



News Release

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

Approval of Share Issue at 2009 Annual Shareholders' Meeting

Auckland, 16 October 2009 – Fletcher Building today released the notice of annual shareholders' meeting, to be held in Dunedin on 11 November 2009.

Shareholders will be asked at the meeting to ratify the issue of 79.4 million shares issued through the institutional placement and top-up offer in April and May 2009 as part of the equity raising initiatives undertaken to further strengthen the company's balance sheet. While ratification of the placement is not a legal requirement, it will provide the company with the flexibility to issue further equity between now and April 2010, in the event that an acquisition opportunity arises.

Shareholder approval will also be sought for the issue of 291,174 shares to five current and former directors or their associates at NZ\$5.35 per share, being the issue price under the placement and top-up offer.

As Fletcher Building is listed on both the NZX and ASX, it is required to comply with the listing rules of the two exchanges. Where these are incompatible, an application for a waiver is sought from one of the exchanges to ensure compliance with those rules. In this case, the ASX granted Fletcher Building a waiver with respect to the issue of shares provided that the company complied with the NZSX listing rules.

The top-up offer was undertaken under the relevant NZSX listing rule which permits participation by directors and their associates provided that the terms of the issue are the same for all eligible shareholders. Accordingly the company believed that directors could participate in the top-up offer without shareholder approval.

As part of its recent review of the draft notice of meeting, the ASX advised that its waiver did not in fact extend to participation of the directors in the top-up offer, and that prior shareholder approval was required for the shares issued to directors.

As a result, directors have relinquished these 291,174 shares at the original \$5.35 purchase price. The company considers that participation by directors in capital raising initiatives by the company is appropriate, where they do so on the same terms as other shareholders. It is therefore seeking approval at the annual shareholders' meeting on 11 November 2009 to issue the same number of replacement shares to those directors who participated in the top-up offer, at the same price of NZ\$5.35 per share. This will result in participating directors and the company being in the same financial position had shareholder approval been obtained prior to the issue of shares under the top-up offer.

Directors who participated in the top-up offer did so on the advice that any acquisition of shares by them complied with all the relevant legal and

listing rule requirements. The notice of meeting detailing the proposed issue of the replacement shares has been approved by the NZX and ASX.

Full details of the proposed issue of shares can be found in the 2009 Notice of Annual Shareholders' Meeting on the Fletcher Building website: <http://www.fletcherbuilding.com/investor/financial-information/shareholder-meetings>

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