



News Release

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

PENROSE COMPLEX ACQUISITION

Auckland, 6 November 2006 – Fletcher Building Limited announces that it has agreed to restructure its interests in the property at 810 Great South Road, Penrose, Auckland comprising office and industrial premises. Fletcher Building has held the head lease over the Penrose site since 2001, but has sub-let a large part of the property.

The restructure of the Penrose property interests means Fletcher Building will acquire the property to the east of Great South Road, comprising the corporate and construction head offices for \$28.75 million. Fletcher Building will also enter into 9 year leases of industrial premises for those properties occupied by group businesses on the property to the west of Great South Road. The existing head lease for the whole Penrose complex will be surrendered, so releasing the company for the on-going contingent liability for the lease of the sub-let property.

The chief executive officer of Fletcher Building, Mr Jonathan Ling said that “the transaction allows us greater flexibility with our Penrose properties and gives us the ability to consider the further development of the site”.

The transaction will be settled on 31 March 2007.

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