Day 1 and day 2 schedule
Tuesday and Wednesday, 18–19 September 2018

<table>
<thead>
<tr>
<th>Sep 18 – Time</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00 a.m. – 12:10 p.m.</td>
<td>Management Presentations and Q&amp;A</td>
</tr>
<tr>
<td>12:10 p.m. – 12:40 p.m.</td>
<td>Lunch</td>
</tr>
<tr>
<td>12:40 p.m. – 2:25 p.m.</td>
<td>Drive to Bowen plant</td>
</tr>
<tr>
<td>2:25 p.m. – 4:20 p.m.</td>
<td>Safety Briefing, Tour of Bowen facility</td>
</tr>
<tr>
<td>4:20 p.m. – 5:35 p.m.</td>
<td>Drive to Four Seasons Hotel</td>
</tr>
<tr>
<td>6:45 p.m. – 9:15 p.m.</td>
<td>Cocktails and Dinner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sep 19 – Time</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30 a.m. – 11:30 a.m.</td>
<td>Lunch buffet at Ritz Carlton Orlando</td>
</tr>
<tr>
<td>11:30 a.m. – 1:20 p.m.</td>
<td>Drive to Lake Wales Roofing Plant</td>
</tr>
<tr>
<td>1:20 p.m. – 3:25 p.m.</td>
<td>Safety Briefing, Demo, Tour of Lake Wales facility</td>
</tr>
<tr>
<td>3:25 p.m. – 5:05 p.m.</td>
<td>Drive to Ritz Carlton</td>
</tr>
</tbody>
</table>
Boral today
Transformation strategy on track with three strong divisions and a robust balance sheet

1. BORAL AUSTRALIA
   Delivering further gains and maintaining leading positions
   › Key supplier to strong & resilient infrastructure, non-residential and residential construction markets
   › Valuable quarry positions and downstream networks
   › Strengthening margins and customer experience through excellence programs and innovation
   › ROFE of 17.5%

2. USG BORAL
   Positioned to return to earnings growth plus strategic options
   › Organic and innovation-based growth including Sheetrock®, technical board & non-board
   › Responding to cyclical demand changes and competitive pressures
   › In FY19, strategic opportunity to return to 100% ownership or expanded JV
   › ROFE of 9.9%

3. BORAL NORTH AMERICA
   Synergy benefits, transformation and growth on track
   › Headwaters acquisition is delivering substantial growth and driving ROFE recovery
   › Further growth through market recovery, innovation and fly ash strategy
   › Short-term operational issues largely addressed
   › Four year synergy target increased 15% to US$115m
   › ROFE of 4.4%

4. BORAL GROUP
   Solid balance sheet and growing shareholder returns
   › At 30 June 2018, gearing (net D / net D + E) of 30%
   › Boral’s principle debt gearing covenant well within threshold
   › Denver divestment proceeds will reduce net debt from $2,453m to $2,281m
   › 28% growth in EPSA¹

¹. FY18 on prior corresponding period, earnings per share before amortization
Headwaters acquisition delivers on our objectives
Highly complementary businesses, generating substantial synergies

STRENGTHENING
The Portfolio
- Establishes Boral North America (BNA) as a leader in our product areas
- Grows scale of Fly Ash, Stone, Roofing and Light Building Products (LBP)
- Improves capabilities, offering and earnings

TRANSFORMING
Our Business Position
- Balances end-market exposures, reducing dependence on new residential building
- Diversifies channel, geography and customer base
- Creates a more variable based, low fixed cost asset platform

SCALING
Light Building Products
- Establishes a significant LBP platform
- Focuses on large repair and remodel segment
- Complements Innovation Factory

DELCERS
- Strong businesses
- Platform for innovation and growth
- Significant value and synergies
- Improved quality of earnings
- Better positioned to exceed cost of capital through cycle

Boral North America
Recap of FY18 results – contributing 35% share of underlying revenue

Boral’s FY18 revenue by division1, %
- Boral Australia
- USG Boral
- Boral North America

Boral North America’s FY18 revenue by business1, %
- Fly Ash
- Block
- Roofing
- Stone
- Light Building Products
- Windows
- Meridian Brick

US$m | FY18 | FY17 | FY17 proforma
---|---|---|---
Revenue | 1,656 | 726 | 1,666
EBITDA2 | 284 | 84 | 260
EBITDA ROS2, % | 17.2 | 11.6 | 15.6
EBITA2 | 208 | 55 | 188
EBITA ROS2, % | 12.5 | 7.6 | 11.3
EBIT2 | 161 | 45 | 158
ROFE3, % | 4.4 | 4.3 | 53

FY18 US$m | External revenuea | EBITDAa
---|---|---
Fly Ash | 523 | ▲ 7% | ▲
Block | 117 | ▼ 4% | ▼
Stone | 268 | ▼ 2% | ▲
Roofing | 320 | ▲ 8% | ▲
LBP | 276 | ▲ 6% | ▲
Windows | 150 | ▲ 32% | ▲

1. Includes Boral’s 50% share of underlying revenue from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue
2. Excluding significant items
3. ROFE calculated on funds employed as at 30 June 2018 and average monthly funds employed as at 30 June 2017
4. Change from FY18 relative to FY17 PF

Construction Materials
EBITDA ROS 22.2%
Building Products
EBITDA ROS 15.6%
Boral North America
Recap of FY18 EBITDA impact and FY19 outlook (as disclosed 29 August 2018)

EBITDA\(^1\) variance, US$m

<table>
<thead>
<tr>
<th>FY17 EBITDA (^1)</th>
<th>Change</th>
<th>FY17 PF EBITDA (^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>260</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>39</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>284</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[^1\] Excluding significant items
\[^2\] Proforma results for 12 months to June 2017 for continuing operations
\[^3\] Includes higher operational costs in BCI, raw material and inflationary cost increases
\[^4\] Based on external market forecasts

FY19 OUTLOOK

- EBITDA growth of around 20% or more in FY19 (for continuing operations)
- Further synergies of ~US$25m and operational improvements
- Underlying market growth expected\(^4\): ~5% in housing starts to ~1.31m, ~3% in repair & remodel, ~2% in non-residential and ~6% in infrastructure
- Fly ash volumes should increase at least in line with cement demand, reflecting efforts to increase available supply
- Price growth for most products with margins improving or at least holding across all businesses
- Meridian Brick JV delivering positive and improved earnings
- Assumes a return to normal weather patterns, with the spring recovery expected from March 2019

Boral’s CO\(_2\)-e emissions totalled 2.60m tonnes in FY18

Our strategy to reduce exposure to energy- and emissions-intensive, high fixed cost operations and grow lighter weight products is delivering better financial and environmental outcomes

2018 Annual Review & Sustainability Report now published on www.boral.com

Boral’s GHG emissions from operations\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>North America</th>
<th>Asia</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>671</td>
<td>3.54</td>
<td>3.41</td>
</tr>
<tr>
<td>FY13</td>
<td>644</td>
<td>3.41</td>
<td>3.14</td>
</tr>
<tr>
<td>FY14</td>
<td>592</td>
<td>3.14</td>
<td>2.84</td>
</tr>
<tr>
<td>FY15</td>
<td>523</td>
<td>2.84</td>
<td>2.46</td>
</tr>
<tr>
<td>FY16</td>
<td>491</td>
<td>2.46</td>
<td>2.46</td>
</tr>
<tr>
<td>FY17</td>
<td>488</td>
<td>2.46</td>
<td>2.50</td>
</tr>
<tr>
<td>FY18</td>
<td>375</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[^1\] For 100% owned operations and Boral’s share of 50%-owned joint ventures. Excludes some JVs which in aggregate are not deemed to have material emissions
\[^2\] Based on target to increase net supply of fly ash by 1.5-2.0m tons p.a. over three years

In FY18:
- Absolute GHG emissions: 2.6m tonnes CO\(_2\)-e p.a. (Scope 1 & 2)
  - 5% in FY18 (largely due to Headwaters)
  - 27% since FY12
- GHG emissions intensity: 375 tonnes CO\(_2\)-e per A$m revenue
  - 23% in FY18 (due to Headwaters)
  - 44% since FY12
- Boral’s Scope 3 (supply chain) cementitious emissions
  - For clinker imported by Boral Cement and cement used in North America Building Products: ~1.2m tonnes CO\(_2\)-e pa
  - Boral’s fly ash in supply chain avoids ~5.2m tonnes CO\(_2\)-e pa
  - Target to reduce supply chain emissions by a further 1.1-1.5m tonnes CO\(_2\)-e p.a. through increased fly ash supply\(^2\)
Agenda

Introduction  Mike Kane

Boral North America  David Mariner

Fly Ash  Keith Depew
Block  Bob Whisnant
Building Products Group  Chris Fenwick
Roofing  Darren Schulz
Stone  Victoria Sherwood
Light Building Products  Joel Charlton
Windows  David Decker

Agenda – Boral North America

- Business Overview
  - Year in Review
  - Strategic Priorities
Boral North America (“BNA”) overview
A leader in fly ash and building products industries

Overview

<table>
<thead>
<tr>
<th>Revenue¹</th>
<th>US$1.85b</th>
</tr>
</thead>
</table>

PEOPLE²

- 7,096 EMPLOYEES
- ~300 CONTRACTORS

SITES³

- 229 OPERATING
- 49 DISTRIBUTION

Well positioned to deliver synergies and growth

1. Industry leading player with national footprint
2. Significant synergies in Fly Ash, Stone, Roofing, Light Building Products and Corporate
3. Fundamentals signal healthy market growth over next 5+ years
4. Growth, requiring limited capital, by capitalising on network scale and investing in innovation and early stage products
5. Strong management team with extensive industry experience and track record of integrating operations and realizing synergies

Safety: a key focus within integration
Significant improvements in safety culture and performance

Boral North America employee and contractor RIFR¹ (per million hours worked)

<table>
<thead>
<tr>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.8</td>
<td>6.6</td>
<td>6.5</td>
<td>6.1</td>
<td>5.2</td>
<td>4.9</td>
</tr>
<tr>
<td>7.3</td>
<td>6.3</td>
<td>5.7</td>
<td>5.3</td>
<td>8.0</td>
<td>11.1</td>
</tr>
<tr>
<td>8.5</td>
<td>6.7</td>
<td>8.7</td>
<td>8.9</td>
<td>2.3</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Comparative data

- On a comparable basis (proforma FY17)
  - RIFR of 8.9 down from 11.1 and LTIFR of 1.2 versus 2.3 last year
  - RIFR for Headwaters businesses improved 27% year on year to 10.7
  - RIFR of 8.9, up from reported 8.7 in FY17 and 5.2 in FY16, reflecting ~4,000 FTEs from Headwaters from May 2017 and ~1,200 FTEs from Meridian Brick from Nov 2016
  - Implementing Zero Harm Today culture across all sites, emphasizing hazard and risk awareness
  - Implemented safety absolutes and proper incident reporting

¹. Recordable incident frequency rate (RIFR) per million hours worked is made up of lost time incident frequency rate (LTIFR) and medical treatment incident rate (MTIFR). Includes employees and contractors.
². As of 30 June 2018, people on a full time equivalent basis, includes Headwaters and Meridian Brick employees and sites.
³. FY18 and FY17/18 include 100%-owned businesses including Headwaters and all joint ventures regardless of equity interest. Prior years include 100%-owned businesses and 50%-owned joint venture operations only. FY17 includes 2 months of Headwaters and 8 months of Meridian Brick joint venture operations. FY17/18 includes a full 12 months of Headwaters and Meridian Brick safety data for comparable purposes.

1. For continuing operations based on 12 months ended 30 June 2018, and includes Boral’s 50% share of revenue from the Meridian Brick JV for 12 months ended 30 June 2018
2. As of 30 June 2018, people on a full time equivalent basis, includes Headwaters and Meridian Brick employees and sites

11. For continuing operations based on 12 months ended 30 June 2018, and includes Boral’s 50% share of revenue from the Meridian Brick JV for 12 months ended 30 June 2018
2. As of 30 June 2018, people on a full time equivalent basis, includes Headwaters and Meridian Brick employees and sites.
Industry leader in product areas

Strengthening our strategic core

Complementary businesses with strong capabilities in key segments and national scale

FY18 external revenue (US$m)$1

<table>
<thead>
<tr>
<th>Product Area</th>
<th>Revenue (US$m)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly Ash</td>
<td>522.6</td>
<td>Leading geographic coverage across the USA</td>
</tr>
<tr>
<td>Roofing</td>
<td>320.0</td>
<td>Sales in 43 states with Concrete, Clay, Stone Coated Metal and Composite offering</td>
</tr>
<tr>
<td>Light Building Products$2</td>
<td>275.7</td>
<td>12 niche product categories with sales across the USA</td>
</tr>
<tr>
<td>Stone</td>
<td>268.0</td>
<td>Leading sales, marketing and product offering across North America</td>
</tr>
<tr>
<td>Bricks$3</td>
<td>197.5</td>
<td>Leading geographic coverage across the USA</td>
</tr>
<tr>
<td>Windows</td>
<td>149.5</td>
<td>Vinyl business focused in Southeast and Southwest regions</td>
</tr>
<tr>
<td>Block</td>
<td>117.0</td>
<td>Leading position and full product offering in Texas and Louisiana</td>
</tr>
</tbody>
</table>

$1 Excludes Denver Construction Materials business divested in July 2018
$2 Light Building Products includes siding, trim, panelized stone, shutters, vents, blocks and tools
$3 Represents Boral’s 50% share of revenue from the Meridian Brick JV for 12 months ended 30 June 2018

1. Note that for external reporting Windows is reported with the Light Building Products businesses
2. Former President of the Fly Ash business, Bill Gehrmann, has transitioned to support management through a multi-year consulting agreement
Extensive national footprint
Strong national networks in building products and fly ash

Revenue¹ by geography², %
- Southeast
- Southwest
- West
- Midwest
- Northeast
- International

Revenue¹ by business, %
- Fly Ash
- Block
- Roofing
- Stone
- Light Building Products
- Windows
- Meridian Brick

229 operating sites³
- Fly Ash
- Block
- Roofing
- Stone
- Light Building Products
- Windows
- Meridian Brick

1. Based on FY18 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue
2. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT.
3. As at June 2018. Includes 44 clay mines and four R&D sites. Excludes mothballed plants
4. Operating site definition for Fly Ash amended in FY18; site totals are therefore not directly comparable with prior period data

Agenda – Boral North America

- Business Overview
- Year in Review
- Strategic Priorities
BNA strategic objectives
FY18 progress

Strategic objectives

✓ Zero Harm Today
✓ Integrate business and deliver on synergies
✓ Grow our top line into new segments, channels and geographies
✓ Manage our cost base to offset cyclical challenges

FY18 progress

1. Safety incident rates down 27%¹
2. Stone: completed plant resets and made progress towards network optimization initiatives
3. Roofing: significant progress towards integration of Florida tile business and metal turnaround plan
4. Windows: improved Magnolia operation and grew multi-family sales by 5x
5. Light Building Products: invested in capacity expansion for siding & trim business, expanded retail presence in shutters & accessories business
6. Block: gained share in North Texas and increased geographic coverage in Louisiana and Mississippi with 39 new locations
7. Fly Ash: invested in storage capacity and laid foundation to grow ash supply
8. Meridian: completed integration of IT systems and eliminated associated redundant headcount; implemented price increases across all regions
9. Delivered US$39m in synergies

¹ Reflects total recordable incidents, which includes lost time incidents and medical time incidents

Our safety journey
Working to achieve zero harm today

FY18 Safety Highlights

- Implemented safety absolutes and trained staff on hazard and risk recognition
- Deployed consistent incident reporting, providing insight into problem areas
- Developed traffic management programs to minimize pedestrian and mobile equipment interactions
- Spent US$15m¹ to bring legacy Headwaters facilities up to Boral standards
- Will focus on behavioral safety programs in FY19

¹ Safety spend includes $6.7m in capital and $8.8m in expenses
People
- Presenting employee awards and highlighting achievements
- Awarding tuition scholarships to our teams’ children
- Investing in programs to develop talent
- Highlighting employee profiles and success stories

Communications
- Strengthening social media presence
- Delivering newsletters to keep employees informed on latest news
- Highlighting and sharing successes and best practices
- New divisional communications function to drive BNA culture

Collaboration
- Consolidated International Builders Show (IBS) presence
- Pooled cross functional and cross business teams to design margin enhancement projects
- Created cross functional team to identify and execute on procurement opportunities

Portfolio management
Strengthening capabilities and exiting non-core businesses and product lines

| 1. Entegra Roofing | Consolidated | Consolidated concrete tile capabilities in Florida into Boral Roofing |
| 2. Denver Construction Materials | Divested | Boral’s last ready mix concrete and quarry operations in the US, identified as non-core |
| 3. Clubhouse Decking | Divested | Small decking operation within Tapco at the time of Headwaters purchase |
| 4. Enviroshake Roofing | Divested | Small composite roofing operation at time of Headwaters purchase |
| 5. Energy Business | Divested | Small clean energy operation at the time of Headwaters purchase; identified as non-core |
### Integration & synergies progressing well, operational issues largely addressed

**Challenge / Opportunity**

- **Synergy opportunities** – initial Year 1 targets of US$30-35m (and run rate of US$50-55m); US$100m year 4 target
- **Safety performance** of Headwaters
- **Operational issues** – plant integration (Oceanside, Entegra, Magnolia), commissioning capacity (Lake Wales, Greencastle), safety interventions (StoneCraft)
- **Stone** – result in part reflects share loss and included as a dis-synergy in year 1
- **Challenges in Meridian Brick** – impacted by decline in brick intensity and smaller network post restructuring
- **LBP** – higher production costs in TruExterior® siding & trim associated with a newer siding product line and raw materials
- **Fly Ash** – attractive medium- and longer-term opportunities. Short term supply disruptions
- **Right people** – great depth of talent from Boral and Headwaters businesses

**Response / Status**

- **Outperforming** – US$39m net synergies delivered, exceeding year 1 target (US$51m run rate); year 4 target now US$115m
- **27% improvement** in Headwaters RIFR to 10.7 in FY18
- **Operational issues largely resolved** – Oceanside metal roofing (California) will continue to improve in FY19. Capacity upgrades will ramp up in FY19
- **Stone** – share stabilized, working to recover volumes. Manufacturing consolidation underway
- **Meridian Brick** – ongoing focus to deliver synergies of US$25m in FY21. Expect to be profitable in FY19
- **LBP** – BCI TruExterior® issues being addressed – expect improvements from FY19
- **Fly Ash** – aiming to increase our annual supply of available fly ash to the market by 1.5 – 2.0 million tons in 3 years
- **Leadership team strengthened** – management support expanded plus fly ash support through consulting arrangement

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**BNA cost base**

*Recovering cost increases through price*

~US$1.4b cost base

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>35%</td>
</tr>
<tr>
<td>Fuel and energy</td>
<td>12%</td>
</tr>
<tr>
<td>Logistics</td>
<td>19%</td>
</tr>
<tr>
<td>Payroll</td>
<td>27%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
</tr>
<tr>
<td>R&amp;M</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost Businesses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher fixed, lower variable</td>
<td>Concrete &amp; clay tiles, Block</td>
</tr>
<tr>
<td>Lower fixed, higher variable</td>
<td>Metal &amp; composite roofing, manufactured stone, Fly Ash, Windows, LBP</td>
</tr>
</tbody>
</table>

FY18 update

- **Raw materials costs**: increased ~3-5% depending on region and material. Cement, vinyl, glass, PVC experienced increases. Some materials for composite siding increased more significantly
- **Labor**: shortage of qualified workers is evident in some regions. Overall, wage rate growth ~3%
- **Logistics**: availability of carriers and equipment, along with increased fuel prices has been challenging but manageable. ~35% of transport costs billed directly to customers (Fly Ash and parts of Roofing, LBP and Block); remaining cost increases recovered through price
- **Energy and fuel**: electricity, gas & fuel total cost of ~US$49m in FY18 (versus US$28m in FY17 reflecting Headwaters acquisition)

*In FY19, targeting to recover cost increases through price*

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1. Based on currently known utility retirements as disclosed by the U.S. Energy Information Administration (EIA) www.eia.gov

2. Excluding Meridian Brick JV
Agenda – Boral North America

- Business Overview
- Year in Review
- Strategic Priorities

### BNA strategic objectives
**FY19 progress focus areas**

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>FY19 focus areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Zero Harm Today</td>
<td>1. Continue Zero Harm Today journey</td>
</tr>
<tr>
<td>✓ Deliver on FY19 synergies</td>
<td>2. Stone: grow share, continue manufacturing optimization</td>
</tr>
<tr>
<td>✓ Grow our top line into new segments, channels and geographies</td>
<td>3. Roofing: complete Florida tile integration and metal turnaround</td>
</tr>
<tr>
<td>✓ Manage our cost base to offset cyclical challenges</td>
<td>4. Windows: further lean implementation and operational improvements to create additional capacity</td>
</tr>
<tr>
<td></td>
<td>5. Light Building Products: continue margin enhancement programs across portfolio and grow siding &amp; trim channel</td>
</tr>
<tr>
<td></td>
<td>6. Block: expand sales in high-margin products and explore opportunities to increase geographic footprint</td>
</tr>
<tr>
<td></td>
<td>7. Fly Ash: expand supply</td>
</tr>
<tr>
<td></td>
<td>8. Meridian Brick: achieve profitability in FY19, execute on US$25m in synergies by FY21 and implement continuous improvement across network</td>
</tr>
<tr>
<td></td>
<td>9. Continue to identify and execute on synergy opportunities (targeting ~US$115m in year 4)</td>
</tr>
</tbody>
</table>
On track to deliver US$25m FY19 synergy target
Four-year synergy target increased to US$115m

FY18 synergies by business¹

<table>
<thead>
<tr>
<th>Business</th>
<th>FY18 reported</th>
<th>End FY18 run rate</th>
<th>FY19 target</th>
<th>US$51m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>$9.5m</td>
<td>$10.7m</td>
<td>$1.3m</td>
<td>$39m</td>
</tr>
<tr>
<td>Fly Ash</td>
<td>$(1.9)m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stone</td>
<td>$7.9m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roofing</td>
<td>$11.5m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Block &amp; Windows</td>
<td>$39m</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Includes share loss

Four-year synergy target increased to US$115m
Underpinned by increases in Roofing, Light Building Products and some synergies in Windows & Block

¹ Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off integration costs estimated at US$90-$100m over FY18 and FY19

Agenda

Introduction                  Mike Kane
Boral North America           David Mariner
Fly Ash                       Keith Depew
Block                         Bob Whisnant
Building Products Group      Chris Fenwick
Roofing                      Darren Schulz
Stone                         Victoria Sherwood
Light Building Products       Joel Charlton
Windows                      David Decker
Business Overview

- Year in Review
- Strategic Priorities

FY18 revenue of ~US$523m
FY18 supply of >7.1m short tons¹ of fly ash to US construction industry – predominantly ready mix concrete industry
National supply / distribution footprint with ~122 operational sites providing full service portfolio to utilities and customers
- 63 fly ash supply, 6 gypsum supply, 7 LA ash sites, 19 service only sites, and 27 distribution terminals
Leading fly ash beneficiation technologies
Strong reputation with utilities & fly ash customers, with excellent quality, safety, environmental track record
National coverage, ash sales in 46 states

¹ Short tons equals 2,000 pounds; supply reflects FY18 results
² Source: Management estimates on FY18 results
## Business overview (cont.)

Boral is the link between the utilities and the ready mix concrete industry

1. **Utility**
   - Utilities motivated by production costs & demand

2. **Marketer**
   - Marketers need:
     - Manageable royalties and minimum volumes
     - Supply availability (seasonality)
     - Consistent quality

3. **End User**
   - End users seek:
     - Low landed cost, consistent supply and quality

---

### Boral’s Fly Ash business model

- Boral has relationships with utilities and end users as we connect fly ash resources to markets
- Low capital intensive operations
- Low ongoing operating costs, as proportion of revenue, with minimal plant and equipment required
- Percentage of revenue / royalty share with utilities
- Boral provides site services across 19 sites
- Boral creates value through technical know how (fly ash beneficiation), benefits of a national network and other capabilities (e.g. storage)
- Defined strategy to increase future volumes

---

### Fly ash is a growth business for Boral

Boral is well-positioned to continue growing the business

We are targeting to meet and exceed the rate of ready mix demand growth and to increase fly ash substitution over time, while continuing to deliver price gains and synergies

- Demand is growing
- Price is growing in a competitive environment, 8-10% p.a. since FY17
- Growing fly ash supply through several strategic opportunities
- Margins are strong, albeit FY18 impacted by extreme weather and realignment of Texas network
- Delivered US$11.5m of synergies in FY18 and confident of achieving US$20m of synergies in year 4
Construction driving fly ash volume
Ready mix demand expected to grow ~6% during FY19

- Forecast growth of ~6% in FY19 driven by continued investment into US Infrastructure

1. Source: Dodge Data & Analytics. Infrastructure Ready Mix Demand.
2. Portland Cement Association: Spring 2018 Forecast
3. USGS Annual Yearbook: July 10, 2018

Ample saleable ash despite closures
Additional 1 billion tons¹ of fly ash currently in landfills and growing

2016 American Coal Ash Association Volumes²
Note: 2017 report not available until Nov ’18

- Fly ash growth could exceed ready mix growth as replacement rates increase from 16% currently
- Fly ash demand underpinned by ready mix demand, substitution rates and growth in non-traditional products
- Strong ready mix growth expectations driven by continued investment in national infrastructure
- Cement sales forecast of 96.8m tons² in CY18, approaching domestic capacity of 104m tons³
- Non-traditional products sales continue to improve in high strength concrete, filler applications, and engineered products

1. Source: American Coal Ash Association
2. ACAA 2016 Coal Combustion Product (CCP) Production & Use Survey report
3. CCP is Coal Combustion Products; FGD is flue gas desulfurization which includes gypsum and sludge
Industry supply impacted by closures
Closures in FY18 impacted industry sales by ~1m tons

<table>
<thead>
<tr>
<th>Industry supply: site closures¹</th>
<th>Closure impacts¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEST</td>
<td>10 plants closed in FY18</td>
</tr>
<tr>
<td>MIDWEST</td>
<td>2.5m tons of annual production taken offline</td>
</tr>
<tr>
<td>NORTHEAST</td>
<td>Impacted annual industry sales by ~1.0m tons of annual sales</td>
</tr>
<tr>
<td>SOUTH CENTRAL</td>
<td></td>
</tr>
<tr>
<td>SOUTHEAST</td>
<td></td>
</tr>
<tr>
<td>1. Source: EIA, publicly available announcements</td>
<td></td>
</tr>
</tbody>
</table>

Coal remains a significant, long term power source
30+ year CAGR for coal to remain steady

Electricity production¹

Coal will continue to be major part of energy production....

Industry pricing dynamics strong
Boral pricing up ~9% in FY18, driven by high demand and tightening supply

Pricing relationship

Regional overview

- Above average, driven by tighter supply and plant closures
- Slightly below average with balanced supply and demand
- Average pricing, but improving, driven by supply closures
- Average pricing with tighter supply
- Above average with tighter supply and high demand
- Slightly above average

Pricing relationship changing as supply declines

Cement
Pricing indexed to Jun 2005

Fly Ash
Pricing indexed to Jun 2005

Boral reported 8% increase in FY17 and 9% in FY18

2. Management estimate of industry fly ash average selling price (ASP), indexed to June 2005

Our footprint
National footprint with strong infrastructure and full service offering

Contracts and services
- Products make up 70-80% of revenue
- Site services make up 20-30% of revenue
- Fly Ash supply and site service contracts with utilities, terms range from 1 year to life of plant
- Industry practice is to pay utilities royalty based on revenues

Examples of Competitors

Boral’s presence across the US

1. Management estimates as at 30 June 2018
Our value proposition
One stop shop, solutions provider for utilities and our end users

Value to utilities
- Historically, material was a waste stream and cost burden
- Marketers transformed the annual waste cost into a revenue stream through beneficiation and royalty payments
- A ‘full service’ solution offering for environmental / CCR\(^1\) reclamation

Value to end users
- 20 years ago: Optional material, cost savings versus cement
- 10 years ago: Cost savings material with marketable quality advantages versus cement
- Today: Widely required in many state DOT / federal project works to improve durability
- Increasing use in concrete to increase strength and improve properties in building construction

Products
- Concrete Fly Ash
- Micron3

Services
- Disposal
- Wet to Dry Conversion
- Calceram
- Harvesting
- Fluidized Bed

1. Coal combustion residuals

Agenda – Fly ash

- Business Overview
- Year in Review
- Strategic Priorities
Fly ash strategic priorities
Integrating the businesses while managing our supply

**Strategic objectives**

- **✓ Zero Harm Today**
- **✓ Expand** marketable supply through storage, ash harvesting, wet to dry conversion, and technology
- **✓ Deliver synergy** value through integration, including best practices and technology
- **✓ Leverage full service offering** to market
- **✓ Manage supply** base

**FY18 progress**

1. Safety incidents down ~8%¹
2. Achieved price increases of ~9%
3. Expanded supply through wet to dry conversions and increased storage to capture seasonal supply in 3 areas
4. First US dry harvesting operation nearing implementation in Pennsylvania
5. Bundled service platform to include plant services, gypsum, and circulated fluidized bed (CFB)
6. Managing through dynamics of utility closures
7. Delivered ~US$11.5m in synergies

¹ Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

---

Challenging year due to supply correction
6 site closures in 2018, four sites selling marketable material

**Boral supply: 2018 site closures**

**Challenges**

- FY18 sales decreased 0.4m tons
  - 0.2m net tons from Texas closures
  - 0.2m net tons from weather, intermittent closures and St. Johns closure

**Actions taken in FY18**

- Repositioned supply in Texas through optimization
- Commenced Dallas distribution terminal
- Finished Houston distribution terminal
- Gained new Florida contract
We expanded storage to manage our supply
Expanded fixed storage by ~65k tons

**Fixed storage**
- In FY18, expanded fixed storage
  - 20k tons in Houston
  - 35k ton dome in Georgia
  - 10k ton silo in Boston
  - Capex of US$12m\(^1\) for 65k tons of new storage
- New storage will support capture of incremental tons in key areas

**Floating storage**
- FY18 approval to expand rail car fleet by 170 cars that leverages ~20k tons of floating storage
  - 70 cars to support Western US
  - 100 cars to support Texas strategy
  - Capex of ~US$13m\(^2\) for additional 20k tons of new storage
- Targeting 8 to 10 turns per year

**Harvesting / wet to dry conversion operations**
Incremental supply through non-traditional outlets, targeted at similar margins

**Dry harvesting in Pennsylvania**
- Partnered with utility for the first harvesting of a closed landfill in the USA
- Removes and beneficiates material that was historically disposed
- Site has ~2m tons of reserves that will support undersupplied Northeastern area
- First shipment from site anticipated to occur in September 2018
- Expect ~40-50k tons p.a. initially, growing to >100k p.a.
- ~US$6m in capital

**Wet to dry conversion in Alabama**
- Wet sluicing was normal practice in the industry, ash is not marketed at these facilities
- Regulations eliminating this practice
- Boral converted 2 sites from wet to dry in Alabama and maintained the marketing rights
- New supply coming online in FY19
- Minimal capital

1. Approved and spent in FY18
2. Approved and committed in FY18, to be spent in 1HFY19
Optimized our beneficiation technology
Leveraging improved beneficiation technology to increase supply

**RestoreAir® – Technology to mitigate the impact of carbon in ash for use in concrete**
- Integrated the two legacy technologies (PACT® and RestoreAir®) based on best practices
- New reagent formulation (RA4.2) with improved dispersion and better compatibility with concrete admixtures
- RA4.2 was formulated and released within 6 months of transaction
- Large sources were converted within 1 year; whole system converted within 15 months
- Implemented system improvements to optimise reagent dosage and reduce cost
- Deployed a robust QC program to improve product quality
- New formula estimated to support growth at 7 sites

**Virtually eliminated customer complaints and down-time**

Strengthened our service offering
Offered utilities a wide range of civil, design, and engineering services

- As a % of total sales, Boral Plant Services (BPS) contributed:
  - ~22% in FY17
  - ~28% in FY18 – due to two major projects
  - Forecast ~20% in FY19
- Services provided include:
  - Design: Provide design expertise on onsite projects
  - Engineering: Provide engineering support across many applications
  - Project management: Leads in development of major onsite projects including CCR® compliance
  - Civil: Day to day operations on disposal operations (i.e. landfiling)
- EBITDA margins strong but less than fly ash margins

---

1. Coal combustion residuals
Providing other non-traditional services
Offered utilities services beyond traditional collection and marketing

**Synthetic materials**
- Leaders in synthetic gypsum dewatering equipment design, processing, and sales management
- Offer expertise on dewatering and separation technologies
- Mobile technology is marketable beyond contracted sites
- Margins in line with fly ash sales margins

**LA ash**
- Collects and markets circulating fluidized bed (CFB) by-products for utilities
- End uses include civil, environmental, oil field for soil stabilization, liquid solidification
- Returns traditional waste products to manufacturing process
- Margins in line with fly ash sales margins

---

**Agenda – Fly ash**

- Business Overview
- Year in Review
- Strategic Priorities
FY19: supply, our central focus
Focused pipeline of initiatives to manage and grow our supply

Utilizing contracted tons
Grow through traditional channels
Grow through non-traditional channels

Capture contracted quality landfill tons through storage and optimization
Expand contracted supply through new domestic contracts and harvesting
Expand supply through new products, imports, and technology

Growing our fly ash volumes
Immediate focus on capturing seasonal contracted tons

Plans to increase supply of Fly Ash by capturing more from current contracted volumes and increasing total contracted volumes

1. Non-saleable due to a number of reasons including quality issues, uneconomical logistics, no collection systems in place, wet-sluicing employed
Boral’s fly ash supply opportunities

Capturing more from current contracts

Growing total contracted volumes

Reduce good ash going to landfill
- Industry: ~39% of fly ash going to landfill
- Opportunity to capture more saleable product currently going to landfill
- Network optimization, blending, beneficiation and storage strategies being implemented

Increased storage
- Fixed and floating storage helps with seasonality and intermittent shuts
- Added 67,000 tons in FY18
- Current capacity ~537,000 tons
- Plans for a further ~70,000 tons of capacity in FY19
- Storage capacity turns between 1 and 10 times p.a.

Secure new contracts & imports
- New contracts and renewing contracts come available from time to time
- Targeting best US available contracts
- FY18 secured new contract - initially 85k tons p.a., increasing to 170k tons p.a.
- Long-term strategy to import international supply to key markets

Landfill reclaim
- Reclain project in Pennsylvania to deliver volumes in 1H FY19
- Other potential reclaim sites under investigation
- Higher costs to be offset by different royalty structure to maintain margins

Other: wet to dry, grinding & blending
- Opportunity for harvesting ponded ash andbeneficiation
- FY18 conversion of wet to dry processes at two utilities (Alabama)
- Expand volumes through new beneficiation technologies, grinding & blending, and partnerships
- Natural pozzolans

1. Based on currently known utility retirements estimated to impact Boral’s network by ~800k tons p.a. (including ~300k ton p.a. from Texas closures in FY2019)

1. Expand storage to capture seasonal ash

Strategic target to expand sales through storage and optimization

Fixed and mobile storage
- In process – ~170 new rail cars in FY18, ~20k tons of floating storage
- FY18 new storage of 65k tons, bringing total storage to ~537k tons
- FY19 storage commitments, targeting storage to increase by ~70k tons, bringing total storage to ~600k tons
2. Pursuit of new domestic contracts

**Expanding domestic contracts through full service offering**

**Expanding marketing presence**

- Internal review of competitive landscape completed during FY18
- Identified key domestic contract targets for the short and medium term
- Developing strategy to make strategic bid for all contracts that support growth pipeline
- Leverage beneficiation technologies and full service offering, i.e. wet to dry conversion
- Next phase is to understand where new beneficiation technologies may unlock supply that was historically not saleable
- Three contracts gained in FY18

---

3. Harvesting ash

**Two separate streams, short and medium/long term horizons**

**Dry impoundment**

- Remove landfill materials, beneficiate and market
- Medium to long term opportunity with a large reserve of quality ash in dry landfills
- Boral first to offer beneficiation service in US, opening the first of its kind harvesting operation in a closed landfill in Pennsylvania
- Targeting 5 additional contracts over next 3 years

**Ponded material**

- Opportunity to harvest and beneficiate ponded material being driven by regulatory changes
- Mainly focused in East Coast
- Boral is leading industry player that provides a full service solution to the utilities, i.e. technology, harvesting, site services
- Boral to participate in multiple upcoming proposals in the next 3 years
4. Grinding & blending
Extend supply with non-traditional materials

- Natural pozzolan
  - Completed purchase of a ~4.5m ton reserve of natural pozzolan in Utah in August 2018
  - Reserve was purchased for US$4.5m + $1/ton when used
  - Natural pozzolan will be processed and blended with fly ash to extend supply
  - Targeting incremental ~150k tons post capital investment

- Multi source blending
  - Blend marginal quality ash with high quality to grow supply
  - Blend in regions that are supply constrained
  - Still meet ASTM standards
  - Enhance performance to grow sales

5. Imports
Medium term strategy, targeting first shipments in FY19

Bringing additional supply to constrained regions

- Imports background / key metrics
  1. Targeting US fly ash imports sourced from:
     - Land bound options
     - Ocean bound countries
  2. Future opportunities will continue to be explored
     - Coal power plants will remain a critical portion of the global energy supply
     - We estimate millions of tons of disposed material to provide opportunities for the medium and long term

- Supply chain opportunities
  1. Demand / supply optimization underway
  2. Exploring barge opportunities from port to local MSA’s
  3. Exploring partnerships to reduce capital needs
  4. Plan is to continuously optimize network to identify gaps and future opportunities

1. Metropolitan statistical area
6. Technology

Acquired beneficiation technology and partnered with aggregate technology

### Carbon Burn Out (CBO)
- Completed acquisition of CBO technology from PMI Ash Technologies, LLC. in March 2018
- Technology burns excess carbon in fly ash and lowers LOI, a key ASTM standard
- Currently 4 CBOs with this technology are in the US
- Exploring opportunities with multiples utilities

### LSA agreement
- In June 2018, Boral completed an agreement to maintain exclusive licensing for the LSA aggregate manufacturing process in the US
- The technology provides an outlet for high carbon fly ash that needs to be encapsulated and provides needed aggregate supply to undersupplied US markets
- The technology does not require additional fuel due to combustion of residual coal in the fly ash
- This option enhances Boral’s ability to bid on marketing and harvesting opportunities

---

1. CBOs are not owned by Boral

---

Outlook is strong for Boral

**Targeting volume growth of ~1.5 to 2.0m tons in three years**

**Ash Outlook (millions of tons)**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Closures</th>
<th>Storage &amp; Optimization</th>
<th>Other Initiatives</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>7.1</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Business outlook**
- **Price**: Continued opportunity to narrow gap with cement
- **Demand**: Underpinned by ready mix concrete and specifications
- **Supply**: Growing capabilities with full portfolio offering
- **Sales**: Generating incremental sales from key initiatives, underpinned by demand growth
- **Margin**: Targeting to maintain or exceed current performance
Agenda

Introduction       Mike Kane
Boral North America David Mariner
Fly Ash             Keith Depew
Block               Bob Whisnant
Building Products Group Chris Fenwick
Roofing             Darren Schulz
Stone               Victoria Sherwood
Light Building Products Joel Charlton
Windows             David Decker

Agenda – Block

- Business Overview
- Year in Review
- Strategic Priorities
Brick, block & paver industry: Product categories
Multiple offerings from basic masonry units to high-end non-residential block

Cost and perceived value

FY18 overview

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colored Custom</td>
<td>Specialized blocks</td>
</tr>
<tr>
<td></td>
<td>Unique solutions for customers</td>
</tr>
<tr>
<td>Gray Block</td>
<td>Standard gray masonry units</td>
</tr>
<tr>
<td></td>
<td>High safety standards</td>
</tr>
<tr>
<td>Foundation</td>
<td>Shims, cylinders, caps, and other</td>
</tr>
<tr>
<td></td>
<td>High strength standards</td>
</tr>
<tr>
<td>Hardscapes</td>
<td>Pavers, stepping stones, and other</td>
</tr>
<tr>
<td></td>
<td>Range of styles, sizes, and textures</td>
</tr>
<tr>
<td>Other Manufactured</td>
<td>Various products</td>
</tr>
</tbody>
</table>

Revenue breakdown by type

Manufacturing footprint
Agenda – Block

- Business Overview
- Year in Review
- Strategic Priorities

FY18 focus areas and priorities

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>FY18 progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Zero Harm Today</td>
<td>1. Safety incidents decreased by 36%¹</td>
</tr>
<tr>
<td>✓ Expand <em>geographic</em> coverage</td>
<td>2. Gained share in North Texas</td>
</tr>
<tr>
<td>✓ Grow in <em>high margin</em> products</td>
<td>3. Increased sales of resale products</td>
</tr>
<tr>
<td>✓ Diversify <em>end-markets</em></td>
<td>4. Reduced operational cost in Dallas operation by ~10%</td>
</tr>
<tr>
<td>✓ Manage <em>capacity</em> to meet demand</td>
<td>5. Increased geographic coverage in Louisiana and Mississippi with 39</td>
</tr>
<tr>
<td></td>
<td>additional big box stores</td>
</tr>
</tbody>
</table>

¹ Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents
Safety journey
Continued focus on safety at all sites

Safety overview

- 4 locations with 365 days incident free
- Embracing new safety changes, with painting, 5S system, and guarding machinery
- Safety steering committees in all locations driving safety culture
- Safety audits performed routinely
- Traffic management plan in place to prevent incidents between mobile equipment and pedestrians

1. Process in organizing spaces for work to be performed efficiently, effectively, and safely

Utilizing big board machine to expand production
Delivering efficiencies and creating new opportunities

Big board FY18 update

- Boral’s big board machine is the largest in the US
  - Big board makes 18 blocks\(^1\) at a time
  - Traditional Besser makes 4 blocks\(^1\) at a time
- FY18 was the first full year of operation
- Significant efficiencies added capacity allowing the business to expand production in FY18
  - Purchased several new molds to introduce new SKUs into other retail outlets
  - Added hardscape products to provide more offerings for variety of customers
  - Big board production increase from 10 to 15 hours per day

1. Block unit defined as standard 8 inch block
Education construction is a key driver for growth
Education bonds are a good proxy for two year forward revenue

School construction in Texas

- High margin block products are used in school construction due to their product attributes
- Texas’ high population growth, well above the national average, is expected to generate construction of 150 new campuses through year 2025\(^1\)
- Texas funds local public schools through education bonds issued by municipalities, state and federal funds
- Once approved, a bond provides a pretty accurate two year forward estimate of our bonded, manufactured product revenue
- School construction in Texas drives higher revenues and margins for the business

Approved Texas municipal bond issuance\(^1\)

\[
\begin{array}{|c|c|c|c|}
\hline
& 2014 & 2015 & 2016 & 2017 \\
\hline
\text{US$ in billions} & $11.9 & $13.8 & $8.7 & $16.7 \\
\hline
\end{array}
\]

\(^1\) Source: National center for education statistics, school planning and management, and ASCE

Texas schools showcasing our products

Hurricane Harvey’s impact and outlook

Hurricanes driving changes in construction industry and opportunities in FY19

The damage of Hurricane Harvey\(^1\)

- Second-most costly hurricane in US history, \(~\text{US$125bn}~\)
- Third, 500-year flood event in Houston since 2015
- 60+ inches of rain over southeastern Texas
- Delayed construction projects
- Boral network offline for 14 total days\(^2\)

Outlook and recovery post-Harvey

- Delayed projects from FY18 set to pickup in FY19
- New building codes to result in additional construction spending, specifically for durable masonry products
  - Retaining walls required to better withstand winds and flooding
  - New homes and businesses required to be built 2ft above ground, 8-10ft for coastal areas
  - Incentive to lift existing buildings to maintain value and marketability
- Boral is positioned to capitalize on demand uplift

\(^1\) Statistics from National Oceanic and Atmospheric Administration Report (May 9, 2018)
\(^2\) Reflected combined total for all impacted plants
Growing presence in retail channel
Leveraging Boral’s reputation in the region to win new business

Growth in retail

- Big Box and Other Retail account for 30% of total Block revenue
- Channel focused on reliable, on-time delivery, quality, and affordable product
- Currently offering products in 95% of stores in coverage area
- Added 39 new Big Box locations in Louisiana and Mississippi in FY18
- Additional SKUs introduced in other retail outlets

Big Box

- Product displayed in lawn and garden section

Other Retail

- Smaller regional retailers
- Inventory at McCoy’s store

Agenda – Block

- Business Overview
- Year in Review
- Strategic Priorities
FY19 focus areas and priorities

Strategic objectives

✓ Zero Harm Today
✓ Expand geographic coverage
✓ Grow in high margin products
✓ Diversify end-markets
✓ Manage capacity to meet demand

FY19 focus areas

1. Implement Zero Harm Today
2. Expansion of hardscape opportunities
3. Explore opportunities to increase geographic footprint
4. Expand sales in custom, architectural specification products
5. Continue to drive resale product lines
6. Deliver synergies (Block and Windows combined targeting ~US$5m in year 4)

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### Building Products

**Portfolio of industry leading businesses with significant synergies**

<table>
<thead>
<tr>
<th>Stone</th>
<th>Roofing</th>
<th>Light Building Products</th>
<th>Windows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading provider of stone veneer</td>
<td>Leading provider of high-end roofing products across NA</td>
<td>Siding &amp; trim, shutters &amp; accessories, tools</td>
<td>Regional vinyl and aluminium window manufacturer</td>
</tr>
<tr>
<td>▪ 8 manufacturing plants¹</td>
<td>▪ 13 manufacturing plants¹</td>
<td>▪ 10 manufacturing plants¹</td>
<td>▪ 4 manufacturing plants²</td>
</tr>
<tr>
<td>▪ 1 mold plant</td>
<td>▪ 9 distribution sites</td>
<td>▪ Brands: Mid-America®, TruExterior®, Kleer®, Versetta®, Grayne®, Atlantic®</td>
<td>▪ Brands: Krestmark®, Legacy™, Magnolia™</td>
</tr>
<tr>
<td>▪ Brands: Eldorado Stone®, Cultured Stone®, Dutch Quality Stone®, StoneCraft™, ProStone®</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

1. Number of plants may not coincide with slide 16 due to some plants servicing more than one business

---

### Building products

**Portfolio of products targeting the building envelope**

**Building product envelope**

- Shutters
- Windows
- Outdoor Living
- Speciality Siding
- Architectural Stone
- Gable Vents
- Trim
- Siding Accessories
- Clay Roof Tile
- Concrete Roof Tile
- Composite Roofing
- Metal Roofing
- Bead Board
- Moulding
- Roof Components
- Stone Accessories

---

¹ Number of plants may not coincide with slide 16 due to some plants servicing more than one business
Building products revenue
Proforma revenue CAGR of 13% from FY15 – FY18 (excluding Bricks)

Revenue by business
- Stone, 26%
- Roofing, 32%
- LBP, 27%
- Windows, 15%

Revenue by segment
- New Residential, 56%
- Non-residential, 4%
- Repair & Remodel, 40%

Building Products
Proforma combined historical revenue (US$m)
- FY15
- FY16
- FY17
- FY18

FY17 and FY18 growth supported by Windows acquisitions
FY18 growth result of organic business and high growth categories

Building products
Focus on cost improvements plus portfolio and manufacturing synergies

Opportunities
- Product portfolio, brand and go to market strategy
- Margin improvement initiatives
- Manufacturing network optimization
- Back office and ERP conversion

FY18 focus
- Safety minimum standards
- Organization leadership & structure
- Divest non-core assets
- Integration and operational fixes
- ~US$18m synergy delivery

FY19 priorities
- Safety behaviours and identification
- Price, volume, margin
- Input costs: labor, freight, materials
- Manufacturing and network optimization
- Deliver on synergies (targeting ~US$73m in year 4)
### Agenda

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<td>David Decker</td>
</tr>
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### Agenda – Roofing

- **Business Overview**
- **Year in Review**
- **Strategic Priorities**
Roofing industry: Product categories

Perceived value of new products increasing versus traditional asphalt

Advantages
- Long life
- Durable
- Sustainable
- Textures
- Colors
- Delivery - Metal - Composite

Cost and perceived value

Boral Roofing: New geographies

Expanding beyond 4 tile states with national manufacturing and distribution

Examples of product line competitors:

Manufacturing (Utilization ~30 - 80%)
- Concrete (10)
- Clay (1)
- Metal (1)
- Composite (1)

Distribution
- Metal, Concrete, Clay (9)

International Sites:
- United Kingdom

Examples of product line competitors:

1. Hayward scheduled for closure September 2018 and Courtland scheduled for closure October 2018
2. Metamora is primarily a Light Building Products site, but also manufactures some roofing product
Agenda – Roofing

- Business Overview
- Year in Review
- Strategic Priorities

Roofing strategic objectives
FY18 progress on Florida integration and metal roofing fix

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>FY18 progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Zero Harm Today</td>
<td>1. Safety incidents down 39%¹</td>
</tr>
<tr>
<td>✓ Expand geographic reach beyond the traditional tile regions</td>
<td>2. Revenue up, led by stronger tile and roof component sales</td>
</tr>
<tr>
<td>✓ Expand product offerings beyond the traditional clay and concrete offerings</td>
<td>3. Tile: significant progress in Florida integration</td>
</tr>
<tr>
<td>✓ Diversify end-market exposure growing non-residential and re-roof segments</td>
<td>4. Components &amp; Services: significant growth, result of cross-selling</td>
</tr>
<tr>
<td></td>
<td>5. Metal: fix underway</td>
</tr>
<tr>
<td></td>
<td>6. Composite: consolidated manufacturing operations</td>
</tr>
<tr>
<td></td>
<td>7. Delivered US$7.9m in synergies</td>
</tr>
</tbody>
</table>

¹. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents
**FY18 overview**

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Growth ¹</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| Tile             |          | Volume and price growth  
|                  |          | Hurricane and labor impact |
| Metal            |          | Plant allocation  
|                  |          | Channel strategy impact |
| Composite        |          | Enviroshake divestment  
|                  |          | Exchange rate impact (UK) |
| Components & Services |      | Cross-selling components  
|                  |          | Loading outsourced |

¹. FY18 revenue growth

---

**Florida tile: commercial**

*Implementing our commercial sales strategy through integration*

**Florida Integration**

- Sales consolidation
- Single brand strategy
- Single distribution strategy
- Design centre optimization
- Cross-selling of full offering
- Increased focus on price and volume
- Exit loading service
- Continue to convert customers away from asphalt

**Revenue breakdown by type**

- Metal: 11%
- Composite: 6%
- Components & Services: 18%
- Tile: 65%

---

**Florida Integration**

- Sales consolidation
- Single brand strategy
- Single distribution strategy
- Design centre optimization
- Cross-selling of full offering
- Increased focus on price and volume
- Exit loading service
- Continue to convert customers away from asphalt
Florida tile: operations

Improvements in plant performance driving production increases

Florida Integration
- Acquired remaining minority interest in Entegra
- Optimized operations
  1. Okeechobee reset
  2. Lake Wales automation
  3. Deerfield closure and sale
  4. Jacksonville land sale
- Three distribution locations
- Product line optimization (in process)
  - Products remastered
  - Further equipment investment scheduled in FY19

<table>
<thead>
<tr>
<th>1</th>
<th>Okeechobee reset</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Safety reset, 8 to 0 LTIs</td>
<td></td>
</tr>
<tr>
<td>- Lower rejects</td>
<td></td>
</tr>
<tr>
<td>- Improved labor productivity</td>
<td></td>
</tr>
<tr>
<td>- Lift in OEE, 35% to 62%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Lake Wales automation</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Line 3 commissioned</td>
<td></td>
</tr>
<tr>
<td>- Capacity unlocked</td>
<td></td>
</tr>
<tr>
<td>- Production optimized</td>
<td></td>
</tr>
<tr>
<td>- Reduction in labor, 6 robots</td>
<td></td>
</tr>
<tr>
<td>- Increase in efficiency</td>
<td></td>
</tr>
</tbody>
</table>

Metal roofing: commercial

On path to improved performance in FY19

Background
- Portfolio: 3 brands, >8,400 SKUs
- Channel: distribution and direct
- Organization: 24 reps across NA
- Pricing: high pricing, high rebates

FY18 actions
- Single brand: BoralSTEEL™
- Simplified portfolio: >90% reduction in SKUs
- Channel alignment: 100% distribution
- Organization: 70 reps, cross-selling
- Pricing: Premium to concrete tile

https://www.youtube.com/watch?v=GnvU3NrPnPI
Metal roofing: operations
On path to improved performance in FY19

Background

- Headwaters consolidated 3 plants into 1 in Oceanside, California in FY17
- Consolidation caused drop in throughput, which led to increased production costs and capacity constraints
- Boral commissioned dedicated team to execute a plant turnaround

FY18 actions

- Safety reset and investment, 4 to 1 LTI
- Changed leadership in the plant (multi layers)
- Addressed shift and labor issues
- Reorganized plant and warehouse sites
- Doubled production of panels
- Reduced reject rate by 40%

Agenda – Roofing

- Business Overview
- Year in Review
- Strategic Priorities
Roofing strategic objectives
FY19 focus on Florida integration, metal turnaround, and cross-selling

**Strategic objectives**

- **✓ Zero Harm Today**
- **✓ Expand geographic reach** beyond the traditional tile regions
- **✓ Expand product offerings** beyond the traditional clay and concrete offerings
- **✓ Diversify end-market exposure** growing non-residential and re-roof segments

**FY19 focus areas**

1. Drive down safety incident rates
2. **Tile**: complete integration of Florida business
   - Sales volume and price plans
   - Product portfolio optimization
   - Deliver service platform
3. **Components & Services**: enhance value to our customers with broader portfolio, better service, strengthened network
   - Complete ERP conversion
4. **Metal**: complete turnaround plan and increase profitability in FY19
5. **Composite**: Focused growth in North America and Europe
6. Deliver synergies with key focus on expanding cross-selling opportunities (targeting ~US$27m in year 4)

---

**Agenda**

- **Introduction**
  - Mike Kane
- **Boral North America**
  - David Mariner
- **Fly Ash**
  - Keith Depew
- **Block**
  - Bob Whisnant
- **Building Products Group**
  - Chris Fenwick
- **Roofing**
  - Darren Schulz
- **Stone**
  - Victoria Sherwood
- **Light Building Products**
  - Joel Charlton
- **Windows**
  - David Decker
Agenda – Stone

- Business Overview
- Year in Review
- Strategic Priorities

Masonry industry: product categories
Stone competes at different value points in industry

<table>
<thead>
<tr>
<th>Stucco Economical</th>
<th>Stucco Premium</th>
<th>Block</th>
<th>Brick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thin Brick</td>
<td>Manufactured Stone Economical</td>
<td>Manufactured Stone Premium</td>
<td>Real Stone</td>
</tr>
</tbody>
</table>

Advantages
- Aesthetics
- Durable
- Low maintenance
- Sustainable
- Ease of installation
- Availability

Cost and perceived value
Boral Stone: manufacturing positioned in key regions
Leading capabilities across the nation servicing all stone markets

Examples of competitors:
- International Sites:
  - Philippines
  - Mexico

Manufacturing
(Utilization ~40 - 70%)
- Stone Plant
- Mold Plant
- Warehouse

Agenda – Stone

- Business Overview
- Year in Review
- Strategic Priorities
Stone strategic objectives
FY18 progress on sales stabilization and network optimization

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>FY18 progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Zero Harm Today</td>
<td>1. Safety incidents down 46%¹</td>
</tr>
<tr>
<td>✓ Strong brand portfolio with expanded opportunities for growth across broader</td>
<td>2. Enhanced customer value, broader product “Good, Better, Best” offering</td>
</tr>
<tr>
<td>distribution network</td>
<td></td>
</tr>
<tr>
<td>✓ Increased category awareness through marketing and new product development</td>
<td>3. Plant resets complete, progress towards network optimization in Western and Eastern United States</td>
</tr>
<tr>
<td>✓ Expanded sales through architectural specifications</td>
<td>4. Stabilized share following integration of Stone businesses</td>
</tr>
</tbody>
</table>

1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

FY18 overview
Revenue 2% softer in FY18 due to lower volumes offset by price increases

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Growth¹</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>~</td>
<td>• Eldorado and Cultured Stone®</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Some share erosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Distribution strategy in place</td>
</tr>
<tr>
<td>Mid-tier</td>
<td>↓</td>
<td>• Dutch Quality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Multi-family decline in central region</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New sales initiatives</td>
</tr>
<tr>
<td>Value</td>
<td>↓</td>
<td>• StoneCraft and ProStone®</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• StoneCraft plant allocation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Plant reset in progress</td>
</tr>
<tr>
<td>Product Extensions</td>
<td>↑</td>
<td>• Outdoor living, fire bowls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Good growth, retail strategy</td>
</tr>
</tbody>
</table>

Revenue breakdown by type

1. FY18 revenue growth
Brand strategy

Decoupled ‘who we are’ from ‘what we make and sell’

- Established ‘House of brands’ strategy maximizing value of all brands (including Boral)
- Created individual value propositions to simplify go to market positioning
- New website and marketing tools creating significant lead generation (Cultured Stone® from 0 to 300+ per month)

Go to market strategy

Enhanced sales discipline and realigned capability with customer channels

- Redesigned sales organizational structure to better align with differing customer channels
  - Established national and regional teams
  - Bolstered architect / designer capability
  - Expanded sales leadership
- Increased CRM pipeline opportunity 5x
- Product extensions’ innovative market strategy already delivering significant margins and growth

Distribution network

- Utilized portfolio through expanded network in Southwest and Southeast primarily through strategic distributor alignment
Optimizing our eastern operations
Converting StoneCraft facility to a low cost, value tier line

Background

- Specialized facilities for good, better, best products
- Well positioned to service large Northeast, Southeast, and European regions
- Distribution warehouses to reach customers
- FY18 cost reduction focus in Chester
- StoneCraft upgrade underway
- Greencastle plant commissioned

StoneCraft strategy

- Site investment
- Specialized manufacturing for value tier line
- Equipment upgrade to large format molds
- Reduced material, labor and mold costs
- Low fixed cost operation with ability to scale
- Launch in 2H FY19

Greencastle commissioning
FY17 and FY18 investment to deliver benefits in FY19

Background

- Eldorado plant servicing domestic and international customers
- Historically constrained site:
  - Standalone production and warehouse
  - Insufficient capacity
  - Poor layout and inefficient production
- Headwaters initiated upgrade project prior to acquisition

FY18 Actions

- Built and commissioned high efficiency plant
- Consolidated manufacturing and warehousing in new 400,000 square foot facility
- Successful incorporation of simple robotics
- Leveraged best practices
- Ability to scale for minimal investment
Optimizing our western operations
Two low cost, high capacity plants to service our customers

Background
- Optimize production across low cost, high efficiency plants
- Distribution warehouses to reach customers
- Production ramp up in Rosarito and Napa
- Royal City closure announced – 1Q FY19
- Service USA and Canada
- Results in significant cost savings

Rosarito plant in Mexico
- Low landed cost
- 20% production increase
- Additional capacity available
- Low labor rates
- Low fixed cost

Napa plant in California
- World class, automated plant
- Low landed cost
- High efficiency operation
- Additional capacity available
- Mature and stable workforce

Agenda – Stone
- Business Overview
- Year in Review
- Strategic Priorities
Stone strategic objectives
FY19 focus on sales growth and network optimization

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>FY19 focus areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Zero Harm Today</td>
<td>1. Drive down safety incident rates</td>
</tr>
<tr>
<td>✳️ Stronger brand portfolio with expanded opportunities for growth across broader distribution network</td>
<td>2. Leverage brand strategy and complete product offering to achieve growth</td>
</tr>
<tr>
<td>✓ Increased category awareness through marketing and new product development</td>
<td>3. Expand distribution strategy and key partnerships</td>
</tr>
<tr>
<td>✓ Expanded sales through architectural specifications</td>
<td>4. Continue Eastern manufacturing optimization with StoneCraft investment for value products on new platform</td>
</tr>
<tr>
<td></td>
<td>5. Complete Western manufacturing optimization with Royal City closure</td>
</tr>
<tr>
<td></td>
<td>6. Deliver synergies (targeting ~US$29m in year 4)</td>
</tr>
</tbody>
</table>

Agenda

Introduction: Mike Kane
Boral North America: David Mariner
Fly Ash: Keith Depew
Block: Bob Whisnant
Building Products Group: Chris Fenwick
Roofing: Darren Schulz
Stone: Victoria Sherwood
Light Building Products: Joel Charlton
Windows: David Decker
Agenda – Light building products

- Business Overview
- Year in Review
- Strategic Priorities

Light building products: portfolio overview
The portfolio consists of three main product categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Primary Material</th>
<th>Brands</th>
<th>Light Building Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Siding and Trim</strong></td>
<td><strong>Invest in high growth products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vinyl Siding</td>
<td>Vinyl</td>
<td>Grayne™</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVC Trim</td>
<td>Polyvinyl chloride (PVC)</td>
<td>Klear®</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poly Ash Siding / Trim</td>
<td>Polyurethane</td>
<td>TruExterior®</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panelized Stone Siding</td>
<td>Concrete</td>
<td>Versetta®</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shutters and Accessories</strong></td>
<td><strong>Nurture mature, cash-generating products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decorative shutters, vents, blocks</td>
<td>Polyvinyl chloride (PVC)</td>
<td>Mid-America® / Builder’s Edge® / Vantage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blocks and Mounts</td>
<td>Polyvinyl chloride (PVC)</td>
<td>Sturdimount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional Shutters</td>
<td>Composite</td>
<td>Atlantic®</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Specialty / Other</strong></td>
<td><strong>Nurture mature, cash-generating products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal siding tools</td>
<td>Aluminium</td>
<td>Tapco Tools®</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egress wells</td>
<td>Polyethylene</td>
<td>Wellcraft®</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Light building products industry: siding & trim
Categories range from low-end wood to high-performance composite materials

**Commodity Vinyl / Low-end Wood**

**Fiber Cement / Engineered Wood**

**Specialty Vinyl**

**Poly Ash**

**Advantages**
- Durable
- Low maintenance
- Ease of install
- Aesthetics
- Profiles
- Sustainable

Light building products: channel overview
We reach our customers through three primary channels to market

<table>
<thead>
<tr>
<th>Channel</th>
<th>% of Total Sales</th>
<th>Distributors</th>
<th>Brands</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Step Distribution</td>
<td>~40%</td>
<td>&lt;ABC&gt;</td>
<td>&lt;Lansing, Alside&gt;</td>
<td>• Access to complementary products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Wellcraft&gt;</td>
<td></td>
<td>• Extension of sales efforts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&lt;Tapea&gt;</td>
<td>• Move high volume materials</td>
</tr>
<tr>
<td>Two Step Distribution</td>
<td>~40%</td>
<td>&lt;Boston, Cedar&gt;</td>
<td>&lt;Grayne&gt;</td>
<td>• Break bulk materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Boise Cascade&gt;</td>
<td>&lt;Kleer&gt;</td>
<td>• Access to dealers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&lt;Versetta Stone&gt;</td>
<td>• Extension of sales efforts</td>
</tr>
<tr>
<td>Retail</td>
<td>~20%</td>
<td>&lt;Loewes&gt;</td>
<td>&lt;MID-AMERICA&gt;</td>
<td>• Exposure with ~4,500 locations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&lt;Atlantic Frost Furniture&gt;</td>
<td>• Ease of doing business, purchasing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• E-commerce leadership</td>
</tr>
</tbody>
</table>

1. Management estimates
Light building products: manufacturing footprint
Industry leading competitor in key geographic areas

Examples of Product Line Competitors:
- Siding and Trim
- Shutters and Accessories

Panelized Stone
- Napa
- Chester

Siding & Trim Saltillo
- Siding
- Shutter, Accessories Elkland
- Shutter, Accessories Metamora
- Shutters, Accessories Franklin

Manufacturing
( Utilization 40-70%)

1. Napa and Chester operate primarily as Stone plants, but also manufacture Light Building Products' Versetta Stone

Agenda – Light building products

- Business Overview
- Year in Review
- Strategic Priorities
Light building products strategic objectives
FY18 progress on portfolio alignment and high growth products

**Strategic objectives**

- Zero Harm Today
- Maintain and leverage established products, and develop and grow new lightweight composite products
- Grow high end, niche product positions
- Leverage distribution footprint to accelerate penetration of new, high growth products

**FY18 progress**

1. Safety incidents down 52%¹
2. Revenue up, led by strong siding & trim growth
3. Siding & Trim: invested in capacity expansion to meet demand and grew channel
4. Shutters & Accessories: nurtured through channel expansion in retail and 2-step
5. Tools & Other: margin enhancement programs
6. Delivered ~US$10.7m in synergies

¹ Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

---

**FY18 overview**

Revenue growth of 6% in FY18

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Growth¹</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siding &amp; Trim</td>
<td></td>
<td>High growth, high return product groups with strong brand equity</td>
</tr>
<tr>
<td>Shutters and Accessories</td>
<td></td>
<td>More mature products with strong retail exposure</td>
</tr>
<tr>
<td>Specialty, Other</td>
<td></td>
<td>Essential tools for the siding industry</td>
</tr>
</tbody>
</table>

**Revenue breakdown by type**

- Siding & Trim: 57%
- Shutters and Accessories: 35%
- Specialty, Other: 8%

¹ FY18 revenue growth
Siding & trim portfolio strategy
“Invest” – focused on accelerating high growth products through the channel

Background
- Strategy to invest in earlier life cycle, high growth products
- Utilize full range of combined distribution channel – 1 Step, 2 Step, Retail
- Innovative, premium performance products that address market pain points
- Partner with Innovation Factory to commercialize next generation LBP product / platform

FY18 actions
- Kleer®: Added capacity to meet growing demand
- Versetta®: Wausau win, the largest opening order in Versetta history
- Versetta®: Canadian distributor Kaycan added category, supporting much of eastern Canada
- TruExterior®: Significant growth from key channel partners in 2018
- Grayne™: Launched accessories to improve install experience

Shutters, accessories & tools portfolio strategy
“Nurture” – rounding out offering across retail and 2-step distribution

Background
- Nurture stage of life cycle - mature and stable businesses that provide attractive cash flows
- Maximize operating efficiencies and preserve margins
- Utilized combined sales network to deliver opportunistic growth and cross-sell opportunities

FY18 actions
- Vantage: Acquired Lowe’s east coast business, now have nationwide distribution both in-store and through special order desk
- Mid-America®: Leveraged Versetta® to cross-sell into national program with Morton
- Atlantic®: Margin enhancement program
- Tools: Restructured pricing program
**Raw material management**
Addressing cost escalations through regrind\(^1\) program and strategic sourcing

**Background**
- Highest input cost is materials
- Hurricane Harvey drove polymer supply disruptions and cost escalations

**FY18 actions**
- Contract management, renegotiation
- Secured multiple supply sources
- Synergies with Boral Windows
  - Access to polymer supply
  - Regrind\(^1\) equipment in place

---

**Operational improvements**
Driving a cross-functional effort to improve network margins

**Home Depot label**
- Automated label installation
- Improved ergonomics
- Reduced direct labor spend
- Improved part quality
- Part to label verification

**Franklin, OH plant**
- Consume window scrap
- Reduce raw material cost
- Blended mix at lower cost
- Convey blended mix directly
- Consume black, internal regrind

**Versetta® accessories**
- Vertically integrated
- Improved quality
- Reduced manufacturing cost
- Reduced raw material cost
- Top line growth

---

1. Regrind: recycled raw material that is used in manufacturing process.
Agenda – Light building products

- Business Overview
- Year in Review
- Strategic Priorities

Light building products strategic objectives
FY19 focus on price, margin, and operational initiatives

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>FY19 focus areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Zero Harm Today</td>
<td>1. Zero Harm Today</td>
</tr>
<tr>
<td>Maintain and leverage established products, and develop and grow new lightweight</td>
<td>2. <strong>Siding &amp; Trim</strong>: grow channel and broaden customer offering; continue cost</td>
</tr>
<tr>
<td>composite products</td>
<td>improvement journey</td>
</tr>
<tr>
<td>✓ Grow capabilities in high end, niche product areas</td>
<td>3. <strong>Shutters &amp; Accessories</strong>: margin enhancement through raw material management</td>
</tr>
<tr>
<td>✓ Leverage distribution footprint to accelerate penetration of new, high growth</td>
<td>and lean</td>
</tr>
<tr>
<td>products</td>
<td>4. <strong>Tools &amp; Other</strong>: continue margin enhancement programs</td>
</tr>
<tr>
<td></td>
<td>5. Leverage operations and R&amp;D resources</td>
</tr>
<tr>
<td></td>
<td>6. Deliver synergies (targeting ~US$15m in year 4)</td>
</tr>
</tbody>
</table>
Agenda

Introduction  Mike Kane
Boral North America  David Mariner
Fly Ash  Keith Depew
Block  Bob Whisnant
Building Products Group  Chris Fenwick
Roofing  Darren Schulz
Stone  Victoria Sherwood
Light Building Products  Joel Charlton
Windows  David Decker

Agenda – Windows

- Business Overview
- Year in Review
- Strategic Priorities
Business overview

**History**
- 2004: Krestmark® founded, manufactured aluminum windows in Texas
- 2006: Developed new vinyl window product line
- 2014: Established Legacy brand
- 2016: Acquired by Headwaters
- 2017: Acquisition of Magnolia™ Windows in Georgia

**Geographic footprint**
- Regional focus mainly in Texas and Georgia
- Roughly 700 mile distribution footprint connects plant network
- Sales in 14 states across the southwest and southeast regions

---

**Agenda – Windows**

- Business Overview
- Year in Review
- Strategic Priorities
## FY18 focus areas and priorities

**Strategic objectives**

- **Zero Harm Today**
- **Reset** Magnolia™ business – operations and commercial
- **Expand capacity** to meet customer demand

**FY18 progress**

1. Safety incidents reduced by 50% from 1H to 2H
2. Magnolia™ operations significantly improved
3. Began lean implementation at Krestmark® operations
4. Upgraded equipment to support growth and improve process and reliability
5. Expanded into multi-family segment

---

### Magnolia™ plant’s transformation journey

**Achieved break even in late FY18**

#### Background

- Business purchased immediately prior to Headwaters acquisition
- 1Q FY18 new management made the decision to scale down customer orders and address operational issues at the plant:
  - Poor safety record and highly manual labor
  - Old, unreliable equipment due to little capex in prior years
  - Inconsistent product quality and capacity constraints from operational inefficiencies
  - Limited financial controls, weak analysis/reporting framework

#### FY18 Actions

- Implemented safety program; 50% decrease in recordable incidents
- US$1.1m capex for upgrades and new machinery
- Reduced manual labor with purchase of automated process machine and glass optimizer
- Performed workflow process improvements resulting in increased efficiencies
- Revamped analytical capabilities via system improvements and additional analysts in the plant
- Improving and managing labor costs

---

1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents; measured as improvement from 2H FY18 over 1H FY18 due to insufficient records for periods prior to Boral’s acquisition

---

1. Measured as improvement from 2H FY18 over 1H FY18 due to insufficient records for periods prior to Boral’s acquisition
Upgrading Krestmark® operation
Focus on revamping safety culture and lean manufacturing principles

Background
- Highly manual manufacturing processes
- Inefficient workflow leading to manufacturing challenges
- Poor inventory controls resulting in waste
- Approaching capacity limits

FY18 Actions
- Improved workflow leading to increased capacity
- Revamped lean manufacturing principles
- ERP system upgrade
- Performed costing and margin analysis to drive decisions
- Implemented full inventory management controls and just-in-time manufacturing leading to less waste

Before – extrusion aisle  
After – extrusion aisle

Before – main aisle  
After – main aisle

Inventory management
Workflow improvements

Diversifying customer base
Expanding presence in multi-family residential segment

Background
- Traditional focus on single-family housing
- Concentrated on large national and regional builders
- Limited relationships in multi-family segment
- Multi-family segment requires a different sales approach compared to single-family

FY18 Actions
- New leadership focused on diversifying end-segment exposures to mitigate economic swings
- Leveraged company’s strong reputation with 5 day lead times and DIFOT to push into multi-family segment
- Hired dedicated team to focus on multi-family
- 500% increase in multi-family revenue in FY18

1. DIFOT: Delivered in full on time
FY19 focus areas and priorities

**Strategic objectives**

- Zero Harm Today
- Continue *Magnolia™ reset* – operations and commercial
- Continue to expand capacity to meet customer demand
- Strengthen multi-family capabilities

**FY19 focus areas**

1. Implement behavioral safety
2. Continue share capture
3. Continue operational improvements to standardize and streamline processes
4. Further lean journey to create capacity
5. Deliver synergies (Windows and Block combined targeting ~US$5m in year 4)
Appendix

1.0 Macroeconomic market overview
Housing construction markets continue to recover
Single family growing, affordability high, supply remains challenged

Single and multi family housing starts

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-family</td>
<td>684</td>
<td>877</td>
<td>953</td>
<td>1,054</td>
<td>1,149</td>
<td>1,201</td>
<td>1,253</td>
</tr>
<tr>
<td>Single-family</td>
<td>209</td>
<td>283</td>
<td>323</td>
<td>379</td>
<td>387</td>
<td>387</td>
<td>369</td>
</tr>
</tbody>
</table>

+4% Single Family Mix (FY2018 % of Total)

~3.0 percentage points above FY17

Affordability Index above historical average of 100

New Housing Stock 0.30m
10.3% up year-on-year; in line with 0.36m long-term average

Existing Housing Stock 2.0m
Flat year-on-year; slightly below long-term average of 2.2m

1. Source: US Census seasonally adjusted annualized housing starts
2. Source: National Association of Realtors (NAR); May 2018
3. Source: US Census; May 2018

Non-residential construction

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehousing</td>
<td>1,446</td>
<td>1,023</td>
<td>864</td>
<td>953</td>
<td>1,002</td>
<td>1,061</td>
<td>1,060</td>
</tr>
<tr>
<td>Education</td>
<td>10</td>
<td>11</td>
<td>16</td>
<td>17</td>
<td>16</td>
<td>17</td>
<td>17</td>
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<tr>
<td>Office</td>
<td>27</td>
<td>28</td>
<td>21</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Retail</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Healthcare</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
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<tr>
<td>Hotel</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
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<tr>
<td>Public</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Religious</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

1. Source: Dodge Data & Analytics. Non-residential square foot area (millions), June 2018
2. Source: Dodge Data & Analytics
Repair and remodel (R&R)
Home improvements sales continue to rise

Building products retail sales
(Nominal US$b)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>325</td>
<td>312</td>
<td>281</td>
<td>257</td>
<td>262</td>
<td>278</td>
<td>291</td>
<td>308</td>
<td>324</td>
<td>343</td>
<td>361</td>
<td>386</td>
</tr>
</tbody>
</table>

+7%

1. Source: Moody’s retail sales of building products, July 2018

Infrastructure
Highways continue to be the main driver in the infrastructure segment

Infrastructure activity, ready mix demand
(cubic yards, millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand</td>
<td>174</td>
<td>171</td>
<td>180</td>
<td>191</td>
<td>188</td>
<td>182</td>
<td>191</td>
</tr>
</tbody>
</table>

+5%

1. Source: Dodge Data & Analytics, Infrastructure Ready Mix Demand, June 2018
2. Source: Portland Cement Association
Source: US Census seasonally adjusted annualized housing starts. Forecasts based on an average of analysts' forecasts sourced from NAHB, MBA, Wells Fargo, NAR, Fannie Mae and Freddie Mac, Jan-Jun 2018

Historical data

SOUTHEAST consists of AR, LA, OK, TX
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

FY19 housing growth underpinned by single family
Forecasters\(^1\) expect \~1.31m housing starts in FY19

1. Based on the average of Dodge, Wells Fargo, NAIR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between Jan-Jun 2018. Historical data – US Census Bureau
2. SOURHEAST consists of AL, DE, FL, GA, KY, MD, ME, NC, SC, TN, VA, WV | SOUTHWEST consists of AR, LA, OK, TX | 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, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY.
3. Based on 1H FY2018 Boral North America external revenue, including Boral's 50% share of Meridian Brick JV revenue which is not included in reported revenue
Brick, block & paver industry: market size and segments

The brick, block and paver industry is ~US$7 billion

Market overview

- Overall industry includes brick, block, and pavers; broadly weighted towards all three end-markets (residential, non-residential, repair and remodel)
- Brick demand predominantly driven by residential segment
- Block demand more heavily tied to the non-residential segment
- Paver demand predominantly driven by repair and remodel segment
- Texas estimated to be ~8% to 10% of overall industry

1. Based on Freedonia and management estimates, represents market at underlying demand
2. Freedonia 2014, Bricks, Block, Pavers Report, plus management estimates
Brick, block & paver industry: market segments

Well balanced market segments

<table>
<thead>
<tr>
<th>Non-residential</th>
<th>Repair &amp; remodel / Other</th>
<th>New residential</th>
<th>~32%(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specification driven</td>
<td>Hardscape growing</td>
<td>Cyclically driven</td>
<td></td>
</tr>
<tr>
<td>Longer sales cycle</td>
<td>Strong margins</td>
<td>Production builder</td>
<td></td>
</tr>
<tr>
<td>Higher price and margin</td>
<td>Retail channel, Big Box critical</td>
<td>Lower price / margin (block)</td>
<td></td>
</tr>
<tr>
<td>State sponsored projects, e.g. schools, critical to success</td>
<td>Foundation products, strong margins</td>
<td>Primarily multi-family (block)</td>
<td></td>
</tr>
</tbody>
</table>

1. Freedonia 2014, Bricks, Block, Pavers Report, Management Estimates; represents market at underlying demand

Brick, block, and pavers\(^1\) underlying demand\(^2\)

- Brick 29%
- Outdoor Wall Block 12%
- Normal Weight Block 14%
- Medium Weight Block 27%
- Pavers 19%

Addressable market $3.6b

Total industry size: US$6.7b\(^2\)

Product positioning

- Block competes in the cladding and hardscape industry
- Cladding:
  - Block considered a premium cladding option
  - Predominantly used in non-residential segment
- Hardscape:
  - Staple in expanding hardscape industry
  - Mainly tied to repair and remodel segment

1. Freedonia 2014, Bricks, Block, Pavers Report, management estimates
2. Underlying demand assumed to be average of prior 16 years, 2003 - 2018
Roofing industry: size and segments
The pitched roof industry is currently ~145 million squares

Industry size¹
(millions of squares)

<table>
<thead>
<tr>
<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>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>139</td>
<td>140</td>
<td>141</td>
<td>142</td>
<td>143</td>
<td>144</td>
<td>145</td>
<td>146</td>
<td>147</td>
<td>148</td>
<td>149</td>
<td>150</td>
<td>151</td>
<td>152</td>
</tr>
</tbody>
</table>

1. Source: ARMA, NAHB, Moody’s, Dodge, Management Estimates
2. Source: ARMA, BCC, Management Estimates; represents size of market at underlying demand

North America overview

- Large industry, ~145m squares
- Three primary pitched roof market segments — Re-roof, new residential, and non-residential
- Industry supported (~70%) by large re-roof demand from +80 million aging single-family detached homes in the USA
- Estimated at US$14.9 billion² annual spend

Roofing industry: market segments
Re-roof construction, the most stable segment, drives demand

<table>
<thead>
<tr>
<th>New residential</th>
<th>~22%¹</th>
<th>Re-roof</th>
<th>~70%¹</th>
<th>Non-residential</th>
<th>~8%¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1.3 million starts in FY18¹</td>
<td>~4.0 million roofs / year¹</td>
<td>Lower sloped applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclically driven</td>
<td>Stable and growing due to aging homes and storms</td>
<td>Specification driven</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production builder</td>
<td>Re-roofer</td>
<td>Longer sales cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower price / margin</td>
<td>Higher price / margin</td>
<td>Higher price and margin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less fragmented sale</td>
<td>Fragmented sale</td>
<td>Less fragmented sale because of limited contractor options due to insurance requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Source: ARMA, NAHB, Moody’s, Dodge, Management Estimates; represents market at underlying demand
Roofing industry: product categories
The pitched roof market is US$14.9b\(^1\), Boral’s addressable market is ~US$3.0b

North America product overview
- Asphalt roofing accounts for ~68% of the industry size in North America
- Over last several decades, industry has been converting to higher end asphalt from low-end asphalt
- Other high end products include Tile, Metal, Composite, and Natural Materials (Slate / Wood Shake)
- Other high end products have been gaining share from standard and high end asphalt as customer acceptance increases

Masonry industry: market size and segments
The current industry is ~2,600 million square feet

North America overview
- Large industry, ~2,600m square feet
- Mainly driven by new construction but emerging outdoor living driving R&R growth
- R&R and Non Res more stable through the market cycle driven by home remodel projects and retail / commercial accents
- Stone estimated at ~US$2.3 billion\(^2\) annual spend which includes manufactured and real stone

---

1. Source: ARMA, BCC, Management Estimates; represents size of industry at underlying demand
2. Other: Concrete Tile, Clay Tile, Composite, Natural Wood Shake, Natural Slate
3. Metal: includes Stone Coated Metal, Standing Seam Metal

---

1. Market analysis, NAHB for square feet, management estimates
2. Source: NAHB, Principia, and management estimates; market size at Underlying Demand
Masonry industry: market segments

Higher exposure to new construction

New residential ~49%¹
- ~1.3 million starts in FY18
- Cyclically driven
- Custom builder
- Regional pricing
- Less fragmented sale

Repair & remodel ~16%¹
- Limited exposure
- Expanding presence through hardscapes and interior remodel
- Fragmented sale

Non-residential ~35%¹
- Specification driven
- Longer sales cycle
- Stronger price and margin
- Strong focus on schools, office and retail applications

1. Market analysis, NAHB for square feet, management estimates; represents industry at underlying demand

Masonry industry: product categories

The masonry cladding industry is ~US$7.1b¹, Boral’s opportunity is ~US$2.3b

North America product overview

- Brick and Stucco product categories account for ~57% of masonry cladding segment
- Stone, manufactured and real, account for ~33% of the segment, valued at ~US$2.3 billion¹
- Residential recovery has led to a strong national builder market presence
- Manufactured stone veneer products continue to be highly desirable due to ease of installation, low maintenance and affordability

¹. Source: NAHB, Principia, and management estimates; industry size at underlying demand
². Includes real and manufactured stone

Total industry size: ~US$7.1b¹
Boral Stone: diversified portfolio
A strong "good, better, best" product portfolio to maximize sales

Value Tier (Good)
Brands: StoneCraft™, ProStone®
- Streamlined product offering
- Value line, limited colors
- Priced competitively
- Strong regional players

Middle Tier (Better)
Brand: Dutch Quality®
- Streamlined product offering
- Consistent quality
- Competitively priced
- Strong regional player

Premium Tier (Best)
Brands: Cultured Stone® Eldorado®
- High authenticity and design
- Large selection of colors and textures
- Architecturally focused
- Available nationwide

Light building products industry: market segments
The siding & trim industry is currently ~8 billion square feet

Industry size\(^1,2\)
(millions of square feet)

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Residential</th>
<th>Residential</th>
<th>R&amp;R</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>8,000</td>
<td>6,000</td>
<td>4,000</td>
</tr>
<tr>
<td>2019</td>
<td>8,500</td>
<td>6,500</td>
<td>4,500</td>
</tr>
<tr>
<td>2020</td>
<td>9,000</td>
<td>7,000</td>
<td>5,000</td>
</tr>
<tr>
<td>2021</td>
<td>9,500</td>
<td>7,500</td>
<td>5,500</td>
</tr>
<tr>
<td>2022</td>
<td>10,000</td>
<td>8,000</td>
<td>6,000</td>
</tr>
</tbody>
</table>

Overview
- Large industry, ~8 billion square feet
- Three primary trim and siding segments – repair and remodel, new residential, and non-residential
- Industry supported (~68% in FY17) by large repair and remodel demand from +80 million aging, single-family detached homes in the USA
- Estimated at ~US$7.9 billion\(^3\) annual spend
- All three segments expected to continue growth trends over next 12 to 24 months\(^4\)

1. Market analysis, NAHB for square feet, Principia for value, and management estimates
2. Excludes shutters, accessories, and tools
3. Market analysis, NAHB, Principia, and management estimates; represents industry at underlying demand
4. Based on key external market forecasters
**Light building products industry: market segments**

Repair & remodel drives construction, creating stable demand through the cycle

<table>
<thead>
<tr>
<th>New Residential</th>
<th>~24%¹</th>
<th>Repair &amp; Remodel</th>
<th>~69%¹</th>
<th>Non-residential</th>
<th>~7%¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1.3 million starts in FY18</td>
<td>Stable and growing due to aging homes and harsh weather</td>
<td>Specification driven</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclically driven</td>
<td>Siding installer, contractor</td>
<td>Longer sales cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Custom, production &amp; regional builder</td>
<td>2-step, 1-step</td>
<td>2-step, 1-step</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-step, 1-step</td>
<td>Fragmented end user</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹. Market analysis, NAHB for square feet, Principia for value, and management estimates; represents industry at underlying demand

---

**Light building products industry: product categories**

The total industry is ~US$7.9b¹, Boral’s addressable market is ~US$3.3b

<table>
<thead>
<tr>
<th>Wood and wood like replacement¹,² (US$ million)</th>
<th>Product overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood 34%</td>
<td>Wood is leader but comparative growth less than emerging composite and higher grade vinyl and fiber cement products</td>
</tr>
<tr>
<td>Vinyl 31%</td>
<td>Vinyl continues to gain against wood due to low cost installation and low maintenance</td>
</tr>
<tr>
<td>Fiber Cement 23%</td>
<td>Fiber cement continues to maintain share in cladding and trim markets</td>
</tr>
<tr>
<td>Composite 12%</td>
<td>Composite materials show the highest potential with low cost / low risk solutions</td>
</tr>
</tbody>
</table>

Total industry size: US$7.9b¹

Boral’s addressable market ~US$3.3b

¹. Market analysis, NAHB, Principia, and management estimates; represents industry at underlying demand

². Excludes shutters, accessories, and tools industry
North American windows & patio door industry
A large national industry which has changed over time

Windows and patio doors by geography
percentages based on market size by $ value

- Industry estimated at ~US$8-10 billion
- 85% to 90% windows; 10% to 15% doors
- Large national players compete with regional and local businesses
- Industry consolidation continues to occur

Examples of competitors

Windows & patio door industry market segments
Industry driven by new residential, single-family construction

<table>
<thead>
<tr>
<th>Single-Family (~71%)</th>
<th>Multi-Family (~23%)</th>
<th>Light Commercial (~6%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 1.3 million starts in FY18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- New construction with various quality preferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Repair and Replacement drives majority of volume</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Specialty products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Longer sell cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Standard products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Low cost / competitive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Specification driven</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Longer sales cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Custom orders</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Principia and management estimates, range represents industry size at underlying demand
Windows & patio door industry product segments
Vinyl and replacement windows are largest segments

Demand by product segment
- Vinyl: 58%
- Metal: 11%
- Wood: 24%
- Fiberglass: 5%
- Other: 2%

Product segmentation
- Industry has shifted over time from wood to Vinyl.
- As housing stock ages (+80m aging single-family homes), replacement window demand to remain strong.
- Single-family homes (new and R&R) drives demand.

Demand by end use
- Replacement: 68%
- New construction: 32%

1. North American totals; source: Principia and management estimates; represents industry at underlying demand.

3.0
Headwaters synergies overview
Headwaters acquisition synergies

Significant synergies as a result of highly complementary businesses

<table>
<thead>
<tr>
<th>Synergy drivers by business, US$m</th>
<th>Delivered in FY18</th>
<th>Targeted Year 1 run rate, pa</th>
<th>Updated target within 4 years, pa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate</strong> – incl. executive headcount, public company costs, procurement</td>
<td>$9.5m</td>
<td>~$17m</td>
<td>~$19m</td>
</tr>
<tr>
<td>Fly Ash</td>
<td>Sub-total</td>
<td>$11.5m</td>
<td>~$12m</td>
</tr>
<tr>
<td>● Ash supply / network optimization / logistics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Procurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Sales coverage expansion &amp; high value product growth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Organizational efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stone¹</strong></td>
<td>Sub-total</td>
<td>($1.9m)</td>
<td>~$6m</td>
</tr>
<tr>
<td>● Plant network optimization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Sales coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Procurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Manufacturing equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Other including organizational efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Recognises the impact of share loss as a result of the acquisition

Headwaters acquisition synergies

Significant synergies as a result of highly complementary businesses

<table>
<thead>
<tr>
<th>Synergy drivers by business, US$m</th>
<th>Delivered in FY18</th>
<th>Targeted Year 1 run rate, pa</th>
<th>Updated target within 4 years, pa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Roofing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Procurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Cross-selling portfolio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Manufacturing &amp; network optimization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Manufacturing efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Other including organizational efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Light Building Products</strong></td>
<td>Sub-total</td>
<td>$10.7m</td>
<td>~$6m</td>
</tr>
<tr>
<td>● Procurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Sales coverage, cross-selling, retail presence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Organizational efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other: including Block &amp; Windows</strong></td>
<td>Sub-total</td>
<td>$1.3m</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$39m</td>
<td>$50-55m delivered $51m</td>
</tr>
</tbody>
</table>

1. Recognises the impact of share loss as a result of the acquisition
The material contained in this document is a presentation of information about the Group’s activities current at the date of the presentation, 18 September 2018. 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).

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