Boral Limited

ABN 13 008 421 761

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Name of Entity: **Boral Limited**

ABN: **13 008 421 761**

Financial Year ended: **30 June 2019**

Results for announcement to the market

				2019 $m	2018 $m
	up	4.0%	to	**5,800.6**	
				-	24.9
	down	(4.2%)	to	**659.6**	688.4
				(103.1)	(103.8)
	down	(4.8%)	to	**556.5**	584.6
				(116.4)	(103.4)
				-	(8.0)
	down	(7.0%)	to	**440.1**	473.2
				(24.7)	(27.6)
				57.8	-
				(200.8)	(4.6)
	down	**(38.2%)**	**to**	**272.4**	441.0

Dividends		
Current period Final - ordinary	13.5 cents	

Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	**2019**	2018
	$m	$m

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

As at 30 June	Note	**2019 $m**	2018 $m
CURRENT ASSETS			
Cash and cash equivalents	18	**207.2**	74.3
Receivables		**877.4**	879.7
Inventories		**683.8**	613.8
Financial assets		**3.8**	11.2
Other assets		**39.6**	38.1
Assets classified as held for sale		**-**	121.2
TOTAL CURRENT ASSETS		**1,811.8**	1,738.3

Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED EN995 (LI)-62ity

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 Boral Limited (ABN 13 008 421 761), a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report comprises Boral Limited and its controlled entities (the "Group"). The financial report has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for the purposes of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules.

(a) Basis of preparation

The financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

A full description of the accounting policies adopted by the Group may be found in the Group's full financial statements.

(b) Accounting estimates and judgements

Preparation of the financial report requires management to make judgements, estimates and assumptions about future events. Information on material estimates and judgements considered when applying the accounting policies can be found in the Group's full financial statements.

(c) Changes in accounting policies

Adoption of new and revised accounting standards

The Group has adopted all new and amended Australian Accounting Standards and Australian Accounting Standards Board (AASB) interpretations that are mandatory for the current reporting period and relevant to the Group. Adoption of these standards and interpretations has not resulted in any material changes to the Group's full year financial report.

Effective 1 July 2018, the Group adopted AASB 15 *Revenue from Contracts with Customers* . The Group elected to use the cumulative effect method on the initial application of the standard, and therefore has not applied the requirements of AASB 15 to the comparative period presented in this

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ABOUT THIS REPORT (continued)

(f) Accounting policies applied from 1 July 2018

Revenue recognition

Revenue from sale of goods
Revenue from the sale of goods, such as quarry product, concrete, cement, flyash, roofing and building products, is recognised at the point in time the customer obtains control of the goods. This is typically at the time of delivery to the customer.

Revenue from contracting businesses
Revenue from contracting businesses, such as asphalt and concrete placing, is included in sale of goods and is recognised progressively over the period of time the performance obligation is fulfilled and the customer obtains control of the goods being provided in the contract, with the Group having a right to payment for performance to date. The Group predominantly uses the output method based on volumes delivered to determine the amount of revenue to recognise in a given period.

When estimating the transaction price, variable consideration is considered, which typically relates to claims or variations submitted in connection with the performance of a contract. Assumptions are made in order to determine

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	-	Construction Materials & Cement (comprising quarries, concrete, asphalt, products).
USG Boral	-	
Boral North America	-	
Discontinued Operations	-	
Unallocated	-	

Inter-segment pricing is determined on an arm's-length basis.

Reconciliations of reportable segment revenues and profits	Note	**2019 $m**	Restated[1] 2018 $m
External revenue		**5,862.7**	5,869.0
Less: revenue from discontinued operations	9		

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

						Restated[1]		Restated[1]				
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m
External revenue by product												
Concrete	**1,441.7**	1,506.4	**-**	-	**-**	-	**-**	89.6	**-**	-	**1,441.7**	1,596.0

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Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	**2019 $m**	Restated[1] 2018 $m
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		**5,559.8**	5,312.5
Rendering of services		**240.8**	266.8
Revenue from continuing operations		**5,800.6**	5,579.3
4. OTHER INCOME FROM CONTINUING OPERATIONS			
Net profit on sale of assets		**21.6**	58.1
Net foreign exchange gain		**7.2**	-
Other income		**7.7**	7.4
Other income from continuing operations		**36.5**	65.5
5. OTHER EXPENSES FROM CONTINUING OPERATIONS			
Significant items	7	**(61.5)**	(97.0)
Net foreign exchange loss		**-**	(0.7)
Other expenses from continuing operations		**(61.5)**	(97.7)
6. NET INTEREST EXPENSE FROM CONTINUING OPERATIONS			
Interest income received or receivable from:			
Other parties (cash at bank and bank short-term deposits)		**1.9**	1.5
Unwinding of discount		**0.4**	

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. SIGNIFICANT ITEMS

	Sale of business (i)	Restructure costs (ii)	Integration costs (iii)

Notes to the Financial Report

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. SIGNIFICANT ITEMS (continued)

	2019 $m	2018 $m
Asset Impairment		
Property, plant and equipment	**(3.1)**	(4.8)
Investments accounted for using the equity method	**(195.6)**	-
	(198.7)	(4.8)

8. INCOME TAX EXPENSE

	Note	**2019 $m**	Restated[1] 2018 $m
Reconciliation of income tax expense to prima facie tax			
Income tax expense on profit at Australian tax rates 30% (2018: 30%)		**109.1**	144.9
Variation between Australian and overseas tax rates		**(1.6)**	2.1
Share of associates' net income (excluding significant items)		**(22.3)**	(25.6)
Capital and income tax losses realised		**(30.3)**	(27.6)
Non-deductible significant items		**38.5**	-
Tax benefit arising from share acquisition rights vested		**(2.3)**	(6.3)
Change in US federal tax rate	7	**-**	(33.7)

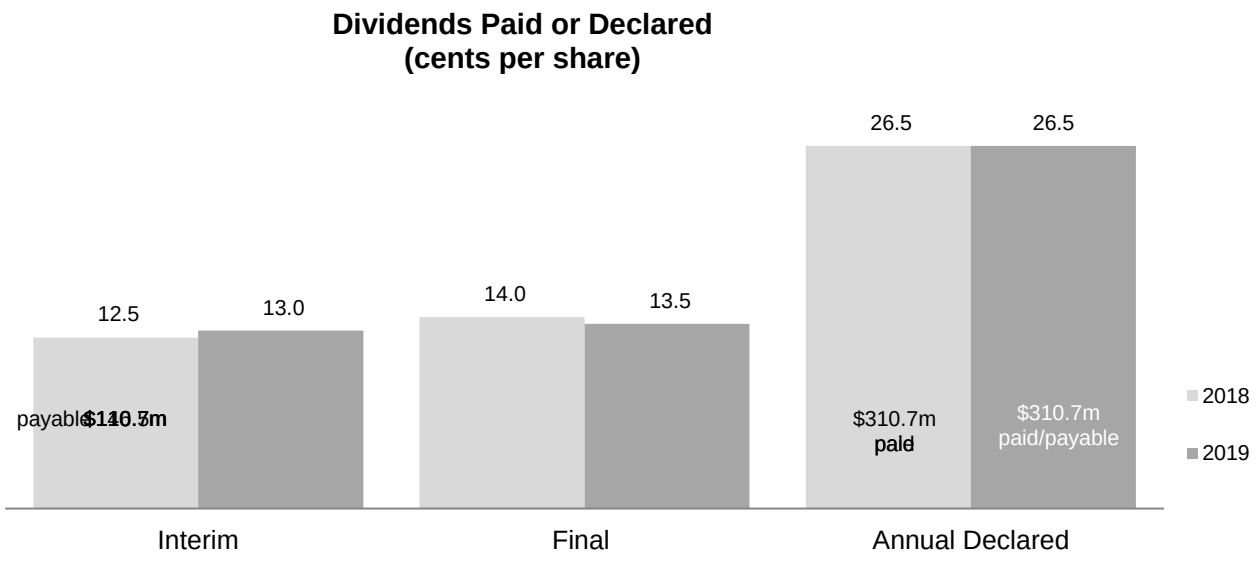
Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

11. DIVIDENDS



1. Declared, paid and 50% franked.
2. Estimated final dividend payable, 50% franked, subject to variations in number of shares up to record date. The financial effect of the final dividend for the year ended 30 June 2019 has not been brought to account in the financial statements for the year, but will be recognised in subsequent financial reports.

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

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Country of incorporation	Balance date	**2019 %**	2018 %
Details of equity accounted investments					
Bitumen Importers Australia Pty Ltd	Bitumen importer	Australia	30-Jun	**50**	50
Caribbean Roof Tile Company Limited*	Roof tiles	Trinidad	31-Dec	**-**	50
Flyash Australia Pty Ltd	Fly ash collection	Australia	31-Dec	**50**	50
Highland Pine Products Pty Ltd	Timber	Australia	30-Jun	**50**	50
Meridian Brick**	Bricks	USA/ Canada	30-Jun	**50**	50
Penrith Lakes Development Corporation Ltd	Property development	Australia	30-Jun	**40**	40
South East Asphalt Pty Ltd	Asphalt	Australia	30-Jun	**50**	50
Sunstate Cement Ltd	Cement manufacturer	Australia	30-Jun	**50**	50
USG Boral Building Products***	Plasterboard	Australia/ Singapore	30-Jun	**50**	50
US Tile LLC	Roof tiles	USA	31-Dec	**50**	50

RESULTS OF EQUITY ACCOUNTED INVESTMENTS	Note	**2019 $m**	2018 $m	**2019 $m**	2018 $m	**2019 $m**	2018 $m
Summarised Income Statement at 100%							
Profit/(loss) before income tax		**167.8**	193.1	**(24.7)**	(0.6)	**216.7**	274.4
Income tax (expense)/benefit		**(50.6)**	(61.2)	**5.9**	(2.6)	**(65.5)**	(86.4)
Non-controlling interest		**(3.8)**	(5.7)	**-**	-	**(3.8)**	(5.7)
Net profit/(loss) before significant items		**113.4**	126.2	**(18.8)**	(3.2)	**147.4**	182.3
Significant items net of tax[1]		**(10.4)**	(2.0)	**(391.2)**	(7.2)	**(401.6)**	(9.2)
Net profit/(loss)		**103.0**	124.2	**(410.0)**			

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

14. LOANS AND BORROWINGS

	2019 $m	2018 $m
Current		
Other loans - unsecured	**336.6**	13.0
Finance lease liabilities	**3.1**	6.2
	339.7	19.2
Non-current		
Other loans - unsecured	**2,057.8**	2,497.0
Finance lease liabilities	**3.0**	10.6
	2,060.8	2,507.6
Total	**2,400.5**	2,526.8

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 2019	Calendar year of maturity	**2019 Carrying amount $m**	2018 Carrying amount $m
Current					
US senior notes - private placement - unsecured	USD	7.22%	2020	**108.6**	-
CHF notes - unsecured	CHF	2.25%	2020	**219.0**	-
Other loans - unsecured	GBP	1.87%	2019 - 2020	**9.0**	13.0
Finance lease liabilities	AUD/USD	4.60%	2019 - 2020	**3.1**	6.2
				339.7	19.2
Non-current					
US senior notes - private placement - unsecured	USD	4.04%	2025 - 2030	**708.1**	771.5
CHF notes - unsecured	CHF			**-**	204.3
US senior notes - 144A/Reg S - unsecured	USD	3.39%	2022 - 2028	**1,349.7**	1,261.2
Term credit facility - unsecured	Multi		2021	**-**	260.0
Finance lease liabilities	AUD/USD	3.28%	2020 - 2024	**3.0**	10.6
				2,060.8	2,507.6
Total				**2,400.5**	2,526.8