



FletcherBuilding

Annual Shareholders' Meeting 2002



FletcherBuilding

Annual Shareholders' Meeting 2002

Dr Roderick Deane
Chairman

○ Directors

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



○—Agenda

- Directors
- Auditor's Remuneration
- Constitution
- Share Placements
- Laminex Acquisition
- Capital Notes
- Other Business
- Questions/Comment





FletcherBuilding

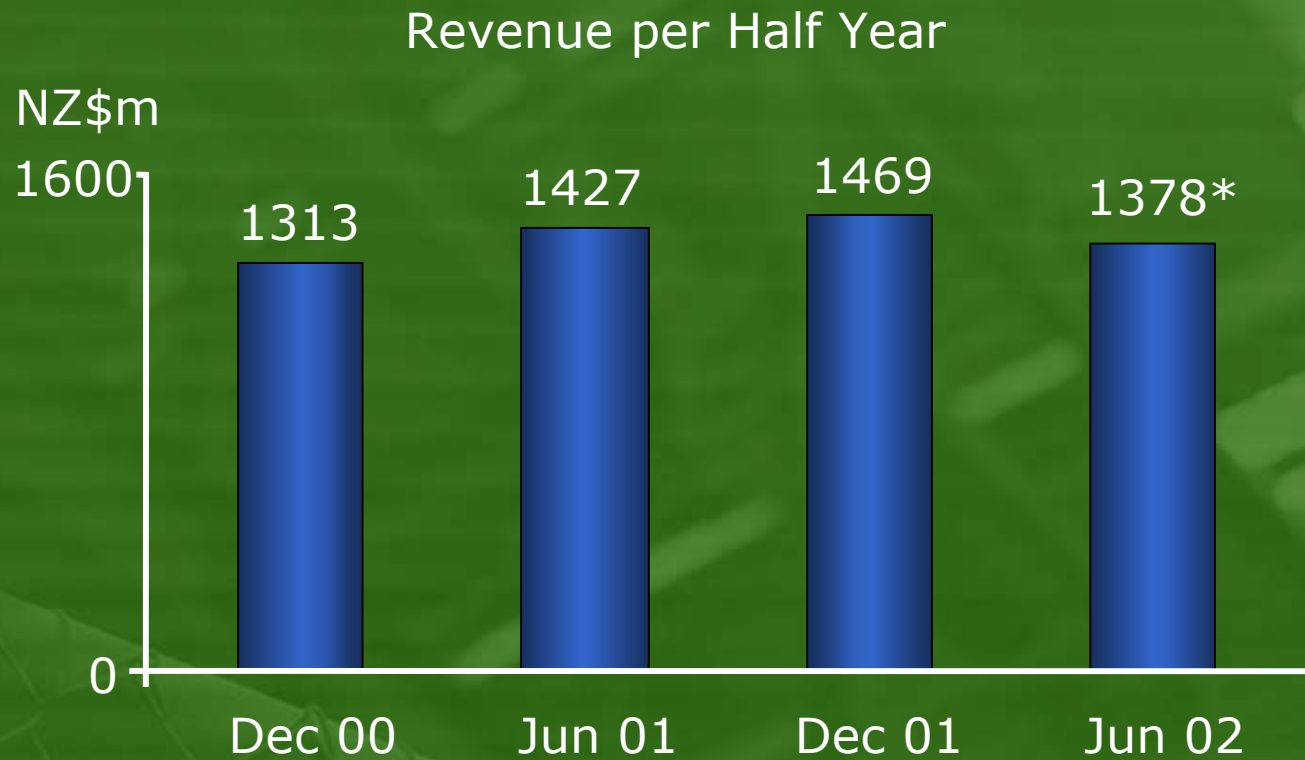
Earnings



Restated on a comparable basis



Revenue

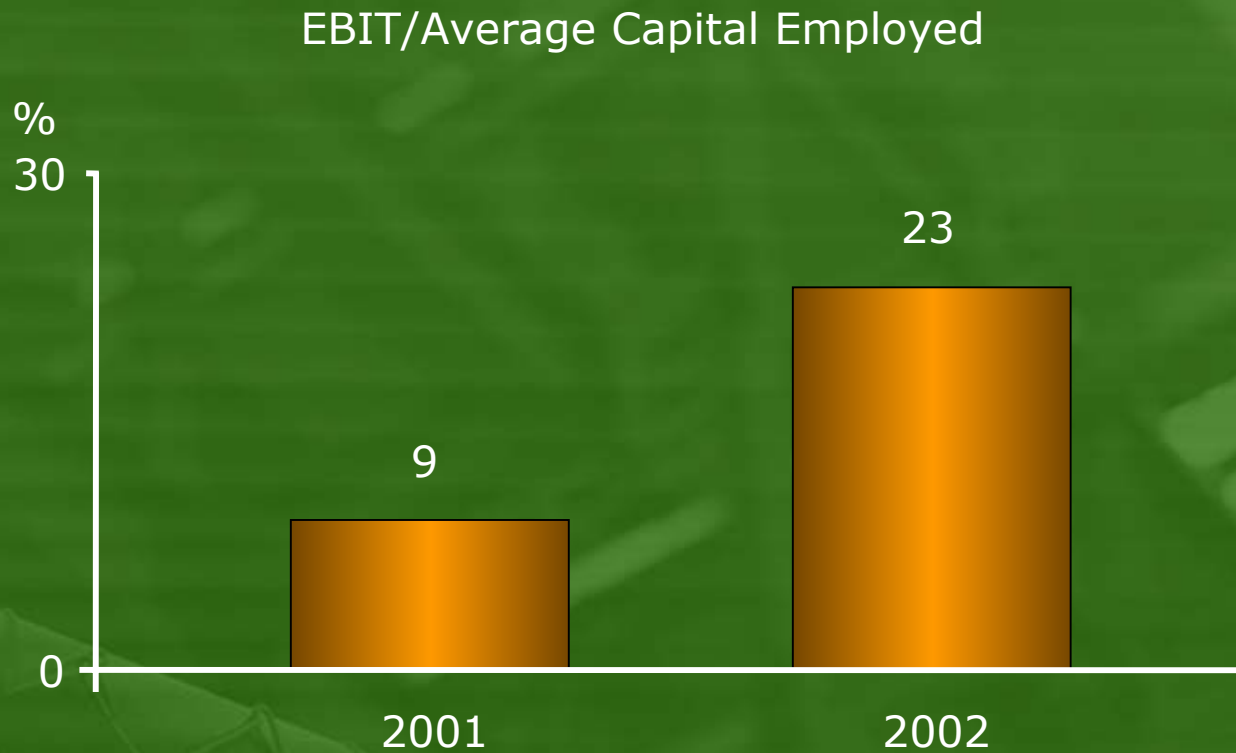


Restated on a comparable basis

* Sale of Construction Australia operations reduced revenue



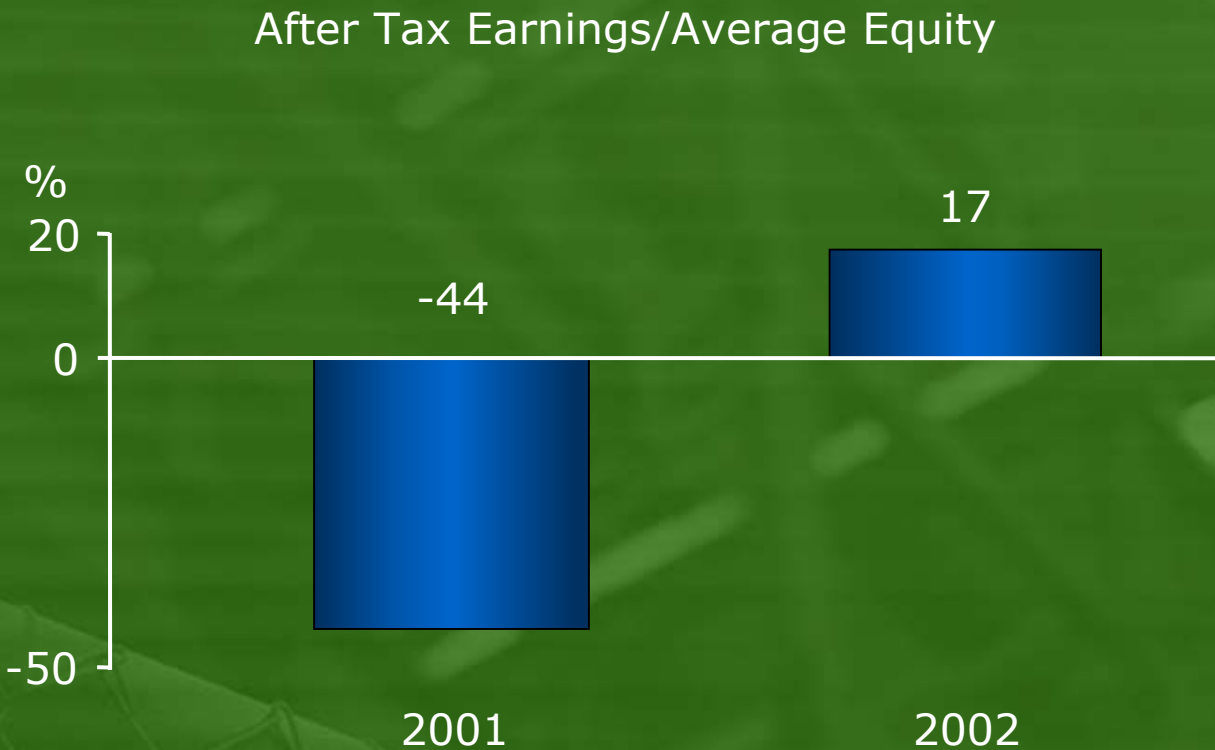
Return on Capital



Definition:
EBIT pre-unusuals/Average Net Debt + Equity + Capital Notes - Deferred Tax Asset



Return on Equity



Definition: Net Earnings after Capital Notes Interest/Average Equity



○ Divestments

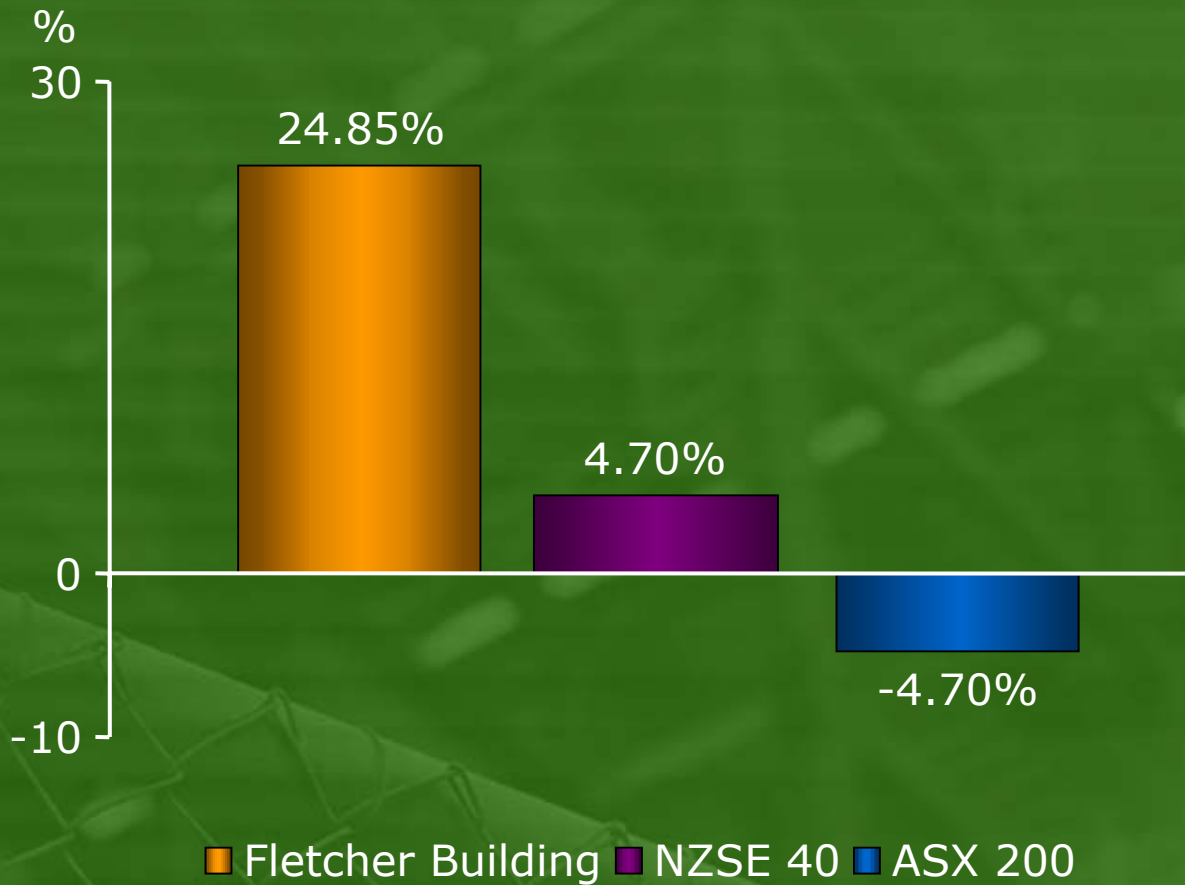
- Cyclone Wire
- Fletcher Construction Australia
- Co-generation, Australia
- Fletcher Aluminium, Australia
- Concrete, Bolivia



○ Share Price



Total Shareholder Return





FletcherBuilding

○ Governance

- 1 executive director, of 7
- Board Committees
 - Remuneration
 - Audit
- Executive Sessions
- Advisory/Consultancy limits
- Written Policies
 - insider trading
 - conflicts of interest



○ Governance

- Directors' shareholdings
- Delegated authorities
- Compliance reports
- Committee charters
- Disclosure framework





FletcherBuilding

○ **Laminex Acquisition**

- Enhances the Group's position
- No effect on domicile/identity
- Addresses the issue of growth



○ **Laminex - Attributes**

- High quality exposure in Australia
- Exports to Asia
- Strong New Zealand position
- Growth record
- Proven management
- Synergy benefits
- Performance prospects





FletcherBuilding

○—Laminex - Price

- A\$645 million plus up to A\$20 million on performance
- Approximately 6 times projected earnings
- Immediately positive to earnings per share



○ **Laminex - Placement**

- 43.7 million shares @ NZ\$2.95 placed on 18 September 2002
- Favourable reaction - NZ\$0.14 above then market price





FletcherBuilding

○ Capital Notes

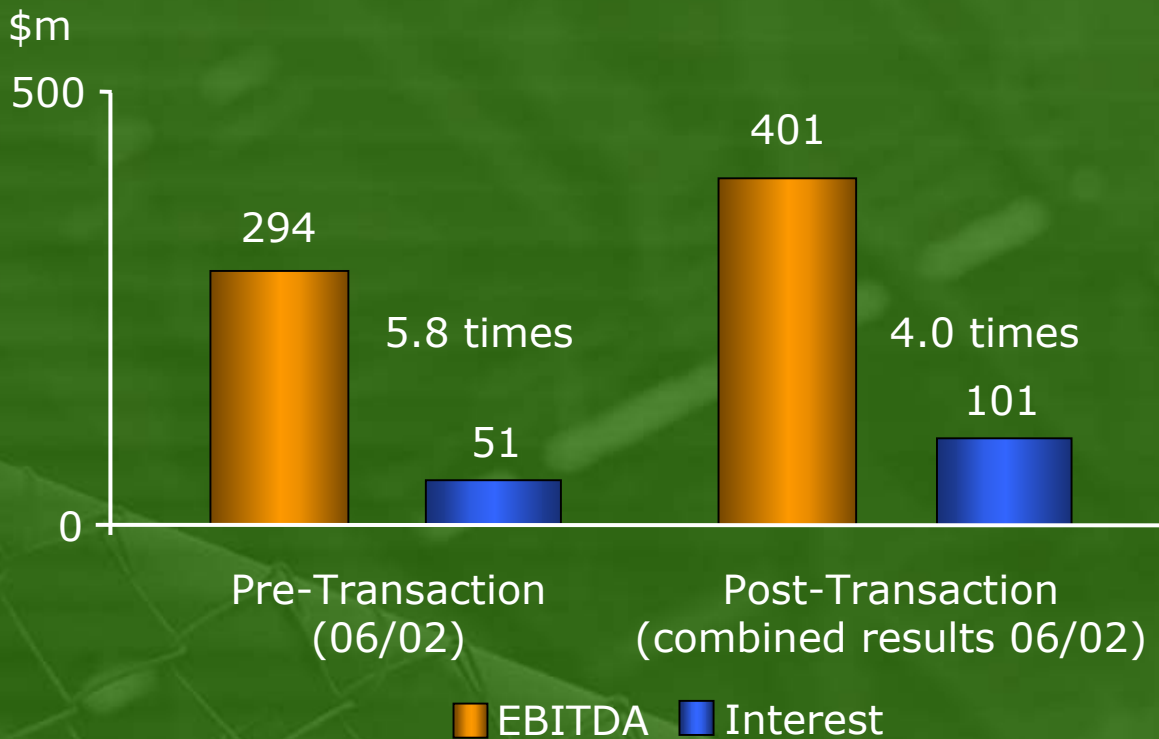
- \$150 million new issue
- Five Years minimum 8.6%
- Seven Years minimum 8.85%
- \$25 million preferential pool





FletcherBuilding

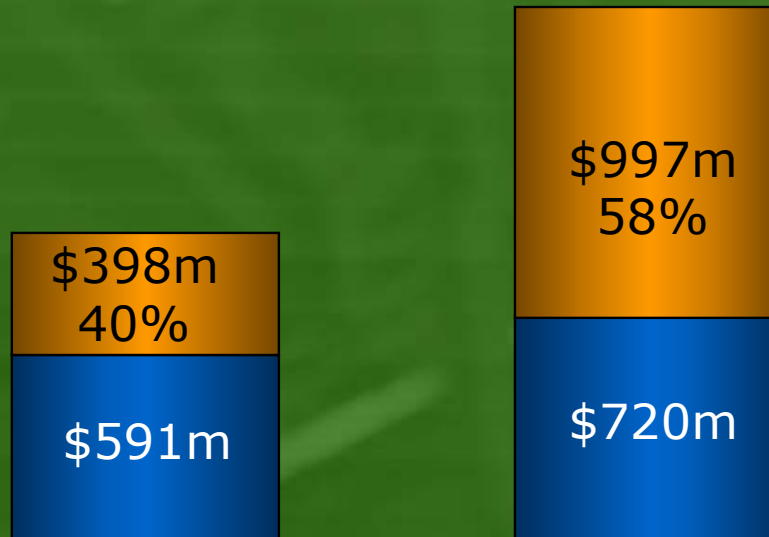
Interest Cover



Gearing

Net Debt : Net Debt + Equity

Net Debt
Equity



Pre-Transaction
(06/02)

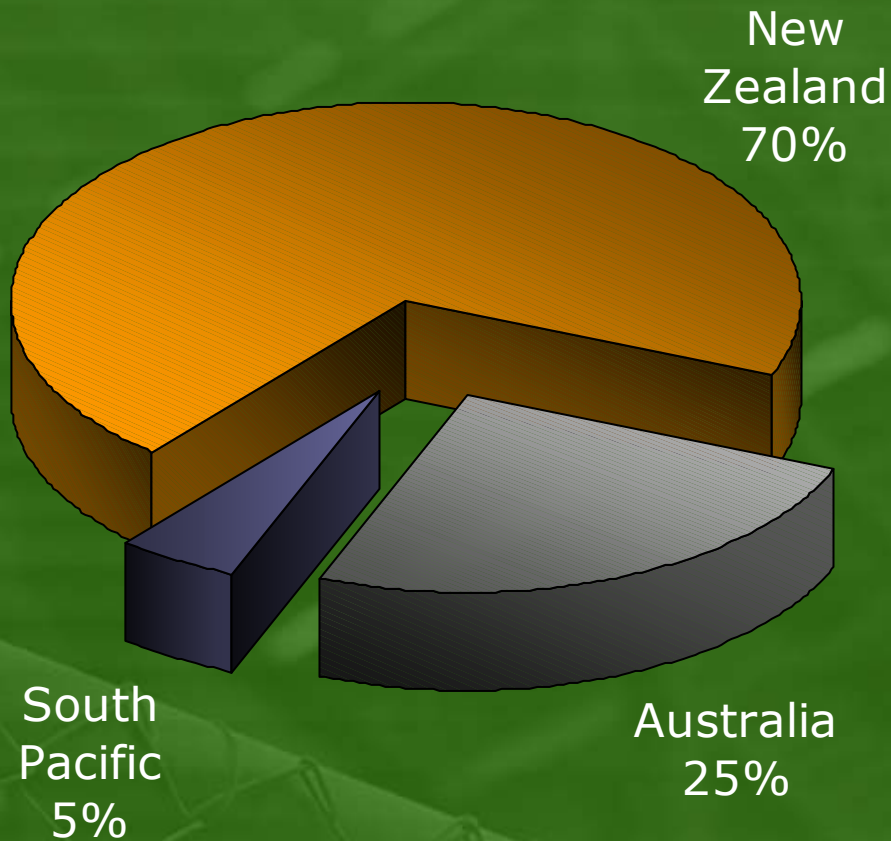
Post-Transaction
(combined balance sheets 06/02)



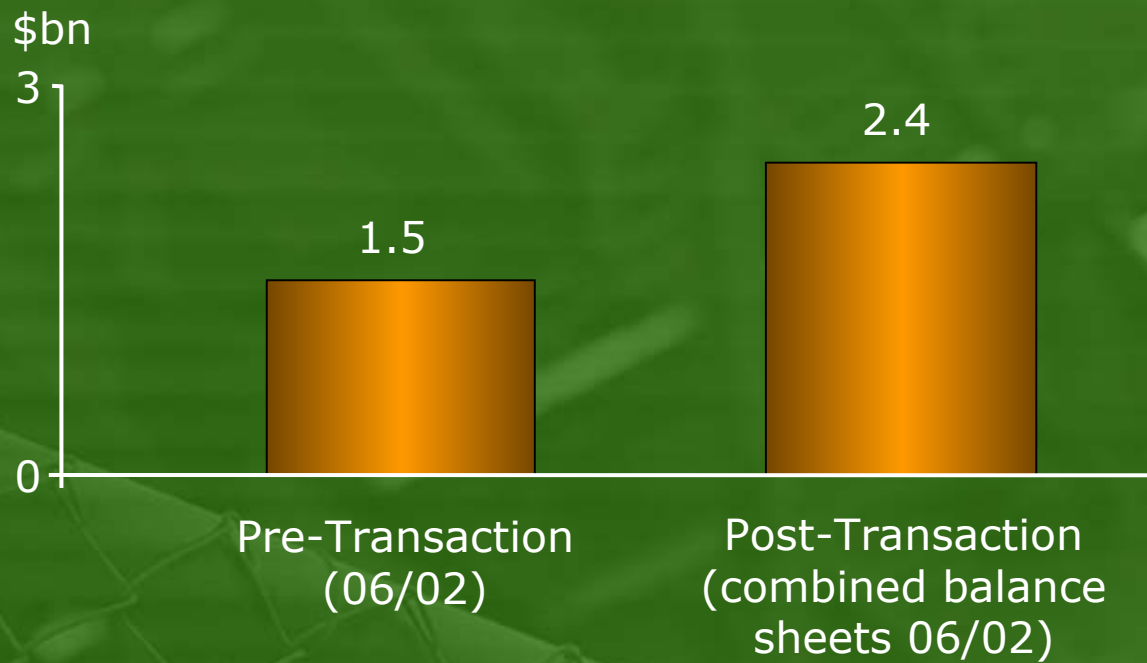


FletcherBuilding

Revenue Share



Assets



○— **New Zealand Manufacturing Positions**

- Plasterboard
- Woodpanels
- Aluminium
- Steel
- Aggregates
- Cement
- Concrete Products
- Construction



○—Australian Positions

- Decorative surfaces
- Woodpanels
- Associated products



○ Distribution

- New Zealand
 - Construction
 - Trade and retail outlets
- Australia
 - Laminex specialised distributors
 - Licensed distributors



○—Enhanced Performance Prospects

- Higher average growth rates in Australia
- Hedge against New Zealand economic cycles



○ Board Recommendation

**UNANIMOUS SUPPORT
FOR APPROVAL**





FletcherBuilding



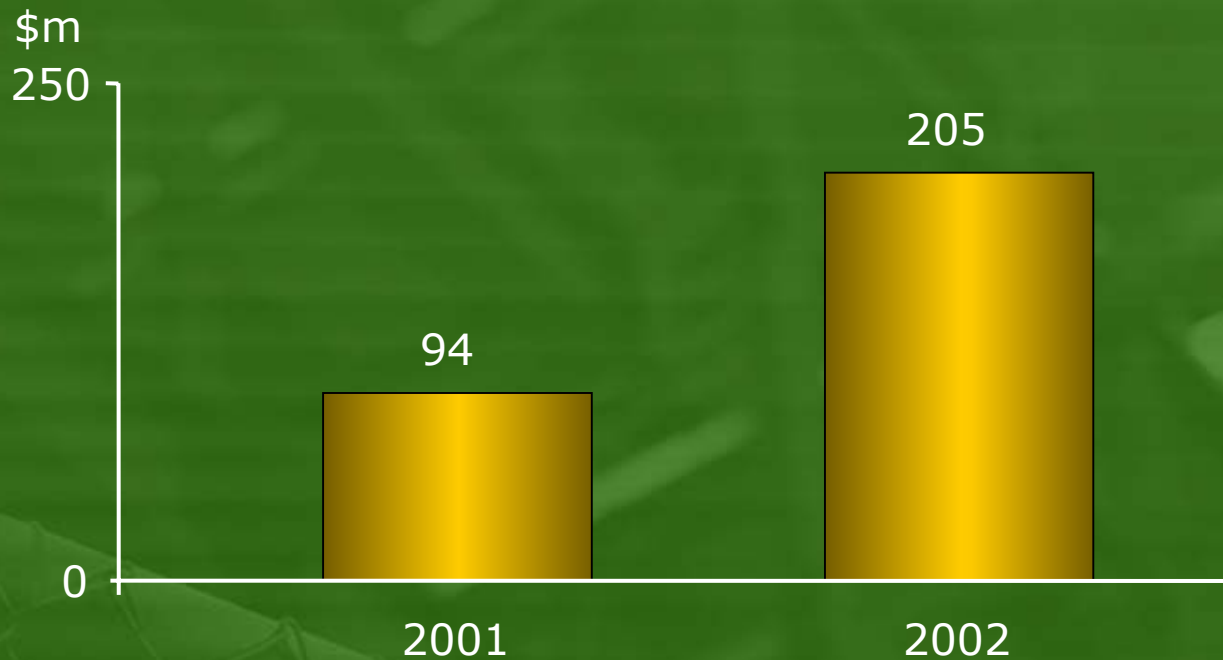
FletcherBuilding

Annual Shareholders' Meeting 2002

Ralph Waters
Chief Executive Officer

EBIT

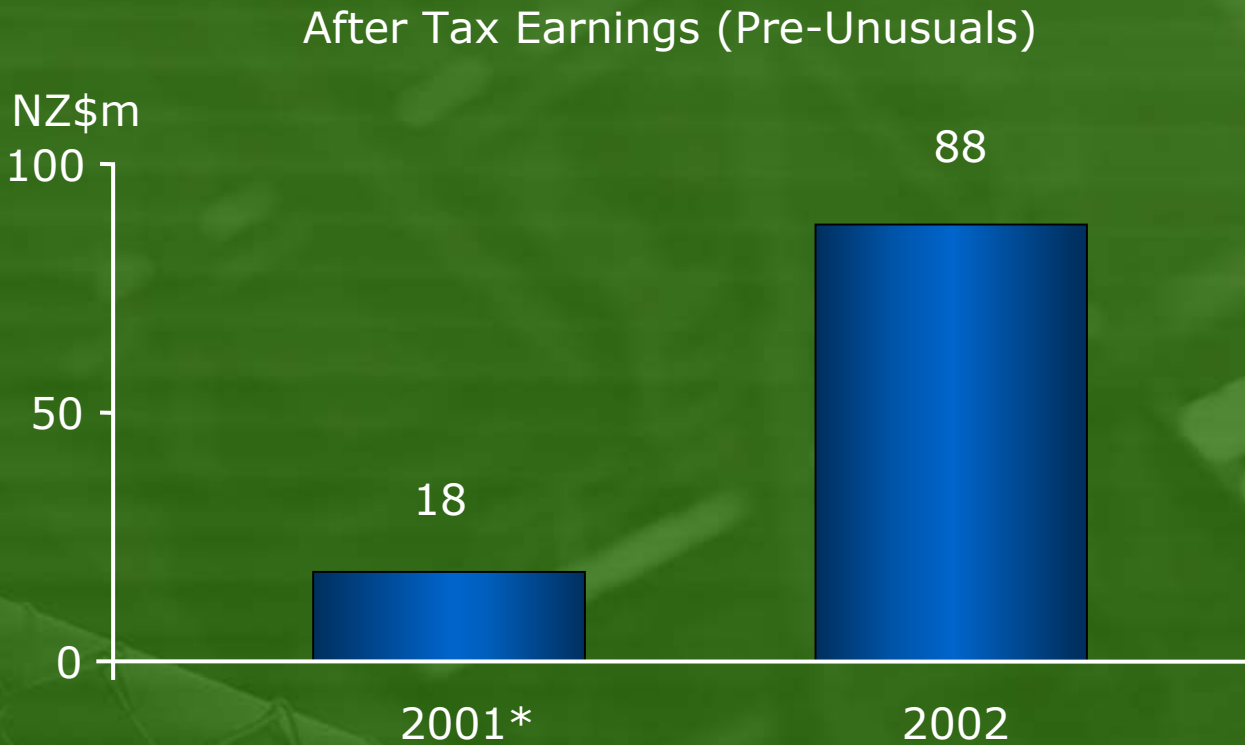
Earnings Before Interest & Tax (Pre-Unusuals)



Restated on a comparable basis



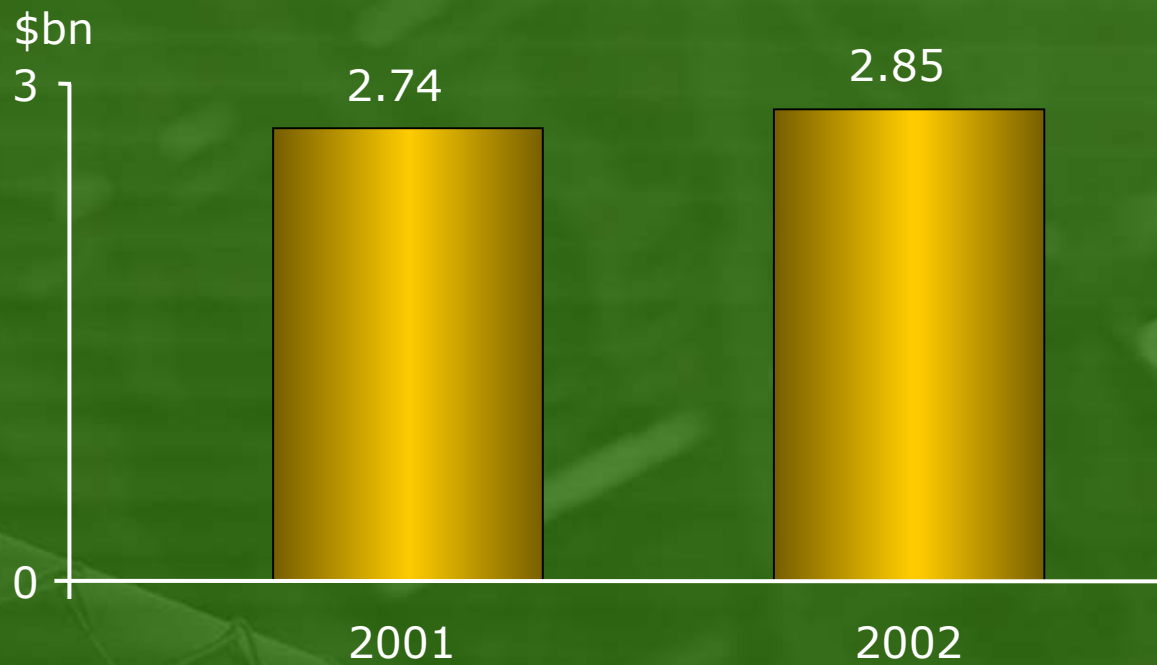
Earnings



* Adjusted for Capital Notes Interest



Revenue



Restated on a comparable basis



○ Major Influences

- Improved operating margins
- Reduced overheads
- Improved trading conditions in New Zealand



○ Building Products

\$m	June 2002 12 Months	Pro Forma June 2001 12 Months	Change
Revenue	820	840	-2%
Operating Profit (EBIT)	85	58	+47%
Margin	10.4%	6.9%	+51%
Funds	433	450	-4%
Return on Funds	19.6%	12.9%	+52%



○ Building Products

Upstream Steel



Plasterboard



Panel / Hardware Distribution



Woodpanels



Downstream Steel



Concrete

\$m	June 2002 12 Months	Pro Forma June 2001 12 Months	Change
Revenue	470	454	+4%
Operating Profit (EBIT)	60	31	+94%
Margin	12.8%	6.8%	+88%
Funds	416	485	-14%
Return on Funds	14.4%	6.4%	+125%



○ Concrete

Cement



Aggregates



Readymix



Concrete Products



Pipes



Peru



Bolivia



— Construction

\$m	June 2002 12 Months	Pro Forma June 2001 12 Months	Change
Revenue	871	808	+8%
Operating Profit (EBIT)	30	5	+500%
Funds	-95	-59	-61%



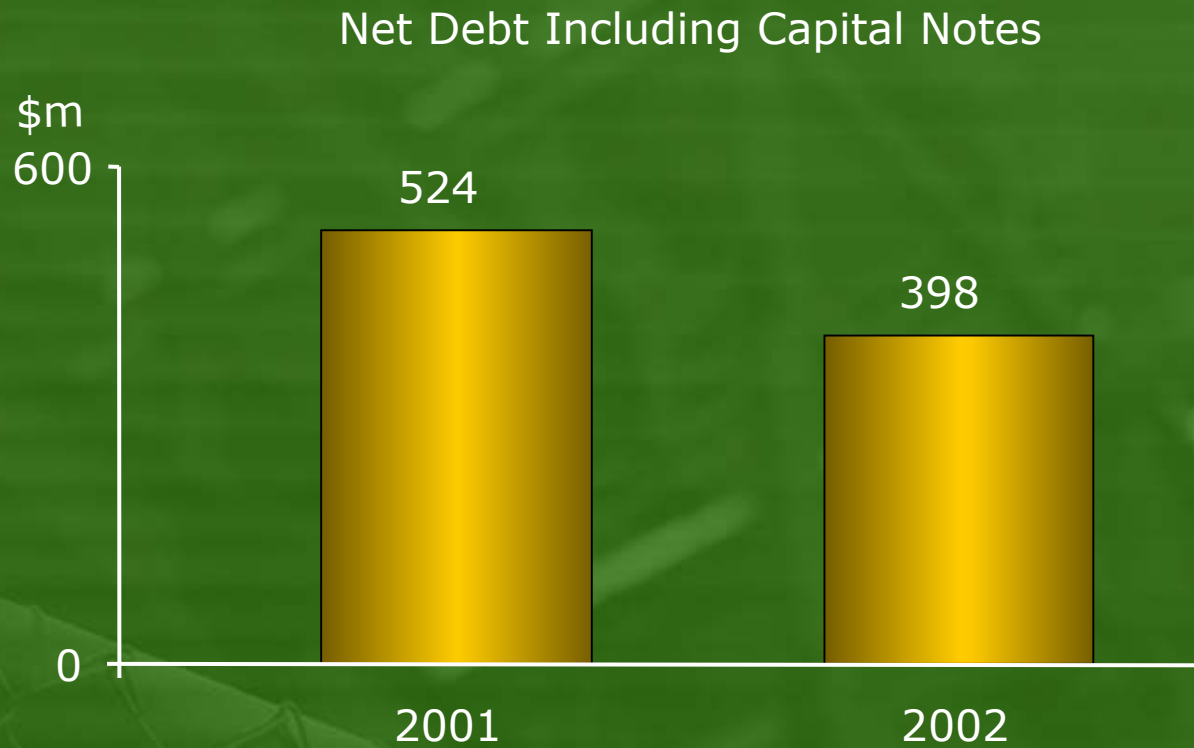
— Distribution

\$m	June 2002* 12 Months	Pro Forma June 2001* 12 Months	Change
Revenue	686	638	+8%
Operating Profit (EBIT)	34	18	+89%
Margin	5%	2.8%	+79%
Funds	101	92	+10%
Return on Funds	33.7%	19.6%	+72%

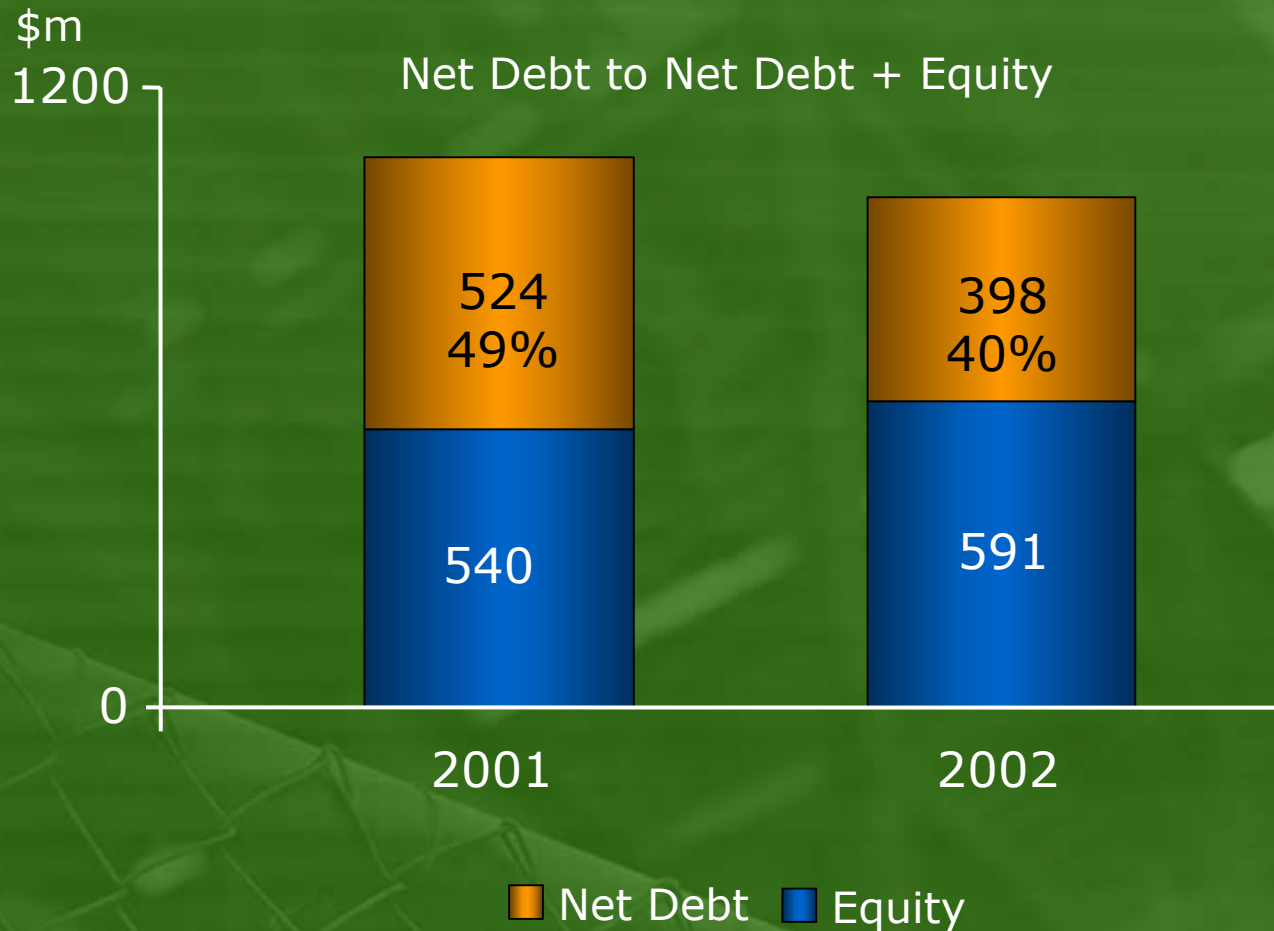
* Restated to incorporate changes to accounting treatment on a comparable 12 months basis



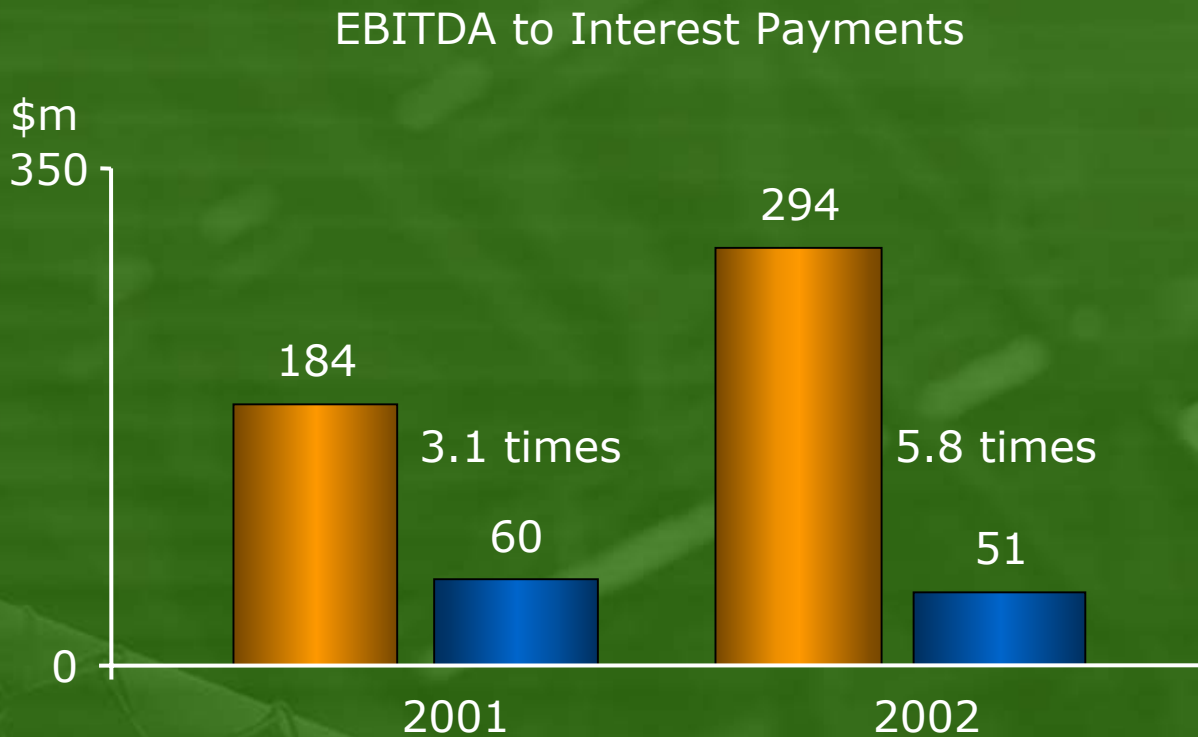
○ Reduced Debt



Gearing



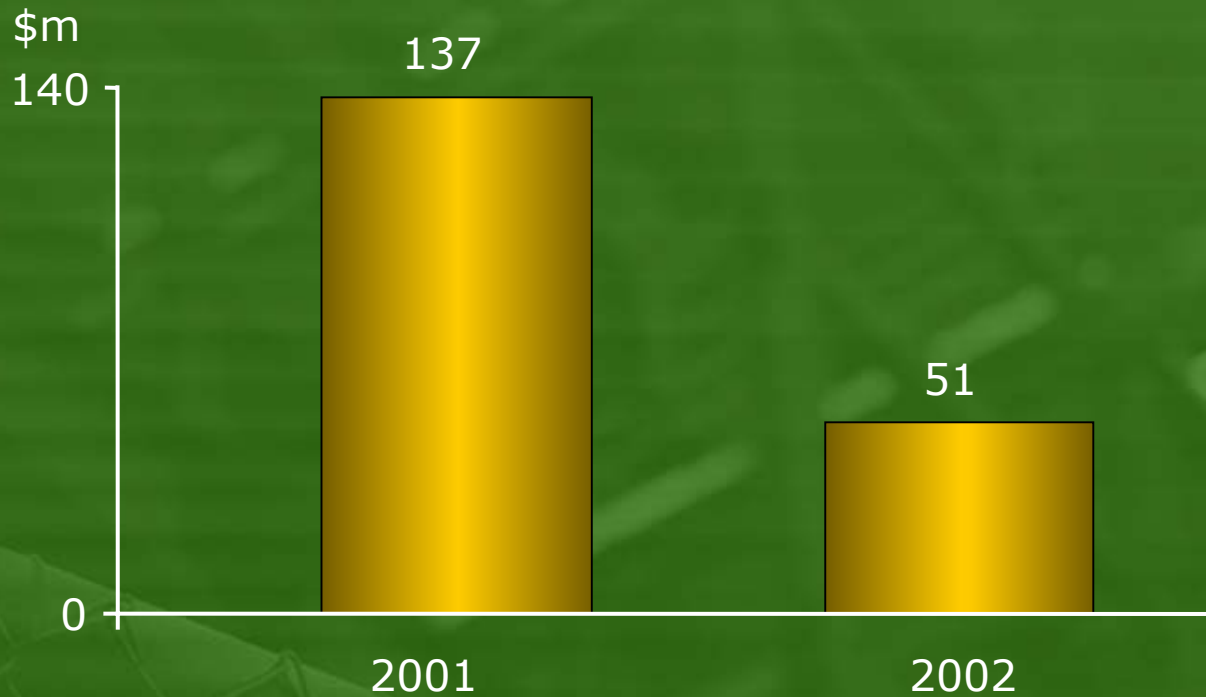
Interest Cover



Restated on a comparable basis



Capital Expenditure



2001 includes \$50m acquisition of co-generation assets





FletcherBuilding

TRUE COLOURS

THE **laminex** GROUP

○ **Laminex**

- Preferred geography
- Familiar industry
- Compatible operations
- Strong market positions
- Capable management



○ Laminex

Premium Decorative Surfaces

Laminates for

- benchtops
- cabinet linings
- marine panels



○ Laminex

Premium Decorative Surfaces

Woodpanels for

- cupboards
- furniture
- fittings



○ Laminex

Trade Woodpanels

Medium Density Fibreboard for

- cupboards
- benches
- furniture



○ Laminex

Trade Woodpanels

Particleboard for

- furniture
- shelving
- flooring
- substrates



○ Laminex

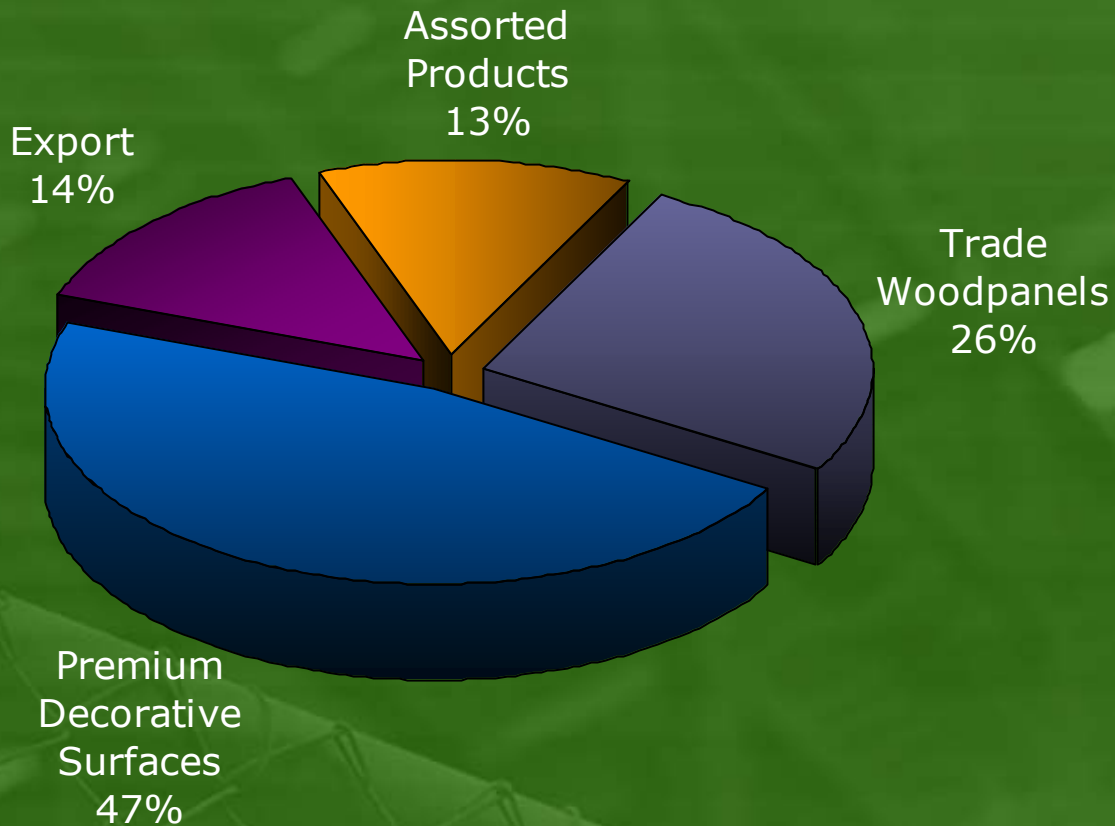
Assorted Products

- Timber
- Veneer panels
- Doors
- Vanity units
- Components

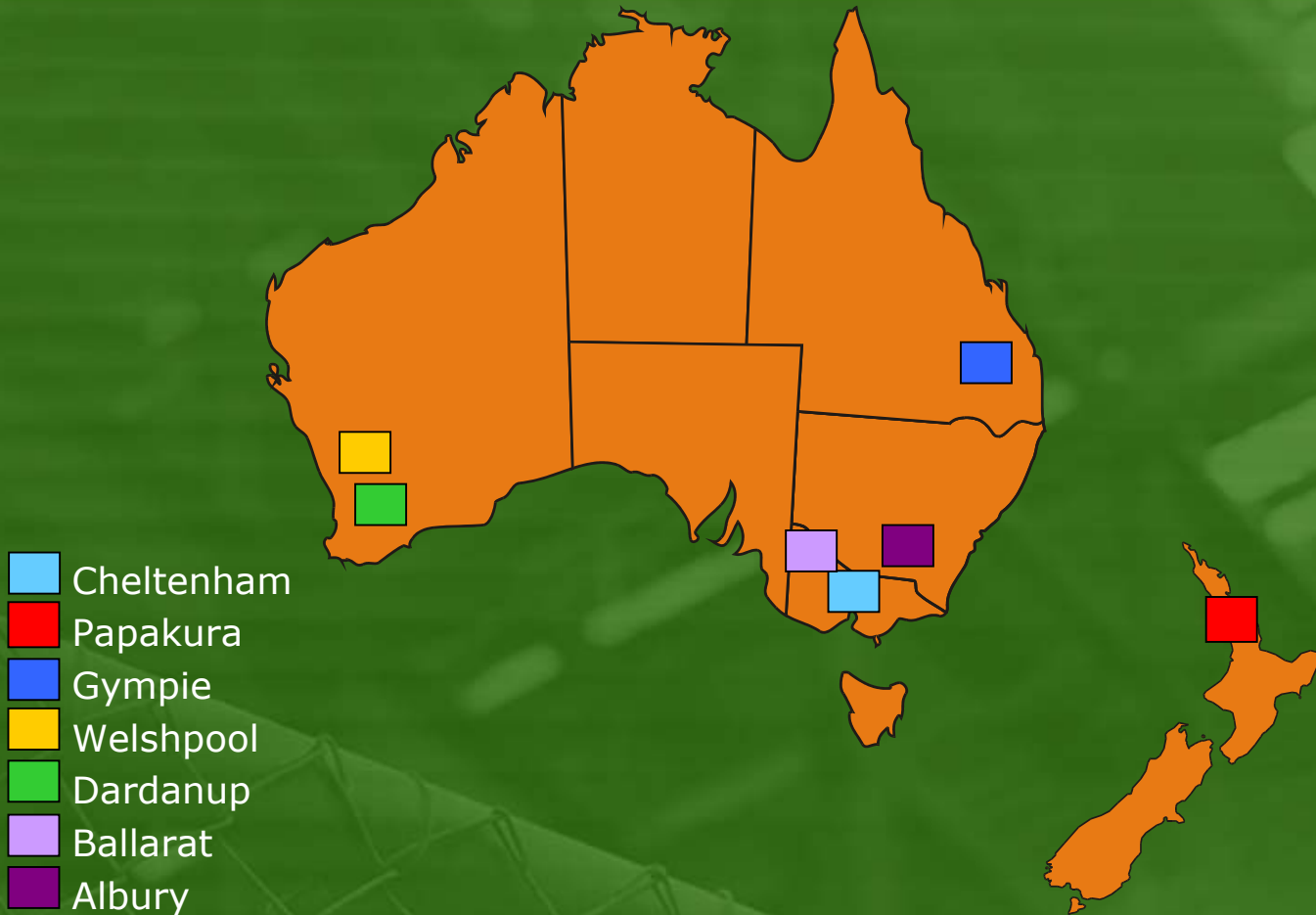


Laminex

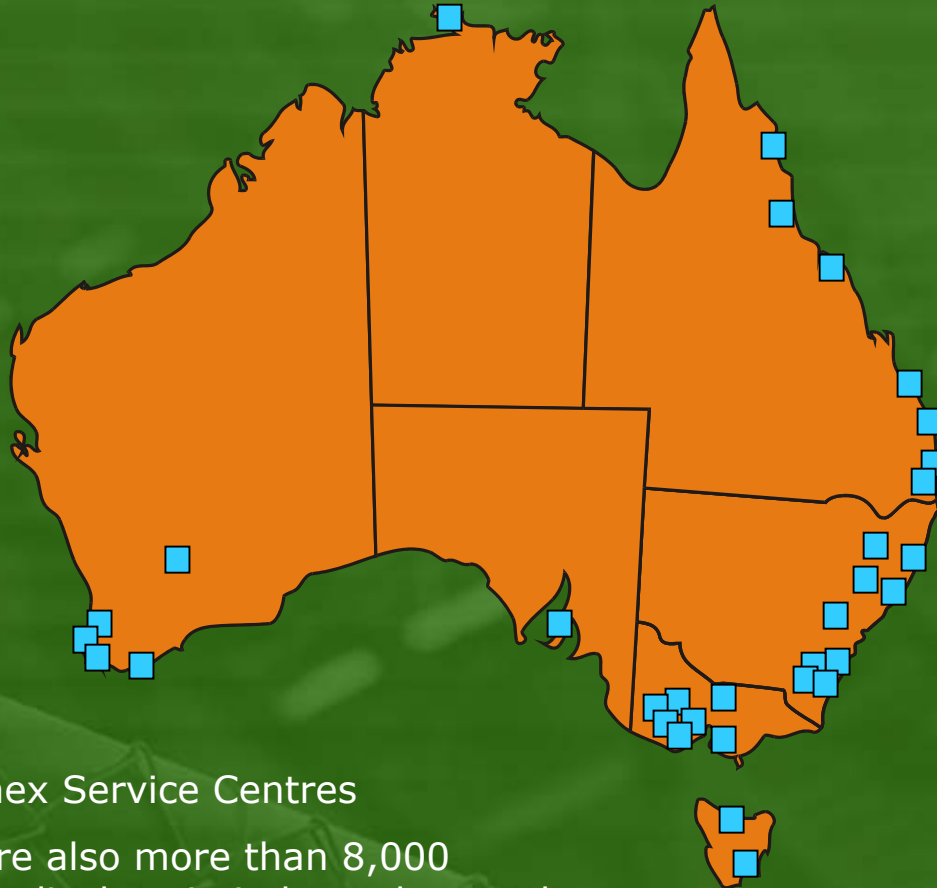
FY02 Revenue



Laminex Production Facilities



— Laminex Distribution Network



■ Laminex Service Centres

There are also more than 8,000 Laminex displays in independent outlets.



— Laminex Exports to Asia

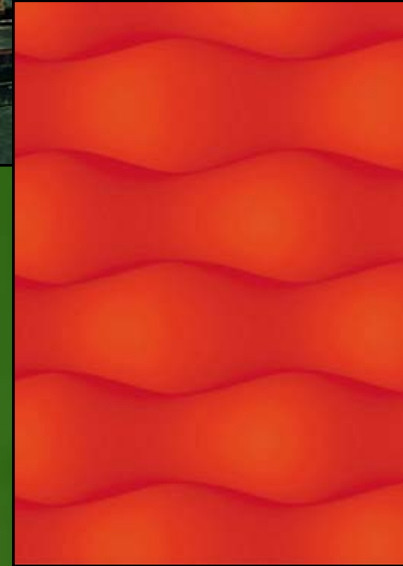
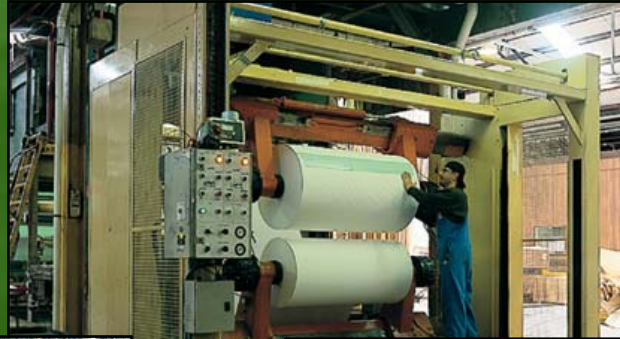


○ Industry Structure Enhanced

- Formica acquisition
August 1999
- Wesfi acquisition
February 2001



○ Laminex Product Development



○ Laminex Earnings

	Years ended 30 June			
A\$m	1999	2000	2001	2002
Sales Revenue	284	380	438	608
EBITDA before Unusual Items	53	68	64	88
EBIT before Unusual Items	37	50	40	58

Internal growth and acquisitions



○ Laminex

Potential for synergies in related activities

	Manufacturing	Distribution	Exporting
Fletcher Building	New Zealand	New Zealand	Australia Asia
Laminex Group	Australia New Zealand	Australia	New Zealand Asia





FletcherBuilding