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This Annual Report is dated 21 August 2019 and is signed on behalf of the Board by:



**Bruce Hassall**  
Chair



**Robert McDonald**  
Director

# Chair's Report



Bruce Hassall, Chair.

## Dear Shareholders

I am pleased to present the annual report of Fletcher Building Industries Limited (the "Company") for the year ended 30 June 2019.

Fletcher Building Industries Limited is a wholly owned subsidiary of Fletcher Building Limited (the "Group"). The contents of this annual report should be read in conjunction with the Fletcher Building Limited 2019 annual report which can be viewed at [www.fletcherbuilding.com](http://www.fletcherbuilding.com).

## Results for the year

Net earnings after tax for the year to 30 June 2019 were \$66 million (2018: loss of \$35 million). Shareholders' funds increased to \$442 million from \$380 million at 30 June 2018.

## Business activities

The Company has issued capital notes and those funds have been invested in other Fletcher Building group companies. The Company owns 20 per cent of the shares in Fletcher Building Holdings New Zealand Limited which currently holds all of the shares in the Group's New Zealand operating subsidiaries.

## Fletcher Building Group performance

Fletcher Building Limited guarantees all of the capital notes issued by Fletcher Building Industries Limited on an unsecured subordinated basis. The financial performance of the Company should be considered in conjunction with the financial statements of the Group. The Group reported net earnings of \$164 million for the year ended 30 June 2019, compared to losses of \$190 million in prior year. The prior year result was due to the recognition of significant provisions in the Building + Interiors business unit.

The financial position of the Company is dependent on that of Fletcher Building Limited. Further information on the operations and performance of Fletcher Building Limited is available on its website, [www.fletcherbuilding.com](http://www.fletcherbuilding.com), and I recommend that you take the opportunity to review it.

A handwritten signature in black ink, appearing to read 'Bruce Hassall', written over a light blue horizontal line.

Bruce Hassall  
Chair

# Financial Statements

## Income statement

FOR THE YEAR ENDED 30 JUNE 2019

|  | Notes | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|--|-------|------------------|------------------|
| Share of profits/(losses) of associate         | 4     | 90,674           | (10,668)         |
| Earnings/(losses) before interest and taxation |       | 90,674           | (10,668)         |
| Funding costs                                  | 2     | (34,421)         | (34,064)         |
| Earnings/(losses) before taxation              |       | 56,253           | (44,732)         |
| Taxation benefit                               | 3     | 9,638            | 9,538            |
| <b>Net earnings/(losses)</b>                   |       | <b>65,891</b>    | <b>(35,194)</b>  |

## Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2019

|   | Notes | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|---|-------|------------------|------------------|
| Net earnings/(losses)                           |       | 65,891           | (35,194)         |
| Share of associate's other comprehensive income | 4     | (173)            | 855              |
| <b>Total comprehensive income/(loss)</b>        |       | <b>65,718</b>    | <b>(34,339)</b>  |

## Statement of movements in equity

FOR THE YEAR ENDED 30 JUNE 2019

|   | Notes | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|---|-------|------------------|------------------|
| Total equity at the beginning of the year |       | 380,159          | 414,498          |
| Impact from associate adopting NZ IFRS 15 |       | (3,479)          |                  |
| Total comprehensive income/(loss)         |       | 65,718           | (34,339)         |
| <b>Total equity</b>                       |       | <b>442,398</b>   | <b>380,159</b>   |

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## Financial Statements (Continued)

### Balance sheet

AS AT 30 JUNE 2019

| Assets                               | Notes | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|--------------------------------------|-------|------------------|------------------|
| <i>Current assets:</i>               |       |                  |                  |
| Amounts owed by related companies    | 13    | 129,261          | 103,000          |
| Current tax asset                    | 8     | 9,638            | 9,538            |
| <b>Total current assets</b>          |       | <b>138,899</b>   | 112,538          |
| <i>Non-current assets:</i>           |       |                  |                  |
| Investment in associate              | 4     | 910,673          | 943,651          |
| <b>Total non-current assets</b>      |       | <b>910,673</b>   | 943,651          |
| <b>Total assets</b>                  |       | <b>1,049,572</b> | 1,056,189        |
| <b>Liabilities</b>                   |       |                  |                  |
| <i>Current liabilities:</i>          |       |                  |                  |
| Accrued interest                     |       | 7,174            | 6,827            |
| Amounts owed to related companies    | 13    |                  | 19,203           |
| Capital notes                        | 9     | 200,000          | 150,000          |
| <b>Total current liabilities</b>     |       | <b>207,174</b>   | 176,030          |
| <i>Non-current liabilities:</i>      |       |                  |                  |
| Capital notes                        | 9     | 400,000          | 500,000          |
| <b>Total non-current liabilities</b> |       | <b>400,000</b>   | 500,000          |
| <b>Total liabilities</b>             |       | <b>607,174</b>   | 676,030          |
| <b>Equity</b>                        |       |                  |                  |
| Reported capital                     | 5     | 346,000          | 346,000          |
| Reserves                             | 6, 7  | 96,398           | 34,159           |
| <b>Total equity</b>                  |       | <b>442,398</b>   | 380,159          |
| <b>Total liabilities and equity</b>  |       | <b>1,049,572</b> | 1,056,189        |

The accompanying notes form part of and are to be read in conjunction with these financial statements.

On behalf of the Board 21 August 2019



**Bruce Hassall**  
Chair



**Robert McDonald**  
Director

## Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2019

|   | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|---|------------------|------------------|
| <i>Cash flow from operating activities:</i> |                  |                  |
| Dividend received                           | 70,000           | 40,000           |
| Interest paid                               | (34,074)         | (36,175)         |
| <b>Net cash from operating activities</b>   | <b>35,926</b>    | <b>3,825</b>     |
| <i>Cash flow from investing activities:</i> |                  |                  |
| Purchase of investments in associate        |                  | (150,000)        |
| Capital redemption by associate             | 50,000           |                  |
| <b>Net cash from investing activities</b>   | <b>50,000</b>    | <b>(150,000)</b> |
| <i>Cash flow from financing activities:</i> |                  |                  |
| Advances from related companies             | (35,926)         | (3,825)          |
| Issue of capital notes                      | 100,000          | 250,000          |
| Redemption of capital notes                 | (150,000)        | (100,000)        |
| <b>Net cash from financing activities</b>   | <b>85,926</b>    | <b>146,175</b>   |
| Net movement in cash held                   |                  |                  |
| Add opening cash and liquid deposits        |                  |                  |
| <b>Closing cash and liquid deposits</b>     |                  |                  |

## Reconciliation of net earnings to net cash from operating activities

FOR THE YEAR ENDED 30 JUNE 2019

|   | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|---|------------------|------------------|
| Cash was received from net earnings                             | 65,891           | (35,194)         |
| <i>Adjustment for items not involving cash and other items:</i> |                  |                  |
| Share of profits from associate                                 | (90,674)         | 10,668           |
| Dividend received from associate                                | 70,000           | 40,000           |
| Taxation  | (9,638)          | (9,538)          |
| Accruals  | 347              | (2,111)          |
| <b>Net cash from operating activities</b>                       | <b>35,926</b>    | <b>3,825</b>     |

## Financial Statements (Continued)

### Statement of accounting policies

FOR THE YEAR ENDED 30 JUNE 2019

#### GENERAL INFORMATION

The financial statements presented are those of Fletcher Building Industries Limited (the Company).

The Company is domiciled in New Zealand, is a Financial Markets Conduct Act 2013 reporting entity in terms of the Financial Reporting Act 2013 and is a for-profit entity.

The registered office of the Company is 810 Great South Road, Penrose, Auckland.

The Company is a wholly owned subsidiary of Fletcher Building Limited (Fletcher Building), which is also the ultimate holding company.

#### Nature of operations

The Company continues to own 20 per cent of the shares in Fletcher Building Holdings New Zealand Limited (FBHNZL).

The Company accounts for this investment in its financial statements using the equity method (refer note 4).

FBHNZL is incorporated in New Zealand, is an unlisted corporate holding company and currently holds all of the shares in Fletcher Building's New Zealand operating subsidiaries.

The Company is therefore exposed to the trading risks of those New Zealand businesses, particularly through the building products and construction cycle. However, the capital notes are subject to a guarantee from Fletcher Building. Further details are provided in notes 9 and 11.

#### BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards.

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional and presentation currency and rounded to the nearest thousand unless otherwise stated.

The financial statements comprise the income statement, statement of comprehensive income, statement of movements in equity, balance sheet, statement of cash flows, and statement of accounting policies, as well as the notes to these financial statements.

#### Accounting convention

The financial statements are based on the general principles of historical cost accounting, except that certain financial assets and liabilities, as described below are stated at their fair value.

The accounting policies have been applied consistently throughout all periods presented, except as disclosed below, "Changes in accounting policies."

#### Estimates

There are no significant estimates or judgements made in preparing these financial statements.

#### VALUATION OF ASSETS

##### Associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method.

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in the income statement, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment when declared.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

#### VALUATION OF LIABILITIES

##### Taxation

The provision for current tax is the estimated amount due for payment during the next 12 months by the Company. The provision for deferred tax has been calculated using the balance sheet liability method. Deferred tax is recognised on the temporary difference between the carrying amount of assets and liabilities and their taxable value. Deferred tax assets are not recognised unless recovery is considered probable.

#### Borrowings

Interest bearing borrowings are initially recognised at fair value on transaction date, less directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

#### Creditors

Trade creditors and other liabilities are stated at cost or estimated liability where accrued.

#### Provisions

A provision is recognised when the Group has a current obligation and it is probable that an economic benefit will be required to settle it.

#### Intercompany guarantees

Where the Company enters into financial guarantee contracts to guarantee the performance or indebtedness of other companies within the Fletcher Building Limited Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### EQUITY

##### Income determination

##### Funding costs

Net funding costs comprise interest expense, interest income, amortisation of prepaid expenses and gains/losses on certain financial instruments that are recognised in the income statement.

Interest expense and income is recognised on an accrual basis in the income statement using the effective interest method.

# Notes to the Financial Statements

## 1. CHANGES IN ACCOUNTING POLICIES

The following sets out the new accounting standards and amendments to standards that were applicable to the Company from 1 July 2018.

### NZ IFRS 15 *Revenue from Contracts with Customers*

The Company adopted NZ IFRS 15 from 1 July 2018 using the modified retrospective approach. As a result, the Company's associate has restated its opening equity position as at 1 July 2018 by \$18 million to reflect the impact of transitioning to NZ IFRS 15. This adjustment primarily reflects the change in the timing of the recognition of revenue from house sales in the Residential division.

In line with the requirements of the standard with regards to the transition option adopted, the Company has not restated the comparative information presented, which continues to be reported under previous revenue standards, NZ IAS 11 and NZ IAS 18.

On adoption of NZ IFRS 15, the Company has revised its accounting policies for revenue recognition (where applicable) which are disclosed in the Fletcher Building Group financial statements.

A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board and the External Reporting Board in New Zealand that are not yet effective and have not been early adopted by the Company. Those which may be relevant to the Company are set out below:

### NZ IFRS 16 *Leases*

NZ IFRS 16 was issued in February 2016 and will be effective for the Company for the period beginning 1 July 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. NZ IFRS 16 replaces NZ IAS 17 and the related interpretations. For lessees, NZ IFRS 16 removes the distinction between operating leases and finance leases and introduces a single lessee accounting model which requires right-of-use assets and lease liabilities to be recognised for most lease contracts.

The Company intends to adopt the standard using the modified retrospective approach. A cumulative catch-up adjustment to retained earnings as at 1 July 2019 is required for leases where NZ IFRS 16 has been applied from lease commencement, however prior year comparatives will not be restated.

#### Financial Impact

The Company has not entered into any lease arrangements and as a result there is no impact on the Company as a result of the adoption of NZ IFRS 16. However, for FBHNZL, which is equity accounted for in these financial statements, the adoption of NZ IFRS 16 will have a significant impact. FBHNZL has a large number of leases, consisting of property, mobile plant and heavy machinery, commercial and passenger vehicles and IT equipment. On 1 July 2019, FBHNZL will recognise lease liabilities of approximately \$0.9 billion, and right-of-use assets of \$0.8 billion in its consolidated balance sheet. An adjustment of \$0.1 billion will be made to its retained earnings to recognise the front-loading of interest expense in the early years of the leases.

FBHNZL expects this to result in a reduction to net earnings before tax of \$7 million in FY20. There is no impact to net earnings from a lease over its full life cycle.

As a result, the adoption of NZ IFRS 16 will impact the Company's results to the extent of its 20 per cent investment in FBHNZL.

| 2. FUNDING COSTS   | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|--|------------------|------------------|
| Capital notes interest expense                                 | 35,305           | 32,443           |
| Bank fees, share registry and issue expenses                   | 163              | 966              |
| Interest (income)/expense - Fletcher Building Limited advances | (1,047)          | 655              |
|  | 34,421           | 34,064           |



## Notes to the Financial Statements (Continued)

### 3. TAXATION BENEFIT

|                                   | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|-----------------------------------|------------------|------------------|
| Earnings/(losses) before taxation | 56,253           | (44,732)         |
| Taxation at 28 cents per dollar   | (15,751)         | 12,525           |
| <i>Adjusted for:</i>              |                  |                  |
| Non assessable income             | 25,389           | (2,987)          |
|                                   | 9,638            | 9,538            |

### 4. INVESTMENT IN ASSOCIATE

|   | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|---|------------------|------------------|
| <b>Carrying amount of associate</b>                     |                  |                  |
| Carrying amount at the beginning of the year            | 943,651          | 843,464          |
| Impact from associate adopting NZ IFRS 15               | (3,479)          |                  |
| Share of profits/(losses) of associate                  | 90,674           | (10,668)         |
| Share of associate's other comprehensive income/(loss)  | (173)            | 855              |
| Investment in associate                                 |                  | 150,000          |
| Capital redemption by associate                         | (50,000)         |                  |
| Dividend received from associate                        | (70,000)         | (40,000)         |
| <b>Investment in associate</b>                          | <b>910,673</b>   | <b>943,651</b>   |
| <b>Associate information</b>                            |                  |                  |
| <b>Balance sheet information for associate – 100%</b>   |                  |                  |
| External assets   | 3,566,508        | 3,612,615        |
| External liabilities                                    | (1,185,701)      | (1,479,989)      |
| Debt  | (58,361)         | (57,953)         |
| Intercompany  | 778,867          | 1,181,226        |
| Non-controlling interest                                | (30,433)         | (20,131)         |
| <b>Equity</b>   | <b>3,070,890</b> | <b>3,235,768</b> |
| Equity – Company share – 20%                            | 614,176          | 647,154          |
| Goodwill acquired at cost                               | 296,497          | 296,497          |
| <b>Investment in associate</b>                          | <b>910,673</b>   | <b>943,651</b>   |
| <b>Equity accounted earnings comprise:</b>              |                  |                  |
| <b>Summarised income statement for associate – 100%</b> |                  |                  |
| Sales   | 6,072,259        | 6,228,161        |
| Earnings/(losses) before interest and tax               | 344,789          | (145,880)        |
| Interest income   | 139,919          | 89,856           |
| Foreign exchange loss                                   | (830)            | (4,795)          |
| Earnings/(losses) before taxation                       | 483,878          | (60,819)         |
| Taxation (expense)/benefit                              | (30,510)         | 7,479            |
| Net earnings/(losses)                                   | 453,368          | (53,340)         |
| <b>Net earnings – Company share – 20%</b>               | <b>90,674</b>    | <b>(10,668)</b>  |

| <b>5. CAPITAL</b>                             | <b>2019<br/>NZ\$'000</b> | <b>2018<br/>NZ\$'000</b> |
|---|--------------------------|--------------------------|
| <i>Reported Capital:</i>                      |                          |                          |
| Reported capital at the beginning of the year | <b>346,000</b>           | 346,000                  |
|   | <b>346,000</b>           | 346,000                  |
| <i>Number of shares:</i>                      |                          |                          |
| Number of shares at the beginning of the year | <b>346,000</b>           | 346,000                  |
|   | <b>346,000</b>           | 346,000                  |

All ordinary shares are issued and fully paid, and carry equal rights in respect of voting, dividend payments and distribution upon winding up.

## 6. RESERVE MOVEMENTS

|  |                |          |
|--|----------------|----------|
| <i>Revenue reserve:</i>                      |                |          |
| Revenue reserve at the beginning of the year | <b>34,159</b>  | 68,498   |
| Impact from associate adopting NZ IFRS 15    | <b>(3,479)</b> |          |
| Net earnings/(losses)                        | <b>65,891</b>  | (35,194) |
| Other comprehensive income/(loss)            | <b>(173)</b>   | 855      |
|  | <b>96,398</b>  | 34,159   |

## 7. RESERVE BALANCES

|                           |               |        |
|---------------------------|---------------|--------|
| <i>Reserves comprise:</i> |               |        |
| Revenue reserve           | <b>96,398</b> | 34,159 |
|                           | <b>96,398</b> | 34,159 |

## 8. CURRENT TAX ASSET

|   |                |         |
|---|----------------|---------|
| Opening current tax asset                                     | <b>9,538</b>   | 8,407   |
| Taxation benefit in the income statement                      | <b>9,638</b>   | 9,538   |
| Related party receipt from Fletcher Building Holdings Limited | <b>(9,538)</b> | (8,407) |
|   | <b>9,638</b>   | 9,538   |

## 9. CAPITAL NOTES

|                            |                |         |
|----------------------------|----------------|---------|
| Listed capital notes       | <b>100,000</b> | 100,000 |
| Unlisted capital notes     | <b>100,000</b> | 50,000  |
| <b>Current portion</b>     | <b>200,000</b> | 150,000 |
| Listed capital notes       | <b>400,000</b> | 400,000 |
| Unlisted capital notes     |                | 100,000 |
| <b>Non-current portion</b> | <b>400,000</b> | 500,000 |
|                            | <b>600,000</b> | 650,000 |

## Notes to the Financial Statements (Continued)

### 9. CAPITAL NOTES (CONTINUED)

#### Listed capital notes

Listed capital notes are long-term fixed rate unsecured subordinated debt instruments that are traded instruments on the NZDX. The indebtedness of the Company in respect of the capital notes is guaranteed on an unsecured subordinated basis by Fletcher Building. On each election date, the coupon rate and term to the next election date of that series of the capital notes are reset. Holders may then choose either to keep their capital notes on the new terms or to convert the principal amount and any interest into shares of Fletcher Building, at approximately 98 per cent of the current market price. Instead of issuing shares to holders who choose to convert, Fletcher Building may, at its option, purchase or redeem the capital notes for cash at the principal amount plus any interest.

Under the terms of the capital notes, non-payment of interest is not an act of default although unpaid interest is accrued and is interest bearing at the same rate as the principal of the capital notes. Each of the Company and Fletcher Building has covenanted not to pay dividends to its shareholders while interest that is due and payable on capital notes has not been paid.

The weighted average interest rate on the listed capital notes is 5.09% (30 June 2018: 5.43%).

The listed capital notes do not carry voting rights and do not participate in any change in value of the issued shares of Fletcher Building. If the principal amount of the listed capital notes held at 30 June 2019 were to be converted to shares, 105 million (June 2018: 73 million) Fletcher Building shares would be issued at the share price as at 30 June 2019, of \$4.85 (June 2018: \$6.95).

At 30 June 2019 \$115 million (June 2018: \$84 million) of listed capital notes were held by Fletcher Buildings Holdings Limited as treasury stock.

#### Unlisted capital notes

Unlisted capital notes are not listed on the NZDX. The Company can redeem the unlisted capital notes for cash at par within the next 12 months depending on the tranche and otherwise in certain defined circumstances. If the notes are not repaid by the Company, the holder has the right to request conversion of the capital notes into ordinary shares of Fletcher Building Limited at 95 per cent of volume weighted average share price calculated over a period before the time of conversion. If the unlisted capital notes are not redeemed or converted within the next 12 months, these rights of redemption and conversion arise on each subsequent quarterly interest payment date.

The unlisted capital notes do not carry voting rights and do not participate in any change in value of the issued shares of Fletcher Building Limited. If the principal amount of the unlisted capital notes held at 30 June 2019 were to be converted to shares, 22 million (June 2018: 23 million) Fletcher Building Limited shares would be issued.

|   | 2019        | 2018 |
|---|-------------|------|
| <b>Net tangible asset backing per capital note issued as at 30 June</b> | <b>1.74</b> | 1.58 |

### 10. CREDIT RATING

The Company has not sought and does not hold a credit rating from an accredited rating agency.

### 11. FINANCIAL RISK MANAGEMENT OVERVIEW

Exposures to credit, liquidity, currency and interest rate risks arise in the normal course of the Company's business. The Company is a wholly owned subsidiary of Fletcher Building Limited and does not have an independent policy regarding capital structure, credit, liquidity, currency and interest rates but is governed by Fletcher Building's principles and policy documents approved by the Board. The policy documents identify the risks and sets out Fletcher Building's objectives, policies and processes to measure, manage and report the risk. The policies are reviewed periodically to reflect changes in financial markets and the Fletcher Building's businesses. Risk management is carried out by Fletcher Building's central treasury function, which ensures compliance with the risk management policies and procedures.

The Company does not enter into derivative financial instruments for trading or speculative purposes. All derivative transactions entered into are to hedge risk on underlying exposures arising from normal business activities.

The financial position of the Company is dependent on that of Fletcher Building Limited.

#### Risks and mitigation

##### (a) Credit risk

To the extent the Company has a receivable from another party there is a credit risk in the event of non-performance by that counterparty which arises principally from receivables from customers, derivative financial instruments and short-term cash deposits. The Company only has credit risk exposure to Fletcher Building and has no external credit risk exposure.

The Company has not renegotiated the terms of any financial assets that would otherwise be past due or impaired.

## (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments as they fall due. Fletcher Building manages the liquidity risk of the Company by having a spread of maturity dates of Fletcher Building's debt facilities. Furthermore, at 30 June 2019, Fletcher Building had \$2,257 million of committed funding facilities of which \$667 million were undrawn (June 2018: \$2,705 million; \$828 million) as well as \$1,160 million short term deposits (June 2018: \$425 million).

The following maturity analysis table sets out the remaining contractual undiscounted cash flows, including estimated interest payments for non-derivative liabilities. Creditors and accruals are excluded from this analysis as they are not part of the Company's assessment of liquidity risk because they are offset by debtors with similar payment terms.

| 2019   |                                    |                          |                         |                         |
|--|------------------------------------|--------------------------|-------------------------|-------------------------|
|  | Contractual cash flows<br>NZ\$'000 | Up to 1 year<br>NZ\$'000 | 1 – 2 years<br>NZ\$'000 | 2 – 5 years<br>NZ\$'000 |
| Capital notes  | 600,000                            | 200,000                  | 100,000                 | 300,000                 |
| <b>Non-derivative liabilities – Principal cash flows</b> | <b>600,000</b>                     | <b>200,000</b>           | <b>100,000</b>          | <b>300,000</b>          |
| Contractual interest cash flows                          | 78,648                             | 29,298                   | 19,650                  | 29,700                  |
| <b>Total contractual cash flows</b>                      | <b>678,648</b>                     | <b>229,298</b>           | <b>119,650</b>          | <b>329,700</b>          |

| 2018   |                                    |                          |                         |                         |
|--|------------------------------------|--------------------------|-------------------------|-------------------------|
|  | Contractual cash flows<br>NZ\$'000 | Up to 1 year<br>NZ\$'000 | 1 – 2 years<br>NZ\$'000 | 2 – 5 years<br>NZ\$'000 |
| Capital notes  | 650,000                            | 150,000                  | 200,000                 | 300,000                 |
| <b>Non-derivative liabilities – Principal cash flows</b> | <b>650,000</b>                     | <b>150,000</b>           | <b>200,000</b>          | <b>300,000</b>          |
| Contractual interest cash flows                          | 89,471                             | 35,046                   | 24,675                  | 29,750                  |
| <b>Total contractual cash flows</b>                      | <b>739,471</b>                     | <b>185,046</b>           | <b>224,675</b>          | <b>329,750</b>          |

## (c) Interest rate risk

Interest rate risk is the risk that the value of borrowings or cash flows associated with borrowings will change due to changes in market interest. Fletcher Building manages the fixed interest rate component of its debt and capital notes obligations of the Company and aims to maintain this ratio between certain ranges over specific time periods. Cross currency interest rate swaps, interest rate swaps and forward rate agreements and options are used by Fletcher Building to manage this position.

The following tables set out the interest rate repricing profile of financial assets and liabilities:

|                    | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|--------------------|------------------|------------------|
| Floating           | 100,000          | 150,000          |
| Fixed up to 1 year | 100,000          | 100,000          |
| Fixed 1 – 2 years  | 100,000          | 100,000          |
| Fixed 2 – 5 years  | 300,000          | 300,000          |
| Fixed over 5 years |                  |                  |
| <b>Total</b>       | <b>600,000</b>   | <b>650,000</b>   |

## (d) Sensitivity analysis

Foreign currency and interest rate risk is governed and managed by Fletcher Building. It is estimated a 100 basis point increase in interest rates would result in an increase in the Company's interest costs in a year by approximately \$1.0 million on the Company's debt portfolio exposed to floating rates at balance date (June 2018: \$1.5 million). The sensitivity analysis is included in Fletcher Building financial statements.



## Notes to the Financial Statements (Continued)

### (e) Fair values

The estimated fair values of the Company's financial assets and liabilities compared to their carrying values in the balance sheet, are as follows:

|                                    |                       | 2019                       |                        | 2018                       |                        |
|------------------------------------|-----------------------|----------------------------|------------------------|----------------------------|------------------------|
|                                    | Classifications       | Carrying value<br>NZ\$'000 | Fair value<br>NZ\$'000 | Carrying value<br>NZ\$'000 | Fair value<br>NZ\$'000 |
| Capital notes                      | Amortised cost        | 600,000                    | 619,605                | 650,000                    | 669,033                |
| Amounts owing by related companies | Loans and receivables | 129,261                    | 129,261                | 83,797                     | 83,797                 |

### Fair value measurement

No financial instruments are measured and recognised at fair value.

### Fair value disclosures

The fair values of borrowings used for disclosure are measured by discounting future principal and interest cash flows at the current market interest rate that are available for similar financial instruments.

The interest rates across all currencies used to discount future principal and interest cash flows are between 3.30% and 3.55% (June 2018: 4.50% and 4.95%) including margins.

## 12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 30 June 2019 (June 2018: Nil).

Fletcher Building borrows certain funds based on covenants and a negative pledge arrangement. The principal borrowing covenants relate to gearing and interest cover. Fletcher Building was in compliance with all debt facility covenants during the year.

The negative pledge includes a cross guarantee between a number of wholly owned subsidiaries and ensures that external senior indebtedness ranks equally in all respects, and includes the covenant that security can be given only in very limited circumstances. The cross guarantee states that Fletcher Building Limited and certain of its subsidiaries, including the Company, guarantee the debt of the consolidated Fletcher Building Limited Group that has the benefit of the negative pledge arrangement.

As at 30 June 2019 the guaranteeing group had debt subject to the negative pledge arrangement and covenants of \$1,062 million (June 2018: \$1,253 million).

## 13. RELATED PARTY TRANSACTIONS

|   | 2019<br>NZ\$'000 | 2018<br>NZ\$'000 |
|---|------------------|------------------|
| <i>Amount owing from/(to) related companies:</i>              |                  |                  |
| Fletcher Challenge Finance Investments Limited <sup>(1)</sup> | 118,602          | 103,000          |
| Fletcher Building Limited <sup>(2)</sup>                      | 10,659           | (19,203)         |
| Total   | 129,261          | 83,797           |

<sup>(1)</sup> This unsecured advance is non-interest bearing.

<sup>(2)</sup> This unsecured advance is at call and pays 7.5% interest.

The audit fee is borne by the Company's parent.

# Independent Auditor's Report



Chartered Accountants

## Independent Auditor's Report To the Shareholder of Fletcher Building Industries Limited

### REPORT ON THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Fletcher Building Industries Limited ("FBIL" or "the Company"), on pages 4 to 13, which comprise the balance sheet as at 30 June 2019, and the income statement, statement of comprehensive income, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 13 present fairly, in all material respects, the financial position of FBIL as at 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholder. Our audit has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinions we have formed.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with Professional and Ethical Standard 1 (revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in FBIL. Ernst & Young has provided tax advisory and other assurance services to various companies within the Fletcher Building Limited Group ("the Group"). Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

## Accounting for investment in associate

### Why significant

The Company owns 20 per cent of the shares in Fletcher Building Holdings New Zealand Limited ("FBHNZ") which currently holds all of the shares in Fletcher Building Limited's New Zealand operating subsidiaries. This represents the vast majority of the Company's assets.

The investment in FBHNZ is accounted for using the equity method. The carrying value of the investment includes goodwill, net of any impairment loss, and is therefore considered for impairment on an annual basis.

Refer to note 4 'Investment in associate'.

### How our audit addressed the key audit matter

In obtaining sufficient appropriate audit evidence, we:

- evaluated the basis of accounting and its appropriateness;
- recalculated the share of the equity accounted profits including dividend receipts;
- evaluated the Company's assessment of the carrying value of the investment; and
- assessed the adequacy of the disclosures in the financial statements.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The directors of FBIL are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

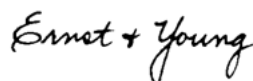
In preparing the financial statements, the directors are responsible for assessing FBIL's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Simon O'Connor.



Chartered Accountants  
Auckland

21 August 2019

## Statutory Disclosures

Fletcher Building Industries Limited has issued 500,000,000 capital notes that are quoted on the NZX Debt Market (NZDX). These capital notes can (subject to their terms) convert to Fletcher Building Limited ordinary shares on the basis of 98% of the then current market value of the shares. Unless the capital notes convert into Fletcher Building Limited ordinary shares, they carry no voting rights in Fletcher Building Limited. Fletcher Building Holdings Limited held 115,289,918 capital notes as at 30 June 2019.

### DISTRIBUTION OF NOTEHOLDERS AND HOLDINGS AS AT 30 JUNE 2019

Detailed below is the distribution of noteholders and holdings as at 30 June 2019 in the respective classes of capital notes issued by Fletcher Building Industries Limited.

| Size of holding                                     | Number of noteholders |        | Holding quantity | % of holding quantity |
|---|-----------------------|--------|------------------|-----------------------|
| 5.80% Capital Notes maturing 15 March 2020 (FBI140) |                       |        |                  |                       |
| 1 - 1,000   | 1                     | 0.06   | 1,000            | 0.00                  |
| 1,001 - 5,000                                       | 575                   | 35.74  | 1,835,750        | 1.84                  |
| 5,001 - 10,000                                      | 393                   | 24.43  | 3,130,000        | 3.13                  |
| 10,001 - 100,000                                    | 588                   | 36.54  | 17,556,000       | 17.55                 |
| 100,001 and over                                    | 52                    | 3.23   | 77,477,250       | 77.48                 |
| Total   | 1,609                 | 100.00 | 100,000,000      | 100.00                |
| 4.75% Capital Notes maturing 15 March 2021 (FBI150) |                       |        |                  |                       |
| 1,001 - 5,000                                       | 159                   | 12.17  | 786,000          | 0.79                  |
| 5,001 - 10,000                                      | 318                   | 24.33  | 3,023,000        | 3.02                  |
| 10,001 - 100,000                                    | 768                   | 58.76  | 24,961,500       | 24.96                 |
| 100,001 and over                                    | 62                    | 4.74   | 71,229,500       | 71.23                 |
| Total   | 1,307                 | 100.00 | 100,000,000      | 100.00                |
| 5.00% Capital Notes maturing 15 March 2022 (FBI160) |                       |        |                  |                       |
| 1,001 - 5,000                                       | 191                   | 15.73  | 708,000          | 0.71                  |
| 5,001 - 10,000                                      | 292                   | 24.05  | 2,615,000        | 2.61                  |
| 10,001 - 100,000                                    | 679                   | 55.93  | 23,067,500       | 23.07                 |
| 100,001 and over                                    | 52                    | 4.29   | 73,609,500       | 73.61                 |
| Total   | 1,214                 | 100.00 | 100,000,000      | 100.00                |
| 5.00% Capital Notes maturing 15 March 2023 (FBI170) |                       |        |                  |                       |
| 1,001 - 5,000                                       | 270                   | 35.72  | 864,416          | 0.86                  |
| 5,001 - 10,000                                      | 180                   | 23.81  | 1,476,666        | 1.48                  |
| 10,001 - 100,000                                    | 287                   | 37.96  | 7,896,750        | 7.90                  |
| 100,001 and over                                    | 19                    | 2.51   | 89,762,168       | 89.76                 |
| Total   | 756                   | 100.00 | 100,000,000      | 100.00                |
| 4.90% Capital Notes maturing 15 March 2024 (FBI180) |                       |        |                  |                       |
| 1,001 - 5,000                                       | 135                   | 11.39  | 672,000          | 0.67                  |
| 5,001 - 10,000                                      | 295                   | 24.89  | 2,799,000        | 2.80                  |
| 10,001 - 100,000                                    | 701                   | 59.16  | 23,108,500       | 23.11                 |
| 100,001 and over                                    | 54                    | 4.56   | 73,420,500       | 73.42                 |
| Total   | 1,185                 | 100.00 | 100,000,000      | 100.00                |

### DIRECTORS HOLDING OF CAPITAL NOTES AS AT 30 JUNE 2019

| Class of Capital Notes                              | Cathy Quinn <sup>(1)</sup> | Antony Carter  |
|---|----------------------------|----------------|
| 5.80% Capital Notes maturing 15 March 2020 (FBI140) | 10,080,000                 | 50,000         |
| 4.75% Capital Notes maturing 15 March 2021 (FBI150) | 7,779,000                  | 50,000         |
| 5.00% Capital Notes maturing 15 March 2022 (FBI160) | 8,949,000                  |                |
| 5.00% Capital Notes maturing 15 March 2023 (FBI170) | 426,000                    | 50,000         |
| 4.90% Capital Notes maturing 15 March 2024 (FBI180) | 3,278,000                  |                |
| <b>Total</b>  | <b>30,512,000</b>          | <b>150,000</b> |

<sup>(1)</sup> Non-Beneficial interest as a Trustee of the St. Jude's Trust.

### NZX WAIVERS

There were no waivers granted by NZX or relied on by Fletcher Building Industries Limited in the 12 months preceding 30 June 2019.



## 20 LARGEST NOTEHOLDERS AS AT 30 JUNE 2019

| 5.80% Capital Notes maturing 15 March 2020 (FBI140)                   | Number of capital notes | % of FBI140 capital notes |
|---|-------------------------|---------------------------|
| Forsyth Barr Custodians Limited                                       | 18,405,750              | 18.41                     |
| Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn | 10,080,000              | 10.08                     |
| FNZ Custodians Limited  | 9,480,500               | 9.48                      |
| Citibank Nominees (New Zealand) Limited - NZCSD                       | 6,567,000               | 6.57                      |
| National Nominees New Zealand Limited - NZCSD                         | 5,401,000               | 5.40                      |
| Fletcher Building Nominees Limited                                    | 5,000,000               | 5.00                      |
| Investment Custodial Services Limited                                 | 2,011,500               | 2.01                      |
| Custodial Services Limited  | 1,711,000               | 1.71                      |
| Custodial Services Limited  | 1,391,000               | 1.39                      |
| Custodial Services Limited  | 1,134,000               | 1.13                      |
| Forsyth Barr Custodians Limited                                       | 1,017,000               | 1.02                      |
| Fletcher Building Educational Fund Limited                            | 1,000,000               | 1.00                      |
| JML Capital Limited   | 1,000,000               | 1.00                      |
| JBWere (NZ) Nominees Limited  | 852,000                 | 0.85                      |
| BNP Paribas Nominees (NZ) Limited - NZCSD                             | 838,000                 | 0.84                      |
| Custodial Services Limited  | 775,500                 | 0.77                      |
| New Zealand Permanent Trustees Limited - NZCSD                        | 687,000                 | 0.69                      |
| The Fletcher Trust  | 632,500                 | 0.63                      |
| FNZ Custodians Limited  | 586,000                 | 0.59                      |
| Darryl Edward Gregory & Emma Stephanie Gregory & Paul Ronald Gregory  | 500,000                 | 0.50                      |
| Fletcher Building Welfare Fund Nominees Limited                       | 500,000                 | 0.50                      |
| HSBC Nominees (New Zealand) Limited - NZCSD                           | 500,000                 | 0.50                      |
| <b>Total</b>  | <b>70,069,750</b>       | <b>70.07</b>              |

| 4.75% Capital Notes maturing 15 March 2021 (FBI150)                   | Number of capital notes | % of FBI150 capital notes |
|---|-------------------------|---------------------------|
| FNZ Custodians Limited  | 16,644,000              | 16.64                     |
| Forsyth Barr Custodians Limited                                       | 10,042,000              | 10.04                     |
| Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn | 7,779,000               | 7.78                      |
| Citibank Nominees (New Zealand) Limited - NZCSD                       | 4,010,000               | 4.01                      |
| Fletcher Building Educational Fund Limited                            | 4,000,000               | 4.00                      |
| Forsyth Barr Custodians Limited                                       | 2,375,000               | 2.38                      |
| Custodial Services Limited  | 1,816,000               | 1.82                      |
| NZPT Custodians (Grosvenor) Limited - NZCSD                           | 1,500,000               | 1.50                      |
| Custodial Services Limited  | 1,308,500               | 1.31                      |
| Custodial Services Limited  | 1,283,000               | 1.28                      |
| FNZ Custodians Limited  | 1,276,000               | 1.28                      |
| Jarden Custodians Limited   | 1,210,000               | 1.21                      |
| Graeme Laurence Beckett & Janine Dale Beckett & Alan Murray Paterson  | 1,100,000               | 1.10                      |
| Invercargill Licensing Trust  | 1,000,000               | 1.00                      |
| JML Capital Limited   | 1,000,000               | 1.00                      |
| FNZ Custodians Limited  | 948,000                 | 0.95                      |
| Investment Custodial Services Limited                                 | 939,000                 | 0.94                      |
| JBWere (NZ) Nominees Limited  | 752,000                 | 0.75                      |
| Custodial Services Limited  | 750,000                 | 0.75                      |
| Custodial Services Limited  | 695,000                 | 0.69                      |
| <b>Total</b>  | <b>60,427,500</b>       | <b>60.43</b>              |

| 5.00% Capital Notes maturing 15 March 2022 (FBI160)                   | Number of capital notes | % of FBI160 capital notes |
|---|-------------------------|---------------------------|
| FNZ Custodians Limited  | 15,818,000              | 15.82                     |
| Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn | 8,949,000               | 8.95                      |
| Forsyth Barr Custodians Limited                                       | 8,325,500               | 8.33                      |
| Custodial Services Limited  | 5,006,500               | 5.01                      |
| Custodial Services Limited  | 4,571,000               | 4.57                      |
| Custodial Services Limited  | 4,212,500               | 4.21                      |
| Investment Custodial Services Limited                                 | 2,593,000               | 2.59                      |
| Custodial Services Limited  | 2,291,000               | 2.29                      |
| Norwood Investments Ltd   | 2,000,000               | 2.00                      |

| <b>5.00% Capital Notes maturing 15 March 2022 (FBI160) (continued)</b> | <b>Number of capital notes</b> | <b>% of FBI160 capital notes</b> |
|--|--------------------------------|----------------------------------|
| The Tindall Foundation Inc   | 2,000,000                      | 2.00                             |
| Custodial Services Limited   | 1,920,500                      | 1.92                             |
| University of Otago Foundation Trust                                   | 1,550,000                      | 1.55                             |
| NZPT Custodians (Grosvenor) Limited - NZCSD                            | 1,491,000                      | 1.49                             |
| JBWere (NZ) Nominees Limited   | 1,290,000                      | 1.29                             |
| FNZ Custodians Limited   | 1,058,000                      | 1.06                             |
| Fletcher Building Educational Fund Limited                             | 1,000,000                      | 1.00                             |
| Woolf Fisher Trust Incorporated  | 1,000,000                      | 1.00                             |
| ANZ Custodial Services New Zealand Limited - NZCSD                     | 789,000                        | 0.79                             |
| Custodial Services Limited   | 737,000                        | 0.74                             |
| FNZ Custodians Limited   | 625,000                        | 0.62                             |
| <b>Total</b>   | <b>67,227,000</b>              | <b>67.23</b>                     |

| <b>5.00% Capital Notes maturing 15 March 2023 (FBI170)</b>            | <b>Number of capital notes</b> | <b>% of FBI170 capital notes</b> |
|---|--------------------------------|----------------------------------|
| Fletcher Building Holdings Limited                                    | 83,844,918                     | 83.84                            |
| Investment Custodial Services Limited                                 | 1,786,250                      | 1.79                             |
| FNZ Custodians Limited  | 1,187,500                      | 1.19                             |
| Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn | 426,000                        | 0.42                             |
| Custodial Services Limited  | 290,000                        | 0.29                             |
| Custodial Services Limited  | 277,000                        | 0.28                             |
| Forsyth Barr Custodians Limited                                       | 218,500                        | 0.22                             |
| Custodial Services Limited  | 211,000                        | 0.21                             |
| JBWere (NZ) Nominees Limited  | 205,000                        | 0.20                             |
| Stephen Paul Greenwood & Diane Denise Greenwood                       | 200,000                        | 0.20                             |
| Custodial Services Limited  | 177,500                        | 0.18                             |
| Custodial Services Limited  | 141,500                        | 0.14                             |
| JBWere (NZ) Nominees Limited  | 140,000                        | 0.14                             |
| Susan Trustee Limited   | 120,000                        | 0.12                             |
| International Technical Services Limited                              | 115,000                        | 0.11                             |
| Alan Richard Millward & Alistair Jeffrey Nicholson                    | 107,000                        | 0.11                             |
| MA Investments Two Limited  | 106,000                        | 0.11                             |
| Burgess Investments Limited   | 105,500                        | 0.11                             |
| Paul Dale Callister   | 103,500                        | 0.10                             |
| Carol Reta Ellison & Stephen Richard Thompson                         | 100,000                        | 0.10                             |
| Henry & William Williams Memorial Trust Incorporated                  | 100,000                        | 0.10                             |
| John David Dawn & Seok Moi Dawn                                       | 100,000                        | 0.10                             |
| Sturco House Limited  | 100,000                        | 0.10                             |
| Veronica Martha Creighton   | 100,000                        | 0.10                             |
| Wayne David Handisides & Carol Lesley Hancock                         | 100,000                        | 0.10                             |
| <b>Total</b>  | <b>90,362,168</b>              | <b>90.36</b>                     |

| <b>4.90% Capital Notes maturing 15 March 2024 (FBI180)</b>                        | <b>Number of capital notes</b> | <b>% of FBI180 capital notes</b> |
|---|--------------------------------|----------------------------------|
| Fletcher Building Holdings Limited  | 31,445,000                     | 31.45                            |
| FNZ Custodians Limited  | 8,599,500                      | 8.60                             |
| Forsyth Barr Custodians Limited   | 5,835,000                      | 5.84                             |
| JBWere (NZ) Nominees Limited  | 4,579,000                      | 4.58                             |
| Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn             | 3,278,000                      | 3.28                             |
| Fletcher Building Educational Fund Limited  | 2,000,000                      | 2.00                             |
| Investment Custodial Services Limited   | 1,962,000                      | 1.96                             |
| New Zealand Methodist Trust Association   | 1,675,000                      | 1.67                             |
| John Maxwell Good & Robert Maxwell Good & Enyth Elgin Good & Jane Elgin Swinburne | 1,500,000                      | 1.50                             |
| Custodial Services Limited  | 1,201,000                      | 1.20                             |
| NZPT Custodians (Grosvenor) Limited - NZCSD                                       | 750,000                        | 0.75                             |
| Forsyth Barr Custodians Limited   | 663,000                        | 0.66                             |
| FNZ Custodians Limited  | 636,000                        | 0.64                             |
| Custodial Services Limited  | 612,000                        | 0.61                             |
| Custodial Services Limited  | 565,000                        | 0.56                             |
| Wide Trust Limited  | 500,000                        | 0.50                             |
| The Rebecca Chapel Charitable Trust   | 490,000                        | 0.49                             |
| Custodial Services Limited  | 463,000                        | 0.46                             |
| Chilcotin Investments Limited   | 300,000                        | 0.30                             |
| JBWere (NZ) Nominees Limited  | 300,000                        | 0.30                             |
| <b>Total</b>  | <b>67,353,500</b>              | <b>67.35</b>                     |

# Corporate Directory

## BOARD OF DIRECTORS

Bruce Hassall (Chair)  
Martin Brydon  
Tony Carter  
Barbara Chapman  
Rob McDonald  
Doug McKay  
Cathy Quinn  
Steve Vamos

## REGISTERED OFFICE

Fletcher Building Industries Limited  
810 Great South Road, Penrose  
Auckland 1061, New Zealand

Private Bag 92114  
Auckland 1142, New Zealand  
Phone: +64 9 525 9000  
Email: fbcomms@fbu.com

## TRUSTEE

Covenant Trustee Services Limited  
Level 6, 191 Queen Street  
Auckland 1010, New Zealand

PO Box 4243, Shortland Street  
Auckland 1140, New Zealand

Phone: +64 9 909 5100

The capital notes are constituted under a Trust Deed dated 12 November 2002 as consolidated and restated dated 12 November 2015. Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of the provisions of the Trust Deed.

## REGISTRY

Computershare Investor Services Limited (Computershare) looks after our capital notes register and is your first point of contact for any queries regarding your investment in Fletcher Building Industries Limited. You can view your investment portfolio, indicate your preference for electronic communications, supply your email address, change your details or update your payment instructions relating to Fletcher Building Industries at any time by visiting the Computershare Investor Centre at [www.investorcentre.com/nz](http://www.investorcentre.com/nz).

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Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)  
Web: [www.computershare.com/nz](http://www.computershare.com/nz)

### Direct crediting of interest payments

Interest on capital notes is paid semi-annually on 15 March and 15 September. To minimise the risk of fraud and misplacement of interest payment cheques, noteholders are strongly recommended to have all payments made by way of direct credit to their nominated bank account in New Zealand.

### Receiving your communications electronically

We encourage noteholders to receive investor communications electronically as it keeps costs down, delivery of our communications to you is faster and it is better for the environment. All you need to do is log in to [www.investorcentre.com/nz](http://www.investorcentre.com/nz) and update your 'Communication Preference' to enable us to send all your investor correspondence electronically where possible.

