

Boral Limited

Building something great



Strategy Presentation
Mark Selway, CEO – 6 July 2010



Building something great

The strategic building blocks for growth



1 Laying the foundations

Review & respond, creating a strong platform for growth

2 Reinforcing the core

Focus & improve assets where Boral can be market leader

3 Investing for growth

Expand & invest through acquisition and innovation worldwide

4 Sector best performance

Realise sector best performance and market leading returns



1. Laying the Foundations

Review & respond, creating a strong platform for growth



1. Laying the Foundations

Portfolio Review



Conducted detailed review of the market and Boral's position in it:

Market Attractiveness vs Ability to Compete

	Boral Construction Materials & Cement	CRB	Clay & Concrete Products	Plasterboard	Timber	US Business	
Market Attractiveness	Relevant Market Size FY09	\$10,300m	\$3,700m	\$1,640m	\$3,300m	\$3,600m	\$2,450m
	Market Best ROS ^{1%} FY09	12%	10%	7%	11%	8%	(17)%
	Historical Growth ² (last ~10yrs)	8%	5%	1%	14%	5%	(21)%
	Competitive Intensity	Medium	High	Medium	Medium	High	Medium
Ability to Compete - Boral position	Market Position	1 or 2	1 (except BFS)	1 or 2	1 or 2	Mid range	1 or 2
	Leadership Potential	<ul style="list-style-type: none"> Leader Invest in strategic quarry and cement 	<ul style="list-style-type: none"> Possible Invest in innovation / automation 	<ul style="list-style-type: none"> Possible Invest in low cost manufacturing 	<ul style="list-style-type: none"> High Invest in capacity 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Current leader in Bricks & Tile Invest in refit market
	Boral FY09 ROS ^{1,3}	12%	(1%)	2%	8%	3%	(20)%
	Boral 10yr historic Average ROS ¹	10%	5%	8%	13%	8%	10%
	Competitive Advantage	<ul style="list-style-type: none"> Quarry positions NSW cement position Vertical integration Geographic cover 	<ul style="list-style-type: none"> Strong NSW position in concrete placing Strong national windows position 	<ul style="list-style-type: none"> Cost positions and customer relationships Installed capacity to satisfy market growth 	<ul style="list-style-type: none"> Low cost, distribution model, customer relationships Leading positions: Asia & Australia 	<ul style="list-style-type: none"> Cost positions, access to scarce resources 	<ul style="list-style-type: none"> Strong bricks share and distribution network Excellent tile position Installed capacity to satisfy market growth Boral Direct low cost distribution channel

Figures represent management best estimates, based on comparable businesses.

¹ Return on Sales

² Compound Annual Growth Rate

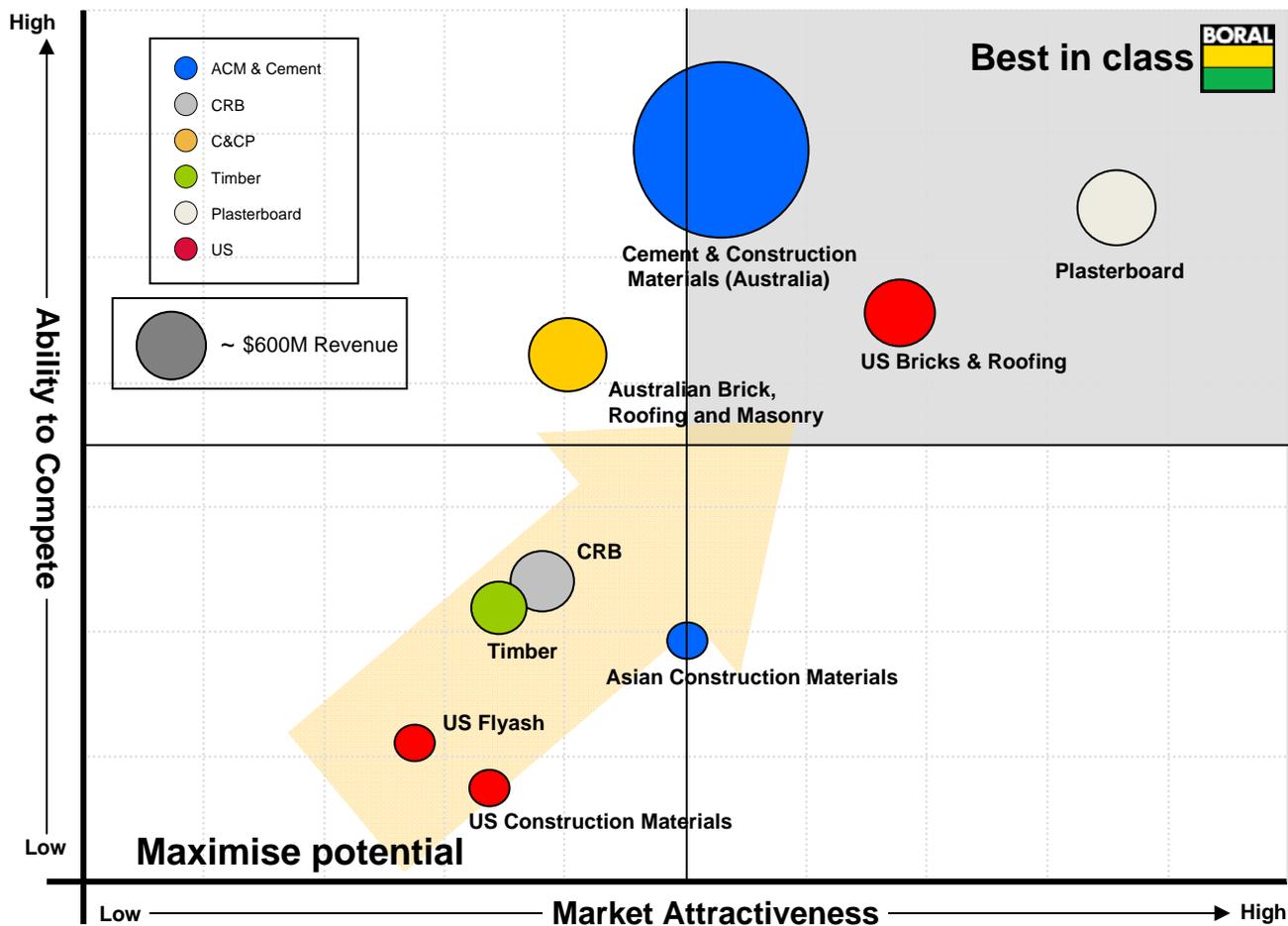
³ Based on 2009 management accounts

1. Laying the Foundations

Portfolio Review



Conducted detailed review of the market and Boral's position in it:
Market Attractiveness vs Ability to Compete



Objective

- To move all businesses into best in class
- To operate with sector best performance

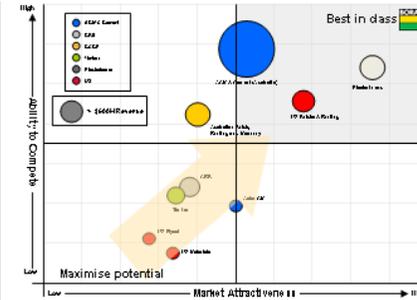
1. Laying the Foundations

Portfolio Review



- Comprehensive portfolio review completed
 - Future investments will focus on markets with higher returns and where Boral has the realistic potential to lead and grow
- Market and product priorities
 - Superior through-the-cycle returns
 - Potential to lead / competitive advantage
 - Premium assets with high barriers to entry
 - Potential value uplift from self-help initiatives (operational, sales & marketing and innovation excellence)

	ACM & Cement	CRB	C&CP	Plasterboard	Timber	US Business
Market Size FY20	\$15,000M	\$1,700M	\$1,600M	\$1,300M	\$1,600M	\$2,800M
Market Share H20% FY20	12%	10%	8%	10%	8%	14%
Historical Growth (last 3 years)	8%	8%	1%	2%	8%	12%
Dividend Yield % (last 3 years)	3%	8%	8%	10%	8%	3%
Competitive Intensity	Medium	High	Medium	Medium	High	Medium
Market Position	1 or 2	1 (except US)	1 or 2	1 or 2	Mid range	1 or 2
Leadership Potential	• Lower cost in energy, quality and service	• Possible	• Possible	• High	• Low	• Current leader - Bricks & Tiles
Barrel FY20 ROE	12%	2%	2%	1%	4%	14%
Barrel HPR ROE	7% / 8% / 10%	2% / 1% / 1%	2% / 7% / 12%	7% / 10% / 17%	4% / 6% / 16%	10% / 10% / 18%
Competitive Advantage	• Quality products, better customer service, vertical integration, Geographic cover	• Strong ROE position in Australia	• Cost positions and market leadership, vertical integration, quality, market growth	• Low cost, distribution, leading customer service, leading products, Asia & Australia	• Cost position, market to market	• Strong ROE position and leading products, market to market, established the product, included capacity for world market growth, Boral Direct low cost distribution channel
	Market leading position		Opportunities for improvement			



Long-term Core Businesses and Geographies

- Cement
- Construction Materials

Australia

- Plasterboard

Australia and Asia

- Bricks
- Roof Tiles
- Masonry

USA and Australia

Maximise Potential

- Timber
- US Flyash
- US Construction Materials
- Asia Construction Materials
- Windows
- Scaffolding
- Panels

1. Laying the Foundations

Simplifying the organisation

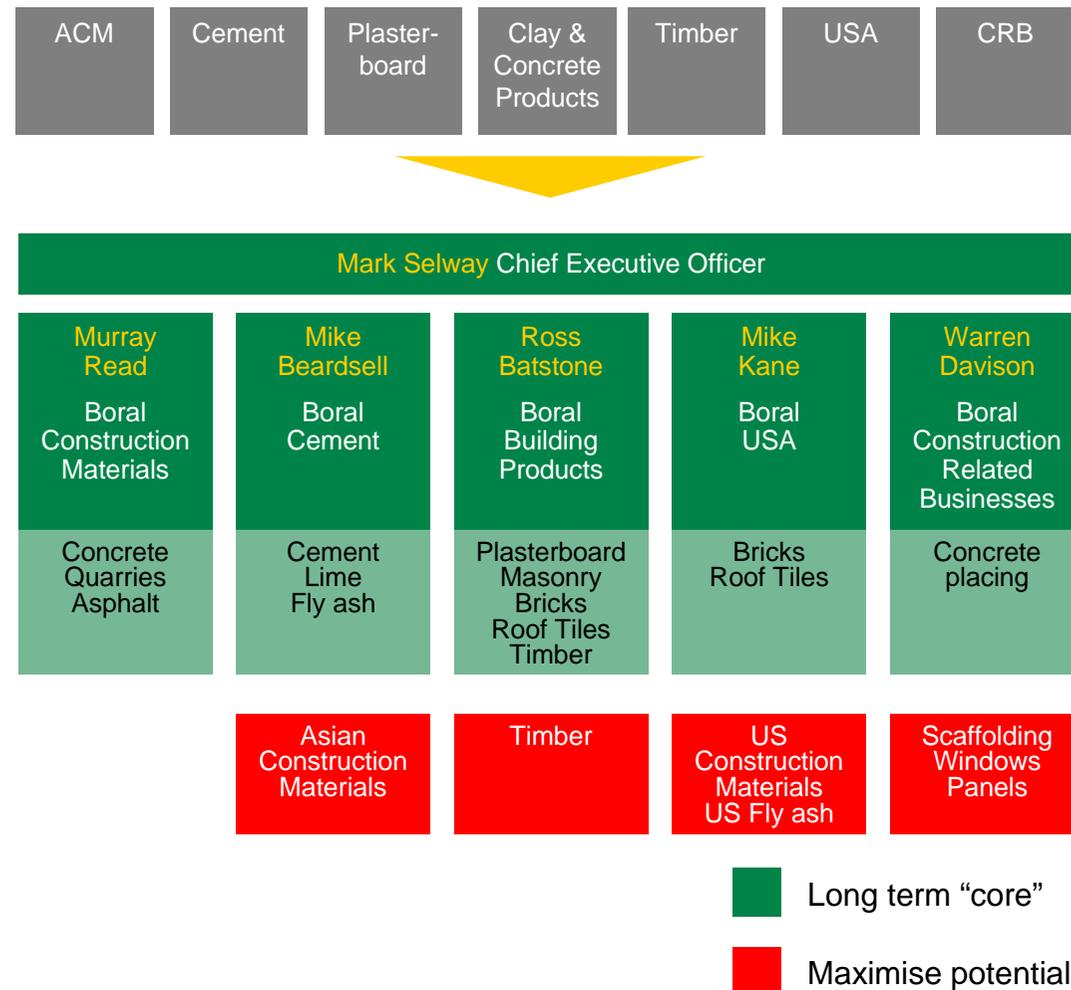


- Consolidation of Boral divisions from 7 to 5

- CEO direct business reports reduced
- Slimmer reporting structure
- Simplified processes
- Reduction in overhead costs
- Maximised synergies across the group

- Adopt a 'one company' approach

- One Boral, one organisation
- Senior team accountability
- Shared responsibilities and aligned objectives
- More effective cross-divisional coordination



1. Laying the Foundations

Asset impairments



- Strategic review has identified a number of under-performing assets and assets which may have more natural owners who can derive greater value than Boral
- Results in exceptional non-operational impairments of the carrying value of various group assets and restructuring costs totalling \$289 million (net profit after tax \$224 million), based on unaudited accounts
 - Key impairments include US brick plants, Penrith Lakes quarry, non-core assets, slow moving inventory
- The \$289 million total includes a restructuring charge of circa \$14 million to reorganise Boral to a simpler, leaner business - expected to result in cost savings from 2011.

Impairment summary *

	Impact \$m
Business write-downs	
Australia	(79)
Asia	(17)
Asset write-downs	
Australia	(136)
USA	(43)
Corporate restructure	(14)
Total (EBIT)	(289)
Income tax benefit	65
Net profit after tax	(224)

Cash impact - approximately \$34m

* See Appendix for more detail

2. Reinforcing the core

Focus & improve assets where Boral can be market leader



2. Reinforcing the core

Focus & improve



2. Reinforcing the core

Operational excellence	Sales and marketing excellence	Innovation excellence
<p>Applying LEAN process to 'one Boral'</p> <p>Group-wide focus on manufacturing excellence</p> <p>Improved working capital through just-in-time principles</p> <p>Minimising waste, improved utilisation and product flow</p> <p>Group-wide commitment to achieving sector best performance</p>	<p>More effective sales and marketing across businesses and geographic regions</p> <p>Improved inter-divisional cooperation and leveraging scale</p> <p>Capitalising on geographic position and distribution networks</p>	<p>Increase funding into R&D</p> <p>Cross sell new innovative products across existing customer range</p> <p>Improve structure and process to introduce new products into the market</p>



1. Laying the foundations

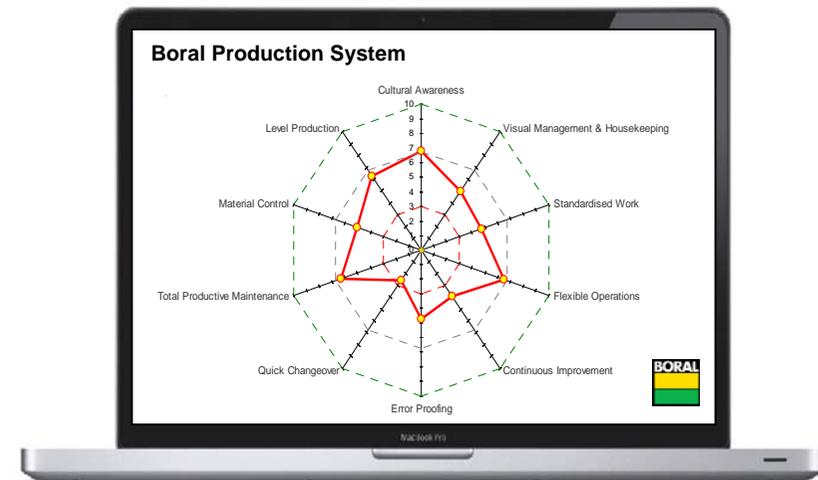
One Boral	A simple structure
<p>Group identity rather than silos</p> <p>Senior executive team 'owning' all of Boral</p> <p>External branding as part of long term process</p>	<p>Designed to maximise market potential</p> <p>Streamlined internal processes maximising synergy potential</p>

2. Reinforcing the core *Operational excellence*



- What is the **Boral Production System (LEAN)**?
 - A structured programme focused on eliminating manufacturing waste and improving efficiency
- The opportunities are significant
 - Elimination of waste
 - Improved customer service
 - Improved utilisation
 - Improved efficiencies
- An established step-by-step approach
 - Benchmark existing Group, identifying best practice standards
 - Bring all businesses to Group best practice standard
 - Benchmark Group best against global best practice
 - “Raise the bar” until sector best performance achieved
- Experience and commitment
 - Successfully implemented similar systems in the past
 - Dedicated management team in place to drive the Boral Production System across the Group

Lean assessment audits



Progressively driving Boral businesses
to global best practice

2. Reinforcing the core *Operational excellence*



- Operational audits** have identified significant potential to grow customer service and improve productivity across the Group
- Audit of 89 largest Boral operations confirms:**
 - Boral's current performance can be significantly improved
 - Areas of best practice are evident throughout the Group
 - Substantial installed capacity can be opened up without adding new capital
- Boral Production System (LEAN)** is being introduced across the Group
- Focused on best practice and releasing working capital** in support of market growth

Boral Lean Assessment SUMMARY											
Total Score (%)	LEAN Criteria										
	Total Score	Cultural Awareness	Visual Management & Housekeeping	Standardised Work	Flexible Operations	Continuous Improvement	Error Proofing	Quick Changeover	Total Productive Maintenance	Material Control	Level Production
51.3%	77.0	6.8	5.0	4.7	6.4	3.9	4.7	2.5	6.3	5.0	6.3
39.1%	58.6	2.9	4.7	1.6	4.6	2.9	2.2	2.5	2.5	6.3	7.1
37.8%	56.7	4.5	4.3	4.0	4.7	3.0	4.5	4.4	4.1	2.5	2.9
37.1%	55.6	4.3	3.1	2.5	3.9	2.9	6.3	3.1	4.6	5.0	1.7
37.0%	55.6	1.1	3.4	3.4	6.1	1.4	4.1	1.3	3.3	5.0	5.8
36.5%	54.7	4.3	2.5	0.9	5.4	2.5	3.1	1.6	2.9	5.4	6.3
36.4%	54.6	1.8	3.1	3.4	5.0	2.1	1.9	2.2	1.3	6.3	6.7
35.8%	53.7	5.0	2.2	4.7	4.3	3.9	4.1	1.6	2.5	4.2	3.3
34.3%	51.5	1.1	3.4	3.4	4.3	1.8	3.8	1.3	2.9	5.0	5.4
33.8%	50.6	2.1	1.9	0.6	5.7	0.7	2.8	2.2	2.9	5.8	6.3
33.1%	49.7	1.8	2.2	2.5	5.4	0.7	2.5	0.9	2.9	5.8	5.8
33.0%	49.4	5.0	2.2	4.1	4.6	1.8	3.4	1.9	1.3	4.2	4.2
32.6%	48.9	6.1	3.8	3.1	4.6	4.3	3.1	2.8	4.2	0.8	2.1
32.5%	48.8	2.5	4.1	1.3	4.3	2.1	2.2	1.9	2.5	5.0	5.4
32.1%	48.2	3.9	2.8	4.1	3.6	2.5	3.8	2.5	2.9	3.8	2.5
32.1%	48.1	2.5	2.2	0.6	4.6	1.8	0.9	2.5	1.3	6.3	6.7
31.8%	47.7	3.9	3.1	2.8	3.9	3.6	3.8	2.2	4.2	2.5	2.5
31.3%	47.0	1.1	1.9	3.4	4.3	1.4	2.8	1.6	2.5	5.0	5.0
31.2%	46.9	1.1	1.9	2.8	3.6	0.4	1.9	2.2	1.3	5.8	7.1
30.8%	46.3	2.1	1.3	0.9	5.4	2.1	2.5	1.3	2.5	4.2	6.3
30.6%	45.9	3.2	1.9	2.8	4.3	1.8	1.3	2.2	2.1	3.3	6.3
29.5%	44.2	4.3	2.2	1.9	4.6	2.1	3.1	1.6	4.6	2.5	2.9
28.9%	43.3	1.4	3.1	1.9	4.6	-	2.2	1.9	2.5	4.6	5.0
28.9%	43.3	1.8	2.5	0.6	4.3	0.4	2.5	0.6	2.1	5.8	5.8
28.8%	43.2	2.9	4.4	1.6	4.3	1.8	4.4	2.8	2.5	2.9	2.1
28.5%	42.8	1.8	2.8	-	5.4	0.7	1.9	1.6	2.1	5.0	5.4
27.9%	41.8	1.4	1.9	0.9	3.2	0.7	1.6	0.6	4.2	5.4	5.4
27.4%	41.1	3.2	2.8	1.9	3.6	0.7	2.8	3.4	3.8	2.5	2.9
27.2%	40.8	2.5	3.4	3.4	4.3	2.5	2.8	1.6	4.2	0.8	2.5
26.3%	39.4	1.8	2.8	1.9	4.3	2.1	1.9	2.2	2.5	3.3	2.9
24.0%	35.9	1.1	1.6	2.2	3.6	0.7	1.6	1.3	2.9	3.8	3.8
23.8%	35.8	1.1	1.3	5.0	3.2	0.4	1.6	1.9	2.5	2.9	2.9
23.8%	35.6	2.9	3.8	1.9	3.2	3.2	2.5	3.1	2.1	1.3	1.3
23.6%	35.5	3.2	2.5	4.1	3.6	1.4	2.2	2.2	0.8	2.9	1.3
22.5%	33.7	1.4	1.3	2.5	2.9	1.4	1.9	1.9	1.3	3.3	3.3
22.2%	33.2	2.9	3.1	1.6	3.2	3.2	2.2	3.1	2.1	1.3	0.8
22.1%	33.2	2.9	3.1	3.1	2.5	2.1	2.5	2.2	2.9	1.7	0.4
22.0%	33.0	2.1	1.3	2.8	2.5	1.1	2.2	1.6	1.3	2.1	4.2
21.7%	32.5	1.4	1.9	2.5	2.9	1.8	2.8	1.9	5.4	0.4	1.3
21.6%	32.3	1.1	1.3	1.9	2.9	1.1	1.9	1.5	0.8	2.9	4.6
19.7%	29.6	1.8	2.8	2.2	1.8	1.8	2.8	1.6	3.8	0.8	1.3
18.8%	28.2	2.9	3.4	1.9	1.8	2.5	1.9	2.8	2.1	0.4	0.8
18.3%	27.4	3.2	2.5	2.5	2.9	2.1	1.6	2.2	2.1	0.4	0.4
18.2%	27.3	1.8	0.9	0.9	1.8	1.1	1.6	0.6	3.8	2.9	2.1
18.0%	27.0	1.8	2.2	1.3	2.5	2.9	2.5	1.3	3.3	-	1.3
17.4%	26.1	0.4	0.3	0.3	2.9	0.7	1.6	2.5	2.9	2.1	2.5
16.9%	25.3	1.8	2.5	1.3	2.5	1.4	1.6	1.9	2.1	1.3	1.3
15.7%	23.5	2.5	1.3	0.9	2.5	1.4	2.5	1.3	1.3	1.7	0.8
15.2%	22.9	2.1	0.9	2.2	2.1	0.4	1.6	1.3	1.3	1.3	2.1
13.6%	20.4	2.1	2.5	1.6	1.4	1.4	1.9	1.6	2.1	0.4	-
12.0%	18.0	1.1	1.9	0.9	2.1	1.4	0.3	0.9	2.1	0.8	0.8

2. Reinforcing the core *Sales & marketing excellence*



- **Sales & marketing audits** have identified significant potential to improve sales effectiveness
- Improve training and customer support
- Maximise potential for logistics and distribution efficiencies
- Leverage potential for cross selling integrated solutions
- Benchmark studies indicate potential for margin improvements year on year

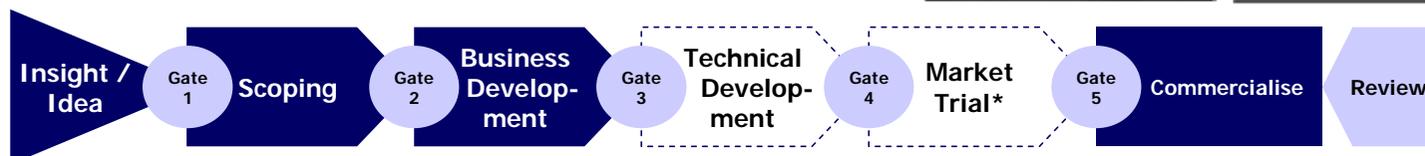
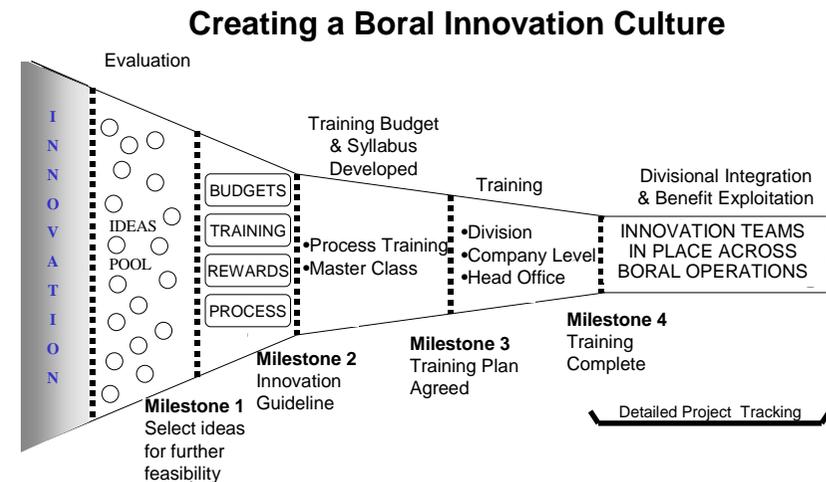


Boral Sales and Marketing Assessment SUMMARY										
	KPIs	Criteria								
		EBIT / Sales	Total Score (out of 100)	Strategic Marketing	Customer/Product Mix	Pricing	Key Account/Contract Management	Sales Force Effectiveness	Customer-lack Innovation	Channel Management
Total Score (%)										
77.4%	-	61.9	7.1	8.0	8.1	8.6	7.9	7.6	7.8	7.1
74.5%	-	59.6	8.0	7.5	7.4	7.6	8.2	6.9	6.9	7.2
72.5%	-	58.0	6.7	7.7	7.6	7.3	6.7	7.3	8.0	6.6
71.5%	-	57.2	6.8	7.3	7.2	6.6	6.6	8.7	7.6	6.4
71.3%	-	57.0	6.1	7.8	8.0	8.2	6.5	4.3	9.0	7.0
70.2%	-	56.2	6.3	8.5	7.0	7.1	7.7	6.0	6.8	6.8
66.6%	-	53.3	6.9	7.0	6.4	7.0	6.0	7.3	6.4	6.3
66.4%	-	53.2	6.5	6.8	6.1	7.3	6.7	6.3	7.2	6.3
66.3%	-	53.0	6.4	7.5	7.6	6.6	6.3	6.3	7.2	6.6
65.5%	-	52.4	6.6	7.2	7.0	7.7	7.2	5.0	5.6	6.1
65.5%	-	52.4	6.4	7.0	6.4	8.0	6.0	6.0	6.0	6.6
65.1%	-	52.1	6.0	8.0	7.2	6.2	7.3	6.0	5.3	6.0
63.3%	-	50.6	6.5	6.1	7.3	6.9	6.3	5.7	6.3	5.6
62.4%	-	49.9	5.9	6.5	6.4	6.5	6.0	4.3	5.6	6.6
62.3%	-	49.8	5.0	7.2	7.4	7.6	6.7	4.7	6.4	4.9
61.8%	-	49.5	6.0	6.0	7.2	6.0	5.7	6.0	7.6	5.0
61.2%	-	48.9	5.6	8.0	6.8	7.4	7.3	2.0	5.6	6.3
60.3%	-	48.2	6.0	7.3	6.4	7.3	4.7	6.7	4.8	5.8
60.2%	-	48.2	6.7	5.7	6.4	5.5	4.0	8.0	7.2	4.8
59.9%	-	48.0	5.4	7.0	7.7	7.4	5.8	4.0	5.1	5.5
59.6%	-	47.7	5.9	6.1	6.5	6.6	5.8	4.7	6.9	5.3
58.8%	-	47.1	5.6	5.3	6.8	6.7	5.5	4.7	6.8	5.8
58.1%	-	46.5	5.2	7.3	6.6	5.7	6.3	4.0	6.8	4.5
57.9%	-	46.3	6.0	6.3	6.4	6.8	6.3	4.0	5.2	5.3
57.9%	-	46.3	5.9	6.6	7.0	7.1	5.3	4.3	5.1	5.6
57.5%	-	46.0	5.9	6.6	7.6	6.2	6.9	3.6	2.8	6.4
57.3%	-	45.8	4.4	6.0	6.4	7.6	4.7	6.0	5.2	5.5
57.2%	-	45.8	5.9	5.9	5.5	6.7	5.4	5.1	5.8	5.5
57.2%	-	45.8	5.7	6.6	6.4	6.3	6.4	4.1	4.5	5.8
56.6%	-	45.2	5.8	5.9	6.8	6.7	5.8	3.3	5.6	5.3
55.9%	-	44.7	4.7	4.7	6.6	7.0	5.2	4.3	6.0	5.3
55.8%	-	44.7	6.3	6.7	6.4	6.4	7.0	6.0	-	5.9
55.8%	-	44.6	4.7	6.0	5.8	5.9	6.8	3.7	6.0	5.8
55.7%	-	44.6	5.4	5.8	6.6	6.5	6.5	3.3	4.0	6.4
55.7%	-	44.6	5.7	7.0	-	6.9	6.7	6.0	6.0	6.3
55.6%	-	44.5	5.3	6.0	7.2	4.7	5.0	6.0	4.8	5.5
54.8%	-	43.9	4.4	6.2	6.6	6.6	5.0	3.3	5.2	6.6
54.2%	-	43.4	5.4	7.5	7.0	7.3	6.4	4.0	-	5.8
52.7%	-	42.2	5.3	6.5	7.0	7.5	7.6	3.0	-	5.3
52.7%	-	42.2	5.1	5.7	5.6	7.8	6.0	4.0	4.0	4.0
52.5%	-	42.0	5.1	6.7	4.8	6.2	5.0	3.3	5.6	5.3
52.4%	-	41.9	6.0	6.7	5.2	4.7	3.7	5.3	6.4	4.0
52.0%	-	41.6	4.9	5.0	6.2	6.2	5.7	4.0	4.4	5.3
51.8%	-	41.5	6.2	6.7	7.2	5.8	5.7	4.7	-	5.3
51.5%	-	41.2	6.0	5.7	4.0	7.0	8.0	-	6.0	4.5
50.5%	-	40.4	5.1	6.0	5.6	5.3	5.0	4.0	5.2	4.3
50.1%	-	40.1	3.9	6.3	5.0	6.4	5.5	3.3	4.4	5.3
49.5%	-	39.6	5.1	7.6	6.8	6.8	3.3	4.7	6.3	5.3
48.3%	-	39.4	5.4	5.2	5.6	6.2	5.0	4.0	4.0	4.0
48.0%	-	39.2	6.0	5.7	5.6	5.2	4.7	2.7	4.4	5.0
48.9%	-	39.1	5.0	5.7	5.7	6.0	4.1	4.0	3.5	5.1
48.6%	-	38.8	4.4	5.3	5.8	6.4	5.2	3.0	4.2	4.5
48.6%	-	38.8	7.4	5.3	7.5	7.4	4.8	4.0	4.6	5.3
48.5%	-	38.8	5.1	5.7	5.6	7.0	5.0	2.0	4.4	4.0
48.3%	-	38.6	3.8	5.3	5.6	6.4	5.0	4.0	4.0	4.5
48.1%	-	38.5	4.7	5.7	7.2	7.6	4.7	4.7	-	4.0
45.9%	-	36.7	4.0	5.3	5.2	6.2	4.7	3.3	4.0	4.0
45.6%	-	36.5	4.0	5.3	6.0	5.5	4.3	3.3	4.0	4.0
45.5%	-	36.4	5.6	6.0	5.2	5.3	2.7	4.0	3.2	4.8
42.9%	-	34.3	4.4	4.7	5.6	5.0	4.2	3.3	2.6	4.5
42.5%	-	34.0	4.0	4.7	4.4	5.4	3.0	4.0	4.0	4.5
41.3%	-	33.0	3.3	7.0	6.0	5.8	4.4	2.0	-	4.5
40.9%	-	32.7	3.6	5.7	4.4	6.4	3.0	2.7	2.8	4.3
39.9%	-	31.9	3.7	3.3	4.3	5.0	3.3	4.0	4.5	3.8
35.2%	-	28.1	3.3	4.3	3.2	4.8	3.7	2.0	2.8	4.0
35.1%	-	28.1	4.4	4.3	4.8	3.5	3.3	-	3.2	4.5
34.6%	-	27.7	4.0	4.3	5.2	4.9	4.0	2.0	-	3.3
32.9%	-	26.3	3.8	3.5	4.0	5.6	3.3	2.7	-	3.5
28.5%	-	22.8	2.9	3.0	3.2	4.8	3.0	2.7	-	3.3

2. Reinforcing the core *Innovation excellence*



- Plan to increase funding for research / more dynamism in delivering great new products to the market
- Well positioned: Boral already interacts with retailers, home builders, contractors, commercial builders
- Capitalise on the use of fly ash (by-product of coal fired power) in Australia and USA to produce green products
- Accelerated launch of composite products in the US market



3. Investing for growth

Expand & invest through acquisition and innovation worldwide



3. Investing for growth

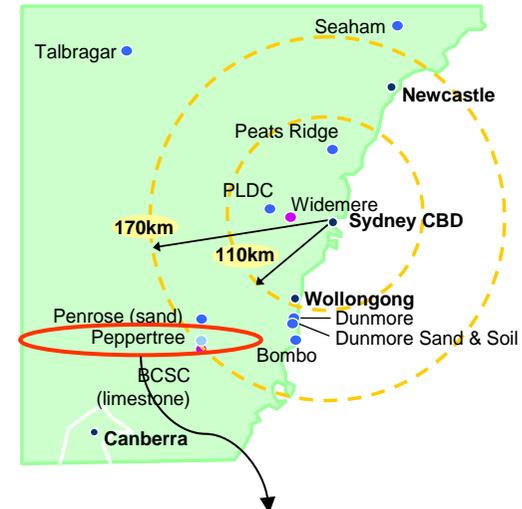
Investing in Construction Materials (Australia)



- Strategic review confirmed market attractiveness and potential for Boral Construction Materials businesses
 - Strong through-the-cycle returns
 - Market leading positions
 - Competitive, lower cost operations

- Potential investment of circa \$200 million over 3 years in Peppertree hardrock quarry near Marulan being considered*
 - Investment expected to secure Boral's leading position in the NSW aggregates market
 - Will include low cost rail link into 3 hubs sharing installed infrastructure of the cement business
 - Will replace Emu Plains quarry at the end of its economic life

- Potential to return in excess of cost of capital



*Investment subject to necessary approvals

3. Investing for growth

Investing in Plasterboard



- Strategic review highlighted strengths of Boral's plasterboard businesses
 - Strong through-the-cycle returns
 - Excellent market position
 - Competitive lower cost operations
- Circa \$80 million investment in the upgrade of Boral's Melbourne plasterboard plant*
 - Once commissioned, the plant will have installed capacity to service expected growth in the southern states of Australia
 - Expected to bring cost efficiencies
 - Investment underpinned by strong distribution network
- Expected returns in excess of cost of capital



*Investment subject to necessary approvals

3. Investing for growth

Committed to and investing in the USA



- The strategic review confirmed the excellent competitive and future potential which Boral has in US tile and brick markets
 - Excellent medium cycle returns
 - Leadership market position
 - Competitive low cost operations
 - Efficient sales and distribution

- US\$75 million acquisition of remaining 50% share of US concrete roof tile business, MonierLifetile
 - Attractive acquisition price achieved due to weakened market conditions
 - Expect to generate annual cost synergies of circa US\$3 million through consolidation with Boral's clay roof tile business as well as revenue synergies
 - Strong return on capital expected assuming a medium term recovery in US housing starts
 - MonierLifetile currently loss-making but expected to return to profitability as markets recover



MonierLifetile Summary (100%)

	FY2006 ¹	FY2009 ¹	FY2010e ¹
Housing starts	2,100k	640k	600k
Revenue	US\$336m	US\$83m	US\$75m
EBITDA	US\$59m	(US\$20m)	(US\$15m)
ROCE	33%	-20%	-18%

¹ Unaudited



3. Investing for growth

Capital raising to fund growth & strengthen balance sheet



- Boral is undertaking an equity raising of approximately \$490 million through a fully underwritten 1 for 5 accelerated renounceable pro rata entitlement offer
- Fixed Offer Price of \$4.10 per share
- Net proceeds to be used for:
 - MonierLifetile acquisition
 - Near term capital expenditure program including Melbourne plasterboard project
 - Provide financial flexibility for future growth, including potential investment in Peppertree hard rock quarry
 - Strengthen the balance sheet

Financial Implications

On track to deliver earnings guidance



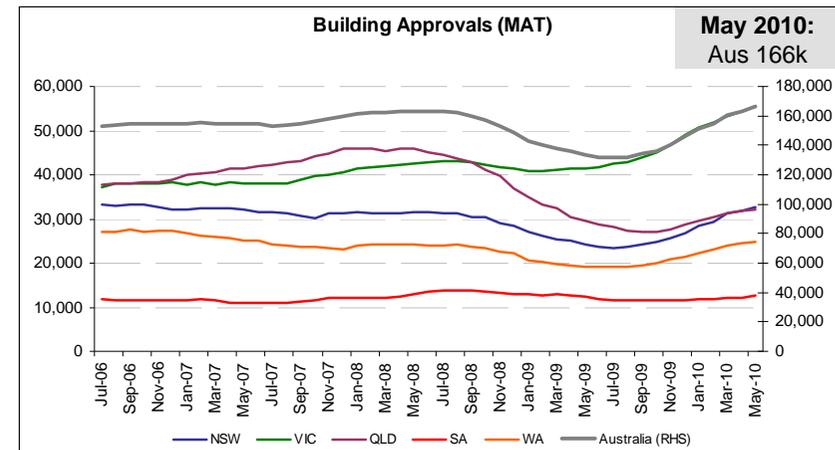
- At Boral's interim results in February 2010, we indicated our expectation that full year net profit after tax would be broadly in line with consensus of \$123.5m
- Unaudited management accounts confirm that, excluding the impairment charges announced today, full year net profit after tax is expected to be in the range of \$123.5m and \$132m

US Housing Starts



- Seasonally adjusted annualized monthly starts from US Census
- Gray bars indicate recession

Australian Building Approvals



Building something great

Summary



1. Laying the foundations

- Future strategy to focus on Cement and Construction Materials in Australia; Plasterboard in Australia and Asia; and bricks, roof tiles and masonry both in Australia and the United States.
- Obsolete and inefficient facilities in the USA to close.
- Organisational restructure and capacity rationalisation.
- Asset impairment of \$289 million (net profit after tax \$224m).

2. Reinforcing the core

- Structured programme of operational excellence, sales & marketing excellence and a more dynamic approach to innovative new products.

3. Investing for growth

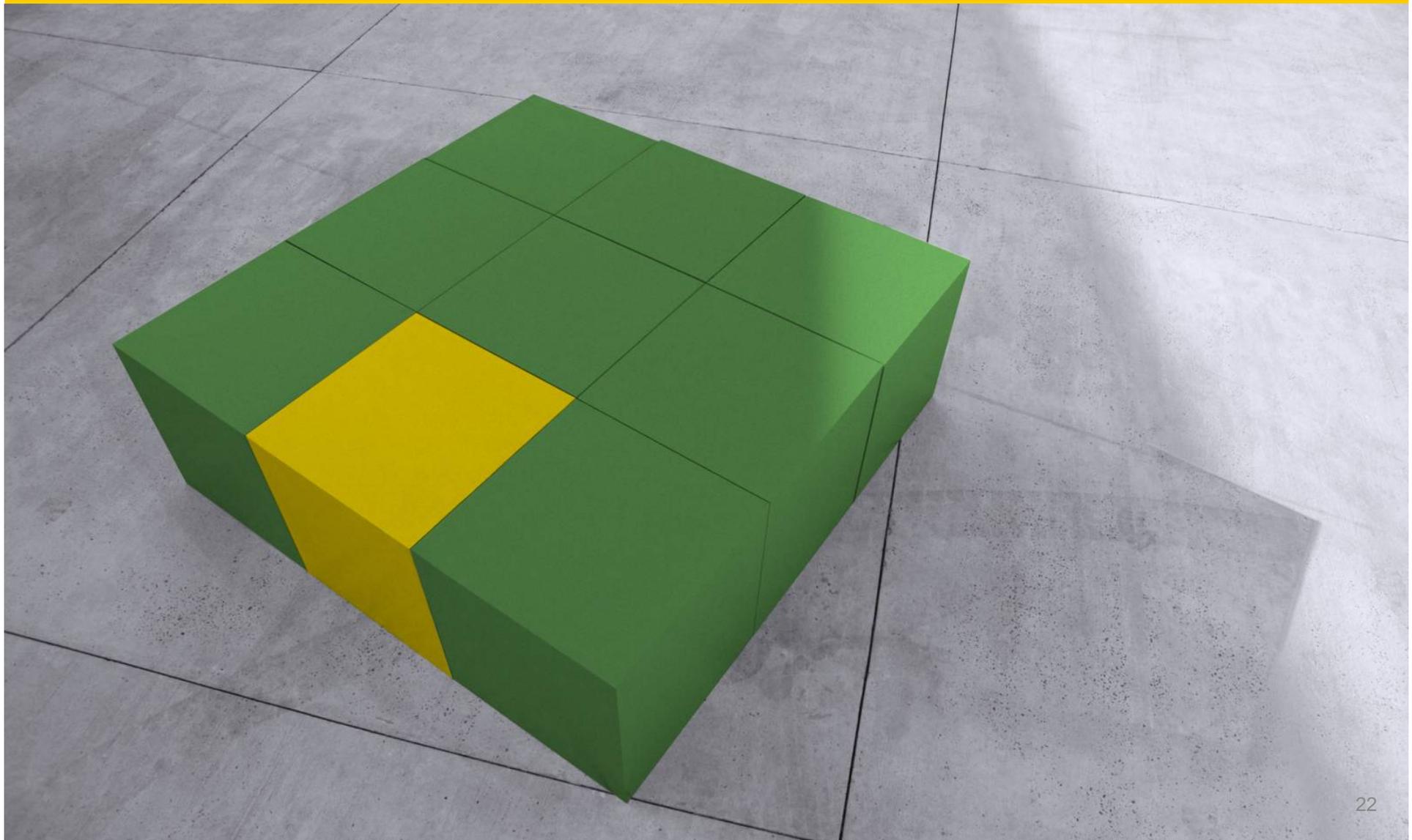
- Major investments in Construction Materials and Plasterboard.
- MonierLifetile acquisition - attractive acquisition price and synergy potential from US clay and concrete tile consolidation.
- Capital raising of approximately \$490m to finance investments and growth.

4. Outlook - The journey to sector best performance

- Boral expects full year net profit after tax, excluding the impairment charges announced today, to be in the range of \$123.5m and \$132m.



Questions?



Appendix:

Asset impairment in more detail



	Impact \$m
Business Write-down	
• Construction Related Businesses	(79)
• Thailand Construction Materials Businesses	(17)
Asset Write-down:	
Australia:	
• Share of associates' Impairment of Assets ¹	(42)
• Mothballed and obsolete assets, closure costs, demolition costs and provision for associated obsolete stores and obsolete and slow moving inventories	(94)
USA:	
• Mothballed brick & tile plants closure costs and associated obsolete and slow moving inventory	(43)
Organisational Restructure	
• Corporate and Divisional restructuring & simplification	(14)
Total (EBIT)	(289)
Income tax benefit	65
Net profit after tax	(224)

¹ Penrith Lakes Development Corporation Limited

Includes cash component of \$34m

Important Notices



Disclaimer

This Presentation has been prepared by Boral Limited (ABN 13 008 421 761) (**Boral**).

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This Presentation contains summary information about the current activities of Boral and its subsidiaries (**Boral Group**). The information in this Presentation does not purport to be complete nor does it contain all the information which would be required in a disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Boral Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. No member of the Boral Group gives any warranties in relation to the statements and information in this Presentation.

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