

# APPENDIX 4D

## HALF-YEAR REPORT

11 February 2015

Name of Entity: **Boral Limited**  
 ABN: **13 008 421 761**  
 For the half year ended: **31 December 2014**

**Boral Limited**

ABN 13 008 421 761

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### Results for announcement to the market

				Dec-2014 A'\$ millions	Dec-2013 A'\$ millions
Revenue from continuing operations	down	(0.1%)	to	<b>2,212.6</b>	2,215.5
Revenue from discontinued operations				<b>72.2</b>	658.8
<b>Total revenue</b>	<b>down</b>	<b>(20.5%)</b>	<b>to</b>	<b>2,284.8</b>	2,874.3
Profit from continuing operations before net financing costs, income tax and significant items	up	44.9%	to	<b>162.0</b>	111.8
Profit from discontinued operations before net financing costs, income tax and significant items				<b>5.3</b>	56.1
Profit before net financing costs, income tax and significant items	down	(0.4%)	to	<b>167.3</b>	167.9
Net financing costs from continuing operations before significant items				<b>(30.5)</b>	(44.6)
Net financing costs from discontinued operations before significant items				-	(2.0)
Profit before income tax and significant items	up	12.8%	to	<b>136.8</b>	121.3
Income tax from continuing operations before significant items				<b>(23.6)</b>	(11.1)
Income tax from discontinued operations before significant items				<b>(1.7)</b>	(18.4)
Non-controlling interest from continuing operations				-	2.8
Non-controlling interest from discontinued operations				-	(4.2)
Net profit before significant items attributable to members	up	23.3%	to	<b>111.5</b>	90.4
Significant items from continuing operations net of tax <sup>1</sup>				<b>(7.0)</b>	-
Significant items from discontinued operations net of tax <sup>1</sup>				-	(116.7)
<b>Net profit/(loss) attributable to members</b>	<b>up</b>	<b>497.3%</b>	<b>to</b>	<b>104.5</b>	(26.3)

1. Full details of significant items are contained in note 6 of the attached half-year financial report.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	8.5 cents	8.5 cents
Previous corresponding period: Interim - ordinary	7.0 cents	7.0 cents
Record date for determining entitlements to the dividend	19 February 2015	
Comparative Period: Half Year ended 31 December 2013		

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The above disclosures are extracted or derived from the financial report for the period ended 31 December 2014 but have not been subject to audit or review.

### Commentary on the results for the period

The commentary on the results of the period is contained in the "Results Announcement for the half-year ended 31 December 2014 - Management Discussion and Analysis" dated 11 February 2015.



# Half-Year Financial Report

31 December 2014

Boral Limited  
ABN 13 008 421 761

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The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Boral Limited during the half-year in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

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## Directors' Report

The Directors of Boral Limited ("the Company") report on the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2014 ("the half-year"):

### 1. Review of Operations

The Directors' review of the operations of the consolidated entity during the half-year and the results of those operations are as set out in the attached Results Announcement for the half-year.

### 2. Names of Directors

The names of persons who have been Directors of the Company during or since the end of the half-year are:

Bob Every AO	- Chairman
Mike Kane	- Chief Executive Officer and Managing Director
Catherine Brenner	
Brian Clark	
Eileen Doyle	
Kathryn Fagg	- Appointed 15 September 2014
Richard Longes	- Retired 6 November 2014
John Marlay	
Paul Rayner	

All of those persons, other than Kathryn Fagg and Richard Longes, have been Directors at all times during and since the end of the half-year.

### 3. Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* is set out on page 2 and forms part of this Directors' Report.

### 4. 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 and Directors' Report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.



**Dr Bob Every AO**  
Director

**Mike Kane**  
Director

Sydney, 11 February 2015



## Lead Auditor's Independence Declaration

under Section 307C of the Corporations Act 2001

To: The Directors of Boral Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'KPMG'.

**KPMG**

A handwritten signature in black ink, appearing to read 'Kenneth Reid'.

**Kenneth Reid**  
Partner

Sydney, 11 February 2015

## Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>Continuing operations</b>			
Revenue	4	2,212.6	2,215.5
Cost of sales		(1,574.4)	(1,592.1)
Selling and distribution expenses		(395.9)	(387.6)
Administrative expenses		(130.6)	(140.5)
		(2,100.9)	(2,120.2)
Other income		10.3	6.8
Other expenses		(10.0)	(0.3)
Share of equity accounted income	9	40.0	10.0
<b>Profit before net financing costs and income tax</b>		<b>152.0</b>	111.8
Financial income		5.6	0.9
Financial expenses		(36.1)	(45.5)
Net financing costs		(30.5)	(44.6)
<b>Profit before income tax</b>		<b>121.5</b>	67.2
Income tax expense	5	(20.6)	(11.1)
<b>Profit from continuing operations</b>		<b>100.9</b>	56.1
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations (net of income tax)	3	3.6	(81.0)
<b>Net profit/(loss)</b>		<b>104.5</b>	(24.9)
<b>Attributable to:</b>			
Members of the parent entity		104.5	(26.3)
Non-controlling interests - profit		-	1.4
<b>Net profit/(loss)</b>		<b>104.5</b>	(24.9)
Basic earnings per share	7	13.4c	(3.4c)
Diluted earnings per share	7	13.2c	(3.4c)
<b>Continuing operations</b>			
Basic earnings per share	7	12.9c	7.6c
Diluted earnings per share	7	12.8c	7.5c

The income statement should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

## Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>Net profit/(loss)</b>	<b>104.5</b>	(24.9)
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to Income Statement:</b>		
Net exchange differences from translation of foreign operations taken to equity	71.3	43.5
Fair value adjustment on cash flow hedges	(6.9)	3.3
Income tax on items that may be reclassified subsequently to Income Statement	31.2	15.0
<b>Total comprehensive income for the half-year</b>	<b>200.1</b>	36.9
<b>Total comprehensive income for the half-year is attributable to:</b>		
Members of the parent entity	200.1	33.1
Non-controlling interests	-	3.8
<b>Total comprehensive income for the half-year</b>	<b>200.1</b>	36.9

The statement of comprehensive income should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

## Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		31 Dec 2014 \$ millions	30 Jun 2014 \$ millions
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		356.8	383.2
Receivables		621.3	708.8
Inventories		525.0	528.1
Other financial assets		10.1	8.3
Other		44.1	36.1
Assets classified as held for sale	3	148.6	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,705.9</b>	<b>1,664.5</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		67.7	54.5
Inventories		25.6	21.1
Investments accounted for using the equity method		939.0	851.8
Other financial assets		14.9	22.4
Property, plant and equipment		2,504.7	2,561.9
Intangible assets		219.0	196.1
Deferred tax assets		199.5	154.1
Other		33.6	32.7
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,004.0</b>	<b>3,894.6</b>
<b>TOTAL ASSETS</b>		<b>5,709.9</b>	<b>5,559.1</b>
<b>CURRENT LIABILITIES</b>			
Payables		556.1	648.5
Loans and borrowings	11	252.3	215.4
Other financial liabilities		17.5	12.1
Current tax liabilities		60.3	89.8
Provisions		172.2	204.4
Liabilities classified as held for sale	3	49.4	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,107.8</b>	<b>1,170.2</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables		17.2	18.1
Loans and borrowings	11	991.5	886.1
Other financial liabilities		17.4	38.8
Provisions		84.5	97.8
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,110.6</b>	<b>1,040.8</b>
<b>TOTAL LIABILITIES</b>		<b>2,218.4</b>	<b>2,211.0</b>
<b>NET ASSETS</b>		<b>3,491.5</b>	<b>3,348.1</b>
<b>EQUITY</b>			
Issued capital	12	2,477.6	2,477.6
Reserves	13	103.6	2.1
Retained earnings		910.3	868.4
<b>TOTAL EQUITY</b>		<b>3,491.5</b>	<b>3,348.1</b>

The balance sheet should be read in conjunction with the accompanying notes which form an integral part of the half-year 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
Balance at 1 July 2014	2,477.6	2.1	868.4	3,348.1	-	3,348.1
Net profit /(loss)	-	-	104.5	104.5	-	104.5
<b>Other comprehensive income</b>						
Translation of net assets of overseas controlled entities	-	168.5	-	168.5	-	168.5
Translation of long-term borrowings and foreign currency forward contracts	-	(97.2)	-	(97.2)	-	(97.2)
Fair value adjustment on cash flow hedges	-	(6.9)	-	(6.9)	-	(6.9)
Income tax relating to other comprehensive income	-	31.2	-	31.2	-	31.2
<b>Total comprehensive income</b>	-	95.6	104.5	200.1	-	200.1
<b>Transactions with owners in their capacity as owners</b>						
Dividend paid	-	-	(62.6)	(62.6)	-	(62.6)
Share-based payments	-	5.9	-	5.9	-	5.9
<b>Total transactions with owners in their capacity as owners</b>	-	5.9	(62.6)	(56.7)	-	(56.7)
<b>Balance at 31 December 2014</b>	<b>2,477.6</b>	<b>103.6</b>	<b>910.3</b>	<b>3,491.5</b>	<b>-</b>	<b>3,491.5</b>
Balance at 1 July 2013	2,433.8	74.4	796.0	3,304.2	89.3	3,393.5
Net profit /(loss)	-	-	(26.3)	(26.3)	1.4	(24.9)
<b>Other comprehensive income</b>						
Translation of net assets of overseas controlled entities	-	94.1	-	94.1	2.4	96.5
Translation of long-term borrowings and foreign currency forward contracts	-	(53.0)	-	(53.0)	-	(53.0)
Fair value adjustment on cash flow hedges	-	3.3	-	3.3	-	3.3
Income tax relating to other comprehensive income	-	15.0	-	15.0	-	15.0
<b>Total comprehensive income</b>	-	59.4	(26.3)	33.1	3.8	36.9
<b>Transactions with owners in their capacity as owners</b>						
Shares issued under the Dividend Reinvestment Plan and underwriting agreement	21.6	-	-	21.6	-	21.6
Dividend paid	-	-	(46.4)	(46.4)	(6.9)	(53.3)
Share-based payments	-	3.7	-	3.7	-	3.7
Contributions by non-controlling interests	-	-	-	-	0.5	0.5
<b>Total transactions with owners in their capacity as owners</b>	<b>21.6</b>	<b>3.7</b>	<b>(46.4)</b>	<b>(21.1)</b>	<b>(6.4)</b>	<b>(27.5)</b>
<b>Balance at 31 December 2013</b>	<b>2,455.4</b>	<b>137.5</b>	<b>723.3</b>	<b>3,316.2</b>	<b>86.7</b>	<b>3,402.9</b>

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



## Statement of Cash Flows

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,507.4	3,132.2
Payments to suppliers and employees		(2,299.1)	(2,833.4)
		208.3	298.8
Dividends received		10.3	10.4
Interest received		4.2	3.6
Borrowing costs paid		(34.3)	(48.1)
Income taxes paid		(44.2)	(9.6)
Restructure costs paid	15	(29.5)	(23.7)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>114.8</b>	<b>231.4</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(89.2)	(113.6)
Purchase of intangibles		(4.9)	-
Loans to associates		-	(1.5)
Decrease in cash on deposit		-	70.6
Proceeds on disposal of non-current assets		10.8	25.7
Proceeds on disposal of controlled entities and businesses (net of cash disposed and transaction costs)		-	13.2
Divestment costs - Gypsum		-	(9.7)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(83.3)</b>	<b>(15.3)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of Nil in 2014 (2013: \$21.6 million))		(62.6)	(24.8)
Dividends paid to non-controlling interests		-	(6.9)
Contributions by non-controlling interests		-	0.5
Prepaid borrowing costs		(5.6)	-
Proceeds from borrowings		5.5	84.6
Repayment of borrowings		(0.4)	(152.2)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(63.1)</b>	<b>(98.8)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(31.6)</b>	<b>117.3</b>
Cash and cash equivalents at the beginning of the year		383.2	135.7
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		5.2	5.9
Cash and cash equivalents at the end of the half-year	15	356.8	258.9

The statement of cash flows should be read in conjunction with the accompanying notes which form an integral part of the half-year 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 half-year financial report of Boral Limited as at and for the half-year ended 31 December 2014 comprises Boral Limited and its controlled entities (the "Group").

### (a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The financial report also complies with IAS 34 *Interim Financial Reporting*.

The half-year report does not include full note disclosures of the type normally included in an annual financial report. As a result the half-year financial report should be read in conjunction with the 30 June 2014 Annual Financial Report and any public announcements by Boral Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations under the Corporations Act 2001.

The half-year financial report was authorised for issue by the Directors on 11 February 2015.

The half-year report is presented in Australian dollars.

### (b) Significant Accounting Policies

The half-year financial report has been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2014 Annual Financial Report.

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 half-year financial report.

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.

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 1. ACCOUNTING POLICIES (continued)

#### (c) Comparative Figures

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

#### (d) Rounding of Amounts

Boral Limited 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.

### 2. SEGMENTS

Operating segments are based on internal reporting to the Chief Executive Officer in assessing performance and determining the allocation of resources.

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

Construction Materials & Cement	- Quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing.
Building Products *	- Australian bricks (comprising East Coast Bricks and West Coast Bricks), roof tiles, masonry and timber products.
Boral Gypsum *	- Australian and Asian plasterboard (100% interest)
Boral Gypsum Joint Venture	- 50/50 joint venture between USG Corporation and Boral Limited responsible for the manufacture and sale of Plasterboard and associated products.
Boral USA	- Bricks, cultured stone, roof tiles, fly ash, concrete and quarries.
Discontinued Operations	- None (2013: includes Windows)
Unallocated	- Non-trading operations and unallocated corporate costs.

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\* The results of the East Coast Bricks operations for the current and prior year comparative periods and the Boral Gypsum operations for the prior year comparative period are shown as part of "Discontinued Operations" in the Income Statement.

During financial year ended 2014, the Group entered into an agreement with USG Corporation to combine its Australian and Asian Gypsum entities with USG Corporation's Asian and Middle East entities and technology into two 50/50 owned joint ventures.

For the period 1 July 2013 to 28 February 2014, the Group held 100% interest in Boral Gypsum, and the results were consolidated into the Group's financial report and have been shown in the Boral Gypsum segment.

From 1 March 2014, the Group has deconsolidated its existing Australian and Asian subsidiaries, and has recognised an equity accounted investment in respect of its 50% shareholding in the newly formed joint ventures. The newly formed joint ventures consist of Boral's Gypsum division and USG's Asian and Middle Eastern businesses and technology. The results from this date have been equity accounted.

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 include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 2. SEGMENTS (continued)

	<u>CONSOLIDATED</u>	
	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>Reconciliations of reportable segment revenues and profits</b>		
External revenue	<b>2,284.8</b>	2,874.3
Less revenue from discontinued operations	<b>(72.2)</b>	(658.8)
Revenue from continuing operations	<b>2,212.6</b>	2,215.5
<b>Profit before tax</b>		
Profit before net financing costs and income tax expense from reportable segments	<b>157.3</b>	48.8
Profit from discontinued operations *	<b>(5.3)</b>	(56.1)
Significant items applicable to discontinued operations	-	119.1
Profit before net financing costs and income tax expense from continuing operations	<b>152.0</b>	111.8
Net financing costs from continuing operations	<b>(30.5)</b>	(44.6)
Profit before tax from continuing operations	<b>121.5</b>	67.2

\* Represents segment earnings from the East Coast bricks division, Boral Gypsum segment and Discontinued operations segment.

### Geographical information

For the half-year ended 31 December 2014, the Group's trading revenue from external customers in Australia amounted to \$1,889.1 million (2013: \$2,126.2 million), with Nil (2013: \$355.3 million) from the Gypsum Asia operations, \$395.7 million (2013: \$335.3 million) relating to operations in the USA and Nil (2013: \$57.5 million) relating to discontinued operations. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia\* amounted to \$2,512.3 million (30 June 2014: \$2,602.3 million), with \$617.1 million (30 June 2014: \$537.9 million) in Asia\* and \$660.2 million (30 June 2014: \$577.9 million) in the USA.

In presenting information on a geographical basis, segment revenues are based on the geographical location of customers, while segment assets are based on the geographical location of assets.

\* East Coast bricks non-current assets in Australia have been classified as "Held for Sale" at 31 December 2014 and Boral Gypsum's non current assets in Australia and Asia have been classified as "held for sale" at 31 December 2013. Refer note 3 of the half-year financial report.

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 2. SEGMENTS (continued)

	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
	<b>TOTAL REVENUE</b>		<b>INTERNAL REVENUE</b>		<b>EXTERNAL REVENUE</b>	
Construction Materials & Cement	1,637.6	1,712.7	11.5	16.5	1,626.1	1,696.2
Building Products *	263.0	248.4	-	0.6	263.0	247.8
Boral Gypsum **	-	537.5	-	-	-	537.5
Boral USA	396.5	335.7	0.8	0.4	395.7	335.3
Discontinued Operations	-	57.5	-	-	-	57.5
	<b>2,297.1</b>	<b>2,891.8</b>	<b>12.3</b>	<b>17.5</b>	<b>2,284.8</b>	<b>2,874.3</b>

	<b>OPERATING PROFIT (EXC EQUITY ACCOUNTED INCOME)</b>		<b>EQUITY ACCOUNTED INCOME</b>		<b>PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE</b>	
Construction Materials & Cement	133.7	144.9	16.0	10.3	149.7	155.2
Building Products *	14.4	5.3	-	-	14.4	5.3
Boral Gypsum **	-	50.1	-	4.5	-	54.6
Boral Gypsum Joint Venture	-	-	24.2	-	24.2	-
Boral USA	(7.9)	(29.6)	(0.2)	(0.3)	(8.1)	(29.9)
Discontinued Operations	-	(0.5)	-	-	-	(0.5)
Unallocated	(12.9)	(16.8)	-	-	(12.9)	(16.8)
	<b>127.3</b>	<b>153.4</b>	<b>40.0</b>	<b>14.5</b>	<b>167.3</b>	<b>167.9</b>
Significant items (refer note 6)	(10.0)	(119.1)	-	-	(10.0)	(119.1)
	<b>117.3</b>	<b>34.3</b>	<b>40.0</b>	<b>14.5</b>	<b>157.3</b>	<b>48.8</b>

	<b>SEGMENT ASSETS (EXC EQUITY ACCOUNTED INVESTMENTS)</b>		<b>EQUITY ACCOUNTED INVESTMENTS</b>		<b>TOTAL ASSETS</b>	
	Half-Year 31 Dec 2014 \$ millions	Full Year 30 Jun 2014 \$ millions	Half-Year 31 Dec 2014 \$ millions	Full Year 30 Jun 2014 \$ millions	Half-Year 31 Dec 2014 \$ millions	Full Year 30 Jun 2014 \$ millions
Construction Materials & Cement	2,693.2	2,762.6	16.6	19.0	2,709.8	2,781.6
Building Products *	510.8	515.1	-	-	510.8	515.1
Boral Gypsum Joint Venture	-	-	922.4	832.8	922.4	832.8
Boral USA	923.3	813.3	-	-	923.3	813.3
Unallocated	87.3	79.0	-	-	87.3	79.0
	<b>4,214.6</b>	<b>4,170.0</b>	<b>939.0</b>	<b>851.8</b>	<b>5,153.6</b>	<b>5,021.8</b>
Cash and cash equivalents	356.8	383.2	-	-	356.8	383.2
Deferred tax assets	199.5	154.1	-	-	199.5	154.1
	<b>4,770.9</b>	<b>4,707.3</b>	<b>939.0</b>	<b>851.8</b>	<b>5,709.9</b>	<b>5,559.1</b>

	<b>LIABILITIES</b>		<b>DEPRECIATION AND AMORTISATION</b>	
	Half-Year 31 Dec 2014 \$ millions	Full Year 30 Jun 2014 \$ millions	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
Construction Materials & Cement	542.4	610.0	91.0	82.1
Building Products *	93.8	106.2	10.7	11.7
Boral Gypsum **	-	-	-	22.5
Boral USA	134.9	149.0	20.5	21.5
Discontinued Operations	-	-	-	0.7
Unallocated	143.2	154.5	0.5	0.5
	<b>914.3</b>	<b>1,019.7</b>	<b>122.7</b>	<b>139.0</b>
Loans and borrowings	1,243.8	1,101.5	-	-
Tax liabilities	60.3	89.8	-	-
	<b>2,218.4</b>	<b>2,211.0</b>	<b>122.7</b>	<b>139.0</b>

\* The East Coast bricks division results are shown as part of "Discontinued Operations" in the Income Statement for the current and comparative period.

\*\* Boral Gypsum results are shown as part of "Discontinued Operations" in the Income Statement for the comparative period.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### CONSOLIDATED

		Half-Year 31 Dec 2014	Half-Year 31 Dec 2013
	Note	\$ millions	\$ millions

### 3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the period, the Group received clearance by the Australian Competition and Consumer Commission for the East Coast bricks business to enter into a joint venture with CSR Limited. This results in the East Coast bricks net assets being classified as "Held for Sale" at 31 December 2014, and the earnings classified as "Discontinued Operations" in the Income Statement.

The Group entered into an agreement to sell its Western Landfill business in Melbourne to TPI for \$150m. This results in the Landfill net assets being classified as "Held for Sale" at 31 December 2014. As Landfill is not considered to be a material business for the group, it has not been recorded as a Discontinued operation.

The 31 December 2013 comparatives include the discontinued operations relating to the East Coast Bricks businesses and the former Boral Gypsum and Windows businesses.

#### Results of discontinued operations

Revenue		72.2	658.8
Expenses		(66.9)	(607.2)
Share of equity accounted income		-	4.5
<b>Trading profit before significant items, net financing costs and income tax expense</b>		<b>5.3</b>	<b>56.1</b>
Loss on fair value remeasurement of Gypsum net assets together with divestment costs	6	-	(115.2)
Loss on sale of discontinued operations	6	-	(3.9)
<b>Profit/(loss) before net financing costs and income tax expense</b>		<b>5.3</b>	<b>(63.0)</b>
Net financing costs		-	(2.0)
<b>Profit/(loss) before income tax expense</b>		<b>5.3</b>	<b>(65.0)</b>
Income tax expense	5	(1.7)	(16.0)
<b>Net profit/(loss)</b>		<b>3.6</b>	<b>(81.0)</b>
<b>Attributable to:</b>			
Members of the parent entity		3.6	(85.2)
Non-controlling interest		-	4.2
<b>Net profit/(loss)</b>		<b>3.6</b>	<b>(81.0)</b>

Basic earnings per share		0.5c	(11.0c)
Diluted earnings per share		0.5c	(11.0c)

#### Cash flows of discontinued operations

Net cash from operating activities		7.1	61.5
Net cash from/(used in) investing activities		0.2	(8.4)
Net cash used in financing activities		-	(58.1)
<b>Net cash from discontinued operations</b>		<b>7.3</b>	<b>(5.0)</b>

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

	CONSOLIDATED	
	31 Dec 2014 \$ millions	30 Jun 2014 \$ millions
<b>Assets and liabilities classified as held for sale</b>		
Property, plant and equipment	77.1	-
Inventories	29.7	-
Trade and other receivables	28.2	-
Other assets	13.6	-
<b>Assets classified as held for sale</b>	<b>148.6</b>	<b>-</b>
Payables	27.7	-
Provisions	21.7	-
<b>Liabilities classified as held for sale</b>	<b>49.4</b>	<b>-</b>
<b>Net assets</b>	<b>99.2</b>	<b>-</b>

#### Effect of disposal on the financial position of the Group

During the current period the Group did not complete disposal of any of its businesses. In prior half-year to 31 December 2013, the Group disposed of its Windows business.

	CONSOLIDATED	
	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>Consideration</b>	-	16.8
Cash	-	(2.1)
Trade and other receivables	-	(21.3)
Inventories	-	(13.2)
Property, plant and equipment	-	(6.7)
Other assets	-	(0.2)
Payables	-	16.9
Provisions	-	5.9
<b>Net assets disposed</b>	<b>-</b>	<b>(20.7)</b>
<b>Loss on disposal of discontinued operations before income tax expense</b>	<b>-</b>	<b>(3.9)</b>
Consideration	-	16.8
Cash and cash equivalents disposed	-	(2.1)
Deferred consideration receivable	-	(1.5)
<b>Consideration (net of disposal costs)</b>	<b>-</b>	<b>13.2</b>

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED		
	Note	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>4. REVENUE</b>			
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Sale of goods		2,160.9	2,169.9
Rendering of services		51.7	45.6
Revenue from continuing operations		<b>2,212.6</b>	<b>2,215.5</b>
<b>5. INCOME TAX EXPENSE</b>			
<b>Reconciliation of income tax expense to prima facie tax payable</b>			
Income tax expense on profit at Australian tax rates 30% (2013: 30%)		38.1	0.7
Variation between Australian and overseas tax rates		(1.4)	(3.7)
Share of associates' net income and franked dividend income		(12.0)	(4.3)
Capital loss not brought to account		-	1.5
Deferred taxes on disposal		-	3.2
Fair value remeasurement of Gypsum net assets together with divestment costs		-	29.0
Prior year underprovision		-	1.1
Other items		(2.4)	(0.4)
Income tax expense		<b>22.3</b>	<b>27.1</b>
Income tax expense relating to continuing operations		<b>20.6</b>	<b>11.1</b>
Income tax expense relating to discontinued operations		<b>1.7</b>	<b>16.0</b>
		<b>22.3</b>	<b>27.1</b>



## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>6. SIGNIFICANT ITEMS</b>			
Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the Group:			
<b>Continuing operations</b>			
Redundancy and restructuring costs	(i)	(10.0)	-
<b>Total significant items before tax, from continuing operations</b>		<b>(10.0)</b>	-
Income tax benefit		3.0	-
<b>Net significant items from continuing operations</b>		<b>(7.0)</b>	-
<b>Discontinued operations</b>			
Loss on disposal of Windows business		-	(3.9)
Loss on fair value remeasurement of Gypsum net assets together with divestment costs		-	(115.2)
<b>Total significant items before tax, from discontinued operations</b>		-	(119.1)
Income tax benefit		-	2.4
<b>Net significant items from discontinued operations</b>		-	(116.7)
<b>Summary of significant items</b>			
Loss before interest and tax		(10.0)	(119.1)
Income tax benefit		3.0	2.4
<b>Net significant items</b>		<b>(7.0)</b>	(116.7)

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 6. SIGNIFICANT ITEMS (continued)

##### Half-Year December 2014 Significant items

###### (i) Redundancy and restructuring costs

###### Construction Materials and Cement restructure costs

Redundancies and restructuring costs of \$10.0 million were incurred during the half year ended 31 December 2014, to streamline the division and align with current market conditions.

##### Half-Year December 2013 Significant items

###### Loss on fair value remeasurement of Gypsum net assets together with divestment costs

On 17 October 2013, the Group announced the sale of a 50% interest in its Australian and Asian plasterboard businesses. Completion of the sale of 50% of Boral Gypsum to USG Corporation resulted in the deconsolidation of the Gypsum subsidiaries and recognition of a 50% interest in the new Joint Venture. As at 31 December 2013 the net assets of the Gypsum division were reclassified on Boral's balance sheet as assets held for sale, resulting in a re-assessment of net assets at current exchange rates and comparison to the expected proceeds less costs to sell. The net impact was a revaluation loss of \$115.2 million, including \$13 million in respect of revaluation of financial instruments associated with the transaction.

Exchange gains held in the Foreign Currency Translation reserve, which represent the foreign exchange movement during the period from acquisition to the date of disposal (which at 31 December 2013 totalled \$155 million), were unable to be recognised until completion of the transaction. Recognition of these exchange gains in the second half of financial year 2014 offset the revaluation recorded at 31 December 2013.

Summary of significant items before interest and tax by segment	CONSOLIDATED	
	Half-Year 31 Dec 2014	Half-Year 31 Dec 2013
	\$ millions	\$ millions
Construction Materials & Cement	(10.0)	-
Building Products	-	-
Boral Gypsum	-	(115.2)
Boral USA	-	-
Discontinued Operations	-	(3.9)
Unallocated	-	-
	(10.0)	(119.1)

## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 7. EARNINGS PER SHARE

#### Classification of securities as ordinary shares

Only ordinary shares have been included in basic earnings per share.

#### 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	
	Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
<b>Earnings reconciliation</b>		
Net profit before significant items and non-controlling interests	111.5	91.8
Profit attributable to non-controlling interests	-	(1.4)
<b>Net profit excluding significant items</b>	<b>111.5</b>	<b>90.4</b>
Net significant items	(7.0)	(116.7)
<b>Net profit/(loss) attributable to members of the parent entity</b>	<b>104.5</b>	<b>(26.3)</b>

#### Earnings reconciliation - continuing operations

Net profit before significant items and non-controlling interests	107.9	56.1
Loss attributable to non-controlling interests	-	2.8
<b>Net profit excluding significant items</b>	<b>107.9</b>	<b>58.9</b>
Net significant items	(7.0)	-
<b>Net profit attributable to members of the parent entity - continuing operations</b>	<b>100.9</b>	<b>58.9</b>

	CONSOLIDATED	
	Half-Year 31 Dec 2014	Half-Year 31 Dec 2013
<b>Weighted average number of ordinary shares used as the denominator</b>		
Number for basic earnings per share	782,736,249	776,750,626
Effect of potential ordinary shares	8,512,615	8,470,578
<b>Number for diluted earnings per share</b>	<b>791,248,864</b>	<b>785,221,204</b>
<b>Basic earnings per share</b>		
Basic earnings per share	13.4c	(3.4c)
Diluted earnings per share	13.2c	(3.4c)
<b>Basic earnings per share (excluding significant items)</b>		
Basic earnings per share (excluding significant items)	14.2c	11.6c
Diluted earnings per share (excluding significant items)	14.1c	11.5c
<b>Basic earnings per share (continuing operations)</b>		
Basic earnings per share (continuing operations)	12.9c	7.6c
Diluted earnings per share (continuing operations)	12.8c	7.5c

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 8. DIVIDENDS

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
<b>For the half-year ended 31 December 2014</b>				
Final June 2014 - ordinary	<b>8.0 cents</b>	<b>62.6</b>	<b>8.0 cents</b>	<b>26 September 2014</b>
<b>Total</b>		<b>62.6</b>		

For the half-year ended 31 December 2013

Final June 2013 - ordinary	6.0 cents	46.4	6.0 cents	27 September 2013
<b>Total</b>		<b>46.4</b>		

#### Subsequent Event

Since the end of the period, the Directors have declared the following dividend:

Interim - ordinary	<b>8.5 cents</b>	<b>66.5</b>	<b>8.5 cents</b>	<b>13 March 2015</b>
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The financial effect of the interim dividend for December 2014 has not been brought to account in the financial report for the period ended 31 December 2014 but will be recognised in subsequent financial reports.

#### Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan, which was suspended following the interim dividend paid on 24 March 2014, will remain suspended until further notice.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

##### OWNERSHIP INTEREST CONSOLIDATED

Name	Principal activity	Balance date	31 Dec 2014	30 Jun 2014
			%	%
<b>DETAILS OF EQUITY ACCOUNTED INVESTMENTS</b>				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	50	50
Caribbean Roof Tile Company Limited	Roof tiles	31-Dec	50	50
Flyash Australia Pty Ltd	Flyash collection	31-Dec	50	50
Highland Pine Products Pty Ltd	Timber	30-Jun	50	50
Penrith Lakes Development Corporation Ltd	Quarrying	30-Jun	40	40
South East Asphalt Pty Ltd	Asphalt	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	50	50
USG Boral Building Products*	Plasterboard	30-Jun	50	50
US Tile LLC	Roof tiles	31-Dec	50	50

\* The Group has a 50% interest in the Gypsum joint ventures in Australia (USG Boral Building Products Pty Ltd) and Asia (USG Boral Building Products Pte Ltd). The results were equity accounted from 1 March 2014 when the joint ventures were formed.

	Gypsum Operations		Total	
	Half-Year	Half-Year	Half-Year	Half-Year
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	\$ millions	\$ millions	\$ millions	\$ millions
<b>RESULTS OF EQUITY ACCOUNTED INVESTMENTS</b>				
Profit before income tax expense	70.1	-	117.4	31.5
Income tax expense	(18.6)	-	(30.3)	(8.9)
Non-controlling interest	(3.1)	-	(3.1)	-
Net profit - relating to continuing operations	48.4	-	84.0	22.6

##### The Group's share based on % ownership:

Net profit - equity accounted relating to continuing operations	24.2	-	40.0	10.0
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#### MATERIAL INTERESTS IN EQUITY ACCOUNTED INVESTMENTS

Results include the following equity accounted share of net profit:

Sunstate Cement Ltd	4.5	3.6
Penrith Lakes Development Corporation Ltd	8.1	5.6
USG Boral Building Products	24.2	-

##### CONSOLIDATED

	Half-Year 31 Dec 2014	Full Year 30 Jun 2014	Half-Year 31 Dec 2013
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#### 10. NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary security *	\$4.18	\$4.03	\$3.24
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\* Includes intangible assets included in assets classified as "Held for Sale" at 31 December 2013.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	31 Dec 2014 \$ millions	30 Jun 2014 \$ millions
<b>11. LOANS AND BORROWINGS</b>		
<b>CURRENT</b>		
Bank loans - unsecured	6.0	-
Other loans - unsecured	245.0	214.1
Finance lease liabilities	1.3	1.3
	<b>252.3</b>	<b>215.4</b>
<b>NON-CURRENT</b>		
Other loans - unsecured	987.2	881.3
Finance lease liabilities	4.3	4.8
	<b>991.5</b>	<b>886.1</b>
<b>TOTAL</b>	<b>1,243.8</b>	<b>1,101.5</b>

### TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	CONSOLIDATED				
	Currency	Effective interest rate 31 Dec 2014	Calendar year of maturity	31 Dec 2014 Carrying amount \$ millions	30 Jun 2014 Carrying amount \$ millions
<b>CURRENT</b>					
Bank loans - unsecured	USD	1.60%	2015	6.0	-
US senior notes - unsecured	USD	5.42%	2015	244.6	213.7
Other loans - unsecured	Multi	8.32%	2015	0.4	0.4
Finance lease liabilities	AUD	6.06%	2015	1.3	1.3
				<b>252.3</b>	<b>215.4</b>
<b>NON-CURRENT</b>					
US senior notes - unsecured	USD	6.59%	2017-2020	799.7	699.7
CHF notes - unsecured	CHF	2.25%	2020	184.2	178.1
Other loans - unsecured	Multi	8.79%	2016-2022	3.3	3.5
Finance lease liabilities	AUD	6.02%	2016-2019	4.3	4.8
				<b>991.5</b>	<b>886.1</b>
<b>TOTAL</b>				<b>1,243.8</b>	<b>1,101.5</b>

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	Consolidated	
	Half-Year 31 Dec 2014 \$ millions	Full Year 30 Jun 2014 \$ millions
<b>12. ISSUED CAPITAL</b>		
782,736,249 (30 Jun 2014: 782,736,249) ordinary shares	<b>2,477.6</b>	2,477.6
<b>MOVEMENTS IN ISSUED CAPITAL</b>		
Balance at the beginning of the period	<b>2,477.6</b>	2,433.8
Nil (30 Jun 2014: 8,735,608) shares issued under the Dividend Reinvestment Plan	-	43.8
Balance at the end of the period	<b>2,477.6</b>	2,477.6

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.

### 13. RESERVES

Foreign currency translation reserve	<b>50.4</b>	(50.0)
Hedging reserve - cash flow hedges	<b>(9.4)</b>	(4.6)
Other reserve	<b>(6.9)</b>	(6.9)
Share-based payments reserve	<b>69.5</b>	63.6
Balance at the end of the period	<b>103.6</b>	2.1

### 14. CONTINGENT LIABILITIES

Boral Limited 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, from time to time, subject to various lawsuits, claims, regulatory investigations and, on occasion, prosecutions.

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

#### CONSOLIDATED

Half-Year 31 Dec 2014 \$ millions	Half-Year 31 Dec 2013 \$ millions
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### 15. NOTES TO STATEMENT OF CASH FLOWS

(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 statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	<b>356.8</b>	262.9
Bank overdrafts	-	(4.0)
	<b>356.8</b>	258.9

(ii) Non-cash items

The following non-cash financing and investing activities have not been included in the statement of cash flows:

Dividends reinvested under the Dividend Reinvestment Plan	-	21.6
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(iii) Restructure costs paid

During the half year, the Group incurred costs associated with:  
Restructure and business closure costs

	<b>29.5</b>	23.7
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### 16. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair value measurement principles adopted in this report are consistent with those applied in the Group's Annual Financial Report for the year ended 30 June 2014.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for asset or liability that are not based on observable market data.

The Group does not have financial instruments that have been valued at Level 3.

The following table presents the Group's financial assets and liabilities that are measured at fair value:

	Level 1		Level 2	
	31 Dec 2014 \$ millions	30 June 2014 \$ millions	31 Dec 2014 \$ millions	30 June 2014 \$ millions
<b>Assets</b>				
Equity Securities	12.8	10.7	-	-
Derivatives used for Hedging	-	-	12.2	20.0
<b>Total assets</b>	<b>12.8</b>	<b>10.7</b>	<b>12.2</b>	<b>20.0</b>
<b>Liabilities</b>				
Derivatives used for Hedging	-	-	34.9	50.9
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>34.9</b>	<b>50.9</b>



## Statutory Statements

BORAL LIMITED AND CONTROLLED ENTITIES

### Directors' Declaration

In the opinion of the Directors of Boral Limited:

1. The financial statements and notes set out on pages 3 to 22, are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



**Dr Bob Every AO**  
Director



**Mike Kane**  
Director

Sydney, 11 February 2015



## Independent Auditor's Review Report to the Members of Boral Limited

### Report on the Financial Report

We have reviewed the accompanying half-year financial report of Boral Limited, which comprises the balance sheet as at 31 December 2014, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Boral Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boral Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

**Kenneth Reid**  
Partner

Sydney, 11 February 2015