



Boral Bricks

President, US Bricks – Bob Kepford

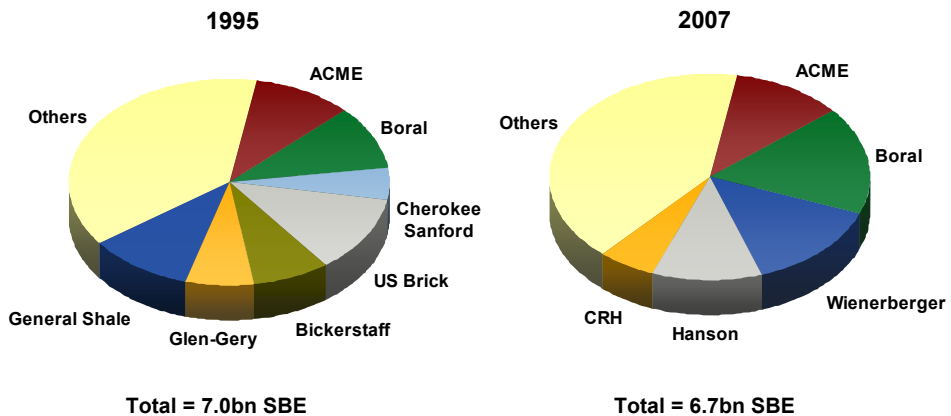


Brick Plant, Terre Haute, IN

Sacramento 17 & 18 September 2008

Boral Bricks is the industry leader with a market share of ~20%.

USA Brick Market Share by Calendar Year



Source: Brick Industry Association for total industry shipments; Boral estimates for market shares



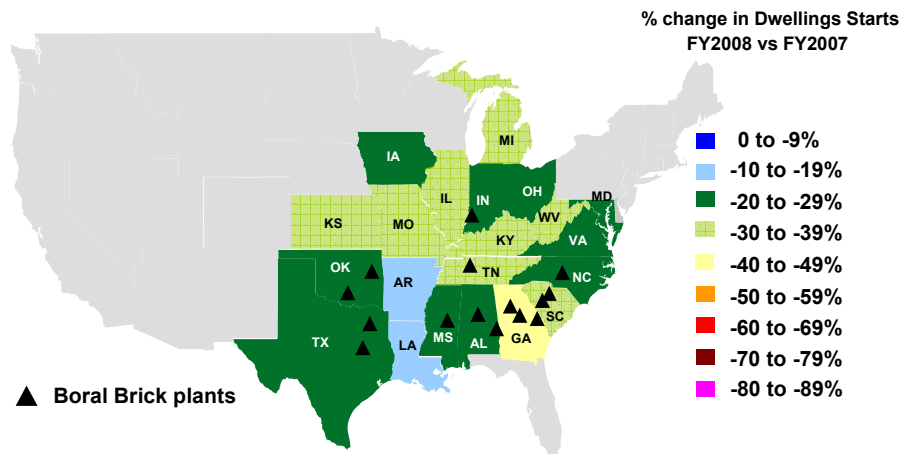
The downturn in housing activity significantly impacted bricks throughout FY08 and is continuing to in FY09.

FY08	External Sales US\$	External Sales % Δ	volume % Δ	price % Δ	EBITDA % Δ
Bricks	346	(28)	(27)	(2)	↓

- Market-related volume declines that began in FY07 continued through FY08 and impacted revenue and EBITDA
- Pricing remained steady despite significant volume pressures. Fuel surcharge implemented in June 2008 to offset impact of higher fuel / energy costs associated with transportation and production
- FY08 revenues were down 28% and earnings were weaker due to deteriorating demand throughout the year
- Step change implemented in January 2008 to further reduce costs



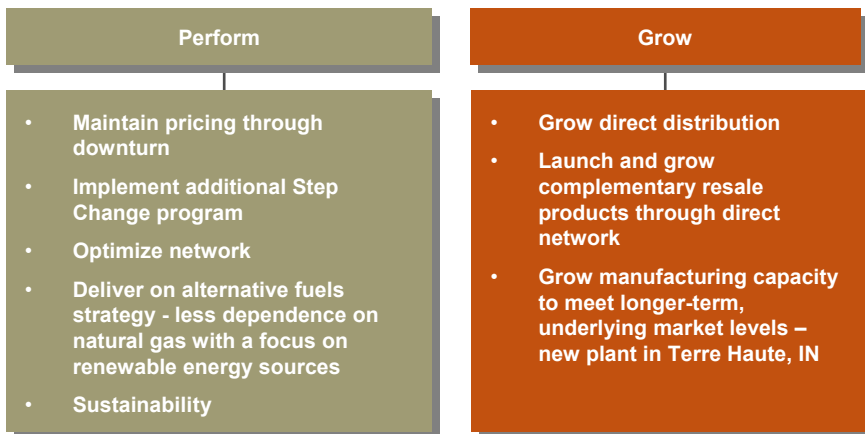
Housing starts in Brick states fell by 29% in the year, this follows a 21% decline in FY2007.



Source: US Dodge data for single and multi family units

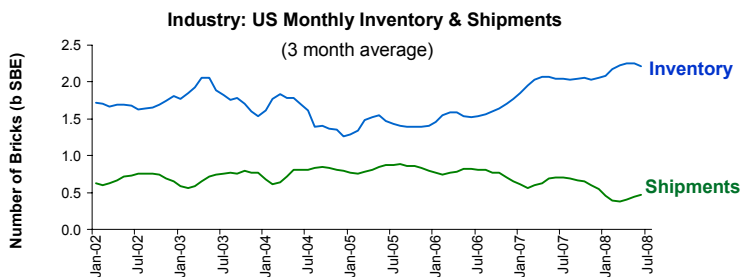


Bricks: Perform & Grow priorities



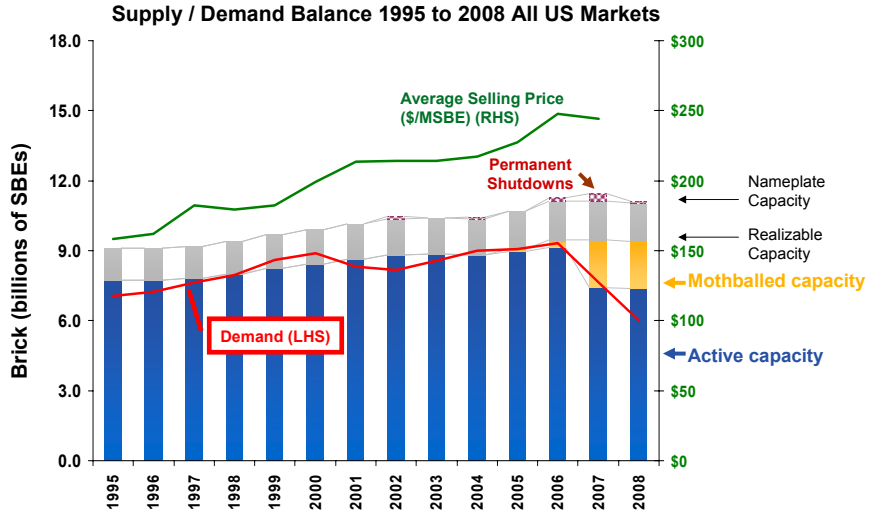
Industry Overview: The industry has reacted responsibly in managing capacity.

- The brick industry has reduced capacity by 1.2b SBE from CY05-CY07, through as many as 36 mothballs and 18 permanent closures of high cost plants
- Current run rate is estimated at 5.1b SBE out of a total available North American capacity of 10.9b SBE, a 47% industry utilisation rate
- Brick Industry Association indicates industry-wide brick inventory has grown from 2.8 months of supply in July 2007 to 3.8 months of supply in June 2008



Source: Brick Industry Association

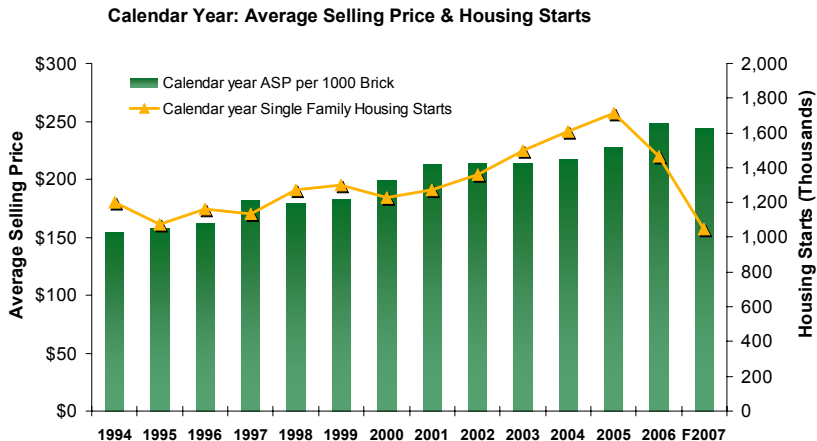
Industry Overview: US Brick Industry's capacity & utilization behaviour has been rational; share and price have largely held.



Source: Demand & Capacity management estimates, Brick Industry Association – Average FOB Plant Price



Industry Overview: US brick prices have increased in recent years to recover energy costs. Historically, prices have held in downturns (like for like, Boral Bricks is within 2% ASP over the past 12 months).

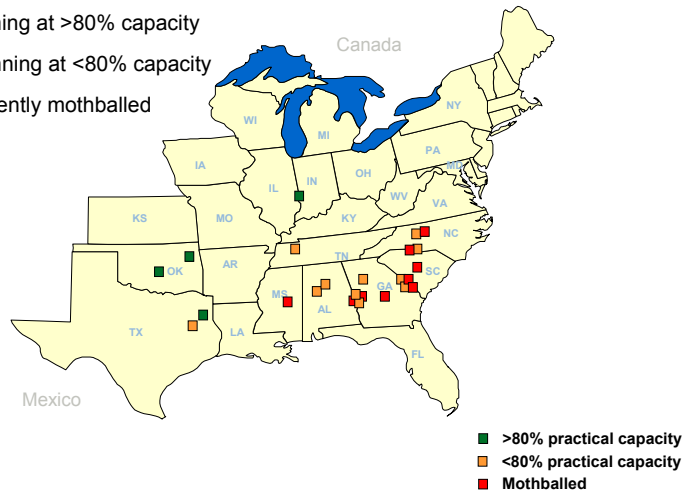


Source: Brick Industry Association – Average FOB Plant Price; Housing Starts from US Census



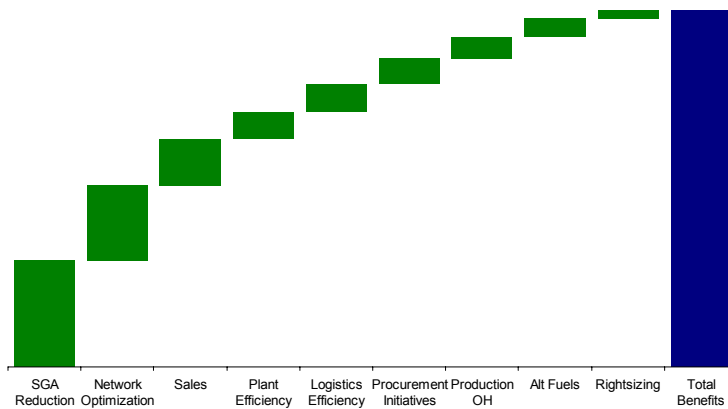
Perform: Boral Bricks network is running at 40% capacity utilisation.

- 4 plants running at >80% capacity
- 11 plants running at <80% capacity
- 9 plants currently mothballed

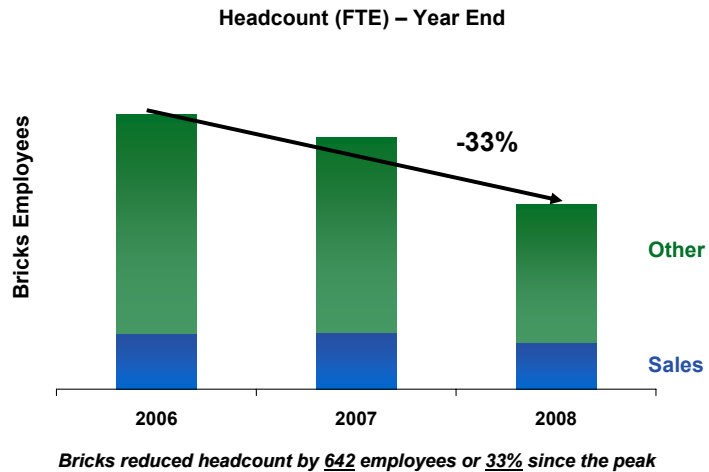


Perform: PEP and step change initiatives will improve FY09 performance versus second half FY08 business as usual.

Bricks: Project Next Level II
US\$30m

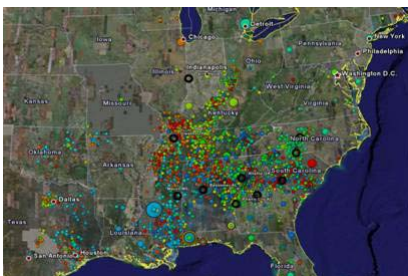


Perform: Headcount reductions have been undertaken quite aggressively, but direct sales is critical to our revenue so we have been careful about cuts to the sales force.

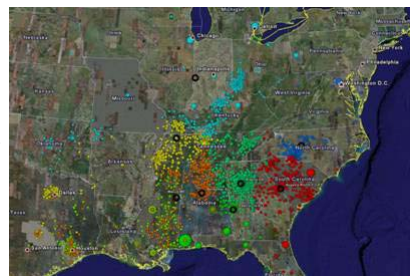


Perform: Network Optimization has been a big cost down component of the step change.

Current Supply Pattern



Ideal Supply Pattern

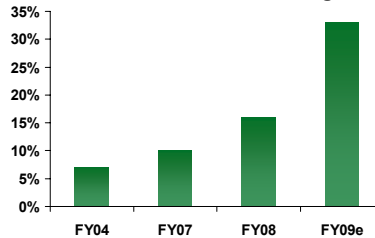


This will make a strategic shift in the way we match local production to local demand and the payback will be more significant when the market returns.

Perform: Boral continues to be at the forefront of pioneering alternative fuel technologies.

	Direct Injection	Landfill Gas	New Technologies
EVOLUTION	1978 to ...	2005 to ...	2007 to ...
PLANTS	Salisbury Augusta 5 Augusta 6 (body additive) Gleason (body additive) Phenix City 144 (sawdust) Phenix City 145 (sawdust)	Union City (new plant – 10/06) Terre Haute (new plant – 03/08)	Augusta 4 (woodchips/gasification) Gleason (woodchips/gasification)

**Boral Brick's
% Alternative Fuel Usage**



Perform: The motivation to successfully transition to alternative fuels is two-fold, greater profit and less greenhouse gas emissions.

- A variety of alternative fuel sources exist, the challenge is incorporating them into the manufacturing process
 - Landfill gas (methane)
 - Agricultural wastes (peanut hulls, cotton stalks)
 - Production waste (wood chips & saw dust)
 - By-products (ethanol waste pellets)
 - Recyclables (furniture waste, tires)



ETHANOL WASTE
PELLETS



TIRE SHREDS



GROUND PALLETS



COTTON STALK



FURNITURE WASTE



WOOD CHIPS



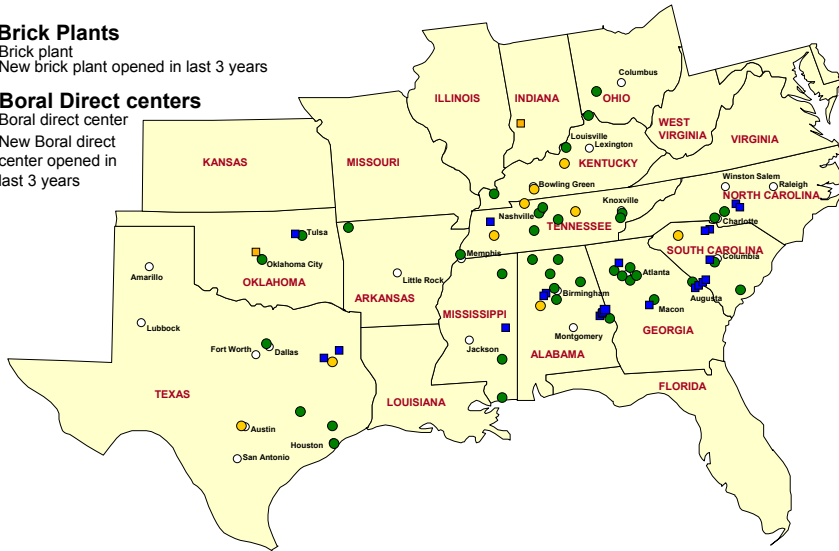
Grow: We have grown revenue through our direct footprint and where necessary with plant capacity.

24 Brick Plants

- Brick plant
- New brick plant opened in last 3 years

53 Boral Direct centers

- Boral direct center
- New Boral direct center opened in last 3 years



Grow: In bricks manufacturing, our greenfield growth strategy has been to supply under-served markets with low cost, close to market capacity.

Terre Haute

- US\$55m investment
- 120m SBE capacity, low cost plant, commissioned March 2008
- Utilise clay overburden from local coal mining
- Facility is currently utilizing 80% landfill gas
- Only brick plant in the US expected to receive LEED certification
- As new capacity in region is coming online, old high cost capacity mothballed



Grow: The Terre Haute plant has provided the opportunity to introduce new products to the marketplace with enthusiastic market response.

Allendale Hill Modular



Merom Bluff Modular



Falls Canyon Modular



Springwood Modular



Sycamore Ridge Modular

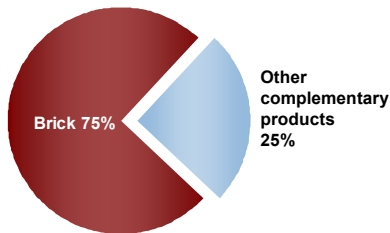


Bridgeton Modular



Grow: Boral's direct business continues to grow brick and other complementary products.

FY08 Revenue Split



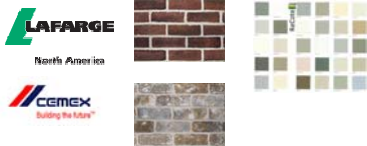
Stone Veneer



Mortar

Boral Thin Brick

ReCote





Roof Tiles

President & CEO MonierLifetile – Mike Penny

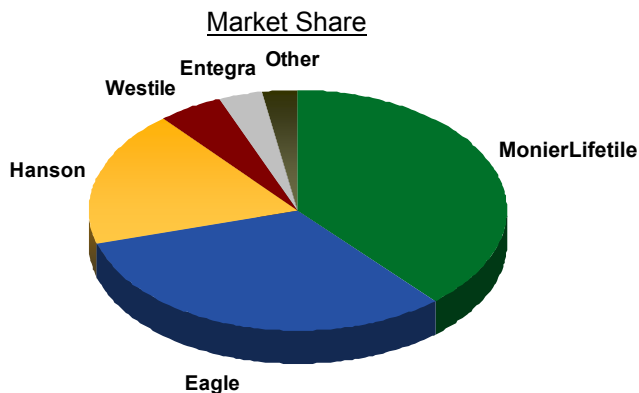


MonierLifetile Plant, Lakes Wales, FL

Sacramento 17 & 18 September 2008

MonierLifetile is maintaining the leading US position.

While competition has added capacity, MonierLifetile has maintained its market leadership position through its relationships and growth in emerging markets.



Source: MonierLifetile FY08
Total concrete market size is approximately 5 million squares



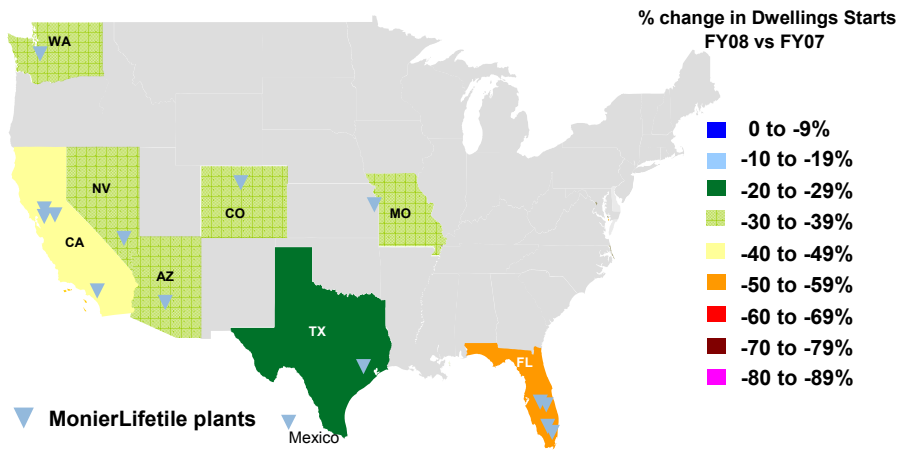
The housing downturn has significantly impacted tile industry earnings – including MonierLifetile's.

Boral share of equity accounted profits US\$m	FY08	FY07	volume % Δ	price % Δ
Concrete Tile	(21)	(4)	(42)	(5)

- Prices have been under pressure in FY08 due to over capacity and an aggressive new entrant in Florida, yet have stabilised in recent months
- The tile states are likely to recover more slowly than the rest of the country due to the excessive stock overhang and the sub-prime issue



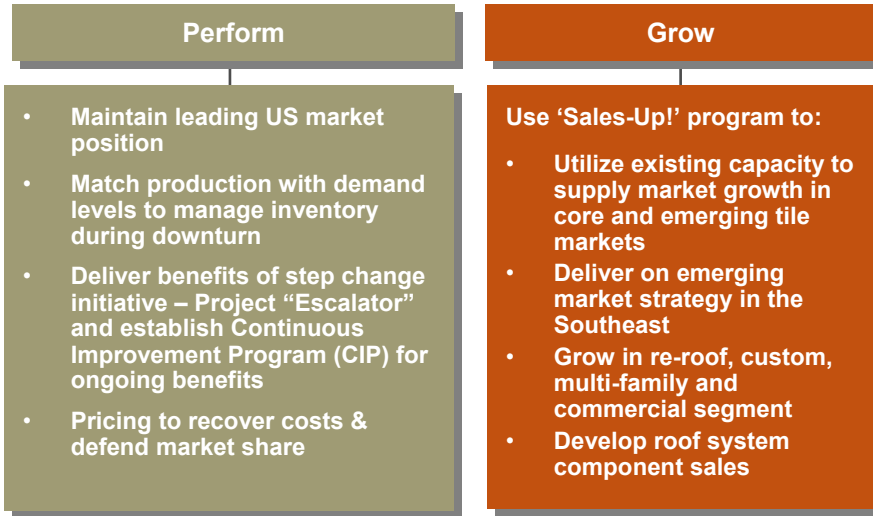
Housing activity continued to deteriorate in tile states, in FY08 it was down 38% year-on-year.



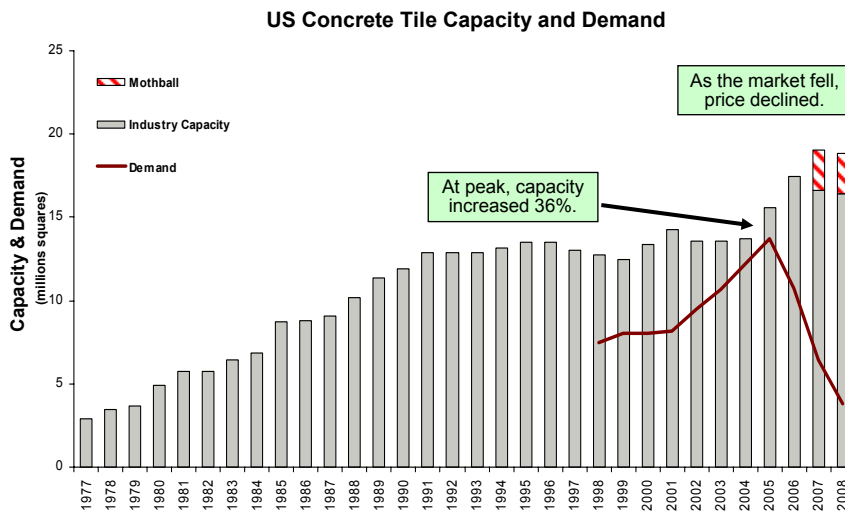
Source: US Dodge data for single and multi family units



MonierLifetile: Perform & Grow priorities



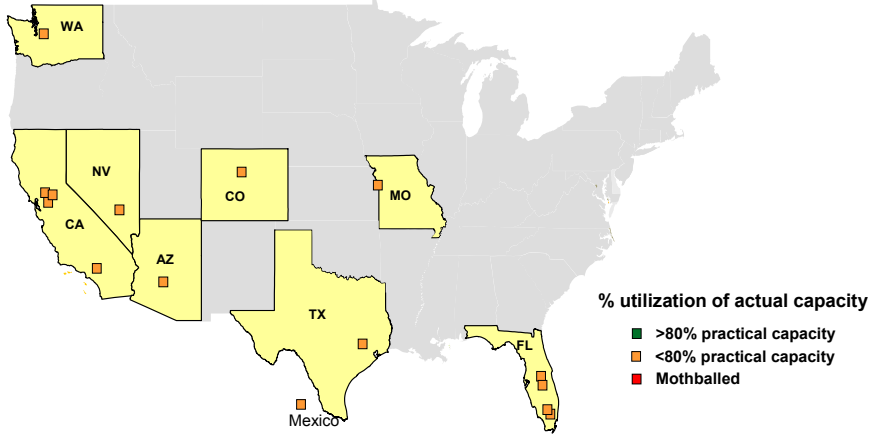
Industry Overview: Coinciding with the market peak, the industry invested in capacity. As the market deteriorated prices came under pressure (down ~10%).



Source: Demand & Capacity management estimates

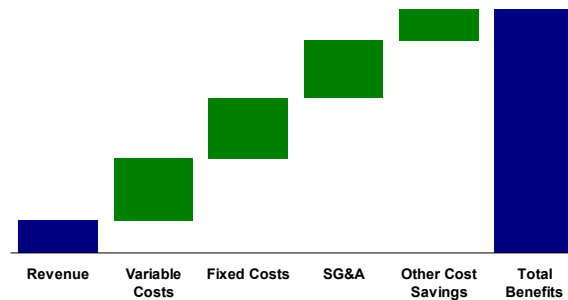
Perform: MonierLifetile's network is operating at around 27% of capacity utilization.

MonierLifetile plants



Perform: As revenues declined the only levers MonierLifetile could pull quickly were costs and working capital. Project "Escalator" produced 120 ideas valued at US\$12.5m*.

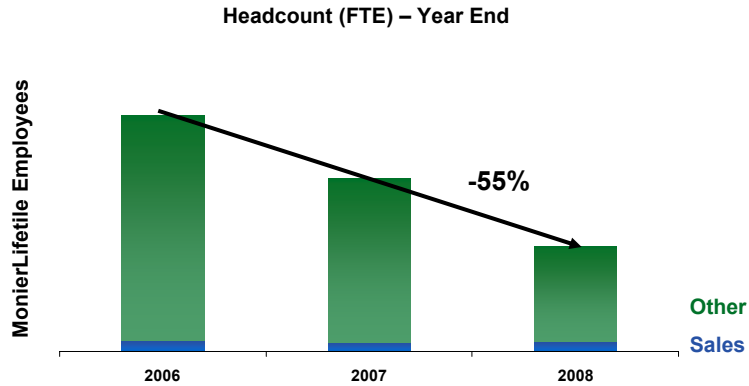
Project Escalator Benefits
US\$12.5m*



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



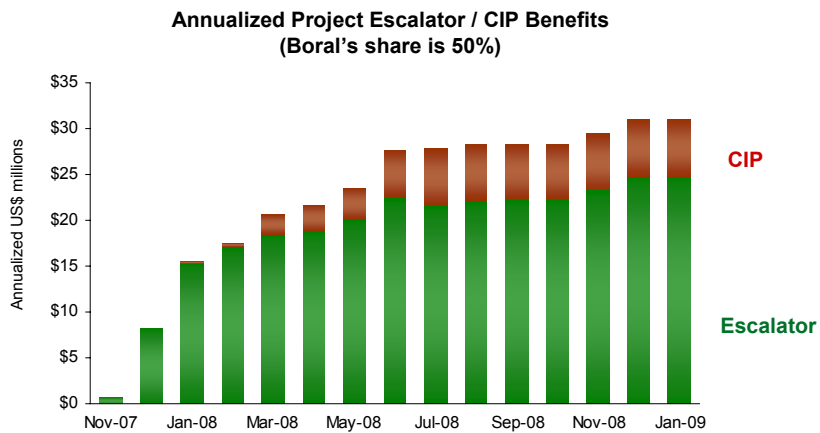
Perform: Project “Escalator” was the vehicle for an organisation review.



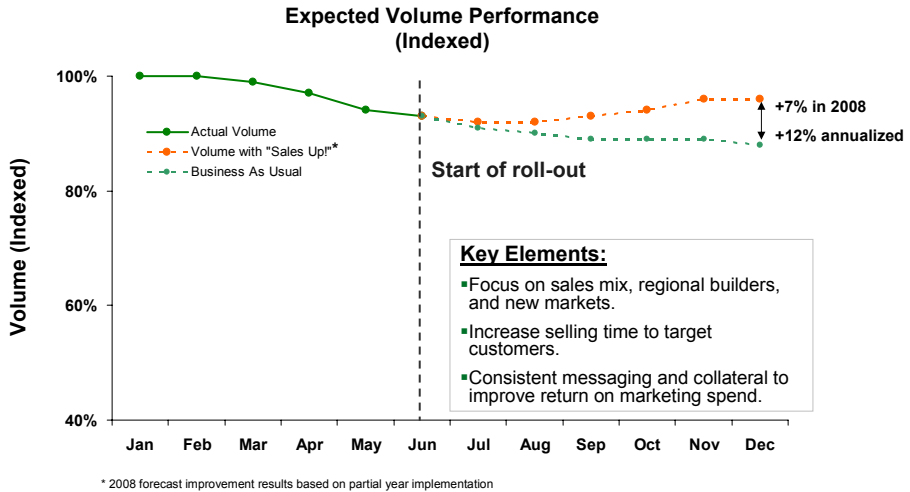
MLT reduced headcount by 725 employees or 55% since the peak



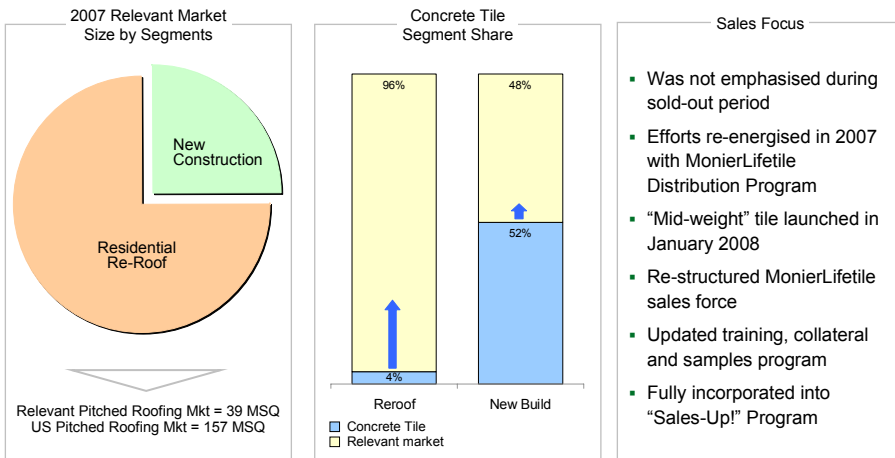
Perform: A sustained Continuous Improvement Program (CIP) followed Project “Escalator”.



Perform: MLT is now focusing on the top line to achieve improved revenue performance through the efforts of "Sales Up!" program.



Grow: There is opportunity to grow in the re-roof market – re-roofing is three times the size of new construction.



Grow: Despite the downturn in the market, MonierLifetile continues to innovate with new products.

Prioritized Innovations / Product Concepts

B.5 – Agent Granule Finish

Purpose / Description

- Base is a color-through tile (pigment in the body)
- Additional chips of pigmented Color Coat and granules

Function / Value Proposition / USP

- Heritage inspired colors
- Tuscan/Mediterranean style
- Authentic pre-aged appearance




C.3 – “Smog Eating” Tile

Purpose / Description

- Every tile can be used as a foundation for this added functionality
- Added special composition of multi-Color Coat

Function / Value Proposition / USP

- Tile / roof converts PM10 (i.e. from exhaust fumes) into harmless constituents (i.e. nitrates)
- Example: Every one a 20sqm roof will convert the smog produced by a car covering 1500 miles
- This benefit outweighs over the lifespan of the tile
- Tile is highly environmental friendly
- Surface also naturally prevents the growth of algae



C.1 – “High Reflectivity” Tile

Purpose / Description

- Smooth surface provided by micro-matrix layer
- 2-Layer acrylic coating filled with reflective pigments

Function / Value Proposition / USP

- Highly reflectivity of finish reduces summer heat (this recipe represents the best possible reflectivity)
- Long lasting coating and function
- Highly resistant to dirt pickup and algae growth



C.2 – “Radiant Barrier” Tile

Purpose / Description

- Any tile profile can be used as a foundation for this added functionality
- Added aluminum coating/laminate on tile underside

Function / Value Proposition / USP

- Integrated radiant barrier can block heat radiation into attic space (20% reduction in heat flow)
- Can be used in conjunction with a radiant barrier for additional benefits (up to 40% reduction in heat flow)
- Could also replace radiant barrier – eliminating additional product and installation costs




Roof Tiles

President, US Tile – Steve Gast



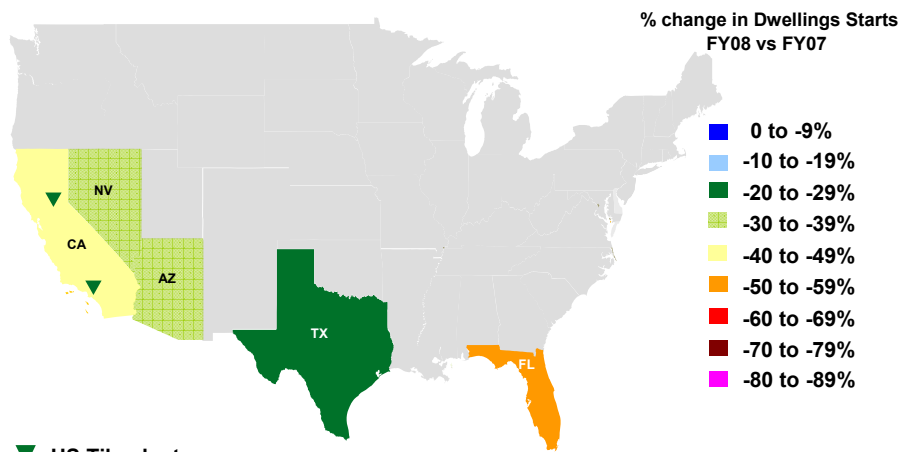
Lower volumes impacted FY08 US Tile earnings.

FY08	External sales		volume %	Price %	EBITDA %
	US\$	% Δ	Δ	Δ	Δ
Clay Tiles	25	(8)	(11)	4	↓

- Approximately 80% of our sales are in CA and single family starts were off by more than 45% in the CA markets
- 1.5% price increase was announced in March 2008, 7% announced in July 2008
- One line in Corona was mothballed in November 2007 and running our plants at lower than 100% utilization resulted in higher production costs per square and eroded gross margins
- Headcount reductions and profit recovery initiatives resulted in SG&A costs that were 10% lower than the prior year



Housing activity continued to deteriorate in key tile states in FY08 year-on-year.



Source: US Dodge data for single and multi family units



US Tile: Perform & Grow priorities

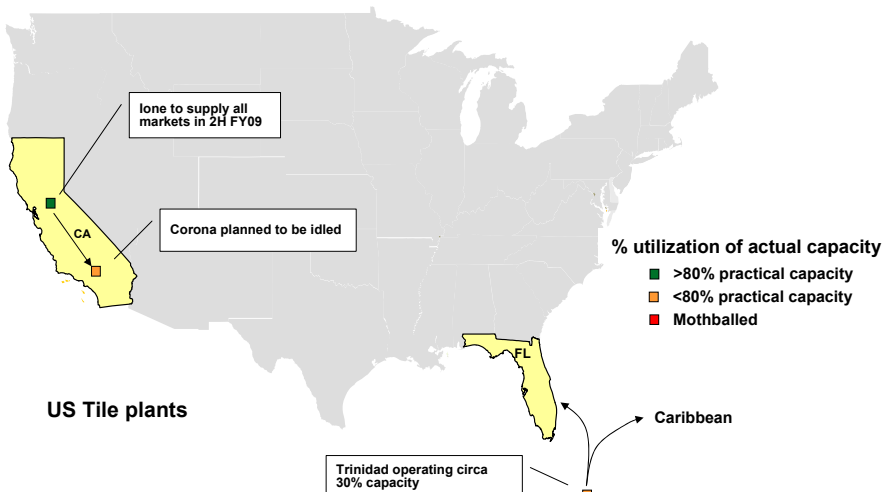
Perform

- Increase re-roof volumes
- Pricing products to recover cost increases and maintain margins
- Manage capacity to market softness
- Cost reduction

Grow

- Develop non-core markets
- Introduce slate and grade one products
- Increase presence in high end custom market with Cielo and Monarch profiles
- Green Building

Perform: US Tile currently operating at around 48% of capacity between Corona and lone.



Grow: In US Tile, our greenfield growth strategy has been to supply under-served markets with low cost, close to market capacity.

lone

- US\$30m new, low cost, state-of-the-art plant
- 130K squares pa when fully operational
- Plant commissioning slower than originally planned as need has arisen to master Corona products
- Supports expansion into Northwest markets with a grade one (freeze/thaw) tile



Grow: New products developed in Trinidad have been well received by the Florida market.

- Sales are growing in Central and Northern Florida following introduction of colours late in 2007
- Florida market share is up in a down market
- Sales for the Joint Venture are growing across Caribbean markets (e.g. Puerto Rico, Dominican Republic)



Grow: Launch of new clay tile products for existing and new markets.

- Cielo has been launched to capture more share in ultra-high custom home market
- Grade One, freeze/thaw product has been produced and shipped
- Improved look to ProShake products and engobing process
- First shipment on new slate products due to arrive in late September
- Launched new website
- Manufacturers representatives in place to support sales in emerging/non-core markets



Construction Materials

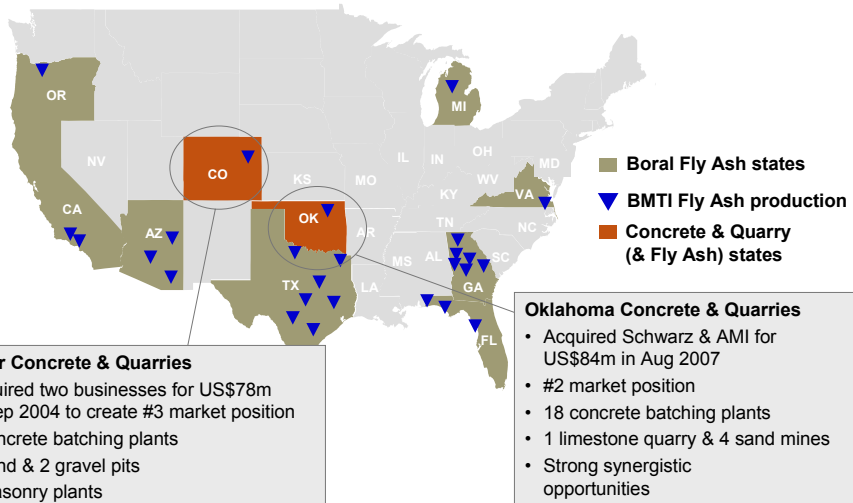
President, US Construction Materials – David Plummer



Construction Materials, Oklahoma

Including fly ash, concrete & quarries

We are strengthening our construction materials position in the USA.



FY08 US Construction Materials Performance

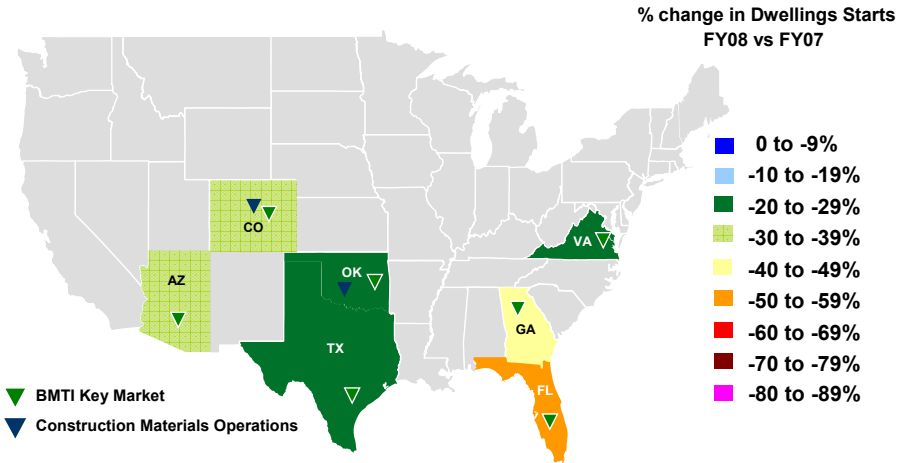
FY08	External sales		Volume %Δ	Price %Δ	EBITDA %Δ
	US\$	% Δ			
BMTI Fly Ash	111	(4)	↓	↑	↓
Construction¹ Materials	125	61	↑	↑	↑

- Volume was impacted by the weakness in the market, market share for our businesses remained the same as in FY07
- We were able to increase pricing to mitigate impact of higher diesel and raw material costs
- We concentrated on cost and working capital management to mitigate inflationary pressure
- We improved our cash generation and asset base through acquisitions and sale of surplus assets

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



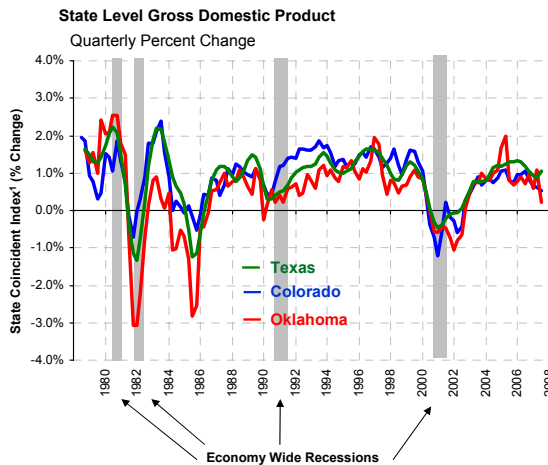
Key US Construction Material markets are down year-on-year impacting volumes.



Source: US Dodge data for single and multi family units



The major construction materials markets (TX, OK, CO) have performed reasonably well economically to date.

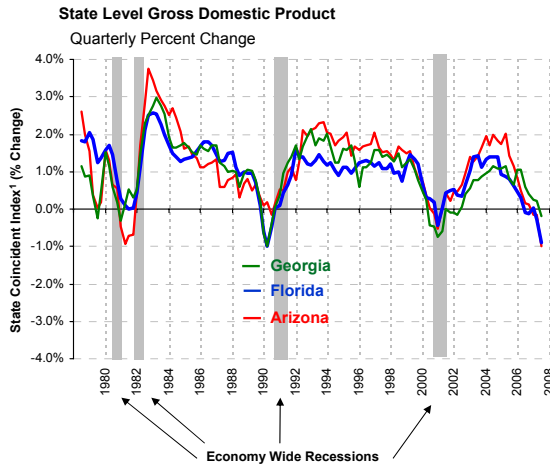


% Growth	2007			2008	
	Q2	Q3	Q4	Q1	Q2
Texas	1.2%	1.0%	0.9%	0.9%	1.0%
Colorado	1.1%	0.8%	0.6%	0.6%	0.5%
Oklahoma	0.7%	1.0%	0.6%	1.1%	0.2%

1. State Coincident Index: www.PhiladelphiaFed.org; Proxy for quarterly state level GDP



However, three states (GA, FL, AZ) that are important fly ash markets are having weaker economic performance.



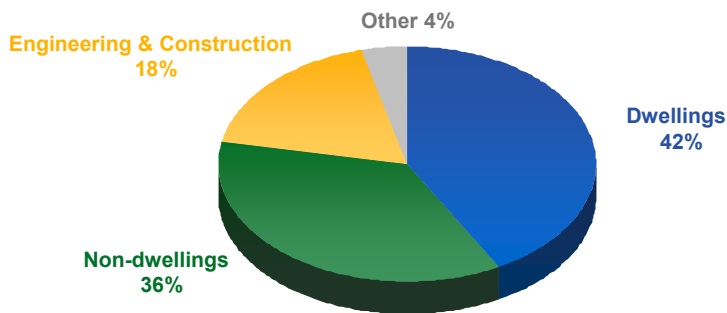
% Growth	2007			2008	
	Q2	Q3	Q4	Q1	Q2
Georgia	0.6%	0.4%	0.3%	0.2%	-0.2%
Florida	-0.8%	-0.1%	0.0%	-0.3%	-0.9%
Arizona	0.2%	0.1%	-0.2%	-0.2%	-1.0%

1. State Coincident Index: www.PhiladelphiaFed.org; Proxy for quarterly state level GDP



US Construction Materials has a balanced mix of dwelling, non-dwelling and engineering and construction exposure, making it less dependant on the housing cycle.

FY08 US Construction Materials¹ Revenue
Estimated Exposure by Market Segment



1. Includes fly ash, concrete and quarries.



BMTI: Perform & Grow priorities

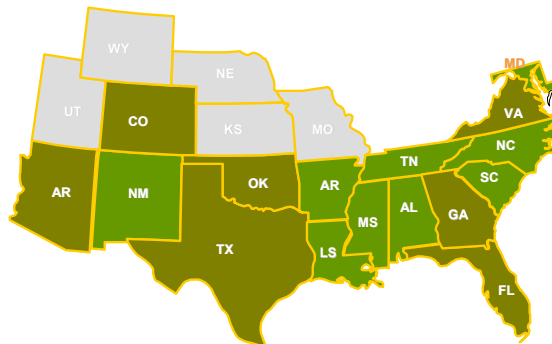
Perform

- Secure supply in market territory
- Deploy FACT technology in a low cost way to maintain ash supplies
- Establish an optimal pricing strategy to obtain parity with cement and remain compatible with utility requirements
- Increase our penetration into new product applications such as carpet backing

Grow

- Develop fly ash applications for construction markets beyond ready-mix concrete
- Continue to develop variants of FACT to address mercury and other power station issues
- Position ourselves to capitalize on the environmental concerns facing our industry

BMTI will focus on contracts in its current markets in the southern half of the US. BMTI will continue to develop new material applications for fly ash beyond ready mix concrete.



New products to be covered in Technology Development presentation to follow.

Construction Materials: Perform & Grow priorities

Perform

- Managing margin growth by strong price and cost control
- Implementation of step change program
- Integration of acquired businesses
- Realization of operating synergies
- Consolidation of systems, purchasing, quality and KPI management to improve operating standards

Grow

- Bolt-on acquisitions to the Colorado platform
- Bolt-on acquisitions to the Oklahoma platform
- Step-out opportunities to complement our current businesses
- Pursue other regional positions in our target market



Perform: Oklahoma Integration

What's gone well

- 100 day plan
- Pricing
- Quarry upgrades
- Integration of quarry and concrete acquisitions

What's challenged performance ...

- Residential market weaker
- Weather and seasonality
- Energy costs

Davis Quarry



Perform: Oklahoma revenue enhancement and cost management are the key areas of ongoing attention, and will be rolled into a step change project.

Revenue Management

- **Business Mix:** Ongoing evaluation of end market segments and customer mix to maximize profitability
- **Price Management:** Developing understanding of customer segments
- **Marketing:** Customer service, technical capabilities, and branding will help broaden segment reach

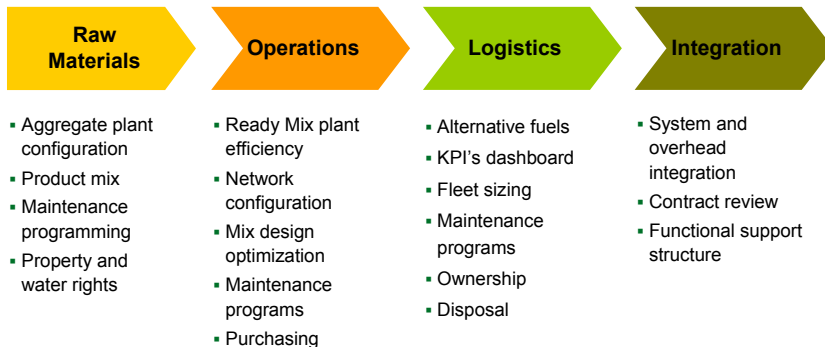
Cost Management

- **Raw Materials:** Mix design optimization, cement strategy, and vertical integration
- **Delivery and Shop:** Continuously improve operations through KPI management
- **Plant Network Optimization:** Opportunity to rationalize extensive plant network now that we have central dispatch



Perform: In response to more challenging market conditions we will embark on a step change program across Construction Materials

Construction Materials Value Chain

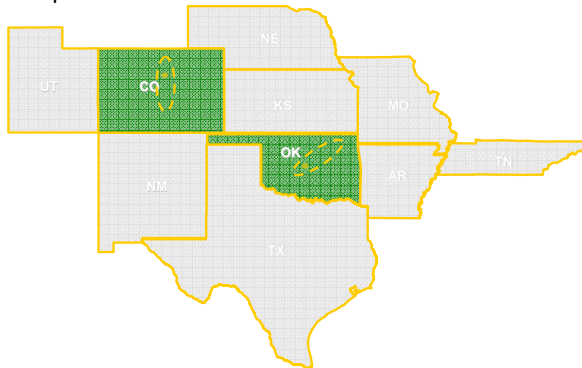


Step Change Program



Grow: Develop the business from our existing platforms and expand into contiguous markets. We will continue developing this strategy through acquisitions and organic growth.

- Focus on contiguous markets
- Leverage off current two platforms
- Opportunistic step-outs from current markets

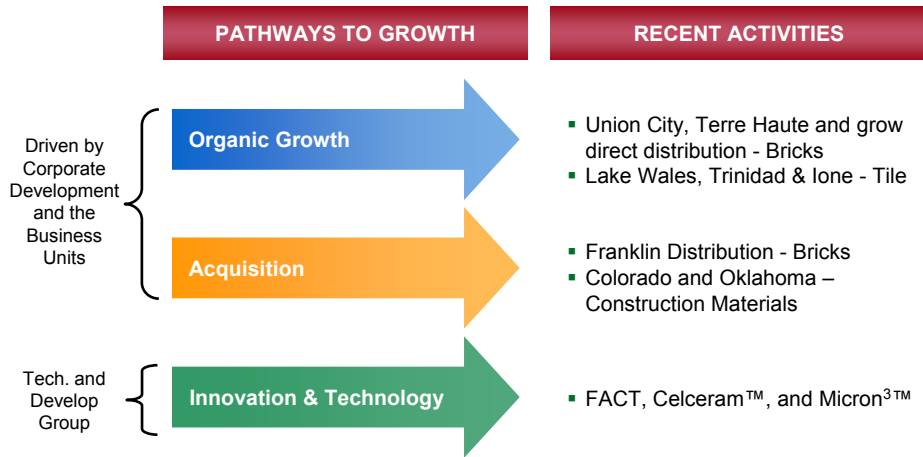


Technology Development

Vice President, Technology Development – Russell Hill



Boral USA recently increased its commitment to innovation and technology as part of a broad strategy designed to add a third leg to Boral's growth platform in the US.



As part of this commitment, the BMTI Technical group was expanded to form the corporate level Technology and Development Group in late 2007.

Technology and Development



QC Lab



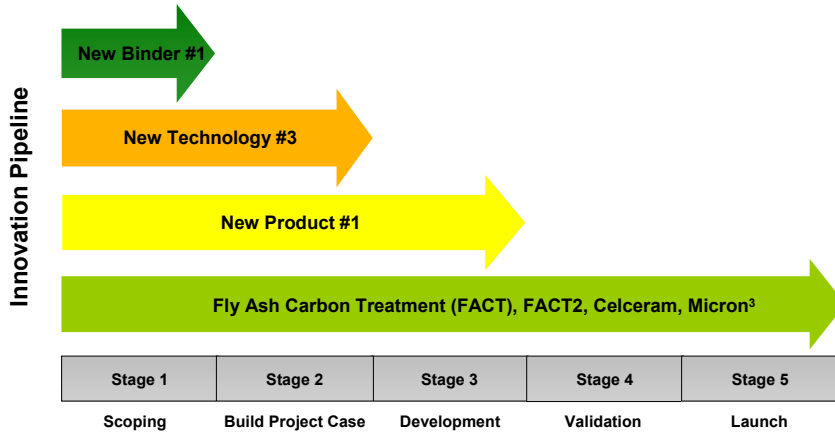
X-ray Lab



Material Applications Pilot Plant



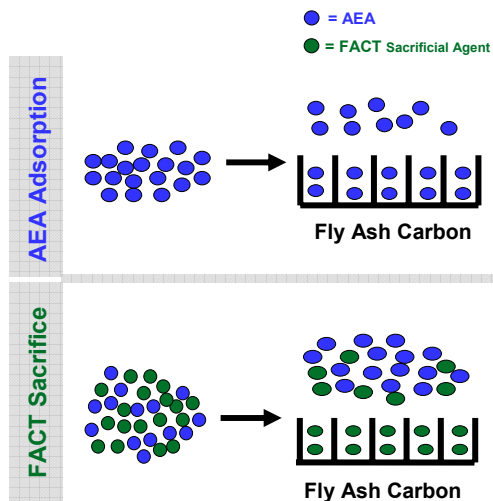
The goal is to expand the technology-base developed within BMTI to create an innovation pipeline for new products more broadly across Boral's US divisions.



Technical Solutions: BMTI's success in developing a solution to beneficiate marginal quality fly ash established a platform for future technical innovation.

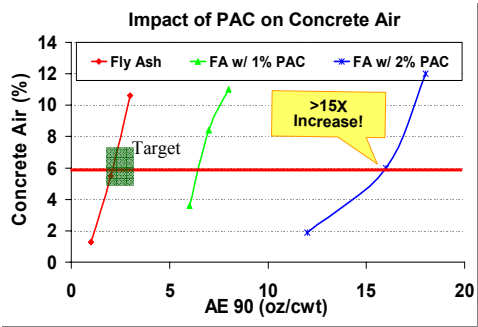
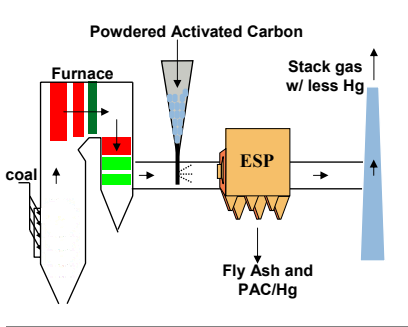
Fly Ash Carbon Treatment – Boral FACT™

- Innovative chemical approach based on a 3 year fundamental science-based developmental project
- Exclusive rights to Patented Technology
- Minimal capital requirement
- Lowest Cost Beneficiation Technology for low quality fly ash
- Commercially deployed in 2003. Over 2m tons treated to date
- Contributed operating profit similar to a large utility contract



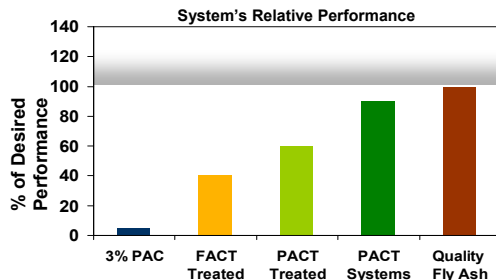
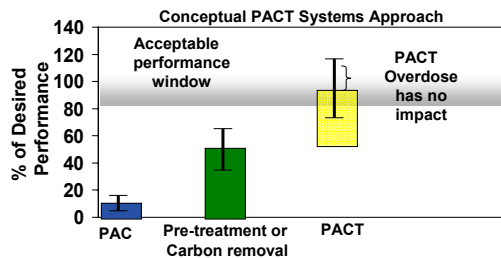
Technical Solutions: Utility compliance with emission requirements will drastically change the fly ash industry over the next 5 years.

Deteriorating fly ash quality represents both a major challenge and a huge opportunity.

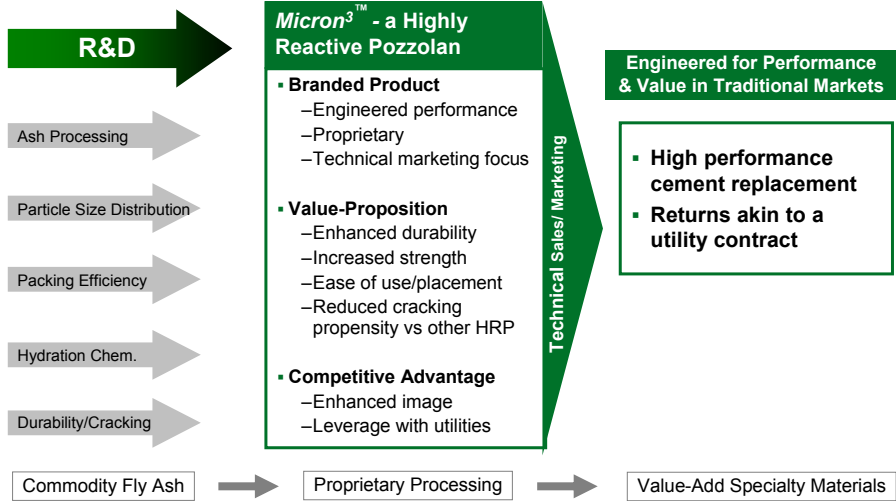


Technical Solutions: Building on the success of FACT, Boral is leading a collaborative research effort to address the Powder Activated Carbon problem.

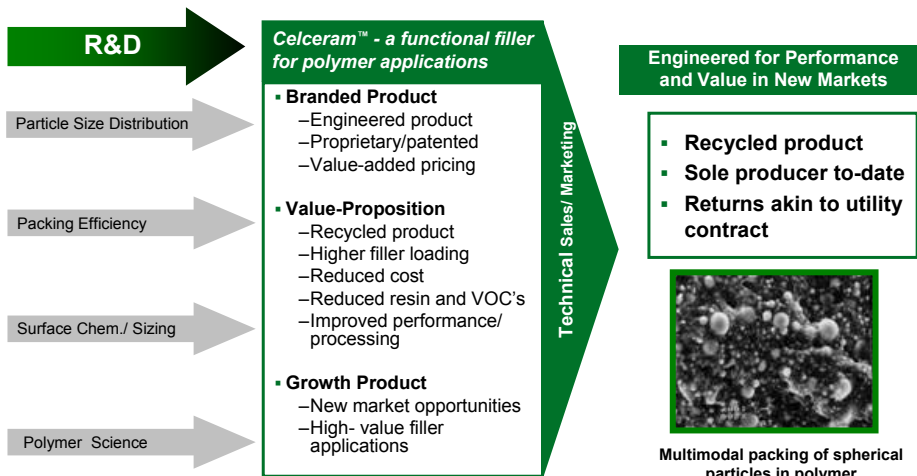
- The approach is to expand upon FACT technology moving to a multi-step, beneficiation process as necessary
- Provides a platform for building a Systems Approach



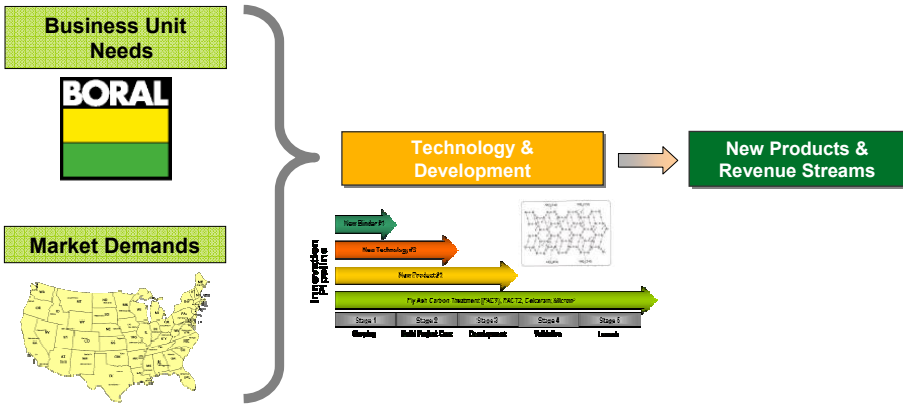
Proactive Innovations - *Micron³™* is a specialty product developed for the niche, high performance concrete market.



Proactive Innovations - *Celceram™* is a specialty functional filler product developed for the polymer market and other applications.



Technology and Development will continue to provide the US Business Units with market driven innovations promoting change and creating value.



Summary



US Tile Plant, Lone, California

Brick Plant, Terre Haute, Indiana

Construction Materials, Oklahoma

Market: California is one of the most important markets in the United States, with one of the largest economies on the world.

Quick Facts

GDP	US\$1.812 trillion
Population ¹	36.5 million
Households ²	11.5 million
Persons per household ²	2.87
Median household income ³	\$49,894
Federal Spending	US\$232.4 billion
Land Area (square miles)	155,959
Persons per Square Mile ²	217

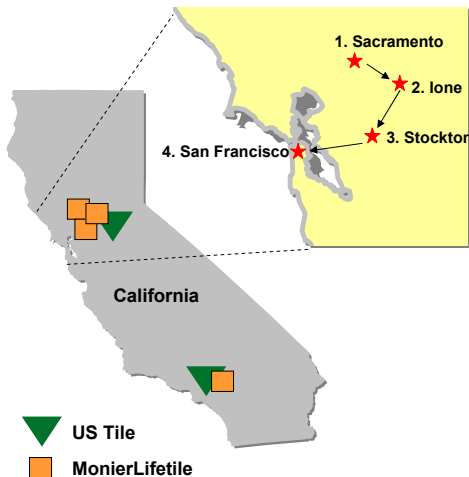
Rank by Size of Economy⁴

Rank	Country / State	GDP (US \$m)
	Global	\$54,311,608
1	United States	\$13,843,825
2	Japan	\$4,376,705
3	Germany	\$3,297,233
4	China	\$3,280,053
5	United Kingdom	\$2,727,806
6	France	\$2,562,288
7	Italy	\$2,107,481
8	California	\$1,812,968
9	Spain	\$1,429,226
10	Canada	\$1,326,376
12	Brazil	\$1,314,011
13	Russia	\$1,291,011
14	India	\$1,170,968

1. Source: Census Bureau; 2006 estimate
 2. Source: Census Bureau; 2000 estimate
 3. Source: Census Bureau; 2004 estimate
 4. Source: World Bank and The United States Bureau of Economic Analysis



Boral has clay and concrete roof tile operations in California.



Thursday, September 18th

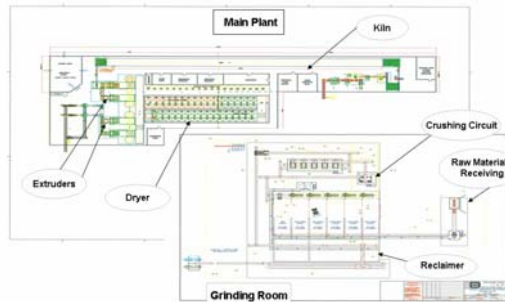
9.00am Bus leaves Le Rivage for Site Visits

1. Tour of Local Housing Development, Sacramento
2. Tour of US Tile (clay tile) Plant, Lone (lunch)
3. Tour of MonierLifetile (concrete tile) Plant, Stockton
4. Return to San Francisco



Ione Clay Tile Plant

- Raw materials with additional storage and grinding capacity/reclaimer storage for souring the body mixes
- Extrusion line with two extruders for faster changeover times and less downtime
- Tunnel dryer – similar to what is being used in Trinidad (different to Corona)
- State of the art spray finish equipment
- Roller kiln capable of achieving grade one tile status
- Long-term local clay source in close proximity of the plant



Stockton Concrete Tile Plant

- Former Monier Plant built in 1945
- Together with the former Lifetile plant in Lathrop (1 mile away) has a total capacity for 135 million tiles per year
- Equipped with 2 high-speed/automatic production lines, making flat and medium profile tiles in standard weight and light weight
- Additionally makes hand-special tiles
- Currently being managed by one team which also manages the Lathrop facility

