

**FLETCHER BUILDING LIMITED****WIRI PRISON, SOUTH AUCKLAND**

Auckland, 8 March 2012 – Fletcher Building is very pleased to announce that its subsidiary, Fletcher Construction, is part of the SecureFuture consortium that has been awarded the contract to design, finance, build, operate and maintain a new public private partnership (PPP) prison in Wiri, South Auckland. The new 960 bed men's facility is needed to meet growing demand for prisoner accommodation in Auckland.

Fletcher Construction will build the prison which will be operated by Serco, which already runs the Mt Eden Corrections Facility, and will be maintained by Spotless Facility Services.

Construction will start in the second half of this year, once the 25-year contract has been finalised. The prison is expected to open in 2015.

The exact price of the PPP contract will not be finalised until SecureFuture has completed negotiations, but the maximum potential cost of the 25-year contract is capped at \$900 million - 10 per cent below the cost of procuring the prison through conventional means. The cost of the design and construction component also remains subject to negotiation but is expected to be in the order of \$300 million.

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