Schedule – Wednesday, 24 May 2017

**Presentations and Q&A**

8:00 am

Registration and Breakfast

8:30 am – 11:30 am

Presentations and Q&A

- Mike Kane – CEO & Managing Director, Boral Limited
- Frederic de Rougemont – CEO, USG Boral
- Joe Goss – Divisional Chief Executive, Boral Australia
- Wayne Manners – Executive GM, WA/NT, Building Products
- Ross Harper – Executive GM, Cement
- Paul Dalton – Executive GM, Transformation & Innovation

11:30 am – 12:00 am

Lunch

**Site Visits**

12:10 pm – 12:30 pm

Travel

12:30 pm – 1:40 pm

USG Boral Port Melbourne Plant Tour

1:40 pm – 2:20 pm

Travel

2:20 pm – 4:20 pm

Boral Australia Deer Park Quarry Tour including afternoon Tea

4:25 pm – 5:15 pm

Travel

~5:15 pm – 5:30 pm

Arrive at Melbourne Airport (or CBD)
Our vision 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.
Safety performance
Working towards world class safety performance

Employee and Contractor RIFR¹
(per million hours worked)

- Continuing to reduce injuries with 1H FY2017 RIFR¹ down to 8.4, which has halved in 4 years
- Fatality free since Dec-2013 – the longest fatality-free period for more than 15 years
- Continued engagement throughout Boral around our global safety goal

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

Boral today: Delivering transformation

1. Maintaining and strengthening our leading position in Australia
   - Well positioned on the East Coast, particularly in NSW where conditions remain very strong
   - Quarry reinvestment program strengthening our integrated position
   - Operational and commercial excellence delivering margin expansion

2. Growing organically and through innovation in USG Boral
   - Growing in plasterboard markets in Asia, Australia and Middle East, including Sheetrock® technologies

3. Transformational growth in the USA
   - Significant synergies expected from Headwaters acquisition and Meridian Brick JV
   - Innovative fly ash-based composite technologies in light building products

4. Leveraging growth in key markets and across all geographies
   - Australia: multi-year growth trajectory for major roads and infrastructure
   - Asia: increasing product penetration and leveraged to economies with long-term growth prospects
   - USA: ongoing market recovery and new market opportunities and scale through Headwaters acquisition

5. Strong cash flows and balance sheet to support growth and deliver value
Headwaters acquisition completed 8 May 2017
Aligned with Boral’s stated strategy

Boral objective

Expected impact of Headwaters acquisition

- Diversify market exposures beyond single family housing
  - Increases Boral’s exposure to the USA building and construction markets, which are experiencing positive momentum
  - Diversifies Boral USA’s channels, end-market exposures, geographic presence and customer concentration

- Less capital intensive businesses with a more flexible, variable cost structure
  - Further reshapes Boral USA’s portfolio following recent North American Bricks Joint Venture
  - Boral’s portfolio re-weighted towards less capital intensive businesses
  - Substantial synergies will improve earnings through-the-cycle

- Opportunities to align with emerging trends
  - Establishes leading positions in fly ash, light building products, stone and roofing materials that will benefit from manufacturing and distribution optimisation
  - Adds attractive, high margin niche products to Boral’s existing light building products platform, enabling Boral to better serve customers with an expanded product suite

- Earnings accretive opportunities
  - Accretive to Boral’s EPS on a pro forma FY2017F NPATA basis
  - Synergies of approximately US$100 million per annum within four years of transaction completion

Strategically aligned M&A opportunity

1. FY2017 pro forma EPS accretion on a NPATA basis assumes the Headwaters acquisition was effective from 1 July 2016, includes synergies and excludes transaction costs, integration costs and amortisation of acquired intangibles. The impact of purchase price accounting has not been completed, which will impact future depreciation and amortisation charges. In accordance with AASB 133, Boral’s basic EPS for the year ending 30 June 2017 has been adjusted to reflect the bonus element in the Entitlement Offer.

Headwaters Inc. acquisition

Strong strategic fit between Headwaters and Boral’s existing US businesses

Combination of complementary businesses establishes leading positions in key market segments and adds significant scale to Boral’s USA footprint, with pro forma combined revenue of US$1.8 billion

FY2016 revenue (US$m)1,2

<table>
<thead>
<tr>
<th>Boral USA</th>
<th>Headwaters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly Ash</td>
<td></td>
</tr>
<tr>
<td>Stone</td>
<td></td>
</tr>
<tr>
<td>Roofing</td>
<td></td>
</tr>
<tr>
<td>Light Building Products²</td>
<td></td>
</tr>
<tr>
<td>Other Headwaters</td>
<td></td>
</tr>
<tr>
<td>Other Boral</td>
<td></td>
</tr>
</tbody>
</table>

- Improved geographic coverage
- Enhanced site service capabilities
- Leading sales, marketing and product offering
- Full high-end roof offering
- Improved geographic coverage
- Broader product offering
- Quality windows offering, diverse customer base
- North American Bricks Joint Venture expected to deliver synergies of US$25m p.a. within four years²

1. Based on Boral USA revenue for year ended 30 June 2016 and Headwaters pro forma revenue for year ended 30 September 2016
2. Light Building Products includes siding, trim and panelling stone
3. Denver Construction Materials revenue reported in Discontinued Operations for 1HFY17
4. Boral USA Bricks revenue represents Boral’s 50% share of revenue of the North American Bricks Joint Venture
5. Synergies as disclosed in Boral’s announcement of the North American Bricks Joint Venture on 24 August 2016
Boral North America organisational structure

Experienced executives from Boral USA and Headwaters coming together

President & CEO
David Mariner

From Boral

From Headwaters Inc.

Construction
Materials Group
Keith Depew

Building Products
Group
Chris Fenwick

Windows1 and
Innovation
Joel Charlton

Meridian
Brick
Paul Samples

Fly Ash
Bill Gehrmann

Stone
Brent Spann

Innovation
Factory
Russell Hill

Boral
Terry Peterson

Roofing
Scott Jackson

Light Building
Products
Brian Below

Denver
Readi-Mix
Bob Kepford

BCI
Tapco

Building Products
Group

Windows
Group

Meridian

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

Corporate Staff

CFO
Oren Post

Legal
Ernie McLean

HR
Tommy Balas

Safety
Rich Stevens

Strategy &
Business Dev't
Amit Swarup

Integration
Patrick O’Boyle

BCI
Tapco

Stone
Brent Spann

Roofing
Scott Jackson

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Outlook for FY2017 – remains unchanged

Expecting US$20-$25 million EBIT contribution from Headwaters

Group FY2017 EBIT expected to be higher than FY2016, despite adverse ~$6.5m impact of Boral CSR Bricks divestment

Boral Australia

- Expect higher EBIT in FY2017 than FY2016; 1H and 2H EBIT expected to be broadly balanced
- Property earnings in 2H FY2017 expected to be broadly similar to $9m EBIT in 1H FY2017
- Fewer working days in 2H expected to be offset by:
  - anticipated stronger pricing outcomes in 2H FY2017 and ongoing operational improvements – combined these are expected to more than offset inflationary impacts and result in margin expansion
  - increasing infrastructure work, benefiting Boral’s upstream quarry and cement businesses and downstream concrete and asphalt businesses
  - the one-off restructuring cost in Bricks WA in 1H not repeating in 2H
- Assumes drier weather for the remainder of the 2H and commencement of delayed infrastructure projects

USG

- 2H earnings expected to be lower than 1H due to normal seasonality impacts, but solid year-on-year growth expected in FY2017
- Reflects continued cost and synergy benefits, and volume and price gains in several markets, including further penetration of Sheetrock® products

Boral North America

- Expected to report continued growth in earnings in FY2017, in line with US market recovery
- External forecasters¹ are projecting housing starts to increase to ~1.22 million starts in FY2017, a ~7% increase (in line with the market improvement trajectory of the past three years)
- Expect US$20m-US$25m EBIT contribution from Headwaters for period 8 May–30 June 2017

¹. Average of analysts’ forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, Moody, MBA) from March 2017

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### Early close of Headwaters acquisition – reminder of financial considerations/implications

<table>
<thead>
<tr>
<th>Area</th>
<th>FY2017 implications</th>
<th>FY2018 implications</th>
</tr>
</thead>
</table>
| **Earnings impact / synergies** | • US$20m-$25m EBIT  
  • Synergy benefits in first 8 weeks immaterial                                                        | • Consider Headwaters’ guidance for 12 months to Sept 17 of US$235-US$250m Adjusted EBITDA  
  • Plus expected year 1 synergies of US$30m-$35m                                                     |
| **Corporate costs**   | • A$17m in 1HFY17  
  • FY17 to be higher than FY16                                                                            | • FY18 to be slightly higher than FY17 due to additional Innovation spend              |
| **Depreciation & Amortisation** | • Headwaters D&A for 1H FY Sept 17 at US$36m  
  • Additional D&A for Headwaters post acquisition – with purchase price accounting adjustments underway, additional D&A likely to be circa US$25m-US$40m p.a.  
  • FY2017 will include 8 weeks impact                                                                  |                                                                                      |
| **Capital expenditure** | • Total Boral capex forecast ~A$325m p.a.  
  • Additional Headwaters capex in FY17 ~US$10m                                                        | • Total Boral capex forecast ~A$400m to $450m p.a. (including incremental Headwaters capex) |
| **Interest expense and debt** | ~A$50-A$55m net interest cost in FY2017 based on:  
  • A$27m net interest in 1HFY17  
  • Jan-8 May A$2.1b on deposit  
  • 9 May-June A$2.6b debt                                                                  | • Cost of debt ~ 4.5% to 5% p.a.  
  (Pre-existing debt ~5.1% + new debt ~4.0% p.a.)  
  • Debt of ~A$2.6b                                                                            |
| **Taxation**          | • Effective tax rate ~20-22% FY17                                                                 | • Effective tax rate ~ 29-31%  
  • Cash flow benefits of US tax loss carried forward                                                    |
USG Boral has been the perfect marriage of Boral’s leading manufacturing and distribution network across Australasia, Asia and the Middle East, with USG’s technology leadership and world-class innovation capacity

**USG Boral. Innovation inspired by you™.**

This promotional video highlighting the research and innovation that stands behind USG Boral products is accessible on USG Boral’s website [www.USGBoral.com](http://www.USGBoral.com) and Boral’s website [www.boral.com.au](http://www.boral.com.au)

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**Safety performance – a commitment to Zero Harm Today**

**Lag safety indicators YTD FY17**

- **LTIFR\(^1\)**
  - 1.1 versus 1.3 in FY16

- **MTIFR\(^1\)**
  - 3.9 versus 3.0 in FY16

**Lead safety indicators YTD FY17**

- **Safety conversations**
  - 32,774 versus 35,540 in FY16

- **Near misses**
  - 742 versus 1,077 in FY16

- Lag indicators – LTIFR and MTIFR are at relatively low levels and in line with Group performance

- Focusing on lead indicators for further improvements

- Safety Conversations: collaborating, innovating and owning change around safety

- Growing usage of CCTV camera reports, now used as part of safety lead indicators

- Program underway in all plants leading to a better understanding of “at risk” conditions

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1. Lost Time Injury Frequency Rate (LTIFR) and Medical Treatment Injury Frequency Rate (MTIFR) per million hours worked including employees and contractors in 100%-owned businesses and 50%-owned joint venture operations. YTD refers to 10 months to end of April 2017.
Strong presence in Australasia, Asia and Middle East

SHARE OF REVENUE¹, %

- Australia: 36%
- Thailand: 13%
- Indonesia: 13%
- Korea: 10%
- Other: 22%

Commenced construction to add 30m m² capacity
Board approval to expand production capacity by 30m m²

MANUFACTURING FOOTPRINT
(total number of operations²)

- Plasterboard plants: 18 (617m m² capacity / 23 board lines / 6 ceiling lines)
- Gypsum mines: 3
- Other plants³: mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production

Delivering on strategy – The joint venture is proving its success

Strong underlying earnings growth

EBIT, A$m

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-JV</th>
<th>USG Boral¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>FY2013</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>FY2014</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>FY2015</td>
<td>141</td>
<td></td>
</tr>
<tr>
<td>FY2016</td>
<td>179</td>
<td></td>
</tr>
<tr>
<td>1H FY2017</td>
<td>117</td>
<td></td>
</tr>
</tbody>
</table>

Underlying revenue, A$m

<table>
<thead>
<tr>
<th>Period</th>
<th>1H14</th>
<th>2H14</th>
<th>1H15</th>
<th>2H15</th>
<th>1H16</th>
<th>2H16</th>
<th>1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>537</td>
<td>554</td>
<td>638</td>
<td>630</td>
<td>718</td>
<td>879</td>
<td>735</td>
</tr>
</tbody>
</table>

Underlying EBIT, A$m

<table>
<thead>
<tr>
<th>Period</th>
<th>1H14</th>
<th>2H14</th>
<th>1H15</th>
<th>2H15</th>
<th>1H16</th>
<th>2H16</th>
<th>1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>55</td>
<td>47</td>
<td>70</td>
<td>71</td>
<td>91</td>
<td>88</td>
<td>117</td>
</tr>
</tbody>
</table>

1. USG Boral underlying EBIT excluding significant items

1. Based on split of 1H FY2017 underlying revenue for USG Boral
2. As at 31 Dec 2016. Certain manufacturing facilities and gypsum mines held in JV with third parties
3. Production of plasterboard and other products may be at the same physical location
Strong market share positions
Strengthened through product innovation

USG Boral’s plasterboard market share 1, %

1. Based on management estimates of plasterboard sales volume, excluding ceiling tiles, as at December 2016

Technology roll-out update –
Sheetrock technology across 18 of 23 board lines

<table>
<thead>
<tr>
<th>October 2013 commitments</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted roll-out of technologies across all gypsum manufacturing lines</td>
<td>✔️</td>
</tr>
<tr>
<td>Phased over approximately 2 years</td>
<td>✔️</td>
</tr>
<tr>
<td>Approximately US$50m of capital expenditure expected to implement technology upgrades</td>
<td>✔️</td>
</tr>
<tr>
<td>Includes equipment modification, staff training, secondment of USG technology team and other upgrades</td>
<td>✔️</td>
</tr>
<tr>
<td>Expected to be funded through JV cash flows</td>
<td>✔️</td>
</tr>
</tbody>
</table>
**Plasterboard production and utilisation**

**USG Boral plasterboard capacity utilisation and production volume**

- Since FY2007 plasterboard production volume CAGR of 5% p.a. (incl Aus/NZ) and 6% in Asia (excl Aus/NZ)
- Capacity utilisation of ~69% for FY2016 and ~76% for 1HFY17 (partly due to the closure of the Chengdu plant in China)

1. Includes plasterboard and gypsum ceiling tile volumes
2. Compound annual growth rate
3. Based on total production capacity at financial year end and annualised for 1HFY2017

**Growing innovative product offering**

- Diverse revenues from board & adjacent products
- Sheetrock and technical board increasing penetration: Sheetrock adoption rates between ~5% and 90+%
Innovation pipeline –
Delivering premium product offering & leadership

• USG Boral R&D Center in Thailand –
supporting innovation strategy:
  • Operations Excellence – Support of existing products and operations
  • New Product Extensions – Product and platform extensions
  • Exploratory – Leverage key shareholder technology for quick transfer

• USG Next Generation Sheetrock –
providing opportunities for USG Boral
  • March 2017 – USG launched Sheetrock® Brand EcoSmart Panels in USA
  • Strong sustainability attributes: 25% less water and 20% less CO₂
  • Lighter weight with high strength and sag resistance
  • Strong value proposition for USG Boral – energy savings and performance characteristics
  • Australia will be USG Boral market to pilot next generation Sheetrock® product
  • Developing plans for USG Boral network roll out

JV synergies updated –
Total synergies¹ exceed $US$50m p.a.

<table>
<thead>
<tr>
<th>October 2013 commitments – substantial synergies from:</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Roll-out of USG’s technologies:</td>
<td>✓</td>
</tr>
<tr>
<td>• lower manufacturing &amp; freight costs</td>
<td>✓</td>
</tr>
<tr>
<td>• enhanced revenues through price premium</td>
<td></td>
</tr>
<tr>
<td>• Adjacent product sales through Boral market channels:</td>
<td>✓</td>
</tr>
<tr>
<td>• ceiling products &amp; metal products</td>
<td>✓</td>
</tr>
<tr>
<td>• cement and fibre board</td>
<td>✓</td>
</tr>
<tr>
<td>• joint compounds</td>
<td></td>
</tr>
</tbody>
</table>

Additional synergies

• Procurement: eg. paper, metal, freight
• Supply chain management & logistics

¹. Including technologies, adjacent products, procurement and supply chain
USG Boral recognised at Global Gypsum Awards 2016

- Major global gypsum industry event
- USG Boral awarded:
  - Global Gypsum Company of the Year
  - Global Gypsum Product of the Year – SHEETROCK® plasterboard
  - Global Gypsum Plant of the Year – Saraburi, Thailand

The USG Boral team receiving the Global Gypsum Awards in Bangkok, Thailand, in October 2016

Responding to market opportunities and challenges

- **Australia**
  - Capacity utilisation ~70%, taking advantage of market strength, Sheetrock® adoption rates >90%
  - New entrant expected in Queensland by end of CY17
  - Building a niche, high end market position in NZ with Sheetrock® from Pinkenba

- **South Korea**
  - Strong market conditions
  - Optimising customer / product mix and margins following termination of long-term supply agreement with Byucksan
  - Commenced construction to add 30m m² additional capacity

- **Indonesia & Thailand**
  - Subdued market conditions but solid business performance and new product offerings
  - New entrants / capacity

- **Other countries**
  - Vietnam: solid growth underpinned by Sheetrock®
  - India: solid growth – Board approval to expand production capacity by 30m m²
  - China: closed Chengdu line in 1HFY17, optimising current capacity and growing Sheetrock® penetration
USG Boral Australia overview – Strengthening positions in Australia and NZ

OPERATING FOOTPRINT
- Board plant
- Other manufacturing
- Distribution site
- Gypsum mine

Plasterboard demand by end-market\(^2\), %

- Non-residential: 17%
- Alterations & additions: 23%
- Detached housing: 41%
- Multi-residential: 19%

- Sheetrock now produced at Camellia, Pinkenba and Port Melbourne board plants
- Good progress leveraging Sheetrock as a niche brand in New Zealand; supply mainly from Pinkenba

1. Includes production of composites, compounds, metal products
2. Based on USG Boral Australia management estimates of total market demand for 1H FY2017

QUESTIONS
Executive team

Frederic de Rougemont
CEO

Jenny Ooi
SVP HR

Dan Casey
SVP Middle East

Paul Monzella
CFO

Tony Charnock
SVP Asia Pacific

Joe Holmes
COO

Susan Yeom
Korea

Gregory Lukasik
China

Ivan Kovarik
Thailand

Koushik Sarkar
India

Sang Tran
Vietnam

Fares Saghibini
Middle East

Tony Charnock
Australia

David Peck
New Zealand

Charles Tiuson
Philippines

Yan Xu
Indonesia

Daron Cheah
Malaysia/Singapore
Operations in long-term growth regions

**SHARE OF REVENUE¹, %**

- **Australia:** 36%
- **China:** 10%
- **Indonesia:** 6%
- **Thailand:** 13%
- **Korea:** 22%
- **Other:** 13%

**MANUFACTURING FOOTPRINT**

<table>
<thead>
<tr>
<th>Country</th>
<th>Plasterboard plants</th>
<th>Gypsum mines</th>
<th>Other plants²</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>18</td>
<td>3</td>
<td>31</td>
</tr>
<tr>
<td>Malaysia</td>
<td>16</td>
<td>3</td>
<td>31</td>
</tr>
<tr>
<td>China</td>
<td>13</td>
<td>3</td>
<td>31</td>
</tr>
<tr>
<td>Korea</td>
<td>10</td>
<td>3</td>
<td>31</td>
</tr>
<tr>
<td>Thailand</td>
<td>13</td>
<td>3</td>
<td>31</td>
</tr>
</tbody>
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**Note:**

1. Based on split of 1H FY2017 underlying revenue for USG Boral
2. As at 31 Dec 2016. Certain manufacturing facilities and gypsum mines held in JV with third parties
3. Production of plasterboard and other products may be at the same physical location

**India**

- Population: 1.33 bn
- Population growth: 1.3%
- Urban population: 32.7%
- Rate of urbanisation: 2.4%

**China**

- Population: 1.39 bn
- Population growth: 0.4%
- Urban population: 53.6%
- Rate of urbanisation: 3.1%

**Thailand**

- Population: 69.1m
- Population growth: 0.1%
- Urban population: 50.4%
- Rate of urbanisation: 3.0%

**Indonesia**

- Population: 262.2m
- Population growth: 1.3%
- Urban population: 53.7%
- Rate of urbanisation: 2.7%

**Malaysia**

- Population: 32.3m
- Population growth: 1.7%
- Urban population: 74.7%
- Rate of urbanisation: 2.7%

**Vietnam**

- Population: 93.6m
- Population growth: 1.0%
- Urban population: 33.6%
- Rate of urbanisation: 3.0%

**Growth through product penetration**

**Plasterboard demand versus GDP per capita**

*Source: Freedonia Group, Building & Construction Report, October 2016.*
### Production capacity by plant

**Overall production capacity: 617 million m²**

<table>
<thead>
<tr>
<th>Country</th>
<th>Plant</th>
<th>Capacity (million m²)</th>
<th>Sheetrock¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 plants, 3 lines</td>
<td>Pinkenba</td>
<td>40</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Port Melbourne</td>
<td>28</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Camellia</td>
<td>18</td>
<td>✓</td>
</tr>
<tr>
<td>Total: 86 million m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Korea</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 plants, 4 lines</td>
<td>Ulsan</td>
<td>46</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Dangjin 1</td>
<td>37</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Dangjin 2</td>
<td>35</td>
<td>✓</td>
</tr>
<tr>
<td>Total: 153 million m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>China</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 plants, 6 lines</td>
<td>Baoshan</td>
<td>35</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Shandong</td>
<td>35</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Chongqing 2</td>
<td>13</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Chongqing 3&amp;4</td>
<td>30</td>
<td>✓</td>
</tr>
<tr>
<td>Total: 143 million m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 plants, 3 lines</td>
<td>Saraburi 1</td>
<td>50</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Saraburi 2</td>
<td>35</td>
<td>✓</td>
</tr>
<tr>
<td>Total: 105 million m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 plants, 3 lines</td>
<td>Cilegon 1</td>
<td>26</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Cilegon 2</td>
<td>30</td>
<td>✓</td>
</tr>
<tr>
<td>Total: 72 million m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Vietnam</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ho Chi Minh 2</td>
<td></td>
<td>30</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Malaysia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parit Buntar</td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td><strong>India</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khushkhera</td>
<td></td>
<td>9</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Oman</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td></td>
<td>8</td>
<td>✓</td>
</tr>
</tbody>
</table>

1. Plants with Sheetrock® technology as at May - 2017

---

### Client projects – Australia / NZ

**Project**: Chadstone Shopping Centre Redevelopment Stages 38 & 40, Melbourne – largest shopping centre in Australia

**Date**: November 2016

**Products used**: 115,000m² lining products (including FIBEROCK® and Sheetrock®) and specialist plasterboards and compounds
Client projects – Korea

- **Accor Ambassador Hotel, Yongsan, Seoul** – largest hotel complex in Korea with ~1,700 rooms
  - **Date**: Expected completion July 2017
  - **Products used**: 550,000m² plasterboard (including ~70% Firecheck), 6,500m² ceiling tiles (Gyptex)

- **L – City** – hotel and luxury residence complex in Busan; second tallest building in Korea
  - **Date**: Expected completion November 2019
  - **Products used**: 3,000,000m² plasterboard (including 40% Firecheck)

Client projects – Thailand

- **ICONSIAM, Bangkok** – 70-storey condo and 52-storey super luxury condo and department store
  - **Date**: Expected completion March 2019
  - **Products used**: 100,000m² FULFILboard, 100,000m² Firebloc, 45,000m² standard plasterboard

- **Rama Hospital, Bang Plee City** – government hospital building; 4 buildings of 8-storeys each
  - **Date**: Expected completion December 2018
  - **Products used**: 60,000m² sheets Multiwall, 100,000m² sheets standard plasterboard
Client projects – Thailand

Project: EmQuartier – 6 story mix used retail, featuring a 30’ open air garden, 6 levels of dining terraces and an eight theater cinema complex plus a 5 tory waterfall

Date: Completed May 2015

Products used:
- 125,000 m² of 4 tapered edge board
- 45,000 m² of MFT-USG
- 30,000 m² of FULFILboard

Client projects – China

Project: Shanghai Tower Center – the second tallest skyscraper in China. Comprises hotel, retail, office and observation areas

Date: Completed December 2015

Products used:
- 70,000m² shaft wall
- 80,000m² lining system
- 100,000m² partitions

Project: Shenzhen Ping An International Finance Center – skyscraper over 600m tall; headquarters of the Ping An Group

Date: Completed October 2016

Products used:
- 40,000m² shaft wall
Client projects – Indonesia

**Project**
Kota Kasablanka – office and residential project in Jakarta

**Date**
Estimated completion May 2018

**Products used**
161,600 m² Sheetrock
107,600 m² acoustic and concealed system

Client projects – Philippines

**Project**
Okada Manila – casino resort and hotel complex in Entertainment City gaming strip, Pasay City

**Date**
Expected completion, Tower 1, December 2017

**Products used**
9,000m² of 13mm WetArea Board
9,000m² of 16mm Firestop

**Project**
Conrad Hotel – 5-star 10-storey hotel and high end retail complex in Pasay City, inspired by passing cruise ships in Manila Bay

**Date**
Completed July 2016

**Products used**
24,000m² of 13mm WetArea Board
4,500m² of 16mm Echostop
Client projects – Philippines

<table>
<thead>
<tr>
<th>Project</th>
<th>SunPower facility, Laguna – first semiconductor wafer fabrication facility in the Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Completed January 2017</td>
</tr>
</tbody>
</table>
| Products used | 10,500m² of 13mm Firestop  
10,500m² of 16mm Firestop |

<table>
<thead>
<tr>
<th>Project</th>
<th>Viridian Residences – 55-storey luxury residential tower in Greenhills, Mandaluyong City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Expected completion December 2017</td>
</tr>
</tbody>
</table>
| Products used | 15,000m² of 16mm Firestop  
9,000m² of 16mm WetArea Firestop |

BORAL AUSTRALIA

Joe Goss,  
Chief Executive,  
Boral Australia

Boral Australia Innovation Factory – NSW
Boral Australia Overview
Joe Goss

Major Projects
Wayne Manners

Cement
Ross Harper

Transformation & Innovation
Paul Dalton

Southern Region
Paul Dalton

Agenda

1. Large east coast focused footprint
   (total number of operations)

2. Vertically integrated operating model

3. 1. As at November 2016
   2. Includes cement manufacturing plant, bagging plant, lime plant, limestone quarry and depots
   3. Includes 8 Boral Hardwood mills and 1 JV Softwood operation
   4. Includes Boral Concrete, Roofing, Masonry plus 2nd brands Concrite (NSW), Alsafe (Vic) & Q-Crete (Qld)

Boral Australia
The powerhouse in a diversified international portfolio of growth assets
Revenue Profile
A diverse revenue profile (%)\(^1\) by end-market, business and geography

**End-market**
- Diversified end-market focused on Infrastructure and Residential

**Business**
- Externally Concrete heavy with Quarries and Cement internal focus
- East coast, metro market focused

---

1. Based on 1H FY2017 split of Boral Australia external revenue
2. Roads, Highways, Subdivisions & Bridges
3. Bricks & Roofing includes Masonry revenues

---

Organisational Structure
Leveraging regional management structure with product & functional support

1. Effective 1 June 2017
2. Building Products
Organisational health is critical in achieving sustainable high levels of performance.

Focus on culture, people and leadership underpins our investment in excellence programs.

Building a culture that fosters people working together.

Three pillars of success within zero|one|ten framework require strong leadership, high levels of people engagement and cultural alignment.

Transforming our business through our people.

Our Drive
Three pillars of success to being the undisputed industry leader

Zero Harm Today
To our people & our environment

Number One
Market leader & employer of choice

10% Better
Sustainable growth & continuous improvement

Safety Excellence
Safe and engaged people

Customer Excellence
Price & margin practices

Operational Excellence
Production efficiency

Environmental stewardship
Customer orientation

Supply chain efficiency
Safety Excellence

- Management commitment and leadership
- Employee engagement in safety responsibility
- What we are doing:
  - Engaging front line supervisors
  - Strengthening behavioural programs
  - Continuing contractor safety program

Divisional Recordable Injury Frequency Rate

Comprises Medical Treatment Injury Frequency Rate (MTIFR) and Lost Time Injury Frequency Rate (LTIFR). Includes employees and contractors.

Customer Excellence

What is Customer Excellence?

- Price and margin practices:
  - While maintaining or improving our market positions, obtain a fair price to achieve a return on investment that exceeds the cost of capital through the cycle.
  - Building a commercial culture and train our sales team to leverage the value our products / services deliver
  - Differentiating pricing by segment and product, built around the value we deliver and what customers value
  - Improving access to sales data to allow faster, better decision making and oversight of our price and margin

Customer orientation:
Helping our customers to build something great.
- Identifying customer journeys by key segments to better understand customer needs and moments of truth across our customer lifecycle
- Designing improved customer experience built around core customer and business value drivers
- Developing improved service models by segment, with success metrics
Operational Excellence

Significant success from Operational Excellence initiatives

- Annual cost improvement programs
- ~$175m of cost savings since FY15
- Productivity based improvements e.g., OEE, plant monitoring & configuration, waste reduction
- Restructuring and labour right-sizing
- Procurement initiatives
- Supply chain optimisation
- Strategic and operational capital allocation

1. Cumulative benefits as presented at results from FY2015 – 1HF Y2017, including restructuring, diesel, energy, procurement savings
2. Overall Equipment Effectiveness

Operational Excellence

Material inputs, payroll and logistics cost make up ~75% of our cost base

- Material costs ~35% of cost base
- Payroll costs ~22% of cost base with increases of up to ~3% p.a.
- Logistics costs ~18% of cost base
- Energy ~8% of cost base
- Electricity usage ~450-500 MWhr p.a. costing ~$75m p.a. in FY17 (incl ~50% fixed network costs)
  - ~55% of variable exposure hedged + load management (off peak) strategies in place for large user sites
  - FY17 costs estimated to be ~$11m higher than FY16
- Gas usage <2PJ p.a. currently costing ~$11m p.a.
  - Fixed term contracts: east coast contracts renew Jan 18, WA renews 2017
- Diesel usage ~100m litres p.a. currently costing ~$100m p.a.
  (includes ~50% fixed pump costs and taxes)

1. Reflecting full decline in usage and costs following east coast brick divestment in November 2016
**Pricing**

Boral is focused on securing year on year price growth above cost escalation

- Average selling price rises required to offset cost pressures
- More favourable pricing outcomes in geographies with stronger demand

**CASE STUDY:**

Early evidence of April 2017 price increases coupled with October 2016 increases suggests that annual increases of national weighted ASP are running above cost escalation

<table>
<thead>
<tr>
<th>Region</th>
<th>Area</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>Metro</td>
<td>●</td>
</tr>
<tr>
<td></td>
<td>Country</td>
<td>●</td>
</tr>
<tr>
<td>NSW</td>
<td>Metro</td>
<td>●</td>
</tr>
<tr>
<td></td>
<td>Country</td>
<td>●</td>
</tr>
<tr>
<td>Southern</td>
<td>VIC Metro</td>
<td>●</td>
</tr>
<tr>
<td></td>
<td>VIC Country</td>
<td>●</td>
</tr>
<tr>
<td></td>
<td>SA</td>
<td>●</td>
</tr>
<tr>
<td></td>
<td>TAS</td>
<td>●</td>
</tr>
<tr>
<td>WA</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>National</td>
<td></td>
<td>●</td>
</tr>
</tbody>
</table>

Source: Management estimates

YTD April 2017 vs April 2016 average selling price changes

**Activity**

Well positioned to take advantage of historically high levels of activity

**Boral Australia external revenue**

1. Compound annual growth rate from FY2016 to FY2021 forecast by Macromonitor, February 2017 (Concretes in ‘000 m³ and Asphalt in ‘000 tonnes)
2. Based on H1 FY2017 split of Boral Australia external revenue
Boral Australia project pipeline – March 2017
We have secured and are executing on a strong pipeline of projects

<table>
<thead>
<tr>
<th>Projects in Execution</th>
<th>Total project cost, A$</th>
<th>Estimated completion</th>
<th>Projects in Tendering phase</th>
<th>Total project cost A$</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perth Stadium, WA</td>
<td>$0.8bn</td>
<td>2017</td>
<td>Brisbane Airport Runway, Qld</td>
<td>$1.3bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Mitchell Freeway, WA</td>
<td>$0.3bn</td>
<td>2017</td>
<td>Sunshine Coast Airport, Qld</td>
<td>$0.4bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Wheatstone LNG, WA</td>
<td>$45bn</td>
<td>2017</td>
<td>Sydney Metro, City &amp; SW, NSW</td>
<td>$10.0bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Toowoomba Second Range, Qld</td>
<td>$1.8bn</td>
<td>2018</td>
<td>Sydney Airport Re-sheet, NSW</td>
<td>-</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Bringelly Road Stage 1, NSW</td>
<td>$3.3bn</td>
<td>2018</td>
<td>Northern Road, NSW</td>
<td>$3.6bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Pacific Hwy, Nambucca, NSW</td>
<td>$0.6bn</td>
<td>2018</td>
<td>Pacific Motorway M1 Widening, NSW</td>
<td>$0.4bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>NorthLink stage 1, WA</td>
<td>$1.1bn</td>
<td>2018</td>
<td>Pacific Hwy W2B, NSW</td>
<td>$5.0bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Gateway Motorway North, Qld</td>
<td>$1.1bn</td>
<td>2019</td>
<td>Melbourne Metro, Vic</td>
<td>$9.0bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Amrun Project, Qld</td>
<td>$2.6bn</td>
<td>2019</td>
<td>Western Distributor, Vic</td>
<td>$5.0bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Kingsford Smith Drive, Qld</td>
<td>$0.7bn</td>
<td>2019</td>
<td>Outer Suburban Arterial Roads, Vic</td>
<td>$1.8bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Warrego Highway Upgrade St 2, Qld</td>
<td>$0.6bn</td>
<td>2019</td>
<td>Melbourne Airport Runway (RDP), Vic</td>
<td>$0.5bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>NorthConnex, NSW</td>
<td>$3.0bn</td>
<td>2019</td>
<td>Northern Connector Road, SA</td>
<td>$1.0bn</td>
<td>Currently tendering</td>
</tr>
<tr>
<td>Forrestfield – Airport Link, WA</td>
<td>$1.2bn</td>
<td>2019</td>
<td>NorthLink stages 2 &amp; 3, WA</td>
<td>$1.1bn</td>
<td>Currently tendering</td>
</tr>
</tbody>
</table>

Materials revenue from major road projects typically 1-5% of project cost
### Project execution

Major projects underway around Australia demonstrate Boral’s capability to deliver:

1. **Northlink Stage 1**
   - New Perth road corridor
   - Supply & place asphalt
   - ~180,000 tonnes

2. **Forrestfield Airport Link**
   - Concrete for tunnel & structures
   - Fixed & Mobile plants
   - ~180,000m³ concrete

3. **Toowoomba Second Range Crossing**
   - Bypass route
   - ~70,000m³ fixed concrete plant

4. **NorthConnex**
   - Tunnel linking M1-M2
   - Integrated concrete supply through dedicated project plants
   - ~500,000m³ concrete

5. **Gateway Upgrade North**
   - Major Road upgrade
   - Supply & place asphalt
   - ~500,000 tonnes

6. **Pacific Highway Upgrade**
   - Various sections
   - Concrete, asphalt, quarry materials via fixed and mobile plants
   - ~400,000m³ concrete

Note the dates listed under each project are start date - completion date.

### Project capability

Boral continues to demonstrate the benefit of an integrated approach:

- **Perth Stadium**
  - Supplying multiple products
  - Securing related project work
  - Delivering technical complexity

- **NorthConnex**
  - Building supply chain and capacity solutions
  - Supplying highly specified concrete product
  - Implementing strong project management governance
Australian major road projects pipeline
We are in the early stages of a multi-year infrastructure boom

- Investment in road infrastructure translating into stronger materials demand
- Demand focus on east coast
- Projects are close to integrated Boral operations

The major project pipeline (including beyond 2022) is being supported by recent government budget announcements

Agenda

- Boral Australia Overview
  Joe Goss
- Major Projects
  Wayne Manners
- Cement
  Ross Harper
- Transformation & Innovation
  Paul Dalton
- Southern Region
  Paul Dalton
Boral Cement Portfolio
A strong portfolio of businesses that source and supply a wide range of products

Berrima NSW
Maldon NSW
Waurn Ponds VIC
Sunstate JV
Marulan NSW
Other businesses

<table>
<thead>
<tr>
<th>Clinker &amp; cement</th>
<th>Specialty cements</th>
<th>Grey cement</th>
<th>Multiple cements</th>
<th>Limestone &amp; Lime</th>
<th>DMG &amp; FAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinker (1.5mt) - fully utilised kiln</td>
<td>2 mills (900mt)</td>
<td>2 mills (750mt)</td>
<td>3 mills (1.5mt)</td>
<td>&gt;80 years limestone reserves</td>
<td></td>
</tr>
<tr>
<td>2 mills (1.6mt)</td>
<td>Berrima clinker</td>
<td>Imported Clinker transported inland</td>
<td>JV with ABL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rail link to CBD</td>
<td>Packaging plant</td>
<td>Portside facility</td>
<td>Import clinker</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rail link to CBD</td>
<td>Dry mix capability</td>
<td>Lime kiln (130kt)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Assets

- 2 mills (1.6mt)
- Rail link to CBD

- 2 mills (900mt)
- Berrima clinker
- Packaging plant
- Rail link to CBD

- 2 mills (750mt)
- Imported Clinker transported inland

- 3 mills (1.5mt)
- JV with ABL
- Import clinker
- Portside facility
- Dry mix capability

- 3.1mt of limestone quarried in FY16
- Lime kiln (130kt)

Products

- Grey cement: SL & HES
- Grey and O/W Clinker
- Grey cement: GP
- Slag
- Specialty & blends
- Bagged products

- Grey cement: GP, HES
- Blends at Somerton terminal
- Grey cement: GP, HES & SL
- Slag, fly ash, O/W
- Blends and Bagged
- Lime
- Manufactured sand
- Limestone
- Concrete pumping and placing
- Contracting packages
- Bulk fly ash

Shrinkage Limited (SL); High Early Strength (HES); Off-White (OW); General Purpose (GP); Adelaide Brighton (ABL); Cement Australia (CA)

Clinker Imports
International export market conditions continue to be favourable for clinker importers

Import Clinker Prices and Volumes

- Australian cement imports have increased as local manufacturing reduced and demand has grown. Trend to imports should continue.
- Import cost of clinker (ex Asia) is low relative to historical levels, partially offset by lower AUD
- Excess regional capacity exists and has been aided by a fall in Chinese demand
- International shipping at cyclical lows

Australian cement imports have increased as local manufacturing reduced and demand has grown. Trend to imports should continue.
- Import cost of clinker (ex Asia) is low relative to historical levels, partially offset by lower AUD
- Excess regional capacity exists and has been aided by a fall in Chinese demand
- International shipping at cyclical lows

1. Management estimates
2. Source: Cement Industry Federation
3. Source: Reserve Bank of Australia
Boral Cement Sourcing
Our cement sourcing model is tailored by region to take advantage of local conditions

Boral Cement sourcing models

<table>
<thead>
<tr>
<th>Area</th>
<th>Model</th>
<th>Assets</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>Clinker manufacturer</td>
<td>Berrima Kiln Maldon</td>
<td>Logistics &amp; continuous improvement maintains competitiveness</td>
</tr>
<tr>
<td>VIC</td>
<td>International clinker importer</td>
<td>Waurn Ponds</td>
<td>Imported clinker has lowest cost</td>
</tr>
<tr>
<td>SEQ</td>
<td>Sunstate JV (50:50 with ABL)</td>
<td>Sunstate JV</td>
<td>Imported clinker has lowest cost. JV reduces volume risk</td>
</tr>
<tr>
<td>WA</td>
<td>Bulk cement purchaser from local producers</td>
<td>Waurn Ponds</td>
<td>Competitive sourcing cost</td>
</tr>
<tr>
<td>SA / TAS</td>
<td>Bulk cement purchaser from local producers</td>
<td>Agreeements with local suppliers</td>
<td></td>
</tr>
</tbody>
</table>

Percentages against each state refer to proportion of total Australian volume in each state. Source: Macromonitor Construction Materials Forecast, February 2017 (FY17 figures)

Boral’s Strategic Positions
Adapting to our environment by leveraging Berrima’s strategic position & reinvesting

Berrima cost competitive and well located

- Berrima costs at or below import parity
- Productive limestone, continued kiln efficiency (fully utilised) and logistics advantage
- Boral rails cement into Sydney CBD at costs typically lower than trucking from Port Kembla
- Boral’s Marulan limestone quarry has improved production and lowered costs

Planned Victorian reinvestment

- Boral supplies VIC from its inland Waurn Ponds facility
- Progressing options to build a replacement portside grinder – decision by end of CY17
- New facility will lower transport & handling costs, produce a slag based product range and have swing capacity to capture surge in project activity
Electricity prices have risen in NSW and VIC
Electricity is ~9% of Berrima costs
Berrima shifts production where possible to low cost times of the day

Berrima is coal fired, with plans to substitute up to 30% alternative fuels
Fuel cost is ~13% of Berrima costs
Marulan lime kiln is gas fired and is Boral’s main user of gas

Lower CO$_2$ emissions via kiln efficiency and adding coke to coal
Options to further reduce emissions including alternate fuels, waste heat recovery and efficiency measures
A new executive position leading ‘Transformations & Innovation’ will focus on establishing platforms to drive our transformation agenda and continued EBIT growth.

### Price & Margin Practices

- Growing revenue & margin through more rigorous pricing processes to reflect value
- Building commercial culture and expanding sales team competencies
- Building sales tools and systems
- Expanding margins through greater understanding of Boral’s ‘costs to serve’ and customer history / behaviour
- Capturing pocket margin

### Supply Chain Optimisation

- Optimising our integrated network to drive margin growth
- Building common tools and systems
- Improving connectivity between sites and fleet
- Institutionalising ‘One-Boral’ behaviour and building commercial culture with clear guiding principles of behaviour
- Building sales staff competency through training programs and targeted recruitment

### Innovation

- Driving margin growth through new products
- Commercialisation
- Focus on collaboration and building partnerships
- New common tools and processes to improve decision making
  - Upgraded reporting
  - Integrated ‘configure, price, quote’ with customer relationship management (CRM)
- More frequent pricing reviews underway

### Enablers:

- Leadership
- People
- Culture
- Digital
Rollout Timeline
Southern Region pilot program that continues to track around 0.5% margin improvement

Current progress

A. Develop Pricing Principles
B. Design Pricing System
C. Implement Pricing System
   - Part 1
   - Part 2
   - Part 3
   - Part 4
   - Part 5
   - Part 6

Establish Sales Training
   - Deployment Wave 1
   - Deployment Wave 2
   - Deployment Wave 3

Nationalise Sales Incentives

Price & Margin Practices
Program progress on track with system design and principles completed

Price & Margin Practices
Pricing Principles

A. Establishing the national principles to guide behaviour for good price management

1. Guiding Principles
   - Guiding Principle #1
     - We will never undervalue our products & services to win a job
   - Guiding Principle #2
     - We will maintain or improve our market position
     - Need to cover costs and achieve a return on investment that exceeds the cost of capital through the cycle

2. Pricing Principles
   - Examples:
     - Pricing reviews - being predictable to our customers on pricing
     - Customer prices – applying appropriate and consistent criteria for pricing
     - Service fees - charging according to “pay per use”
**Price & Margin Practices**

**Systems, Training and Incentives**

- Centralised product, pricing & margin information
- Rules Engine
- Manages authority / approvals
- Automatically generates quotes

### APTTTUS

- 3-4 year program
- Southern region pilot
- Multi-level, graded program

### Sandler Sales Certification Program

- National plan
- At risk component
- Individual KPIs

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**Price & Margin Practices**

**Pricing Systems**

- Building national pricing systems & processes to improve decision making & control

**Price Plan**

Aspiration by geography and segment over time based on local conditions

**Customer**

Peer customers by location, segment & volume of product purchased from Boral

**Product**

Clear target & authority level for each product

**Service Fees**

Services unbundled with check on historical recovery

**Authority**

Margin check, approval level, required escalation

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Note the information above is illustrative only
We spend >$500m p.a. moving >100m tonnes of materials and finished products by ship, road & rail. We have ~2,500 road vehicles including 1,400 Agitators and ~1,100 tippers and tankers.

Material movements

Sydney Aggregate movements

Supply Chain Optimisation

Creating value by connecting customers to resources via a complex supply chain

Focusing on Boral’s ‘costs to transport’ and improving customer service, reliability and safety

Performing diagnostics to prioritise areas of opportunity – digital, people and process areas identified

Standardising logistic processes and building supporting infrastructure

System upgrades to improve and automate despatch

Investing in sales & operations planning

Improving connectivity between logistics fleets and our large integrated operational footprint

Leveraging Boral Australia’s scale and reach

Optimising our integrated network to drive margin growth

Building common tools & processes

Improving connectivity
Innovation
Focusing on building a culture of innovation and commercialisation

Driving margin growth through new products
- Constant review of product, service and business models to maximise the potential benefits of innovation
- Digital innovation to feature heavily in process

Commercialisation
- Commercialising products to build a portfolio centred on customer needs, materials science and mix designs
- Includes early strength and low carbon value added concrete products as well as polymers and recycled asphalt products
- Leveraging Boral’s history of innovation, product development & technical capability
- Strengthening collaboration with Boral USA and USG Boral
- Expanding collaboration with external partners eg. customers, suppliers and research centres

Innovation video presentation

This promotional video providing customer testimonials and highlighting the innovation behind Boral’s Envisia concrete is accessible on Boral’s website www.boral.com.au
Agenda

- Boral Australia Overview
  Joe Goss
- Major Projects
  Wayne Manners
- Cement
  Ross Harper
- Transformation & Innovation
  Paul Dalton
- Southern Region
  Paul Dalton

Boral’s Integrated Concrete Model is key to Southern Region’s success

Southern Region Footprint
Boral has a large integrated footprint supplying key markets in Southern Region

Southern Region construction materials & cement

<table>
<thead>
<tr>
<th>Areas</th>
<th>Activity</th>
<th>QUA</th>
<th>CON</th>
<th>CEM</th>
<th>ASP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melbourne CBD</td>
<td>Large multi-res development, infrastructure investment</td>
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<td>✓</td>
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<td>Long term residential growth corridor</td>
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<td>Infrastructure investment and redevelopment</td>
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<tr>
<td>SA Country</td>
<td>Major road and freeway infrastructure</td>
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<tr>
<td>Tasmania</td>
<td>Low residential growth, investment in health projects</td>
<td>✓</td>
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</tbody>
</table>

1. As at November 2016
2. Includes Waurn Ponds grinder and Somerton depot / bagging plant

QUA: Quarries  CON: Concrete  ASP: Asphalt  CEM: Cement
Deer Park Quarry Reinvestment
Deer Park Quarry reinvestment strengthens Boral’s Melbourne position

**Quarry Characteristics**
- Commenced stone extraction in 1965
- 30+ years of reserve life
- Close to major arterial roads, enabling supply into CBD and Western and Northern growth corridors
- 24hr/6 days per week consent to process and sell material

**Processing Plant**
- Plant replacement cost of ~$75m with completion by end of CY2017
- Increased production capacity from ~2mtpa to ~3mtpa
- Enhanced product yield with upgraded screening technology to optimise variable quality of reserves
- Improved ability to extract all areas of pit and open more void for landfill

**Complementary Businesses**
- Rock geology enables production of high specification asphalt & high strength concrete through to low grade road-base
- On-site Asphalt and Concrete plants add value to high grade materials extracted
- Cleanaway Landfill providing royalty stream as well as purchasing large quantities of low grade product

**Questions**
Strong demand outlook for concrete and asphalt
Industry demand forecast to peak and remain at high levels

**Forecast pre mix concrete demand**
('000) m³

- Forecast CAGR² of ~0.2% from FY2016 to FY2021
- Growth in RHS&B³ activity forecast to offset softer demand from dwellings

1. Source: Macromonitor, Construction Materials forecast, February 2017
2. Compound annual growth rate
3. Roads, highways, subdivisions & bridges

**Forecast asphalt demand**
('000) tonne³

- Forecast CAGR² of ~4.4% from FY2016 to FY2021
- Growth in major roads infrastructure underpins increase in forecast asphalt demand

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**Activity by Segment**
Boral Australia captures activity across multiple market segments

1. Based on split of 1H FY2017 Boral Australia external revenues
2. BIS Oxford Economics (March 2017)
3. Roads, highways, subdivisions and bridges
4. Source: BIS Oxford Economics and Macromonitor (both March 2017) and HIA (Feb 2017)
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