

# APPENDIX 4E

## PRELIMINARY FINAL REPORT

17 August 2011

Boral Limited



BORAL LIMITED

ABN 13 008 421 761

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Name of Entity: **Boral Limited**  
ABN: **13 008 421 761**  
Financial Year ended: **30 June 2011**

### Results for announcement to the market

				2011 A'\$ Millions	2010 A'\$ Millions
Revenue from continuing operations	up	4.2%	to	4,681.7	4,493.8
Revenue from discontinued operations				28.8	105.5
<b>Total revenue</b>	<b>up</b>	<b>2.4%</b>	<b>to</b>	<b>4,710.5</b>	<b>4,599.3</b>
Profit from continuing operations before net financing costs, income tax and significant items	up	1.5%	to	274.6	270.5
Discontinued operations profit/(loss) before tax and significant items				2.6	(18.6)
<b>Profit before net financing costs, income tax and significant items</b>	<b>up</b>	<b>10.0%</b>	<b>to</b>	<b>277.2</b>	<b>251.9</b>
Net financing costs before significant items	down	(34.3%)	to	(63.7)	(97.0)
<b>Profit before income tax and significant items</b>	<b>up</b>	<b>37.8%</b>	<b>to</b>	<b>213.5</b>	<b>154.9</b>
Income tax from continuing operations before significant items				(39.7)	(27.8)
Income tax from discontinued operations before significant items				(0.7)	5.7
Non-controlling interest				2.3	(1.2)
<b>Net profit before significant items attributable to members</b>	<b>up</b>	<b>33.3%</b>	<b>to</b>	<b>175.4</b>	<b>131.6</b>
Significant items from continuing operations net of tax				(7.7)	(163.2)
Significant items from discontinuing operations net of tax				-	(58.9)
<b>Net profit/(loss) attributable to members</b>	<b>up</b>	<b>285.3%</b>	<b>to</b>	<b>167.7</b>	<b>(90.5)</b>

Comparative period: Full year ended 30 June 2010

<b>Dividends</b>	Amount per security	Franked amount per security at 30% tax
Current period		
Final - ordinary	7.0 cents	7.0 cents
Interim - ordinary	7.5 cents	7.5 cents
Previous corresponding period		
Final - ordinary	6.5 cents	6.5 cents
Interim - ordinary	7.0 cents	7.0 cents
Record date for determining entitlements to the final dividend	29 August 2011	

### Commentary on the results for the period

The commentary on the results of the period is contained in the Results Announcement for the year ended 30 June 2011 dated 17 August 2011.

# Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	Note	CONSOLIDATED	
		2011 \$ millions	2010 \$ millions
<b>Continuing operations</b>			
Revenue	3	4,681.7	4,493.8
Cost of sales		(3,358.2)	(3,153.8)
Selling and distribution expenses		(790.8)	(766.2)
Administrative expenses		(341.1)	(347.3)
		<b>(4,490.1)</b>	<b>(4,267.3)</b>
Other income	4	75.5	25.8
Other expenses	5	(77.3)	(169.6)
Share of net profit/(loss) of associates	6, 12	42.0	(21.5)
<b>Profit before net financing costs and income tax expense</b>		<b>231.8</b>	<b>61.2</b>
Financial income	7	24.0	5.3
Financial expenses	7	(87.7)	(102.3)
Net financing costs		(63.7)	(97.0)
<b>Profit/(loss) before related income tax expense</b>		<b>168.1</b>	<b>(35.8)</b>
Income tax benefit/(expense)		(4.6)	18.3
<b>Profit/(loss) from continuing operations</b>		<b>163.5</b>	<b>(17.5)</b>
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations (net of income tax)	9	1.9	(71.8)
<b>Net profit/(loss)</b>		<b>165.4</b>	<b>(89.3)</b>
<b>Attributable to:</b>			
Members of the parent entity		167.7	(90.5)
Non-controlling interest		(2.3)	1.2
<b>Net profit/(loss)</b>		<b>165.4</b>	<b>(89.3)</b>
Basic earnings per share	10	23.3c	(15.2c)
Diluted earnings per share	10	23.2c	(15.2c)
<b>Continuing operations</b>			
Basic earnings per share	10	23.1c	(3.1c)
Diluted earnings per share	10	22.9c	(3.1c)

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

# Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	CONSOLIDATED	
	2011 \$ millions	2010 \$ millions
<b>Net profit/(loss)</b>	<b>165.4</b>	<b>(89.3)</b>
<b>Other comprehensive income</b>		
Actuarial gain/(loss) on defined benefit plans	2.8	(1.6)
Net exchange differences from translation of foreign operations taken to equity	(28.1)	11.1
Fair value adjustment on cash flow hedges	1.0	10.7
Income tax relating to components of other comprehensive income	(29.7)	(25.8)
<b>Total comprehensive income</b>	<b>111.4</b>	<b>(94.9)</b>
<b>Total comprehensive income is attributable to:</b>		
Members of the parent entity	113.7	(96.1)
Non-controlling interest	(2.3)	1.2
<b>Total comprehensive income</b>	<b>111.4</b>	<b>(94.9)</b>

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

## Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

as at 30 June	Note	CONSOLIDATED	
		2011 \$ millions	2010 \$ millions
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		561.2	157.0
Receivables		784.1	783.7
Inventories		596.1	548.5
Other		85.6	63.3
Assets classified as held for sale	9	-	59.5
<b>TOTAL CURRENT ASSETS</b>		<b>2,027.0</b>	<b>1,612.0</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		10.3	19.2
Inventories		93.5	85.3
Investments accounted for using the equity method		240.2	294.1
Other financial assets		7.5	26.8
Property, plant and equipment		2,894.9	2,785.1
Intangible assets		255.9	277.6
Deferred tax asset		88.2	43.3
Other		50.5	66.0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,641.0</b>	<b>3,597.4</b>
<b>TOTAL ASSETS</b>		<b>5,668.0</b>	<b>5,209.4</b>
<b>CURRENT LIABILITIES</b>			
Payables		702.8	640.9
Loans and borrowings	14	163.4	8.9
Current tax liabilities		123.8	98.9
Provisions		218.6	246.0
Liabilities classified as held for sale	9	-	9.9
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,208.6</b>	<b>1,004.6</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables		12.5	14.1
Loans and borrowings	14	903.2	1,330.7
Other financial liabilities	15	119.7	8.0
Deferred tax liabilities		161.1	118.9
Provisions		106.5	107.0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,303.0</b>	<b>1,578.7</b>
<b>TOTAL LIABILITIES</b>		<b>2,511.6</b>	<b>2,583.3</b>
<b>NET ASSETS</b>		<b>3,156.4</b>	<b>2,626.1</b>
<b>EQUITY</b>			
Issued capital	16	2,261.3	1,724.0
Reserves	17	(159.5)	(38.9)
Retained earnings		1,007.0	938.4
<b>Total parent entity interest</b>		<b>3,108.8</b>	<b>2,623.5</b>
Non-controlling interest		47.6	2.6
<b>TOTAL EQUITY</b>		<b>3,156.4</b>	<b>2,626.1</b>

The balance sheet should be read in conjunction with the accompanying notes which form an integral part of the financial report.

## Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June 2011	CONSOLIDATED					
	Issued capital \$ millions	Reserves \$ millions	Retained earnings \$ millions	Parent entity interest \$ millions	Non-controlling interest \$ millions	Total equity \$ millions
Balance at the beginning of the year	1,724.0	(38.9)	938.4	2,623.5	2.6	2,626.1
Net profit/(loss)	-	-	167.7	167.7	(2.3)	165.4
<b>Other comprehensive income</b>						
Translation of assets and liabilities of overseas controlled entities	-	(123.0)	-	(123.0)	-	(123.0)
Translation of long-term borrowings and foreign currency forward contracts	-	94.9	-	94.9	-	94.9
Fair value adjustment on cash flow hedges	-	1.0	-	1.0	-	1.0
Actuarial gain on defined benefit plans	-	-	2.8	2.8	-	2.8
Income tax relating to components of other comprehensive income	-	(28.8)	(0.9)	(29.7)	-	(29.7)
<b>Total comprehensive income</b>	-	(55.9)	169.6	113.7	(2.3)	111.4
<b>Transactions with owners in their capacity as owners</b>						
Shares issued under the dividend reinvestment plan	53.1	-	-	53.1	-	53.1
Shares issued on vesting of rights	0.8	(0.8)	-	-	-	-
Dividends paid	-	-	(101.0)	(101.0)	-	(101.0)
Shares issued under capital raising	479.8	-	-	479.8	-	479.8
Purchase of employee compensation shares	-	(3.4)	-	(3.4)	-	(3.4)
Other - Cultured Stone (Note 17)	-	(66.3)	-	(66.3)	-	(66.3)
Share-based payments	-	5.8	-	5.8	-	5.8
Income tax benefit on capital raising	3.6	-	-	3.6	-	3.6
Non-controlling interest in acquisition	-	-	-	-	44.3	44.3
Contributions by non-controlling interest	-	-	-	-	6.0	6.0
Other changes in non-controlling interest	-	-	-	-	(3.0)	(3.0)
<b>Total Transactions with owners in their capacity as owners</b>	<b>537.3</b>	<b>(64.7)</b>	<b>(101.0)</b>	<b>371.6</b>	<b>47.3</b>	<b>418.9</b>
<b>Balance at the end of the year</b>	<b>2,261.3</b>	<b>(159.5)</b>	<b>1,007.0</b>	<b>3,108.8</b>	<b>47.6</b>	<b>3,156.4</b>
for the year ended 30 June 2010	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Balance at the beginning of the year	1,691.4	(43.2)	1,104.2	2,752.4	1.2	2,753.6
Net profit/(loss)	-	-	(90.5)	(90.5)	1.2	(89.3)
<b>Other comprehensive income</b>						
Translation of assets and liabilities of overseas controlled entities	-	(66.3)	-	(66.3)	-	(66.3)
Translation of long-term borrowings and foreign currency forward contracts	-	77.4	-	77.4	-	77.4
Fair value adjustment on cash flow hedges	-	10.7	-	10.7	-	10.7
Actuarial loss on defined benefit plans	-	-	(1.6)	(1.6)	-	(1.6)
Income tax relating to components of other comprehensive income	-	(26.4)	0.6	(25.8)	-	(25.8)
<b>Total comprehensive income</b>	-	(4.6)	(91.5)	(96.1)	1.2	(94.9)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued under the dividend reinvestment plan	31.9	-	-	31.9	-	31.9
Shares issued upon the exercise of executive options	0.7	-	-	0.7	-	0.7
Dividends paid	-	-	(74.3)	(74.3)	-	(74.3)
Share-based payments	-	8.9	-	8.9	-	8.9
Other changes in non-controlling interest	-	-	-	-	0.2	0.2
<b>Total Transactions with owners in their capacity as owners</b>	<b>32.6</b>	<b>8.9</b>	<b>(74.3)</b>	<b>(32.8)</b>	<b>0.2</b>	<b>(32.6)</b>
<b>Balance at the end of the year</b>	<b>1,724.0</b>	<b>(38.9)</b>	<b>938.4</b>	<b>2,623.5</b>	<b>2.6</b>	<b>2,626.1</b>

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

# Cash Flow Statement

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	Note	CONSOLIDATED	
		2011 \$ millions	2010 \$ millions
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		5,084.3	4,967.9
Payments to suppliers and employees		(4,696.2)	(4,422.2)
		388.1	545.7
Dividends received		27.7	26.6
Interest received		41.1	6.4
Borrowing costs paid		(84.7)	(107.9)
Income taxes paid		(21.5)	(11.7)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>350.7</b>	<b>459.1</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(345.0)	(179.9)
Purchase of intangibles		(0.8)	-
Purchase of controlled entities and businesses (net of cash acquired)	19	(146.0)	-
Purchase of other investments		-	(0.1)
Loans to associates		3.2	(1.5)
Insurance proceeds applied to asset disposal		33.4	-
Proceeds on disposal of non-current assets		73.5	44.8
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(381.7)</b>	<b>(136.7)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	0.7
Proceeds from capital raising		479.8	-
Purchase of employee compensation shares		(3.4)	-
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$53.1 million (2010: \$31.9 million))		(47.9)	(42.4)
Contributions by non-controlling interests		6.0	-
Proceeds from borrowings		146.3	8.4
Repayment of borrowings		(136.6)	(232.5)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>444.2</b>	<b>(265.8)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>413.2</b>	<b>56.6</b>
Cash and cash equivalents at beginning of the year		157.0	100.5
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(9.0)	(0.1)
Cash and cash equivalents at end of the year	20	561.2	157.0

The cash flow statement should be read in conjunction with the accompanying notes which form an integral part of the 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 full year financial report of the Company as at and for the full year ended 30 June 2011 comprises of Boral Limited and its controlled entities (the "Group").

#### (a) Basis of Preparation

This report has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001 for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The report is presented in Australian dollars.

A full description of the accounting policies adopted by the Group may be found in the Group's full financial statements.

#### (b) Significant Accounting Policies

The accounting policies have been applied consistently to all periods presented in the consolidated financial report. The 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

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 financial report.

#### (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

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 have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

## 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:

Boral Construction Materials	-	Quarries, concrete, asphalt, transport and property development.
Cement Division	-	Cement, Asian concrete, quarries and pipes.
Boral Building Products	-	Australian plasterboard, bricks, timber products, roof tiles, masonry and Asian plasterboard.
United States of America	-	Bricks, roof tiles, fly ash, concrete, quarries, masonry and cultured stone.
Other	-	Concrete placing and windows.
Discontinued Operations	-	Scaffolding and precast panels.
Unallocated	-	Non-trading operations and unallocated corporate costs.

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.

Segment results, assets and liabilities includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	<b>CONSOLIDATED</b>	
	<b>2011</b>	2010
<b>Reconciliations of reportable segment revenues and profits</b>	<b>\$ millions</b>	\$ millions
External revenue	<b>4,710.5</b>	4,599.3
Less revenue from discontinued operations	<b>(28.8)</b>	(105.5)
Revenue from continuing operations	<b>4,681.7</b>	4,493.8
<b>Profit before tax</b>		
Profit/(loss) before net financing costs and income tax expense from reportable segments	<b>234.4</b>	(33.1)
(Profit)/loss from discontinued operations	<b>(2.6)</b>	18.6
Significant items applicable to discontinued operations	-	75.7
Net financing costs	<b>(63.7)</b>	(97.0)
Profit/(loss) before tax from continuing operations	<b>168.1</b>	(35.8)



## Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

### 2. SEGMENTS (continued)

	2011 \$ millions	2010 \$ millions	2011 \$ millions	2010 \$ millions	2011 \$ millions	2010 \$ millions
	<b>TOTAL REVENUE</b>		<b>INTERNAL REVENUE</b>		<b>EXTERNAL REVENUE</b>	
Boral Construction Materials	2,420.2	2,266.2	144.8	147.7	2,275.4	2,118.5
Cement Division	732.4	706.3	192.7	194.1	539.7	512.2
Boral Building Products	1,157.4	1,212.6	7.5	7.0	1,149.9	1,205.6
United States of America	431.2	363.7	-	-	431.2	363.7
Other	285.5	293.8	-	-	285.5	293.8
Discontinued Operations	29.7	108.0	0.9	2.5	28.8	105.5
	<b>5,056.4</b>	<b>4,950.6</b>	<b>345.9</b>	<b>351.3</b>	<b>4,710.5</b>	<b>4,599.3</b>
	<b>OPERATING PROFIT (EXCLUDING ASSOCIATES)</b>		<b>EQUITY ACCOUNTED RESULTS OF ASSOCIATES</b>		<b>PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE</b>	
Boral Construction Materials	201.0	203.3	2.9	(2.3)	203.9	201.0
Cement Division	82.6	75.3	13.3	12.6	95.9	87.9
Boral Building Products	57.7	72.6	26.8	28.1	84.5	100.7
United States of America	(98.0)	(85.6)	(1.0)	(18.1)	(99.0)	(103.7)
Other	7.6	6.3	-	-	7.6	6.3
Discontinued Operations	2.6	(18.6)	-	-	2.6	(18.6)
Unallocated	(18.3)	(21.7)	-	-	(18.3)	(21.7)
	<b>235.2</b>	<b>231.6</b>	<b>42.0</b>	<b>20.3</b>	<b>277.2</b>	<b>251.9</b>
Significant items (refer note 8)	(42.8)	(243.2)	-	(41.8)	(42.8)	(285.0)
	<b>192.4</b>	<b>(11.6)</b>	<b>42.0</b>	<b>(21.5)</b>	<b>234.4</b>	<b>(33.1)</b>
	<b>SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)</b>		<b>EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES</b>		<b>TOTAL ASSETS</b>	
Boral Construction Materials	1,800.0	1,634.0	0.8	1.4	1,800.8	1,635.4
Cement Division	785.4	832.2	20.5	18.8	805.9	851.0
Boral Building Products	1,261.9	1,297.8	214.8	232.3	1,476.7	1,530.1
United States of America	828.8	775.1	4.1	41.6	832.9	816.7
Other	78.8	90.8	-	-	78.8	90.8
Discontinued Operations	-	59.5	-	-	-	59.5
Unallocated	23.5	25.6	-	-	23.5	25.6
	<b>4,778.4</b>	<b>4,715.0</b>	<b>240.2</b>	<b>294.1</b>	<b>5,018.6</b>	<b>5,009.1</b>
Cash and cash equivalents	561.2	157.0	-	-	561.2	157.0
Tax assets	88.2	43.3	-	-	88.2	43.3
	<b>5,427.8</b>	<b>4,915.3</b>	<b>240.2</b>	<b>294.1</b>	<b>5,668.0</b>	<b>5,209.4</b>
	<b>LIABILITIES</b>		<b>ACQUISITION OF SEGMENT ASSETS</b>		<b>DEPRECIATION AND AMORTISATION</b>	
Boral Construction Materials	416.7	358.1	160.0	80.9	90.4	95.5
Cement Division	129.5	126.3	52.9	25.6	54.3	52.7
Boral Building Products	207.0	216.4	82.7	59.1	54.0	57.4
United States of America	139.4	134.2	43.3	9.4	41.9	36.8
Other	38.0	58.1	5.4	2.5	3.5	3.6
Discontinued Operations	-	9.9	0.6	2.3	-	5.8
Unallocated	229.5	122.9	0.9	0.1	0.9	0.8
	<b>1,160.1</b>	<b>1,025.9</b>	<b>345.8</b>	<b>179.9</b>	<b>245.0</b>	<b>252.6</b>
Loans and borrowings	1,066.6	1,339.6	-	-	-	-
Tax liabilities	284.9	217.8	-	-	-	-
	<b>2,511.6</b>	<b>2,583.3</b>	<b>345.8</b>	<b>179.9</b>	<b>245.0</b>	<b>252.6</b>

#### Geographical information

For the year ended 30 June 2011, the Group's trading revenue from external customers in Australia amounted to \$4,051.2 million (2010: \$4,007.6 million), with \$228.1 million (2010: \$228.0 million) from the Asian operations and \$431.2 million (2010: \$363.7 million) relating to operations in the USA. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia amounted to \$2,624.8 million (2010: \$2,584.3 million), with \$269.3 million (2010: \$310.3 million) in Asia and \$651.2 million (2010: \$632.7 million) in the USA.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		2011 \$ millions	2010 \$ millions
<b>3. REVENUE FROM CONTINUING OPERATIONS</b>			
Sale of goods		<b>4,618.8</b>	4,448.2
Rendering of services		<b>62.9</b>	45.6
Revenue from continuing operations		<b>4,681.7</b>	4,493.8
<b>4. OTHER INCOME</b>			
Significant item	8	<b>33.4</b>	-
Net profit on sale of assets		<b>25.8</b>	18.5
Other income		<b>16.3</b>	7.3
Other income from continuing operations		<b>75.5</b>	25.8
<b>5. OTHER EXPENSES</b>			
Significant items	8	<b>76.2</b>	167.5
Net foreign exchange loss		<b>1.1</b>	2.1
Other expenses from continuing operations		<b>77.3</b>	169.6
<b>6. SHARE OF NET PROFIT OF ASSOCIATES</b>			
Share of associates' underlying net profit		<b>42.0</b>	20.3
Significant item	8	<b>-</b>	(41.8)
		<b>42.0</b>	(21.5)
<b>7. NET FINANCING COSTS</b>			
<b>Interest income received or receivable from:</b>			
Associated entities		<b>0.9</b>	2.0
Other parties (cash at bank and bank short-term deposits)		<b>23.1</b>	3.3
		<b>24.0</b>	5.3
<b>Interest expense paid or payable to:</b>			
Other parties (bank overdrafts, bank loans and other loans)		<b>83.6</b>	99.4
Unwinding of discount		<b>4.1</b>	2.9
		<b>87.7</b>	102.3
Net financing costs		<b>(63.7)</b>	(97.0)

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		2011 \$ millions	2010 \$ millions
<b>8. SIGNIFICANT ITEMS</b>			
Net profit/(loss) includes the following items whose disclosure is relevant in explaining the financial performance of the Group:			
<b>Continuing operations</b>			
<b>Closure of plywood operations</b>			
Net insurance proceeds		33.4	-
Impairment of assets		(9.6)	-
Closure costs		(4.2)	-
Excess of insurance proceeds over asset carrying values	(i)	19.6	-
<b>Impairment of assets, businesses and demolition costs</b>			
Goodwill		-	(4.3)
Property, plant and equipment		(38.8)	(92.3)
Other intangible assets		-	(3.3)
Investments accounted for using the equity method		-	(41.8)
Inventory		(3.6)	(30.6)
Demolition costs		(3.7)	(22.8)
Closure costs		(7.0)	(0.5)
	(ii)	(53.1)	(195.6)
<b>Acquisition expenditure</b>			
Acquisition expenditure		(9.3)	-
		(9.3)	-
<b>Organisational restructure</b>			
Corporate and divisional restructure and simplification		-	(13.7)
		-	(13.7)
<b>Total significant items before interest and tax, from continuing operations</b>		<b>(42.8)</b>	<b>(209.3)</b>
<b>Summary of significant items from continuing operations</b>			
Loss before interest and tax		(42.8)	(209.3)
Income tax benefit		17.1	46.1
Income tax benefit - amended returns	(iii)	18.0	-
Net significant items - continuing operations		(7.7)	(163.2)
<b>Discontinued operations</b>			
<b>Impairment of businesses</b>			
Property, plant and equipment		-	(70.4)
Other		-	(5.3)
		-	(75.7)
<b>Summary of significant items from discontinued operations</b>			
Loss before interest and tax		-	(75.7)
Income tax benefit		-	16.8
Net significant items - discontinued operations		-	(58.9)
<b>Summary of significant items</b>			
Loss before interest and tax		(42.8)	(285.0)
Income tax benefit		17.1	62.9
Income tax benefit - amended returns		18.0	-
Net significant items		(7.7)	(222.1)

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 8. SIGNIFICANT ITEMS (continued)

##### 2011 Significant Items

###### (i) Insurance recoveries

During January 2011, significant flooding occurred in Queensland and Northern New South Wales which impacted a number of the Group's businesses, with the most severe impact occurring at the Group's Plywood operation. Following an extensive review of the feasibility of rebuilding the plant, a decision was taken in June 2011 to close the Plywood operation resulting in the write-off of assets and recognition of closure costs.

###### (ii) Manufacturing capacity rationalisation and impairment of assets

Deterioration in returns from a number of businesses resulted in a reassessment of manufacturing capacity in several of the Group's business. As a result of this review, closure of a number of manufacturing lines was announced relating predominantly to the Clay and Concrete East Coast Bricks and Masonry operations, together with rationalisation of Brick plants in the USA and closure of a number of small Country New South Wales Concrete and Quarry operations.

###### (iii) Tax benefit

During the year, the Group received amended assessments from the Australian Taxation Office resulting in the recognition of benefits relating predominantly to research and development activity.

##### 2010 Significant Items

###### Impairment of assets, businesses and demolition costs

During 2010, the Group completed a comprehensive strategic review of Boral's portfolio of businesses, operations and structures. The strategic review identified a number of poorer performing assets and assets which could derive greater value from alternative ownership. As a result the Group has reviewed the carrying value of its underperforming businesses, reviewed slow moving inventories and under-utilised and redundant plant. This resulted in a write-down of \$16.9 million in respect of the Thailand Construction Materials business, \$43.1 million in respect of US mothballed brick and tile plants, closure costs and associated obsolete and slow moving inventory, \$41.8 million in respect of the write-down of the Group's share of urban land development costs of an associate, Penrith Lakes Development Corporation Limited, and \$93.8 million in respect of Australian mothballed and obsolete assets, closure costs and write off of slow moving inventories.

###### Organisational restructure

As part of the strategic review the Group announced a number of initiatives to simplify the business and improve the operational effectiveness of the Group. As part of this review a simplified reporting structure to the Chief Executive Officer was implemented.

Summary of significant items	CONSOLIDATED	
	2011 \$ millions	2010 \$ millions
Boral Construction Materials	(4.6)	(59.5)
Cement Division	-	(38.7)
Boral Building Products	(20.6)	(67.0)
United States of America	(8.3)	(43.1)
Discontinued Operations	-	(75.7)
Unallocated	(9.3)	(1.0)
	<b>(42.8)</b>	<b>(285.0)</b>

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

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

During the year, the Group sold both its Precast Panels and Scaffolding businesses. The income statement shows the discontinued operations separately from continuing operations.

The carrying value of both businesses were remeasured at 30 June 2010 to fair value less costs to sell.

	Note	CONSOLIDATED	
		2011 \$ millions	2010 \$ millions
<b>Results of discontinued operations</b>			
Revenue		28.8	105.5
Expenses		(26.2)	(124.1)
<b>Profit/(loss) before income tax expense (excluding significant items)</b>		<b>2.6</b>	(18.6)
Income tax (expense)/benefit (excluding significant items)		(0.7)	5.7
<b>Profit/(loss) before significant items</b>		<b>1.9</b>	(12.9)
Net significant items	8	-	(58.9)
<b>Net profit/(loss)</b>		<b>1.9</b>	(71.8)
Basic and diluted earnings/(loss) per share		<b>0.3c</b>	(12.1c)
The profit/(loss) from discontinued operations is attributable entirely to the Group.			
<b>Cash flows from/(used in) discontinued operations</b>			
Net cash from/(used in) operating activities		8.5	0.8
Net cash from/(used in) investing activities		47.5	(2.2)
<b>Net cash from/(used in) discontinued operations</b>		<b>56.0</b>	(1.4)
<b>Assets and liabilities classified as held for sale</b>			
Property, plant and equipment		-	33.1
Intangible assets		-	8.3
Inventories		-	6.8
Trade and other receivables		-	11.0
Other assets		-	0.3
<b>Assets classified as held for sale</b>		-	59.5
Payables		-	4.6
Loans and borrowings		-	0.1
Provisions		-	5.2
<b>Liabilities classified as held for sale</b>		-	9.9
<b>Net assets</b>		-	49.6
<b>Effect of disposal on the financial position of the Group</b>			
Property, plant and equipment		33.6	-
Intangible assets		8.2	-
Inventories		7.6	-
Trade and other receivables		12.5	-
Other assets		0.4	-
Deferred taxes		0.2	-
Payables		(12.4)	-
Provisions		(5.9)	-
<b>Net assets disposed</b>		<b>44.2</b>	-
<b>Consideration received</b>		<b>48.1</b>	-

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 10. EARNINGS PER SHARE

##### Classification of securities as ordinary shares

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

##### 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	
	2011 \$ millions	2010 \$ millions
<b>Earnings reconciliation</b>		
Net profit before significant items and non-controlling interests	173.1	132.8
Loss/(profit) attributable to non-controlling interests	2.3	(1.2)
<b>Net profit excluding significant items</b>	<b>175.4</b>	131.6
Net significant items	(7.7)	(222.1)
<b>Net profit/(loss) attributable to members of the parent entity</b>	<b>167.7</b>	(90.5)

	CONSOLIDATED	
	2011	2010
<b>Weighted average number of ordinary shares used as the denominator</b>		
Number for basic earnings per share	718,726,833	595,848,789
Effect of potential ordinary shares	4,069,322	3,660,323
<b>Number for diluted earnings per share</b>	<b>722,796,155</b>	599,509,112
Basic earnings per share	23.3c	(15.2c)
Diluted earnings per share	23.2c	(15.2c)
Basic earnings per share (excluding significant items)	24.4c	22.1c
Diluted earnings per share (excluding significant items)	24.3c	22.0c
Basic earnings per share (continuing operations)	23.1c	(3.1c)
Diluted earnings per share (continuing operations)	22.9c	(3.1c)

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 11. DIVIDENDS

Dividends recognised by the Group are:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
<b>2011</b>				
2010 final - ordinary	<b>6.5 cents</b>	<b>46.7</b>	<b>6.5 cents</b>	<b>28 September 2010</b>
2011 interim - ordinary	<b>7.5 cents</b>	<b>54.3</b>	<b>7.5 cents</b>	<b>24 March 2011</b>
<b>Total</b>		<b>101.0</b>		
<b>2010</b>				
2009 final - ordinary	5.5 cents	32.6	5.5 cents	28 September 2009
2010 interim - ordinary	7.0 cents	41.7	7.0 cents	23 March 2010
<b>Total</b>		<b>74.3</b>		

#### Subsequent Event

Since the end of the financial year, the Directors declared the following dividend:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
<b>2011 final - ordinary</b>	<b>7.0 cents</b>	<b>51.1</b>	<b>7.0 cents</b>	<b>27 September 2011</b>

The financial effect of the final dividend for the year ended 30 June 2011 has not been brought to account in the financial statements for the year but will be recognised in subsequent financial reports.

#### Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan will operate in respect of the payment of the final dividend and the last date for the receipt of an election notice for participation in the plan is 29 August 2011.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

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

Name	Principal activity	Country of incorporation	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
				2011 %	2010 %
<b>DETAILS OF INVESTMENTS IN ASSOCIATES ARE AS FOLLOWS</b>					
Bitumen Importers Australia Pty Ltd	Bitumen importer	Australia	30-Jun	50	50
Caribbean Roof Tile Company Limited	Roof tiles	Trinidad	31-Dec	50	50
Flyash Australia Pty Ltd	Fly ash collection	Australia	31-Dec	50	50
Gypsum Resources Australia Pty Ltd	Gypsum mining	Australia	30-Jun	50	50
Highland Pine Products Pty Ltd	Timber	Australia	30-Jun	50	50
Lafarge Boral Gypsum in Asia Sdn Bhd	Plasterboard	Malaysia	31-Dec	50	50
MonierLifetile LLC *	Roof tiles	USA	31-Dec	-	50
MonierLifetile S.R.L. de C.V. *	Roof tiles	Mexico	31-Dec	-	50
Penrith Lakes Development Corporation Ltd	Quarrying	Australia	30-Jun	40	40
Rondo Building Services Pty Ltd	Rollform systems	Australia	30-Jun	50	50
South East Asphalt Pty Ltd	Asphalt	Australia	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	Australia	30-Jun	50	50
Tile Service Company LLC *	Roof tiles	USA	31-Dec	-	50
US Tile LLC	Roof tiles	USA	31-Dec	50	50

\* MonierLifetile LLC, MonierLifetile S.R.L. de C.V. and Tile Service Company LLC became controlled entities during the year.

	CONSOLIDATED	
	2011 \$ millions	2010 \$ millions
<b>RESULTS OF ASSOCIATES</b>		
Share of associates' underlying profit before income tax expense	60.3	42.2
Share of associates' underlying income tax expense	(15.8)	(19.7)
Non-controlling interest	(2.5)	(2.2)
	42.0	20.3
Significant item <sup>1</sup>	-	(41.8)
Share of associates' net profit/(loss) - equity accounted	42.0	(21.5)

<sup>1</sup> Relates to Penrith Lakes Development Corporation Pty Ltd

#### Results of associates include the following:

Share of associates' net profit/(loss) - equity accounted:

Lafarge Boral Gypsum in Asia Sdn Bhd	16.9	17.6
MonierLifetile LLC * and MonierLifetile S.R.L. de C.V.	-	(16.6)
Rondo Building Services Pty Ltd	10.0	10.5
Sunstate Cement Ltd	11.3	10.4

\* Taxed as a partnership in the USA.



## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### CONSOLIDATED

2011 2010

### 13. NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary security	<b>\$3.91</b>	\$3.92
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#### CONSOLIDATED

2011 2010

\$ millions \$ millions

### 14. LOANS AND BORROWINGS

#### CURRENT

Bank loans - unsecured	<b>16.4</b>	8.4
Other loans - unsecured	<b>146.8</b>	0.4
Finance lease liabilities	<b>0.2</b>	0.1
	<b>163.4</b>	8.9

#### NON-CURRENT

Bank loans - unsecured	<b>49.2</b>	58.5
Other loans - unsecured	<b>854.0</b>	1,272.2
	<b>903.2</b>	1,330.7

#### TOTAL

**1,066.6** 1,339.6

### TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

#### CONSOLIDATED

	Currency	Effective interest rate	Year of maturity	2011 Carrying amount \$ millions	2010 Carrying amount \$ millions
<b>CURRENT</b>					
US senior notes - unsecured	USD	6.91%	2012	<b>146.4</b>	-
Bank loans - unsecured	USD	0.31%	2011	<b>9.3</b>	-
Bank loans - unsecured	THB	4.47%	2012	<b>7.1</b>	8.4
Other loans - unsecured <sup>1</sup>	AUD	-	2012	<b>0.4</b>	0.4
Finance lease liabilities	AUD	9.31%	2012	<b>0.2</b>	0.1
				<b>163.4</b>	8.9
<b>NON-CURRENT</b>					
US senior notes - unsecured	USD	6.36%	2014-2020	<b>853.3</b>	1,271.2
Bank loans - unsecured	THB	4.91%	2012	<b>49.2</b>	58.5
Other loans - unsecured <sup>1</sup>	AUD	-	2014	<b>0.7</b>	1.0
				<b>903.2</b>	1,330.7
<b>TOTAL</b>				<b>1,066.6</b>	1,339.6

<sup>1</sup> Vendor loan covering the purchase of plant and equipment where instalment repayments by the Boral group do not include an interest component.

#### CONSOLIDATED

2011 2010

\$ millions \$ millions

### 15. OTHER FINANCIAL LIABILITIES

#### NON-CURRENT

Derivative financial liabilities	<b>55.8</b>	8.0
Future purchase liability - Cultured Stone	<b>63.9</b>	-
	<b>119.7</b>	8.0

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$ millions</b>	<b>\$ millions</b>
<b>16. ISSUED CAPITAL</b>		
<b>ISSUED AND PAID-UP CAPITAL</b>		
729,925,990 (2010: 598,952,998) ordinary shares, fully paid	<b>2,261.3</b>	1,724.0
<b>MOVEMENTS IN ORDINARY SHARE CAPITAL</b>		
Balance at the beginning of year	<b>1,724.0</b>	1,691.4
10,899,457 (2010: 5,895,282) shares issued under the Dividend Reinvestment Plan	<b>53.1</b>	31.9
Nil (2010: 167,186) shares issued upon the exercise of executive options	-	0.7
172,916 (2010: Nil) shares issued on vesting of rights	<b>0.8</b>	-
119,900,619 (2010: Nil) shares issued under Capital Raising net of costs	<b>479.8</b>	-
Income tax benefit on capital raising	<b>3.6</b>	-
Balance at the end of the year	<b>2,261.3</b>	1,724.0

During the period the Group undertook a capital raising of \$479.8 million net of transaction costs of \$11.8 million. The capital raising consisted of a 1 for 5 accelerated renounceable entitlement offer at an offer price of \$4.10 per share. The capital raising resulted in the issue of 68,332,173 ordinary shares under the Institutional Entitlement offer and 51,568,446 ordinary shares under the Retail Entitlement offer.

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.

### MOVEMENTS IN EMPLOYEE COMPENSATION SHARES

Balance at the beginning of the year	-	-
670,873 (2010: Nil) shares vested and transferred to share-based payments reserve	<b>3.4</b>	-
670,873 (2010: Nil) shares purchased on-market	<b>(3.4)</b>	-
Balance at the end of the year	-	-

The employee equity compensation account represents the balance of Boral shares held by the Group which as at the end of the year have not vested to Group employees and therefore are controlled by the Group. These shares relate to the Boral Senior Executive Performance Share Plan.

### 17. RESERVES

Foreign currency translation reserve	<b>(131.6)</b>	(75.0)
Hedging reserve - cash flow hedges	<b>(0.4)</b>	(1.1)
Other reserve *	<b>(66.3)</b>	-
Share-based payments reserve	<b>38.8</b>	37.2
	<b>(159.5)</b>	(38.9)

\* relates to future consideration on the Cultured Stone acquisition.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 18. 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 subject to various lawsuits and claims in the ordinary course of business.

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

#### 19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES

The following controlled entities were acquired or disposed of during the financial year ended 30 June 2011:

Entities acquired:

	CONSOLIDATED	
	2011 \$ millions	2010 \$ millions
MonierLifetile	88.3	-
Owens Corning Masonry Products LLC	44.2	-
Wagners Deposit	17.3	-
Miscellaneous acquisitions	2.4	-
Less: Cash acquired	(6.2)	-
<b>Total purchase consideration (net of cash acquired)</b>	<b>146.0</b>	<b>-</b>

Acquisition-related costs in respect of these acquisitions of \$1.9 million are included in other expenses in the income statement for the current year.

##### i. MonierLifetile

During July 2010, the Group acquired the remaining 50% interest in MonierLifetile LLC, MonierLifetile S.R.L. de C.V. and Tile Service Company LLC ("MonierLifetile").

At 30 June 2010, the Group held an initial 50% interest in MonierLifetile that was recorded as an equity accounted investment. On acquisition of the remaining 50% of MonierLifetile this initial investment was remeasured to fair value in accordance with Australian Accounting Standards.

	\$ millions
Carrying value of equity accounted investment as at acquisition date	36.2
Carrying value of loans to associates as at acquisition date	52.1
	88.3
Fair value of investment as at acquisition date	88.3

The acquisition had the following effect on the Group's assets and liabilities at acquisition date:

	\$ millions
Purchase consideration	
Cash paid - purchase price	88.3
<b>Total purchase consideration</b>	<b>88.3</b>
Fair value of net identifiable assets acquired	88.3

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES (continued)

##### i. MonierLifetile (continued)

Assets and liabilities acquired are as follows:

	Acquiree's carrying amount \$ millions	Fair value \$ millions
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4.2	4.2
Receivables	12.8	12.0
Inventories	20.4	20.0
Other assets	0.6	0.6
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	160.3	162.4
Investments	1.9	1.4
Intangible assets	0.1	0.1
Deferred tax assets	-	1.4
Other	0.5	0.1
<b>CURRENT LIABILITIES</b>		
Payables	(17.0)	(18.9)
Provisions	(1.9)	(1.9)
<b>NON-CURRENT LIABILITIES</b>		
Payables	(1.4)	(1.4)
Provisions	(3.6)	(3.4)
Net identifiable assets acquired	176.9	176.6
Equity accounted investment		(36.2)
Loan to Monier		(52.1)
Total purchase consideration		88.3

During the period from July to 30 June 2011, MonierLifetile has contributed revenue of \$76.7 million and a loss before interest and tax of \$21.6 million.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES (continued)

##### ii. Cultured Stone Acquisition

At the end of December 2010, the Group acquired a 50% controlling interest in Owens Corning Masonry Products LLC ("Cultured Stone"), a stone veneer producer in the United States. Under the terms of the agreement, the acquisition of Owens Corning Masonry Products LLC will occur in two stages:

- an initial acquisition of a 50% controlling interest for US\$45 million in December 2010;
- followed by the acquisition of the remaining 50% membership interest for a payment equal to a multiple of 7.0 times 50% of calendar year 2013 EBITDA, subject to a minimum payment of US\$45 million.

Cultured Stone is the leading stone veneer producer in the United States with plants in California and South Carolina. Its key products, Cultured Stone, ProStone and Versetta Stone are sold through distributors across the United States and Canada. This acquisition enables Boral to expand its range of product offerings in the cladding sector. The transaction provides Boral with Board control and management control of operations.

During the period from acquisition to 30 June 2011, Cultured Stone has contributed revenue of \$36.2 million and a loss before interest and tax of \$9.8 million. The Group considers it impractical to determine the consolidated revenue or profit of the Group had this business acquisition taken place at 1 July 2010 as the entity's accounting policies and reporting period were not consistent with those adopted by the Group.

The acquisition had the following effect on the Group's assets and liabilities at acquisition date:

	\$ millions
Purchase consideration	
Cash paid - purchase price	44.2
Total purchase consideration	44.2
Fair value of net identifiable assets acquired	44.2

Assets and liabilities acquired are as follows:

	Acquiree's carrying amount \$ millions	Fair value \$ millions
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2.0	2.0
Receivables	7.1	6.1
Inventories	37.7	30.0
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	53.2	45.7
Intangible assets	-	11.3
<b>CURRENT LIABILITIES</b>		
Payables	(4.2)	(5.7)
Provisions	-	(0.5)
<b>NON-CURRENT LIABILITIES</b>		
Provisions	-	(0.4)
Net identifiable assets acquired	95.8	88.5
Less: Non controlling interest		(44.3)
Total purchase consideration		44.2

The group elected to recognise the non-controlling interests in Cultured Stone at its proportionate share of the acquired net identifiable assets.

## Notes to the Financial Report

### BORAL LIMITED AND CONTROLLED ENTITIES

#### 19. ACQUISITION / DISPOSAL OF CONTROLLED ENTITIES (continued)

##### iii. Wagners' Construction Materials Assets

During April 2011, an agreement was reached to acquire certain construction materials assets of the Wagners Group for \$173 million subject to the approval of the transaction by the Australian Competition and Consumer Commission. This acquisition will include 5 quarries and 19 concrete plants located throughout the Darling Downs, South East Queensland and Townsville regions and flyash interests in the Darling Downs. The transaction is expected to be completed in the second half of calendar 2011.

The acquisition had the following effect on the Group's assets and liabilities as at 30 June 2011.

	\$ millions
Purchase consideration	
Cash paid - deposit	17.3

##### Entities disposed:

Entity	Consideration received \$ millions	Interest disposed %	Date of disposal
Boral Formwork and Scaffolding Pty Ltd	33.9	100	Sep 2010

		CONSOLIDATED	
		2011	2010
		\$ millions	\$ millions

#### 20. NOTES TO CASH FLOW STATEMENT

##### (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 cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	561.2	157.0
	<b>561.2</b>	<b>157.0</b>

##### (ii) The following non-cash financing and investing activities have not been included in the cash flow statement:

Dividends reinvested under the Dividend Reinvestment Plan	53.1	31.9
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#### 21. SUBSEQUENT EVENTS

##### Sunshine Coast Quarries acquisition

On 19 July 2011, the Group announced it has reached an agreement to acquire the quarry and concrete assets of Sunshine Coast Quarries including a large scale quarry at Moy Pocket, a smaller quarry at Wondai and a concrete plant at Gympie on a cash free, debt free basis for a consideration of \$81.5 million. Completion remains subject to clearance from the Australian Competition and Consumer Commission on terms acceptable to Boral, and the finalisation of certain procedural issues. The transaction is expected to be completed in the second half of calendar 2011.

##### Lafarge Boral Gypsum in Asia Sdn Bhd acquisition

Subsequent to year end the Group announced that it has reached an agreement with Lafarge to acquire the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd (LBGA) for consideration of €429 million (A\$598 million) on an enterprise basis, €380 million (A\$530 million) after adjusting for net debt and non controlling interests. Existing debt facilities will be used to fund the acquisition. As part of the acquisition the Group will be required to fair value its existing equity investment in LBGA.

## Annual General Meeting

The annual general meeting will be held as follows:

Place:

City Recital Hall, Angel Place, Sydney

Date:

Thursday, 3 November 2011

Time:

10.30 am

Approximate date the annual report will be available:

24 September 2011

## Compliance Statement

- 1 The financial report is in the process of being audited.
- 2 The entity has a formally constituted audit committee.