



Annual General Meeting 2012

BOARD OF DIRECTORS



Dr Bob Every
Non-executive
Chairman



Dr Eileen Doyle
Non-executive
Director



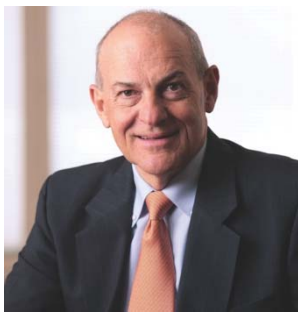
Paul Rayner
Non-executive
Director



Richard Longes
Non-executive
Director



Mike Kane
CEO & Managing
Director



Dr Brian Clark
Non-executive
Director



John Marlay
Non-executive
Director



Catherine Brenner
Non-executive
Director

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CHAIRMAN'S ADDRESS

Dr Bob Every



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**DR KEN MOSS, AM – PAST CHAIRMAN OF BORAL
1945 - 2012**



Annual General Meeting 2012

MIKE KANE, CEO & MANAGING DIRECTOR



BORAL GROUP EXECUTIVES



Murray Read
Divisional MD – Boral
Construction Materials



Mike Beardsell
Divisional MD –
Boral Cement



Bryan Tisher
Divisional MD – Boral
Building Products



Al Borm
President – Boral USA



Frederic de Rougemont
Divisional MD –
Boral Gypsum



Ross Batstone
Chairman –
Boral Gypsum Asia



Andrew Poulter
Chief Financial Officer



Margaret Taylor
Group General Counsel
and Company Secretary



Robin Town
Group Human
Resources Director



Matt Coren
Group Strategy and
M&A Director

FINANCIAL HIGHLIGHTS



Revenue

\$5.01bn



up 6%

EBIT¹

\$200m



down 28%

Profit after tax¹

\$101m



down 42%

Cash from operations³

\$133m



down 62%

Net profit after tax²

\$177m



up 5%

Full year dividend

11.0c



down 24%

1. Excluding significant items

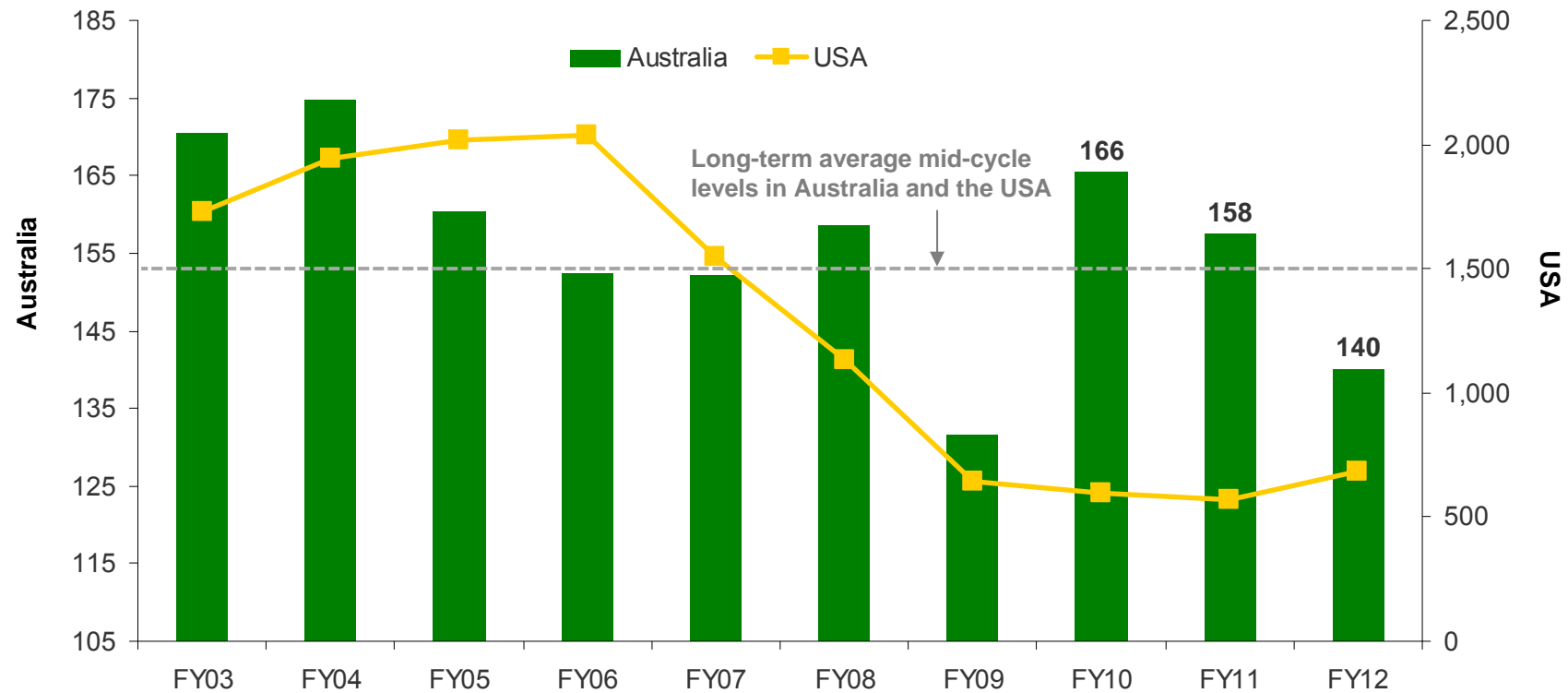
2. Including significant items

3. Includes \$91m of acquisition and restructuring costs paid

HOUSING DOWNTURN IN AUSTRALIA AND USA



New housing starts in Australia and USA¹
('000)



1. Source: For Australia, original series starts from ABS. For USA, seasonally adjusted housing starts from US Census

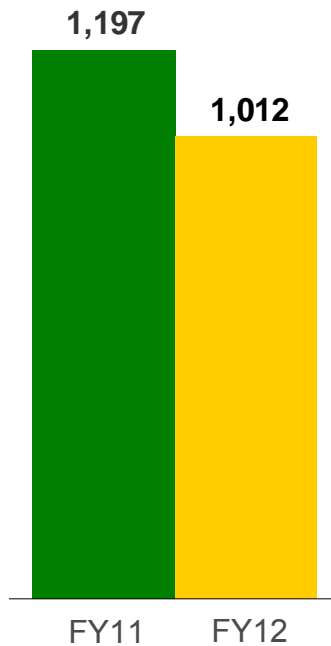
BORAL BUILDING PRODUCTS

Significantly impacted by the decline in Australian housing activity

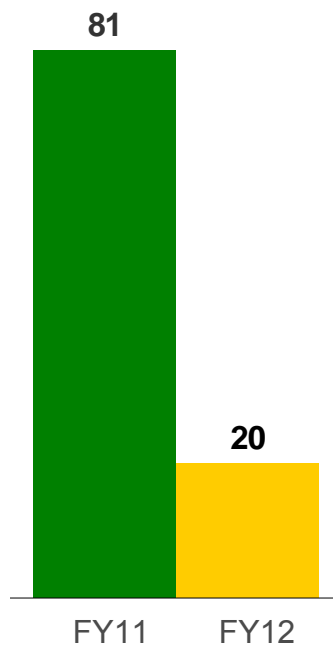


Australian Bricks, Roofing, Masonry (West), Plasterboard, Timber and Windows

Revenue
A\$m



EBIT¹
A\$m



Performance drivers

- Decline in residential construction activity
- Sales volumes decreased by 14-16% in plasterboard, bricks, roofing, masonry, hardwood and softwood timber
- 25% or more sales volume decline since Dec-2010
- Higher fixed unit manufacturing costs due to lower volumes and impact of de-stocking
- One-off distribution costs during Port Melbourne plasterboard plant upgrade

Improvements

- Closed and mothballed high fixed cost and low utilisation plants – reduced brick capacity by 37% and roof tile capacity by 20%
- Exit of loss making East Coast Masonry business will reduce masonry capacity by 70%

1. Excluding significant items

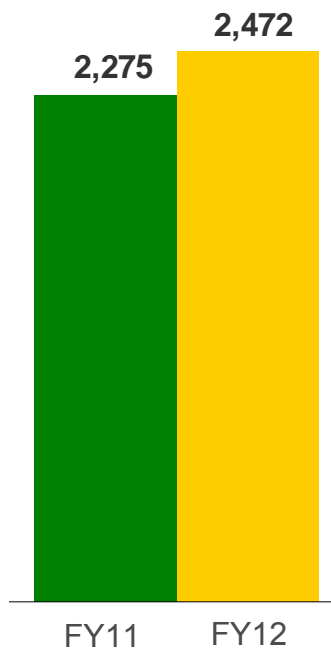
BORAL CONSTRUCTION MATERIALS

A resilient, well-positioned portfolio of businesses

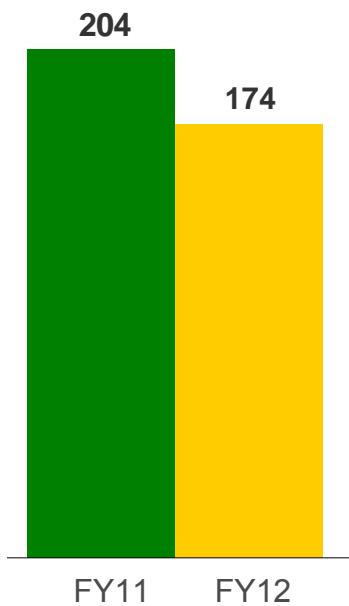


Concrete, Quarries, Asphalt, Transport and Property

Revenue
A\$m



EBIT¹
A\$m



Performance drivers

- Reduced property earnings
- Lower volumes in key markets
- Operational inefficiencies from wet weather across the east coast in 2H FY2012

Improvements

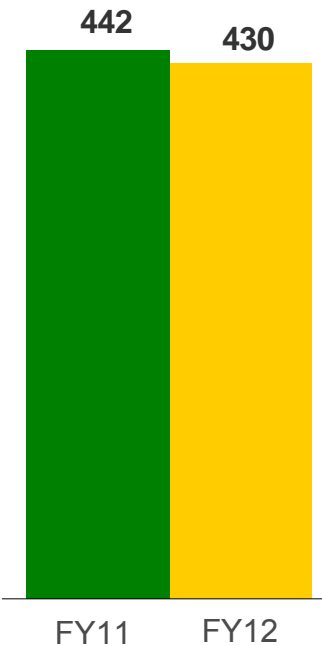
- Full-year normalised contribution from acquisitions in FY2013
- \$200m Peppertree Quarry investment will secure Boral's competitiveness in NSW
- Reduce fixed costs and working capital
- Exit underperforming assets

1. Excluding significant items

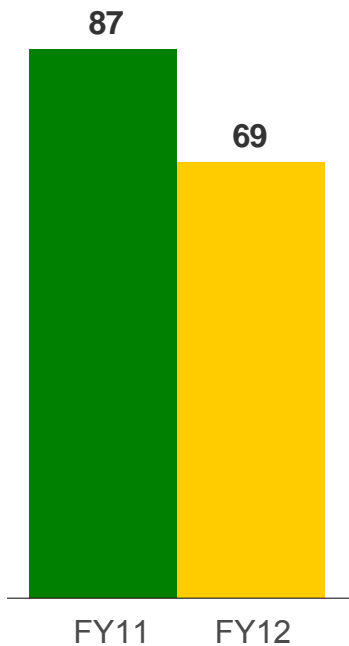


Cement, Lime and Concrete Placing

Revenue
A\$m



EBIT¹
A\$m



Performance drivers

- Large loss of lime and limestone sales due to closure of BlueScope Steel's Port Kembla blast furnace had a net \$6m EBIT impact
- Higher input costs
- Constrained cement pricing due to high A\$
- Shift to lower margin segments

Improvements

- Closed and divested Galong lime operation for \$25m
- Exploring options to reduce costs through more flexible cement supply
- Operational excellence program (LEAN) to achieve further improvements in efficiency

1. Excluding significant items

PLASTERBOARD ASIA

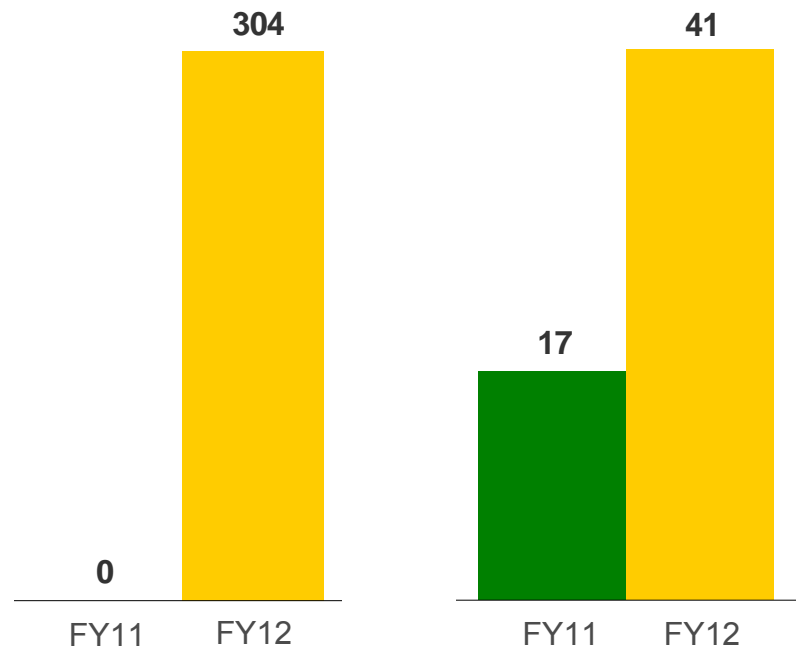
Integration of businesses complete



Korea, Thailand, China, Indonesia,
Vietnam, Malaysia, India, the Philippines

Revenue¹
A\$m

EBIT^{1,2}
A\$m



Performance drivers

- Acquired Lafarge's 50% interest in Lafarge Boral Gypsum Asia for \$530m in Dec-2011
- Revenue of \$304m and EBIT of \$41m reflect shift from equity accounting to fully consolidated reporting since Dec-2011
- Underlying EBIT increased reflecting 9% volume growth and sustained margins

Improvements

- Well positioned to benefit from high GDP growth emerging markets and increasing penetration of plasterboard
- Implement LEAN improvement plan to maximise productivity
- Leverage capacity expansions underway

1. Includes revenue and consolidation of results since 9 December 2011

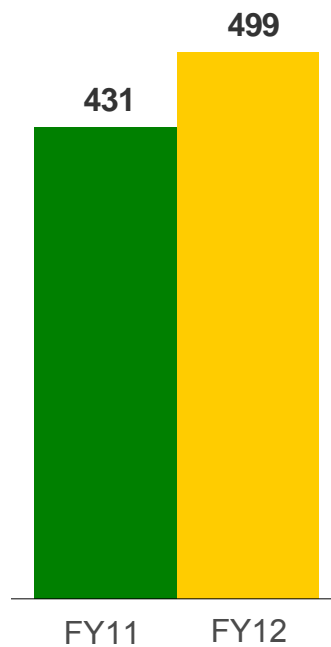
2. Excluding significant items



Bricks, Roof Tiles, Cultured Stone, Fly Ash, Construction Materials

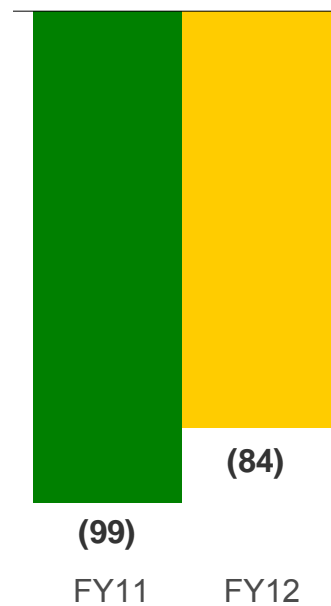
Revenue

A\$m



EBIT¹

A\$m



Performance drivers

- 20% uplift in housing starts
- Continued plant rationalisations and head count reductions
- Efficiency improvements
- Full-year contribution of Cultured Stone

Improvements

- Prospect of significant earnings uplift as market volumes return to normalised levels
 - Fundamental reduction in brick and tile manufacturing cost base
 - Leverage from MonierLifetile and Cultured Stone acquisitions made at cycle low
- Leverage LEAN to further reduce costs

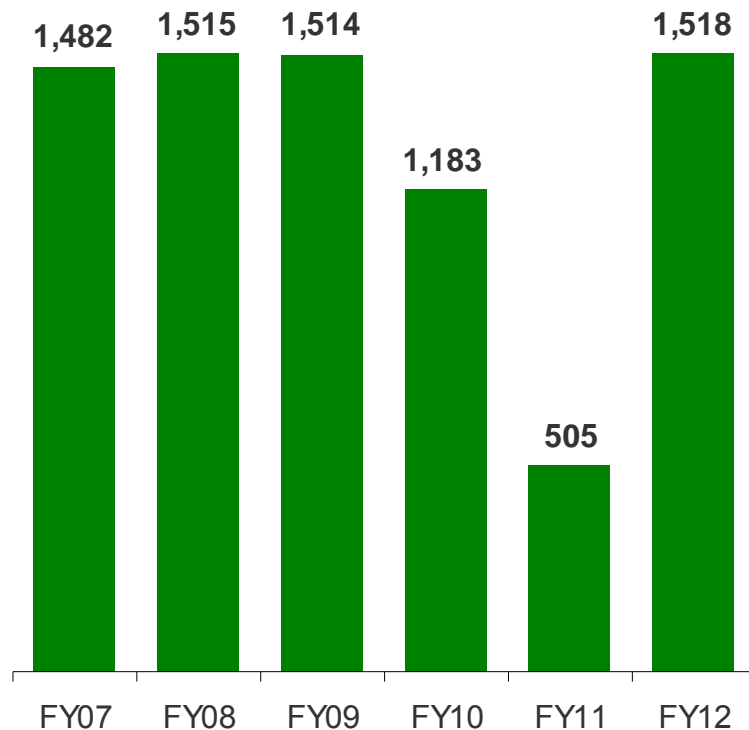
1. Excluding significant items

CAPITAL MANAGEMENT



Net debt

A\$m



- Net debt of \$1.5bn at year-end
- Gearing of 40%¹ based on bank covenant remains well within bank threshold of <60%
- Tight management of capital expenditure in FY2013
- Divestment of non-core assets and property sales expected to generate \$200 - \$300m cash over next two years
- Lower net debt in FY2011 reflected equity raising of \$491m completed in August 2010

1. Gross debt / (gross debt + equity – intangibles)

CHAIRMAN'S CONCLUDING COMMENTS



- Significant restructuring and investment have reshaped the business over the past two years
- More is being done to deliver required returns
- Group wide performance improvement plan underway will further strengthen strategic business positions
- Board confident right strategy in place
- Boral well positioned to leverage increased market activity in Australia and the USA, and continue to achieve growth in plasterboard in Asia

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CEO & MANAGING DIRECTOR'S ADDRESS

Mike Kane



STRENGTHENED CORE BUSINESSES



Gypsum (plasterboard) – Asia

Acquired remaining 50% of LBGA¹ for \$530m, creating a global scale gypsum business in the Asia Pacific region

Cladding and Roofing

Expanded Boral's exterior cladding offering through acquisitions of MonierLifetile and Cultured Stone

Gypsum (plasterboard)

Modernised plasterboard infrastructure

Construction Materials

(quarries, concrete, cement, asphalt)
Acquired Wagners' construction material assets for \$163m² and Sunshine Coast Quarries for \$81.5m²

Bricks and Roofing

Restructured and rationalised capacity

1. Lafarge Boral Gypsum Asia
2. Before completion adjustments

IMMEDIATE PRIORITIES



Maximise returns from existing assets

- Manage costs down
- Effectively manage margins

Maximise cash generation and reduce debt

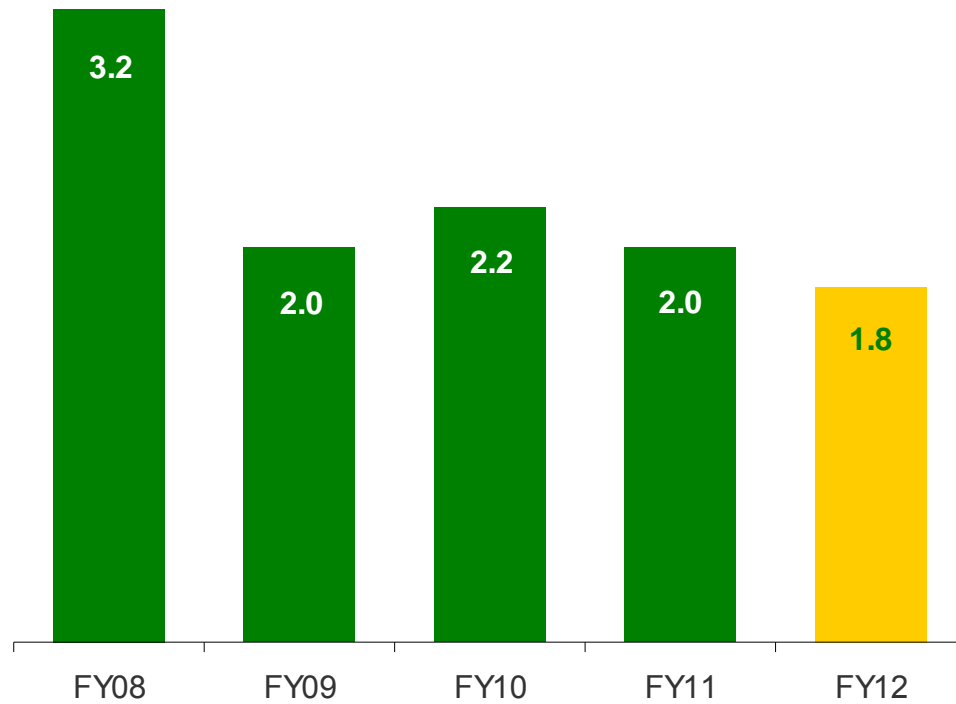
- Constrain capital expenditure
- Reduce working capital
- Divest non-core and property assets

Improve safety performance

- Achieve world-class standards in safety



Employee and contractor LTIFR*



* Lost Time Injury Frequency Rate per million hours worked



POSITION BORAL TO DELIVER STRONG RETURNS

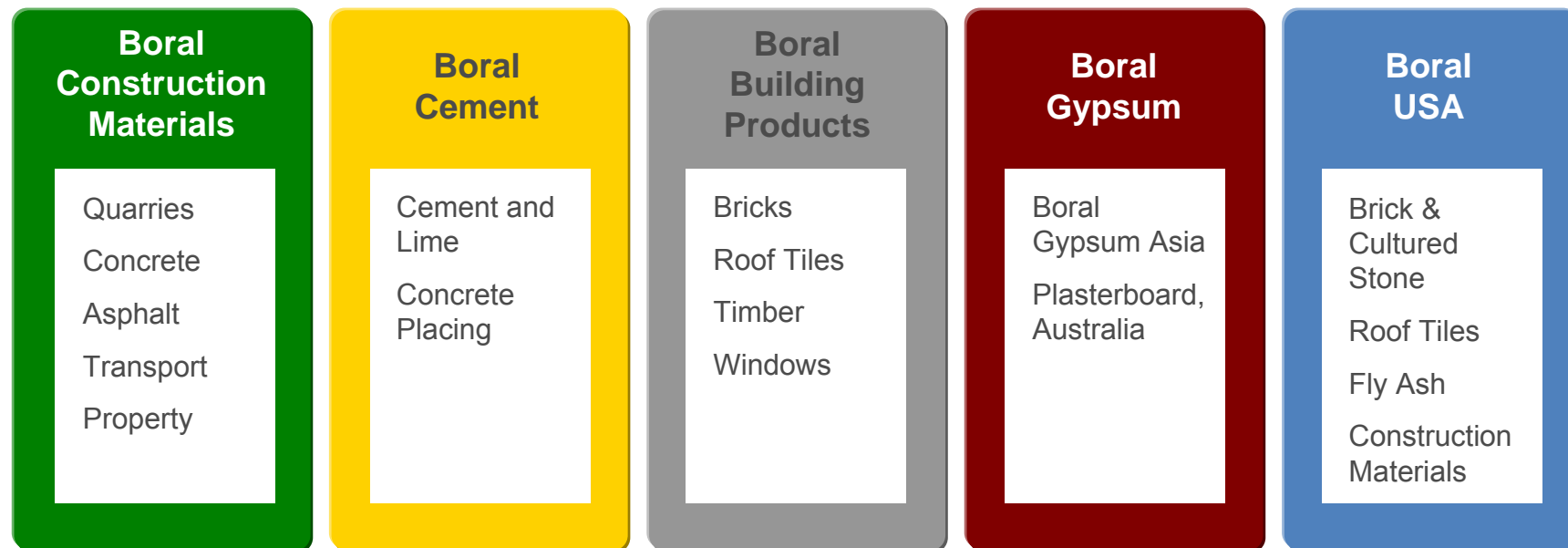
Key platforms of change



BORAL'S PLASTERBOARD BUSINESSES RESTRUCTURED UNDER SINGLE DIVISION



Boral's Divisional Structure



IMPROVING OPERATING PERFORMANCE



Five key drivers being rigorously pursued to improve operating performance

**Reduce fixed costs
operating base**

- Re-size capacity below peak cycle demand
- Reduce overhead costs to better align with adjusted portfolio

**Leverage LEAN
manufacturing**

- Reduce physical inventories
- Increase output from reduced production base

**Exit remaining
unprofitable businesses**

- Reduce future investment and structural support costs

**Remove overhead
costs**

- Remove unfair burden on good businesses

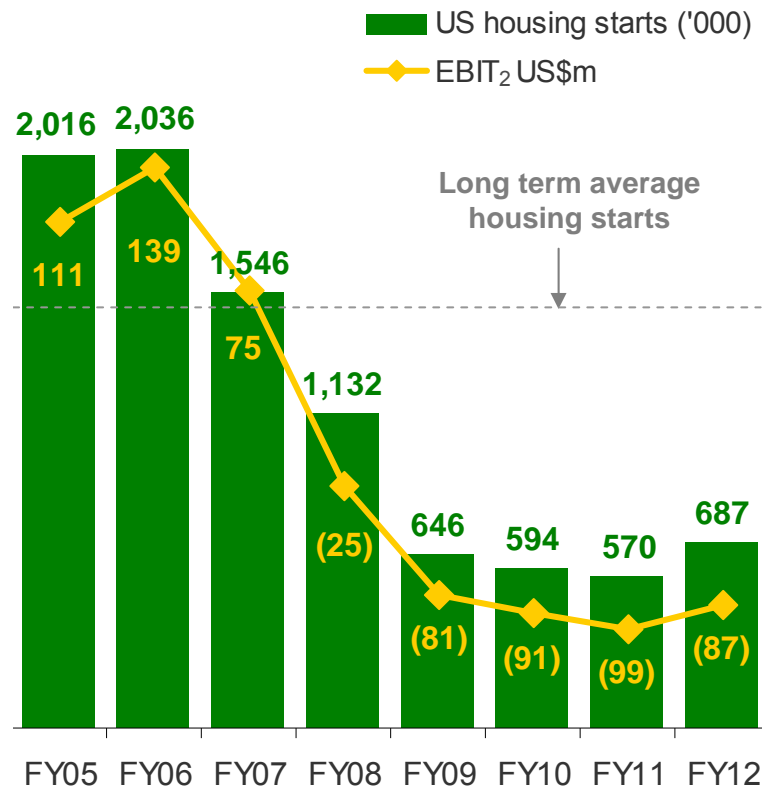
**Reduce or delay planned
expenditure**

- Prioritise capital on an enterprise level
- Ensure invested capital can deliver adequate return

BORAL USA: DRAMATIC REDUCTION IN COST BASE TO ALIGN WITH DEMAND



US housing starts¹ vs Boral USA EBIT²



BRICKS USA	FY05	FY08	FY12
Housing starts ('000)	2,016	1,132	687
Total bricks plants	24	24	13
Mothballed brick plants	-	-	5
Total brick capacity (sbe)	1.6bn	1.9bn	1.3bn

- Bricks USA can now meet market demand of 1.5m housing starts from fewer manufacturing plants operating at higher output
- Boral USA break-even point now reduced to ~950,000 housing starts from 1.2m starts due to reduced cost base

1. Source: US seasonally adjusted starts from US Census
 2. Excluding significant items



- **Boral USA:** US housing starts increased 28% to annualised rate of 786,000 in 1Q FY2013; improved market conditions starting to flow through to improved sales volumes
- In **Australia**, tough market conditions continued, similar to 2H FY2012, although weather conditions have been more favourable; this was partly offset by continued strength in infrastructure activity
- **Building Products:** continuing to be significantly impacted by sustained low levels of housing activity
- **Construction Materials:** benefiting from more normal weather patterns and major resource and infrastructure projects now achieving target volumes
- **Cement:** pricing continues to be constrained due to high A\$ and low bulk shipping rates
- **Boral Gypsum (Asia):** results for 1Q below expectations with weaker demand in both China and Korea
- Based on 1Q, expect Boral's underlying trading results¹ for 1H FY2013 to improve compared with 2H FY2012
- **Profit after tax** (before significant items) for 1H FY2013 expected to be comparable to 2H FY2012 as property sales in 1H FY2013 anticipated to be lower than 2H FY2012

1. EBIT excluding property sales



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Formal Business

BORAL

ITEM 1 – FINANCIAL REPORTS



To consider the financial reports,
the Directors' Report and the Auditor's
Report for the year ended 30 June 2012

Annual General Meeting 2012

ITEM 2 – REMUNERATION REPORT



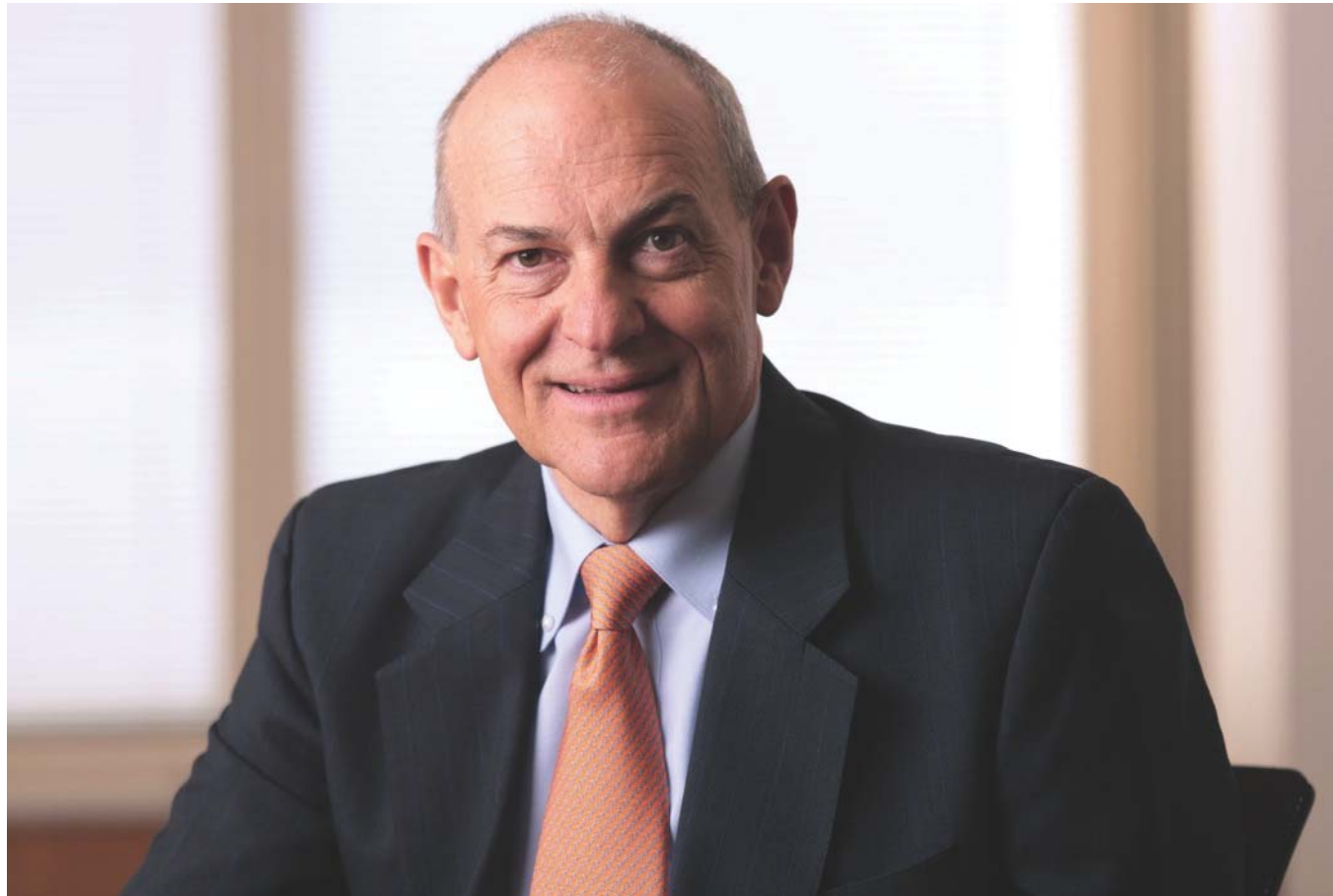
To adopt the Remuneration Report
for the year ended 30 June 2012

Annual General Meeting 2012

ITEM 2 – REMUNERATION REPORT

Remuneration & Nomination Committee Chairman's Address

Dr Brian Clark



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ITEM 2 – REMUNERATION REPORT



To adopt the Remuneration Report
for the year ended 30 June 2012

ITEM 2 – REMUNERATION REPORT



Proxies	
For	463,017,012
Open	6,687,309
Against	50,995,973

% to be cast FOR the resolution*

89.8%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR

ITEM 3 – ELECTION OF DIRECTORS



- 3.1 To re-elect John Marlay as a Director
- 3.2 To re-elect Catherine Brenner as a Director

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ITEM 3 – ELECTION OF DIRECTORS

3.1 Re-election of John Marlay



ITEM 3 – ELECTION OF DIRECTORS

3.1 *Re-election of John Marlay*



Proxies	
For	474,295,516
Open	6,931,365
Against	41,076,388

% to be cast FOR the resolution*

91.7%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR

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ITEM 3 – ELECTION OF DIRECTORS

3.2 *Re-election of Catherine Brenner*



ITEM 3 – ELECTION OF DIRECTORS

3.2 *Re-election of Catherine Brenner*



Proxies	
For	474,088,501
Open	6,904,937
Against	41,251,532

% to be cast FOR the resolution*

91.6%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR

ITEM 4 – PROPORTIONAL TAKEOVER APPROVAL PROVISIONS



To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the proportional takeover approval provisions currently contained in Schedule 5 of the Constitution of the Company be included as Schedule 5 in the Constitution of the Company for a further period of three years from the date of the Meeting convened by this Notice of Meeting.”

ITEM 4 – PROPORTIONAL TAKEOVER APPROVAL PROVISIONS



Proxies	
For	504,944,882
Open	7,185,908
Against	3,575,213

% to be cast FOR the resolution*

98.8%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR

ITEM 5 – AWARD OF RIGHTS TO MIKE KANE



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval is given for the award to Mike Kane, the Chief Executive Officer and Managing Director designate, of rights to fully paid ordinary shares in the Company on the terms described in the explanatory notes to this Notice of Meeting.”

ITEM 5 – AWARD OF RIGHTS TO MIKE KANE



Proxies	
For	497,971,248
Open	6,572,190
Against	11,103,875

% to be cast FOR the resolution*

97.4%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR



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