

APPENDIX 4E PRELIMINARY FINAL REPORT

21 August 2013

Name of Entity: **Boral Limited**
 ABN: **13 008 421 761**
 Financial Year ended: **30 June 2013**

Boral Limited

ABN 13 008 421 761

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Results for announcement to the market

				2013 A'\$ Millions	2012 A'\$ Millions
Revenue from continuing operations	up	10.5%	to	5,209.4	4,716.2
Revenue from discontinued operations				77.1	294.1
Total revenue	up	5.5%	to	5,286.5	5,010.3
Profit from continuing operations before net financing costs, income tax and significant items	up	17.8%	to	236.6	200.9
Loss from discontinued operations before net financing costs, income tax and significant items				(8.8)	(1.3)
Profit before net financing costs, income tax and significant items	up	14.1%	to	227.8	199.6
Net financing costs from continuing operations before significant items				(96.0)	(84.9)
Net financing costs from discontinued operations before significant items				(1.4)	(3.5)
Profit before income tax and significant items	up	17.3%	to	130.4	111.2
Income tax from continuing operations before significant items				(19.5)	(9.6)
Income tax from discontinued operations before significant items				(0.1)	0.7
Non-controlling interests from continuing operations				(6.4)	(0.8)
Non-controlling interest from discontinued operations				-	(0.3)
Net profit before significant items attributable to members	up	3.2%	to	104.4	101.2
Significant items from continuing operations net of tax ¹				(328.1)	104.1
Significant items from discontinued operations net of tax ¹				11.6	(28.7)
Net profit/(loss) attributable to members	down	(220.1%)	to	(212.1)	176.6

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The disclosures are extracted or derived from the financial report for the year ended 30 June 2013, but have not been subjected to audit or review.

1. Refer note 8 of the attached financial report.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period		
Final - ordinary	6.0 cents	6.0 cents
Interim - ordinary	5.0 cents	5.0 cents
Previous corresponding period		
Final - ordinary	3.5 cents	3.5 cents
Interim - ordinary	7.5 cents	7.5 cents
Record date for determining entitlements to the final dividend	2 September 2013	

Comparative figures: Full year ended 30 June 2012

Commentary on the results for the period

The commentary on the results of the period is contained in the Results Announcement for the year ended 30 June 2013 - Management Discussion and Analysis dated 21 August 2013.

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	Note	CONSOLIDATED	
		2013 \$ millions	2012 \$ millions
Continuing operations			
Revenue	3	5,209.4	4,716.2
Cost of sales		(3,806.4)	(3,425.4)
Selling and distribution expenses		(871.9)	(812.6)
Administrative expenses		(352.9)	(331.0)
		(5,031.2)	(4,569.0)
Other income	4	50.8	207.5
Other expenses	5	(455.6)	(119.3)
Share of net profit of associates	6,13	17.6	30.8
Profit/(loss) before net financing costs and income tax expense		(209.0)	266.2
Financial income	7	7.6	14.6
Financial expenses	7	(103.6)	(99.5)
Net financing costs		(96.0)	(84.9)
Profit/(loss) before income tax expense		(305.0)	181.3
Income tax benefit/(expense)	9	98.0	29.2
Profit/(loss) from continuing operations		(207.0)	210.5
Discontinued operations			
Profit/(loss) from discontinued operations (net of income tax)	10	1.3	(32.8)
Net profit/(loss)		(205.7)	177.7
Attributable to:			
Members of the parent entity		(212.1)	176.6
Non-controlling interests		6.4	1.1
Net profit/(loss)		(205.7)	177.7
Basic earnings per share	11	(27.7c)	23.8c
Diluted earnings per share	11	(27.7c)	23.6c
Continuing operations			
Basic earnings per share	11	(27.8c)	28.2c
Diluted earnings per share	11	(27.8c)	28.0c

The income statement should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	CONSOLIDATED	
	2013 \$ millions	2012 \$ millions
Net profit/(loss)	(205.7)	177.7
Other comprehensive income		
Items that will not be reclassified to Income Statement:		
Actuarial gain/(loss) on defined benefit plans	4.5	(9.8)
Income tax on items that will not be reclassified to income statement	(1.4)	3.0
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	116.3	(4.4)
Foreign currency translation reserve transferred to net profit on recognition of LBGA as a subsidiary	-	30.5
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	3.1	18.6
Fair value adjustment on cash flow hedges	8.3	(4.2)
Income tax on items that may be reclassified subsequently to income statement	56.0	2.5
Total comprehensive income/(loss)	(18.9)	213.9
Total comprehensive income is attributable to:		
Members of the parent entity	(33.6)	210.7
Non-controlling interests	14.7	3.2
Total comprehensive income/(loss)	(18.9)	213.9

The statement of comprehensive income should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

As at 30 June	Note	CONSOLIDATED	
		2013 \$ millions	2012 \$ millions
CURRENT ASSETS			
Cash and cash equivalents		149.9	205.7
Cash on deposit		70.6	-
Receivables		887.8	809.6
Inventories		680.0	656.1
Other financial assets		11.6	0.2
Other		42.8	69.0
Assets classified as held for sale	10	-	62.9
TOTAL CURRENT ASSETS		1,842.7	1,803.5
NON-CURRENT ASSETS			
Receivables		16.8	17.8
Inventories		19.6	104.9
Investments accounted for using the equity method		34.6	36.6
Other financial assets		23.5	-
Property, plant and equipment		3,347.1	3,566.7
Intangible assets		849.9	820.1
Deferred tax assets		133.7	101.2
Other		48.5	48.3
TOTAL NON-CURRENT ASSETS		4,473.7	4,695.6
TOTAL ASSETS		6,316.4	6,499.1
CURRENT LIABILITIES			
Payables		760.1	732.2
Loans and borrowings	15	126.9	148.3
Other financial liabilities	16	56.1	7.1
Current tax liabilities		19.1	22.8
Provisions		212.1	187.8
Liabilities classified as held for sale	10	-	44.6
TOTAL CURRENT LIABILITIES		1,174.3	1,142.8
NON-CURRENT LIABILITIES			
Payables		9.4	10.9
Loans and borrowings	15	1,539.6	1,575.1
Other financial liabilities	16	25.5	72.4
Deferred tax liabilities		57.6	182.5
Provisions		116.5	112.0
TOTAL NON-CURRENT LIABILITIES		1,748.6	1,952.9
TOTAL LIABILITIES		2,922.9	3,095.7
NET ASSETS		3,393.5	3,403.4
EQUITY			
Issued capital	17	2,433.8	2,368.4
Reserves	18	74.4	(109.2)
Retained earnings		796.0	1,069.9
Total parent entity interest		3,304.2	3,329.1
Non-controlling interests		89.3	74.3
TOTAL EQUITY		3,393.5	3,403.4

The balance sheet should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June 2013	CONSOLIDATED					
	Issued capital \$ millions	Reserves \$ millions	Retained earnings \$ millions	Total parent entity interest \$ millions	Non-controlling interests \$ millions	Total equity \$ millions
Balance at 1 July 2012	2,368.4	(109.2)	1,069.9	3,329.1	74.3	3,403.4
Net profit / (loss)	-	-	(212.1)	(212.1)	6.4	(205.7)
Other comprehensive income						
Translation of net assets of overseas controlled entities	-	187.7	-	187.7	8.3	196.0
Translation of long-term borrowings and foreign currency forward contracts	-	(79.7)	-	(79.7)	-	(79.7)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	3.1	-	3.1	-	3.1
Fair value adjustment on cash flow hedges	-	8.3	-	8.3	-	8.3
Actuarial gain/(loss) on defined benefit plans	-	-	4.5	4.5	-	4.5
Income tax relating to other comprehensive income	-	56.0	(1.4)	54.6	-	54.6
Total comprehensive income	-	175.4	(209.0)	(33.6)	14.7	(18.9)
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan	64.9	-	-	64.9	-	64.9
Shares issued on vesting of rights	0.5	(0.5)	-	-	-	-
Dividends paid	-	-	(64.9)	(64.9)	(6.0)	(70.9)
Share-based payments	-	8.7	-	8.7	-	8.7
Contributions by non-controlling interests	-	-	-	-	6.3	6.3
Total Transactions with owners in their capacity as owners	65.4	8.2	(64.9)	8.7	0.3	9.0
Balance at 30 June 2013	2,433.8	74.4	796.0	3,304.2	89.3	3,393.5

For the year ended 30 June 2012	CONSOLIDATED					
	Issued capital \$ millions	Reserves \$ millions	Retained earnings \$ millions	Total parent entity interest \$ millions	Non-controlling interests \$ millions	Total equity \$ millions
Balance at 1 July 2011	2,261.3	(159.5)	1,007.0	3,108.8	47.6	3,156.4
Net profit	-	-	176.6	176.6	1.1	177.7
Other comprehensive income						
Translation of net assets of overseas controlled entities	-	(1.5)	-	(1.5)	2.1	0.6
Translation of long-term borrowings and foreign currency forward contracts	-	(5.0)	-	(5.0)	-	(5.0)
Foreign currency translation reserve transferred to net profit on recognition of LBGA as a subsidiary	-	30.5	-	30.5	-	30.5
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	18.6	-	18.6	-	18.6
Fair value adjustment on cash flow hedges	-	(4.2)	-	(4.2)	-	(4.2)
Actuarial gain/(loss) on defined benefit plans	-	-	(9.8)	(9.8)	-	(9.8)
Income tax relating to other comprehensive income	-	2.5	3.0	5.5	-	5.5
Total comprehensive income	-	40.9	169.8	210.7	3.2	213.9
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan	106.9	-	-	106.9	-	106.9
Shares issued on vesting of rights	0.2	(0.2)	-	-	-	-
Dividends paid	-	-	(106.9)	(106.9)	(1.0)	(107.9)
Purchase of employee compensation shares	-	(1.0)	-	(1.0)	-	(1.0)
Share-based payments	-	10.6	-	10.6	-	10.6
Non-controlling interest acquired	-	-	-	-	22.8	22.8
Purchase of non-controlling interest	-	-	-	-	(0.8)	(0.8)
Non-controlling interest disposed	-	-	-	-	(2.9)	(2.9)
Contributions by non-controlling interests	-	-	-	-	5.4	5.4
Total Transactions with owners in their capacity as owners	107.1	9.4	(106.9)	9.6	23.5	33.1
Balance at 30 June 2012	2,368.4	(109.2)	1,069.9	3,329.1	74.3	3,403.4

The statement of changes in equity should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Statement of Cash Flows

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	Note	CONSOLIDATED	
		2013 \$ millions	2012 \$ millions
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,643.9	5,426.0
Payments to suppliers and employees		(5,203.3)	(5,069.4)
		440.6	356.6
Dividends received		18.6	22.1
Interest received		7.6	15.1
Borrowing costs paid		(101.8)	(99.7)
Income taxes (paid)/received		2.2	(69.7)
Acquisition costs, restructure costs and legal settlements paid	21	(73.2)	(91.1)
NET CASH PROVIDED BY OPERATING ACTIVITIES		294.0	133.3
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(293.4)	(408.8)
Purchase of intangibles		(0.4)	(5.6)
Purchase of controlled entities and businesses (net of cash acquired)		-	(700.5)
Purchase of non-controlling interest		-	(0.8)
Loans to associates		1.8	0.4
Increase in cash on deposit		(63.9)	-
Proceeds on disposal of non-current assets		84.9	64.3
Proceeds on disposals of controlled entities and businesses (net of cash disposed and transaction costs)	10	87.8	65.3
NET CASH USED IN INVESTING ACTIVITIES		(183.2)	(985.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		35.5	52.1
Purchase of employee compensation shares		-	(1.0)
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$29.4 million (2012: \$54.8 million))		(35.5)	(52.1)
Dividends paid to non-controlling interests		(6.0)	(1.0)
Contributions by non-controlling interests		6.3	5.4
Proceeds from borrowings		186.5	630.9
Repayment of borrowings		(352.8)	(162.2)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(166.0)	472.1
NET CHANGE IN CASH AND CASH EQUIVALENTS		(55.2)	(380.3)
Cash and cash equivalents at beginning of the year		181.5	561.2
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		9.4	0.6
Cash and cash equivalents at end of the year	21	135.7	181.5

The cash flow statement 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. ACCOUNTING POLICIES

Boral Limited is a company domiciled in Australia. The consolidated full year financial report of the Company as at and for the full year ended 30 June 2013 comprises of Boral Limited and its controlled entities (the "Group").

(a) Basis of Preparation

This report has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001 for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The report is presented in Australian dollars.

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

(b) Significant Accounting Policies

The accounting policies have been applied consistently to all periods presented in the consolidated financial report. The financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Changes in Accounting Policies

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 financial report.

(d) Comparative Figures

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(e) Rounding of Amounts

The Company is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

Operating segments are based on internal reporting to the Chief Executive Officer in assessing performance and determining the allocation of resources. During the year, a number of restructuring activities were undertaken to simplify the Group and focus on core activities. This resulted in changes to the Group's management reporting structure, and therefore the reportable segments have been amended to comply with requirements of the relevant accounting standard. As a result, two new segments have been created:

Construction Materials and Cement - which consolidates the activities of the former Construction Materials and Cement operations into a single division.

Boral Gypsum - which consists of the Group's Australian and Asian plasterboard operations. The remaining Australian Building Product businesses have been aggregated into the redefined Building Products segment.

Comparative segment information has been restated to align with the current structure.

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

Construction Materials and Cement	-	Quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing.
Building Products	-	Australian bricks, roof tiles, masonry, timber products and windows.
Boral Gypsum*	-	Australian and Asian plasterboard.
Boral USA	-	Bricks, cultured stone, roof tiles, fly ash, concrete and quarries.
Discontinued Operations	-	Asian Construction Materials, East Coast masonry and Queensland roofing.
Unallocated	-	Non-trading operations and unallocated corporate costs.

* Results from Boral Gypsum Asia (BGA) were equity accounted until 9 December 2011 when the Group acquired the remaining 50% interest from Lafarge.

The major end use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

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

The Group has a large number of customers to which it provides products, with no single customer responsible for more than 10% of the Group's revenue.

Segment results, assets and liabilities includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	CONSOLIDATED	
	2013	2012
Reconciliations of reportable segment revenues and profits	\$ millions	\$ millions
External revenue	5,286.5	5,010.3
Less revenue from discontinued operations	(77.1)	(294.1)
Revenue from continuing operations	5,209.4	4,716.2
Profit before tax		
Profit/(loss) before net financing costs and income tax expense from reportable segments	(205.8)	223.2
Loss from discontinued operations	8.8	1.3
Significant items applicable to discontinued operations	(12.0)	41.7
Profit/(loss) before net financing costs and income tax expense from continuing operations	(209.0)	266.2
Net financing costs from continuing operations	(96.0)	(84.9)
Profit/(loss) before tax from continuing operations	(305.0)	181.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	2013 \$ millions	2012 \$ millions	2013 \$ millions	2012 \$ millions	2013 \$ millions	2012 \$ millions
	TOTAL REVENUE		INTERNAL REVENUE		EXTERNAL REVENUE	
Construction Materials and Cement	3,176.0	2,956.0	33.7	54.3	3,142.3	2,901.7
Building Products	593.3	659.9	0.9	-	592.4	659.9
Boral Gypsum	919.3	655.9	-	-	919.3	655.9
Boral USA	555.4	499.4	-	0.7	555.4	498.7
Discontinued Operations	77.1	295.7	-	1.6	77.1	294.1
	5,321.1	5,066.9	34.6	56.6	5,286.5	5,010.3
	OPERATING PROFIT (EXCLUDING ASSOCIATES)		EQUITY ACCOUNTED RESULTS OF ASSOCIATES		PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE	
Construction Materials and Cement	269.0	230.1	11.7	12.7	280.7	242.8
Building Products	(40.1)	(5.2)	-	-	(40.1)	(5.2)
Boral Gypsum	72.6	47.0	10.0	18.8	82.6	65.8
Boral USA	(63.6)	(83.0)	(0.6)	(0.7)	(64.2)	(83.7)
Discontinued Operations	(8.8)	(1.3)	-	-	(8.8)	(1.3)
Unallocated	(22.4)	(18.8)	-	-	(22.4)	(18.8)
	206.7	168.8	21.1	30.8	227.8	199.6
Significant items (refer to note 8)	(430.1)	23.6	(3.5)	-	(433.6)	23.6
	(223.4)	192.4	17.6	30.8	(205.8)	223.2
	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES		TOTAL ASSETS	
Construction Materials and Cement	2,752.2	2,813.3	20.7	20.2	2,772.9	2,833.5
Building Products	570.5	827.1	-	-	570.5	827.1
Boral Gypsum	1,707.7	1,585.1	13.9	12.7	1,721.6	1,597.8
Boral USA	842.5	829.1	-	3.7	842.5	832.8
Discontinued Operations	-	62.9	-	-	-	62.9
Unallocated	54.7	38.1	-	-	54.7	38.1
	5,927.6	6,155.6	34.6	36.6	5,962.2	6,192.2
Cash and cash equivalents and cash on deposit	220.5	205.7	-	-	220.5	205.7
Tax assets	133.7	101.2	-	-	133.7	101.2
	6,281.8	6,462.5	34.6	36.6	6,316.4	6,499.1
	LIABILITIES		ACQUISITION OF SEGMENT ASSETS*		DEPRECIATION AND AMORTISATION	
Construction Materials and Cement	533.5	506.8	205.9	241.5	169.9	154.0
Building Products	130.2	152.3	21.6	30.8	37.2	38.5
Boral Gypsum	174.6	159.5	46.0	94.4	41.9	24.5
Boral USA	134.9	117.4	18.1	30.8	41.3	42.4
Discontinued Operations	-	44.6	2.1	11.0	-	13.3
Unallocated	206.5	186.4	0.1	5.9	0.8	0.7
	1,179.7	1,167.0	293.8	414.4	291.1	273.4
Loans and borrowings	1,666.5	1,723.4	-	-	-	-
Tax liabilities	76.7	205.3	-	-	-	-
	2,922.9	3,095.7	293.8	414.4	291.1	273.4

* Excludes amounts attributable to the acquisition of controlled entities and businesses as detailed in Note 20.

Geographical information

For the year ended 30 June 2013, the Group's trading revenue from external customers in Australia amounted to \$4,070.0 million (2012: \$3,913.9 million), with \$584.0 million (2012: \$303.6 million) from the Plasterboard Asia operations, \$555.4 million (2012: \$498.7 million) relating to operations in the USA and \$77.1 million (2012: \$294.1 million) relating to discontinued operations. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia amounted to \$2,566.2 million (2012: \$2,942.3 million), with \$1,134.1 million (2012: \$1,024.3 million) in Asia and \$616.2 million (2012: \$627.8 million) in the USA.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		2013 \$ millions	2012 \$ millions
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		5,112.3	4,627.6
Rendering of services		97.1	88.6
Revenue from continuing operations		5,209.4	4,716.2
4. OTHER INCOME FROM CONTINUING OPERATIONS			
Significant items	8	13.1	184.5
Net profit on sale of assets		31.6	15.0
Other income		6.1	8.0
Other income from continuing operations		50.8	207.5
5. OTHER EXPENSES FROM CONTINUING OPERATIONS			
Significant items	8	455.2	119.2
Net foreign exchange loss		0.4	0.1
Other expenses from continuing operations		455.6	119.3
6. SHARE OF NET PROFIT OF ASSOCIATES			
Share of associates' net profit	13	21.1	30.8
Impairment disclosed as significant item	8	(3.5)	-
		17.6	30.8
7. NET FINANCING COSTS FROM CONTINUING OPERATIONS			
Interest income received or receivable from:			
Associated entities		0.5	0.6
Other parties (cash at bank and bank short-term deposits)		7.1	14.0
		7.6	14.6
Interest expense paid or payable to:			
Other parties (bank overdrafts, bank loans and other loans) *		101.1	95.9
Unwinding of discount		2.5	3.6
		103.6	99.5
Net financing costs from continuing operations		(96.0)	(84.9)

* In addition, interest of \$3.6 million (2012: \$4.1 million) was paid to other parties and capitalised in respect of qualifying assets. The capitalisation rate used was 6.0% (2012: 6.0%).

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED

	Note	2013 \$ millions	2012 \$ millions
8. SIGNIFICANT ITEMS			
Net profit/(loss) includes the following items whose disclosure is relevant in explaining the financial performance of the Group:			
Continuing operations			
Gain on fair value remeasurement of initial LBGA shareholding		-	158.1
Gain on fair value of purchase price commitment for Cultured Stone		-	26.4
Acquisition and integration costs		-	(28.8)
Gain on settlement of insurance claims		13.1	-
Curtailment of clinker operations at Waurin Ponds and reassessment of coal supply arrangements	(i)	(130.3)	-
Organisational restructure costs	(ii)	(59.8)	-
Impairment of assets, businesses and restructuring costs			
Goodwill		(32.4)	(20.0)
Property, plant and equipment		(165.9)	(38.7)
Investments accounted for using the equity method		(3.5)	-
Inventory		(47.6)	(11.6)
Restructure and closure costs		(13.9)	(23.8)
	(iii)	(263.3)	(94.1)
Loss on sale of Oklahoma assets - USA		(5.3)	-
Loss on sale of Best Block business - USA		-	(2.3)
Resolution of onerous flyash contract - USA		-	6.0
Summary of significant items from continuing operations			
Profit/(loss) before tax		(445.6)	65.3
Income tax benefit		117.5	38.8
Net significant items from continuing operations		(328.1)	104.1
Discontinued operations			
Gain on disposal of Asian Construction Materials businesses		12.0	34.2
Gain on sale of East Coast Masonry businesses		-	3.4
Impairment of assets, businesses and restructuring costs			
Property, plant and equipment		-	(37.2)
Inventory		-	(15.0)
Restructure and closure costs		-	(27.1)
		-	(79.3)
Summary of significant items from discontinued operations			
Profit/(loss) before tax		12.0	(41.7)
Income tax benefit/(expense)		(0.4)	13.0
Net significant items from discontinued operations		11.6	(28.7)
Summary of significant items			
Profit/(loss) before tax		(433.6)	23.6
Income tax benefit		117.1	51.8
Net significant items		(316.5)	75.4

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

8. SIGNIFICANT ITEMS (continued)

2013 Significant items

(i) Curtailment of clinker operations at Waurm Ponds and reassessment of Berrima coal supply arrangements

Impairment and exit costs associated with the cessation of clinker manufacture at the Victorian Waurm Ponds operations together with impairments and costs associated with reassessment of coal supply arrangements in Cement NSW resulted in asset write-downs of \$96.9 million and other charges and costs of \$33.4 million.

(ii) Organisational restructure costs

During the year, the Group incurred costs and redundancies associated with a coordinated Group wide organisation restructure program to simplify business structures and improve operational efficiency together with implementation costs of outsourcing the Group's Australian IT operations. This resulted in costs of \$58.7 million and asset write-downs of \$1.1 million.

(iii) Impairment of assets, businesses and restructuring costs

A structural decline in the Australian Bricks, Timber and Windows markets together with increased competition in Western Australia resulted in impairments of Building Products' assets (including \$32.4 million of goodwill). The Bricks' businesses were impaired by \$132.5 million, Timber impaired by \$36.3 million and Windows by \$6.3 million. Exit from the Engineered Flooring, Woodchips and Queensland distribution businesses resulted in a further \$33.6 million of restructuring costs and inventory write-downs.

In Construction Materials and Cement, land development costs of \$30.2 million associated with land development in NSW were written off.

In the USA, the recovery has progressed slower than expected, resulting in the impairments of \$24.4 million in respect of excess tile production capacity in Mexico, Trinidad and Lone, California.

With the exception of the Windows business, which has been assessed on a fair value less costs to sell basis, the impairments have been based on value in use calculations.

2012 Significant items

Gain on fair value remeasurement of initial LBGA shareholding

On 9 December 2011, the Group acquired the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd (LBGA). On acquisition of the remaining 50% interest in LBGA, this initial investment was remeasured to fair value in accordance with Australian Accounting Standard AASB 3 "Business Combinations", which resulted in a gain to the Group. The gain is net of the derecognition of the foreign currency reserve of \$30.5 million associated with this initial investment.

Gain on fair value of purchase price commitment for Cultured Stone

The present value of the future purchase price commitment in respect of the remaining 50% interest in the USA Cultured Stone business has been remeasured to fair value as at 30 June 2012, based on current and expected operating results, resulting in a gain of \$26.4 million.

Acquisition and integration costs

In 2012, the Group incurred costs (including stamp duty), associated with the acquisition and integration of the Asian Plasterboard operations, Wagners' Construction Material concrete and quarry assets, and Sunshine Coast Quarries' concrete assets and quarries. The acquisition costs are included in other expenses in the Income Statement for the prior period.

Impairment of assets, businesses and restructuring costs - continuing operations

Deterioration in returns from a number of businesses resulted in a reassessment of long term manufacturing capacity requirements in both Australia and the USA.

In the USA, this resulted in a charge of \$15.9 million in respect of two USA brick plants and in light of ongoing depressed trading conditions in the USA construction materials markets in Oklahoma and Denver, the goodwill associated with the USA construction materials businesses was reassessed resulting in a \$20.0 million impairment charge reflecting lower margins and increased competition.

In Australia, this resulted in a charge of \$37.0 million in respect of the Galong lime plant that was closed and subsequently sold during the year and \$21.2 million of restructure costs, predominantly redundancies associated with closing manufacturing capacity in the Australian Building Products businesses of \$13.8 million, together with Corporate restructure costs of \$7.4 million.

Impairment of assets, businesses and restructuring costs - discontinued operations

On 28 February 2012, the Group announced the closure of its Roofing manufacturing and distribution operations in Queensland following a review of the long term financial performance and low industry capacity utilisation. In addition, the Group announced that it proposed to divest of its East Coast Masonry business and focus the Australian Building Products division on those areas with market leadership positions in high growth markets. This resulted in impairment of assets of \$52.2 million together with closure and restructure costs of \$27.1 million.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

8. SIGNIFICANT ITEMS (continued)

	CONSOLIDATED	
	2013	2012
	\$ millions	\$ millions
Summary of significant items before interest and tax		
Construction Materials and Cement	(157.0)	(37.0)
Building Products	(199.1)	(13.8)
Boral Gypsum	-	158.1
Boral USA	(29.7)	(5.8)
Discontinued Operations	12.0	(41.7)
Unallocated	(59.8)	(36.2)
	(433.6)	23.6

9. INCOME TAX EXPENSE/(BENEFIT)

Reconciliation of income tax expense/(benefit) to prima facie tax payable

Income tax expense/(benefit) on profit/(loss) at Australian tax rates 30% (2012: 30%)	(91.0)	40.4
Variation between Australian and overseas tax rates	(12.6)	(9.3)
Share of associates' net income and franked dividend income	(6.2)	(9.2)
Capital gains/(losses) brought to account	(8.7)	(5.8)
Non-deductible asset impairments and write-downs	15.5	-
Non assessable fair value gains	-	(56.6)
Other items	5.5	(2.4)
	(97.5)	(42.9)
Tax expense/(benefit) relating to continuing operations	(98.0)	(29.2)
Tax expense/(benefit) relating to discontinued operations	0.5	(13.7)
	(97.5)	(42.9)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

10. DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND BUSINESS DISPOSALS

During the year, the Group divested its remaining Asian Construction Materials operations in Thailand, finalised the sale of the Indonesian operations, and divested its East Coast Masonry business.

	Note	CONSOLIDATED	
		2013 \$ millions	2012 \$ millions
Results of discontinued operations			
Revenue		77.1	294.1
Expenses		(85.9)	(295.4)
		(8.8)	(1.3)
Impairment of assets, businesses and restructuring costs	8	-	(79.3)
Gain on sale of discontinued operations	8	12.0	37.6
Profit/(loss) before net financing costs and income tax expense		3.2	(43.0)
Net financing costs		(1.4)	(3.5)
Profit/(loss) before income tax expense		1.8	(46.5)
Income tax (expense)/benefit		(0.5)	13.7
Net profit/(loss)		1.3	(32.8)
Attributable to:			
Members of the parent entity		1.3	(33.1)
Non-controlling interest		-	0.3
Net profit/(loss)		1.3	(32.8)
Basic and diluted earnings/(loss) per share		0.1c	(4.4c)
Cash flows from discontinued operations			
Net cash from operating activities		3.4	12.5
Net cash from investing activities		70.1	54.1
Net cash from discontinued operations		73.5	66.6
Assets and liabilities classified as held for sale			
Property, plant and equipment		-	15.1
Intangible assets		-	0.9
Inventories		-	11.2
Trade and other receivables		-	32.3
Other assets		-	3.4
Assets classified as held for sale		-	62.9
Payables		-	18.8
Provisions		-	25.8
Liabilities classified as held for sale		-	44.6
Net assets		-	18.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

10. DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND BUSINESS DISPOSALS (continued)

	CONSOLIDATED	
	2013 \$ millions	2012 \$ millions
Disposal of discontinued businesses		
During the year, the Group divested its remaining Asian Construction Materials operations in Thailand, finalised the sale of the Indonesian operations, and divested its East Coast Masonry business.		
Consideration	76.5	97.2
Cash	(4.3)	-
Trade and other receivables	(50.1)	(20.2)
Inventories	(13.1)	(7.6)
Property, plant and equipment	(4.0)	(35.3)
Intangible assets	(0.9)	-
Other assets	(3.0)	(10.8)
Payables	13.8	17.5
Deferred taxes	-	(0.9)
Provisions	0.2	13.4
Net assets disposed	(61.4)	(43.9)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	(3.1)	(18.6)
Non-controlling interest	-	2.9
Gain on disposal of discontinued operations before income tax expense	12.0	37.6
Consideration	76.5	97.2
Cash and cash equivalents disposed	(4.3)	-
Less: Deferred consideration to be received	-	(31.9)
Consideration (net of transaction costs)	72.2	65.3
Disposal of Oklahoma Concrete		
In June 2013, the Group sold its Oklahoma Concrete business for net cash proceeds of \$15.6 million and generated a loss before tax of \$5.3 million.		
The disposal of the Oklahoma Concrete business has not been recorded as a discontinued operation as it is not considered as a material business of the Group.		
Summary of consideration (after transaction costs)		
Discontinued businesses	72.2	65.3
Controlled businesses	15.6	-
Total	87.8	65.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

11. EARNINGS PER SHARE

Classification of securities as ordinary shares

Only ordinary shares have been included in basic earnings per share (EPS).

Classification of securities as potential ordinary shares

Options outstanding under the Executive Share Option Plan and Share Performance Rights have been classified as potential ordinary shares and are included in diluted earnings per share only.

	CONSOLIDATED	
	2013 \$ millions	2012 \$ millions
Earnings reconciliation		
Net profit before significant items	110.8	102.3
Profit attributable to non-controlling interests	(6.4)	(1.1)
Net profit excluding significant items	104.4	101.2
Net significant items	(316.5)	75.4
Net profit/(loss) attributable to members of the parent entity	(212.1)	176.6
Earnings reconciliation - continuing operations		
Net profit before significant items and non-controlling interests	121.1	106.4
Profit attributable to non-controlling interests	(6.4)	(0.8)
Net profit excluding significant items	114.7	105.6
Net significant items	(328.1)	104.1
Net profit/(loss) attributable to members of the parent entity - continuing operations	(213.4)	209.7
	CONSOLIDATED	
	2013	2012
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	766,598,996	743,487,487
Effect of potential ordinary shares	6,437,744	6,101,791
Number for diluted earnings per share	773,036,740	749,589,278
Basic earnings per share	(27.7c)	23.8c
Diluted earnings per share	(27.7c)	23.6c
Basic earnings per share (excluding significant items)	13.6c	13.6c
Diluted earnings per share (excluding significant items)	13.5c	13.5c
Basic earnings per share (continuing operations)	(27.8c)	28.2c
Diluted earnings per share (continuing operations)	(27.8c)	28.0c

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

12. DIVIDENDS

Dividends recognised by the Group are:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
2013				
2012 final - ordinary	3.5 cents	26.6	3.5 cents	28 September 2012
2013 interim - ordinary	5.0 cents	38.3	5.0 cents	25 March 2013
Total		64.9		
2012				
2011 final - ordinary	7.0 cents	51.1	7.0 cents	27 September 2011
2012 interim - ordinary	7.5 cents	55.8	7.5 cents	5 April 2012
Total		106.9		

Subsequent event

Since the end of the financial year, the Directors declared the following dividend:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
2013 final - ordinary	6.0 cents	46.4	6.0 cents	27 September 2013

The financial effect of the final dividend for the year ended 30 June 2013 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 will operate in respect of the payment of the final dividend and the last date for the receipt of an election notice for participation in the plan is 2 September 2013.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Country of incorporation	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
				2013 %	2012 %
Details of investments in associates					
Bitumen Importers Australia Pty Ltd	Bitumen importer	Australia	30-Jun	50	50
Caribbean Roof Tile Company Limited	Roof tiles	Trinidad	31-Dec	50	50
Flyash Australia Pty Ltd	Fly ash collection	Australia	31-Dec	50	50
Gypsum Resources Australia Pty Ltd	Gypsum mining	Australia	30-Jun	50	50
Highland Pine Products Pty Ltd	Timber	Australia	30-Jun	50	50
Penrith Lakes Development Corporation Ltd	Quarrying	Australia	30-Jun	40	40
Rondo Building Services Pty Ltd	Rollform systems	Australia	30-Jun	50	50
South East Asphalt Pty Ltd	Asphalt	Australia	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	Australia	30-Jun	50	50
US Tile LLC	Roof tiles	USA	31-Dec	50	50

	Note	CONSOLIDATED	
		2013 \$ millions	2012 \$ millions
RESULTS OF ASSOCIATES			
Share of associates' profit before income tax expense		29.7	44.1
Share of associates' income tax expense		(8.6)	(12.4)
Non-controlling interest		-	(0.9)
Impairment disclosed as significant item	8	21.1 (3.5)	30.8 -
Share of associates' net profit - equity accounted		17.6	30.8

Results of associates include the following:

Share of associates' net profit - equity accounted:

Rondo Building Services Pty Ltd	10.0	8.7
Sunstate Cement Ltd	6.4	9.2
Lafarge Boral Gypsum in Asia Sdn Bhd*	-	10.1

* Results from Lafarge Boral Gypsum in Asia Sdn Bhd were equity accounted until 9 December 2011 when the Group acquired the remaining 50% interest from Lafarge and the entity became a controlled entity.

	CONSOLIDATED	
	2013	2012
Net tangible asset backing per ordinary security	\$3.17	\$3.31

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2013 \$ millions	2012 \$ millions
15. LOANS AND BORROWINGS		
Current		
Bank overdrafts - unsecured	14.2	24.2
Bank loans - unsecured	54.4	120.6
Other loans - unsecured	56.9	3.2
Finance lease liabilities	1.4	0.3
	126.9	148.3
Non-current		
Bank loans - unsecured	432.2	668.5
Other loans - unsecured	1,101.0	906.0
Finance lease liabilities	6.4	0.6
	1,539.6	1,575.1
Total	1,666.5	1,723.4

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate	Year of maturity	CONSOLIDATED	
				2013 Carrying amount \$ millions	2012 Carrying amount \$ millions
Current					
Bank overdrafts - unsecured	Multi	4.58%	2013-2014	14.2	24.2
Bank loans - unsecured	USD	-	-	-	9.8
Bank loans - unsecured	THB	-	-	-	50.1
Bank loans - unsecured	Multi	5.29%	2013-2014	54.4	60.7
US senior notes - unsecured	USD	7.01%	2014	56.2	2.8
Other loans - unsecured	Multi	5.05%	2013-2014	0.7	0.4
Finance lease liabilities	Multi	6.53%	2013-2014	1.4	0.3
				126.9	148.3
Non-current					
Syndicated term credit facility - unsecured	USD	2.34%	2015	75.6	150.0
Syndicated loan facility - unsecured	AUD	4.85%	2016	300.0	461.3
Bank loans - unsecured	Multi	6.21%	2014-2017	56.6	57.2
US senior notes - unsecured	USD	6.31%	2014-2020	930.4	905.7
CHF notes - unsecured	CHF	2.25%	2020	166.8	-
Other loans - unsecured	AUD	9.03%	2014-2022	3.8	0.3
Finance lease liabilities	Multi	6.23%	2014-2018	6.4	0.6
				1,539.6	1,575.1
Total				1,666.5	1,723.4

	CONSOLIDATED	
	2013 \$ millions	2012 \$ millions
16. OTHER FINANCIAL LIABILITIES		
Current		
Derivative financial liabilities	8.0	7.1
Future purchase liability - Cultured Stone	48.1	-
	56.1	7.1
Non-current		
Derivative financial liabilities	25.5	29.6
Future purchase liability - Cultured Stone	-	42.8
	25.5	72.4

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2013	2012
	\$ millions	\$ millions
17. ISSUED CAPITAL		
Issued and paid up capital		
774,000,641 (2012: 758,572,140) ordinary shares, fully paid	2,433.8	2,368.4
Movements in ordinary issued capital		
Balance at the beginning of year	2,368.4	2,261.3
6,973,870 (2012: 14,626,401) shares issued under the Dividend Reinvestment Plan	29.4	54.8
8,319,496 (2012: 13,971,102) shares issued under the Dividend Reinvestment Plan underwriting agreement	35.5	52.1
135,135 (2012: 48,647) shares issued on vesting of rights	0.5	0.2
Balance at the end of the year	2,433.8	2,368.4

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Movements in employee compensation shares

Balance at the beginning of the year	-	-
135,135 (2012: 228,625) share acquisition rights vested	0.5	1.0
135,135 shares issued on vesting of rights	(0.5)	-
Nil (2012: 228,625) shares purchased on-market	-	(1.0)
Balance at the end of the year	-	-

The employee equity compensation account represents the balance of Boral shares held by the Group which as at the end of the year have not vested to Group employees and therefore are controlled by the Group.

18. RESERVES

Foreign currency translation reserve	81.9	(87.5)
Hedging reserve - cash flow hedges	2.4	(3.6)
Other reserve	(66.3)	(66.3)
Share-based payments reserve	56.4	48.2
	74.4	(109.2)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

19. CONTINGENT LIABILITIES

The Company has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to controlled entities.

A number of sites within the Group and its associates have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed, estimated clean-up costs have been expensed or provided for. For some sites, the requirements cannot be reliably assessed at this stage.

Certain entities within the Group are subject to various lawsuits and claims in the ordinary course of business.

Consistent with other companies of the size and diversity of Boral, the Group is the subject of periodic information requests, investigations and audit activity by the Australian Taxation Office (ATO) and taxation authorities in other jurisdictions in which Boral operates.

The Group has considered all of the above claims and, where appropriate, sought independent advice and believes it holds appropriate provisions.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

20. ACQUISITIONS

There were no acquisitions during the year ended 30 June 2013.

During the prior year, the Group acquired:

- the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd
- the construction materials assets of Wagners Group
- the quarry and concrete assets of Sunshine Coast Quarries

	CONSOLIDATED	
	2013	2012
	\$ millions	\$ millions

21. NOTES TO STATEMENT OF CASH FLOWS

- (i) Reconciliation of cash and cash equivalents:

Cash includes cash on hand, at bank and short term deposits, net of outstanding bank overdrafts. Cash as at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	149.9	205.7
Bank overdrafts	(14.2)	(24.2)
	135.7	181.5

The Group also holds \$70.6 million (2012: Nil) of bank deposits maturing in less than 180 days.

- (ii) The following non-cash financing and investing activities have not been included in the statement of cash flows:

Dividends reinvested under the Dividend Reinvestment Plan	29.4	54.8
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- (iii) Acquisition costs, restructure costs and legal settlements paid

During the year, the Group incurred costs associated with:

Acquisition and integration costs	-	(35.3)
Restructure and business closure costs	(73.2)	(36.9)
Legal settlements and associated costs	-	(18.9)
	(73.2)	(91.1)

Annual General Meeting

The Annual General Meeting will be held as follows:

Place:

City Recital Hall, Angel Place, Sydney

Date:

Thursday, 31 October 2013

Time:

10.30 am

Approximate date the annual report will be available:

25 September 2013

Compliance Statement

- 1 The financial report is in the process of being audited.
- 2 The entity has a formally constituted audit committee.