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**CSR LIMITED ANNUAL GENERAL MEETING
23 June 2017****Chairman's Address****By Jeremy Sutcliffe**

I am pleased to report that CSR has continued its track record of growth in earnings which improved for the fourth consecutive year, resulting in full year net profit reaching a five year high.

This was driven by Building Products which exceeded last year's record with its best profit result ever. Product innovation and strategic investments, which helped accelerate our growth into new markets, added to the strong construction activity experienced during the year.

One of the key investments we made was the \$126 million acquisition of the 40% minority stake in the PGH Bricks joint venture with Boral. Since the joint venture's formation in May 2015, the business has delivered strong earnings growth with increased volumes and improved margins. By taking full ownership, CSR will benefit from new opportunities to drive operational improvements as well as accelerate future property development projects.

We are also pleased that, as our performance has improved, shareholders have benefitted from growth in dividends, with this year's full year dividend of 26 cents up 11% on last year. Higher earnings over the last five years have also enabled us to resume partial franking of dividends.

Total shareholder return since 1 April 2016 slide

Our strong financial results are also reflected in our share price. As you can see from the chart, CSR's total shareholder return since 1 April 2016 to yesterday's closing price is up 45%, which is ahead of the ASX200 which is up 22% over the same period.

It is true that we are enjoying the strong tailwind of a buoyant housing market and also benefitting from the resurgence in aluminium prices which are up over 20% during the same period.

The short-term outlook for aluminium pricing has improved and we have taken the opportunity to increase our hedging position over the next three years, consistent with our policy of reducing future earnings volatility. A number of longer-term challenges remain for our investment in Tomago, including the significant step-up in electricity costs starting in November this year and future volatility in prices, ingot premiums and exchange rates.

Our strategy for CSR's significant Property portfolio continues to build an earnings stream with a higher level of certainty and predictability. We have accelerated the

development of two major properties in western Sydney following the acquisition of the minority stake in PGH Bricks.

We now control more than 800 hectares across the east coast of Australia including almost 500 hectares in key areas of western Sydney. These developments will come to market over the next 10-15 years.

Extensive manufacturing and distribution capability slide

Turning back to Building Products, our portfolio of businesses today is spread throughout Australia and New Zealand with exposure across the residential and commercial construction market.

We are operating on a more variable cost base and we have invested in adjacent markets, namely in multi-residential and commercial construction. We are also making good progress on a number of new projects in structural systems and offsite construction.

CSR's scale and network provides us with the opportunity to deliver a wide range of products and services, which help reduce construction costs and provide better energy efficiency, comfort and design in new homes and buildings.

As ever, our people have worked incredibly hard during the year to meet the strong demand from our customers and to do so in a safe and efficient manner. On behalf of the board, I would like to thank our 4,200 employees for their efforts and the strong leadership of Managing Director Rob Sindel and his management team.

There will be challenges in the year ahead, particularly as all of our businesses are facing higher energy costs. CSR is a significant user of energy with total energy costs of our building products businesses budgeted to exceed \$100 million in the next 12 months, a 17% increase over last year. The increase in energy costs will be one that many businesses, including CSR, will find extremely hard to recover, notwithstanding efficiency gains and cost control.

This is particularly so in Viridian which faces strong import competition from exporting nations not facing similar energy cost imposts. Manufacturing businesses across Australia face the real prospect of plant closures and job losses in high energy intensive industries if this situation continues. It is critical that all levels of government work closely together to regain Australia's long held competitive advantage in energy cost and security of supply.

Having said that, I am optimistic about CSR's prospects. CSR's business today is more resilient to future changes in the construction cycle, while at the group level we have reduced future earnings volatility in Aluminium.

The earnings outlook for the current year is strong, bolstered by higher Property profits and the benefits of our Aluminium hedging position.

As a footnote, I'd like to announce that I will not be standing for re-election as a director at next year's AGM, at the end of my current three year term. By then I will have served on the Board for around nine and a half years, including a year as Interim CEO and six years as Chairman. We will now start the process of finding a

replacement director and, when that has been done, the Board will turn its attention to choosing my successor as Chairman. It's been a fun journey and I thank those of you who have supported me throughout.

Rob will now talk to you in more detail about the results, recent developments and our strategy.

Thank you ladies and gentlemen – your support is much appreciated. Over to you Rob.

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Managing Director's Report

By Rob Sindel

Thanks Jeremy.

Good morning ladies and gentlemen. And on behalf of the management team and employees here today, thank you for your ongoing support of the company.

It's very pleasing to see that the strategy we put in place five years ago has enabled us to take advantage of the current strong market conditions.

We have been able to increase returns to shareholders while at the same time investing in digital technology and growth in adjacent building solutions that focus on speed and ease of construction. These initiatives are providing a solid foundation for our future growth.

I will talk more about our strategy in a moment, but first let's look at an overview of our results.

Safety and environmental performance slide

I would like to begin with safety and the environment. As we have seen over the last few years, safer, more engaged employees have a major positive impact on our financial performance. We have made a step change in reducing the number and severity of injuries from where we were five years ago. Many of our over 200 sites are performing well and this includes the addition of around 1,000 new employees through the buyout of two joint ventures in the last few years.

However, our safety performance in the past year did not reflect this improving trend.

I am disappointed with the deterioration in our safety performance after many years of year on year improvement. We will redouble our efforts and work harder with our employees to deliver better safety performance at all sites. We are refining our approach to ensure we have the right focus in the right places with the ultimate goal of ensuring that no one is injured when they come to work at CSR.

As for minimising our environmental impact, our 2020 target is to reduce our greenhouse gas emissions as well as energy consumption, by 20 percent per tonne of product. We're well on track to meet this target, thanks to the commitment of our employees and investment in energy reduction projects, which have delivered a 3% reduction in greenhouse gas emissions at our major facilities this year.

We have also established an Energy Improvement Fund with an investment of \$20 million dedicated to energy saving with several major projects expected to be rolled out later this year, including our first large scale solar project at the PGH Brick factory at Golden Grove in South Australia.

Four years of consecutive growth slide

Now turning to our financial results. We are pleased to have continued our track record of growth in earnings which has seen us improve on last year's record result. As the Chairman highlighted, this has delivered steady growth in earnings and dividends over the last five years.

Strong growth in Building Products slide

This year's result was driven by a significant increase in Building Products which delivered a record profit; now more than double the result from five years ago. Our strategy to improve performance in our core operations while investing in new products and market segments has delivered strong growth for the company.

Looking at our other divisions, while good progress is being made in Viridian to grow revenue and earnings in new market segments, these improvements were offset by disappointing performances in Western Australia and New Zealand.

Aluminium earnings were down slightly due to lower realised aluminium price, offset somewhat by increased production and improved operational performance at Tomago.

Our Property business delivered EBIT of \$15 million which was down on last year, as sales expected in the second half of the year were completed in the first month of this year. This is purely a timing issue, which will be reflected in first half earnings this year.

Further progress in delivering on our strategy slide

Now let's look at our strategy to strengthen CSR. We continue to make good progress across the first four pillars of our strategic initiatives. The acquisition of the 40% stake in the PGH Bricks JV was a major highlight of the year. Since formation, the PGH Bricks JV has delivered strong earnings growth with increased volumes. In addition, the transaction has the benefit of rebuilding our property portfolio of developable sites.

In continuing our pursuit of innovative building solutions, we are also developing an Australian-first high performance building façade system with the support of a \$3 million grant from the Federal Government.

Hebel, and AFS construction systems, are also gaining market share as they provide more flexible design applications with increased speed of construction. Both businesses are expanding manufacturing capacity to meet growing demand.

Building a competitive advantage with our customers slide

The fifth pillar of our strategy is to put the customer at the centre of everything we do. In the next few years we see significant opportunity to deepen the relationship with our customers – particularly through digital technology.

But what does this mean in practice for our customers? Firstly it means moving all of our technical information and product support on line and providing it free to the industry. This helps build our brand and trust with our customers.

Secondly, we are developing systems which provide visibility of the end to end ordering and delivery process, and giving our customers the choice on how they interact with CSR. We are creating an experience they are already used to in their daily lives. And we think it will set us apart from the competition.

And finally, we are using data analytics to better understand our customers and empower our sales teams to provide more targeted technical support and cross selling opportunities.

Growing exposure across all construction segments slide

Before turning to the outlook for the year ahead, I want to begin with a look at the broader housing market. As you can see on this slide, the blue shading in the graph represents detached housing approvals with the red representing low-rise multi-residential and the green, the high rise segment.

Over the last few years, the combination of detached and low-rise construction has been pretty stable. This represents over 50% of our exposure.

The high rise segment has grown significantly over the last five years. And while this segment is showing signs of slowing across Australia, it remains a relatively small proportion of our overall exposure.

Outlook for the year ending 31 March 2018 (YEM18) slide

Finally from an outlook perspective, we continue to see solid demand from detached housing as well as high-rise construction projects currently underway on the east coast of Australia and New Zealand. This will support earnings for our Building Products business in the year ahead.

However, as noted by the Chairman, increased energy costs are exacerbating the competitive position of our trade exposed businesses relative to imports, particularly in Viridian. We are progressing a number of restructuring initiatives which to date have included the sale of our glass processing businesses in Cairns, Darwin and Western Australia.

In Aluminium, we have 81% of our net aluminium sales hedged at an average price of A\$2,373 per tonne (before premiums) for the year ending March 2018.

In Property, we have locked in \$48 million in EBIT from two transactions already completed this year, which is well above our long-term average.

What this means at the CSR Group level is that we expect earnings for the year ending March 2018 to be above last year.

In closing, I would also like to echo the Chairman's comments at the beginning of the meeting welcoming David Fallu to CSR as our new CFO. David's been with us just

under five months now and has settled in well to the role. Please take the opportunity to speak to David during the break.

I would also like to thank all of the CSR employees and contractors for their hard work and dedication during what was a very busy and successful year.

I will now hand back to Jeremy who will take us through the remainder of the meeting.

Thank you.