Half-Year Financial Report

31 December 2020

Boral Limited
ABN 13 008 421 761

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Boral Limited during the half-year in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

Boral Limited

ABN 13 008 421 761

Level 18, 15 Blue Street
North Sydney NSW 2060
PO Box 1228
North Sydney NSW 2059
Telephone (02) 9220 6300
Facsimile (02) 9233 6605

www.boral.com.au

APPENDIX 4D
HALF-YEAR REPORT

9 February 2021

Name of Entity: **Boral Limited**

ABN: **13 008 421 761**

For the half year ended: **31 December 2020**

Results for announcement to the market

				Dec-2020 $m	Dec-2019 $m
Revenue from continuing operations	down	(8.7%)	to	**2,703.3**	2,960.2
Revenue from discontinued operations				**12.8**	28.9
Total revenue				**2,716.1**	2,989.1
Profit from continuing operations before net interest expense, income tax and significant items	down	(8.0%)	to	**215.1**	233.8
Profit from discontinued operations before net interest expense, income tax and significant items				**39.3**	17.9
Profit before net interest expense, income tax and significant items	up	1.1%	to	**254.4**	251.7
Net interest expense from continuing operations before significant items				**(58.3)**	(61.2)
Profit before income tax and significant items	up	2.9%	to	**196.1**	190.5
Income tax from continuing operations before significant items				**(38.7)**	(35.8)
Income tax from discontinued operations before significant items				**(1.6)**	1.6
Net profit before significant items attributable to members	down	(0.3%)	to	**155.8**	156.3
Significant items from continuing operations net of tax[1]				**(2.7)**	(18.2)
Significant items from discontinued operations net of tax[1]				**8.3**	(1.6)
Net profit attributable to members	**up**	**18.2%**	**to**	**161.4**	136.5

1. Refer Note 2 of the attached half-year financial report.

Profit before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The above disclosures are extracted or derived from the financial report for the period ended 31 December 2020, which has been reviewed by KPMG. The Independent Auditor's Review Report provided by KPMG is included in the Half-Year Financial Report of Boral Limited for the half-year period ended 31 December 2020.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	–	–
Previous corresponding period: Interim - ordinary	9.5 cents	4.75 cents

Comparative Period: Half Year ended 31 December 2019

Commentary on the results for the period

The commentary on the results of the period is contained in the "Results Announcement for the half-year ended 31 December 2020 - Management Discussion and Analysis" dated 9 February 2021.

Directors' Report

The Directors of Boral Limited ("the Company") report on the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2020 ("the half-year"):

1. Review of Operations

The Directors' review of the operations of the consolidated entity during the half-year and the results of those operations are as set out in the attached Results Announcement for the half-year.

2. Names of Directors

The names of persons who have been Directors of the Company during or since the end of the half-year are:

Kathryn Fagg AO	– Chairman
Zlatko Todorcevski	– Chief Executive Officer and Managing Director, appointed 1 July 2020
Peter Alexander	
Eileen Doyle	– Retired 27 October 2020
John Marlay	– Retired 27 October 2020
Karen Moses	
Deborah O'Toole	– Appointed 28 September 2020
Paul Rayner	
Richard Richards	– Appointed 28 September 2020 and retired 27 October 2020
Rob Sindel	– Appointed 28 September 2020
Ryan Stokes AO	– Appointed 28 September 2020

3. Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the Corporations Act 2001 is set out on page 2 and forms part of this Directors' Report.

4. Rounding of Amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000 which have been rounded down.

Signed in accordance with a resolution of the Directors.

Kathryn Fagg AO
Director

Zlatko Todorcevski
Director

Sydney, 9 February 2021

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Boral Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Boral Limited for the half-year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Kenneth Reid
Partner

Sydney, 9 February 2021

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m
Continuing operations			
Revenue	4	**2,703.3**	2,960.2
Cost of sales		**(1,835.6)**	(1,995.5)
Selling and distribution expenses		**(473.7)**	(523.2)
Administrative expenses		**(211.8)**	(227.4)
		(2,521.1)	(2,746.1)
Other income		**24.7**	10.6
Other expenses		**(3.7)**	(21.9)
Share of equity accounted income		**8.2**	9.1
Profit before net interest expense and income tax		**211.4**	211.9
Interest income		**2.9**	2.7
Interest expense		**(61.2)**	(63.9)
Net interest expense		**(58.3)**	(61.2)
Profit before income tax		**153.1**	150.7
Income tax expense	5	**(37.7)**	(32.1)
Profit from continuing operations		**115.4**	118.6
Discontinued operations			
Profit from discontinued operations (net of income tax)	3	**46.0**	17.9
Net profit		**161.4**	136.5
Basic earnings per share	6	**13.2c**	11.6c
Diluted earnings per share	6	**13.1c**	11.6c
Continuing operations			
Basic earnings per share	6	**9.4c**	10.1c
Diluted earnings per share	6	**9.4c**	10.1c

The Income Statement should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

	Half-Year 31 Dec 2020 $m	Half-Year 31 Dec 2019 $m
Net profit	**161.4**	136.5
Other comprehensive income		
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	**(198.0)**	4.7
Fair value adjustment on cash flow hedges	**2.3**	(4.6)
Income tax on items that may be reclassified subsequently to Income Statement	**(33.4)**	3.2
Total comprehensive income/(loss)	**(67.7)**	139.8

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	31 Dec 2020 $m	30 Jun 2020 $m
CURRENT ASSETS			
Cash and cash equivalents		**558.1**	904.4
Receivables		**674.3**	798.3
Inventories		**486.7**	523.9
Financial assets		**5.4**	4.7
Current tax assets		**11.7**	12.5
Other assets		**52.7**	47.2
Assets classified as held for sale		**1,119.8**	84.2
TOTAL CURRENT ASSETS		**2,908.7**	2,375.2
NON-CURRENT ASSETS			
Receivables		**18.9**	24.9
Inventories		**10.6**	11.2
Investments accounted for using the equity method		**23.0**	1,209.7
Financial assets		**52.1**	55.7
Property, plant and equipment		**2,939.7**	3,117.0
Intangible assets		**1,970.8**	2,223.2
Deferred tax assets		**125.7**	145.5
Other assets		**40.3**	39.6
TOTAL NON-CURRENT ASSETS		**5,181.1**	6,826.8
TOTAL ASSETS		**8,089.8**	9,202.0
CURRENT LIABILITIES			
Trade creditors		**610.6**	728.8
Interest bearing liabilities	10	**97.1**	106.0
Financial liabilities		**11.1**	13.7
Current tax liabilities		**19.1**	4.4
Employee benefit liabilities		**121.4**	119.7
Provisions		**48.3**	63.1
Liabilities classified as held for sale		**-**	10.3
TOTAL CURRENT LIABILITIES		**907.6**	1,046.0
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	**2,400.1**	3,378.0
Financial liabilities		**90.3**	26.6
Deferred tax liabilities		**34.5**	14.1
Employee benefit liabilities		**45.1**	43.4
Provisions		**133.9**	152.5
Other liabilities		**12.4**	6.3
TOTAL NON-CURRENT LIABILITIES		**2,716.3**	3,620.9
TOTAL LIABILITIES		**3,623.9**	4,666.9
NET ASSETS		**4,465.9**	4,535.1
EQUITY			
Issued capital	11	**4,376.4**	4,376.4
Reserves	12	**126.3**	356.9
Retained earnings/(accumulated deficit)		**(36.8)**	(198.2)
TOTAL EQUITY		**4,465.9**	4,535.1

The Balance Sheet should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED ENTITIES

	Issued capital $m	Reserves $m	Retained earnings $m	Total Equity $m
Balance at 1 July 2020	**4,376.4**	**356.9**	**(198.2)**	**4,535.1**
Net profit	**-**	**-**	**161.4**	**161.4**
Other comprehensive income				
Translation of net assets of overseas entities	**-**	**(332.5)**	**-**	**(332.5)**
Translation of share of equity accounted other comprehensive income	**-**	**25.3**	**-**	**25.3**
Translation of long-term borrowings and foreign currency forward contracts	**-**	**109.2**	**-**	**109.2**
Fair value adjustment on cash flow hedges	**-**	**2.3**	**-**	**2.3**
Income tax relating to other comprehensive income	**-**	**(33.4)**	**-**	**(33.4)**
Total comprehensive income/(loss)	**-**	**(229.1)**	**161.4**	**(67.7)**
Transactions with owners in their capacity as owners				
Share acquisition rights vested	**-**	**(1.2)**	**-**	**(1.2)**
Share-based payment	**-**	**(0.3)**	**-**	**(0.3)**
Total transactions with owners in their capacity as owners	**-**	**(1.5)**	**-**	**(1.5)**
Balance at 31 December 2020	**4,376.4**	**126.3**	**(36.8)**	**4,465.9**
Balance at 1 July 2019	4,265.1	330.0	1,220.6	5,815.7
Net profit	-	-	136.5	136.5
Other comprehensive income				
Translation of net assets of overseas entities	-	2.5	-	2.5
Translation of share of equity accounted other comprehensive income	-	8.2	-	8.2
Translation of long-term borrowings and foreign currency forward contracts	-	(6.0)	-	(6.0)
Fair value adjustment on cash flow hedges	-	(4.6)	-	(4.6)
Income tax relating to other comprehensive income	-	3.2	-	3.2
Total comprehensive income	-	3.3	136.5	139.8
Transactions with owners in their capacity as owners				
Share acquisition rights vested	-	(2.0)	-	(2.0)
Dividend paid	-	-	(158.3)	(158.3)
Share-based payment	-	2.0	-	2.0
Total transactions with owners in their capacity as owners	-	-	(158.3)	(158.3)
Balance at 31 December 2019	4,265.1	333.3	1,198.8	5,797.2

The Statement of Changes in Equity should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Statement of Cash Flows

BORAL LIMITED AND CONTROLLED ENTITIES

	Half-Year 31 Dec 2020 $m	Half-Year 31 Dec 2019 $m
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**2,980.6**	3,240.5
Payments to suppliers and employees	**(2,547.2)**	(2,912.9)
	433.4	327.6
Dividends received	**50.7**	23.6
Interest received	**2.8**	2.5
Borrowing costs paid	**(64.0)**	(61.4)
Income taxes paid	**(7.9)**	(30.6)
Restructure, transaction and integration costs paid	**(24.4)**	(24.5)
Net cash provided by operating activities	**390.6**	237.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(122.9)**	(185.3)
Purchase of intangibles	**-**	(3.6)
Proceeds on disposal of non-current assets	**37.2**	19.7
Proceeds on disposal of controlled entities and associates (net of transaction costs)	**71.5**	13.0
Net cash used in investing activities	**(14.2)**	(156.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**-**	(158.3)
Repayment of lease principal	**(43.1)**	(45.7)
Proceeds from borrowings	**105.6**	-
Repayment of borrowings	**(732.8)**	(1.3)
Net cash used in financing activities	**(670.3)**	(205.3)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(293.9)**	(124.3)
Cash and cash equivalents at the beginning of the year	**904.4**	207.2
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies	**(52.4)**	1.5
Cash and cash equivalents at the end of the half-year	**558.1**	84.4

The Statement of Cash Flows should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES

Boral Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated half-year financial report of Boral Limited as at and for the half-year ended 31 December 2020 comprises Boral Limited and its controlled entities (the "Group").

(a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report also complies with IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include full note disclosures of the type normally included in an annual financial report. As a result, the half-year financial report should be read in conjunction with the 30 June 2020 Annual Financial Report and any public announcements by Boral Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the Directors on 9 February 2021.

The half-year financial report is presented in Australian dollars.

(b) Significant Accounting Policies

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2020 Annual Financial Report. The half-year financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

The Group has early adopted AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform (issued by AASB in October 2019) in the prior financial year. The Group has no transactions that are affected by newly effective Australian Accounting Standards and Australian Accounting Standards Board Interpretations or its accounting policies are already consistent with the new requirements.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Comparative Figures

Where applicable, certain comparative figures have been reclassified to discontinued operations, to align with current year presentation, as a result of the sale of Midland Brick and the expected divestment of Boral's 50% interest in USG Boral and Meridian Brick. Refer to Note 3 for further details.

(d) Rounding of Amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000 which have been rounded down.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and Managing Director in assessing performance and in determining the allocation of resources. The operating segments are identified by the Group based on consideration of the nature of the services provided as well as the geographical region. Discrete financial information about each of these operating businesses is reported to the CEO and Managing Director on a recurring basis.

The following summary describes the operations of the Group's reportable segments:

Boral Australia	- Construction Materials & Cement (comprising quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing) and Building Products (comprising roofing, masonry and timber products).
Boral North America	- Fly ash, stone, roofing, light building products and windows.
Discontinued Operations	- Midland Brick, USG Boral and Meridian Brick.
Corporate	- Non-trading operations and unallocated corporate costs.

The major end use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

Inter-segment pricing is determined on an arm's-length basis.

The Group has a large number of customers to which it provides products, with no single customer responsible for more than 10% of the Group's revenue.

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

Reconciliations of reportable segment revenues and profits	Note	**Half-Year 31 Dec 2020 $m**	**Half-Year 31 Dec 2019** $m
External revenue		**2,716.1**	2,989.1
Less: revenue from discontinued operations	3	**(12.8)**	(28.9)
Revenue from continuing operations		**2,703.3**	2,960.2
Profit before tax			
Profit before net interest expense and income tax from reportable segments		**252.9**	228.2
Less: Profit before net interest expense and income tax from discontinued operations	3	**(41.5)**	(16.3)
Profit before net interest expense and income tax from continuing operations		**211.4**	211.9
Net interest expense from continuing operations		**(58.3)**	(61.2)
Profit before tax from continuing operations		**153.1**	150.7

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		Boral North America		Discontinued Operations		Corporate		Total	
	Half-Year 31 Dec 2020 $m	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m
External Revenue	**1,605.1**	1,752.4	**1,098.2**	1,207.8	**12.8**	28.9	**-**	-	**2,716.1**	2,989.1
Profit/(loss) before depreciation, amortisation, interest, income tax expense and significant items (EBITDA)	**249.8**	286.5	**209.0**	199.4	**40.0**	19.8	**(12.6)**	(12.7)	**486.2**	493.0
Depreciation and amortisation	**(121.4)**	(126.8)	**(108.7)**	(111.6)	**(0.7)**	(1.9)	**(1.0)**	(1.0)	**(231.8)**	(241.3)
Profit/(loss) before interest, income tax and significant items (EBIT)	**128.4**	159.7	**100.3**	87.8	**39.3**	17.9	**(13.6)**	(13.7)	**254.4**	251.7
Sale of business (i)	**-**	-	**-**	-	**2.2**	-	**-**	-	**2.2**	-
Transformation costs (ii)	**-**	-	**-**	-	**-**	-	**(3.7)**	-	**(3.7)**	-
Joint venture matters (iii)	**-**	-	**-**	-	**-**	(1.6)	**-**	(6.5)	**-**	(8.1)
Restructure and integration costs (iv)	**-**	(7.2)	**-**	(8.2)	**-**	-	**-**	-	**-**	(15.4)
Significant items before income tax expense	**-**	(7.2)	**-**	(8.2)	**2.2**	(1.6)	**(3.7)**	(6.5)	**(1.5)**	(23.5)
Profit/(loss) before interest and income tax expense	**128.4**	152.5	**100.3**	79.6	**41.5**	16.3	**(17.3)**	(20.2)	**252.9**	228.2
Equity accounted income	**8.2**	9.1	**-**	-	**40.6**	20.1	**-**	-	**48.8**	29.2
Significant items (iii)	**-**	-	**-**	-	**-**	(1.6)	**-**	-	**-**	(1.6)
Equity accounted income after significant items	**8.2**	9.1	**-**	-	**40.6**	18.5	**-**	-	**48.8**	27.6

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

Significant items		**Gross Half-Year 31 Dec 2020 $m**	**Tax Half-Year 31 Dec 2020 $m**	**Net Half-Year 31 Dec 2020 $m**	Gross Half-Year 31 Dec 2019 $m	Tax Half-Year 31 Dec 2019 $m	Net Half-Year 31 Dec 2019 $m
(i)	Sale of business	**2.2**	**6.1**	**8.3**	-	-	-
(ii)	Transformation costs	**(3.7)**	**1.0**	**(2.7)**	-	-	-
(iii)	Joint venture matters	**-**	**-**	**-**	(8.1)	-	(8.1)
(iv)	Restructure and integration costs	**-**	**-**	**-**	(15.4)	3.7	(11.7)
		(1.5)	**7.1**	**5.6**	(23.5)	3.7	(19.8)

(i) Sale of business

The Group completed the sale of the Midland Brick business in September, which generated net cash proceeds of $81.3 million and a profit before tax of $2.2 million.

(ii) Transformation costs

During the period, the Group incurred $3.7 million of costs in relation to the ongoing portfolio and organisational structure reviews.

(iii) Joint venture matters

In the prior period, the Group incurred $8.1 million of costs, primarily legal and consulting, in conjunction with the previously announced change in ownership and operating structure of the plasterboard businesses, as a result of Knauf's acquisition of USG.

(ii) Restructure and integration costs

In the prior period, $7.2 million of restructuring related costs were incurred to align the Australian business with the prevailing trading conditions and $8.2 million of costs were incurred in relation to the integration of the Headwaters business into the Group’s existing North America business portfolio.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		Boral North America		Discontinued Operations		Corporate		Total	
	Half-Year 31 Dec 2020 $m	Full Year 30 Jun 2020 $m	**Half-Year 31 Dec 2020 $m**	Full Year 30 Jun 2020 $m	**Half-Year 31 Dec 2020 $m**	Full Year 30 Jun 2020 $m	**Half-Year 31 Dec 2020 $m**	Full Year 30 Jun 2020 $m	**Half-Year 31 Dec 2020 $m**	Full Year 30 Jun 2020 $m
Segment assets (excluding equity accounted investments)	**2,981.9**	3,119.2	**3,227.2**	3,680.9	**1,119.8**	84.2	**42.4**	45.6	**7,371.3**	6,929.9
Equity accounted investments	**23.0**	20.9	**-**	-	**-**	1,188.8	**-**	-	**23.0**	1,209.7
	3,004.9	3,140.1	**3,227.2**	3,680.9	**1,119.8**	1,273.0	**42.4**	45.6	**7,394.3**	8,139.6
Cash and cash equivalents							**558.1**	904.4	**558.1**	904.4
Tax assets							**137.4**	158.0	**137.4**	158.0
Total assets	**3,004.9**	3,140.1	**3,227.2**	3,680.9	**1,119.8**	1,273.0	**737.9**	1,108.0	**8,089.8**	9,202.0
Segment liabilities	**585.4**	672.9	**332.3**	381.9	**-**	10.3	**155.4**	99.3	**1,073.1**	1,164.4
Interest bearing liabilities							**2,497.2**	3,484.0	**2,497.2**	3,484.0
Tax liabilities							**53.6**	18.5	**53.6**	18.5
Total liabilities	**585.4**	672.9	**332.3**	381.9	**-**	10.3	**2,706.2**	3,601.8	**3,623.9**	4,666.9
	Half-Year 31 Dec 2020 $m	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m
Acquisition of segment assets[1]	**81.0**	155.8	**66.3**	118.2	**0.4**	0.2	**0.1**	0.5	**147.8**	274.7

Geographical location

In presenting information on a geographical basis, assets are based on the geographical location of the assets.

NON-CURRENT ASSETS	**Half-Year 31 Dec 2020 $m**	Full Year 30 Jun 2020 $m
Australia	**2,215.9**	2,576.7
Asia	**-**	723.0
United States of America	**2,765.6**	3,236.5
Other	**21.8**	89.4
	5,003.3	6,625.6
Tax assets	**125.7**	145.5
Financial assets	**52.1**	55.7
	5,181.1	6,826.8

1. Excludes amounts attributable to the acquisition of controlled entities and businesses.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the period, the Group completed the divestment of its Midland Brick business in Western Australia.

In October 2020, the Group announced the divestment of Boral's 50% interest in USG Boral to Gebr Knauf KG, subject to typical conditions precedent including in relation to regulatory matters.

In December 2020, the Group announced the divestment of Boral's 50% interest in Meridian Brick Joint Venture to Wienerberger, subject to various closing conditions and regulatory approvals.

The earnings in the current and comparative periods for these businesses, the gain on sale in Midland Brick business, have been reclassified to "Discontinued Operations" in the Income Statement, and are summarised below.

	Note	**Half-Year 31 Dec 2020 $m**	Half-Year 31 Dec 2019 $m
Results of discontinued operations			
Revenue		**12.8**	28.9
Expenses		**(14.1)**	(31.1)
Share of equity accounted income		**40.6**	20.1
Trading profit before significant items, net interest expense and income tax		**39.3**	17.9
Joint venture matters	2	**-**	(1.6)
Net gain on sale of discontinued operations	2	**2.2**	-
Profit before income tax		**41.5**	16.3
Income tax benefit	5	**4.5**	1.6
Net profit		**46.0**	17.9
Cash flows of discontinued operations			
Net cash provided by operating activities		**43.1**	17.5
Net cash provided by investing activities		**68.4**	8.8
Net cash used in financing activities		**(0.3)**	(0.7)
Net cash provided by discontinued operations		**111.2**	25.6
Assets classified as held for sale			
Investments accounted for using the equity method		**1,119.8**	

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

Disposal of Midland Brick business

The following disposal entries were recorded in the current period. The gain on disposal is subject to finalisation of working capital adjustments, which is expected by 30 June 2021.

	Half-Year 31 Dec 2020 $m
Current period	**72.3**
Prior period	**9.0**
Consideration	**81.3**
Receivables	**(7.6)**
Inventories	**(42.1)**
Property, plant and equipment	**(30.9)**
Other assets	**(1.6)**
Trade creditors	**3.3**
Employee benefit liabilities	**3.0**
Provisions	**0.3**
Net assets disposed	**(75.6)**
Costs incurred	**(3.5)**
Gain on disposal before income tax	**2.2**

	Half-Year 31 Dec 2020 $m	Half-Year 31 Dec 2019 $m
4. REVENUE FROM CONTINUING OPERATIONS		
Sale of goods	**2,499.7**	2,727.4
Rendering of services	**31.2**	38.4
Contracting business	**172.4**	194.4
Revenue from continuing operations	**2,703.3**	2,960.2

5. INCOME TAX EXPENSE

Reconciliation of income tax expense to prima facie tax

Income tax expense on profit at Australian tax rates 30%	**58.4**	50.1
Variation between Australian and overseas tax rates	**(3.5)**	(3.8)
Share of associates' net income (excluding significant items)	**(11.3)**	(8.2)
Tax benefit arising from share acquisition rights vested	**(0.3)**	(0.5)
Additional tax benefit from sale of business	**(6.7)**	-
Income tax losses brought to account	**(6.1)**	(10.6)
Other items	**2.7**	3.5
Income tax expense	**33.2**	30.5
Income tax expense relating to continuing operations	**37.7**	32.1
Income tax benefit relating to discontinued operations	**(4.5)**	(1.6)
	33.2	30.5

At 31 December 2020, the Group has unrecognised income and capital losses carried forward, of which the tax effected amounts are $44.4 million and $90.2 million respectively. Those losses have not been accounted for due to the uncertainties relating to their future utilisation.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. EARNINGS PER SHARE

Classification of securities as ordinary shares

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

Classification of securities as potential ordinary shares

Options outstanding under the Executive Share Option Plan and Share Performance Rights have been classified as potential ordinary shares and are included in diluted earnings per share only.

	Half-Year 31 Dec 2020	Half-Year 31 Dec 2019
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	**1,225,653,798**	1,172,331,924
Effect of potential ordinary shares	**5,480,069**	4,296,240
Number for diluted earnings per share	**1,231,133,867**	1,176,628,164

	Half-Year 31 Dec 2020			Half-Year 31 Dec 2019		
	Continuing operations $m	**Discontinued operations $m**	**Total $m**	Continuing operations $m	Discontinued operations $m	Total $m
Earnings reconciliation						
Net profit attributable to members of the parent entity excluding significant items	**118.1**	**37.7**	**155.8**	136.8	19.5	156.3
Net significant items (refer note 2)	**(2.7)**	**8.3**	**5.6**	(18.2)	(1.6)	(19.8)
Net profit	**115.4**	**46.0**	**161.4**	118.6	17.9	136.5
Basic earnings per share	**9.4c**	**3.8c**	**13.2c**	10.1c	1.5c	11.6c
Diluted earnings per share	**9.4c**	**3.7c**	**13.1c**	10.1c	1.5c	11.6c
Excluding significant items						
Basic earnings per share*	**9.6c**	**3.1c**	**12.7c**	11.7c	1.7c	13.3c
Diluted earnings per share	**9.6c**	**3.1c**	**12.7c**	11.6c	1.7c	13.3c

* Numbers may not add due to rounding.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. DIVIDENDS

	Amount per share	Total amount ($m)	Franked amount per share	Date of payment
For the half-year ended 31 December 2020				
Final June 2020 - ordinary	-	-	-	-
For the half-year ended 31 December 2019				
Final June 2019 - ordinary	13.5 cents	158.3	6.75 cents	1 October 2019

Subsequent event

Since the end of the period, the Directors have decided that no interim dividend would be paid for the half-year ended 31 December 2020.

Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan, was in effect for the payment of the interim dividend on 15 April 2020.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Balance date	OWNERSHIP INTEREST 31 Dec 2020 %	OWNERSHIP INTEREST 30 Jun 2020 %
DETAILS OF EQUITY ACCOUNTED INVESTMENTS				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	**50**	50
Flyash Australia Pty Ltd	Fly ash collection	31-Dec	**50**	50
Highland Pine Products Pty Ltd	Timber	30-Jun	**50**	50
Meridian Brick[1]	Bricks	30-Jun	**50**	50
Penrith Lakes Development Corporation Ltd	Property development	30-Jun	**40**	40
South East Asphalt Pty Ltd	Asphalt	30-Jun	**50**	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	**50**	50
USG Boral Building Products[2]	Plasterboard	30-Jun	**50**	50

1. The Group has a 50% interest in the joint ventures in the USA (Meridian Brick LLC) and Canada (Meridian Brick Canada Ltd). This has been reclassified as assets held for sale. Refer to Note 3.
2. The Group has a 50% interest in the joint ventures in Australia (USG Boral Building Products Pty Ltd) and Asia (USG Boral Pte Ltd). This has been reclassified as assets held for sale. Refer to Note 3.

9. NET TANGIBLE ASSET BACKING

	31 Dec 2020	30 Jun 2020
Net tangible asset backing per ordinary security	**$2.04**	$1.89

10. INTEREST BEARING LIABILITIES

	31 Dec 2020 $m	30 Jun 2020 $m
CURRENT		
Loans - unsecured	**8.9**	9.0
Other loans	**3.7**	5.3
Lease liabilities	**84.5**	91.7
	97.1	106.0
NON-CURRENT		
Loans - unsecured	**2,150.6**	3,084.6
Other loans	**0.5**	2.0
Lease liabilities	**249.0**	291.4
	2,400.1	3,378.0
TOTAL	**2,497.2**	3,484.0

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2020 $m	30 Jun 2020 $m
11. ISSUED CAPITAL		
1,225,653,798 (30 Jun 2020: 1,225,653,798) ordinary shares	**4,376.4**	4,376.4
MOVEMENTS IN ISSUED CAPITAL		
Balance at the beginning of the period	**4,376.4**	4,265.1
Nil (30 Jun 2020: 14,407,567) shares issued under the Dividend Reinvestment Plan	**-**	29.7
Nil (30 Jun 2020: 38,914,307) shares issued under the Dividend Reinvestment Plan underwriting agreement	**-**	81.6
Balance at the end of the period	**4,376.4**	4,376.4

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit.

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

12. RESERVES

Foreign currency translation reserve	**97.1**	327.8
Hedging reserve - cash flow hedges	**(10.4)**	(12.0)
Share-based payments reserve	**39.6**	41.1
Balance at the end of the period	**126.3**	356.9

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

13. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair value measurement principles adopted in this report are consistent with those applied in the Group's Annual Financial Report for the year ended 30 June 2020.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at Level 1 and Level 2 fair value:

	Level 1		**Level 2**	
	31 Dec 2020	30 June 2020	**31 Dec 2020**	30 June 2020
	$m	$m	**$m**	$m
Assets				
Equity Securities	**35.0**	33.1	**-**	-
Derivative financial assets	**-**	-	**22.5**	27.3
Total assets	**35.0**	33.1	**22.5**	27.3
Liabilities				
Derivative financial liabilities	**-**	-	**101.4**	40.3
Total liabilities	**-**	-	**101.4**	40.3

The Group does not have financial instruments that have been valued at Level 3.

Statutory Statements

BORAL LIMITED AND CONTROLLED ENTITIES

Directors' Declaration

In the opinion of the Directors of Boral Limited:

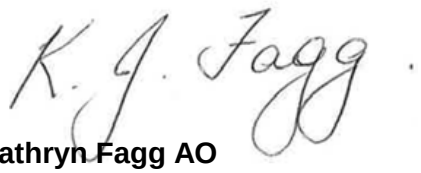
1. The financial statements and notes set out on pages 3 to 19, are in accordance with the *Corporations Act 2001* , including:

   (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 "*Interim Financial Reporting* " and the *Corporations Regulations 2001* ; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Kathryn Fagg AO
Chairman

Zlatko Todorcevski
CEO & Managing Director

Sydney, 9 February 2021

Independent Auditor's Review Report

To the shareholders of Boral Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Boral Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Boral Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated Balance Sheet as at 31 December 2020
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the Half-year ended on that date
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Boral Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

KPMG

Kenneth Reid
Partner

Sydney, 9 February 2021