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Fletcher Building Limited – 2021 Half Year Results and Dividend

Auckland, 17 February 2021: Please find attached the following documents relating to Fletcher Building Limited's half year results for the six months ended 31 December 2020.

(a) News Release

(b) 2021 Interim Financial Results

(c) Half Year Results Presentation

(d) Results Announcement [NZX form]

(e) Distribution Notice [NZX form]

Dividend information filed on Appendix 3A.1 will follow.

#Ends

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NEWS RELEASE

Fletcher Building announces FY21 half year results and dividend

Auckland, 17 February 2021: Fletcher Building today announced its results for the first half of FY21.

Summary:

- **Revenue of $3,987 million, up 1% from $3,961 million in HY20**
- **EBIT before significant items of $323 million, up 47% from $219 million in HY20**
- **Net Profit After Tax of $121 million, up 48% from $82 million in HY20**
- **Strong cash flows from operating activities of $428 million; strong balance sheet**
- **Interim dividend of 12 cents per share declared, to be paid on 24 March 2021**
- **FY21 EBIT before significant items guidance range $610 million to $660 million**

Fletcher Building Chief executive Ross Taylor said: "Our strong HY21 results reflect good progress made on our strategy to drive consistent performance and growth. The improved earnings and profitability are the outcome of initiatives undertaken over the past three years to improve operating disciplines and efficiencies across the Group.

"Group revenue was $3,987 million, up 1% on HY20. EBIT before significant items was $323 million, up 47% from $219 million. Group cash flows from operating activities of $428 million were significantly higher than the $5 million outflow in the prior period, resulting from a higher EBIT and a material improvement in working capital. Group EBIT margins improved to 8.1% from 5.5%, with improvement across all operating divisions.

"We have seen a broadly stable market environment. Growth in the New Zealand residential sector has been offset by softer demand in Commercial and mixed conditions in infrastructure in both New Zealand and Australia. In all businesses, we have remained focused on executing our strategy, especially improving the underlying disciplines and efficiencies of our operations. The sustainable improvement in margins was achieved through pricing disciplines; targeted share gains; consolidation and automation of manufacturing and supply chains; and a more efficient overhead cost base.

"Overall, market factors – volume, share and price – contributed 15% of the Group's increased EBIT while around 85% was the result of strategic improvements in operating efficiency.

"The Board is pleased to declare an interim dividend of 12 cents per share. Given the strength of the Group's performance and balance sheet, the Company has been able to put in place an updated banking agreement with its lenders which allows the Company to pay an interim dividend and retains the more favourable covenant levels until Jun 2021. The Board also expects to be in a position to approve a final FY21 dividend.

"Current indicators point to core volumes in NZ and Australia remaining at present levels through the second half, with robust demand for Residential housing in NZ. This market outlook assumes no material impact from COVID-19.

Overall, we expect FY21 Group EBIT (excluding significant items) to be in the range of $610 to $660 million."

#Ends

Authorised by
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Company Secretary

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Fletcher Building Limited
2021 Interim Financial Results

Contents

When used in these Interim Financial Results, references to the 'Company' are references to Fletcher Building Limited. References to 'Fletcher Building' or the 'Group' are to Fletcher Building Limited, together with its subsidiaries and its interests in associates and joint ventures. References to $ and NZ$ are to New Zealand dollars unless otherwise stated.

Chair and CEO's Review

We are pleased to report Fletcher Building's results for the six months ended 31 December 2020, which reflect progress made on our strategy to drive consistent performance and growth. The improved earnings and profitability in HY21 are the result of initiatives undertaken over the past three years to improve operating disciplines and efficiencies across the Group. The Board is also pleased to approve an interim dividend of 12 cents per share.

HY21 RESULTS

Group revenue was solid overall at $3,987 million, up 1% on the prior period. Group EBIT before significant items was $323 million, up 47% from $219 million in the prior period and slightly ahead of the HY21 guidance range of $305 to $320 million. Group EBIT margin excluding significant items improved to 8.1% from 5.5%, and Net Earnings of $121 million were up 48% from $82 million in the prior period.

In HY21, we have seen a broadly stable market environment. The New Zealand residential sector trended slightly higher, while demand in Commercial was softer and conditions in Infrastructure were mixed across both New Zealand and Australia. Against this backdrop, revenue increased in our New Zealand Core and Residential businesses, partly offset by reduced revenues in the Australian pipes sector and on the Construction legacy projects. In all businesses, we have remained focused on executing the strategy laid out three years ago, especially improving the underlying disciplines and efficiencies of our operations. Pleasingly, EBIT margins in HY21 were higher in all operating divisions, reflecting: improved pricing disciplines; targeted share gains in certain categories; consolidation and automation of manufacturing and supply chains; and a more efficient overhead cost base.

Significant items of $86 million in the period comprised $35 million for the final phase of the Group's restructuring activities being undertaken in FY21, and $51 million for an impairment to the carrying value of the Rocla business in Australia, which is currently being divested.

STRONG BALANCE SHEET AND CASH FLOW

Group cash flows from operating activities of $428 million were significantly higher than the $5 million outflow in the prior period, resulting from higher EBIT and a material improvement in working capital. Capital expenditure of $82 million in HY21 was in line with previously signalled levels and included $31 million for the new Winstone Wallboards facility.

The Group's balance sheet and funding profile remains strong. As previously announced, the Group repaid its most expensive tranche of USPP debt on 29 July 2020, and gross debt was reduced overall by $714 million in the half. The Group now has $1,812 million in available funding, of which $925 million is undrawn, and $618 million cash on hand. The Group's liquidity is $1.5 billion.

HEALTH AND SAFETY

Our multi-year safety programme Protect continues. This is based on the belief that all injuries are preventable and we are working towards a future where zero injuries every day is possible. Our current focus is on critical risks and refining behaviours. We continue to encourage reporting of all injuries and near misses to reduce the potential for serious injuries later on. Our Total Recordable Injury Frequency Rate (TRIFR) has trended down over 10 years and ended the half year at 6.0. Our target remains to continue to drive this under 5.0 which is well below the industry average. Serious injuries were three for the half year compared to eight in FY20.

SUSTAINABILITY

Delivering on our sustainability strategy is a key priority and will be a driver of long-term success for Fletcher Building. It is clear to us that the building and materials sector needs to shift the way it designs, builds and sources the building materials used in the construction process.

While we are investing to ensure a sustainable future for our whole business, we have a particular focus on Golden Bay Cement (GBC), which is our most significant carbon emitter. In HY21, we produced our first trial batch of lower-carbon pozzolanic cement and have begun commercial testing. We are also commissioning our Tyre Derived Fuel facility in GBC, which will use waste tyres to reduce coal use and increase biofuel use to 45%.

We recently achieved two significant sustainability milestones which recognise the transparency of our social, environmental and governance reporting. We were included in the Dow Jones Sustainability Asia Pacific Index for the first time as the only new entry from New Zealand. We are one of only 16 companies from our sector to make the index and one of only four companies from any industry in New Zealand. We also received a B rating from the CDP for our approach to managing carbon emissions and climate change. This was an improvement of two ratings in two years.

Chair and CEO's Review (Continued)

IHUMĀTAO

In December, Fletcher Building reached an agreement to sell the land it owns at Ōruarangi Road, commonly known as Ihumātao to the New Zealand Government for $29.9 million. At the agreed sale price, the deal will be broadly breakeven for Fletcher Building. This is a positive solution for all stakeholder groups.

DIVIDEND

The Board is pleased to approve an interim dividend of 12 cents per share for the six months ended 31 December 2020 to be paid on 24 March 2021. Given the strength of the Group's performance and balance sheet, the Group has been able to put in place an updated banking agreement with its lenders which allows the Company to pay an interim dividend and retain more favourable covenant levels until June 2021. The Board also expects to be in a position to approve a final FY21 dividend. The dividend reinvestment plan will not be operative for the interim dividend, and there are no New Zealand imputation credits or Australian franking credits attached to the interim dividend.

GUIDANCE

Current indicators point to core volumes in New Zealand and Australia remaining at current levels in the second half, with robust demand for residential housing in New Zealand. This market outlook assumes no material impact from COVID-19.

We expect that efficiency benefits will be broadly stable between 1H21 and 2H21, while a strong first quarter of trading in the New Zealand Core divisions and Residential housing means Group earnings will be less second half weighted than previously.

Overall, we expect FY21 Group EBIT (excluding significant items) to be in the range of $610 to $660 million.

We look forward to the second half of the year and to sharing the full year results in August.

Group Performance

Reported results

NZ$m (except where noted)	Six months ended 31 December 2020	Six months ended 31 December 2019	Change %
Total revenue	**3,987**	**3,961**	**1%**
Operating earnings before significant items [1]	**323**	**219**	**47%**
Significant items [1]	(86)	(35)	(146%)
Operating earnings (EBIT)	**237**	**184**	**29%**
Lease interest expense	(33)	(35)	6%
Funding costs	(23)	(35)	34%
Earnings before tax	**181**	**114**	**59%**
Tax expense	(57)	(28)	(104%)
Earnings after tax	**124**	**86**	**44%**
Non-controlling interests	(3)	(4)	25%
Net earnings	**121**	**82**	**48%**
Net earnings before significant items	**195**	**107**	**82%**
Basic earnings per share (cents)	**14.7**	**9.8**	**50%**
Basic earnings per share before significant items (cents)	**23.7**	**12.8**	**85%**
Dividends per share (cents)	**12**		**NM**
Cash flows from operating activities	**428**	**(5)**	**NM**
Capital expenditure	**82**	**119**	**31%**

[1] Operating earnings (EBIT) 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 interim financial statements for the period ended 31 December 2020. Details of significant items can be found in note 2.1 of the interim financial statements.

Group Performance (Continued)

Revenue

NZ$m	Six months ended 31 December 2020	Six months ended 31 December 2019	Change %
Building Products	683	645	6%
Distribution	852	824	3%
Concrete	430	403	7%
Residential and Development	356	224	59%
Construction	651	774	(16%)
Australia	1,390	1,453	(4%)
Other	5	5	
Group	**4,367**	**4,328**	**1%**
Less: intercompany sales	(380)	(367)	4%
External revenue	**3,987**	**3,961**	**1%**

	EBIT			EBIT before significant items [1]		
NZ$m	Six months ended 31 December 2020	Six months ended 31 December 2019	Change %	Six months ended 31 December 2020	Six months ended 31 December 2019	Change %
Building Products	101	66	53%	101	66	53%
Distribution	60	50	20%	60	50	20%
Concrete	67	49	37%	62	49	27%
Residential and Development	62	35	77%	62	35	77%
Construction	12	14	(14%)	13	14	(7%)
Australia	(36)		NM	51	35	46%
Corporate	(29)	(30)	3%	(26)	(30)	13%
Total	**237**	**184**	**29%**	**323**	**219**	**47%**
Lease interest expense	(33)	(35)	6%	(33)	(35)	6%
Funding costs	(23)	(35)	34%	(23)	(35)	34%
Earnings before tax	**181**	**114**	**59%**	**267**	**149**	**79%**
Tax expense	(57)	(28)	(104%)	(69)	(38)	(82%)
Earnings after tax	**124**	**86**	**44%**	**198**	**111**	**78%**
Non-controlling interests	(3)	(4)	25%	(3)	(4)	25%
Net earnings	**121**	**82**	**48%**	**195**	**107**	**82%**

[1] EBIT 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 interim financial statements for the period ended 31 December 2020. Details of significant items can be found in note 2.1 of the interim financial statements.

Group Overview

External revenue of $3,987 million was $26 million or 1% higher than the prior period. EBIT before significant items was $323 million, 47% higher than the $219 million reported in the prior period. Group net earnings were $121 million, compared to $82 million reported in the prior period. Cash flows from operating activities were a $428 million inflow, compared to a $5 million outflow in the prior period.

Overall, the result reflects the Group's progress in implementing its strategy to drive performance and growth across a focused portfolio of assets. In particular, growth in earnings and margins reflects initiatives undertaken over the past three years to improve operating disciplines and sustainably reduce the Group's cost base. In the current period, this has resulted in underlying EBIT margins improving materially to 8.1% from 5.5% in the prior period, with margin expansion reported in all divisions.

In New Zealand, market conditions for the core materials and distribution divisions (Building Products, Distribution and Concrete) were broadly in line with the prior year. Activity in the residential sector was slightly ahead of the prior period, with growth principally in Auckland and parts of the regional North Island. Offsetting this, activity in the commercial and infrastructure sectors trended slightly lower. Gross revenue for the New Zealand core divisions was 5% higher than the prior period, slightly ahead of market activity and reflecting price and share gains in certain Building Products and Concrete businesses. EBIT for the New Zealand core increased by $58 million or 35% compared to the prior period, with all three divisions reporting strong growth primarily due to improved efficiency and operating disciplines as a result of initiatives implemented over the past three years. This was reflected in an improved EBIT margin, which increased to 11.3% from 8.8% in the prior period. EBIT margin improvements were delivered in all New Zealand core divisions and were strongest in Building Products and Concrete. In Distribution, gross margins trended lower due to competitive pressure on price, though this was more than offset by the benefits of operating model changes and resulted in EBIT margin expansion.

The Residential and Development division delivered EBIT of $62 million, compared to $35 million in the prior period. The market environment for housing sales remained positive, with good levels of demand and supportive pricing in both Auckland and Christchurch. As a result, EBIT for the Residential business of $62 million was significantly higher than the $27 million reported in the prior period. The division's Clever Core panelisation factory continued to ramp up production, reporting a small loss in the period on delivery of 34 panelised houses. Land Development EBIT of $2 million compared to $11 million in the prior period, with the two key transactions for FY21 targeted for completion in the second half: the Crane Copper Tube site in Sydney, and the Rocla Gailes site in Brisbane.

The Construction division reported gross revenue of $651 million, $123 million lower than the prior period, with EBIT for the division of $13 million in line with the prior period. The lower revenue was due solely to the ongoing close-out of the legacy projects, with revenue in the remainder of the business in line with the prior period. Earnings were underpinned by improved results in both Higgins and Brian Perry, where EBIT margins lifted to 6.1% from 4.5% in the prior period. The division continues to make good progress in reshaping its forward order book to deliver an improved risk profile and margins.

In Australia, market conditions were mixed. In the residential sector, detached housing and renovation activity proved resilient, supported by low interest rates and the government's HomeBuilder grant. Conversely, activity in the apartments and commercial sectors trended lower on reduced private sector investment, and key civil markets for the division's Pipes businesses were markedly subdued due to major projects being delayed. The division reported gross revenue of $1,390 million, which was $63 million or 4% lower than the prior period. This was due to a 25% reduction in revenue for the Pipes' businesses, with the balance of the division's businesses reporting revenue in line with the prior period. EBIT before significant items increased 46% to $51 million, and EBIT margin for the division increased to 3.7% from 2.4% in the prior period. Growth in earnings and profitability was driven by the Laminex, Tradelink and Stramit businesses, reflecting the benefits of operating efficiencies along with market share gains in key segments. Australia EBIT also included a $6 million benefit from reduced depreciation on the Rocla business as it is held for sale.

Significant items were $86 million in the period. These related predominantly to a $33 million charge in Iplex Australia for site restructuring activity, and an impairment of $51 million with respect to the Rocla business, based on a reassessment of likely divestment proceeds. The Group's restructuring programme is now largely complete, with a final circa $30 million of significant items charges expected in the second half of FY21 to predominantly complete the Australian restructuring.

Net interest expense for the Group was $56 million in the period, of which $33 million was related to lease expenses. The Group's funding costs for the period decreased by 34% to $23 million, resulting principally from lower debt levels following the repayment of $755 million of debt since June 2020. A tax expense of $57 million in the period compared to a tax expense of $28 million in the prior period.

Basic earnings per share were 14.7 cents in the first half, compared to 9.8 cents in the prior period. Excluding the impact of significant items, earnings per share were 23.7 cents, compared with 12.8 cents in the prior period.

Group Overview (Continued)

Cash flow (NZ$m) for the period ended	Six months ended 31 December 2020	Six months ended 31 December 2019	Change %
EBIT before significant items [(1)]	**323**	**219**	**47%**
Depreciation and amortisation	180	183	2%
Lease principal repayments	(91)	(84)	(8)%
Lease interest paid	(33)	(35)	6%
Provisions and other	19	(5)	NM
Trading cash flow before working capital movements	**398**	**278**	**43%**
Residential and Development	50		NM
Construction excluding legacy projects	6	(15)	140%
Other divisions:			
- Debtors	64	92	(30)%
- Inventories	42	(34)	NM
- Creditors	(44)	(189)	77%
Working capital movements	**118**	**(146)**	**181%**
Trading cash flow excluding legacy projects and significant items	**516**	**132**	**NM**
Legacy projects cash flow	(109)	(162)	33%
Significant items	(34)	(24)	(42)%
Trading cash flow	**373**	**(54)**	**NM**
Add : Lease principal payments	91	84	(8)%
Less: Cash tax paid	(3)	(1)	NM
Less: Funding costs paid	(33)	(34)	3%
Cash flows from operating activities	**428**	**(5)**	**NM**
Free cash flow excluding legacy projects	**416**	**(12)**	**NM**

(1) EBIT 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 interim financial statements for the period ended 31 December 2020. Details of significant items can be found in note 2.1 of the interim financial statements.

GROUP CASH FLOWS

Cash flows from operating activities for the Group were $428 million, compared to an outflow of $5 million in the prior period. The key drivers of this improvement were: a $120 million increase in trading cash flows before working capital movements; a $264 million improvement in underlying working capital cash flows; and a $53 million reduction in outflows on legacy Construction projects.

In the core manufacturing and distribution divisions, effective working capital management resulted in a $42 million inflow from inventories and a $64 million inflow from receivables, partly offset by a $44 million reduction in creditors. Overall, the working capital cycle in the core divisions improved by 7.6 days compared to the prior period, and is now considered to be well-positioned and efficient, with material additional cash release unlikely. A small level of inventory growth is expected in the second half of the year as resilience stocks are rebuilt in some businesses.

In Residential and Development, a reduction in working capital as a result of the large number of house sale settlements completed contributed to a $50 million cash inflow in the period. In Construction, the cash outflows on legacy projects reduced to $109 million from $162 million in the prior period as projects continued to be closed out, with a portion of the legacy cash outflows in the current period related to timing of working capital flows. In the remainder of the Construction division, trading cash flows were an inflow of $30 million compared to $10 million in the prior period, supported in particular by performance in Brian Perry Civil.

Capital expenditure for the Group was $82 million, including $31 million for the new Winstone Wallboards plant, with additional investments focused on key strategic priorities in manufacturing automation, digitisation, and carbon reduction. Capital expenditure for the full-year FY21 is expected to be approximately $200 million, including a total of circa $50 million for the new Winstone Wallboards plant. From FY22, the Group's capital expenditure is expected to be in a range of $200 to $250 million (excluding costs to complete the wallboards plant), down from a run-rate annual expenditure of circa $300 million in recent periods. The remaining investment in the wallboards plant is expected to be circa $220 million in FY22 and circa $100 million in FY23.

Strong performance on all dimensions of cash management resulted in Group free cash flow in the period (excluding legacy projects) of $416 million, compared to an outflow of $12 million in the prior period.

FUNDING

The Group's balance sheet and funding profile remains strong.

As advised in June 2020, the Group made an early repayment of US$200 and A$99 million of USPP notes on 29 July 2020 from the Group's cash reserves, retiring the Group's most expensive source of debt and reducing annual funding costs by $17 million.

Total funding available to the Group as at 31 December 2020 was $1,812 million of which $925 million was undrawn and there was an additional $618 million of cash on hand. The Group's liquidity was therefore strong at $1.5 billion.

The Group's gearing at 31 December 2020 was 7.0% compared with 12.3% at 30 June 2020.

The Group's leverage ratio (net debt / EBITDA) at 31 December 2020 was 0.4 times, compared with 0.9 times at 30 June 2020. While the leverage ratio is below the Group's target range of 1.0 to 2.0 times, the target capital structure takes account of remaining investment in the Winstone Wallboards plant and legacy construction project outflows (combined circa $400 million across the period FY21-FY23).

The average maturity of the Group's debt at 31 December 2020 is 4.3 years and the hedged currency split is 36% Australian dollar; 62% New Zealand dollar; and 2% spread over various other currencies.

The Group currently has 71% of all borrowings with fixed interest rates with an average duration of 2.1 years. Inclusive of floating rate borrowings, the average interest rate on the debt (based on period-end borrowings) is 4.0%.

OUTLOOK

Market activity for the second half of FY21 is expected to remain broadly stable compared to the first half of the year. Robust activity in the New Zealand and Australian residential sectors, notably for detached housing and renovation work, is expected to be balanced by softer commercial activity in both geographies. Demand for new houses in New Zealand is expected to remain robust.

Business performance in the second half of FY21 is expected to be driven by a continuation of the improved operating disciplines and efficiencies delivered in the first half. The Company's cost-out programme is largely complete, with gross benefits expected to be broadly stable between the first half and second half of the year. Company earnings are expected to be relatively evenly weighted between the two periods, with strong New Zealand Core volumes and Residential house sales in 1Q21 balanced against earnings from two Development transactions to be completed in the second half.

FY21 EBIT before significant items is expected to be in a range of $610 to $660 million. This guidance assumes no material impact from COVID-19 on prevailing market conditions.

Building Products

Divisional Review

Building Products
Financial Summary

NZ$m	Six months ended 31 December 2020	2019	Change %
Gross revenue	683	645	6%
External revenue	537	507	6%
EBITDA	128	92	39%
EBIT	101	66	53%
EBIT margin	14.8%	10.2%	4.6%
Funds	663	716	(7%)
Trading cash flow	152	54	181%
Capital expenditure	40	17	(135%)

NZ$m	EBIT for six months ended 31 December 2020	2019	Change %
Building Products	83	65	28%
Steel	18	1	NM
Total	101	66	53%

The Building Products division reported gross revenue of $683 million, which was 6% higher than the prior period. EBIT was $101 million, compared to $66 million in the prior period.

Revenue performance across all businesses in the division was robust. Businesses primarily selling into residential finishing trades (Winstone Wallboards, Tasman Insulation, Laminex) performed well, reporting revenue up 11% from the prior period. This was driven by sustained levels of demand in residential new build and additions & alterations, as well as targeted market share gains. In the pipes (Iplex, Humes) and steel businesses, gross revenue was up by 3%. These businesses experienced subdued volumes in the infrastructure and vertical construction markets, whilst civil and subdivision work showed good demand, particularly in the Auckland region.

EBIT for the division of $101 million was 53% above the prior period, driven by robust market conditions, price and share gains, and improved operating efficiency. EBIT margins reflected these improvements, increasing to 14.8% from 10.2% in the prior period. Earnings in the pipes' businesses were up 67% on the prior period, with increased profitability reflecting the full year impacts of the transformation plans implemented in FY19 and FY20. EBIT in the Steel business improved by $17 million compared to the prior period, supported by strong price governance, a focus on profitable sales mix and reductions in labour and property costs.

Trading cash flow for the division of $152 million was well ahead of the $54 million reported in the prior period. Working capital improvements were made across the division, particularly in finished stock levels in the Steel and Humes businesses. Strong demand levels meant the businesses were unable to build finished stock levels coming into the summer months, with longer lead times for imported products also reducing raw material holdings. These reduced levels of stock are expected to rebuild through the second half of the year.

Capital expenditure in the period was $40 million, of which $31 million was for the new Winstone Wallboards plant in Tauriko.

Building Products' strategic focus continues to be on four key areas: organic growth through adjacencies and product innovation; an efficient operating model; enhanced pricing systems; and improved customer experience. Highlights for the period included:

- Organic growth into new customer segments and product categories where we have previously only had limited presence, for example, the pipes businesses into the electrical sector.
- Continued investment to ensure our manufacturing facilities are the most efficient in the market and competitive on a global stage. During the period we continued to advance our new wallboards and pipes facilities, with investments also made in automation across other sites.
- Pricing capability continues to improve with the initial focus on pricing structures, controls and reporting now complete, which have helped to arrest key areas of price leakage – particularly in freight recovery and discount management.

Distribution

Divisional Review

- PlaceMakers
- Mico
- Forman Building Systems

Distribution
Financial Summary

	Six months ended 31 December		
NZ$m	2020	2019	Change %
Gross revenue	852	824	3%
External revenue	838	805	4%
EBITDA	85	73	16%
EBIT	60	50	20%
EBIT margin	7.0%	6.1%	0.9%
Funds	200	242	(17%)
Trading cash flow	68	64	6%
Capital expenditure	6	12	50%

The Distribution division reported gross revenue of $852 million, which was $28 million or 3% higher than the prior period. EBIT was $60 million, compared to $50 million in the prior period.

The division recorded revenue growth across all regions of New Zealand, with the exception of parts of the lower South Island. Growth was well distributed across both the large and smaller residential trades and consumer segments, while the commercial sector slowed in the first half.

Gross profit margins continued to come under pressure, with intense competition throughout the industry. Despite this, EBIT margin for the division increased to 7.0% from 6.1% in the prior period as a result of cost and efficiency initiatives delivered over the past two years. This includes operating model changes in both the branch network and support offices, including continued digitisation of the business, workforce optimisation, insourcing of freight management, and implementation of Hub structures in major centres. The Hubs now cover around 60% of the network following the roll-out of this model to the Auckland branches.

Trading cash flow for the division of $68 million was 6% ahead of the prior period. Receivables continued to be well controlled, while inventory days increased compared to the prior period. This was a result of the division's focus on ensuring availability of key stock lines in a market constrained for a number of locally and internationally sourced product lines.

Capital expenditure in the period was $6 million, compared to $12 million in the prior period, with continued investment in digital innovation and a reduced investment in property.

The division continues to focus on competitive customer offerings, ease of doing business and market leading services to drive long term sustainable returns. Highlights for the period include:

- Launch of the SAP Hybris ecommerce platform and release of the PlaceMakers Trade Portal and the consumer omnichannel click and collect sites. These investments are part of an ongoing programme to digitise both the PlaceMakers and Mico businesses.
- Go-live of the PlaceMakers transport management system across the branch network, allowing customers to track and trace all deliveries made from a PlaceMakers branch. This includes the ability for customers to receive notifications across the product order life cycle from the time the initial order is made to delivery on site.
- Continued branch expansion with the opening of the Mico Matamata and PlaceMakers Warkworth. Mico Upper Hutt will open in the second half of the year, as will the refurbished PlaceMakers Levin branch.

Concrete

Divisional Review

> Winstone Aggregates
> Golden Bay Cement
> Firth Industries

Concrete
Financial Summary

	Six months ended 31 December		
NZ$m	2020	2019	Change %
Gross revenue	430	403	7%
External revenue	291	273	7%
EBITDA before significant items [1]	98	87	13%
EBIT before significant items [1]	62	49	27%
EBIT margin before significant items [1]	14.4%	12.2%	2.2%
Significant items [2]	5		NM
Funds	585	629	(7%)
Trading cash flow	88	49	80%
Capital expenditure	11	33	67%

(1) EBIT and EBITDA before significant items are non-GAAP measures used by management to assess the performance of the business and have been derived from Fletcher Building Limited's financial statements for the period ended 31 December 2020.

(2) Details of significant items can be found in note 2.1 of the financial statements.

The Concrete division reported gross revenue of $430 million, which was $27 million or 7% higher than the prior period. EBIT before significant items was $62 million, compared to $49 million in the prior period.

The division experienced robust demand across all key segments. Firth ready-mix volumes increased by 6% over the prior period, and masonry and Dricon also showed solid revenue gains. Cement revenue growth of 17% was underpinned by underlying ready-mix demand as well as market share growth due to the exit of a supplier in the bulk cement market. Domestic cement prices were stable compared to the prior period. In Winstone Aggregates, same site sales volumes were consistent with the prior period, while revenue lifted 5% on pricing and product mix improvements.

EBIT for the division was 27% ahead of the prior period, with EBIT margins increasing to 14.4% from 12.2% previously. The improvement reflects a sustained programme over the past three years of: manufacturing and supply chain efficiency initiatives; targeted share gains in cement and ready-mix, and improved pricing governance. GBC's earnings were flat compared to the prior period, with volume growth offset by additional costs in preparation for a 35-day shut to implement the Tyre Derived Fuel project in January 2021.

Trading cash flow for the division was $88 million, an increase of 80% on the prior period, driven by the improved earnings and reduction in working capital. A degree of inventory rebuild is expected in the second half of the year.

Capital expenditure in the period of $11 million was focused on the Tyre Derived Fuel project and quarry stripping to access aggregate resource.

The division's strategic focus continues to be on projects to: reduce carbon emissions; improve customer service experience, especially through digital connectivity; secure long-term resource and operating footprints; and ensure cost competitive manufacturing and supply chain positions. Key achievements in the period included:

- Production of a trial batch of cement blended with pozzolanic material, aimed at reducing the carbon footprint for concrete, with concrete manufacture and test slabs scheduled for the second half of the year;
- Commencement of the 35-day kiln shut at GBC's Portland cement plant to allow the necessary process changes to complete the Tyre Derived Fuel initiative. This project, which is in conjunction with the Ministry for the Environment, will consume waste tyres to enable both energy cost improvements and reduce carbon emissions in cement manufacture. Commissioning will commence in February 2021.

Residential and Development

Residential and Development
Financial Summary

	Six months ended 31 December		
NZ$m	2020	2019	Change %
Gross revenue	356	224	59%
External revenue	351	224	57%
EBITDA	63	36	75%
EBIT	62	35	77%
EBIT margin	17.4%	15.6%	1.8%
Funds	593	657	(10%)
Trading cash flow	112	35	220%
Capital expenditure		2	NM

	EBIT for six months ended 31 December		
NZ$m	2020	2019	Change %
Residential	62	27	130%
Land Development	2	11	(82%)
Clever Core	(2)	(3)	33%
Total	**62**	**35**	**77%**

The Residential and Development division reported gross revenue of $356 million, which was $132 million or 59% higher than the prior period. EBIT was $62 million, compared to $35 million in the prior period.

The market environment for the Fletcher Living housing business was positive. In Auckland, the $600,000 to $900,000 price range where the business has focused its activities proved attractive to purchasers, with first home buyers and investors being particularly active. Sales were equally strong in the Canterbury branch, with a wide variety of product sold in the CBD across key developments at One Central (130 have now been sold, with a further 50 agreements to be settled in the second half of the year) and Colombo St. Sales at the Atlas Quarter development in Christchurch are now complete.

EBIT for the Residential housing business of $62 million was 130% higher than the prior period, benefiting from both volume and price improvements. The business completed sales of 515 units, compared to 293 in the prior period. Sales volumes in the current period were boosted by 102 agreements from May and June 2020 which settled in the first quarter of FY21. The average price of units sold across Auckland and Christchurch during the period was 5% higher than the prior year, partly due to good demand and partly due to a more favourable mix of housing typologies sold.

Land Development EBIT of $2 million was $9 million lower than the prior period. The two key transactions for FY21 are scheduled to complete in the second half of the year: the former Crane Copper Tube site in Sydney, which was delayed by COVID-19 and the Rocla Gailes site in Brisbane.

Clever Core, the division's panelisation business, made an EBIT loss of $2 million, compared to the $3 million loss made in the prior period. The result reflects an increased output of panelised houses into Fletcher Living, offset by fixed costs associated with running the manufacturing plant. As Clever Core ramps up its production and sales of panelised houses to include external customers, it is expected to move out of start-up mode and into profitability.

Trading cash flow for the division was $112 million compared to $35 million in the prior period, reflecting the strong sales and a consequent reduction in housing stock levels. Divisional funds employed decreased slightly to $593 million at 31 December 2020. This balance includes 1,971 residential lots for further development or sale, and the division has a further 1,641 units under unconditional agreement. Currently the division has approximately 900 lots secured which are targeted for delivery in FY22.

The division's key areas of strategic focus are:

- Continuing to scale the core business to sales of circa 1,000 units p.a., with a particular focus on securing a forward land profile to support this volume;
- Ramping up Clever Core manufacturing volumes, with sales of panelised houses to third parties expected in FY22;
- Scaling the division's apartment business, with a dedicated team established to focus on this particular form of residential product.

Construction

Divisional Review

Construction
Financial Summary

	Six months ended 31 December		
NZ$m	2020	2019	Change %
Gross revenue	651	774	(16%)
External revenue	620	742	(16%)
EBITDA before significant items [(1)]	32	33	(3%)
EBIT before significant items [(1)]	13	14	(7%)
EBIT margin before significant items [(1)]	2.0%	1.8%	0.2%
Significant items [(2)]	(1)		NM
Funds	151	219	(31%)
Trading cash flow	(80)	(152)	47%
Capital expenditure	14	19	26%

	EBIT before significant items [(1)] for six months ended 31 December		
NZ$m	2020	2019	Change %
Higgins	16	14	14%
Other	(3)		NM
Total	13	14	(7%)

(1) EBIT and EBITDA before significant items are non-GAAP measures used by management to assess the performance of the business and have been derived from Fletcher Building Limited's financial statements for the period ended 31 December 2020.

(2) Details of significant items can be found in note 2.1 of the financial statements.

The Construction division reported gross revenue of $651 million, which was $123 million or 16% lower than the prior period. EBIT before significant items was $13 million, compared to $14 million in the prior period.

The reduction in divisional revenue was due solely to reduced work on legacy projects, while revenues elsewhere in the division were stable. During the period, Commercial Bay and Grey Base Hospital were handed over to client. Progress on major infrastructure projects continues in line with the revised completion dates set post COVID-19. Work to complete across the legacy portfolio is now $0.4 billion, down from $0.6 billion at 30 June 2020.

The division continued to rebuild its forward order book, which is $3.1 billion as at 31 December 2020. This includes smaller self-perform work in Higgins and Brian Perry, national and local maintenance contracts, and the 10-year Watercare Enterprise Framework Agreement, providing an estimated $1.3 billion backlog of work for Brian Perry Civil over the next 9 years. During the period, the division achieved preferred status on a further $0.5 billion of works including preferred contractor on Auckland Transport's AMETI busway alliance project. New work secured by the Buildings and South Pacific businesses was limited due to the impacts of COVID-19, but there is a solid pipeline of opportunities being tendered over the second half of FY21.

EBIT before significant items for the division was $13 million, in line with the prior period. Earnings were underpinned by Higgins and Brian Perry Civil. EBIT margins in both of these businesses was around 6.1%, reflecting efforts to strengthen bid governance, commercial acumen and delivery management.

Trading cash flow for the division was an outflow of $80 million in the period, compared to an outflow of $152 million in the prior period. Excluding the cash impacts of the legacy projects, trading cash for the division was an inflow of $30 million, compared to an inflow of $10 million in the prior year.

Capital expenditure in the period of $14 million was focused on mobile and static asphalt plants for Higgins to service both New Zealand and the Pacific.

The Division's ongoing focus is: completion of the legacy projects within provisions; continuing to build a balanced portfolio of work with an improved risk and margin profile; and further embedding the 'Fletcher One' standardised governance and management framework across the business.

Australia

Divisional Review

Building Products Australia:
- Laminex Australia
- Iplex Australia
- Rocla
- Fletcher Insulation

Distribution Australia:
- Tradelink
- Oliveri Solutions

Steel Australia:
- Stramit

Australia
Financial Summary

NZ$m	Six months ended 31 December 2020	2019	Change %
Gross revenue	1,390	1,453	(4%)
External revenue	1,350	1,410	(4%)
EBITDA	115	103	12%
EBIT before significant items (NZ$m) [1]	51	35	46%
EBIT before significant items (A$m) [1]	48	33	45%
EBIT margin before significant items [1]	3.7%	2.4%	1.3%
Significant items [2]	(87)	(35)	(149%)
Funds	1,367	1,669	(18%)
Trading cash flow	52	(64)	181%
Capital expenditure	9	32	72%

NZ$m	EBIT before significant items [1] for six months ended 31 December 2020	2019	Change %
Building Products Australia	34	27	26%
Distribution Australia	8	4	100%
Steel Australia	13	5	160%
Divisional costs	(4)	(1)	NM
Total	**51**	**35**	**46%**

(1) EBIT and EBITDA before significant items are non-GAAP measures used by management to assess the performance of the business and have been derived from Fletcher Building Limited's financial statements for the period ended 31 December 2020.

(2) Details of significant items can be found in note 2.1 of the financial statements.

The Australia division reported gross revenue of $1,390 million, which was $63 million or 4% lower than the prior period. EBIT before significant items was $51 million, an increase of 46% compared to the $35 million reported in the prior period.

Overall, the division continues to benefit from the significant programme of improvement initiatives put in place over the past three years. Growth in earnings and profitability in the current period was across a broader range of the division's businesses, with Laminex, Tradelink and Stramit all posting improved results. Cost reduction activities in the division are now broadly complete, with the focus increasingly on improved customer services and solutions. EBIT margins for the division improved to 3.7% from 2.4% in the prior period.

Building Products Australia revenue declined by 10% in the period, while EBIT before significant items of $34 million was up $7 million. Laminex and Fletcher Insulation delivered revenue slightly ahead of the prior period as activity in the residential sector proved more robust than expected, with operational and manufacturing efficiencies mitigating the impact of the COVID-19 lockdown in the key sales region of Victoria. Laminex earnings improved 4% due to market share gains in key categories, major product launches, an improved digital offering, and a lower cost base. Fletcher Insulation delivered steady earnings, with the benefits from the restructuring of its manufacturing and distribution footprints over the past two years partly negated in the period by the Victoria lockdown. In the Pipes businesses (Iplex, Rocla), revenue declined by 25%, primarily due to very low levels of activity and delays in key infrastructure projects linked to the impact of COVID-19, as well as the decision to exit the Rocla Gailes and Emu Plains sites. Rocla's earnings in the current period included a $6 million benefit from lower depreciation, as the business is currently held for sale. Excluding this benefit, earnings from the Pipes businesses were in line with the prior period, with benefits of efficiency and cost-out initiatives in the past three years offsetting the significantly lower market activity.

Distribution Australia reported reduced revenues of 3% in the period, while earnings improved to $8 million compared to $4 million in the prior period. Tradelink's focus on the small to medium network customer segment continues to provide increased stability, with revenues in this segment growing 4% compared to the prior year, offset by declines in the commercial segment. The shift to increased own brand sales is providing tangible benefits with the business delivering over 25% front of wall own brand sales for the first time, and with further own brand penetration targeted. Earnings in Oliveri grew in the period as a result of strong uptake in the new bathroom product range, market share growth in the traditional kitchen sink and tap market as well as the successful execution of cost-out and manufacturing initiatives.

Australia (Continued)

Steel Australia grew revenues by 9% in the period, with EBIT of $13 million materially ahead of the $5 million reported in the prior period. New product launches, a further reduction in the cost base, and market share gains in key segments – especially in the higher margin shed segment – all contributed to the improved result.

Significant items charges in the division were $87 million in the period. These comprised $36 million in charges related to restructuring activity, of which $33 million related to site closures in the Iplex business; and an impairment of $51 million with respect to Rocla, based on a reassessment of likely divestment proceeds.

Trading cash inflows were $52 million compared to an outflow of $64 million in the prior period. Trading cash excluding significant items was $70 million compared to an outflow of $44 million in the prior period. The result reflects ongoing improvements in inventory management and tight debtor controls.

Capital expenditure was reduced in the period to just $9 million, with key investments focused on digital migration, new product development and automation in the manufacturing businesses.

The Australia division's strategic focus will be on maximising efficiencies in the operating model, maintaining the cost base delivered by restructuring programmes, the continuation of product and service innovation, and investment in improved digital offers. The sale of the Rocla business is ongoing.

Consolidated Income Statement (Unaudited)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Notes	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended June 2020 NZ$M
Revenue		**3,987**	3,961	7,309
Cost of goods sold		**(2,839)**	(2,860)	(5,496)
Gross margin		**1,148**	1,101	1,813
Selling, general and administration expenses		**(834)**	(888)	(1,660)
Share of profits of associates and joint ventures		**9**	6	7
Significant items	2.1	**(86)**	(35)	(276)
Earnings before interest and taxation (EBIT)		**237**	184	(116)
Lease interest expense		**(33)**	(35)	(69)
Funding costs		**(23)**	(35)	(80)
Earnings/(loss) before taxation		**181**	114	(265)
Taxation (expense)/benefit	4	**(57)**	(28)	81
Earnings/(loss) after taxation		**124**	86	(184)
Earnings attributable to non-controlling interests		**(3)**	(4)	(12)
Net earnings/(loss) attributable to the shareholders		**121**	82	(196)
Net earnings/(loss) per share (cents)				
Basic		**14.7**	9.8	(23.5)
Diluted		**14.2**	9.8	(23.5)
Weighted average number of shares outstanding (millions of shares)				
Basic		**824**	835	835
Diluted		**894**	906	835
Dividends declared per share (cents)		**12**		

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended June 2020 NZ$M
Net earnings/(loss) attributable to shareholders	**121**	82	(196)
Net earnings attributable to non-controlling interests	**3**	4	12
Net earnings/(loss)	**124**	86	(184)
Other comprehensive income			
Items that do not subsequently get reclassified to profit or loss:			
Movement in pension reserve			(17)
			(17)
Items that may be reclassified subsequently to profit or loss in the future:			
Movement in cash flow hedge reserve	**(21)**	(1)	(6)
Movement in currency translation reserve	**(11)**	(4)	35
	(32)	(5)	29
Other comprehensive income/(loss)	**(32)**	(5)	12
Total comprehensive income/(loss) for the period	**92**	81	(172)

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Consolidated Statement of Movements in Equity (Unaudited)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NZ$M	Share capital	Retained earnings	Share-based payments reserve	Cash flow hedge reserve	Currency translation reserve	Pension reserve	Total	Non-controlling interest	**Total equity**
Total equity at 30 June 2019	3,427	898	11	(6)	(184)	(5)	4,141	32	4,173
Change in accounting policies		(183)					(183)		(183)
Adjusted equity at 30 June 2019	3,427	715	11	(6)	(184)	(5)	3,958	32	3,990
Total comprehensive income/(loss) for the period		82		(1)	(4)		77	4	81
Movement in non-controlling interests								(6)	(6)
Dividends paid to shareholders of the parent		(128)					(128)		(128)
Repurchase of shares	(141)						(141)		(141)
Total equity at 31 December 2019	**3,286**	**669**	**11**	**(7)**	**(188)**	**(5)**	**3,766**	**30**	**3,796**
Adjusted equity at 30 June 2019	3,427	715	11	(6)	(184)	(5)	3,958	32	3,990
Total comprehensive income/(loss) for the year		(196)		(6)	35	(17)	(184)	12	(172)
Movement in non-controlling interests								(9)	(9)
Dividends paid to shareholders of the parent		(128)					(128)		(128)
Movement in share-based payment reserve			1				1		1
Repurchase of shares	(147)						(147)		(147)
Total equity at 30 June 2020	**3,280**	**391**	**12**	**(12)**	**(149)**	**(22)**	**3,500**	**35**	**3,535**
Total comprehensive income/(loss) for the period		121		(21)	(11)		89	3	92
Movement in non-controlling interests								(27)	(27)
Movement in share-based payment reserve			4				4		4
Movement in treasury stock	(7)						(7)		(7)
Total equity at 31 December 2020	**3,273**	**512**	**16**	**(33)**	**(160)**	**(22)**	**3,586**	**11**	**3,597**

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Consolidated Balance Sheet (Unaudited)

AS AT 31 DECEMBER 2020

Assets	Notes	Dec 2020 NZ$M	Dec 2019 NZ$M	Jun 2020 NZ$M
Current assets:				
Cash and cash equivalents		**618**	570	1,104
Current tax assets		**62**	65	66
Contract assets	2.5	**15**	50	69
Derivatives		**7**	6	125
Debtors		**1,029**	1,125	1,041
Inventories		**1,126**	1,370	1,215
		2,857	3,186	3,620
Assets classified as held for sale	2.4	**109**		204
Total current assets		**2,966**	3,186	3,824
Non-current assets:				
Property, plant and equipment		**1,541**	1,707	1,555
Intangible assets		**1,118**	1,130	1,133
Right-of-use assets		**1,393**	1,500	1,413
Investments in associates and joint ventures		**159**	156	158
Inventories		**305**	309	301
Retirement plan assets		**41**	61	42
Derivatives		**8**	111	67
Deferred tax assets		**235**	168	285
Total non-current assets		**4,800**	5,142	4,954
Total assets		**7,766**	8,328	8,778
Liabilities				
Current liabilities:				
Creditors, accruals and other liabilities		**1,034**	1,046	1,098
Provisions		**199**	193	251
Lease liabilities		**172**	166	172
Current tax liabilities		**5**	5	5
Derivatives		**22**	5	7
Contract liabilities	2.5	**177**	80	223
Borrowings	5	**109**	159	581
		1,718	1,654	2,337
Liabilities classified as held for sale	2.4	**33**		48
Total current liabilities		**1,751**	1,654	2,385
Non-current liabilities:				
Creditors, accruals and other liabilities		**46**	63	60
Provisions		**25**	16	26
Lease liabilities		**1,528**	1,611	1,549
Deferred tax liabilities			2	
Derivatives		**23**	9	13
Borrowings	5	**796**	1,177	1,210
Total non-current liabilities		**2,418**	2,878	2,858
Total liabilities		**4,169**	4,532	5,243
Equity				
Share capital		**3,273**	3,286	3,280
Reserves		**313**	480	220
Shareholders' funds		**3,586**	3,766	3,500
Non-controlling interests		**11**	30	35
Total equity		**3,597**	3,796	3,535
Total liabilities and equity		**7,766**	8,328	8,778

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

On behalf of the Board, 17 February 2021

Bruce Hassall
Chair of Directors

Robert McDonald
Director

Consolidated Statement of Cash Flows (Unaudited)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Cash flow from operating activities			
Receipts from customers	**3,968**	3,954	7,512
Dividends received	**3**	1	1
Payments to suppliers, employees and other	**(3,474)**	(3,890)	(6,957)
Interest paid	**(66)**	(69)	(146)
Income tax paid	**(3)**	(1)	
Net cash from operating activities	**428**	(5)	410
Cash flow from investing activities			
Sale of property, plant and equipment	**14**	2	5
Sale of subsidiaries/investments		1	1
Purchase of property, plant and equipment and intangible assets	**(82)**	(119)	(240)
Net cash from investing activities	**(68)**	(116)	(234)
Cash flow from financing activities			
Issue of capital notes	**42**		100
Drawdown of borrowings			401
Repayment of borrowings	**(755)**	(271)	(269)
Principal elements of lease payments	**(91)**	(84)	(171)
Repurchase of capital notes		(50)	(220)
Distribution to non-controlling interests	**(27)**	(6)	(9)
Treasury stock purchased/repurchase of shares	**(7)**	(141)	(147)
Dividends		(128)	(128)
Net cash from financing activities	**(838)**	(680)	(443)
Net movement in cash held	**(478)**	(801)	(267)
Add: opening cash and liquid deposits	**1,104**	1,372	1,372
Effect of exchange rate changes on net cash	**(8)**	(1)	(1)
Closing cash and deposits	**618**	570	1,104

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Notes to the Consolidated Financial Statements

1. Corporate information

The condensed consolidated interim financial statements presented are those of Fletcher Building Limited and its subsidiaries (the "Group"). Fletcher Building Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and is a FMC Reporting Entity under Financial Markets Conduct Act 2013. The Company is a for-profit entity.

Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and the requirements of the Financial Markets Conduct Act 2013 and the Main Board/Debt Market Listing Rules of NZX Limited.
The condensed consolidated interim financial statements comply with NZ IAS 34 and IAS 34 Interim Financial Reporting and do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual consolidated financial statements as at 30 June 2020.

2. Key estimates and judgements

2.1 SIGNIFICANT ITEMS

Six months ended 31 December 2020

	Restructuring activity [1] NZ$M	Property rationalisation [2] NZ$M	Impairment of assets [3] NZ$M	M&A activity [4] NZ$M	Total NZ$M
Concrete	(1)			6	5
Construction	(1)				(1)
Australia	(13)	(15)	(59)		(87)
Other	(3)				(3)
Total significant items before taxation	**(18)**	**(15)**	**(59)**	**6**	**(86)**
Tax benefit on above items	4	5	3		12
Total significant items after taxation	**(14)**	**(10)**	**(56)**	**6**	**(74)**

Six months ended 31 December 2019

	Restructuring activity NZ$M	Property rationalisation NZ$M	Impairment of assets NZ$M	M&A activity NZ$M	Total NZ$M
Australia	(35)				(35)
Total significant items before taxation	**(35)**				**(35)**
Tax benefit on above items	10				10
Total significant items after taxation	**(25)**				**(25)**

Year ended 30 June 2020

	Restructuring activity NZ$M	Property rationalisation NZ$M	Impairment of assets NZ$M	M&A activity NZ$M	Total NZ$M
Building Products	(6)	(3)	(10)		(19)
Distribution	(9)	(3)	(6)		(18)
Concrete	(5)	(5)	(3)		(13)
Residential and Development	(1)				(1)
Construction	(8)	(3)	(2)		(13)
Australia	(32)	(33)	(101)		(166)
Other	(32)	(1)	(13)		(46)
Total significant items before taxation	**(93)**	**(48)**	**(135)**		**(276)**
Tax benefit on above items	24	15	38		77
Total significant items after taxation	**(69)**	**(33)**	**(97)**		**(199)**

In reporting financial information, the Group presents non-GAAP performance measures, which are not defined or specified under the requirements of NZ IFRS.

The Group makes certain significant item adjustments to the statutory profit measures in order to derive many of these non-GAAP measures. The Group's policy is to exclude items that are considered to be significant in both nature and/or quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group. On this basis, the following items were included within significant items for the period ended 31 December 2020:

(1) Restructuring activity

The Group announced its New Zealand and Australia restructuring programme on 20 May 2020. Ongoing implementation of the programme's initiatives has resulted in a net charge of $18 million recognised in the period, $11 million of these costs are attributable to changes in Iplex Australia's business operations.

(2) Property rationalisation

In line with the restructuring strategy announced on 20 May 2020 the Group undertook a review of its operational property footprint. The costs incurred by the Group in this period relate primarily to the exit of manufacturing and distribution sites by Iplex Australia.

(3) Impairment of assets

Rocla Pty Limited ($51 million)

The Rocla business continues to be classified as a disposal group held for sale (refer to note 2.4). Under this classification, the net assets of the business are measured at the lower of carrying value or fair value less cost to sell. As the divestment process has been underway since 1 June 2020, the fair value of the business has been assessed to be lower than the carrying value of the net assets as at 31 December 2020. A write down charge of $51 million has therefore been recognised against these assets.

Iplex Australia ($8 million)

The Group has recognised a net impairment charge of $8 million to account for the write down of property, plant and equipment and inventory, the charge relates primarily to changes in Iplex Australia's business operations.

(4) M&A Activity

On 31 July 2020 the Group completed the sale of quarry assets in Manawatū, the assets had been reported as property, plant and equipment prior to the disposal. The transaction resulted in a gain on sale of $6 million.

2.2 INTANGIBLE ASSET IMPAIRMENT TESTING

The Group performs a detailed impairment assessment annually and considers indicators of impairment at each interim reporting date. At 31 December 2020, the Group performed a review of indicators of impairment for all cash-generating units with significant intangible asset balances. No indicators of impairment have been identified as a result of this review.

2.3 SUPPLEMENTARY DISCLOSURES: EARNINGS PER SHARE

The below disclosure has been included to provide additional useful information by removing the impact of one-off events in the current and prior year, and the resulting impact on the earnings per share measure.

The effect of significant items on earnings/(loss) per share is as follows:

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Net earnings/(loss) after taxation (as per income statement)	**121**	82	(196)
Add back: Significant items after taxation (note 2.1)	**74**	25	199
Net earnings before significant items	**195**	107	3
Net earnings per share before significant items (cents)	**23.7**	12.8	0.4
Net earnings/(loss) per share - as reported per income statement (cents)	**14.7**	9.8	(23.5)

2.4 ASSETS HELD FOR SALE

Rocla Pty Limited

On 19 February 2020, the Group announced its intention to divest the Rocla business, a wholly owned subsidiary reported under the Australia segment. The announcement to suspend the divestment process was made on 25 March 2020 in response to COVID-19, the process was recommenced on 1 June 2020. At 30 June 2020, the business met the requirements to be classified as a disposal group held for sale and depreciation of the relevant assets ceased from 1 June 2020. At 31 December 2020 the Group has assessed the latest facts and circumstances in relation to the Rocla divestment process and concluded that the classification of Rocla as a disposal group remains appropriate.

During the period the Group transferred land at Rocla's Brisbane and Sydney sites, which was previously classified as property, plant and equipment, to inventory held for sale. The Group intends to develop and realise the land assets in the ordinary course of business. These assets have been excluded from held for sale classification and presented under the Residential and Development reportable segment.

The Group has reassessed the fair value less costs to sell of the business' remaining net assets as at 31 December 2020 and recognised a write-down of $51 million. The fair value of Rocla's net assets has been assessed based on information received through the divestment process.

The summary of Rocla's assets and associated liabilities classified as held for sale is presented below:

	Dec 2020 NZ$M	Dec 2019 NZ$M	Jun 2020 NZ$M
Assets			
Property, plant and equipment	**34**		118
Right-of-use assets	**7**		6
Inventories	**52**		50
Debtors	**16**		30
Assets held for sale	**109**		**204**
Liabilities			
Creditors, accruals and other liabilities	**18**		28
Provisions	**8**		13
Lease liabilities	**7**		7
Liabilities directly associated with assets held for sale	**33**		48
Net assets directly associated with disposal group	**76**		156

2.5 SUPPLEMENTARY DISCLOSURES: CONSTRUCTION ACCOUNTING

Construction work in progress is stated at cost plus profit recognised to date, less progress billings. Cost includes all expenditure directly related to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended June 2020 NZ$M
Construction contracts with cost and margin in advance	**15**	50	69
Contract assets	**15**	50	69
Construction contracts with billings in advance of costs and margin	**177**	80	223
Contract liabilities	**177**	80	223

Estimates and judgements are made relating to a number of factors when assessing construction contracts. These primarily include the programme of work throughout the contract period, assessment of future costs after considering changes in the scope of work, maintenance and defect liabilities, expected inflation (for unlet sub-trades) and performance bonuses or penalties. Construction projects are inherently more uncertain earlier in their lifetime, which leads to a number of significant estimates and judgements being made at these early stages.

The significant judgements inherent in accounting for the Group's most material construction projects are:

- The extent to which a project progresses in line with the complex project programme and timetable previously formed and the resulting impact of any programme delays or gains on project costs, especially project overheads (preliminary and general costs) and any liquidated or other damages;
- Sub-contractor cost, in particular cost that is yet to be agreed in scope or price (including inflationary pressures) or that relating to programme prolongation;
- The outcome of ongoing commercial negotiations, including elements of variable consideration and changes in project scope; and
- Future weather and ground conditions.

Status of construction projects (> $200m original contract value) as at 31 December 2020

A summary of total contracted work under construction and details of the major projects and their approximate stage of completion is disclosed to demonstrate the uncertainty that remains on these projects.

	Business Unit	Percentage of completion (% cost)	Forecast completion
NZICC - Guaranteed maximum price and fixed price contract	Buildings	82%	2023
NZICC Reinstatement - Cost plus margin	Buildings	20%	2023
Pūhoi to Warkworth - Fixed price contract (Public Private Partnership)	Infrastructure	70%	2022
Hamilton City Edge Expressway - Alliance contract	Infrastructure / Higgins	87%	2021
Peka Peka to Ōtaki Expressway - Fixed price contract	Infrastructure / Higgins	65%	2022

Revenue Backlog by Business Unit as at 31 December 2020

	Current Revenue Backlog NZ$M	Top 5 projects as a % of Revenue Backlog
Buildings	**534**	100%
Infrastructure *	**464**	91%
Higgins	**732**	33%
Brian Perry Civil *	**1,253**	12%
South Pacific	**147**	88%
	3,130	N/A

* During the period the Watercare Enterprise Framework Agreement contract has moved to being predominately delivered by Brian Perry Civil, previously the estimated backlog was equally allocated to Infrastructure and Brian Perry Civil business units.

Revenue backlog refers to the level of construction work the Group is contracted to but is not yet complete as at period end. This represents the performance obligations that are yet to be completed for the construction contracts active as at 31 December 2020. The long term nature of the contracts held by the Infrastructure, Brian Perry and Higgins businesses will see these performance obligations completed over a period generally between one to five years, although some may extend longer.

New Zealand International Convention Centre (NZICC)

On 22 October 2019 there was a significant fire at the NZICC project construction site causing damage to both the International Convention Centre and Hobson Street Hotel. Contract Works and Third-Party Liability insurances are in place on the project, and the Fletcher Construction Company Limited is an insured party under these policies.

The NZICC project continues to be accounted for under NZ IFRS 15: Revenue from Contracts with Customers and NZ IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The Group has assessed all relevant known facts and circumstances related to the estimation of cost to complete and insurance recoveries and concluded based on current information that there is no additional requirement for provisions in these financial statements. The Group's assessment of the cost to complete relies on application of estimates and judgements (e.g. measurement of remediation's cost to complete, the likelihood of receipt of insurance recoveries and quantification of any claims and costs that are outside of insurance cover) and as such may be subject to change as the project progresses.

Notes to the Consolidated Financial Statements (Continued)

3. Segmental information

Segmental information is presented in respect of the Group's industry and geographical segments.

Industry segments	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Gross Revenue			
Building Products	**683**	645	1,173
Distribution	**852**	824	1,471
Concrete	**430**	403	740
Residential and Development	**356**	224	466
Construction	**651**	774	1,318
Australia	**1,390**	1,453	2,802
Other	**5**	5	10
Group	**4,367**	4,328	7,980
Intercompany Revenue	**(380)**	(367)	(671)
External Revenue Per Income Statement	**3,987**	3,961	7,309
External Revenue			
Building Products	**537**	507	922
Distribution	**838**	805	1,440
Concrete	**291**	273	503
Residential and Development	**351**	224	460
Construction	**620**	742	1,261
Australia	**1,350**	1,410	2,723
Group	**3,987**	3,961	7,309
EBIT before significant items			
Building Products	**101**	66	87
Distribution	**60**	50	85
Concrete	**62**	49	74
Residential and Development	**62**	35	65
Construction	**13**	14	(147)
Australia	**51**	35	33
Corporate	**(26)**	(30)	(37)
Group	**323**	219	160
Significant items (note 2.1)	**(86)**	(35)	(276)
Group	**237**	184	(116)
Depreciation, depletion and amortisation expense			
Building Products	**27**	26	53
Distribution	**25**	23	47
Concrete	**36**	38	74
Residential and Development	**1**	1	3
Construction	**19**	19	40
Australia	**64**	68	135
Corporate	**8**	8	18
Group	**180**	183	370

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Capital expenditure			
Building Products	**40**	17	53
Distribution	**6**	12	21
Concrete	**11**	33	50
Residential and Development		2	3
Construction	**14**	19	32
Australia	**9**	32	65
Corporate	**2**	4	8
Group	**82**	119	232
Funds*			
Building Products	**663**	716	678
Distribution	**200**	242	209
Concrete	**585**	629	607
Residential and Development	**593**	657	604
Construction	**151**	219	50
Australia	**1,367**	1,669	1,494
Other (including debt and taxation)	**38**	(336)	(107)
Group	**3,597**	3,796	3,535
Geographic segments External Revenue			
New Zealand	**2,582**	2,472	4,466
Australia	**1,349**	1,428	2,740
Other jurisdictions	**56**	61	103
Group	**3,987**	3,961	7,309
EBIT before significant items			
New Zealand	**270**	166	110
Australia	**49**	44	42
Other jurisdictions	**4**	9	8
Group	**323**	219	160
Funds*			
New Zealand	**2,024**	2,501	2,221
Australia	**1,415**	1,681	1,495
Other (including debt and taxation)	**158**	(386)	(181)
Group	**3,597**	3,796	3,535
Non-current assets+			
New Zealand	**2,819**	2,886	2,836
Australia	**1,646**	1,868	1,670
Other	**51**	48	53
Group	**4,516**	4,802	4,559

* Funds represent the external assets and liabilities of the Group and are used for internal reporting purposes. Group balances such as borrowings and taxation are allocated to Corporate as these are managed at a Group level.

\+ Excludes deferred tax assets, retirement plan surplus and financial instruments.

4. Taxation expense/(benefit)

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Earnings/(loss) before taxation	181	114	(265)
	181	114	(265)
Taxation at 28 cents per dollar	51	32	(74)
Adjusted for:			
Difference in tax rates		(1)	(4)
Non assessable income	(6)	(1)	(3)
Non deductible expenses	15	1	4
Tax losses for which no deferred tax asset was recognised			2
Utilisation of previous unrecognised tax losses	(1)	(3)	(3)
Tax in respect of prior years	(2)		(3)
	57	28	(81)
Tax expense/(benefit) on net earnings/(loss)	57	28	(81)
	57	28	(81)
Tax expense/(benefit) on earnings/(loss) before significant items	69	38	(4)
Tax benefit on significant items	(12)	(10)	(77)
	57	28	(81)

The net deferred tax asset balance of $235 million at 31 December 2020 largely comprises Construction provisions and Australian tax losses incurred in the prior periods. It is expected there will be sufficient future earnings in New Zealand and Australia to utilise the deferred tax asset in each of these jurisdictions.

5. Borrowings

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Private placements	476	878	1,001
Bank loans			400
Capital notes	406	435	365
Other loans	23	23	25
Carrying value of borrowings (as per balance sheet)	**905**	**1,336**	**1,791**
Less: value of derivatives used to manage changes in hedged risks on debt instruments	(18)	(114)	(190)
Economic debt	**887**	**1,222**	**1,601**
Less: Cash and cash equivalents	(618)	(570)	(1,104)
Net debt	**269**	**652**	**497**

Carrying value of borrowings included within the balance sheet as follows:

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Current borrowings	**109**	159	581
Non-current borrowings	**796**	1,177	1,210
Carrying value of borrowings (as per balance sheet)	**905**	**1,336**	**1,791**
Less: Cash and cash equivalents	**(618)**	(570)	(1,104)
Net debt (as per balance sheet)	**287**	**766**	**687**

6. Fair value measurement

Financial instruments are measured at fair value using the following fair value measurement hierarchy:

(Level 1) Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(Level 2) Inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) other than quoted prices included within level 1.

(Level 3) Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's derivatives are in designated hedge relationships and are measured and recognised at fair value. All derivatives are level 2 valuations based on accepted valuation methodologies. Forward exchange fair value is calculated using quoted forward exchange rates and discounted using yield curves derived from quoted interest rates matching maturity of the contract. The fair value of electricity price swaps is measured using a derived forward curve and discounted using yield curves derived from quoted interest rates matching the maturity of the contract. Interest rate derivatives are calculated by discounting the future principal and interest cash flows at current market interest rates that are available for similar financial instruments.

Fair value disclosures

The fair values of borrowings used for disclosure are measured under level 2, by discounting future principal and interest cash flows at the current market interest rate plus an estimated credit margin that is available for similar financial instruments with a similar credit profile to the Group. The interest rates across all currencies used to discount future principal and interest cash flows are between (0.6)% and 4.7% (December 2019: 1.02% and 4.99%; June 2020: (0.5)% and 4.0%) including margins, for both accounting and disclosure purposes.

7. Contingencies and commitments

Provisions are made in the ordinary course of business for all known and probable future claims to the extent they can be reliably measured. There have been no material movements in capital expenditure commitments, contingent liabilities or contingent assets to those disclosed in the 30 June 2020 annual report.

Silicosis

As at 31 December 2020, Laminex Australia (together with other engineered stone manufacturers and fabricators) was the subject of 29 silica related personal injury claims based in Queensland. No claims had been lodged in any other states. Additionally, Victoria based Slater & Gordon, in April 2020, advised of their intent to join Laminex Australia to a class action. No further correspondence has been received.

The Group has concluded it is too early to make a reliable estimate of both the current and potential claims and the extent of liability (if any) Laminex Australia may have. Accordingly, the Group has not recognised any provisions with respect to the outstanding or future silicosis claims as at 31 December 2020.

8. Reconciliation of net earnings to net cash from operating activities

	Six months Dec 2020 NZ$M	Six months Dec 2019 NZ$M	Year ended Jun 2020 NZ$M
Net earnings/(loss)	**121**	82	(196)
Earnings attributable to minority interest	**3**	4	12
	124	86	(184)
Add/(less) non-cash items:			
Depreciation, depletions and amortisation	**180**	183	370
Other non-cash items	**61**	3	240
Taxation	**54**	27	(81)
(Gain)/loss on disposal of businesses and property, plant and equipment	**(2)**	2	7
	293	215	536
Net working capital movements			
Residential and Development	**50**		50
Construction	**(101)**	(175)	(19)
Other divisions:			
Debtors	**64**	92	95
Inventories	**42**	(34)	(1)
Creditors	**(44)**	(189)	(67)
	11	(306)	58
Net cash from operating activities	**428**	(5)	410

9. Subsequent events

Ihumātao

On 11 February 2021, Fletcher Residential and the Crown have signed a Sales & Purchase Agreement to sell the land it owns at 545 – 561 Ōruarangi Road, commonly known as Ihumātao, for $29.9 million. The financial effects of this transaction have not been recognised at 31 December 2020 and will be accounted for in the second half of the financial year.

Dividend

On 17 February 2021, the Directors declared an interim dividend of 12 cents per share, payable on Wednesday 24 March 2021.

Building a better working world

Independent Auditor's Review Report
To the Shareholders of Fletcher Building Limited

CONCLUSION

We have reviewed the interim financial statements of Fletcher Building Limited ("the Company") and its subsidiaries (together "the Group") which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and other explanatory information. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the six month period ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

BASIS FOR CONCLUSION

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Statements* section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company or any of its subsidiaries. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The Directors of the Group are responsible, on behalf of the Group, for the preparation and fair presentation of the interim financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Brent Penrose.

Ernst + Young

Chartered Accountants
Auckland
17 February 2021

Fletcher Building

Half Year Results to 31 December 2020

ROSS TAYLOR
— Chief Executive Officer

BEVAN MCKENZIE
— Chief Financial Officer

17 February 2021

Fletcher Building Limited

Important Information

This presentation has been prepared by Fletcher Building Limited and its group of companies ("Fletcher Building") for informational purposes. This disclaimer applies to this document and the verbal or written comments of any person presenting it.

This presentation provides additional comment on the 2021 Interim Financial Results dated 17 February 2021. As such, it should be read in conjunction with and subject to the explanations and views given in that document. Unless otherwise specified, all information is for the half year ended 31 December 2020.

In certain sections of this presentation, Fletcher Building has chosen to present certain financial information exclusive of the impact of significant items. A number of non-GAAP financial measures are used in this presentation which are used by management to assess the performance of the business and have been derived from Fletcher Building's financial statements for the six months ended 31 December 2020. You should not consider any of these statements in isolation from, or as a substitute for the information provided in the Financial Statements for the six months ended 31 December 2020, which are available at www.fletcherbuilding.com.

The information in this presentation has been prepared by Fletcher Building with due care and attention, however, neither Fletcher Building nor any of its directors, employees, shareholders nor any other person given any representations or warranties (either express or implied) as to the accuracy or completeness of the information and to the maximum extent permitted by law, no such person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain forward looking statements, that is statements related to future, not past, events or other matters. Forward looking statements may include statements regarding our intent, belief or current expectations in connection with our future operating or financial performance, or market conditions. Such forward looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties, including material adverse events, significant one-off expenses and other unforeseeable circumstances. There is no assurance that results contemplated in any of these projections and forward looking statements will be realised. Actual results may differ materially from those projected. Except as required by law, or the rules of any relevant stock exchange or listing authority, no person is under any obligation to update this presentation at any time after its release or to provide further information about Fletcher Building.

The information in this presentation does not constitute financial product, legal, financial, investment, tax or any other advice or a recommendation.

Agenda

1. Results Overview — Ross Taylor
2. New Zealand Operations — Ross Taylor
3. Australia Operations — Ross Taylor
4. Financial Results — Bevan McKenzie
5. Outlook — Ross Taylor

Strong HY21 performance
2.5 years into strategy - delivering performance and earnings growth

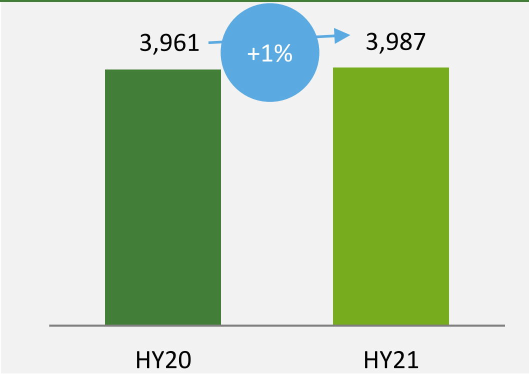
HY21

FY2021
PERFORMANCE AND GROWTH

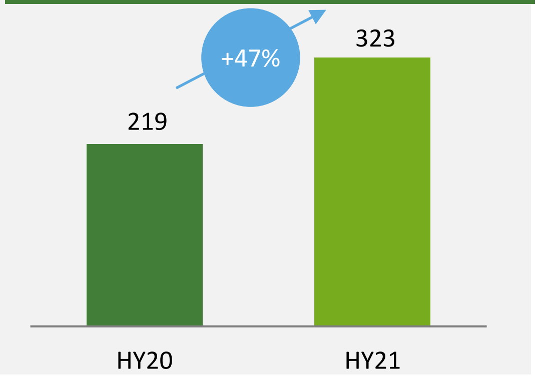
- Strong earnings growth delivered, efficiency programme embedded and sustainable
- Market environment broadly stable
- Revenue solid overall: growth in NZ Core and Residential housing
- Earnings margins higher in all divisions, driven by operating leverage and efficiencies in line with targets
- Strong cash generation and balance sheet
- Interim Dividend of 12.0 cents per share, covenant relief retained until end of FY21

HY21 results at a glance
Strong earnings growth, improved profitability and margins

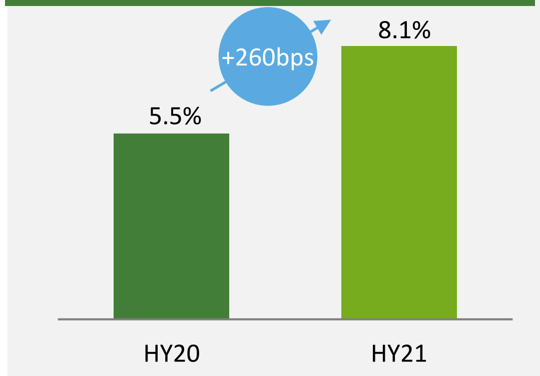
Revenue ($m)



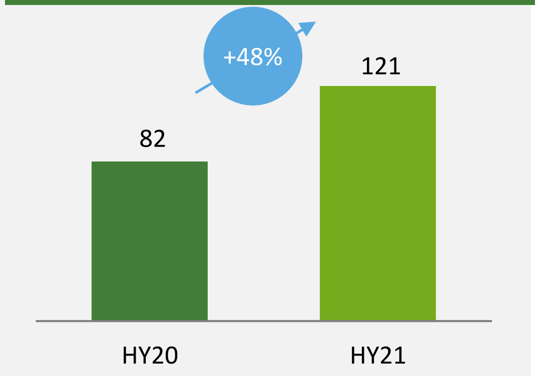
EBIT (before sig items) ($m)



EBIT Margin[1] (%)



Reported Net Earnings($m)



HY21 trading highlights

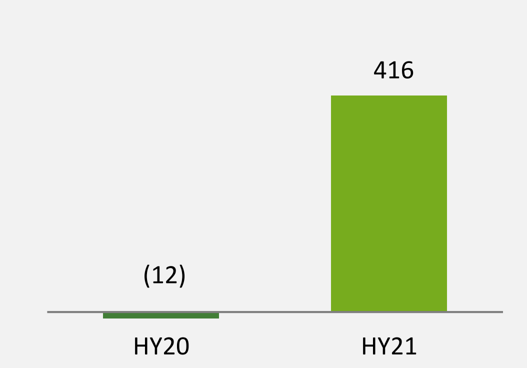
- Revenue stable overall: growth in businesses exposed to residential, offset by softer Commercial and AU civil markets and reduced legacy Construction work
- Sustainable improvement in profitability across all Divisions
  - NZ Core EBIT margin[1] improvement to 11.3% (from 8.8%)
  - Australia EBIT margin[1] improvement to 3.7% (from 2.4%)
- c85% of HY21 EBIT[1] growth is from operating efficiency initiatives embedded over past three years
  - On track to deliver $150m+ p.a. gross cost reduction in FY21
- Net Earnings include Significant Items charges of $86m relating to final phase of restructuring costs and Rocla impairment

[1] Before significant items

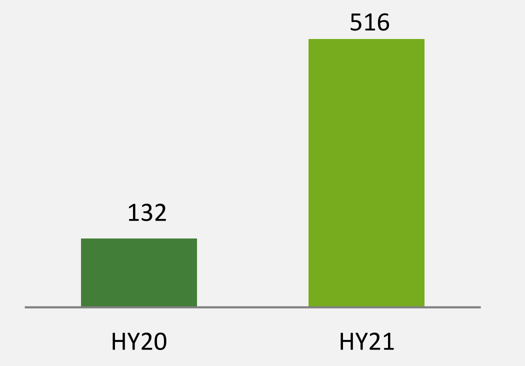
Note: Measures before significant items are non-GAAP measures used by management to assess the performance of the business and have been derived from Fletcher Building Limited's interim financial statements for the period ended 31 December 2020. Details of significant items can be found in note 2.1 of the interim financial statements

HY21 results at a glance
Strong cash flows, net debt reduced

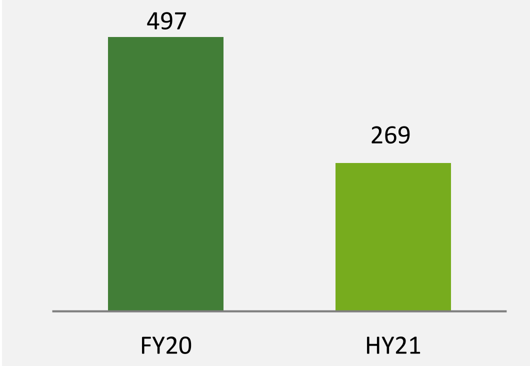
Free Cash Flow[1] ($m)



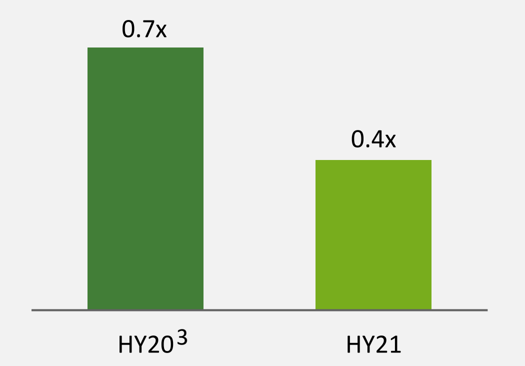
Trading Cash Flow[2] ($m)



Net Debt ($m)



Leverage (Net Debt/EBITDA)



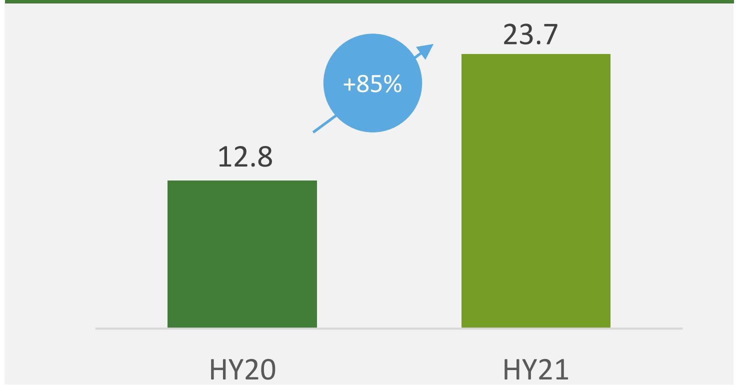
HY21 trading highlights

- Strong cash flows and net debt reduction: driven by earnings growth and tight management of working capital and capex
- Gross debt further reduced by $714 million in HY21
- Balance sheet remains strong: $1.5bn liquidity, leverage 0.4x
- Leverage currently below target range of 1.0x-2.0x: expect to move to lower end of range once investment in WWB plant and legacy construction projects are complete

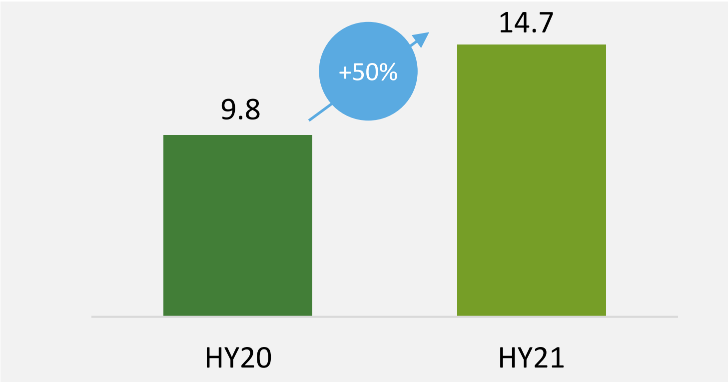
[1] Free cash flow from operations excluding legacy
[2] Excluding legacy and significant items cash flows
[3] Due to material impact of FX movements on balance sheet value of debt in recent months, the Group will use hedged value of debt in its leverage calculation – i.e. Net Debt includes impact of CCIRS derivatives. HY20 has been restated for the historic impact of debt hedging on leverage ratio (c0.1x)
Note: Measures before significant items are non-GAAP measures used by management to assess the performance of the business

HY21 results at a glance
Interim dividend of 12.0 cents per share declared

EPS (before sig items) (cps)



EPS (cps)



Interim dividend

12.0cps

HY20: nil

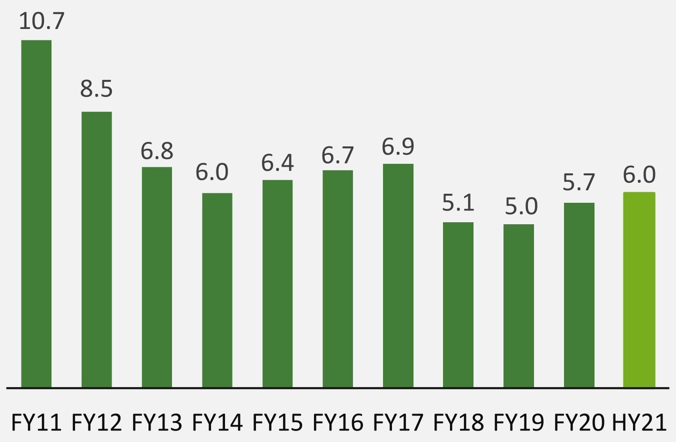
- Policy to pay dividends in the range of 50% to 75% of net earnings before significant items and having regard to available cash flow[1]
- Interim Dividend of 12.0 cents per share, to be paid on 24 March 2021
- Agreement with lenders to retain covenant relief until Jun-21 (previously until Dec-21)
- Expect to be in a position to pay a final FY21 dividend

[1] Available cash flow = Free cash flow less cash interest

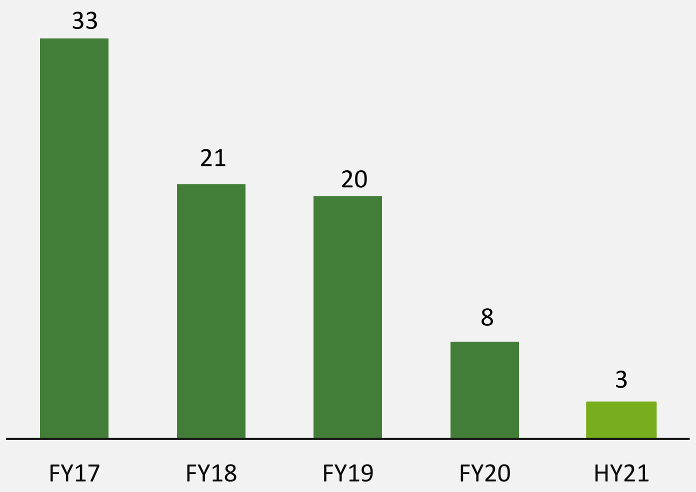
Continued resolute focus on safety

Safety

Total Recordable Injury Frequency Rate [1]



Serious Injuries [2]



- ‘Protect’ safety programme to realise a future where *zero injuries everyday* is possible
- Current focus is on critical risks, high potentials and resetting culture and behaviours
- Serious Injury elimination remains our initial goal
- TRIFR target to under 5.0 (well below industry average)

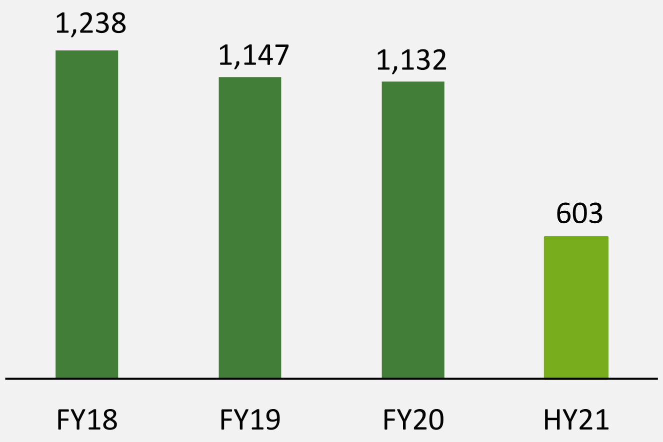
[1] *TRIFR = Total no. of recorded injuries per million man hours worked. Does not include Restricted Work Injuries*
[2] *Serious Injury include immediate treatment as an in-patient at hospital for more than 24 hours or immediate treatment for a serious injury or illness as defined by Safe Work Australia*

Sustainability

Progress made and improved recognition

Carbon (CO_2) Emissions

(thousand Tonnes)[1]



- Current year emissions reflect return to normal activity, follows COVID shutdowns in FY20 and GBC outage in FY19
- Verified Science Based Target to reduce Carbon Emissions by 30% by 2030
- Achieved significant sustainability milestones which recognise our leadership and the transparency of our ESG reporting
  - Dow Jones Sustainability™ Asia Pacific Index and DJSI Australia index inclusion
  - Improved CDP rating for our approach to managing carbon emissions and climate change – D to B in two years

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP
DISCLOSURE INSIGHT ACTION

MSCI ESG RATINGS A

CCC	B	BB	BBB	A	AA	AAA

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

[1] *Carbon data excludes emissions from the International division which was divested in FY19*

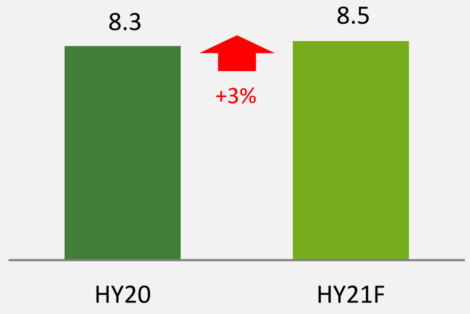
Agenda

1. Results Overview — Ross Taylor
2. New Zealand Operations — Ross Taylor
3. Australia Operations — Ross Taylor
4. Financial Results — Bevan McKenzie
5. Outlook — Ross Taylor

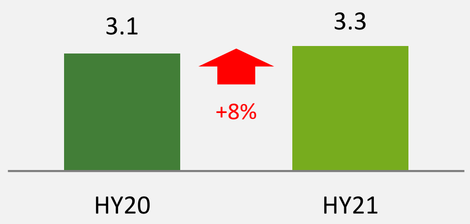
New Zealand Market
Residential supportive, solid Infrastructure pipeline, Commercial softer

NZ Residential

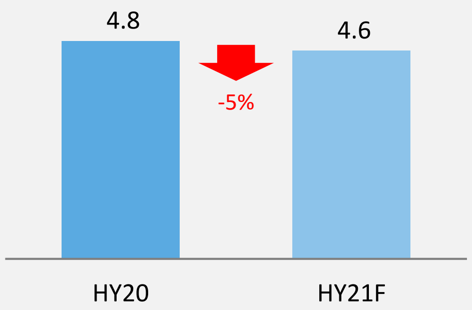
Work Put in Place ($b)



Floor Area Consented (Mm^2)



NZ Commercial Work Put in Place ($b)



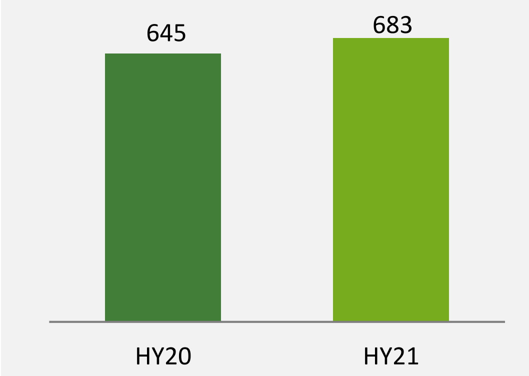
- NZ Residential is 53% of NZ FB revenue
- HY21 saw solid residential building activity, 3% increase in work put in place and 8% increase in new work consented
- Lag between consenting and FB product sales is 4 – 6 months on average, pointing to robust activity in 2H21
- Positive outlook supported by customer pipelines and PlaceMakers quoting volumes, which are running broadly in line with consents

- NZ Commercial is 22% and NZ Infrastructure is 25% of NZ FB revenue
- Commercial and infrastructure sectors trended slightly lower in HY21
- Outlook for commercial is to continue to trend slightly lower, while Infrastructure has a strong long-term outlook supported by government investments especially roads and water

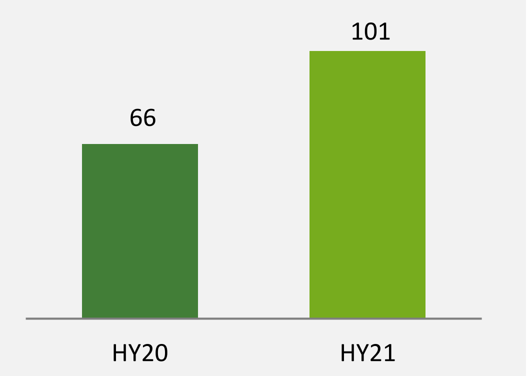
Source: Statistics NZ, Infometrics

Building Products
HY21 results overview

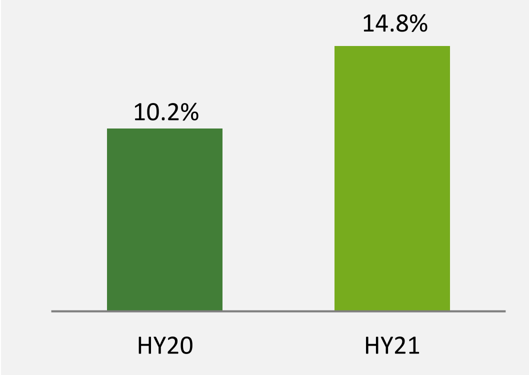
Gross Revenue ($m)



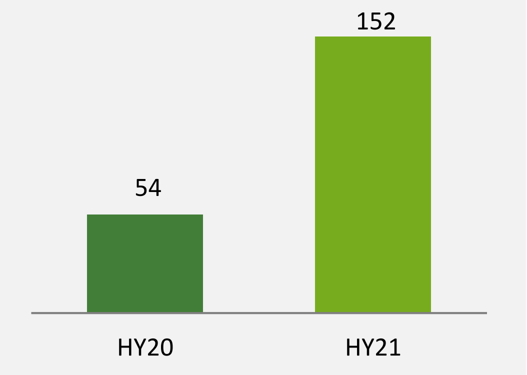
EBIT ($m)



EBIT Margin (%)



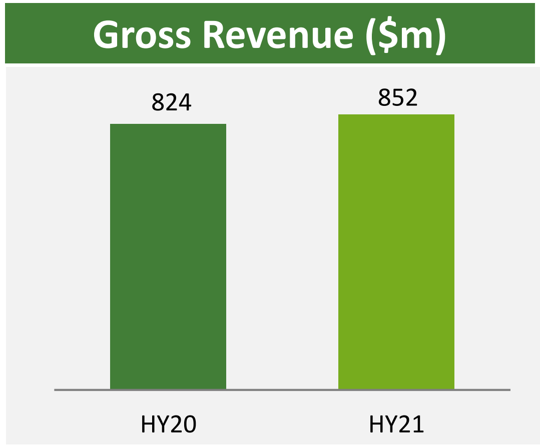
Trading cash flow ($m)

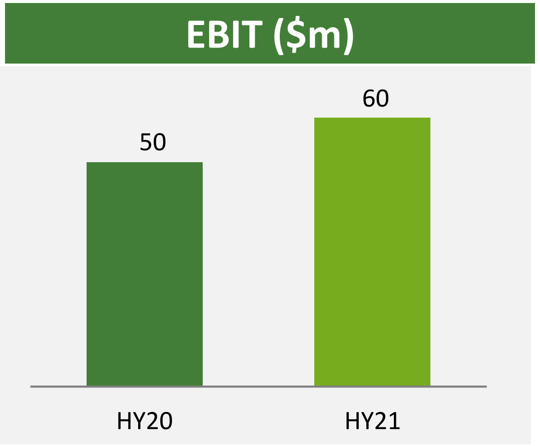


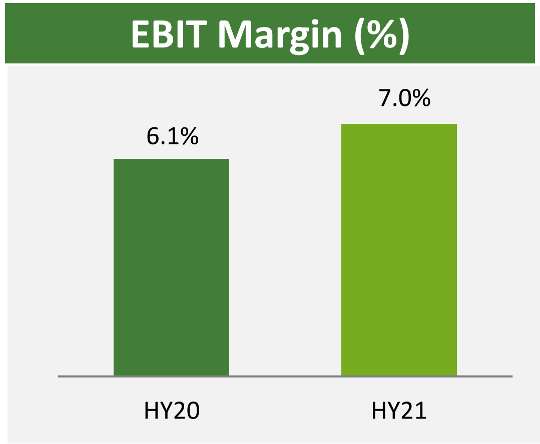
Trading performance and operating highlights

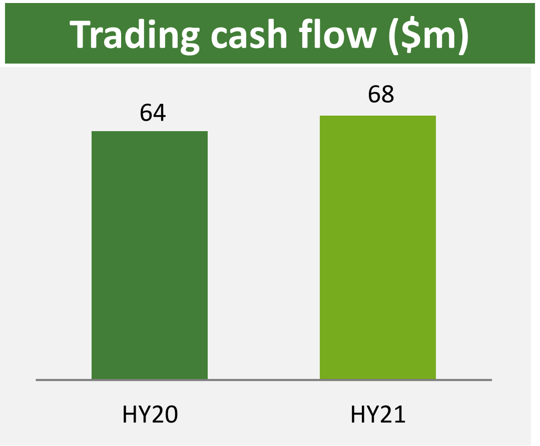
- Revenue up 6%: good demand from residential finishing trades and subdivision work, plus share gains and improved pricing disciplines
- EBIT up 53% due to margin improvement of 460bps: operating efficiency and better contribution from Steel and Pipes
- Strong cash flows from working capital control, esp. Steel; some inventory rebuild expected in 2H21
- Operational highlights:
  - Expansion into new segments and categories, e.g. Pipes businesses into the electrical space
  - Increased market share in several businesses as customers show preference for NZ made product
  - Focus on Pipes and Steel businesses delivering improvement
  - WWB plant build progressing to plan

Distribution
HY21 results overview







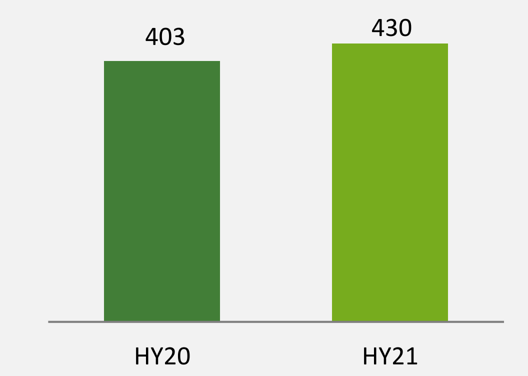


Trading performance and operating highlights

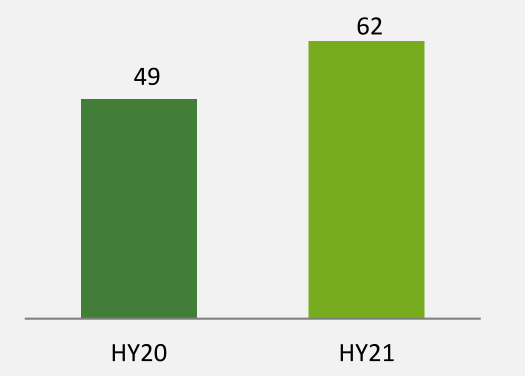
- Revenue up 3%: good demand from residential trades and consumer segments, partly offset by softer commercial sector
- EBIT up 20% with margin improvement of 90bps: efficiency initiatives more than offsetting competitive pressure on price
- Trading cash flow solid on good working capital management, some inventory build in HY21 to ensure availability of key stock lines
- Operational highlights:
  - Digital: PlaceMakers Trade Portal and consumer ecommerce and click & collect sites released
  - PlaceMakers transport management system now live across branch network, track and trace from initial order to delivery
  - Regional Hub structure now live in Auckland and Christchurch

Concrete
HY21 results overview

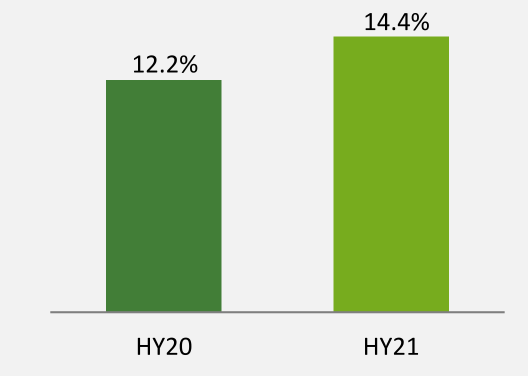
Gross Revenue ($m)



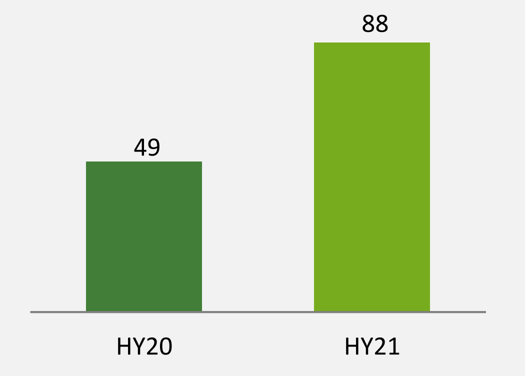
EBIT[1] ($m)



EBIT Margin[1] (%)



Trading cash flow ($m)



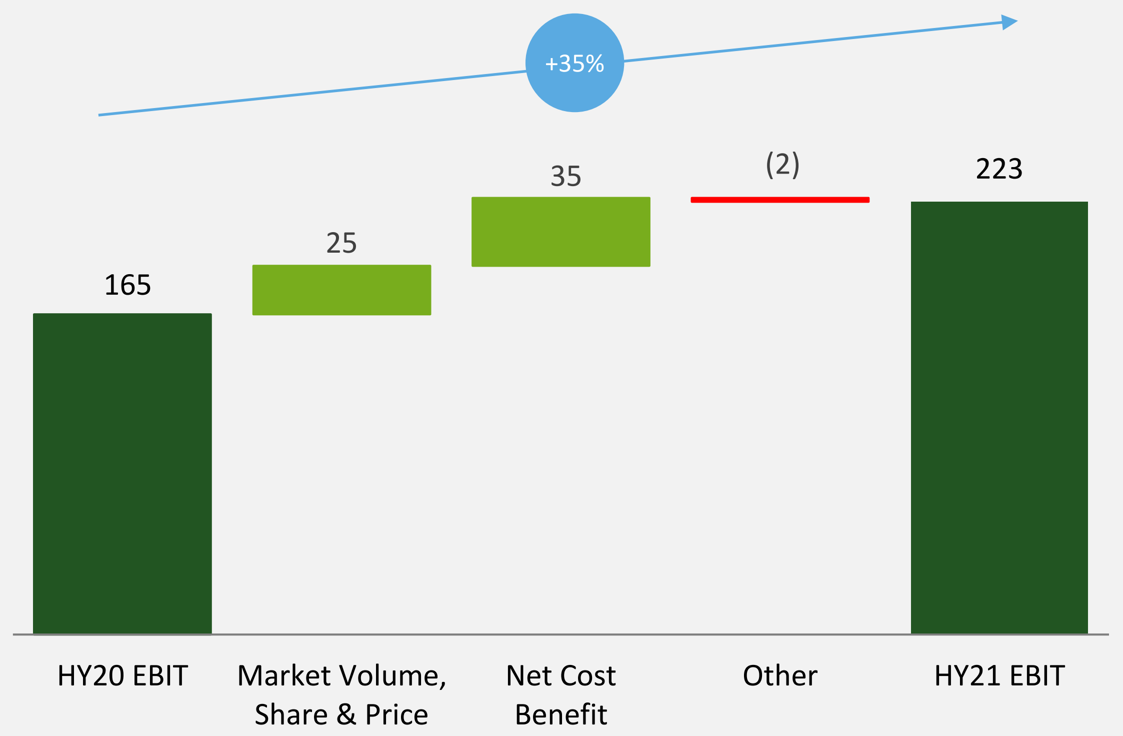
Trading performance and operating highlights

- Revenue up 7%: robust demand across all key segments, share gains in cement, improved pricing in ready-mix and aggregates
- EBIT up 27% through margin improvement of 220bps: manufacturing and supply chain efficiency, partly offset by costs to prepare GBC Tyre Derived Fuel project
- Strong cash conversion, expect some inventory rebuild in 2H21
- Operational highlights:
  - Tyre Derived Fuel project: commissioning to commence in Feb-21
  - Sustained focus on carbon reduction: trial batch of pozzolanic cement produced, commercial testing underway

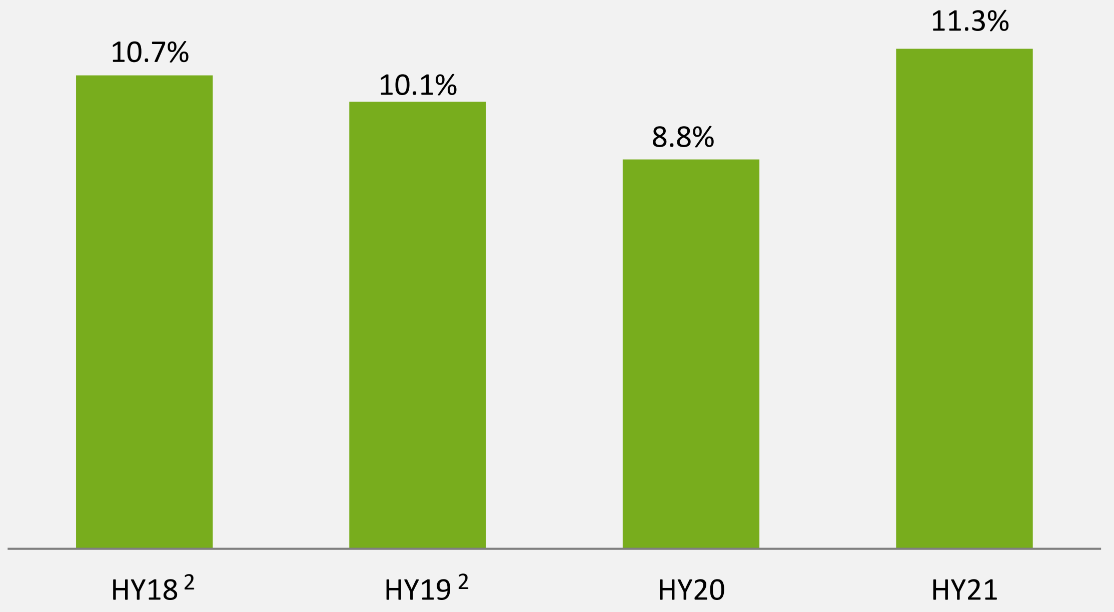
[1] *Before significant items*

NZ Core (Building Products, Distribution, Concrete)
Improvement driven by solid volumes, pricing, lower costs

NZ Core EBIT[1]: HY20 to HY21 ($m)



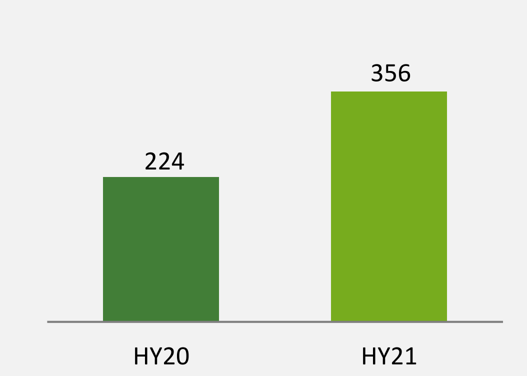
NZ Core EBIT Margin[1]: HY18 to HY21 (%)



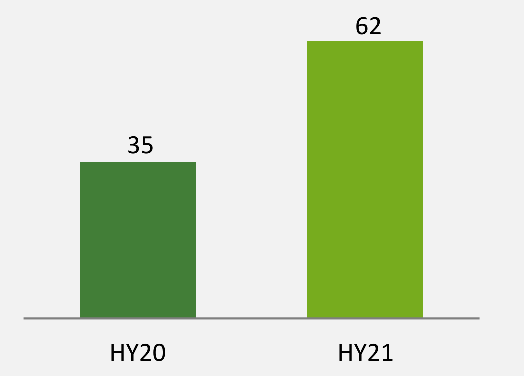
[1] *Before significant items*
[2] *HY18 and HY19 adjusted for IFRS16 to be like-for-like with HY20 and HY21*

Residential and Development
HY21 results overview

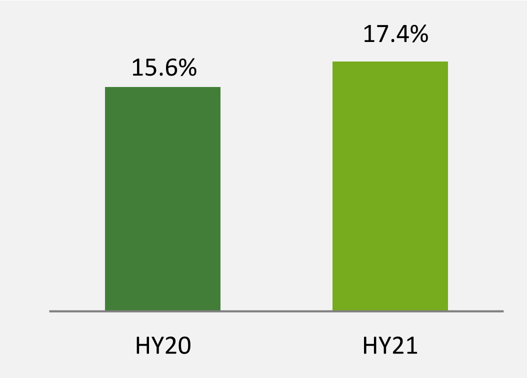
Gross Revenue ($m)



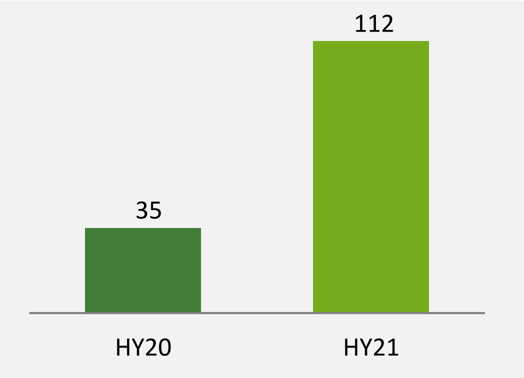
EBIT ($m)



EBIT Margin (%)



Trading cash flow ($m)

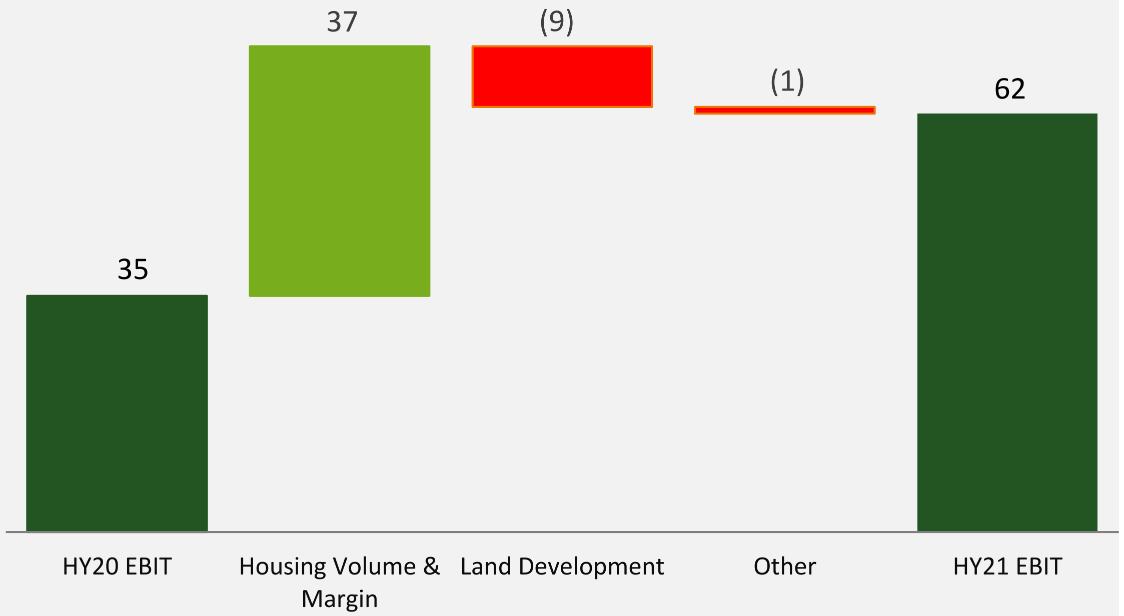


Trading performance and operating highlights

- Revenue up 59%: unit sales increased to 515 (vs. 293 in HY20) on strong demand in both Auckland and Christchurch; average price of units sold 5% higher
- EBIT up 77%: strong volumes and favourable mix in typologies sold
- Cash flow strong on high sales volumes and reduction in housing stock levels, inventory rebuild likely in 2H21
- Operational highlights:
  - Strong pipeline of c3,600 future lots under control, of which c900 for delivery in FY22
  - Clever Core panelised volumes ramping up (34 in HY21), sales to third parties targeted for FY22
  - Dedicated apartments team established to scale this business

Residential and Development
Residential earnings weighted to first half, Land Dev’t mainly second half

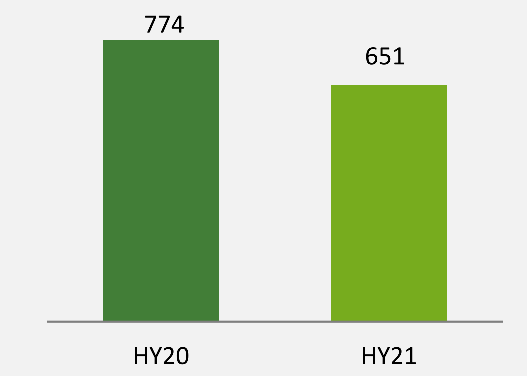
Residential & Development EBIT: HY20 to HY21 ($m)



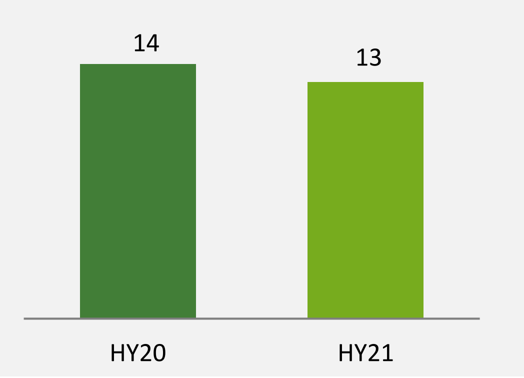
- Residential:
  - Uplift in HY21 earnings driven by strong housing volumes, including c100 in Q121 relating to sales made in FY20
  - Targeting c800 house sales in FY21 (of which 515 in HY21): hence Residential earnings will be weighted to HY21
- Land Development:
  - Two major transactions planned for second half of FY21: Crane Copper Tube Sydney site (delayed from FY20) and Rocla Brisbane site
  - Expect c$40m EBIT in FY21, higher than usual $25m p.a. EBIT run-rate
  - Sale of Rocla Sydney site on track for FY22

Construction
HY21 results overview

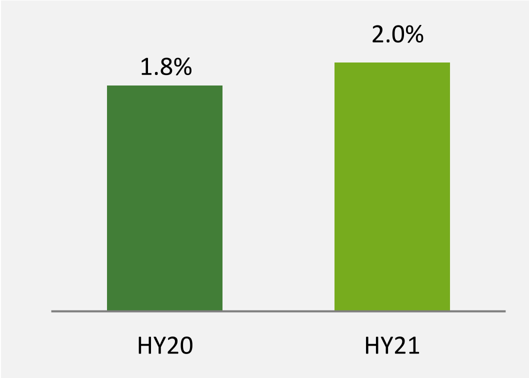
Gross Revenue ($m)



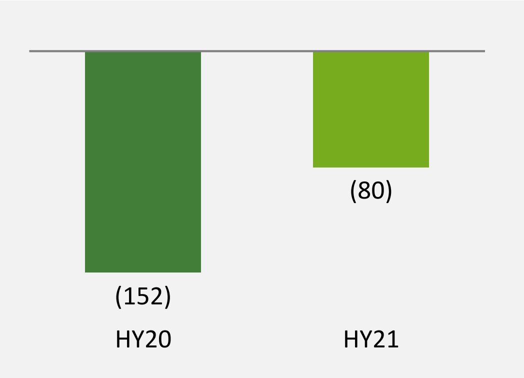
EBIT[1] ($m)



EBIT Margin[1] (%)



Trading cash flow ($m)



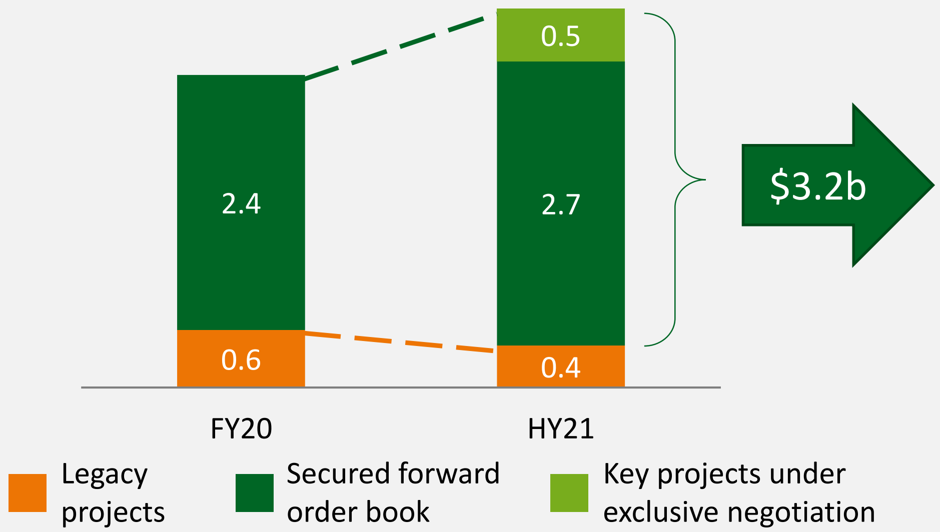
Trading performance and focus areas

- Revenue down 16%: solely due to reduced revenue on legacy projects, remainder of division stable YOY
- EBIT steady: improved earnings and margins from Higgins and Brian Perry
- Cash flow improvement reflects reduced legacy cash outflows, and better performance in remainder of division (from $10m inflow in HY20 to $30m inflow in HY21)
- Operational Highlights:
  - Continued rebuild of forward order book (see slide 19)
  - Legacy: Commercial Bay and Grey Base Hospital handed over to client, work on infrastructure projects in line with revised completion dates post-COVID-19
  - Ongoing deployment of ‘Fletcher One’ – standardised governance and management framework

[1] *Before significant items*

Construction
Continue to reshape order book

Work to Complete ($b)



Profile of Forward Work

- c80% of forward order book (excl. legacy) is lower-risk forms of contract: alliances, national and local maintenance contracts, and cost-plus / measure & value
- Projects under exclusive negotiation include preferred status on AMETI busway alliance
- Order book includes robust pipeline for FY22 and beyond:
  - c$0.4b in 2H21
  - c$0.8b in FY22
  - c$2.0b in FY23+ (includes 10 year Watercare contract)
- Targeting 3-5% EBIT margin on secured forward order book and work won in-year

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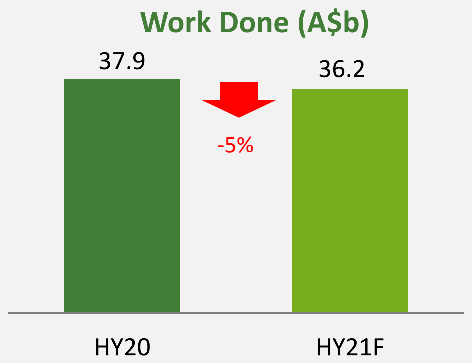
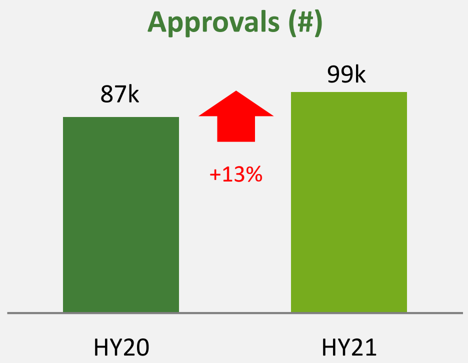
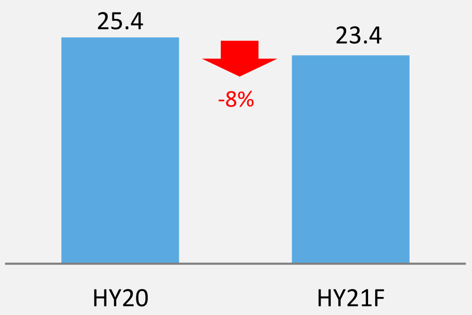
Market outlook
Australia residential solid with softer commercial and infrastructure

AU Residential





AU Commercial Work Done (A$b)



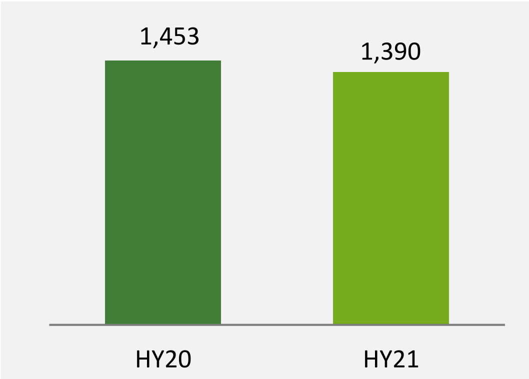
- AU Residential is 60% of FB AU revenue
- HY21 saw robust activity in detached housing and renovations, offset by apartments sector
- Positive outlook with 13% increase in approvals supported by macro factors including low interest rates and government stimulus

- AU Commercial is 28% and AU Infrastructure is 12% of FB AU revenue
- HY21 saw slowdown in commercial segment with infrastructure segment seeing delays in major projects in key sectors for pipes businesses, notably water and gas
- Outlook for commercial and key civil sectors is for ongoing softer activity in near-term

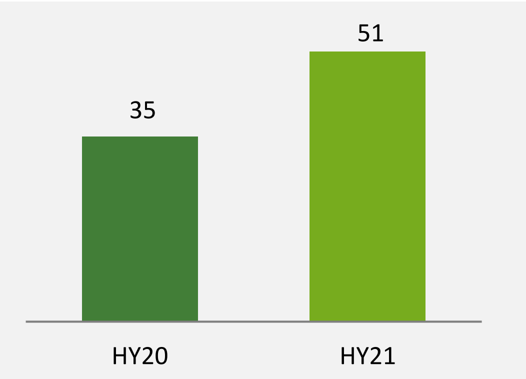
Source: BIS Oxford, ABS

Australia
HY21 results overview

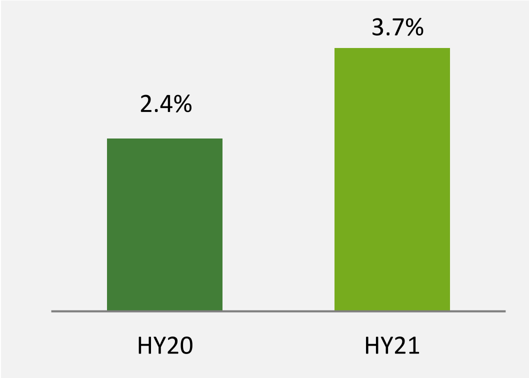
Gross Revenue ($m)



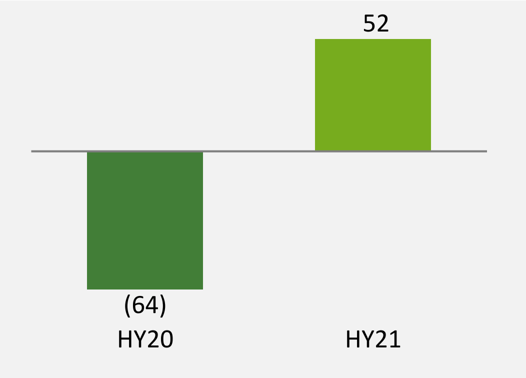
EBIT[1] ($m)



EBIT Margin[1] (%)



Trading cash flow ($m)



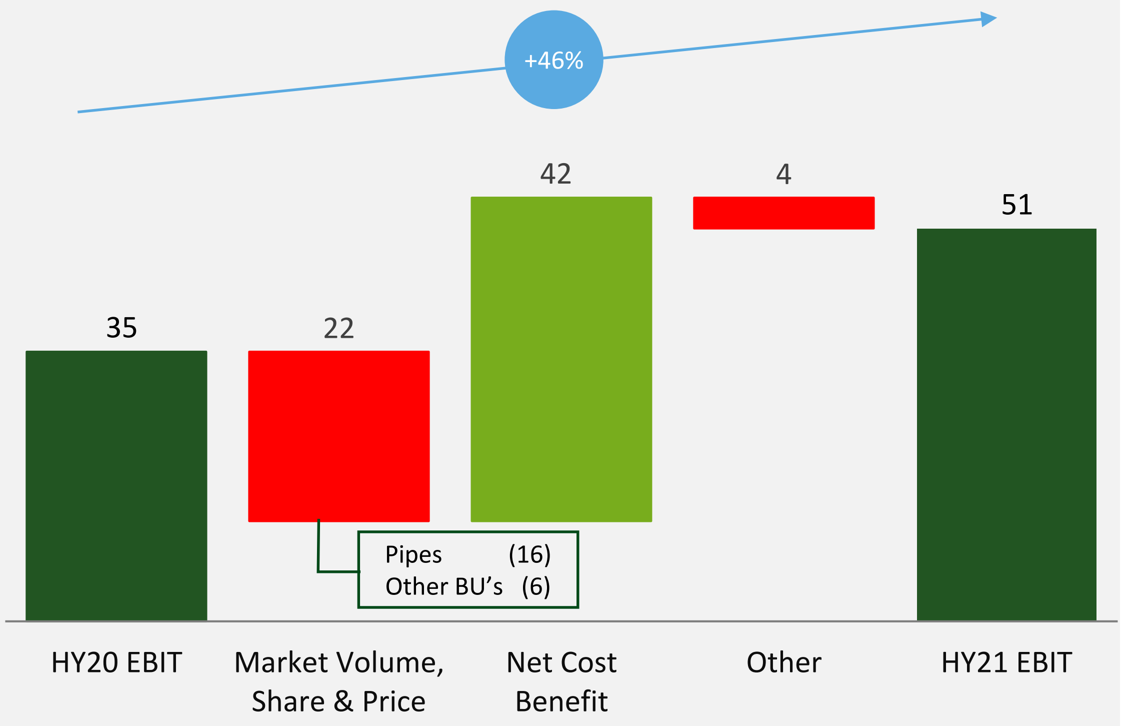
Trading performance and operating highlights

- Revenue down 4%: Pipes businesses down 25% in subdued civil market; remainder of division steady on balance of solid residential demand and softer commercial
- EBIT up 46% with 130bps margin improvement: efficiency programme embedded; $6m benefit from lower depreciation on Rocla (held for sale)
- Trading cash flow driven by material improvements in inventory and debtors management
- Operational highlights:
  - Tradelink sales in key SME segment +4% YOY, and own brand penetration now >25% of front of wall sales
  - Laminex digital sales now 27% of all transactions
  - Insulation fully consolidated onto single manufacturing site
  - Stramit share growth in higher-margin sheds segment

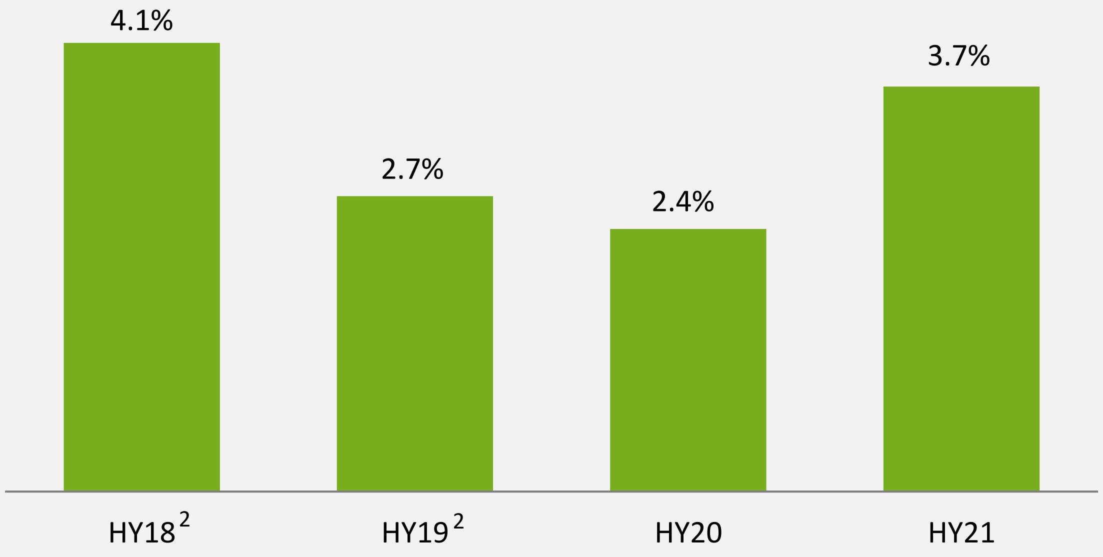
[1] *Before significant items*

Australia
Material benefits from cost-out, partly offset by impact of pipes market

Australia EBIT[1]: HY20 to HY21 ($m)



AU EBIT Margin[1]: HY18 to HY21 (%)



[1] *Before significant items*
[2] *HY18 and HY19 adjusted for IFRS16 to be like-for-like with HY20 and HY21*

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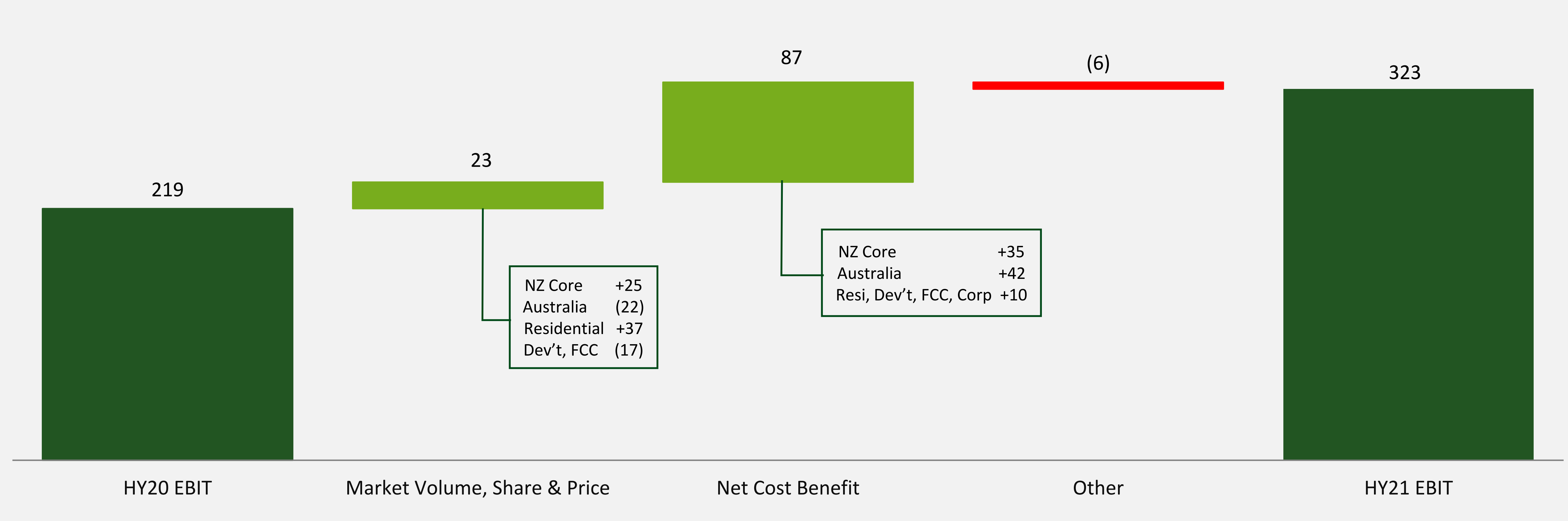
Income statement
Strong result, first half EBIT before significant items ahead of guidance

NZ$m	Dec 2019 6 months	Dec 2020 6 months	Change %
Revenue	3,961	3,987	1%
EBITDA	402	503	25%
EBIT before significant items	**219**	**323**	**47%**
Significant items	(35)	(86)	(146%)
EBIT	**184**	**237**	**29%**
Lease interest expense	(35)	(33)	6%
Funding costs	(35)	(23)	34%
Tax expense	(28)	(57)	(104%)
Non-controlling interests	(4)	(3)	25%
Net earnings	**82**	**121**	**48%**
Basic earnings per share (cents)	9.8	14.7	4.9cps
Dividends per share (cents)	0.0	12.0	12.0cps

HY21 EBIT
Improvement underpinned by operating leverage on lower cost base

EBIT[1]: HY20 to HY21 (NZ$m)



[1] *Before significant items.*

Significant items
Restructuring costs lower than prior forecast, Rocla impaired

FY21 significant items (Profit and Loss Charges)

NZ$m	FY21 Prior forecast	HY21	2H21	FY21 Updated
Restructuring	90	35	c30	c65
Rocla Impairment	-	51	-	51
Total	**90**	**86**	**c30**	**c115**

FY21 significant items (Cash Flow)

NZ$m	FY21 Prior forecast	HY21	2H21	FY21 Updated
Restructuring	143	54	c40	c95

- HY21 charges mainly related to Iplex AU site closures
- 2H21 charges are final phase of restructuring, lower than forecast due to improved market environment
- Cash costs materially lower due to reduced restructuring activity and improved outcomes of site exits
- Sustainable annual gross cost benefits of $150m+ represents rapid payback on cash costs
- Rocla impairment reflects updated assessment of likely disposal proceeds; excludes reclassification of Foreign Currency Translation Reserve loss (taken on disposal, cNZD30m)

Cash flow
Strong half year trading and controlled working capital

NZ$m	Dec 2019 6 months	Dec 2020 6 months	Change $m
EBIT before significant items	**219**	**323**	104
Depreciation and amortisation	183	180	(3)
Lease principal payments and lease interest paid	(119)	(124)	(5)
Provisions and other	(5)	19	24
Trading cash flow before working capital movements	**278**	**398**	120
Working capital movements	**(146)**	**118**	264
Trading cash flow excluding legacy projects and significant items	**132**	**516**	384
Legacy projects cash flow	(162)	(109)	53
Significant items cash flow	(24)	(34)	(10)
Trading cash flow	**(54)**	**373**	427
Add: Lease principal payments	84	91	7
Less: cash tax paid	(1)	(3)	(2)
Less: funding costs paid	(34)	(33)	1
Cash flows from operating activities	**(5)**	**428**	433
Free Cash Flow[1] excluding legacy projects	**(12)**	**416**	428

Note: Legacy Construction cash flow includes Building and Infrastructure projects
Free Cash Flow = Trading cash flow less capex less cash tax, excluding M+A activities

Working capital
Well positioned, some inventory rebuild expected in 2H21

Cash flow working capital movements NZ$m	Dec 2019 6 months	Dec 2020 6 months	Change $m
Residential and Development	-	50	50
Construction excluding legacy projects	(15)	6	21
Materials and Distribution Divisions:			
• Debtors	92	64	(28)
• Inventories	(34)	42	76
• Creditors	(189)	(44)	145
Cash flow working capital movements excluding legacy	**(146)**	**118**	**264**

Key working capital metrics (days)	As at Dec 2019	As at Dec 2020	Change (days)
Debtor Days	44.0	39.7	4.3
Inventory Days	75.5	69.8	5.7
Payables Days	41.6	39.2	(2.4)
Materials and Distribution Total Cycle	**77.9**	**70.3**	**7.6**

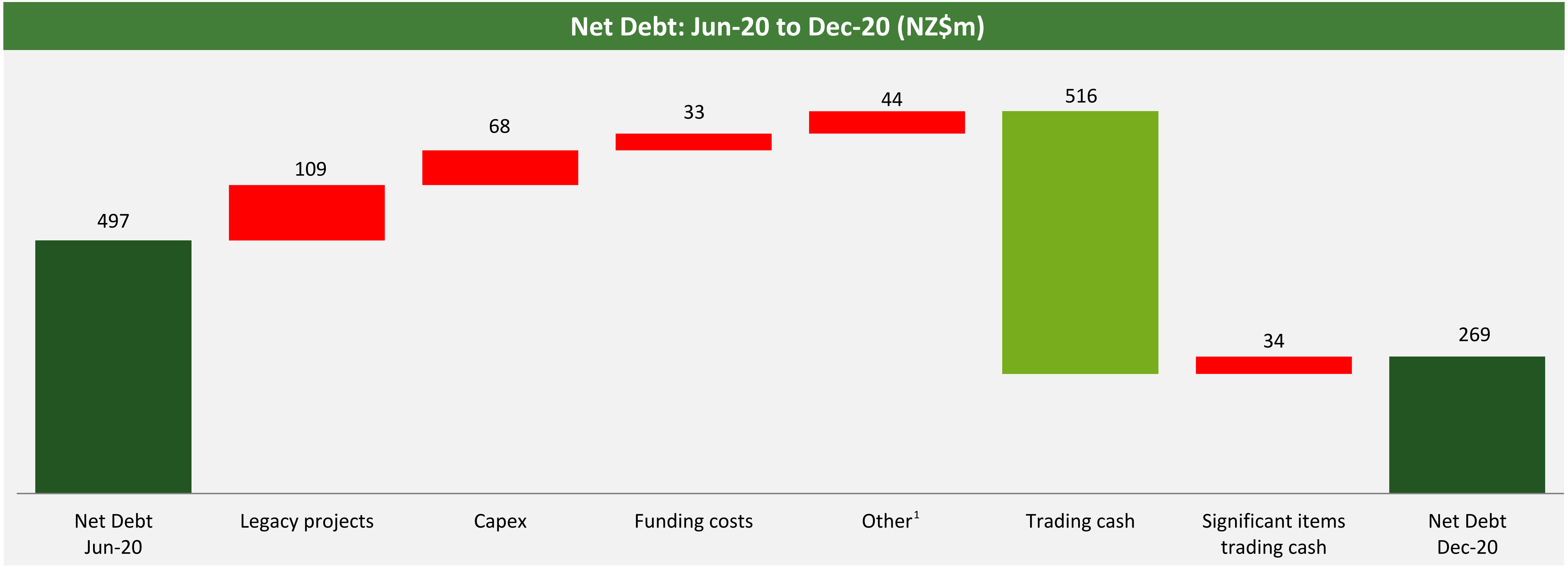
Capital expenditure
Balanced between maintenance and strategic investment

HY21 Capex (NZ$m)

NZ$m	
NZ Core (ex WWB)	26
WWB	31
Australia	9
Resi, FCC & Corp	16
Total	**82**
Less: Proceeds on disposal of PPE	*(14)*
Net Capex	**68**

- Capex programme focused on maintenance as well as enabling investments for strategy, especially digital, manufacturing efficiency and sustainability
- c70% maintenance / c30% growth in HY21
- FY21 capex c$200m, includes c$50m for WWB plant
- Expect c$200-$250m annual capex ex WWB going forward
- WWB capex remaining: c$220m FY22, c$100m FY23

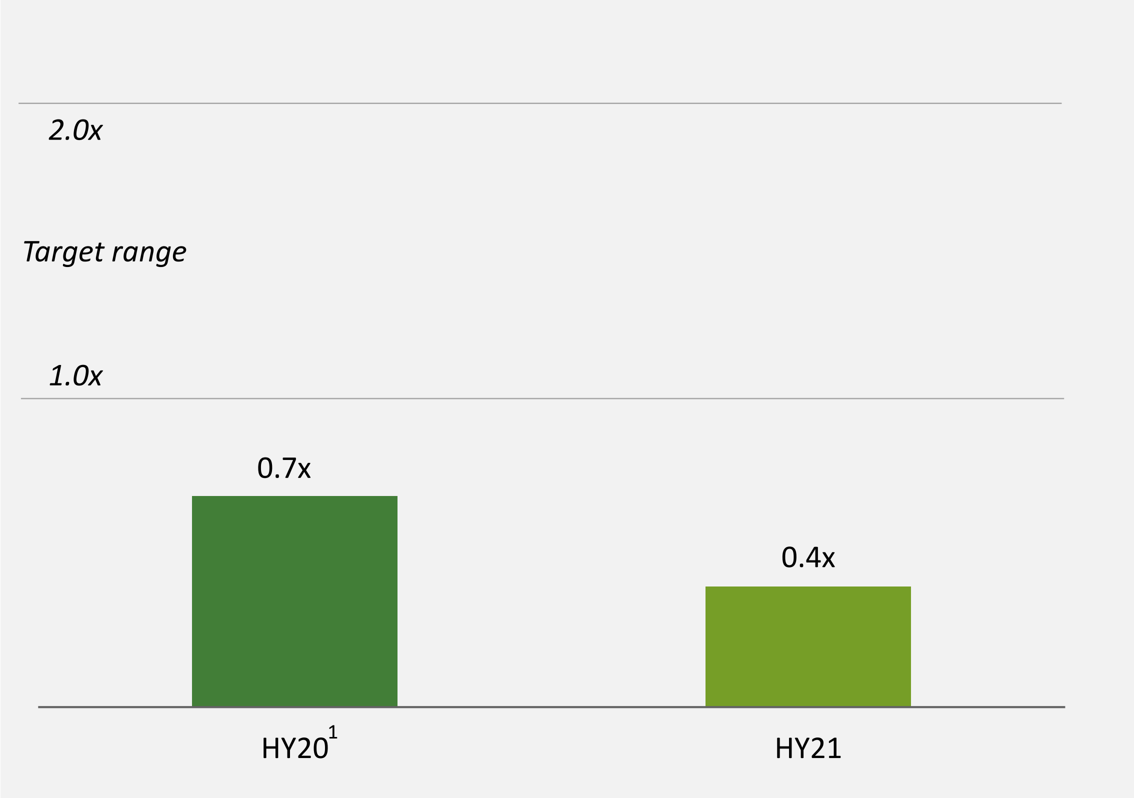
Net debt
Reduction through strong trading cash flows



[1] Other is comprised of Minority distribution of $27m, Hedging/FX on debt of $8m, repurchase of treasury stock $7m and make whole adjustment of $2m

Leverage
Targeting lower end of 1.0x-2.0x range

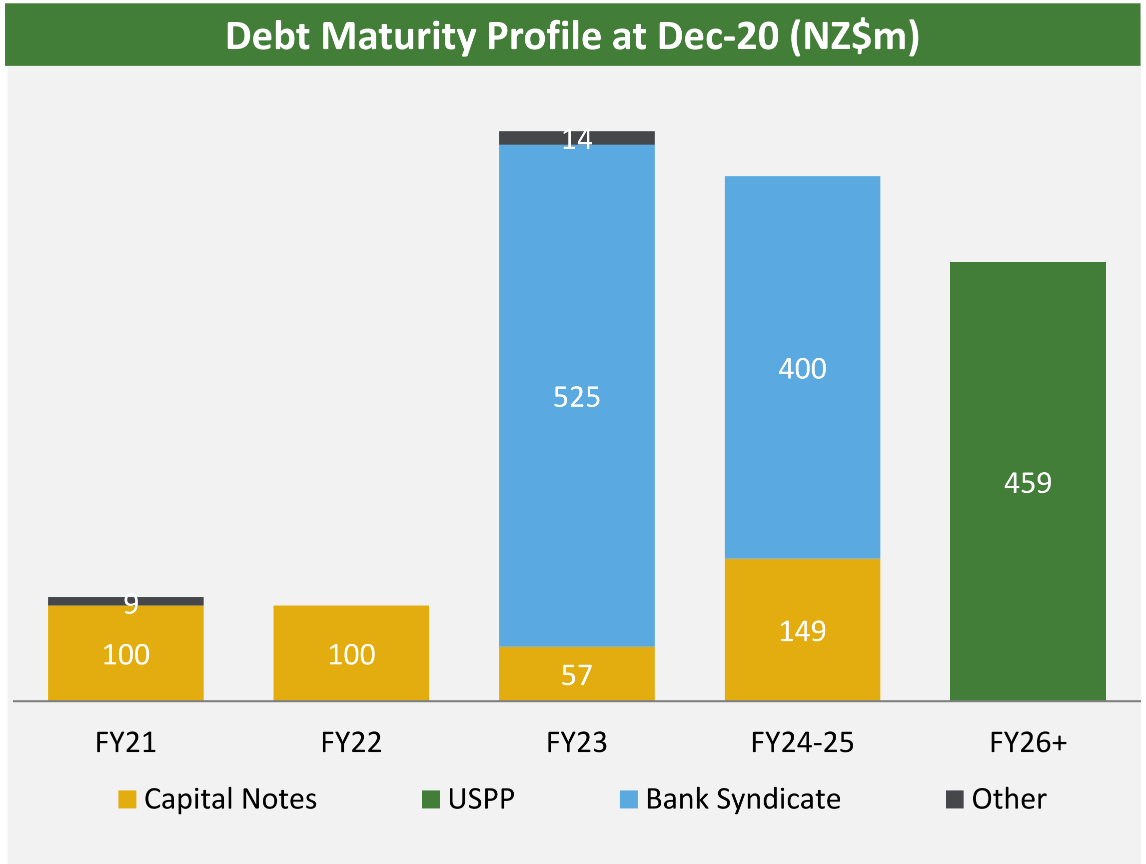
Leverage (Net Debt / EBITDA)



- Leverage ratio (Net Debt / EBITDA) below target range of 1.0x-2.0x following strong cash flow performance
- Expect to move to lower end of target range over FY22-FY23 with remaining investment of c$400m in WWB plant and legacy construction cash flows
- Continued preference for conservative balance sheet metrics

[1] Due to material impact of FX movements on balance sheet value of debt in recent months, the Group will use hedged value of debt in its leverage calculation – i.e. Net Debt includes impact of CCIRS derivatives. HY20 has been restated for the historic impact of debt hedging on leverage ratio (c0.1x)

Funding
Strong funding profile and liquidity position



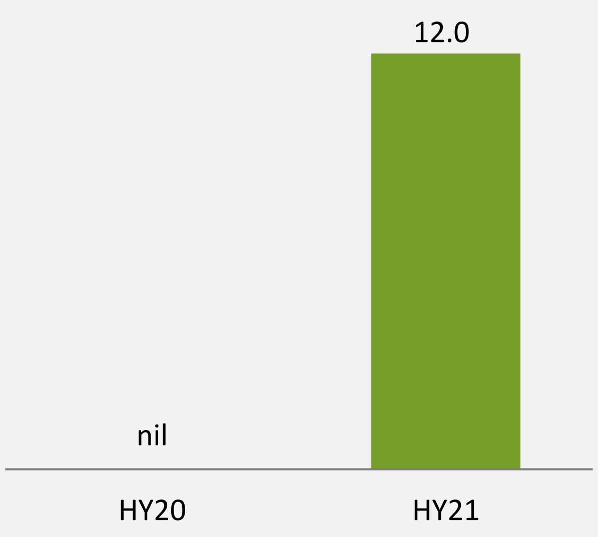
NZ$m	Facilities 31 Dec 20	Drawings 31 Dec 20
Syndicate	925	-
USPP	459	459
Capital Notes	406	406
Other	22	22
Total	**1,812**	**887**

- Undrawn credit lines of $925m and cash on hand of $618m as at 31 Dec-20 – total liquidity of $1.5bn
- $714m gross debt repaid in HY21, including $350m USPP in Jul-20

Dividend

Interim dividend of 12.0 cents per share to be paid in March

Interim dividend (cps)



- Interim Dividend of 12.0 cents per share, to be paid on 24 March 2021
- 50% pay-out ratio[1]
- In Jun-20, FB announced amendments to its banking agreements enabling the Company to rely on more favourable covenant levels from Jun-20 to Dec-21 (inclusive) if required
- The Company agreed that it would not pay a dividend until it returns to compliance with, and agrees to be tested by, its normal covenant levels
- In Feb-21, given the strong HY21 performance and balance sheet, the Company reached an updated agreement with lenders to allow payment of an Interim Dividend and to retain the more favourable covenant levels until Jun-21 (inclusive). Normal covenant levels resume from Jul-21
- Interim Dividend unimputed for NZ taxation purposes and unfranked for AU taxation purposes; Dividend Reinvestment Plan will not be operative for this dividend
- Expect to be in a position to pay a final FY21 dividend

[1] *Pay-out ratio is expressed as a percentage of Net Earnings excluding Significant Items.*

Summary
2.5 years into strategy – on track to deliver financial targets

Cost Reset and Margin

- On track to deliver slightly ahead of targeted $150m gross fixed cost reduction in FY21
- Cost reset driven by headcount, freight, utilities, plant, machinery & vehicles and property consolidation
- Group EBIT margin improved 2.6ppt in HY21
- Continuing to target Group EBIT margin >10% in FY23
- On track to deliver ROFE[1] of 15% in FY21 well ahead of FY23 target

Cash Flow & Capex

- Strong trading cash flows underpinned by margin performance and ongoing working capital management
- Working capital cycle reduced from 82 days to 70 days since Dec-18
- Expect some working capital rebuild in 2H21 in NZ Core, c$25-50m above normal seasonality
- Capex sensibly reduced to c$200m in FY21, while maintaining key investments
- Capex from FY22 expected to be $200-$250m (ex WWB)

Capital Structure

- $1.5b liquidity
- 0.4x leverage ratio, targeting lower end of 1.0x-2.0x range (accounting for WWB and legacy projects)
- Gross debt reduced by $1.1bn since Jun-18
- Funding costs reduced from $157m in FY18 to c$55m in FY21
- Strong tenor in funding lines
- Continued covenant protection to Jun-21
- Interim Dividend of 12.0 cents per share

[1] *Return On Funds Employed*

Agenda

Second half FY21 outlook

Market outlook

- Current indicators point to second half core volumes in NZ and Australia remaining at similar levels to those seen in the first half, with robust ongoing demand for residential housing in NZ
- January and early February trading has seen a slightly slower ramp-up post the New Year break
- Managing some supply chain disruption; remains key to meeting market demand
- Market outlook assumes no material impact from COVID-19

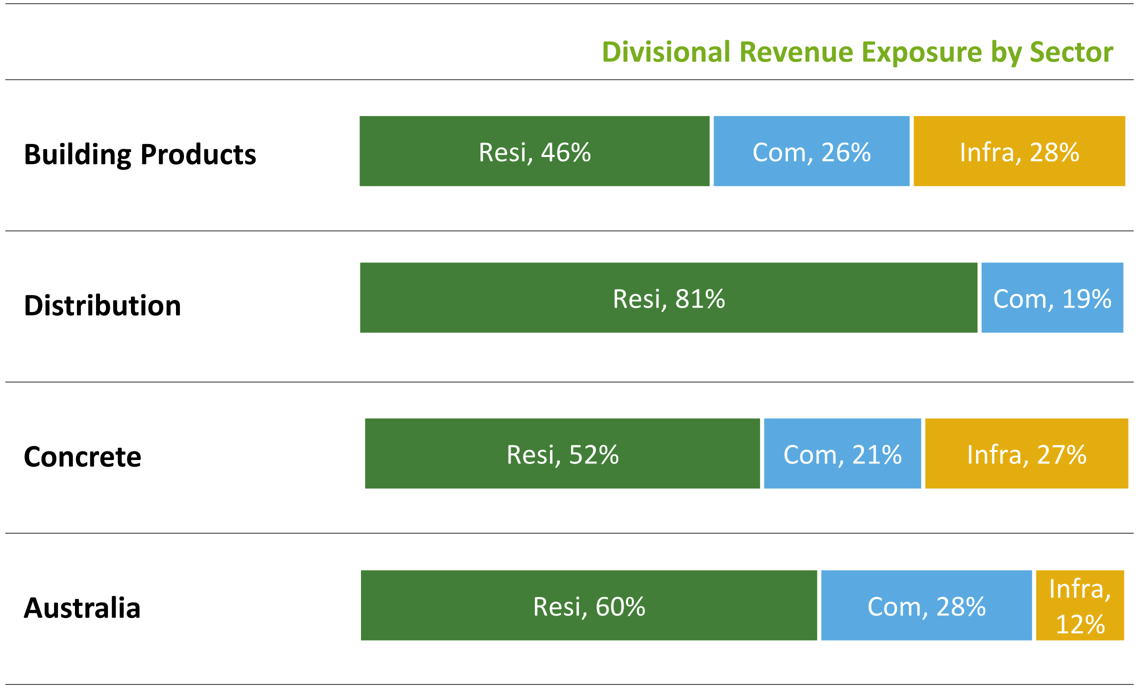
Earnings

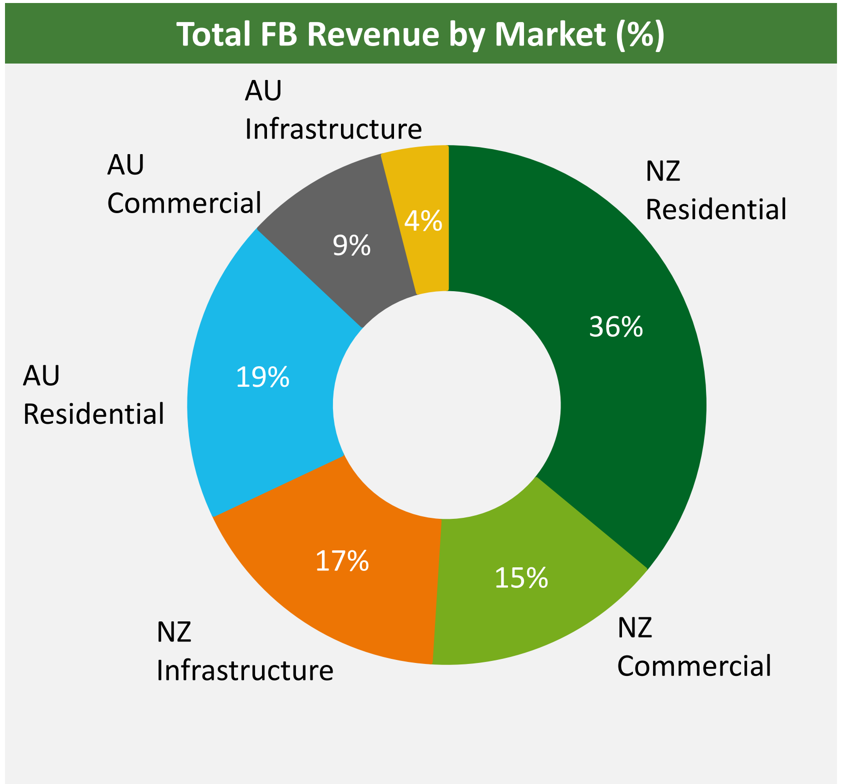
- FY21 EBIT before significant items expected to be in a range of $610 to $660 million
- Strong first quarter in NZ Core and Residential housing means Group earnings less H2 weighted than previously
- Efficiency benefits broadly steady between H1 and H2
- Key driver within the guidance range will be 2H21 market volumes in NZ and AU core divisions

- Further update on market activity and trading performance will be provided at the investor day in May

Appendix

Divisional revenue exposure and FB revenue by market





Results Announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Fletcher Building Limited	
Reporting Period	6 months to 31 December 2020	
Previous Reporting Period	6 months to 31 December 2019	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$4,367,000	1%
Total Revenue	$3,987,000	1%
Net profit/(loss) from continuing operations	$121,000	48%
Total net profit/(loss)	$121,000	48%
Interim Dividend		
Amount per Quoted Equity Security	$0.12	
Imputed amount per Quoted Equity Security	N/A	
Record Date	25 February 2021	
Dividend Payment Date	24 March 2021	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$3.00	$3.19
A brief explanation of any of the figures above necessary to enable the figures to be understood	Difference between Revenue from continuing operations and Total revenue is attributed to intercompany sales where Total Revenue excludes the intercompany amounts.	
Authority for this announcement		
Name of person authorised to make this announcement	Chris Reid, Company Secretary	
Contact person for this announcement	Aleida White, Head of Investor Relations	
Contact phone number	+64 21 155 8837	
Contact email address	investor.relations@fbu.com	
Date of release through MAP	17/02/2021	

Unaudited financial statements accompany this announcement.

Distribution Notice

Section 1: Issuer information				
Name of issuer	Fletcher Building Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	FBU			
ISIN	NZFBUE0001S0			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies	No		
Record date	25/02/2021			
Ex-Date (one business day before the Record Date)	24/02/2021			
Payment date (and allotment date for DRP)	24/03/2021			
Total monies associated with the distribution	$98,910,770 (824,256,416 shares @ $0.12 per share). Number of shares is as at the date of this form.			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution	$0.12000000			
Gross taxable amount	$0.12000000			
Total cash distribution	$0.12000000			
Excluded amount (applicable to listed PIEs)	N/A – Not a listed PIE			
Supplementary distribution amount	N/A			
Section 3: Imputation credits and Resident Withholding Tax				
Is the distribution imputed	~~Fully imputed~~			
	~~Partial imputation~~			
	No imputation			
If fully or partially imputed, please state imputation rate as % applied	N/A			
Imputation tax credits per financial product	N/A			
Resident Withholding Tax per financial product	$0.03960000			
Section 4: Distribution re-investment plan (if applicable)				
DRP % discount (if any)				
Start date and end date for determining market price for DRP				
Date strike price to be announced (if not available at this time)				
Specify source of financial products to be issued under DRP programme (new issue or to be bought				

on market)	
DRP strike price per financial product	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	
Section 5: Authority for this announcement	
Name of person authorised to make this announcement	Chris Reid, Company Secretary
Contact person for this announcement	Aleida White, Head of Investor Relations
Contact phone number	+64 21 155 8837
Contact email address	investor.relations@fbu.com
Date of release through MAP	17/02/2021