Annual General Meeting 2012

BOARD OF DIRECTORS

Dr Bob Every
Non-executive Chairman

Dr Eileen Doyle
Non-executive Director

Paul Rayner
Non-executive Director

Richard Longes
Non-executive Director

Mike Kane
CEO & Managing Director

Dr Brian Clark
Non-executive Director

John Marlay
Non-executive Director

Catherine Brenner
Non-executive Director
Annual General Meeting 2012
CHAIRMAN’S ADDRESS
Dr Bob Every
DR KEN MOSS, AM – PAST CHAIRMAN OF BORAL
1945 - 2012
Annual General Meeting 2012

FINANCIAL HIGHLIGHTS

Revenue
$5.01bn up 6%

EBIT$200m down 28%

Profit after tax
$101m down 42%

Cash from operations
$133m down 62%

Net profit after tax
$177m up 5%

Full year dividend
11.0c down 24%

1. Excluding significant items
2. Including significant items
3. Includes $91m of acquisition and restructuring costs paid
New housing starts in Australia and USA¹
('000)

1. Source: For Australia, original series starts from ABS. For USA, seasonally adjusted housing starts from US Census
BORAL BUILDING PRODUCTS
Significantly impacted by the decline in Australian housing activity

Performance drivers
- Decline in residential construction activity
- Sales volumes decreased by 14-16% in plasterboard, bricks, roofing, masonry, hardwood and softwood timber
- 25% or more sales volume decline since Dec-2010
- Higher fixed unit manufacturing costs due to lower volumes and impact of de-stocking
- One-off distribution costs during Port Melbourne plasterboard plant upgrade

Improvements
- Closed and mothballed high fixed cost and low utilisation plants – reduced brick capacity by 37% and roof tile capacity by 20%
- Exit of loss making East Coast Masonry business will reduce masonry capacity by 70%

1. Excluding significant items
A resilient, well-positioned portfolio of businesses

Performance drivers
- Reduced property earnings
- Lower volumes in key markets
- Operational inefficiencies from wet weather across the east coast in 2H FY2012

Improvements
- Full-year normalised contribution from acquisitions in FY2013
- $200m Peppertree Quarry investment will secure Boral’s competitiveness in NSW
- Reduce fixed costs and working capital
- Exit underperforming assets

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>A$m</td>
<td></td>
</tr>
<tr>
<td>Concrete, Quarries, Asphalt, Transport and Property</td>
<td>2,275</td>
<td>2,472</td>
</tr>
<tr>
<td><strong>EBIT(^1)</strong></td>
<td>A$m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>204</td>
<td>174</td>
</tr>
</tbody>
</table>

1. Excluding significant items
## Performance drivers

- Large loss of lime and limestone sales due to closure of BlueScope Steel’s Port Kembla blast furnace had a net $6m EBIT impact
- Higher input costs
- Constrained cement pricing due to high A$ 
- Shift to lower margin segments

## Improvements

- Closed and divested Galong lime operation for $25m 
- Exploring options to reduce costs through more flexible cement supply
- Operational excellence program (LEAN) to achieve further improvements in efficiency

1. Excluding significant items
Integration of businesses complete

Performance drivers

- Acquired Lafarge’s 50% interest in Lafarge Boral Gypsum Asia for $530m in Dec-2011
- Revenue of $304m and EBIT of $41m reflect shift from equity accounting to fully consolidated reporting since Dec-2011
- Underlying EBIT increased reflecting 9% volume growth and sustained margins

Improvements

- Well positioned to benefit from high GDP growth emerging markets and increasing penetration of plasterboard
- Implement LEAN improvement plan to maximise productivity
- Leverage capacity expansions underway

Korea, Thailand, China, Indonesia, Vietnam, Malaysia, India, the Philippines

<table>
<thead>
<tr>
<th>Revenue(^1)</th>
<th>EBIT(^{1,2})</th>
</tr>
</thead>
<tbody>
<tr>
<td>A$m</td>
<td>A$m</td>
</tr>
<tr>
<td>FY11</td>
<td>FY12</td>
</tr>
<tr>
<td>0</td>
<td>304</td>
</tr>
<tr>
<td>FY11</td>
<td>FY12</td>
</tr>
<tr>
<td>17</td>
<td>41</td>
</tr>
</tbody>
</table>

1. Includes revenue and consolidation of results since 9 December 2011
2. Excluding significant items
Performance drivers

- 20% uplift in housing starts
- Continued plant rationalisations and head count reductions
- Efficiency improvements
- Full-year contribution of Cultured Stone

Improvements

- Prospect of significant earnings uplift as market volumes return to normalised levels
  - Fundamental reduction in brick and tile manufacturing cost base
  - Leverage from MonierLifetile and Cultured Stone acquisitions made at cycle low
- Leverage LEAN to further reduce costs

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1. Excluding significant items
Net debt of $1.5bn at year-end

Gearing of 40%\(^1\) based on bank covenant remains well within bank threshold of <60%

Tight management of capital expenditure in FY2013

Divestment of non-core assets and property sales expected to generate $200 - $300m cash over next two years

Lower net debt in FY2011 reflected equity raising of $491m completed in August 2010

\(^1\) Gross debt / (gross debt + equity – intangibles)
Significant restructuring and investment have reshaped the business over the past two years

More is being done to deliver required returns

Group wide performance improvement plan underway will further strengthen strategic business positions

Board confident right strategy in place

Boral well positioned to leverage increased market activity in Australia and the USA, and continue to achieve growth in plasterboard in Asia
Annual General Meeting 2012

CEO & MANAGING DIRECTOR’S ADDRESS

Mike Kane
STRENGTHENED CORE BUSINESSES

Gypsum (plasterboard) – Asia
Acquired remaining 50% of LBGA¹ for $530m, creating a global scale gypsum business in the Asia Pacific region.

Cladding and Roofing
Expanded Boral’s exterior cladding offering through acquisitions of MonierLifetile and Cultured Stone.

Gypsum (plasterboard)
Modernised plasterboard infrastructure.

Construction Materials
(quarries, concrete, cement, asphalt)
Acquired Wagners’ construction material assets for $163m² and Sunshine Coast Quarries for $81.5m².

Bricks and Roofing
Restructured and rationalised capacity.

1. Lafarge Boral Gypsum Asia
2. Before completion adjustments
IMMEDIATE PRIORITIES

- Manage costs down
- Effectively manage margins

Maximise cash generation and reduce debt
- Constrain capital expenditure
- Reduce working capital
- Divest non-core and property assets

Maximise returns from existing assets
- Achieve world-class standards in safety
Employee and contractor LTIFR*

* Lost Time Injury Frequency Rate per million hours worked
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POSITION BORAL TO DELIVER STRONG RETURNS

Key platforms of change

- Safety
  (Our right to be in business)
- LEAN – operational excellence
- Sales & Marketing Excellence
- Innovation

People Engagement & Leadership
(The way we execute)
Five key drivers being rigorously pursued to improve operating performance

**Reduce fixed costs operating base**
- Re-size capacity below peak cycle demand
- Reduce overhead costs to better align with adjusted portfolio

**Leverage LEAN manufacturing**
- Reduce physical inventories
- Increase output from reduced production base

**Exit remaining unprofitable businesses**
- Reduce future investment and structural support costs

**Remove overhead costs**
- Remove unfair burden on good businesses

**Reduce or delay planned expenditure**
- Prioritise capital on an enterprise level
- Ensure invested capital can deliver adequate return
BORAL USA: DRAMATIC REDUCTION IN COST BASE TO ALIGN WITH DEMAND

US housing starts\(^1\) vs Boral USA EBIT\(^2\)

- Bricks USA can now meet market demand of 1.5m housing starts from fewer manufacturing plants operating at higher output.
- Boral USA break-even point now reduced to ~950,000 housing starts from 1.2m starts due to reduced cost base.

**BRICKS USA**

<table>
<thead>
<tr>
<th></th>
<th>FY05</th>
<th>FY08</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing starts ('000)</td>
<td>2,016</td>
<td>1,132</td>
<td>687</td>
</tr>
<tr>
<td>Total bricks plants</td>
<td>24</td>
<td>24</td>
<td>13</td>
</tr>
<tr>
<td>Mothballed brick plants</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Total brick capacity (sbe)</td>
<td>1.6bn</td>
<td>1.9bn</td>
<td>1.3bn</td>
</tr>
</tbody>
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1. Source: US seasonally adjusted starts from US Census
2. Excluding significant items
Boral USA: US housing starts increased 28% to annualised rate of 786,000 in 1Q FY2013; improved market conditions starting to flow through to improved sales volumes

In Australia, tough market conditions continued, similar to 2H FY2012, although weather conditions have been more favourable; this was partly offset by continued strength in infrastructure activity

Building Products: continuing to be significantly impacted by sustained low levels of housing activity

Construction Materials: benefiting from more normal weather patterns and major resource and infrastructure projects now achieving target volumes

Cement: pricing continues to be constrained due to high A$ and low bulk shipping rates

Boral Gypsum (Asia): results for 1Q below expectations with weaker demand in both China and Korea

Based on 1Q, expect Boral’s underlying trading results¹ for 1H FY2013 to improve compared with 2H FY2012

Profit after tax (before significant items) for 1H FY2013 expected to be comparable to 2H FY2012 as property sales in 1H FY2013 anticipated to be lower than 2H FY2012

¹. EBIT excluding property sales
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Formal Business
To consider the financial reports, the Directors’ Report and the Auditor’s Report for the year ended 30 June 2012
To adopt the Remuneration Report for the year ended 30 June 2012
ITEM 2 – REMUNERATION REPORT

Remuneration & Nomination Committee Chairman’s Address

Dr Brian Clark
To adopt the Remuneration Report for the year ended 30 June 2012
### Proxies

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<tbody>
<tr>
<td>For</td>
<td>463,017,012</td>
</tr>
<tr>
<td>Open</td>
<td>6,687,309</td>
</tr>
<tr>
<td>Against</td>
<td>50,995,973</td>
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</table>

% to be cast FOR the resolution*  
89.8%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR
3.1 To re-elect John Marlay as a Director

3.2 To re-elect Catherine Brenner as a Director
Annual General Meeting 2012

ITEM 3 – ELECTION OF DIRECTORS

3.1 Re-election of John Marlay
**ITEM 3 – ELECTION OF DIRECTORS**

3.1  Re-election of John Marlay

Proxies

<p>| | |</p>
<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>For</td>
<td>474,295,516</td>
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<tr>
<td>Open</td>
<td>6,931,365</td>
</tr>
<tr>
<td>Against</td>
<td>41,076,388</td>
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</table>

% to be cast FOR the resolution*  

91.7%

*On basis open proxies in favour of the Chairman of the Meeting are voted FOR
ITEM 3 – ELECTION OF DIRECTORS

3.2 Re-election of Catherine Brenner
### Proxies

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</thead>
<tbody>
<tr>
<td>For</td>
<td></td>
<td>474,088,501</td>
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<tr>
<td>Open</td>
<td></td>
<td>6,904,937</td>
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<tr>
<td>Against</td>
<td></td>
<td>41,251,532</td>
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</table>

% to be cast FOR the resolution*  

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR

91.6%
To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the proportional takeover approval provisions currently contained in Schedule 5 of the Constitution of the Company be included as Schedule 5 in the Constitution of the Company for a further period of three years from the date of the Meeting convened by this Notice of Meeting.”
ITEM 4 – PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

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<tr>
<td>For</td>
<td>504,944,882</td>
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<tr>
<td>Open</td>
<td>7,185,908</td>
</tr>
<tr>
<td>Against</td>
<td>3,575,213</td>
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% to be cast FOR the resolution* 98.8%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR
To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval is given for the award to Mike Kane, the Chief Executive Officer and Managing Director designate, of rights to fully paid ordinary shares in the Company on the terms described in the explanatory notes to this Notice of Meeting.”
Annual General Meeting 2012
ITEM 5 – AWARD OF RIGHTS TO MIKE KANE

<table>
<thead>
<tr>
<th>Proxies</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
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<tr>
<td>Open</td>
<td>6,572,190</td>
</tr>
<tr>
<td>Against</td>
<td>11,103,875</td>
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</table>

% to be cast FOR the resolution*  97.4%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR