



We are encouraged by the genuine level of enthusiasm among our people. They are now in a position to offer customers a broader suite of quality products and services backed by a national network, and leading technical capability and know how.

The initial period of integration has progressed well and, in line with guidance, Headwaters contributed US\$21 million to Boral's earnings before interest and tax (EBIT)<sup>1</sup> in FY2017, representing the first eight weeks of consolidation.

We are also encouraged by the conviction of our people to deliver on the targeted synergies of between US\$30 to \$35 million this year, and in excess of US\$100 million per annum of synergies within four years.

While the acquisition of Headwaters was the most significant milestone achieved this year,

plasterboard across our Asian markets includes 43 per cent of our sales in Korea, 86 per cent in Vietnam and 60 per cent of our sales in Indonesia. Sheetrock® is delivering a price premium of around 4 per cent over standard board products and we are piloting the next generation of Sheetrock® in Australia, which looks to be even lighter and stronger, while being produced with less water and therefore, requiring less energy consumption during manufacturing, which is an exciting prospect.

During our recent US visit, the Board met with USG's Board in Chicago and we visited USG's research and development operations that are supporting our joint venture business. USG's approach to developing and commercialising new technologies and their track record over





Boral delivered a total shareholder return<sup>1</sup> of 23.4% for the year – ahead of the average of 16.9% for ASX 100 companies.

## **THE BOARD**

Turning now to Boral's Board, which benefits from diversity of gender, tenure and experience across a range of sectors, functions and professions.

While the Board was stable during FY2017, we have been developing succession plans and identifying opportunities to strengthen certain Board skill( )-4(pl)6(an)3(s 024 656.n(i)5(l)58(o 72.024 64w (A

