

Formica buys remaining 50 percent shareholding in Homapal

Auckland, 31 January, 2012 – Fletcher Building Limited announces that its Formica business has reached agreement to acquire all of the shares in Homapal Plattenwerk (“Homapal”), a manufacturer and distributor of metal and specialty laminates, for €30 million (NZ\$48 million). Formica has been a 50-percent shareholder – and the largest customer – of the Germany-based company since 1983. The transaction is scheduled to be completed on 2 April, 2012.

Homapal is a global leading specialist in the design, manufacture and distribution of high-quality metal and specialty laminates. Its product range is complementary to Formica’s, and will consolidate Formica’s position as a global brand leader in the surfacing industry. Full ownership of Homapal will increase Formica’s presence in Germany, one of the world’s largest laminate markets and where Homapal already has a strong market position. It will also allow Homapal to achieve greater access to growth opportunities for metallic laminates in Asia, due to Formica’s strong presence through its distribution network and customer base. The transaction represents a 7.9 x EBIT multiple on current earnings before synergies.

“Homapal is a successful company with an outstanding reputation as a niche leader in the high-end metal and specialty laminate business,” said Formica chief executive Mark Adamson. “We’ve been a part of the Homapal business for decades. We understand its capabilities and market differentiating qualities, and we’re eager to welcome Homapal to Formica while expanding our Laminates & Panels division.”

Homapal manufactures laminates of aluminum, brass, copper and other metal foil in various plain and design effects. Its manufacturing facility is located in the centre of Germany, approximately 100 km south of Hanover and 250 km from Hamburg, and employs 70 people. Formica currently procures and distributes approximately 40 percent of Homapal output while a network of strategic business partners distributes the remaining 60 percent.

As a subsidiary of Formica, the Homapal brand, leadership team and business model will remain unchanged. Adamson added: “Homapal is a successful, lean and forward-thinking company, and we aim to move forward with the mindset of business as usual while maintaining focus on growth opportunities presented by full ownership”.

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