KEY POINTS

- Full year revenue up by 6% to $5.01 billion, reflecting Boral's acquisition of Lafarge's 50% of LBGA
- Full year EBITDA[1] down 9% to $473 million
- Full year EBIT[1] down 28% to $200 million
- Group profit after tax[1] down 42% to $101 million
- Reported net profit after tax up 5% to $177 million
- Net debt $1.52 billion up from $505 million last year
- Full year dividend of 11.0 cents per share, fully franked
- External market factors in Australia, including a significant second half housing decline, weaker non-residential demand and wet weather had a major impact on earnings, offsetting price increases
- Boral has responded to the changed environment in Australia:
  - 37% reduction in installed brick capacity and 20% reduction in roof tile capacity
  - closure and subsequent divestment of the Galong Lime operations for $25 million
- EBIT contribution from Asian and US operations was in line with expectations
- Boral remains committed to its strategy announced in 2010, demonstrated by:
  - gaining management control of one of the world's leading plasterboard businesses, following acquisition of Lafarge's 50% interest in LBGA for $530 million[2]
  - acquisition of Wagners Concrete & Quarries and Sunshine Coast Quarries for $163 million[2] and $81.5 million[2] to strengthen Boral's leading southern Queensland materials position
  - divestment of the non-core Indonesian Construction Materials operations for an enterprise value of US$135 million[2] and the north Queensland and Colorado (USA) masonry assets
- Business improvement plans are focused on maximising cash flow and reducing costs including by leveraging Boral's LEAN strategy across all operations
- Improvement goals and reshaped portfolio position Boral well to profitably leverage recoveries in Australia and the US, while Boral's Asian plasterboard position provides an exciting growth platform.

	FY2012		FY2011
(A$ millions)	Group [3]	Discontinued Operations	
EBITDA[1]			

EXTERNAL IMPACTS A ND BORAL'S RESPONSE

External market conditions and economic factors in Australia impacted returns in FY2012

In the second half of FY2012, Boral's Australian operations were confronted by a combination of unexpectedly weak dwelling starts (which in the March 2012 quarter fell to an annualised 112,000 starts compared to 165,500 in FY2010 and 157,500 in FY2011), weaker non-residential activity (estimated to be down 8% year-on-year), and sustained rain in the eastern states.

This weaker construction activity, in combination with the delays and disruption caused by the wet weather, severely suppressed demand for building products and construction materials in Australia. The sustained wet weather in the second half also impacted operational efficiencies leading to higher costs in quarries, concrete, asphalt, cement, bricks and timber businesses.

Infrastructure work for roads, highways, subdivisions and bridges was up 7% year-on-year with volumes underpinned by additional resource sector and LNG projects demand, although rain impacted both the timing and cost of deliveries.

The permanent closure of BlueScope Steel's blast furnace at Port Kembla cut lime and limestone sales.

The stronger Australian dollar made imports more competitive suppressing pricing and reducing margins as a result of the inability to recover energy, fuel and labour inflationary costs in Cement and Softwood. Woodchip export volumes also reduced as a result of the high Australian dollar.

Boral has responded to the changed environment in Australia

Boral's challenge in FY2012 has been to deal with the "cycle low" sales volumes without compromising supply capabilities when demand returns to more normal levels.

Action has been taken in Building Products, with 230m standard brick equivalents (SBE) or 37% of Boral's national brick capacity taken out of service (with 60m SBE of capacity being permanently closed), closing Boral's roof tile manufacturing operation in Queensland, and streamlining overheads. Implemented progressively through the year, the benefits of these changes were not fully realised in FY2012 but associated costs were incurred during the year.

In Construction Materials, the impact of a cyclically low residential market, particularly in SEQ, was mitigated by increasing exposure to regional asphalt, concrete and aggregate markets and resource projects.

Following the loss of BlueScope Steel volumes, Boral closed and subsequently sold the lime plant at Galong in NSW, aligning the remaining Maldon lime plant capacity to future sales volumes.

Tight management of working capital and stay-in-business capital expenditure and proceeds from the sale of non-core businesses optimised cash flow from operations in the second half of the year, containing year-end net debt and gearing.

While an adverse sales mix diluted margins, planned price increases were generally secured in an environment of rising input costs.

The trading environment in Asian markets and the USA was generally stronger

Continued market growth was experienced in Indonesia, Malaysia and Thailand with Thailand benefiting from considerable post flood reconstruction. Conditions in South Korea remain positive with plasterboard continuing to penetrate the residential sector but planned price increases were constrained by highly competitive market conditions. In China, increased sales volumes from BGA's new plant in Shandong offset weaker than expected housing construction as a result of central government intervention.

In the United States, there are positive signs of increasing activity, with FY2012 housing starts 20% above the prior year. In Boral's US Brick states[1], housing starts were up 17% and in US Tile states[2] they were up 26% year-on-year. Housing activity however, remained at historically low levels at 685,000 starts in FY2012, well below the 50-year annual average of 1.5m starts and 1.55m starts in FY2007.

[1] Brick States include: Georgia, North Carolina, South Carolina, Alabama, Kentucky, Mississippi, Tennessee, Arkansas, Louisiana , Oklahoma, Texas

[2] Tile States include: California, Arizona, Nevada, Florida, Colorado, Kansas, Missouri, Washington, Oregon

SEGMENT RESULTS

Boral Construction Materials

fuel, and a shift to lower margin cement segments further impacted earnings. Other cost impacts were contained through improved operating effectiveness as well as from cost reduction projects.

The Cement division effectively leveraged LEAN principles to deliver kiln efficiency improvements during the year and is working to deliver further improvements in efficiency and safety outcomes. Lowering the cost of domestic supply to help offset the impact of constrained pricing due to the high Australian dollar and maximising the utilisation of fixed assets are strategic priorities for the Cement division.

Boral Building Products

Australia Plasterboard, Bricks, Roofing, Masonry (West), Timber and Windows

Building Products revenue of $1.01b was $185m or 15% below the prior year. The decline was primarily driven by the fall in Australian housing which began in FY2011 but fell rapidly again in the second half of the year, when wet weather also impacted. Price increases, which averaged around 2-3%, except for softwood and woodchips, were insufficient to offset the significant impact of lower volumes across all products.

Sales volumes declined year-on-year by 16% in Bricks, 14% in Roofing, 15% in Masonry and 14% in Plasterboard, with falls most pronounced in

Discontinuing Businesses

Asian Construction Materials, Masonry East Coast and Roofing Queensland

Discontinued Businesses reported $294m of revenue and a $1m EBIT loss in FY2012.

The divestment of the Asian Construction Materials businesses is part of Boral's strategic re-focus on its core product portfolio. As a result, an agreement to sell the Indonesian operations was announced in February 2012, and the intention to divest the Thailand Construction Materials business was announced.

The first stage of the Indonesian

concrete and clay roof tile business and the addition of Cultured Stone. Boral will see strong future earnings leverage from a lift in new house construction in the USA.

Boral's Building Products business in Australia delivered EBIT of $81m in FY2011 when housing were just above long term annual average levels of 150,000-155,000 starts. The modernisation of plasterboard plants, the closure of higher cost brick capacity, the exit from loss making Masonry and Queensland Roofing businesses and the associated reductions in overhead costs, together with the benefits of LEAN, will have a positive impact on future earnings. On balance, management believes that Boral is positioned to earn EBIT levels of at least that achieved in FY2011 as building activity returns to long term average mid-cycle levels.

Boral's Construction Materials business in Australia has leading, consented aggregate positions in metro markets and in high growth regional markets exposed to the resource sector, now strengthened in SEQ post acquisitions and in NSW through the Sydney aggregates project near Marulan. These positions are well integrated with extensive concrete batching and delivery networks and asphalt operations. Management believes that the return to long term average mid-cycle building and infrastructure activity should result in the business earning the EBIT levels achieved in FY2011, before taking into account the impact of recent acquisitions and benefits from improvement plans, including from LEAN.

Boral's Cement business in Australia faces continued EBIT pressure from flat prices due to the strong Australian dollar and imports while manufacturing costs in Australia rise, including from the impact of the price on carbon. The return to long term building activity levels combined with stronger infrastructure activity alone will likely not see earnings return to historical levels, without a significant reduction in costs

RESULTS AT A GLANCE

(A$ million unless stated)

Year ended 30 June	FY2012	FY2011	% Change
Revenue	5,010	4,711	6
EBITDA[1]	473	522	(9)
EBIT[1]	200	277	(28)
Net interest[1]	(88)	(64)	(39)
Profit before tax[1]	111	213	(48)
Tax[1]	(9)	(40)	
Non-controlling interests	(1)	2	
Profit after tax [1]	101	175	(42)
Net significant items	75	(8)	
Net profit after tax	177	168	5
Cash flow from operating activities	133	351	
Gross assets	6,500	5,668	
Funds employed	4,921	3,662	
Liabilities	3,096	2,512	
Net debt	1,518	505	
Stay-in-business capital expenditure	192	235	
Growth capital expenditure	222	111	
Acquisition capital expenditure[2]	701	146	
Depreciation and amortisation	273	245	
Employees[3]			
Revenue per employee, $ million			
Net tangible asset backing, $ per share			
EBITDA margin on revenue[1], %			
EBIT margin on revenue[1], %			
EBIT return o 11			

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 the Note 7 of the financial report and relate to amounts of income and expense that are associated with significant business restructuring, impairment or individual transactions.

A reconciliation of earnings from continuing operations before significant items to reported profit is detailed below:

Year Ended 30 June 2012

	Continuing Operations	Significant Items	Total
	$m	$m	$m
EBIT	200.9	65.3	266.2
Net financing costs	(84.9)		(84.9)
Income tax (expense) / benefit	(9.6)	38.8	29.2
	106.4	104.1	210.5
Non-controlling interests	(0.8)		(0.8)
NPAT from continuing operations attributable to members of the Boral Group	105.6	104.1	209.7
NPAT from discontinued operations attributable to members of the Boral Group	(4.4)	(28.7)	(33.1)
NPAT attributable to members of the Boral Group	101.2	75.4	176.6

The results announcement has not been subject to review or audit.

For more information:

Ross Batstone
Chief Executive Officer
Tel: 02 9220 6490

Kylie FitzGerald
Investor Enquiries
Tel: 02 9220 6591 or 0401 895 894

Mark Gell
Media Enquiries
Tel: 0419 440 533

Boral Limited ABN 13 008 421 761 - GPO Box 910 Sydney NSW 2001 - www.boral.com.au