CSR LIMITED
PRESENTATION 2014

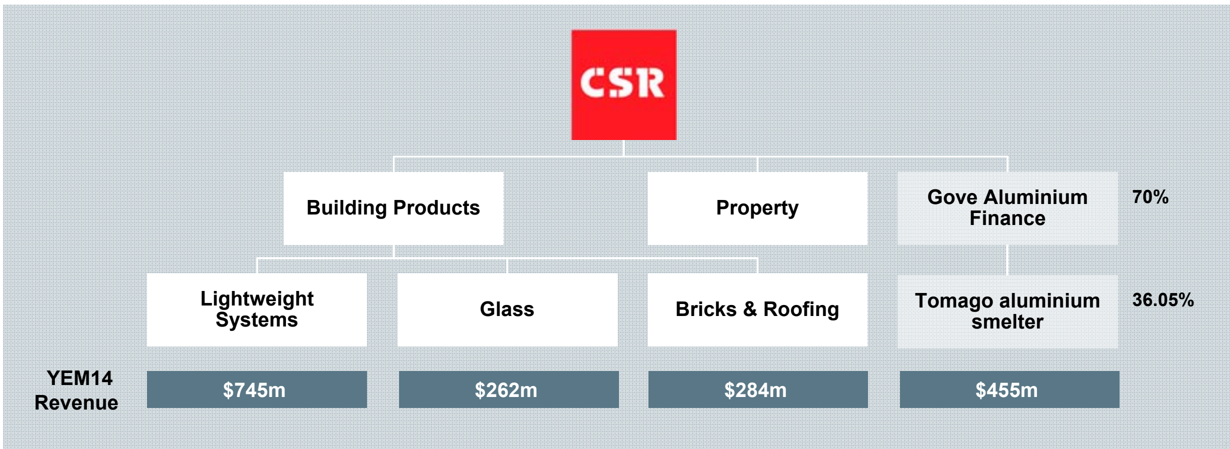
16 June 2014

Morgan Stanley Emerging Companies Conference

CSR today

A leading building products company, with an investment in aluminium

- ASX150 Company
- ~$1.7 billion market cap
- 57,000 shareholders
- BBB+ S&P credit rating, limited net debt
- ~$1.75 billion revenue, Australia and New Zealand focus
- ~3,000 employees



Financial results by division

Year ended 31 March A$m EBIT	2014	2013[2]	%∆
Building Products	**92.6**	77.4	20%
Viridian	**(14.9)**	(38.8)	62%
Aluminium	**51.9**	50.3	3%
Property	**17.3**	---	NM
Corporate	**(15.7)**	(13.8)	
Restructure and Provisions	**(5.5)**	(7.0)	
Total EBIT[1]	**125.7**	68.1	85%

- Building Products EBIT up 20%
  - Earnings growth across most businesses with higher volumes and operational cost improvement
- Viridian improvement on track
  - Includes benefit of $14m reduction in depreciation due to asset impairment in YEM13
- Aluminium EBIT up 3%
  - Average realised prices up due to higher ingot premiums and favourable hedging
- Property EBIT of $17.3m

1 *EBITDA, EBIT and net profit are all pre significant items. They are non-IFRS measures and are used by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March 2014.*

2 *On 1 April 2013, the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change of accounting policy and a restatement of balances for the financial year ended 31 March 2013.*

Market leading brands and strong competitive position

Business Unit	Description
Gyprock	Leading brand of plasterboard in Australia and has a comprehensive range of plasterboard, compounds cornices and finishing products
cemintel	Lightweight fibre cement – weatherboards, cladding, internal linings and flooring systems
hebel	Lightweight autoclaved aerated concrete
Ceilector	Commercial ceiling products
Bradford	Full range of thermal, acoustic and fire insulation products
Bradford energy solutions	Provides homeowners and commercial and industrial businesses a range of energy assessment and consulting services
Viridian	Australia's leading architectural glass provider and the only manufacturer of float and hardcoat performance glass products
PGH Bricks & Pavers	Clay bricks and pavers
Monier	Concrete and terracotta roof tiles
AFS	Permanent formwork for concrete walling systems

Residential Construction

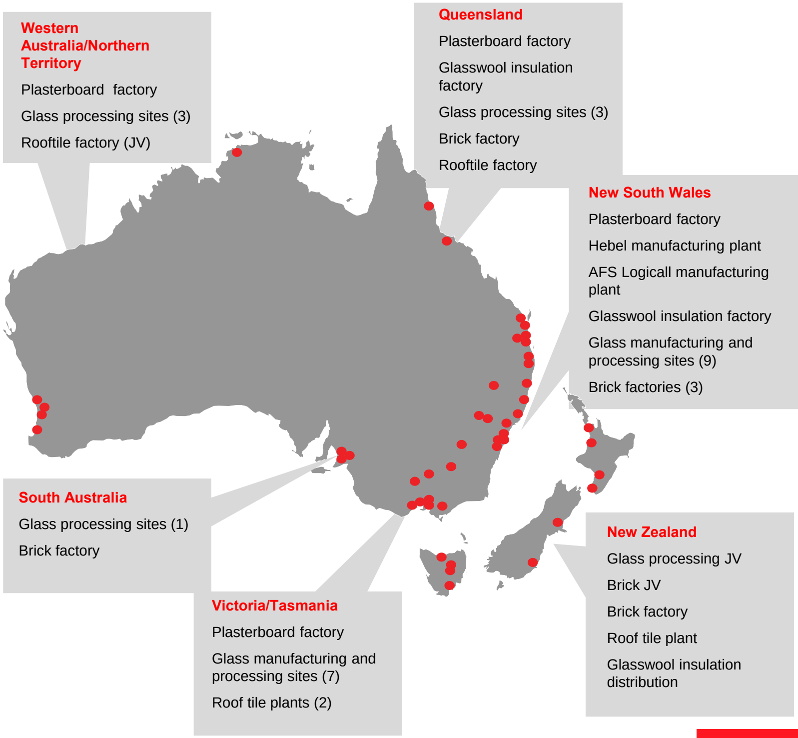
Edmonds, cemintel, Gyprock, PGH Bricks & Pavers, Monier, Bradford, hebel, Viridian

Multi-residential/Commercial Construction

Ceilector, cemintel, Gyprock, AFS, Bradford, hebel, Viridian

Strong manufacturing and distribution capability

- National coverage for distribution of key products:
  - 53 CSR owned Gyprock Trade Centre sites
  - Over 40 Gyprock aligned independent lining specialists
  - 19 Bradford distribution outlets
  - 23 Viridian glass manufacturing and processing sites
- Extensive international partnerships with key global players
- Progressive concentration on fewer, more efficient plants to ensure international competitiveness



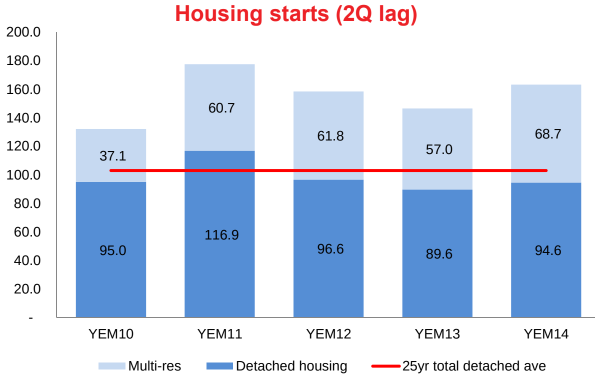
Construction activity increasing

Year ended 31 March	2014	2013	%∆
Detached housing (starts – 000s) [1]	**94.6**	89.6	6%
Other residential (starts – 000s) [1]	**68.7**	57.0	21%
Total residential (starts – 000s) [1]	**163.3**	146.6	11%
Total non-residential ($B) [2]	**35.3**	33.5	5%
A&A ($B) [2]	**7.0**	7.0	0%
NZ consents (000s) [3]	**18.8**	15.4	22%

1. *Source ABS data – (12 months to Sept)*
2. *Source ABS (value of work done – 12 months to March forecast BIS Shrapnel)*
3. *Source Statistics New Zealand - (residential consents – 12 months to Sept)*

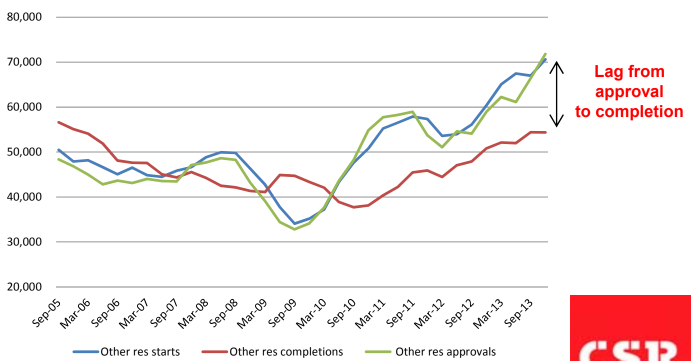
- Increase in detached housing starts with NSW and WA offsetting declines in VIC and QLD
- Sharp rise in multi-res impacting timing of CSR product sales
- Non-residential starting to improve
- Renovations (A&A) projects remains flat – yet to see flow-on effect of increased building activity
- NZ continued strong growth

Housing starts (2Q lag)



Source: ABS

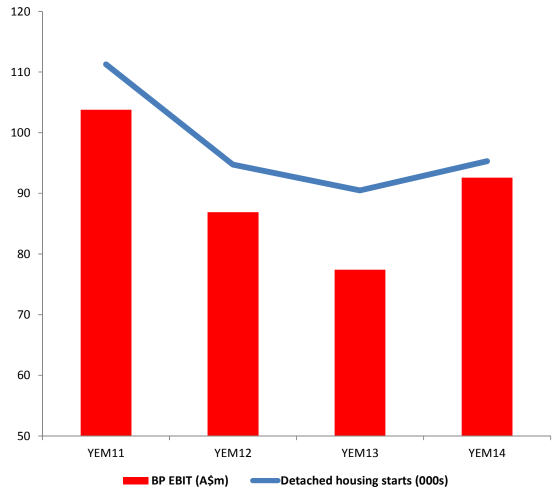
Multi-residential (MAT)



Building Products earnings up 20%

A$m	2014	2013	%∆
Trading Revenue	**1,029.2**	970.0	6%
EBITDA [1]	**130.6**	113.0	16%
EBIT [1]	**92.6**	77.4	20%
EBIT Margin	**9.0%**	8.0%	

Building Products EBIT vs detached housing starts



- Building Products EBIT up 20%
  - Earnings growth led by Gyprock, Bradford and PGH
  - Hebel continuing to grow
- Margin improvement
  - EBIT margin lifted to 9.0%
  - Price increases continue to cover underlying cost increases
- Continued investment in current operations
  - New products
  - Quality and production efficiencies
  - Investing in people and leadership development

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Lag time by construction segment

Segment	Market size (A$bn)	Key drivers	Lag trends	Growth outlook
Detached	$26bn	• First home buyers (FHB) • Upgrade/knockdown • Lot size/second storey	1-2Q lag	• Recovery from record lows of 80k pa • Land releases improving
Medium density • Semi detached • Units 1-3 storey	$7bn	• FHB • Empty nesters/retirees • Infill	2Q+ lag	• Long term CAGR of ~7% • Trade-off between land/scale for location
High density • Units 4+ storey	$12bn	• Investors (Aus and overseas) • FHB, students, empty nesters	4-8Q+ lag	• Similar growth rates and market size to medium density • Bias to metro markets
A&A	$30bn	• Capital growth • Housing activity	1-2Q	• Positive long-term growth outlook • DIY trends
Non-residential	$40bn	• Social (Ageing, Health) • Commercial (Office, Retail)	2-8Q+	• Social investment declining

Source: ABS Building Approvals and National Accounts

CSR increasing exposure beyond detached housing

Building segment	Equivalent house (revenue)	Material penetration intensity							Opportunities
		Gyprock	Cemintel	Bradford	Hebel	Bricks	Roofing	Viridian	
Detached	1 to 1	High	Moderate	High	Low, but growing	High	High	High	Hebel, Cemintel
Medium density	2 to 1	Moderate	Low	Moderate	Low	Moderate	Low	Low	Hebel, AFS
High density	3 - 5 to 1	Low	Low	Low	High	Nil	Nil	Low	Hebel, AFS, Viridian
A&A	n/a	High	High	Moderate	Moderate, growing	Moderate	Low	Moderate	Viridian
Non-residential	n/a	Moderate	Moderate	Low	Low	Moderate	Low	Low	Bradford Energy Solutions, Ceilector

Strategic growth priorities

Key initiative	Progress
Protect and invest	• East coast bricks JV with Boral • Viridian turnaround on track • Launched CSR Connect 24/7 digital account access for customers
Smarter, faster and easier	• Acquisition of AFS – a leader in permanent formwork in the multi-residential market • Strong growth in Hebel through investment in installation and inspection services
Adapting to the changing way we live and work	• Ongoing research and testing of pre-fabricated housing systems – $5m investment committed
Improving comfort, quality and energy efficiency	• Martini acquisition (polyester insulation) • Odyssey ventilation passive air conditioning • Bradford Energy Solutions

East coast bricks JV proposed transaction structure

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Retain Schofields, NSW land title, lease to JV

Subdivide & retain surplus land at Horsley Park, NSW and Oxley, Qld

PGH bricks in NSW, Qld, Vic and SA

Schofields, NSW site used for the term of an agreed lease period

BORAL

Retain Scoresby, Vic land title, lease to JV

Subdivide & retain surplus land at Bringelly, NSW

Boral bricks in NSW, Qld and Vic

Scoresby, Vic site used for the term of an agreed lease period

60% → **East Coast Bricks Joint Venture** ← **40%**

- Structure reflects relative valuation of the businesses
- Initial overhead savings of $7-$10m pa
- Longer term, opportunities to improve operational efficiencies and release high value land assets without impacting product range
- ACCC review process underway

Acquisition of AFS

- A leader in load bearing permanent formwork walling solutions
- Faster and less complex building solutions
  - Increased speed of construction
  - Lower labour costs and crane requirements
- Logicwall® fibre cement based permanent formwork systems:
  - Scalable production facility at Goulburn, NSW to meet growing demand in multi-residential market
  - Over 30,000 multi-residential units completed to date
  - CSR Cemintel current supplier of fibre cement products
- Rediwall® polymer-based (PVC) permanent formwork system
  - Concrete walling system that is water resistant
  - Used in basement and retaining walls in multi-residential and commercial applications
- AFS load bearing walling system complements CSR's non-load bearing walling products (Gyprock, Cemintel and Hebel)

Aluminium - higher realised prices and operational efficiencies

Year ended 31 March A$m (unless stated)	2014	2013	%∆
Sales (tonnes)	**195,591**	195,095	0%
GAF A$ realised price per tonne (including hedging)	**A$2,328**	A$2,277	2%
EBIT [1]	**51.9**	50.3	3%
EBIT Margin (%)	**11.4%**	11.3%	

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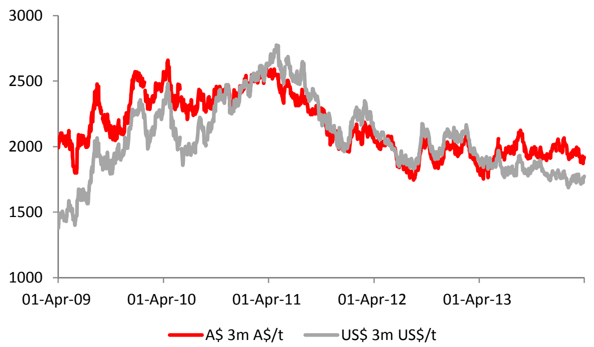
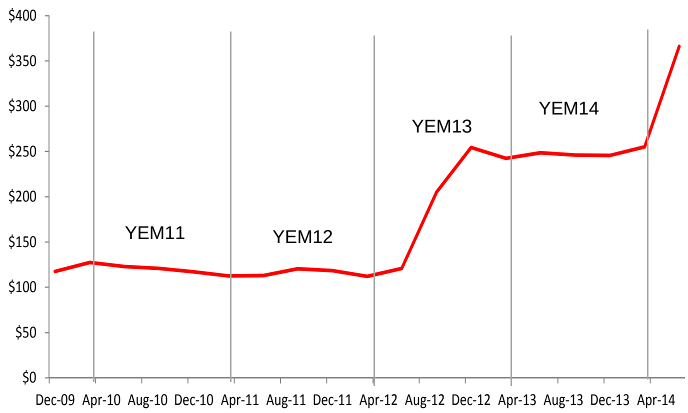
- CSR owns 70% of Gove Aluminium Finance (GAF), which holds a 36.05% interest in the Tomago Aluminium smelter located near Newcastle, NSW
- Tomago is a world class smelter which manufactures around 550,000 tonnes of aluminium and employs over 1,200 people
- YEM13 EBIT up 3% following a higher realised price which includes hedging and premiums
- Ongoing volatility creating opportunities for GAF to increase short-term hedging position with 50% hedged for YEM15

Aluminium 3 month price per tonne (US$/A$)
1 Apr 2009 to 31 March 2014

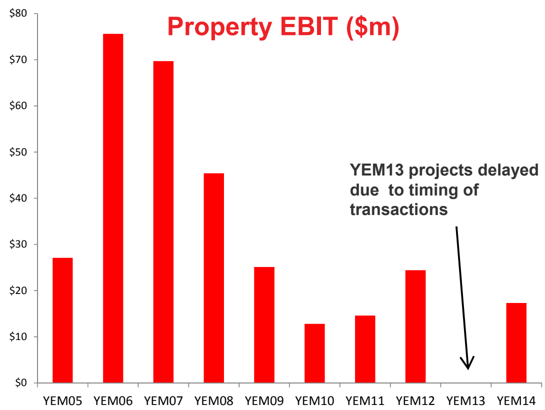


Platts – ingot premium (Japan Port) – US$ p/t



Property – developing surplus CSR sites

- In house team with extensive experience in managing large scale property projects including:
  - Site rezoning
  - Remediation
  - Biodiversity
  - Civil earthworks
  - Road construction
  - Infrastructure
- Provides the CSR businesses with strategic property advice on future impacts of urban expansion on key CSR sites



Update on medium-term development pipeline

Erskine Park, Sydney	■ Marketing of remaining 2 hectare, DA approved, industrial sub-division
Brendale, Brisbane	■ ~30 hectare industrial development. ■ Site remediation works completed with civil works underway
Pyrmont, Sydney	■ Redevelopment of multi-residential project above existing GTC site
Chirnside Park, Melbourne	■ 533 lot residential development. ■ Stage 2 and 3 sales underway – 130 lots sold to date

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Improving outlook for year ending 31 March 2015 (YEM15)

Building Products & Viridian	■ Building Products – expected to benefit from improved construction activity and from expansion into new markets through recent acquisitions ■ Viridian will benefit from full year impact of cost reduction initiatives – On track to exit the financial year with a breakeven EBIT run-rate
Aluminium	■ Hedging in place for 50% of net aluminium exposure in YEM15, 58% in 1H YEM15 (as of 30 April 2014) ■ Maintaining short-term hedging strategy ■ Premiums will help counter ongoing market weakness
Property	■ Earnings always subject to timing with a targeted range of $15-20m per year on average ■ Solid pipeline underpinned by Chirnside Park to be developed in several stages over the next five years
Group	■ CSR retains strong balance sheet and improved underlying competitive positions ■ Growth in market activity should benefit Building Products and Viridian as it flows through over the next 2-3 years