

Fletcher Building First Quarter Trading Update

Auckland, 12 October 2011 – Fletcher Building Limited (“Fletcher Building”) today provided an update on trading for the first quarter of the 2012 financial year.

Trading Update

Conditions in New Zealand have remained challenging with continued low levels of activity in the residential and commercial construction sectors. While there has been a modest uplift in residential housing consents in recent months, this has yet to flow through to activity levels. Even after factoring in the improved trend in consents, the number of new housing starts remains at historically low levels. Consequently, group businesses exposed to the residential and commercial markets in New Zealand have recorded lower earnings than for the corresponding period in the prior year.

Infrastructure activity has remained steady and this has underpinned earnings in businesses exposed to this part of the market.

In Australia, the significant downturn in residential consents and continued weak approval levels in commercial construction have impacted the earnings performance of businesses in those sectors. In particular, Laminex’s earnings have been negatively impacted, due to both the high exposure of the business to the residential sector and its sensitivity to volume changes. However, those group businesses serving the infrastructure sector in Australia are continuing to perform satisfactorily.

Conditions in the long steel industry remain difficult with surplus capacity globally coupled with the high Australian dollar adversely impacting earnings from the export of long steel product into Australia.

Formica has continued to see earnings growth in each of its three regions – North America, Europe and Asia – with on-going growth in Asian markets, and cost reduction initiatives in Europe and North America underpinning generally flat market conditions there.

Canterbury Reconstruction Update

The pace of reconstruction efforts in Canterbury was expected to accelerate in the second half of the 2012 financial year, assuming a continuing reduction in seismic activity. However, the region experienced a further magnitude 5.5 earthquake on Sunday 9 October which the government believes could further

delay rebuilding efforts. New Zealand Treasury expectations are that the rebuilding in Canterbury will not “begin in earnest” until the second half of the 2012 calendar year.

Outlook for the 2012 Financial Year

In New Zealand, no material improvement in trading conditions is expected in the first half of the 2012 financial year, and the timing of a sustained and meaningful recovery beyond that is uncertain.

In Australia, there is a clear risk that residential and commercial construction activity will remain around the current low level for the balance of the 2012 financial year.

Markets in North America and Europe are expected to remain flat while Asia is expected to continue growth.

On the basis of the first three months earnings, and factoring in weak residential and commercial construction markets in both New Zealand and Australia, coupled with likely further delays to the rebuilding in Canterbury, Fletcher Building has reviewed its earnings forecasts for the 2012 financial year.

Based on the current assessment of market conditions and unaudited internal forecasts, the 2012 half year result is expected to be around 10 percent lower than the \$166 million net earnings for the prior year comparable period. However, for the full 2012 financial year including Crane net earnings are expected to be similar to the \$359 million pre-unusals result reported in 2011.

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