

# MANAGEMENT COMMENTARY FOR THE YEAR ENDED 30 JUNE 2015

## Fletcher Building reports underlying net earnings growth of 10 per cent

Reported results – NZ\$M (except EPS and DPS)	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Total revenue</b>	<b>8,661</b>	<b>8,401</b>	<b>3</b>
<b>Operating earnings before significant items<sup>1</sup></b>	<b>653</b>	<b>624</b>	<b>5</b>
Significant items <sup>2</sup>	(150)	(32)	NM
<b>Operating earnings (EBIT)</b>	<b>503</b>	<b>592</b>	<b>(15)</b>
Funding costs	(127)	(130)	(2)
<b>Earnings before tax</b>	<b>376</b>	<b>462</b>	<b>(19)</b>
Tax expense	(96)	(111)	(14)
<b>Earnings after tax</b>	<b>280</b>	<b>351</b>	<b>(20)</b>
Non-controlling interests	(10)	(12)	(17)
<b>Net earnings before significant items</b>	<b>399</b>	<b>362</b>	<b>10</b>
<b>Net earnings</b>	<b>270</b>	<b>339</b>	<b>(20)</b>
<b>Earnings per share before significant items (EPS – cents)</b>	<b>58.0</b>	<b>52.7</b>	<b>10</b>
<b>Earnings per share (EPS – cents)</b>	<b>39.2</b>	<b>49.3</b>	<b>(20)</b>
<b>Dividends declared per share (DPS – cents)</b>	<b>37.0</b>	<b>36.0</b>	<b>3</b>
<b>Capital expenditure</b>	<b>278</b>	<b>260</b>	<b>7</b>

1 Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015.

2 Details of the significant items incurred can be found in note 4 of the group's financial statements.

- Revenue for the year of \$8,661 million was \$260 million or 3% higher when compared with the prior year;
- Operating earnings before significant items were \$653 million, 5% higher than the prior year;
- Significant items of \$150 million (June 2014: \$32 million) were incurred during the year;
- Operating earnings of \$503 million were \$89 million lower than the prior year;
- Net earnings were \$270 million, down from \$339 million in the prior year;
- Net earnings before significant items were \$399 million, up 10% on the prior year;
- Cash flow from operations was \$575 million, up 18% from \$489 million in the prior year largely due to increased cash flows from construction and residential housing activity in New Zealand;
- Basic earnings per share were 39.2 cents, down from 49.3 cents. Earnings per share before significant items were 58.0 cents, up from 52.7 cents;
- Final dividend is 19.0 cents per share bringing the total dividend for the year to 37.0 cents per share.

## Financial Results

	Revenue		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
Heavy Building Products	2,144	2,274	(6)
Light Building Products	1,306	1,312	-
Laminates & Panels	1,828	1,731	6
Distribution New Zealand	1,757	1,650	6
Distribution Australia	826	928	(11)
Construction	1,580	1,301	21
Other	5	7	(29)
<b>Gross revenue</b>	<b>9,446</b>	<b>9,203</b>	<b>3</b>
Less intercompany sales	(785)	(802)	(2)
<b>Group external revenue</b>	<b>8,661</b>	<b>8,401</b>	<b>3</b>

	Reported operating earnings			Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
Heavy Building Products	120	194	(38)	177	214	(17)
Light Building Products	63	116	(46)	118	116	2
Laminates & Panels	129	124	4	129	124	4
Distribution New Zealand	90	84	7	108	84	29
Distribution Australia	18	5	NM	18	17	6
Construction	120	106	13	140	106	32
Corporate	(37)	(37)	-	(37)	(37)	-
<b>Total</b>	<b>503</b>	<b>592</b>	<b>(15)</b>	<b>653</b>	<b>624</b>	<b>5</b>
Funding costs	(127)	(130)	(2)	(127)	(130)	(2)
<b>Earnings before tax</b>	<b>376</b>	<b>462</b>	<b>(19)</b>	<b>526</b>	<b>494</b>	<b>6</b>
Tax expense	(96)	(111)	(14)	(117)	(120)	(3)
<b>Earnings after tax</b>	<b>280</b>	<b>351</b>	<b>(20)</b>	<b>409</b>	<b>374</b>	<b>9</b>
Non-controlling interests	(10)	(12)	(17)	(10)	(12)	(17)
<b>Net earnings</b>	<b>270</b>	<b>339</b>	<b>(20)</b>	<b>399</b>	<b>362</b>	<b>10</b>

<sup>1</sup> Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015. Details of the significant items incurred can be found in note 4 of the group's financial statements.

## Financial Results continued

### Geographic segments

	Gross revenue			External revenue		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
New Zealand	5,082	4,654	9	4,435	4,031	10
Australia	3,158	3,451	(8)	3,042	3,287	(7)
Rest of World	1,206	1,098	10	1,184	1,083	9
<b>Total</b>	<b>9,446</b>	<b>9,203</b>	<b>3</b>	<b>8,661</b>	<b>8,401</b>	<b>3</b>

	Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
New Zealand	449	362	24
Australia	119	171	(30)
Rest of World	85	91	(7)
<b>Total</b>	<b>653</b>	<b>624</b>	<b>5</b>

### Geographic segments in local currency

	Gross revenue			External revenue		
	Year ended 30 June 2015	Year ended 30 June 2014	Change %	Year ended 30 June 2015	Year ended 30 June 2014	Change %
Australia (A\$M)	2,929	3,113	(6)	2,821	2,966	(5)
Rest of World (US\$M)	936	907	3	919	895	3

	Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015	Year ended 30 June 2014	Change %
Australia (A\$M)	110	154	(29)
Rest of World (US\$M)	66	75	(12)

<sup>1</sup> Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015. Details of significant items can be found in note 4 of the group's financial statements.

## Financial Results continued

- External revenue for the year of \$8,661 million was \$260 million higher than the prior year. Of this increase \$404 million related to increased New Zealand revenues, partly offset by the lower revenues in Australia. In local currencies, revenues increased by 10% in New Zealand and 3% in the Rest of World, with a decrease of 5% in Australia.
- Reported operating earnings before interest and tax of \$503 million were 15% lower than the prior year.
- The result was driven by increased activity levels across most sectors in New Zealand and improved conditions in the USA, partly offset by subdued markets in Australia and Europe.
- In **New Zealand**, earnings continued to benefit from an increase in construction activity and continued strong demand for houses in Fletcher Building's residential developments. Consents for new houses in New Zealand of 25,154 increased 8% over the prior year, the highest level since 2007. The positive revenue growth in New Zealand, along with cost reduction and efficiency measures, drove operating earnings before significant items 24% higher to \$449 million.
- In **Australia**, the continued strength of the residential construction market assisted strong performances in our laminates and panels, insulation and distribution businesses. Residential consents increased by 10% to reach record levels. Conditions continued to be challenging in the infrastructure and mining sectors, with significant decline in activity, competitive pressures in the coated steel business and a notable decrease in demand for plastic pipes from coal seam gas projects.
- In the **Rest of World**, market conditions varied geographically with most markets experiencing strong competition and price pressures. Operating earnings in Formica North America increased by 14%, benefiting from improved prices and operating margins. In Asia, activity increased in all key locations with the exception of China where there were weaker market conditions and strong competition. In Europe, challenging economic conditions in Central Europe and Russia continued to put pressure on earnings.
- Reported operating earnings include significant items of \$150 million relating to impairment of goodwill, site closure costs and the sale of businesses.
  - \$78 million of goodwill has been impaired in the year, with \$32 million relating to the Forman businesses, \$30 million to Stramit, \$15 million to Tasman Insulation and \$1 million to Humes. The impairments are largely attributable to a reduction in the future earnings prospects of these businesses.
  - Site closure costs of \$65 million were recognised in the year relating to the closure of the Crane Copper Tube business and site closures in Iplex Australia, Stramit, Humes and the Forman businesses.
  - Business disposal expenses of \$7 million relate principally to the prior year sale of the long steel business with additional costs incurred in the year under the transitional agreements with the purchaser.
  - Of the \$150 million significant items, \$126 million were non-cash.
- Operating earnings before significant items were \$653 million, 5% higher than the prior year.
- Funding costs of \$127 million were 2% lower than the prior year, due to lower interest costs in New Zealand.
- The tax expense of \$96 million represents an effective tax rate for the year of 26% (2014: 24%).
- Earnings per share were 39.2 cents, a decrease of 20% from 49.3 cents per share in the prior year. Earnings per share before significant items were 58.0 cents, an increase of 10%.

# Segmental Operational Review

The following sections provide a commentary on individual division results for the year ended 30 June 2015.

## Heavy Building Products

**New Zealand Concrete Products; New Zealand Cement and Quarry Products; Australian Concrete Products; Australian Quarry Products; Plastic Pipes; Steel and Other**

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M	Change %
Gross revenue	2,144	2,274	(130)	(6)
External revenue	1,782	1,859	(77)	(4)
Operating earnings before significant items <sup>1</sup>	177	214	(37)	(17)
Significant items <sup>2</sup>	(57)	(20)	(37)	NM
Operating earnings	120	194	(74)	(38)
Funds	1,666	1,719	(53)	(3)

	Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
New Zealand Concrete Products	63	46	37
New Zealand Cement and Quarry Products	72	51	41
Australian Concrete Products	16	33	(52)
Australian Quarry Products	18	19	(5)
Plastic Pipes	(8)	45	NM
Steel and Other	16	20	(20)
<b>Total</b>	<b>177</b>	<b>214</b>	<b>(17)</b>

1 Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015.

2 Details of significant items can be found in note 4 of the group's financial statements.

Heavy Building Products operating earnings were \$120 million, compared with \$194 million in the prior year.

The result includes significant items of \$57 million relating to the closure of the Crane Copper Tube factory in Australia (\$28 million), costs related to site closures in Iplex Australia (\$17 million), the closure of a concrete pipe plant in New Zealand (\$6 million) and the prior year divestment of the long steel business in New Zealand (\$6 million).

The division's operating earnings before significant items were \$177 million, compared with \$214 million in 2014. The decline was attributable to reductions in Australian plastic and concrete pipe earnings, partially offset by increased earnings in the New Zealand concrete, cement and quarry businesses.

The New Zealand Concrete Products businesses recorded a 37% increase in operating earnings before significant items to \$63 million. This was driven by increased demand from major infrastructure projects and greater building activity in the Auckland and Christchurch residential markets which drove ready-mix concrete and concrete pipes volumes 14% and 7% higher respectively.

Operating earnings of the New Zealand Cement and Quarry Products businesses increased by 41% to \$72 million. Domestic cement volumes were 9% higher driven by growth in demand in most regions. Improvements to the mix of sales and manufacturing efficiencies also helped to lift earnings. A focus on higher value quarry products contributed to both increases in revenue and operating margins.

Operating earnings in Australian Concrete Products declined 52% to \$16 million, principally due to lower demand from the infrastructure and mining sectors. Australian Quarry Products earnings were down slightly from the prior year as a result of lower market activity in Victoria and Western Australia.

The Plastic Pipes businesses recorded an \$8 million operating loss before significant items. This was primarily attributable to weaker demand in most Australian market segments and intensifying competition. Of particular note was the significant reduction in demand from coal seam gas projects. New Zealand Plastic Pipes earnings were in line with the prior year.

Earnings from the long steel business were \$10 million, compared with \$13 million in the prior year. Long steel production will cease in the first quarter of FY16, and earnings from long steel will reduce to zero.

## Light Building Products

### New Zealand Building Materials; Australian Building Materials; Roof Tile Group

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M	Change %
Gross revenue	1,306	1,312	(6)	-
External revenue	1,156	1,166	(10)	(1)
Operating earnings before significant items <sup>1</sup>	118	116	2	2
Significant items <sup>2</sup>	(55)	-	(55)	NM
Operating earnings	63	116	(53)	(46)
Funds	612	637	(25)	(4)

	Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
New Zealand Building Materials	81	71	14
Australian Building Materials	23	23	-
Roof Tile Group	14	22	(36)
<b>Total</b>	<b>118</b>	<b>116</b>	<b>2</b>

<sup>1</sup> Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015.

<sup>2</sup> Details of significant items can be found in note 4 of the group's financial statements.

Light Building Products operating earnings before significant items were \$118 million, an increase of 2% on the prior year.

A goodwill impairment charge of \$30 million has been recognised in the Australian steel roll-forming business, and in the New Zealand insulation business goodwill has been impaired by \$15 million. Other significant items of \$10 million were incurred relating to the closures of the Christchurch glass wool insulation plant (\$3 million), the Sydney insulated panels plant (\$6 million) and the sale of a small New Zealand based garage doors business (\$1 million).

Gross revenue in New Zealand businesses grew 4% to \$431 million. In Australia revenue remained stable and a 10% decline in revenue, principally in North America and Europe, was reported in the Roof Tile Group.

New Zealand Building Materials operating earnings before significant items increased by \$10 million. Plasterboard volumes increased 7%; prices remained generally stable and earnings in the business increased by 6% on the prior year. Insulation operating earnings increased by 51% due to higher sales of foil and laminate products. The aluminium windows and doors business recorded an 11% increase in volumes.

In the Australian Building Materials businesses, operating earnings before significant items were stable year-on-year. Roll-forming volumes were slightly ahead, however, higher overhead costs impacted adversely on overall earnings with a decrease of 25% on the prior year. Glass wool insulation volumes were 22% higher due to increased activity levels and market share increases, and earnings also benefited from restructuring initiatives.

Operating earnings in the Roof Tile Group fell by \$8 million, primarily due to volume declines of 6% and 33% in the key markets of North America and Europe respectively. North America has suffered from increased competition in Southern States with negative margin impacts, and in Eastern Europe demand was adversely affected by both economic and political instability.

## Laminates & Panels

### Laminex and Formica

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M	Change %
Gross revenue	1,828	1,731	97	6
External revenue	1,809	1,710	99	6
Operating earnings	129	124	5	4
Funds	1,965	1,702	263	15

	Operating earnings		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
Laminex NZ and Australia	81	61	33
Formica	48	63	(24)
<b>Total</b>	<b>129</b>	<b>124</b>	<b>4</b>

Operating earnings in Laminates & Panels were \$129 million compared with \$124 million in the prior year, with a 33% increase in Laminex offset by a decline in Formica earnings.

Gross revenues were up by 6% to \$1,828 million compared with \$1,731 million in the prior year.

Prices and margins varied by major market. In North America, Australia and New Zealand prices and margins improved due to a combination of initiatives to drive revenue and improve market share in addition to demand remaining firm. However, in the Chinese and European markets, prices and margins were generally flat or down; the result of strong competition and pressure on volumes. Improvements in manufacturing efficiencies at the division's key manufacturing facilities coupled with improving input costs such as oil and resins delivered improved performances.

In the Laminex businesses, gross revenue increased by 6% over the prior year. This was driven by continuing growth of certain product categories such as engineered stone and plywood along with initiatives to improve service and optimise pricing. Coupled with increased activity in the residential sector, revenues increased by 7% in Australia, and 3% in New Zealand.

Laminex's operating earnings were up 33% to \$81 million with operational and manufacturing efficiencies contributing to improved margins.

Formica's gross revenue of \$888 million was up by 5% on the prior year, due to the translation effects of the New Zealand dollar, and down 1% in local currencies. Operating earnings were \$48 million, down by 24% on the prior year.

Revenue in North America, in domestic currency, was up by 1% on the prior year, in line with the increase in volumes. Earnings were \$49 million, up 14% on the prior year, largely the result of continued improvements in operational performance.

Revenues in Europe were up by 1% from the prior year. Volumes decreased by 3% driven by a change in mix towards compact laminate. Market conditions varied significantly by region with revenue in domestic currencies in Germany, Spain and Scandinavia up by 20%, 19%, and 10% respectively while in central Europe and the United Kingdom, revenues were down by 8% and 2% respectively. Revenues in Russia fell by 8% due to the economic deterioration in the region. Operating earnings for Europe were down by \$6 million on the prior year due to competitive pressures and changing product mix.

Revenues in Asia were up by 1% in domestic currencies for the region but varied significantly by country. In all key markets, except China, revenue in domestic currencies was up on the prior year: Thailand up 12%; Taiwan up 8%; Singapore and Hong Kong up 22% and 12% respectively. These performances were aided by market activity and the successful development of new products. Revenue in domestic currency was down by 12% in China as a result of weaker market conditions and strong competitor activity. Earnings in Asia were down by 34% to \$19 million due to lower earnings in China, coupled with increased costs associated with operating the new plant in Jiujiang.

Corporate costs of \$20 million increased \$5 million on the prior year as a result of investment initiatives in sales and marketing effectiveness and better customer engagement across all regions. These investments are aimed at growing sustainable long-term improvements in revenue. Investment in IT during the year increased as the division invested further in developing its global digital capabilities.

## Distribution New Zealand

### Building Supplies; Steel Distribution

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M	Change %
Gross revenue	1,757	1,650	107	6
External revenue	1,548	1,462	86	6
Operating earnings before significant items <sup>1</sup>	108	84	24	29
Significant items <sup>2</sup>	(18)	-	(18)	NM
Operating earnings	90	84	6	7
Funds	330	332	(2)	(1)

	Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
Building Supplies	75	53	42
Steel Distribution	33	31	6
<b>Total</b>	<b>108</b>	<b>84</b>	<b>29</b>

1 Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015.

2 Details of significant items can be found in note 4 of the group's financial statements.

Distribution New Zealand operating earnings before significant items for the year were \$108 million, an increase of 29% on the prior year.

During the year, \$18 million of significant items were recognised, relating to restructuring costs and goodwill impairments in the Forman Distribution business.

Revenues of \$1,757 million increased by \$107 million, reflecting a 6% growth in Building Supplies and 9% in the Steel Distribution businesses. Revenue growth was driven by both existing and new customers in Building Supplies businesses and through organic growth in the Steel Distribution businesses, especially in Fletcher Reinforcing and Easysteel with increased volumes of 20% and 17% respectively.

During the year, PlaceMakers grew core categories such as timber, frame and truss, and concrete, as well as increasing penetration into the kitchen sector. Mico also achieved significant growth in own brand and private label sales. The improved operating earnings before significant items reflects the benefits from increased revenues, margin retention in the building supplies business, operational efficiencies and well-controlled operating costs. Synergies were also realised from combining the Steel Distribution businesses into Distribution New Zealand during the year.

PlaceMakers recorded 26% operating earnings growth year-on-year. Additionally, a highlight of the year was the successful turnaround of the Mico plumbing supplies business from a loss of \$2 million in the prior year to a profit of \$7 million (including property gains of \$3 million). During the year, a colocation programme of Mico stores with PlaceMakers branches was implemented with six stores now colocated. The division's revenue and earnings growth was also achieved without growing the division's funds base, which was largely unchanged at \$330 million at 30 June 2015.



## Distribution Australia

### Tradelink

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M	Change %
Gross revenue	826	928	(102)	(11)
External revenue	825	927	(102)	(11)
Operating earnings before significant items <sup>1</sup>	18	17	1	6
Significant items <sup>2</sup>	-	(12)	12	NM
Operating earnings	18	5	13	NM
Funds	448	406	42	10

For comparative purposes the results of the Australian distribution business are presented in Australian dollars below.

	Year ended 30 June 2015 A\$M	Year ended 30 June 2014 A\$M	Change A\$M	Change %
Gross revenue	766	837	(71)	(8)
External revenue	765	836	(71)	(8)
Operating earnings before significant items <sup>1</sup>	17	15	2	13
Significant items <sup>2</sup>	-	(10)	10	NM
Operating earnings	17	5	12	NM
Funds	400	378	22	6

1 Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015.

2 Details of significant items can be found in note 4 of the group's financial statements.

Distribution Australia operating earnings before significant items were \$18 million, up 6% from \$17 million in the prior year.

Revenue in domestic currency fell 8% on the prior year to A\$766 million, primarily due to the sale of the Hudson Building Supplies business during the year.

Tradelink revenue, excluding Hudson Building Supplies, in domestic currency was A\$732 million, up 3% on the prior year. This increase was a result of the successful turnaround programmes initiated in the previous year and improved residential building activity. The key pillars of the turnaround, being: sales effectiveness, merchandising, pricing and supply chain effectiveness, are now well established and set the platform for solid market share gain and consistent profitability. The business has also developed and tested a transformation to the customer value proposition focused on the largest segments of the Australian plumbing market, which will provide further opportunities for growth in future years.

## Construction

### Construction; Housing

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M	Change %
Gross revenue	1,580	1,301	279	21
External revenue	1,537	1,277	260	20
Operating earnings before significant items <sup>1</sup>	140	106	34	32
Significant items <sup>2</sup>	(20)	-	(20)	NM
Operating earnings	120	106	14	13
Funds	157	141	16	11

	Operating earnings before significant items <sup>1</sup>		
	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
Construction	74	57	30
Housing	66	49	35
<b>Total</b>	<b>140</b>	<b>106</b>	<b>32</b>

1 Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015.

2 Details of significant items can be found in note 4 of the group's financial statements.

The Construction division operating earnings were \$120 million, a 13% increase on the prior year.

Significant items of \$20 million relate to restructuring costs and goodwill impairment for the Forman Contracting business. Operating earnings before significant items were \$140 million, a 32% increase on the prior year.

All business units in the division reported record revenue and operating earnings for the year.

Gross revenue for the year was \$1,580 million, an increase of 21% on the prior year as a result of increased residential sales and commercial activity in New Zealand and the South Pacific. Construction gross revenue increased by 19% to \$1,342 million. Gross revenue for Fletcher Living rose by 35% to \$238 million.

During the year, contracts in New Zealand and the South Pacific worth over \$1.4 billion were awarded. The total construction backlog, being work secured but yet to be constructed, is now \$2.4 billion, up 32% on the prior year. Major projects won in the last year include MXH Kirkbride Alliance SH20A roading improvements in Auckland, Auckland International Airport terminal, and the new National Biocontainment Lab in Wellington.

As project manager for the Canterbury Home Repair Programme since October 2010, over 65,000 homes have been repaired. A contract beyond the initial contract expiry date of April 2015 has been agreed with EQC, which provides for up to 12 months of further repair work to be carried out.

The strong Auckland residential housing market supported sales volumes and prices. Continued investment in securing land holdings will enable development of over 1,800 homes, and further sites across Auckland are being developed to allow increased volumes. In Christchurch, either agreement has been reached or Fletcher Living is the preferred partner with the Crown, to build over 1,200 residential properties in central Christchurch on the Awatea, Colombo and Welles sites and in the East and North Frame Residential Precinct development.

## Group Cash Flow

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M
<b>Operating earnings before significant items<sup>1</sup></b>	<b>653</b>	<b>624</b>	<b>29</b>
Depreciation and amortisation	201	203	(2)
Less cash tax paid	(72)	(73)	1
Less interest paid	(124)	(131)	7
Provisions, significant items and other	(42)	(44)	2
<b>Results from operations before working capital movements</b>	<b>616</b>	<b>579</b>	<b>37</b>
Land and developments	(58)	(28)	(30)
Other working capital movements	17	(62)	79
<b>Cash flows from operating activities</b>	<b>575</b>	<b>489</b>	<b>86</b>

<sup>1</sup> Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015. Details of significant items can be found in note 4 of the group's financial statements.

Detailed disclosure of the above line items is included in Fletcher Building Limited's group financial statements which have been released with this Management Commentary.

Cash flows from operating activities of \$575 million were \$86 million, or 18%, higher than the prior year, while cash flows from operations before working capital movements were \$616 million, up from \$579 million. The improvement in working capital was partially offset by the \$58 million cash impact of further residential land acquisitions in Auckland for future development.

### Capital expenditure

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change NZ\$M
<b>Capital expenditure</b>	<b>278</b>	<b>260</b>	<b>18</b>

Capital expenditure was \$278 million, compared with \$260 million in the prior year. Of this total, \$173 million was for stay-in-business capital projects, including \$23 million on IT projects, and \$105 million related to new growth initiatives.

For 2016 capital expenditure is expected to be in the range of \$275 million to \$325 million.

## Funding

Total available funding as at 30 June 2015 was \$2,483 million. Of this, approximately \$614 million was undrawn and there was an additional \$228 million of cash on hand. Drawn debt facilities maturing within the next 12 months total \$246 million and a further \$94 million of capital notes are subject to interest rate and term reset. These maturities are more than covered by the undrawn facilities and available cash.

The group's gearing<sup>1</sup> at 30 June 2015 was 31.8% compared with 32.3% at 30 June 2014. This is within the target range of 30-40%.

The group's leverage<sup>2</sup> at 30 June 2015 was 2.02 times compared with 1.99 times at 30 June 2014. This is within the target range of 2.0-2.5 times.

The average maturity of the debt is 3.7 years and the hedged currency split is 47% Australian dollar; 32% New Zealand dollar; 12% US dollar; and 9% spread over various other currencies.

Approximately 56% of all borrowings have fixed interest rates with an average duration of 3.0 years and a rate of 6.47%. Inclusive of floating rate borrowings, the average interest rate on the debt is approximately 5.5%.

Interest coverage<sup>3</sup> for the year was 5.1 times compared with 4.8 times in the previous year.

## Dividend

The 2015 final dividend is 19 cents per share. The increase is in line with underlying earnings performance. In line with the group's tax crediting policy announced in 2011, the final dividend will be fully imputed with New Zealand tax credits and unfranked for Australian tax purposes. The imputed amount per share on the dividend is 7.3889 cents.

As a fully imputed dividend, a supplementary dividend is payable to non-New Zealand non-portfolio shareholders and has the effect of removing or reducing the cost of New Zealand non-resident withholding tax (NRWT). For most Australian resident shareholders receiving a supplementary dividend, the after tax return of the fully imputed dividend is equivalent to receiving a 41% franked dividend.

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.

The interim dividend of 18 cents per share was paid on 15 April 2015.

### DIVIDEND REINVESTMENT PLAN

Fletcher Building shareholders (excluding those in jurisdictions where the issue of shares is not permitted by law) can participate in a Dividend Reinvestment Plan ('the Plan') under which they have the opportunity to reinvest their dividends in additional shares. The Plan will be operative for this dividend payment. There will be no discount to the price applied to ordinary shares issued. Documentation for participation is available from the share registry or the website [www.fbu.com](http://www.fbu.com) and must be received by the registry before 5.00 pm Monday 28 September 2015. The price used to determine entitlements under the Plan is the average of the individual daily volume weighted average sale prices of price-setting trades of the company's shares sold on the NZX on each of the five business days from and including the ex-dividend date of 23 September 2015. The new shares will rank equally with existing shares and will be issued on the dividend payment date of 14 October 2015.

### DIVIDEND POLICY

Fletcher Building seeks to maintain dividends through economic cycles, and to progressively grow the dividend over the medium term. The target dividend pay-out ratio, in the range of 50% to 75% of net earnings, is intended to provide sufficient flexibility for dividends to be maintained despite variations in economic conditions. Maintenance of a dividend in this range will be subject to there being no material adverse change in circumstances or outlook. In determining a dividend for any year a number of factors are taken into consideration, including current and forecast earnings and operating cash flows, capital requirements, and the company's debt equity position.

Beyond dividends, Fletcher Building will consider other means of distribution, should cash flows and future investment requirements allow.

Fletcher Building's policy on franking and imputation is to frank with Australian tax credits, or alternatively impute with New Zealand tax credits, to the extent that there are sufficient franking or imputation credits available for distribution.

<sup>1</sup> Interest bearing net debt (including capital notes) to interest bearing net debt (including capital notes) and equity

<sup>2</sup> Interest bearing net debt (including capital notes) to EBITDA before significant items

<sup>3</sup> EBIT before significant items to total interest paid including capital notes interest

2015 Final Dividend Summary Table<sup>1</sup>

NZ cents per share	NZ residents on top marginal tax rate of 33%	Australian residents on top marginal tax rate of 49%	Australian residents on 15% tax rate	Other non- residents <sup>8</sup>
Dividend declared	19.0000	19.0000	19.0000	19.0000
NZ imputation credits <sup>2</sup>	7.3889			
NZ supplementary dividend <sup>3</sup>		3.3529	3.3529	3.3529
Australian franking credits <sup>4</sup>		0.0000	0.0000	
<b>Gross dividend for NZ tax purposes</b>	<b>26.3889</b>	<b>22.3529</b>	<b>22.3529</b>	<b>22.3529</b>
NZ tax (33%) <sup>5</sup>	(8.7083)			
NZ non-resident withholding tax (15%) <sup>6</sup>		(3.3529)	(3.3529)	(3.3529)
<b>Net cash received after NZ tax</b>	<b>17.6806</b>	<b>19.0000</b>	<b>19.0000</b>	<b>19.0000</b>
Australian tax (49% and 15%) <sup>7</sup>		(10.9529)	(3.3529)	
Reduced by offset for NZ non-resident withholding tax		3.3529	3.3529	
Less Australian franking credit offset		0.0000	0.0000	
<b>Net cash dividend to shareholders after tax</b>	<b>17.6806</b>	<b>11.4000</b>	<b>19.0000</b>	<b>19.0000</b>

NOTES:

- This summary is of a general nature and the tax rates used and the calculations are intended for guidance only. As individual circumstances will vary, shareholders are advised to seek independent advice.
- The dividend has imputation credits attached at a 28% tax rate.
- A supplementary dividend is only payable to non-New Zealand shareholders and has the effect of removing the cost of New Zealand non-resident withholding tax (NRWT). Non-resident shareholders with a 10% or greater direct shareholding are not eligible to receive supplementary dividends but are exempt from NRWT.
- There are no Australian franking credits attached to this dividend and the conduit foreign income component is nil.
- For all New Zealand resident shareholders who do not hold an exemption certificate, resident withholding tax (RWT) is required to be deducted at 5% from the gross dividend which has been credited with imputation credits at 28 percent. Accordingly, for those shareholders, a deduction of 1.3194 cents per share will be made on the date of payment from the dividend declared of 19.0 cents per share and forwarded to Inland Revenue. Resident shareholders who have a tax rate less than 33% will need to file a tax return to obtain a credit for the RWT deduction in excess of their marginal tax rate.
- New Zealand non-resident withholding tax at the rate of 15% on the gross dividend for New Zealand tax purposes.
- This summary uses two examples of the effect of tax in Australia. The first uses the top marginal tax rate of 49%, including the Medicare Levy and the Temporary Budget Repair Levy. The second example uses the 15% income tax rate applicable in Australia to complying superannuation funds, approved deposit funds and pooled superannuation trusts. Different tax rates will apply to other Australian shareholders, including individuals, depending on their circumstances.

The Australian tax is calculated as:	49% rate	15% rate
Gross dividend for NZ tax purposes	22.3529	22.3529
Plus franking credits	0.0000	0.0000
Gross dividend for Australian tax purposes	22.3529	22.3529
Australian tax	10.9529	3.3529

- This illustration does not purport to show the taxation consequences of the dividend for non-residents of New Zealand or Australia. Shareholders resident in other countries are encouraged to consult their own taxation advisor.

## Update on Business Transformation Programme

The FBUnite Business Transformation Programme has delivered benefits of \$50 million (net of costs) up to 30 June 2015. Of this, the centralised procurement function has delivered \$35 million, property consolidation and lease renegotiations have saved \$10 million, and financial shared services has delivered \$5 million in cost savings and other benefits.

These initiatives are forecast to deliver a further \$50 million in benefits over the next two years. The procurement benefits will accelerate as the focus shifts to low cost country sourcing for product, primarily for the distribution businesses in New Zealand and Australia.

In addition, the Operations Excellence initiatives are now expected to fully offset annual inflation in manufacturing and distribution, estimated at \$50 million per annum.

## Outlook

For the 2016 financial year, New Zealand residential construction activity is expected to continue at above average levels but the strong growth in consents for new houses is likely to moderate. Recent high levels of net migration into New Zealand and continued strong demand for housing in Auckland will underpin volumes. Commercial construction activity should continue to grow in line with the significant upward trend in consented work observed over the past year. Government expenditure on core infrastructure is expected to remain at current levels.

In Australia, residential activity is likely to slow from recent peak levels but remain well above long run average levels driven by apartment and multi-family dwelling construction. Commercial construction is expected to remain relatively subdued, while government infrastructure spending will be constrained by deficits at federal and state levels. Construction activity in the mining and resources sectors is expected to trend down as large projects are completed and in response to weaker commodity prices.

Residential and commercial construction activity levels in North America are expected to remain broadly consistent with the past year. European conditions are likely to remain mixed with a generally weak economic outlook. Further volume growth is expected in Southeast Asian markets but market conditions in China are likely to remain highly competitive.

## Divisions

Division	Business Groupings	Key Businesses
<b>Heavy Building Products</b>	New Zealand Concrete Products	Firth Concrete Humes Pipelines
	New Zealand Cement & Quarry Products	Golden Bay Cement Winstone Aggregates
	Australian Concrete Products	Rocla Pipelines
	Australian Quarry Products	Rocla Quarries
	Plastic Pipes	Iplex (NZ & Australia)
	Steel & Other	Crane Copper Tube (Australia)[now closed] Long Steel Manufacturing [will cease in FY16]
<b>Light Building Products</b>	New Zealand Building Materials	Dimond Fletcher Aluminium Tasman Insulation Winstone Wallboards
	Australian Building Materials	Fletcher Insulation Stramit Tasman Sinkware
	Roof Tile Group	Gerard Roofing Systems (NZ/Asia/Europe) DECRA Roofing Systems (USA)
<b>Laminates &amp; Panels</b>	Formica	Formica Asia Formica Europe Formica North America Homapal (Europe)
	Laminex	Laminex NZ Laminex Australia
<b>Distribution New Zealand</b>	Building Supplies	PlaceMakers Mico Plumbing Forman Distribution
	Steel Distribution	Easysteel Fletcher Reinforcing Pacific Coilcoaters
<b>Distribution Australia</b>	Tradelink	Tradelink
<b>Construction</b>	Construction	Building + Interiors Infrastructure Earthquake Recovery South Pacific Forman Contracting
	Housing	Fletcher Living

## Appendix: Supplemental split of Divisional Results

### GROSS REVENUE

#### Heavy Building Products

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Gross revenue</b>			
New Zealand Concrete Products	537	469	14
New Zealand Cement and Quarry Products	392	350	12
Australian Concrete Products	224	260	(14)
Australian Quarry Products	109	105	4
Plastic Pipes	545	699	(22)
Steel and other	337	391	(14)
<b>Total</b>	<b>2,144</b>	<b>2,274</b>	<b>(6)</b>

#### Light Building Products

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Gross revenue</b>			
New Zealand Building Materials	431	414	4
Australian Building Materials	696	699	-
Roof Tile Group	179	199	(10)
<b>Total</b>	<b>1,306</b>	<b>1,312</b>	<b>-</b>

#### Laminates & Panels

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Gross revenue</b>			
Laminex NZ and Australia	940	886	6
Formica	888	845	5
<b>Total</b>	<b>1,828</b>	<b>1,731</b>	<b>6</b>

#### Distribution New Zealand

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Gross revenue</b>			
Building Supplies	1,413	1,333	6
Steel Distribution	344	317	9
<b>Total</b>	<b>1,757</b>	<b>1,650</b>	<b>6</b>

#### Distribution Australia

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Gross revenue</b>			
Distribution Australia	826	928	(11)
<b>Total</b>	<b>826</b>	<b>928</b>	<b>(11)</b>

#### Construction

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Gross revenue</b>			
Construction	1,342	1,125	19
Housing	238	176	35
<b>Total</b>	<b>1,580</b>	<b>1,301</b>	<b>21</b>



## Appendix: Supplemental split of Divisional Results continued

### LOCAL CURRENCY GROSS REVENUE

The following presents the divisional results in key currency components. These local currency amounts are translated to New Zealand dollars to present the results on the previous page.

#### Heavy Building Products

Gross revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	1,320	1,185	11
Australia (A\$M)	761	970	(22)
Rest of World (US\$M)	2	12	(83)

#### Light Building Products

Gross revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	479	486	(1)
Australia (A\$M)	641	613	5
Rest of World (US\$M)	106	121	(12)

#### Laminates & Panels

Gross revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	120	117	3
Australia (A\$M)	761	694	10
Rest of World (US\$M)	689	698	(1)

#### Distribution New Zealand

Gross revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	1,757	1,650	6

#### Distribution Australia

Gross revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
Australia (A\$M)	766	837	(8)

#### Construction

Gross revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	1,401	1,209	16
Rest of World (US\$M)	139	76	83

## Appendix: Supplemental split of Divisional Results continued

### EXTERNAL REVENUE

#### Heavy Building Products

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>External revenue</b>			
New Zealand Concrete Products	465	409	14
New Zealand Cement and Quarry Products	226	205	10
Australian Concrete Products	223	260	(14)
Australian Quarry Products	105	104	1
Plastic Pipes	440	597	(26)
Steel and other	323	284	14
<b>Total</b>	<b>1,782</b>	<b>1,859</b>	<b>(4)</b>

#### Light Building Products

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>External revenue</b>			
New Zealand Building Materials	324	314	3
Australian Building Materials	663	663	-
Roof Tile Group	169	189	(11)
<b>Total</b>	<b>1,156</b>	<b>1,166</b>	<b>(1)</b>

#### Laminates & Panels

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>External revenue</b>			
Laminex NZ and Australia	922	861	7
Formica	887	849	4
<b>Total</b>	<b>1,809</b>	<b>1,710</b>	<b>6</b>

#### Distribution New Zealand

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>External revenue</b>			
Building Supplies	1,266	1,197	6
Steel Distribution	282	265	6
<b>Total</b>	<b>1,548</b>	<b>1,462</b>	<b>6</b>

#### Distribution Australia

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>External revenue</b>			
Distribution Australia	825	927	(11)
<b>Total</b>	<b>825</b>	<b>927</b>	<b>(11)</b>

#### Construction

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>External revenue</b>			
Construction	1,299	1,102	18
Housing	238	175	36
<b>Total</b>	<b>1,537</b>	<b>1,277</b>	<b>20</b>

## Appendix: Supplemental split of Divisional Results continued

### LOCAL CURRENCY EXTERNAL REVENUE

The following presents the divisional results in key currency components. These local currency amounts are translated to New Zealand dollars to present the results on the previous page.

#### Heavy Building Products

External revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	1,041	890	17
Australia (A\$M)	685	863	(21)
Rest of World (US\$M)	2	12	(83)

#### Light Building Products

External revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	382	395	(3)
Australia (A\$M)	611	580	5
Rest of World (US\$M)	89	106	(16)

#### Laminates & Panels

External revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	102	99	3
Australia (A\$M)	761	687	11
Rest of World (US\$M)	689	701	(2)

#### Distribution New Zealand

External revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	1,548	1,461	6

#### Distribution Australia

External revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
Australia (A\$M)	765	836	(8)

#### Construction

External revenue	Year ended 30 June 2015	Year ended 30 June 2014	Change %
New Zealand (NZ\$M)	1,358	1,186	15
Rest of World (US\$M)	139	76	83

## Appendix: Supplemental split of Divisional Results continued

### OPERATING EARNINGS BEFORE SIGNIFICANT ITEMS<sup>1</sup>

#### Heavy Building Products

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand Concrete Products	63	46	37
New Zealand Cement and Quarry Products	72	51	41
Australian Concrete Products	16	33	(52)
Australian Quarry Products	18	19	(5)
Plastic Pipes	(8)	45	NM
Steel and other	16	20	(20)
<b>Total</b>	<b>177</b>	<b>214</b>	<b>(17)</b>

#### Light Building Products

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand Building Materials	81	71	14
Australian Building Materials	23	23	-
Roof Tile Group	14	22	(36)
<b>Total</b>	<b>118</b>	<b>116</b>	<b>2</b>

#### Laminates & Panels

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Operating earnings<sup>1</sup></b>			
Laminex NZ and Australia	81	61	33
Formica	48	63	(24)
<b>Total</b>	<b>129</b>	<b>124</b>	<b>4</b>

#### Distribution New Zealand

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Operating earnings<sup>1</sup></b>			
Building Supplies	75	53	42
Steel Distribution	33	31	6
<b>Total</b>	<b>108</b>	<b>84</b>	<b>29</b>

#### Distribution Australia

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Operating earnings<sup>1</sup></b>			
Distribution Australia	18	17	6
<b>Total</b>	<b>18</b>	<b>17</b>	<b>6</b>

#### Construction

	Year ended 30 June 2015 NZ\$M	Year ended 30 June 2014 NZ\$M	Change %
<b>Operating earnings<sup>1</sup></b>			
Construction	74	57	30
Housing	66	49	35
<b>Total</b>	<b>140</b>	<b>106</b>	<b>32</b>

<sup>1</sup> Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015. Details of significant items can be found in note 4 of the group's financial statements.

## Appendix: Supplemental split of Divisional Results continued

### LOCAL CURRENCY RESULTS<sup>1</sup>

The following presents the divisional results in key currency components. These local currency amounts are translated to New Zealand dollars to present the results on the previous page.

#### Heavy Building Products

	Year ended 30 June 2015	Year ended 30 June 2014	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand (NZ\$M)	169	136	24
Australia (A\$M)	6	70	(91)
Rest of World (US\$M)	1	-	NM

#### Light Building Products

	Year ended 30 June 2015	Year ended 30 June 2014	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand (NZ\$M)	90	81	11
Australia (A\$M)	20	20	-
Rest of World (US\$M)	5	11	(55)

#### Laminates & Panels

	Year ended 30 June 2015	Year ended 30 June 2014	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand (NZ\$M)	11	7	57
Australia (A\$M)	63	49	29
Rest of World (US\$M)	39	52	(25)

#### Distribution New Zealand

	Year ended 30 June 2015	Year ended 30 June 2014	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand (NZ\$M)	108	84	29

#### Distribution Australia

	Year ended 30 June 2015	Year ended 30 June 2014	Change %
<b>Operating earnings<sup>1</sup></b>			
Australia (A\$M)	17	15	13

#### Construction

	Year ended 30 June 2015	Year ended 30 June 2014	Change %
<b>Operating earnings<sup>1</sup></b>			
New Zealand (NZ\$M)	117	94	24
Rest of World (US\$M)	18	10	80

<sup>1</sup> Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building Limited's group financial statements for the year ended 30 June 2015. Details of significant items can be found in note 4 of the group's financial statements.