



5 May 2016

The Manager, Listings
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ASX Market Announcements
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Dear Sir

We attach copies of slides being shown by Mike Kane, CEO & Managing Director, to members of the investment community during the Macquarie Equities Australia Conference on 5 and 6 May 2016, in Sydney.

Yours faithfully

Dominic Millgate
Company Secretary



Boral – positioned for growth

Macquarie Equities Australia Conference

Mike Kane, CEO & Managing Director, Boral Limited | 5 May 2016

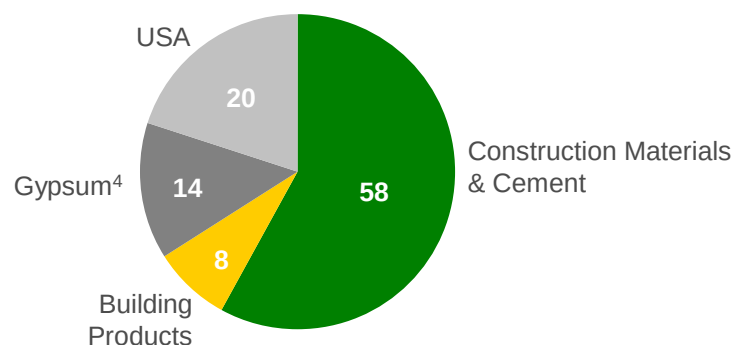


Boral overview

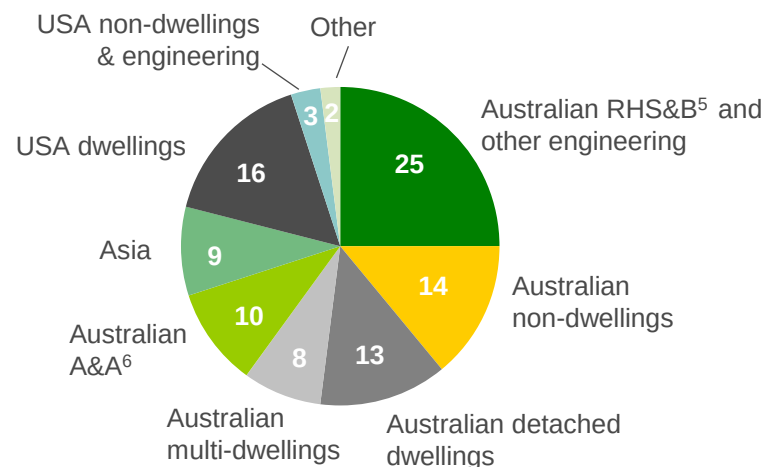


- Boral is an international building and construction materials group with operations in Australia, the USA and Asia
- ~A\$4.8 billion market capitalisation¹
- S&P/ASX 100 company
- Operations across 13 countries²
- ~11,800 employees²

**1H FY2016 external revenue³
by division, %**



by end-market, %



1. As at 2 May 2016

2. Includes joint venture operations. As at 31 December 2015

3. For the half year ended 31 December 2015

4. Gypsum revenue represents Boral's 50% share of underlying revenue from the USG Boral JV, which is not included in Group reported revenue

5. Roads, highways, subdivisions and bridges

6. Alterations and additions

Boral today – well positioned for growth



- 1. Strengthened position in Australia while market transitions**
- 2. Demonstrated margin expansion ability, including price and cost benefits**
- 3. Growth in key markets and across all geographies**
- 4. Bringing innovative products to market**
- 5. Strong balance sheet and efficient capital management**

Boral today – well positioned for growth



1. Strengthened position in Australia while market transitions

- Significant pick-up in major roads and infrastructure expected over next 5-6 years, while slowdown in resource-based projects is working through

2. Demonstrated margin expansion ability, including price and cost benefits

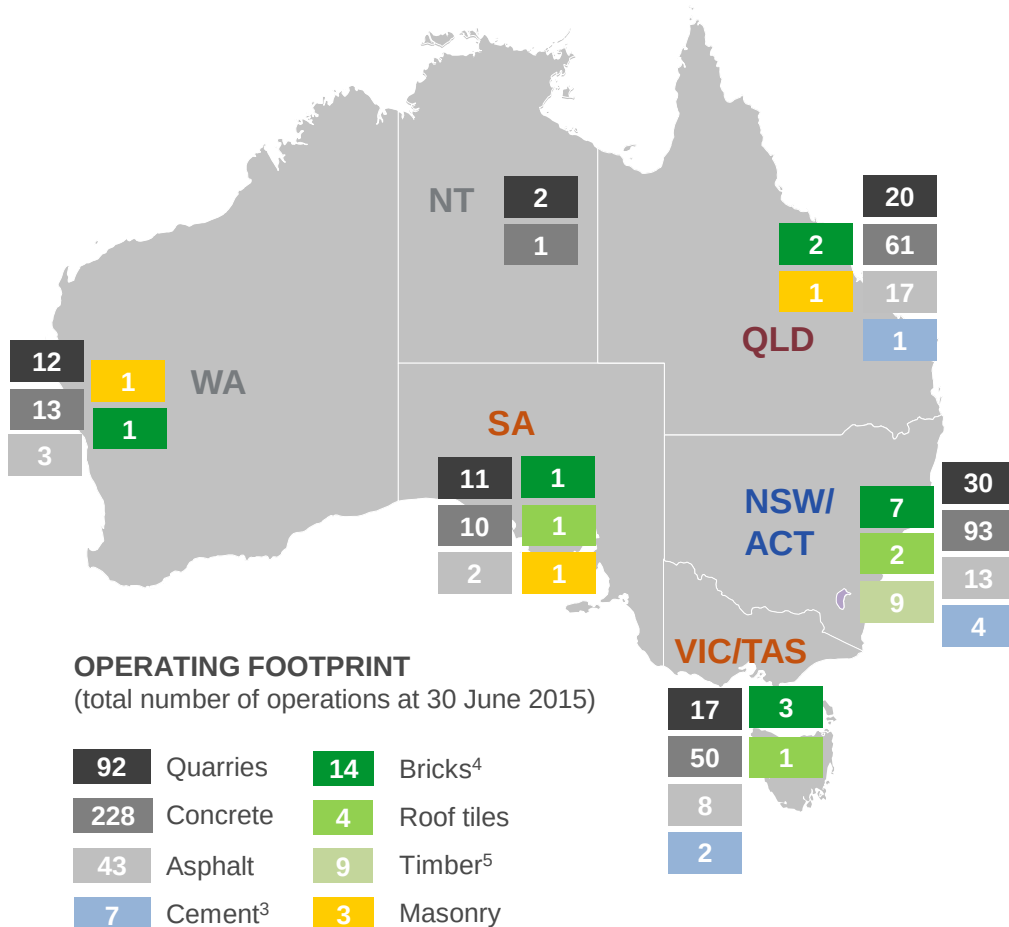
3. Growth in key markets and across all geographies

4. Bringing innovative products to market

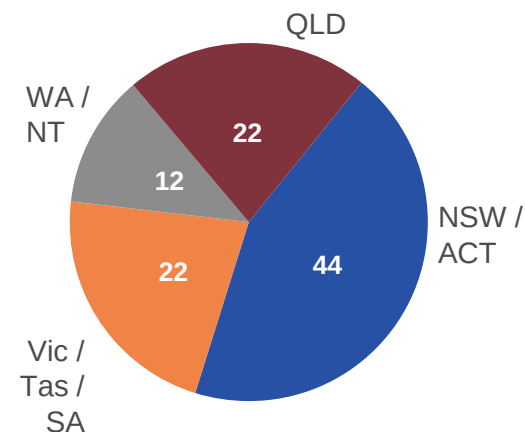
5. Strong balance sheet and efficient capital management



Boral's Australian assets and market exposures positions the company well



BORAL'S AUSTRALIAN REVENUES BY STATE¹, %



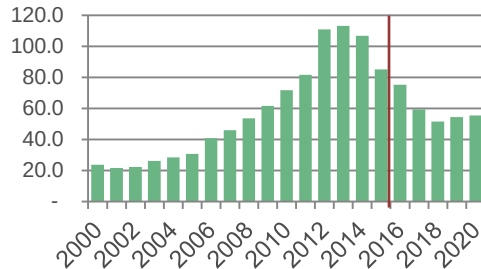
1. Based on 1H FY2016 split of external revenues across Construction Materials & Cement and Boral Building Products
2. Includes masonry revenues; does not include east coast Bricks business which is now part of the Boral CSR Bricks JV, of which Boral has a 40% share
3. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Vic and a clinker grinding JV in Qld
4. Includes all Boral CSR JV plants on the East Coast
5. Includes 8 Boral Hardwood mills and 1 JV Softwood operation



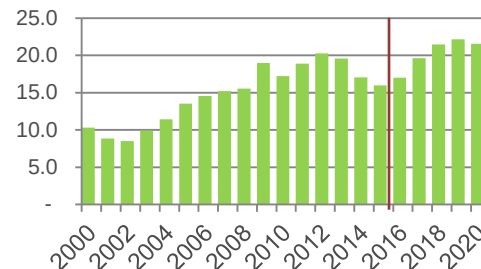
Strengthened position in Australia while markets transition



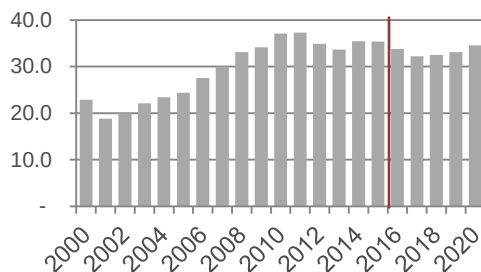
Other engineering², VWD A\$ billions



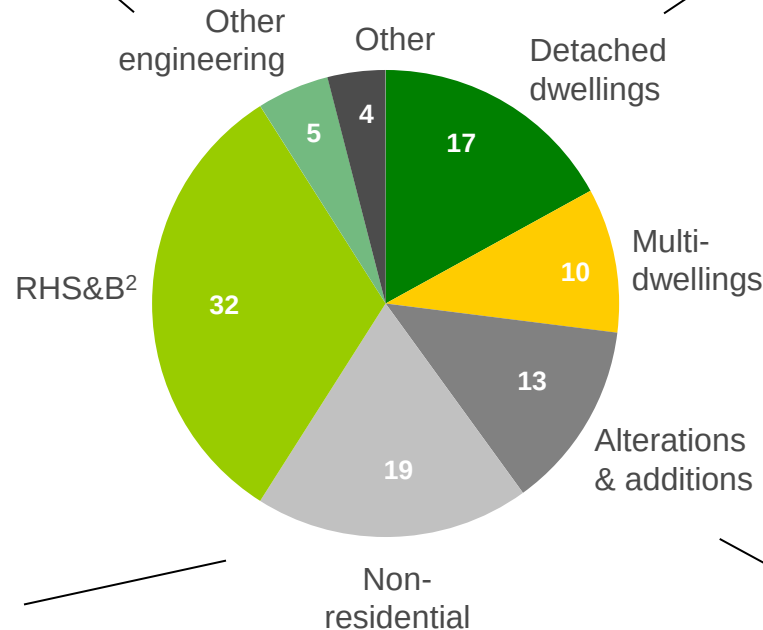
RHS&B^{3,4}, VWD A\$ billions



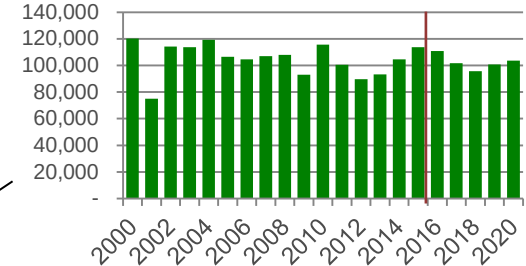
Non-residential⁴, VWD A\$ billions



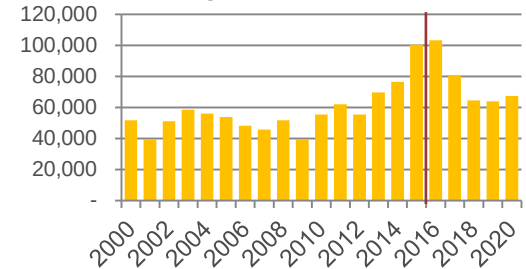
Boral's Australian revenue by end-market¹, %



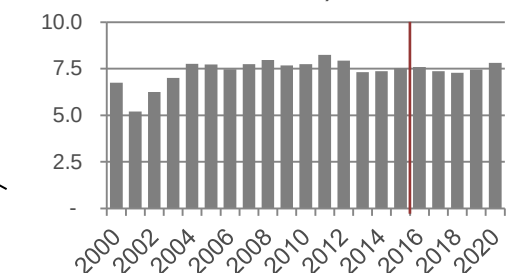
Detached dwellings⁵, # starts



Multi-dwellings⁵, # starts



Alterations & additions⁴, VWD A\$ billions



1. Based on split of 1H FY2016 external revenues from Construction Materials & Cement and Building Products

2. Source: BIS Shrapnel (March 2016)

Note all charts are for financial years and have been based on 2013/14 dollars

3. Roads, highways, subdivisions and bridges

4. Source: BIS Shrapnel and Macromonitor (both March 2016)

5. Source: BIS Shrapnel, Macromonitor (both March 2016) and HIA (Feb 2016)



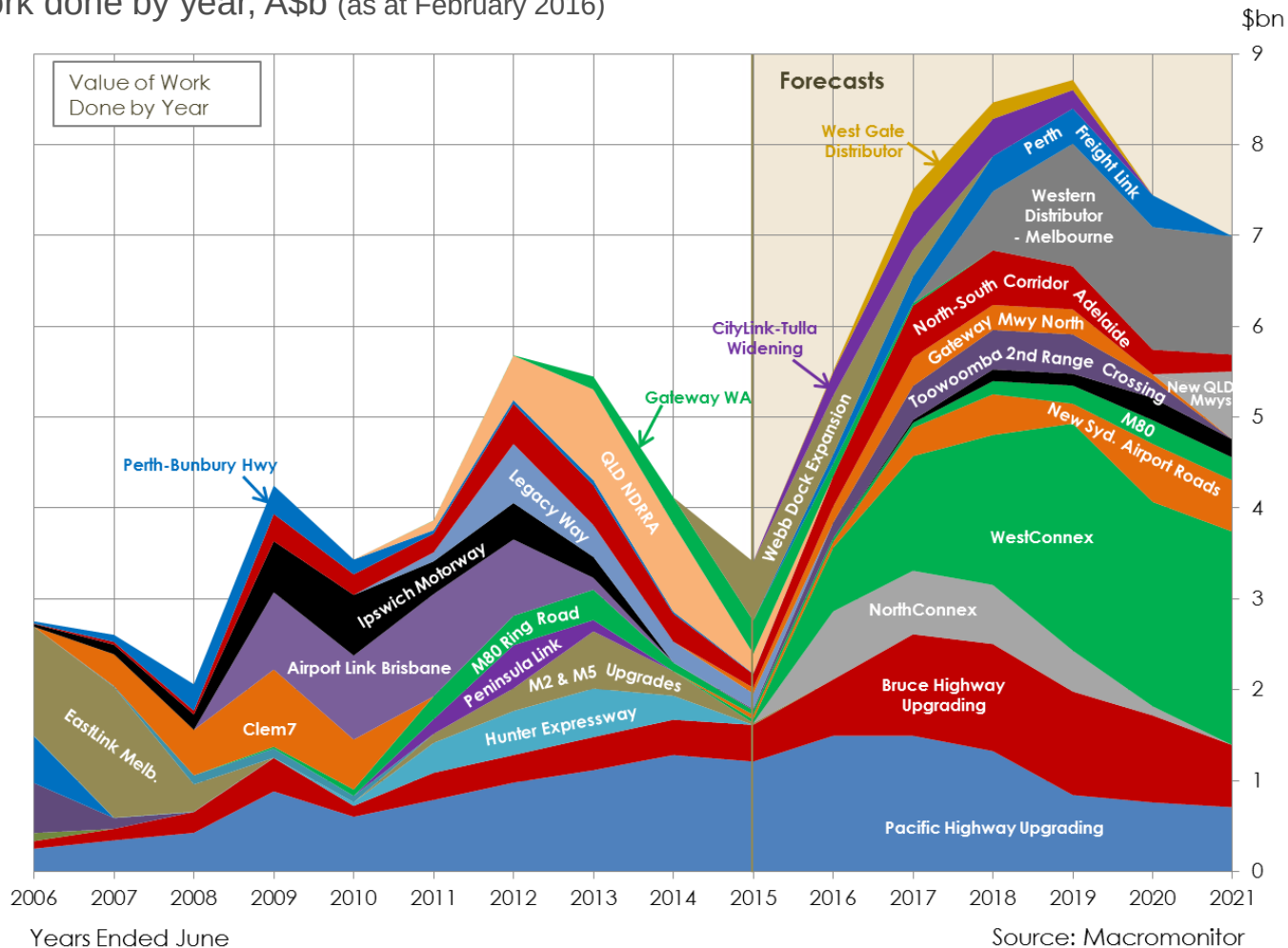
Australian major road projects pipeline

Investment in roads infrastructure expected to translate into stronger materials demand towards end of FY2016 / FY2017



Major Road Construction Projects – Australia

Value of work done by year, A\$b (as at February 2016)



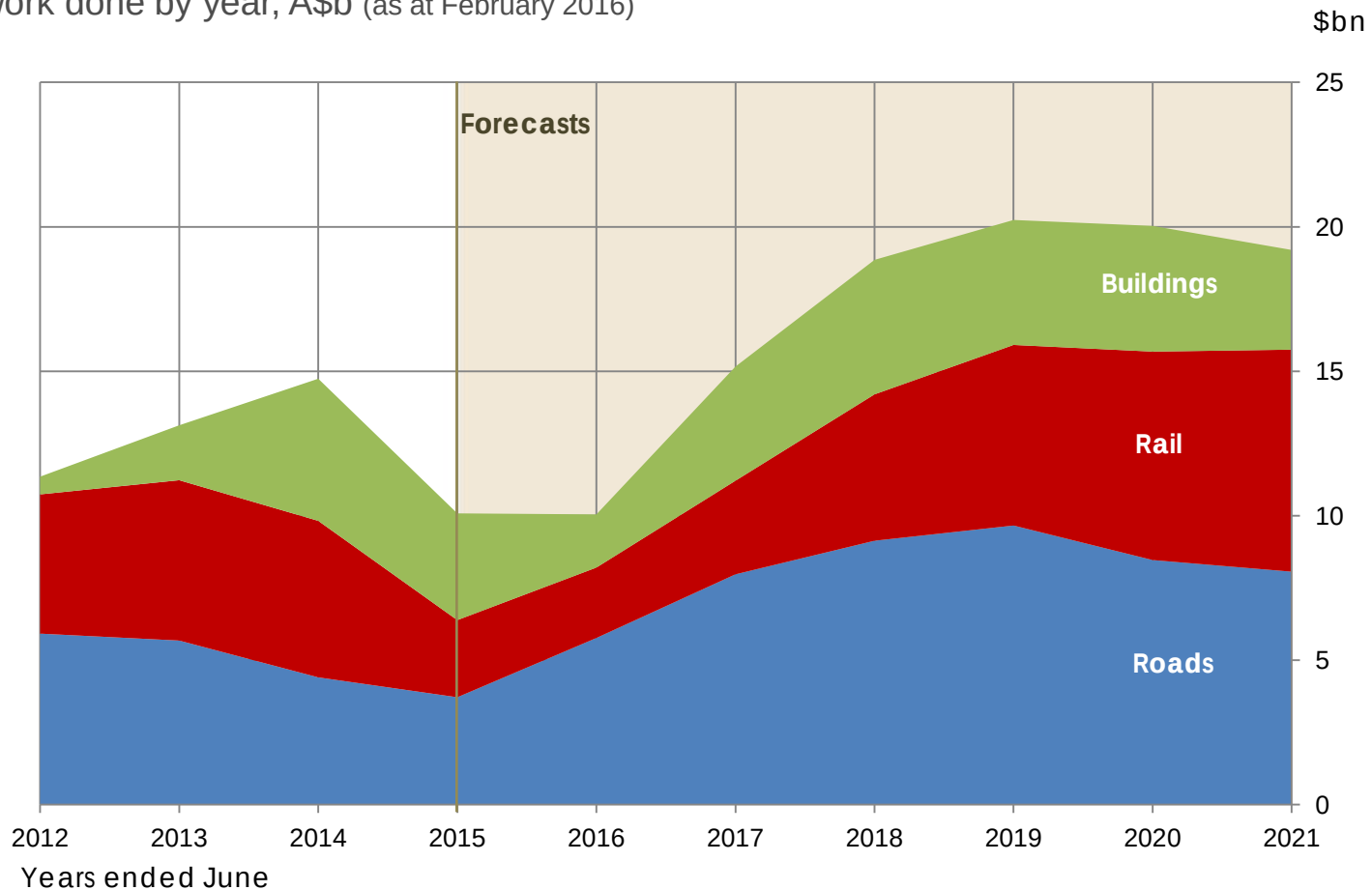


Major roads are part of a broader pipeline of infrastructure & commercial construction work



All Major Construction Projects (excluding resource sector) – Australia

Value of work done by year, A\$b (as at February 2016)



Source: Macromonitor

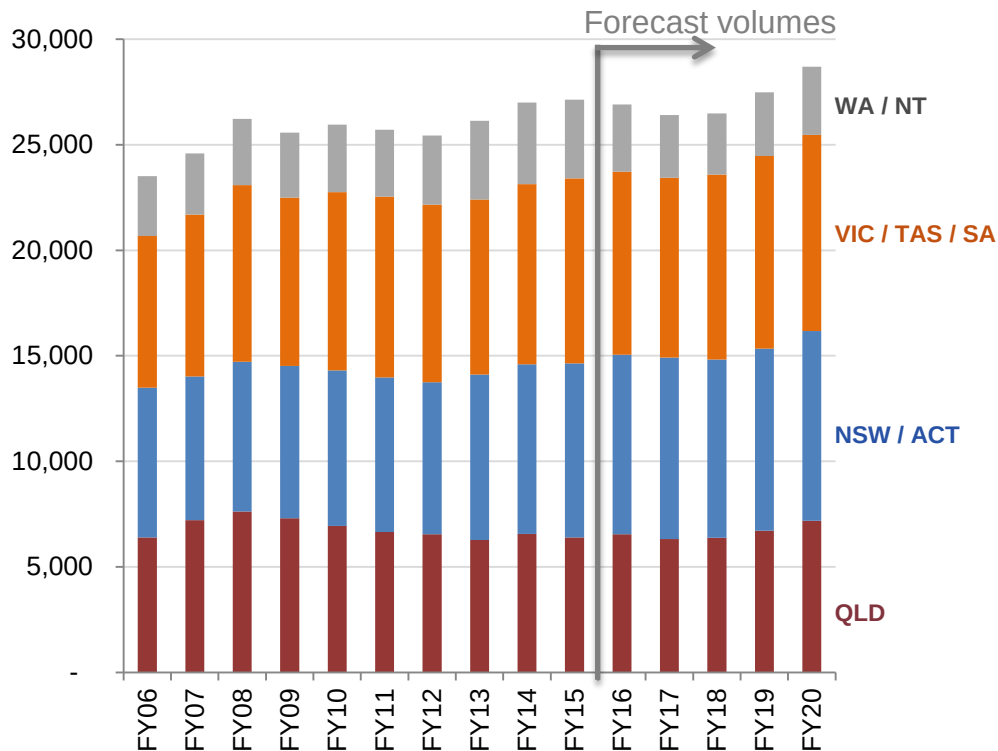


Concrete demand in Australia

Industry concrete demand in Australia is forecast to stay at high levels for the next five years



Macromonitor Forecast¹ Concrete Demand across all Australian construction markets, ('000) m³



- ~1.6% CAGR² in concrete volumes forecast from FY2016 to FY2020
- Decline in FY2016 volumes driven by WA / NT and regional markets
- Growth in RHS&B activity to offset decline in resources sector engineering work and anticipated softening in multi-dwellings

1. Source: Macromonitor, Construction Materials Forecast, February 2016
2. Compound annual growth rate

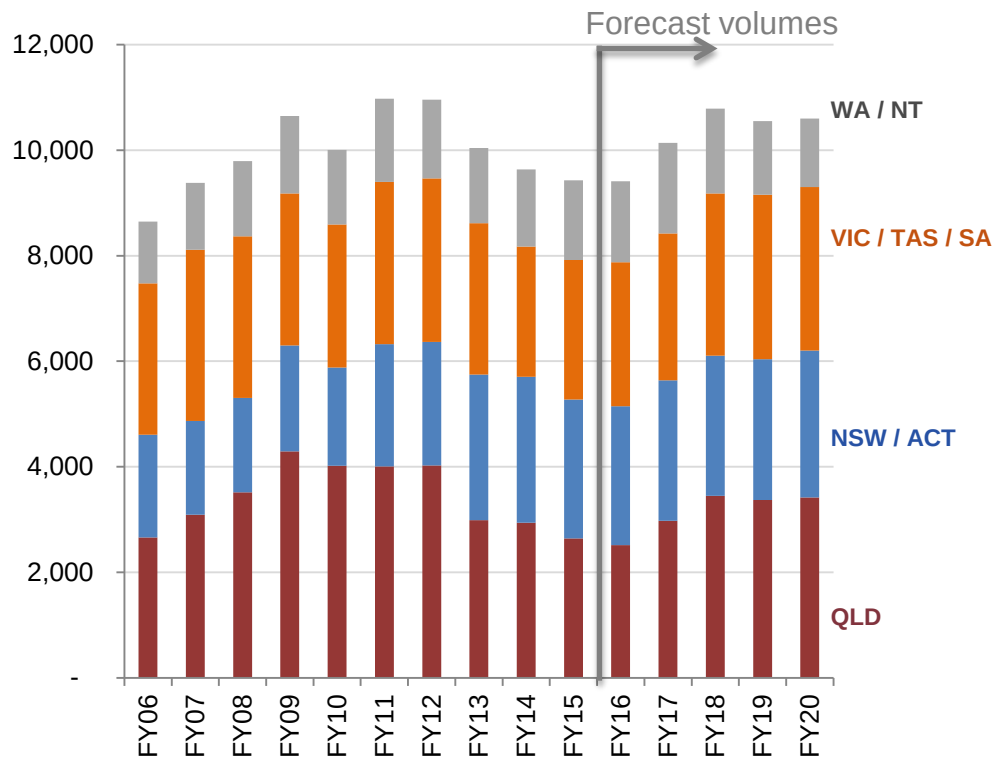


Asphalt demand in Australia

Industry asphalt demand in Australia is forecast to increase and remain high for the next five years



Macromonitor Forecast¹ Asphalt Demand across all Australian construction markets, ('000) tonne³



- ~3.0% CAGR² in asphalt volumes forecast from FY2016 to FY2020
- Growth in major roads infrastructure underpinning forecast increase in demand volumes

1. Source: Macromonitor, Construction Materials Forecast, February 2016

2. Compound annual growth rate



Boral is well positioned geographically

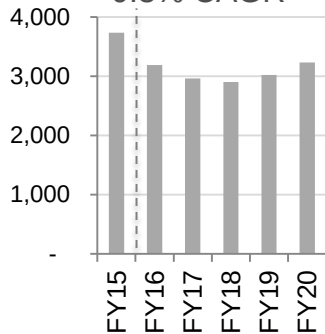
Macromonitor has modelled East Coast industry materials volumes to increase by between 1.4% and 3.3% CAGR to 2020, with Qld at 8%



WA / NT

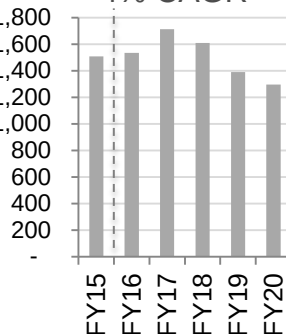
CONCRETE

~0.3% CAGR²

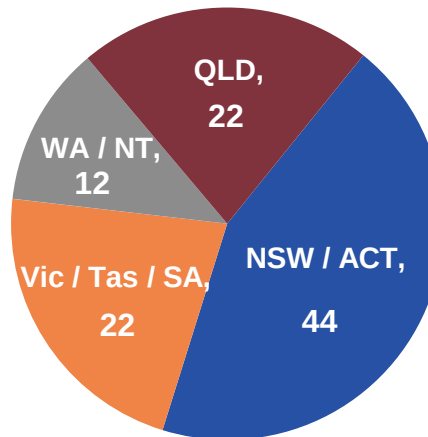


ASPHALT

~4% CAGR²



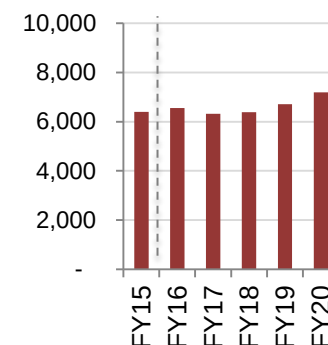
Boral's Australian revenues by state¹, %



QLD

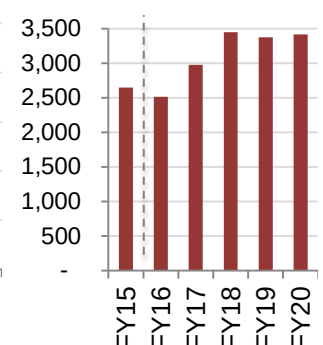
CONCRETE

~2.4% CAGR²



ASPHALT

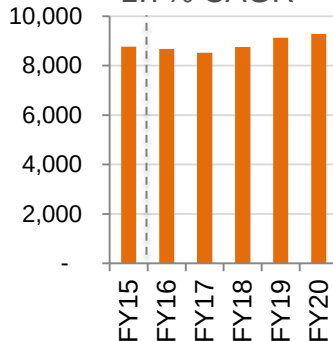
~8.0% CAGR²



VIC / TAS / SA

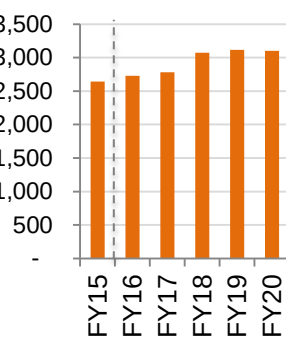
CONCRETE

~1.7% CAGR²



ASPHALT

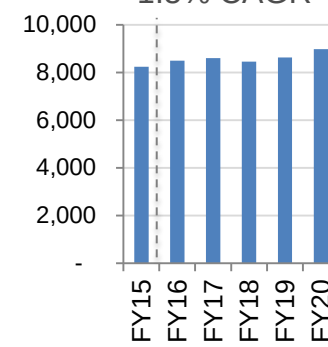
~3.3% CAGR²



NSW / ACT

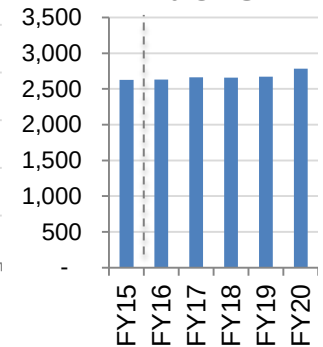
CONCRETE

~1.5% CAGR²



ASPHALT

~1.4% CAGR²

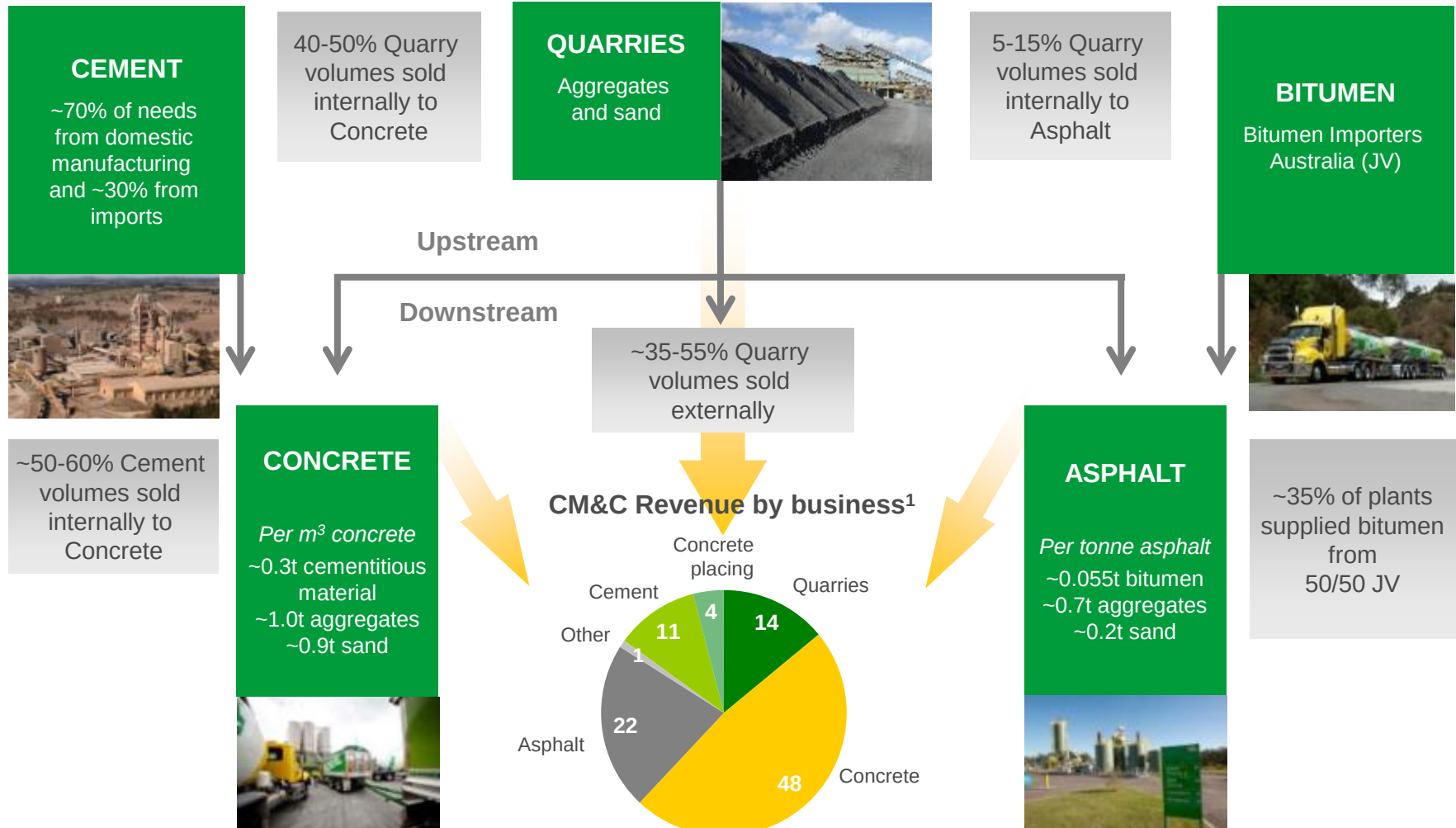


1. Based on 1H FY2016 split of external revenues across Construction Materials & Cement and Boral Building Products

2. Compound annual growth rate from FY2016 to FY2020 forecast by Macromonitor, February 2016



In CM&C, Boral is well positioned with strategic reserves & integrated downstream operations



1. Based on split of 1H FY2016 external revenues from Construction Materials & Cement

Boral today – well positioned for growth

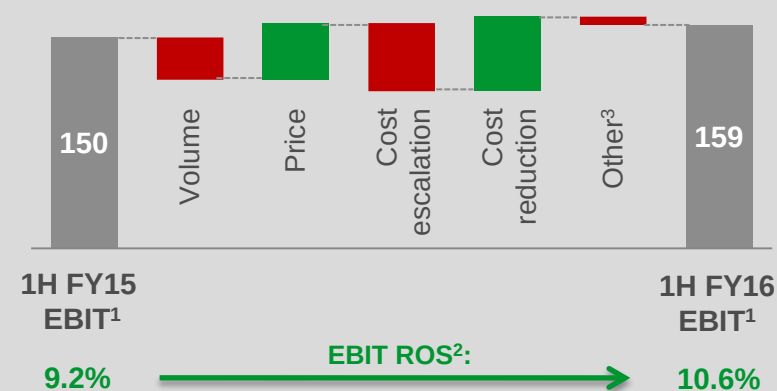


1. **Strengthened position in Australia while market transitions**
2. **Demonstrated margin expansion ability, including price and cost benefits**
 - Cost reductions, efficiency improvements and better pricing
3. **Growth in key markets and across all geographies**
4. **Bringing innovative products to market**
5. **Strong balance sheet and efficient capital management**

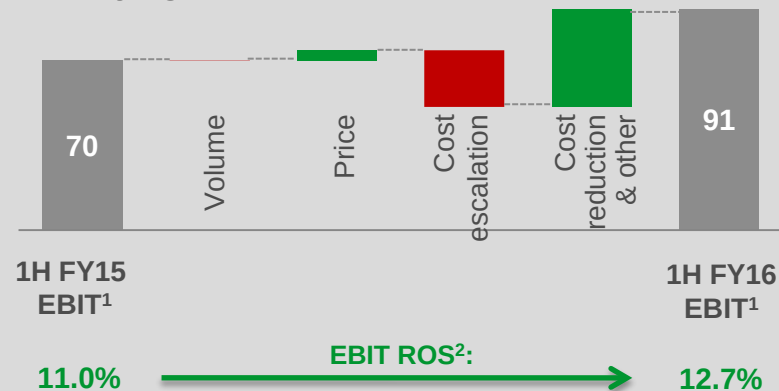
Demonstrated margin expansion ability – including price and cost benefits



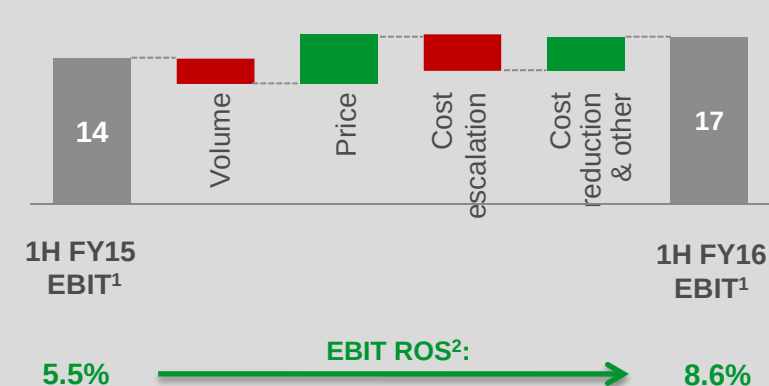
Construction Materials & Cement EBIT variance A\$m



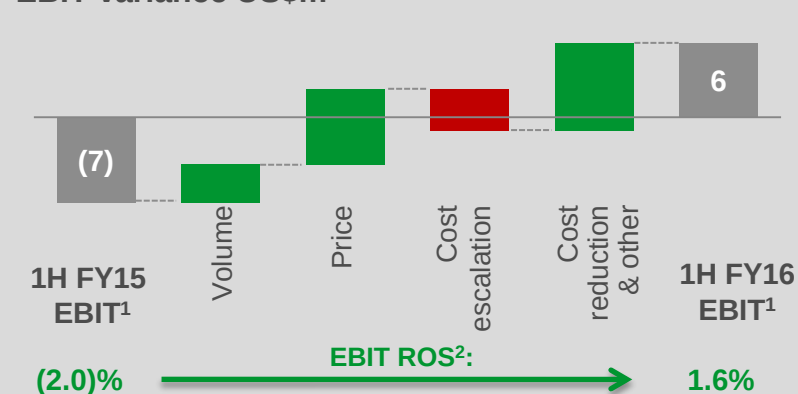
USG Boral Underlying EBIT variance A\$m



Building Products EBIT variance A\$m



Boral USA EBIT variance US\$m



1. Excluding significant items

2. EBIT return on sales

3. For CM&C includes Property earnings and CFMEU damages receipts offset by lower earnings from the sale of the Landfill business

Boral today – well positioned for growth



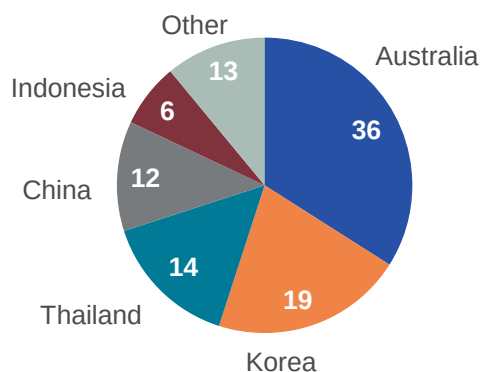
1. **Strengthened position in Australia while market transitions**
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3. **Growth in key markets and across all geographies**
 - **Australia:** growth trajectory for major roads and infrastructure
 - **Asia:** product penetration and growing economies
 - **USA:** returned to profitability; ongoing market recovery
4. **Bringing innovative products to market**
5. **Strong balance sheet and efficient capital management**



Operations in high growth countries as well as new products will underpin USG Boral's growth



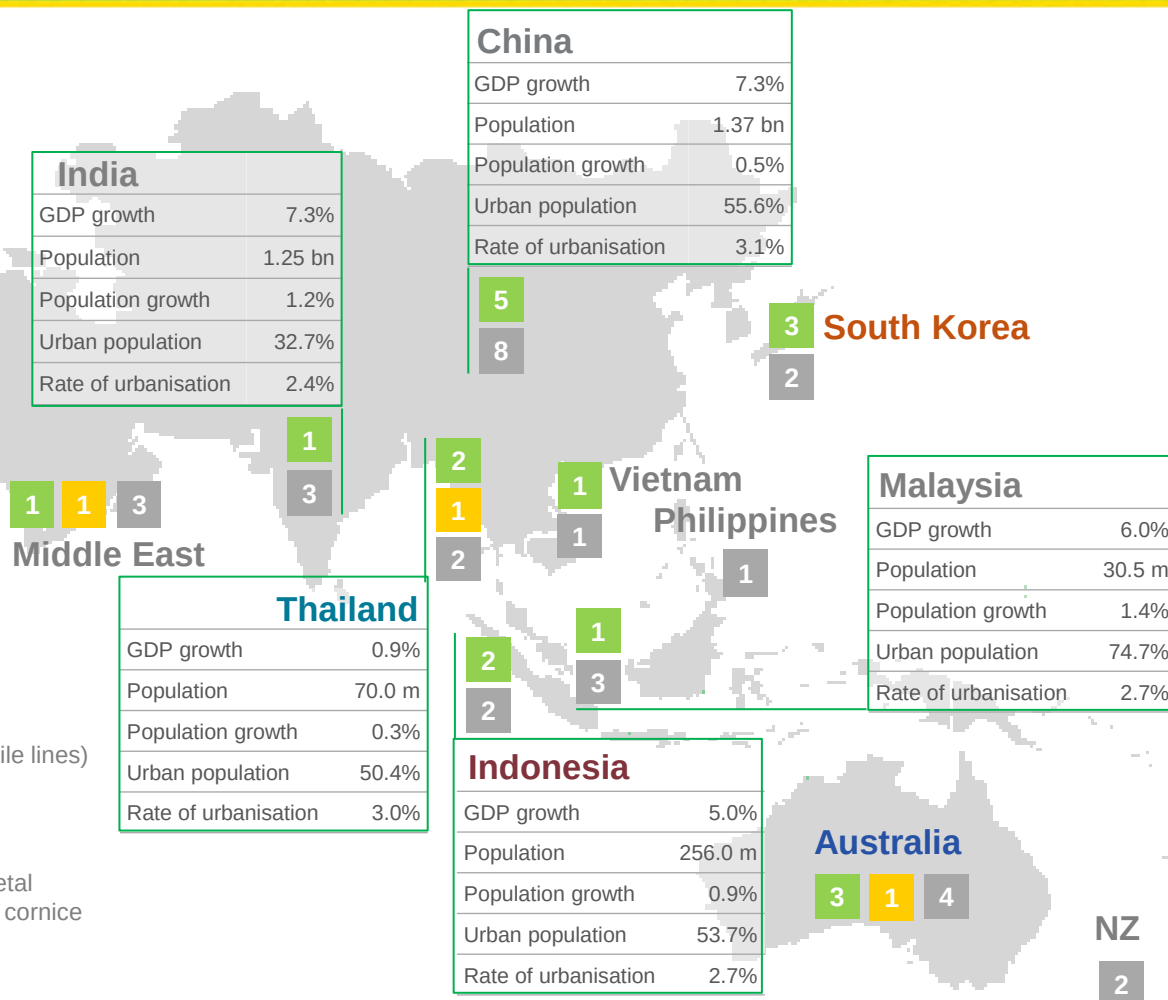
SHARE OF REVENUE¹, %



MANUFACTURING FOOTPRINT

(total number of operations at 30 June 2015)

19	Plasterboard plants 637m m ² capacity (25 board lines / 6 ceiling tile lines)
3	Gypsum mines²
31	Other plants² mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production



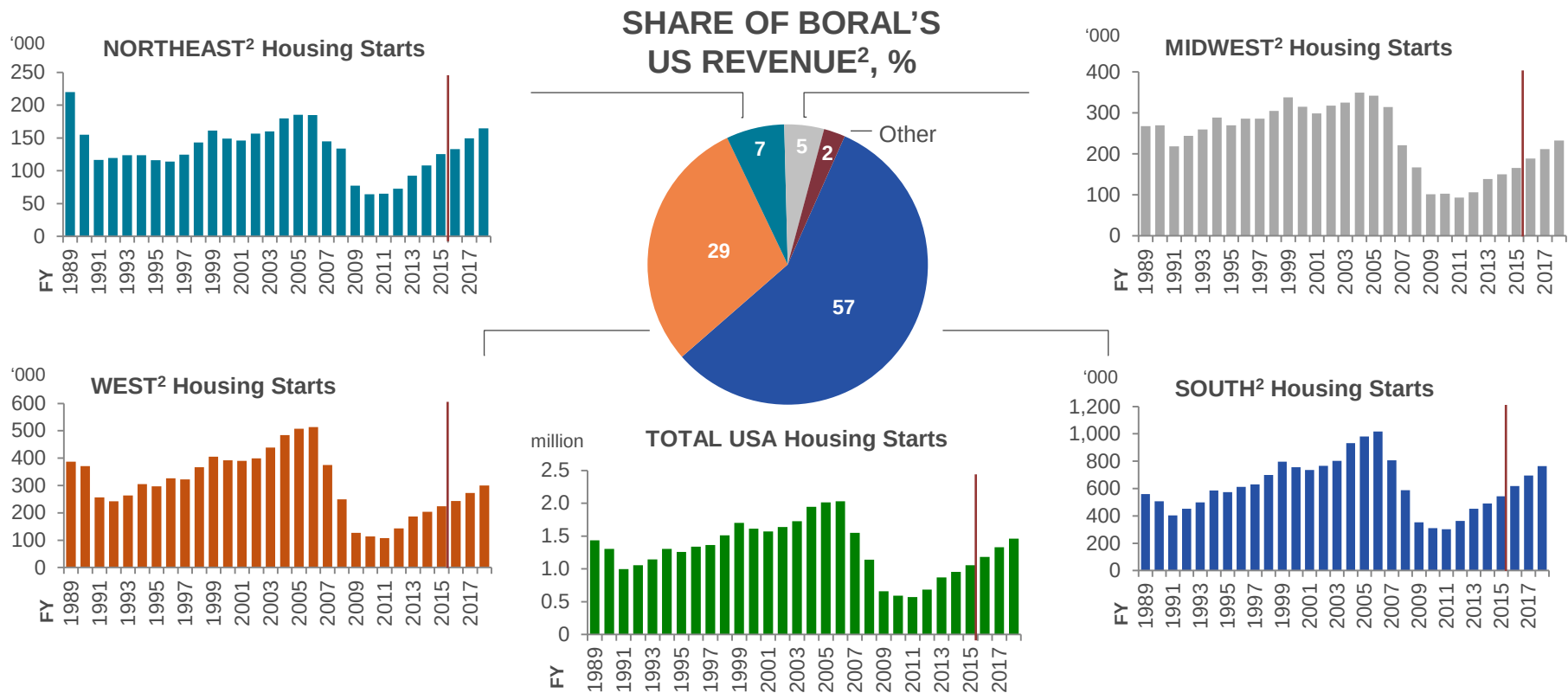
1. Based on split of 1H FY2016 underlying revenue for USG Boral
2. Certain manufacturing facilities and gypsum mines held in JV with third parties | production of plasterboard and other products may be at the same physical location
3. GDP growth is real GDP growth rate 2014 estimate | Population figures as at July 2015 estimate | Population growth based on 2015 estimates | Urban population as a percentage of total population for 2015 | Rate of urbanisation based on annual rate of change between 2010 and 2015E
Source: CIA World Factbook



In the USA, new residential construction is continuing to recover in all regions



Forecasters¹ currently expect an average of ~1.2m US housing starts in FY2016 and ~1.5m by FY2018, with all regions forecast to recover strongly



- Housing starts forecasts based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between November & December 2015
- SOUTH consists of *AL*, *AR*, DE, *FL*, *GA*, *KY*, LA, MD, *MS*, *NC*, *OK*, *SC*, *TN*, *TX*, WV, *VA* | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, *IN*, KS, MI, MN, MO, ND, NE, *OH*, SD, WI | WEST consists of AK, *AZ*, *CA*, *CO*, HI, ID, MT, NM, *NV*, *OR*, UT, *WA*, *WY*. States italicised in green are the states in which Boral operates, Revenue split is based on 1H FY2016 external revenues with 'Other' including sales outside of the USA



Continued confidence in the US housing recovery



Positive momentum in US housing starts driven by current housing deficit and continued improvement in US fundamentals

Short-term factors

- Growing US **housing undersupply** – cumulative housing deficit of ~3.9 million units
- **Builder confidence** continues to rise – although labour shortages remain
- **Emergence of previously restricted buyers**

Medium-term factors

- Momentum gathering amongst **first home buyers** – **credit availability improving** and **mortgage rates at historical lows**
- **Labour market recovery** remains firm – unemployment at 8-year lows
- US **housing affordability** remains relatively strong
- **Household formation** accelerating

Long-term factors

- **Population growth** and **immigration** will underpin longer-term housing demand

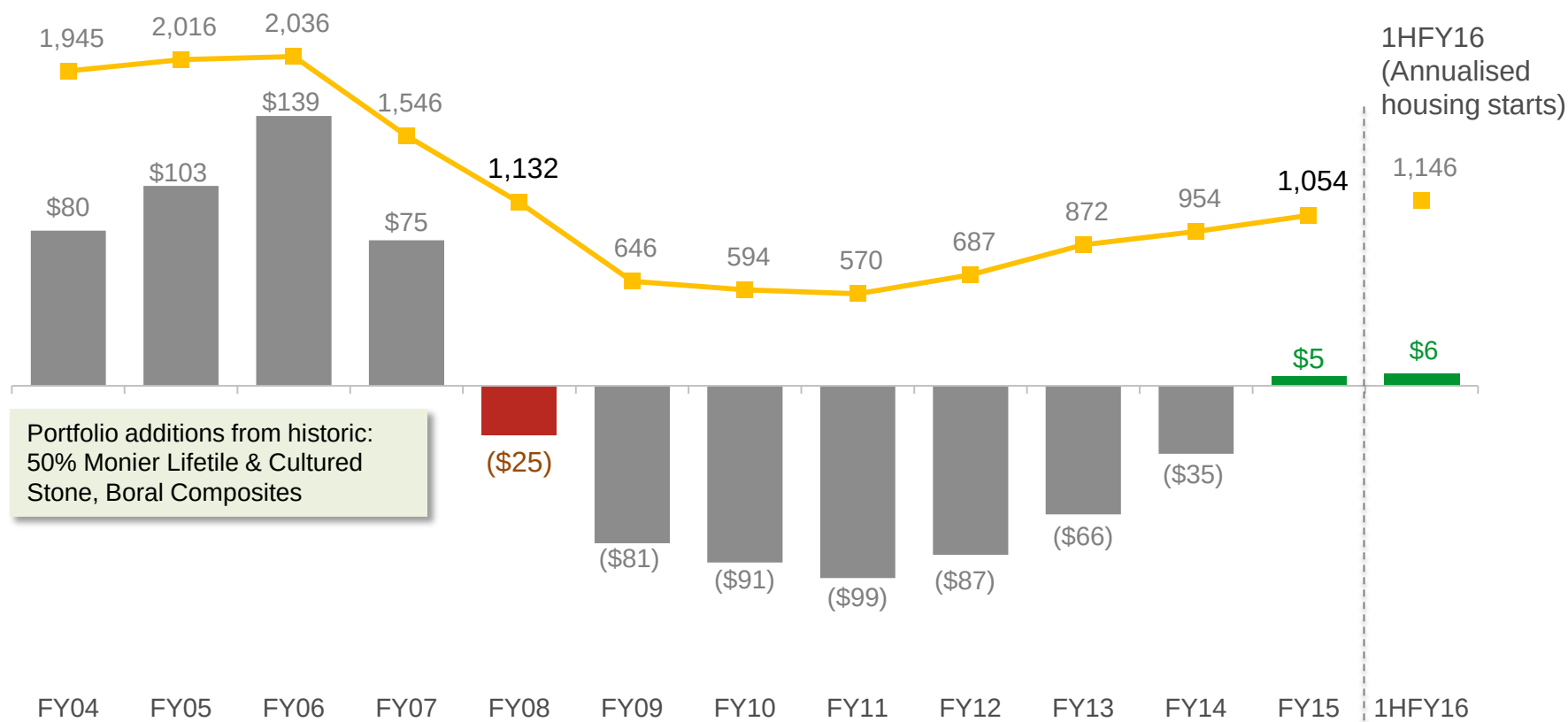


USA EBIT and housing starts over time

We are seeing improved returns at lower levels of housing starts



EBIT (US\$ millions) vs. Total US Housing Starts



Source: Company data and US Census

Boral today – well positioned for growth



1. **Strengthened position in Australia while market transitions**
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4. **Bringing innovative products to market**
 - **Australia / Asia:** Sheetrock® brand gypsum technologies
 - **USA:** Boral composite technologies in trim and cladding
5. **Strong balance sheet and efficient capital management**



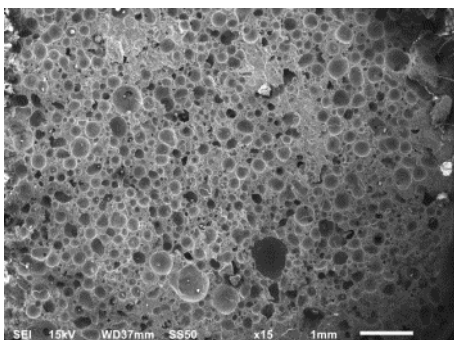
Sheetrock® technology is helping us grow faster than the competition in high growth markets



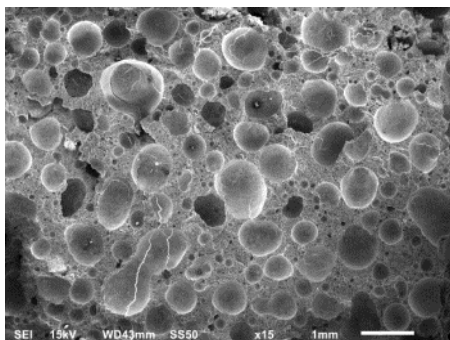
Next generation technology upgrades

- Producing Sheetrock® wall and ceiling boards that are:
 - up to 15% lighter
 - higher strength
 - sag-defying

Sheetrock® board



Competitor's board



Competitors' products have a less uniform core structure comprising large voids and irregular bubbles

Sheetrock® Board



Competitor's Board



Also being applied to Sheetrock® joint compounds





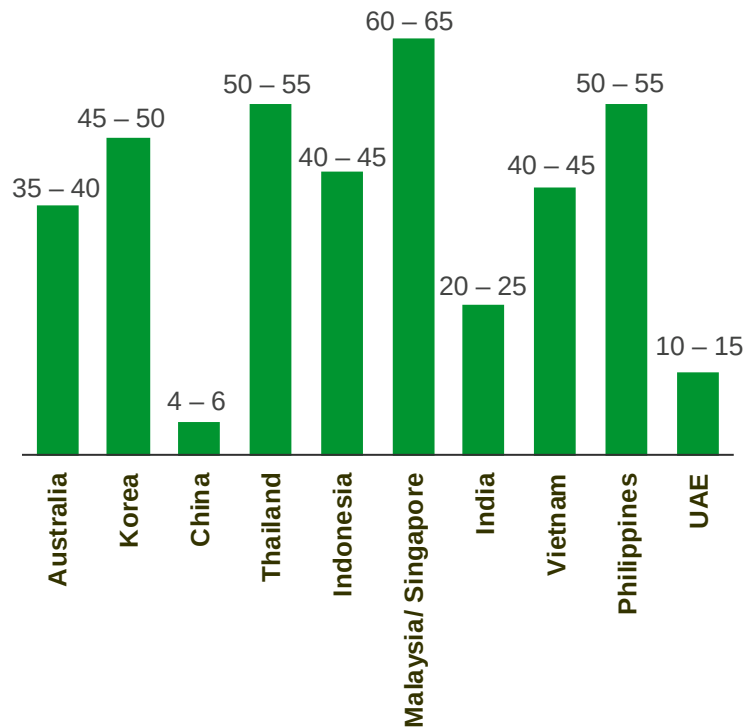
USG Boral has an enviable position, which we are protecting and growing through innovation



Ex-China, USG Boral market share across the region in which we operate is around 40%

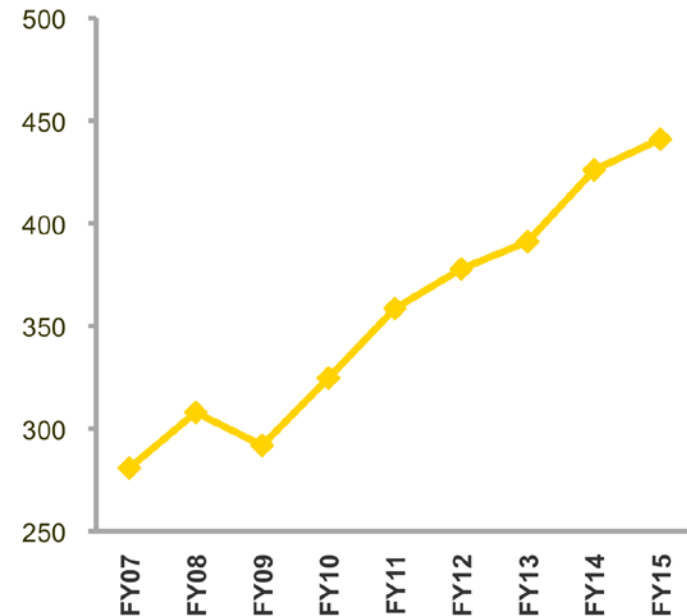
Plasterboard market share, %¹

Revenue contribution from largest to smallest



Since FY2007 plasterboard sales volume CAGR of 6% p.a. (incl Aus/NZ) and 7% in Asia (excl Aus/NZ)

USG Boral sales volume², million m²



1. Based on management estimates of plasterboard sales volume, excluding ceiling tiles. Note that China 4-6% is based on total China market size of ~2 billion m² however, USG Boral's target market in China is the high end market only (circa 400m m²)
2. Includes plasterboard and gypsum ceiling tile volumes

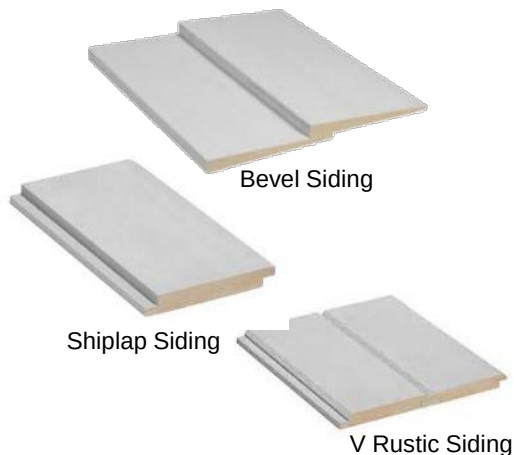
Innovation is delivering incremental benefits and is important for long term growth in the USA



Sustainable Development

Current Poly-Ash Process

- Production support
- Product extensions
- Performance step change



Transformational Growth

New platform development & adjacent products

- New formats, markets and applications
- Adjacent product opportunities



New R&D Centre

- New location for durability, polymer and analytics lab
- 25,000 square feet
- Capital spend at budget (US\$3.8m)



Boral today – well positioned for growth



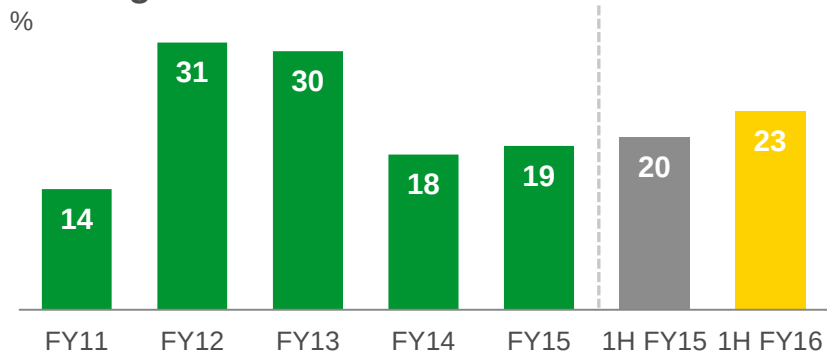
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Balance sheet

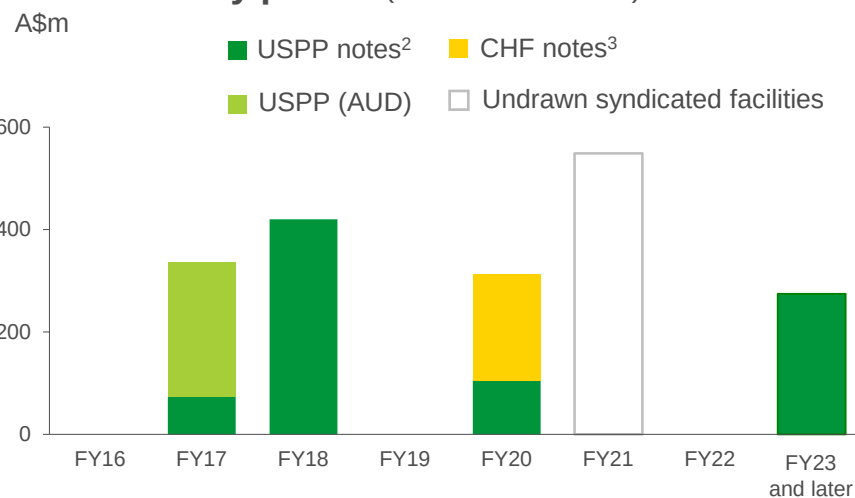
Gearing remains at lower end of historical range



Gearing¹



Debt maturity profile (as at 31 Dec 2015)



As at 31 December 2015:

- **Net debt of \$1.03b** increased by \$208m since 30 June 2015, largely due to on-market share buy-back and translation of US\$ denominated debt
- Principal debt gearing covenant at 31%; well within threshold of <60%
- Weighted average debt maturity ~4.2 years
- Weighted average cost of debt ~5.3% p.a.
- Committed undrawn bank debt facilities of US\$400m

1. Net debt / (net debt + equity)
 2. US Private Placement notes
 3. Swiss franc notes issued under EMTN program. Swapped to USD

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Questions



Back-up slide

Supporting slide – outlook for FY2016 as presented at the half-year results (10 Feb 2016)



Boral Construction Materials & Cement

- Expect continued strong results with **underlying FY2016 EBIT to be marginally above FY2015** (excluding Property in both years)
- **Expect 2H underlying earnings to be lower than 1H FY2016** due to continuing conditions and fewer working days in 2H
- Restructuring benefits and strength in Sydney & SEQ expected to offset depressed regional Qld, subdued RHS&B, lower LNG volumes and lower Landfill earnings
- **Property** earnings from Nelsons Ridge sales (subject to completion) of ~\$20m expected over two years, largely in 2H FY2016. Additional property sales possible.

Boral Building Products

- Expected to deliver a **marginal improvement in reported EBIT in FY2016**
- **Improvement initiatives and strong East Coast housing market** should offset lower housing in WA & SA and impact of post-tax equity accounting from Boral CSR

Boral Gypsum

- Expected to deliver **further underlying performance improvements in FY2016**
- **Strong residential activity in Australia, penetration of Sheetrock® products** and **strong cost and price management** underpinning improvements and offsetting slowdowns in key markets in Asia

Boral USA

- Expected to deliver **further increase in earnings in FY2016** on the back of **increasing housing activity**
- External forecasters expect ~1.2 million housing starts in FY2016¹

1. Average of analysts from Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA between November and December 2015

Disclaimer



The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 5 May 2016. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.