

## **News Release**

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

### **TASMAN INSULATION DISAPPOINTED BY COMMERCE COMMISSION CONCLUSION**

Auckland, 27 October 2006 – In response to a finding by the Commerce Commission that two products manufactured by Tasman Insulation New Zealand Limited (“Tasman”) may not have met the stated thermal insulation levels, Fletcher Building and Tasman advise that they are very confident in the quality and integrity of Tasman’s insulation range.

In addition, Tasman advises that as a result of internal product testing processes, it had increased product densities three months before it became aware of the Commission’s inquiries, and no other changes to its manufacturing processes have been required as a result of the Commission’s findings.

General Manager of Tasman, Bill Smith said that, despite extensive effort, the company could not reconcile the conclusions of the Commerce Commission investigation into two products manufactured at one of its Auckland plants.

“Tasman has for 45 years placed great value on providing certainty to consumers and delivering products to the appropriate industry standards. We are, therefore, naturally disappointed in the Commission’s conclusions on these two products. They are made using an established industrial recipe, and over the years have been regularly tested by external agencies. In addition, our manufacturing processes are AS/NZS ISO 9001:2000 accredited.”

Mr Smith advised that in the middle of last year the company was having difficulty understanding some test results that were inconsistent with the previous pattern, particularly as there was nothing in the manufacturing process that explained such changes. As a consequence it was decided in October 2005 to increase product densities. As the Commerce Commission has acknowledged, this decision to increase product densities was implemented three months before the company learnt of its inquiries.

The Commission’s inquiries have highlighted that testing of the performance of thermal insulation gives rise to differing interpretations of testing standards. Tasman will continue to work with external agencies on these matters, and is very appreciative of their assistance in this complex and challenging area.

Tasman retains its AS/NZS ISO 9001:2000 registration and the products that are covered continue to have BRANZ Appraisals and Environmental Choice New Zealand Accreditation.

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