Build something great™

BORAL®

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1 November 2012

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

Dear Sir

AGM Slides

We attach copies of slides being shown during the Addresses by the Chairman and the Chief Executive at the Company's Annual General Meeting which commences at 10:30 am today.

Yours faithfully

M. K. Taylor

Margaret Taylor
Company Secretary

Annual General Meeting 2012

Annual General Meeting 2012

BOARD OF DIRECTORS

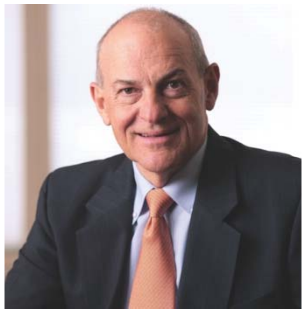
Dr Bob Every
Non-executive
Chairman

Dr Eileen Doyle
Non-executive
Director

Paul Rayner
Non-executive
Director

Richard Longes
Non-executive
Director

Mike Kane
CEO & Managing
Director



Dr Brian Clark
Non-executive
Director

John Marlay
Non-executive
Director

Catherine Brenner
Non-executive
Director

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CHAIRMAN'S ADDRESS
Dr Bob Every

DR KEN MOSS, AM – PAST CHAIRMAN OF BORAL
1945 - 2012

MIKE KANE, CEO & MANAGING DIRECTOR

BORAL GROUP EXECUTIVES

Murray Read
Divisional MD – Boral Construction Materials

Mike Beardsell
Divisional MD – Boral Cement

Bryan Tisher
Divisional MD – Boral Building Products

Al Borm
President – Boral USA

Frederic de Rougemont
Divisional MD – Boral Gypsum

Ross Batstone
Chairman – Boral Gypsum Asia

Andrew Poulter
Chief Financial Officer

Margaret Taylor
Group General Counsel and Company Secretary

Robin Town
Group Human Resources Director

Matt Coren
Group Strategy and M&A Director

FINANCIAL HIGHLIGHTS

Revenue
$5.01bn up 6%

EBIT[1]
$200m down 28%

Profit after tax[1]
$101m down 42%

Cash from operations[3]
$133m down 62%

Net profit after tax[2]
$177m up 5%

Full year dividend
11.0c down 24%

1. Excluding significant items
2. Including significant items
3. Includes $91m of acquisition and restructuring costs paid

HOUSING DOWNTURN IN AUSTRALIA AND USA

New housing starts in Australia and USA[1]

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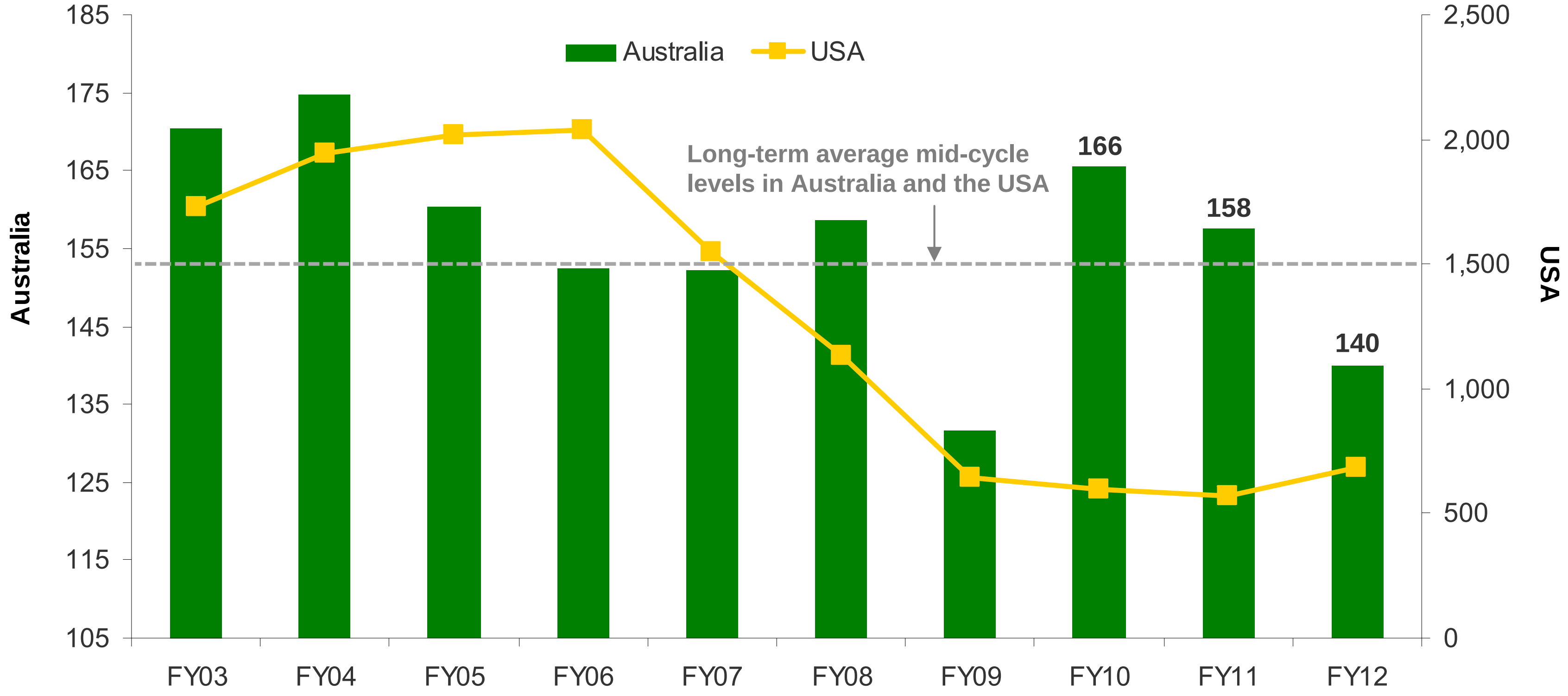


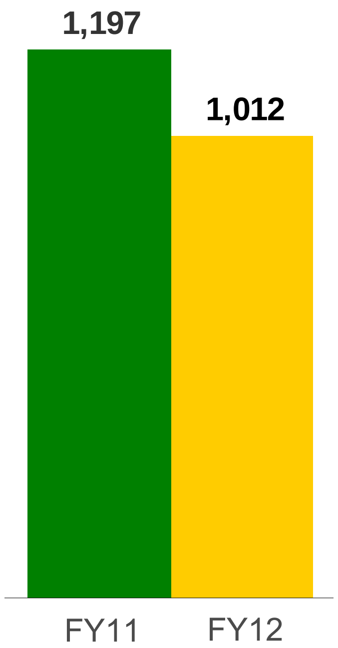
1. Source: For Australia, original series starts from ABS. For USA, seasonally adjusted housing starts from US Census

BORAL BUILDING PRODUCTS

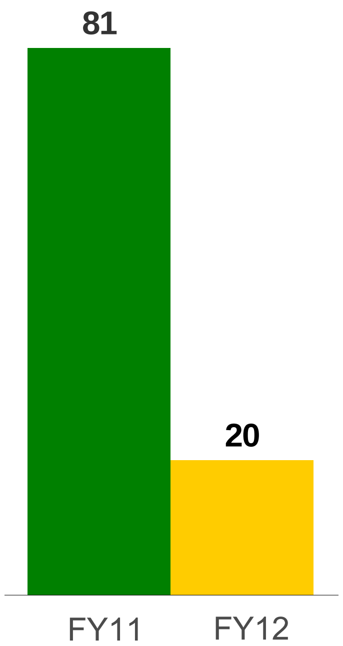
Significantly impacted by the decline in Australian housing activity

Australian Bricks, Roofing, Masonry (West), Plasterboard, Timber and Windows

Revenue
A$m



EBIT[1]
A$m



Performance drivers

- Decline in residential construction activity
- Sales volumes decreased by 14-16% in plasterboard, bricks, roofing, masonry, hardwood and softwood timber
- 25% or more sales volume decline since Dec-2010
- Higher fixed unit manufacturing costs due to lower volumes and impact of de-stocking
- One-off distribution costs during Port Melbourne plasterboard plant upgrade

Improvements

- Closed and mothballed high fixed cost and low utilisation plants – reduced brick capacity by 37% and roof tile capacity by 20%
- Exit of loss making East Coast Masonry business will reduce masonry capacity by 70%

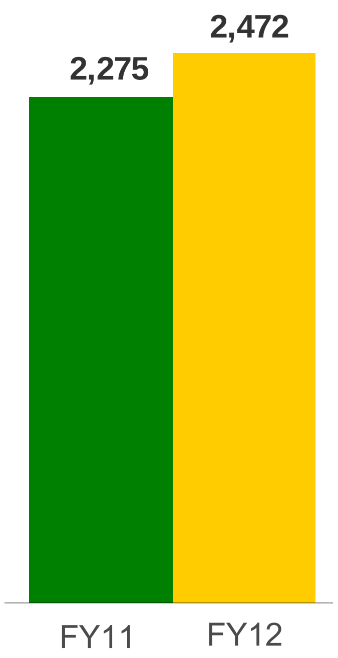
1. Excluding significant items

BORAL CONSTRUCTION MATERIALS

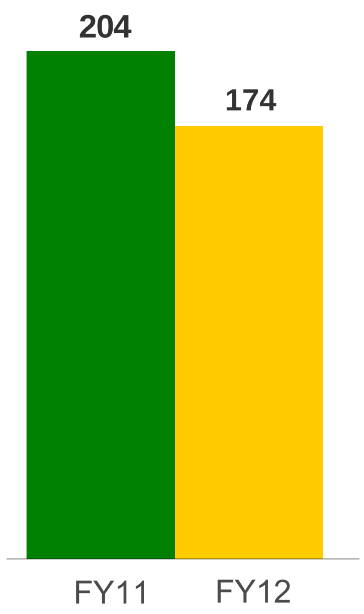
A resilient, well-positioned portfolio of businesses

Concrete, Quarries, Asphalt, Transport and Property

Revenue
A$m



EBIT[1]
A$m



Performance drivers

- Reduced property earnings
- Lower volumes in key markets
- Operational inefficiencies from wet weather across the east coast in 2H FY2012

Improvements

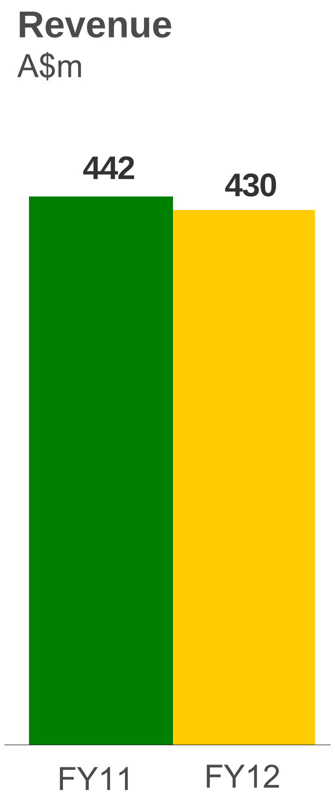
- Full-year normalised contribution from acquisitions in FY2013
- $200m Peppertree Quarry investment will secure Boral's competitiveness in NSW
- Reduce fixed costs and working capital
- Exit underperforming assets

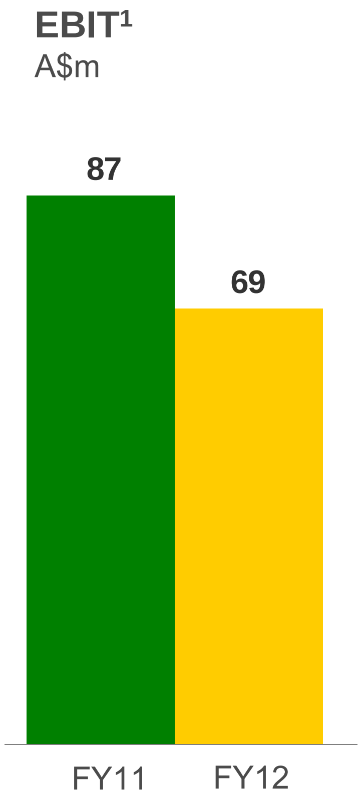
1. Excluding significant items

BORAL CEMENT

Impacted by the high A$ and closure of BlueScope Steel's Port Kembla mill

Cement, Lime and Concrete Placing





Performance drivers

- Large loss of lime and limestone sales due to closure of BlueScope Steel's Port Kembla blast furnace had a net $6m EBIT impact
- Higher input costs
- Constrained cement pricing due to high A$
- Shift to lower margin segments

Improvements

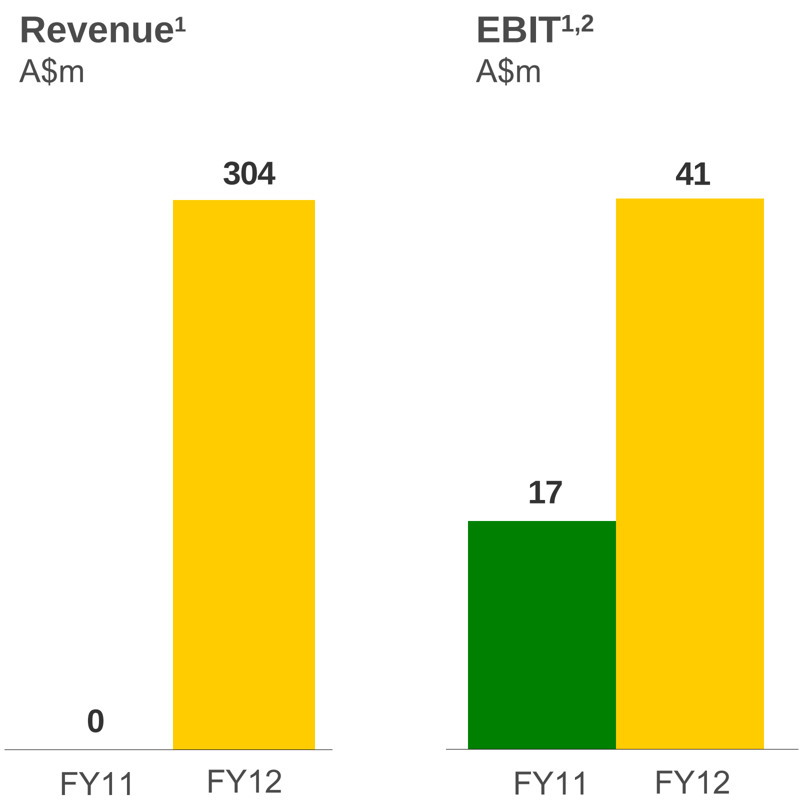
- Closed and divested Galong lime operation for $25m
- Exploring options to reduce costs through more flexible cement supply
- Operational excellence program (LEAN) to achieve further improvements in efficiency

1. Excluding significant items

PLASTERBOARD ASIA

Integration of businesses complete

Korea, Thailand, China, Indonesia, Vietnam, Malaysia, India, the Philippines



Performance drivers

- Acquired Lafarge's 50% interest in Lafarge Boral Gypsum Asia for $530m in Dec-2011
- Revenue of $304m and EBIT of $41m reflect shift from equity accounting to fully consolidated reporting since Dec-2011
- Underlying EBIT increased reflecting 9% volume growth and sustained margins

Improvements

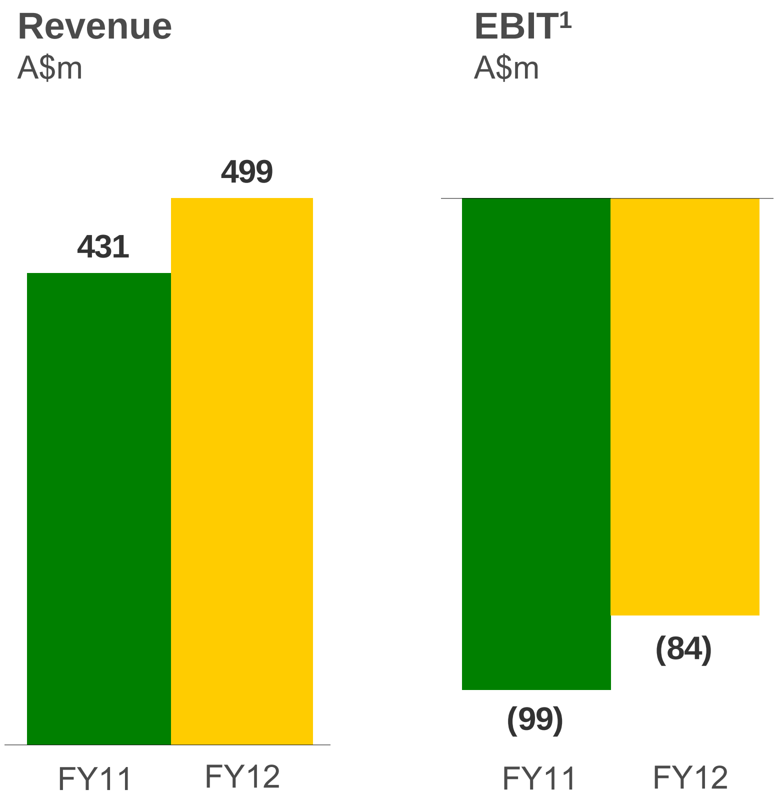
- Well positioned to benefit from high GDP growth emerging markets and increasing penetration of plasterboard
- Implement LEAN improvement plan to maximise productivity
- Leverage capacity expansions underway

1. Includes revenue and consolidation of results since 9 December 2011
2. Excluding significant items

BORAL USA

Benefiting from volume lifts and restructuring

Bricks, Roof Tiles, Cultured Stone, Fly Ash, Construction Materials



Performance drivers

- 20% uplift in housing starts
- Continued plant rationalisations and head count reductions
- Efficiency improvements
- Full-year contribution of Cultured Stone

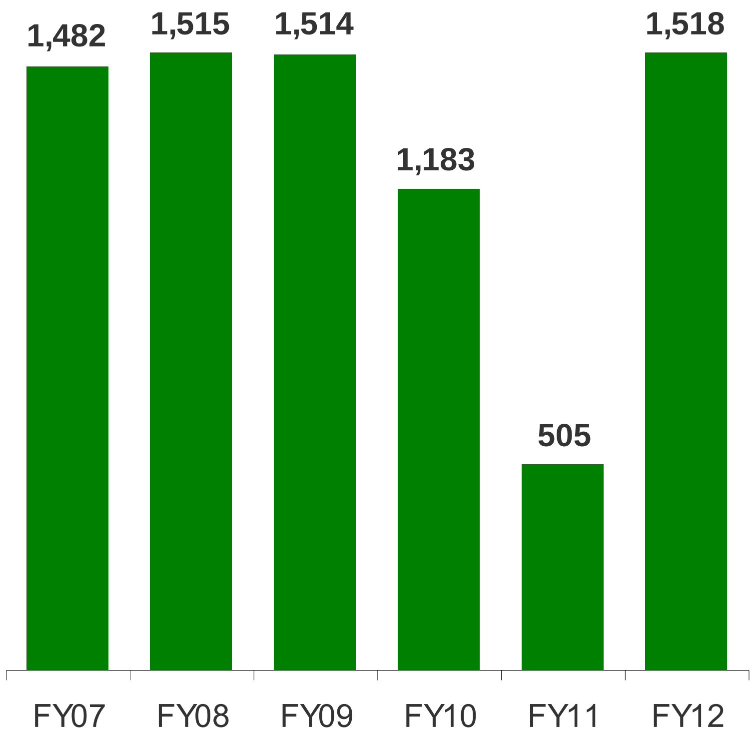
Improvements

- Prospect of significant earnings uplift as market volumes return to normalised levels
  - Fundamental reduction in brick and tile manufacturing cost base
  - Leverage from MonierLifetile and Cultured Stone acquisitions made at cycle low
- Leverage LEAN to further reduce costs

1. Excluding significant items

CAPITAL MANAGEMENT

Net debt
A$m



- Net debt of $1.5bn at year-end
- Gearing of 40%[1] based on bank covenant remains well within bank threshold of <60%
- Tight management of capital expenditure in FY2013
- Divestment of non-core assets and property sales expected to generate $200 - $300m cash over next two years
- Lower net debt in FY2011 reflected equity raising of $491m completed in August 2010

1. Gross debt / (gross debt + equity – intangibles)

CHAIRMAN'S CONCLUDING COMMENTS

- Significant restructuring and investment have reshaped the business over the past two years
- More is being done to deliver required returns
- Group wide performance improvement plan underway will further strengthen strategic business positions
- Board confident right strategy in place
- Boral well positioned to leverage increased market activity in Australia and the USA, and continue to achieve growth in plasterboard in Asia

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CEO & MANAGING DIRECTOR'S ADDRESS
Mike Kane

STRENGTHENED CORE BUSINESSES

Gypsum (plasterboard) – Asia
Acquired remaining 50% of LBGA[1] for $530m, creating a global scale gypsum business in the Asia Pacific region

Cladding and Roofing
Expanded Boral's exterior cladding offering through acquisitions of MonierLifetile and Cultured Stone

Gypsum (plasterboard)
Modernised plasterboard infrastructure

Construction Materials (quarries, concrete, cement, asphalt)
Acquired Wagners' construction material assets for $163m[2] and Sunshine Coast Quarries for $81.5m[2]

Bricks and Roofing
Restructured and rationalised capacity

1. Lafarge Boral Gypsum Asia
2. Before completion adjustments

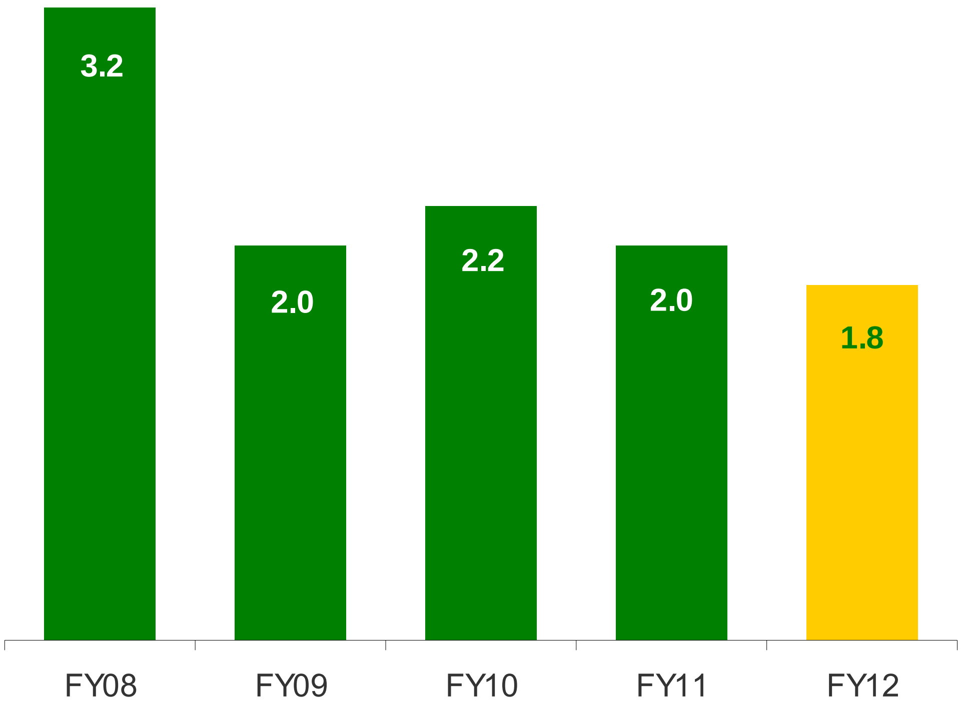
IMMEDIATE PRIORITIES

BORAL®

Maximise returns from existing assets	▪ Manage costs down ▪ Effectively manage margins
Maximise cash generation and reduce debt	▪ Constrain capital expenditure ▪ Reduce working capital ▪ Divest non-core and property assets
Improve safety performance	▪ Achieve world-class standards in safety

SAFETY PERFORMANCE

Employee and contractor LTIFR*



*** Lost Time Injury Frequency Rate per million hours worked**

POSITION BORAL TO DELIVER STRONG RETURNS

Key platforms of change

BORAL'S PLASTERBOARD BUSINESSES RESTRUCTURED UNDER SINGLE DIVISION

Boral's Divisional Structure

Boral Construction Materials	Boral Cement	Boral Building Products	Boral Gypsum	Boral USA
Quarries Concrete Asphalt Transport Property	Cement and Lime Concrete Placing	Bricks Roof Tiles Timber Windows	Boral Gypsum Asia Plasterboard, Australia	Brick & Cultured Stone Roof Tiles Fly Ash Construction Materials

IMPROVING OPERATING PERFORMANCE

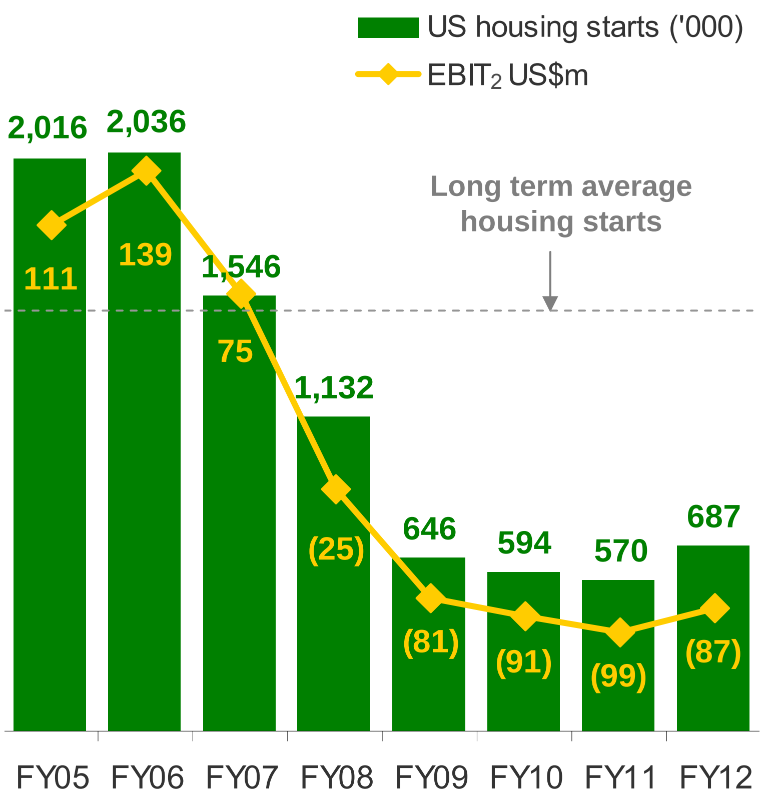
BORAL®

Five key drivers being rigorously pursued to improve operating performance

Reduce fixed costs operating base	▪ Re-size capacity below peak cycle demand ▪ Reduce overhead costs to better align with adjusted portfolio
Leverage LEAN manufacturing	▪ Reduce physical inventories ▪ Increase output from reduced production base
Exit remaining unprofitable businesses	▪ Reduce future investment and structural support costs
Remove overhead costs	▪ Remove unfair burden on good businesses
Reduce or delay planned expenditure	▪ Prioritise capital on an enterprise level ▪ Ensure invested capital can deliver adequate return

BORAL USA: DRAMATIC REDUCTION IN COST BASE TO ALIGN WITH DEMAND

US housing starts[1] vs Boral USA EBIT[2]



BRICKS USA	FY05	FY08	FY12
Housing starts (‘000)	2,016	1,132	687
Total bricks plants	24	24	13
Mothballed brick plants	-	-	5
Total brick capacity (sbe)	1.6bn	1.9bn	1.3bn

- Bricks USA can now meet market demand of 1.5m housing starts from fewer manufacturing plants operating at higher output
- Boral USA break-even point now reduced to ~950,000 housing starts from 1.2m starts due to reduced cost base

1. Source: US seasonally adjusted starts from US Census
2. Excluding significant items

TRADING UPDATE

- **Boral USA**: US housing starts increased 28% to annualised rate of 786,000 in 1Q FY2013; improved market conditions starting to flow through to improved sales volumes
- In **Australia**, tough market conditions continued, similar to 2H FY2012, although weather conditions have been more favourable; this was partly offset by continued strength in infrastructure activity
- **Building Products**: continuing to be significantly impacted by sustained low levels of housing activity
- **Construction Materials**: benefiting from more normal weather patterns and major resource and infrastructure projects now achieving target volumes
- **Cement**: pricing continues to be constrained due to high A$ and low bulk shipping rates
- **Boral Gypsum (Asia)**: results for 1Q below expectations with weaker demand in both China and Korea
- Based on 1Q, expect Boral's underlying trading results[1] for 1H FY2013 to improve compared with 2H FY2012
- **Profit after tax** (before significant items) for 1H FY2013 expected to be comparable to 2H FY2012 as property sales in 1H FY2013 anticipated to be lower than 2H FY2012

1. EBIT excluding property sales

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