

FLETCHER BUILDING LIMITED **NEWS RELEASE**

Fletcher Aluminium joint venture to create new windows and doors business

Auckland, 17 February 2016 – Fletcher Building Limited announces it has reached agreement to create a 50-50 joint venture between its Fletcher Aluminium windows and doors business and NALCO. The new business will be jointly owned by Fletcher Building and NALCO, with each having an equal shareholding.

Fletcher Aluminium and NALCO will each contribute all of their business assets to the new entity, including intellectual property, and all employees of the two businesses will transfer to the joint venture. Ron Holden, the current Managing Director of NALCO, will become Managing Director of the new entity.

In the 18 months following formation of the joint venture, it is proposed the Fletcher Building manufacturing site in Auckland will close. Fletcher Building will be funding its share of the capital expenditure to expand NALCO's Hamilton manufacturing facility. The new entity will have two key manufacturing sites with an extrusion and powder coating facility in Hamilton and a powder coating facility in Christchurch.

Fletcher Building Chief Executive Officer Mark Adamson said the joint venture would create a strong competitor in the windows and doors market.

"Together, Fletcher Aluminium and NALCO will have a national network of distributors able to offer excellent customer service and a top quality product range to customers. It is a joint venture of strengths that increases manufacturing capabilities and accelerates the introduction of new technology to the New Zealand market", Mr Adamson said.

In its first full year of operation the new entity is expected to have sales of approximately \$190 million. The joint venture is expected to be formed by June 2016 and is conditional on a number of matters including Commerce Commission approval, if required.

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