



Boral Limited

Results for the half year ended 31 December 2009

10 FEBRUARY 2010
MARK SELWAY, CHIEF EXECUTIVE

Agenda



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| 1. | Results Overview | Mark Selway |
| 2. | New Reporting Segments | Mark Selway |
| 3. | Market Performance | Ken Barton |
| 4. | Financial Performance | Ken Barton |
| 5. | First Impressions | Mark Selway |
| 6. | Outlook | Mark Selway |




Results Overview


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1H FY2010 Financial Highlights


Revenue 
\$2.3bn down 10%


Profit after tax 
\$68m down 9%

Cash from operations 
\$196m up 39%

Net debt 
\$1.25bn down from \$2.18bn

Gearing (D/E) 
44% down from 79%

Earnings per share 
11.4c down 11%

Interim dividend 
7.0c down 7%

December 2009 compared to December 2008

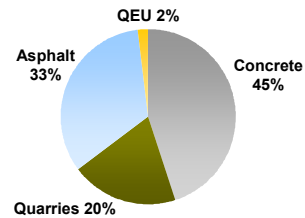
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Australian Construction Materials



A\$m	1H10	1H09	% Δ
Sales	1,082	1,161	(7)
EBITDA	155	144	8
EBIT	107	95	12
ROFE ¹ %	17.6	15.4	

Share of External Revenues



QUARRY product for the Gorgon Project WA



ASPHALT for the SAFElink project QLD



CONCRETE for the Port Botany Redevelopment NSW



QEU communities Moorebank NSW

1. Return on funds employed is on a moving annual total basis

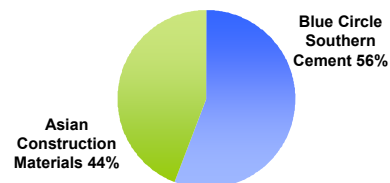
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Cement Division



A\$m	1H10	1H09	% Δ
Sales	261	280	(7)
EBITDA	70	83	(15)
EBIT	45	60	(24)
ROFE ¹ %	12.4	13.6	

Share of External Revenues



Blue Circle's Waurn Ponds CEMENT works



Galong LIME kiln re-started in December



JAYA READYMIX Project, INDONESIA

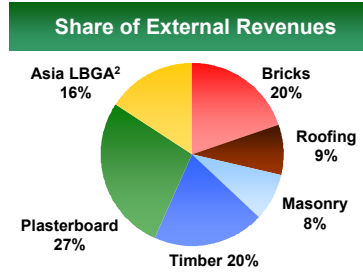
1. Return on funds employed is on a moving annual total basis

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Building Products



A\$m	1H10	1H09	% Δ
Sales	608	611	(1)
EBITDA	74	66	13
EBIT	45	38	21
ROFE ¹ %	4.5	6.6	



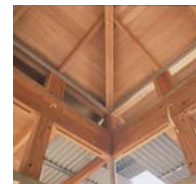
Pinkenba PLASTERBOARD plant, QLD



Lightweight BLOCKS, Sydney Cricket Ground



New MASONRY plant in WA



Hardwood TIMBER, roofing frame

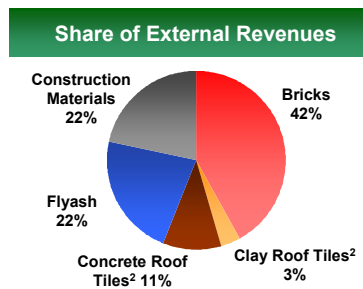
1. Return on funds employed is on a moving annual total basis
2. Includes Boral's share of revenue from 50%-owned Asian Plasterboard joint venture which is equity accounted

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USA



A\$m	1H10	1H09	% Δ
Sales	183	314	(42)
EBITDA	(30)	(13)	(126)
EBIT	(49)	(37)	(33)
ROFE ¹ %	(16.7)	(6.8)	



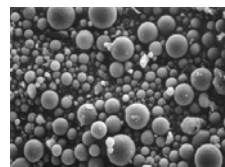
No 1 in ROOF tiles



No 1 in BRICKS



Top 3 in Colorado MATERIALS



Ultra fine FLY ASH, turning waste into building products

1. Return on funds employed is on a moving annual total basis
2. Includes Boral's share of revenue from 50%-owned MonierLifetile and Trinidad joint ventures which are equity accounted

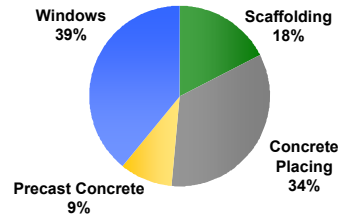
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Construction Related Businesses



A\$m	1H10	1H09	% Δ
Sales	197	223	(12)
EBITDA	-	8	(104)
EBIT	(5)	4	(239)
ROFE ¹ %	(7.1)	1.8	

Share of External Revenues



Dowell WINDOWS
solid progress



FORMWORK & SCAFFOLDING



CONCRETE PLACING,
Shopping Centre NSW



PRECAST
concrete panels

1. Return on funds employed is on a moving annual total basis

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Market Performance

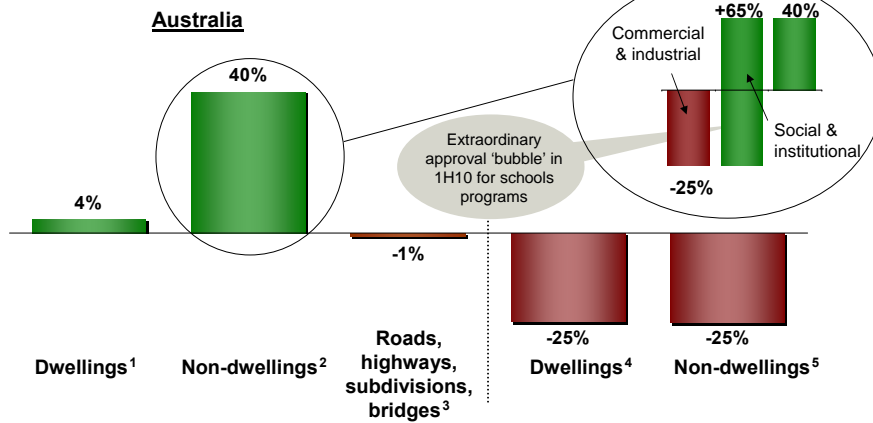
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Improving Australian conditions offset by further declines in the USA



Market changes – 1H 2010 vs 1H 2009



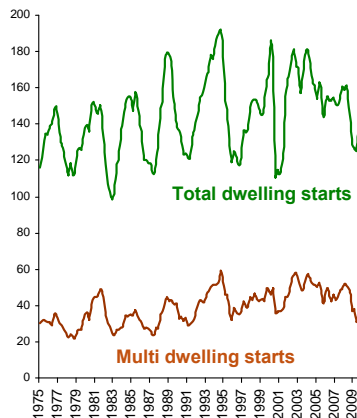
1. Seasonally adjusted dwelling starts. Source: ABS. Actuals to September, December quarter estimated based on Approvals
 2. Non-dwelling value of work approved. Seasonally adjusted nominal prices. Source: ABS

3. Roads, Highways, Subdivisions, Bridges value of work done. Source: ABS. Actuals to September, December quarter estimated based on BIS forecasts
 4. Dwelling starts. Source: Census
 5. Non-dwelling value of work commenced at 1992\$ values. Source: Dodge, ¹¹ September quarter actual, December quarter latest forecast

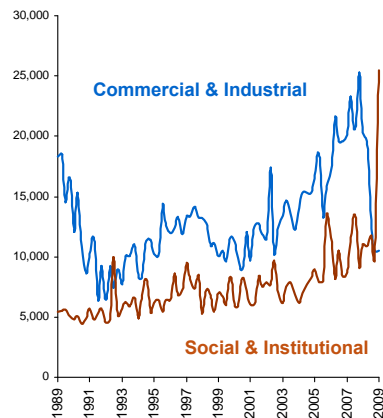
Australian dwelling activity is recovering but non-dwelling commercial and industrial work has declined significantly



Australian dwelling starts ('000)¹



Non dwelling value of work commenced (\$m)²



1. Seasonally adjusted annualised quarterly starts from ABS
 2. Non-residential value work commenced (Commercial & Industrial and Social & Institutional) annualised quarterly data in 06/07 prices from BIS Shrapnel

US housing market has experienced the worst downturn since the Great Depression



Total US dwelling starts ('000)¹

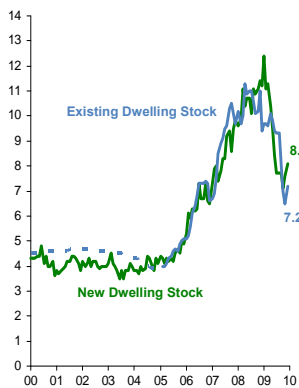


1. Seasonally adjusted annualised monthly starts from US Census

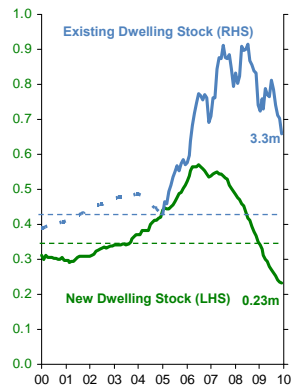
Housing stock in the US remains high as foreclosures continue to exceed sales



Housing Stock
(Months of supply)



Housing Stock
(Count, millions, seasonally adjusted)



Houses Sold During Month
(Annualised count, millions)



Source: US Census Bureau, National Association of Home Builders



Financial Performance

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Profit after tax down 9% to \$68m in 1H FY2010



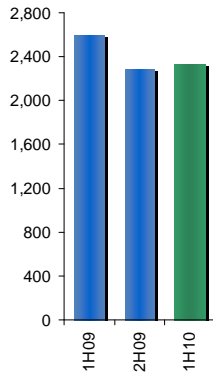
A\$m	1H2010	1H2009	% Δ
Revenue	2,330	2,594	(10)
EBITDA	259	285	(9)
EBIT	133	155	(15)
Net interest	(49)	(69)	29
Profit before tax	84	86	(3)
Tax	(15)	(11)	(35)
Profit after tax	68	75	(9)

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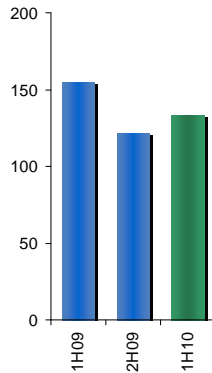
**Revenues down 10% on volume pressures;
margins maintained through disciplined price and
cost reduction outcomes**



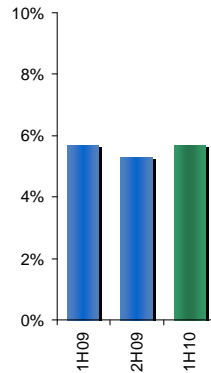
Sales Revenue (\$m)



EBIT (\$m)

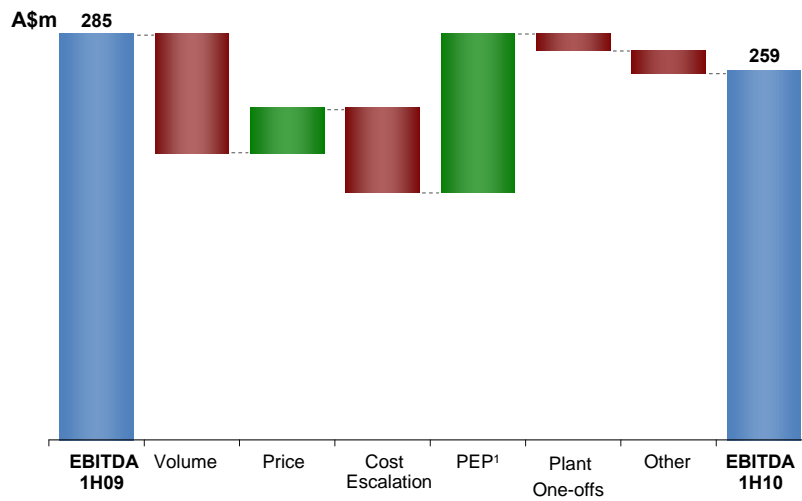


EBIT / Sales



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**Through disciplined pricing outcomes & significant
cost reduction programs Boral has become more
efficient and focused through the downturn**



1. Performance Enhancement Program

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While disciplined pricing has continued in most businesses, we will continue to protect our position in response to local/import competitive pressures



1H10 v 1H09 Δ: Prices / Volume

		↑	↓
Australia	▪ Cement	↑	↓
	▪ Concrete & Quarries	↑	↓
	▪ Asphalt		↑
	▪ Bricks	↑	↓
	▪ Roofing	↓	↓
	▪ Masonry	↑	↓
	▪ Plasterboard	↑	↓
	▪ Timber	↑	↑
	▪ Windows	↓	↓
USA	▪ Bricks	↓	↓
	▪ Clay Tiles	↑	↓
	▪ Concrete Tiles	↑	↓
	▪ Fly Ash	↑	↓
	▪ Construction Materials	↑	↓

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Revenue down; mixed earnings results across divisions



A\$m	Revenue			EBIT		
	1H10	1H09	% Δ	1H10	1H09	% Δ
Australian Construction Materials	1,082	1,161	(7)	107	95	12
Cement	261	280	(7)	45	60	(24)
Building Products	608	611	(1)	45	38	21
USA	183	314	(42)	(49)	(37)	(33)
Construction Related Businesses	197	223	(12)	(5)	4	(239)

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Cash generation improved 39% to \$196m whilst gearing fell to 44% against the 79% December 2008 half year



As at A\$m	Dec-09	Dec-08	June-09
Cash flow from operating activities ¹	196	141	419
Net debt	1,245	2,184	1,514
Net debt / equity	44%	79%	55%
Net debt / (net debt + equity)	31%	44%	35%
EBIT interest cover	2.7 x	2.3 x	2.2 x
Funds employed	4,051	4,955	4,268
Return on funds employed ²	6.2%	7.3%	6.5%
Return on equity ²	4.4%	6.8%	4.8%

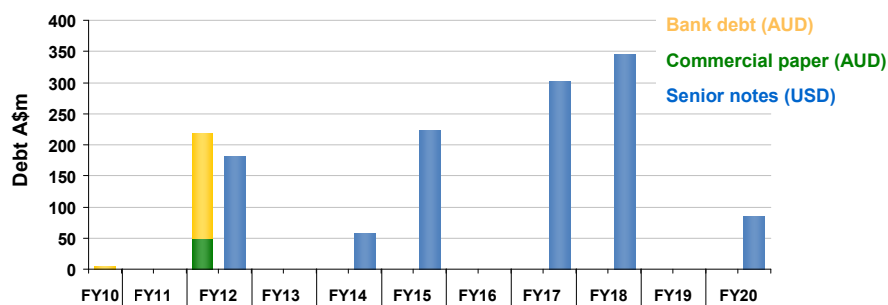
1. After interest & tax paid, before capex & dividends
2. Excluding significant items. Moving annual total basis for Dec-08 and Dec-09.

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Boral's balance sheet is well positioned with no major refinancing requirements until FY2012



Debt Maturity Profile at 31 December 2009



- Weighted average debt maturity ~5.8 years; Weighted average cost of debt ~6.0%
- Available funds from the committed bank facility of ~A\$850m (at 31 December 2009)

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First Impressions

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First impressions of the Boral group and immediate priorities



First impressions

- **Well managed business**
 - Strategic choices well executed, significant potential
- **Excellent geographic positioning**
 - Leadership positions - Australia
 - Significant businesses in USA and Asia
- **Constrained by the world economy**
 - US losses continue
 - Costs reduced, disciplined pricing
- **Excellent people, professional management, strong sense of values and principles**

Portfolio Review:

- Competitive review
- Sector returns

Operational review:

- Fix the under-performers
- Leverage scale and geographic cover
- Roadmap to best practice performance

Options for growth:

- Funding priorities developed
- Acquisition parameters considered
- Innovation and market expansion potential

Strategic outline at the full year announcement

Immediate priorities

- **Fill executive vacancies:**
 - CFO / President Boral USA
- **Operational excellence:**
 - Attention to detail, continuous improvement (includes price and cost)
- **Portfolio review:**
 - To ensure Boral operates in attractive markets with higher through cycle returns
- **Full year returns:**
 - Delivery of full year expectations
- **Innovation & Sustainability:**
 - New processes, product development, environmental impact, investing to stay ahead

Outlook for 2010



- Australian Construction Materials**
 - Moderately improved trading in Concrete, lower earnings from Asphalt and Quarries
 - QEU remains on track to deliver a \$25m-\$30m profit

- Cement**
 - Moderate reduction in volumes will place pressure on pricing and margins

- Building Products**
 - Progress in volume, plant utilisation and efficiency in 2H FY10
 - Cost reduction initiatives will benefit Clay & Concrete Products and Timber
 - Plasterboard expects to deliver broadly similar results to the first half

- USA**
 - Market will remain difficult with pricing pressures remaining
 - Weaker second half, but improvement on the June half of FY2009

- Construction Related Businesses**
 - Broadly similar results in the second half
 - Windows will make further progress while Formwork & Scaffolding and Precast Concrete will see little in the way of improvement in 2H FY10
 - Restructuring and cost saving initiatives are expected to feature in 2H FY10

- **Broker analysts are forecasting NPAT between \$101m and \$151m with consensus of \$123.5m**
- **Subject to current level of building starts, roughly consistent exchange rates and climate related incidents, expect full year profit broadly in line with consensus**

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Questions

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