

FLETCHER BUILDING INDUSTRIES LIMITED**UNSOLICITED OFFER TO BUY CAPITAL NOTES**

Auckland, 24 May 2013 – Fletcher Building Industries has been advised by Washington Securities Pty Limited that it will make unsolicited offers to some holders of the company's capital notes.

The price being offered by Washington Securities is \$0.80 for each note which have a principal value of \$1.00 and a current market value of around \$1.06 to \$1.07. This offer price is 20% less than the face value and around 25% less than the current market value.

The offers are being made in respect of notes with an interest rate of 8.5% and an interest reset date of 15 March 2015 (FBI090) and those with an interest rate of 7.75% and an interest reset date of 15 May 2016 (FBI070).

As the offer is significantly less than the current market value of the notes, it is strongly recommended that any noteholder who receives such an offer seek independent advice from a sharebroker, accountant or solicitor. In addition, it is recommended that noteholders check the latest price under the codes FBI070 and FBI090 on the NZX website at www.nzx.com or in newspapers.

Noteholders who sell their capital notes through a sharebroker directly will receive the full market price, less any brokerage fees. Different sharebrokers charge different fees. For a list of sharebrokers see the NZX website, www.nzx.com. Noteholders would be expected to receive a higher net return by selling through a broker than from accepting this offer.

In addition, while payment is promised within one month of Washington Securities registering the transfer, there is no obligation on Washington Securities to register the notes within any period. Payment must however be made within 90 days of the date of the offer.

Noteholders who accept the offer have the right to cancel their acceptance provided they do so in accordance with the terms set out in Washington Securities' offer.

Contact:

Philip King
General Manager, Investor Relations
Phone: +64 9 525 9043
Mobile: +64 27 444 0203

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