



Media Release

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Boral announces a half year profit of \$132 million

Boral Limited has announced a profit after tax (PAT) of \$132 million for the half year ended 31 December 2007, a 10% or \$15 million decrease on the PAT for the half year ended 31 December 2006.

A 5% increase in sales revenue to \$2.6 billion reflects a 12% lift in Australian revenues due to price improvement, volume gains and growth initiatives, which more than offset a 19% fall in US revenue due to the significant decline in US housing activity.

The strong performance from Boral's Australian operations was underpinned by strength in most markets outside of New South Wales. The 15% increase or \$42 million lift in Australian EBITDA (earnings before interest tax depreciation & amortisation) did not however, offset the predominantly US housing-related A\$64 million decline in offshore EBITDA earnings. Boral's EBITDA was 6% down to \$360 million.

Earnings per share for the half year were 22.0 cents.

A fully franked interim dividend of 17.0 cents per share has been maintained, which will be paid on 19 March 2008. Boral has also announced an off-market share buy-back of approximately \$100 million which will open on 3 March 2008 and close on 4 April 2008.

Commenting on Boral's interim result, Boral's CEO & Managing Director, Rod Pearse, said: "The half year result reflects a notable geographical shift in Boral's earnings due to the solid lift in results from our Australian operations and the deep contraction in the US housing market. Australian earnings accounted for around 90% of total earnings, up from 74% a year ago.

"Boral's Australian performance was pleasing. EBITDA earnings from Construction Materials was up 15% on the back of solid pricing outcomes, strong volumes from infrastructure project work and non-dwellings activity, and a lift in first half Quarry End Use earnings. Building Products delivered an improved result with EBITDA up 14% despite the continued housing downturn in New South Wales and a weaker housing market in Western Australia.

"In the USA, the severe downturn in single family home construction across all major markets continued to negatively impact our US brick and roof tile businesses. Capacity rationalisation and cost reduction initiatives continue to mitigate the adverse impacts of the downturn with brick and concrete roof tile volumes down a further 20% and 43% respectively during the half year. Earnings from our US construction materials business improved.

"In Asia, our 50%-owned plasterboard joint venture, LBGA, benefited from business improvement initiatives and improved conditions in key markets. Construction materials market conditions remained challenging.

"The benefits of Boral's *Perform & Grow* strategy including a relentless focus on cost reduction, disciplined price management and value-enhancing growth activities have underpinned the half year result. Importantly these initiatives are continuing to strengthen Boral's underlying business, which should deliver strong gains when key markets recover in the USA and in New South Wales," said Mr Pearse.

Commenting on Boral's outlook, Mr Pearse said, "Whilst there is considerably uncertainty around US housing activity and subject to weather, we expect that Boral's profit after tax in FY2008 will be approximately 15% lower than the \$298 million reported in FY2007 which is in line with guidance given at the Annual General Meeting last October."

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