



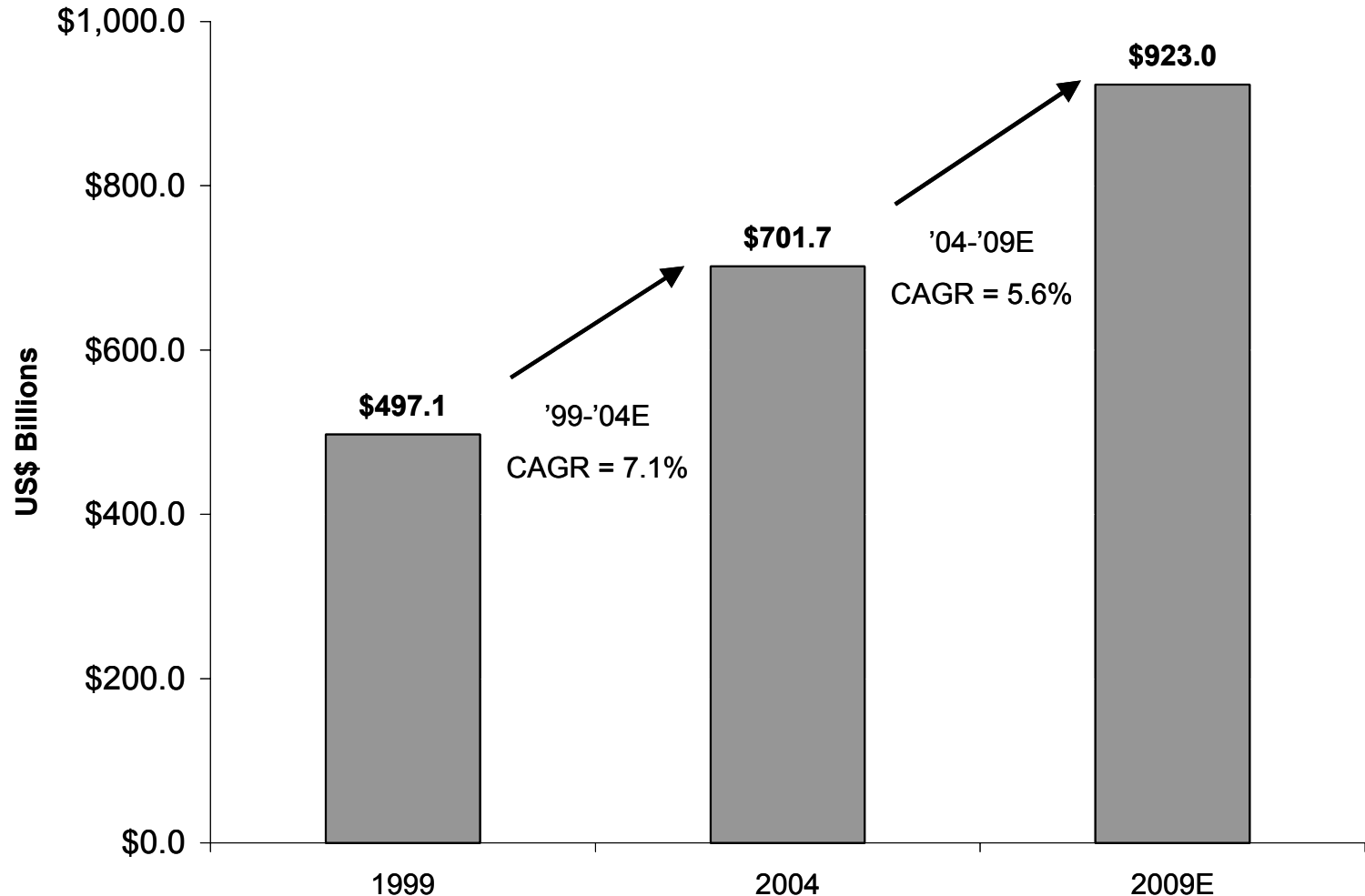
Citigroup-hosted Investor Visit

Mark Eglinton
Chief Executive Officer

Baltimore, USA
13 March 2006

US HOME IMPROVEMENT MARKET – driven by GDP growth

US Home Improvement Market – Citigroup Estimate – 1999, 2004, and 2009E



Source: Citigroup Investment Research, Company Reports, Freedonia, HIRI, Home Channel News, National Gardening Association, Retail Forward, and US Census Data

BIG BOX STORE COMPARISONS

Home Depot and Lowe's – Same-Store Sales Comparisons and Drivers – 2002 to 2004

Macro Factors: (-) Deflation of lumber, build materials, & plywood (+) Inflation of lumber, build materials, & plywood
 (-) Bad Economy (-) Snowstorms (-) Low Confidence (war) (+) Hurricanes



Lowe's Factors: (+) Metro Areas (+) New Brands

(-) Store cannibalization (-100 to -150 bps)
 (+) Seasonal Living (+) Millwork

THD Factors: (-) Store cannibalization - 15%-24% of stores (-400 to -200 bps impact each quarter)
 (+) Pro Initiatives (+) Services (+) HD Supply (+) Millwork

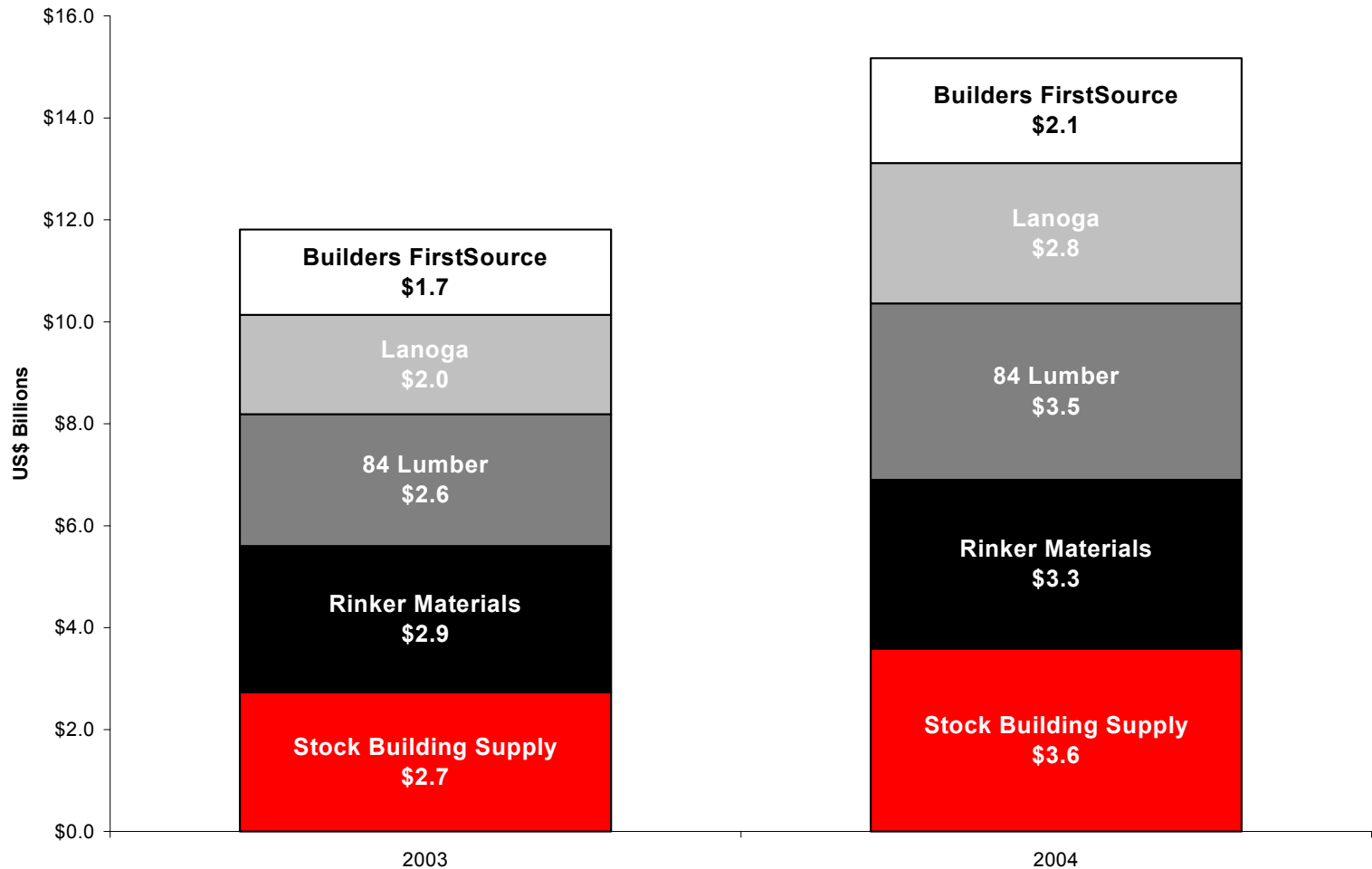
Source: Citigroup Investment Research; Company Reports

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US PRO DEALER GROWTH

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Top 5 US Pro-Dealer Sales

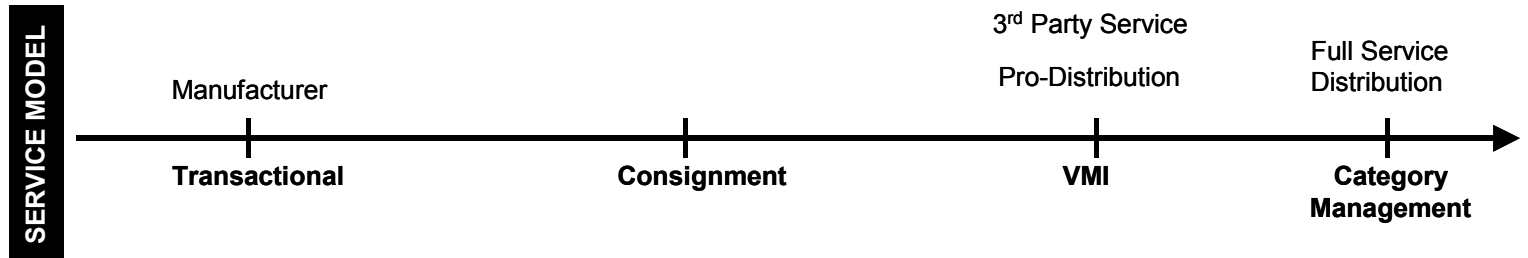
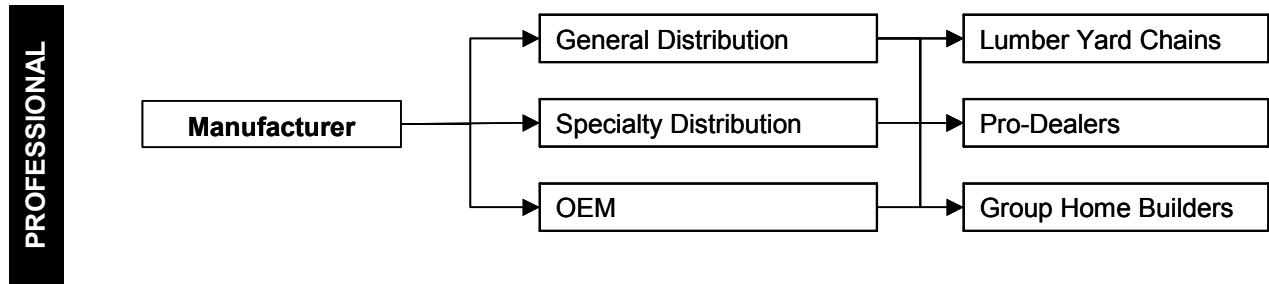
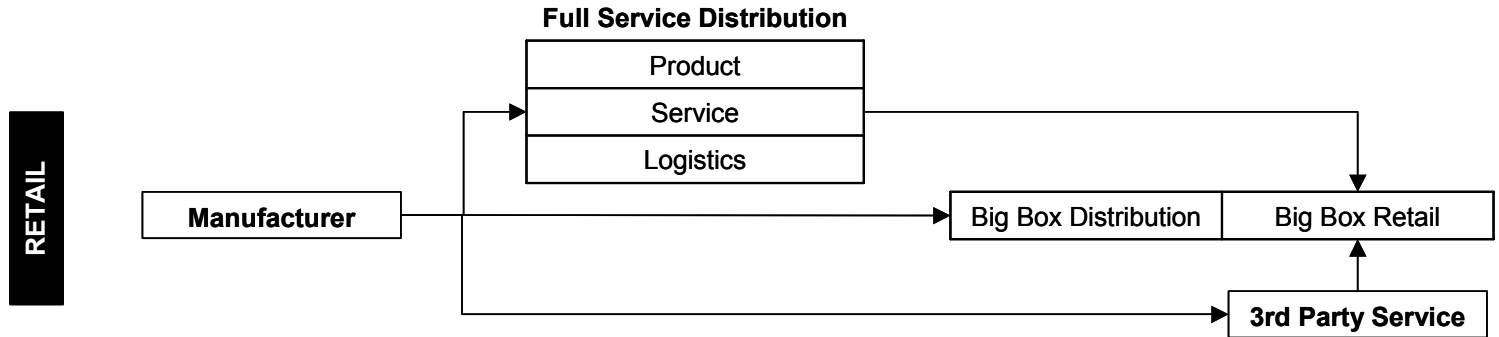


Source: Home Channel News

CHANNEL STRUCTURE – evolving model

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Evolving Home Improvement Channel Structure



TENON GROUP – US FOOTPRINT

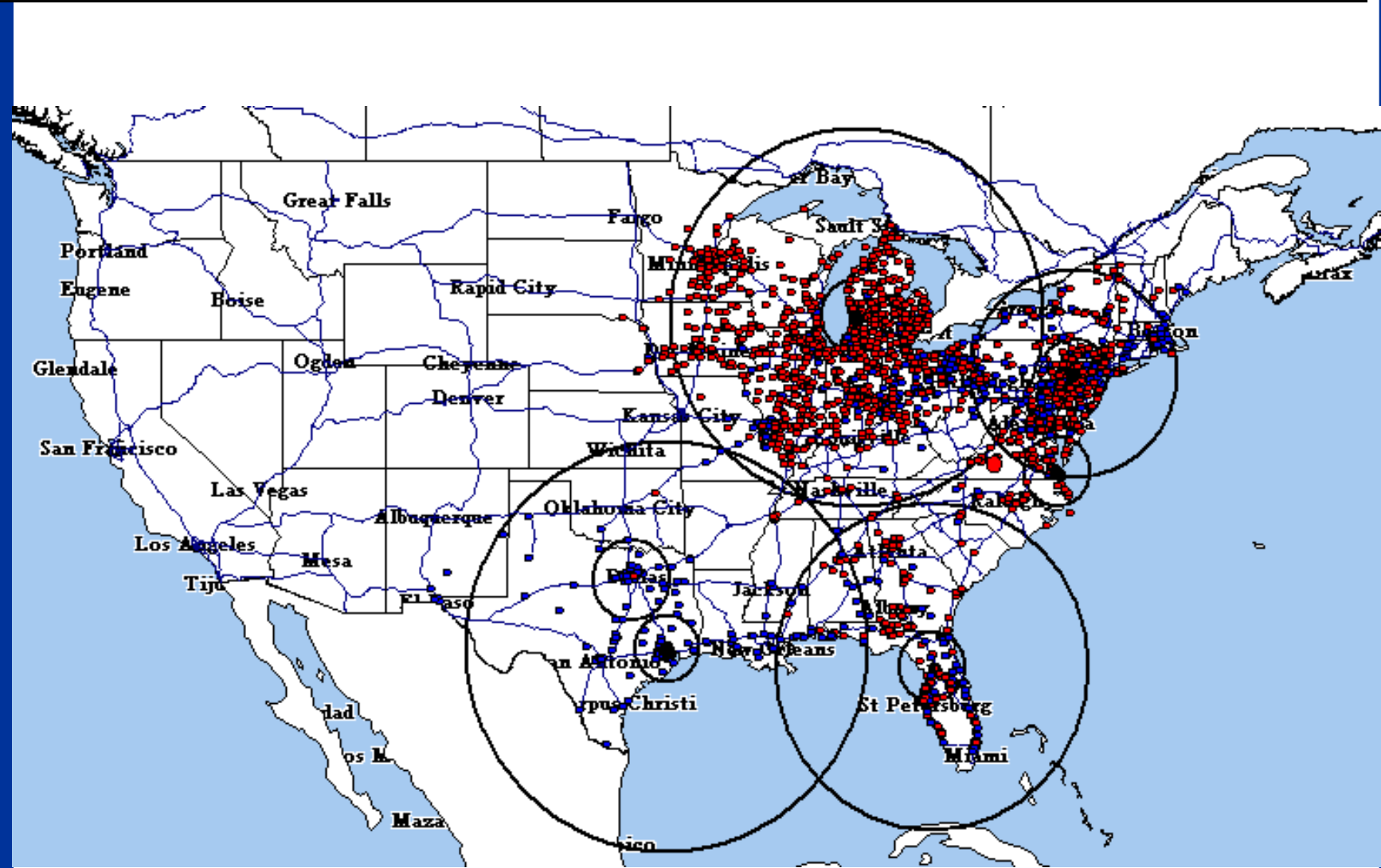
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-  FWS
-  Empire
-  Koks
-  SWM
-  AWM
-  OMI

EMPIRE – DEVELOPMENT OF FOOTPRINT

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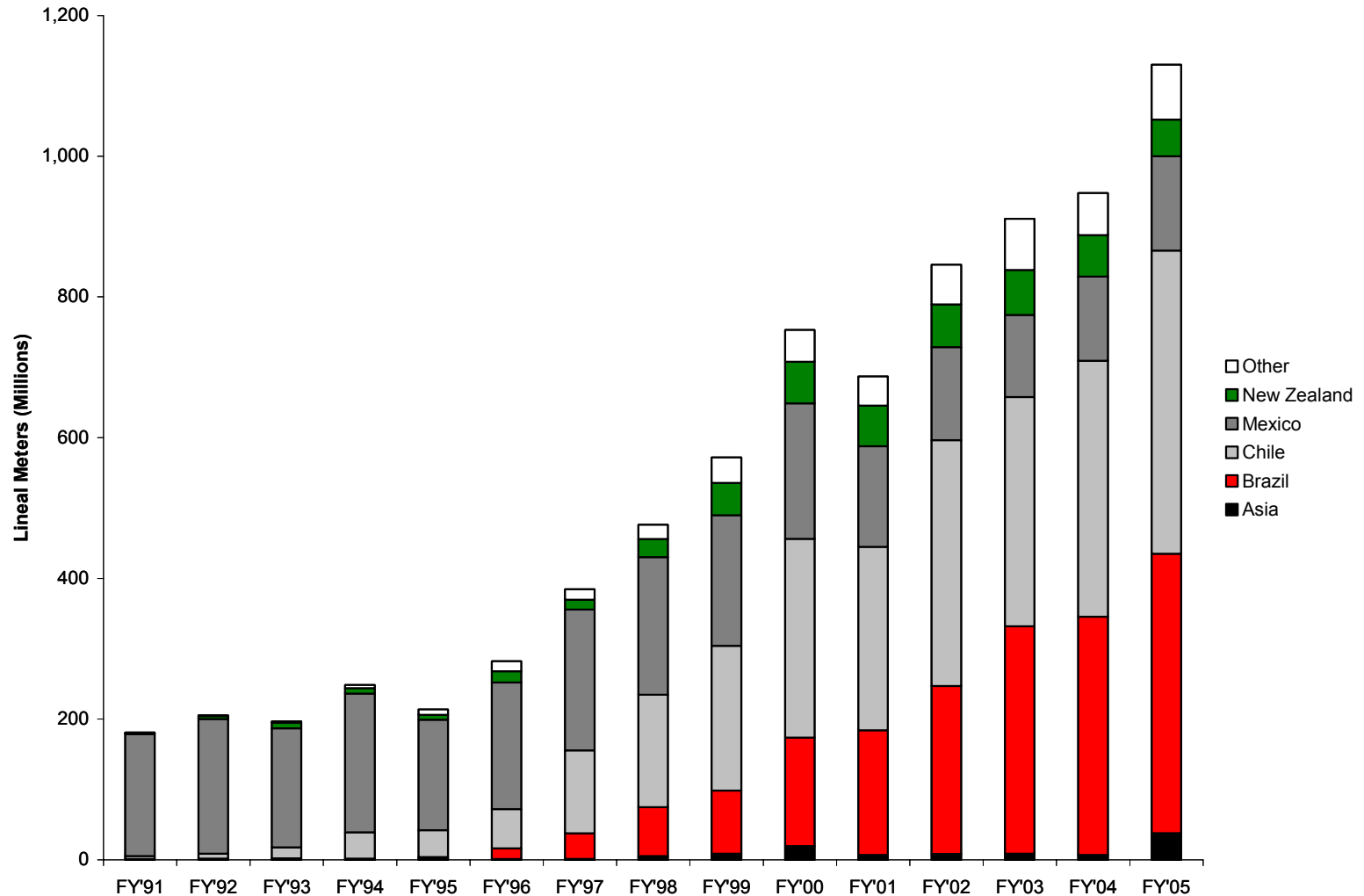
ACQUISITION OF SOUTHWEST MOULDINGS

- Texas based mouldings, stair parts and millwork manufacturer and pro-dealer distribution business
- Purchase of 51% share for a cost of US\$16.6m; put and call options to move to 100%
- High growth market
- Expands product offering, diversifies customer base and leverages procurement

PINE MOULDINGS – NZ not competitive at producing lower grade mouldings

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US Pine Moulding Imports by Origin



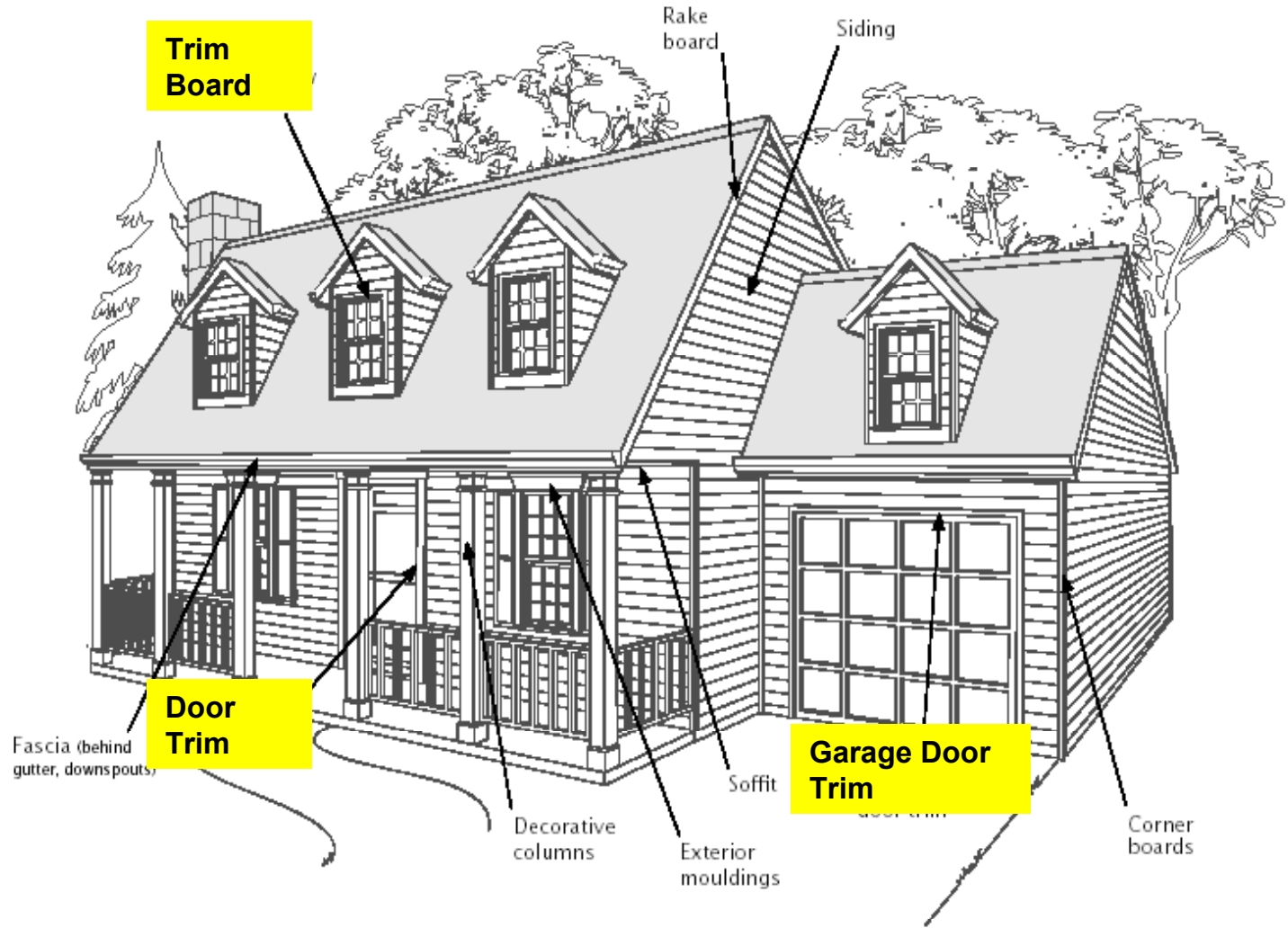
Source: World Trade Atlas

FLETCHER WOOD SOLUTIONS – building capability

- Supports existing business - boards, mouldings and lumber
- Outdoor solutions – development of new market for Tenon to include Armourwood and other evolving technologies
- Global procurement – growing NZ and China positions to achieve scale

INNOVATION – OUTDOOR PRODUCTS

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INTERIM RESULTS ANNOUNCEMENT

- EBITDA to December 2005 of US\$5.9m was in line with earlier guidance (pre-Southwest)
- Performance impacted by difficult trading conditions in New Zealand (including FX) and at AWM

	Six Months Dec 2005 US\$m	Six Months June 2005 US\$m
Operating Profit before Financing Costs	2.8	5.5
Add back:		
Depreciation	2.4	2.3
Impairment Charge - Zenia House Exit Costs	0.7	-
EBITDA before Impairment Costs	5.9	7.8
Foreign exchange gains	(0.3)	0.0
Earnings contribution from Southwest Mouldings	(0.6)	-
EBITDA before Impairment Costs, Foreign Exchange & Southwest Mouldings	5.0	7.8

INTERIM RESULTS ANNOUNCEMENT

- **Full year EBITDA guidance of US\$21m in earlier range (after adjusting for Southwest acquisition). Increase driven by:**
 - Lower reset costs in second half
 - Annualized contribution from Southwest
 - Rollout of Armourwood outdoor range
 - Lower operating costs at Taupo
 - More favourable FX environment

- **On market share buy-back of up to 5% announced**

- **Adoption of IFRS**
 - Main impact is the recognition of the Southwest put option as a deferred settlement liability rather than a minority interest
 - Minimal impact on full year EBITDA guidance

VISION STATEMENT

10³

VISION

“Tenon appearance products - 10,000 stores by 2010”

VALUES

- Action orientation
- Innovation
- Commercial intensity
- Accountability
- Customer Focus

STRATEGY

- Category leadership in core mouldings business
- Diversify earnings streams
- Control key points of supply chain to maximise value



END