FletcherBuilding

News Release

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FLETCHER BUILDING LIMITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2011

Auckland, 17 August 2011 – Fletcher Building today reported net earnings before unusual items of $359 million for the year ended 30 June 2011. The result compares with $301 million recorded in the previous year.

Operating earnings (earnings before interest and tax) pre-unusual items were $596 million, up 14 percent on the $521 million achieved in the previous year. Results included three months of operating earnings from Crane Group Limited ("Crane") which was acquired during the year. Consistent with the announcement in March, net earnings were approximately $20 million lower than earlier market guidance due to the disruption caused by the earthquakes in Canterbury.

Unusual items after tax totalling $76 million were incurred during the year. These relate to costs associated with the acquisition and restructuring of Crane, inventory and goodwill write-downs in the Australian insulation business, and adjustments to the carrying value of other assets. Net earnings were $283 million compared with $272 million in the previous year.

Cashflow from operations was $402 million compared with $522 million in 2010, with the reduction due principally to an increase in working capital.

A final dividend of 17.0 cents per share will be paid on 19 October 2011, with full New Zealand tax credits attached, bringing the total dividend for the year to 33.0 cents per share.

Chief Executive Officer Jonathan Ling said the result reflected the very mixed trading conditions seen in the key markets in which Fletcher Building operates.

"The result was driven by strong performances in our Infrastructure and Laminates & Panels divisions, together with the initial contribution from Crane", Mr Ling said.

"Most divisions reported stronger trading performances from their Australian operations. Formica also reported good growth from its Asia operations and a strong improvement in North American earnings despite flat volumes in that market.

"Businesses exposed to the New Zealand market generally reported flat or lower earnings, as a consequence of the slowdown in construction activity seen during the course of the year and also as a result of the significant disruption from the earthquakes in Canterbury", Mr Ling said.

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"Market conditions have been tougher than we anticipated at the start of the year, with no recovery evident in New Zealand, and Australia showing clear signs of having slowed in the second half. Looking ahead, we remain uncertain around the timing and pace of a recovery in the New Zealand construction industry, but are well positioned for the upturn when it comes", Mr Ling said.

"The inventory and goodwill write-offs in our Australian insulation business are disappointing. We've seen significant disruption to the market since the termination of the government's retrofit insulation scheme last year and no sign of any improvement. As such, we have had to confront the financial reality and adjust asset values accordingly", Mr Ling said.

Results overview

- Total revenues of $7,416 million, up from $6,799 million in 2010
- Operating earnings before unusual items increased to $596 million from $521 million in 2010
- Net earnings excluding unusual items of $359 million, up from $301 million in 2010
- Net earnings of $283 million, up from $272 million in the previous year
- Cashflow from operations of $402 million, compared with $522 million in the prior year
- Final dividend of 17.0 cents per share with full New Zealand tax imputation credits giving a total dividend for the year of 33.0 cents per share
- Interest cover at 5.1 times
- Basic earnings per share excluding unusual items were 57.1 cents, up 15 percent on the 49.7 cents in the prior year
- Total shareholder return for the year was 14 percent, compared with 24 percent in the prior year
- The dividend reinvestment plan will be operative for this final dividend payment

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FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2011

Directors today announced the financial results for the year ended 30 June 2011. Net earnings were $283 million, compared with $272 million in the 2010 year. Unusual items of $76 million after tax were incurred during the year. These relate to costs associated with the acquisition and restructuring of Crane, inventory and goodwill write-downs in the Australian insulation business, and adjustments to the carrying value of other assets. Net earnings before unusual items increased to $359 million from $301 million in the previous year.

Operating earnings before unusual items increased to $596 million, from $521 million in the 2010 year. Cashflow from operations was $402 million compared with $522 million in 2010.

Results	**Sales**		**Operating Earnings**	
NZ$ Million **12 months ended**	**June 2011**	June 2010	**June 2011**	June 2010
Building Products	**692**	798	**111**	114
Crane[1]	**623**	0	**29**	0
Distribution	**856**	878	**39**	38
Infrastructure	**1,896**	1,880	**161**	144
Property	**156**	140	**24**	20
Laminates & Panels	**1,979**	1,930	**168**	141
Steel	**1,214**	1,172	**83**	82
Corporate	**0**	1	**(19)**	(18)
Total excluding unusual items	**7,416**	6,799	**596**	521
Funding costs			**(118)**	(107)
Earnings before taxation and unusual items			**478**	414
Taxation excluding unusual items			**(111)**	(103)
Earnings after tax before unusual items			**367**	311
Minority interests			**(8)**	(10)
Net earnings pre-unusual items			**359**	301
Unusual items after tax			**(76)**	(29)
Net earnings per published accounts			**283**	272

Group sales were 9 percent higher at $7,416 million including sales of $623 million for Crane for the period since its acquisition. Excluding Crane, total sales were in line with those recorded in the previous year.

Revenue performance in New Zealand was mixed, with growth in concrete products and residential house sales but lower sales in most other building products, steel, and construction. Many businesses were impacted by the disruption to trading following the Christchurch earthquakes.

In Australia, the group recorded revenue growth in most of its business operations with stronger growth in concrete and quarry products, particleboard, and coated steel. However, revenues were significantly down in the Australian

[1] Results are for the 3 month period to 30 June 2011.

insulation business as a result of the sudden termination of the government's insulation retrofit scheme. Formica continued to generate strong sales growth in Asia, while North American revenues were flat and European revenues fell further.

Directors have approved a final dividend of 17.0 cents per share. With the interim dividend of 16.0 cents, this brings the total dividend for the year to 33.0 cents per share, up from 29.0 cents in the previous year. The final dividend will be paid on 19 October 2011. In line with the revised dividend policy announced in February, the final dividend will carry full New Zealand imputation credits. The dividend will be unfranked for Australian tax purposes.

Earnings per share were 45.0 cents compared with 44.9 cents in the prior year. Earnings per share excluding unusual items were 57.1 cents, compared with 49.7 cents in the previous year.

OPERATIONAL REVIEW

Building Products

The Building Products division reported operating earnings excluding unusual items of $111 million, down 3 percent on the $114 million earned in the prior year.

Operating earnings for the plasterboard business were up 16 percent, principally due to a gain from the sale and leaseback of the Auckland manufacturing site. This more than offset the impact of the decline in the New Zealand residential construction market in the second half, costs associated with the Christchurch earthquakes, and input pricing pressures.

Operating earnings before unusual expenses for the insulation business were down 26 percent due to the continuing impact of the sudden withdrawal of the Australian government's insulation subsidy scheme in February 2010. The continued industry-wide over-supply of insulation products has adversely impacted price and manufacturing efficiencies. Cost-saving initiatives were undertaken during the period, with the benefits to be realised when manufacturing volumes improve. In New Zealand a reduction in uptake of the government insulation retrofit scheme and weaker construction activity adversely impacted earnings. Operating earnings from the commercial insulation and ceiling and wall systems business were up significantly with share gains and improved operating performance.

Operating earnings for the roof tiles business were down 15 percent but only because the prior year included receipt of insurance proceeds for the 2008 fire at the US plant. Volumes were up in Africa, Europe and Asia despite difficult global trading conditions, but down in the key New Zealand and US markets. US and European markets weakened during the period as a deteriorating economic outlook impacted demand. Cost pressure was also evident with steel input prices increasing, while overheads were also up due to investments in product and market development.

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Operating earnings for the sinkware and aluminium businesses were up 10 percent on the prior year. The domestic Australian market and export markets for sinkware were both weaker and were impacted by the strong Australian dollar, but this was offset by a focus on higher value products and improved input prices. Aluminium experienced improvements in margins with market share gains and a strong manufacturing performance, although volumes were lower.

Crane

Crane was acquired during the year and consolidated as from 28 March 2011. The financial result for the year includes operating earnings for the three months that the company was owned by Fletcher Building.

For the three months since acquisition, Crane had revenues of $623 million and operating earnings before unusual items of $29 million.

Corporate cost savings originally identified in the acquisition have largely been achieved, and the Crane and Fletcher Building corporate offices in Sydney will be combined in the coming months.

Distribution

Sales in the Distribution division declined by 3 percent over the prior year as residential and commercial building activity reduced in the second half of the year. Operating earnings rose by 3 percent to $39 million, driven by planned cost reductions and a focus on protecting product margin. While the Canterbury earthquakes placed substantial pressures on the four Christchurch facilities and staff, each facility was able to quickly resume trading with only minor damage sustained.

The DIY segment came under pressure as consumer confidence weakened following the increase in goods and services tax in October 2010, and this was coupled with more intensive competition from other hardware retailers.

In response to the decline in sales activity in the second half, inventory levels were reduced by 8 percent. The return on funds employed was maintained at 27 percent, in line with the previous year.

Infrastructure

Infrastructure's operating earnings, including its property activities, increased by $21 million to $185 million, up 13 percent on the previous year. The result was driven by continued operational improvements and efficiency gains in all key areas of the business, together with higher earnings from residential house sales.

Operating earnings from the cement business were $4 million higher despite lower volumes. In New Zealand, volumes were 3 percent lower but the domestic price of cement increased by $11 per tonne on 1 September 2010. Export sales

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volumes and prices increased but margins remained low. Aggregates sales volumes were 7 percent higher than last year due largely to low value product and roading product volume increases. The business continued to make significant progress in lowering its costs and earnings increased by $2 million.

Readymix and masonry operating earnings declined by $5 million due to lower volumes, tighter market conditions and intense competition. Concrete pipe and precast volumes were comparable with the prior years' but demand for other products was weaker. Due to a favourable sales mix, overall margins were higher despite competitive pricing and slightly higher input costs.

In Australia, the pipeline and quarry businesses performed well with combined operating earnings of $64 million compared with $52 million in 2010. The 2011 result includes $5 million earned on the sale of surplus land. The pipeline products business experienced weaker demand for most products but a renewed focus on pricing still allowed margins to improve. The quarry business recorded a very strong result despite the ongoing slow-down in building activity.

Australian Construction Products, acquired in August 2010, is a specialist in the supply of road barrier and associated roading products in Australia. The business was adversely affected by the Queensland floods but still managed to exceed its earnings target for the period.

Construction's operating earnings were $37 million, down 5% on the previous year, reflecting a similar percentage reduction in turnover. A total of $747 million of new work was awarded during the year, and the backlog of construction at year end was $764 million compared with $930 million at the end of the prior year. The major projects awarded during the year were the ASB Bank head office in Auckland, and the Ngaruawahia Bypass. Unfortunately the most notable events of the year were associated with the devastation arising from the Canterbury earthquakes. The company was appointed as project manager for the Earthquake Commission to manage residential repairs in the range between $10,000 and $100,000 on insured homes, and is one of five contractors in an alliance to repair Christchurch's infrastructure. The size of these tasks is yet to be accurately determined.

Earnings from property related activities include those from quarry end use and the residential business. Earnings from residential house sales increased by $5 million to $23 million; this was due to increased house sales and a favourable sales mix with higher margins. Property sales earned $1 million and earnings from this source are not expected to be significant in 2012.

Laminates & Panels

Operating earnings for Laminates & Panels before unusual items were $168 million, compared with $141 million in the previous year. Sales were 3 percent higher at $1,979 million.

Laminex's operating earnings excluding unusual items were $112 million, up 23 percent on the prior year trading earnings of $91 million. One-off cost impacts from asset write downs totalled $9 million for the year, reducing operating

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earnings to $103 million. Laminex's prior year reported earnings were $107 million which included $16 million of one-off gains from the closure and sale of the Welshpool and Kumeu sites.

Australian revenues were up 8 percent on the prior year. Revenues in the first half of the year were up strongly, driven by improvements in new housing, the government education building investment programme, and the release of a number of new products. In the second half of the year housing starts slowed considerably and the education building programme was completed. Activity levels in the commercial sector were lower than previous years.

New Zealand revenues were marginally lower than the prior year with the economy continuing to remain subdued, although margins remained consistent year on year.

Competitive pressures in Australia and New Zealand have remained strong although price increases were achieved in key decorated product categories. Higher resin costs were largely offset by the stronger Australian and New Zealand currencies.

The floods in Queensland and Victoria did not cause any structural, property or inventory damage but there were negative impacts on both activity and revenues. The Laminex facilities in Christchurch suffered minor physical damage as a result of the earthquake and the day to day operations were also adversely affected.

Formica's operating earnings were $56 million, 65 percent higher than the $34 million earned in the prior year. The improved result was due to further operational improvements and efficiency gains in all key areas of the business. Reported sales were 6 percent lower due to the appreciation of the New Zealand dollar. In local currency terms sales were in line with the previous year, although there were regional variances.

Volumes in North America were down 3 percent on the prior year. Activity in the US residential sector showed minimal growth from an extremely low base. Non-residential activity continued to decline in the first half of the year with little recovery seen in the second half. Despite the fall in volume, revenues in domestic currency terms in North America were stable due to improved product mix and pricing.

In Europe, volumes and revenues in domestic currency terms were down 6 percent and 5 percent respectively as demand in the major economies in Western Europe continued to decline. Other markets generated revenue growth with Russia up 51 percent and Poland up 10 percent. Exports to South Africa commenced and the establishment of operations in India resulted in increased revenue in that market.

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Activity levels in Asia were strong with revenue up by 9 percent in domestic currency terms, and all the key markets performed well. A number of initiatives aimed at increasing exposure in nearby markets resulted in strong revenue growth in Malaysia, Singapore, Japan and the Philippines, albeit off a low base.

During 2011 the product range rationalisation was successfully completed along with other initiatives such as consolidating logistics and freight providers and improving service delivery lead times and other operational metrics. This contributed significantly to the improved financial performance over last year particularly as market demand and revenue remained flat.

All regions were faced with escalating input costs especially resins and energy. Increases in utility charges were particularly evident in Europe. In China increased demand and government environmental regulation resulted in large energy cost increases. Where possible prices were adjusted to help mitigate the impact of rising input costs, and the launch of enhanced products enabled improved pricing and margins in some areas.

Steel

The Steel division recorded operating earnings for the year of $83 million, in line with the prior year. Demand was weak with overall volumes declining 3 percent during the year. Sales for the year were slightly ahead but declined in the second half of 2011.

In the rollforming and coated steel businesses, operating earnings improved by 32 percent to $58 million for the year, despite volume declines in both Australia and New Zealand. Rollforming volumes were heavily affected by the earthquakes in Canterbury, and the floods and cyclone in Australia. In the key Queensland market, the downturn in new housing development adversely impacted volumes. Despite this, margins improved as a result of managing pricing opportunities and good cost management.

Market conditions in long steel were particularly difficult, resulting in earnings declining 61 percent to $12 million. Volumes were 7 percent lower than the prior year, with New Zealand domestic demand down 19 percent due to the lower number of major infrastructure projects, low residential construction and pressure from imported products. The high Australian dollar meant import competition into the Australian market was intense.

Earnings in the distribution and services businesses rose 86 percent to $13 million. The primary driver of this improvement was in the steel distribution business which had been negatively impacted by reduced volumes in the prior year. Strong management of this business during 2011 improved earnings significantly. In reinforcing, earnings declined during the year as a result of low volumes in infrastructure and residential construction, together with increased price competition. However, market share increased as a result of an expanded business footprint.

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UNUSUAL ITEMS

Unusual items after tax totalling $76 million were incurred during the year. These relate to costs associated with the acquisition and restructuring of Crane, inventory, equipment and goodwill write-downs in the Australian and New Zealand insulation businesses, and adjustments to the carrying value of O'Brien's, the residential bench-top business.

The inventory, equipment and goodwill write-offs in the Australian insulation business are due to the significant disruption in the market since the Australian government's insulation retrofit scheme was terminated in February 2010. In New Zealand, the DVS home heating business which is part of the insulation group, and O'Brien's, have been adversely impacted by the slowdown in new residential house building activity.

The unusual tax adjustment was a partial reversal of the increased provision for deferred tax which was incurred in 2010. This provision arose as a result of changes in New Zealand taxation law including the elimination of depreciation on buildings for tax purposes, and a reduction in the corporate taxation rate from 30 percent to 28 percent.

A summary of the key unusual expense categories is given below.

Year to 30 June 2011 **NZ$ Million**	**Unusual items before tax**	**Tax**	**Unusual items after tax**
Crane acquisition and restructuring net costs	19	(8)	11
Insulation inventory and plant write down	34	(10)	24
Adjustment to Insulation business asset carrying values	46		46
Adjustment to O'Brien's asset carrying value	9	(1)	8
Unusual tax adjustment		(13)	(13)
Total	108	(32)	76

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FINANCIAL REVIEW

Balance Sheet

The group's gearing[2] at 30 June 2011 was 33.8 percent compared with 26.8 percent at 30 June 2010. The increase was due to the acquisition of Crane in March 2011. The gearing figure remains well below the target range of 40 to 50 percent, and for so long as world economies remain volatile the group will continue to position gearing below the bottom of this range.

Funding

The group had total available funding of $2,499 million as at 30 June 2011. Of this, approximately $492 million was undrawn and there was an additional $115 million of cash on hand. The main increase in available funding was due to the establishment of a new Australian bank debt facility of AU$120 million. Bank debt facilities represented 54 percent of total available funding, US private placements 28 percent and capital notes 18 percent.

Debt requiring refinancing within the next 12 months is $166 million. During the period a major portion of the group's syndicated bank debt facility was refinanced. Current debt includes $63 million of capital notes subject to interest rate and term reset, $76 million of expiring drawn facilities and $27 million of expiring undrawn facilities.

Debt Maturity

The average maturity of the debt is 4 years and the currency split is 61 percent Australian dollar; 25 percent New Zealand dollar; 10 percent US dollar; 3 percent Euro; and 1 percent Pounds Sterling.

Interest Rates

Approximately 66 percent of all borrowings have fixed interest rates with an average duration of 3.4 years and a rate of 7.3 percent. Inclusive of floating rate borrowings the average interest rate on the debt is currently 6.6 percent. All interest rates are inclusive of margins but not fees.

Interest coverage[3] for the period was 5.1 times compared with 4.9 times in the previous year.

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[2] Interest bearing net debt (including capital notes) to interest bearing net debt (including capital notes) and equity

[3] EBIT before unusual items to total interest paid including capital notes interest

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Cashflow

Cashflow from operations was $402 million compared with $522 million in the prior year. Working capital increased by $148 million due to increases in inventory and debtors, and a reduction in creditors.

Capital expenditure for the period, excluding the acquisition of Crane, was $307 million, up from $191 million in the prior year. Of this total, $200 million was for stay-in-business capital projects, $51 million was for new growth initiatives, and $56 million was for the acquisition of new businesses. Significant investments during the period included the acquisition of Australian Construction Products, and the expansion of the Laminex high pressure laminate plant in Queensland.

The acquisition of Crane was partly funded through the issue of 67.3 million ordinary shares to Crane shareholders for $586 million, and partly through the payment of cash to Crane shareholders for $451 million which was financed using cash and existing bank debt facilities.

Dividend

The final dividend is 17.0 cents per share. In line with the recently announced dividend imputation and franking policy, the final dividend will be fully imputed for New Zealand tax purposes but will not be franked for Australian tax purposes.

A dividend summary is attached, illustrating the effect of the New Zealand imputation tax credits on the dividend paid.

The dividend reinvestment plan will be operative for this dividend payment. There will be no discount to the price applied to ordinary shares issued. Documentation for participation is available from the share registry or the website www.fletcherbuilding.com and must be received by the registry before the record date of Friday 30 September. The price used to determine entitlements under the dividend reinvestment plan is the weighted average share price of the company's shares sold on the NZX and designated by the NZX as "price-setting trades" in the five business days following the NZX ex-dividend date of 28 September 2011. The new shares will be issued on the dividend payment date of 19 October 2011 and will rank equally with all other shares.

The dividend will be paid on 19 October 2011 to holders registered as at 5.00 pm Friday 30 September 2011 (NZT). The shares will be quoted on an ex dividend basis from 26 September 2011 on the ASX and 28 September 2011 on the NZX.

STRATEGY

Fletcher Building is a portfolio company that creates value through applying its operating model to attractive industry positions in Australian and New Zealand light and heavy building materials markets. This strategy has delivered improved earnings reliability for the group through geographic and end market diversification.

Fletcher Building operates a decentralised business model allowing decision making as close to the customer as possible. The corporate centre is lean and focused on talent and performance management for the group as well as stakeholder management, strategy, capital management and allocation, and risk and reputation management.

The portfolio is focused on businesses that operate in fundamentally attractive industries, with leadership positions in the markets they target. Industries are prioritised to those where the competitive dynamics are judged to be stable and the growth prospects attractive.

Fletcher Building continues to see good opportunities across Australia and New Zealand to further invest in new businesses, bolt-on acquisitions or through the organic growth of its existing businesses. Fletcher Building's primary exposure outside Australia and NZ is through Formica. For the next few years the company will continue to focus on opportunities in New Zealand and Australia, and on growing the Formica business particularly in Asia.

OUTLOOK

In New Zealand, the outlook is for a very gradual improvement in housing starts, but from a very low base. In addition, the rebuilding of Christchurch is expected to gain momentum throughout the year which will boost the construction industry overall. Leaky homes remediation is expected to accelerate now that enabling legislation has been passed. The commercial outlook remains patchy with increased activity in some sectors but limited growth in aggregate. Infrastructure is expected to remain robust, underpinned by central government spending.

In Australia, an improvement in the housing and alterations and additions sectors is not expected in the near term, with demand expected to stay at its current reduced levels. The short term outlook for the commercial sector is also seen as being subdued. The continued strength in the mining sector, and ongoing government investment, should underpin infrastructure spending.

Trading conditions in both North America and Europe continue to remain flat with no recovery of significance expected in these markets in the near term. Recent external economic forecasts have been downgraded and expectations and timing of any recovery continue to remain uncertain. Conversely, China, South East Asia and Taiwan are exhibiting growth and the outlook remains positive for this region.

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2011 FINAL DIVIDEND SUMMARY TABLE [1]

NZ cents per share	NZ RESIDENTS ON TOP MARGINAL TAX RATE OF 33%	AUSTRALIAN RESIDENTS ON TOP MARGINAL TAX RATE OF 47.5%	AUSTRALIAN RESIDENTS ON 15% TAX RATE	OTHER NON RESIDENTS[8]
Dividend declared	17.0000	17.0000	17.0000	17.0000
NZ imputation credits [2]	6.6111			
NZ supplementary dividend [3]		3.0000	3.0000	3.0000
Australian franking credits [4]		0.0000	0.0000	
Gross dividend for NZ tax purposes	**23.6111**	**20.0000**	**20.0000**	**20.0000**
NZ tax (33%) [5]	(7.7917)			
NZ non-resident withholding tax (15%) [6]		(3.0000)	(3.0000)	(3.0000)
Net cash received after NZ tax	**15.8194**	**17.0000**	**17.0000**	**17.0000**
Australian tax (47.5% and 15%) [7]		(9.5000)	(3.0000)	
Reduced by offset for NZ non-resident withholding tax		3.0000	3.0000	
Less Australian franking credit offset [8]		0.0000	0.0000	
Net cash dividend to shareholders after tax	**15.8194**	**10.5000**	**17.0000**	**17.0000**

NOTES:

(1) This summary is of a general nature and the tax rates used and the calculations are intended for guidance only. As individual circumstances will vary, shareholders are advised to seek independent tax advice.

(2) The dividend has imputation credits attached at a 28 percent tax rate.

(3) The supplementary dividend is payable to non-New Zealand shareholders and has the effect of removing the cost of New Zealand non-resident withholding tax (NRWT). Non-resident shareholders with a 10% or greater direct shareholding are not eligible to receive supplementary dividends but are exempt from NRWT.

(4) There are no Australian franking credits attached to this dividend and the conduit foreign income component is nil. Consistent with the previously announced policy, Fletcher Building will alternately frank and impute successive dividends to the maximum extent possible. This will mean that all interim dividends will be fully franked with Australian tax credits, or franked to the maximum extent possible and all final dividends will be fully imputed with New Zealand tax credits, or imputed to the maximum extent possible.

(5) For all NZ resident shareholders who do not hold an exemption certificate, resident withholding tax (RWT) is required to be deducted at 5% from the gross dividend which has been credited with imputation credits at 28 percent. Accordingly, for those shareholders, a deduction of 1.1806 cents per share will be made on the date of payment from the dividend declared of 17.0 cents per share and forwarded to Inland Revenue. Resident shareholders who have a tax rate less than 33% will need to file a tax return to obtain a refund of the RWT.

(6) NZ non-resident withholding tax at the rate of 15% on the gross dividend for NZ tax purposes.

(7) This summary uses two examples of the effect of tax in Australia. The first uses the top marginal tax rate of 47.5%, including the Medicare and Flood levies. The second example uses the 15% income tax rate applicable in Australia to complying superannuation funds, approved deposit funds and pooled superannuation trusts. Different tax rates will apply to other Australian shareholders, including individuals, depending on their circumstances.

The Australian tax is calculated as:	47.5% rate	15% rate
gross dividend for NZ tax purposes	20.0000	20.0000
plus franking credits	0.0000	0.0000
gross dividend for Australian tax purposes	20.0000	20.0000
Australian tax	9.5000	3.0000

(8) This illustration does not purport to show the taxation consequences of the dividend for non-residents of New Zealand and Australia. Shareholders resident in other countries are encouraged to consult their own taxation adviser.