

Fletcher Building announces return to profitability, dividend declared

Auckland, 20 February 2019: Fletcher Building today announced net earnings of \$89 million for the six months ended 31 December 2018, compared with a loss of \$273 million for the first half of FY18.

EBIT before significant items was \$285 million compared with a loss of \$322 million in the prior period. Half year earnings were 8% lower when compared with EBIT before significant items (adjusted for B+I provisions) of \$309 million for the first half of FY18. This is within the guidance given at the Annual Shareholders Meeting (ASM) in November 2018.

As a result of the return to profitability the Fletcher Building Board is pleased to declare an interim dividend of 8.0 cents per share to be paid on 10 April 2019. Given the expected settlement timing of the Formica sale, the FY19 dividend will be weighted towards the final dividend. No New Zealand imputation credits or Australian franking credits will be attached to the interim dividend. The dividend reinvestment plan will not be operative for this dividend.

Fletcher Building CEO Ross Taylor said: "We are pleased to deliver a result in line with the earnings guidance provided at the ASM, and to be able to reinstate dividend payments.

"In the first half we have made good progress on our strategy to refocus Fletcher Building on its core in New Zealand and Australia. In particular, we have completed the divestment of Roof Tile Group and signed an agreement to sell Formica for US\$840 million, which we expect to complete by the end of the financial year.

"Our operating results across our core New Zealand businesses have been solid in the first half, and we are on track to close-out the B+I projects within the current provisions. In Australia we have been impacted by the sharp decline in the residential market as well as higher input costs. We are focused on setting the Australian business up for improved performance from FY20, which will include a reset of the cost base."

Group EBIT (excluding significant items and assuming a full year of Formica earnings) for FY19 is expected to be in the range of \$650 million to \$700 million. This compares to the earnings guidance of \$630 million to \$680 million provided at the ASM. The \$20 million increase in earnings guidance is due to the treatment of the Formica business as 'held for sale' and hence the assets are not subject to depreciation in the second half of FY19.

#Ends

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Media Teleconference

CEO Ross Taylor and CFO Bevan McKenzie will host a teleconference for media at **10.00am NZT today (8.00am AEST)** to provide more detail on this announcement. The passcode to join the teleconference is **Passcode: 277276**

Investor Call

CEO Ross Taylor and CFO Bevan McKenzie will host a teleconference and webcast for investors at **11.00am NZT today (9.00am AEST)** to provide more detail on this announcement. The passcode and link to the webcast to join the teleconference and webcast is:

Webcast: <https://edge.media-server.com/m6/p/th68bwxt>

Passcode: 231101

A replay is available using the following details:

Replay Pin: 7532#

New Zealand:	0800 886 078
Australia:	1800 265 784
Other countries:	+61 7 3107 6325