GROWTH

HALF YEAR REVIEW

REPORT FOR THE SIX MONTH PERIOD
ENDED 31 DECEMBER 2005

GROWTH

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HALF YEAR REVIEW

Directors are pleased to present the unaudited results for the six months ended 31 December 2005. Net earnings after tax and minority interests were $190 million. This was 10 percent ahead of the previous corresponding period. Operating earnings, that is earnings before interest and tax, were $335 million, up from the $299 million earned in the same period last year.

These results are the first reported by the group in accordance with the New Zealand standards that comply with International Financial Reporting Standards. For comparative purposes, last year's results have been restated to be on the same reporting basis.

Revenue was $2.8 billion, up from $2.2 billion in the previous corresponding period. Of the increase, $463 million was from the Amatek businesses acquired in March 2005. After adjusting for this, the increase in revenue was 7 percent. This increase was largely through price inflation rather than volume. Demand in New Zealand was mixed. The residential building market continued to decline, whereas conditions were quite buoyant in non-residential building and infrastructure. In Australia, demand was well off the highs of 2004 for all product categories, however, the group has a greater concentration of assets in Western Australia and Queensland than in other states, and these were two of the best performing markets.

Infrastructure and Laminates & Panels again improved earnings, while Building Products and Distribution recorded declines. Infrastructure had an outstanding result with operating earnings 62 percent ahead of the previous corresponding period, or 34 percent ahead after excluding the earnings of the Amatek businesses. Laminates & Panels was a creditable 7 percent ahead of the previous period despite a subdued market and the negative impact of the high exchange rates on exports. Building Products was down 8 percent on the previous corresponding period or 22 percent after excluding the contributions of the Amatek businesses. Besides softer New Zealand and Australian demand, this division was impacted by the fall in steel prices relative to the same period last year. Its operating

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earnings were, however, ahead of those earned in the immediately preceding six months to 30 June 2005, even after adjusting for the extra two months of Amatek's earnings. Distribution, although down 14 percent on the previous corresponding period which was the peak of the residential cycle, continues to be the division with the highest return on funds in the group.

Earnings per share were 40.9 cents, a 4 percent improvement on the previous corresponding period and a 7 percent improvement on the immediate prior six month period. The interim dividend will be 19 cents per share, 2 cents up from the final dividend of last financial year and 4 cents ahead of last year's interim dividend. This is the company's eighth consecutive dividend increase. The dividend is payable on 13 April 2006 and includes full New Zealand tax credits and 38 percent Australian franking credits. Further details are provided in the Dividend Information section of this report.

Building Products

Building Products reported operating earnings of $115 million representing a drop of 8 percent on the restated previous period's earnings of $125 million.

The division operated in an environment where the residential markets in both Australia and New Zealand were generally slower than last year although the New Zealand business units with the highest residential exposure, namely Winstone Wallboards, Tasman Insulation, Fletcher Aluminium and Pacific Coilcoaters, recorded operating earnings only 4.5 percent behind the same period last year. There were a few specific issues that account for most of the earnings decline.

The most significant reduction in earnings occurred in the upstream steel operations as a result of a combination of factors: falling world-wide steel prices put local selling prices under pressure at the same time as international scrap demand remained high, thereby squeezing margins; further continuing high vanadium prices resulted in the acceleration of a capital project to reduce its usage which necessitated closing the rolling mill for a four week period; and the New Zealand wire market declined by some 25 percent resulting in significantly reduced volumes through the wire mill. Further, as steel prices fell internationally the steel distribution business revalued stock downwards.

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Sales of tiles from the New Zealand and Malaysian operations were up some 25 percent although the strong New Zealand dollar squeezed margins. The American metal roof-tile business however experienced a significant drop in demand as volumes generated by hail storm damage in 2004 abated coincidentally with a lull in the re-roofing market.

The integration of the acquired Amatek businesses, Stramit and Insulation Solutions, has generally gone well although the merged insulation business, renamed Fletcher Insulation, experienced sluggish residential demand in Australia. An exceptional transformer failure put the Rooty Hill plant out of commission for a month, and while volumes were covered by other plants there were additional freight costs and a delay of some planned synergies.

Distribution

Operating earnings were $36 million, down 14 percent compared to the same period in the previous year. Sales were up 4 percent in the same period.

A very competitive market resulted in some pressure on margins. A more significant issue has been escalating wage rates attributable to generally tight labour market conditions and the major growth in demand for staff from expanding DIY retailers.

During the period a number of property projects were completed with new stores opened in Invercargill and Twizel, the Cook Street Auckland facility extended, and upgrades completed in New Plymouth and Kaiwharawhara, Wellington. This activity along with the impact of other newly opened facilities such as Riccarton and Mt. Wellington, has inevitably led to an escalation in property costs, although in line with expectations.

The investment in the store network has lifted the trading performance in those stores. In spite of a major increase in competition for DIY customers, the new and upgraded stores have increased cash sales and the company has maintained its cash sales position overall. Trade sales remain solid.

New store openings are planned for Kerikeri, Hamilton, Takanini and Nelson in this calendar year.

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Infrastructure

Operating earnings in Infrastructure were up 62 percent on the previous corresponding period, aided by the recently acquired Rocla Pipe and Quarry Products businesses.

Operating earnings from the New Zealand concrete operations were again ahead of the previous corresponding period, with significant further improvement from the aggregates and pipe businesses. Aggregates benefited from the growth in demand for roading materials, increased prices and reduced operating costs. Pipes experienced continued strong market conditions and further margin improvement. Despite more difficult business conditions in Australia, the Rocla businesses contributed at a higher level than anticipated at the time of acquisition.

Revenues in the construction operations were up 34 percent on the previous corresponding period and operating earnings doubled. Construction contracts are not billed uniformly across one contract period and this was a more favourable billing period than the previous corresponding period. However, the earnings increase does reflect the quality backlog in both the commercial building and engineering operations which currently stands at $840 million. The largest project secured in the period was the Wellington Hospital ($140 million). Despite negative market commentary on the housing market, the residential operations improved earnings over the previous corresponding period by more than 20 percent, particularly through the maintenance of strong margins.

Laminates & Panels

Operating earnings for the period were ahead of expectations and 7 percent up on the previous comparable period. Sales in Australia were stronger than expected, particularly in Victoria and Western Australia, while South Australia and Queensland were similar to last year with New South Wales and New Zealand being somewhat weaker. Demand for export products into Asia remained firm although the New Zealand dollar, which was stronger than last year relative to the yen and US dollar, had an adverse impact on export earnings. Production volumes were

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ahead of last year at the Kumeu and Taupo board facilities in New Zealand and at the Dardanup board plant in Western Australia.

Significant fuel and transport cost increases were more than offset by further improvements in operational efficiencies, which contributed to the improved earnings. These included the commissioning of a paper storage facility at Ballarat, Victoria; the replacement of externally sourced paper treating in New Zealand with in-house treating; and greater use of wood waste in the board plants in both Western Australia and New Zealand. Also, previously outsourced warehouse management and operations in Sydney were brought in-house in line with other states.

During the half year, a number of new product and new business initiatives were successfully introduced. These include a highly fashionable "diamond gloss" high pressure laminate range, a new range of Formica laminate flooring, and the expansion of the kitchen component business. In addition the company was successful in obtaining the Green Building Council of Australia environmental accreditation "Green Star" for a number of its key products.

Strategy

Improving the reliability of earnings has been the primary strategic objective of Fletcher Building since it became a stand alone company in 2001. Whilst the group's markets are cyclical, it has pursued both geographic and product diversification to enhance earnings reliability. Despite contracting residential markets in New Zealand and Australia, and unfavourable exchange rates for exports, the group's spread of activities has enabled increases in net earnings, earnings per share and dividends. The returns on equity and funds employed remain top decile compared to industry peers worldwide, evidencing the success of this strategy.

The group has also been strongly focused on organic growth. As a consequence, capital expenditure, particularly for capacity increases, will well exceed depreciation this year, and is expected to also exceed it in the June 2007 year. These capacity increases are in the main to replace product sourced from third parties. Major capital works in progress or planned include Golden Bay Cement; the Dardenup

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particle board plant; expansion of the Hunua (NZ) quarry; new quarries in Australia; a new plastic pipe joint venture in New Zealand; a further capacity expansion to the Dardenup sawmill in Australia; and a new resin plant to service the Gympie MDF plant in Australia.

Beyond this organic growth, the group continues to evaluate external acquisition opportunities. All three major Australian acquisitions completed since 2002, which required an outlay of $1.6 billion, have performed well and the group is well positioned to build on this experience through further relevant, commercially attractive acquisitions that meet our strict acquisition criteria.

Outlook

At the annual shareholders' meeting in November, directors advised that they were comfortable with the average of forecasts for operating earnings by broking analysts which would result in earnings before interest and tax of around $637 million.

Since that time, trading has generally continued to be in line with, or a little better than, those expectations. Barring significant unforeseen events, operating earnings should be in the range of $630-650 million. The mid-point of this range would be a better than 5 percent improvement on last year's restated operating earnings, which, given the significant decline in both New Zealand and Australian residential building demand, would be a pleasing outcome.

Roderick Deane Chairman **Ralph Waters** Managing Director

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EARNINGS STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2005 (UNAUDITED)

	SIX MONTHS DEC 2005 NZ$M	YEAR ENDED JUNE 2005 NZ$M	SIX MONTHS DEC 2004 NZ$M
Sales	**2,764**	4,636	2,159
Cost of goods sold	**(2,063)**	(3,304)	(1,541)
Gross margin	**701**	1,332	618
Selling and marketing expenses	**(192)**	(391)	(176)
Administration expenses	**(187)**	(357)	(158)
Share of profits of associates	**13**	27	14
Other gains/(losses)		2	1
Amortisation of intangibles		(1)	
Operating earnings (EBIT)	**335**	612	299
Funding costs	**(45)**	(77)	(33)
Earnings before taxation	**290**	535	266
Taxation expense	**(90)**	(166)	(82)
Earnings after taxation	**200**	369	184
Earnings attributable to minority interests	**(10)**	(22)	(12)
Net earnings attributable to the shareholders	**190**	347	172

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STATEMENT OF CASHFLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2005 (UNAUDITED)

	SIX MONTHS DEC 2005 NZ$M	YEAR ENDED JUNE 2005 NZ$M	SIX MONTHS DEC 2004 NZ$M
Cashflow from operating activities:			
Total received	**2,787**	4,670	2,166
Total applied	**(2,536)**	(4,191)	(1,942)
Net cash from operating activities	**251**	479	224
Cashflow from investing activities:			
Sale of fixed assets and investments	**6**	19	7
Purchase of fixed assets and investments	**(108)**	(214)	(100)
Purchase of subsidiaries		(609)	
Cash in subsidiaries acquired		19	
Net cash from investing activities	**(102)**	(785)	(93)
Cashflow from financing activities:			
Net debt drawdowns/(settlements)	**(106)**	323	(57)
Issue of shares		140	2
Issue/(repurchase) of capital notes	**34**	(50)	
Distribution to minority shareholders	**(16)**	(31)	(19)
Dividends and distributions	**(64)**	(100)	(42)
Net cash from financing activities	**(152)**	282	(116)
Net movement in cash held	**(3)**	(24)	15
Add opening cash and liquid deposits	**52**	77	77
Effect of exchange rate changes on net cash		(1)	(1)
Closing cash and liquid deposits	**49**	52	91

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RECONCILIATION OF NET EARNINGS TO NET CASH FROM OPERATING ACTIVITIES

FOR THE SIX MONTHS ENDED 31 DECEMBER 2005 (UNAUDITED)

	SIX MONTHS DEC 2005 NZ$M	YEAR ENDED JUNE 2005 NZ$M	SIX MONTHS DEC 2004 NZ$M
Cash was received from:			
Net earnings	**190**	347	172
Earnings attributable to minority interests	**10**	22	12
	200	369	184
Adjustment for items not involving cash:			
Depreciation, amortisation and provisions	**71**	141	44
Taxation	**60**	26	59
Non cash adjustments	**131**	167	103
Cashflow from operations	**331**	536	287
Less gain on disposal of fixed assets			(2)
Cashflow from operations before net working capital movements	**331**	536	285
Net working capital movements	**(80)**	(57)	(61)
Net cash from operating activities	**251**	479	224

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BALANCE SHEET

AS AT 31 DECEMBER 2005 (UNAUDITED)

	DEC 2005 NZ$M	JUNE 2005 NZ$M	DEC 2004 NZ$M
Assets			
Current assets:			
Cash and and liquid deposits	**49**	52	91
Stocks	**656**	616	534
Debtors	**789**	817	645
Total current assets	**1,494**	1,485	1,270
Non-current assets:			
Fixed assets	**1,417**	1,392	1,048
Goodwill	**297**	309	234
Intangibles	**223**	205	164
Investments in associates	**108**	103	97
Investments - other	**18**	16	12
Provision for deferred taxation	**113**	148	78
Total non-current assets	**2,176**	2,173	1,633
Total assets	**3,670**	3,658	2,903

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BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2005 (UNAUDITED)

	DEC 2005 NZ$M	JUNE 2005 NZ$M	DEC 2004 NZ$M
Liabilities			
Current liabilities:			
Short term loans	4	6	12
Accruals and provisions	162	177	125
Creditors	627	660	530
Contracts	78	93	87
Provision for current taxation	26	1	54
Capital notes	121	33	68
Term debt	58	292	39
Total current liabilities	1,076	1,262	915
Non-current liabilities:			
Accruals and provisions	46	46	30
Provision for deferred taxation	68	62	50
Capital notes	263	314	329
Term debt	673	547	414
Total non-current liabilities	1,050	969	823
Total liabilities	2,126	2,231	1,738
Equity			
Reported capital	944	929	780
Revenue reserves	581	467	362
Other reserves	(22)	(12)	(16)
Shareholders' funds	1,503	1,384	1,126
Minority equity	41	43	39
Total equity	1,544	1,427	1,165
Total liabilities and equity	3,670	3,658	2,903

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STATEMENT OF MOVEMENTS IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2005 (UNAUDITED)

	SIX MONTHS DEC 2005 NZ$M	YEAR ENDED JUNE 2005 NZ$M	SIX MONTHS DEC 2004 NZ$M
Opening equity as previously published	1,485	1,118	1,118
Changes on adoption of IFRS	(58)	(72)	(72)
Equity at 30 June 2005 as restated	1,427	1,046	1,046
Changes on adoption of IFRS at 1 July 2005	3		
Equity at 1 July 2005 as restated	1,430	1,046	1,046
Movement in other comprehensive income	(6)		
Movement in currency translation reserve	(4)	(12)	(16)
Revenues and expenses recognised directly in equity	(10)	(12)	(16)
Net earnings - parent interest as previously published	190	330	161
Changes on adoption of IFRS		17	11
Net earnings - parent interest as restated	190	347	172
Net earnings - minority interest	10	22	12
	200	369	184
Total recognised revenues and expenses for the period	190	357	168
Movement in minority equity	(12)	(19)	(13)
Movement in reported capital	18	178	26
Transfer from share option reserve to reported capital		(1)	(1)
Dividends	(79)	(131)	(61)
Less shares held under the treasury stock method	(3)	(3)	
Total equity	1,544	1,427	1,165

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BREAKDOWN OF FINANCIAL PERFORMANCE

(UNAUDITED)

	SIX MONTHS DEC 2005 NZ$M	YEAR ENDED JUNE 2005 NZ$M	SIX MONTHS DEC 2004 NZ$M
Results for the period's performance			
Sales	**2,764**	4,636	2,159
Operating earnings (EBIT)	**335**	612	299
Cashflow from operations	**251**	479	224
Net earnings	**190**	347	172
Sales			
Building Products	**876**	1,324	575
Distribution	**493**	920	472
Infrastructure	**889**	1,441	617
Laminates & Panels	**505**	948	494
Other	**1**	3	1
Total	**2,764**	4,636	2,159
Operating earnings			
Building Products	**115**	227	125
Distribution	**36**	81	42
Infrastructure	**125**	196	77
Laminates & Panels	**62**	107	58
Other	**(3)**	1	(3)
Total	**335**	612	299
Total assets			
Building Products	**1,199**	1,202	771
Distribution	**255**	242	246
Infrastructure	**1,087**	1,064	753
Laminates & Panels	**951**	957	963
Other	**178**	193	170
Total	**3,670**	3,658	2,903

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FINANCIAL REVIEW

Balance Sheet

With excellent operating cashflow, and with gearing (net debt/net debt + equity) at 40.9 percent, Fletcher Building remains in a sound financial position. This is an improvement on the gearing level of 44.4 percent at June 2005, and the company is comfortably within all relevant debt covenants. Interest cover (EBITDA to total interest paid) was 9.0 times compared to 9.6 times at June 2005. Net debt was reduced by $70 million over the six month period to $1,070 million at 31 December 2005.

In November 2005, the company successfully completed an issue of guaranteed senior floating rate notes in the US Private Placement debt market. The notes comprise NZ$144 million maturing in 2015 and A$132 million maturing in 2017. Six US investors participated in the note offer. This transaction was undertaken to increase the company's debt maturity profile, diversify its sources of funding and provide NZ$ and A$ funds without the need to use the company's bank swap lines. The proceeds of the issue were used to repay existing bank indebtedness and for general corporate purposes.

Cashflow

Cashflow from operations was $251 million. This included an increase of $80 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 totalled $108 million for the period and was some $37 million over the depreciation charge as a result of investment in growth projects within many of the businesses.

Dividend

The dividend is fully tax credited for New Zealand purposes with a combination of dividend withholding payment credits (DWP) and imputation credits. Non-New Zealand shareholders benefit from the refund available of DWP credits, and from the New Zealand supplementary dividends attached to the imputation credits. These supplementary dividends have the effect of removing the cost of New Zealand non-resident withholding tax on the portion of dividends carrying imputation credits.

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Fletcher Building refunds the DWP tax credit to non-resident shareholders at the same time as the dividend is paid, and then recovers this from the Inland Revenue Department. New Zealand resident shareholders holding shares on behalf of, or as agents for, non-residents will need to advise the share registry, if they have not already done so, to ensure that the DWP tax credit refund is made.

The dividend also has Australian franking credits attached, at a franking ratio of 38 percent. These tax credits are required to be allocated to all shareholders but are only of value to those shareholders resident in Australia for tax purposes.

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 24 March 2006. The new shares will be allocated on the dividend payment date of 13 April 2006.

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FINANCIAL HIGHLIGHTS

(UNAUDITED)

	SIX MONTHS DEC 2005	YEAR ENDED JUNE 2005	SIX MONTHS DEC 2004
Return on average funds employed (%)	**26.5**	29.3	31.6
Return on average equity (%)	**26.0**	29.5	31.9
Earnings per share (cents)	**40.9**	77.6	39.2
Dividends per share (cents)	**19.0**	32.0	15.0
Gearing (%)	**40.9**	44.4	39.8
Interest cover (times)	**9.0**	9.6	10.7
Net earnings per share (cents)			
Basic	**40.9**	77.6	39.2
Diluted	**38.9**	73.2	36.7

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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 NZ IAS 34 Interim Financial Reporting and New Zealand Equivalent to International Financial Reporting Standard 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS 1).

2 Changes in accounting policies and International Financial Reporting Standards (IFRS)

In December 2002 the New Zealand Accounting Standards Review Board announced that New Zealand standards which comply with International Financial Reporting Standards (IFRS) will apply to New Zealand entities for periods commencing 1 January 2007. Entities also had the option of early adoption from 1 January 2005, in line with Australian and European requirements.

The group has prepared these interim financial statements using NZ IFRS and has restated the comparative financial statements, except for financial instruments. As permitted by NZ IFRS the group has adopted IAS 32 and IAS 39 "Financial Instruments" prospectively from 1 July 2005, and comparative balances have not been restated. In the 2005 Annual Report, the group published restated financial information for the balance dates at June 2005, December 2004, and June 2004, and the earnings statements for the year ending 30 June 2005 and the six months ending 31 December 2004.

There has been no change to the restated balances as previously published for the earnings statement, however following completion of all conversion work, in particular on adoption of IAS 32 and IAS 39, the group has made further amendments to the balance sheet amounts. The group has recognised an additional deferred tax liability of $3 million on its pension asset which has increased the charge against equity at 30 June 2004 from $69 million to $72 million. In addition the group has now recognised a credit to equity, net of tax, of $3 million at 1 July 2005 on adoption of IAS 32 and IAS 39, instead of the $9 million charge as estimated in the 2005 annual report.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The significant changes in accounting policies on adoption of NZ IFRS are as follows. The group no longer amortises goodwill, but subjects this to an annual impairment test. Deferred tax is now accounted for under the "balance sheet" approach rather than the "profit and loss account" approach. Long service leave is now recognised on an actuarial basis rather than when it vests. The group has re-performed its fair value exercise in regard to its acquisitions since 1 July 2002 under NZ IFRS. Upon adoption of NZ IFRS the group recalculated its retirement plans' obligations and wrote-off its unamortised losses, however the ongoing accounting for the retirement plans is broadly similar to the previous treatment. The group now accounts for its financial instruments under NZ IFRS. The group has elected to recognise the revalued carrying value of fixed assets as the deemed historic cost on adoption of NZ IFRS and will not revalue the fixed assets in future periods. The balance of the asset revaluation reserve has been transferred to retained earnings. In addition the balance of the foreign currency translation reserve at 30 June 2004 has been transferred to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For a full reconciliation of the restated numbers of the earnings statement, equity and the balance sheet, showing the effects of changes in presentation and accounting policies arising from adoption of NZ IFRS please see our website at www.fletcherbuilding.co.nz. A summary of the changes is as follows:

	EQUITY AS AT JUNE 2004 NZ$M	EARNINGS YEAR ENDED JUNE 2005 NZ$M	EARNINGS SIX MONTHS DEC 2004 NZ$M
Earnings after taxation as per NZ GAAP		352	173
Adjustments to NZ GAAP in complying with NZ IFRS:			
Writeoff redundancies on acquisition of Amatek		(2)	
Goodwill amortisation	13	11	6
Retirement plan	(64)	8	5
Deferred tax	(10)		
Long service leave accrued	(11)		
Impact on equity at 30 June 2004	(72)		
Impact on net earnings for year ended 30 June 2005	17	17	11
Treasury stock adjustment	(3)		
Impact on equity at 30 June 2005	(58)		
Financial Instruments	3		
Impact on equity at 1 July 2005	(55)		
Earnings after taxation as per NZ IFRS		369	184

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In June 2005 an employee trust established by the company purchased 425,802 Fletcher Building shares for $2,803,117 under the Executive Performance Share Scheme, details of which were provided in the 2005 annual report. The shares are held by the trustee although the beneficial interest is held by the executives to whom they have been allocated. The group has now decided that these shares should be accounted for under the treasury stock method of accounting, whereby the shares are charged against capital of the group and are not held as a separate asset. Accordingly a charge of $3 million representing the shares purchased in June 2005 has been made to reduce equity. There have been no other changes in accounting policy in the six months ended 31 December 2005, 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 2005 annual report.

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DIVIDEND INFORMATION

2006 INTERIM DIVIDEND[1]

NZ cents per share	NZ RESIDENTS	AUSTRALIAN RESIDENTS	OTHER RESIDENTS
Dividend declared	19.0000	19.0000	19.0000
NZ tax credits[2]	9.3582		
NZ tax credit refund		2.7139	2.7139
NZ supplementary dividend		2.3806	2.3806
Australian franking tax credits[3]		3.0943	
Gross dividend for tax purposes	**28.3582**	**24.0945**	**24.0945**
NZ tax (33%)	(9.3582)		
NZ non-resident withholding tax (15%)[4]		(3.6142)	(3.6142)
Net cash received after NZ tax	**19.000**	**20.4803**	**20.4803**
Australian tax (15%)[5]		(3.7212)	
Reduced by credit for NZ non-resident withholding tax		3.6142	
Less Australian franking credit offset[6]		0.7137	
Net cash dividend to shareholders	**19.000**	**21.0870**	**20.4803**

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 dertermining the gross dividend received for NZ tax purposes. They are comprised of:

dividend withholding payment credits	2.7139
imputation credits	6.6443
New Zealand tax credits	9.3582 cents per share

(3) These amounts are not received in cash but are relevant in determining the gross dividend received for Australian tax purposes, but do not form part of the dividend for New Zealand purposes.

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

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DIVIDEND INFORMATION (CONTINUED)

(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.

The Australian tax is calculated as:

gross dividend for NZ tax purposes		24.0945
plus franking credits	3.0943	
less NZ supplementary dividend	(2.3806)	0.7137
gross dividend for Australian tax purposes		24.8082
net Australian tax payable (15%)		3.7212

(6) The Australian franking credit assessable amount and tax offset is calculated by reducing the franking credits by the NZ supplementary dividend. Any surplus franking credit offset is refundable to Australian resident shareholders on issue of their Australian tax assessment.

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