NEWS RELEASE
FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Stock Exchange Listings: New Zealand (FBU), Australia (FBU)

Auckland, February 18, 2015 – Fletcher Building today announced its unaudited interim results for the six months ended December 31, 2014. The group recorded net earnings after tax of $114 million, compared with $154 million in the prior corresponding period.

The result included significant items of $66 million relating to impairment of goodwill and site closure costs. Net earnings before significant items were 11% higher at $171 million.

Operating earnings (earnings before interest and tax) were $224 million, compared with $281 million in the prior year. Operating earnings excluding significant items were $290 million, up 3% on the prior corresponding period.

Revenue for the period of $4,327 million was 1% higher. Adjusting for the sale of businesses announced in the prior year, underlying revenue was up $108 million or 3%.

Cash flow from operations before net working capital movements was $282 million, up from $267 million. This increase was offset by the cash impacts of further residential land acquisitions and the one-off purchase of the group's head office campus in Auckland. As a result, cash flow from operating activities of $146 million was $33 million lower than the prior corresponding period.

The interim dividend will be 18.0 cents per share, in line with that paid for the prior corresponding period, and will be paid on April 15, 2015.

Fletcher Building chief executive officer Mark Adamson said the trading result was driven by strong activity levels in New Zealand.

"Our New Zealand businesses have continued to perform well and we've enjoyed strong demand for our products driven by the buoyant construction market. New Zealand operating earnings were up 20 per cent in the first half. The forward order book for our construction business now stands at NZ$2 billion, reflecting very strong future commitments in both the commercial and infrastructure sectors.

"Other markets have been more mixed for us. In Australia, the residential market had another strong half, and this benefitted a number of our businesses, particularly Laminex. The downturn in mining investment and reduced government expenditure on infrastructure projects, however, continued to have a negative impact on our results.

"Further afield, we had continued growth in earnings from our Formica business in North America, but increased competition in China offset stronger markets elsewhere in Asia, while Europe continued to be challenging", Mr Adamson said.

Results overview
NZ$

Comparisons are with the prior corresponding six month period ended 31 December 2013.

Revenue	$4,327 million, up from $4,273 million
Net earnings	$114 million, down from $154 million
Net earnings before significant items	$171 million, up from $154 million
Operating earnings (EBIT)	$224 million, down from $281 million
Operating earnings (EBIT) before significant items	$290 million, up from $281 million
Cash flow from operations before net working capital movements	$282 million, up from $267 million
Basic earnings per share	16.6 cents per share, down from 22.4 cents
Basic earnings per share excluding significant items	24.9 cents per share, up from 22.4 cents
Final dividend	18.0 cents per share The dividend will not be franked for Australian tax purposes nor imputed for New Zealand tax purposes. The dividend reinvestment plan will be operative for this dividend.

Please refer to the Financial Statements for terms and definitions.

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