

Build something great

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Financial Overview

Significant earnings growth and improvement initiatives

(A\$ millions)
Revenue
EBITDA ¹
EBIT¹
Net interest
Tax ¹
Non-controlling interest
PAT¹
Significant items (net)
NPAT
EPS (cents) ¹
Half year dividend (cents)

Boral's **sales revenue of \$2.87b** in 1H FY2014 was driven by increased volumes from major projects and favourable market conditions.

Boral's **earnings before interest** increased by 16% in 1H FY2014 due to a significant turnaround in Bui Xuan, improved volumes, particularly in the US, and cost improvements largely from

Depreciation and amortisation decreased by 10%.

Income tax¹ expense increased by 24% as the tax rate increased to 24% (compared to 19% in 1H FY2013) which are tax effected at a higher rate.

Profit after tax (PAT)¹ of \$90m was 16% higher than 1H FY2013.

Net significant items totalled a \$124m loss due to the reclassification of Boral Gypsum's revaluation loss based on an AUD recognition of deferred foreign currency.

Statutory profit after tax (NPAT) of \$102m was 16% higher than 1H FY2013.

EBITDA¹ of \$307m increased 16% to \$356m in 1H FY2014 due to increased volumes and income tax payments.

Capital expenditure was down 3% to \$124m as a strict capital allocation measure.

Net debt at 31 December 2013 of \$58m was a 3% adverse movement caused by

Gearing, net debt / (net debt + equity) was 39% as the 'gearing' covenant reduced to 39%.

Earnings per share¹ of 11.6 cent will be paid on 24 March 2014. This interim dividend, with the share price at the time of the interim dividend, the D

¹ Excluding significant items
² Commentary in this document

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Market ac steady ov

In 1H FY20
Australian
was offset

In **Asia**, mc
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Concrete, Q

Improvement in Property

(A\$ million)

Revenue

EBITDA

EBIT

External Factors

Concrete

Quarries

Asphalt

Cement

Concrete

Revenue – increased combined (partially off

Concrete, (significant i activity; imp market den most region

Underlying relatively st NSW metr weakness i Queenslan

EBIT – gre improve which offse Property ex

Overhead, reduction ir helped cou

Concrete : 10% and 6 in both qua delivered c Quarries, r underlying 1% and 2%

Concrete b Island LNG both wind c volumes in expected to

 **Boral Building Products**

Australian Bricks, Roofing and Timber

Achieved substantial turnaround

<i>(A\$ millions)</i>	1H FY2014	1H FY2013
Revenue	248	235
EBITDA	17	11
EBIT	5	(1)

External Revenue	1HH
Bricks & Roofing	198
Timber	47

Revenue – in Bricks & Roofing revenue improved in strong market conditions improved pricing and a \$13m reduction in Timber revenue from steady Building Products

Timber revenue declined due to a number of peripheral factors including a June 2013 including Woodhouse distribution in Queensland production at Murwillumbidgee reported a \$15m decline in revenue in comparable period.

EBIT – Building Products achieved a **turnaround to a moderate level** in Bricks & Roofing and Timber earnings. The result reflects

- a \$7m benefit from cost reductions
- a \$6m decline in costs from impairments made in 2013
- higher brick and roofing prices and improved pricing control

The non-recurrence of costs and one-off items in 2013 compared to 1H FY2013

Bricks – volumes increased and selling prices were up in 2014 period.

Strong volume growth in NSW improved volumes in NSW and weaker demand in Victoria

Volume growth in NSW due to availability following the completion of the optimisation project, all issues resolved.

¹ Remaining Masonry operations are incorporated into the Windows business was sold at the end of 2013 revenue of \$58m and an EBIT loss of \$1m in 2013

² Excludes exited operations

Boral Half Yea

Bora

Plasterboard



Bricks & Cultured Stone

Progressively reduc

(A\$ million)

Revenue
EBITDA
EBIT

(US\$ millio

Revenue
EBITDA
EBIT

Revenue
(US\$ millio
Cladding¹
Roofing
Constructic
Materials &

Revenue –
10% on 1H
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revenue inc

Underlying
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EBIT – **los**
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Cladding -
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Bricks rev
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¹ Includes Bric

Boral Half Year

Reducing
Boral generated
months of
1H FY2014
property base
expected to

Boral is also
1H FY2014
total capital
a result of the
reclassification
a result of the

EXEC

To deliver
Production

Safety per
of **1.5** in 1H
experience

Nevertheless
to be focus

TRANS

In addition
technology
innovation

Boral Half Yea

FY20

Results at a Glance

(A\$ million unless stated)	1H FY2014	1H FY2013	% Change
Revenue	2,874	2,774	4
EBITDA ¹	307	264	16
EBIT ¹	168	112	49
Net interest	(47)	(50)	
Profit before tax ¹	121	62	
Tax ¹	(30)	(8)	
Non-controlling interests	(1)	(2)	
Profit after tax ¹	90	52	73
Net significant items	(117)	(77)	
Net profit / (loss) after tax	(26)	(25)	
Cash flow from operating activities	231	107	
Gross assets	6,299	6,317	
Funds employed	4,792	4,857	
Liabilities	2,896	2,918	
Net debt	1,389	1,458	
Stay-in-business capital expenditure	76	61	
Growth capital expenditure	38	103	
Acquisition capital expenditure	-	-	
Depreciation and amortisation	139	151	

Employees

Revenue per employee, \$ million

Net tangible asset backing, \$ per share

EBITDA margin on revenue¹, %

EBIT margin on revenue¹, %

EBIT return on funds employed^{1,3}, %

EBIT return on average funds employed^{1,3}, %

Return on equity^{1,3}, %

Gearing

¹ Excludes significant items

² Includes employees and contractors combined

³ Calculated on a moving annual total basis

Non – IFRS Information

Boral Limited's statutory results are reported under International Financial Reporting Standards.

Earnings before significant items is a non statutory measure reported to provide a greater understanding of the underlying business performance of the Group.

Significant items are detailed in Note 6 of the half year 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 from underlying operations before significant items to reported statutory profit is detailed below:

<i>(A\$ millions)</i>	Earnings before significant items	Significant Items	Total	Continuing Operations	Discontinued Operations	Total
Sales revenue	2,874.3		2,874.3	2,279.3	595.0	2,874.3
EBIT	167.9	(119.1)	48.8	113.8	(65.0)	48.8
Finance costs	(46.6)		(46.6)	(44.6)	(2.0)	(46.6)
Earnings before tax	121.3	(119.1)	2.2	69.2	(67.0)	2.2
Tax (expense) benefit	(29.5)	2.4	(27.1)	(13.6)	(13.5)	(27.1)
Profit / (loss) after tax	91.8	(116.7)	(24.9)	55.6	(80.5)	(24.9)
Non-controlling interests	(1.4)		(1.4)	2.8	(4.2)	(1.4)
Net profit / (loss) after tax	90.4	(116.7)	(26.3)	58.4	(84.7)	(26.3)

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the half year financial report for the six months ended 31 December 2013.

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