



Half-Year Financial Report

31 December 2019

Boral Limited
ABN 13 008 421 761

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 2019 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.

APPENDIX 4D

HALF-YEAR REPORT

20 February 2020

Name of Entity: **Boral Limited**
 ABN: **13 008 421 761**
 For the half year ended: **31 December 2019**

Boral Limited

ABN 13 008 421 761

Level 18, 15 Blue Street
 North Sydney NSW 2060
 PO Box 1228
 North Sydney NSW 2059
 Telephone (02) 9220 6300
 Facsimile (02) 9233 6605

www.boral.com.au



Results for announcement to the market

				Dec-2019 \$m	Restated ¹ Dec-2018 \$m
Revenue from continuing operations	up	2.2%	to	2,960.2	2,897.3
Revenue from discontinued operations				28.9	93.0
Total revenue				2,989.1	2,990.3
Profit from continuing operations before net interest expense, income tax and significant items	down	(11.7%)	to	253.9	287.5
Loss from discontinued operations before net interest expense, income tax and significant items				(2.2)	(0.6)
Profit before net interest expense, income tax and significant items	down	(12.3%)	to	251.7	286.9
Net interest expense from continuing operations before significant items				(61.2)	(48.8)
Profit before income tax and significant items	down	(20.0%)	to	190.5	238.1
Income tax from continuing operations before significant items				(34.8)	(46.1)
Income tax from discontinued operations before significant items				0.6	0.2
Net profit before significant items attributable to members	down	(18.7%)	to	156.3	192.2
Significant items from continuing operations net of tax ²				(18.2)	(9.8)
Significant items from discontinued operations net of tax ²				-	46.1
Significant items from equity accounted results ²				(1.6)	-
Net profit attributable to members	down	(40.3%)	to	136.5	228.5

1. Refer note 1(d) of the attached half-year financial report.

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

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The above disclosures are derived from the financial report for the period ended 31 December 2019 which has been reviewed by KPMG. The Independent Auditor's Review Report provided by KPMG is included in the Half-Year Financial Report of Boral Limited for the half year period ended 31 December 2019.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	9.5 cents	4.75 cents
Previous corresponding period: Interim - ordinary	13.0 cents	6.5 cents
Record date for determining entitlements to the dividend	16 March 2020	
Comparative Period: Half Year ended 31 December 2018		

Commentary on the results for the period

The commentary on the results of the period is contained in the "Results Announcement for the half-year ended 31 December 2019 - Management Discussion and Analysis" dated 20 February 2020.

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 2019 ("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:

Kathryn Fagg AO	- Chairman
Mike Kane	- Chief Executive Officer and Managing Director
Peter Alexander	
Eileen Doyle	
John Marlay	
Karen Moses	
Paul Rayner	

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

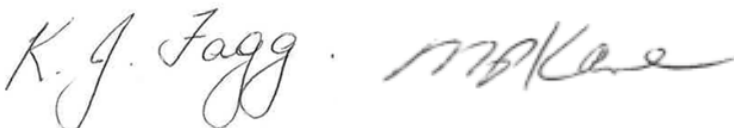
3. Lead Auditor's Independence Declaration

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

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "-" represent zero amounts and amounts less than \$50,000 which have been rounded down.

Signed in accordance with a resolution of the Directors.



Kathryn Fagg AO
Director

Mike Kane
Director

Sydney, 20 February 2020



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 for the half-year ended 31 December 2019 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 grey ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Kevin Leighton'.

Kevin Leighton
Partner

Sydney, 20 February 2020

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	Half-Year 31 Dec 2019 \$m	Restated ¹ Half-Year 31 Dec 2018 \$m
Continuing operations			
Revenue	4	2,960.2	2,897.3
Cost of sales		(1,995.5)	(1,940.6)
Selling and distribution expenses		(523.2)	(509.6)
Administrative expenses		(227.4)	(203.7)
		(2,746.1)	(2,653.9)
Other income		10.6	8.5
Other expenses		(21.9)	(13.3)
Share of equity accounted income	9	27.6	36.4
Profit before net interest expense and income tax		230.4	275.0
Interest income		2.7	1.2
Interest expense		(63.9)	(50.0)
Net interest expense		(61.2)	(48.8)
Profit before income tax		169.2	226.2
Income tax expense	5	(31.1)	(43.4)
Profit from continuing operations		138.1	182.8
Discontinued operations			
Profit/(loss) from discontinued operations (net of income tax)	3	(1.6)	45.7
Net profit attributable to members of the parent entity		136.5	228.5
Basic earnings per share	7	11.6c	19.5c
Diluted earnings per share	7	11.6c	19.4c
Continuing operations			
Basic earnings per share	7	11.8c	15.6c
Diluted earnings per share	7	11.7c	15.5c

1. Refer Note 1(d) for further details.

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

	Half-Year 31 Dec 2019 \$m	Restated ¹ Half-Year 31 Dec 2018 \$m
Net profit	136.5	228.5
Other comprehensive income		
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	4.7	133.5
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	(10.8)
Fair value adjustment on cash flow hedges	(4.6)	(7.1)
Income tax on items that may be reclassified subsequently to Income Statement	3.2	30.0
Total comprehensive income for the half-year attributable to members of the parent entity	139.8	374.1

1. Refer Note 1(d) for further details.

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	31 Dec 2019 \$m	Restated ¹ 30 Jun 2019 \$m
CURRENT ASSETS			
Cash and cash equivalents		84.4	207.2
Receivables		779.2	875.1
Inventories		642.9	662.5
Financial assets		1.5	3.8
Other assets		60.3	39.6
Assets classified as held for sale		88.3	-
TOTAL CURRENT ASSETS		1,656.6	1,788.2
NON-CURRENT ASSETS			
Receivables		46.3	27.8
Inventories		12.8	11.4
Investments accounted for using the equity method		1,297.6	1,292.0
Financial assets		41.8	41.6
Property, plant and equipment		3,252.8	2,880.4
Intangible assets		3,345.0	3,372.8
Deferred tax assets		81.4	86.1
Other assets		31.6	27.2
TOTAL NON-CURRENT ASSETS		8,109.3	7,739.3
TOTAL ASSETS		9,765.9	9,527.5
CURRENT LIABILITIES			
Trade creditors		711.6	842.1
Interest bearing liabilities	11	433.0	339.7
Financial liabilities		26.6	23.8
Current tax liabilities		16.3	29.0
Employee benefit liabilities		110.2	118.7
Provisions		36.3	48.4
Liabilities classified as held for sale		9.5	-
TOTAL CURRENT LIABILITIES		1,343.5	1,401.7
NON-CURRENT LIABILITIES			
Interest bearing liabilities	11	2,365.5	2,060.8
Financial liabilities		1.3	-
Deferred tax liabilities		49.0	50.8
Employee benefit liabilities		45.7	46.1
Provisions		154.8	118.6
Other liabilities		8.9	16.3
TOTAL NON-CURRENT LIABILITIES		2,625.2	2,292.6
TOTAL LIABILITIES		3,968.7	3,694.3
NET ASSETS		5,797.2	5,833.2
EQUITY			
Issued capital	12	4,265.1	4,265.1
Reserves	13	333.3	330.0
Retained earnings		1,198.8	1,238.1
TOTAL EQUITY		5,797.2	5,833.2

1. Refer Note 1(d) for further details.

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

	Issued capital \$m	Reserves \$m	Restated ¹ Retained earnings \$m	Restated ¹ Total Equity \$m
Balance at 30 June 2019	4,265.1	330.0	1,238.1	5,833.2
Transition impact from implementation of AASB 16	-	-	(17.5)	(17.5)
Balance at 1 July 2019	4,265.1	330.0	1,220.6	5,815.7
Net profit	-	-	136.5	136.5
Other comprehensive income				
Translation of net assets of overseas entities	-	10.7	-	10.7
Translation of long-term borrowings and foreign currency forward contracts	-	(6.0)	-	(6.0)
Fair value adjustment on cash flow hedges	-	(4.6)	-	(4.6)
Income tax relating to other comprehensive income	-	3.2	-	3.2
Total comprehensive income	-	3.3	136.5	139.8
Transactions with owners in their capacity as owners				
Share acquisition rights vested	-	(2.0)	-	(2.0)
Dividend paid	-	-	(158.3)	(158.3)
Share-based payment	-	2.0	-	2.0
Total transactions with owners in their capacity as owners	-	-	(158.3)	(158.3)
Balance at 31 December 2019	4,265.1	333.3	1,198.8	5,797.2
Balance at 1 July 2018	4,265.1	155.8	1,303.6	5,724.5
Net profit	-	-	228.5	228.5
Other comprehensive income				
Translation of net assets of overseas entities	-	226.6	-	226.6
Translation of long-term borrowings and foreign currency forward contracts	-	(93.1)	-	(93.1)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	(10.8)	-	(10.8)
Fair value adjustment on cash flow hedges	-	(7.1)	-	(7.1)
Income tax relating to other comprehensive income	-	30.0	-	30.0
Total comprehensive income	-	145.6	228.5	374.1
Transactions with owners in their capacity as owners				
Share acquisition rights vested	-	(7.5)	-	(7.5)
Dividend paid	-	-	(164.1)	(164.1)
Share-based payment	-	4.0	-	4.0
Total transactions with owners in their capacity as owners	-	(3.5)	(164.1)	(167.6)
Balance at 31 December 2018	4,265.1	297.9	1,368.0	5,931.0

1. Refer Note 1(d) for further details.

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	Half-Year 31 Dec 2019 \$m	Half-Year 31 Dec 2018 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,240.5	3,256.0
Payments to suppliers and employees		(2,912.9)	(2,937.0)
		327.6	319.0
Dividends received		23.6	34.5
Interest received		2.5	1.0
Borrowing costs paid		(61.4)	(47.0)
Income taxes paid		(30.6)	(35.9)
Restructure, acquisition and integration costs paid	14	(24.5)	(18.7)
Net cash provided by operating activities		237.2	252.9
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(185.3)	(182.3)
Purchase of intangibles		(3.6)	(0.4)
Purchase of controlled entities and businesses		-	(10.9)
Proceeds on disposal of non-current assets		19.7	4.4
Proceeds on disposal of controlled entities and associates (net of transaction costs)		13.0	377.3
Net cash provided by/(used in) investing activities		(156.2)	188.1
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(158.3)	(164.1)
Repayment of lease principal		(45.7)	-
Repayment of borrowings		(1.3)	(268.2)
Net cash used in financing activities		(205.3)	(432.3)
NET CHANGE IN CASH AND CASH EQUIVALENTS			
		(124.3)	8.7
Cash and cash equivalents at the beginning of the year		207.2	74.3
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		1.5	0.8
Cash and cash equivalents at the end of the half-year	14	84.4	83.8

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 limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated half-year financial report of Boral Limited as at and for the half-year ended 31 December 2019 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 financial 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 2019 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 20 February 2020.

The half-year financial report is presented in Australian dollars.

(b) Significant Accounting Policies

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2019 Annual Financial Report, except as stated in Note 1(c). The half-year financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

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) Changes in Accounting Policies

Adoption of new and revised accounting standards

The Group has adopted all new and amended Australian Accounting Standards and Australian Accounting Standards Board (AASB) interpretations that are mandatory for the current reporting period and relevant to the Group, which excluding the impact of AASB 16 Leases, did not have a significant impact on the Group's half-year financial report.

Effective 1 July 2019, the Group adopted AASB 16 Leases, which introduced a single, on-balance sheet accounting model for lessees. As a result, the Group has recognised "right of use (ROU) assets" representing its rights as the lessee to use the underlying assets and lease liabilities representing its obligations to pay for the use of the assets over time. The implementation of this standard has resulted in the Group updating all of the relevant internal policies and implemented appropriate system solutions to ensure ongoing compliance with AASB 16.

Transition approach

The Group applied the modified retrospective approach to existing operating leases on transition with no restatement of the comparative prior year information and the cumulative effect of initial application recognised in retained earnings at 1 July 2019.

The Group has applied the following practical expedients as permitted by AASB 16:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- excluding initial direct costs in measuring right-of-use assets at the date of initial application; and
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES (continued)

(c) Changes in Accounting Policies (continued)

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate between 2.59% to 5.10% as at 1 July 2019, and presented on the Balance Sheet within Interest Bearing Liabilities.

ROU assets are presented within Property, Plant and Equipment and were measured as either:

- the carrying amount as if AASB 16 had been applied since the lease commencement date; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment.

Accounting policy applied from 1 July 2019

In the comparative period, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as "finance leases" under AASB 117 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings.

Under AASB 16 Leases, the Group's operating leases with a term of more than 12 months, unless the underlying asset is of low value, is recognised on the Balance Sheet as "ROU assets" and "lease liabilities". The depreciation of the ROU asset and interest on lease liability will replace the previous straight lining of rent expense practice.

The Group has implemented a lease accounting system in Australia and North America which will be used for the majority of the Group's leases.

Leasing activities

The Group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years, but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Financial statement impacts

Impact on transition

As a result of the change in accounting policy, the Group recognised the following transition adjustment:

	Assets \$m	Liabilities \$m	Equity \$m
Increase/(decrease)			
Property, plant and equipment	(2.0)		
ROU assets	386.4		
Deferred tax assets	7.1		
Creditors		(4.3)	
Provisions		33.0	
Lease liabilities		380.3	
Retained earnings			(17.5)
	391.5	409.0	(17.5)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES (continued)

(c) Changes in Accounting Policies (continued)

The reconciliation between lease commitments as at 30 June 2019 and the transition lease liability adjustment is presented as follows:

	\$m
Operating lease commitments disclosed as at 30 June 2019	463.4
(less): short-term leases not recognised as a liability	(7.6)
(less): low-value leases not recognised as a liability	(6.0)
(less): effect of discounting on payments included in the calculation of the lease liability (excluding finance lease balances)	(69.5)
Operating lease commitments capitalised	380.3
add: finance lease liabilities recognised as at 30 June 2019	6.1
Lease liability recognised as at 1 July 2019	386.4

Impacts for the period

As a result of the change in policy arising from the adoption of AASB 16, the Group has recognised a ROU asset of \$399.5 million and a lease liability of \$392.2 million on the Balance Sheet as at 31 December 2019 and depreciation expense of \$47.9 million and interest expense of \$8.9 million instead of rent expense for the period then ended. The leases payments previously classified as operating cash outflows have been split with the principal payments of \$45.7 million presented as a financing outflow and the interest payments of \$8.4 million presented as an operating outflow.

(d) Comparative Figures

Where applicable, certain comparative figures have been reclassified, to align with current year presentation, as a result of the sale of Midland Brick, as well as a non significant reclassification of operating expenses between categories.

During the first half of the current fiscal year, Boral identified certain financial irregularities in its North American Windows business, involving misreporting in relation to inventory, payables and cost of sales.

Boral has restated the comparative figures to reflect the underlying results of the Group as well as the North American segment. The impact on the affected financial statement line items is as follows:

Impact on the Balance Sheet and Boral North America segment assets and liabilities - increase/(decrease)

	Previously reported \$m	Adjustment \$m	Restated ¹ \$m
30 June 2019			
Receivables	877.4	(2.3)	875.1
Inventories	683.8	(21.3)	662.5
Deferred tax assets	78.7	7.4	86.1
Total Assets	9,543.7	(16.2)	9,527.5
Trade creditors	832.6	9.5	842.1
Total Liabilities	3,684.8	9.5	3,694.3
Retained earnings	1,263.8	(25.7)	1,238.1
Total Equity	5,858.9	(25.7)	5,833.2

	Previously reported \$m	Adjustment \$m	Restated ¹ \$m
1 July 2018			
Retained earnings	1,307.9	(4.3)	1,303.6
Total Equity	5,728.8	(4.3)	5,724.5

Impact on Income Statement and Boral North America segment results - increase/(decrease)

	Previously reported \$m	Adjustment \$m	Restated ¹ \$m
31 December 2018			
Cost of Sales	(1,987.8)	(5.5)	(1,993.3)
Administrative expenses	(187.6)	(4.7)	(192.3)
Income tax expense	(45.4)	2.2	(43.2)
Profit from continuing operations	190.4	(8.0)	182.4

1. Excludes impact of discontinued operations re-presentation and non significant reclass between operating expense categories.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES (continued)

(d) Comparative Figures (continued)

Impact on Total earnings per share - increase/(decrease)

Basic earnings per share	(0.7c)
Diluted earnings per share	(0.7c)

The change did not have an impact on other comprehensive income for the period or the Group's operating, investing or financing cash flows.

(e) Rounding of Amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "-" represent zero amounts and amounts less than \$50,000 which have been rounded down.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and Managing Director in assessing performance and in determining the allocation of resources. The operating segments are identified by the Group based on consideration of the nature of the services provided as well as the geographical region. Discrete financial information about each of these operating businesses is reported to the CEO and Managing Director on a recurring basis.

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

Boral Australia	- Construction Materials & Cement (comprising quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing) and Building Products (comprising roofing, masonry and timber products).
USG Boral	- 50/50 joint venture between USG Corporation and Boral Limited responsible for the manufacture and sale of plasterboard and associated products.
Boral North America	- Flyash, stone, roofing, light building products, windows and 50% share of the Meridian Brick joint venture.
Discontinued Operations	- Midland Brick (2018: Denver construction materials and US block).
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 include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reconciliations of reportable segment revenues and profits	Note	Half-Year 31 Dec 2019 \$m	Restated ¹ Half-Year 31 Dec 2018 \$m
External revenue		2,989.1	2,990.3
Less: Revenue from discontinued operations	3	(28.9)	(93.0)
Revenue from continuing operations		2,960.2	2,897.3
Profit before tax			
Profit before net interest expense and income tax from reportable segments		228.2	339.6
Less: (Profit)/loss before net interest expense and income tax from discontinued operations	3	2.2	(64.6)
Profit before net interest expense and income tax from continuing operations		230.4	275.0
Net interest expense from continuing operations		(61.2)	(48.8)
Profit before tax from continuing operations		169.2	226.2

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America		Discontinued Operations		Unallocated		Total	
	Half-Year 31 Dec 2019	Restated ¹ Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Restated ¹ Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Restated ¹ Half-Year 31 Dec 2018
		\$m		\$m		\$m		\$m		\$m		\$m
External Revenue	1,752.4	1,793.6	-	-	1,207.8	1,103.7	28.9	93.0	-	-	2,989.1	2,990.3
Profit/(loss) before depreciation, amortisation, interest, income tax expense and significant items (EBITDA)	286.5	269.9	22.8	24.7	196.7	185.4	(0.3)	4.9	(12.7)	(10.0)	493.0	474.9
Depreciation and amortisation, excluding amortisation of acquired intangibles	(126.8)	(101.5)	-	-	(80.6)	(51.3)	(1.9)	(3.2)	(1.0)	(0.4)	(210.3)	(156.4)
Profit/(loss) before amortisation of acquired intangibles, interest, income tax expense and significant items (EBITA)	159.7	168.4	22.8	24.7	116.1	134.1	(2.2)	1.7	(13.7)	(10.4)	282.7	318.5
Amortisation of acquired intangibles	-	-	-	-	(31.0)	(29.3)	-	(2.3)	-	-	(31.0)	(31.6)
Profit/(loss) before interest, income tax and significant items (EBIT)	159.7	168.4	22.8	24.7	85.1	104.8	(2.2)	(0.6)	(13.7)	(10.4)	251.7	286.9
Significant items before income tax expense	(7.2)	-	(1.6)	-	(8.2)	(12.5)	-	65.2	(6.5)	-	(23.5)	52.7
Profit/(loss) before interest and income tax expense	152.5	168.4	21.2	24.7	76.9	92.3	(2.2)	64.6	(20.2)	(10.4)	228.2	339.6
Equity accounted income	9.1	10.9	22.8	24.7	(2.7)	0.8	-	-	-	-	29.2	36.4
Significant items	-	-	(1.6)	-	-	-	-	-	-	-	(1.6)	-
Equity accounted income after significant items	9.1	10.9	21.2	24.7	(2.7)	0.8	-	-	-	-	27.6	36.4

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

External revenue by product	Boral Australia		USG Boral		Boral North America		Discontinued Operations		Unallocated		Total	
	Half-Year 31 Dec 2019	Restated ¹ Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Restated ¹ Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018
		\$m		\$m		\$m		\$m		\$m		\$m
Concrete	689.0	754.5	-	-	-	-	-	-	-	-	689.0	754.5
Fly ash	-	-	-	-	424.6	383.8	-	-	-	-	424.6	383.8
Asphalt	386.9	376.2	-	-	-	-	-	-	-	-	386.9	376.2
Roofing	39.0	50.2	-	-	254.5	248.1	-	-	-	-	293.5	298.3
Quarry products	221.4	223.0	-	-	-	-	-	-	-	-	221.4	223.0
Stone	-	-	-	-	183.5	187.3	-	-	-	-	183.5	187.3
Light building products	-	-	-	-	208.8	184.3	-	-	-	-	208.8	184.3
Cement	162.2	163.5	-	-	-	-	-	-	-	-	162.2	163.5
Concrete Placing	124.0	107.6	-	-	-	-	-	-	-	-	124.0	107.6
Windows	-	-	-	-	136.4	100.2	-	-	-	-	136.4	100.2
Other	129.9	118.6	-	-	-	-	28.9	93.0	-	-	158.8	211.6
Total external revenue	1,752.4	1,793.6	-	-	1,207.8	1,103.7	28.9	93.0	-	-	2,989.1	2,990.3

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America		Discontinued Operations		Unallocated		Total	
	Half-Year	Full Year	Half-Year	Full Year	Half-Year	Full Year	Half-Year	Full Year	Half-Year	Full Year	Half-Year	Full Year
	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Segment assets (excluding equity accounted investments)	3,363.6	3,174.9	-	-	4,830.0	4,662.9	88.3	88.3	20.6	16.1	8,302.5	7,942.2
Equity accounted investments	20.5	22.3	1,050.7	1,041.1	226.4	228.6	-	-	-	-	1,297.6	1,292.0
Cash and cash equivalents	3,384.1	3,197.2	1,050.7	1,041.1	5,056.4	4,891.5	88.3	88.3	20.6	16.1	9,600.1	9,234.2
Tax assets											84.4	207.2
Total assets	3,384.1	3,197.2	1,050.7	1,041.1	5,056.4	4,891.5	88.3	88.3	20.6	16.1	9,765.9	9,527.5
Segment liabilities	672.2	739.8	-	-	336.2	390.1	9.5	8.8	87.0	75.3	1,104.9	1,214.0
Interest bearing liabilities											2,798.5	2,400.5
Tax liabilities											65.3	79.8
Total liabilities	672.2	739.8	-	-	336.2	390.1	9.5	8.8	87.0	75.3	3,968.7	3,694.3
Acquisition of segment assets ²	155.8	105.9	-	-	118.2	71.8	0.2	4.5	0.5	0.5	274.7	182.7

1. Refer Note 1(d) for further details.

2. Excludes amounts attributable to the acquisition of controlled entities and businesses.

Geographical location

In presenting information on a geographical basis, assets are based on the geographical location of the assets.

	NON-CURRENT ASSETS	
	Half-Year	Full Year
	31 Dec 2019	30 Jun 2019
	\$m	\$m
Australia	2,718.6	2,606.5
Asia	747.0	729.0
United States of America	4,429.5	4,187.1
Other	91.0	89.0
	7,986.1	7,611.6
Deferred tax assets	81.4	86.1
Financial assets	41.8	41.6
	8,109.3	7,739.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

3. DISCONTINUED OPERATIONS

During the period, the Group announced the divestment of its Midland Brick business in West Coast, Australia with expected completion during the second half of the current financial year.

The earnings in the current and comparative periods for this business, as well as the gain on sale, have been reclassified to "Discontinued Operations" in the Income Statement, and are summarised below. The comparatives include the discontinued operations relating to the Concrete and Quarries business in Denver, Colorado and the US Block business.

	Note	Half-Year 31 Dec 2019 \$m	Restated ¹ Half-Year 31 Dec 2018 \$m
Results of discontinued operations			
Revenue		28.9	93.0
Expenses		(31.1)	(93.6)
Trading profit/(loss) before significant items, net interest expense and income tax			
Net gain on sale of discontinued operations	6	-	65.2
Profit/(loss) before income tax		(2.2)	(0.6)
Income tax benefit/(expense)	5	0.6	(18.9)
Net profit/(loss) attributable to members of the parent entity		(1.6)	45.7
Cash flows of discontinued operations			
Net cash provided by/(used in) operating activities		(1.9)	2.7
Net cash provided by investing activities		8.8	375.0
Net cash used in financing activities		(0.7)	-
Net cash provided by discontinued operations		6.2	377.7
Assets and liabilities classified as held for sale			
Receivables		6.2	-
Inventories		45.8	-
Property, plant and equipment		34.5	-
Other assets		1.8	-
Assets classified as held for sale		88.3	-
Trade creditors		(3.3)	-
Lease liabilities		(2.1)	-
Provisions		(4.1)	-
Liabilities classified as held for sale		(9.5)	-
Net assets		78.8	-

4. REVENUE FROM CONTINUING OPERATIONS

Sale of goods	2,851.4	2,766.5
Rendering of services	108.8	130.8
Revenue from continuing operations	2,960.2	2,897.3

5. INCOME TAX EXPENSE

Reconciliation of income tax expense to prima facie tax

Income tax expense on profit at Australian tax rates 30%	50.1	87.2
Variation between Australian and overseas tax rates	(3.8)	(5.6)
Share of associates' net income (excluding significant items)	(8.2)	(10.3)
Tax benefit arising from share acquisition rights vested	(0.5)	(1.7)
Non-deductible difference from sale of business	-	11.3
Income tax losses brought to account	(10.6)	(13.0)
Other items	3.5	(5.6)
Income tax expense	30.5	62.3
Income tax expense relating to continuing operations	31.1	43.4
Income tax expense/(benefit) relating to discontinued operations	(0.6)	18.9
	30.5	62.3

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS

December 2019

Net profit includes the following significant items, which relate to material transactions that are disclosed separately in order to better explain financial performance. Management considers significant items when assessing performance of the Group, and in order to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Boral Group.

Significant items is not a defined performance measure in IFRS. The Company's definition of significant items may not be comparable with similarly titled performance measures and disclosures by other entities.

	Restructure costs (i) \$m	Integration costs (ii) \$m	Joint venture matters (iii) \$m	Total \$m
Continuing operations				
Other expenses	(7.2)	(8.2)	(6.5)	(21.9)
Share of equity accounted income		-	(1.6)	(1.6)
Loss before interest and tax	(7.2)	(8.2)	(8.1)	(23.5)
Income tax benefit	2.0	1.7	-	3.7
Net significant items from continuing operations	(5.2)	(6.5)	(8.1)	(19.8)

(i) Restructure costs

During the period, \$7.2 million of restructuring related costs have been incurred to align the Australian business with current market conditions.

(ii) Integration costs

During the period, \$8.2 million of costs have been incurred on the integration of Headwaters business into the Boral North America business, which forms part of the integration costs of US\$90 million - \$100 million expected. The costs during the period predominantly relate to redundancies and closure costs arising from rationalisation of Stone plants.

(iii) Joint venture matters

During the period, the Group incurred \$8.1 million of costs, primarily legal and consulting, in conjunction with the announced change in ownership and operating structure of the plasterboard businesses, as a result of Knauf's acquisition of USG.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS (continued)

December 2018

	Sale of business (i) \$m	Integration costs (ii) \$m	Total \$m
Continuing operations			
Loss before interest and tax	-	(12.5)	(12.5)
Income tax benefit	-	2.7	2.7
Net significant items from continuing operations	-	(9.8)	(9.8)
Discontinued operations			
Profit before interest and tax	65.2	-	65.2
Income tax expense	(19.1)	-	(19.1)
Net significant items from discontinued operations	46.1	-	46.1
Summary of significant items			
Profit/(loss) before interest and tax	65.2	(12.5)	52.7
Income tax (expense)/benefit	(19.1)	2.7	(16.4)
Net significant items	46.1	(9.8)	36.3

(i) Sale of business

Gain on disposal of Denver Construction Materials

On 1 July 2018, the Group sold the Denver Construction Materials business for cash proceeds of \$173.2 million, and generated a profit before tax of \$62.7 million.

Gain on disposal of Block

In November 2018, the Group sold the Block business for cash proceeds of \$210.1 million, and generated a profit before tax of \$2.5 million.

(ii) Integration costs

During the prior period, \$12.5 million of costs have been incurred on the integration of the Headwaters business into the Boral North America business, which forms part of the implementation costs of US\$90 million - \$100 million expected over financial years 2018 and 2019. The costs during the period predominantly relate to redundancies, consultant fees supporting the integration, integration of IT systems and closure costs arising from rationalisation of Stone plants.

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.

	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	1,172,331,924	1,172,331,924
Effect of potential ordinary shares	4,296,240	4,653,649
Number for diluted earnings per share	1,176,628,164	1,176,985,573

	Continuing operations	Discontinued operations	Total	Restated ¹ Continuing operations	Restated ¹ Discontinued operations	Restated ¹ Total
	Half-Year 31 Dec 2019 \$m	Half-Year 31 Dec 2019 \$m	Half-Year 31 Dec 2019 \$m	Half-Year 31 Dec 2018 \$m	Half-Year 31 Dec 2018 \$m	Half-Year 31 Dec 2018 \$m
Earnings reconciliation						
Net profit attributable to members of the parent entity excluding significant items	157.9	(1.6)	156.3	192.6	(0.4)	192.2
Net significant items (refer note 6)	(19.8)	-	(19.8)	(9.8)	46.1	36.3
Net profit attributable to members of the parent entity	138.1	(1.6)	136.5	182.8	45.7	228.5
Basic earnings per share*	11.8c	(0.1c)	11.6c	15.6c	3.9c	19.5c
Diluted earnings per share	11.7c	(0.1c)	11.6c	15.5c	3.9c	19.4c
Basic earnings per share (excluding significant items)*	13.5c	(0.1c)	13.3c	16.4c	-	16.4c
Diluted earnings per share (excluding significant items)*	13.4c	(0.1c)	13.3c	16.4c	-	16.3c

1. Refer Note 1(d) for further details.

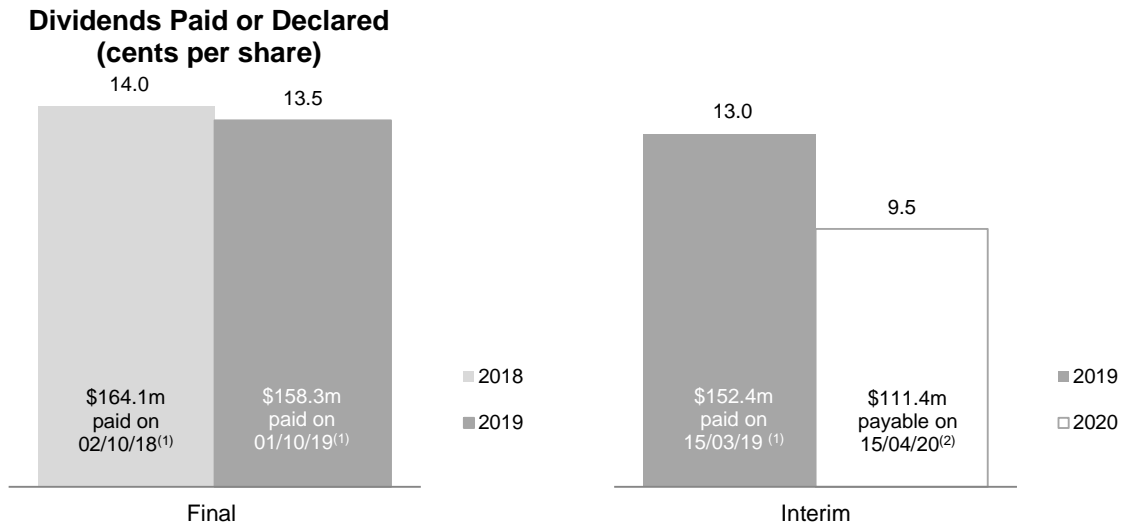
* Numbers may not add due to rounding.

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



(1) Declared, paid and 50% franked.

(2) Estimated interim dividend payable, 50% franked, subject to variations in number of shares up to record date. The financial effect of the interim dividend for December 2019 has not been brought to account in the financial report for the period ended 31 December 2019 but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan has been reactivated with effect from the payment of the interim dividend on 15 April 2020. The last date for the receipt of an election notice for participation in the plan is 17 March 2020.

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	
			31 Dec 2019 %	30 Jun 2019 %
DETAILS OF EQUITY ACCOUNTED INVESTMENTS				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	50	50
Flyash Australia Pty Ltd	Fly ash collection	31-Dec	50	50
Highland Pine Products Pty Ltd	Timber	30-Jun	50	50
Meridian Brick ¹	Bricks	30-Jun	50	50
Penrith Lakes Development Corporation Ltd	Property development	30-Jun	40	40
South East Asphalt Pty Ltd	Asphalt	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	50	50
USG Boral Building Products ²	Plasterboard	30-Jun	50	50
US Tile LLC	Roof tiles	31-Dec	50	50

1. The Group has a 50% interest in the joint ventures in the USA (Meridian Brick LLC) and Canada (Meridian Brick Canada Ltd).

2. The Group has a 50% interest in the Gypsum joint ventures in Australia (USG Boral Building Products Pty Ltd) and Asia (USG Boral Building Products Pte Ltd).

	SIGNIFICANT EQUITY ACCOUNTED INVESTMENT USG Boral Building Products		Total	
	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018	Half-Year 31 Dec 2019	Half-Year 31 Dec 2018
	\$m	\$m	\$m	\$m
RESULTS OF EQUITY ACCOUNTED INVESTMENT				
Summarised Income Statement at 100%				
Profit before income tax	72.1	82.4	91.3	115.6
Income tax expense	(22.7)	(31.6)	(29.3)	(41.6)
Non-controlling interest	(3.8)	(1.3)	(3.8)	(1.3)
Net profit before significant items	45.6	49.5	58.2	72.7
Significant items net of tax	(3.2)	-	(3.2)	-
Net profit	42.4	49.5	55.0	72.7
The Group's share based on % ownership:				
Net profit before significant items	22.8	24.7	29.2	36.4
Significant items net of tax	(1.6)	-	(1.6)	-
Net profit	21.2	24.7	27.6	36.4

	31 Dec 2019	Restated ¹ 30 Jun 2019	Restated ¹ 31 Dec 2018
10. NET TANGIBLE ASSET BACKING			
Net tangible asset backing per ordinary security	\$2.09	\$2.10	\$2.17

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2019 \$m	30 Jun 2019 \$m
11. INTEREST BEARING LIABILITIES		
CURRENT		
Other loans - unsecured	338.9	336.6
Other loans	4.4	-
Lease liabilities	89.7	3.1
	433.0	339.7
NON-CURRENT		
Other loans - unsecured	2,059.9	2,057.8
Other loans	3.1	-
Lease liabilities	302.5	3.0
	2,365.5	2,060.8
TOTAL	2,798.5	2,400.5

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

				31 Dec 2019 Carrying amount \$m	30 Jun 2019 Carrying amount \$m
	Currency	Effective interest rate 31 Dec 2019	Calendar year of maturity		
CURRENT					
US senior notes - private placement - unsecured	USD	7.22%	2020	108.6	108.6
CHF notes - unsecured	CHF	2.25%	2020	220.9	219.0
Other loans - unsecured	GBP	1.89%	2020	9.4	9.0
Other loans	USD	3.90%	2020	4.4	-
				343.3	336.6
NON-CURRENT					
US senior notes - private placement - unsecured	USD	3.95%	2025 - 2030	708.7	708.1
US senior notes - 144A/Reg S - unsecured	USD	3.40%	2022 - 2028	1,351.2	1,349.7
Other loans	USD	3.90%	2021	3.1	-
				2,063.0	2,057.8
TOTAL				2,406.3	2,394.4

CHANGES TO BANK FACILITIES

Acquisition Loan Facilities

The Group entered into a new committed US\$400 million syndicated loan facility which matures 12 months starting from the earlier of financial close or 31 March 2020. The facility was undrawn as at 31 December 2019.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2019 \$m	30 Jun 2019 \$m
12. ISSUED CAPITAL		
1,172,331,924 (30 Jun 2019: 1,172,331,924) ordinary shares	4,265.1	4,265.1

There were no movements in issued capital during the current or prior periods.

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit.

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

13. RESERVES

Foreign currency translation reserve	305.0	298.5
Hedging reserve - cash flow hedges	(9.0)	(5.8)
Share-based payments reserve	37.3	37.3
Balance at the end of the period	333.3	330.0

	Half-Year 31 Dec 2019 \$m	Half-Year 31 Dec 2018 \$m
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14. NOTES TO STATEMENT OF CASH FLOWS

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	84.4	86.8
Bank overdrafts	-	(3.0)
	84.4	83.8

During the half year, the Group incurred costs associated with:

Integration costs	(4.8)	(16.6)
Restructure and business closure costs	(19.7)	(2.1)
	(24.5)	(18.7)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

15. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair value measurement principles adopted in this report are consistent with those applied in the Group's Annual Financial Report for the year ended 30 June 2019.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at Level 1 and Level 2 fair value:

	Level 1		Level 2	
	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	\$m	\$m	\$m	\$m
Assets				
Equity Securities	35.8	34.8	-	-
Derivative financial assets	-	-	7.5	10.6
Total assets	35.8	34.8	7.5	10.6
Liabilities				
Derivative financial liabilities	-	-	27.9	23.8
Total liabilities	-	-	27.9	23.8

The Group does not have financial instruments that have been valued at Level 3.

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 24, 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 2019 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:



Kathryn Fagg AO
Chairman



Mike Kane
CEO & Managing Director

Sydney, 20 February 2020



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

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Boral Limited.

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:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The half-year financial report comprises:

- the consolidated Balance Sheet as at 31 December 2019;
- consolidated Income Statement and 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 15 comprising a summary of significant accounting policies and other explanatory information; and
- the Directors' Declaration.

The Group comprises Boral Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors 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 internal 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 for the review of the Half-year Financial Report

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 2019 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*.

KPMG

Kevin Leighton
Partner
Sydney, 20 February 2020

Daniel Camilleri
Partner
Sydney, 20 February 2020

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