RESULTS

For the year ended
30 June 2018

29 August 2018

Delivering earnings growth and acquisition synergies

Agenda

Fly ash reclaim, Montour, Pennsylvania

Results Overview
Mike Kane

Financial Results
Ros Ng

Strategic Priorities & Outlook
Mike Kane

Boral today

Transformation strategy on track with three strong divisions and robust balance sheet

1 BORAL AUSTRALIA

Delivering further gains and maintaining leading positions

- Key supplier to strong & resilient infrastructure, non-residential and residential construction markets
- Valuable quarry positions and downstream networks
- Strengthening margins and customer experience through excellence programs and innovation
- ROFE of 17.5%

2 USG BORAL

Positioned to return to earnings growth plus strategic options

- Organic and innovation-based growth including Sheetrock®, technical board & non-board
- Responding to cyclical demand changes and competitive pressures
- In FY2019, strategic opportunity to return to 100% ownership or expanded JV
- ROFE of 9.9%

3 BORAL NORTH AMERICA

Synergy benefits, transformation and growth on track

- Headwaters acquisition is delivering substantial growth and driving ROFE recovery
- Further growth through market recovery, innovation and fly ash strategy
- Short-term operational issues largely addressed
- Four year synergy target increased 15% to US$115m
- ROFE of 4.4%

4 BORAL GROUP

Solid balance sheet and growing shareholder returns

- At 30 June 2018, gearing (net D / net D + E) of 30%
- Boral's principle debt gearing covenant well within threshold
- Denver divestment proceeds will reduce net debt from $2,453m to $2,281m
- 28% growth in EPSA[1]

1. Refer to slide 66 for reconciliation and explanation; FY2018 on prior corresponding period

Full year results highlights

Substantial growth, strong Q4 from Boral Australia and North America, above target synergies

FY2018 vs FY2017

A$m	*A$m*	*cents*
EBITDA[1,2] $1,056m ↑ 47%	NPATA[1,2] $514m ↑ 47%	EPSA[1,2] 43.8c ↑ 28%
EBITA[1,2] $749m ↑ 59%	NPAT[1,2] $473m ↑ 38%	EPS[1,2] 40.4c ↑ 20%
EBIT[1,2] $688m ↑ 50%	Statutory NPAT[2] $441m ↑ 49%	Full year dividend 26.5c ↑ 10%

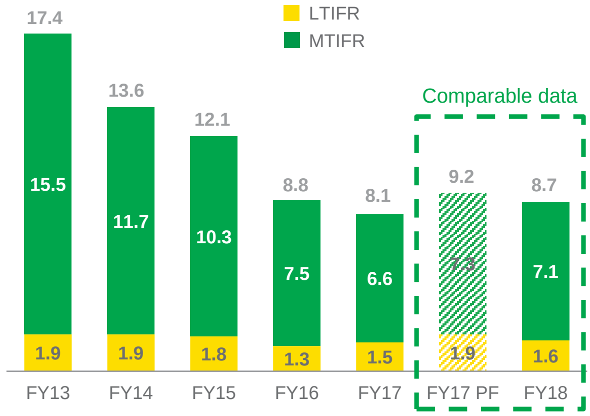
1. Excluding significant items
2. Refer to slide 66 for reconciliation and explanation of these items

Safety performance

Company-wide commitment to Zero Harm Today

Employee and contractor RIFR[1]

(per million hours worked)



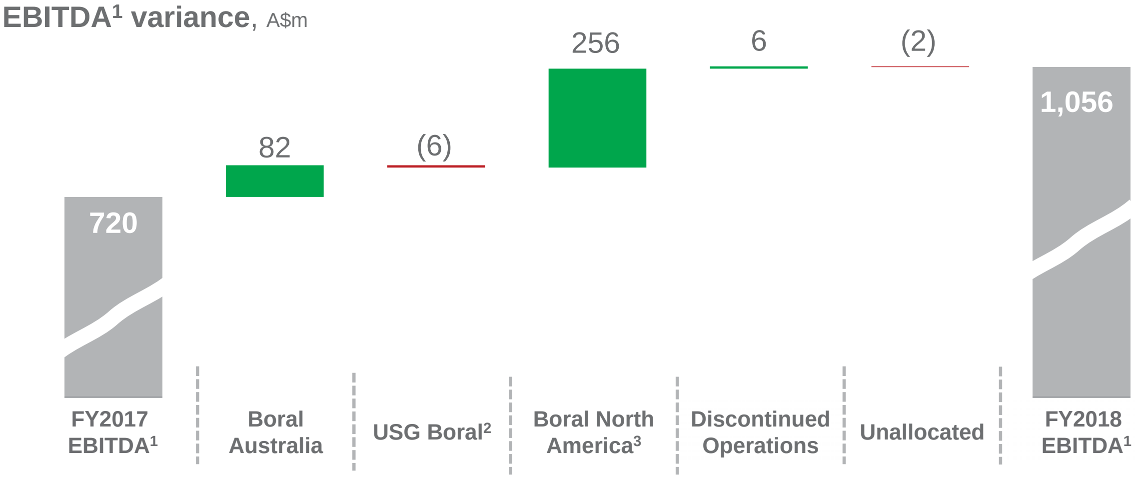
- On a **comparable basis** *(proforma FY2017)* RIFR of 8.7 down from 9.2 with LTIFR of 1.6 versus 1.9 last year
- RIFR for **Headwaters** businesses **improved 27%** year on year to 10.7
- **RIFR of 8.7,** up from reported 8.1 in FY17, largely reflects ~4,500 FTEs from Headwaters and all JVs irrespective of equity or management control
  - **LTIFR of 1.6,** up from 1.5
  - **MTIFR of 7.1**, up from 6.6

1. Recordable Injury Frequency Rate (RIFR) per million hours worked is made up of Lost Time Injury Frequency Rate (LTIFR) and Medical Treatment Injury Rate (MTIFR). Includes employees and contractors . FY18 and FY17PF include 100%-owned businesses including Headwaters and all joint ventures regardless of equity interest. Prior years include 100%-owned businesses and 50%-owned joint venture operations only.

Significant increase in earnings in FY2018

Driven by Headwaters acquisition and Boral Australia

EBITDA[1] variance, A$m



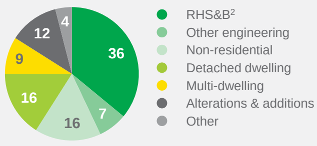
1. Excluding significant items
2. Represents Boral's 50% post-tax equity accounted income from USG Boral JV
3. Earnings from combined Boral USA and Headwaters businesses and Boral's 50% post-tax equity accounted income from Meridian Brick JV formed on 1 November 2016

Strong activity in our key markets

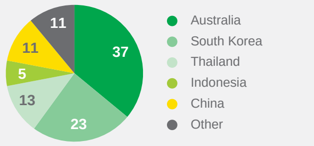
Increased exposure to growing US markets post Headwaters acquisition

Revenue[1] by end-market, %

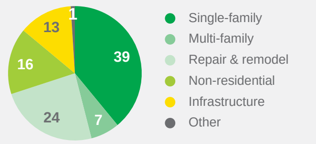
Boral Australia, %



USG Boral joint venture, %



Boral North America, %



Market activity: FY2018e vs FY2017

Australia	
RHS&B[2]	↑ 15%
Non-residential[3]	↑ 13%
Total housing starts[4]	↔
- Detached	↑ 3%
- Multi	↓ 3%
Alterations & additions[3]	↓ 4%

Asia & Middle East[5]	
Korea	↑
Thailand	↓
China	↑
Indonesia	↔
Other emerging markets	↑

USA	
Total housing starts[6]	↑ 4%
- Single	↑ 8%
- Multi	↓ 5%
Repair & remodel[7]	↑ 7%
Non-residential[8]	↔
Infrastructure[9]	↑ 5%

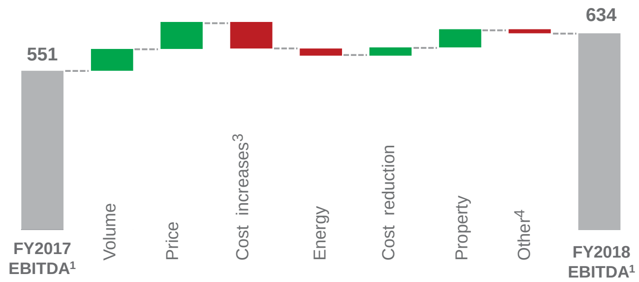
1. Based on FY2018 external revenue; USG Boral is for underlying revenue; Boral North America includes Boral's 50% share of revenue from Meridian Brick JV which is not included in reported revenue
2. Roads, highways, subdivisions and bridges. Value of work done (VWD) is average of Macromonitor and BIS Oxford Economics forecasts
3. Based on Non-residential and Alterations & Additions VWD (constant 2015/2016 prices) from ABS. Average of BIS Shrapnel and Macromonitor for June 2018 quarter
4. ABS original housing starts plus average of forecasts from Macromonitor, BIS Oxford Economics and HIA for June 2018 quarter
5. Based on various indicators of construction activity in Boral's markets. For China this reflects high-end markets in which USG Boral operates. Other emerging markets include Vietnam, India and the Philippines
6. US Census Bureau seasonally adjusted housing starts
7. Moody's Retail Sales of Building Products, June 2018
8. Dodge & Analytics, Non-residential square foot area, June 2018
9. Infrastructure Ready Mix Demand from McGraw Hill Dodge June 2018

Boral Australia

Strong result underpinned by growing infrastructure, non-residential activity & property

A$m	FY2018	FY2017	Var, %
Revenue	3,590	3,296	9
EBITDA[1]	**634**	**551**	**15**
EBITDA ROS[1], %	*17.6*	*16.7*	
Property	63	24	
EBITDA[1] excl Property	570	528	8
EBITDA excl Prop ROS[1], %.	*15.9*	*16.0*	
EBIT[1]	**433**	**349**	**24**
EBIT ROS[1], %	*12.1*	*10.6*	
Net Assets	2,482	2,389	
ROFE[1,2], %	**17.5**	**14.6**	

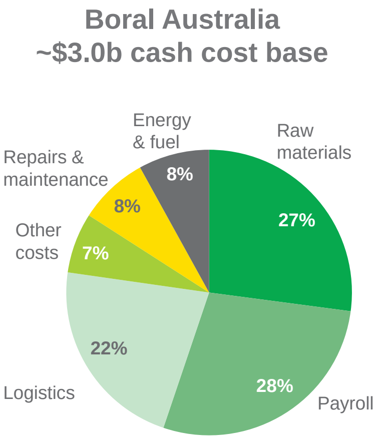
- **EBITDA and EBIT** up 15% and 24% respectively, exceeding April 10–20% guidance
- **EBITDA (excluding Property) up 8%**
  - strong growth in construction materials, particularly NSW, Qld & Vic
  - margin steady with higher proportion of revenue from lower margin businesses & investment in improvement initiatives
- **ASP higher in most businesses,** except Quarries & WA Bricks
- **ROFE** up strongly from 14.6% to 17.5%



1. Excluding significant items
2. EBIT before significant items on divisional funds employed
3. Includes inflationary, operational, production and SG&A cost increases
4. Includes restructuring costs

Boral Australia

Cost increases being recovered through price and improvement initiatives



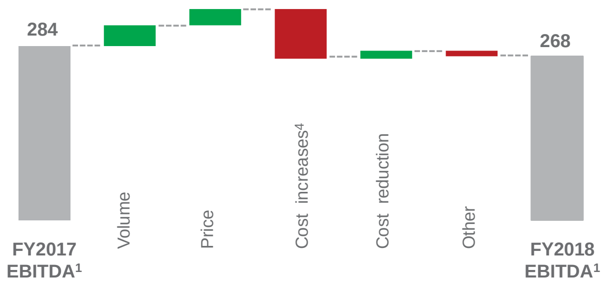
- **Raw materials costs**: internationally traded clinker and bitumen prices moving in line with Asian markets and exchange rate
  - clinker costs in FY2018 similar to prior year but prices trending up in FY2019
- **Labour:** average wage inflation of around 3%
- **Logistics:** higher subcontractor cartage costs in east coast markets due to higher demand to move tunnel material and supply underlying markets
- **Energy and fuel:**
  - price increases in electricity, gas, diesel and coal impacted by ~$23m in FY2018 (including $7m in diesel)
  - expect $25-$30m price increase impact in FY2019
- **In FY2019, targeting to recover cost increases through price**

USG Boral

Solid revenue growth; earnings softer due to higher input costs and one off costs

A$m	FY2018	FY2017	Var, %
Reported result			
Equity income[1,2]	63	70	(9)
Underlying result			
Revenue	1,575	1,478	7
EBITDA[2]	268	284	(6)
EBITDA ROS[2], %	17.0	19.2	
EBIT[2]	194	217	(10)
EBIT ROS[2], %	12.3	14.7	
Net Assets	1,955	1,862	–
ROFE[2,3], %	9.9	11.6	

- **Revenue** underpinned by continued adoption of Sheetrock® & technical board, primarily in Australia, China, Korea, Thailand
- **EBITDA** impacted by $11m of one-off costs plus operational issues late in Q4, higher input costs and pricing pressure
- **Solid Australia contribution** with revenue up 9%, driven by board and non-board volumes, while selling prices were steady
- **Strong Asia revenue growth** up 5%, driven by higher volumes and prices in China and Korea and volume growth in Thailand



1. Post-tax equity income from Boral's 50% share of USG Boral JV
2. Excluding significant items
3. EBIT before significant items on divisional funds employed
4. Includes inflationary, operational, production and SG&A cost increases as well one-off cost impacts

Boral North America

Substantial earnings lift and exceeded year one acquisition synergy targets

A$m	FY2018	FY2017	FY2017 proforma[3]
Revenue	**2,141**	963	2,211
EBITDA[1]	**368**	111	345
EBITA[1]	**268**	72	250
EBIT[1]	**208**	60	210
Net Assets	**4,678**	4,524[4]	
US$m			
Revenue	**1,656**	726	1,666
EBITDA[1]	**284**	84	260
EBITDA ROS[1], %	***17.2***	*11.6*	*15.6*
EBITA[1]	**208**	55	188
EBITA ROS[1], %	***12.5***	*7.6*	*11.3*
EBIT[1]	**161**	45	158
ROFE[2], %	**4.4**	4.3	

- **Substantial lift in revenue and EBITDA** through acquisition and successful integration of Headwaters
- **Synergies** of US$39m ahead of initial US$30-35m target

Compared to FY2017 proforma

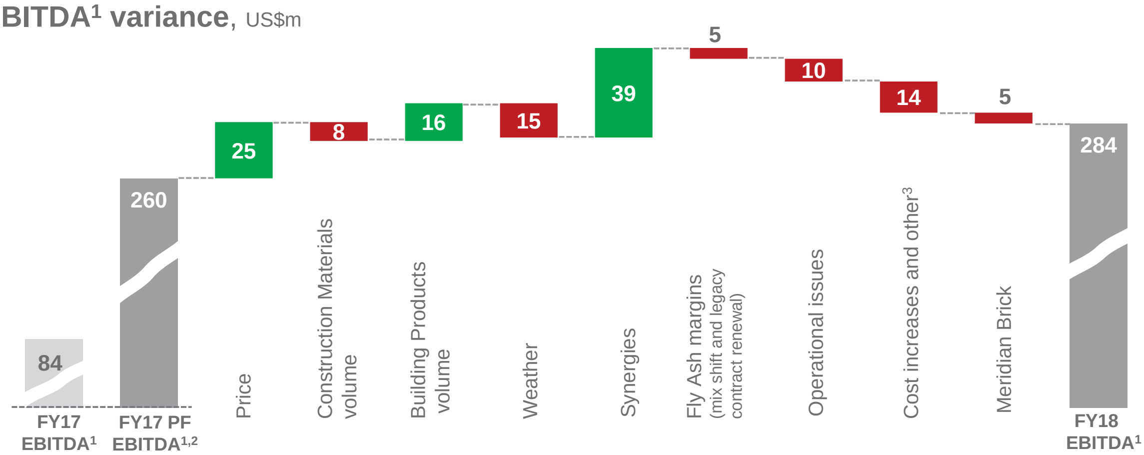
- **EBITDA** of US$284m up 9%, with benefits from underlying revenue growth and substantial synergies; EBITDA margin strengthened to 17.2%
- **Construction Materials:** improved result primarily driven by higher Fly Ash revenue and earnings
- **Building Products:** higher revenue and earnings due to prior period Windows acquisitions and strong volume growth in LBP, partly offset by adverse weather impacts
- **Meridian Brick JV**: higher operating costs, and lower volumes due to decline in brick intensity and smaller rationalised network

1. Excluding significant items
2. ROFE calculated on funds employed as at 30 June 2018 and average monthly funds employed as at 30 June 2017
3. Proforma results for 12 months to June 2017
4. Restated following the finalisation of acquisition accounting of Headwaters, refer note 21 of the Preliminary Financial Report for the year ended 30 June 2018 for further information

Boral North America

Earnings strengthened by synergies and price, impacted by weather and operational issues

EBITDA[1] variance, US$m

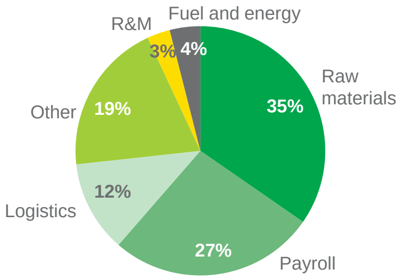


1. Excluding significant items
2. Proforma results for 12 months to June 2017
3. Includes higher operational costs in BCI, raw material and inflationary cost increases

Boral North America

Recovering cost increases through price

Boral North America ~US$1.4b cost base[1]



Higher fixed, lower variable cost businesses	Concrete & clay tiles, Block
Lower fixed, higher variable cost businesses	Metal & composite roofing, manufactured stone, Fly Ash, Windows, LBP

1. Excluding Meridian Bricks JV

In FY2018:

- **Raw materials costs**: increased ~3-5% depending on region and material. Cement, vinyl, glass, PVC experienced increases. Some materials for composite siding increased more significantly
- **Labour:** shortage of qualified workers is evident in some regions. Overall, wage rate growth ~3%
- **Logistics:** availability of carriers and equipment, along with increased fuel prices has been challenging but manageable. ~35% of transport costs billed directly to customers (Fly Ash and parts of Roofing, LBP and Block); remaining cost increases recovered through price
- **Energy and fuel:** electricity, gas & fuel total cost of ~US$49m in FY2018 (versus US$28m in FY2017 reflecting Headwaters acquisition)

In FY2019, targeting to recover cost increases through price

Boral North America

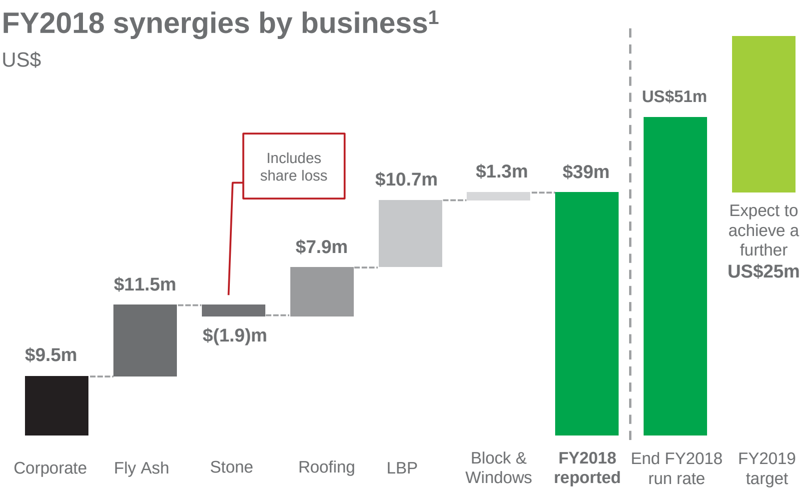
Headwaters integration & synergies progressing well, operational issues largely addressed

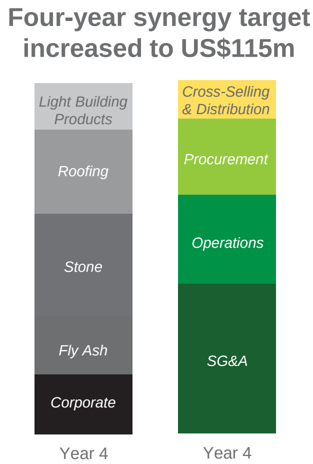
Challenge / Opportunity	Response / status
Synergy opportunities – initial year 1 targets of US$30-35m (and run rate of US$50-55m); US$100m year 4 target	✓ **Outperforming** – US$39m net synergies delivered exceeded year 1 target (US$51m run rate); year 4 target now US$115m
Safety performance of Headwaters	✓ **27% improvement** in Headwaters RIFR to 10.7 in FY2018
Operational issues – plant integration (Oceanside, Entegra, Magnolia), commissioning capacity (Lake Wales, Greencastle), safety interventions (StoneCraft)	✓ **Operational issues largely resolved** – Oceanside metal roofing (California) will continue to improve in FY2019. Capacity upgrades will ramp up in FY2019
Stone – result in part reflects share loss and included as a dis-synergy in year 1	✓ **Stone** – share stabilised, working to recover volumes. Manufacturing consolidation underway
Challenges in Meridian Brick – impacted by decline in brick intensity and smaller network post restructuring	✓ **Meridian Brick** – Ongoing focus to deliver synergies of US$25m by FY2021. Expect to be profitable in FY2019
LBP – higher production costs in TruExterior® trim & siding associated with a newer siding product line & raw materials	✓ **LBP** – BCI TruExterior® issues being addressed – expect improvements from FY2019
Fly Ash – attractive medium- and longer-term opportunities. Short term supply disruptions	✓ **Fly Ash** – aiming to increase our annual supply of available fly ash to the market by 1.5-2.0 million tons[1] in 3 years
Right people – great depth of talent from Boral and Headwaters businesses	✓ **Leadership team strengthened**, management support expanded plus fly ash support through consulting arrangement

1. Including currently known utility retirements as disclosed by the U.S. Energy Information Administration (EIA) www.eia.gov

Boral North America

Acquisition synergies of US$39m were ahead of our initial US$30-35m target

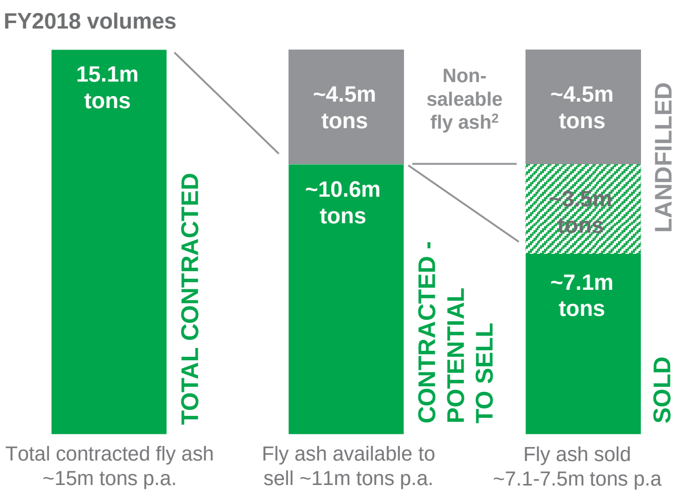




1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off integration costs estimated at US$90-$100m over FY2018 and FY2019

Boral's fly ash supply opportunities

Plans to increase annual available supply of fly ash by ~1.5-2.0 million tons in 3 years[1] by **capturing more from current contracted volumes** and **increasing total contracted volumes**



IMMEDIATE OPPORTUNITY:

~3.5m tons of fly ash to landfill for seasonal, quality, network reasons etc:

- **A proportion of this** presents a valuable, untapped source, depending on location, availability, quality, storage etc
- Reduce good quality ash to landfill through **network optimisation** and **storage**
- Reduce lower quality ash to landfill through **beneficiation** and **blending**

ADDITIONAL OPPORTUNITIES:

- **New contracts**
- **Reclaim**
- **Other**: wet to dry ponding, imports

1. Net estimated supply volume increase based on currently known utility retirements estimated to impact Boral's network by ~800k tons pa on FY2018 levels (incl. Texas closures)
2. Non-saleable due to a number of reasons including quality issues, uneconomical logistics, no collection systems in place, wet-sluicing employed

Boral’s fly ash supply opportunities

Plans to increase annual available supply of fly ash by ~1.5-2.0 million tons in 3 years[1]

Capturing more from current contracts

Reduce good ash going to landfill

- Industry: ~39% of fly ash going to landfill
- Opportunity to capture more saleable product currently going to landfill
- Network optimisation, blending, beneficiation and storage strategies being implemented

Increased storage

- Fixed and floating storage helps with seasonality and intermittent shuts
- Added 67,000 tons in FY2018
- Current capacity ~537,000 tons
- Plans for a further ~70,000 tons storage in FY2019
- Storage capacity turns between 1 and 10 times p.a.

Growing total contracted volumes

Secure new contracts & imports

- New contracts and renewing contracts come available from time to time
- Targeting best US available contracts
- FY2018 secured new contract - initially 85k tons p.a., increasing to 170k tons p.a.
- Long-term strategy to import international supply to key markets

Landfill reclaim

- Reclaim project in Pennsylvania to deliver volumes in 1HFY2019
- Expect ~40-50k tons p.a. initially, from total ~2m ton source
- Other potential reclaim sites under investigation
- Higher costs to be offset by different royalty structure to maintain margins

Other: wet to dry, grinding & blending

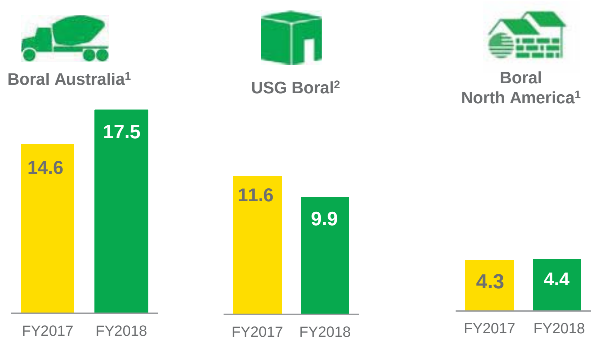
- Opportunity for harvesting ponded ash and beneficiation
- FY2018 conversion of wet to dry processes at two utilities (Alabama)
- Expand volumes through new beneficiation technologies, grinding and blending, and partnerships
- Natural pozzolans

1. Based on currently known utility retirements estimated to impact Boral’s network by ~800k tons pa (including ~300k ton pa from Texas closures in FY2019)

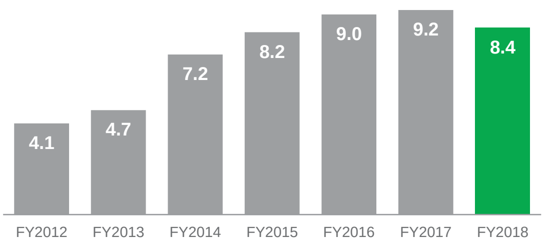
Positioned to improve ROFE

Aiming for above cost of capital returns through the cycle; current ROFE-equivalent cost of capital ~9.0-9.5%

Divisional EBIT return on funds employed (ROFE), %



Group ROFE[1], %



1. EBIT (excluding significant items) return on funds employed (divisional funds employed is segment assets less segment liabilities). ROFE is calculated based on funds employed as at 30 June, except for FY2017 for Group and Boral North America where average monthly funds employed was used due to the impact of Headwaters only contributing eight weeks of EBIT in FY2017, but funds employed increasing fully at 30 June 2017
2. Based on USG Boral’s underlying moving annual total EBIT (excluding significant items) on funds employed at 30 June

Financial Results


Boral's concrete plant in Mt Kuring-gai, NSW

Group financial performance

Full period contribution from Headwaters and growth in Boral Australia

A$m (*figures may not add due to rounding)*	FY2018	FY2017	Var %
Revenue	5,869	4,388	34
EBITDA[1,2]	**1,056**	720	47
Depreciation and amortisation[2]	(307)	(248)	
EBITA[1,2]	**749**	472	59
Amortisation of acquired intangibles	(60)	(12)	
EBIT[1,2]	688	460	50
Net interest	(104)	(51)	
Tax[1]	(111)	(67)	
Net profit after tax[1,2]	473	343	38
Significant items (gross)	(102)	(65)	
Tax on significant items	69	19	
Statutory net profit after tax	**441**	297	49
Net profit after tax and before amortisation (NPATA)[1,2]	**514**	350	47
Effective tax rate	*19%*	*16%*	

1. Excluding significant items
2. Refer to slide 66 for reconciliation and explanation of these items

Significant items

A$m	FY2018	Notes
Headwaters integration costs	(73)	1
Waurn Ponds rehabilitation and closure costs	(24)	2
Joint venture matters	(5)	3
Expense before interest and tax	(102)	
Reassessment of US tax balances	43	4
Tax benefit	27	
Significant items (net)	**(32)**	

1. Costs primarily relating to redundancies, employee incentives implemented by Headwaters, consultant fees supporting integration, integration of IT systems, brand consolidation, product rationalisation, safety implementation and asset rationalisation in concrete roofing business
2. Recognition of provision for rehabilitation of limestone quarry attached to Waurn Ponds cement facility in Victoria in 1H FY2018
3. Primarily relates to integration and restructuring costs in Meridian Brick
4. Includes $34m benefit from adjustments to deferred tax balances and $9m benefit from recognition of previously unrecognised tax losses

Strong operating cash flow

A$m (figures may not add due to rounding)	FY2018	FY2017
EBITDA[1]	**1,056**	720
Change in working capital	(79)	(34)
Fly ash contract investments	(7)	(12)
Share acquisition rights vested	(22)	(38)
Interest and tax	(182)	(92)
Equity earnings less dividends	(22)	(12)
Restructuring, acquisition & integration costs	(118)	(117)
Profit on sale of assets and other	(48)	(2)
Operating cash flow	**578**	**413**
Capital expenditure	(425)	(340)
Acquisitions	-	(3,637)
Cash acquired	-	75
Proceeds on disposal of assets	82	162
Free cash flow	**235**	**(3,327)**
Capital raisings[2]	-	2,019
Dividends paid	(287)	(226)
Other items	(2)	9
Cash flow	**(54)**	**1,525**

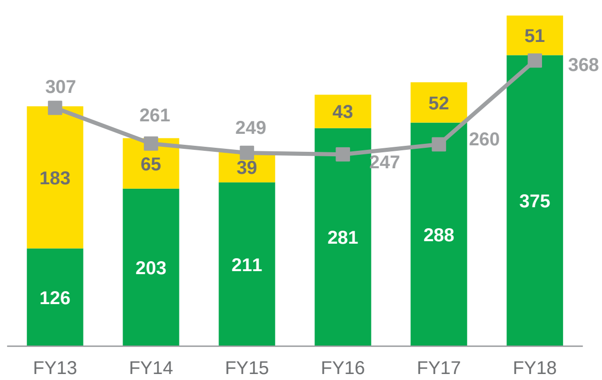
- **Operating cash flow up 40% to $578m**:
  - significant lift in earnings from Boral North America and Boral Australia, partly offset by higher interest and tax payments and increase in working capital
  - increased working capital mainly due to higher inventory levels to support growth, stronger activity in 4QFY18, a slight increase in debtors' days in Boral Australia reflecting increased major projects work, and timing of capital payments in prior period
  - restructuring, acquisition & integration costs includes final Headwaters acquisition costs of $55m and integration costs of $50m
- **Free cash flow** higher:
  - prior year included the A$3.6b acquisition of Headwaters
  - partly offset by higher capital expenditure and proceeds from sale of Boral CSR Bricks JV in FY17

1. Excluding significant items 2. Institutional equity placement and retail entitlement offer completed December 2016

Capital expenditure

Disciplined approach to capital management

Total capital expenditure



1. Stay in business capital expenditure
2. Excludes amortisation of acquired intangibles

- **Total capex up 25% to $425m** driven by increased stay in business capex. Capital spend included:

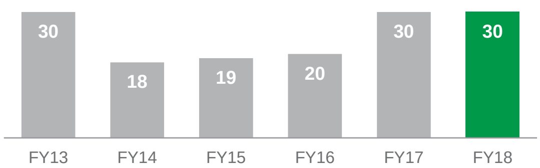
  67% to Boral Australia
  - quarry upgrades at Deer Park (Vic), Orange Grove (WA) and Ormeau (Qld)
  - new concrete plant at Redbank Plains (Qld) & replacement concrete plant at West Melbourne (Vic)
  - asphalt upgrades at Deer Park (Vic), Toowoomba (Qld) & Canberra (ACT)
  - Cement alternative fuels plant

  32% to Boral North America
  - safety integration capital
  - land acquisition for the Stone business
  - investments in Fly Ash storage facilities and reclaim
  - Includes the acquisition and treatment of Stone molds as capital following alignment of accounting policies between Headwaters and Boral
- **FY2019 capex expected to be ~A$400m–$450m**

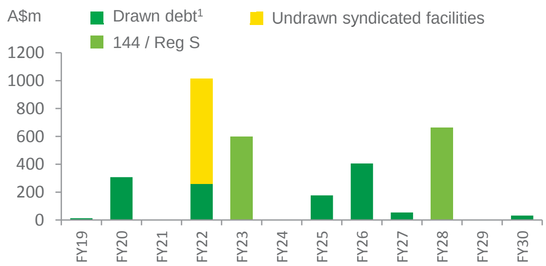
Balance sheet

Maintaining a robust position

Gearing (net debt / net debt + equity), %



Debt maturity profile



- **Net debt of $2.45b** at 30 June 2018, up from $2.33b at 30 June 2017, due to acquisition / integration costs and a weaker exchange rate
- Principal debt gearing covenant[2] of 31%, down from 32% at June 2017 (threshold is less than 60%)
- Weighted average debt facility maturity increased to ~5.5 years following issue of 144A / Reg S and USPP
- Net interest cover[3] of 6.6 times, down from 9.1 times at June 2017

Net debt reconciliation, A$m	**FY2018**
Opening balance	**(2,333)**
Cash flow	(54)
Non cash (FX)	(66)
Closing balance	**(2,453)**

1. Consists of syndicated bank debt, US Private Placement notes and Swiss franc notes issued under EMTN program
2. Gross debt / (gross debt + equity)
3. EBIT before significant items / net interest expense

Strategic Priorities & Outlook

Mike Kane – CEO & Managing Director

Sourcing fly ash from utility, Texas, USA

Our strategic priorities

Making good progress in all divisions

Boral Australia

- ✓ Strengthening our leading position in Australia through quarry and plant network reinvestments
- ✓ Leveraging diverse markets with multi-year growth in major roads and infrastructure
- ✓ Margin growth through customer, commercial and operational excellence
- ✓ Developing innovation platform

USG Boral

- ✓ High adoption of Sheetrock® products
- ✓ Improve business through additional capacity and next gen Sheetrock®
- ✓ Deliver long-term organic growth through innovation, Asian economic growth and increasing product penetration
- ✓ In FY2019 expect an expanded JV or return to 100% Boral ownership

Boral USA

- ✓ Transformational growth and improved performance through:
  - Headwaters acquisition
  - New product development and innovation
  - Four year synergy target lifted 15% to US$115m
- ✓ Market recovery / growth
- ✓ Shift from high fixed cost capital intensive to variable cost model to better perform through cycles

Outlook for FY2019

Expect further gains in Boral Australia, improved outcomes in USG Boral, and significant growth from Boral North America

Boral Australia	• **High single digit EBITDA growth or more in FY2019 excluding property in both years** • Including Property in both years, expect EBITDA to at least be in line with prior year • FY2019 Property earnings expected to be around \$20m compared with \$63m in FY2018 • Volumes and margins expected to strengthen in FY2019 relative to FY2018 • Outlook underpinned by growth in RHS&B and non-residential demand, more than offsetting moderating residential construction market; assumes normal weather patterns
USG Boral	• **Profit growth of around 10% or more in FY2019** • Outlook reflects forecast moderation in residential construction in Australia and South Korea, and improvements in other countries including China, Indonesia, Thailand and India • Year on year increase in earnings expected to come through in the second half of FY2019 • Strategic opportunities in FY2019 as we consider options triggered by Knauf's announced takeover of USG
Boral North America	• **EBITDA growth of around 20% or more in FY2019 (for continuing operations)** • Further synergies of ~US\$25m and operational improvements • Underlying market growth expected: growth of ~5% in housing starts to ~1.31m, ~3% in repair & remodel, ~2% in non-residential and ~6% in infrastructure (based on external market forecasts) • Fly ash volumes should increase at least in line with cement demand, reflecting efforts to increase available supply • Price growth for most products with margins improving or at least holding across all businesses • Meridian Brick JV delivering positive and improved earnings • Assumes a return to normal weather patterns, with the spring recovery expected from March 2019

Questions

Ormeau Quarry, Queensland

The team at Ormeau Quarry, Queensland

Supplementary information

USG Boral's plasterboard plant in Dangjin, South Korea

FY2019 financial considerations

Area	FY2019 implications
Synergies	• Further Headwaters synergies in year 2 of US$25m and four year synergy target increased to US$115m from US$100m • Meridian Brick JV synergies of US$25m p.a. within 4 years (by FY2021)
Corporate costs	• FY2019 to be slightly higher than FY2018 due to increased investment of around $4m in product development and innovation
Depreciation & Amortisation	• Group D&A ~A$380-400m in FY2019, including amortisation of acquired intangibles of ~A$60-65m[1]
Capex	• Total Boral capex expected to be around ~A$400-450m p.a. range
Debt & gearing	• Cost of debt ~ 4.25% to 4.5% p.a. • Gearing of 30% within comfort range – expect to reduce in coming years
Headwaters significant items	• Implementation costs ~US$90-100m over two years, FY2018 & FY2019 (US$65m reported in FY2017 and FY2018)
Taxation	• Effective tax rate projected to be ~ 21-23% in FY2019 • Cash flow benefits of US tax loss carried forward
Dividends & franking	• Franking rates for dividends will continue to be partially franked at or around 50% • Dividend Policy: payout ratio ~50-70% of earnings before significant items, subject to Boral's financial position

1. Based on US$46m estimated amortisation of acquired intangibles

Impacts of US Corporate tax rate changes

Issue	Implications / considerations
US corporate tax rate reducing from ~35% to 21% at federal level	• Boral's expected tax rate on US earnings reduces from ~38% (35% Federal + state taxes) to: - ~32% (28% federal + state taxes) in FY2018 - ~26% (21% federal + state taxes) from FY2019 • Overall effective tax rate for Boral at a Group level of ~21-23% in FY2019 • Delivers P&L benefits from FY2018 but no immediate cashflow benefits due to carry forward losses in USA
US carry forward losses	• Continuing to recognise Boral's and Headwaters' carry forward losses, with cashflow benefits expected to continue for next few years • Non-cash balance sheet adjustment to US carry forward losses of A\$112m more than offset by adjustment to deferred tax liabilities (A\$146m) and recognition of previously unrecognised tax losses (A\$9m) – net benefit of \$43m recorded as a significant item • As at 30 June 2018:

Tax losses US\$m	Gross value	Tax effected value
Recognised on balance sheet	649	176
Unrecognised	171	44
Total	**820**	**220**

Boral Group: snapshot

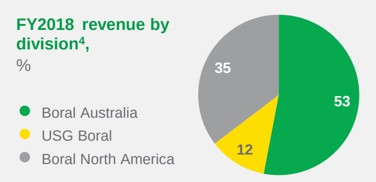
Australian based, ASX listed international building & construction materials group

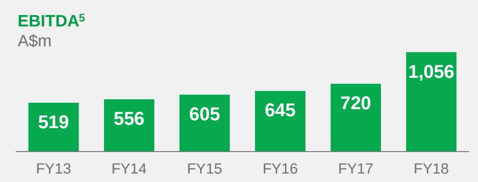
A$7.6b
market capitalisation[1]
S&P/ASX 100 company

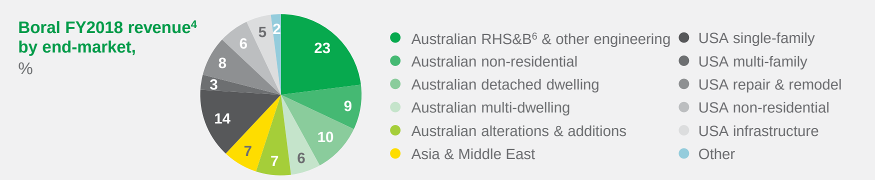
17
countries

~680
operating sites[2]

~17,100
employees[3]







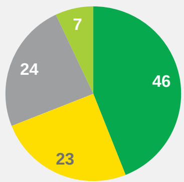
1. As at 27 August 2018
2. As at 30 June 2018. Includes joint ventures
3. Full-time equivalent employees, including in joint ventures, as at 30 June 2018
4. Includes Boral's 50% share of underlying revenue from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue
5. Excluding significant items
6. RHS&B: Roads, highways, subdivisions & bridges

Boral Australia

Diversified geographic exposure across construction materials

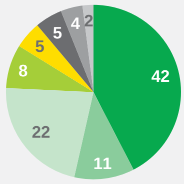
Revenue[1] by region,
%

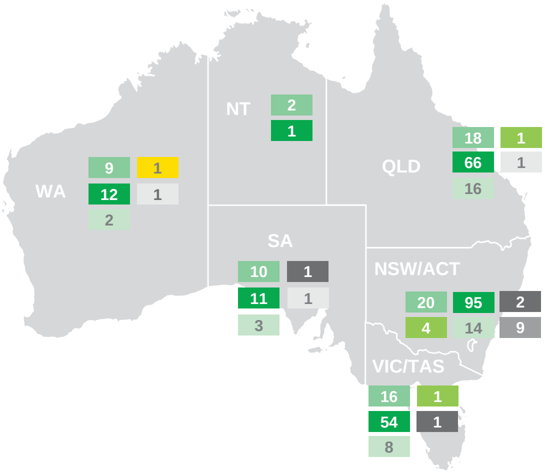
- NSW / ACT
- VIC / TAS/ SA
- QLD
- WA



Revenue[1] by business[2],
%

- Concrete
- Quarries
- Asphalt
- Cement
- Concrete placing
- Bricks & Roofing
- Timber
- Other





402 operating sites[3]

Quarries	75
Concrete	239
Asphalt	43
Cement[4]	6
Bricks WA	1
Roof tiles	4
Timber[5]	9
Masonry	3

1. Boral Australia external revenue for the 12 months ended 30 June 2018
2. Bricks & Roofing includes Masonry revenues. Other includes Transport, Landfill and Property revenues
3. As at 30 June 2018. Includes 22 clay pits, transport, recycling and R&D sites. Concrete sites include mobile plants. Excludes mothballed plants
4. Includes cement manufacturing, grinding, bagging and lime plants in NSW, a clinker grinding plant in Victoria and a clinker grinding JV in Queensland
5. Includes eight Boral Hardwood mills and one JV Softwood operation

Boral Australia

Vertically integrated positions in key markets, especially in strong East Coast markets

Cement
- ~70% manufactured clinker, ~30% imported
- 1.5m tonne p.a. clinker kiln capacity and ~4m tonne p.a. cement grinding capacity[1]

Quarries Aggregates & sand
- >30m tonnes p.a.
- Close to 1b tonnes total reserves with ~20-50 years reserves in key metro quarries

Bitumen
BIA JV

~ 50-60% Cement volumes sold internally to Concrete[2]

~40-50% Quarry volumes sold internally to Concrete[2]

~5-15% Quarry volumes sold internally to Asphalt[2]

~35% of bitumen supplied by BIA JV plants[2]

Concrete
- ~7m m^3 p.a.
- Per m^3 concrete:
  - ~0.3t cementitious material
  - ~1.0t aggregates
  - ~0.9t sand

~35-55% Quarry volumes sold externally[2]

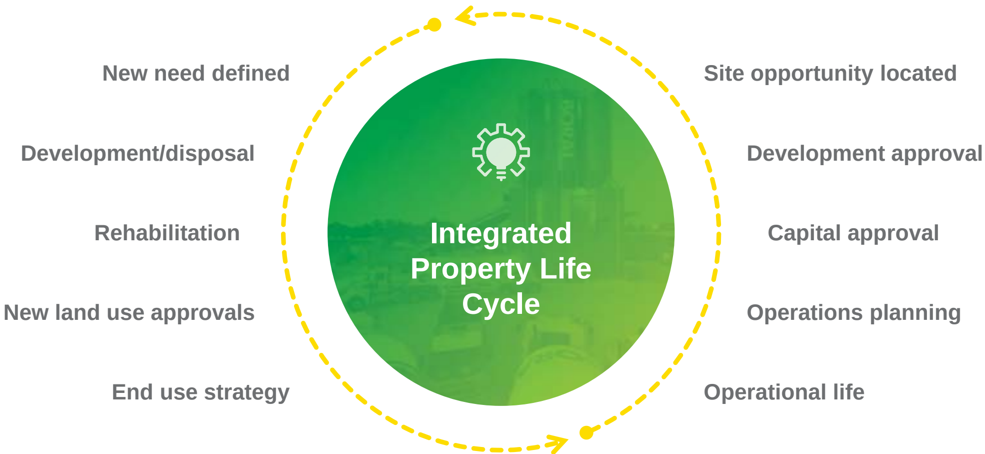
Asphalt
- >2m tonnes of asphalt p.a.
- Per tonne asphalt
  - ~0.055t bitumen
  - ~0.7t aggregates
  - ~0.2t sand

End Customer

1. Includes Boral's share of 1.5m tonnes of grinding capacity in 50% owned Sunstate Cement JV
2. Based on long-term historical average

Boral Australia

Property is managed as an integrated and ongoing feature of the business



Boral Australia

Boral has a strong track record of maximising returns from property assets

Property earnings

- Earnings secured through multi-year developments and smaller sales of surplus land
- Portfolio rationalisation, asset relocations and operational consolidations have released valuable land opportunities
- Sales values optimised through a variety of value added options including the rezoning of land for residential or industrial purposes
- Earnings from Property expected to average ~$10m to $20m p.a. over the near term ahead of development earnings in the pipeline

Guidance of ~$20m in FY2019

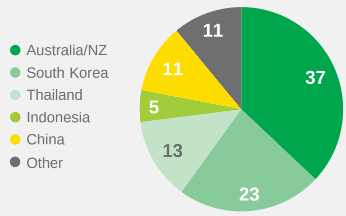
Property EBIT[1],
A$m

1. Excluding signficant items. FY08 – FY10 includes earnings from significant multi-year developments at Moorebank and Nelsons Ridge, and initial earnings from Landfill business

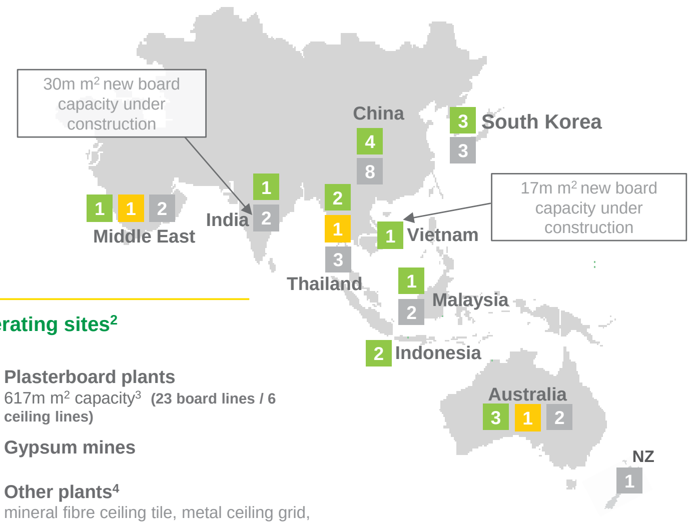
USG Boral

50%-owned joint venture in Australasia, Asia & Middle East

External revenue[1], %



1. Based on split of FY2018 underlying revenue for USG Boral. USG Boral's revenue is not reported in Boral's income statement as this 50% investment is equity accounted
2. As at June 2018. Certain manufacturing facilities and gypsum mines are held in joint venture with third parties
3. Excludes capacity under construction in India and Vietnam
4. Production of plasterboard and other products may be at the same physical location



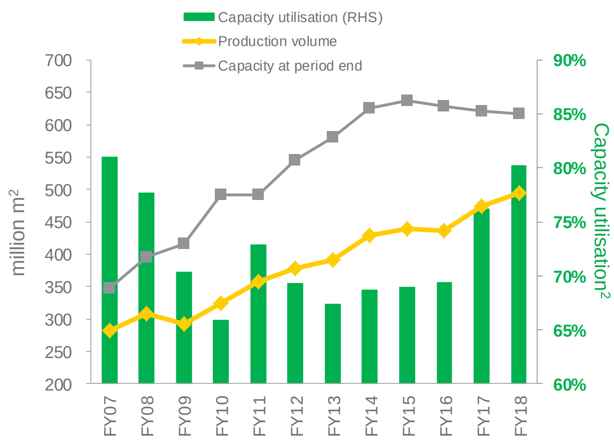
44 operating sites[2]

18	**Plasterboard plants** 617m m² capacity[3] **(23 board lines / 6 ceiling lines)**
3	**Gypsum mines**
23	**Other plants[4]** mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production

USG Boral

5% CAGR in plasterboard volumes and strengthened capacity utilisation

USG Boral plasterboard capacity utilisation and production volume[1]



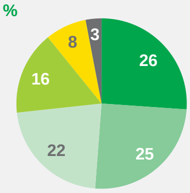
1. Includes plasterboard and gypsum ceiling tile volumes
2. Based on total production capacity at period end
3. Compound annual growth rate

- Average **capacity utilisation of ~80%** across network in FY18, up from ~76% in FY17[1]
- Plasterboard production volume **CAGR[3] of 5%** p.a. (including Aus/NZ) and 6**%** p.a. in Asia (excluding Aus/NZ) since FY07

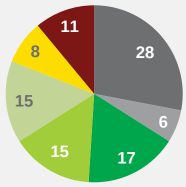
Boral North America

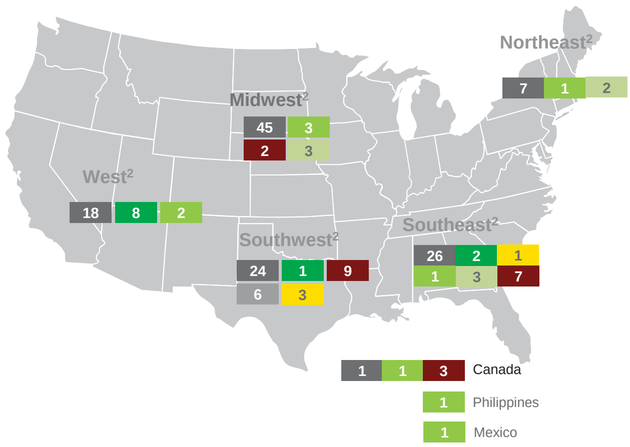
Strong national networks in building products and fly ash

Revenue[1] by geography[2], %



Revenue[1] by business, %





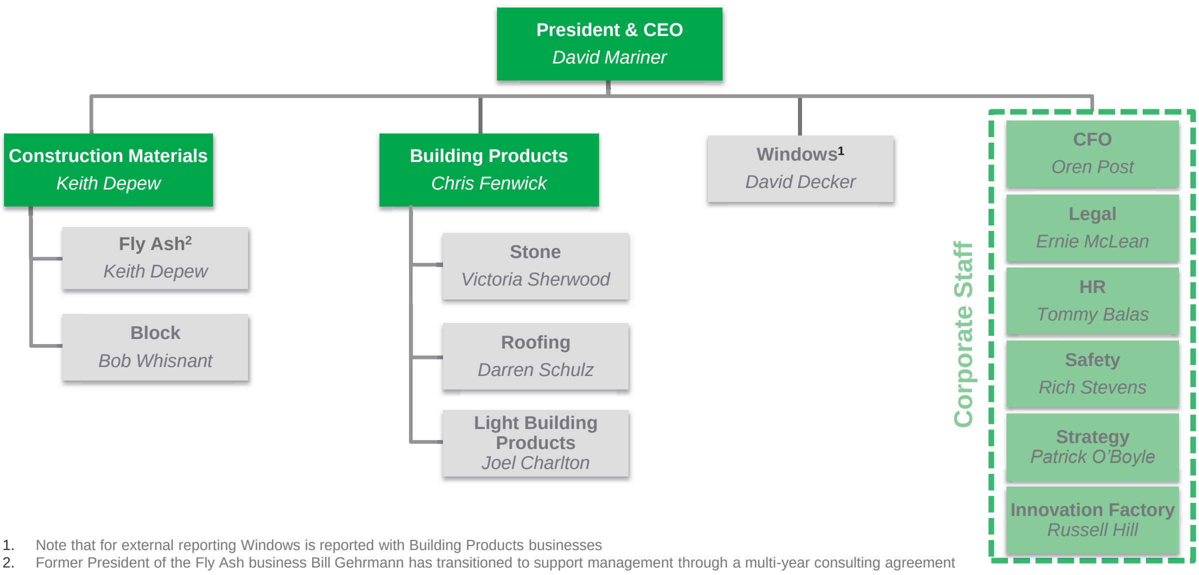
229 operating sites[3]

Fly ash[4]	121
Block	6
Roofing	11
Stone	10
Light Building Products	8
Windows	4
Meridian Brick	21

1. Based on 1H FY2018 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue
2. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast - CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT.
3. As at June 2018. Includes 44 clay mines and four R&D sites. Excludes mothballed plants
4. Operating site definition for Fly Ash amended in FY2018; site totals are therefore not directly comparable with prior period data

Boral North America organisational structure

Experienced executives from Boral and Headwaters



1. Note that for external reporting Windows is reported with Building Products businesses
2. Former President of the Fly Ash business Bill Gehrmann has transitioned to support management through a multi-year consulting agreement

Meridian Brick joint venture update

Forterra and Boral Bricks joint venture formed on 1 November 2016

Underlying result

US$m	FY2018	FY2017 PF[1]
Revenue	395	432
EBITDA[2]	25	28

- Achieved US$10m of cost synergies in FY2018
- 8 plants permanently closed and 15 distribution centres closed or sold
- Expecting cost synergies of ~US$25m p.a. by year 4 through:
  - plant network optimisation
  - improved freight & distribution
  - streamlined selling, marketing and administration costs
  - procurement cost savings

MERIDIAN™ BRICK

Manufacturing capacity: **~1,813 million standard brick equivalent (SBE)** including ~286m SBE idle capacity

Operating Footprint
(number of operations at June 2018)

Boral	Forterra	
9	11	Clay Bricks
	1	Concrete Bricks
27	3	Building Products Distribution Centres

1. Proforma results for 12 months to 30 June 2017
2. Excluding significant items and impact of holding costs of closed sites

Headwaters acquisition synergies

Significant synergies as a result of highly complementary businesses

Synergy drivers by business, US$	Delivered in FY2018	Targeted Year 1 run rate, pa	Updated target within 4 years, pa
Corporate – *incl. executive headcount, public company costs, procurement*	$9.5m	~$17m	>$19m
Fly Ash Sub-total	$11.5m	~$12m	>$20m
▪ Ash supply / network optimisation / logistics			
▪ Procurement			
▪ Sales coverage expansion & high value product growth – *Boral faces local supply constraints in some locations, HW has ability to supply*			
▪ Organisational efficiencies – *e.g. consolidating finance systems and overlapping sales coverage, engineering support and operations*			
▪ Other *including technology / R&D*			
Stone Sub-total	($1.9m)	~$6m	>$29m
▪ Plant network optimisation			
▪ Sales coverage			
▪ Procurement			
▪ Manufacturing equipment			
▪ Other including organisational efficiencies			

1. Recognises the impact of share loss as a result of the acquisition

CONTINUED OVER PAGE

Headwaters acquisition synergies

Significant synergies as a result of highly complementary businesses

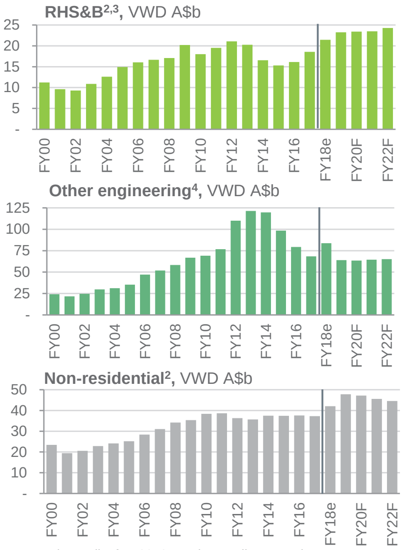
Synergy drivers by business, US$		Delivered in FY2018	Targeted Year 1 run rate, pa	Updated target within 4 years, pa
Roofing	**Sub-total**	**$7.9m**	~$11m	>$27m
▪ Procurement				
▪ Cross-selling portfolio – *e.g. re-sale products account for ~20% of Boral's Roofing sales, while Headwaters has minimal exposure*				
▪ Manufacturing & network optimisation				
▪ Manufacturing efficiencies				
▪ Other including organisational efficiencies				
Light Building Products	**Sub-total**	**$10.7m**	~$6m	>$15m
▪ Procurement				
▪ Sales coverage, cross selling, retail presence				
▪ Organisational efficiencies				
▪ Other				
Other: including Block & Windows[1]	**Sub-total**	**$1.3m**	-	>$5m
	Total	**$39m**	**$50-55m** **delivered $51m**	**$115m**

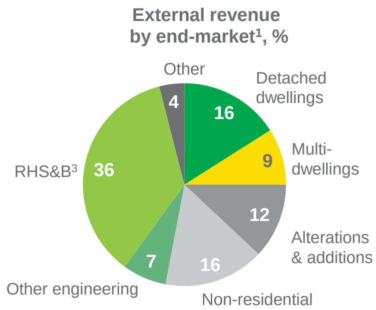
1. Recognises the impact of share loss as a result of the acquisition

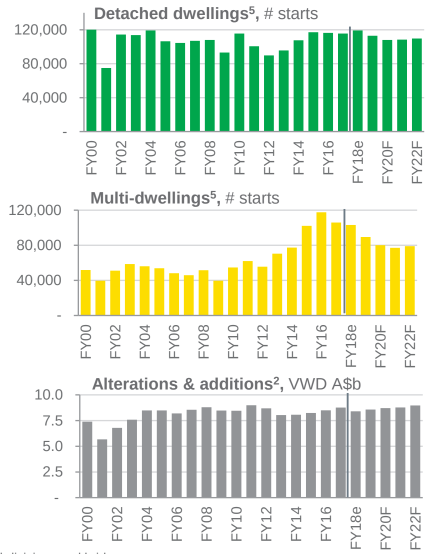
Market Data & Forecasts – Australia

Boral Australia's markets

Revenues are derived from various market segments







1. Based on split of FY2018 Boral Australia external revenues
2. Source: ABS, BIS Oxford Economics and Macromonitor forecasts, constant 2015/16 dollars
Note charts have been based on 2015/16 dollars unless otherwise noted

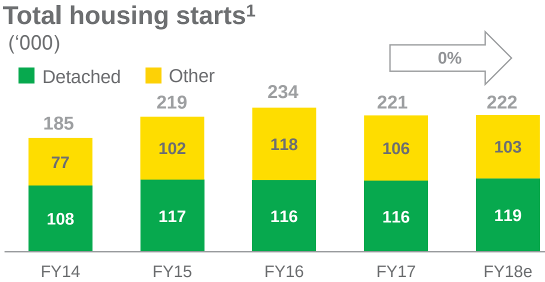
3. Roads, highways, subdivisions and bridges
4. Source: ABS, Macromonitor forecasts, constant 2015/16 dollars
5. Source: ABS, BIS Oxford Economics, Macromonitor and HIA forecasts

Australian residential construction remains strong

Housing starts are at historically high levels

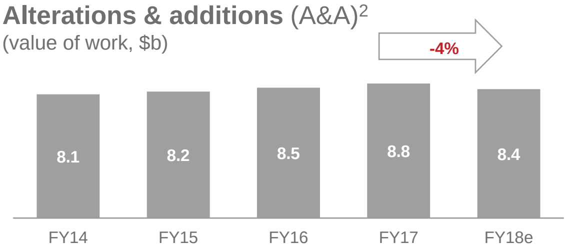
Total housing starts[1]

('000)



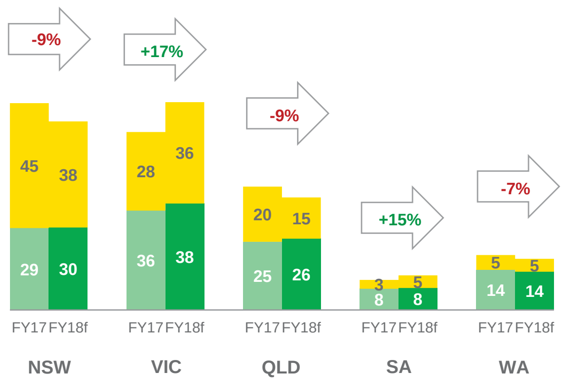
Alterations & additions (A&A)[2]

(value of work, $b)



Housing starts – by state[1]

FY2018f vs FY2017 ('000)

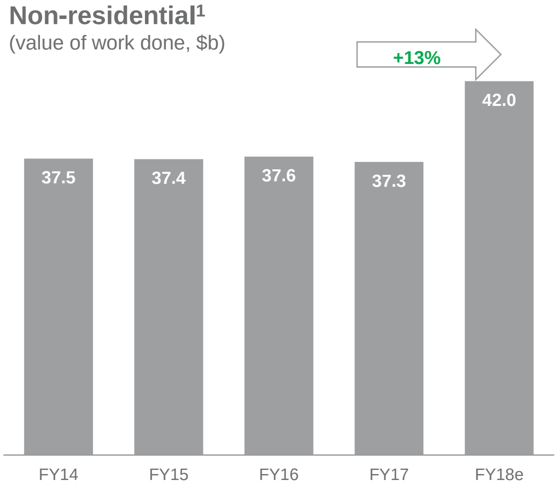


1. Original series housing starts from ABS to Mar-18 quarter, average of HIA, Macromonitor and BIS Oxford Economics forecasts for Jun-18 quarter. Six monthly data annualised for 1H FY18 and 2HFY18f
2. Original series (constant 2015/16 prices) from ABS. Average of BIS Shrapnel and Macromonitor forecast for Jun-18 quarter. Six monthly data annualised for 1H FY18 and 2HFY18e

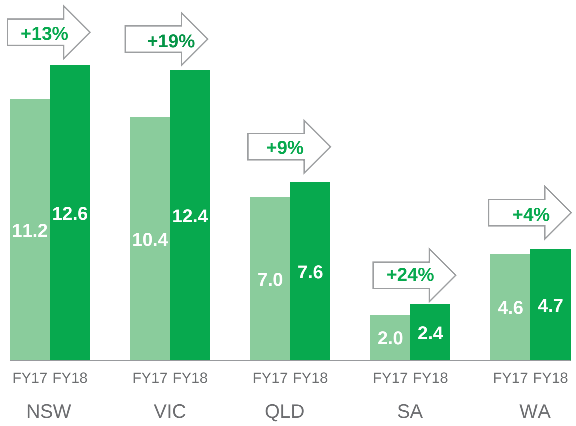
Australian non-residential activity strong FY18 growth

Further growth expected in all regions

Non-residential[1]
(value of work done, $b)



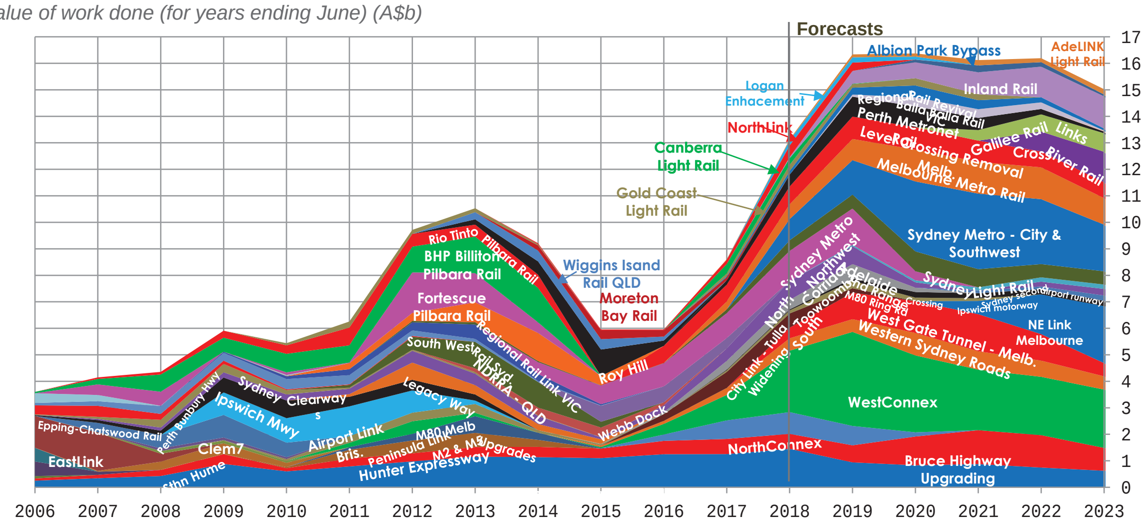
Non-residential – by state[1]
FY2018e v FY2017 (value of work done, $b)



1. Original series (constant 2015/16 prices) from ABS. Average of BIS Oxford Economics and Macromonitor forecast for Jun-18 quarter.

Australian major transport projects pipeline

Australian major transport infrastructure construction projects[1,2]
Value of work done (for years ending June) (A$b)



1. Chart prepared exclusively by Macromonitor based on publicly available data. Boral has not independently verified either the historical data or forecasts. Chart shows financial years and projects with total value >A$500m only
2. Forecast spending represents Macromonitor's indicative estimation of likely spending based on currently available information. There can be no assurance that actual results will be as forecasted and such differences can be material. There can be no assurance regarding the proportion of forecast project spending that represents requirements for which Boral is a potential supplier, or that Boral will be successful in generating revenue from any of these projects

Boral's Australian project pipeline

As at June 2018

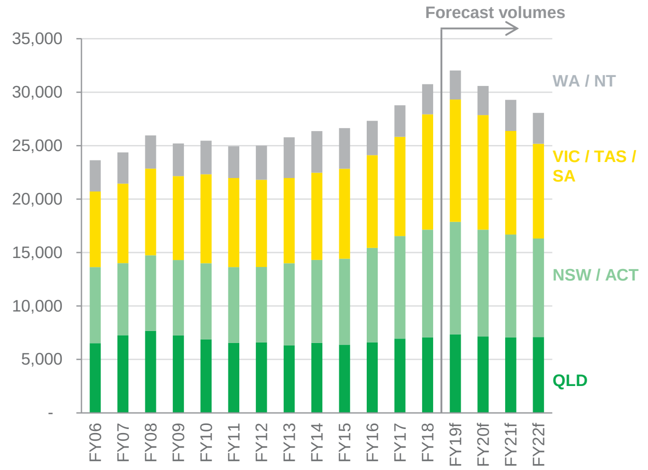
Projects committed	Timing
Bringelly Road stage 1, NSW	Est. completion 2018
Northern Beaches Hospital, NSW	
NorthLink stage 1, WA	
Toowoomba Second Range, Qld	
Warrego Highway stage 2, Qld	Est. completion 2019
Amrun Project, Qld	
Forrestfield – Airport Link, WA	
Gateway Upgrade North, Qld	
Kingsford Smith Drive, Qld	
Logan Motorway, Qld	
NorthConnex, NSW	
Northern Road stage 2, NSW	
Northern Connector, SA	Est. completion 2020
Northern Road stage 3, NSW	
Pacific Motorway (M1 & M3 merge), Qld	
Sydney Metro (City/SW precast), NSW	
Warrego Highway stage 3, Qld	
Melbourne Metro Rail (Precast), Vic	

Projects under tender	Status
Albion Park Rail Bypass, NSW	Currently tendering
Cross River Rail, Qld	
Haughton River Bridge, Qld	
Inland Rail, Qld, NSW, Vic	
Newell Hwy Upgrade, NSW	
Outer Suburban Arterial Roads, VIC	
Pacific Hwy W2B, NSW	
Perth Metro Road Maintenance, WA	
Smithfield Transport Corridor, Qld	
Princes Hwy Upgrade, NSW	
Snowy Hydro, NSW	
Sunshine Coast Airport, Qld	
Sydney Metro (Stations), NSW	
WestConnex (stages 1A&B, 3A&B), NSW	
West Gate Tunnel, VIC	
Melbourne Third Runway, VIC	Pre-tendering
Badgerys Creek Airport, NSW	Pre-tendering

Concrete demand in Australia

Industry demand forecast to remain at high levels

Macromonitor forecast[1] pre mix concrete demand across all Australian construction markets
('000) m^3



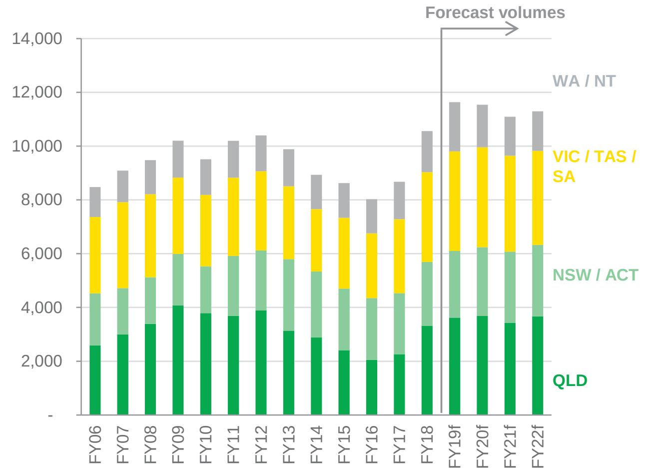
- **Total concrete volumes forecast to grow in FY2019 before moderating back to FY2017 levels by FY2022**
  - Near term growth in RHS&B[2] and non-residential building activity forecast to offset softening multi-residential activity

1. Source: Macromonitor, Construction Materials forecast, July 2018 estimates
2. Roads, highways, subdivisions & bridges

Asphalt demand in Australia

Industry demand forecast to increase and remain at high levels

Macromonitor forecast[1] asphalt demand across all Australian construction markets
('000) tonne[3]



- **Total asphalt volumes forecast to grow in FY19 and remain at high levels to at least FY2022**
  - ~2% CAGR in asphalt volumes forecast FY2018 to FY2022 after strong lift in FY2018
  - Forecast demand growth across most states, underpinned by major roads infrastructure

1. Source: Macromonitor, Construction Materials forecast, July 2018 estimates
2. Compound annual growth rate
3. Roads, highways, subdivisions & bridges

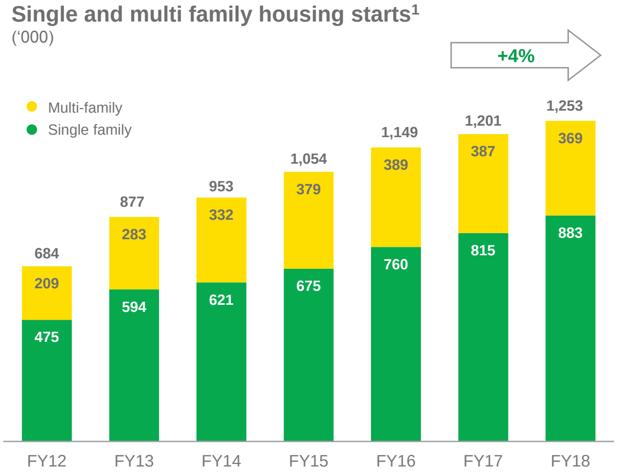
Market Data & Forecasts – USA

The new Eldorado Stone plant in Greencastle, Pennsylvania

US housing construction markets continue to recover

Single family growing, affordability high, supply remains challenged

Single and multi family housing starts[1]
('000)



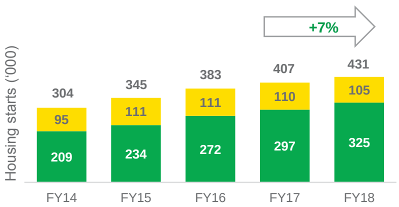
Single Family Mix[1] **(FY2018 % of Total)**	**71%** ~3.0 percentage points above FY17
Affordability Index[2]	**135** above historical average of 100
New Housing Stock[3]	**0.30m** 10.3% up year-on-year; in line with 0.36m long-term average
Existing Housing Stock[2]	**2.0m** Flat year-on-year; slightly below long-term average of 2.2m

1. Source: US Census seasonally adjusted annualised housing starts
2. Source: National Association of Realtors (NAR); May 2018
3. Source: US Census; May 2018

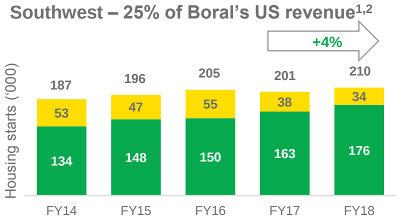
US housing starts by region

Continued growth in all regions except the Midwest

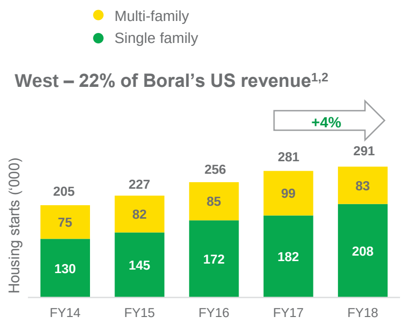
Southeast – 26% of Boral's US revenue[1,2]



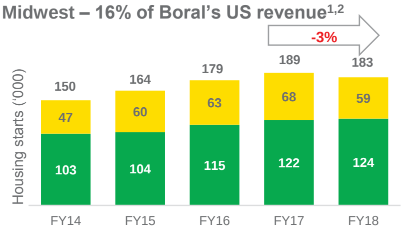
Southwest – 25% of Boral's US revenue[1,2]



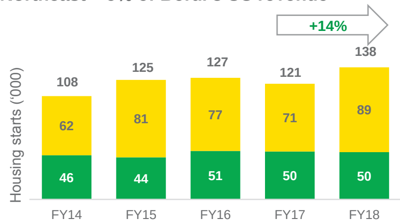
West – 22% of Boral's US revenue[1,2]



Midwest – 16% of Boral's US revenue[1,2]



Northeast – 8% of Boral's US revenue[1,2]



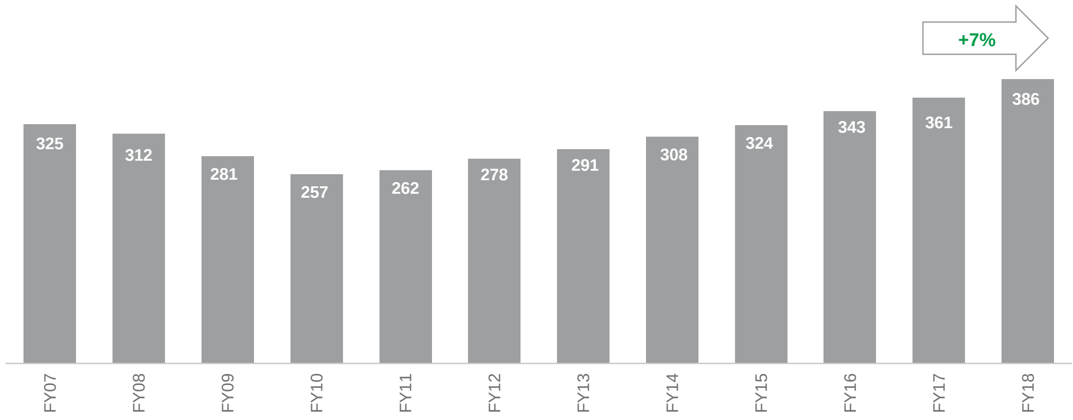
1. Source: US Census seasonally adjusted annualised housing starts
2. Based on 1H FY2018 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue.
Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast - CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT; international sales comprise the remainder of the revenue split

US Repair and remodel

Home improvement sales continue to rise

Building products retail sales[1]

(Nominal US$b)



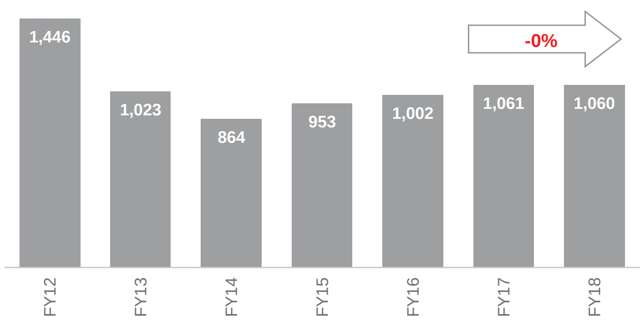
1. Source: Moody's retail sales of building products, July 2018

US Non-residential activity

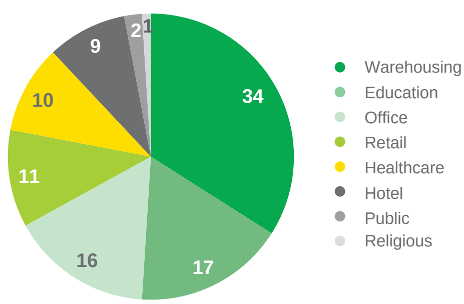
Warehousing, Education and Office sectors drove construction activity in FY2018

Non-residential construction[1]

(million square foot area)



FY2018 breakdown by non-residential segment[2], %



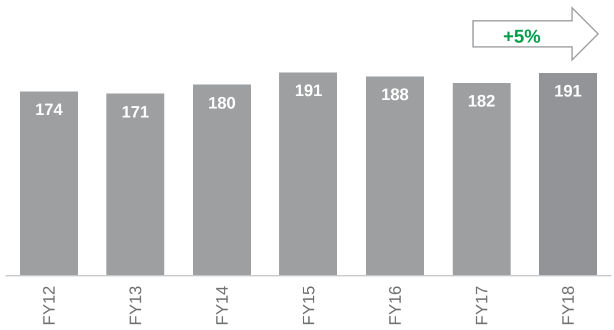
1. Source: Dodge Data & Analytics. Non-residential square feet area (millions), June 2018
2. Source: Dodge Data & Analytics

US Infrastructure

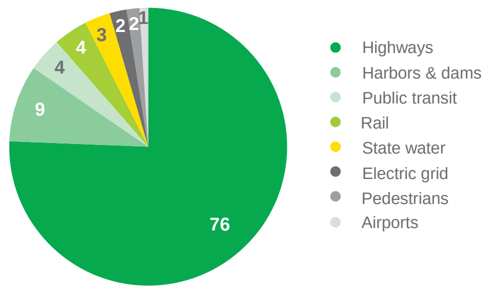
Highways continue to be the main driver in the infrastructure segment

Infrastructure activity, ready mix demand[1]

(cubic yards, millions)



Infrastructure cement consumption[2], %

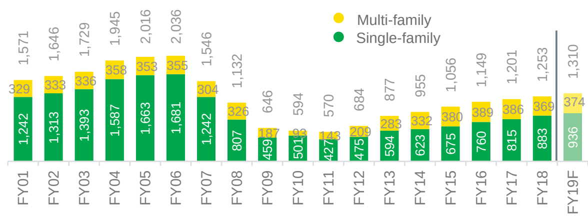


1. Source: Dodge Data & Analytics, Infrastructure Ready Mix Demand, June 2018
2. Source: Portland Cement Association

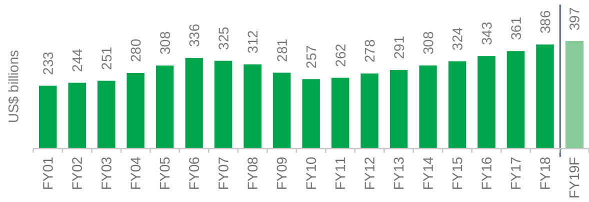
Boral North America's markets

Solid outlook across all market segments

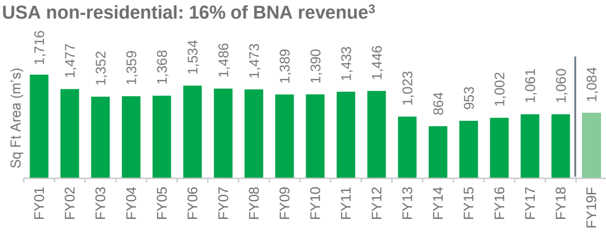
USA new residential: 46% of BNA revenue[1]



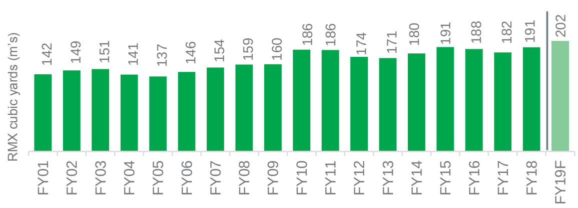
USA repair & remodel: 20% of BNA revenue[2]



USA non-residential: 16% of BNA revenue[3]



USA infrastructure: 18% of BNA revenue[4]

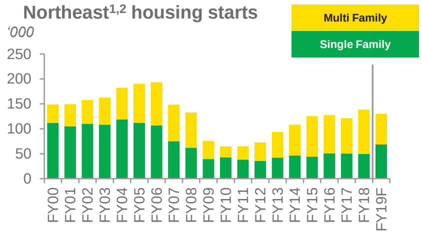


1. Source: US Census seasonally adjusted annualised housing starts. Forecasts based on an average of analysts' forecasts sourced from NAHB, MBA, Wells Fargo, NAR, Fannie Mae and Freddie Mac, Jan-Jun 2018
2. Source: Moody's Retail Sales of Building Products
3. Source: Dodge Data & Analytics, Non-Residential Area
4. Source: Dodge Data & Analytics, Infrastructure Ready Mix Demand.

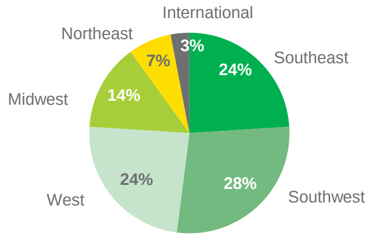
FY19 US housing growth underpinned by single family

Forecasters[1] expect 1.31m housing starts in FY2019

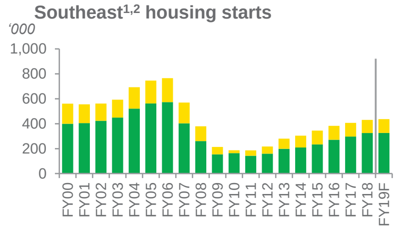
Northeast[1,2] housing starts



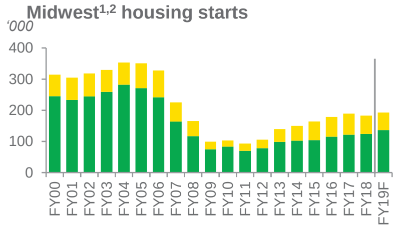
FY18 Revenue by geograpy[2,3]



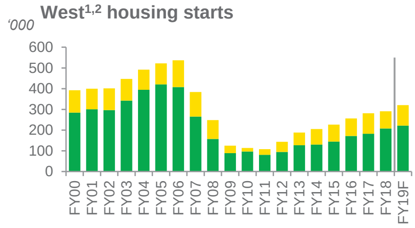
Southeast[1,2] housing starts



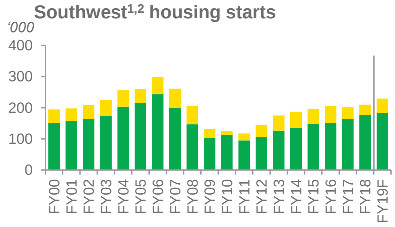
Midwest[1,2] housing starts



West[1,2] housing starts



Southwest[1,2] housing starts



1. Based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between Jan-Jun 2018. Historical data – US Census Bureau
2. SOUTHEAST consists of *AL*, DE, *FL*, *GA*, *KY*, MD, *MS*, *NC*, *SC*, *TN*, WV, *VA* | SOUTHWEST consists of AR, LA, OK, TX | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY.
3. Based on 1H FY2018 Boral North America external revenue, including Boral's 50% share of Meridian Brick JV revenue which is not included in reported revenue

Financial Data

Atlantic Premium Shutters Architectural Collection, Bahama & Raised Panel

USG Boral R&D Centre in Saraburi, Thailand

FY2018 segment revenue, EBITDA and EBIT

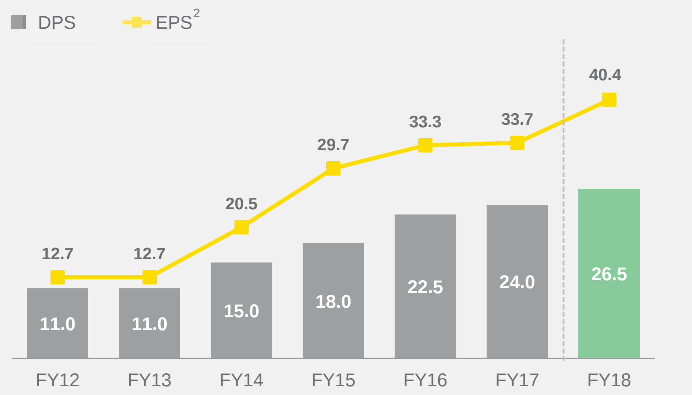
	External revenue, A$m		EBITDA[3], A$m		EBIT[3], A$m	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Boral Australia	3,590	3,296	634	551	433	349
USG Boral[1]	–	–	63	70	63	70
Boral North America	2,141	963	368	111	208	60
Discontinued Operations[2]	138	130	23	17	16	11
Corporate	–	–	(31)	(29)	(32)	(30)
Total	**5,869**	**4,388**	**1,056**	**720**	**688**	**460**

1. Represents Boral's 50% post-tax equity accounted income from the USG Boral joint venture
2. Discontinued Operations includes Boral's 40% share of Boral CSR Bricks sold to CSR in October 2016 and the sale of Denver Construction Materials business which settled on 2 July 2018
3. Excluding significant items

(Figures may not add due to rounding)

Earnings and dividends per share

Earnings and dividends per share
A$ cents



EPS[1] of 40.4 cents, up 20%

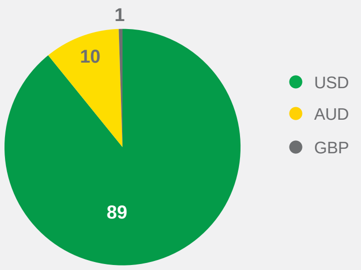
EPSA[1] of 43.8 cents, up 28%

- **Final dividend of 14 cents per share (50% franked), for a full year dividend of 26.5 cents, up 10%**
- **Dividend payout ratio of 66%**
  - In line with Boral's Dividend Policy of between 50-70% of earnings before significant items, subject to the Company's financial position

1. Refer to slide 66 for reconciliation and explanation of these items
2. In accordance with AASB 133, historical EPS has been revised to reflect the bonus element in the equity raising completed December 2016

Debt profile

Gross debt currency exposure, %
As at 30 June 2018



Total = A$2,527m

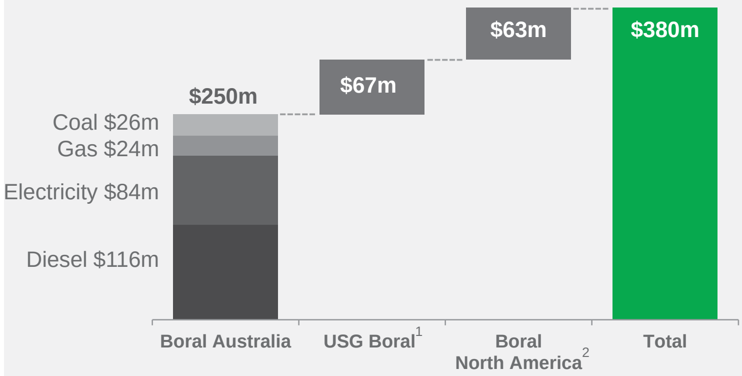
Debt facilities, A$m	FY2018	FY2017
US Private Placement Notes	772	754
Swiss Franc notes[1]	204	203
Syndicated bank loan[2]	260	362
US 144A / Reg S Senior Notes	1,261	1,237[3]
Other	30	15
Gross debt	**2,527**	**2,571**
Net debt	**2,453**	**2,333**

1. Issued under EMTN program. Swapped to USD
2. AUD and USD drawn bank loans
3. June 2017 acquisition bridge loan refinanced to US 144A / Reg S

Boral's energy and fuel costs

Energy and fuel costs make up ~7% of Boral's overall cost base[3]

Total energy and fuel costs - FY2018
A$m



- **FY2019 energy costs impacts:**
  - Expect $25-$30m cost increase impact in energy and fuel costs in Boral Australia in FY2019
  - Expect inflationary increases in Boral North America and USG Boral

1. Based on 50% of USG Boral's energy and fuel costs, reflecting Boral's 50% equity interest in the joint venture
2. Includes 50% of Meridian Brick JV's energy and fuel costs
3. Includes cost base of USG Boral and Meridian Brick JVs which are equity accounted

Non-IFRS information

Boral Limited's statutory results are reported under International Financial Reporting Standards. Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Significant items are detailed in Note 7 of the Preliminary Financial Report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of these non-IFRS measures to reported statutory profit is detailed on the next page.

The USG Boral division commentary also includes a non-IFRS measure of underlying results excluding significant items, representing the 12 months trading results to assist users to better understand the trading results of this division.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the Preliminary Financial Report for the year ended 30 June 2018. This Preliminary Financial Report for the year ended 30 June 2018 is prepared in accordance with the ASX listing rules and should be read in conjunction with any announcements to the market made by the Group during the year.

Non-IFRS information (continued)

A reconciliation of non-IFRS measures to reported statutory profit is detailed below:

A$m	Before sig. items	Significant items	Reported Result	Continuing operations	Discontinued operations	Total
Sales revenue	5,869.0	-	5,869.0	5,731.1	137.9	5,869.0
Profit before depreciation, amortisation, interest & tax, EBITDA	**1,056.0**	**(101.6)**	**954.4**	**931.5**	**22.9**	**954.4**
Depreciation & amortisation, excl amortisation of acquired intangibles	(307.4)	-	(307.4)	(300.0)	(7.4)	(307.4)
Profit before amortisation of acquired intangibles, interest & tax, EBITA	**748.6**	**(101.6)**	**647.0**	**631.5**	**15.5**	**647.0**
Amortisation of acquired intangibles	(60.2)	-	(60.2)	(60.2)	-	(60.2)
Profit before interest & income tax, EBIT	**688.4**	**(101.6)**	**586.8**	**571.3**	**15.5**	**586.8**
Interest	(103.8)	-	(103.8)	(103.8)	-	(103.8)
Profit before tax, PBT	**584.6**	**(101.6)**	**483.0**	**467.5**	**15.5**	**483.0**
Tax benefit / (expense)	(111.4)	69.4	(42.0)	(37.0)	(5.0)	(42.0)
Net profit after tax, NPAT	**473.2**	**(32.2)**	**441.0**	**430.5**	**10.5**	**441.0**
Add back: Amortisation of acquired intangibles	60.2					
Less: Tax effect of amortisation of acquired intangibles	(19.5)					
Net profit after tax & before amortisation of acquired intangibles, NPATA	**513.9**					
Weighted average number of shares on issue		1,172,331,924				
Basic earnings per share, EPS	**40.4**		**37.6**			
Basic EPS before amortisation of acquired intangibles, EPSA	**43.8**					

Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 29 August 2018. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.