

CSR LIMITED ANNUAL GENERAL MEETING 7 JULY 2011

THE NEW CSR A CLEAR FOCUS

MANAGING DIRECTOR'S PRESENTATION

GYPROCK™

CSR

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Agenda

1. Safety

Overview of our safety performance

2. Financial results

Discussion of financial results for the year ended 31 March 2011

3. The 'New' CSR

Overview of CSR – our brands, our businesses, our strategy

4. Climate change challenges

CSR's approach to climate change and energy efficiency in buildings

5. Outlook

Outlook for the year ended 31 March 2012

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Safety – our continuing priority

Considerable improvement in safety performance but more work to do

Safety Performance YEM11

Recordable injuries
204



32%

Lost Time Injuries
40



21%

Total Recordable Injury Frequency Rate
27.35



25%

Lost Time Injury Frequency Rate
5.36



11%

Severity Rate
77.89



38%



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YEM11 financial results at a glance – continuing operations

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Continuing Operations

Trading revenue \$1,914m	↓	1%
EBITDA¹ \$308m	↓	1%
Profit before tax¹ \$155m	↑	25%
NPAT¹ \$90.2m	↑	13%
EPS¹ 17.8c	↑	2%



1 Pre significant items

Strong underlying result in challenging markets

Net profit after tax from continuing operations¹ up 13 per cent to \$90.2m

Solid underlying performance

- Building Products (incl Viridian) EBIT¹ slightly ahead of previous year
- Aluminium EBIT ahead of guidance on higher realised metal price in last quarter
- Property EBIT up 14% - QLD floods delayed Brendale sale

Strong financial position maintained

- \$A800m returned to shareholders from sales of Sucrogen and Asian businesses
- All outstanding debt repaid – net cash of \$139.1m at year end
- Strong cash generation – EBITDA \$308.0 million

Focused business with operating leverage

- Strong operating leverage to Australian/NZ building cycle
- Strongly capitalised business with financial flexibility for future growth
- Currently assessing bolt-on acquisition opportunities which complement portfolio

¹ pre significant Items

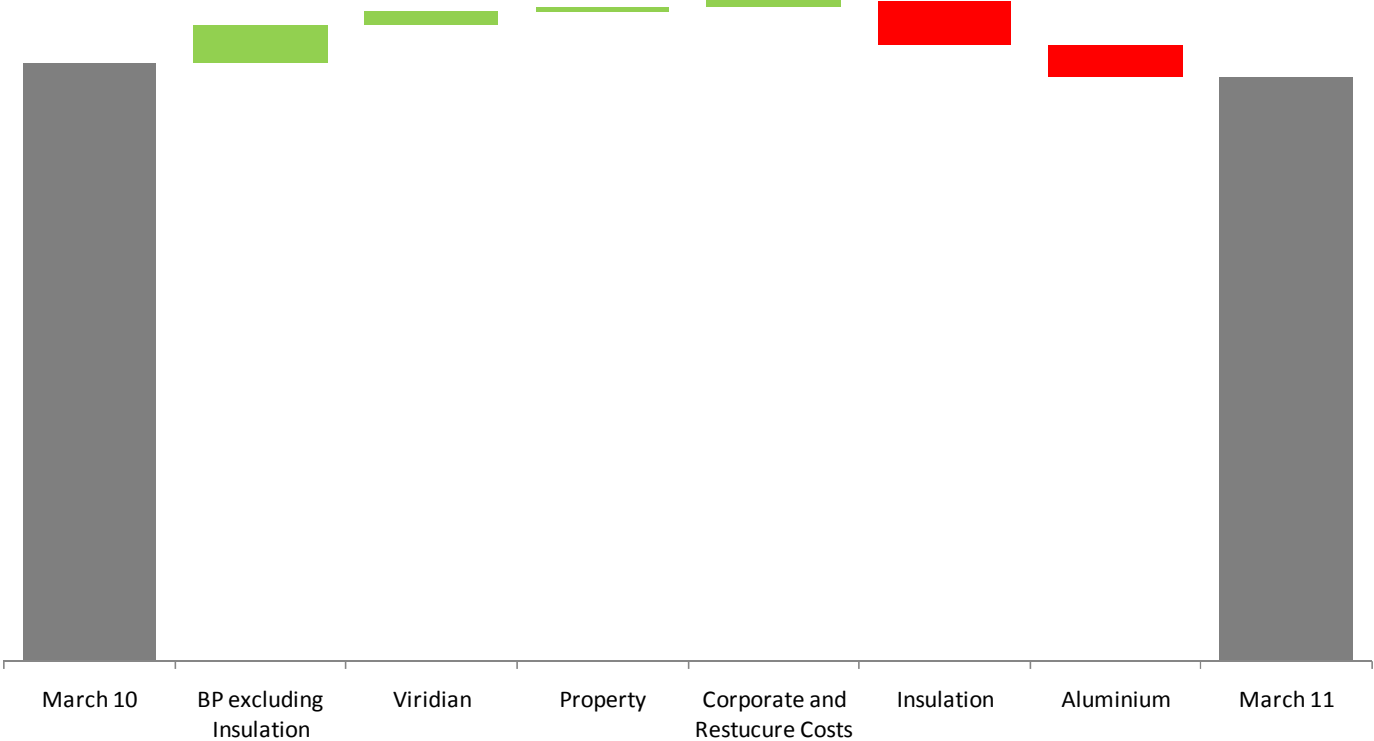
Financial results summary – continuing operations

Continuing operations excludes Sucrogen and Asian Insulation businesses sold in Dec 2010

A\$m	2011	2010	%Δ
Trading Revenue	1,913.6	1,936.3	(1%)
EBITDA	308.0	311.4	(1%)
EBIT	212.0	218.0	(3%)
Net Finance Expense	(57.0)	(94.4)	40%
Profit before Tax	155.0	123.6	25%
Tax Expense	(41.8)	(21.2)	(97%)
Non-controlling Interests	(23.0)	(22.4)	(3%)
Net Profit after tax (pre significant items)	90.2	80.0	13%
Net Profit/(loss) after tax (after significant items)	(78.0)	(186.5)	58%

- Profit before tax up 25% on steady earnings and improved balance sheet
- EBITDA in line with previous year, despite reduced insulation scheme earnings and challenging market conditions in aluminium
- Slight EBIT reduction reflects aluminium price weakness and lower initial hedged position
- After-tax significant items (\$168.2m) include insulation inventory write-off, product liability charge, non-cash impairments in Viridian and Bricks










Group EBIT impacted by insulation scheme termination



- Group EBIT down slightly in challenging market conditions - impacted by termination of insulation scheme and lower Aluminium EBIT
- Good progress across Building Products Portfolio - EBIT (ex insulation) up 28 per cent

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The new CSR – market leading brands and strong competitive position

Business Unit	Description
	Gypsum based products including plasterboard, plaster, cornices, finishing materials & accessories
	Lightweight fibre cement – weatherboards, cladding, internal linings and flooring systems
	Lightweight autoclaved aerated concrete
	Commercial ceilings products
	Full range of thermal, acoustic and fire insulation products
	Manufacturer of float glass and provides full range of processed glass
	Clay bricks and pavers
	Concrete and flat roof tiles
	Terracotta roof tiles

Residential ~70% of Building Products revenue



Non-residential ~30% of Building Products revenue



The new CSR – additional cashflows from Aluminium and Property

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- CSR owns 70% of Gove Aluminium Finance (GAF), which holds a 36.05% interest in the Tomago Aluminium smelter

- Tomago is a world class smelter:

- large scale operation
- close proximity to alumina supplies
- long term electricity supply – (new contract to commence from 2018)
- recent technology (AP22)
- operational efficiency

- CSR's Property division generates additional cashflows from development and sale of legacy operating sites:

- strong medium term pipeline of development opportunities
- focus on light industrial and residential development opportunities across QLD, NSW and Vic



The new CSR – our strategy

Generate competitive advantage to deliver market-leading profits in Building Products

Improved manufacturing efficiency

- Investment in existing manufacturing facilities to reduce costs and lower energy intensity
 - \$55m invested over next 2 years expected to deliver ~\$10m in annualised savings
- Further rationalise operations targeting efficiency improvements, increased utilisation and lower costs
- Improved margins through cost containment and price increases above inflation

Innovation in specific areas

- Product and systems innovation targeting three specific areas:
 - speed & cost of construction – reducing the time and cost to build with more lightweight solutions
 - multi residential – systems and products targeted at higher density living
 - energy efficiency – save households money with energy efficient products –Viridian SmartGlass™
- *CSR Innovation Centre* - working with key external groups (e.g. CSIRO)
- *CSR House* – demonstration of affordable, energy efficient house at specific price point

Acquisition opportunities

- Initial focus on ‘close to core’ acquisitions which complement existing portfolio (e.g. Burnbridge glass)
- Currently assessing a number of bolt-on opportunities – each in \$25-100m range
- Focus on multi-residential construction, alterations and additions – capitalising on key growth areas
- Further opportunities will become available over 12/24 months

The new CSR – meeting the challenges of climate change

Proposed Carbon Tax Framework

- CSR supports pricing carbon to address climate change but not at the expense of Australian jobs
- Trade exposed industry must receive full transitional assistance until the rest of the world has carbon price
- Transitional assistance to industry must not be arbitrary

Energy efficiency in buildings

- Built environment accounts for 22% of Australia's emissions –energy efficiency standards are poor by world standards
- Government policy should focus on improved energy efficiency in buildings . For new homes:
 - Increase from 6 star to 7 star rating
 - First home owners grant only for new buildings
 - Reward homeowners who go beyond minimum standard
- For existing buildings:
 - Tax breaks for green buildings and financial support for high risk households
 - Mandatory assessment on sale or lease
 - National energy savings scheme
 - Establish energy efficiency authority

Outlook – YEM12

Market conditions remain volatile and difficult to predict

Building Products

- Continue to expect Australian housing starts of around 150,000 (one quarter lag) to 31 March 2012
 - Key segment for CSR - private detached housing - forecast to be relatively stable
- QLD and NZ remain weak following natural disasters
- Non-residential markets remain challenging

Aluminium

- A\$ aluminium price has weakened slightly since year end result announcement (11 May)
- Modest currency hedging since May 2011
- As at 30 June 2011 GAF had ~58% of YEM12 net aluminium exposure hedged at A\$3,019 per tonne

Property

- Brendale sale now expected to be completed in 2nd half YEM12
- EBIT continues to be subject to timing of specific transactions

Group

- Volatility in A\$, recovery from natural disasters and market uncertainty make forecasting difficult
- CSR will benefit from lower net finance costs in short term
- Provide trading update at half year result