

Fletcher profits up from N.Z. construction

WELLINGTON, NEW ZEALAND: New Zealand's largest listed company Fletcher Building posted a 76% rise in annual profit on Wednesday (21 August) as strong growth in the country's construction sector offset weakness in Australia.



The Auckland-based company said its net profit for the 12 months to the June was NZ\$326m (US\$260m), up from NZ\$185m in the previous year.

Chief executive Mark Adamson said the result, which beat market expectations, was due to reconstruction in Christchurch after a devastating earthquake in 2011 and strong demand in Auckland, New Zealand's largest city.

"In New Zealand, our operating earnings before significant items increased by 38% and this was driven by rising levels of new house building activity and strong momentum with the repairs and rebuilding work," he said.

Adamson said Fletcher's Australian operations had been hit by the economy's "soft" performance as the country's mining boom comes to an end.

"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," he said. "Consequently, operating earnings before significant items from our Australian businesses fell by 22%."

Source: AFP via I-Net Bridge