

CSR Limited

Triniti 3 39 Delhi Road
North Ryde NSW 2113
Australia
T +612 9235 8000
F +612 8362 9013
E-mail investorrelations@csr.com.au
www.csr.com.au
ABN 90 000 001 276

12 May 2015

CSR announces 82%¹ rise in full-year net profit (pre significant items)², to \$146.5 million

CSR Limited ("CSR") reported an 82% increase in net profit after tax (pre significant items) to \$146.5 million for the year ended 31 March 2015. After significant items, net profit after tax was \$125.5 million, up 43%.

The growth in earnings led to a 106% increase in operating cash flows to \$230.9 million, and a doubling of the full-year dividend to 20 cents per share.

The substantial lift in full-year net profit to the highest level in five years reflects strong performance from all divisions, said CSR Managing Director Rob Sindel.

"The hard work over the last few years to improve our customer service and the efficiency of our operations has strengthened CSR's foundations and positioned us to increase returns as construction markets improve," Mr Sindel said.

"The fundamentals are in place. Our operations across all key businesses are now safer, more energy-efficient and have lower cost structures.

"This includes Viridian where the business has returned to profitability and our turnaround is ahead of schedule."

The company recognises that its core markets are changing and it has a clear strategy to address this, Mr Sindel said.

"Over the past 18 months we have increased our exposure to multi-residential construction through acquisition and investment, and accelerated our investment in digital services for customers and in developing building systems which are smarter, faster and easier to use.

"The recent commencement of the Boral CSR Bricks joint venture will further improve the competitiveness of the business and enable the release of significant property for development in the years ahead.

"In Aluminium, operational improvements drove increased production and, with higher aluminium prices, earnings more than doubled. We continue to increase our hedging position when pricing opportunities arise."

¹ All comparisons are to the year ended 31 March 2014 unless otherwise stated.

² EBIT and net profit are before significant items. They are non-IFRS measures 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 (YEM15).



Outlook

Looking at the outlook for the year ending 31 March 2016 (YEM16), CSR confirmed:

In **Building Products**, building approval levels for detached and multi-residential housing remain strong. This is expected to lead to increased demand for CSR's products across detached and multi-residential segments. From YEM16 onwards, the results will include the consolidated earnings from the Boral CSR Bricks JV which began operations on 1 May 2015.

Having returned **Viridian** to profitability and restructured the business to focus on key market segments, management is targeting new opportunities for revenue growth – particularly in residential performance and the commercial and architectural design markets. This will require modest levels of investment in capital and customer service initiatives over the next two to three years, which should be more than offset by improved market activity and growth in higher-margin products.

In **Aluminium**, Gove Aluminium Finance (GAF) – in which CSR has a 70% stake – continues to increase its hedge book when pricing opportunities arise, with 59% of net sales for YEM16 currently hedged at an average price of A\$2,311 per tonne (before premiums).

We have seen increased volatility in premiums in recent months as a result of increased exports from China and lower LME inventories. For the first quarter of CSR's current financial year (YEM16), premiums declined by approximately 11% (Platts Main Japan Port premium) for the quarter to US\$380 per tonne. Spot prices for premiums have fallen further in recent weeks.

Conversely, LME pricing has strengthened recently, with the US dollar cash LME aluminium price increasing by US\$154 per tonne during the month of April 2015.

Property earnings are always subject to timing of completion of transactions. The formation of the Boral CSR Bricks JV provides additional opportunities for development of selected high-value land assets over the next five to 10 years.

In summary, CSR expects to make further progress this year as we build on our strategy to invest in growth opportunities that accelerate the construction process while improving the comfort and performance of buildings.

Media/analyst enquiries:

Andrée Taylor
CSR Limited Investor Relations
Tel: +61 2 9235 8053
email: ataylor@csr.com.au
www.csr.com.au