

FLETCHER BUILDING LIMITED
NEWS RELEASE

**FINANCIAL RESULTS FOR THE
SIX MONTHS ENDED 31 DECEMBER 2015**

Auckland, 17 February 2016 – Fletcher Building today announced its unaudited interim results for the six months ended 31 December, 2015. The group recorded net earnings after tax of \$172 million, compared with \$114 million in the prior corresponding period.

The result included a net gain within significant items of \$10 million relating to the gain on sale of a number of Rocla Quarries joint venture assets, partly offset by closure costs of three manufacturing plants. The result for the prior corresponding period included significant items of \$66 million relating to impairment of goodwill and site closure costs. Net earnings before significant items were 7% lower at \$159 million.

Operating earnings (earnings before interest and tax) were \$288 million, up 29% on the \$224 million earned in the prior corresponding period, while operating earnings excluding significant items were 4% lower at \$278 million.

Revenue for the period of \$4,434 million was 2% higher. Cash flow from operations was \$170 million, up 16% from \$146 million in the prior corresponding period.

The interim dividend will be 19.0 cents per share, and will be paid on 13 April, 2016. The dividend reinvestment plan will be operative for this dividend payment.

Fletcher Building chief executive officer Mark Adamson said the result was driven by strong performances in the Building Products and Distribution divisions, offset by lower residential development and construction earnings.

“We saw increased earnings from most of our manufactured building products businesses in New Zealand and Australia, and continued strong growth in earnings from our distribution division. This was partly driven by the strength of the broader construction market, particularly in New Zealand, but also resulted from the efforts we have made to lift performance across our business portfolio. This was evident in the performances of our Australian businesses, with Laminex, Iplex, Fletcher Insulation, Rocla Pipelines, Stramit and Tasman Sinkware all achieving improved earnings versus last year.

“As expected, earnings from the residential development business were lower than for the same period last year due to a reduction in earnings from the Stonefields development. What has been pleasing has been the progress we have made in sourcing new land for future development and in bringing other developments to market sooner.

“Similarly, in our construction division, we had lower earnings this half than last year, which was solely due to the timing of key projects. The outlook for our construction businesses is encouraging, with committed future contracted work now standing at \$3.3 billion compared with \$2 billion a year ago.



“In terms of the portfolio, with the recently announced conditional acquisition of Higgins, the sale of the Rocla Quarries assets, and the new aluminium windows and doors joint venture announced today, we have completed a substantial reorientation of the group and focused our activities where we see the best opportunities”, Mr Adamson said.

Results overview

Comparisons are with the prior corresponding six month period ended 31 December 2014.

Revenue	\$4,434 million, up from \$4,327 million
Net earnings	\$172 million, up from \$114 million
Net earnings before significant items	\$159 million, down from \$171 million
Operating earnings (EBIT)	\$288 million, up from \$224 million
Operating earnings (EBIT) before significant items	\$278 million, down from \$290 million
Cash flow from operations	\$170 million, up from \$146 million
Basic earnings per share	24.9 cents per share, up from 16.6 cents
Basic earnings per share excluding significant items	23.0 cents per share, down from 24.9 cents
Interim dividend	19.0 cents per share The dividend will not be franked for Australian tax purposes nor imputed for New Zealand tax purposes
Dividend payment dates	The dividend will be paid on 13 April 2016 to holders registered as at 5.00 pm Thursday 24 March 2016 (NZT). The shares will be quoted on an ex-dividend basis from 22 March 2016 on the NZX and ASX.
Dividend reinvestment plan	The dividend reinvestment plan will be operative for this dividend. Applications to participate must be received by the registry before 5pm Tuesday 29 March 2016.

Please refer to the Financial Statements for terms and definitions.

ENDS



For further information contact:

Investors:

Philip King
Group General Manager,
Investor Relations & Capital Markets

Phone: + 64 9 525 9043
Mobile: + 64 27 444 0203
Email: philip.king@fbu.com

Media:

Shannon Huse Caldwell
External Communications Manager

Phone: +64 9 525 9085
Mobile: +64 27 807 2933
Email: shannon.husecaldwell@fbu.com

Fletcher Building is an integrated manufacturer and distributor of infrastructure and building products, and a construction company. From the smallest grain of sand to projects of great scale, we make, deliver and build to improve infrastructure, build communities and strengthen economies. We have 19,000 people working in 25 business groups in 45 countries. For more visit www.fbu.com