Name of Entity: Boral Limited

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

As at 30 June	Note	2017 $m	2016 $m
CURRENT ASSETS			

Statement of Cash Flows

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	Note	2017 $m	2016 $m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,583.3	4,635.7
Payments to suppliers and employees		(4,049.2)	(4,069.5)
		534.1	566.2
Dividends received		87.9	75.9
Interest received		24.4	8.5
Borrowing costs paid		(74.4)	(69.2)
Income taxes paid		(41.8)	(69.4)
Restructure, acquisition and integration costs paid	19	(116.9)	(34.5)
Net Cash Provided by Operating Activities		413.3	477.5
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(336.4)	(320.3)
Purchase of intangibles		(3.7)	(3.5)
Purchase of controlled entities and businesses		(3,636.5)	-
Cash acquired relating to acquisition of controlled entities		74.8	-
Repayment of loans by associates		8.8	8.8
Proceeds on disposal of non-current assets		39.2	55.5
Proceeds on disposal of controlled entities and associates (net of transaction costs)		122.5	-
Net Cash Used in Investing Activities		(3,731.3)	(259.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital raising net of transaction costs		2,018.9	-
On-market share buy-back		-	(115.4)
Dividends paid		(226.2)	(154.2)
Proceeds from borrowings		1,803.6	2.2
Repayment of borrowings		(489.3)	(6.0)
Net Cash Provided by/(Used in) Financing Activities		3,107.0	(273.4)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(211.0)	(55.4)
Cash and cash equivalents at beginning of the year		452.1	505.8
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(3.3)	1.7
Cash and cash equivalents at the end of the year	19	237.8	452.1

The Statement of Cash Flows should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ABOUT THIS REPORT

Statement of compliance

This financial report represents the consolidated results of

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

The following summary describes the operations of the Group's reportable segments:

Boral Australia -

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

Geographic location

In presenting information on a geographical basis, assets are based on the geographical location of the assets.

	NON-CURRENT ASSETS	
	2017	2016
	$M	$M
Australia	2,449.7	2,473.8
Asia	625.0	642.0
North America	4,315.0	740.0
	7,389.7	3,855.8
Tax assets	128.4	237.4
Financial assets	31.8	23.1
	7,549.9	4,116.3

Product

	EXTERNAL REVENUE BY PRODUCT	
	2017	2016
	$M	$M
Concrete	1,494.9	1,454.3
Asphalt	691.2	648.5
Quarry products	433.6	404.9
Roofing	363.2	333.5
Cement	302.5	302.6
Cladding	242.3	191.7
Bricks	212.7	477.2
Fly ash	209.4	120.8
Other	438.5	377.7
	4,388.3	4,311.2

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	2017 $m	2016 $m
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		4,173.0	3,880.2
Rendering of services		84.8	65.0
Revenue from continuing operations		4,257.8	3,945.2
4. OTHER INCOME FROM CONTINUING OPERATIONS			
Net profit on sale of assets		13.7	27.0
Net foreign exchange gain		1.3	-
Other income		10.8	17.9
Other income from continuing operations		25.8	44.9
5. OTHER EXPENSES FROM CONTINUING OPERATIONS			
Significant items	7	(95.3)	(50.5)
Net foreign exchange loss		-	(0.1)
Other expenses from continuing operations		(95.3)	(50.6)
6. NET FINANCING COSTS FROM CONTINUING OPERATIONS			
Interest income received or receivable from:			
Associated entities		0.1	0.6
Other parties (cash at bank and bank short-term deposits)		24.3	7.0
		24.4	7.6
Interest expense paid or payable to:			
Other parties (bank overdrafts, bank loans and other loans)*		(72.4)	(67.6)
Finance charges on capitalised leases		(0.2)	(0.5)
Unwinding of discount		(2.5)	(2.7)
		(75.1)	(70.8)
Net financing costs from continuing operations		(50.7)	(63.2)

* In 2017, interest of $4.4 million (2016: $1.0 million) was paid to other parties and capitalised in respect of qualifying assets. The capitalisation rate used was 5.4% (2016: 5.4%).

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

(i)

(ii)

(iii)

(iv) ***Headwaters acquisition and integration costs***

Costs of $63.2 million were incurred in relation to the acquisition of Headwaters Incorporated, related to various due diligence costs, success fees paid to advisers, and certain change in control payments to Headwaters executives.

(v) ***Impairment of West Coast bricks***

Deteriorating market conditions in Western Australia and our ongoing review of the West Coast bricks business has resulted in an impairment of assets during the period. A fair enair

(vi) ***Adjustment to disposal of Thailand Construction Materials***

This relates to additional costs attributable to the finalisation of working capital adjustments from the sale of the Thailand Construction Materials' business in December 2012.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. SIGNIFICANT ITEMS (continued)

Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the Group:

2016 Significant items

	Non-current receivable impairment (i) $m	Finalisation of tax matters (ii) $m	Other (iii) $m	Total $m
Summary of significant items from continuing operations				
Loss before interest and tax	(50.5)	-	-	(50.5)
Income tax benefit	5.6	28.9	-	34.5
Net significant items from continuing operations	(44.9)	28.9	-	(16.0)
Summary of significant items from discontinued operations				
Profit before interest and tax	-	-	4.0	4.0
Income tax benefit	-	-	-	-
Net significant items from discontinued operations	-	-	4.0	4.0
Summary of significant items				
Profit/(loss) before interest and tax	(50.5)	-	4.0	(46.5)
Income tax benefit	5.6	28.9	-	34.5
Net significant items	(44.9)	28.9	4.0	(12.0)

(i) ***Non-current receivable impairment***
A carrying value assessment of the USG Boral earnout receivable recorded on commencement of the Gypsum Joint Venture concluded that, due primarily to the deterioration of Australian and Asian currencies against the US Dollar, the recoverability of the earnout was no longer probable. An impairment of A$50.5 million was recorded to fully impair the receivable at 30 June 2016.

(ii) ***Finalisation of tax matters***
The Group finalised a number of outstanding tax matters during the year. This led to a tax benefit of A$28.9 million being recorded.

(iii) ***Other***
Relates to additional proceeds attributable to final working capital adjustments from the sale of the Indonesia Construction Materials' business in 2012.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

12. DIVIDENDS

(1) Declared, paid and fully franked.
(2) Estimated final dividend payable, 50% franked, subject to variations in number of share-3(n)-3(s)64E 49.56 2MI f* m2au

Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan, which was suspended following the interim dividend paid on 24 March 2014, will remain suspended until further notice.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	2017 $m	2016 $m
15. LOANS AND BORROWINGS		
Current		
Other loans - unsecured	398.3	351.1
Finance lease liabilities	9.1	1.3
	407.4	352.4
Non-current		
Other loans - unsecured	2,157.2	990.0
Finance lease liabilities	6.5	2.8
	2,163.7	992.8
Total	2,571.1	1,345.2

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 2017	Calendar year of maturity	2017 Carrying amount $m	2016 Carrying amount $m
Current					
US senior notes - unsecured	USD	7.12%	2018	398.3	351.0
Other loans - unsecured	USD	-	-	-	0.1
Finance lease liabilities	AUD	5.90%	2017 - 2018	9.1	1.3
				407.4	352.4
Non-current					
US senior notes - unsecured	USD	4.95%	2018 - 2030	355.4	784.6
CHF notes - unsecured	CHF	2.25%	2020	203.2	205.4
Acquisition loan facility - unsecured	USD	2.07%	2018	1,237.0	-
Term credit facility - unsecured	Multi	2.90%	2021	361.6	-
Finance lease liabilities	AUD	5.91%	2018 - 2022	6.5	2.8
				2,163.7	992.8
Total				2,571.1	1,345.2

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES