Build something great™

BORAL®

4 May 2012

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The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Level 14, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

Boral Plasterboard Presentation

We attach a presentation which is being given today at Boral's Plasterboard site at Pinkenba, Queensland during a briefing for analysts and investors.

Yours faithfully

Margaret Taylor
Company Secretary

BORAL PLASTERBOARD AUSTRALIA

Pinkenba Analyst and Investor Visit, May 2012

Mark Selway, Chief Executive, 4 May 2012

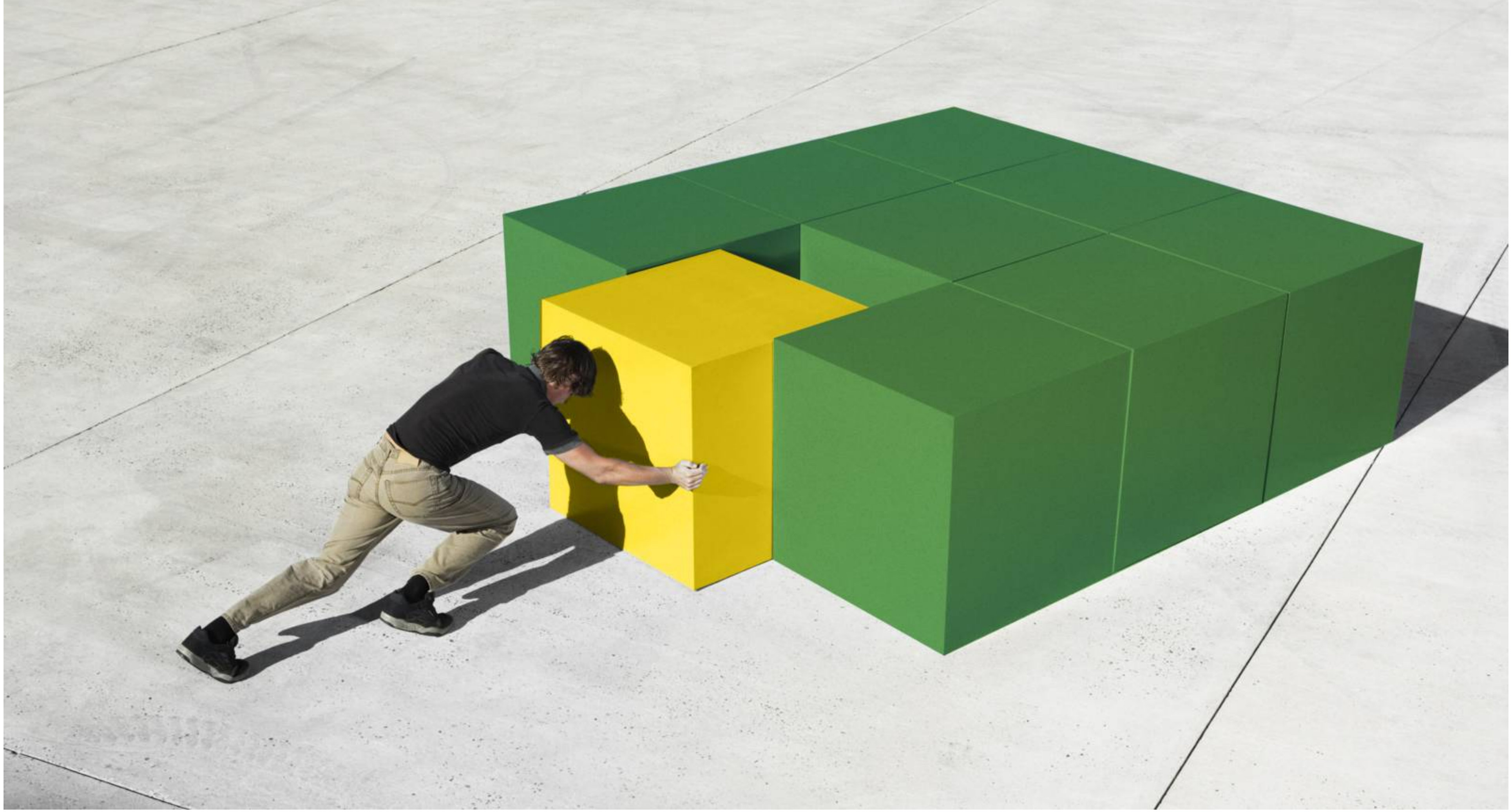
AGENDA – FRIDAY 4 MAY 2012

▪ Welcome	Mark Selway
▪ Plasterboard Australia Overview	Ross Batstone
▪ Safety Briefing, Plant and LEAN overview	Andrew Pittle
▪ Tour of production facilities	
▪ Lunch and discussion	

BORAL PLASTERBOARD AUSTRALIA

Pinkenba Analyst and Investor Visit, May 2012

Ross Batstone, Divisional Managing Director, Boral Building Products, 4 May 2012



BORAL BUILDING PRODUCTS AUSTRALIA BUSINESS IS HIGHLY LEVERAGED TO NEW HOUSING CONSTRUCTION

Boral Building Products – Australian businesses

(A$m)	1H FY10	2H FY10	1H FY11	2H FY11	1H FY12
Revenue	608	598	624	526	530
EBITDA	67	74	73	49	49
EBIT	37	46	46	22	22

Revenue (A$m)	1H FY12	1H FY11	*Var %*
Plasterboard	192	210	*(8%)*
Clay & Concrete	229	271	*(16%)*
Timber	109	143	*(24%)*

- Boral Building Products relies primarily on new housing construction in Australia, including alterations and additions
- Declines in residential construction and reduced government stimulus work has impacted volumes particularly since 2H FY2011
- A streamlined organisational structure has been implemented to maximise the potential of all businesses, particularly Clay & Concrete Products
- The right-sizing of installed brick capacity, improvements in operating efficiency and reduction in overhead costs will provide cost benefits
- Further residential activity declines impacting Building Products performance in 2H FY2012

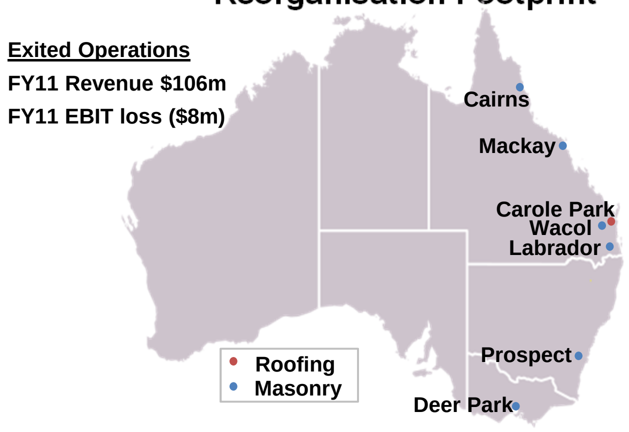
Results for the half year ended 31 December 2011

BORAL BUILDING PRODUCTS

Clay & Concrete Restructuring as announced to the market in February 2012

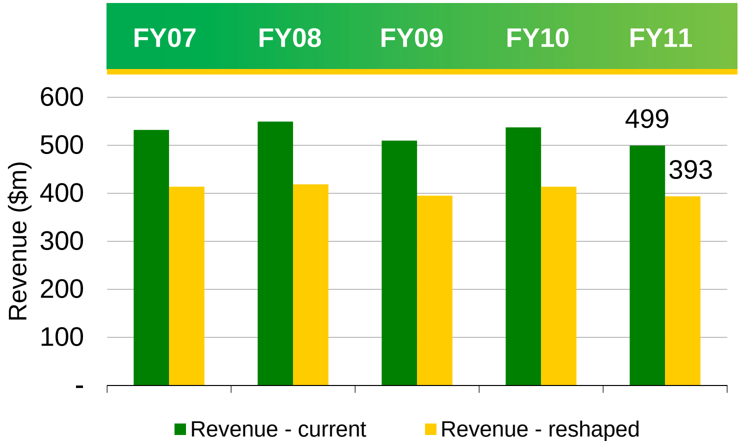
- We will exit the QLD Roofing business and close the Carole Park plant
- East Coast Masonry has been loss making for the past 5 years
- We will market test the sale of the East Coast Masonry business
- EBIT losses from QLD Masonry and Roofing were $8m in FY11 and a further $10m in overhead savings will result from the restructuring
- The Cairns and Mackay operations were successfully divested in early 2012

Reorganisation Footprint

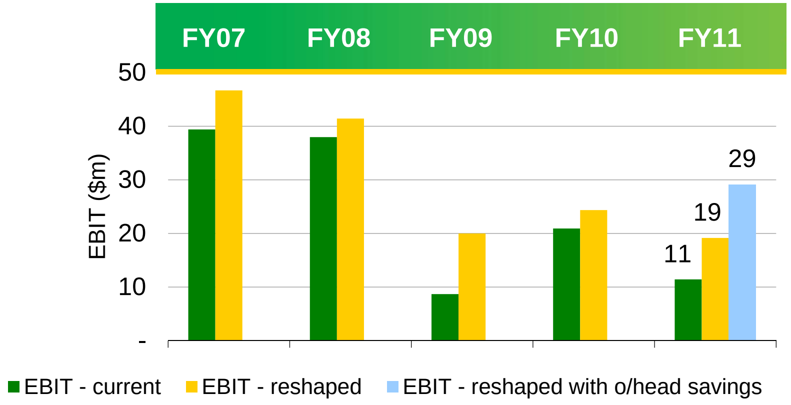


- 6 East Coast Masonry sites : 266 employees
- QLD Roofing : 32 employees

Revenue Comparisons Clay & Concrete Products



Profit Comparisons Clay & Concrete Products



Boral Building Products Australia

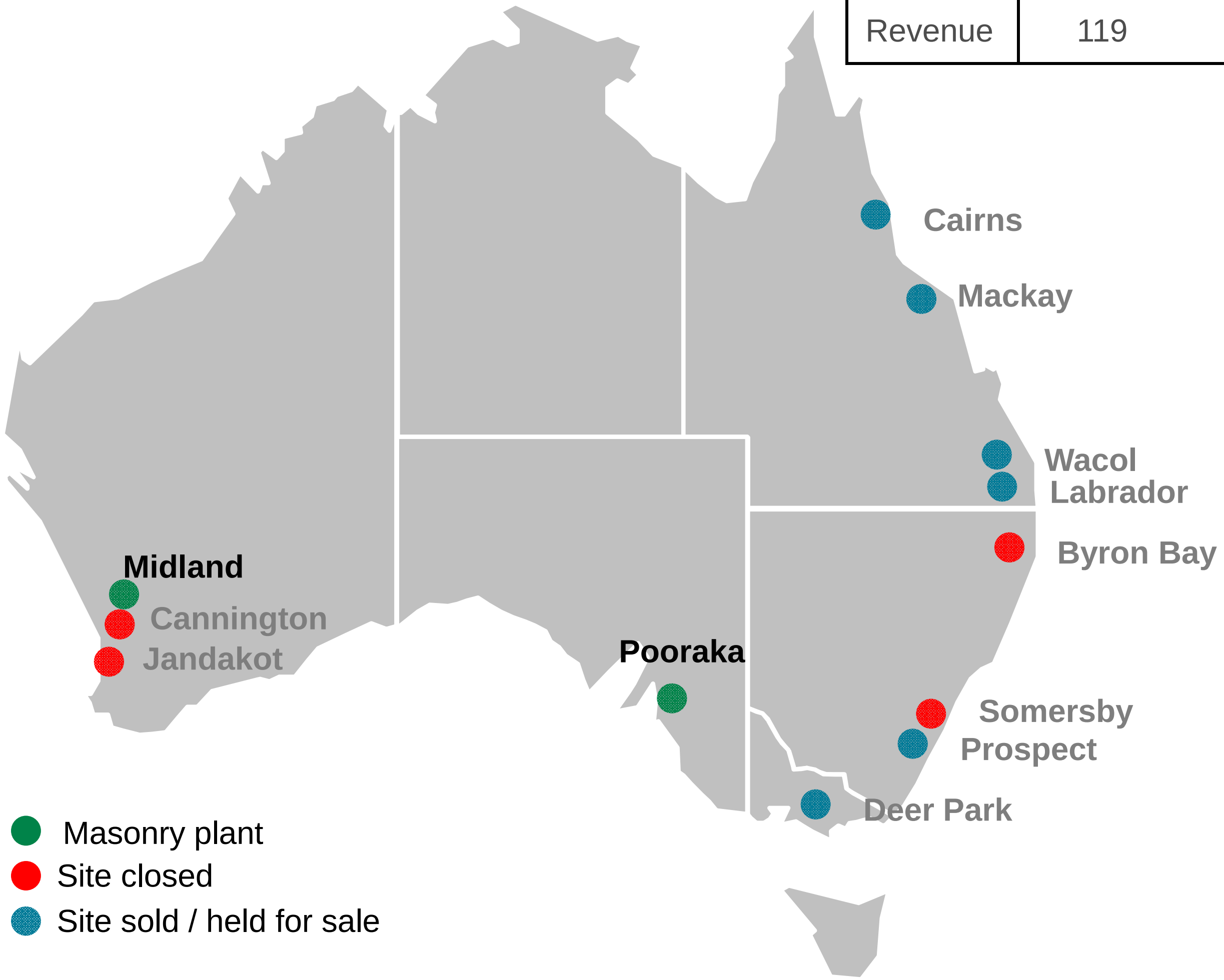
THE AUSTRALIAN BUILDING PRODUCTS PORTFOLIO IS UNDERGOING SIGNIFICANT CHANGE

- In June 2011, we closed our Plywood business based at Ipswich (QLD) and our Masonry plant located at Somersby (NSW)
- We have reduced operating brick capacity from 620 to 390 million SBE (37%) over the last 12 months through permanent plant closure or temporary mothballing:
  - 60 million SBE permanently closed in QLD at Darra (completed June 2011), 65 million SBE mothballed in NSW at Badgerys Creek (completed April 2012) and 105 million SBE mothballed in WA at Middle Swan (completed April 2012)
  - Sales volumes are now greater than operating capacity, to help inventory reduction with LEAN
- We are closing our Roof Tile business in QLD (to be complete June 2012)
- We have sold our Cairns/Mackay based Masonry businesses (completed April 2012)
- We are market testing the sale of our remaining Masonry businesses in QLD, NSW and Victoria (targeting June 2012 for resolution)
- We are streamlining Overhead structures in Clay & Concrete and in Building Products
- When complete these measures are expected to reduce the number of Building Products' employees (excludes Asia) by 800 (28%) from a total of 2,880 in January 2011

Boral Building Products Australia

BORAL MASONRY – CAPACITY TO BE REDUCED BY 70%

(A$m)	FY07	FY08	FY09	FY10	FY11
Revenue	119	122	114	121	124



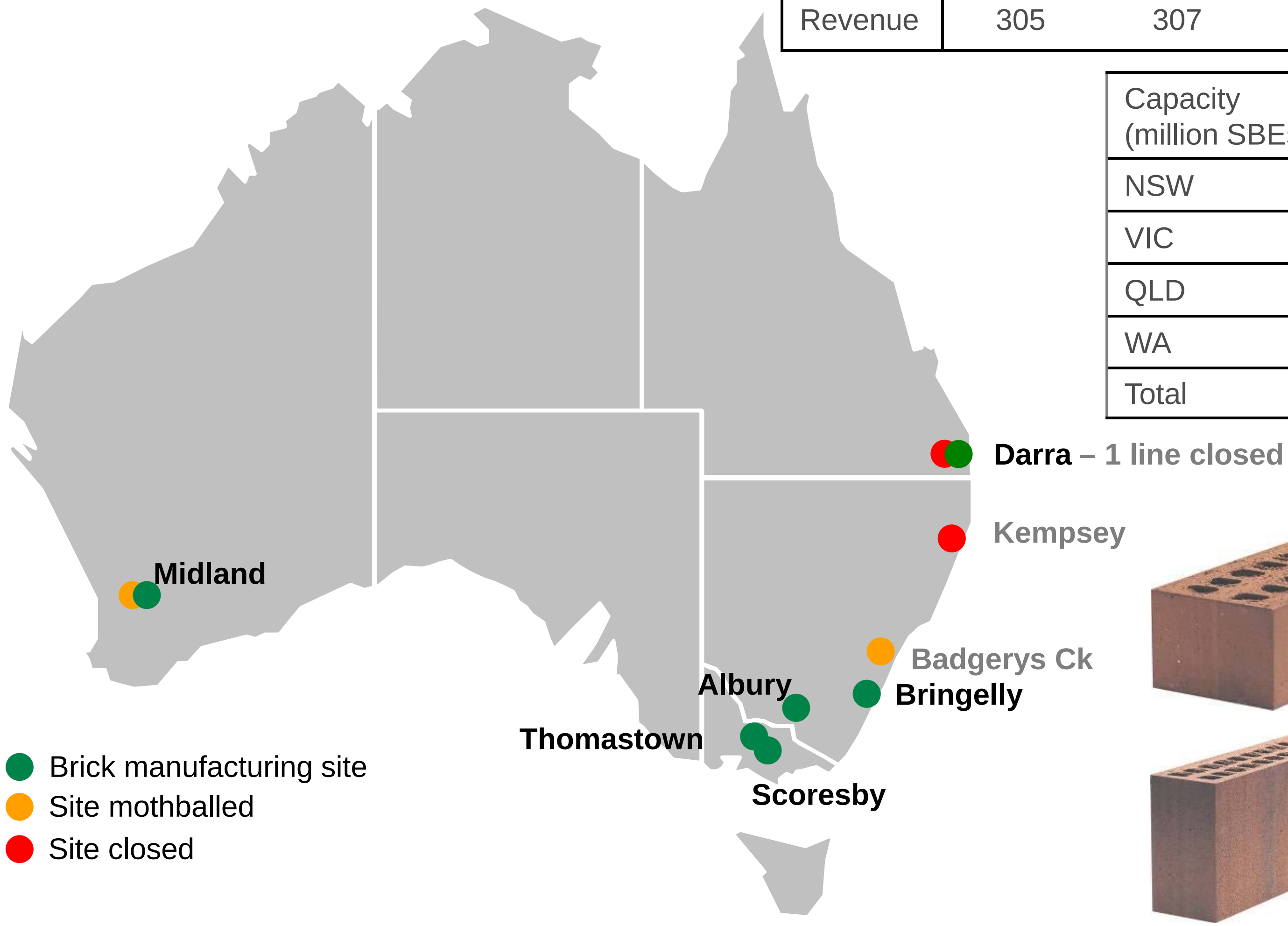
Capacity ('000 tonnes)	Previous	Post sale / closures
NSW	252	0
VIC	120	0
QLD	315	0
SA	122	122
WA	170	170
Total	979	292

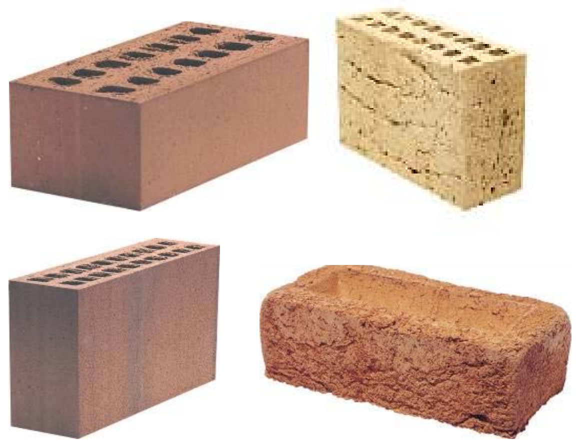
Boral Building Products Australia

BORAL BRICKS – CAPACITY REDUCED BY 37%

(A$m)	FY07	FY08	FY09	FY10	FY11
Revenue	305	307	277	292	260

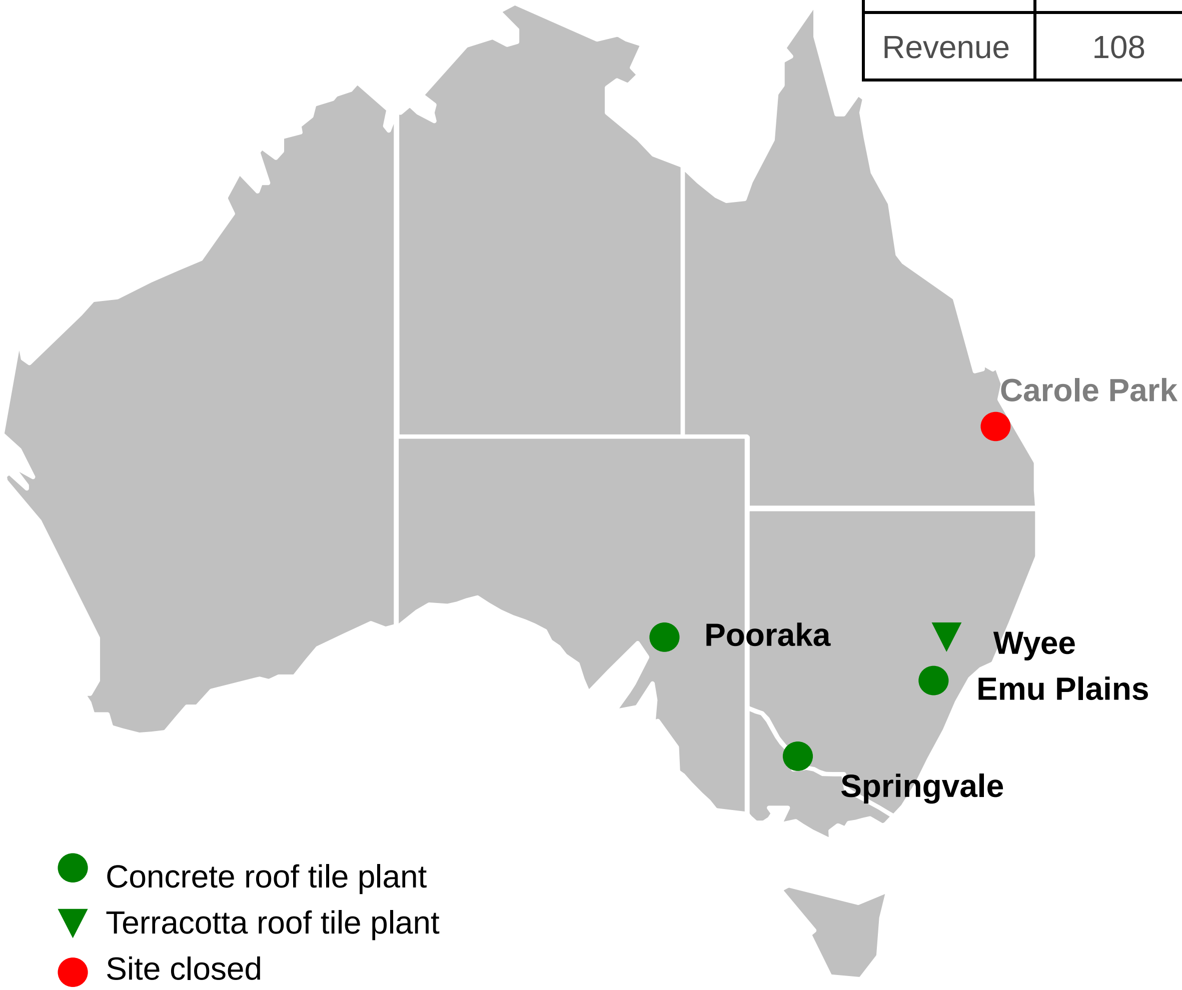
Capacity (million SBEs)	Previous	Post closures / mothballing
NSW	127	62
VIC	118	118
QLD	105	45
WA	270	165
Total	620	390





Boral Building Products Australia

BORAL ROOFING – CAPACITY REDUCED BY 21%



(A$m)	FY07	FY08	FY09	FY10	FY11
Revenue	108	120	119	124	115

Capacity (million tiles)	Previous	Post closure
NSW – Terracotta	17.2	17.2
NSW – Concrete	26.0	26.0
VIC – Concrete	21.0	21.0
QLD – Concrete	22.0	0
SA – Concrete	16.6	16.6
Total	102.8	80.8

Wyee Terracotta Plant

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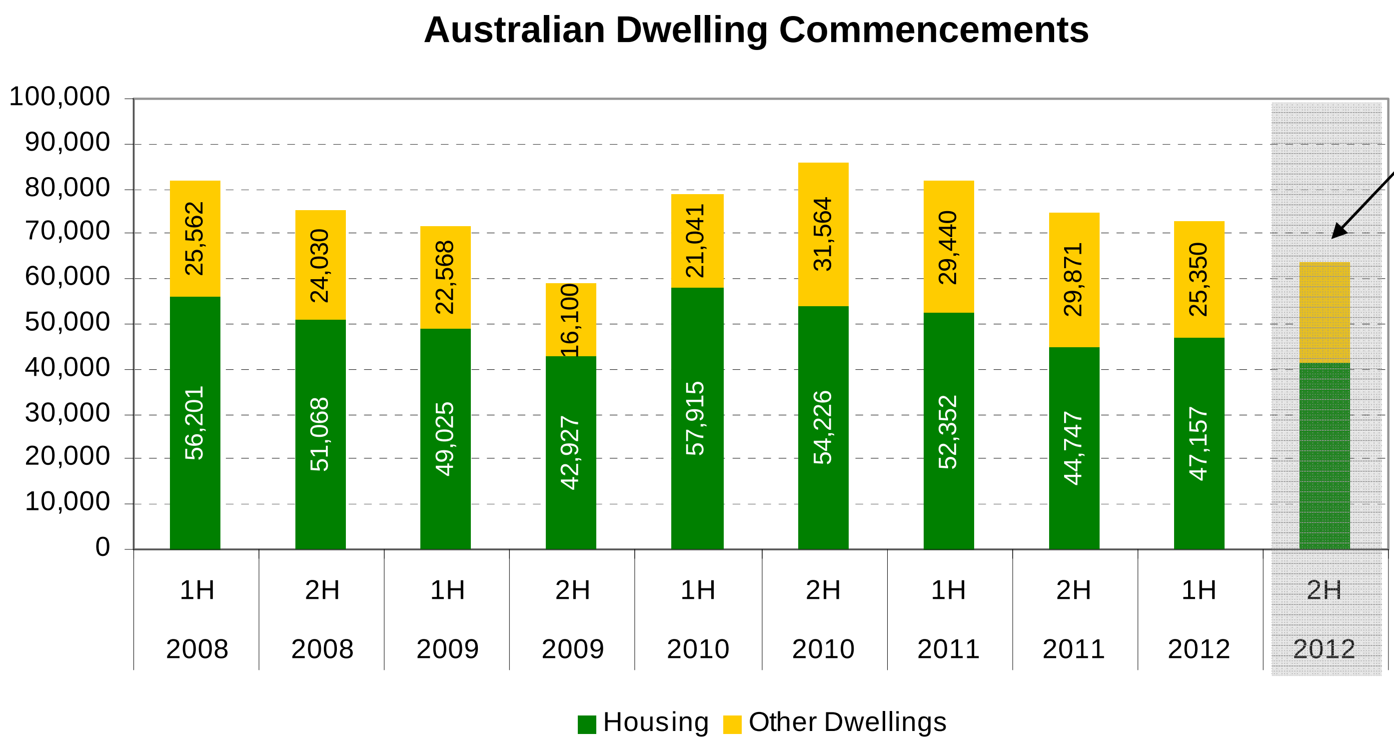
WE HAD FORECAST 136,000 COMMENCEMENTS FOR THE YEAR ENDING JUNE 2012 – BEFORE Q3 RAIN IMPACTED



Equates to 63.5k 2H starts which is:

- 26% below 2H FY10
- 15% below 2H FY11
- 4th lowest 2H in 30 years
- Rain has impacted actual east coast starts and the timing of materials usage
- WA and SA are weaker than we had expected

Source: ABS 8752.0 Table 33 to 1H 2012, Boral forecast for 2H 2012

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THE LOW LEVEL OF STRUCTURAL SOFTWOOD FRAMING SALES EVIDENCES WEAK NEW HOUSE CONSTRUCTION

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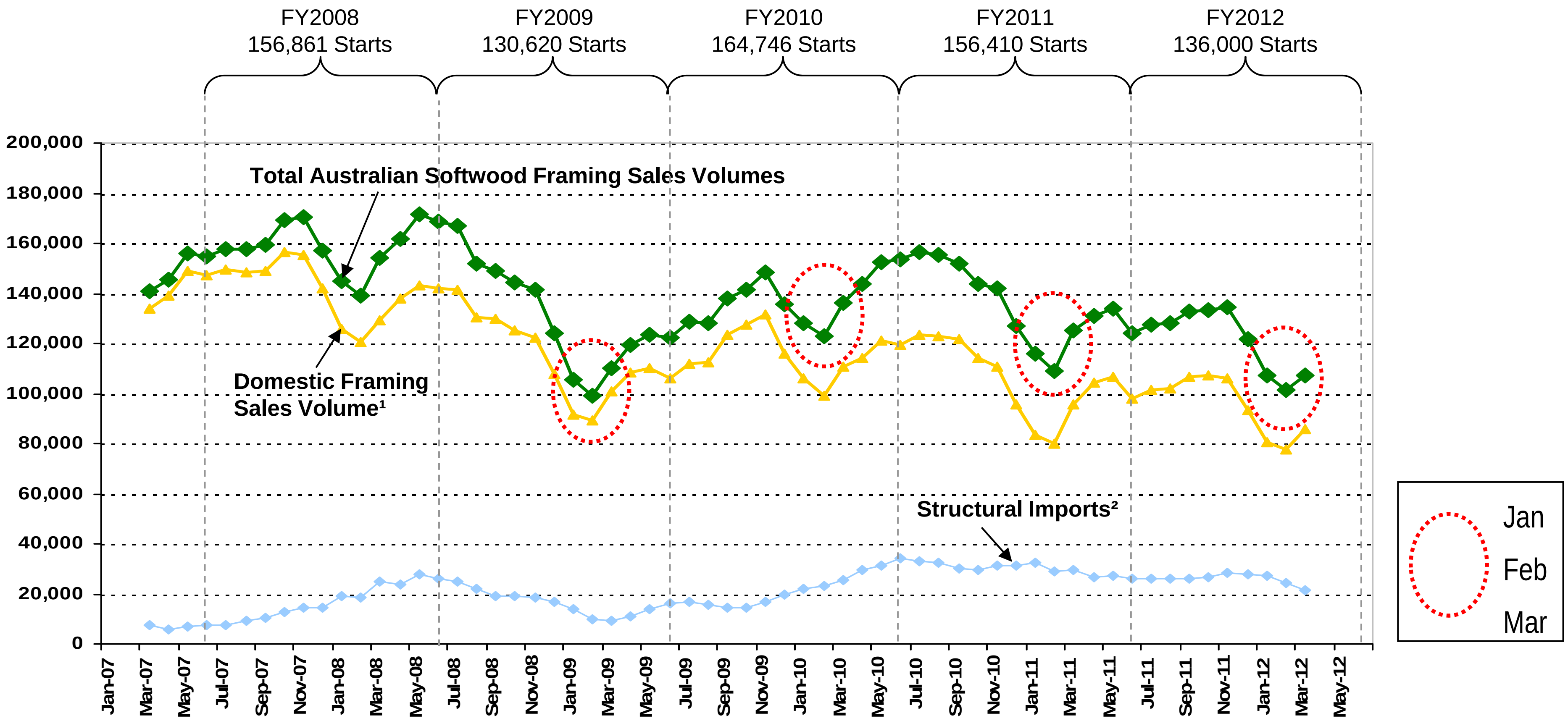
Australian Softwood Framing Timber Sales Volumes by Source (Rolling Three Months Average)



¹ Source: Domestic Framing Sales from Industry sales data compiled by the Australian Forests Products Association using untreated Structural softwood products less than 120mm in width and Treated H2F Structural Sales

² Source: ABS import statistics for structural softwood imports from Europe and USA

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TODAY MOST DRIVERS OF NEW DWELLING VOLUMES LOOK TO BE UNFAVOURABLE

Broad Economic Impacts

- A range of factors, including Europe, rising energy costs, employment prospects outside of resources, interest rates and uncertainty with the carbon tax, seem to be weighing against confidence to spend ⬇
- Purchasing power of “gen Y” ⬇

Short Term Demand

- Affordability and the confidence to buy a new dwelling or to renovate ⬇
- Relative price point of new and existing dwellings and the perception prices may fall ⬇
- Withdrawal of stimulus programs ⬇

Long Term (Underlying) Demand

- Continued strong population growth ⬆
- Dwelling stock deficiency levels (NSW the main area of undersupply, but also QLD and WA) ⬆
- Impact of “fly in, fly out” workforces? ⬇

Supply Issues

- Supply of adequate affordable land (where people want to live) ⬇
- Government charges and infrastructure levies that are biased against new developments ⬇
- Tight funding, particularly for Developers ⬇
- Skilled trades shortages and higher costs with new regulations and the carbon tax ⬇

KEY:

⬆ Positive for dwelling construction

⬇ Negative for dwelling construction

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NEW DWELLINGS CONSTRUCTION IS A KEY DRIVER OF AUSTRALIAN PLASTERBOARD DEMAND

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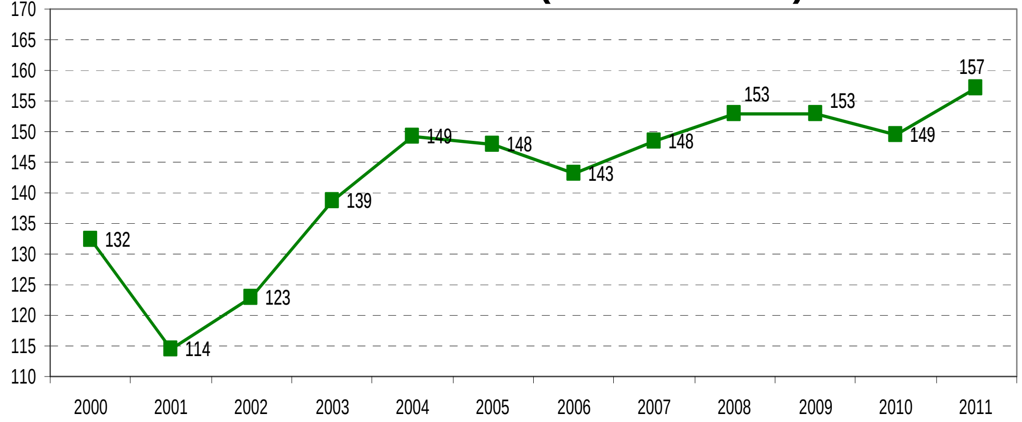
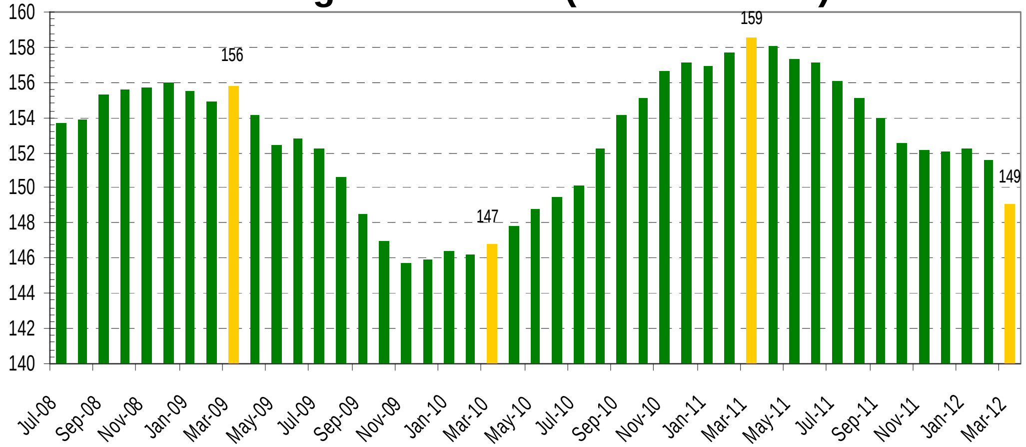
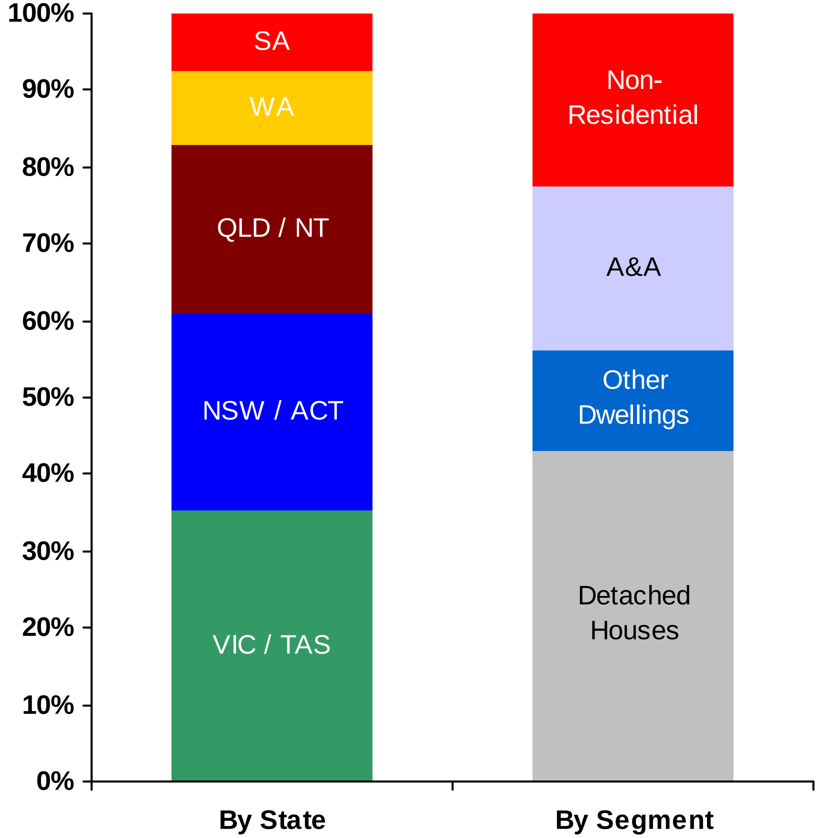
Australian Plasterboard Production Year ended June (millions of m²)[1]



Australian Plasterboard Production Moving annual total (millions of m²)[1]



FY2011 Australian Plasterboard Demand by Region and Market Segment[2]



[1] Source: ABS 8301.0
[2] Source: Boral estimate

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PRICING HAS IMPROVED CONSISTENTLY SINCE 2007, DESPITE FLAT VOLUMES AND CAPACITY INCREASES

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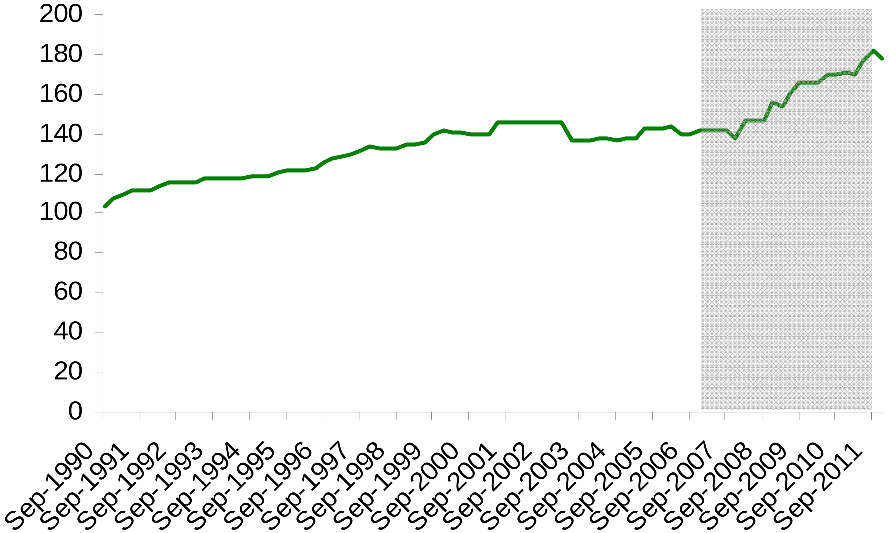
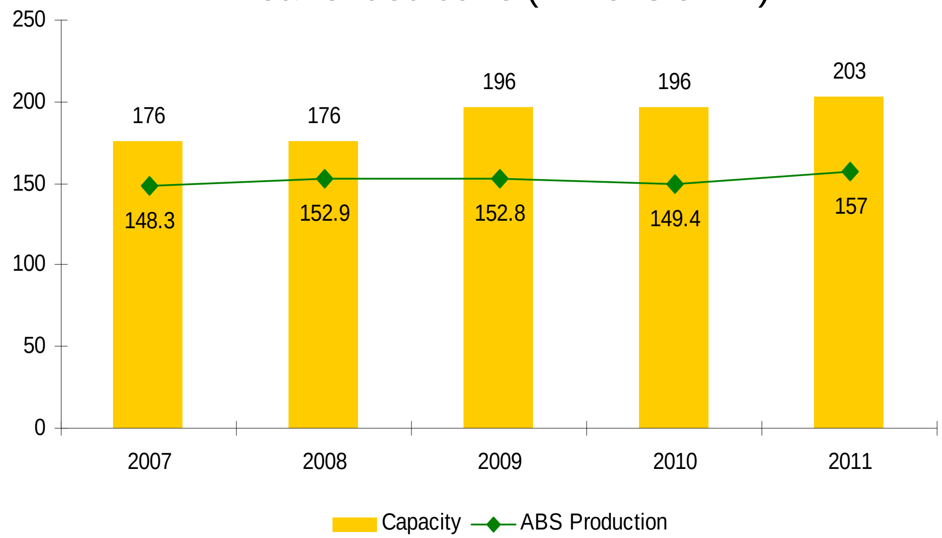
Plasterboard Producer Price Index[1]



Plasterboard Production Versus Industry Capacity[2]

Year ended June (millions of m²)



Current Industry Plasterboard Capacity (millions of m²)

	QLD	NSW	VIC	WA	Total
Boral	40	18	28		86
CSR	20	21	28	7	76
Knauf		18	17		35
BGC				13	13
Total	60	57	73	20	210

[1] ABS 6427.0 Table 11

[2] Production: ABS 8301.0; Capacity: Boral estimates

UNIT PRODUCTION COSTS ARE ADVERSELY IMPACTED AS OUTPUT FALLS, BECAUSE OF THE IMPACT OF FIXED COSTS

Typical Unit Production Cost Breakdown Index
10mm Recessed Edge Plasterboard Product

	48 weeks p.a., 7 days per week, 24 hours per day	48 weeks p.a., 5 days per week, 24 hours per day	48 weeks p.a., 5 days per week, 16 hours per day
Materials	51	51	51
Energy	11	11	11
Total Variable Cost	**62**	**62**	**62**
People	18	17	18
Other Cash	12	18	25
Depreciation	8	10	15
Total Fixed Cost	**38**	**45**	**58**
Total Cost	**100**	**107**	**120**

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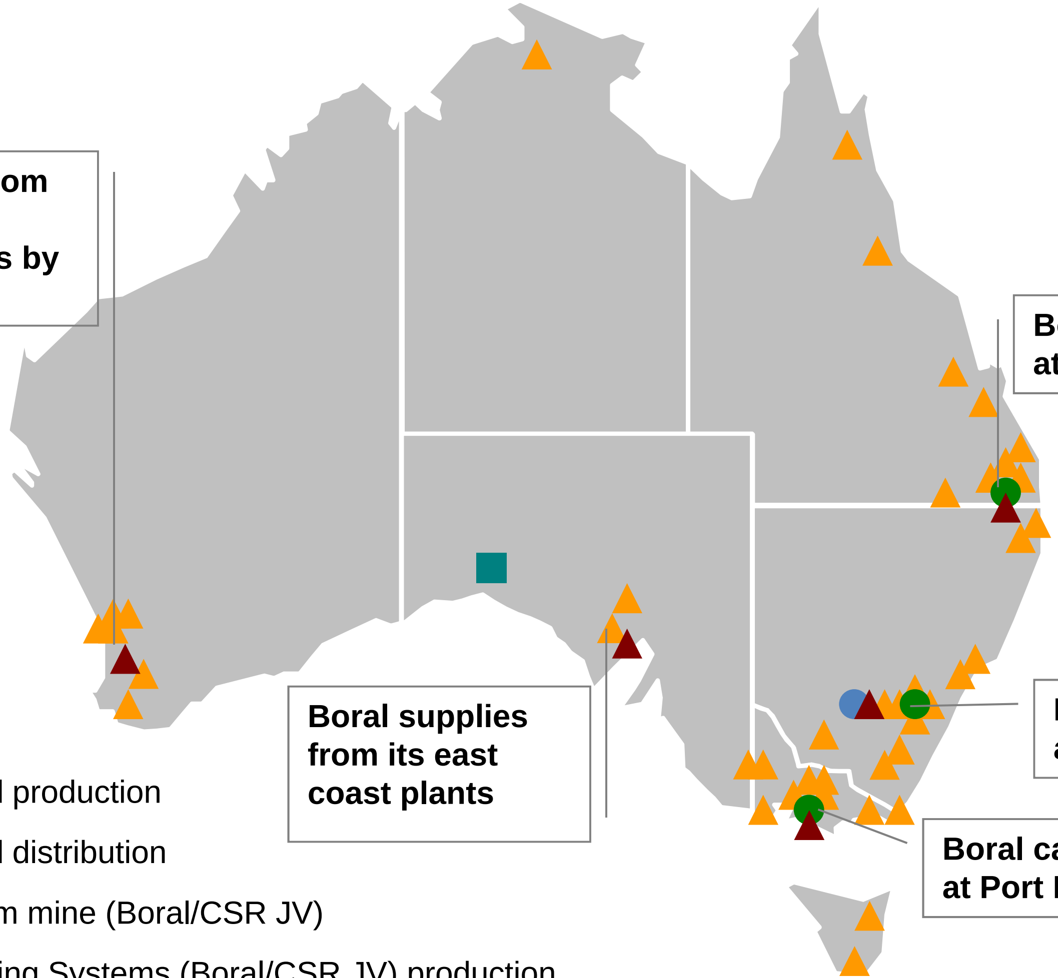
BORAL IS THE LEADING INTEGRATED PLASTERBOARD SUPPLIER

Boral supplies from Pinkenba & Port Melbourne plants by sea



Boral capacity is 40 million m²
at Pinkenba

Boral capacity is 18 million m²
at Camellia

Boral capacity is 28 million m²
at Port Melbourne

Boral supplies from its east coast plants

- Plasterboard production
- Plasterboard distribution
- GRA Gypsum mine (Boral/CSR JV)
- Rondo Building Systems (Boral/CSR JV) production
- Rondo Building Systems distribution

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PINKENBA PLANT, QUEENSLAND – RECEIVES GYPSUM DIRECTLY FROM SHIP – CLOSE TO MAJOR ROADS

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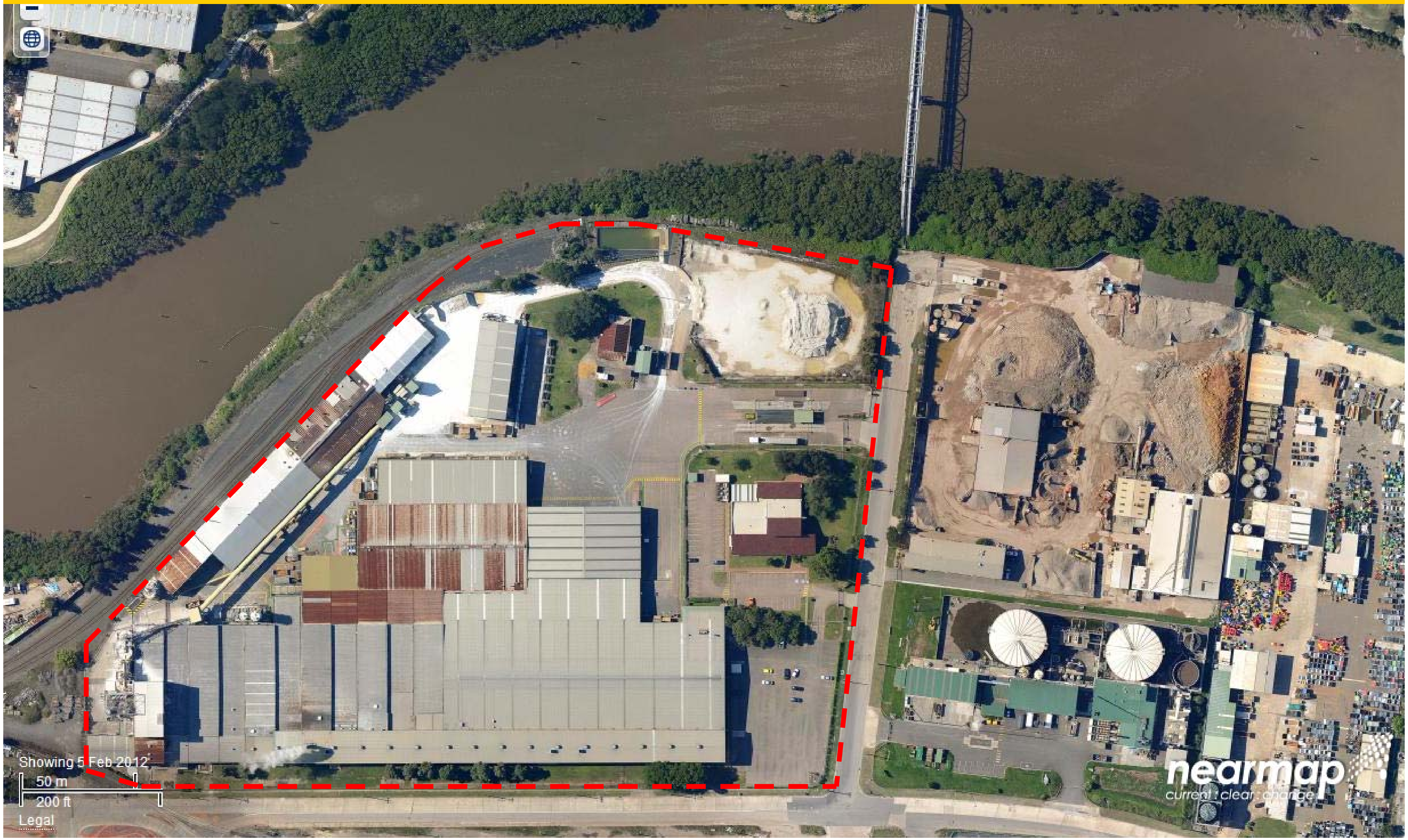
CAMELLIA PLANT, NSW – WELL LOCATED TO SERVICE NSW AND ACT MARKETS



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PORT MELBOURNE PLANT, VICTORIA – RECEIVES GYPSUM DIRECTLY FROM SHIP – CLOSE TO MAJOR ROADS

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PORT MELBOURNE PLANT - WET COMMISSIONING IS WELL UNDERWAY – WILL RAMP TO RATED CAPACITY QUICKLY

Port Melbourne upgrade status

- Wet commissioning underway
- Experienced team from Pinkenba assisting with start-up

The new 40,000 tonnes gypsum store

The new gypsum receiving/conveying system over Lorimer Street

The new gypsum receiving system hopper at Wharf 26

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NEW PLANTS IN QLD AND VICTORIA GIVE BORAL LOW PRODUCTION COSTS

Major Cost Advantages at New Plants

Gypsum

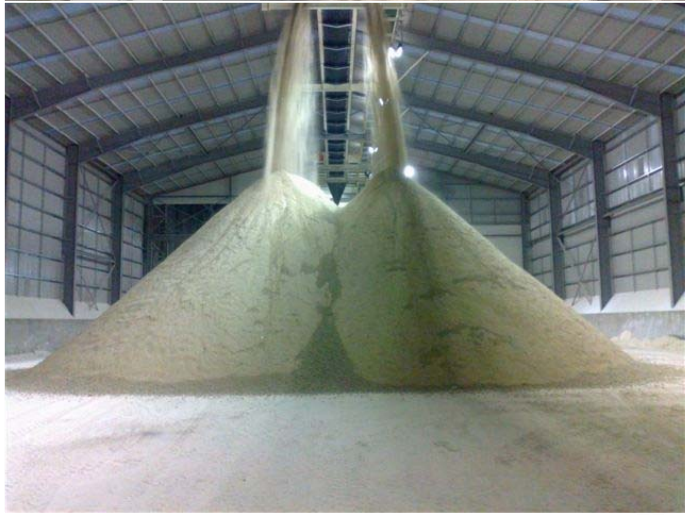
- Direct gypsum delivery to wharf eliminates cartage costs
- Self-unloading ships reduce discharge time

Energy

- New mills and dryers reduce energy use

Sustainability

- No gypsum trucks on-road
- Enclosed gypsum storage
- Low processing energy
- Water harvesting (Pinkenba only)



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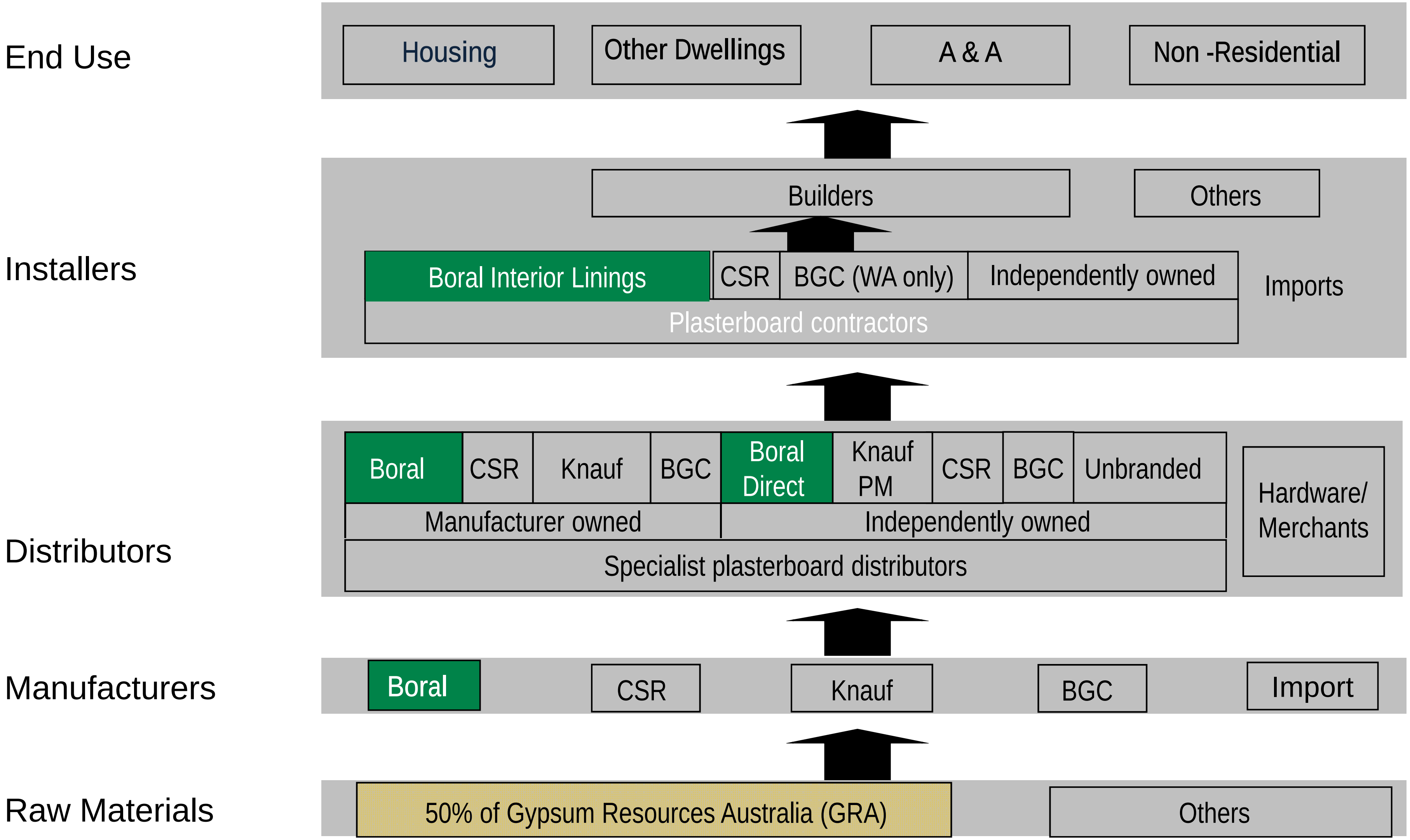
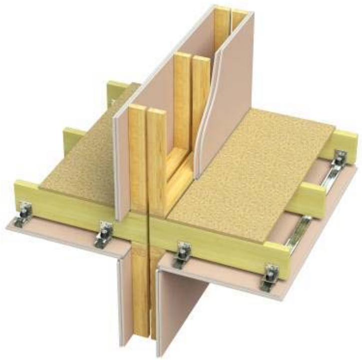
BORAL OPERATES THROUGHOUT THE PLASTERBOARD SUPPLY CHAIN AND SERVICES ALL END USER SEGMENTS



A KEY FOCUS IS THE DESIGN/SUPPLY OF SUSTAINABLE, APPLICATION SPECIFIC BUILDING SYSTEMS

Partiwall®

Separating walls for attached dwellings

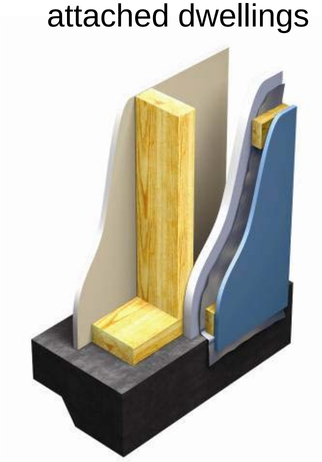


Multiframe™

Complete Timber framed solution for low rise apartment buildings

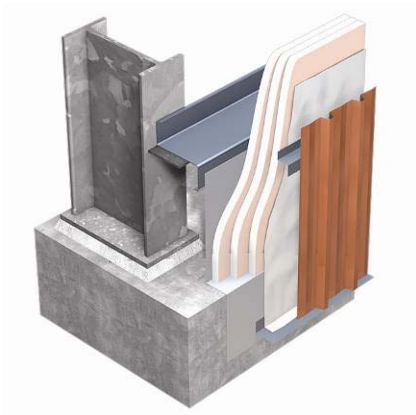
IntRwall®

Separating walls for high rise apartment buildings



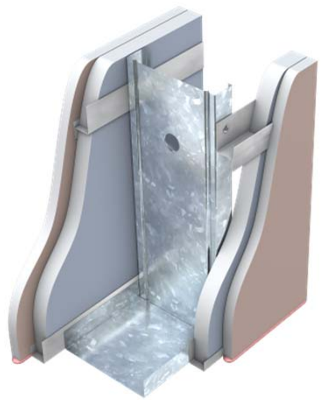
OutRwall®

Fire rated external walls for residential and commercial buildings



Fireclad®

Fire rated external walls for industrial buildings



Firewall®

Separating walls for industrial buildings

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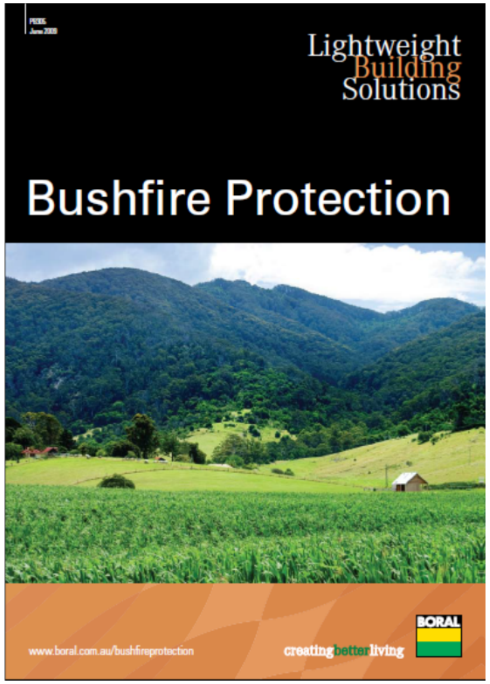
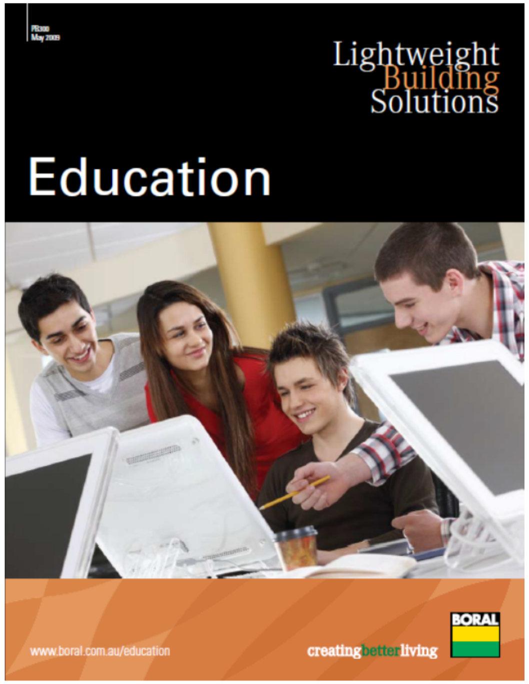
WE ALSO PACKAGE OUR OFFERS FOR SPECIFIC MARKET SEGMENTS





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THE OUTLOOK FOR PLASTERBOARD GROWTH IS POSITIVE

Attractive characteristics

- Flexibility in design
- Lightweight
- Strong environmental credentials
- Naturally fire resistant

Low substitution risk

- Low material cost
- Short installation times
- Ease of fixing (lower skilled trade)

Innovative solutions

- High performance boards for speciality needs
  - Fire, acoustic, impact
- Systems solutions have created new categories
  - Multi-residential partitions

Continued global demand growth

- Demand in emerging markets increases with adoption of modern building methods
- Continued innovation should increase penetration in existing markets

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PLASTERBOARD LINING SYSTEMS HAVE UNIQUE BENEFITS WHICH HAVE HELPED TO DRIVE ADOPTION

Lightweight

- Reduced building mass – reduced foundation costs
- Lower thermal mass

Flexibility and Performance

- Ease of reconfiguration and repair
- Naturally fire resistant
- Various design solutions for specific requirements (fire, acoustic, wet area, impact etc.)

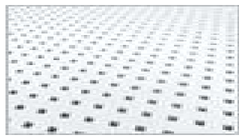
Increased Adoption

Environment

- Low embodied and lifecycle energy
- Recyclable
- Can be manufactured from recycled inputs
- Proven safe to use

Education systems

Enviro board



EchoSTOP ceiling panels

Boral Plasterboard Australia

THE INTEGRATION OF BORAL GYPSUM ASIA (BGA) IS PROCEEDING TO PLAN – SYNERGIES ARE SUBSTANTIAL

- Boral is now the leading Asia Pacific plasterboard wall and ceilings solution supplier (and a leading global player) with:
  - Plasterboard plants in Australia, China, India, Indonesia, Malaysia, South Korea, Thailand, and Vietnam (533 million m^2 of capacity with a further 120 million m^2 either under construction or planned)
  - Plasterboard ceiling tile plants in China, Indonesia, Malaysia, South Korea, Thailand and Vietnam
  - Metal stud and track plants in China, India, Indonesia, Philippines, Thailand and Vietnam
  - Jointing compounds and building plaster plants in Australia, China, Indonesia, Malaysia, South Korea and Thailand

Best Practices

- Working actively with our Asian operations to share manufacturing, engineering, product range/quality and customer service best practices

Procurement

- Leveraging increased scale for purchasing raw materials
- Working to increase lower cost Asian sourcing

Network

- Investigating potential to leverage regional manufacturing footprint and to grow innovation and system penetration

END