



BORAL LIMITED RETAIL OFFER BOOKLET

**1 FOR 2.22 PRO RATA ACCELERATED RENOUNCEABLE ENTITLEMENT
OFFER OF BORAL LIMITED ORDINARY SHARES AT AN OFFER PRICE OF
\$4.80 PER NEW SHARE**

**RETAIL ENTITLEMENT OFFER CLOSES AT 5.00PM (AEDT) ON FRIDAY,
9 DECEMBER 2016**

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Offer Booklet is not a prospectus under the Corporations Act 2001 (Cth) (Corporations Act) and has not been lodged with the Australian Securities & Investments Commission (ASIC). Please call your stockbroker, accountant or other professional adviser or the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia) if you have any questions.

IMPORTANT NOTICES

Defined terms used in these important notices have the meaning given in this Retail Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

You should read this Retail Offer Booklet carefully in its entirety before deciding whether to invest in new ordinary shares in Boral Limited (ABN 13 008 421 761) (**Boral**) (**New Shares**). In particular, you should consider the risk factors outlined in the "Risks" section of the enclosed Investor Presentation that could affect the operating and financial performance of Boral or the value of an investment in Boral.

The Joint Lead Managers have not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement made by them or by any of their affiliates, related bodies corporate, officers or employees. To the maximum extent permitted by law, the Joint Lead Managers and their affiliates, related bodies corporate, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Retail Offer Booklet other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet.

FUTURE PERFORMANCE AND FORWARD LOOKING STATEMENTS

This Retail Offer Booklet contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'predict', 'plan', 'will', 'believe', 'forecast', 'estimate', 'target', and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer (defined below) and the use of proceeds. The forward looking statements contained in this Retail Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Boral, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Refer to the 'Key Risks' section of the Boral Investor Presentation included in Section 5 of this Retail Offer Booklet for a summary of certain general and Boral specific risk factors that may affect Boral. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to Boral as at the date of this Retail Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Boral undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

PAST PERFORMANCE

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Boral performance including future share price performance.

JURISDICTIONS

This Retail Offer Booklet, or any accompanying Australian Securities Exchange (**ASX**) announcements or the Entitlement and Acceptance Form, does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase New Shares pursuant to the offer described in this Retail Offer Booklet (**Entitlements**) nor the New Shares have been, nor will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Entitlements and the New Shares in the offer described in this Retail Offer Booklet (**Retail Entitlement Offer**) will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

IMPORTANT NOTICES CONTINUED

WITHHOLDING TAX

This Retail Offer Booklet refers to the potential payment of a Retail Premium to certain investors. Boral may be required to withhold Australian tax in relation to any Retail Premium that is paid to those investors under applicable laws. References to the payment of the Retail Premium in this Retail Offer Booklet should be read as payments net of any applicable withholding taxes. If you are an Australian tax resident shareholder, and you have not previously provided your Tax File Number (**TFN**) or Australian Business Number (**ABN**) to Boral, you may wish to do so prior to the close of the Retail Entitlement Offer to ensure that any withholding tax is not deducted from any proceeds payable to you at the current rate of 49%. You are able to provide your TFN or ABN online with the Boral Share Registry at www.linkmarketservices.com.au.

REFERENCES TO 'YOU', 'YOUR ENTITLEMENT' AND 'YOUR RETAIL ENTITLEMENT'

In this Retail Offer Booklet, references to 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement' or 'your Retail Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders (as defined in Section 6.1).

TIMES AND DATES

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to AEDT. Refer to the 'Key Dates' section of this Retail Offer Booklet for more details.

CURRENCY

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (A\$).

TRADING ENTITLEMENTS AND NEW SHARES

Boral and the Joint Lead Managers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Boral or the Boral Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

Boral and the Joint Lead Managers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Boral or the Boral Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 6 of this Retail Offer Booklet for more details.

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BORAL LIMITED RETAIL ENTITLEMENT OFFER

Event	Date
Announcement of the Entitlement Offer and Placement	Monday, 21 November 2016
Retail Entitlements commence trading on ASX on a deferred settlement basis (ASX Code: BLDR)	Thursday, 24 November 2016
Record Date for eligibility in the Entitlement Offer (7.00pm, AEDT)	Thursday, 24 November 2016
Retail Entitlement Offer opens	Wednesday, 30 November 2016
Retail Offer Booklet despatched and Retail Entitlements allotted	Wednesday, 30 November 2016
Retail Entitlements commence trading on ASX on a normal settlement basis	Thursday, 1 December 2016
Retail Entitlements trading on ASX ends	Friday, 2 December 2016
New shares under the Retail Entitlement Offer commence trading on ASX on a deferred settlement basis (ASX Code: BLDN)	Monday, 5 December 2016
Retail Entitlement Offer closes (5.00pm, AEDT)	Friday, 9 December 2016
Retail Shortfall Bookbuild	Wednesday, 14 December 2016
Settlement of the Retail Entitlement Offer	Monday, 19 December 2016
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 20 December 2016
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Wednesday, 21 December 2016
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Thursday, 22 December 2016
Retail Premium (if any) despatched	Thursday, 22 December 2016

1. Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment (Application Monies) OR pay their Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form OR apply and pay online at <http://www.boral.com.au> in each case by no later than 5.00pm (AEDT) on Friday, 9 December 2016. Eligible Retail Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

The timetable above is indicative only and may be subject to change. Boral, in conjunction with the Joint Lead Managers, reserves the right to amend any or all of these dates and times without notice subject to the Corporations Act 2001, the ASX Listing Rules and other applicable laws. In particular, Boral reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation of Entitlements and New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

ENQUIRIES

If you have any questions, please call the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia), or consult your stockbroker, accountant or other professional adviser. The Boral Limited Offer Information Line will be open from 8.30am to 5.30pm (AEDT), Monday to Friday. Alternatively, you can access information about the Retail Entitlement Offer online at www.boral.com.au.

LETTER FROM THE CHAIRMAN

Thursday, 24 November 2016

DEAR SHAREHOLDER

As announced on 21 November 2016, Boral has entered into a binding agreement to acquire 100% of New York Stock Exchange (NYSE) listed building product manufacturer and fly ash marketer Headwaters Incorporated (**Headwaters**) for US\$24.25 per Headwaters share in cash, representing an aggregate enterprise value of approximately US\$2.6 billion (~A\$3.5 billion) (**Acquisition**).

The Directors of Boral are pleased to invite you to participate in a fully underwritten 1 for 2.22 pro-rata renounceable entitlement offer of new fully paid ordinary shares in Boral (**New Shares**) at an offer price A\$4.80 per New Share (**Offer Price**) to raise gross proceeds of approximately A\$1.6 billion (**Entitlement Offer**). In addition to the Entitlement Offer, Boral has also conducted a placement to institutional and sophisticated investors (**Placement**) to raise approximately A\$450 million (the Entitlement Offer together with the Placement constitute the **Offer**).

Gross proceeds raised as a result of the Offer will be approximately A\$2.1 billion (equating to approximately US\$1.5 billion), and will be used to partially fund the Acquisition. The balance of the consideration for the Acquisition (~US\$1.2 billion) will be funded through a US\$0.8 billion bridge acquisition facility and existing cash.

Details of the Acquisition

The acquisition of Headwaters is a transformative step for Boral, resulting in a significantly scaled and improved Boral US portfolio, and is consistent with Boral's stated strategy.

Further information about the Acquisition, including its strategic and financial benefits, is in Boral's market release and investor presentation lodged with the Australian Securities Exchange (ASX) on Monday, 21 November 2016 (and included in this Retail Offer Booklet in section 5).

The Acquisition is subject to customary closing conditions, including Headwaters shareholder approval and regulatory approval, and is expected to be completed in mid CY2017.

Details of the Entitlement Offer

Under the Entitlement Offer, eligible shareholders are entitled to acquire 1 New Share for every 2.22 existing Boral ordinary shares (**Shares**) held on the record date, being 7pm (AEST) on Thursday, 24 November 2016 (**Record Date**).

The Offer Price of A\$4.80 per New Share represents a discount of 22.0% to Boral's closing price of A\$6.15 on Friday, 18 November 2016 and a discount of 15.1% to the theoretical ex-rights price (TERP¹) of \$5.66.

The pro-rata nature of the Entitlement Offer favours existing Boral shareholders in recognition of their continuing support and provides an equitable mechanism for shareholders to participate.

The fully underwritten Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). As announced on Thursday, 24 November 2016, the Institutional Entitlement Offer and associated bookbuild and the Placement have raised gross proceeds of approximately A\$1.58 billion.

This Retail Offer Booklet relates to the Retail Entitlement Offer and Entitlements allotted under it (**Retail Entitlements**). It contains important information about the Retail Entitlement Offer and Boral's business.

¹TERP is the theoretical price at which Shares should trade immediately after the ex-date of the Offer. TERP is a theoretical calculation only and the actual price at which Shares traded immediately after the ex-date for the Offer depended on many factors and may not have been equal to TERP. TERP is calculated by reference to Boral's closing price of A\$6.15 on 18 November 2016, being the last date prior to announcement of the Offer.

LETTER FROM THE CHAIRMAN CONTINUED

How to Apply?

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Retail Entitlement. Your Entitlement may have value and it is important that you determine whether to take up, sell, transfer or do nothing in respect of your Retail Entitlement (see Section 3).

The Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 9 December 2016.

To participate, you should ensure that you have completed your application by paying the relevant application monies (Application Monies) by BPAY before this time in the manner described in this Retail Offer Booklet. If you are unable to pay by BPAY (for example if you are a New Zealand based shareholder without an Australian bank account), you are able to pay by cheque, bank draft or money order.

If you do not wish to take up your Retail Entitlement, you may sell all or part of your Retail Entitlement on the ASX from Thursday, 24 November 2016 to Friday, 2 December 2016 (under the ASX ticker BLDR) or transfer all or part of your Entitlement directly to another person. The assignment, transfer and exercise of Retail Entitlements is restricted to persons meeting certain eligibility criteria, as described in Section 1. If holders of Retail Entitlements at the end of the trading period do not meet the eligibility criteria they will not be able to exercise the Retail Entitlements and, as a result, they may receive no value for them. If you choose to do nothing, or are unable to do anything, in respect of all or part of your Retail Entitlement, part or all (as applicable) of your Retail Entitlement will be offered for sale for your benefit through a bookbuild process on Wednesday, 14 December 2016 (**Retail Shortfall Bookbuild**). In this case, you will receive any proceeds in excess of the Offer Price (per underlying New Share) in respect of the part of your Entitlement sold to investors in the Retail Shortfall Bookbuild (**Retail Premium**), less any applicable withholding tax as described in Section 2.

Further Information

Please carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional adviser before making your investment decision. In particular, you should read and consider Appendix A (Key Risks) of the Boral Investor Presentation included in Section 5 of this Retail Offer Booklet, which contains a summary of some of the key risks associated with an investment in Boral.

If you have any questions in respect of the Entitlement Offer, please call the Boral Shareholder Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday.

On behalf of Boral's Board of Directors, I thank you for your ongoing support of Boral.

Yours faithfully,



Dr Brian Clark
Chairman
Boral Limited

1. IS THIS BOOKLET RELEVANT TO YOU?

This Retail Offer Booklet is relevant to you if you are an Eligible Retail Shareholder.

In this Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” or “your Retail Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on Thursday, 24 November 2016;
- have a registered address on the Boral share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Boral ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Refer to Section 6.1 for further details.

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder (as defined in Section 6.1) you may take any one of the following actions:

- Take up all or part of your Entitlement; or
- Sell all or part of your Entitlement:
 - on ASX; or
 - by transferring it directly to another person; or
- Do nothing and let all or part of your Entitlement be sold into the Retail Shortfall Bookbuild.

If you are a retail shareholder that is not an Eligible Retail Shareholder you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders will receive the Retail Premium (if any), less any applicable withholding tax, for the sale of Entitlements by a nominee for their benefit through the Retail Shortfall Bookbuild.

1. Take Up All Or Part of Your Entitlement

Key considerations

- You may elect to purchase New Shares at the Offer Price (see Section 3.5.1 for instructions on how to take up your Entitlement).
- The New Shares will be fully paid and rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares, starting with the 2017 interim dividend.
- The Retail Entitlement Offer closes at 5.00pm (AEDT) on Friday, 9 December 2016.
- If you only take up part of your Entitlement, you may choose to sell or transfer the balance (see Option 2 below) or you may do nothing and let that part be sold in the Retail Shortfall Bookbuild for your benefit (see Option 3 below).
- Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.

2. SUMMARY OF OPTIONS AVAILABLE TO YOU CONTINUED

2. Sell or Transfer All Or Part of Your Entitlement

Key considerations

- If you do not wish to take up all or part of your Entitlement, you may be able to sell all or part of your Entitlement on ASX through your broker (see Section 3.5.2) or transfer your Entitlement directly to another person (see Section 3.5.3).
- Retail Entitlements may be traded on ASX from Thursday, 24 November 2016 to Friday, 2 December 2016 (ASX Code: BLDR). You may incur brokerage costs if you sell all or part of your Entitlement on ASX.
- For certain Eligible Retail Shareholders who hold their existing Shares on capital account, the proceeds of any sale of your Entitlements should be treated as capital gains for Australian tax purposes (see Section 4.2).
- If you sell your Entitlements in the Retail Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.
- If you only sell or transfer part of your Entitlement, you may choose to take up the remainder (see Option 1 above) or you may do nothing and let that part be sold in the Retail Shortfall Bookbuild (see Option 3 below).

3. Do Nothing and Let All Or Part of Your Entitlement be Sold Through the Retail Shortfall Bookbuild

Key considerations

- To the extent you do not take up or do not sell all of your Entitlement on ASX (or via direct transfer), your Entitlements will be sold through the Retail Shortfall Bookbuild on Wednesday, 14 December 2016 and you will receive any Retail Premium in respect of these Entitlements (see Section 3.5.4). There is no guarantee that there will be any Retail Premium.
- The Australian Taxation Office (ATO) has stated in Taxation Ruling TR 2012/1 that in certain circumstances retail premiums will be taxed either as unfranked dividends (which may be subject to dividend withholding tax if you are not an Australian resident shareholder) or as ordinary income (and not as capital gains). The ATO's ruling does not apply to the Entitlements because, amongst other things, the Entitlements are tradeable on ASX.

- Boral's tax adviser considers that any Retail Premium should be taxable in the hands of certain Eligible Retail Shareholders who hold their existing Shares on capital account as a capital gain (see Section 4.3). However, it is possible the ATO could seek to apply the tax treatment specified in Taxation Ruling TR 2012/1 to Entitlements sold via the Retail Shortfall Bookbuild.
- Accordingly, Eligible Retail Shareholders who propose to allow their Entitlements to be sold into the Retail Shortfall Bookbuild should consider instead selling their Entitlements on ASX, the tax treatment for which is more certain (see Section 4.2).
- You will not incur brokerage costs on any Retail Premium received from the Retail Shortfall Bookbuild.
- By letting your Entitlement be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of New Shares (or any value for that Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in Boral will also be diluted.
- All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Boral reduced by the Placement.
- Boral may be required to withhold tax, if you are an Australian tax resident shareholder, and you have not previously provided your TFN or ABN to Boral. Accordingly, you may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any Retail Premium at the current rate of 49%. You are able to provide your TFN or ABN online with the Boral Share Registry at www.linkmarketservices.com.au.

3. HOW TO APPLY

3.1 OVERVIEW OF THE ENTITLEMENT OFFER

Eligible shareholders are being offered the opportunity to purchase 1 New Share for every 2.22 existing Shares held as at 7.00pm (AEDT) on Thursday, 24 November 2016 (**Record Date**), at the Offer Price of A\$4.80 per New Share.

The Entitlement Offer comprises four components:

- (a) **Institutional Entitlement Offer** – Eligible Institutional Shareholders (as defined in Section 6.2) were given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer (Institutional Entitlements) were renounceable and were not able to trade on ASX;
- (b) **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up and Entitlements of ineligible institutional shareholders were sold through a bookbuild process on Wednesday, 23 November 2016 (Institutional Shortfall Bookbuild). The premium paid in respect of those Entitlements was \$0.45 per Entitlement (Institutional Premium). Eligible institutional shareholders who elected not to take up all or part of their Institutional Entitlements, and ineligible institutional shareholders, will receive the Institutional Premium for each entitlement that was not taken up and that was sold into the Institutional Shortfall Bookbuild.
- (c) **Retail Entitlement Offer** – Eligible Retail Shareholders (as defined in Section 6.1) will be allotted Retail Entitlements under the Retail Entitlement Offer (Retail Entitlement) which can be taken up in whole or in part, or traded on ASX (or transferred directly to another person) in whole or in part. This means that if you do not wish to take up all or part of your Entitlement you may sell on ASX or transfer all or part of your Entitlement in order to realise value from your Entitlement. You may incur brokerage costs if you sell your Entitlement on ASX; and
- (d) **Retail Shortfall Bookbuild** – Retail Entitlements which are not taken up by the close of the Retail Entitlement Offer and Entitlements of Ineligible Retail Shareholders (as defined in Section 3.6) will be sold through the Retail Shortfall Bookbuild. Any Retail Premium will be remitted proportionally to holders of those Retail Entitlements at the close of the Retail Entitlement Offer, and to Ineligible Retail Shareholders. The Retail Premium, if any, is expected to be paid on or about Thursday, 22 December 2016.

You have a number of decisions to make in respect of your Entitlement. These decisions may materially affect the value (if any) that may be received in respect of your Entitlement. You should read this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is fully underwritten by the Joint Lead Managers. Further details on the Retail Entitlement Offer and Retail Shortfall Bookbuild are set out below.

3.2 THE RETAIL ENTITLEMENT OFFER

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 2.22 existing Shares held as at the Record Date at the Offer Price of A\$4.80 per New Share.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 9.00am (AEDT) Wednesday, 30 November 2016 and will close at 5.00pm (AEDT) on Friday, 9 December 2016.

3.3 YOUR ENTITLEMENT

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 2.22 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

You can also view details of your Entitlement online at www.boral.com.au.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares, starting with the 2017 interim dividend. See Sections 6.1 and 6.14 for information on restrictions on participation.

3.4 CONSIDER THE RETAIL ENTITLEMENT OFFER CAREFULLY IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Retail Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Boral and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement, sell or transfer all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet and other announcements made available at www.boral.com.au (including announcements which may be made by Boral after publication of this Retail Offer Booklet).

3. HOW TO APPLY CONTINUED

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the 'Key risks' section of the Boral Investor Presentation included in Section 5 of this Retail Offer Booklet.

3.5 OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlement.

- Take up all or part of your Entitlement (see Section 3.5.1);
- Sell all or part of your Entitlement to persons meeting certain eligibility criteria;
 - on ASX (see Section 3.5.2); or
 - by transferring it directly to another person (see Section 3.5.3); or
- Do nothing and let your Entitlement be sold through the Retail Shortfall Bookbuild (see Section 3.5.4)

3.5.1 If You Wish to Take Up All Or Part of Your Entitlement

If you wish to take up all or part of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies;
2. pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
3. apply and pay online at www.boral.com.au,

in each case, by no later than 5.00pm (AEDT) on Friday, 9 December 2016.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Tuesday, 20 December 2016. Boral's decision on the number of New Shares to be issued to you will be final.

Boral also reserves the right (in its absolute discretion) to reduce the number of New Shares issued (or any Retail Premium paid to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders), if Boral believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Boral's satisfaction (see Section 6.6).

Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.

3.5.2 If You Wish To Sell All Or Part of Your Entitlement On ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form or as accessed online at www.boral.com.au. Allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts on a deferred settlement basis at 10.00am (AEDT) on Thursday, 24 November 2016 (ASX code: BLDR) and ceases at 4.00pm (AEDT) on Friday, 2 December 2016. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

This Retail Offer Booklet, along with your personalised Entitlement and Acceptance Form, will be despatched on Wednesday, 30 November 2016.

Boral will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Retail Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Boral or the Boral Share Registry or failure to maintain your updated details on the Boral share registry or otherwise.

If you wish to sell part of your Entitlement on ASX and let the balance be sold into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX, and do nothing in respect of the balance. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Boral existing Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.

If you sell your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Boral will also be diluted.

All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Boral reduced by the Placement.

3. HOW TO APPLY CONTINUED

3.5.3 If You Wish to Transfer All Or Part of Your Entitlement Other Than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Boral Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the Boral Share Registry.

You can obtain a Renunciation and Transfer Form through the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia) or from your stockbroker. The Renunciation and Transfer Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Entitlement transferred to them must be received by the Boral Share Registry at the mail or hand delivery address in Section 3.9 no later than 5.00pm (AEDT) on Friday, 9 December 2016.

If the Boral Share Registry receives both a completed Renunciation and Transfer Form and an application for New Shares in respect of the same Entitlement, the transfer will take priority over the application.

If you wish to transfer part of your Entitlement and allow the balance to be sold into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to transfer, and do nothing in respect of the balance. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild. If you transfer your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Boral will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand, who is not in the United States and is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

See Sections 6.1 and 6.14 for more information on restrictions on participation.

3.5.4 If you wish to let your Entitlement be sold through the Retail Shortfall Bookbuild

Any of your Entitlements which you do not take up, sell or transfer will be sold through the Retail Shortfall Bookbuild on Wednesday, 14 December 2016 to Eligible Institutional Investors. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild (see Section 3.7).

By allowing your Entitlement to be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in Boral will also be diluted.

All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Boral reduced by the Placement.

3.6 INELIGIBLE RETAIL SHAREHOLDERS

Ineligible Retail Shareholders will receive the Retail Premium (if any) for Entitlements that have been sold on their behalf into the Retail Shortfall Bookbuild.

3.7 RETAIL SHORTFALL BOOKBUILD

Retail Entitlements which are not taken up by close of the Retail Entitlement Offer, and Retail Entitlements of Ineligible Retail Shareholders, will be sold through the Retail Shortfall Bookbuild. Any Retail Premium (being any amount paid in respect of those Entitlements sold into the Retail Shortfall Bookbuild) will be remitted proportionally to such shareholders on or about Thursday, 22 December 2016, net of any applicable withholding tax.

Retail Premium amounts, if any, will be paid in either Australian dollars or New Zealand dollars based on your nominated bank account. You will be paid by direct credit to the nominated bank account as noted on Boral's share register. The Retail Premium, if any, is expected to be paid on or about Thursday, 22 December 2016.

The Retail Premium may be zero, in which case no payment will be made to holders of those Entitlements sold into the Retail Shortfall Bookbuild. The outcome of the Institutional Shortfall Bookbuild (including the Institutional Premium) is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Entitlements under the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium or less than, more than or equal to any price or prices that Entitlements may be able to be sold on ASX or otherwise transferred. To the maximum extent permitted by law, Boral, the Joint Lead Managers and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure a Retail Premium under the Retail Shortfall Bookbuild, for any difference between the Retail Premium and the Institutional Premium and for any failure to obtain any particular exchange rate, or any movements in exchange rates, if exchanging the Retail Premium into New Zealand dollar funds. Boral reserves the right to issue Entitlements under the Retail Shortfall Bookbuild at its discretion.

3. HOW TO APPLY CONTINUED

You should note that if you sell or transfer all or part of your Entitlement or allow all or part of your Entitlement to be sold into the Retail Shortfall Bookbuild, then you will forgo any exposure to increases or decreases in the value of New Shares (or any value for that Entitlement which may have been achieved through its sale on ASX or otherwise) and your percentage shareholding in Boral will be diluted by your non-participation in the Retail Entitlement Offer.

All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Boral reduced by the Placement.

3.8 PAYMENT

You can pay in the following ways:

- by BPAY®; or
- by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

Boral will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

3.8.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form or online at www.boral.com.au. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form or accessed online at www.boral.com.au. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.10; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Boral Share Registry by no later than 5.00pm (AEDT) on Friday, 9 December 2016. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.8.2 Payment by Cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'Boral Retail Offer' and crossed 'Not Negotiable'.

Your cheque must be:

- for an amount equal to A\$4.80 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form) and in Section 3.10. Alternatively, your application will not be accepted.

3.9 MAIL OR HAND DELIVERY

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (AEDT) on Friday, 9 December 2016. If you make payment via cheque, you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

Boral Limited
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235

Hand Delivery Address

Boral Limited
C/- Link Market Services
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Boral's registered or corporate offices, or other offices of the Boral Share Registry.

3. HOW TO APPLY CONTINUED

3.10 REPRESENTATIONS BY ACCEPTANCE

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to Boral that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (including Section 6.4), and Boral's constitution;
- authorise Boral to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Boral receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise Boral, the Joint Lead Managers, the Boral Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Boral Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Boral and is given in the context of Boral's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the 'Key Risks' section of the Boral Investor Presentation contained in Section 5 of this Retail Offer Booklet, and that investments in Boral are subject to risk;
- acknowledge that none of Boral, the Joint Lead Managers, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Boral, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Boral to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Boral, the Joint Lead Managers and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant (for the benefit of Boral, the Joint Lead Managers and their respective related bodies corporate and affiliates) that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold, directly or indirectly, to persons in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- you are subscribing for or purchasing the Entitlements or the New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;

3. HOW TO APPLY CONTINUED

- you have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- agree that you will not deposit any New Shares in any unrestricted American Depositary Receipt facility that has been or may be established with respect to the ordinary shares of Boral until 40 days after the closing date of the Entitlement Offer.

3.11 REPRESENTATIONS BY ACQUIRERS OF RETAIL ENTITLEMENTS

Investors who acquire Retail Entitlements on ASX or otherwise will, by acquiring those Retail Entitlements, and by applying to take up all or part of those Retail Entitlements, be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in Section 3.10 above (with references to the personalised Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to Boral, the Boral Share Registry or the person's stockbroker).

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements in a transaction on ASX or otherwise, in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder (as defined in Section 6.1), a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'²; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, those Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

3.12 ENQUIRIES

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia). The Boral Limited Offer Information Line will be open from 8.30am to 5.30pm (AEDT), Monday to Friday, until Friday, 9 December 2016. Alternatively, you can access information about the Retail Entitlement Offer online at www.boral.com.au. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

² Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available at www.boral.com.au and to be released by Boral to ASX on www.asx.com.au.

4. AUSTRALIAN TAXATION CONSIDERATIONS

This section is a general summary of the Australian income tax, goods and services tax (GST) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders.

Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are subject to the "taxation of financial arrangements" rules (commonly referred to as the TOFA rules) in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to your holding of Shares, Retail Entitlements or New Shares; or
- acquired the Shares in respect of which the Retail Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme; or
- acquired Retail Entitlements otherwise than because you are an Eligible Retail Shareholder (e.g. where the Retail Entitlements are acquired on ASX).

If you are such a shareholder, you should seek your own independent professional tax advice applicable to your particular circumstances.

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this Retail Offer Booklet. It does not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Shareholders.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. It is strongly recommended that you seek your own independent professional tax advice applicable to your particular circumstances. Neither Boral nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

4.1 ISSUE OF ENTITLEMENTS

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

4.2 SALE OF ENTITLEMENTS

If you sell your Entitlements on ASX or otherwise, you should derive a capital gain for capital gains tax (CGT) purposes equal to the sale proceeds less certain non-deductible costs of disposal.

Individuals, complying superannuation entities or trustees that have held their existing Shares for at least 12 months prior to the date of sale, should be entitled to discount the amount of a capital gain resulting from the sale of the Entitlements (after the application of any current year or carry forward capital losses). The amount of this discount is 50% for individuals and trustees and 33 1/3% for complying superannuation entities. This is referred to as the 'CGT discount'. The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising from making distributions attributable to discount capital gains.

4.3 ENTITLEMENTS SOLD INTO THE RETAIL SHORTFALL BOOKBUILD

Any Entitlements not taken up by you will be sold into the Retail Shortfall Bookbuild and any Retail Premium you receive in respect of the Entitlements will be remitted as a cash payment to you (refer section 3.7).

The Commissioner of Taxation (**Commissioner**) has released Taxation Ruling TR 2012/1 'Retail Premiums paid to shareholders where share entitlements are not taken up or are not available' where the Commissioner ruled that certain retail premiums are assessable as either an unfranked dividend or as ordinary income, and not as capital gains. However, TR 2012/1 states that it does not apply to share entitlements which are assignable by, tradeable by, or given to a nominee for disposal on behalf of, shareholders entitled to them.

As previously noted, the Entitlements issued by Boral are tradeable by Eligible Retail Shareholders on ASX. In addition, Entitlements which are not taken up by Eligible Retail Shareholders will be sold on their behalf via the Retail Shortfall Bookbuild. Therefore, TR 2012/1 does not apply to Entitlements sold into the Retail Shortfall Bookbuild.

Further, the Commissioner has not issued any public ruling or other guidance specific to the tax treatment of Retail Premiums received in the particular circumstances of the Retail Shortfall Bookbuild.

Having regard to the manner in which the Retail Shortfall Bookbuild is to be conducted, Boral's taxation adviser considers that TR 2001/1 should not apply to Entitlements and any Retail Premium received by Eligible Retail Shareholders should be treated as capital proceeds for the Entitlements sold on their behalf via the Retail Shortfall Bookbuild. Accordingly, in the view of Boral's taxation adviser:

4. AUSTRALIAN TAXATION CONSIDERATIONS CONTINUED

- Eligible Retail Shareholders whose Entitlements are sold into the Retail Shortfall Bookbuild should derive a capital gain for CGT purposes equal to the amount of the Retail Premium received; and
- Australian resident Eligible Retail Shareholders who are individuals, complying superannuation entities or trustees that have held their existing Shares for at least 12 months prior to the date of sale, should be entitled to the CGT discount (see Section 4.2 above) in respect of any capital gain resulting from the sale of the Entitlements into the Retail Shortfall Bookbuild (after the application of any current year or carry forward capital losses).

However, Eligible Retail Shareholders need to be aware that the Commissioner may seek to apply the tax treatment specified in TR 2012/1 to Entitlements sold via the Retail Shortfall Bookbuild and treat the Retail Premium as assessable either as an unfranked dividend or as ordinary income and not as a capital gain. Eligible Retail Shareholders who are considering allowing their Entitlements to be sold into the Retail Shortfall Bookbuild should consider instead selling their Entitlements on ASX, the tax treatment for which is more certain (refer Section 4.2 above).

Given the uncertainty surrounding the tax treatment of Retail Premiums, Boral recommends that you seek your own independent professional tax advice if you propose to allow your Entitlements to be sold into the Retail Shortfall Bookbuild.

If you are an Australian tax resident shareholder, and you have not previously provided your TFN or ABN to Boral, you may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any Retail Premium payable to you at the current rate of 49%. You are able to provide your TFN or ABN online with the Boral Share Registry at www.linkmarketservices.com.au. When providing your details online, you will be required to enter your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and other personal details such as your postcode.

4.4 EXERCISE OF ENTITLEMENTS

Neither income tax nor a capital gains tax liability will arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlement, you will acquire New Shares with a cost base for CGT purposes equal to the Offer Price payable by you for those New Shares plus certain non-deductible incidental costs you incur in acquiring them.

New Shares will be taken to have been acquired on the day you exercise the Entitlements.

4.5 DIVIDENDS ON NEW SHARES AS A RESULT OF ENTITLEMENTS TAKEN UP

Any future dividends or other distributions made in respect of New Shares will generally be subject to the same income taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

4.6 DISPOSAL OF NEW SHARES

The disposal of a New Share will constitute a disposal for CGT purposes.

On disposal of a New Share, you will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share. You will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share. The cost base of New Shares is described above in Section 4.4.

Individuals, trustees or complying superannuation entities that have held New Shares for 12 months or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33 1/3% for complying superannuation entities.

New Shares will be treated for the purposes of the capital gains tax discount as having been acquired when you exercise your Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that you exercised your Entitlement.

If you make a capital loss, you can only use that loss to offset other capital gains; i.e. the capital loss cannot be used to offset other assessable income. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, providing certain tests are satisfied.

4.7 OTHER AUSTRALIAN TAXES

No GST or stamp duty will be payable by you in respect of the issue, sale or taking up of Entitlements or the acquisition of New Shares. However, you may be restricted in claiming input tax credits for expenses incurred in relation to these transactions.

5. ASX OFFER ANNOUNCEMENTS

5.1 INVESTOR PRESENTATION



Acquisition of Headwaters
Investor presentation
21 November 2016

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Important notice and disclaimer

This investor presentation (**Presentation**) has been prepared by Boral Limited (ABN 13 008 421 761) (**Boral**). This Presentation has been prepared in relation to Boral's acquisition of Headwaters and a fully underwritten 1 for 2.22 pro-rata accelerated renounceable entitlement offer of new ordinary fully paid shares in Boral (**New Shares**) with retail rights trading (**Entitlement Offer**) to be made under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) as modified by the Australian Securities and Investments Commission (**ASIC**) and a A\$450 million institutional placement to institutional and sophisticated investors (**Placement**) (the **Entitlement Offer** together with the **Placement** constitute the **Offer**).

The Entitlement Offer will be made to:

- eligible institutional shareholders of Boral (**Institutional Entitlement Offer**); and
- eligible retail shareholders of Boral (**Retail Entitlement Offer**).

Summary Information

This Presentation contains summary information about Boral and its activities which is current only at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Boral or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

Boral's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with Boral's other periodic and continuous disclosure information lodged with the ASX, which are available at www.asx.com.au. Certain information in this Presentation has been sourced from Headwaters, its representatives or associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Boral nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The retail offer booklet for the Retail Entitlement Offer (**Retail Offer Booklet**) will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet in deciding whether to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form that will accompany it.

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Investment Risk

An investment in Boral shares is subject to known and unknown risks, some of which are beyond the control of Boral. Boral does not guarantee any particular rate of return or the performance of Boral nor does it guarantee any particular tax treatment. Investors should have regard to the risk factors outlined in the "Key Risks" section of this Presentation when making their investment decision.

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All financial information in this Presentation is in Australian Dollars (\$) or AUD unless otherwise stated. Investors should note that this Presentation contains pro forma historical and forecast financial information. The pro forma and forecast financial information, and the historical information, provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Boral's views on its future financial condition and/or performance. You should note that the pro forma financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the U.S. Securities and Exchange Commission (**SEC**).

The pro forma financial information has been prepared by Boral in accordance with the recognition and measurement principles of the Australian Accounting Standards and other mandatory reporting requirements in Australia, and Boral's adopted accounting policies. Boral has prepared (and made assumptions in the preparation of) the financial information relating to Headwaters on a stand-alone basis and also to Boral post-completion included in this presentation in reliance on limited financial and other information provided by Headwaters. Financial information for Headwaters contained in this presentation has been derived from audited consolidated annual accounts of Headwaters, Headwaters public announcements and other financial information made available by Headwaters in connection with the acquisition, and Boral does not take responsibility for it.

5.1 INVESTOR PRESENTATION

Important notice and disclaimer (cont.)



Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230; 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information/non-GAAP financial measures include Enterprise Value, EBITDA, Adjusted EBITDA, EBIT, net debt and others. The disclosure of such non-GAAP financial measures in the manner included in this Presentation would not be permissible in a registration statement under the U.S. Securities Act. Such non-IFRS financial information/non-GAAP financial measures do not have a standardized meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Boral believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

Future Performance and forward-looking statements

This Presentation contains certain 'forward looking statements', including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of the Headwaters acquisition, the outcome and effects of the Offer and the use of proceeds, and the future performance of Boral and Headwaters post acquisition (**Combined Group**). Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the impact of the Acquisition, the future performance and financial position of Boral, estimated net synergies after combination with Headwaters, the outcome and effects of the Offer and the use of proceeds, indications of, and guidance on, future earnings and financial position and performance are also forward looking statements.

The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Boral, its Directors and management, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section of this Presentation for a summary of certain general, Boral specific and Acquisition specific risk factors that may affect Boral. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward looking statements are based on information available to Boral as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Boral undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past Performance

Investors should note that past performance, including past share price performance of Boral and pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Boral performance including future share price performance. The pro forma historical information is not represented as being indicative of Boral's views on its future financial condition and/or performance.

Disclaimer

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the institutional or retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Boral and/or the underwriters, and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. Each underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Offer, without having independently verified that information and the underwriters do not assume responsibility for the accuracy or completeness of that information.

None of the underwriters, nor their or Boral's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except to the extent referred to in this Presentation, none of them makes or purports to make any statements in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, Boral, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the accuracy, reliability or completeness of information in this Presentation and, with regards to the underwriters, their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents, have not independently verified any such information and take no responsibility for any part of this Presentation or the Offer.

The underwriters and their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the underwriters, or any of their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

You acknowledge and agree that:

- Determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Boral and the underwriters; and
- Each of Boral, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Boral reserves the right to withdraw, or vary the timetable for the Offer without notice.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation you acknowledge and agree to the terms set out in this 'Important notice and disclaimer'.



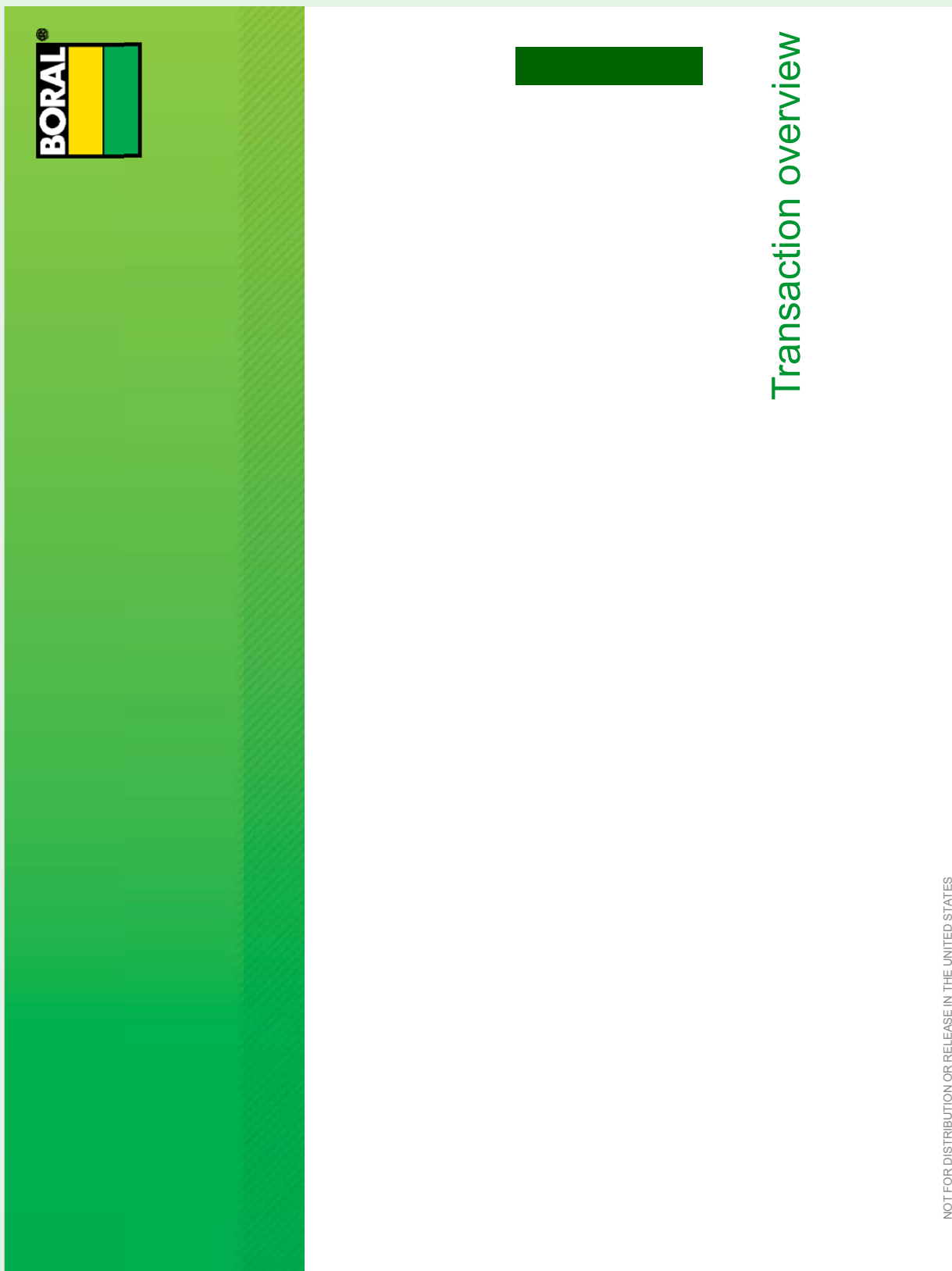
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5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



Headwaters highlights



Boral has entered into a binding agreement to acquire Headwaters, a leading building products manufacturer and fly ash marketer in North America, for ~US\$2.6 billion¹

✓ **US\$1.1 billion revenue in FY2016²**

✓ **Leadership positions** in key market segments

✓ **High quality product offerings** with established reputations

✓ **Extensive and established national distribution network**

✓ **Long-term customer relationships** and certain exclusive contracts


✓ **Diversified end market exposure**

✓ **Well positioned to benefit from market improvements** in USA construction and building product segments



1. Represents enterprise value based on offer price of US\$24.25 per share, fully diluted shares on issue of 76.7 million and net debt of US\$7.04 million.
 2. Represents revenue for the year ended 30 September 2016 on a pro forma basis reflecting full year of ownership of the Krestmark windows business, which was acquired by Headwaters on 19 August 2016.

5.1 INVESTOR PRESENTATION



Delivering Boral's strategy

Acquisition of Headwaters is aligned with Boral's stated M&A strategy

Boral objective	Expected impact of Headwaters acquisition
<p>Diversify market exposures beyond single family housing</p>	<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
<p>Less capital intensive businesses with a more flexible, variable cost structure</p>	<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
<p>Opportunities to align with emerging trends</p>	<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
<p>Earnings accretive opportunities</p>	<ul style="list-style-type: none"> ■ Accretive to Boral's EPS on a pro forma FY2017 NPATA basis¹ ■ Synergies of approximately US\$100 million per annum within four years of transaction completion

Strategically aligned M&A opportunity

1. FY2017 pro forma EPS accretion on a NPATA basis assumes the Headwaters acquisition was effective from 1 July 2016, includes synergies (refer to footnotes 5 and 6 on page 6) 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.

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PAGE 6



Strategic rationale

Strategically compelling acquisition transforms Boral, better positioning the Group to deliver more sustainable growth and above cost of capital returns through market cycles

- 01 **A transformative step for Boral**
- 02 **Strong strategic fit with Boral's existing USA business**
- 03 **Significantly scales Boral's fly ash business**
- 04 **Accelerates development of Boral's light building products platform**
- 05 **Substantial synergies and FY2017 pro forma EPS accretion**

5.1 INVESTOR PRESENTATION



Transaction summary

<p>Transaction details</p>	<ul style="list-style-type: none"> ■ Binding agreement to acquire 100% of NYSE listed Headwaters Incorporated (Ticker: HW.US) for an all cash price of US\$24.25 per share, implying an enterprise value of US\$2.6 billion¹ ■ Implied acquisition multiple of approximately 10.6x enterprise value / Adjusted EBITDA for the 12 months ending 30 September 2017, based on Headwaters' earnings guidance² <ul style="list-style-type: none"> — Multiple reduces to 7.5x incorporating full annual synergies³ ■ Transaction unanimously approved by the board of Headwaters
<p>Funding</p>	<ul style="list-style-type: none"> ■ A\$1.6 billion fully underwritten, pro-rata, accelerated, renounceable entitlement offer ("Entitlement Offer") ■ A\$450 million fully underwritten institutional placement ("Placement") ■ Balance funded through a combination of US\$0.8 billion of debt from a committed bridge acquisition facility and existing cash
<p>Expected financial impacts</p>	<ul style="list-style-type: none"> ■ EPS accretive on a pro forma FY2017F NPATA basis⁴ <ul style="list-style-type: none"> — High single digit using synergies estimated to be delivered in the first full year of ownership⁵ — Low double digit using estimated run rate synergies at the end of the first full year of ownership⁶ ■ Synergies of approximately US\$100 million per annum estimated within four years of transaction completion ■ Pro forma gearing (ND/ND+E) of approximately 30% as at 30 June 2016 and targeting net debt / EBITDA of ~2.5x following transaction close ■ Committed to retaining investment grade credit ratings
<p>Timing and closing conditions</p>	<ul style="list-style-type: none"> ■ Headwaters shareholder vote ■ Regulatory approvals (including Hart-Scott-Rodino) and other customary closing conditions ■ Anticipated closing in mid CY2017

1. Represents enterprise value based on offer price of US\$24.25 per share, fully diluted shares on issue of 76.7 million and net debt of US\$704 million.

2. Based on Adjusted EBITDA (as defined by Headwaters) of US\$242.5 million, being the midpoint of Headwaters' Adjusted EBITDA guidance range for the 12 months ending 30 September 2017 of US\$235 million to US\$250 million, as quoted in Headwaters' FY2016 results announcement dated 1 November 2016.

3. Based on estimated synergies of US\$100 million per annum expected to be achieved within four years of transaction completion.

4. FY2017 pro forma EPS accretion on a NPATA basis assumes the Headwaters acquisition was effective from 1 July 2016, includes synergies (refer to footnotes 5 and 6) 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.

5. Estimated synergies of US\$30-35 million expected to be delivered in the first full year following transaction completion.

6. Estimated run rate synergies of US\$50-55 million at the end of the first full year following transaction completion.


5. ASX OFFER ANNOUNCEMENTS CONTINUED



Overview of Headwaters

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5.1 INVESTOR PRESENTATION

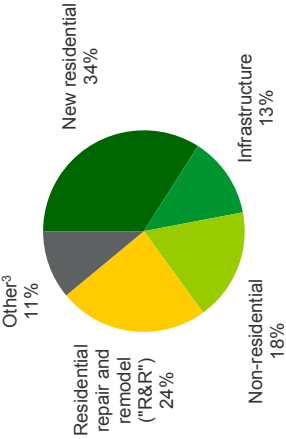


Overview of Headwaters

Headwaters is a leading manufacturer of building products and one of the largest marketers of fly ash in the USA construction materials market

- Operates through two core divisions¹
 - **Building Products** designs, manufactures and nationally distributes a comprehensive range of building solutions
 - **Construction Materials** includes the one of the largest fly ash operations in the USA
- Pro forma revenue of US\$1.1 billion and Adjusted EBITDA of US\$218 million²
- 34 building products operating locations, 68 fly ash sources and 25 fly ash terminals
- Extensive and established national distribution network across the USA
- Diversified end market exposure

FY16 revenue by end market



Residential repair and remodel ("R&R") 24%

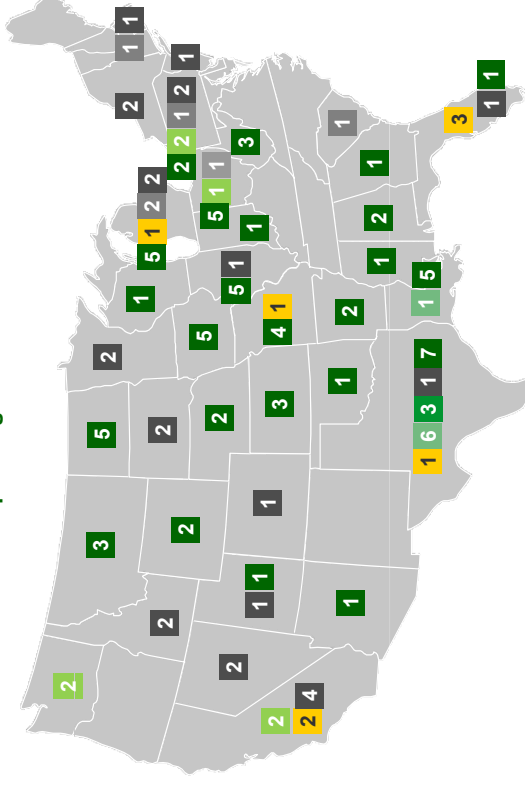
New residential 34%

Non-residential 18%

Infrastructure 13%

Other³ 11%

Headwaters has 125 operating locations across North America



Operating footprint⁴
(total number of operating locations)

Roofing	9	Siding & Trim	6	Fly ash sources	68
Stone	9	Windows	3	Fly ash terminal	25
Block	7				

Source: Headwaters company filings

1. In addition, Energy Technologies is a non-core business that generated revenue of approximately US\$10 million for the year ended 30 September 2016.

2. Revenue and Adjusted EBITDA for the year ended 30 September 2016 on a pro forma basis reflecting full year of ownership of the Krestmark windows business.

3. "Other" represents Energy Technology segment, Construction Materials services revenue and other end markets for fly ash product.

4. Operating locations include manufacturing facilities, distribution centres and segment headquarters as at November 2016, including a roofing facility in Canada, a stone facility in the Philippines and a stone facility in Mexico.

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Headwaters divisional overview



Headwaters has two core divisions, Building Products and Construction Materials

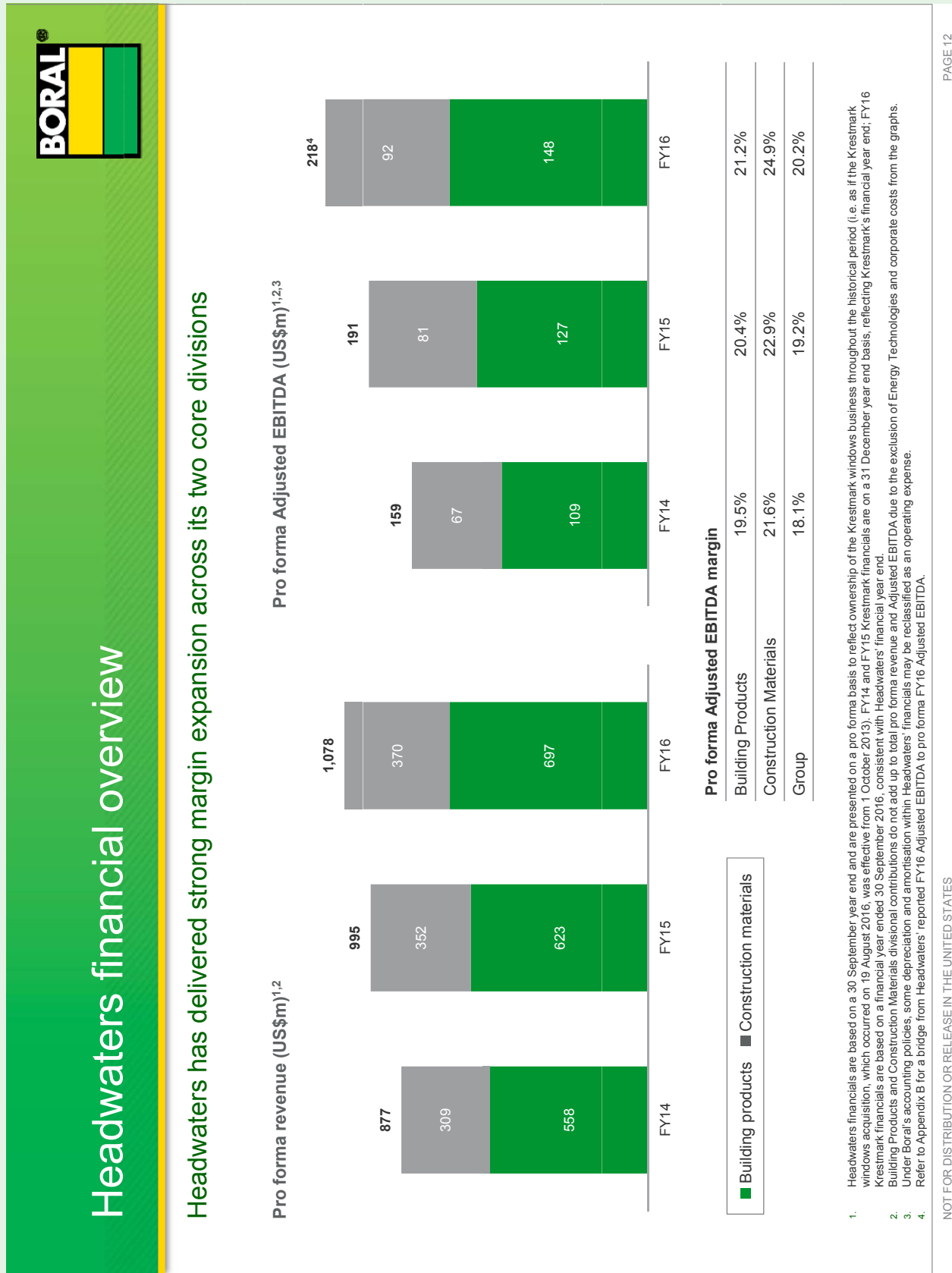
	Building Products 65% of revenue ¹				Construction Materials 34% of revenue ¹	
	Siding & Trim	Stone	Block	Windows	Roofing	Fly ash
% of FY16PF revenue (US\$1.1b)¹	18%	14%	11%	11%	10%	34%
Overview	<ul style="list-style-type: none"> Siding accessories and professional tools for exterior residential home improvement and construction 	<ul style="list-style-type: none"> Manufactures architectural stone products National brands and manufacturing platform 	<ul style="list-style-type: none"> Manufactures architectural and commercial grade products Regional branding and distribution, primarily in Texas 	<ul style="list-style-type: none"> Manufactures high quality windows and doors Services diverse customer base in South Central USA 	<ul style="list-style-type: none"> Manufactures and distributes polymer composite and stone-coated roofing products nationally 	<ul style="list-style-type: none"> Supplies fly ash to USA construction industry Exclusive long-term relationships with coal-fired utilities
Key products	<ul style="list-style-type: none"> Siding, shutters, gable vents, mounting blocks, trimboard, decking, railing 	<ul style="list-style-type: none"> Stone, interior, fireplace, outdoor living 	<ul style="list-style-type: none"> Foundation block, architectural block, segmental retaining wall units, hardscape products 	<ul style="list-style-type: none"> Vinyl windows, aluminium windows, patio doors 	<ul style="list-style-type: none"> Polymer composites, stone coated metal roofing, concrete tile 	<ul style="list-style-type: none"> Fly ash



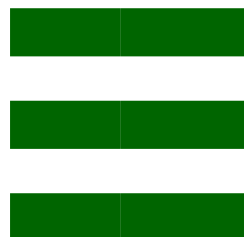
1. Based on Headwaters FY16 pro forma revenue reflecting full year of ownership of the Krestmark windows business. Headwaters' third division, Energy Technologies, accounts for approximately 1% of pro forma FY16 revenue.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION




5. ASX OFFER ANNOUNCEMENTS CONTINUED



Strategic rationale

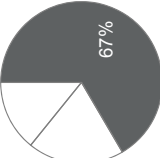
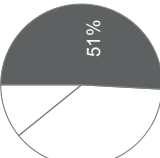
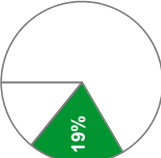
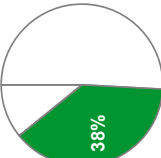
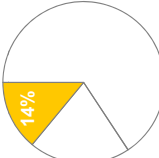
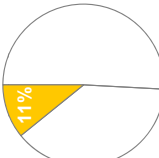
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5.1 INVESTOR PRESENTATION



1. A transformative step for Boral

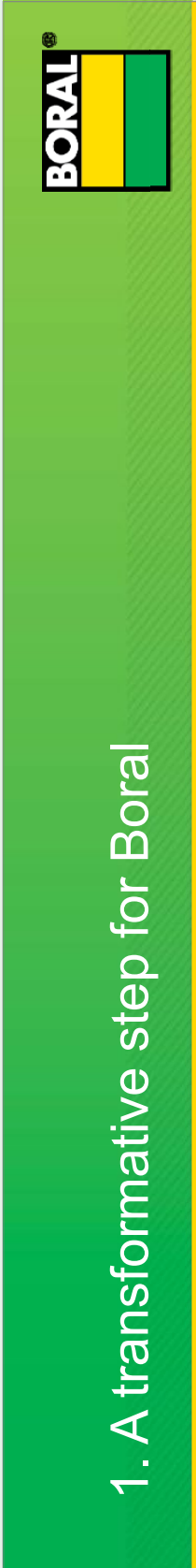
Acquisition of Headwaters transforms Boral's USA business, resulting in three strong divisions, with Boral well positioned for growth and improved performance

	FY16PF revenue			
Division	Pre transaction	Pro forma	Key strengths	Shareholder value
Boral Australia	 67% A\$3.3b	 51% A\$3.3b	<ul style="list-style-type: none"> Leading, integrated construction materials position in Australia Diversified end market exposure Exposed to multi-year infrastructure growth 	<ul style="list-style-type: none"> Increased access to large and growing markets in the USA Strong earnings growth Better positioned to exceed cost of capital through-the-cycle Strong cashflow generation Stronger margins More balanced portfolio of innovative and traditional products
Boral USA	 19% A\$0.9b ¹	 38% A\$2.4b ¹	<ul style="list-style-type: none"> Leading USA market positions Diversified end market exposure Growth platforms in building products and fly ash Strong innovation pipeline 	
USG Boral	 14% A\$0.7b ²	 11% A\$0.7b ²	<ul style="list-style-type: none"> Leading plasterboard manufacturing and distribution footprint in Asia and Australia World-leading technologies Strong growth through economic development, product penetration and innovation 	

¹ Based on Boral USA revenue for the year ended 30 June 2016 and Headwaters revenue for the year ended 30 September 2016 on a pro forma basis reflecting full year ownership of the Kresnamark business and converted at AUD/USD exchange rate of 0.73. Boral USA revenue (pre transaction and pro forma) adjusted to reflect the

² North American Bricks Joint Venture by excluding 100% of Boral USA Bricks revenue and including Boral's 50% share of the North American Bricks Joint Venture revenue. Represents Boral's 50% share of revenue of the USG Boral Joint Venture.

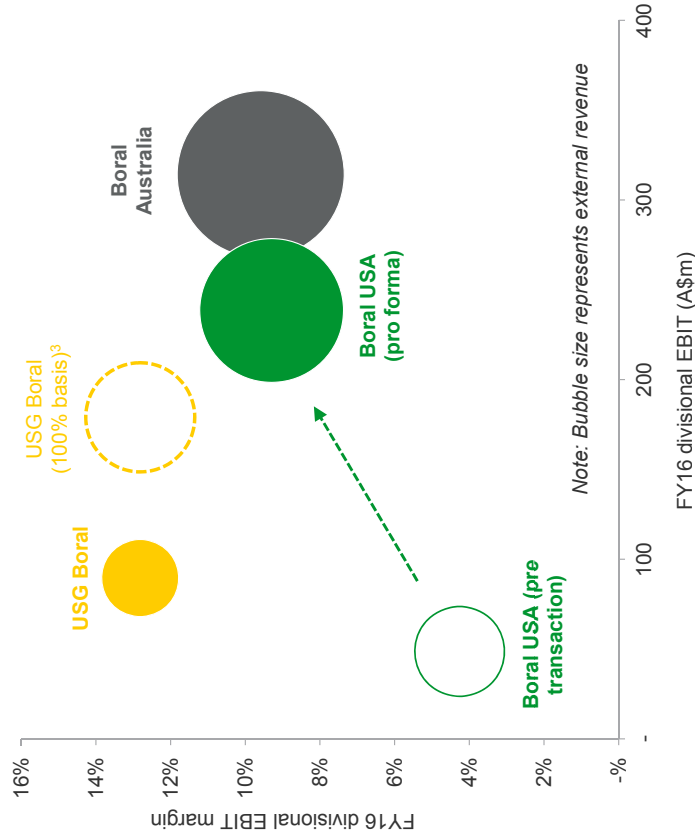
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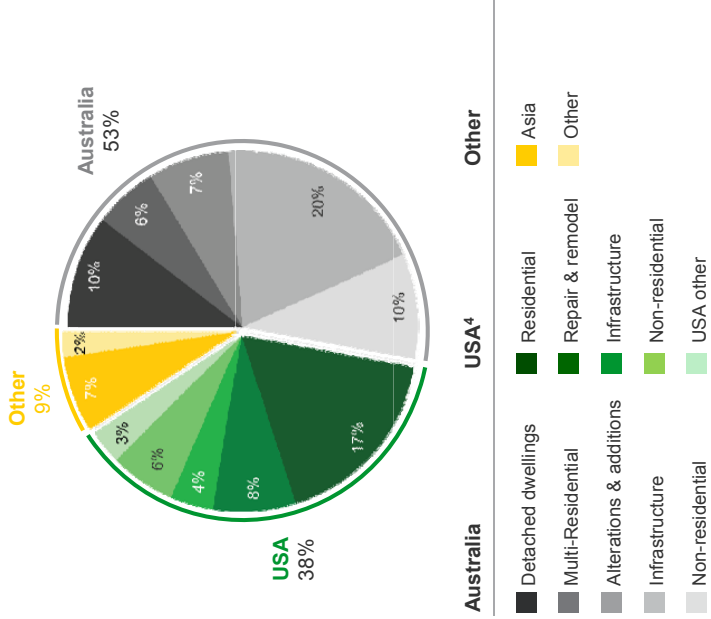
1. A transformative step for Boral

Re-weights Boral's portfolio to a scaled and higher margin USA business with greater diversity in end markets

Pro forma Boral divisional FY16 EBIT vs EBIT margin^{1,2}




Pro forma FY16 revenue by end market



1. Bubble size represents external revenue; USG Boral represents Boral's 50% share of revenue of the USG Boral Joint Venture; Boral USA adjusted to reflect the North American Bricks Joint Venture transaction by excluding 100% of Boral USA Bricks and including Boral's 50% share of the North America Bricks Joint Venture revenue and earnings; Boral Australia adjusted to reflect the divestment of Boral's 50% interest in East Coast Bricks Joint Venture.
 2. Pro forma Boral USA represents the combination of pro forma Boral USA EBIT for the year ended 30 June 2016 and pro forma Headwaters EBIT for the year ended 30 September 2016 converted at AUD/USD of 0.73.
 3. Although Boral has a 50% interest in the Boral USG Joint Venture, Boral USG is shown on a 100% basis to illustrate the size of the underlying business relative to Boral's other divisions.
 4. Boral USA revenue includes a small proportion of revenue generated from the Canadian operations of the North American Bricks Joint Venture.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

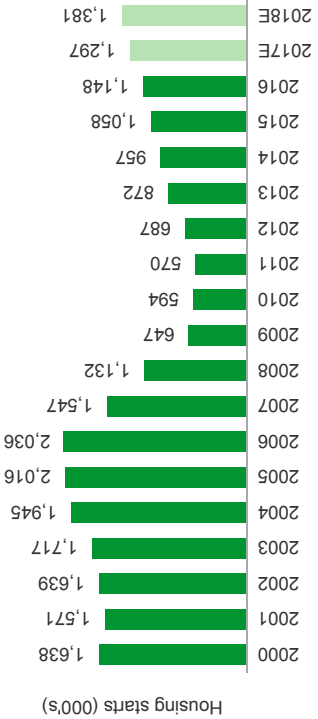
5.1 INVESTOR PRESENTATION



1. A transformative step for Boral

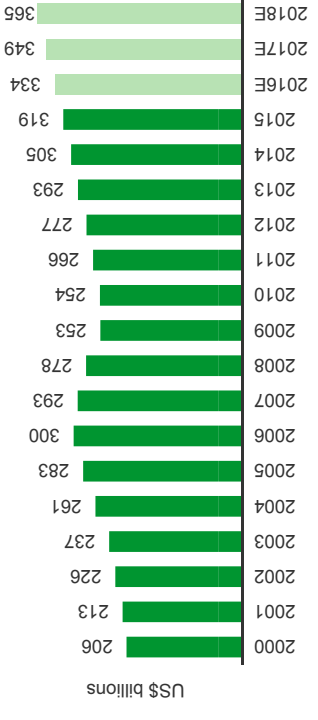
Significantly increases Boral's exposure to large addressable USA building and construction markets, which are experiencing positive momentum

USA New Residential: 45% of combined USA revenue¹



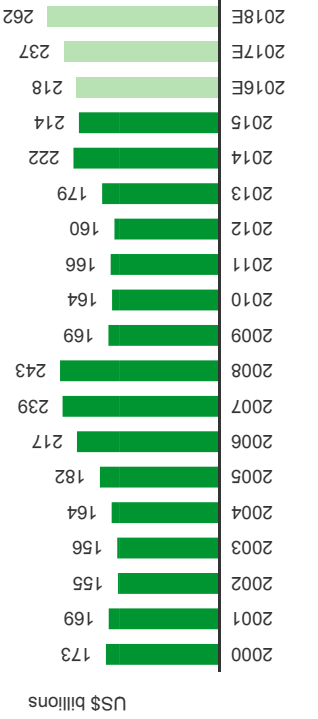
Year	Revenue (000's)
2000	1,638
2001	1,571
2002	1,639
2003	1,717
2004	1,945
2005	2,016
2006	2,036
2007	1,547
2008	1,132
2009	647
2010	594
2011	570
2012	687
2013	872
2014	957
2015	1,058
2016	1,148
2017E	1,297
2018E	1,381

USA Residential Repair & Remodel: 20% of combined USA revenue²



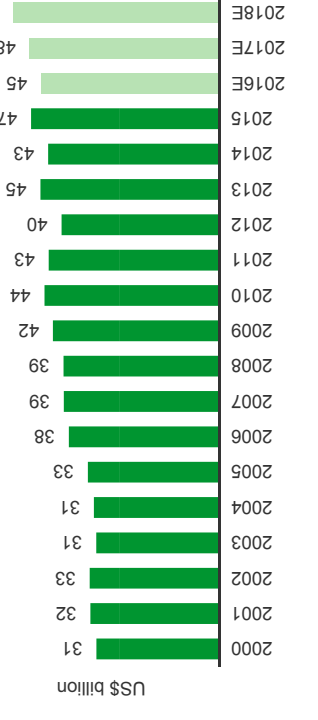
Year	Revenue (US\$ billions)
2000	206
2001	213
2002	226
2003	237
2004	261
2005	283
2006	300
2007	293
2008	278
2009	253
2010	254
2011	266
2012	277
2013	293
2014	305
2015	319
2016E	334
2017E	349
2018E	365

USA Non-residential: 16% of combined USA revenue³



Year	Revenue (US\$ billions)
2000	173
2001	169
2002	155
2003	156
2004	164
2005	182
2006	217
2007	239
2008	243
2009	169
2010	164
2011	166
2012	160
2013	179
2014	222
2015	214
2016E	218
2017E	237
2018E	262

USA Infrastructure: 11% of combined USA revenue⁴



Year	Revenue (US\$ billion)
2000	31
2001	32
2002	33
2003	31
2004	31
2005	33
2006	38
2007	39
2008	39
2009	42
2010	44
2011	43
2012	40
2013	45
2014	43
2015	47
2016E	45
2017E	48
2018E	51

1. Source: US Census SAA. Forecasts based on an average of analysts' forecasts sourced from NAHB, MBA, Dodge, Wells Fargo, NAR, Fannie Mae and Freddie Mac in 2016.

2. Source: Home Improvement Research Institute.

3. Source: Dodge Data & Analytics.

4. Source: Dodge Data & Analytics.

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1. A transformative step for Boral



With increased exposure to more diverse and growing end markets, Boral will be better positioned to deliver more sustainable growth and improved earnings


	Pre transaction ¹	Pro forma ^{1,2}	Expected impact
Boral USA revenue by end market¹			<p>Increased diversification across USA markets</p>
Boral revenues exposed to growth markets			<p>Increased exposure to growth markets</p>
Boral EBITDA margins	<p>~9-16% through cycle (past 10 years)</p>	<p>Acquired businesses ~20% Adjusted EBITDA margins (FY16) plus synergies</p>	<p>Enhanced portfolio of higher margin businesses</p>
Boral EPS	<p>14-50 cents per share (past 10 years)</p>	<p>EPS accretive</p>	<p>Improved shareholder returns</p>

■ Growth divisions ■ Well established, high performing division

1. Based on Boral USA revenue for the year ended 30 June 2016 (including Boral's 50% share of revenue of the North American Bricks Joint Venture). Boral USA revenue includes a small proportion of revenue generated from the Canadian operations of the North American Bricks Joint Venture, which is not represented in the charts.
 2. Based on Headwaters revenue for the year ended 30 September 2016 presented on a pro forma basis reflecting full year of ownership of the Krestmark windows business.

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5.1 INVESTOR PRESENTATION



2. Strong strategic fit with Boral's existing USA business

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

FY16 revenue (US\$m)^{1,2}



Segment	Boral USA	Headwaters	Notes
Fly ash	~10%	~90%	✓ National supply footprint ✓ Enhanced site service capabilities
Stone	~10%	~90%	✓ Leading sales, marketing and product offering ✓ Improved geographic coverage
Roofing	~40%	~60%	✓ Full high-end roof offering ✓ National distribution ✓ Exposure to the re-roof market
Light Building Products ²	~5%	~95%	✓ Broader product offering ✓ Strong positions ✓ R&R exposure
Other Headwaters	0%	100%	✓ Quality winnys offering, diverse customer base ✓ Broad block product offering, state-of-the-art manufacturing facilities
Other Boral	100%	0%	✓ North American Bricks Joint Venture expected to deliver synergies of US\$25m p.a. within four years ⁴

1. Based on Boral USA revenue for the year ended 30 June 2016 and Headwaters pro forma revenue for the year ended 30 September 2016.

2. Light Building Products includes siding, trim and panelised stone.

3. Boral USA Bricks revenue represents Boral's 50% share of revenue of the North American Bricks Joint Venture.

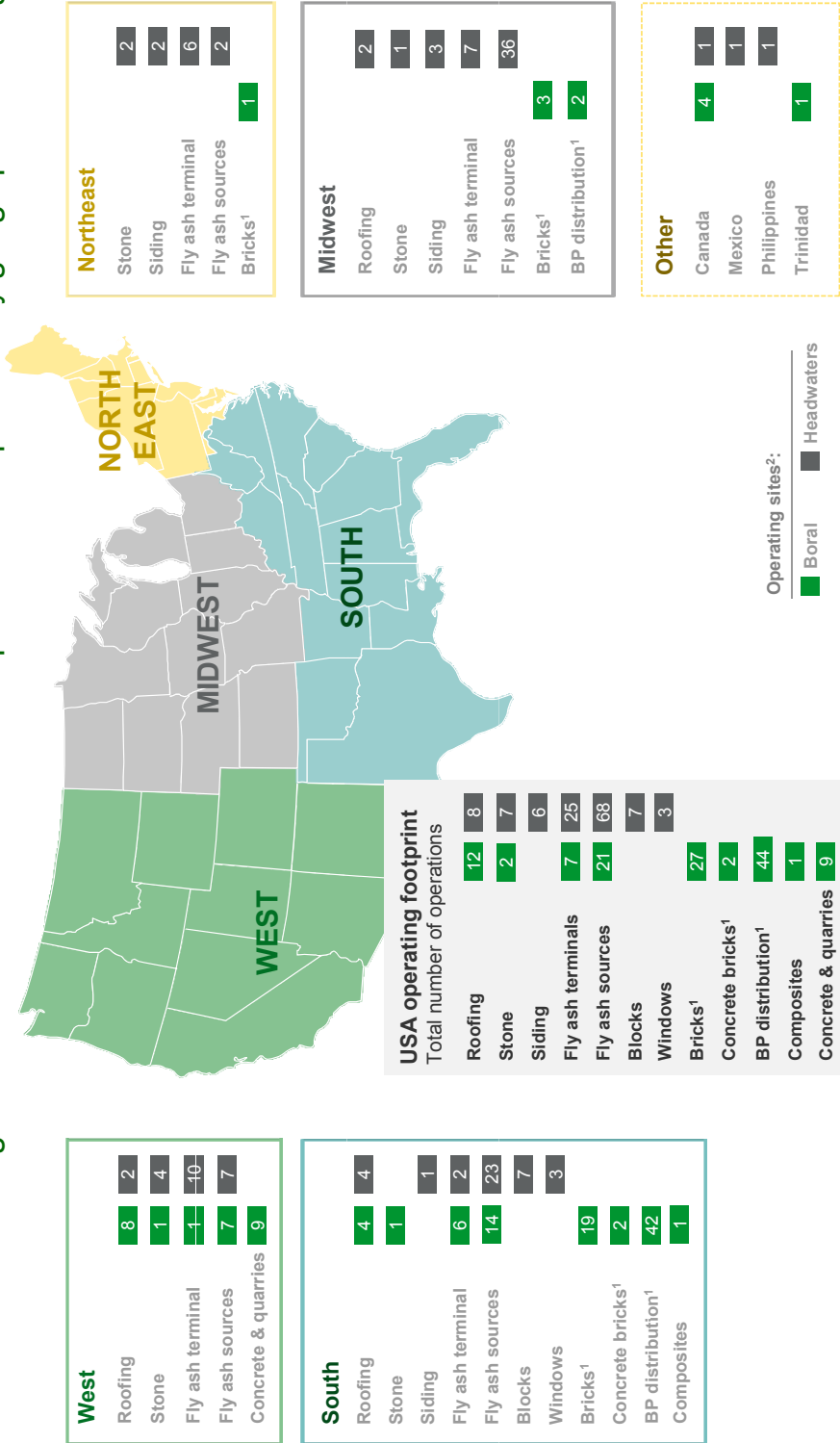
4. As disclosed in Boral's announcement of the North American Bricks Joint Venture on 24 August 2016.

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2. Strong strategic fit with Boral's existing USA business



Headwaters adds significant scale to Boral's USA footprint with complementary geographic coverage



Note: Headwaters has a roofing facility in Canada, a stone facility in the Philippines and stone facility in Mexico; Boral USA has a mothballed roofing facility in Trinidad; North American Bricks Joint Venture has four facilities in Canada.
 1. Includes North American Bricks Joint Venture operations. BP distribution refers to Building Products distribution centres.
 2. As at November 2016.

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5.1 INVESTOR PRESENTATION

3. Significantly scales Boral's fly ash business

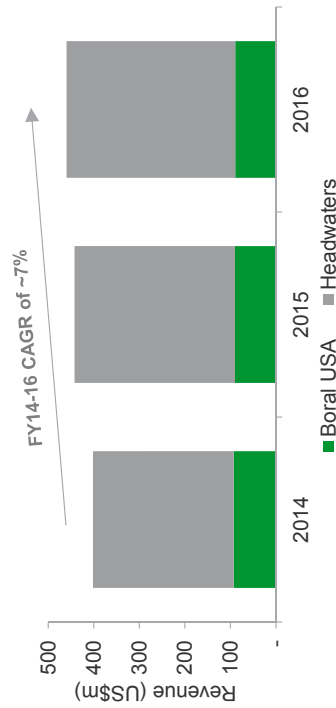


Creates a national fly ash platform with pro forma revenue of over US\$450 million, more efficient customer service and exposed to increased infrastructure spend in the USA

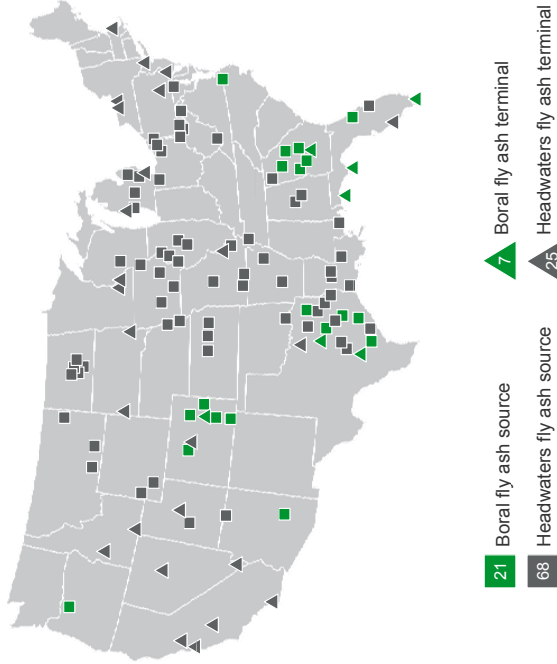
Combined fly ash position

- ✓ Supplied over seven million tons p.a. of fly ash to the USA construction industry in FY16
- ✓ National and diverse supply footprint with over 120 contracts
- ✓ Leading fly ash beneficiation technologies
- ✓ Strong reputations among both utilities and fly ash customers
- ✓ Cement demand forecast to grow at ~7% CAGR over FY16-22¹ and expected to drive fly ash demand growth
- ✓ Opportunities to cross-sell, improve R&D and optimise network

Pro forma combined historical fly ash revenue²



Combined fly ash sources and storage terminals³

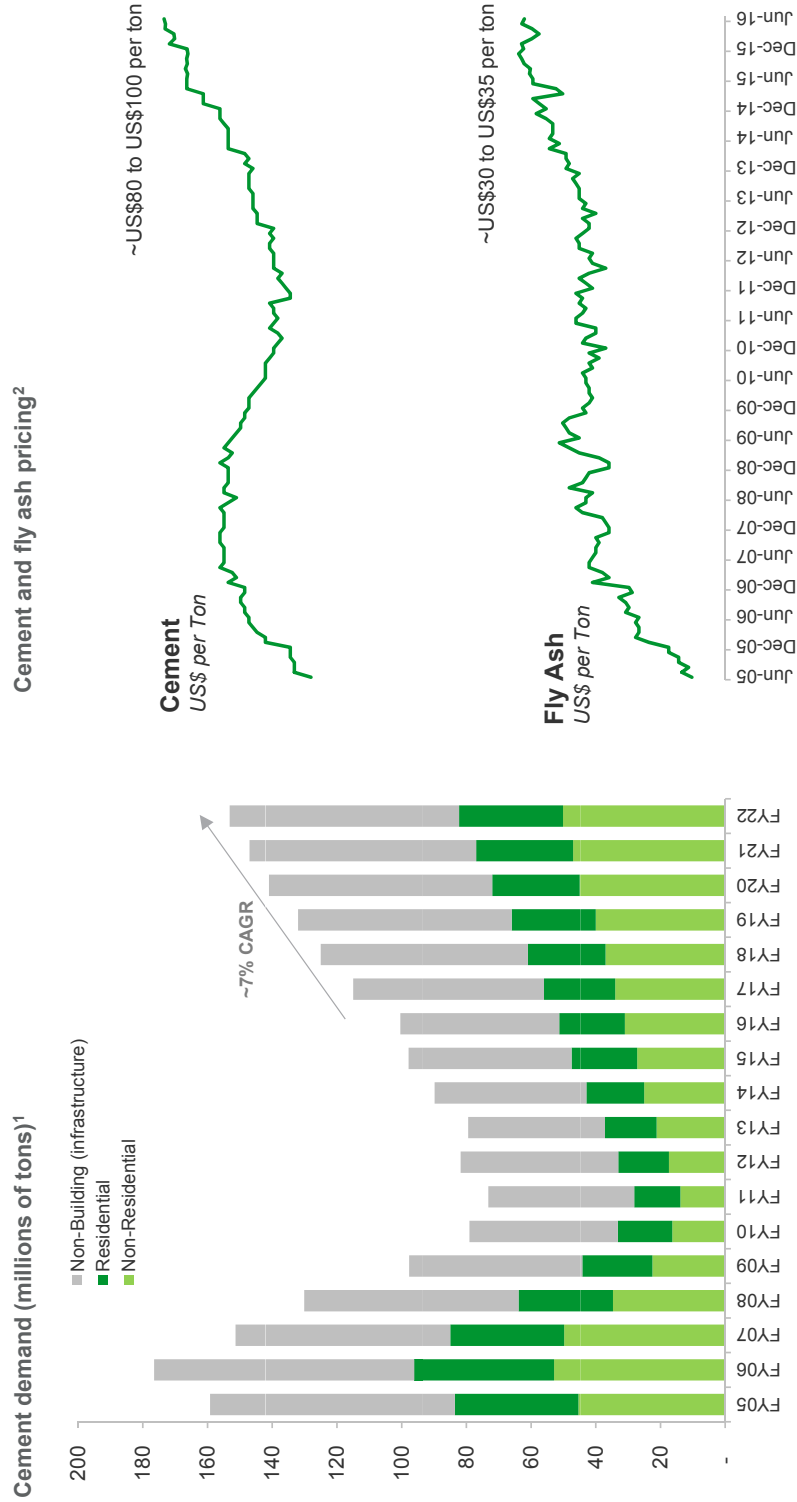


1. Portland Cement Association: 2015 Market Intelligence Report.
 2. Based on Boral USA revenue for years ended 30 June and Headwaters revenue for years ended 30 September.
 3. Fly ash sources and storage terminals as at November 2016.



3. Significantly scales Boral's fly ash business

Cement consumption in ready mix is expected to drive a significant increase in fly ash demand; fly ash remains competitively priced against cement



1. Portland Cement Association: 2015 Market Intelligence Report.
2. Estimated industry fly ash ASP, cement ASP: Bureau of Labor Statistics.

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5.1 INVESTOR PRESENTATION

4. Accelerates development of Boral's light building products platform



Transforms Boral's light building products platform in the USA from a narrow offering into a diverse platform of attractive niche products

Boral's existing light building products platform



- Exposure to repair and remodel market limited by scale of business
- 35 wholesale distributors across the country
- Product offering limited to trim, high end siding, early life-cycle composites and panelised stone (Versetta®)
- Innovation platform – R&D capability, 100+ granted or pending patents and strong pipeline of new products / applications
- Medium- to high-end residential focus

Combined light building products business



- Significant exposure to repair and remodel market
- 1,200+ wholesale distributors across the country¹
- Diverse platform of attractive niche products
- R&D capability to be leveraged across broader product portfolio
- Full spectrum of homes

1. Based on Headwaters public information as at 30 September 2016. includes entire Building Products segment.

4. Accelerates development of Boral's light building products platform



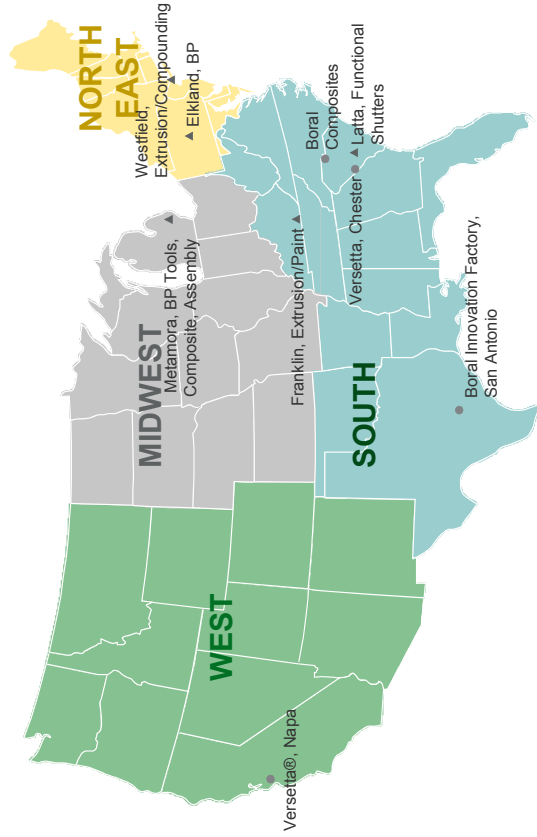
Headwaters delivers geographic breadth and creates a diverse platform of attractive niche products, enabling Boral to service the full spectrum of high and low end housing

Combined light building products offering




Combined light building products locations

1,200+ wholesale distributors across the country



- Boral USA light building products (Versetta® & Composites)
- ▲ Headwaters trim and siding

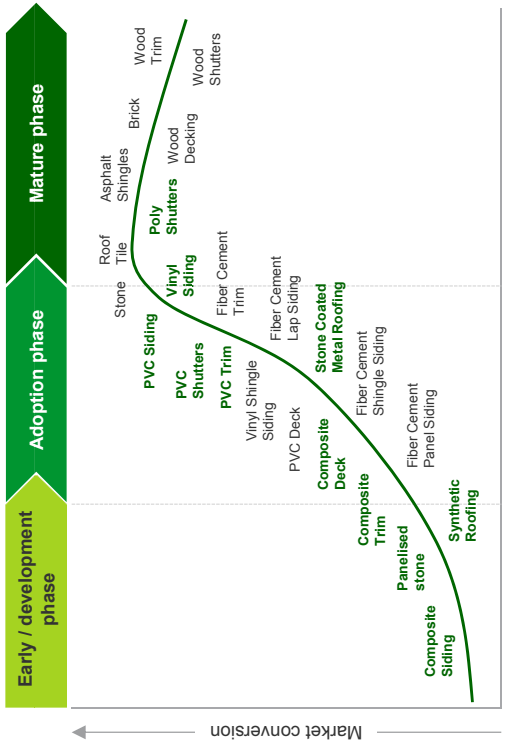
5.1 INVESTOR PRESENTATION



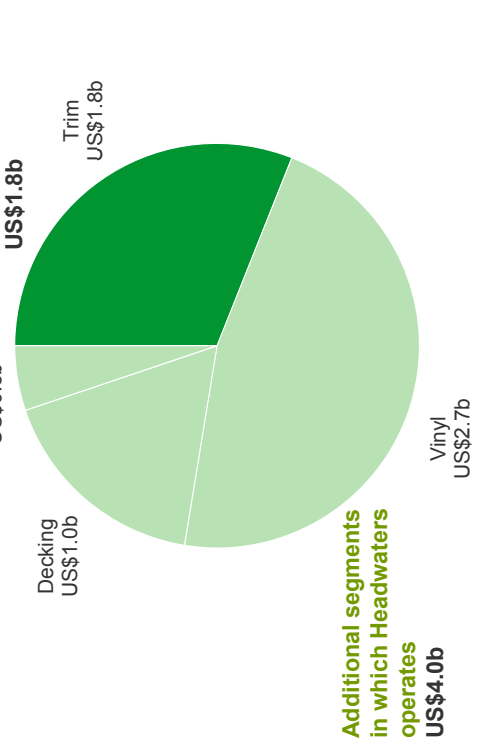
4. Accelerates development of Boral's light building products platform

Boral's light building products business will comprise a broader set of early-stage products with access to large addressable markets

Building products life cycle



Large addressable US\$5.8b light building products segments¹



Segment	Value	Category
Vinyl	US\$2.7b	Boral's existing light building products segments
Decking	US\$1.0b	New light building products segments
Shutters	US\$0.3b	New light building products segments
Trim	US\$1.8b	Boral's existing light building products segments

Additional segments in which Headwaters operates US\$4.0b

Segments in which Boral and Headwaters operate US\$1.8b

Building products life cycle

Introduction: Composite Siding, Panelised stone, Composite Trim, PVC Deck, PVC Shingle Siding, PVC Trim, PVC Shutters, Vinyl Siding, Vinyl Shingle Siding, Fiber Cement Panel Siding, Fiber Cement Shingle Siding, Stone Coated Deck, Stone Coated Metal Roofing, Fiber Cement Lap Siding, Fiber Cement Trim, Fiber Cement Decking, Wood Decking, Wood Shutters, Brick, Asphalt Shingles, Roof Tile, and Wood Trim.

Growth: PVC Siding, Vinyl Siding, Fiber Cement Trim, PVC Shingles, PVC Shutter, PVC Trim, Vinyl Siding, Vinyl Shingle Siding, Fiber Cement Panel Siding, Fiber Cement Shingle Siding, Stone Coated Deck, Stone Coated Metal Roofing, Fiber Cement Lap Siding, Fiber Cement Trim, Fiber Cement Decking, Wood Decking, Wood Shutter, Brick, Asphalt Shingles, Roof Tile, and Wood Trim.

Maturity: PVC Siding, Vinyl Siding, Fiber Cement Trim, PVC Shingles, PVC Shutter, PVC Trim, Vinyl Siding, Vinyl Shingle Siding, Fiber Cement Panel Siding, Fiber Cement Shingle Siding, Stone Coated Deck, Stone Coated Metal Roofing, Fiber Cement Lap Siding, Fiber Cement Trim, Fiber Cement Decking, Wood Decking, Wood Shutter, Brick, Asphalt Shingles, Roof Tile, and Wood Trim.

Decline: PVC Siding, Vinyl Siding, Fiber Cement Trim, PVC Shingles, PVC Shutter, PVC Trim, Vinyl Siding, Vinyl Shingle Siding, Fiber Cement Panel Siding, Fiber Cement Shingle Siding, Stone Coated Deck, Stone Coated Metal Roofing, Fiber Cement Lap Siding, Fiber Cement Trim, Fiber Cement Decking, Wood Decking, Wood Shutter, Brick, Asphalt Shingles, Roof Tile, and Wood Trim.

Harvest: PVC Siding, Vinyl Siding, Fiber Cement Trim, PVC Shingles, PVC Shutter, PVC Trim, Vinyl Siding, Vinyl Shingle Siding, Fiber Cement Panel Siding, Fiber Cement Shingle Siding, Stone Coated Deck, Stone Coated Metal Roofing, Fiber Cement Lap Siding, Fiber Cement Trim, Fiber Cement Decking, Wood Decking, Wood Shutter, Brick, Asphalt Shingles, Roof Tile, and Wood Trim.

Investment (Boral / Headwaters LBP products, Other products)

Cash generation

¹ Source: Market analysis, McGraw Hill housing starts, NAHB, management estimates based on FY2016 data.

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5. Substantial synergies and FY2017 pro forma EPS accretion



Financially compelling acquisition for Boral's shareholders, with opportunity to realise substantial synergies and FY2017PF EPS accretion

EPS accretive

- EPS accretive on a pro forma FY2017F NPATA basis¹
 - **High single digit** using synergies estimated to be delivered in the first full year of ownership²
 - **Low double digit** using estimated run rate synergies at the end of the first full year of ownership³

Maintains solid balance sheet

- Pro forma gearing (ND/ND+E) of approximately **30%** as at 30 June 2016
- Boral will target a net debt to EBITDA ratio of **~2.5x** following transaction close
- Committed to **retaining investment grade credit ratings**

Opportunity to realise substantial synergies

- Synergies of approximately **US\$100 million** per annum within four years of transaction completion⁴
 - Reflects the highly complementary nature of Boral's and Headwaters' USA businesses
- Implied acquisition multiple of approximately **10.6x** enterprise value / Adjusted EBITDA for the 12 months ending 30 September 2017, based on Headwaters' earnings guidance⁵
 - Multiple reduces to **7.5x** incorporating full annual synergies⁶

1. FY2017 pro forma EPS accretion on a NPATA basis assumes the Headwaters acquisition was effective from 1 July 2016, includes synergies (refer to footnotes 5 and 6 on page 8) 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.

2. Estimated synergies of US\$30-35 million to be delivered in the first full year following transaction completion.

3. Estimated run rate synergies of US\$50-65 million at the end of the first full year following transaction completion.

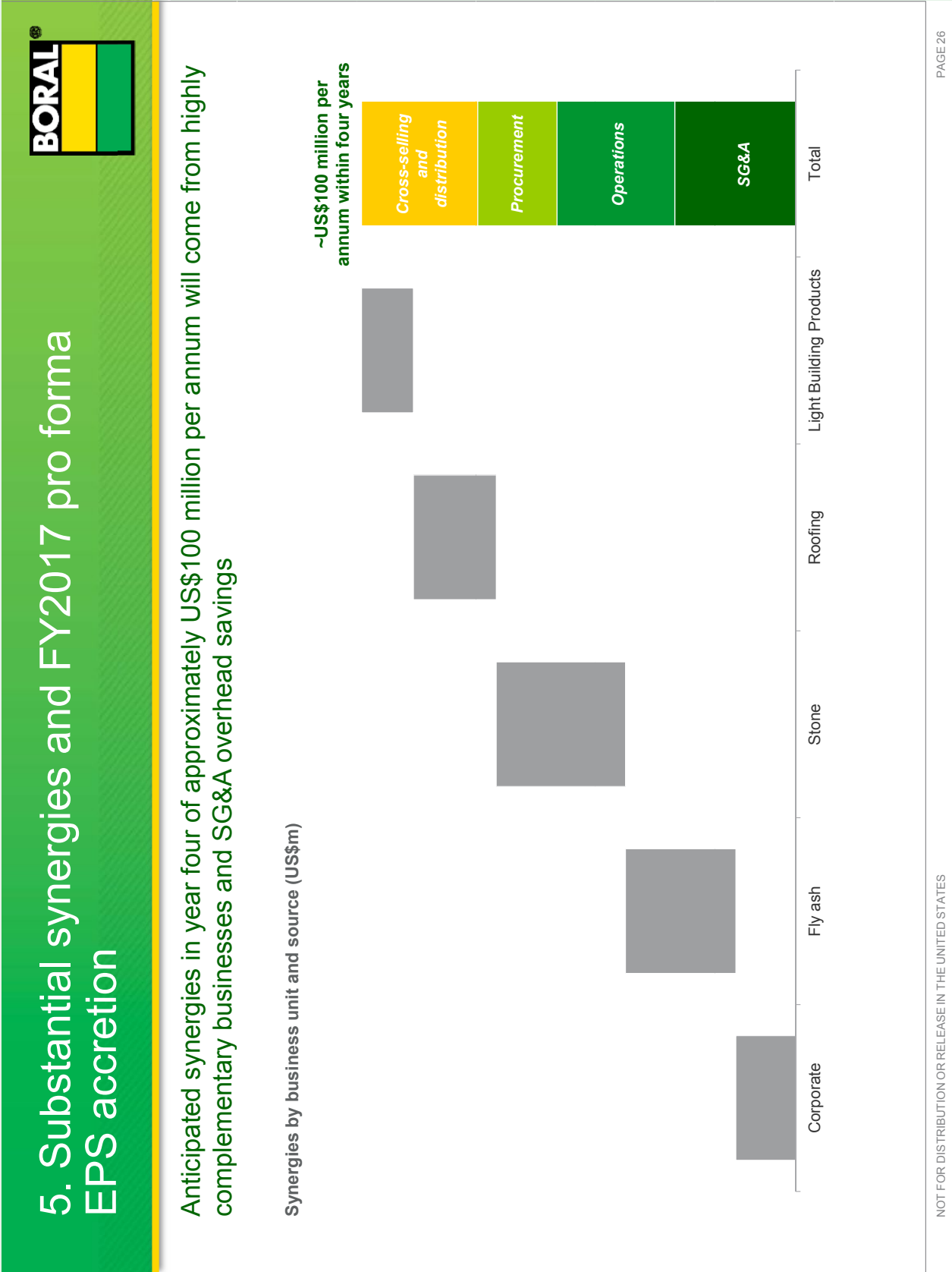
4. Excludes one-off implementation costs estimated at approximately US\$100 million.

5. Based on Adjusted EBITDA of US\$242.5 million, being the midpoint of Headwaters' Adjusted EBITDA guidance range for the 12 months ending 30 September 2017 of US\$235 million to US\$250 million, as disclosed by Headwaters in its FY2016 results announcement on 1 November 2016.

6. Based on estimated synergies of US\$100 million per annum expected to be achieved within four years of transaction completion.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

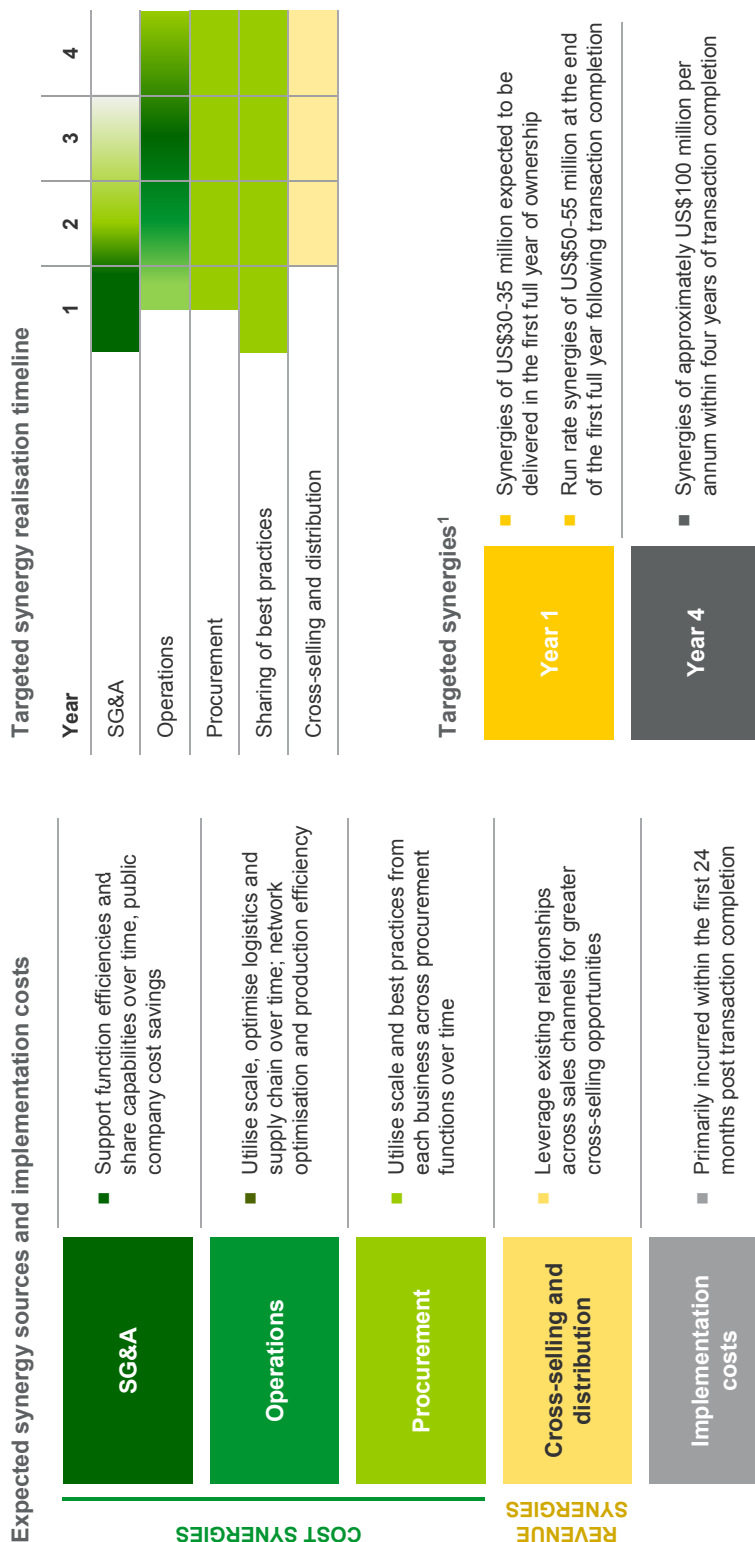
5.1 INVESTOR PRESENTATION



5. Substantial synergies and FY2017 pro forma EPS accretion



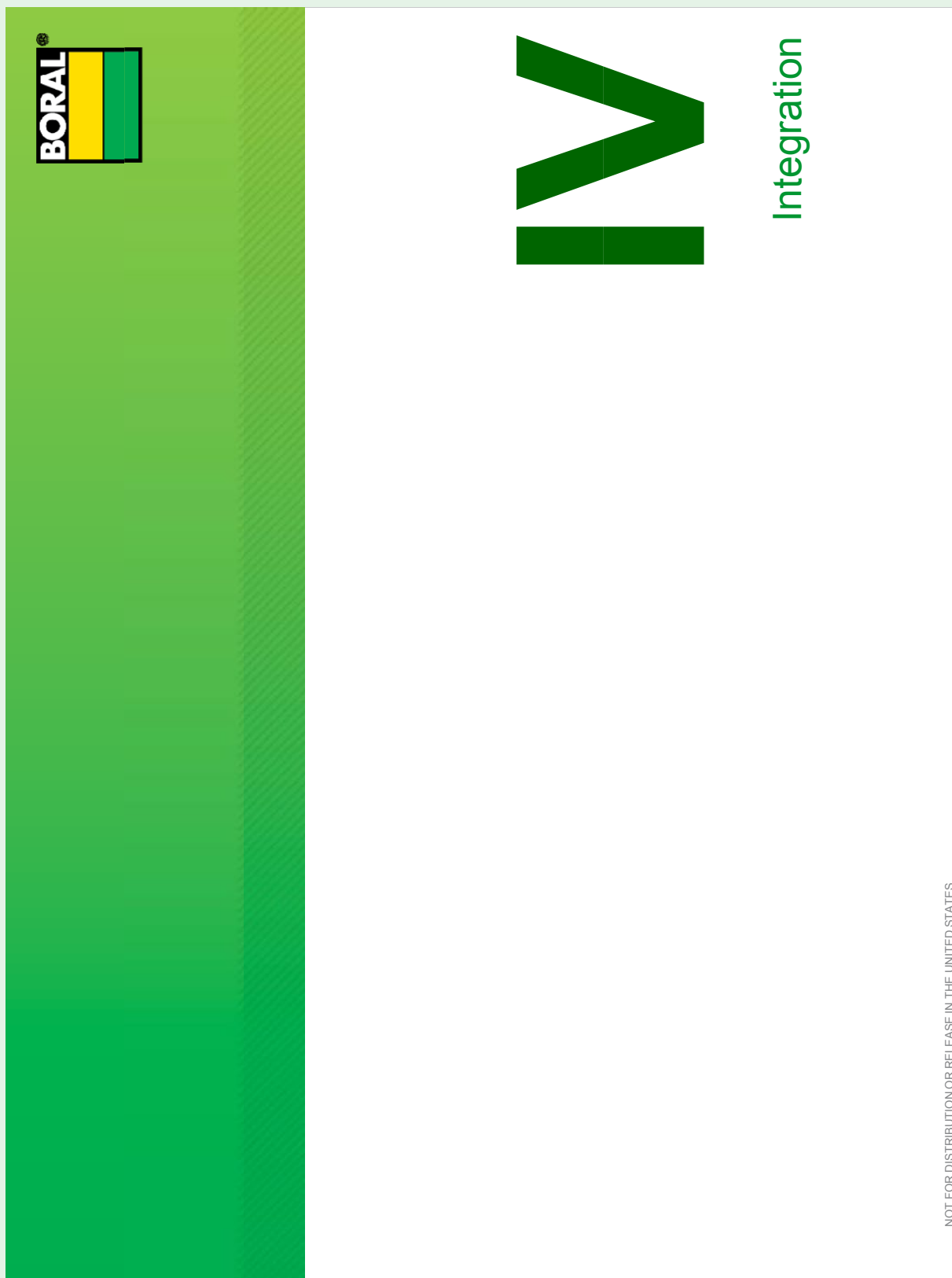
Significant synergies expected to deliver phased benefits from year one



1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off implementation costs estimated at approximately US\$100 million.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION






Boral has a strong track record of integrating, extracting improved operational performance and realising synergies from joint ventures and business combinations

Integration objectives	
✓	Synergy capture
✓	Minimise disruption
✓	Communication
✓	Leadership
✓	Employee transition
✓	Retention
✓	Unified culture

David Mariner
President & CEO, Boral USA

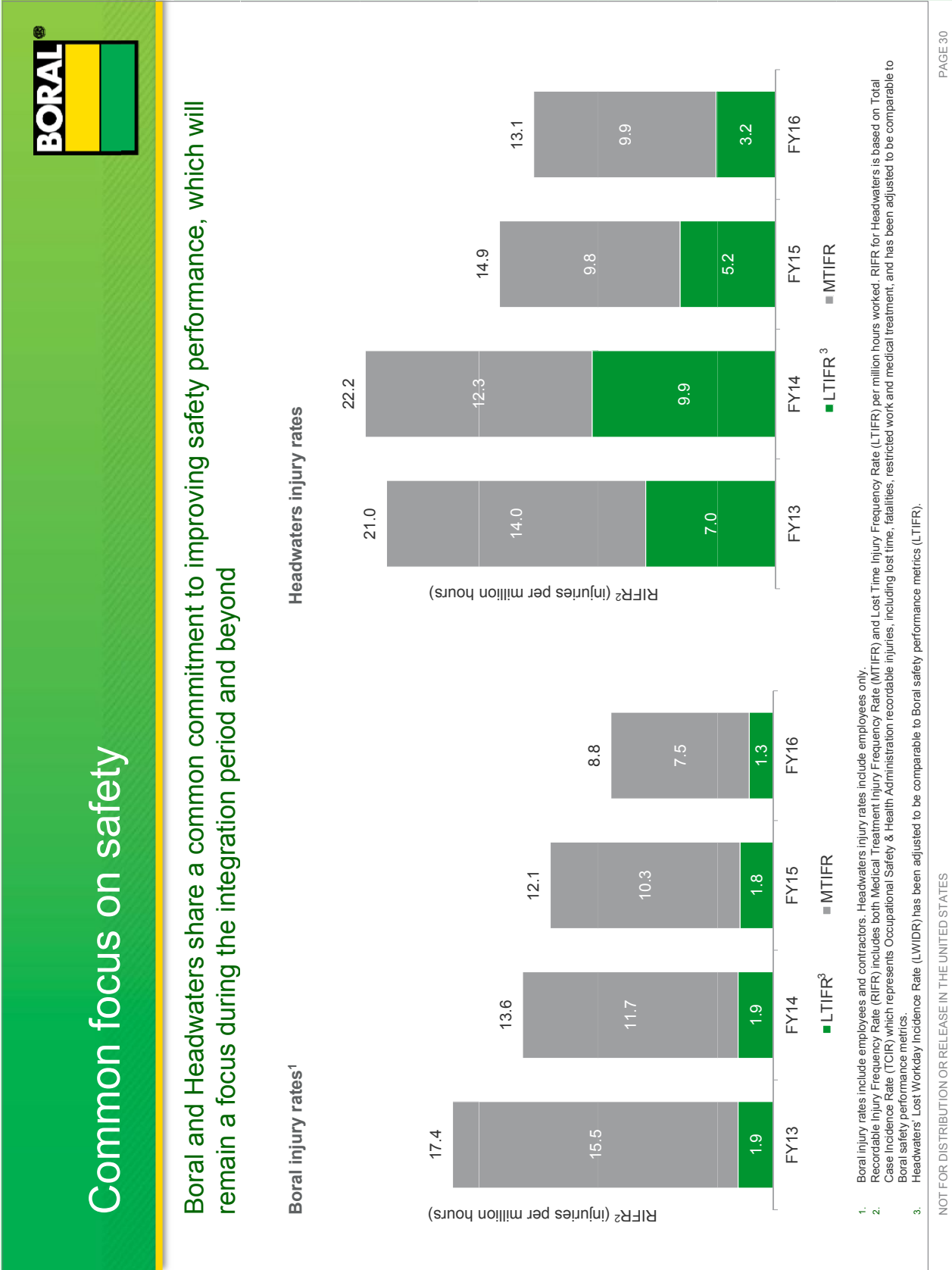


- David Mariner joined Boral in 2010 and has over 20 years of experience across a range of executive and line management roles, including M&A and integration experience

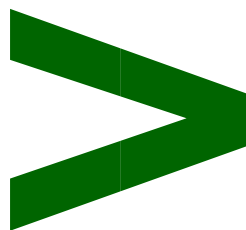
- Dedicated integration management office to support USA leadership team and synergy realisation
 - Internally-led team
 - Include staff from both businesses
 - Complemented by external integration consultants
- Business units for Stone, Roofing, Light Building Product and Fly Ash will be combined
 - Sharing of best practices
 - Alignment of IT, back office and support services

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



5. ASX OFFER ANNOUNCEMENTS CONTINUED



Transaction funding

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5.1 INVESTOR PRESENTATION

Transaction funding and terms



Key transaction terms

- Total consideration of US\$2,564 million, equivalent to ~A\$3,512 million¹

Purchase price

- Acquisition funded by:

- Fully underwritten A\$450 million institutional placement, launched today
- Fully underwritten, pro-rata, accelerated, renounceable Entitlement Offer to raise approximately A\$1.6 billion, launched today
- Balance funded through a combination of US\$0.8 billion of debt from a committed bridge acquisition facility and existing cash

Funding

Timing and closing conditions

- **Headwaters shareholder vote**
- **Regulatory approvals** (including Hart-Scott-Rodino) and **other customary closing conditions**
- Anticipated closing in **mid CY2017**

Sources and uses of funds

Sources	A\$m	Uses	A\$m
Placement and Entitlement Offer	2,058	Acquisition of Headwaters	3,512
Debt facilities	1,144	Transaction costs	175
Balance sheet cash	485		
Total sources	3,687	Total uses	3,687

1. Based on offer price of US\$24.25 per share, fully diluted shares on issue of 76.7 million and net debt of US\$704 million. US\$ converted into A\$ at AUD/USD of 0.73.

Equity raising details



Offer structure and size	<ul style="list-style-type: none"> ■ Fully underwritten Placement and 1 for 2.22 pro-rata accelerated renounceable Entitlement Offer with retail rights trading to raise approximately A\$2.1 billion ■ Approximately 429 million New Shares to be issued (equivalent to approximately 58% of existing shares on issue)
Offer price	<ul style="list-style-type: none"> ■ Equity raising will be conducted at \$4.80 per New Share ("Offer Price"), representing a: <ul style="list-style-type: none"> — 22.0% discount to the last traded price of \$6.15 on Friday, 18 November 2016 — 15.1% discount to TERP¹ of \$5.66
Use of proceeds	<ul style="list-style-type: none"> ■ Proceeds from the Equity Raising will be used to fund the acquisition of Headwaters and pay associated transaction costs
Institutional investors	<ul style="list-style-type: none"> ■ The Placement and Institutional Entitlement Offer will be conducted from Monday, 21 November 2016 to Tuesday, 22 November 2016 ■ Entitlements not taken up will be sold in the institutional shortfall bookbuild to be conducted on Wednesday, 23 November 2016
Retail investors	<ul style="list-style-type: none"> ■ The Retail Entitlement Offer will open on Wednesday, 30 November 2016 and close on Friday, 9 December 2016 ■ Retail entitlements trading for certain eligible investors is available on ASX from Thursday, 24 November 2016 to Friday, 2 December 2016 ■ Entitlements not taken up and entitlements of ineligible retail shareholders will be sold in the retail shortfall bookbuild to be conducted on Wednesday, 14 December 2016
Ranking	<ul style="list-style-type: none"> ■ New Shares issued will rank pari passu with existing shares
Underwriting	<ul style="list-style-type: none"> ■ Offer is fully underwritten by Citigroup Global Markets Australia Pty Limited, J.P. Morgan Australia Limited and Macquarie Capital (Australia) Limited
Syndicate	<ul style="list-style-type: none"> ■ Joint Lead Managers and Bookrunners: Citigroup Global Markets Australia Pty Limited, J.P. Morgan Australia Limited and Macquarie Capital (Australia) Limited

1. Theoretical ex-rights price ("TERP") includes shares issued under the Entitlement Offer and Placement. TERP is the theoretical price at which Boral shares should trade after the ex-date for the Entitlement Offer based only on the last traded price and issuance of shares at the Offer Price in the Entitlement Offer and the Placement. TERP is a theoretical calculation only and the actual price at which Boral shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



Equity raising timetable

Event	Date ¹
Trading halt and announcement of the Acquisition, Placement and Institutional Entitlement Offer opens	Monday, 21 November 2016
Institutional Entitlement Offer closes	Tuesday, 22 November 2016
Institutional shortfall bookbuild	Wednesday, 23 November 2016
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 24 November 2016
Retail Entitlements commence trading on ASX on a deferred settlement basis	Thursday, 24 November 2016
Record Date for determining entitlement to subscribe for New Shares	7:00pm (AEDT) ² Thursday, 24 November 2016
Retail Entitlement Offer opens	9:00am (AEDT)² Wednesday, 30 November 2016
Retail Offer Booklet despatched and Retail Entitlements allotted	Wednesday, 30 November 2016
Retail Entitlements commence trading on ASX on a normal settlement basis	Thursday, 1 December 2016
Settlement of Placement and Institutional Entitlement Offer	Thursday, 1 December 2016
Retail Entitlement trading on ASX ends	Friday, 2 December 2016
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Friday, 2 December 2016
Retail Entitlement Offer closes	5:00pm (AEDT)² Friday, 9 December 2016
Retail shortfall bookbuild	Wednesday, 14 December 2016
Settlement of New Shares under the Retail Entitlement Offer	Monday, 19 December 2016
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 20 December 2016
Normal trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 21 December 2016
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Thursday, 22 December 2016

1. All dates and times are indicative and subject to change without notice.
2. Australian Eastern Daylight Time.

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Pro forma balance sheet



Boral will target a net debt to EBITDA ratio of ~2.5x following transaction close

A\$m	Boral as at 30 June 2016 ¹	Boral announced divestments / JVs ²	Headwaters as at 30 September 2016 ³	Acquisition adjustments ⁴	Pro forma combined group
Cash and cash equivalents	452	127	89	(575)	93
Receivables	640	(42)	208	-	807
Inventories	570	(77)	100	-	592
Investments	1,055	344	-	-	1,399
Property, plant and equipment	2,518	(242)	283	-	2,559
Intangibles and goodwill ⁵	235	(111)	835	2,187	3,146
Other assets	332	(28)	181	-	485
Total assets	5,801	(28)	1,696	1,612	9,081
Trade creditors	608	(40)	41	-	609
Current loans and borrowings	352	-	11	-	363
Non-current loans and borrowings	993	-	1,023	97	2,113
Other liabilities	341	10	206	-	557
Total liabilities	2,294	(30)	1,281	97	3,642
Net assets	3,506	2	416	1,515	5,439
Issued capital	2,246	-	1,002	1,019	4,268
Retained earnings and reserves	1,260	2	(587)	496	1,171
Total equity	3,506	2	416	1,515	5,439
Net debt	893				2,383
Gearing (net debt to net debt and equity)	20%				30%

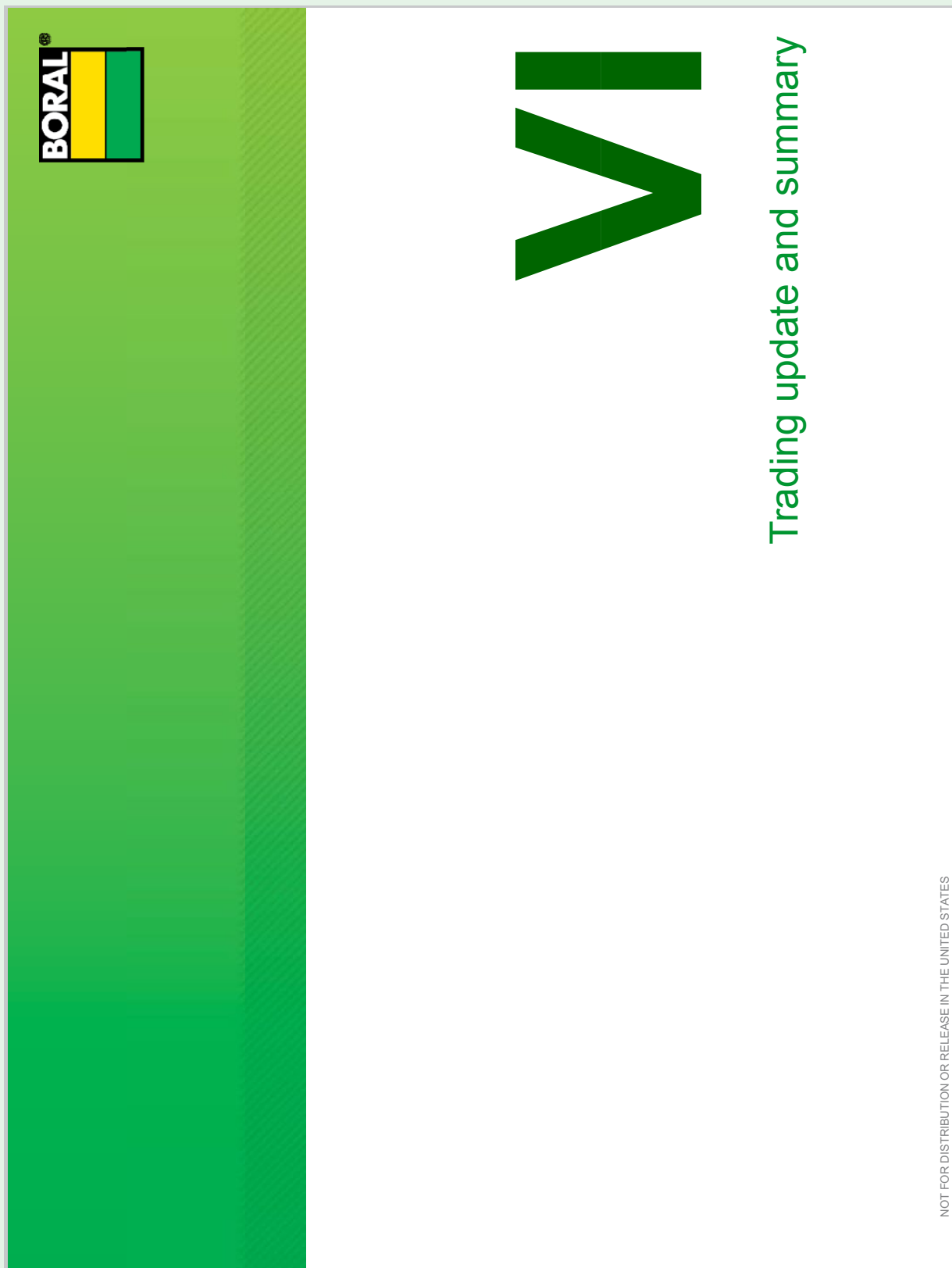
1. Extracted from Boral's 30 June 2016 audited financial statements.
2. Reflects adjustments relating to the North American Bricks Joint Venture announced September 2016 and the sale of Boral's 40% interest in Boral CSR Bricks Joint Venture announced in October 2016. US\$ converted into A\$ at AUD/USD of 0.73.
3. Extracted from Headwaters' 30 September 2016 audited financial statements converted at AUD/USD exchange rate of 0.73.
4. Represents the capital and debt raised, net cash outflows for the acquisition and elimination of the Headwaters pre-acquisition structure. Includes issued capital reflecting proceeds from the equity raising less equity raising costs, and borrowings from new debt facilities less debt raising costs.
5. Does not include the effect of acquisition accounting. The difference between the acquisition price and net assets acquired have been attributed to intangibles and goodwill.

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5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



Boral FY2017 outlook




FY2017 guidance as per AGM – Boral’s FY2017 EBIT is expected to be higher than the EBIT delivered in FY2016

<p>Boral Australia</p>	<ul style="list-style-type: none"> ■ Stronger pricing and increasing infrastructure volumes should deliver benefits in 2H FY2017 ■ ~\$6.5m lower equity earnings in FY2017 than FY2016 due to the divestment of Boral’s share of East Coast Bricks JV in 1H FY2017 ■ Taking into account lower earnings from Building Products, Boral Australia expected to deliver slightly higher EBIT in FY2017 compared with FY2016 (excluding Property in both years), assuming a return to more normal weather patterns ■ Contribution from property in FY2017 still expected to be lower than FY2016 ■ Expect FY2017 result to be further skewed to 2H FY2017 ■ Expect 1H FY2017 to be lower than 1H FY2016 due to softer major project and WA activity ahead of the ramp-up in infrastructure work, exacerbated by wet weather in Q1
<p>USG Boral</p>	<ul style="list-style-type: none"> ■ Expected to deliver strong performance improvements in Asia and Australia through cost and synergy benefits, as well as volume and price growth in some key markets
<p>Boral USA</p>	<ul style="list-style-type: none"> ■ Recent housing activity indicates housing starts are more likely to be closer to ~1.25 million for FY2017 (previously ~1.3 million¹) ■ Continue to expect USA housing market growth in FY2017, underpinning continued earnings growth from USA businesses ■ USA Bricks and Trim & Siding businesses both expected to deliver results around break-even

1. Average of analysts’ forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, MBA) between June and July 2016.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION

	
Summary	
Acquisition of Headwaters is aligned with Boral's stated M&A strategy	
Boral objective	Expected impact of Headwaters acquisition
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

Strategically aligned M&A opportunity

1. FY2017 pro forma EPS accretion on a NPATA basis assumes the Headwaters acquisition was effective from 1 July 2016, includes synergies (refer to footnotes 5 and 6 on page 8) 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.




A

APPENDIX
Additional information

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5. ASX OFFER ANNOUNCEMENTS CONTINUED

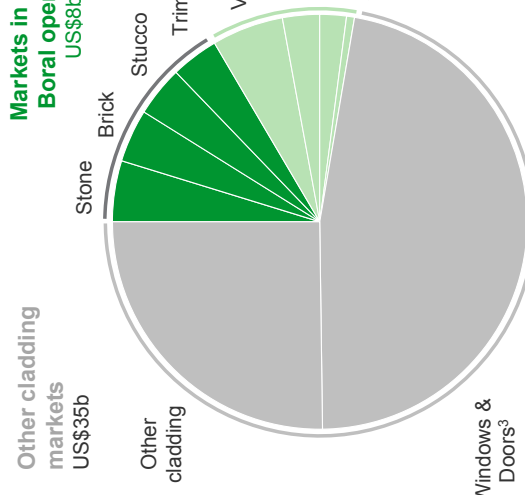
5.1 INVESTOR PRESENTATION



Boral will have access to new addressable markets

Headwaters expands Boral's opportunities in large addressable target markets in the USA

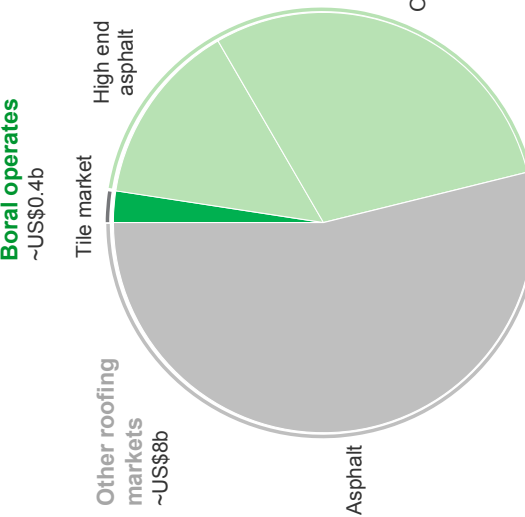
USA cladding and exterior market
Total USA market size: US\$48b¹



Markets in which Boral operates US\$8b

Additional markets in which Headwaters operates US\$5b

USA pitched roof market
Total USA market size: US\$15b²



Market in which Boral operates ~US\$0.4b

Additional markets in which Headwaters operates ~US\$6b

■ Boral's existing markets ■ New markets entered via acquisition of Headwaters ■ Other opportunity markets

1. Source: Market analysis, McGraw Hill housing starts, NAHB, management estimates.
 2. Source: Management estimates, Freedonia, BCC Research.
 3. Headwaters has a strong position in the windows and doors markets in Texas and South Central regions of the USA; however, windows and doors has been categorised as an "opportunity market" due to the large size of the national USA windows and doors market relative to Headwaters' existing market position.

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Fly ash background



Utilities' coal combustion produces fly ash

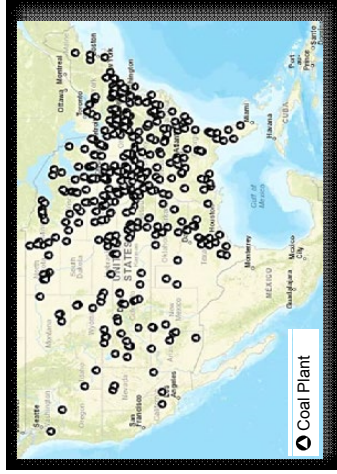
Utilities



Coal basins¹

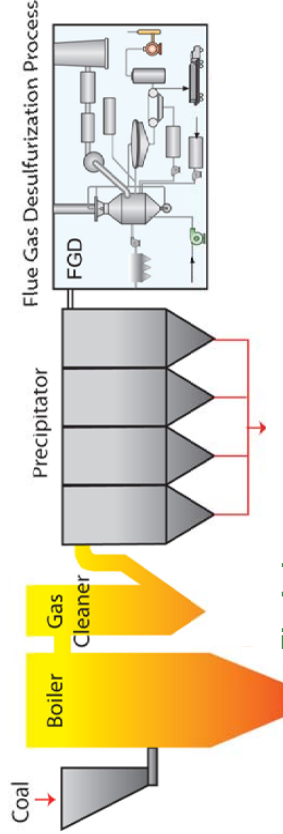


Coal fired power plants¹



- Coal makes up ~33% of total fuel for energy generation in the USA
- Key coal supply regions include Central Appalachia and Wyoming's Powder River Basin
- ~500 power plants using coal
- ~680m tons of coal were used in 2016

Fly ash captured in "bag house" of utility

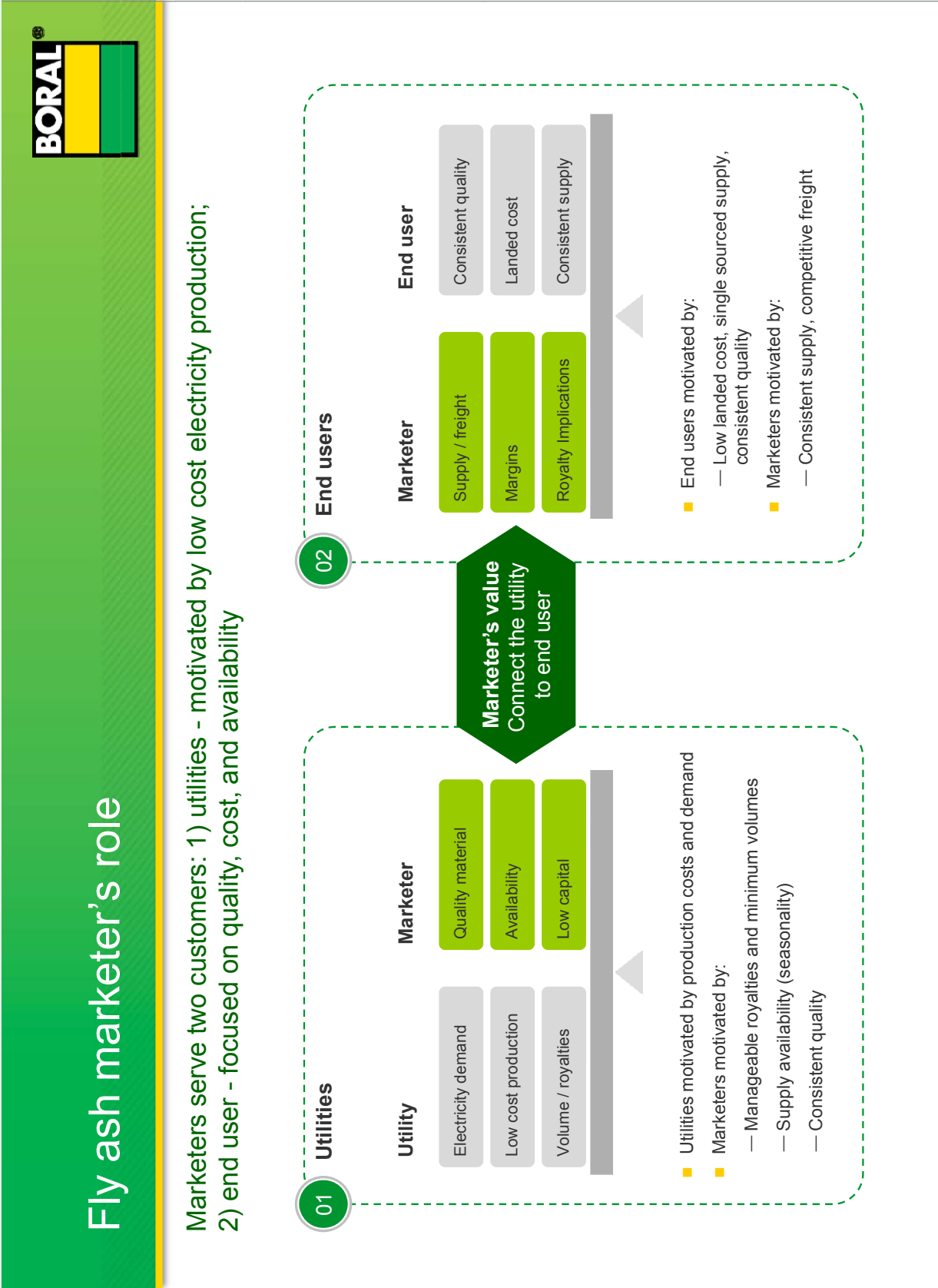


Fly Ash

Pulverised coal is burned to generate electricity. The fine particles of coal residue "fly up" into the stacks with flue gases and are removed by electrostatic precipitators and fabric filter bag houses.

1. Energy Information Administration.

5.1 INVESTOR PRESENTATION





Multiple applications for fly ash

Boral has four key areas for growth; cement/ready mix represents the largest opportunity while engineered products provide significant upside

Applications



Cement and Ready Mix

- Cement substitute in ready mix; upside opportunity as cement substitution pushes levels above 17%¹

Market opportunity



Asphalt and Mineral Filler

- Applications tied to infrastructure; potential upside through increased fly ash usage in government specifications



Engineered Products

- Downstream filler for products such as Boral Composites; upside includes expanding into new applications and industries leveraging Boral Innovation Factory




- **Site Services and Disposal** Service allows marketer to build long term relationship with utility; source specific driven by geography and ash quality

1. Average replacement of 18% in ready mix producers who use fly ash; can be expanded to as much as 26%. Source: 2012 NRMCA Supplementary Cementitious Materials Use Survey.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



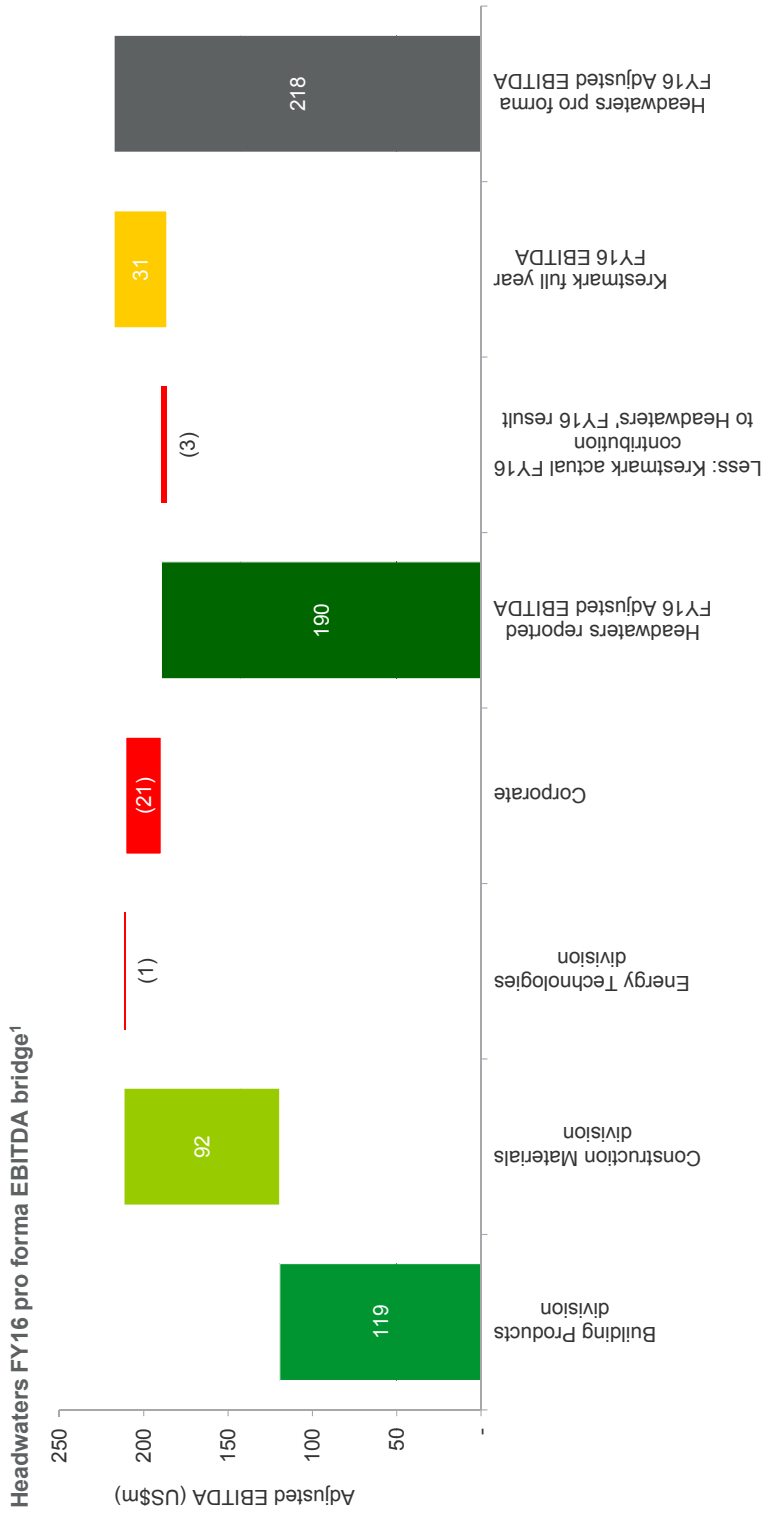
APPENDIX
Headwaters FY16 pro forma EBITDA bridge

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Headwaters FY16 pro forma EBITDA bridge



Headwaters reported Adjusted EBITDA of approximately US\$190 million for the year ended 30 September 2016; pro forma Adjusted EBITDA of approximately US\$218 million reflects a full year of ownership of the Krestmark windows business, which was acquired by Headwaters on 19 August 2016



1. Based on the year ended 30 September 2016.

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5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



APPENDIX
Summary of key merger agreement terms

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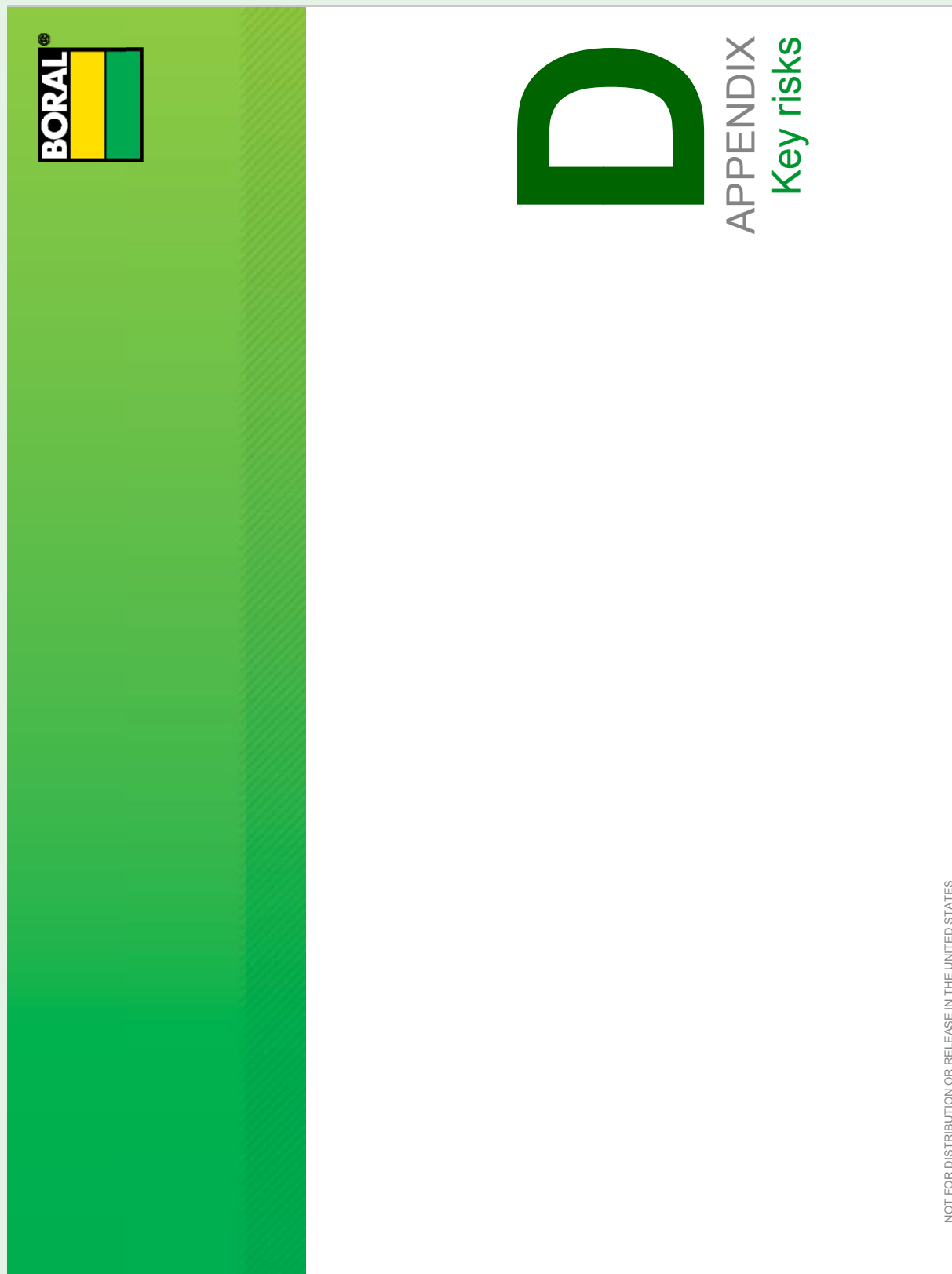


Summary of key merger agreement terms

Provision	Description
Structure	<ul style="list-style-type: none"> An indirect wholly owned subsidiary of Boral will merge with and into Headwaters, with Headwaters surviving the merger and becoming an indirect wholly owned subsidiary of Boral
Merger Consideration	<ul style="list-style-type: none"> US\$24.25 per share in cash If completion of the merger is delayed beyond 1 September 2017, then the Merger Consideration is increased by US\$0.09 per share per month
Closing Conditions	<ul style="list-style-type: none"> Receipt of Headwaters shareholder approval, receipt of regulatory approvals and other customary closing conditions
Antitrust Obligations / Reverse Termination Fee	<ul style="list-style-type: none"> Boral and Headwaters must use reasonable best efforts to obtain certain required regulatory approvals, including to agree to divestitures up to a specified threshold If such regulatory approvals are not obtained, Boral is required to pay a reverse termination fee of US\$75 million
Competing Proposals / Termination Fee / Stockholder "No Vote"	<ul style="list-style-type: none"> Headwaters is required to pay Boral a termination fee of US\$65 million if, among other things, the Merger Agreement is terminated to accept an alternative acquisition proposal that it deems to be a superior proposal If Headwaters stockholders do not approve the transaction, Headwaters must reimburse Boral's expenses up to a cap of US\$37 million (US\$18.5 million if the equity offering has not yet been consummated)
No Post-Closing Recourse	<ul style="list-style-type: none"> No post-closing indemnification or purchase price adjustments
Representations, Warranties & Covenants	<ul style="list-style-type: none"> Boral and Headwaters each make representations, warranties and covenants that are customary for a transaction of this type

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION





Key risks

This section discusses some of the key risks associated with an investment in shares in Boral. These risks may affect the future operating and financial performance of Boral and the value of Boral shares.

The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Boral.

Before investing in Boral, you should consider whether this investment is suitable for you. Potential investors should carefully review publicly available information on Boral (such as that available on the websites of Boral and ASX), carefully consider their personal circumstances (including the ability to lose all or a portion of their investment) and consult their professional advisers before making an investment decision. Additional risks and uncertainties that Boral is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Boral's operating and financial performance.

Nothing in this presentation is financial product or tax advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Boral, its directors and management. Further, you should note that this section focuses on the potentially key risks and does not purport to list every risk that Boral may have now or in the future. It is also important to note that there can be no guarantee that Boral will achieve its stated objectives or that any forward looking statements, expectations, illustrations or forecasts contained in this Presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of New Shares.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION

Key acquisition risks



Risk	Details
Completion risk, including regulatory approval risk	<p>There is a risk that the acquisition may not complete on the current terms and expected timing, if at all, due to among other factors a failure to satisfy any of the conditions precedent to the merger agreement, which include a failure to obtain the required Headwaters shareholder approval under the General Corporation Law of the State of Delaware, a failure to obtain applicable regulatory approvals, a breach of warranty or covenant (subject to certain materiality thresholds) or intervention by a regulatory body or order of a court of competent jurisdiction that prevents completion from occurring. There is also a risk that, prior to Headwaters shareholder approval of the transaction, a third party could make a competing proposal to acquire Headwaters, and, in certain circumstances, Headwaters may be entitled to consider and accept that competing proposal (subject to specific procedures and obligations under the Merger Agreement including, if applicable, payment to Boral by Headwaters of a termination fee of US\$65,000,000).</p> <p>Boral and Headwaters are required to obtain Hart-Scott Rodino ("HSR") antitrust approval in the US, clearance under the Committee on Foreign Investment in the US (CFIUS) and approval under the Investment Canada Act prior to completion. As a condition of obtaining these approvals, Boral and / or Headwaters may be required to make divestments of certain assets, agree to certain other arrangements or restrictions with governmental authorities and/or incur additional costs. Any such divestments, arrangements, restrictions or costs could prevent or delay completion of the transaction and/or may have a material adverse effect on the financial performance of Boral post completion.</p> <p>Additionally, if required regulatory approvals are not obtained and as a result the acquisition does not complete, Boral will be required to pay US\$75,000,000 to Headwaters under the terms of the merger agreement.</p> <p>Where the acquisition is not completed, Boral will assess the most appropriate way to return proceeds to shareholders. Any failure to consummate the acquisition could materially and adversely affect Boral and its stock price.</p>
Due diligence in relation to Headwaters	<p>Although the annual financial statements of Headwaters are audited, the pro forma financial information in this presentation in respect of Headwaters is subject to a number of assumptions and has not been subject to audit and may not be indicative of actual results. A material unidentified misstatement of the recent financial performance of the business would potentially have flow-on effects into the future.</p> <p>Boral undertook a due diligence process in respect of Headwaters, which relied in part on the review of financial and other information provided by Headwaters. While Boral considers the due diligence process undertaken to be appropriate, Boral has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Boral has prepared (and made assumptions in the preparation of) the financial information relating to Headwaters on a stand-alone basis and also to Boral post-completion included in this Presentation in reliance on limited financial information and other information provided by Headwaters. Some of this information was unaudited. Boral is unable to verify the accuracy or completeness of any of the information provided by or about Headwaters. If any of the data or information provided to and relied upon by Boral in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Boral may be materially different to the financial position and performance expected by Boral and reflected in this Presentation.</p> <p>Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the transaction have been identified and avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Boral (for example, Boral may later discover liabilities or defects which were not identified through due diligence or for which there is no protection for Boral). This could adversely affect the operations, financial performance or position of Boral. Further, the information reviewed by Boral includes forward looking information. While Boral have been able to review some of the foundations for the forward looking information relating to Headwaters, forward looking information is inherently unreliable and based on assumptions that may change in the future.</p>



Key acquisition risks

Risk	Details
Future earnings and acquisition accounting risk	<p>Boral has undertaken financial and business analysis of Headwaters in order to determine its attractiveness to Boral and whether to pursue the acquisition. To the extent that the actual results achieved by Headwaters are weaker than those anticipated, or any difficulties in integrating the operations of Boral, there is a risk that the profitability and future earnings of the operations of Boral may differ (including in a materially adverse way) from the pro forma performance as reflected in this presentation.</p> <p>On completion of an acquisition accounting exercise, it is likely that identifiable intangibles with a finite life may be recognised, increasing future non-cash amortisation. In addition, goodwill recognised on the transaction will be subject to impairment review each reporting period. If the fair value falls below the carrying value of the assets acquired, a future impairment expense will be recognised.</p>
Integration risk	<p>The integration of a business of the size of Headwaters carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the Headwaters acquisition and, in particular, the ability to realise the expected synergy benefits of the acquisition outlined in this presentation, will be dependent on the effective and timely integration of Headwaters' business alongside Boral's business following completion of the acquisition. While Boral has undertaken analysis in relation to the synergy benefits of the Headwaters acquisition, they remain Boral's estimate of the synergy benefits expected to be achievable as part of the Headwaters acquisition, and there is a risk that the actual synergies able to be realised as part of the acquisition may be less than expected or delayed, or that the expected synergy benefits of the acquisition may not materialise at all or cost more to achieve than originally expected. These risks include:</p> <ul style="list-style-type: none"> — Possible difficulties in bringing together the cultures and management styles of both organisations in an effective manner; — Disruption to the ongoing operations of both businesses; — Higher than anticipated integration costs; — Impacts from the increase in scale of the business post acquisition; — Ability to retain key employees — Integration of accounting and internal controls — Unforeseen costs relating to integration of some systems of the both of the businesses; and — Unintended loss of key personnel or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the acquisition. <p>A failure to fully integrate the operations of Headwaters, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of Boral.</p>
Change of control risk	<p>The acquisition of Headwaters may trigger change of control clauses in some material contracts to which Headwaters is a party. Where triggered, the change of control clause will, in most cases, require Boral to seek the counterparty's consent in relation to the acquisition of Headwaters. There is a risk that a counterparty may not provide their consent to the acquisition, which may trigger a termination right in favour of that counterparty or that the counterparty may require a payment from Boral or renegotiation of terms to obtain such consent. If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have an adverse impact on Boral's financial performance and prospects. There can be no assurance that we would be able to renegotiate such contracts on commercially reasonable terms, if at all. Additionally, as a result of the acquisition, customers of Headwaters that are not bound by contract or that have rights to terminate for convenience, may elect to terminate their relationship with Headwaters. If any material customers terminate their relationship with Headwaters, it may have an adverse impact on Boral's financial performance and prospects post acquisition.</p>

5.1 INVESTOR PRESENTATION

Key acquisition risks (cont.)



Risk	Details
Debt funding and refinancing risk	<p>Boral has entered into financing arrangements pursuant to which financiers have agreed to provide up to US\$1.2 billion of debt financing for the Headwaters acquisition, subject to the terms and conditions of an up to two year US\$ bridge debt financing agreement. If certain events occur (e.g. insolvency, non-compliance with bank covenants etc), the financiers may terminate the debt financing agreement. Termination of the debt financing agreement would have an adverse impact on Boral's sources of funding for the Headwaters acquisition.</p> <p>Boral intends to refinance the bridge debt financing agreement in the USD denominated bank or bond markets. Boral's ability to refinance the bridge debt financing agreement will depend on, amongst other things, prevailing market conditions and other market factors at the relevant time, many of which are beyond Boral's control.</p> <p>If the proposed acquisition occurs, there will be an increase in Boral's debt levels. The use of debt financing to partially fund the transaction means that Boral will be more exposed to risks associated with gearing. For example, Boral will be more exposed to any movements in interest rates. In addition, Boral will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for Boral to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of Boral.</p>
Historical liabilities	<p>If the acquisition of Headwaters completes, Boral will become directly or indirectly liable for any liabilities that Headwaters has incurred in the past, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which Boral will not have post-closing recourse under the Merger Agreement (as is customary for acquisitions of U.S. public companies, the Merger Agreement does not provide Boral with any post-closing indemnification or purchase price adjustment rights). These could include liabilities relating to environmental claims or breaches, contamination, current or future litigation, regulatory actions, health and safety claims and other liabilities. Such liability may adversely affect the financial performance or position of Boral post-acquisition.</p>
Headwaters specific risks	<p>Headwaters is subject to a number of risks specific to its business including, without limitation, events that impact home construction activity (including economic factors specific to the building products industry and severe weather), tight credit markets in relation to construction lending, an inability to sustain new product growth, decreased demand for Headwaters' building products due to changing customer or designer preferences or competing products gaining price advantages, disruption to Headwaters' supply chain or manufacturing plants and shipping, reduced US government infrastructure spending, increased environmental regulation and risk of environmental liability including in relation to coal combustion products (CCPs), less demand for fly ash, unexpected or severe weather, lack of capital for continued growth, liability claims in relation to its products or services, increased energy and transportation costs, a failure to compete effectively or increased competition, information technology failures, and unauthorised use or infringement of Headwaters' intellectual property.</p> <p>As a NYSE listed company, Headwaters has provided extensive risk disclosure to the market and further information is set out in Headwaters' Form 10-K for the fiscal year ended 30 September 2016 which is available on the U.S. Securities and Exchange Commission website www.sec.gov. You are encouraged to review all of these risks and Headwaters' other public disclosure.</p>
Headwaters litigation risk	<p>Headwaters is a party to some significant legal proceedings and is subject to potential claims regarding operation of its business, including without limitation, various claims relating to its fly ash operations in Virginia. These proceedings may require Headwaters to incur substantial costs, including attorneys' fees, managerial time and other personnel resources and costs in pursuing resolution, and adverse resolution of these proceedings could result in Headwaters being liable to pay of damages, materially adversely affect Headwaters' income and reserves and damage its reputation.</p> <p>Further details relating to Headwaters' current litigation, including claims relating to its fly ash operations, is set out in Headwaters' Form 10-K for the fiscal year ended 30 September 2016 which is available on the U.S. Securities and Exchange Commission website www.sec.gov.</p>



Key acquisition risks (cont.)

Risk	Details
<p>Headwaters environmental, health and safety and regulatory risk</p>	<p>Headwaters' CCP operations and its customers and licensees are subject to US federal, state, local and international environmental regulations that impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of waste products, and impose liability for the costs of remediating contaminated sites, which add to the costs of doing business and expose Headwaters to potential damage claims and fines for non-compliance. If the costs of environmental compliance increase for any reason, Headwaters may not be able to pass on these costs to customers. In order to establish and operate heavy oil upgrading facilities and power plants and operations to collect and transport CCPs, Headwaters and its customers have obtained various state and local permits and must comply with processes and procedures that have been approved by regulatory authorities. Stringent regulatory requirements also apply in relation to the operation and closure of landfills and surface impoundments of CCPs (and Headwaters has managed numerous large scale CCP disposal projects, primarily for coal fired utilities and power producers, which if improperly managed have the potential to cause groundwater or surface water contamination). These environmental requirements and any failure to comply could give rise to substantial environmental liabilities and damage claims and to substantial fines and penalties.</p> <p>Headwaters' building products and construction materials manufacturing operations also are subject to environmental regulations and permit requirements governing activities such as the creation of dust, disposal of waste, discharge of water, and the transportation, storage and use of fuel and materials. If Headwaters cannot obtain or maintain required environmental permits for its existing and planned manufacturing facilities in a timely manner or at all, Headwaters may be subject to additional costs and fines.</p> <p>Some of Headwaters' research and development activities involve coal, oil, chemicals and energy technologies, including petroleum refining. As a result, petroleum and other regulated materials have been and are present in and on Headwaters' properties. Regulatory noncompliance or accidental discharges, fires, or explosions, in spite of safeguards, could create environmental or safety liabilities. Landfill or impoundment solutions for disposal of waste may not comply with regulatory requirements or may otherwise involve hazards. Therefore, Headwaters operations entail risk of environmental damage and injury to people, and Headwaters could incur liabilities in the future arising from the discharge of pollutants into the environment, waste disposal practices, or accidents, as well as changes in enforcement policies or newly discovered conditions.</p>
<p>Headwaters regulatory risk – coal combustion products</p>	<p>Headwaters relies on the production of CCPs by coal-fuelled electric utilities. The coal-burning electric utility and coal mining industries are facing a number of new and pending initiatives by regulatory authorities seeking to address air and water pollution, greenhouse gas emissions and management and disposal of CCPs, as described below. Increasingly strict requirements may increase the cost of doing business and may make coal burning less attractive for utilities. In recent years, multiple companies have announced plans to close coal-fired power plant units, or dropped plans to open new plants, citing the cost of compliance with pending or new environmental regulations and the relatively low cost of natural gas. A reduction in the use of coal as fuel causes a decline in the production and availability of fly ash, the key product in Headwaters' construction materials business.</p> <p>Environmental regulation affecting the coal industry is ever-evolving, and US federal and state regulation in recent years has imposed more stringent requirements regarding emission of air pollutants and other toxic chemicals, reduction of greenhouse gas emissions and water quality impacts from coal mining operations. Adoption of more stringent regulations governing coal combustion, water discharges and air emissions, or coal mining would likely have an adverse effect on the cost, quality, beneficial use and sales of CCPs. If Headwaters is unable to obtain CCPs or experiences a delay in the delivery of high-value or quality CCPs, Headwaters will have a reduced supply of CCPs to sell or may be forced to incur unanticipated expenses to secure alternative sources or to otherwise maintain supply to customers. Moreover, revenues could be adversely affected if CCP sales volumes cannot be maintained or if customers choose to find alternatives to Headwaters' products.</p>

5.1 INVESTOR PRESENTATION

Key acquisition risks (cont.)	
Risk	Details
Headwaters regulatory risk - coal combustion products (cont.)	<p>In April 2015, the US Environmental Protection Agency (EPA) published a final rule to regulate the disposal of coal combustion residuals as solid (non-hazardous) waste under subtitle D of RCRA that became effective in October 2015. The rule established national minimum criteria for CCP landfills and impoundments consisting of location restrictions, design and operating criteria, groundwater monitoring and corrective action, closure requirements, post closure care, recordkeeping and reporting, and other requirements. The rule requires closure of facilities unable to comply with the new rule's criteria within five to seven years. The new regulation has increased the complexity and cost of managing and disposing of CCPs. In response to the 2015 rule, the US Congress has considered several proposals to institute state-permitting programs for CCPs, subject to EPA oversight. While the passage of one of these laws may have a significant effect on the regulatory landscape, the outcome of these legislative attempts is not certain.</p> <p>The EPA remains under significant pressure from environmental organizations, several of which have challenged the 2015 rule. Some environmental groups continue to urge the EPA to restrict certain beneficial uses of CCPs, such as in concrete, road base and soil stabilization, alleging contaminants may leach into the environment. The 2015 regulation created a definition of 'beneficial use' that includes uses in concrete and road base, but changes in the definition could reduce the demand for fly ash and other CCPs which would have an adverse effect on Headwaters' revenues. The EPA's increased regulation of CCPs will likely cause utilities and power producers to impose greater restrictions on the use of CCPs by Headwaters and its customers. Restrictions imposed by utilities may narrow the types of potential customers to which Headwaters can market CCPs and limit their uses of CCPs, reducing Headwaters' sales opportunities. Utilities are also likely to negotiate to shift actual or perceived liabilities associated with CCPs and their use to Headwaters through more onerous contract and indemnity obligations. This could harm Headwaters' business by reducing the number of CCP management contracts or by increasing Headwaters' exposure to the contingent risks associated with any new regulation of CCPs.</p> <p>Headwaters has managed numerous large scale CCP disposal projects, primarily for coal fueled utilities and power producers. In addition, CCPs have beneficial use for road base, soil stabilization, and as large scale fill in contact with the ground. If the EPA decides to regulate CCPs as hazardous waste, Headwaters, together with CCP generators, could be subject to very expensive environmental cleanup, personal injury and other possible claims and liabilities.</p>
Risks during the pendency of the transaction	<p>The pendency of the transaction could adversely affect the business and operations of Boral and Headwaters, including as a result of the potential impact on relationships with customers, suppliers and other counterparties. In addition, Boral and Headwaters employees may experience uncertainty about their roles with Boral following the merger, which could adversely affect each company's ability to attract, retain and motivate key personnel during the pendency of the transaction, and which may divert attention from the daily activities of existing employees.</p>
Potential transaction litigation	<p>The acquisition could give rise to litigation against Headwaters and/or Boral or their respective directors and officers. In some cases, litigation could result in an injunction preventing or delaying completion of the merger, could result in Boral incurring substantial costs and/or could otherwise adversely affect Boral's business, financial condition or results of operations.</p>



Business risks

Risk	Details
<p>Boral is involved in cyclical industries and subject to factors affecting demand</p>	<p>Boral's financial performance is closely tied to the performance of the housing, industrial and commercial construction markets and to general levels of infrastructure activity. These markets are cyclical and are affected by a series of factors that are beyond Boral's control, including:</p> <ul style="list-style-type: none"> — the performance of national economies in the countries in which Boral operates; — monetary policies in the countries in which Boral operates; for example, the tightening of interest rates usually reduces mortgage financing, which adversely impacts on residential construction activity; — the allocation of government funding for public infrastructure and other building programmes; — the level of demand for construction materials and services generally; and — the price and availability of fuel and principal raw materials such as bitumen, clinker, hardrock reserves, and transport services. <p>Adverse changes in any of the above factors could have a material adverse effect on Boral's operating results.</p>
<p>Adverse weather conditions and natural disasters</p>	<p>Periods of adverse weather conditions or natural disasters can reduce construction activity and lead to a decrease in demand for Boral's products in areas affected by those weather conditions. In addition, Boral's presence in numerous countries increases its exposure to risks such as natural disasters, climate hazards or earthquakes, and both Boral's and Headwaters' operations are exposed to risks from extreme weather events (dominated by deluge / flood risk) due to climate change, which could damage property or result in business interruptions, and which could in turn have a material adverse effect on results of operations.</p>
<p>Environmental regulations</p>	<p>Boral is subject to a broad and increasingly stringent range of environmental laws, regulations and standards in each of the jurisdictions in which Boral operates, including those that impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of waste products. They also impose liability on Boral for the costs of remediating contaminated sites. This results in significant compliance costs resulting in an increased cost of doing business, and could expose Boral to legal liability (including potential damage claims or fines for non-compliance) or place limitations on the development of Boral's operations. For example, public concerns over greenhouse gas emissions and other factors could result in changes to the regulatory landscape and may lead to significant additional costs for Boral and the industries in which it operates. These costs may not be able to be passed on to Boral's customers. There are a number of legislative proposals that could result in additional regulation and increased compliance costs or other adverse effects on Boral's business and results or operations.</p> <p>Additionally, Boral's operations are subject to environmental permit requirements. If Boral cannot obtain or maintain required environmental permits for its existing and planned operations in a timely manner or at all, Boral may be subject to additional costs or fines.</p> <p>Boral's operations entail risk of environmental damage and injury to people, and Boral could incur liabilities in the future arising from the discharge of pollutants into the environment, waste disposal practices, or accidents, as well as changes in enforcement policies or newly discovered conditions.</p> <p>Boral's fly ash marketing business relies on the production of CCPs by coal-fuelled electric utilities and faces similar risks as Headwaters' CCP business. The risks in the set out in "Headwaters environmental, health and safety and regulatory risk" and "Headwaters regulatory risk - coal combustion products" and in the relation to Headwaters' business should be read as also applying to Boral's business.</p> <p>Some properties owned by Boral contain asbestos. In the ordinary course of its business, Boral complies with applicable regulatory asbestos management requirements, including maintaining registers and implementing asbestos management programs in relation to on-site works. There is a risk that previously unidentified asbestos may be found on properties. Also, there is a risk that a person may contract an asbestos related illness and bring a personal injury claim against Boral.</p>

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



Business risks (cont.)

Risk	Details
Competition	<p>Boral operates in competitive markets, against domestic suppliers and in some cases imported product suppliers, some of which have less debt and greater access to capital. The competitive environment can be significantly affected by local market forces, such as new market entrants, production capacity utilisation, economic conditions and product demand.</p> <p>Such competition may lead to product price volatility risk.</p>
Health and safety	<p>Due to the nature of Boral's industry, there is a risk of accidents or unsafe operations. Notwithstanding the preventative measures which Boral (or any sub-contractor) has taken or may take, there can be no assurance that accidents (for example, production or logistics) or unsafe operations will not occur and damage the environment and/or injure Boral's own personnel or third parties. Such events may result in additional costs and fines, and may jeopardize Boral's reputation and credibility.</p>
Disruptions to production	<p>Due to the high fixed-cost nature of the building material industry, interruptions in production capabilities at key Boral facilities or in our logistics supply chain may have a material adverse effect on the productivity and results of Boral's operations during the affected period. Boral's manufacturing processes and related services are dependent upon critical pieces of equipment. This equipment may, on occasion, be out of service as a result of industrial action or unrest, unanticipated failures, accidents or force majeure events. In addition, there is a risk that equipment or production facilities may be damaged or destroyed by such events. Similarly, disruptions in Boral's logistics chain would impact continuity of supply, which may have an adverse effect on Boral's business, financial condition or results of operation.</p>
Government regulations	<p>Boral is subject to various statutes, regulations and laws applicable to businesses generally in the countries and markets in which it operates. These include statutes, regulations, standards and laws affecting land usage, zoning, planning, labour, chain of responsibility, environmental and employment practices, and other matters. Boral expects its employees to comply with a code of conduct that involves best practice in relation to these matters but cannot guarantee that its operating units will at all times be successful in complying with all demands of relevant laws and regulatory agencies in a manner which will not materially adversely affect its business, financial condition or results of operations. Changes to status, regulation and laws may have a materially adverse effect on Boral's business, financial condition or results of operation. In addition, Boral may be unable to obtain relevant licences and approvals (and renewals) to enable it to establish new operations or to continue operation of existing facilities, or may suffer significant costs and delays in attempting to obtain such licences and approvals.</p>
Key personnel and labour shortages and costs	<p>Loss of key management and other personnel may have a negative impact on Boral's businesses and the ability to implement its strategies in the near term. The ability to attract and retain employees in markets which are labour constrained may also impair Boral's ability to grow and expand in its markets. Additionally, rising labour costs may have an adverse effect on Boral's financial performance.</p>
Product liability exposure	<p>Boral may, from time to time, experience manufacturing defects or other claims relating to its products and services. Defects in Boral's products could be difficult or costly to correct, cause significant customer relations and business reputation problems, harm Boral's financial results and result in damage to or claims by its customers. Any such claim could also result in increased challenges on obtaining insurance on comparatively reasonable terms.</p>
Contract cost overruns on capital expansion and revenue projects	<p>The businesses carried on by Boral are capital intensive and involve substantial revenue projects. Boral's operating and financial performance will be partly reliant on Boral's ability to manage significant capital and revenue projects effectively within required budgets and timeframes and on sufficient funding being available for the capital expenditure requirements of these projects. Changes in monetary and economic policy could increase cost of capital.</p>



Business risks (cont.)

Risk	Details
Joint ventures	Boral is a party to joint ventures and accordingly is subject to joint venture risks, which include devolved management control and disagreements with joint venture partners regarding operational and financial matters. Where a joint venture partner does not act in the best interests of the joint venture, there is underperformance by the joint venture management team or where the interests of joint venture partners do not align with Boral, this may adversely affect Boral's business, financial condition or results of operations.
Industrial disputes	A proportion of Boral's operational employees and sub-contractors are members of trade unions, and Boral has experienced union action and industrial disputation in the past. However, if there were any material disputes, this could disrupt Boral's operations and adversely impact its financial performance.
Country risk	A portion of Boral's revenues are generated from operations in countries and regions with developing legal, regulatory and political systems and where the geopolitical climates are challenging, including Thailand and Indonesia. Any deterioration of the geopolitical climate, including the outbreak of war or civil unrest or the imposition of economic sanctions in one or more of Boral's key markets may require Boral or its customers to discontinue business operations in the affected country or countries. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Boral operates, may impact the future tax liabilities of Boral.
New technologies / industry change	Industries in which Boral competes, including building products and construction materials, may be subject to disruptive change from new technologies. If Boral is not able to develop or access new technologies and anticipate or respond to disruptions in the markets in which Boral competes, Boral may suffer a decrease in the demand for its goods and services, which may have a material adverse effect on results of Boral operation, financial condition and business.
Carbon constraints	Boral has substantial construction materials businesses in Australia, and as such it is exposed to risks emanating from changes in carbon related policies, both in Australia, and potentially in countries for upstream supply chains, for emissions and/or energy intensive materials such as clinker and bitumen (generally from northern Asia). Such changes may manifest initially as increased energy costs, and possibly emissions pricing mechanisms, but may eventually also threaten reliability of supply.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION

Share and Offer risks



Risk	Details
Risks associated with an investment in Shares	<p>There are general risks associated with investments in equity capital such as Boral shares. The trading price of Boral shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include:</p> <ul style="list-style-type: none">— general movements in Australian and international stock markets;— investor sentiment;— Australian and international economic conditions and outlook;— changes in interest rate and the rate of inflation;— changes in government legislation and policies, in particular taxation laws;— announcement of new technologies;— geo-political instability, including international hostilities and acts of terrorism;— demand for and supply of Boral securities;— announcements and results of competitors; and— analyst reports <p>No assurances can be given that the New Shares will trade at or above the Offer Price. None of Boral, its directors or any other person guarantees the market performance of the New Shares.</p> <p>The operational and financial performance and position of Boral and Boral's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risk, may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.</p>

Share and Offer risks (cont.)



Risk	Details
Underwriting risk	<p>Boral has entered into an underwriting agreement under which Citigroup Global Markets Australia Pty Limited, J.P. Morgan Australia Limited and Macquarie Capital (Australia) Limited (together, the "Joint Lead Managers") have agreed to fully underwrite the Offer, subject to the terms and conditions of the underwriting agreement between Boral and the Joint Lead Managers ("Underwriting Agreement"). The Joint Lead Managers' obligation to underwrite the Offer is conditional on certain customary matters, including Boral delivering certain shortfall certificates, sign-offs and opinions. Further, if certain events occur, some of which are beyond Boral's control, the Joint Lead Managers may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer and could affect Boral's ability to pay the purchase price for the Headwaters acquisition. If the Underwriting Agreement is terminated, Boral will generally not be entitled to terminate the acquisition agreement. In these circumstances, Boral would need to find alternative funding to meet its contractual obligations under the acquisition agreement to pay the purchase price. Termination of the Underwriting Agreement could materially adversely affect Boral's business, cash flow, financial performance, financial condition and share price.</p> <p>The Joint Lead Managers' rights to terminate the Underwriting Agreement if certain events occur include, if:</p> <ul style="list-style-type: none"> — the acquisition will not proceed for a number of reasons including if a condition to the acquisition or acquisition funding arrangements cannot be satisfied, the agreements are withdrawn, revoked or varied in any respect that is materially adverse to Boral or terminated or rendered void, voidable, illegal or otherwise unenforceable; — Boral is removed from the official list of ASX, its Shares are suspended from quotation or approval for the New Shares is not given by ASX; — there are certain delays in the timetable for the Entitlement Offer without the Joint Lead Managers' consent; — there are material financial or economic disruptions in key markets or hostilities commence or escalate in certain key countries; — there is a change in the CEO or CFO of Boral or the CEO of Boral Industries, Inc.; — an adverse change, or an event that is likely to lead to an adverse change, occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Boral or the Group from that disclosed to ASX up to, and including, the Announcement Date; and — Boral withdraws the Entitlement Offer. <p>In some cases (including the adverse change event referred to above), the Joint Lead Managers' ability to terminate the Underwriting Agreement will depend on whether the event has or is likely to have a materially adverse effect on the marketing, success or settlement of the Offer, or has given or is likely to give rise to a contravention by the Joint Lead Managers of any applicable law.</p>

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION

Share and Offer risks (cont.)



Risk	Details
Risks associated with renouncing retail entitlements under the Entitlement Offer	<p>Prices obtainable for retail entitlements may rise and fall over the entitlements trading period. If you sell your entitlements a one stage in the retail entitlements trading period, you may receive a higher or lower price than a shareholder who sells their entitlements at a different stage in the retail entitlements trading period or through the retail shortfall bookbuild.</p> <p>If you are a shareholder and renounce your entitlement under the Entitlement Offer, there is no guarantee that any value will be received for your renounced entitlement through the bookbuild process.</p> <p>The ability to sell entitlements under a bookbuild and the ability to obtain any value for them will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the underwriters, will, if accepted, result in allocations acceptable to them and Boral to clear the entire book.</p> <p>To the maximum extent permitted by law, Boral, the underwriters and any of their respective related bodies corporate, affiliates, directors, officers, employees or advisers, will not be liable, including for negligence, for any failure to procure any applications for new shares offered under the Entitlement Offer or any proceeds for entitlements offered under the bookbuild at prices in excess of the Entitlement Offer price or at all.</p>
Dilution risk of selling or transferring retail entitlements under the Entitlement Offer	<p>Eligible shareholders should also note that if they do not take up their full entitlements under the Offer, then their percentage shareholding in Boral will be diluted by not participating to the full extent of their entitlement under the Offer. This will be the case regardless of whether eligible retail shareholders choose to sell or transfer their entitlements to another person or entity on the ASX during the retail entitlements trading period or renounce their entitlements, which are then sold through the retail bookbuild. Boral may also sell shares in the future to raise additional capital which could cause future dilution.</p>
Sell-down by existing shareholders	<p>There is a risk that existing substantial shareholders (including directors) may seek to sell-down their shareholdings in Boral. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the price of Boral shares.</p>
Tax consequences of entitlements	<p>The tax consequences from selling entitlements or from doing nothing may be different. Before selling entitlements or choosing to do nothing in respect of entitlements, a Boral shareholder should seek independent tax advice and may wish to refer to the 'Australian Tax Considerations' section contained in the Retail Offer Booklet, which will provide further information on potential tax implications for Australian shareholders.</p>



General risks

Risk	Details
Transaction risk	Boral's strategy includes pursuing acquisitions and disposals. There is a risk that these may not always create value for shareholders or that acquisition targets will be available on commercially reasonable terms. Also, Shareholders' interests may be diluted and shareholders may experience a loss in value of their equity if Boral issues shares as consideration for acquisitions or if Boral funds acquisitions through raising equity capital by placing shares with new investors. Boral may also offer shares for other purposes, including repayment of debt.
Share price and market volatility	The price of Boral Shares will fluctuate due to various factors, including movements in the Australian equity markets, recommendations by brokers and analysts, interest rates, inflation, Australian, United States and international economic conditions, changes in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities and acts of terrorism, investor perceptions and other factors that may affect Boral's financial position and earnings. In future, these factors may cause Boral shares to trade at a lower price.
Domestic and global economic conditions	The Australian and global economies continue to experience challenging economic conditions. Any further deterioration in the domestic and global economy may have a material adverse effect on the performance of Boral's businesses.
Interest rates	Boral will use debt and debt-like instruments to fund its operations. Any material adverse movements in relevant interest rates may have a material adverse impact on the Boral Group. The Boral Group may use derivative instruments in order to hedge against movements in interest rates. Too much exposure in the derivative markets relative to the Boral Group's exposure in the spot market may have a material adverse effect on the Boral Group.
Foreign exchange rates	Boral has significant operations in Australia, the USA and Asia and is also dependent on imported products and supply of plant and equipment. Boral is therefore exposed to the macro-economic conditions in those regions and to movements in various foreign currencies (in particular, to movements in the Australian and USA dollar exchange rates). As part of its approach to managing these risks, Boral's USA net assets are closely matched with its USA dollar debt in order to hedge against fluctuations in the USA dollar. Boral also utilises forward exchange contracts for material product and equipment supply in order to manage against short- to medium-term currency fluctuations.
Currency fluctuations	Doing business internationally exposes Boral to risks related to the value of one currency compared to another. Also, in cases where our debt or other obligations are in currencies different than the currency in which we earn revenue, Boral may lose money as a result of fluctuations in the exchange rates, decreasing Boral's earnings.
Future dividends and franking capacity	No assurances can be given in relation to the payment of future dividends. Future determinations as to the payment of dividends by Boral will be at the discretion of the directors and will depend upon the availability of profits, the operating results and financial condition of Boral, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by the directors. No assurances can be given in relation to the level of franking of future dividends. Franking capacity will depend upon the amount of tax paid in the future, the existing balance of franking credits and other factors.
Taxation	Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Boral shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Boral operates, may impact the future tax liabilities of Boral.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION

General risks	
Risk	Details
Legislative and regulatory changes	<p>Changes in the structure and regulation of the industries in which Boral operates in Australia and elsewhere could materially affect Boral and its business. Boral is subject to environmental laws and regulations, occupational health and safety requirements and technical and safety standards, as well as general regulation, including in relation to land use and land access, native title and cultural heritage and technical regulation. Changes to government policy, law or regulations, or the introduction of new regulatory regimes (for example, in relation to climate change), may lead to an increase in operational costs and may have a materially adverse effect on Boral and its business.</p>
Debt covenants	<p>Boral has various covenants in relation to its debt facilities, including tangible net worth and gearing ratio requirements. In the event that these covenants are breached, Boral's lenders may cancel their commitments under the facilities and require all amounts payable to them under or in connection with the facilities to be repaid immediately.</p>
Credit rating risk	<p>Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. No assurances can be given that a credit rating will remain for any period of time or that a credit rating will not be lowered or withdrawn entirely by the rating agency if in its judgement circumstances in the future so warrant, or if a different methodology is applied to derive that credit rating.</p> <p>Any downgrade to Boral's credit rating could impact Boral's ability to obtain financing, increase its future financing costs, impact its ability to access capital markets and/or have an adverse effect on the market price of Boral's shares.</p>
Changes to accounting policy	<p>Accounting standards may change. This may affect the reported earnings of Boral and its financial position from time to time, potentially adversely.</p>
Litigation	<p>Boral is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. Boral has in the past and may in the future face claims in respect of safety by an employee, contractor or member of the public.</p>
Compliance with standards	<p>Failure to comply with operation and maintenance standards could lead to safety issues, supply disruptions and adverse publicity and could otherwise result in a material adverse effect on Boral's business. Boral's current and historic facilities handle or contain various materials and substances that are hazardous or environmentally sensitive. There is a risk of cost and reputational damage from the handling of these substances or from historic contamination. Although Boral has implemented risk management systems designed to identify and manage risks to employees, contractors and the community, accidents, including fatalities and severe injuries, may occur in the future. These risks expose Boral to the potential for fines and increased expense.</p>
Insurance	<p>Although Boral maintains insurance that it believes is appropriate to protect against major operating and other risks, not all risks are insured or insurable. Boral cannot be sure that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially reasonable terms, and may also elect to self-insure and/or carry large deductibles. If Boral experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. This may have a materially adverse effect on Boral's financial position and performance.</p>
Infringement of intellectual property	<p>There is a risk that Boral's trade secrets, trademarks, patents or other intellectual property is misappropriated or infringed by unauthorised third parties. Identifying such infringements can be difficult and, even if infringement is identified, defence can be costly. Conversely, Boral's reputation may be jeopardised if it infringes on a third party's intellectual property.</p>

5. ASX OFFER ANNOUNCEMENTS CONTINUED

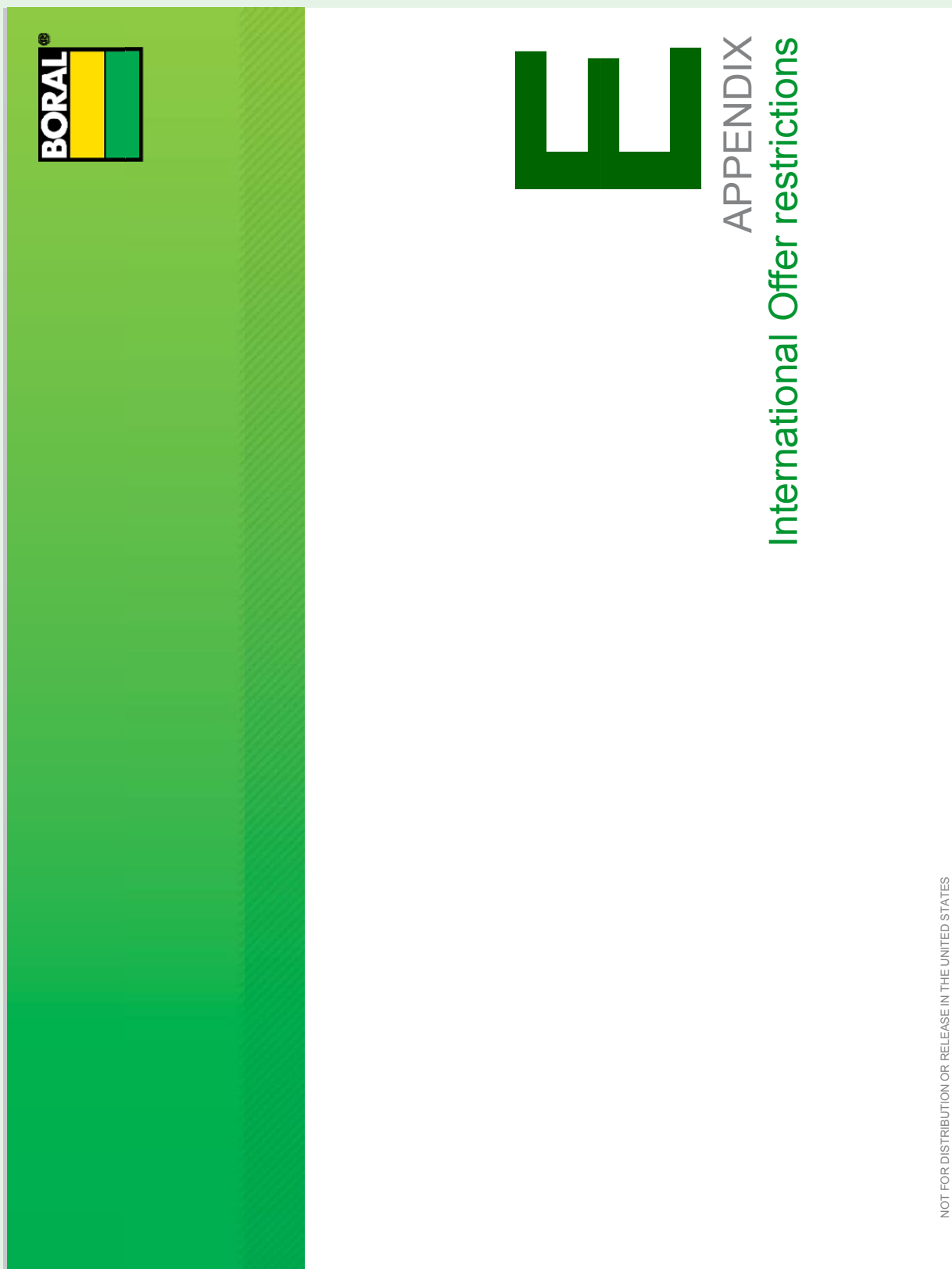
General risks



Risk	Details
Information technology vulnerabilities and cyber attacks	Boral relies upon information technology to support various aspects of its business. There is a risk that information technology failure, security breaches or cyber-attacks could result in disruptions to Boral's business operations or unauthorised access to confidential information. Such events could have a material adverse effect on Boral's operating income, expose Boral to claims from customers, suppliers or other third parties or jeopardize Boral's reputation and credibility.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.1 INVESTOR PRESENTATION



International Offer restrictions



This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and accepted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation;

5.1 INVESTOR PRESENTATION



International Offer restrictions (cont.)

(b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

European Economic Area – Belgium, Denmark, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

International Offer restrictions (cont.)



Pursuant to Article 21-1-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Entitlements and the New Shares in the Entitlement Offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies)

5.1 INVESTOR PRESENTATION

International Offer restrictions (cont.)



Exemption Notice 2013.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of Entitlements or New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.



International Offer restrictions (cont.)

Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Arab Emirates

Neither this document nor the Entitlements and the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Entitlements or the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Entitlements or the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for Entitlements or New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

5.1 INVESTOR PRESENTATION

International Offer restrictions (cont.)



United States

Not for release or distribution in the United States of America

This document may not be released or distributed in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the New Shares nor entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States.

Accordingly, neither the New Shares nor the entitlements may be offered, sold or resold, directly or indirectly, to persons in the United States, unless they have been registered under the U.S. Securities Act (which Boral has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable United States state securities laws.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.2 OFFER LAUNCH ANNOUNCEMENT

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Build something great™



ASX RELEASE

21 November 2016

Boral to acquire Headwaters Incorporated – a strategically compelling portfolio of US businesses – supported by capital raising

OVERVIEW

- Boral has entered into a binding **agreement to acquire Headwaters Incorporated (NYSE: HW.US) for US\$24.25 per share in cash, representing an aggregate enterprise value of ~US\$2.6 billion (~A\$3.5 billion)**¹ ("Acquisition")
 - The offer price represents a 34% premium on Headwaters' 1-month VWAP of US\$18.16
 - Transaction **unanimously approved** by the board of Headwaters
- **Strategically compelling acquisition transforms Boral**, better positioning the Group to deliver more sustainable growth and above cost of capital returns through market cycles
 - ✓ **Highly complementary US businesses**, with combined revenue of over US\$1.8 billion, more than doubling Boral USA, delivering **significant scale to Boral's US fly ash business**, which will play favourably into the infrastructure spend underway in the USA, and **accelerated development of Boral's light building products platform**
 - ✓ Delivers **scale, more product offerings, geographic breadth, multi-channel distribution** and increased **diversification across growing US construction markets**
 - ✓ Builds a more balanced portfolio of traditional and light weight products with **strengthened ability to grow in large, contestable US markets** and through **innovation**
- **Attractive financial metrics:**
 - **EPS accretive** on a pro forma FY2017F NPATA basis²
 - **High single digit** using synergies estimated to be delivered in the first full year of ownership³
 - **Low double digit** using estimated run rate synergies at the end of the first full year of ownership⁴
 - **Expect significant synergies** of ~US\$100 million per annum within four years of closing
 - **Implied multiple of ~10.6x EV / Adjusted EBITDA** for the 12 months ending 30 Sep-2017, based on Headwaters' earnings guidance⁵ – multiple reduces to ~7.5x incorporating full annual synergies⁶
- **The acquisition will be funded via:**
 - a fully underwritten A\$450 million institutional **placement** and a fully underwritten A\$1.6 billion, 1 for 2.22 pro rata accelerated **renounceable entitlement offer** with retail entitlements trading
 - balance funded by way of **existing cash** and a **fully underwritten debt bridge facility**
- The Acquisition is **subject** to customary closing conditions, including **Headwaters shareholder approval** and **regulatory approval**, and is **expected to be completed in mid CY2017**
- Boral to maintain **prudent capital structure**, with target pro forma net debt to EBITDA of ~2.5x following transaction close and current investment grade credit ratings expected to be maintained.

¹ Enterprise value calculated based on 76.7 million diluted shares on issue and net debt as at 30 Sep-2016 of US\$704 million.

² FY2017 pro forma EPS accretion on a NPATA basis assumes the Acquisition had come into effect from 1 Jul-2016 and excludes transaction costs, integration costs and amortisation of acquired identifiable 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's basic EPS for the year ending 30 Jun-2017 has been adjusted to reflect the bonus element in the Entitlement Offer.

³ Estimated synergies of US\$30-35 million expected to be delivered in the first full year following transaction completion.

⁴ Estimated run rate synergies of US\$50-55 million at the end of the first full year following transaction completion.

⁵ Based on Adjusted EBITDA of US\$242.5 million, being the midpoint of Headwaters' Adjusted EBITDA guidance range for the 12 months ending 30 Sep-2017 of US\$235-250 million, as disclosed by Headwaters in its FY2016 results on 1 Nov-2016. Adjusted EBITDA is as defined by Headwaters and detailed in footnote 7 on page 2.

⁶ Based on estimated synergies of US\$100 million per annum expected to be achieved within four years of transaction completion.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.2 OFFER LAUNCH ANNOUNCEMENT

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Acquisition of Headwaters

Boral has entered into a binding agreement to acquire Headwaters for US\$24.25 per share in cash representing an aggregate enterprise value of US\$2.6 billion.

The Acquisition is **subject** to customary closing conditions, including **Headwaters shareholder approval and regulatory approval**, and is **expected to complete in mid CY2017**.

Headwaters is a leading manufacturer of building products and one of the largest marketers of fly ash in the USA, with **US\$1.1 billion of revenue and Adjusted EBITDA of US\$218 million**⁷.

Headwaters operates across **two core divisions: Building Products and Construction Materials**⁸, which have strong positions in the key segments in which they operate.

Two-thirds of Headwaters' revenues or around US\$700 million⁷ are derived from its **Building Products** division. It designs, manufactures and distributes nationally a comprehensive range of architectural manufactured stone, specialty roofing, and siding and trimboard across commercial, new residential and repair & remodelling. Headwaters is also one of the leading suppliers of high quality windows in South Central regions of the USA and concrete and specialty block in Texas.

Headwaters' Construction Materials division, delivers around US\$370 million⁷ of revenue a year and is one of the largest marketers of fly ash in the United States. Fly ash is most commonly used as a partial replacement for cement in producing concrete, and is forecast to experience strong growth driven by growing cement consumption in ready mix concrete and the competitive cost position of fly ash relative to cement.

Transaction Funding

The Acquisition is expected to be partially funded via a fully underwritten A\$450 million institutional placement ("Placement") and a fully underwritten A\$1.6 billion, 1 for 2.22 pro rata accelerated renounceable entitlement offer with retail entitlements trading ("Entitlement Offer") (together, the "Equity Raising").

The **balance** of the Acquisition will be **funded through a combination of US\$0.8 billion of debt from a committed bridge acquisition facility and existing cash**.

Boral will maintain its prudent capital structure with a target pro forma net debt to EBITDA ratio of approximately 2.5x following transaction close. **Boral's current investment grade credit ratings are expected to be maintained** after giving effect to the Acquisition.

The acquisition is supported by a strong strategic rationale

- The **Acquisition of Headwaters is a transformative step for Boral**:
 - Results in Boral having **three strong divisions** – the **high performing, well-positioned Boral Australia**; the **fast growing USG Boral business in Asia, Australia and the Middle East**; and **Boral USA, a scaled building products and fly ash business with greater geographic reach, more diverse product offerings and strong growth prospects**.
 - Significantly **increases Boral's exposure to large addressable US markets, at an attractive point in the cycle** including **improved market diversification** across non-residential, repair & remodel and infrastructure segments, in addition to the new residential sector.
 - **Better positions Boral to deliver above cost-of-capital returns** through market cycles.
- **Strong strategic fit with Boral's existing US business**. The Acquisition adds significant scale to Boral's US footprint by adding a portfolio of complementary businesses with improved geographic reach and ability to compete across the USA.
 - Combined, the new Boral USA is a ~US\$1.8 billion revenue business, with an expanded product offering, a strong manufacturing and distribution footprint, and significantly improved earnings.

⁷ Revenue and Adjusted EBITDA for the year ended 30 September 2016 on a pro forma basis reflecting full year ownership of the Krestmark windows business, which was acquired by Headwaters on 19 August 2016. Adjusted EBITDA as defined by Headwaters is net income plus net interest expense, income taxes, depreciation and amortisation, stock-based compensation, cash-based compensation tied to stock price, goodwill and other impairments, and other non-routine adjustments that arise from time to time.

⁸ Energy Technologies is a non-core business that generated revenue of ~US\$10 million in the year ended 30 September 2016.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

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- The Acquisition significantly grows Boral's fly ash business, expands its light building products offering, and doubles the size of Boral's roofing and manufactured stone positions.
- **Significantly scales Boral's fly ash business.** The combination of the Boral and Headwaters fly ash businesses creates a national platform in the US with pro forma revenue of over US\$450 million, approximately five times Boral's current fly ash business, enabling Boral to more efficiently serve customers' needs in a competitive environment.
- **Accelerates development of Boral's light building products platform.** Expands Boral's light building products business from a small but rapidly growing poly-ash trim and siding business into a larger platform with geographic breadth, a multi-channel distribution network and expanded product suite to better serve customers.
- **Substantial synergies⁹ and FY17 pro forma EPS accretion.** This is a financially compelling Acquisition that is expected to be high single digit accretive to Boral's EPS on a full year pro forma FY17F NPATA basis using estimated delivered synergies in year one of ~US\$30-\$35 million. The acquisition becomes low double digit accretive to Boral's EPS on a full year pro forma FY17F NPATA basis using run rate synergies of ~US\$50-55 million per annum expected by the end of the first full year. Within four years of transaction close, synergies are expected to be approximately US\$100 million per annum. One-off implementation costs are estimated to be approximately US\$100 million.

Mike Kane, Boral's CEO & Managing Director, said:

"Headwaters has a portfolio of strong businesses with recognised brands, quality products, diverse end market exposures and solid earnings performance.

"The businesses of Headwaters are highly complementary with Boral's existing US operations – in fly ash, roofing, stone and light building products. And it's this strong alignment that means we can deliver substantial value through synergies – ramping up to approximately US\$100 million per annum of synergies within four years of closing.

"It's the synergy opportunities that help make this a highly compelling acquisition, and I am confident that we have the right team in place to bring together the two portfolios, drive integration and deliver strong value creation for Boral's shareholders.

"While the acquisition of Headwaters significantly transforms Boral USA, it is also highly transformative for Boral as a Group. We can now be confident in Boral's position as a global building products and construction materials group with three very strong divisions," Mr Kane also added.

Brian Clark, Boral's Chairman, said:

"While this acquisition is significant in scale, we have maintained a disciplined approach to reviewing growth opportunities in the USA. Headwaters has been rigorously assessed and with its highly complementary portfolio of assets, which are strategically aligned with a number of Boral's existing US businesses, this is a highly compelling acquisition for Boral.

"Together with support from external advisors, a team of Boral's senior executives has done an extensive amount of work to make sure we understand the portfolio of Headwaters businesses and the opportunities presented. Detailed due diligence has been completed, synergies have been identified and integration planning is underway. We anticipate that this transaction will have a strong positive impact on Boral's shareholder value."

Kirk A. Benson, Chairman & CEO of Headwaters, added:

"We are looking forward to working with Boral to ensure a smooth transition for our stakeholders, as we create one of the leading manufacturers and distributors of building products and construction materials for infrastructure, new residential, repair and remodel, commercial and institutional construction."

⁹ Synergies include estimated cost synergies and cross-selling and distribution revenue synergies, excluding one-off implementation costs estimated at ~US\$100 million.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.2 OFFER LAUNCH ANNOUNCEMENT

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Equity Raising

Boral intends to raise approximately A\$2,058 million in new equity to partially fund the acquisition through:

- a fully underwritten placement to institutional investors, at A\$4.80 per new share to raise A\$450 million, and
- a fully underwritten, 1 for 2.22 pro rata accelerated renounceable entitlement offer with retail rights trading to eligible shareholders at an offer price of A\$4.80 per new share to raise A\$1.6 billion.

Details of the Entitlement Offer

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Boral share ("**New Shares**") for every 2.22 existing Boral shares held as at Thursday, 24 November 2016. All New Shares in the Entitlement Offer will be issued at a price of A\$4.80 per New Share, which represents a discount of:

- 22.0% to the last close of A\$6.15 on Friday, 18 November 2016; and
- 15.1% to the theoretical ex-rights price ("**TERP**").

The Entitlement Offer will consist of:

- an accelerated institutional component to be conducted from Monday, 21 November 2016 to Tuesday, 22 November 2016 ("**Institutional Entitlement Offer**"), and
- a retail component which will open on Wednesday, 30 November 2016 and close at 5.00pm (AEDT) on Friday, 9 December 2016 ("**Retail Entitlement Offer**").

Each New Share will rank equally with existing shares on issue. Boral will seek quotation of the New Shares on ASX.

As the Equity Raising is expected to complete in December 2016, Boral's shares outstanding will initially increase without a corresponding increase in earnings until the Acquisition is completed (expected mid calendar year 2017). Notwithstanding that it will result in a temporary increase in Boral's dividend payout ratio, it is Boral's intention to maintain dividend payment per share for its 2017 interim dividend at levels consistent with recent periods, which will apply equally to existing shares and New Shares issued pursuant to the Equity Raising, subject to the Company's financial position.

Institutional Entitlement Offer

Eligible Institutional shareholders will be invited to participate in the Institutional Entitlement Offer which opens on Monday, 21 November 2016 and will close on Tuesday, 22 November 2016.

Eligible institutional shareholders can choose to take up their Entitlement in whole, in part or not at all. Institutional entitlements ("**Institutional Entitlements**") cannot be traded or sold on the ASX. As the Entitlement Offer is renounceable, the New Shares that would have been issued in respect of Institutional Entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer and the Institutional Entitlements of ineligible institutional shareholders (had such eligible institutional shareholders taken up their Institutional Entitlements and had such ineligible institutional shareholders been eligible and taken up their Institutional Entitlements) ("**Institutional Shortfall Shares**") together with the right to subscribe for those Institutional Shortfall Shares, will be offered through an institutional shortfall bookbuild to be conducted on Wednesday, 23 November 2016 ("**Institutional Shortfall Bookbuild**"). Any premium over the A\$4.80 per New Share offer price under the Entitlement Offer which is achieved from the offer of the Institutional Shortfall Shares (and the right to subscribe for those Institutional Shortfall Shares) through the Institutional Shortfall Bookbuild will be remitted proportionally to those institutional shareholders, less any applicable withholding tax. There is no guarantee that there will be any such premium remitted to those institutional shareholders as a result of the offer of the Institutional Shortfall Shares (and the right to subscribe for those Institutional Shortfall Shares) through the Institutional Shortfall Bookbuild.

Boral shares have been placed in a trading halt while the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

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Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on Wednesday, 30 November 2016 and close at 5.00pm (AEDT) on Friday, 9 December 2016. Eligible retail shareholders will have the opportunity to participate at the same offer price and offer ratio as the Institutional Entitlement Offer. Eligible retail shareholders will be allotted Entitlements (“**Retail Entitlements**”) which can be traded on the ASX. If eligible retail shareholders do not wish to take up all or part of their Retail Entitlements they can seek to sell all or part of their Retail Entitlements on the ASX or realise value for those Retail Entitlements by transferring them directly to another person ahead of the retail shortfall bookbuild (referred to below). Retail Entitlements can be traded on the ASX by certain eligible shareholders from Thursday, 24 November 2016 to Friday, 2 December 2016.

The New Shares that would have been issued in respect of Retail Entitlements not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and the Entitlements of ineligible retail shareholders (had such eligible retail shareholders taken up their Entitlements, and had such ineligible retail shareholders been eligible and taken up their Entitlements) (“**Retail Shortfall Shares**”) together with the right to subscribe for the Retail Shortfall Shares, will be offered through a retail shortfall bookbuild to be conducted on Wednesday, 14 December 2016 (“**Retail Shortfall Bookbuild**”). Any premium over the A\$4.80 per New Share offer price under the Entitlement Offer which is achieved from the offer of the Retail Shortfall Shares (and the right to subscribe for those Retail Shortfall Shares) through the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any such premium remitted to those retail shareholders as a result of the offer of the Retail Shortfall Shares (and the right to subscribe for those Retail Shortfall Shares) through the Retail Shortfall Bookbuild. Entitlements may only be exercised by eligible retail shareholders or eligible assignees, being persons who have a registered address in Australia and New Zealand, and certain categories of institutional investors in other jurisdictions.

Key Dates

Event	Date
Trading halt and announcement of Acquisition, Placement and Institutional Entitlement Offer opens	Monday, 21 November 2016
Institutional Entitlement Offer closes	Tuesday, 22 November 2016
Institutional Shortfall Bookbuild	Wednesday, 23 November 2016
Trading halt lifted – shares recommence trading on the ASX on an “ex-entitlement” basis	Thursday, 24 November 2016
Retail Entitlements commence trading on the ASX on a deferred settlement basis	Thursday, 24 November 2016
Record Date for determining entitlement to subscribe for New Shares	7:00pm (AEDT) Thursday, 24 November 2016
Retail Entitlement Offer opens	9:00am (AEDT) Wednesday, 30 November 2016
Retail Offer Booklet despatched and Retail Entitlements allotted	Wednesday, 30 November 2016
Retail Entitlements commence trading on the ASX on a normal settlement basis	Thursday, 1 December 2016
Settlement of Placement and Institutional Entitlement Offer	Thursday, 1 December 2016
Retail Entitlement trading on the ASX ends	Friday, 2 December 2016
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Friday, 2 December 2016
Retail Entitlement Offer closes	5:00pm (AEDT) Friday, 9 December 2016
Retail Shortfall Bookbuild	Wednesday, 14 December 2016
Settlement of Retail Shortfall Bookbuild	Monday, 19 December 2016
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 20 December 2016
Normal trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 21 December 2016
Despatch of holding statement in respect of New Shares issued under the Retail Entitlement Offer	Thursday, 22 December 2016

Note: The above timetable is indicative only and subject to change without notice. All dates and times are Australian Eastern Daylight Time.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.2 OFFER LAUNCH ANNOUNCEMENT

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Summary of Key Merger Agreement Terms

Provision	Description
Structure	An indirect wholly owned subsidiary of Boral will merge with and into Headwaters, with Headwaters surviving the merger and becoming an indirect wholly owned subsidiary of Boral.
Merger Consideration	US\$24.25 per share in cash. If completion of the merger is delayed beyond 1 September 2017, then the Merger Consideration is increased by US\$0.09 per share per month.
Closing Conditions	Receipt of Headwaters shareholder approval, receipt of regulatory approvals and other customary closing conditions.
Regulatory Obligations / Reverse Termination Fee	Boral and Headwaters must use reasonable best efforts to obtain certain required regulatory approvals, including to agree to divestitures up to a specified threshold. If such regulatory approvals are not obtained, Boral is required to pay a reverse termination fee of US\$75 million.
Competing Proposals / Termination Fee / Stockholder "No Vote"	Headwaters is required to pay Boral a termination fee of US\$65 million if, among other things, the Merger Agreement is terminated to accept an alternative acquisition proposal that it deems to be a superior proposal. If Headwaters stockholders do not approve the transaction, Headwaters must reimburse Boral's expenses up to a cap of US\$37 million (US\$18.5 million if the equity offering has not yet been consummated).
No Post-Closing Recourse	No post-closing indemnification or purchase price adjustments.
Representations, Warranties & Covenants	Boral and Headwaters each make representations, warranties and covenants that are customary for a transaction of this type.

Further Information

Further details of the Acquisition and the Equity Raising are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Equity Raising.

Citigroup and Macquarie Capital are acting as financial advisers. Citigroup, J.P. Morgan and Macquarie Capital are acting as joint lead managers, joint bookrunners and joint underwriters. Citibank N.A. and JPMorgan Chase Bank N.A. have provided the acquisition bridge facility and are acting as mandated lead arrangers and bookrunners. underwriters of the bridge acquisition facility. Alston & Bird, Herbert Smith Freehills, and Skadden, Arps, Slate, Meagher & Flom, are serving as legal advisors to Boral.

If you have any questions in relation to the Equity Raising, please contact the Boral Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside of Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold directly or indirectly in the United States unless they have been registered under the U.S. Securities Act (which Boral has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration of the U.S. Securities Act and any other applicable United States state securities laws.

Forward looking statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward looking words such as “believe”, “expect”, “estimate”, “will”, “may”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the Acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Boral and cannot be predicted by Boral and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Boral operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of Boral or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Statements about past performance are not necessarily indicative of future performance.

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5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.3 INSTITUTIONAL OFFER COMPLETION ANNOUNCEMENT

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ASX RELEASE

24 November 2016

Boral successfully completes Institutional Placement and Institutional Entitlement Offer

KEY HIGHLIGHTS

- Institutional Placement and Institutional Entitlement Offer successfully completed, raising approximately A\$1.58 billion
- The Placement was multiple times oversubscribed and saw very strong demand from both existing institutional shareholders and new investors
- Institutional Entitlement Offer was strongly supported by existing institutional shareholders, who took up approximately 91%
- Institutional Bookbuild clearing price of A\$5.25, representing an A\$0.45 premium to the Entitlement Offer price of A\$4.80 per new share
- Retail Entitlement Offer opens on Wednesday, 30 November 2016

Boral Limited (ASX: BLD) ("**Boral**") today announced the successful completion of its fully underwritten institutional placement ("**Placement**") and the institutional component of its fully underwritten 1 for 2.22 pro rata accelerated renounceable entitlement offer with retail rights trading ("**Institutional Entitlement Offer**").

On Monday, 21 November 2016, Boral announced a Placement and pro rata accelerated renounceable entitlement offer with retail rights trading ("**Entitlement Offer**") and together with the Placement, the "**Equity Raising**") to raise approximately A\$2.05 billion. Proceeds of the Equity Raising will be used to support the acquisition of Headwaters ("**Acquisition**") for US\$24.25 per share in cash for an aggregate enterprise value of US\$2.6 billion.

The Placement attracted significant demand from new and existing institutional investors, and was multiple times oversubscribed, raising A\$450 million at a price of A\$4.80 per New Share (as defined below) ("**Offer Price**"). The Institutional Entitlement Offer raised approximately A\$1.03 billion from subscriptions for new fully paid ordinary shares in Boral ("**New Shares**") at the Offer Price. The Institutional Entitlement Offer attracted strong support from institutional shareholders with a take-up rate by eligible institutional shareholders of approximately 91%.

A bookbuild for Institutional Entitlement Offer shortfall shares was conducted on Tuesday, 22 November 2016 to Wednesday, 23 November 2016 ("**Institutional Bookbuild**") and attracted strong demand from both new and existing investors. The bookbuild cleared at a price of A\$5.25 per share, which represents a premium of A\$0.45 to the Offer Price of A\$4.80 per share.

Eligible institutional shareholders who elected not to take up their entitlements and certain ineligible institutional shareholders will receive A\$0.45 for each entitlement sold through the Institutional Bookbuild, less any applicable withholding tax.

Mike Kane, Boral's CEO & Managing Director, said:

"We are extremely pleased with the strong support for the Equity Raising from existing institutional shareholders and new investors. We see the success of the Equity Raising as a clear endorsement of Headwaters' compelling strategic fit within the existing Boral business. We are now looking forward to bringing together the two portfolios, driving integration and delivering substantial synergies to create value for shareholders."

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5. ASX OFFER ANNOUNCEMENTS CONTINUED

New Shares to be issued under the Placement and Institutional Entitlement Offer will rank equally with existing Boral shares in all respects.

Settlement of New Shares issued as part of the Placement and Institutional Entitlement Offer (including as part of the Institutional Bookbuild) is expected to occur on Thursday, 1 December 2016. The issue of those New Shares is expected to occur on Friday, 2 December 2016, with ordinary trading commencing on the same day.

Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is expected to raise approximately A\$483 million. The Retail Entitlement Offer will open at 9.00am (AEDT) on Wednesday, 30 November 2016 and close at 5.00pm (AEDT) on Friday, 9 December 2016.

Eligible retail shareholders with a registered address in Australia or New Zealand will be able to subscribe for 1 New Share for every 2.22 fully paid ordinary shares held in Boral as at 7.00pm (AEDT) on the record date of Thursday, 24 November 2016 ("**Record Date**"), at the same offer price of A\$4.80 per New Share as the Institutional Entitlement Offer. Eligible retail shareholders will be allotted entitlements ("**Retail Entitlements**") which can be traded on ASX (Ticker: BLDR) from Thursday, 24 November 2016 to Wednesday, 30 November 2016 on a deferred settlement basis and from Thursday, 1 December 2016 to Friday, 2 December 2016 on a normal settlement basis. If they choose not to take up all or part of their Retail Entitlements, they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring entitlements directly to another person ahead of the retail shortfall bookbuild.

The New Shares that would have been issued in respect of Retail Entitlements not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and the entitlements of ineligible retail shareholders (had such eligible retail shareholders taken up their entitlements, and had such ineligible retail shareholders been eligible and taken up their entitlements) ("**Retail Shortfall Shares**") together with the right to subscribe for the Retail Shortfall Shares, will be offered through a retail shortfall bookbuild to be conducted on Wednesday, 14 December 2016 ("**Retail Shortfall Bookbuild**"). Any premium over the A\$4.80 per New Share offer price under the Entitlement Offer which is achieved from the offer of the Retail Shortfall Shares (and the right to subscribe for those Retail Shortfall Shares) through the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any such premium remitted to those retail shareholders as a result of the offer of the Retail Shortfall Shares (and the right to subscribe for those Retail Shortfall Shares) through the Retail Shortfall Bookbuild. Entitlements may only be exercised by eligible retail shareholders or eligible retail assignees, being persons who have a registered address in Australia and New Zealand, and certain categories of institutional investors in other jurisdictions, excluding the United States.

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. Boral expects to lodge the Retail Offer Booklet with ASX and despatch the Retail Offer Booklet and personalised entitlement and acceptance forms to eligible retail shareholders no later than Wednesday, 30 November 2016. Retail Offer Booklets and personalised entitlement and acceptance forms will be sent electronically to those eligible retail shareholders who have elected to receive communications from Boral electronically. Notwithstanding any such election, eligible retail shareholders can also request a physical copy by calling the number below on or after Wednesday, 30 November 2016.

Boral's ordinary shares are expected to resume trading on ASX from market open today Thursday, 24 November 2016 on an ex-entitlement basis.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

5.3 INSTITUTIONAL OFFER COMPLETION ANNOUNCEMENT CONTINUED

Key dates of the Entitlement Offer

Event	Date
Announcement of the Entitlement Offer and Placement	Monday, 21 November 2016
Retail Entitlements commence trading on ASX on a deferred settlement basis (ASX Code: BLDR)	Thursday, 24 November 2016
Record Date for eligibility in the Entitlement Offer	7:00pm (AEDT) Thursday, 24 November 2016
Retail Entitlement Offer opens	9:00am (AEDT) Wednesday, 30 November 2016
Retail Offer Booklet despatched and Retail Entitlements allotted	Wednesday, 30 November 2016
Retail Entitlements commence trading on ASX on a normal settlement basis	Thursday, 1 December 2016
Settlement of Placement and institutional Entitlement Offer	Thursday, 1 December 2016
Retail Entitlements trading on ASX ends	Friday, 2 December 2016
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Friday, 2 December 2016
Retail Entitlement Offer closes ¹	5:00pm (AEDT) Friday, 9 December 2016
Retail Shortfall Bookbuild	Wednesday, 14 December 2016
Settlement of the Retail Entitlement Offer	Monday, 19 December 2016
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 20 December 2016
Normal trading of New Shares under the Retail Entitlement Offer commence	Wednesday, 21 December 2016
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Thursday, 22 December 2016

Note: The above dates and times are indicative only and subject to change without notice. All dates and times are Australian Eastern Daylight Time.

Shareholder Enquiries

If you have any questions in relation to the Entitlement Offer, please contact the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside of Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

¹ Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment ("**Application Monies**") OR pay their Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form OR apply and pay online at www.boral.com.au in each case by no later than 5.00pm (AEDT) on Friday, 9 December 2016. Eligible Retail Shareholders should refer to Sections 2 and 3.5 of the Retail Offer Booklet for options available to them to deal with their entitlement.

5. ASX OFFER ANNOUNCEMENTS CONTINUED

Further Information

Citigroup Global Markets Australia Pty Limited and Macquarie Capital (Australia) Limited are acting as financial advisers. Citigroup Global Markets Australia Pty Limited, J.P. Morgan Australia Limited and Macquarie Capital (Australia) Limited are acting as joint lead managers, joint bookrunners and joint underwriters to the Equity Raising.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold directly or indirectly in the United States unless they have been registered under the U.S. Securities Act (which Boral has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration of the U.S. Securities Act and any other applicable United States state securities laws.

Forward looking statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward looking words such as "believe", "expect", "estimate", "will", "may", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the Acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Boral and cannot be predicted by Boral and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Boral operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of Boral or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Statements about past performance are not necessarily indicative of future performance.

Investor Contacts		Media Contacts	
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Boral Limited ABN 13 008 421 761 – PO Box 1228, North Sydney, NSW, 2059 - www.boral.com.au			

6. IMPORTANT INFORMATION

This Retail Offer Booklet (including the ASX announcements in Section 5) and enclosed personalised Entitlement and Acceptance Form (Information) have been prepared by Boral.

This Information is dated Thursday, 24 November 2016 (other than the Boral Investor Presentation and the Offer Launch Announcement published on the ASX website on Monday, 21 November 2016). This Information remains subject to change without notice and Boral is not responsible for updating this Information.

There may be additional announcements made by Boral after the date of this Retail Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Boral (by visiting the ASX website at www.asx.com.au) before submitting your application to take up your Entitlement, or selling or transferring your Entitlement.

No party other than Boral has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the 'Key Risks' section of the Boral Investor Presentation included in Section 5 of this Retail Offer Booklet, any of which could affect the operating and financial performance of Boral or the value of an investment in Boral.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

Trading of Entitlements and New Shares

It is expected that trading of Retail Entitlements on ASX will commence at 10.00am (AEDT) on Thursday, 24 November 2016 on a deferred settlement basis until 4.00pm (AEDT) on Wednesday, 30 November 2016 (when those Entitlements are expected to be allotted) and from 10.00am (AEDT) on Thursday, 1 December 2016 until 4.00pm (AEDT) on Friday, 2 December 2016 on a normal settlement basis. Following this, it is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (AEDT) Monday, 5 December 2016 on a deferred settlement basis until 4.00pm (AEDT) on Tuesday, 20 December 2016 (when New Shares are expected to be issued) and thereafter on a normal settlement basis.

Boral and the Joint Lead Managers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their personalised Entitlement and Acceptance Form, whether on the basis

of confirmation of the allocation provided by Boral or the Boral Share Registry or otherwise or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

Boral and the Joint Lead Managers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Boral or the Boral Share Registry or otherwise or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

6.1 ELIGIBLE RETAIL SHAREHOLDERS

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on Friday, 24 November 2016;
- have a registered address on the Boral share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Boral ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Boral reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed. Boral may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

6. IMPORTANT INFORMATION CONTINUED

Boral has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Boral may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

6.2 ELIGIBLE INSTITUTIONAL SHAREHOLDERS

Eligible Institutional Shareholders are institutional shareholders to whom the Joint Lead Managers made an offer on behalf of Boral under the Institutional Entitlement Offer.

6.3 RANKING OF NEW SHARES

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares, starting with the 2017 interim dividend. The rights and liabilities attaching to the New Shares are set out in Boral's constitution, a copy of which is available at www.boral.com.au.

6.4 RISKS

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Boral. You should refer to the 'Key Risks' section of the Investor Presentation released to ASX on Monday, 21 November 2016 which is included in Section 5 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.5 RECONCILIATION, TOP-UP SHARES AND THE RIGHTS OF BORAL AND THE JOINT LEAD MANAGERS

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. In addition, where trustees of Boral's employee share plans hold shares on behalf of participants in those plans, the number of New Shares that are offered may need to increase to take account of the rounding referred to in Section 6.8. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Boral may need to issue additional New Shares (Top-Up Shares) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

Boral also reserves the right to reduce the size of an Entitlement or number of New Shares or the amount of the Institutional Premium or Retail Premium allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if Boral believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Boral may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Joint Lead Managers at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

Investors who sell Entitlements to which they are not entitled, or who do not hold sufficient Entitlements at the time required to deliver those Entitlements, may be required by Boral to otherwise acquire Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, including pursuant to acquisitions of Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by Boral in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Boral or the Joint Lead Managers to require any of the actions set out above.

6.6 RECEIPT OF EXCESS RETAIL PREMIUM

If you receive a Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on that part of your Entitlement under the Retail Entitlement Offer which remains held by you as at close of the Retail Entitlement Offer on 5.00pm (AEDT) on Friday, 9 December 2016, then, in the absolute discretion of Boral, you may be required to repay Boral the excess Retail Premium.

By taking up or transferring your Entitlement, or accepting the payment to you of a Retail Premium, you irrevocably acknowledge and agree to repay any excess payment of the Retail Premium as set out above as required by Boral in its absolute discretion. In this case the amount required to be repaid will be net of any applicable withholding tax. You also acknowledge that there is no time limit on the ability of Boral to require repayment as set out above and that where Boral exercises its right to correct your Entitlement, you are treated as continuing to have taken up, transferred or not taken up any remaining part of the Entitlement.

6. IMPORTANT INFORMATION CONTINUED

6.7 NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.8 ROUNDING OF ENTITLEMENTS

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

6.9 TRADING OF RETAIL ENTITLEMENTS

Entitlements under the Retail Entitlement Offer are tradeable and can be sold or transferred. They are expected to be quoted on and tradeable on ASX from Thursday, 24 November 2016 to Friday, 2 December 2016. You may sell your Entitlements (which you do not wish to take up or let be sold into the Retail Shortfall Bookbuild) in order to realise value which may attach to those Entitlements if sold at that time. If you let your Entitlement be sold into the Retail Shortfall Bookbuild, you have the opportunity to receive any Retail Premium (see Section 3.3). There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact the ability to sell Entitlements on ASX and the price able to be achieved.

Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Boral existing Shares relative to the Offer Price. If you sell your Entitlement, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.

If you decide not to take up all or part of your Entitlement, you should consider whether to sell all or part of your Entitlement or allow all or part of it to be sold into the Retail Shortfall Bookbuild. Information on how Entitlements may be sold or transferred is set out in Section 3 and information on Australian taxation considerations is set out in Section 4.

Institutional Entitlements under the Institutional Entitlement Offer were not quoted on or tradeable on ASX nor privately transferable.

Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements on ASX or otherwise, in order to take up or exercise those Retail Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder, a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'³; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, they may receive no value for them.

6.10 NOTICE TO NOMINEES AND CUSTODIANS

If Boral believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not sell or transfer Entitlements in respect of or purport to accept the Retail Entitlement Offer in respect of, Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Institutional Shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to purchase or trade Retail Entitlements on ASX or otherwise, or take up or exercise Retail Entitlements purchased on ASX or otherwise and may receive no value for any such Entitlements held.

Boral is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws. Boral is not able to advise on foreign laws.

³ Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available at www.boral.com.au and to be released by Boral to ASX on www.asx.com.au.

6. IMPORTANT INFORMATION CONTINUED

For the purpose of determining Entitlements:

- where Shares are held by a nominee, the nominee is treated as a separate shareholder in respect of Shares held for Institutional Shareholders, and Shares held for other shareholders, and may receive both offers in respect of Shares held as nominee for Institutional Shareholders and offers in respect of Shares held as nominee for other shareholders. Offers will be treated as being made to the nominee, even where made directly to the Institutional Shareholder for whom the nominee holds Shares; and
- Boral may ignore changes in holdings which occur after the implementation of the trading halt in its Shares (other than registrations of transactions which were effected through a market licensee's trading platform before the implementation of the trading halt).

6.11 NOT INVESTMENT ADVICE

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Boral is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Boral's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.boral.com.au.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the 'Foreign Jurisdictions' section of the Boral Investor Presentation included in Section 5 of this Retail Offer Booklet and (ii) to beneficial shareholders in other countries (other than the United States) where Boral may determine it is lawful and practical to make the Retail Entitlement Offer.

6.12 QUOTATION AND TRADING

Boral has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Boral will repay all Application Monies (without interest). Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (AEDT) on Wednesday, 21 December 2016.

6.13 INFORMATION AVAILABILITY

If you are in Australia or New Zealand, you can obtain a copy of this Retail Offer Booklet during the Entitlement Offer on Boral's Entitlement Offer website at www.boral.com.au or you can call the Boral Limited Offer Information Line on 1300 420 208 (within Australia) or +61 1300 420 208 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday.

A replacement Entitlement and Acceptance Form can also be requested by calling the Boral Limited Offer Information Line.

If you access the electronic version of this Retail Offer Booklet, you should ensure that you download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the Boral Entitlement Offer website will not include an Entitlement and Acceptance Form.

6.14 FOREIGN JURISDICTIONS

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form or trading Entitlements is not in the United States and not acting for the account or benefit of a person in the United States.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out in the 'Foreign Jurisdictions' section of the Boral Investor Presentation included in Section 5 of this Retail Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

6. IMPORTANT INFORMATION CONTINUED

6.14.1 New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is renounceable in favour of members of the public.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

6.14.2 United States

The Entitlements and New Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States.

The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold directly or indirectly, to persons in the United States or to persons who are acting for the account or benefit of persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Entitlements and the New Shares in the Retail Entitlement Offer will be only sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute, release or send copies of this Retail Offer Booklet or any other material relating to the Retail Entitlement Offer to any person in the United States.

6.15 UNDERWRITING OF THE OFFER

Boral has entered into an underwriting agreement (**Underwriting Agreement**) with the Joint Lead Managers, who have agreed to manage and fully underwrite the Entitlement Offer and Placement. As is customary with these types of arrangements:

- Boral has agreed, subject to certain carve-outs, to indemnify the Joint Lead Managers, their affiliates, and each of their directors, officers, partners, employees, agents, representatives and advisers against any losses they may suffer or incur in connection with the Offer or the Acquisition;
- Boral and the Joint Lead Managers have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer and the Acquisition;

- the Joint Lead Managers may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - the Acquisition does not proceed for a number of reasons including if a condition to the Acquisition or Acquisition funding arrangements cannot be satisfied, the agreements are withdrawn, revoked or varied in any respect that is materially adverse to Boral or terminated or rendered void, voidable, illegal or otherwise unenforceable;
 - Boral is removed from the official list of ASX, its shares are suspended from quotation or approval for the New Shares is not given by ASX;
 - there are certain delays in the timetable for the Entitlement Offer without the Joint Lead Managers' consent;
 - there are material financial or economic disruptions in key markets or hostilities commence or escalate in certain key countries;
 - there is a change in the CEO or CFO of Boral or the CEO of Boral Industries, Inc.;
 - an adverse change, or an event that is likely to lead to an adverse change, occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Boral or the Group from that disclosed to ASX up to, and including, the Announcement Date; or
 - Boral withdraws the Entitlement Offer.

The Joint Lead Managers will be paid an underwriting, offer management and arrangement fee of 1.75% (excluding GST) of the Institutional Entitlement Offer proceeds and the Placement Proceeds and 1.75% of the Retail Entitlement Offer proceeds for providing these services and will also be reimbursed for certain expenses.

None of the Joint Lead Managers nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Joint Lead Managers and each of their respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Joint Lead Managers nor any of their respective related bodies corporate and affiliates nor respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer

6. IMPORTANT INFORMATION CONTINUED

nor do they make any representations or warranties to you concerning the Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Managers or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

Boral will arrange for Entitlements which are not taken up by close of the Retail Entitlement Offer to be sold to eligible institutional investors. Boral has engaged the Joint Lead Managers to assist in selling Entitlements to subscribe for New Shares (including Entitlements that would have been issued to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer), through the Retail Shortfall Bookbuild. However, it is important to note that Joint Lead Managers will be acting for and providing services to Boral in this process and will not be acting for or providing services to shareholders or any other investor. The engagement of the Joint Lead Managers by Boral is not intended to create any agency, fiduciary or other relationship between the Joint Lead Managers and the shareholders or any other investor.

6.16 GOVERNING LAW

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.17 DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Boral, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Boral, nor any other person, warrants or guarantees the future performance of Boral or any return on any investment made pursuant to this Information or its content.

6.18 WITHDRAWAL OF THE ENTITLEMENT OFFER

Boral reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Boral will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Boral may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Boral will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Boral.

6.19 PRIVACY

As a shareholder, Boral and the Boral Share Registry have already collected certain personal information from you. If you apply for New Shares, Boral and the Boral Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Boral and the Boral Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Boral Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise under the Privacy Act 1988 (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Boral and the Boral Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by writing to Boral through the Boral Share Registry as follows:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

CORPORATE DIRECTORY

Boral Limited

(ABN 13 008 421 761)
Level 3
40 Mount Street
North Sydney NSW 2060
www.boral.com.au

Boral Limited Offer Information Line

1300 420 208 (within Australia)
+61 1300 420 208 (outside Australia)
Open between 8.30am to 5.30pm (AEDT)
Monday to Friday

Boral Share Registry

Link Market Services Limited
(ABN 54 083 214 537)
Level 12, 680 George Street
Sydney NSW 2000
www.linkmarketservices.com.au

JOINT LEAD MANAGERS TO THE ENTITLEMENT OFFER

Citigroup Global Markets Australia Pty Limited

(ABN 64 003 114 832)
Level 23, 2 Park Street
Sydney NSW 2000

Macquarie Capital (Australia) Limited

(ABN 79 123 199 548)
50 Martin Place
Sydney NSW 2000

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Sydney NSW 2000

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