



Boral Limited

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30 August 2017

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

Dear Sir

Results for full year ended 30 June 2017 – Investor Presentation

We attach a copy of the investor presentation in respect of Boral's full year results.

This presentation will be webcast on Boral's website at www.boral.com.au from 11.00am (Sydney time) today.

Yours faithfully

Dominic Millgate
Company Secretary



RESULTS

For the full year to
30 June 2017

Boral continues to deliver, with all three divisions contributing to 16% year-on-year growth in underlying profit after tax¹ to \$343 million.

30 August 2017



1. Excludes significant items

Agenda



- **Results Overview**

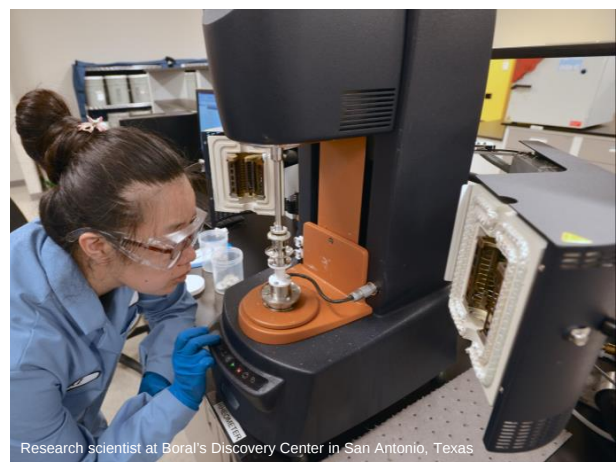
Mike Kane

- **Financial Results**

Ros Ng

- **Strategic Priorities & Outlook**

Mike Kane



Boral today: Performance, transformation & growth



1. Maintaining and strengthening our leading position in Australia

- Well positioned on the east coast where conditions are strong
- Quarry reinvestment leverages our integrated position and ability to deliver major projects
- Operational and commercial excellence delivering productivity and margin expansion

2. Growing organically and through innovation in USG Boral

- Growing in plasterboard markets in Asia, Australia and the Middle East, including Sheetrock® technologies

3. Transformational growth in the USA

- Headwaters acquisition delivers transformational growth, including substantial synergies
- Meridian Brick JV delivers portfolio and performance improvements, including strong synergies
- More balanced portfolio, broader exposure to large-scale markets and ability to grow through innovation

4. Leveraging growth in key markets and across all geographies

- **Australia:** multi-year growth trajectory for major roads and infrastructure
- **Asia:** leveraged to economies with long-term growth prospects and increasing product penetration
- **USA:** ongoing market recovery and new market opportunities and scale through Headwaters acquisition

5. Strong cash flows and solid balance sheet

3

Full year results highlights

Delivering transformation and improved earnings



FY2017 vs FY2016

EBIT¹

\$460_m

↑ 16%

Earnings per share^{1,2}

33.7_{cents}

↑ 1%

Profit after tax¹

\$343_m

↑ 28%

Full year dividend

24.0_{cents}

↑ 7%

Net profit after tax

\$297_m

↑ 16%

ROFE^{1,3}

9.2%

↑ from 9.0%

1. Excluding significant items

2. In accordance with AASB 133, EPS has been revised to reflect the bonus element in the equity raising completed December 2016. EPS reflects the increased number of shares following the equity raise in December 2016, but only eight weeks of additional earnings from Headwaters

3. EBIT return on funds employed. FY2017 calculated using average monthly funds employed (to recognise the impact of the Headwaters acquisition) while FY2016 is based on funds employed at 30 June 2016

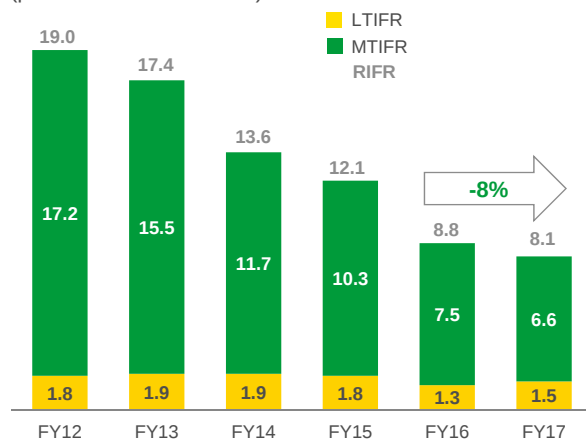
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Safety performance

Company-wide commitment to Zero Harm Today



Employee and Contractor RIFR¹ (per million hours worked)



- Continuing to reduce injuries in FY2017 with 8% improvement in **RIFR¹ down to 8.1** from 8.8
 - LTIFR increased slightly to 1.5 from 1.3
 - MTIFR reduced to 6.6 from 7.5
- Fatality free since Dec-2013 – the longest fatality-free period for more than 15 years
- Continued engagement throughout Boral around our global safety goal including in Meridian Brick & Headwaters businesses

**ZEROHARM
TODAY**

1. Recordable Injury Frequency Rate (RIFR) per million hours worked is made up of Lost Time Injury Frequency Rate (LTIFR) and Medical Treatment Injury Rate (MTIFR). Does not include Headwaters

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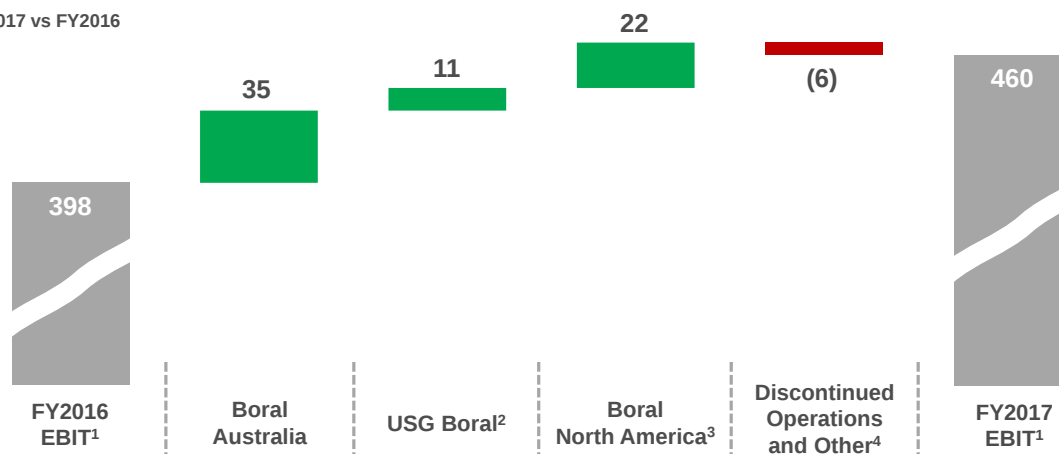
Strong earnings performance

Growth in all divisions



EBIT¹ variance, A\$m

FY2017 vs FY2016



- Excluding significant items
- Represents Boral's 50% post-tax equity accounted income from the USG Boral joint venture
- Includes 8 weeks earnings contribution from Headwaters and Boral's 50% post-tax equity accounted income from the Meridian Brick joint venture
- Discontinued Operations includes 4 months of earnings from the Boral CSR Bricks JV in Australia; Other includes Corporate costs

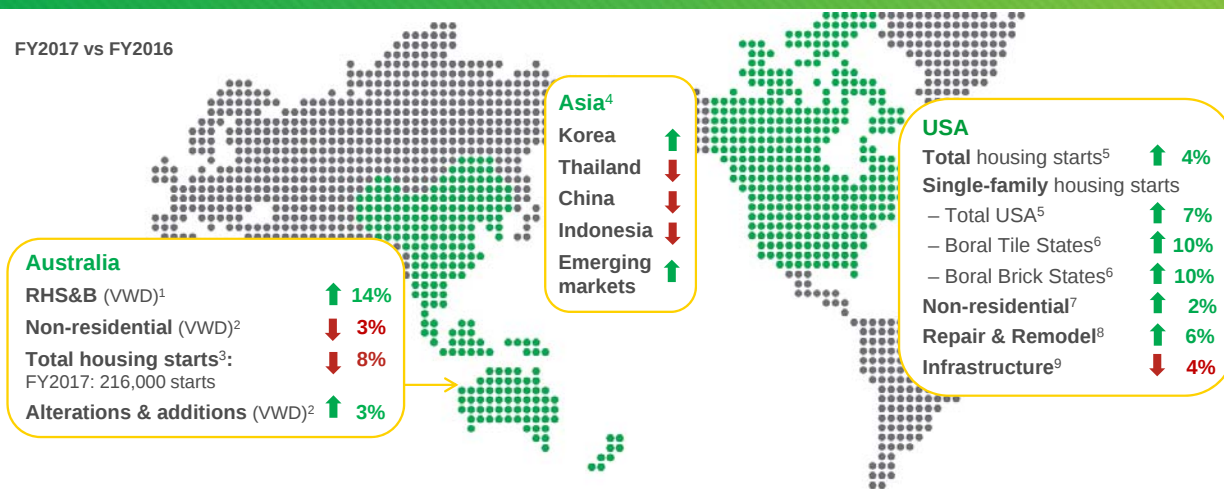
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Strong activity in our key markets

Strong markets in Australia, improving US markets, mixed conditions in Asia



FY2017 vs FY2016



1. Roads, highways, subdivisions and bridges. Value of work done (VWD) based on an average of Macromonitor and BIS Oxford Economics forecasts.
2. VWD from ABS in 2014/15 constant prices; Jun-17 quarter based on average of Macromonitor and BIS Oxford Economics forecasts
3. ABS original housing starts. Jun-17 quarter based on average of HIA, Macromonitor and BIS Oxford Economics forecasts
4. Based on various indicators of building and construction activity in key markets in Boral's respective countries of operation. For China this is defined as the high-end market in regions in which USG Boral operates. Emerging markets include India, Vietnam and the Philippines

5. US Census Bureau seasonally adjusted data
6. McGraw Hill Dodge raw data. Boral Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral Tile States include: Arizona, California, Florida, Nevada
7. Dodge Data & Analytics, Non-Residential Value of Work, forecast used for Jun-17 quarter
8. Moody's Retail Sales of Building Products
9. Infrastructure Ready Mix Demand from McGraw Hill Dodge

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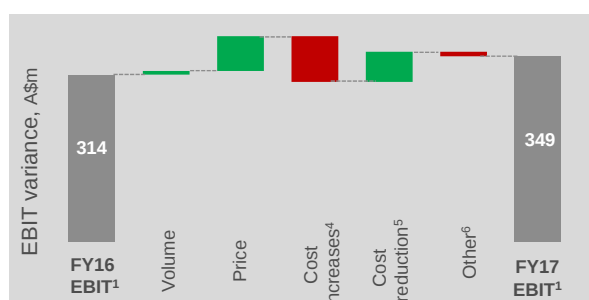


Boral Australia

Price and volume growth coupled with business improvement initiatives



A\$m	FY2017	FY2016	Var, %
Revenue	3,296	3,279	1
EBITDA ^{1,2}	551	511	8
EBIT^{1,2}	349	314	11
EBIT ROS ¹ , %	10.6	9.6	
Net Assets	2,389	2,322	
ROFE ^{1,3} , %	14.6	13.5	



Revenue

\$3.3b ↑ 1%

EBIT¹

\$349m ↑ 11%

- Strong east coast markets underpin **revenue growth**
 - Growing infrastructure volumes
 - Price gains in all major businesses (ASP up 4% in Concrete, 1% in Quarries, 2% in Cement)
 - Lower revenues associated with WA, Timber and Concrete Placing as well as LNG and Barangaroo project completions
 - Weather impacts broadly balanced out over the year
- **EBIT up 11%**, reflects price & volume growth, and business improvements
 - Property earnings of \$24m (\$28m in FY2016)
- **ROFE at 14.6%** well above cost of capital; strong 10.6% EBIT margin

1. Excluding significant items
2. Excluding contribution from Boral CSR Bricks JV, which was divested in Nov-2016
3. EBIT return on divisional funds employed (segment assets less segment liabilities)
4. Includes inflation, energy, operational and production, and SG&A cost increases
5. Includes operational excellence initiatives
6. Includes Property and impact of CFMEU settlement in FY2016

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USG Boral

Strong profit growth through volume and price gains plus cost reductions



A\$m	FY2017	FY2016	Var, %
Reported result			
Equity income ^{1,2}	70	59	18
Underlying result			
Revenue	1,478	1,397	6
EBITDA ²	284	251	13
EBIT²	217	179	21
EBIT ROS ² , %	14.7	12.8	
Net Assets	1,862	1,902	
ROFE ^{2,3} , %	11.6	9.4	



Underlying revenue

A\$1.5b ↑ 6%

Underlying EBIT²

A\$217m ↑ 21%

- **Equity-accounted income of \$70m**, up 18%
- **Underlying revenue growth of 6%** reflects volume and price gains underpinned by Sheetrock®
 - Australia volume up 5%, ASP up 3%
 - Asia volume up 7%
- **21% EBIT growth** reflects benefits from increased volumes and price, and cost reduction initiatives
 - Australia/NZ: earnings growth from board and non-board sales; continued strong east coast activity
 - Asia: strong earnings lift in Korea; lower earnings in Thailand and Indonesia from subdued domestic markets and competitive pressures; softer China earnings

1. Post-tax equity income from Boral's 50% share of the USG Boral JV
2. Excluding significant items
3. EBIT return on divisional funds employed (segment assets less segment liabilities)
4. Includes inflation, operational and production, and SG&A cost increases
5. Other includes foreign exchange impacts

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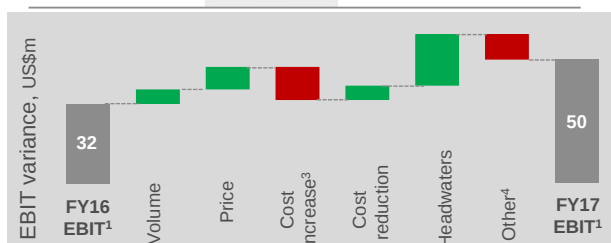


Boral North America

Profit growth driven by strategic acquisition and improving performance



A\$m	FY2017	FY2016	Var, %
Revenue	1,093	1,033	6
EBITDA ¹	123	93	32
EBIT¹	66	44	50
Revenue (US\$)	823	751	10
EBITDA ¹ (US\$)	93	68	37
EBIT¹ (US\$)	50	32	56
EBIT ROS ¹ , %	6.1	4.3	
Net Assets	4,501	886	
ROFE ^{1,2} , %	4.3	5.0	



Revenue

A\$1.1b ↑ 6%

EBIT¹

A\$66m ↑ 50%

- **US\$ revenue up 10%** due to Headwaters acquisition and price & volume growth in Boral's businesses offset by lower reported revenues with Meridian Brick JV forming
 - Volume gains in Stone (up 4%), Roofing (up 5%) and Trim & Siding (up 52%)
 - Fly Ash volumes steady due to lost contract and lower Celceram® sales
 - Price gains in Fly Ash (up 8%), Stone (up 1%), Roofing (up 1%) and Trim & Siding (up 3%)
- **EBIT grew to US\$50m** including US\$21m Headwaters contribution and US\$5m improvement from Bricks
 - One-off US\$7m land sale benefit in FY2016 and US\$2.4m rehabilitation cost in FY2017 reflected in results

1. Excludes significant items
2. ROFE calculated on funds employed as at 30 June for FY2016 and average monthly funds employed for FY2017
3. Includes inflation, operational and production, and SG&A cost increases
4. Other includes FY2016 property benefit, and FY2017 reclamation costs and Bricks variance

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Headwaters integration on track and positioned well

Performance in line with expectations; strong confidence around synergies



- Acquisition completed 8 May 2017, ahead of 'mid 2017' expectations
- Regulatory approval received with no divestments
- US\$21m of EBIT contribution for 8 weeks in FY2017, in line with Boral's guidance
 - Construction Materials (Fly Ash & Block) revenue up 10% and EBIT up 12% on pcp¹
 - Building Products (Stone, Roofing, Light Building Products, Windows) revenue up 29% and EBIT up 10% on pcp¹, reflecting:
 - contribution from Windows business purchased by Headwaters during the year, and softer earnings from Roofing due to operational issues at metal roofing plant in California
 - modest synergy benefits in first 8 weeks offset by Roofing issue – *currently being resolved*
- Integration and mobilisation activities successfully rolled out in first 3 months
 - Leadership team in place; strong employee engagement; 60 sites visited by key leaders in first 3 weeks, roll-out of Zero Harm messages
 - Customer outreach successful
 - All businesses have developed detailed synergy plans – fast tracking execution, where possible
- Post close review and early integration provide strong confidence around synergy delivery of US\$30-\$35m in year 1 and >US\$100m p.a. in year 4



1. A comparison of the eight week period to 30 June 2017 on the eight week period to 30 June 2016

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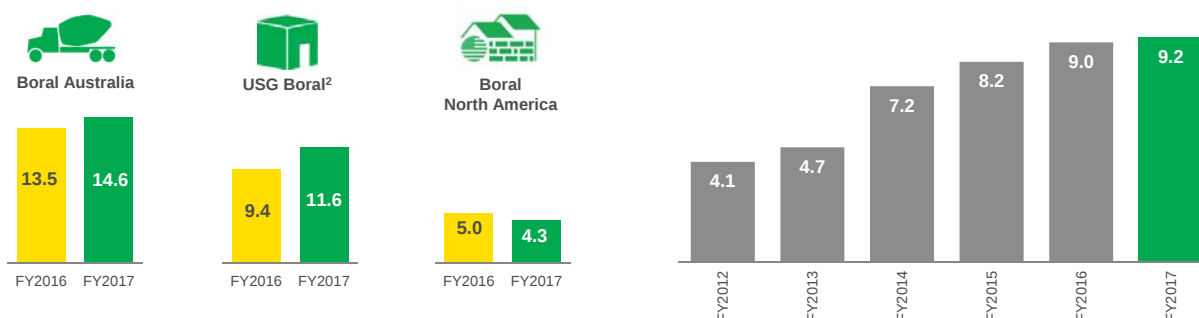
Positioned to improve ROFE

Boral Australia and USG Boral now exceeding the cost of capital



Divisional EBIT to funds employed (ROFE¹), %

Group ROFE¹, %



1. EBIT (excluding significant items) return on funds employed (divisional funds employed is segment assets less segment liabilities). ROFE is calculated based on funds employed as at 30 June, except in FY2017 for Group and Boral North America ROFE, which are based on average monthly funds employed due to the impact of Headwaters only contributing 8 weeks of EBIT in FY2017 but funds employed increasing fully at 30 June 2017

2. Based on USG Boral's underlying EBIT return on funds employed at 30 June

Financial Results

Ros Ng – Chief Financial Officer



Upgrade at Boral's Deer Park Quarry, Victoria



USG Boral's Research & Development Center, Saraburi, Thailand

Group financial performance

Growth across all divisions



A\$m	FY2017	FY2016	Var %
Revenue	4,388	4,311	2
EBITDA ¹	720	645	12
Depreciation and amortisation ²	(248)	(245)	(1)
EBITA¹	472	400	18
Amortisation of acquired intangibles	(12)	(2)	
EBIT¹	460	398	16
Net interest ¹	(51)	(63)	20
Tax ¹	(67)	(67)	-
Profit after tax¹	343	268	28
Significant items (net)	(46)	(12)	
Net profit after tax	297	256	16
<i>Effective tax rate</i>	<i>16%</i>	<i>20%</i>	

Non-IFRS Information: Earnings before significant items is a non-IFRS measure that is reported to provide a greater understanding of the financial performance of the underlying businesses. Further details of non-IFRS information is included in the Results Announcement while details of significant items are provided in Note 7 of the financial report. Non-IFRS information has not been subject to audit or review.

1. Excluding significant items

2. Excludes amortisation of acquired intangibles

(Figures may not add due to rounding)

Impact of Headwaters on FY2017 results

Acquisition completed 8 May 2017



- EBIT contribution for eight weeks in FY2017 of US\$21m; excluding PPA adjustments, EBIT is US\$34m
- Proforma EBITDA contribution for FY2017 would be ~US\$221m

US\$m	Reported results FY2017	PPA ¹ adjustment	Underlying results FY2017	FY2017 proforma earnings for Headwaters	US\$m
Revenue	195	-	195	Reported EBIT ² contribution: 8 May – 30 June 2017	21
EBITDA ²	35	9	44	Proforma EBIT to 8 May 2017	73
Depreciation	(7)	-	(7)	Total Headwaters FY2017 proforma EBIT	94
Amortisation of intangibles	(7)	4	(3)	Depreciation & amortisation in underlying HW businesses	74
EBIT²	21	13	34	PPA ¹ adjustment (intangibles, fixed assets, inventory)	38
				Other adjustments to EBITDA ³ 1 July – 8 May 2017	15
				Total Headwaters FY2017 proforma Adjusted EBITDA⁴	221

1. Purchase Price Accounting adjustments reflecting fair value inventory uplift, additional amortisation of intangibles and amendments to depreciation of plant and equipment
2. Excluding significant items
3. Reflects adjustments made by Headwaters when providing Adjusted EBITDA guidance, including acquisition related costs, losses from the Energy business, amortisation of prepaid compensation, and costs relating to the exit of the Engineered Stone business.
4. Adjusted EBITDA is provided as a comparable basis to previously reported results from Headwaters

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Significant items

Net loss of \$46m primarily from Headwaters acquisition costs



A\$m	FY2017	Notes
Net gain on sale of business	39	1
Headwaters acquisition & integration costs	(75)	2
Bricks WA asset impairment	(20)	
Meridian Brick JV integration costs	(8)	
Earnings before tax	(65)	
Tax benefit	19	
Significant items (net)	(46)	

1. Includes gain on disposal of Boral CSR Bricks joint venture (\$36m) and US Bricks (\$13m), partially offset by an adverse working capital adjustment from the sale of Thailand Construction Materials in FY2013 (\$11m)
2. Includes \$63m of acquisition related costs for due diligence, success fees paid to advisers and certain change in control payments to Headwaters executives, and \$12m of integration costs

Non-IFRS Information: Management has provided an analysis of significant items reported during the period. These items have been considered in relation to their size and nature and have been adjusted from the reported information to assist users to better understand the performance of the underlying businesses. These items are detailed in Note 7 of the preliminary full year financial report and relate to amounts that are associated with significant business restructuring and integration, business acquisition or disposals, impairment or individual transactions.

(Figures may not add due to rounding)

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Cash flow

Strong operating cash flow



Cash flow, A\$m	FY2017	FY2016
EBITDA ¹	720	645
Change in working capital	(34)	40
Fly ash contract investments	(12)	-
Share acquisition rights vested	(38)	(15)
Interest and tax	(92)	(130)
Equity earnings less dividends	(12)	(15)
Other non-cash items	(2)	(13)
Acquisition, integration and restructuring costs	(117)	(35)
Operating cash flow	413	478
Capital expenditure	(340)	(324)
Acquisition of businesses	(3,637)	-
Cash acquired	75	-
Proceeds on disposal of assets	162	56
Free cash flow	(3,327)	210
Capital raisings ²	2,019	-
Share buy-back ³	-	(115)
Dividends paid	(226)	(154)
Other items	9	7
Cash flow	(1,525)	(52)

- **Operating cash flow decreased 13% to \$413m** due to:
 - benefits from **improved earnings and lower tax payments**
 - **offset by acquisition, integration and restructuring costs**, as well as an **increase in working capital** due to increased revenue turnover in May and June for Boral Australia which increased debtor levels at 30 June 2017
- **Total capital expenditure up 5% to \$340m**
- **Free cash flow** down significantly due to Headwaters acquisition partially offset by proceeds on sale of 40% share in Boral CSR Bricks JV
- **\$2.0b cash proceeds from capital raising²** to support Headwaters acquisition

1. Excluding significant items
 2. Institutional equity placement and retail entitlement offer completed Dec-2016
 3. On-market share buy-back program completed Sep-2015

(Figures may not add due to rounding)

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Capital expenditure

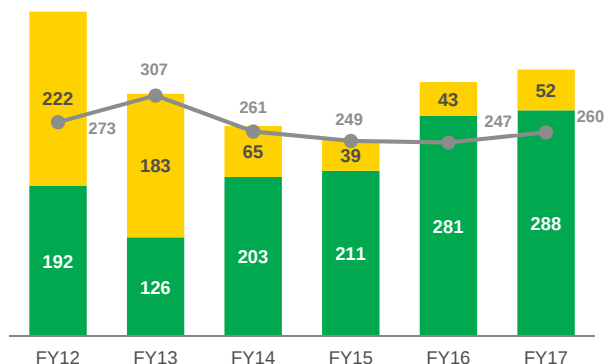
Disciplined approach to capital management



Total capital expenditure

A\$m

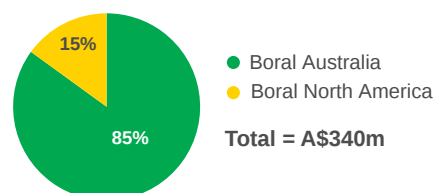
■ SIB¹ ■ Growth — Depreciation and amortisation



1. Stay in business capital expenditure

- **Total capex up 5% to \$340m**
- Capital spend included:
 - Quarry upgrades at Deer Park (VIC), Orange Grove (WA) and Ormeau (QLD)
 - Concrete plant upgrades in NSW
 - Roofing plant upgrade in Florida
 - New capacity in US TruExterior™ siding business

FY2017 capital expenditure, %



- FY2018 capex expected to be ~\$425m–\$475m

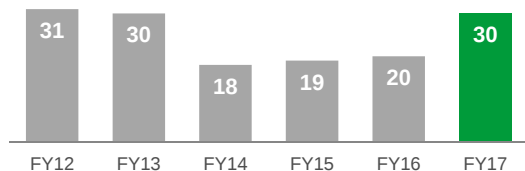
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Balance sheet

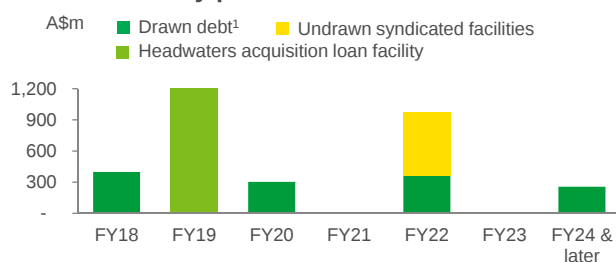
Maintaining a robust financial position



Gearing (net debt / net debt + equity), %



Debt maturity profile



- **Net debt of \$2,333m** at 30 June 2017 from net debt of \$893m at 30 June 2016 due to Headwaters acquisition
- Principal debt gearing covenant² of 32%, up from 30% at 30 June 2016 (threshold is less than 60%)
- Weighted average debt facility maturity of ~3.8 years (excluding acquisition loan facility)
- Net interest cover of 9.1 times, up from 6.3 times

Net debt reconciliation, A\$m	FY2017
Opening balance	893
Cash outflow	1,525
Non cash³	(85)
Closing balance	2,333

1. US Private Placement notes, Swiss franc notes issued under EMTN program and Bank syndicated loans
2. Gross debt / (gross debt + equity)
3. Comprises foreign exchange impact and Headwaters finance leases acquired

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Strategic Priorities & Outlook



Mike Kane – CEO & Managing Director





FY2017 marks the fifth year of transforming Boral

We are building a transformative culture to grow, innovate and be responsive



Across Boral's **three strong divisions**, we are building a transformative culture to deliver performance excellence, capture growth and to respond to a changing world

 Boral Australia	 USG Boral	 Boral North America
- Strengthening our leading position in Australia through pivotal quarry reinvestments - Leveraging diverse markets with multi-year growth in major roads & infrastructure - Margin growth through commercial & operational excellence - Developing innovation platform	- Delivering long-term organic growth through: - o Innovation - o Asian economic growth - o Product penetration for interior linings and related products - Defend & improve high regional market shares through next gen Sheetrock®	- Transformational growth and improved performance through: - o Headwaters acquisition - o Meridian Brick JV - o New product development and innovation - o Market recovery / growth - Shift from high fixed cost capital intensive to variable cost model to better respond to cycles

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Outlook for FY2018



Earnings growth across all divisions, with significant lift in Boral North America as we deliver on Headwaters acquisition objectives

Boral Australia	- Expect higher EBIT in FY2018 compared with FY2017 excluding property in both years; 1H and 2H EBIT expected to be broadly balanced Property earnings in FY2018 currently expected at lower end of historical range (\$8m–\$46m) - EBIT in FY2018 including Property expected to be broadly similar to FY2017
USG Boral	Profit expected to grow at a high single-digit growth rate in FY2018 - Sheetrock® to deliver price, volume and cost benefits across all markets - Improvements expected from Indonesia and Thailand businesses, while softer activity is forecast in Australian and Korean residential construction markets
Boral North America	- Expect significant growth in EBIT in FY2018 from the full year contribution of Headwaters coupled with US\$30–35m of year 1 synergies - Expect Meridian Brick JV to contribute an earnings uplift from market growth and synergies - Business should benefit from forecasted market growth¹ of ~8% in housing starts (to ~1.29 million), ~5% increase in US infrastructure activity, ~12% growth in Non-residential and ~6% growth in Repair & Remodel

1. Housing starts based on average of analysts' forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, MBA) from July/August 2017 forecast; Non-residential from Dodge Data & Analytics, Non-Residential Value of Work; Repair & Remodel from Moody's Retail Sales of Building Products; and Infrastructure Ready Mix Demand from McGraw Hill Dodge.

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Questions



FY2018 financial considerations

Area	FY2018 implications
Synergies	- Headwaters acquisition expected year 1 synergies of US\$30m-\$35m and run rate of US\$50-55m at end of year 1 - Meridian Brick JV synergies of US\$25m p.a. within 4 years (by Nov 2020) with US\$8m run rate at end of FY17
Corporate costs	FY18 to be slightly higher than FY17 due to additional Innovation spend
Depreciation & Amortisation	- Headwaters post acquisition PPA adjustments underway, additional D&A likely to be ~US\$30-35m p.a. - Group D&A ~A\$390-410m in FY18
Capex	Total Boral capex expected to be ~A\$425-\$475m p.a. (including incremental Headwaters capex)
Debt & gearing	- Cost of debt ~ 4.75% to 5.0% p.a. - Gearing of 30% within comfort range – expect to reduce to ~25% in coming years
HW significant items	Implementation costs – expect US\$90-100m over two years, FY18 & FY19
Taxation	- Effective tax rate ~ 29-31% - Cash flow benefits of US tax loss carried forward
Dividends & franking	- Franking to align with earnings mix from Australia; expect FY18 dividends to be partially franked in range of 50-70% - Dividend Policy: payout ratio ~50-70% of earnings before significant items, subject to Company's financial position

Supplementary slides

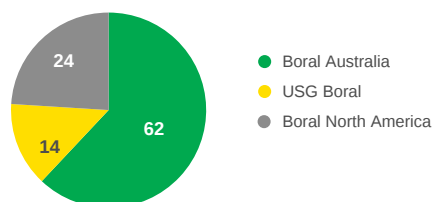
Boral Limited overview



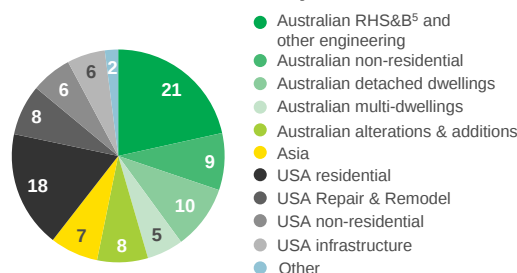
- Boral is an international building and construction materials group with operations in Australia, North America, Asia and the Middle East
- ~A\$8.0b market capitalisation¹
- S&P/ASX 100 company
- Operations across 17 countries²
- ~16,475 employees²

1. As at 29 August 2017
 2. Includes USG Boral and Meridian Brick joint venture operations, as at 30 June 2017
 3. Includes Boral's 50% share of underlying revenues from the USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue
 4. Includes a full year of Headwaters FY2017 proforma revenue contribution
 5. Roads, highways, subdivisions and bridges

FY2017 revenue by division³, %



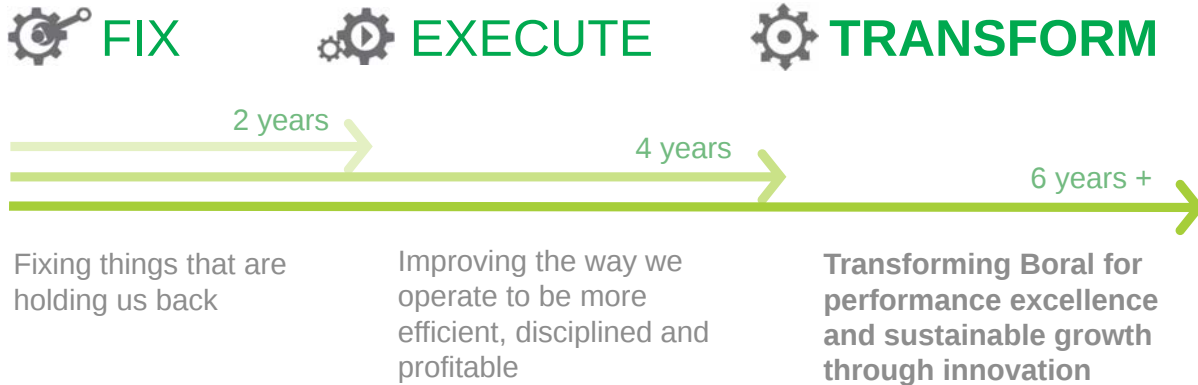
Proforma FY2017 revenue by market^{3,4}, %



We are 5 years into Boral's *Fix Execute Transform* program



Our goal is to transform Boral into a global building and construction materials company that is known for its **world-leading safety performance, innovative product platform and superior returns on shareholders' funds.**

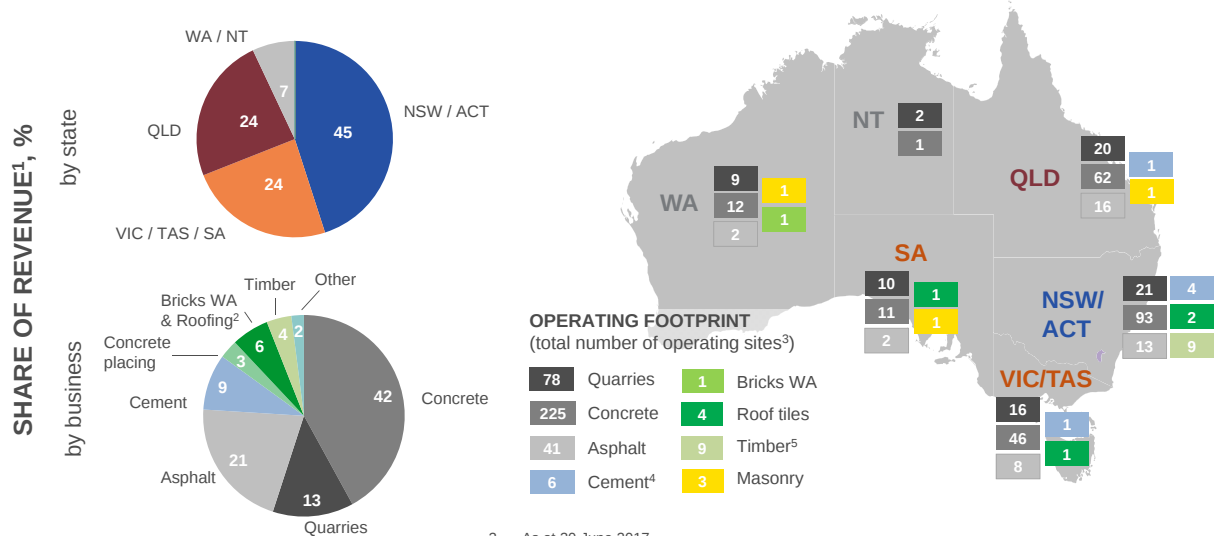


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Boral Australia

Concrete, Quarries, Asphalt, Cement, Concrete Placing, Property, Bricks WA & Roofing, Timber



1. Based on FY2017 split of Boral Australia external revenue
2. Bricks & Roofing includes Masonry revenues

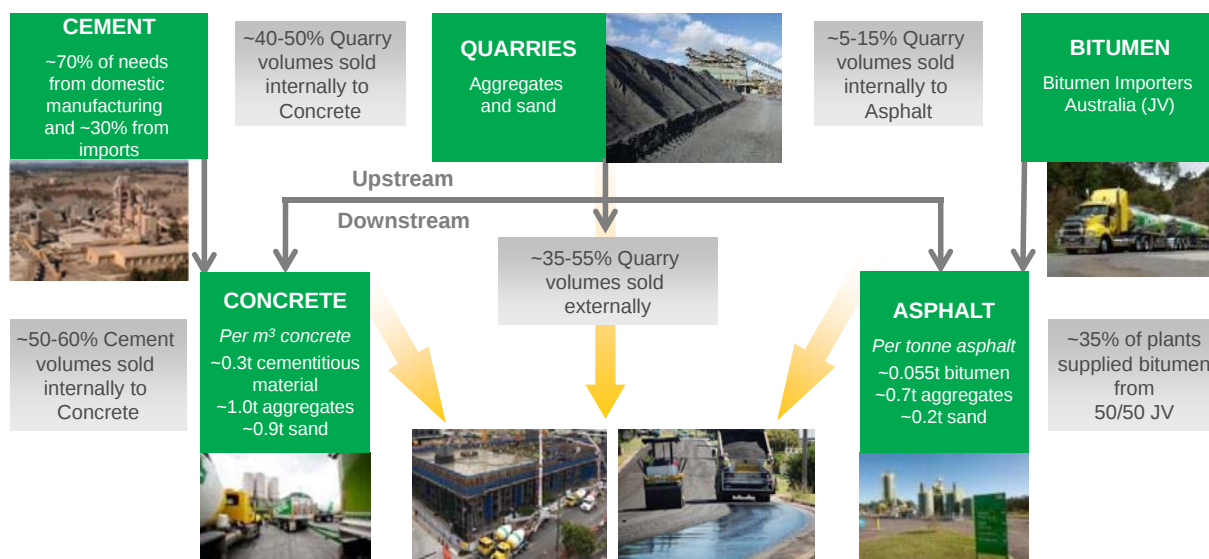
3. As at 30 June 2017
4. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Vic and a clinker grinding JV in Qld
5. Includes 8 Boral Hardwood mills and 1 JV Softwood operation

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Boral Australia

Well positioned with strategic reserves and integrated downstream operations

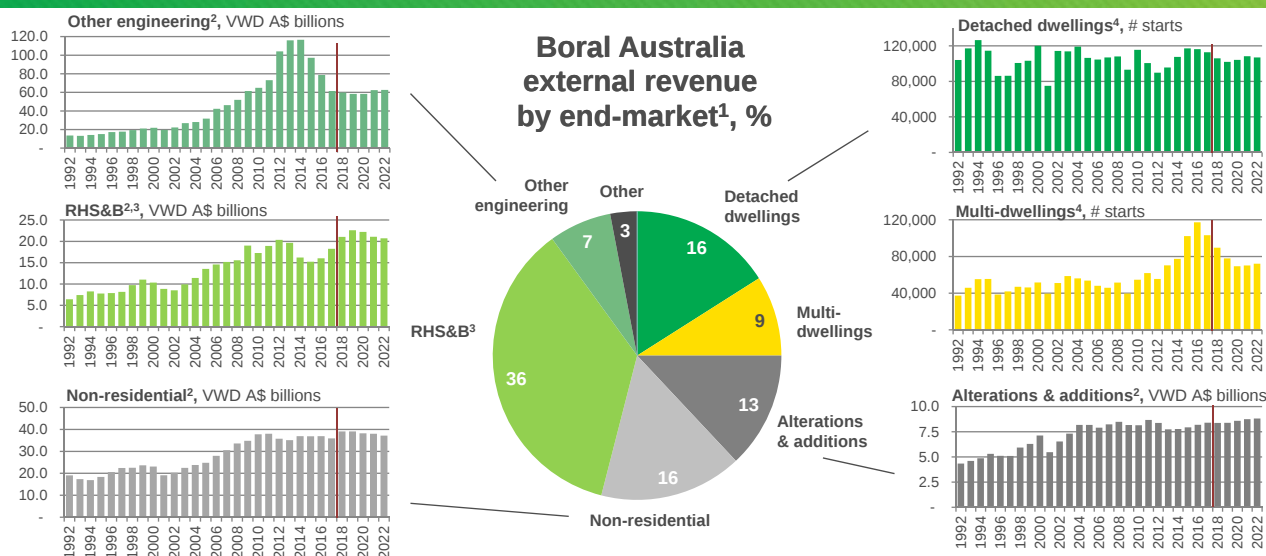


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Boral Australia

Revenues are derived from various market segments



1. Based on split of FY2017 Boral Australia external revenues

2. Source: ABS, BIS Oxford Economics and Macromonitor forecasts

Note charts are for financial years and have been based on 2014/15 dollars unless otherwise noted

3. Roads, highways, subdivisions and bridges

4. Source: ABS, BIS Oxford Economics, Macromonitor and HIA forecasts

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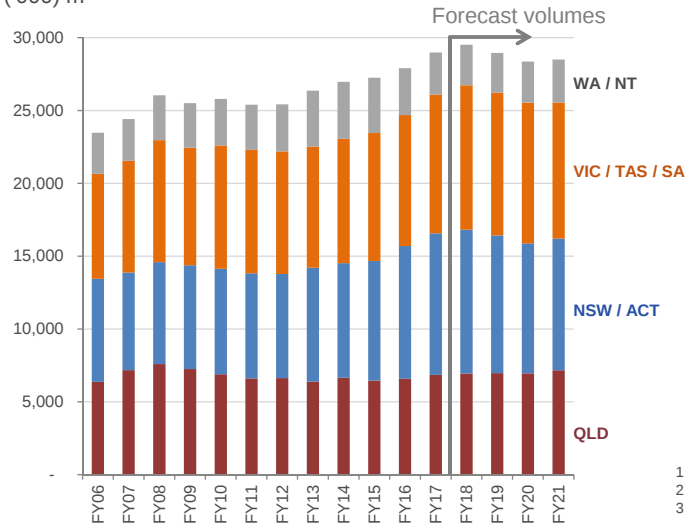
Concrete demand in Australia

Industry demand forecast to remain at high levels



Macromonitor forecast¹ pre mix concrete demand across all Australian construction markets

('000) m³



- Steady CAGR² in concrete volumes forecast from FY2017 to FY2021. This reflects a market that grew strongly between FY2014 to FY2017 and is forecast to peak in FY2018
- Growth in RHS&B³ activity forecast to offset the decline in resources sector engineering work and softening in multi-dwellings to produce a stable profile

1. Source: Macromonitor, Construction Materials forecast, July 2017 estimates
 2. Compound annual growth rate
 3. Roads, highways, subdivisions & bridges

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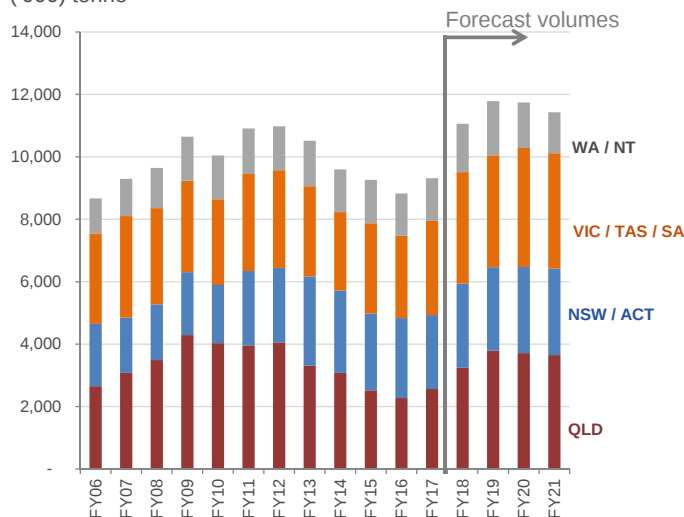
Asphalt demand in Australia

Industry demand forecast to increase and remain at high levels



Macromonitor forecast¹ asphalt demand across all Australian construction markets

('000) tonne³



- ~5.2% CAGR² in asphalt volumes forecast from FY2017 to FY2021, with significant increases forecast in FY2018 and FY2019
- Growth in major roads infrastructure underpins increase in forecast demand
- Forecast growth in demand driven by most states (particularly QLD) in FY2018, and QLD and WA in FY2019

1. Source: Macromonitor, Construction Materials forecast, July 2017 estimates
 2. Compound annual growth rate

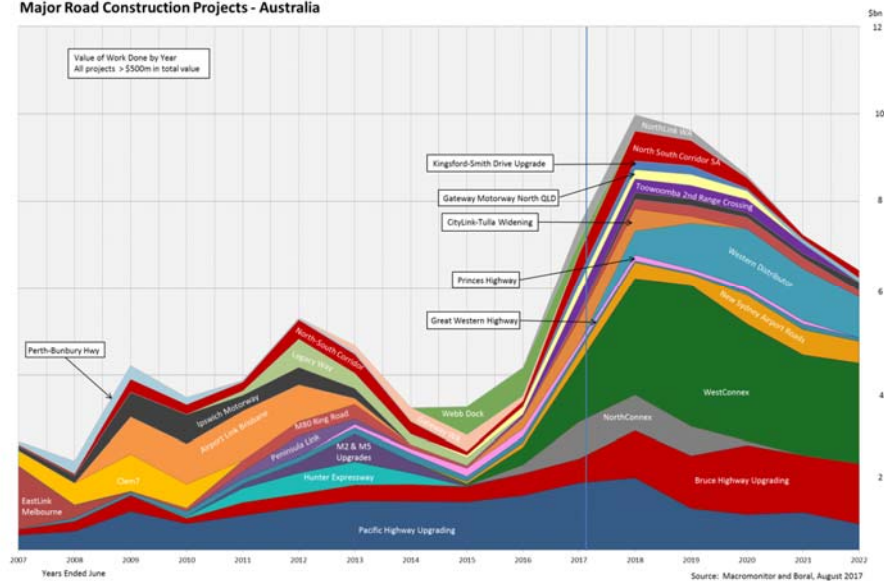
32

Australian major road projects pipeline

Multi-year growth trajectory for major roads and infrastructure



Major Road Construction Projects - Australia



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Boral's Australian project pipeline

As at August 2017

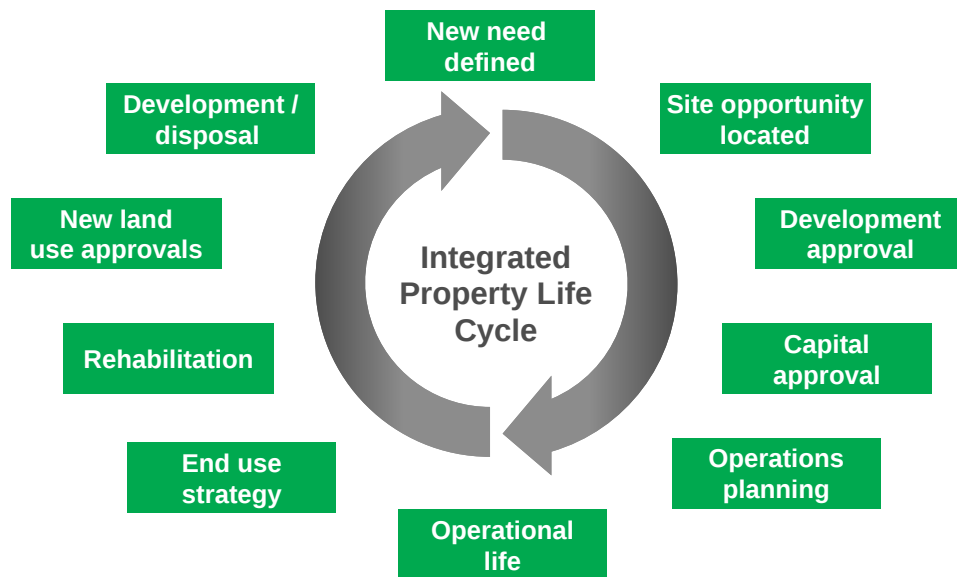


Projects committed	Timing	Projects under tender	Status
Mitchell Freeway, WA	Est. completion 2017	Northern Road, NSW	Currently tendering
NorthLink stage 1, WA	Est. completion 2018	Pacific Motorway M1 Widening, NSW	Currently tendering
Bringelly Road Stage 1, NSW	Est. completion 2018	Pacific Hwy W2B, NSW	Currently tendering
Pacific Hwy, Nambucca, NSW	Est. completion 2018	NorthLink stages 2 & 3, WA	Currently tendering
Toowoomba Second Range, Qld	Est. completion 2018	Melbourne Metro, Vic	Currently tendering
Warrego Highway stage 2, Qld	Est. completion 2018	Western Distributor, Vic	Currently tendering
Gateway Motorway North, Qld	Est. completion 2019	Sydney Metro, City & SW, NSW	Currently tendering
NorthConnex, NSW	Est. completion 2019	Brisbane Airport Runway, Qld	Currently tendering
Forrestfield – Airport Link, WA	Est. completion 2019	Outer Suburban Arterial Roads, Vic	Currently tendering
Amrun Project, Qld	Est. completion 2019	Sunshine Coast Airport, Qld	Currently tendering
Kingsford Smith Drive, Qld	Est. completion 2019	Melbourne Airport Runway, Vic	Currently tendering
Sydney Metro, City & SW (precast), NSW	Est. completion 2019	Logan Motorway, Qld	Currently tendering
Northern Connector, SA	Est. completion 2020	Western Sydney Stadium, NSW	Pre-tendering
		WestConnex (stage 3), NSW	Pre-tendering
		Badgerys Creek Airport	Pre-tendering
		Australian Inland Rail Expressway	Pre-tendering
		Warrego Highway stage 3, Qld	Pre-tendering

1. Projects recently awarded to Boral are highlighted in grey

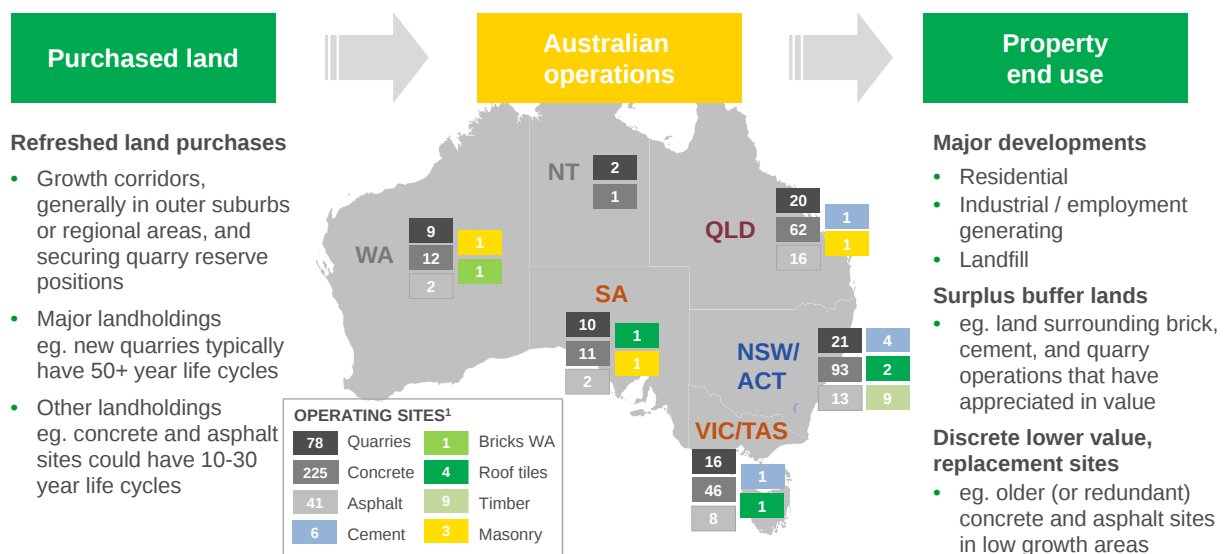
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Boral Australia – Property is managed as an integrated and ongoing feature of the business



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Boral Australia has a large land bank and harvests property on a continual basis



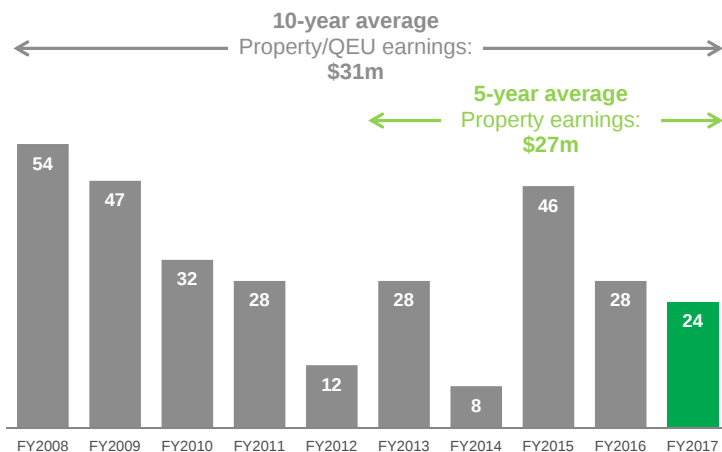
1. As at 30 June 2017. Note: Approximately 40% of sites are leased and 60% are company owned

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Boral has a solid track record of maximising returns from property assets



Property EBIT¹, A\$m



1. Excludes significant items. FY2008 – FY2010 includes earnings from significant multi-year developments at Moorebank and Nelsons Ridge, and initial earnings from the Landfill business

Boral Property Group

- Partners with business units as early as possible to maximise value, reduce operational rehabilitation liabilities and create market-based opportunities
- Boral Property Group is an in-house team with extensive property experience internally and externally
 - Rezoning / approvals
 - Remediation / rehabilitation
 - Environmental
 - Construction

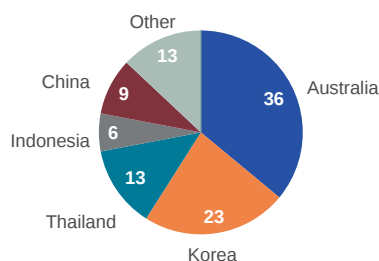
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USG Boral

50%-owned joint venture in Australasia, Asia & Middle East



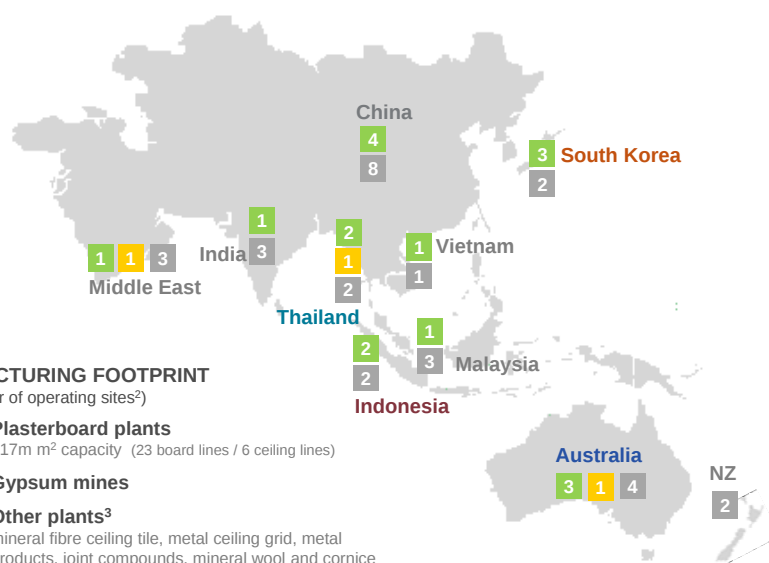
SHARE OF REVENUE¹, %



- Based on split of FY2017 underlying revenue for USG Boral
- As at 30 June 2017. 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

MANUFACTURING FOOTPRINT (total number of operating sites²)

- 18** Plasterboard plants
617m² capacity (23 board lines / 6 ceiling lines)
- 3** Gypsum mines
- 30** Other plants³
mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production



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Update on the Meridian Brick joint venture

Forterra and Boral Bricks joint venture formed on 1 November 2016

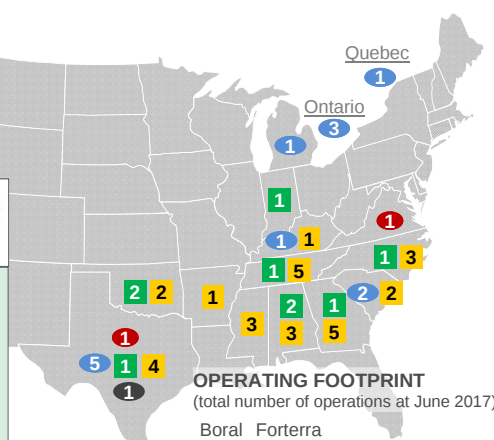


Underlying result (for first 8 months of JV)

US\$m	FY2017
Revenue	282
EBIT ¹	0.1

- Expecting cost synergies of ~US\$25m p.a. by year 4 through:
 - Plant network optimisation
 - Improved freight & distribution
 - Streamlined selling, marketing and administration costs
 - Procurement cost savings
- Delivering run rate of ~US\$8m p.a. at 30 June 2017
- 12 distribution centres and 6 plants permanently closed
- Quebec plant closure announced

1. Excludes US\$13m in non-recurring cash costs related to the integration of the Joint Venture
 2. Standard brick equivalent



9	13	Clay Bricks
1		Concrete Bricks
29	2	Building Products Distribution Centres

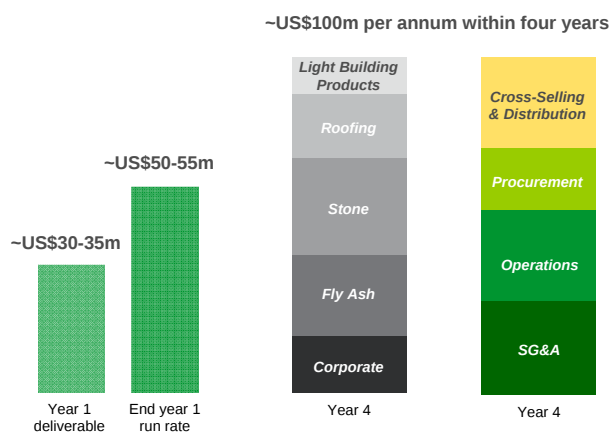
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On track to deliver substantial synergies

From complementary businesses and SG&A overhead savings



Targeted synergies¹



Synergy sources and implementation costs

REVENUE SYNERGIES	COST SYNERGIES
Cross-Selling & Distribution Leverage existing relationships across sales channels for greater cross-selling opportunities	Procurement Utilise scale and best practices from each business across procurement functions over time
	Operations Utilise scale, optimise logistics and supply chain over time; network optimisation and production efficiency
	SG&A Support function efficiencies and share capabilities over time, public company cost savings
	Implementation costs Primarily incurred within the first 24 months post transaction completion

1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off implementation costs estimated at approximately US\$100 million

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Headwaters acquisition:

Significant synergies possible as a result of highly complementary businesses



Overview of key synergies by business – Corporate, Fly Ash and Stone

Business / synergy drivers		Year 1 run rate US\$ pa	Within 4 years US\$ pa
Corporate – including executive headcount, public company costs, procurement		~\$17m	>\$17m
Fly Ash	Sub-total	~\$12m	>\$24m
- Ash supply / network optimisation / logistics - Procurement - Sales coverage expansion & high value product growth – Boral faces local supply constraints in some locations, HW has ability to supply - Organisational efficiencies – eg. consolidating finance systems and overlapping sales coverage, engineering support and operations - Other including technology / R&D			
Stone	Sub-total	~\$6m	>\$29m
- Plant network optimisation - Sales coverage - Procurement - Manufacturing equipment - Other including organisational efficiencies			

(Continued over page)

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Headwaters acquisition:

Significant synergies possible as a result of highly complementary businesses



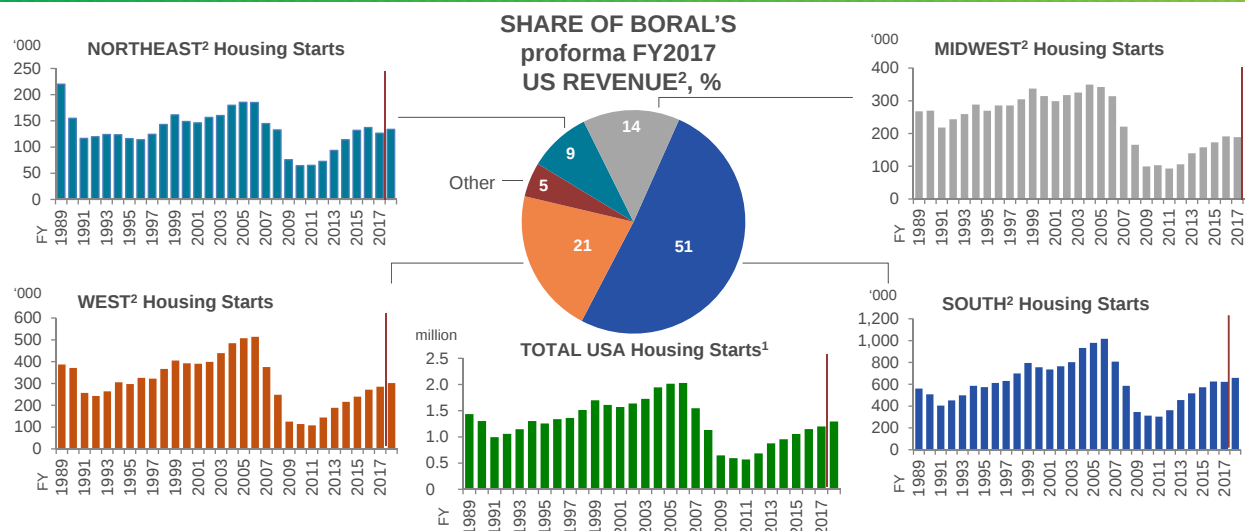
Overview of key synergies by business – Roofing, Light Building Products

Business / synergy drivers		Year 1 run rate US\$ pa	Within 4 years US\$ pa
Roofing	Sub-total	~\$10m	>\$19m
- Procurement - Cross-selling portfolio – eg. re-sale products account for ~20% of Boral's Roofing sales, while Headwaters has minimal exposure - Manufacturing & network optimisation - Manufacturing efficiencies - Other including organisational efficiencies			
Light Building Products	Sub-total	~\$5m	>\$11m
- Procurement - Sales coverage, cross selling, retail presence - Organisational efficiencies - Other			
Total		~\$50-55m	>\$100m

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US residential construction continues to recover in all regions

Forecasters¹ expect ~1.29m housing starts in FY2018



- Housing starts forecasts based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between Jul 2017 and Aug 2017. Historical data – US Census Bureau
- 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 includes FY2017 Headwaters proforma revenues. 'Other' includes sales outside of the USA

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Our strategic priorities

Making good progress in all divisions



Boral Australia 	USG Boral 	Boral USA 
✓ Divested 40% share of Boral CSR Bricks JV ✓ Ongoing ~\$200m of quarry reinvestment projects plus concrete plant investments ✓ Restructuring of Bricks WA in line with market downturn ❑ Plans to improve Boral's cement position in Victoria ❑ Operational excellence and Commercial excellence initiatives continuing with benefits being delivered	✓ Sheetrock® technology roll-out ahead of schedule and <US\$50m capex budget; Sheetrock now produced on 18 board lines ✓ Sheetrock® adoption on target ✓ Total synergies exceed targeted US\$50m p.a. synergies (including technologies, adjacent products, procurement & supply chain) ❑ Next generation Sheetrock® technology being piloted ❑ Adding 30m m² capacity to Dangjin plant, Korea ❑ Building new 30m m² plant in India	✓ Meridian Brick joint venture formed in Nov-16 ✓ Investment in growth of lightweight Trim & Siding business ✓ Completed US\$2.6b acquisition of Headwaters ❑ Expect Brick JV cost synergies of US\$25m within 4 yrs ❑ Expect Headwaters synergies of US\$100m pa within 4 yrs

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Boral's energy and fuel exposure

Energy and fuel costs make up ~7% of Boral's overall cost base



FY2017 ¹	Boral Australia	Boral North America	USG Boral (50% share)	Total
Gas	~2.6PJ	~2.9PJ	~3.6PJ	~9.0PJ
Electricity	~411m kW	~128m kW	~118m kW	~657m kW
Diesel ²	~86m L	~8m L	~6m L	~100m L
Coal	~225k t	~1.7k t	-	~227k t
Biofuels	~0.1PJ	~0.3PJ	-	~0.4PJ
Total usage	~12PJ	~4PJ	~4PJ	~20PJ
Total cost	~A\$197m	~US\$28m	~US\$47m	~A\$295m

- Gas usage ~9PJ¹ p.a.
 - Fixed term contracts: Australian east coast contracts renew January 2018, WA renews 2017
- Electricity usage ~657m kWh p.a. and total cost ~A\$110m (includes ~50% fixed network costs)
 - ~50% of variable exposure hedged + load management (off peak) strategies in place for large user sites
- Diesel usage ~100m L and cost ~A\$100m, includes ~50% fixed pump costs and taxes
- Gas and electricity costs in Australia expected to be ~\$15m – \$20m higher in FY2018

1. Includes 50% of energy usage and costs for USG Boral in FY2017 and Meridian Brick JV from 1 November 2016. Excludes Headwaters acquired business in FY2017
 2. Usage data excludes owner-drivers

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FY2017 segment revenue and EBIT



	External revenue, A\$m			EBIT ³ , A\$m		
	FY2017	FY2016	Var, %	FY2017	FY2016	Var, %
Boral Australia	3,296	3,279	1	349	314	11
USG Boral ¹	–	–		70	59	18
Boral North America	1,093	1,033	6	66	44	50
Unallocated	–	–		(30)	(31)	
Discontinued Operations ²	–	–		5	12	
TOTAL	4,388	4,311	2	460	398	16

1. USG Boral EBIT represents Boral's 50% post-tax equity accounted income from USG Boral
 2. Discontinued Operations includes the Boral CSR Bricks joint venture
 3. Excluding significant items

(Figures may not add due to rounding)

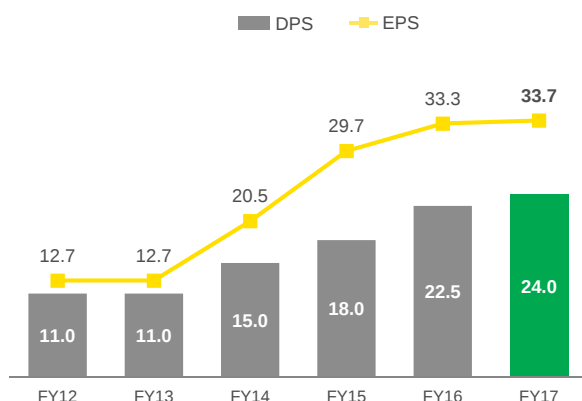
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Earnings and dividends per share



Earnings and dividends per share¹

A\$ cents



1. Earnings per share, excluding significant items
2. In accordance with AASB 133, historical EPS has been revised to reflect the bonus element in the equity raising completed Dec-2016

- **FY2017 EPS of 33.7 cents**, up 1%
 - Includes full impact of increased number of shares following Dec-2016 equity raising and only eight weeks of earnings from Headwaters
- Final dividend of 12.0 cents per share (50% franked)
- **Full year dividend of 24.0 cents per share**, up 7% on FY2016
- Dividend payout ratio of 82%
 - Exceeds Boral's Dividend Policy of between 50-70% of earnings before significant items, subject to the Company's financial position
 - In line with Company's commitment to maintain the level of dividends while Headwaters earnings are consolidated

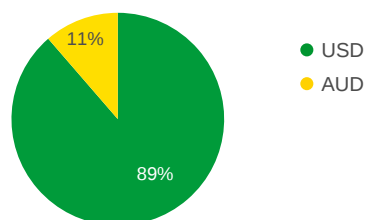
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Debt profile



Gross debt currency exposure, %

As at 30 June 2017



Total = A\$2,571m

Debt facilities (A\$m)	FY2017	FY2016
US Private Placement Notes	754	1,136
Swiss Franc notes ¹	203	205
Syndicated bank loan ²	362	-
Acquisition loan facility	1,237	-
Other	15	4
Gross debt	2,571	1,345
Net debt	2,333	893

1. Issued under EMTN program. Swapped to USD
2. AUD and USD drawn bank loans

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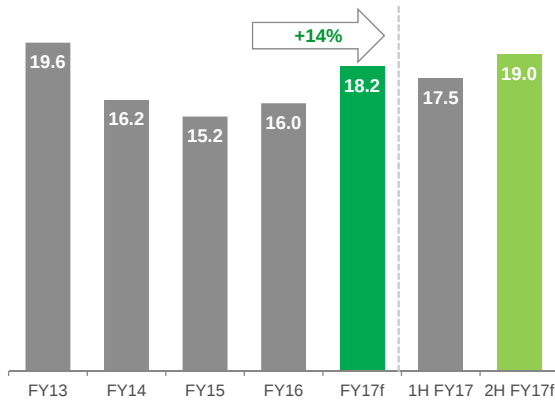
RHS&B activity is increasing

Strong growth in all regions except WA



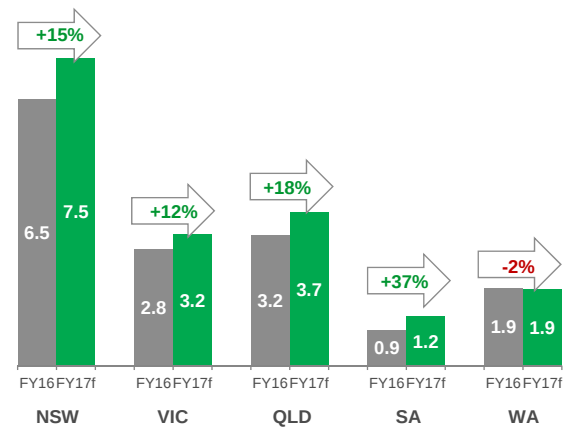
RHS&B¹ – Australia

(value of work done, \$b)



RHS&B¹ – by state

FY2017f v FY2016 (value of work done, \$b)



1. RHS&B refers to roads, highways, subdivisions and bridges. Original series data (constant 2014/15 prices) from ABS. FY2017f figures are an average of BIS Oxford Economics and Macromonitor forecast data. Six monthly data annualised for 1H FY17 and 2HFY17f

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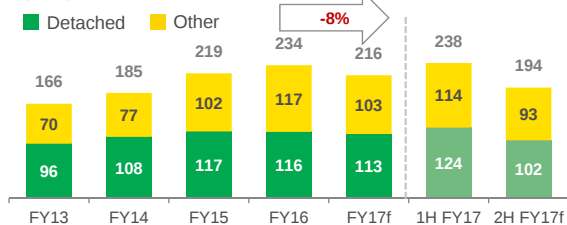
Australian residential activity remains strong

Housing starts remain at historically strong levels



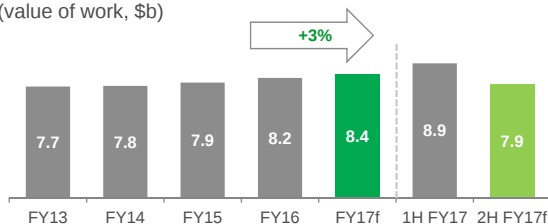
Total housing starts¹

('000)



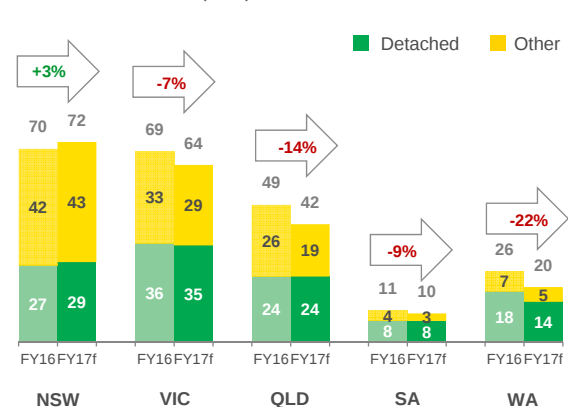
Alterations & additions (A&A)²

(value of work, \$b)



Housing starts – by state¹

FY2017f vs FY2016 ('000)



1. Original series housing starts from ABS to Mar-17 quarter, average of HIA, Macromonitor and BIS Oxford Economics forecasts for Jun-17 quarter. Six monthly data annualised for 1H FY17 and 2HFY17f

2. Original series (constant 2014/15 prices) from ABS. Average of BIS Shrapnel and Macromonitor forecast for Jun-17 quarter. Six monthly data annualised for 1H FY17 and 2HFY17f

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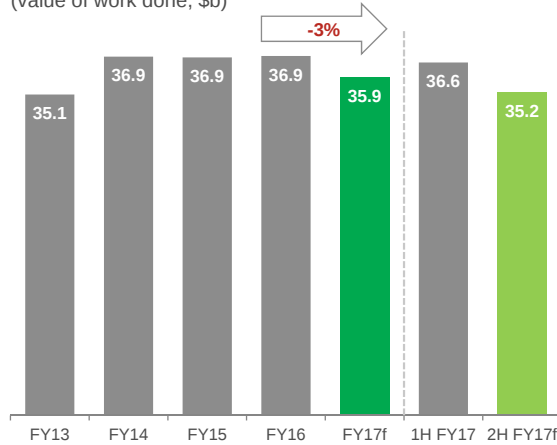
Australian non-residential activity moderated

Softer activity expected in all regions except VIC



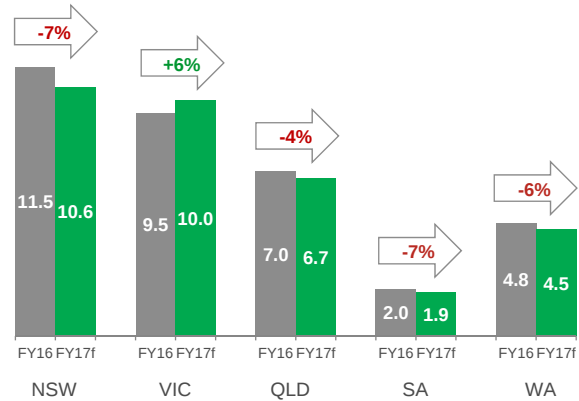
Non-residential¹

(value of work done, \$b)



Non-residential – by state¹

FY2017f v FY2016 (value of work done, \$b)



1. Original series (constant 2014/15 prices) from ABS. Average of BIS Oxford Economics and Macromonitor forecast for Jun-17 quarter. Six monthly data annualised for 1H FY17 and 2H FY17f

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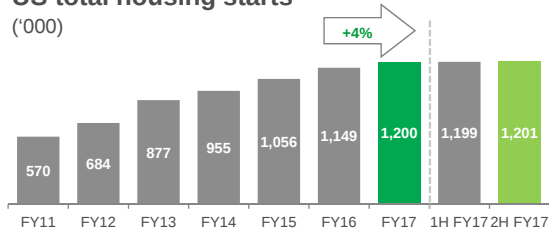
US housing activity continues to recover

Total starts remain below long-term average



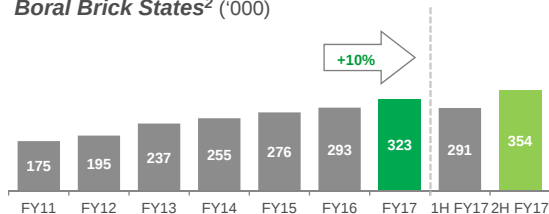
US total housing starts¹

('000)



US single-family housing starts

Boral Brick States² ('000)



- **Total US housing starts of 1.20m¹** in FY2017, up 4% on FY2016

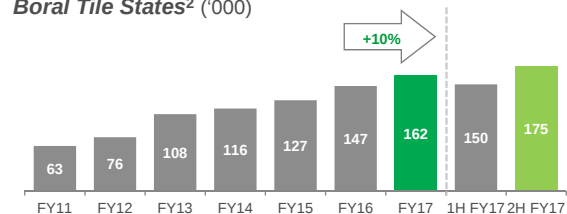
- Total housing starts ~20% below (pre GFC) long-term average of 1.5m starts

- **Single-family starts up 7%¹** on FY2016

- Single-family starts up 10% in Boral Tiles States² and up 10% in Boral Brick States²

US single-family housing starts,

Boral Tile States² ('000)



1. Seasonally adjusted annualised data from US Census. Six monthly data annualised

2. Data from McGraw Hill/ Dodge. 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

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Non IFRS information



Boral Limited's statutory results are reported under International Financial Reporting Standards. Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Significant items are detailed in Note 7 of the Preliminary 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 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	4,388.3	-	4,388.3	4,257.8	130.5	4,388.3
EBIT	459.9	(65.2)	394.7	351.7	43.0	394.7
Finance costs	(50.7)	-	(50.7)	(50.7)	-	(50.7)
Earnings before tax	409.2	(65.2)	344.0	301.0	43.0	344.0
Tax (expense) / benefit	(66.5)	19.4	(47.1)	(51.4)	4.3	(47.1)
Net profit after tax	342.7	(45.8)	296.9	249.6	47.3	296.9

The USG Boral division commentary also includes a non-IFRS measure of underlying results excluding significant items, representing the 12 months trading results to assist users to better understand the trading results of this division.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from Preliminary Financial Report for the year ended 30 June 2017. This Preliminary Financial Report for the year ended 30 June 2017 is prepared in accordance with the ASX listing rules and should be read in conjunction with any announcements to the market made by the Group during the year.

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Non IFRS information



A reconciliation of reported EBIT to EBITA and profit after tax and before amortisation is detailed below:

(A\$ millions)	FY2017	FY2016
EBIT ¹	459.9	397.9
Amortisation of acquired intangibles	11.7	1.7
Earnings before interest, tax and amortisation¹	471.6	399.6
Profit after tax ¹	342.7	268.0
Amortisation of acquired intangibles	11.7	1.7
Tax effect of amortisation of acquired intangibles	(4.4)	(0.6)
Profit after tax and before amortisation¹	350.0	269.1

1. Excluding significant items

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Disclaimer



The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 30 August 2017. 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.

