



Boral Limited

RESULTS FOR THE
HALF YEAR TO
31 DECEMBER 2007

CEO & MANAGING DIRECTOR, ROD PEARSE
13 FEBRUARY 2008



Agenda

- Financial Highlights and Markets Review
- Financial Results
- Divisional Performance
- Perform & Grow Strategy
- Outlook





financial highlights & markets review



Asia Plasterboard



*Heron's Creek Mill,
Timber*



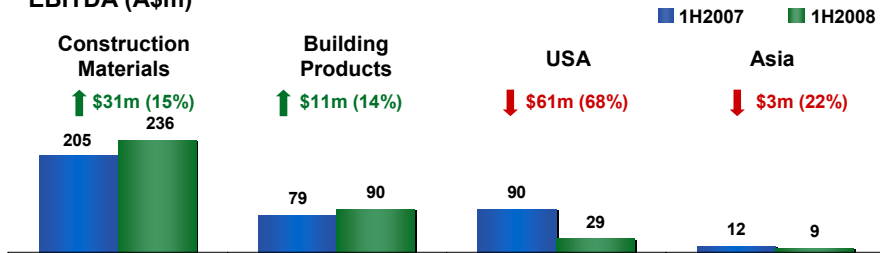
*Mobile Crushing Rig,
Queensland*

1H2008 Financial results

Revenue	↑	5%	to	\$ 2.6b
EBITDA	↓	6%	to	\$ 360m
EBIT	↓	10%	to	\$ 240m
Net Interest	↑	4%	to	\$ 57m
Profit after tax	↓	10%	to	\$ 132m
EPS	↓	11%	to	22.0 cents
Interim dividend (100% franked)	unchanged		at	17 cents
Return on equity (MAT)		from 11.9%	to	9.4%

A solid lift in Australian EBITDA (↑\$42m) more than offset by a large decline in offshore EBITDA (↓\$64m)

EBITDA (A\$m)



- Lift in non-dwellings & major projects (except NSW)
- Strong volume lifts in quarries, cement, concrete, asphalt
- Favourable pricing outcomes
- Improved QEU result

- Particularly strong in Qld, weaker in WA, NSW remains weak
- Favourable pricing outcomes
- Increased earnings in most businesses except bricks due to lower WA earnings

- Severe housing market decline, impacting volumes & manufacturing costs
- Building products prices steady except for concrete tile
- Solid construction materials result

- Continued challenging market conditions
- Stronger LPGA result
- Construction materials margin pressures (Indonesia & Thailand)

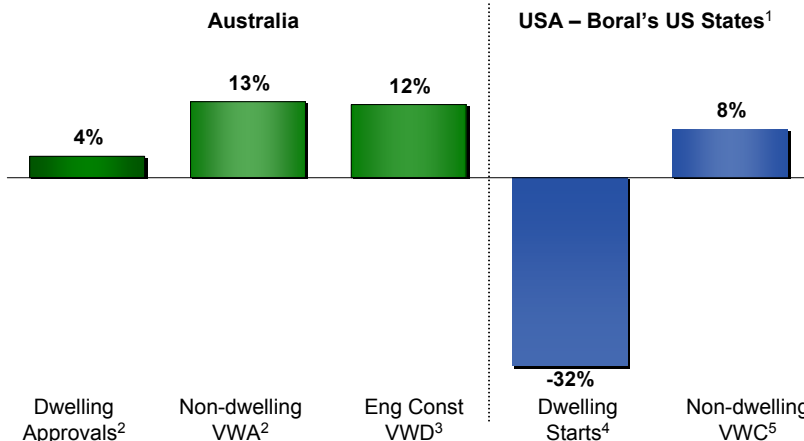
Results for the half year to December 2007

5



Australian markets improved but the significant US decline continued

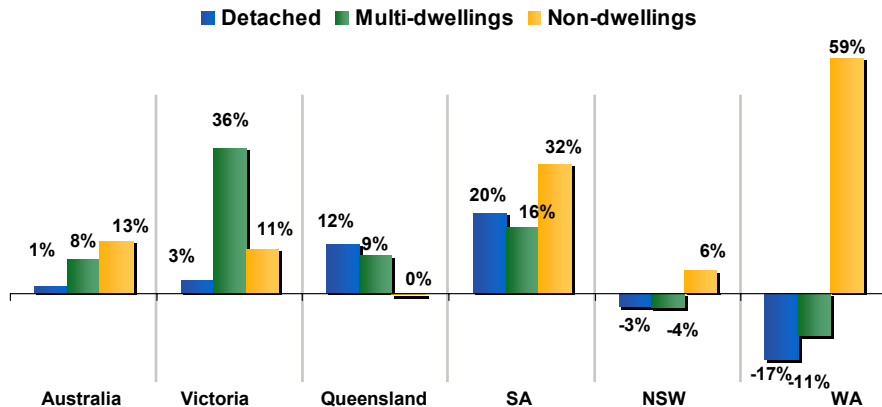
Market changes – 1H2008 vs 1H2007



1. Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, N.Carolina, Ohio, Oklahoma, S.Carolina, Tennessee, Texas, Virginia, Washington
2. Approvals / value of work approved (VWA). Source: ABS; non-dwelling VWA forecast for Dec-07 quarter based on BIS Shrapnel
3. Engineering Construction ABS actuals (chain volume measures) Sep-07 quarter and BIS forecast for Dec-07 quarter
4. Source: Dodge actuals
5. Non-dwelling value of work commenced (VWC) at 1992 prices. Source: Dodge actuals

Dwellings strengthened in Qld, Victoria and SA but remain weak in NSW and are softer in WA

Percentage change in dwellings approvals and non-dwellings value of work approved – 1H2008 vs 1H2007



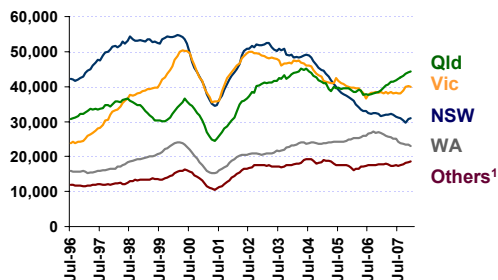
Source: ABS Original data series; non-dwelling VWA forecast for Dec-07 quarter based on BIS Shrapnel

Results for the half year to December 2007

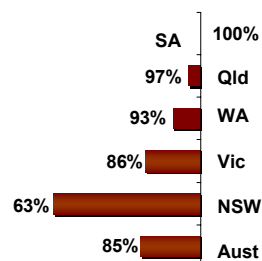


Detached dwellings in NSW remain at 30 year low levels and well below underlying demand

Building approvals for detached houses²
(MAT, July 1996 to December 2007)



1H2008 Dwelling Starts³
as % Underlying Demand³



1. SA, NT, Tasmania, ACT

2. Source: ABS

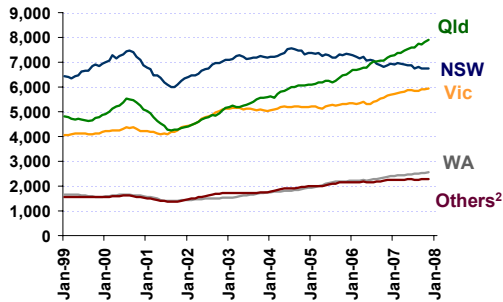
3. Source: ABS & BIS Shrapnel based on FY06-FY12 estimates of underlying demand

Results for the half year to December 2007

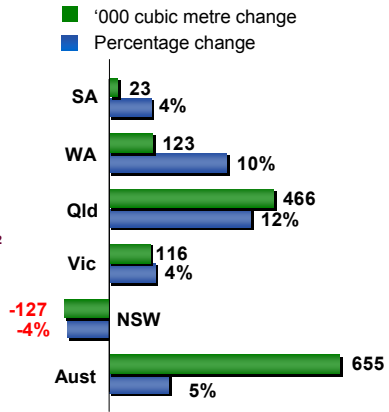


Concrete volumes up (except in NSW), underpinned by non-dwellings and RHS&B

Readymix Concrete Production¹
(MAT, January 1999 to November 2007, '000)



Changes in Australian readymix concrete production¹ – 1H2008 vs 1H2007

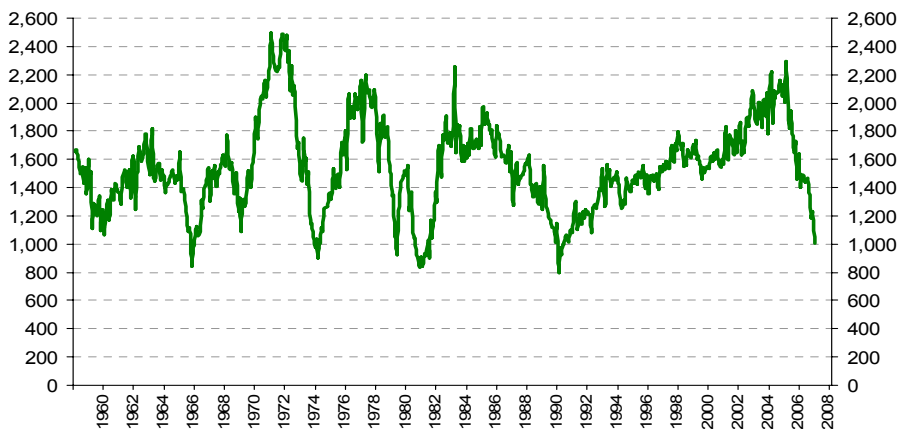


1. Source: ABS, December estimated from Metro market figures
2. SA, NT, Tasmania, ACT



The US housing market continued to deteriorate

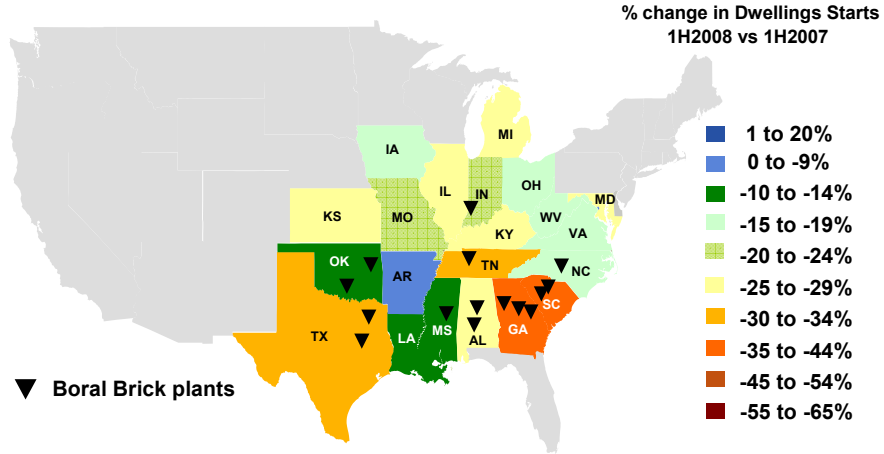
Total US dwelling starts ('000)¹



1. Seasonally adjusted annualised monthly starts from US Census



Housing starts in Bricks states fell by 26% in the December half



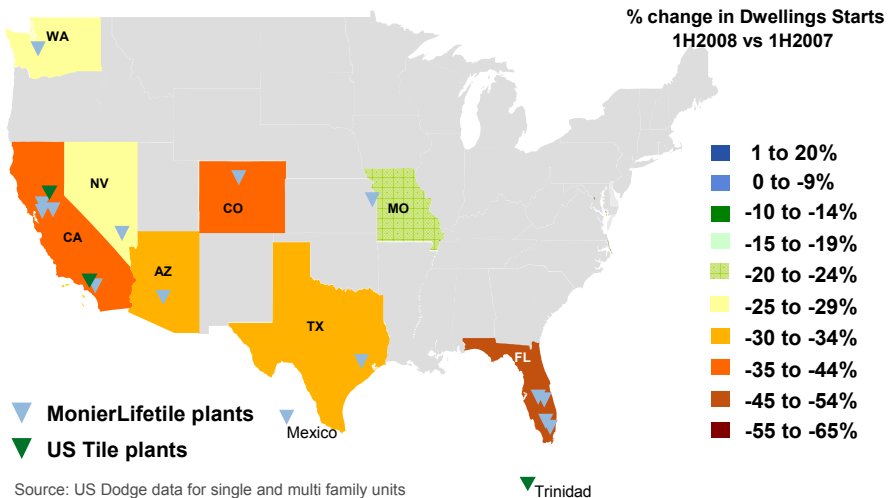
Source: US Dodge data for single and multi family units

Results for the half year to December 2007

11



Housing activity in the Tile states fell by 38% year-on-year



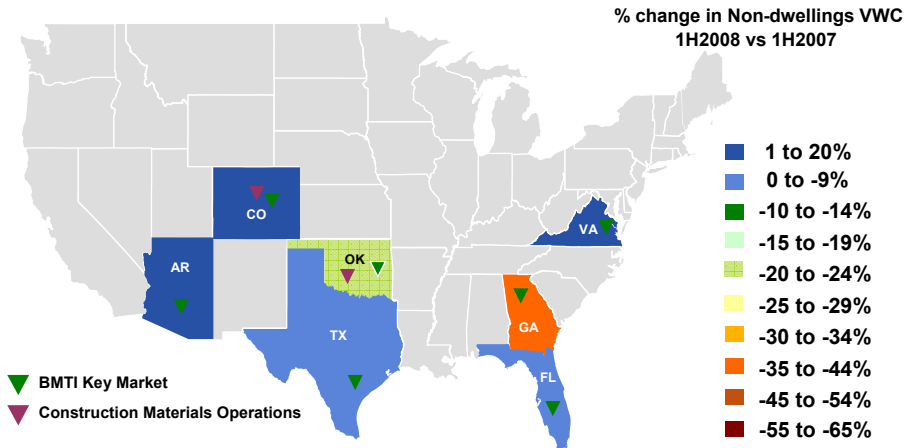
Source: US Dodge data for single and multi family units

Results for the half year to December 2007

12



Non-dwelling activity in US Construction Material states increased 12% in the December half



Source: Non-dwelling value of work commenced (VWC) from US Dodge at 1992 prices

Results for the half year to December 2007

13



financial results



*Boddington Gold Mine
(Concrete), WA*



*Berrima Cement
Works*



*US Clay Tile Plant,
Ione*

Profit after tax down 10% to \$132m in 1H2008

A\$m	1H2008	1H2007	% Δ
Revenue	2,626	2,492	5
EBITDA	360	383	(6)
EBIT	240	267	(10)
Net Interest	57	55	4
Profit before tax	183	212	(14)
Tax	51	65	(22)
Profit after tax	132	147	(10)

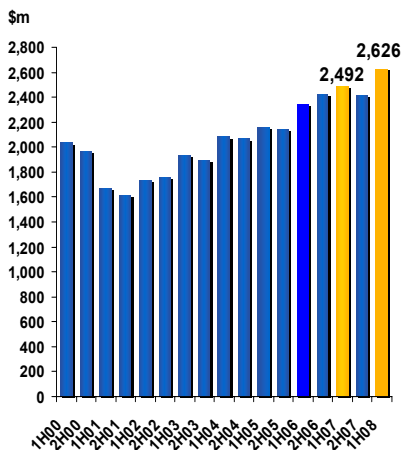
Results for the half year to December 2007

15

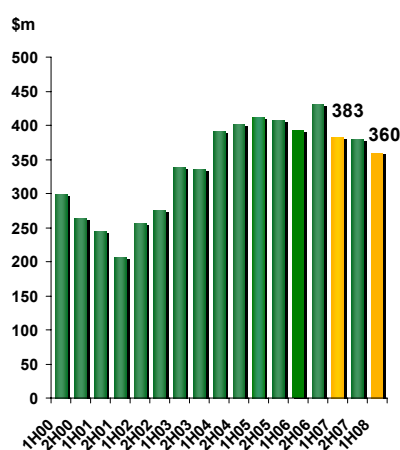


Revenues benefiting from price improvement and growth, EBITDA resilient

Sales Revenue



EBITDA¹



1. FY05 result onward has been adjusted for adoption of A-IFRS

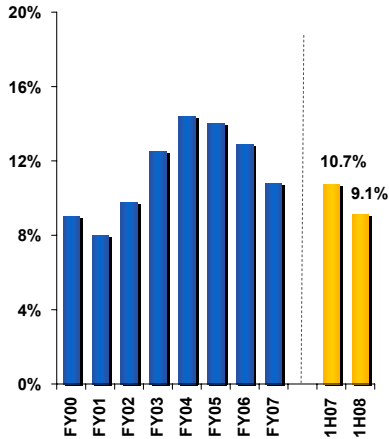
Results for the half year to December 2007

16

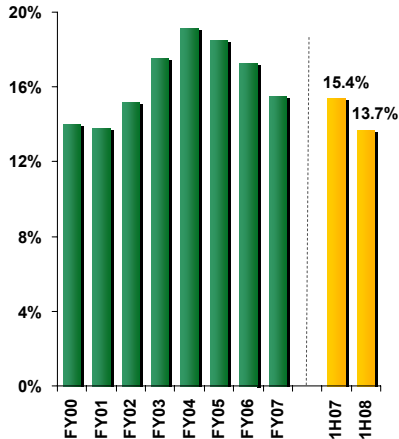


But margins have eroded because of cyclical downturns in the USA & NSW and the related loss of variable contribution

EBIT / Sales



EBITDA / Sales



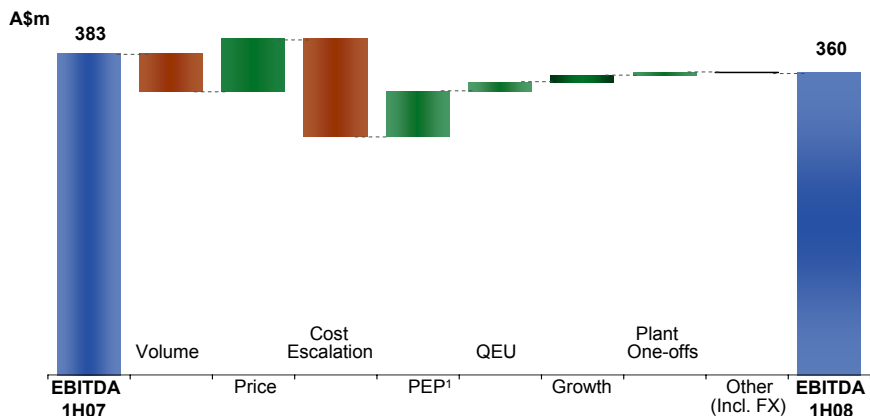
FY05 result onward has been adjusted for adoption of A-IFRS

Results for the half year to December 2007

17



EBITDA – prices, PEP savings offset cost increases; volumes a negative



1. Performance Enhancement Program

Results for the half year to December 2007

18



Boral's balance sheet remains in good shape

As at A\$m	Dec-07	Dec-06
Cash flow from operating activities	223	107
Net debt	1,609	1,637
Net debt / equity	53%	58%
Net Interest cover	4.2 x	4.9 x
Funds employed	4,635	4,482
Return on funds employed (MAT)	10.9%	13.1%
Return on equity (MAT)	9.4%	11.9%

Results for the half year to December 2007

19



With Boral's asset base strengthening, share price deterioration has led to a low price to book value ratio for BLD

Share price to NTA per share



Results for the half year to December 2007

20



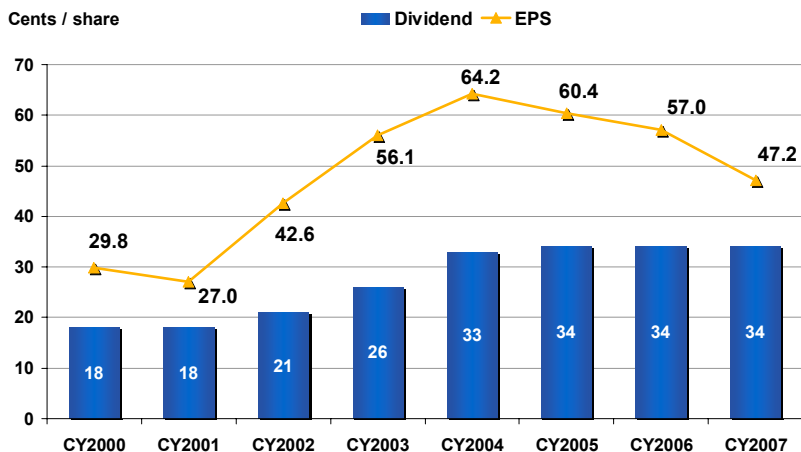
Boral announces \$100m off-market share buy-back as part of capital management program

- Off-market share buy-back (“Buy-Back”) ~\$100m or ~3% of issued shares
- The Buy-Back will:
 - be undertaken at a tender discount of between 5% and 14% of the Market Price¹
 - not affect Boral’s future capacity to pay fully franked dividends
 - benefit all shareholder regardless of whether they participate or not
- Tender period will open on 3 March 2008 and close on 4 April 2008

1. The ‘Market Price’ will be the volume weighted average price of Boral shares (adjusted for certain not ‘at market’ trades as set out in the Buy-Back booklet) traded on the Australian Securities Exchange over five trading days up to and including 4 April 2008.

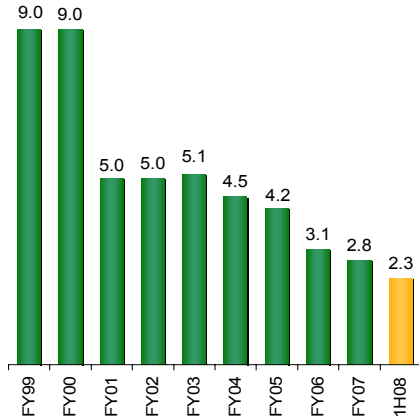


Dividends per share maintained despite impact of NSW and USA downturns on EPS



Strong sustainability performance

Lost time injury frequency rate (LTIFR)
(per 1 million hours worked)



Results for the half year to December 2007

23



divisional performance



*Construction of EastLink,
Melbourne*



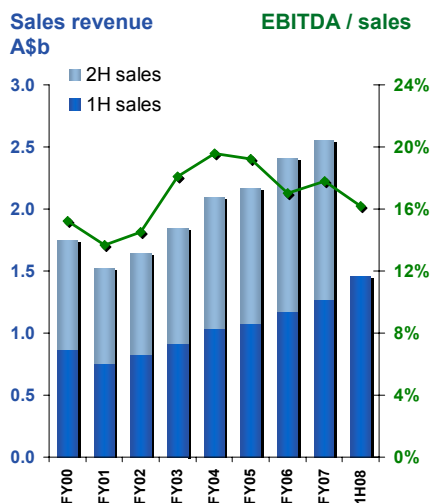
*Fly Ash CBO Chesapeake
BMTI*



*Bricks & Roofing,
Australia*

Construction Materials: EBITDA up 15% driven by stronger volumes and price gains

A\$m	1H08	1H07	% Δ
Sales	1,454	1,271	14
EBITDA	236	205	15
EBIT	167	137	22
Funds employed	2,339	2,289	2
EBITDA/sales %	16.2	16.1	
EBIT/sales %	11.5	10.8	
ROFE % (MAT)	14.9	12.5	



FY05 result onward has been adjusted for adoption of A-IFRS

Results for the half year to December 2007

25



Construction Materials revenues up 14% underpinned by stronger non-dwellings volumes & solid pricing outcomes

Ext. sales A\$m	1H08	1H07	% Δ	volume Δ	price Δ	EBITDA Δ
Cement¹	271	251	8	↑	↑	↑
Concrete & Quarries	764	684	12	↑	↑	↑
Asphalt	297	260	14	↑	↑	↑
QEU	92	19	385			↑
Other²	30	56				
TOTAL	1,454	1,271	14			

1. Cement division includes BCSC (external revenues), concrete placement & scaffolding. Volume & price changes for cement only.
 2. Includes exited contracting business and transport operations, which are now largely internally focused.

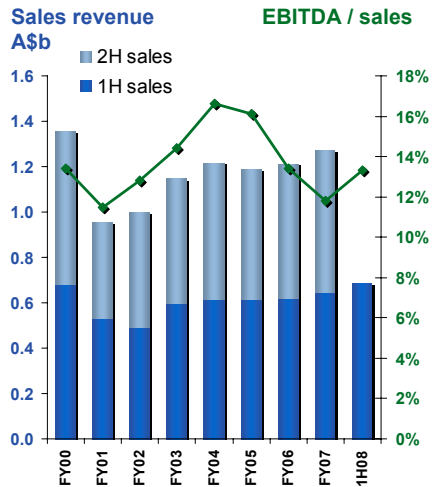
Results for the half year to December 2007

26



Building Products: EBITDA up 14% due to improved pricing and volume

A\$m	1H08	1H07	% Δ
Sales	687	646	6
EBITDA	90	79	14
EBIT	63	53	19
Funds employed	1,153	1,058	9
EBITDA/sales %	13.1	12.2	
EBIT/sales %	9.2	8.2	
ROFE % (MAT)	9.5	10.1	



FY05 result onward has been adjusted for adoption of A-IFRS

Results for the half year to December 2007

27



Building Product revenues up 6% driven by solid price & volume outcomes despite weak NSW housing

Ext. sales A\$m	1H08	1H07	% Δ	volume Δ	price Δ	EBITDA Δ
Bricks	155	154	1	↓	↑	↓
Roofing	60	56	6	↑	↑	↔
Masonry	64	61	5	↑	↑	↑
Plasterboard	185	177	5	↑	↑	↑
Timber	141	124	13	↑	↑	↑
Windows	82	74	11	↑	↑	↑
TOTAL	687	646	6			

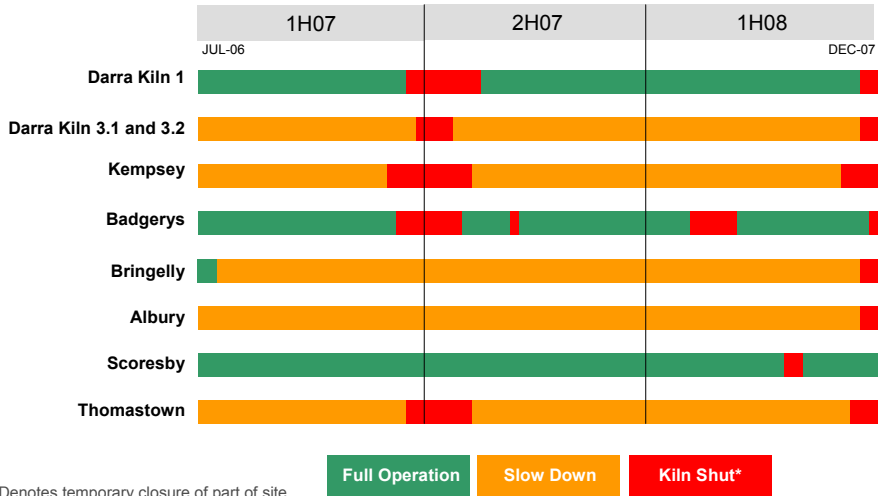
Results for the half year to December 2007

28



Managing capacity through the downturn

Australian East Coast Brick Capacity Planning



Results for the half year to December 2007

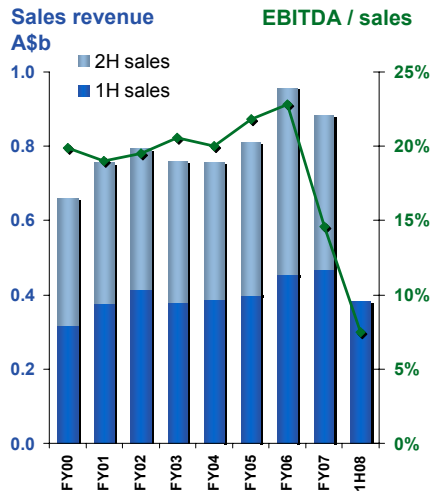
29



USA: US\$ EBITDA down 64% due to housing downturn

US\$m	1H08	1H07	% Δ
Sales ¹	333	361	-8
EBITDA	25	70	-64

A\$m	1H08	1H07	% Δ
Sales ¹	381	469	-19
EBITDA	29	90	-68
EBIT	10	73	-87
Funds employed	887	844	
EBITDA/sales %	7.5	19.3	
EBIT/sales %	2.6	15.6	
ROFE % (MAT)	3.5	20.2	



FY05 result onward has been adjusted for adoption of A-IFRS

1. MonierLifetile JV is equity accounted – Boral's share of revenue does not appear in consolidated accounts.

Results for the half year to December 2007

30



USA: underlying revenues down because of housing market-related volume reductions

Ext. sales US\$m	1H08	1H07	% Δ	volume Δ	price Δ	EBITDA Δ
US Bricks	197	249	-21	↓	↓	↓
Clay Tiles	13	14	-4	↓	↑	↓
Concrete Tiles¹				↓	↓	↓
Fly Ash	57	60	-4	↓	↑	↓
Construction Materials	66	39	68	↑	↑	↑
TOTAL	333	361	-8			

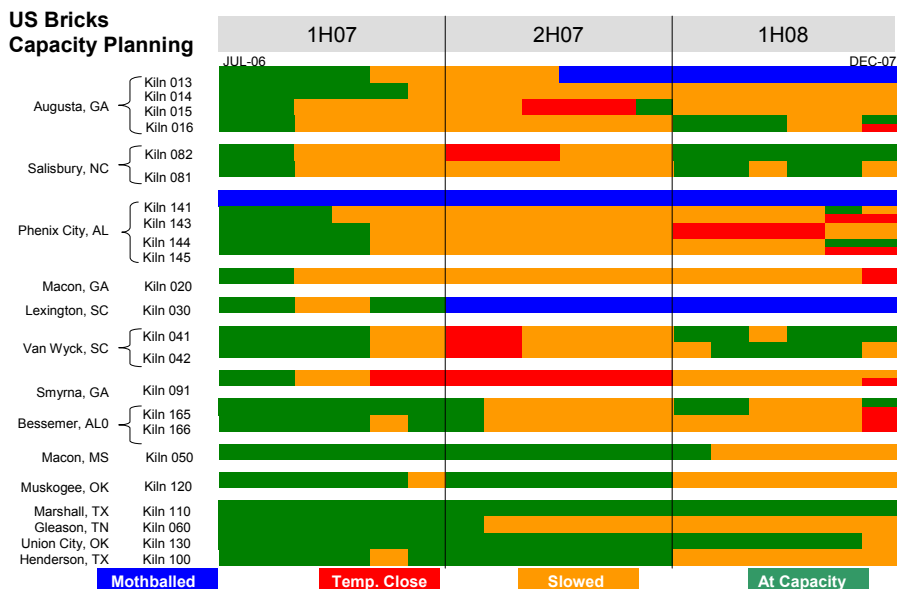
1. MonierLifetile JV is equity accounted – Boral's share of revenue does not appear in consolidated accounts.

Results for the half year to December 2007

31

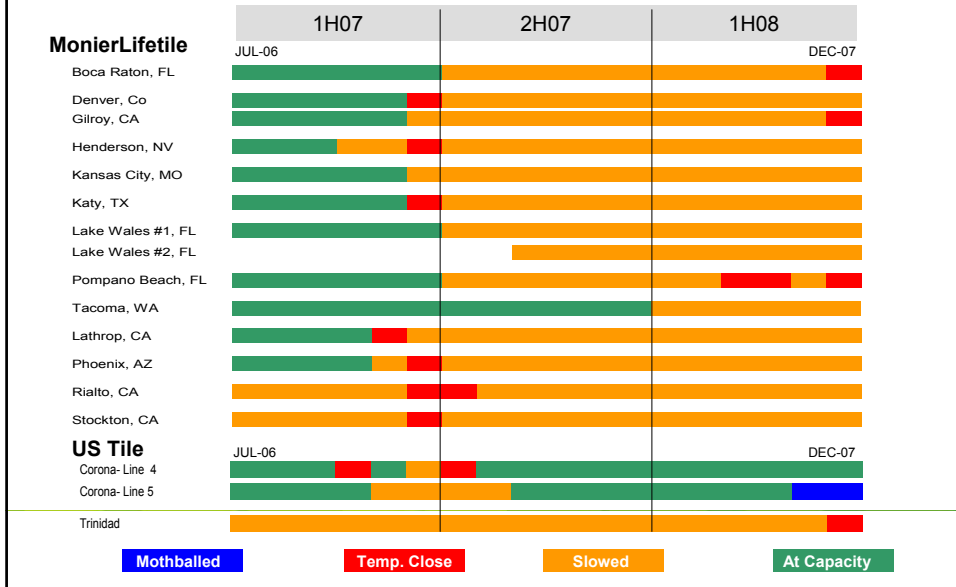


Utilisation in bricks reduced from 92% in 1H07 to 73% in 2H07 to 69% in 1H08 & is currently ~50%

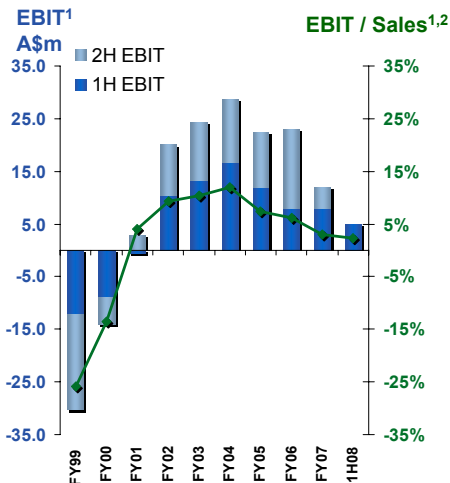


Utilisation in MonierLifetile reduced from 59% in 1H07 to 38% in 2H07 to 30% in 1H08

Rooftile Capacity Planning



Asia EBIT down \$3m; LPGA result up, construction materials down



- **Plasterboard JV** after tax contribution³ of \$9.7m up 31%
- Growth and improved market conditions in some key plasterboard markets including Korea & China
- **Concrete & Quarries:** results lower due to margin pressures (Indonesia & Thailand)

1. Includes Plasterboard and Construction Materials; Plasterboard JV EBIT contribution from FY01 is profit after tax; FY05 result onward has been adjusted for adoption of A-IFRS.
 2. Revenues for FY01 onwards adjusted to include Boral's share of the Plasterboard Asia JV.
 3. Plasterboard JV contribution is profit after financing and tax.

perform & grow strategy



New Product - Mesa Blend Brick, USA

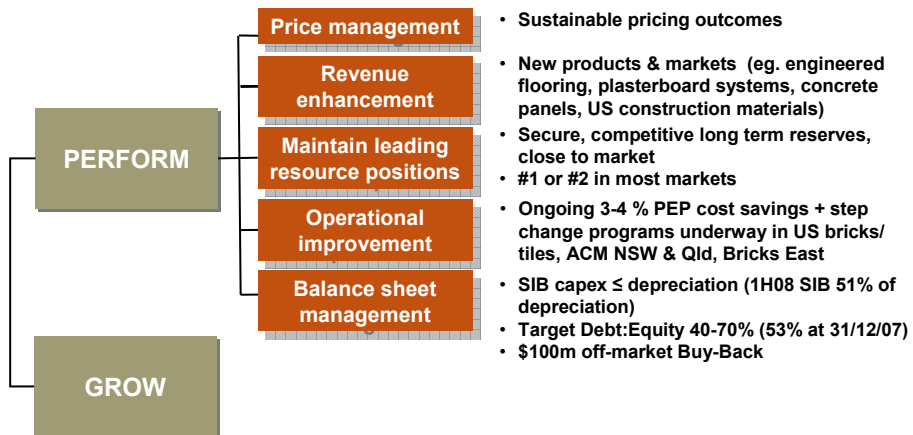


Berrima Cement Mill 7 Upgrade



Sunstate Cement Capacity Upgrade

Boral's *Perform & Grow* strategy is delivering value through the cycle

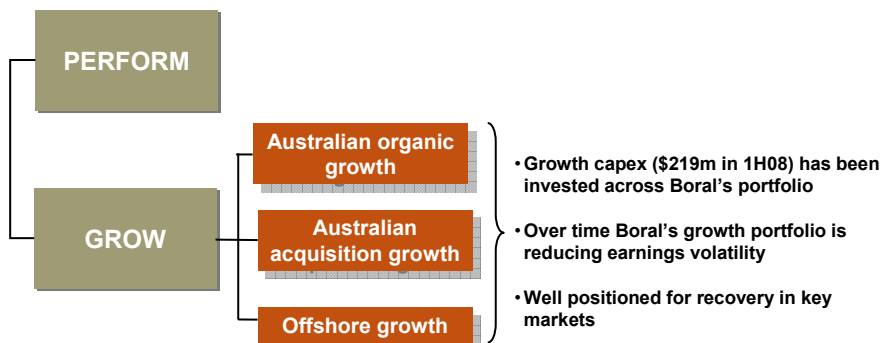


PEP cost savings (~\$53m in 1H FY2008) are helping to offset cost escalation

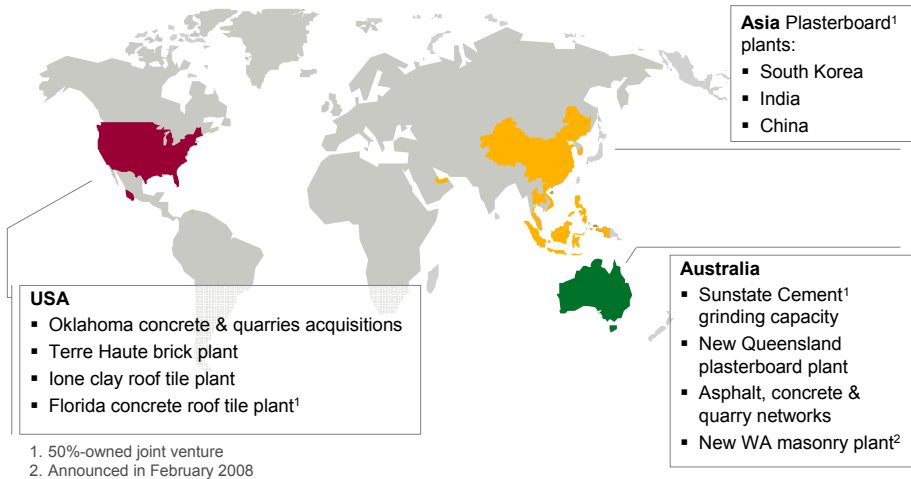
	<i>Key cost issues</i>	<i>Step change initiatives</i>
Construction Materials, Australia	<ul style="list-style-type: none"> Wage & equipment cost escalations in booming resource sector 	<ul style="list-style-type: none"> Network de-bottlenecking in Qld Six Sigma in NSW and Victoria Branch rationalisation in Scaffolding
Building Products, Australia	<ul style="list-style-type: none"> Cost impacts from East Coast brick/tile plant shuts/slowdowns 	<ul style="list-style-type: none"> Step change program in Bricks East Plasterboard step change program complete
USA	<ul style="list-style-type: none"> Fixed cost impacts from very low utilisations in brick/tile plants and high freight costs due to plant closures 	<ul style="list-style-type: none"> Accelerated step change projects well underway in MonierLifetile and Bricks with full benefits from FY09; focusing on sales, production, network optimisation, support services & supply chain 28% of MonierLifetile's projected US\$25m pa savings expected by June 2008 Headcount down by ~600 in MonierLifetile and ~370 in Bricks since FY06
Asia	<ul style="list-style-type: none"> Significantly increased input costs in Thailand 	<ul style="list-style-type: none"> Restructuring program in Thailand <i>Excellence 2008</i> in LBGA



Boral's *Perform & Grow* strategy is delivering value through the cycle



\$219m of growth capital invested during the period to strengthen Boral's leading positions



Results for the half year to December 2007

39



Commissioning of new state-of-the-art plasterboard plant at Pinkenba, Queensland progressing well

- Relocation of production to larger Pinkenba site close to Brisbane River
- Capacity almost doubled to 40m m² p.a.
- Growth product / high growth state – demand in line with expectations
- Long term, low cost position with a sound environmental footprint
- Commissioning commenced December 2007 with encouraging progress
- Expect net investment cost to be up to 12% higher than originally announced \$106m



Results for the half year to December 2007

40



Our 50%-owned Sunstate Cement JV is investing \$85m to increase grinding capacity in Queensland

- \$85m (total) investment to increase Sunstate Cement's clinker grinding capacity from 1.0m tpa to 1.5m tpa
- Additional 70k tonnes of clinker storage capacity, 4k tonnes of cement storage capacity, and new fly ash storage and handling systems
- Strong Queensland demand driven by major infrastructure projects and also supported by non-residential and residential markets
- Clinker storage upgrade by Sep-08 qtr; grinding capacity by June 2009

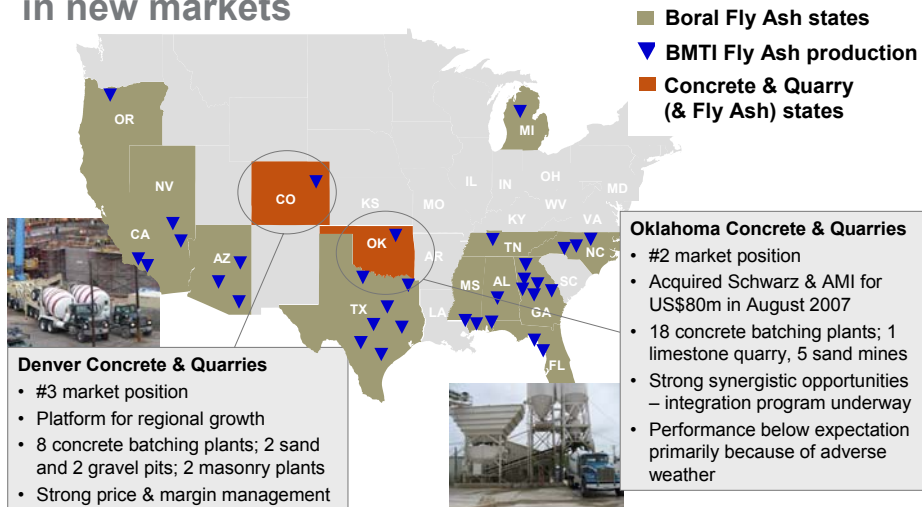


Results for the half year to December 2007

41



We are building a US construction materials platform to benefit from scale and step out growth in new markets



Results for the half year to December 2007

42



Boral has announced an investment of \$33m in a new masonry plant in WA

- New \$33m low-cost, environmentally efficient masonry plant at Middle Swan in WA to be constructed by June 2009
- Will replace existing 40+ year old, high cost, low capacity Cannington plant
- New plant will lift Boral's WA masonry capacity from 90,000 tonnes to 170,000 tonnes p.a.
- Growth in WA masonry market constrained since 2000 due to output running close to full industry capacity
- Will produce a broad product range
- Cannington land strong QEU potential



outlook



*Galong Lime
Kiln*

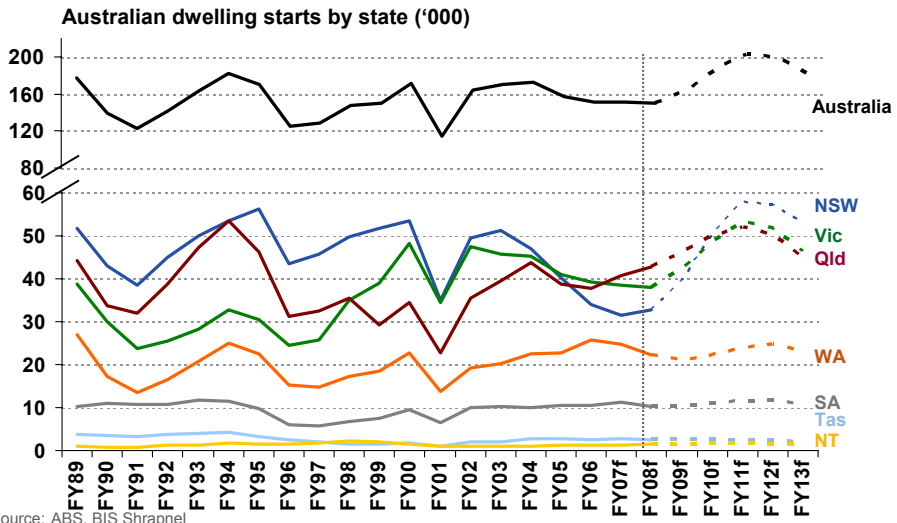


*Welshpool Asphalt,
WA*



*Denver Construction
Materials*

Australian residential starts are around the bottom of the cycle (BIS Shrapnel)



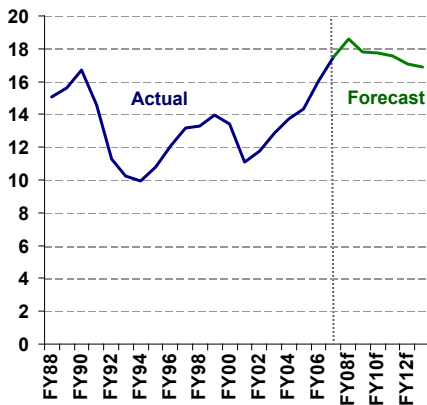
Results for the half year to December 2007

45

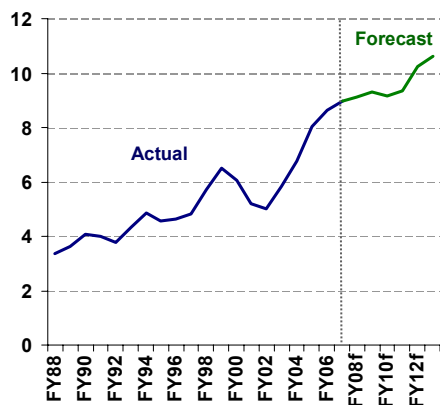


BIS Shrapnel is forecasting continued strong Australian non-residential & RHSB activity

Australian Non-Residential VWD
\$97/98 Billion



Australian RHSB¹ VWD
A\$97/98 Billion



1. Includes value of work done in roads, highways, subdivisions and bridges
Source: ABS, BIS Shrapnel

Results for the half year to December 2007

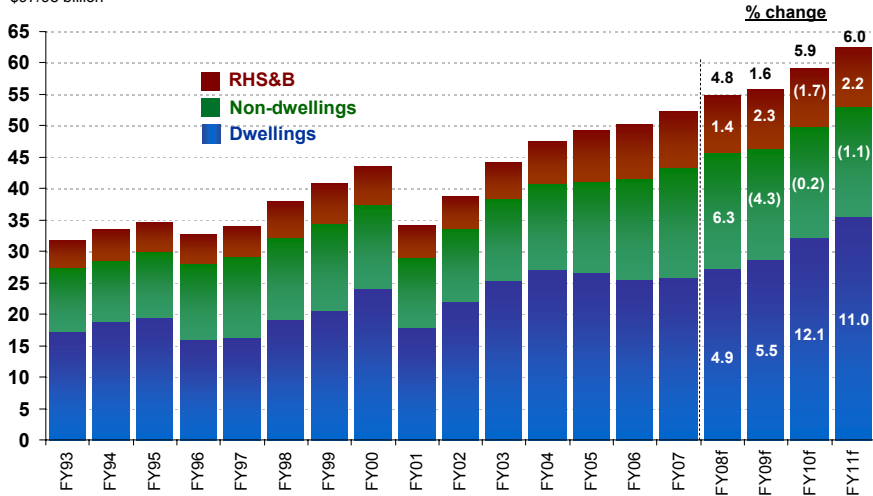
46



Australian markets are strengthening

Australian Building Activities – Value of Work Done

\$97/98 billion



Source: ABS & BIS Shrapnel

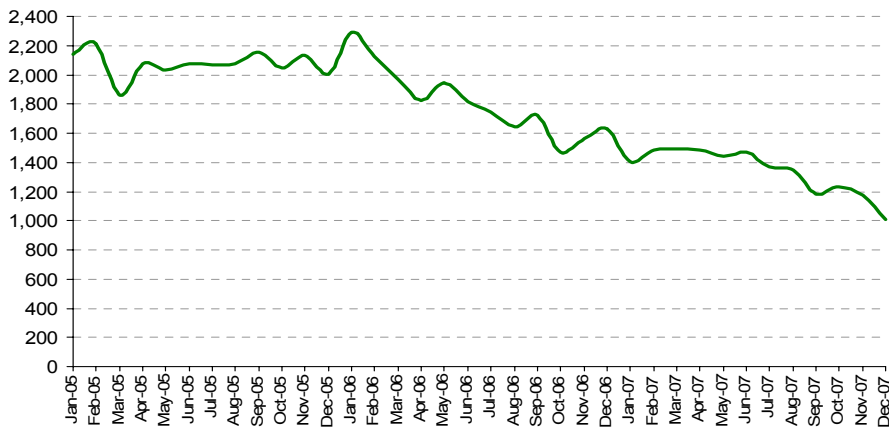
Results for the half year to December 2007

47



The US housing market has fallen from a peak of ~2.1m starts in FY2006 to ~1.0m starts in December 2007 (annualised) & is still falling

Total US dwelling starts ('000)¹



1. Seasonally adjusted annualised monthly starts from US Census

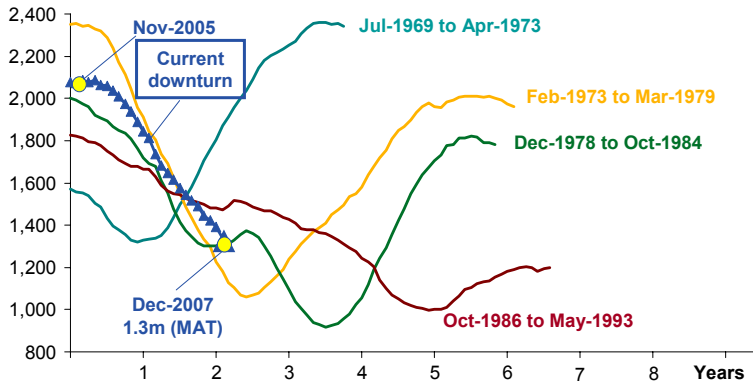
Results for the half year to December 2007

48



We are two years into the current US housing downturn; the next 12 months will be difficult

USA dwelling starts cycles - peak to peak
(Seasonally adjusted, moving annual total, '000)



Source: US Census

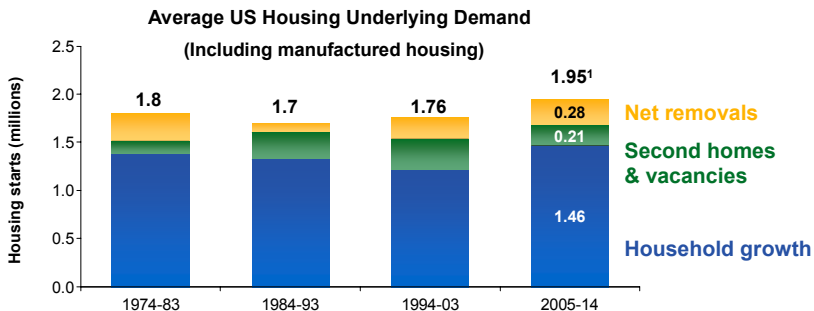
Results for the half year to December 2007

49



The Harvard Joint Center for Housing Studies (JCHS) estimates long-term underlying US housing to average ~1.95m starts¹ p.a. (including manufactured housing)

- Over the last cycle (1991-2005) JCHS forecast underlying demand to be ~1.7m (incl. manufactured housing) or 1.51m starts p.a. (excl. manufactured housing). Actual starts averaged just over 1.56m p.a. (excl. manufactured housing).



1. Forecast estimates from Joint Center for Housing Studies of Harvard University include manufactured housing; estimates for manufactured housing range from 100,000 to 250,000 p.a.

Results for the half year to December 2007

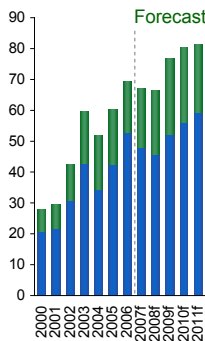
50



Demand growth in Asia is benefiting LBG; Indonesia and Thailand are slower to recover

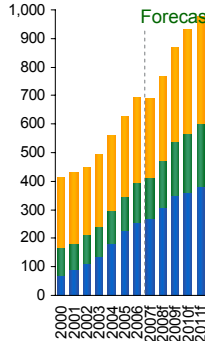
South Korea

Value of construction orders received. Trillion Won



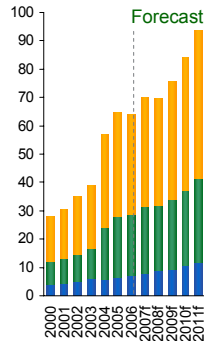
Thailand

Gross fixed capital formation. Billion Bhat



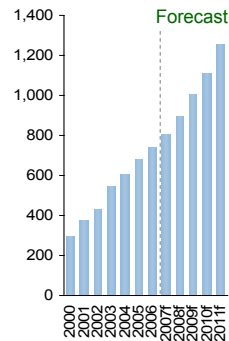
Indonesia

Value of completion. Trillion Rp



China

Total building commencements. Million m2



■ Residential ■ Engineering & Construction
■ Non-residential ■ Total Building

Source: BIS Shrapnel for South Korea 2007, Thailand 2007, Indonesia 2007 and China 2007 (September 2007 Updates).

Results for the half year to December 2007

51



Outlook for FY2008

- Mixed conditions in **Australia**
 - dwelling commencements down 1-2% to 150,000 starts
 - continued weakness in NSW
 - strength in non-dwelling & infrastructure activity outside NSW
 - price increases (~6% concrete, ~10% quarries, 5% cement from 1 April)
 - improved Construction Materials & Building Products earnings in FY2008
- Continued deepening of **USA** housing downturn
 - annualised rate of ~950k starts in June half
 - Bricks and roof tile earnings impacted more significantly in June half
 - improved Construction Materials earnings in FY2008
- Competitive market conditions and growth in **Asia**
- **QEU** earnings of ~ \$50m of which \$16m already delivered
- PEP/operational cost saving targets of ~3%
- Growth benefits continuing
- In line with AGM guidance (and subject to weather impacts), we expect Boral's FY2008 PAT to be around 15% below FY2007

Results for the half year to December 2007

52



