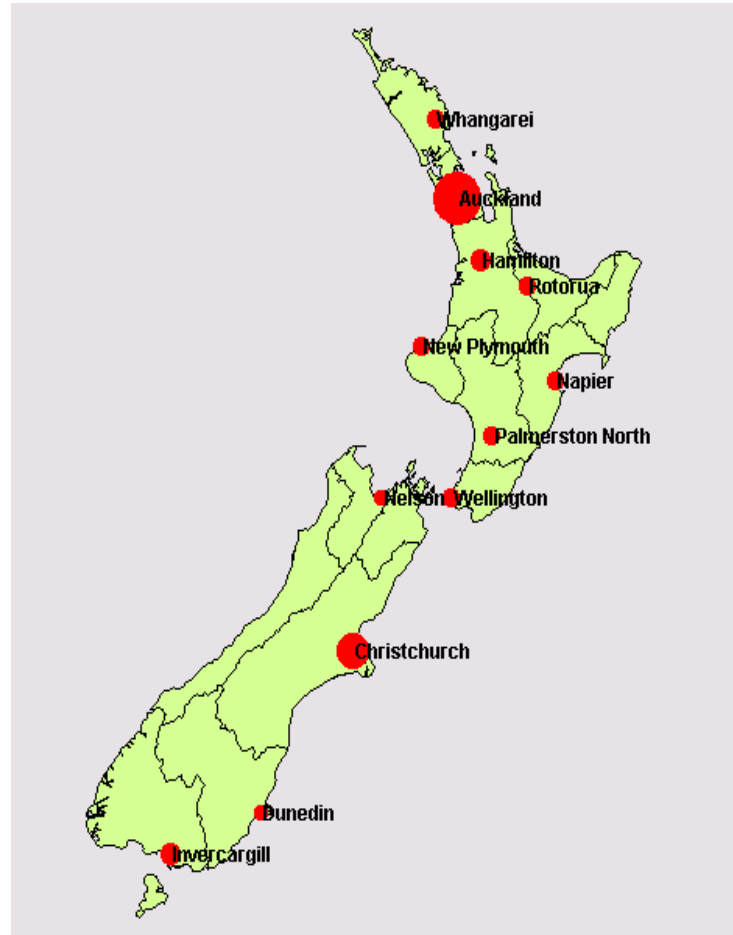
- Failure of EAF transformer in October
- Temporary replacement transformer on site and operational November
- New transformer ready to ship in December
- Steel Mill closed for 6 weeks
- Rolling Mill operations continued
- Little or no disruption to domestic customer base
- Some disruption to export (including Australia)
- Impact on earnings
 - Covered by insurance

Fletcher Easysteel

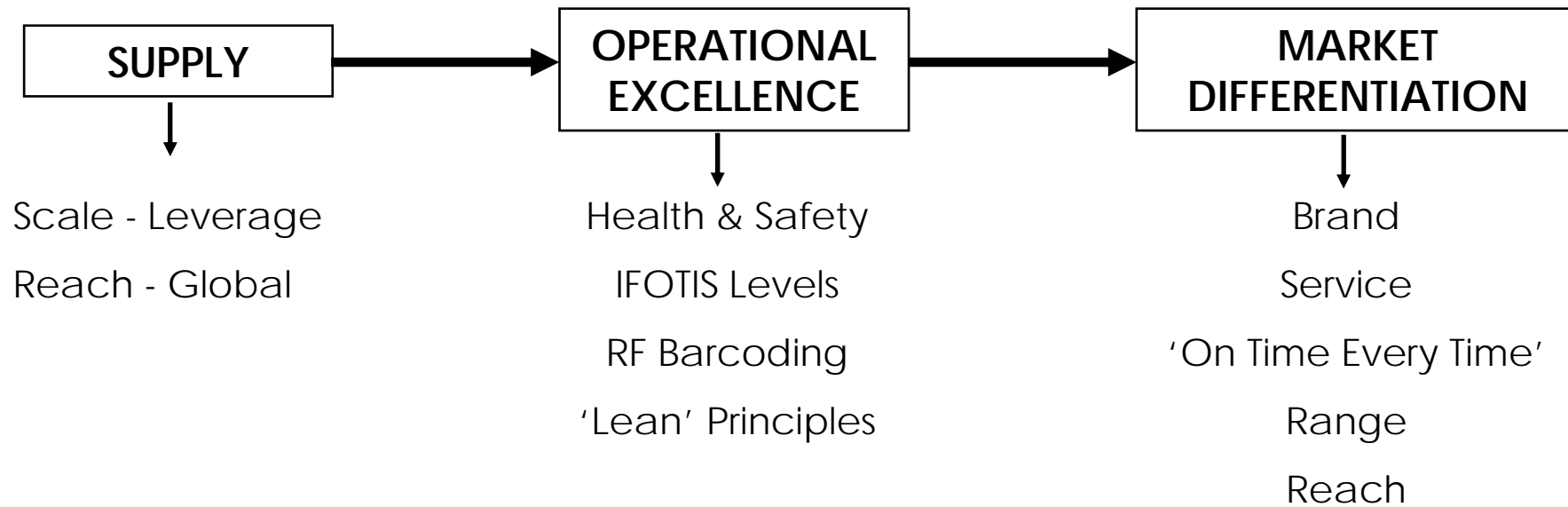
FLETCHER
EASYSSTEEL

Leading distributor of long and flat carbon steel products

80 Years in Business



15,000 Stock Items
10,000 Customers
208 Employees
13 Sales Centres
2 Processing Centres
2 Distribution Centres



Culture → 'Best Place To Work' Finalist
2003 '04 '05 '06



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