

Fletcher Building to sell Rocla Quarry Products business to Hanson Construction Materials

Auckland – 19th August 2015

Fletcher Building Limited today announced it has entered into a conditional agreement to sell the operations of Rocla Quarry Products (“RQP”) to Hanson Construction Materials Pty Limited (“Hanson”) in a transaction valued at approximately A\$203 million. The sale follows a competitive tender process for the business.

Fletcher Building will continue to own and operate RQP until completion of the transaction, which is expected to be by the end of January 2016.

The transaction is conditional upon a number of matters, including clearance from Australian Competition and Consumer Commission. Upon completion, Fletcher Building expects to record a pre-tax profit of approximately A\$100 million, reflecting the gain on sale of assets, partly offset by transaction costs and adjustments to asset carrying values.

Fletcher Building Chief Executive Officer Mark Adamson said that the sale of Rocla Quarry Products underlines Fletcher Building’s commitment to deliver improved shareholder value through active management of its portfolio.

“Rocla Quarry Products is a great business with a proud heritage, but it is not a strategic part of our Australian portfolio. Given its quarry positions around Australia, it naturally has a higher value to an integrated cement and concrete operator than as a stand-alone business”, Mr Adamson said.

The transaction does not affect the ownership of Fletcher Building’s Rocla Pipes & Concrete Products or Winstone Aggregates businesses, which remain core elements of the Fletcher Building portfolio.

Credit Suisse and First NZ Capital are acting as financial advisors to Fletcher Building, Ashurst is acting as legal advisor.

Further details of the transaction are outlined in the Appendix.

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Appendix –Transaction Details

Description of assets	<p>The entire business and assets of Rocla Quarry Products including:</p> <ul style="list-style-type: none">- Shares in the Mittagong Sands joint venture (NSW);- Shares in the Mt Marrow joint venture (Queensland) <p>Excludes discontinued sites and Regional Resources North West Joint Venture</p>
Amount, composition and method of payment of consideration	<p>The purchase price for the assets is A\$203 million.</p> <p>The purchase price for the RQP business assets will be paid in full on completion of the sale. The purchase price for the JV shares will be paid on completion of the transfer of those shares in accordance with the pre-emptive rights processes.</p> <p>In addition, there will be an adjustment for working capital on completion of the sale.</p>
Conditions	<p>The transaction is conditional on:</p> <ul style="list-style-type: none">- Foreign Investment Review Board approval- ACCC statement of no objection

Ends