ANNUAL GENERAL MEETING 2017

2 November 2017
Sydney

CHAIRMAN’S ADDRESS
Dr Brian Clark
Headwaters has strengthened our fly ash business and expanded our US building products offering.

- Specialty siding
- Stone-coated metal roofing
- Concrete block
- Manufactured stone
- Composite polymer roofing
- Windows
- Trim products

Play Headwaters video

A transformational year for Boral

Performance excellence and more sustainable growth through portfolio reshaping and innovation

- Completed **US$2.6 billion acquisition of Headwaters** Incorporated in North America
- **Formed Meridian Brick**, a 50:50 joint venture with Forterra
- **Divested our 40% stake of Boral CSR Bricks JV**, exiting bricks on east coast of Australia
- Continued **reinvestment in key quarry reserves**, strengthening our integrated construction materials position in Australia
- **Investing in innovation** to ensure we are responding to a changing world and helping to shape the future, clearly evident through success of **USG Boral's Sheetrock®**
Employee and contractor recordable injury frequency rate\(^1\)
(per million hours worked)

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</thead>
<tbody>
<tr>
<td>LTIFR</td>
<td>17.2</td>
<td>15.5</td>
<td>13.6</td>
<td>12.1</td>
<td>8.8</td>
<td>8.1</td>
</tr>
<tr>
<td>MTIFR</td>
<td>1.8</td>
<td>1.9</td>
<td>1.9</td>
<td>1.8</td>
<td>1.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Change</td>
<td>-8%</td>
<td></td>
<td></td>
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</tbody>
</table>

1. Recordable injury frequency rate comprises medical treatment injury frequency rate (MTIFR) and lost time injury frequency rate (LTIFR).

Includes employees and contractors in 100%-owned businesses and 50%-owned joint venture operations. Excludes Headwaters, which will be included from FY2018.

Full year results highlights
Delivering transformation and improved earnings

<table>
<thead>
<tr>
<th>FY2017 vs FY2016</th>
<th>Earnings per share(^1,2)</th>
<th>Full year dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT(^1)</td>
<td>$460m</td>
<td>33.7 cents</td>
</tr>
<tr>
<td></td>
<td>(\uparrow 16%)</td>
<td></td>
</tr>
<tr>
<td>Profit after tax(^1)</td>
<td>$343m</td>
<td>24.0 cents</td>
</tr>
<tr>
<td></td>
<td>(\uparrow 28%)</td>
<td></td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>$297m</td>
<td>9.2%</td>
</tr>
<tr>
<td></td>
<td>(\uparrow 16%)</td>
<td>(\uparrow 7%)</td>
</tr>
</tbody>
</table>

1. Excluding significant items.
2. In accordance with AASB 133, EPS has been revised to reflect the bonus element in the equity raising completed December 2016. EPS reflects the increased number of shares following the equity raise in December 2016, but only eight weeks of additional earnings from Headwaters.
3. EBIT return on funds employed. FY2017 calculated using average monthly funds employed (to recognise the impact of the Headwaters acquisition) while FY2016 is based on funds employed at 30 June 2016.
Well positioned to improve ROFE
Boral Australia and USG Boral delivering strong above cost of capital returns

Divisional EBIT to funds employed (ROFE¹), %

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boral Australia</td>
<td>13.5</td>
<td>14.6</td>
</tr>
<tr>
<td>USG Boral</td>
<td>9.4</td>
<td>11.6</td>
</tr>
<tr>
<td>Boral North America</td>
<td>5.0</td>
<td>4.3</td>
</tr>
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</table>

Group ROFE¹, %

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<tr>
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<tbody>
<tr>
<td>FY2016</td>
<td>4.1</td>
<td>4.7</td>
<td>7.2</td>
<td>8.2</td>
<td>9.0</td>
<td>9.2</td>
</tr>
</tbody>
</table>

1. EBIT (excluding significant items) return on funds employed (divisional funds employed is segment assets less segment liabilities).
   ROFE is calculated based on funds employed as at 30 June, except in FY2017 for Group and Boral North America ROFE, which are based on average monthly funds employed due to the impact of Headwaters only contributing 8 weeks of EBIT in FY2017 but funds employed increasing fully at 30 June 2017.
2. Based on USG Boral’s underlying EBIT return on funds employed as at 30 June.

Capital management
Balance sheet remains robust

Net debt, A$ million

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</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>1,518</td>
<td>1,446</td>
<td>716</td>
<td>817</td>
<td>893</td>
<td>2,333</td>
</tr>
</tbody>
</table>

Gearing, % (net debt / net debt + equity)

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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>31</td>
<td>30</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>30</td>
</tr>
</tbody>
</table>

Earnings and dividends per share¹

<table>
<thead>
<tr>
<th></th>
<th>EPS</th>
<th>DPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>12.7</td>
<td>11.0</td>
</tr>
<tr>
<td>FY2013</td>
<td>12.7</td>
<td>11.0</td>
</tr>
<tr>
<td>FY2014</td>
<td>20.5</td>
<td>15.0</td>
</tr>
<tr>
<td>FY2015</td>
<td>29.7</td>
<td>18.0</td>
</tr>
<tr>
<td>FY2016</td>
<td>33.3</td>
<td>22.5</td>
</tr>
<tr>
<td>FY2017</td>
<td>33.7</td>
<td>24.0</td>
</tr>
</tbody>
</table>

1. Earnings per share, excluding significant items. In accordance with AASB 133, historical EPS has been revised to reflect the bonus element in the equity raising completed Dec-2016.
Board of Directors

Dr Brian Clark  
Non-executive Chairman

Mike Kane  
CEO & Managing Director

Catherine Brenner  
Non-executive Director

Dr Eileen Doyle  
Non-executive Director

Kathryn Fagg  
Non-executive Director

John Marlay  
Non-executive Director

Karen Moses  
Non-executive Director

Paul Rayner  
Non-executive Director

Executive Committee

Mike Kane  
CEO & Managing Director

Rosaline Ng  
Chief Financial Officer

Joe Goss  
Divisional Chief Executive, Boral Australia

David Mariner  
President and CEO, Boral North America

Frederic de Rougemont  
CEO, USG Boral

Linda Coates  
Group Human Resources Director

Kylie FitzGerald  
Group Communications & Investor Relations Director

Dominic Millgate  
Company Secretary

Damien Sullivan  
Group General Counsel

Michael Wilson  
Group Health, Safety & Environment Director

Ross Harper  
Executive General Manager, Cement (reporting to Joe Goss)

Tim Ryan  
Group Strategy and M&A Director (reporting to Ros Ng)

Joel Charlton  
Executive GM, Innovation (reporting to Mike Kane) and Group President, Windows (reporting to David Mariner)
With three strong divisions, Boral is well positioned for growth and continued improved performance

- **Boral Australia**
  - A$3.3 billion revenue business
  - Leading, integrated construction materials position in Australia
  - Diversified end market exposure
  - Benefiting from multi-year infrastructure growth

- **Boral North America**
  - US$1.9 billion revenue business (proforma, including 50% of Meridian Brick)
  - Leading USA market positions with diversified end market exposure
  - Growth platforms in building products and fly ash
  - Strong innovation pipeline

- **USG Boral**
  - A$1.5 billion revenue business (100% of JV)
  - Leading plasterboard manufacturing and distribution footprint in Asia and Australia
  - World-leading technologies
  - Strong growth through economic development, product penetration and innovation
GHG emissions totalled 2.5m tonnes in FY17
Boral's emissions and emissions intensity have reduced by ~30% since FY12

GHG emissions from operations\(^1\) and emissions intensity per A$\(\text{m}\) of revenue\(^2\)

(million tonnes of CO\(_2\)-e)

<table>
<thead>
<tr>
<th>Year</th>
<th>GHG Intensity (tonnes CO(_2)-e per A$(\text{m}) revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>FY2012: 2.92, FY2013: 2.74, FY2014: 2.45, FY2015: 2.17, FY2016: 2.00, FY2017: 2.01</td>
</tr>
<tr>
<td>USA</td>
<td>FY2012: 0.20, FY2013: 0.47, FY2014: 0.48, FY2015: 0.25, FY2016: 0.23, FY2017: 0.24</td>
</tr>
<tr>
<td>Australia</td>
<td>FY2012: 0.42, FY2013: 0.20, FY2014: 0.48, FY2015: 0.25, FY2016: 0.23, FY2017: 0.24</td>
</tr>
</tbody>
</table>

FY2017 GHG emissions: 2.5 million tonnes CO\(_2\)-e

1. Data provided for FY2017 GHG emissions is for Boral’s 100% owned operations and Boral’s share of emissions from 50%-owned joint venture operations. Does not include Headwaters for FY2017.
2. Revenue has been adjusted to include 50% share of underlying revenues from USG Boral and Meridian Brick joint ventures, which are not reported in Group revenues.
Boral North America: a US$1.9 billion revenue business

Strong strategic fit between Headwaters and Boral’s existing US businesses

FY2017 external revenue (US$m)¹

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Headwaters</th>
<th>Existing Boral USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly Ash</td>
<td>~$490m</td>
<td>~$250m</td>
</tr>
<tr>
<td>Stone</td>
<td>~$300m</td>
<td>~$180m</td>
</tr>
<tr>
<td>Roofing</td>
<td>~$260m</td>
<td>~$250m</td>
</tr>
<tr>
<td>Light Building Products²</td>
<td>~$250m</td>
<td>~$310m</td>
</tr>
<tr>
<td>Windows &amp; Block</td>
<td>~$250m</td>
<td>~$310m</td>
</tr>
<tr>
<td>Bricks JV &amp; Denver CM</td>
<td>~$310m</td>
<td>~$310m</td>
</tr>
</tbody>
</table>

¹ Pro forma based on 12 months ended 30 June 2017, except for Windows which is based on revenue post-acquisition from August 2016.
² Light Building Products includes siding, trim and panelised stone.
³ Represents Boral’s 50% share of revenue from the Meridian Bricks JV for 12 months ended 30 June 2017.

Boral Australia

Concrete, Quarries, Asphalt, Cement, Concrete Placing, Property, Bricks WA & Roofing, Timber

Strong FY2017 results

Revenue, A$m  EBIT¹, A$m

<table>
<thead>
<tr>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,279</td>
<td>3,296</td>
<td>314</td>
<td>349</td>
</tr>
<tr>
<td>28</td>
<td>28</td>
<td>28</td>
<td>24</td>
</tr>
</tbody>
</table>

¹ Excluding significant items.
² Based on Boral Australia’s FY2017 external revenue.
³ Includes Masonry.
USG Boral
50%-owned joint venture in 14 countries across Australasia, Asia & Middle East

Reported equity income\(^1,2\), A$m

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, A$m</td>
<td>59</td>
<td>70</td>
</tr>
</tbody>
</table>

Underlying results

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, A$m</td>
<td>919</td>
<td>1,091</td>
<td>1,268</td>
<td>1,397</td>
<td>1,478</td>
</tr>
<tr>
<td>EBIT, A$m</td>
<td>83</td>
<td>102</td>
<td>141</td>
<td>179</td>
<td>217</td>
</tr>
</tbody>
</table>

Share of revenue\(^3\), %

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Indonesia</th>
<th>Thailand</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>36</td>
<td>13</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

1. Post-tax equity income from Boral’s 50% share of the USG Boral joint venture
2. Excluding significant items
3. Based on split of FY2017 underlying revenue for USG Boral

Boral North America
Construction Materials and Building Products

Revenue, A$m

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, A$m</td>
<td>1,033</td>
<td>1,093</td>
</tr>
</tbody>
</table>

EBIT\(^1\), A$m

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT, A$m</td>
<td>44</td>
<td>66</td>
</tr>
</tbody>
</table>

Share of revenue, %

<table>
<thead>
<tr>
<th>Business</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headwaters</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Bricks</td>
<td>25</td>
<td>19</td>
</tr>
<tr>
<td>Denver CM</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Roofing</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Fly Ash</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Residential</td>
<td>46</td>
<td>46</td>
</tr>
</tbody>
</table>

1. Excluding significant items
2. Based on FY2017 revenue for Boral North America, including 8 weeks’ revenue from Headwaters, 4 months’ revenue from Boral Bricks and Boral’s 50% share of underlying revenue from the Meridian Brick JV
3. Based on FY2017 proforma revenue for a full year contribution from Headwaters and includes Boral’s 50% share of underlying revenue from the Meridian Brick JV
Below average rainfall in 1Q18 has benefited Boral

Volume of rainfall in 1Q (1 July – 30 Sept)

Rainfall decile ranges

- Highest on record
- Very much above average
- Above average
- Average
- Below average
- Very much below average
- Lowest on record

Source: Australian Bureau of Meteorology
Boral Australia

1Q FY2018 trading update
- East Coast activity is strong, particularly infrastructure activity
- 1Q FY2018 above our expectations, primarily due to significantly drier weather in 1Q than seasonal averages

FY2018 outlook
- Growth in infrastructure and pricing outcomes on East Coast to more than offset pressures in WA, general softening in housing and higher energy costs
- Expect an increase in energy costs at the upper end of $15-$20 million estimated range
- Property earnings in FY2018 currently expected at lower end of historical range ($8m–$46m), skewed to 2H
- Expect higher EBIT in FY2018 compared with FY2017 including property in both years, and excluding Property in both years, expect high single-digit EBIT growth in FY2018, assuming a return to average weather conditions

USG Boral

1Q FY2018 trading update
- Results below our expectation in 1Q FY2018 primarily due to one-off cost in Australia associated with temporary closure of port facility in South Australia impacting gypsum supply by GRA; port re-opened in late September
- Continued penetration of Sheetrock® with strong underlying results in Australia and Korea
- Indonesia and Thailand improvement not yet coming through

FY2018 outlook
- Profit expected to grow at a high single-digit growth rate in FY2018
- Sheetrock® to deliver price, volume and cost benefits across all markets
- 2H improvements expected from Indonesia and Thailand businesses, while softer activity is forecast in Australian and Korean residential construction markets
1Q FY2018 trading update

• Integration of Headwaters progressing well, in line with expectation
• On track to deliver year 1 targeted synergies of US$30-$35 million
• 1Q FY2018 below our expectations due to impact of hurricanes in Texas and Florida (financial impact estimated to be ~US$5-$10 million primarily in 1Q FY18)

FY2018 outlook

• Expect significant growth in EBIT in FY2018 from the full year contribution of Headwaters coupled with US$30–35m of year 1 synergies
• Expect Meridian Brick JV to contribute an earnings uplift from market growth and synergies
• Assuming delivery of forecasted market growth1 of ~8% in housing starts (to ~1.29 million), ~5% increase in US infrastructure activity, ~12% growth in Non-residential and ~6% growth in Repair & Remodel

Outlook summary for FY2018

Earnings growth across all divisions, with significant lift in Boral North America as we deliver on Headwaters acquisition objectives

Boral Australia
• Growth in infrastructure and pricing outcomes on East Coast to more than offset pressures in WA, general softening in housing and higher energy costs
• Expect an increase in energy costs at the upper end of $15-$20 million estimated range
• Property earnings in FY2018 currently expected at lower end of historical range ($8m–$46m), skewed to 2H
• Expect higher EBIT in FY2018 compared with FY2017 including property in both years, and excluding Property in both years, expect high single-digit EBIT growth in FY2018, assuming a return to average weather conditions

USG Boral
• Profit expected to grow at a high single-digit growth rate in FY2018
• Sheetrock® to deliver price, volume and cost benefits across all markets
• 2H improvements expected from Indonesia and Thailand businesses, while softer activity is forecast in Australian and Korean residential construction markets

Boral North America
• Expect significant growth in EBIT in FY2018 from the full year contribution of Headwaters coupled with US$30–35m of year 1 synergies
• Expect Meridian Brick JV to contribute an earnings uplift from market growth and synergies
• Assuming delivery of market growth forecasts1 of ~8% in housing starts (to ~1.29 million), ~5% increase in US infrastructure activity, ~12% growth in Non-residential and ~6% growth in Repair & Remodel

1. Housing starts based on average of analysts’ forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, MBA) from July/August 2017 forecast; Non-residential from Dodge Data & Analytics, Non-Residential Value of Work; Repair & Remodel from Moody’s Retail Sales of Building Products; and Infrastructure Ready Mix Demand from McGraw Hill Dodge.
Overview of Boral’s Remuneration Report

Key issues and changes made in FY2017

1. One-off targeted retention incentives: none granted in 2016 and 2017 or planned in future
2. Fair value to face value for long-term incentive allocation methodology
3. Implications of Headwaters acquisition on short-term and long-term incentives
4. CEO Remuneration
5. Key management personnel (KMPs)

FY2017 remuneration outcomes

1. Short-term incentives
2. Long-term incentives
EBIT\(^1\) to average funds employed (ROFE), %

1. Excluding significant items.
2. FY2017 ROFE of 7.6% reflects the impact of Headwaters only contributing 8 weeks of EBIT in FY2017 but funds employed increasing fully at 30 June 2017. Calculating ROFE on an average monthly funds employed basis has FY2017 ROFE as 9.2%.
3. Hurdle at which 100% of ROFE LTI component will vest.

Pre-existing LTI targets\(^3\)

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</tr>
</thead>
<tbody>
<tr>
<td>EBIT (%)</td>
<td>15.1</td>
<td>12.1</td>
<td>10.1</td>
<td>6.3</td>
<td>6.2</td>
<td>7.4</td>
<td>4.7</td>
<td>4.7</td>
<td>6.6</td>
<td>8.5</td>
<td>9.1</td>
<td>9.2(^2)</td>
</tr>
</tbody>
</table>

Strong total shareholder returns over 3 and 5 years

Total Shareholder Return\(^1\) for Boral vs ASX100 companies

3 years: 1 September 2013 – 1 September 2016

1st quartile: 76.5%

5 years: 1 September 2011 – 1 September 2016

1st quartile: 100.4%

1. Total shareholder return is calculated based on the change in Boral’s share price, reinvestment of dividends and franking credits applied to dividends.
Remuneration outcomes include share price growth

A significant proportion of value delivered to executives in FY2017 reflects share price growth, which is aligned with value delivered to shareholders.

<table>
<thead>
<tr>
<th></th>
<th>Value at grant date</th>
<th>Additional value at vesting due to share price change</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTI vested in period</td>
<td>$3,771.1 (43%)</td>
<td>$4,913.6 (57%)</td>
</tr>
<tr>
<td>Deferred STI</td>
<td>$556 (82%)</td>
<td>$121 (18%)</td>
</tr>
</tbody>
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A $’000

Disclaimer

The material contained in this document is a presentation of information about the Group’s activities current at the date of the presentation, 2 November 2017. 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.

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