



# ASX RELEASE

28 May 2018

## Boral signs new Donnybrook agreements with Mirvac

Boral Limited (ASX:BLD) today announced that it has signed agreements with Mirvac to include an additional 278 hectares of land in the development arrangements for Boral's Donnybrook property in Victoria, further enhancing Mirvac's Olivine master planned estate.

Boral acquired the Donnybrook site over 15 years ago as a potential hard rock quarry. However, rezoning of the precinct precluded any future quarry development. Under these new arrangements Mirvac will now facilitate urban development of the 465 hectare site over a multi-decade period.

The Donnybrook transaction is expected to contribute \$9 million of EBITDA to Boral in FY2018, and approximately \$9-\$14 million per annum of EBITDA through to FY2021, and again between FY2025 and FY2027. Further significant earnings are expected from FY2028 to FY2037 as the land is progressively developed.

Mike Kane, Boral's CEO & Managing Director said that the Donnybrook development will be an important earnings contributor for Boral over the next 20 years.

*"Consistent with our recent communications that outlined several potential property developments in our pipeline, we expect Donnybrook could deliver well in excess of \$200 million of proceeds for Boral over the next 20 years, subject to market conditions over that period."*

*"We look forward to this long-term relationship with Mirvac. This agreement will create significant value for both Boral and Mirvac as well as the local community in Melbourne's northern suburbs."*

With the \$9 million earnings contribution from Donnybrook this year, Boral now expects property earnings to be at the high end of its guidance range of \$55-\$65 million of EBITDA for FY2018.

As a result of Boral's large land bank and the nature of its operations which sees regular divestments (and replacement) of land at the end of its operational life, earnings from property sales and development continue to be an ongoing contributor to Boral Australia's results.

Boral will release its full year FY2018 result on 29 August 2018.

### For more information:

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