RESULTS
For the half year to 31 December 2015
10 February 2016
• **Results Overview**  
  Mike Kane, CEO

• **Financial Results**  
  Ros Ng, CFO

• **Strategic Priorities & Outlook**  
  Mike Kane, CEO

Right: USG Boral Sheetrock® products were used in the Prima Pearl multi-residential development in Southbank, Melbourne, Victoria

Front cover photos: (left) Boral USA supplied concrete roof tiles to a multifamily project in Santa Rosa Beach, Destin, FL, and (right) Gateway WA where Boral supplied asphalt, spray seal, concrete and crushed rock road base
Boral today – well positioned for growth

1. **Strengthened position in Australia while market transitions**
   - Significant pick-up in major roads and infrastructure expected over next 5-6 years, while slowdown in resource-based projects is working through

2. **Demonstrated margin expansion ability, including price and cost benefits**
   - Cost reductions, efficiency improvements and better pricing

3. **Growth in key markets and across all geographies**
   - **Australia**: growth trajectory for major roads and infrastructure
   - **Asia**: product penetration and growing economies
   - **USA**: returned to profitability; ongoing market recovery

4. **Bringing innovative products to market**
   - **Australia / Asia**: Sheetrock® brand gypsum technologies
   - **USA**: Boral composite technologies in trim and cladding

5. **Strong balance sheet and efficient capital management**
Half year results highlights
Profitability continues to strengthen

1H FY2016 vs 1H FY2015

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2016</th>
<th>Change</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported revenue</td>
<td>$2.2 billion</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>EBIT¹</td>
<td>$200 million</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Profit after tax¹</td>
<td>$137 million</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>$137 million</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Gearing, Net D/(Net D+E)</td>
<td>23%</td>
<td>up from 20%</td>
<td></td>
</tr>
<tr>
<td>EPS¹</td>
<td>18.2 cents</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Half year dividend</td>
<td>11.0 cents</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>ROFE¹,²</td>
<td>8.6%</td>
<td>from 6.7%</td>
<td></td>
</tr>
</tbody>
</table>

1. Excluding significant items
2. EBIT return on funds employed calculated on a moving annual total basis as at 31 December
Employee & contractor safety performance
Striving to achieve ZERO HARM today

- Substantial improvement in LTIFR, down 29% to 1.2 in 1H FY2016
- Improvement trend continued in RIFR, down 26% to 8.6 in 1H FY2016, demonstrating continuing reduction in injuries
- Increasingly monitoring leading indicators of safety, including hazard reporting and corrective action management
- Efforts to eliminate serious harm events and reinforce behavioural safety initiatives

**Employee and Contractor LTIFR\(^1,2\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTIFR</td>
<td>2.0</td>
<td>1.8</td>
<td>1.9</td>
<td>1.9</td>
<td>1.8</td>
<td>1.7</td>
<td>1.2</td>
</tr>
</tbody>
</table>

**Employee and Contractor RIFR\(^1,2\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIFR</td>
<td>21.4</td>
<td>19.0</td>
<td>17.4</td>
<td>13.6</td>
<td>12.1</td>
<td>11.7</td>
<td>8.6</td>
</tr>
</tbody>
</table>

1. Lost time injury frequency rate (per million hours worked) and recordable injury frequency rate (per million hours worked)
2. Performance data includes Boral and Boral JV companies of 50% or greater equity

5
Solid earnings performance
Improvements across all divisions with strong focus on cost management

EBIT\textsuperscript{1} variance, A$m
1H FY2016 vs 1H FY2015

<table>
<thead>
<tr>
<th>1H FY2015 EBIT\textsuperscript{1}</th>
<th>Construction Materials &amp; Cement\textsuperscript{2}</th>
<th>Building Products</th>
<th>Boral Gypsum\textsuperscript{3}</th>
<th>Boral USA</th>
<th>Unallocated</th>
<th>1H FY2016 EBIT\textsuperscript{1}</th>
</tr>
</thead>
<tbody>
<tr>
<td>167</td>
<td>9</td>
<td>3</td>
<td>8</td>
<td>16</td>
<td>3</td>
<td>200</td>
</tr>
</tbody>
</table>

1. Excluding significant items
2. Includes Property earnings
3. Boral Gypsum EBIT represents post tax, equity accounted income from the USG Boral JV

(Figures may not add due to rounding)
Key markets poised for growth

Record Australian housing activity continues, further improvements in US housing and slower growth in some Asia markets

1H FY2016f vs 1H FY2015

**Australia**
- RHS&B (VWD)
- Other engineering (VWD)
- Non-residential (VWD)
- Total housing starts
  - Detached housing starts
  - Multi-residential starts
- Alterations & additions (VWD)

**USA**
- Total housing starts
  - Single-family housing starts
    - Total USA
    - Boral Brick States
    - Boral Tile States
  - Non-residential activity

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1. Roads, highways, subdivisions & bridges. Based on an average of BIS and Macromonitor forecasts, RHS&B value of work done (VWD) is forecast to increase by 12% in FY2016f (increased demand for materials expected to lag). Other engineering VWD is forecast to decline by 24% in FY2016f, based on BIS forecasts
2. VWD from ABS in 2013/14 constant prices. Average of BIS and Macromonitor forecasts used for Dec-15 quarter
3. ABS original data. HIA forecast used for Dec-15 quarter
4. Based on various indicators of building and construction activity in key markets in Boral’s respective countries of operation. For China this is defined as the high-end market in regions in which USG Boral operates
5. US Census seasonally adjusted data
6. Data from McGraw Hill/Dodge. Boral Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral Tile States include: Arizona, California, Florida, Nevada
Construction Materials & Cement
Strong returns and increasing profitability despite lower major project activity and reduced contribution from Landfill divestment

Revenue $1.49b ↓ 8%  
EBIT $159m ↑ 6%  

- **Margin expansion** from operational and cost efficiencies, including lower fuel & energy costs, and some price gains  
- **Strong NSW and SEQ** offset by weaker activity in other regions  
- **Concrete** earnings up, but weaker volumes (2% decline due to LNG projects)  
- **Quarries** earnings also stronger despite lower volumes  
- **Asphalt** impacted by continued weakness in Qld, and lower volumes in Vic and WA  
- **Cement** benefited from stronger NSW, higher prices and improvement initiatives  
- **Property** EBIT of $5m, up from $3m in 1H FY2015  
- $4m of **CFMEU damages** received  
- $5m of lower EBIT due to **Landfill** divestment

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,489</td>
<td>1,626</td>
<td>(8)</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>251</td>
<td>241</td>
<td>4</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>159</td>
<td>150</td>
<td>6</td>
</tr>
<tr>
<td>EBIT ROS, %</td>
<td>10.6</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>2,101</td>
<td>2,167</td>
<td></td>
</tr>
<tr>
<td>ROFE¹², %</td>
<td>14.8</td>
<td>12.5</td>
<td></td>
</tr>
</tbody>
</table>

¹ Excluding significant items  
² Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)  
³ Includes Property earnings and CFMEU damages receipts offset by lower earnings from the sale of the Landfill business
Building Products

Increase in profitability driven by continued strength in housing market and portfolio realignment, including success of Boral CSR Bricks JV

Revenue $192m 27%  EBIT $17m 15%

- **Earnings up** due to growth in Boral CSR Bricks, depreciation cost savings and benefits from previous restructuring
- **Boral CSR Bricks JV** growth driven by strong East Coast housing activity and solid pricing outcomes
  - $1.3m of synergies realised as at end Dec-15 (~$3.6m annualised run rate)
- **Bricks & Roofing** delivered stronger earnings due to 1-4% price increases and mix shift to higher-priced roofing products
- **Timber** earnings slightly down; growth in **Hardwood** offset by declines in **Softwood**, which was impacted by import competition

### Reported result

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>192</td>
<td>263</td>
<td>(27)</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>21</td>
<td>25</td>
<td>(16)</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>17</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>EBIT ROS, %</td>
<td>8.6</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>334</td>
<td>417</td>
<td></td>
</tr>
<tr>
<td>ROFE¹,², %</td>
<td>9.5</td>
<td>4.1</td>
<td></td>
</tr>
</tbody>
</table>

### Underlying Boral CSR Bricks result for 1H FY2016

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>149</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>

### EBIT variance

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY15 EBIT¹</th>
<th>Volume</th>
<th>Price</th>
<th>Cost escalation</th>
<th>Cost reduction &amp; other</th>
<th>1H FY16 EBIT¹</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

1. Excluding significant items
2. Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)
Boral Gypsum (50%-owned USG Boral joint venture)

Significant profit growth through new product penetration, strong cost management and continued strength in Australian market

**Underlying Revenue**

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Gypsum business result¹</td>
<td>32</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td><strong>Underlying Gypsum business result</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>718</td>
<td>638</td>
<td>13</td>
</tr>
<tr>
<td>EBITDA²</td>
<td>128</td>
<td>97</td>
<td>32</td>
</tr>
<tr>
<td><strong>EBIT²</strong></td>
<td>91</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>EBIT ROS, %</td>
<td>12.7</td>
<td>11.0</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>1,909</td>
<td>1,845</td>
<td></td>
</tr>
<tr>
<td>ROFE²,³, %</td>
<td>8.5</td>
<td>6.3</td>
<td></td>
</tr>
</tbody>
</table>

**Underlying EBIT variance**

<table>
<thead>
<tr>
<th>A$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
</tr>
<tr>
<td>91</td>
</tr>
</tbody>
</table>

**Underlying EBIT**

<table>
<thead>
<tr>
<th>A$m</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$718m</td>
<td>↑ 13%</td>
</tr>
<tr>
<td>$91m</td>
<td>↑ 30%</td>
</tr>
</tbody>
</table>

- **Earnings growth** reflects penetration of Sheetrock® and adjacent products, cost reductions, including lower fuel costs, and foreign exchange benefit
- **Sheetrock® products** achieved price premium of ~5%; current adoption rates nearing 40% in Australia
- **Strong revenue growth** on higher overall pricing and stronger non-board sales
  - **Australia/NZ**: Board volumes up 12% and average selling prices up 5%
  - **Asia**: Earnings growth despite slowdowns in Indonesia, Thailand & China, and reversal of a short-term share gain in Korea

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1. Boral’s 50% share of USG Boral post tax equity income; reflected in Boral’s group EBIT
2. Excluding significant items
3. Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)
Earnings expansion leveraged to continuing housing market recovery

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>512</td>
<td>396</td>
<td>29</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>33</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>EBIT(^1)</td>
<td>8</td>
<td>(8)</td>
<td></td>
</tr>
<tr>
<td>EBIT ROS, %</td>
<td>1.6</td>
<td>(2.0)</td>
<td></td>
</tr>
</tbody>
</table>

Revenue (US$m)

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>367</td>
<td>349</td>
<td>5</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>24</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>EBIT(^1)</td>
<td>6</td>
<td>(7)</td>
<td></td>
</tr>
</tbody>
</table>

| Net Assets | 911       | 788       |

| ROFE\(^1,2\), % | 2.4 | (2.1) |

Revenue

- **A$512m ↑ 29%**

EBIT

- **A$8m ↑ up from (A$8m)**

- **Positive EBIT of US$6m**; margins improved with operational cost leverage, easing of freight & logistics costs and some price gains

- **Cladding** revenue up 4% to US$190m:
  - **Bricks**: Steady volumes; prices up 1%
  - **Cultured Stone**: Stronger sales of ProStone brand; volumes up and prices steady
  - **Trim**: New bevel siding product launched; 8% increase in dealer locations

- **Roofing** revenue up 11%, with 11% volume growth and ~1% average selling price growth

- **Fly Ash & Construction Materials** increased profitability with stronger fly ash and concrete volumes and prices, and higher margins

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1. Excluding significant items
2. Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)
Focus on improving ROFE in the long term
Progressing towards returns that exceed the cost of capital

EBIT to funds employed (ROFE\textsuperscript{1})

\%

1. Excludes significant items, calculated on funds employed as at 30 June for FY ROFE and 31 December for 1H ROFE

Focused on ongoing disciplined management of \textbf{COSTS, CASH and CAPITAL}
Financial Results

Ros Ng – Chief Financial Officer
## Group financial performance

**Cost and productivity improvements strengthen profitability**

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
<th>Var, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,194</td>
<td>2,285</td>
<td>(4)</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>322</td>
<td>290</td>
<td>11</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(122)</td>
<td>(123)</td>
<td>-</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>200</td>
<td>167</td>
<td>19</td>
</tr>
<tr>
<td>Net interest¹</td>
<td>(31)</td>
<td>(31)</td>
<td>(3)</td>
</tr>
<tr>
<td>Tax¹</td>
<td>(32)</td>
<td>(25)</td>
<td>25</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax¹</strong></td>
<td>137</td>
<td>112</td>
<td>23</td>
</tr>
<tr>
<td>Significant items (net)</td>
<td>0</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit after tax</strong></td>
<td>137</td>
<td>105</td>
<td>31</td>
</tr>
<tr>
<td><strong>Underlying tax rate¹</strong></td>
<td>19%</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

Non-IFRS Information – Earnings before significant items is a non-IFRS measure that is reported to provide a greater understanding of the financial performance of the Group. Further details of non-IFRS information is included in the Results Announcement while details of significant items are provided in Note 6 of the half year Financial Report. Non-IFRS information has not been subject to audit or review.

1. Excluding significant items

(Figures may not add due to rounding)
Cash flow
Maintaining similar levels of operating cash flow

<table>
<thead>
<tr>
<th>Cash flow, A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA¹</td>
<td>322</td>
<td>290</td>
</tr>
<tr>
<td>Change in working capital and other</td>
<td>(69)</td>
<td>(42)</td>
</tr>
<tr>
<td>Share acquisition rights vested</td>
<td>(15)</td>
<td>-</td>
</tr>
<tr>
<td>Interest &amp; tax</td>
<td>(91)</td>
<td>(74)</td>
</tr>
<tr>
<td>Equity earnings less dividends</td>
<td>(10)</td>
<td>(30)</td>
</tr>
<tr>
<td>Restructuring costs paid</td>
<td>(24)</td>
<td>(30)</td>
</tr>
</tbody>
</table>

**Operating cash flow**

<table>
<thead>
<tr>
<th></th>
<th>1H FY2016</th>
<th>1H FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>113</td>
<td>115</td>
</tr>
</tbody>
</table>

- **Operating cash flow broadly steady at $113m**
  - Increase in working capital due to 1H seasonality as well as:
    - cash receipts from major customers delayed until January 2016
    - curtailment in US production levels undertaken in Dec-15 which impacted creditors balances
    - timing of capital spend
  - Higher tax due to increased earnings in Australia, including tax paid on capital gains from FY2015

- **Total capex of $115m, up 23% on 1H FY2015, driven by higher SIB capex**
- **$72m outflow for dividends paid**
- **$115m outflow for on-market share buy-back, completed 22 Sep 2015**

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1. Excluding significant items
2. Boral’s Dividend Reinvestment Plan was suspended following the interim dividend paid on 24 March 2014

(Figures may not add due to rounding)
Continued capital expenditure discipline
Focus on stay-in-business capital expenditure continues

- **Total capex of $115m**, up on $94m capex in 1H FY2015
- **Stay-in-business (SIB) capex of $103m**, up from $76m in 1H FY2015
  – SIB capex at 84% of depreciation
- **Growth capex of $12m**, down from $18m in 1H FY2015
Balance sheet
Gearing remains at lower end of historical range

- **Net debt of $1.03b** increased by $208m since 30 June 2015, largely due to on-market share buy-back and translation of US$ denominated debt
- Principal debt gearing covenant at 31%; well within threshold of <60%
- Weighted average debt maturity ~4.2 years
- Weighted average cost of debt ~5.3% p.a.
- Committed undrawn bank debt facilities of US$400m

### Gearing

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>14</td>
<td>31</td>
<td>30</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>23</td>
</tr>
</tbody>
</table>

### Debt maturity profile (as at 31 Dec 2015)

- USPP notes
- CHF notes
- USPP (AUD)
- Undrawn syndicated facilities

<table>
<thead>
<tr>
<th>A$m</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23 and later</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H FY2016</td>
<td>(817)</td>
<td>(163)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
</tr>
<tr>
<td>1H FY2015</td>
<td>(718)</td>
<td>(31)</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

### Net debt reconciliation

<table>
<thead>
<tr>
<th>A$m</th>
<th>1H FY2016</th>
<th>1H FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>(817)</td>
<td>(718)</td>
</tr>
<tr>
<td>Cash flow</td>
<td>(163)</td>
<td>(31)</td>
</tr>
<tr>
<td>Prepaid borrowing costs</td>
<td>-</td>
<td>(6)</td>
</tr>
<tr>
<td>Non cash (FX)</td>
<td>(45)</td>
<td>(132)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>(1,025)</td>
<td>(887)</td>
</tr>
</tbody>
</table>

(Figures may not add due to rounding)

---

1. Net debt / (net debt + equity)
2. US Private Placement notes
3. Swiss franc notes issued under EMTN program. Swapped to USD
Strategic Priorities & Outlook

Mike Kane – CEO & Managing Director
Boral’s *Fix, Execute, Transform* program

**Fix**
- Fixing things that were holding us back
  - Streamlined organisation
  - Portfolio realignment
  - $213m cumulative cost reduction benefits\(^1\) in FY2015
  - $251m cash from divestments and land sales in first 2 years
  - Net debt at historically lower levels
  - Capital expenditure < $300m

**Execute**
- Improving the way we operate to be more efficient, disciplined and profitable
  - People engagement and safety first
  - Levers of change – LEAN, Sales & Marketing, Innovation
  - Responding to external challenges
  - Capacity utilisation up

**Transform**
- Transforming Boral for performance excellence and sustainable growth through innovation
  - Product innovation
  - Gypsum technology roll-out commenced
  - Lowering fixed cost exposures through the cycle

---

1. From major corporate and divisional restructuring programs in FY2013-2015, including 50% share of USG Boral programs
**Execute and Transform**

Improving the way we operate and transforming Boral for performance excellence

<table>
<thead>
<tr>
<th>Boral Construction Materials &amp; Cement</th>
<th>Boral Building Products</th>
<th>Boral Gypsum</th>
<th>Boral USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Benefits from restructuring initiatives undertaken in FY2015</td>
<td>✓ Boral CSR Bricks JV commenced in May-15</td>
<td>✓ Sheetrock® technology roll-out ahead of schedule and below budget</td>
<td>✓ US$4m expansion of R&amp;D capabilities for prototype poly-ash ‘composite sheet line’</td>
</tr>
<tr>
<td>❑ Operational excellence program: in FY2016 focus on procurement initiatives, fleet optimisation, plant efficiency projects</td>
<td>❑ On track to deliver $7m-$10m pa in synergies by Mar-17</td>
<td>❑ USG adjacent products continue to be introduced to Australian and Asian markets</td>
<td>❑ Plans being developed to expedite further investments in lightweight building products innovation and development</td>
</tr>
<tr>
<td>❑ Commercial excellence initiative: commencing in 2H FY2016 to strengthen revenue and margin management</td>
<td>❑ Timber: Structural improvement program in Hardwood, includes $10m-15m of small capital projects (underway or completed) and recent sale of small hardwood poles business</td>
<td>❑ ~25% of targeted US$50m pa synergies realised as at Dec-15</td>
<td>❑ On track to deliver full US$50m pa synergies within three years of technology roll-out</td>
</tr>
</tbody>
</table>
Outlook for FY2016

Boral Construction Materials & Cement
- Expect continued strong results with **underlying FY2016 EBIT to be marginally above FY2015** (excluding Property in both years)
- Expect **2H underlying earnings to be lower than 1H FY2016** due to continuing conditions and fewer working days in 2H
- Restructuring benefits and strength in Sydney & SEQ expected to offset depressed regional Qld, subdued RHS&B, lower LNG volumes and lower Landfill earnings
- **Property** earnings from Nelsons Ridge sales (subject to completion) of ~$20m expected over two years, largely in 2H FY2016. Additional property sales possible.

Boral Building Products
- Expected to deliver a **marginal improvement in reported EBIT in FY2016**
- **Improvement initiatives and strong East Coast housing market** should offset lower housing in WA & SA and impact of post-tax equity accounting from Boral CSR

Boral Gypsum
- Expected to deliver **further underlying performance improvements in FY2016**
- **Strong residential activity in Australia, penetration of Sheetrock® products** and **strong cost and price management** underpinning improvements and offsetting slowdowns in key markets in Asia

Boral USA
- Expected to deliver **further increase in earnings in FY2016** on the back of **increasing housing activity**
- External forecasters expect ~1.2 million housing starts in FY2016¹

---

¹ Average of analysts from Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA between November and December 2015
1. **Strengthened position in Australia while market transitions**
   - Significant pick-up in major roads and infrastructure expected over next 5-6 years, while slowdown in resource-based projects is working through

2. **Demonstrated margin expansion ability, including price and cost benefits**
   - Cost reductions, efficiency improvements and better pricing

3. **Growth in key markets and across all geographies**
   - **Australia**: growth trajectory for major roads and infrastructure
   - **Asia**: product penetration and growing economies
   - **USA**: returned to profitability; ongoing market recovery

4. **Bringing innovative products to market**
   - **Australia / Asia**: Sheetrock® brand gypsum technologies
   - **USA**: Boral composite technologies in trim and cladding

5. **Strong balance sheet and efficient capital management**
Questions
Boral overview

- Boral is an international building and construction materials group with operations in Australia, the USA and Asia
- ~A$4.0 billion market capitalisation\(^1\)
- S&P/ASX 100 company
- Operations across 13 countries\(^2\)
- ~11,800 employees\(^2\)

---

1. As at 8 February 2015
2. Includes joint venture operations. As at 31 December 2015
3. For the half year ended 31 December 2015
4. Gypsum revenue represents Boral’s 50% share of underlying revenue from the USG Boral JV, which is not included in Group reported revenue
5. Roads, highways, subdivisions and bridges
6. Alterations and additions
Our goal is to transform Boral into a global building and construction materials company that is known for its world-leading safety performance, innovative product platform and superior returns on shareholders’ funds.

**Fix, Execute, Transform**

**Fix** 2 years

Fixing things that are holding us back

**Execute** 4 years

Improving the way we operate to be more efficient, disciplined and profitable

**Transform** 6 years +

Transforming Boral for performance excellence and sustainable growth through innovation
Construction Materials & Cement
and Boral Building Products

SHARE OF REVENUE\(^1\), %

**by state**
- WA / NT: 22%
- Qld: 44%
- Vic / Tas / SA: 22%
- NSW / ACT: 12%

**by business**
- Quarraies: 14%
- Concrete: 42%
- Asphalt: 19%
- Cement: 12%
- Bricks & Roofing\(^2\): 7%
- Timber\(^3\): 5%
- Other: 2%

OPERATING FOOTPRINT
(total number of operations at 30 June 2015)

- Quarraies: 92
- Concrete: 228
- Asphalt: 43
- Cement\(^3\): 7
- Bricks\(^4\): 14
- Roof tiles: 4
- Timber\(^5\): 9
- Masonry: 3

---

1. Based on 1H FY2016 split of external revenues across Construction Materials & Cement and Boral Building Products
2. Includes masonry revenues; does not include east coast Bricks business which is now part of the Boral CSR Bricks JV, of which Boral has a 40% share
3. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Vic and a clinker grinding JV in Qld
4. Includes all Boral CSR JV plants on the East Coast
5. Includes 8 Boral Hardwood mills and 1 JV Softwood operation
Boral’s Australian revenues are derived from a number of segments

Boral’s Australian revenue by end-market, %

1. Based on split of 1H FY2016 external revenues from Construction Materials & Cement and Building Products
2. Source: BIS Shrapnel
3. Roads, highways, subdivisions and bridges
4. Source: BIS Shrapnel and Macromonitor
5. Source: BIS Shrapnel, Macromonitor and HIA

Note all charts are for financial years and have been based on 2012/13 dollars
Australian major road projects pipeline

Investment in roads infrastructure expected to translate into stronger materials demand towards end of FY2016 / FY2017

Major Road Construction Projects – Australia
Value of work done by year, A$bn (as at October 2015)
In CM&C, Boral is well positioned with strategic reserves and integrated downstream operations.

**CEMENT**
- ~70% of needs from domestic manufacturing and ~30% from imports

**QUARRIES**
- 40-50% Quarry volumes sold internally to Concrete
- Aggregates and sand
- 5-15% Quarry volumes sold internally to Asphalt

**BITUMEN**
- Bitumen Importers Australia (JV)

**CONCRETE**
- Per m³ concrete:
  - ~0.3t cementitious material
  - ~1.0t aggregates
  - ~0.9t sand
- ~50-60% Cement volumes sold internally to Concrete
- ~35-55% Quarry volumes sold externally
- ~35% of plants supplied bitumen from 50/50 JV

**ASPHALT**
- Per tonne asphalt:
  - ~0.055t bitumen
  - ~0.7t aggregates
  - ~0.2t sand
- ~48% Asphalt
- ~22% Concrete
- ~11% Other
- ~4% Quarries
- ~1% Concreting placing

1. Based on split of 1H FY2016 external revenues from Construction Materials & Cement
In CM&C, our Property is also managed as an integrated and ongoing feature of the business.

Integrated Property Life Cycle

- New need defined
- Development / disposal
- Site opportunity located
- Development approval
- Capital approval
- Operations planning
- New land use approvals
- Rehabilitation
- End use strategy
- Operational life
Property is in CM&C because it has a large land bank and harvests property on a continual basis

Purchased land

Australian operations

Property end use

Refreshed land purchases

- Growth corridors, generally in outer suburbs or regional areas
- Major landholdings eg. new quarries typically have 50+ year life cycles
- Other landholdings eg. concrete and asphalt sites could have 10-30 year life cycles

Major developments

- Residential
- Industrial / employment generating
- Landfill

Surplus buffer lands

- eg. land surrounding brick, cement, quarry operations that have appreciated in value

Discrete lower value, replacement sites

- eg. older (or redundant) concrete and asphalt sites in low growth areas

400+ OPERATING SITES¹
(total number of operations)

<table>
<thead>
<tr>
<th>State</th>
<th>Quaries</th>
<th>Concrete</th>
<th>Asphalt</th>
<th>Cement</th>
<th>Bricks</th>
<th>Roof tiles</th>
<th>Timber</th>
<th>Masonry</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>26</td>
<td>106</td>
<td>12</td>
<td>3</td>
<td>14</td>
<td>100</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>NSW/ACT</td>
<td>30</td>
<td>200</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>100</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>VIC/TAS</td>
<td>60</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>17</td>
<td>100</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>SA</td>
<td>20</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>100</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>WA</td>
<td>20</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>100</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>NT</td>
<td>20</td>
<td>100</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>100</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

140+ DISTRIBUTION SITES²

1. As at 30 June 2015. Includes cement manufacturing plant, bagging plant and lime plant in NSW, clinker grinding plant in Vic & clinker grinding JV in Qld; all Boral CSR JV plants on the East Coast; 8 Boral Hardwood mills and 1 JV Softwood operation
2. Includes USG Boral distribution sites in Australia

NOTE: Approximately 40% of sites are leased and 60% are company owned
Boral has a solid track record of maximising returns from our property assets, with strong internal management capability.

**EBIT\(^1\), A$m**

- **10-year average**
  - Property/QEU earnings: $36m

- **5-year average**
  - Property earnings: $24m

### Boral Property Group

- Partners with business units as early as possible to maximise value, reduce operational rehabilitation liabilities and create market-based opportunities.

- Boral Property Group is an in-house team with extensive property experience internally and externally:
  - Rezoning / approvals
  - Remediation / rehabilitation
  - Environmental
  - Construction

---

1. Excludes significant items. FY2006 – FY2010 includes earnings from significant multi-year developments at Moorebank and Nelsons Ridge, and initial earnings from the Landfill business.
SHARE OF REVENUE\(^1\), %

- **Australia**: 36%
- **Indonesia**: 19%
- **Thailand**: 14%
- **Korea**: 13%
- **China**: 12%
- **Other**: 6%

MANUFACTURING FOOTPRINT
(total number of operations at 30 June 2015)

- **Plasterboard plants**: 19
  - 637m² capacity (25 board lines / 6 ceiling tile lines)
- **Gypsum mines\(^2\)**: 3
- **Other plants\(^2\)**: 31
  - mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production

---

1. Based on split of 1H FY2016 underlying revenue for USG Boral
2. Certain manufacturing facilities and gypsum mines held in JV with third parties | production of plasterboard and other products may be at the same physical location
Operations in high growth countries as well as new products will underpin USG Boral’s growth.

SHARE OF REVENUE¹, %

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP growth</th>
<th>Population</th>
<th>Population growth</th>
<th>Urban population</th>
<th>Rate of urbanisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>7.3%</td>
<td>1.37 bn</td>
<td>0.5%</td>
<td>55.6%</td>
<td>3.1%</td>
</tr>
<tr>
<td>China</td>
<td>7.3%</td>
<td>1.25 bn</td>
<td>1.2%</td>
<td>32.7%</td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>6.0%</td>
<td>30.5 m</td>
<td>1.4%</td>
<td>74.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.0%</td>
<td>256.0 m</td>
<td>0.9%</td>
<td>53.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Philippines</td>
<td>5.0%</td>
<td>70.0 m</td>
<td>0.3%</td>
<td>50.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

MANUFACTURING FOOTPRINT
(total number of operations at 30 June 2015)

- **Plasterboard plants**
  - 637m² capacity (25 board lines / 6 ceiling tile lines)
  - 19 operations

- **Gypsum mines**
  - 3 operations

- **Other plants**
  - mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production
  - 31 operations

---

1. Based on split of 1H FY2016 underlying revenue for USG Boral
2. Certain manufacturing facilities and gypsum mines held in JV with third parties | production of plasterboard and other products may be at the same physical location
3. GDP growth is real GDP growth rate 2014 estimate | Population figures as at July 2015 estimate | Population growth based on 2015 estimates | Urban population as a percentage of total population for 2015 | Rate of urbanisation based on annual rate of change between 2010 and 2015E

Source: CIA World Factbook
SHARE OF REVENUE\(^1\), %

by business

- Fly Ash & Construction Materials: 25%
- Cladding\(^2\): 23%
- Roofing: 52%

by end market

- Single-family dwellings: 57%
- Multi-family dwellings: 9%
- Repair & remodel: 7%
- Non-residential: 5%
- RHS&B\(^3\): 10%
- Other: 12%

OPERATING FOOTPRINT\(^4\)

(total number of operations at 30 June 2015)

- Bricks: 12
- Roof tiles: 12
- Cultured Stone: 2
- Building Products Distribution Centres: 42
- Composites: 2
- Concrete and quarries: 10
- Fly ash: 30

1. Based on split of 1H FY2016 external revenue for Boral USA
2. Includes Bricks, Cultured Stone and Trim revenues
3. Roads, highways, subdivisions and bridges
4. SOUTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates and are included in Boral’s US Revenue chart.
In the USA, new residential construction is continuing to recover in all regions.

Forecasters\(^1\) currently expect an average of ~1.2m US housing starts in FY2016 and ~1.5m by FY2018, with all regions forecast to recover strongly.

1. Housing starts forecasts based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between November & December 2015.
2. SOUTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA. NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT. MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI. WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates. Revenue split is based on 1H FY2016 external revenues with ‘Other’ including sales outside of the USA.
## 1H FY2016 segment revenue and EBIT

<table>
<thead>
<tr>
<th></th>
<th>External revenue A$m</th>
<th>EBIT(^1) A$m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H FY2016</td>
<td>1H FY2015</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Cement</td>
<td>1,489</td>
<td>1,626</td>
</tr>
<tr>
<td>Building Products</td>
<td>192</td>
<td>263</td>
</tr>
<tr>
<td>Boral Gypsum(^2)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Boral USA</td>
<td>512</td>
<td>396</td>
</tr>
<tr>
<td>Unallocated</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,194</strong></td>
<td><strong>2,285</strong></td>
</tr>
</tbody>
</table>

1. Excluding significant items
2. Following the formation of the USG Boral JV on 1 March 2014, Boral Gypsum results represent post tax equity accounted income
(Figures may not add due to rounding)
## Divisional ROFE performance

**Improvement in returns across all divisions, with CM&C ROFE\(^1\) now exceeding the cost of capital**

### Construction Materials & Cement

#### ROFE\(^1\) %

<table>
<thead>
<tr>
<th>Division</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM&amp;C ROFE</td>
<td>12.5</td>
<td>14.8</td>
</tr>
</tbody>
</table>

**Returns exceeding cost of capital**
- **Earnings growth** reflects operational cost improvements, realignment benefits, and falling fuel/energy costs
- **Strong growth in NSW**: other regions maintaining profitability through improvement programs
- **FY2016 is a transition period** from resources-based projects to roads infrastructure projects

### Building Products

#### ROFE\(^1,2\) %

<table>
<thead>
<tr>
<th>Division</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boral Gypsum</td>
<td>4.1</td>
<td>9.5</td>
</tr>
</tbody>
</table>

**Strong improvement in returns**
- **Continued strength in east coast housing market** drives pricing gains
- **Portfolio realignment and restructuring** delivers benefits, including depreciation savings
- **Boral CSR Bricks JV** delivers underlying earnings growth and $1.3m of synergies as at end Dec-15

### Boral Gypsum\(^2\)

#### ROFE\(^1\) %

<table>
<thead>
<tr>
<th>Division</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheetrock\textsuperscript{®} drives margin expansion</td>
<td>6.3</td>
<td>8.5</td>
</tr>
</tbody>
</table>

**Sheetrock\textsuperscript{®} drives margin expansion**
- **Continued market penetration** of Sheetrock\textsuperscript{®} and adjacent products; ~5% price premium for Sheetrock\textsuperscript{®} products
- **Strong cost management** and lower fuel costs helped margin expansion
- On track to achieve **US$50m pa synergies** within 3 years of full technology roll-out

### Boral USA

#### ROFE\(^1\) %

<table>
<thead>
<tr>
<th>Division</th>
<th>1H FY15</th>
<th>1H FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>2.4</td>
<td>4.1</td>
</tr>
</tbody>
</table>

**Significant housing market leverage**
- **Achieved positive ROFE** as business continues to benefit from increasing housing construction activity
- **Improved margins** with operational cost leverage and easing freight/logistics costs offsetting cost inflation
- On track for **profitability improvements** as market continues to recover

---

1. EBIT return on divisional funds employed (segment assets less segment liabilities) calculated on a moving annual total basis as at 31 December. EBIT excludes significant items
2. Based on USG Boral’s underlying EBIT return on funds employed
Earnings and dividends per share
Fully franked interim dividend of 11.0 cents per share declared

- **Earnings per share**\(^1\) of 18.2 cents, up 28% on 1H FY2015
- Fully franked **interim dividend of 11.0 cents per share**, up 29% on 1H FY2015
- Interim dividend **payout ratio of 60%**
- The Board has formalised Boral’s Dividend Policy, aiming to maintain a dividend payout ratio of 50–70% of earnings before significant items, subject to the Company’s financial position

---

1. Earnings per share, excluding significant items
## Debt profile

**Maintaining a strong balance sheet**

### Gross debt currency exposure

As at 31 December 2015

- **USD**: 21%
- **AUD**: 79%

**Total** = A$1,369m

### Debt facilities

<table>
<thead>
<tr>
<th></th>
<th>1H FY2016</th>
<th>1H FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A$ m</td>
<td>A$ m</td>
</tr>
<tr>
<td>USPP(^1)</td>
<td>1,157</td>
<td>1,044</td>
</tr>
<tr>
<td>Syndicated term credit facility</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CHF notes(^2)</td>
<td>208</td>
<td>184</td>
</tr>
<tr>
<td>Other loans/ finance leases</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Gross debt</strong></td>
<td>1,369</td>
<td>1,244</td>
</tr>
<tr>
<td>Cash</td>
<td>344</td>
<td>357</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1,025</td>
<td>887</td>
</tr>
</tbody>
</table>

---

1. US Private Placement notes
2. Swiss notes issued via EMTN program. Swapped to USD
RHS&B activity forecast to increase in FY2016

Value of work done forecast to increase in all states, but construction materials demand is not expected to pick up until late FY2016 / FY2017

RHS&B – by state
FY2016f vs FY2015
(value of work done, A$b)

<table>
<thead>
<tr>
<th>State</th>
<th>FY15</th>
<th>FY16f</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>6.1</td>
<td>7.4</td>
<td>+3%</td>
</tr>
<tr>
<td>VIC</td>
<td>2.8</td>
<td>2.8</td>
<td>+3%</td>
</tr>
<tr>
<td>QLD</td>
<td>3.3</td>
<td>3.8</td>
<td>+14%</td>
</tr>
<tr>
<td>SA</td>
<td>1.0</td>
<td>1.1</td>
<td>+13%</td>
</tr>
<tr>
<td>WA</td>
<td>2.0</td>
<td>2.0</td>
<td>+1%</td>
</tr>
</tbody>
</table>

1. RHS&B refers to roads, highways, subdivisions and bridges. Original series data (constant 2012/13 prices) from ABS. FY11 to FY16f figures are an average of BIS and Macromonitor data.
Industry concrete demand in Australia is forecast to stay at high levels for the next five years

Macromonitor Forecast\(^1\) Concrete Demand across all Australian construction markets, million m\(^3\)

- ~1.5% CAGR\(^2\) in concrete volumes forecast from FY2015 to FY2020
- Growth in RHS&B activity to offset decline in resources sector engineering work and anticipated softening in dwellings
- Decline in FY2016 and FY2017 driven by WA / NT

1. Source: Macromonitor, Construction Materials Forecast, October 2015
2. Compound annual growth rate
Australian residential activity remains strong
Total housing starts estimated to be up 2% (detached down 1%, multi up 5%), driven by strength in Vic, NSW and Qld

**Total housing starts**

<table>
<thead>
<tr>
<th>Year</th>
<th>Detached</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>163</td>
<td>62</td>
<td>225</td>
</tr>
<tr>
<td>FY12</td>
<td>145</td>
<td>55</td>
<td>200</td>
</tr>
<tr>
<td>FY13</td>
<td>163</td>
<td>70</td>
<td>233</td>
</tr>
<tr>
<td>FY14</td>
<td>181</td>
<td>77</td>
<td>258</td>
</tr>
<tr>
<td>FY15</td>
<td>214</td>
<td>100</td>
<td>314</td>
</tr>
<tr>
<td>1H FY15</td>
<td>217</td>
<td>96</td>
<td>313</td>
</tr>
<tr>
<td>2H FY15</td>
<td>211</td>
<td>104</td>
<td>315</td>
</tr>
<tr>
<td>1H FY16f</td>
<td>220</td>
<td>101</td>
<td>321</td>
</tr>
</tbody>
</table>

**Housing starts – by state**

<table>
<thead>
<tr>
<th>State</th>
<th>FY15</th>
<th>FY16f</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>56</td>
<td>63</td>
<td>+12%</td>
</tr>
<tr>
<td>VIC</td>
<td>31</td>
<td>36</td>
<td>+1%</td>
</tr>
<tr>
<td>QLD</td>
<td>29</td>
<td>29</td>
<td>+1%</td>
</tr>
<tr>
<td>SA</td>
<td>11</td>
<td>8</td>
<td>-31%</td>
</tr>
<tr>
<td>WA</td>
<td>8</td>
<td>7</td>
<td>-14%</td>
</tr>
</tbody>
</table>

**Alterations & additions (A&A)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Detached</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>8.3</td>
<td>8.0</td>
<td>16.3</td>
</tr>
<tr>
<td>FY12</td>
<td>7.3</td>
<td>7.4</td>
<td>14.7</td>
</tr>
<tr>
<td>FY13</td>
<td>7.4</td>
<td>7.5</td>
<td>14.9</td>
</tr>
<tr>
<td>FY14</td>
<td>7.7</td>
<td>7.3</td>
<td>15.0</td>
</tr>
<tr>
<td>FY15</td>
<td>7.3</td>
<td>7.8</td>
<td>15.1</td>
</tr>
<tr>
<td>1H FY15</td>
<td>7.7</td>
<td>7.3</td>
<td>15.0</td>
</tr>
<tr>
<td>2H FY15</td>
<td>7.3</td>
<td>7.8</td>
<td>15.1</td>
</tr>
<tr>
<td>1H FY16f</td>
<td>7.8</td>
<td>7.3</td>
<td>15.1</td>
</tr>
</tbody>
</table>

1. Original series housing starts from ABS to Sep-15 quarter. HIA forecast for Dec-15 quarter. Half yearly data annualised
2. Original series (constant 2013/14 prices) from ABS. Average of BIS and Macromonitor data for Dec-15 quarter forecast. Half yearly data annualised
Australian non-residential activity down
Weaker non-residential building activity in all states except Vic

### Non-residential\(^1\)
(value of work done, A$b)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>1H FY15</th>
<th>2H FY15</th>
<th>1H FY16f</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H FY15</td>
<td>37.2</td>
<td>34.9</td>
<td>33.7</td>
<td>35.5</td>
<td>35.4</td>
<td>36.9</td>
<td>33.9</td>
<td>35.0</td>
</tr>
</tbody>
</table>

1H FY15: -5%

### Non-residential – by state\(^1\)
1H FY2016f v 1H FY2015 (value of work done, A$b)

<table>
<thead>
<tr>
<th>State</th>
<th>1H15</th>
<th>1H16f</th>
<th>1H15</th>
<th>1H16f</th>
<th>1H15</th>
<th>1H16f</th>
<th>1H15</th>
<th>1H16f</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>10.2</td>
<td>9.5</td>
<td>9.6</td>
<td>9.9</td>
<td>7.1</td>
<td>6.6</td>
<td>2.4</td>
<td>2.0</td>
</tr>
<tr>
<td>VIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NSW: -7%
VIC: +3%
QLD: -7%
SA: -14%
WA: -9%

US housing activity continues to strengthen
Total US housing starts up 10% in 1H FY2016

US total housing starts
('000)

US single-family housing starts
Boral Brick States
('000)

US single-family housing starts
Boral Tile States
('000)

• US total housing starts of 1,146k\(^1\) in 1H FY2016, up 10% on 1H FY2015
  - Total starts remain 24% below long-term average of 1.5m housing starts
• US single-family starts of 740k\(^2\) in 1H FY2016, up 12% on 1H FY2015
  - Single-family starts in up 5% Boral's Bricks States and up 23% in Boral Tiles States\(^3\)
• US non-residential activity down 9%\(^4\)

1. Seasonally adjusted annualised data from US Census
2. Raw housing starts data from US Census
3. Data from McGraw Hill/ Dodge. Boral's Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral's Tile States include: Arizona, California, Florida, Nevada
Non-IFRS information

Boral Limited’s statutory results are reported under International Financial Reporting Standards.

Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group.

Significant items are detailed in Note 6 of the half year Financial Report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of earnings before significant items to reported statutory profit is detailed below:

<table>
<thead>
<tr>
<th>(A$ millions)</th>
<th>Earnings before significant items</th>
<th>Significant items</th>
<th>Total</th>
<th>Continuing operations</th>
<th>Discontinued operations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>2,193.7</td>
<td>-</td>
<td>2,193.7</td>
<td>2,193.7</td>
<td>-</td>
<td>2,193.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>199.5</td>
<td>-</td>
<td>199.5</td>
<td>199.5</td>
<td>-</td>
<td>199.5</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(31.4)</td>
<td>-</td>
<td>(31.4)</td>
<td>(31.4)</td>
<td>-</td>
<td>(31.4)</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>168.1</td>
<td>-</td>
<td>168.1</td>
<td>168.1</td>
<td>-</td>
<td>168.1</td>
</tr>
<tr>
<td>Tax (expense) / benefit</td>
<td>(31.5)</td>
<td>-</td>
<td>(31.5)</td>
<td>(31.5)</td>
<td>-</td>
<td>(31.5)</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td><strong>136.6</strong></td>
<td>-</td>
<td><strong>136.6</strong></td>
<td><strong>136.6</strong></td>
<td>-</td>
<td><strong>136.6</strong></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit after tax</strong></td>
<td><strong>136.6</strong></td>
<td>-</td>
<td><strong>136.6</strong></td>
<td><strong>136.6</strong></td>
<td>-</td>
<td><strong>136.6</strong></td>
</tr>
</tbody>
</table>

Boral Gypsum divisional commentary also includes a non-IFRS measure of underlying results excluding significant items representing the 6 months trading results to assist users to better understand the trading results of this division despite changes in ownership.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the half year Financial Report for the six months ended 31 December 2015.

This half year Financial Report for the six months ended 31 December 2015 is prepared in accordance with the ASX listing rules and should be read in conjunction with any announcements to the market made by the Group during the year.
The material contained in this document is a presentation of information about the Group’s activities current at the date of the presentation, 10 February 2016. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group’s periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.