HALF YEAR REVIEW 2008

Fletcher Building

Report for the six month period
ended 31 December 2007

Half year review

Directors are pleased to present the unaudited results for the six months ended 31 December 2007. Net earnings after tax and minority interests were $235 million, 22 percent ahead of the previous corresponding period. Operating earnings (earnings before interest and tax) and after Formica restructuring costs of $16 million were $394 million, compared with $340 million earned in the same period of the previous year.

Sales increased by $567 million or 19 percent to $3.5 billion, of which $537 million arose from the acquisition of Formica Corporation. Demand in New Zealand varied, with residential building activity continuing to decline and non residential building and infrastructure work relatively buoyant. In Australia, demand was generally a little more subdued than in the previous period, with building activity in New South Wales particularly soft and the previously strong Queensland and Western Australian markets slowing. In other markets, laminates demand in Asia and Europe was good, although the much publicised weakness in United States markets was evident.

The improved operating earnings in all divisions are good results given the more difficult market conditions. In particular, Steel improved earnings slightly with a good contribution particularly from the rollforming and coatings business. Infrastructure recorded strong earnings growth despite softer demand and its results in Australia were ahead of last year. Distribution's results were ahead of the previous corresponding period, as were Building Products' results despite deteriorating residential market conditions and adverse exchange rates. The Laminates & Panels business, which was exposed to both stronger currency and tough market conditions in Australasia, improved its operating earnings before the inclusion of Formica by a commendable 8 percent.

Earnings per share were 47 cents, a 15 percent improvement on the previous corresponding period. The interim dividend of 24 cents per share, payable on 10 April 2008, is an increase of 2 cents on the 2007 interim dividend and 1 cent higher than the 2007 final dividend.

Building Products

Building Products reported operating earnings of $74 million, up 3 percent on the $72 million earned in the previous corresponding period. The plasterboard, insulation and metal roof tile businesses generally held or increased volumes against a trend of weaker residential markets in New Zealand and Australia, whilst increasing competition placed some pressure on pricing.

Agreement was reached with Rondo Building Services for Winstone Wallboards to take over New Zealand distribution of the leading Rondo residential metal accessory system. Construction is well advanced on a new bulk warehouse and distribution centre in Christchurch that will significantly improve local service levels.

The metal roof tile businesses performed strongly, with volumes well ahead of the previous corresponding period. Earnings were adversely affected by the high New Zealand dollar, particularly in markets denominated in Yen and US dollars. A new roof tile plant being constructed in Hungary for markets currently supplied from Auckland is progressing to plan and will be commissioned in 2009.

Sluggish demand in Australia, particularly in New South Wales and Victoria, continues to affect the Australian insulation businesses. Nevertheless, volumes were slightly ahead of those in the previous comparable period. In New Zealand, the insulation business performed satisfactorily with a small increase in volume. While the exchange rate in both New Zealand and Australia has resulted in increasing price competition from imported products, this is expected to be offset by higher demand as energy efficiency regulation raises standards for home insulation.

Tasman Sinkware, Tasman Access Floors and Fletcher Aluminium performed at similar levels or improved slightly on prior earnings. The Forman group, acquired in December 2006, was integrated smoothly into the division and provided increased exposure to the New Zealand commercial ceiling, wall systems and insulation markets.

The acquisition of DVS Limited, a supplier of in-home ventilation systems, was completed on 1 February, in recognition of the increasing importance of indoor air quality and installed solutions in the growing "green build" market.

Distribution

Distribution's operating earnings were $42 million, up 8 percent on the previous corresponding period. Sales were up 9 percent in the same period.

The New Zealand building materials market continues to undergo significant change due to the ongoing growth of competitor networks, including their expansion into new customer segments. Trading margins are down slightly on those reported last year as a result of this competitive pressure.

The redevelopment and expansion of the store network continued during the period. Stores were acquired in the Cromwell and Taranaki areas, a depot was opened in Ohakune in November and a new Thames store opened in December. A regional frame and truss manufacturing plant was completed in Christchurch and commenced manufacturing in January 2008. This facility will provide a significant increase in capacity in the greater Christchurch market and other South Island branches.

Plans are well advanced for further redevelopment and refurbishment of the store network, including greenfields expansion into markets where PlaceMakers is not represented. Planned projects include refurbishment of stores at Wairau Park, Christchurch and Dunedin; replacement stores at New Plymouth, Levin and Oamaru; and a new operation in Warkworth, where PlaceMakers does not currently have a presence.

Work continues on the development and design of a new computer system which will support Distribution's strategic growth and deliver operational efficiencies. While the system development is slower than planned, acceptance testing will commence shortly, to be followed by pilot phases and full rollout.

Infrastructure

Infrastructure's operating earnings were $145 million compared to $122 million for the previous corresponding period. The result includes $16 million profit principally from land appreciation and as a result of the disposal of the Stresscrete business. Despite softer market conditions in New Zealand and New South Wales the trading result was 10 per cent above that for the previous December half-year.

Operating earnings from the New Zealand concrete business were up substantially due to the gain on the Stresscrete sale. Trading conditions were more challenging, with volumes of all leading product lines slightly below those for the previous corresponding period. While domestic cement sales volumes were steady, the business benefited from higher export sales and the recent Golden Bay Cement plant upgrade to record higher earnings. Aggregate volumes in the key Auckland market were also down, with some major project delays being the principal cause. Readymix concrete volumes and margins were down slightly in most key markets. The pipe operations experienced more difficult market conditions, but improvement is expected in the second half of the year as the order book is very strong.

In Australia, despite further deterioration in market conditions in New South Wales the Rocla operations recorded a substantial improvement in operating earnings. Strong market conditions outside New South Wales for both businesses and the emphasis on growing non-pipe product volumes were the main reasons for the improvement.

Construction operating earnings were higher, with the highlight for the period being the winning of a number of significant infrastructure projects – the Manukau Harbour Crossing, the New Lynn Rail Box and the preferred contractor status for the Eden Park stadium. The current construction backlog is over $1 billion. The residential construction operations had higher earnings despite lower sale settlements.

Laminates & Panels

Operating earnings for Laminates & Panels were $91 million, compared to $65 million in the previous corresponding period. Total sales were $1,074 million. Laminex's operating earnings were $70 million, representing an increase of 8 percent on the prior corresponding period.

In the Australasian markets, Laminex maintained sales levels notwithstanding the loss of the Taupo medium density fibreboard (MDF) exports to Asia following the closure of the plant due to fire damage. This reflected good sales growth in Australia, with all states recording increased sales.

The hardboard and softboard manufacturing operations in Penrose, Auckland were closed in October 2007 due to increasing input costs, declining export earnings and the need to incur significant environmental compliance costs.

Market conditions for the Australasian businesses remain positive, although there is pressure on margins in some market segments. Operating earnings in Australia increased as a result of improved trading and operational efficiencies, and better pricing available in Asia for premium pine MDF.

A 20 percent share in Dongwha Patinna, an MDF manufacturer in the South Island of New Zealand, was purchased in November 2007, to supply most of the division's New Zealand domestic MDF requirements, as it has done since the fire at Taupo.

Good progress is being made with sourcing some of the division's high pressure laminate (HPL) requirements from Formica's facility in China. This was one of the key synergies identified from that acquisition. As a consequence of this HPL supply, the future of the Laminex operations in Papakura, New Zealand is being reviewed. While subject to consultation with employees, it is possible that the plant may be closed.

Operating earnings for Formica Corporation were $21 million which included $16 million of restructuring costs.

In North America, the rapid slowdown of the housing sector in the United States contributed to demand being 10 percent below expectations. Formica's North America business experienced strong HPL pricing despite the economic conditions, although increased competitive pressure continues to adversely affect margins for solid surface products. North American HPL manufacturing operations made productivity gains following a significant restructuring during 2007 which effectively doubled the production capacity at the Evendale, Ohio plant following the closure of the Sierra, California facility. While North American HPL production costs are improving, they remain above planned levels and the plant restructuring and productivity initiatives are taking longer than planned to achieve.

Formica's European operations performed very well but signs of cooling demand were evident in these residential markets at the end of the period. Penetration into the Russian laminates market continued and demand in central and northern Europe remains strong. In September, the continuous laminate press in Sweden was decommissioned, and product is now supplied by the UK plant due to lower manufacturing costs.

In Asia, Formica's sales exceeded expectations where the business in China has benefited from increased demand as preparations for the 2008 Olympic Games continue, and Thailand is experiencing gains from continued robust economic growth. An additional HPL press has been purchased to meet the increased demand on the China plant and is scheduled to be commissioned late in 2008.

Steel

Steel lifted operating earnings by 2 percent to $47 million, on sales of $611 million.

The rollforming and coatings businesses increased operating earnings by 11 percent. Stramit was in line with the previous December period's earnings despite experiencing a slow start to the half as a result of unusually wet weather in parts of Australia. The lift in earnings reflected the acquisitions of Fair Dinkum Homes & Sheds and Eziform, both of which performed to expectations. The New Zealand rollforming business experienced a very competitive domestic market as both commercial and residential activity slowed.

Earnings in the long steel products business fell by 8 percent, affected by lower margins on ferrous and non-ferrous scrap in the Sims-Pacific Metals joint venture. Pacific Steel reached a satisfactorily settlement on its business interruption insurance claim resulting from the steel plant transformer failure in October 2006. This settlement had a favourable effect on the latest period's result.

Pacific Steel's sales increased by 8 percent, due mainly to increased export volumes. The strong New Zealand dollar during the half-year, kept import price pressure on the domestic market. Globally, strong demand for steel products and increasing freight and raw material costs are already starting to push prices higher. This is expected to continue into the second half of the financial year.

The distribution and services businesses, which include the EasySteel steel merchandising business, the CSP hot-dip galvanising business and the Cyclone fencing business, were able to hold operating earnings in line with the previous corresponding period.

Strategy

Whilst Fletcher Building operates in cyclical markets it has followed a strategy to improve the reliability of its earnings; maintain and improve its internal capabilities; and take up any external acquisition opportunities where these meet its criteria. This strategy has enabled the group to record consistent increases in operating earnings, earnings per share and annual dividends despite changes in market conditions.

In the latest period, initiatives aimed at increasing the reliability of earnings have included growth in the geographic spread of business, with the significant acquisition of Formica, which has operations in Asia, Europe and North America. Rationalisation of the business activities has seen the divestment of Stresscrete and a small MDF mouldings business.

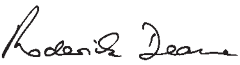
The portfolio has been extended with the acquisition in Australia of AG&S Building Systems, a steel shed franchising business, and Eziform, a small steel added value business associated with the Stramit roofing operations; and with the extension of the Formans product range by the purchase of the assets of Auckland Aluminium, which manufactures and distributes partitioning.

In addition to pursuing organic growth opportunities the company continues to evaluate external acquisition prospects. It will also continue to assess opportunities outside the Australasian markets in products and technologies that are well understood.

Outlook

The company is experiencing good demand in its infrastructure and commercial markets. In New Zealand this has translated into maintaining its record backlog of construction work at over $1 billion. Residential markets are softer in most countries in which the company operates. World financial markets are however volatile, reflecting higher levels of economic uncertainty and the possible flow-on effects of a United States' recession. Provided there is no significant change in economic conditions, the outlook is for a satisfactory financial performance in the year to 30 June 2008.

At the annual shareholders' meeting in November, directors advised that the 2008 year would produce another satisfactory result, and that the board was comfortable with the consensus of analysts' forecasts for net earnings to be in the range of $450 - $460 million. As trading results since that time continue to be in line with expectations the earnings guidance has been maintained.



Roderick Deane *Chairman of Directors*

Jonathan Ling *Managing Director*

Earnings statement

for the six months ended 31 December 2007 (unaudited)

	Six months Dec 2007 NZ$M	*Year ended June 2007 NZ$M*	*Six months Dec 2006 NZ$M*
Sales	**3,547**	5,926	2,980
Cost of goods sold	**(2,636)**	(4,446)	(2,234)
Gross margin	**911**	1,480	746
Selling and marketing expenses	**(313)**	(428)	(218)
Administration expenses	**(238)**	(396)	(205)
Share of profits of associates	**17**	28	15
Other investment income	**1**		
Other gains/(losses)	**17**	15	3
Unusual items		5	
Amortisation of intangibles	**(1)**	(1)	(1)
Operating earnings (EBIT)	**394**	703	340
Funding costs	**(67)**	(87)	(45)
Earnings before taxation	**327**	616	295
Taxation expense	**(83)**	(113)	(92)
Earnings after taxation	**244**	503	203
Earnings attributable to minority interests	**(9)**	(19)	(10)
Net earnings attributable to the shareholders	**235**	484	193

Statement of cashflows

for the six months ended 31 December 2007 (unaudited)

Cashflow from operating activities:			
Total received	**3,645**	5,877	3,012
Total applied	**(3,400)**	(5,394)	(2,785)
Net cash from operating activities	**245**	483	227
Cashflow from investing activities:			
Sale of fixed assets and investments	**37**	32	7
Insurance proceeds from loss of plant		63	
Purchase of fixed assets and investments	**(140)**	(252)	(115)
Purchase of subsidiaries	**(990)**	(97)	(83)
(Debt)/cash in subsidiaries acquired	**(2)**	3	3
Net cash from investing activities	**(1,095)**	(251)	(188)
Cashflow from financing activities:			
Net debt drawdowns/(settlements)	**770**	(21)	118
Issue of shares		321	
Repurchase of capital notes		(50)	(50)
Distribution to minority shareholders	**(18)**	(26)	(16)
Dividends	**(96)**	(169)	(80)
Net cash from financing activities	**656**	55	(28)
Net movement in cash held	**(194)**	287	11
Add opening cash and liquid deposits	**332**	49	49
Effect of exchange rate changes on net cash	**1**	(4)	(3)
Closing cash and liquid deposits	**139**	332	57

Reconciliation of net earnings to net cash from operating activities

for the six months ended 31 December 2007 (unaudited)

Cash was received from:			
Net earnings	**235**	484	193
Earnings attributable to minority interests	**9**	19	10
	244	503	203
Adjustment for items not involving cash:			
Depreciation, amortisation and provisions	**78**	163	47
Taxation	**33**	10	74
Non cash adjustments	**111**	173	121
Cashflow from operations[1]	**355**	676	324
Less (gain)/loss on disposal of affiliates and fixed assets	**(18)**	(52)	
Cashflow from operations before net working capital movements	**337**	624	324
Net working capital movements	**(92)**	(141)	(97)
Net cash from operating activities[2]	**245**	483	227

[1] *Includes loss on disposal of affiliates and fixed assets.* [2] *As per the statement of cashflows.*

Balance sheet

as at 31 December 2007 (unaudited)

	Dec 2007 NZ$M	June 2007 NZ$M	Dec 2006 NZ$M
Assets			
Current assets:			
Cash and liquid deposits	**139**	332	57
Current tax asset		19	
Debtors	**1,078**	978	922
Stocks	**1,041**	745	746
Total current assets	**2,258**	2,074	1,725
Non-current assets:			
Fixed assets	**1,930**	1,515	1,534
Goodwill	**812**	393	388
Intangibles	**321**	236	236
Investments in associates	**188**	123	120
Investments – other	**20**	18	15
Deferred taxation asset	**39**	74	66
Total non-current assets	**3,310**	2,359	2,359
Total assets	**5,568**	4,433	4,084
Liabilities			
Current liabilities:			
Short-term loans	**20**	4	18
Provisions	**75**	54	57
Creditors and accruals	**919**	818	799
Current tax liability	**4**		41
Contracts	**111**	137	109
Capital notes	**113**	113	
Term debt	**202**	61	57
Total current liabilities	**1,444**	1,187	1,081
Non-current liabilities:			
Provisions	**19**	10	7
Creditors and accruals	**64**	61	62
Pension liability	**66**		
Deferred taxation liability	**73**	71	69
Capital notes	**236**	236	350
Term debt	**1,196**	572	702
Total non-current liabilities	**1,654**	950	1,190
Total liabilities	**3,098**	2,137	2,271
Equity			
Reported capital	**1,343**	1,325	987
Revenue reserves	**1,113**	961	773
Other reserves	**(28)**	(35)	10
Shareholders' funds	**2,428**	2,251	1,770
Minority equity	**42**	45	43
Total equity	**2,470**	2,296	1,813
Total liabilities and equity	**5,568**	4,433	4,084

Statement of movements in equity

for the six months ended 31 December 2007 (unaudited)

	Six months Dec 2007 NZ$M	*Year ended June 2007 NZ$M*	*Six months Dec 2006 NZ$M*
Total equity			
At the beginning of the period	**2,296**	1,800	1,800
Movement in the cashflow hedge reserve	**7**	(9)	10
Movement in currency translation reserve	**32**	(133)	(107)
Income and expenses recognised directly in equity	**39**	(142)	(97)
Net earnings – parent interest	**235**	484	193
Net earnings – minority interest	**9**	19	10
Net earnings	**244**	503	203
Total recognised income and expenses for the period	**283**	361	106
Movement in minority equity	**(12)**	(18)	(11)
Movement in reported capital	**19**	357	20
Dividends	**(115)**	(202)	(99)
Less movement in shares held under the treasury stock method	**(1)**	(2)	(3)
Total equity	**2,470**	2,296	1,813

Breakdown of financial performance

(unaudited)

	Six months Dec 2007 NZ$M	*Year ended June 2007 NZ$M*	*Six months Dec 2006 NZ$M*
Results for the period's performance			
Sales	**3,547**	5,926	2,980
Operating earnings (EBIT)	**394**	703	340
Unusual items included in operating earnings above		5	
Cashflow from operations	**245**	483	227
Net earnings	**235**	484	193
Sales			
Building Products	**376**	697	344
Steel	**611**	1,161	602
Distribution	**565**	1,064	518
Infrastructure	**921**	1,944	962
Laminates & Panels	**1,074**	1,058	553
Other		2	1
Total	**3,547**	5,926	2,980
Operating earnings			
Building Products	**74**	135	72
Steel	**47**	71	46
Distribution	**42**	80	39
Infrastructure	**145**	271	122
Laminates & Panels	**91**	151	65
Other	**(5)**	(5)	(4)
Total	**394**	703	340
Total assets			
Building Products	**725**	687	698
Steel	**733**	689	675
Distribution	**285**	271	281
Infrastructure	**1,312**	1,183	1,247
Laminates & Panels	**2,362**	981	1,052
Other	**151**	622	131
Total	**5,568**	4,433	4,084

Financial review

Balance sheet

Following the acquisition of Formica Corporation for $988 million, net debt increased to $1,628 million. Bridging finance was repaid during September from the proceeds of a US private placement raising US$325 million, with 9 and 12 year terms. In addition, the company's syndicated bank facilities were both extended in term and increased by NZ$200 million. As a consequence of these initiatives the company had total unutilised facilities as at 31 December 2007 of $544 million and debt requiring refinancing within the next 12 months of around $235 million, including $113 million of capital notes subject to interest rate and term reset.

With strong operating cashflow, gearing (net debt to net debt plus equity) at 39.7 percent, and interest coverage (EBITDA to interest paid including capital notes interest) at 7.3 times, the company remains in a sound financial position.

Cashflow

Cashflow from operations was $245 million. This was adversely affected by an increase of $92 million in working capital during the six month period, including $44 million in land for residential development in Auckland.

During the six months ended 31 December 2007 the capital expenditure of $140 million was well in excess of depreciation. In addition, a further $990 million was invested in acquisitions including Formica, AG&S Building Systems and Cameron Quarries.

Interest rates

Approximately 50 percent of all borrowings are at fixed interest rates and with an average duration of 5 years. The currency exposure on floating interest rate borrowings is: US 27 percent, Australia 39 percent and New Zealand 34 percent.

Dividend

The dividend is fully tax credited with imputation credits for New Zealand purposes. Non New Zealand shareholders benefit from the New Zealand supplementary dividends attached to the imputation credits, which have the effect of removing the cost of New Zealand non-resident withholding tax on the portion of dividends carrying imputation credits. A dividend summary is included illustrating the effect of the New Zealand tax credits on the dividend paid and the supplementary dividend paid to non New Zealand shareholders.

This dividend is unfranked for Australian tax purposes. Although the company has franking credits available, the level at which it is currently able to frank dividends is insufficient to provide any material benefit to Australian shareholders having regard to the supplementary dividend paid and the rules for calculating the franking tax offset in Australia. To maximise the value of available franking credits the company will continue its policy of accumulating them and attaching these to dividends only when the franking percentage is at, or near to, 100 percent rather than spreading them over every dividend. It is anticipated that the final dividend for the 2008 year will be fully franked under this policy.

The dividend reinvestment plan will be operative for this dividend payment. Documentation for participation is available from the share registry and must be received by the registry before the record date. 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 20 March 2008. The new shares will be issued on the dividend payment date of 10 April 2008.

The shares will be quoted on an ex dividend basis from 14 March 2008 on the ASX and 25 March 2008 on the NZX.

Financial highlights

(unaudited)

	Six months Dec 2007	*Year ended June 2007*	*Six months Dec 2006*
Return on average funds employed (%)	**20.4**	24.8	24.5
Return on average equity (%)	**19.6**	26.0	21.8
Earnings per share (cents) excluding unusuals	**47.0**	84.0	41.1
Dividends per share (cents)	**24.0**	45.0	22.0
Gearing (%)	**39.7**	22.2	37.1
Interest cover (times)	**7.3**	9.8	9.3

Notes to the financial statements

1. Basis of presentation

The 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 financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting.

2. Changes in accounting policies

The International Accounting Standards Board has issued a number of other standards, amendments and interpretations which are not yet effective. The group has not yet applied these in preparing these interim financial statements although the application of these standards, amendments and interpretations would require further disclosures, they are not expected to have a material impact on the group's results.

There have been no changes in accounting policy in the six months ended 31 December 2007, however certain comparatives have been 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. With the acquisition of Formica Corporation there has been an increase in capital expenditure, lease commitments, contingent liabilities and contingent assets to that disclosed in the 2007 annual report. However these are in the ordinary course of business and are not significant.

4. Other gains and losses

Included within other gains and losses of $17 million is a profit of $16 million on the sale of land from the disposal of Stresscrete.

5. Taxation expense

	Six months Dec 2007 NZ$M	*Year ended June 2007 NZ$M*	*Six months Dec 2006 NZ$M*
Earnings before taxation:	**327**	616	295
Taxation at 33 cents per dollar	**108**	203	97
Adjusted for:			
Benefit of lower tax rate in overseas jurisdictions	**(7)**	(5)	(3)
Non assessable income	**(7)**	(7)	(4)
Non deductible expenses	**1**	4	3
Tax benefit arising from the election of the branch equivalent tax account		(70)	
Non assessable income arising from insurance settlement		(16)	
Impact of tax rate change		4	
Other permanent differences	**(12)**		(1)
	83	113	92
Tax on operating profits pre unusual items	**83**	193	92
Tax benefit of unusual items		(10)	
Tax benefit arising from the election of the branch equivalent tax account		(70)	
	83	113	92

6. Acquisitions

The Formica Corporation group was acquired on 2 July 2007, the Fair Dinkum Homes and Sheds group on 3 August 2007 and the Cameron Quarries group on 5 October 2007. A formal fair value exercise is being undertaken for all the acquisitions. The fair values will be updated more accurately in the financial statements for the year ended 30 June 2008, following the receipt of independent valuations. The estimated fair values of the assets and liabilities described below may therefore change upon completion of the fair value exercise. Goodwill on acquisition represents the value in the companies attributable to their expected profitability and the significant cost synergies to be achieved.

The following are the estimated values recognised in the interim financial statements:

Formica Corporation

The Formica Corporation was acquired for US$700 million, with additional payments of up to US$50 million contingent on performance milestones.

	NZ$M
Purchase price	**921**
Working capital adjustment	**(2)**
Debt acquired	**24**
Less cash acquired	**(21)**
Contingent purchase price based on performance milestones	**65**
Less indemnity reimbursement expected from vendor	**(26)**
Costs directly attributable to the acquisition	**21**
Total purchase price	**982**

The following are the estimated values recognised in the interim financial statements:

	Vendors book value NZ$M	*Fair value adjustment NZ$M*	*Fair value NZ$M*
Fixed assets	**271**	**96**	**367**
Goodwill on acquisition		**385**	**385**
Intangibles	**81**		**81**
Investments	**45**		**45**
Tax assets	**(35)**	**(5)**	**(40)**
Current assets	**386**		**386**
Pension liability	**(94)**	**23**	**(71)**
Minority interests	**(1)**		**(1)**
Non current liabilities	**(8)**		**(8)**
Current liabilities	**(162)**		**(162)**
Fair value of net assets	**483**	**499**	**982**
Less contingent purchase price owing			**(58)**
Plus indemnity reimbursement expected from vendor			**26**
Less debt acquired			**(24)**
Plus cash acquired			**21**
Cash paid to date for Formica Corporation			**947**

In the period to 31 December 2007 the Formica Corporation contributed sales of $537 million and operating earnings of $21 million.

Fair Dinkum Homes and Sheds and Cameron Quarries

Fair Dinkum Homes and Sheds and the Cameron Quarries were acquired for NZ$43 million.

	Vendors book value NZ$M	*Fair value adjustment NZ$M*	*Fair value NZ$M*
Fixed assets	**12**		**12**
Goodwill on acquisition		**33**	**33**
Tax assets	**(3)**		**(3)**
Current assets	**1**		**1**
Cash paid to date for subsidiaries acquired	**10**	**33**	**43**

In the period to 31 December 2007 these acquired subsidiaries contributed sales of $5.5 million and operating earnings of $1.8 million. If the acquisitions had occurred on 1 July 2007, it is estimated that the contribution to group sales would have been $7.3 million and operating earnings of $2.1 million.

Dividend information

2008 Interim Dividend[1]

NZ cents per share	*NZ Residents*	*Australian Residents*	*Other Non-Residents*
Dividend declared	24.0000	24.0000	24.0000
NZ tax credits[2]	11.8209		
NZ tax credit refund		0.0000	0.0000
NZ supplementary dividend		4.2353	4.2353
Australian franking tax credits[3]		0.0000	
Gross dividend for NZ tax purposes	**35.8209**	**28.2353**	**28.2353**
NZ tax (33%)	(11.8209)		
NZ non-resident withholding tax (15%)[4]		(4.2353)	(4.2353)
Net cash received after NZ tax	**24.0000**	**24.0000**	**24.0000**
Australian tax (15%)[5]		(4.2353)	
Reduced by credit for NZ non-resident witholding tax		4.2353	
Net cash dividend to shareholders	**24.0000**	**24.0000**	**24.0000**

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 tax credits are not received in cash but are relevant in determining the gross dividend received for NZ tax purposes.

[3] There are no Australian franking credits attached to this dividend. Refer to the dividend commentary for the company's franking tax crediting policy.

[4] NZ non-resident withholding tax is imposed at the rate of 15% on the gross dividend for NZ tax purposes.

[5] This summary uses the 15% 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.

Shareholder information

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Shareholder enquiries

Shareholders with enquiries about share transactions or changes of address should contact the share registrar in the country in which their shares are registered. For other investor enquiries they should contact Fletcher Building Limited, Private Bag 92 114, Auckland 1142, New Zealand.
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Registries

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