

FLETCHER BUILDING LIMITED **NEWS RELEASE**

Fletcher Building announces new divisional structure and executive appointments

Auckland, 2 February 2016 – Fletcher Building Limited today announced changes to its divisional structure and executive officers. The changes follow the evolution of Fletcher Building's business portfolio, including the completion of the sale of Rocla Quarry Products last week and the acquisition of Higgins announced earlier today.

The new structure will see Fletcher Building organised into five divisions, centred on the manufacture of building products, distribution, residential and land development, construction, and the group's international businesses. The five new divisions are:

Building Products: manufacture of light and heavy building materials in New Zealand and Australia. This division will be led by Matt Crockett, who is currently chief executive of the Heavy Building Products division.

International: encompasses Fletcher Building's Laminex, Formica, and Roof Tiles businesses. Francisco Irazusta has been appointed chief executive of this division.

Distribution: building materials, plumbing supplies and steel distribution activities in New Zealand and Australia. Dean Fradgley will continue as chief executive of this division, which will also include the Stramit and Tasman Sinkware businesses in Australia, and Dimond Roofing in New Zealand.

Residential and Land Development: residential development business in New Zealand together with the development of existing non-residential land holdings. Steve Evans, currently chief operating officer of Fletcher Living, has been appointed chief executive of this division.

Construction: building and engineering construction activities in New Zealand and the South Pacific, together with the Higgins contracting businesses in New Zealand and Fiji. Graham Darlow will continue as chief executive of this division.

In addition to these divisional appointments, it is also announced that Mr Lee Finney has been appointed to the new role of Chief Transformation Officer. In this role, Lee will have responsibility for all of Fletcher Building's centres of excellence including the marketing, operations excellence and procurement functions. He will also be responsible for the acceleration of the growth and cost reduction initiatives and will lead a core team of business transformation specialists.

Lee has extensive experience in transforming the operational performance of international businesses, most recently with Molson Coors where he has been Chief Supply Officer for the Canadian and European divisions since 2010. Prior to that Lee held senior supply chain leadership roles for Goodman Fielder in New Zealand, and for Campbell's in Europe and the USA. Lee has an MBA (Warwick, UK) and has completed the Advanced Management Program (INSEAD, France).



As a result of these changes, the role of chief executive Laminates & Panels which was based in Melbourne has been disestablished, and Paul Zuckerman has decided to leave Fletcher Building.

Fletcher Building chief executive officer Mark Adamson said the new divisional structure reflected the changes to the business portfolio, with a number of businesses divested over the past two years and the acquisition of Higgins announced today.

“We have made significant progress in reshaping our portfolio, with a focus on divesting non-core businesses and investing where we see the strongest opportunity to further grow earnings. The new structure we have announced today accommodates the changes to the portfolio. At the same time it will allow like activities to be grouped together and operating efficiencies to be pursued.

“Under the new structure, Matt Crockett will have responsibility for all of our core manufacturing operations in New Zealand and Australia. Dean Fradgley will have all distribution activities reporting into him. It has become increasingly clear that some of our businesses that were seen as manufacturing operations are really driven by end-to-end service propositions, with less manufacturing input and greater value provided by the service offering. As such, it makes sense to group these activities within the distribution division.

“We have also taken the opportunity to combine our international businesses under one executive. Francisco will have responsibility for the Laminex and Formica businesses as well as our Roof Tiles business. Given their global span of operations, there is a clear benefit in having these businesses managed under one senior leader.

“Our residential development business has grown substantially, and we expect to continue to expand earnings from this activity over the next several years. In addition, we have identified the opportunity to further develop our existing commercial and industrial land holdings, and Steve Evans will pick up responsibility for this in his new role.

“With the creation of the Chief Transformation Officer role, we will have a dedicated senior executive who will be focussed on accelerating the growth and cost reduction initiatives. Building on the FBUnite transformation programme, we have identified significant further opportunity to eliminate inefficiencies and improve our sales and marketing capabilities. Lee will be responsible for delivering on these opportunities”, Mr Adamson said.

A summary of the new divisional structure and the business composition of each division can be found in **Appendix One**.

Financial results for the half year to 31 December 2015 will be reported on the basis of the new divisional structure. Prior period figures have been prepared on the basis of the new divisional structure and are summarised in **Appendix Two**.

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