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News Release

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

FLETCHER BUILDING ANNOUNCES ACQUISITION OF TASMAN BUILDING PRODUCTS PTY LIMITED

Auckland, 19 August 2003 - Fletcher Building today announced that it has signed an agreement to purchase Tasman Building Products Pty Limited (Tasman).

Tasman has significant building products operations in Australia and New Zealand and a small operation in USA. It has the leading Australasian position in metal roofing tiles, is the only New Zealand manufacturer of glasswool insulation and is one of three glasswool manufacturers in Australia. Tasman is one of the two stainless steel sink manufacturers in Australia and the leader in the access (i.e. raised) flooring market in Australasia.

Chief Executive Officer, Mr Ralph Waters, said "The acquisition is a logical extension of our building products envelope in New Zealand, enhances our Australian position and provides further growth opportunities. It fully meets all our investment criteria – good industry structure, leading market positions, capable management and attractive financial parameters. It is a business we have been interested in acquiring for some time."

Tasman is to be purchased from private interests whose key shareholders are G S Private Equity and Quadrant Capital. The price agreed for the acquisition is A\$230 million (approximately NZ\$260 million).

The acquisition, which follows extensive due diligence on the company, brings to a close a formal sales process that started in May this year.

For the 12 months ended 30 June 2003, revenue for Tasman was A\$243 million and earnings before interest, taxation, depreciation and amortisation (EBITDA) was A\$40 million subject to final audit.

The Tasman business units will form part of Fletcher Building's Building Products division, replacing the \$300m of panels revenue that has recently been transferred to the Laminates and Panels division. Fletcher Building's Distribution division is already a major distributor of Tasman products in New Zealand.

"The acquisition enhances our position in Australia and provides greater geographic diversity in our earnings base. Synergies of over NZ\$5 million per annum should be fully realizable during the next financial year." Mr Waters said.

Tasman has a number of growth opportunities. "The Australian and New Zealand insulation markets have good prospects for growth arising from the adoption of new energy efficiency standards. We are also excited by the growth prospects for roofing, particularly in Japan, and the wider introduction of the Oliveri sinkware range into New Zealand and the United States of America, where distribution is already established.

Funding and Financial Impact

The purchase price will be funded by an underwritten placement of 20 million new ordinary FBU shares, and additional debt. At FBU's discretion, the size of the equity capital raising may be increased to 25 million shares.

Trading on the New Zealand and Australian stock exchanges was suspended today at the company's request, pending this announcement and the book-build process for the placement. Waivers have been granted by the New Zealand Exchange from Listing Rules 7.3.5 and 9.2.1 subject to certain conditions being satisfied. Approval has been granted under Listing Rule 8.1.4 to allow the shares to be allotted under the proposed placement to be issued at a price established by way of an institutional book-build process.

The acquisition of Tasman is expected to be immediately positive to earnings per share.

The purchase is subject to approval of the Australian Foreign Investment Review Board, certain third party consents and no material adverse change to Tasman's business. If approved, the acquisition is expected to be settled at the end of September 2003.

Fletcher Building was advised by Deutsche Bank and the placement is underwritten by JBWere.

Details on Fletcher Building Limited are available on its website:
www.fletcherbuilding.com

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Fletcher Building is a New Zealand based building materials manufacturer and distributor with operations in concrete, steel, plasterboard, laminates and panel products, aluminium extrusion and residential and commercial construction. Outside New Zealand, the group has operations in Australia, the South Pacific and South America. Revenue for the year ended 30 June 2003 was NZ\$3.2 billion, and earnings before interest, tax and unusual items were NZ\$331 million.

This announcement has been prepared for publication in New Zealand and Australia and may not be released in the United States. This announcement does not constitute an offer of securities for sale in the United States and any securities described in this announcement may not be offered or sold in New Zealand, Australia or the United States absent registration under the relevant legislation or an exemption from registration. Fletcher Building Limited confirms that, other than the matters referred to in this announcement, there is no information of the kind that would be required to be disclosed under subsection 713(5) of the Corporations Act 2001 (Cth) if a prospectus were to be issued in reliance on section 713 in relation to an offer of its ordinary shares.

BACKGROUND INFORMATION

SUMMARY OF TASMAN BUSINESSES

■ ***Insulation***

Tasman's insulation division comprises two businesses - Tasman Insulation New Zealand and Tasman Insulation Australia.

Tasman Insulation New Zealand is the sole manufacturer of glasswool in New Zealand. Its Pink® Batts® branded insulation product range is the clear market leader of residential insulation in New Zealand. It also has a strong market position in non-thermal product categories such as building membranes, aluminium foil laminates and acoustic control products. It has manufacturing plants in Auckland and in Christchurch.

Tasman Insulation Australia is one of three domestic manufacturers of glasswool insulation products in Australia. It manufactures thermal and acoustic insulation products under several brand names including Insulco® and Fatt Batts®. It has three manufacturing plants in Sydney including a glasswool plant, a polyester plant and a foil plant

In 2003, the Insulation division contributed approximately 47% of Tasman's revenue.

■ ***Roofing***

Tasman's Roofing division comprises two businesses - Tasman Roofing New Zealand and Tasman Roofing USA. Together, Tasman Roofing is the largest producer of steel roof tiles in the world.

Tasman Roofing New Zealand trades as AHI Roofing Ltd and its Gerard® brand is the clear market leader in steel roofing tiles in New Zealand. It also exports steel tiles to over 70 countries from its manufacturing plant in Auckland.

Tasman Roofing USA has a manufacturing plant in Corona, California and manufactures steel roof tiles for the North American market under the Decra brand.

In 2003, the Roofing division contributed approximately 40% of Tasman's revenue..

■ ***Sinkware***

Tasman Sinkware's Oliveri® and Lakeland® brands make it Australia's second largest producer of stainless steel sinks. It exports to a number of countries including the United States, New Zealand, Singapore, Canada and Hong Kong. Its manufacturing facilities are in Adelaide. In 2003, the Sinkware division contributed approximately 11% of Tasman's revenue.

■ ***Flooring***

Tasman Access Floors, based in Sydney, is the largest supplier of specialist steel-based access flooring systems for commercial offices in Australasia. Its key markets are Australia and New Zealand. Its brand names include Tasman, Tascor®, Tasteel® and Unifix®. In 2003, the flooring division contributed approximately 2% of Tasman's revenue.

Years ended 30 June			
A\$m	2001	2002	2003*
Sales	210	217	243
EBITDA	32	34	40
EBIT	22	24	30

* 2003 numbers are preliminary, subject to final audit

