



Update on Financial Impact of the Christchurch Earthquake

Auckland, 4 March 2011 – Fletcher Building advises that whilst activity levels in Christchurch post the recent earthquakes are generally expected to increase as the rebuild and reconstruction work gets underway, there will however be a short term negative impact on earnings as the assessment and planning phases are put in place.

The earthquake that occurred on 22 February 2011 has caused significantly more damage than the first major earthquake on 4 September 2010, and the economic cost has been estimated to be two to three times higher than the earlier event. Consequently, the Christchurch economy has been seriously disrupted and general business conditions are expected to remain at very low levels for some time.

Based on current estimates, Fletcher Building expects the impact of this event will result in net earnings after tax for the year to 30 June 2011 to be approximately \$14 million to \$24 million lower than previously forecast.

Included in this estimate of the adverse earnings impact is an allowance of \$5 million for support that the company expects to provide to assist with the recovery programme in the city of Christchurch.

The company has not quantified at this time any potential impact on its financial results in future years as a result of the Christchurch earthquake.

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