



## APPENDIX 4D HALF-YEAR REPORT

28 February 2012

Name of Entity: **Boral Limited**  
 ABN: **13 008 421 761**  
 For the half year ended: **31 December 2011**

### Results for announcement to the market

				Dec-2011 A '\$ millions	Dec-2010 A '\$ millions
Revenue from continuing operations	up	2.6%	to	2,299.1	2,241.2
Revenue from discontinued operations				133.6	146.9
<b>Total revenue</b>	<b>up</b>	<b>1.9%</b>	<b>to</b>	<b>2,432.7</b>	2,388.1
Profit from continuing operations before net financing costs, income tax and significant items	down	(28.7%)	to	102.2	143.3
Profit/(loss) from discontinued operations before net financing costs, income tax and significant items				6.4	5.4
Profit before net financing costs, income tax and significant items	down	(27.0%)	to	108.6	148.7
Net financing costs from continuing operations before significant items	up	9.0%	to	(31.6)	(29.0)
Net financing costs from discontinued operations before significant items				(2.4)	(2.4)
Profit before income tax and significant items	down	(36.4%)	to	74.6	117.3
Income tax from continuing operations before significant items				(8.9)	(23.3)
Income tax from discontinued operations before significant items				(0.9)	(1.3)
Non-controlling interest from continuing operations				2.1	-
Non-controlling interest from discontinued operations				(0.2)	(0.4)
Net profit before significant items attributable to members	down	(27.7%)	to	66.7	92.3
Significant items from continuing operations net of tax <sup>1</sup>				86.0	-
<b>Net profit/(loss) attributable to members</b>	<b>up</b>	<b>65.4%</b>	<b>to</b>	<b>152.7</b>	92.3

1. Refer note 6 of the attached half-year financial report

Dividends	Amount per security	Franked amount per security at 30% tax
Current period Interim - ordinary	7.5 cents	7.5 cents
Previous corresponding period Interim - ordinary	7.5 cents	7.5 cents
Record date for determining entitlements to the dividend Comparative Period: Half Year ended 31 December 2010		9 March 2012

### Commentary on the results for the period

The commentary on the results of the period is continued in the "Results Announcement for the half-year ended 31 December 2011" dated 28 February 2012.

# Half-Year Financial Report

31 December 2011

Boral Limited  
ABN 13 008 421 761

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The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Boral Limited during the half-year in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

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## Directors' Report

The Directors of Boral Limited ("the Company") report on the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2011 ("the half-year"):

### 1. Review of Operations

The Directors' review of the operations of the consolidated entity during the half-year and the results of those operations are as set out in the attached Results Announcement for the half-year.

### 2. Names of Directors

The names of persons who have been Directors of the Company during or since the end of the half-year are:

Robert Every	- Chairman
Mark Selway	- Chief Executive
Catherine Brenner	
Brian Clark	
Eileen Doyle	
Richard Longes	
John Marlay	
Paul Rayner	

All of those persons have been Directors at all times during and since the end of the half-year.

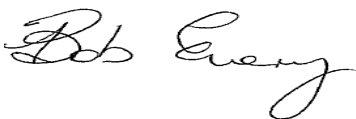
### 3. Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the Corporations Act 2001 is set out on page 2 and forms part of this Directors' Report.


### 4. Rounding of Amounts

The Company is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.



**Bob Every**  
Director



**Mark Selway**  
Director

Sydney, 28 February 2012



## Lead Auditor's Independence Declaration

under Section 307C of the Corporations Act 2001

To: The Directors of Boral Limited

I declare that, to the best of my knowledge and belief, in relation to the review of the half-year ended 31 December 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'KPMG'.

**KPMG**

A handwritten signature in blue ink that reads 'Greg Boydell'.

**Greg Boydell**  
Partner

Sydney, 28 February 2012

## Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
<b>Continuing operations</b>			
Revenue	4	2,299.1	2,241.2
Cost of sales		(1,647.5)	(1,575.1)
Selling and distribution expenses		(408.3)	(396.8)
Administrative expenses		(164.4)	(163.8)
		(2,220.2)	(2,135.7)
Other income	4	160.2	16.2
Other expenses	4	(103.0)	(0.9)
Share of net profit of associates	9	21.7	22.5
<b>Profit before net financing costs and income tax</b>		<b>157.8</b>	<b>143.3</b>
Financial income		9.6	14.1
Financial expenses		(41.2)	(43.1)
Net financing costs		(31.6)	(29.0)
<b>Profit before income tax</b>		<b>126.2</b>	<b>114.3</b>
Income tax benefit/ (expense)	5	21.5	(23.3)
<b>Profit from continuing operations</b>		<b>147.7</b>	<b>91.0</b>
<b>Discontinued operations</b>			
Profit from discontinued operations (net of income tax)	3	3.1	1.7
<b>Net profit</b>		<b>150.8</b>	<b>92.7</b>
<b>Attributable to:</b>			
Members of the parent entity		152.7	92.3
Non-controlling interests - (loss)/ profit		(1.9)	0.4
<b>Net profit</b>		<b>150.8</b>	<b>92.7</b>
Basic earnings per share	7	20.7c	13.0c
Diluted earnings per share	7	20.5c	12.9c
<b>Continuing operations</b>			
Basic earnings per share	7	20.3c	12.8c
Diluted earnings per share	7	20.1c	12.7c

The income statement should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

## Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
<b>Net profit</b>	<b>150.8</b>	92.7
<b>Other comprehensive income</b>		
Actuarial gain/(loss) on defined benefit plans	(1.0)	2.0
Net exchange differences from translation of foreign operations taken to equity	(2.8)	(20.6)
Foreign currency translation reserve transferred to net profit on recognition of LBGA as a subsidiary	30.5	-
Fair value adjustment on cash flow hedges	3.6	1.5
Income tax relating to other comprehensive income	2.9	(26.9)
<b>Total comprehensive income for the half-year</b>	<b>184.0</b>	48.7
<b>Total comprehensive income for the half-year is attributable to:</b>		
Members of the parent entity	183.5	48.7
Non-controlling interests	0.5	-
<b>Total comprehensive income for the half-year</b>	<b>184.0</b>	48.7

The statement of comprehensive income should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

## Balance Sheet

### BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		31 Dec 2011 \$ millions	30 Jun 2011 \$ millions
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		214.1	561.2
Receivables		779.8	784.1
Inventories		671.7	596.1
Other financial assets		3.3	7.5
Other		75.8	85.6
Assets classified as held for sale	3	101.3	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,846.0</b>	<b>2,034.5</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		15.8	10.3
Inventories		102.6	93.5
Investments accounted for using the equity method		37.8	240.2
Other financial assets		0.4	-
Property, plant and equipment		3,509.9	2,894.9
Intangible assets		861.8	255.9
Deferred tax assets		132.4	88.2
Other		50.6	50.5
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,711.3</b>	<b>3,633.5</b>
<b>TOTAL ASSETS</b>		<b>6,557.3</b>	<b>5,668.0</b>
<b>CURRENT LIABILITIES</b>			
Payables		682.5	702.8
Loans and borrowings	11	259.6	163.4
Other financial liabilities		2.5	7.5
Current tax liabilities		104.8	123.8
Provisions		199.7	218.6
Liabilities classified as held for sale	3	37.5	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,286.6</b>	<b>1,216.1</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables		11.7	12.5
Loans and borrowings	11	1,498.6	903.2
Other financial liabilities		97.0	112.2
Deferred tax liabilities		165.9	161.1
Provisions		129.9	106.5
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,903.1</b>	<b>1,295.5</b>
<b>TOTAL LIABILITIES</b>		<b>3,189.7</b>	<b>2,511.6</b>
<b>NET ASSETS</b>		<b>3,367.6</b>	<b>3,156.4</b>
<b>EQUITY</b>			
Issued capital	12	2,312.4	2,261.3
Reserves	13	(124.3)	(159.5)
Retained earnings		1,107.9	1,007.0
<b>Total parent entity interest</b>		<b>3,296.0</b>	<b>3,108.8</b>
Non-controlling interests		71.6	47.6
<b>TOTAL EQUITY</b>		<b>3,367.6</b>	<b>3,156.4</b>

The balance sheet should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

## Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED					
	Issued capital \$ millions	Reserves \$ millions	Retained earnings \$ millions	Total parent entity interest \$ millions	Non-controlling interests \$ millions	Total Equity \$ millions
Balance at 1 July 2011	2,261.3	(159.5)	1,007.0	3,108.8	47.6	3,156.4
Net profit	-	-	152.7	152.7	(1.9)	150.8
<b>Other comprehensive income</b>						
Translation of assets and liabilities of overseas controlled entities	-	7.2	-	7.2	2.4	9.6
Translation of long-term borrowings and foreign currency forward contracts	-	(12.4)	-	(12.4)	-	(12.4)
Foreign currency translation reserve transferred to net profit on recognition of LBGA as a subsidiary	-	30.5	-	30.5	-	30.5
Fair value adjustment on cash flow hedges	-	3.6	-	3.6	-	3.6
Actuarial gain/(loss) on defined benefit plans	-	-	(1.0)	(1.0)	-	(1.0)
Income tax relating to other comprehensive income	-	2.6	0.3	2.9	-	2.9
<b>Total comprehensive income</b>	-	31.5	152.0	183.5	0.5	184.0
<b>Transactions with owners in their capacity as owners</b>						
Shares issued under the Dividend Reinvestment Plan and underwriting agreement	51.1	-	-	51.1	-	51.1
Dividend paid	-	-	(51.1)	(51.1)	-	(51.1)
Share-based payments	-	3.7	-	3.7	-	3.7
Non-controlling interest acquired	-	-	-	-	22.5	22.5
Contributions by non-controlling interest	-	-	-	-	1.0	1.0
<b>Total transactions with owners in their capacity as owners</b>	51.1	3.7	(51.1)	3.7	23.5	27.2
<b>Balance at 31 December 2011</b>	<b>2,312.4</b>	<b>(124.3)</b>	<b>1,107.9</b>	<b>3,296.0</b>	<b>71.6</b>	<b>3,367.6</b>
Balance at 1 July 2010	1,724.0	(38.9)	938.4	2,623.5	2.6	2,626.1
Net profit	-	-	92.3	92.3	0.4	92.7
<b>Other comprehensive income</b>						
Translation of assets and liabilities of overseas controlled entities	-	(106.2)	-	(106.2)	(0.4)	(106.6)
Translation of long-term borrowings and foreign currency forward contracts	-	86.0	-	86.0	-	86.0
Fair value adjustment on cash flow hedges	-	1.5	-	1.5	-	1.5
Actuarial gain/(loss) on defined benefit plans	-	-	2.0	2.0	-	2.0
Income tax relating to other comprehensive income	-	(26.3)	(0.6)	(26.9)	-	(26.9)
<b>Total comprehensive income</b>	-	(45.0)	93.7	48.7	-	48.7
<b>Transactions with owners in their capacity as owners</b>						
Shares issued under the Dividend Reinvestment Plan	25.2	-	-	25.2	-	25.2
Shares issued on vesting of rights	0.3	(0.3)	-	-	-	-
Dividend paid	-	-	(46.7)	(46.7)	-	(46.7)
Shares issued under capital raising net of costs	479.8	-	-	479.8	-	479.8
Purchase of employee compensation shares	-	(1.5)	-	(1.5)	-	(1.5)
Other - Cultured Stone (note 13)	-	(66.3)	-	(66.3)	-	(66.3)
Share-based payments	-	2.5	-	2.5	-	2.5
Income tax benefit on capital raising	3.6	-	-	3.6	-	3.6
Non-controlling interest acquired	-	-	-	-	44.3	44.3
<b>Total transactions with owners in their capacity as owners</b>	508.9	(65.6)	(46.7)	396.6	44.3	440.9
<b>Balance at 31 December 2010</b>	<b>2,232.9</b>	<b>(149.5)</b>	<b>985.4</b>	<b>3,068.8</b>	<b>46.9</b>	<b>3,115.7</b>

The statement of changes in equity should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.



## Statement of Cash Flows

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,643.4	2,614.4
Payments to suppliers and employees		(2,538.4)	(2,459.2)
		105.0	155.2
Dividends received		12.1	10.7
Interest received		9.7	18.1
Borrowing costs paid		(42.5)	(46.4)
Income taxes paid		(40.1)	(45.9)
Acquisition, closure and restructure costs paid	16	(42.5)	(11.1)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>1.7</b>	<b>80.6</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(169.7)	(128.2)
Purchase of intangibles		(7.1)	-
Purchase of controlled entities and businesses (net of cash acquired)	15	(669.7)	(128.4)
Loans to associates		(2.2)	(5.5)
Proceeds on disposal of controlled entities, businesses and non-current assets		5.1	58.0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(843.6)</b>	<b>(204.1)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		25.7	-
Proceeds from capital raising		-	479.8
Purchase of employee compensation shares		-	(1.5)
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan \$25.4 million (2010: \$25.2 million))		(25.7)	(21.5)
Contributions by non-controlling interests		1.0	-
Proceeds from borrowings		500.0	4.5
Repayment of borrowings		(7.3)	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>493.7</b>	<b>461.3</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(348.2)</b>	<b>337.8</b>
Cash and cash equivalents at the beginning of the year		561.2	157.0
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		1.1	(11.3)
Cash and cash equivalents at the end of the half-year	16	214.1	483.5

The statement of cash flows should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

# Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

## 1. ACCOUNTING POLICIES

Boral Limited is a company domiciled in Australia. The consolidated half-year financial report of Boral Limited as at and for the half-year ended 31 December 2011 comprises Boral Limited and its controlled entities (the "Group").

### (a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The financial report also complies with IAS 34 *Interim Financial Reporting*.

The half-year report does not include full note disclosures of the type normally included in an annual financial report. As a result the half-year financial report should be read in conjunction with the 30 June 2011 Annual Financial Report and any public announcements by Boral Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations under the Corporations Act 2001.

The half-year financial report was authorised for issue by the Directors on 28 February 2012.

The half-year report is presented in Australian dollars.

### (b) Significant Accounting Policies

The half-year financial report has been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2011 Annual Financial Report.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### (c) Comparative Figures

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

### (d) Rounding of Amounts

Boral Limited is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 2. SEGMENTS

The following summary describes the operations of the Group's reportable segments:

Boral Construction Materials	- Quarries, concrete, asphalt, transport and property development.
Cement Division	- Australian cement operations.
Boral Building Products	- Australian plasterboard, bricks, timber products, roof tiles, masonry and Asian plasterboard.
United States of America	- Bricks, roof tiles, fly ash, concrete, quarries, masonry and cultured stone.
Other	- Concrete placing and windows.
Discontinued Operations	- Scaffolding, precast panels, Asian construction materials.
Unallocated	- Non-trading operations and unallocated corporate costs.

The major end use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

Inter-segment pricing is determined on an arm's-length basis.

The Group has a large number of customers to which it provides products, with no single customer responsible for more than 10% of the Group's revenue.

Segment results, assets and liabilities includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	<b>CONSOLIDATED</b>	
	<b>Half-Year 31 Dec 2011</b>	<b>Half-Year 31 Dec 2010</b>
	<b>\$ millions</b>	<b>\$ millions</b>
<b>Reconciliations of reportable segment revenues and profits</b>		
External revenue	<b>2,432.7</b>	2,388.1
Less revenue from discontinued operations	<b>(133.6)</b>	(146.9)
Revenue from continuing operations	<b>2,299.1</b>	2,241.2
<b>Profit before Tax</b>		
Profit before net financing costs and income tax expense from reportable segments	<b>164.2</b>	148.7
Profit from discontinued operations	<b>(6.4)</b>	(5.4)
Net financing costs from continuing operations	<b>(31.6)</b>	(29.0)
Profit before tax from continuing operations	<b>126.2</b>	114.3

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 2. SEGMENTS (continued)

	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
	<b>TOTAL REVENUE</b>		<b>INTERNAL REVENUE</b>		<b>EXTERNAL REVENUE</b>	
Boral Construction Materials	1,290.2	1,173.6	78.9	71.5	1,211.3	1,102.1
Cement Division	256.8	252.0	99.8	99.1	157.0	152.9
Boral Building Products	564.9	628.1	2.6	3.9	562.3	624.2
United States of America	244.8	212.0	0.5	-	244.3	212.0
Other	124.2	150.0	-	-	124.2	150.0
Discontinued Operations	133.6	147.8	-	0.9	133.6	146.9
	<b>2,614.5</b>	<b>2,563.5</b>	<b>181.8</b>	<b>175.4</b>	<b>2,432.7</b>	<b>2,388.1</b>

	<b>OPERATING PROFIT (EXCLUDING ASSOCIATES)</b>		<b>EQUITY ACCOUNTED RESULTS OF ASSOCIATES</b>		<b>PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE</b>	
Boral Construction Materials	88.7	91.3	0.6	1.3	89.3	92.6
Cement Division	34.6	41.9	6.0	7.6	40.6	49.5
Boral Building Products	19.2	41.1	15.4	14.2	34.6	55.3
United States of America	(51.2)	(46.6)	(0.3)	(0.6)	(51.5)	(47.2)
Other	1.6	4.1	-	-	1.6	4.1
Discontinued Operations	6.4	5.4	-	-	6.4	5.4
Unallocated	(12.4)	(11.0)	-	-	(12.4)	(11.0)
	<b>86.9</b>	<b>126.2</b>	<b>21.7</b>	<b>22.5</b>	<b>108.6</b>	<b>148.7</b>
Significant items (refer note 6)	55.6	-	-	-	55.6	-
	<b>142.5</b>	<b>126.2</b>	<b>21.7</b>	<b>22.5</b>	<b>164.2</b>	<b>148.7</b>

	<b>SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)</b>		<b>EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES</b>		<b>TOTAL ASSETS</b>	
	Half-Year 31 Dec 2011 \$ millions	Full Year 30 Jun 2011 \$ millions	Half-Year 31 Dec 2011 \$ millions	Full Year 30 Jun 2011 \$ millions	Half-Year 31 Dec 2011 \$ millions	Full Year 30 Jun 2011 \$ millions
Boral Construction Materials	2,086.8	1,800.0	0.8	0.8	2,087.6	1,800.8
Cement Division	635.7	785.4	19.7	20.5	655.4	805.9
Boral Building Products	2,426.8	1,261.9	13.3	214.8	2,440.1	1,476.7
United States of America	829.2	828.8	4.0	4.1	833.2	832.9
Other	84.5	78.8	-	-	84.5	78.8
Discontinued Operations	101.3	-	-	-	101.3	-
Unallocated	8.7	23.5	-	-	8.7	23.5
	<b>6,173.0</b>	<b>4,778.4</b>	<b>37.8</b>	<b>240.2</b>	<b>6,210.8</b>	<b>5,018.6</b>
Cash and cash equivalents	214.1	561.2	-	-	214.1	561.2
Deferred tax assets	132.4	88.2	-	-	132.4	88.2
	<b>6,519.5</b>	<b>5,427.8</b>	<b>37.8</b>	<b>240.2</b>	<b>6,557.3</b>	<b>5,668.0</b>

#### Geographical information

For the half-year ended 31 December 2011, the Group's trading revenue from external customers in Australia amounted to \$2,022.9 million (2010: \$2,058.1 million), with \$165.5 million (2010: \$118.0 million) from the Asian operations and \$244.3 million (2010: \$212.0 million) relating to the operations in the USA. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia amounted to \$2,911.9 million (30 June 2011: \$2,624.8 million), with \$1,016.7 million (30 June 2011: \$269.3 million) in Asia and \$649.9 million (30 June 2011: \$651.2 million) in the USA.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### CONSOLIDATED

Half-Year 31 Dec 2011	Half-Year 31 Dec 2010
\$ millions	\$ millions

### 3. DISCONTINUED OPERATIONS

During the period, the Group undertook an active program to divest both its Indonesian Construction Materials and Thailand Construction Materials businesses, resulting in the businesses being classified as "Held for Sale" at 31 December 2011. The results for the current and comparative periods have been reclassified to "Discontinued".

The 31 December 2010 comparatives include the discontinued operations relating to Scaffolding and Panels businesses.

#### Results of discontinued operations

Revenue	133.6	146.9
Expenses	(127.2)	(141.5)
<b>Profit before net financing costs and income tax expense</b>	<b>6.4</b>	<b>5.4</b>
Net financing costs	(2.4)	(2.4)
<b>Profit before income tax expense</b>	<b>4.0</b>	<b>3.0</b>
Income tax expense	(0.9)	(1.3)
<b>Net profit</b>	<b>3.1</b>	<b>1.7</b>
<b>Attributable to:</b>		
Members of the parent entity	2.9	1.3
Non-controlling interest	0.2	0.4
<b>Net profit</b>	<b>3.1</b>	<b>1.7</b>
Basic earnings per share	0.4c	0.2c
Diluted earnings per share	0.4c	0.2c

#### Cash flows from discontinued operations

Net cash from operating activities	10.7	3.9
Net cash from investing activities	(6.0)	45.2
<b>Net cash from discontinued operations</b>	<b>4.7</b>	<b>49.1</b>

#### Assets and liabilities classified as held for sale

Property, plant and equipment	40.1	-
Intangible assets	0.6	-
Inventories	8.1	-
Trade and other receivables	46.7	-
Other assets	5.8	-
<b>Assets classified as held for sale</b>	<b>101.3</b>	<b>-</b>
Payables	37.3	-
Provisions	0.2	-
<b>Liabilities classified as held for sale</b>	<b>37.5</b>	<b>-</b>
<b>Net assets</b>	<b>63.8</b>	<b>-</b>

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
<b>4. OPERATING PROFIT</b>			
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Sale of goods		2,254.9	2,209.9
Rendering of services		44.2	31.3
		<b>2,299.1</b>	<b>2,241.2</b>
Depreciation and amortisation expenses - continuing operations		123.9	115.7
Depreciation and amortisation expenses - discontinued operations		4.5	4.7
<b>OTHER INCOME</b>			
Significant item	6	158.1	-
Net profit on sale of assets		-	12.7
Other income		2.1	3.5
Other income from continuing operations		<b>160.2</b>	<b>16.2</b>
<b>OTHER EXPENSES</b>			
Significant items	6	102.5	-
Net loss on sale of assets		0.5	-
Net foreign exchange loss		-	0.9
Other expenses from continuing operations		<b>103.0</b>	<b>0.9</b>
<b>5. INCOME TAX EXPENSE</b>			
<b>Reconciliation of income tax expense to prima facie tax payable</b>			
Income tax expense on profit at Australian tax rates 30% (2010: 30%)		39.1	35.2
Variation between Australian and overseas tax rates		(7.7)	(4.8)
Share of associates' net income and franked dividend income		(6.5)	(6.8)
Gain on fair value measurement of initial LBGA shareholding		(47.4)	-
Other items		1.9	1.0
Income tax (benefit)/ expense		<b>(20.6)</b>	<b>24.6</b>
Tax ( benefit)/ expense relating to continuing operations		<b>(21.5)</b>	<b>23.3</b>
Tax expense relating to discontinued operations		<b>0.9</b>	<b>1.3</b>
		<b>(20.6)</b>	<b>24.6</b>

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### CONSOLIDATED

Half-Year 31 Dec 2011	Half-Year 31 Dec 2010
\$ millions	\$ millions

### 6. SIGNIFICANT ITEMS

Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the Group:

#### Continuing operations

Gain on fair value remeasurement of initial LBGA shareholding	(i)	158.1	-
Acquisition and integration costs	(ii)	(23.6)	-
Impairment of assets, businesses and demolition costs	(iii)	(78.9)	-
<b>Total significant items before tax</b>		<b>55.6</b>	<b>-</b>
Income tax benefit		30.4	-
<b>Net significant items</b>		<b>86.0</b>	<b>-</b>

#### (i) Gain on fair value remeasurement of initial LBGA shareholding

On 9 December 2011, the Group acquired the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd ("LBGA"). On acquisition of the remaining 50% interest in LBGA, the initial investment was remeasured to fair value in accordance with Australian Accounting Standards AASB 3 "Business Combinations", which resulted in a gain to the Group. The gain is net of the derecognition of the foreign currency reserve of \$30.5 million associated with the initial investment.

#### (ii) Acquisition and integration costs

During the half year ended 31 December 2011, the Group incurred costs (including stamp duty), associated with the acquisition and integration of the Asian Plasterboard operations, Wagners' Construction Material concrete and quarry assets, and Sunshine Coast Quarries' concrete assets and quarries (refer note 15). The acquisition costs are included in other expenses in the Income Statement for the period.

#### (iii) Impairment of assets, businesses and demolition costs

Deterioration in returns from a number of businesses resulted in a reassessment of long term manufacturing capacity requirements. This resulted in a write-down of \$43.0 million in respect of the Galong lime plant that was closed during the period and \$15.9 million in respect of two US brick plants. In light of ongoing depressed trading conditions in the US construction materials markets in Oklahoma and Denver, the goodwill associated with the US construction materials businesses was reassessed which resulted in a \$20.0 million impairment charge reflecting lower margins and increased competition.

#### CONSOLIDATED

Summary of significant items before tax	Half-Year 31 Dec 2011	Half-Year 31 Dec 2010
	\$ millions	\$ millions
Cement Division	(43.0)	-
Boral Building Products	158.1	-
United States of America	(35.9)	-
Unallocated - acquisition costs	(23.6)	-
	<b>55.6</b>	<b>-</b>

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

## 7. EARNINGS PER SHARE

### Classification of securities as ordinary shares

Only ordinary shares have been included in basic earnings per share.

### Classification of securities as potential ordinary shares

Options outstanding under the Executive Share Option Plan and Share Performance Rights have been classified as potential ordinary shares and are included in diluted earnings per share only.

	CONSOLIDATED	
	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
<b>Earnings reconciliation</b>		
Net profit before significant items and non-controlling interests	64.8	92.7
Loss/(profit) attributable to non-controlling interests	1.9	(0.4)
<b>Net profit excluding significant items</b>	<b>66.7</b>	92.3
Net significant items	86.0	-
<b>Net profit attributable to members of the parent entity</b>	<b>152.7</b>	92.3

	CONSOLIDATED	
	Half-Year 31 Dec 2011	Half-Year 31 Dec 2010
<b>Weighted average number of ordinary shares used as the denominator</b>		
Number for basic earnings per share	737,083,408	710,319,094
Effect of potential ordinary shares	6,539,796	4,906,895
<b>Number for diluted earnings per share</b>	<b>743,623,204</b>	715,225,989
Basic earnings per share	20.7c	13.0c
Diluted earnings per share	20.5c	12.9c
Basic earnings per share (excluding significant items)	9.0c	13.0c
Diluted earnings per share (excluding significant items)	9.0c	12.9c
Basic earnings per share (continuing operations)	20.3c	12.8c
Diluted earnings per share (continuing operations)	20.1c	12.7c

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.



## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 8. DIVIDENDS

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
<b>For the half-year ended 31 December 2011</b>				
Final June 2011 - ordinary	<b>7.0 cents</b>	<b>51.1</b>	<b>7.0 cents</b>	<b>27 September 2011</b>
Total amount		<b>51.1</b>		

#### For the half-year ended 31 December 2010

Final June 2010 - ordinary	6.5 cents	46.7	6.5 cents	28 September 2010
Total amount		46.7		

#### Subsequent Event

Since the end of the period, the Directors have declared the following dividend:

Interim - ordinary	<b>7.5 cents</b>	<b>55.8</b>	<b>7.5 cents</b>	<b>5 April 2012</b>
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The financial effect of the interim dividend for December 2011 has not been brought to account in the financial report for the period ended 31 December 2011 but will be recognised in subsequent financial reports.

#### Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan will operate in respect of the payment of the interim dividend and the last date for the receipt of an election notice for participation in the plan is 9 March 2012. Shares issued under Boral's Dividend Reinvestment Plan will be issued at a 2.5% discount to market price.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
			31 Dec 2011 %	30 Jun 2011 %
<b>DETAILS OF INVESTMENTS IN ASSOCIATES</b>				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	50	50
Caribbean Roof Tile Company Limited	Roof tiles	31-Dec	50	50
Flyash Australia Pty Ltd	Flyash collection	31-Dec	50	50
Gypsum Resources Australia Pty Ltd	Gypsum mining	30-Jun	50	50
Highland Pine Products Pty Ltd	Timber	30-Jun	50	50
Lafarge Boral Gypsum in Asia Sdn Bhd *	Plasterboard	31-Dec	-	50
Penrith Lakes Development Corporation Ltd	Quarrying	30-Jun	40	40
Rondo Building Services Pty Ltd	Rollform systems	30-Jun	50	50
South East Asphalt Pty Ltd	Asphalt	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	50	50
US Tile LLC	Roof tiles	31-Dec	50	50

\* Lafarge Boral Gypsum in Asia Sdn Bhd became a controlled entity during the period.

	CONSOLIDATED	
	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2010 \$ millions
<b>RESULTS OF ASSOCIATES</b>		
Share of associates' profit before income tax expense	31.0	32.7
Share of associates' income tax expense	(8.4)	(8.8)
Non-controlling interest	(0.9)	(1.4)
Share of associates' net profit - equity accounted	21.7	22.5

#### MATERIAL INTERESTS IN ASSOCIATES

Share of associate's net profit/(loss) - equity accounted		
Lafarge Boral Gypsum in Asia Sdn Bhd	10.1	9.3
Rondo Building Services Pty Ltd	5.3	4.9
Sunstate Cement Ltd	5.2	6.7

	CONSOLIDATED		
	Half-Year 31 Dec 2011	Full Year 30 Jun 2011	Half-Year 31 Dec 2010
Net tangible asset backing per ordinary security	\$3.27	\$3.91	\$3.89

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	31 Dec 2011 \$ millions	30 Jun 2011 \$ millions
<b>11. LOANS AND BORROWINGS</b>		
<b>CURRENT</b>		
Bank overdrafts - BGA* - unsecured	3.4	-
Bank loans - unsecured	60.7	16.4
Bank loans - BGA* - unsecured	42.6	-
Other loans - unsecured	152.5	146.8
Finance lease liabilities	0.4	0.2
	<b>259.6</b>	<b>163.4</b>
<b>NON-CURRENT</b>		
Bank loans - unsecured	-	49.2
Bank loans - BGA* - unsecured	86.5	-
Other loans - unsecured	1,411.6	854.0
Finance lease liabilities	0.5	-
	<b>1,498.6</b>	<b>903.2</b>
	<b>1,758.2</b>	<b>1,066.6</b>

\* BGA - Boral Gypsum Asia

### TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 31 Dec 2011	Year of maturity	CONSOLIDATED	
				31 Dec 2011 Carrying amount \$ millions	30 Jun 2011 Carrying amount \$ millions
<b>CURRENT</b>					
Bank overdrafts - BGA* - unsecured	USD	5.08%	2012	3.4	-
US senior notes - unsecured	USD	6.91%	2012	152.1	146.4
Bank loans - unsecured	USD	1.25%	2012	9.8	9.3
Bank loans - unsecured	THB	5.74%	2012	50.9	7.1
Bank loans - BGA* - unsecured	Multi	4.90%	2012	42.6	-
Other loans - unsecured <sup>1</sup>	AUD	-	2012	0.4	0.4
Finance lease liabilities	Multi	9.31%	2012	0.4	0.2
				<b>259.6</b>	<b>163.4</b>
<b>NON-CURRENT</b>					
US senior notes - unsecured	USD	6.35%	2014-2020	909.2	853.3
Syndicated loan facility - unsecured	AUD	6.26%	2015	501.9	-
Bank loans - unsecured	THB	-	-	-	49.2
Bank loans - BGA* - unsecured	Multi	4.46%	2013-2016	86.5	-
Other loans - unsecured <sup>1</sup>	AUD	-	2014	0.5	0.7
Finance lease liabilities	AUD	8.93%	2013-2017	0.5	-
				<b>1,498.6</b>	<b>903.2</b>
<b>TOTAL</b>				<b>1,758.2</b>	<b>1,066.6</b>

1. Vendor loan covering the purchase of plant and equipment where instalment repayments by the Boral Group do not include an interest component.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	Consolidated	
	Half-Year 31 Dec 2011 \$ millions	Full Year 30 Jun 2011 \$ millions
<b>12. ISSUED CAPITAL</b>		
744,729,957 (30 Jun 2011: 729,925,990) ordinary shares	2,312.4	2,261.3
<b>MOVEMENTS IN ISSUED CAPITAL</b>		
Balance at the beginning of the period	2,261.3	1,724.0
7,327,954 (30 Jun 2011: 10,899,457) shares issued under the Dividend Reinvestment Plan	25.4	53.1
7,476,013 (30 Jun 2011: Nil) shares issued under the Dividend Reinvestment Plan underwriting agreement	25.7	-
Nil (30 Jun 2011: 172,916) shares issued on vesting of rights	-	0.8
Nil (30 Jun 2011: 119,900,619) shares issued under capital raising net of costs	-	479.8
Income tax benefit on capital raising	-	3.6
Balance at the end of the period	2,312.4	2,261.3

During the prior year, the Group undertook a capital raising of \$479.8 million net of transaction costs of \$11.8 million. The capital raising consisted of a 1 for 5 accelerated renounceable entitlement offer at an offer price of \$4.10 per share. The capital raising resulted in the issue of 68,332,173 ordinary shares under the Institutional Entitlement offer and 51,568,446 ordinary shares under the Retail Entitlement offer.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

### MOVEMENTS IN EMPLOYEE COMPENSATION SHARES

Balance at the beginning of the period	-	-
Nil (30 Jun 2011: 670,873) shares vested and transferred from share-based payments reserve	-	3.4
Nil (30 Jun 2011: 670,873) shares purchased on-market	-	(3.4)
Balance at the end of the period	-	-

The employee equity compensation account represents the balance of Boral shares held by the Group which as at the end of the period have not vested to Group employees and therefore are controlled by the Group. These shares relate to the Boral Senior Executive Performance Share Plan.

### 13. RESERVES

Foreign currency translation reserve	(102.6)	(131.6)
Hedging reserve - cash flow hedges	2.1	(0.4)
Other reserve*	(66.3)	(66.3)
Share-based payments reserve	42.5	38.8
Balance at the end of the period	(124.3)	(159.5)

\* Relates to future consideration on the Cultured Stone acquisition

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 14. CONTINGENT LIABILITIES

Boral Limited has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to controlled entities.

A number of sites within the Group and its associates have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed, estimated clean-up costs have been expensed or provided for. For some sites, the requirements cannot be reliably assessed at this stage.

Certain entities within the Group are subject to various lawsuits and claims in the ordinary course of business.

Consistent with other companies of the size and diversity of Boral, the Group is the subject of periodic information requests, investigations and audit activity by the Australian Taxation Office (ATO) and taxation authorities in other jurisdictions in which Boral operates.

The Group has considered all of the above claims and, where appropriate, sought independent advice and believes it holds appropriate provisions.

## Notes to the Financial Statements

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 15. ACQUISITIONS

The following acquisitions are reflected in the Group's half-year financial report.

	Half-Year 31 Dec 2011 \$ millions
Lafarge Boral Gypsum in Asia Sdn Bhd	531.4
Wagners - concrete and quarry	166.2
Sunshine coast quarries	83.0
Less: Cash acquired	(93.6)
Less: Cash paid - deposit in prior year	(17.3)
<b>Total purchase consideration for the half-year</b>	<b>669.7</b>

Acquisition related costs in respect of these acquisitions of \$23.6 million are included in other expenses in the Income Statement for the period.

##### i. Lafarge Boral Gypsum in Asia Sdn Bhd acquisition

During August 2011, the Group announced that it had reached an agreement with Lafarge to acquire the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd ("LBGA"). The acquisition was completed on 9 December 2011 and the results have been consolidated into the Group's financial report from that date. The acquisition positions Boral as the pre-eminent producer of plasterboard and related internal lining solutions products in the Asia Pacific Region. The business has subsequently been renamed Boral Gypsum Asia ("BGA").

For the period from 1 July 2011 to 9 December 2011 and throughout the prior year, the Group held an initial 50% shareholding in LBGA that was recorded as an equity accounted investment. On acquisition of the remaining 50% interest in LBGA, this initial investment was remeasured to fair value in accordance with Australian Accounting Standards.

	\$ millions
Fair value of equity accounted investment as at acquisition date	398.6
Less:	
Carrying value of equity accounted investment as at acquisition date	(210.0)
Translation reserve on equity accounted investment as at acquisition date	(30.5)
<b>Gain on remeasurement to fair value</b>	<b>158.1</b>

Due to the proximity of the acquisition to the half-year reporting date, the fair value of the assets, liabilities and intangibles has not been finalised, and disclosures are provisional only.

The acquisition had the following effect on the Group's assets and liabilities.

	\$ millions
Purchase consideration	
Cash paid - purchase price	531.4
Equity accounted investment	398.6
Non-controlling interest	22.8
Less: Fair value of net identifiable assets acquired	(341.0)
<b>Goodwill on acquisition</b>	<b>611.8</b>

## Notes to the Financial Statements

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 15. ACQUISITIONS (continued)

##### i. Lafarge Boral Gypsum in Asia Sdn Bhd acquisition (continued)

	Acquiree's carrying amount \$ millions
Assets and liabilities acquired are as follows:	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	93.6
Receivables	67.9
Inventories	42.4
Other assets	2.2
<b>NON-CURRENT ASSETS</b>	
Receivables	4.4
Property, plant and equipment	387.1
Deferred tax asset	2.1
Other	0.4
<b>CURRENT LIABILITIES</b>	
Payables	(96.5)
Loans and borrowings	(46.3)
Current tax liabilities	(5.3)
Provisions	(5.7)
<b>NON-CURRENT LIABILITIES</b>	
Payables	-
Loans and borrowings	(86.9)
Deferred tax liabilities	-
Provisions	(17.5)
Other	(0.9)
Net identifiable assets acquired	<b>341.0</b>

During the period from acquisition to 31 December 2011, BGA has contributed revenue of \$31.9 million and earnings before interest and tax of \$2.3 million. Had the investment taken place on 1 July 2011, the Group would have consolidated 100% of the revenue and results of BGA resulting in revenues of \$287.5 million and earnings before interest and tax of \$32.8 million, and not recognised equity income of \$10.1 million.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 15. ACQUISITIONS (continued)

##### ii. Wagner's' Construction Material Concrete and Quarry Assets

On 8 December 2011, the Group acquired certain construction materials assets of the Wagners Group. This acquisition includes 5 quarries and 19 concrete plants located throughout the Darling Downs, South East Queensland and Townsville regions and enables the Group to expand its construction materials activities in the Queensland market.

Due to the proximity of the acquisition to the half-year reporting date, the fair value of the assets, liabilities and intangibles has not been finalised, and disclosures are provisional only.

The acquisition had the following effect on the Group's assets and liabilities:

	\$ millions
Purchase consideration	
Cash paid - deposit in prior year	17.3
Cash paid - in current period	148.9
<b>Total purchase consideration</b>	<b>166.2</b>
Fair value of net identifiable assets acquired	
Inventories	4.1
Property, plant and equipment	162.5
Other assets	0.3
Provisions	(0.7)
<b>Total fair value of net identifiable assets acquired</b>	<b>166.2</b>

During the period from acquisition to 31 December 2011, the Wagners business contributed revenue of \$3.0 million and loss before interest and tax of \$0.2 million. The Group considers it impractical to determine the impact on the Group's revenues or results had this business acquisition taken place at 1 July 2011, as the entity's accounting policies were not consistent with those adopted by the Group.

##### iii. Sunshine Coast Quarries acquisition

On 31 October 2011, the Group acquired the quarry and concrete assets of Sunshine Coast Quarries, including a large scale quarry at Moy Pocket, a smaller quarry at Wondai and a concrete plant at Gympie. This acquisition enhances the Group's construction materials position in Queensland by securing long term high quality quarry reserves.

Due to the proximity of the acquisition to the half-year reporting date, the fair value of the assets, liabilities and intangibles has not been finalised, and disclosures are provisional only.

The acquisition had the following effect on the Group's assets and liabilities:

	\$ millions
Purchase consideration	
Cash paid - purchase price	83.0
<b>Total purchase consideration</b>	<b>83.0</b>
Fair value of net identifiable assets acquired	
Inventories	1.4
Property, plant and equipment	81.8
Other liabilities	(0.1)
Provisions	(0.1)
<b>Total fair value of net identifiable assets acquired</b>	<b>83.0</b>

The acquisition contributed revenue of \$4.4 million and earnings before interest and tax of \$0.3 million. The Group considers it impractical to determine the impact on the Group's revenues or results had this business acquisition taken place at 1 July 2011, as the entity's accounting policies were not consistent with those adopted by the Group.



## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### Consolidated

Half-Year 31 Dec 2011	Half-Year 31 Dec 2010
\$ millions	\$ millions

### 16. NOTES TO STATEMENT OF CASH FLOWS

#### i. Reconciliation of cash and cash equivalents

Cash includes cash on hand, at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	<b>214.1</b>	483.5
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#### ii. Non-cash items

The following non-cash financing and investing activities have not been included in the statement of cash flows:

Dividends reinvested under the Dividend Reinvestment Plan	<b>25.4</b>	25.2
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#### iii. Acquisition, Closure and Restructuring Costs Paid

Relates to payment of acquisition costs together with costs associated with the closure of the Plywood Timber business and other manufacturing capacity reductions announced in June 2011.

<b>42.5</b>	11.1
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### 17. SUBSEQUENT EVENTS

#### i. Sale of the Indonesian Construction Materials businesses

On the 1 February 2012, the Group announced the sale of its Indonesian Construction Materials operations to the Siam Cement Group for an enterprise value of US\$135 million, which is expected to result in a profit before tax of approximately US\$35 million after taking into account transaction, transition and other costs associated with the sale. The transaction is subject to local regulatory approvals.

#### ii. Building Products - Roofing Queensland and East Coast Masonry

On the 28 February 2012, the Group announced the closure of its Roofing manufacturing and distribution operations in Queensland following a review of the long term financial performance and low industry capacity utilisation. The business has assets (excluding freehold land) of around \$7 million and around 32 employees.

In addition, the Group announced that it proposes to divest of its East Coast Masonry businesses and focus the Building Products division on those areas with market leadership positions in high growth markets. Boral will commence a formal sale process which is expected to be substantially complete by the end of the financial year. The form of the sale process is yet to be determined and as a result, it is not possible to determine the outcome of the process.

As a consequence of these decisions, the overhead support structure within the Boral Building Products division will be significantly reduced to reflect the streamlined brick, roof tile and remaining masonry operations.

The financial impact of these reshaping activities has not been reflected in the financial report.

## Statutory Statements

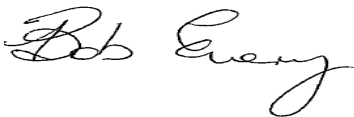
BORAL LIMITED AND CONTROLLED ENTITIES

### Directors' Declaration

In the opinion of the Directors of Boral Limited:

1. The financial statements and notes set out on pages 3 to 23, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



**Bob Every**  
Director



**Mark Selway**  
Director

Sydney, 28 February 2012



## Independent Auditor's Review Report to the Members of Boral Limited

### Report on the Financial Report

We have reviewed the accompanying half-year financial report of Boral Limited, which comprises the consolidated balance sheet as at 31 December 2011, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 17 comprising accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As auditor of Boral Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boral Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

Greg Boydell  
Partner

Sydney, 28 February 2012