Day 1 and Day 2 schedule
Tuesday and Wednesday, 12-13 September 2017

<table>
<thead>
<tr>
<th>Sep 12 – Time</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00 a.m. – 12:30 p.m.</td>
<td>Management Presentations and Q&amp;A</td>
</tr>
<tr>
<td>12:30 p.m. – 1:00 p.m.</td>
<td>Lunch</td>
</tr>
<tr>
<td>1:00 p.m. – 1:40 p.m.</td>
<td>Travel to Windows Legacy plant</td>
</tr>
<tr>
<td>1:40 p.m. – 2:25 p.m.</td>
<td>Safety Briefing, Tour of Windows Dallas facility</td>
</tr>
<tr>
<td>2:25 p.m. – 3:05 p.m.</td>
<td>Travel to airport for flights to Detroit – Day 2 and tour of Metamora plant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sep 13 – Time</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00 a.m. – 9:00 a.m.</td>
<td>Travel to Metamora plant</td>
</tr>
<tr>
<td>9:00 a.m. – 10:00 a.m.</td>
<td>Management Presentations and Q&amp;A</td>
</tr>
<tr>
<td>10:00 a.m. – 12:00 p.m.</td>
<td>Safety Briefing and Tour of Light Building Products Detroit facility</td>
</tr>
<tr>
<td>12:00 p.m. – 1:30 p.m.</td>
<td>Lunch</td>
</tr>
<tr>
<td>1:30 p.m. – 3:20 p.m.</td>
<td>Travel to airport</td>
</tr>
<tr>
<td>3:20 p.m.</td>
<td>Arrive at airport for flights</td>
</tr>
</tbody>
</table>
FY2017 marks the fifth year of transforming Boral
We are building a transformative culture to grow, innovate and be responsive

Across Boral’s three strong divisions, we are building a transformative culture to deliver performance excellence, capture growth and to respond to a changing world

<table>
<thead>
<tr>
<th>Boral Australia</th>
<th>USG Boral</th>
<th>Boral North America</th>
</tr>
</thead>
</table>
| • Strengthening our leading position in Australia through pivotal quarry reinvestments | • Delivering long-term organic growth through:  
  o Innovation  
  o Asian economic growth  
  o Product penetration for interior linings and related products  
  • Defend & improve leading regional capabilities through next gen Sheetrock® | • Transformational growth and improved performance through:  
  o Headwaters acquisition  
  o Meridian Brick JV  
  o New product development and innovation  
  o Market recovery / growth  
  • Shift from high fixed cost capital intensive to variable cost model to better respond to cycles |
| • Leveraging diverse markets with multi-year growth in major roads & infrastructure | • Margin growth through commercial & operational excellence | • Developing innovation platform |
Headwaters acquisition delivers on our objectives
Highly complementary businesses, generating substantial value

STRENGTHENING
The Portfolio

- Establishes Boral North America (BNA) as a leader in our product areas
- Grows scale of Fly Ash, Stone, Roofing and Light Building Products (LBP)
- Improves position, offering and earnings

TRANSFORMING
Our Business Position

- Balances end market exposures, reducing dependence on new residential building
- Diversifies channel, geography and customer
- Creates a more variable based, low fixed asset platform

SCALING
Light Building Products

- Establishes a significant LBP platform
- Focuses on large repair and remodel segment
- Complements Innovation Factory

DELIVERS

- Strong business
- Platform for innovation and growth
- Significant value and synergies
- Improved quality of earnings
- Better positioned to exceed cost of capital through cycle

OUTLOOK and FY2018 FINANCIAL CONSIDERATIONS
Earnings growth across all divisions, with significant lift in Boral North America as we deliver on Headwaters acquisition objectives

**Boral Australia**
- Expect **higher EBIT** in FY2018 compared with FY2017 excluding property in both years; 1H and 2H EBIT expected to be broadly balanced
- **Property** earnings in FY2018 currently expected at lower end of historical range ($8m-$46m)
- EBIT in FY2018 including Property expected to be broadly similar to FY2017

**USG Boral**
- **Profit expected to grow** at a high single digit growth rate in FY2018
- Sheetrock® to deliver price, volume and cost benefits across all markets
- Improvements expected from Indonesia and Thailand businesses, while softer activity is forecast in Australian and Korean residential construction markets

**Boral North America**
- Expect **significant growth in EBIT** in FY2018 from the full year contribution of Headwaters coupled with US$30-35m of year 1 synergies
- Expect Meridian Brick JV to contribute an **earnings uplift** from market growth and synergies
- Business should benefit from forecasted **market growth** of ~5% in housing starts (to ~1.29 million), ~5% increase in US infrastructure activity, ~12% growth in Non-residential and ~6% growth in Repair & Remodel

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1. Housing starts based on average of analysts' forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, MBA) from July/August 2017 forecast; Non-residential from McGraw Hill Dodge; Repair & Remodel from Moody’s Retail Sales of Building Products; and Infrastructure Ready Mix Demand from McGraw Hill Dodge.

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**FY2018 financial considerations**

<table>
<thead>
<tr>
<th>Area</th>
<th>FY2018 implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Synergies</strong></td>
<td>Headwaters acquisition expected year 1 synergies of US$30m-$35m and run rate of US$50-55m at end of year 1 &lt;br&gt;Meridian Brick JV synergies of US$25m p.a. within 4 years (by Nov 2020) with US$8m run rate at end of FY17</td>
</tr>
<tr>
<td><strong>Corporate costs</strong></td>
<td>FY18 to be slightly higher than FY17 due to additional Innovation spend of ~A$3-$5m</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortisation</strong></td>
<td>Headwaters post acquisition PPA adjustments underway, additional D&amp;A likely to be ~US$30-35m p.a.  &lt;br&gt;Group D&amp;A ~A$390-410m in FY18 (including amortisation of ~A$70-$80 million in FY18, subject to PPA finalisation)</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>Total Boral capex expected to be ~A$425-$475m p.a. (including incremental Headwaters capex)</td>
</tr>
<tr>
<td><strong>Debt &amp; gearing</strong></td>
<td>Cost of debt ~ 4.75% to 5.00% p.a.  &lt;br&gt;Gearing of 30% within comfort range – expect to reduce to ~25% in coming years</td>
</tr>
<tr>
<td><strong>HW significant items</strong></td>
<td>Implementation costs – expect US$50-100m over two years, FY18 &amp; FY19</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>Effective tax rate ~ 29-31%  &lt;br&gt;Cash flow benefits of US tax loss carried forward</td>
</tr>
<tr>
<td><strong>Dividends &amp; franking</strong></td>
<td>Franking to align with earnings mix from Australia; expect FY18 dividends to be partially franked in range of 50-70%  &lt;br&gt;Dividend Policy: payout ratio ~50-70% of earnings before significant items, subject to Company’s financial position</td>
</tr>
</tbody>
</table>
## FY2018 financial considerations

**Building blocks for EBITDA, EBITA, EBIT and Group NPATA**

<table>
<thead>
<tr>
<th>Boral North America, US$m</th>
<th>Boral Group EBITA and NPATA, A$m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Headwaters FY17 pro forma Adjusted EBITDA</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>221</td>
</tr>
<tr>
<td><strong>Boral legacy business FY17 EBITDA</strong></td>
<td>57</td>
</tr>
<tr>
<td><strong>Year 1 targeted synergies (US$30-$35m)</strong></td>
<td>~33</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>311</td>
</tr>
<tr>
<td><strong>Less D&amp;A&lt;sup&gt;2&lt;/sup&gt;: HW ($74m), Boral ($24m), PPA ($30-$35m)</strong></td>
<td>(130)</td>
</tr>
<tr>
<td><strong>Base EBIT plus synergies</strong></td>
<td>181</td>
</tr>
<tr>
<td><strong>Add in growth assumptions</strong></td>
<td>XX</td>
</tr>
<tr>
<td><strong>Total North America EBIT</strong></td>
<td>&gt;&gt;181</td>
</tr>
<tr>
<td><strong>Add back Amortisation&lt;sup&gt;3&lt;/sup&gt; ~A$70-80m (~US$56m)</strong></td>
<td>~56</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>XXX</td>
</tr>
</tbody>
</table>

### Notes:
1. Provided in Boral’s full year results presentation on 30 August 2017 (slide 15)
2. $74m is underlying pro forma FY2017 D&A for Headwaters; $24m is FY2017 D&A for Boral’s legacy business excluding Bricks; $30-$35m is guided purchase price accounting (PPA) adjustment.
3. Amortisation from the Headwaters businesses plus additional amortisation from PPA uplift.
4. For accounting purposes.
5. Expected growth includes a full September quarter of earnings from the Windows business acquired in August 2016.

Adjusted EBITDA of US$221m for year ended 30 June 2017 is provided as a comparable basis to previously reported results from Headwaters. With expected growth of earnings<sup>5</sup> in the September 2017 quarter, the June year end pro forma result is in line with guidance provided by Headwaters of an Adjusted EBITDA of US$235-$250m for the 12 months ending September 2017.

**Boral North America**

*Innovation Factory – San Antonio*

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**BORAL NORTH AMERICA**

David Mariner  
President & CEO,  
Boral North America
Agenda

Introduction, Strategy and Outlook
Mike Kane

Boral North America Overview
David Mariner

Construction Materials
Keith Depew

Building Products
Chris Fenwick, Joel Charlton

Innovation
Joel Charlton

Agenda

- Business overview
  - Market outlook
  - Strategic priorities
  - Meridian Brick Joint Venture
Boral North America – Overview
A leader in key construction materials and building products markets

Overview

<table>
<thead>
<tr>
<th></th>
<th>Pro forma¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>US$1.9b</td>
</tr>
</tbody>
</table>

1. Pro forma based on 12 months ended 30 June 2017, except for Windows which is based on revenue post-acquisition from August 2016, and includes Boral’s 50% share of revenue from the Meridian Bricks JV for 12 months ended 30 June 2017

2. As at 30 June 2017, people on a full time equivalent basis, includes Headwaters and Meridian Brick employees and sites

Well positioned to deliver synergies and growth

1. Industry leading player with national footprint
2. Significant synergies identified in Fly Ash, Stone, Roofing, Light Building Products and Corporate
3. Fundamentals signal healthy market growth over next 5+ years
4. Growth from innovation by capitalising on network scale and investing in early stage products
5. Strong management team with extensive industry experience and track record of integrating operations and realising synergies

Overview

- Safety integration work streams underway
  - Focus on risk identification and employee engagement
  - Headwaters historical performance was improving, focusing on accelerating improvement
  - Safety integration continues with Meridian Brick JV

Safety: Key performance indicators
Safety a focus within integration work

Employee and Contractor LTIFR¹

<table>
<thead>
<tr>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3</td>
<td>0.7</td>
<td>0.7</td>
<td>0.4</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
<td></td>
</tr>
</tbody>
</table>

Employee and Contractor RIFR²

<table>
<thead>
<tr>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.0</td>
<td>8.8</td>
<td>8.5</td>
<td>7.3</td>
<td>6.1</td>
<td>5.2</td>
<td>8.7</td>
<td></td>
</tr>
</tbody>
</table>

1. Lost Time Injury Frequency Rates (per million hours worked) in 100%-owned businesses (2 months of Headwaters), 50%-owned Meridian Bricks joint venture operations (8 months)
2. Reportable Injury Frequency Rates (per million hours worked) in 100%-owned businesses (2 months of Headwaters), 50%-owned Meridian Bricks joint venture operations (8 months)
Boral North America organisational structure
Experienced executives from Boral and Headwaters coming together

President & CEO
David Mariner

Construction
Materials Group
Keith Depew
- Fly Ash
  Bill Gehrmann
- Block
  Bob Whisnant
- Denver
  Ready-Mix
  Bob Kepford

Building Products
Group
Chris Fenwick
- Stone
  Brent Spann
- Roofing
  Scott Jackson
- Light Building
  Products
  Brian Below

Windows and
Innovation
Joel Charlton
- Windows
  David Decker
- Innovation
  Factory
  Russell Hill

Corporate Staff
CFO
Oren Post
- Legal
  Ernie McLean
- HR
  Tommy Balas
- Safety
  Rich Stevens
- Strategy &
  Integration
  Amit Swarup

1. Note that for external reporting Windows results will be reported with Building Products Group businesses

Legacy Boral
Legacy Headwaters

Extensive national footprint
Synergies resulting from scale and complementary geographic coverage

1. As of September 2017. Building Products distribution centres not shown. Fly ash sites include fly ash sources, terminals, services only sites and synthetic gypsum sources
2. Includes three Windows plants and one components facility
3. Closure announced of Brick plant in Quebec
Industry leading competitor in key segments
Strong strategic fit between Headwaters and Boral’s existing US businesses

Complementary businesses with strong capabilities in key market segments and national scale
FY2017 external revenue (US$m)¹

<table>
<thead>
<tr>
<th></th>
<th>Legacy Boral USA</th>
<th>Legacy Headwaters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly Ash</td>
<td>$490m</td>
<td></td>
</tr>
<tr>
<td>Stone</td>
<td>$250m</td>
<td></td>
</tr>
<tr>
<td>Roofing</td>
<td>$300m</td>
<td></td>
</tr>
<tr>
<td>Light Building Products²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Windows &amp; Block</td>
<td>$250m</td>
<td></td>
</tr>
<tr>
<td>Bricks &amp; Denver CM</td>
<td>$310m</td>
<td></td>
</tr>
</tbody>
</table>

1. Pro forma based on 12 months ended 30 June 2017, except for Windows which is based on revenue post-acquisition from August 2016
2. Light Building Products includes siding, trim and panelized stone
3. Represents Boral’s 50% share of revenue from the Meridian Bricks JV for 12 months ended 30 June 2017

A more diverse revenue profile (%) - More exposure to scaled, higher margin businesses and diverse end markets

End-market¹

Diversified market exposures beyond single family housing

<table>
<thead>
<tr>
<th>Residential</th>
<th>Non-residential</th>
<th>Repair &amp; Remodel</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>46%</td>
<td>16%</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Business

Less capital intensive, more variable cost businesses. Focus on emerging trends and products early in life cycle

<table>
<thead>
<tr>
<th>Denver Ready-Mix</th>
<th>Energy</th>
<th>Fly Ash</th>
<th>LBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>5%</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Windows</td>
<td>Block</td>
<td>Bricks¹</td>
<td></td>
</tr>
<tr>
<td>7%</td>
<td>12%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Stone</td>
<td>Roofing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14%</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Geographic²

Positioned across high population growth markets, with strong exposure in the South

<table>
<thead>
<tr>
<th>Southeast</th>
<th>Midwest</th>
<th>West</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>14%</td>
<td>21%</td>
<td>9%</td>
</tr>
</tbody>
</table>

1. Includes Boral’s 50% share of revenue from the Meridian Bricks JV for 12 months ended 30 June 2017
2. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – CT, DC, DE, IL, IA, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT; Revenue split is based on a combination of FY2017 external revenues for legacy Boral (50% of Meridian JV) and the regional level percent split for Oct ’15 – Sep ’16 applied to FY17 pro forma revenue for legacy Headwaters
Overview of pro forma financial history
Sustainable growth both organically and from acquisitions

1. Based on Headwaters results for 12 months ended 30 September for FY2015 and FY2016, and 12 months ended 30 June for FY2017 before PPA adjustments, except for Windows which is based on post-acquisition results from August 2016. Block results shown under Construction Materials. Boral results for 12 months ended 30 June for all years. Includes 50% share of Meridian Bricks JV underlying result for 12 months ended 30 June 2017. Excludes head office costs and Energy business.

2. FY2016 Construction Materials result includes Boral’s US$7m one-off land sale benefit.

### Capital expenditure
In FY2018, we have allocated ~US$120m to SIB\(^1\) and growth in North America

- **Total capex of ~US$120m** expected in FY2018, including ~US$5-$10m for safety & environmental
- **Fly Ash**: new or upgraded storage capacities at ~3-4 facilities; reclamation capital at Montour
- **Stone**: mould replacements; cost reduction / automation; Greencastle completion; and environmental projects
- **Light Building Products**: additional production capacity; small equipment projects
- **Roofing**: curing chambers & racking (Lathrop); new racks (Stockton); scrubber (Corona); oven, line & press upgrade (Oceanside); various infrastructure projects; Florida network optimization
- **Denver**: small projects at quarry, truck lease buy-out
- **Windows**: additional fleet
- **Block**: small SIB projects
- **Corporate**: ERP upgrade

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1. Stay in business capital expenditure
Agenda

- Business overview
- Market outlook
- Strategic priorities
- Meridian Brick Joint Venture

Economic outlook
Fundamentals sound, driving growth across all market segments

Q2 CY 2017 GDP Growth 3.0% 2.1% average quarterly growth since 3Q 2009

August 2017 Unemployment 4.4% vs. Oct-09 peak of 10.0%

Consumer Confidence 96.8 up from Nov-08 trough of 55.3

1. US Bureau of Economic Analysis
2. US Bureau of Labor Statistics
3. University of Michigan Surveys of Consumers, 80+ considered positive
New residential housing
Single family growing, affordability high, supply remains challenged

![Chart showing Single and Multi Family Housing Starts](chart)

**Single Family Growth**
- **FY00: 2.0**
- **FY01: 1.6**
- **FY02: 1.6**
- **FY03: 1.5**
- **FY04: 1.4**
- **FY05: 1.3**
- **FY06: 1.3**
- **FY07: 1.2**
- **FY08: 1.2**
- **FY09: 1.1**
- **FY10: 1.1**
- **FY11: 1.1**
- **FY12: 1.1**
- **FY13: 1.0**
- **FY14: 1.0**
- **FY15: 1.0**
- **FY16: 1.0**
- **FY17: 1.0**

- **Single Family Growth**
  - **FY17 % of Total:** 68%
  - ~2.0 percentage points above FY16; Below 71% long term average

**Affordability Index**
- **FY00: 153**
- **FY01: 153**
- **FY02: 153**
- **FY03: 153**
- **FY04: 153**
- **FY05: 153**
- **FY06: 153**
- **FY07: 153**
- **FY08: 153**
- **FY09: 153**
- **FY10: 153**
- **FY11: 153**
- **FY12: 153**
- **FY13: 153**
- **FY14: 153**
- **FY15: 153**
- **FY16: 153**
- **FY17: 153**

- **5.4% down year over year but significantly above historic average of 100**

**New Housing Stock**
- **FY00: 0.3**
- **FY01: 0.3**
- **FY02: 0.3**
- **FY03: 0.3**
- **FY04: 0.3**
- **FY05: 0.3**
- **FY06: 0.3**
- **FY07: 0.3**
- **FY08: 0.3**
- **FY09: 0.3**
- **FY10: 0.3**
- **FY11: 0.3**
- **FY12: 0.3**
- **FY13: 0.3**
- **FY14: 0.3**
- **FY15: 0.3**
- **FY16: 0.3**
- **FY17: 0.3**

- **8.4% down year over year; below long term average of 2.2 million**

---

Non-residential Housing
Warehousing and Education continued to drive construction in FY2017

**Non-residential Activity**

- **FY01: 25.5%**
- **FY02: 19.5%**
- **FY03: 17.0%**
- **FY04: 15.8%**
- **FY05: 9.6%**
- **FY06: 9.5%**
- **FY07: 2.0%**
- **FY08: 1.2%**
- **FY09: 1.2%**
- **FY10: 1.2%**
- **FY11: 1.2%**
- **FY12: 1.2%**
- **FY13: 1.2%**
- **FY14: 1.2%**
- **FY15: 1.2%**
- **FY16: 1.2%**
- **FY17: 1.2%**

- **2017 Breakdown by Non-residential Segment**

---

1. Source: US Census seasonally adjusted annualized housing starts
2. Source: National Association of Realtors (NAR)
3. Source: National Association of Home Builders (NAHB)
Repair and Remodel (R&R)
Builder optimism coupled with higher retail sales in home improvement

Remodelling Market Index (RMI)¹

Building Products Retail Sales²

1. Source: National Association of Home Builders (NAHB)
2. Source: Moody’s

Infrastructure
Highways continue to be the main driver in the infrastructure segment

Infrastructure Activity¹

Infrastructure Cement Consumption²

1. Source: Dodge Data & Analytics, US Ready Mix Outlook for Non-Building / Maintenance & Repair segments
2. Source: Portland Cement Association
Positive outlook across all markets
Growth expected in all segments

USA New Residential: 46%\(^1\) of combined NA revenue

USA Residential Repair & Remodel: 20%\(^2\) of combined NA revenue

USA Non-residential: 16%\(^3\) of combined NA revenue

USA Infrastructure: 15%\(^4\) of combined NA revenue

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1. Source: US Census SAA. Forecasts based on an average of analysts’ forecasts (July 17 and Aug 17) sourced from NAHB, MBA, Wells Fargo, NAR, Fannie Mae and Freddie Mac
2. Source: Moody’s Retail Sales of Building Products
3. Source: Dodge Data & Analytics, Non-Residential Value of Work in constant 1992 dollars
4. Source: Dodge Data & Analytics, US Ready Mix Outlook for Non-Building / Maintenance & Repair segments
5. Source: Other accounts for 3% of Combined NA revenue

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Agenda

- Business overview
- Market outlook
- Strategic priorities
- Meridian Brick Joint Venture
### Strategic priorities

**Strong focus on delivering synergies**

1. **Fix**
   - Roll out world-class Boral safety culture
   - Deliver significant value in synergies of US$30 - $35m in year 1, increasing to >US$100m by year 4
   - On track to deliver US$25m p.a. of cost synergies by year 4 from Meridian Brick joint venture
   - Focus on employees, customers and channel partners
   - Continue to drive margin enhancement

2. **Transform**
   - Deliver Headwaters acquisition objectives
   - Grow capabilities of Innovation Factory
   - Develop and bring new products to market
   - Invest in new composite and polymer manufacturing technology

### Integration well underway

**Dedicated, internally-led team delivering on detailed integration plan**

#### Progress on key integration activities

<table>
<thead>
<tr>
<th>Safety</th>
<th>Zero Harm message rolled out in HW sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Incidences trending down</td>
</tr>
<tr>
<td>Employees</td>
<td>Customer outreach successful</td>
</tr>
<tr>
<td></td>
<td>Customers welcome enhanced value proposition of combined entity</td>
</tr>
<tr>
<td>Communications</td>
<td>60 sites visited by key leaders in 3 weeks</td>
</tr>
<tr>
<td></td>
<td>Highlighted organization changes, integration quick wins</td>
</tr>
<tr>
<td>Finance, IT and support services</td>
<td>IT Roadmap underway</td>
</tr>
<tr>
<td>Business Units</td>
<td>Support service streamlined</td>
</tr>
<tr>
<td></td>
<td>All BUs have developed detailed plans with approximately 80 synergy initiatives</td>
</tr>
<tr>
<td></td>
<td>Fast tracking execution</td>
</tr>
</tbody>
</table>

### Dedicated integration office

- Dedicated team driving communication & synergy capture
- Team led by VP of Integration with support from external consultants
- Working hand-in-hand with business unit integration teams

### Early findings

- Some work needed to close the gap between Boral and HW safety performance
- Post-close review confirms initial diligence assumptions
- Employees engaged and excited to be part of the integration journey
1. On track to deliver substantial synergies
From complementary businesses and SG&A overhead savings

Targeted synergies

<table>
<thead>
<tr>
<th>Year 1</th>
<th>End of year 1 run rate</th>
<th>Year 4</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>~US$30-35m</td>
<td>~US$50-55m</td>
<td>~US$100m per annum within four years</td>
<td></td>
</tr>
</tbody>
</table>

Synergy sources and implementation costs

- **Revenue Synergies**
  - Cross-Selling & Distribution
  - Procurement

- **Cost Synergies**
  - Operations
  - SG&A
  - Implementation costs

- **Leverage existing relationships across sales channels for greater cross-selling opportunities**
- **Utilise scale and best practices from each business across procurement functions**
- **Utilise scale, optimise logistics and supply chain; network optimisation and production efficiency**
- **Support function efficiencies and sharing capabilities, public company cost savings**
- **Primarily incurred within the first 24 months post transaction completion**

1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off implementation costs estimated at approximately US$100 million

---

2. Investing in innovation
Headwaters acquisition opens a number of innovation opportunities

**Pre close**
- Trim
- Tapco
- Ash

**Deal closing**
- Boral PACT®
- HW RestoreAir®

**Post close**
- Focused approach to improve our cost base and develop next generation product platforms
- Boral Building Products
- Boral Construction Materials

---
Update on the Meridian Brick joint venture
Forterra and Boral Bricks joint venture formed on 1 November 2016

Underlying result (for first 8 months of JV)

<table>
<thead>
<tr>
<th>US$m</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>282(^1)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(13)(^2)</td>
</tr>
</tbody>
</table>

- Expecting cost synergies of ~US$25m p.a. by year 4 through:
  - Plant network optimisation
  - Improved freight & distribution
  - Streamlined selling, marketing and administration costs
  - Procurement cost savings
- Delivering run rate of ~US$8m p.a. at 30 June 2017
- 12 distribution centres and 6 plants permanently closed
- Quebec plant closure announced

\(^1\) Represents 50% of the JV’s revenue for a Pro forma 12 months ending 30 June 2017
\(^2\) Includes $13m in non-recurring cash costs related to the integration of the Joint Venture
\(^3\) Standard brick equivalent
Hurricane Harvey Update
Houston market demand / activity likely to be affected for several weeks

- Employees: Safe (homes impacted)
- Texas market: ~25% of Boral North America’s revenue
- Impacted Boral Facilities:
  - Katy Roof Tile
  - Alleyton Block, East Houston Block and Western Brick facilities
  - Houston Distribution Yard – Meridian Brick
- Sales:
  - Lost sales for Block, Windows, Flyash, LBP and Roofing as customers and facilities impacted
- Raw material supply impacted
- Financial impact under review
- Boral is well positioned to support rebuilding efforts going forward
Construction Materials
Portfolio of industry leading businesses with significant synergies

**Fly Ash**
- Leading fly ash marketer
  - 148 operational sites
  - Only fly ash marketer operating nationally in markets across the US
  - Cement demand growth of ~3% in FY2017¹
  - Strong combined R&D capabilities

**Block**
- Leading Texas producer
  - 6 plants in Texas and Louisiana
  - Largest block producer in Texas
  - Block growth of ~2% in FY2017²
  - 3 owned distribution storefronts

**Denver Ready-mix**
- Among top materials producers in Denver
  - 6 plants and 2 aggregate sites³
  - Completion of Franklin St. ready mix concrete plant
  - Opened new sand and gravel aggregate operation in Ft. Lupton, CO

---

¹ Source: Portland Cement Association
² Source: Freedonia, Mgt. Estimates
³ One greenfield, permitted aggregate site included
Construction Materials
Pro forma revenue CAGR of ~7% from FY2015 – FY2017

- Boral and Headwaters have enjoyed top line growth in FY17 as the economy continues to recover
  - Boral CAGR ~7% (FY15-17)
  - HW CAGR ~7% (FY15-17)
- Cement pricing trajectory provides opportunity in Fly Ash industry

FY2017 Pro forma business exposure

Construction Materials

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boral</td>
<td>Headwaters</td>
<td></td>
</tr>
</tbody>
</table>

1. Based on Headwaters results for 12 months ended 30 September for FY2015 and FY2016, and 12 months ended 30 June for FY2017. Includes Block. Boral results for 12 months ended 30 June for all years.

Construction Materials
Key initiatives to grow supply, expand applications and improve margins

Opportunities
- New fly ash contracts, expand supply / storage
- Expand fly ash site service footprint
- Expansion into new products/industries
- Expanded hardscape offering in Block business
- Margin improvement initiatives across all BUs

Immediate priorities
- Organization design and implementation
- Network optimization
- Price competitively
- New ash storage facilities
- Explore opportunities between Block and Meridian JV

1. Conceptual only, refer to slide 53 for site map
Fly Ash background
Utilities’ coal combustion for electric generation produces fly ash

Utilities

- Coal makes up ~33%\(^1\) of total fuel for energy generation in the USA

Coal Basins

- Key coal supply regions include Central Appalachia and Wyoming’s Powder River Basin

Coal Fired Power Plants

- ~500 power plants using coal as primary fuel source\(^1\)
- ~600m tons of coal were used in 2016\(^1\)

---

1. Source: 2016 Energy Information Administration (EIA)
Coal Combustion Products (CCP)
Fly ash is one of 3 by-products generated from coal burning power plants

1. Flue gas desulfurization includes Gypsum and other materials

CCP breakdown in 2015
~118 million tons produced, ~62 million tons utilized

- ~118 million tons of CCP’s produced in 2015
  - ~56 million tons were landfilled
  - ~62 million tons were beneficially used

- Primary application by value is a mineral admixture to partially replace cement in ready mix concrete
- Other key applications include use in mining and in the production of cement

CCP production by type

- Fly Ash: 38%
- Bottom Ash: 10%
- Other: 13%
- Fluidized Bed Combustion: 11%
- FGD including Gypsum: 11%

CCP usage by application

- RMX Concrete / Grout: 27%
- Structural Fill: 23%
- Gypsum Panel Products: 20%
- Mining: 13%
- Other: 7%
Why Fly Ash?
Fly ash is beneficial in multiple areas

- Improves concrete products’ performance
  - Increases life span
  - Greater long-term strength and durability
  - More workable and pumpable
  - Mitigates problems caused by salts, chemicals, and some aggregates
- Cost savings
  - Generally less expensive than Portland cement
  - Ready mix producers motivated to maximize fly ash replacement levels
- Positive environmental impacts
  - Reduces landfill utilization
  - Displaces cement production, i.e. every ton of cement emits ~1 ton of CO₂

Fly ash used in Roman Colosseum

Supply considerations
- Fly ash supply dependent on coal-sourced electricity generation
- Regulations may change in the future, but coal expected to remain ~30% of the energy mix in USA
- Currently ~45% of fly ash produced is land-filled
- Initiatives in place to increase sources of supply over medium to long-term:
  - Increase storage capabilities
  - Develop new fly ash beneficiation technologies
  - Assess long-term ability to reclaim ash
  - Explore opportunities to import

2015 American Coal Ash Association Volumes

<table>
<thead>
<tr>
<th>Product</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCP produced ~45m tons</td>
<td></td>
</tr>
<tr>
<td>CCP eg. bottom ash, FGD3</td>
<td></td>
</tr>
<tr>
<td>Fly ash used ~25m tons</td>
<td></td>
</tr>
<tr>
<td>Fly ash to landfill ~20m tons</td>
<td></td>
</tr>
<tr>
<td>Other CCP</td>
<td></td>
</tr>
<tr>
<td>Other applications:</td>
<td></td>
</tr>
</tbody>
</table>
  - Blended cement/clinker ~3.6m tons
  - Structural fills ~1.3m tons
  - Mining applications ~1.1m tons
  - Waste stabilisation ~1.1m tons
  - Other e.g. roadbase, engineered products, etc. ~0.9m tons

Outlook for Fly Ash supply remains strong
Initiatives to expand supply underway to meet growing demand

1. Other fly ash source of supply includes ~1 billion tons currently landfilled (source: American Coal Ash Association)
2. US Energy Information Administration (EIA) projects coal to account for 29% of total energy generation in US in the next ten years
3. CCP is Coal Combustion Products, FGD is flue gas desulfurization which includes gypsum and sludge
Diverse market segments tied to concrete usage
All end markets expected to trend up over next 12 months

**Infrastructure**
- Roads / Highways / Bridges
- Oil Field / Drilling
- Soil Stabilization
- ~42% of US demand

**New Residential**
- New home foundations and sidewalks
- ~22% of US demand

**Repair & Maintenance**
- Roadway / Highway repair
- Bridge repair
- ~16% of US demand

**Non-residential**
- Commercial foundations, parking lots / decks
- ~20% of US demand

Fly ash segmentation
- 58% Infrastructure / Maintenance
- 22% New residential
- 20% Non-Residential

Demand growth opportunities
- Potential to expand substitution rates in concrete, currently ~16% (~50% in European markets)
- Cement growth forecast at ~5% CAGR FY2017 – 21
- Exposure to increasing US infrastructure spend

**US Infrastructure Report Card**

<table>
<thead>
<tr>
<th>Type</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dams</td>
<td>D</td>
</tr>
<tr>
<td>Aviation</td>
<td>D</td>
</tr>
<tr>
<td>Bridges</td>
<td>C+</td>
</tr>
<tr>
<td>Rail</td>
<td>C+</td>
</tr>
<tr>
<td>Roads</td>
<td>D</td>
</tr>
<tr>
<td>Levees</td>
<td>D</td>
</tr>
<tr>
<td>Transit</td>
<td>D-</td>
</tr>
<tr>
<td><strong>Overall Grade</strong></td>
<td><strong>D+</strong></td>
</tr>
</tbody>
</table>

Estimated infrastructure investment needed by 2025 is US$4.6 trillion

Cement demand (millions of tons)
- Non-Building (infrastructure)
- Residential
- Non-residential

- CAGR of ~5% from FY2017 – FY2021, growth fairly even across 3 segments
Product pricing
Fly ash remains competitively priced against cement

CEMENT AND FLY ASH PRICING

2. Approximate range represents cement replacement quality fly ash

PRICING DYNAMICS

- Primary Fly Ash pricing (~$25 - $75/ton) tends to follow cement pricing (~$90 - $150/ton) for the Ready Mix market
- Fly Ash pricing gap to cement represents opportunity
  - Regional supply constraints impact gap
- Pricing dependent on right place, right time, right product
- Non Traditional applications present unique opportunities to increase value / pricing of Fly Ash
  - High strength applications
  - Filler applications
  - Technical engineering applications

Fly Ash: Marketer’s value chain
Manage two relationships: 1) utilities, focus on cost; 2) end user, focuses on quality and availability

Utilities

<table>
<thead>
<tr>
<th>Utility</th>
<th>Marketer</th>
<th>Marketer’s Value Connect the Utility to End User</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Demand</td>
<td>Quality Material</td>
<td>Consistent Cost</td>
</tr>
<tr>
<td>Low cost production</td>
<td>Availability</td>
<td>Landed Cost</td>
</tr>
<tr>
<td>Volume / royalties</td>
<td>Low capital</td>
<td>Consistent Supply</td>
</tr>
</tbody>
</table>

- Utilities motivated by production costs & demand
- Marketers motivated by:
  - Manageable royalties and minimum volumes
  - Supply availability (seasonality)
  - Consistent quality

End Users

<table>
<thead>
<tr>
<th>Marketer</th>
<th>End User</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply / Freight</td>
<td>Consistent Quality</td>
</tr>
<tr>
<td>ASP</td>
<td>Landed Cost</td>
</tr>
<tr>
<td>Royalty Implications</td>
<td>Consistent Supply</td>
</tr>
</tbody>
</table>

- End users seek:
  - Low landed cost, consistent supply and quality
- Marketers motivated by:
  - Consistent supply, competitive freight
Business position
Boral is the only fly ash marketer operating nationally across the US

Snapshot of Boral’s position
- Pro forma FY2017 revenue of ~US$490m p.a.
- Supplies >7.5m tons p.a. of fly ash to US construction industry – predominantly ready mix concrete industry
- National and assorted supply / distribution footprint with ~148 operational sites
  - 84 fly ash supply, 8 Gypsum supply, 27 service only sites, and 29 distribution terminals
- Leading fly ash beneficiation technologies
- Strong reputation with utilities & fly ash customers, with excellent quality, safety, environmental track record
- National coverage, ash sales in 48 states

Sales by market segment²

1. Supply reflects pro forma FY2017
2. Source: Management estimates on pro forma FY2017 numbers

Our value proposition
Four main ways value is created

Fly ash sources:
- a coal fired utility where fly ash is produced
- product transported by Boral to customers or a terminal
- these sites can also include site services

Fly ash terminals:
- material is trucked or railed from a source to terminal
- may accept ash from one or multiple sources
- customers may pick up material directly from a terminal or Boral may transport to customers
- Also serves as storage

Services only sites:
- managing landfills for utilities (construction, placing material, closing)
- other activities include equipment maintenance, construction and other services for utilities

Synthetic Gypsum sources:
- another by-product from the utilities, used in gypsum products
- Boral manages operations, site services, quality control, dewatering and material handling, with small marketing component
- Larger, fewer customers – often have direct contracts with utilities
Fly Ash: Our footprint
An attractive, sustainable business

Contracts and services
- Products make up ~90% of revenue
- Site services make up ~10% of revenue
- Fly Ash supply and site service contracts with utilities, terms range from ~5 to 15 years
- Industry practice is to pay utilities royalty based on revenues

Competitors

1. Management estimates as at 30 June 2017
2. Excludes 23 throughput / toll locations, across 15 states

Boral’s position across the US

Opportunities
High synergy expectations, currently being executed

Fly Ash synergy drivers
- Ash Supply / network optimisation / logistics
- Procurement
- Sales coverage expansion & high value product growth – Boral faces local supply constraints in some locations, HW has ability to supply
- Organizational efficiencies – e.g. consolidating finance systems and overlapping sales coverage, engineer support and operations
- Other including technology / R&D

Total ~$12m >$24m

Synergy spotlight: Optimization

Customer layout
Sub-optimum sourcing after combination of supply network

Optimization

Post optimization
Right source, right time, right product.

1. Maps including sourcing and customers conceptual only to illustrate synergy opportunity
Fly ash strategic priorities
Maintain, Leverage, GROW

1. **Maintain** current position in market

2. **Leverage** synergies and combined capabilities/offerings

3. **GROW** business through technology, expertise, innovation

1. Strategic priority - Maintain
Managing relationships through the chain is crucial for sustainable success

**Managing utility relationships**
- Some contracts date back to 1970’s
- Long-term relationships with most utilities:
  - Most contracts have original terms of 5 to 10 years, we strive to extend contracts before they expire
- Site service contracts typically shorter, 3 to 5 years
- Deep industry knowledge and strong footprint a key value in contract extensions

**Managing end user relationships**
- Managing two key functions is critical to maintaining customers
  - Consistent quality: managing changing coal sources that impact ash quality
  - Consistent supply: managing through seasonality and utility outages
2. Strategic priority - Leverage
Improve efficiencies and optimize network

**Leverage consistent supply**
1. Utilize recently installed storage
   - Capture off-season production
   - Minimize impact of seasonality and utility disruptions
2. Capital to increase loading efficiency
   - Faster turns equate to more throughput
3. Beneficiation technology
   - RestoreAir®, PACT®, new technology

**Leverage margin maximization**
1. Optimize combined network
   - Right place, right time, right product
   - Utilize blending

3. Strategic priority - GROW
Invest in storage and technology to increase supply and grow demand

**Grow supply**
1. New supply
   - Secure new contracts
2. Wet to dry collection
   - New regulations are phasing out wet collection
3. Reclaim ash
   - Mined, classified, dried, sold into concrete market

**Grow demand**
1. Increase cement replacement rates into Ready Mix industry
   - Customer education, grow ~16% rate
2. Composite / Engineered products
   - TruExterior® Siding & Trim
3. High value / classified ash applications

Boral
PACT®
RestoreAir®

Secure supply contracts
Reclaimed ash

Celceram®
Highly reactive pozzolans
Engineered products
Block and Boral’s portfolio

Block business has key attributes which align with Boral’s priorities

1. Strong capabilities in Texas, area of high growth
   - Largest block producer in Texas

2. Balances historical Boral US end market exposures
   - Demand driven by non-residential and retail segments

3. Variable cost based manufacturing
   - Ability to perform through the business cycle

2015 Analyst Visit, Portfolio Aspirations

<table>
<thead>
<tr>
<th>Current Portfolio</th>
<th>Aspiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High cost assets, high energy</td>
<td>• Low cost base, low energy, sustainable</td>
</tr>
<tr>
<td>• High fixed cost platform</td>
<td>• Variable cost based manufacturing</td>
</tr>
<tr>
<td>• Residential focus</td>
<td>• Balanced market segments¹</td>
</tr>
<tr>
<td>• Basic markets</td>
<td>• Innovative technology platform</td>
</tr>
<tr>
<td>• High skilled labor</td>
<td>• Low skilled labor</td>
</tr>
</tbody>
</table>

Headwaters Block strengthens our Texas product offering and diversifies our market segmentation
Brick, Block & Paver industry: Market size and segments
The Brick, Block and Paver industry is ~$7 billion\(^1\)

**Market overview\(^1\)**
- Overall market includes brick, block, and pavers: broadly weighted towards all three end markets (residential, non-residential, repair and remodel)
- Brick demand predominantly driven by residential segment
- Block demand more heavily tied to the non-residential segment
- Paver demand predominantly driven by repair & remodel segment
- Texas estimated to be ~8% to 10% of overall market

---

1. Based on Freedonia and management estimates, represents market at underlying demand
2. Freedonia 2014, Bricks, Block, Pavers Report, plus management estimates

---

**Brick, Block, Paver demand\(^{1,2}\)**

*in $ millions*

- R&R / Other
- Non-Residential
- Residential

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;R / Other</th>
<th>Non-Residential</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>6,000</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>2004</td>
<td>5,500</td>
<td>2,500</td>
<td>1,500</td>
</tr>
<tr>
<td>2005</td>
<td>5,000</td>
<td>3,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2006</td>
<td>4,500</td>
<td>3,500</td>
<td>2,500</td>
</tr>
<tr>
<td>2007</td>
<td>4,000</td>
<td>4,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2008</td>
<td>3,500</td>
<td>4,500</td>
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<tr>
<td>2009</td>
<td>3,000</td>
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<td>2010</td>
<td>2,500</td>
<td>5,500</td>
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<tr>
<td>2011</td>
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<tr>
<td>2017</td>
<td>0</td>
<td>9,000</td>
<td>8,000</td>
</tr>
</tbody>
</table>

---

**Brick, Block & Paver industry: Market segments**
Well balanced market segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-residential</td>
<td>~38%(^1)</td>
<td>Specification driven, Longer sale’s cycle, Higher price and margin, State sponsored projects, e.g. schools, critical to success</td>
</tr>
<tr>
<td>Repair &amp; Remodel / Other</td>
<td>~31%(^1)</td>
<td>Hardscape a growing market, Strong margins, Retail channel, Big Box critical, Foundation products, strong margins</td>
</tr>
<tr>
<td>New Residential</td>
<td>~31%(^3)</td>
<td>Cyclically driven, Production builder, Lower price / margin (block), Primarily multi-family (block)</td>
</tr>
</tbody>
</table>

---

1. Freedonia 2014, Bricks, Block, Pavers Report, Management Estimates; represents market at underlying demand
Brick, Block & Paver industry: Product categories
Block represents ~56% of the total industry

Brick, Block, and Pavers\(^1\)
underlying demand\(^2\)

- Brick 28%
- Medium Weight Block 28%
- Normal Weight Block 15%
- Outdoor Wall Block 13%
- Pavers 16%

Addressable market $3.8b

Total market size: $6.8b\(^2\)

Product positioning

- Block competes in the cladding and hardscape industry
- Cladding position:
  - Block considered a premium cladding option
  - Predominantly used in non-residential segment
- Hardscape position:
  - Staple in expanding hardscape industry
  - Mainly tied to repair and remodel segment

Freedonia 2014, Bricks, Block, Pavers Report, management estimates
Underlying demand assumed to be average of prior 15 years, 2003 - 2017

Brick, Block & Paver industry: Product categories
Multiple offerings from basic masonry units to high-end non-residential block

Cladding
Concrete Brick
Split-Faced Block
Oversized Block
Clay Brick

Hardscape
Stepping Stone
Concrete Wall Block
Concrete Paver
Clay Pavers

Cost and perceived value
Boral Block: A regional leader in Block in the Southwest

Key product offerings
- Oversized
- Split Face
- Keystone®
- Versa-Lok®
- Paver
- Foundation Repair

Business footprint
- 6 manufacturing sites, 5 operational
- Largest block producer in Texas
- New plant commissioned in 2016

Key competitors
- BELGARD
- PAYSTONE
- FEATHERLIGHT
- Jewell

Boral’s position is unique
A regional leader in Block in the southwest

The business can perform through the cycle and generate higher margins than industry peers

<table>
<thead>
<tr>
<th>Competitive advantage</th>
<th>Unique footprint</th>
<th>Channel diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continually expanding product offerings</td>
<td>Located in high growth Texas market</td>
<td>Contractors prefer Boral through custom product lines</td>
</tr>
<tr>
<td>Big Block machine created new markets and customers</td>
<td>Largest manufacturer in Texas</td>
<td>Retail presence in key markets drive vertical integration</td>
</tr>
<tr>
<td>Investment in machine creates competitive advantage</td>
<td>Plant locations strategically located near key MSAs</td>
<td>Strong relationship with Big Box channel</td>
</tr>
<tr>
<td></td>
<td>Lowest landed cost to majority of large MSAs’ non-res work</td>
<td></td>
</tr>
</tbody>
</table>

1. Metropolitan Statistical Area

65
Boral Block: End markets & products
Larger end-market exposure to non-residential and retail (Big Box)

End market exposure

- New Res: 8%
- Repair & Remodel: 6%
- Retail est.: 86%

Retail (Big Box) customers serve both the R&R and non-residential market segments

1. Source: Management estimates on pro forma FY17 numbers

Diversify and Grow
Aspiring to grow in attractive Repair & Remodel segment

Expanding Big Box & hardscape exposure can transform business and provide future growth in Texas

FY2014
- Non-Res: 88%
- New Res: 10%
- R&R: 2%

Today
- Non-Res: 86%
- New Res: 8%
- R&R: 6%

Aspiration
- Non-Res: ~70-75%
- New Res: ~15-20%

1. Conceptual to illustrate management aspirations
Vertical integration
We are focused on maximising margins through resale

Owned storefronts allow Boral to sell ancillary products with strong margins

**Materials Product International, Inc.**
- Headwaters purchased in 2015
- Strong supplier relationships
- 2 Store-fronts in Austin, TX
- 3rd largest block distributor in central Texas, Home Depot / Lowes leaders
- Strong Custom project portfolio, including Toyota Center in Houston

**Western Brick Company**
- Headwaters purchased in 2010
- 1 Store-front in Houston, TX
- Design center: one stop shop for masonry products

Boral Block: Strategic opportunity
Exploring opportunities to work with Meridian JV

**Meridian Brick JV**
- Strong position in new residential construction
- One stop-shop for residential cladding
- Distribution in key metro areas in Texas and Oklahoma
- Product lines tangential

**Block position**
- Strong position in non-residential with remodel outlets
- Broad product portfolio for total market
- Manufacturing diversified in architectural, commercial, residential, outdoor living
- Retail (Big Box) relationships
## Block, a growth opportunity

*Maintain leading regional position and grow*

### Strategic fit

- ✓ Strong capabilities in Texas, area of **high growth**
- ✓ Balances historical Boral US end **market exposure**
- ✓ **Variable** cost based manufacturing

### Key focus areas

1. Implement Zero Harm Today
2. Expansion of hardscape position
3. Explore growth opportunity; footprint and product offering
4. Maintain leading competitive capabilities in non-residential and retail segments
5. Vertical integration through resale
6. Meridian JV opportunity
7. Applying Lean principles and best practice manufacturing processes from other businesses

---

**BORAL NORTH AMERICA**

**Building Products**

Chris Fenwick,  
*Group President, Building Products*

Joel Charlton,  
*Group President, Windows & Innovation*
Introduction, Strategy and Outlook
Mike Kane

Boral North America Overview
David Mariner

Construction Materials
Keith Depew

Building Products
Chris Fenwick, Joel Charlton

Innovation
Joel Charlton

---

Building Products: Transformational step
Headwaters acquisition unlocks opportunity in ~US$16b of new product markets

USA cladding and exterior market

- Wood Siding
- Fiber Cement
- Stone
- Brick
- Stucco
- Trim
- Vinyl
- Shutters
- Hardscapes
- Doors
- Other Products
- Non-Addressable Markets: ~$28b
- Legacy Boral Products: ~$8b
- Headwaters Products: ~$12b

Total market size: ~$48b

USA pitched roof market

- High End
- Asphalt
- Metal
- Composite
- Natural
- Other Roofing markets: ~$10.5b
- Legacy Boral Markets: ~$0.4b
- Additional Headwaters markets: ~$4.1b

Total market size: ~$15b

---

1. Source: Market analysis, McGraw Hill housing starts, NAHB, management estimates
2. Source: Management estimates, Freedonia, BCC Research
Building Products
Portfolio of industry leading businesses with significant synergies

<table>
<thead>
<tr>
<th>Stone</th>
<th>Roofing</th>
<th>Light Building Products</th>
<th>Windows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading provider of stone veneer</td>
<td>Top provider of concrete &amp; clay tile in key regions</td>
<td>Siding &amp; trim, shutters &amp; accessories, tools</td>
<td>Regional vinyl and aluminium window manufacturer</td>
</tr>
<tr>
<td>• 8 manufacturing plants</td>
<td>• 15 manufacturing plants</td>
<td>• 8 manufacturing plants</td>
<td>• 3 manufacturing plants</td>
</tr>
<tr>
<td>• 3 mold facilities</td>
<td>• 10 distribution sites</td>
<td>• Brands: Mid-America®, TruExterior®, Kleer®, Versetta®, Foundry™, Grayne®, Atlantic Premium®</td>
<td></td>
</tr>
</tbody>
</table>

---

Building Products
Portfolio of products targeting the building envelope

**Building product envelope**

- Shutters
- Windows
- Outdoor Living
- Speciality Siding
- Architectural Stone
- Gable Vents
- Trim
- Siding Accessories
- Clay Roof Tile
- Concrete Roof Tile
- Composite Roofing
- Metal Roofing
- Bead Board
- Moulding
- Roof Components
- Stone Accessories
Building Products revenue
Pro forma revenue CAGR of 15% from FY2015 – FY2017 (excluding Bricks)

Building Products revenue¹
Stone, 29%
Roofing, 31%
Windows, 12%
New Residential, 53%
Non-residential, 8%
Repair & Remodel, 39%

Revenue by segment

Building Products (Incl. Bricks)²
PRO FORMA COMBINED HISTORICAL REVENUE (US$m)

FY2015 FY2016 FY2017

- Boral 10% CAGR (FY2015-17) excluding Bricks
- HW 18% CAGR (FY2015-17) supported by several acquisitions
  - Metro®, SteelRock® Roofing in FY2016
  - Krestmark® Windows in FY2017

Opportunities

- Product portfolio, brand strategy and go to market strategy
- Margin improvement initiatives
- Manufacturing network optimization
- Back office conversion and consolidation

Immediate priorities

- Organizational design and implementation
- Procurement and cost savings initiatives
- Portfolio review and optimization
- Manufacturing assessment and optimization

2. Based on Headwaters revenue for 12 months ended 30 September for FY2015 and FY2016, and 12 months ended 30 June for FY2017, includes Windows post-acquisition results from August 2016. Boral results for 12 months ended 30 June for all years. Includes 50% share of Meridian Bricks JV underlying result for 12 months ended 30 June 2017.
Roofing expansion
The new portfolio delivers on **key** strategic objectives

1. **Expand geographic reach** beyond the tile markets:
   - Now a true national roofing player, with some international markets

2. **Expand product offerings** beyond clay and concrete tile:
   - Moved into the growing Metal and Composite categories

3. **Diversify end-market exposure** into non-residential and re-roof segments:
   - Combined position has a strong presence in the re-roof end segment

2016 Analyst Visit, Roofing Strategy

Headwaters Roofing offerings strengthen and transform Boral’s position
Roofing industry: Market size and segments

The pitched roof market is currently ~140 million squares

- Large segment, ~140m squares
- Three primary pitched roof markets – Re-roof, New Residential, and Non-residential
- Market supported (~70%) by large re-roof demand from +80 million aging single family detached homes in the USA
- Estimated at $14.8 billion\(^2\) annual spend
- All three segments expected to grow over the next 5 years\(^1\)

North America market overview

Roofing industry: Market segments

Re-roof construction, the most stable segment, drives demand

<table>
<thead>
<tr>
<th>New Residential</th>
<th>~22%(^1)</th>
<th>Re-roof</th>
<th>~70%(^1)</th>
<th>Non-residential</th>
<th>~8%(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1.2 million starts in FY17(^1)</td>
<td>~4.0 million roofs / year(^1)</td>
<td>Lower sloped applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclically driven</td>
<td>Stable and growing due to aging homes and storms</td>
<td>Specification driven</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production builder</td>
<td>Re-roofer</td>
<td>Longer sale’s cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower price / margin</td>
<td>Higher price / margin</td>
<td>Higher price and margin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less fragmented sale</td>
<td>Fragmented sale</td>
<td>Less fragmented sale because of limited contractor options due to insurance requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. Source: ARMA, NAHB, Moody’s, Dodge, Management Estimates
2. Source: ARMA, BCC, Management Estimates; represents size of market at underlying demand
North America product overview

- Asphalt roofing accounts for ~68% of the market size in North America.
- Over the last several decades, the market has been converting to higher end asphalt from low end asphalt.
- Other high end products include Tile, Metal, Composite, and Natural Materials (Slate / Wood Shake).
- Other high end products have been gaining share from standard and high end asphalt as market acceptance increases.

Perceived value of new products increasing versus traditional asphalt

Advantages:
- Long life
- Durable
- Sustainable
- Textures
- Colors
- Delivery
  - Metal
  - Composite

Cost and perceived value
Boral Roofing: Strategic intent
Leverage new products to grow and diversify into new geographies and segments

Combined position

New geographies
- National player in the high-end roofing market
- Opportunity to leverage coverage for cross selling

New end markets & products
- Diversified portfolio allows for participation in broader roofing market
- Stepping into re-roof market in a more significant way
- Ability to leverage broad product offering to better serve customers

New customers
- Channel diversification reaching new customer base
- Strengthening access to remodeling customers across the US and in international markets

Portfolio brands

Boral Roofing: New geographies
Expanding beyond 4 tile states with national manufacturing and distribution

Key product line competitors:
- Concrete (CA, AZ, FL)
- Clay (MX)
- Metal (CA)
- Composite (OH)

Manufacturing (Utilization ~30 - 80%)
- Concrete (10)
- Clay (2)
- Metal (1)
- Composite (2)

Distribution
- Metal, Concrete, Clay (10)

International Sites: United Kingdom
Boral Roofing: New end markets & products

Strong repair and remodel focus, balancing out our new residential exposure

Stone Coated Metal
- Primarily re-roof
- Some non-res

Clay
- Primarily new res
- Some re-roof

Composite
- Primarily re-roof
- Some new res

Concrete
- New residential
- Some re-roof

Components
- All end markets

Boral end market exposure

Non-res: 3%
R&R (Re-roof): 52%
New Res: 45%

1. Source: Management estimates on pro forma FY17 numbers

Boral Roofing: New customers

Strong ties to custom and regional builders, production builders and re-roof installers

Manufacturing

Distributors

Custom Builders

Production Builders

Re-roofers, Installers

United Kingdom

United States
Boral Roofing: Synergy opportunities

Roofing business expected to generate >$19m in synergies by year 4

Roofing synergy drivers

<table>
<thead>
<tr>
<th></th>
<th>Targeted year 1 run rate</th>
<th>Within 4 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ per annum</td>
<td>US$ per annum</td>
</tr>
<tr>
<td>Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross selling portfolio – e.g. re-sale products account for 20% of Boral Roofing sales, while Headwaters has minimal exposure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing and network optimization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing efficiencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other including organizational efficiencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>~$10m</td>
<td>&gt;$19m</td>
</tr>
</tbody>
</table>

Synergy spotlight: Florida consolidation

- Acquired minority partner in JV (post close); now in full control
- Rationalizing network ~1 plant to close, ~1 dist. to close
- Increasing utilization of network
- Leverage combined salesforce, sales center & network

Roofing product breakdown (US$b)

- Addressable Demand
- Addressable market: $3.0b

Complementary platforms

- **Product Offering**
  - High end market: ✓ ✓

- **Geography**
  - NV, AZ, CA, FL
  - N. America / Europe

- **Market segments**
  - New Res
  - Re-roof, Non-res

- **Roof components**
  - ✓
  - –

1. Sources: Freedonia, ARMA, Management Estimates
Roofing, a transformational step
Combined position deliver on key strategic objectives

Strategic objectives

- Expand geographic reach beyond the tile markets
- Expand product offerings beyond the clay and concrete offerings
- Diversify end-market exposure into non-residential and re-roof segments

Key focus areas

1. Implement Zero Harm Today
2. Organizational design
3. Complete metal roofing plant consolidation, unlock future cross-selling
4. Expand selling opportunities of full offering
5. Focus on Florida consolidation and manufacturing network optimization
6. Enhance value to our customers; broader portfolio, better service, strengthened network

Building Products

- Roofing
  Scott Jackson
- Stone
  Brent Spann
- Windows
  Joel Charlton
- Light Building Products
  Brian Below

Eldorado® Product Line: Dry Creek Stacked Stone
Stone: A strong combination positioned to grow
Combined positions deliver on key strategic objectives

1. **Leading** manufactured stone provider:
   - Strategically positioned manufacturing sites and largest distribution network

2. **Stronger** brand portfolio with expanded opportunities for growth across broader distribution network
   - “Good, Better, Best” product offering

3. **Increased** category awareness through marketing and new product development
   - Grow overall wall share and applications of stone

4. **Expanded** sales through Architectural specifications
   - Commercial and Builder account relationships

2016 Analyst Visit, Stone Strategic Intent

Headwaters Stone business helps transform Boral’s Stone position

---

Masonry industry: Market size and segments
The current market is +2,500 million square feet

Masonry market size¹
(millions of sq. ft.)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Res</td>
<td>1,000</td>
<td>1,200</td>
<td>1,400</td>
<td>1,600</td>
<td>1,800</td>
<td>2,000</td>
<td>2,200</td>
<td>2,400</td>
<td>2,600</td>
<td>2,800</td>
<td>3,000</td>
<td>3,200</td>
</tr>
<tr>
<td>New Res</td>
<td>3,000</td>
<td>3,200</td>
<td>3,400</td>
<td>3,600</td>
<td>3,800</td>
<td>4,000</td>
<td>4,200</td>
<td>4,400</td>
<td>4,600</td>
<td>4,800</td>
<td>5,000</td>
<td>5,200</td>
</tr>
<tr>
<td>R&amp;R</td>
<td>500</td>
<td>700</td>
<td>900</td>
<td>1,100</td>
<td>1,300</td>
<td>1,500</td>
<td>1,700</td>
<td>1,900</td>
<td>2,100</td>
<td>2,300</td>
<td>2,500</td>
<td>2,700</td>
</tr>
</tbody>
</table>

North America market overview

- Large segment, +2,500m square feet
- Mainly driven by new construction but emerging outdoor living driving R&R growth
- R&R and Non Res more stable through the market cycle driven by home remodel projects and retail / commercial accents
- Stone estimated at ~$2.3 billion² annual spend which includes manufactured and real stone

---

1. Market analysis, NAHB for square foot, management estimates
2. Source: NAHB, Principia, and management estimates; market size at Underlying Demand
## Masonry industry: Market segments

### Higher exposure to new construction

<table>
<thead>
<tr>
<th>New Residential</th>
<th>~49%¹</th>
<th>Repair &amp; Remodel</th>
<th>~16%²</th>
<th>Non-residential</th>
<th>~35%¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1.2 million starts in FY17</td>
<td></td>
<td>Limited exposure</td>
<td></td>
<td>Specification driven</td>
<td></td>
</tr>
<tr>
<td>Cyclically driven</td>
<td></td>
<td>Expanding presence through hardscapes and interior remodel</td>
<td></td>
<td>Longer sale’s cycle</td>
<td></td>
</tr>
<tr>
<td>Custom builder</td>
<td></td>
<td>Fragmented sale</td>
<td></td>
<td>Stronger price and margin</td>
<td></td>
</tr>
<tr>
<td>Regional pricing</td>
<td></td>
<td></td>
<td></td>
<td>Strong focus on schools, office and retail applications</td>
<td></td>
</tr>
<tr>
<td>Less fragmented sale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Market analysis, NAHB for square foot, management estimates; represents market at underlying demand

## Masonry industry: Product categories

### Stone competes at different value points in industry

- **Stucco Economical**
- **Stucco Premium**
- **Block**
- **Brick**
- **Thin Brick**

**Advantages**
- Aesthetics
- Durable
- Low maintenance
- Sustainable
- Ease of installation
- Availability

**Cost and perceived value**
The masonry cladding market is ~US$6.9b\(^1\), Boral’s opportunity is ~US$2.3b

### North America product overview
- Brick and Stucco product categories account for ~57% of masonry cladding segment.
- Stone, manufactured and real, account for ~34% of the segment, valued at ~US$2.3 billion\(^1\).
- Residential recovery has led to a strong national builder market presence.
- Manufactured stone veneer products continue to be highly desirable due to ease of installation, low maintenance and affordability.

### Boral Stone: Strategic intent
Highly complementary businesses create a stronger position

#### Combined position
- **Manufacturing network**
  - Opportunity to optimize and leverage best practices
  - Regionally positioned in key geographies
- **Products and distribution**
  - Diversified portfolio allows for participation at all value levels
  - Leadership position in innovation
  - Ability to leverage brand awareness on broader scale
  - Broadest North American distribution
- **End market exposure and customers**
  - Sales across residential, remodel and non-residential
  - Diversified distribution and customer base

#### Portfolio brands
- Cultured Stone®
- Eldorado Stone®
- StoneCraft Industries
- ProStone®
Boral Stone: Manufacturing positioned in key markets
Leading position across the nation servicing all stone markets

Key Competitors:
- Cultured Stone®
- Eldorado®
- Stonecraft™
- Dutch Quality®

Manufacturing (Utilization ~40 - 70%)
- Cultured Stone® (2)
- Eldorado® (4)
- Dutch Quality® (1)
- Stonecraft™ (1)

Distribution
- Warehouse
- International Sites:
  - Philippines
  - Mexico

Boral Stone: Diversified portfolio
A stronger "good, better, best" product portfolio to maximize sales

Low end Tier (Good)
- Brands: Stonecraft™, ProStone®
  - Streamlined product offering
  - Value line, limited colors
  - Priced competitively
  - Strong regional players

Middle Tier (Better)
- Brand: Dutch Quality®
  - Streamlined product offering
  - Consistent quality
  - Competitively priced
  - Strong regional player

Upper Tier (Best)
- Brands: Cultured Stone®, Eldorado®
  - High authenticity and design
  - Large selection of colors and textures
  - Architecturally focused
  - Available nationwide

Brands: Cultured Stone®, Eldorado®, Stonecraft™, ProStone®, Dutch Quality®, Stonecraft™
Boral Stone: Broad distribution reach
National distribution network services all markets

North American distribution points:
+2,600 Distribution Points
- Boral Stone Brands
- HW Stone Brands
- Shared Distribution

Boral Stone: End markets & products
Diverse exposure to end markets

Boral end market exposure

1. Source: Management estimates on pro forma FY17 numbers
Boral Stone: Diversified customer base
Strong relationships with builders, architects and the mason

Manufacturing

Distributors

Builders

Masons

Architects

International Sites:
- Philippines
- Mexico

Boral Stone: Strategic fit in industry
Complementary businesses reaching all levels of the market

Stone product breakdown¹ (US$b)

Complementary platforms

<table>
<thead>
<tr>
<th>Product Offering</th>
<th>Boral</th>
<th>HW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufactured Stone</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Geography</td>
<td>N. America</td>
<td>N. America</td>
</tr>
<tr>
<td>Brands</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Premium Brands</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Good / Better Brands</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Outdoor Living</td>
<td>-</td>
<td>✓</td>
</tr>
</tbody>
</table>

1. Market analysis at Underlying Demand, NAHB, Principia, and management estimates
Boral Stone: Synergy opportunities
Stone business expected to generate >$29m in synergies by year 4

Stone synergy drivers
- Plant network optimization
- Sales coverage
- Procurement
- Manufacturing equipment
- Other including organizational efficiencies

<table>
<thead>
<tr>
<th></th>
<th>Targeted year 1 run rate</th>
<th>Within 4 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ per annum</td>
<td>US$ per annum</td>
</tr>
<tr>
<td>Total</td>
<td>~$6m</td>
<td>&gt;$29m</td>
</tr>
</tbody>
</table>

Opportunities
- Leverage best practices across manufacturing network
- Leverage product portfolio to increase customer solutions and profitability
- Maximize combined salesforce to improve customer experience and brand awareness

Synergy spotlight: Leverage combined sales coverage
- Optimize territory size, more efficient geographic coverage
- High customer focus, less time travelling

1. Maps including sales rep locations conceptual only to illustrate synergy opportunity

Stone, Delivering on portfolio strategy
Combined positions deliver on key strategic objectives

Strategic objectives
- Leading manufactured stone provider
- Stronger brand portfolio with expanded opportunities for growth across broader distribution network
- Increased category awareness through marketing and new product development
- Expanded sales through Architectural specifications

Key focus areas
1. Implement Zero Harm Today
2. Organizational design
3. Enhanced go to market strategy, leverage portfolio to increase customer solutions
4. Operational optimization, best manufacturing practices
5. Enhanced customer value, broader product “Good, Better, Best” offering
Building Products

- **Roofing**
  Scott Jackson

- **Stone**
  Brent Spann

- **Windows**
  Joel Charlton/David Decker

- **Light Building Products**
  Brian Below

Windows fit with Boral
New addition is a good fit and win for Boral

1. **Production costs are highly variable**
   - Ability to scale business to perform through the cycle

2. **Low fixed cost** asset base
   - Attributes to strong margins

3. **Customer base** well known across Boral
   - Strengthens relationships with key customers
Market overview

- North American market estimated at ~$8-10 billion\(^1\)
- 85% to 90% windows; 10% to 15% doors
- Large national players compete with regional and local businesses
- Industry consolidation has and continues to occur

Large competitors

Windows and patio doors geography\(^1\)

percentages based on market size by $ value

- North American market estimated at ~$8-10 billion\(^1\)
- 85% to 90% windows; 10% to 15% doors
- Large national players compete with regional and local businesses
- Industry consolidation has and continues to occur

Windows & patio door industry product segments

Vinyl and replacement windows are largest segments of the market

Demand by product segment\(^1\)

- Vinyl 58%
- Wood 24%
- Metal 11%
- Fiberglass 5%
- Other 2%

Demand by end use\(^1\)

- Replacement 68%
- New construction 32%

Product segmentation

- Industry has shifted over time from wood to Vinyl
- As housing stock ages (+80m aging single family homes), replacement window demand to remain strong
- Single family homes (new and R&R) drives demand

1. Principia and management estimates, range represents market size at underlying demand

1. North American totals; source: Principia and management estimates; represents market at underlying demand
## Windows & patio door industry market segments

**Market driven by new residential, single family construction**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>~71%¹</td>
</tr>
<tr>
<td>Multi Family</td>
<td>~23%²</td>
</tr>
<tr>
<td>Light Commercial</td>
<td>~6%³</td>
</tr>
</tbody>
</table>

1. Principia and management estimates; represents market at underlying demand

- 1.2 million starts in FY17
- New construction with various quality preferences
- Repair and Replacement drives majority of volume
- Specialty products
- Longer sell cycle
- Standard products
- Low cost / competitive
- Specification driven
- Longer sale’s cycle
- Custom orders

### Boral Windows: Strategic fit

**Headwaters acquired windows in 2016**

#### History

- 2004: Krestmark® founded, manufactured aluminum windows in Texas
- 2006: Developed new vinyl window product line
- 2014: Established Legacy Brand
- 2016: Acquired by Headwaters
- 2017: Pre-close acquisition of Magnolia™ Windows in Georgia

#### Geographic footprint

- Regional focus mainly in Texas and Georgia
- Roughly 700 mile distribution footprint connects plant network
- Sales in 14 states across the southwest and southeast regions
Boral Windows: Value chain
Sells through multiple channels with a focus on builders

Manufacturing network
- ABC Supply Co. Inc.
- McCoy's Building Supply
- Allied
- Tri-Supply

Focus since 2004 founding has been on serving new home construction, building long relationships with reliable, on time service

Distributors
- Production Builder
- Remodelers

Installers
- Pulte Homes
- First Texas Homes
- Beazer Homes

Boral Windows: End Markets & Products
Full product portfolio to service the market

End market exposure reflects go to market strategy since founding

- Standard Vinyl
- Impact Vinyl
- Specialty

- Patio Doors
- Aluminum
- Custom

Boral Windows end market exposure:
- Replacement: 20%
- Residential New Construction: 80%

1. Source: Management estimates on pro forma FY17 numbers
Boral Windows: Strategic priorities
Vision: “Raising the bar in the windows industry with quality and service”

Strategic objectives

- Production costs are **highly variable**, ability to scale the business
- **Low fixed cost** asset base, margins above industry average
- **Customer base** well known, allows increased share of wallet from large builders in growth areas

Key focus areas

1. Implement Zero Harm Today
2. Leverage value to customer, “local” service model is successful
3. Relocate Magnolia™ Facility, preparation for growth in Southeast
4. Growth Opportunities
   - Geographic reach around current assets
   - Repair and remodel / replacement window segment

...Continuing into DAY 2
Building Products

- **Roofing**
  Scott Jackson

- **Stone**
  Brent Spann

- **Windows**
  Joel Charlton

- **Light Building Products**
  Brian Below

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**Why Light Building Products (LBP)?**

LBP delivers on *all* strategic portfolio priorities

1. Transform from *high cost / fixed asset* based portfolio:
   - LBP has lower cost / asset base and is in emerging sustainable industries

2. Diversify Boral’s heavy reliance on *new residential*:
   - LBP has high correlation to stable repair and remodel segment

3. Evolve Boral’s reliance on *maturing markets / categories*:
   - Emerging LBP products are still penetrating market and taking share from traditional products

4. Leverage *distribution footprint* to accelerate penetration of newer products (eg. TruExterior® Trim & Siding)

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**2015 Analyst Visit, Portfolio Aspirations**

**Current Portfolio**
- High cost assets, high energy
- High fixed cost platform
- Residential focus
- Mature markets
- High skilled labor

**Aspiration**
- Low cost base, low energy, sustainable
- Variable cost based manufacturing
- Balanced market segments
- Innovative technology platform
- Low skilled labor

Headwaters LBP business is major step in transforming portfolio
The siding and trim market is currently ~8 billion square feet.

Market size\(^{1,2}\)
(millions of square feet)

- Large market, ~8 billion square feet
- Three primary trim and siding segments – repair and remodel, new residential, and non-residential
- Market supported (~68% in FY17) by large repair and remodel demand from +80 million aging, single family detached homes in the USA
- Estimated at ~US$7.9 billion\(^{3}\) annual spend
- All three segments expected to continue growth trends over next 12 to 24 months\(^{4}\)

Market overview

- Repair & remodel drives construction, creating stable demand through the cycle

New Residential  ~24%\(^{1}\)
- ~1.2 million starts in FY2017
- Cyclically driven
- Custom, production & regional builder
- 2-step, 1-step

Repair & Remodel  ~68%\(^{3}\)
- Stable and growing due to aging homes and harsh weather
- Siding installer, contractor
- 2-step, 1-step, retail
- Fragmented end user

Non-residential  ~8%\(^{1}\)
- Specification driven
- Longer sale’s cycle
- 2-step, 1-step

1. Market analysis, NAHB for square foot, Principia for value, and management estimates
2. Excludes shutters, accessories, and tools
3. Market analysis, NAHB, Principia, and management estimates; represents market at underlying demand
4. Based on key external market forecasters
LBP Industry: Product categories
The total market is ~US$7.9b\(^1\), Boral’s addressable market is ~US$3.3b

Wood and wood like replacement\(^1,2\)

<table>
<thead>
<tr>
<th>Product</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood</td>
<td>34%</td>
</tr>
<tr>
<td>Vinyl</td>
<td>31%</td>
</tr>
<tr>
<td>Fiber Cement</td>
<td>23%</td>
</tr>
<tr>
<td>Composite</td>
<td>12%</td>
</tr>
</tbody>
</table>

Total market size: $7.9b\(^1\)

1. Market analysis, NAHB, Principia, and management estimates; represents market at underlying demand
2. Excludes shutters, accessories, and tools market

Product overview
- Wood is market leader but comparative growth less than emerging composite and higher grade vinyl and fiber cement products
- Vinyl continues to gain against wood due to low cost installation and low maintenance
- Fiber Cement continues to maintain share among cladding and trim markets
- Composite materials show the highest potential with low cost / low risk solutions

LBP Industry: Siding and trim categories
Categories range from low end wood to high-performance composite materials

Advantages
- Durable
- Low maintenance
- Ease of install
- Aesthetics
- Profiles
- Sustainable
What is Boral’s LBP?

Our business consists of Siding, Trim, Shutters, Accessories and Tools

- **Siding & Trim**: Includes specialty vinyl, PVC, polyash and panelised stone offerings.
- **Shutters and Accessories**: Includes decorative and functional shutters, and siding accessories (blocks, vents, etc.).
- **Other**: Siding tools and window wells.

![Images of Siding, Trim, Shutters, Accessories, Tools, and Window Wells]
### Boral LBP: Product categories

Supported by strong base of brands and multiple technologies

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Primary material</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siding and Trim</td>
<td>Vinyl Siding</td>
<td>Vinyl</td>
<td>Foundry™ / Grayne®</td>
</tr>
<tr>
<td></td>
<td>PVC Trim</td>
<td>Polyvinyl chloride (PVC)</td>
<td>Kleer®</td>
</tr>
<tr>
<td></td>
<td>Poly Ash Siding / Trim</td>
<td>Polyurethane</td>
<td>TruExterior®</td>
</tr>
<tr>
<td></td>
<td>Panelized Stone Siding</td>
<td>Concrete</td>
<td>Versetta®</td>
</tr>
<tr>
<td>Shutters and Accessories</td>
<td>Decorative shutters, vents, blocks</td>
<td>Polyvinyl chloride (PVC)</td>
<td>Mid-America®/ Builders Edge®/ Vantage®</td>
</tr>
<tr>
<td></td>
<td>Blocks and Mounts</td>
<td>Polyvinyl chloride (PVC)</td>
<td>Stundimount®</td>
</tr>
<tr>
<td></td>
<td>Functional Shutters</td>
<td>Composite</td>
<td>Atlantic Premium®</td>
</tr>
<tr>
<td>Other</td>
<td>Metal siding tools</td>
<td>Aluminum</td>
<td>Tapco® Tools</td>
</tr>
<tr>
<td></td>
<td>Egress wells</td>
<td>Polyethylene</td>
<td>Wellcraft®</td>
</tr>
</tbody>
</table>

### Boral LBP: Manufacturing footprint

Industry leading competitor in key geographic markets

[Map showing manufacturing footprint with key product line competitors marked.]
Boral LBP: Value chain
National distribution across three channel categories

Manufacturing ➔ Channel Partners
(2-Step, 1-Step, Retail) ➔ Builders, Installers,
Contractors and DIY

Diversified end markets led by stable repair and remodel segment

1. Siding & Trim materials include poly-vinyl, stone, poly-ash
2. Accessories include specialty metal tools, window sills, mounts, vents, blocks
3. Pro forma FY2017 sales split per management estimates
Boral LBP: Strategic fit in the industry
Products well positioned to play in multiple categories

LBP product breakdown¹ (US$m)

<table>
<thead>
<tr>
<th>Material</th>
<th>Addressable Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood / Eng. Wood</td>
<td></td>
</tr>
<tr>
<td>Fiber Cement</td>
<td></td>
</tr>
<tr>
<td>Vinyl</td>
<td></td>
</tr>
<tr>
<td>Cellular PVC</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

Market opportunity: $3.3b

Complementary platforms

Product Offering

<table>
<thead>
<tr>
<th>LBP offering</th>
<th>emergent</th>
<th>scaled &amp; mature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geography</td>
<td>national</td>
<td>national</td>
</tr>
<tr>
<td>Market segments</td>
<td>R&amp;R, new res, non-res</td>
<td>R&amp;R, new res, non-res</td>
</tr>
<tr>
<td>Emerging technology</td>
<td>✔</td>
<td>—</td>
</tr>
</tbody>
</table>

¹ Market analysis, NAHB for square foot, Principia for value, and management estimates, represents market at underlying demand

Boral LBP: Synergy opportunities
LBP business expected to generate >$11m in synergies by year 4

LBP synergy drivers

<table>
<thead>
<tr>
<th>Driver</th>
<th>Targeted year 1 run rate</th>
<th>Within 4 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>US$ per annum</td>
<td>US$ per annum</td>
</tr>
<tr>
<td>Sales coverage, cross selling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail presence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational efficiencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>~$5m</td>
<td>&gt;$11m</td>
</tr>
</tbody>
</table>

Synergy spotlight: Leverage combined sales teams to capture incremental sales

- Cross sell products via larger channel network
- Expansion in Big Box retail presence
- Leverage National Account relationships

Home Depot Exteriors Product Launch
LBP Delivering on portfolio strategy
Segment delivers on all strategic portfolio priorities

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>Key focus areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Transform from <em>high cost / fixed asset</em> based portfolio</td>
<td>1. Implement Zero Harm Today</td>
</tr>
<tr>
<td>✓ Diversify Boral’s heavy reliance on <em>new residential</em></td>
<td>2. Organizational design</td>
</tr>
<tr>
<td>✓ Evolve Boral’s reliance on <em>maturing markets / categories</em></td>
<td>3. Align lean culture with best practices across network</td>
</tr>
<tr>
<td>✓ Leverage <em>distribution footprint</em> to accelerate penetration of newer products (eg. TruExterior® Trim &amp; Siding)</td>
<td>4. Streamline brands, channel and products</td>
</tr>
</tbody>
</table>

BORAL NORTH AMERICA
Innovation

Joel Charlton,
*Group President, Windows & Innovation*
**Agenda**

**Introduction, Strategy and Outlook**
Mike Kane

**Boral North America Overview**
David Mariner

**Construction Materials**
Keith Depew

**Building Products**
Chris Fenwick, Joel Charlton

**Innovation**
Joel Charlton

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**Innovation: Fix**

*Headwaters complements Boral’s product portfolio*

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**Early / Development Phase**

- Headwaters Products
- Legacy Boral Products

**Adoption Phase**

- PVC Shutters
- Stone
- Clay & Concrete Roof Tile
- Brick & Block

**Mature Phase**

- Stone Coated Metal Roofing
- PVC Trim
- Specialty Vinyl Siding
- Composite Roofing
- Panelized Stone
- Composite Siding

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**Market Evolution**

- Introduction
- Growth
- Maturity
- Decline

**Value Creation**

- Investment
- Cash Generation
- Harvest
Innovation: Growth platforms
New Poly-Ash category continues to provide strong organic growth

<table>
<thead>
<tr>
<th>Product</th>
<th>Application</th>
<th>Channel</th>
<th>End Markets</th>
<th>Strategy</th>
</tr>
</thead>
</table>
| TRIM    | Exterior    | 1-step and 2-step | New Res / R&R | • New to world poly ash product  
• Increased R&R exposure |
| SIDING  | Exterior    | 1-step and 2-step | New Res / R&R | • Product portfolio expansion  
• New category |

In-market pilot

NEW

Interior 2-step, Pro-dealer, Retail  
Primarily Primarily R&R  
• Entry point into interior building applications  
• Reach new customers and new channels

Innovation: New growth opportunities
Headwaters acquisition opens a number of innovation opportunities

Pre close  
Deal closing  
Post close

Focused approach to improve our cost base and develop next generation product platforms

Boral Building Products

Boral Construction Materials
Align with Boral’s transformation strategy by accelerating growth through innovation.

Develop proprietary technology for competitive advantage, including cost advantage.

Respond to market trends with high performance, lighter weight, more durable, lower maintenance and more sustainable (e.g., recycled content, low energy) products.

Maintain momentum - launch a new product every year from the Innovation Factory.

Key focus areas

1. Implement Zero Harm Today
2. Continue to expand Poly-Ash platform
3. Accelerate new product extensions
4. Continuous improvement – including to reduce material costs

Boral North America well positioned to deliver synergies & growth

1. Industry leading competitor with national footprint
2. Significant synergies identified in Fly Ash, Stone, Roofing, Light Building Products and Corporate
3. Fundamentals signal healthy market growth over next 5+ years
4. Grow from innovation by capitalising on network scale and investing in early stage products
5. Strong management team with extensive industry experience and track record of integrating operations and realising synergies
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