1 May 2013

The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Level 14, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

We attach copies of slides being shown by Mike Kane, CEO & Managing Director, to members of the investment community during the Macquarie Australia Equities Conference.

Yours faithfully

Margaret Taylor
Company Secretary
Overview of Boral’s Strategy

Macquarie Australia Equities Conference

1 May 2013
Mike Kane, CEO & Managing Director
OUR CURRENT STRATEGIC FOCUS IS ON FIXING THE BUSINESS

- Portfolio clean-up to core essentials
- Deliver on immediate priorities outlined in Nov-12 (cost, cash and capital)
- Use key levers of change to achieve cultural shifts

EXECUTE

- Achieve best practice operational, safety and sales performance, and deliver acceptable ROFE

TRANSFORM

- Leverage integrated R&D capacity to move to sustainable low energy product solutions and multi-product manufacturing platforms
# A Focus on Portfolio Management to Strengthen the Business for the Future

<table>
<thead>
<tr>
<th>Divested</th>
<th>Acquired</th>
<th>Invested Capital</th>
<th>Rationalised</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Materials &amp; Cement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Precast Panels businesses</td>
<td>▪ Wagners Qld quarries &amp; concrete</td>
<td>▪ Peppertree Quarry Project</td>
<td>▪ Combined SA / Vic Construction Materials</td>
</tr>
<tr>
<td>▪ Formwork &amp; Scaffolding</td>
<td>▪ Sunshine Coast Quarries</td>
<td></td>
<td>▪ Ceased clinker production at Waurn Ponds</td>
</tr>
<tr>
<td>▪ Galong lime plant</td>
<td></td>
<td></td>
<td>▪ Small/redundant sites closed/exited</td>
</tr>
<tr>
<td>▪ Construction Materials Indonesia and Thailand</td>
<td></td>
<td></td>
<td>▪ Closed Emu Plains depot</td>
</tr>
<tr>
<td><strong>Building Products</strong></td>
<td>▪ East Coast Masonry</td>
<td></td>
<td>▪ Qld roofing closed</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Plywood business closed</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Brick capacity ↓37%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Clay &amp; Concrete structure removed</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Nowra and Newcastle windows and Batemans Bay timber mill closed</td>
</tr>
<tr>
<td><strong>Boral Gypsum</strong></td>
<td>▪ LBGA – remaining 50%</td>
<td>▪ New lines – Cilegon, Chongqing, Ho Chi Minh</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Shandong plant, China</td>
<td>▪ Port Melbourne upgrade</td>
<td></td>
</tr>
<tr>
<td><strong>Boral USA</strong></td>
<td>▪ Masonry plant – Colorado</td>
<td>▪ MonierLifetile – 50%</td>
<td>▪ 11 brick plants closed; 4 mothballed</td>
</tr>
<tr>
<td></td>
<td>▪ Cultured Stone – 50%</td>
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</tbody>
</table>
BORAL’S PORTFOLIO
Presents opportunities in construction materials & cement in Australia, gypsum in Asia & Australia and cladding in the US

USA:
- Cladding (Bricks, Stone, Trim)
- Roof Tiles
- Fly Ash
- Construction Materials (COL & OKL)

“A well-positioned concrete and asphalt network pulling through valuable quarry resources and cement supply”

Australia:
- Quarries
- Concrete
- Asphalt
- Cement
- Bricks
- Roofing
- Masonry
- Windows
- Timber

“A well-positioned concrete and asphalt network pulling through valuable quarry resources and cement supply”

Gypsum:
- Asia
- Australia

“Arguably the best gypsum position in the world’s highest growth market”

“Emerging from the US downturn with a strengthened leading position in building products”
BORAL’S DIVISIONS HAVE BEEN RE-STRUCTURED & SIMPLIFIED REFLECTING THE PORTFOLIO CHANGES

Mike Kane
CEO & Managing Director

Joseph Goss
Divisional Managing Director

Boral Construction Materials and Cement
- Quarries
- Concrete
- Asphalt
- Property
- Cement
- Concrete placing

Darren Schulz
Executive General Manager

Boral Building Products
- Bricks
- Roofing
- Masonry (SA & WA)
- Timber
- Windows

Frederic De Rougemont
Divisional Managing Director

Boral Gypsum
- Asia
- Australia

Al Borm
President & CEO

Boral USA
- Cladding (Bricks & Stone)
- Roof Tiles
- Fly Ash
- Construction Materials
External revenue by segment – 1H FY2013¹

- Currently nearly 80% of Boral’s revenue¹ is from Australia
- USA and Asia expected to deliver strong growth
- Ideally, Australian markets to underpin around 50% of Boral’s revenue with the USA and Asia driving the remaining 50%

External revenue by end market – 1H FY2013¹

Revenue = $2.7 bn¹

¹. For continuing operations only
BORAL CONSTRUCTION MATERIALS & CEMENT
A solid integrated business underpinned by strong resource positions

- Integrated business with strong resource positions
- Leading market position in concrete, asphalt, quarries and cement
- Strategic focus on large projects and infrastructure work
- Strong technical capability enabling us to develop solutions to meet customer requirements
- Invested $245m in acquisition of Wagners’ construction materials assets and Sunshine Coast Quarries in 2011 to strengthen South East Queensland market position
- $200m investment in Peppertree quarry, Marulan will underpin long term low cost quarry position in NSW

CM&C external revenue by business - 1H FY13

- Concrete, 38%
- Quarries, 16%
- Asphalt, 26%
- Property & other, 7%
- Cement, 9%

CM&C external revenue by end market - 1H FY13

- Dwellings, 21%
- Non-Dwellings, 17%
- RHS&B, 39%
- Other Engineering, 11%
- Other, 12%

Revenue = $1,659 m
**CEMENT**

**Changing business model driven by changing market dynamics**

**Cementitious Production Volume by Source**

(million tonnes per year)

- Waurn Ponds moved to importing clinker with clinker production ceased in April-13
- Decision driven by high A$, low shipping costs, high production costs and sub-scale plant size
- 800ktpa milling capacity at Waurn Ponds
- Boral will be importing in line with industry at around 30% of demand
- Asian spare capacity likely to be available at marginal cost over the long-term

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1. Imports include cement, clinker and GBFS. Domestic includes clinker manufactured in domestic kilns and slag ex-Port Kembla. Assumes 1 t clinker = 1.1 t cement
Macquarie Australia Equities Conference May 2013

BORAL HAS A LEADING GYPSUM POSITION IN ASIA

With board capacity of 625 m² across 25 manufacturing sites¹

<table>
<thead>
<tr>
<th>Country</th>
<th>Market share</th>
<th>Capacity (m²)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>~40-45%</td>
<td>153</td>
</tr>
<tr>
<td>Thailand</td>
<td>~55-60%</td>
<td>105</td>
</tr>
<tr>
<td>China</td>
<td>~5%</td>
<td>155</td>
</tr>
<tr>
<td>Indonesia</td>
<td>~40-45%</td>
<td>65</td>
</tr>
<tr>
<td>Malaysia/Singapore</td>
<td>~55-60%</td>
<td>10</td>
</tr>
<tr>
<td>Vietnam</td>
<td>~45-50%</td>
<td>42</td>
</tr>
<tr>
<td>India</td>
<td>~20-25%</td>
<td>9</td>
</tr>
<tr>
<td>UAE</td>
<td>~10%</td>
<td>0</td>
</tr>
<tr>
<td>Philippines</td>
<td>~50-55%</td>
<td>0</td>
</tr>
<tr>
<td>Australia</td>
<td>~35-40%</td>
<td>86</td>
</tr>
<tr>
<td>TOTAL</td>
<td>~40-45%³</td>
<td>625</td>
</tr>
</tbody>
</table>

Source: Boral management estimates

1. Boral manufacturing sites: plasterboard, metal and mine
2. Including post completion of current & recently completed expansion projects: Chongqing line 4 (15 mm²) in China, Cilegon line 2 (30 mm²) in Indonesia, and Ho Chi Minh line 2 (30 mm²) in Vietnam
3. Boral market share excluding China
GYPSUM ASIA REMAINS A STRONG GROWTH PLATFORM
Despite short-term market challenges

Revenue (USD $m)

<table>
<thead>
<tr>
<th>Year</th>
<th>CY06</th>
<th>CY07</th>
<th>CY08</th>
<th>CY09</th>
<th>CY10</th>
<th>CY11</th>
<th>CY12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>335</td>
<td>402</td>
<td>441</td>
<td>401</td>
<td>481</td>
<td>565</td>
<td>582</td>
</tr>
</tbody>
</table>

EBIT (USD $m)

<table>
<thead>
<tr>
<th>Year</th>
<th>CY09</th>
<th>CY10</th>
<th>CY11</th>
<th>CY12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50</td>
<td>56</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

BGA market growth (mm²)

<table>
<thead>
<tr>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13F</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>Philippines</td>
<td>India</td>
<td>Singapore</td>
<td>Malaysia</td>
<td>Vietnam</td>
</tr>
</tbody>
</table>

CAGR 6%

1. Source: BGA management estimates
IN THE USA, BORAL HAS MARKET LEADING POSITIONS

In Bricks, Cultured Stone and Roofing

- **Bricks**: Competitive cost position driven by strategically located plants (near key metro areas) and closure of 11 high cost manufacturing sites.
- **Stone**: Two large plants with national coverage, cost structure is advantageous at higher end of market cycle.
- **Roofing**: Plants located strategically near key metro areas.

**Roofing and Cladding Locations**

- **Bricks**: Competitive cost position driven by strategically located plants (near key metro areas) and closure of 11 high cost manufacturing sites.
- **Stone**: Two large plants with national coverage, cost structure is advantageous at higher end of market cycle.
- **Roofing**: Plants located strategically near key metro areas.
RATIONALISED BORAL USA PORTFOLIO WILL BENEFIT FROM HOUSING RECOVERY

Although product intensity per start has been lower

- Rationalised brick capacity from peak to mid-cycle demand
- Permanently closed 11 higher cost brick plants
- Plant utilisation remains low
- Product intensity per start lower due to early stages of recovery favouring production builders

<table>
<thead>
<tr>
<th></th>
<th>Total plants</th>
<th>Moth-balled</th>
<th>Capacity¹</th>
<th>Utilis’n %²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bricks³</td>
<td>13</td>
<td>5</td>
<td>1.3bn sbe</td>
<td>~40%</td>
</tr>
<tr>
<td>Cultured Stone</td>
<td>2</td>
<td>-</td>
<td>94.0m sq ft</td>
<td>~25%</td>
</tr>
<tr>
<td>Concrete Roof tiles</td>
<td>12</td>
<td>2</td>
<td>6.1m sqs</td>
<td>~25%</td>
</tr>
<tr>
<td>Clay Roof tiles</td>
<td>3</td>
<td>2</td>
<td>0.4m sqs</td>
<td>~25%</td>
</tr>
</tbody>
</table>

US housing starts⁴ ('000)

Long term average total starts

1. As of December 31, 2012 for 1H FY13
2. 1H FY13 annualised utilisation
3. Includes a mothballed clay paver plant
4. Seasonally adjusted annualised data from US Census

Q3 FY13 up 36% over Q3 FY12
BORAL BUILDING PRODUCTS BUSINESSES REMAIN CHallenging

- Nowra & Newcastle plants closed
- Plywood business closed
- East Coast Masonry sold
- Bricks capacity reduced by 37%
- Queensland roofing closed
- Low levels of demand
- WA Bricks, new entrant – volume and pricing pressure
- NSW Bricks, product availability
- High inventory levels
- Overcapacity - WA and NSW
- High inventory levels
- Long term hardwood supply contract
- High A$ - imports and pricing pressure
- Low levels of A&A and high-end residential activity
- Low levels of market demand

- Bricks, Roofing, Masonry
- Timber
- Windows

Actions taken
Remaining challenges

- Brick manufacturing - open
- Brick manufacturing - mothballed
- Masonry plant
- Concrete roof tile plant
- Terracotta roof tile plant
- Hardwood plant
- Softwood plant
- Windows manufacturing

[Map of Australia showing plant locations]
STRATEGIC PRIORITIES

Portfolio Management

- Re-align portfolio to focus on more attractive markets with higher growth potential
- Rationalise capacity to mid-cycle demand

Immediate Priorities

- Deliver on immediate priorities outlined in Nov-12 to improve return on assets

Key Levers of Change

- Use key levers of change to achieve and maintain sector best performance
RETURN ON INVESTED CAPITAL

Our immediate and longer-term priorities are focused on improving Boral's return on invested capital

EBIT to funds employed

%  
FY01 9.2  
FY02 12.1  
FY03 16.4  
FY04 18.2  
FY05 15.9  
FY06 14.2  
FY07 11.9  
FY08 10.1  
FY09 6.5  
FY10 6.6  
FY11 7.6  
FY12 4.1  
1HFY13 4.2

1. Excludes significant items
2. Moving Annual Total
Significant progress made in achieving immediate priorities

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>ACHIEVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost reduction</strong></td>
<td>1,000 reduction in employees from restructuring, rationalisation and outsourcing initiatives</td>
</tr>
<tr>
<td>▪ Realign overhead costs &amp; organisation structure to reduce the burden on Boral's businesses and create a more streamlined organisation</td>
<td></td>
</tr>
<tr>
<td>▪ 1,000 reduction in employees from restructuring, rationalisation and outsourcing initiatives</td>
<td></td>
</tr>
<tr>
<td><strong>Cash generation</strong></td>
<td>$90m in cash proceeds received in 1H FY2013 from non-core asset &amp; property sales</td>
</tr>
<tr>
<td>▪ Generate $200-$300m from divestments and land sales in FY2013/14</td>
<td></td>
</tr>
<tr>
<td>▪ Reduce inventory levels</td>
<td></td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>SIB capex at 36% of depreciation in 1H FY2013</td>
</tr>
<tr>
<td>▪ Scrutinise, delay, reduce and prioritise capital expenditure</td>
<td>Growth capex limited to essential projects</td>
</tr>
<tr>
<td>▪ Manage capital assets to improve returns</td>
<td>Expect ~$300m total capex in FY2013</td>
</tr>
</tbody>
</table>
CONTINUED FOCUS ON KEY LEVERS OF CHANGE

- Aiming for best practice **safety**, underpinning everything we do
- Using **LEAN** in the Boral Production System to reduce waste & inventories and increase output from a reduced production base
- A ‘One Boral’ approach to **Sales & Marketing Excellence**
- **Innovation** to leverage Boral’s brand and meet unmet customer needs
- **People engagement** at all levels supported by **leaders** who ‘own the intent’ of Boral’s strategy
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**FIX**
- Portfolio clean-up to core essentials
- Deliver on immediate priorities outlined in Nov-12 (cost, cash and capital)
- Use key levers of change to achieve cultural shifts

**EXECUTE**
- Achieve best practice operational, safety and sales performance, and deliver acceptable ROFE

**TRANSFORM**
- Leverage integrated R&D capacity to move to sustainable low energy product solutions and multi-product manufacturing platforms
Questions