

**FLETCHER BUILDING INDUSTRIES LIMITED
ROLLOVER OF MAY 2014 CAPITAL NOTES**

Auckland, 31 March 2014 – Fletcher Building Industries Limited advises that noteholders of the May 2014 Capital Notes (FBI050) have been sent an election notice outlining the new terms that will apply from 15 May 2014.

Noteholders have the option to retain some or all of their capital notes on the new terms offered or to convert them into fully paid Fletcher Building shares. However, Fletcher Building Industries Limited has the right to redeem or purchase for cash, either directly or by a nominee, any of the capital notes that noteholders elect to convert.

Fletcher Building Industries Limited has determined that it will exercise this option and will have a nominee purchase for cash those capital notes which noteholders have elected to convert.

The noteholders have until 28 April 2014 to advise their election.

The new terms of the May 2014 Capital Notes are:

New Election Date:	15 March 2019
New Interest Rate:	6.45% per annum
Interest Dates:	Interest dates will be the 15 September and 15 March thereafter until, and including, the Final Interest Date
The Capital Notes will be known as:	March 2019 or FBI130

Copies of the election notice and a covering letter to the noteholders are attached to this announcement.

Contact:

Philip King
Group General Manager
Investor Relations & Capital Markets
Phone: +64 9 525 9043
Fax: +64 9 525 9029

End

Fletcher Building Industries Limited May 2014 Capital Notes

What you need to do now

The Fletcher Building Industries Limited May 2014 unsecured and subordinated Capital Notes (the “Capital Notes”), of which you are a holder, have an **Election Date of Thursday, 15 May 2014**. This means you now need to make a decision in relation to your Capital Notes.

You need to decide whether to retain some or all of your Capital Notes on the new terms offered or have them purchased for cash by Fletcher Building Industries Limited (the “Company”) or nominee. While the terms of the Capital Notes provide for you to elect to convert some or all of your Capital Notes into fully paid shares of Fletcher Building Limited, the Company has decided that if you do so elect it will exercise its right to have its nominee purchase the Capital Notes for cash.

The election process for your decision in relation to the Capital Notes Election Date is explained in more detail in this letter and the accompanying Election Notice.

Election Notice

The Election Notice which is enclosed with this letter:

- (a) sets out the new terms of the Capital Notes that will be available from 15 May 2014;
- (b) summarises your right to elect to retain or convert your Capital Notes; and
- (c) enables you to make your election to retain or convert your Capital Notes.

Terms of the new Capital Notes

(a) New Election Date:	15 March 2019
(b) New Interest Rate:	6.45% per annum
(c) Interest Dates:	Each 15 March & 15 September thereafter until, and including, the Final Interest Date
(d) Series known as:	March 2019 Capital Notes FBI130

Please note that the above terms for the new Capital Notes will result in coupon interest being paid on 15 March and September of each year. The first interest payment will be on 15 September 2014, which will be for a four month interest period.

You need to return the Election Notice so that it reaches Computershare Investor Services Limited no later than 28 April 2014.

Election options

The election options available to you are:

- (a) retain all of your Capital Notes and accept the new terms (interest rate and term). If you choose this option please tick Box A on the Election Notice. The Capital Notes you retain must be at least a minimum principal amount of \$5,000 and thereafter in multiples of \$1,000; or
- (b) retain some of your Capital Notes on the new terms and elect to convert the remainder into fully paid shares of Fletcher Building Limited, subject to the Company (or its nominee) exercising its right to purchase the Capital Notes for cash. If you choose this option please tick Box B on the Election Notice, enter the amount of Capital Notes you wish to retain on the new terms in the space provided. The Capital Notes you retain must be at least a minimum principal amount of \$5,000 and thereafter in multiples of \$1,000; or
- (c) elect to convert all your Capital Notes into fully paid shares of Fletcher Building Limited, subject to the Company (or its nominee) exercising its right to purchase the Capital Notes for cash, in which case please tick Box C on the Election Notice.

Converting your Capital Notes to shares

If you elect to convert all or some of your Capital Notes to shares you should note that the Company (or its nominee) may, at its option, redeem or purchase the Capital Notes for cash at the principal amount plus any accrued and unpaid interest.

The Company has determined that it will exercise this right and will have a nominee purchase for cash all those Capital Notes which noteholders have elected to convert into Fletcher Building shares. As a result, no Fletcher Building shares will be issued following an election to convert the Capital Notes. The purchase price will be equal to the principal amount of the Capital Notes plus any accrued and unpaid interest on those Capital Notes as at the date of payment of the purchase price.

Action to be taken

It is important that you indicate which option you want for your Capital Notes. Your completed Election Notice should be returned so it reaches Computershare Investor Services Limited **no later than Monday, 28 April 2014**.

If you do not respond by providing a duly completed Election Notice by 28 April 2014, you will be deemed to have accepted the new terms for the May 2014 Capital Notes.

If you are in any doubt as to what you should do, or if you need assistance with the Election Notice, please contact a NZX firm, authorised financial advisor or Fletcher Building Treasury on telephone (09) 525 9000.

Nick Olson
Chief Financial Officer



**THIS IS AN IMPORTANT DOCUMENT
YOU SHOULD REPLY NO LATER THAN 28 APRIL 2014**

**FLETCHER BUILDING INDUSTRIES LIMITED
MAY 2014 CAPITAL NOTES – ELECTION NOTICE**

NAME & ADDRESS

CSN/INVESTOR NO

PRINCIPAL AMOUNT

of May 2014 Capital Notes
(the “Capital Notes”)

NAME ON REGISTER

ELECTION (Tick box and complete as appropriate)

- A I/we elect to retain all of my/our Capital Notes on the New Terms; **or**
- B I/we elect to retain \$ _____ of my/our Capital Notes on the New Terms, with the balance converted in accordance with the Conditions; **or**
- C I/we elect to convert all of my/our Capital Notes in accordance with the Conditions.

Note: The Principal Amount retained must not be less than \$5,000 in any Series and thereafter be in multiples of \$1,000 in each Series

Signed: Date:

COMPLETION INSTRUCTIONS - Please see the reverse of this document for further details

1. An election is irrevocable.
2. All joint holders should sign.
3. A company should sign in a manner permitted pursuant to the Companies Act 1993.
4. If signed by an attorney, the power of attorney and a completed certificate of non-revocation should be returned with this Election Notice, unless it has already been noted by the Registrar.
5. Please return this duly completed Election Notice in the reply paid envelope provided to Computershare Investor Services Ltd, Private Bag 92119, Auckland, to arrive no later than **28 April 2014**.

If you have any doubt as to what you should do you should seek advice from a NZX Firm or other authorised financial advisor. The Capital Notes are listed on the NZX Debt Market. Fletcher Building Limited shares are listed on the NZX Main Board and ASX. Neither Exchange accepts responsibility for any statement in the Election Notice. NZX is a registered exchange and the NZX Debt Market and NZX Main Board are registered markets under the Securities Markets Act 1988.

**THIS IS AN IMPORTANT DOCUMENT.
YOU SHOULD REPLY NO LATER THAN 28 APRIL 2014**

Dear Capital Noteholder

This Election Notice relates to your Fletcher Building Industries Limited May 2014 unsecured and subordinated Capital Notes (the “Capital Notes”), as described on the reverse of this document, and it enables you to elect to either:

- (i) retain some or all of your Capital Notes on the new terms as set out in section 1 below; or
- (ii) convert some or all of your Capital Notes into fully paid shares of Fletcher Building Limited (“Fletcher Building”) subject to Fletcher Building Industries Limited (or its nominee) having the right to redeem or purchase your Capital Notes for cash.

Completing this document and returning it to the Share Registrar enables you to make your election for your Capital Notes. Your election will apply from the Election Date, **Thursday, 15 May 2014**. Your right to elect to retain or convert your Capital Notes is summarised in section 2 below. Unless otherwise defined in this Election Notice, capitalised terms used in this Election Notice have the meanings ascribed to them in the Conditions for the Capital Notes. The key terms of the Capital Notes are contained in the Trust Deed, a copy of which can be requested on payment of any fee prescribed by statute, by contacting the Trustee, Foundation Corporate Trust or Fletcher Building Industries Limited.

1. NEW TERMS FOR THE CAPITAL NOTES

The new terms (“New Terms”) for the Capital Notes you elect to retain, or are deemed to have elected to retain, are the same as the Conditions for the Capital Notes that you hold now, except for:

New Election Date:	15 March 2019
New Interest Rate:	6.45% per annum
Interest Dates:	Each 15 March and 15 September thereafter until, and including, the Final Interest Date
The New Series known as:	March 2019 Capital Notes or FBI130

Further information relating to the Capital Notes is available through Fletcher Building’s website:
<http://www.fbu.com/investor-centre/capital-notes/>

2. NOTEHOLDER’S ELECTION TO RETAIN OR CONVERT

In accordance with the Conditions applicable to the Capital Notes you are entitled to elect to:

- (i) retain all or part of the Capital Notes beyond the Election Date of 15 May 2014, but subject to the New Terms for the March 2019 Capital Notes; and/or
- (ii) convert all or part of the Capital Notes on 15 May 2014 into fully paid Fletcher Building shares. Then under the Conditions, Fletcher Building Industries Limited has an option, either itself or by a nominee to redeem or purchase those Capital Notes for cash on 15 May 2014. Fletcher Building Industries Limited has determined that it will exercise this option and will have a nominee purchase for cash those Capital Notes which noteholders have elected to convert into Fletcher Building shares. As a result, no Fletcher Building shares will be issued following an election to convert the Capital Notes. The purchase price will be equal to the aggregate Principal Amount of the relevant Capital Notes plus any Accrued Interest and Unpaid Interest on those Capital Notes as at the date of payment of the purchase price.

3. FAILURE TO APPROPRIATELY COMPLETE AND RETURN AN ELECTION NOTICE

If:

- (i) Fletcher Building Industries Limited does not receive a duly completed Election Notice from you on or before 28 April 2014; or
- (ii) Fletcher Building Industries Limited does receive an Election Notice but such Election Notice does not indicate whether or not you elect to convert all or part of the Capital Notes into Fletcher Building shares; or
- (iii) the Election Notice requires a declaration to be completed by you as to the name and domicile of the beneficial owner of the Capital Notes and such declaration is not duly completed,

you shall be deemed to have accepted the New Terms of the March 2019 Capital Notes in respect of, in the case of (i) and (iii) above, all the Capital Notes and, in the case of (ii) above, such number of the Capital Notes in respect of which no such indication has been given.