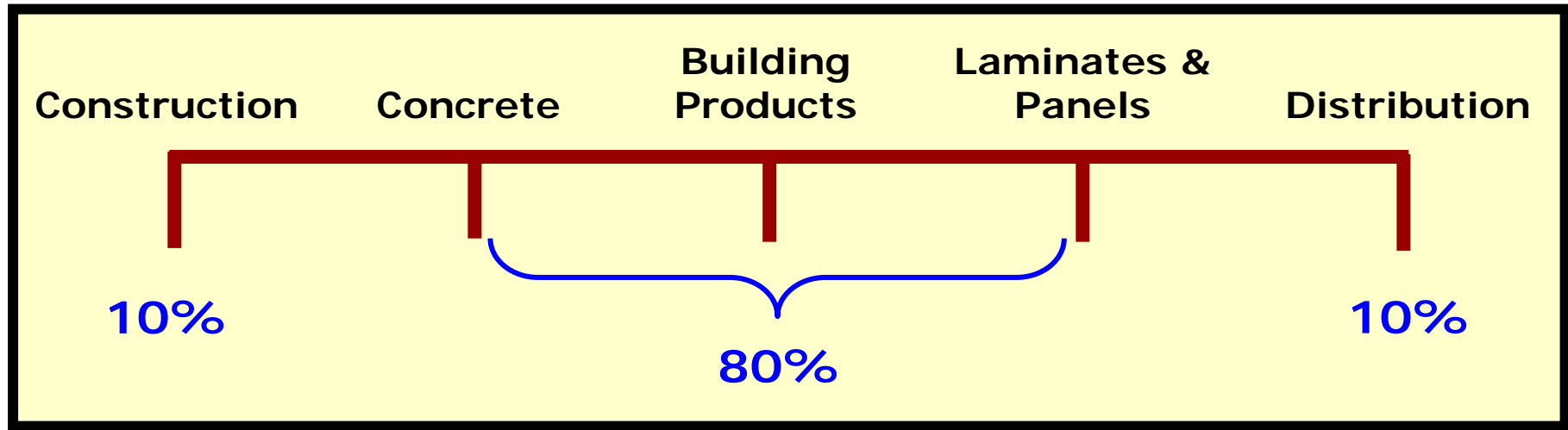




FletcherBuilding

What is different about Fletcher Building?



- A building materials manufacturer with two special channels to market
- We own high portions of the value chain for our product markets
- All businesses have high market shares
- Control of the distribution channels is the key to these market shares

Analysts Briefing September 2004

Mark Binns
Chief Executive, Construction



Construction Division



The Fletcher Construction Company



NZ COMMERCIAL BUILDING

- **Backlog:** \$200m plus UOA Business School (\$130m)
say \$330m
- **Turnover FY04** \$350m
- **Employees** 437
- **Major Projects:** Universities, Sky City / Grand Hotel, Northlands

CIVIL & INDUSTRIAL INFRASTRUCTURE

- **Backlog** **\$183m**
- **Turnover FY04** **\$134m**
- **Employees** **383**
- **Major Projects** **Ports, Bridges, Roothing**

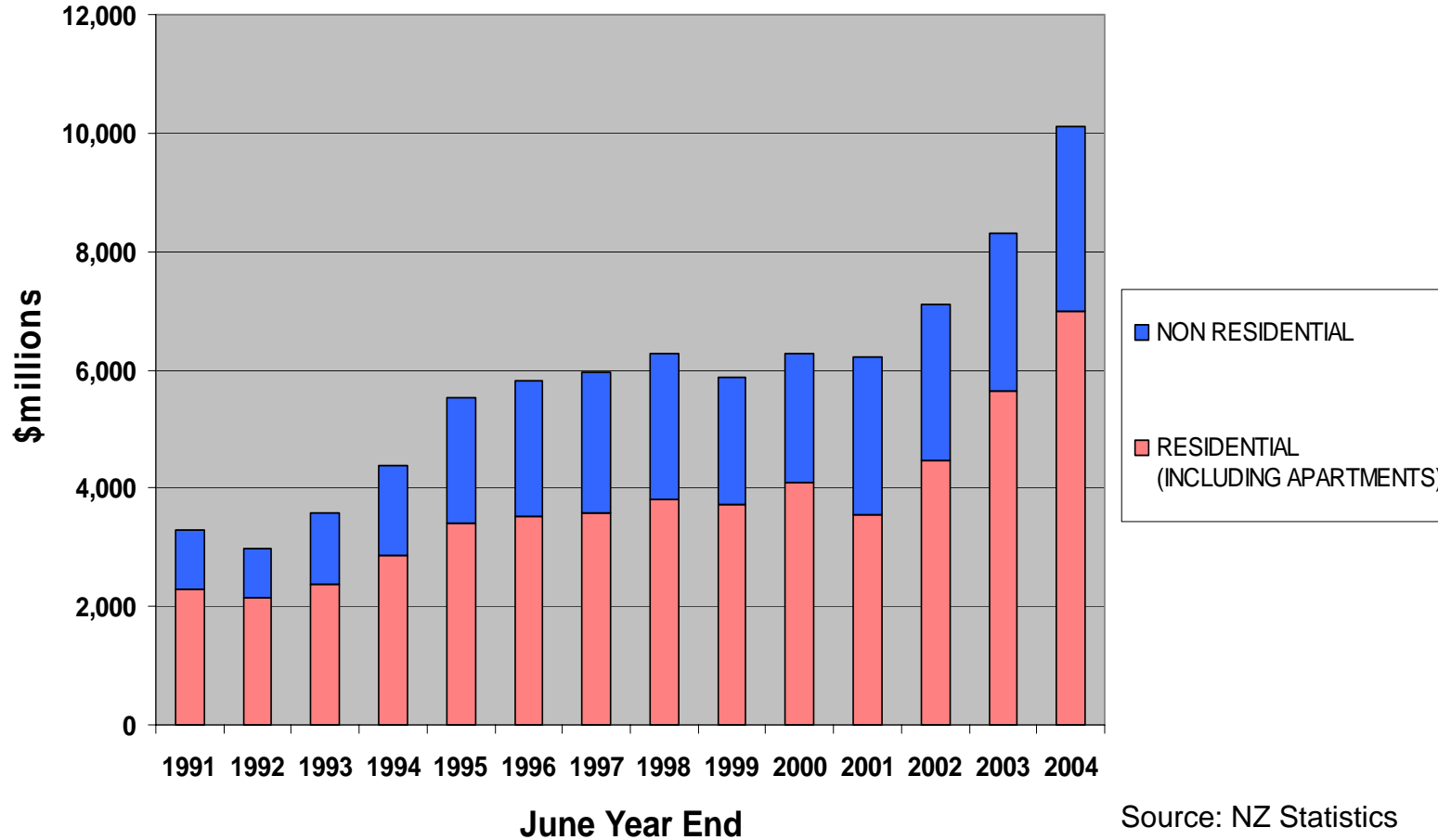
BUILDING & ENGINEERING IN THE SOUTH PACIFIC

- **Backlog** **\$86m**
- **Turnover FY04** **\$55m**
- **Employees** **1249**
- **Major Projects** **Ports, Bridges, Commercial, Hotels**

DOMESTIC BUILDER

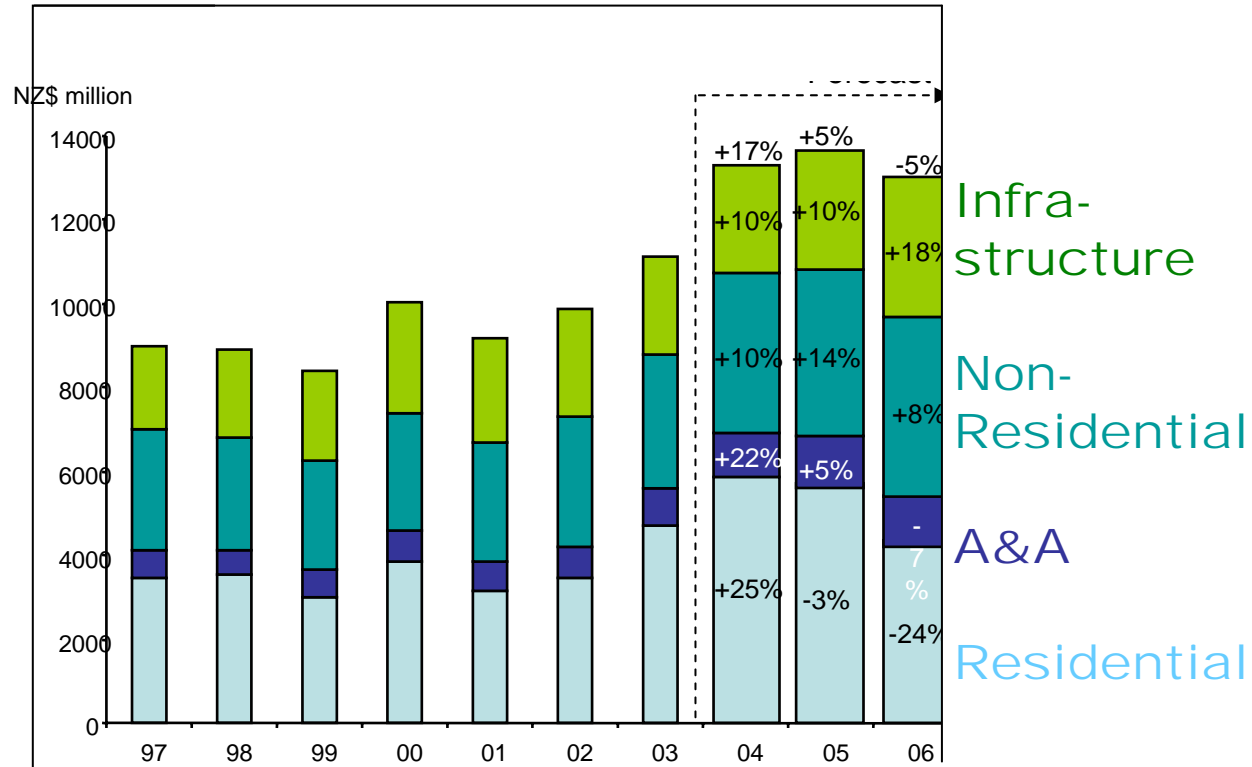
- **With approx 400 homes per year = NZ's largest home builder.**
- **But this represents only 4% of stand-alone homes in Auckland**
- **Average sale price per home \$395,000 (incl. GST)**
- **Employees - 57**
- **7 divisions – all in Auckland**
- **EBIT up x 5 on FY01**

ALL BUILDING CONSENTS



WHERE WE HAVE BEEN

VALUE OF WORK DONE



Source: INFOMETRICS

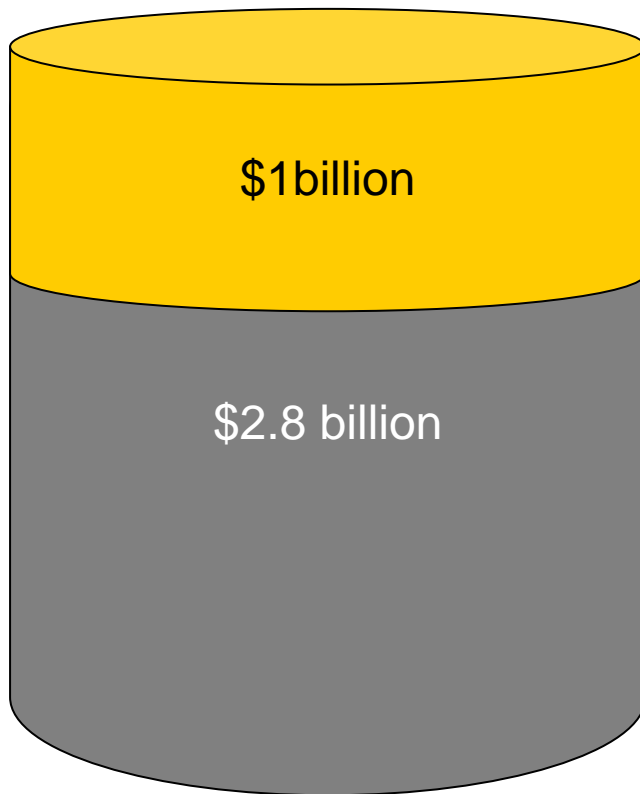
IMPLICATIONS FOR HOUSING

- **Margins will soften – off historic highs.**
- **Solid demand is expected to continue for well-located product.**
- **The key issue is land-delivery.**

IMPLICATIONS FOR COMMERCIAL BUILDING

- **Workload will remain high**
 - **Low participation in apartment market which may decline.**
 - **Public infrastructure will remain strong.**
 - **50% of current backlog is in public sector infrastructure.**
- **Increasing building costs / interest rates unlikely to materially affect outlook.**

IMPLICATIONS FOR COMMERCIAL BUILDING



Private developers - commercial

Public sector infrastructure

Source: Fletcher Construction estimates

Projects >\$25m with 2005-06 start

IMPLICATIONS FOR CIVIL & INDUSTRIAL INFRASTRUCTURE

- **Roading dominates**
 - **\$4.3 billion Transit spend over next decade.**
 - **\$2.3 billion in Auckland**

IMPLICATIONS FOR CIVIL & INDUSTRIAL INFRASTRUCTURE

- **Roading dominates**
 - **\$4.3 billion Transit spend over next decade.**
 - **\$2.3 billion in Auckland**
- **BUT there is also growth in other sectors**

FUTURE WORK IN THE SOUTH PACIFIC

- **Fiji resurgence based on growth in tourism.**
- **30% of work sought is aid-funded**

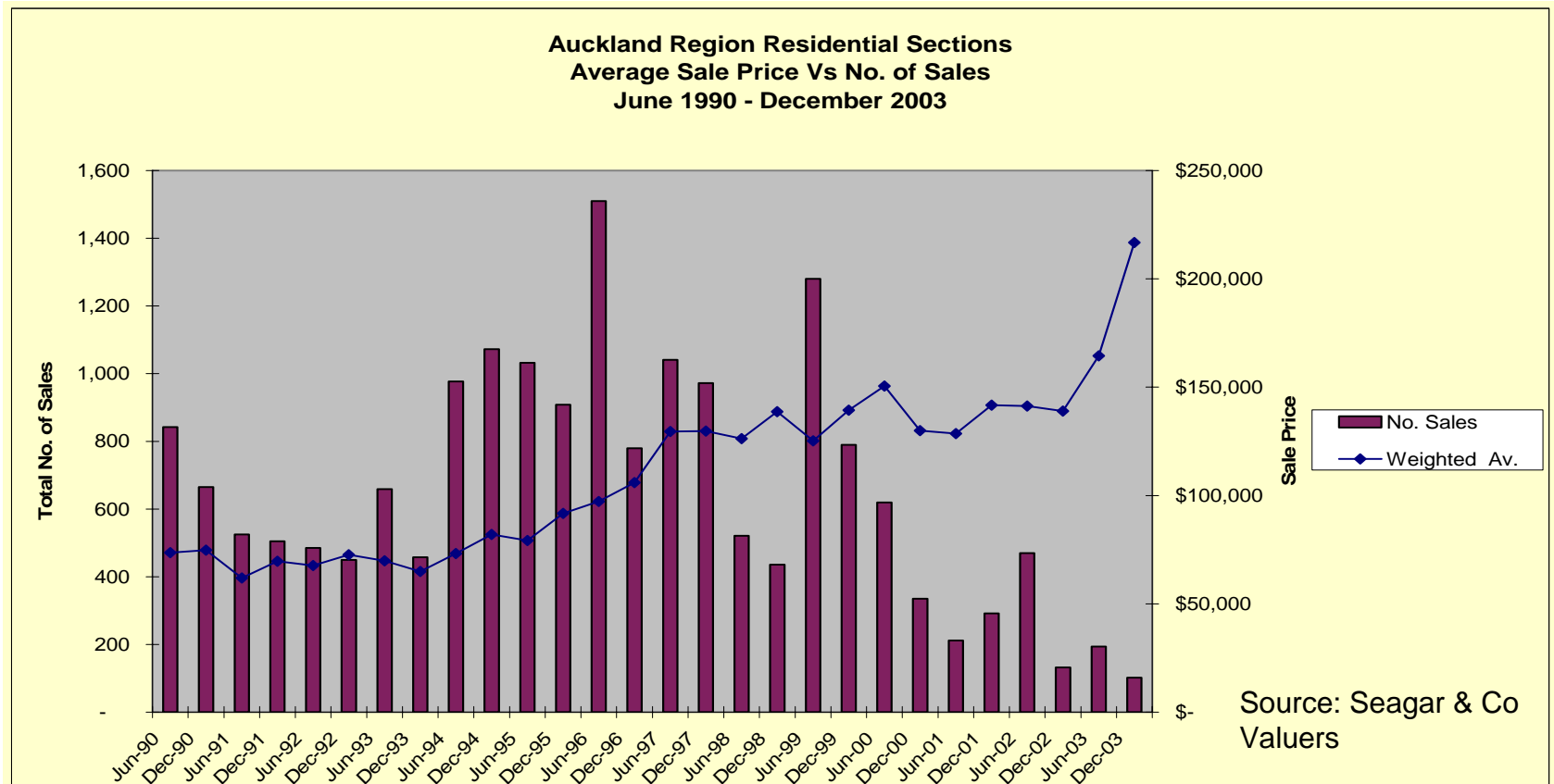
GROWTH ASPIRATIONS

NZ remains a 'land of opportunity'.

- **Strong market**
- **South Island office for *Engineering***
- ***Building* under-represented in some areas.**

DOMESTIC GROWTH

Auckland land is constrained



DOMESTIC GROWTH

Lunn Ave opportunity

- **Stage 2. Balance of residential lots and option on apartment land for 4-5 blocks in negotiation.**

DOMESTIC GROWTH

Lunn Ave opportunity

- **Stage 2. Land supplied 2005 - 2011**

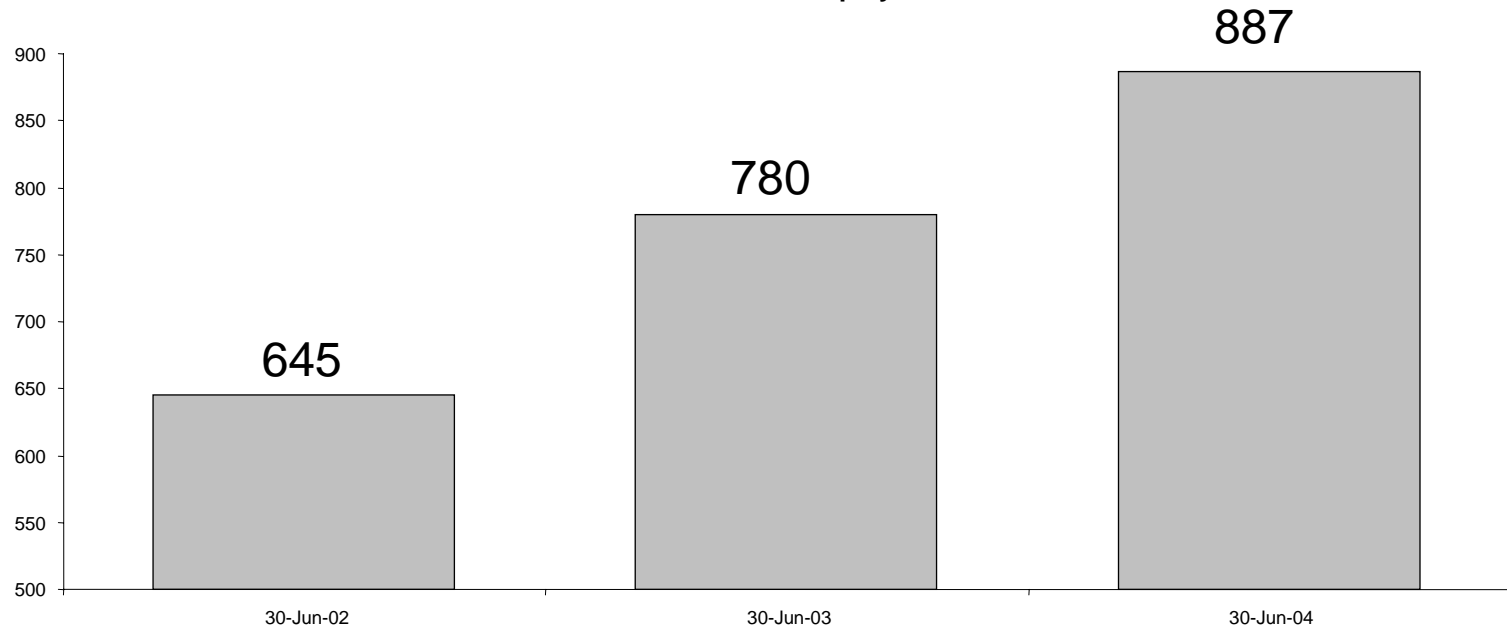
DOMESTIC GROWTH

- **Jacks Point, Queenstown**

DELIVERING GROWTH – KEY ISSUES

People

Construction Group
Number of NZ Employees



Growth in NZ-based employees

DELIVERING GROWTH – KEY ISSUES

Continued industry leadership

- **University recruitment**
- **School leavers**
- **Cadetships**

DELIVERING GROWTH – KEY ISSUES

Continued industry leadership

- **Environment**
- **Drugs & alcohol**

OUTLOOK TO FY07

- **Workload will remain strong.**
- **People constraint is the major issue / opportunity.**
- **Any fall-off in private-sector will be compensated by infrastructure growth.**
- **Focus on quality – not on quantity!**

Analysts Briefing September 2004



Andrew Reding
Chief Executive, Building Products



Results Record

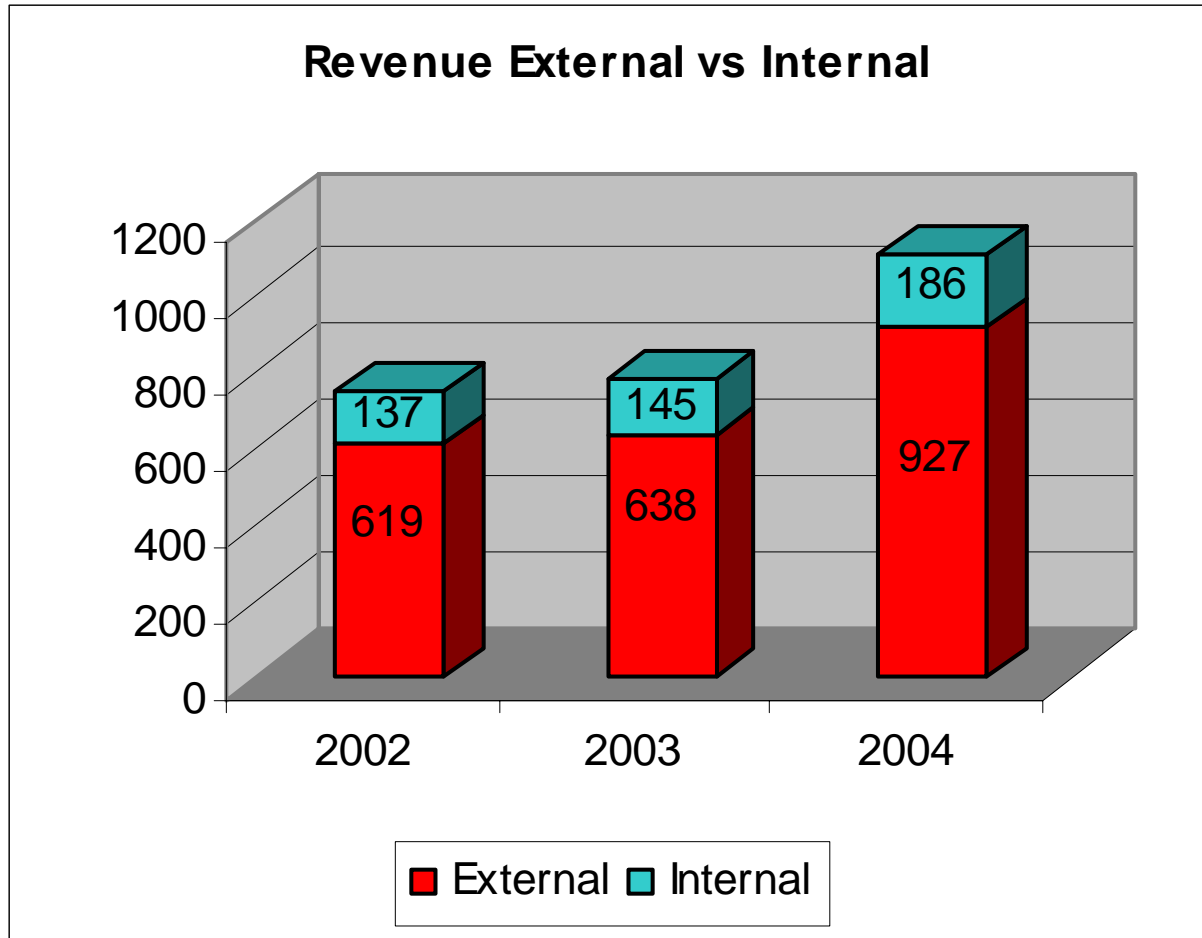
	June* 2001 Pro-forma	June* 2002	June* 2003	June 2004 excl. Tasman	June 2004 incl. Tasman
\$m's					
Operating Revenue**	642	619	638	712	927
EBIT	50	77	102	133	164
Margin	8%	12%	16%	19%	18%
Total Funds Employed	333	322	296	287	560
EBIT/Funds	15%	24%	34%	46%	31% ***

* restated to transfer FWP & SPH to Laminates and Panels

** excludes inter-company revenue

*** Pro Forma return based on full 12 months of Tasman

Revenue



How we have done it?

- ❑ Organic growth
 - Competent management
 - Focus on performance
 - EBIT, Funds, Cash
 - KPI's (i.e. OEE, IFOTIS)
 - Strong market

Cont...

How we have done it?

❑ Acquisitions

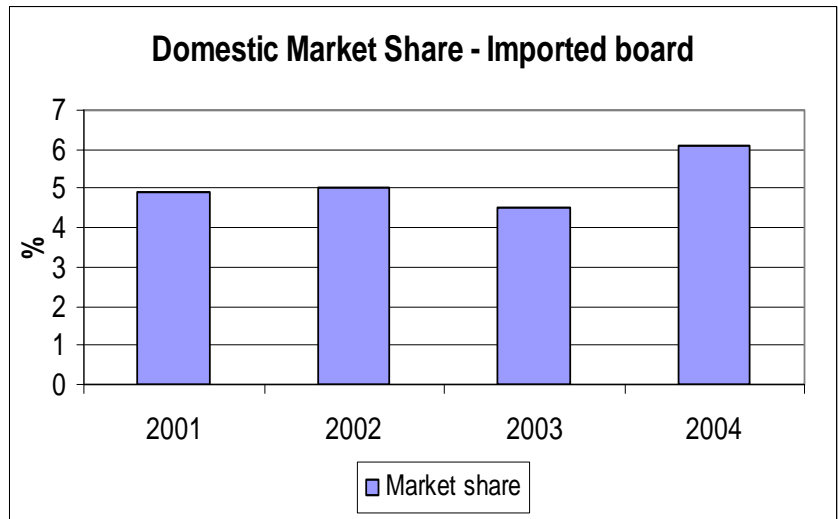
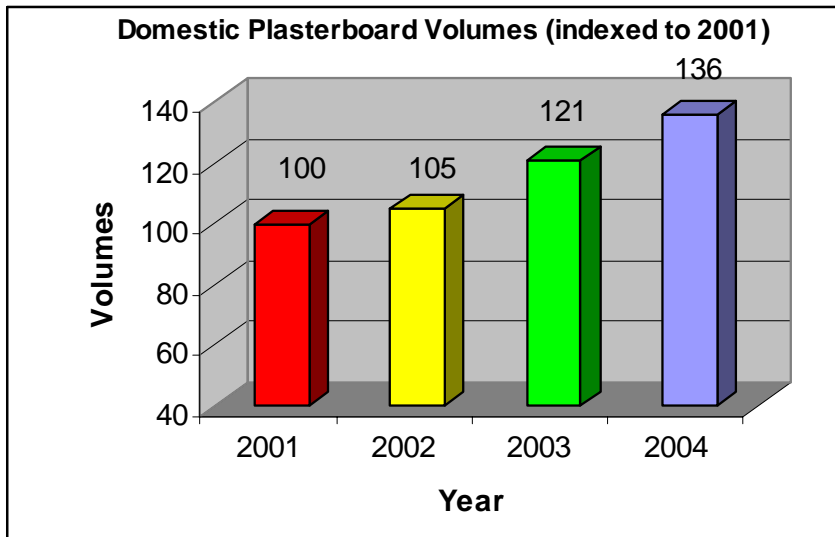
- Tasman Building Products (Oct 03)
- Colorflo rainwater systems (Feb 03)

❑ Divestments/Closures

- Cyclone (Nov 01)
- Aluminium - Solution Centres, Australian Shapes distribution (Jul 01 & Aug 02)
- Backbone (Jun 03)



- New Zealand's sole manufacturer of Plasterboard. Two manufacturing plants (Auckland and Christchurch)
- Highest annual volume of board and plaster ever manufactured or sold in NZ driven by very high building activity
- Launched Fiberock JV with USG to build a market for Fiberock in NZ, Australia and Asia.





F L E T C H E R
A L U M I N I U M

- Designer and manufacturer of premium architectural window and door systems and other aluminium products to both domestic and international customers.
- Continued productivity gains.
- Launch of innovative product solutions including patented bi-fold door systems and trackless sliding doors (patent pending).

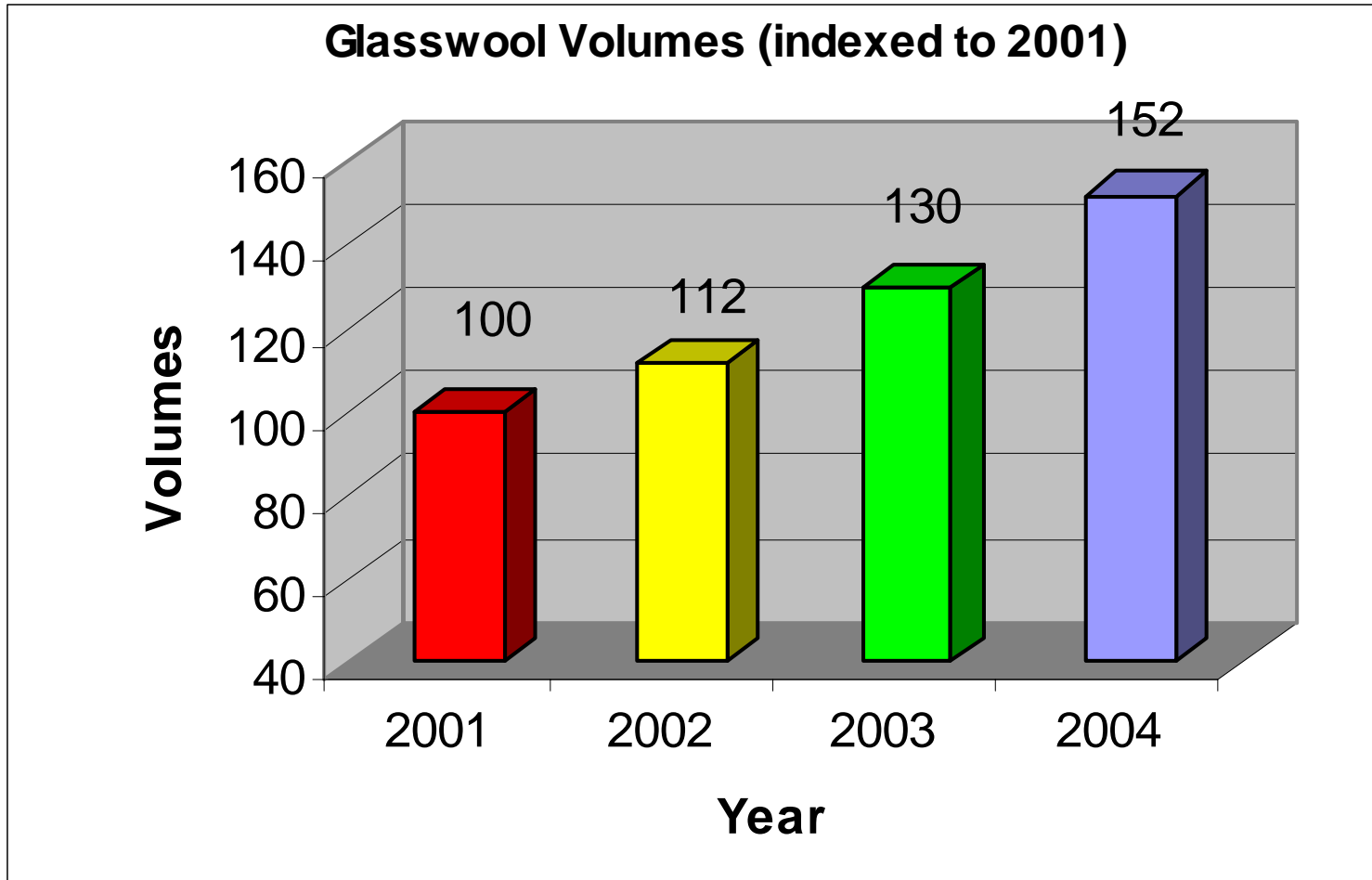
Australia

- Only Australian company to manufacture the three main insulation products (glasswool, polyester and reflective foil).
- Record sales performance and record output from both Rooty Hill and Minto plants.
- State acceptance of Federal BCA recommendations increasing the use of insulation in both housing and light commercial applications.

New Zealand

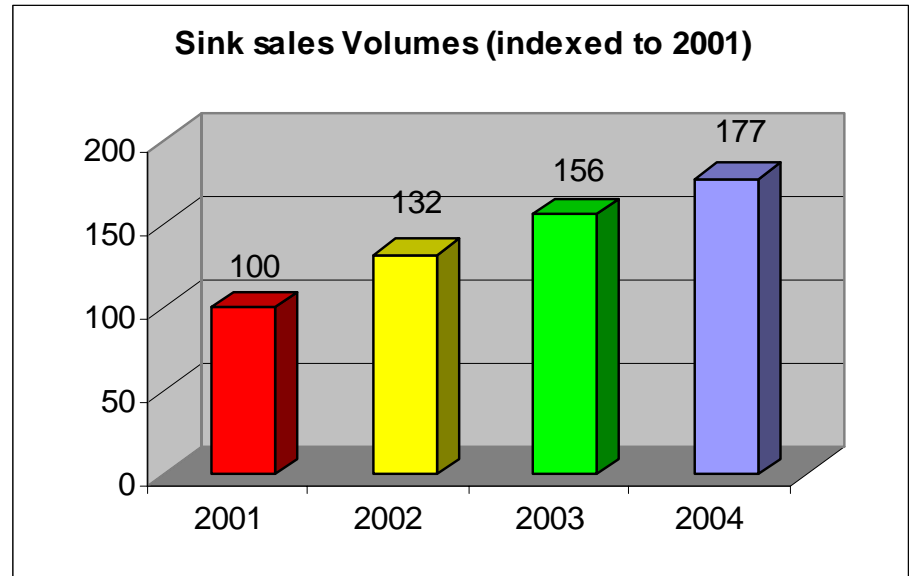
- Leading New Zealand manufacturer of glasswool insulation, foil laminates and building papers, with plants in Auckland and Christchurch.
- Record sales and production levels achieved in 2004 financial year.
- The 2 year old PinkFit™ installation service grew to 14 franchisees nationally and installed 17% of pink batt sales.
- Synergies realisation has led to closure of Tasman Foil plant and consolidation into FBL's existing Duroid operation. Now reporting to TINZ.

Insulation sales volumes - Australasia



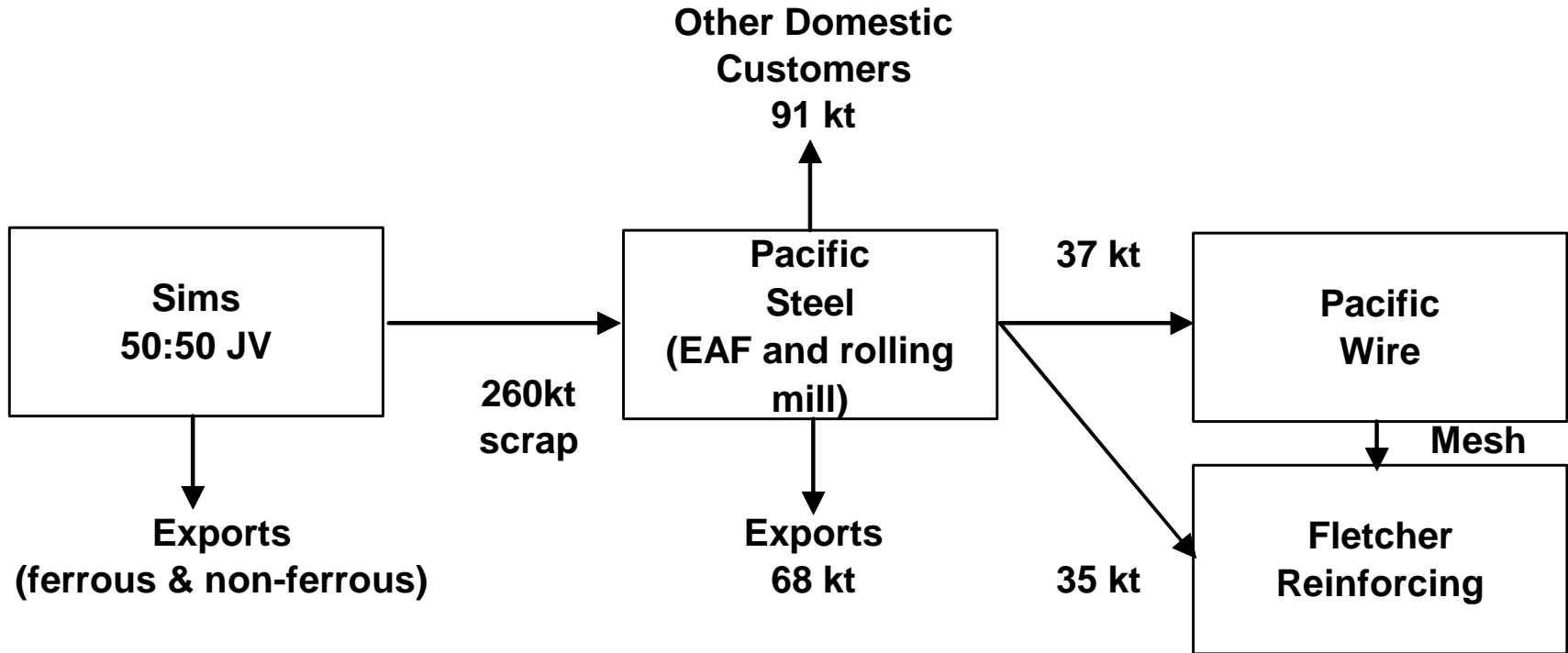


- Second largest manufacturer of sinkware in Australia.
- Record exports in 2004, particularly to the USA.



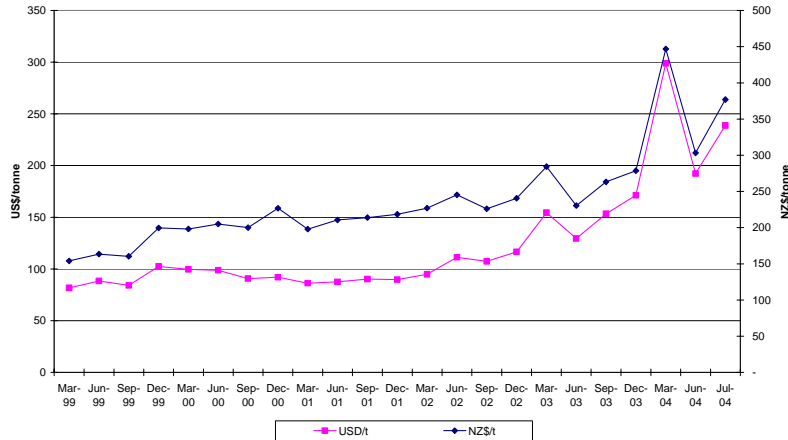
- No. 1 in Australia of Access flooring systems.

The Pacific Steel Group value chain

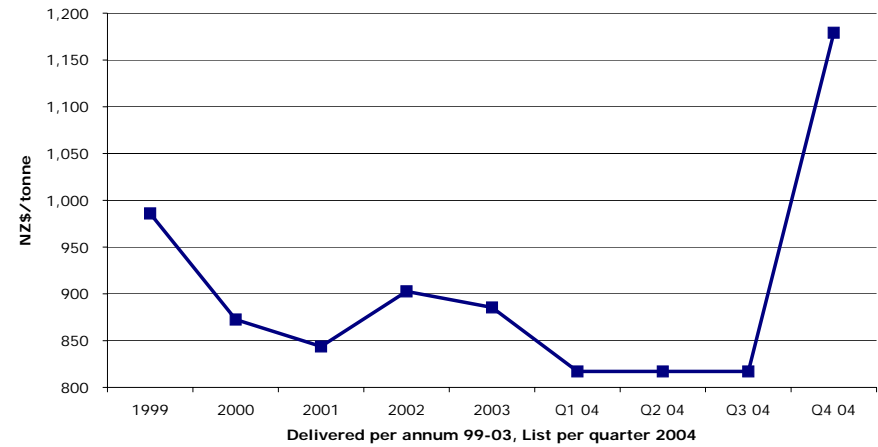


Pacific Steel Group

Sims HMS Standard Scrap Price
5 Year Trend by Quarter



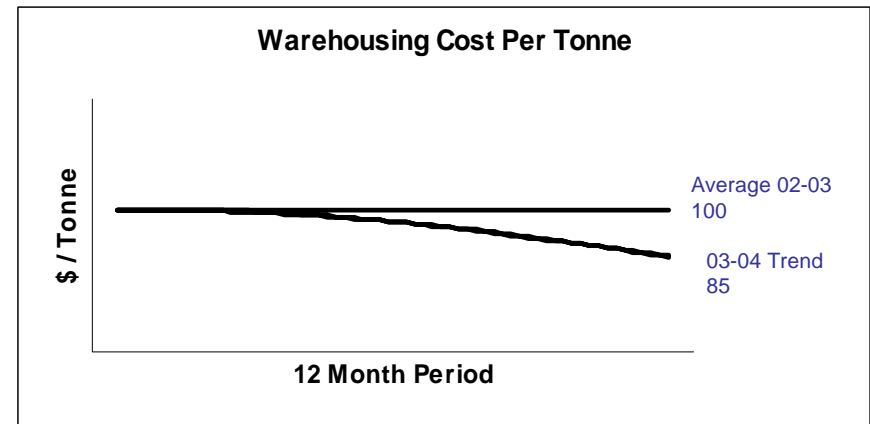
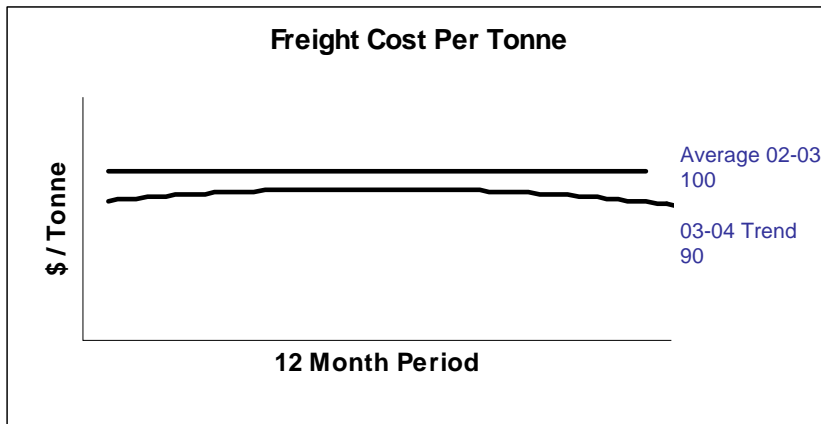
Pacific Steel
Gross Domestic Reinforcing Bar Selling Prices



Innovation

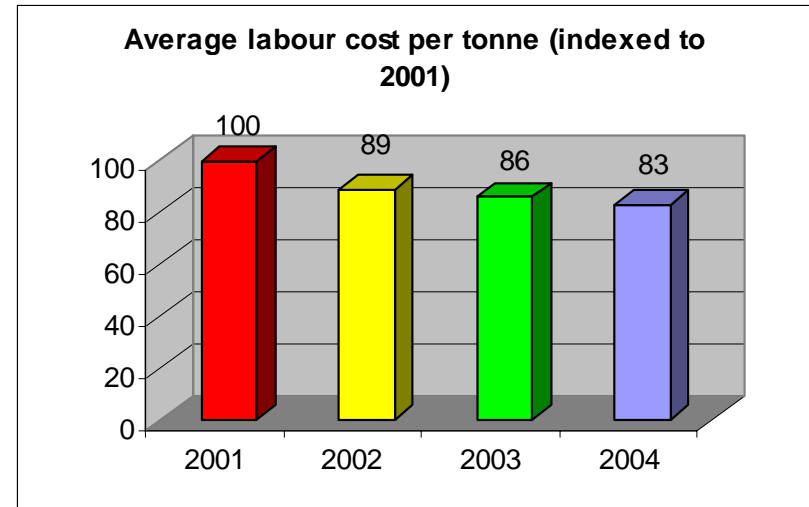
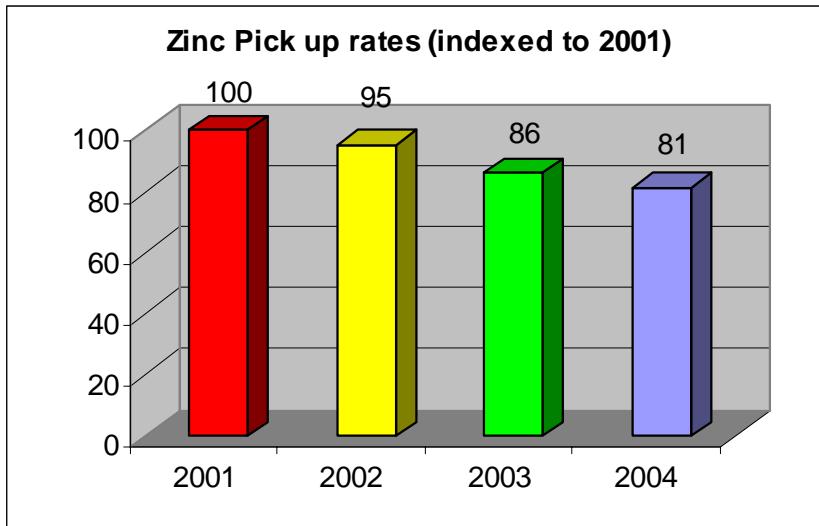
- Electro-Magnetic wiping
- Zinc Aluminium wire
- Coloured wire
- Reid Bar
- Galvanised Rebar

- Easysteel is a leading stockist and distributor of long and flat sheet products across 13 nationwide locations, servicing 10,000 customers across the whole NZ economy.
- Revenue up 16% on last year, earnings up 46%.
- New facilities planned for five branches and Christchurch RDC.
- New Penrose distribution facilities contributed to improved warehousing and freight costs per tonne.





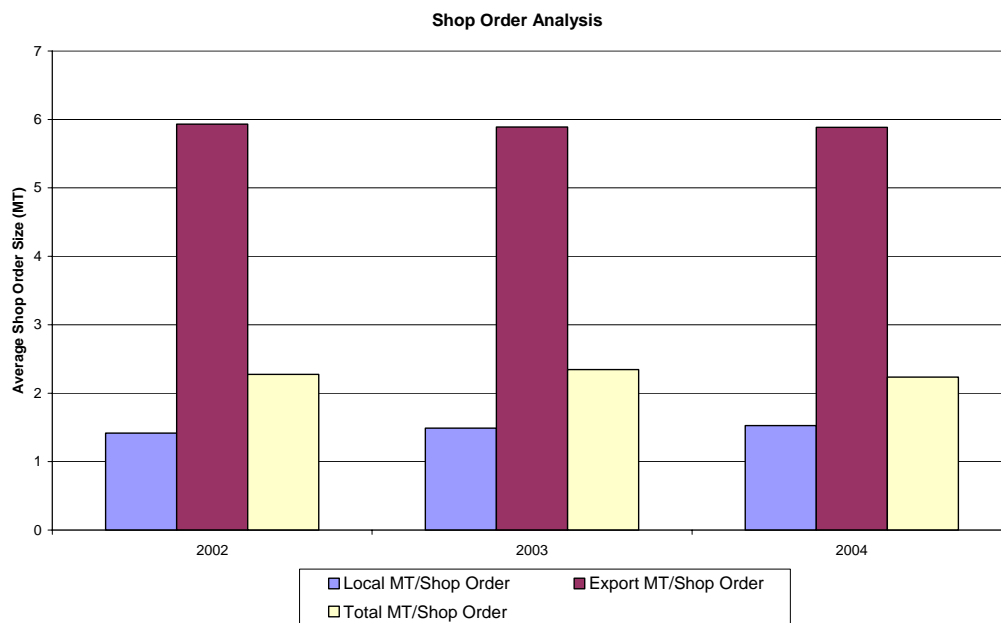
- Hot-dip galvanising of a range of products located in Auckland and Christchurch.
- Growth focuses on new galvanising technologies that can be commercialised around the world.



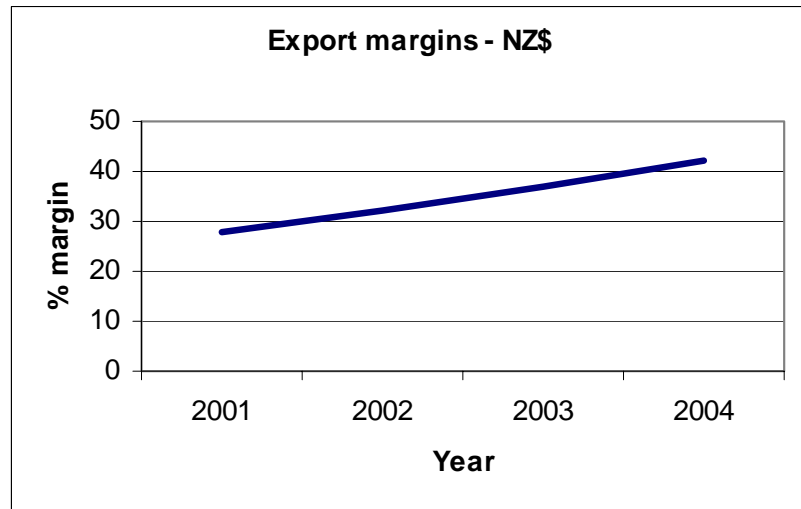
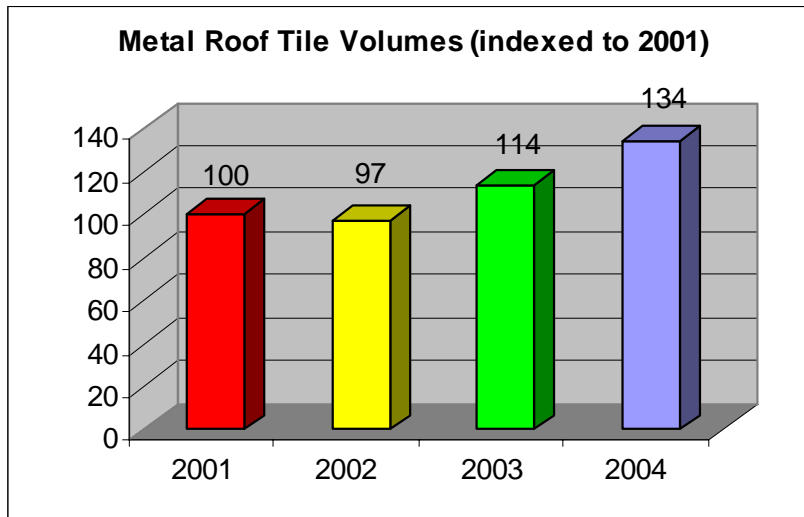
Dimond

- The leading NZ supplier of metal purlins, roofing, cladding and composite flooring systems with 12 sales centres throughout NZ.
- Rationalised operating footprint around major regional factories to service customer needs better.
- Launched Dimondek 630, on-site roll-forming system with NZ record (65m) for longest roof ever manufactured in NZ.

- Leading manufacturer of pre-painted metal products used in the manufacture of both residential and commercial roofing, cladding, and rainwater systems.
- A new R&D facility to develop new products for new market niches is under construction and will be commissioned in February 2005.
- Focused on flexible small run manufacturing offering minimum of a house lot of a single colour.



- Largest manufacturer of steel roof tiles world wide with plants in Auckland and California, licensees in Europe, Chile and Indonesia and sales offices in Europe, Japan, China and the Middle East.
- Both plants capacity constrained, currently looking at options for expansion both on existing sites and in new locations.
- Growth of metal tile sales has been significant.



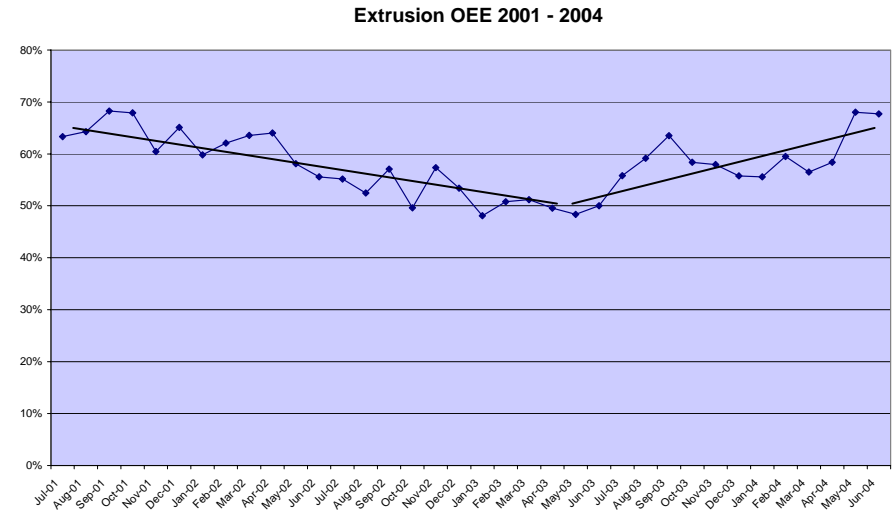
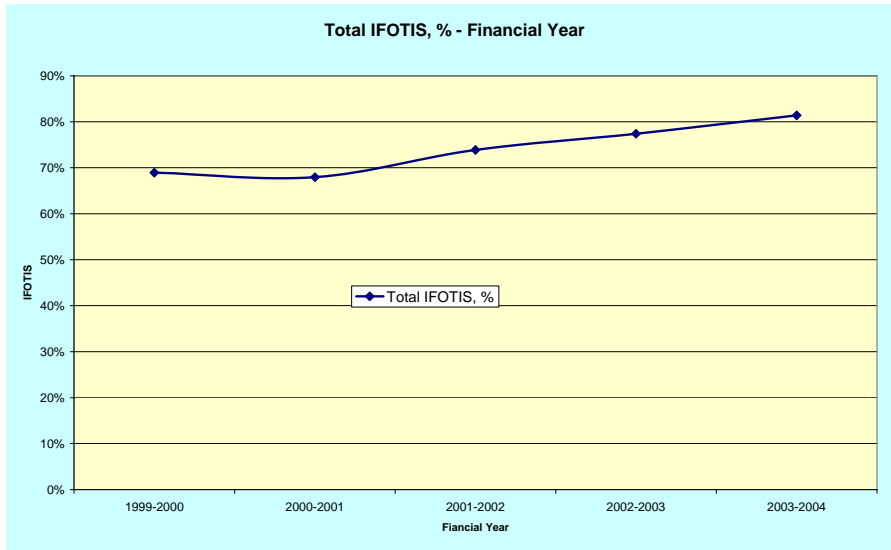
Key issues going forward

- ❑ Sustainable growth in earnings.
- ❑ Reducing volatility by decreasing exposure to NZ residential cycle.

Key Strategies

- ❑ Be operationally excellent in support of business unit market strategies.
- ❑ Acquire operations whose product ranges and activities complement those already offered.
- ❑ Realise offshore potential of product champions.
- ❑ Develop our Australasian market position to introduce new products and technologies.

Operational excellence – e.g. Aluminium



Where the Tasman Acquisition fits

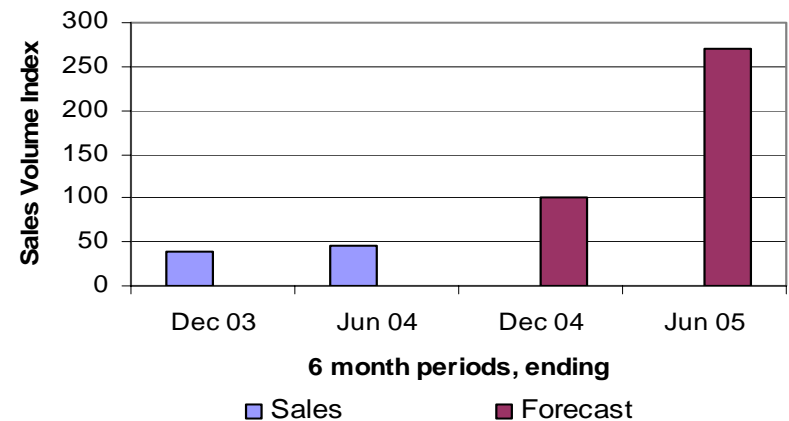
	Insulation NZ	Insulation Australia	AHI Roofing	Decra Roofing
Infill opportunity	✓		✓	
Industry rationalisation		✓		
Technology		✓		
Product champion			✓	✓

Some examples of technology and product champion plays

Fiberock

- ❑ 50/50 JV established to commercialise this technology in Asia, Australia and New Zealand.
- ❑ Specialist uses complement plasterboard.
- ❑ Acoustic floor underlay and impact resistant wall linings being released in New Zealand, Hong Kong, Singapore, Australia and then Japan.

Powerscape Fiberock Products



EMW

- ❑ Electro Magnetic Wiping is a process of controlling the zinc coat weight on wire.
- ❑ Advantages:
 - Zinc savings
 - Productivity, higher line speeds
 - Quality improvement



Gas Gravel controlled zinc application



EMW controlled zinc application

The characteristics of EMW has lead to savings of up to 25% in zinc usage,

Product Champion – Metal Roof tiles

- ❑ Value proposition defined by market:
 - Lightweight
 - Re-roof costs, construction flexibility, faster to install
 - Strength
 - earthquake, hail
 - Product performance
 - Fade resistance, weather tightness
 - Aesthetics
 - Colour, profiles.

GLOBAL OPERATIONS

 FBL Plants

 Licence Plants

 Ex-Licence Plants

 AHI Sales Offices



Metal Roof tiles

- ❑ Optimal plant believed to be between 9-11m tiles.
- ❑ Expanding to meet demand.
- ❑ Huge untapped market.



THE **laminex** GROUP

Presentation to Analysts - 8th September 2004

The Laminates and Panels Division of Fletcher Building Limited is comprised solely of The Laminex Group.

The Laminex Group was formed in 2002 after the acquisition and integration of Formica (September 1999) and Wesfi Limited (February 2001) with Laminex Industries.

The Laminex Group was acquired by Fletcher Building Limited in November 2002 and subsequently integrated with the existing Scott Panel and Hardware and Fletcher Wood Panels operations.

THE laminex GROUP

LEADING BRANDS



LEADING MARKET POSITIONS

Market Shares

High Pressure Laminate
Decorated MDF
Decorated Particleboard

65%

70%

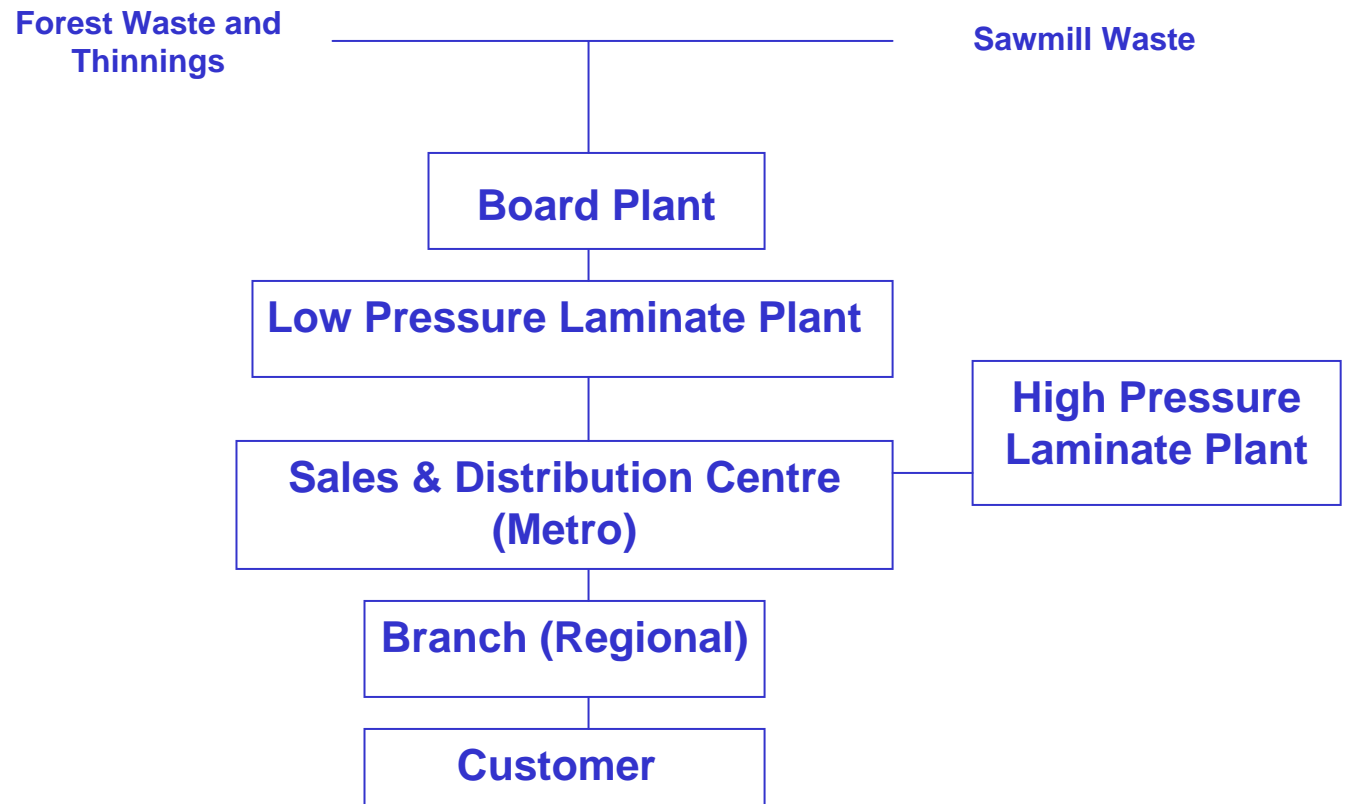
44%

Raw MDF
Raw Particleboard

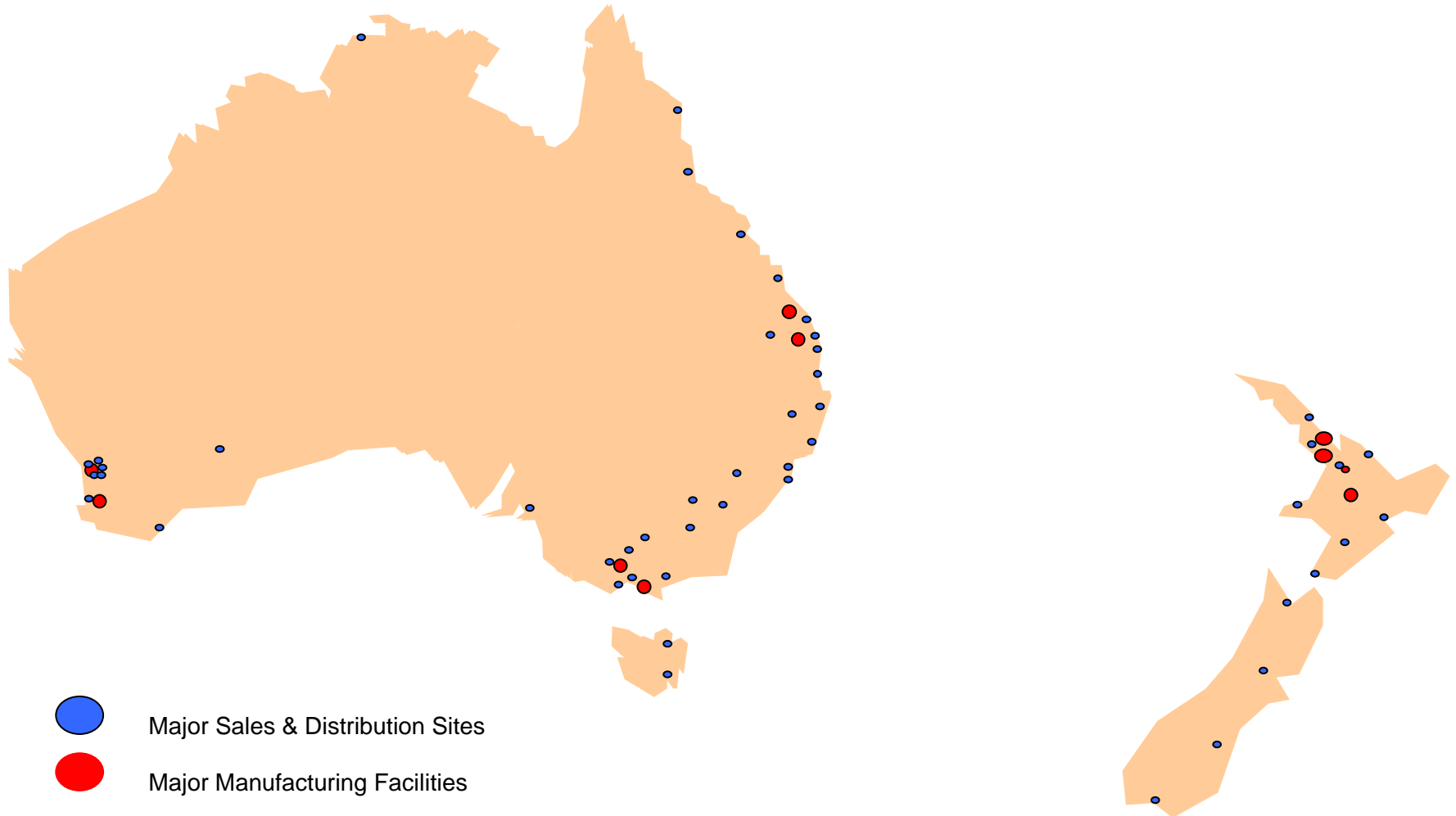
26%

21%

VERTICAL INTEGRATION

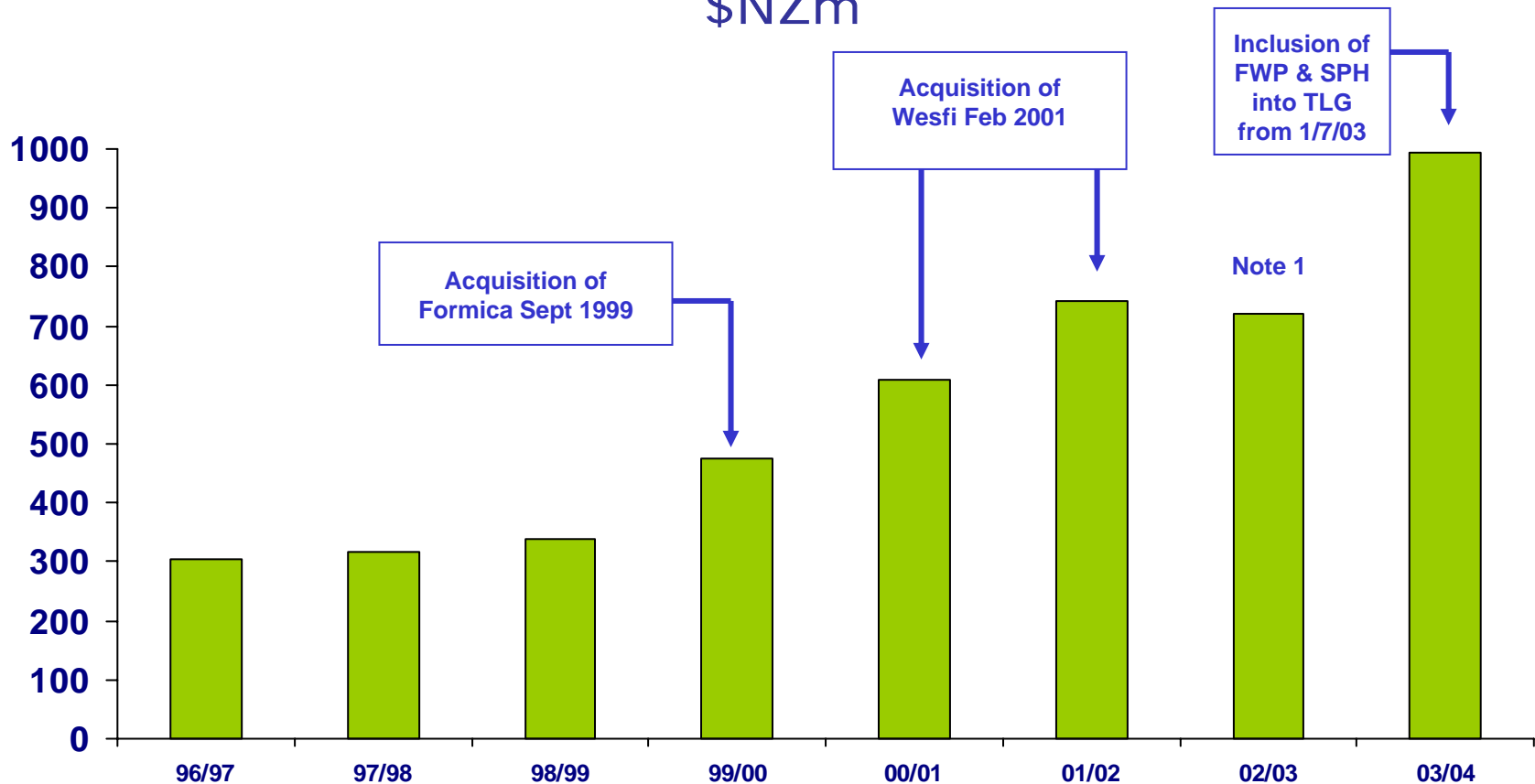


MAJOR LOCATIONS



Revenue Growth 96/97 – 03/04

\$NZm

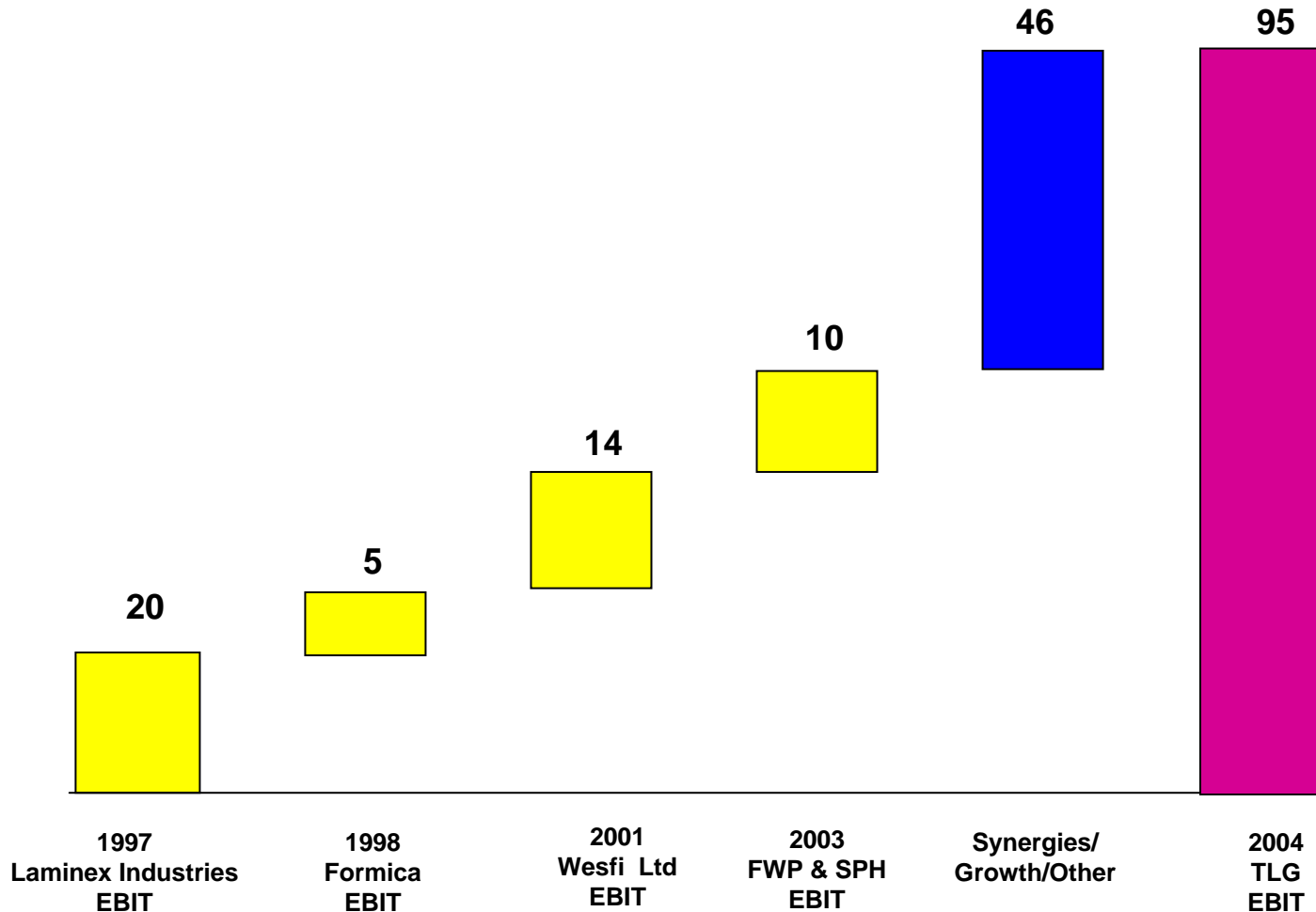


Note 1: Underlying sales in \$A were 5.5% above 01/02 but appreciation of the \$NZ against the \$A in 02/03 has the effect of reducing revenue on conversion to \$NZ. Sales are converted from \$A to \$NZ at average exchange rates each year

THE laminex GROUP

EBIT Growth June 1997 - June 2004

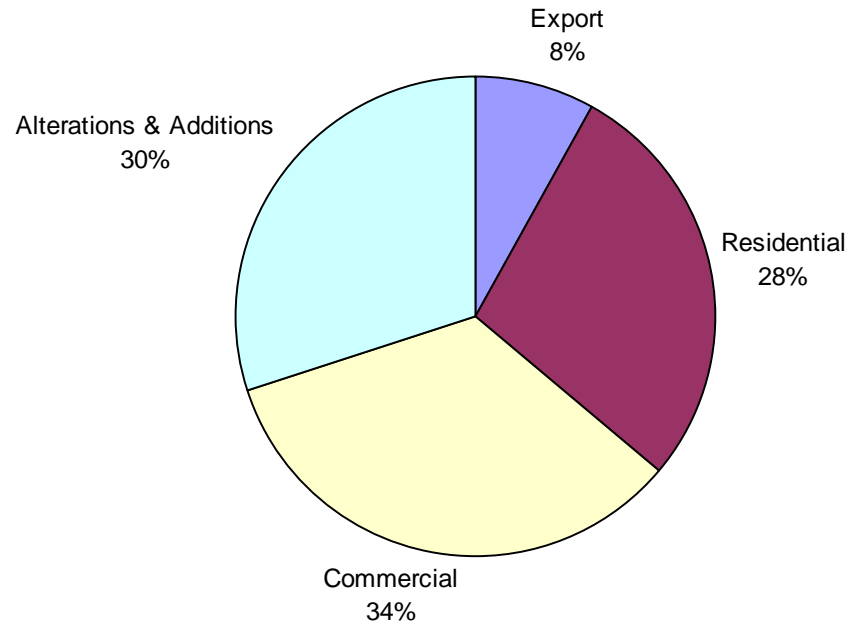
\$NZm



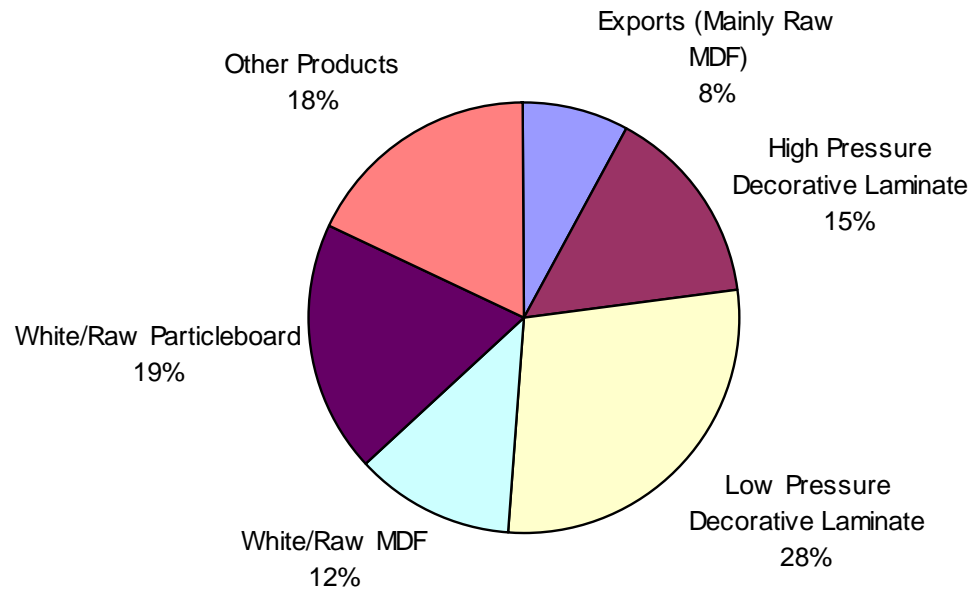
NOTES:

1. FWP & SPH = Fletcher Wood Panels and Scott Panel and Hardware
2. Australian EBIT's converted to \$NZ for Laminex Industries, Formica and Wesfi Ltd

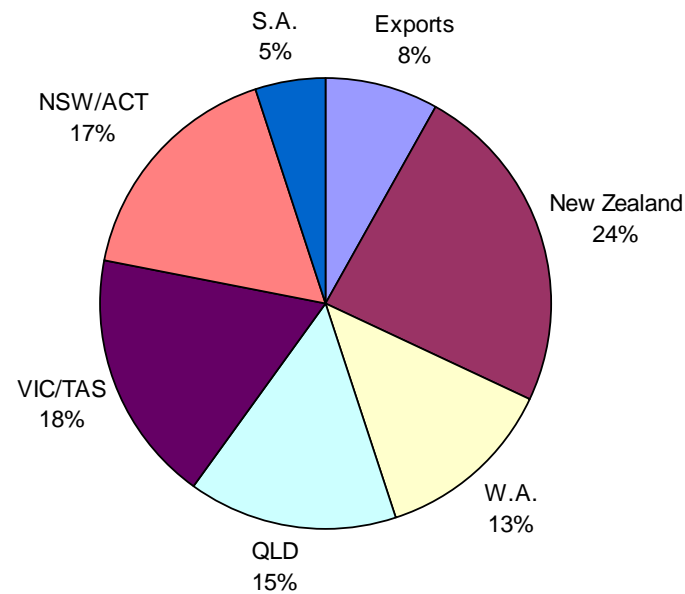
Revenue by Segment 2003/04



Revenue by Product 2003/04

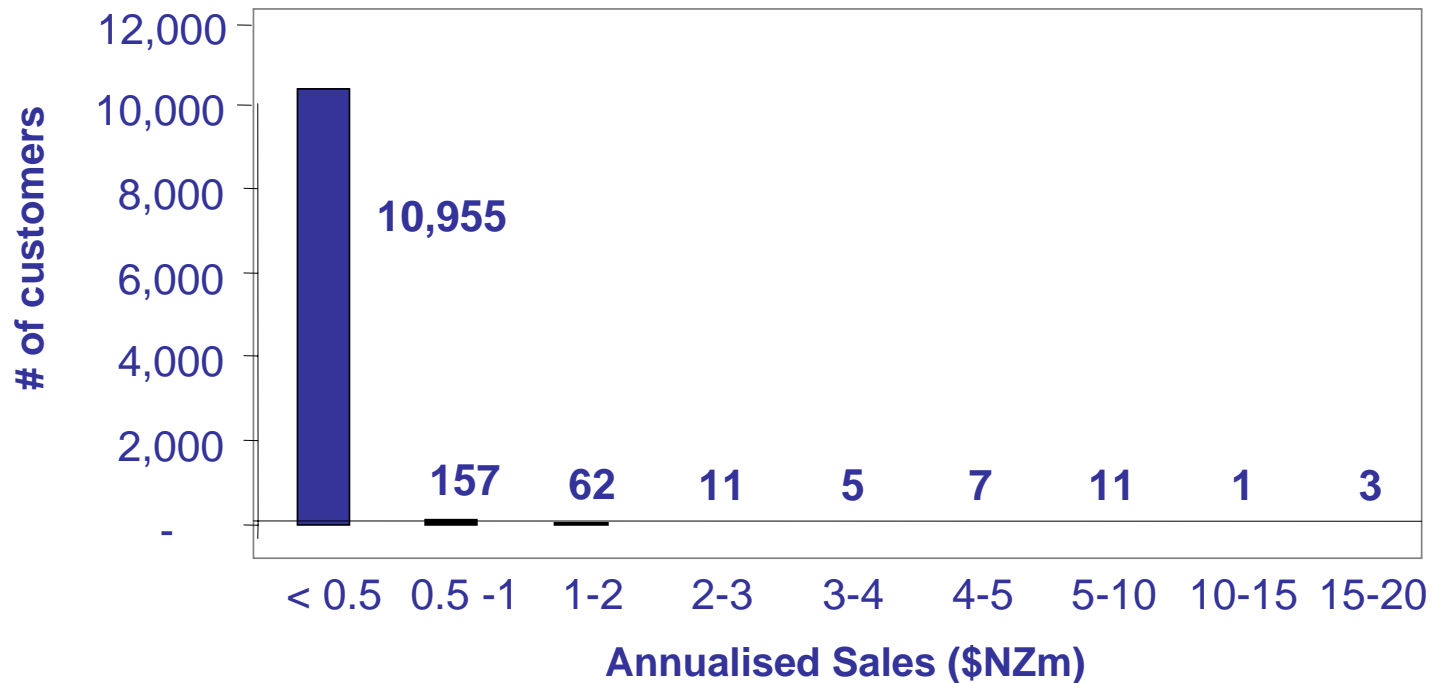


Revenue by Major Region 2003/04



Customer Size Review

Active Customers grouped by annualised sales



Competitor Capability

	TLG <i>Aus/NZ</i>		CHH <i>Aus/NZ</i>		Parbury <i>Aus/NZ</i>		Nelson Pine <i>Aus/NZ</i>		D&R Henderson <i>Australia</i>		Borg <i>Australia</i>		Duropal <i>Australia</i>		Prime Panels <i>NZ</i>	
	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF
HPL	Yellow				Green								Green			
Substrate	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF	PB	MDF
Colour Board	Yellow	Yellow	Yellow	Yellow	Red	Red			Yellow	Red	Red	Red	Green		Red	Red
White Board	Yellow	Yellow	Yellow	Yellow					Yellow	Red	Red	Red			Red	Red
Raw Board	Yellow	Yellow	Yellow	Yellow			Yellow	Yellow	Yellow							



Manufactured



Imported



Purchased Locally

2003/04 Priorities

- **NZ Integration**
- **Sydney/Adelaide Distribution Centres**
- **New State based customer service centres**
- **Formica/Formex product and brand rationalisation**
- **Minimise impact of high \$A on export business**
- **Improve safety**

2004/05 Priorities

- **Brisbane Distribution Centre**
- **Improve NZ manufacturing performance**
- **Upgrade branch network – Canberra, Townsville**
- **Establish resin manufacturing on east coast Australia**
- **Develop Asian strategy**

Key Messages

- 1. Attractive industry structure**
- 2. Vertical integration**
- 3. High barriers to entry**
- 4. Capitalising on Australia's and NZ's natural wood resource**

DISCLAIMER

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, including those relating to the 2004 annual results, 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.