

**March 2017 Capital Notes
FBI100****Election Date**

The Fletcher Building Industries Limited (“FBI”) March 2017 Capital Notes (the “Capital Notes”), of which you are a holder, have an Election Date of 15 March 2017. This means you now need to make a decision in relation to your Capital Notes.

You need to decide whether to retain some or all of your Capital Notes on the new terms offered or have them purchased for cash.

The election process for your decision is explained in more detail in this letter and the accompanying Election Notice.

New terms of the Capital Notes

The Election Notice enables you to make an election to retain your Capital Notes. The Capital Notes will be on the following terms from 15 March 2017:

New Election Date:	15 March 2022
New Interest Date:	15 March and 15 September in each year
New Interest Rate:	5.00% per annum
Series to become known as:	March 2022 Capital Notes FBI160

Converting your Capital Notes

You can also make an election to convert all or some of your Capital Notes to Fletcher Building Limited shares. However, if you elect to convert your Capital Notes, FBI (or its nominee) may, at its option, redeem or purchase the Capital Notes for cash. FBI has determined that it will exercise this right and **FBI will have a nominee purchase for cash all those Capital Notes which noteholders elect to convert. No shares will be issued following an election to convert the Capital Notes.** The purchase price will be equal to the principal amount of the Capital Notes plus any accrued and unpaid interest on those Capital Notes as at the date of payment of the purchase price.

Action to be taken

It is important that you indicate which option you want for your Capital Notes. Your completed Election Notice should be returned so it reaches Computershare Investor Services Limited **no later than 23 February 2017**.

If you do not respond by providing a duly completed Election Notice by 23 February 2017, you will be deemed to have elected to retain your Capital Notes on the new terms.

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



Bevan McKenzie
Chief Financial Officer