

ACQUISITION OF LBGA ASIAN PLASTERBOARD JOINT VENTURE

Build something great™



Mark Selway, Chief Executive
17 August 2011



ACQUISITION OF LBGA

Boral to expand core building materials business by acquiring Lafarge's share of LBGA joint venture in Asia



LBGA

(Lafarge Boral
Gypsum Asia)

- LBGA is a joint venture between Boral and Lafarge, formed in 2000 and is the leading supplier of plasterboard and internal linings products across Asia
- LBGA operates 20 plants in 8 countries, trades in a further 2 countries and exports to more than 30 countries

Acquisition Overview

- Agreement to acquire Lafarge's 50% share in the joint venture Lafarge Boral Gypsum Asia ("LBGA")
- Consideration of €429 million (AUD \$598 million⁽¹⁾) on an enterprise value basis, €380 million (AUD \$530 million) on an equity value basis⁽²⁾

Conditions / Timetable

- Finalisation of agreements subject to completion of arrangements related to intellectual property and transitional services
- Transaction expected to be complete by the end of calendar 2011

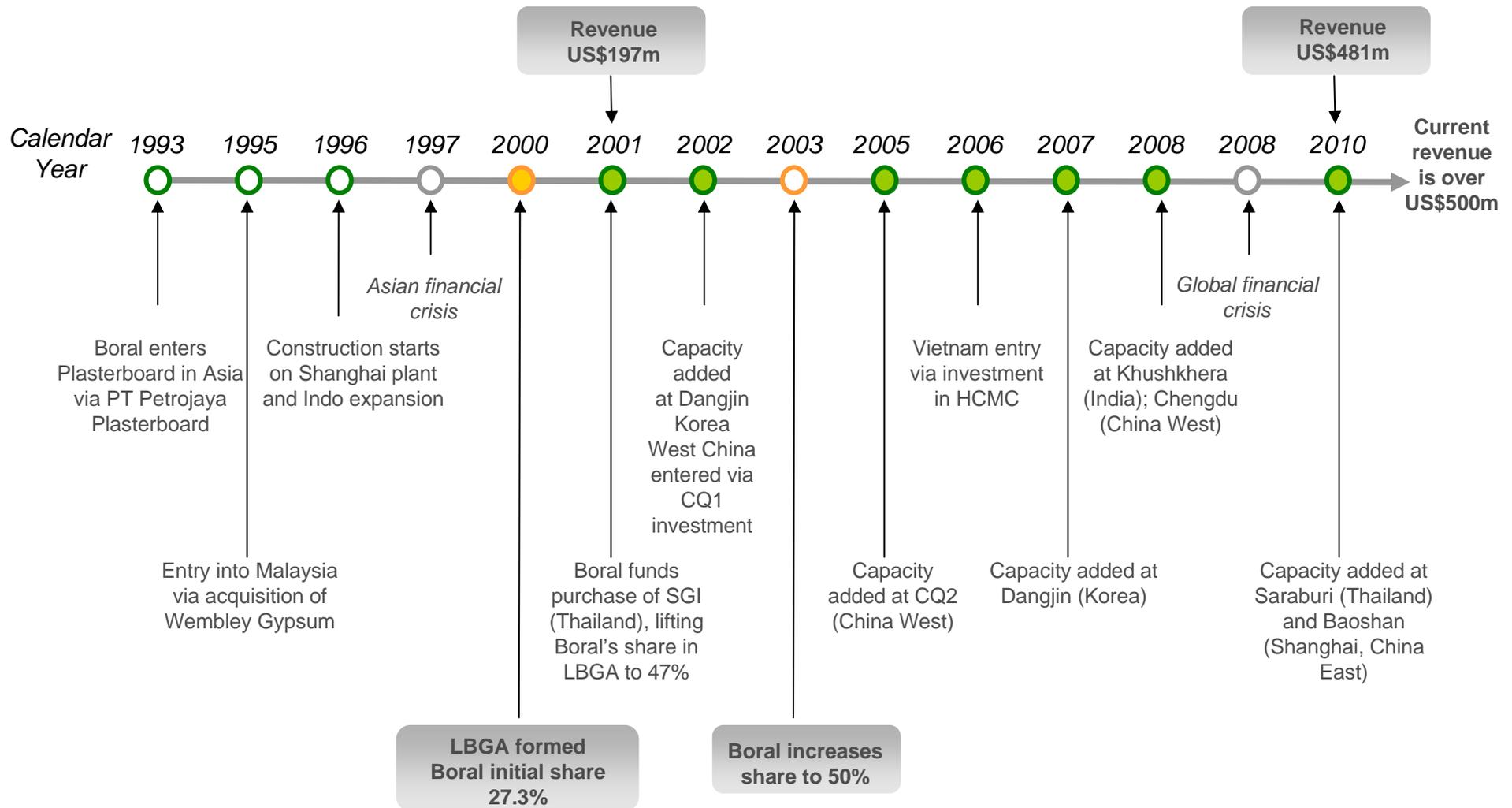
Notes:

1 Based on AUDEUR exchange rate of 0.72

2 After adjusting for net debt and minority interests

BORAL ASIA PLASTERBOARD

History of Boral in Asia and Evolution of LBGA



LBGA

Product Profile and Manufacturing Footprint



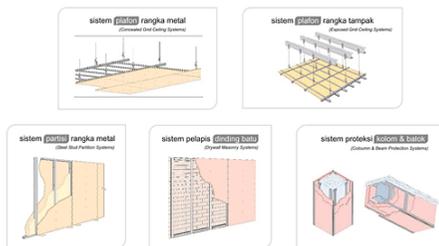
Plasterboard



Ceiling Tiles



Metal Studs



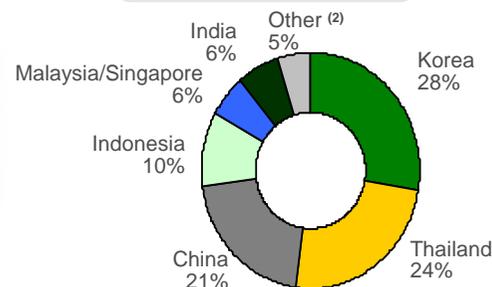
Compounds



Plasters



CY2010 Revenue



Plasterboard	2006 ⁽¹⁾	2007	2008	2009	2010	2011f
Board sales (million m ²)	196	219	235	230	265	296
Board plant capacity (million m ²)	289	289	337	337	413	448

Operations	Plants ⁽³⁾	Sales Offices	Quarries	Total
Korea	3	1	-	4
Thailand	5	1	1	7
China	4	2	-	6
Indonesia	3	1	-	4
Malaysia/Singapore	1	2	-	3
India	1	1	-	2
Other ²	3	1	-	4
Total	20	9	1	30

Notes:

- 1 All figures are December year end
- 2 Other includes Vietnam, Philippines, United Arab Emirates and other export countries
- 3 Plasterboard, metal components and compound plants

LBGA

Locations and Competitive Landscape

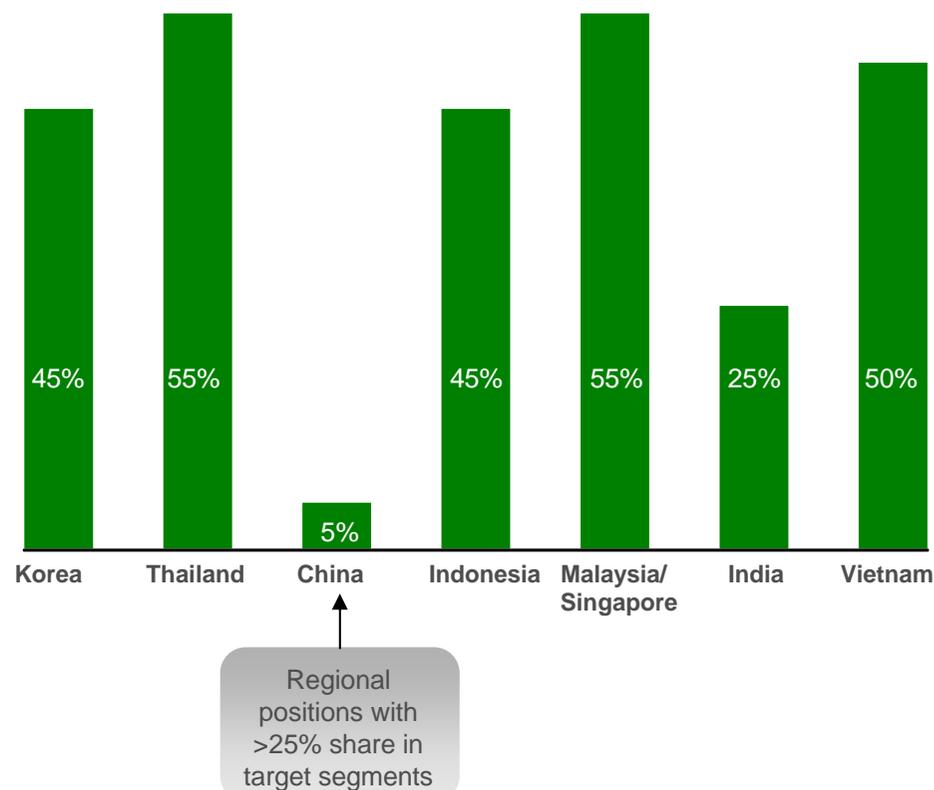


LBGA Plant Locations

Country	Name	Gypsum Type	Energy Source	Capacity (M m ² pa)
Korea	Yosu	Synthetic	H.Oil/Steam	35
Korea	Ulsan	Synthetic	H.Oil/Gas	46
Korea	Dangjin 1	Synthetic	Gas	37
Korea	Dangjin 2	Synthetic	Gas	35
Thailand	Saraburi 1	Natural	Gas	50
Thailand	Saraburi 2	Natural	Gas	35
Thailand	Songkhla	Natural	Gas	20
China	Pudong (Shanghai)	Synthetic	Gas	30
China	Chengdu	Synthetic	Gas	12
China	Chongqing	Synthetic	Gas	13
China	Baoshan (Shanghai)	Synthetic	Gas	35
China	KYJ (Shandong)	Natural	Steam	35
Indonesia	Cilegon	Natural	Gas	21
Indonesia	Gresik	Natural	Gas	14
Malaysia	Parit Buntar	Natural	Gas	10
India	Khushkhera	Natural	Gas	8
Vietnam	Ho Chi Minh	Natural	Gas	12
Total				448

Source: LBGA

LBGA 2010 Estimated Market Share



Source: Management estimates

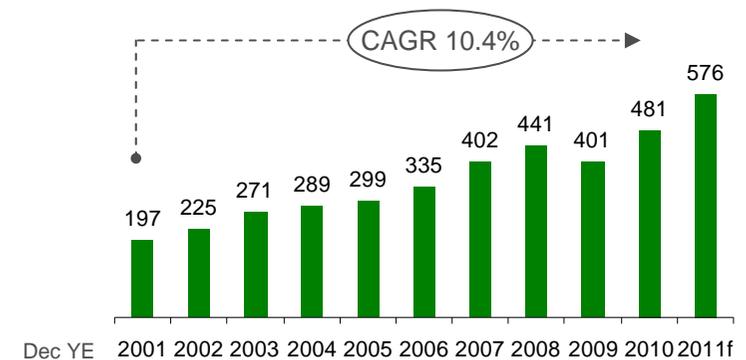
LBGA Financials



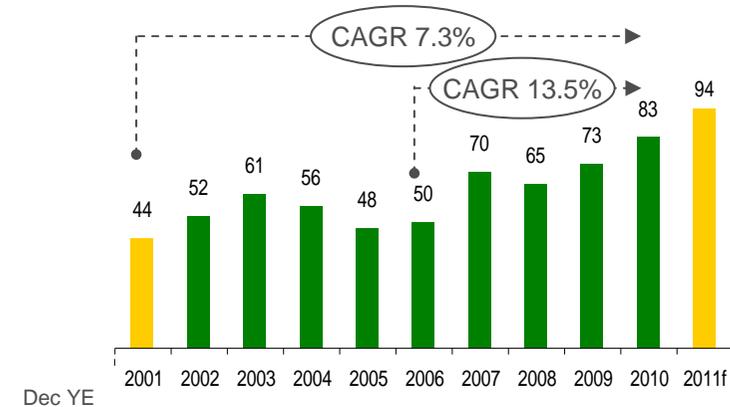
USD \$million	Year end Dec 09	Year end Dec 10	12 mths to June 11	Year end Dec 11f
Revenue	401	481	520	576
EBITDA	73	83	85	94
EBITDA Margin (%)	18.2%	17.3%	16.3%	16.3%
EBIT	50	56	57	66
Operating Cashflow	93	73	65	
Net Assets (excluding minority interests)	383	422	431 ¹	

- AUD \$598 million purchase price² represents CY2012 EBITDA multiple of 11.1x
- LBGA expected to achieve CY2012 EBITDA in the order of USD \$108 million

Revenue (USD \$million)



EBITDA (USD \$million)



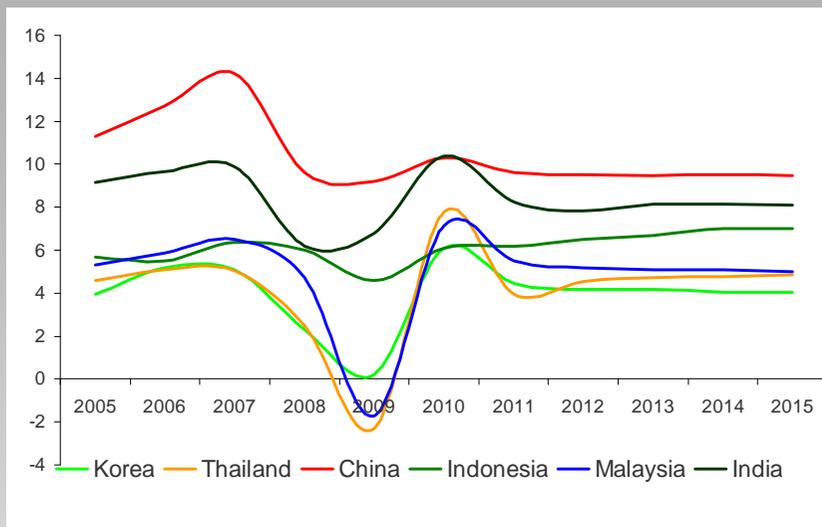
Notes: ¹ Boral's share of LBGA net assets has a current book value of A\$202 million
² Enterprise value basis; based on AUDEUR exchange rate of 0.72, AUDUSD exchange rate of 1.00
 Source: Management accounts and forecasts

LBGA

Drivers for Organic Growth



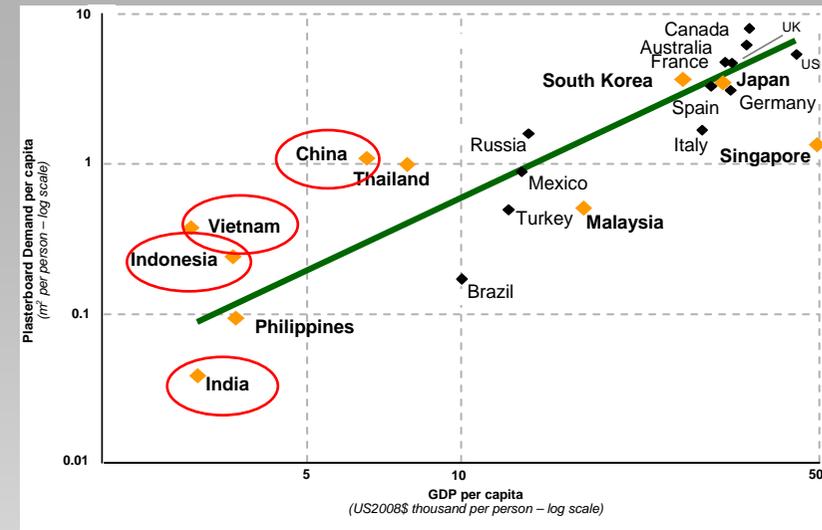
GDP % Growth by Region



- Strong economic growth forecast across most important markets
- Increase public investment drives growth in non-residential construction
- Increasing urbanisation will drive growth in residential new build

Source: IMF

Plasterboard Demand/GDP per Capita



- Historically plasterboard use starts in commercial then moves to housing
- Lightweight, flexible and easy to install characteristics make plasterboard the interior lining product of choice
- Asia is expected to become the world's largest plasterboard market by 2014

Source: Freedonia, Boral estimates

WORLD CLASS CAPACITY

Leading Products to High Growth Markets



World Class Capacity

- Boral production system offers Asia Pacific plasterboard benefits
- Sales and marketing excellence and commercial leverage provides competitive advantage
- Asia Pacific innovation platform extended to include LBGA

Enhanced capabilities to improve performance

Core Competitive Advantages

- Modern, well-equipped facilities in seven high growth markets
- Excellent management team with capacity to grow
- Comprehensive range of interior lining products with reputation for quality

Boral Building Products Asia

Ambitions for Future Growth

- Potential to leverage low cost manufacturing in Asia Pacific region
- LBGA infrastructure provides solid foundation for Asian growth
- Higher proportion of Boral revenue tied to higher growth markets

Expanded geographic presence to drive revenues

Market Leading Position

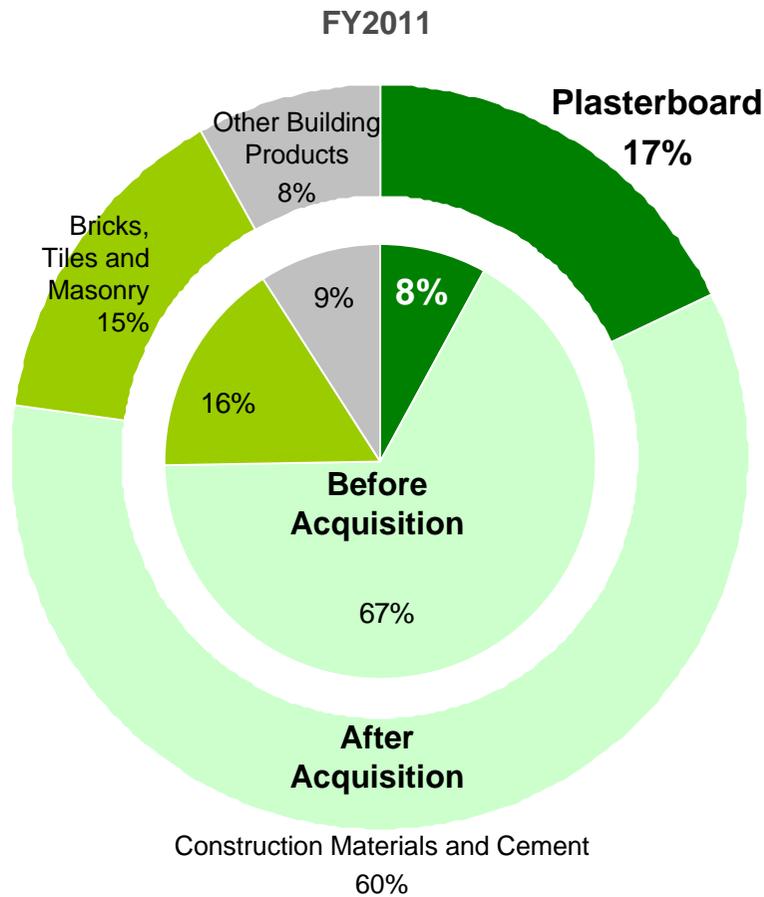
- Established brands respected for quality and reliability
- Extensive logistics and distribution networks in 10 countries in Asia
- Expert led marketing offers access to 30 high growth countries

BORAL AND LBGA COMBINED

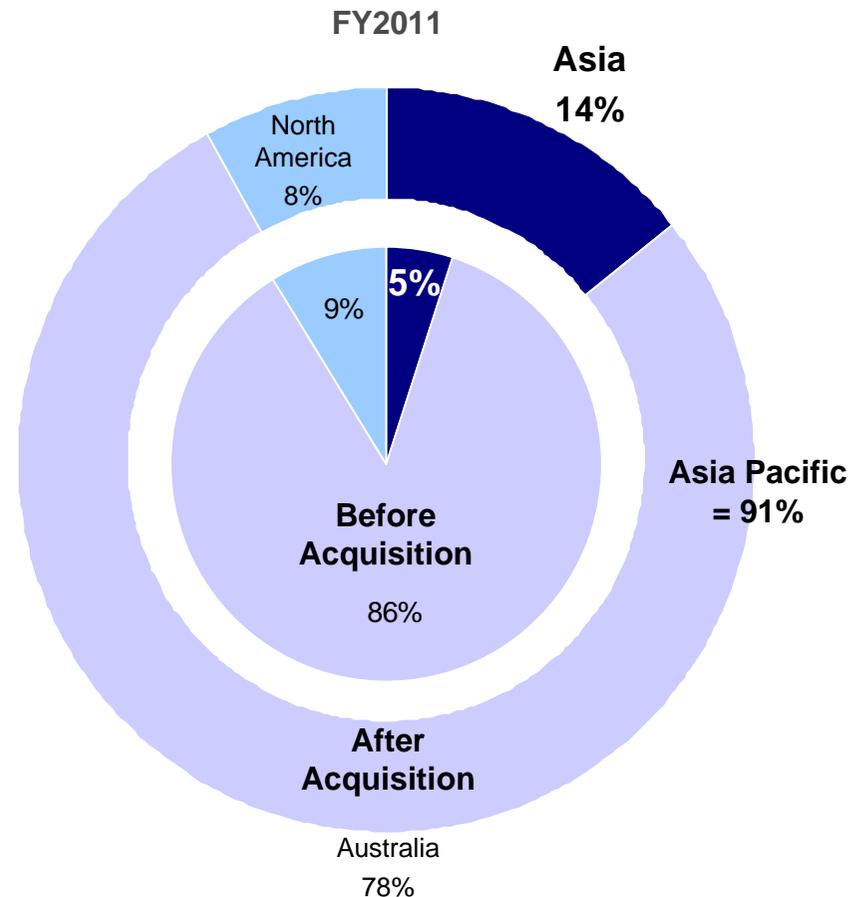
A balanced portfolio with exposure to high growth markets and product areas



Pro Forma Revenue by Product Line



Pro Forma Revenue by Geography



PRO FORMA FINANCIALS

Attractive post transaction financials with headroom to grow



- Pro forma revenue 11% higher than Boral's FY2011 results
- Pro forma EBITDA 13% above Boral's FY2011 results
- Underwritten dividend reinvestment plan provides further flexibility for funding headroom
- Debt funded upfront; AUD \$500 million increase in debt facilities retains facility headroom
- Gearing and balance sheet metrics should support existing short and long term investor ratings

Pro Forma FY2011 Financials

AUD \$million	FY2011 Boral ¹	FY2011 LBGA	FY2011 Pro Forma	% Increase
Revenue	4,682	520	5,202	11%
EBITDA	520	85	588 ²	13%
EBIT	275	57	315 ²	15%

Pro Forma FY2011 Funding

AUD \$million	Pre Transaction	Post Transaction ⁽³⁾
Pro forma Net Debt	505	1,359
Pro forma Gearing	16%	43%
Facility Headroom	~700	~700

Notes:

¹ Results from continuing operations

² Boral 2011 full year reported EBIT/EBITDA result includes \$17 million in equity accounted income from LBGA. This has been excluded from the FY2011 Pro Forma EBIT/EBITDA amounts

³ As at 30 June 2011 assuming transaction occurred on that date. Post Transaction figures include additional net debt for LBGA acquisition, associated transaction costs and consolidation of LBGA net debt position, plus acquisition costs for previously announced Wagner and Sunshine Coast Quarries acquisitions

Investor Presentation: 17 August 2011

LBGA ACQUISITION SUMMARY

An exciting step for the future development of Boral



Adds significantly to Boral's portfolio of high growth markets in Asia.

Increases exposure to and more evenly balances portfolio across attractive product areas.

LBGA's leading market and distribution network provides strong foundation for growth.

Potential to enhance productivity through application of Boral's proven management processes.

Financially attractive, expected to be earnings accretive in first full year of ownership (FY2013).

Low risk deal offering scale and earnings growth in well-understood business.

