CSR LIMITED

ANNUAL GENERAL MEETING – 12 JULY 2012

MANAGING DIRECTOR'S PRESENTATION

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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 2012
3. Strategy	Building medium term growth opportunities
4. Outlook	Outlook for the year ending 31 March 2013

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Safety – the priority for our people

Modest improvement in safety performance

Safety Performance YEM12		3 year trend 09-12
Recordable injuries 193	6% ↓	53% ↓
Lost Time Injuries 38	7% ↓	54% ↓
Total Recordable Injury Frequency Rate 25.7	6% ↓	34% ↓
Lost Time Injury Frequency Rate 4.7	12% ↓	35% ↓
Severity Rate 74.7	4% ↓	56% ↓

Results summary

Net profit after tax slightly ahead of prior year despite tough markets

Net profit up slightly despite weak markets

- Net Profit of $90.7m - up slightly on previous year[1]
  - Increased total earnings in Gyprock™, Cemintel™ and Hebel® businesses and Property
  - Lower tax expense
  - Significantly lower net finance costs from strengthened balance sheet post Sucrogen sale

Strong financial position maintained

- Strongly capitalised to meet current market challenges
- Net cash at end of year $55.7m
- Standard & Poor's long term credit rating BBB+ outlook stable

Disciplined strategy focused on medium to longer term

- Small scale, accretive acquisitions/joint ventures completed in key markets
- Continued new product and systems development
- Further rationalised manufacturing capacity and operational efficiency
- Maintain strong operating leverage and financial flexibility to deliver improved medium term earnings performance

1 Pre significant items for continuing operations.

Financial results summary

Continuing operations A$m	2012	2011	%∆
Trading Revenue	**1,801.9**	1,913.6	(6%)
EBITDA	**246.3**	308.0	(20%)
EBIT	**156.7**	212.0	(26%)
Net Finance Costs	**(23.2)**	(57.0)	(59%)
Tax Expense	**(23.2)**	(41.8)	(44%)
Non-controlling Interests	**(19.6)**	(23.0)	(15%)
Net Profit after tax (pre significant items)	**90.7**	90.2	1%
Net Profit/(loss) after tax (after significant items)	**76.3**	(78.0)	198%

- Net profit after tax (pre significant items) slightly ahead of last year despite challenging markets
- High A$ impacts earnings in trade exposed businesses (glass, aluminium, insulation)
- Net finance costs 59% lower from strengthened balance sheet post Sucrogen sale
- Lower effective tax rate due to higher research and development credits
- After-tax significant items of $14.4m include restructure costs, charge to maintain product liability provision at half year, partially off-set by asset disposals

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Financial results by division

Continuing operations A$m EBIT	2012	2011	%∆
Building Products	**86.9**	103.8	(16%)
Viridian	**(19.3)**	3.6	n/m
Aluminium	**80.5**	111.9	(28%)
Property	**24.4**	14.6	67%
Corporate	**(15.3)**	(19.0)	(19%)
Restructure and Provisions	**(0.5)**	(2.9)	(83%)
Total EBIT (pre sig. items)	**156.7**	212.0	(26%)

- Building Products EBIT down 16% on significantly weaker construction markets
- Viridian impacted by volume decline in commercial and residential construction and continuing high A$
- Aluminium earnings impacted by lower realised A$ aluminium price and higher smelter input costs
- Property earnings up 67% on sale of Brendale residential and industrial developments
- Lower corporate cost reflects streamlined corporate function post Sucrogen sale

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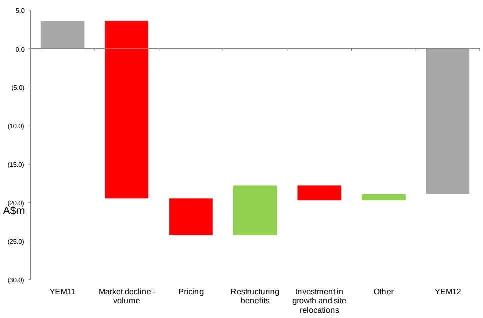
Viridian— earnings impacted by volume and price

Viridian – EBIT sensitive to volume and price



- Significant decline in construction markets impacts volume
- High A$ impacts:
  - pricing in Primary Products
  - increase in imports of finished windows
- Continued volume decline and margin pressure in glass processing markets
- Management response:
  - restructure in Primary Products on track - expect to deliver ongoing annualised cost savings of ~$10m
  - establish Joint Venture in NZ in glass processing
  - further cost efficiency and site rationalisation
  - product mix targeting higher margin coated glass
- Operational review regarding future manufacturing and processing footprint

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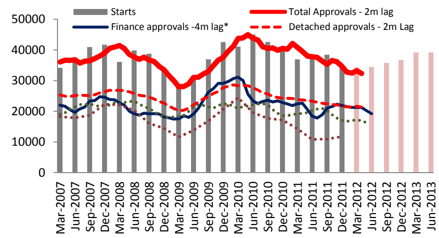
Decisive management response to challenging markets

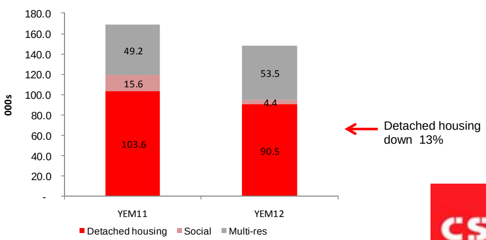
- Construction markets significantly weaker from YEM11:
  - Australian residential starts down 12%[1]
    - Private detached housing down 13% - lowest level since 2001[1]
  - Australian commercial activity down 12%[2]
  - NZ residential consents down 17%[3]
- Decisive management response:
  - restructure in Viridian Primary Products
  - establish JV in NZ for Viridian Glass Processing & Services
  - further rationalise manufacturing capacity
    - close Bradford Insulation rockwool facility (Clayton); PGH bricks factory one (Cecil Park)
  - further cost removal and overhead savings
  - disciplined approach to pricing

Australian building indicators



*Source ABS *Owner-occupier construction finance approvals (forecast source is average of forecasts of HIA and BIS)*

Australian residential housing starts by segment



Source ABS

1 – source ABS (1/4 lag)
2 – source ABS
3 – source Statistics New Zealand

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Additional cashflows from Aluminium and Property

- CSR owns 70% of Gove Aluminium Finance (GAF), which holds a 36.05% interest in the Tomago Aluminium smelter
- YEM12 EBIT of $80.5 million down 28% due to lower A$ aluminium price and higher production costs
- Tomago is a world class smelter:
  - large scale operation
  - close proximity to alumina supplies
  - long term electricity supply – (new contract to commence from 2018)
  - operational efficiency

- CSR's Property division generates additional cashflows from development and sale of legacy operating sites:
- YEM12 EBIT of $24.4 million, up 67%
  - strong medium term pipeline of development opportunities
  - focus on light industrial and residential development opportunities across QLD, NSW and Vic

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CSR – building medium term growth opportunities

Energy efficiency

- **Bradford** Energy Saver Program provides energy assessments to help lower energy costs
- **Edmonds** ventilation systems remove hot air in summer and moisture in winter from roof space
- **Viridian** SmartGlass low E coating insulates homes without the need for double glazing

Speed of construction

- Launch of supply & fix system for Hebel provides faster construction with benefit of using only installer of all **Hebel** systems
- **Ceilector** ceilings include features such as lighting and perimeter details in one solution for commercial builders
- Introduction of **Cemintel** Designer Series™ which is a innovative walling system ideal for any façade application and unique in the Australian market

Multi-residential

- **Gyprock** continued strong presence in specialised design considerations for thermal, fire and acoustic performance in multi-residential developments
- Relaunch of **Hebel** façade system helped generate strong growth in the multi-residential apartment market

GYPROCK cemintel Bradford Viridian PGH BRICKS & PAVERS MONIER Ceilector hebel EDMONDS

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CSR innovation

Bradford Solar

- Launched Bradford Solar to provide complete solution for utilising solar energy to reduce energy costs
- Range of products and services to reduce electricity consumption and generate clean power at an affordable cost

Monier Solartile

- Monier launched a new SolarTile which uses the latest PV technology to convert sunlight into electricity
- Operates in a similar way to “bolt-on” panels but in an integrated design

CSR House completion

- Completed construction of CSR House which utilised CSR’s full range of products to build an 8 star energy efficient house at an affordable price
- Research and testing underway to assess energy efficiency and provide information to customers and industry stakeholders

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Divisional outlook – year ending 31 March 2013

Building Products & Viridian

- Expect Australian housing starts of ~135,000 (1/4 lag) for YEM13
- Housing starts fell in the March 2012 quarter – dwelling commencements down 13%
- Continued strong focus on overhead cost reduction, rationalise manufacturing capacity and pricing to address market challenges

Aluminium

- GAF has contracts in place for 95% of its share of production in YEM13
- GAF net hedged position lower than previous years ~14% @ A$3,077/tonne
- Incremental hedging as market permits but not at current prices
- Analyst forecasts range between -$3 to $73 million for Aluminium EBIT with a median of $45m
- Current A$ spot price would need to increase by A$200 per tonne to reach consensus median

Property

- EBIT subject to timing of further specific transactions majority expected in the second half of the year
- YEM13 result likely to be at low end of $15-$25 million range
- Pipeline strengthened with Chirnside Park development

Group

- The combination of these factors means that earnings will be weighted to the second half of the year.
- CSR continues to benefit from strong balance sheet and low finance costs
- Strong operating leverage to improving conditions in construction markets
- Financial flexibility to maximise disciplined acquisitions and new business development opportunities

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