



RESULTS

For the half year to
31 December 2016

Boral continues to deliver its strategy and a further 9% year-on-year growth in underlying half-year profit after tax¹ to \$149 million.

15 February 2017



1. Excludes significant items

Agenda



- **Results Overview**
Mike Kane
- **Financial Results**
Ros Ng
- **Strategic Priorities & Outlook**
Mike Kane



Boral's mobile concrete batch plant at Mount Kuring-gai, NSW, for the NorthConnex motorway in Sydney (estimated completion 2019)

Boral today: Delivering transformation



- 1. Maintaining and strengthening our leading position in Australia**
 - Well positioned on the East Coast, particularly in NSW where conditions remain very strong
 - Quarry reinvestment program strengthening our integrated position
 - Operational and commercial excellence delivering margin expansion
- 2. Growing organically and through innovation in USG Boral**
 - Growing in plasterboard markets in Asia, Australia and the Middle East, including Sheetrock® technologies
- 3. Transformational growth in the USA**
 - Significant synergies expected from Headwaters acquisition and Meridian Brick JV
 - Innovative fly ash-based composite technologies in light building products
- 4. Leveraging growth in key markets and across all geographies**
 - **Australia:** multi-year growth trajectory for major roads and infrastructure
 - **Asia:** increasing product penetration and leveraged to economies with long-term growth prospects
 - **USA:** ongoing market recovery and new market opportunities and scale through Headwaters acquisition
- 5. Strong cash flows and balance sheet to support growth and deliver value**

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Half year results highlights

Delivering improved earnings



1H FY2017 vs 1H FY2016

EBIT¹

\$211_m

↑ 6%

Earnings per share¹

Statutory

17.2cents

↑ 2%

Adjusted²

19.7cents

↑ 8%

Profit after tax¹

\$149_m

↑ 9%

Half year dividend

12.0cents

↑ 9%

Net profit after tax

\$153_m

↑ 12%

ROFE^{1,3}

9.3%

↑ from 8.6%

1. Excluding significant items

2. Adjusted EPS excludes the impact of the equity raising completed in Dec-2016

3. EBIT return on funds employed as at 31 December calculated on a moving annual total basis

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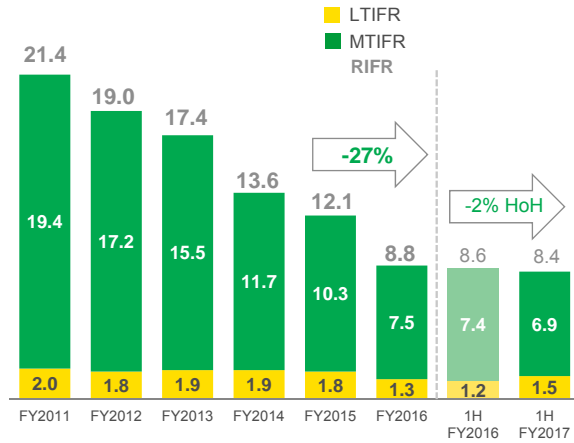
Safety performance

Company-wide commitment to Zero Harm Today



Employee and Contractor RIFR¹

(per million hours worked)



- Substantially improved RIFR in FY2016; **reduced by 27%** year-on-year to 8.8
- Continuing to reduce injuries: **1H FY2017 RIFR¹ down to 8.4** from 8.6
 - LTIFR increased to 1.5 from 1.2
 - MTIFR decreased to 6.9 from 7.4
- Fatality free since Dec-2013 – the longest fatality-free period for more than 15 years
- Continued engagement throughout Boral around our global safety goal

ZEROHARM TODAY

1. Recordable Injury Frequency Rate, which comprises Medical Treatment Injury Frequency Rate (MTIFR) and Lost Time Injury Frequency Rate (LTIFR). Includes employees and contractors in 100%-owned businesses and 50%-owned joint venture operations

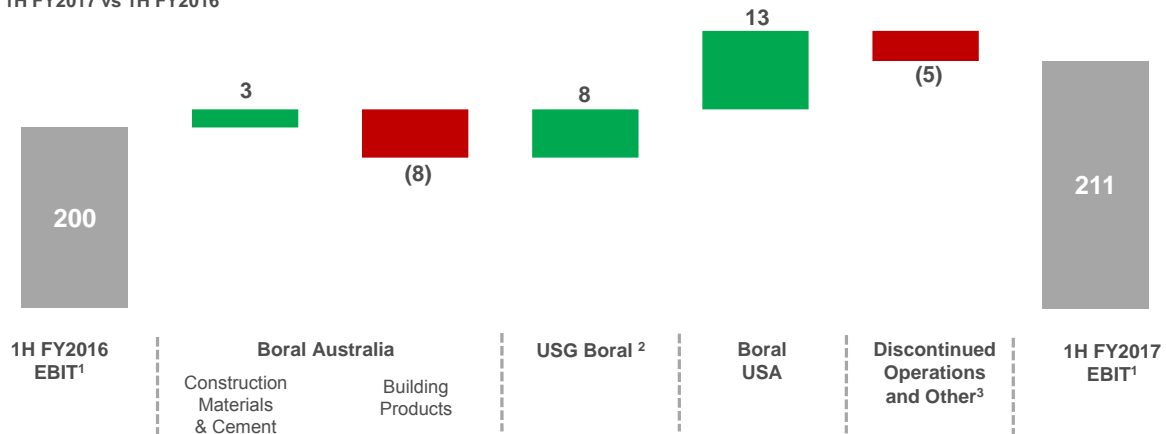
Strong earnings performance

Growth in Boral USA and USG Boral; solid results in Boral Australia



EBIT¹ variance, A\$m

1H FY2017 vs 1H FY2016



1. Excluding significant items

2. Represents Boral's 50% post-tax equity accounted income from the USG Boral joint venture

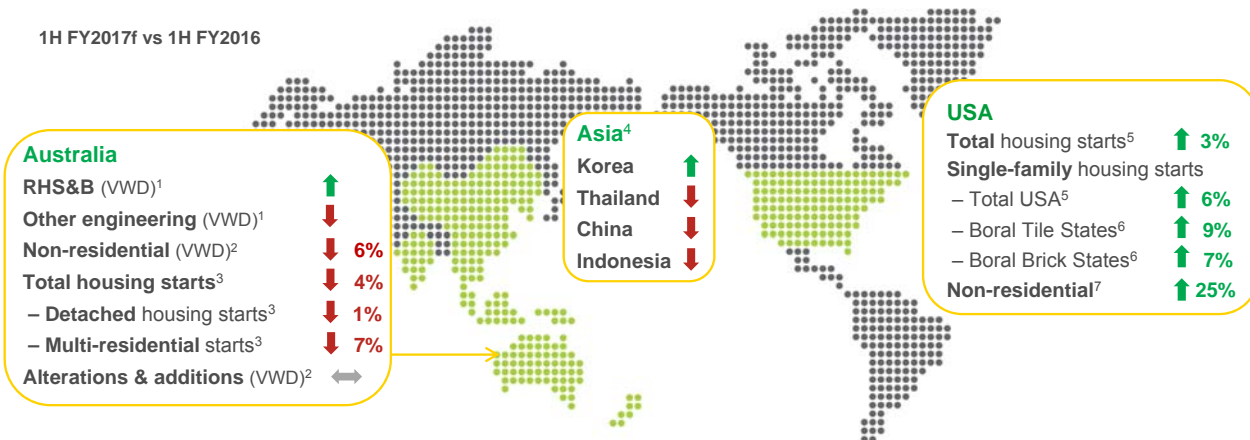
3. Discontinued Operations includes earnings from the Boral CSR Bricks JV in Australia and the Denver Construction Materials business; Other includes Corporate costs

Strong activity in our key markets

Growing RHS&B and strong residential in Australia, improving US markets, mixed conditions in Asia



1H FY2017f vs 1H FY2016



- Roads, highways, subdivisions and bridges. RHS&B value of work done (VWD) is forecast to increase 23% in FY2017f based on an average of Macromonitor and BIS Shrapnel forecasts. Other engineering VWD is forecast to decline 19% in FY2017f based on BIS Shrapnel forecasts
- VWD from ABS in 2014/15 constant prices. Average of BIS Shrapnel and Macromonitor forecast used for Dec-16 quarter
- ABS original data. HIA forecasts used for Dec-16 quarter
- Based on various indicators of building and construction activity in key markets in Boral's respective countries of operation. For China this is defined as the high-end market in regions in which USG Boral operates
- US Census Bureau seasonally adjusted data
- McGraw Hill / Dodge raw data. Boral Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral Tile States include: Arizona, California, Florida, Nevada
- McGraw Hill / Dodge value of work completed. Forecast used for Dec-16 quarter

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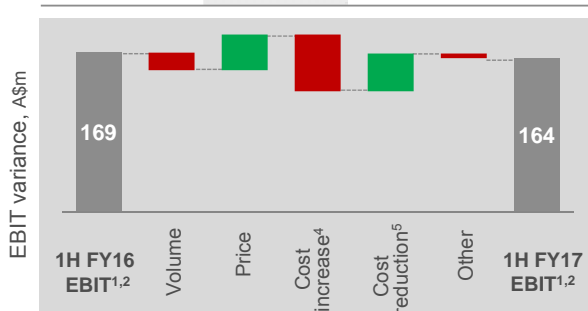


Boral Australia

Continued strong results from construction materials businesses



A\$m	1H FY2017	1H FY2016	Var, %
Revenue	1,616	1,681	(4)
EBITDA ^{1,2}	264	266	(1)
EBIT^{1,2}	164	169	(3)
EBIT ROS ¹ , %	10.2	10.1	
Net Assets	2,401	2,347	2
ROFE ^{1,3} , %	12.9	13.9	



Revenue **\$1.6b** ↓ 4% EBIT **\$164m** ↓ 3%

- 1H FY2017 impacted by completion of major projects⁶ and Bricks WA decline
 - Excluding these impacts, **revenue was broadly steady on 1H FY2016**
 - **Strong 2Q catch-up** following rain-impacted 1Q
- EBIT reflects **strong east coast volumes, pricing gains, margin improvements & higher Property earnings** offset by major projects⁶ completing, WA market decline and \$4m settlement in 1H FY2016
- ROFE at **12.9%** above cost of capital; **solid 10% EBIT margin** achieved

- Excluding significant items
- Excludes contribution from Boral CSR Bricks JV, which was divested in Nov-2016
- Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)
- Includes inflation, energy, operational and production, and SG&A cost increases
- Includes operational excellence initiatives
- LNG projects in QLD, WA & NT and Barangaroo in NSW

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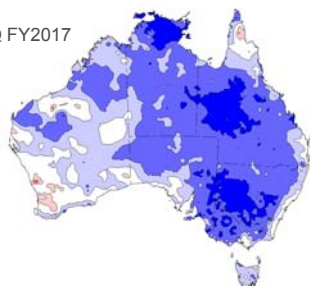


Boral Australia

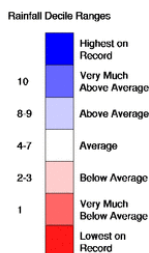
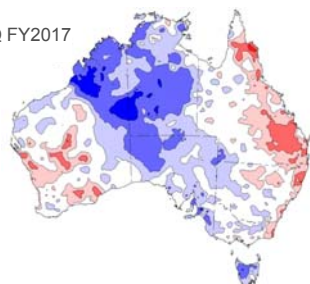
Strong 2Q catch-up supported by favourable weather



1Q FY2017



2Q FY2017



Source: Australian Bureau of Meteorology

- Concrete:** Volumes down 4%, primarily due to LNG and Barangaroo projects; like-for-like prices up 2% on average
- Quarries:** Quarry volumes up 1% nationally and average selling price down 1%; aggregate volumes up 3% and like-for-like prices up 1%
- Asphalt:** Wet weather in 1Q impacted volumes and delayed projects in QLD & WA; improved 1H FY2017 earnings through margin growth
- Cement:** Total volumes up 3% despite lower wholesale volumes; average selling price up 1% in bulk cement and up 3% in packaged products
- Property:** \$9m EBIT included second settlement at Nelsons Ridge, NSW
- Building products:** Bricks WA volumes down 34% on WA market downturn; \$2m restructuring cost in 1H FY2017. Roofing volumes up on strong east coast activity. Timber Hardwood volumes down offset by Softwood gains



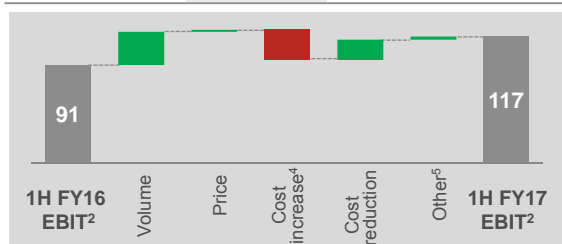
USG Boral

Strong profit growth through volume gains, including product penetration



A\$m	1H FY2017	1H FY2016	Var, %
Reported result			
Equity income ^{1,2}	40	32	25
Underlying result			
Revenue	735	718	2
EBITDA ²	151	128	18
EBIT²	117	91	28
EBIT ROS ² , %	15.9	12.7	
Net Assets	1,902	1,909	-
ROFE ^{2,3} , %	10.7	8.5	

Underlying EBIT variance, A\$m



Underlying revenue

A\$735m ↑ 2%

Underlying EBIT

A\$117m ↑ 28%

- Equity-accounted income of \$40m**, up 25%
- Underlying EBIT growth** reflects increased volumes, and lower energy and production costs
- Australia/NZ:** strong lift in earnings with growing board and non-board sales; strong activity in eastern states
- Asia:** significant earnings lift in **Korea**; steady earnings in **Thailand** on subdued domestic market; growth in **Indonesia** despite competitive pressures; improved **China** earnings despite softer activity; steady growth in other markets

1. Post-tax equity income from Boral's 50% share of the USG Boral JV
2. Excluding significant items
3. Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)
4. Includes inflation, operational and production, and SG&A cost increases
5. Other includes foreign exchange impacts



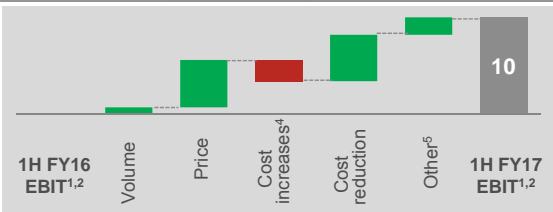
Boral USA

Profit growth driven by improving market and strong business performance



A\$m	1H FY2017	1H FY2016	Var, %
Revenue ¹	410	455	(10)
EBITDA ^{1,2}	33	23	44
EBIT^{1,2}	13	0	
Revenue ¹ (US\$)	307	326	(6)
EBITDA ^{1,2} (US\$)	25	16	51
EBIT^{1,2} (US\$)	10	0	
EBIT ROS ^{1,2} , %	3.3	0	
Net Assets ¹	841	808	4
ROFE ^{1,2,3} , %	3.6	0.7	

EBIT variance, US\$m



1. Excludes Denver Construction Materials for both current and comparative periods
 2. Excludes significant items

Revenue

A\$410m ↓ 10%

EBIT

A\$13m ↑ from zero

- **US\$ revenue down 6% to US\$307m**, reflecting impact of equity accounting of Meridian Brick JV
 - **Excluding Bricks, revenue up 6%**
- **EBIT grew to US\$10m**, driven by price gains, Cladding⁶ and Roofing volume growth, and cost and plant efficiencies
- **Cladding⁶ revenue up 15% to US\$70m**
 - **Stone**: volumes up 6%, average prices up 3%
 - **Trim & Siding**: growth in volume, price and dealers
- **Roofing**: revenue up 6% to US\$92m, resale strong, tile volumes up 6%, like-for-like prices up 3-4%
- **Fly Ash** revenue down 5% to US\$47m due to lower Celceram[®] sales; volumes down 2%, prices up 5%

3. Moving annual total EBIT return on divisional funds employed (segment assets less segment liabilities)
 4. Includes inflation, operational and production, and SG&A cost increases
 5. Other includes Bricks earnings
 6. Cladding comprises Stone and Trim & Siding

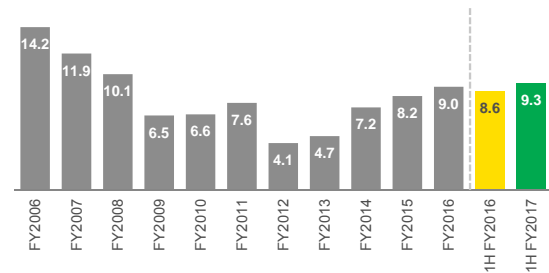
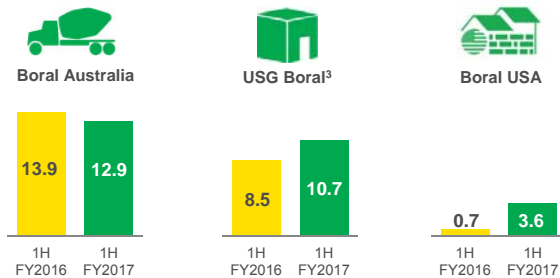
Focus on improving ROFE

Aiming to achieve returns that exceed the cost of capital



Divisional EBIT to funds employed (ROFE¹), %

Group ROFE², %



1. EBIT return on divisional funds employed (segment assets less segment liabilities) calculated on a moving annual total basis as at 31 December. EBIT excludes significant items
 2. Excludes significant items, calculated on funds employed as at 30 June for FY ROFE and 31 December for 1H ROFE
 3. Based on USG Boral's underlying EBIT return on funds employed at 31 December

Financial Results



Ros Ng – Chief Financial Officer



Group financial performance

Growth in Boral USA and USG Boral, and solid Boral Australia result



A\$m	1H FY2017	1H FY2016	Var %
Revenue	2,093	2,194	(5)
EBITDA ¹	333	322	3
Depreciation and amortisation	(122)	(122)	0
EBIT¹	211	200	6
Net interest ¹	(27)	(31)	13
Tax ¹	(35)	(32)	(10)
Profit after tax¹	149	137	9
Significant items (net)	4	0	
Net profit after tax	153	137	12
<i>Effective tax rate</i>	19%	19%	

Non-IFRS Information – Earnings before significant items is a non-IFRS measure that is reported to provide a greater understanding of the financial performance of the underlying businesses. Further details of non-IFRS information is included in the Results Announcement while details of significant items are provided in Note 6 of the half year financial report. Non-IFRS information has not been subject to audit or review.

1. Excluding significant items

(Figures may not add due to rounding)

Significant items

Net gain of \$4m as Boral continues to transform



A\$m	1H FY2017	Notes
Net gain on sale of business	39	1
Headwaters acquisition costs	(13)	
Meridian Brick JV restructuring costs	(1)	
Earnings before tax	25	
Tax expense	(21)	
Significant items (net)	4	

1. Includes gain on disposal of Boral CSR Bricks joint venture (\$36m) and US Bricks (\$12m), partially offset by an adverse working capital adjustment from the sale of Thailand Construction Materials in FY2013 (\$9m)

Non-IFRS Information – Management has provided an analysis of significant items reported during the period. These items have been considered in relation to their size and nature and have been adjusted from the reported information to assist users to better understand the performance of the underlying businesses. These items are detailed in Note 6 of the half year financial report and relate to amounts that are associated with significant business restructuring, business disposals, impairment or individual transactions.

(Figures may not add due to rounding)

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Cash flow

Strengthened operating cash flow



Cash flow, A\$m	1H FY2017	1H FY2016
EBITDA¹	333	322
Change in working capital and other	(93)	(69)
Fly ash contract investments	(6)	0
Share acquisition rights vested	(4)	(15)
Interest and tax	(53)	(91)
Equity earnings less dividends	(7)	(10)
Restructuring costs paid	(12)	(24)
Operating cash flow	158	113
Capital expenditure	(144)	(115)
Investments	(9)	0
Proceeds on disposal of assets	145	19
Free cash flow	151	17
Capital raisings ²	2,018	0
Share buy-back ³	0	(115)
Dividends paid	(86)	(72)
Other items	3	8
Cash flow	2,087	(163)

- **Operating cash flow increased 40% to \$158m** due to:
 - Benefits from **improved earnings, lower tax payments and lower restructuring costs;**
 - offset by increase in working capital due to the timing of capital payments, higher sales in 2Q, and increased inventory levels in the US
- **Total capital expenditure up 25% to \$144m**
- **Free cash flow increased significantly to \$151m**, primarily due to proceeds on sale of 40% share in Boral CSR Bricks JV
- **\$2.0b cash proceeds from capital raising²** to support Headwaters acquisition

1. Excluding significant items

2. Institutional equity placement and retail entitlement offer completed Dec-16

3. On-market share buy-back program completed Sep-2015

(Figures may not add due to rounding)

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Capital expenditure

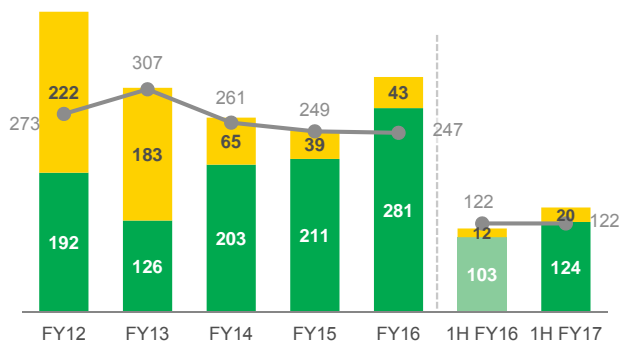
Maintaining disciplined capital allocation with focus on stay in business capex



Total capital expenditure

A\$m

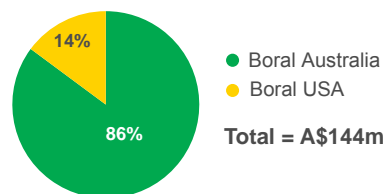
■ SIB¹ ■ Growth — Depreciation and amortisation



1. Stay in business capital expenditure

- **Total capex up 25% to \$144m**, driven by increased stay in business capex
- Capital spend included:
 - Quarry upgrades at Deer Park (VIC) and Orange Grove (WA)
 - Replacement concrete plants in NSW
 - Roofing plant upgrade in Florida
 - Building new capacity in US Siding business

1H FY2017 capital expenditure, %



- FY2017 capex to be maintained ~\$300-\$350m

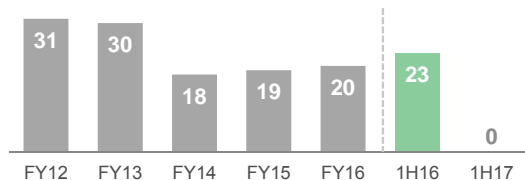
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Balance sheet

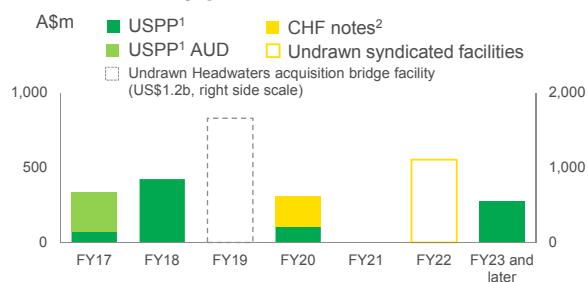
Maintaining a robust financial position



Gearing (net debt / net debt + equity), %



Debt maturity profile



- **Net cash of \$1.2b** at 31-Dec-16 from net debt of \$893m at 30-Jun-16 due to proceeds of equity raising completed in 1H FY2017
- Principal debt gearing covenant³ of 22%, down from 30% at 30-Jun-16 (threshold is less than 60%)
- Weighted average debt maturity of ~3.5 years (excluding new undrawn bridge facility)
- Net interest cover of 7.8 times, up from 6.4 times

Net debt reconciliation, A\$m	1H FY2017
Opening balance	(893)
Cash flow	2,087
Non cash (FX)	(15)
Closing balance	1,179

1. US Private Placement notes 2. Swiss franc notes issued under EMTN program
3. Gross debt / (gross debt + equity)

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Strategic Priorities & Outlook

Mike Kane – CEO & Managing Director



Boral today: Delivering transformation

1. Maintaining and strengthening our leading position in Australia

- Well positioned on the East Coast, particularly in NSW where conditions remain very strong
- Quarry reinvestment program strengthening our integrated position
- Operational and commercial excellence delivering margin expansion

2. Growing organically and through innovation in USG Boral

- Growing in plasterboard markets in Asia, Australia and the Middle East, including Sheetrock® technologies

3. Transformational growth in the USA

- Significant synergies expected from Headwaters acquisition and Meridian Brick JV
- Innovative fly ash-based composite technologies in light building products

4. Leveraging growth in key markets and across all geographies

- **Australia:** multi-year growth trajectory for major roads and infrastructure
- **Asia:** increasing product penetration and leveraged to economies with long-term growth prospects
- **USA:** ongoing market recovery and new market opportunities and scale through Headwaters acquisition

5. Strong cash flows and balance sheet to support growth and deliver value



Headwaters Inc. acquisition

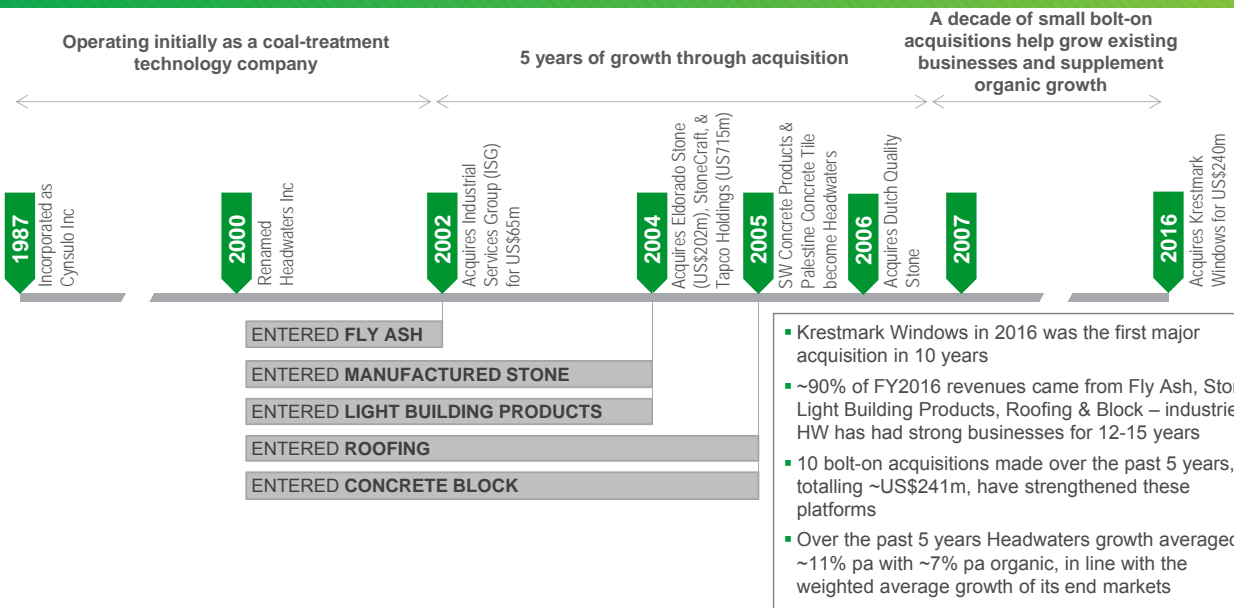
Aligned with Boral's stated strategy; significant market interest



- **Announced 21 Nov, subject to Headwaters shareholder and regulatory approvals**
 - Headwaters Proxy Statement issued 29 December 2016
 - At Headwaters shareholder meeting held 3 February 2017, >98% of votes cast in favour of the deal
 - Working proactively with Federal Trade Commission on its review and providing information to help them complete review on a timely basis
 - Expectation of completion by around mid-CY2017 remains unchanged
- **Acquisition funding in place**
 - A\$2.1b equity raise completed (at \$4.80 per share, a 15% discount to TERP; 1.172 b shares on issue)
 - A\$450m placement: 5.7x oversubscribed
 - A\$1.1b institutional entitlement: 91% acceptance, shortfall bookbuild clearing price of \$5.25
 - A\$486m retail entitlement: 50% acceptance, shortfall bookbuild clearing price of \$5.15
 - US\$835m of debt from a US\$1.2b bridge facility (+ US\$350m of balance sheet cash)
- **Key areas of market interest**
 - Understanding Headwaters / quality of earnings
 - Synergy drivers
 - Fly Ash business fundamentals

A brief history of Headwaters Inc.

One of the leaders in fly ash, stone & light building products for 12-15 years





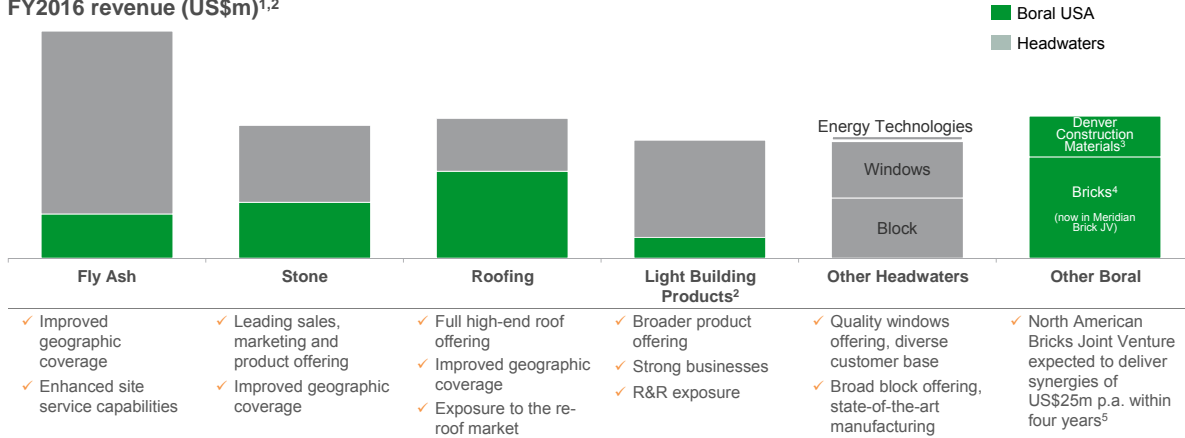
Headwaters Inc. acquisition

Strong strategic fit between Headwaters and Boral's existing US businesses



Combination of complementary businesses establishes leading positions in key market segments and adds significant scale to Boral's USA footprint, with pro forma combined revenue of US\$1.8 billion

FY2016 revenue (US\$m)^{1,2}



- 1. Based on Boral USA revenue for year ended 30 June 2016 and Headwaters pro forma revenue for year ended 30 September 2016
- 2. Light Building Products includes siding, trim and panelised stone
- 3. Denver Construction Materials revenue reported in Discontinued Operations
- 4. Boral USA Bricks revenue represents Boral's 50% share of revenue of the North American Bricks Joint Venture
- 5. Synergies as disclosed in Boral's announcement of the North American Bricks Joint Venture on 24 August 2016

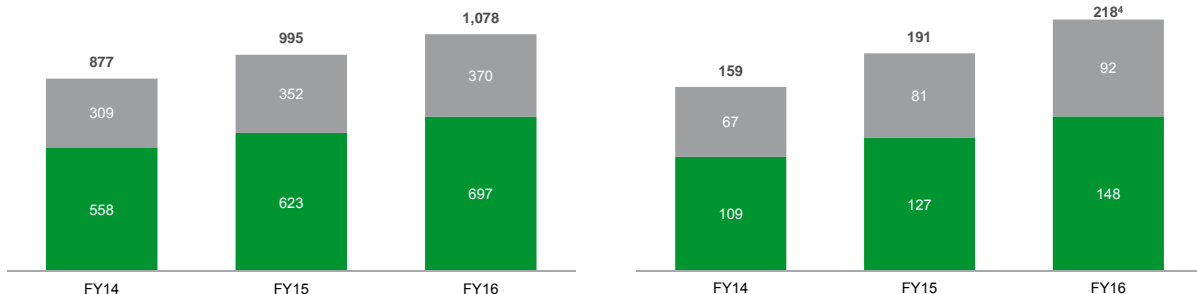
Headwaters financial overview



Headwaters has delivered strong margin expansion across its two core divisions

Pro forma revenue (US\$m)^{1,2}

Pro forma Adjusted EBITDA (US\$m)^{1,2,3}



Pro forma Adjusted EBITDA margin

Building Products	19.5%	20.4%	21.2%
Construction Materials	21.6%	22.9%	24.9%
Group	18.1%	19.2%	20.2%

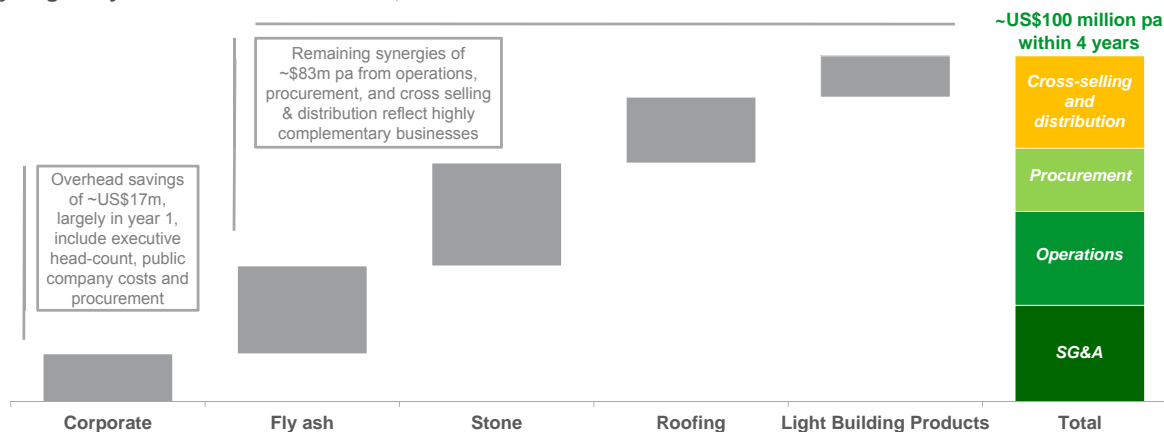
- 1. Headwaters financials are based on a 30 September year end and are presented on a pro forma basis to reflect ownership of the Krestmark windows business throughout the historical period (i.e. as if the Krestmark windows acquisition, which occurred on 19 August 2016, was effective from 1 October 2013). FY14 and FY15 Krestmark financials are on a 31 December year end basis, reflecting Krestmark's financial year end; FY16 Krestmark financials are based on a financial year ended 30 September 2016, consistent with Headwaters' financial year end.
- 2. Building Products and Construction Materials divisional contributions do not add up to total pro forma revenue and Adjusted EBITDA due to the exclusion of Energy Technologies and corporate costs from the graphs.
- 3. Under Boral's accounting policies, some depreciation and amortisation within Headwaters' financials may be reclassified as an operating expense.
- 4. Refer to Boral's announcement of Headwaters acquisition on 21 November 2016 (slide 45) for a bridge from Headwaters' reported FY16 Adjusted EBITDA to pro forma FY16 Adjusted EBITDA.

Substantial synergies anticipated: ~US\$50-55m pa year 1 run rate and ~US\$100m pa within 4 years



We are highly confident of delivering identified synergies in year four of at least ~US\$100 million per annum, which will come from SG&A overhead savings and highly complementary businesses

Synergies by business unit and source, US\$m



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Significant synergies are possible as a result of highly complementary businesses



Overview of key synergies by business – Corporate, Fly Ash and Stone

Business / synergy drivers	Year 1 run rate US\$ pa	Within 4 years US\$ pa
Corporate – including executive headcount, public company costs, procurement	~\$17m	>\$17m
Fly Ash Sub-total	~\$12m	>\$24m
<ul style="list-style-type: none"> Ash supply / network optimisation / logistics Procurement Sales coverage expansion & high value product growth – Boral faces local supply constraints in some locations, HW has ability to supply Organisational efficiencies – eg. consolidating finance systems and overlapping sales coverage, engineering support and operations Other including technology / R&D 		
Stone Sub-total	~\$6m	>\$29m
<ul style="list-style-type: none"> Plant network optimisation Sales coverage Procurement Manufacturing equipment Other including organisational efficiencies 		

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Significant synergies are possible as a result of highly complementary businesses



Overview of key synergies by business – Roofing, Light Building Products

Business / synergy drivers		Year 1 run rate US\$ pa	Within 4 years US\$ pa
Roofing	Sub-total	~\$10m	>\$19m
■ Procurement			
■ Cross-selling portfolio – <i>eg. re-sale products account for ~20% of Boral's Roofing sales, while Headwaters has minimal exposure</i>			
■ Manufacturing & network optimisation			
■ Manufacturing efficiencies			
■ Other including organisational efficiencies			
Light Building Products	Sub-total	~\$5m	>\$11m
■ Procurement			
■ Sales coverage, cross selling, retail presence			
■ Organisational efficiencies			
■ Other			
	Total	~\$50-55m	>\$100m

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Headwaters Inc. acquisition

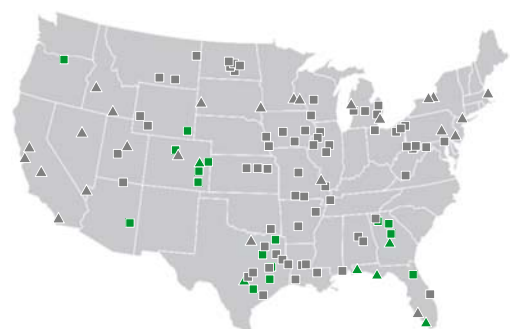
Significantly scales Boral's position in Fly Ash – an attractive, sustainable business



Combined Fly Ash position has pro forma revenue of >US\$450m

- ✓ Supplied over 7m tons pa of fly ash to the USA construction industry – predominantly to ready mix concrete industry – in FY2016
- ✓ National and diverse supply / distribution footprint with over 120 fly ash supply and site service contracts
- ✓ Leading fly ash beneficiation technologies and leading fly ash usage technologies
- ✓ Strong reputations among both utilities and fly ash customers, with excellent quality, safety, environmental track record

Combined fly ash sources & storage terminals¹



21 Boral fly ash source 7 Boral fly ash terminal
 68 Headwaters fly ash source 25 Headwaters fly ash terminal

1. Includes marketing and other services related to coal combustion products, and storage terminals, as of November 2016 based on diligence information

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With fly ash demand strong and growing, contracts are attractive



Fly Ash demand

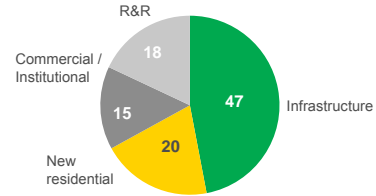
- Substitution of fly ash in ready mix concrete ~16% with potential to grow
- Concrete made with fly ash has better performance (durability, permeability, flow), lowers cost, and lowers concrete production CO₂ emissions
- Cement demand growth forecast¹ at ~7% CAGR FY16-22
- Exposed to increased US infrastructure spend
- Growth opportunities outside of ready mix concrete including as a filler in engineered products

Contracts

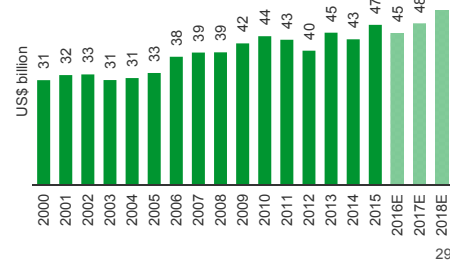
- Fly Ash supply and site service contracts with utilities, terms range from ~5 to 15 years
- Industry practice is to share revenue with utilities
- Fly Ash sales ~80% of revenue (with strong EBITDA margins; site services ~20% of revenue (margins lower))

1. Source: Portland Cement Association - 2015 Market Intelligence Report
 2. Source: Dodge Data & Analytics 2016 Ready Mix market segments
 3. Source: Dodge Data & Analytics

Fly ash revenue by end market²



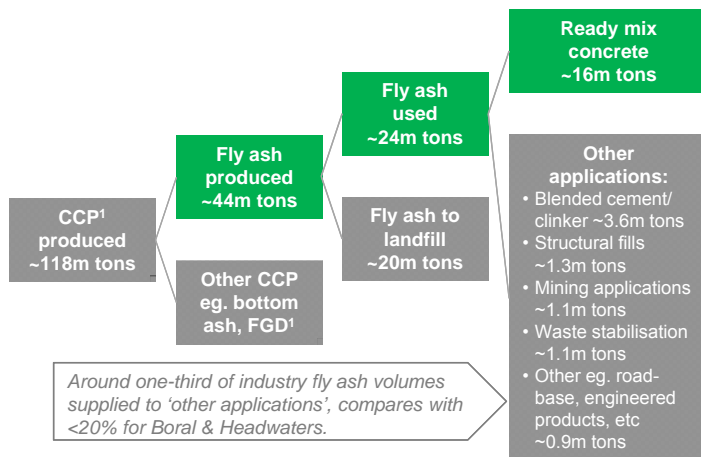
US roads and highway spending³



HW and Boral have ~120 fly ash supply & services contracts, around half are concrete quality fly ash supply contracts



2015 American Coal Ash Association Volumes



1. CCP is Coal Combustion Products; FGD is flue gas desulfurization gypsum
 2. Other fly ash source of supply includes ~1 billion tons currently landfilled (source: American Coal Ash Association)
 3. US Energy Information Administration (EIA) Projections for 2040 is for coal to be 29% of total energy in US and if the Clean Power Plan (CPP) is implemented it could reduce to 20%. The CPP is on hold and opposed by the current US Government.

Supply considerations

- Fly ash supply heavily dependent on coal-sourced electricity generation²
- Regulations / CO₂ targets may limit coal power generation, but it is expected to remain ~30% of the energy mix in USA³
- Currently ~45% of fly ash produced is land-filled
- Initiatives in place to increase sources of supply over medium- to long-term:
 - Increasing storage capabilities
 - Ongoing development of fly ash beneficiation technologies
 - Continuing to assess long-term reclamation of fly ash in landfills²
 - Potential opportunities to import



Headwaters Inc. acquisition

Delivering Boral's strategy



The US\$2.6 billion acquisition of Headwaters is aligned with Boral's stated M&A strategy

	Boral objective	Expected impact of Headwaters acquisition	
Strategically aligned M&A opportunity	Diversify market exposures beyond single family housing	<ul style="list-style-type: none"> Increases Boral's exposure to the USA building and construction markets, which are experiencing positive momentum Diversifies Boral USA's channels, end-market exposures, geographic presence and customer concentration 	✓
	Less capital intensive businesses with a more flexible, variable cost structure	<ul style="list-style-type: none"> Further reshapes Boral USA's portfolio following recent North American Bricks Joint Venture Boral's portfolio re-weighted towards less capital intensive businesses Substantial synergies will improve earnings through-the-cycle 	✓
	Opportunities to align with emerging trends	<ul style="list-style-type: none"> Establishes leading positions in fly ash, light building products, stone and roofing materials that will benefit from manufacturing and distribution optimisation Adds attractive, high margin niche products to Boral's existing light building products platform, enabling Boral to better serve customers with an expanded product suite 	✓
	Earnings accretive opportunities	<ul style="list-style-type: none"> Accretive to Boral's EPS on a pro forma FY2017F NPATA basis¹ Synergies of approximately US\$100 million per annum within four years of transaction completion 	✓

1. FY2017 pro forma EPS accretion on a NPATA basis assumes the Headwaters acquisition was effective from 1 July 2016, includes synergies and excludes transaction costs, integration costs and amortisation of acquired intangibles. The impact of purchase price accounting has not been completed, which will impact future depreciation and amortisation charges. In accordance with AASB 133, Boral basic EPS for the year ending 30 June 2017 has been adjusted to reflect the bonus element in the Entitlement Offer.



Outlook for FY2017



Group FY2017 EBIT expected to be higher than FY2016, despite adverse ~\$6.5m impact of Boral CSR Bricks divestment

Boral Australia	<ul style="list-style-type: none"> Expect higher EBIT in FY2017 than FY2016; 1H and 2H EBIT expected to be broadly balanced Property earnings in 2H FY2017 expected to be broadly similar to \$9m EBIT in 1H FY2017 Fewer working days in 2H expected to be offset by: <ul style="list-style-type: none"> anticipated stronger pricing outcomes in 2H FY2017 and ongoing operational improvements – combined these are expected to more than offset inflationary impacts and result in margin expansion increasing infrastructure work, benefiting Boral's upstream quarry and cement businesses and downstream concrete and asphalt businesses the one-off restructuring cost in Bricks WA in 1H not repeating in 2H anticipated return to more normal weather patterns in 2H
USG Boral	<ul style="list-style-type: none"> 2H earnings expected to be lower than 1H due to normal seasonality impacts, but solid year-on-year growth expected in FY2017 Reflects continued cost and synergy benefits, and volume and price gains in several markets, including further penetration of Sheetrock® products
Boral USA	<ul style="list-style-type: none"> Expected to report continued growth in earnings in FY2017, in line with US market recovery External forecasters¹ are projecting housing starts to increase to ~1.25 million starts in FY2017, a ~10% increase (in line with the market improvement trajectory of the past three years)

1. Average of analysts' forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, MBA) from January 2017



Questions



Supplementary slides

Boral Limited overview

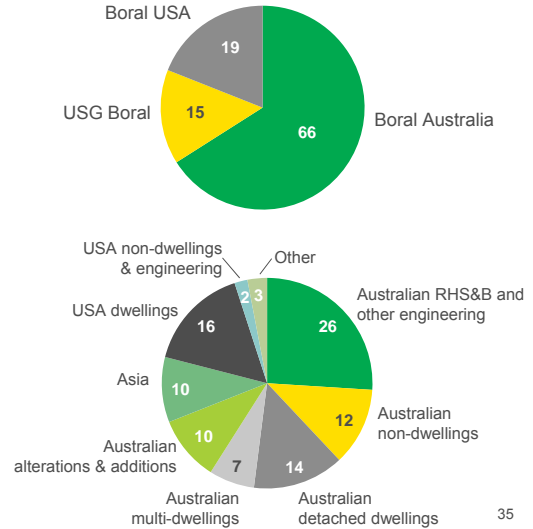


- Boral is an international building and construction materials group with operations in Australia, North America, Asia and the Middle East
- ~A\$6.9b market capitalisation¹
- S&P/ASX 100 company
- Operations across 16 countries²
- ~12,000 employees²

1. As at 13 February 2017
 2. Includes USG Boral and Meridian Brick joint venture operations, as at 31 Dec 2016
 3. Includes Boral's 50% share of underlying revenues from the USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue. Excludes revenue from Construction Materials business in Boral USA, which is reported under Discontinued Operations
 4. Roads, highways, subdivisions and bridges

1H FY2017 external revenue³

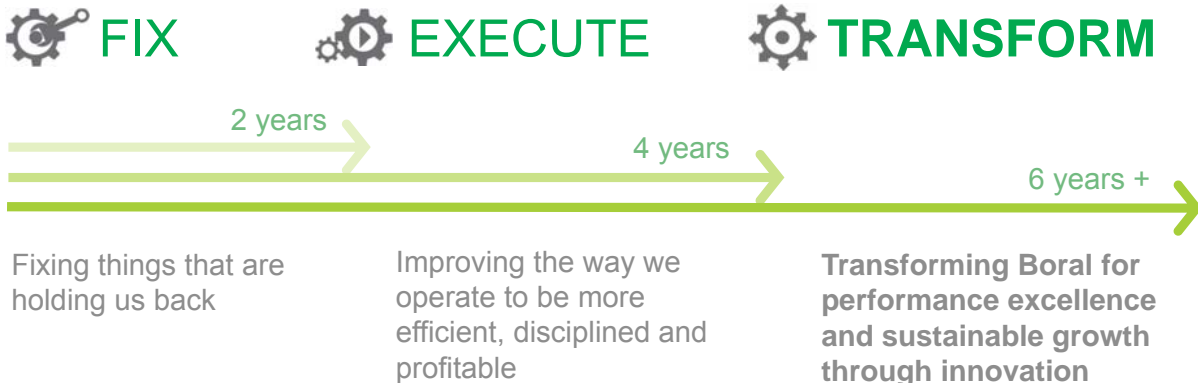
by division, %
by end-market, %
(figures may not add due to rounding)



Boral's *Fix Execute Transform* program



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



Our strategic priorities

Transforming Boral



Our vision is to transform Boral for performance excellence and sustainable growth



Our goals are to deliver:

- **World class health & safety outcomes based on Zero Harm**
- **Returns that exceed the cost of capital through the cycle**
- **More sustainable growth**

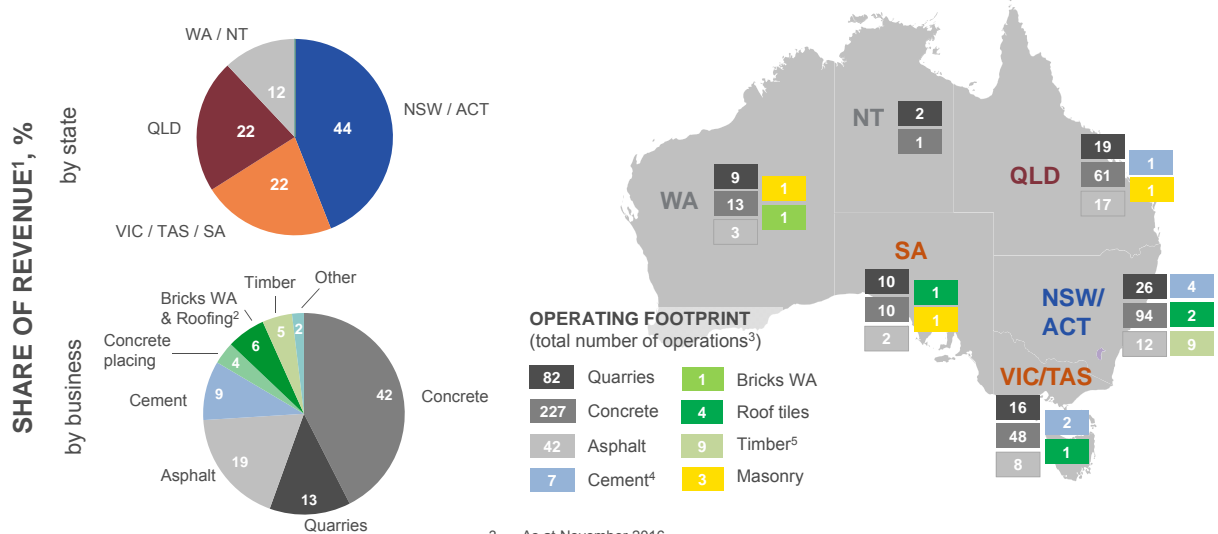
Boral Australia	USG Boral	Boral USA
<ul style="list-style-type: none"> • Protect and strengthen our leading, integrated construction materials position and optimise returns across all businesses • Benefits from significant pipeline of major roads and infrastructure work 	<ul style="list-style-type: none"> • Organic growth over the medium and long term through: <ul style="list-style-type: none"> ○ innovation ○ Asian economic growth ○ product penetration for interior linings and related products 	<ul style="list-style-type: none"> • Growing earnings through cyclical market recovery and new product development • Strategically aligned M&A opportunities

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Boral Australia

Concrete, Quarries, Asphalt, Cement, Concrete Placing, Transport, Landfill, Property, Bricks WA & Roofing, Timber



1. Based on 1H FY2017 split of Boral Australia external revenue
 2. Bricks & Roofing includes Masonry revenues

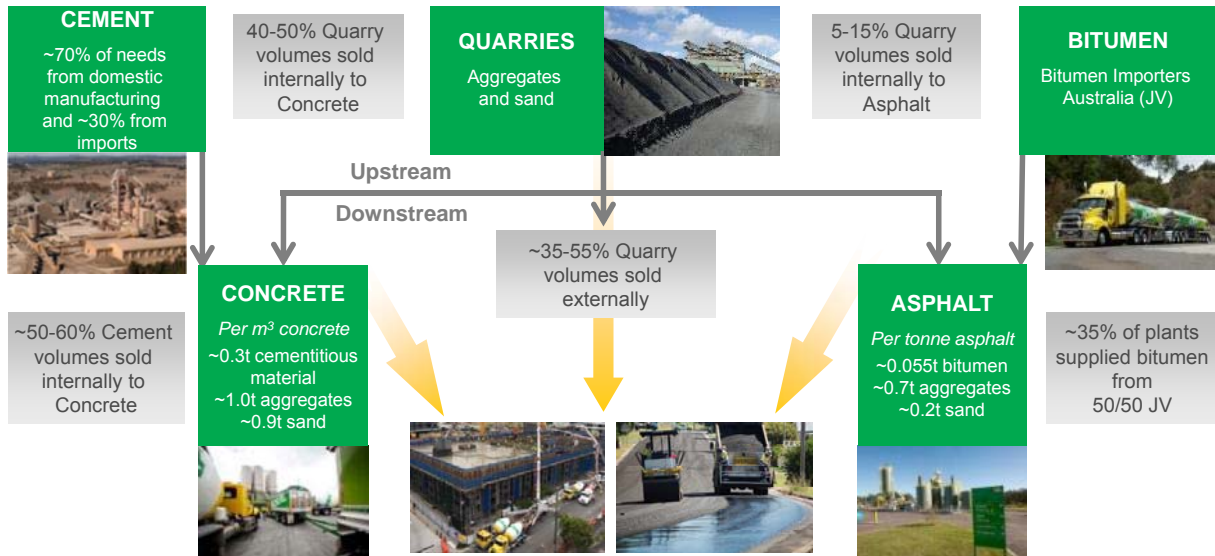
3. As at November 2016
 4. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Vic and a clinker grinding JV in Qld
 5. Includes 8 Boral Hardwood mills and 1 JV Softwood operation

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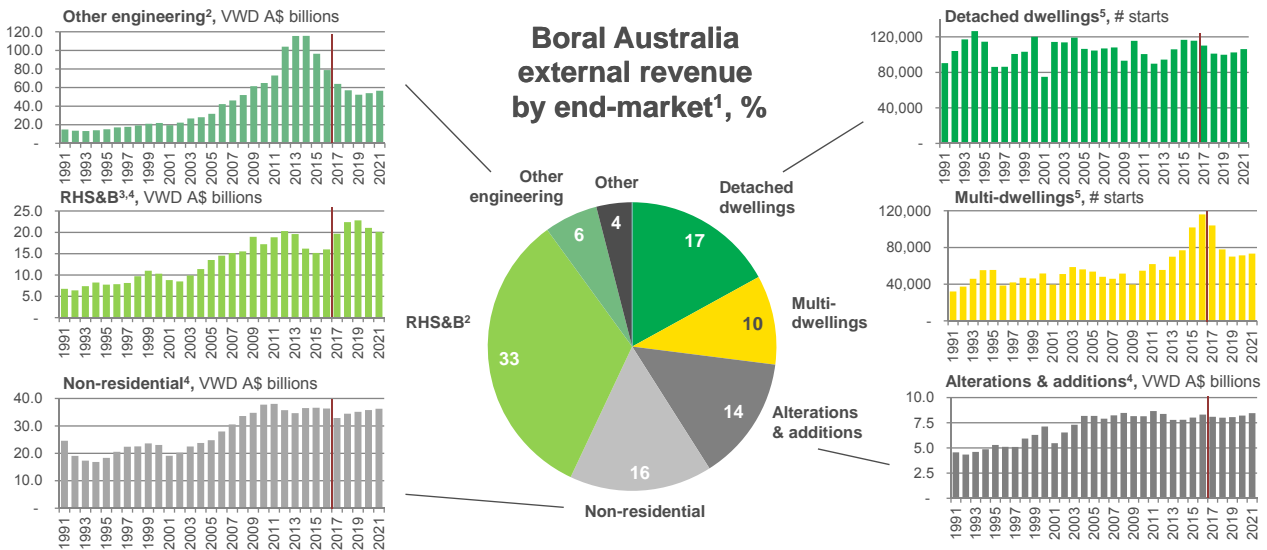
Boral Australia

Well positioned with strategic reserves and integrated downstream operations



Boral Australia

Revenues are derived from various market segments



1. Based on split of 1H FY2017 Boral Australia external revenues

2. Source: BIS Shrapnel forecast, 2013/14 dollars

Note charts are for financial years and have been based on 2014/15 dollars unless otherwise noted

3. Roads, highways, subdivisions and bridges

4. Source: ABS, BIS Shrapnel and Macromonitor forecasts, 2013/14 dollars

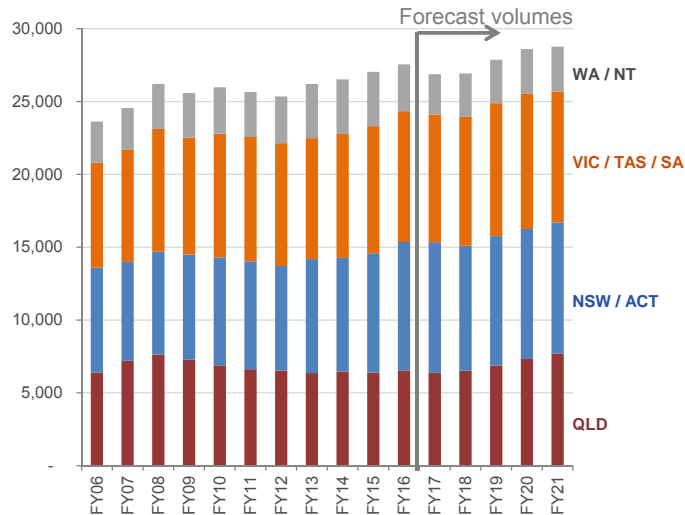
5. Source: ABS, BIS Shrapnel, Macromonitor and HIA forecasts

Concrete demand in Australia

Industry demand forecast to remain at high levels



Macromonitor forecast¹ pre mix concrete demand across all Australian construction markets ('000) m³



- ~0.9% CAGR² in concrete volumes forecast from FY2016 to FY2021
- Year-on-year decline in FY2017 forecast volumes largely driven by WA / NT and regional markets
- Growth in RHS&B³ activity forecast to offset the decline in resources sector engineering work and softening in multi-dwellings

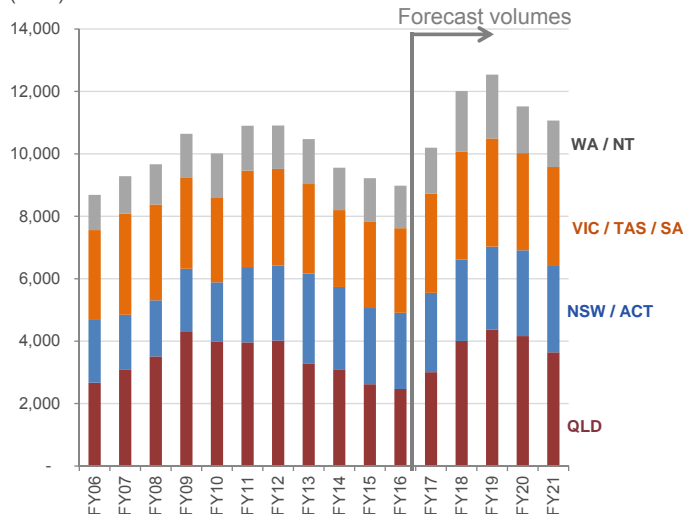
1. Source: Macromonitor, Construction Materials forecast, September 2016
 2. Compound annual growth rate
 3. Roads, highways, subdivisions & bridges

Asphalt demand in Australia

Industry demand forecast to increase and remain at high levels



Macromonitor forecast¹ asphalt demand across all Australian construction markets ('000) tonne³



- ~4.3% CAGR² in asphalt volumes forecast from FY2016 to FY2021, with significant increases forecast in FY2017 and FY2018
- Growth in major roads infrastructure underpins increase in forecast demand
- Forecast growth in demand driven by Qld and Vic in FY2017, and Qld and WA in FY2018

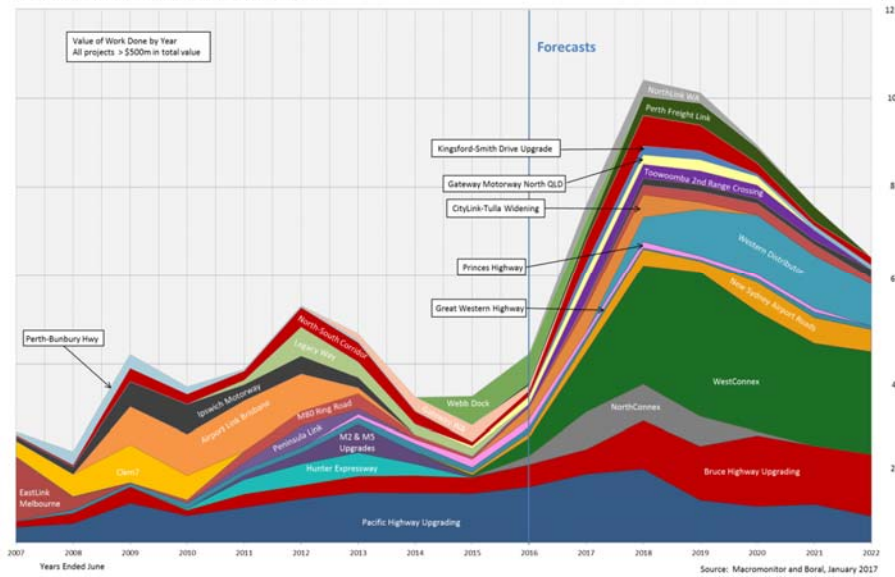
1. Source: Macromonitor, Construction Materials forecast, September 2016
 2. Compound annual growth rate

Australian major road projects pipeline

Multi-year growth trajectory for major roads and infrastructure



Major Road Construction Projects - Australia



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Boral's Australian project pipeline

As at January 2017

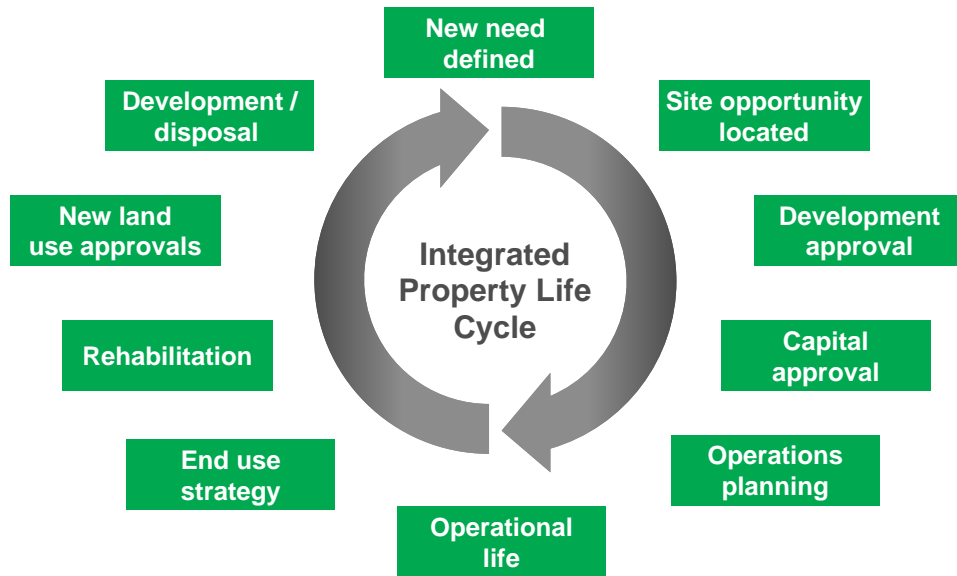


Projects committed	Timing	Projects under tender	Status
Perth Stadium, WA	Est. completion mid-2017	Kingsford Smith Drive, Qld	Currently tendering
Mitchell Freeway, WA	Est. completion mid-2017	Northern Road, NSW	Currently tendering
Wheatstone LNG, WA	Est. completion end 2017	Pacific Motorway M1 Widening, NSW	Currently tendering
NorthLink stage 1, WA	Est. completion 2018	Pacific Hwy W2B, NSW	Currently tendering
Bringelly Road Stage 1, NSW	Est. completion 2018	Roe 8, Mains Roads, WA	Currently tendering
Pacific Hwy, Nambucca, NSW	Est. completion 2018	Northern Connector, SA	Currently tendering
Toowoomba Second Range, Qld	Est. completion 2018	NorthLink stages 2 & 3, WA	Currently tendering
Gateway Motorway North, Qld	Est. completion 2019	Melbourne Metro, Vic	Currently tendering
NorthConnex, NSW	Est. completion 2019	Western Distributor, Vic	Currently tendering
Forrestfield – Airport Link, WA	Est. completion 2019	Sydney Metro, City & SW, NSW	Currently tendering
Amrun Project, Qld	Est. completion 2019	Warrego Highway, Qld	Currently tendering
		Brisbane Airport Runway, Qld	Currently tendering
		Outer Suburban Arterial Roads, Vic	Currently tendering
		Western Sydney Stadium, NSW	Pre-tendering
		Sunshine Coast Airport, Qld	Pre-tendering
		WestConnex (stage 3), NSW	Pre-tendering
		Bandon Road Link, NSW	Pre-tendering

1. Projects recently awarded to Boral are highlighted in grey

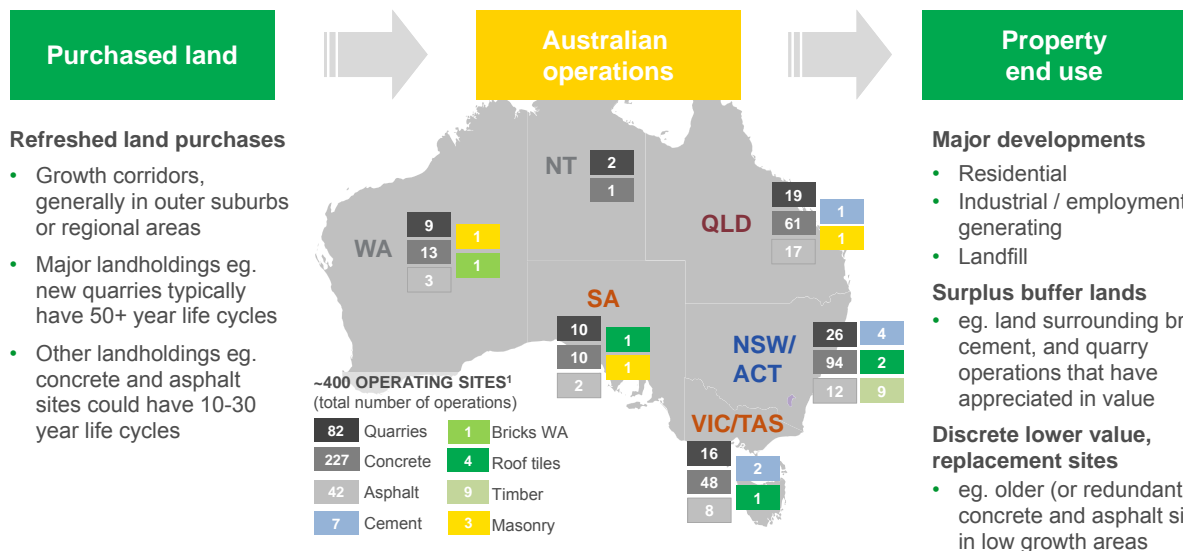
44

Boral Australia – Property is managed as an integrated and ongoing feature of the business



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Boral Australia has a large land bank and harvests property on a continual basis



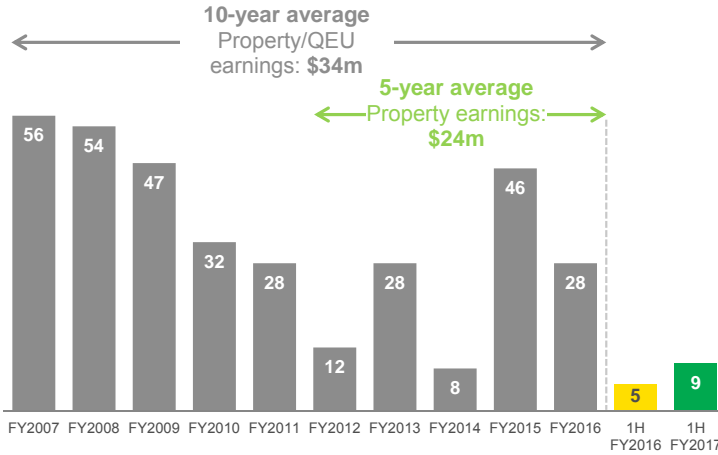
1. As at November 2016. Includes cement manufacturing plant, bagging plant and lime plant in NSW, clinker grinding plant in Vic & clinker grinding JV in Qld. Note: Approximately 40% of sites are leased and 60% are company owned

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Boral has a solid track record of maximising returns from property assets



Property EBIT¹, A\$m



1. Excludes significant items. FY2007 – FY2010 includes earnings from significant multi-year developments at Moorebank and Nelsons Ridge, and initial earnings from the Landfill business

Boral Property Group

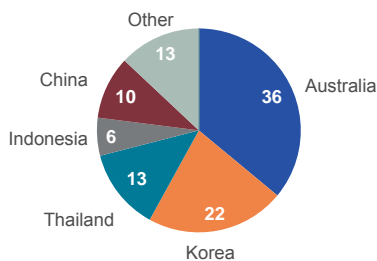
- Partners with business units as early as possible to maximise value, reduce operational rehabilitation liabilities and create market-based opportunities
- Boral Property Group is an in-house team with extensive property experience internally and externally
 - Rezoning / approvals
 - Remediation / rehabilitation
 - Environmental
 - Construction

USG Boral

50%-owned joint venture in Australasia, Asia & Middle East



SHARE OF REVENUE¹, %



1. Based on split of 1H FY2017 underlying revenue for USG Boral
2. Certain manufacturing facilities and gypsum mines held in JV with third parties
3. Production of plasterboard and other products may be at the same physical location

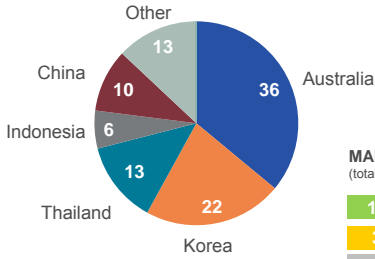


MANUFACTURING FOOTPRINT

(total number of operations²)

- 18** Plasterboard plants
617m² capacity (23 board lines / 6 ceiling lines)
- 3** Gypsum mines
- 30** Other plants³
mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, mineral wool and cornice production

SHARE OF REVENUE¹, %

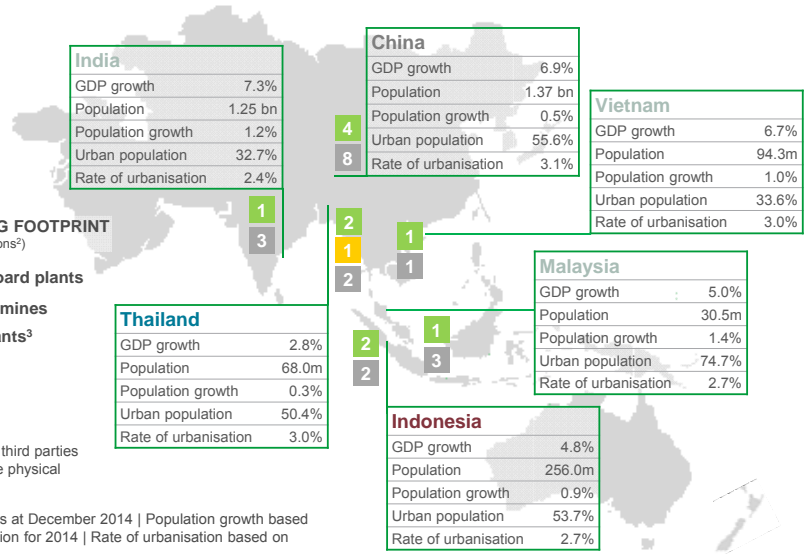


MANUFACTURING FOOTPRINT
(total number of operations²)

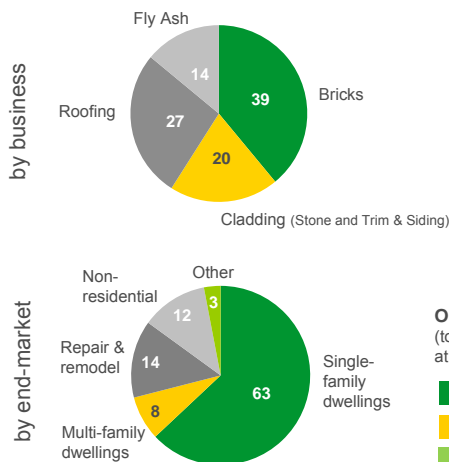
- 18 Plasterboard plants
- 3 Gypsum mines
- 31 Other plants³

1. Based on split of 1H FY2017 underlying revenue for USG Boral
2. Certain manufacturing facilities and gypsum mines held in JV with third parties
3. Production of plasterboard and other products may be at the same physical location

Note: GDP growth is real GDP growth rate 2015 | Population figures as at December 2014 | Population growth based on 2014 estimates | Urban population as a percentage of total population for 2014 | Rate of urbanisation based on annual rate of change between 2010 and 2015E
Source: CIA World Factbook

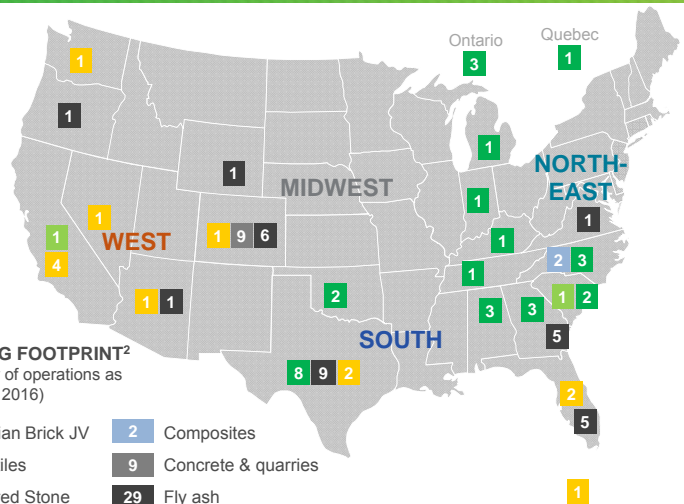


SHARE OF REVENUE¹, %



OPERATING FOOTPRINT²
(total number of operations as at November 2016)

- 29 Meridian Brick JV
- 13 Roof tiles
- 2 Cultured Stone
- 2 Composites
- 9 Concrete & quarries
- 29 Fly ash



1. Based on split of 1H FY2017 external revenue for Boral USA, including Boral's 50% share of underlying revenue from the Meridian Brick JV which is not included in Group reported revenue. Excludes revenue from Denver Construction Materials

2. SOUTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates and are included in Boral's US Revenue chart.



Meridian Brick joint venture

Forterra and Boral Bricks joint venture formed on 1 November 2016



Underlying result (for first 2 months of JV)

US\$m	1H FY2017
Revenue	67
EBIT	0

- Expecting cost synergies of ~US\$25m pa by year 4 through:
 - Plant network optimisation
 - Improved utilisation of freight and distribution
 - Streamlined selling, marketing and administration costs
 - Procurement cost savings



Combined FY2017 annual proforma EBITDA:
~US\$25-\$30 million

Manufacturing capacity:
2,639 million SBE¹
(348m SBE¹ mothballed)

Combined employee base:
~1,380 full-time equivalent



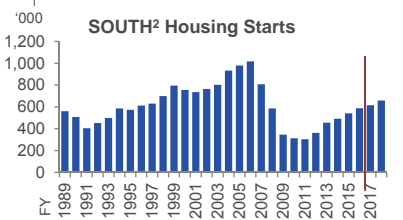
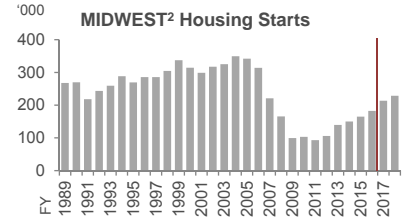
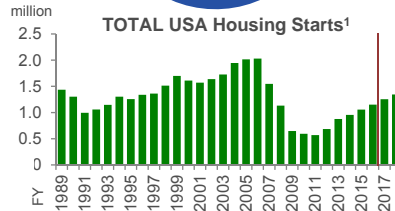
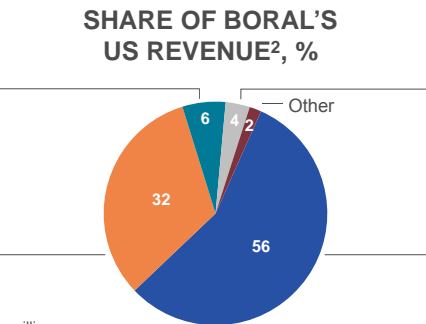
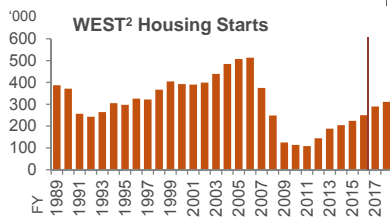
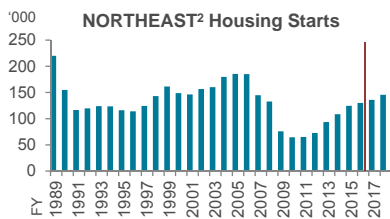
OPERATING FOOTPRINT
(total number of operations at August 2016)

Boral		Forterra	
12	15	Clay Bricks	
2		Concrete Bricks	
41		Building Products Distribution Centres	

1. Standard brick equivalent

US residential construction continues to recover in all regions

Forecasters¹ expect ~1.25m housing starts in FY2017 and ~1.34m by FY2018






1. Housing starts forecasts based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between Dec 2016 and Jan 2017. Historical data – US Census Bureau
 2. SOUTH consists of AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY. States italicised in green are the states in which Boral operates. Revenue split is based on FY2016 external revenues with 'Other' including sales outside of the USA

Our strategic priorities

Making good progress in all divisions



Boral Australia 	USG Boral 	Boral USA 
<ul style="list-style-type: none"> ✓ Divested 40% share of Boral CSR Bricks JV ✓ Ongoing ~\$130m of quarry reinvestment projects plus concrete plant investments ✓ Restructuring of Bricks WA in line with market downturn □ Plans to improve Boral's cement position in Victoria □ <i>Operational excellence</i> program and <i>Commercial excellence</i> initiatives continuing; early benefits delivered 	<ul style="list-style-type: none"> ✓ Sheetrock® technology roll-out ahead of schedule; now produced by 16 board lines ✓ ~\$US44m invested in technology related capital program; full roll-out expected to be below budget ✓ Sheetrock® adoption on target ✓ ~40% of targeted US\$50m pa synergies realised as at Dec-16 □ Full Sheetrock® technology roll-out to be completed in Dec-17 □ On track to deliver US\$50m pa synergies within 3 yrs of roll-out □ Commenced construction of new warehouse to add 30m m² capacity to Dangjin plant, Korea 	<ul style="list-style-type: none"> ✓ Meridian Brick joint venture formed in Nov-16 ✓ Announced US\$2.6b acquisition of Headwaters; expect to complete by mid-CY2017 □ Expect Brick JV cost synergies of US\$25m within 4 yrs □ Expect Headwaters synergies of US\$100m pa within 4 yrs of transaction closing □ Continued investment in growth of lightweight Trim & Siding business □ Targeting divestment of non-core Denver Construction Materials business

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1H FY2017 segment revenue and EBIT



	External revenue, A\$m			EBIT ³ , A\$m		
	1H FY2017	1H FY2016	Var, %	1H FY2017	1H FY2016	Var, %
Boral Australia	1,616	1,681	(4)	164	169	(3)
Boral Gypsum ¹	–	–		40	32	25
Boral USA	410	455	(10)	13	0	
Unallocated	–	–		(17)	(16)	7
Discontinued Operations ²	68	58	17	10	14	(30)
TOTAL	2,093	2,194	(5)	211	200	6

1. Boral Gypsum EBIT represents Boral's 50% post-tax equity accounted income from USG Boral
 2. Discontinued Operations includes the Boral CSR Bricks joint venture and Denver Construction Materials business
 3. Excluding significant items

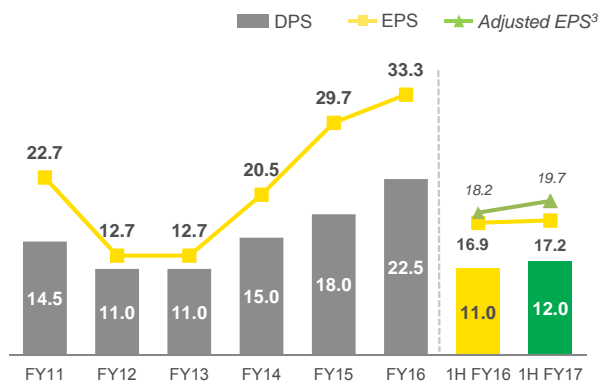
(Figures may not add due to rounding)

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Earnings and dividends per share



Earnings and dividends per share¹ A\$ cents



- **1H FY2017 EPS of 17.2 cents**, up 2% on 1H FY2016²
 - Adjusted³ EPS of 19.7c, an 8% increase
- Fully franked **half year dividend of 12.0 cents**, up 9% on 1H FY2016
- Interim dividend payout ratio of 94%
 - Exceeds Boral's Dividend Policy of between 50-70% of earnings before significant items, subject to the Company's financial position
 - In line with Company's commitment to maintain the level of dividends while the Headwaters acquisition is finalised

1. Earnings per share, excluding significant items
 2. In accordance with AASB 133, historical EPS has been revised to reflect the bonus element in the equity raising completed Dec-2016
 3. Adjusted EPS excludes the impact of the equity raising completed Dec-2016

Adjusted EPS calculation



The following earnings per share calculation adjusts for the impact of the equity raising undertaken in December 2016 to fund the Headwaters Inc. acquisition.

Adjusted EPS calculation	1H FY2017	1H FY2016
Net profit attributable to members of the parent entity excluding significant items	\$149.0m	\$136.6m
Interest earned from proceeds received from equity raising, net of tax	\$(2.5)m	0
Net profit attributable to members of the parent entity excluding significant items and impact of equity raise	\$146.5m	\$136.6m
Reported WANOS ¹ for basic earnings per share	864,902,133	808,322,056
Less: impact of equity raise on reported WANOS ¹	(121,302,696)	(56,723,241)
WANOS ¹ for basic earnings per share excluding impact of equity raising	743,599,437	751,598,815
Basic earnings per share (excluding significant items)	17.2 cents	16.9 cents
Basic earnings per share (excluding significant items and impact of equity raising)	19.7 cents	18.2 cents

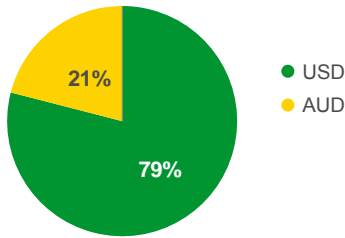
1. Weighted average number of ordinary shares

Debt profile



Gross debt currency exposure, %

As at 31 December 2016



Total = A\$1,360m

Debt facilities	1H FY2017 A\$m	1H FY2016 A\$m
US PP ¹	1,154	1,157
CHF notes ²	203	208
Other ³	3	4
Gross debt	1,360	1,369
Net debt / (cash)	(1,179)	1,025

1. US Private Placement notes
2. Swiss notes issued via EMTN program. Swapped to USD

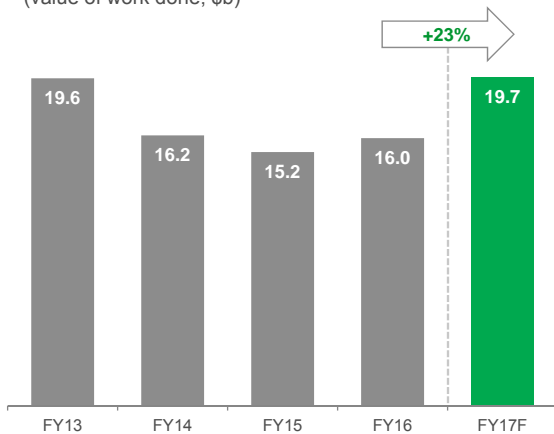
RHS&B activity is increasing

Growth in all regions, with strength in NSW



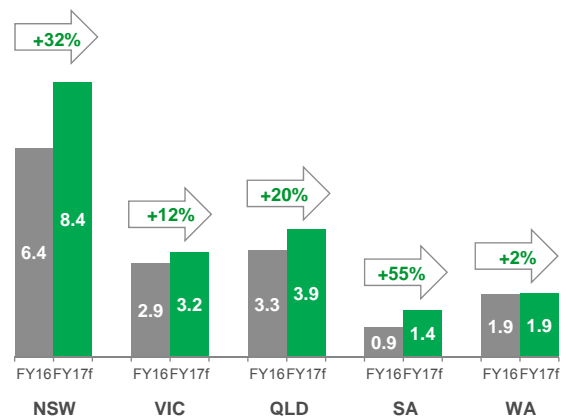
RHS&B¹ – Australia

(value of work done, \$b)



RHS&B¹ – by state

FY2017f v FY2016 (value of work done, \$b)



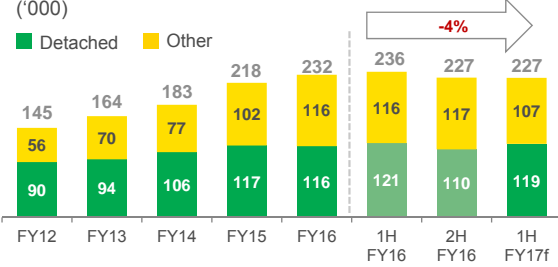
1. RHS&B refers to roads, highways, subdivisions and bridges. Original series data from ABS. FY17F figures are an average of BIS Shrapnel and Macromonitor forecast data.

Australian residential activity remains strong

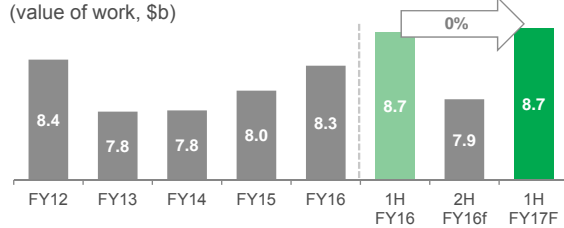
Housing starts remain at historically strong levels



Total housing starts¹

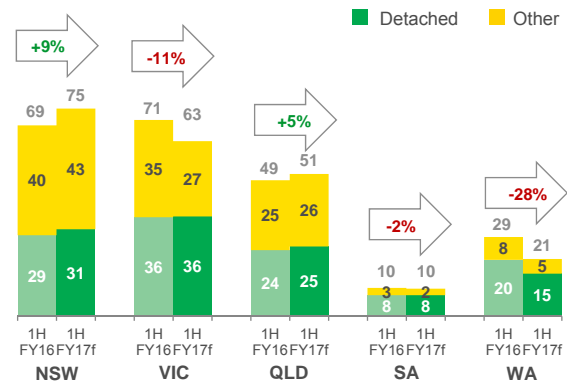


Alterations & additions (A&A)²



Housing starts – by state¹

1H FY2017f vs 1H FY2016 (‘000)



1. Original series housing starts from ABS to Sep-16 quarter, HIA forecast for Dec-16 quarter. Six monthly data annualised
2. Original series (constant 2014/15 prices) from ABS. Average of BIS Shrapnel and Macromonitor forecast for Dec-16 quarter. Six monthly data annualised

59

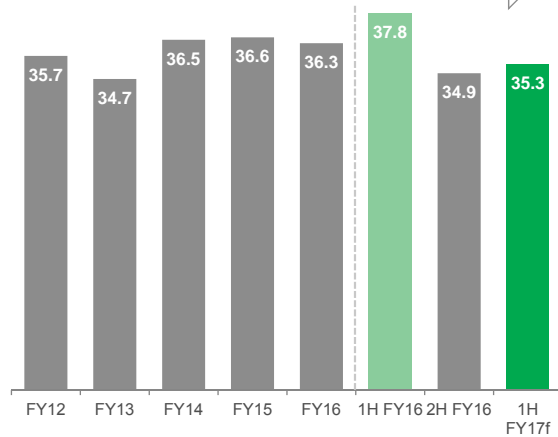
Australian non-residential activity moderated

Softer activity forecast in all regions



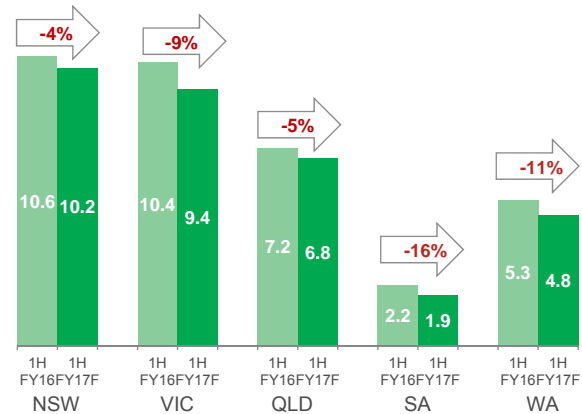
Non-residential¹

(value of work done, \$b)



Non-residential – by state¹

FY2015f v FY2014 (value of work done, \$b)



1. Original series (constant 2014/15 prices) from ABS. Average of BIS Shrapnel and Macromonitor forecast for Dec-16 quarter. Six monthly data annualised

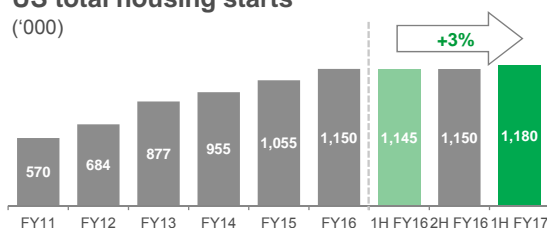
60

US housing activity continues to recover

Total starts remain below long-term average

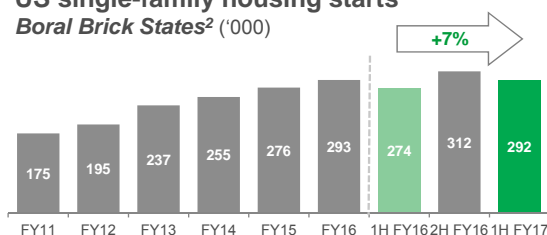


US total housing starts¹ ('000)

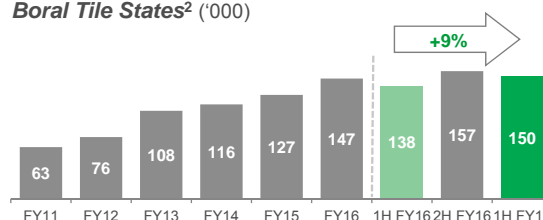


- Total US housing starts of 1.180m¹ in 1H FY2017, up 3% on 1H FY2016
 - Total housing starts ~21% below (pre GFC) long-term average of 1.5m starts
- Single-family starts up 6%¹
 - Single-family starts up 9% in Boral Tiles States² and up 7% in Boral Brick States²

US single-family housing starts Boral Brick States² ('000)



US single-family housing starts, Boral Tile States² ('000)



1. Seasonally adjusted annualised data from US Census. Six monthly data annualised
 2. Data from McGraw Hill/ Dodge. Boral's Brick States include: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas. Boral's Tile States include: Arizona, California, Florida, Nevada

Non IFRS information



Boral Limited's statutory results are reported under International Financial Reporting Standards. Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Significant items are detailed in Note 6 of the half year financial report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of earnings before significant items to reported statutory profit is detailed below:

(A\$ millions)	Earnings before significant items	Significant Items	Total	Continuing Operations	Discontinued Operations	Total
Sales revenue	2,092.9	-	2,092.9	1,893.9	199.0	2,092.9
EBIT	210.9	25.3	236.2	187.8	48.4	236.2
Finance costs	(27.2)	-	(27.2)	(27.2)	-	(27.2)
Earnings before tax	183.7	25.3	209.0	160.6	48.4	209.0
Tax (expense) / benefit	(34.7)	(20.9)	(55.6)	(30.5)	(25.1)	(55.6)
Net profit after tax	149.0	4.4	153.4	130.1	23.3	153.4

Boral Gypsum division commentary also includes a non-IFRS measure of underlying results excluding significant items, representing the 12 months trading results to assist users to better understand the trading results of this division.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the half year financial report for the half year ended 31 December 2016. This half year Financial Report for the six months ended 31 December 2016 is prepared in accordance with the ASX listing rules and should be read in conjunction with any announcements to the market made by the Group during the year.

Disclaimer



The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 15 February 2017. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

