

# NEWS RELEASE FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2014

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

---

Auckland, August 20, 2014 - Fletcher Building today reported net earnings of \$339 million for the year ended 30 June 2014, compared with \$326 million in the 2013 financial year. The result included significant items totalling \$32 million. Net earnings before significant items were \$362 million, 11 per cent higher than the prior year.

Operating earnings (earnings before interest and tax) were \$592 million, compared with \$569 million in the prior year. Operating earnings excluding significant items were \$624 million, up 10 per cent on the prior year and within the previously announced guidance range of \$610 million to \$650 million.

Significant items of \$32 million were incurred during the year principally from the sale of the Pacific Steel and Hudson Building Supplies businesses. The expense reflects the difference between the sale proceeds and asset carrying values together with transaction costs.

Cash flow from operations was \$489 million, compared with \$559 million in the prior year. The reduction was due to increased residential land acquisition activity in Auckland, higher inventory levels for the Formica plants in emerging markets, and the timing of customer payments for major construction projects.

A final dividend of 18.0 cents per share will be paid on 15 October 2014, with full New Zealand tax credits attached, bringing the total dividend for the year to 36.0 cents per share.

Fletcher Building chief executive Mark Adamson said the underlying result was a strong one, with double digit earnings growth despite currency headwinds and subdued trading conditions in Australia for much of the year.

"We would have met the top end of our guidance range had the New Zealand dollar not strengthened the way it has over the past year.

"New Zealand volumes tracked the strong activity levels experienced across the residential, commercial and infrastructure sectors, which drove earnings growth in our New Zealand businesses.

"In Australia, volumes stabilised during the year and operating earnings in the second half in Australia were higher than for the same period in the prior year. However, our reported results were negatively impacted by the currency translation effects due to the strength of the New Zealand dollar. Earnings from our businesses in the rest of the world were up strongly despite the high New Zealand dollar", Mr Adamson said.

---

## News release continued

Mr Adamson said that substantial progress had been made in implementing the FBUnite business transformation programme and other cost reduction initiatives. "FBUnite generated cost savings of \$25 million in its first year, and this was a strong start towards our target of \$100 million in annual cost reductions by 2018."

Looking ahead to 2015, Mr Adamson said the group was well positioned to meet the strong volumes expected in New Zealand and was hopeful of improved conditions in Australia.

"We're confident we can further grow earnings in the year ahead, with a strong construction backlog in New Zealand and further benefits from FBUnite", Mr Adamson said.

### Results overview NZ\$

Comparisons are with the prior financial year ended 30 June 2013.

<b>Revenue</b>	\$8,401 million, down from \$8,517 million
<b>Net earnings</b>	\$339 million, up from \$326 million
<b>Net earnings before significant items</b>	\$362 million, up from \$326 million
<b>Operating earnings (EBIT)</b>	\$592 million, up from \$569 million
<b>Operating earnings (EBIT) before significant items</b>	\$624 million, up from \$569 million
<b>Cash flow from operations</b>	\$489 million, down from \$559 million
<b>Basic earnings per share</b>	49.3 cents per share, up from 47.6 cents
<b>Basic earnings per share excluding significant items</b>	52.7 cents per share, up from 47.6 cents
<b>Final dividend</b>	36.0 cents per share, up from 34.0 cents per share

Please refer to the Financial Statements for terms and definitions.

ENDS

For further information please contact:

Philip King  
Group General Manager  
Investor Relations & Capital Markets  
Phone: + 64 9 525 9043  
Mobile: + 64 27 444 0203