

FLETCHER BUILDING INDUSTRIES LIMITED
UNSOLICITED OFFER TO BUY CAPITAL NOTES

Auckland, 23 August 2012 – Fletcher Building Industries has been advised that a company called Stock & Share Trading Company Pty Limited has made an unsolicited offer to some holders of the company's capital notes. These capital notes carry an interest rate of 8.50% per annum and are due for an interest reset on 15 March 2015.

The price being offered by Stock & Share Trading is \$0.80 for every \$1.00 of notes which have a current market value of around \$1.09. This is 20% less than the face value and around 25% less than the current market value.

In addition, any noteholder who accepts the offer and has ownership of their notes transferred to Stock & Share Trading before 5.00pm on 5 September will not receive the next six-monthly interest payment payable on 15 September. Furthermore, while payment is promised within 21 days of Stock & Share Trading registering the capital notes, there is no obligation or requirement on Stock & Share Trading to so register the notes within any period.

As the company considers the offer to be significantly less than current market value, it strongly recommends that any noteholder who receives such an offer seeks independent advice from a share-broker, accountant or solicitor. In addition, it recommends that noteholders check the latest price on the NZX website at www.nzx.com or in newspapers.

The notes are quoted on the NZDX under the code FBI090.

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