

Boral Limited (ASX: BLD) today reported a half year profit after tax (before significant items<sup>1</sup>) of \$52 million for the six months ended 31 December 2012, in line with the guidance given on 23 January 2013.

After net significant items costing \$77 million, Boral reported a net after tax loss of \$25 million. Significant items included asset impairment charges relating to the suspension of clinker production at Waurn Ponds, Victoria, and first half restructuring and redundancy costs, which were partially offset by a gain on the divestment of the Asian Construction Materials businesses.

Boral's sales revenue of \$2.77 billion was 14% above the prior year, but excluding the impact of

As part of today's results announcement, Mike Kane also presented on the progress made on his immediate strategic priorities, providing his perspectives on the Company after his first 100 days as CEO.

"Boral is a great company with significant potential. We have an enviable integrated position in Construction Materials in Australia; arguably the best Gypsum position in the highest growth market in the world; and in the USA, we are coming through the worst downturn since the Great Depression with a leading position in the Cladding and Roof Tile markets in terms of cost, distribution and product offering.

"While the future for Boral is positive, we can't afford to just sit and wait for the markets to recover. We need to perform better through the cycle and be better prepared for future downturns, which will follow the inevitable recoveries. Therefore, we have been continuing to get our house in order – restructuring, maximising the potential of our businesses, divesting non-core assets, integrating acquisitions, and realigning capacities to mid-cycle levels – not peak-levels of demand, as we have typically done in the past.

"In October I set three immediate priorities to focus our improvement efforts – cost reductions, cash generation and pulling back on capital expenditure. I am pleased with the progress we have made in a few short months.

"Boral's overhead structure is well on the way to becoming much leaner and more efficient, with around one-quarter of functional and managerial positions coming out of the business in Australia. We have also continued with operational rationalisation activities. Combined, these cost reduction activities will deliver \$105 million of annualised savings from next year. Our cash generation from operating activities has also improved, increasing by \$96 million year-on-year, and we have identified around \$50 million of planned capital expenditure that can be deferred this year or avoided altogether. As a result, debt has reduced from \$1.52 billion to \$1.46 billion over six months.

"While the rates of market recoveries remain uncertain and adverse weather conditions can have a significant impact, the progress already made in realigning overhead costs, strengthening the portfolio, and improving the balance sheet, positions Boral very well, particularly on the back of ongoing resources work in Australia and the US market recovery. We expect a significant volume uplift in the USA in the final quarter of this financial year," concluded Mr Kane

A fully franked interim dividend of 5.0 cents per share will be paid on 25 March 2013.

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