

Boral Limited

RESULTS FOR THE
FULL YEAR TO
30 JUNE 2008

CEO & MANAGING DIRECTOR, ROD PEARSE
19 AUGUST 2008



Construction of EastLink, Melbourne

Agenda

- Financial Highlights and Markets Review
- Financial Results
- Divisional Performance
- Perform & Grow Strategy
- Outlook



Financial highlights & markets review

New plasterboard plant,
Pinkenba, Brisbane



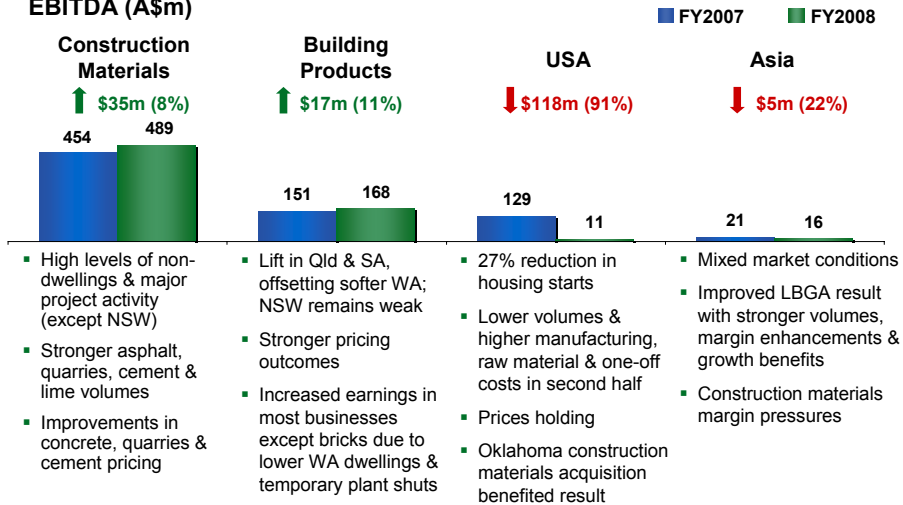
FY2008 Financial results

Revenue	↑	6%	to	\$ 5.2b
EBITDA¹	↓	10%	to	\$ 688m
EBIT¹	↓	16%	to	\$ 448m
Net Interest	↑	1%	to	\$ 112m
Underlying profit after tax¹	↓	17%	to	\$ 247m
Profit after tax	↓	19%	to	\$ 243m
Underlying EPS¹	↓	17%	to	41.4 cents
Final dividend (100% franked)	unchanged	at	17 cents	
Return on equity¹	from 10.0%	to	8.5%	

1. Excluding goodwill & tax provision adjustments of (\$31.9m) and \$28.1m respectively.

A solid lift in Australian EBITDA (↑\$52m) was offset by a large decline in offshore EBITDA (↓\$123m)

EBITDA (A\$m)



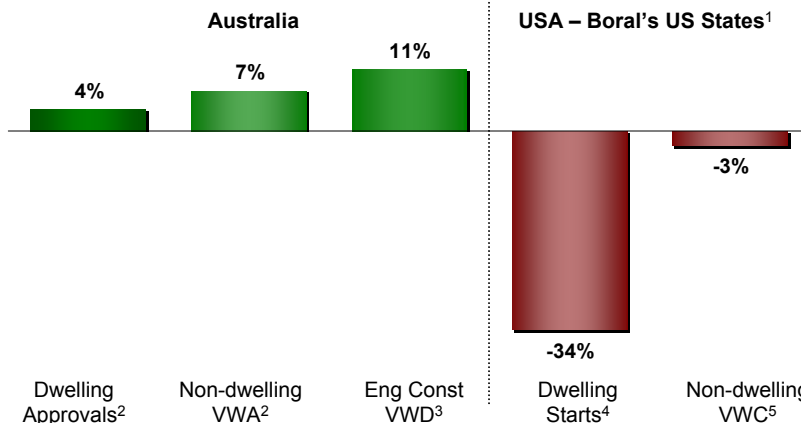
Results for the full year to June 2008

5



Australian markets improved but severe decline in US dwellings

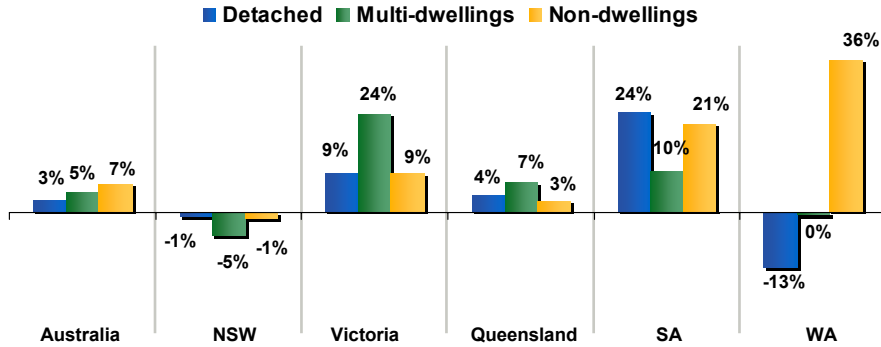
Market changes – FY2008 vs FY2007



- Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, N. Carolina, Ohio, Oklahoma, S. Carolina, Tennessee, Texas, Virginia, Washington
- Approvals / value of work approved (VWA). Source: ABS (Approvals 12mth to Jun/Mar Q 2008), BIS Shrapnel Forecast for June Q 2008
- Engineering Construction ABS actuals (chain volume measures) Mar Q 2008 actual, BIS Shrapnel Forecast for June Q 2008
- Source: Dodge actuals
- Non-dwelling value of work commenced (VWC) at 1992\$ values. Source: Dodge actuals and forecast for June Q 2008.

Dwellings remained particularly weak in NSW and weakened further in WA detached

Percentage change in dwellings approvals and non-dwellings value of work approved – FY2008 vs FY2007



Source: ABS Original data series Dwellings 12mth to June 08, Non Dwelling Mar Q 2008, BIS Shrapnel Forecast Jun Q 2008

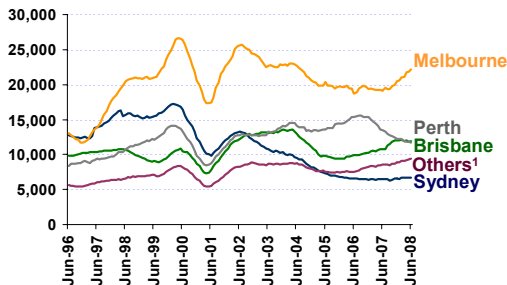
Results for the full year to June 2008

7

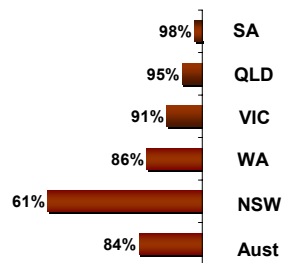


Under-building continued in all states, especially in NSW where detached dwellings are at 40 year lows

Building approvals for detached houses²
(MAT, July 1996 to June 2008)



FY08 Dwelling Starts³
as % Underlying Demand³



1. Adelaide, Darwin, Hobart and Canberra.

2. Source: ABS

3. Source: BIS Shrapnel based on FY08-FY13 estimates of underlying demand, Starts sourced from ABS up to Mar Q 2008 and BIS forecast for Jun Q 2008

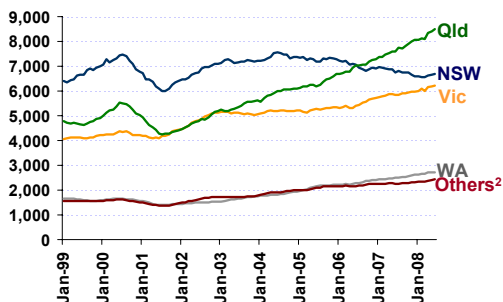
Results for the full year to June 2008

8

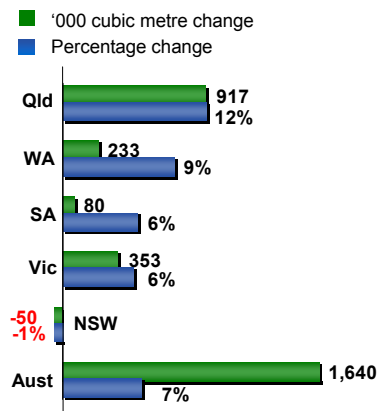


Concrete demand increased (except in NSW), underpinned by strong non-dwellings and RHS&B

Readymix concrete production¹
(MAT, January 1999 to June 2008, '000)



Changes in Australian readymix concrete
production¹ – FY2008 vs FY2007

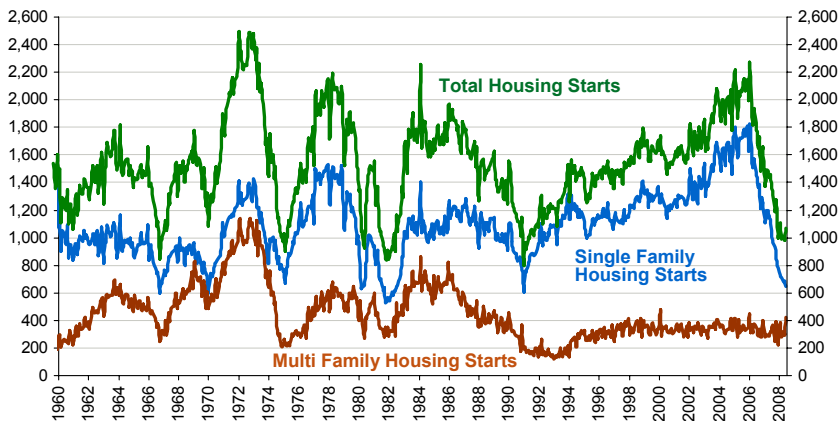


1. Source: ABS
2. SA, NT, Tasmania and ACT



The US housing market continues to experience a major downturn

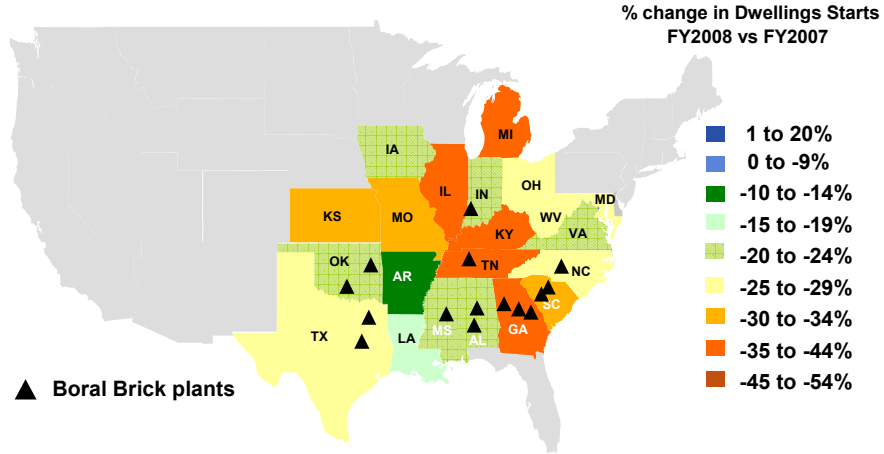
Total US dwelling starts ('000)¹



1. Seasonally adjusted annualised monthly starts from US Census



Housing starts in Brick states fell by 29% in the year, this follows a 21% decline in FY2007



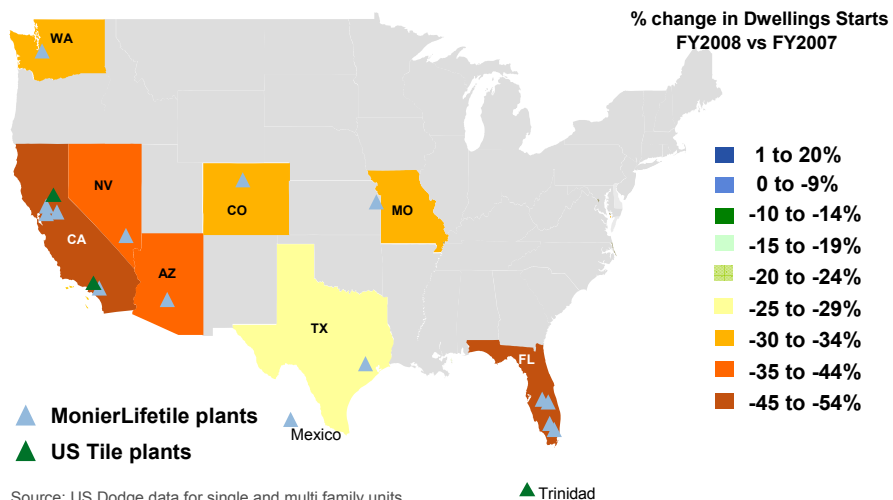
Source: US Dodge data for single and multi family units

Results for the full year to June 2008

11



Housing activity in the Tile states fell by 38% in the year, following a decline of 34% in FY2007



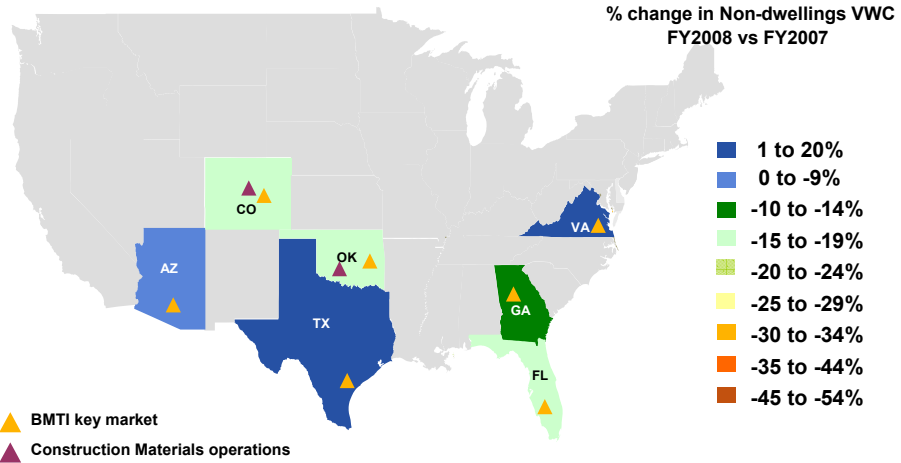
Source: US Dodge data for single and multi family units

Results for the full year to June 2008

12



Non-dwelling activity in Colorado and Oklahoma was well down



Source: Non-dwelling value of work commenced (VWC) from US Dodge at 1992\$ values

Results for the full year to June 2008

13



Financial results



New clay tile kiln,
Lone, California

Underlying profit after tax down 17% for the full year

A\$m	Dec-07 half	Jun-08 half	FY2008	FY2007	% Δ
Revenue	2,626	2,573	5,199	4,909	6
EBITDA ¹	360	328	688	762	(10)
EBIT ¹	240	208	448	531	(16)
Net Interest	(57)	(55)	(112)	(111)	1
Profit before tax ¹	183	153	336	420	(20)
Tax ¹	(51)	(39)	(90)	(122)	(26)
Underlying NPAT ¹	132	115	247	298	(17)
Net significant items	-	(4)	(4)	-	-
Reported NPAT	132	111	243	298	(19)

1. Excluding goodwill & tax provision adjustments.

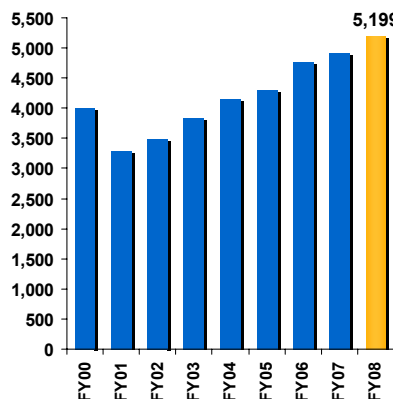
Results for the full year to June 2008

15

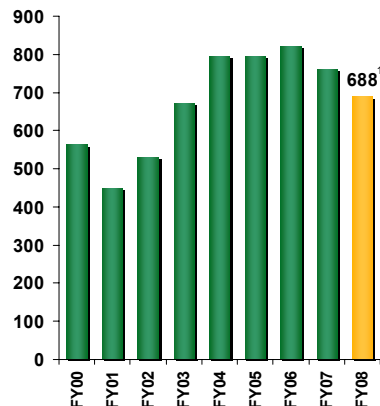


Sales remain at high levels, whilst EBITDA impacted by US volume related decline

Sales revenue
A\$m



EBITDA
A\$m



1. Excluding significant items.

Note - FY05 result onward has been adjusted for adoption of A-IFRS

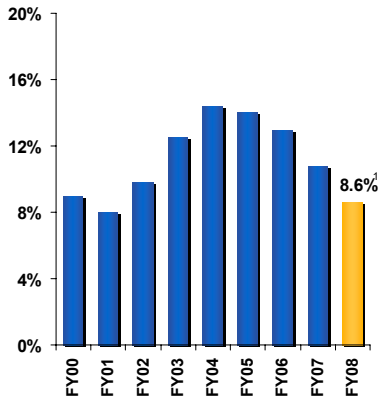
Results for the full year to June 2008

16

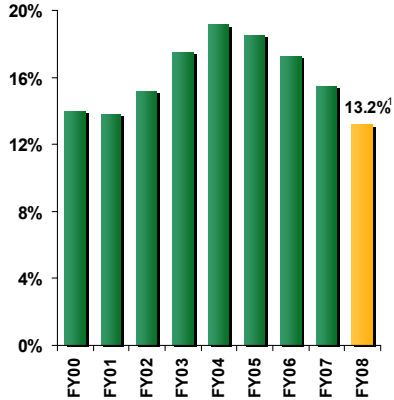


Margin pressures due to significant US housing decline and low NSW activity

EBIT / Sales



EBITDA / Sales



1. Excluding significant items.

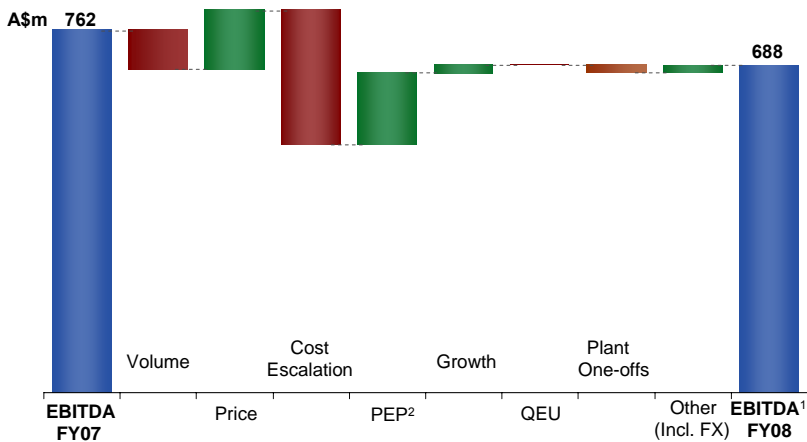
Note - FY05 result onward has been adjusted for adoption of A-IFRS

Results for the full year to June 2008

17



EBITDA – volume decreases reduced earnings; price / PEP initiatives were needed to help offset inflation



1. Excluding goodwill & tax provision adjustments.

2. Performance Enhancement Program

Results for the full year to June 2008

18



Boral's balance sheet remains in good shape with strong cash flows

As at A\$m	June-08	June-07
Cash flow from operating activities	582	482
Net debt	1,515	1,482
Net debt / equity	52%	50%
Net Interest cover ¹	4.0 x	4.8 x
Funds employed	4,425	4,470
Return on funds employed ¹	10.1%	11.9%
Return on equity ¹	8.5%	10.0%

1. Excluding goodwill & tax provision adjustments.

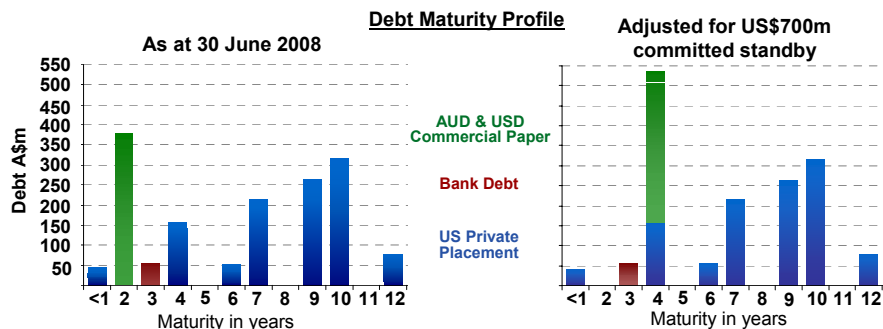
Results for the full year to June 2008

19



Boral has been active around capital management & its balance sheet

- Weighted average debt maturity ~6 years
- Weighted average cost of debt 7.0%
- Debt fixed/hedged ~60%
- April 2008: Off-market share buy-back \$114m or ~3.3% of issued shares at \$5.65 / share
- April 2008: Issuance of US\$382m of unsecured notes in US private placement market
- August 2008: US\$700m syndicated bank term credit facility with maturity in August 2011



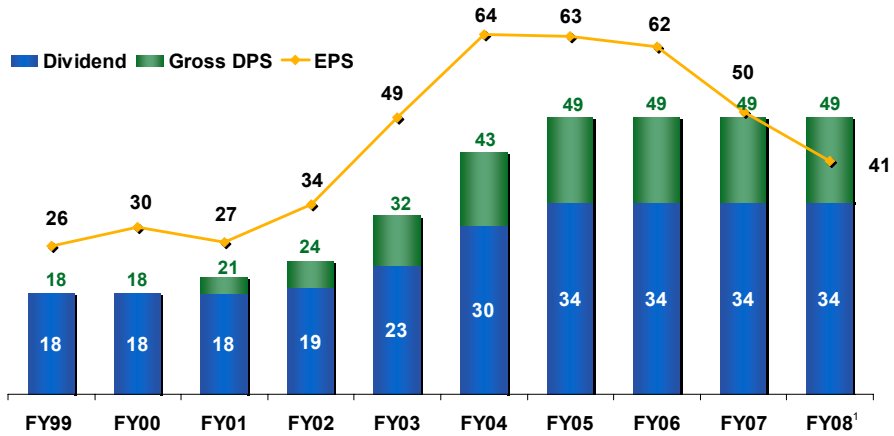
Results for the full year to June 2008

20



Boral's dividends and franking have been maintained despite the cyclical earnings pressure

Cents / share



1. Underlying EPS - Excluding goodwill & tax provision adjustments.

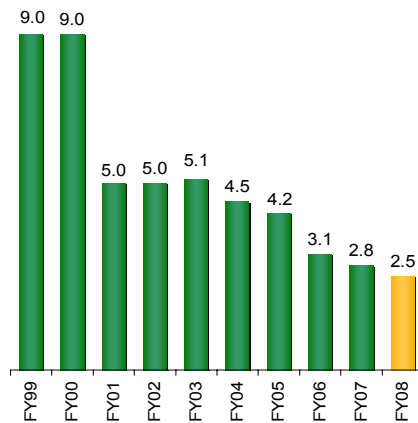
Results for the full year to June 2008

21



Strong sustainability performance

Lost time injury frequency rate (LTIFR)
(per one million hours worked)



Results for the full year to June 2008

22



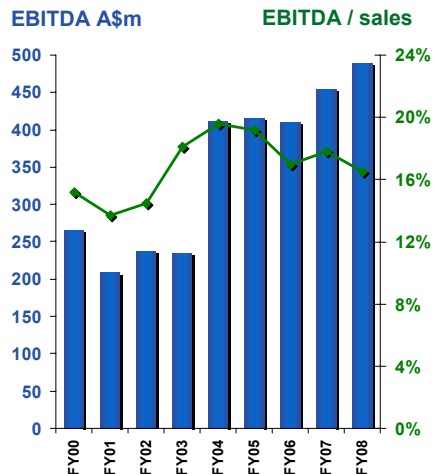
Divisional performance

Construction of Gateway Bridge, Brisbane



Construction Materials: EBITDA up 8% driven by improved pricing and stronger volumes

A\$m	FY08	FY07	% Δ
Sales	2,960	2,549	16
EBITDA	489	454	8
EBIT	351	318	10
Funds employed	2,310	2,271	2
EBITDA/sales %	16.5	17.8	
EBIT/sales %	11.9	12.5	
ROFE %	15.2	14.0	



FY05 result onward has been adjusted for adoption of A-IFRS

Construction Materials revenues up 16% underpinned by a lift in infrastructure & non-dwellings and stronger pricing

Ext. sales A\$m	FY08	FY07	% Δ	volume Δ	price Δ	EBITDA Δ
Cement¹	566	477	19	↑	↑	↑
Concrete & Quarries	1,512	1,354	12	↑	↑	↑
Asphalt	648	515	26	↑	↑	↑
QEU	181	118	53			↓
Other²	53	85				
TOTAL	2,960	2,549	16			

1. Cement division includes Blue Circle (external revenues), De Martin & Gasparini and Formwork & Scaffolding . Volume & price changes for cement only.

2. Includes exited contracting business and transport operations, which are now largely internally focused.

Results for the full year to June 2008

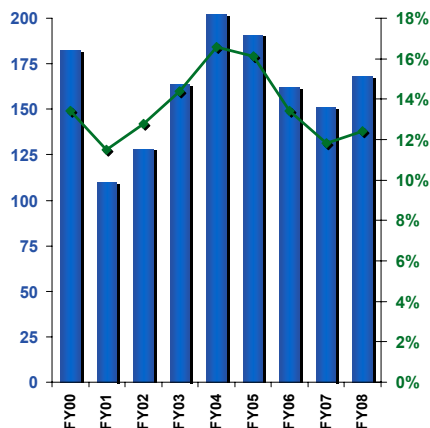
25



Building Products: EBITDA up 11% due to higher volumes and stronger pricing

A\$m	FY08	FY07	% Δ
Sales	1,357	1,275	6
EBITDA	168	151	11
EBIT	114	99	15
Funds employed	1,178	1,114	6
EBITDA/sales %	12.4	11.8	
EBIT/sales %	8.4	7.8	
ROFE %	9.7	8.9	

EBITDA A\$m EBITDA / sales



FY05 result onward has been adjusted for adoption of A-IFRS

Results for the full year to June 2008

26



Building Product revenues up 6%; stronger pricing & higher volumes in Qld & SA offset weakness in WA

Ext. sales A\$m	FY08	FY07	% Δ	volume Δ	price Δ	EBITDA Δ
Bricks	307	305	1	↓	↑	↓
Roofing	120	108	11	↑	↑	↑
Masonry	122	119	3	↑	↑	↑
Plasterboard	376	351	7	↑	↑	↔
Timber	273	247	11	↑	↑	↑
Windows	159	145	9	↑	↑	↑
TOTAL	1,357	1,275	6			

Results for the full year to June 2008

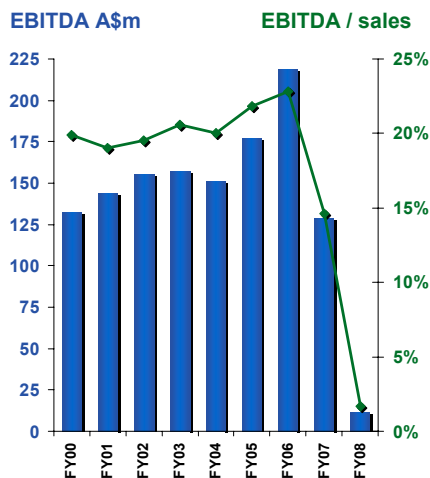
27



USA: US\$ EBITDA down 90% due to continued severe decline in housing activity

US\$m	FY08	FY07	% Δ
Sales ¹	607	699	(13)
EBITDA	10	102	(90)

A\$m	FY08	FY07	% Δ
Sales ¹	671	883	(24)
EBITDA	11	129	(91)
EBIT	(27)	95	(129)
Funds employed	789	813	
EBITDA/sales %	1.7	14.6	
EBIT/sales %	(4.0)	10.7	
ROFE %	(3.4)	11.6	



FY05 result onward has been adjusted for adoption of A-IFRS

1. MonierLifetile JV is equity accounted – Boral's share of revenue does not appear in consolidated accounts.

Results for the full year to June 2008

28



USA: revenues down due to significant decline in housing related volumes

Ext. sales US\$m	FY08	FY07	% Δ	volume Δ	price Δ	EBITDA Δ
US Bricks	346	478	(28)	↓	↓	↓
Clay Tiles	25	27	(8)	↓	↑	↓
Concrete Tiles¹				↓	↓	↓
Fly Ash	111	116	(4)	↓	↑	↓
Construction Materials²	125	78	61	↑	↑	↑
TOTAL	607	699	(13)			

1. MonierLifetile JV is equity accounted – Boral's share of revenue does not appear in consolidated accounts.

2. Includes Oklahoma concrete and quarry operations acquired in August 2007.

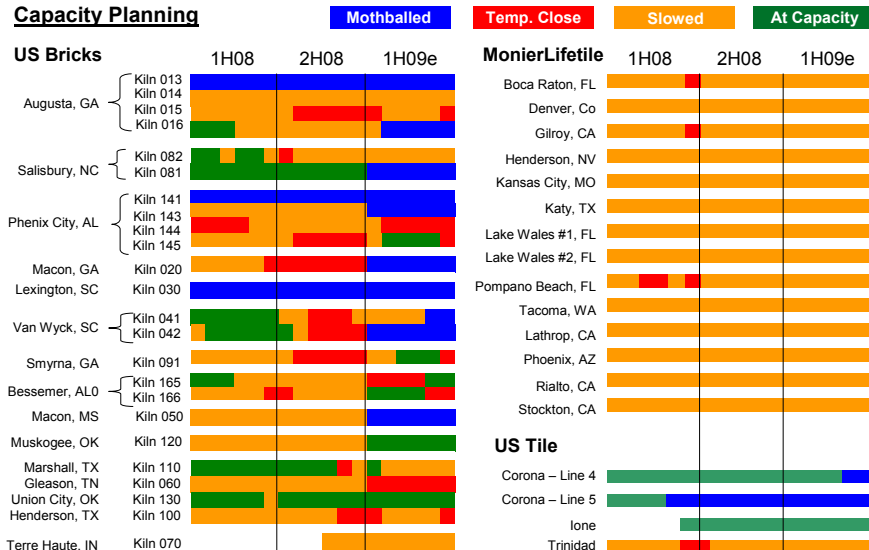
Results for the full year to June 2008

29

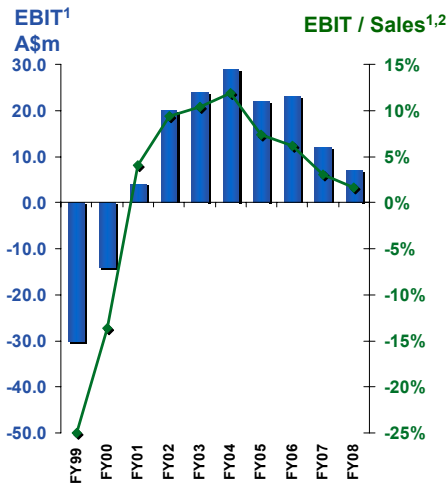


Utilisation reduced from 69% in 1H08 to 42% in 2H08 in US Bricks and in Concrete Roof Tiles from 30% to 23%

Capacity Planning



Asia EBIT down \$5m; improved LBGA result offset by lower earnings from Construction Materials



- **Plasterboard JV** after tax contribution³ of \$18.1m up 12%
- Growth and improved market conditions in key plasterboard markets including Korea, Thailand, Indonesia, Vietnam and China
- Benefited from cost improvement program
- **Concrete & Quarries:** results lower due to margin pressures
- \$31.9m write-off of goodwill which arose on acquisition of Thailand construction materials operation

1. Includes Plasterboard and Construction Materials; Plasterboard JV EBIT contribution from FY01 is profit after tax; FY05 result onward has been adjusted for adoption of A-IFRS. Excludes \$31.9m write-off of Thailand goodwill in FY2008
 2. Revenues for FY01 onwards adjusted to include Boral's share of the Plasterboard Asia JV.
 3. Plasterboard JV contribution is profit after financing and tax.

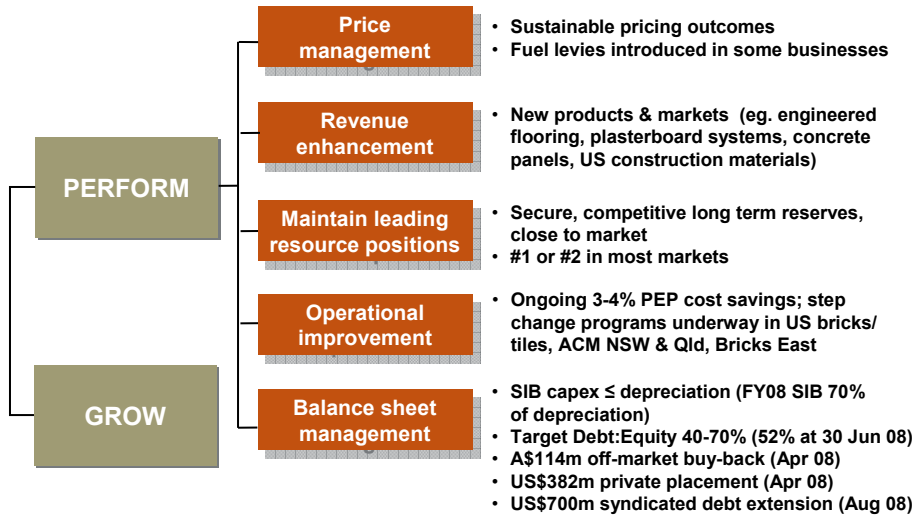


Perform & grow strategy

Upgrade of clinker grinding and storage capacity, Sunstate Cement, Brisbane



Boral's *Perform & Grow* strategy is delivering value through the cycle

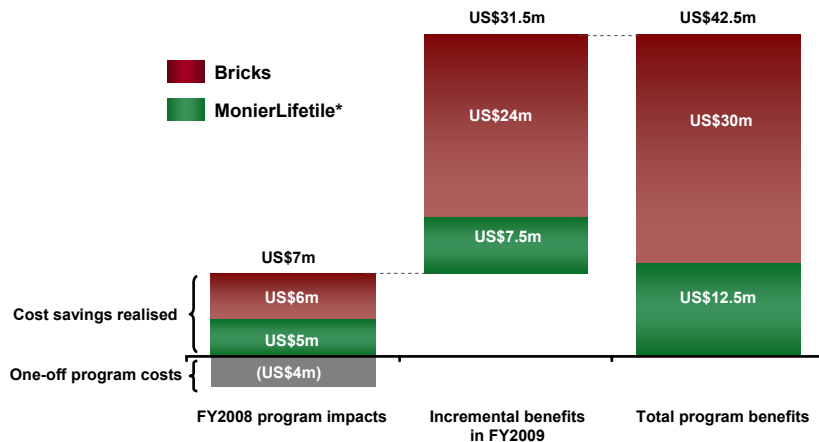


Results for the full year to June 2008

33



Accelerated step change programs in the USA are 90% complete in MonierLifetile and 50% complete in Bricks with full benefits expected from FY2009



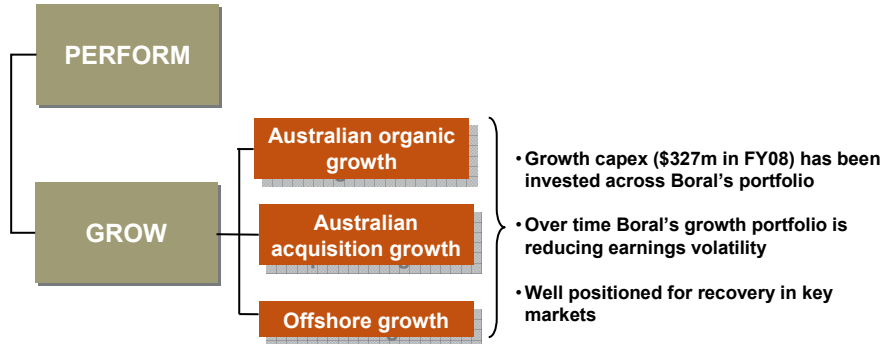
* Based on 50% share of MonierLifetile cost down program benefits

Results for the full year to June 2008

34



Boral's *Perform & Grow* strategy is delivering value through the cycle



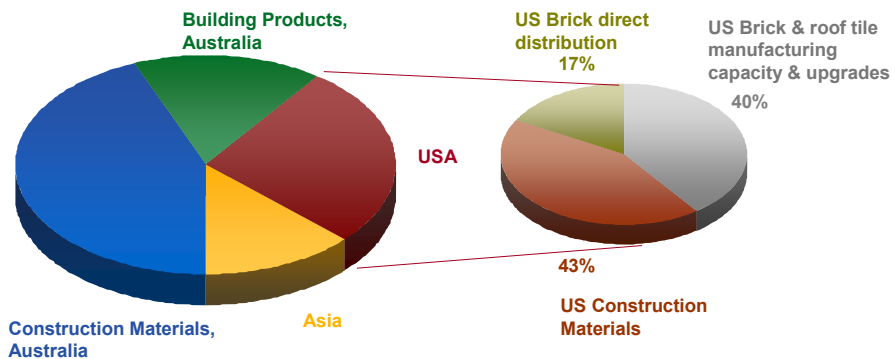
Results for the full year to June 2008

35



Since demerger ~45% of Boral's growth capex has gone into Construction Materials, Australia - Boral's largest profit contributor; a further ~25% to the USA

FY00-FY08 Growth & Acquisition Capital Expenditure¹ by segment



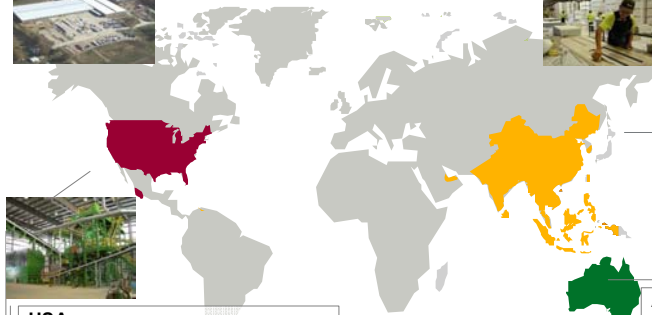
1. Excludes investment in ABL

Results for the full year to June 2008

36



\$327m of growth capital invested during FY2008 to strengthen Boral's leading positions



- Asia Plasterboard¹ plants**
(total investment):
- South Korea US\$42m
 - India & Chengdu US\$28m



USA

- Oklahoma concrete & quarries acquisitions US\$84m
- Terre Haute brick plant US\$55m
- Lone clay roof tile plant US\$30m



Australia

- New Queensland plasterboard plant net ~\$119m
- Asphalt, concrete & quarry networks
- Sunstate Cement¹ grinding capacity \$85m (total)



1. 50%-owned joint ventures

Results for the full year to June 2008

37



Boral has broadened its WA masonry investment

- February 2008 announced new \$33m masonry plant to replace existing 40+ year old Cannington plant. Lifting Boral's WA masonry capacity from 90,000t to 170,000t p.a.
- Project scope upgraded to include transfer of large format paver manufacturing from Jandakot to new Middle Swan plant; total investment now \$44m
- Cannington and Jandakot sites released for sale
- Benefits expected shortly after commissioning in September quarter 2009



Midland Brick's Middle Swan Site

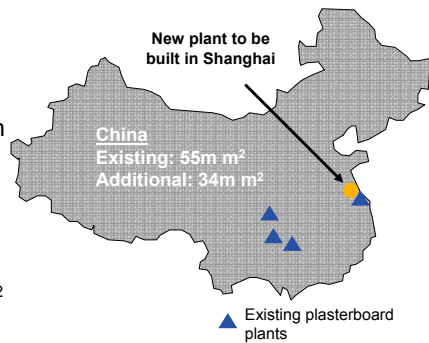
Results for the full year to June 2008

38



LBGA JV investment - US\$48m (total) on new plasterboard plant in China

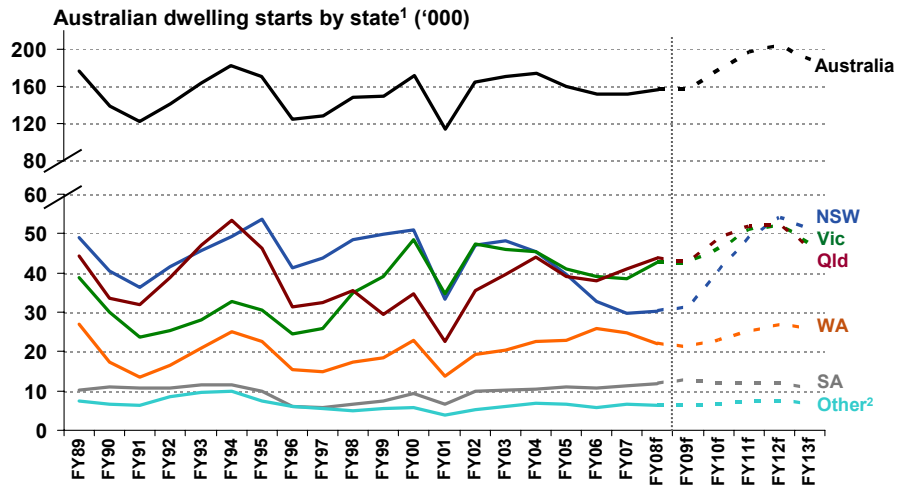
- New US\$48m plant in Baoshan, Shanghai
 - 34m m² p.a. initially, site flexibility to substantially increase capacity
 - Strengthens LBGA's leading position in East China; positions business well to supply growing market
 - Scheduled completion December 2009 quarter
 - Existing capacity in China of 55m m² across four existing plants in Shanghai, Chongqing (x2) and Chengdu



Outlook



Australian residential starts continue to be around the bottom of the cycle (BIS Shrapnel)



1. Source: ABS, BIS Shrapnel; 2. Other includes TAS, NT and ACT

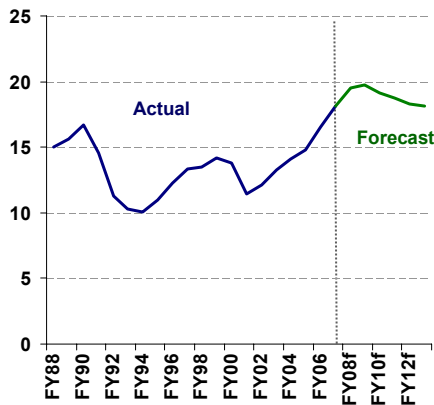
Results for the full year to June 2008

41

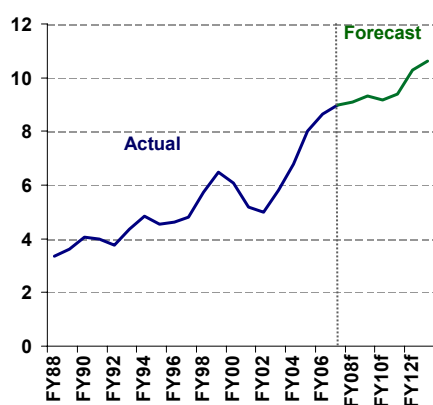


BIS Shrapnel is forecasting continued high levels of Australian non-residential & particularly RHS&B activity

Australian Non-Residential VWD
\$97/98 Billion



Australian RHSB¹ VWD
A\$97/98 Billion



1. Includes value of work done in roads, highways, subdivisions and bridges
Source: ABS, BIS Shrapnel

Results for the full year to June 2008

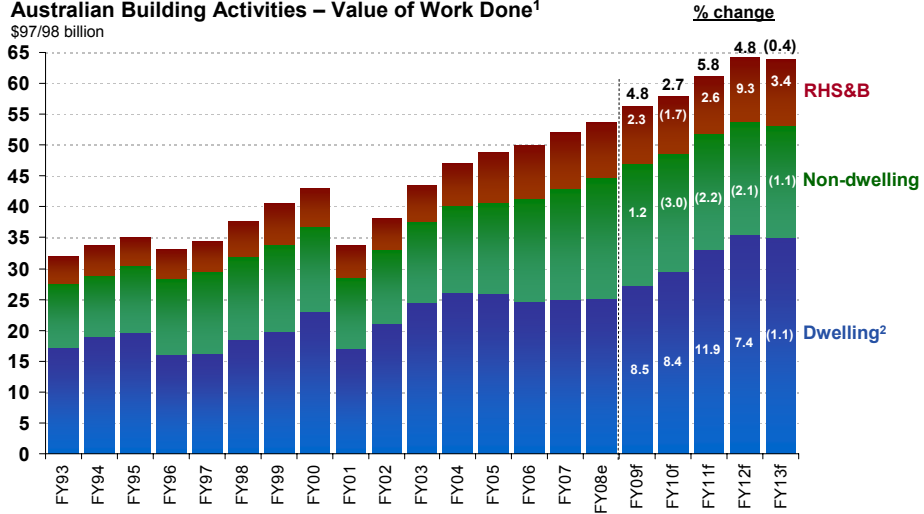
42



Australian markets forecast to grow ~5% in FY2009

Australian Building Activities – Value of Work Done¹

\$97/98 billion



1. Source: ABS & BIS Shrapnel 2. Includes Alterations and Additions

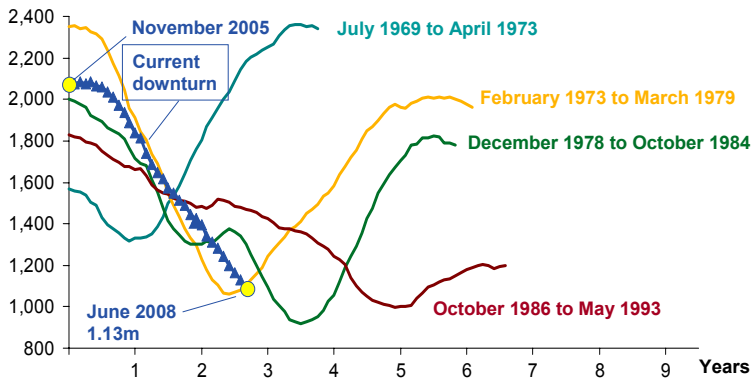
Results for the full year to June 2008

43



We are 2.5 years into the current US housing downturn

USA dwelling starts cycles peak to peak
(Seasonally adjusted, moving annual total, '000)



Source: US Census

Results for the full year to June 2008

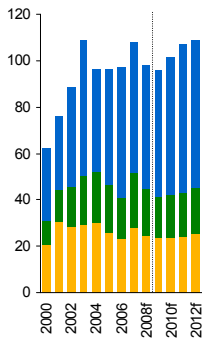
44



Asian construction demand expected to grow

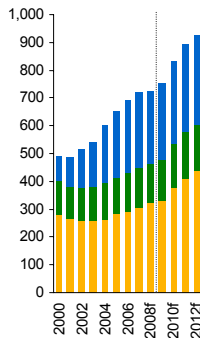
SOUTH KOREA

Value of construction orders received. Trillion Won¹



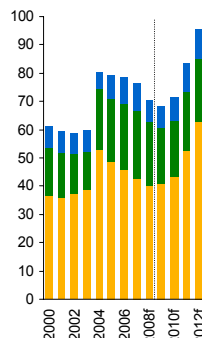
THAILAND

Gross fixed capital formation. Billion Bhat¹



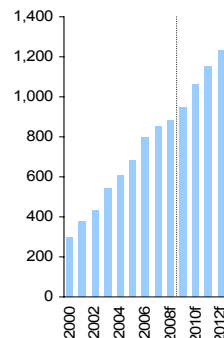
INDONESIA

Value of completion. Trillion Rp¹



CHINA - EASTERN

Total building commencements. Million m2



■ Residential
■ Non-residential
■ Engineering & Construction
■ Total Building

Source: BIS Shrapnel

1. Stated in CY07 Prices based on GDP Deflator

Results for the full year to June 2008

45



Outlook for FY2009

- Mixed conditions in **Australia**
 - Dwelling commencements of ~155,000 starts
 - Strength in non-dwelling & infrastructure activity outside NSW
 - Construction Material price increases should offset cost increases
 - Construction Materials earnings stronger in FY2009
 - Building Products earnings steady in FY2009; effective price/cost management offsetting softer WA dwelling activity & new WA brick entrant
- Continued deepening of **USA** housing downturn
 - Forecasters expect housing starts of ~900,000 starts
 - Benefits from significant cost reduction programs & efficiencies from plant network reconfiguration in bricks and roof tiles
 - Construction materials markets expected to be weaker
 - Lower US earnings expected
- Competitive market conditions and input cost pressures in **Asia**, particularly in construction materials
- **QEU** earnings of ~ \$50m
- **PEP**/operational cost saving of at least 3% targeted
- **Growth** benefits continuing
- Update on trading conditions to be provided at AGM in October 2008

Results for the full year to June 2008

46

