1. From 1 July 2016 Boral Australia comprises the Construction Materials & Cement and Building Products divisions.
Texas is a Brick, Fly Ash and Roofing state, where Boral’s Fly Ash based R&D work began.

San Antonio, Texas

- Head office of Boral’s Fly Ash business
- BMT’s early R&D work underpins the development of Boral’s Fly Ash based composite building products
- Boral’s newest research facility, The Boral Discovery Centre, opened in San Antonio in 2016
- Accordingly, today’s presentations will cover Boral’s US portfolio, with greater emphasis on Fly Ash, Composites (Trim & Siding) and Innovation with an update on Bricks, Stone and Roofing

BORAL USA INVESTOR DAY 2016

Boral USA Schedule
Tuesday, September 13

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 a.m. – 11:00 a.m.</td>
<td>Presentations</td>
<td>David Mariner, President &amp; CEO, Boral USA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Management Team</td>
</tr>
<tr>
<td>11:15 a.m. – 12:00 p.m.</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>12:00 p.m. – 12:30 p.m.</td>
<td>Depart to Boral</td>
<td>Joel Charlton, Russell Hill, Discovery Centre</td>
</tr>
<tr>
<td></td>
<td>Discovery Center</td>
<td>Team</td>
</tr>
<tr>
<td>12:30 p.m. – 2:00 p.m.</td>
<td>Safety Briefing and Tour</td>
<td></td>
</tr>
<tr>
<td>2:00 p.m.</td>
<td>Depart</td>
<td></td>
</tr>
</tbody>
</table>
BORAL USA INVESTOR DAY 2016

Content

- Boral USA Overview
  - Strategic Update
    - US Overview
    - Bricks Joint Venture
    - Fly Ash, Innovation, Light Building Products
    - Stone, Roofing
  - Appendix
    - Economic and Housing Update
    - Financial Results

BORAL USA Team

Boral USA

- Dave Mariner
  President and CEO

Boral Limited

- Joel Charlton
  EGM Innovation

- Patrick O’Boyle
  VP Growth & Performance

- Oren Post
  CFO

- Paul Samples
  President Bricks

- Keith Depew
  President Stone

- Chris Fenwick
  President Roofing

- Terry Peterson
  President Materials

- Brian Below
  President Light Building Products
Boral USA has Leading Market Positions and a National Footprint

#1 in Brick, Clay Tile, Concrete Tile and Manufactured Stone; #2 in Fly Ash; #3 in Construction Materials in Denver, Colorado

Share of Revenue1, %

by business

Fly Ash & Construction Materials 54
Cladding (includes Bricks, Cultured Stone and Trim & Siding) 23
Roofing 23
RHS&B1 Non-residential 6
Repair & remodel 4
Multi-family dwellings 12
Single-family dwellings 59

by market segment

NORTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MI, NC, OK, SC, TN, TX, WV, VA | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates and are included in Boral’s US Revenue chart.

1. Based on split of FY2016 external revenue for Boral USA
2. Roads, highways, subdivisions and bridges
3. SOUTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates and are included in Boral’s US Revenue chart.
4. Does not include Forterra Bricks Assets

Zero Harm Safety Culture

Recordable Incident Frequency Rate down 14% to 5.2 – all-time low for Boral

Employee and Contractor LTIFR1

|       | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.3</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
<td>0.4</td>
<td>0.8</td>
<td>0.3</td>
</tr>
</tbody>
</table>

% of Total Hours Lost to Injury

|       | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.12%</td>
<td>0.07%</td>
<td>0.01%</td>
<td>0.06%</td>
<td>0.04%</td>
<td>0.01%</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

Employee and Contractor RIFR2

|       | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15.0</td>
<td>8.8</td>
<td>8.5</td>
<td>7.3</td>
<td>5.7</td>
<td>6.1</td>
<td>5.2</td>
</tr>
</tbody>
</table>

1. Lost Time Injury Frequency Rates (per million hours worked)
2. Reportable Injury Frequency Rates (per million hours worked)

- Continued focus on risk identification, employee engagement
- FY16 - record number of hazard awareness and near miss reports, 19% higher than FY15
- FY16 - best year in Boral USA’s safety performance
- Goal is ZERO HARM TODAY

FY16 vs FY10:
- Hours Worked: 9.3m, up 89%
- Hours Lost: 720, down 77%
Boral USA Overview

Strategic Update

- US Overview
  - Bricks Joint Venture
  - Fly Ash, Innovation, Light Building Products
  - Stone, Roofing

Appendix

- Economic and Housing Update
- Financial Results

Boral USA

- Continued progress in all business units

Cladding

- #1 in Bricks, Stone, Stucco
- Announced Bricks Joint Venture
- Designed auto de-molding process, enhancing safety and increasing labor efficiency
- Generating margin improvement through new product launches
- Lowering reliance on housing and fixed cost manufacturing

Light Building Products

- Boral Composites (poly-ash) Trim & Siding, Versetta®
  - New Versetta capacity in Napa leading to 10 new distribution outlets
  - Added ~150 stocking dealer locations to reach ~650 total
  - Added 120,000 sq ft warehouse and processing facility for Boral Composites
  - Implementing accelerated sales plan
  - Growth capital project to double production capacity for composite products

Roofing

- #1 in Concrete and Clay Roof Tile
  - Completed closure and sale of Gilroy, CA facility
  - Moved light weight product line to Stockton, CA
  - Price increasing as demand grows
  - Upgrading line in Lake Wales, FL to better serve customers
  - Optimize SG&A positions for increased profitability

Fly Ash & Materials

- #2 in Fly Ash, #3 in Materials (Denver)
  - Completion of Franklin St. ready mix concrete plant
  - Opened new Holton/Morton quarry
  - Opened new sand and gravel aggregate operation in Ft. Lupton, CO
  - Maintaining volumes despite disruptions in energy industry
  - Solid price performance in competitive markets
Strategic Roadmap
Growing earnings through cyclical market recovery, product development, and continuing to maintain a disciplined approach to strategically aligned M&A opportunities

1. Optimize portfolio to maximize profitability
   - Continue focus on margin enhancement, i.e. price improvement, operating cost improvements
   - Divest non-core construction materials business in Colorado when appropriate
   - Drive increased value through recently announced Bricks Joint Venture

2. Invest in innovation
   - Grow capabilities of Innovation Factory
   - Deliver new products to market
   - Develop new platforms
   - Invest in new composite manufacturing technology

3. Strategically aligned M&A opportunities
   - Identify opportunities that align with Boral’s portfolio and strategic objectives, including:
     - Ability to diversify Boral’s market exposures beyond single family housing
     - Opportunities to leverage emerging trends, targeting products early in life cycle
     - Less capital intensive businesses, with a more flexible, variable cost structure
     - Earnings accretive opportunities

BORAL USA INVESTOR DAY 2016
Executing our Strategic Roadmap
Optimizing portfolio through the Bricks JV while leveraging our Innovation Factory to strengthen Light Building Products (LBP)

Bricks Joint Venture
- Boral acquired Monex in 1997 and merged into Fly Ash division
- Early R&D focused on ash and concrete
- Combined proforma FY2017 annual EBITDA of ~US$25-$30 million
- Delivers cost synergies ramping up to ~US$25m+ by year 4
  - Plant network optimisation
  - Improved utilisation of freight and distribution
  - Streamlined selling, marketing and administration costs
  - Procurement cost savings

Evolution of LBP from Boral’s Fly Ash Heritage
- Created patent-protected, new to world poly-ash composite technology that established Boral’s LBP business
- Next generation focused on engineered products
- 2016 Analyst Site Visit
- Discovery Center
- San Antonio, TX
- Micron 3
- Established state-of-the-art R&D center
- Boral USA Overview
- Strategic Update
  - US Overview
  - Bricks Joint Venture
    - Fly Ash, Innovation, Light Building Products
    - Stone, Roofing
- Appendix
  - Economic and Housing Update
  - Financial Results

**Bricks Joint Venture Overview**

- **Combined FY2017 annual proforma EBITDA** of ~US$25-$30 million
- **2,639 million SBE** (standard brick equivalent) **manufacturing capacity**
  - 2,291m SBE in current operation
  - 348m SBE mothballed
- **27 clay brick manufacturing operations**
  (including 4 mothballed operations)
- **2 concrete brick manufacturing operations**
  (including 1 mothballed operation)
- **41 Building Products Distribution Centres**
- ~1,380 combined employee base
Transaction Rationale

- Create a more efficient and better positioned business to compete in the broader cladding market through the cycle
- Optimise combined manufacturing capacity and leverage distribution network to better serve customers
- Deliver cost synergies, which are expected to be ~US$25 million+ p.a. by year 4 through:
  - Plant network optimisation
  - Improved utilisation of freight and distribution
  - Streamlined selling, marketing and administration costs
  - Procurement cost savings

Transaction Structure

- Ownership will be 50/50
- Jointly represented Board
- Joint venture to be co-managed by Boral and Forterra
- No upfront cash
- JV is expected to be self funding
Boral USA Overview

Strategic Update
- US Overview
- Bricks Joint Venture

Fly Ash, Innovation, Light Building Products
- Stone, Roofing

Appendix
- Economic and Housing Update
- Financial Results

Fly Ash Background

History:
- Romans used volcanic ash in building construction
- In 1937, fly ash used in concrete construction

Production:
- Created in coal-fired power plants
- Fine particles rise with flue gasses
- Particles collected in bag house

Quality and Types:
- Quality depends on coal source, combustion process
- Two types:
  - Class C – self cementing
  - Class F – requires activator
Utilities' Coal Combustion Produces Ash

- Coal makes up ~38% of total fuel generation in the U.S.
- Key coal supply regions include Central Appalachia and Wyoming’s Powder River Basin
- ~500 power plants using coal
- ~600m tons of coal were used in 2016

Marketer’s Role
Marketers serve two customers: 1) utilities - motivated by low cost electricity production; 2) end user - focused on quality, cost, and availability

Utilities
- Electricity demand
- Low cost production
- Volume / royalties

Marketer
- Quality material
- Availability
- Low capital

End Users
- Supply / freight
- Average selling price
- Royalty implications

Boral is a leading Fly Ash marketer in the US
Multiple Applications for Ash

Boral has four key areas for growth; cement / ready mix represents the largest opportunity while engineered products provide significant upside.

**Applications**

- **Cement and Ready Mix**
- **Asphalt and Mineral Filler**
- **Engineered Products**
- **Site Services and Disposal**

**Market Opportunity**

- **Cement and Ready Mix**: Cement substitute in ready mix; upside opportunity as cement substitution pushes levels above 17%.
- **Asphalt and Mineral Filler**: Applications tied to infrastructure; upside exists by expanding government specifications.
- **Engineered Products**: Downstream filler for products such as Boral Composites; upside includes expanding into new applications and industries leveraging Boral Innovation Factory.
- **Site Service and Disposal**: Service allows marketer to build long term relationship with utility; source specific driven by geography and ash quality.

1. Average replacement of 17% in ready mix producers who use fly ash; overall industry average is 10%

---

**Cementitious Materials**: Size and Segment

The cementitious market is currently ~120 million tons, and forecast to grow to ~180m tons by FY2022.

**Market Size**

- **Market Segments**
- **New Construction**
  - New Res foundations
  - Non-Res foundations, sidewalks
  - ~41% of US demand
- **Infrastructure**
  - Roads / Highways
  - Oil Field
  - Soil Stabilization
  - ~59% of US demand

1. Cementitious materials includes cement, fly ash, slag, limestone fines and silica fumes
2. NAHB, Moody’s, Dodge, Management Estimates
Cement Demand Drives Fly Ash Opportunity
Cement consumption in ready mix will drive significant increase in Ash volume; Ash remains competitively priced against cement.

Cement Demand
(millions of tons)

Forecast
- Non-Building
- Residential
- Non-Residential

7% CAGR

Cement and Fly Ash Pricing

- Cement
  ~$80 to $100 per ton
  +20% vs. 2005

- Fly Ash
  ~$30 to $35 per ton
  +50% vs. 2005

Fly Ash Demand Continues to Grow
Fly Ash demand expected to grow over the next 20 years driven by cement, ready mix and other beneficial use (fillers).

Fly Ash Demand

Forecast

1. The American Coal Ash Association: Key Findings 2015 Coal Combustion Products; Demand for all products, including ready mix concrete
2. Increase in production in 2005-2010 driven by concrete oil field demand during last business cycle; decline through 2015 driven by lower construction activity during economic recovery
Landscape of Marketers
Multiple marketers primarily focused in the East and the Midwest

Fly Ash Marketers

Select Marketers
- Boral
- Headwaters
- SEFA Group
- Separation Technologies
- Lafarge
- Mineral Resource Technologies
- Charah
- Others

Fly Ash Marketers¹

1. Management estimates as of 2015

Fly Ash: Strategic Intent
Secure existing ash supply, obtain additional supply, and invest in storage; improve returns with continued recovery of construction market

Business Overview:
- #2 national fly ash player, regionally focused in Texas, Georgia, Florida, and Colorado
- Pricing influenced by cement
- Opportunity is in new geographies, expanded supply, expanded storage, distribution, and new product applications

Industry Structure and Business Road Map

Industry Structure and Outlook
Category Size (mid-cycle) | US$1.2b
Market Exposure | Infrastructure / new construction

- Core market is ready mix / infrastructure
- Business heavily tied to Texas, Georgia, Florida
- Growth potential in new applications

Organic Strategy
- Continue to price competitively with cement
- Pursue effective management and growth of supply
- Leverage high value fillers

Innovation Strategy
- Sustainable Development: Product Applications

~59% Infrastructure

Boral Source
Boral Terminal

Bottom ash stockpile – San Antonio
Boral Site
1. Safety
   - LTIFR<sup>1</sup> rate from 2.8 in FY15 to zero in FY16
   - MTIFR<sup>2</sup> rate from 8.5 in FY15 to 5.5 in FY16

2. SGA and Business Optimization
   - Restructured organization
   - Integrated shared services

3. Price and Margin
   - ASP increases in last 4 years
   - Influenced by cement price increases

4. Innovate for Beneficial Use
   - Backing system for carpet / synthetic turf
   - Fly Ash Beneficiation Optimization

---

### Products / Services

- Cement and Ready Mix
- Asphalt and Mineral Filler
- Engineered Products
- Site Services and Disposal
- Highly Reactive Pozzolans
- Celceram®

---

**Fly Ash: Business Highlights**

Expansion into new uses and engineered applications has improved the business's performance through the cycle.

1. Lost time injury frequency rate per million hours worked
2. Medical treatment injury frequency rate per million hours worked

---

**Fly Ash: Opportunities and Actions**

Executing on key initiatives to grow supply, expand applications, and improve margins.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand supply / storage</td>
<td>✅ New supply contracts</td>
</tr>
<tr>
<td>Expand site service footprint</td>
<td>✅ New storage facilities</td>
</tr>
<tr>
<td>New product applications</td>
<td>✅ Expansion into new products / industries</td>
</tr>
<tr>
<td>Margin improvement initiatives</td>
<td>✅ Price competitively based on market conditions</td>
</tr>
</tbody>
</table>

---

1. Lost time injury frequency rate per million hours worked
2. Medical treatment injury frequency rate per million hours worked
BORAL USA INVESTOR DAY 2016

Content

- Boral USA Overview
- Strategic Update
  - US Overview
  - Bricks Joint Venture
  - Fly Ash, Innovation, Light Building Products
    - Stone, Roofing
- Appendix
  - Economic and Housing Update
  - Financial Results

BORAL USA INVESTOR DAY 2016

Boral’s Innovation Evolution

1998 – 2003
Boral establishes R&D Center in 1998 (Monex)

2004 – 2006
Development of fly ash for new markets

2007 – 2011
R&D pivots towards building products

2012 – 2016
Innovation Factory established

- Fly ash and coal combustion
- Cement and concrete
- Ash processing and beneficiation
- Ash processing
- Functional fillers
- Multiple filled resin systems
- Poly-ash technology created
- First-of-kind Boral Composites plant built
- TruExterior® trim introduced
- TruExterior® product extensions
- Transformational growth activities
- Light building products
Discovery Center doors opened February 2016

- LBP continues strong growth
  - Creation of Innovation Factory has significantly increased Boral's patent portfolio
  - USA now has over 100 granted or pending patents

Boral’s Poly-Ash Technology Platform Proving its Versatility for Growth

Boral's proprietary Poly-Ash technology continues to open new category opportunities
### Boral's Poly-Ash Composites Business Aligning with Market Trends

Products designed to match market trends and align with Boral's growth strategy

<table>
<thead>
<tr>
<th>Key Driver</th>
<th>Impact to Customer and Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance</strong></td>
<td>• Proprietary technology providing new value proposition&lt;br&gt;• Good aesthetics and high durability</td>
</tr>
<tr>
<td><strong>Ease of Use</strong></td>
<td>• Light weight&lt;br&gt;• Handles and works like wood&lt;br&gt;• Low labor</td>
</tr>
<tr>
<td><strong>Sustainable</strong></td>
<td>• High recycle content, reduced embodied energy, and low carbon footprint&lt;br&gt;• Durable, low maintenance</td>
</tr>
<tr>
<td><strong>Geographic Diversity</strong></td>
<td>• National appeal and very transportable&lt;br&gt;• Customizable&lt;br&gt;• Global potential</td>
</tr>
<tr>
<td><strong>Market Diversity</strong></td>
<td>• Opens new channels&lt;br&gt;• Distributed across residential, commercial and R&amp;R</td>
</tr>
<tr>
<td><strong>Growth Potential</strong></td>
<td>• Revenue potential&lt;br&gt;• Opportunity in &gt; $1b markets</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>• High ROA business model&lt;br&gt;• Flexible manufacturing</td>
</tr>
</tbody>
</table>

#### Poly-Ash Platform
- **Current**
- **Emerging**
- **Exploratory**

### Content

- Boral USA Overview
- Strategic Update
  - US Overview
  - Bricks Joint Venture
  - Fly Ash, Innovation, **Light Building Products**
  - Stone, Roofing
- Appendix
  - Economic and Housing Update
  - Financial Results
Light Building Products
- Combination of Boral Composites and Versetta®
- Growth platform based on proprietary technology
- High returns through cycle

Current US Portfolio
- High assets, high energy
- High fixed cost platform
- Residential focus
- Mature markets

Light Building Products
- Disruptive, rapid growth technology
- Low asset base, low energy
- Variable cost based manufacturing
- Balanced market segments (repair and remodel and non-residential)
- Significant ROFE potential

Industry Structure and Business Road Map

Business Overview:
- Market adoption continues to be strong
- National presence with high R&R focus
- Opportunity to accelerate growth with sales and marketing investment

Manufacturing and Distribution Network
- Stone manufacturing
- Composite manufacturing
- Light Building Products wholesale distributors
Light Building Products: FY2017 Commercial Initiatives
Multi-faceted strategy to increase market awareness

**Market Awareness**

**National Initiatives**
- PR and editorial coverage
- News releases
- Print and digital advertising

**Channel Initiatives**
- Mobile training events
- Katz roadshow global sponsorship
- Dealer buy-in and engagement

**Content Marketing Initiative**
- Online content library
- Digital marketing assets
- Thought leadership and brand advocacy

---

**Light Building Products: FY2017 Commercial Initiatives (cont.)**
New product launches are planned to deliver significant growth in FY2017

**Siding and Trim**
- Trim
- Bead Board
- Skirt Board
- Siding Collection
- 2X Trim
- Bevel Siding

**Versetta Stone Panel**
- Versetta
- Accessories
- Universal Corner
- Mission Point
- Graphite
Light Building Products: Business Highlights
Emerging from start-up mode, LBP is quickly gaining scale and positioned to contribute meaningful earnings to the business over time

1. Safety
   - 5 years without an LTI

2. Sales and Marketing
   - Accelerating investment in SGA
   - Multi-pronged marketing initiative

3. Manufacturing
   - Operating efficiency improvements
   - Investing to double capacity in FY17

4. Products and Technology
   - Siding products well received
   - New product offerings launching in FY17
   - Additional market opportunities available as technology platform expands, e.g. moulding, sheets/substrates, shutters etc.

U.S. Cladding and Other Exterior

- $6.2b
- $1.8b
- $24.5b
- $8.0b
- Opportunity $15.9b

Boral’s current market segments

- Stone, Brick, Stucco
- Trim
- Light Building Products: Windows, Doors and Wood
- Light Building Products: Vinyl, Fiber Cement, Shutters, Decking, Hardscapes

Light Building Products: Business Highlights

Emerging from start-up mode, LBP is quickly gaining scale and positioned to contribute meaningful earnings to the business over time

1. Safety
   - 5 years without an LTI

2. Sales and Marketing
   - Accelerating investment in SGA
   - Multi-pronged marketing initiative

3. Manufacturing
   - Operating efficiency improvements
   - Investing to double capacity in FY17

4. Products and Technology
   - Siding products well received
   - New product offerings launching in FY17
   - Additional market opportunities available as technology platform expands, e.g. moulding, sheets/substrates, shutters etc.

Light Building Products: Opportunities and Actions
Executing on key initiatives to aggressively grow scale

Opportunities

- Market adoption to continue rapid growth
- Manufacturing efficiency and cost improvements
- Timing of new manufacturing capacity
- Rapid product development

LBP Revenue Growth ($m)

> 3X Growth

Actions

- Expansion of geographies, channels, segments
- Accelerated investment in sales and marketing
- Manufacturing initiatives deliver margin gains
- Opened Boral Composites Finishing Plant in FY16 Q2; Additional Boral Composites capacity coming online FY17 Q3
- Expanding product portfolio to full exterior wrap

Boral Composites Finishing Plant
Stone: Size and Segment
Stone market is currently ~789m sq ft, includes natural and manufactured stone. Non-residential accounts for ~38% of the industry and is more stable through the cycle.

**Market Size**

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Residential</th>
<th>New Residential</th>
<th>Repair &amp; Remodel</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY05</td>
<td>800</td>
<td>400</td>
<td>200</td>
</tr>
<tr>
<td>FY06</td>
<td>900</td>
<td>500</td>
<td>300</td>
</tr>
<tr>
<td>FY07</td>
<td>1,000</td>
<td>600</td>
<td>400</td>
</tr>
<tr>
<td>FY08</td>
<td>1,100</td>
<td>700</td>
<td>500</td>
</tr>
<tr>
<td>FY09</td>
<td>1,200</td>
<td>800</td>
<td>600</td>
</tr>
<tr>
<td>FY10</td>
<td>1,300</td>
<td>900</td>
<td>700</td>
</tr>
<tr>
<td>FY11</td>
<td>1,400</td>
<td>1,000</td>
<td>800</td>
</tr>
<tr>
<td>FY12</td>
<td>1,500</td>
<td>1,100</td>
<td>900</td>
</tr>
<tr>
<td>FY13</td>
<td>1,600</td>
<td>1,200</td>
<td>1,000</td>
</tr>
<tr>
<td>FY14</td>
<td>1,700</td>
<td>1,300</td>
<td>1,100</td>
</tr>
<tr>
<td>FY15</td>
<td>1,800</td>
<td>1,400</td>
<td>1,200</td>
</tr>
<tr>
<td>FY16</td>
<td>1,900</td>
<td>1,500</td>
<td>1,300</td>
</tr>
</tbody>
</table>

1. NAHB, Moody's, Dodge, Management Estimates

**Market Segments**

- **New Residential**
  - Tiered categories: premium, mid-grade, and economy
  - Big builders driving trend
  - High cyclical market segment

- **Non-Residential**
  - Exterior accents
  - Interior accents
  - Low cyclical market segment

- **Repair & Remodel**
  - Positive outdoor living market trend
  - Perpetual interior refresh / remodel cycle
  - Exterior accents
Business Overview:
- Leading brand manufactured stone veneer
- Diversified segment including new construction, interior/exterior, and repair and remodel
- Geographic exposure – US and Canada
- Opportunity in optimizing network, expanding sales offering (good, better, best), product development, innovation

Industry Structure and Business Road Map

<table>
<thead>
<tr>
<th>Industry Structure and Outlook</th>
<th>Category Size (mid-cycle)</th>
<th>US$2.3b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Exposures</td>
<td>New residential, non-residential and R&amp;R</td>
<td></td>
</tr>
<tr>
<td>US and Canada</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional competition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regionalized product preferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expanding market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Organic Strategy
- Execute – Better/Best
- Resale and accessory growth
- Continue new brand penetration
- Innovative product development

Innovation Strategy
- Sustainable development: process improvement

Non-residential, multi-family, repair and remodel

1. Industry size includes natural stone
Stone: Business Highlights
Innovative manufacturing solutions and execution of sales and marketing initiatives have contributed to significant year-over-year earnings improvement.

1. Safety
   - LTIFR\(^1\) between zero and 0.8 for 5 years running

2. SGA and Business Optimization
   - Sales optimization and efficiency
   - E-Business, Web, Marketing

3. Manufacturing Optimization
   - Increased operational performance
   - Low cost automation

4. Price, Margin, and Resale
   - 3 years of price improvement in competitive environment
   - Continued gross margin improvement

1. Lost time injury frequency rate per million hours worked

Stone: Opportunities and Actions
Executing on short and medium term growth strategy driving margin improvement

**Opportunities**
- Continued focus on Zero Harm Today
- Optimized production ramp-up
- Margin focus
- Grow interior market space
- Accelerate growth

**Actions**
- Safety strategy execution
- Flexible operations and fixed cost optimization
- Product development innovation
- Marketing excellence
- Accessory expansion

Black Rundle Pro-Fit® Alpine Ledgestone
Carbon - Pro-Fit® Modera™ Ledgestone
Drain-N-Dry Lath
BORAL USA INVESTOR DAY 2016

Content

- Boral USA Overview
- Strategic Update
  - US Overview
  - Bricks Joint Venture
  - Fly Ash, Innovation, Light Building Products
  - Stone, Roofing
- Appendix
  - Economic and Housing Update
  - Financial Results

BORAL USA INVESTOR DAY 2016

Roofing: Size and Segment
The pitched roof market is currently ~118 million squares; the size, stability, and profitability of the Reroof market is desirable

Market Size†
(millions of squares)

- Source: ARMA, NAHB, Moody's, Dodge, Management Estimates

## Market Size†

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Residential</th>
<th>New Residential</th>
<th>Reroof</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY05</td>
<td>180</td>
<td>160</td>
<td>120</td>
</tr>
<tr>
<td>FY06</td>
<td>170</td>
<td>150</td>
<td>110</td>
</tr>
<tr>
<td>FY07</td>
<td>160</td>
<td>140</td>
<td>100</td>
</tr>
<tr>
<td>FY08</td>
<td>150</td>
<td>130</td>
<td>90</td>
</tr>
<tr>
<td>FY09</td>
<td>140</td>
<td>120</td>
<td>80</td>
</tr>
<tr>
<td>FY10</td>
<td>130</td>
<td>110</td>
<td>70</td>
</tr>
<tr>
<td>FY11</td>
<td>120</td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td>FY12</td>
<td>110</td>
<td>90</td>
<td>50</td>
</tr>
<tr>
<td>FY13</td>
<td>100</td>
<td>80</td>
<td>40</td>
</tr>
<tr>
<td>FY14</td>
<td>90</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>FY15</td>
<td>80</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>FY16</td>
<td>70</td>
<td>50</td>
<td>10</td>
</tr>
</tbody>
</table>

## Market Segments (type)

### New Residential
- ~1.5 million roofs / year
- Cyclic driven
- Production builder
- Lower price / margin
- Less complicated sale

### Reroof
- 3.8 million roofs / year
- Stable and growing
- ~120 million homes
- Re-roofer
- Higher price / margin
- Complicated sale
Roofing: Market Leader in Concrete and Clay Tile

Over the past 8 years, a significant housing downturn has negatively impacted the Roof Tile Industry; Boral’s performance will improve as the housing market recovers.

Roof Tile Manufacturers

Business Overview:
- Market leader in roof tile, but only 1% to 2% of total North America roofing
- Heavily tied to four states and new construction (production builders)
- Opportunity in new geographies, products, and market segments

Industry Structure and Business Road Map

<table>
<thead>
<tr>
<th>Industry Structure and Outlook</th>
<th>US$0.8b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category Size (mid-cycle)</td>
<td></td>
</tr>
<tr>
<td>Market Exposures</td>
<td>New residential</td>
</tr>
<tr>
<td>Growth tied to national builders</td>
<td></td>
</tr>
<tr>
<td>CA, FL, AZ, NV significant upside in housing starts</td>
<td></td>
</tr>
<tr>
<td>Further conversion of Asphalt</td>
<td></td>
</tr>
</tbody>
</table>

Organic Strategy
- Update manufacturing with automation
- Geographic expansion and total roof system
- Continued accessories growth

Innovation Strategy
- Sustainable Development: Process improvement

80% in New Construction
80% in 4 States

Satellite Yards
Concrete Plants
Clay Plants
Trinidad
1. Safety
   - LTIFR\(^1\) rate of zero for 5 years running
   - MTIFR\(^2\) rate from 5.5 in FY15 to 3.3 in FY16

2. SGA and Business Optimization
   - Restructured organization
   - E-Business, customer service, HR, etc.

3. Manufacturing Optimization
   - 17 to 9 plants, volume maintained
   - Operating efficiency improvements

4. Price, Margin and Resale
   - ASP increases in last 4 years in strong competitive environment
   - Resale 3x in last 5 years

---

Product Line Sales

**Opportunities**

- Growth of new residential in core markets
- On boarding new hires injury free
- Managing ramp-up in utilization
- Margin improvement initiatives

**Actions**

- Fewer hours lost to injury
- Market and product line expansion
- Increased roof component sales
- Manufacturing network optimization
- Overhead cost improvements

---

Roofing: Business Highlights
At similar activity levels and significantly below long-term average demand: Boral Roofing has substantially improved earnings since pre-acquisition

 unclear
Strong management team, track record

Leading market positions with national footprint

Fundamentals signal healthy market growth over next 5+ years

Delivering results from investment in innovation

Continuing to assess strategic M&A opportunities with a disciplined approach
**Economic and Housing Summary**

**SUPPORTS**
- Sustainable recovery
- Recovery supported by:
  - Economy
  - Affordability
  - Housing supply and demand
  - Demographics
- No indication of a pause or change to shape of recovery
- Ample room for continued growth

**Economic Outlook**
- Growth is steady, and there are strong indicators that it will continue
- Labor markets are tight
- Consumer wages, buying power increasing

**Housing Fundamentals**
- Affordability is high
- Market is undersupplied
- Single family homes needed to meet demand

**Demographics**
- Demand outpacing supply
- Millennials need starter homes in short term
- Baby boomers need next home in long term

---

**1. GDP Growing and Wages Rising**
Growing economy and high employment are starting to drive real wage growth

**US Real GDP Growth**
(YOY % Growth)
- 2016Q2 increased at a rate of 1.2% annually

**Unemployment Rate**
- LT Avg 5.8%
- 1948 - 2016

Growing economy coupled with steady job growth should drive higher wage growth and household formations

1. Sources: Bureau of Economic Analysis, Bureau of Labor Statistics
2. Affordability Near All Time High
Affordability remains high, low rates have driven demand and pricing upwards.

- **30 Year Fixed Mortgage Rate** (%)
  - 4.4% below long term average
  - Rates to remain low as FOMC adjusts Fed Funds rate at slow pace

- **Housing Affordability Index** (Index)
  - ~29% higher than long term average
  - Affordability will remain high driven by low rates and wage growth

---

2. and 3. Demand Outpacing Supply
Housing stock undersupplied as demand continues to rise driven by millennials and baby boomers.

- **New Housing Stock Inventory** (New homes millions)
  - New residential inventory currently ~23% below the long term average

- **% of Adult Population**
  - **Year 2014**
    - Silent Generation: 2%
    - Generation X: 27%
    - Baby Boomers: 32%
    - Millennials: 27%
  - **Year 2020**
    - Silent Generation: 1%
    - Generation X: 9%
    - Baby Boomers: 30%
    - Millennials: 36%

---

1. Sources: Moody’s Analytics, National Association of Realtors
Historic Total Housing Starts
Current cycle near long term cyclical low; fundamentals support continued improvement

Long Term Housing Starts

- FY73: 2.3m starts
- FY75: 1.1m starts
- FY78: 2.0m starts
- FY82: 0.9m starts
- FY86: 1.8m starts
- FY91: 1.0m starts
- FY06: 2.0m starts
- FY16: 1.2m starts

Long term average

Sources: Census Bureau

Market Outlook
Residential and non-residential momentum to continue in FY2017; strong growth forecast in both markets through next 3 to 5 years

New Residential Starts

- Actual
- Forecast

Forecast2
nHistorical Housing Starts: Census Bureau
2. Residential Forecast: Average of NAHB, MBA, Dodge, Wells Fargo, NAR, Fannie Mae and Freddie Mac

Non Residential Activity

- Actual
- Forecast

Expected growth of ~16% for the Non-Residential segment in FY2017
Boral USA Overview

Strategic Update
- US Overview
- Bricks Joint Venture
- Fly Ash, Innovation, Light Building Products
- Stone, Roofing

Appendix
- Economic & Housing Update
- Financial Results

FY2016 Financial Results

Strong profit growth; continuing to benefit from market recovery

<table>
<thead>
<tr>
<th>US$m</th>
<th>FY16</th>
<th>FY15</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>751</td>
<td>695</td>
<td>8%</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>68</td>
<td>42</td>
<td>63%</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>32</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>EBIT ROS, %</td>
<td>4.2</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>659</td>
<td>634</td>
<td></td>
</tr>
<tr>
<td>ROFE¹, %</td>
<td>4.9</td>
<td>0.8</td>
<td></td>
</tr>
</tbody>
</table>

EBIT Variance (US$m)

- Revenue $751m ↑8% from US$715m; continuing to benefit from increased housing construction
- EBIT of US$32m, up US$27m, due to volume and price growth and one-off land sale of US$7m
- Cladding revenue up 8% to US$405m
  - Bricks: revenue up supported by re-sale product revenue growth; volumes up 4%, average prices up 1%
  - Cultured Stone: volumes up 7%, average prices up 2%
  - Trim & Siding: volume and price growth; manufacturing and marketing accelerated; targeting break-even in FY2017
- Roofing: volumes up 11% with higher growth in traditional Tile States; average prices steady
- Fly Ash & Construction Materials: pricing gains as well as strength in Denver construction market

1. Excluding significant items, ROFE may differ slightly in AUD and USD due to FX conversion
2. Cost reduction & other includes production volume leverage and one-off land sale
**EBIT and Housing Starts**

Positive results at lower level of housing starts

**EBIT (US$m) vs Housing Starts ('000)**

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

FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16

1. Includes one-off $7m land sale

---

**FY2016 Performance Drivers**

Improvement driven by higher volumes, price growth, and cost and asset management

<table>
<thead>
<tr>
<th>Total Starts¹</th>
<th>Single Family Starts¹</th>
<th>Volume</th>
<th>Price</th>
<th>Revenue</th>
<th>EBIT</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bricks</td>
<td>Up 4%</td>
<td>Up 6%</td>
<td></td>
<td></td>
<td></td>
<td>Up to 55%</td>
</tr>
<tr>
<td>Stone</td>
<td>Up 9%</td>
<td>Up 13%</td>
<td></td>
<td></td>
<td></td>
<td>Up to 40%</td>
</tr>
<tr>
<td>Roofing</td>
<td>Up 9%</td>
<td>Up 16%</td>
<td></td>
<td></td>
<td></td>
<td>Up to 31%</td>
</tr>
<tr>
<td>Composites</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Materials²</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Fly Ash</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

1. Brick States: Texas, Oklahoma, Arkansas, Louisiana, Kentucky, Tennessee, Mississippi, Alabama, Georgia, South Carolina, North Carolina (Source: Dodge)
2. Stone: Total United States starts (Source: Census)
3. Roofing: Total United States starts (Source: Dodge)
4. Volume and ASP are concrete only
FY2017 Outlook for Boral USA:

- Expect further growth in EBIT on the back of increased housing activity
- If market improvement trajectory of past three years of ~10% continues, expect ~1.26m housing starts in FY2017
- Continued growth of Boral’s Light Building Products

Disclaimer

The material contained in this document is a presentation of information about the Group’s activities current at the date of the presentation, 13 September 2016. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group’s periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.