



Agenda

1. Overview – **Rob Sindel** Managing Director, CSR Limited
2. Group Financial Results – **Greg Barnes** CFO, CSR Limited
3. Business Unit Performance – **Rob Sindel**
4. Outlook – **Rob Sindel**

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CSR LIMITED PRESENTATION 2015

OVERVIEW



Strong performance across the group

REVENUE
\$2.0bn

↑ **16%**

EBIT¹
\$235.4m

↑ **87%**

NPAT¹
\$146.5m

↑ **82%**

**STATUTORY NET
PROFIT** \$125.5m

↑ **43%**

**EARNINGS PER
SHARE¹** 29.1c

↑ **82%**

**FULL YEAR
DIVIDEND** 20c

↑ **100%**

¹ EBIT, net profit and earnings per share are all before significant items. They are non-IFRS measures and are used internally 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 2015. All comparisons are to the year ended 31 March 2014 unless otherwise stated.

Significant progress to increase shareholder returns

Viridian turnaround	Brick sustainability	Asbestos
<ul style="list-style-type: none"> • Viridian returned to profitability ahead of schedule • Increased EBITDA¹ by \$27m over last two years • Strategic plan underway to drive revenue growth 	<ul style="list-style-type: none"> • Secured long-term sustainability of bricks following formation of Bricks JV on 1 May 2015 • Creates opportunities for future development of high value land assets 	<ul style="list-style-type: none"> • Overall provision down A\$105m from peak in YEM10 • US\$ provision down 47% from peak three years ago

¹ Before significant items.



Delivering on our strategy

	Strengthen and invest	<ul style="list-style-type: none"> • 31%¹ improvement in safety performance • Viridian returned to profitability • Launched Boral CSR Bricks JV
	Smarter, faster, easier	<ul style="list-style-type: none"> • Launched Gyprock Optimised Core • Production facility for CSR Velocity pre-fabricated walling system underway
	Adapting to changing lifestyles	<ul style="list-style-type: none"> • Expanding AFS Rediwall production capacity • Hebel product development to increase use in walls, flooring and other structural elements
	Comfort and energy efficiency	<ul style="list-style-type: none"> • Expansion of Bradford offering (Martini polyester, acoustic, ventilation, PIR foams and construction fabric)
	Customers	<ul style="list-style-type: none"> • CSR Connect online portal upgrade • Accelerated investment in digital services for customers

¹ Lost time injury frequency rate (per million work hours).



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GROUP FINANCIAL RESULTS



Financial results summary

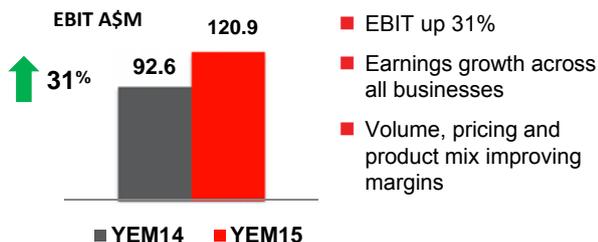
A\$m (unless stated)	YEM15	YEM14	change
Trading revenue	2,023.4	1,746.6	16%
EBITDA ¹	313.2	202.5	55%
EBIT¹	235.4	125.7	87%
Net finance cost ¹	(4.6)	(6.5)	
Tax expense ¹	(63.1)	(27.7)	
Non-controlling interests	(21.2)	(11.0)	
Net profit after tax¹	146.5	80.5	82%
Significant items after tax	(21.0)	7.6	
Statutory net profit after tax attributable to shareholders	125.5	88.1	43%
Earnings per share¹ [cents]	29.1	16.0	82%
EPS (after significant items) [cents]	24.9	17.5	42%
Dividends per share [cents]	20.0	10.0	100%

¹ All references are before significant items.

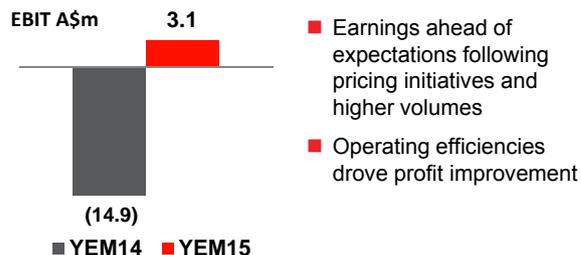
- Trading revenue of \$2.0bn up 16%
 - Higher volume and price
 - GAF realised aluminium price up 13%
- EBIT¹ of \$235.4m up 87%
 - Improved margins and continued cost reductions
- Effective tax rate of 27.3%¹
- Significant items of \$21.0m (after tax),
 - Change in classification for discount unwind charge
 - Remediation and restructuring costs
- Final dividend of 11.5 cents unfranked
 - Full year dividend doubles to 20.0 cents – payout ratio of 69% of net profit after tax¹

EBIT¹ improved across all divisions

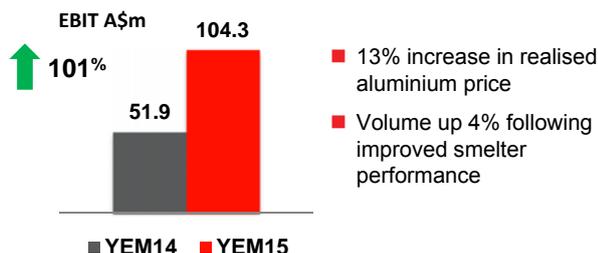
Building Products



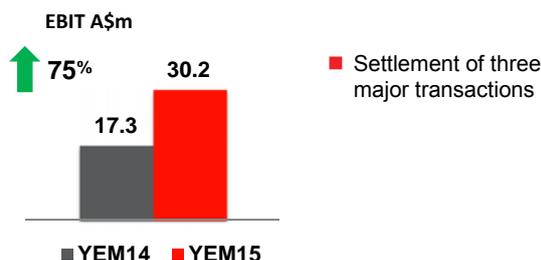
Viridian



Aluminium



Property



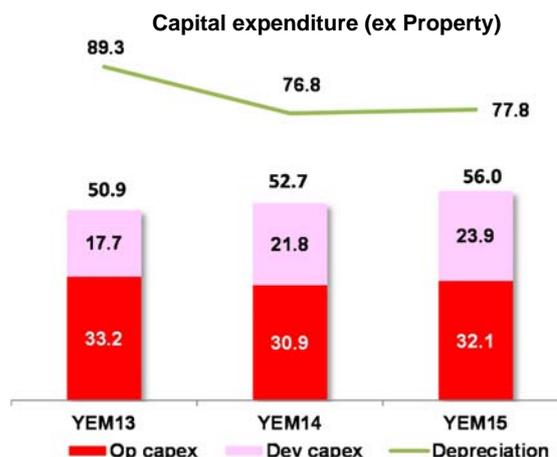
1. EBIT before significant items.



Operating cash flow up 106%

A\$m	YEM15	YEM14
EBITDA	313.2	202.5
Net movement in working capital	(1.8)	(7.9)
Profit on asset disposals	(35.4)	(19.6)
Movement in provisions/other	4.5	10.9
Operating cashflows (pre tax, asbestos & sig. items)	280.5	185.9
Asbestos payments	(31.1)	(33.8)
Tax paid	(2.5)	0.5
Significant items	(16.0)	(40.5)
Operating cashflows (post tax & sig. items)	230.9	112.1

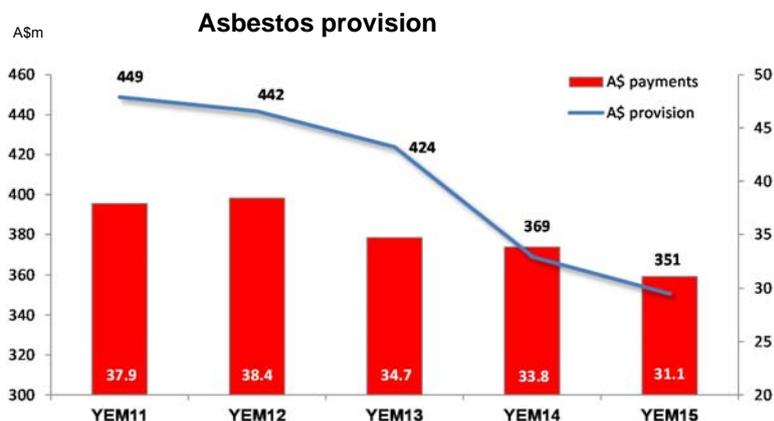
- 106% growth in operating cash flows
 - Largely due to earnings improvements
 - Working capital management
- Net Property cash inflows of \$40.5m
- YEM16 capex (ex Property) expected to increase in line with depreciation (excluding acquisitions)



Reduction in asbestos liability

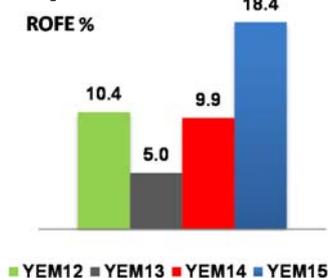
A\$m	YEM15
Opening balance as of 1 April	369.1
Cash paid	(31.1)
Unwinding of discount	12.7
Closing balance as of 31 March 2015	350.7

- Product liability provision of A\$350.7m – lowest level in 10 years
- Provision includes a prudential margin of 19.2% (\$56.5m) above the aggregate of independent actuarial estimates
- Cash payments A\$31.1m, down 8% on prior year



ROFE improving across the group

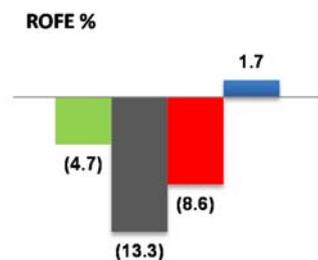
CSR Group



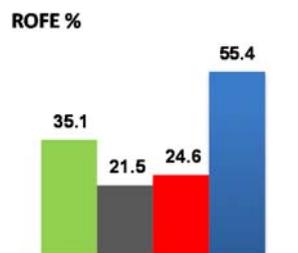
Building Products



Viridian



Aluminium



All ROFE calculations based on EBIT (before significant items) for the 12 months to 31 March divided by average funds employed which excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.



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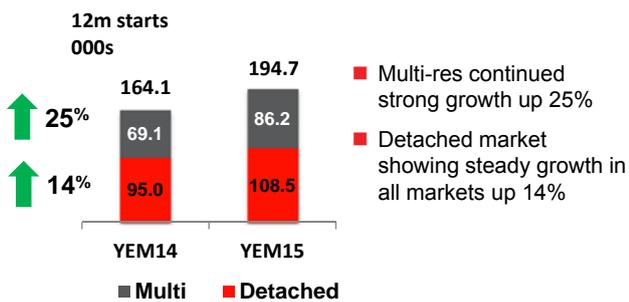
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BUSINESS UNIT PERFORMANCE

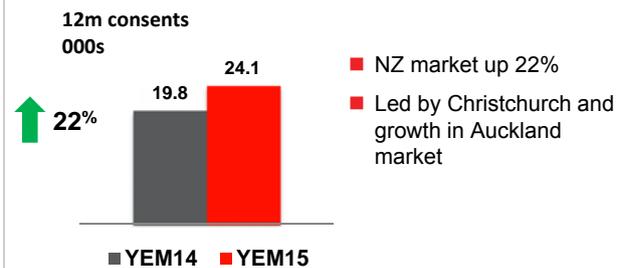


Residential construction activity leading the market

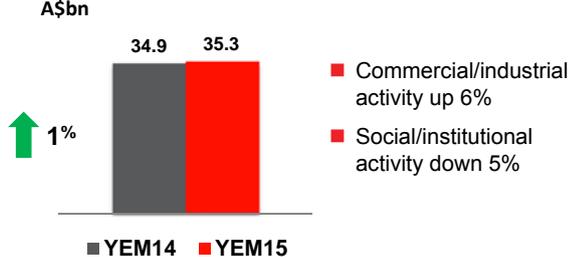
Australia – residential ¹



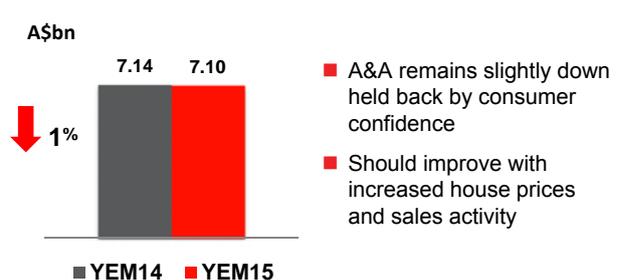
New Zealand – residential ³



Australia – non-residential ²



Australia – A&A ²

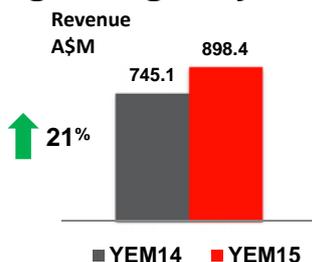


1. Source ABS data – (two quarter lag – actual 12 months to September)
 2. Source ABS actual, BIS Shrapnel forecast (value of work done – 12 months to March)
 3. Source Statistics New Zealand - (residential consents 2 quarter lag – actual 12 months to September)

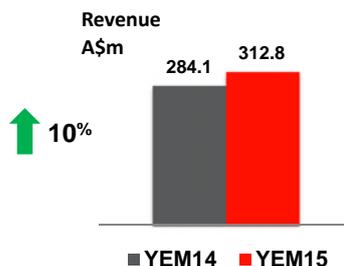


Higher revenues from improved market activity

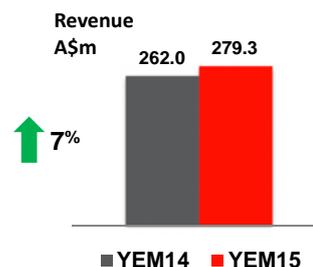
Lightweight Systems



Bricks & Roofing



Viridian

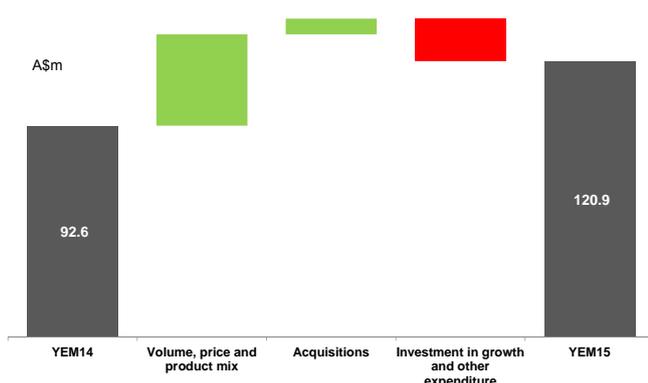


Building Products earnings and margin improving

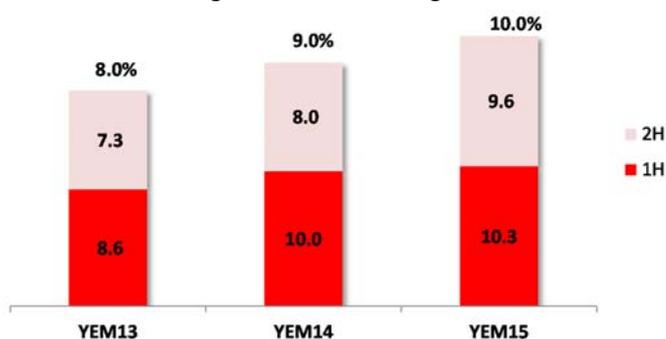
A\$m unless stated ¹	YEM15	YEM14	change
Lightweight Systems	898.4	745.1	21%
Bricks and Roofing	312.8	284.1	10%
Trading revenue	1,211.2	1,029.2	18%
EBITDA	161.0	130.6	23%
EBIT	120.9	92.6	31%
Funds employed ²	823.6	791.5	4%
EBIT/trading revenue	10.0%	9.0%	
Return on funds employed³	15.0%	12.0%	

1 EBITDA and EBIT (before significant items).
2 Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
3 Refer footnote on slide 12.

Building Products movement in full year EBIT



Building Products EBIT Margin %



- Building Products EBIT up 31%
 - Higher sales volumes and operational improvements
- EBIT margin improvement accelerating in 2nd half as volume, pricing and product mix took effect



Viridian significant EBIT improvement

A\$m unless stated ¹	YEM15	YEM14	change
Trading revenue	279.3	262.0	7%
EBITDA	12.8	(4.1)	NM
EBIT	3.1	(14.9)	NM
Funds employed ²	181.0	183.0	(1%)
EBIT/trading revenue	1.1%	NM	
Return on funds employed³	1.7%	NM	

- 1 EBITDA and EBIT (before significant items).
- 2 Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
- 3 Refer footnote on slide 12.

Viridian movement in full year EBIT



- 7% revenue growth achieved from pricing initiatives and higher volumes
 - First YOY improvement in revenue for six years
- Significant EBIT improvement
 - Full benefit of restructuring initiatives flowing through
 - Improved utilisation of Dandenong float glass plant
- Viridian NZ improvement from strong construction activity and operational initiatives

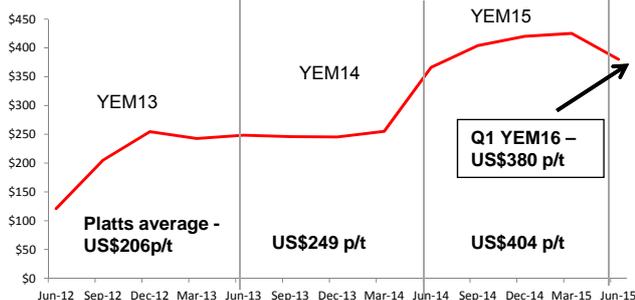


Increase in aluminium realised prices

A\$m unless stated ¹	YEM15	YEM14	change
Sales (tonnes)	202,423	195,591	3%
A\$ realised price ²	\$2,633	\$2,328	13%
Trading revenue	532.9	455.4	17%
EBITDA	131.5	78.8	67%
EBIT	104.3	51.9	101%
Funds employed ³	177.1	199.2	(11%)
EBIT/trading revenue	19.6%	11.4%	
Return on funds employed⁴	55.4%	24.6%	

- 1 EBITDA and EBIT (before significant items).
- 2 Includes hedging and premiums.
- 3 Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
- 4 Refer footnote on slide 12.

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



Source: Platts Metals week

- Higher ingot premiums led to 13% increase in realised aluminium price of A\$2,633 p/t
- EBIT margin improved to 19.6% due to higher price and improved smelter performance
- Continued to increase hedge book for YEM16

Aluminium hedge book (as of 31 April 2015)

	YEM15
Average hedged aluminium price A\$ per tonne (excludes premiums)	A\$2,311
% of net aluminium exposure hedged	59%



Property results higher

A\$m unless stated ¹	YEM15	YEM14	change
EBIT	30.2	17.3	75%

¹ EBIT (before significant items)

Chirnside Park development



Stage 1 completed homes

- Property EBIT of \$30.2m includes settlement of three transactions:
 - New Lynn, Auckland multi-residential development site – first parcel
 - Pyrmont, Sydney multi-residential development site at Gyprock Trade Centre
 - Ingleburn, Sydney – surplus industrial land
- Chirnside Park, Vic - 533 lot residential development proceeding on schedule
 - 186 sales contracts exchanged to date for stages 2 and 3



Bricks JV – building long-term Property pipeline

	Schofields, NSW	Horsley Park, NSW
Size	70ha – future residential	30ha – surplus land future industrial
Zoning	Up to two years for zoning completion	Zoned industrial
Area	<ul style="list-style-type: none"> • Rapidly growing area in northwest Sydney • Richmond Road upgrade completed • North West Rail Link underway – opening in 2019 	<ul style="list-style-type: none"> • Established industrial area • Adjacent to Oakdale Industrial Park (Goodman development)
Timing	<ul style="list-style-type: none"> • Stage 1 – surplus land 3+ years 	Subdivision of surplus land to be completed by end of 2015 Stage 1 – to be completed by end of 2016
Rehabilitation	Quarry rehabilitation underway	Up to four years from early 2016
Lot potential	Between 1,000 to 1,200 lots	30ha industrial park



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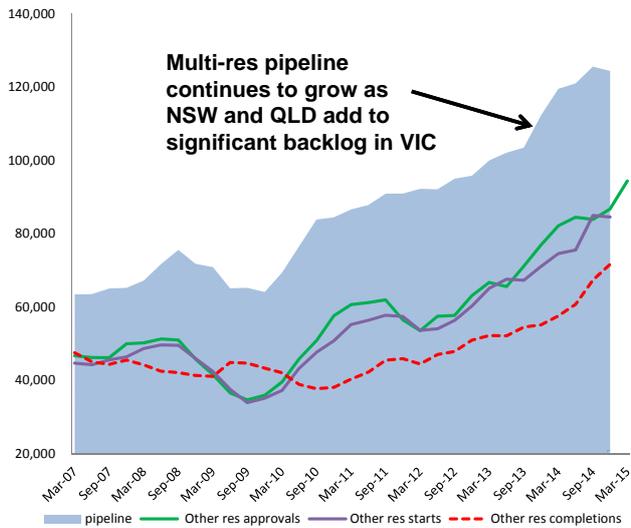
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OUTLOOK

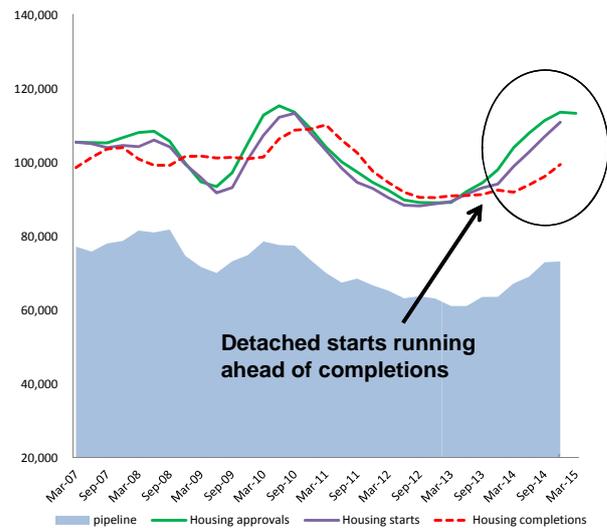


Pipeline remains strong in residential construction

Multi-residential (MAT)



Detached (MAT)



Source: ABS - Pipeline includes dwellings approved and under construction, but not yet completed (ABS cat 8752)



Outlook for year ending 31 March 2016 (YEM16)

Building Products

- Building approvals for both detached and multi-residential housing remain strong
- Expected to lead to increased demand for CSR products
- From 1 May 2015, results will include the consolidated earnings from Bricks JV

Viridian

- Targeting new opportunities for revenue growth – particularly in residential performance and commercial and architectural design markets
- Modest levels of capital and customer service initiatives should be more than offset by improved market activity and growth in higher margin products.

Aluminium

- 59% of net sales for YEM16 currently hedged at an average price of A\$2,311 per tonne (before premiums).
- Q1 YEM16 Platts Main Japanese Port premiums down 11% - spot prices have fallen further in recent weeks
- US\$ dollar cash LME price up US\$154 per tonne during the month of April 2015

Property

- Earnings are always subject to timing of transactions
- Boral CSR Bricks JV provides additional development opportunities of selected high value land assets over the next 5-10 years.



Review of significant items

<i>A\$m (unless stated)</i>	YEM15	YEM14
Unwind of product liability provision	(12.7)	(12.1)
Reduction in product liability provision	---	33.0
Legal disputes, warranties and remediation	(14.2)	(13.3)
Transaction costs	(4.5)	(3.5)
Other restructuring costs	(6.5)	---
Significant items before tax	(37.9)	4.1
Income tax benefit on significant items	16.9	3.5
Significant items after tax	(21.0)	7.6

