



Investor Site Tour & Presentations

Boral Construction Materials & Cement

Sydney, New South Wales | 25 May 2016



Commissioning Peppertree Quarry



Marulan Lime Kiln

BORAL'S INVESTOR SITE TOUR – SYDNEY 2016



Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 25 May 2016. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.



Schedule – Wednesday 25 May

Presentations and Q&A

8:00 am	Registration
8:15 am – 10:15 am	Presentations and Q&A Joe Goss – Divisional MD, Construction Materials & Cement Greg Price – Executive GM, NSW/ACT Ross Harper – Executive GM, Cement Wayne Manners – Executive GM, WA/NT & Major Projects Brian Tasker – National GM, Property Group

10:30 am – 12:30 pm *Travel*

Site Visits

12:30 pm	Arrive at Marulan, induction, lunch
1:00 pm – 3:30 pm	Tour of Marulan and Peppertree
~6:00 pm	Expected arrival back at North Sydney, including City drop off



Agenda

- **Boral Construction Materials & Cement Overview | Joe Goss**
- **New South Wales | Greg Price**
- **Cement | Ross Harper**
- **Major Projects | Wayne Manners**
- **Property | Brian Tasker**
- **Wrap up & Questions**

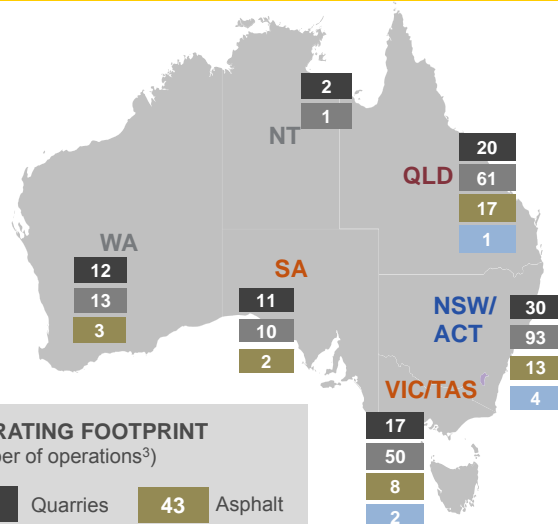


Three pillars of success to being the undisputed industry leader



Strong integrated market positions

- The only **fully integrated** construction materials participant
- Diversified revenue base and market exposure
- Large footprint concentrated in key east coast markets



	FY2014	FY2015	1H FY16
Revenue	\$3,287m	\$3,091m	\$1,489m
EBIT¹	\$277m	\$301m	\$159m
ROFE^{1,2}	12.7%	14.5%	14.8%

OPERATING FOOTPRINT
(number of operations³)

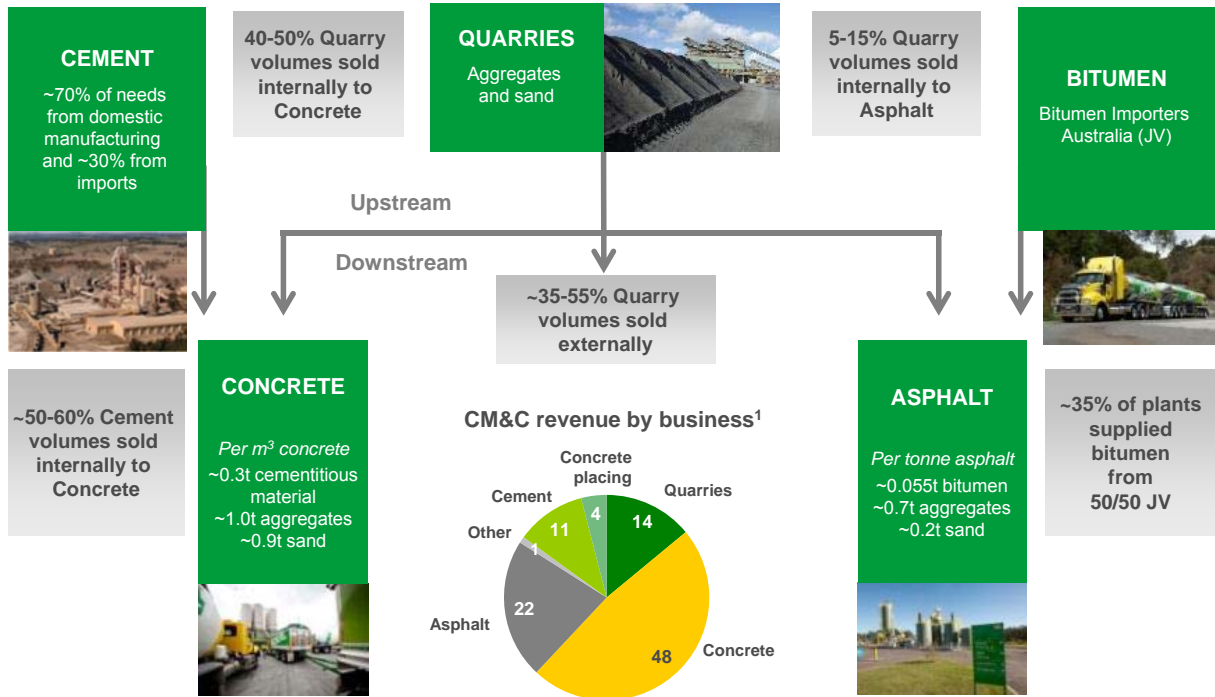
92 Quarries	43 Asphalt
228 Concrete	7 Cement ⁴

~4,800 employees | ~4,200 contractors | ~3,000 trucks

1. Excluding significant items
 2. EBIT return on divisional funds employed (segment assets less segment liabilities) calculated on a moving annual total basis as at 31 Dec for 1H FY2016
 3. As at 30 June 2015
 4. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Vic and a clinker grinding JV in Qld



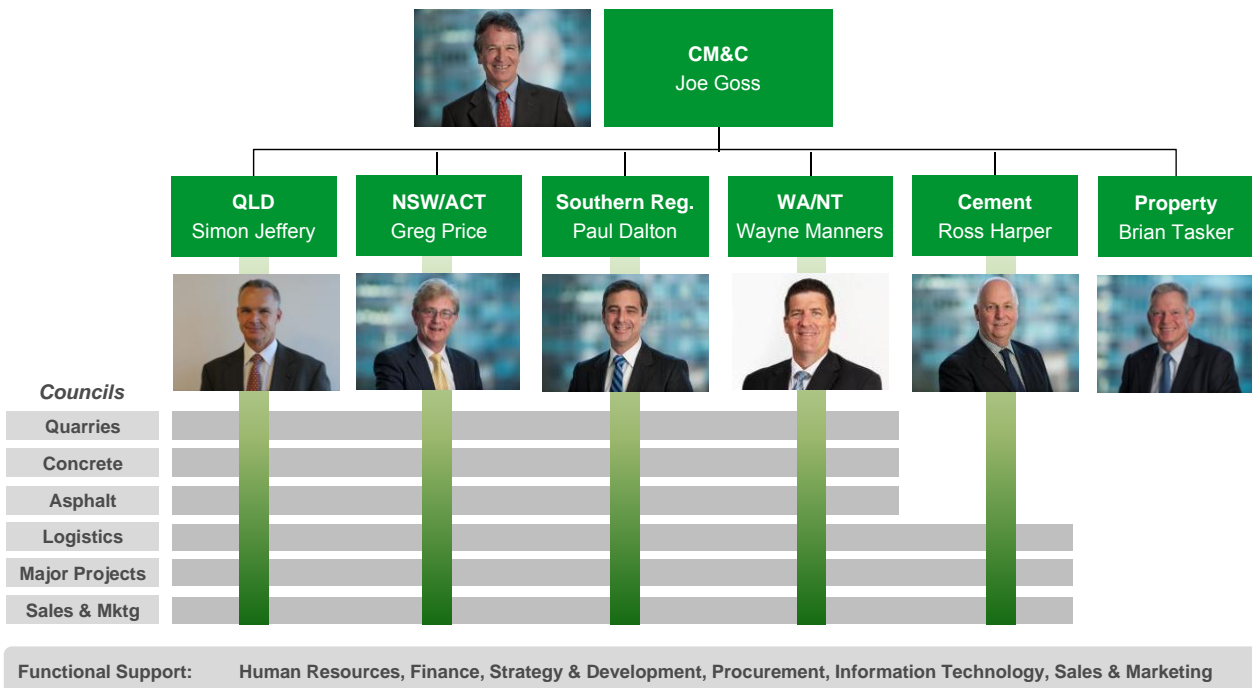
Competitive advantage through strategic reserves and integrated downstream operations



1. Based on split of 1H FY2016 external revenues from Construction Materials & Cement

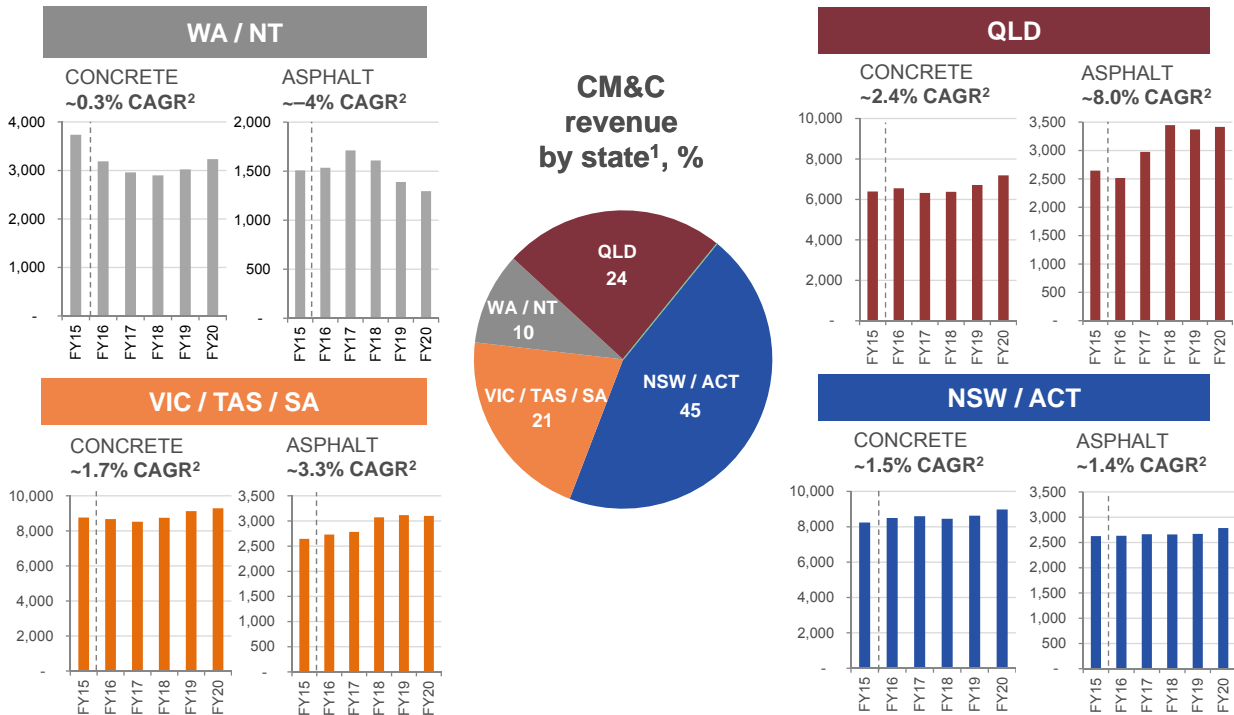


Leveraging a regional management structure with product and functional support





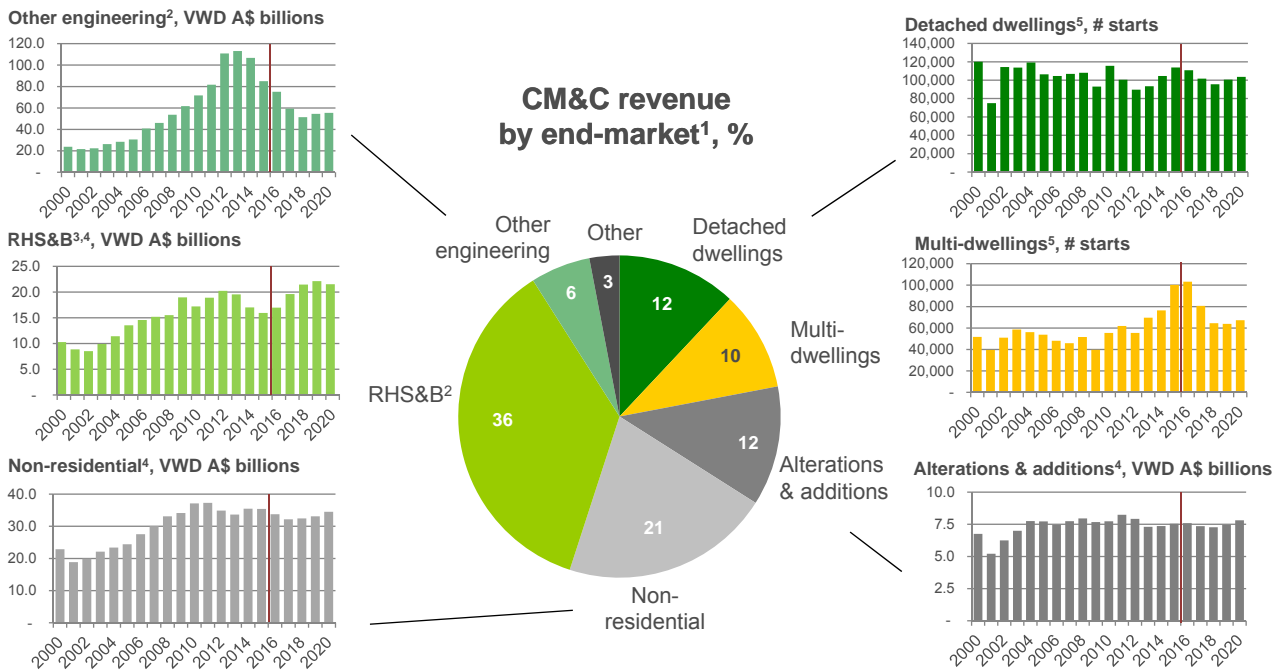
Boral is well positioned geographically to take advantage of forecast activity



1. Based on 1H FY2016 split of external revenues across Construction Materials & Cement
 2. Compound annual growth rate from FY2016 to FY2020 forecast by Macromonitor, February 2016 (Concrete in '000 m³ and Asphalt in '000 tonnes)



Our revenues are derived from multiple segments



1. Based on split of 1H FY2016 external revenues from Construction Materials & Cement
 2. Source: BIS Shrapnel (March 2016)

Note all charts are for financial years and have been based on 2013/14 dollars

3. Roads, highways, subdivisions and bridges
 4. Source: BIS Shrapnel and Macromonitor (both March 2016)
 5. Source: BIS Shrapnel, Macromonitor (both March 2016) and HIA (Feb 2016)



We are well placed for the market transition to infrastructure



Location	▪ Remote	▪ Metro	▪ Metro & regional
Scale	▪ Large scale, multi-year	▪ Variable and shorter	▪ Large scale, multi-year
Capacity	▪ 24 / 7 operations	▪ Peak time	▪ 24 / 7 operations
Technical	▪ Product development	▪ Moderate	▪ Specific client needs
Supply	▪ Integrated offering	▪ Concrete focused	▪ Integrated offering
Network	▪ Mobile plants	▪ Fixed plant / distribution	▪ Fixed & mobile plants
Other	▪ Project management	▪ Multi-relationship	▪ Safety / environmental
Materials intensity¹	▪ 1% to 5% of VWD	▪ 2% to 5% of VWD	▪ 1.5% to 6% of VWD

1. Management estimates of construction materials industry share of value of work done (VWD); non-residential is 3% to 5% of VWD



Three pillars of success to being the undisputed industry leader





Safety Excellence remains our first priority

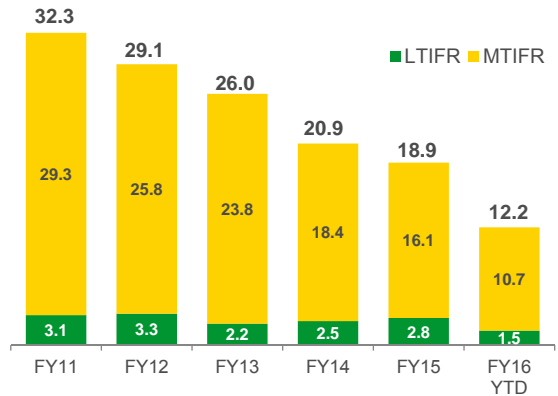


Zero Harm Today

Safety Excellence

- Reinforce commitment and leadership
- Employees understand accountabilities and responsibilities for safety
- What we are doing:
 - ✓ Engaging/developing front line supervisors
 - ✓ Communicating 'safety absolutes'
 - ✓ Strengthening behavioural safety programs
 - ✓ Continuing contractor safety program
 - ✓ Zero Harm Today

Divisional Recordable Injury Frequency Rate (RIFR)¹



1. Comprises medical treatment injury frequency rate (MTIFR) and lost time injury frequency rate (LTIFR) for CM&C employees and contractors per million hours worked; FY16 rate is year to 30 April 2016



Significant success from Operational Excellence initiatives

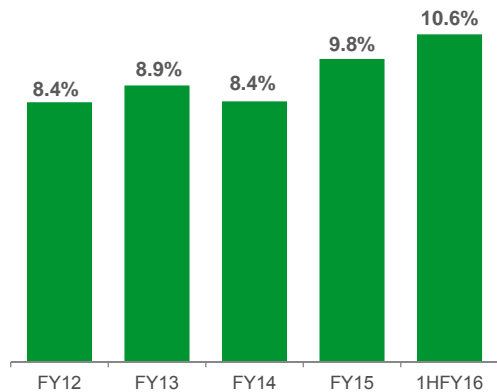


10% Better

Operational Excellence

- Plant efficiency projects
- Fleet optimisation
- Procurement initiatives
- Restructuring and labour right-sizing
- Continuous improvement programs
- Strategic and operational capital allocation
- ~\$280m of divisional cost savings since FY2013¹

CM&C EBIT return on sales



1. Cumulative benefits as presented at results from FY2013 – 1HFY2016. Includes restructuring, diesel, energy, procurement savings



What is Commercial Excellence?

zero|one|ten



Number one

Commercial Excellence

While maintaining or improving our market positions, we will price at a level to achieve a return on investment that consistently exceeds the cost of capital through the cycle.

We are going to:

- Establish clear internal price aspirations by segment and by product over the medium and long term;
- Improve internal information, understanding and oversight of our internal price and margin KPIs; and
- Intensively and constantly train our sales team to explain and capture the value our products and services deliver.

We **must** achieve Commercial Excellence



Commercial Excellence is a multi-year program with investment in our people and systems

Commercial Excellence



2 year deployment

- Deployment over a 2 year period
- Diagnostic phase complete
- Setting direction and pricing structures by business



External support

- Supported by global B2B pricing experts – Simon Kucher & Partners



Organisational capability

- Integrated supply chain approach
- Commercial Excellence structure established
- Capability building and training underway



Tools & systems

- Investment in common tools and systems integration
- One commercial operating system
- Improve internal information on price and margin KPIs



Three pillars of success to being the undisputed industry leader



FY2016 outlook as presented at the half-year results (10/2/16) is unchanged – CM&C is delivering in line with our expectations

Boral Construction Materials & Cement	<ul style="list-style-type: none"> • Expect continued strong results with underlying FY2016 EBIT to be marginally above FY2015 (excluding Property in both years) • Expect 2H underlying earnings to be lower than 1H FY2016 due to continuing conditions and fewer working days in 2H • Restructuring benefits and strength in Sydney & SEQ expected to offset depressed regional Qld, subdued RHS&B, lower LNG volumes and lower Landfill earnings • Property earnings from Nelsons Ridge sales (subject to completion) of ~\$20m expected over two years, largely in 2H FY2016. Additional property sales possible.
Boral Building Products	<ul style="list-style-type: none"> • Expected to deliver a marginal improvement in reported EBIT in FY2016 • Improvement initiatives and strong East Coast housing market should offset lower housing in WA & SA and impact of post-tax equity accounting from Boral CSR
Boral Gypsum	<ul style="list-style-type: none"> • Expected to deliver further underlying performance improvements in FY2016 • Strong residential activity in Australia, penetration of Sheetrock® products and strong cost and price management underpinning improvements and offsetting slowdowns in key markets in Asia
Boral USA	<ul style="list-style-type: none"> • Expected to deliver further increase in earnings in FY2016 on the back of increasing housing activity • External forecasters expect ~1.2 million housing starts in FY2016¹

1. Average of analysts from Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA between November and December 2015

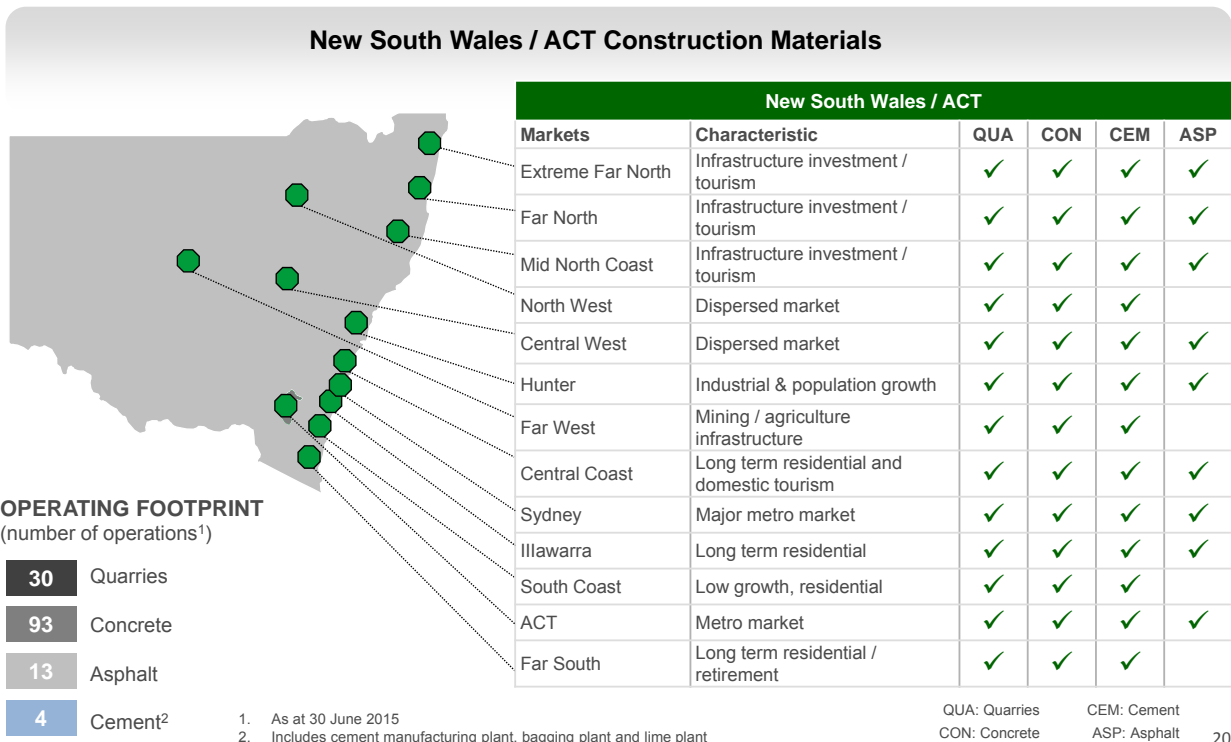


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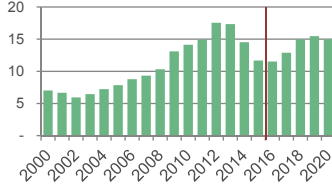
Boral has a large integrated footprint supplying key markets in NSW



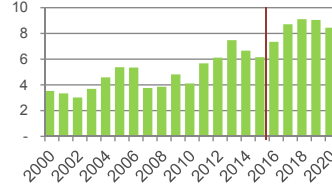


NSW/ACT activity is transitioning from residential to engineering and roads

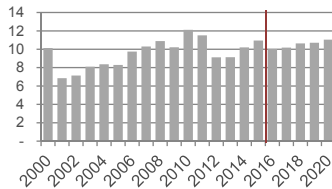
Other engineering², VWD A\$ billions



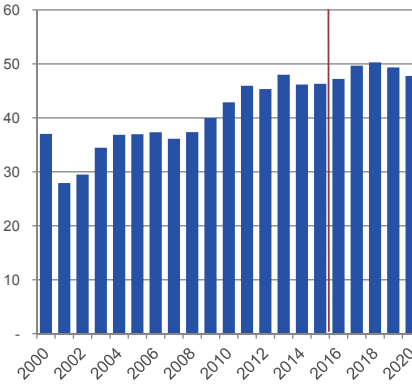
RHS&B^{3,4}, VWD A\$ billions



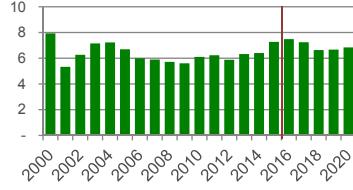
Non-residential⁴, VWD A\$ billions



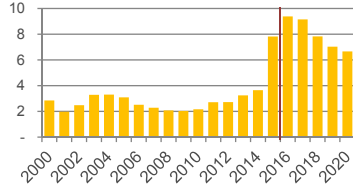
Total NSW/ACT¹ construction activity VWD A\$ billions



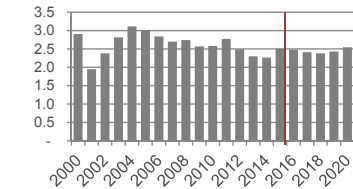
Detached dwellings⁴, VWD A\$ billions



Multi-dwellings⁴, VWD A\$ billions



Alterations & additions⁴, VWD A\$ billions



1. Source: BIS Shrapnel (March 2016)
2. Source: BIS Shrapnel (March 2016)

3. Roads, highways, subdivisions and bridges
4. Source: BIS Shrapnel and Macromonitor (both March 2016)

Note all charts are for financial years and have been based on 2013/14 dollars



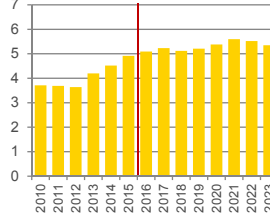
Sydney-metro region set to continue at historical highs

Macromonitor industry demand forecasts

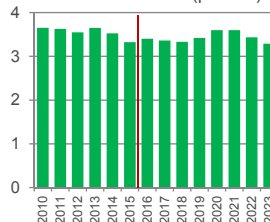
NSW/ACT industry concrete demand million cubic metres (premix)



Activity for Greater Sydney million cubic metres (premix)



Activity for Regional NSW million cubic metres (premix)

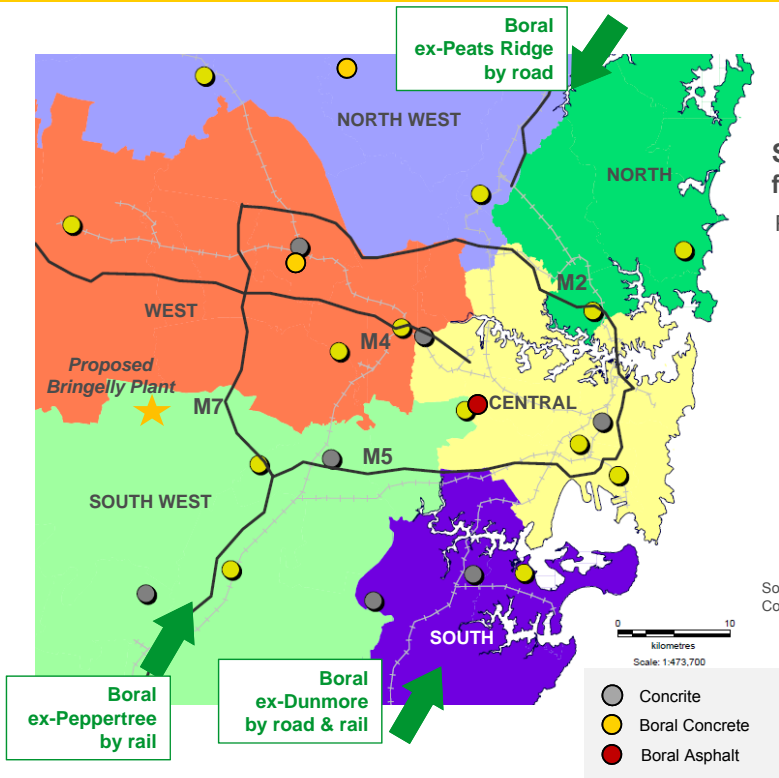


- Recent growth heavily weighted to residential activity
- Forecast growth underpinned by major roads and other Sydney infrastructure
- Metro market at historical highs and set to continue, although demand is dependent on specific projects
- Regional market roughly half the size of metro with flat to marginal growth; Pacific Highway upgrade is a highlight

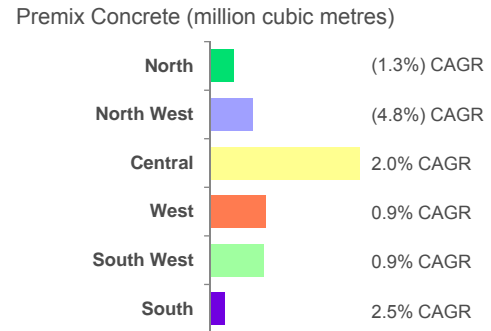
We must achieve Commercial Excellence



Well-positioned to deliver on infill development and urban expansion



Sub-region relative market size and forecast growth (CAGR FY16 to FY23)



Source: Macromonitor, Construction Materials Forecast, February 2016
Compound Annual Growth Rate (CAGR)



Strengthening and optimising our Sydney concrete network

Granville (Central)



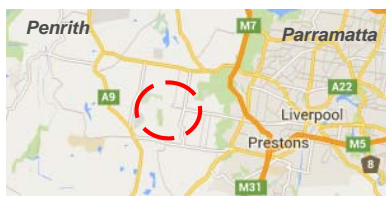
- Upgrade of key plant to accommodate Parramatta growth
- Twin alley loading for improved customer service
- Improved supply chain by optimising storage and potential fleet reduction
- Simplified traffic management and safety
- Allows network consolidation

Kirrawee (South)



- Rebuild of key plant in South Sydney network
- Replaces end of life plant – addresses high maintenance costs, urban encroachment and sub-optimal site design
- Potential consolidation of Menai, Caringbah and Kirrawee plants is demand dependent
- Replacing single alley with twin alley for peak demand

Bringelly (South West)



- DA being prepared to build concrete plant on unused land
- Subject to approvals, new plant well positioned to capture demand from second airport and surrounding West and South West growth
- 7km to second airport and 15km to M7/M5 intersection



Delivering customer value through a seamless supply chain

Strong resource position



- Quarry and cement resources to meet growing Sydney Metro demand
- Peppertree supplies baseload
- Dunmore and Peats Ridge quarries as swing capacity
- Network optimised through rail

Flexible logistics



- Connecting and optimising network through logistics
- Strategic cartage capacity through large fleet of owned and sub-contracted tankers, tippers and agitators
- Logistics managed to optimise utilisation through multi-segment transition

Delivering customer value



- Source of differentiation
- Providing surety of supply
- Certainty of outcome (eg. on-time, on-spec)
- Critical risk mitigation (eg. chain of responsibility)
- Utilising fixed and mobile plants

We **must** achieve Commercial Excellence



Peppertree Quarry investment strengthens Boral's Sydney market position

Quarry Pit



- Commenced early 2014
- Quality meeting expectations
- Geology allowing premium products for downstream businesses
- Successful drill and blasting, in-pit crushing of all material
- ~40% of 30-year overburden requirement removed to date
- Meeting environmental requirements

Processing Plant



- 2.5mtpa capacity scalable to 3.5mtpa under DA
- Key products: concrete and asphalt aggregates and manufactured sand
- Manufactured sands delivering excellent technical results
- Plant fully optimised and 24/7 operations implemented
- LEAN tools and preventative maintenance in place

Load Out & Distribution



- 172 km to Parramatta
- Moved to 3 train sets (full train 2.6kt) fully automated loading in <90 mins
- Upgraded St Peters terminal & new Maldon terminal
- Dunmore & Peats Ridge Quarries servicing local areas and offering flexible capacity into Sydney
- Successful transition of supply from retired Emu Plains Quarry

Zero lost time injuries during operations



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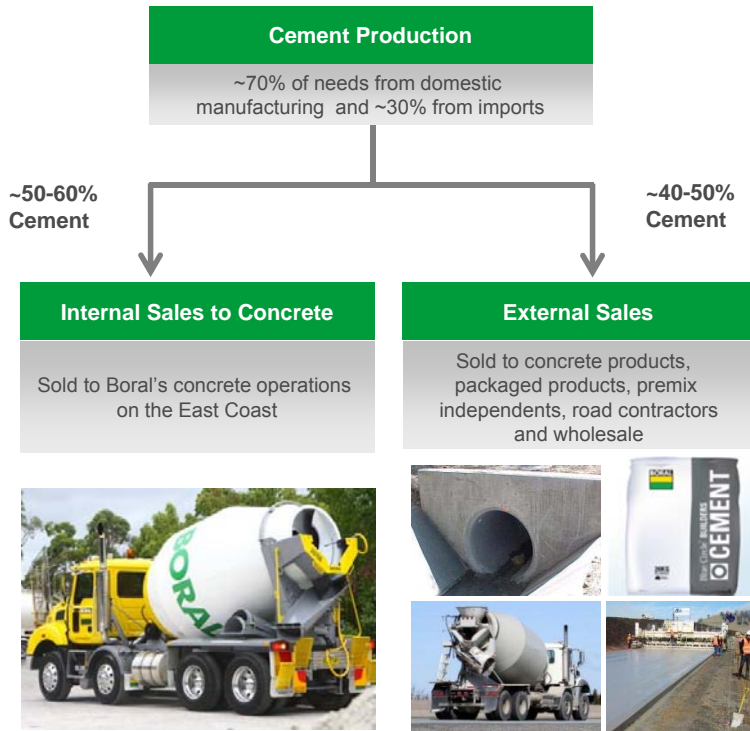


Boral has a strong cement business supplying a range of products

	Berrima NSW	Maldon NSW	Waurin Ponds VIC	DeMartin & Gasparini	Marulan NSW	Joint Ventures
						
	Grey cement & clinker production	Specialty products & blends	Grey cement & clinker importation	Concrete placing	Limestone & lime	Sunstate & FAA
Assets	<i>Clinker</i> <ul style="list-style-type: none"> ▪ Dry process kiln (1.5mt) <hr style="border-top: 1px dashed #000;"/> <i>Cement</i> <ul style="list-style-type: none"> ▪ 2 mills (1.6mt) 	<ul style="list-style-type: none"> ▪ 2 cement mills (880kt total) ▪ Packaging plant 	<ul style="list-style-type: none"> ▪ Cement milling (750kt) ▪ 100% import 	<ul style="list-style-type: none"> ▪ 34 concrete pumps and tower booms ▪ Sydney focused 	<ul style="list-style-type: none"> ▪ Limestone quarry: >80 years reserves ▪ 2.9mt of limestone quarried in FY15 with 1.5mt overburden moved ▪ Lime kiln (130kt) 	<i>Sunstate (QLD)</i> <ul style="list-style-type: none"> ▪ 3 cement mills (1,500kt total) ▪ 50:50 JV with ABL <hr style="border-top: 1px dashed #000;"/> <i>FAA (NSW, WA, SA)</i> <ul style="list-style-type: none"> ▪ Fly ash sourcing ▪ 50:50 JV with CA
Products	<ul style="list-style-type: none"> ▪ Grey cement: SL & HES ▪ Grey and O/W Clinker 	<ul style="list-style-type: none"> ▪ Grey cement: GP ▪ Slag ▪ Specialty & blends ▪ Bagged products 	<ul style="list-style-type: none"> ▪ Grey cement: GP, HES & SL ▪ Blends at Somerton terminal 	<ul style="list-style-type: none"> ▪ Concrete pumping and placing ▪ Contracting packages 	<ul style="list-style-type: none"> ▪ Limestone to Berrima, Maldon & external customers ▪ Quicklime & Hydrated Lime ▪ Manufactured sand 	<ul style="list-style-type: none"> ▪ Grey cement: GP, HES & SL ▪ Slag, fly ash ▪ Blends ▪ Bagged products



The Cement business has a large external customer base



Packaged Products

Distribution:

- Maldon and Greenacre, NSW
- Somerton, VIC

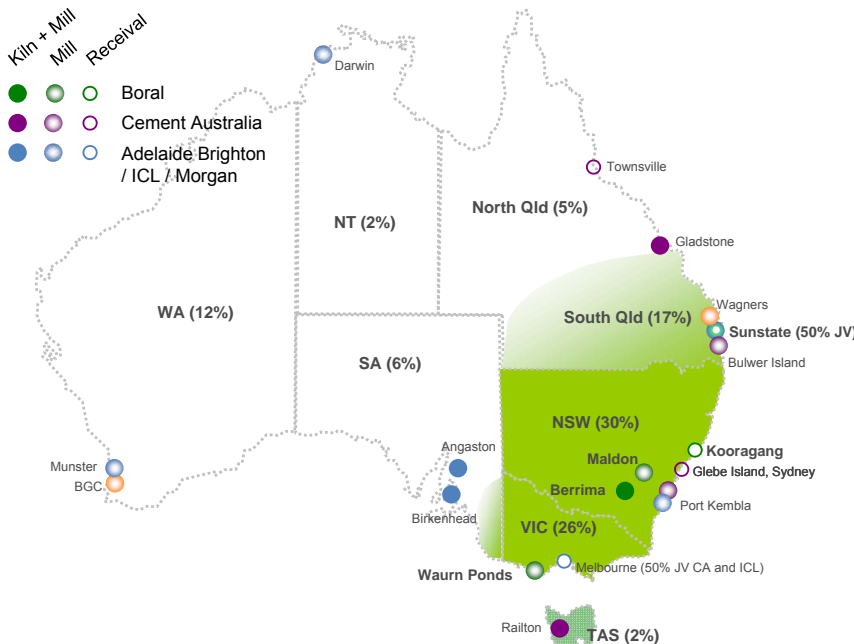
Key Customers:

- Sand / soil
- Grouts
- Small hardware stores



Boral has a direct supply presence in over two-thirds of the Australian cement market

Australian cement industry participation by state¹



Boral participation

- 1 kiln at Berrima
- 6 mills
 - Berrima (2)
 - Maldon (2)
 - Waurrn Ponds (2)
- 1 packaging plant
 - Maldon
- 1 clinker receiving
 - Geelong

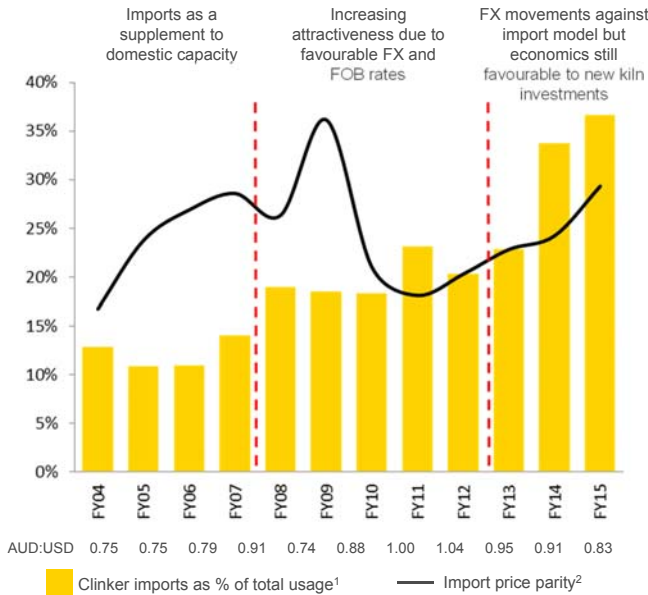
1. Percentages refer to proportion of total Australian market in each state. Source: Macromonitor Construction Materials Forecast, February 2016; Cement Australia (CA), Independent Cement & Lime (ICL)



Australian cement industry continues long-term trend to imports

Trend to imports and Import Price Parity (IPP) in Australia

Clinker imports % of total sales (LHS) and import price parity (indexed)



1. Source: Cement Industry Federation
2. CM&C Management estimates based on imports to east coast

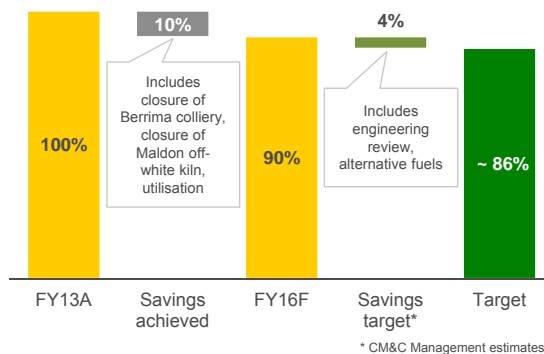
- Australian cement market has had a long-term trend to imports
- IPP has supported shift and placed pressure on domestic capacity to remain competitive
- Despite recent FX movements closer to long-term average, favouring domestic production, trend to imports will continue due to product availability and competitive pricing from Asia
- Boral has successfully shifted to an import model in Victoria to reduce costs
- In NSW, Southern Highlands assets remain favourable to IPP due to continued reduction in clinker production costs



Lowering our relative cost position

Berrima cost competitiveness

Indexed unit cost of production, constant values



* CM&C Management estimates

Conceptual import facility



NSW

- Berrima and related Southern Highlands assets are core profit drivers of Boral Cement
- Berrima operates in an import-exposed market and has been challenged by imported supply
- Business has successfully reduced production costs by ~10% over past three years, with additional benefits targeted over coming years
- Boral's Marulan limestone quarry feeds Berrima and has successfully improved primary crusher production and lowered costs per tonne

VIC

- Boral grinds imported clinker at Waurn Ponds
- Investigations continue to progress long-term opportunity to close Waurn Ponds in favour of a portside facility to reduce transport costs

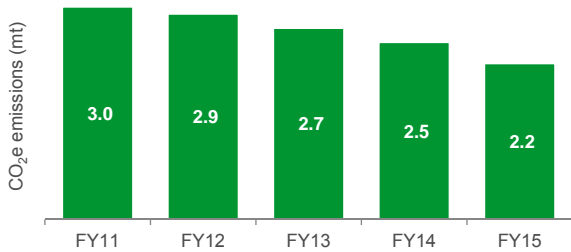


Enhanced capability through 'low-carbon' cement solutions

Reducing cement CO₂ emissions

- Successfully reducing emissions and costs:
 - Improved NSW kiln productivity
 - Closed Waurin Ponds to import clinker
 - Changed Berrima fuel source (coal / coke)
- Future suite of options to reduce emissions:
 - Alternative fuels
 - Waste heat recovery / cogeneration
 - Energy and thermal efficiency

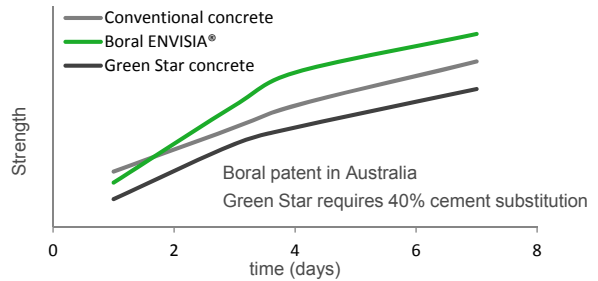
Boral Australia CO₂e emissions¹



1. Carbon dioxide equivalent greenhouse gas emissions. Boral Australia's CO₂e emissions predominantly relate to the Cement business

Increasing cementitious substitution

ZEP® Technology – ENVISIA®



CBD Project: 333 George St, Sydney



Through Berrima and Maldon, Boral is well-positioned to service NSW demand

Retaining manufacturing flexibility



Increasing supply chain focus



Cement capability

- Berrima focuses on core products
- Maldon produces specialty products (slag, off white, bagged, blends) and provides additional grey cement grinding capacity
- Wholesale clinker and cement sales flexibility
- Product versatility
- Distribution flexibility and supply solutions
- Rail-linked Maldon offers alternative transport path
- Rail throughput at Clyde terminal has improved year-on-year via capital investments and process improvements
- Road transport largely unconstrained and limited by cost and appetite for capex



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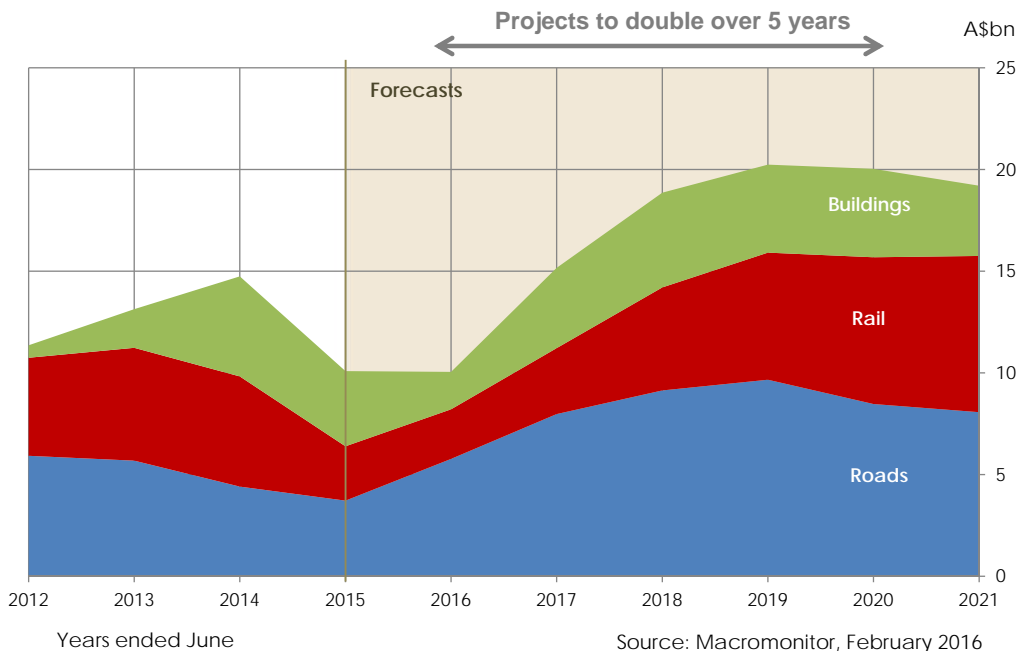
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Strong pipeline of infrastructure & commercial construction work

All Major Construction Projects¹ (excluding resource sector) – Australia

Value of work done by year, A\$b (as at February 2016)



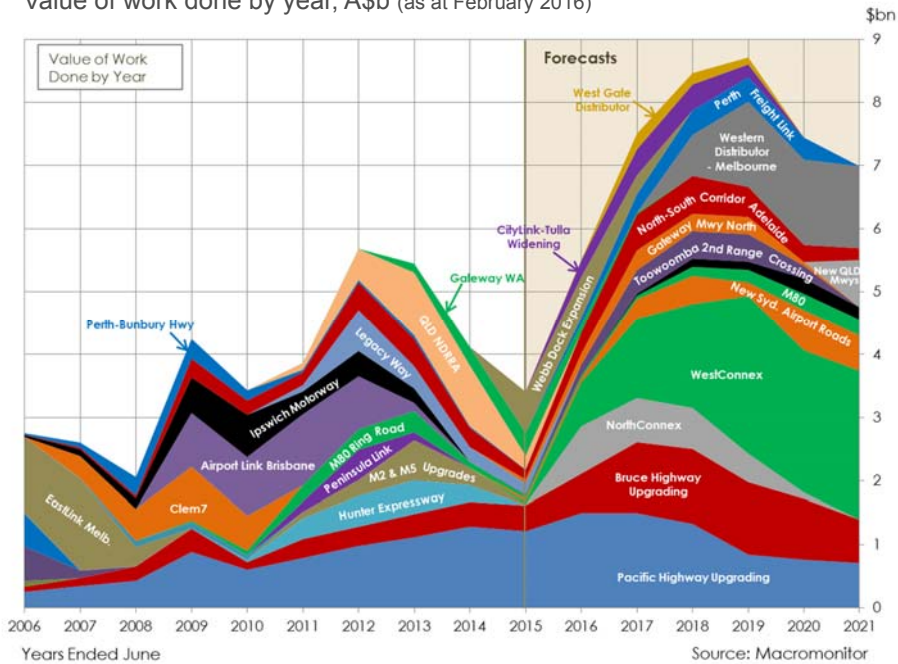
1. The above chart captures Roads and Rail construction projects above A\$500m and Buildings above A\$250m



Road projects expected to drive strong East Coast materials demand

Major Road Construction Projects – Australia

Value of work done by year, A\$b (as at February 2016)



- Investment in roads infrastructure expected to translate into stronger materials demand
- East Coast focus
- Projects close to existing Boral resources



Competitive strength from a track record of managing major projects

Characteristics of major projects:

- Technically more complex
- Higher risk and appropriate margins
- Resource intensive
- High volume, high productivity
- Distraction to base business
- Early engagement critical to success



Value to our customers through:

- Proven track record
- Scale and capability
- Leading contracting capability
- Strong integrated network offer
- Technical superiority
- Safety excellence: Zero Harm Today

Boral is well-positioned to deliver major projects:

✓ Project Management Office	✓ Rigorous project & risk management	✓ Contracting operating procedures	✓ National Product Council links	✓ Experience and People Capability
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We **must** achieve Commercial Excellence



Completing a number of major projects and several new projects secured

Boral is currently involved in a number of major projects

1 Perth Stadium

- New stadium for Perth
- Supplying concrete via on-site plant

4 Gateway Upgrade North

- Upgrade of the northern section of the Gateway Motorway in Brisbane
- ~500,000 tonnes asphalt

2 Wheatstone LNG

- Supplying concrete & quarry material
- 2 on-site concrete plants
- ~360,000m³ concrete

5 NorthConnex

- Tunnel linking M1 & M2
- Supplying concrete through dedicated project plants
- ~500,000m³ concrete

3 Ichthys LNG Project

- Supplying quarry materials
- ~950,000 tonnes sand & aggregates

6 Pacific Highway Upgrade

- Various sections
- Concrete, asphalt, quarry materials via fixed and mobile plants
- ~400,000m³ concrete

7 Torrens to Torrens

- Adelaide road project
- Part of the wider North-South Corridor projects
- Concrete & quarry materials supply

● 'In progress' project
● 'New' project



Further tendering opportunities exist, particularly on the East Coast

Project	State	Est. value	Status	Owner / Contractor	Project schedule from execution		
					2015	2018	2021+
Westconnex Stages 1b & 2	NSW	\$11.0b	Committed	RMS	2016		2023
Sydney Metro – City and South West	NSW	\$10.0b	Committed	NSW Gov		2017	2024
Pacific Hwy Woolgoolga to Ballina	NSW	\$5.0b	Committed	NSW Gov	2016		2021
Toowoomba Second Range Crossing	QLD	\$1.8b	Committed	QLD Gov / Nexus	2016	2018	
Kingsford Smith Drive	QLD	\$0.7b	Committed	Brisbane City / Lend Lease	2016	2019	
TOTAL EAST COAST		\$28.5b					
Perth Airport Link	WA	\$2.0b	Possible	WA Gov	2016		2020
NorthLink stages 1&2	WA	\$1.1b	Committed	MRWA	2016	2019	
Northern Connector	SA	\$1.0b	Committed	SA Gov	2016	2019	
Darlington Upgrade	SA	\$0.6b	Committed	SA Gov / LOR FH JV	2016	2018	
TOTAL WEST COAST		\$4.7b					

Source: Access Economics Investment Monitor
 Notes: RMS – Roads and Maritime Services; MRWA – Main Roads Western Australia ;LOR – Laing O'Rourke; FH – Fulton Hogan



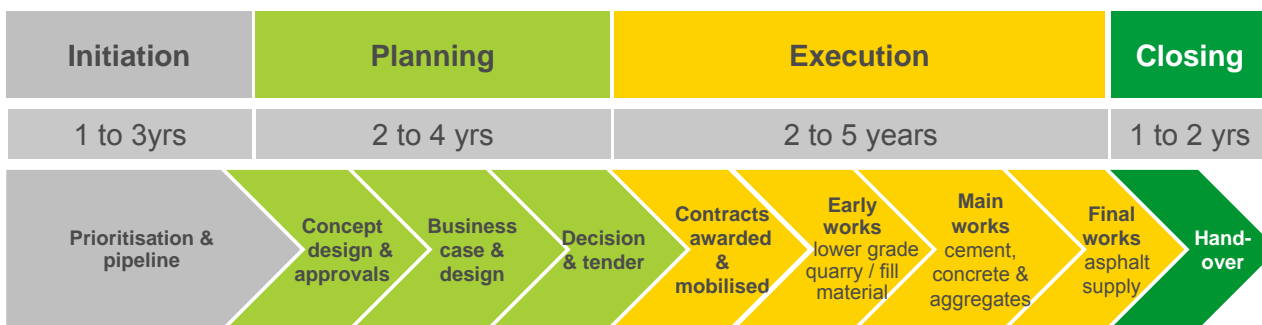
Early engagement in a positive long-term project pipeline

Project	State	Est. value	Status	Owner / Contractor	2015	2018	2021+
Melbourne Metro	VIC	\$9.0b	Possible	VIC Gov		2018	2023
Gold Coast Integrated Resort	QLD	\$7.5b	Possible	ASF		2018	2024
Carmichael Coal	QLD	\$7.1b	Possible	Adani		2018	2022
Port Adelaide Waterfront	SA	\$6.0b	Possible	SA Gov		2017	2020
Western Distributor	VIC	\$5.0b	Possible	Transurban		2017	2020
Aquis Barrier Reef Resort	QLD	\$4.2b	Possible	Aquis		2017	2020
Queens Wharf Brisbane	QLD	\$4.0b	Committed	QLD Gov / Echo		2017	2020
New Syd Airport Roads	NSW	\$3.3b	Committed	RMS		2017	2019
Badgerys Creek Airport	NSW	\$2.5b	Possible	Federal Gov		2018	2024
Barangaroo: Hotel and Tower	NSW	\$2.0b	Committed	Lend Lease / Crown		2017	2025
Brisbane Showgrounds	QLD	\$2.0b	Under consideration	Lend Lease		2017	2020
Brisbane Airport – new runway	QLD	\$1.3b	Committed	Airport Corp		2017	2020
Perth Waterbank Project	WA	\$1.2b	Approval	Lend Lease		2017	2020
447 Collins St	VIC	\$1.0b	Committed	CBus		2017	2020
Parramatta Light Rail	NSW	\$1.0b	Approvals	NSW Gov		2018	2023
Canberra Light Rail	ACT	\$0.7b	Committed	CPB / JHG		2017	2019

Source: Macromonitor, Cordells, Boral Management Note: RMS – Roads and Maritime Services; CPB – CPB Contractors; JHG – John Holland



Life cycles for major projects can be long with revenue benefits to Boral back-ended



NorthConnex example:

- | | | | |
|---|--|---|--|
| <ul style="list-style-type: none"> ✓ Mar-2012: Transurban submit NorthConnex proposal ✓ Oct-2013: project announced | <ul style="list-style-type: none"> ✓ Mar-2014: Lend Lease announced as D&C contractor ✓ Boral engagement commences with budget pricing provided and workshops ✓ Jan-2015: Approval ✓ Aug-2015: Concrete Tender issue | <ul style="list-style-type: none"> ✓ Nov-2015: Lend Lease site establishment ✓ Feb-2016: Boral awarded concrete supply ☐ Boral targeting Jun-2016 for mobile concrete plant set-up ☐ Main tunnel excavation due to start Jul-2016 ☐ Tunnel works to be completed in 2018 | <ul style="list-style-type: none"> ☐ Open to traffic in late 2019 |
|---|--|---|--|



Boral's major project capability is providing a competitive advantage

Supporting growth through Major Projects

Strong Pipeline

- Significant growth in **major infrastructure projects**
- Growth in addition to strong underlying markets

Strong Position

- Leveraging existing **integrated networks**
- Customers value our **strong track record and capability**

Strong Value Capture

- Successfully won a number of major projects
- The **future potential for value capture is significant**, particularly on the **East Coast**

We **must** achieve Commercial Excellence

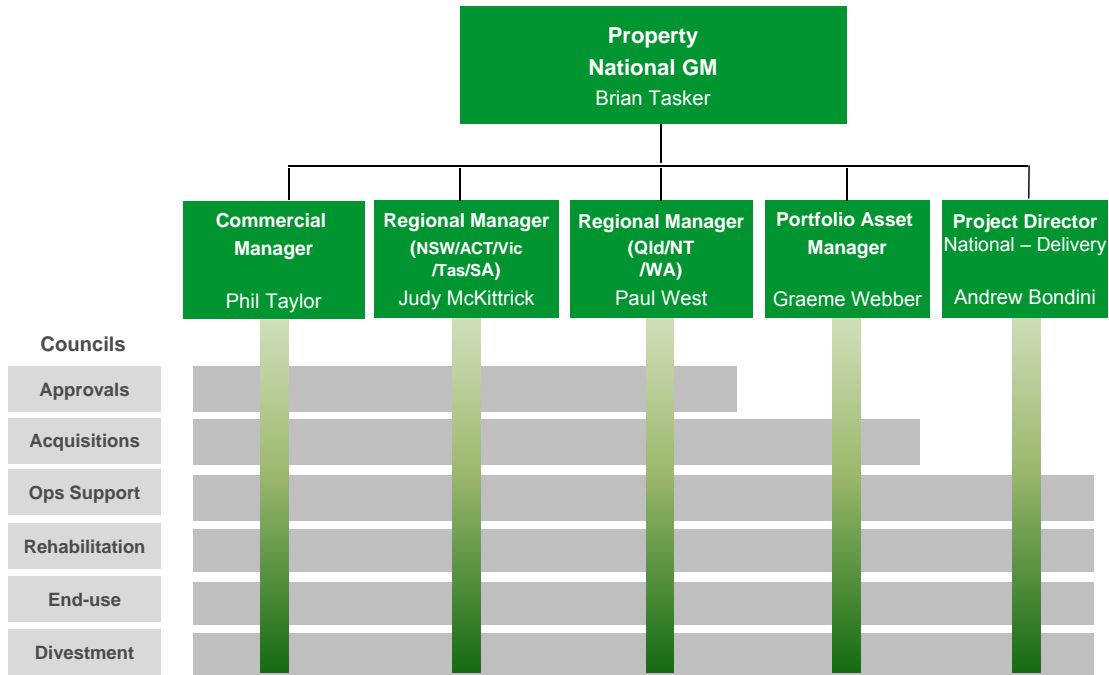


Agenda

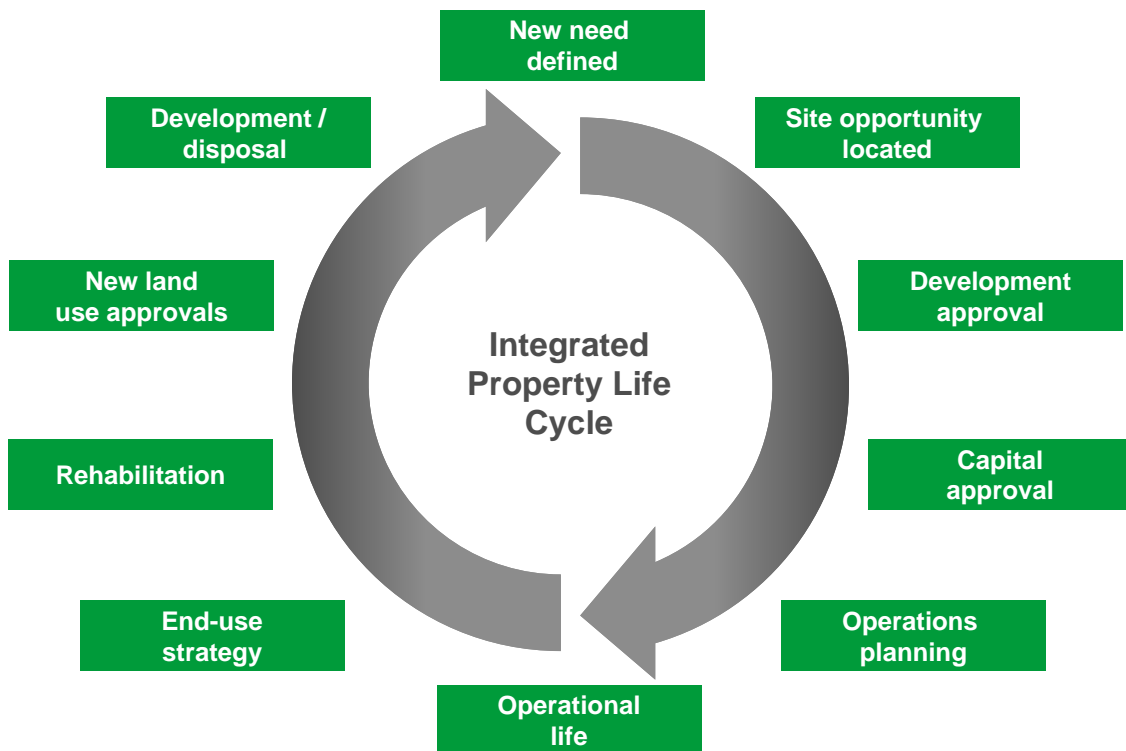
- **Boral Construction Materials & Cement Overview** | Joe Goss
- **New South Wales** | Greg Price
- **Cement** | Ross Harper
- **Major Projects** | Wayne Manners
- **Property** | Brian Tasker
- **Wrap up & Questions**



Boral Property Group is managed by property experts with regulatory, rehabilitation & transaction experience

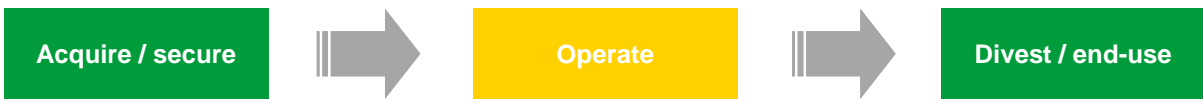


Property is managed as an integrated and ongoing feature of the business





Boral has a large land bank and harvests property on a continual basis



Refreshed land purchases

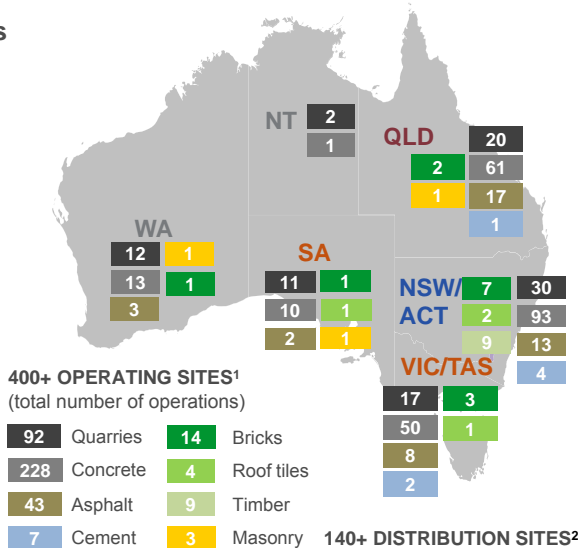
- Growth corridors, generally in outer suburbs or regional areas

Major landholdings

- eg. new quarries typically have 50+ year life cycles

Other landholdings

- eg. concrete and asphalt sites could have 10-30 year life cycles
- Leasehold



Major developments

- Residential
- Industrial / employment generating
- Landfill

Surplus buffer lands

- eg. land surrounding brick, cement, quarry operations that have appreciated in value

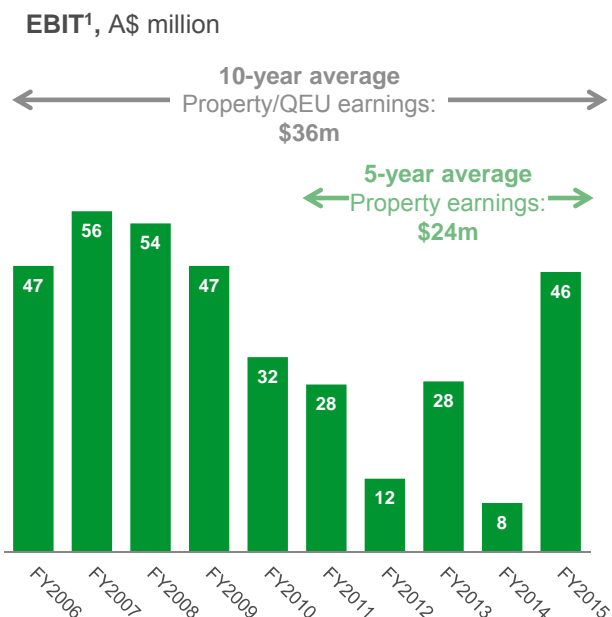
Discrete lower value, replacement sites

- eg. older (or redundant) concrete and asphalt sites in low growth areas

1. As at 30 June 2015. Includes cement manufacturing plant, bagging plant and lime plant in NSW, clinker grinding plant in Vic & clinker grinding JV in Qld; all Boral CSR JV plants on the East Coast; 8 Boral Hardwood mills and 1 JV Softwood operation
 2. Includes USG Boral distribution sites in Australia
 NOTE: Approximately 40% of sites are leased and 60% are company owned



Boral has a solid track record of maximising returns from property assets



1. Excludes significant items. FY2006 – FY2010 includes earnings from significant multi-year developments at Moorebank and Nelson's Ridge, and initial earnings from the Landfill business

Past examples

Former Moorebank Brickworks, NSW

- 109-ha land area, developed as Georges Fair residential park
- \$205m sale proceeds and \$150m EBIT for Boral 2003-2015

Former Prospect Quarry, NSW

- 330-ha land area, including Nelsons Ridge residential development and Quarry West industrial precinct
- >\$650m sale proceeds and \$190m+ EBIT for Boral 2000-2015

Woodchip Facility, Tea Gardens, NSW

- Sold FY2014 to Australian Native Landscapes for \$600k
- Rehabilitation by Boral not required as continuing similar land use

Salamander Bay Concrete plant, NSW

- Sold in FY2014: \$310k sale proceeds and \$27k EBIT



Typically we have ~20+ properties in the pipeline with timing & earnings potential dependent on many factors

Development opportunities

- Penrith Lakes Development, NSW (former quarry, 40% shareholding)
- Stapylton Quarry, Qld (contracts exchanged, expect EBIT benefits of ~\$8m later in 2016)
- Donnybrook, Vic (rezoning expected in Nov-2016; potential benefit from FY2017)
- Jandakot Masonry site, WA (rezoning expected in Dec-2017, potential benefit from FY2018)
- Scoresby Brick site, Vic (long term; preparing for rezoning from FY2022)
- Nelsons Ridge, NSW: First tranche settled Mar-2016 (~\$16m EBIT in 2HFY16); second tranche scheduled to complete in Sep-2016 (~\$4m EBIT expected in 1HFY17)

Tactical opportunities

20+ discrete, lower value sites with sale proceeds potential of \$100k-\$5m each:

- Properties in NSW, Vic, Tas, SA, eg. surplus buffer lands, former clay pits, surplus sites
- Ex-concrete sites in NSW/Vic – subject to rehabilitation/rezoning to contribute from FY2017/18
- Stonyfell Quarry, SA surplus land – subdivision approval being sought, potential benefit from FY2017/18
- Bridgewater Quarry, Tasmania – excess buffer land subject to rezoning, potential benefit from FY2017/18

Note: EBIT impact is sales proceeds less development / sale costs less book value



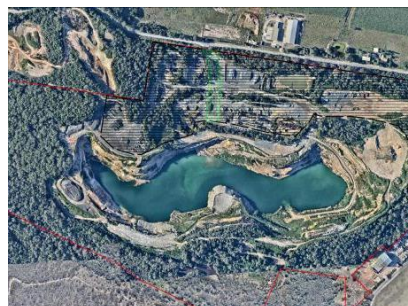
Property pipeline – development opportunities

Jandakot Masonry, WA



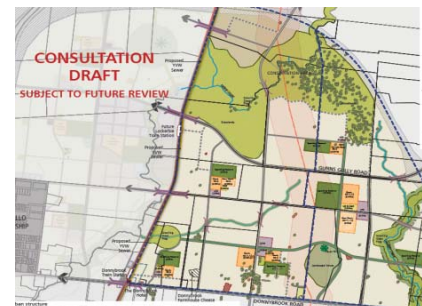
- 89-ha land area
- Former masonry now remediated
- Undergoing residential rezoning – expected FY2017
- Potential for sale proceeds of \$15m-\$25m¹ (from FY2017)

Stapylton Quarry, QLD



- 92-ha land area
- Quarrying completed
- Void sold for Commercial/ Industrial waste & spare land for industrial development
- Contracts exchanged, expect EBIT of ~\$8m later in 2016 (exact timing unclear)

Donnybrook, Vic



- 340-ha land area
- Held as potential quarry land
- Partial JV with Mirvac
- Rezoning expected in FY2017
- Longer term but potential for sale proceeds of \$60m¹⁺ (from FY2018)

1. Potential sale proceeds / value assumes future land value if rezoned and rehabilitated as planned



Property pipeline – development opportunities

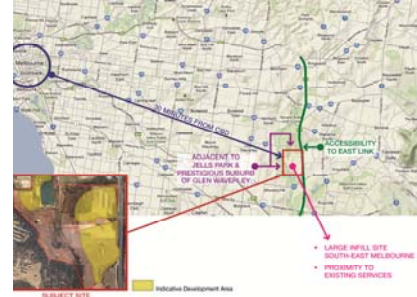
Penrith Lakes, NSW

- 40% stake in PLDC with 2,000-ha land area
- 5,000+ residential lots
- Rehabilitation and rezoning work continuing
- Market assessment underway
- Potential earnings from FY2017/18+



Scoresby Development, VIC

- 171-ha land area (84-ha parklands and 87-ha developable as residential)
- Site currently leased into Boral CSR Bricks JV until 2025, after which available to develop
- State and Local Government support for rezoning
- Included in Knox City Council's 'Knox Housing Strategy 2013'
- Redevelopment concept now driving 'clay pit rehabilitation'
- Discussions ongoing with Council to agree pathways to coordinate rezoning
- Call option amount of ~\$30m
- Current site value¹ >\$100m



1. Potential sale proceeds / value assumes future land value if rezoned and rehabilitated as planned

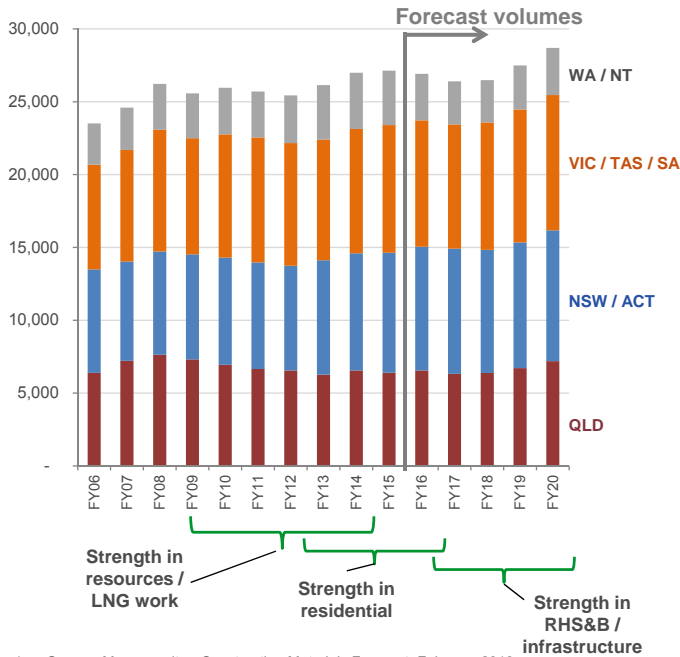


Appendix



Concrete demand in Australia forecast to stay at high levels for next 5 years

Macromonitor Forecast¹ Concrete Demand
('000) m³



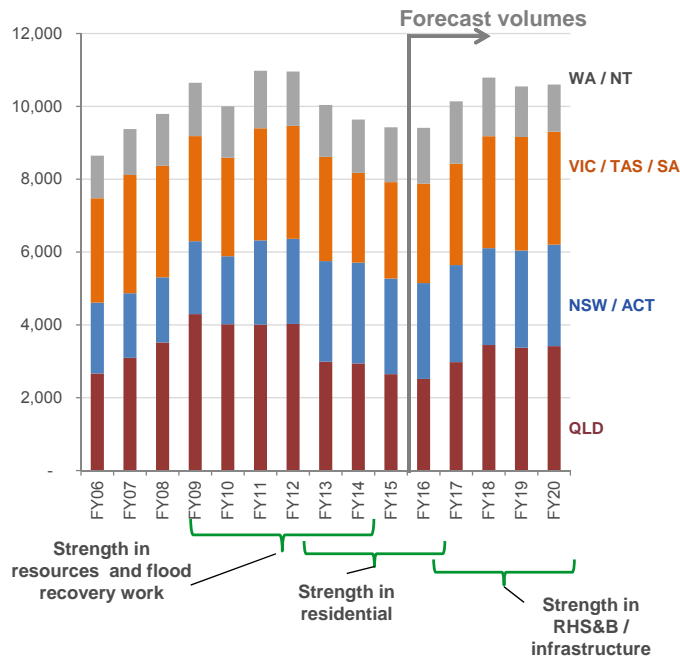
- ~1.6% CAGR² in concrete volumes forecast from FY2016 to FY2020
- Decline in FY2016 and FY2017 driven by WA / NT
- Growth in RHS&B activity to offset decline in resources sector engineering work and anticipated softening in multi-dwellings

1. Source: Macromonitor, Construction Materials Forecast, February 2016
2. Compound annual growth rate



Asphalt demand in Australia forecast to increase and remain at high levels for next 5 years

Macromonitor Forecast¹ Asphalt Demand
('000) tonne³



- ~3.0% CAGR² in asphalt volumes forecast from FY2016 to FY2020
- Growth in major roads infrastructure underpinning forecast increase in demand volumes

1. Source: Macromonitor, Construction Materials Forecast, February 2016
2. Compound annual growth rate



Transition from Emu Plains is a generational shift, impacting the full value chain

A generational shift

From Emu Plains

- Sand and gravel
- Excavate with traditional load and haul
- Overburden ratio less than 1:5
- ~60% of material crushed
- 39km to Parramatta
- 100% road despatch
- Shared production facility with Hanson and Holcim
- Coarse concrete aggregates and sand
- Capacity: 3.5mtpa
- Fully depreciated

To Peppertree

- Hard rock
- Drill and blast with in-pit crushing
- Overburden ratio greater than 1:10
- ~100% of material crushed
- 172km to Parramatta
- 100% rail despatch to depots (automated)
- 100% Boral-owned
- Coarse concrete and asphalt aggregates and manufactured sand
- Capacity: 2.5mtpa, DA for 3.5mtpa under
- \$200m investment