

**Fletcher Building urges caution over unsolicited offer
by Fairfield Securities LP**

Auckland, 18 March 2011 - Fletcher Building Limited ("Fletcher Building") today advised shareholders to treat the offer by Fairfield Securities LP to buy their Fletcher Building shares with caution.

While the offer of \$11.50 per share is above the current market price of Fletcher Building's shares, shareholders should note:

- Fairfield Securities LP will be able to sell the shares acquired immediately even though shareholders will not be paid in full for 10 years;
- Fairfield Securities LP is offering no security for the future payments. There is little known about the credit worthiness of Fairfield Securities LP and shareholders will be unsecured creditors of Fairfield Securities LP for 10 years;
- Payment of the consideration for the shares is deferred such that total consideration won't be received until the end of the 10 year period;
- Shareholders will not receive dividends on the shares they sell over the next 10 years if they accept the offer by Fairfield Securities LP;
- The difference between the current Fletcher Building share price and the offer price of \$11.50 by Fairfield Securities LP may be taxable to shareholders who accept the offer.

In view of these concerns, Fletcher Building recommends shareholders take no action in respect of the offer by Fairfield Securities LP.

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