About Boral
Boral overview

- Boral is an international building and construction materials group with operations in Australia, the USA and Asia
- S&P/ASX 100 company
- Operations across 13 countries
- ~12,000 employees

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

Fixing things that are holding us back

**EXECUTE**

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

**TRANSFORM**

Transforming Boral for performance excellence and sustainable growth through innovation
Construction Materials & Cement and Boral Building Products

SHARE OF REVENUE\(^1\), %

**by state**

- WA / NT
- QLD
- NSW / ACT
- VIC / TAS / SA

**by business**

- Concrete
- Quarries
- Bricks & Roofing\(^2\)
- Cement
- Asphalt
- Other
- Timber

OPERATING FOOTPRINT
(totals number of operations)

- Quarrries: 92
- Concrete: 228
- Bricks\(^4\): 14
- Asphalt: 43
- Roof tiles: 4
- Cement\(^3\): 7
- Timber\(^5\): 9
- Masonry: 3

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

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}\(^1\) Includes all Boral CSR JV plants on the East Coast
\(^2\) Includes 8 Boral Hardwood mills and 1 JV Softwood operation
\(^3\) 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 is well positioned with strategic reserves and integrated downstream operations

**CEMENT**
- ~70% of needs from domestic manufacturing and ~30% from imports
- ~50-60% Cement volumes sold internally to Concrete

**QUARRIES**
- 40-50% Quarry volumes sold internally to Concrete
- Aggregates and sand
- 5-15% Quarry volumes sold internally to Asphalt

**BITUMEN**
- Bitumen Importers Australia (JV)

**CONCRETE**
- Per m³ concrete: ~0.3t cementitious material, ~1.0t aggregates, ~0.9t sand
- ~50-60% Cement volumes sold internally to Concrete

**CM&C Revenue by business**
- Concrete: 45%
- Concrete placing: 14%
- Property, Logistics, other: 10%
- Asphalt: 23%
- Quarries: 3%

**ASPHALT**
- Per tonne asphalt: ~0.055t bitumen, ~0.7t aggregates, ~0.2t sand
- ~35% of plants supplied bitumen from 50/50 JV

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1. Based on split of FY2015 revenues from Construction Materials & Cement
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
Boral’s largest segment in Australia is Roads, Highways, Subdivisions & Bridges (RHS&B)

A significant lift in Major Road Projects underpins forecast growth of ~25-30% in RHS&B VWD, over the next 4-5 years.

Note that the charts are for financial years and have been based on 2012/13 dollars. VWD = Value of Work Done. RHS&B = Roads, highways, subdivisions & bridges.

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

- ~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 REVENUE\(^1\), %

- Australia: 34%
- Thailand: 21%
- Indonesia: 15%
- China: 12%
- Korea: 11%
- Other: 7%

MANUFACTURING FOOTPRINT
(total number of operations)

- **19** Plasterboard plants
  - 637m \(^2\) capacity (25 board lines / 6 ceiling tile lines)
- **3** Gypsum mines\(^2\)
- **31** Other plants\(^2\)
  - 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 REVENUE\(^1\), %

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>34%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>11%</td>
</tr>
<tr>
<td>China</td>
<td>7%</td>
</tr>
<tr>
<td>Korea</td>
<td>3%</td>
</tr>
<tr>
<td>Thailand</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

MANUFACTURING FOOTPRINT (total number of operations)

- **Plasterboard plants**
  - 637m m\(^2\) capacity (25 board lines / 6 ceiling tile lines)
  - 19 operations

- **Gypsum mines\(^2\)**
  - 3 operations

- **Other plants\(^2\)**
  - mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production
  - 31 operations

---

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
3. 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
SHARE OF REVENUE\(^1\), %

by business

Fly Ash &
Construction
Materials

Roofing

Cladding\(^2\)

by end market

RHS&B\(^3\)

Non-
residential

Repair &
remodel

Multi-family
dwellings

Single-family
dwellings

Other

Operative Footprint\(^4\)

(total number of operations)

- Bricks: 12
- Roof tiles: 12
- Cultured Stone: 2
- Building Products Distribution Centres: 42
- Composites: 1
- Concrete and quarries: 10
- Fly ash: 30

1. Based on split of FY2015 revenue for Boral USA
2. Includes Bricks, Cultured Stone and Trim revenues
3. Roads, highways, subdivisions and bridges
4. 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.

Forecasters\(^1\) 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 (ROFE\textsuperscript{1})

%  

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>18.2</td>
</tr>
<tr>
<td>FY05</td>
<td>15.9</td>
</tr>
<tr>
<td>FY06</td>
<td>14.2</td>
</tr>
<tr>
<td>FY07</td>
<td>11.9</td>
</tr>
<tr>
<td>FY08</td>
<td>10.1</td>
</tr>
<tr>
<td>FY09</td>
<td>6.5</td>
</tr>
<tr>
<td>FY10</td>
<td>6.6</td>
</tr>
<tr>
<td>FY11</td>
<td>7.6</td>
</tr>
<tr>
<td>FY12</td>
<td>4.1</td>
</tr>
<tr>
<td>FY13</td>
<td>4.7</td>
</tr>
<tr>
<td>FY14</td>
<td>7.2</td>
</tr>
<tr>
<td>FY15</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Focused on ongoing disciplined management of COSTS, CASH and CAPITAL

\textsuperscript{1} Excludes significant items, calculated on funds employed as at 30 June
Safety performance
Our goal is to achieve ZERO HARM for all Boral employees and contractors

Employee and Contractor RIFR¹ (per million hours worked)

<table>
<thead>
<tr>
<th>Year</th>
<th>LTIFR</th>
<th>MTIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>22.7</td>
<td>20.5</td>
</tr>
<tr>
<td>FY11</td>
<td>21.4</td>
<td>19.4</td>
</tr>
<tr>
<td>FY12</td>
<td>19.0</td>
<td>17.2</td>
</tr>
<tr>
<td>FY13</td>
<td>17.4</td>
<td>15.5</td>
</tr>
<tr>
<td>FY14</td>
<td>13.6</td>
<td>11.7</td>
</tr>
<tr>
<td>FY15</td>
<td>12.1</td>
<td>10.3</td>
</tr>
</tbody>
</table>

- 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.
FY2015 Results
FY2015 result highlights
Boral delivers significant profit improvements

Revenue
- Reported: $4.4b (down 15%)
- Continuing operations: $4.3b

EBIT\(^1\)
- $357m (up 21%)

Profit after tax\(^1\)
- $249m (up 45%)

Gearing, Net D/(Net D+E)
- 19% (up from 18%)

Earnings per share\(^1\)
- 31.9 cents (up 45%)

Full year dividend
- 18.0 cents (up 20%)

Net profit after tax
- $257m (up 48%)

ROFE\(^1,2\)
- 8.2% (up from 7.2%)

---
1. Excluding significant items
2. Return on funds employed as at 30 June 2015
Strong earnings performance
Boral USA, Building Products and Property sales drive earnings strength

**EBIT\(^1\) variance**

FY2015 vs FY2014
(A$\text{m})

- Construction Materials & Cement
  - Operating
  - Property
- Building Products
- Boral Gypsum\(^2\)
- Boral USA
- FY2015 EBIT\(^1\)

|          | FY2014 EBIT\(^1\) | 294 | 38 | 22 | (28) | 45 | 357 |

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)
Mixed movements in market activity

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

FY2015f vs FY2014

Australia

RHS&B (VWD)\(^1\) \(\downarrow 2\%\)

Other engineering (VWD)\(^1\) \(\downarrow 15\%\)

Non-residential (VWD)\(^2\) \(\downarrow 1\%\)

Total housing starts\(^3\) \(\uparrow 19\%\)
  – Detached housing starts\(^3\) \(\uparrow 9\%\)
  – Multi-residential starts\(^3\) \(\uparrow 32\%\)

Alterations & additions (VWD)\(^2\) \(\uparrow 1\%\)

USA

Total housing starts\(^5\) \(\uparrow 10\%\)

Single-family housing starts
  – Total USA\(^6\) \(\uparrow 8\%\)
  – Boral Brick States\(^6\) \(\uparrow 8\%\)
  – Boral Tile States\(^6\) \(\uparrow 9\%\)

Non-residential\(^7\) \(\uparrow 11\%\)

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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.
ROFE improvement across all divisions
All divisions reported positive ROFE for FY2015

Construction Materials & Cement

ROFE¹ %

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.7</td>
<td>14.5</td>
</tr>
</tbody>
</table>

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 %

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>9.0</td>
</tr>
</tbody>
</table>

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

ROFE¹,² %

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>7.4</td>
</tr>
</tbody>
</table>

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 %

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5.8)</td>
<td>0.7</td>
</tr>
</tbody>
</table>

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

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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

<table>
<thead>
<tr>
<th>A$m</th>
<th>FY2015</th>
<th>FY2014</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,091</td>
<td>3,287</td>
<td>(6)</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>485</td>
<td>445</td>
<td>9</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>301</td>
<td>277</td>
<td>9</td>
</tr>
<tr>
<td>EBIT ROS¹, %</td>
<td>9.8</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>2,086</td>
<td>2,172</td>
<td></td>
</tr>
<tr>
<td>ROFE¹, %</td>
<td>14.5</td>
<td>12.7</td>
<td></td>
</tr>
</tbody>
</table>

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

1. Excluding significant items
2. Other includes Asphalt and DMG contracting margins
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
Boral Gypsum (50%-owned USG Boral JV)

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

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

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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
Boral USA

Breaks through to profitability with improved market activity and strong focus on costs

- **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

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2014</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>839</td>
<td>681</td>
<td>23</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>50</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>EBIT¹</td>
<td>6</td>
<td>(39)</td>
<td></td>
</tr>
<tr>
<td>EBIT ROS¹, %</td>
<td>0.7</td>
<td>(5.7)</td>
<td></td>
</tr>
<tr>
<td>Revenue (US$m)</td>
<td>695</td>
<td>622</td>
<td>12</td>
</tr>
<tr>
<td>EBIT¹ (US$m)</td>
<td>5</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>827</td>
<td>664</td>
<td></td>
</tr>
<tr>
<td>ROFE¹, %</td>
<td>0.7</td>
<td>(5.8)</td>
<td></td>
</tr>
</tbody>
</table>

### EBIT variance

<table>
<thead>
<tr>
<th>EBIT variance</th>
<th>US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14 EBIT¹</td>
<td>(35)</td>
</tr>
<tr>
<td>Volume</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Cost escalation</td>
<td></td>
</tr>
<tr>
<td>Cost reduction²</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>FY15 EBIT¹</td>
<td>5</td>
</tr>
</tbody>
</table>

1. Excluding significant items
2. Includes production volume leverage impact
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 on slide 43 while details of significant items are provided in Note 4 of the Financial Statements within the Boral Annual Report 2015. Non-IFRS information has not been subject to audit or review.

1. Excluding significant items
(Figures may not add due to rounding)
### Significant items

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

<table>
<thead>
<tr>
<th>A$m</th>
<th>FY2015</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain on disposal of Western Landfill</td>
<td>115</td>
<td>1</td>
</tr>
<tr>
<td>Impairment of Building Products businesses</td>
<td>(73)</td>
<td>2</td>
</tr>
<tr>
<td>Construction Materials &amp; Cement restructure</td>
<td>(31)</td>
<td>3</td>
</tr>
<tr>
<td>Boral CSR Bricks joint venture costs</td>
<td>(8)</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td><strong>Significant items (net)</strong></td>
<td><strong>8</strong></td>
<td></td>
</tr>
</tbody>
</table>

### 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 4 of the Financial Statements within the Boral Annual Report 2015 and relate to amounts that are associated with significant business restructuring, business disposals, impairment or individual transactions.

(Figures may not add due to rounding)
## Cash flow

Continuing to generate strong cash flows

<table>
<thead>
<tr>
<th>Cash flow, A$m</th>
<th>FY2015</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA¹</td>
<td>605</td>
<td>556</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>37</td>
<td>91</td>
</tr>
<tr>
<td>Interest</td>
<td>(63)</td>
<td>(79)</td>
</tr>
<tr>
<td>Tax</td>
<td>(46)</td>
<td>14</td>
</tr>
<tr>
<td>Equity earnings less dividends</td>
<td>(34)</td>
<td>(28)</td>
</tr>
<tr>
<td>Profit on sale of assets</td>
<td>(41)</td>
<td>(15)</td>
</tr>
<tr>
<td>Other non-cash items</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Restructuring costs paid</td>
<td>(44)</td>
<td>(34)</td>
</tr>
</tbody>
</table>

### Operating cash flow

- **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)
Capital expenditure remains constrained
Increasing proportion of stay in business capital spending

**Total capital expenditure**
A$\text{m}

SIB\(^1\)  Growth  Depreciation and amortisation

- **FY11**: 235
- **FY12**: 192
- **FY13**: 126
- **FY14**: 203
- **FY15**: 211

**FY2015 capital expenditure**

- **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\(^\circ\) line at Napa, CA
  - Various projects by Boral Composites in the USA

**FY2015 capital expenditure**

- Construction Materials & Cement
- Building Products
- Boral USA
- Corporate

Total = $250m

---
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
Balance sheet
Strong balance sheet and maintaining debt at lower levels

Gearing\(^1\), %

- Net debt up to $817m from $718m due to foreign exchange impact
- Principal debt gearing covenant\(^2\) 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

Debt maturity profile

Net debt reconciliation, A$m

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23 and later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(718)</td>
</tr>
<tr>
<td>Cash flow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>118</td>
</tr>
<tr>
<td>Non cash (FX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(217)</td>
</tr>
<tr>
<td>Closing balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(817)</td>
</tr>
</tbody>
</table>

(Figures may not add due to rounding)

1. Net debt / (net debt + equity)
2. Gross debt / (gross debt + equity - intangibles)
3. Swiss franc notes issued under EMTN program
Strategic Priorities & Outlook
Boral’s *Fix, Execute, Transform* program

**FIX**
- Fixing things that are holding us back
  - Streamlined organisation
  - Portfolio realignment
  - $213m cumulative cost reduction benefits in FY2015
  - $251m cash from divestments & land sales in first 2 years
  - Net debt of $817m at historically lower levels
  - Capital expenditure < $300m

**EXECUTE**
- 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

**TRANSFORM**
- 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

<table>
<thead>
<tr>
<th>Boral Construction Materials &amp; Cement</th>
<th>Boral Building Products</th>
<th>Boral Gypsum</th>
<th>Boral USA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Landfill</strong>: Divested Western Landfill business in Melbourne</td>
<td><strong>East Coast Bricks</strong>: Boral CSR Bricks JV commenced in May-15</td>
<td><strong>Sheetrock® Brand plasterboard introduced into Australia, Korea, Indonesia, Thailand, China and Vietnam</strong></td>
<td><strong>Completed restructure of regional sales and operations</strong></td>
</tr>
<tr>
<td><strong>Cement</strong>: Closed small specialty cement kiln at Maldon in Dec-14 and transferred production to Berrima</td>
<td><strong>Timber</strong>: Strategic review undertaken, including review of external opportunities</td>
<td><strong>Introduced USG adjacent products to portfolio</strong></td>
<td><strong>Construction Materials</strong>: Divested limestone quarry in Oklahoma in Jan-15</td>
</tr>
<tr>
<td><strong>Quarries</strong>: Peppertree Quarry commissioning on time and on budget</td>
<td><strong>Timber</strong>: Structural improvement program, particularly for Hardwood; capital projects focusing on safety and operational improvements</td>
<td><strong>On track for targeted US$50m pa synergies within three years of technology roll-out</strong></td>
<td><strong>Bricks</strong>: Continuing to assess options for the US Bricks business</td>
</tr>
<tr>
<td><strong>Quarries</strong>: Ongoing strategic investment in quarry upgrades</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Managing costs down
$213m annualised cost benefits delivered in FY2015

$150m of benefits from corporate-led programs
A$m

- $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

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

- $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

- 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
- ~US$24m of cost savings through a dedicated program in USG Boral JV to offset higher costs associated with the roll-out of new technologies & products

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

(Total calculated using AUD/USD exchange rate of 0.828)
Outlook for FY2016
(as announced at FY2015 results, 27 August 2015)

- 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

- **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

- **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

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

---

1. Average of analysts from Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA between May and July 2015
Supplementary slides
## FY2015 segment revenue and EBIT

<table>
<thead>
<tr>
<th></th>
<th>External revenue A$m</th>
<th>EBIT(^1) A$m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2015</td>
<td>FY2014</td>
</tr>
<tr>
<td>Construction Materials &amp; Cement</td>
<td>3,091</td>
<td>3,287</td>
</tr>
<tr>
<td>Building Products</td>
<td>485</td>
<td>487</td>
</tr>
<tr>
<td>Boral Gypsum(^2)</td>
<td>–</td>
<td>691</td>
</tr>
<tr>
<td>Boral USA</td>
<td>839</td>
<td>681</td>
</tr>
<tr>
<td>Unallocated</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Discontinued businesses(^3)</td>
<td>–</td>
<td>58</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,415</td>
<td>5,204</td>
</tr>
</tbody>
</table>

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)
Earnings and dividends per share

Fully franked final dividend of 9.5 cents per share declared

- 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
Debt profile
Debt levels maintained at historically lower levels

Gross debt currency exposure
As at 30 June 2015

22% USD
78% AUD

Total = A$1,323m

<table>
<thead>
<tr>
<th>Debt facilities</th>
<th>FY2015 A$m</th>
<th>FY2014 A$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>US PP¹</td>
<td>1,105</td>
<td>913</td>
</tr>
<tr>
<td>CHF notes²</td>
<td>209</td>
<td>178</td>
</tr>
<tr>
<td>Other loans/ finance leases</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Gross debt</strong></td>
<td><strong>1,323</strong></td>
<td><strong>1,101</strong></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>817</strong></td>
<td><strong>718</strong></td>
</tr>
</tbody>
</table>

1. US Private Placement notes
2. Swiss notes issued via EMTN program. Swapped to USD
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)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15f</th>
<th>1H FY15</th>
<th>2H FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>162</td>
<td>145</td>
<td>163</td>
<td>181</td>
<td>215</td>
<td>217</td>
<td>213</td>
</tr>
<tr>
<td>Other</td>
<td>62</td>
<td>55</td>
<td>70</td>
<td>77</td>
<td>101</td>
<td>96</td>
<td>106</td>
</tr>
</tbody>
</table>

Housing starts – by state¹
FY2015f vs FY2014

<table>
<thead>
<tr>
<th>State</th>
<th>FY14FY15f</th>
<th>FY14FY15f</th>
<th>FY14FY15f</th>
<th>FY14FY15f</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>46</td>
<td>56</td>
<td>51</td>
<td>65</td>
</tr>
<tr>
<td>VIC</td>
<td>46</td>
<td>51</td>
<td>22</td>
<td>33</td>
</tr>
<tr>
<td>QLD</td>
<td>36</td>
<td>43</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>SA</td>
<td>11</td>
<td>11</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>WA</td>
<td>29</td>
<td>32</td>
<td>23</td>
<td>24</td>
</tr>
</tbody>
</table>

Alterations & additions (A&A)²
(value of work, $b)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15f</th>
<th>1H FY15</th>
<th>2H FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>8.0</td>
<td>7.7</td>
<td>7.1</td>
<td>7.1</td>
<td>7.2</td>
<td>7.5</td>
<td>6.9</td>
</tr>
</tbody>
</table>

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 starts

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15f</th>
<th>1H FY15</th>
<th>2H FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starts</td>
<td>570</td>
<td>687</td>
<td>872</td>
<td>954</td>
<td>1,052</td>
<td>1,042</td>
<td>1,061</td>
</tr>
</tbody>
</table>

+10%

• US housing starts of 1,052k\(^1\) 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 States\(^2\) and Boral Tiles States\(^2\) up 8\% and 9\% respectively

• US non-residential activity up 11\%\(^3\)

US single-family housing starts

Boral Brick States\(^2\) ('000)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15f</th>
<th>1H FY15</th>
<th>2H FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starts</td>
<td>175</td>
<td>197</td>
<td>237</td>
<td>255</td>
<td>276</td>
<td>260</td>
<td>292</td>
</tr>
</tbody>
</table>

+8%

US single-family housing starts, Boral Tile States\(^2\) ('000)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15f</th>
<th>1H FY15</th>
<th>2H FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starts</td>
<td>63</td>
<td>76</td>
<td>108</td>
<td>116</td>
<td>126</td>
<td>112</td>
<td>140</td>
</tr>
</tbody>
</table>

+9%

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
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 4 of the Financial Statements within the Boral Annual Report 2015 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:

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

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 material contained in this document is a presentation of information about the Group’s activities current at the date of the presentation, 7 October 2015 unless otherwise stated. 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.