



**Fletcher Building Finance Raises NZ\$100 million
with Capital Notes Issue**

Auckland, 22 January 2009 - Fletcher Building Finance Limited ("Fletcher Building Finance") announced that it has achieved its target of raising NZ\$100 million through the issue of Capital Notes. As the initial target of NZ\$100 million has been met, Fletcher Building Finance expects to close the issue on 5 February 2009.

No applications for the Capital Notes will be accepted or money received unless the applicant has received an investment statement.

The Capital Notes are being issued in two series – May 2014 Capital Notes having an initial election date of approximately 5 ½ years, and May 2016 Capital Notes, having an initial election date of approximately 7 ½ years. The interest rate currently being offered is 9.00% in respect of the May 2014 Capital Notes and the May 2016 Capital Notes.

Interested members of the public should contact their financial advisor or share broker and request an investment statement.

A prospectus and investment statement, both dated 24 November 2008, are also available through Fletcher Building's website:

<http://www.fletcherbuilding.co.nz/corporate/resultsreports.aspx>

or by calling 0800 162 222 to speak with First NZ Capital Securities, 0800 692 663 for ANZ National Bank Limited or 0800 555 555 for Goldman Sachs JBWere

The Capital Notes are unsecured, subordinated debt obligations of Fletcher Building Finance. The Capital Notes are guaranteed on an unsecured, subordinated basis by Fletcher Building Limited. Fletcher Building Finance and Fletcher Building Limited have covenanted that they will not pay dividends in respect of their respective ordinary shares while interest on the Capital Notes remains outstanding.

The minimum holding in respect of each series of the Capital Notes is \$5,000 and in multiples of \$1,000 thereafter.

Fletcher Building Finance may, at any time prior to the closing date, without prior notice, change the interest rates it offers in respect of Capital Notes, other than for those Capital Notes for which applications have been accepted at the date of the interest rate change. Applicants can obtain up-to-date details of the interest rate applicable from time to time by contacting First NZ Capital Securities, ANZ National Bank Limited, Goldman Sachs JBWere or their investment advisor.

Application has been made to NZX for permission to list the Capital Notes and all the requirements of NZX relating thereto that can be complied with on or before the date of distribution of this announcement have been duly complied with. The ordinary shares into which the Capital Notes may convert on an election date have been accepted for listing by NZX and will be quoted upon completion of allotment procedures. However, NZX accepts no responsibility for any statement in this announcement.

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