



ASX RELEASE

5 December 2019

Financial irregularities in Boral's North American Windows business

Boral advises that it has identified certain financial irregularities in its North American Windows business, involving misreporting including in relation to inventory levels and raw material and labour costs at our Windows plants.

With oversight by the Board and senior management, a privileged and confidential investigation is being conducted by lawyers retained by Boral, who have also engaged forensic accountants to assist the investigation. This is being treated with the highest priority.

The investigation is ongoing so details are preliminary at this point but the irregularities appear to relate to the period between September 2018 and October 2019.

Based on information currently available, it is estimated the irregularities relating to the period between September 2018 and October 2019 will result in a one-off impact on earnings before interest, tax, depreciation and amortisation (EBITDA) in the order of US\$20 million to US\$30 million.

Any potential ongoing impact on earnings from the Windows business (beyond October 2019) is still being determined.

Boral's CEO & Managing Director, Mike Kane said that the Company is committed to thoroughly investigating the matter and taking appropriate action. *"We are undertaking a comprehensive and urgent investigation of this matter to fully understand the events and what we need to do in order to address the problem. We have implemented immediate steps to bolster the management and controls within this business. Once we have all the facts, we will ensure that appropriate action is taken at all relevant levels."*

In addition to the measures already taken, Boral is reviewing its management, operating procedures and internal control processes for its Windows business and will adapt that review as the investigation results become clear.

This matter was not factored into Boral's first half and full year FY2020 guidance provided at its Annual General Meeting on 6 November 2019.

A brief conference call for investors in relation to today's announcement will be held tomorrow morning, 8.30 am Friday 6 December. Conference call details accompany this announcement.

Boral Limited Investor Relations:

Kylie FitzGerald +61 401 895 894 or kylie.fitzgerald@boral.com.au

Boral Limited ABN 13 008 421 761 – Level 18, 15 Blue Street, North Sydney, NSW, 2060 - www.boral.com

Conference call details:

Conference call on Friday 6 December 2020 at 8.30am Sydney time (Eastern Daylight Saving Time)

Dial **1800 123 296** or **+61 2 8038 5221** or

United States 1855 293 1544

Canada 1855 5616 766

Hong Kong 3008 2034

Singapore 800 616 2288

New Zealand 0800 452 782

United Kingdom 0808 234 0757

Conference Code: 3818878