



**FletcherBuilding**

**Andrew Reding  
Chief Executive – Building  
Products Group**

# Results Record

	2001**	2002	2003	½ 2004
<b>EBIT NZ\$m*</b>	94	205	331	217
<b>ROE</b>		16.9%	23.0%	23.6%
<b>ROFE</b>		23.1%	24.4%	23.9%
<b>TSR</b>		24%	43%	20%
				(for 6 mths)

\* *Pre unusualls*

\*\* *Proforma for 12 months*

# Latest Result

<b>NZ\$m</b>	<b>Jun 2001 Pro-Forma</b>	<b>Jun 2002 12 Mths</b>	<b>Jun 2003 12 Mths</b>	<b>Dec 2003 6 Mths</b>	<b>Consensus FY04 12 Mths*</b>
Building Products	50	77	102	74	154
Distribution	18	34	59	36	71
Concrete	40	60	81	42	85
Construction	5	30	34	20	38
Laminates & Panels	8	8	54	48	96
Corporate/Unallocated	-15	-4	1	-4	-6
<b>EBIT</b>	<b>106</b>	<b>205</b>	<b>331</b>	<b>216</b>	<b>438</b>

\* Range \$425m to \$445m

# Building Products



Plasterboard – No. 1



Aluminium - No.2 in NZ



Insulation  
- No.1 in Australasia



No.2 in Australasia



No.1 in Australasia

# Building Products – Steel



Scrap - 50% of Sims  
Pacific Metals

250KT + EAF Steel Mill

Rod, Bar & Wire  
manufacturing and  
placement

# Building Products – Steel



General steel distribution



Coil coating, long-run and tile roofing



Metal Roof tiles  
No. 1 in world



General Galvanising

# Key Strategies

- ❑ Leveraging off Fletcher Building's NZ position to create value from infill opportunities
- ❑ Leveraging off Fletcher Building's Australasian positions to rationalise industries
- ❑ Leveraging off Fletcher Building's NZ position to develop and bring to market new technologies with opportunities to exploit offshore
- ❑ Growth outside Australasia from product champions

# Example - Tasman

	Insulation NZ	Insulation Australia	Intech	AHI Roofing	Decra Roofing
Infill opportunities	X			X	
Rationalisation		X			
Technology			X		
Product Champions				X	X





**Fletcher**Building

A map of Australia and Tasmania is depicted, where the landmasses are filled with a textured, yellowish-gold material that resembles fibrous insulation. The map is set against a solid blue background.

# Tasman Insulation Australia Pty Ltd

# Our Vision

**“To be the preferred supplier of  
insulation products to the  
Australian market.”**

# History

- 1979 Commenced Glasswool operations
- 1989 CHH acquires business
- 1991 Foil manufacture commenced
- 1993 Polyester business acquired
- 1996 Glasswool plant upgrade
- 1998 Tasman acquisition
- 2003 Fletcher acquisition

# Insulco Product Range

## ➤ Glasswool



Fat Batts



Acousti-Therm



Vapa-Chek

# Insulco Product Range

## ➤ Polyester



Batts

Partition Blankets

Waddings

Filter Media

# Insulco Product Range

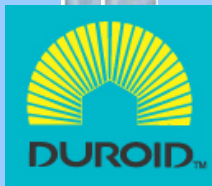
## ➤ Foil Laminate Products



Traditional foils in Light,  
Medium & Heavy Duty

Tuff-Stuff

Duroid range



# How Are Insulco Insulation Products Made?



# Glasswool

## Raw Materials

- 65% Recycled Glass (window, bottle)
- Silica Sand, Dolomite, Borax

## Process

- Raw materials are mixed and melted to 1500°C to make glass
- Molten glass is spun and fiberised
- Binder is added to hold fibres together
- The product is cured in oven
- Product is cut to size and packaged

# Foil Laminates

## Raw Materials

- Aluminum foil, fibreglass scrim, paper, adhesive
- Woven poly mesh (Tuff-Stuff products)

## Process

- Two laminators; waterbased, hot melt
- Components are laminated to construct the final product
- Rolls are printed and edge trim cut on line
- Rolls are cut to size as a secondary process

# Polyester

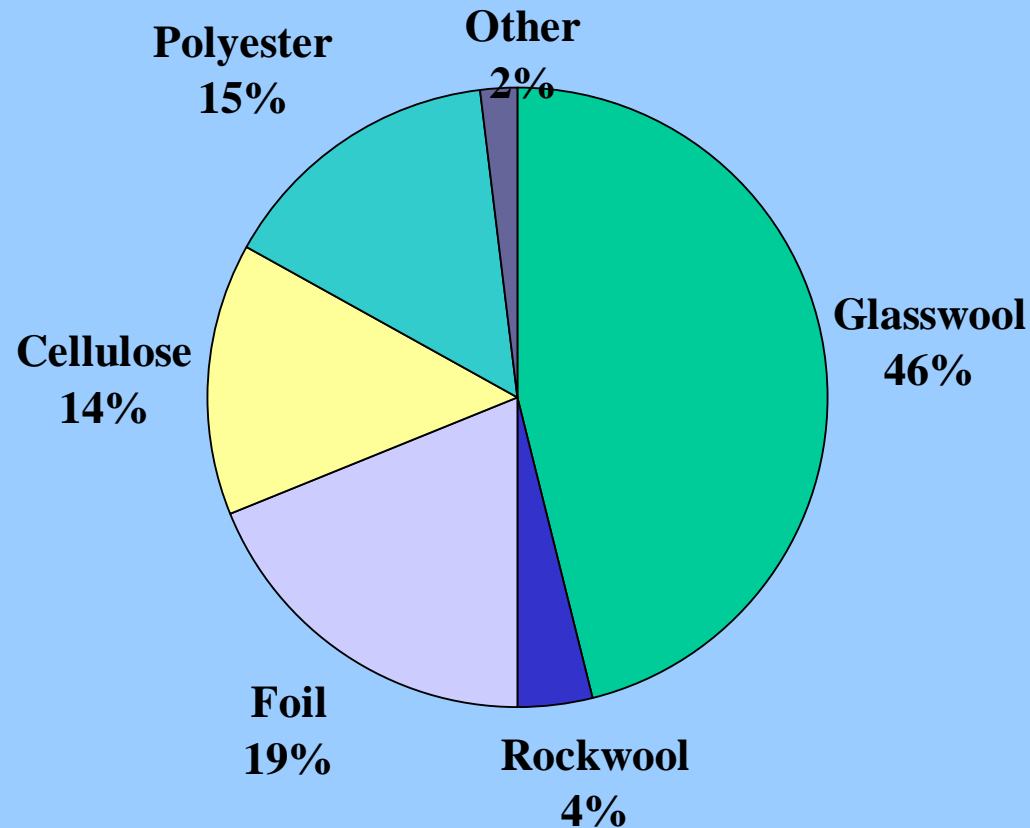
## Raw Materials

- Polyester fibres (low melt, high melt, conjugate)

## Process

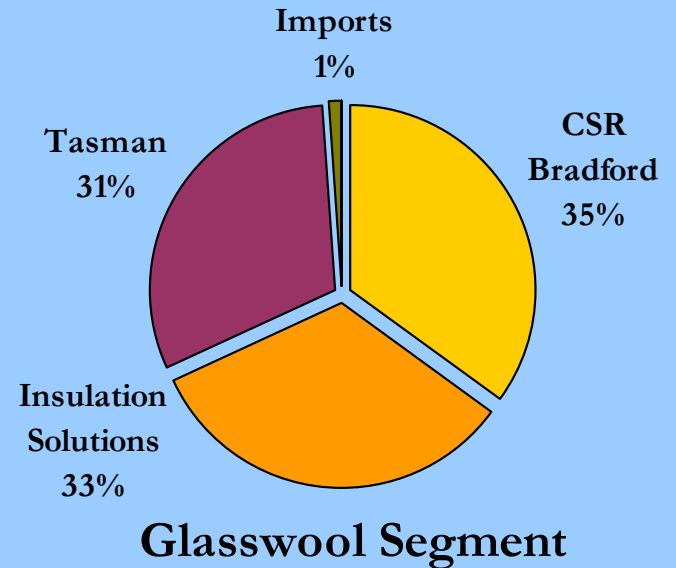
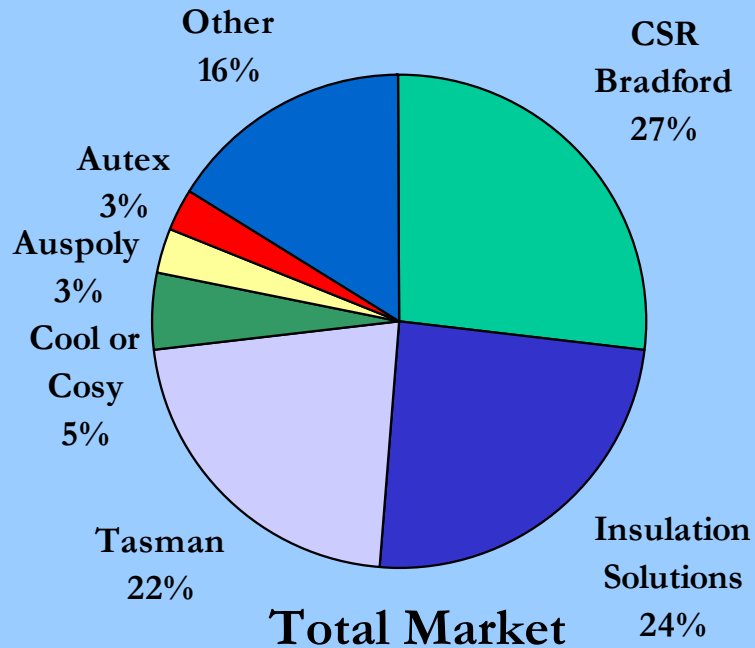
- Fibres are selected for each product are blended
- Fibres are “matted” using carding machine or air-lay technology
- Low melt fibres bond the product in oven
- Final product is cut and packaged

# Insulation Market by Product



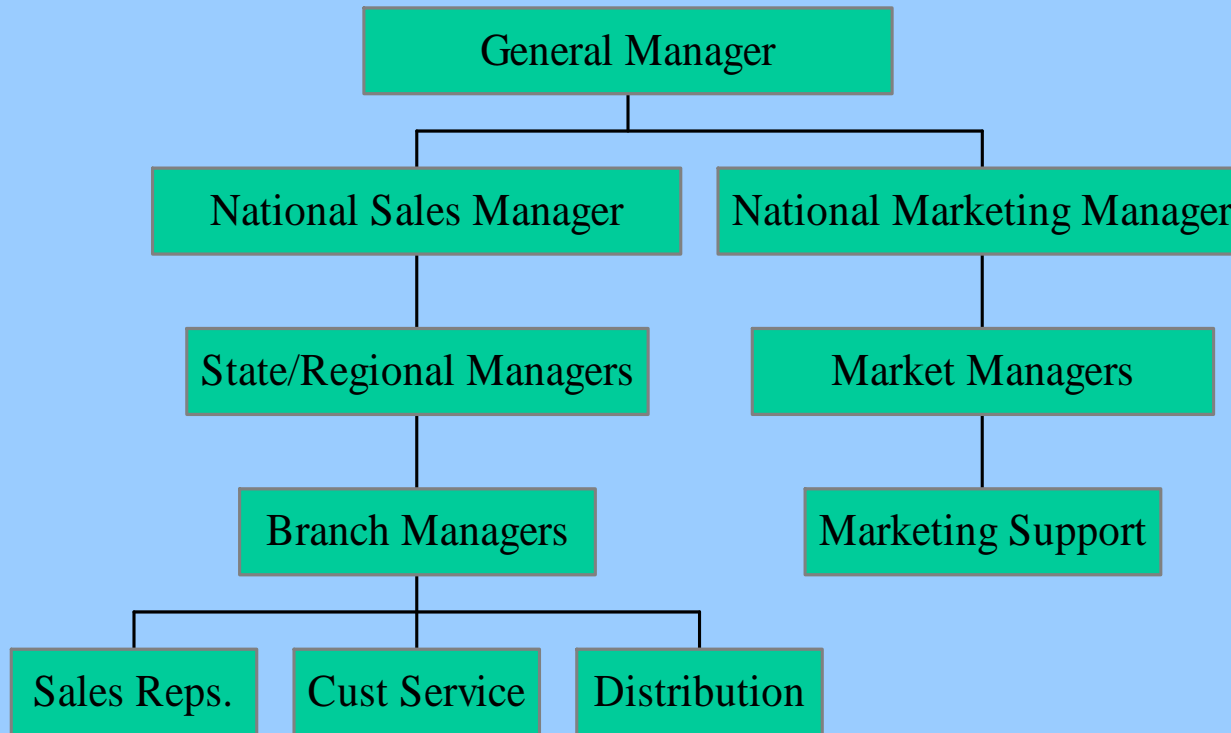
Market Size \$350 million

# Insulation Market Shares



# Sales & Marketing

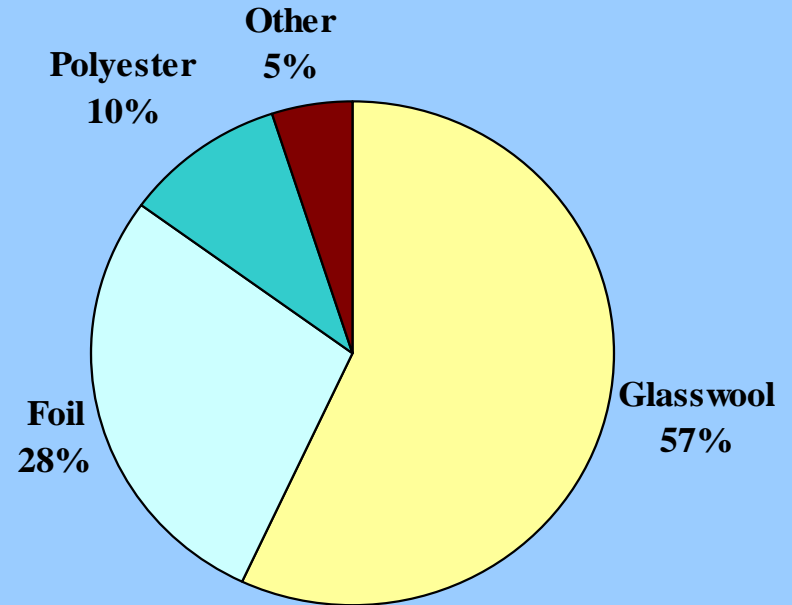
- **Structure**



- **15 Sales & Distribution Branches**
- **Highly customer and service focused**

# Sales & Marketing

- **Product Sales Breakdown**

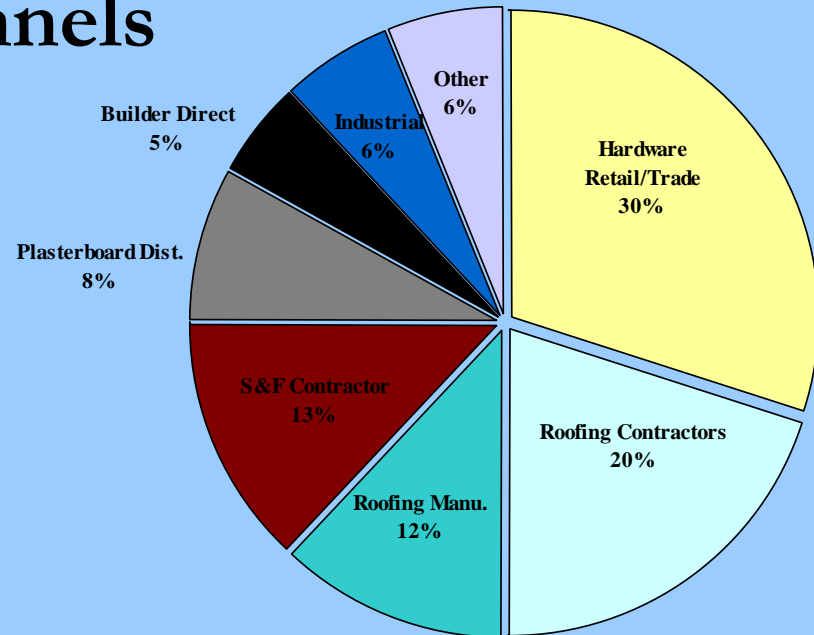


- **Brands**

- Insulco®
- Fat Batts®
- Vapa-Chek®
- Thermoblue®, Sonoblue ®

# Sales & Marketing

- **Distribution Channels**



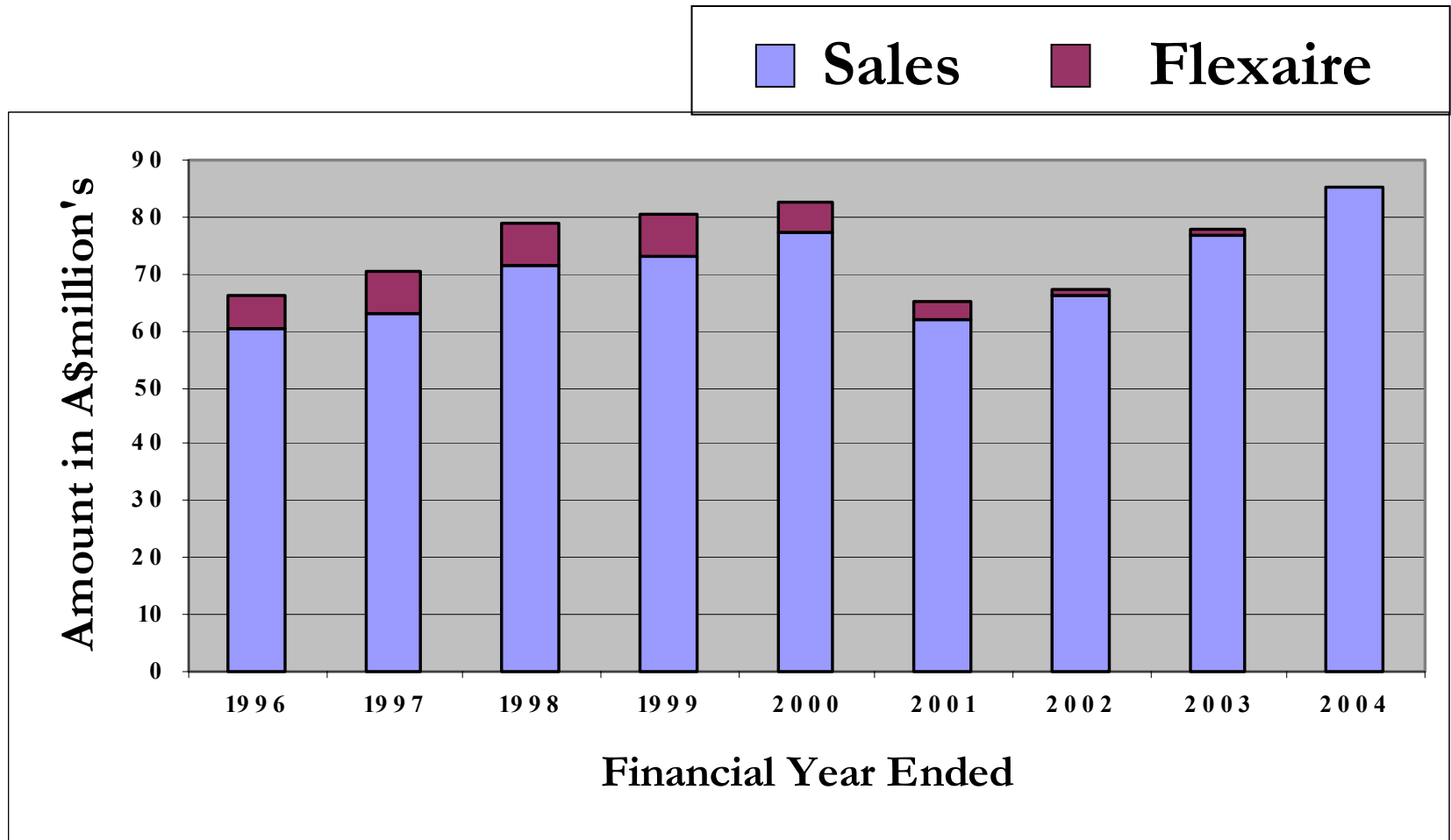
- **Relative strength in Hardware & Roofing**
- **Growing share of S&F & Builder segments**
- **Targeting growth in Industrial segment**



# Development Opportunities

- Upgrade glasswool fiberising technology
  - increase capacity (5-10%)
  - improve quality
  - product development
- Grow technology sales
  - develop partnership with major international glasswool manufacturer
  - target small-medium plants
- Mandatory insulation introduction
  - residential 2003/04
  - commercial 2006
  - focus on builder market
  - lobby for higher R-value
- Web-site development
  - home insulation leads and sales

# Sales History



# Sales History

