

Appendix 4E (rule 4.3A.)

Annual Report

Fletcher Building Limited

Year ended 30 June 2013
ARBN - 002 232 368

- 1 Preliminary annual report on results for the year ended 30 June 2013 (including the comparative results for the year ended 30 June 2012) in accordance with Listing Rule 4.3A.

The amounts as presented have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand which is the New Zealand equivalent to International Financial Reporting Standards (NZIFRS). They also comply with International Financial Reporting Standards. The amounts presented give a true and fair view of the matters to which the report relates and are based on audited accounts.

The Listed Issuer (Fletcher Building Limited) has a formally constituted Audit Committee of the Board of Directors.

2 Results for Announcement to the Market

NZm	30 June 2013	Up / (Down)	30 June 2012
2.1 Revenues from ordinary activities	8,517	(4%)	8,839
2.2 Profit (loss) from ordinary activities after tax and before restructuring and impairment charges attributable to members	326	3%	317
2.3 Net Profit (loss) and extraordinary Items after tax attributable to members	326	76%	185

2.4-2.5 Dividends (distributions)	Amount per security	Franked amount per security
Current year; final dividend payable 16 October 2013	NZ 17.0 c	nil
Tax credits of NZ 6.6111 cps are attached to the dividend from the current year. Non New Zealand resident shareholders can benefit from New Zealand tax credits as outlined in the attached press release.		
There are no Australian franking credits attached to this dividend and the conduit foreign income component is nil.		
The record date for determining entitlement to the current year dividend is 27 September 2013.		

3 Earnings Statement

Refer to the Financial Statements.

4 Balance Sheet

Refer to the Financial Statements.

5 Statement of Cash Flows

Refer to the Financial Statements.

6 Statement of Comprehensive Income and Movements in Equity

Refer to the Financial Statements.

7 Dividends

Details of the final dividend for the 2013 financial year are provided in Section 2 above.

Distributions recognised

Final dividend for 2012 financial year on Ordinary shares
Interim dividend for 2013 financial year on Ordinary shares

Distributions paid

Final dividend for 2012 financial year on Ordinary shares
Interim dividend for 2013 financial year on Ordinary shares

	\$NZ millions	NZ Cents per share
Final dividend for 2012 financial year on Ordinary shares	116	17
Interim dividend for 2013 financial year on Ordinary shares	117	17
Final dividend for 2012 financial year on Ordinary shares	116	17
Interim dividend for 2013 financial year on Ordinary shares	117	17

8 Dividend Reinvestment Plan

The Dividend Reinvestment Plan will be operative for this dividend payment. There will be no discount to the price applied to ordinary shares issued. Documentation for participation is available from the share registry or the website www.fbu.com and must be received by the registry before the record date of 27 September 2013.

The price used to determine entitlements under the Plan is the average of the individual daily volume weighted average sale prices of price-setting trades of the company's shares sold on the NZX on each of the five business days from and including the NZX ex-dividend date of 25 September 2013. The new shares will rank equally with existing shares and will be issued on the dividend payment date of 16 October 2013.

	30 June 2013	Up / (Down)	30 June 2012
9 Net Tangible assets per security NZ\$	2.61	7%	2.43

10 Control of Entities gained or lost during year

Control gained

Name of subsidiary or group of subsidiaries	Minor
Contribution to operating earnings for the period	\$(1) million
Date from which such contribution has been calculated	N/A

The group acquired subsidiaries for an aggregate consideration of \$11 million. These acquisitions contributed operating losses for the year of \$1 million.

Control Lost

Name of subsidiary or group of subsidiaries	None
Contribution to net profit for the year attributable to members	N/A

11 Associates

Fletcher Building's Share of Associates NZ\$m:

	30 June 2013	30 June 2012
Carrying amount at the beginning of the year	150	209
Acquisition of associates		6
Loans to associates	1	(1)
Purchase of controlling interest of Homapal investment		(49)
Sale of investment in associates	(9)	
Equity accounted earnings of associates	21	26
Dividends from associates	(19)	(32)
Acquisition restatement during the year		(5)
Foreign currency translation movement to reserves	(7)	(4)
Carrying amount at the end of the year	137	150

Material Interests in Associates

Fletcher Building has an interest (that is material to it) in the following associates:

Name of Associates	Percentage of ownership interest (ordinary shares, units, etc) held at end of year		Contribution to Operating Profit after Taxation NZ\$m	
	30 June 2013	30 June 2012	30 June 2013 <i>Equity Accounted</i>	30 June 2012 <i>Equity Accounted</i>
Equity Accounted Associates				
Sims Pacific Metals	50.0%	50.0%	8	9
Laminex associates -Wespine and Dynea	50.0%	50.0%	7	8
Formica associate - Homapal Plattenwerk GmbH				4
Miscellaneous			6	5
Total			21	26
Other Material Interests				
NIL				
Total			21	26

12 Other Significant information to assess entity's financial performance and financial position

Refer Press Release.

13 Accounting Standards

Refer to attachment.

14 Commentary on results of the year

14.1. Details of basic and diluted EPS: NZ cents	30 June 2013	30 June 2012
Basic EPS	47.6	27.2
Diluted EPS	47.5	27.2
<p>Diluted net earnings per share uses the weighted average number of shares used for basic net earnings per share, adjusted for dilutive securities. Capital notes and options are convertible into the Company's shares, and may therefore result in dilutive securities for purposes of determining diluted net earnings per share.</p>		
Numerator	30 June 2013	30 June 2012
Net earnings	326	185
Numerator for basic earnings per share	326	185
Dilutive capital notes distribution	12	
Numerator for diluted net earnings per share	338	185
Denominator (millions of shares)	30 June 2013	30 June 2012
Denominator for basic net earnings per share	685	681
Conversion of dilutive capital notes	26	
Denominator for diluted net earnings per share	711	681

14.2 Returns to Shareholders including distributions and buy backs.

Refer to item 7 for details of dividend distributions. Refer to press release.

14.3 Significant features of operating performance

Refer to press release.

14.4 Segment results

Refer to attachment and press release for industry and geographic segment information.

14.5 Trends

Refer to press release.

14.6 Any other factors which have affected the results in the year, or which are likely to affect results in the future

Refer to press release.

15 This report is based on audited accounts.

16 Audit: dispute of qualification

Nil

Earnings statement

For the year ended 30 June 2013

Fletcher Building Group

	Year ended June 2013 NZ\$M	Year ended June 2012 NZ\$M
Sales	8,517	8,839
Cost of goods sold	(6,346)	(6,613)
Gross margin	2,171	2,226
Selling and marketing expenses	(1,040)	(1,095)
Administration expenses	(585)	(603)
Share of profits of associates	21	26
Other investment income		1
Intercompany investment income		
Other gains and losses	4	1
Amortisation of intangibles	(2)	
Restructuring and impairment charges		(153)
Operating earnings (EBIT)	569	403
Funding (costs) / income	(147)	(152)
Earnings before taxation	422	251
Taxation expense	(85)	(58)
Earnings after taxation	337	193
Earnings attributable to minority interests	(11)	(8)
Net earnings attributable to the shareholders	326	185
Net earnings per share (cents)		
Basic	47.6	27.2
Diluted	47.5	27.2
Weighted average number of shares outstanding (millions of shares)		
Basic	685	681
Diluted	711	681
Dividends declared per share (cents)	34.0	34.0

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

Statements of comprehensive income and movements in equity

For the year ended 30 June 2013

Fletcher Building Group

Statement of comprehensive income

	Year ended June 2013 NZ\$M	Year ended June 2012 NZ\$M (Restated)
Net earnings - parent interest	326	185
Net earnings - minority interest	11	8
Net earnings	337	193
Movement in cashflow hedge reserve	22	(39)
Movement in pension reserve	71	(79)
Movement in currency translation reserve	(111)	(39)
Income and expenses recognised directly in equity	(18)	(157)
Total comprehensive income for the year	319	36

Statement of movements in equity

Total equity at the beginning of the year as previously published	3,603	3,700
Change in accounting policy	(151)	(72)
Total equity at the beginning of the year as restated	3,452	3,628
Total comprehensive income for the year	319	36
Movement in minority equity	(8)	(10)
Movement in reported capital	25	30
Dividends	(233)	(231)
Less movement in shares held under the treasury stock method	(1)	(1)
Total equity	3,554	3,452

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

Balance Sheet
As at 30 June 2013

Fletcher Building Group

	June 2013 NZ\$M	June 2012 NZ\$M (Restated)
Assets		
Current assets:		
Cash and deposits	123	168
Current tax asset	30	46
Derivatives	10	4
Debtors	1,346	1,460
Stocks	1,353	1,434
Total current assets	2,862	3,112
Non current assets:		
Fixed assets	2,261	2,348
Goodwill	1,219	1,243
Intangibles	510	519
Investments	180	150
Derivatives	39	69
Deferred taxation asset	32	38
Advances to subsidiaries		
Total non current assets	4,241	4,367
Total assets	7,103	7,479
Liabilities		
Current liabilities:		
Provisions	63	95
Creditors and accruals	1,181	1,249
Current tax liability	15	18
Derivatives	12	3
Contracts	102	115
Borrowings	144	456
Advances from subsidiaries		
Total current liabilities	1,517	1,936
Non current liabilities:		
Provisions	20	21
Creditors and accruals	87	92
Deferred taxation liability	40	20
Retirement plan liability	84	137
Derivatives	46	50
Borrowings	1,755	1,771
Total non current liabilities	2,032	2,091
Total liabilities	3,549	4,027
Equity		
Reported capital	2,606	2,582
Revenue reserves	1,078	985
Other reserves	(165)	(147)
Shareholders' funds	3,519	3,420
Minority equity	35	32
Total equity	3,554	3,452
Total liabilities and equity	7,103	7,479

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

Statement of Cashflows*For the year ended 30 June 2013*

	Fletcher Building Group	
	Year ended June 2013 NZ\$M	Year ended June 2012 NZ\$M
Cashflow from operating activities		
Receipts from customers	8,539	8,908
Dividends received	19	32
Interest received		1
Total received	8,558	8,941
Payments to suppliers, employees and other	7,790	8,227
Interest paid	149	143
Income tax paid	60	123
Total applied	7,999	8,493
Net cash from operating activities	559	448
Cashflow from investing activities		
Sale of fixed assets	18	16
Sale of investments	9	
Sale of subsidiaries	64	11
Total received	91	27
Purchase of fixed assets	233	261
Purchase of investments	2	6
Purchase of subsidiaries	11	86
Net debt in subsidiaries acquired		10
Total applied	246	363
Net cash from investing activities	(155)	(336)
Cashflow from financing activities		
Net debt drawdown		107
Issue of capital notes		67
Total received		174
Net debt repayment	170	
Repurchase of capital notes	57	21
Advances to subsidiaries		
Distribution to minority shareholders	12	13
Dividends	208	201
Total applied	447	235
Net cash from financing activities	(447)	(61)
Net movement in cash held	(43)	51
Add opening cash deposits	168	115
Effect of exchange rate changes on net cash	(2)	2
Closing cash and liquid deposits	123	168

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

Reconciliation of Net Earnings to Net Cash from Operating Activities

For the year ended 30 June 2013

Fletcher Building Group

	Year ended June 2013 NZ\$M	Year ended June 2012 NZ\$M
Cash was received from:		
Net earnings	326	185
Earnings attributable to minority interests	11	8
	337	193
Adjustment for items not involving cash:		
Depreciation, depletions, and amortisation	220	230
Restructuring and impairment charges		122
Provisions and other adjustments	(51)	(21)
Taxation	25	(65)
Non cash adjustments	194	266
Cashflow from operations ⁽¹⁾	531	459
Less gain on disposal of affiliates and fixed assets	(6)	(2)
Cashflow from operations before net working capital movements	525	457
Net working capital movements	34	(9)
Net cash from operating activities ⁽²⁾	559	448
Net working capital movements:		
Debtors	34	15
Stocks	12	71
Contracts	(6)	20
Creditors	(6)	(115)
	34	(9)

⁽¹⁾ Includes (gain)/loss on disposal of affiliates and fixed assets.

⁽²⁾ As per the statement of cashflows.

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

SEGMENTAL INFORMATION

Industry segments Year ended	2013	2012	2013	2012
	NZ\$M	NZ\$M	NZ\$M	NZ\$M
	Gross sales	Gross sales	External sales	External sales
Building Products	1,474	1,517	1,350	1,390
Construction	1,201	1,046	1,193	1,040
Distribution	2,161	2,300	2,141	2,261
Infrastructure	2,373	2,514	2,095	2,299
Laminates & Panels	1,761	1,882	1,738	1,849
Other	7	6		
Group	8,977	9,265	8,517	8,839
less intersegment sales	(460)	(426)		
Group external sales	8,517	8,839	8,517	8,839
	Operating earnings (EBIT)	Operating earnings (EBIT)	Significant items in operating earnings	Significant items in operating earnings
Building Products	122	30		(79)
Construction	87	50		
Distribution	50	65		
Infrastructure	222	209		
Laminates & Panels	120	65		(74)
Other	(32)	(16)		
Group	569	403		(153)
	Depreciation and amortisation expense	Depreciation and amortisation expense	Capital expenditure including acquisitions	Capital expenditure including acquisitions
Building Products	37	38	24	38
Construction	8	11	5	11
Distribution	21	21	17	14
Infrastructure	90	91	77	131
Laminates & Panels	60	66	118	162
Other	4	3	5	7
Group	220	230	246	363
	Funds*	Funds*		
Building Products	770	789		
Construction	69	109		
Distribution	703	816		
Infrastructure	1,841	1,974		
Laminates & Panels	1,788	1,743		
Other (including debt and taxation)	(1,617)	(1,979)		
Group	3,554	3,452		

* Funds represent the external assets and liabilities of the group and are used for internal reporting purposes.

Geographic segments Year ended	2013	2012	2013	2012
	NZ\$M	NZ\$M	NZ\$M	NZ\$M
	External sales	External sales	Funds*	Funds*
New Zealand	3,832	3,642	1,682	1,730
Australia	3,640	4,139	2,541	2,740
North America	396	396	238	234
Asia	255	256	436	372
Europe	307	318	291	238
Other (including debt and taxation)	87	88	(1,634)	(1,862)
Group	8,517	8,839	3,554	3,452
	Operating earnings (EBIT)	Operating earnings (EBIT)	Significant items in operating earnings	Significant items in operating earnings
New Zealand	286	198		(9)
Australia	203	135		(124)
North America	40	26		
Asia	40	40		
Europe	(8)	(7)		(20)
Other	8	11		
Group	569	403		(153)

During the year the Steel division was reorganised, with the Long Steel and Distribution businesses incorporated into the Infrastructure Products division, and the Coated Steel Businesses incorporated into the Building Products division.

Additionally, the Crane division was reorganised, with the Iplex pipelines and Crane Copper Tube businesses incorporated into the Infrastructure Products division. The Crane distribution businesses, Tradelink, Hudson and Mico have been consolidated with the Placemakers business as a Distribution division.

Prior period data has been restated.

* Funds represent the external assets and liabilities of the group and are used for internal reporting purposes.

Notes to the financial statements

1 Basis of presentation

This financial information is extracted from the audited financial statements of Fletcher Building Limited as at and for the year ended 30 June 2013.

The financial statements presented are those of Fletcher Building Limited and its subsidiaries (the "group"). Fletcher Building Limited is a company domiciled in New Zealand, is registered under the Companies Act 1993, and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993. These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards.

2 Changes in accounting policies

NZ IAS 19 Employee Benefits has been revised with an effective date of 30 June 2014 for the group. The group decided to adopt this early for the year ended 30 June 2013. This resulted in the unrecognised loss in respect of its retirement plans at 30 June 2011 of \$87 million (\$72 million net of tax) being written off through other comprehensive income to the pension reserve. In addition the actuarial loss of \$95 million (\$79 million net of tax) incurred during the year ended 30 June 2012 has been written off to the pension reserve. Therefore the total write-off at 30 June 2012 is \$182 million (\$151 million net of tax) and this has been written off to the pension reserve. The group has recalculated its pension expense for the current and prior year and this has not changed materially. Going forward the adoption of the revised standard is not expected to have a material impact on the group's earnings.

The International Accounting Standards Board has issued a number of other standards, amendments and interpretations which are not yet effective. The group has not yet applied these in preparing these financial statements although the application of these standards, amendments and interpretations would require further disclosures, but they are not expected to have a material impact on the group's earnings.

There have been no other changes in accounting policies in the year ended 30 June 2013, however certain comparatives have been restated to conform with the current year's presentation.

3 Contingencies and commitments

Provision has been 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, lease commitments, contingent liabilities or contingent assets to those disclosed in the 2012 annual report.

	Fletcher Building Group	
	Year ended	Year ended
	June 2013	June 2012
	NZ\$M	NZ\$M
4 Other gains and losses		
Other gains/(losses) include the following:		
Sale of assets	13	8
Acquisition costs		(3)
Insurance proceeds		1
Impairment of assets		(2)
Net cost of repairs due to earthquake damage		(1)
Net redundancies and restructuring costs	(11)	(3)
Other	2	1
	4	1

5 Taxation expense

Earnings before taxation	422	251
Taxation at 28 cents per dollar	118	70
Adjusted for:		
Higher tax rate in overseas jurisdictions	1	
Non assessable income	(9)	(3)
Non deductible expenses	3	19
Tax losses not recognised	3	11
Benefit of tax losses recognised	(5)	
Tax in respect of prior years	(2)	(17)
Other permanent differences	(24)	(22)
	85	58

6 Borrowings

Borrowings - current	144	456
Borrowings - non current	1,755	1,771
Borrowings	1,899	2,227
Less fair value hedge adjustment included in borrowings	(28)	(81)
	1,871	2,146
Total available funding	2,690	2,928
Unutilised banking facilities	819	782

In addition the group had \$123 million of cash on hand at 30 June 2013 (30 June 2012: \$168 million).