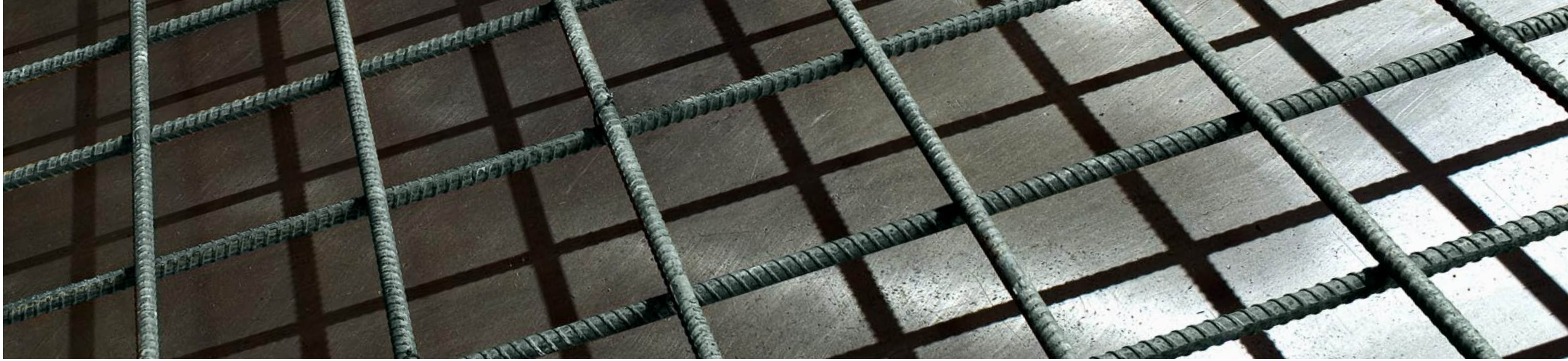

BUILDING STRENGTH AND PERFORMANCE

FletcherBuilding

FLETCHER BUILDING LIMITED
HALF YEAR REVIEW

REPORT FOR THE SIX MONTH PERIOD
ENDED 31 DECEMBER 2004

FletcherBuilding

FLETCHER BUILDING LIMITED
HALF YEAR REVIEW

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FROM THE CHAIRMAN AND CHIEF EXECUTIVE

HALF YEAR REVIEW

Directors are pleased to present the unaudited results for the six months ended 31 December 2004. Net earnings were $161 million, 45 percent up on the $111 million earned in the previous corresponding period. Operating earnings, that is earnings before interest and tax, were $288 million, up from the $216 million earned in the first half last year.

Revenue was $2.2 billion, up from $1.9 billion in the previous corresponding period although $100 million of this growth is from Tasman Building Products, included only from October in the previous corresponding period. After adjusting for this, and other acquisitions and disposals, the increase in revenue was 8 percent, whereas after adjusting operating earnings for the extra three months of Tasman, earnings were up 26 percent. Demand in New Zealand showed no signs of easing during the period, whereas Australian residential demand, particularly in New South Wales and Victoria, was noticeably softer.

The Concrete and Construction divisions, both of which are managed by the same executive, have been combined to form the Infrastructure division and will henceforth be reported as a single division. On this basis all divisions again improved their operating earnings; Building Products was up 64 percent, or 44 percent after adjusting for the extra three months of Tasman, Distribution by 17 percent, Infrastructure by 24 percent, and Laminates and Panels by 17 percent despite a year on year revenue reduction.

The interim dividend will be 15 cents per share, a 36 percent increase on last year's interim dividend of 11 cents per share and a one cent increase on last year's final dividend. This is the company's sixth consecutive dividend increase. The dividend is payable on 6 April 2005 and includes full New Zealand tax credits and 40 percent Australian franking credits.

The result represents a 28.1 percent return on average equity and a 30.3 percent return on average funds employed. Total shareholder return (TSR), that is the increase in share price from 1 July to 31 December 2004 plus dividends paid, was 50 percent for the six months.

HALF YEAR REVIEW (continued)

Building Products

Building Products' reported operating earnings of $121 million. This represents a 64 percent increase on the $74 million reported in the six months to December 2003.

The Tasman Building Products companies, acquired on 30 September 2003, contributed $28.6 million operating earnings which compared very favourably with last year's $9.8 million for the December quarter.

Across the entire Building Products division, only Pacific Coilcoaters was behind the previous corresponding period's earnings, because of some steel supply shortages. There were stand-out improvements from upstream and downstream steel businesses, while all other business units improved on already high quality earnings levels. The strong earnings across the division reflect the continuing buoyant demand being experienced in both domestic and overseas markets.

All businesses benefited from the continuing focus on productivity improvements and during the period an agreement to purchase a metal roof tile manufacturing plant in Malaysia was concluded. The upgrade of this plant, which will provide much needed additional capacity to meet export markets, is expected to be complete within the financial year.

Distribution

Revenue and operating earnings for the six months to December 2004 were up 11 percent and 17 percent respectively on the same period in the prior year. Ongoing buoyant market conditions underpinned these results, which were above expectations.

In October, PlaceMakers opened a new flagship store at Riccarton, Christchurch with a format designed for the professional builder and differentiated from competitors' DIY focus. New stores were also opened in December at Mt Wellington and Queenstown. The Queenstown store is a smaller version of the new format store but is tailored to suit the size of the local market. Early trading results from all new stores are very pleasing.

Based on the success achieved so far with the store development programme two new stores and a number of store upgrades are scheduled this calendar year.

Infrastructure

Operating earnings in Infrastructure were up 24 percent on the previous corresponding period. Revenues increased by 8 percent.

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HALF YEAR REVIEW (continued)

The New Zealand concrete operations were up strongly with all business units reporting improved earnings on the same period last year. The most significant improvements were in the cement and aggregate operations where volumes, improving efficiencies and price contributed to the excellent results. The initial projects in the upgrade programme at the cement plant have been implemented with indications that upon completion, projected outputs will be exceeded. The programme will be completed in the second half of 2005.

While the construction operations recorded revenues only slightly up on the previous corresponding period they have $780 million of work commitments in backlog, compared to $430 million at 30 June 2004. Two significant projects, the $90 million Pohokura Gas Treatment plant and the $70 million Esmonde Road Busway, were secured too late in the half for any profit recognition in the period, which contributed to a $4 million reduction in earnings compared to the previous corresponding period.

Residential sold fewer homes because of land availability but enjoyed strong margins, and earnings were ahead of the prior comparable period.

Laminates & Panels

Earnings for the period were ahead of expectations, despite the difficult export environment resulting from strong Australian and New Zealand currencies against the US dollar. The reported earnings in New Zealand dollars have also been adversely affected relative to last year because of the appreciation of the New Zealand dollar against the Australian dollar.

Demand in Australia was similar to the prior year with strength in the Queensland and West Australian markets offsetting the weakening NSW and Victorian markets. Activity in the domestic New Zealand market was similar to last year.

Further gains in operating efficiencies have been the main driver of the earnings improvement. Significant lifts in production output have been made at the Kumeu and Taupo board factories in New Zealand. With the completion of the new Brisbane Distribution Centre, the warehouse consolidations across Australia are now complete and are providing significant service level benefits.

HALF YEAR REVIEW (continued)

Strategy

For some time, the company's strategic priorities have been to improve both the level and reliability of earnings through the economic cycle. This has been pursued through operational improvements, investments in capacity expansion and acquisitions. The acquisitions have diversified the earnings base, reduced dependence on the New Zealand market, yielded synergies and provided a path for future growth.

In the near term there will be a continuation of investment in capacity expansion and the upgrading of PlaceMakers outlets.

Consistent with this strategy of selective expansion outside New Zealand to diversify earnings and provide a path for further growth, the company has recently reported the acquisition of Amatek Holdings Limited (Amatek) for A$530 million.

Amatek is a holding company comprising four Australian building products businesses: Rocla Pipeline Products (a national supplier of steel reinforced concrete pipes and precast products), Rocla Quarry Products (a regional operator of sand quarries), Stramit (a leading supplier of roll formed steel roofing and structural products) and Insulation Solutions (a manufacturer of glasswool and foil insulation).

Fletcher Building has the leading New Zealand market positions in each of these businesses but presently only participates in insulation in Australia. The acquired businesses are in good industry structures and have strong market positions.

Outlook

Despite a slowing in residential markets in Australia and imminently in New Zealand, non-residential building and infrastructure markets remain strong. This, coupled with further margin improvements, has allowed directors to again upgrade the outlook for earnings, which they now expect to be in the range of $525-545 million before interest and taxation for the full year.

This year-end earnings guidance given as at 9 February 2005, does not include any earnings from the acquisition of the Amatek businesses.

Roderick Deane
Chairman

Ralph Waters
Managing Director

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Statement of financial performance

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (UNAUDITED)

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Operating revenue	**2,171**	3,958	1,929
Operating expenses	**(1,883)**	(3,498)	(1,713)
Operating earnings	**288**	460	216
Funding costs	**(33)**	(75)	(36)
Earnings before taxation	**255**	385	180
Taxation expense	**(82)**	(124)	(58)
Earnings after taxation	**173**	261	122
Minority interest	**(12)**	(21)	(11)
Net earnings	**161**	240	111

Statement of cashflows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (UNAUDITED)

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Cashflow from operating activities			
Total received	**2,166**	3,930	1,935
Total applied	**(1,942)**	(3,506)	(1,746)
Net cash from operating activities	**224**	424	189
Cashflow from investing activities			
Sale of fixed assets and investments	**7**	8	4
Sale of subsidiaries	-	5	2
Purchase of fixed assets and investments	**(100)**	(151)	(63)
Purchase of subsidiaries	-	(303)	(301)
Cash in subsidiaries acquired	-	10	10
Net cash from investing activities	**(93)**	(431)	(348)

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FLETCHER BUILDING LIMITED
HALF YEAR REVIEW

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Statement of cashflows (continued)

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Cashflow from financing activities			
Net debt drawdowns/(settlements)	**(57)**	2	124
Issue of shares	**2**	100	100
Issue of capital notes	**-**	72	17
Repurchase of capital notes	**-**	(28)	(9)
Distribution to minority shareholders	**(19)**	(29)	(16)
Dividends and distributions	**(42)**	(69)	(36)
Net cash from financing activities	**(116)**	48	180
Net movement in cash held	**15**	41	21
Add opening cash and liquid deposits	**77**	36	36
Effect of exchange rate changes on net cash	**(1)**	-	-
Closing cash and liquid deposits	**91**	77	57

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Statement of financial position

AS AT 31 DECEMBER 2004 (UNAUDITED)

	DEC 2004 NZ$M	JUNE 2004 NZ$M	DEC 2003 NZ$M
Assets			
Current assets:			
Cash and liquid deposits	**91**	77	57
Stocks	**534**	464	496
Debtors	**648**	633	585
Total current assets	**1,273**	1,174	1,138
Non current assets:			
Fixed assets	**1,048**	1,023	1,031
Goodwill	**170**	176	192
Intangibles	**164**	166	168
Investments	**163**	159	150
Provision for deferred taxation	**83**	92	101
Total non current assets	**1,628**	1,616	1,642
Total assets	**2,901**	2,790	2,780

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Statement of financial position (continued)

	DEC 2004 NZ$M	JUNE 2004 NZ$M	DEC 2003 NZ$M
Liabilities			
Current liabilities:			
Short term loans	**12**	8	7
Accruals and provisions	**131**	143	127
Creditors	**538**	523	485
Contracts	**87**	75	71
Provision for current taxation	**54**	6	36
Capital notes	**68**	68	43
Term debt	**39**	33	37
Total current liabilities	**929**	856	806
Non current liabilities:			
Capital notes	**332**	332	321
Term debt	**414**	484	618
Total non current liabilities	**746**	816	939
Total liabilities	**1,675**	1,672	1,745

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Statement of financial position (continued)

	DEC 2004 NZ$M	JUNE 2004 NZ$M	DEC 2003 NZ$M
Equity			
Reported capital	**780**	754	737
Revenue reserves	**415**	315	232
Other reserves	**(8)**	9	28
Shareholders' funds	**1,187**	1,078	997
Minority equity	**39**	40	38
Total equity	**1,226**	1,118	1,035
Total liabilities and equity	**2,901**	2,790	2,780

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FletcherBuilding

Statement of movements in equity

AS AT SIX MONTHS ENDED 31 DECEMBER 2004 (UNAUDITED)

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Total equity			
At the beginning of the period	**1,118**	860	860
Net earnings - parent interest	**161**	240	111
Net earnings - minority interest	**12**	21	11
Movement in currency translation reserve	**(16)**	(20)	(1)
Total recognised revenues and expenses for the period	**157**	241	121
Movement in minority equity	**(13)**	(18)	(10)
Movement in reported capital	**26**	126	109
Transfer from share option reserve to reported capital	**(1)**	-	-
Dividends	**(61)**	(91)	(45)
Total equity	**1,226**	1,118	1,035

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FletcherBuilding

Breakdown of financial performance

(UNAUDITED)

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Results for the period's performance			
Operating revenue	**2,171**	3,958	1,929
Operating earnings	**288**	460	216
Cashflow from operations	**224**	424	189
Net earnings	**161**	240	111
Operating revenue			
Building Products	**581**	927	415
Distribution	**472**	863	425
Infrastructure	**618**	1,161	570
Laminates and Panels	**499**	994	511
Other	**1**	13	8
Total	2,171	3,958	1,929

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Breakdown of financial performance (continued)

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Operating earnings			
Building Products	**121**	164	74
Distribution	**42**	73	36
Infrastructure	**77**	136	62
Laminates and Panels	**56**	95	48
Other	**(8)**	(8)	(4)
Total	**288**	460	216
Total assets			
Building Products	**756**	728	713
Distribution	**245**	213	203
Infrastructure	**753**	673	645
Laminates and Panels	**912**	926	979
Other	**235**	250	240
Total	**2,901**	2,790	2,780

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FletcherBuilding

Financial review

Balance sheet

Net debt decreased to NZ$774 million at 31 December 2004, compared with NZ$848 million at June 2004.

With strong earnings and operating cashflow, and with gearing (net debt/net debt plus equity) at 38.7 percent, Fletcher Building remains in a sound financial position. This is a reduction from the gearing level of 43.1 percent at 30 June 2004, and is comfortably within all relevant debt covenants. Interest cover (EBITDA/Interest) was 10.6 times compared to 7.8 times at June 2004.

Cashflow

Cashflow from operations was NZ$224 million. This was after an increase of NZ$61 million in working capital as a result of the timing of cashflows on large construction projects, together with the increase in working capital required to support both the higher activity levels and the plant close-downs over the December/January period.

Capital expenditure, excluding major acquisitions and divestments, totalled NZ$100 million for the period, and reflects investment in internal growth projects signalled last year.

Dividend

The interim dividend of 15 cents per share will be payable on 6 April 2005 and will carry full New Zealand tax credits and partial Australian franking credits. Details are provided in the summary on the Dividend information page of this review.

Acquisition of Amatek

Since these financial statements have been prepared the company has announced the acquisition of Amatek for A$530 million. It has been funded by the issue of 20 million ordinary shares at an issue price of $7.05 per share raising NZ$141 million with the balance funded from bank facilities. Immediately after these transactions the company's gearing will increase from 38.7 percent at 31 December 2004 to 47.4 percent. This gearing level is still comfortably within all relevant debt covenants.

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Financial highlights (unaudited)

	SIX MONTHS DEC 2004	YEAR ENDED JUNE 2004	SIX MONTHS DEC 2003
Return on average funds employed (%)	30.3	24.7	23.9
Return on average equity (%)	28.1	24.3	23.6
Earnings per share (cents)	36.7	55.7	25.9
Dividends per share (cents)	15.0	25.0	11.0
Gearing (%)	38.7	43.1	48.4
Interest cover (times)	10.6	7.8	7.6

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Dividend information

INTERIM DIVIDEND SUMMARY TABLE[1]

NZ CENTS PER SHARE	NZ RESIDENTS	AUSTRALIAN RESIDENTS[4]	OTHER RESIDENTS
Dividend declared	15.0000	15.0000	15.0000
NZ tax credits[2]	7.3881	-	-
NZ tax credit refund	-	7.3881	7.3881
Australian franking tax credits[2]	-	2.5714	-
Gross dividend for tax purposes	**22.3881**	**24.9595**	**22.3881**
NZ tax (33%)	(7.3881)	-	-
NZ non-resident withholding tax (15%)[3]	-	(3.3582)	(3.3582)
Net cash received after NZ tax	**15.0000**	**19.0299**	**19.0299**
Australian tax (15%)[4]	-	(3.7439)	-
Reduced by credit for NZ non-resident withholding tax	-	3.3582	-
less Australian franking credit offset[5]	-	2.5714	-
Net cash dividend to shareholders[1]	**15.0000**	**21.2156**	**19.0299**
Record date	18 March 2005	18 March 2005	18 March 2005
Payment date	6 April 2005	6 April 2005	6 April 2005

NOTES - refer to next page

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Dividend information (continued)

NOTES:

(1) This summary is of a general nature and the tax rates used and the calculations are intended for guidance only. As individual circumstances will vary, shareholders are advised to seek independent tax advice.

(2) These amounts are not received in cash but are relevant in determining the gross dividend for tax purposes.

(3) NZ non-resident withholding tax is imposed at the rate of 15 percent on the sum of the dividend declared and the NZ tax credit refund. It is not imposed on the Australian franking credits component of the gross dividend.

(4) This summary uses the 15 percent income tax rate applicable in Australia to complying superannuation funds, approved deposit funds and pooled superannuation trusts. Different tax rates will apply to other Australian shareholders, including individuals, depending on their circumstances.

(5) Surplus franking credits are refundable to Australian resident shareholders on issue of their tax assessment.

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Dividend information (continued)

Dividend reinvestment plan

Fletcher Building shareholders (excluding those in jurisdictions where the issue of shares is not permitted by law) can participate in a dividend reinvestment plan, under which they have the opportunity to reinvest their dividends in additional shares. To participate, please contact the share registry.

The price used to determine entitlements under the dividend reinvestment plan is the weighted average share price of the company's shares sold on the New Zealand Exchange in the five business days following the record date of 18 March 2005. The new shares will be allocated on the dividend payment date of 6 April 2005.

The final date for participation in the dividend reinvestment plan with respect to this interim dividend is the record date of 18 March 2005.

Investor information

Shareholders or holders of capital notes issued by the company, or its subsidiary Fletcher Building Finance Limited with enquiries about share or capital note transactions, changes of address, direct crediting of dividend and interest payments, or the payment of any dividend or interest should contact the share registry in the country that their shares or capital notes are registered.

New Zealand
Computershare Investor Services Limited
Telephone: +64 9 488 8777
Facsimile: +64 9 488 8787

Australia
Computershare Investor Services Pty Limited
Telephone: 1800 501 366 (within Australia)
Facsimile: +61 2 8234 5050

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Notes to the financial statements

1 Basis of presentation

The interim financial statements presented are those of Fletcher Building Limited and its subsidiaries (the "group"). Fletcher Building Limited is a company domiciled in New Zealand, is registered under the Companies Act 1993, and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993. The interim financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 24, Interim Financial Statements.

2 Changes in accounting policies

There have been no changes in accounting policy in the six months ended 31 December 2004, however certain comparatives were restated to conform with the current period's presentation.

3 Contingencies and commitments

Provision has been made in the ordinary course of business for all known and probable future claims but not for such claims as cannot presently be reliably measured. There have been no material movements in capital expenditure, lease commitments or contingent liabilities to that disclosed in the 2004 annual report.

FLETCHER BUILDING LIMITED
HALF YEAR REVIEW

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4 International Financial Reporting Standards (IFRS)

The group will prepare financial statements using New Zealand standards that comply with International Financial Reporting Standards (NZ IFRS) for the period beginning on 1 July 2005. The first interim financial statements prepared under NZ IFRS will be for the six months ending 31 December 2005 and the first annual financial statements will be for the year ending 30 June 2006.

When complying with NZ IFRS for the first time the group will need to restate the comparative financial statements using NZ IFRS. This will include the earnings statement and the cashflow statement covering the current and comparative periods, and the balance sheet covering the end of the current period, the end of the comparative period and the start of the comparative period. Most adjustments required on transition to NZ IFRS will be made retrospectively against opening retained earnings at 30 June 2004, however transitional adjustments relating to those standards where comparatives are not required will only be made at 30 June 2005. Details and estimates of these adjustments have been disclosed in the notes to the financial statements for the year ended 30 June 2004. There has been no significant change to our estimates since that time.

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Notes to the financial statements (continued)

5 Reconciliation of net earnings to net cash from operating activities

	SIX MONTHS DEC 2004 NZ$M	YEAR ENDED JUNE 2004 NZ$M	SIX MONTHS DEC 2003 NZ$M
Cash was received from net earnings	**161**	240	111
Adjustment for items not involving cash:			
Depreciation, depletions, amortisation and provisions	**55**	146	61
Taxation	**59**	4	39
Minority interest in earnings of subsidiaries	**12**	21	11
Non cash adjustments	**126**	171	111
Cashflow from operations	**287**	411	222
Less gain on disposal of fixed assets	**(2)**	-	-
Cashflow from operations before net working capital movements	**285**	411	222
Net working capital movements	**(61)**	13	(33)
Net cash from operating activities	**224**	424	189

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