



Half Year Results Presentation

11 February 2004

This Half Year Results presentation dated 11 February 2004 provides additional comment on the media release of the same date. As such, it should be read in conjunction with and subject to the explanations and views of future outlook on market conditions, earnings and activities given in that release.

Highlights

- ❑ Net profit up 34% to \$111 million
- ❑ Operating Earnings up 35% to \$216 million
- ❑ Acquisition of Tasman Building Products

Summary of Results

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Revenue	1929	1483	3221
EBITDA	274	203	429
EBITA	222	162	338
EBIT	216	160	331
Net Earnings	111	83	168
EPS (cents)	25.9	22.4	43.4
Dividend cps	11.0	9.0	19.0

Segmental EBIT

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Building Products	74	58	102
Distribution*	36	27	59
Concrete*	42	42	81
Construction	20	16	34
Laminates & Panels**	48	16	54
Corporate/Unallocated*	-4	1	1
EBIT	216	160	331

* Discontinued operations transferred to Corporate

** Includes Fletcher Wood Panels and Scott Panel & Hardware

Building Products Results

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Revenue	415	332	638
EBIT	74	58	102
Margin	17.8%	17.5%	16.0%
Funds	571	319	296
Return on Funds (annualised)	29.4%	36.4%	34.5%

Building Products

Tasman acquisition and integration

Winstone Wallboards

- Volume and earnings up with market and completed capex

Fletcher Aluminium

- Substantial improvement in earnings from improved productivity and processes

Building Products

Steel Manufacturing

- Improved safety record
- Benefit from energy hedging
- Strong increase in scrap prices
- Strong competition and soft market for wire

Building Products

Steel Processing and Distribution

- All well ahead of prior year
- Excellent volume growth in Pacific Coilcoaters
- Full year of consolidation benefits for EasySteel

Distribution Results

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Gross Revenue	425	358	744
EBIT	36	27	59
Margin	8.5%	7.5%	7.9%
Funds	102	94	92
Return on Funds (annualised)	70.6%	57.4%	64.1%

Distribution

- Building Depot and Hire-a-Hubby divested
- Builders Hardware acquired
- Excellent sales through both the buoyant market and improved share performance
- Major store upgrade programme underway

Concrete Results

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Revenue	246	245	487
EBIT	42	42	81
Margin	17.1%	17.1%	16.6%
Funds	410	401	400
Return on Funds (annualised)	20.5%	20.9%	20.3%

Concrete

- Golden Bay Cement impacted by increased logistic costs
- Capacity increase underway
- Winstone Aggregates, Firth, Humes and Stresscrete all well up on pcp
- International down on pcp

Construction Results

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Revenue	324	310	618
EBIT	20	16	34
Funds	-48	-80	-62

Construction

Construction

- Strong workload including Grafton Gully, Central Motorway Junction (CMJ), Greenhithe Bridge and Sky City
- Backlog around \$450 million with \$120 million imminent
- South Pacific workload improved

Construction

Residential

- Excellent result in line with market conditions
- Secured rights to some prime Auckland land providing three to five years of stock

Laminates & Panels Results

\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
Revenue	511	196	659
EBIT	48	16	54
Margin	9.4%	8.2%	8.2%
Funds	850	839	862
Return on Funds (annualised)	11.3%	9.8%	9.5%

Laminex

- Integration of Fletcher Wood Panels and Scott Panel & Hardware substantially completed
- Good volumes in all markets – residential, alterations and additions, commercial
- Australian distribution consolidations all complete bar Brisbane – under construction
- Export returns impacted by strong currency

Profit After Tax

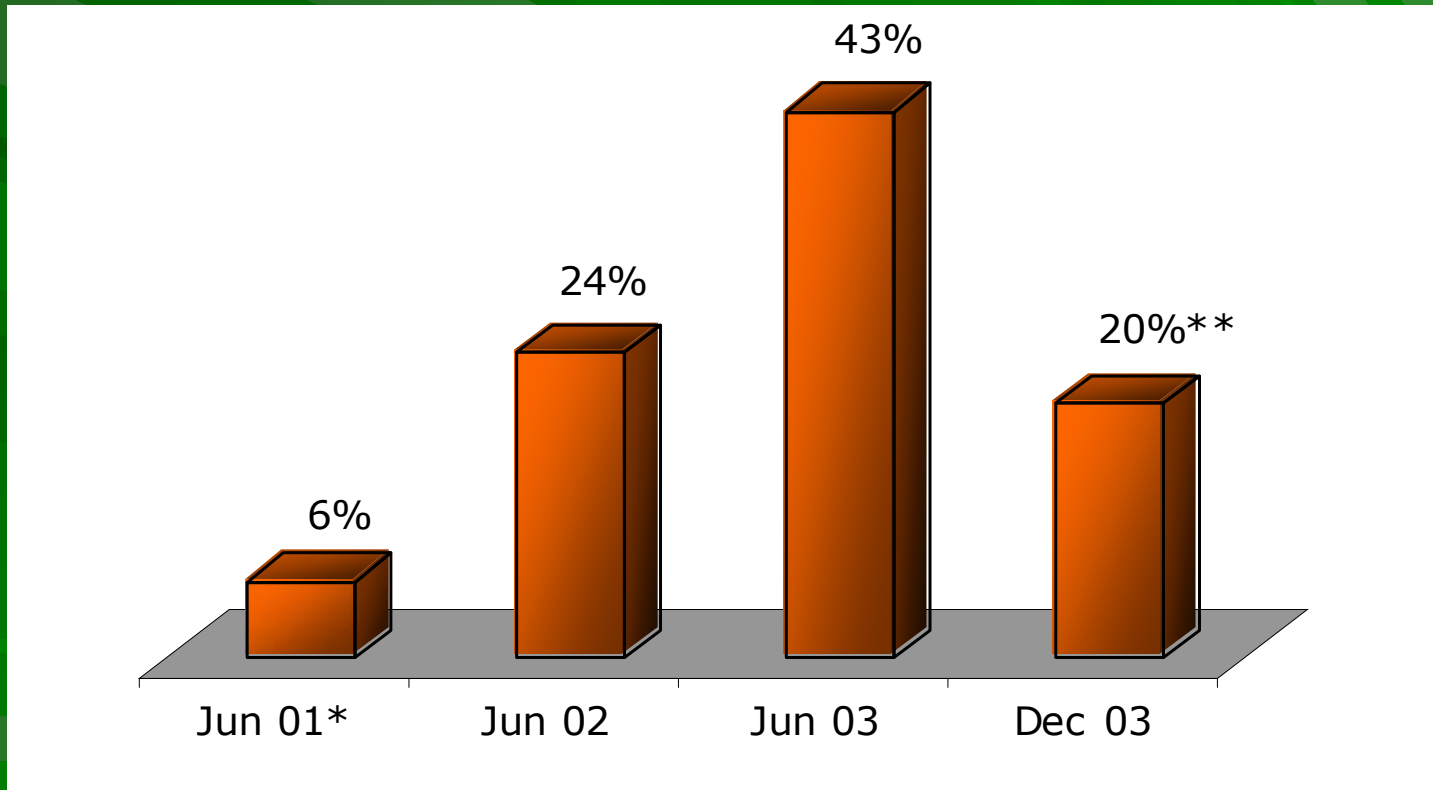
\$m	Dec 2003 6 Mths	Dec 2002 6 Mths	Jun 2003 12 Mths
EBIT before Unusuals	216	160	331
Interest	-36	-23	-59
Tax	-58	-45	-85
Minority Interests	-11	-9	-19
Profit After Tax	111	83	168

Simplified Balance Sheet

	Dec 2003 NZ\$m	Jun 2003 NZ\$m
Assets		
Current Assets	1045	984
Fixed Assets	1027	969
Intangibles & Goodwill	364	198
Provision for Deferred Taxation	101	105
Investments	150	155
Total Fletcher Building Assets	2687	2411
Liabilities		
Current Liabilities	683	693
Net Debt	605	502
Capital Notes	364	356
Total Fletcher Building Liabilities	1652	1551
Equity		
Equity & Minority Interests	1035	860
Total Fletcher Building Liabilities and Equity	2687	2411

Key Ratios

Total Shareholder Return (TSR)***



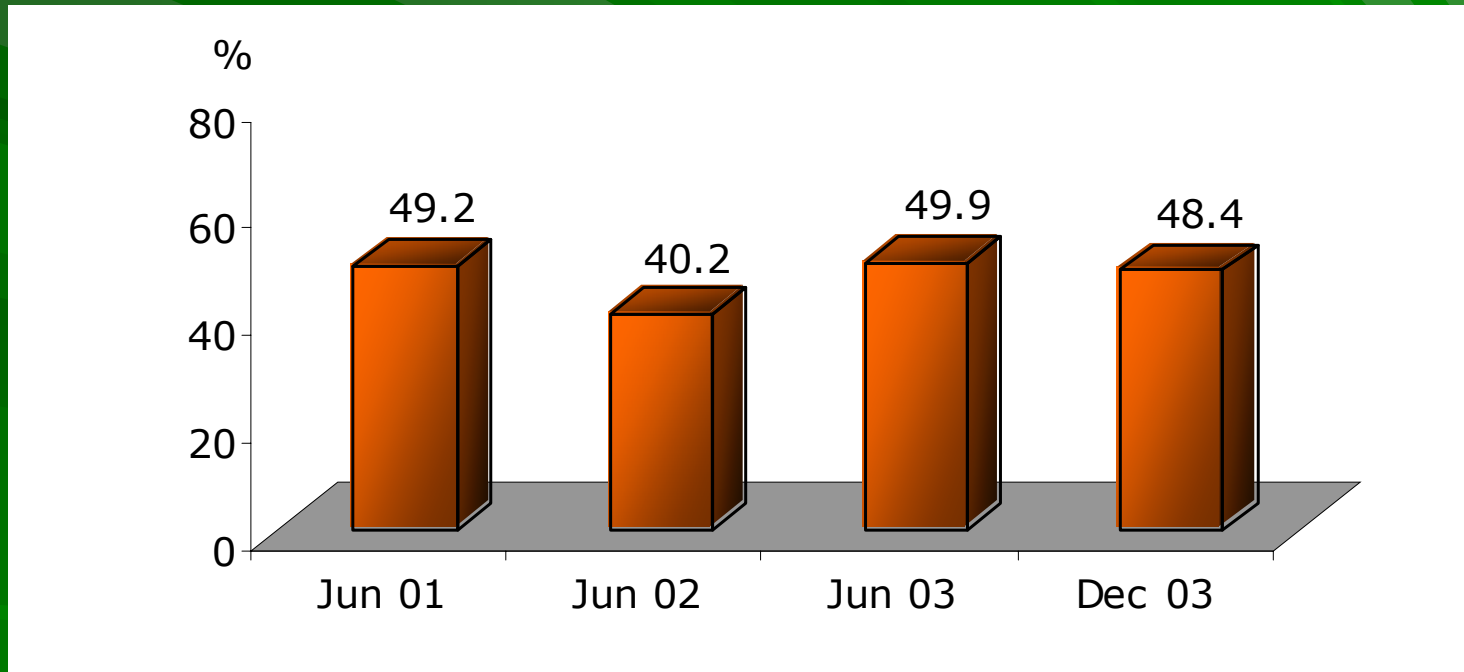
* For the 3 months from separation date

** For the six months

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

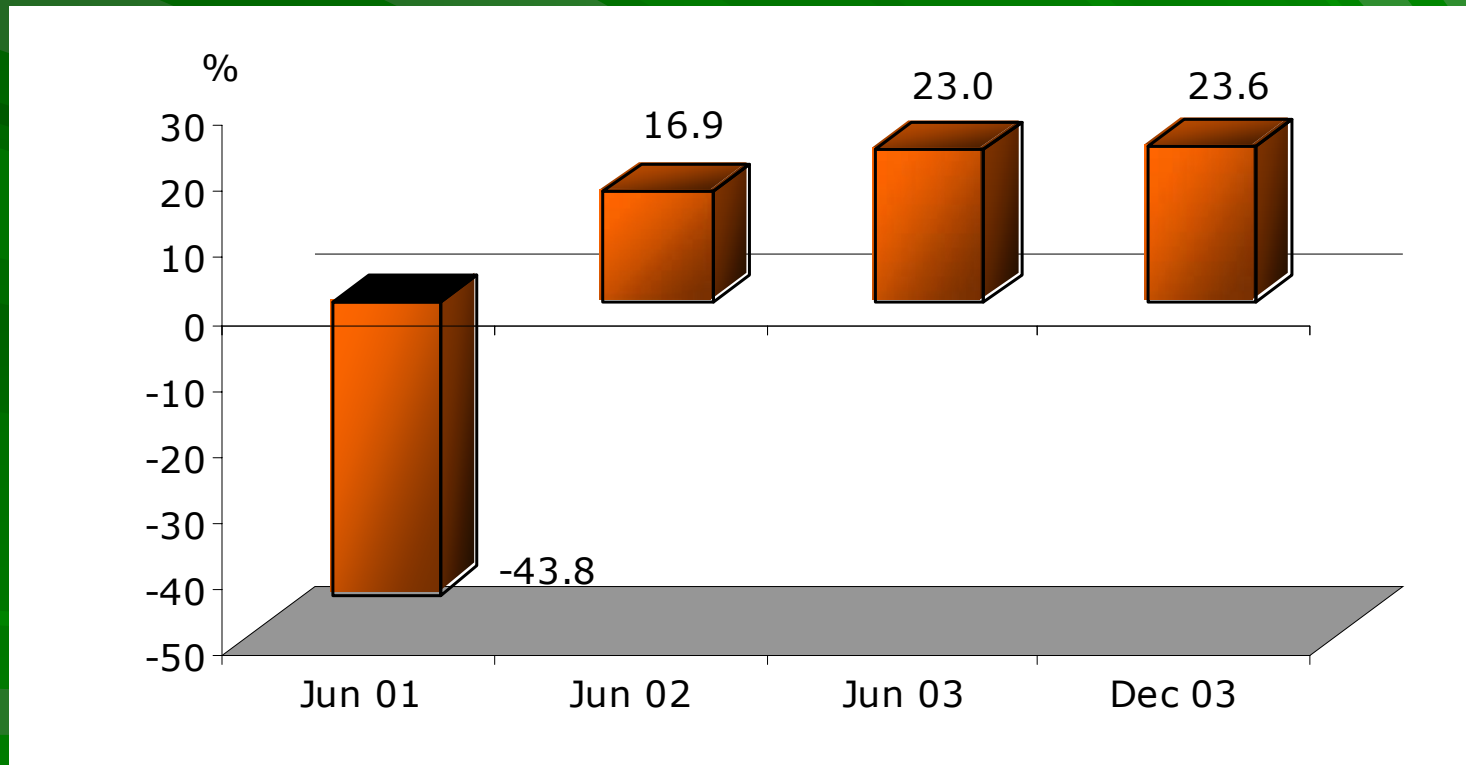
Key Ratios

Debt/Debt Plus Equity



Key Ratios

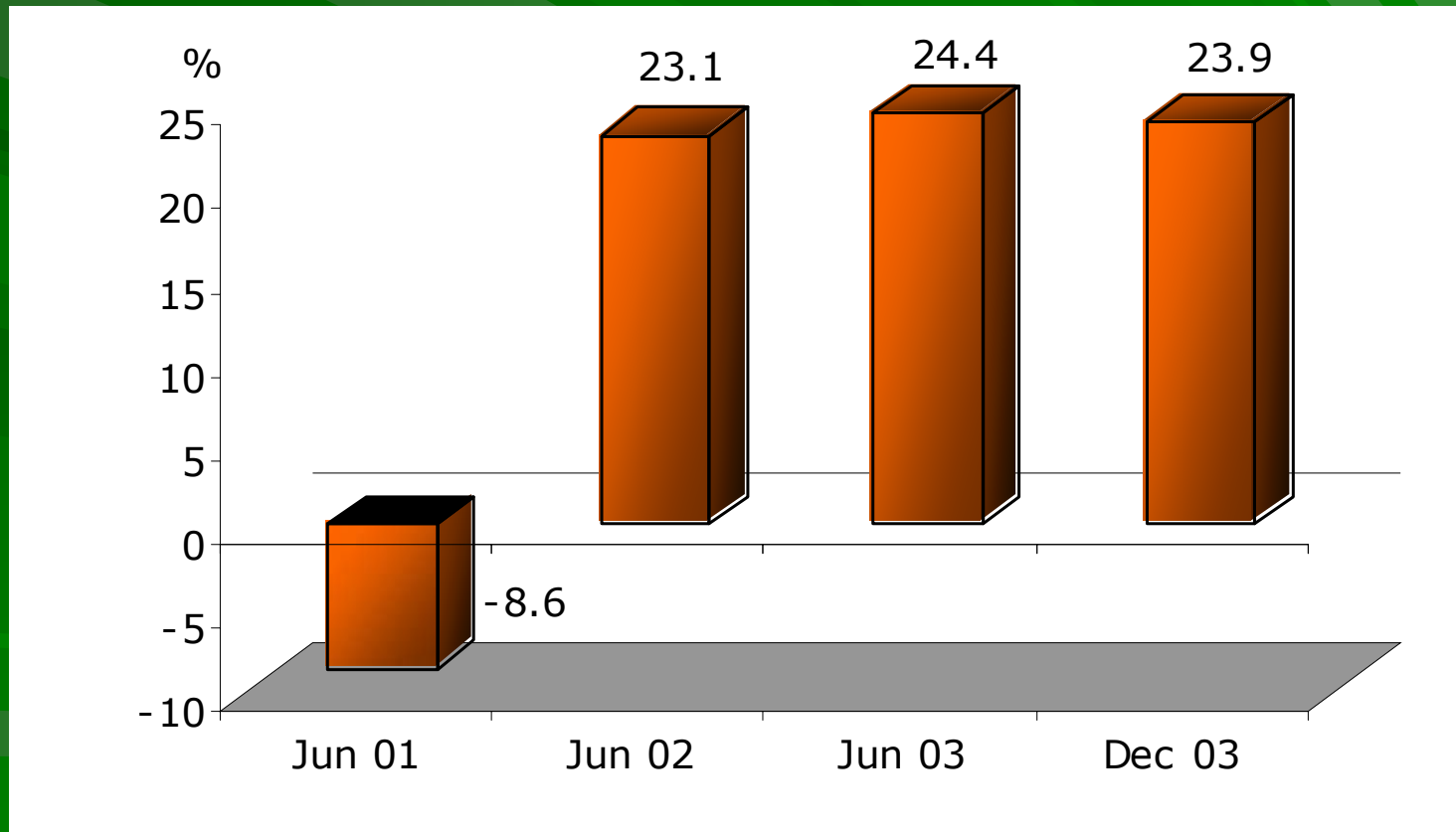
Annualised Return on Average Equity*



* Net earnings after capital notes interest/shareholders funds

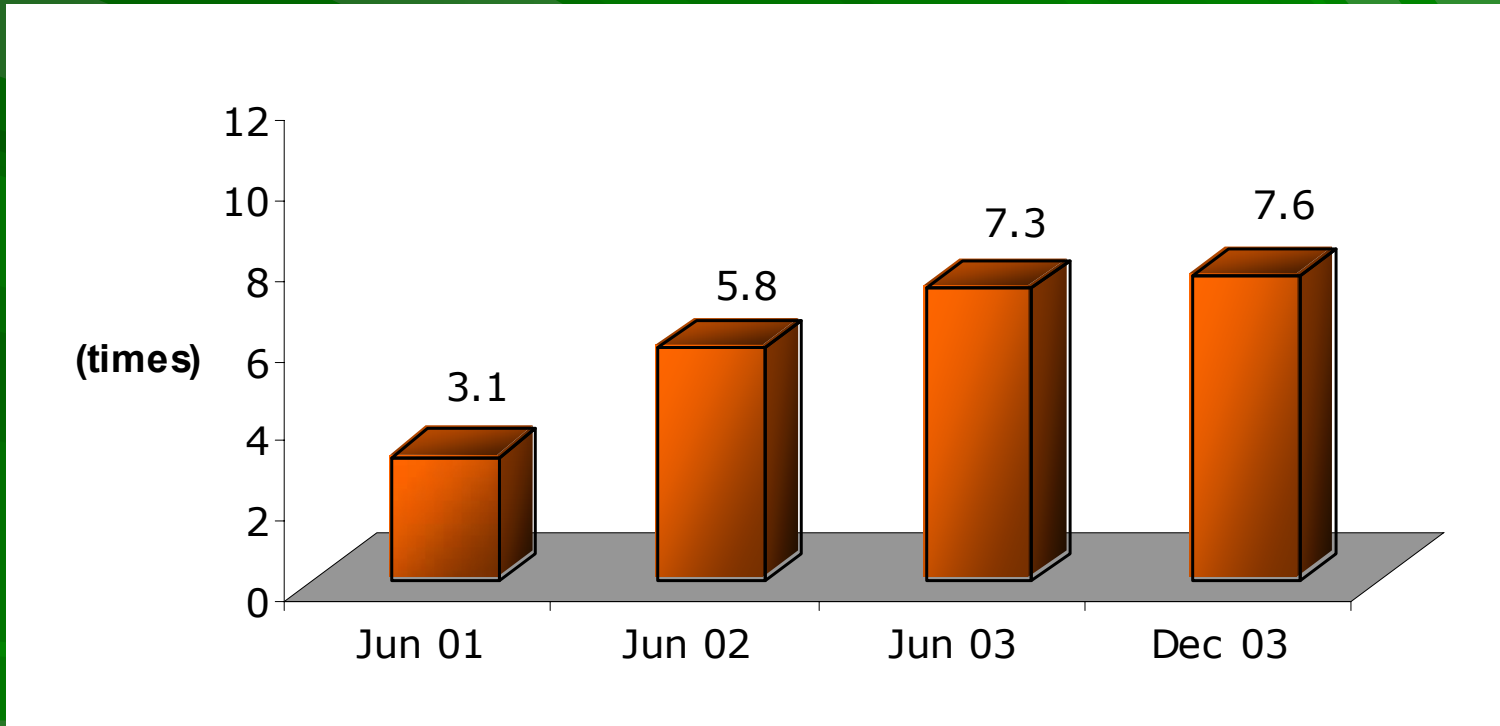
Key Ratios

Annualised Return on Average Funds*



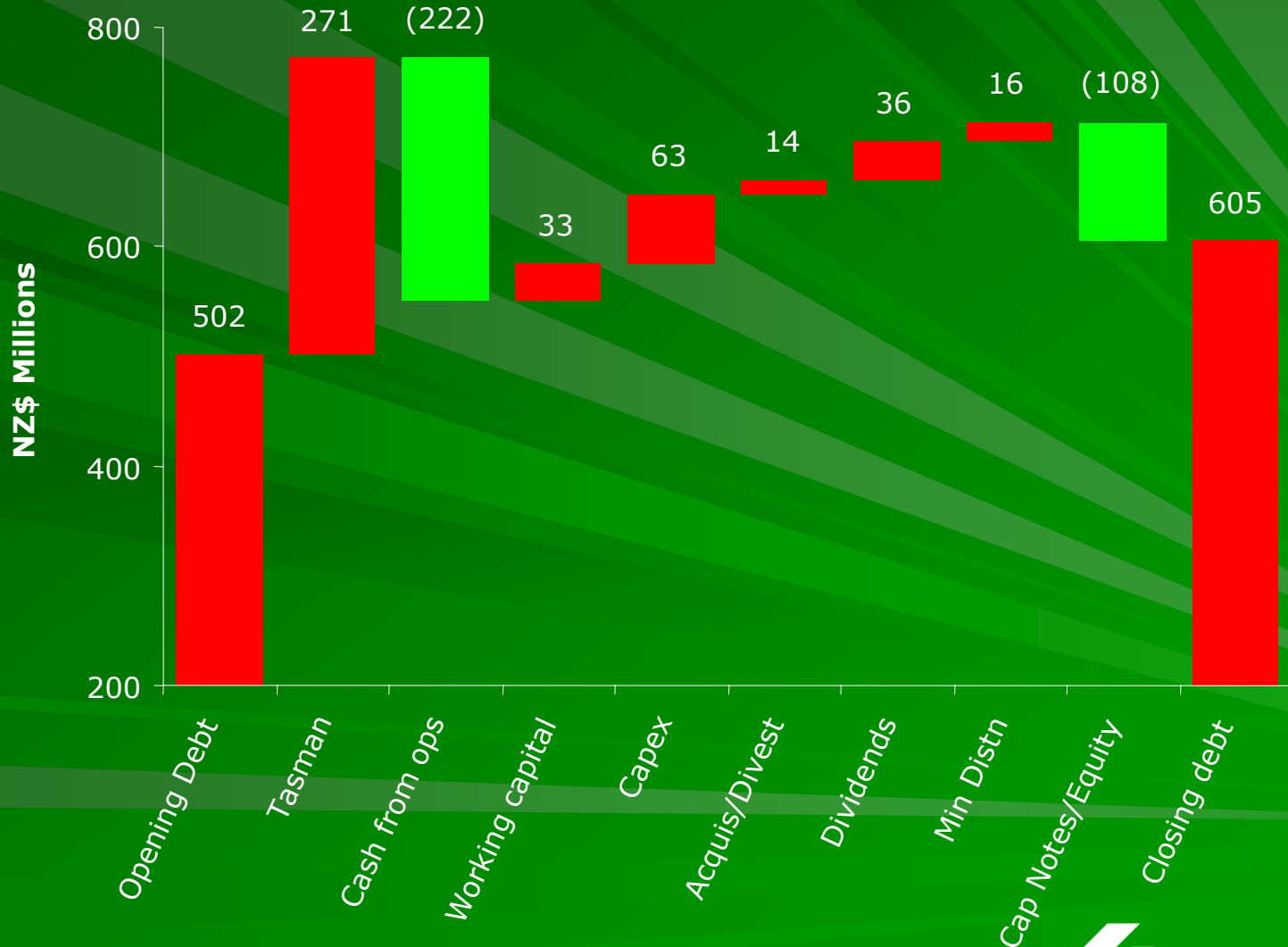
Key Ratios

Interest Cover*



* EBITDA pre unusualls/interest paid including capital note interest

Net Term Debt Movement





FletcherBuilding

**Operational & Strategic
Update**

Strategic Agenda

- ❑ New focus on costs prior to market easing
- ❑ Build on Tasman and Laminex positions where appropriate
- ❑ Evaluate new growth opportunities

Outlook

- ❑ Second half should remain strong
- ❑ Easing in residential in FY2005
- ❑ Strong non-residential and A&A markets in FY2005