

Results

For the half year ended 31 December 2012

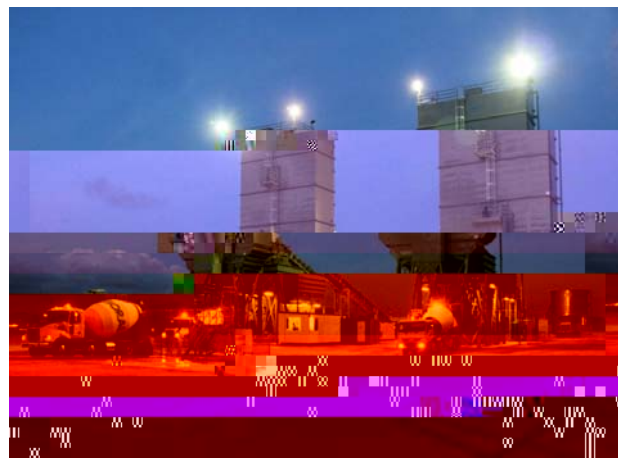
13 February 2013

BORA

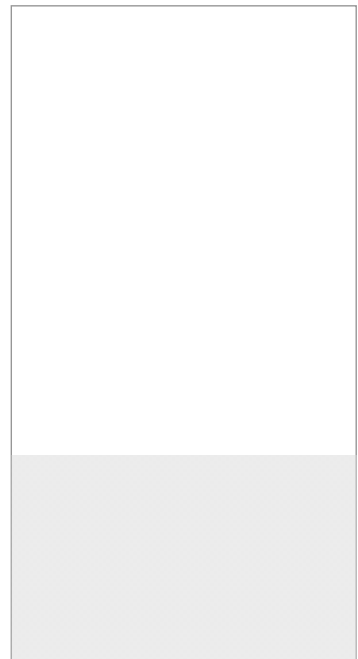
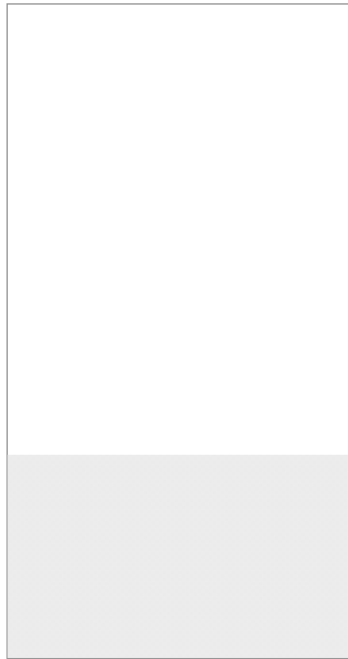
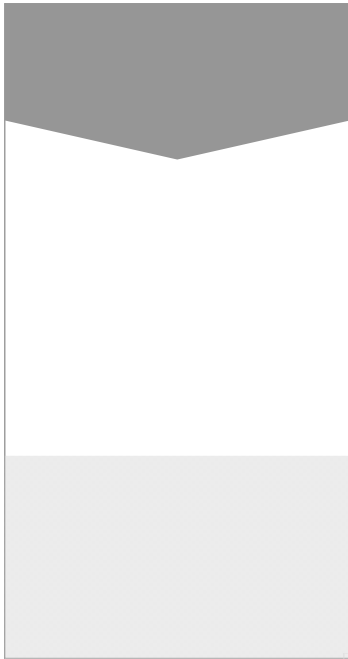
2013 Half Year Results

PRESENTATION OUTLINE

- f* Overview – *Mike Kane*
- f* Financial Results and Operational Performance – *Andrew Poulter*
- f* Strategy Update – *Mike Kane*
- f* Outlook – *Mike Kane*

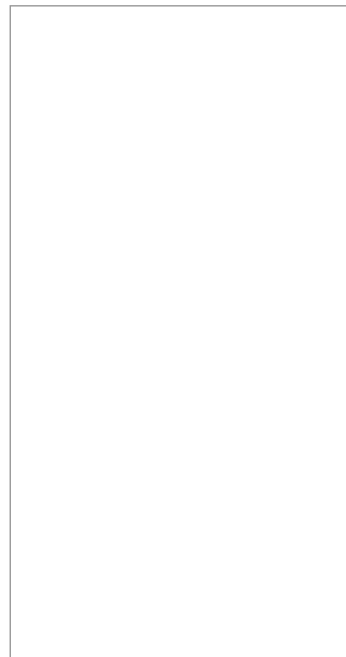
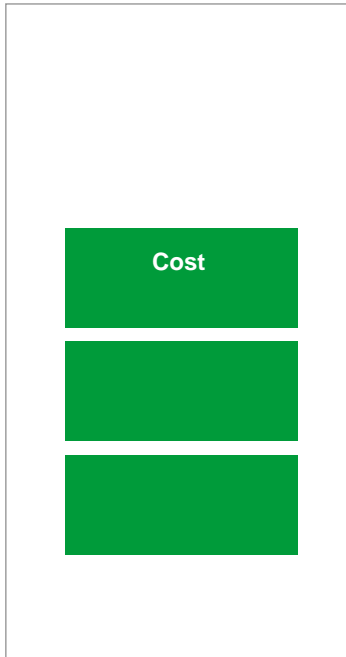


Curtis Island LNG project



STRATEGIC PRIORITIES

Deliver on immediate priorities outlined in late 2012 and continue to use the key levers of change



REPORTING DIVISIONS

Non IFRS Information – Earnings before significant items and earnin

CASH FLOW

Cashflow, A\$m	1HFY13	1HFY12
EBITDA¹	256	237
Change in working capital	(61)	(114)
Interest & tax	(77)	(73)
Equity earnings less dividends	(1)	(10)
Non cash items	(1)	4
Acquisition & restructuring costs paid	(18)	(42)
Operating cash flow	98	2
Capital expenditure		

f Operating cash flow of \$98m up \$96m

- improved working capital management
- lower acquisition & restructuring costs paid

f SIB capex of \$52m down from \$81m in 1H FY2012 and represents 36% of depreciation

f Growth capex of \$103m includes:

- í \$36m in Peppertree quarry
- í \$11m in BGA plant capacity expansions

f Proceeds on disposal of assets include proceeds relating to:

- í sale of Indonesian Construction Materials in 2H FY2012
- í sale of Thailand Construction Materials in 1H FY2013
- í Property sales

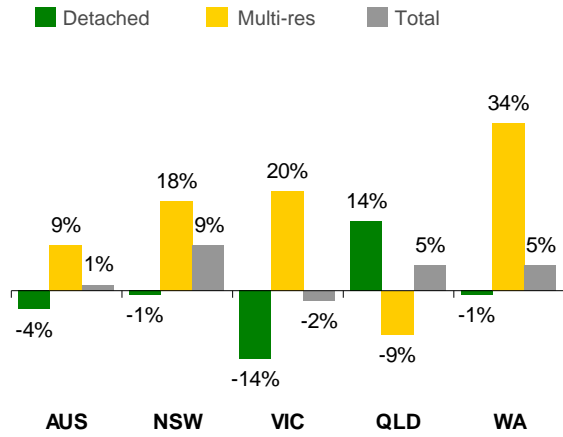
1. Excluding significant items

2. DRP underwritten in respect of dividends paid

AUSTRALIAN MARKET ACTIVITY

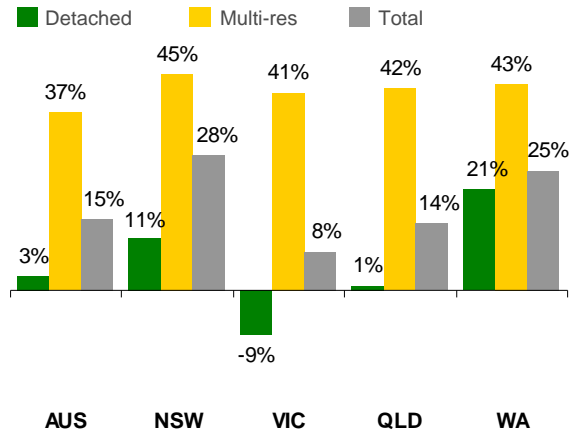
Australian housing approvals¹

MAT² Dec-12 vs MAT Dec-11



Australian housing approvals¹

Dec-12 quarter versus Dec-11 quarter



1. Original series housing approvals from ABS
 2. Moving annual total

WEATHER IMPACTS IN EASTERN AUSTRALIA

Significantly lower rainfall in 1H FY2013

Rainfall in Eastern Australia

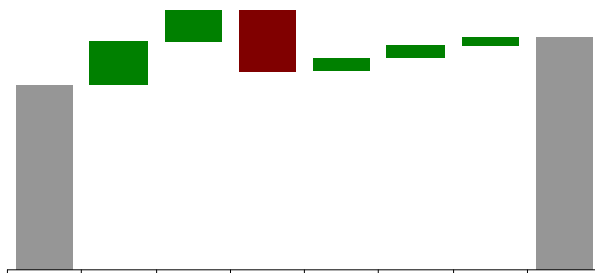
1H FY2012

2H FY2012

1H FY2013

BORAL CONSTRUCTION MATERIALS

- Concrete, Quarries, Asphalt, Transport and Property



f Revenue up 19% due to:

- í full period contribution from acquisitions
- í increased resources & major project work
- í strong NSW metro and Qld country activity
- í favourable weather conditions

f Excluding Property, EBIT up 20% to \$110m

f Excluding acquisitions, concrete volumes up 4% and quarry volumes down 4%

f Concrete prices up 7%; quarry prices up 12%

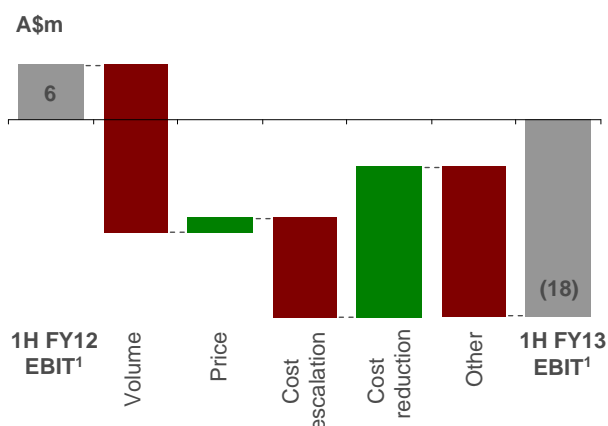
f Property EBIT up \$4m to \$1.5m

f Asphalt benefited from

BORAL BUILDING PRODUCTS

- Australian Bricks, Roofing, Masonry (WA & SA), Timber and Windows

A\$m	1HFY13	1HFY12	Var, %
Revenue	315	362	(13)
EBITDA ¹	1	26	-
EBIT ¹	(18)	6	-
EBIT ROS, %	(5.6%)	1.7%	-



1. Excluding significant items

- f Revenue down 13% driven by lower sales volumes across most products
 - i low 2H FY2012 starts still flowing through
 - i lower activity in premium A&A market
 - i brick availability issues from plant re-configuration
 - i increased competition in Timber
- f EBIT loss of \$18m, down \$24m on pcp
 - i Timber EBIT down \$9m
 - i WA bricks & masonry EBIT down \$8m
 - i Adverse impact from inventory reductions of \$5m and from production re-configuration at Bringelly & Darra of \$3m
 - i one-off costs from insurance claims and inventory revaluations of \$5m
 - i overhead cost reductions of \$10m
- f Building Products under close review to improve returns

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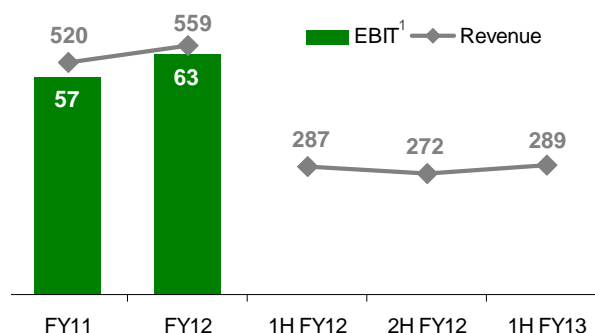
BORAL GYPSUM

- Australia, Korea, Thailand, Indonesia, China, Vietnam, Malaysia/Singapore, India

A\$m	1HFY13	1HFY12	Var, %
Revenue	462	224	na
EBITDA ¹	62	38	na
EBIT ¹	42	32	na
EBIT ROS, %	9.1%	na	

Boral Gypsum Asia pro-forma results

A\$m



1. Excluding significant items

- f Revenue includes Plasterboard Australia and 100% of BGA revenue from 9 Dec-11
 - i Plasterboard Australia revenue down 10%
 - i In Asia, strong revenue growth in Thailand, Indonesia and Malaysia offset lower revenue in Korea, Vietnam and India
 - i China revenue growth less than expected
- f EBIT includes consolidated BGA EBIT of \$31m (\$12m in 1H FY2012 predominantly \$10m of equity income)
- f Plasterboard Australia EBIT down \$9m to \$11m due to:
 - i Market-led decline in sales volumes
 - i higher operational costs not fully recovered through cost down programs

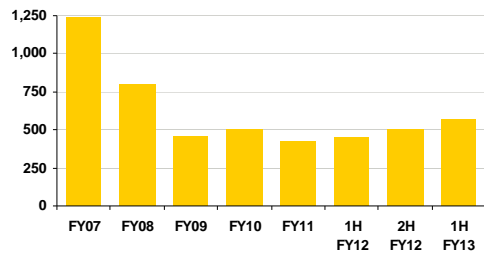
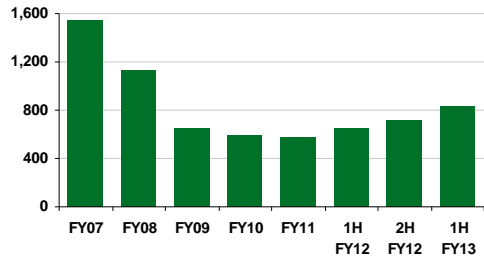
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US RESIDENTIAL MARKET ACTIVITY

Housing starts up 29% in 1H FY2013 on prior corresponding period

US total housing starts¹

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Strategy Update

Mike Kane, CEO & Managing Director

PORTFOLIO MANAGEMENT

Continued progress made in the first half to strengthen Boral's portfolio,

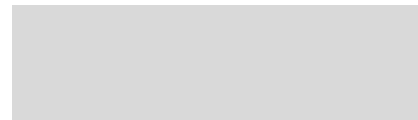
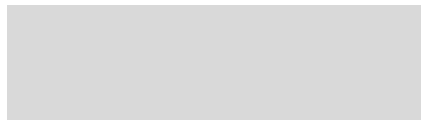
PORTFOLIO MANAGEMENT

Continued progress made in the first half to strengthen Boral's portfolio, while reducing future SIB investments and structural support costs

		Building Products Business with Cement	Boral Gypsum and Australia	Boral USA around existing portfolio
<ul style="list-style-type: none"> 9 Consolidated / exited 10 small / redundant sites 9 Overhead cost reductions incl. combining SA & Vic/Tas regional structures % Complete Peppertree Quarry investment % Deliver Wagners and Sunshine Coast acquisition targets 	<ul style="list-style-type: none"> 9 Divested Asia Construction Materials 9 Completed Cement Review % Develop import capabilities % Clinker production at Waurin Ponds to cease May 2013 	<ul style="list-style-type: none"> 9 Divested E.C. Masonry 9 Removed Clay & Concrete structure 9 Closed Nowra & Newcastle Windows and Batemans Bay Timber 9 Resize capacity below peak demand % Complete Brick Review 	<ul style="list-style-type: none"> 9 Restructured Asia & Australia into one division % Deliver BGA acquisition targets % Secure technology partner / support % Complete current upgrades; delay further upgrades – use LEAN to release capacity % Leverage Port Melb upgrade 	<ul style="list-style-type: none"> 9 Implement a 'One Boral' sales & marketing approach 9 Resize capacity below peak cycle demand % Leverage acquisition of Cultured Stone % Create value from Construction Materials

I M M E D I A T E P R I O R I T I E S

Immediate focus is to reduc



CAPITAL EXPENDITURE

Improved capital allocation to enhance return on funds employed



- f* Scrutinised, delayed and reduced capital expenditure
- f* **1H FY2013 capex of \$155m**, including:
 - \$52m SIB capex (\$81m in 1H FY12); represents 36% of depreciation
 - \$103m growth capex broadly in line with 1H FY2012
- f* More efficient capital spend including prioritising on an enterprise level
- f* Focus on delivering adequate returns on funds employed
- f* **FY2013 planned capex reduced from \$345m to ~\$300m** including:
 - Peppertree Quarry \$90m-\$100m
 - Gypsum Asia capacity upgrades ~\$25m

Outlook

Mike Kane, CEO & Managing Director



f In 2H FY13 expect to deliver sustained performance underpinned by major infrastructure, LNG project activity, and better pricing outcomes

f Conditions will remain ch with 1 Teu 1/002 Tc.0013 Tw[Conditions w

f Volumes in 2H expected to improve in Australia, Vietnam and Korea with better pricing outcomes in Australia

QUESTIONS

BORAL