



ASX RELEASE

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Boral signs Scoresby property agreement with Mirvac

Boral Limited (ASX:BLD) today announced that it has entered into a property development management deed with Mirvac in relation to its Scoresby site (also known as Wantirna South) in Victoria.

Under the agreement, Mirvac will manage the urban development of the 171-hectare site over a multi-decade period, including a proposed new housing community and substantial new parklands.

Boral expects to receive approximately \$66 million of EBITDA through to FY2026, including \$3 million in FY2019. Additional significant earnings are projected from the development of Scoresby from FY2027 through to anticipated project completion in 2035. Boral expects Scoresby to deliver in excess of \$300 million of earnings over the life of the project, subject to rezoning, including removal of the existing Victorian State Government parks acquisition overlay, and market conditions over that period.

The Scoresby site was formerly a manufacturing plant for Boral Bricks in Victoria. Following divestment of Boral's 40% interest in the Boral CSR Bricks joint venture to CSR Limited in November 2016, Boral retained ownership of the Scoresby site, with part of the site currently leased to CSR. Early rehabilitation works, rezoning and initial development activity is planned to take place through to the end of CSR's lease, after which more significant development activities will occur.

Boral's large operational land bank will continue to progressively provide ongoing opportunity for rehabilitation, divestment and re-development at the end of the property asset's operational life, underpinning Boral Australia's sustained pipeline of earnings from property.

In FY2019, Boral expects approximately \$30 million EBITDA from Property earnings, as previously guided.

Mike Kane, Boral's CEO & Managing Director said that Boral has a long and strong track record of delivering earnings from property assets and working with property developers to maximise returns.

"We are pleased to be working with Mirvac on another development project, following an extensive market testing process, which confirmed the strong alignment between our two organisations."

"The Scoresby development will be a significant value-contributor for both Boral and Mirvac, as well as the local community in Melbourne's south eastern suburbs."

"Today's announcement further demonstrates the embedded value of Boral's land assets with potential development opportunities for those assets at or near the end of their operational life."

"Together with the Donnybrook development, which we announced a year ago and is also being managed by Mirvac, Scoresby will be an important earnings contributor for Boral over the next 20 years. Scoresby and Donnybrook developments are expected to deliver in excess of \$500 million of proceeds for Boral, subject to market conditions over that time and rezoning of Scoresby."

"As outlined at our recent Boral Australia investor day, we also have potential property end-use opportunities at Waurin Ponds and Penrith Lakes in the pipeline, which in coming years should contribute to the sustainable earnings stream we continue to generate from our property assets."

For more information:

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