

Results Announcement for the year ended 30 June 2017

30 August 2017

Media Release

Boral delivers on transformation strategy and reports strong earnings growth with underlying profit after tax¹ up 28% to \$343 million

Boral Limited (ASX: BLD) today reported a 28% increase in underlying **profit after tax before significant items¹ to \$343 million** for the year ended 30 June 2017. The result reflects a strong performance, with all three divisions contributing to the improvement.

After significant items, Boral reported a net profit after tax of \$297 million, 16% ahead of the prior year.

Sales revenue of \$4.4 billion was up 2% on the prior year, including eight weeks of revenue from the Headwaters acquisition as well as underlying business growth. Excluding the impact of lower reported revenues from US Bricks following the formation of the Meridian Brick JV in the USA, revenue increased by 8%.

Earnings before interest and tax (**EBIT**) before significant items **increased 16% to \$460 million**, underpinned by growth in all three divisions – Boral Australia, USG Boral and Boral North America. Volume and price growth in most businesses, coupled with business improvement initiatives, were features of the result, along with eight weeks of Headwaters earnings.

The reported profit result benefited from a **lower net interest expense** year-on-year due to the positive cash balance for part of the year following the equity raise, and a **steady income tax expense** as a result of the recognition of previously unrecognised tax losses in Australia and the US, and a benefit arising from the vesting of long term incentive payments.

A **net loss of \$46 million for significant items** largely reflects transaction costs in relation to the Headwaters acquisition and an asset impairment for the Bricks business in Western Australia, partially offset by a net gain from divestments in the first half, including the sale of our 40% share in Boral CSR Bricks and the formation of the Meridian Brick JV in the USA.

A **final dividend of 12.0 cents per share** was announced and will be paid on 3 October 2017, bringing the full year dividend to 24.0 cents, up 7% on last year.

Boral's CEO & Managing Director, Mike Kane, said that Boral has continued to deliver strong earnings growth during the financial year while at the same time, undergoing a major strategic transformation of the business, following the acquisition of Headwaters Inc. in the USA.

“Starting with Boral’s safety performance for the year, it remains strong relative to industry peers, with a further 8% improvement in our recordable injury frequency rate to 8.1 delivered in FY2017.”

“The increase in EBIT reflects Boral’s high-performing business in Australia, supplying continued strong east coast residential markets as well as growing infrastructure volumes linked to major public sector spending, especially in NSW, where we have a strong market position.

“There has also been strong performance from our growing USG Boral joint venture, with Australian and Korean businesses doing particularly well.

1 Profit before significant items is a non-IFRS measure reported to provide greater understanding of the Group’s underlying business performance. Full details of significant items are contained in Note 7 of the Preliminary Financial Report. Non-IFRS information has not been subject to audit or review.

“And in North America, the US\$2.6 billion acquisition of Headwaters has transformed Boral into a more global and more resilient building products and construction materials group.

“We have delivered a substantial increase in EBIT