Half-Year Financial Report

31 December 2018

Boral Limited
ABN 13 008 421 761

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Boral Limited during the half-year in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

Boral Limited

ABN 13 008 421 761

Level 3, 40 Mount Street
North Sydney NSW 2060
PO Box 1228
North Sydney NSW 2059
Telephone (02) 9220 6300
Facsimile (02) 9233 6605

www.boral.com.au

APPENDIX 4D

HALF-YEAR REPORT

25 February 2019

Name of Entity: **Boral Limited**

ABN: **13 008 421 761**

For the half year ended: **31 December 2018**

Results for announcement to the market

				Dec-2018 $m	Dec-2017 $m
Revenue from continuing operations	up	4.6%	to	**2,928.8**	2,798.7
Revenue from discontinued operations				**61.5**	138.3
Total revenue	**up**	**1.8%**	**to**	**2,990.3**	2,937.0
Profit from continuing operations before net interest expense, income tax and significant items	down	(2.7%)	to	**297.1**	305.4
Profit from discontinued operations before net interest expense, income tax and significant items				**-**	10.9
Profit before net interest expense, income tax and significant items	down	(6.1%)	to	**297.1**	316.3
Net interest expense from continuing operations before significant items				**(48.8)**	(50.1)
Profit before income tax and significant items	down	(6.7%)	to	**248.3**	266.2
Income tax from continuing operations before significant items				**(48.1)**	(48.0)
Income tax from discontinued operations before significant items				**-**	(4.3)
Net profit before significant items attributable to members	down	(6.4%)	to	**200.2**	213.9
Significant items from continuing operations net of tax[1]				**(9.8)**	(40.9)
Significant items from discontinued operations net of tax[1]				**46.1**	-
Net profit attributable to members	**up**	**36.7%**	**to**	**236.5**	173.0

1. Refer note 6 of the attached half-year financial report.

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The above disclosures are extracted or derived from the financial report for the period ended 31 December 2018, but have not been subject to audit or review.

Dividends	Amount per security	Franked amount per security at 30% tax
Current period: Interim - ordinary	13.0 cents	6.5 cents
Previous corresponding period: Interim - ordinary	12.5 cents	6.25 cents

Record date for determining entitlements to the dividend	4 March 2019

Comparative Period: Half Year ended 31 December 2017

Commentary on the results for the period

The commentary on the results of the period is contained in the "Results Announcement for the half-year ended 31 December 2018 - Management Discussion and Analysis" dated 25 February 2019.

Directors' Report

The Directors of Boral Limited ("the Company") report on the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2018 ("the half-year"):

1. Review of Operations

The Directors' review of the operations of the consolidated entity during the half-year and the results of those operations are as set out in the attached Results Announcement for the half-year.

2. Names of Directors

The names of persons who have been Directors of the Company during or since the end of the half-year are:

Kathryn Fagg	-	Appointed Chairman 1 July 2018
Mike Kane	-	Chief Executive Officer and Managing Director
Peter Alexander	-	Appointed 1 September 2018
Catherine Brenner	-	Retired 30 October 2018
Eileen Doyle		
John Marlay		
Karen Moses		
Paul Rayner		

All of those persons, other than Peter Alexander and Catherine Brenner, have been Directors at all times during and since the end of the half-year.

3. Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* is set out on page 2 and forms part of this Directors' Report.

4. Rounding of Amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000 which have been rounded down.

Signed in accordance with a resolution of the Directors.

Kathryn Fagg
Director

Mike Kane
Director

Sydney, 25 February 2019

Lead Auditor's Independence Declaration

under Section 307C of the Corporations Act 2001

To: The Directors of Boral Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Boral Limited for the half-year ended 31 December 2018 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Kevin Leighton
Partner

Sydney, 25 February 2019

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Income Statement

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	**Half-Year 31 Dec 2018 $m**	Restated[1] Half-Year 31 Dec 2017 $m
Continuing operations			
Revenue	4	**2,928.8**	2,798.7
Cost of sales		**(1,987.8)**	(1,878.8)
Selling and distribution expenses		**(500.4)**	(476.1)
Administrative expenses		**(187.6)**	(192.6)
		(2,675.8)	(2,547.5)
Other income		**8.5**	6.0
Other expenses		**(13.3)**	(56.2)
Share of equity accounted income	9	**36.4**	48.5
Profit before net interest expense and income tax		**284.6**	249.5
Interest income		**1.2**	0.8
Interest expense		**(50.0)**	(50.9)
Net interest expense		**(48.8)**	(50.1)
Profit before income tax		**235.8**	199.4
Income tax expense	5	**(45.4)**	(33.0)
Profit from continuing operations		**190.4**	166.4
Discontinued operations			
Profit from discontinued operations (net of income tax)	3	**46.1**	6.6
Net profit attributable to members of the parent entity		**236.5**	173.0
Basic earnings per share	7	**20.2c**	14.8c
Diluted earnings per share	7	**20.1c**	14.7c
Continuing operations			
Basic earnings per share	7	**16.2c**	14.2c
Diluted earnings per share	7	**16.2c**	14.1c

1. Refer Note 1(d) for further details.

The Income Statement should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Statement of Comprehensive Income

BORAL LIMITED AND CONTROLLED ENTITIES

	Half-Year 31 Dec 2018 $m	Half-Year 31 Dec 2017 $m
Net profit	**236.5**	173.0
Other comprehensive income		
Items that may be reclassified subsequently to Income Statement:		
Net exchange differences from translation of foreign operations taken to equity	**133.5**	(19.7)
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**(10.8)**	-
Fair value adjustment on cash flow hedges	**(7.1)**	3.3
Income tax on items that may be reclassified subsequently to Income Statement	**30.0**	0.1
Total comprehensive income for the half-year attributable to members of the parent entity	**382.1**	156.7

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Balance Sheet

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	31 Dec 2018 $m	30 Jun 2018 $m
CURRENT ASSETS			
Cash and cash equivalents		**86.8**	74.3
Receivables		**832.1**	879.7
Inventories		**654.2**	613.8
Financial assets		**6.6**	11.2
Current tax assets		**3.0**	-
Other assets		**61.4**	38.1
Assets classified as held for sale		**-**	121.2
TOTAL CURRENT ASSETS		**1,644.1**	1,738.3
NON-CURRENT ASSETS			
Receivables		**35.1**	35.1
Inventories		**11.7**	11.4
Investments accounted for using the equity method		**1,462.6**	1,411.3
Financial assets		**31.1**	32.8
Property, plant and equipment		**2,786.1**	2,782.1
Intangible assets		**3,385.2**	3,395.1
Deferred tax assets		**90.6**	69.6
Other assets		**33.6**	34.6
TOTAL NON-CURRENT ASSETS		**7,836.0**	7,772.0
TOTAL ASSETS		**9,480.1**	9,510.3
CURRENT LIABILITIES			
Trade creditors		**667.6**	752.0
Loans and borrowings	11	**20.0**	19.2
Financial liabilities		**15.2**	8.6
Current tax liabilities		**23.3**	20.0
Employee benefit liabilities		**113.9**	129.6
Provisions		**52.1**	55.1
Liabilities classified as held for sale		**-**	10.7
TOTAL CURRENT LIABILITIES		**892.1**	995.2
NON-CURRENT LIABILITIES			
Loans and borrowings	11	**2,361.7**	2,507.6
Financial liabilities		**20.6**	26.9
Deferred tax liabilities		**62.0**	39.5
Employee benefit liabilities		**38.9**	40.6
Provisions		**140.8**	147.9
Other liabilities		**20.7**	21.8
TOTAL NON-CURRENT LIABILITIES		**2,644.7**	2,784.3
TOTAL LIABILITIES		**3,536.8**	3,779.5
NET ASSETS		**5,943.3**	5,730.8
EQUITY			
Issued capital	12	**4,265.1**	4,265.1
Reserves	13	**297.9**	155.8
Retained earnings		**1,380.3**	1,309.9
TOTAL EQUITY		**5,943.3**	5,730.8

The Balance Sheet should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Statement of Changes in Equity

BORAL LIMITED AND CONTROLLED ENTITIES

	Issued capital $m	Reserves $m	Retained earnings $m	Total Equity $m
Balance at 30 June 2018	**4,265.1**	**155.8**	**1,309.9**	**5,730.8**
Transition impact from implementation of AASB 15	**-**	**-**	**(2.0)**	**(2.0)**
Balance at 1 July 2018	**4,265.1**	**155.8**	**1,307.9**	**5,728.8**
Net profit	**-**	**-**	**236.5**	**236.5**
Other comprehensive income				
Translation of net assets of overseas entities	**-**	**226.6**	**-**	**226.6**
Translation of long-term borrowings and foreign currency forward contracts	**-**	**(93.1)**	**-**	**(93.1)**
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**-**	**(10.8)**	**-**	**(10.8)**
Fair value adjustment on cash flow hedges	**-**	**(7.1)**	**-**	**(7.1)**
Income tax relating to other comprehensive income	**-**	**30.0**	**-**	**30.0**
Total comprehensive income	**-**	**145.6**	**236.5**	**382.1**
Transactions with owners in their capacity as owners				
Share acquisition rights vested	**-**	**(7.5)**	**-**	**(7.5)**
Dividend paid	**-**	**-**	**(164.1)**	**(164.1)**
Share-based payment	**-**	**4.0**	**-**	**4.0**
Total transactions with owners in their capacity as owners	**-**	**(3.5)**	**(164.1)**	**(167.6)**
Balance at 31 December 2018	**4,265.1**	**297.9**	**1,380.3**	**5,943.3**
Balance at 1 July 2017	4,265.1	19.3	1,156.1	5,440.5
Net profit	-	-	173.0	173.0
Other comprehensive income				
Translation of net assets of overseas entities	-	(16.0)	-	(16.0)
Translation of long-term borrowings and foreign currency forward contracts	-	(3.7)	-	(3.7)
Fair value adjustment on cash flow hedges	-	3.3	-	3.3
Income tax relating to other comprehensive income	-	0.1	-	0.1
Total comprehensive income	-	(16.3)	173.0	156.7
Transactions with owners in their capacity as owners				
Share acquisition rights vested	-	(22.4)	-	(22.4)
Dividend paid	-	-	(140.7)	(140.7)
Share-based payment	-	4.3	-	4.3
Total transactions with owners in their capacity as owners	-	(18.1)	(140.7)	(158.8)
Balance at 31 December 2017	4,265.1	(15.1)	1,188.4	5,438.4

The Statement of Changes in Equity should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Statement of Cash Flows

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**3,256.0**	3,200.2
Payments to suppliers and employees		**(2,937.0)**	(2,839.3)
		319.0	360.9
Dividends received		**34.5**	36.1
Interest received		**1.0**	0.8
Borrowing costs paid		**(47.0)**	(43.2)
Income taxes paid		**(35.9)**	(56.4)
Restructure, acquisition and integration costs paid	15	**(18.7)**	(82.1)
Net cash provided by operating activities		**252.9**	216.1
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(182.3)**	(164.0)
Purchase of intangibles		**(0.4)**	-
Purchase of controlled entities and businesses		**(10.9)**	-
Repayment of loans to associates		**-**	(5.6)
Proceeds on disposal of non-current assets		**4.4**	10.8
Proceeds on disposal of controlled entities and associates (net of transaction costs)		**377.3**	7.6
Net cash provided by/(used in) investing activities		**188.1**	(151.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(164.1)**	(140.7)
Proceeds from borrowings		**-**	1,228.5
Repayment of borrowings		**(268.2)**	(1,241.6)
Net cash used in financing activities		**(432.3)**	(153.8)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**8.7**	(88.9)
Cash and cash equivalents at the beginning of the year		**74.3**	237.8
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		**0.8**	(0.6)
Cash and cash equivalents at the end of the half-year	15	**83.8**	148.3

The Statement of Cash Flows should be read in conjunction with the accompanying notes which form an integral part of the half-year financial report.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES

Boral Limited is a company domiciled in Australia. The consolidated half-year financial report of Boral Limited as at and for the half-year ended 31 December 2018 comprises Boral Limited and its controlled entities (the "Group").

(a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The financial report also complies with IAS 34 *Interim Financial Reporting* .

The half-year financial report does not include full note disclosures of the type normally included in an annual financial report. As a result the half-year financial report should be read in conjunction with the 30 June 2018 Annual Financial Report and any public announcements by Boral Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations under the Corporations Act 2001.

The half-year financial report was authorised for issue by the Directors on 25 February 2019.

The half-year financial report is presented in Australian dollars.

(b) Significant Accounting Policies

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2018 Annual Financial Report, except as stated in Note 1(c). The half-year financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Changes in Accounting Policies

Adoption of new and revised accounting standards

The Group has adopted all new and amended Australian Accounting Standards and Australian Accounting Standards Board (AASB) interpretations that are mandatory for the current reporting period and relevant to the Group. Adoption of these standards and interpretations has not resulted in any material changes to the Group's half-year financial report.

Effective 1 July 2018, the Group adopted AASB 15 Revenue from Contracts with Customers. The Group utilised the cumulative effect method on the initial application of the standard, and therefore has not applied the requirements of AASB 15 to the comparative period presented in this report. The net transition impact was recorded as a reduction in retained earnings of $2.0 million, and is disclosed in the Statement of Changes in Equity.

The implementation of this standard did not have a significant impact on the revenue recognition practice of the Group. Further information with respect to the impact of Boral’s accounting for revenue is included in Note 1D of the 30 June 2018 Annual Financial Report.

(d) Comparative Figures

Where necessary to facilitate comparison, comparative figures have been restated to conform with changes in presentation in the current financial year. In addition, comparative figures have been restated to reflect the treatment of Denver Construction Materials and US Block as discontinued operations.

(e) Rounding of Amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000 which have been rounded down.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

1. ACCOUNTING POLICIES (continued)

(f) Accounting policies applied from 1 July 2018

Revenue recognition

Revenue from sale of goods
Revenue from the sale of goods, such as quarry product, concrete, cement, flyash and building products, is recognised at the point in time the customer obtains control of the goods. This is typically at the time of delivery to the customer.

Revenue from contracting businesses
Revenue from contracting businesses, such as asphalt and concrete placing, is included in sale of goods and is recognised progressively over the period of time the performance obligation is fulfilled and the customer obtains the control of the goods being provided in the contract, with the Group having a right to payment for performance to date.

The Group predominantly uses the output method to determine the amount of revenue to recognise in a given period.

When estimating the transaction price, variable consideration is considered, which typically relates to claims or variations submitted in connection with the performance of a contract. Assumptions are made in order to determine the amount of variable consideration that can be recognised, including consideration of whether the variable consideration is constrained. Claims and variations are included to the extent they are approved, or if not approved, are estimated whilst also considering the constraint requirement.

Revenue from rendering of services
Revenue from the rendering of services, which is predominantly in Flyash, is allocated across each service or performance obligation based on their stand-alone selling price, and recognised as the service or performance obligation is performed.

Revenue from the sale of land
Revenue from the sale of land is recognised at the point in time the customer obtains control of the land. This is typically at the point in time the customer obtains unrestricted access to the land which was sold. The revenue is measured at the transaction price agreed under the contract.

Bundling of performance obligations
Contracts with customers, particularly in concrete and asphalt, may contain revenue items for ancillary services such as mobilisation and demobilisation of plant, concrete testing, and other related services. These services are typically combined into the core performance obligation of delivering concrete, or the supply and lay of asphalt. On occasion, ancillary services may be deemed to have a stand-alone value to the customer, and are accounted for as a separate performance obligation.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and Managing Director in assessing performance and in determining the allocation of resources. The operating segments are identified by the Group based on consideration of the nature of the services provided as well as the geographical region. Discrete financial information about each of these operating businesses is reported to the CEO and Managing Director on a recurring basis.

The following summary describes the operations of the Group's reportable segments:

Boral Australia	- Construction Materials & Cement (comprising quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing) and Building Products (comprising West Coast bricks, roofing, masonry and timber products).
USG Boral	- 50/50 joint venture between USG Corporation and Boral Limited responsible for the manufacture and sale of plasterboard and associated products.
Boral North America	- Flyash, stone, roofing, light building products, windows and 50% share of the Meridian Brick joint venture.
Discontinued Operations	- Denver construction materials and US block.
Unallocated	- Non-trading operations and unallocated corporate costs.

The major end use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

Inter-segment pricing is determined on an arm's-length basis.

The Group has a large number of customers to which it provides products, with no single customer responsible for more than 10% of the Group's revenue.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reconciliations of reportable segment revenues and profits	Note	**Half-Year 31 Dec 2018 $m**	Restated[1] Half-Year 31 Dec 2017 $m
External revenue		**2,990.3**	2,937.0
Less: Revenue from discontinued operations	3	**(61.5)**	(138.3)
Revenue from continuing operations		**2,928.8**	2,798.7
Profit before tax			
Profit before net interest expense and income tax from reportable segments		**349.8**	260.4
Less: Profit before net interest expense and income tax from discontinued operations	3	**(65.2)**	(10.9)
Profit before net interest expense and income tax from continuing operations		**284.6**	249.5
Net interest expense from continuing operations		**(48.8)**	(50.1)
Profit before tax from continuing operations		**235.8**	199.4

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America		Discontinued Operations		Unallocated		Total	
						Restated[1]		Restated[1]				
	Half-Year 31 Dec 2018 $m	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m
External Revenue	**1,825.1**	1,804.3	**-**	-	**1,103.7**	994.4	**61.5**	138.3	**-**	-	**2,990.3**	2,937.0
Profit/(loss) before depreciation, amortisation, interest, income tax expense and significant items (EBITDA)	**270.6**	294.4	**24.7**	38.2	**195.6**	165.2	**4.2**	18.9	**(10.0)**	(16.5)	**485.1**	500.2
Depreciation and amortisation, excluding amortisation of acquired intangibles	**(102.8)**	(100.4)	**-**	-	**(51.3)**	(43.9)	**(1.9)**	(5.4)	**(0.4)**	(0.3)	**(156.4)**	(150.0)
Profit/(loss) before amortisation of acquired intangibles, interest, income tax expense and significant items (EBITA)	**167.8**	194.0	**24.7**	38.2	**144.3**	121.3	**2.3**	13.5	**(10.4)**	(16.8)	**328.7**	350.2
Amortisation of acquired intangibles	**-**	-	**-**	-	**(29.3)**	(31.3)	**(2.3)**	(2.6)	**-**	-	**(31.6)**	(33.9)
Profit/(loss) before interest, income tax and significant items (EBIT)	**167.8**	194.0	**24.7**	38.2	**115.0**	90.0	**-**	10.9	**(10.4)**	(16.8)	**297.1**	316.3
Significant items before income tax expense	**-**	(23.8)	**-**	-	**(12.5)**	(32.1)	**65.2**	-	**-**	-	**52.7**	(55.9)
Profit/(loss) before interest and income tax expense	**167.8**	170.2	**24.7**	38.2	**102.5**	57.9	**65.2**	10.9	**(10.4)**	(16.8)	**349.8**	260.4
Equity accounted income	**10.9**	12.5	**24.7**	38.2	**0.8**	(2.2)	**-**	-	**-**	-	**36.4**	48.5

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America		Discontinued Operations		Unallocated		Total	
						Restated[1]		Restated[1]				
	Half-Year 31 Dec 2018 $m	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m
Concrete	**754.5**	801.1	**-**	-	**-**	-	**-**	60.7	**-**	-	**754.5**	861.8
Fly ash	**-**	-	**-**	-	**383.8**	358.7	**-**	-	**-**	-	**383.8**	358.7
Asphalt	**376.2**	371.1	**-**	-	**-**	-	**-**	-	**-**	-	**376.2**	371.1
Roofing	**50.2**	47.5	**-**	-	**248.1**	198.5	**-**	-	**-**	-	**298.3**	246.0
Quarry products	**223.0**	203.8	**-**	-	**-**	-	**-**	6.1	**-**	-	**223.0**	209.9
Stone	**-**	-	**-**	-	**187.3**	171.6	**-**	-	**-**	-	**187.3**	171.6
Light building products	**-**	-	**-**	-	**184.3**	166.8	**-**	-	**-**	-	**184.3**	166.8
Cement	**163.5**	156.5	**-**	-	**-**	-	**-**	-	**-**	-	**163.5**	156.5
Concrete Placing	**107.6**	72.5	**-**	-	**-**	-	**-**	-	**-**	-	**107.6**	72.5
Windows	**-**	-	**-**	-	**100.2**	95.0	**-**	-	**-**	-	**100.2**	95.0
Other	**150.1**	151.8	**-**	-	**-**	3.8	**61.5**	71.5	**-**	-	**211.6**	227.1
External revenue by product	**1,825.1**	1,804.3	**-**	-	**1,103.7**	994.4	**61.5**	138.3	**-**	-	**2,990.3**	2,937.0

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

2. SEGMENTS (continued)

	Boral Australia		USG Boral		Boral North America		Discontinued Operations		Unallocated		Total	
						Restated[1]		Restated[1]				
	Half-Year 31 Dec 2018 $m	Full Year 30 Jun 2018 $m	**Half-Year 31 Dec 2018 $m**	Full Year 30 Jun 2018 $m	**Half-Year 31 Dec 2018 $m**	Full Year 30 Jun 2018 $m	**Half-Year 31 Dec 2018 $m**	Full Year 30 Jun 2018 $m	**Half-Year 31 Dec 2018 $m**	Full Year 30 Jun 2018 $m	**Half-Year 31 Dec 2018 $m**	Full Year 30 Jun 2018 $m
Segment assets (excluding equity accounted investments)	**3,179.9**	3,159.6	**-**	-	**4,640.7**	4,481.5	**-**	293.8	**16.5**	20.2	**7,837.1**	7,955.1
Equity accounted investments	**20.1**	23.0	**1,015.7**	977.7	**426.8**	410.6	**-**	-	**-**	-	**1,462.6**	1,411.3
	3,200.0	3,182.6	**1,015.7**	977.7	**5,067.5**	4,892.1	**-**	293.8	**16.5**	20.2	**9,299.7**	9,366.4
Cash and cash equivalents											**86.8**	74.3
Tax assets											**93.6**	69.6
Total assets	**3,200.0**	3,182.6	**1,015.7**	977.7	**5,067.5**	4,892.1	**-**	293.8	**16.5**	20.2	**9,480.1**	9,510.3
Segment liabilities	**638.5**	700.8	**-**	-	**344.1**	378.6	**-**	19.1	**87.2**	94.7	**1,069.8**	1,193.2
Loans and borrowings											**2,381.7**	2,526.8
Tax liabilities											**85.3**	59.5
Total liabilities	**638.5**	700.8	**-**	-	**344.1**	378.6	**-**	19.1	**87.2**	94.7	**3,536.8**	3,779.5
						Restated[1]		Restated[1]				
	Half-Year 31 Dec 2018 $m	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m
Acquisition of segment assets*	**108.3**	110.6	**-**	-	**71.8**	49.6	**2.1**	3.6	**0.5**	0.2	**182.7**	164.0

1. Refer Note 1(d) for further details.

* Excludes amounts attributable to the acquisition of controlled entities and businesses.

Geographical location

In presenting information on a geographical basis, assets are based on the geographical location of the assets.

	NON-CURRENT ASSETS	
	Half-Year 31 Dec 2018 $m	Full Year 30 Jun 2018 $m
Australia	**2,546.4**	2,531.0
Asia	**706.1**	670.0
United States of America	**4,308.0**	4,323.6
Other	**153.8**	145.0
	7,714.3	7,669.6
Deferred tax assets	**90.6**	69.6
Financial assets	**31.1**	32.8
	7,836.0	7,772.0

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

3. DISCONTINUED OPERATIONS AND DISPOSALS

(i) Discontinued operations

During the period, the Group completed the divestment of its Concrete and Quarries business in Denver, Colorado and the divestment of its US Block business.

The earnings in the current and comparative periods for these respective businesses, as well as the gain on sale, have been reclassified to "Discontinued Operations" in the Income Statement, and are summarised below.

	Note	**Half-Year 31 Dec 2018 $m**	Restated[1] Half-Year 31 Dec 2017 $m
Results of discontinued operations			
Revenue		**61.5**	138.3
Expenses		**(61.5)**	(127.4)
Share of equity accounted income		**-**	-
Trading profit before significant items, net interest expense and income tax		**-**	10.9
Net gain on sale of discontinued operations	6	**65.2**	-
Profit before income tax		**65.2**	10.9
Income tax expense	5	**(19.1)**	(4.3)
Net profit attributable to members of the parent entity		**46.1**	6.6

1. Refer Note 1(d) for further details.

Cash flows of discontinued operations		
Net cash provided by operating activities	**7.5**	22.3
Net cash provided by/ (used in) investing activities	**375.3**	(3.6)
Net cash provided by discontinued operations	**382.8**	18.7

(ii) Disposal of Denver construction materials

During July 2018, the Group sold its Concrete and Quarries business in Denver, Colorado to Brannan Sand and Gravel Company, LLC for A$173.2 million. Proceeds from the sale were used to reduce debt.

The following disposal entries were recorded in the current period. The gain on disposal is subject to finalisation of working capital adjustments, which is expected by 30 June 2019.

	Half-Year 31 Dec 2018 $m
Consideration	**173.2**
Receivables	**(20.6)**
Inventories	**(2.9)**
Property, plant and equipment	**(78.1)**
Intangible assets	**(16.6)**
Other assets	**(3.2)**
Payables	**10.2**
Provisions	**0.4**
Net assets disposed	**(110.8)**
Costs incurred	**(8.0)**
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**8.3**
Gain on disposal before income tax	**62.7**

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

3. DISCONTINUED OPERATIONS AND DISPOSALS (continued)

(iii) Disposal of US Block business

In November 2018, the Group sold the US Block business to Quikrete Holdings, Inc for A$210.1 million. This divestment helps to further strengthen the Group's balance sheet and focus on core operations.

The following disposal entries were recorded in the current period. The gain on disposal is subject to finalisation of working capital adjustments, which is expected by 30 June 2019.

	Note	Half-Year 31 Dec 2018 $m
Consideration		**210.1**
Receivables		**(15.8)**
Inventories		**(14.2)**
Property, plant and equipment		**(41.5)**
Intangible assets		**(95.9)**
Other assets		**(0.2)**
Payables		**2.8**
Provisions		**4.1**
Net assets disposed		**(160.7)**
Costs incurred		**(5.3)**
Goodwill allocated to disposal		**(44.1)**
Foreign currency translation reserve transferred to net profit on disposal of controlled entities		**2.5**
Gain on disposal before income tax		**2.5**

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	Note	Half-Year 31 Dec 2018 $m	Restated[1] Half-Year 31 Dec 2017 $m
4. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		**2,798.0**	2,664.3
Rendering of services		**130.8**	134.4
Revenue from continuing operations		**2,928.8**	2,798.7
5. INCOME TAX EXPENSE			
Reconciliation of income tax expense to prima facie tax			
Income tax expense on profit at Australian tax rates 30% (2017: 30%)		**90.3**	63.1
Variation between Australian and overseas tax rates		**(6.5)**	0.9
Share of associates' net income		**(10.3)**	(14.8)
Tax benefit arising from share acquisition rights vested		**(1.7)**	(6.7)
Non-deductible difference from sale of business		**11.3**	-
Change in US federal tax rate	6	**-**	6.4
Income tax losses brought to account		**(13.0)**	(6.4)
Other items		**(5.6)**	(5.2)
Income tax expense		**64.5**	37.3
Income tax expense relating to continuing operations		**45.4**	33.0
Income tax expense relating to discontinued operations		**19.1**	4.3
		64.5	37.3

1. Refer Note 1(d) for further details.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS

December 2018

Net profit includes the following significant items, which relate to material transactions that are disclosed separately in order to better explain financial performance. Management considers significant items when assessing performance of the Group, and in order to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Boral Group.

Significant items is not a defined performance measure in IFRS. The Company's definition of significant items may not be comparable with similarly titled performance measures and disclosures by other entities.

		Note	Sale of business $m	Integration costs $m	Total $m
Gain on disposal of Denver Construction Materials	Discontinued	(i)	62.7	-	62.7
Gain on disposal of Block	Discontinued	(ii)	2.5	-	2.5
Headwaters integration costs	Continuing	(iii)	-	(12.5)	(12.5)
			65.2	(12.5)	52.7

	Sale of business $m	Integration costs $m	Total $m
Summary of significant items from continuing operations			
Loss before interest and tax	-	(12.5)	(12.5)
Income tax benefit	-	2.7	2.7
Net significant items from continuing operations	-	(9.8)	(9.8)
Summary of significant items from discontinued operations			
Profit before interest and tax	65.2	-	65.2
Income tax expense	(19.1)	-	(19.1)
Net significant items from discontinued operations	46.1	-	46.1
Summary of significant items			
Profit/(loss) before interest and tax	65.2	(12.5)	52.7
Income tax (expense)/benefit	(19.1)	2.7	(16.4)
Net significant items	46.1	(9.8)	36.3

(i) Gain on disposal of Denver Construction Materials

On 1 July 2018, the Group sold the Denver Construction Materials business for cash proceeds of $173.2 million, and generated a profit before tax of $62.7 million.

(ii) Gain on disposal of Block

In November 2018, the Group sold the Block business for cash proceeds of $210.1 million, and generated a profit before tax of $2.5 million.

(iii) Headwaters integration costs

During the period, $12.5 million of costs have been incurred on the integration of the Headwaters business into the Boral North America business, which forms part of the implementation costs of US$90 million - $100 million expected over financial years 2018 and 2019. The costs during the period predominantly relate to redundancies, consultant fees supporting the integration, integration of IT systems and closure costs arising from rationalisation of Stone plants.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

6. SIGNIFICANT ITEMS (continued)

December 2017

	Headwaters integration costs (i) $m	Waurn Ponds rehabilitation and closure costs (ii) $m	Reassessment of US tax balances (iii) $m	Total $m
Summary of significant items from continuing operations				
Loss before interest and tax	(32.1)	(23.8)	-	(55.9)
Income tax benefit	7.9	7.1	-	15.0
Net significant items from continuing operations	(24.2)	(16.7)	-	(40.9)

(i) Headwaters integration costs

During the prior period, $32.1 million of costs was incurred on the integration of the Headwaters business into the Boral North America business, which forms part of the implementation costs of US$90 million - $100 million expected over financial years 2018 and 2019. The costs during the period predominantly relate to redundancies, employee incentives implemented by Headwaters, consultant fees supporting the integration, integration of IT systems, brand consolidation, and asset impairments upon consolidation of the Boral and Headwaters concrete roofing business.

(ii) Waurn Ponds rehabilitation and closure costs

During the prior period, the organisation developed plans to improve our cement position in Victoria. This led to a reassessment of the expected end use of the Waurn Ponds cement facility, resulting in the recognition of a provision of $23.8 million with respect to rehabilitation of the limestone quarry attached to the facility.

(iii) Reassessment of US tax balances

On 22 December 2017, a tax bill, H.R. 1, was enacted into US law. This triggered a revaluation of the carrying value of deferred tax balances associated with the Boral North America division, primarily as a result of a reduction in the federal tax rate from 35% to 21%.

The reduction in tax rate resulted in a net tax expense of A$6.4 million, reflecting a reduction in the carrying value of:
- Deferred tax assets relating to US tax losses of A$106.0 million; and
- Deferred tax liabilities relating to timing differences of A$99.6 million.

In addition, the Group reassessed its US tax losses which have not been recognised on the Balance Sheet, given improved earnings following the acquisition of Headwaters Incorporated in May 2017. This led to a benefit of A$6.4 million being recorded during the period.

The net impact of the above adjustments on income tax expense is nil.

Segment summary of significant items before interest and tax	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m
Boral Australia	**-**	(23.8)
Boral North America	**(12.5)**	(32.1)
Discontinued Operations	**65.2**	-
	52.7	(55.9)

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

7. EARNINGS PER SHARE

Classification of securities as ordinary shares

Only ordinary shares have been included in basic earnings per share.

Classification of securities as potential ordinary shares

Options outstanding under the Executive Share Option Plan and Share Performance Rights have been classified as potential ordinary shares and are included in diluted earnings per share only.

	Half-Year 31 Dec 2018	Half-Year 31 Dec 2017
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	**1,172,331,924**	1,172,331,924
Effect of potential ordinary shares	**4,653,649**	7,528,973
Number for diluted earnings per share	**1,176,985,573**	1,179,860,897

	Continuing operations	**Discontinued operations**	**Total**	Restated[1] Continuing operations	Restated[1] Discontinued operations	Total
	Half-Year 31 Dec 2018 $m	**Half-Year 31 Dec 2018 $m**	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2017 $m	Half-Year 31 Dec 2017 $m
Earnings reconciliation						
Net profit attributable to members of the parent entity excluding significant items	**200.2**	**-**	**200.2**	207.3	6.6	213.9
Net significant items (refer note 6)	**(9.8)**	**46.1**	**36.3**	(40.9)	-	(40.9)
Net profit attributable to members of the parent entity	**190.4**	**46.1**	**236.5**	166.4	6.6	173.0
Basic earnings per share*	**16.2c**	**3.9c**	**20.2c**	14.2c	0.6c	14.8c
Diluted earnings per share	**16.2c**	**3.9c**	**20.1c**	14.1c	0.6c	14.7c
Basic earnings per share (excluding significant items)*	**17.1c**	**-**	**17.1c**	17.7c	0.6c	18.2c
Diluted earnings per share (excluding significant items)*	**17.0c**	**-**	**17.0c**	17.6c	0.6c	18.1c

1. Refer Note 1(d) for further details.

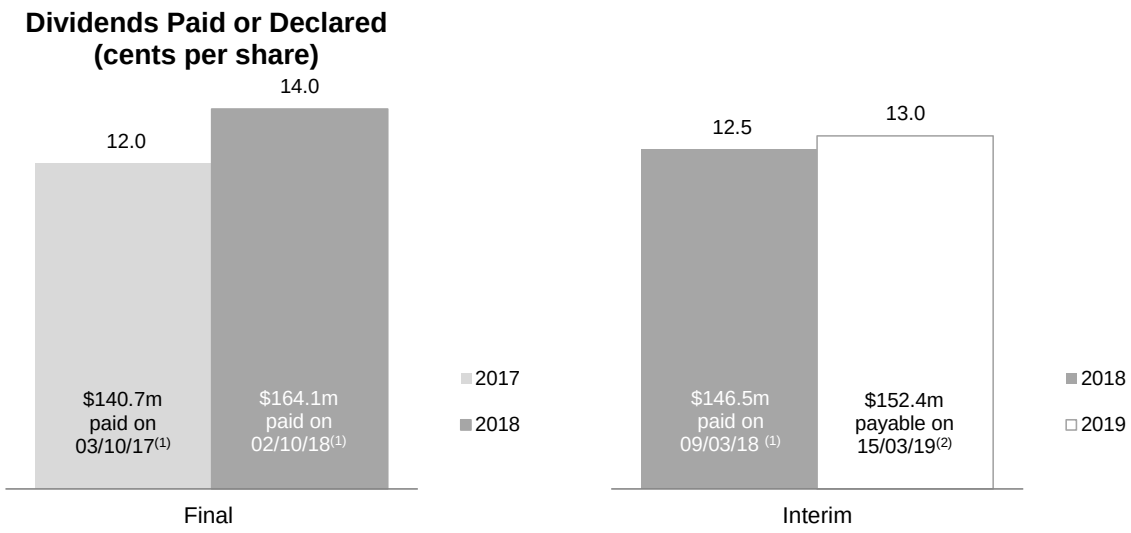
* Numbers may not add due to rounding.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

8. DIVIDENDS



(1) Declared, paid and 50% franked.

(2) Estimated interim dividend payable, 50% franked, subject to variations in number of shares up to record date. The financial effect of the interim dividend for December 2018 has not been brought to account in the financial report for the period ended 31 December 2018 but will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan, which was suspended following the interim dividend paid on 24 March 2014, will remain suspended until further notice.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Principal activity	Balance date	OWNERSHIP INTEREST 31 Dec 2018 %	OWNERSHIP INTEREST 30 Jun 2018 %
DETAILS OF EQUITY ACCOUNTED INVESTMENTS				
Bitumen Importers Australia Pty Ltd	Bitumen importer	30-Jun	**50**	50
Caribbean Roof Tile Company Limited	Roof tiles	31-Dec	**50**	50
Flyash Australia Pty Ltd	Fly ash collection	31-Dec	**50**	50
Highland Pine Products Pty Ltd	Timber	30-Jun	**50**	50
Meridian Brick [1]	Bricks	30-Jun	**50**	50
Penrith Lakes Development Corporation Ltd	Property development	30-Jun	**40**	40
South East Asphalt Pty Ltd	Asphalt	30-Jun	**50**	50
Sunstate Cement Ltd	Cement manufacturer	30-Jun	**50**	50
USG Boral Building Products [2]	Plasterboard	30-Jun	**50**	50
US Tile LLC	Roof tiles	31-Dec	**50**	50

1. The Group has a 50% interest in the joint ventures in the USA (Meridian Brick LLC) and Canada (Meridian Brick Canada Ltd).

2. The Group has a 50% interest in the Gypsum joint ventures in Australia (USG Boral Building Products Pty Ltd) and Asia (USG Boral Building Products Pte Ltd).

	USG Boral Building Products		Meridian Brick		Total	
RESULTS OF EQUITY ACCOUNTED INVESTMENTS	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m	**Half-Year 31 Dec 2018 $m**	Half-Year 31 Dec 2017 $m
Summarised Income Statement at 100%						
Profit/(loss) before income tax	**82.4**	111.0	**2.5**	(2.5)	**115.6**	145.0
Income tax expense	**(31.6)**	(31.1)	**(0.8)**	(1.7)	**(41.6)**	(44.6)
Non-controlling interest	**(1.3)**	(3.5)	**-**	-	**(1.3)**	(3.5)
Net profit/(loss) - equity accounted relating to continuing operations	**49.5**	76.4	**1.7**	(4.2)	**72.7**	96.9
The Group's share based on % ownership:						
Net profit/(loss) before significant items	**24.7**	38.2	**0.8**	(2.1)	**36.4**	48.5
Integration costs disclosed as significant item net of tax	**-**	-	**-**	-	**-**	-
Net profit/(loss) - equity accounted relating to continuing operations	**24.7**	38.2	**0.8**	(2.1)	**36.4**	48.5

OTHER INTERESTS IN EQUITY ACCOUNTED INVESTMENTS

Results include the following equity accounted share of net profit:

Sunstate Cement Ltd	**5.5**	7.0	
Penrith Lakes Development Corporation Ltd	**(0.4)**	(0.4)	

	31 Dec 2018	30 Jun 2018	31 Dec 2017
10. NET TANGIBLE ASSET BACKING			
Net tangible asset backing per ordinary security	**$2.18**	$1.99	$1.96

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2018 $m	30 Jun 2018 $m
11. LOANS AND BORROWINGS		
CURRENT		
Bank overdrafts - unsecured	**3.0**	-
Other loans - unsecured	**13.1**	13.0
Finance lease liabilities	**3.9**	6.2
	20.0	19.2
NON-CURRENT		
Other loans - unsecured	**2,357.9**	2,497.0
Finance lease liabilities	**3.8**	10.6
	2,361.7	2,507.6
TOTAL	**2,381.7**	2,526.8

TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 31 Dec 2018	Calendar year of maturity	31 Dec 2018 **Carrying amount $m**	30 Jun 2018 Carrying amount $m
CURRENT					
Bank overdrafts - unsecured	USD	3.38%	2019	**3.0**	-
Other loans - unsecured	GBP	1.91%	2019	**13.1**	13.0
Finance lease liabilities	AUD/USD	3.37%	2019	**3.9**	6.2
				20.0	19.2
NON-CURRENT					
US senior notes - private placement - unsecured	USD	4.44%	2020 - 2030	**811.2**	771.5
CHF notes - unsecured	CHF	2.25%	2020	**216.5**	204.3
US senior notes - 144A/Reg S - unsecured	USD	3.39%	2022 - 2028	**1,330.2**	1,261.2
Term credit facility - unsecured	Multi	-	2021	**-**	260.0
Finance lease liabilities	AUD/USD	3.44%	2019 - 2022	**3.8**	10.6
				2,361.7	2,507.6
TOTAL				**2,381.7**	2,526.8

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

	31 Dec 2018 $m	30 Jun 2018 $m
12. ISSUED CAPITAL		
1,172,331,924 (30 Jun 2018: 1,172,331,924) ordinary shares	**4,265.1**	4,265.1

There were no movements in issued capital during the current or prior periods.

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

13. RESERVES

Foreign currency translation reserve	**265.8**	115.2
Hedging reserve - cash flow hedges	**0.3**	5.3
Share-based payments reserve	**31.8**	35.3
Balance at the end of the period	**297.9**	155.8

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

14. CONTINGENT LIABILITIES

The Company has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to controlled entities.

A number of sites within the Group and its associates have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed, estimated clean-up costs have been expensed or provided for. For some sites, the requirements cannot be reliably assessed at this stage.

Certain entities within the Group are, from time to time, subject to various lawsuits, claims, regulatory investigations, and, on occasion, prosecution.

Consistent with other companies of the size and diversity of Boral, the Group is the subject of periodic information requests, investigations and audit activity by the Australian Taxation Office (ATO) and taxation authorities in other jurisdictions in which Boral operates.

The Group has considered all of the above claims and, where appropriate, sought independent advice and believes it holds appropriate provisions.

	Half-Year 31 Dec 2018 $m	Half-Year 31 Dec 2017 $m
15. NOTES TO STATEMENT OF CASH FLOWS		
Reconciliation of cash and cash equivalents		
Cash includes cash on hand, at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	**86.8**	148.3
Bank overdrafts	**(3.0)**	-
	83.8	148.3
During the half year, the Group incurred costs associated with:		
Acquisition costs	**-**	(49.9)
Integration costs	**(16.6)**	(29.5)
Restructure and business closure costs	**(2.1)**	(2.7)
	(18.7)	(82.1)

16. ACQUISITIONS

Acquisition of Pro Concrete Group

On 2 July 2018, the Group acquired 100% of Pro Concrete Group Pty Limited, a concrete placing business in Queensland, Australia for total consideration of $10.9 million.

Notes to the Financial Report

BORAL LIMITED AND CONTROLLED ENTITIES

17. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair value measurement principles adopted in this report are consistent with those applied in the Group's Annual Financial Report for the year ended 30 June 2018.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at Level 1 and Level 2 fair value:

	Level 1		**Level 2**	
	31 Dec 2018	30 June 2018	**31 Dec 2018**	30 June 2018
	$m	$m	**$m**	$m
Assets				
Equity Securities	**28.8**	32.3	**-**	-
Derivative financial assets	**-**	-	**8.9**	11.7
Total assets	**28.8**	32.3	**8.9**	11.7
Liabilities				
Derivative financial liabilities	**-**	-	**35.8**	35.5
Total liabilities	**-**	-	**35.8**	35.5

The Group does not have financial instruments that have been valued at Level 3.

Statutory Statements

BORAL LIMITED AND CONTROLLED ENTITIES

Directors' Declaration

In the opinion of the Directors of Boral Limited:

1. The financial statements and notes set out on pages 3 to 25, are in accordance with the *Corporations Act 2001* , including:

   (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2018 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 "*Interim Financial Reporting* " and the *Corporations Regulations 2001* ; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Kathryn Fagg
Chairman

Mike Kane
CEO & Managing Director

Sydney, 25 February 2019

Independent Auditor's Review Report to the Members of Boral Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Boral Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boral Limited is not in accordance with the *Corporations Act 2001* , including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* .

The half-year financial report comprises:

- the consolidated Balance Sheet as at 31 December 2018;
- consolidated Income Statement and consolidated Statement of Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the half-year ended on that date;
- notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information; and
- the Directors' Declaration.

The Group comprises Boral Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors for the Half-Year Financial Report

The Directors of the Company are responsible for:

- the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* ; and
- for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As auditor of Boral Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001* .

KPMG

Kevin Leighton
Partner
Sydney, 25 February 2019

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