



MEDIA RELEASE

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Boral to strengthen core Australian business by acquiring Wagners' construction materials assets in Queensland

Boral Limited (ASX: BLD) today announced it has reached an agreement to acquire certain construction materials assets and operations of the Wagners Group for consideration of \$173 million.

Under the transaction, Boral will acquire Wagners' quarry, concrete and related assets in the Darling Downs, South East Queensland and Townsville regions and several land parcels with future development potential. In the order of 275 employees will transfer to Boral through the acquisition.

The acquisition expands the geographical reach of Boral's construction materials division in attractive and growing markets:

- In the Darling Downs region, Wagners' construction materials assets comprise high quality quarry positions, 12 concrete plants, transport operations and a 60 per cent share in a flyash joint venture. The transaction will enhance Boral's ability to service major Darling Downs/Surat Basin resources projects and the ongoing westward expansion of Queensland's largest population base;
- In South East Queensland, Wagners' network of concrete plants will extend Boral's existing footprint in key growth corridors; and
- In North Queensland, the acquisition will add a concrete plant and a sand quarry which will enhance Boral's position in Townsville.

Wagners Group will continue to own and operate its Brisbane cement grinding plant and the sale includes a cement supply arrangement which will augment Boral's future cement supply position and underpin the future of the Wagners Group cement grinding plant.

Completion remains subject to clearance from the ACCC on terms acceptable to the parties and the finalisation of remaining due diligence and procedural issues. The transaction is expected to be completed in the second half of calendar 2011.

The Wagners construction materials assets acquired had FY2010 revenue of \$115 million, with EBITDA of around \$17 million. The acquisition represents an FY2010 multiple of 9.7 times¹ and is expected to be earnings per share accretive in FY2012.

The Chief Executive of Boral, Mark Selway, commented: "The acquisition is an exciting investment in our core Australian construction materials business. Wagners' construction materials is an excellent addition to our existing business, adding high quality assets and market positions in attractive growth areas of Queensland. We look forward to working with the management team and employees to deliver the full potential of the combined business."

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¹ After adjusting for the value of non-operational land