

FINANCING FLETCHER BUILDING'S GROWTH



FLETCHER BUILDING FINANCE LIMITED
ANNUAL REPORT 2004

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FLETCHER BUILDING FINANCE LIMITED IS A WHOLLY OWNED SUBSIDIARY OF FLETCHER BUILDING LIMITED AND ITS RESULTS AND FINANCIAL POSITION NEED TO BE READ IN CONJUNCTION WITH THE FLETCHER BUILDING 2004 ANNUAL REPORT.

LETTER FROM THE CHAIRMAN

I am very pleased to present the second annual report to holders of Fletcher Building Finance Limited capital notes.

The terms of issue of the capital notes by the company provide that they are guaranteed on an unsecured subordinated basis ranking equally with other capital notes issued by Fletcher Building Limited.

So as to ensure that the capital notes issued by the company will continue to rank equally with the capital notes issued by Fletcher Building Limited, the company does not seek to maintain over time significant shareholders' funds. Equally, it does not intend to be in a shareholders' funds deficit position. The results of the company need to be considered against this background.

Results for the year

Net profit after tax for the year to 30 June 2004 was \$1.4 million compared to \$0.8 million for the period 13 November 2002 to 30 June 2003. Shareholder funds were \$22.8 million, slightly down from the \$24.2 million in the prior year.

Business activities

The company was established in 2002 principally to facilitate the funding for the Laminex acquisition by Fletcher Building. It issued capital notes and borrowed funds pursuant to the banking facilities of Fletcher Building. These facilities are fully guaranteed by Fletcher Building. Funds borrowed, including the funds raised by the issue of the capital notes have been lent on interest-bearing terms to other Fletcher Building group companies. The interest payments made to the company give rise to tax credits that are available to the shareholders of Fletcher Building Limited, and are distributed by way of a dividend to Fletcher Building Limited. The dividend paid during the year was \$24.5 million compared to \$7.9 million in June 2003.

To maintain the company's solvency ratio, Fletcher Building contributed an additional \$20 million of equity during the financial year. The company has continued to maintain a foreign currency hedge transaction with Fletcher Building to minimise currency impacts on its results and financial position.

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Corporate governance

As a wholly owned subsidiary of Fletcher Building, the company is required to comply with the corporate governance practices of its parent. These procedures are wide ranging and include written delegations of authority to the chief executive, and delegations by the chief executive to other executives prescribing those matters that are reserved for approval by the board, and those matters that can be attended by management.

In recognition that the corporate governance procedures of Fletcher Building Limited will apply to the company, and that the Companies Act 1993 allows directors of a subsidiary company, such as Fletcher Building Finance Limited, to act in the best interests of the parent company, the New Zealand Exchange (NZX) has granted a waiver such that the company does not need to comply with the full corporate governance and other regulatory disclosures, provided that the Fletcher Building annual report include these disclosures, and a copy is provided to all noteholders of the company.

Specific governance initiatives instituted by the company include requirements that:

- the directors of the company shall only be those persons who are directors of Fletcher Building;

- the chairman, chief executive, chief financial officer and company secretary of Fletcher Building shall hold the equivalent roles in the company;
- no remuneration shall be payable to any director or executive of the company;
- an audit committee be established, the constituency, chairmanship and charter being the same as that of Fletcher Building's.

The directors of the company believe that these initiatives, combined with the overarching governance procedures of Fletcher Building, provide an appropriate basis for ensuring the company meets its fiduciary obligations to the capital noteholders. Full details of the Fletcher Building governance practices are now available on its website at www.fletcherbuilding.com.

The financial position of the company is dependent on that of Fletcher Building which I am pleased to report has again performed very well in the June 2004 year. To gain a full appreciation of the activities and performance of the Fletcher Building group, you should read the Fletcher Building annual report and review its website.

Roderick Deane Chairman

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Statement of Financial Performance and Movements in Equity

FOR THE YEAR ENDED 30 JUNE 2004

Statement of Financial Performance

	NOTE	YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
Operating revenue	2	54,146,026	29,054,872
Operating expenses		(320,741)	(140,984)
Operating earnings		53,825,285	28,913,888
Funding costs	3	(51,686,119)	(27,647,957)
Earnings before taxation		2,139,166	1,265,931
Taxation expense	4	(747,499)	(417,757)
Net earnings		1,391,667	848,174

Statement of Movements in Equity

Total equity			
At the beginning of the year		24,160,325	
Net earnings for the year	6	1,391,667	848,174
Movement in currency translation reserve	6	1,723,291	1,238,874
Total recognised revenues and expenses for the year		3,114,958	2,087,048
Increase in share capital	5	20,000,000	30,000,000
Dividend paid to Fletcher Building Limited	6	(24,500,000)	(7,926,723)
Total equity		22,775,283	24,160,325

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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Statement of Financial Position

AS AT 30 JUNE 2004

	NOTE	JUNE 2004 NZ\$	JUNE 2003 NZ\$
Assets			
Current assets:			
Cash and liquid deposits		11,473	5,654
Prepayments		3,493,518	4,472,230
Provision for current taxation	8		4,815,320
Total current assets		3,504,991	9,293,204
Non current assets:			
Amounts owing by related companies	13	850,887,753	737,206,771
Total non current assets		850,887,753	737,206,771
Total assets		854,392,744	746,499,975

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Statement of Financial Position

AS AT 30 JUNE 2004

	NOTE	JUNE 2004 NZ\$	JUNE 2003 NZ\$
Liabilities			
Current liabilities:			
Accrued interest		5,017,437	5,583,719
Creditors		1,772,973	257,657
Provision for current taxation	8	6,439,874	
Total current liabilities		13,230,284	5,841,376
Non current liabilities:			
Capital notes	9	150,000,000	150,000,000
Term debt	10	280,486,469	350,234,634
Amounts owing to related companies	13	387,900,708	216,263,640
Total non current liabilities		818,387,177	716,498,274
Total liabilities		831,617,461	722,339,650
Equity			
Reported capital	5	50,000,000	30,000,000
Reserves	7	(27, 224, 717)	(5,839,675)
Total equity		22,775,283	24,160,325
Total liabilities and equity		854,392,744	746,499,975

The accompanying notes form part of and are to be read in conjunction with these financial statements.

On behalf of the Board, 11 August 2004.

Roderick Deane Chairman of Directors

Ralph Waters Managing Director

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Statement of Cashflows

FOR THE YEAR ENDED 30 JUNE 2004

	YEAR ENDED JUNE 2004	PERIOD ENDED JUNE 2003
	NZ\$	NZ\$
Cashflow from operating activities:		
Interest received	54,146,026	29,054,872
Payments to suppliers, employees and other	(320,741)	(140,984)
Interest paid	(49,673,200)	(26,278,811)
Taxes paid	(12,547,990)	(3,994,203)
Net cash from operating activities	(8,395,905)	(1,359,126)
Cashflow from financing activities:		
Advances from related companies	67,684,478	216,263,640
Issue of capital notes		150,000,000
Net debt drawdowns/(settlements)	(54,782,513)	350,234,634
Issue of shares	20,000,000	30,000,000
Dividend paid to Fletcher Building Limited	(24,500,000)	(7,926,723)
Advances to related companies		(737,206,771)
Net cash from financing activities	8,401,965	1,364,780
Net movement in cash held	6,060	5,654
Add opening cash and liquid deposits	5,654	
Effect of exchange rate changes on net cash	(241)	
Closing cash and liquid deposits	11,473	5,654

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Reconciliation of Net Earnings to Net Cash from Operating Activities

FOR THE YEAR ENDED 30 JUNE 2004

	YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
Cash was received from net earnings	1,391,667	848,174
Adjustment for items not involving cash:		
Taxation	(11,800,491)	(3,576,446)
Prepayments	978,712	(4,472,230)
Trade creditors and accruals	1,034,207	5,841,376
Net cash from operating activities	(8,395,905)	(1,359,126)

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Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2004

Basis of presentation

The financial statements presented are those of Fletcher Building Finance Limited (the company). Fletcher Building Finance 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 company is also registered in Australia as an overseas company under the Australian Corporations Act 2001. The company was incorporated on 23 October 2002 and began trading on 13 November 2002.

The financial statements comprise statements of financial performance, movements in equity, financial position, cashflows and significant accounting policies, as well as the notes to these financial statements.

Accounting convention

The financial statements are based on the general principles of historical cost accounting. These financial statements have been prepared in accordance with generally accepted accounting practice (GAAP) in New Zealand. Where no financial reporting standard or statement of standard accounting practice exists in New Zealand in relation to a particular issue, the accounting policies adopted have been determined having regard to authoritative support. These policies have been applied on a consistent basis.

Estimates

The preparation of financial statements in conformity with GAAP requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Translation of the financial statements of foreign operations

The assets and liabilities of the company's overseas operations are translated into New Zealand currency at the rates of exchange ruling at balance date. The revenue and expenditure of these operations are translated using an average exchange rate reflecting an approximation of the appropriate transaction rates. Exchange variations arising on the translation of these operations are recognised directly in the currency translation reserve.

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Statement of Accounting Policies cont.

Foreign currency exchange differences

Monetary assets and liabilities in foreign currencies at balance date, not covered by forward exchange contracts, are translated at the rates of exchange ruling at balance date. Monetary assets and liabilities in foreign currencies at balance date, covered by forward exchange contracts, are translated at the rates specified in those contracts.

Cash

Cash and liquid deposits comprise cash and demand deposits with banks or other financial institutions and highly liquid investments that are readily convertible to cash.

Prepayments

Borrowing costs such as capital notes issue costs, commitment and facility fees are deferred and amortised over the period of expected benefit.

Taxation

The provision for current tax is the estimated amount due for payment in the next 12 months by the company.

Investment revenue

Interest income is taken to earnings when received or accrued in respect of the period for which it was earned. Dividends and distributions are taken to earnings when received or accrued where declared prior to balance date.

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Notes to the Financial Statements

YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
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1 Changes in accounting policies

The company was incorporated on 23 October 2002. There have been no changes in accounting policy, however certain comparatives have been restated to comply with the current year's presentation.

2 Operating revenue

Operating revenue includes interest received from related companies:

Fletcher Building Limited	16,002,915	8,164,941
Fletcher Building (Australia) Pty Limited	38,143,111	20,889,931
	54,146,026	29,054,872

3 Funding costs

Interest payable on:

Term debt	16,927,511	9,797,475
Capital notes interest	13,000,720	7,444,555

Interest paid to related companies:

Fletcher Building Limited		2,936,662
Fletcher Building (Australia) Pty Limited	187,423	
Fletcher Building (Australia) Finance Pty Limited	15,109,928	3,761,869
Fletcher Challenge Investments Overseas Limited	1,207,117	
Fletcher Challenge Overseas Holdings Limited	4,171,548	2,599,737
Income from short term deposits		(96,161)

	50,604,247	26,444,137
Plus bank fees, share registry and issue expenses	1,081,872	1,203,820
	51,686,119	27,647,957

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Notes to the Financial Statements cont.

	YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
4 Taxation expense		
Earnings before taxation:		
New Zealand	2,260,652	99,957
Overseas	(121,486)	1,165,974
	2,139,166	1,265,931
Taxation at 33 cents per dollar	(705,925)	(417,757)
Adjusted for:		
Tax rate adjustment	(3,644)	34,979
Foreign dividend withholding tax payable	(13,134,466)	(6,543,885)
Deductible expenses	13,096,536	6,508,906
	(747,499)	(417,757)
Current taxation:		
New Zealand	(783,945)	(67,965)
Overseas	36,446	(349,792)
	(747,499)	(417,757)
Shareholder tax credits		
Dividend withholding payment credit account:		
Dividend withholding payment credits at the beginning of the year	89,996	
Dividend withholding payment credits received from taxation payments	12,052,554	3,994,203
Dividend withholding payment credits attached to dividends paid	(12,052,554)	(3,904,207)
	89,996	89,996

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	YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
5 Capital		
Reported capital:		
Reported capital at the beginning of the year	30,000,000	
Issue of shares	20,000,000	30,000,000
	50,000,000	30,000,000

	YEAR ENDED JUNE 2004	PERIOD ENDED JUNE 2003
Number of shares:		
Number of shares at the beginning of the year	30,000,000	
Issue of shares	20,000,000	30,000,000
	50,000,000	30,000,000

All ordinary shares carry equal rights in respect of voting, dividend payments and distribution upon winding up.

	YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
6 Reserve movements		
Reserves at the beginning of the year	(5,839,675)	
Net earnings	1,391,667	848,174
Dividend paid to Fletcher Building Limited	(24,500,000)	(7,926,723)
Net currency translations	1,723,291	1,238,874
	(27,224,717)	(5,839,675)

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	YEAR ENDED JUNE 2004 NZ\$	PERIOD ENDED JUNE 2003 NZ\$
7 Reserve balances		
Reserves comprise:		
Revenue reserves	(30,186,882)	(7,078,549)
Net currency translation	2,962,165	1,238,874
	(27,224,717)	(5,839,675)

8 Provision for current taxation

Provision for current taxation:		
Opening provision for taxation	4,815,320	
Taxation in the statement of financial performance	(747,499)	(417,757)
Taxation in reserves	(15,570,169)	1,238,874
Intercompany payment	(7,485,516)	
Net taxation payments	12,547,990	3,994,203
	(6,439,874)	4,815,320

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			JUNE 2004 NZ\$	JUNE 2003 NZ\$
9 Capital notes				
Capital notes	Coupon	Election date		
Series 2008	8.60%	15 March 2008	112,670,000	112,670,000
Series 2010	8.85%	15 March 2010	37,330,000	37,330,000
			150,000,000	150,000,000

Capital notes are long-term fixed rate unsecured subordinated notes. On each election date, the coupon rate and term to the next election date of that series of the capital notes will be reset. Holders may then choose either to keep their capital notes on the new terms or to convert the principal amount and any accrued but unpaid interest into shares of Fletcher Building Limited, in the prescribed ratio at approximately the current market price. Instead of Fletcher Building Limited issuing shares to holders who choose to convert, Fletcher Building Finance Limited may, at its option, purchase or redeem the capital notes for cash at the principal amount plus any accrued but unpaid interest.

If interest is not paid when due it is compounded on each subsequent interest payment date at the same rate as applicable to the principal of the capital notes. Non payment of interest does not constitute a default by the company or Fletcher Building Limited. However, each of the company and Fletcher Building Limited have covenanted not to pay dividends on, or make any distribution in respect of, in the case of the company, its ordinary shares, and in the case of Fletcher Building Limited, Fletcher Building shares, while any interest payments on the capital notes which have not been paid on the due date remain outstanding.

The capital notes do not carry voting rights and do not participate in any change in value of the issued shares of Fletcher Building Limited.

If the principal amount of the capital notes were to be converted to shares, 33.6 million (June 2003 41.7 million) Fletcher Building Limited shares would be issued at the share price as at 30 June 2004, of \$4.55 (June 2003 \$3.67).

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Notes to the Financial Statements cont.

10 Term debt

Loans subject to the negative pledge

	JUNE 2004 NZ\$	JUNE 2003 NZ\$
Floating loans	280,486,469	350,234,634
	280,486,469	350,234,634

Summary of repayment terms and interest rates by repayment period

	JUNE 2004 NZ\$	JUNE 2004 INT. RATE %	JUNE 2003 NZ\$	JUNE 2003 INT. RATE %
Due for repayment:				
within one year				
within two years	170,921,442	5.95		
within three years			206,020,373	5.18
within four years	109,565,027	6.03		
within five years				
after five years			144,214,261	5.30
	280,486,469	5.96	350,234,634	5.23

Credit rating

The company has not sought and does not hold a credit rating from an accredited rating agency.

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Notes to the Financial Statements cont.

11 Financial instruments

Exposures to currency and interest rate risks arise in the normal course of the company's business. To manage and limit the effects of these financial risks the company operates within the following policies and utilises the following financial instruments.

Management policies

The company does not enter into derivative financial instruments for trading or speculative purposes.

Currency balance sheet risk

There is no foreign exchange exposure to balance sheet currency risk as the assets and liabilities are naturally hedged. The company has entered into derivative financial instruments to hedge a taxation exposure arising from the translation of the Australian operations.

Currency trade risk

It is company policy that no currency exchange risk may be entered into or allowed to remain outstanding should it arise on trade transactions.

Interest rate risk

The company is a wholly owned subsidiary of Fletcher Building Limited and does not have an independent policy regarding interest rate risk but complies with the group policy. It is group policy to manage the fixed interest rate ratio on its debt and capital notes portfolio within the range of 40 to 70 percent. The position in this range is managed depending upon underlying interest rate exposures and economic conditions.

Off balance sheet risk

Financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates and interest rates. While these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset with an opposite effect on the items being hedged. The principal or contract amounts of forward exchange contracts and financial instruments with off balance sheet risk for the company are as follows:

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11 Financial instruments cont.

	JUNE 2004 NZ\$	JUNE 2003 NZ\$
Principal or contract amount:		
Foreign exchange		
Currency forward exchange contracts		
To pay	325,408,130	
To receive	(325,408,130)	

The cash settlement amounts of these instruments, if they had settled on 30 June 2004, approximates the principal or contract amount.

Interest rate repricing

The following table sets out the interest rate repricing profile and weighted average interest rate of the company's term debt and capital notes:

	JUNE 2004 NZ\$	JUNE 2004 INT. RATE %	JUNE 2003 NZ\$	JUNE 2003 INT. RATE %
Interest rate repriced: (including average interest rate)				
within one year	280,486,469	6.00	350,234,634	5.23
within two years				
within three years				
within four years				
within five years	112,670,000	8.60	112,670,000	8.60
after five years	37,330,000	8.85	37,330,000	8.85
	430,486,469	6.93	500,234,634	6.26

The net effective interest rate for cash and liquid deposits as at 30 June 2004 is 2 percent (June 2003 2 percent). Creditors are not interest rate sensitive.

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11 Financial instruments cont.

Fair values

The estimated fair values of the company's financial assets and liabilities compared to their carrying values, where materially different, are as follows:

	JUNE 2004 CARRYING VALUE NZ\$	JUNE 2004 FAIR VALUE NZ\$	JUNE 2003 CARRYING VALUE NZ\$	JUNE 2003 FAIR VALUE NZ\$
Currency forward exchange contracts loss		(7,026,298)		

The fair value of derivative financial instruments is estimated based on the quoted or estimated market prices of those instruments.

12 Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 30 June 2004 (June 2003 nil).

The Fletcher Building group borrows funds based on covenants and a negative pledge and guarantee arrangement. The principal borrowing covenants relate to gearing and interest cover and minimum net tangible assets. As at 30 June 2004, the Fletcher Building group was in compliance with all its covenants. The negative pledge ensures that external senior indebtedness ranks equally in all respects and includes the covenant that security can be given only in very limited circumstances. The guarantee states that Fletcher Building and certain of its subsidiaries, including Fletcher Building Finance Limited, guarantee the debt of the group that has the benefit of the negative pledge and guarantee.

As at 30 June 2004 the guaranteeing group had debt subject to the negative pledge, guarantee and covenants of \$478 million (June 2003 \$520 million).

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Notes to the Financial Statements cont.

13 Related party transactions

	JUNE 2004 NZ\$	JUNE 2003 NZ\$
The company is a wholly owned subsidiary of Fletcher Building Limited, which is also the ultimate holding company. All other related companies are also subsidiaries of Fletcher Building Limited.		
Term receivable owing from related companies		
Fletcher Building Limited ¹	180,776,011	167,554,917
Fletcher Building (Australia) Pty Limited ²	661,772,762	559,688,680
Fletcher Building (Australia) Pty Limited ³	8,338,980	9,963,174
	850,887,753	737,206,771
Term receivable owing to related companies		
Fletcher Challenge Overseas Holdings Limited ⁴		72,511,660
Fletcher Challenge Investments Overseas Limited ⁴	54,399,080	
Fletcher Building (Australia) Finance Pty Limited ⁴	333,501,628	143,751,980
	387,900,708	216,263,640

¹ This unsecured advance represents long term funding even though it is for no fixed term and bears interest at 9% (June 2003 9%).

² This advance represents 604,000,000 (June 2003 489,000,000) fixed rate debentures of Australian \$1.00 each and has a five year term until 19 December 2007, but may be repaid earlier by the borrower. The advance is secured by a guarantee provided by Fletcher Building Holdings Limited. As at 30 June 2004 the interest rate was 6.667% (June 2003 5.8283%).

³ This unsecured advance represents long term funding even though it is for no fixed term and bears interest at 6.2217% (June 2003 5.8517%).

⁴ These advances are unsecured and are for a fixed term to 30 June 2006. As at 30 June 2004 the interest rate was 6.2217% (June 2003 5.49%).

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Notes to the Financial Statements cont.

14 Segmental information

The company is a finance company and operates in New Zealand and Australia.

GEOGRAPHICAL SEGMENTS	NEW ZEALAND	AUSTRALIA	TOTAL
	NZ\$	NZ\$	NZ\$
	JUNE 2004	JUNE 2004	JUNE 2004
Operating revenue	16,002,915	38,143,111	54,146,026
Earnings before taxation	2,260,652	(121,486)	2,139,166
Total assets	184,269,529	670,123,215	854,392,744
	JUNE 2003	JUNE 2003	JUNE 2003
Operating revenue	8,164,941	20,889,931	29,054,872
Earnings before taxation	99,957	1,165,974	1,265,931
Total assets	177,192,259	569,307,716	746,499,975

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**Audit Report****To the shareholder of Fletcher Building Finance Limited**

We have audited the financial statements on pages 4 to 21. The financial statements provide information about the past financial performance of the company and its financial position as at 30 June 2004. This information is stated in accordance with the accounting policies set out on pages 9 to 10.

Directors' responsibilities

The directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company as at 30 June 2004 and the results of its operations and cashflows for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the directors and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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Audit Report cont.

We conducted our audit in accordance with New Zealand Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interest in the company.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 4 to 21:
 - comply with New Zealand generally accepted accounting practices;
 - give a true and fair view of the financial position of the company as at 30 June 2004 and the results of its operations and cashflows for the year ended on that date.

Our audit was completed on 11 August 2004 and our unqualified opinion is expressed as at that date.

KPMG Auckland, New Zealand

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Noteholders with enquiries about transactions or changes of address should contact:

Computershare Investor Services Limited

Private Bag 92 119
Auckland 1020
Level 2, 159 Hurstmere Rd
Takapuna, North Shore City
New Zealand

Telephone: +64 9 488 8777
Facsimile: +64 9 488 8787

Other investor enquiries

Fletcher Building Finance Limited

Private Bag 92 114
Auckland, New Zealand

Telephone: +64 9 525 9000
Facsimile: +64 9 525 9032

Email: moreinfo@fb.co.nz
Website: www.fletcherbuilding.com

Interest payment dates

Interest on capital notes is paid semi-annually on 15 March and 15 September. The company recommends that all noteholders have their interest payments direct credited to their bank account to ensure security and promptness of receipt. If you do not already have your payments direct credited, please contact Computershare Investor Services to register your bank account details.

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Noteholder Information cont.

Quotation and transfers

The Fletcher Building Finance capital notes are quoted on the New Zealand Exchange under codes FBF010 and FBF020 and may be bought and sold through sharebrokers. No transfer will be registered if it would result in the transferor or the transferee holding capital notes with an aggregate principal amount of less than \$5,000. Subject to this minimum holding, transfers must be in multiples of \$1,000.

Other information

New Zealand Exchange Waiver

The New Zealand Exchange has granted a waiver to the company from Listing Rule 10.5 - Annual and Half-Yearly Reports, subject to the following conditions:

- a) that the company send copies of the annual and half-yearly reports of Fletcher Building (with financial information relating to the Fletcher Building group) to its noteholders,
- b) that the company's annual report include any specific relevant disclosures required by the Companies Act 1993 and certain sections of Listing Rule 10.5, and
- c) that the Fletcher Building annual report contain details of the spread of the company's noteholders and the corporate governance policies, practices and processes.

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Directors

Roderick S Deane	Chairman
Paul E A Baines	Chair of the Audit Committee
Hugh A Fletcher	Member of the Audit Committee
Geoffrey J McGrath	
Ralph J Norris	
Sir Dryden Spring	
Kerrin M Vautier	Member of the Audit Committee
Ralph G Waters	Chief Executive Officer and Managing Director

Management

Martin C Farrell	Company Secretary
William J Roest	Chief Financial Officer
Don Le Quesne	Australian Branch Manager

Registered Offices

New Zealand
Fletcher Building Finance Limited
Private Bag 92 114
Auckland

Fletcher House
810 Great South Road
Penrose, Auckland
New Zealand

Telephone: +64 9 525 9000

Australia
Fletcher Building Finance Limited
3 Everglades Avenue
Leura
NSW 2780
Australia

Telephone: +61 2 4784 2953
ARBN 102 568 178

Trustee

The capital notes are constituted under a Trust Deed dated 12 November 2002 and noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of the provisions of the Trust Deed. The Trustee is:

Perpetual Trust Limited
PO Box 3376
Auckland

Level 17, HSBC Centre
1 Queen Street
Auckland

Telephone: +64 9 366 3290

DIRECTORY