

# Boral

a resource-based manufacturing  
company with strong reserve and  
market positions.



## Boral Limited Annual General Meeting 2007



## Chairman's Address Ken Moss



## 2007 result impacted by declines in US & Australian building products housing related earnings

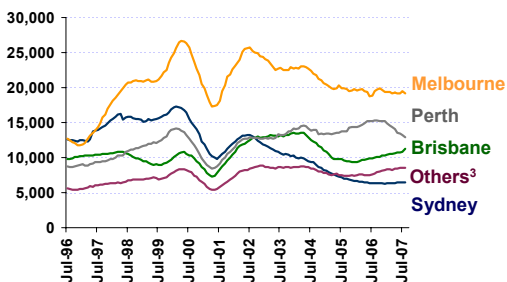
Sales	↑	3%	to	\$4.9bn
Net profit	↓	18%	to	\$298m
Return on equity		from 13.2%	to	10.0%
Return on funds employed		from 14.2%	to	11.9%
Operating cash flow		from \$449m	to	\$482m
Gearing (debt / equity)		from 57%	to	50%

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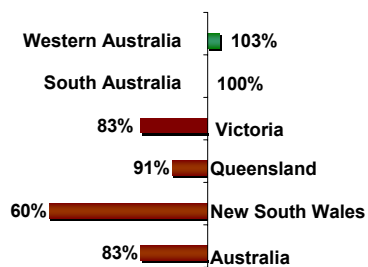


## Detached dwellings in NSW remain at 30 year low levels and well below underlying demand

Building approvals for detached houses<sup>1</sup>  
(MAT, July 1996 to August 2007)



Dwelling starts<sup>1</sup> as % underlying demand<sup>2</sup>  
(Year ended June 2007)



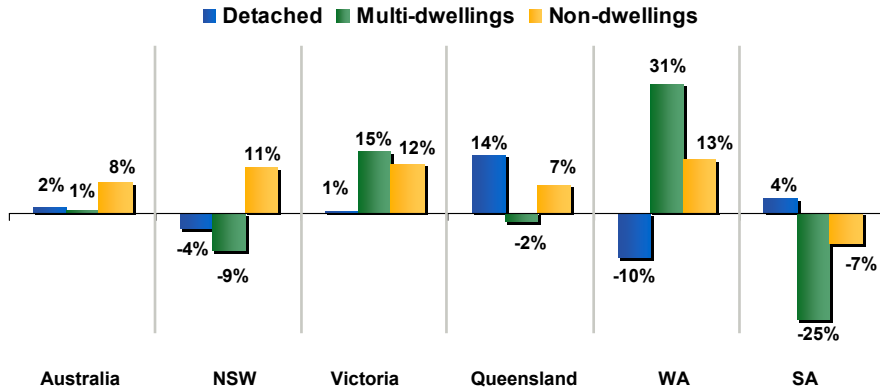
1. Source: ABS, August 2007
2. Source: BIS Shrapnel October 2007 FY07-FY12 estimates of underlying demand
3. Adelaide, Darwin, Hobart and Canberra.

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## NSW dwellings remained particularly weak

Percentage change in dwellings approvals and non-dwellings value of work approved  
– FY2007 vs FY2006



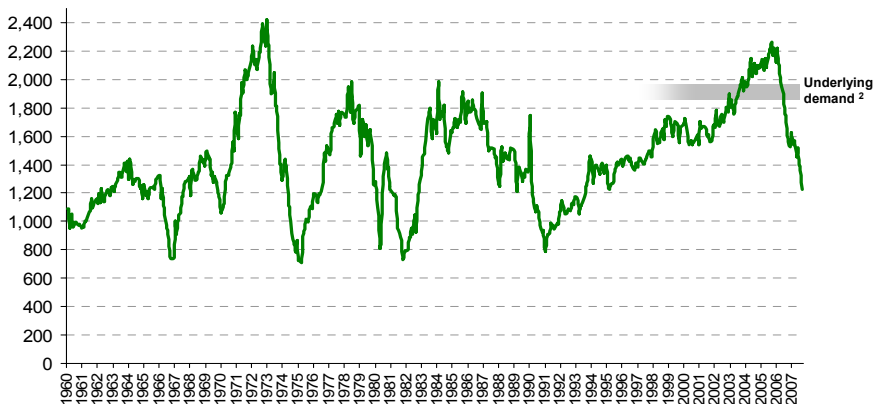
Source: ABS Original data series

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## The US housing market has experienced a rapid decline

Total US housing permits ('000 building permits)<sup>1</sup>



1. Seasonally adjusted annualised monthly permits from US Census
2. Joint Center for Housing Studies of Harvard University

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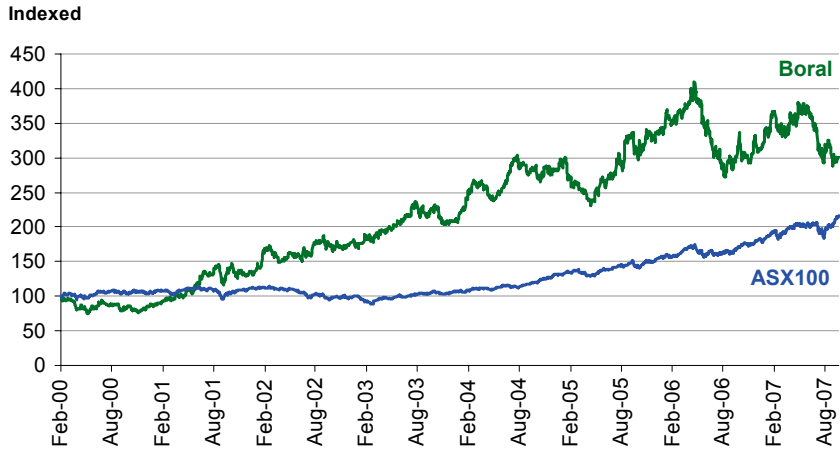
## Continued solid dividend returns with maximum franking benefits

Final dividend				17 cents
Interim dividend				17 cents
Total dividend				34 cents
Franking level			remains at	100%
Gross-up dividend				49 cents
Dividend payout ratio	from	55%	to	68%

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## Relative share price performance index



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## Boral's key sustainability priorities are common to all divisions

### HEALTH AND SAFETY

### WATER CONSERVATION

Boral ensures 'EVERY DROP COUNTS'

### ENERGY AND GREENHOUSE GAS EMISSIONS

### RESOURCING FOR GROWTH

### WASTE MANAGEMENT

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## 2007 Sustainability Report



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## Boral is being recognised as an industry leader



- Member of the **FTSE4Good Index**



- **Carbon Disclosure Project (CDP5)**  
Climate Change Leader



- Gold Star performer in the  
**Corporate Responsibility Index**



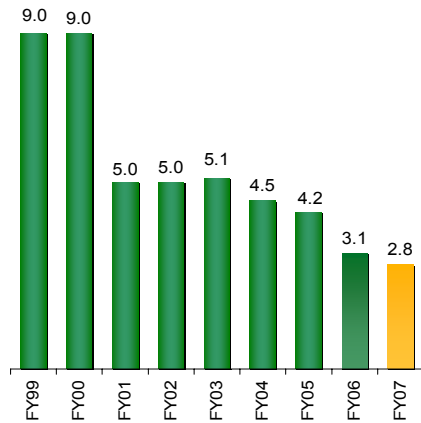
- **Storebrand Investment "Best in Class"**

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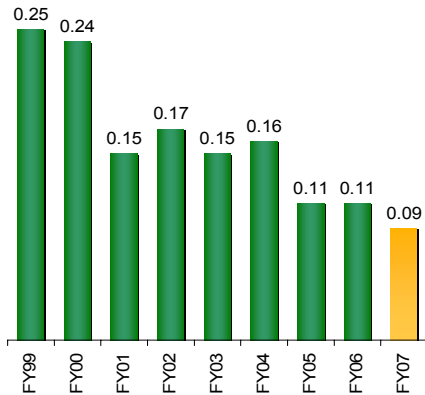


## Boral's safety performance has continued to improve

Lost time injury frequency rate (LTIFR)<sup>1</sup>



% Hours lost



1. Lost Time Injury Frequency Rate per 1 million hours worked

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## The Board & Corporate Governance

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## **Leadership & People Management**

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## **Managing Director's Address Rod Pearse**

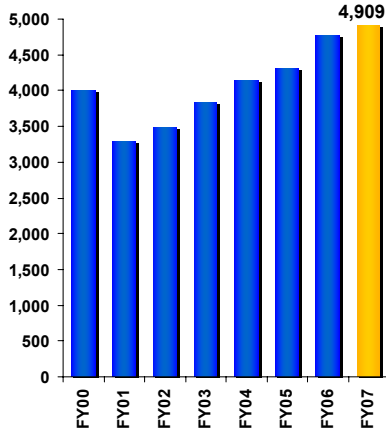
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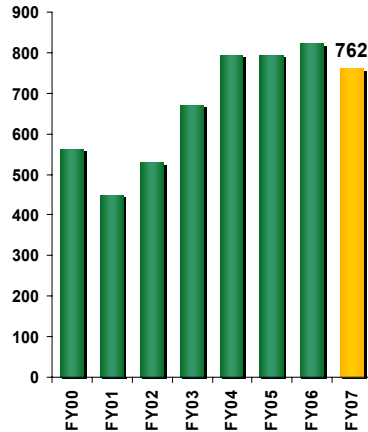


## Sales & EBITDA remain at high levels

Sales revenue  
A\$m



EBITDA  
A\$m



FY05 result onward has been adjusted for adoption of A-IFRS

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## Construction Materials Australia



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## Building Products Australia



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## USA



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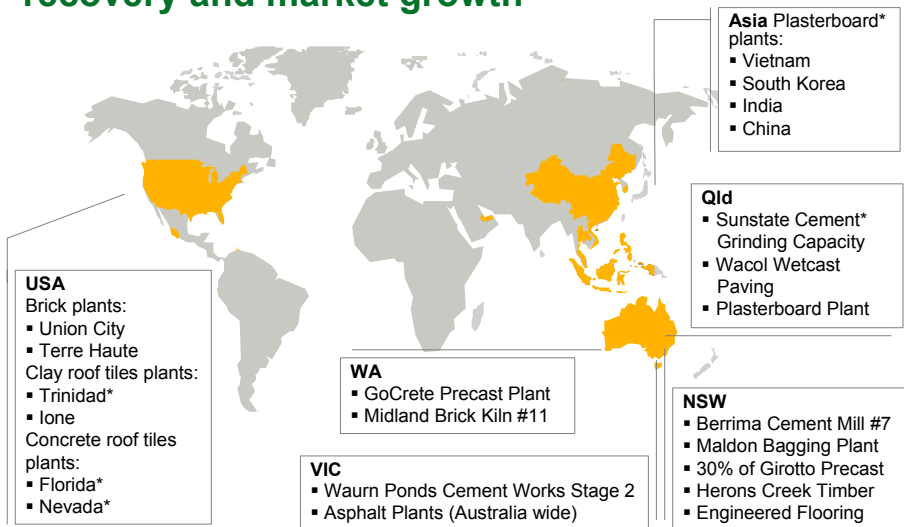
# Asia



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## Growth initiatives are well positioned for market recovery and market growth

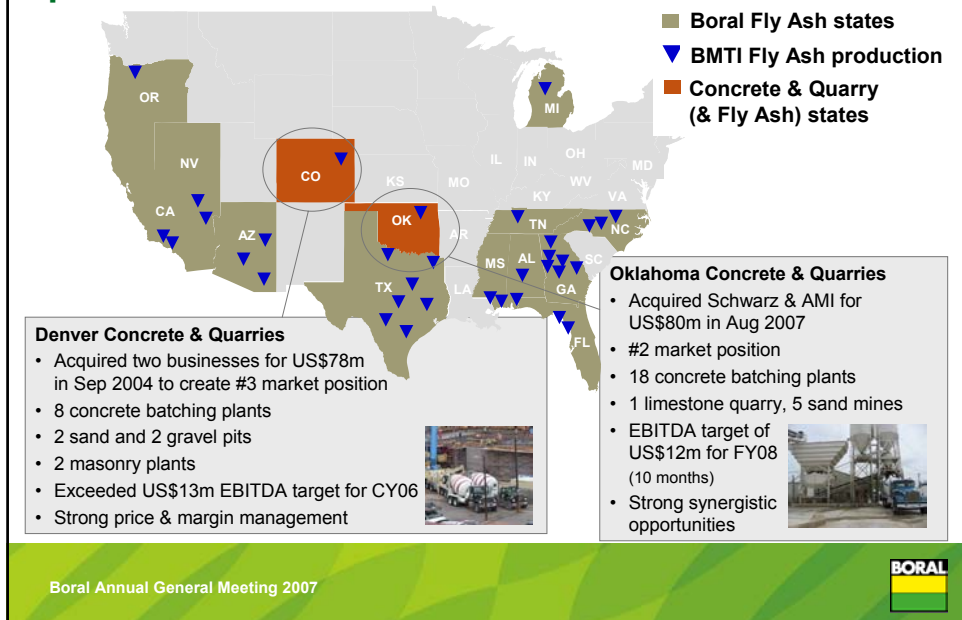


\* 50%-owned joint venture

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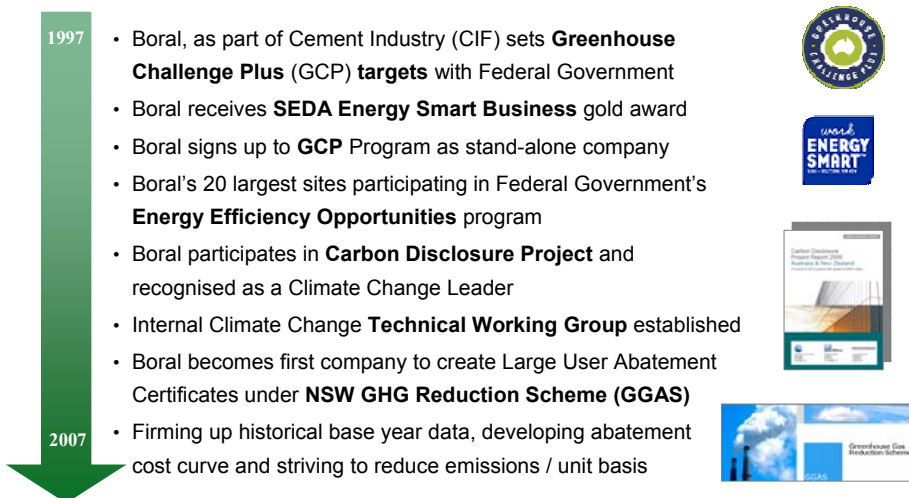
## We are strengthening our construction materials position in the USA



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## Boral has actively participated in voluntary Energy and Greenhouse Gas Emission schemes for 10 years



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## Outlook FY2008

- **Australia**
  - September quarter ahead of expectation
  - Continued strength in non-dwelling & infrastructure activity
  - Concrete, quarry & cement price increases
  - Construction materials earnings to increase
  - Building products earnings broadly flat
- **Asia**
  - Continued market growth and competitive market conditions
- **USA**
  - September quarter building products below expectation
  - Lower brick & roof tile volumes & earnings
  - Increased construction materials earnings from the Schwarz / Arbuttle acquisitions
  - Housing starts could fall to ~1.1 million starts
- **If US starts fall to 1.1 million and AUD/US exchange rate remains ~\$0.90, Boral's profit after tax in the first half and the full year will be ~15% below last year**

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## Ordinary Business

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## Financial Reports

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## Resolution 1

## Adoption of Remuneration Report

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## Resolution 1 – Adoption of Remuneration Report

- Boral's policies relating to remuneration



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- Relationship between remuneration policies & the Company's performance
- Details of performance condition or hurdle for long term incentives

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## Worked example of options

Share price after 3 yrs	TSR achieved	Performance relative to ASX100	Value of CEO's options pre-tax	Increase in market capitalisation
\$8.70	12% pa	<50 <sup>th</sup> percentile	Nil	\$838m (19% <sup>1</sup> )
\$9.70	16% pa	<50 <sup>th</sup> percentile	Nil	\$1,452m (33% <sup>1</sup> )
\$10.80	20% pa	50 <sup>th</sup> percentile	\$2.2m	\$2,112m (48% <sup>1</sup> )
\$13.30	28% pa	75 <sup>th</sup> percentile	\$7.5m	\$3,580m (82% <sup>1</sup> )

Based on a nominal grant of 1,250,000 options in 2006/07 year

**Assumptions:** \$7.32 share price at grant; 34 cents dividend maintained; options exercised after 3 years; performance relative to ASX 100 is estimated

1. Percentage increase from date of grant on 6 November 2006

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## Resolution 1 – Adoption of Remuneration Report

- Boral’s policies relating to remuneration
- Relationship between remuneration policies & the Company’s performance
- Details of performance condition or hurdle for long term incentives
- Remuneration details for CEO and key management personnel



## Resolution 1 – proxy votes

### Adoption of Remuneration Report

For	309,059,149
Open	10,682,501
Against	10,392,952

**% to be cast FOR the resolution\***

**96.2%**

**\* On basis open proxies in favour of Chairman of the Meeting are voted FOR**



## Resolutions 2 to 5

# Election of Directors

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## Richard Longes



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## Resolution 2 – proxy votes

### Re-elect Richard Longes

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For	319,468,352
Open	10,786,926
Against	763,706

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**% to be cast FOR the resolution\***

**99.1%**

\* On basis open proxies in favour of Chairman of the Meeting are voted FOR



## Roland Williams, CBE



## Resolution 3 – proxy votes

### Re-elect Roland Williams, CBE

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For	319,126,080
Open	10,811,225
Against	1,094,330

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**% to be cast FOR the resolution\***

**99.0%**

\* On basis open proxies in favour of Chairman of the Meeting are voted FOR



## Brian Clark



## Resolution 4 – proxy votes

### Re-elect Brian Clark

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For	319,671,583
Open	10,822,701
Against	479,205

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**% to be cast FOR the resolution\***

**99.2%**

\* On basis open proxies in favour of Chairman of the Meeting are voted FOR



## Bob Every



## Resolution 5 – proxy votes

### Re-elect Bob Every

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For	319,714,603
Open	10,834,009
Against	414,625

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**% to be cast FOR the resolution\***

**99.2%**

\* On basis open proxies in favour of Chairman of the Meeting are voted FOR



## Special Business



## Resolution 6

# Retirement of Directors



## Resolution 6 – retirement of directors

- Resolution will bring Constitution into line with ASX Listing Rules and require that a Director must not hold office (without re-election) past the longer of the third Annual General Meeting following the Director's appointment or three years
- Currently one third of Directors (rounded down) must retire each year and as a consequence, Directors are often required to retire only two years after being elected instead of serving the anticipated three years
- At least one Director must still face election each year



## Resolution 6 – proxy votes

### Amendment to the Constitution – Retirement of Directors

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For	315,500,656
Open	11,561,809
Against	3,250,191

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**% to be cast FOR the resolution\***

**98.3%**

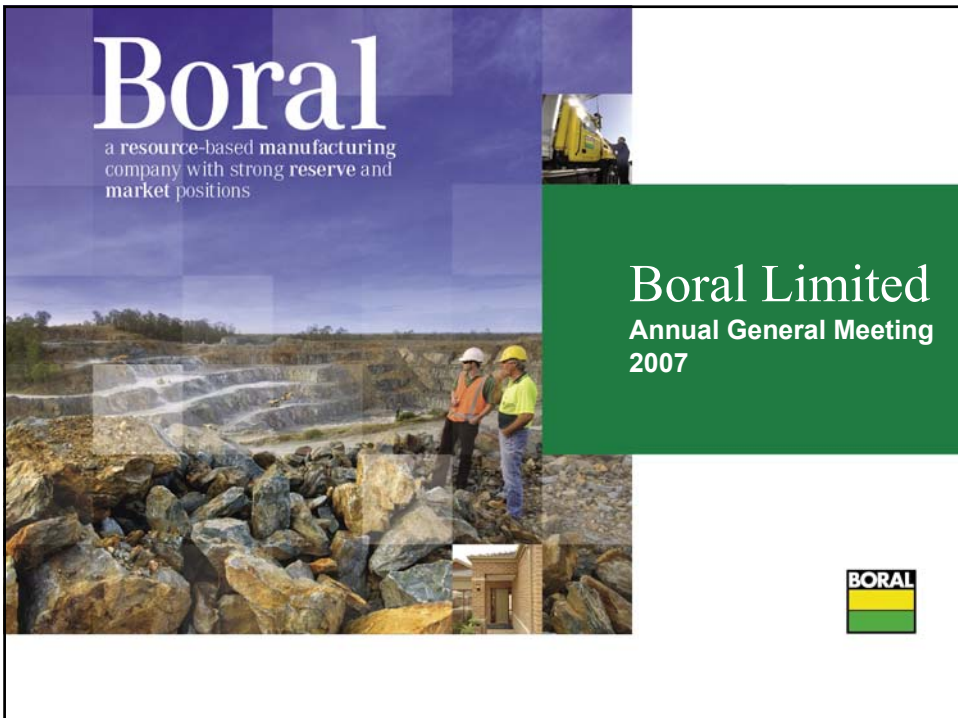
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**Boral Limited**  
Annual General Meeting  
2007

