



Annual Shareholders' Meeting
14 November 2006

Dr Roderick Deane

Chairman



FletcherBuilding

Directors

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

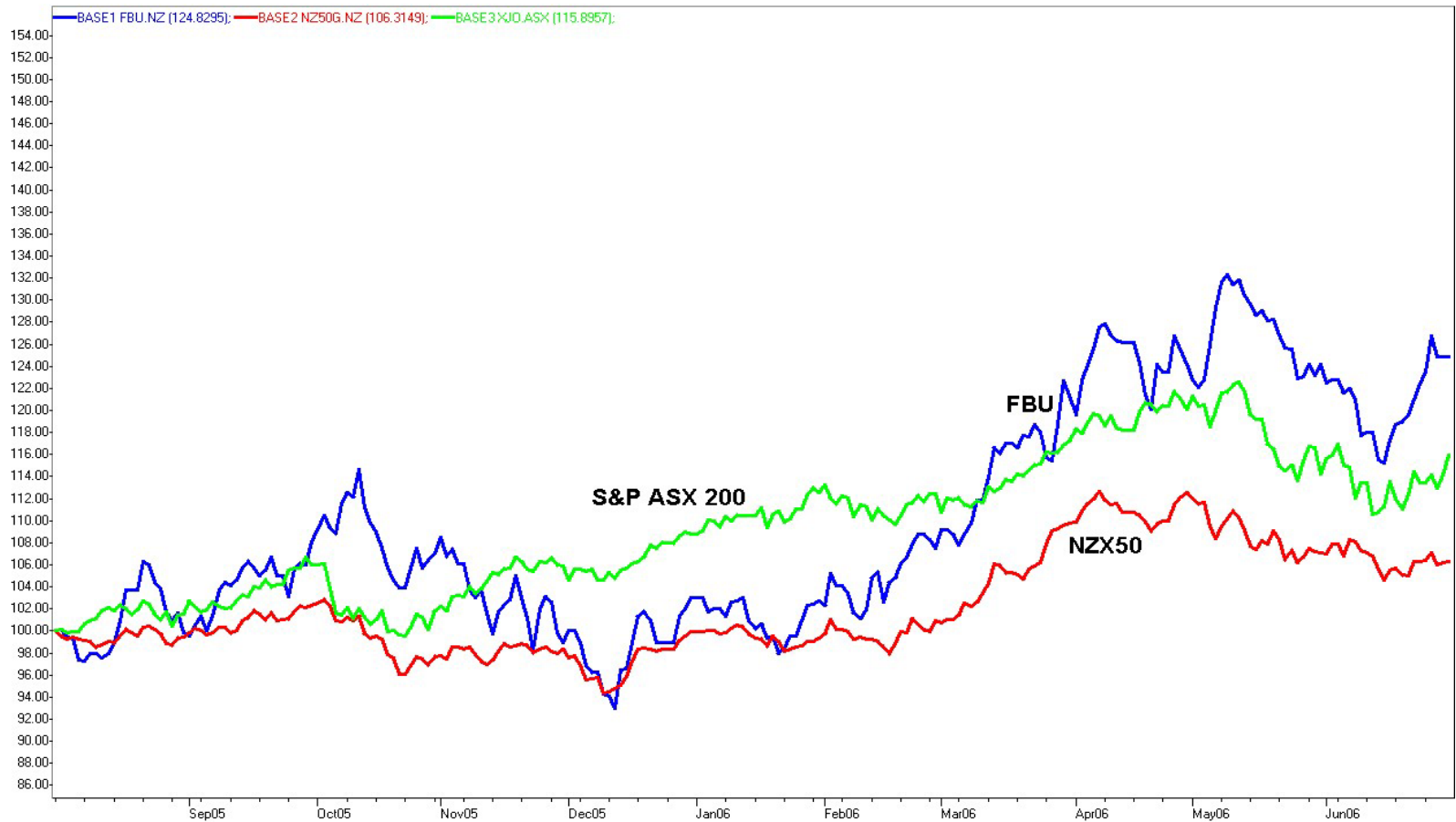
Meeting agenda

- Chairman's address
- Chief Executive's address
- Trading outlook
- Shareholder questions and discussion
- Consideration of, and voting on, the resolutions of the meeting

Financial results

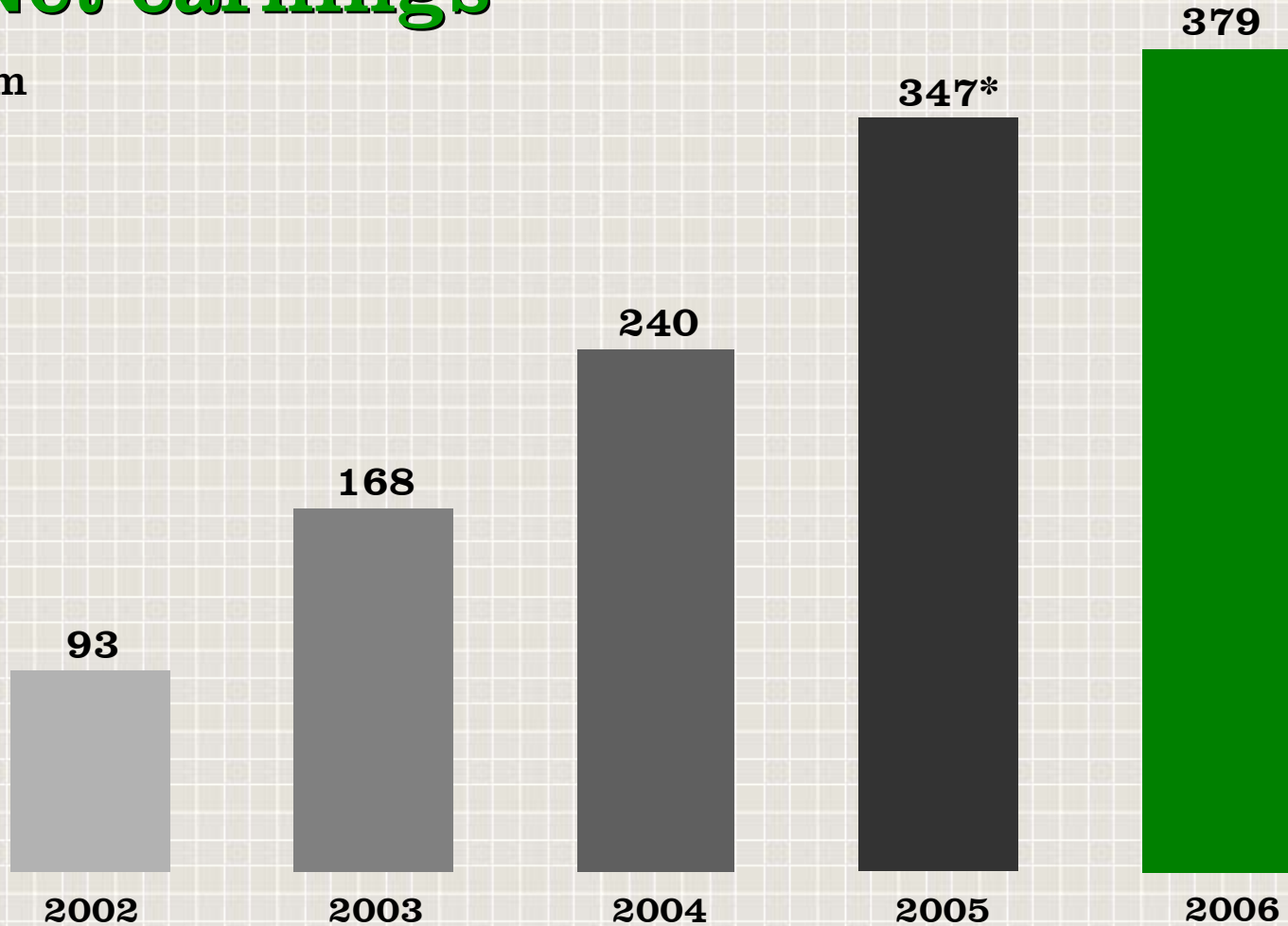
- Net earnings up 9% to \$379 million with diversification giving earnings resilience in softer market conditions
- Earnings per share increased to 81.3 cents
- Dividends for the year increased by 25% to 40 cents per share
- Conservative financial gearing
- Total shareholder return for the year of 40% and a compound rate of 29% since 2001

Annual share price movement



Net earnings

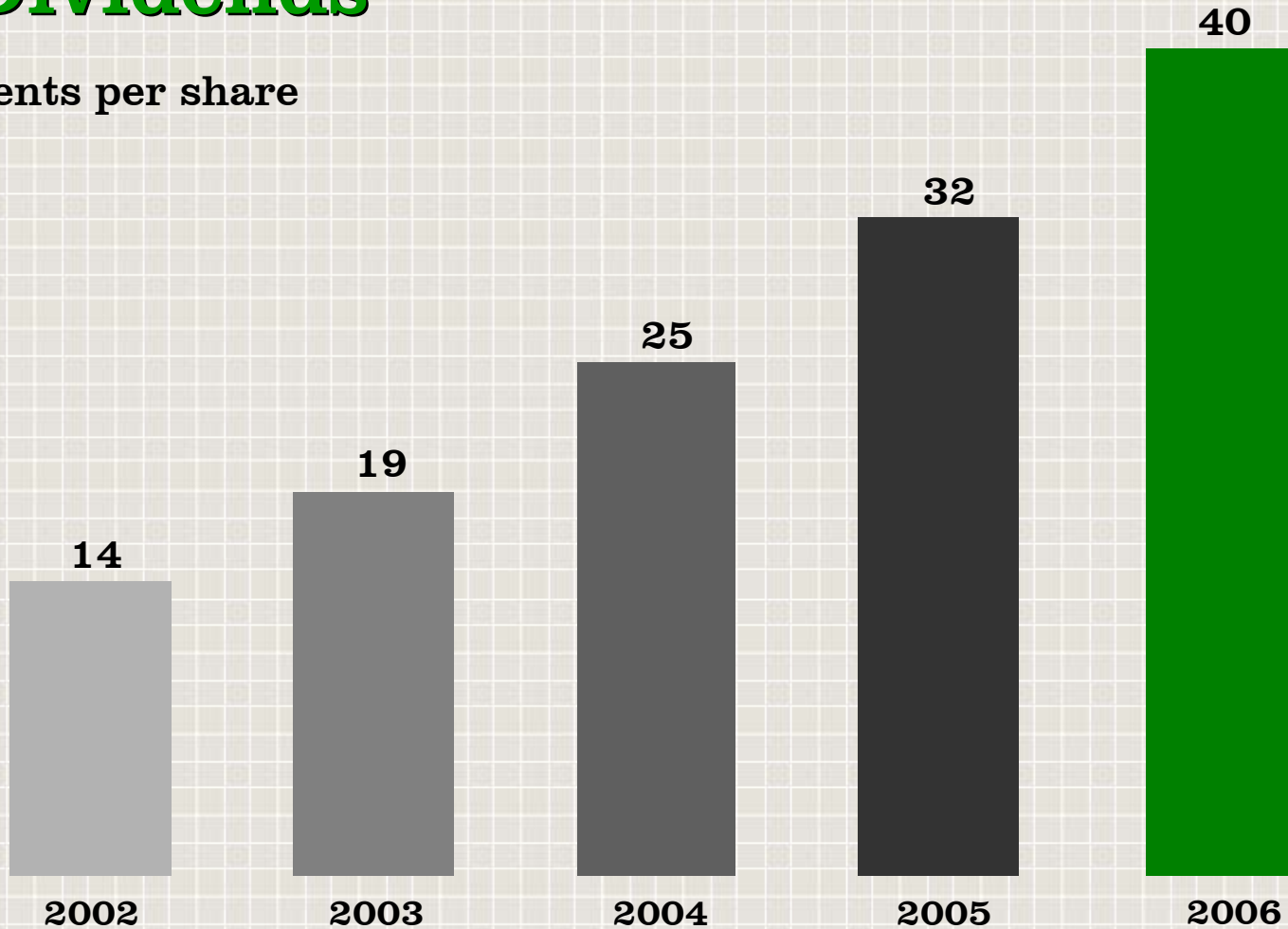
\$m



*Restated for IFRS

Dividends

Cents per share

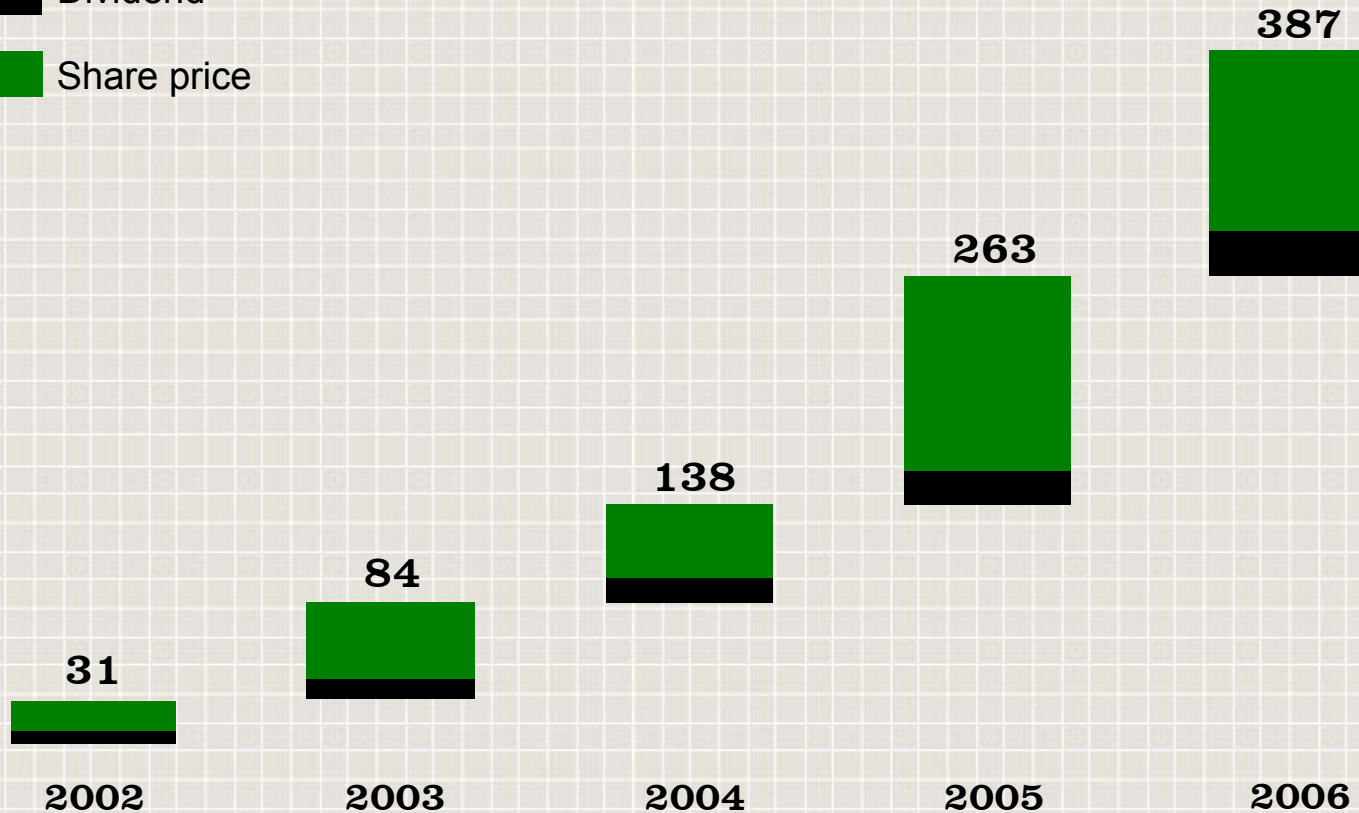


Cumulative total shareholder returns

%

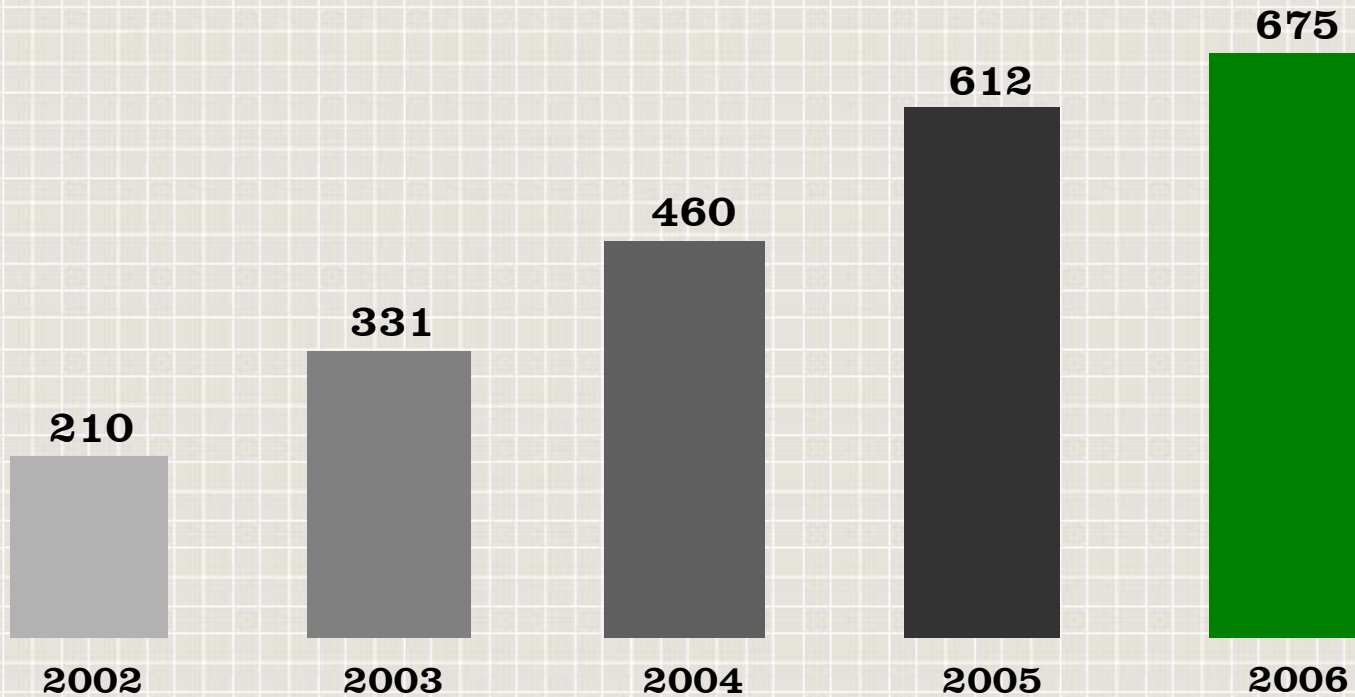
Dividend

Share price



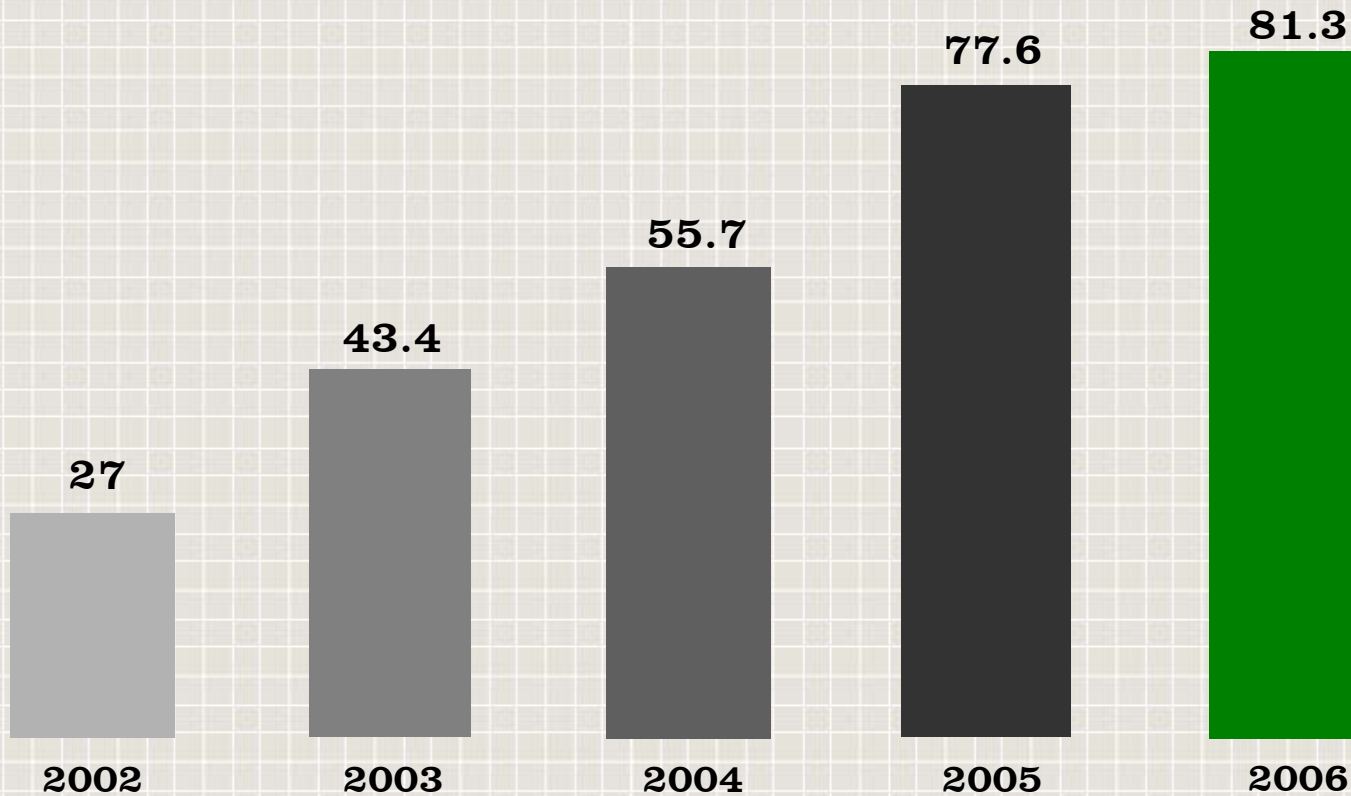
Operating earnings

\$m



Earnings per share

Cents





Governance

- Board actively involved
- Good governance practices supplementing entrepreneurial focus
- High levels of employee engagement
- A key focus on health and safety

Jonathan Ling

Chief Executive and
Managing Director

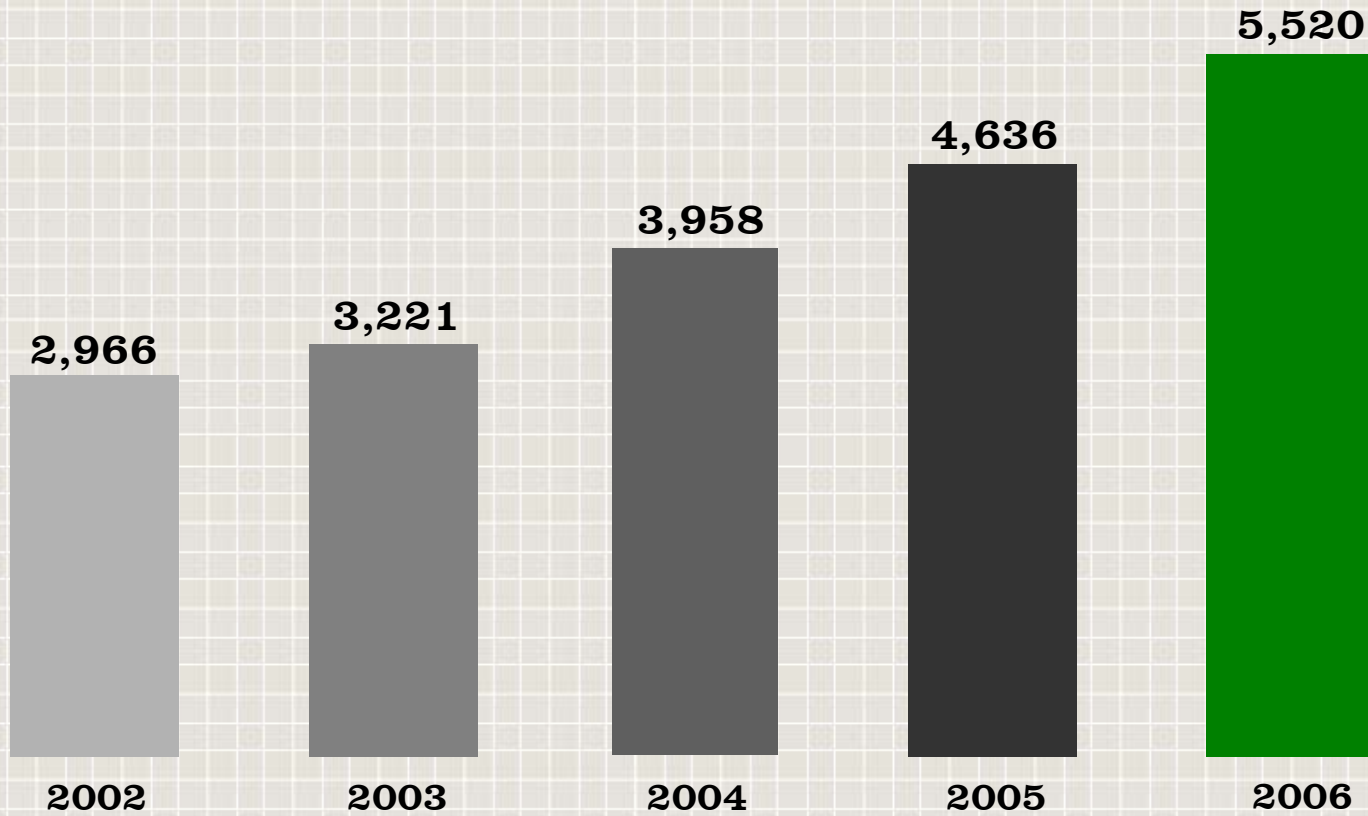


Market conditions

- Residential
 - softer overall, particularly in New Zealand, Victoria and New South Wales
 - affects Building Products, Laminates & Panels and particularly Distribution
- Commercial building and infrastructure
 - strong overall in New Zealand and Australia
 - drives an increasing proportion of our revenue

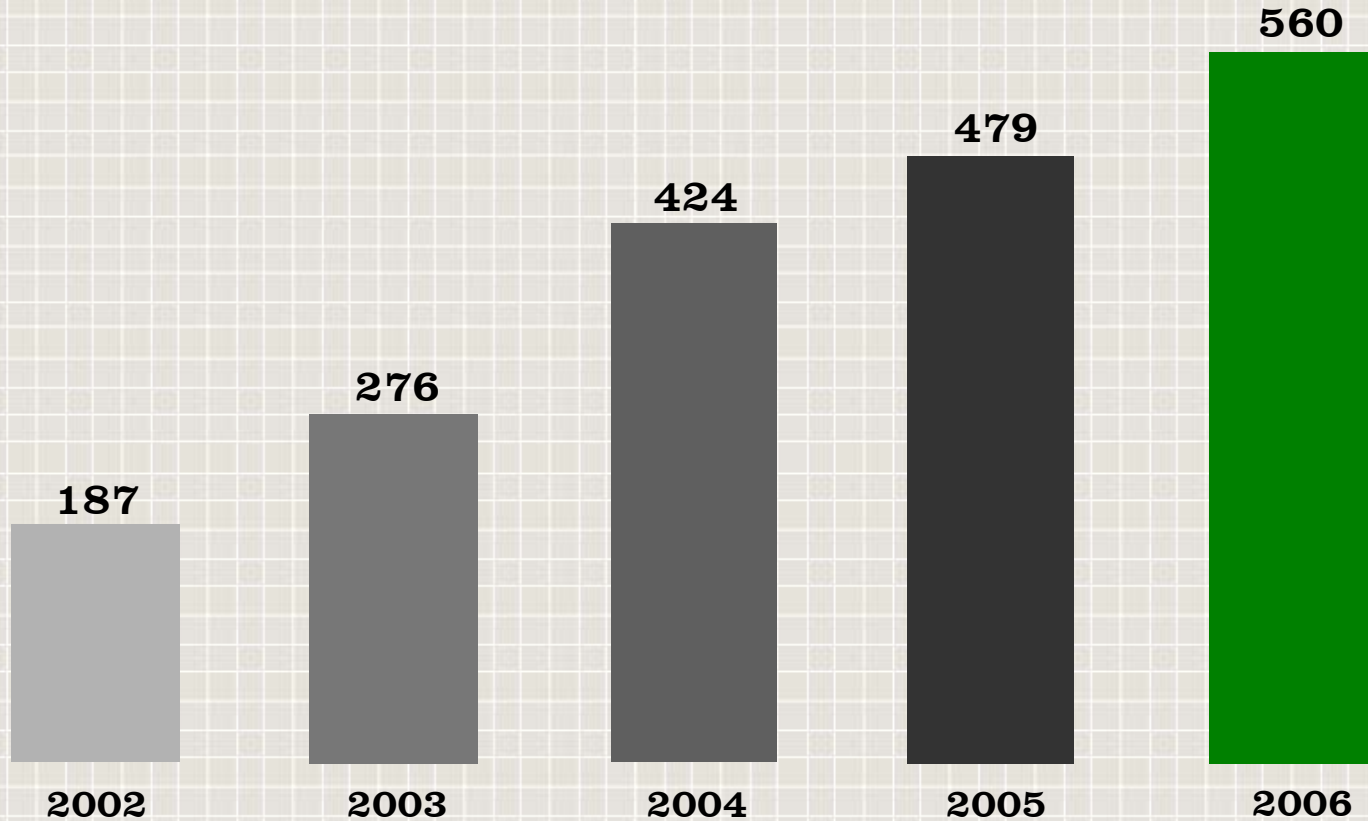
Revenue

\$m



Operating cashflow

\$m



Building Products

- Revenue up 29% to \$1.7 billion
- Operating earnings up 4% to \$235 million
- Softer market conditions
- Stramit and Insulation Solutions acquired in March 2005 performing well against acquisition assumptions

Building Products

- Metal roof tiles exports impacted by unfavourable exchange rates and slow US market
- Long steel products had lower earnings due to mill shutdown and import competition
- Plasterboard had lower earnings reflecting softer residential markets in New Zealand
- Insulation synergies being achieved
- Lower Easysteel and aluminium earnings

Building Products' restructure

- Will report as two divisions with effect from 1 July 2006
 - Building Products
 - Steel
- New chief executive Building Products appointed
- International search underway for the chief executive of the Steel division

Infrastructure

- Revenue up 27% to \$1.8 billion
- Operating earnings up 30% to \$255 million
- Fifth consecutive year of revenue and earnings growth
- Adjusting for impact of acquisition of Rocla business in 2005, earnings still up by 15%

Infrastructure

- Seventh year of record cement shipments
- Continued demand, and earnings growth, in aggregates
- Small increase in readymix volumes
- New Zealand pipe market remains strong
- Rocla Quarry products affected by softer Sydney market
- Strong earnings growth for Rocla Pipeline products
- Strong growth across the board in construction and \$802 million backlog at year end

Distribution

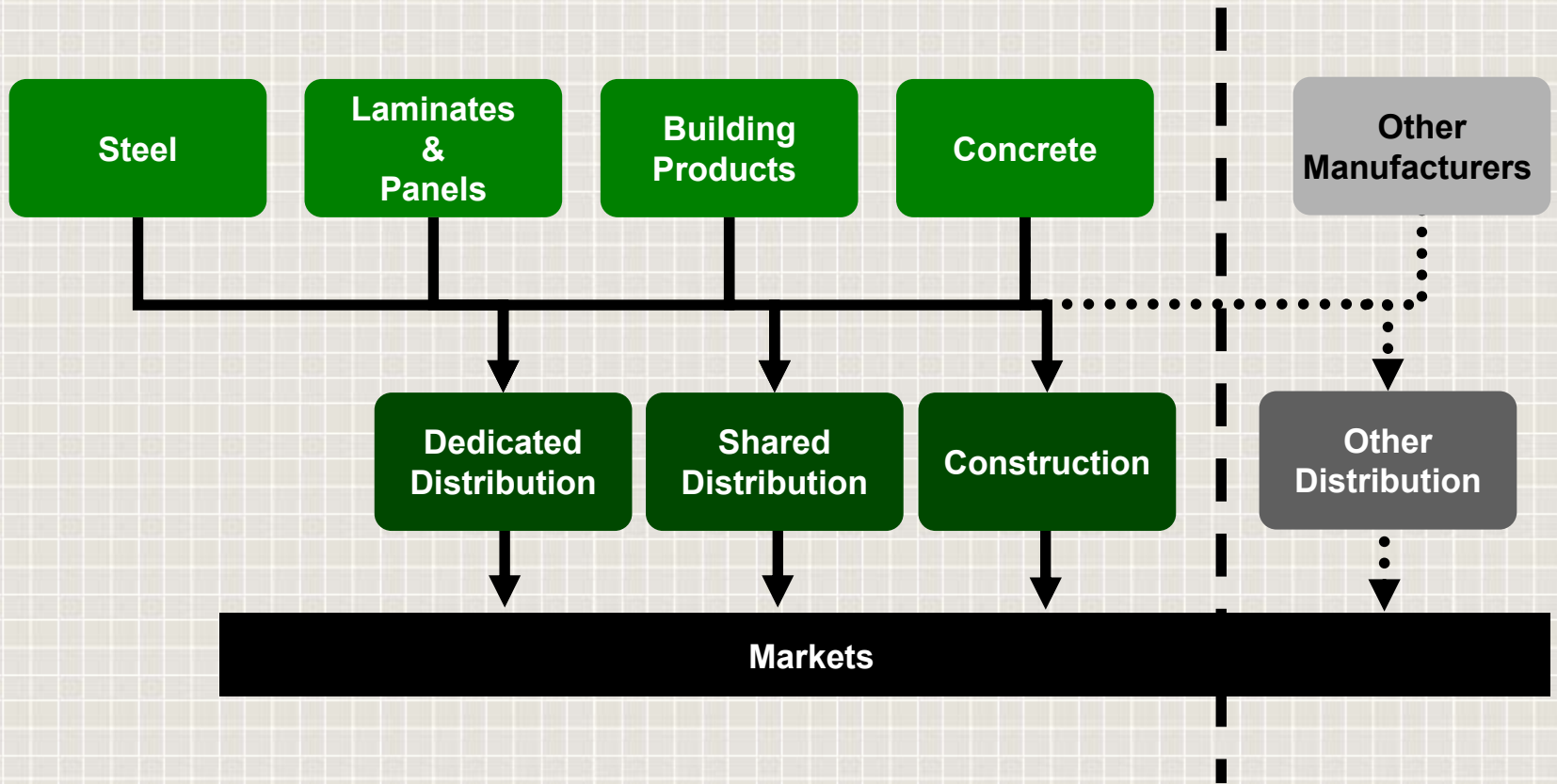
- Revenue up 4% to \$956 million
- Operating earnings down 7% to \$75 million
- Overall sales activity consistent with 2005 year
- Significant increase in retail competition
- Higher operating costs
 - refurbishments
 - new openings
- Continued branch development programme including acquisition of four stores since balance date

Laminates & Panels

- Revenue up 8% to \$1 billion
- Operating earnings up 8% to \$116 million
- Generally difficult market conditions with lower housing activity and only some regions of the commercial sector strong
- Marketing and new product initiatives – *Green First* Range, *Diamond Gloss* laminate, *Formica* flooring, *Essa Stone* range
- Increased costs offset operational efficiencies
- Two months contribution from O'Brien Laminates business acquired during the year

Strategic direction

A collection of businesses with strong strategic links



The strategies that have driven growth

- Improve earnings reliability
 - expansion into Australia
- Maintain and improve internal capabilities
 - increase capacity and efficiency
 - develop new products
 - further investment within the business
- External growth
 - further expansion within and outside Australia and New Zealand expected

Investing in our future

- New investments in the business
 - Dardanup (WA) particleboard upgrade
 - restore MDF capacity after Taupo fire
- Build on the performance-orientated culture
- Develop management capability
- Position to be able to take advantage of growth options available



Outlook

- Satisfactory performance expected for 2007 year
- Commercial building and infrastructure to offset housing markets
- Earnings for first four months of this year are slightly ahead of last year
- Comfortable with market consensus forecast for the year

