Results Announcement
for the half year ended 31 December 2010

9 February 2011

BORAL

Highlights

- Profit after tax[1] of $94 million – up 28%
- Building Products and Cement EBIT up over 20% year-on-year
- Acquisition of 50% of Cultured Stone in the USA
- Disposal of loss making non-core Scaffolding and Precast businesses
- Reported Earnings Per Share up 14% to 13.0 cents (1H 2010: 11.4 cents)
- Increased dividend 7.5 cents (1H 2010: 7.0 cents)

(A$ millions)	1H 2011			1H 2010		
	Group	Discontinued Operations	Continuing Operations	Group	Discontinued Operations	Continuing Operations
Sales	2,388	29	2,359	2,330	53	2,277
EBITDA	269	(2)	271	259	(4)	262
EBIT	149	(2)	151	133	(7)	139
NPAT	92	(1)	94	68	(5)	73
EPS (cents)*	13.0		13.2	11.4		12.3

** Excludes discontinued operations*

To assist in meaningful comparison, the review of half year result excludes discontinued operations which were sold in the first quarter of this financial year.

The Chief Executive of Boral Limited, Mark Selway, today said, "I am pleased with the Group's progress especially in light of the weather related difficulties we faced during the first half of FY2011. I attribute much of the progress to actions taken by Boral employees globally to improve the productivity of our operations and increase our focus on those activities where the Group sees opportunities to build competitive advantage."

First half revenue was up 4% to $2.4 billion reflecting a generally strong first quarter across the Australian operations which helped offset continued tough trading conditions in the United States and the impact of acutely wet weather on the east coast of Australia in the second quarter of the financial year.

Earnings before interest and tax for the first half increased by 8% to $151 million with improvements in profits and margins across all divisions with the exception of Construction Materials where, as anticipated, results were lower than the prior year.

Profit after tax at $94 million was 28% above the comparable period last year and was assisted by $18 million lower interest and an $8 million year to year benefit from the sale of surplus property. The first half tax charge was $8 million higher and earnings per share for the half year also increased to 13.2 cents compared with 12.3 cents last year.

Cash generated from operations reduced significantly to $81 million (1H 2010: $196 million) as a result of lower business activity in the December quarter due to the persistent rain on the east coast of Australia which delayed construction activity. Working capital increased $106 million reflecting a decline in payables and reduced trading activity. Half year capital expenditure increased to $128 million against $60 million in the prior year, including $88 million stay-in-business related expenditure representing 73% of depreciation for the half year.

[1] Continuing operations

Net debt reduced to $634 million against $1.2 billion a year ago. Gearing decreased to 20% from 44% at 31 December 2009 due to the Group's July 2010 capital raising combined with a 13% appreciation in the Australian dollar when compared to 31 December 2009. At 31 December 2010, around 95% of debt was denominated in US dollars.

Last year, Boral developed plans to turn its vision 'Building Something Great' into real action and took decisive actions to improve operational performance, produce best in class products and improve our customer service. A strong and dynamic platform for future growth is being created through a structured and deliberate Group-wide transfer and adoption of best practice.

In the first quarter of FY2011 the Group disposed of the non core, loss-making precast and scaffolding businesses in Australia. In July we acquired the balance of MonierLifetile and in December we acquired a 50% interest in, and gained management control of, Cultured Stone in the United States. These actions are further evidence of the Group's progress in our stated ambitions for the strategic development of the business.

Management focus for FY2011 is to ensure that the operational changes we have initiated are successfully implemented and deliver on their potential. At the same time we will continue to invest in new products and in growth sectors.

The Board has resolved to pay a fully franked interim dividend of 7.5 cents per share (1H 2010: 7.0 cents per share) representing a dividend pay-out ratio of 59% of after tax earnings. In recent years, shares issued under Boral's Dividend Reinvestment Plan (DRP) have been issued at a 2.5% discount to the market price. That discount will also apply to the FY2011 interim dividend, which will be paid on 24 March 2011.

Standard and Poor's and Moody's Investors Service currently hold Boral long and short term ratings of BBB/A-2 and Baa2/P2 respectively with stable outlook.

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REVIEW OF RESULTS

Boral Construction Materials

The Group's largest division is Construction Materials, which includes operations involved in the production and supply of concrete, asphalt and quarry materials to the Australian building and construction sectors.

The division had a difficult and mixed first half to the year. Western Australia, South Australia and Victoria all performed strongly, while New South Wales and Queensland were rain impacted for much of the second quarter.

First half revenue of $1.1 billion was 2% above last year, with increased demand from concrete and quarries, offsetting a 16% reduction in asphalt due to rain related delays and lower construction activity, particularly in Queensland. EBIT at $93 million was 14% below the prior year due to exceptional asphalt results in the prior corresponding period offset in part by increased levels of activity in South Australia, Victoria and Western Australia and $8 million higher earnings from property sales.

Revenue of $734 million from concrete and quarries was 7% above the prior year with volumes up 4% when compared to the same period last year. Market prices improved in the period and in December 2010, the division advised customers nationally of our intention to raise prices across the full range of products which will progressively take effect from 1st April 2011.

Our $30 million investment in a world-class quarry and processing plant near Ballarat continues to make good progress with commissioning planned for June this year. We expect this investment to reduce processing costs and increase capacity in response to growth in the region.

The Group is working to secure our long term leadership position in the Sydney aggregate market. The proposed $200 million investment in our resource-rich, Peppertree quarry and a low cost rail link will be presented for Board approval over the next couple of months with capital equipment spending planned in the early part of FY2012.

The largest single variable in our outlook remains the Queensland market which represents a significant contributor to the Construction Materials annual result. Performance in January 2011 has been significantly impacted by delays to site access and continued weather but beyond this we are ideally placed to support Queensland's massive clean up and rebuild programme which is expected to last for years ahead. Our core construction materials operations are all back up and running and mobile equipment is being moved to the region in anticipation of strong demand in the final quarter of this financial year.

Boral Building Products

The Building Products division includes all operations involved in the manufacture and sale of clay and concrete products, plasterboard and timber to the Australian housing and construction industries, as well as Boral's equity accounted 50%-owned Asian plasterboard joint venture, LBGA.

First half revenue of $624 million was 3% above the same period last year. EBIT was up 22% to $55 million with significant improvements in operational efficiency and strong market conditions helped by stimulus works early in the half year, offsetting exceptionally wet conditions in the second quarter.

Plasterboard's Australian revenue increased 5% to $210 million, through a combination of improved selling prices and increased volumes. Despite the effect of weather in the second quarter, EBIT improved considerably reflecting continued strong operational performance across all plasterboard operations.

Revenue from Clay & Concrete at $271 million was consistent with the prior year and reflected stronger performances in Western Australia and Victoria offset in part by weather related declines in New South Wales and Queensland. EBIT was significantly improved reflecting the benefits of improvement initiatives and stronger results from roofing and masonry.

Timber revenues of $143 million were virtually unchanged when compared to last year with equivalent demand in softwood offsetting tougher conditions in hardwood and distribution. Margins and profits reduced when compared to the prior year due to weather related impact on timber yields and mill efficiency.

The Group's Plasterboard joint venture with Lafarge includes manufacturing operations throughout Asia. Volumes were up 11% with solid growth right across the region and an equity accounted income of $9 million was 19% higher than the prior year.

The $44 million investment in a world-class masonry operation in Western Australia was commissioned on time and on budget with production work-up occurring in the first quarter of this calendar year.

The planned $80 million investment to expand the capacity of the Victorian plasterboard operation is proceeding to plan with site preparation and major equipment contracts now in place to support a start up in second half of calendar year 2012, with the expectation that this investment will significantly reduce costs and support growth for the future.

During the second quarter, our products businesses were also significantly impacted by consistent rain and flooding down the east coast of Australia. Beyond the reporting period, the floods in Queensland have had a significant impact on operations during January 2011 but the division is well placed to participate in the rebuild. With the exception of the Plywood business in Ipswich, all the Building Products businesses are now operational.

Boral Cement

The Cement Division includes Boral's Australian cement businesses and the Group's Asian construction materials operations in Thailand and Indonesia.

First half revenue of $271 million was 4% above last year reflecting the combination of improved market conditions in Thailand and Indonesia offsetting lower construction activity, particularly in Queensland. EBIT was up 25% to $57 million, and reflected a normal cycle of production volumes following inventory reduction in the prior year.

Cement volumes were 7% below 1H 2010 with marginally improved pricing and higher activity in the first quarter being offset by weather related delays and slower housing starts in the run up to Christmas.

In the Australian lime business, volumes and prices were considerably improved on the same period last year and key customers have indicated an equally strong outlook for the balance of this financial year.

The Asian operations continue to experience strong local demand, despite some quite difficult weather conditions of their own. Indonesian operations delivered half year revenue of $78 million, some 5% lower than the prior year with local competitive pricing pressure and increased volumes of project work reducing margins when compared to the prior year.

Thailand saw volumes increase 21% with record revenues delivered and a first half profit generated, compared to a $2 million loss in the comparable period last year.

Our cement division's exposure to Queensland is largely related to our joint venture ownership of Sunstate which avoided any serious damage in the flooding. Much like our construction materials operations, Sunstate is ideally positioned to capitalise on the rebuild.

Boral USA

The United States business includes the Group's exterior cladding, roofing and construction materials operations serving the US housing and construction sectors and a first time contribution for our sole ownership of MonierLifetile.

First half revenue of $212 million was 16% above the same period last year and underlying earnings improved 7% before the first time consolidation of MonierLifetile. This improvement was despite the six monthly annualised comparison for new housing starts being down 2% on the prior year at 563,000 against a ten year average of 1.5 million.

EBIT continued to be impacted by historically low volumes and poor utilisation of fixed plant. Losses reduced to $47 million against $49 million in the prior year reflecting the benefits of favourable currency translation offset in part by the incremental trading losses associated with the full ownership of MonierLifetile.

The US cladding businesses consists of 23 brick-making operations and the Group's extensive sales and distribution network. On a local currency basis, revenues, margins and volumes were all broadly in line with the comparable period in the prior year and required less than 25% of installed capacity to satisfy this demand.

The Group's US roofing operations are the leading suppliers of clay and concrete roof tiles to the residential new build market and consists of 13 plants in the United States, one in Mexico and a small joint venture in Trinidad. Like for like revenue was down 2% on the comparable period last year and mirrored the cycle of new build activity. Margins on a combined basis were considerably improved and benefitted from the successful delivery of synergies which were identified at the time of purchase of MonierLifetile.

Construction Materials includes the quarry and concrete operations in Oklahoma and Colorado and the Group's fly ash distribution business, BMTI. Collective revenues remain well down on the peak but in local currency were up 10% on the first half of last year, largely as a result of market share recoveries in Colorado. The combined businesses returned close to break even earnings, marginally up on the prior year.

In December 2010, we announced the acquisition of the controlling stake in Cultured Stone which is the leading supplier of synthetic stone veneer to the USA residential and commercial property market. The deal was structured to share in the short term market risks while gaining control of a highly attractive and aligned business at the low point in the cycle. Plans are being developed to leverage distribution, materials and manufacturing capabilities.

Other Businesses

The other business segment consists of the remaining construction related businesses which now include Dowell Windows and De Martin & Gasparini, the Group's Sydney based concrete placing business.

Half year revenue at $150 million was 5% above last year. Windows revenue was up 8% to $83 million reflecting a stronger first quarter offsetting weather related delays experienced in the second quarter across New South Wales, Queensland and South Australia.

In De Martins, revenue at $67 million and the order book remained flat year on year, while profit was up on the comparable period due to improved project performance.

Half year profit from these businesses of $4 million was considerably above the $2 million delivered in the prior year, and reflects the continued success of improvement initiatives undertaken to grow returns.

STRATEGIC UPDATE

The Group's first half results, while impacted by second quarter rains down the east coast of Australia, reflected early signs of the benefits from our operational and sales improvement activities.

The Group's LEAN programme is making good progress throughout all operations. Plant efficiency and uptime remains the immediate focus as does health and safety. We are delighted with the way our employees have embraced the improvement initiatives and are already seeing terrific progress in many of our operations. The increased spend in plant maintenance and stay-in-business capital will further accelerate our progress.

Our sales and marketing excellence programme is also making sound progress. National and regional cross-divisional sales forums are now in place and are generating significant leads and new orders which would have previously fallen to competitors. Regional credit hubs are being rolled out across Australia and improved systems are being designed to bring greater discipline and clarity to pricing across the diverse range of our operations.

Work in the United States to extend the product portfolio and introduce a new range of light-weight, environmentally efficient products is progressing well and the investment in new facilities for the composite trim and retool of the Ione tile plant to extend its offerings are due to be completed in the second half of this calendar year. The Australian innovation programme will mirror the structure now successfully embedded in the United States and is expected to gain significant momentum as the year progresses.

In terms of portfolio realignment we are now out of scaffold and precast in Australia and the benefits are evident in our first half results. We have secured two acquisitions to strengthen our roofing and cladding businesses in the United States and will continue to look for opportunities to increase our presence in our chosen markets with an objective to be largely invested in our core activities at the early point in any recovery.

PROSPECTS - FY2011

Conditions make it impossible to accurately predict the outcome for the balance of this year. The fundamental rebuild of Queensland and its infrastructure could have a favourable impact on the second half of the year. Weather permitting, underlying markets in general are expected to be reasonably flat when compared to last year.

In Construction Materials we expect improved trading due to strong order books and a catch up on project work which was weather delayed in the first half of the year. Pricing is expected to improve but its effect will be less immediate due to existing commitments on delayed projects. Queensland's rebuild programme could have a favourable effect on this year's profits with difficult conditions impacting January and now February 2011 followed up with much higher demand for the balance of the financial year.

Building Products division is expected to experience slower residential new build activity in Australia, offset in part by improvements in refit together with continuing growth in Asia. Queensland's rebuild could have a positive influence on the final quarter of FY2011.

In Cement, following our scheduled shut-down at Waurn Ponds, we expect improved production volumes and the continued strong market demands in Indonesia and Thailand to deliver an improved performance in the current year.

The US market is expected to remain broadly similar in the early part of calendar year 2011 before seeing modest improvement in the second quarter. Some early signs of improved US fundamentals are a positive against the background of disappointing housing starts.

Forecasting with the current range of variable parts is extremely difficult, but on balance, we expect our full year net profit after tax to be between $160 million and $175 million with the low end of this range representing a 20% increase on last year's underlying net profit after tax. Given this uncertainty we will look to provide a further update at the conclusion of our first quarter 2011 trading.

RESULTS AT A GLANCE

(A$ million unless stated)

Half Year ended 31 December 2010	1H 2011	1H 2010	% Change
Revenue	2,388	2,330	3
EBITDA	269	259	4
EBIT	149	133	12
Net interest	(31)	(49)	36
Profit before tax	117	84	40
Tax	(25)	(15)	(59)
Minority interest	(1)	(1)	-
Profit after tax	**92**	**68**	**36**
Cash flow from operating activities	81	196	(59)
Gross assets	5,489	5,349	3
Funds employed	3,750	4,051	(7)
Liabilities	2,373	2,543	(7)
Net debt	634	1,245	(49)
Stay-in-business capital expenditure	88	45	95
Growth capital expenditure	40	15	166
Acquisition capital expenditure	128	-	-
Depreciation	120	126	(4)

Employees[2]	14,363	14,297	-
Sales per employee, $ million	0.166	0.163	2
Net tangible asset backing, $ per share	3.89	4.23	(8)
EBITDA margin on sales, %	11.3	11.1	2
EBIT margin on sales, %	6.2	5.7	9
EBIT return on funds employed, % (MAT)[3]	7.1	6.2	15
Return on equity, % (MAT)[3]	5.1	4.4	16
Gearing			
Net debt/equity, %	20	44	(54)
Net debt/net debt + equity, %	17	31	(45)
Interest cover, times	4.7	2.7	74
Earnings per share, ¢	13.0	11.4	14
Dividend per share, ¢	7.5	7.0	7
Employee Safety: (per million hours worked)			
Lost time injury frequency rate	2.0	1.9	5
Recordable injury frequency rate	21.6	23.3	(7)

[2] Excludes employees from the Cultured Stone business in the USA, acquired at the end of December 2010.
[3] Excludes significant items