



# ASX / MEDIA RELEASE

17 December 2014

## **Boral enters into agreement to sell its Western Landfill business in Melbourne**

Boral Limited (Boral) today announced that it had entered into an agreement to sell its Western Landfill business in Melbourne to Transpacific Industries (TPI).

Under the agreement, TPI will pay Boral a \$150 million upfront payment to purchase the business plus \$15 million for site preparation work. Boral will also receive a long-term earnings stream from TPI in the form of fixed payments and volume-based royalties for the life of the landfill.

The sale is subject to customary conditions precedent including clearance by the Australian Competition and Consumer Commission (ACCC).

Initially, the earnings stream from the landfill business is expected to be around \$15 million per annum, depending on volumes, with potential to grow over time. While the transaction will have a small dilutive impact on Boral's earnings, the \$150 million cash payment will further strengthen Boral's balance sheet and on completion of the transaction Boral expects to recognise a pre-tax profit of approximately \$105 million after transaction costs, subject to normal completion adjustments.

Boral's CEO & Managing Director, Mike Kane, said that Boral has successfully operated the landfill business in Melbourne for the past 15 years, but recognises that managing developed landfill operations is not a core business for the Company.

"Taking a whole-of-life perspective to managing our quarry assets is an important priority for Boral in terms of both sustainable land management and shareholder value-creation.

"As with all of our quarry end-use projects, we look to maximise value through the extraction of quarry materials and then selling the land at a time when it makes sense, using the cash to deliver value to shareholders. In this case, we have developed a very elegant and efficient solution where a third party landfill operator will concurrently use the air space created from our ongoing quarrying activities at Deer Park for much needed landfill activities.

"The opportunity to deliver value by divesting the Western Landfill business while retaining an ongoing long-term earnings stream is highly attractive. Moreover, the sale of the landfill business to TPI, an industry-leader, which requires additional landfill capacity to deliver on its strategy, provides for a genuine win-win outcome for both companies," said Mr Kane.

Boral's Deer Park Quarry, which has an expected life of between 40 to 50 years, as well as its asphalt, concrete and related operations located at the same site as the Landfill business in western Melbourne, will continue to be owned and operated by Boral.

***Boral will hold a brief teleconference call for investors & analysts today at 3.30pm (AEDST) - Dial-in: Australia 1800 098 754 / +61 2 9338 7300; USA 1888 400 8039; Hong Kong 800 967 072; Singapore 800 616 2252; UK: 080 8234 2459 Conference ID: 47016813***

### **For more information:**

Kylie FitzGerald, Investor and Media Enquiries  
Tel: 02 9220 6591 or 0401 895 894

Boral Limited ABN 13 008 421 761 – PO Box 1228 North Sydney NSW 2059 - [www.boral.com.au](http://www.boral.com.au)