



News Release

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Sale of Australian Co-Generation Power Business

Auckland, 31 May 2002 - Fletcher Building Limited today announced the sale of the co-generation power project assets in Australia. The business comprises the power generation plants at six hospitals in the state of Victoria.

Energy Impact Pty Limited, a subsidiary of Energex Limited, will purchase Varnsdorf Pty Limited, the owner of the project, for a total consideration of approximately A\$30 million (NZ\$35 million)

Chief Executive of Fletcher Building, Ralph Waters confirmed that these assets, which had been acquired as part of the settlement of outstanding matters prior to the separation of Fletcher Building, had always been regarded as non-core assets. He stated that "it is very pleasing to see that the much improved operating performance since Fletcher Building's ownership has brought better value to this investment. However, ownership by a utility company will ensure that it is able to appropriately service the energy requirements of the hospitals in the future. Fletcher Building will report an after tax gain of NZ\$14 million in the 30 June annual accounts".

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