

Fletcher Building announces on-market share buyback, confirms FY19 guidance

Auckland, 26 June 2019: Fletcher Building Limited ('Fletcher Building' or the 'Company') announces that it will undertake a capital return to shareholders of up to NZ\$300 million through an on-market share buyback. The buyback will commence following release of the Company's full year results.

Fletcher Building CEO Ross Taylor said: "Fletcher Building is continuously assessing its balance sheet position and investment opportunities to drive shareholder returns.

Following the completion of the Formica sale for NZ\$1.2 billion, we have considered a few key factors for allocation of the sale proceeds. The Company is well below its target leverage range, and better than previously forecast. We have around NZ\$600 million of debt that we will repay over the next 12 months. And we have around NZ\$250 million of cash outflows to complete the legacy B+I projects, and we remain confident that these projects will be completed within the current provisions.

Based on these factors, we are in a position to distribute up to NZ\$300 million to shareholders, with the most effective method being an on-market share buyback."

The Company confirms that its dividend policy remains unchanged, with a targeted pay-out ratio of 50% to 75% of NPAT (before significant items). As previously indicated, the FY19 dividend will be weighted towards the final payment and announced at the Company's full year results.

Fletcher Building also confirms FY19 guidance of EBIT (before significant items) of NZ\$620 million to NZ\$650 million.

Fletcher Building management led by CEO, Ross Taylor is presenting an update on progress on the Group Strategy, an in-depth presentation on the Australia Division and a presentation on capital structure and use of the Formica sale proceeds, today at the Mint, 10 Macquarie Street, Sydney, Australia.

A live webcast of the presentation will commence at 12.00pm NZT (10.00am AEST) and can be viewed at <https://edge.media-server.com/m6/p/vibdmjmi>.

Investors will be able to ask questions live via the webcast facility. While every endeavour will be made to answer all the questions that are submitted, this may not be possible due to time constraints, and is at the discretion of Fletcher Building management.

A replay of the presentations will be available following the end of the event at:
<https://fletcherbuilding.com/investor-centre/reports-presentations-and-webcasts/>

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For further information please contact:

MEDIA

Marie Winfield
Head of Communications
+64 27 488 9888
marie.winfield@fbu.com

INVESTORS AND ANALYSTS

Aleida White
Head of Investor Relations
+64 21 155 8837
Aleida.white@fbu.com