



RESULTS

For the full year to 30 June 2015

27 August 2015



Agenda



- **Results Overview**

Mike Kane

- **Financial Results**

Ros Ng

- **Strategic Priorities & Outlook**

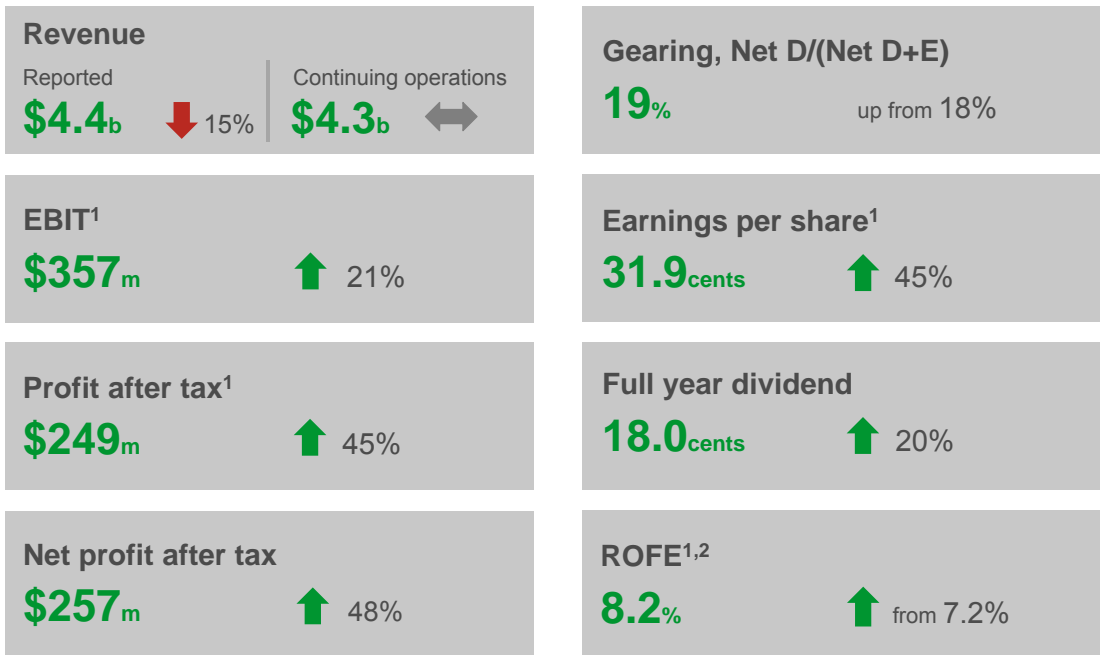
Mike Kane



Boral is supplying concrete for Meriton's Sundale Apartments: a 55-storey residential tower in Southport, Gold Coast, Queensland

Full year result highlights

Boral delivers significant profit improvements



1. Excluding significant items
 2. Return on funds employed as at 30 June 2015

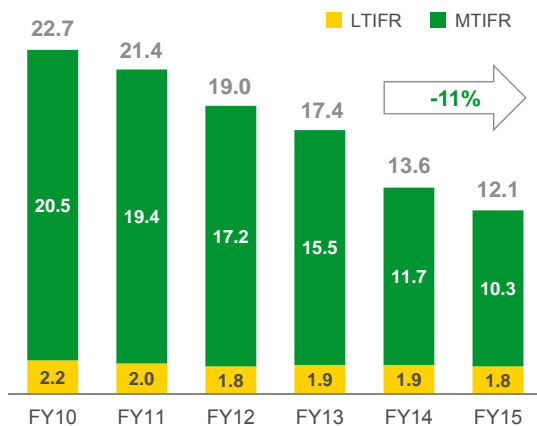
Safety performance

Our goal is to achieve ZERO HARM for all Boral employees and contractors



Employee and Contractor RIFR¹

(per million hours worked)



- Continuing to reduce injuries with **11% decrease in RIFR to 12.1 in FY2015**, from 13.6 in FY2014
 - **LTIFR reduced 5% to 1.8 in FY2015**
 - **MTIFR reduced 12% to 10.3 in FY2015**
- Fatality free since December 2013; the longest fatality-free period since 2002
- Increasingly **monitoring leading indicators of safety**, including hazard reporting and corrective action management

1. Recordable Injury Frequency Rate, which comprises Medical Treatment Injury Frequency Rate (MTIFR) and Lost Time Injury Frequency Rate (LTIFR). Includes employees and contractors in 100%-owned businesses and 50%-owned joint venture operations

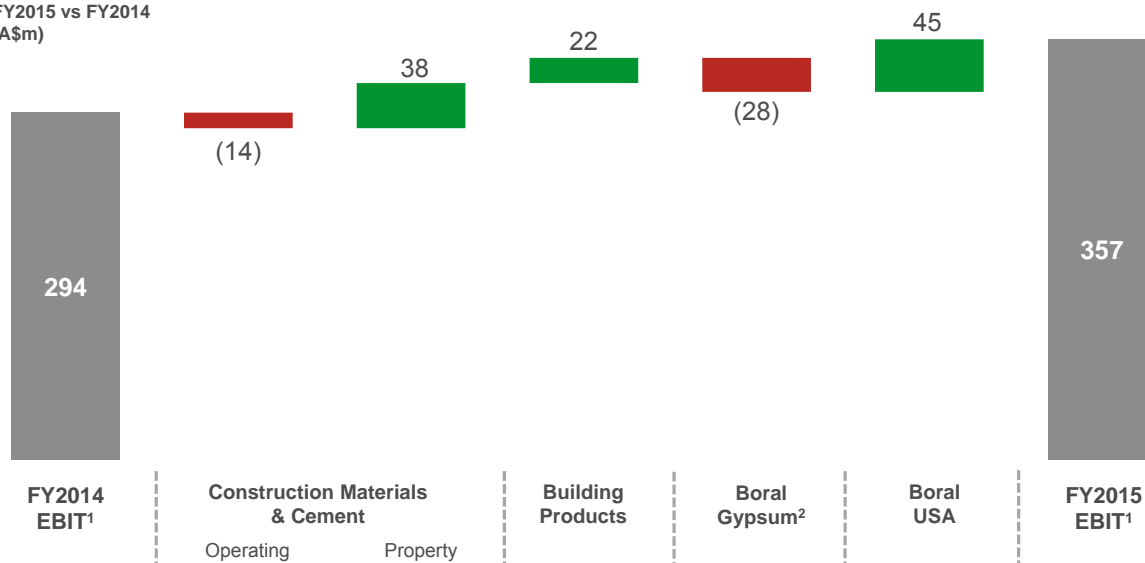
Strong earnings performance

Boral USA, Building Products and Property sales drive earnings strength



EBIT¹ variance

FY2015 vs FY2014
(A\$m)



1. Excluding significant items

2. Boral Gypsum FY2015 EBIT represents Boral's 50% post-tax equity accounted income from USG Boral; FY2014 EBIT represents 8 months of 100% consolidated earnings and 4 months of 50% post-tax equity accounted income from USG Boral. Underlying USG Boral EBIT of \$141m in FY2015 is up 38% on FY2014.

(Figures may not add due to rounding)

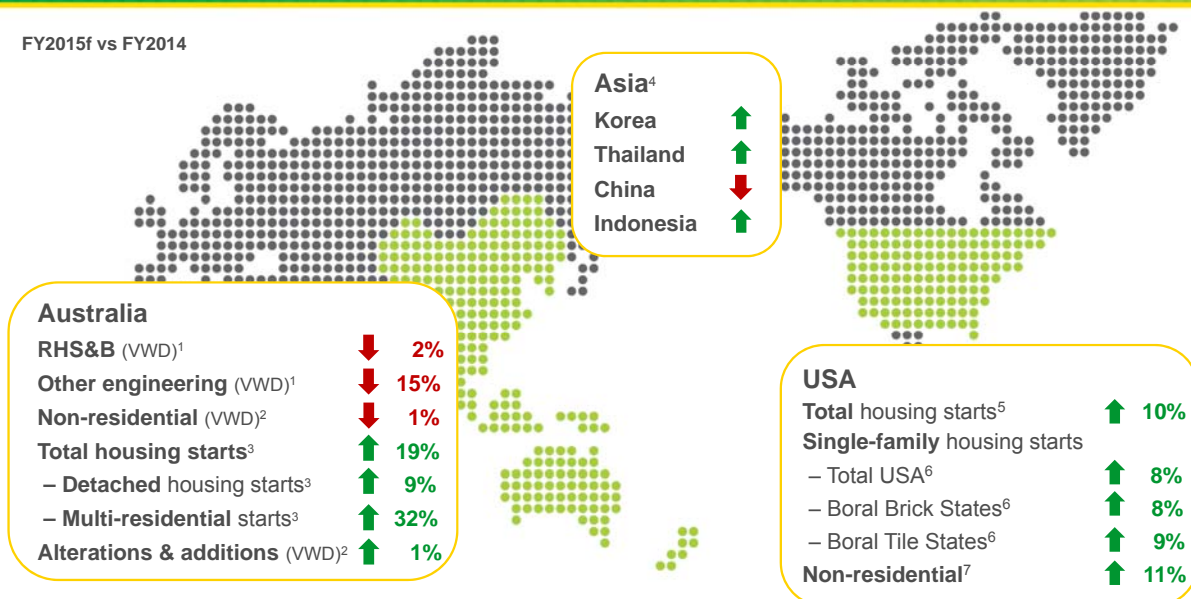
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Mixed movements in market activity

Housing markets stronger with modest decline in Australian roads and continued slowdown in engineering construction



FY2015f vs FY2014



1. RHS&B refers to roads, highways, subdivisions and bridges. RHS&B value of work done (VWD) is forecast to decrease by 2% in FY2015f, based on an average of BIS and Macromonitor forecasts. Other engineering VWD is forecast to decline based on BIS forecasts

2. VWD from ABS in 2012/13 constant prices. Average of BIS and Macromonitor forecast used for Jun-15 quarter

3. ABS original data. HIA forecast used for Jun-15 quarter

4. Based on various indicators of building and construction activity in key markets in Boral's respective countries of operation. For China this is defined as the high-end market in regions in which USG Boral operates

5. US Census Bureau seasonally adjusted data

6. Data from McGraw Hill / Dodge. Boral Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral Tile States include: Arizona, California, Florida, Nevada

7. McGraw Hill / Dodge value of work completed. Forecast used for Jun-15 quarter

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ROFE improvement across all divisions

All divisions reported positive ROFE for FY2015



Construction Materials & Cement

ROFE¹ %

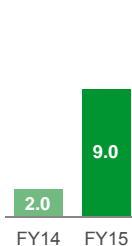


Solid returns with further gains

- Strong NSW market and increased residential activity
- Focus on improvements and cost reduction
- Realignment of businesses to cyclical demand
- Larger contribution from Property earnings in FY2015

Building Products

ROFE¹ %

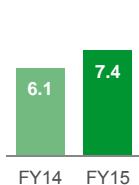


Strong earnings improvement

- Improved housing activity in NSW, Qld, Vic and WA
- Pricing improvements across all products and markets
- Improved operational performance and production volume leverage

Boral Gypsum²

ROFE^{1,2} %

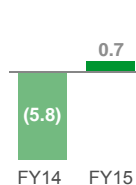


Volume and price growth

- Strong earnings results from Australia, Korea, Thailand and Indonesia
- Successful launch of Sheetrock[®] Brand products
- Cost reduction program delivered significant benefits

Boral USA

ROFE¹ %



Breaks through to profitability

- Leveraged to continuing housing market recovery
- Volume and price gains across most businesses
- Significant cost savings through restructuring and SG&A reductions

1. EBIT return on 30 June divisional funds employed (segment assets less segment liabilities). EBIT excludes significant items
2. Based on USG Boral's underlying EBIT return on funds employed at 30 June

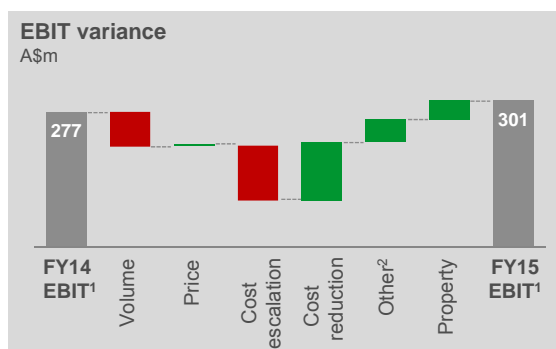


Construction Materials & Cement

Maintaining profitability despite lower major road, infrastructure and engineering activity



A\$m	FY2015	FY2014	Var, %
Revenue	3,091	3,287	(6)
EBITDA ¹	485	445	9
EBIT¹	301	277	9
EBIT ROS ¹ , %	9.8	8.4	
Net Assets	2,086	2,172	
ROFE ¹ , %	14.5	12.7	



1. Excluding significant items
2. Other includes Asphalt and DMG contracting margins

Revenue

\$3.1b ↓ 6%

EBIT

\$301m ↑ 9%

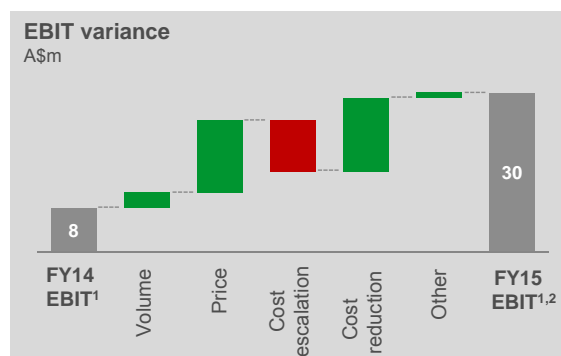
- Higher earnings from Property, Asphalt, Cement and Concrete Placing, offset by lower earnings in Concrete and Quarries
- Concrete volumes up 3% on stronger housing construction activity; like-for-like prices flat
- Quarries volumes down 2%, especially in SEQ and from reduction in regional infrastructure projects; aggregates like-for-like prices down 2%
- Asphalt impacted by continued weakness in RHS&B activity, but strong margin growth delivered despite lower volumes
- Cement earnings remained strong despite revenue decline from changed wholesale supply agreements
- Property contributed \$46m to EBIT, up from \$8m in FY2014

Building Products

Increased housing activity and cost savings support improved profitability across all products



A\$m	FY2015 ²	FY2014	Var, %
Revenue	485	487	-
EBITDA ¹	50	29	70
EBIT¹	30	8	260
EBIT ROS ¹ , %	6.1	1.7	
Net Assets	328	409	
ROFE ¹ , %	9.0	2.0	



1. Excluding significant items
2. Includes 10 months of 100% consolidated earnings from East Coast Bricks and 2 months of 40% post-tax equity accounted income from Boral CSR Bricks JV

Revenue **\$485m** ↔ EBIT **\$30m** ↑ from \$8m

- **Revenue broadly steady**, reflecting:
 - Price gains and stronger housing activity, offset by
 - Absence of 2 months of East Coast Bricks revenue following formation of Boral CSR bricks JV on 1 May 2015
- **\$22m EBIT improvement** reflects improved pricing, production volume leverage, and improved operational performance and costs
- **Bricks** volumes up 5% in line with strength in housing construction activity; average selling prices up 3%
- **Roofing** volume and price growth modest, driven by Victoria and SA
- **Timber** revenue down 3%; growth in Softwood partially offsetting decline in Hardwood

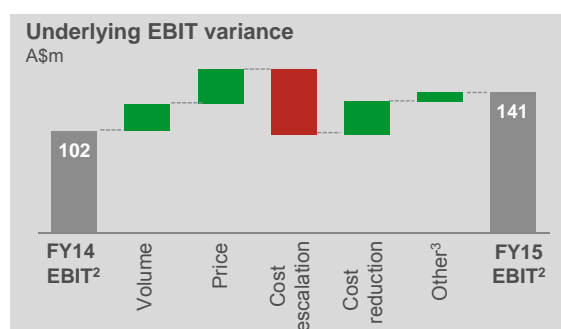
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Boral Gypsum (50%-owned USG Boral JV)

Strong price discipline, larger product range and market activity drive significant growth



A\$m	FY2015	FY2014	Var, %
Reported Gypsum result¹			
EBIT ^{1,2}	-	67	
Equity income ^{1,2}	49	10	
Underlying Gypsum result			
Revenue	1,268	1,091	16
EBITDA ²	201	148	36
EBIT²	141	102	38
EBIT ROS ² , %	11.1	9.3	
Net Assets	1,901	1,665	
ROFE ² , %	7.4	6.1	



Underlying Revenue **\$1.3b** ↑ 16% Underlying EBIT **\$141m** ↑ 38%

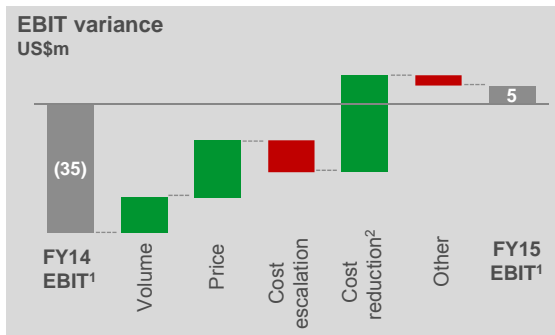
- **Margin expansion in all key regions** driven by increases in board volumes and price, and increase in non-board product sales
- **US\$24m in cost savings** from restructuring and improvement initiatives
- **Successful launch of Sheetrock®** in Australia, Korea, Thailand, Indonesia and China attracting price premium above 5%
- **Strong revenue growth** in Australia and Asia
 - **Australia:** driven by increased housing market activity, particularly NSW and Victoria
 - **Asia:** reflects strong price gains and significant growth in non-board sales
- **Roll-out of Sheetrock® technology** on track to remain within 2-year capex of US\$50m

1. Gypsum consolidated results for period Jul-13 to Feb-14; post tax equity accounted income for period Mar-14 to Jun-15
2. Excluding significant items
3. Includes foreign exchange impact and share of JV partners' profits/losses

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A\$m	FY2015	FY2014	Var, %
Revenue	839	681	23
EBITDA ¹	50	3	
EBIT¹	6	(39)	
EBIT ROS ¹ , %	0.7	(5.7)	
Revenue (US\$m)	695	622	12
EBIT¹ (US\$m)	5	(35)	
Net Assets	827	664	
ROFE ¹ , %	0.7	(5.8)	



1. Excluding significant items
 2. Includes production volume leverage impact

Revenue

A\$839m ↑ 23%

EBIT

A\$6m ↑ from (A\$39m)

- **Strong growth in Cladding, Roofing and Construction Materials;** benefits from increased housing activity across key regions
- **US\$40m EBIT improvement** driven by volume and price gains, production volume leverage and US\$20m in cost savings
- **Cladding** revenue up 16% to US\$374m
 - **Bricks:** volumes up in line with market growth and stronger commercial sales
 - **Cultured Stone:** broke through to profitability, helped by operational cost savings
 - **Trim:** close to break-even; continued market penetration and geographical expansion
- **Roofing** revenue up 14% on price and volume growth
- **Fly Ash and Construction Materials** revenue steady; both increased in profitability



Financial Results

Ros Ng – Chief Financial Officer

Group financial performance

Stronger housing markets, improved operational performance and Property earnings drive profitability



A\$m	FY2015	FY2014	Var %
Revenue	4,415	5,204	(15)
EBITDA ¹	605	556	9
Depreciation and amortisation	(249)	(261)	
EBIT¹	357	294	21
Net interest ¹	(64)	(83)	
Tax ¹	(44)	(37)	
Non-controlling interests	-	(3)	
Profit after tax¹	249	171	45
Significant items (net)	8	2	
Net profit after tax	257	173	48
<i>Effective tax rate</i>	15%	17%	

Non-IFRS Information – Earnings before significant items is a non-IFRS measure that is reported to provide a greater understanding of the financial performance of the underlying businesses. Further details of non-IFRS information is included in the Results Announcement while details of significant items are provided in Note 7 of the preliminary full year financial report. Non-IFRS information has not been subject to audit or review.

1. Excluding significant items

(Figures may not add due to rounding)

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Significant items

Gains from sale of Western Landfill offset by impairments and further business restructuring



A\$m	FY2015	Notes
Gain on disposal of Western Landfill	115	1
Impairment of Building Products businesses	(73)	2
Construction Materials & Cement restructure	(31)	3
Boral CSR Bricks joint venture costs	(8)	4
Other	(1)	
Earnings before tax	2	
Income tax benefit	6	5
Significant items (net)	8	

Notes:

1. In February 2015 Boral sold its Western Landfill business for net cash proceeds of \$139m and generated profit before tax of \$115m
2. Impairments resulting from ongoing review of Building Products; namely \$31m for West Coast Bricks business, \$30m for Roofing & Masonry, and for Hardwood, a \$9m asset impairment and \$3m of restructuring costs
3. Construction Materials asset portfolio review in response to changing market conditions, resulting in \$13m of asset impairments and \$18m of restructuring costs
4. Restructuring and stamp duty costs following formation of joint venture, and net loss on disposal upon entry of East Coast Bricks business into joint venture with CSR
5. Includes recovery of capital tax losses

Non-IFRS Information – Management has provided an analysis of significant items reported during the period. These items have been considered in relation to their size and nature and have been adjusted from the reported information to assist users to better understand the performance of the underlying businesses. These items are detailed in Note 7 of the preliminary full year financial report and relate to amounts that are associated with significant business restructuring, business disposals, impairment or individual transactions.

(Figures may not add due to rounding)

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Cash flow

Continuing to generate strong cash flows



Cash flow, A\$m	FY2015	FY2014
EBITDA¹	605	556
Change in working capital	37	91
Interest	(63)	(79)
Tax	(46)	14
Equity earnings less dividends	(34)	(28)
Profit on sale of assets	(41)	(15)
Other non-cash items	4	3
Restructuring costs paid	(44)	(34)
Operating cash flow	418	507
Capital expenditure	(250)	(268)
Investments	-	(48)
Proceeds on disposal of assets	45	37
Proceeds on disposal of entities ²	149	555
Free cash flow	363	782
Dividends paid – net DRP ³	(129)	(57)
Share buy-back ⁴	(116)	-
Other items	-	(4)
Cash flow	118	721

- **Operating cash flow of \$418m** reflects:
 - strong EBITDA despite absence of consolidated Gypsum earnings, partially offset by USG Boral JV dividends;
 - lower interest payments;
 - higher tax payments due to timing and a higher instalment rate in FY2015; and
 - FY2014 benefits of inventory reductions, cash receipt from Forestry Corporation NSW, receipt of insurance proceeds from Qld floods not repeated in FY2015
- **Total capex down 7%** on FY2014
- **\$194m in proceeds on disposal of assets and entities**, including \$139m from sale of Western Landfill to TPI
- **Free cash flow of \$363m**
- **\$129m paid out as dividends and \$116m used for share buy-back program**

1. Excluding significant items
2. Excludes cash disposed in FY2014 of \$79m
3. DRP suspended following FY2014 interim dividend
4. On-market share buy-back program announced 18 March 2015 to buy back up to 5% of issued share capital over 12 months

(Figures may not add due to rounding)

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Capital expenditure remains constrained

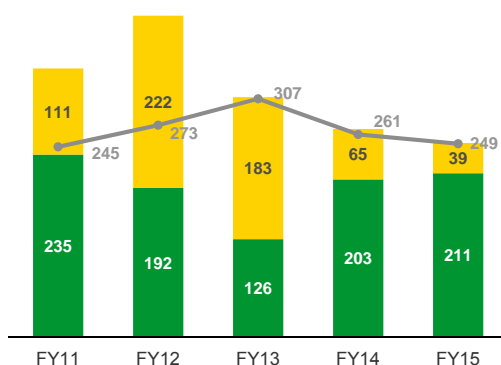
Increasing proportion of stay in business capital spending



Total capital expenditure

A\$m

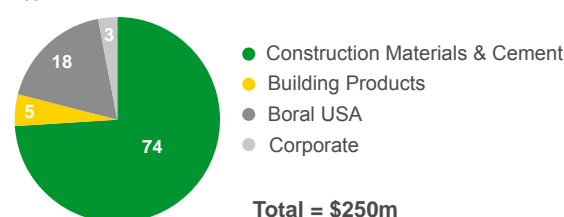
■ SIB¹ ■ Growth — Depreciation and amortisation



- **SIB capex at 85% of depreciation**, up from 78% in FY2014
- Growth capex remains constrained to essential projects
 - Preliminary works for quarry upgrades
 - New Versetta Stone[®] line at Napa, CA
 - Various projects by Boral Composites in the USA

FY2015 capital expenditure

%



1. Stay in business capital expenditure
 2. FY2013 restated to reflect adoption of AASB Interpretation 20 relating to the reclassification of stripping expenditure at quarry sites

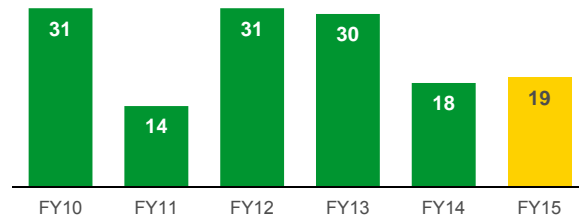
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Balance sheet

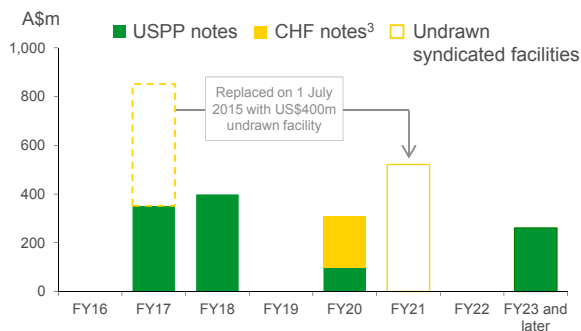
Strong balance sheet and maintaining debt at lower levels



Gearing¹, %



Debt maturity profile



1. Net debt / (net debt + equity)
2. Gross debt / (gross debt + equity - intangibles)
3. Swiss franc notes issued under EMTN program

- Net debt up to \$817m from \$718m due to foreign exchange impact
- Principal debt gearing covenant² at 29%; up from 26% at 30 June 2014 (threshold is less than 60%)
- Weighted average debt maturity ~4.5 years
- Net interest cover of 5.6 times, up from 3.5 times in FY2014
- Committed undrawn bank debt facility of A\$500m was replaced on 1 July 2015 with US\$400m undrawn facility

Net debt reconciliation, A\$m	FY2015
Opening balance	(718)
Cash flow	118
Non cash (FX)	(217)
Closing balance	(817)

(Figures may not add due to rounding)



Strategic Priorities & Outlook

Mike Kane – CEO & Managing Director

Boral's *Fix, Execute, Transform* program



FIX



EXECUTE



TRANSFORM

Started
FY2013

2 years

4 years

6 years +

Fixing things that are holding us back

- ✓ **Streamlined** organisation
- ✓ **Portfolio** realignment
- ✓ **\$213m cumulative cost reduction benefits¹** in FY2015
- ✓ **\$251m cash** from divestments & land sales in first 2 years
- ✓ **Net debt** of \$817m at historically lower levels
- ✓ **Capital expenditure** < \$300m

Improving the way we operate to be more efficient, disciplined and profitable

- ✓ People **engagement** and **safety** first
- ✓ **Levers of change** – LEAN, Sales & Marketing, Innovation
- ✓ **Responding to external challenges**
- ✓ **Capacity utilisation** up

Transforming Boral for performance excellence and sustainable growth through innovation





- ✓ **Product innovation**
- ✓ **Gypsum technology** roll-out commenced
- ✓ **Lowering fixed cost** exposures through the cycle

1. From major corporate and divisional restructuring programs in FY2013-2015, including 50% share of USG Boral programs



Reshaping the portfolio and positioning to transform the business



Boral Construction Materials & Cement	Boral Building Products	Boral Gypsum	Boral USA
<ul style="list-style-type: none"> ✓ Landfill: Divested Western Landfill business in Melbourne ✓ Cement: Closed small specialty cement kiln at Maldon in Dec-14 and transferred production to Berrima ✓ Quarries: Peppertree Quarry commissioning on time and on budget □ Quarries: Ongoing strategic investment in quarry upgrades 	<ul style="list-style-type: none"> ✓ East Coast Bricks: Boral CSR Bricks JV commenced in May-15 ✓ Timber: Strategic review undertaken, including review of external opportunities □ Timber: Structural improvement program, particularly for Hardwood; capital projects focusing on safety and operational improvements 	<ul style="list-style-type: none"> ✓ Sheetrock® Brand plasterboard introduced into Australia, Korea, Indonesia, Thailand, China and Vietnam ✓ Introduced USG adjacent products to portfolio □ On track for targeted US\$50m pa synergies within three years of technology roll-out 	<ul style="list-style-type: none"> ✓ Completed restructure of regional sales and operations ✓ Construction Materials: Divested limestone quarry in Oklahoma in Jan-15 □ Bricks: Continuing to assess options for the US Bricks business 

Outlook for FY2016



Boral Construction Materials & Cement

- Focused on maintaining **FY2016 EBIT broadly in line with FY2015**, excluding Property. Property earnings contribution uncertain
- **Restructuring and improvement initiatives** and **continued strength in Sydney market** needed to offset depressed Queensland market, subdued RHS&B activity and further tapering off of LNG project volumes
- Pricing is challenging but committed to improving price and margin outcomes

Boral Building Products

- **Expected to maintain similar EBIT in FY2016 to FY2015 reported EBIT**
- **Improvement initiatives** to offset housing activity coming off peak and earnings impact of 40% post tax equity accounted share of Boral CSR Bricks joint venture

Boral Gypsum

- Expect further **underlying performance improvements**; Sheetrock® product volumes should continue to grow
- **Synergies to strengthen in FY2016** and expected to exceed cash costs associated with expanded portfolio and technology roll-out

Boral USA

- Expect **further increase in earnings in FY2016** on **increased housing activity**; in line with projected increase to ~1.2m housing starts in FY2016¹

1. Average of analysts from Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA between May and July 2015



Supplementary slides

Boral overview

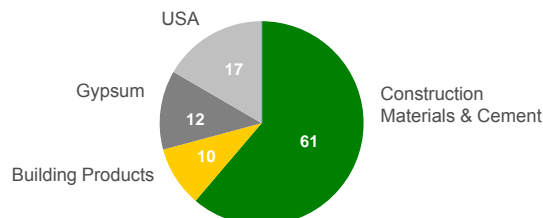


- Boral is an international building and construction materials group with operations in Australia, the USA and Asia
- ~A\$4.8b market capitalisation¹
- S&P/ASX 100 company
- Operations across 13 countries²
- ~12,000 employees²

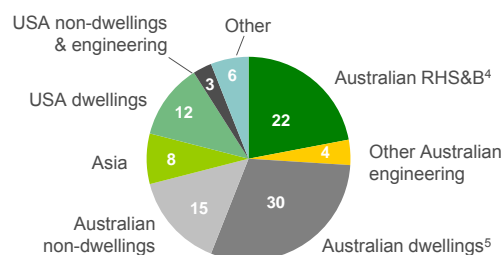
1. As at 25 August 2015
 2. Includes USG Boral joint venture operations. As at 30 June 2015
 3. Gypsum revenue represents Boral's 50% share of underlying revenue from the USG Boral JV, which is not included in Group reported revenue
 4. Roads, highways, subdivisions and bridges
 5. Comprised of ~14% from detached housing, ~7% from multi-dwellings and ~9% from alterations and additions

FY2015 external revenue³

by division, %



by end-market, %



Boral's *Fix, Execute, Transform* program



Our goal is to transform Boral into a global building and construction materials company that is known for its **world-leading safety performance, innovative product platform and superior returns on shareholders' funds.**

FIX **EXECUTE** **TRANSFORM**



Fixing things that are holding us back

Improving the way we operate to be more efficient, disciplined and profitable

Transforming Boral for performance excellence and sustainable growth through innovation

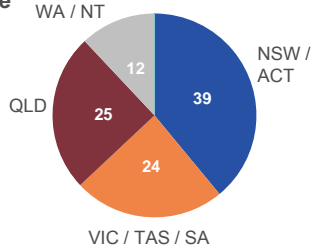


Construction Materials & Cement and Boral Building Products

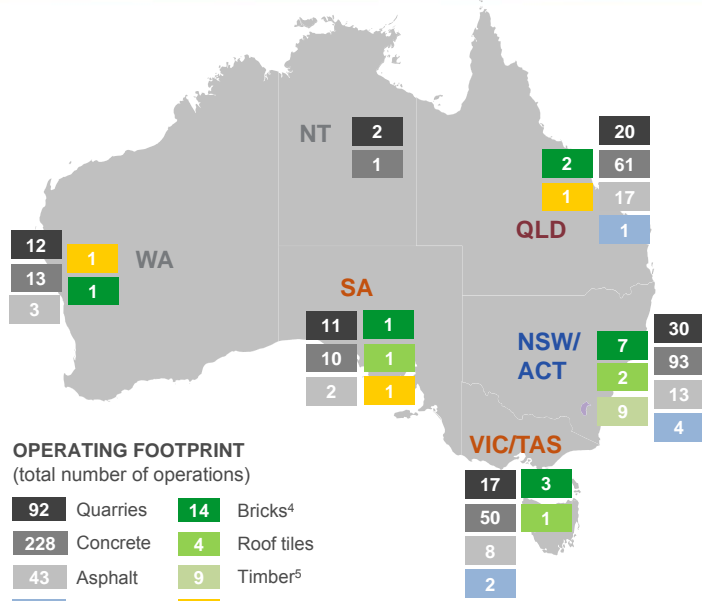
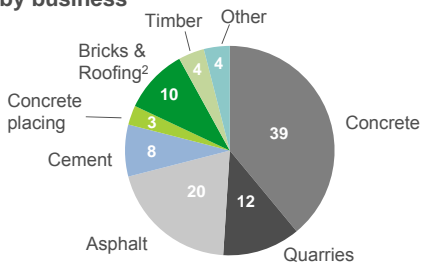


SHARE OF REVENUE¹, %

by state



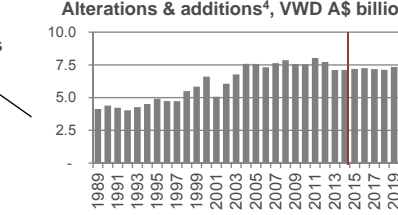
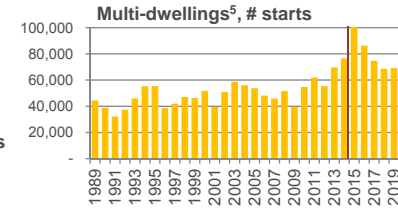
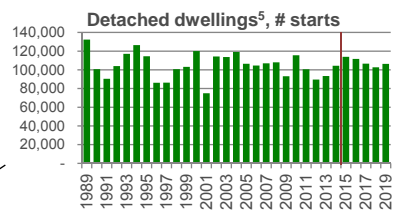
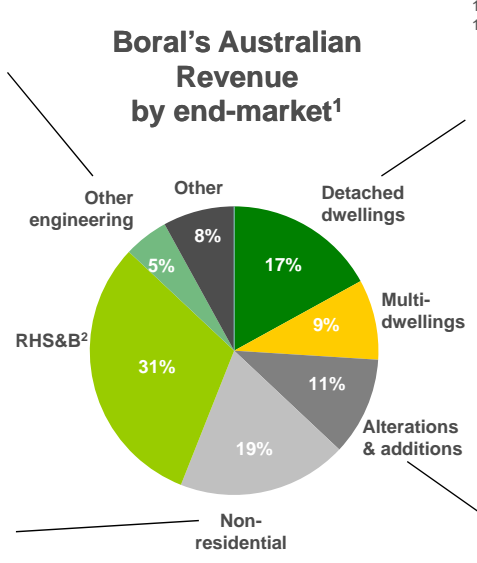
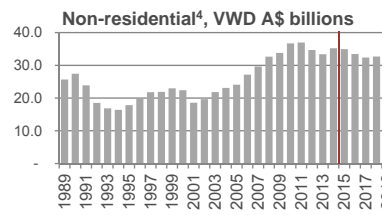
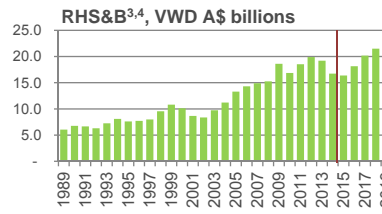
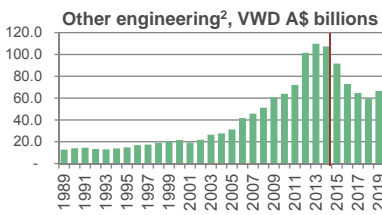
by business



1. Based on FY2015 split of revenue across Construction Materials & Cement and Boral Building Products
 2. Includes masonry revenues
 3. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Vic and a clinker grinding JV in Qld

4. Includes all Boral CSR JV plants on the East Coast
 5. Includes 8 Boral Hardwood mills and 1 JV Softwood operation

Boral's Australian revenues are derived from a number of segments



1. Based on split of FY2015 revenues from Construction Materials & Cement and Building Products
 2. Source: BIS Shrapnel
 Note all charts are for financial years and have been based on 2012/13 dollars

3. Roads, highways, subdivisions and bridges
 4. Source: BIS Shrapnel and Macromonitor
 5. Source: BIS Shrapnel, Macromonitor and HIA



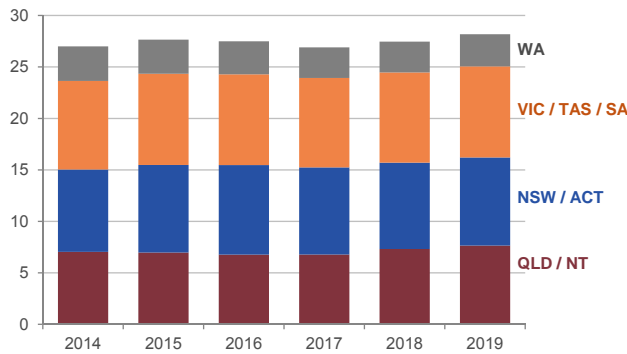
Concrete demand in Australia

A proxy for construction materials volumes



Industry concrete demand in Australia is forecast to stay at high levels of demand for the next five years

Macromonitor Forecast Concrete Demand across all Australian construction markets, million m³



- ~1% CAGR in concrete volumes forecast from FY2014 to FY2019
- Growth in RHS&B activity and in non-residential activity to offset decline in resources sector engineering work and softening in dwellings
- NSW to maintain high levels of activity
- Infrastructure investment in Victoria over time
- Queensland, WA and SA broadly steady

Source: Macromonitor, Construction Materials Forecast, February 2015 (Queensland updated April 2015)

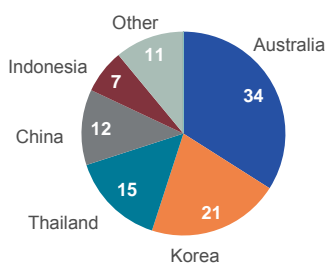


USG Boral

50%-owned joint venture in Australia, New Zealand, Asia & Middle East



SHARE OF REVENUE¹, %



MANUFACTURING FOOTPRINT

(total number of operations)

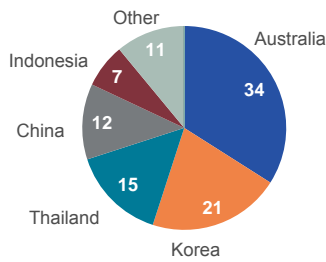
- 19** Plasterboard plants
637m² capacity (25 board lines / 6 ceiling tile lines)
- 3** Gypsum mines²
- 31** Other plants²
mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production

1. Based on split of FY2015 underlying revenue for USG Boral
 2. Certain manufacturing facilities and gypsum mines held in JV with third parties | production of plasterboard and other products may be at the same physical location

Operations in high growth countries as well as new products will underpin USG Boral's growth



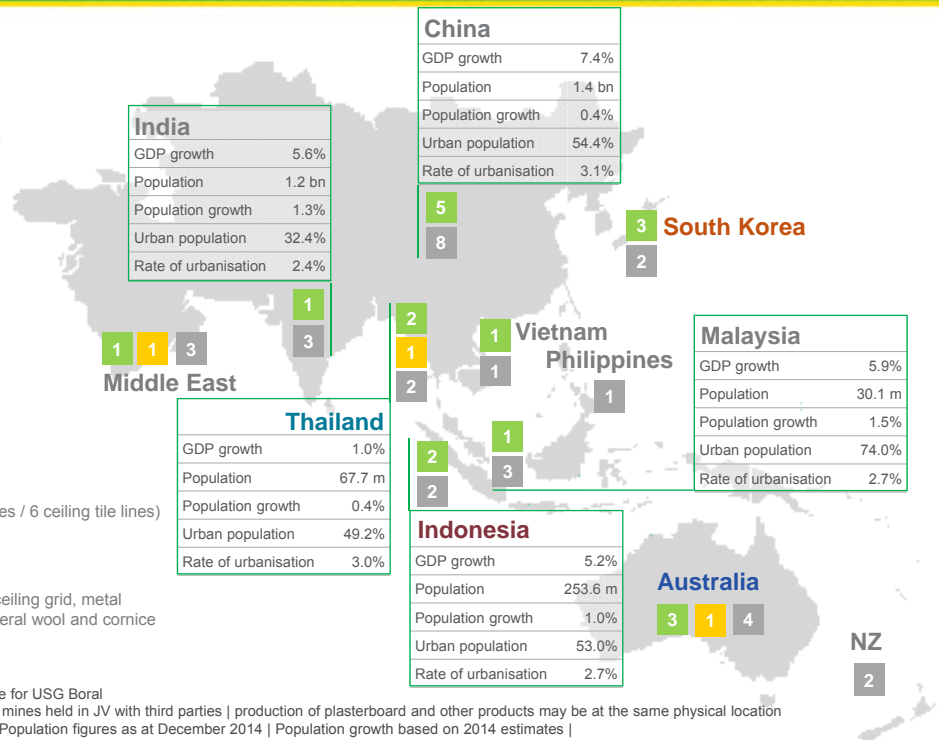
SHARE OF REVENUE¹, %



MANUFACTURING FOOTPRINT (total number of operations)

- 19** **Plasterboard plants**
637m² capacity (25 board lines / 6 ceiling tile lines)
- 3** **Gypsum mines²**
- 31** **Other plants²**
mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production

- Based on split of FY2015 underlying revenue for USG Boral
 - Certain manufacturing facilities and gypsum mines held in JV with third parties | production of plasterboard and other products may be at the same physical location
 - GDP growth is real GDP growth rate 2014 | Population figures as at December 2014 | Population growth based on 2014 estimates | Urban population as a percentage of total population for 2014 | Rate of urbanisation based on annual rate of change between 2010 and 2015E
- Source: CIA World Factbook

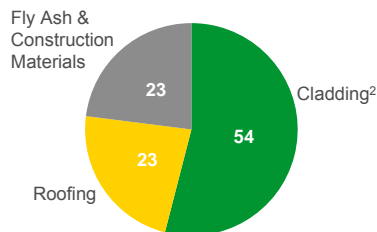


Boral USA

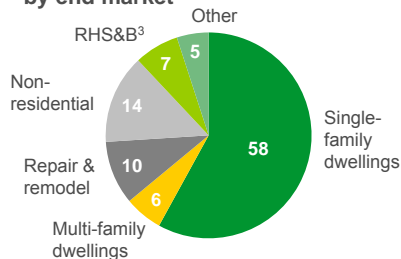


SHARE OF REVENUE¹, %

by business

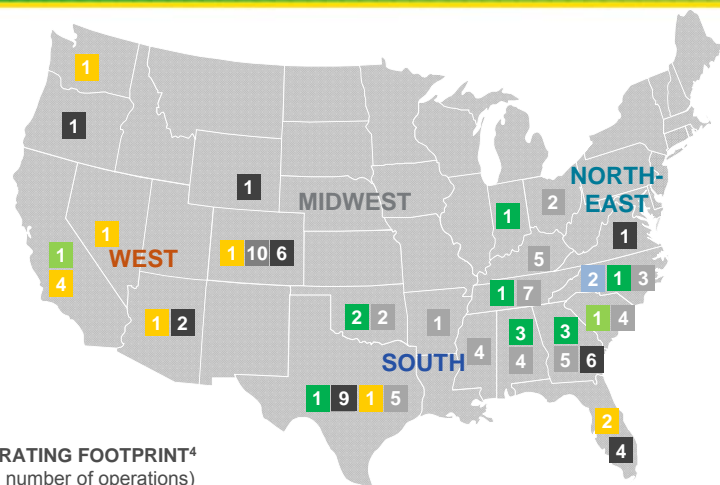


by end market



OPERATING FOOTPRINT⁴ (total number of operations)

- 12** Bricks
- 12** Roof tiles
- 2** Cultured Stone
- 42** Building Products Distribution Centres
- 2** Composites
- 10** Concrete and quarries
- 30** Fly ash



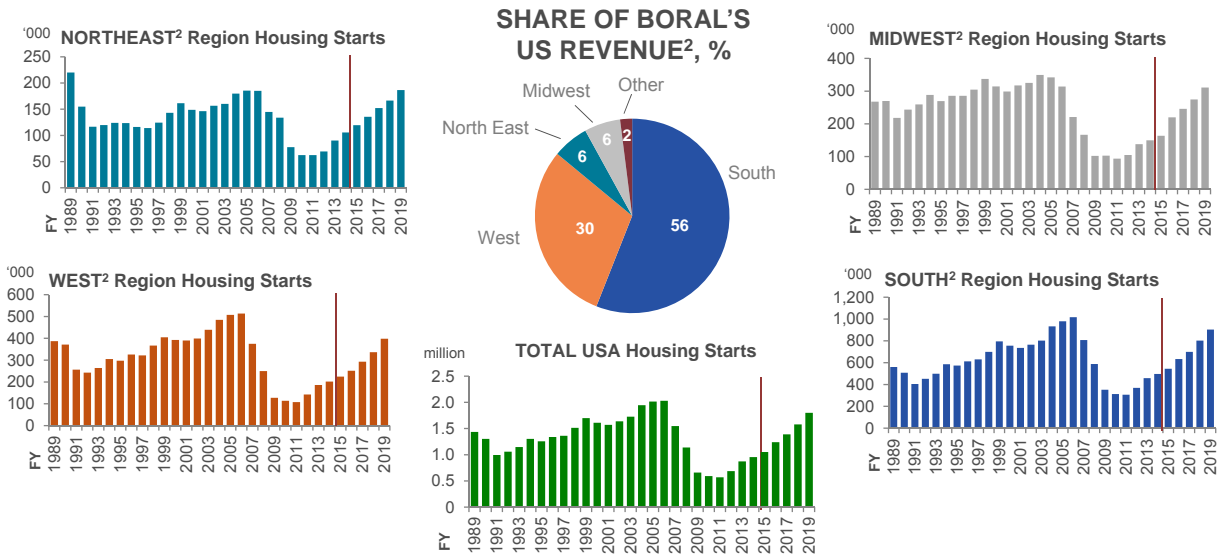
- Based on split of FY2015 revenue for Boral USA
- Includes Bricks, Cultured Stone and Trim revenues
- Roads, highways, subdivisions and bridges
- SOUTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates and are included in Boral's US Revenue chart.



In the USA, new residential construction is continuing to recover in all regions



Forecasters¹ currently expect an average of ~1.2m US housing starts in FY2016 and ~1.8m by FY2019, with all regions forecast to recover strongly



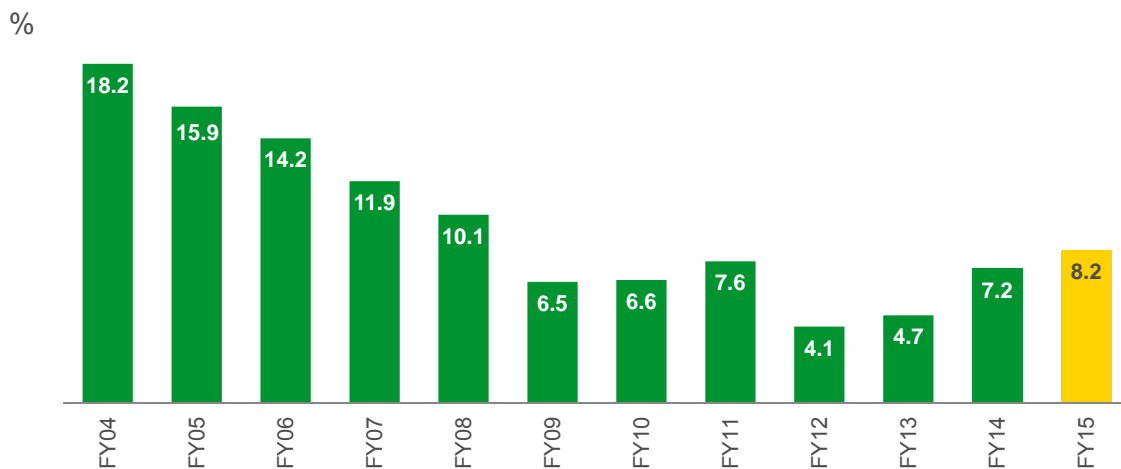
1. Housing starts forecasts based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between May & July 2015
 2. SOUTH consists of *AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA* | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates and are included in Boral's US Revenue chart, which is based on FY2015 split of revenue with 'Other' including other states and sales outside of the USA

Focus on improving ROFE in the long term

Driven by improved USA, Building Products and Property earnings, and portfolio restructuring



EBIT to funds employed (ROFE¹)



Focused on ongoing disciplined management of **COSTS, CASH and CAPITAL**

1. Excludes significant items, calculated on funds employed as at 30 June

Managing costs down

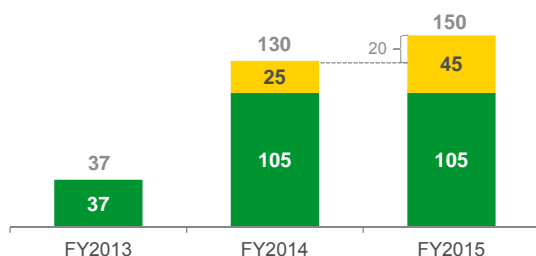
\$213m annualised cost benefits delivered in FY2015



\$150m of benefits from corporate-led programs

A\$m

■ Overhead & rationalisation ■ Contractor spend & other



- **\$20m of incremental cost reduction benefits in FY2015** from contract management initiatives
- **\$150m of cumulative cost benefits in FY2015**
 - annualised benefits of \$105m from major restructuring and rationalisation in FY2013;
 - annualised benefits of \$45m from contractor management program, commenced in FY2014

1. Boral's 50% share from USG Boral is included in the ~\$63m of total divisional benefits in FY2015

~\$63m of benefits to Boral from divisional restructuring and improvement programs

Construction Materials & Cement	\$11m of savings in FY2015 from resizing of Asphalt organisation (Vic & Qld) and support services; further \$11m of savings from primarily support services & administration redundancies; and \$2.5m of savings from redundancies with closure of speciality cement kiln at Maldon
Boral USA	US\$20m of cost savings through a reduction of 70 positions through restructuring and consolidation of regional sales and manufacturing teams in Jun-14 and SG&A savings
USG Boral	~US\$24m of cost savings ¹ through a dedicated program in USG Boral JV to offset higher costs associated with the roll-out of new technologies & products

(Total calculated using AUD/USD exchange rate of 0.828)

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FY2015 segment revenue and EBIT



	External revenue A\$m			EBIT ¹ A\$m		
	FY2015	FY2014	Var, %	FY2015	FY2014	Var, %
Construction Materials & Cement	3,091	3,287	(6)	301	277	9
Building Products	485	487	-	30	8	260
Boral Gypsum ²	-	691	(100)	49	77	(37)
Boral USA	839	681	23	6	(39)	115
Unallocated	-	-	-	(29)	(29)	-
Discontinued businesses ³	-	58	(100)	-	(1)	(100)
TOTAL	4,415	5,204	(15)	357	294	21

1. Excluding significant items

2. Boral Gypsum FY2015 result represents Boral's 50% post-tax equity accounted income from USG Boral; FY2014 EBIT represents 8 months of 100% consolidated earnings and 4 months of 50% post-tax equity accounted income from USG Boral

3. Discontinued businesses in FY2014 included the Windows business, which was sold in November 2013

(Figures may not add due to rounding)

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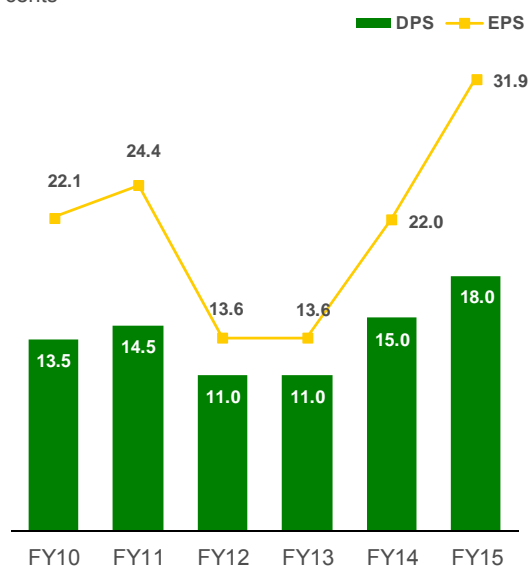
Earnings and dividends per share

Fully franked final dividend of 9.5 cents per share declared



Earnings and dividends per share¹

A\$ cents



- Fully franked full-year dividend of 18.0 cents, up 20% on FY2014
 - fully franked final dividend of 9.5 cents
- Full-year dividend payout ratio of 56%, compared to historical range of 50-80%

1. Earnings per share, excluding significant items

35

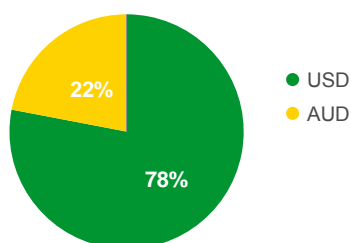
Debt profile

Debt levels maintained at historically lower levels



Gross debt currency exposure

As at 30 June 2015



Total = A\$1,323m

Debt facilities	FY2015 A\$m	FY2014 A\$m
US PP ¹	1,105	913
CHF notes ²	209	178
Other loans/ finance leases	9	10
Gross debt	1,323	1,101
Net debt	817	718

1. US Private Placement notes

2. Swiss notes issued via EMTN program. Swapped to USD

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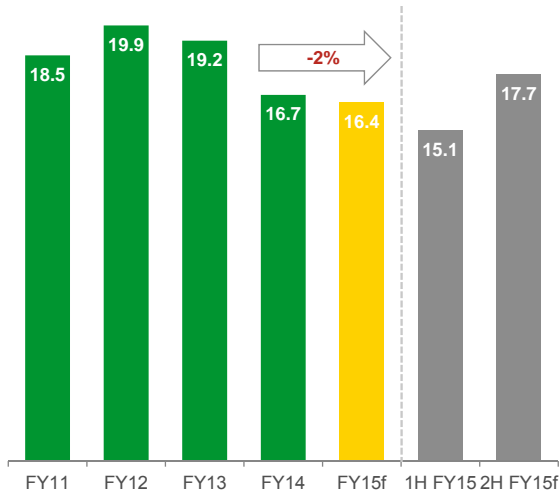
RHS&B activity forecast to decline

Value of work done forecast to decrease in FY2015



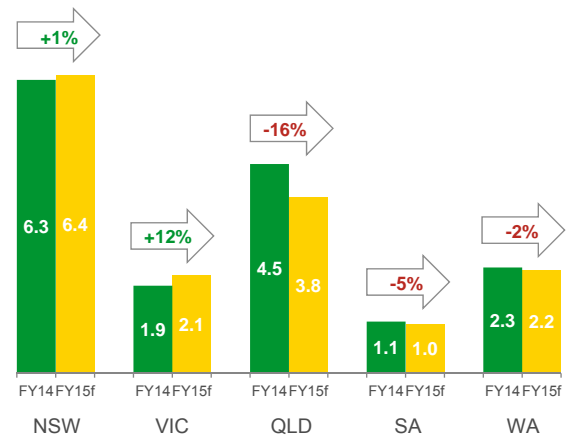
Roads, Highways, Subdivisions & Bridges¹

(value of work done, \$b)



RHS&B – by state

FY2015f v FY2014 (value of work done, \$b)



1. RHS&B refers to roads, highways, subdivisions and bridges. Original series data from ABS. FY11 to FY15F figures are an average of BIS and Macromonitor data. Six monthly data annualised and based on an average of BIS and Macromonitor forecasts

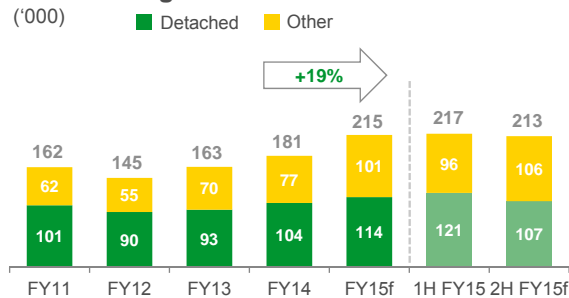
Australian residential activity continues to grow

Housing starts growth driven by Victoria, NSW and Queensland



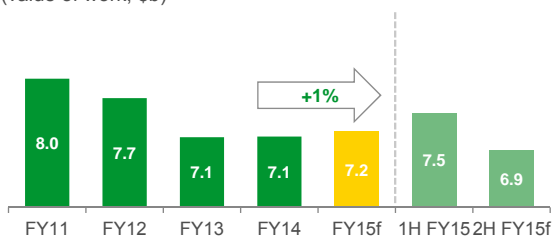
Total housing starts¹

('000)



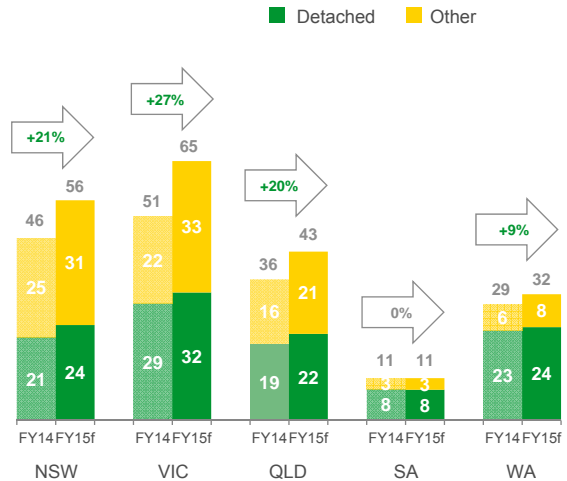
Alterations & additions (A&A)²

(value of work, \$b)



Housing starts – by state¹

FY2015f vs FY2014



1. Original series housing starts from ABS to Mar-15 quarter, HIA forecast to Jun-15 quarter. Six monthly data annualised

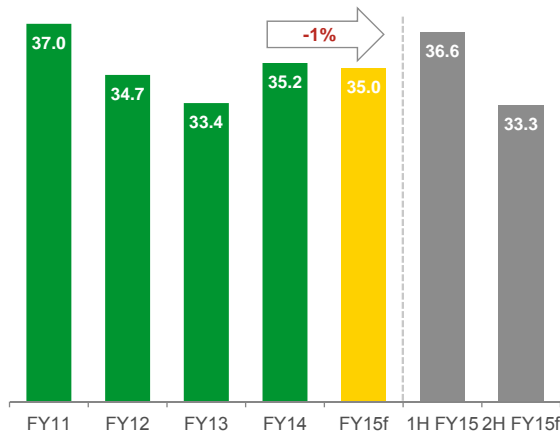
2. Original series (constant 2012/13 prices) from ABS. Average of BIS and Macromonitor forecast for Jun-15 quarter. Six monthly data annualised

Australian non-residential activity forecast to modestly decline

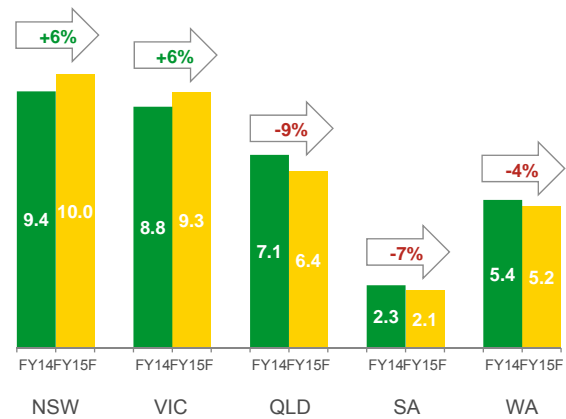
Non-residential activity estimated to be down by 1%



Non-residential¹
(value of work done, \$b)



Non-residential – by state¹
FY2015f v FY2014 (value of work done)



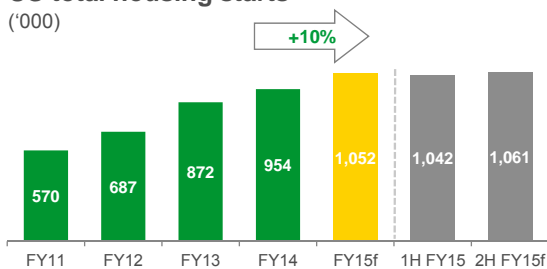
1. Original series (constant 2012/13 prices) from ABS. Average of BIS and Macromonitor forecast for Jun-15 quarter. Six monthly data annualised

US housing activity continues to grow

Total housing starts remain below long-term average

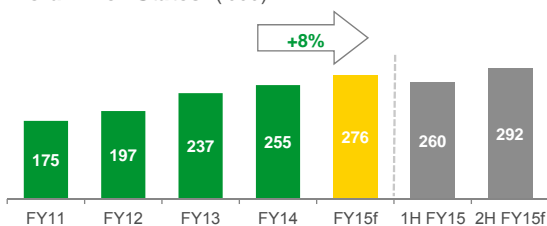


US total housing starts¹
(‘000)

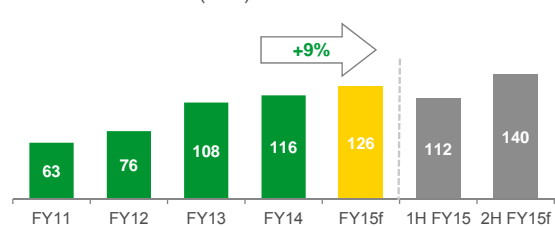


- US housing starts of 1,052k¹ in FY2015, up 10% with single-family starts up 8%¹
 - Total starts remain 30% below long-term average of 1.5m housing starts
- US single-family starts in Boral Brick States² and Boral Tiles States² up 8% and 9% respectively
- US non-residential activity up 11%³

US single-family housing starts
Boral Brick States² (‘000)



US single-family housing starts,
Boral Tile States² (‘000)



1. Seasonally adjusted annualised data from US Census. Six monthly data annualised

2. Data from McGraw Hill/ Dodge. Boral's Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral's Tile States include: Arizona, California, Florida, Nevada

3. McGraw Hill/ Dodge value of work completed. Forecast used for Jun-15 quarter

Non-IFRS information



Boral Limited's statutory results are reported under International Financial Reporting Standards.

Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group.

Significant items are detailed in Note 7 of the preliminary Financial Report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of earnings before significant items to reported statutory profit is detailed below:

(A\$ millions)	Earnings before significant items	Significant Items	Total	Continuing Operations	Discontinued Operations	Total
Sales revenue	4,414.7	-	4,414.7	4,297.6	117.1	4,414.7
EBIT	356.7	1.9	358.6	352.2	6.4	358.6
Finance costs	(63.7)	-	(63.7)	(63.7)	-	(63.7)
Earnings before tax	293.0	1.9	294.9	288.5	6.4	294.9
Tax (expense) / benefit	(43.8)	5.9	(37.9)	(45.1)	7.2	(37.9)
Net profit after tax	249.2	7.8	257.0	243.4	13.6	257.0

Boral Gypsum division commentary also includes a non-IFRS measure of underlying results excluding significant items representing the 12 months trading results to assist users to better understand the trading results of this division despite changes in ownership during the year.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the Preliminary Financial Report for the year ended 30 June 2015.

This Preliminary Financial Report for the year ended 30 June 2015 is prepared in accordance with the ASX listing rules and should be read in conjunction with any announcements to the market made by the Group during the year. This report is based on accounts which have been audited. The audit report, which is unmodified, will be made available with the Boral Limited Annual Report around 17 September 2015. The Annual Report is currently being finalised in publishable form.

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Disclaimer



The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 27 August 2015. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

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