



Building something

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Dear Sir / Madam

BORAL LIMITED (ASX:BLD) – FIRST SUPPLEMENTARY TARGET'S STATEMENT IN RELATION TO TAKEOVER OFFER FROM NETWORK INVESTMENT HOLDINGS PTY LIMITED

We attach, by way of service pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688), a copy of the

First Supplementary Target's Statement of Boral Limited (ASX:BLD) in relation to the takeover offer from Network Investment Holdings Pty Limited (NIH) (ASX:NIH) to acquire all the ordinary shares in Boral Limited (ASX:BLD) (the Offer) (the "Statement").

First Supplementary Target's Statement in relation to SGH Offer

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the first supplementary target's statement (First Supplementary Target's Statement) issued by Boral Limited (ACN 008 421 761) (Boral) in relation to the off-market takeover bid made by Network Investment Holdings Pty Limited, a wholly-owned subsidiary of Seven Group Holdings Limited (ACN 052 816 789) (SGH) for all the ordinary shares in Boral that SGH does not already own. This document supplements, and should be read together with, Boral's target's statement dated 19 March 2024 (Target's Stat ement).

Unless otherwise specified, capitalised terms used but not defined in this First Supplementary Target's Statement have the same meaning given to them in the Target's Statement. This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement is being lodged with ASIC today. Neither ASIC nor any of its officers take any responsibility for its contents. A copy of this First Supplementary Target's Statement has also been provided to the ASX. Neither the ASX nor any of its officers takes any responsibility for the contents of this document.

1 SGH's Third Supplementary Bidder's Statement

On 26 March 2024, SGH issued its third supplementary Bidder's Statement. This contained a number of points relating to the Grant Samuel Independent Expert's Report, which accompanied Boral's Target's Statement responding to the SGH Offer.

The Bid Response Committee of the Boral Board (the BRC) asked Grant Samuel to consider the matters raised by SGH. Grant Samuel's response to those matters, which is attached, states that Grant Samuel has considered each of the points raised by SGH and has not changed the conclusion in its report that the SGH Offer is not fair and not reasonable. Grant Samuel also states that none of the matters raised by SGH would cause Grant Samuel to change its value range for Boral, with one exception (which results in a minor change to that valuation range).

The exception relates to whether sufficient allowances have been made in the valuation for the costs of replacing the hard rock quarry reserves at Boral's Deer Park quarry, should the Deer Park Northern Lands development proceed. Boral has advised Grant Samuel that if the Deer Park Northern Lands development proceeds, it is likely that Boral will need to incur incremental capital expenditure on quarry development above the level which would be covered by Boral's regular ongoing quarry replacement program.

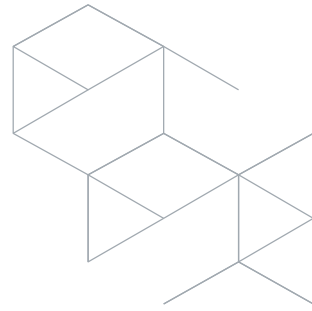
In this respect, the BRC notes that:

- as noted by Grant Samuel, given the proposed development is still subject to planning and other conditions, Boral has not yet undertaken detailed planning regarding the continued quarry operations on the site or its eventual replacement, nor has it undertaken a detailed

Having regard to the above and Grant Samuel's unchanged conclusion that the SGH Offer is not fair and not reasonable, the BRC continues to recommend that Boral Shareholders REJECT the SGH Offer and simply TAKE NO ACTION in relation to all the documents sent to you from SGH.

In this respect, and as discussed in Boral's Target's Statement, the BRC notes that Boral's business continues to perform strongly, and is expected to continue to deliver value for Boral Shareholders through sustainable double-digit returns and EBIT margins, sustainable free cash flow generation and the development of Boral's property portfolio to deliver significant value creation to Boral Shareholders in future years. If minority shareholders accept the SGH Offer now, they will lose the opportunity to fully participate in any increase in the future value of the business, and their potential upside exposure to Boral as a standalone company.

The key reasons for the BRC's recommendation are set out in full in the Target's Statement and the



4 April 2024

Bid Response Committee
Boral Limited
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Dear Bid Response Committee

Seven Group Offer

1 Introduction

Grant Samuel & Associates Pty Limited (“Grant Samuel”) prepared an independent expert’s report (“IER”) dated 18 March 2024 in relation to the off-market takeover offer from Seven Group Holdings Limited (“Seven Group”) (the “Seven Group Offer”) for all of the ordinary shares it does not own in Boral Limited (“Boral”). The full report was included as Attachment 1 to the Target’s Statement dated 19 March 2024 sent by Boral to its shareholders. Grant Samuel concluded that:

“The Seven Group Offer is not fair. It is also not reasonable although the judgement is finely balanced and:
f for non associated shareholders with a low tolerance for risk there is a case for accepting the offer; and
f the conclusion may change if circumstances change.”

On 26 March 2024, Seven Group released a Third Supplementary Bidder’s Statement that raised a number of points in relation to the IER. The Bid Response Committee has requested that Grant Samuel consider the points raised by Seven Group and revi

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