



Fletcher Building releases its Bidder's Statement in relation to its takeover bid for Crane Group

Auckland, 22 December 2010: Fletcher Building Limited ("Fletcher Building") today announced it has released the Bidder's Statement in relation to the takeover bid (the "Offer") for Crane Group Limited ("Crane") by its wholly owned subsidiary, Fletcher Building (Australia) Pty Limited.

The Offer comprises one Fletcher Building share plus A\$3.43 cash for each Crane share, which, based on the Fletcher Building closing share price on ASX on the day prior to the announcement of the Offer, equates to a value of A\$9.35 for each Crane Share¹.

Fletcher Building Chief Executive Jonathan Ling said, "We believe this is an attractive Offer for Crane shareholders as it provides an upfront premium as well as the opportunity to become a shareholder in a significantly larger company".

The reasons why Crane shareholders should accept Fletcher Building's Offer are set out in full in the Bidder's Statement, and include:

1. The Offer represents a substantial premium for Crane shares, being a 28% premium to the one month volume weighted average price for Crane on 14 December 2010²
2. The Offer values Crane at an attractive multiple, representing:
 - a FY11 Price/Earnings multiple of 19.0x³
 - a FY11 Enterprise Value/EBIT multiple of 11.8x⁴
3. Crane Shareholders who accept the Offer will receive cash and become a shareholder in a larger and more diversified Australasian building materials manufacturing and distribution company
4. Fletcher Building's experienced management team and Board of Directors have delivered superior shareholder returns relative to Crane
 - Fletcher Building has delivered shareholders a total aggregate return of 435 percent since it listed as a separate company in 2001, compared to Crane's 93 percent over the same period⁵

¹ Based on A\$3.43 cash plus one Fletcher Building share at the closing price of A\$5.92 on ASX on 14 December 2010, the day prior to the announcement of the Offer.

² Based on the implied Offer price of A\$9.35 per Crane Share.

³ Based on median broker estimates as at 14 December 2010 for Crane's earnings for FY11; median NPAT of A\$38.9m (range A\$38.4m to A\$39.8m); and median EBIT of A\$75.7m (range A\$74.6m - A\$78.0m) (source: Bloomberg - median of 9 brokers (NPAT) and 8 brokers (EBIT) with estimates provided following the Crane AGM on 29 October 2010).

⁴ Enterprise value calculated using Crane's net debt as at 30 June 2010 of A\$154m, minorities and preference shares of A\$1m, plus the relevant market capitalisation. Offer multiples based on the implied Offer price of A\$9.35 per Crane Share.

5. Crane Shareholders who accept the Offer will have the opportunity to benefit from the enhanced size, equity market presence and potentially higher liquidity of the combined group
6. The Fletcher Building Group has a relevant interest in 14.9% of Crane
 - Of these Crane shares, 13.1% were acquired from the four largest institutional shareholders⁶ immediately prior to the announcement date for A\$9.35 in cash, the same amount as implied by the Offer
7. In the absence of the Offer, the Crane share price is likely to trade below the value of the Offer consideration⁷

The Bidder's Statement is expected to be dispatched to Crane Shareholders in January 2011. In the meantime, the Bidder's Statement can be viewed online at www.fletcherbuilding.com.

For further information contact:

Philip King
General Manager Investor and Media Relations
Ph: +64 9 525 9043
Mob: +64 27 444 0203

Australian media should contact:

Mark Rudder
Cosway Australia
Mob: + 61 411 362 362

⁵ Sourced from Bloomberg. Total Shareholder Return (TSR) is the capital appreciation of the company's share price, adjusted for capital management (such as share splits or consolidations) and assuming reinvestment of dividends at the declared dividend rate per share. The period analysed is from 29 March 2001 up to and including 14 December 2010. Fletcher Building's TSR is based on holding shares denominated in A\$ on ASX.

⁶ As at 13 December 2010.

⁷ Subject to no equivalent or superior offer being made.