

Fletcher Building to exit Australian copper tube manufacturing

Auckland – 24th September 2014

Fletcher Building Limited today announced it will exit the copper tube manufacturing business in Australia which will result in the closure of the Crane Copper Tube (CCT) factory in Penrith. Manufacturing and domestic trading activity is planned to cease by December 31st 2014 with a transition out of export trading likely to be concluded within 18 months.

The decision to cease trading and close the Penrith factory has been made only after an exhaustive analysis of options to restore profitability. CCT has been unprofitable for a number of years due to factors including manufacturing overcapacity of copper tubing for plumbing requirements in the Australian market, the increasing substitution of copper tubing with other materials such as plastic composites, and increased import competition.

Fletcher Building Chief Executive Officer Mark Adamson said the decision to cease trading was not made lightly. He wished to specifically acknowledge all CCT employees whom in recent years have been relentless in their efforts to reduce operating losses. However, despite these efforts, CCT was unable to operate profitably.

This decision will affect 108 roles with the majority based at the Penrith site of Crane Copper Tube.

“Our priority right now is to do the right thing by our people. I realise this is a particularly difficult time for our employees and we are committed to ensuring any potential opportunities for redeployment within Fletcher Building are fully explored. Where that is not feasible, we will support our employees through the transition to alternative employment,” Mr Adamson said.

The Penrith site will remain in Fletcher Building ownership. Tradelink, a Fletcher Building business that sourced copper tubing from CCT has secured alternative supply. No other Fletcher Building businesses are impacted by the decision to close Crane Copper Tube.

Fletcher Building expects to record a significant expense of up to NZ\$19 million in the financial year ending 30 June 2015, reflecting the costs associated with the closure of the business.

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