



News Release

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LONG TERM POWER SUPPLY CONTRACTS

Auckland, 26 August 2003 - Fletcher Building has entered into long term power supply contracts for their New Zealand operations with Genesis Power. The contracts are competitively priced for a five year period commencing in September 2003 and will cover more than 85% of the group's forecast New Zealand consumption.

Fletcher Building's power consumption is around 480 gigawatts per annum, making it one of New Zealand's largest electricity users. These contracts are therefore important for the company to secure.

The five year supply contracts build on the strong existing relationship between the company and Genesis. This stems from the support provided by Genesis to Pacific Steel during the recent power supply crisis. Genesis' support contributed to Pacific Steel's ability to continue production with changed operating arrangements.

In an environment of power pricing volatility these contracts are an effective risk management measure and should ensure the company will not have to curtail any operations or encounter significant operating earnings variability, from events impacting the price of power to New Zealand industry.

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