

**FLETCHER BUILDING LIMITED
FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2015**

Auckland, August 19, 2015 - Fletcher Building today reported net earnings of \$270 million for the year ended 30 June 2015, compared with \$339 million in the 2014 financial year. The result included significant items totalling \$150 million relating to the impairment of goodwill and site closure costs. Net earnings before significant items were \$399 million, 10 per cent higher than the prior year.

Operating earnings (earnings before interest and tax) were \$503 million, compared with \$592 million in the prior year. Operating earnings excluding significant items were \$653 million, up 5 per cent on the prior year and in line with earnings guidance.

Cash flow from operations increased 18 per cent to \$575 million from \$489 million in the prior year. The increase was due to the growth in underlying operating earnings and reductions in working capital.

A final dividend of 19.0 cents per share will be paid on 14 October 2015, with full New Zealand tax credits attached, bringing the total dividend for the year to 37.0 cents per share. The dividend reinvestment plan will be operative for this dividend payment.

Fletcher Building chief executive officer Mark Adamson said the result was driven by a strong trading performance from the New Zealand based businesses.

“The New Zealand construction market was strong across the residential, commercial and infrastructure sectors, and we experienced strong volume growth in most of our businesses. Operating earnings before significant items for our New Zealand businesses were up 24 per cent compared with the prior year.

“Conditions in Australia were much more mixed, with a buoyant residential construction market but weak conditions in the mining, resources and infrastructure sectors. We experienced strong earnings growth in a number of businesses exposed to new housing construction, particularly Laminex, Fletcher Insulation and Tradelink, but our results were negatively impacted by the sudden fall in demand for plastic pipes from the coal seam gas sector,” Mr Adamson said.

Operating earnings beyond New Zealand and Australia were lower, with continued weak conditions in Europe and a more difficult trading environment experienced in China but a strong performance from Formica in North America.

Mark Adamson said the strong cash flow performance during the year meant the company had continued to maintain a sound financial position while accommodating higher capital expenditure levels and increased investment in Fletcher Living, the residential development business.

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Results overview

Comparisons are with the prior financial year ended 30 June 2014.

Revenue	\$8,661 million, up from \$8,401 million
Net earnings	\$270 million, down from \$339 million
Net earnings before significant items	\$399 million, up from \$362 million
Operating earnings (EBIT)	\$503 million, down from \$592 million
Operating earnings (EBIT) before significant items	\$653 million, up from \$624 million
Cash flow from operations	\$575 million, up from \$489 million
Basic earnings per share before significant items	58.0 cents per share, up from 52.7 cents
Final dividend	19.0 cents per share, The final dividend will be fully imputed for New Zealand taxation purposes.
Dividend payment dates	The dividend will be paid on 14 October 2015 to holders registered as at 5.00 pm Friday 25 September 2015 (NZT). The shares will be quoted on an ex-dividend basis from 23 September 2015 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 Monday 28 September 2015.

Please refer to the Financial Statements for terms and definitions.

For further information please contact:

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