

Build something great™



10 September 2012

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The Manager, Listings
Australian Securities Exchange
Company Announcements Office
Level 14, Exchange Centre
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Dear Sir

Appointment of Chief Executive Officer

I attach an announcement relating to the appointment of Boral's Chief Executive Officer.

Yours faithfully

A handwritten signature in blue ink that reads "M. K. Taylor". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Margaret Taylor
Company Secretary



ASX RELEASE

10 September 2012

Boral's Board appoints Mike Kane as Boral's Chief Executive Officer and Managing Director

The Chairman of Boral Limited, Dr Bob Every, today announced the appointment of Mr Mike Kane as Chief Executive Officer and Managing Director of Boral Limited, effective 1 October 2012.

Mike Kane will replace Ross Batstone who became Boral's Chief Executive Officer in May 2012 when Mark Selway stood down from the role. At that time the Board commenced a comprehensive international search for a new Chief Executive Officer.

Dr Every said that the Board had considered a number of excellent external and internal candidates for the role and was delighted to announce the appointment of an internal candidate to the position.

Mr Kane joined Boral in February 2010 in the role of President Boral USA. He has spent the past two and half years significantly realigning the US business to the changed market conditions and positioning Boral to take full advantage of the US market recovery.

Mr Kane holds Arts and Law degrees as well as a Masters in Science. He has extensive experience in the building and construction industry including 24 years in senior executive roles with US Gypsum, Pioneer / Hanson Building Materials, Johns-Manville Corp and Holcim. Mr Kane joined Boral from Calstar Products where he was the Chief Executive Officer. During his 25 years with US Gypsum, Mr Kane spent five years managing the Asia Pacific and International business, which has given him an excellent working knowledge of the plasterboard industry in Asia.

The key terms of Mr Kane's contract are outlined in the attached document.

Commenting on Mr Kane's credentials, Dr Every said: "Mike has a deep understanding of the international building and construction materials industry. He has been doing an excellent job leading the US business through the most difficult period in the last 60 years of the US housing market. He has delivered substantial improvements to the underlying business in the US at the same time as introducing innovative new technologies and integrating two key strategic acquisitions that position the business well for the future.

"Mike's proven track record in managing businesses through cycles and his stewardship of Boral's US operations during a period of extremely difficult market conditions while delivering substantial operational improvements is critically important to Boral going forward.

"While Mike's focus has been on managing the US business, he has been a key member of Boral's executive management committee and has spent considerable time in Boral's Australian offices over the past two and a half years. As a result of the time Mike has spent in Australia and through working closely with other members of the Boral executive team, Mike comes into the role with a solid knowledge of Boral's broader operations and markets beyond the US business," said Dr Every.

Commenting on his appointment, Mr Kane said: "I am delighted to have been appointed to the position of CEO of Boral Limited. Boral is an iconic building and construction materials company in Australia with an increasingly significant position in the global building materials industry.

"The Company has undergone significant change over the past two years to realign the business to meet current challenging market conditions and changing demographics, particularly in Australia and in the USA. In Asia, Boral's now wholly-owned plasterboard position provides an exciting growth opportunity.

"Against this backdrop, my immediate priorities are to work with Boral's management team to continue to strengthen Boral's financial position by maximising cash generation, further aligning Boral's operational portfolio and delivering benefits from our LEAN manufacturing initiative.

"I believe Boral is very well positioned for the next upswing in activity. My medium-term focus is to ensure that the Company has in place the necessary strategies to maximise returns through the construction and building cycles. I'll be working with my team over the next six months to define a clear path forward to achieve both our immediate and longer term objectives," said Mr Kane.

Boral's Board expressed its thanks to Mr Batstone for his stewardship as CEO during the transition period. "I would like to thank Ross for his outstanding contribution and leadership over recent months and in other senior roles over the past 21 years. Ross has made a significant contribution to Boral, particularly in the building products and plasterboard operations in Australia and Asia. In his most recent role as CEO, Ross has done an excellent job harmonising the changes that have taken place over the past two years and continuing to drive improvements. I also look forward to his continued support in coming months before his planned retirement," said Dr Every.

Mr Batstone will remain with the Group in a consulting capacity until his retirement in July 2013 and will continue as Chairman of Boral Gypsum Asia. In coming weeks, Mr Kane will work closely with Mr Batstone providing for a seamless leadership transition.

With the appointment of Mr Kane to the CEO role, Al Borm has been appointed to the position of President Boral USA, effective 1 October 2012. Mr Borm is currently in the role of President Boral Roofing in the USA and joined Boral in this role in July 2010. Mr Borm has extensive experience in the building products industry including logistics, marketing, sales, business development and general management roles with US Gypsum, Hanson Building Products America and Oldcastle APG, a subsidiary of CRH. Mr Borm has an MBA from DePaul University's Graduate School of Management in Illinois.

Mike Kane – Biographical Details

Born and raised in the United States, Mike completed a Bachelor of Arts in Sociology from the Southern Illinois University in 1973 and completed his Juris Doctor at the DePaul University's School of Law in Illinois in 1983. In 2010, Mike completed a Masters in Science at Creighton University, School of Law in Nebraska.

Mike started his career with US Gypsum (USG) where he spent 25 years across a number of businesses, functions and geographies. Mike's early roles included Director of Labor Relations, Vice-President for Regulatory Affairs and Chief Labor Counsel. He was promoted to Vice-President Asia Pacific and International Business Development in 1992 while also holding the role of General Manager for Gypsum Woodfiber. In 1996 he became the Executive Vice-President of USG International and in his final role with USG, as President USG Europe, Mike was based in Belgium and restructured USG's European interests.

In 1998, Mike joined Pioneer USA, which later became Hanson Building Materials America, as President and CEO, based in Houston. He had responsibility for Pioneer's \$1 billion US construction materials division. After about three years at Pioneer/Hanson, Mike joined Johns-Manville Corporation as Senior Vice-President, Global Insulation Group.

In 2003, Mike joined FMI Corporate, a boutique management consulting and investment banking firm focused on the construction industry. He spent a year with the firm, heading up their Leadership Consulting Practice and advising on due diligence activities relating to building products and construction materials.

Mike joined Holcim (US) Inc. in 2004. He spent the next five years, based in Atlanta, as Senior Vice President for the East Region, with responsibilities for the East Region cement operations of Holcim's US construction materials business.

In 2009, Mike joined Calstar Products Inc, a Silicon Valley Clean Technology start-up reinventing exterior building materials for sustainable construction, as the Chief Executive Officer and a Board Member.

In February 2010, Mike joined Boral as President Boral USA.

Mike is 61 years old. He is married and has three adult children and three younger children.

For more information:

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Summary of the Key Terms of the Employment Agreement appointing Mike Kane as Chief Executive Officer

Commencement Date:	1 October 2012
Term:	Ongoing (ie no fixed term)
Remuneration	Mr Kane's remuneration will consist of salary and other benefits referred to below as 'Total Fixed Remuneration', and the short term and long term incentives referred to below.
Total Fixed Remuneration (TFR):	Initial TFR will be \$1.6 million per annum. The first review of TFR will take place in September 2013 and annually thereafter. TFR includes salary and superannuation. It may also include non-cash components such as a company motor vehicle and costs associated with that vehicle.
Incentives:	Under his Employment Agreement, Mr Kane is entitled to incentive awards calculated by reference to his TFR.
<i>Short Term Incentive</i>	The amount of the short term incentive (STI) payment in any year will be determined by the Board by assessment of Mr Kane's performance against targets set by the Board at the start of each financial year. For performance outcomes at target level, Mr Kane would receive 100% of his TFR. For performance outcomes at stretch level (achievable only in exceptional circumstances), Mr Kane would receive 140% of his TFR. Mr Kane's STI opportunity in respect of FY2013 as Chief Executive Officer will be pro rated from the Commencement Date. He will remain entitled to any STI earned prior to the Commencement Date in his current role as President Boral USA.

Long Term Incentive

Mr Kane will be eligible to participate in Boral's Long Term Incentive (**LTI**) programme on terms to be determined by the Board. Grants will be made in the form of options and/or share acquisition rights (**Rights**).

LTI grants will be subject to receipt of any required or appropriate shareholder approvals.

In respect of FY2013, Mr Kane will be entitled to a grant of Rights as Chief Executive Officer (**FY2013 Grant**). Shareholders will be asked to approve the FY2013 Grant at the 2012 Annual General Meeting, and the terms of grant will be set out in the Notice of Meeting. Subject to receiving shareholder approval, the FY2013 Grant will be made shortly after the Annual General Meeting.

The FY2013 Grant will have an aggregate fair market value equivalent to 100% of Mr Kane's initial TFR, less the value of Rights granted to Mr Kane as part of the grant of Rights to Boral senior executives in September 2012 (**General Executive Grant**). (At the time of the General Executive Grant, Mr Kane received Rights in his capacity as President Boral USA.)

Vesting of the FY2013 Grant will be subject to a performance hurdle based on Boral's Total Shareholder Return (**TSR**) performance relative to companies within the S&P/ASX 100 over a period of three to seven years – that is, there will be a minimum vesting period of three years with a maximum life of seven years.

The TSR of the Company will be compared with the TSRs of companies in the S&P/ASX 100 over three measurement periods – namely, three years, five years and seven years from the relevant grant date.

Relative TSR will be tested at the end of each of these three measurement periods, using the volume weighted average share price during the 60 trading days prior to the test date to determine start and end date share prices.

The percentage of Rights which may vest is based on a sliding scale as follows:

<i>If at any of the three test dates referred to above, the Company's TSR ranking compared to the TSRs of companies comprising the S&P/ASX 100:</i>	<i>The percentage of Rights which will vest is:</i>
Does not reach the 50 th percentile	0%
Reaches the 50 th percentile	50%
Exceeds the 50 th percentile but does not reach the 75 th percentile	50%, plus 2% for every one percentile increase above the 50 th percentile
Reaches or exceeds the 75 th percentile	100%

Mr Kane's participation in the STI and LTI Plans is subject to the rules of each Plan.

Termination Provisions:

In addition to accrued entitlements, on termination Mr Kane will receive benefits as follows:

<i>Resignation by Mr Kane</i>	Mr Kane may terminate his employment at any time by giving Boral 6 months' written notice. Boral may elect to make a payment in lieu of the notice period. In those circumstances Mr Kane will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated). Any LTI that has been granted but which remains unvested will lapse unless the Board determines otherwise.
<i>Termination without cause on Mr Kane's part</i>	Boral may terminate Mr Kane's employment at any time by giving Mr Kane 12 months' written notice (or 3 months' written notice in the case of illness). Boral may elect to make a payment in lieu of the notice period.

In those circumstances (or if Mr Kane's employment is terminated by reason of death or other substantial diminution of his responsibilities), Mr Kane will receive a separation payment (which will include any amount paid in lieu of notice) equal to 12 months' TFR. Mr Kane will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated) unless the Board determines otherwise.

In relation to LTI, any of the FY2013 Grant which remains unvested will continue beyond termination and will vest on the next test date to the extent that the performance hurdle is satisfied. Any Rights which do not then vest will lapse. If termination occurs after the first test date, the Board has a discretion to determine that a different treatment should apply.

In the case of LTI grants made to Mr Kane in respect of FY2014 and thereafter which remain unvested as at the date of termination, the incentives will continue beyond termination in accordance with the terms of the grant, unless the Board determines otherwise.

*Termination by Boral for
cause (without Notice)*

Boral may terminate Mr Kane's contract with immediate effect for cause (for example, for serious misconduct or breach of duty).

In those circumstances Mr Kane will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated). Any LTI that has been granted but which remains unvested will lapse unless the Board determines otherwise.

Boral has also agreed to pay certain expenses associated with Mr Kane and his family relocating to and from Mr Kane's current base in the US to Sydney as a result of him taking up the role of Chief Executive Officer of Boral, as well as reasonable rental costs of accommodation in Sydney for Mr Kane and his family for up to 5 years.