

**FLETCHER BUILDING LIMITED  
FINANCIAL RESULTS FOR THE YEAR ENDED  
30 JUNE 2013**

Auckland, 21 August 2013 – Fletcher Building today reported net earnings of \$326 million for the year ended 30 June 2013, compared with \$185 million in the 2012 financial year. The prior year's result included significant items of \$132 million after tax; prior year net earnings before significant items were \$317 million.

Operating earnings (earnings before interest and tax) were \$569 million compared with the \$403 million achieved in the prior year, and prior year operating earnings before significant items of \$556 million.

Cashflow from operations was \$559 million, 25 per cent higher than for the prior year, driven by strong contributions from the Construction, Building Products and Distribution divisions.

A final dividend of 17.0 cents per share will be paid on 16 October 2013, with full New Zealand imputation tax credits attached, bringing the total dividend for the year to 34.0 cents per share.

Chief Executive Officer Mark Adamson said the result was driven by a sustained improvement in trading conditions in New Zealand, offset by weak construction markets in Australia.

"In New Zealand, our operating earnings before significant items increased by 38 per cent and this was driven by rising levels of new house building activity and strong momentum with the repairs and rebuilding work in Canterbury. Importantly we have been able to mitigate the impacts of the high New Zealand dollar and increased competition through our cost-out and efficiency initiatives," Mr Adamson said.

"Conditions in Australia deteriorated early in the year and continued to be soft throughout the year. Residential and commercial markets were weak, and a slowdown in mining and resources investment had a knock-on effect across other parts of the construction industry. Consequently, operating earnings before significant items from our Australian businesses fell by 22 per cent.

"Beyond Australasia, there was a pleasing improvement in North America, but conditions across Europe continued to worsen. In South East Asia volumes were stable but activity levels declined in both China and Taiwan," Mr Adamson said.

## Results overview

Comparisons are with the prior financial year ended 30 June 2012.

<b>Revenue</b>	\$8,517 million, down from \$8,839 million
<b>Net earnings</b>	\$326 million, up from \$185 million
<b>Net earnings before significant items</b>	\$326 million, up from \$317 million
<b>Operating earnings</b>	\$569 million, up from \$403 million
<b>Operating earnings before significant items</b>	\$569 million, up from \$556 million
<b>Cashflow from operations</b>	\$559 million, up from \$448 million
<b>Basic earnings per share excluding significant items</b>	47.6 cents per share, up from 46.5 cents
<b>Interest cover</b>	3.9 times, up from 3.7 times
<b>Final dividend</b>	17.0 cents per share with full New Zealand tax imputation credits. Total dividend for the year 34.0 cents per share The dividend reinvestment plan will be operative for the final dividend payment

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**ENDS**

# FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2013

Results	Revenues	
NZ\$ Million Year ended	June 2013	June 2012
Infrastructure Products	2,095	2,299
Building Products	1,350	1,390
Laminates & Panels	1,738	1,849
Distribution	2,141	2,261
Construction	1,193	1,040
Corporate	0	0
<b>Group Total</b>	<b>8,517</b>	<b>8,839</b>

Results	Reported earnings		Earnings before significant items	
NZ\$ Million Year ended	June 2013	June 2012	June 2013	June 2012
Infrastructure Products	222	209	222	209
Building Products	122	30	122	109
Laminates & Panels	120	65	120	139
Distribution	50	65	50	65
Construction	87	50	87	50
Corporate	(32)	(16)	(32)	(16)
<b>Operating earnings</b>	<b>569</b>	<b>403</b>	<b>569</b>	<b>556</b>
Funding costs	(147)	(152)	(147)	(152)
Earnings before taxation	422	251	422	404
Taxation	(85)	(58)	(85)	(79)
<b>Earnings after taxation</b>	<b>337</b>	<b>193</b>	<b>337</b>	<b>325</b>
Minority interests	(11)	(8)	(11)	(8)
<b>Net earnings</b>	<b>326</b>	<b>185</b>	<b>326</b>	<b>317</b>

Net earnings were \$326 million for the year, compared with \$185 million in the 2012 financial year. The prior year result included significant items of \$132 million after tax; prior year net earnings before significant items were \$317 million.

Operating earnings (earnings before interest and tax) were \$569 million, 41 per cent higher than the \$403 million achieved in the prior year, and 2 per cent higher than prior year operating earnings before significant items of \$556 million.

Cashflow from operations was \$559 million, 25 per cent higher than for the prior year, driven by strong contributions from the Construction, Building Products and Distribution divisions.

Total group revenues of \$8,517 million were down 4 per cent, partly due to the sale of several businesses during the year.

The result was driven by a sustained improvement in trading conditions in New Zealand, offset by weak construction markets in Australia.

New Zealand operating earnings before significant items increased by 38 per cent and this was driven by rising levels of new house building activity and strong momentum with the repairs and rebuilding work in Canterbury. The impacts of the high New Zealand dollar and increased competition were mitigated through cost reduction and efficiency initiatives implemented during the year.

Conditions in Australia deteriorated early in the year and remained soft throughout the year. Residential and commercial markets were weak, and a slowdown in mining and resources investment had a knock on effect across other parts of the construction industry. Consequently, operating earnings from the Australian businesses were 22 per cent lower than for the prior year when significant items are excluded.

An improvement in North America's economic situation was offset by worsening conditions across Europe. In South East Asia volumes were stable but activity levels declined in both China and Taiwan during the year.

Directors have approved a final dividend of 17.0 cents per share. With the interim dividend of 17.0 cents, this brings the total dividend for the year to 34.0 cents per share, which is unchanged from the prior year. The final dividend will be paid on 16 October 2013 and will carry full New Zealand imputation credits but will be unfranked for Australian tax purposes.

Earnings per share were 47.6 cents compared with 27.2 cents in the prior year, and prior year earnings per share excluding significant items of 46.5 cents.

## **OPERATIONAL REVIEW**

### **Infrastructure Products**

Infrastructure Products operating earnings increased by \$13 million to \$222 million as a result of continued operational improvements, cost reduction and efficiency gains in all key areas of the business.

Revenues were 9 per cent lower primarily due to the sale of the Austral Wright metals business in June 2012. On a like-for-like basis, revenues decreased by 2 per cent with stronger market conditions in New Zealand offset by the downturn in the Australia. Market shares were largely stable for all businesses.

Operating earnings of the Cement, Concrete and Aggregates businesses increased by 6 per cent to \$73 million. Cement volumes were up 4 per cent, but operational improvements were offset by increased distribution costs. Ready-mix concrete volumes were up 19 per cent, and prices were generally stable. Aggregates volumes in New Zealand were up 6 per cent, but Australian volumes decreased by 15 per cent.

The Concrete Pipes and Products businesses recorded a 10 per cent increase in operating earnings to \$67 million. Australian pipe volumes were 9 per cent lower, but earnings benefited from further cost efficiencies and improved product premiums. New Zealand concrete pipe volumes increased by 9 per cent due to growth in the Auckland and Canterbury markets.

Operating earnings in Iplex and Crane Copper Tube were 21 per cent lower at \$54 million. In Australia volumes declined by 4 per cent with weaker mining demand and continued soft building markets, partially offset by contracts to supply coal seam gas projects. Volume declines were partially offset with the implementation of efficiency measures and rationalisation of the businesses. New Zealand plastic pipe volumes increased in line with activity levels in Canterbury and Auckland.

Steel operating earnings increased to \$28 million from \$11 million in the prior year. The long steel business benefitted from improved manufacturing efficiencies which helped to reduce conversion costs. Volumes were 6 per cent higher, reflecting the increase in domestic demand in New Zealand. Steel distribution businesses experienced increased earnings over the prior period, with a focus on product mix and reducing customer service costs.

### **Building Products**

Building Products operating earnings of \$122 million were 12 per cent higher than the prior year's operating earnings before significant items. Revenues declined by 3 per cent but the benefit of cost reduction initiatives undertaken in the first half of the year positively impacted earnings.

The plasterboard business recorded a 43 per cent increase in operating earnings due to a stronger New Zealand residential construction market. Margins and market share were stable.

The insulation business' operating earnings were down 36 per cent on the prior year. Australian glasswool margins continue to be soft due to the strong Australian dollar and continued excess inventory across the industry. Restructuring undertaken during the first half of the year helped to drive earnings higher in the second half. New Zealand glasswool volumes were flat on the prior year reflecting increased levels of competition and a warmer autumn.

Operating earnings for the sinkware business declined by 37 per cent due to declining volumes and margins. Operating earnings for the New Zealand aluminium business doubled driven by increased market share and volumes.

The coated steel businesses increased operating earnings by 7 per cent to \$52 million due to strong performances from the New Zealand based businesses. Roof tile volumes increased by 10 per cent driven by growth in Europe, Africa and New Zealand, and operating earnings increased by 31 per cent.

In Australia, volumes in the Stramit roll-forming business were down on the prior year but an improving trend during the year meant that second half volumes were slightly ahead of the same period in the prior year. Restructuring in Stramit has substantially lowered the fixed operating cost of the business, and operating earnings in that business in the second half of the year were 25 per cent higher than for the prior corresponding period.

## **Laminates & Panels**

Operating earnings in Laminates & Panels were \$120 million compared with \$65 million in the prior year. The prior year's result included significant items totalling \$74 million. On a like-for-like basis, operating earnings were 13 per cent lower than the prior year. Revenues declined by 6 per cent to \$1,738 million.

Prices and margins were generally flat or slightly down as a result of strong price competition in markets where volumes were under pressure. The continued promotion and extension of premium products, particularly in North America, helped mitigate price pressure. Input prices in key materials such as paper and resins were either flat or down on the prior year.

Formica's operating earnings before significant items were \$58 million, down from \$71 million in the prior year. Volumes and revenue in Europe were down by 5 per cent. Markets in Spain, Central Europe and the United Kingdom continued to deteriorate, Scandinavia remained stable, and further increases were recorded in Russia and the Middle East.

Revenues in Asia were down by 2 per cent with volumes down in China and Taiwan by 2 per cent and 3 per cent respectively, while Thailand remained stable.

In North America, revenue was up by 1 per cent while volumes were up marginally over the prior year. Continued improvement in the residential sector was largely offset by the commercial market in which Formica has a greater exposure, with no improvement evident over the prior year.

Laminex's operating earnings were \$62 million compared with \$68 million in the prior year (before significant items). Australian revenues were down 9 per cent, driven by a slowdown in the building and construction market, with increased new residential commencements off-set by decline in the housing renovation and commercial sectors. Sales volumes were maintained but there was significant pressure on product pricing and margins throughout the period.

New Zealand revenues were down by 10 per cent due to the exit of some product ranges and the sale of the bench fabrication business during the year. The underlying core business revenue was up slightly on the previous year.

## **Distribution**

### **PlaceMakers:**

Revenues rose 9 per cent with market conditions showing improvement from the second quarter onwards. Operating earnings increased by 33 per cent over the prior year to \$36 million, with increased revenues more than offsetting a margin decline of 1 per cent. Earnings were positively impacted by operational improvements, such as procurement benefits and lower facility and employee costs. In addition, inventory and working capital ratios improved on the prior year.

### **Tradelink, Hudson Building Supplies, Mico Plumbing:**

Operating earnings were \$14 million compared with \$37 million in the prior year. Total revenues declined by 13 per cent.

Australian revenues declined 11 per cent due to difficult trading conditions. In the final quarter of 2013 revenues began to improve as branch improvement programmes that seek to lift customer service levels were implemented and economic conditions stabilised.

New Zealand revenues were down 18 per cent due to the sale of Corys Electrical business with effect from December 2012. On a like-for-like basis, revenues increased by 3 per cent over the prior year driven by improved economic activity and market share gains in the plumbing segment. Operating earnings included \$4 million profit from the sale of surplus property in Christchurch.

## **Construction**

Construction's operating earnings for the year were \$87 million, up by 74 per cent on the prior year. This was due to a significant upturn in house sales and increased activity in Canterbury, particularly with the home repair programme for the Earthquake Commission, and infrastructure reconstruction.

The Earthquake Recovery business has now completed in excess of 40,000 home repairs in Canterbury, as well as a further 47,000 emergency repairs and 18,000 installations under the winter heating initiative. Repairs to the final Earthquake Commission referred property are now expected to be completed in December 2014.

The Construction backlog was \$1,022 million at the end of June compared to \$1,094 million at the end of June 2012. Fletcher Construction is also the preferred bidder on the MacKay's to Peka Peka roading project north of Wellington (\$570 million), and its Wynyard land development proposal is Fonterra's preferred option for its new head office in Auckland (\$70 million). The contract for the Aquatic Centre for the South Pacific Games in Papua New Guinea (\$65 million) was confirmed after balance date. These projects are not included in the backlog.

Major contracts awarded during the year include the University of Auckland Science Block upgrade for \$145 million, Rangiriri Bypass Project for \$75 million, and a further \$95 million share of the Stronger Christchurch Infrastructure Rebuild Team work.

The residential building business performed very well with strong sales in the Stonefields development in Auckland. A number of large land holdings in the Auckland region have been secured for future building activity.

## **FINANCIAL REVIEW**

### **Balance Sheet**

The group's gearing<sup>1</sup> at 30 June 2013 was 33.3 per cent compared with 37.4 per cent at 30 June 2012.

### **Funding**

The group had total available funding of \$2,690 million as at 30 June 2013. Of this, approximately \$819 million was undrawn and there was an additional \$123 million of cash on hand. The group has drawn debt facilities maturing within the next 12 months of \$32 million, and a further \$112 million of capital notes subject to interest rate and term reset. These maturities are more than covered by the undrawn facilities and cash on hand.

### **Debt Maturity**

The average maturity of the debt is 5 years and the currency split is 49 per cent Australian dollar; 33 per cent New Zealand dollar; 11 per cent US dollar; and 7 per cent spread over various other currencies.

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<sup>1</sup> Interest bearing net debt (including capital notes) to interest bearing net debt (including capital notes) and equity



## Interest Rates

Approximately 74 per cent of all borrowings have fixed interest rates with an average duration of 3 years and a rate of 7.4 per cent. Inclusive of floating rate borrowings the average interest rate on the debt is approximately 6.7 per cent. All interest rates are inclusive of margins but not fees.

Interest coverage<sup>2</sup> for the period was 3.9 times compared with 3.7 times in the previous year.

## Cashflow

Cashflow from operations was \$559 million, up 25 per cent on the \$448 million achieved in the prior year. The improvement was due to strong cash flows in the Construction, Building Products and Distribution divisions, and reductions in working capital.

Capital expenditure for the period was \$246 million, down from \$353 million in the prior year. Of this total, \$148 million was for stay-in-business capital projects and \$98 million was for new growth initiatives, including \$13 million for the acquisition of new businesses. For the 2014 financial year, capital expenditure excluding acquisitions is expected to be between \$250 million and \$300 million.

## Dividend

The 2013 final dividend is 17 cents per share. In line with the dividend imputation and franking policy announced in 2011, the final dividend will be fully imputed for New Zealand tax purposes, but will not be franked for Australian tax purposes.

A dividend summary is attached illustrating the effect of the New Zealand imputation tax credits on the dividend.

A supplementary dividend is payable to non-New Zealand shareholders and has the effect of removing or reducing the cost of New Zealand non-resident withholding tax (NRWT). Non-resident shareholders with a 10% or greater direct shareholding are not eligible to receive supplementary dividends but are exempt from NRWT.

The dividend will be paid on 16 October 2013 to holders registered as at 5.00 pm Friday 27 September 2013 (NZT).

## Dividend Reinvestment Plan

The Dividend Reinvestment Plan will be operative for this dividend payment. Shareholders can elect to participate in the plan by visiting the Computershare

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<sup>2</sup> EBIT before significant items to total interest paid including capital notes interest.

Investor Centre at [investorcentre.com/nz](http://investorcentre.com/nz) and completing an electronic Participation Notice.

Alternatively, documentation for participation is available from the share registry or the company's website at [fbu.com/investor](http://fbu.com/investor). Applications to participate must be received by the registry before the record date of Friday 27 September 2013.

There will be no discount to the price applied to ordinary shares issued under the Dividend Reinvestment Plan. 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.

The shares will be quoted on an ex dividend basis from 23 September 2013 on the ASX and 25 September 2013 on the NZX.

## **UPDATE ON BUSINESS TRANSFORMATION PROGRAMME**

During the year a business transformation programme called FBUnite was initiated. FBUnite seeks to drive benefits from greater collaboration, combining resources and leveraging the group's scale, improving operating efficiency, and investing in the resources and capabilities for growth.

FBUnite is comprised of a number of separate but related work streams. These will collectively transform how Fletcher Building operates while at the same time retaining those aspects of the decentralised business model that keep businesses focused on their customers, products and core market segments.

It is expected that annual total benefits from FBUnite will be in the range of \$75 million to \$100 million per annum. FBUnite is, however, a multi-year programme, with individual work streams set to be completed within different timeframes such that this quantum of benefit will take several years to be fully realised. Capital and operating expenditure will be incurred in the 2014 financial year to enable a number of work streams to be implemented which will offset early gains, although benefits should become evident from the 2015 financial year onwards.

A number of work streams have commenced within the business transformation programme including the following:

### **Shared Services**

The Shared Services project aims to reduce the cost of core support functions through centralising transactional tasks and increasing productivity by leveraging the group's scale. The project is targeting Finance (accounts receivable, accounts payable, credit management), Human Resources (payroll, recruitment, learning and development, health and safety) and ICT (user support, IT maintenance, IT infrastructure).

## **Procurement**

The Procurement project is focussed on achieving greater procurement co-ordination and cost savings from the \$800 million per annum of indirect third party expenditure across the group. A specialist procurement function has been established within the corporate centre. Reductions in the cost to suppliers of serving the group, fostering greater collaboration and innovation in procurement, are other core goals. The first categories targeted have included transport and logistics, office supplies, mobile plant, printing, plant consumables, packaging, health and safety, waste management, temporary labour and fuel.

## **Property**

The group's total owned and leased property costs across New Zealand and Australia are in excess of \$200 million per annum from around 1,000 property interests. A review of the property portfolio is being undertaken, with the goal of reducing the group's property footprint through network optimisation and business co-location opportunities.

## **Operational excellence**

The operational excellence programme is addressing manufacturing and supply chain aspects of Fletcher Building's manufacturing and warehouse facilities. The programme will provide the tools needed to achieve operations excellence and is expected to take around three years to be fully implemented, in conjunction with other work streams including procurement and property management.

## **Network optimisation**

The network optimisation project will identify, evaluate and implement options to move products from the point of manufacture or supply to the customer at the lowest cost, while meeting service requirements. The options will consider how the network of transport lanes, storage and distribution locations is best configured and used to meet customer demand, and whether changes are required to transport, warehouses, product handling, business processes and information systems.

## **STRATEGY**

Fletcher Building is an integrated manufacturer and distributor of infrastructure and building products, as well as a construction company. The company looks to build and maintain leadership positions in businesses that operate in fundamentally attractive markets. The primary near term focus is on strengthening and extending core positions in New Zealand and Australia, while also seeking to build and enhance positions in select products and geographies where proven capabilities can be leveraged.

Fletcher Building continues to see good opportunities across its markets for further organic growth through its existing businesses, while also driving internal efficiencies and improving cost competitiveness. At the same time, opportunities to extend core positions in New Zealand and Australia through infill and adjacent acquisitions will be sought, along with opportunities to leverage existing assets and capabilities in selected new markets.

## **OUTLOOK**

In New Zealand, a further increase in construction activity levels across most sectors is expected over the 2014 financial year. The residential housing market, particularly in Auckland, is expected to be strong in the coming year. The repair of houses and infrastructure in Christchurch will continue to boost activity levels and there is growing interest in commercial building projects within the central business area.

After a long period of weak demand in civil infrastructure and commercial building, a steady improvement is expected. Recent government announcements for major projects in Auckland and Canterbury are encouraging, and there are good opportunities for building in the health and education sectors as well.

The outlook in Australia remains soft and uncertain. There has been little improvement evident in residential construction and commercial activity has remained flat with no obvious signs of recovery. The knock-on impact of a slowdown in mining and resources investment is expected to impact overall activity levels.

Trading conditions in North America continue to remain mixed. While there have been improving trends in the residential housing market and positive signs that the market may continue to improve during the year, the commercial market has remained flat.

In South-East Asia, demand has remained firm and the outlook is positive, however, growth and activity levels have slowed in China and Taiwan and the near term outlook in these markets remains uncertain.

European markets show no signs of improvement, and a recovery is not expected in the short to medium term.

In terms of the earnings outlook for the 2014 financial year, a sustained improvement in activity levels in New Zealand coupled with operational efficiency gains should drive earnings growth. However, no significant volume growth is forecast in the Australian market and any further deterioration from current levels will temper the Group's earnings momentum. A further update will be provided at Fletcher Building's annual shareholder's meeting in October.

**2013 FINAL DIVIDEND SUMMARY TABLE <sup>(1)</sup>**

<b>NZ cents per share</b>	<b>NZ RESIDENTS ON TOP MARGINAL TAX RATE OF 33%</b>	<b>AUSTRALIAN RESIDENTS ON TOP MARGINAL TAX RATE OF 46.5%</b>	<b>AUSTRALIAN RESIDENTS ON 15% TAX RATE</b>	<b>OTHER NON RESIDENTS<sup>(8)</sup></b>
Dividend declared	17.0000	17.0000	17.0000	17.0000
NZ imputation credits <sup>(2)</sup>	6.6111			
NZ supplementary dividend <sup>(3)</sup>		3.0000	3.0000	3.0000
Australian franking credits <sup>(4)</sup>		0.0000	0.0000	
<b>Gross dividend for NZ tax purposes</b>	<b>23.6111</b>	<b>20.0000</b>	<b>20.0000</b>	<b>20.0000</b>
NZ tax (33%) <sup>(5)</sup>	(7.7917)			
NZ non-resident withholding tax (15%) <sup>(6)</sup>		(3.0000)	(3.0000)	(3.0000)
<b>Net cash received after NZ tax</b>	<b>15.8194</b>	<b>17.0000</b>	<b>17.0000</b>	<b>17.0000</b>
Australian tax (46.5% and 15%) <sup>(7)</sup>		(9.3000)	(3.0000)	
Reduced by offset for NZ non-resident withholding tax		3.0000	3.0000	
Less Australian franking credit offset		0.0000	0.0000	
<b>Net cash dividend to shareholders after tax</b>	<b>15.8194</b>	<b>10.7000</b>	<b>17.0000</b>	<b>17.0000</b>

**NOTES:**

- <sup>(1)</sup> This summary is of a general nature and the tax rates used and the calculations are intended for guidance only. As individual circumstances will vary, shareholders are advised to seek independent tax advice.
- <sup>(2)</sup> The dividend has imputation credits attached at a 28 percent tax rate.
- <sup>(3)</sup> The supplementary dividend is payable to non-New Zealand shareholders and has the effect of removing or reducing the cost of New Zealand non-resident withholding tax (NRWT). Non-resident shareholders with a 10% or greater direct shareholding are not eligible to receive supplementary dividends but are exempt from NRWT.
- <sup>(4)</sup> There are no Australian franking credits attached to this dividend and the conduit foreign income component is nil. Consistent with the previously announced policy, Fletcher Building expects to alternately frank and impute successive dividends to the maximum extent possible. This will mean that interim dividends will be fully franked with Australian tax credits, or franked to the maximum extent possible and final dividends will be fully imputed with New Zealand tax credits, or imputed to the maximum extent possible.
- <sup>(5)</sup> For all NZ resident shareholders who do not hold an exemption certificate, resident withholding tax (RWT) is required to be deducted at 5% from the gross dividend which has been credited with imputation credits at 28 percent. Accordingly, for those shareholders, a deduction of 1.1806 cents per share will be made on the date of payment from the dividend declared of 17.0 cents per share and forwarded to Inland Revenue. Resident shareholders who have a tax rate less than 33% will need to file a tax return to obtain a refund of the RWT.
- <sup>(6)</sup> NZ non-resident withholding tax at the rate of 15% on the gross dividend for NZ tax purposes.
- <sup>(7)</sup> This summary uses two examples of the effect of tax in Australia. The first uses the top marginal tax rate of 46.5%, including the Medicare levy. The second example uses the 15% income tax rate applicable in Australia to complying superannuation funds, approved deposit funds and pooled superannuation trusts. Different tax rates will apply to other Australian shareholders, including individuals, depending on their circumstances.

The Australian tax is calculated as:	46.5% rate	15% rate
gross dividend for NZ tax purposes	20.0000	20.0000
plus franking credits	0.0000	0.0000
gross dividend for Australian tax purposes	20.0000	20.0000
Australian tax	9.3000	3.0000

- <sup>(8)</sup> This illustration does not purport to show the taxation consequences of the dividend for non-residents of New Zealand or Australia. Shareholders resident in other countries are encouraged to consult their own taxation adviser.

<b>Division.</b>	<b>Business Groupings.</b>	<b>Key Businesses.</b>
<b>Infrastructure Products.</b>	Cement, Concrete & Aggregates	<ul style="list-style-type: none"> <li>• Winstone Aggregates (NZ)</li> <li>• Rocla Quarries (Aust.)</li> <li>• Golden Bay Cement (NZ)</li> <li>• Firth Concrete (NZ)</li> </ul>
	Concrete Pipes & Products	<ul style="list-style-type: none"> <li>• Rocla Pipelines (Aust.)</li> <li>• Humes Pipes (NZ)</li> </ul>
	Steel	<ul style="list-style-type: none"> <li>• Pacific Steel (NZ)</li> <li>• Fletcher Easysteel (NZ)</li> <li>• Fletcher Reinforcing (NZ)</li> </ul>
	Plastic Pipes & Copper Tube	<ul style="list-style-type: none"> <li>• Iplex (Aust. &amp; NZ)</li> <li>• Crane Copper Tube (Aust.)</li> </ul>
<b>Building Products.</b>	Building Products	<ul style="list-style-type: none"> <li>• Plasterboard (NZ)</li> <li>• Insulation (NZ &amp; Aust.)</li> <li>• Aluminium Windows &amp; Doors (NZ)</li> <li>• Sinkware (Aust.)</li> </ul>
	Coated Steel	<ul style="list-style-type: none"> <li>• Stramit (Aust.)</li> <li>• Dimond Roofing (NZ)</li> <li>• Roof Tiles Group (NZ/Asia/Europe/USA)</li> <li>• Pacific Coil Coaters (NZ)</li> </ul>
<b>Laminates &amp; Panels.</b>	Formica	<ul style="list-style-type: none"> <li>• Formica Asia</li> <li>• Formica Europe</li> <li>• Formica North America</li> <li>• Homapal</li> </ul>
	Laminex	<ul style="list-style-type: none"> <li>• Laminex (Aust. &amp; NZ)</li> </ul>
<b>Distribution.</b>	New Zealand	<ul style="list-style-type: none"> <li>• PlaceMakers</li> <li>• Mico Plumbing</li> </ul>
	Australia	<ul style="list-style-type: none"> <li>• Tradelink</li> <li>• Hudson Building Supplies</li> </ul>
<b>Construction.</b>		<ul style="list-style-type: none"> <li>• Fletcher Construction</li> <li>• Fletcher EQR</li> <li>• Fletcher South Pacific</li> <li>• Fletcher Residential</li> </ul>