

1 February 2022

Boral to return \$3 billion to shareholders

Boral Limited (ASX: BLD) today announced a \$3 billion return of surplus capital to shareholders. The cash distribution of \$2.72 per share will be in the form of a \$2.65 per share equal capital reduction, totalling \$2,923 million and an unfranked dividend of 7 cents per share, totalling \$77 million.

At the 2021 Annual General Meeting on 28 October 2021 shareholders voted in favour of reducing Boral's share capital by up to \$3 billion by way of an equal capital reduction.

CEO & Managing Director, Zlatko Todorovski, said:

"We are returning funds to our shareholders in an efficient way, consistent with our financial framework and focus on disciplined capital management.

"The return of surplus capital follows the receipt of proceeds from the sale of the North American Building Products and 50% owned Meridian Brick businesses, and Australian Building Products businesses, which combined were divested for a total consideration of more than \$3 billion."

"In the 12 months following the sale of USG Boral and culminating with the announced sale of Boral's North American Fly Ash business, we have completed an extensive portfolio realignment, unlocking significant value for our shareholders. Our reshaped portfolio allows us to focus on strengthening the performance and profitability of our core Australian construction materials business.

Following engagement with the Australian Taxation Office ("ATO"), the ATO has confirmed that no part of the capital reduction will be treated as a dividend for Australian taxation purposes. Boral expects the ATO to issue a Class Ruling following completion of the capital reduction and payment of the dividend in respect of the Australian income tax implications of the capital reduction.

For shareholders who hold their shares on capital account for Australian income tax purposes, the cost base (and reduced cost base) of each share will be reduced by \$2.65 per share for the purposes of calculating any capital gain or loss on the ultimate disposal of that share for Australian income tax purposes. An immediate capital gain would arise for shareholders where their cost base of any share is less than \$2.65.¹

Once the Class Ruling has been published by the ATO, Boral will release an ASX announcement confirming that the Class Ruling has been issued and make it available on its website at www.boral.com.

The \$2.65 per share capital return constitutes an equal reduction of Boral's share capital for the purposes of the Corporations Act. It applies to each shareholder in proportion to the number of shares they hold, and the terms of the reduction are the same for each shareholder.

No shares will be cancelled in connection with the return of capital. Accordingly, the return of capital will not affect the number of shares held by each shareholder, nor will it affect the control of Boral.

The Board is satisfied that the equal capital reduction is fair and reasonable to the Company's shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors.

Boral's Dividend Reinvestment Plan will not apply in respect of the return of capital or the unfranked dividend.

Key dates for the capital return and dividend are set out on the following page and further information and frequently asked questions are available at www.boral.com.

Authorised for lodgement by the Board.

¹ The information in this release does not take into account the individual circumstances of each shareholder and does not constitute tax advice. Accordingly, shareholders should seek their own professional advice as to their income tax implications arising from the capital return and unfranked dividend.

Key dates

Wednesday, 2 February 2022	Effective date (capital return)	Effective date for return of capital.
Thursday, 3 February 2022		Last date for trading in 'cum return of capital' for shares.
Friday, 4 February 2022	Ex return of capital and Ex dividend date	Shares commence trading on an 'ex return of capital' and 'ex dividend' basis.
Monday, 7 February 2022	Record date (capital return and dividend)	Record date for determining entitlement to participate in the return of capital and the dividend.
Monday, 14 February 2022	Payment date (capital return and dividend)	Payment date for return of capital and dividend. Shareholders to receive their payment advice.

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