



News Release

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Fletcher Building Finance Capital Notes Issue Opens

Auckland, 24 November 2008 - Fletcher Building Finance Limited's ("Fletcher Building Finance") capital notes issue opened to interested parties today, offering investors an opportunity to invest in Fletcher Building Finance, part of the Fletcher Building Group, a New Zealand headquartered building materials manufacturer, distributor and contractor.

Fletcher Building is making a public offer of \$100 million of capital notes with the ability to accept \$100 million oversubscriptions.

The capital notes will be 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 initially being offered is 9.00% in respect of the May 2014 Capital Notes and the May 2016 Capital Notes.

Fletcher Building 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 on 0800 162 222, or their investment advisor.

Fletcher Building Finance is issuing capital notes to raise money to fund the general business operations of the Fletcher Building Group, including the retirement of debt.

First NZ Capital Securities has been appointed Arranger and Organising Participant for the capital notes issue. ANZ National Bank, Goldman Sachs JBWere and First NZ Capital Securities have been appointed Joint Lead Managers.

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 for First NZ Capital Securities, 0800 692 663 for ANZ National Bank 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.

Capital notes with an aggregate principal amount of up to \$60 million (being 30% of the maximum aggregate principal amount of Capital notes, including over-subscriptions) may be reserved for subscription by clients of the Joint Lead Managers.

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. However, NZX accepts no responsibility for any statement in this announcement. 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.

The offer may remain open until 31 March 2009 or such earlier date that Fletcher Building may determine. No applications for the capital notes will be accepted or money received unless the applicant has received an investment statement.

For further information, please contact:

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