Build something great™

Boral Limited
Level 3, 40 Mount Street
North Sydney NSW 2060
PO Box 1228
North Sydney NSW 2059

T: +61 (02) 9220 6300
F: +61 (02) 9233 6605

www.boral.com.au

12 February 2014

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

Dear Sir

Results for announcement to the market – half year ended 31 December 2013

We attach the following:

1. Half Year Report (Appendix 4D) in accordance with ASX Listing Rule 4.2A;

2. Results Announcement for the half year ended 31 December 2013 - Media Release, and

3. Results Announcement for the half year ended 31 December 2013 - Management Discussion & Analysis.

The information contained in this announcement should be read in conjunction with Boral's most recent annual financial report.

Yours faithfully

Dominic Millgate
Company Secretary

Boral Limited
ABN 13 008 421 761

Level 3, 40 Mount Street
North Sydney
PO Box 1228, North Sydney NSW 2059
Telephone (02) 9220 6300
Facsimile (02) 9233 6605

www.boral.com.au

APPENDIX 4D

HALF-YEAR REPORT

12 February 2014

Name of Entity:	**Boral Limited**
ABN:	**13 008 421 761**
For the half year ended:	**31 December 2013**

Results for announcement to the market

				Dec-2013 A'$ millions	Dec-2012 A'$ millions
Revenue from continuing operations	up	4.9%	to	**2,279.3**	2,173.8
Revenue from discontinued operations				**595.0**	600.0
Total revenue	**up**	**3.6%**	**to**	**2,874.3**	2,773.8
Profit from continuing operations before net financing costs, income tax and significant items	up	50.9%	to	**113.8**	75.4
Profit from discontinued operations before net financing costs, income tax and significant items				**54.1**	37.0
Profit before net financing costs, income tax and significant items	up	49.4%	to	**167.9**	112.4
Net financing costs from continuing operations before significant items				**(44.6)**	(46.9)
Net financing costs from discontinued operations before significant items				**(2.0)**	(3.1)
Profit before income tax and significant items	up	94.4%	to	**121.3**	62.4
Income tax from continuing operations before significant items				**(13.6)**	(3.6)
Income tax from discontinued operations before significant items				**(15.9)**	(4.2)
Non-controlling interest from continuing operations				**2.8**	1.5
Non-controlling interest from discontinued operations				**(4.2)**	(3.9)
Net profit before significant items attributable to members	up	73.2%	to	**90.4**	52.2
Significant items from continuing operations net of tax [1]				**-**	(88.1)
Significant items from discontinued operations net of tax [1]				**(116.7)**	10.6
Net profit/(loss) attributable to members	**down**	**(4.0%)**	**to**	**(26.3)**	(25.3)

1. Significant items relate primarily to a non-trading revaluation loss on reclassification of Boral Gypsum net assets as 'held for sale' following the announcement of the proposed joint venture with USG Corporation. This loss is anticipated to be offset by the recognition of deferred foreign currency gains on completion of the joint venture, expected 28 February 2014.

Full details of significant items are contained in note 6 of the attached half-year financial report.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	7.0 cents	7.0 cents
Previous corresponding period: Interim - ordinary	5.0 cents	5.0 cents

Record date for determining entitlements to the dividend	24 February 2014

Comparative Period: Half Year ended 31 December 2012

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The disclosures are extracted or derived from the financial report for the period ended 31 December 2013 but have not been subject to audit or review.

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 2013 - Management Discussion and Analysis" dated 12 February 2014.

Half-Year Financial Report

31 December 2013

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 2013 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.

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 2013 ("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:

Bob Every AO	-	Chairman
Mike Kane	-	Chief Executive Officer and Managing Director
Catherine Brenner		
Brian Clark		
Eileen Doyle		
Richard Longes		
John Marlay		
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

The Company is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.

Dr Bob Every AO
Director

Mike Kane
Director

Sydney, 12 February 2014

KPMG

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 2013 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.

KPMG.

KPMG

Kenneth Reid
Partner

Sydney, 12 February 2014

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED **Half-Year 31 Dec 2013 $ millions**	 Half-Year 31 Dec 2012 $ millions
Continuing operations			
Revenue	4	**2,279.3**	2,173.8
Cost of sales		**(1,637.3)**	(1,581.3)
Selling and distribution expenses		**(400.8)**	(389.8)
Administrative expenses		**(143.9)**	(143.8)
		(2,182.0)	(2,114.9)
Other income	4	**6.8**	11.3
Other expenses	4	**(0.3)**	(120.4)
Share of net profit of associates	9	**10.0**	5.6
Profit/(loss) before net financing costs and income tax		**113.8**	(44.6)
Financial income		**0.9**	1.5
Financial expenses		**(45.5)**	(48.4)
Net financing costs		**(44.6)**	(46.9)
Profit/(loss) before income tax		**69.2**	(91.5)
Income tax benefit/(expense)	5	**(13.6)**	28.3
Profit/(loss) from continuing operations		**55.6**	(63.2)
Discontinued operations			
Profit/(loss) from discontinued operations (net of income tax)	3	**(80.5)**	40.3
Net profit/(loss)		**(24.9)**	(22.9)
Attributable to:			
Members of the parent entity		**(26.3)**	(25.3)
Non-controlling interests - profit		**1.4**	2.4
Net profit/(loss)		**(24.9)**	(22.9)
Basic earnings per share	7	**(3.4c)**	(3.3c)
Diluted earnings per share	7	**(3.4c)**	(3.3c)
Continuing operations			
Basic earnings per share	7	**7.5c**	(8.1c)
Diluted earnings per share	7	**7.4c**	(8.1c)

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

	CONSOLIDATED	
	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
Net profit/(loss)	**(24.9)**	(22.9)
Other comprehensive income		
Items that will not be reclassified to Income Statement:		
Actuarial loss on defined benefit plans	**-**	(2.4)
Income tax on items that will not be reclassified to Income Statement	**-**	0.6
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	**43.5**	(0.5)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**-**	3.1
Fair value adjustment on cash flow hedges	**3.3**	4.4
Income tax on items that may be reclassified subsequently to Income Statement	**15.0**	10.1
Total comprehensive income/(loss) for the half-year	**36.9**	(7.6)
Total comprehensive income for the half-year is attributable to:		
Members of the parent entity	**33.1**	(8.8)
Non-controlling interests	**3.8**	1.2
Total comprehensive income/(loss) for the half-year	**36.9**	(7.6)

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	CONSOLIDATED **31 Dec 2013** **$ millions**	 30 Jun 2013 $ millions
CURRENT ASSETS			
Cash and cash equivalents		**262.9**	149.9
Cash on deposit		**-**	70.6
Receivables		**653.8**	887.8
Inventories		**589.5**	680.0
Other financial assets		**13.7**	11.6
Other		**51.8**	31.0
Assets classified as held for sale	3	**1,670.1**	-
TOTAL CURRENT ASSETS		**3,241.8**	1,830.9
NON-CURRENT ASSETS			
Receivables		**4.4**	16.8
Inventories		**22.0**	19.6
Investments accounted for using the equity method		**20.1**	34.6
Other financial assets		**41.3**	23.5
Property, plant and equipment		**2,579.6**	3,378.1
Intangible assets		**206.2**	849.9
Deferred tax assets		**154.7**	133.7
Other		**28.7**	29.3
TOTAL NON-CURRENT ASSETS		**3,057.0**	4,485.5
TOTAL ASSETS		**6,298.8**	6,316.4
CURRENT LIABILITIES			
Payables		**587.5**	760.1
Loans and borrowings	11	**114.8**	126.9
Other financial liabilities		**71.6**	56.1
Current tax liabilities		**65.3**	19.1
Provisions		**184.6**	212.1
Liabilities classified as held for sale	3	**208.3**	-
TOTAL CURRENT LIABILITIES		**1,232.1**	1,174.3
NON-CURRENT LIABILITIES			
Payables		**11.4**	9.4
Loans and borrowings	11	**1,537.4**	1,539.6
Other financial liabilities		**15.6**	25.5
Deferred tax liabilities		**-**	57.6
Provisions		**99.4**	116.5
TOTAL NON-CURRENT LIABILITIES		**1,663.8**	1,748.6
TOTAL LIABILITIES		**2,895.9**	2,922.9
NET ASSETS		**3,402.9**	3,393.5
EQUITY			
Issued capital	12	**2,455.4**	2,433.8
Reserves	13	**137.5**	74.4
Retained earnings		**723.3**	796.0
Total parent entity interest		**3,316.2**	3,304.2
Non-controlling interests		**86.7**	89.3
TOTAL EQUITY		**3,402.9**	3,393.5

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

	CONSOLIDATED					
	Issued capital $ millions	**Reserves $ millions**	**Retained earnings $ millions**	**Total parent entity interest $ millions**	**Non-controlling interests $ millions**	**Total Equity $ millions**
Balance at 1 July 2013	**2,433.8**	**74.4**	**796.0**	**3,304.2**	**89.3**	**3,393.5**
Net profit /(loss)	**-**	**-**	**(26.3)**	**(26.3)**	**1.4**	**(24.9)**
Other comprehensive income						
Translation of net assets of overseas controlled entities	**-**	**94.1**	**-**	**94.1**	**2.4**	**96.5**
Translation of long-term borrowings and foreign currency forward contracts	**-**	**(53.0)**	**-**	**(53.0)**	**-**	**(53.0)**
Fair value adjustment on cash flow hedges	**-**	**3.3**	**-**	**3.3**	**-**	**3.3**
Income tax relating to other comprehensive income	**-**	**15.0**	**-**	**15.0**	**-**	**15.0**
Total comprehensive income	**-**	**59.4**	**(26.3)**	**33.1**	**3.8**	**36.9**
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan	**21.6**	**-**	**-**	**21.6**	**-**	**21.6**
Dividend paid	**-**	**-**	**(46.4)**	**(46.4)**	**(6.9)**	**(53.3)**
Share-based payments	**-**	**3.7**	**-**	**3.7**	**-**	**3.7**
Contributions by non-controlling interests	**-**	**-**	**-**	**-**	**0.5**	**0.5**
Total transactions with owners in their capacity as owners	**21.6**	**3.7**	**(46.4)**	**(21.1)**	**(6.4)**	**(27.5)**
Balance at 31 December 2013	**2,455.4**	**137.5**	**723.3**	**3,316.2**	**86.7**	**3,402.9**
Balance at 1 July 2012	2,368.4	(109.2)	1,069.9	3,329.1	74.3	3,403.4
Net profit /(loss)	-	-	(25.3)	(25.3)	2.4	(22.9)
Other comprehensive income						
Translation of net assets of overseas controlled entities	-	(5.5)	-	(5.5)	(1.2)	(6.7)
Translation of long-term borrowings and foreign currency forward contracts	-	6.2	-	6.2	-	6.2
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	3.1	-	3.1	-	3.1
Fair value adjustment on cash flow hedges	-	4.4	-	4.4	-	4.4
Actuarial gain/(loss) on defined benefit plans	-	-	(2.4)	(2.4)	-	(2.4)
Income tax relating to other comprehensive income	-	10.1	0.6	10.7	-	10.7
Total comprehensive income	-	18.3	(27.1)	(8.8)	1.2	(7.6)
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan and underwriting agreement	26.6	-	-	26.6	-	26.6
Dividend paid	-	-	(26.6)	(26.6)	(2.5)	(29.1)
Share-based payments	-	4.1	-	4.1	-	4.1
Contributions by non-controlling interests	-	-	-	-	1.5	1.5
Total transactions with owners in their capacity as owners	26.6	4.1	(26.6)	4.1	(1.0)	3.1
Balance at 31 December 2012	2,395.0	(86.8)	1,016.2	3,324.4	74.5	3,398.9

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	CONSOLIDATED Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**3,132.2**	2,979.7
Payments to suppliers and employees		**(2,833.4)**	(2,787.3)
		298.8	192.4
Dividends received		**10.4**	10.0
Interest received		**3.6**	3.9
Borrowing costs paid		**(48.1)**	(52.7)
Income taxes paid		**(9.6)**	(27.9)
Restructure costs paid	16	**(23.7)**	(18.5)
NET CASH PROVIDED BY OPERATING ACTIVITIES		**231.4**	107.2
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(113.6)**	(163.5)
Purchase of intangibles		**-**	(0.3)
Loans to associates		**(1.5)**	-
Decrease in cash on deposit		**70.6**	-
Proceeds on disposal of non-current assets		**25.7**	30.3
Proceeds on disposal of controlled entities and businesses (net of cash disposed and transaction costs)		**13.2**	59.9
Divestment costs - Gypsum		**(9.7)**	-
NET CASH USED IN INVESTING ACTIVITIES		**(15.3)**	(73.6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	15.1
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of $21.6 million (2012: $11.5 million))		**(24.8)**	(15.1)
Dividends paid to non-controlling interests		**(6.9)**	(2.5)
Contributions by non-controlling interests		**0.5**	1.5
Proceeds from borrowings		**84.6**	47.4
Repayment of borrowings		**(152.2)**	(86.1)
NET CASH USED IN FINANCING ACTIVITIES		**(98.8)**	(39.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**117.3**	(6.1)
Cash and cash equivalents at the beginning of the year		**135.7**	181.5
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		**5.9**	(2.0)
Cash and cash equivalents at the end of the half-year	16	**258.9**	173.4

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 domiciled in Australia. The consolidated half-year financial report of Boral Limited as at and for the half-year ended 31 December 2013 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 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 2013 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 12 February 2014.

The half-year report is presented in Australian dollars.

(b) Significant Accounting Policies

The half-year financial report has been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2013 Annual Financial Report.

From 1 July 2013, the following standards and interpretations have been adopted by the Group:

AASB 10 *Consolidated Financial Statements*
AASB 11 *Joint Arrangements*
AASB 12 *Disclosure of Interests in Other Entities;* and
AASB 13 *Fair Value Measurement.*

Adoption of these standards has not resulted in any material changes to the Group's half-year financial report.

AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* specifies that the costs associated with the removal of waste during the production phase of a mine (stripping costs) are recognised as a Non-current asset. The stripping activity asset is accounted for as an addition to, or as an enhancement of an existing asset.

The effect of the application of AASB Interpretation 20 was retrospectively applied back to 1 July 2012, being the first comparative period presented. This resulted in an increase of Property, plant and equipment by $31.0 million, a decrease of Other current assets by $11.8 million and a decrease of Other non-current assets by $19.2 million. There was no impact on the reported net result in either the current or prior period, other than an increase in amortisation of $7.1 million (December 2012: $7.2 million) and a corresponding decrease in stripping expenses.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES (continued)

(b) Significant Accounting Policies (continued)

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) Comparative Figures

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(d) Rounding of Amounts

Boral Limited is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

2. SEGMENTS

Operating segments are based on internal reporting to the Chief Executive Officer in assessing performance and determining the allocation of resources. During the year ended 30 June 2013, two new segments have been created:

Construction Materials & Cement - which consolidates the activities of the former Construction Materials and Cement operations into a single division.

Boral Gypsum - which consists of the Group's Australian and Asian plasterboard operations. The remaining Australian Building Product businesses have been aggregated into the redefined Building Products segment.

Comparative segment information has been restated to align with the current structure.

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

Construction Materials & Cement	-	Quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing.
Building Products	-	Australian bricks, roof tiles, masonry and timber products.
Boral Gypsum *	-	Australian and Asian plasterboard.
Boral USA	-	Bricks, cultured stone, roof tiles, fly ash, concrete and quarries.
Discontinued Operations	-	Windows (2012: includes Asian Construction Materials and East Coast masonry)
Unallocated	-	Non-trading operations and unallocated corporate costs.

* The Gypsum division is shown as part of "Discontinued Operations" in the Income Statement.

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.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

Reconciliations of reportable segment revenues and profits	CONSOLIDATED Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
External revenue	**2,874.3**	2,773.8
Less revenue from discontinued operations	**(595.0)**	(600.0)
Revenue from continuing operations	**2,279.3**	2,173.8
Profit before tax		
Profit before net financing costs and income tax expense from reportable segments	**48.8**	3.4
(Profit)/loss from discontinued operations *	**(54.1)**	(37.0)
Significant items applicable to discontinued operations	**119.1**	(11.0)
Profit/(loss) before net financing costs and income tax expense from continuing operations	**113.8**	(44.6)
Net financing costs from continuing operations	**(44.6)**	(46.9)
Profit/(loss) before tax from continuing operations	**69.2**	(91.5)

* represents segment earnings from the Gypsum and discontinued segment.

Reconciliations of equity accounted investments in associates	Half-Year 31 Dec 2013 $ millions	Full Year 30 Jun 2013 $ millions
Equity accounted investments in associates	**33.4**	34.6
Less equity accounted investments in associates to held for sale assets	**(13.3)**	-
Equity accounted investments in associates - continuing operations	**20.1**	34.6

Geographical information

For the half-year ended 31 December 2013, the Group's trading revenue from external customers in Australia amounted to $2,126.2 million (2012: $2,080.8 million), with $355.3 million (2012: $288.5 million) from the Plasterboard Asia operations, $335.3 million (2012: $266.1 million) relating to operations in the USA and $57.5 million (2012: $138.4 million) relating to discontinued operations. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia* amounted to $2,228.3 million (30 June 2013: $2,576.1 million), with Nil (30 June 2013: $1,134.1 million) in Asia* and $632.7 million (30 June 2013: $618.1 million) in the USA.

In presenting information on a geographical basis, segment revenues are based on the geographical location of customers, while segment assets are based on the geographical location of assets.

* Boral Gypsum's non-current assets in Australia and Asia have been classified as "Held for Sale" at 31 December 2013. Refer note 3 of the half-year financial report.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions	**Half-Year 31 Dec 2013 $ millions**	Half-Year 31 Dec 2012 $ millions	**Half-Year 31 Dec 2013 $ millions**	Half-Year 31 Dec 2012 $ millions
	TOTAL REVENUE		**INTERNAL REVENUE**		**EXTERNAL REVENUE**	
Construction Materials & Cement	**1,712.7**	1,677.9	**16.5**	18.7	**1,696.2**	1,659.2
Building Products	**248.4**	248.9	**0.6**	0.4	**247.8**	248.5
Boral Gypsum *	**537.5**	461.6	**-**	-	**537.5**	461.6
Boral USA	**335.7**	266.3	**0.4**	0.2	**335.3**	266.1
Discontinued Operations	**57.5**	138.4	**-**	-	**57.5**	138.4
	2,891.8	2,793.1	**17.5**	19.3	**2,874.3**	2,773.8

	OPERATING PROFIT (EXCLUDING ASSOCIATES)		**EQUITY ACCOUNTED RESULTS OF ASSOCIATES**		**PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE**	
Construction Materials & Cement	**144.9**	140.4	**10.3**	5.9	**155.2**	146.3
Building Products	**5.3**	(18.4)	**-**	-	**5.3**	(18.4)
Boral Gypsum *	**50.1**	36.6	**4.5**	5.4	**54.6**	42.0
Boral USA	**(29.6)**	(38.4)	**(0.3)**	(0.3)	**(29.9)**	(38.7)
Discontinued Operations	**(0.5)**	(5.0)	**-**	-	**(0.5)**	(5.0)
Unallocated	**(16.8)**	(13.8)	**-**	-	**(16.8)**	(13.8)
	153.4	101.4	**14.5**	11.0	**167.9**	112.4
Significant items (refer note 6)	**(119.1)**	(109.0)	**-**	-	**(119.1)**	(109.0)
	34.3	(7.6)	**14.5**	11.0	**48.8**	3.4

	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		**EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES**		**TOTAL ASSETS**	
	Half-Year 31 Dec 2013 $ millions	Full Year 30 Jun 2013 $ millions	**Half-Year 31 Dec 2013 $ millions**	Full Year 30 Jun 2013 $ millions	**Half-Year 31 Dec 2013 $ millions**	Full Year 30 Jun 2013 $ millions
Construction Materials & Cement	**2,747.7**	2,752.2	**20.1**	20.7	**2,767.8**	2,772.9
Building Products	**519.0**	529.4	**-**	-	**519.0**	529.4
Boral Gypsum *	**1,656.8**	1,707.7	**13.3**	13.9	**1,670.1**	1,721.6
Boral USA	**859.4**	842.5	**-**	-	**859.4**	842.5
Discontinued Operations	**-**	41.1	**-**	-	**-**	41.1
Unallocated	**64.9**	54.7	**-**	-	**64.9**	54.7
	5,847.8	5,927.6	**33.4**	34.6	**5,881.2**	5,962.2
Cash and cash equivalents and cash on deposit	**262.9**	220.5	**-**	-	**262.9**	220.5
Deferred tax assets	**154.7**	133.7	**-**	-	**154.7**	133.7
	6,265.4	6,281.8	**33.4**	34.6	**6,298.8**	6,316.4

	LIABILITIES		**DEPRECIATION AND AMORTISATION**	
	Half-Year 31 Dec 2013 $ millions	Full Year 30 Jun 2013 $ millions	**Half-Year 31 Dec 2013 $ millions**	Half-Year 31 Dec 2012 $ millions
Construction Materials & Cement	**543.2**	533.5	**82.1**	90.8
Building Products	**95.9**	108.5	**11.7**	17.7
Boral Gypsum *	**208.3**	174.6	**22.5**	20.2
Boral USA	**116.7**	134.9	**21.5**	21.3
Discontinued Operations	**-**	21.7	**0.7**	0.9
Unallocated	**214.3**	206.5	**0.5**	0.4
	1,178.4	1,179.7	**139.0**	151.3
Loans and borrowings	**1,652.2**	1,666.5	**-**	-
Tax liabilities	**65.3**	76.7	**-**	-
	2,895.9	2,922.9	**139.0**	151.3

* The Gypsum division is shown as part of "Discontinued Operations" in the Income Statement.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED **Half-Year 31 Dec 2013 $ millions**	 Half-Year 31 Dec 2012 $ millions

3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the period, the Group sold its Windows business and as a result, its earnings for the current and comparative periods have been reclassified to "Discontinued Operations" in the Income Statement.

During the period, the Group also announced that the plasterboard operations in Australia and Asia will form a joint venture with USG Corporation. This results in Boral Gypsum net assets being classified as "Held for Sale" at 31 December 2013, and the earnings classified as "Discontinued Operations" in the Income Statement.

The 31 December 2012 comparatives also include the discontinued operations relating to former Asian Construction Materials and East Coast Masonry businesses, which were disposed of during financial year ended 2013.

	Note	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
Results of discontinued operations			
Revenue		**595.0**	600.0
Expenses		**(545.4)**	(568.4)
Share of net profit of associates	9	**4.5**	5.4
Trading profit before significant items, net financing costs and income tax expense *		**54.1**	37.0
Loss on fair value remeasurement of Gypsum net assets together with divestment costs	6	**(115.2)**	-
Gain/(loss) on sale of discontinued operations	6	**(3.9)**	11.0
Profit/(loss) before net financing costs and income tax expense		**(65.0)**	48.0
Net financing costs		**(2.0)**	(3.1)
Profit/(loss) before income tax expense		**(67.0)**	44.9
Income tax expense	5	**(13.5)**	(4.6)
Net profit/(loss)		**(80.5)**	40.3
Attributable to:			
Members of the parent entity		**(84.7)**	36.4
Non-controlling interest		**4.2**	3.9
Net profit/(loss)		**(80.5)**	40.3

* represents segment earnings from the Gypsum and discontinued segment.

Basic earnings per share		**(10.9c)**	4.8c
Diluted earnings per share		**(10.9c)**	4.7c

Cash flows from/(used in) discontinued operations			
Net cash from operating activities		**60.9**	36.6
Net cash from/(used in) investing activities		**(3.2)**	31.8
Net cash used in financing activities		**(6.8)**	(2.5)
Net cash from discontinued operations		**50.9**	65.9

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions

3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

Effect of disposal on the financial position of the Group

During the current period the Group disposed of its Windows business. In prior half-year to 31 December 2012, the Group disposed of its Thailand Construction Materials business and received final proceeds from the Indonesian Construction Materials disposal.

	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
Consideration	**16.8**	32.3
Cash	**(2.1)**	(4.3)
Trade and other receivables	**(21.3)**	(18.2)
Inventories	**(13.2)**	(3.1)
Property, plant and equipment	**(6.7)**	(4.4)
Intangible assets	**-**	(0.6)
Other assets	**(0.2)**	(2.4)
Payables	**16.9**	13.7
Provisions	**5.9**	1.1
Net assets disposed	**(20.7)**	(18.2)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**-**	(3.1)
Gain/(loss) on disposal of discontinued operations before income tax expense	**(3.9)**	11.0
Consideration	**16.8**	32.3
Cash and cash equivalents disposed	**(2.1)**	(4.3)
Add: Deferred consideration received/(receivable)	**(1.5)**	31.9
Consideration (net of disposal costs)	**13.2**	59.9

	CONSOLIDATED	
	31 Dec 2013 $ millions	30 Jun 2013 $ millions
Assets and liabilities classified as held for sale		
Trade and other receivables	**188.9**	-
Inventories	**77.3**	-
Investments accounted for using the equity method	**13.3**	-
Property, plant and equipment	**797.7**	-
Intangible assets	**587.0**	-
Deferred tax assets	**1.1**	-
Other assets	**4.8**	-
Assets classified as held for sale	**1,670.1**	-
Payables	**140.6**	-
Other financial liabilities	**0.8**	-
Tax liabilities	**31.3**	-
Provisions	**35.6**	-
Liabilities classified as held for sale	**208.3**	-
Net assets	**1,461.8**	-

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
4. OPERATING PROFIT			
REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		**2,233.7**	2,119.2
Rendering of services		**45.6**	54.6
Revenue from continuing operations		**2,279.3**	2,173.8
OTHER INCOME FROM CONTINUING OPERATIONS			
Net profit on sale of assets		**2.2**	10.3
Other income		**4.6**	1.0
Other income from continuing operations		**6.8**	11.3
OTHER EXPENSES FROM CONTINUING OPERATIONS			
Significant items	6	**-**	120.0
Net foreign exchange loss		**0.3**	0.4
Other expenses from continuing operations		**0.3**	120.4

5. INCOME TAX EXPENSE

Reconciliation of income tax expense to prima facie tax payable

Income tax expense/(benefit) on profit at Australian tax rates 30% (2012: 30%)	**0.7**	(14.0)
Variation between Australian and overseas tax rates	**(3.7)**	(6.6)
Share of associates' net income and franked dividend income	**(4.3)**	(3.3)
Capital loss not brought to account	**1.5**	-
Deferred taxes on disposal	**3.2**	-
Fair value remeasurement of Gypsum net assets together with divestment costs	**29.0**	-
Prior year underprovision	**1.1**	-
Other items	**(0.4)**	0.2
Income tax expense/(benefit)	**27.1**	(23.7)
Income tax expense/(benefit) relating to continuing operations	**13.6**	(28.3)
Income tax expense/(benefit) relating to discontinued operations	**13.5**	4.6
	27.1	(23.7)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

		CONSOLIDATED	
		Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions

6. SIGNIFICANT ITEMS

Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the Group:

		Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
Continuing operations			
Curtailment of clinker operations at Waurn Ponds		**-**	(113.3)
Organisational restructure costs		**-**	(6.7)
Total significant items before tax, from continuing operations		**-**	(120.0)
Income tax benefit			31.9
Net significant items from continuing operations		**-**	(88.1)
Discontinued operations			
Gain on disposal of Asian Construction Materials		**-**	11.0
Loss on disposal of Windows business		**(3.9)**	-
Loss on fair value remeasurement of Gypsum net assets together with divestment costs	(i)	**(115.2)**	-
Total significant items before tax, from discontinued operations		**(119.1)**	11.0
Income tax benefit/(expense)		**2.4**	(0.4)
Net significant items from discontinued operations		**(116.7)**	10.6

Summary of significant items		
Loss before interest and tax	**(119.1)**	(109.0)
Income tax benefit	**2.4**	31.5
Net significant items	**(116.7)**	(77.5)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS (continued)

Half-Year December 2013 Significant items

(i) Loss on fair value remeasurement of Gypsum net assets together with divestment costs

On 17 October 2013, the Group announced the sale of a 50% interest in its Australian and Asian plasterboard businesses. Completion of the sale of 50% of Boral Gypsum to USG Corporation will result in the deconsolidation of the Gypsum subsidiaries and recognition of a 50% interest in the new Joint Venture. As at 31 December 2013 the net assets of the Gypsum division have been reclassified on Boral's balance sheet as assets held for sale, resulting in a re-assessment of net assets at current exchange rates and comparison to the expected proceeds less costs to sell, resulting in a revaluation loss of $115.2 million, including $13 million in respect of revaluation of financial instruments associated with the transaction.

Exchange gains currently held in the Foreign Currency Translation reserve, which represent the foreign exchange movement during the period from acquisition to the date of disposal (which at 31 December 2013 totalled $155 million), are unable to be recognised until completion of the transaction. Recognition of these exchange gains will offset the revaluation recorded at 31 December 2013.

The final disposal entries will be calculated taking into account fair value calculations, working capital adjustments and foreign exchange rates as at the date of completion which is expected by 28 February 2014.

Half-Year December 2012 Significant items

Curtailment of clinker operations at Waurn Ponds

On 6 December 2012, the Group announced the indefinite suspension of its clinker manufacturing operations at the Waurn Ponds cement works in Victoria. This resulted in impairment of assets of $100.4 million together with closure and restructure costs of $12.9 million.

Organisational restructure costs

Redundancies and restructuring costs of $6.7 million were incurred during the half year ended 31 December 2012, as part of a broader organisational restructure exercise to streamline the organisation and align with current market conditions.

	CONSOLIDATED	
Summary of significant items before interest and tax by segment	**Half-Year 31 Dec 2013 $ millions**	Half-Year 31 Dec 2012 $ millions
Construction Materials & Cement	**-**	(117.0)
Building Products	**-**	(1.6)
Boral Gypsum *	**(115.2)**	-
Boral USA	**-**	-
Discontinued Operations	**(3.9)**	11.0
Unallocated	**-**	(1.4)
	(119.1)	(109.0)

* The Gypsum division is shown as part of "Discontinued Operations" in the Income Statement.

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.

	CONSOLIDATED	
	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
Earnings reconciliation		
Net profit before significant items and non-controlling interests	**91.8**	54.6
Profit attributable to non-controlling interests	**(1.4)**	(2.4)
Net profit excluding significant items	**90.4**	52.2
Net significant items	**(116.7)**	(77.5)
Net profit/(loss) attributable to members of the parent entity	**(26.3)**	(25.3)
Earnings reconciliation - continuing operations		
Net profit before significant items and non-controlling interests	**55.6**	24.9
Loss attributable to non-controlling interests	**2.8**	1.5
Net profit excluding significant items	**58.4**	26.4
Net significant items	**-**	(88.1)
Net profit/(loss) attributable to members of the parent entity - continuing operations	**58.4**	(61.7)

	CONSOLIDATED	
	Half-Year 31 Dec 2013	Half-Year 31 Dec 2012
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	**776,750,626**	763,059,621
Effect of potential ordinary shares	**8,470,578**	7,890,464
Number for diluted earnings per share	**785,221,204**	770,950,085
Basic earnings per share	**(3.4c)**	(3.3c)
Diluted earnings per share	**(3.4c)**	(3.3c)
Basic earnings per share (excluding significant items)	**11.6c**	6.8c
Diluted earnings per share (excluding significant items)	**11.5c**	6.8c
Basic earnings per share (continuing operations)	**7.5c**	(8.1c)
Diluted earnings per share (continuing operations)	**7.4c**	(8.1c)

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

	Amount per share	Total amount $ millions	Franked amount per share	Date of payment
For the half-year ended 31 December 2013				
Final June 2013 - ordinary	**6.0 cents**	**46.4**	**6.0 cents**	**27 September 2013**
Total		**46.4**		
For the half-year ended 31 December 2012				
Final June 2012 - ordinary	3.5 cents	26.6	3.5 cents	28 September 2012
Total		26.6		

Subsequent Event

Since the end of the period, the Directors have declared the following dividend:

Interim - ordinary	**7.0 cents**	**54.5**	**7.0 cents**	**24 March 2014**

The financial effect of the interim dividend for December 2013 has not been brought to account in the financial report for the period ended 31 December 2013 but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) will operate in respect of the payment of the interim dividend and the last date for the receipt of an election notice for participation in the plan is 24 February 2014. Following this interim dividend, the DRP will be suspended until further notice.

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 CONSOLIDATED **31 Dec 2013 %**	30 Jun 2013 %
DETAILS OF INVESTMENTS IN ASSOCIATES				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	**50**	50
Caribbean Roof Tile Company Limited	Roof tiles	31-Dec	**50**	50
Flyash Australia Pty Ltd	Flyash collection	31-Dec	**50**	50
Gypsum Resources Australia Pty Ltd *	Gypsum mining	30-Jun	**50**	50
Highland Pine Products Pty Ltd	Timber	30-Jun	**50**	50
Penrith Lakes Development Corporation Ltd	Quarrying	30-Jun	**40**	40
Rondo Building Services Pty Ltd *	Rollform systems	30-Jun	**50**	50
South East Asphalt Pty Ltd	Asphalt	30-Jun	**50**	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	**50**	50
US Tile LLC	Roof tiles	31-Dec	**50**	50

* Boral will form a joint venture with USG Corporation in the second half of financial year 2014. This results in the investment in associates of the Gypsum division being classified as "Held for Sale" at 31 December 2013, and the share of associates' net profit being classified as "Discontinued Operations" in the Income Statement.

	CONSOLIDATED **Half-Year 31 Dec 2013 $ millions**	Half-Year 31 Dec 2012 $ millions
RESULTS OF ASSOCIATES		
Share of associates' profit before income tax expense	**20.3**	15.4
Share of associates' income tax expense	**(5.8)**	(4.4)
	14.5	11.0
Less share of associates' net profit relating to discontinued operations *	**(4.5)**	(5.4)
Share of associates' net profit - equity accounted relating to continuing operations	**10.0**	5.6
MATERIAL INTERESTS IN ASSOCIATES		
Share of associate's net profit - equity accounted		
Rondo Building Services Pty Ltd	**4.5**	5.4
Sunstate Cement Ltd	**3.6**	4.0
Penrith Lakes Development Corporation Ltd	**5.6**	-

	CONSOLIDATED **Half-Year 31 Dec 2013**	Full Year 30 Jun 2013	Half-Year 31 Dec 2012
10. NET TANGIBLE ASSET BACKING			
Net tangible asset backing per ordinary security **	**$3.24**	$3.17	$3.29

** Includes intangible assets included in assets classified as "Held for Sale" at 31 December 2013.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	31 Dec 2013 $ millions	30 Jun 2013 $ millions
11. LOANS AND BORROWINGS		
CURRENT		
Bank overdrafts - unsecured	**4.0**	14.2
Bank loans - unsecured	**50.3**	54.4
Other loans - unsecured	**58.9**	56.9
Finance lease liabilities	**1.6**	1.4
	114.8	126.9
NON-CURRENT		
Bank loans - unsecured	**376.5**	432.2
Other loans - unsecured	**1,154.8**	1,101.0
Finance lease liabilities	**6.1**	6.4
	1,537.4	1,539.6
TOTAL	**1,652.2**	1,666.5

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	CONSOLIDATED				
				31 Dec 2013	30 Jun 2013
	Currency	Effective interest rate 31 Dec 2013	Calendar year of maturity	**Carrying amount $ millions**	Carrying amount $ millions
CURRENT					
Bank overdrafts - unsecured	Multi	6.03%	2014	**4.0**	14.2
Bank loans - unsecured	Multi	5.63%	2014	**50.3**	54.4
US senior notes - unsecured	USD	7.01%	2014	**58.4**	56.2
Other loans - unsecured	Multi	6.19%	2014	**0.5**	0.7
Finance lease liabilities	Multi	6.56%	2014	**1.6**	1.4
				114.8	126.9
NON-CURRENT					
Syndicated term credit facility - unsecured	USD	2.32%	2015	**154.4**	75.6
Syndicated loan facility - unsecured	AUD	4.65%	2016	**200.0**	300.0
Bank loans - unsecured	Multi	7.98%	2015-2017	**22.1**	56.6
US senior notes - unsecured	USD	6.32%	2015-2020	**965.0**	930.4
CHF notes - unsecured	CHF	2.25%	2020	**186.2**	166.8
Other loans - unsecured	AUD	8.93%	2015-2022	**3.6**	3.8
Finance lease liabilities	Multi	6.22%	2015-2018	**6.1**	6.4
				1,537.4	1,539.6
TOTAL				**1,652.2**	1,666.5

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Consolidated	
	Half-Year 31 Dec 2013 $ millions	Full Year 30 Jun 2013 $ millions
12. ISSUED CAPITAL		
778,739,826 (30 Jun 2013: 774,000,641) ordinary shares	**2,455.4**	2,433.8
MOVEMENTS IN ISSUED CAPITAL		
Balance at the beginning of the period	**2,433.8**	2,368.4
4,739,185 (30 Jun 2013: 6,973,870) shares issued under the Dividend Reinvestment Plan	**21.6**	29.4
Nil (30 Jun 2013: 8,319,496) shares issued under the Dividend Reinvestment Plan underwriting agreement	**-**	35.5
Nil (30 Jun 2013: 135,135) shares issued on vesting of rights	**-**	0.5
Balance at the end of the period	**2,455.4**	2,433.8

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

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	**138.9**	81.9
Hedging reserve - cash flow hedges	**4.8**	2.4
Other reserve	**(66.3)**	(66.3)
Share-based payments reserve	**60.1**	56.4
Balance at the end of the period	**137.5**	74.4

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

14. CONTINGENT LIABILITIES

Boral Limited has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to controlled entities.

A number of sites within the Group and its associates have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed, estimated clean-up costs have been expensed or provided for. For some sites, the requirements cannot be reliably assessed at this stage.

Certain entities within the Group are subject to various lawsuits and claims in the ordinary course of business.

Consistent with other companies of the size and diversity of Boral, the Group is the subject of periodic information requests, investigations and audit activity by the Australian Taxation Office (ATO) and taxation authorities in other jurisdictions in which Boral operates.

The Group has considered all of the above claims and, where appropriate, sought independent advice and believes it holds appropriate provisions.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

15. ACQUISITIONS

There were no acquisitions during the current and prior half-year.

	CONSOLIDATED	
	Half-Year 31 Dec 2013 $ millions	Half-Year 31 Dec 2012 $ millions
16. NOTES TO STATEMENT OF CASH FLOWS		
(i) 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	**262.9**	186.0
Bank overdrafts	**(4.0)**	(12.6)
	258.9	173.4
(ii) Non-cash items		
The following non-cash financing and investing activities have not been included in the statement of cash flows:		
Dividends reinvested under the Dividend Reinvestment Plan	**21.6**	11.5
(iii) Restructure costs paid		
During the half year, the Group incurred costs associated with:		
Restructure and business closure costs	**23.7**	18.5

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

17. 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 2013.

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 (ie as prices) or indirectly (ie derived from prices).
Level 3 - Inputs for asset or liability that are not based on observable market data.

The Groups' financial instruments that are measured and recognised at fair value include:

- financial assets, including derivatives used for hedging (forward exchange contracts, commodity swaps, commodity options, cross currency swaps);
- financial liabilities, including derivatives used for hedging (forward exchange contracts, interest rate swaps, cross currency swaps, currency options).

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

31 December 2013	Level 1 $ millions	Level 2 $ millions	Level 3 $ millions	Total $ millions
Assets				
Derivatives used for hedging	-	55.0	-	55.0
Derivatives at fair value through profit or loss	-	-	-	-
Total assets	-	55.0	-	55.0
Liabilities				
Derivatives used for hedging *	-	24.5	-	24.5
Derivatives at fair value through profit or loss	-	13.0	-	13.0
Total liabilities	-	37.5	-	37.5

* Includes $0.8 million being classified as "Held for Sale" at 31 December 2013.

30 June 2013	Level 1 $ millions	Level 2 $ millions	Level 3 $ millions	Total $ millions
Assets				
Derivatives used for hedging	-	35.1	-	35.1
Total assets	-	35.1	-	35.1
Liabilities				
Derivatives used for hedging	-	33.5	-	33.5
Total liabilities	-	33.5	-	33.5

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 2013 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:

Dr Bob Every AO
Director

Mike Kane
Director

Sydney, 12 February 2014

KPMG

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

Report on the Financial Report

We have reviewed the accompanying half-year financial report of Boral Limited, which comprises the consolidated balance sheet as at 31 December 2013, consolidated income statement, 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 17 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility 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

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 2013 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*.

Conclusion

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:

(a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance 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*.

KPMG

KPMG

Kenneth Reid
Partner

Sydney, 12 February 2014

Build something great™

Results Announcement

for the half year ended 31 December 2013

12 February 2014

Media Release

Boral delivering significantly improved operational performance

Boral Limited (ASX: BLD) today reported a **73% increase in net profit after tax (before significant items[1]) to $90 million** for the six months ended 31 December 2013, in line with guidance provided on 28 January 2014.

Boral's **sales revenue of $2.87 billion was 4%** above the prior year and earnings before interest and tax **(EBIT)** (before significant items[1]) **increased by 49% to $168 million**.

Due to the timing of completion of the joint venture with USG, the results also show significant items totalling $117 million after tax loss. This loss largely represents a **non-trading item** relating to the reclassification and revaluation of Boral Gypsum net assets as 'held for sale' assets. When Boral's Gypsum joint venture with USG completes, which is expected 28 February 2014, this loss is anticipated **to be offset by deferred foreign exchange gains and will result in a gain** in the second half of this financial year, assuming an AUD/USD exchange rate of US$0.89. As a result of this timing issue, Boral reported a **net after tax loss of $26 million** for the half year after net significant items.

A **fully franked interim dividend of 7.0 cents** per share, up 40% on last year, was announced and will be paid on 24 March 2014.

Boral's CEO & Managing Director, Mike Kane, said that the improved performance reflects the benefits of cost realignment and restructuring programs together with higher volumes from major projects, favourable weather conditions in Australia, and stronger market conditions in a number of key markets.

Mr Kane said **each of Boral's four divisions delivered improved earnings,** with the Australian Building Products division reporting a notable $23 million turnaround.

> "Our focus on improving Boral's return on funds employed through the ***'Fix, Execute, Transform'*** program is delivering tangible results", he said.
>
> "During the period our previously announced **cost reduction programs**, which are essential to offsetting the inflationary pressures in our businesses, **delivered a $60 million benefit**, and we expect to realise annualised savings from these programs of $130 million in financial year 2014. We have delivered $212 million in cash proceeds over the last 18 months from divestments and land sales against our two-year target of generating between $200 million and $300 million of cash. In line with our stated objective, capital expenditure was contained at $114 million for the half year.
>
> "**Construction Materials & Cement**, Boral's largest division, **delivered a 6% improvement in earnings** driven by strong project activity, very dry weather conditions in New South Wales and Queensland, and the benefit of restructuring and overhead cost reduction initiatives. The division's underlying performance in the second half of this year is expected to improve over the prior comparable period but will be offset by significantly lower Property earnings, which contributed $26 million in the second half last year.

---

[1] Profit before significant items is a non-IFRS measure reported to provide greater understanding of the Group's underlying business performance. Full details of significant items are contained in Note 6 of the half year financial report. Non-IFRS information has not been subject to audit or review.

Continues over …

"The **Building Products** division's **significant turnaround from reported losses last year to a modest profit** was achieved predominantly through a marked reduction in its cost base from portfolio rationalisation and restructuring initiatives, as well as the tailwind of improving housing construction demand in New South Wales and Western Australia.

"**Boral Gypsum** **delivered a 30% increase in earnings** with a particularly strong improvement in the Australian business and solid growth in demand across most of our Asian markets where we experienced an 11% uplift in plasterboard sales volumes.

"**Markets in the US are also continuing to strengthen**, with losses from our **Boral USA** division down 23% in the first half and strong volume growth experienced across all of our US businesses. Although total US housing starts remained 37% below the long term average of 1.5 million starts, single family housing starts in Boral's brick and tile states were up 14% and 17%, respectively.

"**We expect the underlying performance in each of Boral's four divisions to improve in the second half of the financial year compared to the prior comparable period**", said Mr Kane.

Despite an expected solid underlying performance in the second half, Boral anticipates **a skew of earnings to the first half compared to the second half** of the 2014 financial year due to higher major project volumes and dry weather conditions in the first half, the impact of moving from a 100%-owned Gypsum division to a 50% joint venture interest, and significantly lower property earnings in the second half relative to prior years.

For the full financial year 2014, Boral expects:

- **Construction Materials & Cement** to deliver significantly improved underlying earnings, which will offset a significant reduction in Property earnings
- **Building Products** to deliver a small profit
- **Boral Gypsum** to deliver stronger underlying performance, but in the second half underlying improvements to be largely offset by integration costs of the joint venture with USG, which is expected to complete on 28 February 2014, and reported earnings from Gypsum will be impacted by the shift to a 50% equity interest upon formation of the joint venture
- **Boral USA** to break through to profitability in the fourth quarter of FY2014 assuming housing starts exceed an annualised run rate of 1.1 million for the fourth quarter and translate into improvements in single family starts and custom home builder activity.

"Our focus on improving the underlying performance of Boral's businesses through restructuring and portfolio realignment, together with the ongoing market recovery in the USA, improved housing activity in Australia and continued growth in Asia, will deliver benefits beyond the current financial year," concluded Mr Kane.

Kylie FitzGerald
Investor & Media Enquiries
Tel: 02 9220 6591 or 0401 895 894

Luis Garcia - Cannings
Media Enquiries
Tel: 0419 239 552

Build something great™

Results Announcement

for the half year ended 31 December 2013

12 February 2014

Management Discussion & Analysis

Boral delivers a significantly improved operational performance

- Revenue for the half year **up 4% to $2.87b**
- EBITDA[1] **up 16% to $307m**
- EBIT[1] **up 49% to $168m**
- Underlying **net profit after tax[1] of $90m, up 73%,** in line with guidance provided on 28 January 2014
- Reported **net profit after tax loss of $26m** after net significant losses of $117m*
- **Net debt of $1.39b down** from $1.45b at 30 June 2013
- Earnings per share[1] of **11.6 cents up from 6.8 cents**
- Half year dividend up 40% to **7.0 cents per share**, fully franked

Significant items primarily relate to a non-trading revaluation loss on reclassification of Boral Gypsum net assets as 'held for sale' following the announcement of the proposed JV with USG.* ***This loss will be offset in 2H FY2014* *by the recognition of accumulated foreign currency gains in respect of these net assets on completion of the JV, based on an AUD/USD exchange rate of US$0.89.*

Strong earnings growth underpinned by market and operational improvements, benefits from prior year restructuring activities and favourable weather conditions in Australia

- **Construction Materials & Cement** – EBIT of $155m up 6% benefited from continued major project activity, prior year restructuring initiatives and favourable weather conditions
- **Building Products** – EBIT of $5m, up $23m reflecting benefits from prior period restructuring initiatives and better market conditions
- **Boral Gypsum** – EBIT of $55m up 30% through underlying revenue growth in Asia and Australia, and cost reductions in Australia
- **Boral USA** – EBIT loss of A$30m reduced by 23% underpinned by revenue gains from continued recovery in US housing market

Solid progress made with '*Fix, Execute, Transform*' program

✓ Offsetting inflationary impacts, realised **cost reductions** of $60m in 1H FY2014 from reduced headcount, rationalisation initiatives and contractor spend review; $130m of annualised savings expected in FY2014

✓ Plasterboard and ceilings **joint venture with USG** expected to complete on 28 February 2014, providing Boral Gypsum a strengthened platform to deliver continued underlying earnings growth

✓ **Turning around performance in Building Products** and progress made to preferred course of action to address unacceptably low returns in Australian Bricks business

✓ Delivered $212m in **cash proceeds** over the last 18 months from divestments and land sales against two-year target of $200-$300m and contained capital expenditure to $114m in 1H FY2014

FY2014 outlook

- **Expected skew of earnings to first half** compared to second half of FY2014 due to: higher major project volumes and dry weather conditions in the first half; the impact of moving from a 100%-owned Gypsum division to a 50% joint venture interest in the second half; and significantly lower property earnings in the second half relative to prior years.

---

[1] Excluding significant items.

Commentary in this document refers to Group operations before significant items. Profit before significant items is a non IFRS measure, refer to page 12 for a reconciliation to statutory profit

Financial Overview

Significant earnings growth achieved through stronger market conditions and business improvement initiatives

(A$ millions)	1H FY2014[2]	1H FY2013	Var %
Revenue	2,874	2,774	4
EBITDA[1]	307	264	16
EBIT[1]	**168**	**112**	**49**
Net interest	(47)	(50)	
Tax[1]	(30)	(8)	
Non-controlling interests	(1)	(2)	
PAT[1]	**90**	**52**	**73**
Significant items (net)	(117)	(77)	
NPAT	**(26)**	**(25)**	
EPS (cents)[1]	11.6	6.8	71
Half year dividend (cents)	7.0	5.0	40

Boral's **sales revenue of $2.87b increased 4%** on the prior comparable period, benefiting from strong volumes from major projects and higher sales volumes in Asia and the USA driven by improved economic conditions.

Boral's **earnings before interest and tax (EBIT)[1] increased by 49% to $168m**, largely driven by

- a significant turnaround in Building Products from loss-making to earnings positive
- improved volumes, particularly in Concrete, Quarries, Cement, Boral Gypsum and Boral USA, and
- cost improvements largely from prior year restructuring activities.

Depreciation and amortisation decreased by $12m to $139m.

Income tax[1] expense increased by $22m due to higher Australian earnings. The underlying effective tax rate increased to 24% (compared to 13% in 1H FY2013) largely as a result of a reduction in US losses which are tax effected at a higher rate.

Profit after tax (PAT)[1] of $90m was up 73% on last year's PAT of $52m.

Net significant items totalled a $117m loss after tax. These represent non-trading items principally relating to the reclassification of Boral Gypsum net assets as 'held for sale' assets; this reclassification resulted in a revaluation loss based on an AUD/USD exchange rate of US$0.89, that is anticipated to be offset by the recognition of deferred foreign currency gains on completion of the joint venture, expected 28 February 2014.

Statutory profit after tax (NPAT) is a net loss of $26m for the half year.

EBITDA[1] of $307m increased 16% on the prior comparable period while **operating cash flow** of $231m was $124m above 1H FY2013 due to increased earnings, improved working capital management and lower income tax payments.

Capital expenditure was down 31% to $114m ($76m of stay-in-business and $38m of growth expenditure) as strict capital allocation measures were maintained.

Net debt at 31 December 2013 of $1.39b was a $57m reduction from net debt at 30 June 2013 despite a $58m adverse movement caused by the weakening of the AUD and the translation of USD denominated debt.

Gearing, net debt / (net debt + equity), reduced to 29% from 30% at 30 June 2013 and Boral's principal 'bank gearing' covenant reduced to 39% from 40% at 30 June 2013, well within the threshold of less than 60%.

Earnings per share[1] of 11.6 cents increased 71%. A fully franked interim **dividend of 7.0 cents** per share will be paid on 24 March 2014. Boral's Dividend Reinvestment Plan (**DRP**) will operate in respect of this interim dividend, with the shares issued under the DRP to be issued at a 2.5% discount. Following this interim dividend, the DRP will be suspended until further notice.

[1] Excluding significant items
[2] Commentary in this document refers to Group operations before significant items

External Impacts and Market Conditions

Market activity strengthened in the USA and Asia while construction markets in Australia were steady overall

In 1H FY2014, higher market activity in most **Australian** residential and non-residential markets was offset by a decline in roads and highways work.

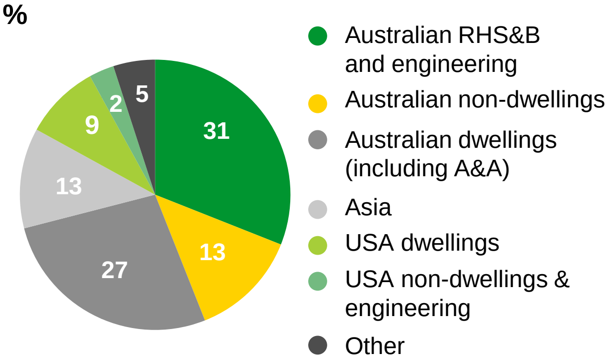
In **Asia**, most markets benefited from strengthened economic conditions, while in the **US,** new housing construction continued to recover.

Boral's performance was however adversely impacted by several external factors:

- unrecovered costs associated with the carbon tax expected to total approximately $15m in FY2014
- low levels of construction activity in Victoria coupled with industrial activity involving secondary boycotts which affected construction materials supply in the Melbourne market, and
- intense competition in Asphalt from recent market entrants in Queensland.

Boral's end-market revenue exposure in 1H FY2014 for continuing operations was around 75% to Australian markets, 13% to Asia and the remaining 12% to the USA.

Boral external revenue by market
%



Australia – **Roads, highways, subdivisions & bridges** (RHS&B) **and engineering** activity, which accounted for 31% of Boral's revenue, has reduced from its recent peak. RHS&B is estimated to be down by around 7%[1] in FY2014.

Non-residential activity underpinned 13% of Boral's revenue and was estimated to have strengthened by 5%[2] with NSW and Queensland particularly stronger.

Housing activity in Australia drives ~27% of Boral's total revenues with ~12% from detached housing, ~6% from multi-dwellings and the remainder from alterations & additions (A&A).

Detached housing starts increased by an estimated 4%[3] in 1H FY2014 on the prior comparable period, with total housing starts up 3%[3] and **multi-residential** starts up 1%[3]. HIA is forecasting housing starts to increase 2% in FY2014 to 166,000[3] starts, compared to 162,000 starts in FY2013.

The proportion of detached housing starts relative to total starts was estimated to have remained historically low at 59% relative to the prior 10 year average of 66%. Australian A&A activity declined by 5%[2] on the prior comparable period with all markets weaker, except South Australia.

Asia – South Korea, China, Thailand and Indonesia accounted for 83% of Boral Gypsum's revenues from Asia.

In **Korea**, **Indonesia** and Malaysia, improved economic conditions resulted in strong growth in underlying market demand for gypsum.

In **Thailand**, strong underlying demand in the first quarter of FY2014 was mostly reversed in the second quarter as a result of political unrest which had an adverse impact on the construction market, particularly in Bangkok.

Demand in Boral's markets in **China**, which are exposed to the premium end of the construction market, continued to be subdued although Boral's operations continued to grow share in the north east through the Shandong plant.

USA – Total US housing starts increased by 12% to **942,000**[4], with single-family starts up 10% and the proportion of single-family starts at 67% compared to the prior 10 year average of 77%.

In Boral's **US Brick States**[5], single-family housing starts increased by 14% while in Boral's **US Tile States**[5], single family starts grew by 17% compared to the prior corresponding period.

---

1 Based on the average forecasts of Macromonitor and BIS
2 ABS value of work done rebased to 2010/11 constant prices; BIS forecast used for Dec-13 quarter
3 ABS original housing starts; Dec-13 quarter onwards based on HIA forecast
4 US census seasonally adjusted housing starts
5 McGraw Hill / Dodge data. Boral's Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral's Tile States include: Arizona, California, Florida, Nevada

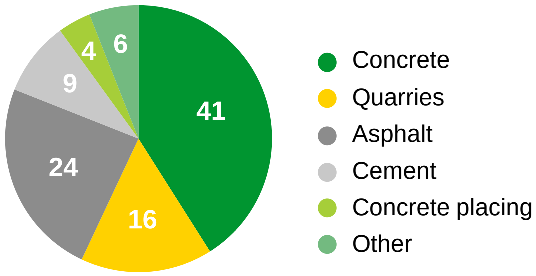
Boral Construction Materials & Cement

Concrete, Quarries, Asphalt, Cement, Concrete Placing, Transport, Landfill and Property

Improvement in Quarries, Concrete and Cement performance dampened by weaker Asphalt and Property contribution

(A$ millions)	1H FY2014	1H FY2013	Var %
Revenue	1,696	1,659	2
EBITDA	237	237	-
EBIT	155	146	6
External Revenue	**1H FY2014**	**1H FY2013**	**Var %**
Concrete	699	638	10
Quarries	277	263	6
Asphalt	408	432	(6)
Cement	160	145	11
Concrete Placing	68	68	-

External Revenue %
Total = $1.7bn



Revenue – from Construction Materials & Cement **increased by 2% to $1.7b** with 9% growth in combined Concrete, Quarries and Cement revenue partially offset by lower Asphalt revenue.

Concrete, Quarries and Cement benefited from: a significant increase in resources and major project activity; improved residential and non-residential market demand; and exceptionally dry weather in most regions of NSW and Queensland.

Underlying construction market activity was relatively steady overall with increased demand in NSW metro and Western Australia offset by weakness in Victoria and country regions in Queensland and NSW.

EBIT – **grew by 6% to $155m**, driven by earnings improvement in Concrete, Quarries and Cement which offset lower Asphalt, Concrete Placing and Property earnings.

Overhead, rationalisation and contractor cost reduction initiatives provided a **$38m** benefit, and helped counter inflationary cost pressures.

Concrete and Quarries – **revenue increased by 10% and 6% respectively** driven by a 6% increase in both quarries and concrete volumes, a 2% gain in delivered concrete prices and steady prices in Quarries, reflecting mix shifts. Like for like underlying prices in Concrete and Quarries were up 1% and 2% respectively.

Concrete benefited from volumes into the Curtis Island LNG and Cape Lambert projects, which will both wind down in 2H FY2014 and the ramp up of volumes into the Wheatstone project, which is expected to complete in FY2016.

Asphalt – **revenue declined by 6%** as activity in RHS&B weakened, particularly in Victoria following completion of the Melbourne Peninsula Link.

Asphalt margins were adversely impacted by lower volumes and increased competitive pressures, particularly in Queensland and Victoria.

Cement – **revenue increased by 11% to $160m** in 1H FY2014, benefiting from a 5% uplift in cement volumes and significantly higher clinker industry volumes with cement prices steady. Lime and limestone volumes declined by 9% as demand from the metal manufacturing sector weakened.

Cement **EBIT increased by $21m to $57m** from:

- higher clinker and cement sales volumes
- substantial operating cost improvements following the exit of clinker manufacturing at Waurn Ponds and coal mining at Berrima Colliery
- a $7m benefit from business improvement programs including headcount reductions, and
- a $5m reduction in depreciation due to Waurn Ponds impairment made at 30 June 2013.

Concrete Placing – revenue from De Martin & Gasparini of $68m was steady, although margins significantly declined due to lower operating efficiencies.

Property – contributed an EBIT loss of $3m, down from a profit of $2m, with no significant property sales completed during the period.

1H FY2014 v 1H FY2013	Volume *Var %*	Average selling price, *Var %*
Concrete	6	2
Quarries	6	-
Cement	5	-

Boral Building Products[1]

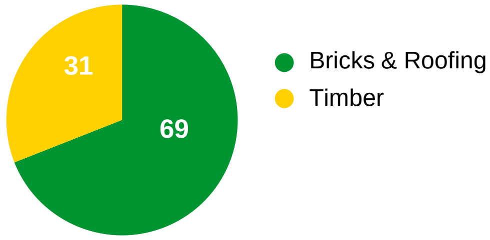
Australian Bricks, Roofing and Timber

Achieved substantial turnaround to profitability

(A$ millions)	1H FY2014	1H FY2013	Var %
Revenue	248	249	-
EBITDA	17	(1)	na
EBIT	5	(18)	129
External Revenue	**1H FY2014**	**1H FY2013**	**Var %**
Bricks & Roofing	172	159	8
Timber	76	89	(14)

External Revenue %

Total = $248m



Revenue – in Bricks & Roofing increased by 8% as market conditions improved, but was offset by a $13m reduction in Timber revenue, resulting in steady Building Products revenue of **$248m**.

Timber revenue declined as a result of the exit from a number of peripheral businesses announced in June 2013 including Woodchip export, softwood distribution in Queensland, and engineered flooring production at Murwillumbah. Woodchip export reported a $15m decline in revenue on the prior comparable period.

EBIT – Building Products delivered a **$23m EBIT turnaround to a modest profit of $5m**, with both Bricks & Roofing and Timber reporting positive earnings. The result reflects:

- a $7m benefit from prior period headcount reductions
- a $6m decline in depreciation following asset impairments made at 30 June 2013
- higher brick and softwood volumes, and
- improved pricing outcomes across all products.

The non-recurrence of brick capacity optimisation costs and one-off items also provided a $5m benefit compared to 1H FY2013.

Bricks – **volumes increased 7%** and average selling prices were up 1% on the prior comparable period.

Strong volume growth in Western Australia and improved volumes in NSW were partially offset by weaker demand in Victoria and Queensland.

Volume growth in NSW was constrained by stock availability following the Bringelly capacity optimisation project, although this has now been resolved.

Brick inventories declined by 19% on the prior comparable period or 9% since 30 June 2013, which had a $2m adverse EBIT impact.

Despite the improvements in brick volumes and cost reductions, the returns from the Bricks businesses remain at an unacceptably low level.

Roofing – **volumes and prices were broadly flat** on the prior comparable period with volume growth in NSW offset by weaker demand in Victoria. Roof tile demand also continues to suffer from product substitution.

Timber – Excluding the Woodchip export business, timber **revenues were up 3%** on 1H FY2013.

Softwood reported higher volumes and solid price gains, benefiting from stronger market conditions and global softwood supply constraints. **Hardwood** volumes continued to decline although pricing improved. While structural hardwood demand was steady relative to the last corresponding period, flooring and decking volumes declined significantly due to increased imports, domestic competitive pressures, and subdued demand in the high end alterations segment.

Negotiations with Forestry Corporation of NSW are well progressed in respect of contracted log supply to find a sustainable solution for Boral and the industry.

1H FY2014 vs 1H FY2013	Volume *Var %*	Average selling price, *Var %*
Bricks	7	1
Roofing	(1)	1
Hardwood[2]	(4)	6
Softwood[2]	20	4

[1] Remaining Masonry operations are incorporated into the Bricks business in Western Australia and the Roofing business in South Australia; the Windows business was sold at the end of November 2013 and moved to discontinued businesses (the Windows business reported revenue of $58m and an EBIT loss of $1m in 1H FY2014)

[2] Excludes exited operations

Boral Gypsum

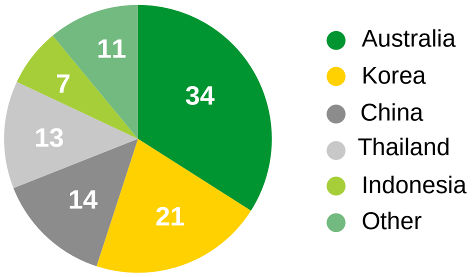
Plasterboard Australia and Boral Gypsum Asia

Solid underlying volume growth delivering positive earnings momentum

(A$ millions)	**1H FY2014**	**1H FY2013**	**Var %**
Revenue	537	462	16
EBITDA	77	62	24
EBIT	55	42	30
External Revenue	**1H FY2014**	**1H FY2013**	**Var %**
Australia	182	173	5
Asia	355	289	23
EBIT	**1H FY2014**	**1H FY2013**	**Var %**
Australia	20	11	79
Asia	35	31	13

External Revenue %

Total = $537m



Revenue – Boral Gypsum revenue was **up 16%** on the prior comparable period **to $537m** driven by 10% board volume growth, increased non-board revenue and a favourable foreign currency impact.

EBIT – A **30% increase in Boral Gypsum earnings to $55m** was underpinned by revenue growth and lower production and distribution costs in Australia.

Plasterboard Australia – revenue increased 5% to $182m with **EBIT up 82% to $20m**.

Earnings benefited from higher revenues as well as lower raw material, manufacturing and distribution costs and the full impact of prior period headcount reductions.

Increased revenue benefited from a 4% lift in board volumes, a 6% increase in resale product and contracting revenue, and a 3% increase in prices. Underlying demand improved across most markets, with the exception of Victoria.

Asia – reported **revenue growth of 23% to $355m with earnings up 13% to $35m**. Underlying revenue increased across most of Boral's Asian markets with the exception of India.

Board revenue**,** which accounted for 72% of Asia's total revenue**,** reported growth of 25% driven by an 11% increase in sales volume, steady prices overall and a favourable foreign currency translation impact.

Non-board revenue in Asia of $98m was up 17% on the prior comparable period.

1H FY2014 vs 1H FY2013	**Board Volume** *Var %*	**Board ASP** *Var %*
Australia	4	3
Asia	11	-

Korea reported a strong improvement in margins, underpinned by strengthening economic conditions, recovered market share and successful price increases.

Revenues in **China** benefited from substantially higher market penetration in the North China Shandong market and the capacity expansion at Chongqing completed in Sep-2013. Underlying demand in the high end construction market however continued to be subdued with board prices weaker due to competitive pressures.

In **Thailand,** underlying revenues and board volumes were steady, with domestic market demand adversely impacted by political unrest in the latter part of 1H FY2014.

Indonesia reported strong revenue growth driven by favourable economic conditions and additional volumes from the 30m m^2 capacity expansion at the Cilegon plant. Margins were however adversely impacted by a significant depreciation in the local currency which increased energy and raw material costs which are priced in US$. The business is now focused on improving pricing discipline to recover costs.

The remaining markets in Asia including Vietnam, Malaysia and India, accounted for 17% of Gypsum Asia's revenue.

Improved economic conditions drove revenue growth in **Vietnam**. The capacity expansion at Ho Chi Minh is expected to come online in the third quarter of FY2014. **Malaysia** reported steady underlying revenues with strong board volume growth offset by weaker prices and non-board revenues while in **India** revenue continued to be adversely impacted by anti-dumping restrictions on sales of imported products.

Boral USA

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

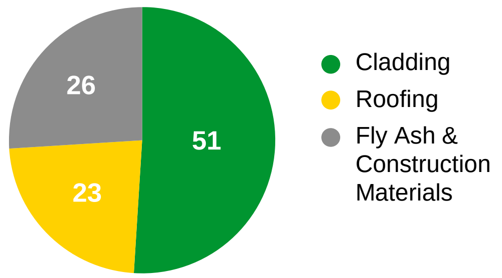
Progressively reducing losses as US housing market continues to recover

(A$ millions)	1H FY2014	1H FY2013	Var %
Revenue	335	266	26
EBITDA	(8)	(17)	52
EBIT	(30)	(39)	23

(US$ millions)	1H FY2014	1H FY2013	Var %
Revenue	306	277	10
EBITDA	(8)	(18)	58
EBIT	(27)	(40)	32

Revenue *(US$ millions)*	1H FY2014	1H FY2013	Var %
Cladding[1]	156	130	20
Roofing	69	59	18
Construction Materials & Fly Ash	81	88	(9)

External Revenue %
Total = $335m



Revenue – Boral USA revenue of **US$306m was up 10%** on 1H FY2013, with a strong underlying improvement in revenue partly offset by the loss of revenue from the Oklahoma concrete and sand operations sold in June 2013. Australian dollar revenue increased by 26% to A$335m.

Underlying revenue benefited from stronger housing construction activity in the US which although still biased towards low cost national production home builders is benefiting from more custom builders re-entering the market.

EBIT – **losses reduced by US$13m to US$27m**. The improved result was underpinned by:

- a US$9m EBIT benefit from strong volume gains across all Boral's US businesses
- better production leverage and reduced overheads
- solid price gains in Roofing, and
- divestment of the Oklahoma concrete and sand operations.

Cladding – **revenue** which includes Bricks, Cultured Stone and Trim **grew 20% to US$156m**.

Bricks revenue of US$107m was up 20% driven by a 20% lift in volumes, broadly steady prices and a 21% increase in distribution revenue. The result reflects Boral's gain in share of production home builder activity.

Although **Cultured Stone** volumes increased 14%, prices were negatively impacted by an adverse geographic shift and highly competitive markets.

Bricks plant utilisation increased from 41% to 49%, with the Gleason plant in Tennessee re-commissioned in August 2013 to support volume growth as commercial brick replaced capacity at Bessemer. Cultured Stone's plant utilisation was 27%, up from 24%.

Trim volumes more than doubled as product penetration continued to increase, substantially reducing manufacturing costs. This developing business is expected to continue to progress towards profitability in FY2015.

Roofing revenues of US$69m grew by 18% with volumes significantly higher, distribution revenue up 17% and solid price gains.

Fly Ash and Construction Materials combined revenue of US$81m was down 9% with improved underlying revenue offset by the prior period sale of the Oklahoma construction materials operations.

The remaining Construction Materials business in Denver returned to profitability underpinned by higher market demand and improved pricing.

1H FY14 vs 1H FY13	Volume *Var %*	Average selling price, *Var %*
Bricks	20	-
Cultured Stone	14	(1)
Concrete tiles	18	4
Clay tiles	13	3

[1] Includes Bricks, Cultured Stone and Trim

Fix, Execute, Transform Program

Boral's '*Fix, Execute, Transform'* journey aims to transform Boral into a high performing company delivering sustainable growth through innovation and superior returns through the cycle.

Boral continues to be focused on improving EBIT return on funds employed (ROFE) to 15% in the long term.

ROFE[1] improved to 5.9% in 1H FY2014 from 4.2% in the prior comparable period as a result of significant rationalisation initiatives, impairments made as at 30 June 2013 and increased underlying market activity in a number of Boral's key markets.

USG Boral joint venture

Boral's joint venture with USG (expected to be completed on 28 February 2014), is a strategic step initiating Boral's *Transform* journey through providing access to world-leading technologies and future innovation in the gypsum business. **The joint venture is expected to deliver significant synergies in the medium term** and bolster Boral's leadership position across Asia, Australasia and the Middle East.

The transaction will also provide an upfront cash payment of US$500m from USG and up to US$75m of earn out payments. Up to **A$450m of the upfront cash payment will be applied to progressively reduce Boral's debt in 2H FY2014, thereby meeting a key mandate under Boral's immediate *Fix* priorities**.

FIX – Fixing things that are holding us back

Boral's efforts have continued to focus on the immediate *Fix* priorities outlined in October 2012 to:

- reshape the portfolio
- manage costs down, and
- reduce debt through maximising cash generation.

Reshaping the portfolio

Boral **delivered major cost improvement benefits in 1H FY2014** from rationalisation initiatives undertaken during calendar year 2013. Recent portfolio reshaping initiatives include:

- ceasing clinker manufacturing at Waurn Ponds and strengthening Boral's import capabilities
- ceasing production at the Berrima Colliery
- sale of the Windows business
- capacity optimisation projects in Building Products' bricks plants, and
- exit of the softwood distribution in Queensland and engineered flooring at Murwillumbah.

As previously announced, further restructuring in the Australian Bricks business is required to address unacceptably low returns. We have been assessing a number of value creating opportunities to address the issue and we are progressing a preferred course of action.

Managing costs down

During FY2013, Boral undertook a range of rationalisation initiatives, including the reduction of more than 1,100 positions, which were expected to deliver annualised benefits totalling $105m. Part year benefits of $37m from these initiatives were delivered in FY2013, with full year benefits to come through in FY2014. In addition, a second phase of cost cutting initiatives largely focused on contractor spend commenced in FY2014 and is expected to deliver further cost savings of $45m within two years, with a benefit of $25m in FY2014.

In 1H FY2014, **Boral achieved cost savings from these projects totalling $60m**, with $130m of annualised savings expected to be delivered in FY2014. It remains imperative that Boral continues to improve its cost base, as external inflationary cost pressures are significant. Each year Boral faces inflationary cost pressures of approximately $100m in Australia alone.

[1] Calculated on a moving annual total basis

Reducing debt through maximising cash generation

Boral generated $212m of cash through divestments and the sale of surplus land over the last 18 months out of its two year target of $200m - $300m. This includes cash proceeds of $39m delivered in 1H FY2014 through the sale of the Windows business and cash received from land sales. Although Boral's property bank is expected to continue to deliver cash proceeds, earnings from property sales are not expected to be material in the foreseeable future.

Boral is also continuing to apply a disciplined approach to capital allocation with total capital expenditure in 1H FY2014 of $114m, including $76m stay in business capital expenditure. It is expected that in FY2014 total capital expenditure will remain relatively low at around $270m. This level reflects a $50m reduction as a result of the gypsum business moving to a joint venture in the second half, partially offset by reclassification of around $20m of quarry stripping costs from deferred expenses to plant and equipment as a result of changes to accounting standards.

EXECUTE – improving the way we operate

To deliver sector best performance, Boral will continue to rely on its levers of change: Safety, the Boral Production System (based on LEAN), Sales & Marketing Excellence and Innovation.

Safety performance – Boral's combined employee and contractor lost time injury frequency rate (**LTIFR**)[1] of **1.5** in 1H FY2014 was in line with the prior comparable period although a positive improvement trend was experienced in recordable injuries frequency rate (**RIFR**)[1], which **significantly decreased by 23% to 12.7**.

Nevertheless Boral's safety performance remains below global best practice and the organisation continues to be focused on improving processes, systems and launching new initiatives where required.

TRANSFORM – Transforming Boral for performance excellence

In addition to the announced joint venture with USG which is focused on accelerating Boral's access to technology innovation, Boral has created a **Global Innovation Factory** which is investing in product innovation to create new lightweight products and applications. An example is the development and launch of a better performing, lower carbon concrete product, **ENVISIA™** which was launched in July 2013.

Transforming Boral for performance excellence is not only about developing and leveraging a capability around product innovation, it is **also about ensuring Boral has structures and business models in place that maximise performance and support sustainable growth**.

For example, the changes we have been making in **the Cement business**, including replacing clinker manufacturing in Victoria with imports and ceasing production at the Berrima Colliery, are critically important to ensuring we have a sustainable and profitable cement business. We are addressing the manufacturing challenges we face, improving supply flexibility to maintain control of cement supply into our integrated construction materials operations over the long-term, and growing through product and process innovation.

[1] Per million hours worked

FY2014 Outlook

Boral's **growth prospects are underpinned by leading positions in Construction Materials in Australia**, the **major market recovery that has commenced in the USA** and **attractive long-term market and product penetration growth in Asia**. The business is well-positioned to leverage these opportunities and deliver improved performance through the cycle, with early signs of this evident in the first half of the year.

In Australia, activity across our key market exposures is expected to remain steady in FY2014 with growth in residential and non-residential activity offset by lower roads, highways, subdivisions and bridges activity. In the dwellings sector, higher activity in NSW, Queensland and Western Australia is anticipated to be dampened by ongoing weakness in Victoria.

Boral's **earnings in the 2H FY2014 are expected to be lower than the 1H FY2014** as a result of the key factors summarised below:

1H FY2014	2H FY2014
More working days than 2H in Australia	Fewer working days than 1H in Australia
Exceptionally dry weather in most regions of NSW and Queensland	Return to normal weather patterns in NSW and Queensland
Increased contribution from major projects	Completion of major projects (e.g. Curtis Island & Cape Lambert) and weakening of resource sector markets
	Sale of 50% interest in Boral Gypsum will reduce contribution from Gypsum in 2H FY2014

In addition, significantly lower levels of profits are expected from property sales in FY2014, which in prior years have traditionally benefited the second half. Despite the skew of earnings to the first half of the year compared to the second half, the **underlying performance[1] in each of Boral's four divisions is expected to improve in 2H FY2014 compared to 2H FY2013**.

For FY2014 Boral expects:

- **Construction Materials & Cement** to deliver significantly improved underlying earnings, which will offset a significant reduction in Property earnings.
- **Boral Gypsum** to report a stronger underlying performance, benefiting from increasing demand in Australia and improved earnings from Asia. However the underlying improvement in 2H FY2014 is expected to be largely offset by integration costs of the joint venture with USG. The Gypsum division will contribute lower earnings to Boral in 2H FY2014 reflecting two months of 100% consolidated earnings for seasonally weaker January and February, followed by four months of 50% equity accounted post-tax contribution.
- **Building Products** to deliver a small profit in FY2014 with 2H FY2014 earnings seasonally weaker than 1H FY2014 earnings. Building Products will also be impacted by two plant maintenance shuts in the second half and re-commissioning of mothballed kiln 8 at Midland Brick, Western Australia in the last quarter of FY2014.
- **Boral USA** to report significantly improved results in 2H FY2014. The division is expected to break through to profitability in the fourth quarter FY2014, assuming US housing starts exceed an annualised run rate of 1.1 million for the fourth quarter of FY2014 and translate into improvements in single family dwelling starts and custom home builder activity.

With the recovery in US earnings, lower property sales and the impact of the USG Boral Gypsum joint venture equity accounting taking effect during the second half of the year, the FY2014 **effective tax rate** is projected to be in the range of 20% to 25%.

Interest expense in the second half will benefit from the receipt of US$500m from USG following formation of the USG Boral Gypsum joint venture expected to complete on 28 February 2014.

The **cost improvement benefits from our *Fix* initiatives** expected to total $130m in FY2014 will significantly contribute to offsetting inflationary cost pressures. These cost reductions coupled with portfolio re-alignment initiatives completed to date and improving market conditions in the USA and Australian residential markets and Asia are expected to benefit Boral beyond the current financial year.

[1] For Construction Materials & Cement, underlying performance excludes Property earnings.

Results at a Glance

(A$ million unless stated)	1H FY2014	1H FY2013	% Change
Revenue	2,874	2,774	4
EBITDA[1]	307	264	16
EBIT[1]	168	112	49
Net interest	(47)	(50)	
Profit before tax[1]	121	62	
Tax[1]	(30)	(8)	
Non-controlling interests	(1)	(2)	
Profit after tax[1]	**90**	**52**	**73**
Net significant items	(117)	(77)	
Net profit / (loss) after tax	**(26)**	**(25)**	
Cash flow from operating activities	231	107	
Gross assets	6,299	6,317	
Funds employed	4,792	4,857	
Liabilities	2,896	2,918	
Net debt	1,389	1,458	
Stay-in-business capital expenditure	76	61	
Growth capital expenditure	38	103	
Acquisition capital expenditure	-	-	
Depreciation and amortisation	139	151	
Employees	12,061	13,206	(9)
Revenue per employee, $ million	0.238	0.210	
Net tangible asset backing, $ per share	3.24	3.29	
EBITDA margin on revenue[1], %	10.7	9.5	
EBIT margin on revenue[1], %	5.8	4.1	
EBIT return on funds employed[1,3], %	5.9	4.2	
EBIT return on average funds employed[1,3], %	5.9	4.2	
Return on equity[1,3],%	4.3	2.6	
Gearing			
Net debt/equity, %	41	43	
Net debt/net debt + equity, %	29	30	
Interest cover[1], times	3.6	2.2	
Earnings per share[1], ¢	11.6	6.8	
Dividend per share, ¢	7.0	5.0	
Employee safety[2]: (per million hours worked)			
Lost time injury frequency rate	1.5	1.5	
Recordable injury frequency rate	12.7	16.6	

Figures relate to the total Group including continuing and discontinued operations

[1] Excludes significant items
[2] Includes employees and contractors combined
[3] Calculated on a moving annual total basis

Non – IFRS Information

Boral Limited's statutory results are reported under International Financial Reporting Standards.

Earnings before significant items is a non statutory measure reported to provide a greater understanding of the underlying business performance of the Group.

Significant items are detailed in Note 6 of the half year financial report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of earnings from underlying operations before significant items to reported statutory profit is detailed below:

(A$ millions)	Earnings before significant items	Significant Items	Total	Continuing Operations	Discontinued Operations	Total
Sales revenue	2,874.3		2,874.3	2,279.3	595.0	2,874.3
EBIT	167.9	(119.1)	48.8	113.8	(65.0)	48.8
Finance costs	(46.6)		(46.6)	(44.6)	(2.0)	(46.6)
Earnings before tax	121.3	(119.1)	2.2	69.2	(67.0)	2.2
Tax (expense) benefit	(29.5)	2.4	(27.1)	(13.6)	(13.5)	(27.1)
Profit / (loss) after tax	**91.8**	**(116.7)**	**(24.9)**	**55.6**	**(80.5)**	**(24.9)**
Non-controlling interests	(1.4)		(1.4)	2.8	(4.2)	(1.4)
Net profit / (loss) after tax	**90.4**	**(116.7)**	**(26.3)**	**58.4**	**(84.7)**	**(26.3)**

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the half year financial report for the six months ended 31 December 2013.

Contact information:

Mike Kane
CEO & Managing Director
Tel: 02 9220 6455

Kylie FitzGerald
Investor & Media Enquiries
Tel: 02 9220 6591 or 0401 895 894

Luis Garcia - Cannings
Media Enquiries
Tel: 0419 239 552

Boral Limited ABN 13 008 421 761 - PO Box 1228 North Sydney NSW 2059 - **www.boral.com.au**