"I am delighted to be here as Boral’s new Chief Executive and thank you for joining us at today’s AGM.

The Chairman has already commented on the Group’s results and I will provide you with an overview of our Divisional performances, then an update of what I have been up to since joining in January before finishing with a summary of conditions experienced in the first quarter of this year.

I will start with our largest division - Construction Materials - which includes Group operations involved in the production and supply of concrete, asphalt and quarry materials to the Australian building and construction sectors.

Full year revenue at $2.1b was 6% below last year, with reduced demand, particularly in Queensland. Profit of $201m was 13% below the prior year due to reduced revenue and lower earnings from property sales.

Murray Read, the division’s new Managing Director, has a significant track record of delivering revenue and profit growth and has restructured the division taking out layers and improving focus on operations and sales.

In Construction Materials, we continue to fund core investments to grow our leadership positions and in June we completed a $12m upgrade to our concrete plant at Artarmon.

In Ballarat a $30m investment in a world-class quarry and processing plant continues to progress well. The Group is also considering a spend of about $200m to reinforce our leadership position in New South Wales, and we expect to make a final decision shortly.

Turning now to building products which includes all operations involved in the manufacture and sale of plasterboard, timber, and clay & concrete products, for the housing and construction industries.

Full year revenue of $1.2b was 6% above the same period last year while profits were up ninety percent to $101m with significant improvements in operational efficiency and improved market conditions delivering stronger results from all three areas of the division.

The logic of combining our timber, clay and concrete, and plasterboard businesses was overwhelming and Ross Batstone, who heads up the division, has already put a new organisation in place to leverage our market and operational capabilities.

Plasterboard’s Australian revenue increased 6% to $392m while profits improved dramatically reflecting, in particular, the benefits of the Group’s investment in the Pinkenba operation in Queensland.
The Group’s Plasterboard joint venture with Lafarge includes manufacturing operations throughout Asia. Volumes were up 13% with solid growth right across the region and the equity accounted profit of $18m was 31% higher than the prior year.

Revenue from Clay & Concrete at $537m increased by 5% while profits were up 80% reflecting improved results from roofing and masonry and the benefits of cost reduction activities.

Timber revenue of $276m was 8% higher than last year and together with the benefits of cost reduction initiatives, increased profits by 46% when compared to the prior year.

In terms of capital projects, our $44m investment in a world class masonry operation in Western Australia continues to proceed to plan, with commissioning and production expected in the final quarter of this calendar year. We also announced a plan for a significant investment to expand the capacity of our Victorian plasterboard operation with production planned for 2012.

Moving now to our Cement division, which includes our Australian Cement businesses, the Group’s construction materials operations in Asia and our joint venture with Adelaide Brighton in Queensland.

Full year revenue of $512m was 1% above last year, reflecting the combination of improved market conditions in Asia offsetting lower construction activity here in Australia. Profits were down 19% to $88m and included once off costs to reduce inventories and higher energy charges experienced throughout the year.

Mike Beardsell, who heads up the Cement division, has also reorganised his Australian operations to eliminate regional structures and leverage best practice nationally. Blue Circle Southern Cement has been rebranded “Boral” to improve its alignment with construction materials.

The Asian businesses delivered excellent results when compared to the prior year. The Indonesian operation, with full year revenue of $156m delivered a strong performance through the combination of operational improvements and a return to more favourable pricing in the market.

Turning now to the United States which includes the Group’s brick, tile and construction materials operations and, for the year in review, Boral’s 50% share of MonierLifetile.

Full year revenue of $364m was 33% below the prior year with new housing starts down 10% to 592,000 against a ten year average of 1.5 million. Returns were significantly affected by reduced volume and lower utilisation of fixed plant, while losses reduced to $104m against $109m in the prior year.

The Group has excellent positions in our United States activities, with number one status in US bricks and tiles, and enviable positions in our construction materials businesses in Colorado and Oklahoma.

In July we announced the acquisition of the remaining portion of MonierLifetile. The integration is proceeding well and our immediate objectives are to improve market positions and provide a solid platform for growth. I remain absolutely confident that this acquisition, at the low point in the cycle, will deliver significant returns when the market recovers.

While we remain confident of a US housing market recovery, we continue to expect tough trading conditions through the balance of 2010 and a slow return to growth as the United States economy improves.

Our objective is to maintain our leading market positions, while minimising losses through efficient plant management and continued focus on improving our cost base. I am convinced these actions will deliver industry leading returns as and when the market recovers.
The final segment includes Dowell Windows and De Martin & Gasparini, our Sydney-based concrete placing business.

Full year revenue at $294m was up 13% while profits at $6m were considerably above the $2m delivered in the prior year.

I will move now to the strategic review which I outlined to the market in July and which confirmed that the Group has huge potential with an excellent resource base and terrific market positions, which provide a wide range of options for growth.

The review also confirmed that, while the Group has been constrained by the global economy, we continue to hold commanding positions in our core Australian and our higher growth markets in Asia and that the USA will continue to be a drain on our returns until the market improves to more normal levels.

Against this backdrop the Group spent the first six months of 2010 undertaking a comprehensive review of the business. I would like to acknowledge the huge amount of effort by all those involved and most particularly the employees of Boral. We have worked diligently to understand the core components of the Group and identify those markets which are most attractive.

This summary of our findings confirms those areas where the Group is already well positioned but more importantly it identifies those activities where the Group must work to maximise our potential.

So our core businesses and geographies include Cement and Construction Materials in Australia, Plasterboard in Australia and Asia and bricks, roof tile and masonry both in Australia and the United States.

The recognition of those activities where we intend to lead has also allowed me to streamline the Group's operating structure. We have rationalised the previous seven divisions down to five with a view to leverage our brand and geographic footprint.

With clarity on our future priorities, we then conducted a review of the carrying value of those businesses which did not sit in the “invest for the future category” and the values of those assets which currently underperform in their sectors.

The review identified four currently mothballed plants in the United States which are high cost and will not be restarted. It also identified write downs in the carrying values of scaffolding, panels and our Thailand materials business. The total value of impairments amounted to $285 million at the EBIT level and $222 million post tax.

With the portfolio clearly defined, we then focused our attention on those areas where the Group has potential to leverage our geographic and market positions and those where we underperform our peers.

Our improvement actions are focused on three specific areas, all of which will contribute to Boral’s objective to “Building Something Great” and delivering sector leading performance. Operational excellence, sales and marketing excellence and an increased ambition for great new products all sit firmly on the Group’s priority lists. I have absolute confidence that the pursuit of these initiatives will progressively improve operating performance, reduce working capital and grow our returns.

Before I finish up with a review of current market conditions, I thought it useful to summarise the Group’s achievements since the last Annual General Meeting.

• Despite difficult market conditions, before significant items the Group delivered results ahead of market expectations with cash generation of $459m in the year.
The Group put definition to its investment priorities and confirmed that Cement and Construction Materials in Australia, plasterboard in Australia and Asia and brick, roof tile and masonry both in Australia and the United States are all core areas for growth.

We streamlined our management structure to leverage our brand and geographic footprint while rationalising operating systems and our back-office.

We benchmarked our businesses and identified operational excellence, sales & marketing excellence and great new products as key priorities in our ambitions to achieve sector-leading performance.

In July we announced the acquisition of the balance of MonierLifetile providing a critical component in our US roofing strategy.

In August the Group concluded a capital raising of $490m which reduced our gearing, underpinned our ratings and will support our future ambitions for growth.

We also announced the sale of our loss-making, non core Precast and Scaffolding businesses for a total consideration of $50m.

I will now finish up with an update on current market conditions and our trading during the first quarter of this financial year.

It has been a pretty bumpy start to the year with continued economic uncertainty in the United States and wetter than usual conditions holding back progress in many of our key Australian markets.

In Construction Materials we have seen rain affect our principal concrete market and comparatively lower earnings from asphalt and quarries due to exceptional profits in the first half of FY10.

Building Products has made further progress in volume, plant utilisation and efficiencies in the first quarter, and we remain confident of further progress in the full year.

In Cement, production volumes have remained broadly flat and while Asia has experienced a comparatively wetter start we still remain confident in an improved performance in the current year.

The US market remains difficult and Mike Kane and his team are working hard to absorb the incremental losses associated with the acquisition of the balance of MonierLifetile. The effect of US losses is expected to be lower this year due to a strengthened Australian dollar.

When you put all this in the round, we expect first half conditions to be broadly similar to the second half of 2010, followed by a stronger second half to the year. Given the continued mixed and conflicting economic data in many of our markets, I will look to provide a further trading update at the time of the Group's half year announcement.

Thank you.”

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