



## News Release

---

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FBU), AUSTRALIA (FBU).

### Changes to Fletcher Building Finance Limited

Auckland - 27 August 2010 - Fletcher Building Limited ("Fletcher Building") announced today that it is restructuring its wholly owned subsidiary Fletcher Building Finance Limited ("FBF"), and that FBF will no longer lend to companies within the Fletcher Building group.

Currently, FBF borrows from the public and on-lends to other entities within the Fletcher Building group. FBF is regarded as a non-bank deposit taker by the Reserve Bank of New Zealand. As such, it is subject to the ongoing requirements of The Reserve Bank of New Zealand Act 1989. Recent amendments to the Act mean that FBF is no longer a preferred funding vehicle for the Fletcher Building group.

Going forward (with effect from 27 August 2010) FBF will cease to on-lend to companies within the Fletcher Building group. Instead, the company will become a holding company, and will purchase 20% of the shares in Fletcher Building Holdings Limited ("FBHL"). FBHL is a corporate holding company and currently holds most of the shares in Fletcher Building's New Zealand subsidiaries. The current valuation of FBHL is \$3.42 billion, with total assets of approximately \$4 billion and shareholder funds of \$2.8 billion.

The changes to the nature of FBF's business will mean it is no longer a funder or lender to the Fletcher Building group, but is instead an investor in Fletcher Building's New Zealand assets. Subsequently, FBF will change its name to Fletcher Building Industries Limited ("FBIL") to reflect this new business.

For investors in capital notes, there will be no fundamental change to the company and the underlying credit quality. Capital note holders will continue to have the benefit of the Fletcher Building Limited guarantee. We will be corresponding with investors about the changes in the next few weeks.

Fletcher Building's Chief Executive Officer Jonathan Ling said the changes have been made to comply, in the most cost effective way, with the Reserve Bank of New Zealand requirements.

"Investors can be assured that they will continue to benefit from the strength of Fletcher Building, with the company continuing to guarantee the capital notes obligations of FBF as it has done since 2003," Mr. Ling said.

ENDS

For further information contact:

Philip King  
General Manager Investor and Media Relations  
Ph: +64 9 525 9043  
Mob: +64 27 444 0203