ANNUAL GENERAL MEETING 2013

Chairman’s Address
Dr Bob Every AO
Reshaping Boral to improve returns through the cycle

- Further portfolio changes made
- Organisational structure streamlined
- Reduction in workforce and overhead costs
- Transforming Boral
  - World-leading plasterboard & ceilings joint venture with USG
- Delivering on Boral’s immediate priorities
  - Reducing costs
  - Managing capital expenditure
  - Generating cash

Transforming Boral through strategic joint venture with USG

Boral
Leading manufacturing and distribution platform across Australia & 8 countries in Asia
~US$1.35 billion of assets

USG
World-leading technologies & strategic assets in Asia, New Zealand and the Middle East
~US$250 million of assets and intellectual property

50% 50%

USG Boral Building Products
~US$1.6 billion joint venture

1. Actual structure will be via two JV legal entities
2. Asset values subject to finalisation of fair valuation, completion adjustments and final foreign exchange rates at the date of completion
Market conditions during FY2013 were mixed

USA
- Single-family housing starts: 25% increase
- Non-residential activity: 2% decrease

Australia
- Detached housing starts: 4% increase
- Alterations & additions: 8% decrease
- Non-residential: 4% decrease
- Roads & highways: 3% decrease

Asia
- South Korea: increase
- Thailand: increase
- China: increase
- Indonesia: increase
- Vietnam: increase
- Malaysia: decrease

USA
- Single-family housing starts: 25% increase
- Non-residential activity: 2% decrease

Financial Performance

<table>
<thead>
<tr>
<th>A$</th>
<th>FY2013</th>
<th>FY13 v FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$5.29bn</td>
<td>↑ 6%</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>$228m</td>
<td>↑ 14%</td>
</tr>
<tr>
<td>Profit after tax¹</td>
<td>$104m</td>
<td>↑ 3%</td>
</tr>
<tr>
<td>Significant items</td>
<td>($316m)</td>
<td>na</td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>($212m)</td>
<td>na</td>
</tr>
<tr>
<td>EPS¹</td>
<td>13.6 cents</td>
<td>steady</td>
</tr>
<tr>
<td>ROFE¹,²</td>
<td>4.7%</td>
<td>steady</td>
</tr>
</tbody>
</table>

1. Excluding significant items
2. EBIT to average funds employed
Significant Items

<table>
<thead>
<tr>
<th>A$</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity rationalisation and impairments</td>
<td>($399m)</td>
</tr>
<tr>
<td>Organisational restructure</td>
<td>($60m)</td>
</tr>
<tr>
<td>Gain on disposal of Asian construction materials operations</td>
<td>$12m</td>
</tr>
<tr>
<td>Net insurance settlements</td>
<td>$13m</td>
</tr>
<tr>
<td>Significant items</td>
<td>($434m)</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>$117m</td>
</tr>
<tr>
<td>Significant items (net)</td>
<td>($316m)</td>
</tr>
</tbody>
</table>

Impairments in respect of:

**Building Products** - ($209m)
Closures and structural declines in Bricks, Timber and Windows

**Construction Materials & Cement** - ($160m)
Suspension of Waurn Ponds clinker manufacturing, the Berrima colliery and a write-down of land development costs

**USA** - ($30m)
Realign North American roof tile capacity and loss on sale of the Oklahoma sand and concrete operations

Non IFRS Information – Management has provided an analysis of significant items reported during the period. These items have been considered in relation to their size and nature and have been adjusted from the reported information to assist users to better understand the performance of the underlying businesses.

(Figures may not add due to rounding)

Capital Management

Gearing
(net debt/ net debt + equity)

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>31%</td>
<td>31%</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

Dividend paid
per ordinary share

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.0</td>
<td>13.5</td>
<td>14.5</td>
<td>11.0</td>
<td>11.0</td>
</tr>
</tbody>
</table>
Executive Remuneration Structure

Return on average funds employed (ROFE\(^1\)) introduced as second performance hurdle under long term incentive grant (LTI)

1. EBIT to average funds employed
2. Hurdle at which 100% of ROFE LTI component will vest; 0% will vest at ROFE of less than 7.6%

Board of Directors

Dr Bob Every AO
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
Boral Group Executives

Rosaline Ng  
Chief Financial Officer

Joe Goss  
Divisional MD, Construction Materials & Cement

Frederic de Rougemont  
Divisional MD, Gypsum

Al Borm  
President & CEO, Boral USA

Darren Schulz  
Executive GM, Building Products

Robert Gates  
Chief Administrative Officer

Matt Coren  
Group Strategy and M&A Director

Kylie FitzGerald  
Group Communications & Investor Relations Director

Dominic Millgate  
Company Secretary

Damien Sullivan  
Group General Counsel

CEO & MD’s Address

Mike Kane
Delivering on Boral’s priorities

ACHIEVEMENTS

<table>
<thead>
<tr>
<th>Manage costs down</th>
<th>✓ $105 million in cost reduction initiatives completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximise cash generation</td>
<td>✓ $173 million in cash proceeds from divestments &amp; sale of surplus land</td>
</tr>
<tr>
<td>Reduce debt</td>
<td>✓ Debt reduced to $1.45 billion at 30 June 2013</td>
</tr>
<tr>
<td>Reshape the portfolio</td>
<td>✓ Divested Thailand Construction Materials, East Coast Masonry, Oklahoma Construction Materials and Windows ✓ Restructured Timber operations &amp; suspended Waurn Ponds clinker manufacturing</td>
</tr>
<tr>
<td>Secure access to Gypsum technology</td>
<td>✓ Secured access to world-leading technologies through JV with USG</td>
</tr>
</tbody>
</table>

How we’re changing Boral

Our goal is to transform Boral into a global building and construction materials company that is known for its world-leading safety performance, innovative product platform and superior returns on shareholders’ funds

FIX

2 years

Fixing things that are holding us back

EXECUTE

4 years

Improving the way we operate to be more efficient, disciplined and profitable

TRANSFORM

6 years +

Transforming Boral for performance excellence and sustainable growth through innovation
USG Boral Joint Venture delivers long term value for shareholders

- Leading plasterboard manufacturing and distribution platform in Asia and Australia
- #1 or #2 position in markets served

- Exclusive, royalty-free access to USG’s current technologies in perpetuity across Asia, Australasia and the Middle East
- Exclusive distribution rights to USG’s complementary products

USG Boral joint venture

- Substantial competitive advantage that can’t be replicated
- Synergies expected to exceed US$50 million per annum within 3 years of technology roll-out (roll-out to be completed within 2 years)
- Accelerated growth opportunities; self funded through joint venture

Further cost cutting initiatives commenced

- Continued cost reduction imperative to offset inflationary pressures of around $100 million annually in Australia

- $105 million in cost saving initiatives completed to date

- Second phase of cost saving program focused on contractor spend, office accommodation and back office efficiencies in Australia

- Anticipate $45 million per annum in cost savings within two years
  - $25 million cost savings expected in FY2014

- Also looking at significant price movements to offset cost impacts
**Boral Construction Materials & Cement**

**Concrete, Quarries, Cement, Asphalt, Transport and Property**

**1Q FY2014 Trading Update**

- Strong outcome with benefits from:
  - Curtis Island LNG projects
  - Favourable weather on east coast
  - Cost reductions programs
- Price outcomes below expectations
- Margin pressures in Asphalt

**FY2014 Outlook**

- Performance not expected to exceed FY2013
- Improved performance in underlying business to offset substantial decline in Property earnings

<table>
<thead>
<tr>
<th>Revenue A$ million</th>
<th>EBIT(^1) A$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>FY13</td>
</tr>
<tr>
<td>2,902</td>
<td>3,142</td>
</tr>
<tr>
<td>243</td>
<td>281</td>
</tr>
</tbody>
</table>

1. Excluding significant items

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**Boral Building Products**

**Australian Bricks, Roofing\(^1\), Timber and Windows**

**1Q FY2014 Trading Update**

- Small profit realised in first quarter
- Performance benefited from:
  - Higher residential activity in New South Wales and Western Australia
  - Timber restructuring
  - Overhead cost reductions
  - Reduced Brick capacity optimisation costs

**FY2014 Outlook**

- On track to deliver significantly reduced losses

<table>
<thead>
<tr>
<th>Revenue A$ million</th>
<th>EBIT(^2) A$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>FY13</td>
</tr>
<tr>
<td>660</td>
<td>592</td>
</tr>
<tr>
<td>(5)</td>
<td>(40)</td>
</tr>
</tbody>
</table>

1. Remaining Masonry operations are incorporated into Bricks and Roofing businesses
2. Excluding significant items

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1Q FY2014 Trading Update

**Boral Gypsum**

- Strong demand in Thailand and Indonesia
- Robust volumes in China
- Price pressures in Korea, China and Vietnam
- Improved performance in Australia

**FY2014 Outlook**

- Improved underlying returns with stronger second half FY2014
- Move to equity accounting of 50% interest in USG Boral joint venture, reducing Boral net profit after tax by ~$15 million

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1Q FY2014 Trading Update

**Boral USA**

- Performance broadly in line with expectations
  - Housing starts below expectations
  - Improved Cladding & Roofing volumes
  - Continued cost reduction programs

**FY2014 Outlook**

- Breakthrough to profitability in late second half FY2014, contingent on:
  - Continued growth in US housing starts to 1.1 million
  - Higher proportion of single family dwelling starts & custom homes
Concluding Comments

• In summary, continue to expect in FY2014
  − Significantly reduced losses from Building Products and Boral USA
  − Improved underlying earnings from Boral Gypsum
  − Ongoing strong results from Construction Materials & Cement
• Anticipate improved ROFE\(^1\), despite shift to equity accounting of Gypsum
• Cultural transformation at Boral well underway
• Increased focus on innovation and technology
• Senior management team focused on delivering on Boral’s commitments

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1. EBIT to average funds employed
Item 1 – Financial Reports

To consider the financial reports, the Directors’ Report and the Auditor’s Report for the year ended 30 June 2013

Remuneration & Nomination Committee Chairman’s Address
Dr Brian Clark
To adopt the Remuneration Report for the year ended 30 June 2013

Proxies

For: 510,267,466
Open: 5,675,360
Against: 8,319,880

% to be cast FOR the resolution* 98.0%

* On basis open proxies in favour of the Chairman of the Meeting are voted FOR
Item 3 – Re-election of Directors

3.1 To re-elect Bob Every as a Director

3.2 To re-elect Eileen Doyle as a Director

3.3 To re-elect Richard Longes as a Director

Item 3.1 – Re-election of Bob Every
Item 3.1 – Re-election of Bob Every

Proxies

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>For</td>
<td>509,957,372</td>
</tr>
<tr>
<td>Open</td>
<td>6,017,160</td>
</tr>
<tr>
<td>Against</td>
<td>15,098,897</td>
</tr>
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</table>

% to be cast FOR the resolution*  96.7%

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

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Item 3.2 – Re-election of Eileen Doyle
Item 3.2 – Re-election of Eileen Doyle

Proxies

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>523,394,989</td>
</tr>
<tr>
<td>Open</td>
<td>5,977,658</td>
</tr>
<tr>
<td>Against</td>
<td>1,705,664</td>
</tr>
</tbody>
</table>

% to be cast FOR the resolution* 99.3%

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

Item 3.3 – Re-election of Richard Longes
Item 3.3 – Re-election of Richard Longes

Proxies

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>509,055,569</td>
</tr>
<tr>
<td>Open</td>
<td>6,116,916</td>
</tr>
<tr>
<td>Against</td>
<td>15,872,684</td>
</tr>
</tbody>
</table>

% to be cast FOR the resolution* 96.6%

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

Item 4 – Award of Rights to Mike Kane

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 CEO & Managing Director, of rights to fully paid ordinary shares in the Company on the terms described in the explanatory notes to this Notice of Meeting.”
## Item 4 – Award of Rights to Mike Kane

Proxies

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>494,405,395</td>
</tr>
<tr>
<td>Open</td>
<td>5,787,767</td>
</tr>
<tr>
<td>Against</td>
<td>26,290,736</td>
</tr>
</tbody>
</table>

% to be cast FOR the resolution*  

*94.6%*

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