Boral’s *Fix, Execute, Transform* program

**FIX**

- Fixing things that are holding us back
  - Streamlined organisation
  - Portfolio realignment
  - $213m cumulative cost reduction benefits\(^1\) 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
## Boral USA Schedule

**Wednesday, September 9**

<table>
<thead>
<tr>
<th>Time</th>
<th>Presentation</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30 a.m. - 11:00 a.m.</td>
<td>Registration</td>
<td>Mike Kane, CEO &amp; Managing Director, Boral Limited</td>
</tr>
<tr>
<td>11:00 a.m. - 11:15 a.m.</td>
<td>Welcome</td>
<td>Al Borm, President &amp; CEO, Boral USA US Management Team</td>
</tr>
<tr>
<td>11:15 a.m. - 12:30 p.m.</td>
<td>Presentation</td>
<td>Al Borm, President &amp; CEO, Boral USA US Management Team</td>
</tr>
<tr>
<td>12:45 p.m. - 2:30 p.m.</td>
<td>Lunch</td>
<td>Small group discussions and Q&amp;A</td>
</tr>
<tr>
<td>2:40 p.m. - 3:05 p.m.</td>
<td>Guest Speaker</td>
<td>Gary Katz, Master Carpenter, Editor of Fine Homebuilding</td>
</tr>
<tr>
<td>3:10 p.m. - 3:45 p.m.</td>
<td>Wrap Up, Q&amp;A</td>
<td>Topic: Composite materials in practice</td>
</tr>
</tbody>
</table>

## Content

- **Boral USA Overview**
  - Economic & Housing Update
  - Financial Results
  - Strategy
  - Business Updates
Boral USA has leading market positions¹ & a national footprint
#1 in Brick, Clay Tile, Concrete Tile, and Stone Veneer; #2 in Fly Ash; #3 in Construction Materials in Denver, Colorado

SHARE OF REVENUE², %
by business

- Fly Ash & Construction Materials: 54%
- Cladding³: 23%
- Roofing: 7%

by end market

- Single-family dwellings: 58%
- Repair & remodel: 10%
- Multi-family dwellings: 6%
- Non-residential: 14%
- Other: 7%

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

BORAL USA INVESTOR DAY 2015
Boral USA has leading market positions¹ & a national footprint
#1 in Brick, Clay Tile, Concrete Tile, and Stone Veneer; #2 in Fly Ash; #3 in Construction Materials in Denver, Colorado

BORAL USA TEAM

Boral USA

Al Borm
President and CEO

Boral Limited

Joel Charlton
EGM Innovation

Patrick O’Boyle
VP Growth & Performance

Oren Post
CFO

Paul Samples
President
Sales & Dist, Cladding

Keith Depew
President
Operations, Cladding

Chris Fenwick
President Roofing

Terry Peterson
President Materials

Brian Below
President
Light Building Products
Employee and Contractor LTIFR\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>LTIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>3.3</td>
</tr>
<tr>
<td>FY11</td>
<td>0.6</td>
</tr>
<tr>
<td>FY12</td>
<td>0.7</td>
</tr>
<tr>
<td>FY13</td>
<td>0.7</td>
</tr>
<tr>
<td>FY14</td>
<td>0.4</td>
</tr>
<tr>
<td>FY15</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Employee and Contractor RIFR\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>RIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>15.0</td>
</tr>
<tr>
<td>FY11</td>
<td>8.8</td>
</tr>
<tr>
<td>FY12</td>
<td>8.5</td>
</tr>
<tr>
<td>FY13</td>
<td>7.3</td>
</tr>
<tr>
<td>FY14</td>
<td>5.7</td>
</tr>
<tr>
<td>FY15</td>
<td>6.1</td>
</tr>
</tbody>
</table>

\(^1\) Lost Time Injury frequency rates (per million hours worked)
\(^2\) Reportable Injury Frequency Rates (per million hours worked)

% of total Hours Lost to Injury

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Total Hours Lost to Injury</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>0.12%</td>
</tr>
<tr>
<td>FY11</td>
<td>0.07%</td>
</tr>
<tr>
<td>FY12</td>
<td>0.01%</td>
</tr>
<tr>
<td>FY13</td>
<td>0.06%</td>
</tr>
<tr>
<td>FY14</td>
<td>0.04%</td>
</tr>
<tr>
<td>FY15</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

Total FY15 Hours Worked: 5.5m, +78% since FY10

- Risk identification and leadership engagement remain key areas of focus
- Boral Bricks Union City plant maintained OSHA VPP\(^3\) Star Plant status
- Goal is ZERO HARM

---

**Content**

- Boral USA Overview
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  - Financial Results
  - Strategy
  - Business Updates
**Fundamental economic indicators improving**

- **Q2 CY 2015 GDP Growth**: 3.6% (2.2% average quarterly growth since 3Q 2009)
- **July 2015 Unemployment**: 5.3% vs. Oct-09 peak of 10.0%
- **Consumer Confidence**: 93.1 up from Nov-08 trough of 55.3

**Positive Housing fundamentals**

- **New Housing Stock**
  - Below long-term average inventory of ~360k homes
  - 40%

- **Mortgage Rates**
  - 45% Below long-term average of 6% to 8%
  - 4%

- **Home Prices**
  - Higher year over year in May 2015: $179k
  - 5%

**Construction indicators and risks**

- **New Residential**
  - Big builders continue to lead recovery
  - Single family 64% of total

- **Non-Residential**
  - Lagging residential by 18 to 24 months

- **Headwinds**
  - Labor is still tight
  - Credit constrained for first-time buyers

---

1. US Bureau of Economic Analysis
2. US Bureau of Labor Statistics
3. University of Michigan Surveys of Consumers, 80+ considered positive
4. US Census Bureau, June 2015: 215k homes
5. National Association of Realtors
6. Case Shiller Home Price Index
7. May 2015 average home sales price

---

**US Housing Snapshot**

US Housing starts averaged 1,054k in FY2015, a year on year increase of ~10%
Single Family Recovery
The current portfolio is highly exposed to single family residential and the potential upside from this segment remains strong.

US Single Family Starts¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Prior Trough</th>
<th>FY14</th>
<th>FY15</th>
<th>% Below Peak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick States²</td>
<td>175</td>
<td>255</td>
<td>276</td>
<td>-51%</td>
</tr>
<tr>
<td>Tile States³</td>
<td>63</td>
<td>116</td>
<td>127</td>
<td>-72%</td>
</tr>
<tr>
<td>US Total¹</td>
<td>427</td>
<td>622</td>
<td>676</td>
<td>-60%</td>
</tr>
</tbody>
</table>

2. Boral Brick States (Dodge): Alabama (AL), Arkansas (AR), Georgia (GA), Kentucky (KY), Louisiana (LA), Mississippi (MS), North Carolina (NC), Oklahoma (OK), South Carolina (SC), Tennessee (TN), Texas (TX), based on latest available revisions in August 2015
3. Boral Tile States (Dodge): Arizona (AZ), California (CA), Florida (FL), Nevada (NV), based on latest available revisions in August 2015

Market Outlook
Residential and non-residential momentum to continue in FY2016; strong growth forecast in both markets through next 3 to 5 years.

New Residential Starts¹

Analysts’ average forecast of US starts at ~1.2m in FY2016, a ~14% increase from FY2015. Expected growth of ~6% for the Non-Residential segment.
## Boral USA Overview

## Economic & Housing Update

## Financial Results

## Strategy

## Business Updates

### Operating Results

**EBIT positive, first time since 2007**

<table>
<thead>
<tr>
<th>US$m</th>
<th>FY15</th>
<th>FY14</th>
<th>FY13</th>
<th>FY15 vs. FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>695</td>
<td>622</td>
<td>569</td>
<td>12%</td>
</tr>
<tr>
<td>EBITDA$</td>
<td>42</td>
<td>3</td>
<td>(22)</td>
<td></td>
</tr>
<tr>
<td>EBIT$</td>
<td>5</td>
<td>(35)</td>
<td>(66)</td>
<td>114%</td>
</tr>
<tr>
<td>EBIT ROS, %</td>
<td>0.7</td>
<td>(5.7)</td>
<td>(11.6)</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>634</td>
<td>625</td>
<td>655</td>
<td></td>
</tr>
<tr>
<td>ROFE$</td>
<td>0.8</td>
<td>(5.7)</td>
<td>(10.0)</td>
<td></td>
</tr>
</tbody>
</table>

### Market Improvement
- Total starts up 10%
- Single family starts up 9%

### EBIT positive, US$5m
- Volume gains
- Price improvement
- Operating leverage
- ~$20m SG&A cost reductions
- Divestment: Oklahoma limestone quarry

### EBITDA positive, US$42m

---

1. Excluding significant items; ROFE in FY15 reported results for Boral USA 0.7% in AUD
2. Includes production volume leverage impact
### Top Line and Margin Growth

<table>
<thead>
<tr>
<th>New Products:</th>
<th>Cost and Capital Management</th>
<th>SG&amp;A¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non Manufactured Products</strong></td>
<td><strong>Bricks:</strong></td>
<td><strong>FY13 Project Get Fit:</strong></td>
</tr>
<tr>
<td>Roofing components, brick accessories, stucco, tools, liquid weather barrier</td>
<td>Bricks: 1.3b capacity, 1.9b at peak</td>
<td>115 FTEs impacted</td>
</tr>
<tr>
<td></td>
<td>24 plants at peak, currently 9 operating, 3 mothballed</td>
<td>Outsourced brick transportation</td>
</tr>
<tr>
<td><strong>Manufactured Products</strong></td>
<td><strong>Stone:</strong></td>
<td><strong>FY14, FY15 Reorganization:</strong></td>
</tr>
<tr>
<td>Bricks: 24 new products</td>
<td>Plant automation</td>
<td>70 FTEs impacted</td>
</tr>
<tr>
<td>Roofing: 13 new products</td>
<td><strong>Roofing:</strong></td>
<td>Restructured regional sales and operations</td>
</tr>
<tr>
<td>Stone: Carolina Collection</td>
<td>17 plants at peak, currently 9 operating, 3 mothballed</td>
<td>~US$20m cost savings in FY2015</td>
</tr>
<tr>
<td>LBP: Siding, 2x trim</td>
<td><strong>New Segments:</strong></td>
<td>Ongoing expense management</td>
</tr>
<tr>
<td><strong>New Segments:</strong></td>
<td><strong>Repair and Remodel</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Non Residential</strong></td>
<td>Versetta, hail tile, siding</td>
<td></td>
</tr>
<tr>
<td>Admix brick, Stucco</td>
<td><strong>Non Residential</strong></td>
<td></td>
</tr>
<tr>
<td><strong>New / Emerging Geographies:</strong></td>
<td><strong>Admix brick, Stucco</strong></td>
<td></td>
</tr>
<tr>
<td>Roofing: Colorado, Texas, Canada</td>
<td><strong>Roofing:</strong></td>
<td></td>
</tr>
<tr>
<td>Cladding: Exports</td>
<td>17 plants at peak, currently 9 operating, 3 mothballed</td>
<td></td>
</tr>
<tr>
<td><strong>Pricing:</strong></td>
<td><strong>Standardize equipment, tooling, machinery</strong></td>
<td></td>
</tr>
<tr>
<td>Roofing: Key contracts, components</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cladding: Regional, customer based</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹. SG&A: "Selling, general, and administration" costs

---

### EBIT and Housing Starts

Positive results at lower level of housing starts

**EBIT vs. Housing Starts**

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,945</td>
<td>2,016</td>
<td>2,036</td>
<td>$80</td>
<td>$103</td>
<td>$139</td>
<td>$75</td>
<td>1,546</td>
<td>1,132</td>
<td>646</td>
<td>594</td>
<td>570</td>
</tr>
<tr>
<td>687</td>
<td>687</td>
<td>872</td>
<td>872</td>
<td>954</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
</tr>
</tbody>
</table>

Portfolio additions from historic: 50% Monier Lifetile & Cultured Stone, Boral Composites

Total US Housing Starts ‘000s

EBIT US$m's

-1,800 -1,200 -600 0 600 1,200 1,800 2,400

($150) ($100) ($50) 0 ($50) ($100) ($150) ($200) ($250)
FY2015 Performance Drivers
Improvement driven by higher volumes, price growth, and cost and asset management

<table>
<thead>
<tr>
<th>Total Starts</th>
<th>Single Family Starts</th>
<th>Volume</th>
<th>Price</th>
<th>Revenue</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bricks¹</td>
<td>Up 4%</td>
<td>Up 8%</td>
<td>↑ 8%</td>
<td>↑ 1%</td>
<td>↑ 13%</td>
</tr>
<tr>
<td>Stone²</td>
<td>Up 10%</td>
<td>Up 9%</td>
<td>↑ 17%</td>
<td>↑ 1%</td>
<td>↑ 15%</td>
</tr>
<tr>
<td>Roofing³</td>
<td>Up 15%</td>
<td>Up 10%</td>
<td>↑ 10%</td>
<td>↑ 5%</td>
<td>↑ 14%</td>
</tr>
<tr>
<td>Composites</td>
<td>-</td>
<td>-</td>
<td>↑ 58%</td>
<td>↑ 8%</td>
<td>↑ 76%</td>
</tr>
<tr>
<td>Materials</td>
<td>-</td>
<td>-</td>
<td>↑ 5%</td>
<td>↑ 9%</td>
<td>↑ 7%</td>
</tr>
<tr>
<td>Fly Ash</td>
<td>-</td>
<td>-</td>
<td>↓ (6%)</td>
<td>↑ 5%</td>
<td>↓ (3%)</td>
</tr>
</tbody>
</table>

¹. Brick States: (Source: Dodge) Texas, Oklahoma, Arkansas, Louisiana, Kentucky, Tennessee, Mississippi, Alabama, Georgia, South Carolina, North Carolina
². Stone: Total United States starts (Source: Census)
³. Tile States: (Source: Dodge) California, Nevada, Arizona, Florida
4. Data as of August 2015

Share & Price
FY15 share gains with price recovery ongoing

Bricks Market Share¹ and Price
% Share, $ per MSBE²

Stone Market Share¹ and Price
% Share, $ per Sq Ft

Roofing Market Share¹ and Price
% Share, $ per Square³

Share recapture in key markets
Launch of low cost product line
Focus on price to offset cost increases

¹. Market share based on management estimates
². Bricks average selling price: Direct distribution average selling price
³. Standard Weight Concrete Tile ASP
Cost & Capital Management
Manufacturing costs have improved substantially

**Brick Manufacturing Costs & Assets**
($ per MSBE)

- Key Variable: Raw Material, Labor
- Key Fixed: Salary, Depreciation

**Stone Manufacturing Costs & Assets**
($ per Sq. Ft)

- Key Variable: Labor, Raw Materials, Molds
- Key Fixed: Salary, Depreciation

**Roofing Manufacturing Costs & Assets**
($ per Square)

- Key Variable: Raw Material, Labor
- Key Fixed: Salary, Depreciation

---

1. Inflation adjusted by 1.5% per annum
2. Asset change % based on capacity. Excludes Versetta line
3. Fuel and energy < 5% of costs in Roofing and Stone businesses

---

**FY2016 Outlook for Boral USA:**

- Housing starts to continue slow rise: ~1.2m
- EBIT will continue to improve, even without FY2015 one-time restructuring boost
- Businesses will need to increase costs to support market growth
- Impact of Light Building Products to increase
Boral USA Overview

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Strategic Roadmap

1. Optimize Portfolio to Maximize Recovery
   - Continue focus on margin enhancement, i.e. price improvement, cost down initiatives
   - Divest non-core construction materials business in Colorado when appropriate
   - Continue to assess options for the US bricks business

2. Investment in Innovation
   - Grow capabilities of Innovation Factory
   - Deliver new products to market
   - Develop new platforms
   - Invest in prototype composite sheet line

3. Acquisition Strategy
   - Focus on sectors with low asset, variable cost based manufacturing
   - Leverage emerging market trends, targeting products early in life cycle
   - Identify companies that fit Boral’s strategic objectives
Priority 1. Optimize portfolio to maximize recovery
Growing the top line while driving efficiencies through the business

FY15
- Non-Res: 14%
- Repair & Remodel: 12%
- New Residential: 74%

Future
- Non-Res: 25%
- Repair & Remodel: 25%
- New Residential: 50%

Non-Residential
- National restaurants
- Commercial brick
- Stucco
- Liquid barriers
- Fly Ash and Materials Growth

Repair and Remodel
- Trim, bead board
- Versetta stone panels
- Siding
- Hail Tile - Reroof

Sustainable Development
Improving and growing current platforms

Support
- Marketing efforts/claims
- Technology evaluations

Performance
- Cost optimization
- Process improvements

Product Extensions
- Craftsman Collection™
- Bevel siding profile
- New trim profiles/sizes

Transformational
Creating new platforms and technologies

Support
- New R&D centre
- Pilot plant infrastructure
- Open innovation

Market Diversification
- Repair and Remodel
- Interior
- Commercial

New Product Categories
- Sheet development
- New formulations
- New processes

Priority 2. Innovation
Continuous development of new products and platforms
**Priority 3. Acquisition Strategy**  
Positioning businesses to transform the portfolio and achieve ROFE targets

### Current Portfolio

- High cost assets, high energy
- High fixed cost platform
- Residential focus
- Mature markets
- High skilled labor

### Aspiration

- Low asset base, low energy, sustainable
- Variable cost based manufacturing
- Balanced market segments
- Innovative technology platform
- Low skilled labor

1. 50% residential, 25% non-residential, 25% repair and remodel

---

### Transforming the Portfolio
Changing the composition and scale of our assets

#### Snapshot of business over time

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2009</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$611mm</td>
<td>$406mm</td>
<td>$695mm</td>
</tr>
</tbody>
</table>

#### Product portfolio

- Brick
- Brick accessories
- Pavers
- Roof tile
- Fly Ash

- Added since FY05
  - Construction materials

- Added since FY09
  - 50% Monier, tile
  - 100% cultured stone
  - Trim, siding
  - Roof components
  - Shucoo

- Divested in FY13
- Oklahoma materials
- Launched in FY14
- Light building products

#### Revenues by business

<table>
<thead>
<tr>
<th>Products</th>
<th>FY2005</th>
<th>FY2009</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boral Cladding</td>
<td>20%</td>
<td>42%</td>
<td>23%</td>
</tr>
<tr>
<td>Boral Roofing</td>
<td>22%</td>
<td>13%</td>
<td>23%</td>
</tr>
<tr>
<td>Boral Materials</td>
<td>58%</td>
<td>45%</td>
<td>54%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End market</th>
<th>FY2005</th>
<th>FY2009</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repair and Remodel</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>91%</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

### Multi-year Aspiration

- ~ $2bn
  - Growth through market recovery, business optimization
  - Growth through innovation
  - Growth through acquisitions
  - Construction Materials divestment
Boral USA Overview

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Boral Cladding: Strategy
Deliver high quality masonry and construction cladding solutions with increasing emphasis on commercial market through stone, stucco, and commercial brick offerings

Sales and Marketing
- Maintain and grow share
- Convert direct stone sales to Boral Stone
- Compete in lower tier stone market
- Increase commercial share
- Expand brick and stone product lines
- Expand high-margin resale portfolio

Operations and SG&A
- Rationalize direct network
- Optimize production network
- Restructure to lean cladding organization
- Improve Chester plant utilization
- Optimize/Outsource logistics

Cladding Plants
12 Brick, 2 Stone

Stone
Brick
Boral Cladding: Challenges and Actions
Delivering on priorities to protect and grow market share and maximize profitability

Challenges
- Brick share of wall (brick intensity)
- Increased share of volume builders
- Reliance on new single-family
- Excess supply and capacity
- Return to profitability

Actions
- Expanded product offerings
- Established strategy to win volume builders
- Invested in commercial capacity
- Shed excess capacity, remastered key items
- Rationalized direct distribution
- Working to eliminate losses in FY2016

1. Dependent on housing starts, intensity, and builder mix

Boral Cladding: Strategic Product Highlights
Continued share gains, new product offerings, price increases, and commercial sales growth

Product Highlights
- Prostone (lower tier)
- BASF Finestone (mixed use project)
- Bessemer Commercial Brick
- Echo Ridge stone (interior)

New Collections
- New Historic District Brick Collection
- New California Vista Stone Collection

Ancient Villa Ledgestone is one of several new Vista profiles
Boral Light Building Products: Strategy

Market leader for high performance, innovative, “green” product solutions across the residential new construction, light commercial, and repair & remodel segments

Strategic Priorities

- Low asset base, low energy
- Variable cost based manufacturing
- Balanced market segments\(^1\)
- Innovative technology platform
- Platform for growth
  - Organic: Boral Innovation Factory
  - Future M&A

Markets and Channels

Light Building Products Manufacturing and Distribution Network

Challenges

- Market adoption to continue rapid growth
- Price pressures from competitive products
- Manufacturing efficiency and cost improvements
- Timing of new manufacturing capacity

Actions

- Continued expansion into new geographies, channels, segments
- Multi-pronged marketing strategy to drive awareness and trial
- Expanding product portfolio to full offering
- Price discipline and margin management

LBP Revenue Growth (\(\text{\$M}\))

~\$1.8b market\(^1\)

\(^1\) Estimate based on information from Ciprus Research, Principia, and management estimates
BORAL USA INVESTOR DAY 2015

Boral Light Building Products: FY2016 Commercial Developments
Continued channel-to-market expansion, market awareness initiatives, and new product launches are planned to deliver significant growth in FY2016

**Market Awareness**
- Mobile Training Units
- Katz Roadshow Sponsorship
- Content Marketing Initiative

**Product Development**
- Trim - 2011
- Bead Board
- 2X Trim
- Siding Collection
- Skirt Board
- Bevel Siding - 2015
- Versetta - 2010
- Accessories
- Universal Corner
- Graphite - 2015
- Mission Point - 2015

BORAL USA INVESTOR DAY 2015

Boral Roofing: Strategy
Provide full offering of high end pitched roof solutions that will enable Boral to grow and diversify into new geographies and market segments

**Sales and Marketing**
- Maximize price and margin
- Maintain and grow share of tile vs asphalt
- Launch new, high margin products
- Diversify business across market segments
- Optimize product offering across assets

**Operations and SG&A**
- Optimize manufacturing network
- Invest in assets to improve efficiency
- Deliver higher asset utilization at lower cost
- Add talent to support growing market
- Manage SG&A as % of sales

---

1. Gilroy consolidated into other Northern California plants
Boral Roofing: Challenges and Actions
Executing on key initiatives to increase profit margin and share of roof

Challenges
- Heavily tied to new homes in sand states
- High installed cost
- Low utilization and price challenges
- Manufacturing optimization

Actions
- Fewer hours lost to injury
- Market expansion
- Price and margin improvements
- Increased roof component sales
- Manufacturing network consolidation
- Overhead cost improvements

Product Launches
- Gemstone Collection
- Earth Tone Collection
- Villa 800

Customer Experience
New Tile and Stone Design Center in Phoenix, Arizona
BORAL USA INVESTOR DAY 2015

Boral Materials: Strategy
Fly Ash: Bolster fly ash supply and uncover new applications; increase pricing with recovery
Materials: Exploit quarry position and leverage ready mix plant network

Sales and Marketing
- Maximize price and margin
- Maintain and grow share through new contracts
- Launch new, high margin fly ash fillers
- Find new applications of fly ash as filler
- Optimize product offering across assets

Operations and SG&A
- Optimize fly ash supply network
- Upgrade equipment to improve efficiency
- Deliver higher asset utilization at lower cost
- Add talent to support growing market
- Maintain low SG&A as % of sales

Fly Ash and Construction Materials Plants and Sources

Fly Ash is required in Federal Transportation Projects
Fly Ash: 30 locations
Construction Materials: 6 ready-mix plants and 4 quarries

1. Materials operations only

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Boral Materials: Challenges and Actions
Executing on key initiatives to grow supply and improve margins

Challenges
Fly Ash:
- Supply during construction upturn
- Storage capacity
- Source material price increases
Materials:
- Driver/Delivery shortages

Actions
- New supply contracts
- New storage facilities
- Increase sales of high margin fillers
- Increase price with demand
- New Colorado quarry and ready mix

Cement Consumption Forecast
- Ash Price up 13% since 2012, +50% since 2005
- Future domestic cement shortages drive fly ash and cement import demand

1. Portland Cement Association Market Intelligence Report 2015
2. Future domestic cement shortages drive fly ash and cement import demand
Boral Cladding, market leader in clay brick and stone veneer
12 brick manufacturing plants, 2 stone manufacturing plants, and 42 distribution centers

Bricks
Total = ~3.8bn SBE

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<tr>
<th>Company</th>
<th>Market Share</th>
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<tr>
<td>Boral</td>
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Stone
Total = ~86m Sq. Ft.

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<td>StoneWorks</td>
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1. Management Estimates
2. Purchased by Lone Star from Heidelberg in 2015
3. Purchased by Bain Capital from CRH in 2015
Boral Roofing is the USA market leader in Concrete & Clay Tile
10 concrete roof tile plants and 2 clay roof tile plants