



ASX RELEASE

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Recent Events in Australia Impacting Boral Trading

Boral's Australian sales volumes in the fourth quarter have been materially affected by adverse weather in June, further delays in major resource sector and road projects, weaker property sales, an earlier than planned maintenance shutdown at Waurin Ponds Cement Works and continued weakness in the residential construction sector.

Performance in Boral's US and Asian operations is broadly in line with second half forecast.

At the half year, guidance was given for 2012 Net Profit After Tax (NPAT) before significant items to be within the range of \$150 million to \$175 million. A trading update was issued on 20 April which stated that the third quarter FY 2012 NPAT was \$22 million below expectations, effectively reducing the range to \$128 million to \$153 million.

Boral now expects FY 2012 NPAT before significant items to be within the range of \$100 million to \$110 million, assuming two property sales (which are close to finalisation that are expected to yield between \$20 million to \$24 million NPAT) take place prior to 30 June. The current investment analyst range for FY 2012 NPAT is \$115 million to \$139 million.

Commenting on the trading update, Boral CEO Ross Batstone said, "A number of recent events have come together to weaken Boral's trading performance in the fourth quarter which add to the impact of ongoing weakness in the Australian new housing construction market. March quarterly housing starts in Australia released last week reported a 25% decline over the prior year.

"Boral's underlying strategy remains sound. We will continue to focus on the reduction in borrowings through the divestment of non-core operations, tight management of capital expenditure and working capital. Capital expenditure for FY 2012 is now projected to be at the lower end of the \$400 million - \$450 million guidance given at the half year.

"Based on our current strategy and plans, we do not expect there will be any need for additional equity raising in the short to medium term. Boral continues to operate comfortably within its banking covenants.

"We continue to focus on our core strategies, the integration of the acquisitions made during the first half of the year and the divestment of non-core businesses," Mr Batstone said.

FY 2012 Result Announcement

Boral will announce its FY 2012 results on 22 August 2012 at which time it will provide a further update.

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