

APPENDIX 4E

PRELIMINARY FINAL REPORT

22 August 2012

Name of Entity: **Boral Limited**
 ABN: **13 008 421 761**
 Financial Year ended: **30 June 2012**

Boral Limited



ABN 13 008 421 761

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Results for announcement to the market

				2012 A'\$ Millions	2011 A'\$ Millions
Revenue from continuing operations	up	8.5%	to	4,716.2	4,345.7
Revenue from discontinued operations				294.1	364.8
Total revenue	up	6.4%	to	5,010.3	4,710.5
Profit from continuing operations before net financing costs, income tax and significant items	down	(26.1%)	to	200.9	271.8
Profit/(loss) from discontinued operations before net financing costs, income tax and significant items				(1.3)	5.4
Profit before net financing costs, income tax and significant items	down	(28.0%)	to	199.6	277.2
Net financing costs from continuing operations before significant items				(84.9)	(59.7)
Net financing costs from discontinued operations before significant items				(3.5)	(4.0)
Profit before income tax and significant items	down	(47.9%)	to	111.2	213.5
Income tax from continuing operations before significant items				(9.6)	(40.0)
Income tax from discontinued operations before significant items				0.7	(0.4)
Non-controlling interests from continuing operations				(0.8)	2.9
Non-controlling interest from discontinued operations				(0.3)	(0.6)
Net profit before significant items attributable to members	down	(42.3%)	to	101.2	175.4
Significant items from continuing operations net of tax ¹				104.1	4.7
Significant items from discontinued operations net of tax ¹				(28.7)	(12.4)
Net profit attributable to members	up	5.3%	to	176.6	167.7

1. Refer note 7 of the attached financial report.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period		
Final - ordinary	3.5 cents	3.5 cents
Interim - ordinary	7.5 cents	7.5 cents
Previous corresponding period		
Final - ordinary	7.0 cents	7.0 cents
Interim - ordinary	7.5 cents	7.5 cents
Record date for determining entitlements to the final dividend	3 September 2012	

Comparative figures: Full year ended 30 June 2011

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 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 2012 - Management Discussion and Analysis dated 22 August 2012.

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	Note	CONSOLIDATED	
		2012 \$ millions	2011 \$ millions
Continuing operations			
Revenue	3	4,716.2	4,345.7
Cost of sales		(3,425.4)	(3,063.8)
Selling and distribution expenses		(812.6)	(770.6)
Administrative expenses		(331.0)	(322.5)
		(4,569.0)	(4,156.9)
Other income	4	207.5	75.5
Other expenses	5	(119.3)	(60.6)
Share of net profit of associates	12	30.8	42.0
Profit before net financing costs and income tax expense		266.2	245.7
Financial income	6	14.6	23.6
Financial expenses	6	(99.5)	(83.3)
Net financing costs		(84.9)	(59.7)
Profit before income tax expense		181.3	186.0
Income tax benefit/(expense)	8	29.2	(9.2)
Profit from continuing operations		210.5	176.8
Discontinued operations			
Loss from discontinued operations (net of income tax)	9	(32.8)	(11.4)
Net profit		177.7	165.4
Attributable to:			
Members of the parent entity		176.6	167.7
Non-controlling interests		1.1	(2.3)
Net profit		177.7	165.4
Basic earnings per share	10	23.8c	23.3c
Diluted earnings per share	10	23.6c	23.2c
Continuing operations			
Basic earnings per share	10	28.2c	25.0c
Diluted earnings per share	10	28.0c	24.9c

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	
	2012 \$ millions	2011 \$ millions
Net profit	177.7	165.4
Other comprehensive income		
Actuarial gain/(loss) on defined benefit plans	(9.8)	2.8
Net exchange differences from translation of foreign operations taken to equity	(4.4)	(31.1)
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	18.6	-
Fair value adjustment on cash flow hedges	(4.2)	1.0
Income tax relating to other comprehensive income	5.5	(29.7)
Total comprehensive income	213.9	108.4
Total comprehensive income is attributable to:		
Members of the parent entity	210.7	113.7
Non-controlling interests	3.2	(5.3)
Total comprehensive income	213.9	108.4

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	
		2012 \$ millions	2011 \$ millions
CURRENT ASSETS			
Cash and cash equivalents		205.7	561.2
Receivables		809.6	784.1
Inventories		656.1	596.1
Other financial assets		0.2	7.5
Other		69.0	85.6
Assets classified as held for sale	9	62.9	-
TOTAL CURRENT ASSETS		1,803.5	2,034.5
NON-CURRENT ASSETS			
Receivables		17.8	10.3
Inventories		104.9	93.5
Investments accounted for using the equity method		36.6	240.2
Property, plant and equipment		3,566.7	2,894.9
Intangible assets		820.1	255.9
Deferred tax assets		101.2	88.2
Other		48.3	50.5
TOTAL NON-CURRENT ASSETS		4,695.6	3,633.5
TOTAL ASSETS		6,499.1	5,668.0
CURRENT LIABILITIES			
Payables		732.2	702.8
Loans and borrowings	14	148.3	163.4
Other financial liabilities	15	7.1	7.5
Current tax liabilities		22.8	123.8
Provisions		187.8	218.6
Liabilities classified as held for sale	9	44.6	-
TOTAL CURRENT LIABILITIES		1,142.8	1,216.1
NON-CURRENT LIABILITIES			
Payables		10.9	12.5
Loans and borrowings	14	1,575.1	903.2
Other financial liabilities	15	72.4	112.2
Deferred tax liabilities		182.5	161.1
Provisions		112.0	106.5
TOTAL NON-CURRENT LIABILITIES		1,952.9	1,295.5
TOTAL LIABILITIES		3,095.7	2,511.6
NET ASSETS		3,403.4	3,156.4
EQUITY			
Issued capital	16	2,368.4	2,261.3
Reserves	17	(109.2)	(159.5)
Retained earnings		1,069.9	1,007.0
Total parent entity interest		3,329.1	3,108.8
Non-controlling interests		74.3	47.6
TOTAL EQUITY		3,403.4	3,156.4

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

	CONSOLIDATED					
	Issued capital \$ millions	Reserves \$ millions	Retained earnings \$ millions	Total parent entity interest \$ millions	Non-controlling interests \$ millions	Total equity \$ millions
For the year ended 30 June 2012						
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
For the year ended 30 June 2011						
Balance at 1 July 2010	1,724.0	(38.9)	938.4	2,623.5	2.6	2,626.1
Net profit/(loss)	-	-	167.7	167.7	(2.3)	165.4
Other comprehensive income						
Translation of net assets of overseas controlled entities	-	(123.0)	-	(123.0)	(3.0)	(126.0)
Translation of long-term borrowings and foreign currency forward contracts	-	94.9	-	94.9	-	94.9
Fair value adjustment on cash flow hedges	-	1.0	-	1.0	-	1.0
Actuarial gain/(loss) on defined benefit plans	-	-	2.8	2.8	-	2.8
Income tax relating to other comprehensive income	-	(28.8)	(0.9)	(29.7)	-	(29.7)
Total comprehensive income	-	(55.9)	169.6	113.7	(5.3)	108.4
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan	53.1	-	-	53.1	-	53.1
Shares issued on vesting of rights	0.8	(0.8)	-	-	-	-
Dividends paid	-	-	(101.0)	(101.0)	-	(101.0)
Shares issued under capital raising net of costs	479.8	-	-	479.8	-	479.8
Purchase of employee compensation shares	-	(3.4)	-	(3.4)	-	(3.4)
Other - Cultured Stone (note 17)	-	(66.3)	-	(66.3)	-	(66.3)
Share-based payments	-	5.8	-	5.8	-	5.8
Income tax benefit on capital raising	3.6	-	-	3.6	-	3.6
Non-controlling interest acquired	-	-	-	-	44.3	44.3
Other changes in non-controlling interest	-	-	-	-	6.0	6.0
Total Transactions with owners in their capacity as owners	537.3	(64.7)	(101.0)	371.6	50.3	421.9
Balance at 30 June 2011	2,261.3	(159.5)	1,007.0	3,108.8	47.6	3,156.4

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

Cash Flow Statement

BORAL LIMITED AND CONTROLLED ENTITIES

For the year ended 30 June	Note	CONSOLIDATED	
		2012 \$ millions	2011 \$ millions
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,426.0	5,084.3
Payments to suppliers and employees		(5,069.4)	(4,669.6)
		356.6	414.7
Dividends received		22.1	27.7
Interest received		15.1	41.1
Borrowing costs paid		(99.7)	(84.7)
Income taxes paid		(69.7)	(21.5)
Acquisition costs, restructure costs and legal settlements paid	20	(91.1)	(26.6)
NET CASH PROVIDED BY OPERATING ACTIVITIES		133.3	350.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(408.8)	(345.0)
Purchase of intangibles		(5.6)	(0.8)
Purchase of controlled entities and businesses (net of cash acquired)	19	(700.5)	(146.0)
Purchase of non-controlling interest		(0.8)	-
Loans to associates		0.4	3.2
Insurance proceeds applied to asset disposal		-	33.4
Proceeds on disposal of non-current assets		64.3	25.4
Proceeds on disposals of controlled entities and businesses		65.3	48.1
NET CASH USED IN INVESTING ACTIVITIES		(985.7)	(381.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		52.1	-
Proceeds from capital raising		-	479.8
Purchase of employee compensation shares		(1.0)	(3.4)
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$54.8 million (2011: \$53.1 million))		(52.1)	(47.9)
Dividends paid to non-controlling interests		(1.0)	-
Contributions by non-controlling interests		5.4	6.0
Proceeds from borrowings		630.9	146.3
Repayment of borrowings		(162.2)	(136.6)
NET CASH PROVIDED BY FINANCING ACTIVITIES		472.1	444.2
NET CHANGE IN CASH AND CASH EQUIVALENTS		(380.3)	413.2
Cash and cash equivalents at beginning of the year		561.2	157.0
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		0.6	(9.0)
Cash and cash equivalents at end of the year	20	181.5	561.2

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 2012 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 in assessing performance and determining the allocation of resources.

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

Boral Construction Materials	-	Quarries, concrete, asphalt, transport and property development.
Cement Division	-	Australian cement operations and concrete placing.
Boral Building Products	-	Australian plasterboard, bricks, timber products, roof tiles, masonry and windows.
Plasterboard Asia*	-	Asian plasterboard (Boral Gypsum Asia)
United States of America	-	Bricks, roof tiles, fly ash, concrete, quarries, masonry and cultured stone.
Discontinued Operations	-	Asian construction materials, east coast masonry and roofing Queensland. (2011: includes scaffolding and precast panels)
Unallocated	-	Non-trading operations and unallocated corporate costs.

* The results from Boral Gypsum Asia were equity accounted until 9 December 2011.

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	
	2012	2011
Reconciliations of reportable segment revenues and profits	\$ millions	\$ millions
External revenue	5,010.3	4,710.5
Less revenue from discontinued operations	(294.1)	(364.8)
Revenue from continuing operations	4,716.2	4,345.7
Profit before tax		
Profit before net financing costs and income tax expense from reportable segments	223.2	234.4
Adjusted for:		
(Profit)/loss from discontinued operations	1.3	(5.4)
Significant items applicable to discontinued operations	41.7	16.7
Profit before net financing costs and income tax expense from continuing operations	266.2	245.7
Net financing costs - continuing operations	(84.9)	(59.7)
Profit before tax from continuing operations	181.3	186.0

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	2012 \$ millions	2011 \$ millions	2012 \$ millions	2011 \$ millions	2012 \$ millions	2011 \$ millions
	TOTAL REVENUE		INTERNAL REVENUE		EXTERNAL REVENUE	
Boral Construction Materials	2,620.2	2,420.2	148.3	144.8	2,471.9	2,275.4
Cement Division	628.4	634.9	198.6	192.7	429.8	442.2
Boral Building Products	1,015.0	1,200.9	2.8	4.0	1,012.2	1,196.9
Plasterboard Asia	303.6	-	-	-	303.6	-
United States of America	499.4	431.2	0.7	-	498.7	431.2
Discontinued Operations	295.7	369.2	1.6	4.4	294.1	364.8
	5,362.3	5,056.4	352.0	345.9	5,010.3	4,710.5
	OPERATING PROFIT (EXCLUDING ASSOCIATES)		EQUITY ACCOUNTED RESULTS OF ASSOCIATES		PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE	
Boral Construction Materials	172.6	201.0	1.3	2.9	173.9	203.9
Cement Division	57.5	73.6	11.4	13.3	68.9	86.9
Boral Building Products	11.0	71.5	8.7	9.9	19.7	81.4
Plasterboard Asia	30.8	-	10.1	16.9	40.9	16.9
United States of America	(83.0)	(98.0)	(0.7)	(1.0)	(83.7)	(99.0)
Discontinued Operations	(1.3)	5.4	-	-	(1.3)	5.4
Unallocated	(18.8)	(18.3)	-	-	(18.8)	(18.3)
	168.8	235.2	30.8	42.0	199.6	277.2
Significant items (refer to note 7)	23.6	(42.8)	-	-	23.6	(42.8)
	192.4	192.4	30.8	42.0	223.2	234.4
	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES		TOTAL ASSETS	
Boral Construction Materials	2,170.1	1,800.0	0.8	0.8	2,170.9	1,800.8
Cement Division	643.2	716.0	19.4	20.5	662.6	736.5
Boral Building Products	1,264.9	1,220.8	12.7	13.0	1,277.6	1,233.8
Plasterboard Asia	1,147.3	-	-	201.8	1,147.3	201.8
United States of America	829.1	828.8	3.7	4.1	832.8	832.9
Discontinued Operations	62.9	189.3	-	-	62.9	189.3
Unallocated	38.1	23.5	-	-	38.1	23.5
	6,155.6	4,778.4	36.6	240.2	6,192.2	5,018.6
Cash and cash equivalents	205.7	561.2	-	-	205.7	561.2
Tax assets	101.2	88.2	-	-	101.2	88.2
	6,462.5	5,427.8	36.6	240.2	6,499.1	5,668.0
	LIABILITIES		ACQUISITION OF SEGMENT ASSETS*		DEPRECIATION AND AMORTISATION	
Boral Construction Materials	414.4	416.7	194.9	160.0	105.0	90.4
Cement Division	92.4	103.4	46.6	44.3	49.0	47.3
Boral Building Products	202.7	212.5	105.3	73.5	51.7	50.5
Plasterboard Asia	109.1	-	19.9	-	11.3	-
United States of America	117.4	139.4	30.8	43.3	42.4	41.9
Discontinued Operations	44.6	58.6	11.0	23.8	13.3	14.0
Unallocated	186.4	229.5	5.9	0.9	0.7	0.9
	1,167.0	1,160.1	414.4	345.8	273.4	245.0
Loans and borrowings	1,723.4	1,066.6	-	-	-	-
Tax liabilities	205.3	284.9	-	-	-	-
	3,095.7	2,511.6	414.4	345.8	273.4	245.0

* Excludes amounts attributable to the acquisition of controlled entities and businesses as detailed in Note 19.

Geographical information

For the year ended 30 June 2012, the Group's trading revenue from external customers in Australia amounted to \$3,913.9 million (2011: \$3,914.5 million), with \$303.6 million (2011: Nil) from the Plasterboard Asia operations, \$498.7 million (2011: \$431.2 million) relating to operations in the USA and \$294.1 million (2011: \$364.8 million) relating to discontinued operations. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia amounted to \$3,467.4 million (2011: \$2,624.8 million), with \$499.2 million (2011: \$269.3 million) in Asia and \$627.8 million (2011: \$651.2 million) in the USA.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		2012 \$ millions	2011 \$ millions
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		4,627.6	4,282.8
Rendering of services		88.6	62.9
Revenue from continuing operations		4,716.2	4,345.7
4. OTHER INCOME FROM CONTINUING OPERATIONS			
Significant items	7	184.5	33.4
Net profit on sale of assets		15.0	25.8
Other income		8.0	16.3
Other income from continuing operations		207.5	75.5
5. OTHER EXPENSES FROM CONTINUING OPERATIONS			
Significant items	7	119.2	59.5
Net foreign exchange loss		0.1	1.1
Other expenses from continuing operations		119.3	60.6
6. NET FINANCING COSTS FROM CONTINUING OPERATIONS			
Interest income received or receivable from:			
Associated entities		0.6	0.9
Other parties (cash at bank and bank short-term deposits)		14.0	22.7
		14.6	23.6
Interest expense paid or payable to:			
Other parties (bank overdrafts, bank loans and other loans) *		95.9	79.2
Unwinding of discount		3.6	4.1
		99.5	83.3
Net financing costs from continuing operations		(84.9)	(59.7)

* In addition, interest of \$4.1 million (2011: \$0.4 million) was paid to other parties and capitalised in respect of qualifying assets. The capitalisation rate used was 6.0% (2011: 6.0%).

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

		CONSOLIDATED	
		2012	2011
Note		\$ millions	\$ millions
7. SIGNIFICANT ITEMS			
Net profit 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	(i) 158.1	-
	Gain on fair value of purchase price commitment for Cultured Stone	(ii) 26.4	-
	Closure of plywood operations		
	Net insurance proceeds	-	33.4
	Impairment of assets	-	(9.6)
	Closure costs	-	(4.2)
	Excess of insurance proceeds over asset carrying values	-	19.6
	Acquisition and integration costs	(iii) (28.8)	(9.3)
	Impairment of assets, businesses and restructuring costs		
	Goodwill	(20.0)	-
	Property, plant and equipment	(38.7)	(28.9)
	Inventory	(11.6)	(1.2)
	Restructure and closure costs	(23.8)	(6.3)
		(iv) (94.1)	(36.4)
	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	65.3	(26.1)
	Income tax benefit	38.8	12.8
	Income tax benefit - amended returns	-	18.0
	Net significant items from continuing operations	104.1	4.7
Discontinued operations			
	Gain on disposal of Indonesian Construction Materials businesses	34.2	-
	Profit on sale of Masonry North QLD business	3.4	-
	Impairment of assets, businesses and restructuring costs		
	Property, plant and equipment	(37.2)	(9.9)
	Inventory	(15.0)	(2.4)
	Restructure and closure costs	(27.1)	(4.4)
		(v) (79.3)	(16.7)
Summary of significant items from discontinued operations			
	Loss before tax	(41.7)	(16.7)
	Income tax benefit	13.0	4.3
	Net significant items from discontinued operations	(28.7)	(12.4)
Summary of significant items			
	Profit/(loss) before tax	23.6	(42.8)
	Income tax benefit	51.8	17.1
	Income tax benefit - amended returns	-	18.0
	Net significant items	75.4	(7.7)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. SIGNIFICANT ITEMS (continued)

2012 Significant items

(i) 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.

(ii) Fair value of future 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.

(iii) Acquisition and integration costs

During the year, 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 (refer note 19). The acquisition costs are included in other expenses in the Income Statement for the period.

(iv) 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 US 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.

(v) 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.

2011 Significant items

Insurance recoveries

During January 2011, significant flooding occurred in Queensland and Northern New South Wales, which impacted a number of the Group's businesses, with the most severe impact occurring at the Group's Plywood operation. Following an extensive review of the feasibility of rebuilding the plant, a decision was taken in June 2011 to close the Plywood operation, resulting in the write-off of assets and recognition of closure costs.

Manufacturing capacity rationalisation and impairment of assets

In 2011, deterioration in returns from a number of businesses resulted in a reassessment of manufacturing capacity in several of the Group's businesses. As a result of this review, closure of a number of manufacturing lines was announced relating predominantly to the Clay and Concrete East Coast Bricks and Masonry operations, together with rationalisation of Brick plants in the USA and closure of a number of small Country New South Wales Concrete and Quarry operations.

Tax benefit

In 2011, the Group received amended assessments from the Australian Taxation Office, resulting in the recognition of benefits relating predominantly to research and development activity.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. SIGNIFICANT ITEMS (continued)

	CONSOLIDATED	
	2012	2011
	\$ millions	\$ millions
Summary of significant items before interest and tax		
Boral Construction Materials	-	(4.6)
Cement Division	(37.0)	-
Boral Building Products	(13.8)	(3.9)
Plasterboard Asia	158.1	-
United States of America	(5.8)	(8.3)
Discontinued Operations	(41.7)	(16.7)
Unallocated	(36.2)	(9.3)
	23.6	(42.8)

8. INCOME TAX EXPENSE

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

Income tax expense on profit at Australian tax rates 30% (2011: 30%)	40.4	51.2
Variation between Australian and overseas tax rates	(9.3)	(11.7)
Share of associates' net income and franked dividend income	(9.2)	(12.7)
Non assessable fair value gains	(56.6)	-
Other items	(8.2)	(21.5)
	(42.9)	5.3
Tax expense/(benefit) relating to continuing operations	(29.2)	9.2
Tax expense/(benefit) relating to discontinued operations	(13.7)	(3.9)
	(42.9)	5.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the year, the Group sold its Indonesian Construction Materials business and its North Queensland masonry business. The Group also undertook an active program to divest its Thailand Construction Materials and East Coast Masonry businesses and closed its Roofing Queensland business, resulting in the businesses being classified as "Held for Sale" at 30 June 2012. The results for the current and comparative periods have been reclassified to "Discontinued".

The comparatives include the discontinued operations relating to the Scaffolding and Panels businesses.

	Note	CONSOLIDATED	
		2012 \$ millions	2011 \$ millions
Results of discontinued operations			
Revenue		294.1	364.8
Expenses		(295.4)	(363.3)
		(1.3)	1.5
Impairment of assets, businesses and restructuring costs	7	(79.3)	(16.7)
Gain on sale of discontinued operations	7	37.6	3.9
Profit/(loss) before net financing costs and income tax expense		(43.0)	(11.3)
Net financing costs		(3.5)	(4.0)
Profit/(loss) before income tax expense		(46.5)	(15.3)
Income tax (expense)/benefit		13.7	3.9
Net profit/(loss)		(32.8)	(11.4)
Attributable to:			
Members of the parent entity		(33.1)	(12.0)
Non-controlling interest		0.3	0.6
Net profit/(loss)		(32.8)	(11.4)
Basic and diluted earnings/(loss) per share		(4.4c)	(1.6c)
Cash flows from/(used in) discontinued operations			
Net cash from/(used in) operating activities		12.5	16.4
Net cash from/(used in) investing activities		54.1	24.8
Net cash from/(used in) discontinued operations		66.6	41.2
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

9. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

	CONSOLIDATED	
	2012 \$ millions	2011 \$ millions
Effect of disposal on the financial position of the Group		
Consideration	97.2	48.1
Property, plant and equipment	(35.3)	(33.6)
Intangible assets	-	(8.2)
Inventories	(7.6)	(7.6)
Trade and other receivables	(20.2)	(12.5)
Other assets	(10.8)	(0.4)
Deferred taxes	(0.9)	(0.2)
Payables	17.5	12.4
Provisions	13.4	5.9
Net assets disposed	(43.9)	(44.2)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	(18.6)	-
Non-controlling interest	2.9	-
Gain on disposal of discontinued operations before income tax expense	37.6	3.9
Consideration	97.2	48.1
Less: Deferred consideration to be received	(31.9)	-
Consideration (net of disposal costs)	65.3	48.1

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

10. 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	
	2012 \$ millions	2011 \$ millions
Earnings reconciliation		
Net profit before significant items and non-controlling interests	102.3	173.1
Loss/(profit) attributable to non-controlling interests	(1.1)	2.3
Net profit excluding significant items	101.2	175.4
Net significant items	75.4	(7.7)
Net profit attributable to members of the parent entity	176.6	167.7
Earnings reconciliation - continuing operations		
Net profit before significant items and non-controlling interests	106.4	172.1
Loss/(profit) attributable to non-controlling interests	(0.8)	2.9
Net profit excluding significant items	105.6	175.0
Net significant items	104.1	4.7
Net profit attributable to members of the parent entity - continuing operations	209.7	179.7
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	743,487,487	718,726,833
Effect of potential ordinary shares	6,101,791	4,069,322
Number for diluted earnings per share	749,589,278	722,796,155
Basic earnings per share	23.8c	23.3c
Diluted earnings per share	23.6c	23.2c
Basic earnings per share (excluding significant items)	13.6c	24.4c
Diluted earnings per share (excluding significant items)	13.5c	24.3c
Basic earnings per share (continuing operations)	28.2c	25.0c
Diluted earnings per share (continuing operations)	28.0c	24.9c

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

11. DIVIDENDS

Dividends recognised by the Group are:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
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		
2011				
2010 final - ordinary	6.5 cents	46.7	6.5 cents	28 September 2010
2011 interim - ordinary	7.5 cents	54.3	7.5 cents	24 March 2011
Total		101.0		

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
2012 final - ordinary	3.5 cents	26.6	3.5 cents	28 September 2012

The financial effect of the final dividend for the year ended 30 June 2012 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 3 September 2012.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Country of incorporation	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
				2012 %	2011 %
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
Lafarge Boral Gypsum in Asia Sdn Bhd*	Plasterboard	Malaysia	31-Dec	-	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

* Lafarge Boral Gypsum in Asia Sdn Bhd became a controlled entity during the year.

	CONSOLIDATED	
	2012 \$ millions	2011 \$ millions
RESULTS OF ASSOCIATES		
Share of associates' profit before income tax expense	44.1	60.3
Share of associates' income tax expense	(12.4)	(15.8)
Non-controlling interest	(0.9)	(2.5)
Share of associates' net profit - equity accounted	30.8	42.0

Results of associates include the following:

Share of associates' net profit - equity accounted:

Lafarge Boral Gypsum in Asia Sdn Bhd*	10.1	16.9
Rondo Building Services Pty Ltd	8.7	10.0
Sunstate Cement Ltd	9.2	11.3

* Results from Lafarge Boral Gypsum in Asia Sdn Bhd were equity accounted until 9 December 2011 when the entity became a controlled entity.

	CONSOLIDATED	
	2012	2011
13. NET TANGIBLE ASSET BACKING		
Net tangible asset backing per ordinary security	\$3.31	\$3.91

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2012 \$ millions	2011 \$ millions
14. LOANS AND BORROWINGS		
Current		
Bank overdrafts - unsecured	24.2	-
Bank loans - unsecured	120.6	16.4
Other loans - unsecured	3.2	146.8
Finance lease liabilities	0.3	0.2
	148.3	163.4
Non-current		
Bank loans - unsecured	668.5	49.2
Other loans - unsecured	906.0	854.0
Finance lease liabilities	0.6	-
	1,575.1	903.2
Total	1,723.4	1,066.6

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	CONSOLIDATED				
	Currency	Effective interest rate	Year of maturity	2012 Carrying amount \$ millions	2011 Carrying amount \$ millions
Current					
Bank overdrafts - BGA* - unsecured	Multi	6.13%	2012-2013	24.2	-
US senior notes - unsecured	USD	6.35%	2012	2.8	146.4
Bank loans - unsecured	USD	1.44%	2012	9.8	9.3
Bank loans - unsecured	THB	5.25%	2012	50.1	7.1
Bank loans - BGA* - unsecured	Multi	3.94%	2012-2013	60.7	-
Other loans - unsecured ¹	AUD	-	2013	0.4	0.4
Finance lease liabilities	Multi	8.75%	2012-2013	0.3	0.2
				148.3	163.4
Non-current					
US senior notes - unsecured	USD	6.35%	2014-2020	905.7	853.3
Syndicated term credit facility - unsecured	USD	2.39%	2015	150.0	-
Syndicated loan facility - unsecured	AUD	5.51%	2015	461.3	-
Bank loans - unsecured	THB	-	-	-	49.2
Bank loans - BGA* - unsecured	Multi	6.24%	2013-2016	57.2	-
Other loans - unsecured ¹	AUD	-	2014	0.3	0.7
Finance lease liabilities	Multi	9.04%	2013-2017	0.6	-
				1,575.1	903.2
Total				1,723.4	1,066.6

* BGA - Boral Gypsum Asia

¹ Vendor loan covering the purchase of plant and equipment where instalment repayments by the Boral Group do not include an interest component.

	CONSOLIDATED	
	2012 \$ millions	2011 \$ millions
15. OTHER FINANCIAL LIABILITIES		
Current		
Derivative financial liabilities	7.1	7.5
Non-current		
Derivative financial liabilities	29.6	48.3
Future purchase liability - Cultured Stone	42.8	63.9
	72.4	112.2

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2012	2011
	\$ millions	\$ millions
16. ISSUED CAPITAL		
Issued and paid up capital		
758,572,140 (2011: 729,925,990) ordinary shares, fully paid	2,368.4	2,261.3
Movements in ordinary issued capital		
Balance at the beginning of year	2,261.3	1,724.0
14,626,401 (2011: 10,899,457) shares issued under the Dividend Reinvestment Plan	54.8	53.1
13,971,102 (2011: Nil) shares issued under the Dividend Reinvestment Plan underwriting agreement	52.1	-
48,647 (2011: 172,916) shares issued on vesting of rights	0.2	0.8
Nil (2011: 119,900,619) shares issued under capital raising net of costs	-	479.8
Income tax benefit on capital raising	-	3.6
Balance at the end of the year	2,368.4	2,261.3

During the prior year, the Group undertook a capital raising of \$479.8 million net of transaction costs of \$11.8 million. The capital raising consisted of a 1 for 5 accelerated renounceable entitlement offer at an offer price of \$4.10 per share. The capital raising resulted in the issue of 68,332,173 ordinary shares under the Institutional Entitlement offer and 51,568,446 ordinary shares under the Retail Entitlement offer.

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	-	-
228,625 (2011: 670,873) shares vested and transferred from share-based payments reserve	1.0	3.4
228,625 (2011: 670,873) shares purchased on-market	(1.0)	(3.4)
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. These shares relate to the Boral Senior Executive Performance Share Plan.

17. RESERVES

Foreign currency translation reserve	(87.5)	(131.6)
Hedging reserve - cash flow hedges	(3.6)	(0.4)
Other reserve	(66.3)	(66.3)
Share-based payments reserve	48.2	38.8
	(109.2)	(159.5)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

18. 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

19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES

The following controlled entities were acquired or disposed of during the financial year ended 30 June 2012:

Entities acquired:

	2012 \$ millions
Lafarge Boral Gypsum in Asia Sdn Bhd	531.4
Wagners - concrete and quarry	166.2
Sunshine Coast quarries	83.0
Less: Net cash acquired	(62.8)
Less: Cash paid - deposit in prior year	(17.3)
Total purchase consideration	700.5

Acquisition-related costs in respect of these acquisitions of \$28.8 million are included in other expenses in the Income Statement for the current year.

i. Lafarge Boral Gypsum in Asia Sdn Bhd acquisition

During August 2011, the Group announced that it had reached an agreement with Lafarge to acquire the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd ("LBGA"). The acquisition was completed on 9 December 2011 and the results have been consolidated into the Group's financial report from that date. The acquisition positions Boral as the pre-eminent producer of plasterboard and related internal lining solutions products in the Asia Pacific Region. The business has subsequently been renamed Boral Gypsum Asia ("BGA").

For the period from 1 July 2011 to 9 December 2011 and throughout the prior year, the Group held an initial 50% shareholding in LBGA that was recorded as an equity accounted investment. On acquisition of the remaining 50% interest in LBGA, this initial investment was remeasured to fair value in accordance with Australian Accounting Standards.

	\$ millions
Fair value of equity accounted investment as at acquisition date	398.6
Less:	
Carrying value of equity accounted investment as at acquisition date	(210.0)
Translation reserve on equity accounted investment as at acquisition date	(30.5)
Gain on remeasurement to fair value	158.1

The acquisition had the following effect on the Group's assets and liabilities:

	\$ millions
Purchase consideration	
Cash paid - purchase price	531.4
Equity accounted investment at fair value	398.6
Non-controlling interest	22.8
Less: Fair value of net identifiable assets acquired	(380.5)
Goodwill on acquisition	572.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES (continued)

i. Lafarge Boral Gypsum in Asia Sdn Bhd acquisition (continued)

Assets and liabilities acquired are as follows:

	Acquiree's carrying amount \$ millions	Fair Value \$ millions
CURRENT ASSETS		
Cash and cash equivalents	93.6	93.6
Receivables	67.9	67.9
Inventories	42.4	42.4
Other assets	2.2	2.2
NON-CURRENT ASSETS		
Receivables	4.4	4.4
Property, plant and equipment	387.1	436.2
Intangible assets	1.3	6.6
Deferred tax assets	2.1	2.1
Other	0.4	0.4
CURRENT LIABILITIES		
Bank overdraft	(30.8)	(30.8)
Payables	(96.5)	(96.4)
Loans and borrowings	(15.5)	(15.5)
Current tax liabilities	(5.0)	(5.0)
Provisions	(6.0)	(6.0)
NON-CURRENT LIABILITIES		
Loans and borrowings	(86.9)	(86.9)
Deferred tax liabilities	(10.4)	(26.7)
Provisions	(7.1)	(7.1)
Other	(0.9)	(0.9)
Net identifiable assets acquired	342.3	380.5

The amounts recognised on acquisition above represent provisional assessment of the fair values of assets and liabilities acquired.

During the period from acquisition to 30 June 2012, BGA has contributed to the Group, revenue of \$303.6 million and earnings before interest and tax of \$30.8 million. Had the investment taken place on 1 July 2011, the Group would have consolidated 100% of the revenue and results of BGA resulting in revenues of \$559.2 million and earnings before interest and tax of \$62.6 million, and not recognised equity income of \$10.1 million.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES (continued)

ii. Wagners' Construction Material Concrete and Quarry Assets

On 8 December 2011, the Group acquired certain construction materials assets of the Wagners Group. This acquisition includes 5 quarries and 19 concrete plants located throughout the Darling Downs, South East Queensland and Townsville regions and enables the Group to expand its construction materials activities in the Queensland market.

The acquisition had the following effect on the Group's assets and liabilities:

	\$ millions
Purchase consideration	
Cash paid - deposit in prior year	17.3
Cash paid - in current period	148.9
Total purchase consideration	166.2
Fair value of net identifiable assets acquired	
Inventories	4.1
Property, plant and equipment	162.5
Other assets	0.3
Provisions	(0.7)
Total fair value of net identifiable assets acquired	166.2

During the period from acquisition to 30 June 2012, the Wagners business contributed revenue of \$46.2 million and earnings before interest and tax of \$1.0 million. The Group considers it impractical to determine the impact on the Group's revenues or results had this business acquisition taken place at 1 July 2011, as the entity's accounting policies were not consistent with those adopted by the Group.

iii. Sunshine Coast Quarries acquisition

On 31 October 2011, the Group acquired the quarry and concrete assets of Sunshine Coast Quarries, including a large scale quarry at Moy Pocket, a smaller quarry at Wondai and a concrete plant at Gympie. This acquisition enhances the Group's construction materials position in Queensland by securing long term high quality quarry reserves.

The acquisition had the following effect on the Group's assets and liabilities:

	\$ millions
Purchase consideration	
Cash paid - purchase price	83.0
Total purchase consideration	83.0
Fair value of net identifiable assets acquired	
Inventories	1.4
Property, plant and equipment	81.8
Other liabilities	(0.1)
Provisions	(0.1)
Total fair value of net identifiable assets acquired	83.0

The acquisition contributed revenue of \$18.3 million and earnings before interest and tax of \$1.4 million. The Group considers it impractical to determine the impact on the Group's revenues or results had this business acquisition taken place at 1 July 2011, as the entity's accounting policies were not consistent with those adopted by the Group.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES (continued)

Entities disposed:

	Date of disposal
Indonesian Construction Materials	Mar 2012
Pt Jaya Readymix	
PT Boral Pipe and Precast Indonesia	
PT Boral Indonesia	

The following controlled entities were acquired or disposed of during the financial year ended 30 June 2011:

Entities acquired:

	2011 \$ millions
MonierLifetile	88.3
Owens Corning Masonry Products LLC	44.2
Wagners' Deposit	17.3
Miscellaneous acquisitions	2.4
Less: Cash acquired	(6.2)
Total purchase consideration	146.0

Entities disposed:

	Date of disposal
Boral Formwork and Scaffolding Pty Ltd	Sep 2010

CONSOLIDATED

2012	2011
\$ millions	\$ millions

20. NOTES TO CASH FLOW STATEMENT

(i) Reconciliation of cash and cash equivalents

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

Cash and cash equivalents	205.7	561.2
Bank overdrafts	(24.2)	-
	181.5	561.2

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

Dividends reinvested under the Dividend Reinvestment Plan	54.8	53.1
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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)	(4.8)
Restructure and business closure costs	(36.9)	(21.8)
Legal settlements and associated costs	(18.9)	-
	(91.1)	(26.6)

Annual General Meeting

The annual general meeting will be held as follows:

Place:

City Recital Hall, Angel Place, Sydney

Date:

Thursday, 1 November 2012

Time:

10.30 am

Approximate date the annual report will be available:

20 September 2012

Compliance Statement

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