

CSR LIMITED 30 JUNE 2011

GYPROCK PRESENTATION

ANALYST SITE TOUR – YARRAVILLE



GYPROCK™



CSR

Agenda

- 1. Australian plasterboard market locations & capabilities**
- 2. Gyprock channel to market**
- 3. Gyprocket Project at Yarraville**
 - overview and rationale**
 - benefits of upgrade**
- 4. Site pictures**

The Australian plasterboard market

- **CSR: 80 mill m²**
 - Coopers Plains Qld
 - Wetherill Park NSW
 - Yarraville Vic new
 - Welshpool WA

- **Lafarge: 30 mill m²**
 - Matraville NSW
 - Altona Vic

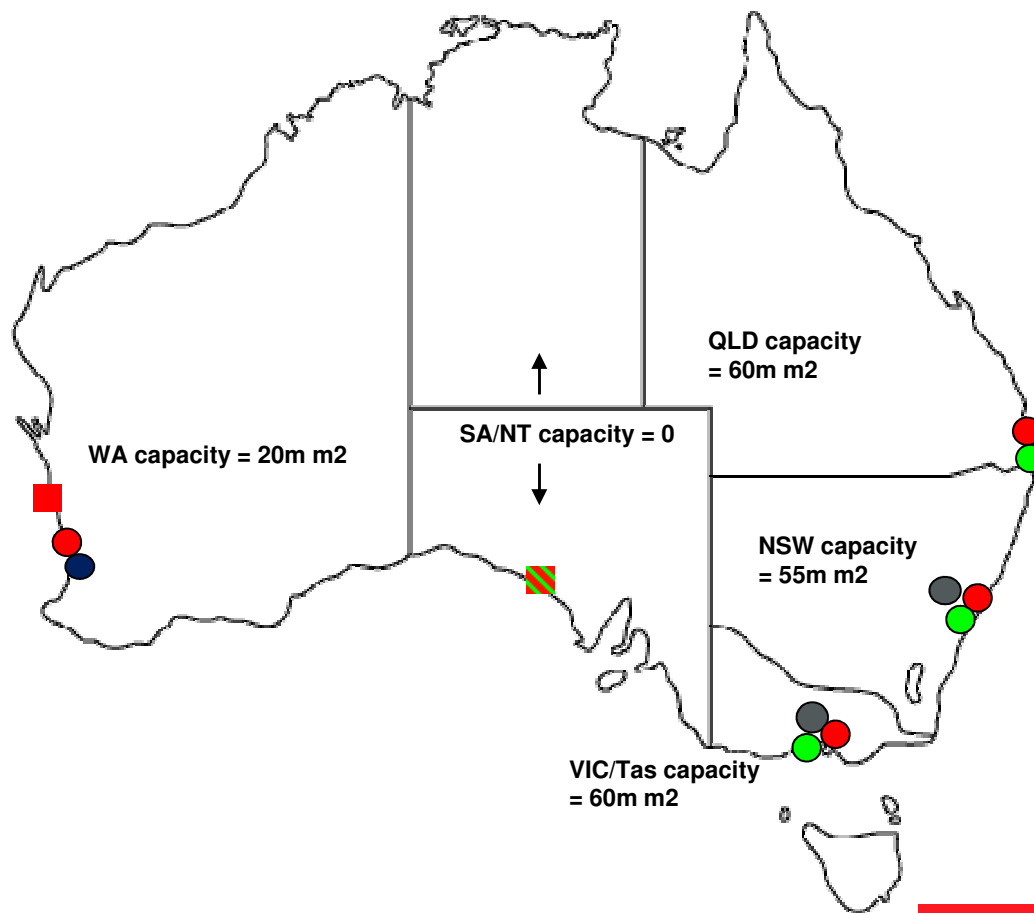
- **Boral: 75 mill m²**
 - Pinkenba Qld
 - Camellia NSW
 - Port Melbourne Vic

- **BGC: 10 mill m²**
 - Hazelmere WA

Gypsum mines

- Kevin, SA (GRA 50% CSR)
- Jurien Bay 100% CSR

2011 market size ~158m m² (ABS)
Current market capacity ~195m m²
Current market capacity utilisation ~80%



Plasterboard demand growth

Over the past 2 years the Australian plasterboard market has grown at 2 per cent compound*

Positive underlying demand

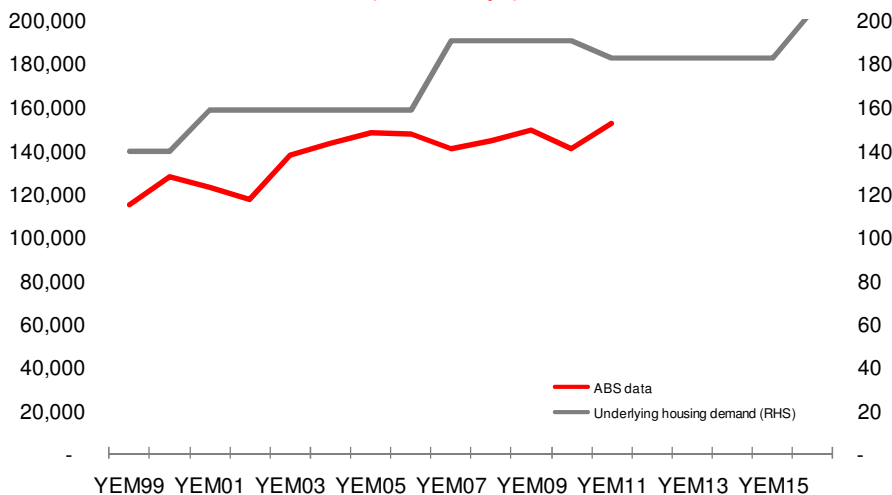
- population growth (1.85% in year to December 2010; forecast 1.4-1.5% pa over next 20 years forecast*)
- demographic changes shrinking average household sizes; strong additions and alterations activity

Plasterboard usage

- Australian plasterboard usage (~7 m²/capita) vs 8-10 m²/capita for similar frame construction markets
- potential for higher penetration in commercial and residential applications (WA)
- growing attractiveness of lightweight, low carbon footprint building systems

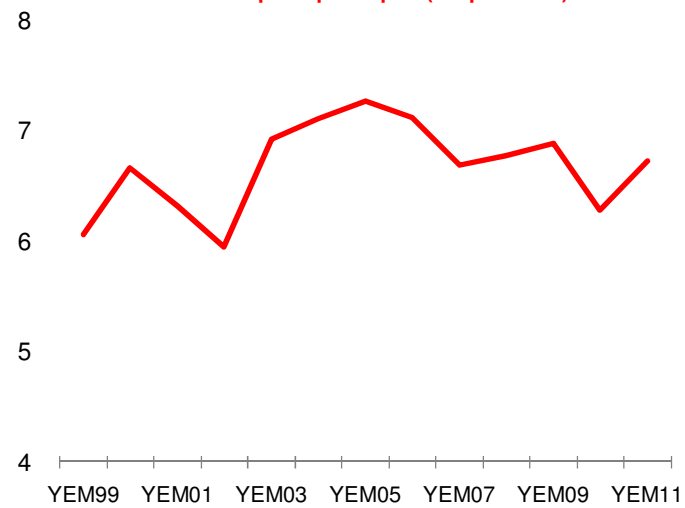
* Source: ABS

Australia total plasterboard mkt ('000 m²) v Underlying housing demand ('000 starts pa)



Source: ABS

Board consumption per capita (m²/per head)

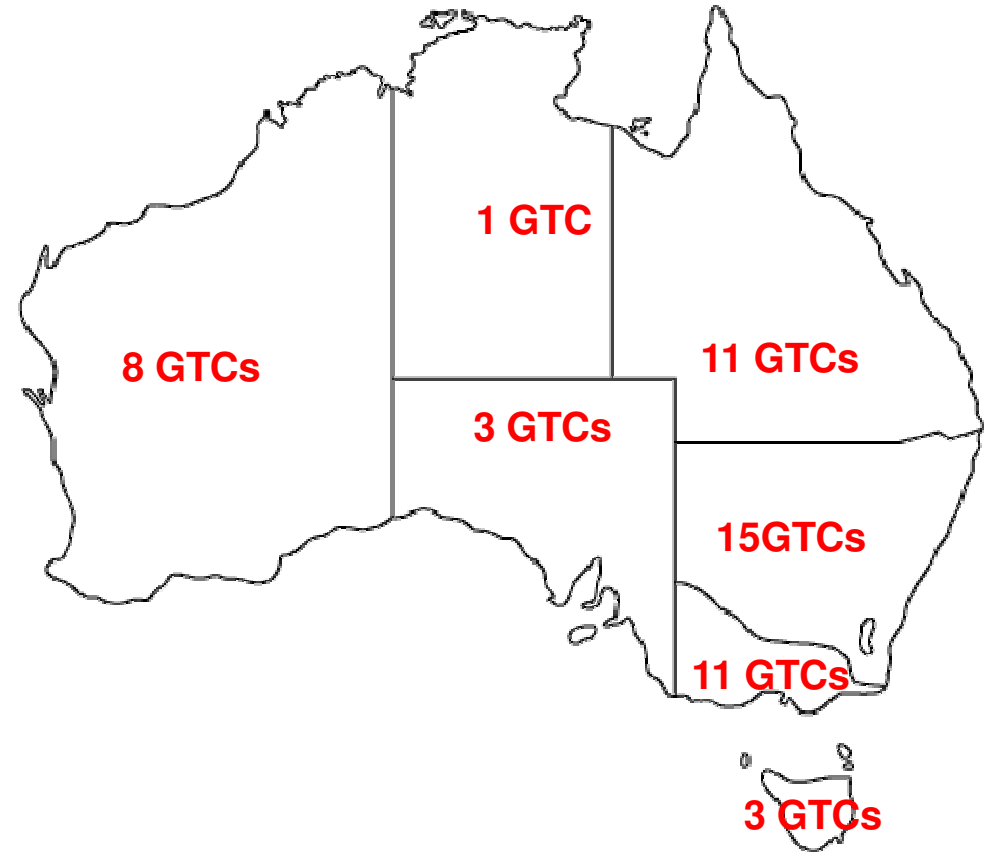


Source: ABS



National reach with Australia's largest distribution network

- National, low cost manufacturing network
 - 4 plasterboard factories
- Largest distribution network in Australian market
 - 52 company owned Gyprock Trade Centres (GTCs)
 - 50 independently owned and aligned trade centres
 - can profitably reach any market in Australia



Vertically integrated with strong aligned channels

Raw materials

Gypsum Resources Australia (GRA)
50/50 JV

Jurien Bay (WA)

Manufacturing

Manufactured products (Gyprock)

Rondo (stud & metal track)
50/50 JV

Compounds adhesives and sealants

Specialised trade hand tools
Specialised trade power tools
Nails & screws

Primary channels to market

Direct Sales

Supply & Fix

Gyprock Trade Centres

Independent Trade Centres

Hardware Stores/ Resellers

Majority of sales through owned and aligned channels

Gyprock - strategic summary

Pricing

- Leverage brand value
 - Appropriate pricing across the product range
-

Product development

- Continued product development to support brand, price and margins – board, compounds and cornices
-

Commercial Ceilings

- Leverage Comprador acquisition to grow commercial ceilings
-

Leverage trade retail /distribution capabilities

- Leverage network for range of accessories
 - Enhance retailing capability
 - Prudent additions to network
-

Manufacturing excellence

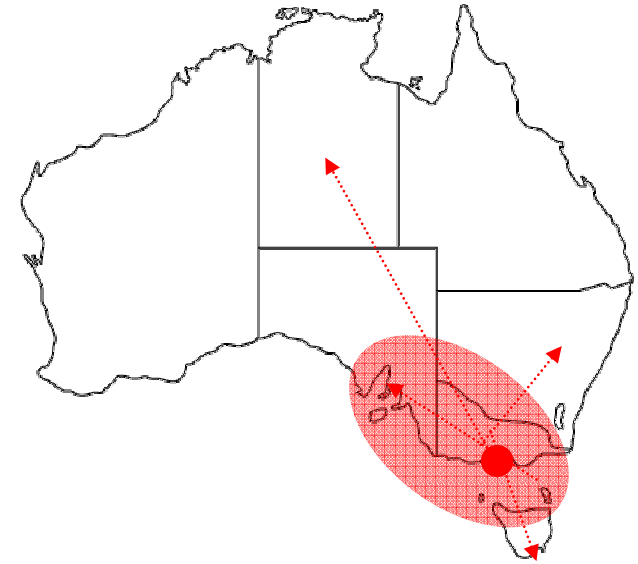
- Efficiency improvements and maintain older plants
- Supply chain to provide agreed customer service levels

Gyprock expansion – why Victoria?

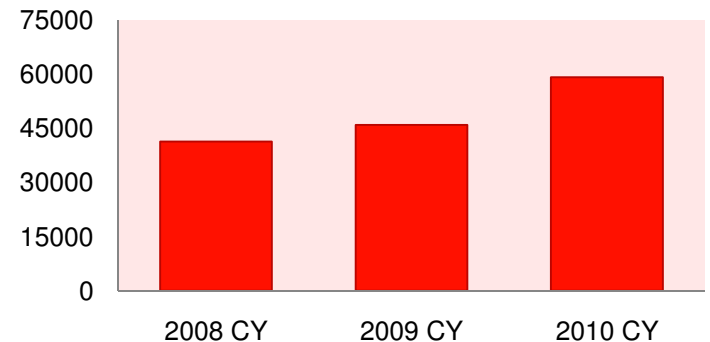
Delivers low cost capacity close to major centres of Victoria, South Australia and Tasmania and southern NSW

- Underlying east coast demand outlook remains positive
- Balances production cost, freight and capital return
- Vic & SA markets have been consistent for longest period
- Yarraville catchment represents:
 - 39% of “east” coast population
 - the largest housing market in Australia*
 - highest proportion (75%) of detached houses*
- Population increase >1 million over next 10 years*
- Population size drives secondary plasterboard demand via renovations, demolitions and commercial building activity (offices, retail, schools, hospitals etc)

* Source: ABS



Housing Commencements - Victoria



Source: ABS

Yarraville site upgrade - rationale

- Increase boardline capacity at Yarraville to support future growth for Vic/SA/Tas market
- Incremental increase in warehouse capacity at Yarraville
- Open air gypsum storage
- Improve energy efficiency and water consumption
- Increase capacity of truck loading to meet increasing demand



Yarraville site upgrade - benefits

- Boardline capacity increased by ~45%
- Upgrade cornice equipment
- High-speed ship unload capability (1,200 t/hr up from 400 t/hr)
- Undercover gypsum storage
- Environmental benefits including:
 - reduction in gas usage
 - lower emissions & improved dust control
 - water harvesting, waste water & condensate recovery
- Warehouse expansion - increase in footprint (including truck loading canopies, aisles and storage)
- Consolidated off-site distribution centre to Yarraville
- Improved labour utilisation to match new equipment operation



Yarraville site upgrade – original site layout



Old gypsum storage



Old dryer out feed



Old batching area



Old wet end transfer



GTC Network Victoria

June 30, 2011

About the network

The Facts

- Network has evolved over the years
- Initially developed as we purchased and took over specialist distributors
- Has grown into a significant and differentiated way to service our broad and diversified customer base
- Currently have 11 stores in Victoria
 - 9 metropolitan locations plus
 - Geelong
 - Albury
- 6 of these stores distribute and deliver plasterboard and associated products
- Remaining stores act as pick up locations and selling and service points for our customer base
- Work in concert with our two Distribution Centre locations
 - Yarraville
 - Hallam
- Support our specialist distributor and reseller network
- Currently employ over 40 people
 - Each store headed up by a store manager

GTC Network Vic store locations

Eastern Sites

Bayswater

Hallam

Lilydale

Moorabbin

Mornington

Western Sites

Derrimut

Geelong

Hoppers Crossing

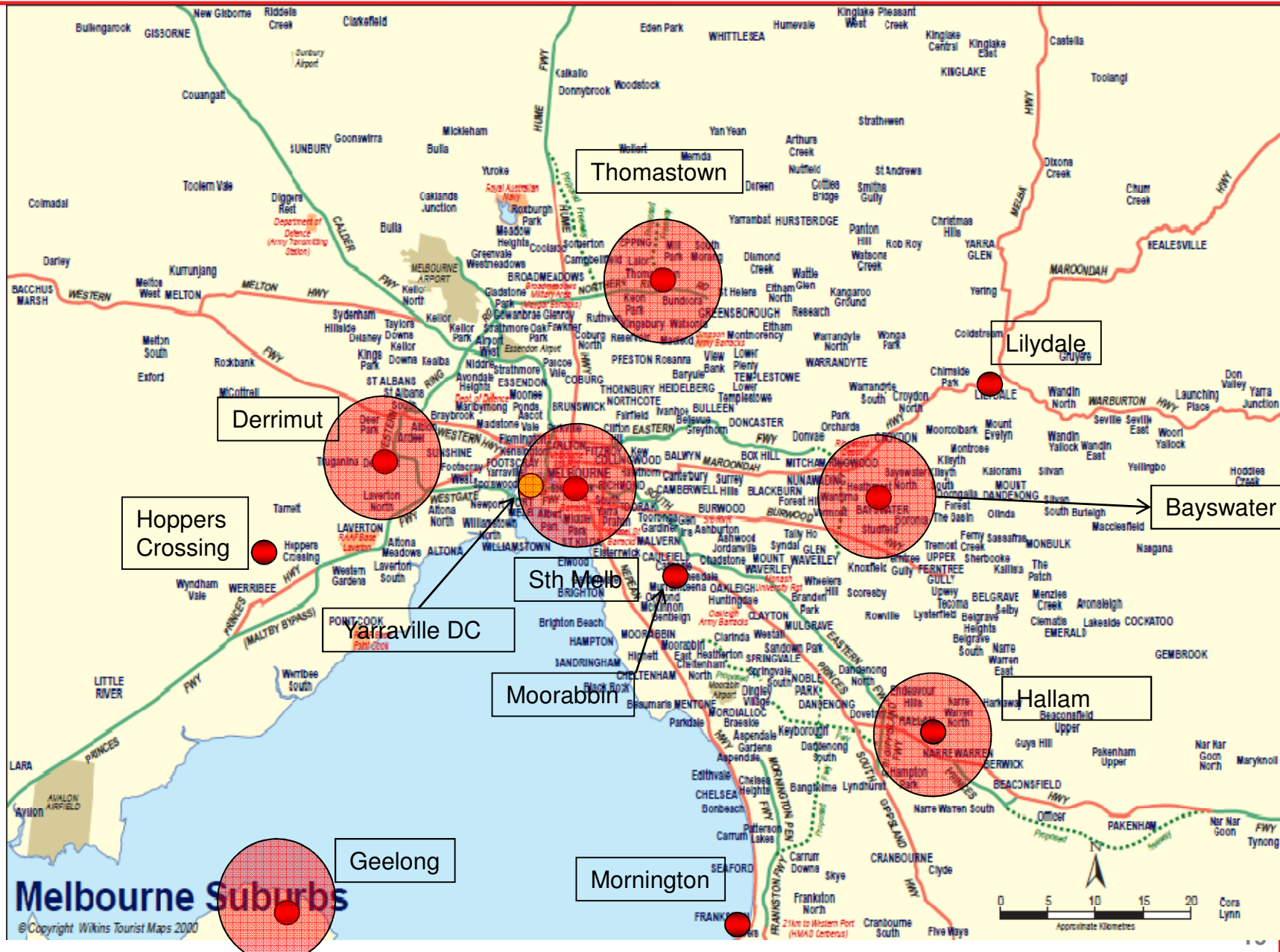
Sth Melb.

Thomastown

Albury



Geographical spread covering key areas



Our customer service offer

OUR TARGET CUSTOMERS

Customer Service

- Right Product
- Right Place
- Right Time

Competitive Price

- Value for money
- Product plus Dependable Service

Branch Manager

- Customer rapport
- A well run branch
- A good team

Store refurbishments – investment to drive in store sales



Prior year store performance improvement

Results

- Financial performance of the stores has been very strong
- Expectations being exceeded in all key performance indicators
- Volumes growing at better than market rates
- Significant new customer acquisition
- Maintaining and increasing prices
- Store profits improving and growing
- Service levels have had multiple year improvement
- Sales performance of “in store” items have increased since being upgraded
- Staff capability has improved
 - training and development
 - new hires