

Results Announcement for the half year ended 31 December 2014

11 February 2015

Media Release

Boral's reported profit result continues to improve

Boral Limited (ASX: BLD) today reported a **23% increase in profit after tax (before significant items¹) to \$112 million** for the six months ended 31 December 2014. **After significant items, Boral reported a net profit after tax of \$105 million.**

Sales revenue from continuing operations of \$2.21 billion was in line with the prior year. Boral's **reported sales revenue for the half year of \$2.28 billion was 21% below the prior year**, reflecting the impact of a full six months of equity accounting in the Gypsum division following the formation of the USG Boral joint venture in March 2014.

Earnings before interest and tax (**EBIT**) (before significant items¹) **was steady at \$167 million.**

Net debt of \$887 million at 31 December 2014 increased by \$169 million since 30 June 2014 largely due to the impact of foreign currency translation of US denominated debt; **gearing² of 20% remains low.**

A **fully franked interim dividend of 8.5 cents** per share, up 21% on last year, was announced and will be paid on 13 March 2015.

Boral's CEO & Managing Director, Mike Kane, said that efforts to realign Boral's portfolio, reduce costs and strengthen Boral's balance sheet were delivering significant benefits and positioning the Company well for future growth and further improvements.

"Over the past two years, we have significantly reduced the cost base of our businesses and we are **continuing to strengthen Boral's competitiveness and financial position through portfolio realignment and improvement initiatives**, including the announced sale of our Melbourne Western Landfill business to TPI and the formation of the CSR Boral east coast bricks joint venture, both of which we expect to complete later this financial year.

"The restructuring and streamlining of Boral's businesses that has been taking place is enabling them to be **more responsive to market changes**, with the half year result demonstrating an ability to leverage growth in housing markets as well as an ability to realign activities as market activity slowed in roads and infrastructure market segments.

"Boral's largest division – **Construction Materials & Cement** – **contributed a substantial \$150 million of EBIT** in the six months. This was marginally lower than last year but with a heavily rain-impacted start this year and with a slowdown in roads and infrastructure work, the business has done well to fill a large part of the EBIT gap with cost reduction and improvement initiatives. Increased housing activity, strength in the Sydney market and continuing major projects also underpinned the result.

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.

² Net debt / (net debt + equity)

