

APPENDIX 4D HALF-YEAR REPORT

13 February 2013

Name of Entity: **Boral Limited**
 ABN: **13 008 421 761**
 For the half year ended: **31 December 2012**



Boral Limited
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Results for announcement to the market

				Dec-2012 A\$ millions	Dec-2011 A\$ millions
Revenue from continuing operations	up	20.1%	to	2,702.1	2,250.6
Revenue from discontinued operations				71.7	182.1
Total revenue	up	14.0%	to	2,773.8	2,432.7
Profit from continuing operations before net financing costs, income tax and significant items	up	12.7%	to	118.0	104.7
Profit/(loss) from discontinued operations before net financing costs, income tax and significant items				(5.6)	3.9
Profit before net financing costs, income tax and significant items	up	3.5%	to	112.4	108.6
Net financing costs from continuing operations before significant items				(48.6)	(31.6)
Net financing costs from discontinued operations before significant items				(1.4)	(2.4)
Profit before income tax and significant items	down	(16.4%)	to	62.4	74.6
Income tax from continuing operations before significant items				(10.1)	(9.4)
Income tax from discontinued operations before significant items				2.3	(0.4)
Non-controlling interests from continuing operations				(2.4)	2.1
Non-controlling interest from discontinued operations				-	(0.2)
Net profit before significant items attributable to members	down	(21.7%)	to	52.2	66.7
Significant items from continuing operations net of tax ¹				(88.1)	86.0
Significant items from discontinued operations net of tax ¹				10.6	-
Net profit/(loss) attributable to members	down	(116.6%)	to	(25.3)	152.7

1. Refer note 6 of the attached half-year financial report

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	5.0 cents	5.0 cents
Previous corresponding period: Interim - ordinary	7.5 cents	7.5 cents
Record date for determining entitlements to the dividend	25 February 2013	
Comparative Period: Half Year ended 31 December 2011		

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The disclosures are extracted or derived from the financial report for the period ended 31 December 2012.

Commentary on the results for the period

The commentary on the results of the period is continued in the "Results Announcement for the half-year ended 31 December 2012" - Management Discussion and Analysis dated 13 February 2013.



Half-Year Financial Report

31 December 2012

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 2012 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.

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 2012 ("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:

Bob Every AO	- Chairman
Mike Kane	- Chief Executive Officer and Managing Director (appointed 1 October 2012)
Catherine Brenner	
Brian Clark	
Eileen Doyle	
Richard Longes	
John Marlay	
Paul Rayner	

All of those persons, other than Mike Kane, have been Directors at all times during and since the end of the half-year.

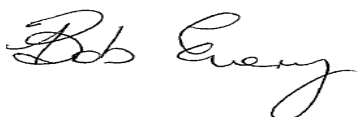
3. Lead Auditor's Independence Declaration

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

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 and Directors' Report have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.



Bob Every
Director

Mike Kane
Director

Sydney, 13 February 2013



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 for the half-year ended 31 December 2012 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.

A handwritten signature in black ink that reads 'Greg Boydell'.

KPMG

A handwritten signature in black ink that reads 'Greg Boydell'.

Greg Boydell
Partner

Sydney, 13 February 2013

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
Continuing operations			
Revenue	4	2,702.1	2,250.6
Cost of sales		(1,965.4)	(1,607.2)
Selling and distribution expenses		(459.5)	(399.9)
Administrative expenses		(180.9)	(162.0)
		(2,605.8)	(2,169.1)
Other income	4	10.7	160.1
Other expenses	4	(120.0)	(103.0)
Share of net profit of associates	9	11.0	21.7
Profit/(loss) before net financing costs and income tax		(2.0)	160.3
Financial income		4.0	9.6
Financial expenses		(52.6)	(41.2)
Net financing costs		(48.6)	(31.6)
Profit/(loss) before income tax		(50.6)	128.7
Income tax benefit	5	21.8	21.0
Profit/(loss) from continuing operations		(28.8)	149.7
Discontinued operations			
Profit from discontinued operations (net of income tax)	3	5.9	1.1
Net profit/(loss)		(22.9)	150.8
Attributable to:			
Members of the parent entity		(25.3)	152.7
Non-controlling interests - profit/(loss)		2.4	(1.9)
Net profit/(loss)		(22.9)	150.8
Basic earnings per share	7	(3.3)c	20.7c
Diluted earnings per share	7	(3.3)c	20.5c
Continuing operations			
Basic earnings per share	7	(4.1)c	20.6c
Diluted earnings per share	7	(4.1)c	20.4c

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

	CONSOLIDATED	
	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
Net profit/(loss)	(22.9)	150.8
Other comprehensive income		
Items that will not be reclassified to Income Statement:		
Actuarial gain/(loss) on defined benefit plans	(2.4)	(1.0)
Income tax on items that will not be reclassified to income statement	0.6	0.3
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	(0.5)	(2.8)
Foreign currency translation reserve transferred to net profit on recognition of LBGA as a subsidiary	-	30.5
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	3.1	-
Fair value adjustment on cash flow hedges	4.4	3.6
Income tax on items that may be reclassified subsequently to income statement	10.1	2.6
Total comprehensive income/(loss) for the half-year	(7.6)	184.0
Total comprehensive income for the half-year is attributable to:		
Members of the parent entity	(8.8)	183.5
Non-controlling interests	1.2	0.5
Total comprehensive income/(loss) for the half-year	(7.6)	184.0

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	CONSOLIDATED	
		31 Dec 2012 \$ millions	30 Jun 2012 \$ millions
CURRENT ASSETS			
Cash and cash equivalents		186.0	205.7
Receivables		803.8	809.6
Inventories		636.9	656.1
Other financial assets		0.4	0.2
Other		72.2	69.0
Assets classified as held for sale	3	25.7	62.9
TOTAL CURRENT ASSETS		1,725.0	1,803.5
NON-CURRENT ASSETS			
Receivables		8.4	17.8
Inventories		105.9	104.9
Investments accounted for using the equity method		37.5	36.6
Property, plant and equipment		3,466.3	3,566.7
Intangible assets		804.5	820.1
Deferred tax assets		117.4	101.2
Other		51.8	48.3
TOTAL NON-CURRENT ASSETS		4,591.8	4,695.6
TOTAL ASSETS		6,316.8	6,499.1
CURRENT LIABILITIES			
Payables		667.1	732.2
Loans and borrowings	11	59.8	148.3
Other financial liabilities		1.8	7.1
Current tax liabilities		20.3	22.8
Provisions		208.4	187.8
Liabilities classified as held for sale	3	21.5	44.6
TOTAL CURRENT LIABILITIES		978.9	1,142.8
NON-CURRENT LIABILITIES			
Payables		10.1	10.9
Loans and borrowings	11	1,584.5	1,575.1
Other financial liabilities		80.5	72.4
Deferred tax liabilities		144.6	182.5
Provisions		119.3	112.0
TOTAL NON-CURRENT LIABILITIES		1,939.0	1,952.9
TOTAL LIABILITIES		2,917.9	3,095.7
NET ASSETS		3,398.9	3,403.4
EQUITY			
Issued capital	12	2,395.0	2,368.4
Reserves	13	(86.8)	(109.2)
Retained earnings		1,016.2	1,069.9
Total parent entity interest		3,324.4	3,329.1
Non-controlling interests		74.5	74.3
TOTAL EQUITY		3,398.9	3,403.4

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

	CONSOLIDATED					
	Issued capital \$ millions	Reserves \$ millions	Retained earnings \$ millions	Total parent entity interest \$ millions	Non-controlling interests \$ millions	Total Equity \$ millions
Balance at 1 July 2012	2,368.4	(109.2)	1,069.9	3,329.1	74.3	3,403.4
Net profit /(loss)	-	-	(25.3)	(25.3)	2.4	(22.9)
Other comprehensive income						
Translation of net assets of overseas controlled entities	-	(5.5)	-	(5.5)	(1.2)	(6.7)
Translation of long-term borrowings and foreign currency forward contracts	-	6.2	-	6.2	-	6.2
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	-	3.1	-	3.1	-	3.1
Fair value adjustment on cash flow hedges	-	4.4	-	4.4	-	4.4
Actuarial gain/(loss) on defined benefit plans	-	-	(2.4)	(2.4)	-	(2.4)
Income tax relating to other comprehensive income	-	10.1	0.6	10.7	-	10.7
Total comprehensive income	-	18.3	(27.1)	(8.8)	1.2	(7.6)
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan and underwriting agreement	26.6	-	-	26.6	-	26.6
Dividend paid	-	-	(26.6)	(26.6)	(2.5)	(29.1)
Share-based payments	-	4.1	-	4.1	-	4.1
Contributions by non-controlling interests	-	-	-	-	1.5	1.5
Total transactions with owners in their capacity as owners	26.6	4.1	(26.6)	4.1	(1.0)	3.1
Balance at 31 December 2012	2,395.0	(86.8)	1,016.2	3,324.4	74.5	3,398.9
Balance at 1 July 2011	2,261.3	(159.5)	1,007.0	3,108.8	47.6	3,156.4
Net profit /(loss)	-	-	152.7	152.7	(1.9)	150.8
Other comprehensive income						
Translation of net assets of overseas controlled entities	-	7.2	-	7.2	2.4	9.6
Translation of long-term borrowings and foreign currency forward contracts	-	(12.4)	-	(12.4)	-	(12.4)
Foreign currency translation reserve transferred to net profit on recognition of LBGA as a subsidiary	-	30.5	-	30.5	-	30.5
Fair value adjustment on cash flow hedges	-	3.6	-	3.6	-	3.6
Actuarial gain/(loss) on defined benefit plans	-	-	(1.0)	(1.0)	-	(1.0)
Income tax relating to other comprehensive income	-	2.6	0.3	2.9	-	2.9
Total comprehensive income	-	31.5	152.0	183.5	0.5	184.0
Transactions with owners in their capacity as owners						
Shares issued under the Dividend Reinvestment Plan and underwriting agreement	51.1	-	-	51.1	-	51.1
Dividend paid	-	-	(51.1)	(51.1)	-	(51.1)
Share-based payments	-	3.7	-	3.7	-	3.7
Non-controlling interest acquired	-	-	-	-	22.5	22.5
Contributions by non-controlling interests	-	-	-	-	1.0	1.0
Total transactions with owners in their capacity as owners	51.1	3.7	(51.1)	3.7	23.5	27.2
Balance at 31 December 2011	2,312.4	(124.3)	1,107.9	3,296.0	71.6	3,367.6

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

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,979.7	2,643.4
Payments to suppliers and employees		(2,796.2)	(2,538.4)
		183.5	105.0
Dividends received		10.0	12.1
Interest received		3.9	9.7
Borrowing costs paid		(52.7)	(42.5)
Income taxes paid		(27.9)	(40.1)
Acquisition costs, restructure costs and legal settlements paid	16	(18.5)	(42.5)
NET CASH PROVIDED BY OPERATING ACTIVITIES		98.3	1.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(154.6)	(169.7)
Purchase of intangibles		(0.3)	(7.1)
Purchase of controlled entities and businesses (net of cash acquired)		-	(669.7)
Loans to associates		-	(2.2)
Proceeds on disposal of non-current assets		30.3	5.1
Proceeds on disposal of controlled entities and businesses (net of cash disposed)		59.9	-
NET CASH USED IN INVESTING ACTIVITIES		(64.7)	(843.6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		15.1	25.7
Dividends paid (net of dividends reinvested under the Dividend Reinvestment Plan of \$11.5 million (2011: \$25.4 million))		(15.1)	(25.7)
Dividends paid to non-controlling interests		(2.5)	-
Contributions by non-controlling interests		1.5	1.0
Proceeds from borrowings		47.4	500.0
Repayment of borrowings		(86.1)	(7.3)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(39.7)	493.7
NET CHANGE IN CASH AND CASH EQUIVALENTS		(6.1)	(348.2)
Cash and cash equivalents at the beginning of the year		181.5	561.2
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		(2.0)	1.1
Cash and cash equivalents at the end of the half-year	16	173.4	214.1

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 domiciled in Australia. The consolidated half-year financial report of Boral Limited as at and for the half-year ended 31 December 2012 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 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 2012 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 13 February 2013.

The half-year report is presented in Australian dollars.

(b) Significant Accounting Policies

The half-year financial report has been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2012 Annual Financial Report.

From 1 July 2012, the Group applied amendments to AASB 134 *Interim Financial Reporting* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*. The change in accounting policy relates to disclosures only. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to the Income Statement in the future from those that will never be reclassified to the Income Statement.

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

Boral Limited 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 Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

Operating segments are based on internal reporting to the Chief Executive in assessing performance and determining the allocation of resources. As a result of changes to the Group's management reporting structure, the reportable segments have been amended to comply with requirements of the relevant accounting standard.

A new segment, Boral Gypsum has been formed, which consists of the Group's Australian and Asian plasterboard operations. The remaining Australian Building Product businesses have been aggregated into the redefined Building Products segment.

Comparative segment information has been restated to align with the current structure.

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

Construction Materials	- Quarries, concrete, asphalt, transport, landfill and property.
Cement Division	- Cement and concrete placing.
Building Products	- Australian bricks, roof tiles, masonry, timber products and windows.
Boral Gypsum *	- Australian and Asian plasterboard.
Boral USA	- Bricks, cultured stone, roof tiles, fly ash, concrete and quarries.
Discontinued Operations	- Asian Construction Materials, East Coast masonry and Queensland roofing.
Unallocated	- Non-trading operations and unallocated corporate costs.

* Results from Boral Gypsum Asia (BGA) were equity accounted until 9 December 2011 when the Group acquired the remaining 50% interest from Lafarge.

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 includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	CONSOLIDATED	
	Half-Year 31 Dec 2012	Half-Year 31 Dec 2011
	\$ millions	\$ millions
Reconciliations of reportable segment revenues and profits		
External revenue	2,773.8	2,432.7
Less revenue from discontinued operations	(71.7)	(182.1)
Revenue from continuing operations	2,702.1	2,250.6
Profit before Tax		
Profit before net financing costs and income tax expense from reportable segments	3.4	164.2
(Profit)/loss from discontinued operations	5.6	(3.9)
Significant items applicable to discontinued operations	(11.0)	-
Profit/(loss) before net financing costs and income tax expense from continuing operations	(2.0)	160.3
Net financing costs from continuing operations	(48.6)	(31.6)
Profit/(loss) before tax from continuing operations	(50.6)	128.7

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
	TOTAL REVENUE		INTERNAL REVENUE		EXTERNAL REVENUE	
Construction Materials	1,525.6	1,290.2	79.0	78.9	1,446.6	1,211.3
Cement Division	321.2	308.4	108.6	99.8	212.6	208.6
Building Products	315.6	362.4	0.4	0.3	315.2	362.1
Boral Gypsum	461.6	224.3	-	-	461.6	224.3
Boral USA	266.3	244.8	0.2	0.5	266.1	244.3
Discontinued Operations	71.7	183.0	-	0.9	71.7	182.1
	2,962.0	2,613.1	188.2	180.4	2,773.8	2,432.7

	OPERATING PROFIT (EXCLUDING ASSOCIATES)		EQUITY ACCOUNTED RESULTS OF ASSOCIATES		PROFIT BEFORE NET FINANCING COSTS AND INCOME TAX EXPENSE	
Construction Materials	111.0	88.7	0.7	0.6	111.7	89.3
Cement Division	29.4	34.7	5.2	6.0	34.6	40.7
Building Products	(17.8)	6.3	-	-	(17.8)	6.3
Boral Gypsum	36.6	16.9	5.4	15.4	42.0	32.3
Boral USA	(38.4)	(51.2)	(0.3)	(0.3)	(38.7)	(51.5)
Discontinued Operations	(5.6)	3.9	-	-	(5.6)	3.9
Unallocated	(13.8)	(12.4)	-	-	(13.8)	(12.4)
	101.4	86.9	11.0	21.7	112.4	108.6
Significant items (refer note 6)	(109.0)	55.6	-	-	(109.0)	55.6
	(7.6)	142.5	11.0	21.7	3.4	164.2

	SEGMENT ASSETS (EXCLUDING INVESTMENTS IN ASSOCIATES)		EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES		TOTAL ASSETS	
	Half-Year	Full Year	Half-Year	Full Year	Half-Year	Full Year
	31 Dec 2012 \$ millions	30 Jun 2012 \$ millions	31 Dec 2012 \$ millions	30 Jun 2012 \$ millions	31 Dec 2012 \$ millions	30 Jun 2012 \$ millions
Construction Materials	2,221.8	2,170.1	1.3	0.8	2,223.1	2,170.9
Cement Division	539.6	643.2	19.8	19.4	559.4	662.6
Building Products	807.7	827.1	-	-	807.7	827.1
Boral Gypsum	1,582.1	1,585.1	13.0	12.7	1,595.1	1,597.8
Boral USA	792.7	829.1	3.4	3.7	796.1	832.8
Discontinued Operations	25.7	62.9	-	-	25.7	62.9
Unallocated	6.3	38.1	-	-	6.3	38.1
	5,975.9	6,155.6	37.5	36.6	6,013.4	6,192.2
Cash and cash equivalents	186.0	205.7	-	-	186.0	205.7
Deferred tax assets	117.4	101.2	-	-	117.4	101.2
	6,279.3	6,462.5	37.5	36.6	6,316.8	6,499.1

Geographical information

For the half-year ended 31 December 2012, the Group's trading revenue from external customers in Australia amounted to \$2,147.5 million (2011: \$1,974.4 million), with \$288.5 million (2011: \$31.9 million) from the Plasterboard Asia operations, \$266.1 million (2011: \$244.3 million) relating to operations in the USA and \$71.7 million (2011: \$182.1 million) relating to discontinued operations. The Group's non-current assets (excluding deferred tax assets and other financial assets) in Australia amounted to \$2,852.9 million (30 June 2012: \$2,942.3 million), with \$1,021.6 million (30 June 2012: \$1,024.3 million) in Asia and \$599.9 million (30 June 2012: \$627.8 million) in the USA.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE			
Discontinued operations consist of the Group's Asian Construction Materials, East Coast masonry and Queensland roofing businesses, which has either been sold or are in the process of being divested.			
Comparative figures have been restated on a consistent basis with the current year's report.			
Results of discontinued operations			
Revenue		71.7	182.1
Expenses		(77.3)	(178.2)
		(5.6)	3.9
Gain on sale of discontinued operations	6	11.0	-
Profit before net financing costs and income tax expense		5.4	3.9
Net financing costs		(1.4)	(2.4)
Profit before income tax expense		4.0	1.5
Income tax (expense)/benefit	5	1.9	(0.4)
Net profit		5.9	1.1
Attributable to:			
Members of the parent entity		5.9	0.9
Non-controlling interest		-	0.2
Net profit		5.9	1.1
Basic earnings per share		0.8c	0.1c
Diluted earnings per share		0.8c	0.1c
Cash flows from/(used in) discontinued operations			
Net cash from/(used in) operating activities		(0.4)	6.9
Net cash from/(used in) investing activities		58.0	(8.8)
Net cash from/(used in) discontinued operations		57.6	(1.9)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)		
Effect of disposal on the financial position of the Group		
During the period, the Group divested its remaining Asian Construction Materials operations in Thailand and finalised the sale of the Indonesian operations.		
Consideration	32.3	-
Cash	(4.3)	-
Trade and other receivables	(18.2)	-
Inventories	(3.1)	-
Property, plant and equipment	(4.4)	-
Intangible assets	(0.6)	-
Other assets	(2.4)	-
Payables	13.7	-
Provisions	1.1	-
Net assets disposed	(18.2)	-
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	(3.1)	-
Gain on disposal of discontinued operations before income tax expense	11.0	-
Consideration	32.3	-
Cash and cash equivalents disposed	(4.3)	-
Add: Deferred consideration received	31.9	-
Consideration (net of disposal costs)	59.9	-

	CONSOLIDATED	
	31 Dec 2012 \$ millions	30 Jun 2012 \$ millions
Assets and liabilities classified as held for sale		
Property, plant and equipment	9.0	15.1
Intangible assets	0.3	0.9
Inventories	5.1	11.2
Trade and other receivables	9.6	32.3
Other assets	1.7	3.4
Assets classified as held for sale	25.7	62.9
Payables	4.6	18.8
Other liabilities	0.1	-
Provisions	16.8	25.8
Liabilities classified as held for sale	21.5	44.6
Net assets	4.2	18.3

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED

	Note	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
4. OPERATING PROFIT			
REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		2,647.5	2,206.4
Rendering of services		54.6	44.2
Revenue from continuing operations		2,702.1	2,250.6
Depreciation and amortisation expenses		144.1	128.4
OTHER INCOME FROM CONTINUING OPERATIONS			
Significant item	6	-	158.1
Net profit on sale of assets		9.2	-
Net foreign exchange gain		0.1	-
Other income		1.4	2.0
Other income from continuing operations		10.7	160.1
OTHER EXPENSES FROM CONTINUING OPERATIONS			
Significant items	6	120.0	102.5
Net loss on sale of assets		-	0.5
Other expenses from continuing operations		120.0	103.0
5. INCOME TAX EXPENSE			
Reconciliation of income tax expense to prima facie tax payable			
Income tax expense/(benefit) on profit at Australian tax rates 30% (2011: 30%)		(14.0)	39.1
Variation between Australian and overseas tax rates		(6.6)	(7.7)
Share of associates' net income and franked dividend income		(3.3)	(6.5)
Gain on fair value measurement of initial LBGA shareholding		-	(47.4)
Other items		0.2	1.9
Income tax benefit		(23.7)	(20.6)
Tax benefit relating to continuing operations		(21.8)	(21.0)
Tax (benefit)/ expense relating to discontinued operations		(1.9)	0.4
		(23.7)	(20.6)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
6. SIGNIFICANT ITEMS		
Net profit includes the following items whose disclosure is relevant in explaining the financial performance of the Group:		
Continuing operations		
Gain on fair value remeasurement of initial LBGA shareholding	-	158.1
Acquisition and integration costs	-	(23.6)
Curtailment of clinker operations at Waurn Ponds (i)	(113.3)	-
Organisational restructure costs (ii)	(6.7)	-
Impairment of assets, businesses and restructuring costs	-	(78.9)
Total significant items before tax, from continuing operations	(120.0)	55.6
Income tax benefit	31.9	30.4
Net significant items from continuing operations	(88.1)	86.0
Discontinued operations		
Gain on disposal of Asian Construction Materials	11.0	-
Income tax expense	(0.4)	-
Net significant items from discontinued operations	10.6	-
Summary of significant items		
Profit/(loss) before interest and tax	(109.0)	55.6
Income tax benefit	31.5	30.4
Net significant items	(77.5)	86.0

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS (continued)

Half-Year December 2012 Significant items

(i) Curtailment of clinker operations at Waurm Ponds

On 6 December 2012, the Group announced the indefinite suspension of its clinker manufacturing operations at the Waurm Ponds cement works in Victoria. This resulted in impairment of assets of \$100.4 million together with closure and restructure costs of \$12.9 million.

(ii) Organisational restructure costs

Redundancies and restructuring costs of \$6.7 million were incurred during the half year as part of a broader organisational restructure exercise to streamline the organisation and align with current market conditions.

Half-Year December 2011 Significant items

Gain on fair value remeasurement of initial LBGA shareholding

On 9 December 2011, the Group acquired the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd ("LBGA"). On acquisition of the remaining 50% interest in LBGA, this initial investment was remeasured to fair value in accordance with Australian Accounting Standards AASB 3 "Business Combinations", which resulted in a gain to the Group. The gain is net of the derecognition of the foreign currency reserve of \$30.5 million associated with this initial investment.

Acquisition and integration costs

During the half year ended 31 December 2011, the Group incurred costs (including stamp duty), associated with the acquisition and integration of the Asian Plasterboard operations, Wagners' Construction Material concrete and quarry Assets, and Sunshine Coast Quarries' concrete assets and quarries. The acquisition costs are included in other expenses in the Income Statement for the prior period.

Impairment of assets, businesses and restructuring costs

Deterioration in returns from a number of businesses resulted in a reassessment of long term manufacturing capacity requirements. This resulted in a write-down of \$43.0 million in respect of the Galong lime plant that was closed during the period and \$15.9 million in respect of two US brick plants. In light of ongoing depressed trading conditions in the US construction materials markets in Oklahoma and Denver, the goodwill associated with the US construction materials businesses was reassessed which resulted in a \$20.0 million impairment charge reflecting lower margins and increased competition.

Summary of significant items before interest and tax	CONSOLIDATED	
	Half-Year	Half-Year
	31 Dec 2012	31 Dec 2011
	\$ millions	\$ millions
Construction Materials	(3.7)	-
Cement Division	(113.3)	(43.0)
Building Products	(1.6)	-
Boral Gypsum	-	158.1
Boral USA	-	(35.9)
Discontinued Operations	11.0	-
Unallocated - acquisition, restructure costs	(1.4)	(23.6)
	(109.0)	55.6

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. 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.

	CONSOLIDATED	
	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
Earnings reconciliation		
Net profit before significant items and non-controlling interests	54.6	64.8
Loss/(profit) attributable to non-controlling interests	(2.4)	1.9
Net profit excluding significant items	52.2	66.7
Net significant items	(77.5)	86.0
Net profit/(loss) attributable to members of the parent entity	(25.3)	152.7
Earnings reconciliation - continuing operations		
Net profit before significant items and non-controlling interests	59.3	63.7
Loss/(profit) attributable to non-controlling interests	(2.4)	2.1
Net profit excluding significant items	56.9	65.8
Net significant items	(88.1)	86.0
Net profit/(loss) attributable to members of the parent entity - continuing operations	(31.2)	151.8
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	763,059,621	737,083,408
Effect of potential ordinary shares	7,890,464	6,539,796
Number for diluted earnings per share	770,950,085	743,623,204
Basic earnings per share	(3.3)c	20.7c
Diluted earnings per share	(3.3)c	20.5c
Basic earnings per share (excluding significant items)	6.8c	9.0c
Diluted earnings per share (excluding significant items)	6.8c	9.0c
Basic earnings per share (continuing operations)	(4.1)c	20.6c
Diluted earnings per share (continuing operations)	(4.1)c	20.4c

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

8. DIVIDENDS

	Amount per share	Total amount \$ millions	Franked amount per share	Date of payment
For the half-year ended 31 December 2012				
Final June 2012 - ordinary	3.5 cents	26.6	3.5 cents	28 September 2012
Total		26.6		

For the half-year ended 31 December 2011

Final June 2011 - ordinary	7.0 cents	51.1	7.0 cents	27 September 2011
Total		51.1		

Subsequent Event

Since the end of the period, the Directors have declared the following dividend:

Interim - ordinary	5.0 cents	38.3	5.0 cents	25 March 2013
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The financial effect of the interim dividend for December 2012 has not been brought to account in the financial report for the period ended 31 December 2012 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 interim dividend and the last date for the receipt of an election notice for participation in the plan is 25 February 2013. Shares issued under Boral's Dividend Reinvestment Plan will be issued at a 2.5% discount to market price.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Balance date	OWNERSHIP INTEREST CONSOLIDATED	
			31 Dec 2012 %	30 Jun 2012 %
DETAILS OF INVESTMENTS IN ASSOCIATES				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	50	50
Caribbean Roof Tile Company Limited	Roof tiles	31-Dec	50	50
Flyash Australia Pty Ltd	Flyash collection	31-Dec	50	50
Gypsum Resources Australia Pty Ltd	Gypsum mining	30-Jun	50	50
Highland Pine Products Pty Ltd	Timber	30-Jun	50	50
Penrith Lakes Development Corporation Ltd	Quarrying	30-Jun	40	40
Rondo Building Services Pty Ltd	Rollform systems	30-Jun	50	50
South East Asphalt Pty Ltd	Asphalt	30-Jun	50	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	50	50
US Tile LLC	Roof tiles	31-Dec	50	50

	CONSOLIDATED	
	Half-Year 31 Dec 2012 \$ millions	Half-Year 31 Dec 2011 \$ millions
RESULTS OF ASSOCIATES		
Share of associates' profit before income tax expense	15.4	31.0
Share of associates' income tax expense	(4.4)	(8.4)
Non-controlling interest	-	(0.9)
Share of associates' net profit - equity accounted	11.0	21.7

MATERIAL INTERESTS IN ASSOCIATES

Share of associate's net profit - equity accounted		
Rondo Building Services Pty Ltd	5.4	5.3
Sunstate Cement Ltd	4.0	5.2
Lafarge Boral Gypsum in Asia Sdn Bhd*	-	10.1

* Results from Lafarge Boral Gypsum in Asia Sdn Bhd were equity accounted until 9 December 2011 when the Group acquired the remaining 50% interest from Lafarge and the entity became a controlled entity.

	CONSOLIDATED		
	Half-Year 31 Dec 2012	Full Year 30 Jun 2012	Half-Year 31 Dec 2011

10. NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary security	\$3.29	\$3.31	\$3.27
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Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED	
	31 Dec 2012 \$ millions	30 Jun 2012 \$ millions
11. LOANS AND BORROWINGS		
CURRENT		
Bank overdrafts - unsecured	12.6	24.2
Bank loans - unsecured	46.2	120.6
Other loans - unsecured	0.7	3.2
Finance lease liabilities	0.3	0.3
	59.8	148.3
NON-CURRENT		
Bank loans - unsecured	697.0	668.5
Other loans - unsecured	886.9	906.0
Finance lease liabilities	0.6	0.6
	1,584.5	1,575.1
TOTAL	1,644.3	1,723.4

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 31 Dec 2012	Calendar year of maturity	CONSOLIDATED	
				31 Dec 2012 Carrying amount \$ millions	30 Jun 2012 Carrying amount \$ millions
CURRENT					
Bank overdrafts - unsecured	Multi	4.69%	2013	12.6	24.2
US senior notes - unsecured	USD	-	-	-	2.8
Bank loans - unsecured	USD	1.38%	2013	9.7	9.8
Bank loans - unsecured	THB	-	-	-	50.1
Bank loans - unsecured	Multi	5.88%	2013	36.5	60.7
Other loans - unsecured	Multi	4.11%	2013	0.7	0.4
Finance lease liabilities	Multi	8.57%	2013	0.3	0.3
				59.8	148.3
NON-CURRENT					
US senior notes - unsecured	USD	6.35%	2014-2020	883.8	905.7
Syndicated term credit facility - unsecured	USD	2.36%	2015	146.8	150.0
Syndicated loan facility - unsecured	AUD	5.15%	2016	500.0	461.3
Bank loans - unsecured	Multi	6.18%	2014-2016	50.2	57.2
Other loans - unsecured	Multi	8.54%	2014-2022	3.1	0.3
Finance lease liabilities	Multi	9.09%	2014-2017	0.6	0.6
				1,584.5	1,575.1
TOTAL				1,644.3	1,723.4

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Consolidated	
	Half-Year 31 Dec 2012 \$ millions	Full Year 30 Jun 2012 \$ millions
12. ISSUED CAPITAL		
766,235,816 (30 Jun 2012: 758,572,140) ordinary shares	2,395.0	2,368.4
MOVEMENTS IN ISSUED CAPITAL		
Balance at the beginning of the period	2,368.4	2,261.3
3,379,508 (30 Jun 2012: 14,626,401) shares issued under the Dividend Reinvestment Plan	11.5	54.8
4,284,168 (30 Jun 2012: 13,971,102) shares issued under the Dividend Reinvestment Plan underwriting agreement	15.1	52.1
Nil (30 Jun 2012: 48,647) shares issued on vesting of rights	-	0.2
Balance at the end of the period	2,395.0	2,368.4

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.

MOVEMENTS IN EMPLOYEE COMPENSATION SHARES

Balance at the beginning of the period	-	-
Nil (30 Jun 2012: 228,625) shares vested and transferred from share-based payments reserve	-	1.0
Nil (30 Jun 2012: 228,625) shares purchased on-market	-	(1.0)
Balance at the end of the period	-	-

The employee equity compensation account represents the balance of Boral shares held by the Group which as at the end of the period have not vested to Group employees and therefore are controlled by the Group. These shares relate to the Boral Senior Executive Performance Share Plan.

13. RESERVES

Foreign currency translation reserve	(72.6)	(87.5)
Hedging reserve - cash flow hedges	(0.2)	(3.6)
Other reserve	(66.3)	(66.3)
Share-based payments reserve	52.3	48.2
Balance at the end of the period	(86.8)	(109.2)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

14. CONTINGENT LIABILITIES

Boral Limited 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 and its associates 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.

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

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

15. ACQUISITIONS

There were no acquisitions during the current half-year.

During the half year ended 31 December 2011, the Group acquired:

- the remaining 50% shareholding in Lafarge Boral Gypsum in Asia Sdn Bhd
- the construction materials assets of Wagners Group
- the quarry and concrete assets of Sunshine Coast Quarries

The initial accounting for these acquisitions has been fully determined and details of the purchase consideration and the fair value of assets and liabilities acquired are as disclosed in the Boral Limited Annual Report 2012.

	CONSOLIDATED	
	Half-Year 31 Dec 2012	Half-Year 31 Dec 2011
	\$ millions	\$ millions

16. NOTES TO STATEMENT OF CASH FLOWS

(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 and cash equivalents	186.0	214.1
Bank overdrafts	(12.6)	-
	173.4	214.1

(ii) Non-cash items

The following non-cash financing and investing activities have not been included in the statement of cash flows:

Dividends reinvested under the Dividend Reinvestment Plan	11.5	25.4
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(iii) Acquisition costs, restructure costs and legal settlements paid

During the half year, the Group incurred costs associated with:

Acquisition and integration costs	-	22.0
Restructure and business closure costs	18.5	19.7
Legal settlements and associated costs	-	0.8
	18.5	42.5

17. SUBSEQUENT EVENTS

(i) Organisational Restructure

Boral announced on 16 January 2013 a number of restructuring initiatives that will strengthen Boral's competitiveness and result in a significantly streamlined, more responsive organisation with a lower, more sustainable fixed cost base. The changes will result in employee reductions in Australia and the USA with implementation and redundancy costs estimated at \$60 million for FY 2013, including the previously advised \$13 million of costs associated with the Waurn Ponds clinker manufacturing curtailment and \$6.7 million of organisational restructure costs included in the December half year result .

(ii) Swiss Franc bond issue

On 24 January 2013, Boral announced that it has successfully priced a new seven year bond issue in the Swiss Franc market, to raise CHF150 million (approximately A\$152.9 million). Completion of the bond issue is expected to take place on 20 February 2013, subject to customary conditions. The proceeds on the issue will be used to repay existing bank debt.

(iii) East Coast Masonry

On 8 February 2013, the Group completed the divestment of the New South Wales and Victoria's East Coast Masonry operations, with sale proceeds approximating carrying value.

Statutory Statements

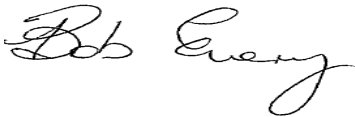
BORAL LIMITED AND CONTROLLED ENTITIES

Directors' Declaration

In the opinion of the Directors of Boral Limited:

1. The financial statements and notes set out on pages 3 to 22, 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 2012 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:



Bob Every
Director



Mike Kane
Director

Sydney, 13 February 2013



Independent Auditor's Review Report to the Members of Boral Limited

Report on the Financial Report

We have reviewed the accompanying half-year financial report of Boral Limited, which comprises the consolidated balance sheet as at 31 December 2012, 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 17 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility 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* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 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*. As auditor of Boral Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

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

Conclusion

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 is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance 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*.

KPMG

Greg Boydell
Partner

Sydney, 13 February 2013