



Boral Limited
ABN 13 008 421 761

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 730 644
ASX Code: BLD
Email: boral@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

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SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN NSW 0000

Dear Shareholder,

Tax Treatment of Retail Share Premium - December 2016

You are receiving this letter because you received a retail share premium in December 2016 and you may have had that premium taxed incorrectly.

The circumstances for each individual will vary and you are therefore encouraged to consult your own financial or taxation adviser. The information we provide below is general in nature.

Background

On 21 November 2016 Boral Limited announced a 1 for 2.22 pro rata renounceable retail entitlement offer of Boral Limited ordinary shares at an offer price of \$4.80 per new share.

On 24 November 2016 Boral Limited released its retail offer booklet in respect of the offer. The retail entitlements were able to be traded on the ASX in the period 24 November to 2 December 2016.

The offer, together with the retail shortfall book build, gave rise to a retail premium of \$0.35 per new share. In accordance with the offer, the relevant premium amount was paid to shareholders who did not participate in the offer.

You received that premium in December 2016.

Taxation treatment

In the retail offer booklet, Boral Limited provided general comments to the effect that for certain shareholders the retail premium should be treated as a capital gain.

The ATO subsequently released Taxation Ruling TR 2017/4 and guidance on the taxation of retail premiums, which can be found here: <https://www.ato.gov.au/individuals/investing/in-detail/investing-in-shares/taxing-retail-premiums/>

This guidance states: "Generally, where individual retail investors hold shares on capital account and a resident individual shareholder receives a retail premium, it will constitute a capital gain.

We have become aware that the retail premium was incorrectly reported to the Australian Taxation Office (ATO) as an unfranked dividend. The ATO has now been provided with the correct information in relation to your retail premium.

Action may be required

There is a possibility that your income tax return for the June 2017 year has been incorrectly completed and/or assessed. If necessary, you can provide the information and correct treatment to the ATO and request an amended assessment.

Further queries

Please contact your financial or taxation adviser should you have any queries in respect of the above.

Boral's share registry can also be contacted on the details provided at the beginning of this letter.

Yours faithfully

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Dominic Millgate
Company Secretary