

Fletcher Building divests Roof Tile Group

Auckland, 1 November 2018: Fletcher Building confirms that it has sold international roofing products manufacturer Roof Tile Group (RTG) for US\$39 million (NZ\$59.8 million).

RTG has been sold as a single entity to Canadian roofing company IKO. The sale is effective today, 1 November 2018.

Fletcher Building CEO Ross Taylor said: "We are pleased to complete the RTG divestment in a timely way. The sale is in-line with Fletcher Building's five year strategy to divest our international operations to focus our capital and capability behind our New Zealand and Australian businesses, with building products and distribution at our core. The divestment process for the Formica business is progressing well and we remain confident that the sale will be completed in FY19."

Mr Taylor said no decisions have been made about how the proceeds from the RTG and Formica sales will be used.

"Once both sales have been completed we will review our capital structure and capital requirements and then determine how the funds will be allocated."

The sale price for RTG will be subject to a post-completion working capital adjustment. Once finalised, it is expected that the sale will result in a non-cash loss on disposal of NZ\$15 - \$20 million against the current carrying value of the business, to be included in Fletcher Building's HY19 results. This will be incurred as a significant item and therefore not affect previous statements on the outlook for Fletcher Building FY19 EBIT (before significant items).

RTG is a manufacturer and distributor of metal roof tiles, operating under the Gerard and Decra brands. It employs 450 people, manufactures in four countries, and sells products globally.

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For further information please contact:

MEDIA

Ellie Martel
External Relations Manager
+64 27 807 2933
ellie.martel@fbu.com

INVESTORS AND ANALYSTS

Rodney Deacon
Head of Investor Relations
+64 21 631 074
Rodney.deacon@fbu.com