



CLSA Investors' Forum 2003 – Hong Kong

**Bill Roest
Chief Financial Officer**

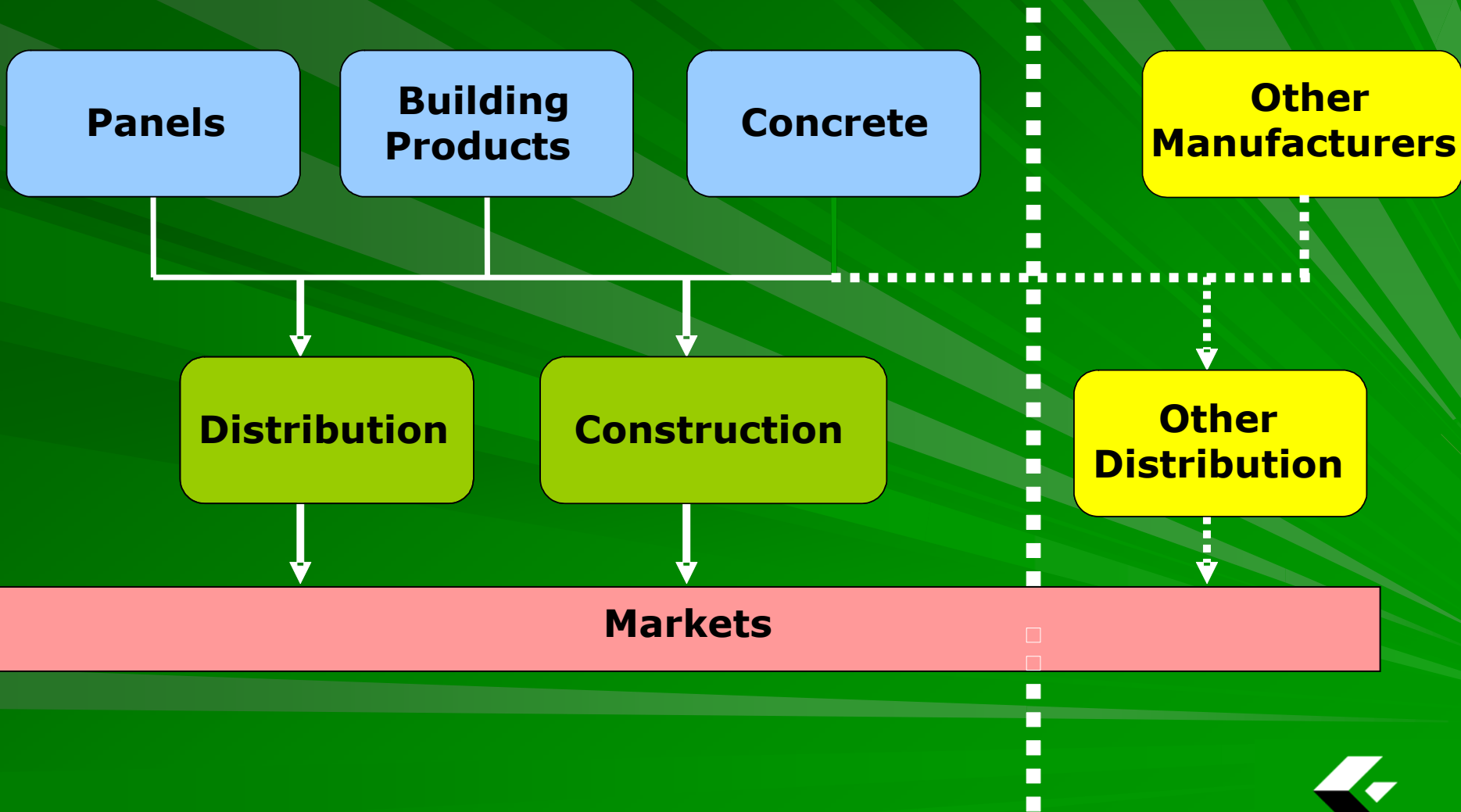
September 2003

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
- ❑ Strong market shares in all its building sectors
- ❑ Standalone company since March 2001
- ❑ NZ\$3,200+ million revenue; NZ\$1,800+ million ≈ market capitalisation
- ❑ FBU is listed on NZSE and ASX
- ❑ Full information on www.fletcherbuilding.co.nz



What is unique about FBL



Why this combination?

- ❑ New Zealand market size
- ❑ Makes import entry or new large-scale manufacturing very difficult
- ❑ Maintains viable manufacturing positions in New Zealand
- ❑ “Composite” distributor for many FBL products
- ❑ 100% share through construction

The Outcomes

No.1 Positions



Gypsum board



Readymix concrete



Building materials distribution

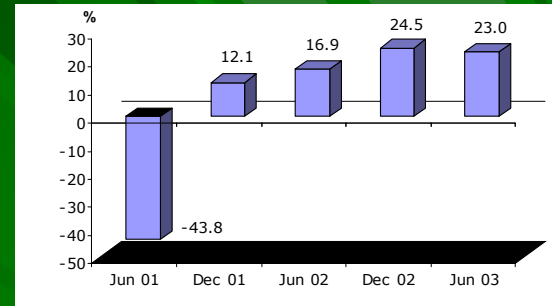


Painted flat steel



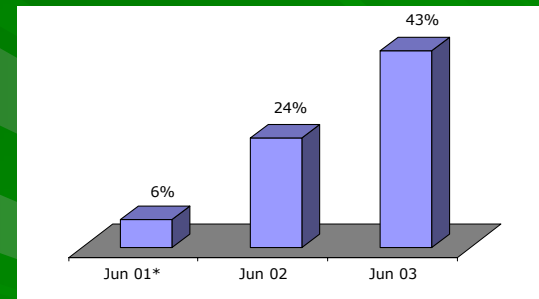
FLETCHER CONSTRUCTION

Return on Average Equity*



* Net earnings after capital notes interest/shareholders funds

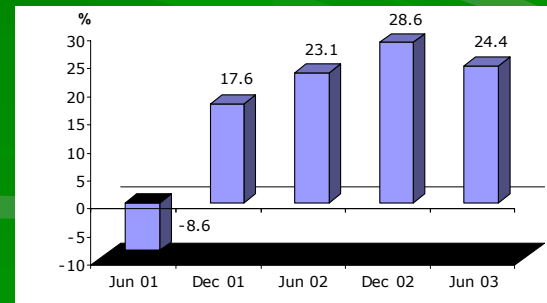
Total Shareholder Return (TSR)



* June 01 is the return for the 3 months from separation date

** TSR calculated ((Gross Dividend Paid + Movement in Share Price)/Opening Share Price)

Return on Average Funds*



* EBIT/(Average net debt+equity+capital notes) - deferred tax asset



Fletcher Building

Strategies

- ❑ **Portfolio Management**
 - concentration to fewer higher return businesses

- ❑ **Grow in New Zealand**
 - support core businesses and grow where opportunities arise

- ❑ **Achieve Australian Expansion**
 - decrease volatility in earnings and provide path for future growth



Australian Expansion - Criteria

- No.1 or No.2 in industry
- Good industry structure
- Good management in place and staying on
- EVA positive within two years

Australian Expansion - Execution

Acquired

The Laminex Group

Tasman Building Products

No.1 in

Decorative laminates & panels

Insulation & roofing

Revenue

A\$650+ million

A\$270+ million

EBITDA

A\$100+ million

A\$40+ million

Complements

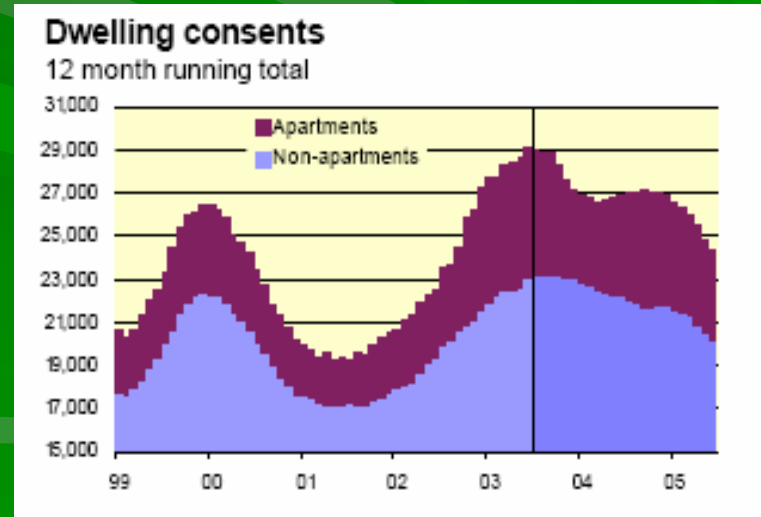
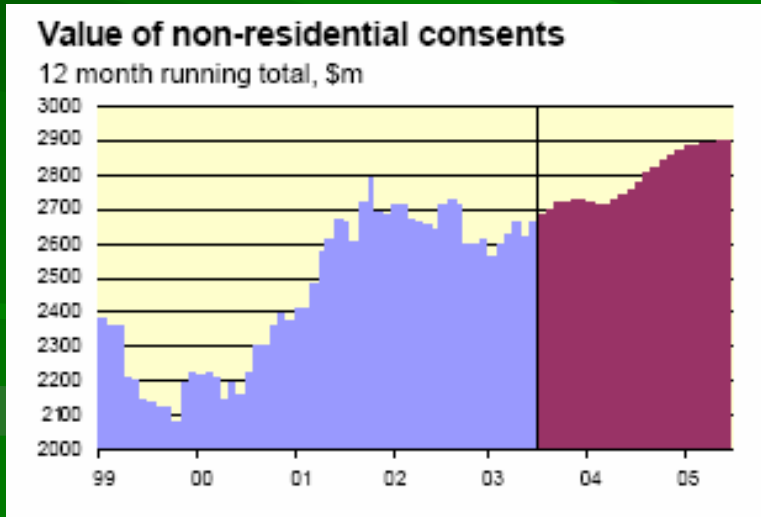
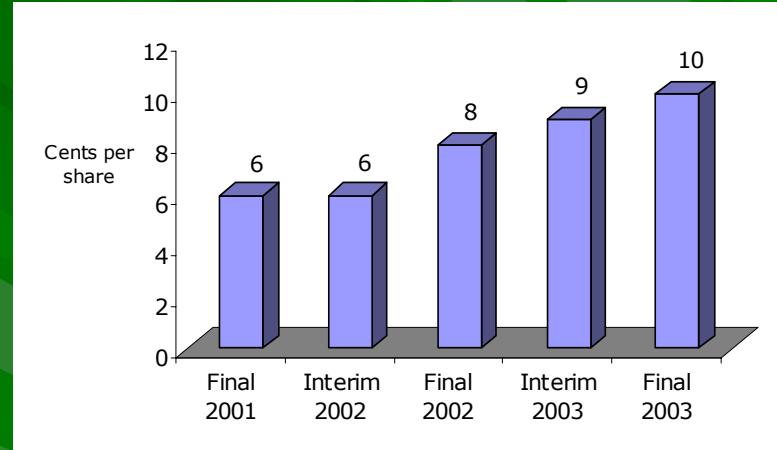
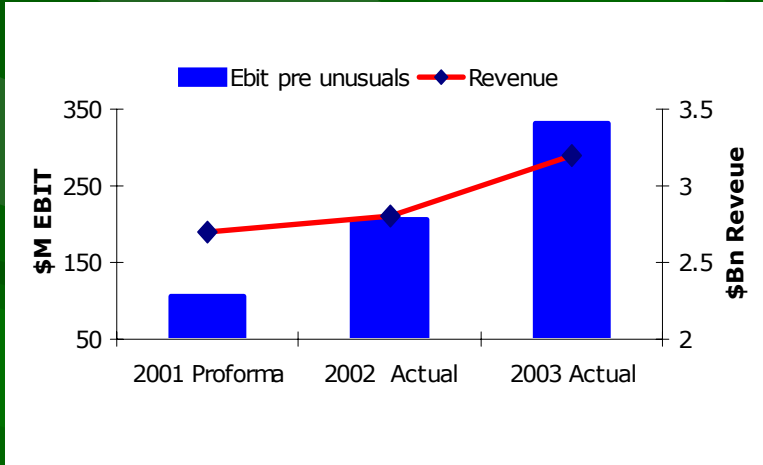
Existing NZ\$300m decorative laminates and panels business

Existing Building Products business



Financial Impact

Dividend



The Future & Outlook

- Earnings reliability
- Targets? No profit declines
- Add building materials in Australia or New Zealand
- Must meet previous criteria
- Grow the laminates/panels business into Asia

