

NEWS RELEASE



Fletcher Building repayment of USPP notes

Auckland, 30 June 2020: Fletcher Building today announced its intention to make an early repayment of US\$300 million of USPP notes.

CEO Ross Taylor said that the USPP notes, which were issued in 2012 and due to mature in 2022 and 2024, were the Company's most expensive source of debt, with an average cost of funding of 5.4%. Repayment of the notes would reduce the Company's funding costs by cNZ\$17 million per year, whilst still leaving the Company with significant liquidity of cNZ\$1.1 billion.

The USPP 2012 notes have a notional value of US\$300 million. After taking account of foreign exchange and interest rate derivatives held by the Company in respect of these notes, the repayment amount to be made by the Company is expected to be cNZ\$350 million.

The repayment includes a 'make whole' cost as a result of the early termination of the debt. This will be partially offset by a receipt by the Company from the favourable unwind of its interest rate derivatives. The net cost of these two amounts is expected to be cNZ\$30 million, which is included in the total expected repayment of cNZ\$350 million. The early repayment costs are more than offset by the avoidance of cNZ\$40 million of future interest payments.

The repayment will be made in late July from the Company's cash reserves. This transaction does not affect the Company's 2016 USPP notes, which have a significantly lower cost of funding and provide longer-term tenor in the Company's debt facilities, with maturity dates in 2026 and 2028.

#Ends

Authorised by:

Andrew Clarke

Company Secretary

For further information please contact:

MEDIA

Christian May

General Manager – Corporate Affairs

+64 21 305 398

Christian.May@fbu.com

INVESTORS AND ANALYSTS

Aleida White

Head of Investor Relations

+64 21 155 8837

Aleida.White@fbu.com