

Results Presentation for the Half Year ended 31 December 2010



9 February 2011



Results for the half year ended 31 December 2010

Financial Highlights



Continuing operations

Revenue

\$2.4bn



up 4%

EBIT

\$151m



up 8%

Profit after tax

\$94m



up 28%

Cash from operations

\$81m



down 59%

Net debt

\$0.6bn



down from \$1.2bn

Gearing

20%



down from 44%

Reported Earnings Per Share

13.0c



up 14%

Half year dividend

7.5c

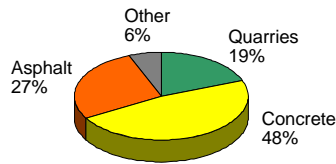


up 7%

Boral Construction Materials - Performance



(A\$m)	Dec 2010	Dec 2009	Var %
Revenue	1,102	1,082	2
EBITDA	137	155	(12)
EBIT	93	107	(14)
EBIT ROS	8.4%	9.9%	



Revenue (A\$m)	Dec 2010	Dec 2009	Var %
Concrete & Quarries	734	686	7
Asphalt	302	361	(16)



Quarry and processing plant near Ballarat will be commissioned in June 2011.

- \$30m investment



Proposed \$200m investment to secure position in the Sydney aggregate market.

- Capital equipment spending to commence early in FY 2012



In Queensland, our core Construction Materials operations are back up and running.

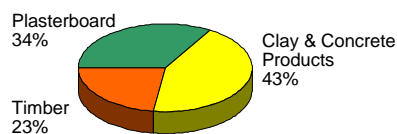
- Mobile equipment will assist with the rebuild programme



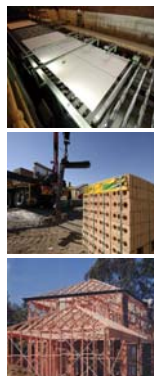
Boral Building Products - Performance



(A\$m)	Dec 2010	Dec 2009	Var %
Revenue	624	608	3
EBITDA	82	74	11
EBIT	55	45	22
EBIT ROS	8.9%	7.5%	



Revenue (A\$m)	Dec 2010	Dec 2009	Var %
Plasterboard	210	199	5
Clay & Concrete	271	267	2
Timber	143	142	-



Masonry operation in WA commissioned on time and on budget.

- Production work-up underway
- \$44m investment



Upgrade of our existing plasterboard operation in Port Melbourne, VIC, is underway.

- Cut-over complete in 2012
- \$80m investment



In Queensland, following the January floods, our core Products Businesses are up and running.

- With the exception of our plywood operation in Ipswich



Boral Cement

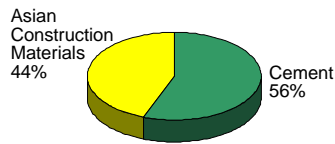
- Performance



(A\$m)	Dec 2010	Dec 2009	Var %
Revenue	271	261	4
EBITDA	82	70	17
EBIT	57	45	25
EBIT ROS	21.0%	17.4%	

Volumes in the Australian Cement operations down 7%.

- Lime volumes and prices, however, considerably improved



Asian Construction Materials operations continue to experience strong local demand.

- Thailand volumes up 21%



Revenue (A\$m)	Dec 2010	Dec 2009	Var %
Cement	153	146	5
Asian Construction Materials	118	115	2

Waurm Ponds cement operation undergoing planned shutdown.

- Production volumes back on line from mid-February 2011



Boral USA

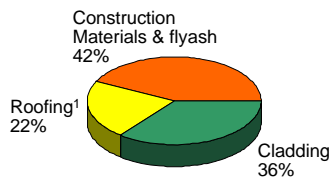
- Performance



(A\$m)	Dec 2010	Dec 2009	Var %
Revenue	212	183	16
EBITDA	(27)	(30)	11
EBIT	(47)	(49)	3
EBIT ROS	(22.3%)	(26.7%)	

The USA has 23 brick-making operations.

- 25% of our installed capacity is currently required to meet demand



Roofing consists of 13 clay & concrete tile plants.

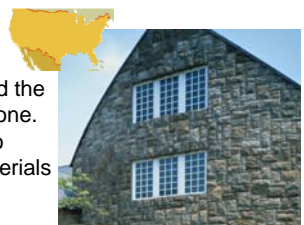
- Margins benefited from the successful delivery of synergies following the purchase of MonierLifetile



Revenue (US\$m)	Dec 2010	Dec 2009	Var %
Cladding	72	76	(4)
Roofing ¹	44	6	639
Construction Materials & flyash	86	79	10

In December 2010, we acquired the controlling stake in Cultured Stone.

- Plans are being developed to leverage our distribution, materials & manufacturing capabilities



Other Businesses

- Performance: Dowell Windows and De Martin & Gasparini



(A\$m)	Dec 2010	Dec 2009	Var %
Revenue	150	144	5
EBITDA	6	3	62
EBIT	4	2	141
EBIT ROS	2.7%	1.2%	

Windows revenue was up 8%.

- Although wet weather delayed projects across NSW, QLD and SA in the second quarter



Concrete Placement
45%



Windows
55%

Revenue (A\$m)	Dec 2010	Dec 2009	Var %
Windows	83	77	8
De Martin & Gasparini	67	67	-



De Martin & Gasparini had a flat order book year on year.

- Profits were up due to improved project performance



Half year profit at \$4m was about double the prior year.

- Reflecting the success of improvement initiatives



Results Summary



	Half Year ended 31 December 2010			Half Year ended 31 Dec 2009		
	Group \$m	Discontinued Operations \$m	Continuing Operations \$m	Group \$m	Discontinued Operations \$m	Continuing Operations \$m
Sales	2,388	29	2,359	2,330	53	2,277
EBITDA	269	(2)	271	259	(4)	262
EBIT	149	(2)	151	133	(7)	139
Net Interest	(31)	-	(31)	(49)	-	(49)
Income Tax Expense	(25)	1	(25)	(15)	2	(17)
Non-controlling Interest	(1)	-	(1)	(1)		(1)
Profit After Tax	92	(1)	94	68	(5)	73

Results for the half year ended 31 December 2010

Consolidated Income Statement



	Dec 2010 \$m	Dec 2009 \$m	Var %
Revenue	2,359	2,277	4
EBIT	151	139	8
<i>EBIT to Sales %</i>	<i>6.4</i>	<i>6.1</i>	
Net Interest	(31)	(49)	36
Profit before Tax	119	91	32
Income Tax Expense	(25)	(17)	
Non-controlling Interest	(1)	(1)	
Profit from Continuing Operations after Tax	94	73	28
Profit / (Loss) from Discontinued Operations after Tax	(1)	(5)	
Reported Profit after Tax	92	68	36
EPS (cents)	13.0	11.4	14
Dividend per share (cents)	7.5	7.0	7

Boral Limited

(Figures may not add due to rounding.)

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Results for the half year ended 31 December 2010

Group Revenue and EBIT



Continuing Operations	External Revenue			EBIT		
	Dec 2010 \$m	Dec 2009 \$m	Var %	Dec 2010 \$m	Dec 2009 \$m	Var %
Construction Materials	1,102	1,082	2	93	107	(14)
Boral Building Products	624	608	3	55	45	22
Cement	271	261	4	57	45	25
USA	212	183	16	(47)	(49)	3
Other ¹	150	144	5	4	2	141
Unallocated				(11)	(12)	
	2,359	2,277	4	151	139	8

Boral Limited

¹Other includes windows and concrete placing businesses
(Figures may not add due to rounding)

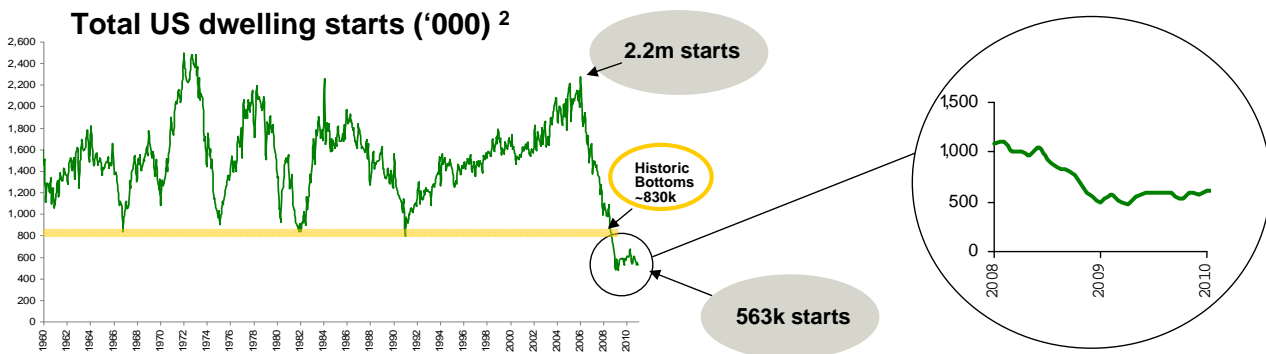
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US Market Activity

- Showing signs of a slow recovery



US Operations	Six months Dec 2010 US\$m	Six months Dec 2009 US\$m	Var US\$m	Six months June 2010 US\$m	Six months June 2009 US\$m	Var US\$m
Revenue ¹	202	160	42	161	164	(3)
EBIT	(45)	(43)	(2)	(49)	(53)	4
EBIT ROS	(22.3%)	(26.7%)		(30.4%)	(32.1%)	



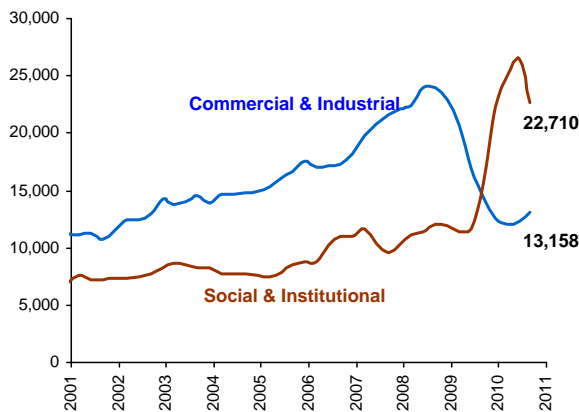
¹ Includes consolidation of MonierLifetile revenue from 1 July 2010 – US\$ 38m
² Seasonally adjusted annualised monthly starts from US Census

Australian Market Activity

- Stimulus supported Non-Residential, Engineering still strong



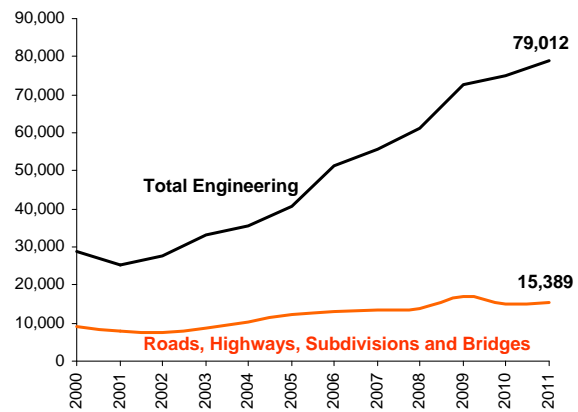
Non-Residential Building
 MAT Value of work commenced (\$m) ¹



(A\$m 07/08)	Sep-08	Mar-09	Sep-09	Mar-10	Sep-10
C & I	23,956	20,688	14,402	12,014	13,158
S & I	12,021	11,390	15,648	25,031	22,710

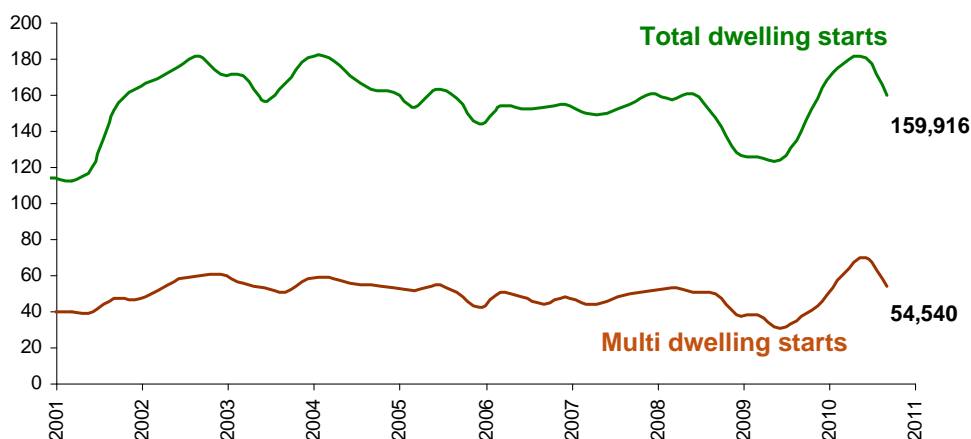
¹ Non-residential value work commenced to September quarter 2010 in 2007/08 prices, from BIS Shrapnel

Engineering Construction
 MAT Value of work done (\$m) *



(A\$m 07/08)	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11e
RHS&B	13,514	13,788	16,782	15,139	15,389
Total EC	55,715	61,127	72,796	74,868	79,012

* Engineering Construction work done to June-2010 year end in 2007/08 prices, from BIS Shrapnel

Australian Market Activity*- Housing activity pulling back from recent peak***Australian dwelling starts ('000)¹**

Annualised starts (SA)	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10
Multi	51,084	49,836	38,440	38,732	31,072	37,312	46,232	60,944	69,916	54,540
Single	109,400	97,596	89,548	87,120	92,896	102,956	117,996	116,736	111,332	105,376
Total starts	160,484	147,432	127,988	125,852	123,968	140,268	164,228	177,680	181,248	159,916

Cash Flow and Net Debt Reconciliation

Cash Flow	Dec 2010 \$m	Dec 2009 \$m
EBITDA	269	259
Change in working capital	(106)	(3)
Interest & tax	(74)	(69)
Equity earning less dividends	(12)	4
Non cash items	4	5
Operating Cash Flow	81	196
Capital expenditure ¹		
SIB & Growth	(128)	(60)
Investments	(128)	-
Proceeds on disposal of assets ²	58	12
Free cash flow	(117)	148
Loans to associates	(6)	(3)
Capital raising	480	-
Share issue / (purchase)	(2)	1
Dividends Paid – Net DRP	(22)	(20)
	333	126

Net Debt Reconciliation	Dec 2010 \$m	Dec 2009 \$m
Opening balance	(1,183)	(1,514)
Cashflow	333	126
Non cash (FX)	216	143
Closing balance	(634)	(1,245)

- \$40m reduction in current inventories achieved in FY 2010 reducing the potential for equivalent inventory reduction in the first half of FY 2011.
- Constrained trading levels in the second quarter of FY 2011 caused an increase in inventories as forecast trading levels were not met.
- Payables reduced by a headline \$85m in the six months to December 2010 due to:
 - high level (\$44m) of capital expenditure invoiced in June 2010.
 - abnormally low closing payables balance due to reduced second quarter FY 2011 trading activity.

¹ Includes \$128 million of expenditure associated with the acquisition of the remaining 50% interest in MonierLifetile and acquisition of a controlling interest in Cultured Stone.

² Includes \$49 million of proceeds from the disposal of the Scaffolding and Panels businesses.

Debt Maturity Profile

- The debt profile continues to be well placed with no material repayments required until the second half of FY 2012.
- Weighted average debt maturity ~5.4 years; weighted average cost of debt ~6.6% per annum.
- Renegotiation of 3-year, \$1 billion term credit facility which expires in November 2011 well advanced.
- Existing facility to be replaced with new 4-year, \$700 million facility with existing relationship banking syndicate.
- Standard & Poor's/Moody's - stable BBB/Baa2 from July 2010.
- Gearing: net debt to equity reduced from 44% to 20%.
- Net debt to EBITDA improved from 4.8x to 2.4x.

Net Interest and Tax

	Dec 2010	Dec 2009
Interest Expense	(45)	(51)
Interest Income	14	2
Net Interest Expense	(31)	(49)
Interest Cover	4.7x	2.7x
Income Tax Expense	25	15
Tax Rate	21.0%	18.5%



LEAN
Operational Excellence

Boral Production System



- Plant efficiency and uptime focus
- Improvement initiatives universally adopted
- Progress across operations visible

SALES & MARKETING
Excellence

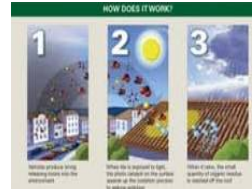
Intranet driven initiative



- National and regional, cross-divisional sales
- Significant leads and new orders won
- Regional credit hubs set-up
- Clarity of pricing across operations

INNOVATION

LifeTILE



- Smog-Eating Tile
- Fly Ash 'green inside' ingredient
- Increasingly 'carbon neutral' product range

ACQUISITION
Of aligned businesses

CulturedSTONE



- Synthetic stone veneer
- #1 in US stone veneer market
- Integrated into Boral US range



Conditions make it impossible to accurately predict the outcome for the balance of this year. The fundamental rebuild in Queensland and its infrastructure could have a favourable impact on the second half while underlying markets in general are expected to be reasonably flat when compared to the second half of last year.

Construction Materials

- We expect improved trading due to strong order books and a catch-up on delayed project work. Pricing is expected to improve but its effect will be less immediate due to existing commitments on delayed projects.
- Queensland's rebuild programme could have a favourable effect on this year's profit.

Building Products

- We expect to experience slower residential new build activity in Australia, offset in part by improvements in refit and continuing growth in Asia.
- Queensland's rebuild could have a positive influence on the final quarter of this year.

Cement

- Following the scheduled shut-down at Waurin Ponds, we expect improved production volumes and continued strong market demands in Indonesia and Thailand to deliver an improved performance in the current year.

Boral USA

- We expect the US market to remain broadly similar in the early part of CY 2011 before seeing modest improvement in the second quarter.
- Some early signs of improved US fundamentals are a positive against disappointing housing starts.

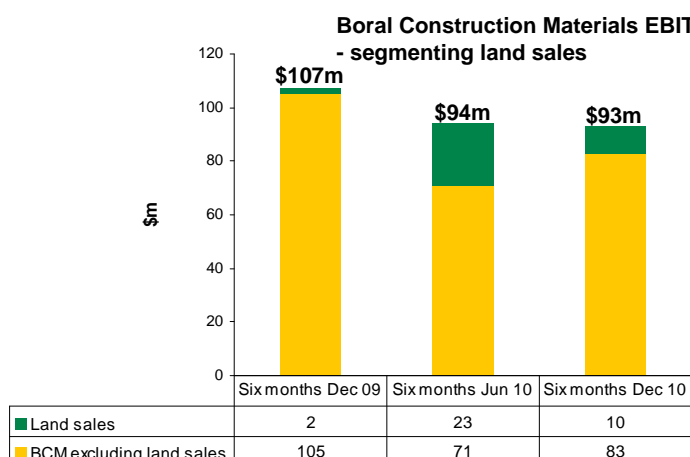
Forecasting with the current range of variable parts is extremely difficult, but on balance, we expect our full year net profit after tax to be between \$160m and \$175m. The low end would represent a 20% increase on last year's underlying NPAT. Given this uncertainty we will look to provide a further update at the conclusion of our first quarter 2011 trading.



Boral Construction Materials
- Segmenting land sales



Continuing Operations	External Revenue			EBIT		
	Dec 2010 \$m	Dec 2009 \$m	Var \$m	Dec 2010 \$m	Dec 2009 \$m	Var \$m
Construction Materials	1,102	1,082	20	93	107	(14)



- Underlying BCM results declined \$34m in June 2010 HY due to the strong Dec 2009 HY result relating to increased earnings from Qld road projects.
- Underlying Dec 2010 HY EBIT was \$12m ahead of June 2010 HY predominately due to improved results from Vic, SA and WA.
- The 1st October price increase delivered circa 3.5% growth in average concrete prices over the first half of the 2011 financial year.
- Divisional overhead cost reductions, following the 2010 mid-year restructuring were partially offset by investment in the Group Sales & Marketing excellence programme.