



Fletcher Building Limited 1 for 4.46  
Entitlement Offer of Ordinary Shares

# Offer Document

17 April 2018

This Offer Document may not be distributed outside New Zealand or Australia except to certain institutional and professional investors in such other countries and to the extent contemplated in this Offer Document.

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES** except by Fletcher Building to Approved U.S. Shareholders and Approved U.S. Investors in connection with the U.S. Private Placement.

ABN: 35 096 046 936



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## Important notice

This Offer Document has been prepared by Fletcher Building Limited (**Fletcher Building**) in connection with a 1 for 4.46 accelerated pro rata entitlement offer of New Shares. The Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 and pursuant to the provisions of the Australian Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Instrument 18-0268) which allow entitlement offers to be made by providing certain confirmations to the market. As a result, it is important for Eligible Retail Shareholders to read and understand the information on Fletcher Building and the Offer made publically available, prior to accepting all or part of their Entitlement (see 'Additional information available under Fletcher Building's disclosure obligations' below).

This Offer Document is not a product disclosure statement or prospectus for the purposes of the New Zealand Financial Markets Conduct Act 2013 or the Australian Corporations Act 2001 (Cth) or any other law, and does not contain all of the information that an investor would find in a product disclosure statement or prospectus or which may be required to make an informed decision about the Offer or Fletcher Building.

### Additional information available under Fletcher Building's disclosure obligations

Fletcher Building is subject to continuous disclosure obligations under the NZX Listing Rules which require it to notify certain material information to NZX. The ASX Listing Rules also require that Fletcher Building immediately provide to ASX all the information which it provides to NZX that is, or is to be, made public. Market releases by Fletcher Building, including an announcement and an investor presentation relating to this Offer, its most recent annual report (for the year ended 30 June 2017) and its interim report (for the six months ended 31 December 2017) are available at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au) under the stock code FBU. The announcement and investor presentation have also been included in this Offer Document in *Part 6: Announcement / Investor Presentation*.

**Fletcher Building may, during the Offer, make additional releases to NZX and ASX. To the maximum extent permitted by law, no release by Fletcher Building to NZX or ASX will permit an Applicant to withdraw any previously submitted Application without Fletcher Building's prior consent.**

**The market price of Shares may increase or decrease between the date of this Offer Document and the date of allotment of New Shares. Any changes in the market price of Shares will not affect the Application Price and the market price of New Shares following allotment may be higher or lower than the Application Price.**

### Withdrawal

**Subject to compliance with all applicable laws, Fletcher Building reserves the right to withdraw all or any part of the Offer (either generally or in particular cases) (for example, subject to compliance with all applicable laws, the Institutional Entitlement Offer could proceed but the Retail Entitlement Offer could be withdrawn).**

### Forward looking statements

This Offer Document contains certain 'forward-looking statements' such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions and include statements regarding the conduct and outcome of the Offer and the use of the proceeds thereof. Such forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Fletcher Building, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Fletcher Building as at the date of this Offer Document. Except as required by law or regulation (including the NZX Listing Rules and ASX Listing Rules), Fletcher Building undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

## Offering restrictions

This Offer Document is intended for use only in connection with:

- the Offer to Eligible Retail Shareholders; and
- the Offer to Eligible Institutional Shareholders with an address in New Zealand, Australia, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, Norway, Singapore, Switzerland or the United Kingdom (in each case to Shareholders that are not in the United States or are not acting for the account or benefit of a person in the United States) as at 9.00pm (NZ time) on the Record Date and Approved U.S. Shareholders and Approved U.S. Investors when delivered by Fletcher Building together with a subscription agreement as part of the U.S. Private Placement that forms part of the Offer.

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this Offer Document, any enclosed or accompanying NZX or ASX announcements, nor the Entitlement and Acceptance Form may be released or distributed in the United States. This Offer Document, any accompanying NZX or ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act, or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Neither the Entitlements nor the New Shares may be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Securities and are acting for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. This Offer Document may not be sent or given to any person outside New Zealand or Australia in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand and Australia may be restricted by law. In particular, this Offer Document may

not be distributed to any person, and the New Shares may not be offered or sold, in any country outside New Zealand or Australia except to the extent permitted in this Offer Document or as Fletcher Building may otherwise determine in compliance with applicable laws. Further details on the offering restrictions that apply are set out in **Part 5: Details of the Offer**.

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Fletcher Building disclaims all liability to such persons.

## Your decision to participate in the Offer

The information in this Offer Document does not constitute a recommendation to invest in New Shares and is not financial product advice to you or any other person. This Offer Document has been prepared without taking into account your investment objectives, financial or taxation situation or particular needs or circumstances.

You should make your decision whether to invest in New Shares based on your personal circumstances. Please read this Offer Document carefully and in full before making that decision. You are encouraged to take your own professional advice before you invest.

## Questions about the Offer or Entitlements

Any questions about the Offer can be directed to an NZX Firm, ASX Broker or your solicitor, stockbroker, accountant, financial adviser or other professional adviser. If you have any questions about the number of New Shares shown on your Entitlement and Acceptance Form, or how to complete the Entitlement and Acceptance Form, please contact the Registrar whose contact details are set out in **Part 9: Directory**.

## Definitions

Capitalised terms used in this Offer Document have the meanings given in **Part 8: Glossary**.



## 01. Key terms of the Offer

<b>Issuer</b>	Fletcher Building Limited.
<b>Eligible Retail Shareholder</b>	A Shareholder with a registered address in New Zealand or Australia as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, who is not in the United States or acting for the account or benefit of a person in the United States and is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.
<b>Eligible Institutional Shareholder</b>	A Shareholder, as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, with an address in New Zealand, Australia, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, Norway, Singapore, Switzerland or the United Kingdom or a Shareholder in the United States that is an Approved U.S. Shareholder or an Approved U.S. Investor and, in each case, who is an Institutional Investor (or a nominee of an Institutional Investor) and who is invited to participate in the Institutional Entitlement Offer, as further described in the Glossary.
<b>Application Price</b>	NZ\$4.80 (or the A\$ Price) per New Share.
<b>Offer size</b>	Approximate amount to be raised under the Offer: NZ\$750 million.
<b>New Shares</b>	The same class as (and ranking equally with) Existing Shares.
<b>Shares currently on issue</b>	697,040,440
<b>Number of New Shares being offered</b>	156,287,094 (subject to rounding)
<b>Offer</b>	<p><b>INSTITUTIONAL ENTITLEMENT OFFER AND RETAIL ENTITLEMENT OFFER</b></p> <p>A pro rata entitlement offer of 1 New Share for every 4.46 Existing Shares held by Eligible Shareholders at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date (with fractional entitlements being rounded up to the nearest New Share). A shorter than usual offer period will apply to Eligible Institutional Shareholders under the Institutional Entitlement Offer, which will occur over the two Business Days immediately following the announcement of the Offer.</p> <p><b>INSTITUTIONAL BOOKBUILD AND RETAIL BOOKBUILD</b></p> <p>Entitlements cannot be traded on the NZX Main Board or ASX or privately transferred.</p> <p>However, Entitlements not taken up by Eligible Shareholders or which would have been issued to Ineligible Shareholders had they been entitled to participate will be offered for sale to Institutional Investors through Bookbuilds run by the Lead Manager.</p> <p>Any Premium realised for those Entitlements in the Bookbuilds will be paid (net of any applicable withholding tax) on a pro rata basis to those Shareholders who do not take up all of their Entitlements or who are ineligible to do so by virtue of being an Ineligible Shareholder.</p> <p>There will be a Bookbuild for the Institutional Entitlement Offer (with any Institutional Premium realised for the Entitlements in the Institutional Bookbuild shared by Eligible Institutional Shareholders who do not take up all of their Entitlements and Ineligible Institutional Shareholders) and a separate Bookbuild for the Retail Entitlement Offer (with any Retail Premium realised for the Entitlements in the Retail Bookbuild shared by Eligible Retail Shareholders who do not take up all of their Entitlements and Ineligible Retail Shareholders).</p> <p>There is no guarantee that there will be any Premium realised for the Entitlements offered for sale in the Bookbuilds, and the Premium realised (if any) in one Bookbuild may be different from the Premium realised (if any) in the other Bookbuild.</p>

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## How to apply

### ELIGIBLE RETAIL SHAREHOLDERS:

An Application by an Eligible Retail Shareholder must be made (together with payment) either:

- on the enclosed personalised Entitlement and Acceptance Form; or
- using the online application form at [www.fletcherbuildingshareoffer.co.nz](http://www.fletcherbuildingshareoffer.co.nz)

### ELIGIBLE INSTITUTIONAL SHAREHOLDERS:

The Lead Manager will contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders and Approved U.S. Investors) and advise them of the terms and conditions of participation in the Offer and to confirm their application process.

Fletcher Building will contact Approved U.S. Shareholders and Approved U.S. Investors and advise them of the application process in connection with the U.S. Private Placement. Approved U.S. Shareholders and Approved U.S. Investors should refer to the information contained in the subscription agreements provided by Fletcher Building for further information in relation to the U.S. Private Placement.

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## Underwriting

The Offer is fully underwritten by Macquarie Securities (NZ) Limited, although services may be provided by any of its affiliates, including Macquarie Capital (New Zealand) Limited.



## 02. Chairman's letter

17 April 2018

### Dear Shareholder

I am pleased to invite you to participate in an Offer for New Shares in Fletcher Building. This is being undertaken through an accelerated pro rata entitlement offer, which means that you have the opportunity to purchase 1 New Share at an Offer Price of NZ\$4.80 (or the A\$ Price) for every 4.46 Fletcher Building Shares you own at 9.00pm (NZ time) / 7.00pm (Sydney time) on Thursday 19 April 2018.

The Offer proceeds will be used to strengthen the balance sheet and will better enable the Group to execute its immediate and longer term strategic objectives.

The strategic review is progressing well with key principles approved by the Board. In particular, the Group will focus its activities on New Zealand and Australia and will therefore undertake divestment processes for its Formica and Roof Tile Group businesses. The Company believes that a strengthened balance sheet will enable it to transact these asset sales in a way that maximises value for shareholders. As previously advised, the Company will provide a detailed update and full overview of the Group's strategy in June 2018 once the review is completed.

### Details of the entitlement offer

This Offer to you is part of the fully underwritten entitlement offer announced by Fletcher Building on 17 April 2018 to raise approximately NZ\$750 million.

The NZ\$4.80 Offer Price represents a 20.0% discount to the Theoretical Ex Rights Price of Fletcher Building Shares on NZX on Monday 16 April 2018 (the last trading day before the Offer was announced) and is the same price at which New Shares are to be issued to institutions under the Institutional Entitlement Offer.

You can choose to take up your entitlement in whole, in part or not at all. Entitlements cannot be traded or sold on the NZX or ASX.

Any entitlements that are not taken up by Eligible Shareholders, or which would have been issued to Ineligible Shareholders had they been entitled to participate, will be offered for sale to Institutional Investors through two Bookbuilds run by the Lead Manager. There will be one Bookbuild in respect of the Institutional Entitlement Offer and one Bookbuild in respect of the Retail Entitlement Offer.

Any proceeds of sale in excess of the Offer Price under the Bookbuilds (a Premium) will be paid (net of any applicable withholding tax) on a pro rata basis to those Shareholders

who do not take up all of their entitlements or who are not eligible to do so under each of the Institutional Entitlement Offer and the Retail Entitlement Offer, respectively. There is no guarantee that there will be any Premium realised for the entitlements offered for sale in the Bookbuilds, and the Premium realised (if any) in one Bookbuild may be different from the Premium realised (if any) in the other Bookbuild.

To participate in the Retail Entitlement Offer, you must apply and pay for your New Shares before 7.00pm (NZ time) / 5.00pm (Sydney time) on 11 May 2018.

You can apply and pay via the online facility at [www.fletcherbuildingshareoffer.co.nz](http://www.fletcherbuildingshareoffer.co.nz) or by returning the Entitlement and Acceptance Form and following the payment instructions set out on that form. Further information about how to apply for New Shares is set out in Section 4 of this Offer Document.

### Purpose of this Offer Document

This Offer Document contains important information about the Offer. I encourage you to read it carefully and discuss the Offer with your financial adviser or other professional adviser before deciding whether or not to participate in the Offer.

If you have any questions about the Offer, please call the Fletcher Building Investor Information Line on 0800 650 034 (toll free within New Zealand) or 1800 501 366 (toll free within Australia) from 8.30am to 5.00pm Monday to Friday (excluding public holidays), or contact your financial adviser or other professional adviser.

Reflecting their commitment to Fletcher Building, I am pleased to confirm that all directors of the company intend to take up their full entitlements under the Offer.

On behalf of the Directors of Fletcher Building, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely



**Sir Ralph Norris**  
CHAIRMAN

Fletcher Building Limited

### 03. Important dates

#### Institutional Entitlement Offer and Institutional Bookbuild

This timetable is relevant to participants in the Institutional Entitlement Offer and Institutional Bookbuild. Eligible Retail Shareholders should refer to the important dates for the Retail Entitlement Offer and Retail Bookbuild set out below.

KEY EVENT	DATE <sup>1</sup>
Trading halt commences on NZX and ASX and Institutional Entitlement Offer opens at 10.00am (NZ time) / 8.00am (Sydney time)	Tuesday 17 April 2018
Institutional Entitlement Offer closes at 4.00pm (NZ time) / 2.00pm (Sydney time)	Wednesday 18 April 2018
Institutional Bookbuild opens at 6.30pm (NZ time) / 4.30pm (Sydney time)	Wednesday 18 April 2018
Institutional Bookbuild closes at 5.00pm (NZ time) / 3.00pm (Sydney time)	Thursday 19 April 2018
Record Date 9.00pm (NZ time) / 7.00pm (Sydney time)	Thursday 19 April 2018
Announce A\$ Price and results of Institutional Entitlement Offer Trading halt lifted on open of trading on NZX Main Board and ASX (pre-market open)	Friday 20 April 2018
Settlement of Institutional Entitlement Offer and Institutional Bookbuild on ASX	Thursday 26 April 2018
Settlement of Institutional Entitlement Offer and Institutional Bookbuild on NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board and the ASX	Friday 27 April 2018

1. The dates above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ time (unless specified otherwise). Fletcher Building reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to applicable laws and the NZX Listing Rules and ASX Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares. Subject to compliance with all applicable laws, Fletcher Building reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion. The commencement of quotation of New Shares on ASX is subject to confirmation from ASX.



## Retail Entitlement Offer and Retail Bookbuild

This timetable is relevant to participants in the Retail Entitlement Offer and Retail Bookbuild. Eligible Institutional Shareholders should refer to the important dates for the Institutional Entitlement Offer and Institutional Bookbuild set out above.

KEY EVENT	DATE <sup>1</sup>
Record Date 9.00pm (NZ time) / 7.00pm (Sydney time)	Thursday 19 April 2018
Announce A\$ Price	Friday 20 April 2018
Retail Entitlement Offer opens at 10.00am (NZ time) / 8.00am (Sydney time)	Monday 23 April 2018
Expected despatch of this Offer Document and Entitlement and Acceptance Forms	Tuesday 24 April 2018
Retail Entitlement Offer closes at 7.00pm (NZ time) / 5.00pm (Sydney time)	Friday 11 May 2018
Announce results of Retail Entitlement Offer Retail Bookbuild	Tuesday 15 May 2018
Announce results of Retail Bookbuild	Wednesday 16 May 2018
Settlement of Retail Entitlement Offer and Retail Bookbuild on ASX	Thursday 17 May 2018
Settlement of Retail Entitlement Offer and Retail Bookbuild on NZX Allotment of New Shares under the Retail Entitlement Offer and Retail Bookbuild on NZX Main Board and ASX Trading of New Shares commences on NZX	Friday 18 May 2018
Trading of New Shares commences on ASX	Monday 21 May 2018
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Monday 21 May 2018

Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms or apply via the online application process as soon as possible. No cooling-off rights apply to applications submitted under the Offer.

1. The dates above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ time (unless specified otherwise). Fletcher Building reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to applicable laws and the NZX Listing Rules and ASX Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares. Subject to compliance with all applicable laws, Fletcher Building reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion. The commencement of quotation of New Shares on ASX is subject to confirmation from ASX.

## 04. Actions to be taken by Eligible Shareholders

### A. If you are an Eligible Retail Shareholder, you may take the following actions:

- take up all of your Entitlement;
- take up part of your Entitlement; or
- do nothing.

If you only take up part of your Entitlement or do nothing, any Entitlement not taken up will be offered for sale in the Retail Bookbuild. Any Retail Premium realised for those Entitlements in the Retail Bookbuild will be paid (net of any applicable withholding tax) on a pro rata basis to those Eligible Retail Shareholders who do not take up all of their Entitlements or who are ineligible to do so by virtue of being an Ineligible Retail Shareholder.

The Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in Fletcher Building reduced by the Offer. However, Eligible Shareholders who do not take up all of their Entitlement will have their percentage shareholding in Fletcher Building diluted by the Offer.

### TO TAKE UP ALL OR PART OF YOUR ENTITLEMENT

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement, you should:

- complete your personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out on that form;
- make payment by direct credit or attach your cheque or bank draft in New Zealand dollars or Australian dollars to your completed Entitlement and Acceptance Form for the amount required to be paid in accordance with the payment instructions set out below; and
- return your completed Entitlement and Acceptance Form and your cheque or bank draft to the Registrar (or any NZX Firm or ASX Broker in sufficient time for the documents to be forwarded to and received by the Registrar), no later than 7.00pm (NZ time) / 5.00pm (Sydney time) on 11 May 2018. Contact details for the Registrar are set out below and in **Part 9: Directory**.

Alternatively, you may apply online in accordance with the instructions for online Applications below.

### PAYMENT INSTRUCTIONS

- Payment must be made in full by paying NZ\$4.80 (or the A\$ Price), per New Share on Application.

- Payments are to be made by direct credit, cheque or bank draft to the Registrar or by such other method of payment agreed as acceptable to Fletcher Building. Please choose only one payment option.
- If there is a discrepancy between the amount of Application Monies and the number of New Shares indicated as your Entitlement on your Entitlement and Acceptance Form, Fletcher Building will treat the Application as being for the lower of your Entitlement and the number of New Shares the Application Monies will pay for.
- If you elect to apply for New Shares using New Zealand dollars, any New Shares issued to you will be issued on Fletcher Building's NZX branch register. If you elect to apply for New Shares using the A\$ Price, any New Shares issued to you will be issued on Fletcher Building's ASX branch register.

### PAYMENT OPTIONS

#### Option 1 – Direct Credit

Applicants who elect to pay by direct credit should transfer funds in New Zealand dollars or in Australian dollars, to the trust account maintained by the Registrar, the details of which are set out in the Entitlement and Acceptance Form or in the online Application (if you are applying for New Shares using the online Application process set out below).

Applicants paying by direct credit must submit their payment instruction to their bank by no later than 5.00pm (NZ time) / 3.00pm (Sydney time) on 11 May 2018 or such other date as Fletcher Building may determine.

#### Option 2 – Cheque or Bank Draft

Applicants who elect to pay by cheque or bank draft must ensure that the cheque is drawn on a New Zealand bank or that the bank draft is in New Zealand dollars or drawn on an Australian bank or that the bank draft must be in Australian dollars. Cheques or bank drafts drawn in a different currency will not be accepted.

Cheques or bank drafts are to be made payable to "Fletcher Building Entitlement Offer" and crossed "Not Transferable" or "Not Negotiable".

If your cheque is dishonoured for any reason Fletcher Building may reject your Application, cancel your allotment of New Shares and pursue any other remedies available to it at law.

## MAILING ADDRESSES FOR ENTITLEMENT AND ACCEPTANCE FORMS

Applicants who elect to pay by direct credit should email their completed Entitlement and Acceptance Forms to [fletcherbuilding@computershare.co.nz](mailto:fletcherbuilding@computershare.co.nz). Alternatively, such Applicants may also mail their completed Forms to the Registrar at the address set out below.

Applicants who are not paying by direct credit should mail Completed Entitlement and Acceptance Forms and cheques or bank drafts to the Registrar at:

Fletcher Building Limited  
C/- Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142, New Zealand

or, for Eligible Australian Retail Shareholders, to:

Fletcher Building Limited  
C/- Computershare Investor Services Pty Ltd  
GPO Box 3329, Melbourne VIC 3001, Australia

**to arrive no later than 7.00pm (NZ time) / 5.00pm (Sydney time) on 11 May 2018** or, if sent to any NZX Firm or ASX Broker, in sufficient time for the documents to be forwarded to, and **received by, the Registrar not later than 7.00pm (NZ time) / 5.00pm (Sydney time) on 11 May 2018**. If you have any questions in relation to such timing requirements of any NZX Firm or ASX Broker, you should discuss these directly with that NZX Firm or ASX Broker.

## ONLINE APPLICATIONS

If you are an Eligible Retail Shareholder, you may also apply for all or part of your Entitlement online. To do so, you must complete an online Application at [www.fletcherbuildingshareoffer.co.nz](http://www.fletcherbuildingshareoffer.co.nz) **by no later than 7.00pm (NZ time) / 5.00pm (Sydney time) on 11 May 2018**. You will be required to enter your CSN/Holder number (or HIN or SRN if you are an Eligible Australian Retail Shareholder) which you hold your Shares under.

Payment for Applications made online must be made by way of direct credit. Please read the instructions regarding direct credit payments under the heading “*Payment Options*” above. Once your Application has been completed successfully, you will be emailed an application confirmation which you should keep for your records.

## B. If you are an Eligible Institutional Shareholder

The Lead Manager will contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders and Approved U.S. Investors) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer.

The Lead Manager will determine the Shareholders who will be treated as Eligible Institutional Shareholders for the purpose of determining the Shareholders to whom an offer

of New Shares will be made under the Institutional Entitlement Offer. In exercising its discretion, the Lead Manager may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints. Fletcher Building and the Lead Manager will agree on which Shareholders will be treated as Ineligible Institutional Shareholders.

Fletcher Building will separately contact Approved U.S. Shareholders and Approved U.S. Investors in connection with the U.S. Private Placement which forms part of the Offer. The Lead Manager is not managing the U.S. Private Placement and is acting solely in its capacity as Administration Agent in connection therewith.

## C. Information for all Eligible Shareholders

### DECISION TO PARTICIPATE IN THE OFFER

The information in this Offer Document does not constitute a recommendation to acquire New Shares or financial product advice. This Offer Document has been prepared without taking into account the investment objectives, financial or taxation situation or particular needs or circumstances of any Applicant.

### LATE APPLICATIONS AND WITHDRAWAL RIGHTS

Fletcher Building may accept late Applications and Application Monies, either generally or in particular cases, but has no obligation to do so. Fletcher Building may accept or reject (at its discretion) any Entitlement and Acceptance Form or online Application which it considers to have been completed incorrectly or correct any errors or omissions on any Entitlement and Acceptance Form or online Application.

Once submitted, and subject to all applicable law, an Application may not be withdrawn without Fletcher Building's prior written consent.

### FURTHER INFORMATION

Enquiries about the Offer can be directed to an Authorised Financial Adviser, an NZX Firm or ASX Broker or your solicitor, accountant or other professional adviser.

If you have any questions about the number of New Shares shown on your Entitlement and Acceptance Form that accompanies this Offer Document, or how to complete your Entitlement and Acceptance Form or an online Application, please contact the Registrar.

The Registrar can be contacted on 0800 650 034, or +64 9 488 8777 or at Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, New Zealand, or Private Bag 92119, Auckland 1142, New Zealand.

If you are an Eligible Australian Retail Shareholder, you can contact Computershare Australia on 1800 501 366 (from Australia), or on +61 3 9415 4083.

## 05. Details of the Offer

### The Offer

The Offer is an offer of New Shares to Eligible Shareholders under an accelerated pro rata entitlement issue. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 4.46 Existing Shares held at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares which are quoted on the NZX Main Board and ASX. It is a term of the Offer that Fletcher Building will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

The maximum number of New Shares being offered under the Offer is 156,287,094 New Shares (subject to rounding).

Fletcher Building will raise a total of approximately NZ\$750 million through the Offer, which is fully underwritten by Macquarie Securities (NZ) Limited.

The number of New Shares to which an Eligible Shareholder is entitled under an Entitlement will, in the case of fractions, be rounded up to the nearest whole number.

The issue of New Shares pursuant to the Offer is not expected to have any effect or consequence on the control of Fletcher Building.

### Application Price

The Application Price is NZ\$4.80 (or the A\$ Price) per New Share and must be paid in full on application.

The A\$ Price will be the Australian dollar equivalent of NZ\$4.80 determined using the RBA AUD/NZD exchange rate on Thursday 19 April 2018 at 4.00pm (Sydney time). The A\$ Price will be announced by Fletcher Building on Friday 20 April 2018.

Payment of the Application Price for the Retail Entitlement Offer must be made in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form or in accordance with the online Application process (and as further described in **Part 4: Actions to be taken by Eligible Shareholders**).

If you elect to apply for New Shares using New Zealand dollars, any New Shares issued to you will be issued on Fletcher Building's NZX branch register. If you elect to apply for New Shares using the A\$ Price, any New Shares issued to you will be issued on Fletcher Building's ASX branch register.

Eligible Retail Shareholders must also deliver a completed Entitlement and Acceptance Form (either by mail, delivery, fax or email) to the Registrar. Alternatively, Applications may be made by Eligible Retail Shareholders online at [www.fletcherbuildingshareoffer.co.nz](http://www.fletcherbuildingshareoffer.co.nz) without the

requirement to complete the Entitlement and Acceptance Form.

Application Monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the Application Monies are refunded (whichever is applicable). Interest earned on the Application Monies will be for the benefit, and remain the property, of Fletcher Building and will be retained by Fletcher Building whether or not the issue of New Shares takes place.

Any refund of Application Monies will be made without interest and within 10 Business Days of allotment or the date that the decision not to accept an Application is made (as the case may be).

### Withdrawal

Subject to compliance with all applicable laws, Fletcher Building reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) (either generally or in particular cases) at any time at its absolute discretion.

If any Application is not accepted, all applicable Application Monies will be refunded without interest to the relevant Shareholder.

### Overview of the Offer

The Offer comprises:

- the Institutional Entitlement Offer;
- the Institutional Bookbuild;
- the Retail Entitlement Offer;
- the Retail Bookbuild; and
- the U.S. Private Placement,

each as described in further detail below.

### Purpose of the Offer

Please refer to the investor presentation in **Part 6: Announcement / Investor Presentation** for detail on the purpose of the Offer.

### The Retail Entitlement Offer

#### OVERVIEW OF THE RETAIL ENTITLEMENT OFFER

Fletcher Building is offering Eligible Retail Shareholders the opportunity to subscribe for 1 New Share for every 4.46 Existing Shares held as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, at an Application Price of NZ\$4.80 (or the A\$ Price) per New Share. This ratio and the Application Price are the same as for the Institutional Entitlement Offer.



The Retail Entitlement Offer opens at 10.00am (NZ time) / 8.00am (Sydney time) on 23 April 2018 and closes at 7.00pm (NZ time) / 5.00pm (Sydney time) on 11 May 2018 (subject to Fletcher Building's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or ASX or privately transferred. However, Ineligible Retail Shareholders, and Eligible Retail Shareholders who have not taken up their full Entitlements, may receive some value in respect of those Entitlements not taken up if a Retail Premium is realised under the Retail Bookbuild. However, there is no guarantee that any Premium will be realised, and any Retail Premium may be different from any Institutional Premium.

### ELIGIBILITY UNDER THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. Eligible Retail Shareholders are those persons who:

- are registered as Shareholders at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date;
- have a registered address in New Zealand or Australia at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date;
- are not in the United States and are not acting for the account or benefit of a person in the United States; and
- are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

If you sell any Shares (and that sale settles) prior to 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date. If you have acquired Shares (and that sale settles) after 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, you will not be issued any Entitlements in relation to those Shares.

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder, including any Eligible Institutional Shareholder or Ineligible Institutional Shareholder, or any Ineligible Retail Shareholder. Any person allocated New Shares under the Institutional Entitlement Offer or Institutional Bookbuild does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

Fletcher Building reserves the right to reject any Application for New Shares under the Retail Entitlement Offer that it considers comes from a person who is not an Eligible Retail Shareholder.

### ACCEPTANCE OF ENTITLEMENT UNDER THE RETAIL ENTITLEMENT OFFER

The Entitlement and Acceptance Form distributed to Eligible Retail Shareholders with this Offer Document sets out an Eligible Retail Shareholder's Entitlement to participate in the Retail Entitlement Offer. Applications for New Shares by Eligible Retail Shareholders can only be made on the personalised Entitlement and Acceptance Form sent with this Offer Document or via an online Application at [www.fletcherbuildingshareoffer.co.nz](http://www.fletcherbuildingshareoffer.co.nz). Applications in excess of an Eligible Retail Shareholder's Entitlement will not be accepted.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded up to the nearest whole number of New Shares.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Offer. They may choose to take up some or all of their Entitlements or allow some or all of their Entitlements to lapse.

Any person outside New Zealand or Australia who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) through a New Zealand or Australian resident nominee, and their nominee, will be deemed to have represented and warranted to Fletcher Building that the Offer can be lawfully made to their nominee pursuant to this Offer Document. None of Fletcher Building, the Lead Manager, the Underwriter, the Registrar or any of their respective directors, officers, employees, agents or advisers accept any liability or responsibility to determine whether a person is eligible to participate in this Offer. Any person in the United States or that is acting for the account or benefit of a person in the United States is not permitted to participate in the Retail Entitlement Offer.

### THE RETAIL BOOKBUILD

Entitlements that are not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer (together with those Entitlements which would have been issued to Ineligible Retail Shareholders if they had been entitled to participate) will be offered for sale under the Retail Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlements under the Offer). Fletcher Building may also invite Approved U.S. Shareholders and Approved U.S. Investors to subscribe for New Shares by participating in the Retail Bookbuild as part of the U.S. Private Placement.

The Retail Bookbuild is expected to take place on 15 May 2018.

For further details of how the Retail Bookbuild will work, see Bookbuilds on pages 14 and 15.

## The Institutional Entitlement Offer

### OVERVIEW OF THE INSTITUTIONAL ENTITLEMENT OFFER

Fletcher Building is offering Eligible Institutional Shareholders the opportunity to subscribe for 1 New Share for every 4.46 Existing Shares held as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, at an Application Price of NZ\$4.80 (or the A\$ Price) per New Share. This ratio and the Application Price are the same as for the Retail Entitlement Offer.

The Institutional Entitlement Offer opens on 17 April 2018 and closes on 18 April 2018 (subject to Fletcher Building's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or ASX or privately transferred. However, Ineligible Institutional Shareholders, and Eligible Institutional Shareholders who have not taken up their full Entitlements, may receive some value in respect of those Entitlements not taken up if an Institutional Premium is realised under the Institutional Bookbuild. However, there is no guarantee that any Premium will be realised, and any Institutional Premium may be different from any Retail Premium.

### ELIGIBILITY UNDER THE INSTITUTIONAL ENTITLEMENT OFFER

The Institutional Entitlement Offer is only open to Eligible Institutional Shareholders, being those Shareholders at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date with an address in New Zealand, Australia, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, Norway, Singapore, Switzerland or the United Kingdom or Shareholders in the United States that are Approved U.S. Shareholders or Approved U.S. Investors and, in each case, who are Institutional Investors (or nominees of Institutional Investors).

The Lead Manager will determine the Shareholders who will be treated as Eligible Institutional Shareholders for the purpose of determining the Shareholders to whom an offer of New Shares will be made under the Institutional Entitlement Offer. In exercising its discretion, the Lead Manager may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints. Fletcher Building and the Lead Manager will agree on which Shareholders will be treated as Ineligible Institutional Shareholders.

If you sell any Shares (and that sale settles) prior to 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

Fletcher Building reserves the right to reject any Application for New Shares under the Institutional Entitlement Offer

that it considers comes from a person who is not an Eligible Institutional Shareholder.

### ACCEPTANCE OF ENTITLEMENT UNDER THE INSTITUTIONAL ENTITLEMENT OFFER

The Lead Manager will contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders and Approved U.S. Investors) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer. Applications for New Shares by Eligible Institutional Shareholders (other than Approved U.S. Shareholders and Approved U.S. Investors) can only be made in accordance with that process. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded up to the nearest whole number.

### THE INSTITUTIONAL BOOKBUILD

Entitlements that are not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer (together with those Entitlements of Ineligible Institutional Shareholders) will be offered under the Institutional Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlements under the Offer).

The Institutional Bookbuild is expected to take place on 18 and 19 April 2018.

For further details of how the Institutional Bookbuild will work, see Bookbuilds on pages 14 and 15.

### Settlement of the Institutional Entitlement Offer and Institutional Bookbuild

Settlement of the Institutional Entitlement Offer and Institutional Bookbuild will occur on the Institutional Settlement Date in accordance with arrangements advised by the Lead Manager to Eligible Institutional Shareholders. Settlement of the U.S. Private Placement in relation to the Institutional Offer will also occur on the Institutional Settlement Date in accordance with arrangements advised by Fletcher Building to Approved U.S. Shareholders and Approved U.S. Investors as part of documentation that they receive in connection with the U.S. Private Placement.

### Bookbuilds

Each Bookbuild will be conducted by the Lead Manager.

Any Premium realised for the Entitlements sold in the relevant Bookbuild will be paid by the Lead Manager to the Registrar who will remit that amount pro rata net of any amounts required to be withheld to the relevant Shareholders in either Australian dollars or New Zealand dollars based on the Shareholders' nominated bank account. Amounts paid in Australian dollars to such

Shareholders will be converted from New Zealand dollars by the Registrar at the prevailing exchange rate for buying Australian dollars using New Zealand dollars at the time of payment. That exchange rate may be different from the exchange rate used to set the A\$ Price. Such Shareholders will be paid by direct credit to the nominated bank account as noted on Fletcher Building's share register or, if there is no nominated bank account, by New Zealand dollar cheque to the registered address on Fletcher Building's share register.

For the avoidance of doubt, the Premium does not include the Application Price payable to Fletcher Building by Institutional Investors who acquire Entitlements under the Bookbuilds.

No fees or costs will be payable by any Shareholder, and no interest will be collected or paid to any Shareholder on any Premium. There is no guarantee that any value will be received from either of the Bookbuilds by Eligible Shareholders who do not take up their full Entitlements or by Ineligible Shareholders. The Premium may be zero, in which case no payment will be made to the holders of the Entitlements sold in the relevant Bookbuild. Any Premium realised for the Entitlements sold in the Retail Bookbuild may be different from the Premium realised for the sale of Entitlements in the Institutional Bookbuild. The outcome of the Institutional Bookbuild is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Entitlements in a Bookbuild and the ability to obtain any Premium will be dependent upon various factors, including market conditions. Further, the Premium (if any) may not be the highest bid for the Entitlements, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Lead Manager, will, if accepted, result in otherwise acceptable allocations to clear the entire book.

To the maximum extent permitted by law, Fletcher Building, the Lead Manager and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to realise a Premium in the Bookbuilds, for any difference between the Retail Premium and the Institutional Premium and for any failure to obtain any particular exchange rate, or any movements in exchange rates, if exchanging the Premium into Australian dollar funds. The Lead Manager and Fletcher Building reserve the right to allocate Entitlements under the Bookbuilds at their discretion.

If all or part of your Entitlement is sold into a Bookbuild, then you will forgo any exposure to increases or decreases in the value of New Shares relating to those Entitlements and your percentage shareholding in Fletcher Building will be diluted by your non-participation in the Offer.

Any Premium realised under the Bookbuilds will be announced by Fletcher Building on the NZX Main Board and ASX following the close of the relevant Bookbuild.

### THE U.S. PRIVATE PLACEMENT

As part of the Offer, Fletcher Building will conduct the U.S. Private Placement, under which Approved U.S. Shareholders and Approved U.S. Investors will be invited to subscribe for New Shares as part of the Institutional Entitlement Offer, Institutional Bookbuild and Retail Bookbuild as applicable. The Lead Manager is not managing the U.S. Private Placement and is acting solely in its capacity as Administration Agent in connection therewith.

### New Zealand taxation treatment

The following is a summary of New Zealand tax implications for New Zealand tax residents in relation to the Entitlements granted under the Offer, the exercise of any such Entitlements, and the Institutional Premium and Retail Premium which may be payable under the Offer. This summary is general in nature, does not take account of any individual circumstances of any particular New Zealand tax resident and is limited to those aspects of the Offer and not the taxation implications of holding Existing Shares or New Shares, or any tax implications for Shareholders outside New Zealand.

As Shareholders' individual circumstances will differ, Shareholders should seek advice from their tax adviser or other professional adviser before participating in the Offer. This summary is not intended to be, nor should it be construed as being, investment, legal or tax advice to any particular Shareholder.

### TAXATION ON THE GRANT AND EXERCISE OF AN ENTITLEMENT UNDER THE OFFER

The grant and/or exercise of an Entitlement under the Offer will not constitute a taxable dividend derived by Eligible Shareholders for New Zealand tax purposes.

The grant and/or exercise of any Entitlement under the Offer by Shareholders who hold their Existing Shares on capital account should not otherwise be treated as income for New Zealand tax purposes, as the acquisition of Entitlements should be characterised as flowing from the capital rights of the Existing Shares and should therefore be on capital account for New Zealand income tax purposes.

However, the grant and/or exercise of an Entitlement under the Offer may give rise to taxable income if a Shareholder holds their Existing Shares on revenue account. A Shareholder will hold Existing Shares on revenue account if they acquired those Shares for the purposes of sale or other disposal, or they are in the business of dealing in shares.

## TAXATION ON THE INSTITUTIONAL PREMIUM AND RETAIL PREMIUM

Any Institutional Premium or Retail Premium payable to any Eligible Shareholders who do not take up their Entitlements under the Offer in full, or to any Ineligible Shareholders, will not be a dividend for New Zealand tax purposes.

Any Institutional Premium or Retail Premium payable to Shareholders who hold their Existing Shares on capital account should not otherwise be taxable to those Shareholders (although this position is not entirely free from doubt).

However, the Institutional Premium or Retail Premium may be taxable if a Shareholder holds their Existing Shares on revenue account. A Shareholder will hold Existing Shares on revenue account if they acquired those Shares for the purposes of sale or other disposal, or they are in the business of dealing in shares.

## Australian taxation treatment

### INTRODUCTION

The following is a summary of the Australian tax implications in relation to the Entitlements granted under the Offer, the exercise of any such Entitlements and the Retail Premium which may be payable under the Offer. This summary is limited to those aspects of the Offer and not the tax implications of holding Existing Shares or New Shares.

This summary is for Eligible Retail Shareholders who are residents of Australia for income tax purposes and hold their Existing Shares (and will hold their Entitlements and any New Shares) on capital account. This summary does not apply to Eligible Retail Shareholders that:

- hold Existing Shares, Entitlements or New Shares in their business of share trading, dealing in securities or otherwise hold their Existing Shares, Entitlements or New Shares on revenue account or as trading stock;
- are subject to the 'taxation of financial arrangements' rules in Division 230 of the Australian Tax Act in relation to their holding of Existing Shares, Entitlements or New Shares;
- hold their Existing Shares, Entitlements or New Shares through a permanent establishment in New Zealand; and/or
- acquired their Existing Shares pursuant to an employee share scheme.

The summary below is general in nature and does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own tax advisers before reaching any conclusions as to the taxation consequences of the Offer.

These comments do not address the taxation implications of the Offer under the laws of any jurisdiction other than the laws of Australia. These comments are based on Australian law and administrative practice as at the time of issue of the Offer Document.

## TAXATION ON THE GRANT AND EXERCISE OF AN ENTITLEMENT UNDER THE OFFER

The grant of the Entitlement to subscribe for New Shares should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

For capital gains tax ("CGT") purposes (see below), Shareholders will be treated as having acquired their Entitlements on the same date that they acquired the Existing Shares which gave rise to the Entitlements. The first element of the cost base in the Entitlements should be nil.

The exercise of Entitlements and subscription for New Shares by an Eligible Retail Shareholder should not, of itself, result in any amount being included in that Shareholder's assessable income. The Application Price paid to subscribe for the New Shares will be included in the Eligible Retail Shareholder's cost base of the New Shares for CGT purposes. New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them.

## TAXATION ON THE RETAIL PREMIUM

Eligible Retail Shareholders who do not take up their Entitlements will have their Entitlements sold on their behalf in the Retail Bookbuild and any Retail Premium from the sale remitted to them.

The Commissioner of Taxation ("Commissioner") recently released Taxation Ruling TR 2017/4 in which the Commissioner ruled that retail premiums received under certain renounceable entitlements will be treated as capital proceeds from the realisation of a CGT asset and not as ordinary income or a dividend for income tax purposes.

Taxation Ruling TR 2017/4 applies to entitlements that, amongst other things, can be sold either on market or off-market prior to the Retail Bookbuild commencing. As the present Entitlements cannot be sold either on-market or off-market before the Retail Bookbuild commencing, Taxation Ruling TR 2017/4 does not apply to the Entitlements.

Although Taxation Ruling TR 2017/4 does not apply to the Entitlements, as the Retail Premium is received as proceeds from a sale of the Entitlements through the Retail Bookbuild process on behalf of Eligible Retail Shareholders, the same reasoning that applied in Taxation Ruling TR 2017/4 should apply here. Therefore, such sale should constitute a CGT event to the Eligible Retail Shareholder and be taxable under the CGT provisions, and the Retail Premium received by the Eligible Retail Shareholder should constitute the capital proceeds in respect of the sale.



Accordingly:

- Eligible Retail Shareholders whose Entitlements are sold into the Retail Bookbuild should derive a capital gain broadly equal to the amount of the Retail Premium received; and
- Eligible Retail Shareholders who are individuals, complying superannuation entities or trustees that have held their Existing Shares for at least 12 months prior to the date of the sale should be entitled to the CGT discount in respect of the capital gain resulting from the sale of the Entitlements into the Retail Bookbuild (after offsetting any applicable capital losses). The amount of this discount is 50% for individuals and trustees and 33 1/3% for complying superannuation entities.

The CGT discount is not available for companies. Trustees should seek specific tax advice regarding the tax consequences arising from making distributions attributable to discount capital gains.

Eligible Retail Shareholders should seek their own independent taxation advice of participating in the Retail Bookbuild particularly having regard to the fact that the Entitlements are not covered by Taxation Ruling TR 2017/4.

## CONVERSION TO AUD

If you pay or receive any amounts that are expressed in a foreign currency (ie, NZD), they must be converted into AUD at the applicable exchange rate. The Australian Taxation Office website ([www.ato.gov.au](http://www.ato.gov.au)) provides daily exchange rates which may be used to assist you with this calculation.

## The New Shares

Each Share confers the right to vote at meetings, subject to any voting restrictions imposed on Shareholders under Fletcher Building's constitution or the NZX Listing Rules. On a show of hands or by voice, every Shareholder present in person or by proxy or representative has one vote. On a poll, every Shareholder present in person or by proxy or representative has one vote for each Share they hold. Each Share confers a right to a pro rata share of any dividend authorised by the Board on Shares, and to any distribution of surplus assets of Fletcher Building on any liquidation.

Applicants for New Shares will be bound by Fletcher Building's constitution and the terms of the Offer set out in this Offer Document. A copy of Fletcher Building's constitution can be found free of charge on Fletcher Building's file at the New Zealand Companies Office website at <https://companies-register.companiesoffice.govt.nz/>.

New Shares issued under the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer and Retail Bookbuild will rank equally with each other and Existing Shares.

## Listing

Entitlements will not be listed and cannot be traded on the NZX Main Board or ASX or privately transferred. It is a term of the Offer that Fletcher Building will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board.

If you elect to apply for New Shares using New Zealand dollars, any New Shares issued to you will be issued on Fletcher Building's NZX branch register. If you elect to apply for New Shares using the A\$ Price, any New Shares issued to you will be issued on Fletcher Building's ASX branch register.

## NZX

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the New Zealand Financial Markets Conduct Act 2013. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Entitlement Offer and Institutional Bookbuild will commence on 27 April 2018; and
- the Retail Entitlement Offer and Retail Bookbuild will commence on 18 May 2018.

## ASX

An application will be made to ASX for quotation of the New Shares issued under the Offer and Fletcher Building expects that the New Shares will be quoted upon completion of allotment procedures. It is expected that trading on ASX of the New Shares issued under the Retail Entitlement Offer and Retail Bookbuild will commence on 21 May 2018.

ASX accepts no responsibility for any statement in this Offer Document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of Fletcher Building.

Holding statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after allotment. Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in **Part 9: Directory**.

Applicants selling New Shares prior to receiving a holding statement do so at their own risk. None of Fletcher Building, the Lead Manager, the Registrar nor any of their respective directors, officers, employees, agents or advisers accept any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the holding statement showing the number of New Shares allotted to the Applicant is received by the Applicant for those New Shares.

## Nominees

If you hold Existing Shares as nominee or custodian for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, Ineligible Institutional Shareholder, Eligible Retail Shareholder or Ineligible Retail Shareholder with regard to the Entitlement of each such person. Nominees and custodians should note that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Ineligible Institutional Shareholders.

Nominees and custodians may not distribute any part of this Offer Document, and may not permit any beneficial shareholder to participate in the Offer who is located in the United States or any other country outside New Zealand and Australia, except to institutional and professional investors listed in, and to the extent permitted under, the section captioned "International Offer Restrictions" below or elsewhere as Fletcher Building may determine is lawful and practical to make the Offer.

In particular, persons acting as nominees or custodians for other persons may not take up New Shares on behalf of, or send any documents relating to the Offer to, any person in the United States. If a nominee or custodian takes up Entitlements for the account or benefit of a person in the United States, such person may receive no value for any such Entitlements.

Fletcher Building is not required to determine whether or not any registered holder is acting as a nominee or custodian, or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

## Overseas Shareholders

The Retail Entitlement Offer is open only to Shareholders with a registered address in New Zealand or Australia at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, who are not in the United States or acting for the account or benefit of a person in the United States, and who are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

The Institutional Entitlement Offer is open only to Shareholders as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date with an address in New Zealand, Australia, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, Norway, Singapore, Switzerland or the United Kingdom or Shareholders in the

United States that are Approved U.S. Shareholders or Approved U.S. Investors and, in each case, who are Institutional Investors (or nominees of an Institutional Investor).

The Offer is not open to Shareholders in other jurisdictions as Fletcher Building considers that it is unduly onerous and unreasonable for Fletcher Building to make the Offer into those jurisdictions having regard to the number of securities held by Ineligible Retail Shareholders and Ineligible Institutional Shareholders, the number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Retail Shareholders and Ineligible Institutional Shareholders in those places.

Shareholders with an address in those jurisdictions will not be issued Entitlements.

This Offer Document is intended for use only in connection with the Offer to Eligible Retail Shareholders with a registered address in New Zealand and Australia, Eligible Institutional Shareholders with an address in New Zealand, Australia, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, Norway, Singapore, Switzerland or the United Kingdom or Shareholders in the United States that are Approved U.S. Shareholders or Approved U.S. Investors and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Offer Document is not to be sent or given to any person outside New Zealand or Australia in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law, including as set out below.

No person may purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations.

## International Offer Restrictions

This Offer Document does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this Offer Document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside New Zealand or Australia except to the extent permitted below.

## Australia

This Offer is being made to Australian resident Shareholders without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and ASIC Instrument 18-0268). This Offer Document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been and will not be lodged with ASIC. Accordingly, this Offer Document may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus. Neither ASIC or ASX take any responsibility for the contents of this Offer Document.

## Canada (British Columbia, Ontario and Quebec provinces)

This Offer Document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Offer Document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Offer Document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Offer Document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Fletcher Building as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Fletcher Building or its directors or officers. All or a substantial portion of the assets of Fletcher Building and such persons may be located outside Canada and, as a

result, it may not be possible to satisfy a judgment against Fletcher Building or such persons in Canada or to enforce a judgment obtained in Canadian courts against Fletcher Building or such persons outside Canada.

The financial information contained in this Offer Document has been prepared consistent with the measurement principles as disclosed by the Fletcher Building group in its Statement of Accounting Policies contained within the 30 June 2017 Annual Report, and the 31 December 2017 Half Year Review. The accounting policies adopted by the Directors are in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They are also in accordance with International Financial Reporting Standards.

Unless stated otherwise, all dollar amounts contained in this Offer Document are in New Zealand dollars.

## STATUTORY RIGHTS OF ACTION FOR DAMAGES AND RESCISSION

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this Offer Document (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Fletcher Building if this Offer Document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Fletcher Building. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this Offer Document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or,

alternatively, may elect to exercise a right of rescission against Fletcher Building, provided that (a) Fletcher Building will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, Fletcher Building is not liable for all or any portion of the damages that Fletcher Building proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

#### *Certain Canadian income tax considerations*

Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this Offer Document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

#### *Language of documents in Canada*

Upon receipt of this Offer Document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

### **European Economic Area – Germany and Netherlands**

This Offer Document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000; and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II.

### **France**

This Offer Document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This Offer Document and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

### **Hong Kong**

WARNING: This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the



Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

## Ireland

The information in this Offer Document does not constitute a prospectus under any Irish laws or regulations and this Offer Document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the “Prospectus Regulations”). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to “qualified investors” as defined in Regulation 2(l) of the Prospectus Regulations.

## Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the “FIEL”) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified

Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

## Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

## Norway

This Offer Document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Offer Document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

## Singapore

This Offer Document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Document has been given to you on the basis that you are (i) an existing holder of Fletcher Building's shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within

any of the categories set out above, please return this Offer Document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This Offer Document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Offer Document nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Entitlements and the New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and funds management companies as well as institutional investors with professional treasury operations. This Offer Document is personal to the recipient and not for general circulation in Switzerland.

Neither this Offer Document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offer Document will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

## United Kingdom

Neither this Offer Document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This Offer Document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this Offer Document, any accompanying letter or any other document, except in circumstances which do not require

the publication of a prospectus pursuant to section 86(1) of the FSMA. This Offer Document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Fletcher Building.

In the United Kingdom, this Offer Document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Offer Document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offer Document or any of its contents.

## United States

The Entitlements and New Shares described in this Offer Document have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States (or for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This Offer Document may only be distributed in the United States by Fletcher Building and only to Approved U.S. Shareholders and Approved U.S. Investors as part of the documentation that they receive in connection with the U.S. Private Placement.

## No guarantee

No person named in this Offer Document (nor any other person) guarantees the New Shares to be issued pursuant to the Offer or warrants the future performance of Fletcher Building or any return on any investment made pursuant to this Offer Document.

## Underwriting Agreement

Fletcher Building has requested that the Underwriter underwrites the Offer and the Underwriter has agreed to do so. This means that the Underwriter will subscribe at the Application Price for any New Shares that are not

subscribed for by Shareholders or Institutional Investors under the Offer in accordance with the terms of the Underwriting Agreement.

A summary of the principal terms of the Underwriting Agreement are set out as follows:

- The Underwriter has the power to appoint sub-underwriters.
- The Underwriter will be paid an underwriting fee of 2.0% (plus GST if any) of the total gross proceeds to be raised under the Offer, and a management fee of 0.6% of the total gross proceeds to be raised under the Offer (plus GST if any).
- The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, including the following:
  - Fletcher Building is in breach of any material term or condition of the Underwriting Agreement or any representation or warranty given by Fletcher Building is or becomes incorrect in a material particular\*;
  - the FMA and/or ASIC issues, or threatens to issue, proceedings in relation to the Offer or commences or threatens to commence any inquiry or investigation in relation to the Offer, except as a result of the actions or omissions by or on behalf of the Underwriter or its related entities;
  - the FMA and/or ASIC issues, or threatens to issue, proceedings in relation to Fletcher Building or commences or threatens to commence any inquiry or investigation in relation to the conduct or affairs of Fletcher Building, where such proceedings, inquiry or investigation would reasonably be expected to have a material adverse impact on the Offer;
  - the NZX or the ASX announces that Fletcher Building's shares will be de-listed, removed from quotation, withdrawn from admission to trading status or suspended from quotation, except as a result of the actions or omissions by or on behalf of the Underwriter or its related entities;
  - the NZX or the ASX make an official statement to any person, or indicate to Fletcher Building or the Underwriter that approval is or will be refused, not granted or granted subject to conditions which are unacceptable to the Underwriter (acting reasonably), to the official quotation of all of the New Shares on the NZX Main Board or the ASX, or if granted, the approval is subsequently withdrawn, qualified or withheld, except as a result of the actions or omissions by or on behalf of the Underwriter or its related entities;
  - a material adverse change in the condition, financial or trading position or prospects of Fletcher Building and its subsidiaries taken as a whole;
  - certain events or disruptions (including the outbreak or material escalation of hostilities, changes in financial, economic and political conditions, a general moratorium on commercial banking activities, suspension in trading) occur in certain countries or financial markets\*;
- a new law or policy is introduced, or a proposal to introduce a new law or policy is publicly announced (other than any new law or policy which has been announced prior to the date of this Offer Document), in New Zealand or Australia which does or is likely to prohibit or regulate (in a manner which has a material adverse effect) the Offer, capital issues or stock markets\*;
- Fletcher Building, without the prior consent of the Underwriter:
  - › issues or agrees to issue any shares or securities that convert to shares or rights to subscribe for shares or other securities that convert to shares other than the Offer Shares, securities issued under an employee equity plan or employee incentive scheme or upon conversion of the Fletcher Building group's unlisted capital notes;
  - › subdivides or consolidates shares; or
  - › alters the rights, privileges or restrictions attaching to shares;
- either the NZX50 Index or the S&P/ASX200 Index is at a level which is 12.5% or more below its level as at 7.00pm on the Business Day prior to the date of this Offer Document:
  - › for any two consecutive Business Days; or
  - › at the close of trade on the Business Day immediately prior to the allotment of Offer shares under the Institutional Entitlement Offer or the Retail Entitlement Offer\*;
- Fletcher Building withdraws the Offer;
- the trading halt referred to in **Part 3: Important Dates** is not in place on the NZX Main Board or the ASX for the necessary duration as a result of an act or omission by Fletcher Building or for any other reason;
- a change in the Chief Executive Officer or the Chief Financial Officer of Fletcher Building occurs or is announced, other than as a result of the incapacity or death of the relevant person;
- any event in the Timetable is delayed by more than two Business Days without the prior written consent of the Underwriter (such consent not to be unreasonably withheld), except where the delay is caused by the Underwriter or its related entities;
- Fletcher Building varies the terms and conditions of the Offer without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- Fletcher Building is required to give or gives a correcting notice under clause 21 of Schedule 8 of the Financial Markets Conduct Regulations 2014;
- any statement or information in this Offer Document, the Investor Presentation or the Announcement

being false, misleading or deceptive (including by omission) or being an unsubstantiated representation, in each case, in any material adverse respect;

- a certificate given by Fletcher Building to the Underwriter is false, misleading, deceptive or inaccurate;
  - Fletcher Building becomes engaged in, or is threatened with, any legal action or other proceedings which are material in the context of the Offer;
  - certain debt facilities of Fletcher Building are no longer capable of drawdown or an event of default or event of review occurs (other than covenant breaches already disclosed to NZX and waived by the relevant lender); or
  - there is a material increase (in aggregate) in Fletcher Building's provisioning for losses under certain specified material construction contracts which requires disclosure to NZX or ASX.
- Where certain termination events, including those marked above with an asterisk, occur the Underwriter cannot terminate the Underwriting Agreement unless, in the reasonable opinion of the Underwriter:
    - that event has or is likely to cause the Underwriter to contravene any law applicable in relation to the Offer;
    - that event has or is likely to have a material adverse effect on:
      - the financial condition, financial position or financial prospects of Fletcher Building and its subsidiaries taken as a whole;
      - the market price of shares of Fletcher Building; or
      - the success or settlement of the Offer.

Fletcher Building provides certain undertakings to the Underwriter, including:

- For a period until 90 days after the settlement of the Retail Entitlement Offer in New Zealand, Fletcher Building may not issue or allot, or agree to issue or allot, any equity securities or other securities, or grant any options in respect of such securities, other than pursuant to certain limited exceptions or with the Underwriter's consent.
- For a period until 30 days after the settlement of the Retail Entitlement Offer in New Zealand, Fletcher Building may not dispose of or charge, or agree to dispose of or charge, the whole or any substantial part of its business or enter into any material acquisition, or material agreement in relation to a new business not conducted by Fletcher Building, other than pursuant to certain limited exceptions or with the Underwriter's consent.

Fletcher Building has agreed to indemnify the Underwriter and its affiliates against certain losses related to the Offer.

Warranties given by Fletcher Building in the Underwriting Agreement include warranties relating to the content and

accuracy of the Offer Document, compliance by Fletcher Building with relevant laws, the existence of no litigation which may be material in the context of the Offer and the valid issue and allotment of New Shares.

### Broker stamping fees

No investor will pay brokerage on taking up their Entitlement or as a subscriber for New Shares under the Offer.

A stamping fee of 0.5% of Application Monies on New Shares allotted will be paid to NZX Firms who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of NZ\$300 per Shareholder. The aggregate fee payable on all successful Applications will be limited to NZ\$250,000. In the event that total stamping fees payable exceeds NZ\$250,000, the stamping fee payable per successful Application will be scaled back on a pro rata basis. This fee will be met by Fletcher Building. Details of the claims process are to be separately communicated to NZX Firms by the Lead Manager. No stamping fees will be paid on any Retail Premium or Institutional Premium achieved or to ASX brokers on successful applications on the ASX.

Following allotment, the sale of the New Shares may be subject to normal brokerage fees.

### Privacy

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Forms or via the online application process will be held by Fletcher Building and/or the Registrar at the addresses set out in the Directory. Fletcher Building and/or the Registrar may store your personal information in electronic format, including in online storage on a server or servers which may be located in New Zealand or overseas. The information will be used for the purposes of administering your investment in Fletcher Building. This information will only be disclosed to third parties with your consent or if otherwise required or permitted by law. Under the New Zealand Privacy Act 1993 and the Australian Privacy Act 1988 (Cth), you have the right to access and correct any personal information held about you.

### Governing law

This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

### Times, currency and laws

Unless otherwise stated, all references in this Offer Document to times and dates are to times and dates in New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are references to New Zealand statutes and regulations.



## 06. Announcement / Investor Presentation

The following Announcement and Investor Presentation were released to the NZX and ASX on 17 April 2018. There may be other announcements that will be made by Fletcher Building after 17 April 2018 and throughout the period of the Retail Entitlement Offer that may be relevant in your consideration of whether to take up all or some of your Entitlements. Those announcements will be available at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au) under the stock code FBU. You should review this part of this Offer Document and any other announcements before submitting an Application.

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# NEWS RELEASE



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

## Fletcher Building moves to strengthen balance sheet and focus portfolio

### Key points:

- Fletcher Building is undertaking actions to strengthen its balance sheet and better enable it to execute its immediate and longer term strategic objectives
- Raising NZ\$750m through a fully underwritten pro rata 1 for 4.46 accelerated entitlement offer ("Offer") at NZ\$4.80 per share
- Institutional and Retail Entitlement Offers with book-builds for any shortfall
- Proceeds from the Offer will be used by the Company to repay existing debt
- Commitments obtained from the required majority of lenders to a permanent solution of the current breach under the Syndicated Facility Agreement ("SFA")
- New standby banking facility of NZ\$500m established with ANZ, MUFG Bank and Westpac ("Standby Facility")
- Discussions with the USPP Noteholders are ongoing and Fletcher Building's objective and expectation is that it will achieve a mutually acceptable outcome
- While not expected to be needed, proceeds from the Offer and Standby Facility are sufficient to redeem all USPP Notes and pay associated costs if required.
- Key principles of group strategy approved by the board: focus activities on New Zealand and Australia, with divestment processes to be undertaken for the Formica and Roof Tile Group businesses
- No change to estimated FY18 EBIT for the Group (excluding B+I and significant items) of NZ\$680m - NZ\$720m and estimated loss for B+I of NZ\$(660)m.

**Auckland, April 17 2018:** Fletcher Building Limited (the "Company" or "Group") has moved to raise equity and establish new standby debt facilities to strengthen the Company's capital structure and better enable effective execution of the Group's strategy.

The Company is raising NZ\$750m through a fully underwritten accelerated pro rata entitlement offer, enabling eligible shareholders to purchase 1 share for every 4.46 they own at 9:00pm (NZ time) and 7:00pm (Sydney time) on the Record Date for NZ\$4.80 per share. This represents a 23.4% discount to the closing share price on NZX on 16 April 2018, and a 20.0% discount to the theoretical ex-rights price (TERP) of NZ\$6.00. The Offer will comprise institutional and retail entitlement offers, with any entitlements that are not taken up by eligible shareholders and entitlements of ineligible shareholders being offered for sale in the institutional and retail book builds respectively.

In conjunction with the Offer, Fletcher Building has also established a new standby banking facility of NZ\$500m with ANZ, MUFG Bank and Westpac.

The Offer and Standby Facility will strengthen the Company's balance sheet and better enable it to execute its immediate and longer term strategic objectives. In particular, the Company expects that selected asset sales processes will be able to be transacted in a way that maximises value for shareholders. Following the Offer, the

Company expects normalised leverage<sup>1</sup> to reduce to 1.6x, at the lower end of the Company's revised target range of 1.5x – 2.5x.

Discussions with the USPP Noteholders are ongoing, and the Company's objective and expectation is that it will achieve a mutually acceptable outcome by 31 May 2018. While not expected by the Company to be needed, the Standby Facility has been put in place to ensure that, together with the net equity proceeds of the Offer, Fletcher Building would be able to redeem all USPP Notes and pay associated costs if required.<sup>2</sup>

The decision to undertake the Offer has resulted from the Company's strategic review, which is progressing well and expected to be announced in full in June 2018. While work remains to be done to complete the strategic review, the key principles have been approved by the Board. Fletcher Building will focus its activities on New Zealand and Australia, and will therefore undertake divestment processes for its Formica and Roof Tile Group businesses.

The Group continues to trade in line with its previously estimated FY18 EBIT for the Group (excluding B+I and significant items) of NZ\$680m - NZ\$720m and estimated loss for B+I of NZ\$(660)m.

Ross Taylor, Chief Executive of Fletcher Building, said "An outcome of the work that we have completed to date on the Group strategy is that it is now appropriate to strengthen our balance sheet. Reducing our net debt also provides us with the opportunity to undertake divestment processes for Formica and the Roof Tile Group on terms that should maximize shareholder returns."

Commenting on today's announcement Fletcher Building Chairman Sir Ralph Norris said "it is important to provide all our existing eligible shareholders with the opportunity to purchase new shares in Fletcher Building. This acknowledges the continuing support that they have given the Company in the last 18 months, and enables them to contribute to the repositioning of the Company as the new strategy is rolled out."

#### Further information

Further details of the Offer are set out in the Appendix to this announcement. The Company has also lodged an Investor Presentation and Offer Document with the NZX and ASX today. The Investor Presentation and Offer Document contain important information including foreign selling restrictions with respect to the Offer.

Shareholders with any questions in relation to the Offer, can contact the Fletcher Building Offer Information Line on 0800 650 034 (within New Zealand) and 1800 501 366 (within Australia) or +64 9 488 8777 (outside of New Zealand or Australia) between 8.30am and 5:00pm (NZ time and Sydney time) Monday to Friday. For other questions, shareholders should consult their broker, solicitor, accountant, financial adviser, or other professional adviser.

#### #Ends

For further information please contact:

#### MEDIA

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<sup>1</sup> Normalised leverage excludes the Building + Interiors business. Based on 12 months to 31 March 2018.

<sup>2</sup> Transaction costs would be dependent on the level of Notes redeemed, if any.

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### **Forward looking statements**

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward looking words such as "believe", "expect", "estimate", "will", "may", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the various and ongoing negotiations in connection to the Offer. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Fletcher Building and cannot be predicted by Fletcher Building and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Fletcher Building operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

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### **Financial information**

All dollar values are in New Zealand dollars (\$ or NZ\$) unless stated otherwise.

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**APPENDIX:****Key Details of the Entitlement Offer**

The Offer comprises a 1 for 4.46 accelerated pro-rata institutional entitlement offer ('Institutional Entitlement Offer') and a pro-rata retail entitlement offer ('Retail Entitlement Offer'), at NZ\$4.80 per share to raise approximately NZ\$750m

- Approximately 156.3m of new shares ("New Shares") to be issued by Fletcher Building (22.4% of current shares on issue)
- NZ\$4.80 or an A\$ equivalent per New Share ("Offer Price"). The NZ\$ price represents a:
  - 23.4% discount to last close price on NZX of NZ\$6.27 on 16 April 2018
  - 20.0% discount to the Theoretical Ex-Rights Price ("TERP") of NZ\$6.00
  - 20.3% discount to the 10-day volume weighted average share price on NZX up to and including 16 April 2018
  - The A\$ Offer Price will be the equivalent of NZ\$4.80 determined using the RBA AUD/NZD exchange rate on Thursday 19 April 2018 at 4.00pm (Sydney time) and announced by Fletcher Building on Friday 20 April 2018.
- New shares issued under the Offer will rank equally in all respects with Fletcher Building's existing ordinary shares

**Institutional Entitlement Offer**

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which opens on Tuesday, 17 April 2018 and will close on Wednesday, 18 April 2018. Eligible institutional shareholders can choose to take up their entitlement in whole, in part or not at all. Institutional entitlements ("Institutional Entitlements") cannot be traded or sold on the NZX or ASX.

Institutional Entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer and the Institutional Entitlements of ineligible institutional shareholders will be offered for sale through an institutional bookbuild to be conducted on Wednesday, 18 and Thursday, 19 April 2018 ("Institutional Bookbuild").

Any proceeds (in excess of the Offer Price) from the sale of Institutional Entitlements through the Institutional Bookbuild will be paid (net of any applicable withholding tax) on a pro rata basis to those institutional shareholders who do not take up their entitlements in full or who are not eligible to participate in the Institutional Entitlement Offer. There is no guarantee that any amount will be realised for the sale of Institutional Entitlements through the Institutional Bookbuild.

Any amounts paid to eligible institutional shareholders who do not take up their full entitlement or ineligible institutional shareholders with nominated A\$ bank accounts will be converted from New Zealand dollars by the Registrar at the prevailing exchange rate for buying Australian dollars using New Zealand dollars at the time of payment. That exchange rate may be different to the exchange rate used to set the A\$ Offer Price.

Fletcher Building shares have been placed in a trading halt while the Institutional Entitlement Offer and Institutional Bookbuild are undertaken.

**Retail Entitlement Offer**

Eligible retail shareholders with a registered address in New Zealand or Australia at 9:00pm (NZ time) and 7:00pm (Sydney time) on the Record Date will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on Monday, 23 April 2018 and close at 7:00pm (NZ time) and 5:00pm (Sydney time) on Friday, 11 May 2018. Eligible retail shareholders will have the opportunity to participate at the same offer price and offer ratio as the Institutional Entitlement Offer. Eligible retail shareholders can choose to take up their Entitlement ("Retail Entitlements") in whole, in part or not at all. Retail Entitlements cannot be traded or sold on the NZX or ASX.



Retail Entitlements not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and the entitlements of ineligible retail shareholders (had such ineligible retail shareholders been able to participate in the Retail Entitlement Offer), will be offered for sale through a retail bookbuild to be conducted on Tuesday, 15 May 2018 ("Retail Bookbuild").

Any proceeds (in excess of the Offer Price) from the sale of Retail Entitlements through the Retail Bookbuild will be paid (net of any applicable withholding tax) on a pro rata basis to those eligible retail shareholders who do not take up their entitlements in full or who are not eligible to participate in the Retail Entitlement Offer. There is no guarantee that any amount will be realised for the sale of Retail Entitlements through the Retail Bookbuild.

Any amounts paid to eligible retail shareholders who do not take up their full entitlement or ineligible retail shareholders with nominated A\$ bank accounts will be converted from New Zealand dollars by the Registrar at the prevailing exchange rate for buying Australian dollars using New Zealand dollars at the time of payment. That exchange rate may be different to the exchange rate used to set the A\$ Offer Price.

### Key Dates

Event	Day	Date
Transaction announcement & trading halt	Tuesday	17 April 2018
Institutional Entitlement Offer opens	Tuesday	17 April 2018
Institutional Entitlement Offer closes	Wednesday	18 April 2018
Institutional Bookbuild opens	Wednesday	18 April 2018
Institutional Bookbuild closes	Thursday	19 April 2018
Record date for the Offer (9.00pm NZDT time/7.00pm (Sydney time))	Thursday	19 April 2018
Trading halt lifted	Friday	20 April 2018
Retail Entitlement Offer opens	Monday	23 April 2018
ASX Settlement of Institutional Entitlement Offer	Thursday	26 April 2018
NZX Settlement and Allotment of New Shares under the Institutional Entitlement Offer	Friday	27 April 2018
Retail Entitlement Offer closes 7:00pm (NZDT) and 5:00pm (Sydney time)	Friday	11 May 2018
Retail Bookbuild	Tuesday	15 May 2018
ASX Settlement of Retail Bookbuild	Thursday	17 May 2018
NZX Settlement of Retail Bookbuild and Allotment of New Shares under the Retail Entitlement Offer	Friday	18 May 2018
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday	21 May 2018
Despatch of holding statement in respect of New Shares issued under the Retail Entitlement Offer	Monday	21 May 2018

*Note: The above timetable is indicative only and subject to change without notice (subject to applicable laws and the NZX Listing Rules and ASX Listing Rules). All dates and times are New Zealand times (unless noted otherwise above).*

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# Fletcher Building Strategy, Capital Structure and Trading Update

**ROSS TAYLOR**  
—Chief Executive Officer

**BEVAN MCKENZIE**  
—Chief Financial Officer

17 April 2018

Fletcher Building Limited  
Strategy, Capital Structure and Trading Update April 2018



## Important information

This presentation has been prepared by Fletcher Building Limited (**Fletcher Building**) in connection with a proposed entitlement offer of fully paid ordinary shares in Fletcher Building (**the Offer**). The Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 (**FMCA**) and pursuant to the provisions of the Australian Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Instrument 18-0268).

### Information of a general nature

The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Fletcher Building or that would be required in a product disclosure statement, prospectus, or other disclosure document for the purposes of the New Zealand FMCA or the Australian Corporations Act 2001 (Cth). Fletcher Building is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) and ASX Limited (**ASX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting [www.nzx.com/companies/FBU](http://www.nzx.com/companies/FBU) and <http://www.asx.com.au>. This presentation should be read in conjunction with Fletcher Building's other periodic and continuous disclosure announcements released to NZX and ASX.

### NZX

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board following completion of allotment procedures. However, NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator, and the NZX Main Board is a licensed market under the FMCA.

### ASX

An application will be made to ASX for quotation of the New Shares issued under the Offer and Fletcher Building expects that the New Shares will be quoted upon completion of allotment procedures. ASX accepts no responsibility for any statement in this document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of Fletcher Building.

### Not financial product advice

This presentation does not constitute legal, financial, tax, financial product advice or investment advice or a recommendation to acquire Fletcher Building securities, and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and consult an NZX Firm, ASX Broker, or solicitor, accountant or other professional advisor if necessary.

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This presentation contains certain 'forward-looking statements' such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions and include statements regarding the conduct and outcome of the Offer and the use of the proceeds thereof. Such forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Fletcher Building, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Fletcher Building as at the date of this presentation. Except as required by law or regulation (including the NZX Listing Rules and ASX Listing Rules), Fletcher Building undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.



## Important information

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All dollar values are in New Zealand dollars (\$) or NZ\$) unless otherwise stated. Totals may vary slightly due to rounding.

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Investors should further note that this presentation contains pro forma financial information showing the proposed application of the proceeds of the equity raising to repay debt. The pro forma financial information provided in this presentation is for illustrative purposes only and should not be relied upon as, and is not represented as being indicative of Fletcher Building's future financial condition and/or performance. Investors should further note that the pro forma historical financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

### Past performance

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### Investment risk

An investment in securities in Fletcher Building is subject to investment and other known and unknown risks, some of which are beyond the control of Fletcher Building. Fletcher Building does not guarantee any particular rate of return or the performance of Fletcher Building.

### Not an offer

This presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of information set out in the Offer Document for the Offer. Any eligible shareholder who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Document and the Entitlement and Acceptance Form.

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## Important information

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This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Offer may not be offered and sold, directly or indirectly, to any person in the United States or any person that is acting for the account or benefit of any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

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### Institutional and Retail Bookbuilds

Shareholders should note that:

- the underwriter (whether in that capacity or otherwise) is not acting as agent for Fletcher Building shareholders (including shareholders who are ineligible to participate in the Offer);
- the underwriter (whether in that capacity or otherwise) will manage the Institutional Bookbuild and the Retail Bookbuild and any sale process in respect of the Offer (if applicable) for, and at the request of Fletcher Building only;
- the underwriter (whether in that capacity or otherwise) owes no duties (fiduciary or otherwise) to Fletcher Building shareholders (including shareholders who are ineligible to participate in the Offer);
- the underwriter (whether in that capacity or otherwise) is not obliged to return any Entitlements to, or at the direction, or consider the interests, or requests, of any Fletcher Building shareholder (including shareholders who are ineligible to participate in the Offer);
- there is no guarantee that any proceeds will be realised from the sale of Entitlements of New Shares in respect of the Offer; and
- the underwriter (whether in that capacity or otherwise) is not liable for failure to sell such Entitlements of New Shares at any particular price at all.

### Underwriter Group

The underwriter, any of its respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents (the Underwriter Group and each of them, an Underwriter Group Member), have not:

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- except to the extent referred to in this presentation, made or purported to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

To the maximum extent permitted by law and except to the extent referred to in this presentation, no Underwriter Group Member makes any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and no Underwriter Group Member takes any responsibility for any part of this presentation or the Offer.

No Underwriter Group Member makes any recommendations as to whether you or your related parties should participate in the Offer, nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by any Underwriter Group Member in relation to the Offer.

### Timetable and right to withdraw Offer

Subject to applicable laws, the NZX Listing Rules and the ASX Listing Rules, Fletcher Building reserves the right to vary the timetable for the Offer (either generally or in particular cases). Fletcher Building also reserves the right to withdraw the Offer without prior notice (subject to compliance with all applicable laws).

**Capitalised terms used but not otherwise defined in this presentation have the meanings given in the Glossary section of Fletcher Buildings' Offer Document for its entitlement offer for New Shares dated 17 April 2018. All information included in this presentation is provided as at 17 April 2018.**

**All dollar amounts are New Zealand dollars, unless otherwise stated.**

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## Overview

Fletcher Building Limited  
Strategy, Capital Structure and Trading Update April 2018



## Overview

- Fletcher Building is undertaking the following actions to strengthen its balance sheet and enable a permanent solution to its current bank and USPP positions:
  - Raising NZ\$750m through a fully underwritten pro rata entitlement offer (the “Offer”);
  - Establishing a new standby banking facility of NZ\$500m (the “Standby Facility”).
- The Company believes that a strengthened balance sheet will better enable it to execute its immediate and longer term strategic objectives. In particular, the Company expects that selected asset sales processes will be able to be transacted in a way that maximises value for shareholders.
- The strategic review is progressing well with key principles approved by the Board. In particular, the Company will focus its activities on New Zealand and Australia and will therefore undertake divestment processes for its Formica and Roof Tile Group businesses. As previously advised, the Company will provide a detailed update and full overview of the Group’s strategy in June 2018 once the review is completed.
- In conjunction with the Offer, the Company has obtained commitments from the required majority of lenders to a permanent solution of the current breach under the Syndicated Facility Agreement (“SFA”).
- Fletcher Building’s objective and expectation is to reach a mutually acceptable conclusion to discussions with USPP Noteholders on terms consistent with the proposed revisions to the SFA. While not expected by the Company to be needed, the Standby Facility has been put in place to ensure that, together with the proceeds of the Offer, Fletcher Building would be able to redeem all USPP Notes and pay associated costs if required.
- The Company continues to trade in line with earnings guidance: no change to estimated FY18 EBIT of NZ\$680m – NZ\$720m (excluding B+I and significant items) and an estimated loss for B+I of NZ\$(660)m.

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## Group Strategy Update

Fletcher Building Limited  
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## Group Strategy Update (I)

While work remains to be done to complete the strategic review that the Company has been undertaking, the Board has approved the following key principles:

- A focus of the Group's activities on New Zealand and Australia
- In New Zealand:
  - actively defending and growing the Building Products and Distribution core;
  - vertically integrating around this core where this provides the Group with: competitive advantage, stronger growth, and better outcomes for customers. As such, the Group's positions in the Concrete value chain and in Residential Development remain an essential part of its overall NZ strategy;
  - stabilising the Construction business and returning it to sound operating performance.
- In Australia:
  - improving the performance of the Australian businesses through greater focus, synergies and investment, such that the Company can maintain and grow leading positions in the Building Products and Distribution core.
- This focus on New Zealand and Australia means the Company will undertake divestment processes for its Formica and Roof Tile Group businesses.

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## Group Strategy Update (II)

To support this revised strategic focus, the Company is commencing the implementation of the following initiatives between now and 30 June 2018:

- An organisational structure and model that aligns with this revised strategy and better reflects similarities between the underlying businesses
- A move to a leaner and more efficient centre
- A reset of our capital structure, as discussed further in this presentation

As previously advised, the Company will provide a detailed update and full overview of the Group's strategy in June 2018 once the review is completed.

- The Company intends that this update will provide details on any restructuring costs associated with the intended organisational and cost out changes.

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## Capital Structure Update

Fletcher Building Limited  
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### Capital structure strategy – summary

- An outcome of the Company's strategic review is that the Company believes it is now appropriate to strengthen its balance sheet.
- The Company believes that this will better enable it to execute its immediate and longer term strategic objectives. In particular, the Company expects that it will enable selected asset sales processes to be transacted in a way that maximises value for shareholders.
- Accordingly, the Company is targeting a revised through-the-cycle leverage ratio (Net Debt / EBITDA) range of 1.5x-2.5x (previously 2.0x-2.5x).
- The net equity proceeds will return the Group's leverage ratio on a normalised basis (excluding B+I) to 1.6x<sup>(1)</sup>, hence at the lower end of the revised target range.

1. Based on 12 months to 31 March 2018, excluding B+I, and as shown on page 18.

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## Bank Syndicate Update – Syndicated Facility Agreement

- Commitments have been obtained from ANZ, MUFG Bank, Westpac and HSBC on a permanent solution to the current breach under the Syndicated Facility Agreement ('SFA').
- These lenders provide the necessary majority lender support for amending the SFA.<sup>(1)</sup> These lenders have agreed the form of the amending documentation, with amendments conditional on completion of the Offer<sup>(2)</sup>. The current intention is that the revised SFA would be entered into on conclusion of discussions with USPP Noteholders.
- Key terms of the revised SFA that would be entered into are:
  - Size and maturity of existing facilities to remain unchanged
  - Inclusion of existing separate bilateral facilities as a new tranche within the SFA
  - Previously announced B+I losses to be excluded from future covenant calculations
  - Revised covenants: Senior Leverage Ratio <3.25x; Senior Interest Cover >3.00x; Total Interest Cover >2.00x
  - Until the earlier of 30 June 2019 or the date on which the Senior Leverage Ratio (including the previously announced B+I losses) is less than 1.75x for three consecutive months:
    - margin increases by 1.25%<sup>(3)</sup>;
    - proceeds from disposals of assets above a threshold must be offered first for repayment of Senior Debt.

1. ANZ, MUFG Bank, Westpac, and HSBC together represent 77% of Fletcher Building's banking syndicate. The required threshold of 'Majority Lenders' for amending the SFA is 60%.
2. Completion means receipt of equity proceeds of NZ\$750m less any applicable transaction costs
3. After 30 June 2019 or when the Senior Leverage Ratio (including the previously announced B+I losses) is less than 1.75x for three consecutive months, pricing for two of the four tranches reverts to pricing applicable as at December 2017 and pricing for the other two tranches reduces to current market pricing (rather than existing pricing levels, which are below current market pricing).

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## Bank Syndicate Update – New Standby Facility of \$500m

- A new NZ\$500m Standby Facility has been established with ANZ, Westpac, and MUFG Bank.
- Key terms of the Standby Facility:
  - Purpose:
    - May only be drawn by the Company to fund repayment of USPP Notes and associated transaction costs
  - Conditions:
    - Available to be drawn by the Company upon completion of the Offer<sup>(1)</sup>
    - Proceeds of the Offer must be applied in repayment of USPP Notes before amounts can be utilised under the Standby Facility
    - If the Standby Facility is drawn, proceeds of material asset sales must be used for repayment of the Standby Facility on a pro rata basis with USPP Noteholders, and proceeds of issue of equity or debt securities (other than the Offer) must be used for repayment of the Standby Facility
  - Term:
    - If drawn, the Standby Facility will be available until at least January 2020
    - If not required by the Company, the Company may terminate the Standby Facility on two business days' notice

1. If the Offer is not completed by 31 May 2018, ANZ, Westpac and MUFG Bank have the right to cancel the Standby Facility

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## USPP Noteholder update

- Discussions with the USPP Noteholders are ongoing and Fletcher Building's objective and expectation is that it will achieve a mutually acceptable outcome in the negotiations with the USPP Noteholders. It is anticipated by Fletcher Building that this process will be completed by 31 May 2018.
- The Company will be presenting USPP Noteholders with a proposal to achieve a permanent waiver of the current breach of the USPP Note and Guarantee Agreements. This proposal will be on terms generally consistent with the proposed revisions to the SFA.<sup>(1)</sup>
  - Should Noteholders wish to reduce their level of holdings the proposal may also include a tender offer for some portion of the existing Notes.
- If discussions with USPP Noteholders are not successfully completed prior to expiry of the existing waiver on 31 May 2018, the required majority of USPP Noteholders could demand repayment of their Notes.<sup>(2)</sup>
- While Fletcher Building does not expect this to occur, the net equity proceeds of NZ\$725m<sup>(3)</sup> together with the Standby Facility will ensure that Fletcher Building is able to redeem all USPP Notes and pay associated costs if required.<sup>(4)</sup>

- Noteholders representing 50.1% of the Notes under each Note and Guarantee Agreement are required to approve the amendments to such Note and Guarantee Agreement.
- Noteholders representing 60% of the Notes under each Note and Guarantee Agreement are required to demand repayment of the Notes under each Note and Guarantee Agreement.
- The Offer is fully underwritten. However, the underwriter may terminate its obligations on the occurrence of a number of events, including those set out in the Offer Document. Net equity proceeds is after payment of the transaction costs of the Offer.
- Transaction costs would be dependent on the level of Notes redeemed, if any. Costs associated with full repayment of the USPP Notes are currently estimated at up to NZ\$125m.

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## Basis and purpose of pro forma financial information

### Key assumptions:

- The pro forma financial information presents the assumed impact of the proposed equity raising as if it had occurred on 31 March 2018. It has been assumed that the equity raising of NZ\$750m is applied to repay bank debt of \$714m and to cover the estimated transaction costs of the Offer of NZ\$25m, with the remainder assumed to be held as cash.
- The assumption in the pro forma financial information is therefore a 0% redemption of USPP Notes. Dependent on the outcome of discussions with USPP Noteholders, a part or all of the net equity proceeds could be applied to redeem USPP Notes. Transaction costs associated with the redemption of USPP Notes would be dependent on the level of Notes redeemed, if any. Costs associated with full repayment of the USPP Notes are currently estimated at up to NZ\$125m.
- The assumption in the pro forma financial information is that there is no conversion of institutional capital notes to equity.

### Basis of preparation:

- The Group has presented the financial position of the Group as at 31 December 2017 together with certain non-GAAP financial information. Such financial information has been sourced from the Group's Half Year financial statements which were approved on 21 February 2018. We have provided an explanation of relevant Non-GAAP information below.
- The Group has prepared unaudited pro forma financial information as at 31 March 2018 based on unaudited management accounts of the Group in order to provide investors with the latest available information to better illustrate the impact of the proposed equity raising on the financial position of the Group. The financial information presented has been prepared on a basis consistent with the recognition and measurement principles as disclosed by the Group in its Statement of Accounting Policies contained within the 30 June 2017 Annual Report, and the 31 December 2017 Half Year Financial Statements. The accounting policies adopted by the Directors are in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They are also in accordance with International Financial Reporting Standards.
- The following Non-GAAP information has been presented:
  - EBIT – Last 12 months Earnings Before Interest, Tax, Significant Items and losses of the B+I Business Unit
  - EBITDA – Last 12 months Earnings Before Interest, Tax, Depreciation, Amortisation, Significant Items and losses of the B+I Business Unit
  - Net Debt – Current borrowings plus Non-current borrowings less Cash and cash equivalents
  - Net Senior Debt – Net Debt excluding Capital Notes
  - Total Capital – Net Debt plus Equity
  - Gearing – Net Debt to Net Debt plus Equity
  - Net Debt / EBITDA – Net Debt divided by EBITDA
  - Net Senior Debt / EBITDA – Net Senior Debt (adjusted for debt derivatives), divided by EBITDA
  - EBIT / Total Interest – EBIT excluding minority interests divided by Total Interest
  - EBIT / Senior Interest – EBIT excluding minority interests divided by Total Interest excluding capital notes interest

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## Pro Forma Financial Profile – Funding Facilities

NZ\$m	Pre-Equity Raise (as at 31 March)		Post-Equity Raise <sup>(1)</sup>	
	Facility	Drawings	Facility	Drawings
Banking syndicate	1,270	714	1,270	0
New Standby Facility	-	-	500	0
USPP <sup>2</sup>	1,119	1,119	1,119	1,119
Capital Notes	566	566	566	566
Other <sup>3</sup>	102	102	102	102
<b>Total</b>	<b>3,057</b>	<b>2,501</b>	<b>3,557</b>	<b>1,787</b>
Cash on hand	241	241	252	252
<b>Net Debt</b>		<b>2,260</b>		<b>1,535</b>
<b>Net Senior Debt</b>		<b>1,694</b>		<b>969</b>

1. Assumes NZ\$725m of net equity proceeds applied to bank syndicate borrowings and cash as at 31 March 2018 (per management accounts), inclusion of new \$500m Standby Facility, and assuming 0% redemption of USPP Notes.

2. Includes fair value hedge component.

3. Includes financing associated with the MV Aotearoa Chief.

Note - Financial information assumes that there is no conversion of institutional capital notes to equity

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## Pro Forma Financial Profile – Capital Structure

NZ\$m		As at 31 December 2017 (unaudited Half-Year accounts)	As at 31 March 2018 <sup>(1)</sup> (unaudited management accounts)	Impact of Equity Raising <sup>(2)</sup>	As at 31 March 2018 Pro forma <sup>(3)</sup> (unaudited)
<b>Key measures</b>	<b>Unit</b>				
Gross debt	NZ\$m	2,308	2,501	(714)	1,787
— USPP	NZ\$m	1,150	1,119		1,119
— Existing Bank debt	NZ\$m	434	714	(714)	-
— Capital notes	NZ\$m	621	566		566
— Other	NZ\$m	103	102		102
Cash	NZ\$m	190	241	11	252
Net Debt	NZ\$m	2,118	2,260	(725)	1,535
Equity	NZ\$m	3,295	3,265	725	3,990
<b>Total capital</b>	<b>NZ\$m</b>	<b>5,413</b>	<b>5,525</b>		<b>5,525</b>
<b>Credit metrics (LTM, excluding B+I)</b>					
Gearing (%)	%	39.1%	40.9%		27.8%
Net Debt / EBITDA	x	2.2x	2.4x		1.6x
Net Senior Debt / EBITDA	x	1.5x	1.8x		1.0x
EBIT / Total Interest	x	6.2x	5.3x		5.3x
EBIT / Senior Interest	x	7.8x	6.6x		6.6x

1. Based on 31 December 2017 unaudited Half Year accounts adjusted for movements derived from management accounts for the three months to 31 March 2018.

2. Assumes gross Offer proceeds of NZ\$750m net of NZ\$25m of estimated Offer transaction costs applied to bank syndicate borrowings and cash.

3. Assumes 0% redemption of USPP Notes. If there were a full redemption of USPP Notes, associated costs are currently estimated at up to NZ\$125m and, if incurred, would increase leverage between 0.1x and 0.2x.

Note - Financial information assumes that there is no conversion of institutional capital notes to equity

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## Pro Forma Financial Profile – Balance Sheet

NZ\$m	As at 31 December 2017 (unaudited Half-Year accounts)	As at 31 March 2018 <sup>(1)</sup> (unaudited management accounts)	Impact of Equity Raising <sup>(2)</sup>	As at 31 March 2018 Pro forma <sup>(3)</sup> (unaudited)
<b>Assets</b>				
Cash and cash equivalents	190	241	11	252
Other current assets	3,309	3,402		3,402
Property, plant and equipment	2,247	2,223		2,223
Other non-current assets	2,226	2,191		2,191
<b>Total assets</b>	<b>7,972</b>	<b>8,057</b>	<b>11</b>	<b>8,068</b>
<b>Liabilities</b>				
Trade and other payables	1,369	1,330		1,330
Borrowings – current <sup>4</sup>	1,701	1,978	(714)	1,264
Other current liabilities	834	784		784
Borrowings – non-current	607	523		523
Other non-current liabilities	166	177		177
<b>Total liabilities</b>	<b>4,677</b>	<b>4,792</b>	<b>(714)</b>	<b>4,078</b>
<b>Net assets</b>	<b>3,295</b>	<b>3,265</b>	<b>725</b>	<b>3,990</b>
Share capital	2,696	2,696	725	3,421
Retained earnings & Reserves	575	545 <sup>(5)</sup>		545
Non-controlling interests	24	24		24
<b>Equity</b>	<b>3,295</b>	<b>3,265</b>	<b>725</b>	<b>3,990</b>

1. Based on 31 December 2017 unaudited Half Year accounts adjusted for movements derived from management accounts for the three months to 31 March 2018.

2. Assumes gross Offer proceeds of NZ\$750m net of NZ\$25m of estimated Offer transaction costs applied to bank syndicate borrowings and cash.

3. Assumes 0% redemption of USPP Notes.

4. All USPP and Bank debt included within Borrowings – current at 31 December 2017 and 31 March 2018.

5. Movement since 31 December 2017 comprises net earnings of NZ\$26m offset by NZ\$56m currency translation reserve movement.

Note - Financial information assumes that there is no conversion of institutional capital notes to equity

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## Trading Update

Fletcher Building Limited  
Strategy, Capital Structure and Trading Update April 2018



## Group Trading Update

- The Group continues to trade in line with its earnings guidance with no change to estimated FY18 EBIT for the Group (excluding B+I and significant items) of NZ\$680m - NZ\$720m.
- The reset of the Construction business continues and regular internally-led project reviews are now established across the business.
- With respect to the B+I business, there is no change to the project provisions announced in the 14 February trading update, and no change to the estimated FY18 B+I EBIT loss of NZ\$(660)m. Of the 16 key projects identified in that trading update:
  - 5 projects now complete, including the Justice Precinct<sup>(1)</sup> – all completed within 14 February provisions;
  - 7 projects targeting completion by end of calendar 2018 – all currently operating within 14 February provisions;
  - 4 remaining projects including NZICC and Commercial Bay – all currently operating within 14 February provisions.
- In the Infrastructure construction business, the Puhoi to Warkworth ('P2W') project site team has identified risks and forecast cost increases associated principally with earthworks and aggregate supply on the project. The project is a 50-50 joint venture between Fletcher Construction and Acciona. The partners are now working actively on a range of options to mitigate these risks. At this point, Fletcher Building is reporting a nil margin for the P2W project.
- The remainder of the Construction business continues to trade to expectations.
- The Board has determined that no final dividend will be paid for FY18. The Board expects, subject to satisfactory trading performance, to be in a position to resume dividends in respect of FY19.
- In relation to recent press speculation and share trading, Wesfarmers Limited has confirmed to Fletcher Building that it does not hold shares in Fletcher Building.

1. The Justice Precinct is occupied by the client and a final settlement has been agreed with the client on the project; some minor post-occupation defect work is ongoing on the project.

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# Offer Details, Timetable and Jurisdictions

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## Offer Details

Entitlement Offer	<ul style="list-style-type: none"> <li>1 for 4.46 accelerated pro-rata entitlement offer ("Offer") at NZ\$4.80 per share to raise approximately NZ\$750m</li> <li>Approximately 156.3m of new shares to be issued by Fletcher Building (22.4% of current shares on issue)</li> <li>Offer is fully underwritten</li> </ul>
Entitlement Price	<ul style="list-style-type: none"> <li>NZ\$4.80 or the A\$ Price<sup>(1)</sup> per new share ("Offer Price"). The Offer Price represents a: <ul style="list-style-type: none"> <li>» 23.4% discount to last close price on NZX of NZ\$6.27 on 16 April 2018</li> <li>» 20.0% discount to the Theoretical Ex-Rights Price ("TERP")<sup>(2)</sup></li> <li>» 20.3% discount to the 10-day Volume-Weighted Average Price ('VWAP') on the NZX</li> </ul> </li> </ul>
Institutional Entitlement Offer	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer will be conducted from Tuesday, 17 April 2018 to Wednesday, 18 April 2018</li> <li>Entitlements not taken up and entitlements of ineligible institutional shareholders will be offered for sale in the institutional book-build to be conducted on Wednesday, 18 April and Thursday, 19 April 2018</li> </ul>
Retail Entitlement Offer	<ul style="list-style-type: none"> <li>Retail Entitlement Offer will open Monday, 23 April 2018 and close Friday, 11 May 2018</li> <li>Entitlements not taken up and entitlements of ineligible retail shareholders will be offered for sale in the retail book-build to be conducted on Tuesday, 15 May 2018</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>New shares issued under the Offer will rank equally in all respects with Fletcher Building's existing ordinary shares</li> </ul>
Application of Proceeds	<ul style="list-style-type: none"> <li>All net proceeds from the Offer (expected to be NZ\$725m after transaction costs) will be used to repay existing debt.</li> <li>The precise application of the net Offer proceeds and resulting structure of Fletcher Building's debt facilities will depend on the outcome of discussions with USPP Noteholders.</li> </ul>

- The A\$ Price will be the Australian dollar equivalent of NZ\$4.80 which will be determined using the RBA A\$/NZ\$ exchange rate on Thursday, 19 April at 4pm (Sydney time)
- TERP is the Theoretical Ex-Rights Price at which Fletcher Building shares should trade immediately after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which Fletcher Building shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Fletcher Building's closing price on 16 April 2018.

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## Offer Timetable

Event	Day	Date
Transaction announcement & trading halt	Tuesday	17 April 2018
Institutional Entitlement Offer opens	Tuesday	17 April 2018
Institutional Entitlement Offer closes	Wednesday	18 April 2018
Institutional Shortfall Bookbuild opens	Wednesday	18 April 2018
Institutional Shortfall Bookbuild closes	Thursday	19 April 2018
Record date for the Offer (9.00pm NZ time / 7.00pm Sydney time)	Thursday	19 April 2018
Trading halt lifted	Friday	20 April 2018
Retail Entitlement Offer opens	Monday	23 April 2018
ASX Settlement of Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Thursday	26 April 2018
NZX Settlement and Allotment of New Shares under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Friday	27 April 2018
Retail Entitlement Offer closes	Friday	11 May 2018
Retail Shortfall Bookbuild	Tuesday	15 May 2018
ASX Settlement of Retail Shortfall Bookbuild	Thursday	17 May 2018
NZX Settlement of Retail Shortfall Bookbuild and Allotment of New Shares under the Retail Entitlement Offer and Retail Shortfall Bookbuild	Friday	18 May 2018
Trading of New Shares on NZX issued under the Retail Entitlement Offer <sup>1</sup>	Friday	18 May 2018
Trading of New Shares on ASX issued under the Retail Entitlement Offer <sup>2</sup>	Monday	21 May 2018
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Monday	21 May 2018

- The New Shares have been accepted for quotation by NZX
- An application will be made to ASX for quotation of the New Shares

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## Selling restrictions relating to the Offer

This presentation does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside New Zealand and Australia except to the extent permitted below.

### Australia

The Offer will be made to Australian resident Shareholders without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and ASIC Instrument 18-0268). This presentation is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been and will not be lodged with ASIC. Accordingly, this presentation may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus. Neither ASIC or ASX take any responsibility for the contents of this presentation.

### Canada (British Columbia, Ontario and Quebec provinces)

The offering of Entitlements and New Shares under the Offer will only be made in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this presentation, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Fletcher Building as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Fletcher Building or its directors or officers. All or a substantial portion of the assets of Fletcher Building and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Fletcher Building or such persons in Canada or to enforce a judgment obtained in Canadian courts against Fletcher Building or such persons outside Canada.

The financial information contained in this presentation has been prepared consistent with the measurement principles as disclosed by the Fletcher Building group in its Statement of Accounting Policies contained within the 30 June 2017 Annual Report, and the 31 December 2017 Half Year Review. The accounting policies adopted by the Directors are in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They are also in accordance with International Financial Reporting Standards.

Unless stated otherwise, all dollar amounts contained in this presentation are in New Zealand dollars.

### Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

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## Selling restrictions relating to the Offer (cont.)

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to the Offer Document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Fletcher Building if this presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Fletcher Building. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this presentation contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Fletcher Building, provided that (a) Fletcher Building will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, Fletcher Building is not liable for all or any portion of the damages that Fletcher Building proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

### Certain Canadian income tax considerations

Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

### Language of documents in Canada.

Upon receipt of this presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

### European Economic Area – Germany and Netherlands

This presentation has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities. An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II.

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## Selling restrictions relating to the Offer (cont.)

### France

This presentation is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This presentation and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

### Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this presentation, you should obtain independent professional advice.

### Ireland

The information in this presentation does not constitute a prospectus under any Irish laws or regulations and this presentation has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.



## Selling restrictions relating to the Offer (cont.)

### Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

### Malaysia

This presentation may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

### Norway

This presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

### Singapore

This presentation and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are (i) an existing holder of Fletcher Building's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this presentation to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.





## Selling restrictions relating to the Offer (cont.)

### Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this presentation nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Entitlements and the New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and funds management companies as well as institutional investors with professional treasury operations. This presentation is personal to the recipient and not for general circulation in Switzerland.

Neither this presentation nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this presentation will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

### United Kingdom

Neither this presentation nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Fletcher Building.

In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this presentation relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

### United States

This presentation may not be distributed to, or relied upon by, any person in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to or for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.



## 07. Other information

### NZX waivers

NZX has granted Fletcher Building a waiver from Listing Rule 7.11.1 in respect of the Offer, subject to certain terms and conditions, to enable Fletcher Building to allot the New Shares under the Institutional Entitlement Offer six Business Days after the close of the Institutional Entitlement Offer. The waiver was granted on the condition that allotment of the New Shares to be issued under the Institutional Entitlement Offer occurs six Business Days after the closing date of the Institutional Entitlement Offer.

Fletcher Building will also rely on the NZX class waiver for accelerated entitlement offers, dated 13 June 2017, in respect of the Offer.

The following is a summary of each aspect of the class waiver relied on, and its corresponding conditions and effect:

- (a) Waiver from Listing Rule 7.3.1(a), permitting Fletcher Building to not obtain Shareholder approval for the issue of New Shares in connection with the Offer. This waiver is subject to the condition that the issue be conducted in accordance with Listing Rule 7.3.4(a) (read in conjunction with Listing Rules 7.3.4(d) to 7.3.4(h)), except for the requirement in Listing Rule 7.3.4(a) that the Offer is renounceable (provided that New Shares not taken up by Eligible Shareholders are offered under the Bookbuilds and that such Bookbuilds are undertaken in accordance with the Offer Document).
- (b) Waiver from Listing Rule 7.10.1, enabling Eligible Institutional Shareholders to be notified of their Entitlement prior to the Record Date and enabling notification to occur by means other than physical letters of entitlement.
- (c) Waiver from Listing Rule 7.10.2, to the extent it would otherwise require the Institutional Entitlement Offer to remain open for 12 Business Days, subject to the condition that Fletcher Building's announcement of the Offer, and this Offer Document, clearly state that a shorter than usual offer period will apply to Eligible Institutional Shareholders under the Institutional Entitlement Offer.
- (d) Waiver from Listing Rule 7.10.8, to the extent it would otherwise require Fletcher Building to notify NZX of the Offer five Business Days prior to the ex-date for the Offer, subject to the condition that the Offer is notified to NZX in accordance with Listing Rule 7.10.8 no later than the ex-date for the Offer.

- (e) Waiver from Listing Rule 9.2.1, to the extent it would otherwise require Fletcher Building to obtain Shareholder approval for the participation of Related Parties of Fletcher Building in the Offer. This waiver is conditional upon the Independent Directors certifying specified matters in relation to the terms of the Offer and the entry into and allocation of shares under the Offer.

### ASIC relief

Fletcher Building has applied for, and ASIC has granted, a modification of the cleansing notice requirements of section 708AA of the Corporations Act. The relief allows Fletcher Building to satisfy the cleansing notice requirements of section 708AA by complying with the cleansing notice requirements under New Zealand law.

## 08. Glossary

**Administration Agents** means the Underwriter and/or its respective U.S. broker-dealer affiliate acting in its capacity as administration agent with respect to the U.S. Private Placement.

**Applicant** means an investor whose application for New Shares has been received by the Registrar.

**Application** means an application to subscribe for New Shares under this Offer Document.

**Application Monies** means monies received from Applicants in respect of their Applications.

**Application Price** means NZ\$4.80 per New Share (or the A\$ Price) per New Share.

**Approved U.S. Investor** means a limited number of persons that are not Shareholders as at the Record Date that are located in the United States and that Fletcher Building and the Administration Agent have pre-identified (in advance of the Offer) and determined to be either:

- (i) QIBs that are acting for their own account or for the account or benefit of one or more persons, each of whom is a QIB; or

- (ii) Eligible U.S. Fund Managers,

and in each case whose participation in the U.S. Private Placement Fletcher Building and the Administration Agent have expressly approved.

**Approved U.S. Shareholder** means those Shareholders (including those persons on whose account or for whose benefit such Shareholders are acting, as applicable) as of the Record Date and as of the date of the Underwriting Agreement that are located in the United States that Fletcher Building has determined to be either:

- (i) QIBs that are acting for their own account or for the account or benefit of one or more persons, each of whom is a QIB; or

- (ii) Eligible U.S. Fund Managers,

and, in each case, whose participation in the U.S. Private Placement, Fletcher Building and the Administration Agent have expressly approved.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the market it operates as the context requires.

**ASX Broker** means any ASX participating organisation.

**ASX Listing Rules** means the listing rules of the ASX as they apply to Fletcher Building as a foreign exempt listed issuer, as amended from time to time and for so long as Fletcher Building is admitted to the official list of such exchange.

**Australian Tax Act** means the Income Tax Assessment Act 1936 (Cth) and Income Tax Assessment Act 1997 (Cth) as applicable.

**Authorised Financial Advisor** means a financial advisor who is registered on the New Zealand Financial Service Providers Register.

**A\$ Price** means the Australian dollar equivalent of the Application Price (as expressed in New Zealand dollars), calculated in accordance with the terms of this Offer Document.

**Board** means the board of directors of Fletcher Building.

**Bookbuilds** means the Institutional Bookbuild and Retail Bookbuild.

**Business Day** means a time between 8.30am and 5.30pm (NZ time) on a day on which NZX is open for trading.

**Canada** for the purposes of the definition of Institutional Investor and for the Institutional Entitlement Offer and Institutional Bookbuild means the provinces of British Columbia, Ontario and Quebec only.

**Corporations Act** means the Australian Corporations Act 2001 (Cth).

**Eligible Australian Retail Shareholder** means an Eligible Retail Shareholder with a registered address in Australia as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date.

**Eligible Institutional Shareholder** means a Shareholder who, as at 9.00pm (NZ time) on the Record Date:

- (a) has an address in New Zealand, Australia, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, Norway, Singapore, Switzerland or the United Kingdom and is not in the United States and not acting for the account of or benefit of a person in the United States, or is a Shareholder in the United States that is an Approved U.S. Shareholder or an Approved U.S. Investor;
- (b) is an Institutional Investor (or the nominee of an Institutional Investor); and
- (c) is invited to participate in the Institutional Entitlement Offer,

provided that it does not include any Shareholder who Fletcher Building and the Lead Manager agree will be an Ineligible Institutional Shareholder for the purposes of the Offer.

**Eligible Retail Shareholder** means a Shareholder with a registered address in New Zealand or Australia as at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date, who is not in the United States or not acting for the account or benefit of a person in the United States and is not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

**Eligible Shareholder** means an Eligible Retail Shareholder or Eligible Institutional Shareholder.

**Eligible U.S. Fund Managers** means dealers or other professional fiduciaries organised or incorporated in the United States that are acting for an account (other than an estate or trust) held for the benefit or account of persons that are not “U.S. persons” (as defined in Regulation S under the Securities Act) for which they have and are exercising investment discretion, within the meaning of Rule 902(k)(2) (i) of Regulation S under the U.S. Securities Act.

**Entitlement** means the right to subscribe for 1 New Share for every 4.46 Existing Shares at the Application Price under the Offer.

**Entitlement and Acceptance Form** means the personalised entitlement and acceptance form provided to Eligible Retail Shareholders.

**Existing Share** means a fully paid ordinary share in Fletcher Building on issue at 9.00pm (NZ time) / 7.00pm (Sydney time) on the Record Date.

**Ineligible Institutional Shareholder** means a Shareholder (or a beneficial holder of shares) that is an Institutional Investor (or who, if in New Zealand, would in the opinion of the Lead Manager, be likely to be an Institutional Investor) who:

- (a) is outside the jurisdictions noted in the definition of ‘Institutional Investor’;
- (b) is in the United States, unless such person is an Approved U.S. Shareholder; or
- (c) the Lead Manager and Fletcher Building agree will be an Ineligible Institutional Shareholder for the purposes of the Offer.

In exercising its discretion, the Underwriter and Fletcher Building (as the case may be) may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints.

**Ineligible Retail Shareholder** means a Shareholder who is not an Eligible Retail Shareholder, Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

**Ineligible Shareholders** means Shareholders other than Eligible Shareholders.

**Institutional Bookbuild** means the bookbuild process conducted by the Lead Manager under Entitlements that are not taken up by Eligible Institutional Shareholders, together with Entitlements which would have been issued to Ineligible Institutional Shareholders had they been entitled to participate, are offered for sale to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they take up their full Entitlement under the Offer).

**Institutional Entitlement Offer** means the offer of New Shares to Eligible Institutional Shareholders.

**Institutional Investor** means a person to whom the Underwriter, in its opinion, believes that offers, and issues of New Shares, may lawfully be made without the need for disclosure to investors:

- (a) in New Zealand, who Fletcher Building considers is an institutional, habitual, or sophisticated investor (including a “wholesale investor” under the Financial Markets Conduct Act 2013);
- (b) in Australia, who Fletcher Building considers is a person to whom an offer of shares for issue may be lawfully made without disclosure under Part 6D.2 of the Corporations Act 2001 because of sections 708(8) to 708(12) of the Corporations Act 2001;
- (c) in Canada, who Fletcher Building considers is an accredited investor as defined in Section 1.1 of National Instrument 45-106 – Prospectus and Registration Exemptions of the Canadian Securities Administrators;
- (d) in France, who Fletcher Building considers is a qualified investor as such term is defined in Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11 and D.533-13 of the French Monetary and Financial Code;
- (e) in Germany, who Fletcher Building considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in Germany;
- (f) in Hong Kong, who Fletcher Building considers is a “professional investor” as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong;
- (g) in Ireland, who Fletcher Building considers is a “qualified investor” (as defined in the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended);

- (h) in Japan, who Fletcher Building considers is a “qualified institutional investor” (as defined under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948));
- (i) in Malaysia, who Fletcher Building considers is a person prescribed under Part I of Schedule 6 of the Malaysian Capital Markets and Services Act;
- (j) in the Netherlands, who Fletcher Building considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the Netherlands;
- (k) in Norway, who Fletcher Building considers is a “professional client” as defined in Norwegian Securities Regulation of 29 June 2007 no. 876;
- (l) in Singapore, who Fletcher Building considers is an “institutional investor” or a “relevant person” as defined in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore;
- (m) in Switzerland, who Fletcher Building considers is an institutional investor (i) subject to Swiss or foreign prudential supervisions such as a bank, securities dealer, insurance institution or fund management company; or (ii) with professional treasury operations;
- (n) in the United Kingdom, who Fletcher Building considers is a “qualified investor” within the meaning of section 86(7) of the Financial Services and Markets Act 2000;
- (o) in the United States, who is an Approved U.S. Shareholder or an Approved U.S. Investor participating in the U.S. Private Placement; or
- (p) any other person to whom Fletcher Building and the Lead Manager consider the Offer may be made without the need for a lodged prospectus or other formality (other than a formality with which Fletcher Building is willing to comply),

and, in each case (other than paragraph (o)), who is not acting for the account or benefit of a person in the United States and subject to the foregoing may include retail brokers bidding on behalf of their clients, or if that person (and any person for whom such person is acting) is in the United States, an Approved U.S. Shareholder or an Approved U.S. Investor, and, subject to the foregoing, may include brokers bidding on behalf of their clients.

**Institutional Premium** means the amount realised in New Zealand dollars (if any) to purchase Entitlements offered for sale in the Institutional Bookbuild.

**Institutional Settlement Date** means the date of settlement of New Shares under the Institutional

Entitlement Offer and Institutional Bookbuild, being 26 April 2018 on the ASX and 27 April 2018 on the NZX Main Board.

**Lead Manager** means Macquarie Securities (NZ) Limited, although services may be provided by any of its affiliates, including Macquarie Capital (New Zealand) Limited.

**New Share** means a fully paid ordinary share in Fletcher Building offered under the Offer of the same class as (and ranking equally in all respects with) Existing Shares at the time of allotment of the New Shares.

**NZ\$ or \$** means the lawful currency of New Zealand.

**NZX** means NZX Limited.

**NZX Firm** means an entity designated as an NZX Firm under the Participant Rules of NZX.

**NZX Listing Rules** means the listing rules of the NZX Main Board, as amended from time to time and for so long as Fletcher Building is admitted to the official list of such exchange.

**NZX Main Board** means the main board equity securities market operated by NZX.

**Offer** means the offer of New Shares pursuant to the Institutional Entitlement Offer, Institutional Bookbuild, U.S. Private Placement, Retail Entitlement Offer and Retail Bookbuild.

**Offer Document** means this document.

**Premium** means the Institutional Premium and/or the Retail Premium. For the avoidance of doubt, the Premium does not include the Application Price payable to Fletcher Building by Institutional Investors who acquire Entitlements under the Bookbuilds.

**QIB** means a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act.

**Record Date** means 9.00pm (NZ time) / 7.00pm (Sydney time) on 19 April 2018.

**Registrar** means Computershare Investor Services Limited.

**Retail Bookbuild** means the bookbuild process conducted by the Lead Manager under which Entitlements that are not taken up by Eligible Retail Shareholders, together with Entitlements which would have been issued to Ineligible Retail Shareholders had they been entitled to participate, are offered for sale to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlement under the Offer).

**Retail Entitlement Offer** means the offer of New Shares to Eligible Retail Shareholders.

**Retail Premium** means the amount realised in New Zealand dollars (if any) for Entitlements sold in the Retail Bookbuild.



**Share** means one fully paid ordinary share in Fletcher Building.

**Shareholder** means a registered holder of Shares on issue.

**Underwriter** means Macquarie Securities (NZ) Limited, although services may be provided by any of its affiliates, including Macquarie Capital (New Zealand) Limited.

**Underwriting Agreement** means the agreement entered into between Fletcher Building and the Underwriter, a summary of the principal terms of which are set out in Part 5: Details of the Offer under the heading 'Underwriting Agreement'.

**United States or U.S.** means the United States of America.

**U.S. Private Placement** means the offer of New Shares by Fletcher Building to Approved U.S. Shareholders and Approved U.S. Investors as part of the Institutional Entitlement Offer, Institutional Bookbuild or Retail Bookbuild.

**U.S. Securities Act** means the U.S. Securities Act of 1933, as amended.

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## 09. Directory

### Issuer

#### **Fletcher Building Limited**

810 Great South Road  
Penrose  
Auckland 1061  
New Zealand

### **Directors of Fletcher Building Limited**

Sir Ralph Norris	Chairman
Antony Carter	Director
Bruce Hassall	Director
Alan Jackson	Director
Cecilia Tarrant	Director
Steven Vamos	Director

### Registrar

#### **Computershare Investor Services Limited**

Level 2  
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Takapuna  
Auckland 0622  
New Zealand

Or

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New Zealand

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Website: [www.investorcentre.com/nz](http://www.investorcentre.com/nz)

### Lead Manager and Underwriter

#### **Macquarie Securities (NZ) Limited**

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### Legal Adviser

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