

Boral on plan and positioned well for market improvements

Boral Limited (ASX: BLD) today reported a full year profit after tax (before significant items¹) of \$104 million for the year ended 30 June 2013, which was 3% ahead of the prior year.

Boral's sales revenue of \$5.29 billion was 6% above the prior year and earnings before interest and tax (EBIT) (before significant items¹) increased by 14% to \$228 million.

Significant items totalling \$316 million after tax loss largely related to asset impairments as a result of capacity rationalisation and permanent structural industry changes in Australia, as well as organisational restructuring and redundancy costs. This resulted in a reported net loss after tax of \$212 million.

Boral's CEO & Managing Director, Mike Kane, said that while Boral continued to face significant market and economic challenges, benefits from

“In Boral’s USA business losses have continued to reduce. This is despite a slower than expected rate of recovery due to an adverse mix shift in the type of new housing construction and geographic sales mix. The business is expected to deliver significantly reduced losses in FY2014 and to start to turn a profit in the second half of the year.

“Results from Building Products in Australia were disappointing with reported losses at a cyclical low. Weak demand, increased competition, significant pricing pressure in key markets and the cost of production capacity reconfiguration impacted the result. Further improvement initiatives are underway to substantially reduce losses in the year ahead.

“While conditions remain challenging, the business is well-positioned to deliver improved earnings and benefit from the major restructuring we have undertaken including closures, asset sales, outsourcing and capacity rationalisations. Asset impairments have realigned the carrying values of Boral’s businesses in line with current and future expected performance,” said Mr Kane.

In relation to expectations for FY2014, Construction Materials & Cement performance will remain strong but FY2014 is not expected to exceed FY2013 results; losses from Building Products will significantly reduce; Boral USA is expected to break through to profitability in the second half of the year; and the Gypsum business should deliver improved returns with better volume and pricing outcomes.

A fully franked final dividend of 6.0 cents per share will be paid on 27 September 2013.

For more information:

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