Half-Year Financial Report

31 December 2017

Boral Limited
ABN 13 008 421 761

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 2017 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.

Boral Limited

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APPENDIX 4D

HALF-YEAR REPORT

13 February 2018

Name of Entity: **Boral Limited**

ABN: **13 008 421 761**

For the half year ended: **31 December 2017**

Results for announcement to the market

				Dec-2017 $m	Dec-2016 $m
Revenue from continuing operations	up	49.7%	to	**2,937.0**	1,961.6
Revenue from discontinued operations				**-**	131.3
Total revenue	**up**	**40.3%**	**to**	**2,937.0**	2,092.9
Profit from continuing operations before net interest expense, income tax and significant items	up	53.2%	to	**316.3**	206.4
Profit from discontinued operations before net interest expense, income tax and significant items				**-**	4.5
Profit before net interest expense, income tax and significant items	up	50.0%	to	**316.3**	210.9
Net interest expense from continuing operations before significant items				**(50.1)**	(27.2)
Profit before income tax and significant items	up	44.9%	to	**266.2**	183.7
Income tax from continuing operations before significant items				**(52.3)**	(34.9)
Income tax from discontinued operations before significant items				**-**	0.2
Net profit before significant items attributable to members	up	43.6%	to	**213.9**	149.0
Significant items from continuing operations net of tax[1]				**(40.9)**	(9.9)
Significant items from discontinued operations net of tax[1]				**-**	15.5
Significant items from equity accounted results[1]				**-**	(1.2)
Net profit attributable to members	**up**	**12.8%**	**to**	**173.0**	153.4

1. Refer note 6 of the attached half-year financial report.

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 2017, but have not been subject to audit or review.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	12.5 cents	6.25 cents
Previous corresponding period: Interim - ordinary	12.0 cents	12.0 cents

Record date for determining entitlements to the dividend	20 February 2018

Comparative Period: Half Year ended 31 December 2016

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 2017 - Management Discussion and Analysis" dated 13 February 2018.

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 2017 ("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:

Brian Clark	-	Chairman
Mike Kane	-	Chief Executive Officer and Managing Director
Catherine Brenner		
Eileen Doyle		
Kathryn Fagg		
John Marlay		
Karen Moses		
Paul Rayner		

All of those persons 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

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000 which have been rounded down.

Signed in accordance with a resolution of the Directors.

Dr Brian Clark
Director

Mike Kane
Director

Sydney, 13 February 2018

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 2017 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.

KPMG

KPMG

Kevin Leighton
Partner

Sydney, 13 February 2018

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
Continuing operations			
Revenue	4	**2,937.0**	1,961.6
Cost of sales		**(2,019.6)**	(1,289.0)
Selling and distribution expenses		**(455.7)**	(372.0)
Administrative expenses		**(199.6)**	(146.7)
		(2,674.9)	(1,807.7)
Other income		**6.0**	2.8
Other expenses		**(56.2)**	(13.9)
Share of equity accounted income	9	**48.5**	49.9
Profit before net interest expense and income tax		**260.4**	192.7
Interest income		**0.8**	7.2
Interest expense		**(50.9)**	(34.4)
Net interest expense		**(50.1)**	(27.2)
Profit before income tax		**210.3**	165.5
Income tax expense	5	**(37.3)**	(32.3)
Profit from continuing operations		**173.0**	133.2
Discontinued operations			
Profit from discontinued operations (net of income tax)	3	**-**	20.2
Net profit attributable to members of the parent entity		**173.0**	153.4
Basic earnings per share	7	**14.8c**	17.7c
Diluted earnings per share	7	**14.7c**	17.5c
Continuing operations			
Basic earnings per share	7	**14.8c**	15.4c
Diluted earnings per share	7	**14.7c**	15.2c

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

	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2016 $m
Net profit	**173.0**	153.4
Other comprehensive income		
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	**(19.7)**	1.8
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**-**	(24.5)
Fair value adjustment on cash flow hedges	**3.3**	36.9
Income tax on items that may be reclassified subsequently to Income Statement	**0.1**	(7.0)
Total comprehensive income for the half-year attributable to members of the parent entity	**156.7**	160.6

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	31 Dec 2017 $m	30 Jun 2017 $m
CURRENT ASSETS			
Cash and cash equivalents		**148.3**	237.8
Receivables		**777.7**	873.6
Inventories		**588.2**	606.6
Financial assets		**7.3**	3.8
Other assets		**43.8**	41.9
TOTAL CURRENT ASSETS		**1,565.3**	1,763.7
NON-CURRENT ASSETS			
Receivables		**30.7**	30.4
Inventories		**13.9**	13.1
Investments accounted for using the equity method		**1,380.0**	1,353.7
Financial assets		**32.6**	31.8
Property, plant and equipment		**2,757.6**	2,755.7
Intangible assets		**3,140.0**	3,208.6
Deferred tax assets		**114.6**	128.4
Other assets		**26.6**	28.2
TOTAL NON-CURRENT ASSETS		**7,496.0**	7,549.9
TOTAL ASSETS		**9,061.3**	9,313.6
CURRENT LIABILITIES			
Trade creditors		**626.3**	812.4
Loans and borrowings	11	**398.9**	407.4
Financial liabilities		**20.8**	15.4
Current tax liabilities		**55.2**	64.1
Employee benefit liabilities		**116.2**	115.5
Provisions		**51.6**	53.5
TOTAL CURRENT LIABILITIES		**1,269.0**	1,468.3
NON-CURRENT LIABILITIES			
Loans and borrowings	11	**2,115.1**	2,163.7
Financial liabilities		**13.1**	10.9
Employee benefit liabilities		**41.5**	44.4
Provisions		**157.3**	157.5
Other liabilities		**26.9**	28.3
TOTAL NON-CURRENT LIABILITIES		**2,353.9**	2,404.8
TOTAL LIABILITIES		**3,622.9**	3,873.1
NET ASSETS		**5,438.4**	5,440.5
EQUITY			
Issued capital	12	**4,265.1**	4,265.1
Reserves	13	**(15.1)**	19.3
Retained earnings		**1,188.4**	1,156.1
TOTAL EQUITY		**5,438.4**	5,440.5

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

	Issued capital $m	Reserves $m	Retained earnings $m	Total Equity $m
Balance at 1 July 2017	**4,265.1**	**19.3**	**1,156.1**	**5,440.5**
Net profit	**-**	**-**	**173.0**	**173.0**
Other comprehensive income				
Translation of net assets of overseas entities	**-**	**(16.0)**	**-**	**(16.0)**
Translation of long-term borrowings and foreign currency forward contracts	**-**	**(3.7)**	**-**	**(3.7)**
Fair value adjustment on cash flow hedges	**-**	**3.3**	**-**	**3.3**
Income tax relating to other comprehensive income	**-**	**0.1**	**-**	**0.1**
Total comprehensive income	**-**	**(16.3)**	**173.0**	**156.7**
Transactions with owners in their capacity as owners				
Share acquisition rights vested	**-**	**(22.4)**	**-**	**(22.4)**
Dividend paid	**-**	**-**	**(140.7)**	**(140.7)**
Share-based payment	**-**	**4.3**	**-**	**4.3**
Total transactions with owners in their capacity as owners	**-**	**(18.1)**	**(140.7)**	**(158.8)**
Balance at 31 December 2017	**4,265.1**	**(15.1)**	**1,188.4**	**5,438.4**
Balance at 1 July 2016	2,246.2	162.0	1,098.1	3,506.3
Net profit	-	-	153.4	153.4
Other comprehensive income				
Translation of net assets of overseas entities	-	15.5	-	15.5
Translation of long-term borrowings and foreign currency forward contracts	-	(13.7)	-	(13.7)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	(24.5)	-	(24.5)
Fair value adjustment on cash flow hedges	-	36.9	-	36.9
Income tax relating to other comprehensive income	-	(7.0)	-	(7.0)
Total comprehensive income	-	7.2	153.4	160.6
Transactions with owners in their capacity as owners				
Share acquisition rights vested	-	(3.6)	-	(3.6)
Dividend paid	-	-	(85.5)	(85.5)
Shares issued under capital raising net of costs	2,017.7	-	-	2,017.7
Share-based payment	-	8.1	-	8.1
Total transactions with owners in their capacity as owners	2,017.7	4.5	(85.5)	1,936.7
Balance at 31 December 2016	4,263.9	173.7	1,166.0	5,603.6

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	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**3,200.2**	2,237.0
Payments to suppliers and employees		**(2,839.3)**	(2,062.5)
		360.9	174.5
Dividends received		**36.1**	49.2
Interest received		**0.8**	7.2
Borrowing costs paid		**(43.2)**	(33.5)
Income taxes paid		**(56.4)**	(27.1)
Restructure, acquisition and integration costs paid	15	**(82.1)**	(12.3)
Net cash provided by operating activities		**216.1**	158.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(164.0)**	(140.7)
Purchase of intangibles		**-**	(2.8)
Purchase of controlled entities and businesses		**-**	(8.6)
Repayment of loans (to)/by associates		**(5.6)**	3.2
Proceeds on disposal of non-current assets		**10.8**	19.6
Proceeds on disposal of controlled entities and associates (net of transaction costs)		**7.6**	125.8
Net cash used in investing activities		**(151.2)**	(3.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital raising net of transaction costs		**-**	2,017.7
Dividends paid		**(140.7)**	(85.5)
Proceeds from borrowings		**1,228.5**	-
Repayment of borrowings		**(1,241.6)**	(0.2)
Net cash provided by/(used in) financing activities		**(153.8)**	1,932.0
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(88.9)**	2,086.5
Cash and cash equivalents at the beginning of the year		**237.8**	452.1
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		**(0.6)**	0.8
Cash and cash equivalents at the end of the half-year	15	**148.3**	2,539.4

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 2017 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 financial 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 2017 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 13 February 2018.

The half-year financial report is presented in Australian dollars.

(b) Significant Accounting Policies

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2017 Annual Financial Report. The half-year financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

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.

(c) Changes in Accounting Policies

Adoption of new and revised accounting standards

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 Group has early adopted AASB 9 *Financial Instruments* as issued in December 2014. The new standard provides greater flexibility going forward with respect to the Group's hedging arrangements, compared with the requirements of the previous Accounting Standard AASB 139 *Financial Investments: Recognition and Measurement*.

The adoption of this standard has no material impact on the measurement of the Group's financial assets. The Group has elected to apply the standard retrospectively, however there is no restatement of prior period comparatives as there has been no material impact. Under the adoption of AASB 9, cash and cash equivalents, trade receivables and other receivables continue to be measured at amortised cost.

With the adoption of AASB 9, the Group assesses on a forward looking basis the expected credit losses associated with assets carried at amortised cost and fair value through other comprehensive income. For trade receivables only, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The change in policy did not result in any material impact to the carrying value of the Group's assets.

On adoption of AASB 9, the Group adopted the AASB 9 hedge accounting model. The adoption of AASB 9 has changed the Group's accounting policies by simplifying and improving hedge accounting for the Group and means that the accounting results will better align with its risk management practices. The adoption of AASB 9 does not impact the original carrying amount of the Group's financial assets and liabilities, previously measured under AASB 139.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES (continued)

(d) Comparative Figures

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

(e) Rounding of Amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000 which have been rounded down.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and Managing Director in assessing performance and in determining the allocation of resources. The operating segments are identified by the Group based on consideration of the nature of the services provided as well as the geographical region. Discrete financial information about each of these operating businesses is reported to the CEO and Managing Director on a recurring basis.

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

Boral Australia	- Construction Materials & Cement (comprising quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing) and Building Products (comprising West Coast bricks, roofing, masonry and timber products).
USG Boral	- 50/50 joint venture between USG Corporation and Boral Limited responsible for the manufacture and sale of plasterboard and associated products.
Boral North America*	- Construction Materials (comprising fly ash, block and Denver construction materials), Building Products (comprising stone, roofing, light building products and windows), and 50% share of the Meridian Brick joint venture, which was formed on 1 November 2016. Prior year comparatives also include US bricks up to the disposal date of 31 October 2016.
Discontinued Operations	- Boral CSR bricks joint venture, disposed on 31 October 2016.
Unallocated	- Non-trading operations and unallocated corporate costs.

* The results of the US bricks operations for the prior year comparative period is shown as part of "Boral North America" in the Segment note and "Discontinued Operations" in the Income Statement.

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.

Reconciliations of reportable segment revenues and profits	Note	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
External revenue		**2,937.0**	2,092.9
Less: Revenue from discontinued operations	3	**-**	(131.3)
Revenue from continuing operations		**2,937.0**	1,961.6
Profit before tax			
Profit before net interest expense and income tax from reportable segments		**260.4**	236.2
Less: Profit before net interest expense and income tax from discontinued operations	3	**-**	(43.5)
Profit before net interest expense and income tax from continuing operations		**260.4**	192.7
Net interest expense from continuing operations		**(50.1)**	(27.2)
Profit before tax from continuing operations		**210.3**	165.5

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America*		Discontinued Operations		Unallocated		Total	
	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
External Revenue	**1,804.3**	1,615.7	**-**	-	**1,132.7**	477.2	**-**	-	**-**	-	**2,937.0**	2,092.9
Profit/(loss) before depreciation, amortisation, interest, income tax expense and significant items (EBITDA)	**294.4**	263.9	**38.2**	39.9	**184.1**	40.6	**-**	5.0	**(16.5)**	(16.3)	**500.2**	333.1
Depreciation and amortisation, excluding amortisation of acquired intangibles	**(100.4)**	(99.6)	**-**	-	**(49.3)**	(21.6)	**-**	-	**(0.3)**	(0.3)	**(150.0)**	(121.5)
Profit/(loss) before amortisation of acquired intangibles, interest, income tax expense and significant items (EBITA)	**194.0**	164.3	**38.2**	39.9	**134.8**	19.0	**-**	5.0	**(16.8)**	(16.6)	**350.2**	211.6
Amortisation of acquired intangibles	**-**	-	**-**	-	**(33.9)**	(0.7)	**-**	-	**-**	-	**(33.9)**	(0.7)
Profit/(loss) before interest, income tax and significant items (EBIT)	**194.0**	164.3	**38.2**	39.9	**100.9**	18.3	**-**	5.0	**(16.8)**	(16.6)	**316.3**	210.9
Significant items before income tax expense	**(23.8)**	-	**-**	-	**(32.1)**	(13.7)	**-**	39.0	**-**	-	**(55.9)**	25.3
Profit/(loss) before interest and income tax expense	**170.2**	164.3	**38.2**	39.9	**68.8**	4.6	**-**	44.0	**(16.8)**	(16.6)	**260.4**	236.2
Equity accounted income before significant items	**12.5**	11.6	**38.2**	39.9	**(2.2)**	(0.4)	**-**	5.0	**-**	-	**48.5**	56.1
Significant items	**-**	-	**-**	-	**-**	(1.2)	**-**	-	**-**	-	**-**	(1.2)
Equity accounted income after significant items	**12.5**	11.6	**38.2**	39.9	**(2.2)**	(1.6)	**-**	5.0	**-**	-	**48.5**	54.9

* The results of the US bricks operations for the prior year comparative period is shown as part of "Boral North America" in the Segment note and "Discontinued Operations" in the Income Statement.

Effective 1 July 2017, Boral elected to record the depreciation of molds as depreciation expense in order to align with Headwater's treatment of the depreciation of molds. If this policy was applied effective 1 July 2016, depreciation and amortisation excluding amortisation of acquired intangibles for Boral North America would have increased from $21.6 million to $29.8 million, and profit/(loss) before depreciation, amortisation, interest, income tax expense and significant items (EBITDA) would have increased from $40.6 million to $48.8 million for the half year ended 31 December 2016. There would have been no change to profit/(loss) before interest, income tax and significant items (EBIT).

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America*		Discontinued Operations		Unallocated		Total	
	Half-Year 31 Dec 2017 $m	Full Year 30 Jun 2017 $m	**Half-Year 31 Dec 2017 $m**	Full Year 30 Jun 2017 $m	**Half-Year 31 Dec 2017 $m**	Full Year 30 Jun 2017 $m	**Half-Year 31 Dec 2017 $m**	Full Year 30 Jun 2017 $m	**Half-Year 31 Dec 2017 $m**	Full Year 30 Jun 2017 $m	**Half-Year 31 Dec 2017 $m**	Full Year 30 Jun 2017 $m
Segment assets (excluding equity accounted investments)	**3,018.9**	3,050.2	**-**	-	**4,379.8**	4,526.9	**-**	-	**19.7**	16.6	**7,418.4**	7,593.7
Equity accounted investments	**21.4**	19.8	**960.3**	931.1	**398.3**	402.8	**-**	-	**-**	-	**1,380.0**	1,353.7
	3,040.3	3,070.0	**960.3**	931.1	**4,778.1**	4,929.7	**-**	-	**19.7**	16.6	**8,798.4**	8,947.4
Cash and cash equivalents											**148.3**	237.8
Deferred tax assets											**114.6**	128.4
Total assets	**3,040.3**	3,070.0	**960.3**	931.1	**4,778.1**	4,929.7	**-**	-	**19.7**	16.6	**9,061.3**	9,313.6
Segment liabilities	**590.1**	681.3	**-**	-	**349.8**	428.6	**-**	-	**113.8**	128.0	**1,053.7**	1,237.9
Loans and borrowings											**2,514.0**	2,571.1
Tax liabilities											**55.2**	64.1
Total liabilities	**590.1**	681.3	**-**	-	**349.8**	428.6	**-**	-	**113.8**	128.0	**3,622.9**	3,873.1
	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
Acquisition of segment assets**	**110.6**	122.8	**-**	-	**53.2**	20.7	**-**	-	**0.2**	-	**164.0**	143.5

* The results of the US bricks operations for the prior year comparative period is shown as part of "Boral North America" in the Segment note and "Discontinued Operations" in the Income Statement.

** Excludes amounts attributable to the acquisition of controlled entities and businesses.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

Geographical location

In presenting information on a geographical basis, assets are based on the geographical location of the assets.

	NON-CURRENT ASSETS	
	Half-Year 31 Dec 2017 $m	Full Year 30 Jun 2017 $m
Australia	**2,457.9**	2,449.7
Asia	**653.2**	625.0
United States of America	**4,094.4**	4,176.0
Other	**143.3**	139.0
	7,348.8	7,389.7
Deferred tax assets	**114.6**	128.4
Financial assets	**32.6**	31.8
	7,496.0	7,549.9

Product

	EXTERNAL REVENUE BY PRODUCT	
	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2016 $m
Concrete	**861.8**	751.0
Asphalt	**371.1**	299.5
Fly ash	**358.7**	62.5
Roofing	**246.0**	170.6
Quarry products	**209.9**	213.7
Stone	**171.6**	79.1
Light building products	**166.8**	13.9
Cement	**156.5**	153.8
Windows	**95.0**	-
Bricks	**36.7**	174.6
Other	**262.9**	174.2
	2,937.0	2,092.9

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

3. DISCONTINUED OPERATIONS AND DISPOSALS

Discontinued operations

During the period, there were no business operations that required reclassification to "Discontinued Operations" in the Income Statement.

The prior year comparatives include the discontinued operations relating to the Boral CSR bricks joint venture and US bricks operations.

	Note	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
Results of discontinued operations			
Revenue		**-**	131.3
Expenses		**-**	(131.8)
Share of equity accounted income		**-**	5.0
Trading profit before significant items, net interest expense and income tax		**-**	4.5
Net gain on sale of discontinued operations	6	**-**	39.0
Profit before income tax		**-**	43.5
Income tax expense	5	**-**	(23.3)
Net profit attributable to members of the parent entity		**-**	20.2
Cash flows of discontinued operations			
Net cash used in operating activities		**-**	(0.6)
Net cash provided by investing activities		**-**	120.5
Net cash provided by discontinued operations		**-**	119.9

Disposal of Headwaters Energy business

During October 2017, the Group disposed the Headwaters Energy business for net proceeds of $16.8 million, including $7.6 million received on settlement and $9.2 million to be received in annual instalments from October 2018 to October 2021. No gain or loss was generated on the sale of this business.

The disposal of the Headwaters Energy business has not been recorded as a discontinued operation as it is not considered a material business of the Group.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
4. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		**2,802.6**	1,928.4
Rendering of services		**134.4**	33.2
Revenue from continuing operations		**2,937.0**	1,961.6
5. INCOME TAX EXPENSE			
Reconciliation of income tax expense to prima facie tax			
Income tax expense on profit at Australian tax rates 30% (2016: 30%)		**63.1**	62.7
Variation between Australian and overseas tax rates		**0.9**	0.4
Share of associates' net income		**(14.8)**	(16.4)
Tax benefit arising from share acquisition rights vested		**(6.7)**	(1.1)
Adjustments for sale of business		**-**	14.2
Change in US federal tax rate	6	**6.4**	-
Income tax losses realised	6	**(6.4)**	-
Other items		**(5.2)**	(4.2)
Income tax expense		**37.3**	55.6
Income tax expense relating to continuing operations		**37.3**	32.3
Income tax expense relating to discontinued operations		**-**	23.3
		37.3	55.6

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS

December 2017

Net profit includes the following significant items, which relate to material transactions that are disclosed separately in order to better explain financial performance. Management considers significant items when assessing performance of the Group, and in order to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Boral Group.

Significant items is not a defined performance measure in IFRS. The Company's definition of significant items may not be comparable with similarly titled performance measures and disclosures by other entities.

	Headwaters integration costs (i) $m	Waurn Ponds rehabilitation and closure costs (ii) $m	Reassessment of US tax balances (iii) $m	Total $m
Summary of significant items from continuing operations				
Loss before interest and tax	(32.1)	(23.8)	-	(55.9)
Income tax benefit	7.9	7.1	-	15.0
Net significant items from continuing operations	(24.2)	(16.7)	-	(40.9)

(i) Headwaters integration costs

During the period, $32.1 million of costs have been incurred on the integration of the Headwaters business into the Boral North America business, which forms part of the implementation costs of US$90 million - $100 million expected over financial years 2018 and 2019. The costs during the period predominantly relate to redundancies, employee incentives implemented by Headwaters, consultant fees supporting the integration, integration of IT systems, brand consolidation, and asset impairments upon consolidation of the Boral and Headwaters concrete roofing business.

(ii) Waurn Ponds rehabilitation and closure costs

During the period, the organisation has continued to develop plans to improve our cement position in Victoria. This has led to a reassessment of the expected end use of the Waurn Ponds cement facility, resulting in the recognition of a provision of $23.8 million with respect to rehabilitation of the limestone quarry attached to the facility.

(iii) Reassessment of US tax balances

On 22 December 2017, a tax bill, H.R. 1, was enacted into US law. This triggered a revaluation of the carrying value of deferred tax balances associated with the Boral North America division, primarily as a result of a reduction in the federal tax rate from 35% to 21%.

The reduction in tax rate has resulted in a net tax expense of A$6.4 million, reflecting a reduction in the carrying value of:
- Deferred tax assets relating to US tax losses of A$106.0 million; and
- Deferred tax liabilities relating to timing differences of A$99.6 million.

In addition, the Group has reassessed its US tax losses which have not been recognised on the Balance Sheet, given improved earnings following the acquisition of Headwaters Incorporated in May 2017. This has led to a benefit of A$6.4 million being recorded during the period.

The net impact of the above adjustments on income tax expense is nil.

As at 31 December 2017, the Group has unrecognised US tax losses of A$62.5 million (US$48.8 million).

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS (continued)

December 2016

		Note	Sale of Business $m	Redundancies & Restructure $m	Acquisition Costs $m	Total $m
Gain on disposal of Boral CSR bricks joint venture	Discontinued	(i)	35.8	-	-	35.8
Gain on disposal of US bricks	Discontinued	(ii)	12.1	-	-	12.1
Meridian Brick joint venture restructure	Continuing	(iii)	-	(1.2)	-	(1.2)
Headwaters acquisition costs	Continuing	(iv)	-	-	(12.5)	(12.5)
Adjustment to disposal of Thailand Construction Materials	Discontinued	(v)	(8.9)	-	-	(8.9)
			39.0	(1.2)	(12.5)	25.3

	Sale of Business $m	Redundancies & Restructure $m	Acquisition Costs $m	Total $m
Continuing operations				
Other expenses	-	-	(12.5)	(12.5)
Share of equity accounted income	-	(1.2)	-	(1.2)
Discontinued operations	39.0	-	-	39.0
	39.0	(1.2)	(12.5)	25.3

	Sale of Business $m	Redundancies & Restructure $m	Acquisition Costs $m	Total $m
Summary of significant items from continuing operations				
Loss before interest and tax	-	(1.2)	(12.5)	(13.7)
Income tax benefit	-	0.3	2.3	2.6
Net significant items from continuing operations	-	(0.9)	(10.2)	(11.1)
Summary of significant items from discontinued operations				
Profit before interest and tax	39.0	-	-	39.0
Income tax expense	(23.5)	-	-	(23.5)
Net significant items from discontinued operations	15.5	-	-	15.5
Summary of significant items				
Profit/(loss) before interest and tax	39.0	(1.2)	(12.5)	25.3
Income tax (expense)/benefit	(23.5)	0.3	2.3	(20.9)
Net significant items	15.5	(0.9)	(10.2)	4.4

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS (continued)

December 2016 Significant items

(i) Gain on disposal of Boral CSR bricks joint venture

On 31 October 2016, the Group disposed of its 40% interest in the Boral CSR bricks joint venture. This resulted in a net gain of $35.8 million.

(ii) Gain on disposal of US bricks

During the prior comparative period, the Group entered into an agreement with an affiliate of Forterra Inc. ("Forterra"), to combine its US Bricks business with Forterra US and Canadian businesses into two 50/50 owned joint ventures. On disposal of its interest, Boral deconsolidated its existing US Bricks business, and recognised an equity accounted investment in respect of its 50% shareholding in each of the US and Canadian entities, that operate as the Meridian Brick joint venture. This resulted in a net gain of $12.1 million.

(iii) Meridian Brick joint venture restructure

Following formation of the Meridian Brick joint venture, restructuring and integration costs of $1.2 million were incurred, as the joint venture commenced plant rationalisation and an organisational restructure, in order to achieve targeted synergies and streamline the organisation for optimal performance.

(iv) Headwaters acquisition costs

Costs of $12.5 million were incurred in relation to the acquisition of Headwaters Incorporated, mostly related to various due diligence costs.

(v) Adjustment to disposal of Thailand Construction Materials

This relates to additional costs attributable to the finalisation of working capital adjustments from the sale of the Thailand Construction Materials' business in December 2012.

Segment summary of significant items before interest and tax	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m
Boral Australia	(23.8)	-
Boral North America	(32.1)	(13.7)
Discontinued Operations	-	39.0
	(55.9)	25.3

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.

Calculation of Weighted Average number of ordinary shares

The calculation for the comparative periods have been adjusted to reflect the bonus element in the renounceable entitlement offer which occurred during November and December 2016.

	Half-Year 31 Dec 2017	Half-Year 31 Dec 2016
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	**1,172,331,924**	864,902,133
Effect of potential ordinary shares	**7,528,973**	10,127,392
Number for diluted earnings per share	**1,179,860,897**	875,029,525

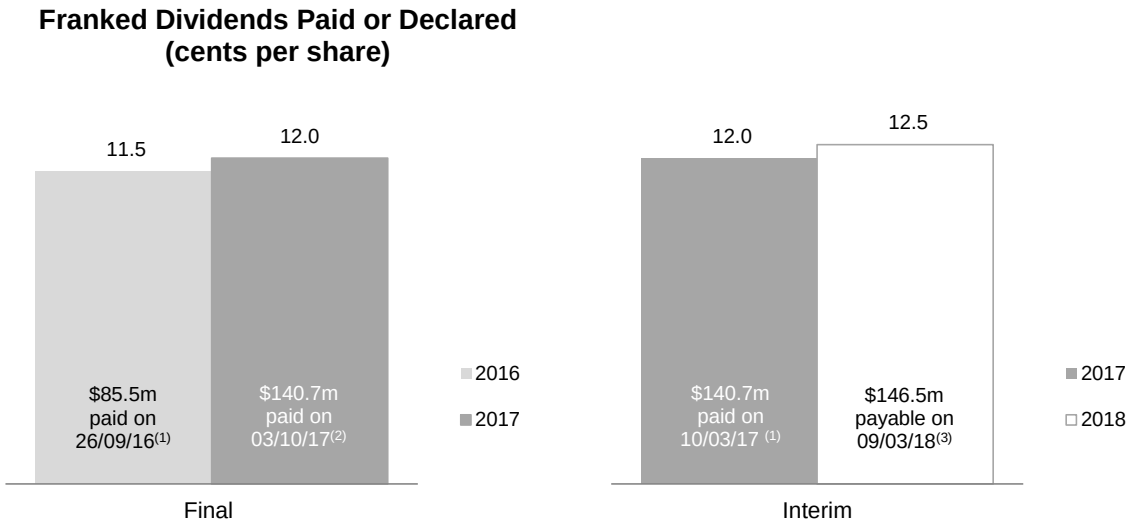
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2017 $m**	**Half-Year 31 Dec 2017 $m**	Half-Year 31 Dec 2016 $m	Half-Year 31 Dec 2016 $m	Half-Year 31 Dec 2016 $m
Earnings reconciliation						
Net profit attributable to members of the parent entity excluding significant items	**213.9**	**-**	**213.9**	144.3	4.7	149.0
Net significant items (refer note 6)	**(40.9)**	**-**	**(40.9)**	(11.1)	15.5	4.4
Net profit attributable to members of the parent entity	**173.0**	**-**	**173.0**	133.2	20.2	153.4
Basic earnings per share	**14.8c**	**-**	**14.8c**	15.4c	2.3c	17.7c
Diluted earnings per share	**14.7c**	**-**	**14.7c**	15.2c	2.3c	17.5c
Basic earnings per share (excluding significant items)	**18.2c**	**-**	**18.2c**	16.7c	0.5c	17.2c
Diluted earnings per share (excluding significant items)	**18.1c**	**-**	**18.1c**	16.5c	0.5c	17.0c

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



(1) Declared, paid and fully franked.

(2) Declared, paid and 50% franked.

(3) Estimated interim dividend payable, 50% franked, subject to variations in number of shares up to record date. The financial effect of the interim dividend for December 2017 has not been brought to account in the financial report for the period ended 31 December 2017 but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Group'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	
			31 Dec 2017	30 Jun 2017
Name	Principal activity	Balance date	**%**	%
DETAILS OF EQUITY ACCOUNTED INVESTMENTS				
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	Fly ash collection	31-Dec	**50**	50
Highland Pine Products Pty Ltd	Timber	30-Jun	**50**	50
Meridian Brick [1]	Bricks	30-Jun	**50**	50
Penrith Lakes Development Corporation Ltd	Property development	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 [2]	Plasterboard	30-Jun	**50**	50
US Tile LLC	Roof tiles	31-Dec	**50**	50

1. The Group has a 50% interest in the joint ventures in the USA (Meridian Brick LLC) and Canada (Meridian Brick Canada Ltd). The results were equity accounted from 1 November 2016 when the joint venture was formed.

2. 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).

	USG Boral Building Products		**Meridian Brick**		**Total**	
	Half-Year 31 Dec 2017	Half-Year 31 Dec 2016	**Half-Year 31 Dec 2017**	Half-Year 31 Dec 2016	**Half-Year 31 Dec 2017**	Half-Year 31 Dec 2016
RESULTS OF EQUITY ACCOUNTED INVESTMENTS	**$m**	$m	**$m**	$m	**$m**	$m
Summarised Income Statement at 100%						
Profit/(loss) before income tax	**111.0**	117.4	**(2.5)**	0.2	**145.0**	152.3
Income tax expense	**(31.1)**	(34.4)	**(1.7)**	(0.9)	**(44.6)**	(46.1)
Non-controlling interest	**(3.5)**	(3.3)	**-**	-	**(3.5)**	(3.3)
Net profit/(loss) before significant items	**76.4**	79.7	**(4.2)**	(0.7)	**96.9**	102.9
Integration costs disclosed as significant item net of tax	**-**	-	**-**	(2.4)	**-**	(2.4)
Net profit/(loss) - equity accounted relating to continuing operations	**76.4**	79.7	**(4.2)**	(3.1)	**96.9**	100.5
The Group's share based on % ownership:						
Net profit/(loss) before significant items	**38.2**	39.9	**(2.1)**	(0.4)	**48.5**	51.1
Integration costs disclosed as significant item net of tax	**-**	-	**-**	(1.2)	**-**	(1.2)
Net profit/(loss) - equity accounted relating to continuing operations	**38.2**	39.9	**(2.1)**	(1.6)	**48.5**	49.9

MATERIAL INTERESTS IN EQUITY ACCOUNTED INVESTMENTS

Results include the following equity accounted share of net profit:

Sunstate Cement Ltd	**7.0**	5.8
Penrith Lakes Development Corporation Ltd	**(0.4)**	1.3

10. NET TANGIBLE ASSET BACKING

	31 Dec 2017	30 Jun 2017	31 Dec 2016
Net tangible asset backing per ordinary security*	**$1.96**	$1.90	$4.67

* Decrease in net tangible asset backing per ordinary security since December 2016 is reflective of increased intangible assets following the acquisition of Headwaters Incorporated.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2017 $m	30 Jun 2017 $m
11. LOANS AND BORROWINGS		
CURRENT		
Other loans - unsecured	**391.9**	398.3
Finance lease liabilities	**7.0**	9.1
	398.9	407.4
NON-CURRENT		
Other loans - unsecured	**2,109.0**	2,157.2
Finance lease liabilities	**6.1**	6.5
	2,115.1	2,163.7
TOTAL	**2,514.0**	2,571.1

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 31 Dec 2017	Calendar year of maturity	31 Dec 2017 **Carrying amount $m**	30 Jun 2017 Carrying amount $m
CURRENT					
US senior notes - private placement - unsecured	USD	7.12%	2018	**391.9**	398.3
Finance lease liabilities	AUD	3.68%	2018	**7.0**	9.1
				398.9	407.4
NON-CURRENT					
US senior notes - private placement - unsecured	USD	4.96%	2020 - 2030	**347.8**	355.4
CHF notes - unsecured	CHF	2.25%	2020	**196.7**	203.2
US senior notes - 144A - unsecured	USD	3.39%	2022 - 2028	**1,204.1**	-
Acquisition loan facility - unsecured	USD	-	-	**-**	1,237.0
Term credit facility - unsecured	Multi	2.98%	2021	**360.4**	361.6
Finance lease liabilities	AUD	3.47%	2018 - 2022	**6.1**	6.5
				2,115.1	2,163.7
TOTAL				**2,514.0**	2,571.1

CHANGES TO BANK FACILITIES

US Senior notes - 144A

The Group issued US$950 million of senior notes pursuant to Rule 144A and Regulation S under the US Securities Act of 1933, as amended, which were drawn down on 1 November 2017. US$450 million notes are due in 2022 and US$500 million senior notes are due in 2028.

Acquisition loan facility

The Group utilised the proceeds from the US$950 million draw down of the US senior notes – 144A to repay the acquisition loan facility on 1 November 2017. This facility is no longer available to the Group.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2017 $m	30 Jun 2017 $m
12. ISSUED CAPITAL		
1,172,331,924 (30 Jun 2017: 1,172,331,924) ordinary shares	**4,265.1**	4,265.1
MOVEMENTS IN ISSUED CAPITAL		
Balance at the beginning of the period	**4,265.1**	2,246.2
Nil (30 Jun 2017: 428,732,487) shares issued under capital raising net of costs	**-**	2,018.9
Balance at the end of the period	**4,265.1**	4,265.1

In the prior year, the Group undertook an equity raising of $2,018.9 million net of transaction costs of $38.9 million. The equity raising consisted of a 1 for 2.22 pro rata accelerated renounceable entitlement offer at an offer price of $4.80 per share. The capital raising resulted in the issue of 93,750,000 ordinary shares under the Institutional Placement, 233,648,069 ordinary shares under the Institutional Entitlement Offer and 101,334,418 ordinary shares under the Retail Entitlement Offer.

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit.

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	**(44.5)**	(25.9)
Hedging reserve - cash flow hedges	**0.2**	(2.1)
Share-based payments reserve	**29.2**	47.3
Balance at the end of the period	**(15.1)**	19.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

14. CONTINGENT LIABILITIES

The Company 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, prosecution.

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.

	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2016 $m
15. NOTES TO STATEMENT OF CASH FLOWS		
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	**148.3**	2,539.4
	148.3	2,539.4
During the half year, the Group incurred costs associated with:		
Acquisition costs	**(49.9)**	-
Integration costs	**(29.5)**	-
Restructure and business closure costs	**(2.7)**	(12.3)
	(82.1)	(12.3)

16. ACQUISITIONS

Headwaters Incorporated acquisition

Since the initial purchase price accounting performed in June 2017, and as disclosed in Note 6.3 of the Group's June 2017 Financial Report, there has been no material opening balance sheet adjustments reflected in the financial statements. Initial purchase price accounting is ongoing, and will be finalised by June 2018.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

17. 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 2017.

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 following table presents the Group's financial assets and liabilities that are measured at Level 1 and Level 2 fair value:

	Level 1		**Level 2**	
	31 Dec 2017	30 June 2017	**31 Dec 2017**	30 June 2017
	$m	$m	**$m**	$m
Assets				
Equity Securities	**31.2**	29.5	**-**	-
Derivative financial assets	**-**	-	**8.7**	6.1
Total assets	**31.2**	29.5	**8.7**	6.1
Liabilities				
Derivative financial liabilities	**-**	-	**33.9**	26.3
Total liabilities	**-**	-	**33.9**	26.3

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

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 25, 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 2017 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 Brian Clark
Director

Mike Kane
Director

Sydney, 13 February 2018

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

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Boral Limited.

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:

(i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* .

The half-year financial report comprises:

- the Balance Sheet as at 31 December 2017;
- Income Statement and 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 17 comprising a summary of significant accounting policies and other explanatory information; and
- the Directors' Declaration.

The Group comprises Boral Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors 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 for the review of the Half-year Financial Report

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 2017 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.

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

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Kevin Leighton
Partner
Sydney, 13 February 2018

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