



**NZX Australasian Media Day
November 2003**

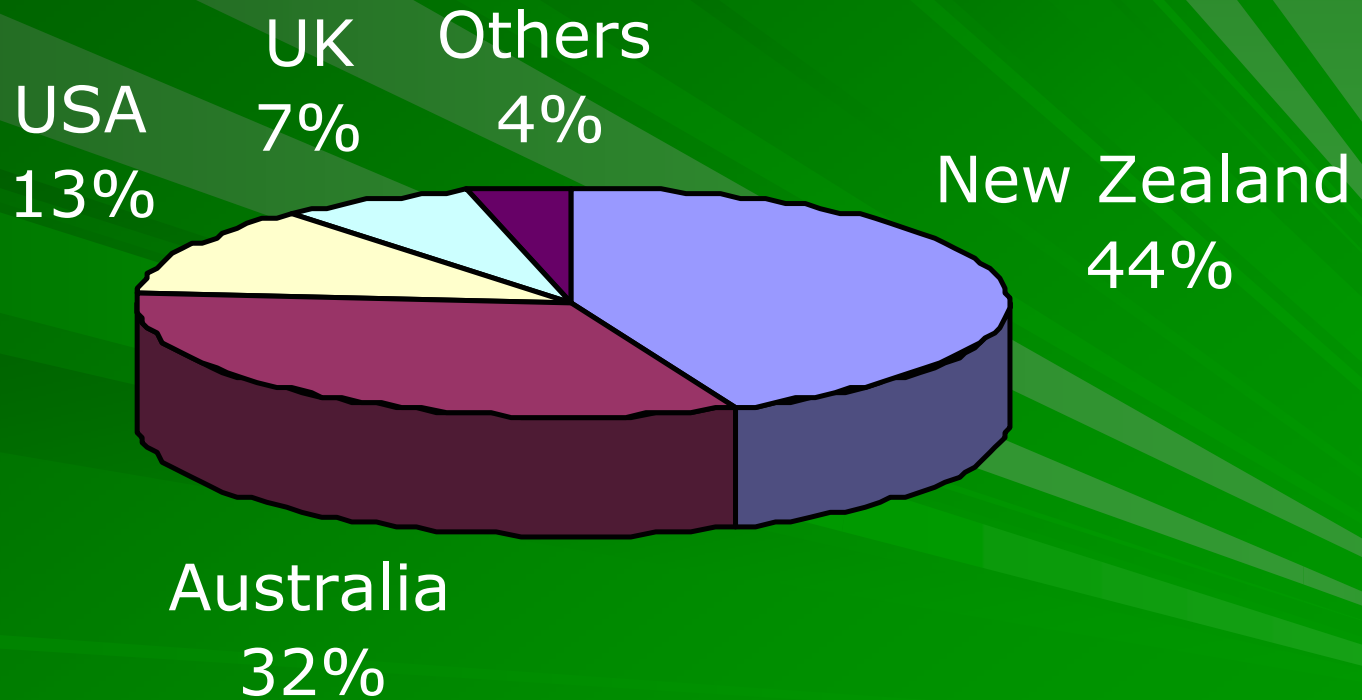
Ralph Waters
Chief Executive Officer

Fletcher Building

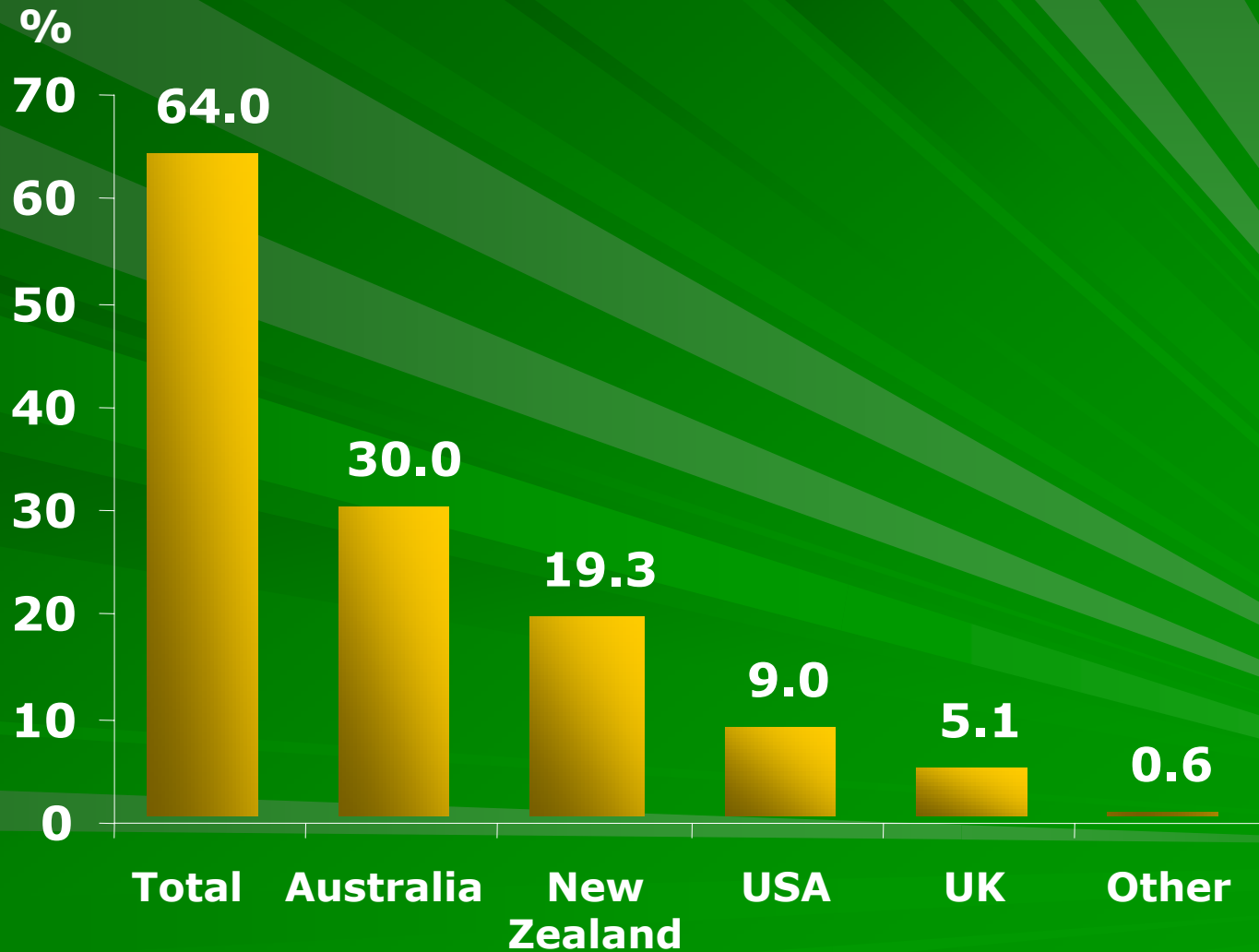
- One of New Zealand's top industrial companies with a history going back to the early 1900's
- The leader in the NZ building industry
- NZ\$3.6 billion revenue; NZ\$1.8 billion market capitalisation
- FBU is listed on NZX and ASX
- Strong market shares in all its building sectors
- Full information on www.fletcherbuilding.co.nz



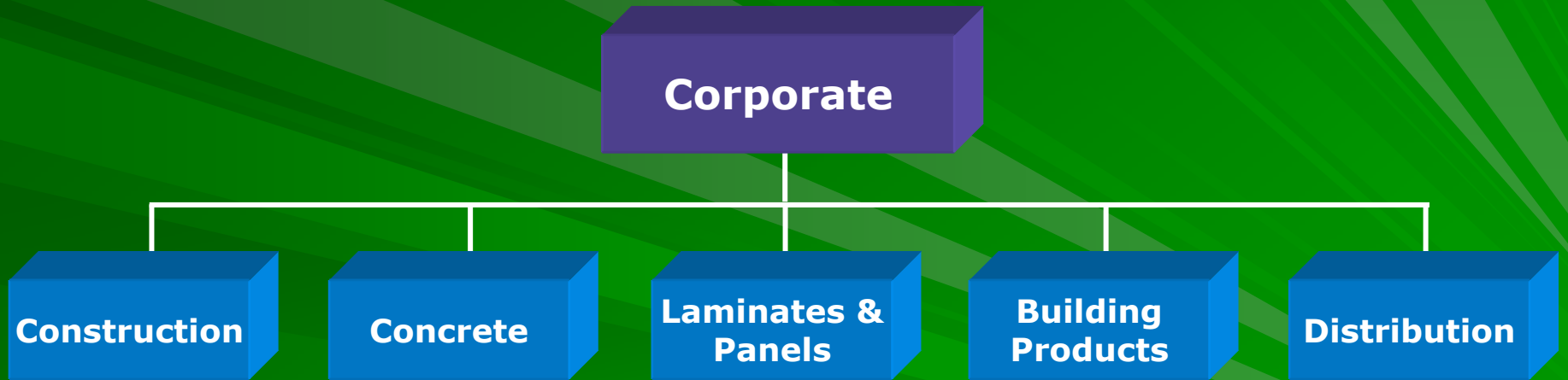
Shareholders Analysis Domicile Sept 03



Shareholder Analysis Top 25 Shareholders

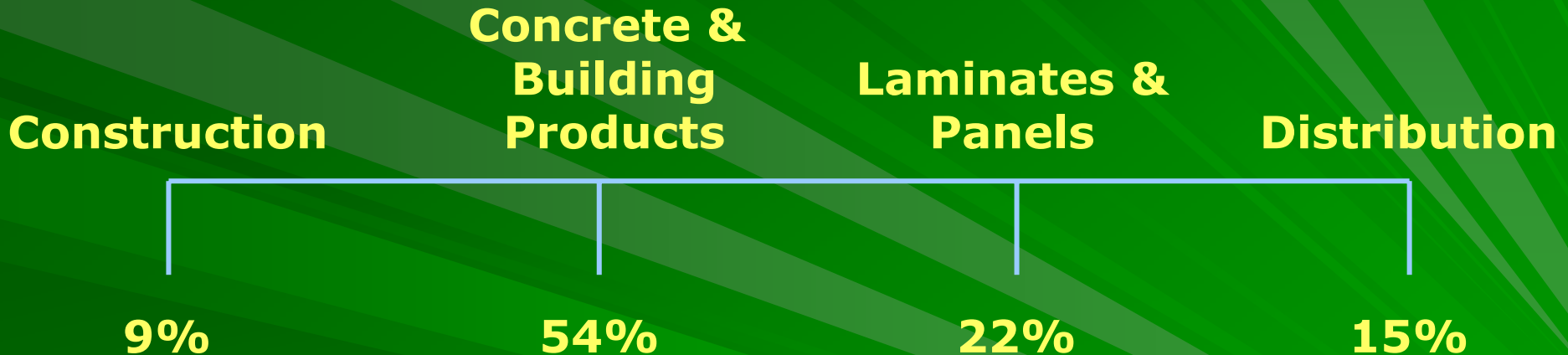


The Business



What is Fletcher Building?

Earnings Make Up



- Not a construction company
- Not a distribution business
- A building materials manufacturer with two special channels to market

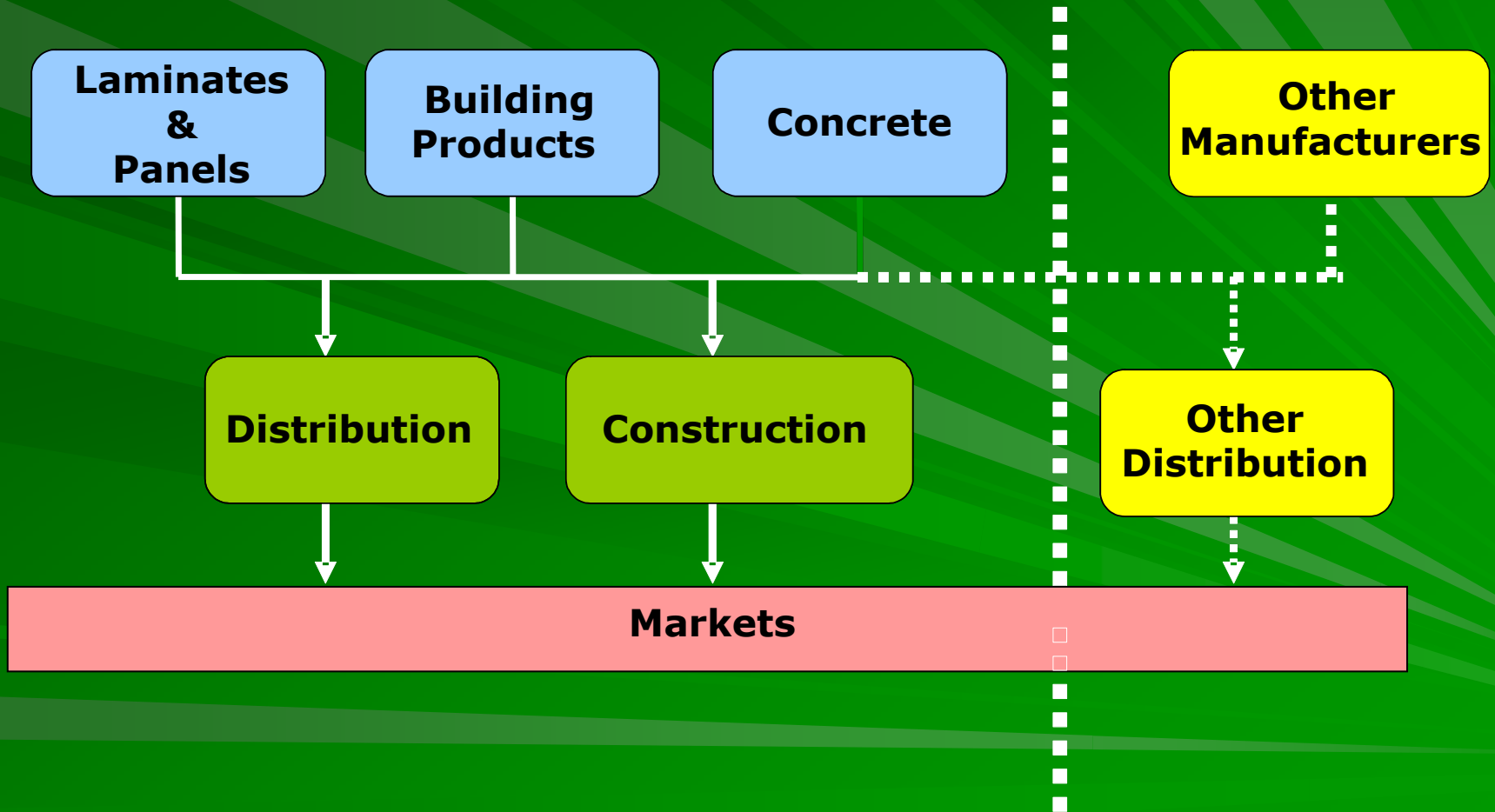
Why Like This?

- ❑ No other similar companies that combine construction / manufacturing / distribution

- ❑ NZ market size too small for normal distribution methods and thus PlaceMakers – a composite distributor for FB and others

- ❑ Construction an important channel that also
 - delivers high returns
 - maximises FB share of materials
 - is defensive against imported materials

The Fletcher Building Model



Concrete



- One of two domestic cement producers: 600 ktpa
(50% share)



- Leading position in ready mix and concrete products
(33% share)



- Leading national aggregates supplier
(25% share)



- Specialist piping products: concrete and plastic, for infrastructure and irrigation



- Leading provider of roading related steel applications: piping, road barriers, poles



- Stressed concrete products supply

Building Products



Winstone Wallboards Ltd

- Sole NZ producer of plasterboard (94% share)



- Aluminium extrusion: window & door systems



- One of two NZ suppliers of painted steel coils

Dimond

- Roll forming manufacturing: roofing & structural components



- Steel manufacturing: 200,000tpa from recycled product



- Wire manufacturing

FLETCHER EASYSTEEL

- Steel supply and distribution



- Steel reinforcing bar manufacture



Building Products (cont.)



- Tasman Insulation
No.1 in insulation products in Australasia under the “Pink Batts”, “Fatt Batts” and “Insulco” brands



- Tasman Roofing
No.1 in metal tiles in NZ. Niche position manufacturing shingle & shake metal tiles in the U.S. The largest producer of steel roof tiles, shake & shingle products



- Tasman Sinkware
Australia. No.2 in stainless sinks under “Oliveri” and “Lakeland” brands



- Tasman Access Floors
No.1 in access flooring systems in Australia and New Zealand

Laminates & Panels



THE laminex GROUP



- Leading marketer, distributor & producer of premium decorated boards in Australia and New Zealand
- MDF particleboard & decorative board manufacture; doors and mouldings
- Furniture & joinery distribution

To Laminex
from 1 July 03



Distribution

\$800m revenue through:



- Leading domestic building materials supplier (trade emphasis); 51 stores nationally
45 are joint ventures

Construction



FLETCHER CONSTRUCTION

- Major contractor of choice in NZ & South Pacific
- Commercial, industrial and engineering
- Extensive portfolio of completed projects; established in early 1900's
- General contractor on many recent NZ landmark projects:
 - Sky Tower
 - Auckland Hospital
 - Manukau Waste Water Treatment Plant
 - Manapouri Tunnel



FLETCHER RESIDENTIAL

- Domestic residential builder
- Focused on the Auckland market
- 500+ houses per annum

Product pull through from other FB businesses



Current 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

Report Card

- ❑ 2001 - \$ 94m EBIT pre unusuuls
- ❑ 2002 - \$205m EBIT pre unusuuls
- ❑ 2003 - \$331m EBIT pre unusuuls

- ❑ Disposed of Bolivian business and Construction Australia amongst others

- ❑ Acquired Laminex November 2002

- ❑ Acquired Tasman September 2003

Summary of Results

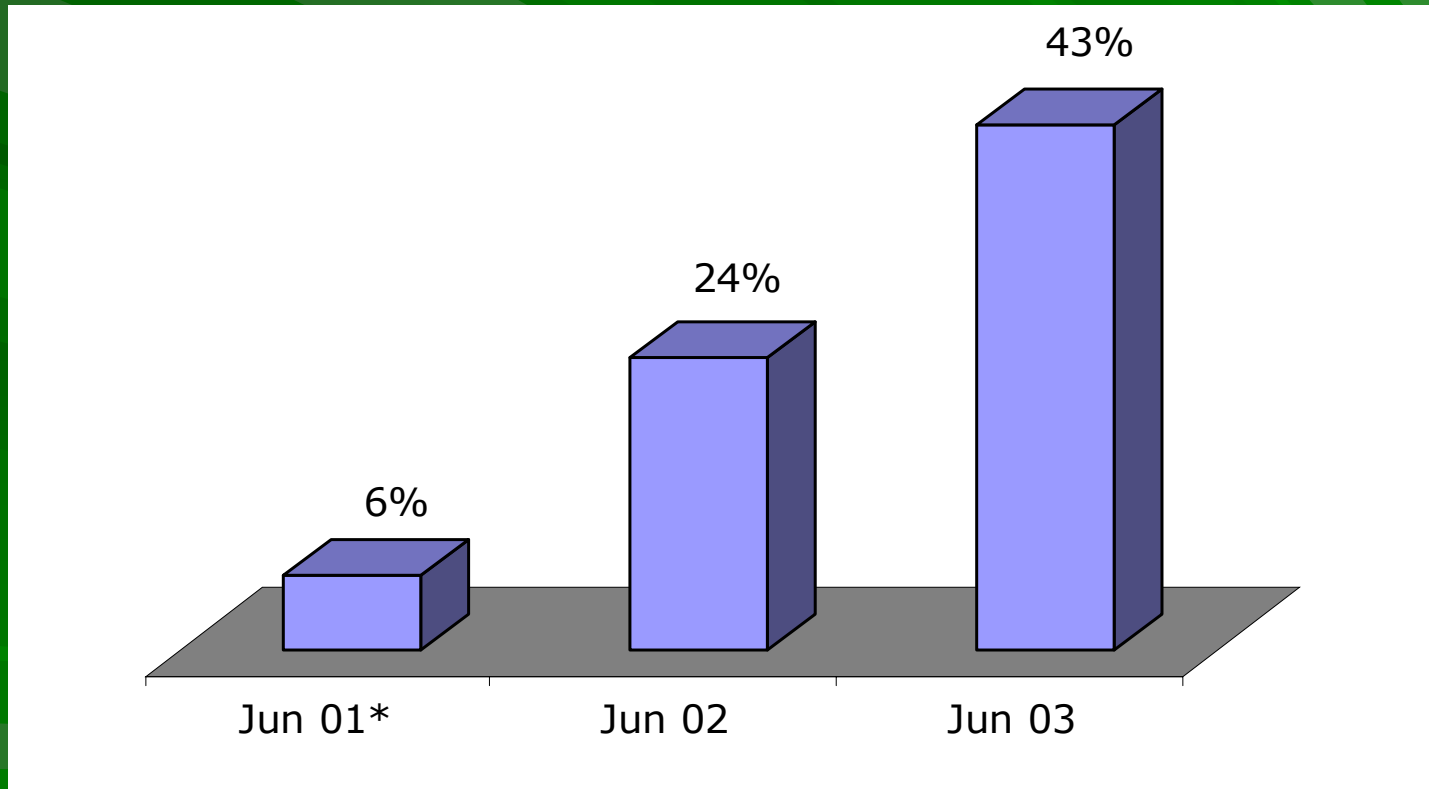
\$m	Jun 2003 12 Mths	Jun 2002 12 Mths	% YOY Change
Revenue	3221	2966	+9
EBITDA	429	294	+46
EBITA	338	212	+59
EBIT Before Unusuals	331	205	+61
Net Earnings Before Unusuals	168	88	+91
Net Earnings	168	93	+81
EPS Before Unusuals (cents)	43.4	25.5	+70
EPS After Unusuals (cents)	43.4	27.0	+61
Dividend cps	19.0	14.0	+36

Profit After Tax

\$m	Jun 2003 12 Mths	Dec 2002 6 Mths	Jun 2002 12 Mths
EBIT before Unusuals	331	160	+205
Interest	-59	-23	-51
Tax	-85	-45	-54
Minority Interests	-19	-9	-12
NPAT before Unusuals	168	83	88
Adjustments Net of Tax			5
Profit After Tax as per Accounts	168	83	93

Key Ratios

Total Shareholder Return (TSR)

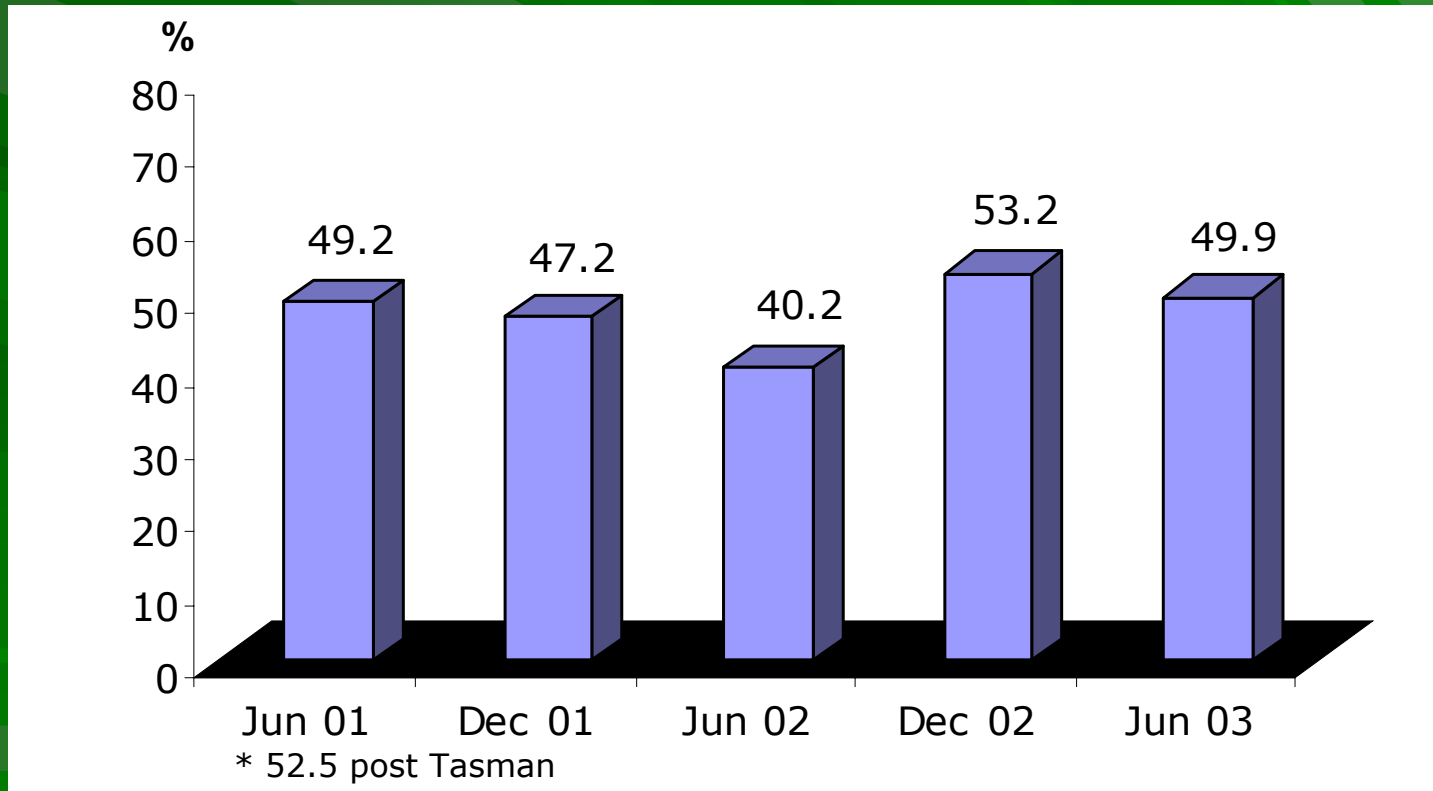


* June 01 is the return for the 3 months from separation date

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

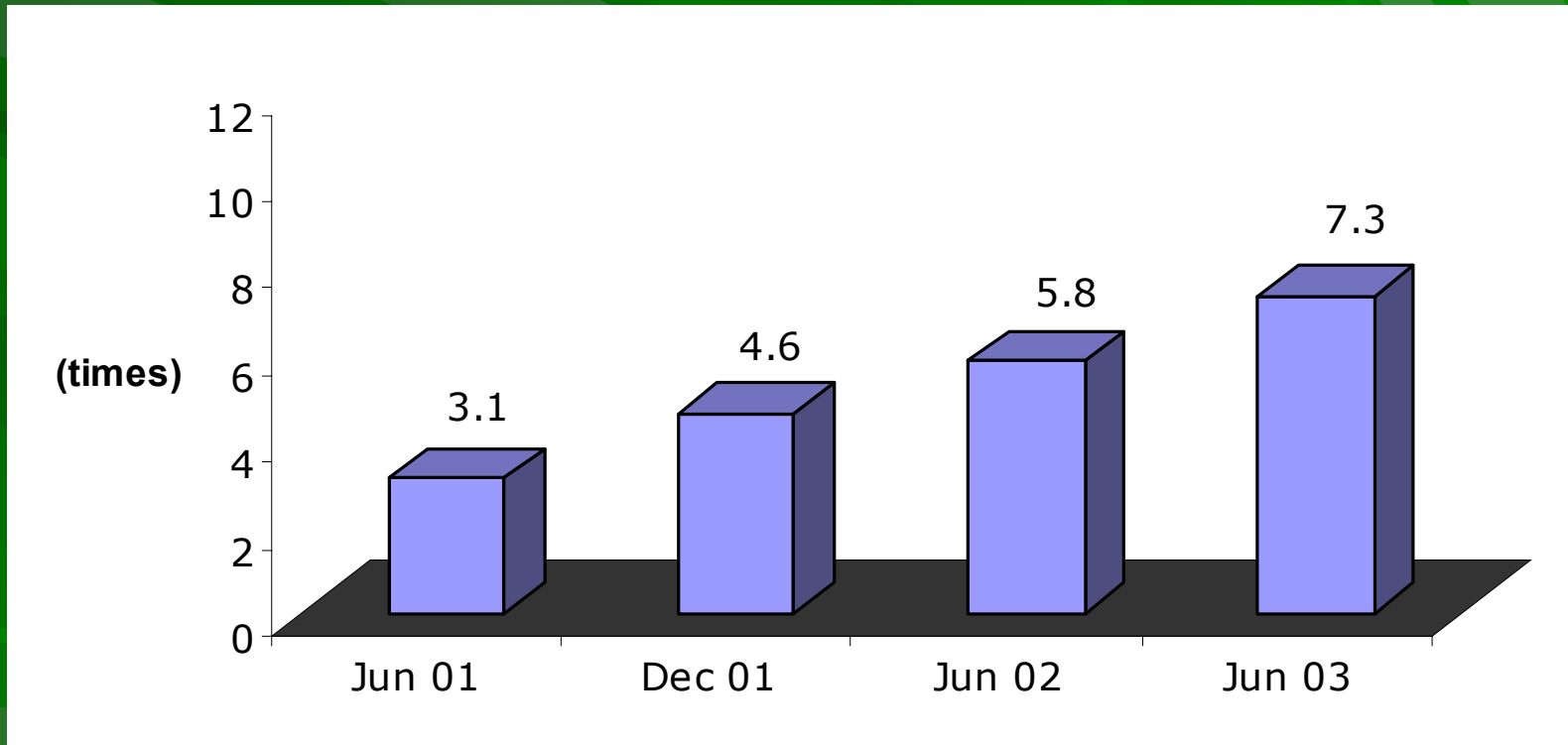
Key Ratios

Debt/Debt Plus Equity



Key Ratios

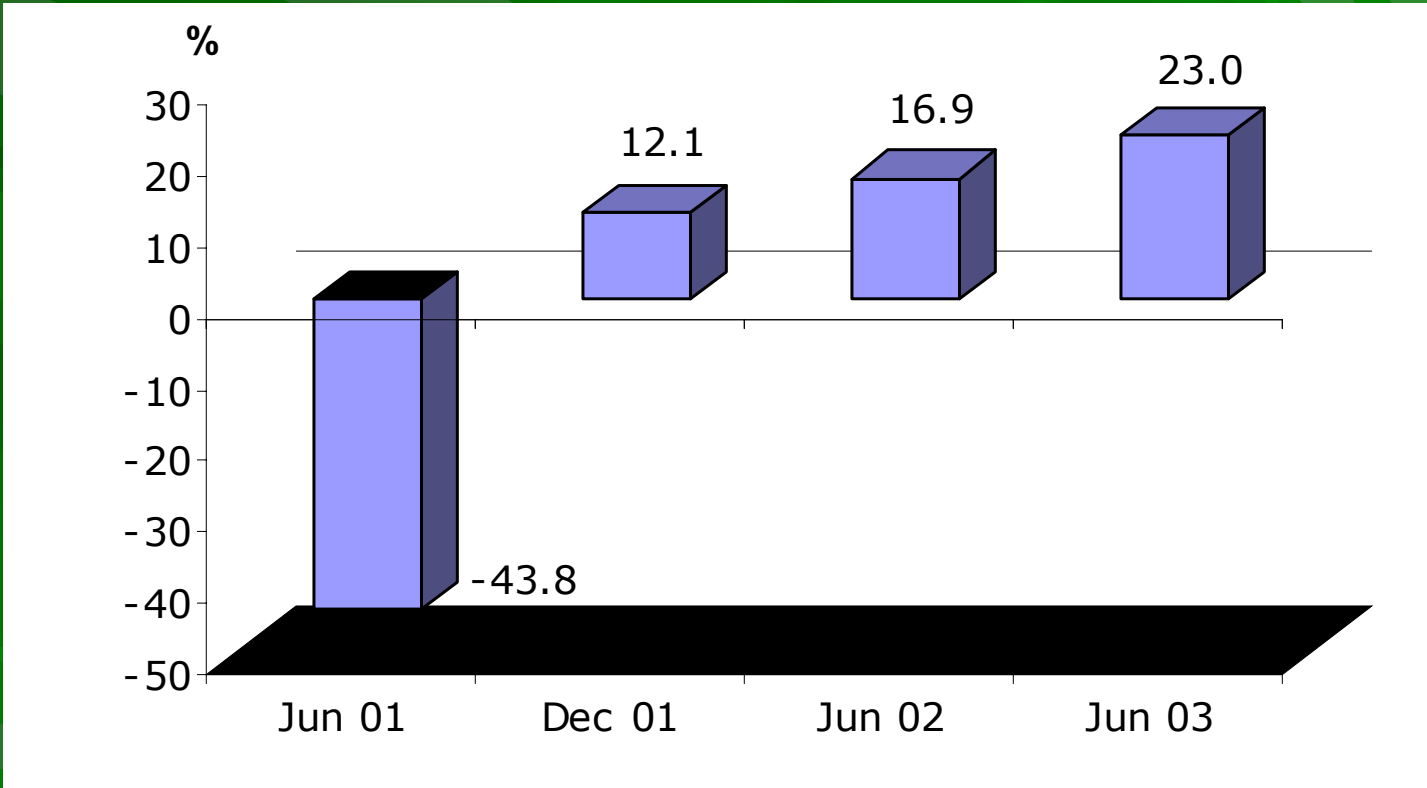
Interest Cover*



* EBITDA pre unusualls/interest paid including capital note interest

Key Ratios

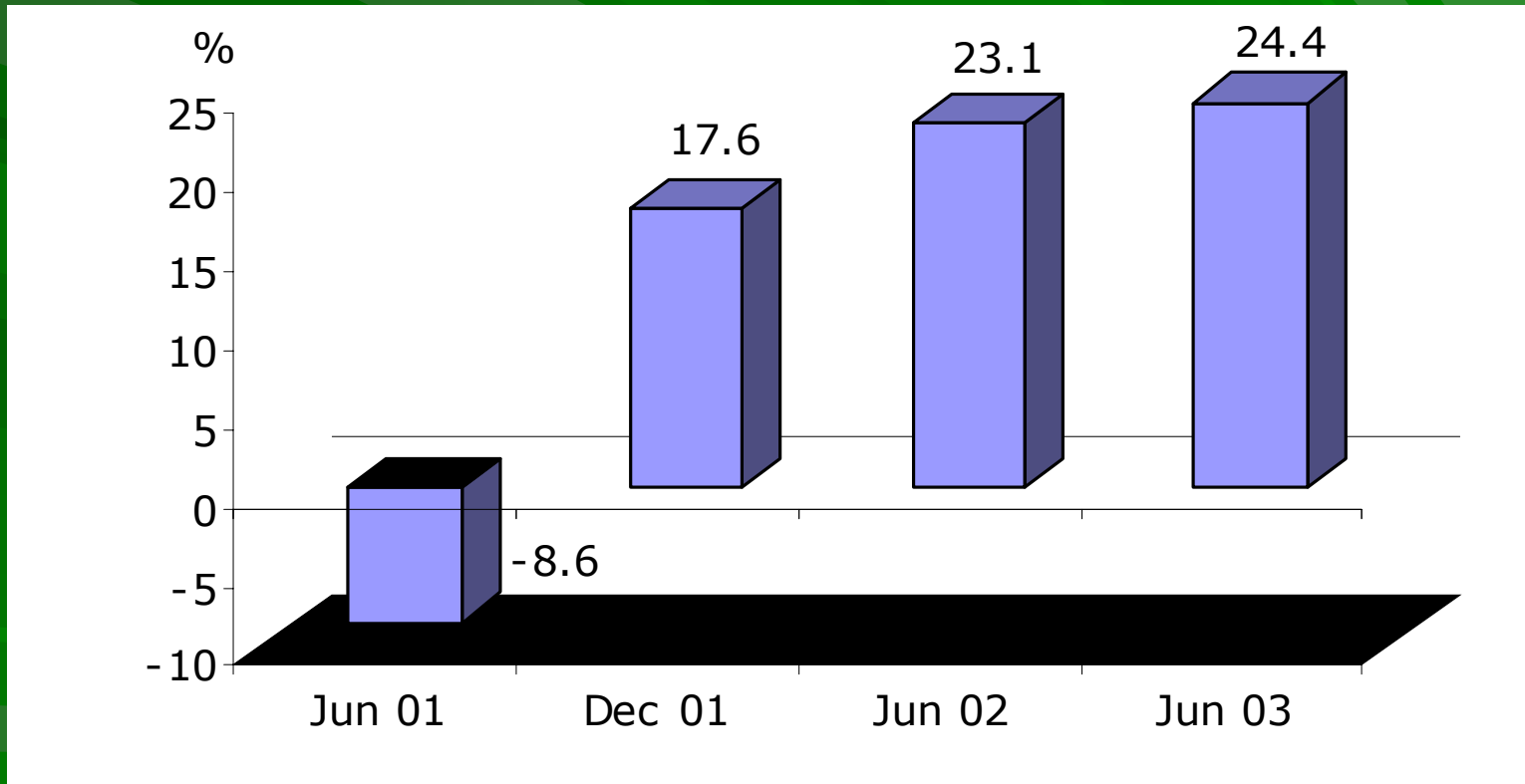
Return on Average Equity*



* Net earnings after capital notes interest/shareholders funds

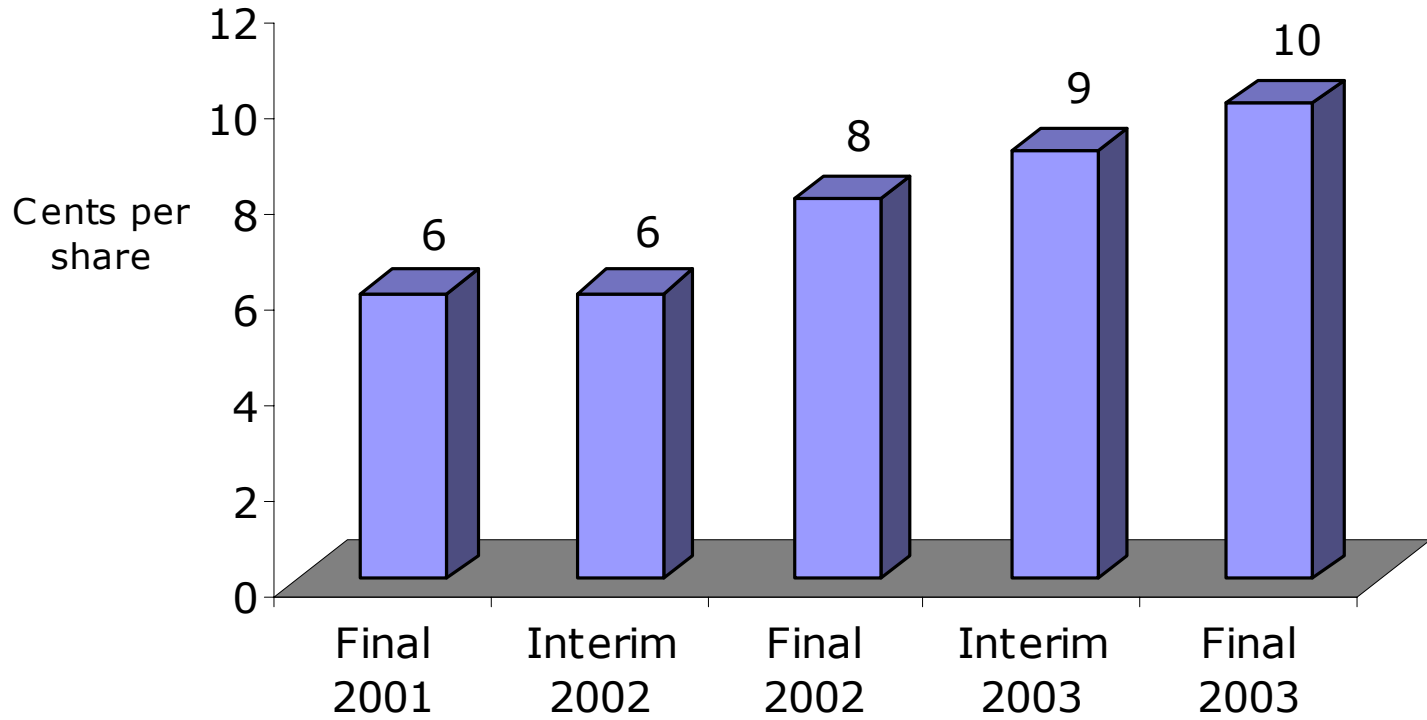
Key Ratios

Return on Average Funds*



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

Dividend



Acquisition Criteria

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



FletcherBuilding