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BORAL®

Results Announcement
for the half year ended 31 December 2011

28 February 2012

Highlights

- Higher project sales lift half year revenue by 2% to $2.43 billion (1H FY11: $2.39 billion)
- Half year EBITDA[1] down 12% to $237 million (1H FY11: $269 million)
- Group profit after tax[1] down 28% to $67 million (1H FY11: $92 million)
- Reported Net Profit After Tax up 65% to $153 million (1H FY11 : $92 million)
- Dividend pay-out 7.5 cents (1H FY11: 7.5 cents)
- Secured 100% of market leading Asian Plasterboard business, BGA
- Wagners quarry and concrete operations realises leading position in Southern Queensland
- Sunshine Coast Concrete & Quarries provides long term quarry reserves in high growth region
- Sale of Indonesian Construction Materials operations for US$135 million

(A$ millions)	1H FY2012			1H FY2011		
	Group	Discontinued Operations	Continuing Operations	Group	Discontinued Operations	Continuing Operations
Revenue	2,433	134	2,299	2,388	147	2,241
EBITDA[1]	237	11	226	269	10	259
EBIT[1]	109	6	102	149	5	143
PAT[1]	67	3	64	92	1	91
Significant Items (net)	86		86			
NPAT	153	3	150	92	1	91
EPS (cents)[1]	9.0		8.7	13.0		12.8

[1] Excluding significant items

Commentary refers to Group operations before significant items.

The Chief Executive of Boral Limited, Mark Selway said: "It is disappointing to report that the economic conditions, we experienced in the second half of FY 2011 have continued into FY 2012, particularly those related to residential housing in Australia.

As reported at the Group's Annual General Meeting, the results on a like period basis reflect the extent of market declines in our traditional Australian activities and a continuation of the difficult market for residential housing in the United States. We also confirmed the decisive actions which the Group is taking to improve returns and respond to the challenging economic conditions that are expected to continue in our Australian market in the second half of the year."

This announcement includes the impact of a range of actions in response to the uncertain economic outlook and identifies the permanent closure and mothballing of excess capacity in our United States brick and tile operations, our post half year decision to dispose of the Group's East Coast Masonry business, the closure of Queensland roofing and mothballing of excess brick capacity in Western Australia. Also included in the first half results is the impact of our decision to close the Galong Lime Kiln, in response to BlueScope's announcement of the wind-down of their operations at Port Kembla.

Group first half revenue of $2.4 billion was marginally above the comparable period (1H FY11: $2.4 billion) with the increase in large project-related activity, particularly in Victoria and Queensland, being offset by a considerable decline in housing-related sales.

Profit After Tax[1] at $67 million was 28% below the comparable period last year (1H FY11: $92 million) and reflected a continuation of the significant decline in Australian residential housing which was experienced in the second half of FY 2011, and the absence of property sales which assisted the results in the prior year. The half year tax charge, before significant items, was $10 million and earnings per share for the period reduced to 9.0 cents, compared with 13.0 cents last year.

There were a number of significant items that resulted in reported Net Profit After Tax of $153 million, which was 65% above the same period last year. This included an after tax significant profit of $86 million comprising $158 million in fair value gains associated with the acquisition of the Asian Plasterboard business. This was offset in part by acquisition and integration costs of $24 million, asset write-downs of $79 million related to the Galong lime kiln, the permanent closure of two additional brick plants and the write-down of goodwill associated with the Group's Construction Material business in the United States.

Operating cash flow after capital expenditure declined to $2 million[2] (1H FY11: $81 million) primarily due to reduced operating profit and increased raw material inventory in Construction Materials in preparation for higher project activity in the second half of the year. As planned, half year capital expenditure increased to $177 million against $128 million in the prior year and included significant costs related to the Group's key investments in the New South Wales quarry, the Port Melbourne plasterboard upgrade and the investments in the trim and tile products in the United States. Stay in business related expenditure of $81 million represented 63% of depreciation for the period.

Largely due to the Group's acquisition activity, net debt increased to $1,544 million against $634 million a year ago and gearing increased to 46% against 20% at 31 December 2010. At December, around 65% of debt was denominated in US dollars.

In line with our strategy of investing in core areas of activity, during the first half of FY 2012 the Group completed the acquisition of the balance of our Joint Venture Plasterboard business BGA and the concrete and quarry acquisitions of Wagners and Sunshine Coast Quarries in Queensland.

In February, the Group announced its post-period agreement to dispose of the Indonesian Construction Materials businesses to Siam Cement for an enterprise value of US$135 million. The transaction is expected to be completed by the end of FY 2012 and, subject to completion adjustments, should produce an exceptional pre-tax gain of circa US$35 million in the full year results.

The Board has resolved to pay a fully franked interim dividend of 7.5 cents per share (1H FY11: 7.5 cents). This represents a dividend pay-out ratio of 84% of after tax earnings before significant items. As previously advised, to maintain the Group's conservative capital structure, Boral has entered into an agreement providing for Boral's Dividend Reinvestment Plan (DRP) to be underwritten in respect of the interim FY12 dividend. In recent years, shares issued under the DRP have been issued at a 2.5% discount to the market price. That discount will also apply to the interim FY12 dividend, which will be paid on 5 April 2012.

The Board has also resolved to implement a sale facility relating to small holdings (being parcels of shares with a value of less than $500) and a voluntary share sale facility which will be available for holdings that have a value between $500 and $5,000. These facilities will enable eligible shareholders to have their shares sold without incurring brokerage or handling fees. Documentation regarding these facilities will shortly be sent to eligible shareholders.

For more information:

Mark Selway	Penny Berger	Luis Garcia
Chief Executive	Group Communications & Investor Relations Manager	Cannings
Tel: 02 9220 6490	Tel: 02 9220 6591	Tel: 0419 239 552

Boral Limited ABN 13 008 421 761 - GPO Box 910 Sydney NSW 2001 - **www.boral.com.au**

[1] Excluding significant items
[2] Includes $42 million of acquisition and restructuring costs

REVIEW OF RESULTS

Boral Construction Materials

(A$ millions)	**1H FY12 Dec 2011**	**1H FY11 Dec 2010**	**Var %**	**2H FY11 June 2011**	**Var %**
Revenue	1,211	1,102	10%	1,173	3%
EBITDA	138	137	1%	157	(12%)
EBIT	89	93	(4%)	111	(20%)

The Group's largest division is Construction Materials, which includes operations involved in the production and supply of concrete, asphalt and quarry materials to the Australian building and construction sectors.

The division had a mixed first half to the year with the benefits of concrete, aggregate and asphalt pricing being offset by significant reductions in the results from Western Australia and South Australia which included high margin project activity and much stronger residential housing conditions in the first half of the prior year.

First half revenue of $1.2 billion was up 10% (1H FY11: $1.1 billion) while profit of $89 million was 4% down on the prior year (1H FY11: $93 million). In line with previous guidance, all Property earnings are expected to occur in the second half, with first half Property Group losses of $3 million versus the $10 million profit reported in the first half of 2011.

Excluding Property, underlying Construction Materials earnings of $92 million were $10 million, 12% above the prior year (1H FY11: $82 million) due to the benefits of the 1 April 2011 concrete and aggregate price increases and increased project work in Queensland, Victoria and New South Wales. These were partly offset by a nationwide slowdown in residential housing construction and the completion of major project activity in Western and South Australia.

In anticipation of the national slowdown in residential housing the Construction Materials division has been successful in securing lead supplier status in major LNG projects in Queensland and Western Australia. These projects are in addition to our strong order book of major projects and will help to offset the decline in residential activity. First half working capital and margins reflect the impact of accelerated inventory builds to support project ramp ups which, subject to weather, are progressively planned for the final quarter of the year.

Concrete, Quarries and Asphalt all benefitted from increased prices and volumes on the east coast offsetting double digit volume declines in South Australia and Western Australia. Charges related to establishment of new project teams and the accelerated crushing of raw material inventories in preparation for project ramp up were included in the first half results.

Following ACCC clearance, the Group successfully concluded the purchase of the concrete and quarry operations of Sunshine Coast Quarries and Wagners in Queensland for a combined consideration of $249 million. These businesses include high quality long term reserves which reinforce the Group's leading position in the region. They are expected to contribute approximately $80 million revenue and $9 million profit in FY 2012.

As reported at the Group's Annual General Meeting, the Board approved the investment of $200 million in the development of our New South Wales Peppertree quarry which will feature in the capital costs of the division through FY 2014.

Boral Building Products

(A$ millions)	1H FY12 Dec 2011	1H FY11 Dec 2010	Var %	2H FY11 June 2011	Var %
Revenue	562	624	(10%)	526	7%
EBITDA	62	82	(25%)	56	10%
EBIT	35	55	(37%)	29	18%

The Building Products division includes all operations involved in the manufacture and sale of clay and concrete products, plasterboard and timber to the Australian housing and construction industries, as well as Boral's Asian Plasterboard business BGA, which became 100% owned late in December 2011.

The Australian Building Products businesses are primarily geared to the new build residential housing market which unfortunately continued to experience the significant declines which were evident in the results of the second half of FY 2011.

Half year revenue at $562 million was 10% below last year (1H FY11: $624 million) but marginally improved from the second half of 2011 (2H FY11: $526 million). Earnings Before Interest and Tax at $35 million was well down on the comparable period (1H FY11: $55 million) but 18% improved on the second half of 2011 (2H FY11: $29 million) reflecting the actions taken by management to reduce costs and better align capacity to softer market conditions.

Plasterboard's Australian revenue at $192 million was 8% below the comparable period and 4% above the second half of 2011 (2H FY11: $185 million). The results reflect continued strong conditions in Victoria and year to year declines in the residential building markets in Queensland, South Australia and Western Australia. These conditions were further impacted by the ongoing need to transport plasterboard to Victoria to satisfy market demand during the upgrade of the Group's Port Melbourne operation.

Revenue in Clay & Concrete at $229 million was 16% down on the prior year reflecting the business' reliance on new home building and the impact of the slowdown in Western Australia, Queensland and South Australia which commenced in the second half of 2011. As identified in the July 2010 strategic review, the historical financial performance of some parts of the Clay & Concrete division has been unsatisfactory and the current market outlook has further exposed the need to address the high fixed cost position and low utilisation of currently installed capacity within these businesses.

Following a further detailed review of the Clay & Concrete portfolio, the decision was taken in February 2012 to market test the sale of the East Coast Masonry operations and to close the Queensland roofing business. These decisions reflect the Group's strategy to focus on high quality businesses with leadership positions in growth markets which generate above cost of capital returns. We have subsequently agreed to sell the Cairns and Mackay masonry businesses for total proceeds in excess of $5 million. Market testing for the sale of the remaining East Coast Masonry operations will commence shortly.

As a consequence of these decisions, and the reduced complexity which will result, the overhead support structure will be reduced significantly to better align with the streamlined Clay & Concrete Products operations. Plans are in place to complete the reorganisation and we will be in a position to update progress on the disposals by the end of this financial year. We have every confidence that these actions will deliver a market-leading brick and tile business with lower overhead and installed capacity better aligned to the future needs of the market.

The Group's Timber division includes Australia's leading east coast hardwood operations and our Joint Venture softwood activities in New South Wales. Timber revenue of $109 million was $34 million below the comparable period last year, and reflects a $15 million reduction in plywood, following its closure in the second half of last year, and the ongoing softness in housing and construction.

The Group's most recent corporate activity involved the acquisition of the balance of shares in our Asian Plasterboard business BGA which includes 20 manufacturing operations in eight countries through Asia. Volumes were up 12% with solid growth across the region and an equity accounted income of $10 million against $9 million in the prior year. The mid-December completion of the acquisition resulted in the recognition of $32 million of revenue and $2 million of profit on a wholly owned basis and a once off below the line fair value profit of $158 million in the half year accounts.

The integration program is proceeding well and the business remains on track to deliver the results which were outlined at the time of our announcement of the purchase.

Boral Cement

(A$ millions)	**1H FY12 Dec 2011**	**1H FY11 Dec 2010**	**Var %**	**2H FY11 June 2011**	**Var %**
Revenue	157	153	3%	159	(1%)
EBITDA	65	70	(7%)	60	8%
EBIT	41	49	(18%)	35	15%

The Cement division now includes Boral's Australian cement and lime businesses together with equity accounted interests in Sunstate and Flyash Australia. Following the Group's February announcement in relation to the agreed sale of Indonesian Construction Materials, the Asian Construction Materials activities are reported as Discontinued Operations.

Australian Cement third party revenue of $157 million was 3% above the same period in 2011 supported by stronger industry sales.

Earnings Before Interest and Tax at $41 million was 18% below last year and reflected the shift of volume to lower margin industry sales, the timing of annual shutdowns and the impact of the closure of the Galong lime kiln.

The decision by BlueScope to close furnace capacity at Port Kembla has had a major impact on Boral's lime business, resulting in the decision to close the Galong lime operations. The half year results include a significant cost item of $43 million related to the impairment of these assets.

The Asian Construction Materials businesses in Indonesia and Thailand delivered 13% higher revenue at $134 million when compared with the first half of 2011. Market conditions in both countries remained strong with increased volume-related profit in Thailand.

In February 2012, the Group announced its agreement to sell the Indonesian operations for a total consideration of US$135 million with the transaction due to complete in the second half of FY 2012. The Thailand Construction Materials business is also in the process of being market tested. This has resulted in the Asian Construction Materials businesses being reclassified as "held for sale" and the results and assets separately disclosed outside of the Cement division.

Boral USA

(A$ millions)	1H FY12 Dec 2011	1H FY11 Dec 2010	Var %	2H FY11 June 2011	Var %
Revenue	244	212	15%	219	11%
EBITDA	(31)	(27)	(15%)	(30)	(1%)
EBIT	(51)	(47)	(9%)	(52)	1%

The United States business includes the Group's exterior cladding, roofing and construction materials operations serving the US housing and construction sectors and the 50% ownership of Cultured Stone, which was acquired in December 2010.

First half revenue at $244 million was 15% above the same period last year (1H FY11: $212 million) with generally modest improvements across all product areas except the construction materials businesses. There was also a first time contribution of $41 million from Cultured Stone. Housing starts, on an annualised basis, improved 14% from 561,000 in the first half of 2011 to 640,000 in the first half of FY 2012.

Earnings Before Interest and Tax continued to be impacted by historically low volumes and poor utilisation of fixed plant with half year losses of $51 million increasing 9% when compared to the first half of the prior year. Improved brick and flyash results were offset by $4 million of once off costs related to the launch and market testing of the Group's new composite trim and Ione tile operations, and the first time impact of Cultured Stone.

The cladding business includes national brick making operations, the recently launched composite trim business, Cultured Stone and the Group's extensive sales and distribution network. On a local currency basis, brick revenue and margins improved, reflecting the benefits of actions taken to reduce capacity and improve productivity in the remaining operations. The economic downturn in the United States and lack of certainty of an accelerated short term recovery, have led to the decision to permanently close an additional two brick plants with a corresponding $16 million significant charge recognised in the first half accounts.

The Group's actions to address the ongoing softness in residential housing have led to the progressive closure of nearly 50% of our United States brick plants since the start of the downturn in 2007. During that period, plant closures combined with productivity improvements and the careful selection of our most efficient sites, have resulted in a 30% reduction in brick capacity to 1.3 billion bricks currently against 1.9 billion at the market peak.

The acquisition of a 50% share and management control of Cultured Stone in December 2010 represented an important extension to the cladding product offerings of the Group. The business is the leading supplier of stone products to the commercial and residential construction markets and contributed $41 million of revenue and $8 million of losses to the United States results in the first half of 2012. The hand-over of management control and the integration of Cultured Stone is now complete and expected synergies were exceeded in the period.

The Group's United States roofing operations are the leading suppliers of Clay and Concrete roof tiles to the residential new build market and consist of 12 plants in the United States, one in Mexico and a small joint venture in Trinidad. Like for like revenue of $49 million was 17% above 2011 while profit was impacted by the once off costs associated with the launch and testing of the new clay product range in Ione.

Construction Materials includes the quarry and concrete operations in Oklahoma and Colorado and the Group's flyash distribution business BMTI. Revenue declined marginally in the period with growth in flyash being offset by lower project activity in construction materials. Despite ongoing pricing pressures, the combined businesses returned considerably improved earnings due to lower take or pay obligations in flyash.

Other Businesses

(A$ millions)	**1H FY12 Dec 2011**	**1H FY11 Dec 2010**	**Var %**	**2H FY11 June 2011**	**Var %**
Revenue	124	150	(17%)	136	(8%)
EBITDA	3	6	(40%)	5	(34%)
EBIT	2	4	(61%)	4	(54%)

The other business segment consists of Dowell Windows and De Martin & Gasparini, the Group's Sydney-based concrete placing business.

Half year revenue at $124 million was 17% below the comparable period in 2011 and reflected the impact of the decline in residential housing and a reduced level of concrete placing project work in New South Wales. Profit of $1.6 million was well below the same period in the prior year (1H FY11: $4.1 million) and actions are in place to reduce costs and improve returns in the second half of the year.

STRATEGIC UPDATE

Despite the weakened economic conditions in Australia and the United States, the Group continued to make good progress on the strategic agenda which was first outlined to the market in July 2010.

In terms of the portfolio of businesses, considerable progress was made in the first half of the year. Our stated ambition to grow our interests in the higher growth, higher margin plasterboard market moved forward dramatically with the acquisition of BGA in Asia. The recognised gap in our Queensland construction materials operations was largely addressed through the concrete and quarry acquisitions of Wagners and Sunshine Coast Quarries, both of which were completed in the period under review.

We also made solid progress in our plans to exit non-core activities and improve those operations which have historically failed to deliver acceptable returns. In February, we announced our agreement to sell the non core construction materials operations in Indonesia and our intention to close the Galong lime operation. Today's announcement includes our February 2012 decision to market test the Group's East Coast Masonry business, the closure of Roofing in Queensland, and the mothballing of brick capacity in Western Australia.

The Group's LEAN program continued to make excellent progress with all divisions recording improvement in their uptime, quality and throughput and a number of operations now actively introducing inventory management practices which, in normal market conditions, promise to reduce working capital and improve customer responsiveness.

Work in the United States to extend the product portfolio and introduce a new range of light weight, environmentally efficient products also made excellent progress with the completion of production facilities for the new compound trim product and the new clay tile product being launched in the retooled Ione plant in California.

PROSPECTS – FY 2012

Forecasting in the current economic and weather impacted environment is extremely difficult, but on balance, the Group's current expectation is to deliver improving returns in the second half of the year.

January and February 2012 results have been significantly influenced by weather-related issues in Queensland and New South Wales which have impacted demand and delayed the start of new project activity. Positive signs of a United States housing recovery will need to translate into increased demand, particularly in the final quarter of this financial year.

In Construction Materials we expect to make progress in FY 2012, driven by strong order books and a catch up on project work which has been weather delayed in the financial year to date. Second half earnings are projected to improve, driven by strong infrastructure and resource sector demand which will offset the continued weakness in the residential sector. Concrete shipments to the first Queensland LNG project are expected to commence at the end of the third quarter and Property Group earnings, which are all expected in the second half of the year, are forecast to be similar to the prior year.

Building Products is expected to continue to experience lower residential new build activity in Queensland, South Australia and Western Australia, and is now projecting full year housing starts of 136,000. Residential demand will continue to suppress the division's earnings. The right-sizing of installed brick capacity, improvement in operating efficiency and reduction in overhead costs and loss-making activities are expected to provide cost benefits in the second half of the year.

Our Asian Plasterboard activities continue to benefit from growth throughout the region. First half calendar year 2012 demand will be influenced by the usual, seasonal impacts of winter and the Chinese New Year.

Cement demand is expected to remain broadly consistent with the second half of last year, supported by continued lower margin industry sales and new project work in Victoria and New South Wales. Comparatively, the second half will benefit from the completion of all major shutdowns with an expected improvement in second half production and lower maintenance costs when compared with the first half offset by the previously announced impact of the closure of Galong.

The United States market is expected to improve to an annualised 648,000 residential new build starts in the second half of the year. Further early signs of improved fundamentals currently support our expectation of a final quarter annualised starts of 733,000.

Assuming a return to normal shipping volumes, on balance we expect our full year net profit after tax before significant items to be between $150 million and $175 million and, given the on-going uncertainty, we will look to provide a further update ahead of our full year announcement.

RESULTS AT A GLANCE

(A$ million unless stated)

Half year ended 31 December	1H FY12	1H FY11	% Change
Revenue	2,433	2,388	2
EBITDA[1]	237	269	(12)
EBIT[1]	109	149	(27)
Net interest[1]	(34)	(31)	(8)
Profit before tax[1]	75	117	(36)
Tax[1]	(10)	(25)	60
Non-controlling interest	2	(1)	
Profit after tax[1]	**67**	**92**	(28)
Net significant items	86	-	
Profit after tax	**153**	**92**	65
Cash flow from operating activities	2	81	
Gross assets	6,557	5,489	
Funds employed	4,912	3,750	
Liabilities	3,190	2,373	
Net debt	1,544	634	
Stay-in-business capital expenditure	81	88	
Growth capital expenditure	96	40	
Acquisition capital expenditure[2]	670	128	
Depreciation and amortisation	128	120	

Employees[3]	17,559	14,363	22
Revenue per employee, $ million	0.139	0.166	(17)
Net tangible asset backing, $ per share	3.27	3.89	
EBITDA margin on revenue[1], %	9.7	11.3	
EBIT margin on revenue[1], %	4.5	6.2	
EBIT return on funds employed (MAT),[1] %	4.8	7.1	
Return on equity (MAT)[1] %	4.5	5.1	
Gearing			
Net debt/equity, %	46	20	
Net debt/net debt + equity, %	31	17	
Interest cover[1], times	3.2	4.7	
Underlying earnings per share[1], ¢	9.0	13.0	
Dividend per share, ¢	7.5	7.5	
Employee Safety[4]: (per million hours worked)			
Lost time injury frequency rate	1.5	2.0	
Recordable injury frequency rate	20.2	21.6	

Figures relate to the total Group including continuing and discontinued operations

[1] Excludes significant items
[2] Net of $94 million cash acquired in BGA
[3] Includes 2,659 employees from acquisitions during the half year
[4] Includes employees and contractors combined

Non – IFRS Information

Boral Limited's statutory results are reported under International Financial Reporting Standards.

Earnings before significant items is a non statutory measure reported to provide a greater understanding of the underlying business performance of the Group.

Significant items are detailed in the Note 6 of the financial report and relate to amounts of income and expense that are associated with significant business restructuring, impairment or individual transactions.

A reconciliation of earnings from continuing operations before significant items to reported profit is detailed below:

Six months ending 31 December 2011

	Group Operations	**Significant items**	**Total**
	$m	**$m**	**$m**
EBIT	102.2	55.6	157.8
Net financing costs	(31.6)		(31.6)
Income tax (Expense) benefit	(8.9)	30.4	21.5
Non controlling interest	2.1		2.1
NPAT from continuing operations attributable to members of the Boral Group	**63.8**	**86.0**	**149.8**
NPAT from discontinued operations attributable to members of the Boral Group	2.9	-	2.9
NPAT attributable to members of the Boral Group	**66.7**	**86.0**	**152.7**

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the Financial Report for the half year ended 31 December 2011 which has been subject to review by the Group's Independent Auditor.