RESULTS PRESENTATION

Half year ended 30 September 2019

CSR

Agenda

Details	
1.	**Results Overview** – Julie Coates, CEO & Managing Director, CSR Limited
2.	**Financial Results** – David Fallu, Chief Financial Officer, CSR Limited
3.	**Market & Outlook** – Julie Coates
4.	**Appendices**

RESULTS OVERVIEW

Julie Coates, CEO & Managing Director CSR Limited

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Key highlights

Financial performance

- Statutory NPAT of $68.8m[1] – down 19% for continuing operations
- CSR Group EBIT of $113.1m[1] (before significant items) – down 16%
  - Building Products EBIT down 18% reflecting slower market activity.
  - No Property transactions recorded during the period
- Statutory NPAT result higher than prior comparable period following completion of Viridian sale in January 2019
- Interim dividend of 10 cents per share representing a payout ratio of approximately 70% with a special dividend of 4 cents per share (both franked to 50%)

Strong financial position

- Net cash of $142m
- Supports investment in Building Products, Property and Capital Management
- $100m share buyback ongoing
  - $47m purchased to date

Safety and Sustainability

- TRIFR (MAT) 10.8 at 30 September 19 compared to 10.2 at 31 March 19
  - Detailed plans in place for upcoming maintenance period
- 3% decrease in $CO_{2\text{-}e}$ emissions in 2019[2]
- Met and exceeded 2020 year target to minimise waste production and $CO_{2\text{-}e}$ emissions

1. CSR adopted AASB 16 *Leases* effective 1 April 2019, resulting in an increase to EBIT of $3.5 million and decrease to NPAT of $0.9 million for the half year to 30 September 2019. The comparative period has not been restated, refer to Note 19 in the half year report.
2. For the 12 months ended 30 June 2019 and excludes Viridian operations.

Solid performance across all businesses

Building Products

- EBIT down 18% - in line with slowdown in residential activity
- Achieved key targets:
  - ROFE[1] of 19.4% (target >15%)
  - EBIT margin of 11.4% (target > 10%)
- Operations underway at new $75m Hebel factory
- PGH Brick Darra plant closure completed in July 2019 to improve fixed cost position
- Overheads adjusted to reflect market conditions while retaining flexibility for future growth

Property

- Confirmed sale of 20ha at Horsley Park for proceeds of ~$140m
  - Underpins earnings in future years
- No EBIT recognised during the period due to timing of transactions
- Good progress on key development opportunities

Aluminium

- EBIT up 10% with improved cost position
- Locked in 100% of key alumina input costs
- Good operational performance at the Tomago smelter

1. All ROFE calculations are based on EBIT (before significant items) for the 12 months to 30 September divided by average funds employed which excludes cash and tax balances and certain other non-trading assets and liabilities. Refer to Note 2 in the half year report. ROFE increased for Building Products by approximately 1% following the adoption of AASB 16 *Leases* effective 1 April 2019.

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RESULTS

David Fallu, Chief Financial Officer, CSR Limited

Group results for the half year

Results summary			
A$m (unless stated)	**HY20[2]**	**HY19**	**change**
Trading revenue from continuing operations	**1,150.1**	1,198.7	(4%)
EBIT from continuing operations			
Building Products	95.9	116.5	(18%)
Property	(2.2)	4.3	(151%)
Aluminium	25.4	23.0	10%
Corporate	(6.0)	(8.8)	
Group EBIT from continuing operations	**113.1**	135.0	(16%)
Net finance costs	(4.8)	(1.7)	
Tax expense	(30.5)	(38.3)	
Non-controlling interests	(6.2)	(5.4)	
Net profit after tax from continuing operations [1]	**71.6**	89.6	(20%)
Significant items after tax from continuing operations	(2.8)	(4.9)	
Statutory net profit after tax from continuing operations	**68.8**	84.7	(19%)
Statutory net loss after tax from discontinued operations	**-**	(57.9)	
Total statutory net profit after tax	**68.8**	26.8	157%

1. All references are before significant items.
2. CSR adopted AASB 16 *Leases* effective 1 April 2019, resulting in an increase to EBIT of $3.5 million and decrease to NPAT of $0.9 million for HY20. The comparable period has not been restated, refer Note 19 in the half year report.

- Revenue down 4% reflecting slowdown in residential construction
- CSR Group EBIT down 16% to $113m reflecting lower Building Products result and timing of Property transactions
- Aluminium EBIT up 10% with improved cost position
- Statutory NPAT from continuing operations down 19% to $68.8m
- Statutory result higher following completion of Viridian sale

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Building Products EBIT lower as residential construction market slowed

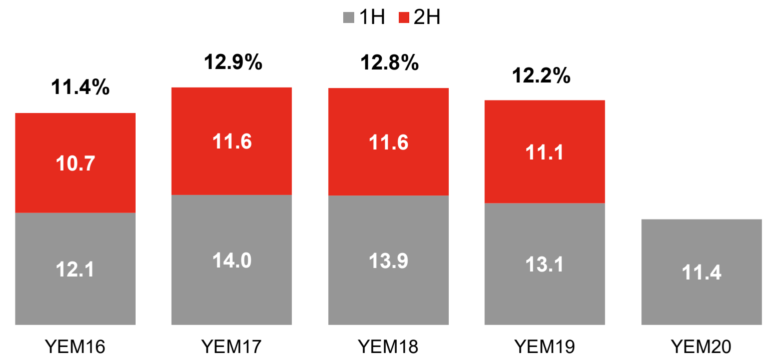
A$m unless stated	HY20	HY19	change
Revenue	**839.4**	887.2	(5%)
EBIT [1]	**95.9**	116.5	(18%)
Funds employed[2]	932.5	979.0	(5%)
EBIT/revenue	11.4%	13.1%	
Return on funds employed[3]	19.4%	22.1%	

- Revenue down 5% as volumes lower reflecting slower construction activity
- EBIT of $95.9m down 18%
  - Gyprock EBIT stable
  - PGH Bricks, AFS and Hebel down due to slower market
  - New product growth at lower margin

EBIT A$m

HY19 EBIT	**$116.5**
Volume	(25)
Price net of costs and operational improvement	(2)
SG&A and overhead savings	3
Other	3
HY20 EBIT	**$95.9**

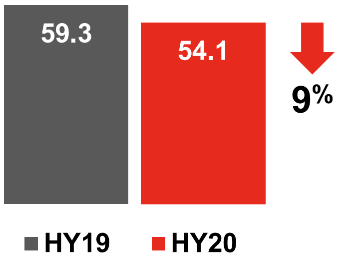
EBIT Margin %



1. EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 30 September.
3. Refer to Note 2 in the half year report.

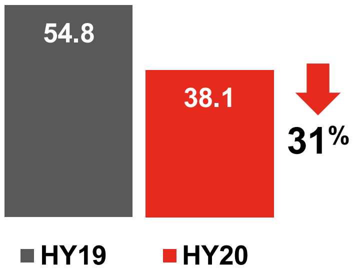
Commercial activity stable, significant slowdown in residential markets

Detached Housing[1] (6m, 000s)



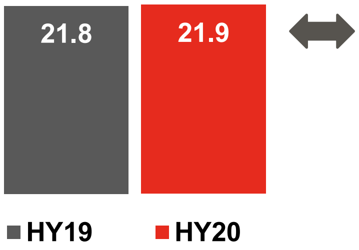
- VIC relatively robust – down 3%
- NSW down 8% and QLD down 18%

Medium and High Density[1] (6m, 000s)



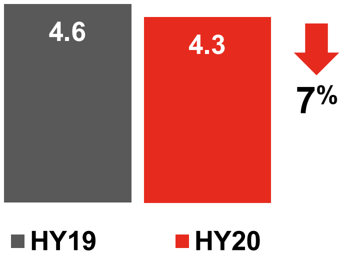
- Anticipated downturn
- Medium density down 19%
- High density down 38%

Non-residential[2] (A$bn)



- Commercial market growth of 3% and social down 4%
- Approvals remain elevated at $47bn pa – sustaining the pipeline of activity

Alterations and Additions[2] (A$bn)



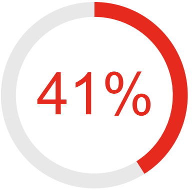
- Impacted by house price movement and consumer confidence

1. Source: ABS data – (original basis one quarter lag – i.e. 6 months to March
2. Source: ABS, BIS Oxford Economic forecast (value of work done 6 months to September)

Broader revenue base from wider market opportunities

HY20 Building Products revenue – A$839 million

Lightweight Systems



HY20 revenue
$344m
in line with HY19

GYPROCK · CEMINTEL · HIMMEL INTERIOR SYSTEMS · POTTER INTERIOR SYSTEMS · RONDO

- Performance benefitted from diversified revenue base across residential and commercial sectors
- EBIT and EBIT margins stable

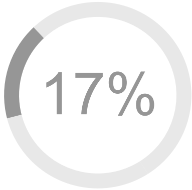
Energy & Roofing Solutions

HY20 revenue
$252m
in line with HY19

Bradford · martini · MONIER ROOFING

- Bradford insulation EBIT steady due to diversified market segments
- Monier roofing EBIT lower due to slower detached housing and one-off impacts following integration with Bradford to drive additional cost savings

Bricks

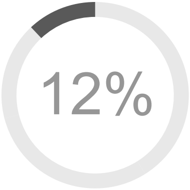


HY20 revenue
$143m
down 13% on HY19

PGH BRICKS & PAVERS

- Volumes lower as detached housing has fallen on east coast
- EBIT lower with Darra closure completed in July 19

Construction Systems



HY20 revenue
$100m
down 21% on HY19

hebel The better way to build · afs smarter permanent formwork. · Inclose Unitised Rainscreen Facades · VELOCITY Accelerating Quality Building

- Volumes and pricing in Hebel and AFS impacted by sharp slowdown in NSW high density market
- EBIT lower reflecting lower market activity

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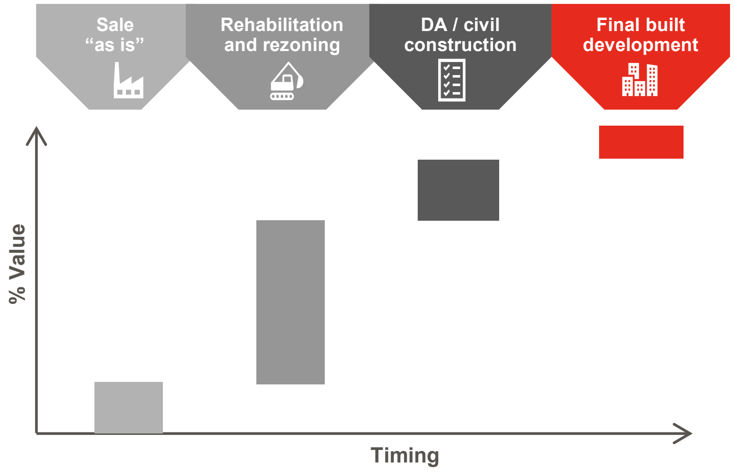
Significant Property transactions to be recorded in future years

A$m unless stated [1]	HY20	HY19	change
EBIT	**(2.2)**	4.3	(151%)
Funds employed[2]	173.6	181.4	(4%)
Return on funds employed[3]	18.2%	3.1%	

1. EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 30 September.
3. Refer Note 2 in the half year report. ROFE varies due to timing of projects.



- Continued to execute against strategy with material progress on key development projects
- No significant Property EBIT recorded in first half due to timing of transactions
- Supported future expansion through strategic site acquisition
- Executed sale of Horsley Park Stage 2 for proceeds of approximately $140m, expected to be recorded in two 10-hectare stages in YEM21 and YEM23

Schofields, NSW (Residential)

- Full zoning approval of the 70-hectare site is expected by early 2020 (approximately 1,525 lots).
- Around 450 lots (Stage 1 of 28ha) are expected in mid 2021 with earnings generated in YEM22.

Brendale, QLD (Industrial)

- Contracts exchanged on 15 lots (8ha) with EBIT of approximately $3.5m expected by the end of YEM20.
- Marketing continues on the remaining 18ha with construction expected to be completed in late 2020.

Warner, QLD (Residential)

- Residential zoning application under review.
- Subject to zoning, potential for around 450 lots.
- Public exhibition of zoning plans commenced in October 2019

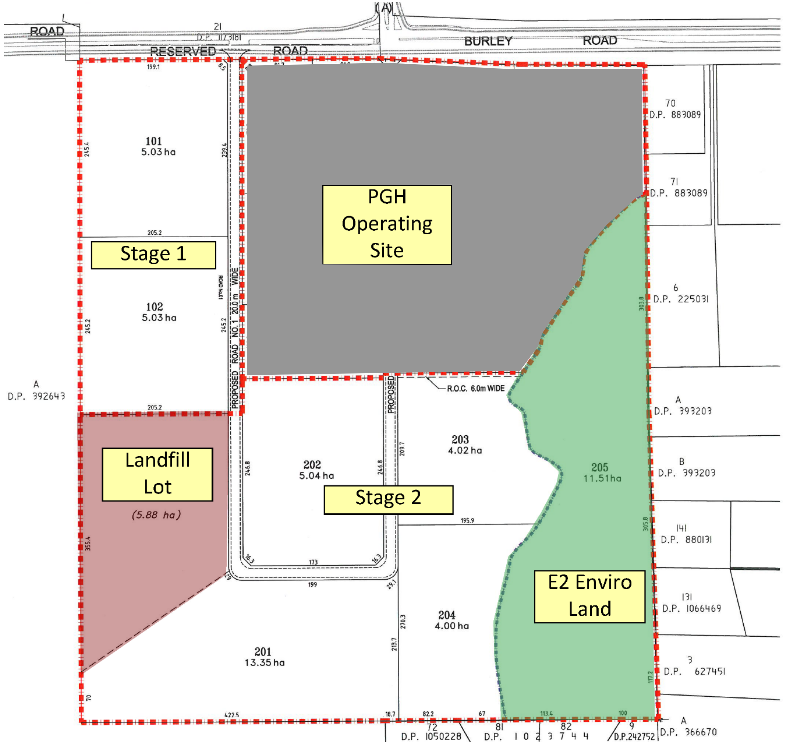
Chirnside Park, VIC (Residential)

- 517 of the 582 lots have been sold generating $44m EBIT in previous years
- Contracts now exchanged on 10 of the 18 duplexes with settlement expected in YEM21

$140m sale of Horsley Park Stage 2

Horsley Park transaction overview

- **Stage 1 (10ha):** sold in April 2019 for $58m with EBIT of $32m recorded in YEM19
- **Stage 2 (20ha):** Announced sale on 1 November 2019 for approximately $140m with EBIT of approximately $90m to be recorded in two 10-hectare stages in YEM21 and YEM23
  - Sale contract includes CSR control and management of rehabilitation, roads and infrastructure construction
  - The sale is subject to approval by the Foreign Investment Review Board
- **Stage 3 (20ha):** currently a PGH Bricks operating plant
  - Development applications lodged for future redevelopment of site if required in future years



Aluminium – EBIT higher reflecting lower input costs

A$m unless stated [1]	HY20	HY19	change
Sales (tonnes)	**105,026**	104,959	—
A$ realised price[2]	2,959	2,967	—
Revenue	**310.7**	311.5	—
EBIT	**25.4**	23.0	10%
Funds employed[3]	137.2	142.8	(4%)
EBIT/revenue	8.2%	7.4%	
Return on funds employed[4]	27.9%	38.6%	

EBIT movement A$m

HY19 EBIT	**23.0**
Volume	—
Price in A$ including hedging	(1.0)
A$ alumina raw material cost	8.3
Delivered coal cost	(1.0)
Pot relining	(1.1)
Stock adjustments, warehouse, other	(2.8)
HY20 EBIT	**25.4**

1. 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 30 September.
4. Refer Note 2 in the half year report.

GAF aluminium hedge book

As of 31 October 2019	2H YEM20	YEM21	YEM22
Average price A$ per tonne (excludes premiums)	A$ 2,763	A$ 2,976	A$ 2,830
% of net aluminium exposure hedged	72%	16%	3%

- Revenue steady as beneficial hedging offsets lower price and currency
- Alumina cost lower due to lower US$ LME aluminium price
- Delivered coal cost has stabilised
- Contracts secured for 100% of alumina requirements which begin in January 2020 with staged end dates over three years
- Total electricity cost remains key issue

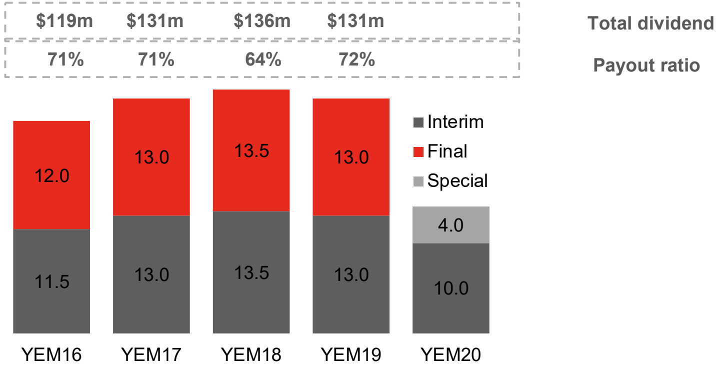
Strong cash flow generation

Operating cash flow

A$m	HY20	HY19	change
EBITDA [1]	**163.0**	182.0	(10%)
Net profit on asset disposals	(0.4)	(7.2)	
EBITDA excluding asset disposals	**162.6**	174.8	(7%)
Net movement in working capital	(11.1)	(43.2)	
Movement in provisions/other	2.9	(6.0)	
Operating cashflows (pre tax, asbestos & sig. items)	**154.4**	125.6	23%
Asbestos payments	(12.9)	(15.0)	
Tax paid	(16.9)	(14.9)	
Significant items	(8.2)	(5.3)	
Operating cashflows (post tax & sig. items)	**116.4**	90.4	29%

1. CSR adopted AASB 16 *Leases* effective 1 April 2019, resulting in an increase to EBITDA of $19.5 million for HY20. The comparative period has not been restated, refer to Note 19 in the half year report.

Dividends

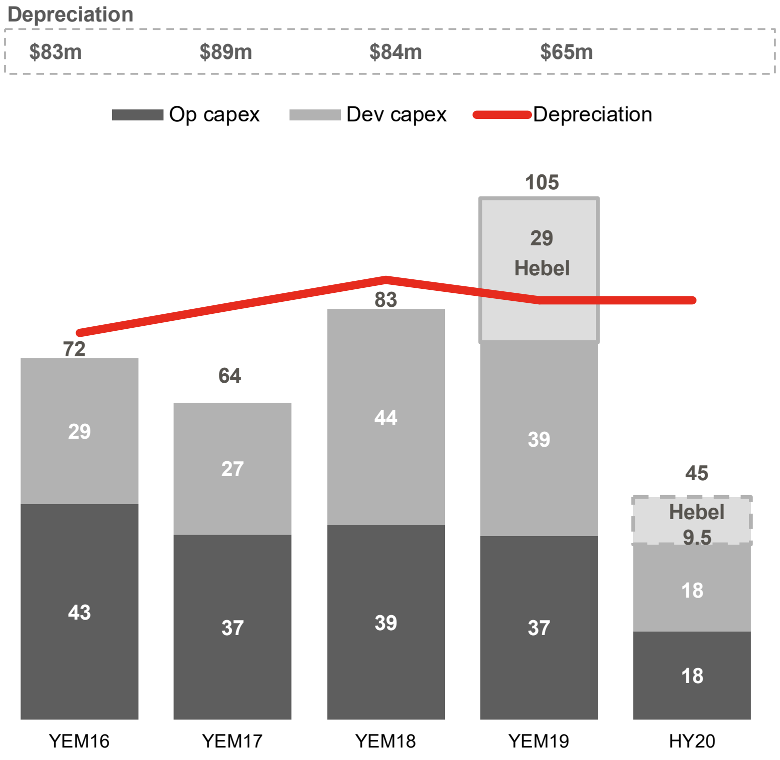


- Cash flow improved as previous year was impacted by timing of aluminium shipments
- HY20 excludes lease payments of $21.5m which are now treated as a financing cash flow
- Net cash of $141.6m increased from $50m at 31 March 2019 following proceeds from Property ($82m) and the final Viridian deferred consideration ($78.5m)
- Deferred cash proceeds of $30m from Rosehill Property sale to be received in YEM21 following lease extension.
- Interim dividend of 10 cents per share representing a payout ratio of ~70% with a special dividend of 4 cents per share (both dividends with 50% franking)

Strong financial position supports investment in Building Products and Property

- Major Building Products projects include:
  - Hebel – $75m expansion at Somersby, NSW completed in April 2019 ($9.5m in HY20)
  - $7m land purchase in southern highlands in NSW for future site network planning
- $20.9m in Property capex in HY20
- Total capex for the full year expected to be approximately $150 million (including Property).
- $100 million share buyback launched in March 2019
  - $47m purchased to date
  - Share buyback to continue during YEM20

Capital expenditure (ex property & acquisitions, A$m)



1. YEM19 and HY20 excludes Viridian Glass.

3

MARKET & OUTLOOK

Julie Coates, CEO & Managing Director

CSR

Initial observations

Impressions

› Experienced and passionate team

› Large manufacturing footprint & extensive distribution network

› Diverse customer base

› Strong, market leading brands

› Large and valuable property portfolio and development capability

Key focus areas

› Spending more time at our sites and with our teams and customers

› Managing business prudently in current environment whilst continuing to invest in medium and long term growth opportunities

› Improving the customer experience

› Determining the priorities to unlock the next phase of growth

Opportunities

› Optimise manufacturing footprint

› Drive supply chain efficiency and productivity improvement

› Greater customer loyalty

› Leverage property capability and unlock value from property assets

› Embed more collaboration across business to realise full potential across CSR

CSR opportunity across extensive manufacturing and distribution network

MANUFACTURING AND SUPPLY CHAIN EXPERTISE

180+
major manufacturing, distribution and property sites across Australia and NZ

2,900+
employees

$1bn+
in goods and services procurement

Wide manufactured base plus imported and brought-in lines

EXTENSIVE DISTRIBUTION NETWORK

55
Gyprock Trade Centres

38
Gyprock aligned lining specialists

16
PGH/Monier selection centres

26
Bradford distribution centres

Supply and fix services

Aligned resellers

CUSTOMER REACH

18,000+
customers across Australia/NZ

24/7
digital access for ordering, invoicing, payments and delivery tracking

Technical and design support

Real-time delivery tracking

BRAND STRENGTH

Trusted and recognised in construction sector

Innovation in smarter and faster construction

Market leading brands

GYPROCK
Bradford
afs smarter permanent formwork.
martini
HIMMEL INTERIOR SYSTEMS
MONIER
CEMINTEL
hebel The better way to build
POTTER INTERIOR SYSTEMS
PGH BRICKS & PAVERS

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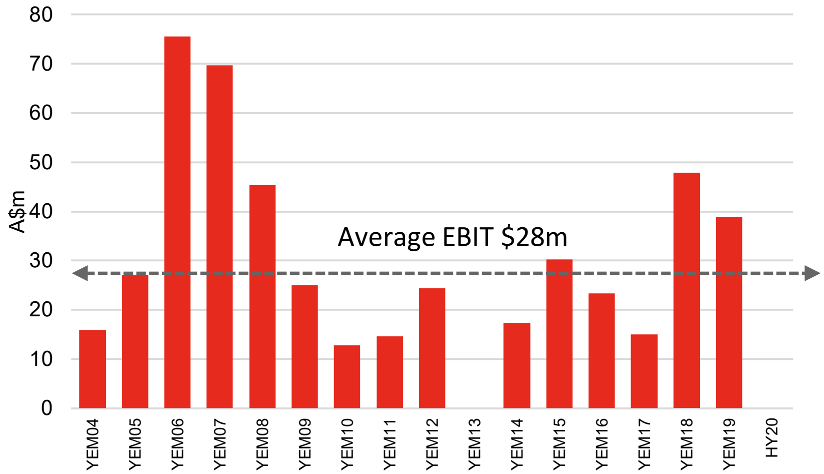
Property presents significant opportunity

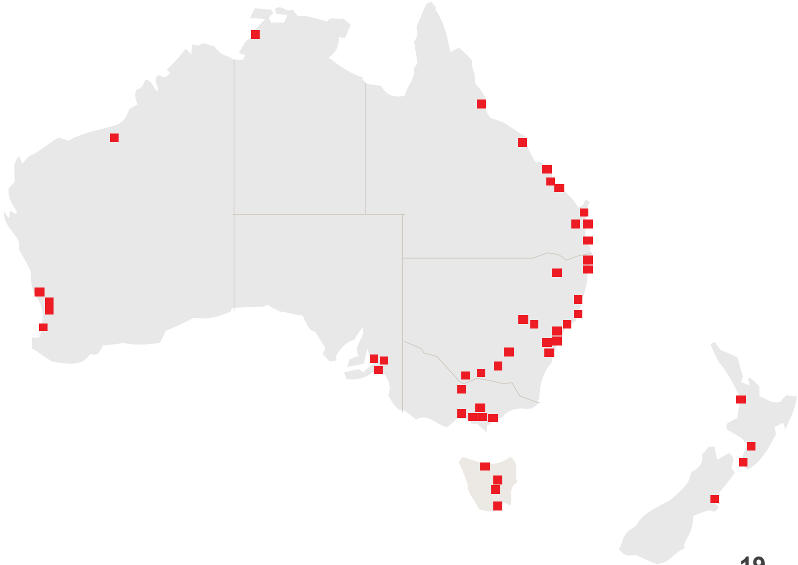
- Site network has significant scale and opportunity
- Property team has strong development capability
- Strategically significant assets with considerable optionality
- Value-led approach to optimise operating footprint and maximise returns

Property EBIT



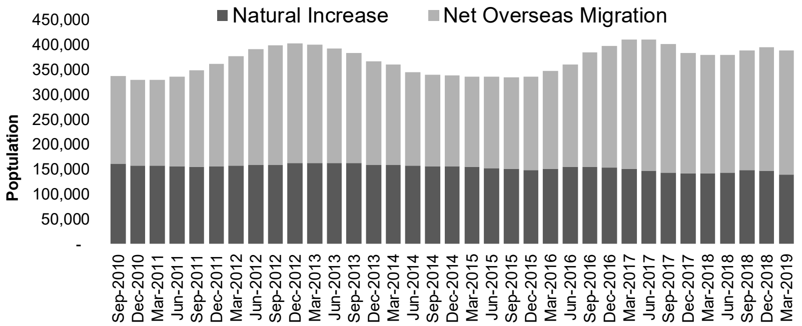
CSR's Extensive Site Network

58 Freehold Sites	› 1,438 hectares owned by CSR – includes operating sites
125 Leasehold sites	› Strategic locations across Australia and NZ

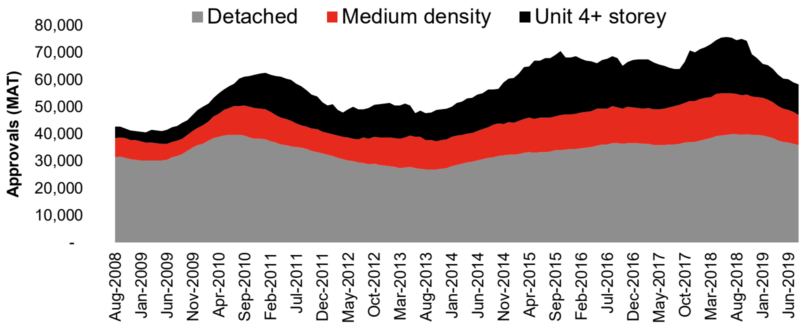


Strong fundamentals underpin construction demand over the longer-term

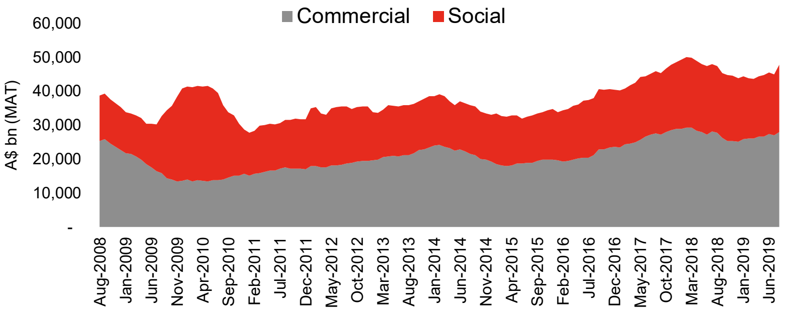
Australian population growth



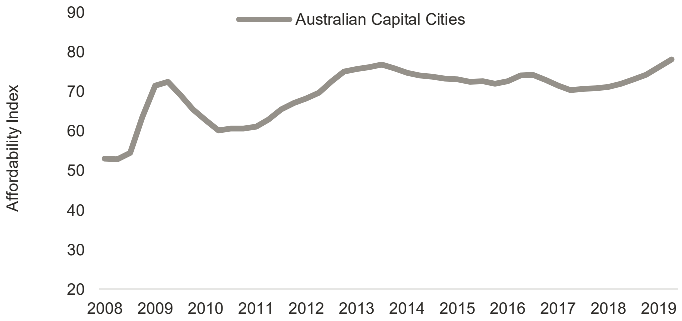
Stability in detached housing market



Non-residential construction growth



Housing affordability improving



Source: ABS cat 8731, 3101, 6291, 6354

Source: HIA Housing Affordability Index

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Outlook for year ending 31 March 2020 (YEM20)

Building Products	› As per previous years, the results in the second half are expected to be lower than the first half due to the seasonality in volumes. › Medium to longer term demand supported by population growth, high employment and lower interest rates.
Property	› While ongoing development continues on a number of projects, any additional sales confirmed in the second half of the year are not expected to result in material levels of earnings being recorded in YEM20
Aluminium	› The increase in first half earnings reflects the benefit of the current hedge position which remains at this level for the second half of the year. As of 31 October 2019, 72% of net aluminium exposure for the second half of YEM20 is hedged at an average price of A$2,763 per tonne (excluding ingot premiums).
CSR Group	› Noting that the YEM20 results are unlikely to include any significant earnings from Property, CSR expects to deliver net profit after tax (before significant items) for YEM20 between the low end ($107 million) and median ($133 million) of the analyst range reported on Bloomberg.

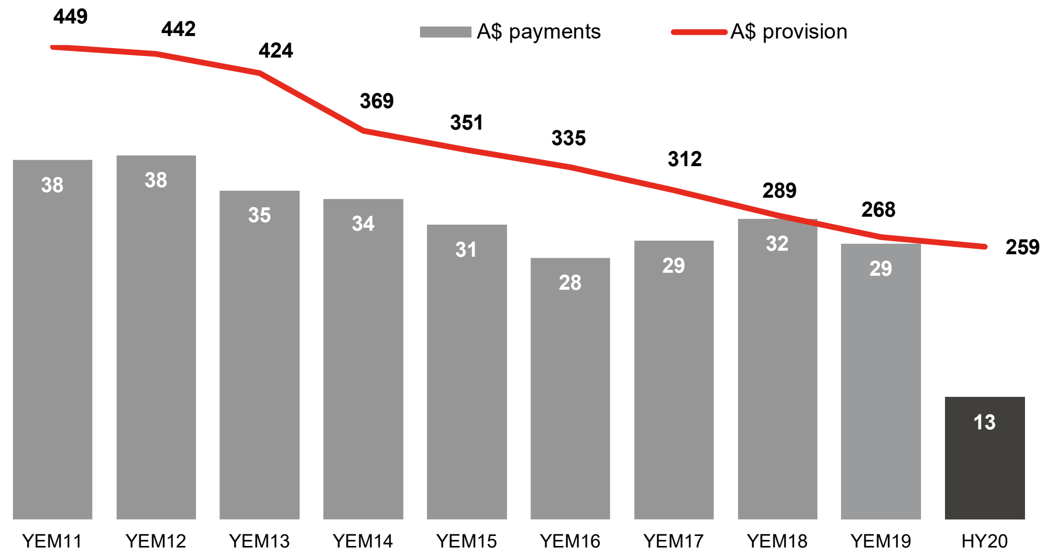
APPENDICES

Half year ended 30 September 2019

4

Further reductions in asbestos liability

Asbestos provision - A$m



- Product liability provision of A$259.1m
- Provision includes a prudential margin of A$26.7m
- Cash payments A$12.9m during the half year

Review of significant items

For the half year ended 30 September $million	2019	2018
Significant items from continuing operations		
Remediation, supply disruption and other costs	–	(3.1)
Significant items from continuing operations before finance costs and income tax	–	(3.1)
Discount unwind and hedging relating to product liability provision	(4.0)	(3.8)
Income tax benefit on significant items from continuing operations	1.2	2.0
Significant items after tax from continuing operations	(2.8)	(4.9)
Significant items attributable to non-controlling interests	–	–
Significant items from continuing operations attributable to shareholders of CSR Limited	(2.8)	(4.9)
Loss from discontinued operations after tax attributable to shareholders of CSR Limited	–	(57.9)
Significant items and discontinued operations loss attributable to shareholders of CSR Limited	(2.8)	(62.8)
Net profit attributable to shareholders of CSR Limited	68.8	26.8
Significant items and discontinued operations loss attributable to shareholders of CSR Limited	2.8	62.8
Net profit from continuing operations before significant items attributable to shareholders of CSR Limited	71.6	89.6

Additional information on significant items is contained in Note 3 in the half year report.