

APPENDIX 4E

PRELIMINARY FINAL REPORT

18 August 2010

Boral Limited



BORAL LIMITED

ABN 13 008 421 761

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Name of Entity: **Boral Limited**

ABN: **13 008 421 761**

Financial Year ended: **30 June 2010**

Results for announcement to the market

				2010 A'\$ Millions	2009 A'\$ Millions
Revenue from continuing operations	down	(4.9%)	to	4,493.8	4,727.7
Revenue from discontinued operations				105.5	147.4
Total revenue	down	(5.7%)	to	4,599.3	4,875.1
Profit from continuing operations before net financing costs, income tax and significant items				270.5	280.6
Discontinued operations profit/(loss) before tax and significant items				(18.6)	(4.9)
Profit before net financing costs, income tax and significant items	down	(8.6%)	to	251.9	275.7
Net financing costs before significant items	down	(23.7%)	to	(97.0)	(127.2)
Profit before income tax and significant items	up	4.3%	to	154.9	148.5
Income tax from continuing operations before significant items				(27.8)	(18.1)
Income tax from discontinued operations before significant items				5.7	1.0
Non-controlling interest				(1.2)	(0.2)
Net profit before significant items attributable to members	up	0.3%	to	131.6	131.2
Significant items from continuing operations net of tax				(163.2)	28.0
Significant items from discontinuing operations net of tax				(58.9)	(17.2)
Net profit/(loss) attributable to members	down	(163.7%)	to	(90.5)	142.0
Dividends				Amount per security	Franked amount per security at 30% tax
Current period					
Final - ordinary				6.5 cents	6.5 cents
Interim - ordinary				7.0 cents	7.0 cents
Previous corresponding period					
Final - ordinary				5.5 cents	5.5 cents
Interim - ordinary				7.5 cents	7.5 cents
Record date for determining entitlements to the final dividend				30 August 2010	
Comparative figures: Financial year ended 30 June 2009					

Commentary on the results for the period

The commentary on the results of the period is contained in the Results Announcement for the year ended 30 June 2010 dated 18 August 2010.

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	Note	CONSOLIDATED	
		2010 \$ millions	2009 \$ millions
Continuing operations			
Revenue	3	4,493.8	4,727.7
Cost of sales		(3,050.8)	(3,144.1)
Distribution expenses		(706.6)	(777.8)
Selling and marketing expenses		(162.6)	(190.6)
Administrative expenses		(347.3)	(366.7)
		(4,267.3)	(4,479.2)
Other income	4	25.8	61.4
Other expenses	5	(169.6)	(81.9)
Share of net profit/(loss) of associates	6, 13	(21.5)	0.5
Profit before net financing costs and income tax expense		61.2	228.5
Financial income	7	5.3	37.5
Financial expenses	7	(102.3)	(135.2)
Net financing costs		(97.0)	(97.7)
Profit/(loss) before related income tax expense		(35.8)	130.8
Income tax benefit	10	18.3	32.5
Profit/(loss) from continuing operations		(17.5)	163.3
Discontinued operations			
Profit/(loss) from discontinued operations (net of income tax)	9	(71.8)	(21.1)
Net profit/(loss)		(89.3)	142.2
Attributable to:			
Members of the parent entity		(90.5)	142.0
Non-controlling interest		1.2	0.2
Net profit/(loss)		(89.3)	142.2
Basic earnings per share	11	(15.2c)	24.1c
Diluted earnings per share	11	(15.2c)	24.0c
Continuing operations			
Basic earnings per share	11	(3.1c)	27.7c
Diluted earnings per share	11	(3.1c)	27.6c

The income statement should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	CONSOLIDATED	
	2010 \$ millions	2009 \$ millions
Net profit/(loss)	(89.3)	142.2
Other comprehensive income		
Actuarial loss on defined benefit plans	(1.6)	(22.6)
Exchange differences from translation of foreign operations taken to equity	11.1	(47.3)
Fair value adjustment on cash flow hedges	10.7	(20.6)
Fair value adjustment on available for sale financial assets	-	(237.2)
Income tax relating to components of other comprehensive income	(25.8)	144.9
Total comprehensive income	(94.9)	(40.6)
Total comprehensive income is attributable to:		
Members of the parent entity	(96.1)	(40.8)
Non-controlling interest	1.2	0.2
Total comprehensive income	(94.9)	(40.6)

The statement of comprehensive income should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

as at 30 June	Note	CONSOLIDATED	
		2010 \$ millions	2009 \$ millions
CURRENT ASSETS			
Cash and cash equivalents		157.0	100.5
Receivables		783.7	776.9
Inventories		548.5	632.6
Other		63.3	67.0
Assets classified as held for sale	9	59.5	-
TOTAL CURRENT ASSETS		1,612.0	1,577.0
NON-CURRENT ASSETS			
Receivables		19.2	33.2
Inventories		85.3	61.7
Investments accounted for using the equity method		294.1	298.9
Other financial assets		26.8	30.0
Property, plant and equipment		2,785.1	3,104.0
Intangible assets		277.6	307.8
Deferred tax asset		43.3	-
Other		66.0	78.6
TOTAL NON-CURRENT ASSETS		3,597.4	3,914.2
TOTAL ASSETS		5,209.4	5,491.2
CURRENT LIABILITIES			
Payables		640.9	608.9
Interest bearing loans and borrowings	15	8.9	6.7
Current tax liabilities		98.9	28.5
Provisions		246.0	200.2
Liabilities classified as held for sale	9	9.9	-
TOTAL CURRENT LIABILITIES		1,004.6	844.3
NON-CURRENT LIABILITIES			
Payables		22.1	33.3
Interest bearing loans and borrowings	15	1,330.7	1,607.4
Deferred tax liabilities		118.9	170.6
Provisions		107.0	82.0
TOTAL NON-CURRENT LIABILITIES		1,578.7	1,893.3
TOTAL LIABILITIES		2,583.3	2,737.6
NET ASSETS			
EQUITY			
Issued capital	16	1,724.0	1,691.4
Reserves	17	(38.9)	(43.2)
Retained earnings		938.4	1,104.2
Total parent entity interest		2,623.5	2,752.4
Non-controlling interest		2.6	1.2
TOTAL EQUITY		2,626.1	2,753.6

The balance sheet should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED					
	Issued capital	Reserves	Retained earnings	Parent entity interest	Non-controlling interest	Total equity
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
for the year ended 30 June 2010						
Balance at the beginning of the year	1,691.4	(43.2)	1,104.2	2,752.4	1.2	2,753.6
Net profit/(loss)	-	-	(90.5)	(90.5)	1.2	(89.3)
Other comprehensive income						
Translation of assets and liabilities of overseas controlled entities	-	(66.3)	-	(66.3)	-	(66.3)
Translation of long-term borrowings and foreign currency forward contracts	-	77.4	-	77.4	-	77.4
Fair value adjustment on cash flow hedges	-	10.7	-	10.7	-	10.7
Actuarial loss on defined benefit plans	-	-	(1.6)	(1.6)	-	(1.6)
Income tax relating to components of other comprehensive income	-	(26.4)	0.6	(25.8)	-	(25.8)
Total comprehensive income	-	(4.6)	(91.5)	(96.1)	1.2	(94.9)
Transactions with owners in their capacity as owners						
Shares issued under the dividend reinvestment plan	31.9	-	-	31.9	-	31.9
Shares issued upon the exercise of executive options	0.7	-	-	0.7	-	0.7
Dividend paid	-	-	(74.3)	(74.3)	-	(74.3)
Share-based payments	-	8.9	-	8.9	-	8.9
Total transactions with owners in their capacity as owners	32.6	8.9	(74.3)	(32.8)	-	(32.8)
Other changes in non-controlling interest	-	-	-	-	0.2	0.2
Balance at end of the year	1,724.0	(38.9)	938.4	2,623.5	2.6	2,626.1
for the year ended 30 June 2009						
	Issued capital	Reserves	Retained earnings	Parent entity interest	Non-controlling interest	Total equity
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Balance at the beginning of the year	1,673.1	113.0	1,121.5	2,907.6	2.0	2,909.6
Net profit	-	-	142.0	142.0	0.2	142.2
Other comprehensive income						
Translation of assets and liabilities of overseas controlled entities	-	154.6	-	154.6	-	154.6
Translation of long-term borrowings and foreign currency forward contracts	-	(201.9)	-	(201.9)	-	(201.9)
Fair value adjustment on available for sale financial assets	-	(237.2)	-	(237.2)	-	(237.2)
Fair value adjustment on cash flow hedges	-	(20.6)	-	(20.6)	-	(20.6)
Actuarial loss on defined benefit plans	-	-	(22.6)	(22.6)	-	(22.6)
Income tax relating to components of other comprehensive income	-	138.0	6.9	144.9	-	144.9
Total comprehensive income	-	(167.1)	126.3	(40.8)	0.2	(40.6)
Transactions with owners in their capacity as owners						
Shares issued under the dividend reinvestment plan	49.7	-	-	49.7	-	49.7
Shares issued upon the exercise of executive options	0.1	-	-	0.1	-	0.1
On-market share buy-back	(31.5)	-	-	(31.5)	-	(31.5)
Dividend paid	-	-	(143.6)	(143.6)	-	(143.6)
Share-based payments	-	10.9	-	10.9	-	10.9
Total transactions with owners in their capacity as owners	18.3	10.9	(143.6)	(114.4)	-	(114.4)
Other changes in non-controlling interest	-	-	-	-	(1.0)	(1.0)
Balance at end of the year	1,691.4	(43.2)	1,104.2	2,752.4	1.2	2,753.6

The statement of changes in equity should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Cash Flow Statement

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	Note	CONSOLIDATED	
		2010 \$ millions	2009 \$ millions
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,967.9	5,403.6
Payments to suppliers and employees		(4,422.2)	(4,861.2)
		545.7	542.4
Dividends received		26.6	49.5
Interest received		6.4	4.9
Borrowing costs paid		(107.9)	(130.9)
Income taxes paid		(11.7)	(47.1)
NET CASH PROVIDED BY OPERATING ACTIVITIES		459.1	418.8
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(179.9)	(230.8)
Purchase of intangibles		-	(0.7)
Purchase of controlled entities and businesses (net of cash acquired)		-	(7.1)
Purchase of other investments		(0.1)	(0.9)
Loans to associates		(1.5)	(22.9)
Proceeds from sale of investments		-	205.5
Proceeds on disposal of non-current assets		44.8	49.2
NET CASH USED IN INVESTING ACTIVITIES		(136.7)	(7.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		0.7	0.1
On-market share buy-back		-	(31.5)
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$31.9 million (2009: \$49.7 million))		(42.4)	(93.9)
Proceeds from borrowings		8.4	188.6
Repayment of borrowings		(232.5)	(424.4)
NET CASH USED IN FINANCING ACTIVITIES		(265.8)	(361.1)
NET CHANGE IN CASH AND CASH EQUIVALENTS			
		56.6	50.0
Cash and cash equivalents at beginning of the year		100.5	47.4
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(0.1)	3.1
Cash and cash equivalents at end of the year	20	157.0	100.5

The cash flow statement should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES

Boral Limited is a company domiciled in Australia. The consolidated full year financial report of the Company as at and for the full year ended 30 June 2010 comprises of Boral Limited and its controlled entities (the "Group").

(a) Basis of Preparation

This report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001 for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The report is presented in Australian dollars.

A full description of the accounting policies adopted by the Group may be found in the Group's full financial statements.

(b) Significant Accounting Policies

The accounting policies have been applied consistently to all periods presented in the consolidated financial report. The financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Changes in Accounting Policies

From 1 July 2009 the Group has adopted the following Standards and interpretations. The adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

- AASB 8 *Operating Segments*
- AASB 101 *Revised Presentation of Financial Statements*
- AASB 2007-3 *Amendments to Australian Financial Standards arising from AASB 8*
- AASB 2007-8 *Amendments to Australian Financial Standards arising from AASB 101*

The adoption of AASB 8 Operating Segments has resulted in a revision of the Group's reportable segments. AASB 8 Operating Segments requires a "management approach" under which operating segments are presented on the same basis as that used for internal reporting, and is reviewed by the chief operating decision maker being CEO. Previously segments were presented by business and geographical segments determined using a risk and rewards approach. Comparatives have been restated.

AASB 101 has impacted the presentation of the Statement of Comprehensive Income and Statement of Changes in Equity. As the standard only impacts presentation there is no impact on earnings per share.

(d) Comparative Figures

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(e) Rounding of Amounts

The Company is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

The adoption of AASB 8 *Operating Segments* has resulted in a revision of the Group's reportable segments. AASB 8 requires a "management approach" under which operating segments are presented on the same basis as that used for internal reporting, and is reviewed by the chief operating decision maker being the CEO. Previously segments were presented by business and geographical segments determined using a risk and rewards approach. Comparatives have been restated.

The Group's reportable segments are detailed below. The Building Products segment reflects the operations of the Clay and Concrete products, Plasterboard and Timber divisions which satisfy the aggregation criteria as defined in the standard.

The following summary describes the operations of the Group's reportable segments:

Boral Construction Materials	-	Quarries, concrete, asphalt, transport and quarry end use.
Cement Division	-	Cement, Asian concrete, quarries and pipes.
Boral Building Products	-	Australian plasterboard, bricks, timber products, roof tiles, masonry and Asian plasterboard.
United States of America	-	Bricks, roof tiles, fly ash, concrete, quarries and masonry.
Other	-	Concrete placing and windows.
Discontinued Operations	-	Scaffolding and precast panels.
Unallocated	-	Non-trading operations and unallocated corporate costs.

The major end use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

Inter-segment pricing is determined on an arm's-length basis.

Segment results, assets and liabilities includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	CONSOLIDATED	
	2010	2009
Reconciliations of reportable segment revenues and profits	\$ millions	\$ millions
Revenues		
External revenue	4,599.3	4,875.1
Less revenue from discontinued operations	(105.5)	(147.4)
Revenue for continuing operations	4,493.8	4,727.7
Profit before income tax		
Profit/(loss) before net financing costs and income tax expense for reportable segments	(33.1)	206.4
Losses from discontinued operations	18.6	4.9
Significant items applicable to discontinued operations	75.7	17.2
Net financing costs	(97.0)	(97.7)
Profit/(loss) before tax for continuing operations	(35.8)	130.8

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	2010 \$ millions	2009 \$ millions	2010 \$ millions	2009 \$ millions	2010 \$ millions	2009 \$ millions
	TOTAL REVENUE		INTERNAL REVENUE		EXTERNAL REVENUE	
Boral Construction Materials	2,266.2	2,411.8	147.7	150.8	2,118.5	2,261.0
Cement Division	706.3	701.0	194.1	192.5	512.2	508.5
Boral Building Products	1,212.6	1,144.6	7.0	7.8	1,205.6	1,136.8
United States of America	363.7	545.2	-	-	363.7	545.2
Other	293.8	260.0	-	-	293.8	260.0
Discontinued Operations	108.0	151.9	2.5	4.5	105.5	147.4
Dividend income	-	16.2	-	-	-	16.2
	4,950.6	5,230.7	351.3	355.6	4,599.3	4,875.1
	OPERATING PROFIT (EXCLUDING ASSOCIATES)		EQUITY ACCOUNTED RESULTS OF ASSOCIATES		PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE	
Boral Construction Materials	203.3	231.2	(2.3)	0.1	201.0	231.3
Cement Division	75.3	92.2	12.6	16.2	87.9	108.4
Boral Building Products	72.6	28.9	28.1	24.1	100.7	53.0
United States of America	(85.6)	(79.9)	(18.1)	(28.9)	(103.7)	(108.8)
Other	6.3	1.6	-	-	6.3	1.6
Discontinued Operations	(18.6)	(4.9)	-	-	(18.6)	(4.9)
Dividend income	-	16.2	-	-	-	16.2
Unallocated	(21.7)	(21.1)	-	-	(21.7)	(21.1)
	231.6	264.2	20.3	11.5	251.9	275.7
Significant items (refer Note 8)	(243.2)	(58.3)	(41.8)	(11.0)	(285.0)	(69.3)
	(11.6)	205.9	(21.5)	0.5	(33.1)	206.4
	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES		TOTAL ASSETS	
Boral Construction Materials	1,634.0	1,728.4	1.4	1.1	1,635.4	1,729.5
Cement Division	832.2	873.2	18.8	12.6	851.0	885.8
Boral Building Products	1,297.8	1,343.9	232.3	219.6	1,530.1	1,563.5
United States of America	775.1	886.4	41.6	65.6	816.7	952.0
Other	90.8	81.5	-	-	90.8	81.5
Discontinued Operations	59.5	146.1	-	-	59.5	146.1
Unallocated	25.6	32.3	-	-	25.6	32.3
	4,715.0	5,091.8	294.1	298.9	5,009.1	5,390.7
Cash and cash equivalents	157.0	100.5	-	-	157.0	100.5
Tax assets	43.3	-	-	-	43.3	-
	4,915.3	5,192.3	294.1	298.9	5,209.4	5,491.2
	LIABILITIES		ACQUISITION OF SEGMENT ASSETS		DEPRECIATION AND AMORTISATION	
Boral Construction Materials	358.1	342.9	80.9	95.3	95.5	99.3
Cement Division	126.3	93.0	25.6	36.4	52.7	48.2
Boral Building Products	216.4	195.6	59.1	60.8	57.4	56.8
United States of America	134.2	139.6	9.4	26.3	36.8	48.3
Other	58.1	30.8	2.5	5.1	3.6	3.1
Discontinued Operations	9.9	18.7	2.3	7.3	5.8	6.8
Unallocated	122.9	103.8	0.1	0.3	0.8	0.8
	1,025.9	924.4	179.9	231.5	252.6	263.3
Interest bearing loans and borrowings	1,339.6	1,614.1	-	-	-	-
Tax liabilities	217.8	199.1	-	-	-	-
	2,583.3	2,737.6	179.9	231.5	252.6	263.3

Geographical information

For the year ended 30 June 2010, the Group's trading revenue from external customers in Australia amounted to \$4,007.6 million (2009: \$4,094.3 million), with \$228.0 million (2009: \$219.4 million) from the Asian operations and \$363.7 million (2009: \$545.2 million) relating to operations in the USA. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia amounted to \$2,584.3 million (2009: \$2,833.1 million), with \$310.3 million (2009: \$295.1 million) in Asia and \$632.7 million (2009: \$756.0 million) in the USA.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		2010 \$ millions	2009 \$ millions
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		4,448.2	4,666.5
Rendering of services		45.6	45.0
		4,493.8	4,711.5
Other revenues			
Dividends from other parties		-	16.2
Revenue from continuing operations		4,493.8	4,727.7
4. OTHER INCOME			
Significant item	8	-	38.3
Net profit on sale of assets		18.5	14.6
Other income		7.3	8.5
Other income from continuing operations		25.8	61.4
5. OTHER EXPENSES			
Significant item	8	167.5	79.4
Net foreign exchange loss		2.1	2.5
Other expenses from continuing operations		169.6	81.9
6. SHARE OF NET PROFIT OF ASSOCIATES			
Share of associates' underlying net profit		20.3	11.5
Significant item	8	(41.8)	(11.0)
		(21.5)	0.5
7. NET FINANCING COSTS			
Interest income received or receivable from:			
Associated entities		2.0	2.6
Other parties (cash at bank and bank short-term deposits)		3.3	3.2
Unwinding of discount		-	2.2
Significant item - interest recoveries	8	-	29.5
		5.3	37.5
Interest expense paid or payable to:			
Other parties (bank overdrafts, bank loans and other loans)		99.4	133.9
Finance charges on capitalised leases		-	0.1
Unwinding of discount		2.9	1.2
		102.3	135.2
Net financing costs		(97.0)	(97.7)
Net financing costs (excluding significant items)		(97.0)	(127.2)
Significant item - interest recoveries	8	-	29.5
Net financing costs		(97.0)	(97.7)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2010	2009
	\$ millions	\$ millions
8. SIGNIFICANT ITEMS		
Net profit/(loss) includes the following items whose disclosure is relevant in explaining the financial performance of the Group:		
Continuing operations		
Disposal of investment		
Profit on sale of shares in Adelaide Brighton Limited	-	38.3
	-	38.3
Impairment of assets, businesses and demolition costs		
Goodwill	(4.3)	(30.8)
Property, plant and equipment	(92.3)	(21.4)
Other intangible assets	(3.3)	-
Investments accounted for using the equity method	(41.8)	(11.0)
Inventory	(30.6)	-
Provision for demolition costs	(22.8)	-
Other	(0.5)	-
	(195.6)	(63.2)
Organisational restructure		
Corporate and divisional restructure and simplification	(13.7)	-
	(13.7)	-
Onerous contract		
US contractual obligations	-	(27.2)
	-	(27.2)
Total significant items before interest and tax, excluding discontinued operations		
	(209.3)	(52.1)
Tax matters		
Interest recoveries	-	29.5
	-	29.5
Summary of significant items from continuing operations		
Profit/(loss) before interest and tax	(209.3)	(52.1)
Interest recoveries	-	29.5
Income tax (expense)/benefit	46.1	7.2
Income tax benefit - resolution of tax matters	-	43.4
Net significant items - continuing operations	(163.2)	28.0
Discontinued operations		
Impairment of businesses		
Goodwill	-	(17.2)
Property, plant and equipment	(70.4)	-
Other	(5.3)	-
	(75.7)	(17.2)
Summary of significant items from discontinued operations		
Profit/(loss) before interest and tax	(75.7)	(17.2)
Income tax (expense)/benefit	16.8	-
Net significant items - discontinued operations	(58.9)	(17.2)
Summary of significant items		
Profit/(loss) before interest and tax	(285.0)	(69.3)
Interest recoveries	-	29.5
Income tax (expense)/benefit	62.9	7.2
Income tax benefit - resolution of tax matters	-	43.4
Net significant items	(222.1)	10.8

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

8. SIGNIFICANT ITEMS (continued)

2010 Significant Items

Impairment of assets, businesses and demolition costs

During the year the Group completed a comprehensive strategic review of Boral's portfolio of businesses, operations and structures. The strategic review identified a number of poorer performing assets and assets which could derive greater value from alternative ownership. As a result the Group has reviewed the carrying value of its underperforming businesses, reviewed slow moving inventories and under-utilised and redundant plant. This resulted in a write-down of \$16.9 million in respect of the Thailand Construction Materials business, \$43.1 million in respect of US mothballed brick and tile plants, closure costs and associated obsolete and slow moving inventory, \$41.8 million in respect of the write-off of the Group's share of urban land development costs of an associate, Penrith Lakes Development Corporation Limited, and \$93.8 million in respect of Australian mothballed and obsolete assets, closure costs and write off of slow moving inventories.

Organisational restructure

As part of the strategic review the Group announced a number of initiatives to simplify the business and improve the operational effectiveness of the Group. As part of this review a new structure of five divisions report to the Chief Executive.

2009 Significant Items

Disposal of investment

The Group recognised a profit of \$38.3 million from the sale of 107.8 million shares in Adelaide Brighton Limited for net consideration of \$205.5 million.

Impairment of assets

The Group reviewed the carrying value of its assets including goodwill having regard to the current and anticipated future market conditions which resulted in a write-down of the value of the goodwill and assets by \$80.4 million. In the USA, goodwill arising on the acquisition of construction materials businesses in Colorado and Oklahoma was written down by \$30.8 million due to weak market volumes. The Group had also written down the value of goodwill by \$17.2 million relating to the precast concrete panels business in the Construction Related Businesses. Penrith Lakes Development Corporation Limited, an associate, assessed the carrying value of freehold land acquired for quarrying and urban development and capitalised acquisition and development costs and recorded an impairment charge in its accounts. The net impact of this impairment charge included in equity income of the Group is \$11.0 million. At 30 June 2009, the Group wrote down the value of assets other than goodwill by \$21.4 million. This related to idle brick plants in the USA (\$13.1 million) and in Boral Building Products - Australia (\$4.0 million) as well as previously capitalised project costs in Asia (\$4.3 million).

Onerous contract

The Group recognised an amount of \$27.2 million, reflecting expected future losses on contractual obligations in the fly ash operations in the USA.

Tax related matters

Ongoing enquiries were made by the Australian Taxation Office (ATO) relating to a transaction occurring at the time of the demerger. The ATO advised the Group that it no longer intended to pursue this matter. In the USA, the Internal Revenue Service (IRS) was reviewing two transactions which occurred prior to the demerger which it believed may have resulted in additional assessable income to the Group. Agreement was reached with the IRS in relation to both of these matters.

Summary of significant items

for the year ended 30 June	CONSOLIDATED	
	2010 \$ millions	2009 \$ millions
Boral Construction Materials	(59.5)	(11.0)
Cement Division	(38.7)	(4.3)
Boral Building Products	(67.0)	(4.0)
United States of America	(43.1)	(71.1)
Discontinued Operations	(75.7)	(17.2)
Unallocated	(1.0)	38.3
	(285.0)	(69.3)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the year the Group completed a review of underperforming businesses as part of its Strategic Review Process. As a result the Group commenced an active program to divest both its Precast Panels and Scaffolding businesses. The comparative income statement has been re-presented to show the discontinued operations separately from continuing operations.

for the year ended 30 June	CONSOLIDATED	
	2010 \$ millions	2009 \$ millions
Results of discontinued operations		
Revenue	105.5	147.4
Expenses	(124.1)	(152.3)
Profit/(loss) before income tax expense (excluding significant items)	(18.6)	(4.9)
Income tax benefit (excluding significant items)	5.7	1.0
Profit/(loss) before significant items	(12.9)	(3.9)
Impairment of assets	(75.7)	(17.2)
Income tax benefit, significant items	16.8	-
Net significant items	(58.9)	(17.2)
Net profit/(loss)	(71.8)	(21.1)
Basic earnings/(loss) per share	(12.1c)	(3.6c)
Diluted earnings/(loss) per share	(12.1c)	(3.6c)
The profit/(loss) from discontinued operations is attributable entirely to the Group.		
Cash flows from/(used in) discontinued operations		
Net cash from/(used in) operating activities	0.8	18.2
Net cash from/(used in) investing activities	(2.2)	(5.6)
Net cash from/(used in) financing activities	-	-
Net cash from/(used in) discontinued operations	(1.4)	12.6

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2010	2009
	\$ millions	\$ millions
9. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)		
Assets classified as held for sale		
Property, plant and equipment	33.1	-
Intangible assets	8.3	-
Inventories	6.8	-
Trade and other receivables	11.0	-
Other assets	0.3	-
	59.5	-
Liabilities classified as held for sale		
Payables	4.6	-
Interest bearing loans and borrowings	0.1	-
Provisions	5.2	-
	9.9	-
Net Assets	49.6	-

The Construction Related Businesses of Precast Panels and Scaffolding have been presented as discontinued operations held for sale following the Group's commencement of an active sale process. Subsequent to year end, sale and purchase agreements have been signed. An impairment loss of \$58.9 million after tax on the remeasurement of the Discontinued Businesses to the lower of their carrying values and their fair values less costs to sell has been recognised in the results of the discontinued operations for the year ended 30 June 2010.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED

	Note	2010 \$ millions	2009 \$ millions
10. INCOME TAX EXPENSE			
Reconciliation of income tax expense to prima facie tax			
Income tax expense/(benefit) on profit:			
- at Australian tax rate 30% (2009: 30%)		(39.0)	32.6
- adjustment for difference between Australian and overseas tax rates		(16.7)	(15.1)
Income tax expense/(benefit) on pre-tax profit at standard rates		(55.7)	17.5
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:			
Tax losses not recognised		2.9	1.1
Non-deductible depreciation and amortisation		2.7	2.3
Capital gains/(losses) brought to account		0.1	1.0
Share of associates' net profit and franked dividends (excluding significant items)		(11.3)	(12.4)
Share of associates' net profit - significant item		12.5	3.3
Franked dividends from other entities		-	(4.8)
Non-deductible impairment of assets		13.8	6.4
Other items		(1.4)	(0.9)
Income tax expense/(benefit) on resolution of matters with Australian and US taxation authorities	8	-	(43.4)
Income tax expense/(benefit) on profit		(36.4)	(29.9)
Over provision for tax in previous years		(4.4)	(3.6)
Income tax benefit attributable to profit		(40.8)	(33.5)
Income tax expense/(benefit) from continuing operations			
Income tax expense/(benefit) excluding significant items		27.8	18.1
Income tax expense/(benefit) significant items		(46.1)	(50.6)
		(18.3)	(32.5)
Income tax expense/(benefit) from discontinued operations			
Income tax expense/(benefit) excluding significant items		(5.7)	(1.0)
Income tax expense/(benefit) significant items		(16.8)	-
		(22.5)	(1.0)
		(40.8)	(33.5)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

11. EARNINGS PER SHARE

Classification of securities as ordinary shares

Only ordinary shares have been included in basic earnings per share (EPS).

Classification of securities as potential ordinary shares

Options outstanding under the Executive Share Option Plan and Share Performance Rights have been classified as potential ordinary shares and are included in diluted earnings per share only.

	CONSOLIDATED	
	2010	2009
	\$ millions	\$ millions
Earnings reconciliation		
Net profit before significant items and non-controlling interests	132.8	131.4
Attributable to non-controlling interests	(1.2)	(0.2)
Net profit excluding significant items	131.6	131.2
Net significant items	(222.1)	10.8
Net profit/(loss) attributable to members of the parent entity	(90.5)	142.0

	CONSOLIDATED	
	2010	2009
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	595,848,789	589,679,255
Effect of potential ordinary shares	3,660,323	2,466,892
Number for diluted earnings per share	599,509,112	592,146,147
Basic earnings per share	(15.2c)	24.1c
Diluted earnings per share	(15.2c)	24.0c
Basic earnings per share (excluding significant items)	22.1c	22.2c
Diluted earnings per share (excluding significant items)	22.0c	22.2c
Basic earnings per share (continuing operations)	(3.1c)	27.7c
Diluted earnings per share (continuing operations)	(3.1c)	27.6c

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

12. DIVIDENDS

Dividends recognised by the Group are:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
2010				
2009 final - ordinary	5.5 cents	32.6	5.5 cents	28 September 2009
2010 interim - ordinary	7.0 cents	41.7	7.0 cents	23 March 2010
Total		74.3		
2009				
2008 final - ordinary	17.0 cents	99.6	17.0 cents	18 September 2008
2009 interim - ordinary	7.5 cents	44.0	7.5 cents	3 April 2009
Total		143.6		

Subsequent Event

Since the end of the financial year, the Directors declared the following dividend:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
2010 final - ordinary	6.5 cents	46.7	6.5 cents	28 September 2010

The final dividend is based on shares on issue as at the 11 August 2010, which includes shares issued under the recent capital raising. The financial effect of the final dividend for the year ended 30 June 2010 has not been brought to account in the financial statements for the year but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan will operate in respect of the payment of the final dividend and the last date for the receipt of an election notice for participation in the plan is 30 August 2010.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Country of incorporation	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
				2010 %	2009 %
DETAILS OF INVESTMENTS IN ASSOCIATES ARE AS FOLLOWS					
Bitumen Importers Australia Pty Ltd	Non trading	Australia	30-Jun	50	-
Caribbean Roof Tile Company Limited	Roof tiles	Trinidad	31-Dec	50	50
Flyash Australia Pty Ltd	Fly ash collection	Australia	31-Dec	50	50
Gypsum Resources Australia Pty Ltd	Gypsum mining	Australia	30-Jun	50	50
Highland Pine Products Pty Ltd	Timber	Australia	30-Jun	50	50
Lafarge Boral Gypsum in Asia Ltd	Plasterboard	Malaysia	31-Dec	50	50
MonierLifetile LLC	Roof tiles	USA	31-Dec	50	50
MonierLifetile S.R.L. de C.V.	Roof tiles	Mexico	31-Dec	50	50
Penrith Lakes Development Corporation Pty Ltd	Quarrying	Australia	30-Jun	40	40
Rondo Building Services Pty Ltd	Rollform systems	Australia	30-Jun	50	50
South East Asphalt Pty Ltd	Asphalt	Australia	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	Australia	30-Jun	50	50
Tile Service Company LLC	Roof tiles	USA	31-Dec	50	50
US Tile LLC	Roof tiles	USA	31-Dec	50	50

	CONSOLIDATED	
	2010 \$ millions	2009 \$ millions
RESULTS OF ASSOCIATES		
Share of associates' underlying profit before income tax expense	42.2	31.0
Share of associates' underlying income tax expense	(19.7)	(17.6)
Non-controlling interest	(2.2)	(1.9)
	20.3	11.5
Significant item ¹	(41.8)	(11.0)
Share of associates' net profit/(loss) - equity accounted	(21.5)	0.5

¹ Relates to Penrith Lakes Development Corporation Pty Ltd

Results of associates include the following:

Share of associates' net profit/(loss) - equity accounted:

Lafarge Boral Gypsum in Asia Ltd	17.6	13.4
MonierLifetile LLC * and MonierLifetile S.R.L. de C.V.	(16.6)	(26.4)

* Taxed as a partnership in the USA.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2010	2009
14. NET TANGIBLE ASSET BACKING		
Net tangible asset backing per ordinary security	\$3.92	\$4.12

	2010	2009
	\$ millions	\$ millions
15. INTEREST BEARING LOANS AND BORROWINGS		
CURRENT		
Bank loans - unsecured	8.4	5.8
Other loans - unsecured	0.4	0.6
Finance lease liabilities	0.1	0.3
	8.9	6.7
NON-CURRENT		
Bank loans - unsecured	58.5	223.0
Other loans - unsecured	1,272.2	1,384.4
	1,330.7	1,607.4
	1,339.6	1,614.1

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	CONSOLIDATED				
	Currency	Effective interest rate	Year of maturity	2010 Carrying amount \$ millions	2009 Carrying amount \$ millions
CURRENT					
Bank loans - unsecured	THB	3.30%	2011	8.4	5.8
Other loans - unsecured	AUD	-	2011	0.4	0.6
Finance lease liabilities	AUD	6.00%	2011	0.1	0.3
				8.9	6.7
NON-CURRENT					
US senior notes - unsecured	USD	6.43%	2012-2020	1,271.2	1,323.2
Syndicated term credit facility - unsecured	USD	-	-	-	124.6
Syndicated term credit facility - unsecured	AUD	-	-	-	40.0
AUD notes - unsecured	AUD	-	-	-	59.7
Bank loans - unsecured	THB	3.60%	2012	58.5	58.4
Other loans - unsecured	AUD	-	2014	1.0	1.5
				1,330.7	1,607.4
TOTAL				1,339.6	1,614.1

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2010	2009
	\$ millions	\$ millions
16. ISSUED CAPITAL		
ISSUED AND PAID-UP CAPITAL		
598,952,998 (2009: 592,890,530) ordinary shares, fully paid	1,724.0	1,691.4
MOVEMENTS IN ORDINARY SHARE CAPITAL		
Balance at the beginning of year	1,691.4	1,673.1
5,895,282 (2009: 12,083,777) shares issued under the Dividend Reinvestment Plan	31.9	49.7
167,186 (2009: 21,692) shares issued upon the exercise of executive options	0.7	0.1
Nil (2009: 4,950,202) on-market share buy-back	-	(31.5)
Balance at the end of the year	1,724.0	1,691.4

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

17. RESERVES

Foreign currency translation reserve	(75.0)	(62.9)
Hedging reserve - cash flow hedges	(1.1)	(8.6)
Share-based payments reserve	37.2	28.3
	(38.9)	(43.2)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

18. CONTINGENT LIABILITIES

The Company has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to controlled entities.

A number of sites within the Group have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed, estimated clean-up costs have been expensed or provided for. For some sites, the requirements cannot be reliably assessed at this stage.

Certain entities within the Group are subject to various lawsuits and claims in the ordinary course of business.

Consistent with other companies of the size and diversity of Boral, the Group is the subject of periodic information requests, investigations and audit activity by the Australian Taxation Office (ATO) and taxation authorities in other jurisdictions in which Boral operates.

A deed was entered into at the time of the demerger which contained certain indemnities and other agreements between the Company and Origin Energy Limited (Origin) and their respective controlled entities covering the transfer of the businesses, investments, tax, other liabilities, debt and assets of the Group and some temporary shared arrangements. A number of matters have been resolved with both the Australian and United States taxation authorities which are likely to give rise to claims by the Group under the demerger deed. As the settlement resulted in a payment to the ATO, Origin is likely to rely on indemnities contained in the demerger deed.

The Group has considered all of the above claims and, where appropriate, sought independent advice and believes it holds appropriate provisions.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

19. ACQUISITION/DISPOSAL OF CONTROLLED ENTITIES

There were no material acquisitions, disposals or loss of control over any entities during the reporting period.

	CONSOLIDATED	
	2010 \$ millions	2009 \$ millions
20. NOTES TO CASH FLOW STATEMENT		
(i) Reconciliation of cash and cash equivalents		
Cash includes cash on hand, at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	157.0	100.5
	157.0	100.5
(ii) The following non-cash financing and investing activities have not been included in the cash flow statement:		
Dividends reinvested under the Dividend Reinvestment Plan	31.9	49.7

21. SUBSEQUENT EVENTS

(i) Acquisition

During July 2010 the Group announced the acquisition of the remaining 50% interest in MonierLifetile for US\$75 million.

(ii) Capital raising

During July the Group announced a capital raising of approximately \$490 million before costs. The capital raising consisted of a 1 for 5 accelerated renounceable entitlement offer at an offer price of \$4.10 per share.

(iii) Disposal of businesses

In August 2010 the Group announced the disposal of its Scaffolding and Precast Panels businesses for consideration of around \$50 million which approximated the carrying value as at 30 June 2010.

Refer to Note 9 for further details.

Annual General Meeting

The annual general meeting will be held as follows:

Place:

City Recital Hall, Angel Place, Sydney

Date:

Thursday, 4 November 2010

Time:

10.30 am

Approximate date the annual report will be available:

24 September 2010

Compliance Statement

- 1 The financial statements are in the process of being audited.
- 2 The entity has a formally constituted audit committee.