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ASX RELEASE

17 October 2018

Boral sells US Block business for US\$156 million

Boral Limited (ASX:BLD) today announced that it has agreed to sell its US Block business to Quikrete Holdings, Inc. for US\$156 million, subject to customary completion adjustments.

Boral's CEO & Managing Director, Mike Kane, said that while the Block business has performed well, Boral is focusing on its core building products and fly ash businesses in North America, its gypsum-based wall and ceilings business in USG Boral and construction materials in Australia.

"The Block business in Texas is an attractive business and under Quikrete's ownership, the business is well-positioned to continue to perform strongly.

"For Boral, this divestment helps to further strengthen our balance sheet and our focus on core operations. It is particularly helpful as we continue to assess the alternatives relating to the future ownership of our USG Boral joint venture.

"As we have previously indicated, following the merger agreement that has been announced between Knauf and USG Corporation, we are now considering whether to return to 100% Boral ownership or form an expanded joint venture. We have indicated that our preference is to fund any transaction in relation to USG Boral through debt and asset sales, so this divestment is well-timed and a pleasing outcome."

The sale is expected to complete around mid-November 2018, subject to regulatory approval.

Boral has owned the US Block business since May 2017 through the acquisition of Headwaters.

On completion, we do not expect a material after tax profit or loss on sale of the business. This is still subject to customary final working capital adjustments and foreign exchange impacts. Any profit or loss on sale will be recognised as a significant item in FY2019.

Deutsche Bank acted as Boral's financial advisor on the deal.

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