

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	Note	CONSOLIDATED	
		2009 \$ millions	2008 \$ millions
Revenue	3	4,875.1	5,198.5
Cost of sales		(3,247.9)	(3,426.5)
Distribution expenses		(791.2)	(798.6)
Selling and marketing expenses		(200.9)	(202.7)
Administrative expenses		(390.4)	(362.9)
		(4,630.4)	(4,790.7)
Other income	4	60.3	18.2
Other expenses	5	(99.1)	(31.9)
Share of net profit of associates and joint ventures	6, 12	0.5	22.0
Profit before net financing costs and income tax expense		206.4	416.1
Financial income	7	37.5	8.7
Financial expenses	7	(135.2)	(120.6)
Net financing costs		(97.7)	(111.9)
Profit before related income tax expense		108.7	304.2
Income tax (expense)/benefit	8	33.5	(62.0)
Net profit		142.2	242.2
Attributable to:			
Members of the parent entity		142.0	242.8
Minority interests		0.2	(0.6)
Net profit		142.2	242.2
Basic earnings per share – ordinary shares	10	24.1c	40.7c
Diluted earnings per share – ordinary shares	10	24.0c	40.6c

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

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

as at 30 June	Note	CONSOLIDATED	
		2009 \$ millions	2008 \$ millions
CURRENT ASSETS			
Cash and cash equivalents		100.5	47.4
Receivables		776.9	881.7
Inventories		632.6	600.1
Other		67.0	41.6
TOTAL CURRENT ASSETS		1,577.0	1,570.8
NON-CURRENT ASSETS			
Receivables		33.2	39.8
Inventories		61.7	59.8
Investments accounted for using the equity method		298.9	298.2
Other financial assets	14	30.0	430.8
Property, plant and equipment		3,104.0	3,088.9
Intangible assets	15	307.8	326.1
Other		78.6	80.6
TOTAL NON-CURRENT ASSETS		3,914.2	4,324.2
TOTAL ASSETS		5,491.2	5,895.0
CURRENT LIABILITIES			
Payables		608.9	686.4
Interest bearing loans and borrowings	16	6.7	47.2
Current tax liabilities		28.5	96.9
Provisions		200.2	194.8
TOTAL CURRENT LIABILITIES		844.3	1,025.3
NON-CURRENT LIABILITIES			
Payables		33.3	81.0
Interest bearing loans and borrowings	16	1,607.4	1,515.3
Deferred tax liabilities		170.6	316.9
Provisions		82.0	46.9
TOTAL NON-CURRENT LIABILITIES		1,893.3	1,960.1
TOTAL LIABILITIES		2,737.6	2,985.4
NET ASSETS			
EQUITY			
Issued capital	17	1,691.4	1,673.1
Reserves		(43.2)	113.0
Retained earnings	18	1,104.2	1,121.5
Total parent entity interest		2,752.4	2,907.6
Minority interests		1.2	2.0
TOTAL EQUITY		2,753.6	2,909.6

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

Statement of Recognised Income and Expense

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	CONSOLIDATED	
	2009 \$ millions	2008 \$ millions
Actuarial loss on defined benefit plans, net of tax	(15.7)	(8.7)
Net exchange differences from translation of foreign operations taken to equity, net of tax	13.3	(56.5)
Fair value adjustment on cash flow hedges, net of tax	(14.4)	8.3
Fair value adjustment on available for sale financial assets, net of tax	(166.0)	6.0
Net expense recognised directly in equity	(182.8)	(50.9)
Net profit	142.2	242.2
Total recognised income and expense for the year	(40.6)	191.3
Total recognised income and expense for the year is attributable to:		
Members of the parent entity	(40.8)	191.9
Minority interests	0.2	(0.6)
Total recognised income and expense for the year	(40.6)	191.3

The statement of recognised income and expense should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Cash Flow Statement

BORAL LIMITED AND CONTROLLED ENTITIES

for the year ended 30 June	Note	CONSOLIDATED	
		2009 \$ millions	2008 \$ millions
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,403.6	5,548.6
Payments to suppliers and employees		(4,861.2)	(4,881.6)
		542.4	667.0
Dividends received		49.5	76.7
Interest received		4.9	6.2
Borrowing costs paid		(130.9)	(120.3)
Income taxes paid		(47.1)	(47.8)
NET CASH PROVIDED BY OPERATING ACTIVITIES		418.8	581.8
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(230.8)	(390.2)
Purchase of intangibles		(0.7)	(2.3)
Purchase of controlled entities and businesses (net of cash acquired)	20	(7.1)	(101.2)
Purchase of other investments		(0.9)	(2.3)
Loans to associates		(22.9)	(17.8)
Proceeds from sale of investments		205.5	–
Proceeds on disposal of businesses and non-current assets		49.2	33.9
NET CASH USED IN INVESTING ACTIVITIES		(7.7)	(479.9)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		0.1	1.5
On-market share buy-back		(31.5)	–
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$49.7 million (2008: \$41.4 million))		(93.9)	(163.3)
Off-market share buy-back		–	(114.6)
Proceeds from borrowings		188.6	713.0
Repayment of borrowings		(424.4)	(495.1)
NET CASH USED IN FINANCING ACTIVITIES		(361.1)	(58.5)
NET CHANGE IN CASH AND CASH EQUIVALENTS			
		50.0	43.4
Cash and cash equivalents at beginning of the year		47.4	11.4
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		3.1	(7.4)
Cash and cash equivalents at end of the year	21	100.5	47.4

The cash flow statement should be read in conjunction with the accompanying notes which form an integral part of the financial report.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. Accounting Policies

Boral Limited (the "Company") is a company domiciled in Australia. The consolidated full year financial report of the Company as at and for the full year ended 30 June 2009 comprises the Company and its controlled entities (the "Group").

(a) Basis of Preparation

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

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

(b) Significant Accounting Policies

The accounting policies have been applied consistently to all periods presented in the consolidated financial report. The financial report has been prepared on the basis of historical cost, except for derivative financial instruments and financial assets classified as available for sale which have been measured at fair value.

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 necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(d) Rounding of Amounts

The Company is an entity of a kind referred to in ASIC Class Order 98/100 and, in accordance with that Class Order, amounts in the financial report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. Segments

BUSINESS SEGMENTS	2009 \$ millions	2008 \$ millions	2009 \$ millions	2008 \$ millions	2009 \$ millions	2008 \$ millions
REVENUE*						
Building products – Australia	1,277.2	1,357.1				
Construction materials – Australia	2,817.1	2,960.0				
United States of America	545.2	670.8				
Asia	219.4	190.7				
Other	16.2	19.9				
	4,875.1	5,198.5				
			EQUITY ACCOUNTED RESULTS OF ASSOCIATES		PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE	
Building products – Australia	29.5	103.2	10.7	11.2	40.2	114.4
Construction materials – Australia	313.8	332.3	16.3	18.6	330.1	350.9
United States of America	(79.9)	(1.2)	(28.9)	(25.9)	(108.8)	(27.1)
Asia	5.7	(11.5)	13.4	18.1	19.1	6.6
Other	15.8	19.0	–	–	15.8	19.0
Corporate	(20.7)	(15.8)	–	–	(20.7)	(15.8)
	264.2	426.0	11.5	22.0	275.7	448.0
Significant items (refer note 9)	(58.3)	(31.9)	(11.0)	–	(69.3)	(31.9)
	205.9	394.1	0.5	22.0	206.4	416.1
	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES		TOTAL ASSETS	
Building products – Australia	1,397.3	1,423.9	7.6	4.1	1,404.9	1,428.0
Construction materials – Australia	2,662.1	2,758.0	13.7	15.5	2,675.8	2,773.5
United States of America	886.4	820.6	65.6	76.7	952.0	897.3
Asia	113.7	112.7	212.0	201.9	325.7	314.6
Other	0.9	405.2	–	–	0.9	405.2
Corporate	31.4	29.0	–	–	31.4	29.0
	5,091.8	5,549.4	298.9	298.2	5,390.7	5,847.6
Cash and cash equivalents	100.5	47.4	–	–	100.5	47.4
	5,192.3	5,596.8	298.9	298.2	5,491.2	5,895.0
	LIABILITIES		ACQUISITION OF SEGMENT ASSETS**		DEPRECIATION AND AMORTISATION	
Building products – Australia	217.2	250.0	63.7	124.5	58.3	53.8
Construction materials – Australia	435.4	463.2	133.1	179.2	145.1	138.3
United States of America	139.6	108.1	26.3	77.7	48.3	38.3
Asia	28.4	30.1	8.1	10.3	10.8	9.4
Other	0.8	0.9	–	–	–	–
Corporate	103.0	156.8	0.3	0.8	0.8	0.4
	924.4	1,009.1	231.5	392.5	263.3	240.2
Interest bearing loans and borrowings	1,614.1	1,562.5	–	–	–	–
Tax liabilities	199.1	413.8	–	–	–	–
	2,737.6	2,985.4	231.5	392.5	263.3	240.2
	IMPAIRMENT AND ASSET WRITE-DOWNS					
Building products – Australia	4.0	–				
Construction materials – Australia	28.2	–				
United States of America	43.9	–				
Asia	4.3	31.9				
Other	–	–				
Corporate	–	–				
	80.4	31.9				

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

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

Business segments

Building products – Australia Bricks, plasterboard, timber products, roof tiles, aluminium products and concrete products.

Construction materials – Australia Quarries, road surfacing, premix concrete, precast concrete, fly ash, cement, quarry end use, transport, concrete placing and scaffolding.

United States of America Bricks, roof tiles, fly ash, premix concrete, quarries and masonry.

Asia Plasterboard, premix concrete and quarries.

Other Investments in listed shares and non-trading operations.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. Segments (continued)

GEOGRAPHIC SEGMENTS	2009 \$ millions	2008 \$ millions	2009 \$ millions	2008 \$ millions	2009 \$ millions	2008 \$ millions
	REVENUE*		ACQUISITION OF SEGMENT ASSETS**			
Australia	4,094.3	4,317.1	196.8	303.7		
United States of America	545.2	670.8	26.3	77.7		
Asia	219.4	190.7	8.1	10.3		
Other	16.2	19.9	–	–		
Corporate	–	–	0.3	0.8		
	4,875.1	5,198.5	231.5	392.5		
	OPERATING PROFIT (EXCLUDING ASSOCIATES)		EQUITY ACCOUNTED RESULTS OF ASSOCIATES		PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE	
Australia	343.3	435.5	27.0	29.8	370.3	465.3
United States of America	(79.9)	(1.2)	(28.9)	(25.9)	(108.8)	(27.1)
Asia	5.7	(11.5)	13.4	18.1	19.1	6.6
Other	15.8	19.0	–	–	15.8	19.0
Corporate	(20.7)	(15.8)	–	–	(20.7)	(15.8)
	264.2	426.0	11.5	22.0	275.7	448.0
Significant items (refer note 9)	(58.3)	(31.9)	(11.0)	–	(69.3)	(31.9)
	205.9	394.1	0.5	22.0	206.4	416.1
	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES		TOTAL ASSETS	
Australia	4,059.4	4,181.9	21.3	19.6	4,080.7	4,201.5
United States of America	886.4	820.6	65.6	76.7	952.0	897.3
Asia	113.7	112.7	212.0	201.9	325.7	314.6
Other	0.9	405.2	–	–	0.9	405.2
Corporate	31.4	29.0	–	–	31.4	29.0
	5,091.8	5,549.4	298.9	298.2	5,390.7	5,847.6
Cash and cash equivalents	100.5	47.4	–	–	100.5	47.4
	5,192.3	5,596.8	298.9	298.2	5,491.2	5,895.0

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

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

Geographic segments

Australia Bricks, plasterboard, timber products, roof tiles, aluminium products, concrete products, quarries, road surfacing, premix concrete, precast concrete, fly ash, cement, quarry end use, transport, concrete placing and scaffolding.

United States of America Bricks, roof tiles, fly ash, premix concrete, quarries and masonry.

Asia Plasterboard, premix concrete and quarries.

Other Investments in listed shares and non-trading operations.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		2009 \$ millions	2008 \$ millions
3. Revenue			
Sale of goods		4,813.9	5,108.4
Rendering of services		45.0	70.2
		4,858.9	5,178.6
Other revenues			
Dividends from other parties		16.2	19.9
		4,875.1	5,198.5
4. Other Income			
Significant item	9	38.3	–
Net profit on sale of assets		13.5	8.7
Net foreign exchange gain		–	0.6
Other income		8.5	8.9
		60.3	18.2
5. Other Expenses			
Significant item	9	96.6	31.9
Net foreign exchange loss		2.5	–
		99.1	31.9
6. Share of Net Profit of Associates and Joint Ventures			
Share of associates' profit (excluding significant item)	12	11.5	22.0
Significant item	9	(11.0)	–
		0.5	22.0
7. Net Financing Costs			
Interest income received or receivable from:			
Associated entities		2.6	1.8
Other parties (cash at bank and bank short-term deposits)		3.2	5.4
Unwinding of discount		2.2	1.5
Significant item – interest recoveries	9	29.5	–
		37.5	8.7
Interest expense paid or payable to:			
Other parties (bank overdrafts, bank loans and other loans)		133.9	119.2
Finance charges on capitalised leases		0.1	0.2
Unwinding of discount		1.2	1.2
		135.2	120.6
Net financing costs		(97.7)	(111.9)
Net financing costs (excluding significant item)		(127.2)	(111.9)
Significant item – interest recoveries	9	29.5	–
Net financing costs		(97.7)	(111.9)

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED		
	Note	2009 \$ millions	2008 \$ millions
8. Income Tax Expense			
Income tax expense on profit:			
– at Australian tax rate 30% (2008: 30%)		32.6	91.3
– adjustment for difference between Australian and overseas tax rates		(15.1)	(1.4)
Income tax expense on pre-tax profit at standard rates		17.5	89.9
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:			
Tax losses not recognised		1.1	2.9
Non-deductible depreciation and amortisation		2.3	1.3
Capital gains brought to account		1.0	1.5
Share of associates' net profit and franked dividends		(9.1)	(13.7)
Franked dividends from other entities		(4.8)	(6.0)
Non-deductible impairment of assets		6.4	9.6
Other items		(0.9)	7.9
Significant item			
Income tax expense/(benefit) on resolution of matters with Australian and US taxation authorities	9	(43.4)	(28.1)
Income tax expense/(benefit) on profit		(29.9)	65.3
Over provision for tax in previous years		(3.6)	(3.3)
Income tax expense/(benefit) attributable to profit		(33.5)	62.0
Income tax expense (excluding significant items)		17.1	90.1
Significant item	9	(50.6)	(28.1)
Income tax expense/(benefit) attributable to profit		(33.5)	62.0

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. Significant Items

Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the entity:

Disposal of investment

	CONSOLIDATED	
	2009 \$ millions	2008 \$ millions
Profit on sale of shares in Adelaide Brighton Limited	38.3	–
Income tax (expense)/benefit	(11.5)	–
	26.8	–

Impairment of assets

Goodwill and asset write-downs	(80.4)	(31.9)
Income tax (expense)/benefit	17.0	–
	(63.4)	(31.9)

Onerous contract

US contractual obligations	(27.2)	–
Income tax (expense)/benefit	10.3	–
	(16.9)	–

Tax matters

Interest recoveries	29.5	–
Income tax (expense)/benefit	(8.6)	–
Income tax benefit – resolution of tax matters	43.4	28.1
	64.3	28.1

Net significant items

Profit/(loss) before interest and tax	(69.3)	(31.9)
Interest recoveries	29.5	–
Income tax (expense)/benefit	50.6	28.1
	10.8	(3.8)

Disposal of investment

During the year, the Group recognised a profit on the disposal of investments of \$38.3 million from the sale of the Group's 107.8 million shares in Adelaide Brighton Limited for a net consideration of \$205.5 million.

Impairment of assets

The Group has reviewed the carrying value of its assets including goodwill having regard to the current and anticipated future market conditions which has resulted in a write-down of the value of the goodwill and assets by \$80.4 million (2008: \$31.9 million).

In the United States of America, goodwill arising on the acquisition of construction materials businesses in Colorado and Oklahoma has been written down by \$30.8 million due to weak market volumes. The Group has also written down the value of goodwill by \$17.2 million relating to the precast concrete panels business in the Construction Materials – Australia operations.

Penrith Lakes Development Corporation Limited, an associate, has assessed the carrying value of freehold land acquired for quarrying and urban development and capitalised acquisition and development costs and recorded an impairment charge in its accounts. The net impact of this impairment charge included in equity income of the Group is \$11.0 million.

At 30 June 2009, the Group has written down the value of assets other than goodwill by \$21.4 million. This relates to idle brick plants in the USA (\$13.1 million) and in Building Products – Australia (\$4.0 million) as well as previously capitalised project costs in Asia (\$4.3 million).

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. Significant Items (continued)

Onerous contract

During the period, the Group recognised an amount of \$27.2 million, reflecting expected future losses on contractual obligations in the fly ash operations in the USA.

Tax matters

During the year, ongoing enquiries were made by the Australian Taxation Office (ATO) relating to a transaction occurring at the time of the demerger. The ATO has advised the Group that it no longer intends to pursue this matter.

In the USA, the Internal Revenue Service (IRS) was reviewing two transactions which occurred prior to the demerger which it believed may have resulted in additional assessable income to the Group. Agreement has been reached with the IRS in relation to both of these matters and closing agreements are being completed.

10. Earnings Per Share

Classification of securities as ordinary shares

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

Classification of securities as potential ordinary shares

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

Earnings reconciliation

Net profit before significant items and minority interests

Attributable to minority interests

Net profit excluding significant items

Net significant items

Net profit attributable to members of the parent entity

	CONSOLIDATED	
	2009 \$ millions	2008 \$ millions
	131.4	246.0
	(0.2)	0.6
	131.2	246.6
	10.8	(3.8)
	142.0	242.8

Weighted average number of ordinary shares used as the denominator

Number for basic earnings per share

Effect of potential ordinary shares

Number for diluted earnings per share

Basic earnings per share – ordinary shares

Diluted earnings per share – ordinary shares

Basic earnings per share – ordinary shares (excluding significant items)

Diluted earnings per share – ordinary shares (excluding significant items)

	CONSOLIDATED	
	2009	2008
	589,679,255	596,349,369
	2,466,892	1,688,363
	592,146,147	598,037,732
	24.1c	40.7c
	24.0c	40.6c
	22.2c	41.4c
	22.2c	41.2c

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

11. Dividends

Dividends recognised by the Company and the Group are:

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
2009				
2008 final – ordinary	17.0 cents	99.6	17.0 cents	18 September 2008
2009 interim – ordinary	7.5 cents	44.0	7.5 cents	3 April 2009
Total		143.6		
2008				
2007 final – ordinary	17.0 cents	102.0	17.0 cents	18 September 2007
2008 interim – ordinary	17.0 cents	102.5	17.0 cents	19 March 2008
Total		204.5		

Subsequent Event

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

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
2009 final – ordinary	5.5 cents	32.6	5.5 cents	28 September 2009

The financial effect of the final dividend for the year ended 30 June 2009 has not been brought to account in the financial report for the year but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan will operate in respect of the payment of the final dividend and the last date for the receipt of an election notice for participation in the plan is 28 August 2009.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

12. Investments Accounted for Using the Equity Method

Name	Principal activity	Country of incorporation	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
				2009 %	2008 %
DETAILS OF INVESTMENTS IN ASSOCIATES ARE AS FOLLOWS:					
Caribbean Roof Tile Company Limited	Roof tiles	Trinidad	31-Dec	50	50
Flyash Australia Pty Ltd	Fly ash collection	Australia	30-Jun	50	50
Gypsum Resources Australia Pty Ltd	Gypsum mining	Australia	30-Jun	50	50
Highland Pine Products Pty Ltd	Timber	Australia	30-Jun	50	50
Lafarge Boral Gypsum in Asia Ltd	Plasterboard	Malaysia	31-Dec	50	50
MonierLifetile LLC	Roof tiles	USA	31-Dec	50	50
MonierLifetile S.R.L. de C.V.	Roof tiles	Mexico	31-Dec	50	50
Penrith Lakes Development Corporation Ltd	Quarrying	Australia	30-Jun	40	40
Rondo Building Services Pty Ltd	Rollform systems	Australia	30-Jun	50	50
South East Asphalt Pty Ltd	Asphalt	Australia	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	Australia	30-Jun	50	50
Tile Service Company LLC	Roof tiles	USA	31-Dec	50	50
US Tile LLC	Roof tiles	USA	31-Dec	50	50

	CONSOLIDATED	
	2009 \$ millions	2008 \$ millions
RESULTS OF ASSOCIATES		
Share of associates' profit before income tax expense	29.1	39.7
Share of associates' income tax expense	(17.6)	(17.7)
	11.5	22.0
Significant item	(11.0)	–
Share of associates' net profit – equity accounted	0.5	22.0

Results of associates include the following:

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

Lafarge Boral Gypsum in Asia Ltd	13.4	18.1
MonierLifetile LLC* and MonierLifetile S.R.L. de C.V.	(26.4)	(23.5)

* Taxed as a partnership in the USA.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

13. Net Tangible Asset Backing

Net tangible asset backing per ordinary security

CONSOLIDATED	
2009	2008

\$4.12	\$4.41
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14. Other Financial Assets

Listed shares – at fair value

Financial instruments

CONSOLIDATED	
2009 \$ millions	2008 \$ millions

–	404.4
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30.0	26.4
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30.0	430.8
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During the year, the Group recognised a profit on the disposal of investments of \$38.3 million from the sale of the Group's 107.8 million shares in Adelaide Brighton Limited for a net consideration of \$205.5 million.

15. Intangible Assets

Goodwill

Other intangible assets

Less: Accumulated amortisation

292.0	304.5
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40.9	39.7
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(25.1)	(18.1)
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307.8	326.1
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The Group has reviewed the carrying value of its assets including goodwill having regard to the current and anticipated future market conditions which has resulted in a write-down of the value of the goodwill by \$48.0 million (2008: \$31.9 million).

In the United States of America, goodwill arising on the acquisition of construction materials businesses in Colorado and Oklahoma has been written down by \$30.8 million due to weak market volumes. The Group has also written down the value of goodwill by \$17.2 million relating to the precast concrete panels business in the Construction Materials – Australia operations.

A segment summary of the goodwill allocation is presented below:

Building products – Australia

Construction materials – Australia

United States of America

43.4	42.8
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79.1	93.1
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169.5	168.6
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292.0	304.5
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Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	2009 \$ millions	2008 \$ millions
16. Interest Bearing Loans and Borrowings		
CURRENT		
Bank loans – unsecured	5.8	2.9
Other loans – unsecured	0.6	43.5
Finance lease liabilities	0.3	0.8
	6.7	47.2
NON-CURRENT		
Other loans – secured	–	0.2
Bank loans – unsecured	223.0	50.0
Other loans – unsecured	1,384.4	1,465.0
Finance lease liabilities	–	0.1
	1,607.4	1,515.3
	1,614.1	1,562.5

Term and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	CONSOLIDATED				
	Currency	Effective interest rate 2009	Year of maturity	2009 Carrying amount \$ millions	2008 Carrying amount \$ millions
CURRENT					
US senior notes – unsecured	USD	–	–	–	43.5
Bank loans – unsecured	THB	4.27%	2010	5.8	2.5
Bank loans – unsecured	AUD	–	–	–	0.4
Other loans – unsecured	AUD	7.24%	2010	0.6	–
Finance lease liabilities	AUD	6.64%	2010	0.3	0.8
				6.7	47.2
NON-CURRENT					
US senior notes – unsecured	USD	6.44%	2012-2020	1,323.2	1,086.8
US commercial paper – unsecured	USD	–	–	–	131.4
Syndicated term credit facility – unsecured	USD	1.61%	2011	124.6	–
Syndicated term credit facility – unsecured	AUD	4.50%	2011	40.0	–
AUD notes – unsecured	AUD	4.12%	2010	59.7	246.6
Bank loans – unsecured	THB	2.91%	2011	58.4	50.0
Other loans – unsecured	AUD	–	2014	1.5	0.2
Other loans – secured	AUD	–	–	–	0.2
Finance lease liabilities	AUD	–	–	–	0.1
				1,607.4	1,515.3
TOTAL				1,614.1	1,562.5

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

17. Issued Capital

ISSUED AND PAID-UP CAPITAL

592,890,530 (2008: 585,735,263) ordinary shares, fully paid

CONSOLIDATED	
2009 \$ millions	2008 \$ millions

1,691.4	1,673.1
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MOVEMENTS IN ORDINARY SHARE CAPITAL

Balance at the beginning of the year

1,673.1	1,688.1
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12,083,777 (2008: 6,067,169) shares issued under the Dividend Reinvestment Plan

49.7	41.4
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21,692 (2008: 280,950) shares issued upon the exercise of executive options

0.1	1.5
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Nil (2008: 20,019,889) off-market share buy-back

–	(57.9)
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4,950,202 (2008: Nil) on-market share buy-back

(31.5)	–
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Balance at the end of the year

1,691.4	1,673.1
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During the year, the Company completed the buy-back of 4,950,202 shares. The total consideration of shares bought back on market was \$31,540,668 and at an average price of \$6.37. The consideration paid was allocated to share capital.

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

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

18. Retained Earnings

Balance at the beginning of the year

1,121.5	1,148.2
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Net profit attributable to members of the parent entity

142.0	242.8
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Dividends recognised during the year

(143.6)	(204.5)
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Dividend component of off-market share buy-back

–	(56.3)
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Actuarial loss on defined benefit plans, net of tax

(15.7)	(8.7)
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Balance at the end of the year

1,104.2	1,121.5
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Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

19. Contingent Liabilities

The Company has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to controlled entities.

A number of sites within the Group have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed, estimated clean-up costs have been expensed or provided for. For some sites, the requirements cannot be reliably assessed at this stage.

Certain entities within the Group are subject to various lawsuits and claims in the ordinary course of business.

Consistent with other companies of the size and diversity of Boral, the Group is the subject of periodic information requests, investigations and audit activity by the Australian Taxation Office (ATO) and taxation authorities in other jurisdictions in which Boral operates.

A deed was entered into at the time of the demerger which contained certain indemnities and other agreements between the Company and Origin Energy Limited (Origin) and their respective controlled entities covering the transfer of the businesses, investments, tax, other liabilities, debt and assets of the Group and some temporary shared arrangements. During the year, a number of matters were resolved with both the Australian and United States taxation authorities which are likely to give rise to claims by the Group under the demerger deed. A settlement has been reached with the ATO in relation to this matter. As the settlement resulted in a payment to the ATO, Origin is likely to rely on indemnities contained in the demerger deed.

The Group has considered all of the above claims and, where appropriate, sought independent advice and believes it holds appropriate provisions.

20. Acquisition/Disposal of Controlled Entities

The following controlled entities were acquired or disposed of during the financial year ended 30 June 2009:

Entities acquired:

There were no material acquisitions of entities during the reporting period.

Business	Acquisition date	Total purchase consideration \$ millions	Fair value of identifiable assets acquired \$ millions	Goodwill \$ millions
Minor acquisitions	–	7.1	3.3	3.8

There were no material disposals or loss of control over any entities during the reporting period.

The following controlled entities were acquired or disposed of during the financial year ended 30 June 2008:

Entities acquired:

Schwarz Readymix and Davis Arbuckle Materials quarry	Aug 2007	99.8	52.1	47.7
Other minor acquisitions	–	1.4	0.7	0.7
		101.2	52.8	48.4

There were no material disposals or loss of control over any entities during the reporting period.

Notes to the Concise Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED	
2009	2008
\$ millions	\$ millions

21. Notes to Cash Flow Statement

(i) Reconciliation of cash and cash equivalents

Cash includes cash on hand, at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	100.5	47.4
Bank overdrafts	-	-
	100.5	47.4

(ii) The following non-cash financing and investing activities have not been included in the cash flow statement:

Dividends reinvested under the Dividend Reinvestment Plan	49.7	41.4
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