Boral’s Investor Site Tour
Construction Materials & Cement and USG Boral
Brisbane, Queensland | 25 November 2014

Schedule – Tuesday 25 November

Presentations and Q&A
8:00 a.m. – 9.30 a.m.  |  CM&C: Quarries, Asphalt and Major Projects | Joe Goss, Grant Ledliott, Paul West, Paul Dalton & Wayne Manners
9:30 a.m. – 9:45 a.m.  |  Break
9:45 a.m. – 10:15 a.m. |  USG Boral: update on new technology products | Frederic de Rougemont & Tony Charnock
10:15 a.m. – 10:30 a.m. |  Wrap up and closing comments

Site Visits
10:30 a.m. – 11.30 a.m. |  Travel to Ormeau Quarry
11.30 a.m. – 12:30 p.m. |  Site Tour of Ormeau Quarry
12:30 p.m. – 1:00 p.m.  |  Lunch
1.00 p.m. – 2.00 p.m.   |  Travel to Pinkenba
2.00 p.m. – 3:30 p.m.   |  Site Tour of Pinkenba Plasterboard plant
3.30 p.m. – 3:45 p.m.   |  Travel to Whinstanes
3.45 p.m. – 5:15 p.m.   |  Site Tour of Whinstanes Asphalt plant
5:15 p.m. – 5:45 p.m.   |  Travel to Hotel
6:30 p.m.               |  Dinner at Lincoln Room, Pullman Hotel
Boral Construction Materials & Cement Overview | Joe Goss

- Quarries | Grant Lediott & Paul West
- Asphalt Overview | Paul Dalton
- Major Projects | Wayne Manners
- USG Boral technology launch | Frederic de Rougemont & Tony Charnock
- Wrap up

Business scale & scope

- 104 Quarry operations (total: >1 billion tonnes of reserves)
- 227 Concrete operations
- 44 Asphalt plants
- 1* Bitumen terminal
- 1 Cement manufacturing site (~1.7m tpa capacity)
- 2** Cement grinding sites
- 1 Lime manufacturing plant
- ~2,500 Trucks
- ~5,100 Employees

FY2014 financial information

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total External Revenue</td>
<td>$3,287m</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>$277m</td>
</tr>
<tr>
<td>Net Assets²</td>
<td>$2,171m</td>
</tr>
<tr>
<td>ROFE¹,²</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

¹. Excluding significant items
². As at 30 June 2014

* Bitumen terminal is a joint venture
** 1 Cement grinding site is a joint venture

Data as at 30 June 2014
BORAL’S INVESTOR SITE TOUR – BRISBANE 2014

Safety remains our first priority

Key focus areas & initiatives
- Reinforce management commitment & leadership
- Employees understand their accountabilities & responsibilities for safety
- What we are doing:
  - Expanding safety interventions
  - Communicating ‘safety absolutes’
  - Continuing Safestart rollout
  - Implementing contractor safety program

1. Lost Time Injury Frequency Rate (hours per million hours worked)

CM&C – an integrated business model designed around strategic quarry reserves & downstream operations

- **CEMENT**: ~50-60% Cement volumes sold internally to Concrete
- **CONCRETE**: Per m³ concrete
  - ~0.3t cementitious material
  - ~1.0t aggregates
  - ~0.9t sand
- **QUARRIES**: 40-50% Quarry volumes sold internally to Concrete
- **BITUMEN**: ~35-55% Quarry volumes sold externally
- **ASPHALT**: Per tonne asphalt
  - ~0.055t bitumen
  - ~0.7t aggregates
  - ~0.2t sand
- **Dwellings**, 25%
- **Other**, 6%
- **RHS&B**: 41%
- **Non-residential**, 20%

FY2014 external revenue = $3,287m

1. Australian roads, highways, subdivisions & bridges
Regional management structure with product and functional support

- **Councils**
  - QLD: Wayne Manners
  - NSW/ACT: Greg Price
  - Southern Reg.: Paul Dalton
  - WA/NT: Wayne Manners

- **Cement**
  - Ross Harper

- **Quarries**
  - G.Price

- **Concrete**
  - J.Goss

- **Logistics**
  - R.Harper

- **Project Mgt**
  - W.Manners

- **Sales & Mktg**
  - J.Adamo

- **Asphalt**
  - P.Dalton

- **CM&C**
  - Joe Goss

- **Human Resources**
  - Bill Fisher

- **Finance**
  - Marios Pasas

- **Strategy & Development**
  - Grant Lediott

- **Sales & Marketing**
  - Julie Adamo

- **Procurement**
  - Matthias Fuchs

- **Information Technology**
  - David Oxnam

Trading update and outlook (from 2014 AGM)

1Q FY2015 trading update

- Demand levels broadly steady
  - Strong residential activity in NSW
  - Weaker roads & engineering volumes
  - Weaker than expected activity in Qld
- Pricing remains under pressure
- Heavy rainfall impacted pressure

FY2015 outlook

- 1Q FY2015 earnings below our expectation but targeting catch up via:
  - Readjustment of cost base
  - Delivery of additional property sales
  - Select price increases in stronger markets
- Expectations dampened if unable to realise potential property sales & some price increases

<table>
<thead>
<tr>
<th>Revenue $ million</th>
<th>EBIT1 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13: 3,142</td>
<td>FY13: 281</td>
</tr>
<tr>
<td>FY14: 3,287</td>
<td>FY14: 277</td>
</tr>
</tbody>
</table>
Roads and infrastructure pipeline expected to offset the decline in resources investment and return Boral’s earnings to core metro markets.

**Australian value of work done**

<table>
<thead>
<tr>
<th>FY12 $ billions</th>
<th>FY15-FY19 CAGR</th>
<th>% of CM&amp;C external sales*</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15-FY19</td>
<td>(4%)</td>
<td>8%</td>
</tr>
<tr>
<td>FY14-FY18</td>
<td>8%</td>
<td>41%</td>
</tr>
<tr>
<td>FY13-FY17</td>
<td>(2%)</td>
<td>20%</td>
</tr>
<tr>
<td>FY12-FY16</td>
<td>(3%)</td>
<td>25%</td>
</tr>
</tbody>
</table>

* FY14 sales; ‘Other’ sales account for ~6%

- Flat with government health spend decline, retail flat and education to improve
- Improvement forecast through FY15-19. State Gov’t spending down; project delays may reduce early forecast period activity.
- Steady growth particularly in NSW with improvements expected in SEQ & VIC later in FY15 – FY19
- Activity slowing, moving into production phases which are less construction materials intensive

Source: Macromonitor & BIS Shrapnel

Roads = roads, highways, subdivisions & bridges

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- **Wrap up**
Boral is a major participant in the Australian quarry industry

National operations
- 104 quarry operations
- 87 hard rock
- 17 sand / sand & gravel
- ~1,000 employees
- ~400 off-road heavy mobile equipment units

Quarries are scarce strategic assets but scarcity alone will not deliver successful outcomes.

Boral’s quarries have:

**Competitive and market-aligned positions**
- Located in close proximity to market
- ‘Right-sized’ capacity to market demand
- Achieve cost competitiveness through operational excellence and effective distribution

**Long-term sustainability**
- Long-term, high quality reserves to underpin investment returns
- A whole-of-life perspective
Quarrying process overview

1) Mine planning
2) Stripping
3) Drilling & Blasting
4) Face Loading
5) Hauling
6) Crushing & Screening
7) Inventory & Stock Management
8) Testing & Quality Assurance
9) Pug-mill & Blending Operations
10) Sales Loading
11) Despatch to Delivery
12) Maintenance & Servicing
13) Fuel Management

Quarrying cost drivers

Geological Reserve:
- Depth/ratio of overburden
- Number of benches
- Rock hardness/abrasiveness
- High/low value yield
- Rehabilitation

Typically ~25% of total costs

Rock Processing:
- Pit to plant haul distance
- Plant/operation scale
- Heavy machinery
- Load out configuration
- Maintenance spend – age, rock abrasiveness
- Automation
- Approval conditions

Typically ~40% of total costs

Distribution:
- Proximity to market
- Road/rail transportation
- Network coverage

Typically ~35% of total costs
Access to new quarry resources in Australia is getting harder due to the challenges of securing statutory approvals.

SEQ Greenfield Quarry Case Study
The Statutory Approval Process: 30 years on (neighbouring sites)

1980s vs 2014

- Applicable Legislation:
  - 1 Act plus Planning Scheme
  - 25 Acts plus numerous policy & statutory instruments

- Resources to Prepare EIS / DA:
  - 1 Professional in house
  - 74 Professionals & Consultants

- Costs to Obtain Approvals:
  - Less than $10,000
  - More than $6,000,000

- Time to Obtain Approvals:
  - 12–18 months
  - More than 10 years

Securing quarry approvals: the Peppertree Quarry journey

Peppertree Quarry, NSW:
A 10-year process from initial requirement identification to construction completion


Options to replace Emu Plains canvassed
Exploration and land acquisition
Land acquisition – quarry DA commenced
Community consultation – EIS exhibition
Development application approved
Begin work to secure dam water licence
Modification 1 – Explosive test pit
Maldon Rail Terminal DA commenced
Environmental Management Plans prepared
Aboriginal heritage salvage
Maldon Rail Terminal DA approved
Stakeholder engagement plan initiated
Modification 2 – Water licence approved
Limestone sand plant DA commenced
Construction commenced
Modification 3 – Ongoing heritage
Limestone sand plant DA approved
Buffer land acquisitions
Construction completed
Protection and positioning of our quarry positions is a key focus, underpinning our integrated business model.

<table>
<thead>
<tr>
<th>Key challenges</th>
<th>CM&amp;C key activities to mitigate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land use encroachment</td>
<td>• Securing buffer land adjacent to quarries</td>
</tr>
<tr>
<td></td>
<td>• Site selection aligned with long-term urban growth plans</td>
</tr>
<tr>
<td></td>
<td>• Plant design and site development to minimise impacts</td>
</tr>
<tr>
<td>Increasing community expectations</td>
<td>• Effective engagement through community liaison groups</td>
</tr>
<tr>
<td></td>
<td>• Work with community groups on related projects</td>
</tr>
<tr>
<td>Compliance with existing regulations</td>
<td>• Proactively working with government departments</td>
</tr>
<tr>
<td></td>
<td>• Internal compliance programs to manage risks</td>
</tr>
<tr>
<td>Changing regulatory environment</td>
<td>• Working with industry to effectively engage with governments</td>
</tr>
<tr>
<td></td>
<td>• Stakeholder engagement to secure designated extractive industry areas</td>
</tr>
</tbody>
</table>

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Boral is one of Australia’s largest Asphalt manufacturing & contracting businesses

**National operations**
- 43 asphalt plants
- 26 depots
- 40 asphalt paving crews
- 40 spray seal crews
- ~900 employees
- Importer of bitumen directly and through BIA*

Data as at 30 June 2014

**Indicative revenue split**

- State Roads, ~20%
- Local Government, ~23%
- Civil, ~23%
- Major projects, ~19%
- Other, ~15%
- „Other” includes: Civil, Major projects, Other

**Regional operations**

- **Western Australia**
  - 4 asphalt plants
  - 1 depot

- **Queensland**
  - 16 asphalt plants
  - 13 depots

- **NSW / ACT**
  - 13 asphalt plants
  - 8 depots

- **South Australia**
  - 3 asphalt plants
  - 1 depot

- **Victoria**
  - 8 asphalt plants
  - 3 depots

*BIA is a 50:50 joint venture between Boral and Downer EDI

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**BORAL’S INVESTOR SITE TOUR – BRISBANE 2014**

Participating in bitumen importation early has allowed the business to transition swiftly to an import model

**Supply is shifting to imports...**

- 2003: ~17% Domestic supply, ~83% Imports
- 2014: ~90% Imports

**... driving a conversion to terminal assets**

**Traditional suppliers are shifting model...**

<table>
<thead>
<tr>
<th>State</th>
<th>Company</th>
<th>Location</th>
<th>Status</th>
<th>Future*</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>BP</td>
<td>Bulwer Island</td>
<td>Exiting bitumen refining</td>
<td>Import</td>
</tr>
<tr>
<td>NSW</td>
<td>Shell</td>
<td>Clyde</td>
<td>Bitumen stripping plant</td>
<td>Import</td>
</tr>
<tr>
<td></td>
<td>Caltex</td>
<td>Kurnell</td>
<td>Closure announced</td>
<td>Import</td>
</tr>
<tr>
<td>VIC</td>
<td>Shell</td>
<td>Geelong</td>
<td>Bitumen producing</td>
<td>Producing</td>
</tr>
<tr>
<td></td>
<td>Mobil</td>
<td>Altona</td>
<td>Closure announced</td>
<td>Exiting</td>
</tr>
<tr>
<td>SA</td>
<td>Mobil</td>
<td>Port Stanvac</td>
<td>Closed in 2003</td>
<td>Exited</td>
</tr>
<tr>
<td>WA</td>
<td>BP</td>
<td>Kwinana</td>
<td>Bitumen producing</td>
<td>Producing</td>
</tr>
</tbody>
</table>

* CM&C Management expectations

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**CM&C**

*CM&C is a 50:50 joint venture between Boral and Downer EDI*
The Asphalt business adds value to our aggregate position through manufacturing and contracting.

Boral supplies / lays most products from subbase to surface course materials and is committed to new product development.

NEW PRODUCT DEVELOPMENT

GS88® (Rejuvenation)
Durapave™ (High strength)
LoNoise™
GATT spray seal
Novachip®
Long Haul™
Portmix™

WarmPave™
EME (High Modulus Asphalt)
Deep Lift
Long Haul™

Value-added products, including hot bitumen and bitumen emulsions, cutback bitumens, primes and pre-coating fluids
Product design and technical development services
Long term maintenance contracts
Paving is one component of what we do in the contracting space

**PENINSULA LINK**
Supply and lay over 400,000 tonnes of asphalt to 27 kilometres of freeway including 11 on and off ramps, 3 freeway to freeway connections and 35 bridges.

**SYDNEY AIRPORT**
Supply and lay 45,000 tonnes of asphalt covering 255,000m² for the main north/south runway in a time-critical environment.

Spray Sealing is the other component – approximately 80% of Australia’s roads are spray sealed

**BITUMEN SPRAYER**
The bitumen sprayer delivers a specific type of bitumen and measured application rate based on the specification for the job.

**AGGREGATE TOP DRESSING**
It is then ‘dressed’ with an aggregate topping which binds to the bitumen. The surface is then rolled to turn and flatten the aggregates and it is ready to be driven on.
A continuous improvement culture targeting excellence in operations and contracting businesses

Safety Excellence – Zero Harm

Contracting Excellence

National Quality System  Planning

SOPs & Project Management

Operational Excellence

Overall Equipment Effectiveness (OEE)

Boral Asphalt (all plants)

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- **Wrap up**
### Major Projects can be:

- Higher risk and appropriately higher margins
- Resource intensive
- High volume, high productivity
- Technically more complex
- Revenue growth opportunities
- Distraction to base business

### Value to our customers through:

**Strong contracting capability** with focus on project management skills and understanding the challenges faced by our customers

**Ability to bundle various construction materials** through a large footprint of fixed and mobile assets

**Technical superiority** through innovative pavement and mix design alternatives

**Focus on delivering zero harm safety outcomes** on projects and sharing lessons across projects

### To deliver on Major Projects, Boral has:

**Supporting organisational structure**
- Established Project Management Office
- National engineering resources
- Regional major project resources

**Strict management and risk processes**
- Contracting Operating Procedure
- Bid and delivery governance processes
- Established risk management process

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**Boral is currently involved in a number of major projects**

- **Gateways Sub-Alliance**
  - Road construction project in Perth
  - Supplying ~460,000t asphalt & quarry materials

- **Wheatstone LNG**
  - Supplying concrete & quarry material
  - 2 on-site concrete plants
  - ~360,000m³ concrete

- **Ichthys LNG Project**
  - Supplying quarry materials
  - 950,000t sand & aggregates

- **Curtis Island LNG**
  - Boral is on all 3 LNG projects supplying concrete & sand
  - 6 on-site concrete plants
  - ~500,000m³ concrete

- **Legacy Way**
  - Brisbane Tunnel project
  - Supplying ~40,000m³ concrete & ~100,000t asphalt

- **Leighton/Boral/Amey JV**
  - Maintenance contract of road network in QLD & NSW
  - Concrete, quarries, cement, asphalt

- **Barangaroo**
  - Sydney CBD Development
  - Supplying concrete through on-site plant
  - ~300,000m³ concrete

- **Port Botany**
  - Port development project
  - Supplying concrete through 2 on-site plants
  - ~120,000m³ concrete
The pipeline for major projects has peaked as the industry transitions from mining projects to infrastructure projects.

**Australian "Major Project" Building Activity**

Value of Work Done (VWD)

(FY12 $ billion)

- Major building activity has peaked with strong investment in mining.
- The transition to infrastructure projects, including RHS&B and Other Engineering, such as rail and harbours, will offset some of the decline in mining projects.
- Boral is well positioned to take advantage of the shift to these segments from FY2016.

Source: BIS Shrapnel, Other Engineering Construction includes; Railways, Harbours, Water Storage, Sewerage, Electricity, telecommunications

RHS&B – roads, highways, subdivisions and bridges.

**Australia’s top 10 infrastructure sector pipeline projects due to commence from 2014 to 2016 (by total project value / cost)**

<table>
<thead>
<tr>
<th>Project</th>
<th>State</th>
<th>Est. cost of project</th>
<th>Status</th>
<th>Owner / Contractor</th>
<th>2014</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westconnex</td>
<td>NSW</td>
<td>$11.5bn</td>
<td>Committed</td>
<td>RMS</td>
<td></td>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>East West Link – Stage 1</td>
<td>VIC</td>
<td>$6.9bn</td>
<td>Committed</td>
<td>Lend Lease</td>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Cross River Tunnel</td>
<td>QLD</td>
<td>$5.0bn</td>
<td>Under consideration</td>
<td>QLD Gov’t</td>
<td></td>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Kooragang Terminal Expansion</td>
<td>NSW</td>
<td>$5.0bn</td>
<td>Under consideration</td>
<td>Port Waratah</td>
<td></td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Pacific Hwy Woolgoolga to Ballina</td>
<td>NSW</td>
<td>$5.0bn</td>
<td>Committed</td>
<td>NSW Gov’t</td>
<td></td>
<td></td>
<td>2027</td>
</tr>
<tr>
<td>Northconnex</td>
<td>NSW</td>
<td>$3.0bn</td>
<td>Committed</td>
<td>Lend Lease</td>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Cranbourne Rail Corridor</td>
<td>VIC</td>
<td>$2.0bn</td>
<td>Under consideration</td>
<td>VIC Gov’t</td>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Toowoomba Bypass</td>
<td>QLD</td>
<td>$1.8bn</td>
<td>Committed</td>
<td>QLD Gov’t</td>
<td></td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Perth Freight Link</td>
<td>WA</td>
<td>$1.6bn</td>
<td>Under consideration</td>
<td>WA Gov’t</td>
<td></td>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Pacific Hwy Oxley</td>
<td>NSW</td>
<td>$1.0bn</td>
<td>Committed</td>
<td>Lend Lease</td>
<td></td>
<td></td>
<td>2017</td>
</tr>
</tbody>
</table>

Source: Access Economics Investment Monitor
Questions

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USG Boral Sheetrock® has been launched


Listen to contractors discuss the positive impact that USG Boral Sheetrock® can have on their business.

Video available on USG Boral website: www.usgboral.com

JV operations fully integrated, delivering in line with expectations

Synergies
- Expect to realise synergies of US$50m within three years of technology roll-out

Integration costs
- Expect upfront integration expenditure to exceed synergies for first 2 years of JV
US$50m capital roll-out program ahead of initial plan and within budget

US$50m capital roll-out program planned over Waves 1-4

Wave 1:
- Launch in initial markets
  - Australia, Korea, Indonesia, Thailand

Wave 2:
- Expand and fill market gaps
  - Australia, China, Vietnam, Indonesia, Export Markets
- Improve product quality

Waves 3 & 4:
- Build on success

Wave 1 roll-out of NextGen technology complete – products launched Sep-Oct 2014

Sheetrock® technology upgrades –
producing up to 15% lighter, higher strength and sag-defying 10mm wall and ceiling boards, and 13mm boards | 2 SKU strategies

- Australia | Pinkenba plant – launched Sep 2014
- Thailand | Saraburi plant – launched Sep 2014
- Korea | Dangjin plant – launched October 2014
- Indonesia | Cilegon and Gresik plants – launched Sep 2014 (1 SKU only)
Wave 2 roll-out of NextGen technology has commenced

Sheetrock® Technology upgrades: planned March – September 2015

- Australia: Port Melbourne plant
- Indonesia: Cilegon 1 & 2 plants
- Export markets: Philippines, Cambodia, Laos, Myanmar
- Vietnam: Ho Chi Minh plant
- China: Baoshan & Shandong plants

Integrated marketing programs supporting product launches

- USG Boral corporate brand rolled out
- Sheetrock® product branding launched
- USG Boral website launched – in six languages
- Architectural design exhibitions eg. DesignX in Sydney
- Customer training programs
- Customer launch activities / events
- Capturing testimonials / feedback
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Wrap up

Disclaimer

The material contained in this document is a presentation of information about the Group’s activities current at the date of the presentation, 25 November 2014. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group’s periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

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