

BORAL GYPSUM ASIA

Analyst and Investor Site Tour, May 2012

Frederic de Rougemont, Chief Executive Boral Gypsum Asia
10 May 2012





- **BGA introduction**
- Performance and Growth
- Our ambition



BORAL

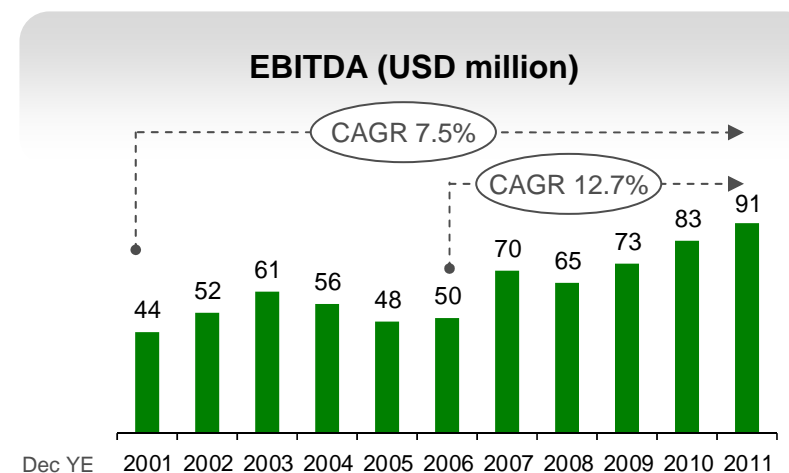
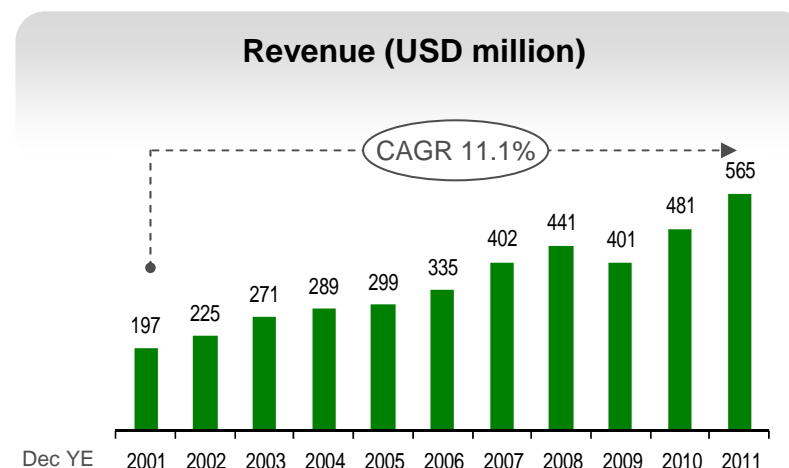


- 2000 Joint venture formed in June 2000 (Boral initial share 27.3%)
- 2001 Siam Gypsum Industries acquired (71%) from Siam Cement in Thailand (Boral funded, lifting Boral's share in LBGA to 47%)
- 2002 Dangjin line 1 (Korea) and Chongqing line 1 (China) opened
- 2003 Boral increases share to 50%
- 2005 Chongqing line 2 (China) opened
- 2006 HCMC line 1 (Vietnam) opened
- 2007 Dangjin line 2 (Korea) opened
- 2008 Khushkhera (India) and Chengdu (China) opened
- 2010 Saraburi line 2 (Thailand) and Baoshan (Shanghai) opened
- 2011 3 new capacity increase projects approved and under construction in Asia, and a plant acquisition in China (Shandong)
- 2011 Boral acquires Lafarge's outstanding 50% stake



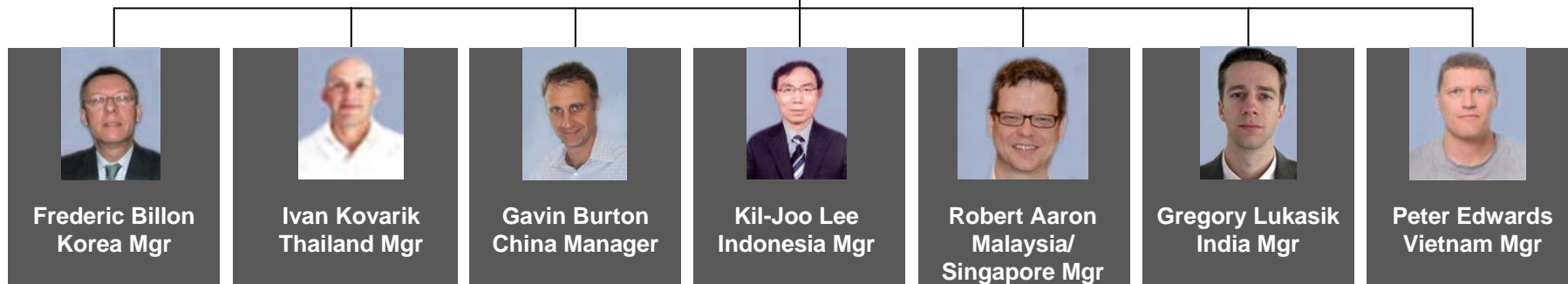
USD million	Year end Dec 09	Year end Dec 10	12 mths to June 11	Year end Dec 11
Revenue	401	481	520	565
EBITDA	73	83	85	91
EBITDA Margin (%)	18.2%	17.3%	16.3%	16.1%
EBIT	50	56	57	62
Net Assets (excluding minority interests) ¹	383	422	431	425

- LBGA expected to achieve CY2012 EBITDA in the order of USD \$108 million



¹ Net assets at 31 December 2011 excludes goodwill arising on the acquisition by Boral

ORGANISATIONAL STRUCTURE



- Five functional departments support BGA centrally (Kuala Lumpur, Malaysia)
 - Finance
 - Human Resources
 - Industrial (Manufacturing and Engineering)
 - Commercial Performance
 - Specialty Products development/Business development
- Two new functional departments being established
 - Innovation/Research
 - IT Systems
- BGA employs around 2,300 people in 9 countries



PLASTERBOARD LINING SYSTEMS HAVE UNIQUE BENEFITS WHICH HAVE HELPED DRIVE ADOPTION



Lightweight

- Reduced building mass – reduced foundation costs
- Lower thermal mass



Flexibility and Performance

- Ease of reconfiguration and repair
- Naturally fire resistant
- Various design solutions for specific requirements (E.g. fire, acoustic, wet area, impact)

Increased Adoption

Environment

- Low embodied and lifecycle energy
- Recyclable
- Can be manufactured from recycled inputs
- Proven safe to use



Education systems



Enviro board

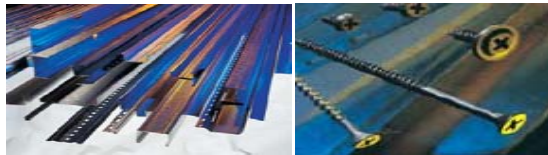


EchoSTOP ceiling panels

BGA HAS THE FULL PRODUCT RANGE FOR INTERIOR LINING SOLUTIONS



Plasterboard



Metal stud and screw

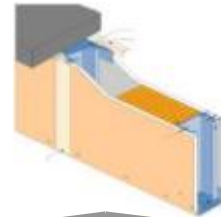


Insulation material



Compound

System



"The System is composed of associated components delivering specific end use performance"



Residential



Hospitals



Hotels



Industrials



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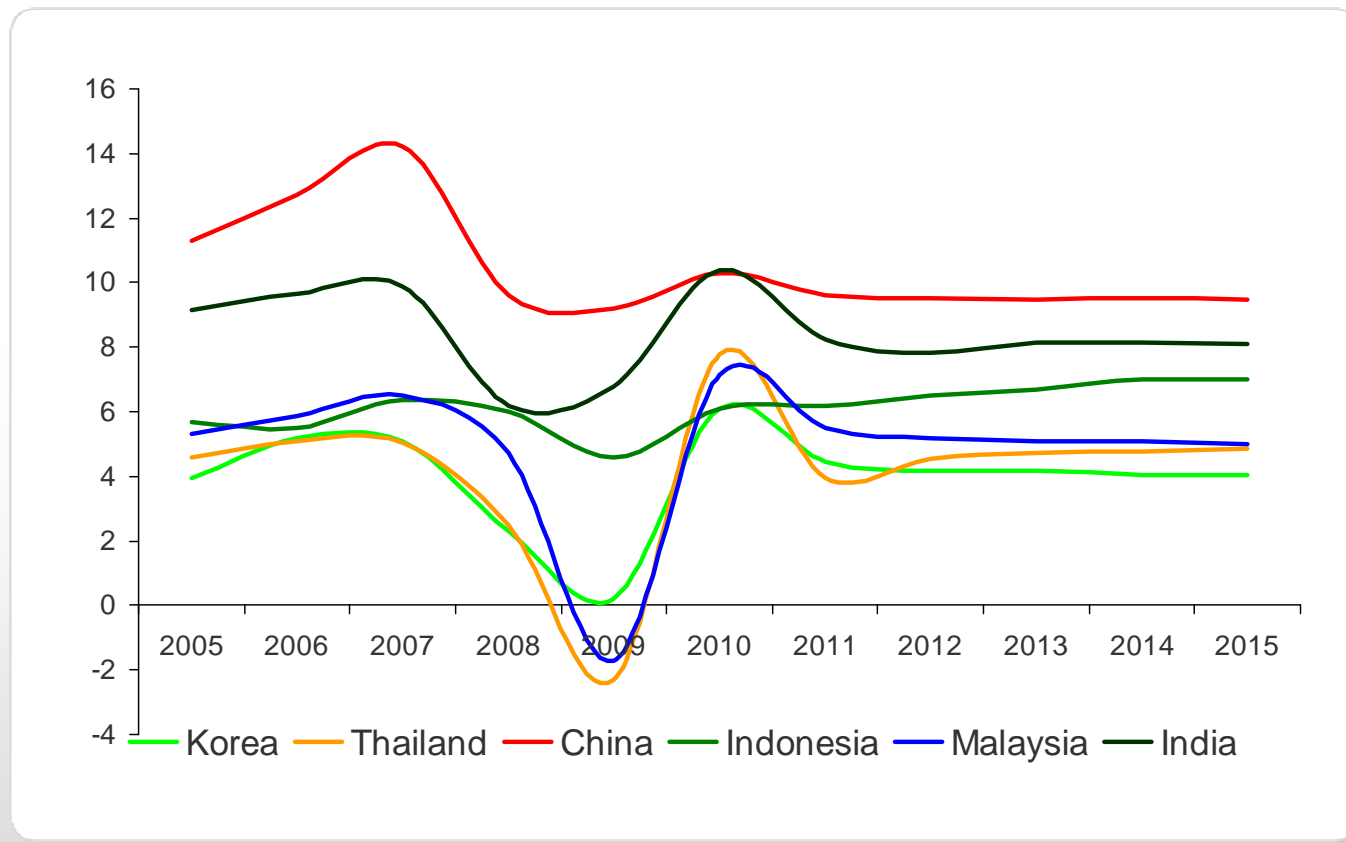
BORAL

GROWTH IS DRIVEN BY ORGANIC GROWTH AND PENETRATION



GDP % Growth by Region

- Strong economic growth forecast across most important markets
- Increase public investment drives growth in non-residential construction
- Increasing urbanisation will drive growth in residential new build

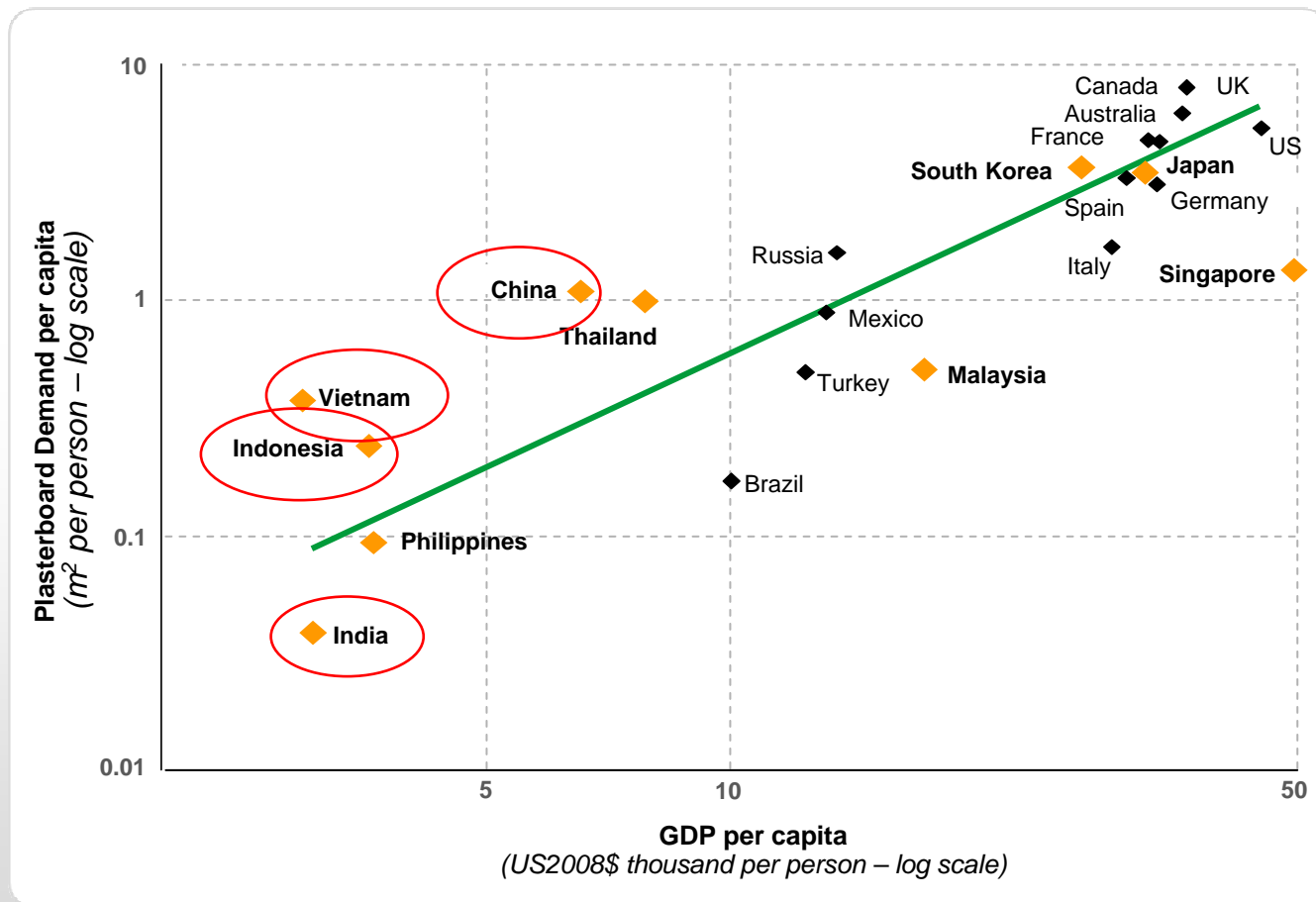


GROWTH IS DRIVEN BY ORGANIC GROWTH AND PENETRATION



Plasterboard Demand/GDP per Capita

- Historically plasterboard use starts in commercial then moves to housing
- Lightweight, flexible and easy to install characteristics make plasterboard the interior lining product of choice
- Asia is expected to become the world's largest plasterboard market by 2014



PENETRATION STARTS WITH COMMERCIAL BUILDINGS AND DEVELOPS LATER IN RESIDENTIAL BUILDINGS



Asia Plasterboard Penetration

- Step 1: ceilings in commercial buildings
- Step 2: partitions in commercial buildings, ceiling in residential buildings
- Step 3: partition in residential buildings
- Penetration develops differently from market to market

Key Country Plasterboard End-Market Exposures

- Korea: 40% residential and 60% non-residential
- China: 35% residential and 65% non-residential
- Thailand: 70% residential and 30% non-residential
- Indonesia: 78% residential and 22% non-residential



OUR GROWTH SUCCESS IS BASED ON A POWERFUL PENETRATION MODEL IN ASIA



- Plasterboard solutions provide characteristics meeting immediate needs and future construction trends
- There is a consistent penetration model across all countries in Asia, most of them being still in the “infancy” stage
- Our commercial model allows us to influence the end users when they specify solutions

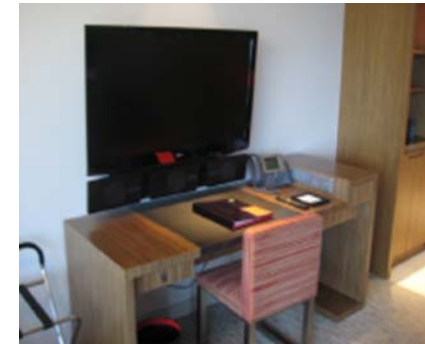
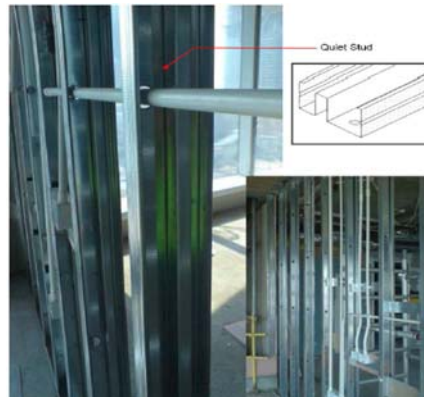
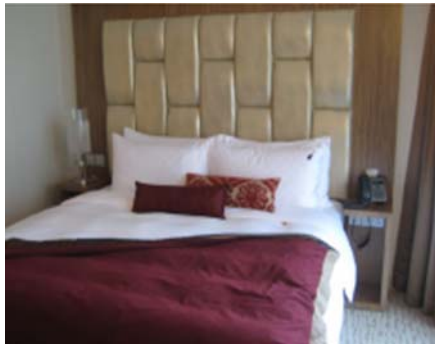


CEILING AND WALLS IN COMMERCIAL BUILDINGS

Hotel and Casino in Macau (City of Dreams)



Hard Rock Hotel - Room To Room Partition



Various Tall Partitions With High Fire, Acoustic and Mechanical Performances

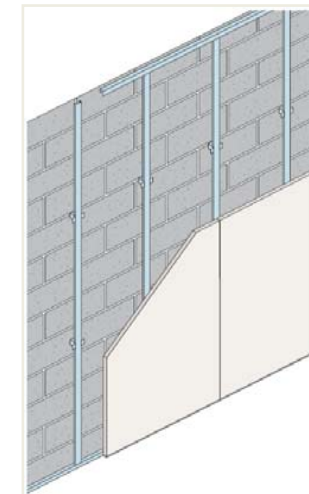
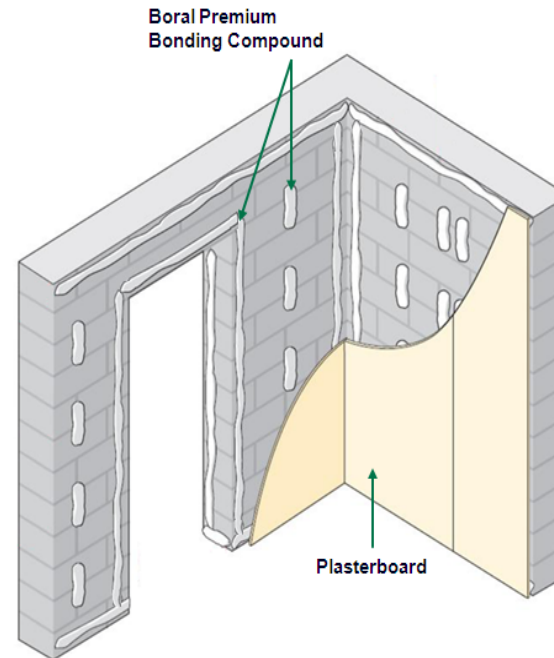


FIRST STEPS OF WALL APPLICATIONS IN RESIDENTIAL

Residential High Rise in India

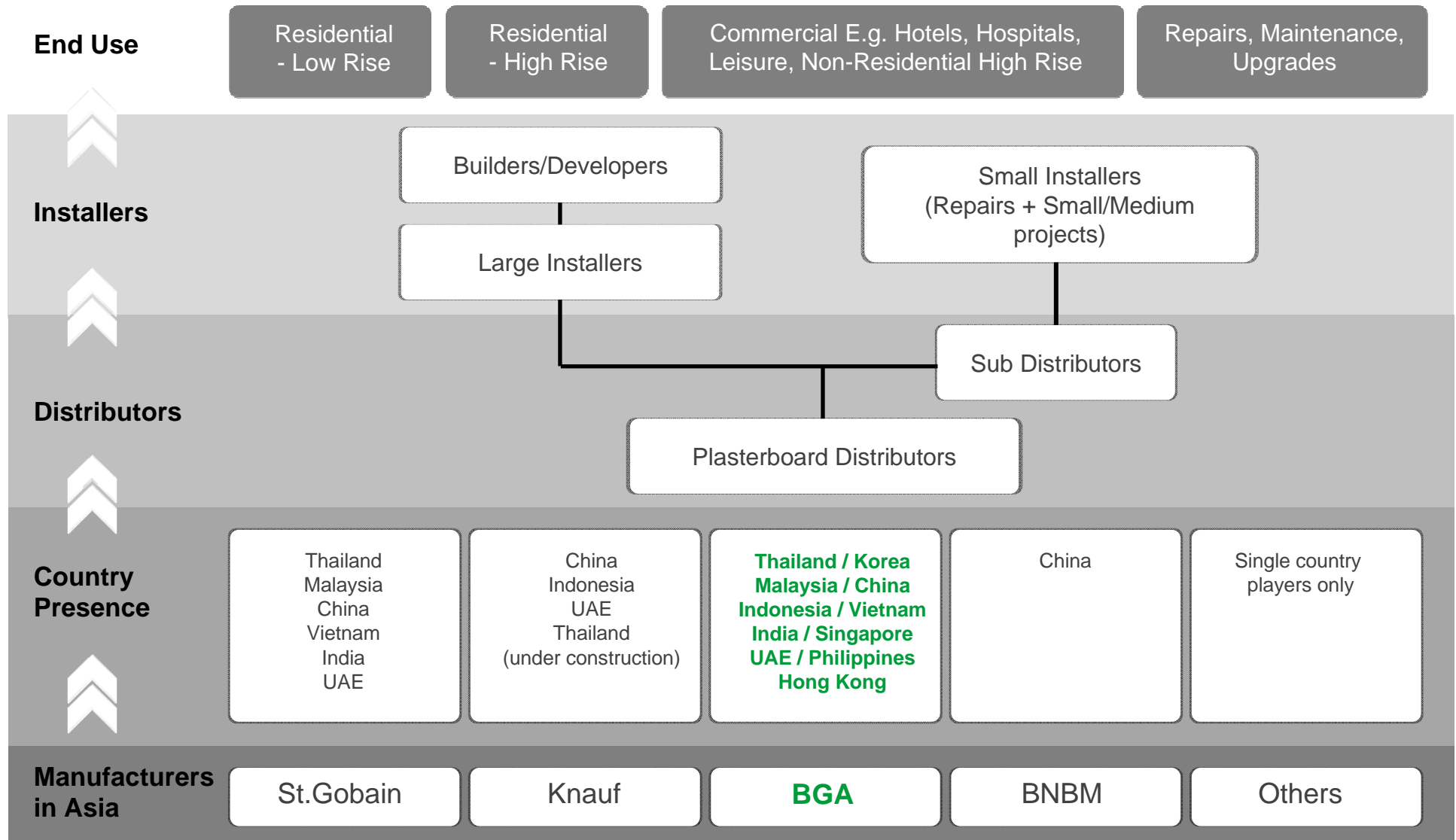


- Boral developing new market opportunities for Boral plasterboard systems – first high-rise project in India to use the complete plasterboard solution



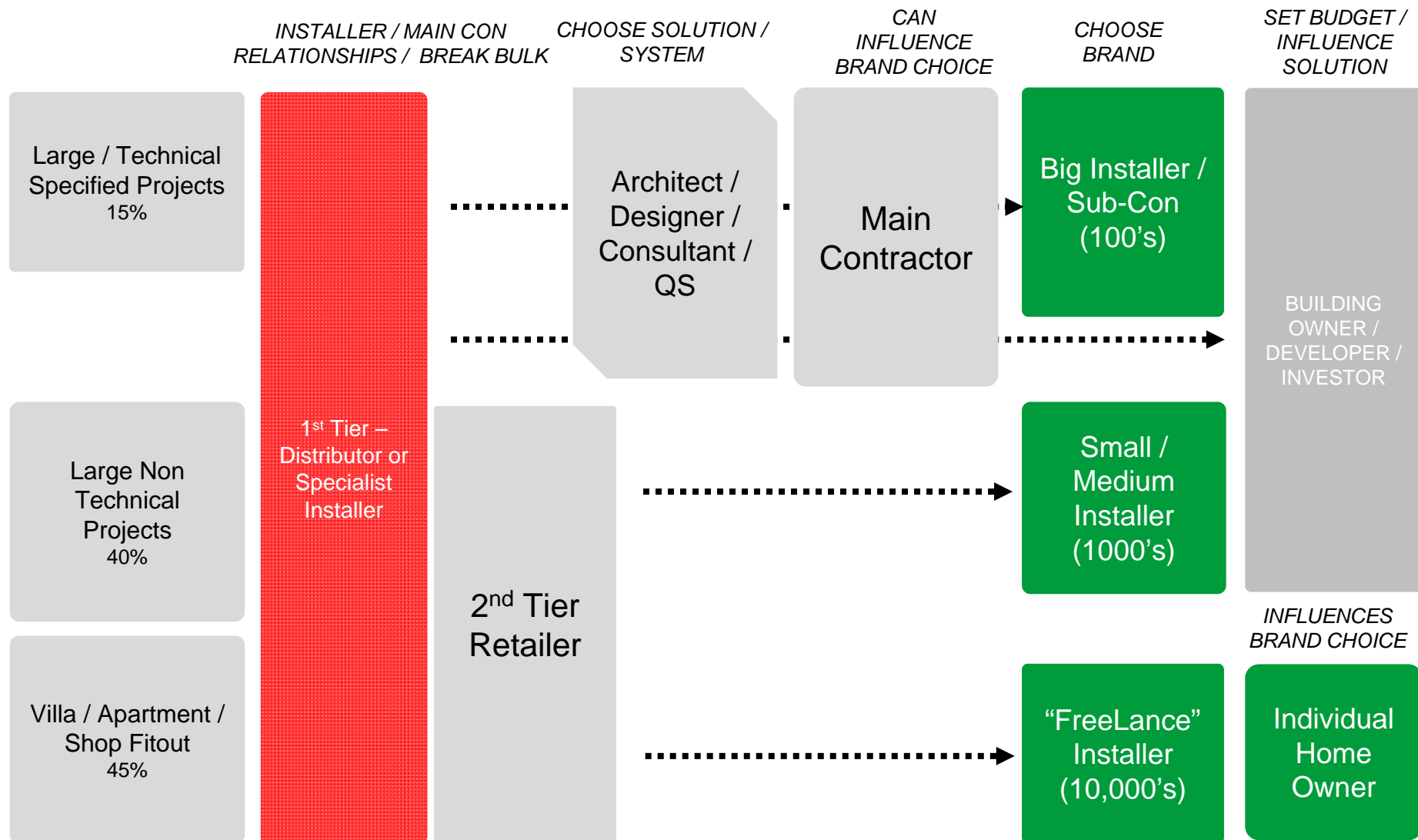
320,000m² of Boral Wall Lining Systems

BGA ROUTE TO MARKET





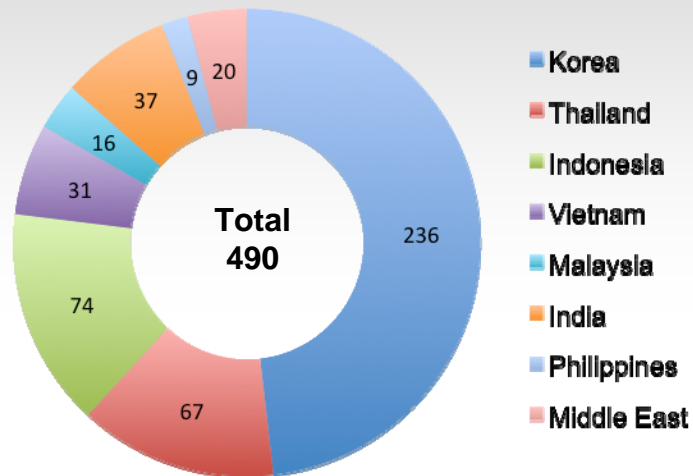
VIETNAM EXAMPLE OF ROUTE TO MARKET



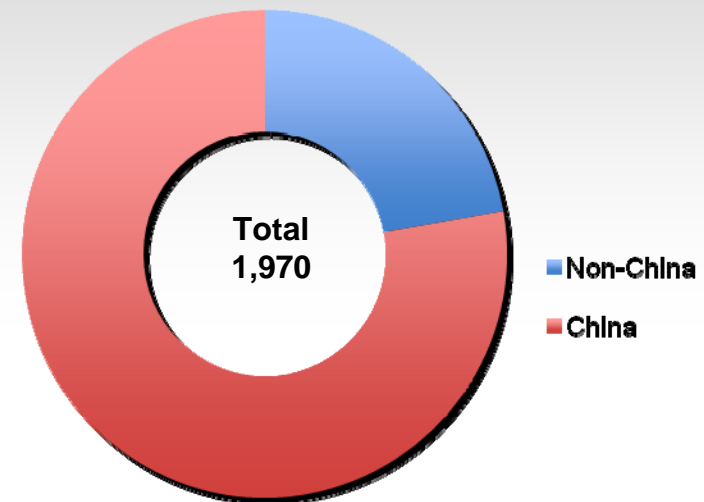
CHINA WILL BECOME THE BIGGEST PLASTERBOARD MARKET ON EARTH BY 2015



2011 Market size in BGA region-except China (million m²)



2011 Market size in BGA region (million m²)



Key themes in chosen markets

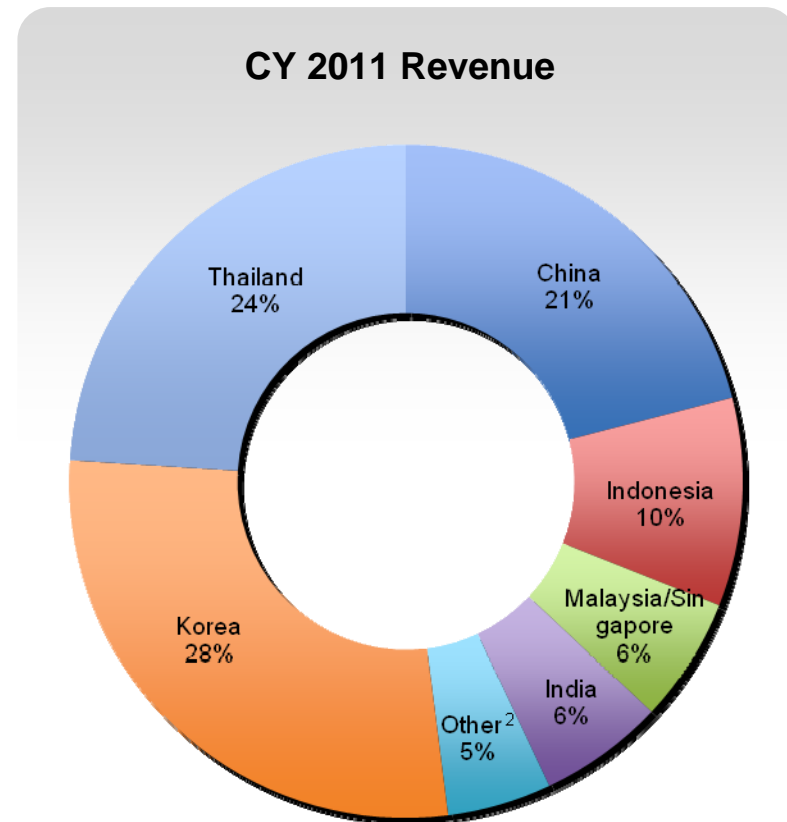
- Korea – mature with a strong potential in residential
- Thailand – developing with one major urban market (Bangkok)
- Indonesia – strong growth in the third most populated country in Asia
- China – biggest market with a number of very large cities with significant high end markets

THE CURRENT BGA INFRASTRUCTURE (NETWORK)



Plasterboard	2006 ¹	2007	2008	2009	2010	2011
Board sales (million m ²)	196	219	235	230	265	296
Board plant capacity (million m ²)	289	289	337	337	413	448

Operations	Plants ³	Sales Offices	Quarries	Total
Korea	3	5	-	8
Thailand	5	1	1	7
China	6	6	-	12
Indonesia	3	5	-	8
Malaysia/Singapore	1	2	-	3
Vietnam	1	2	-	3
India	1	5	-	6
Other ²	1	4	-	5
Total	21	30	1	52



¹ All figures are December year end

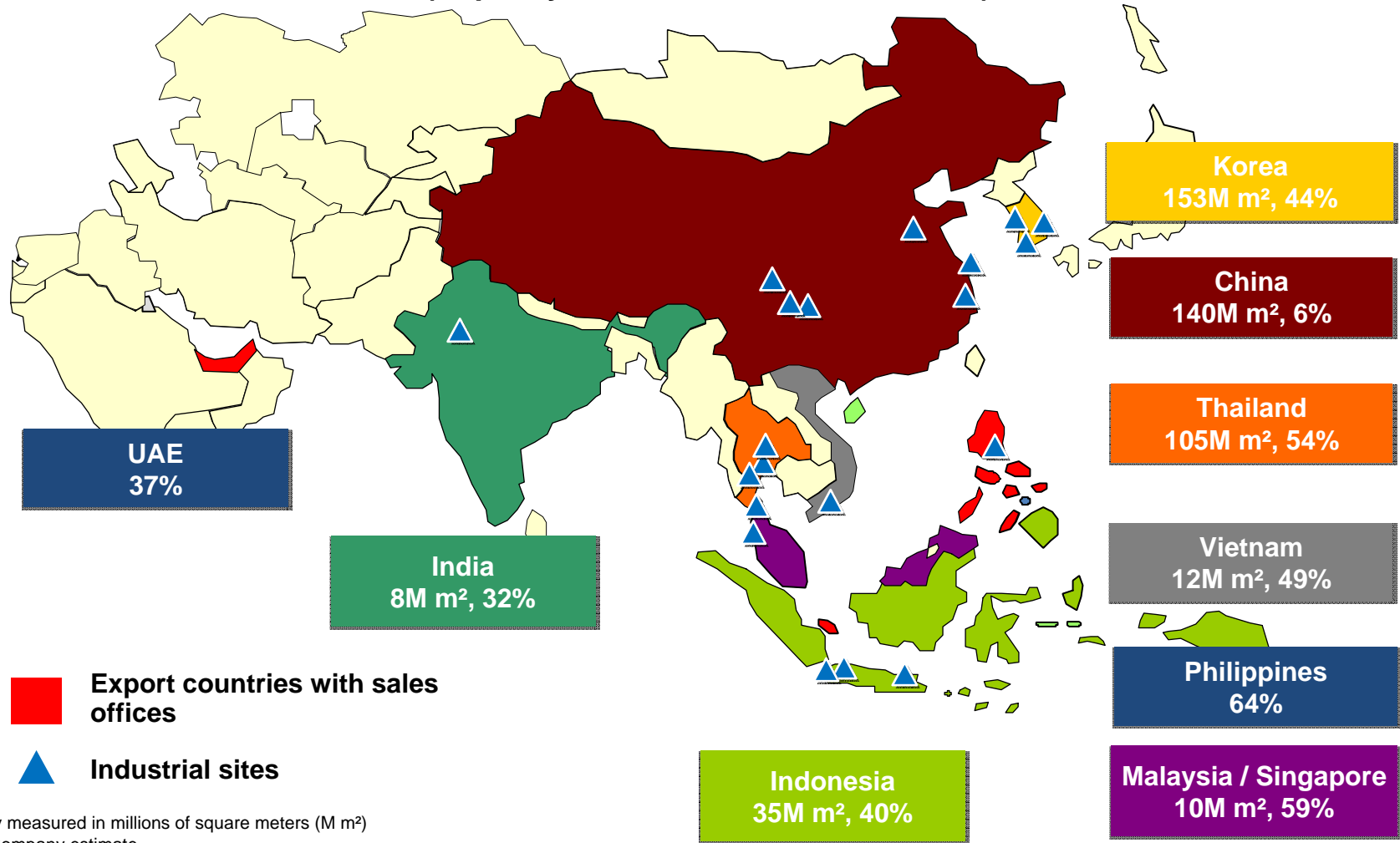
² Other includes export business (UAE, Philippines, and other export countries) and Thai Prestia

³ Plasterboard, metal components and compound plants

BGA HAS THE MOST EXTENSIVE NETWORK IN ASIA



BGA Operations (Capacity¹, Estimated Market Share %)

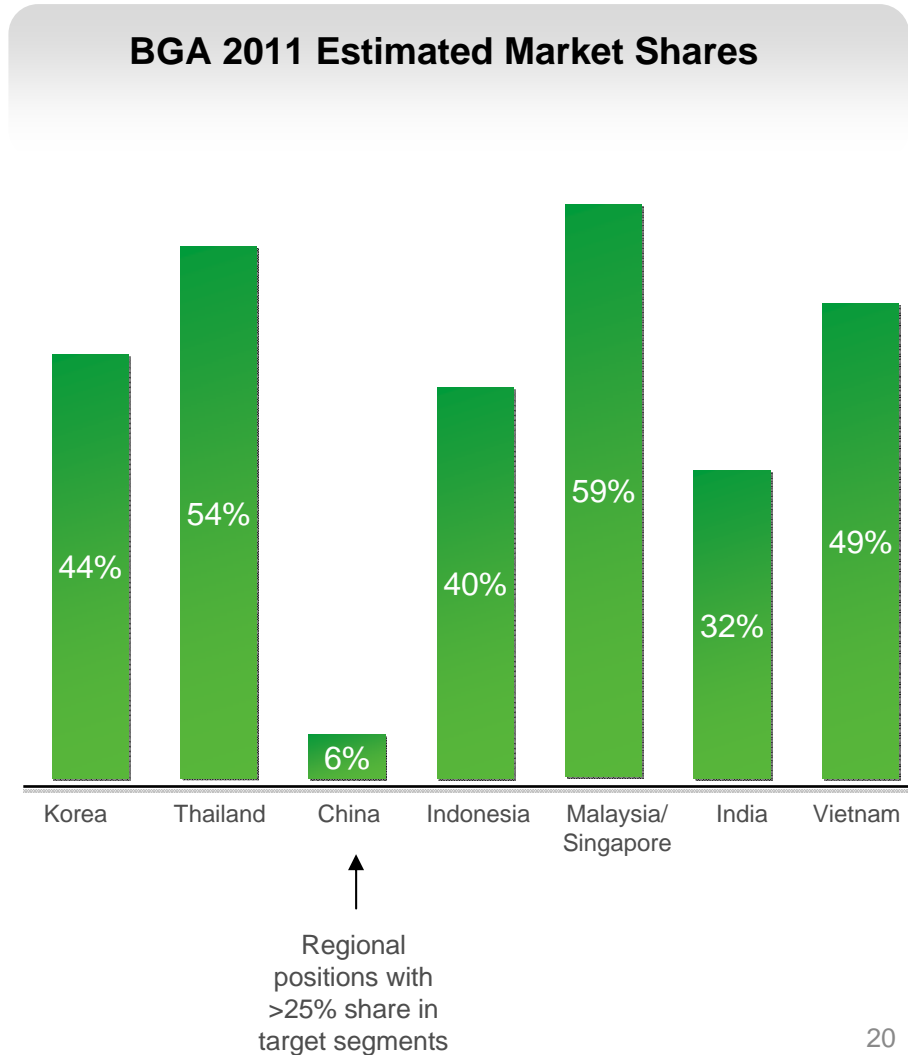


¹ Capacity measured in millions of square meters (M m²)
Source: Company estimate

BGA LOCATIONS AND MARKET POSITIONS



Country	Name	Gypsum Type	Energy Source	Capacity (M m ² pa)
Korea	Yosu	Synthetic	H.Oil/Steam	35
Korea	Ulsan	Synthetic	Gas	46
Korea	Dangjin 1	Synthetic	Gas	37
Korea	Dangjin 2	Synthetic	Gas	35
Total - Korea				153
Thailand	Saraburi 1	Natural	Gas	50
Thailand	Saraburi 2	Natural	Gas	35
Thailand	Songkhla	Natural	H.oil	20
Total - Thailand				105
China	Pudong (Shanghai)	Synthetic	Gas	30
China	Chengdu	Synthetic	Gas	12
China	Chongqing 2	Synthetic	Gas	13
China	Chongqing 3	Synthetic	Gas	15
China	Baoshan (Shanghai)	Synthetic	Gas	35
China	Shandong	Natural	Steam	35
Total - China				140
Indonesia	Cilegon	Natural	Gas	21
Indonesia	Gresik	Natural	Gas	14
Total - Indonesia				35
Malaysia	Parit Buntar	Natural	Gas	10
India	Khushkhera	Natural	Gas	8
Vietnam	Ho Chi Minh	Natural	Gas	12
Total				463



COST STRUCTURE OF PLASTERBOARD



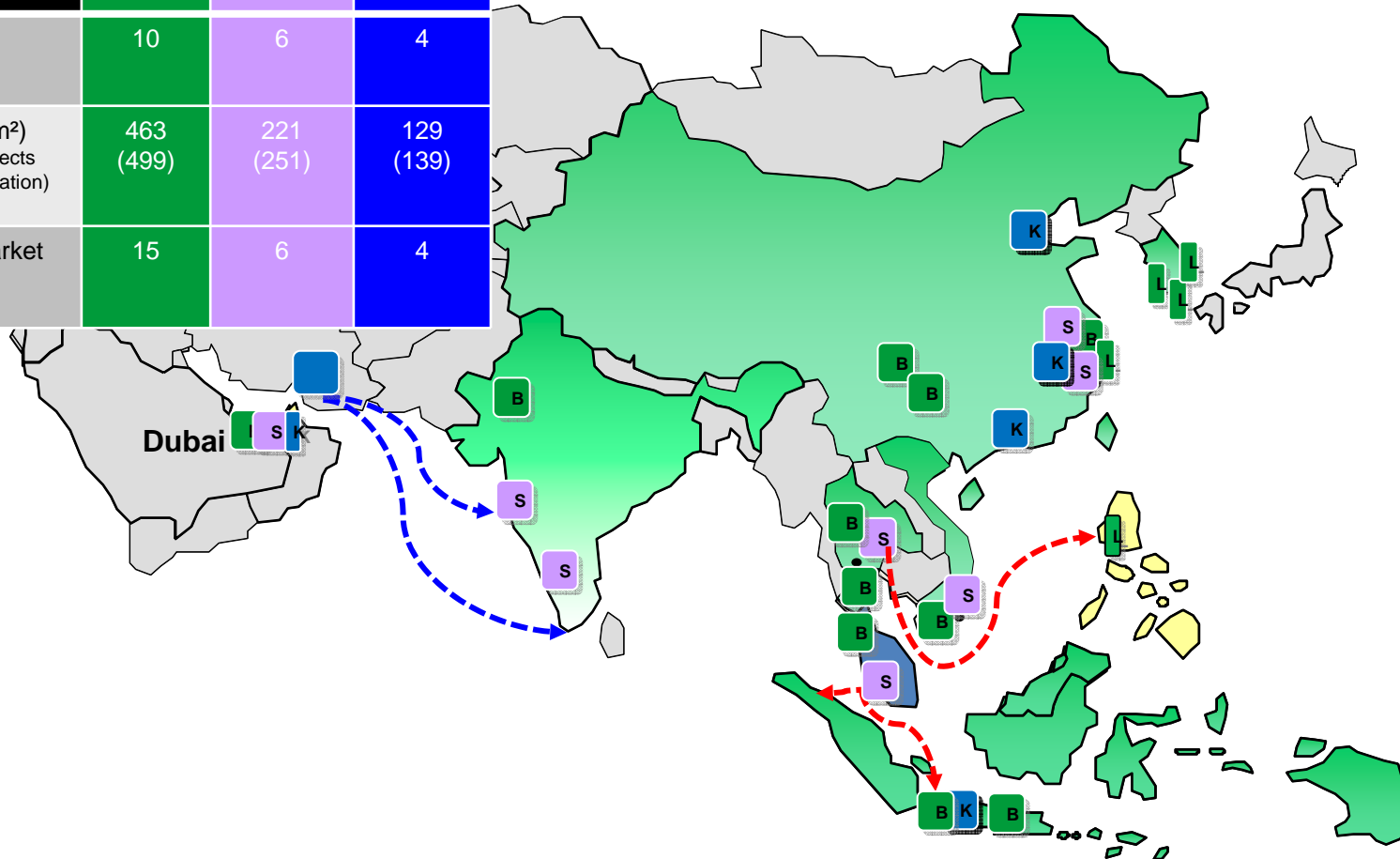
Typical Unit Production Cost Breakdown Index

Materials	50
Energy	27
Total Variable Cost	77
People	9
Other Cash	6
Depreciation	8
Total Fixed Cost	23
Total Cost	100

AMONG GLOBAL PLAYERS, BGA HAS THE LEADING MARKET POSITION THROUGHOUT ASIA



TOTAL	BGA	Saint Gobain	KNAUF
Presence (countries) ¹	10	6	4
Capacity (M m ²) (with current projects under implementation)	463 (499)	221 (251)	129 (139)
Estimated Market Share (%) (including China)	15	6	4



¹ Sales office with warehouse considered as presence
Source: Company estimate

SYNERGIES WITH BORAL PLASTERBOARD AUSTRALIA



Best Practices

- Boral production system (LEAN) provides Asia Pacific plasterboard benefits
- Sales and Marketing Excellence and commercial leverage provides competitive advantage
- Asia Pacific innovation and research platform being established at BGA

Procurement

- Leveraging increased scale for purchasing raw materials
- Proactive review of alternative fuels and energy

Network

- Investigating potential to leverage regional manufacturing footprint and to grow innovation and system penetration



- BGA introduction
- Performance and Growth
- **Our ambition**



BORAL



Fully leverage our existing infrastructure, strengthen our leadership with products and solutions, and accelerate the penetration of plasterboard

Levers of our ambition

- Further develop operational excellence with LEAN
- Maintain country leadership by sustaining capacity share and continuing new country development through exports
 - The specific case of China requires a focused regional approach to strengthen market position and remain a relevant player competing against local competitors (BNBM and Taishan)
- Continue focusing on accelerating penetration:
 - By aiming at Sales and Marketing Excellence
 - By developing further our specification power via project sales
 - By reinforcing our technical sales to support installers in their daily job
 - By developing Asian R&D to strengthen further our innovation capacity



- BGA continues to grow through its leadership position and excellent installed physical assets
- Regional growth and increased penetration provides a solid base for future growth
 - Investing in core markets ahead of competitors is crucial
 - Innovation accelerates penetration with localized strong R&D
 - Being mindful of new entrants
- China continues to remain a challenge
 - Industrial performance is progressing fast
 - Short term market growth is being influenced by government measures to curb real estate speculation but the long term trend remains encouraging
- Human resources development is a continuous management focus, to ensure leadership in all markets, and having adequate resources to sustain our growth

WORLD CLASS CAPACITY

Leading Products to High Growth Markets



World Class Capacity

- Boral production system offers Asia Pacific plasterboard benefits
- Sales and marketing excellence and commercial leverage provides competitive advantage
- Asia Pacific innovation platform extended to include BGA

Enhanced capabilities to improve performance

Core Competitive Advantages

- Modern, well-equipped facilities in seven high growth markets
- Excellent management team with capacity to grow
- Comprehensive range of interior lining products with reputation for quality

Ambitions for Future Growth

- Potential to leverage low cost manufacturing in Asia Pacific region
- LBGA infrastructure provides solid foundation for Asian growth
- Higher proportion of Boral revenue tied to higher growth markets

Boral Building Products Asia

Expanded geographic presence to drive revenues

Market Leading Position

- Established brands respected for quality and reliability
- Extensive logistics and distribution networks in 10 countries in Asia
- Export led marketing offers access to 30 high growth countries

Building something great™



BORAL

