



APPENDIX 4E

PRELIMINARY FINAL REPORT

BORAL LIMITED

ABN 13 008 421 761

Level 39, AMP Centre
 50 Bridge Street, Sydney
 GPO Box 910, Sydney NSW 2001
 Telephone (02) 9220 6300
 Facsimile (02) 9233 6605

19 August 2008

Name of Entity: **Boral Limited**
 ABN: **13 008 421 761**
 Financial Year ended: **30 June 2008**

Results for announcement to the market

| | | | | A'\$ Millions |
|---|---------------------|---------|--|---------------|
| Revenue from ordinary activities | up | 5.9% | to | 5,198.5 |
| Earnings before interest and tax (excluding significant items) | down | (15.6%) | to | 448.0 |
| Profit from ordinary activities after tax attributable to members (excluding significant items) | down | (17.3%) | to | 246.6 |
| Profit from ordinary activities after tax attributable to members (including significant items) | down | (18.6%) | to | 242.8 |
| Net profit for the period attributable to members | down | (18.6%) | to | 242.8 |
| Dividends | Amount per security | | Franked amount per security at 30% tax | |
| Current period | | | | |
| Final - ordinary | 17 cents | | 17 cents | |
| Interim - ordinary | 17 cents | | 17 cents | |
| Previous corresponding period | | | | |
| Final - ordinary | 17 cents | | 17 cents | |
| Interim - ordinary | 17 cents | | 17 cents | |
| Record date for determining entitlements to the final dividend | 29 August 2008 | | | |

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

| for the year ended 30 June | Note | CONSOLIDATED | |
|--|------|---------------------|---------------------|
| | | 2008 \$ millions | 2007 \$ millions |
| Revenue | 3 | 5,198.5 | 4,909.0 |
| Cost of sales | | (3,426.5) | (3,056.5) |
| Distribution expenses | | (798.6) | (804.0) |
| Selling and marketing expenses | | (202.7) | (217.0) |
| Administrative expenses | | (362.9) | (342.5) |
| | | (4,790.7) | (4,420.0) |
| Other income | | 18.2 | 9.6 |
| Other expenses | 4 | (31.9) | (2.8) |
| Share of net profit of associates and joint ventures | 9 | 22.0 | 35.1 |
| Profit before net financing costs and income tax expense | | 416.1 | 530.9 |
| Financial income | | 8.7 | 6.3 |
| Financial expenses | | (120.6) | (116.8) |
| Net financing costs | | (111.9) | (110.5) |
| Profit before related income tax expense | | 304.2 | 420.4 |
| Income tax expense | 5 | (62.0) | (122.3) |
| Net profit | | 242.2 | 298.1 |
| Attributable to: | | | |
| Members of the parent entity | | 242.8 | 298.1 |
| Minority interests | | (0.6) | - |
| Net profit | | 242.2 | 298.1 |
| Basic earnings per share - ordinary shares | 7 | 40.7c | 50.0c |
| Diluted earnings per share - ordinary shares | 7 | 40.6c | 49.9c |
| Basic earnings per share - ordinary shares (excluding significant items) | 7 | 41.4c | 50.0c |
| Diluted earnings per share - ordinary shares (excluding significant items) | 7 | 41.2c | 49.9c |

The income statement 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 | |
|---|------|---------------------|---------------------|
| | | 2008 \$ millions | 2007 \$ millions |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 47.4 | 35.7 |
| Receivables | | 881.7 | 799.9 |
| Inventories | | 600.1 | 584.0 |
| Other | | 41.6 | 31.4 |
| TOTAL CURRENT ASSETS | | 1,570.8 | 1,451.0 |
| NON-CURRENT ASSETS | | | |
| Receivables | | 39.8 | 37.5 |
| Inventories | | 59.8 | 126.4 |
| Investments accounted for using the equity method | | 298.2 | 388.8 |
| Other financial assets | 11 | 430.8 | 399.3 |
| Property, plant and equipment | | 3,088.9 | 2,989.6 |
| Intangible assets | | 326.1 | 340.3 |
| Other | | 80.6 | 83.7 |
| TOTAL NON-CURRENT ASSETS | | 4,324.2 | 4,365.6 |
| TOTAL ASSETS | | 5,895.0 | 5,816.6 |
| CURRENT LIABILITIES | | | |
| Payables | | 686.4 | 619.3 |
| Interest bearing loans and borrowings | | 47.2 | 25.6 |
| Current tax liabilities | | 96.9 | 81.3 |
| Provisions | | 194.8 | 195.6 |
| TOTAL CURRENT LIABILITIES | | 1,025.3 | 921.8 |
| NON-CURRENT LIABILITIES | | | |
| Payables | | 81.0 | 67.8 |
| Interest bearing loans and borrowings | | 1,515.3 | 1,492.4 |
| Deferred tax liabilities | | 316.9 | 299.3 |
| Provisions | | 46.9 | 48.0 |
| TOTAL NON-CURRENT LIABILITIES | | 1,960.1 | 1,907.5 |
| TOTAL LIABILITIES | | 2,985.4 | 2,829.3 |
| NET ASSETS | | 2,909.6 | 2,987.3 |
| EQUITY | | | |
| Issued capital | 12 | 1,673.1 | 1,688.1 |
| Reserves | | 113.0 | 148.1 |
| Retained earnings | 13 | 1,121.5 | 1,148.2 |
| Total parent entity interest | | 2,907.6 | 2,984.4 |
| Minority interests | | 2.0 | 2.9 |
| TOTAL EQUITY | | 2,909.6 | 2,987.3 |

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

Statement of Recognised Income and Expense

BORAL LIMITED AND CONTROLLED ENTITIES

| for the year ended 30 June | CONSOLIDATED | |
|---|---------------------|---------------------|
| | 2008 \$ millions | 2007 \$ millions |
| Actuarial gain/(loss) on defined benefit plans, net of tax | (8.7) | 3.5 |
| Net exchange differences from translation of foreign operations taken to equity, net of tax | (56.5) | (22.4) |
| Fair value adjustment on cash flow hedges, net of tax | 8.3 | (0.1) |
| Fair value adjustment on available for sale financial assets, net of tax | 6.0 | 83.8 |
| Net income/(expense) recognised directly in equity | (50.9) | 64.8 |
| Net profit | 242.2 | 298.1 |
| Total recognised income and expense for the year | 191.3 | 362.9 |
| Total recognised income and expense for the year is attributable to: | | |
| Members of the parent entity | 191.9 | 362.9 |
| Minority interests | (0.6) | - |
| Total recognised income and expense for the year | 191.3 | 362.9 |

The statement of recognised income and expense 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 | |
|--|------|---------------------|---------------------|
| | | 2008 \$ millions | 2007 \$ millions |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 5,548.6 | 5,277.4 |
| Payments to suppliers and employees | | (4,881.6) | (4,642.5) |
| Dividends received | | 76.7 | 49.3 |
| Interest received | | 6.2 | 6.3 |
| Borrowing costs paid | | (120.3) | (114.9) |
| Income taxes paid | | (47.8) | (93.7) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | | 581.8 | 481.9 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (390.2) | (403.0) |
| Purchase of intangibles | | (2.3) | (0.6) |
| Purchase of controlled entities and businesses (net of cash acquired) | 15 | (101.2) | (11.2) |
| Purchase of other investments | | (2.3) | (3.3) |
| Loans to associates | | (17.8) | (13.8) |
| Proceeds on disposal of businesses and non-current assets | | 33.9 | 19.5 |
| NET CASH USED IN INVESTING ACTIVITIES | | (479.9) | (412.4) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares | | 1.5 | 11.7 |
| Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$41.4 million (2007: \$53.7 million)) | | (163.3) | (148.2) |
| Off-market share buy back | | (114.6) | - |
| Proceeds from borrowings | | 713.0 | 149.5 |
| Repayment of borrowings | | (495.1) | (139.6) |
| NET CASH USED IN FINANCING ACTIVITIES | | (58.5) | (126.6) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of the year | | 11.4 | 76.2 |
| Effects of exchange rate fluctuations on the balances of cash held in foreign currencies | | (7.4) | (7.7) |
| Cash and cash equivalents at end of the year | 16 | 47.4 | 11.4 |

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. BASIS OF PREPARATION OF PRELIMINARY FINAL REPORT

This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (A-IFRS) and other mandatory professional reporting requirements for the purpose of fulfilling the Group's obligation under Australian Stock Exchange (ASX) listing rules. The report is presented in Australian dollars.

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 for derivative financial instruments and financial instruments classified as available for sale which have been measured at fair value.

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

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

| BUSINESS SEGMENTS | 2008 \$ millions | 2007 \$ millions | 2008 \$ millions | 2007 \$ millions | 2008 \$ millions | 2007 \$ millions |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue* | | | | | | |
| Building products - Australia | 1,357.1 | 1,275.3 | | | | |
| Construction materials - Australia | 2,960.0 | 2,548.8 | | | | |
| United States of America | 670.8 | 882.5 | | | | |
| Asia | 190.7 | 182.5 | | | | |
| Other | 19.9 | 19.9 | | | | |
| | 5,198.5 | 4,909.0 | | | | |
| Operating profit (excluding associates) Equity accounted results of associates Operating profit before tax | | | | | | |
| Building products - Australia | 103.2 | 90.1 | 11.2 | 9.1 | 114.4 | 99.2 |
| Construction materials - Australia | 332.3 | 301.1 | 18.6 | 16.9 | 350.9 | 318.0 |
| United States of America | (1.2) | 101.5 | (25.9) | (7.0) | (27.1) | 94.5 |
| Asia | (11.5) | (4.0) | 18.1 | 16.1 | 6.6 | 12.1 |
| Other | 19.0 | 19.4 | - | - | 19.0 | 19.4 |
| Corporate | (15.8) | (12.3) | - | - | (15.8) | (12.3) |
| | 426.0 | 495.8 | 22.0 | 35.1 | 448.0 | 530.9 |
| Asia - Write-down of Thailand goodwill | (31.9) | - | - | - | (31.9) | - |
| Net financing costs | (111.9) | (110.5) | - | - | (111.9) | (110.5) |
| | 282.2 | 385.3 | 22.0 | 35.1 | 304.2 | 420.4 |
| Segment assets (excluding investments in associates) Equity accounted investments in associates Total assets | | | | | | |
| Building products - Australia | 1,423.9 | 1,335.0 | 4.1 | 10.1 | 1,428.0 | 1,345.1 |
| Construction materials - Australia | 2,758.0 | 2,680.3 | 15.5 | 17.4 | 2,773.5 | 2,697.7 |
| United States of America | 820.6 | 807.4 | 76.7 | 110.9 | 897.3 | 918.3 |
| Asia | 112.7 | 154.2 | 201.9 | 250.4 | 314.6 | 404.6 |
| Other | 405.2 | 398.4 | - | - | 405.2 | 398.4 |
| Corporate | 29.0 | 16.8 | - | - | 29.0 | 16.8 |
| | 5,549.4 | 5,392.1 | 298.2 | 388.8 | 5,847.6 | 5,780.9 |
| Cash and cash equivalents | 47.4 | 35.7 | - | - | 47.4 | 35.7 |
| | 5,596.8 | 5,427.8 | 298.2 | 388.8 | 5,895.0 | 5,816.6 |
| Liabilities Acquisition of segment assets ** Depreciation and amortisation | | | | | | |
| Building products - Australia | 250.0 | 231.3 | 124.5 | 124.1 | 53.8 | 51.9 |
| Construction materials - Australia | 463.2 | 426.8 | 179.2 | 160.5 | 138.3 | 135.9 |
| United States of America | 108.1 | 105.4 | 77.7 | 96.2 | 38.3 | 34.7 |
| Asia | 30.1 | 28.6 | 10.3 | 22.1 | 9.4 | 8.4 |
| Other | 0.9 | 1.0 | - | - | - | - |
| Corporate | 156.8 | 137.6 | 0.8 | 0.7 | 0.4 | 0.5 |
| | 1,009.1 | 930.7 | 392.5 | 403.6 | 240.2 | 231.4 |
| Interest bearing loans and borrowings | 1,562.5 | 1,518.0 | - | - | - | - |
| Tax liabilities | 413.8 | 380.6 | - | - | - | - |
| | 2,985.4 | 2,829.3 | 392.5 | 403.6 | 240.2 | 231.4 |

* Revenue represents external sales from operating activities. It excludes intersegment sales as they are not considered material.

** Acquisition of segment assets excludes purchases of controlled entities, businesses and other investments.

No significant non-cash expenses other than depreciation and write-down of Thailand construction materials goodwill.

Business segments

| | |
|------------------------------------|--|
| Building products - Australia | Bricks, plasterboard, timber products, roof tiles, aluminium products and concrete products. |
| Construction materials - Australia | Quarries, road surfacing, premix concrete, precast concrete, fly ash, cement, quarry end use, transport, concrete placing and scaffolding. |
| United States of America | Bricks, roof tiles, fly ash, premix concrete, quarries and masonry. |
| Asia | Plasterboard, premix concrete and quarries. |
| Other | Investments in listed shares and non-trading operations. |

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (Continued)

| GEOGRAPHICAL SEGMENTS | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
|--|---|----------------|---|--------------|-----------------------------|----------------|
| | \$ millions | \$ millions | \$ millions | \$ millions | \$ millions | \$ millions |
| | Revenue* | | Acquisition of segment assets ** | | | |
| Australia | 4,317.1 | 3,824.1 | 303.7 | 284.6 | | |
| United States of America | 670.8 | 882.5 | 77.7 | 96.2 | | |
| Asia | 190.7 | 182.5 | 10.3 | 22.1 | | |
| Other | 19.9 | 19.9 | - | - | | |
| Corporate | - | - | 0.8 | 0.7 | | |
| | 5,198.5 | 4,909.0 | 392.5 | 403.6 | | |
| | Operating profit (excluding associates) | | Equity accounted results of associates | | Operating profit before tax | |
| Australia | 435.5 | 391.2 | 29.8 | 26.0 | 465.3 | 417.2 |
| United States of America | (1.2) | 101.5 | (25.9) | (7.0) | (27.1) | 94.5 |
| Asia | (11.5) | (4.0) | 18.1 | 16.1 | 6.6 | 12.1 |
| Other | 19.0 | 19.4 | - | - | 19.0 | 19.4 |
| Corporate | (15.8) | (12.3) | - | - | (15.8) | (12.3) |
| | 426.0 | 495.8 | 22.0 | 35.1 | 448.0 | 530.9 |
| Asia - Write-down of Thailand goodwill | (31.9) | - | - | - | (31.9) | - |
| Net financing costs | (111.9) | (110.5) | - | - | (111.9) | (110.5) |
| | 282.2 | 385.3 | 22.0 | 35.1 | 304.2 | 420.4 |
| | Segment assets (excluding investments in associates) | | Equity accounted investments in associates | | Total assets | |
| Australia | 4,181.9 | 4,015.3 | 19.6 | 27.5 | 4,201.5 | 4,042.8 |
| United States of America | 820.6 | 807.4 | 76.7 | 110.9 | 897.3 | 918.3 |
| Asia | 112.7 | 154.2 | 201.9 | 250.4 | 314.6 | 404.6 |
| Other | 405.2 | 398.4 | - | - | 405.2 | 398.4 |
| Corporate | 29.0 | 16.8 | - | - | 29.0 | 16.8 |
| | 5,549.4 | 5,392.1 | 298.2 | 388.8 | 5,847.6 | 5,780.9 |
| Cash and cash equivalents | 47.4 | 35.7 | - | - | 47.4 | 35.7 |
| | 5,596.8 | 5,427.8 | 298.2 | 388.8 | 5,895.0 | 5,816.6 |

* Revenue represents external sales from operating activities. It excludes intersegment sales as they are not considered material.

** Acquisition of segment assets excludes purchases of controlled entities, businesses and other investments.

Geographic segments

| | |
|--------------------------|--|
| Australia | Bricks, plasterboard, timber products, roof tiles, aluminium products, concrete products, quarries, road surfacing, premix concrete, precast concrete, fly ash, cement, quarry end use, transport, concrete placing and scaffolding. |
| United States of America | Bricks, roof tiles, fly ash, premix concrete, quarries and masonry. |
| Asia | Plasterboard, premix concrete and quarries. |
| Other | Investments in listed shares and non-trading operations. |

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

| | Note | CONSOLIDATED | |
|---|------|---------------------|---------------------|
| | | 2008 \$ millions | 2007 \$ millions |
| 3. REVENUE | | | |
| Sale of goods | | 5,108.4 | 4,808.8 |
| Rendering of services | | 70.2 | 80.3 |
| | | 5,178.6 | 4,889.1 |
| Other revenues | | | |
| Dividends from other parties | | 19.9 | 19.9 |
| | | 5,198.5 | 4,909.0 |
| 4. OTHER EXPENSES | | | |
| Significant item | | | |
| Write-down of Thailand construction materials goodwill | 6 | 31.9 | - |
| Net loss on sale of assets | | - | 2.3 |
| Net foreign exchange loss | | - | 0.5 |
| | | 31.9 | 2.8 |
| 5. INCOME TAX EXPENSE | | | |
| Income tax expense on profit: | | | |
| Prima facie tax at Australian tax rate 30% (2007: 30%) | | 91.3 | 126.1 |
| Other items | | (1.2) | (3.8) |
| Underlying income tax expense | | 90.1 | 122.3 |
| Significant item | | | |
| Resolution of matters with Australian Tax Office (ATO) relating to the utilisation of tax losses and capital gains arising from the demerger in 2000 and progress on other outstanding taxation matters | | | |
| Income tax expense /(benefit) | 6 | (28.1) | - |
| Income tax expense attributable to profit | | 62.0 | 122.3 |
| 6. SIGNIFICANT ITEMS | | | |
| Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the Group. | | | |
| Write-down of Thailand construction materials goodwill | | 31.9 | - |
| Income tax expense | | - | - |
| | | 31.9 | - |
| Resolution of matters with Australian Tax Office (ATO) relating to the utilisation of tax losses and capital gains arising from the demerger in 2000 and progress on other outstanding taxation matters | | | |
| Income tax expense /(benefit) | | (28.1) | - |
| | | (28.1) | - |
| Net significant items | | (3.8) | - |

At 30 June 2008 the Group has written down \$31.9 million (2007: Nil) of goodwill applicable to the Thailand construction materials operations following a review of this business. This charge takes into account the deterioration in current performance and the challenging market conditions experienced in the Thailand construction materials markets.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED

| 2008 | 2007 |
|-------------|-------------|
| \$ millions | \$ millions |

7. 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

| 2008 | 2007 |
|-------------|-------------|
| \$ millions | \$ millions |

Earnings reconciliation

| | | |
|--|--------------|--------------|
| Net profit before significant items and minority interests | 246.0 | 298.1 |
| Net loss attributable to minority interests | 0.6 | - |
| Net profit excluding significant items | 246.6 | 298.1 |
| Net significant items | (3.8) | - |
| Net profit attributable to members of the parent entity | 242.8 | 298.1 |

CONSOLIDATED

| 2008 | 2007 |
|------|------|
|------|------|

Weighted average number of ordinary shares used as the denominator

| | | |
|--|--------------------|--------------------|
| Number for basic earnings per share | 596,349,369 | 595,749,107 |
| Effect of potential ordinary shares | 1,688,363 | 1,961,823 |
| Number for diluted earnings per share | 598,037,732 | 597,710,930 |
| Basic earnings per share - ordinary shares | 40.7c | 50.0c |
| Diluted earnings per share - ordinary shares | 40.6c | 49.9c |
| Basic earnings per share - ordinary shares (excluding significant items) | 41.4c | 50.0c |
| Diluted earnings per share - ordinary shares (excluding significant items) | 41.2c | 49.9c |

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

8. DIVIDENDS

Dividends recognised by the Company and the Group are:

| | Amount per share | Total amount \$ millions | Franked amount per share | Date of payment |
|-------------------------|-------------------|--------------------------|--------------------------|--------------------------|
| 2008 | | | | |
| 2007 final - ordinary | 17.0 cents | 102.0 | 17.0 cents | 18 September 2007 |
| 2008 interim - ordinary | 17.0 cents | 102.5 | 17.0 cents | 19 March 2008 |
| Total | | 204.5 | | |

2007

| | | | | |
|-------------------------|------------|--------------|------------|-------------------|
| 2006 final - ordinary | 17.0 cents | 100.4 | 17.0 cents | 18 September 2006 |
| 2007 interim - ordinary | 17.0 cents | 101.5 | 17.0 cents | 21 March 2007 |
| Total | | 201.9 | | |

| | Amount per share | Total amount \$ millions | Franked amount per share | Date of payment |
|--|------------------|--------------------------|--------------------------|-----------------|
|--|------------------|--------------------------|--------------------------|-----------------|

Subsequent Event

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

| | | | | |
|-----------------------|-------------------|-------------|-------------------|--------------------------|
| 2008 final - ordinary | 17.0 cents | 99.6 | 17.0 cents | 18 September 2008 |
|-----------------------|-------------------|-------------|-------------------|--------------------------|

The financial effect of the final dividend for the year ended 30 June 2008 has not been brought to account in the financial report for the year but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Company'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 2008.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| Name | Principal Activity | Country of Incorporation | Balance Date | OWNERSHIP INTEREST CONSOLIDATED | |
|--|---------------------|--------------------------|--------------|---------------------------------|--------|
| | | | | 2008 % | 2007 % |
| DETAILS OF INVESTMENTS IN ASSOCIATES ARE AS FOLLOWS | | | | | |
| Caribbean Roof Tile Company Limited | Roof tiles | Trinidad | 31-Dec | 50 | 50 |
| Flyash Australia Pty Ltd | Flyash collection | Australia | 30-Jun | 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 Ltd | Plasterboard | Malaysia | 31-Dec | 50 | 50 |
| MonierLifetile LLC | Roof tiles | USA | 31-Dec | 50 | 50 |
| MonierLifetile S.R.L. de C.V. | Roof tiles | Mexico | 31-Dec | 50 | 50 |
| Penrith Lakes Development Corporation Pty Ltd | Quarrying | Australia | 30-Jun | 40 | 40 |
| Rondo Building Services Pty Ltd | Rollform system | 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 | 50 |
| US Tile LLC | Roof tiles | USA | 31-Dec | 50 | 50 |

| | CONSOLIDATED | |
|---|------------------|------------------|
| | 2008 \$ millions | 2007 \$ millions |
| RESULTS OF ASSOCIATES | | |
| Share of associates' profit before income tax expense | 39.7 | 50.2 |
| Share of associates' income tax expense | (17.7) | (15.1) |
| Share of associates' net profit - equity accounted | 22.0 | 35.1 |

Results of associates include the following:

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

| | | |
|--|--------|-------|
| Lafarge Boral Gypsum in Asia Ltd | 18.1 | 16.1 |
| MonierLifetile LLC * and MonierLifetile S.R.L. de C.V. | (23.5) | (4.8) |

* Taxed as a partnership in the USA

| | CONSOLIDATED | |
|--|--------------|--------|
| | 2008 | 2007 |
| 10. NTA BACKING | | |
| Net tangible asset backing per ordinary security | \$4.41 | \$4.41 |

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

| | CONSOLIDATED | |
|-----------------------------------|---------------------|-------------|
| | 2008 | 2007 |
| | \$ millions | \$ millions |
| 11. OTHER FINANCIAL ASSETS | | |
| NON-CURRENT | | |
| Listed shares - at fair value | 404.4 | 395.7 |
| Financial instruments | 26.4 | 3.6 |
| | 430.8 | 399.3 |

12. ISSUED CAPITAL

ISSUED AND PAID-UP CAPITAL

| | | |
|---|----------------|---------|
| 585,735,263 (2007: 599,407,033) ordinary shares, fully paid | 1,673.1 | 1,688.1 |
|---|----------------|---------|

MOVEMENTS IN ORDINARY SHARE CAPITAL

| | | |
|--|----------------|---------|
| Balance at the beginning of year | 1,688.1 | 1,622.7 |
| 6,067,169 (2007: 7,316,365) shares issued under the dividend reinvestment plan | 41.4 | 53.7 |
| 280,950 (2007: 2,276,432) shares issued upon the exercise of executive options | 1.5 | 11.7 |
| 20,019,889 (2007: Nil) off-market share buy-back | (57.9) | - |
| Balance at the end of the year | 1,673.1 | 1,688.1 |

The Group conducted an off-market share buy-back during the course of the year. The tendering process for the off-market share buy-back was completed in April 2008 with 20.0 million ordinary shares, representing 3.3% of issued shares, bought back at a price of \$5.65 per share. The buy-back amount comprised a capital component of \$2.84 per share (recognised in share capital) and a fully franked dividend component of \$2.81 per share (recognised in retained earnings). The total cost of the off-market buy-back was \$114.2 million (including transaction costs, net of tax) with \$57.9 million recognised in share capital and \$56.3 million recognised in retained earnings.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

13. RETAINED EARNINGS

| | | |
|--|----------------|---------|
| Balance at the beginning of year | 1,148.2 | 1,048.5 |
| Net profit attributable to members of the parent entity | 242.8 | 298.1 |
| Dividends recognised during the year | (204.5) | (201.9) |
| Dividend component of off-market share buy-back | (56.3) | - |
| Actuarial gain/(loss) on defined benefit plans, net of tax | (8.7) | 3.5 |
| Balance at the end of the year | 1,121.5 | 1,148.2 |

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

| | CONSOLIDATED | |
|---|--------------|-------------|
| | 2008 | 2007 |
| | \$ millions | \$ millions |
| 14. CONTINGENT LIABILITIES | | |
| Details of contingent liabilities and contingent assets where the probability of future payments/receipts is not considered remote are set out below. | | |
| Unsecured contingent liabilities: | | |
| Bank guarantees | 8.1 | 16.6 |
| Other items | 1.2 | 1.2 |
| | 9.3 | 17.8 |

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 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 tax authorities in other jurisdictions in which Boral operates.

In the period February to March 2006 Australian subsidiaries of the Group received assessments and amended assessments from the ATO relating to the utilisation of tax losses and capital gains arising from the demerger in 2000. A deed of settlement has now been completed with the ATO which has resolved these matters and the Group's taxation provisions have been adjusted accordingly.

During the year, ongoing enquiries were made by the ATO relating to a transaction occurring at the time of the demerger. Whilst assessments have not been issued by the ATO, it is undertaking further work in relation to the matter including its internal review processes.

In the US, the Internal Revenue Service (IRS) is reviewing two transactions which occurred prior to the demerger which it believes may result in additional assessable income to the Group. No assessments have been issued in relation to these matters and the Group is in continuing dialogue with the IRS with a view to settling these matters.

A deed was entered into at the time of the demerger which contained certain indemnities and other agreements between the Company and Origin Energy Limited and their respective controlled entities covering the transfer of the businesses, investments, tax, other liabilities, debt and assets of the Group and some temporary shared arrangements. A wholly owned subsidiary of Origin has received an amended assessment from the ATO for the year ended 30 June 1999. The amounts assessed consist of \$27.5 million of primary tax and a general interest charge of \$15.8 million. This assessment has been objected to and Origin has been in discussions with the ATO with a view to settling this matter. To the extent that the settlement results in a payment, Origin is likely to rely on indemnities contained in the demerger deed. The company believes that any payment will be within the current level of provisions. Similarly, should any claims against the Group, either in part or in full, be successful, this is likely to give rise to a claim by the Group against Origin.

The Group has considered these claims and, where appropriate, sought independent advice. Due to the progress made in relation to these matters, the Group has reviewed its provisions and adjusted them accordingly. Following these adjustments, the Group believes it holds appropriate provisions.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

15. ACQUISITIONS

During August 2007, the Group acquired the assets of two construction materials businesses in Oklahoma City, Schwarz Readymix, a ready-mixed concrete and sand business and the Davis Arbuckle Materials quarry. During the period the acquisition has contributed profit before interest and tax of \$4.3 million. The Group considers it impractical to determine the consolidated revenue or profit of the group had these business acquisition taken place at 1 July 2007 as these entities were privately owned and accounting policies 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 | 94.9 |
| Cash paid - other includes working capital and cash adjustments | 2.1 |
| Direct costs relating to the acquisition | 2.8 |
| Total purchase consideration | 99.8 |
| Fair value of net identifiable assets acquired | 52.1 |
| Goodwill | 47.7 |

Assets and liabilities acquired are as follows:

| | Acquiree's carrying amount \$ millions | Fair value \$ millions |
|----------------------------------|---|---------------------------|
| Receivables | 10.3 | 10.3 |
| Inventories | 2.9 | 2.9 |
| Other | 0.3 | 0.3 |
| Property, plant and equipment | 36.5 | 43.0 |
| Intangible assets | - | 1.5 |
| Deferred tax assets | - | 3.5 |
| Payables | (6.0) | (9.1) |
| Provisions | (0.3) | (0.3) |
| Net identifiable assets acquired | 43.7 | 52.1 |
| Goodwill acquired | | 47.7 |
| | | 99.8 |
| Other minor acquisitions | | |
| Fair value of assets acquired | | 0.7 |
| Goodwill acquired | | 0.7 |
| Total purchase consideration | | 101.2 |

| | CONSOLIDATED | |
|------------------------------|----------------|----------------|
| | 2008 \$'000 | 2007 \$'000 |
| Total purchase consideration | 101.2 | 11.2 |

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED

| 2008 | 2007 |
|--------------------|-------------|
| \$ millions | \$ millions |

16. 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 | 47.4 | 35.7 |
| Bank overdrafts | - | (24.3) |
| | 47.4 | 11.4 |

(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 | 41.4 | 53.7 |
|---|-------------|------|

Commentary on the results for the period

The commentary on the results for the year is contained in the Results Announcement for the year ended 30 June 2008 - Management Discussion and Analysis dated 19 August 2008.

Annual General Meeting

The annual general meeting will be held as follows:

Place:

City Recital Hall, Angel Place, Sydney

Date:

Friday, 24 October 2008

Time:

10.30 am

Approximate date the annual report will be available:

23 September 2008

Compliance statement

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