



**FletcherBuilding**

## **News Release**

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

### **Upgraded Earnings Update**

Auckland, 11 June 2002. The Directors of Fletcher Building today announced that the Company's earnings for the year ending 30 June 2002 are expected to be better than previously indicated and the present consensus of market forecasts.

The Company's interim results announcement in February 2002 highlighted the substantial turnaround in performance in its first complete half-year with earnings before interest and tax (EBIT) of \$78 million. The expectation of reasonable demand in New Zealand enabled the Company to signal that a satisfactory second half year result should arise as well.

Based on unaudited management accounts for the year to date, the Company now expects to exceed these earlier indications. The Chief Executive, Ralph Waters said that "as a result of improved underlying performance in most operations supplemented by recent favourable trading conditions, the Company would report a full year EBIT before unusual items of around \$200 million".

In a change to its accounting policies the Company will in its 2002 annual results re-classify capital notes as debt, rather than as capital funds. As a consequence interest paid on the capital notes will now be shown as a \$15 million reduction to net profit after tax, rather than as a shareholder distribution.

After allowing for this change in accounting policy the projected net profit after tax and minorities, but before any unusual items, is around \$85 million. This does not include the \$14 million after tax gain from the recent sale of the Australian co-generation business which will be reported as an unusual item.

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