



News Release

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FBU), AUSTRALIA (FBU).

PROPOSED CLOSURE OF THE PENROSE HARDBOARD AND SOFTBOARD BUSINESS

Auckland, 3 August 2007 – Fletcher Building has announced that it is proposing to close the hardboard and softboard business in Auckland. The plant has had poor financial returns in recent years due to the high exchange rate and reduced export earnings. Further investment in the plant required to meet environmental standards means the business is no longer viable.

The Company has commenced consultation with the 65 employees affected by the proposed closure.

The closure will not have any adverse ongoing effect on Fletcher Building's operating earnings.

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