



News Release

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

2007 NET EARNINGS UPDATE

Auckland, 9 May 2007 – Fletcher Building Limited announced today that the New Zealand Inland Revenue Department had concluded its audit review concerning the treatment of certain memorandum tax accounts maintained by the company with respect to its foreign sourced earnings. A tax benefit of \$70 million was reported in the 30 June 2006 financial statements, but was fully provided against pending the outcome of this audit review.

The Inland Revenue Department has advised that no further action will be taken in respect of this matter, and as a consequence the tax benefit will now be fully recognised, so increasing net earnings for the 30 June 2007 year by \$70 million. At this stage it is anticipated that tax benefits of this nature will be non-recurring.

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