RESULTS PRESENTATION

Full year ended 31 March 2019

Agenda

Details	
1.	**Overview** – Rob Sindel, Managing Director, CSR Limited
2.	**Financial Results** – David Fallu, Chief Financial Officer, CSR Limited
3.	**Business Unit Performance** – Rob Sindel
4.	**Market & Outlook** – Rob Sindel
5.	**Q&A**

1

OVERVIEW

Rob Sindel, Managing Director

Strong operational and financial position

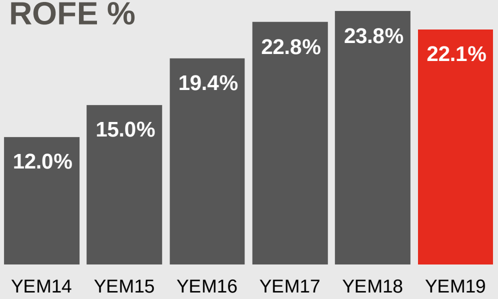
Operational and financial performance

- 25% improvement in safety in YEM19
- YEM19 NPAT (continuing operations before significant items) of $181.7m – down 14% due to lower Aluminium earnings
- $65m final dividend (13.0 cents per share) 50% franked

Building Products

Return on funds employed [1]

ROFE %



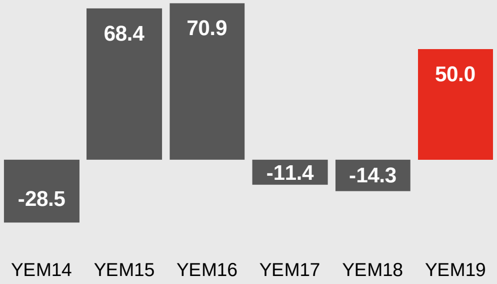
Portfolio optimisation

- Completed sale of Viridian Glass consistent with strategy to deliver targeted returns of 15% ROFE
- Network optimisation to reduce volumes from higher cost plants in line with market activity
- Locked in energy contracts over next 2-3 years to secure pricing and supply

Strong financial position

Net cash/(debt)

Net cash (debt) A$m



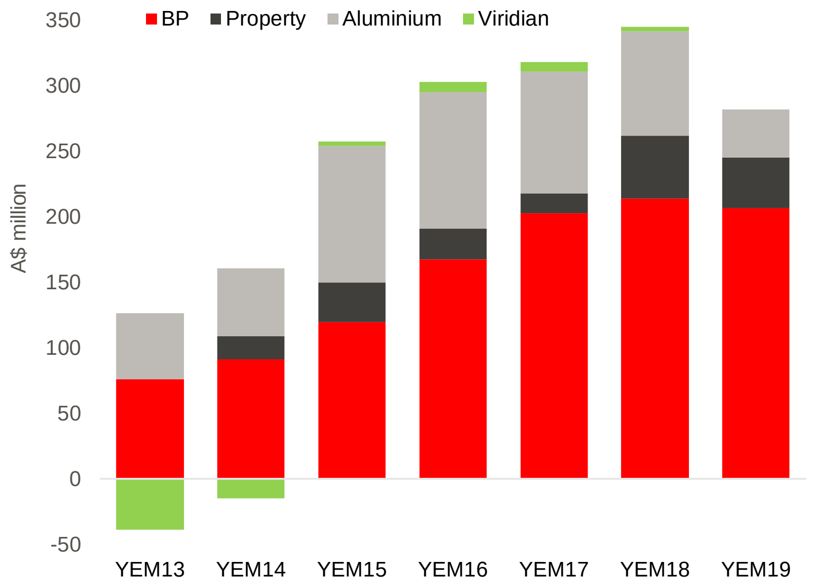
1. All ROFE calculations are based on EBIT (before significant items) for the 12 months to 31 March divided by average funds employed which excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.

Building Products and Property represent 87% of Group earnings

- Building Products and Property business now represents 87% of group earnings[1]
- Sale of Viridian improves group ROFE
- Aluminium reset at a lower level of earnings with new electricity contract

CSR Group EBIT

ROFE [2]	5.0%	9.9%	18.4%	20.7%	21.6%	23.2%	21.8%



1. Excludes Corporate costs.
2. All ROFE calculations are based on EBIT (before significant items) for the 12 months to 31 March divided by average funds employed which excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March. YEM19 excludes Viridian Glass.

CSR

2

FINANCIAL RESULTS

David Fallu, Chief Financial Officer

Group results for the year ending 31 March 2019

Results summary

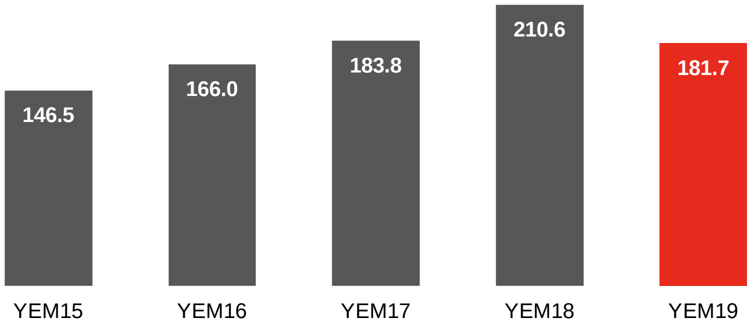
A$m (unless stated)	YEM19	YEM18	change
Trading revenue from continuing operations	**2,322.8**	2,237.7	4%
EBIT from continuing operations			
Building Products	**206.5**	214.1	(4%)
Property	**38.8**	47.8	(19%)
Aluminium	**36.6**	79.5	(54%)
Corporate	**(16.9)**	(21.1)	20%
Group EBIT from continuing operations	**265.0**	320.3	(17%)
Net finance income (costs)	0.1	(1.2)	
Tax expense	(74.7)	(90.5)	17%
Non-controlling interests	(8.7)	(18.0)	52%
Net profit after tax from continuing operations [1]	**181.7**	210.6	(14%)
Significant items after tax from continuing operations	(42.8)	(11.6)	
Statutory net profit after tax from continuing operations	**138.9**	199.0	(30%)
Statutory net loss after tax from discontinued operations	**(60.9)**	(10.2)	
Total statutory net profit after tax	**78.0**	188.8	(59%)

1. All references are for continuing operations before significant items.

4% ▲ Revenue up 4% following growth in all businesses

- CSR Group EBIT[1] down 17% largely due to lower Aluminium earnings following the step-up in electricity related costs

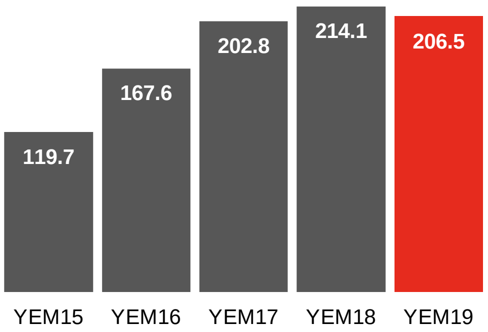
CSR Group NPAT (pre sig items) A$m



Note: YEM18 and YEM19 exclude the Viridian Glass business

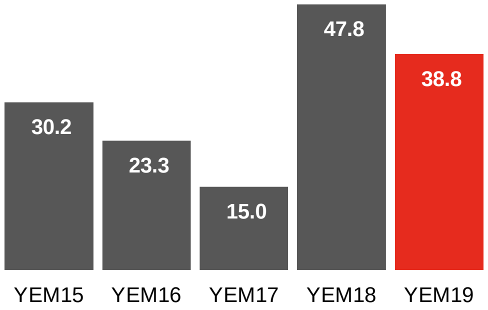
EBIT overview by business

Building Products (A$m)



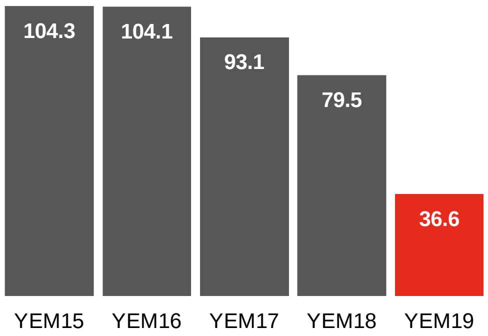
- Solid performance across most products and segments with some moderation in volumes in the second half of the year
- Includes $14m in long-term growth investments including digital platforms and Inclose façade systems

Property (A$m)



- Includes Stage 1 of industrial property at Horsley Park, NSW and settlements from the residential development at Chirnside Park, VIC
- Ongoing investment in a number of major projects in Western Sydney

Aluminium (A$m)



- Higher realised aluminium price offset by significant step-up in electricity costs

Strong cash flow supports dividends, investment in growth projects and Property

Operating cash flow

A$m	YEM19	YEM18	change
EBITDA	**348.5**	408.2	(15%)
Net profit on asset disposals	44.3	51.2	
EBITDA excluding asset disposals	**304.2**	357.0	(15%)
Net movement in working capital	(44.5)	(14.7)	
Movement in provisions/other	5.2	2.5	
Operating cashflows (pre tax, asbestos & sig. items)	**264.9**	344.8	(23%)
Asbestos payments	(29.1)	(31.7)	
Tax paid	(12.1)	(40.6)	
Significant items	(16.4)	(23.3)	
Operating cashflows (post tax & sig. items)	**207.3**	249.2	(17%)

- Reduced cash flow from Aluminium
- Cash conversion[1] of 87% following working capital increases to manage plant consolidation and scheduled maintenance
- Property capex continued to be self funding in YEM19, with $110m cash inflow from committed sales at Horsley Park, NSW and Rosehill, NSW expected in the second half of YEM20

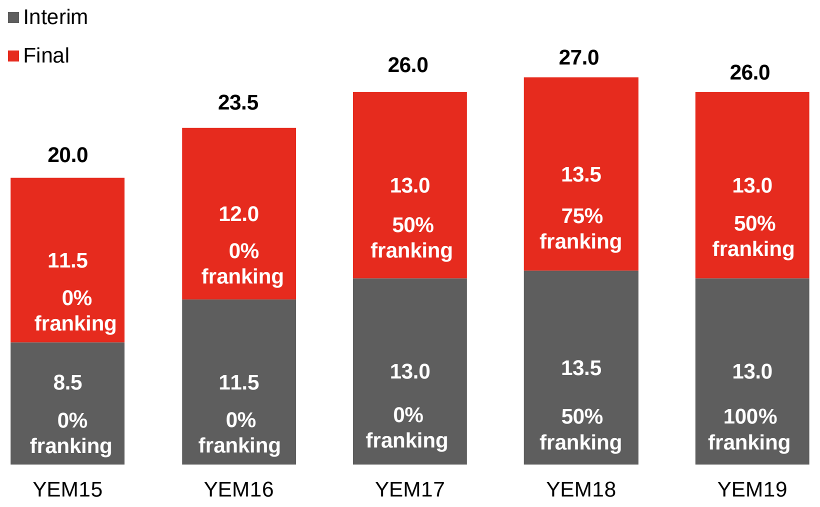
1. Cash conversion based on operating cash flow (pre-tax, asbestos and significant items) divided by EBITDA excluding asset disposals. Viridian included until 31 January 2019.

Consistent dividend returns

- Final dividend of $65m (13.0 cents per share) 50% franked.
  - CSR policy to maximise the distribution of franking credits to shareholders
  - The lower level of franking for the final dividend represents the impact of tax losses realised following the sale of Viridian Glass
  - Future dividends expected to be in line with CSR's target dividend payout ratio of 60-80% of full year net profit after tax (before significant items)

Dividends

Total dividend	$101m	$119m	$131m	$136m	$131m
Payout ratio	69%	71%	71%	64%	72%

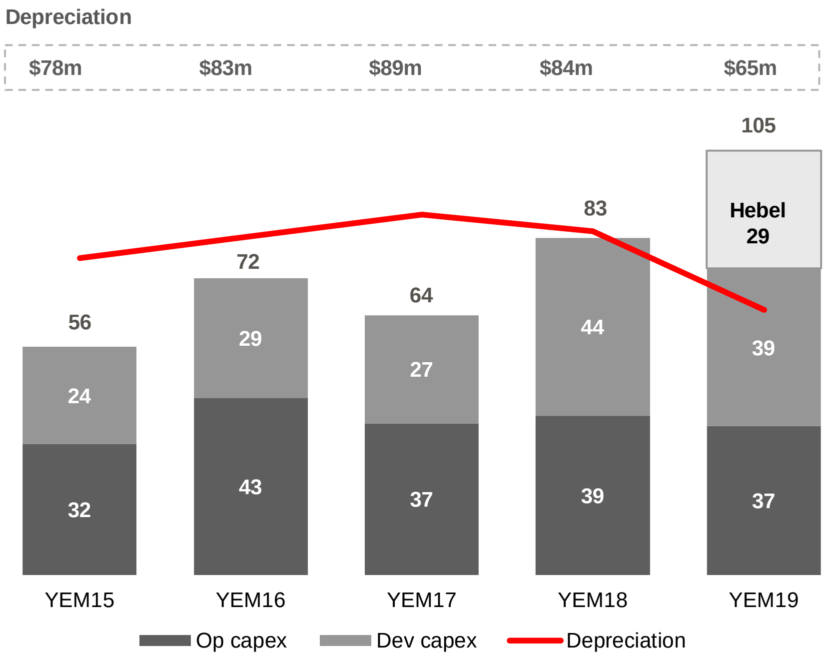


Note YEM18 and YEM19 payout ratio excludes the impact of discontinued operations.

Investments to support growth in Building Products

- Major Building Products projects include:
  - Hebel – $75m expansion at Somersby, NSW completed in April 2019
  - AFS – Rediwall expansion at Minto, NSW and new AFS site purchased in Victoria
  - Bradford – site purchased in WA
- $18m of capex from Hebel project to be included in YEM20
- Excluding Hebel, Building Products capex expected to be in line with depreciation in YEM20

Capital expenditure [1] (ex property & acquisitions, A$m)

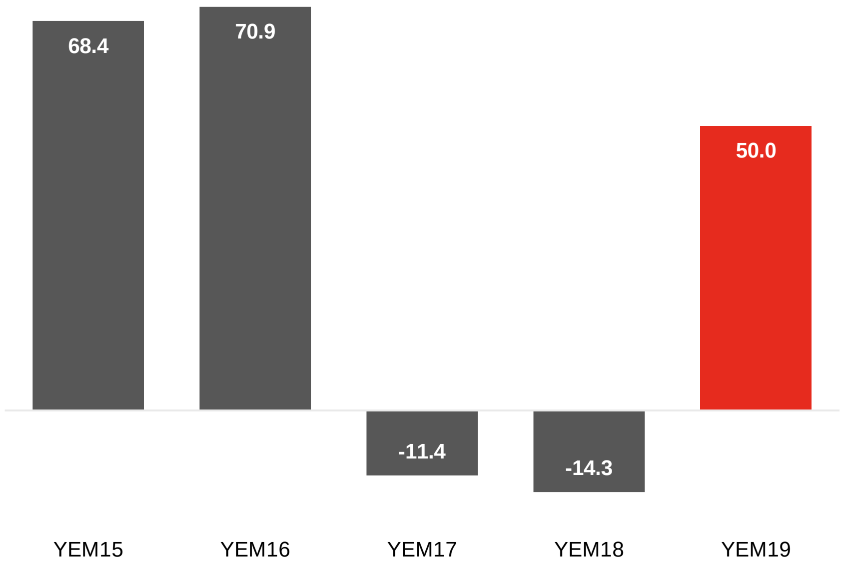


1. YEM19 excludes Viridian Glass.

Strong financial position going into YEM20

- YEM19 net cash of $50m
- Additional cash to be received in YEM20
  - $110m from two Property settlements
  - $78.5m from Viridian deferred settlement
- $100 million share buyback launched in March 2019
  - $9m purchased to date
  - Share buyback to continue during YEM20

Net cash / (debt) A$m



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BUSINESS UNIT PERFORMANCE

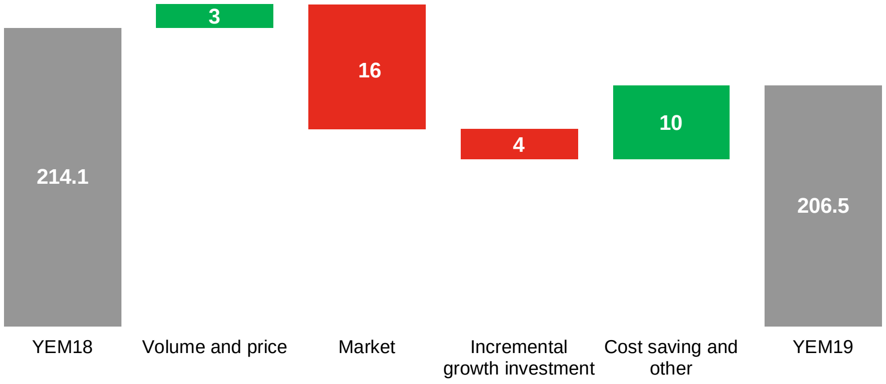
Rob Sindel, Managing Director

Building Products revenue up 1% with growth from new products

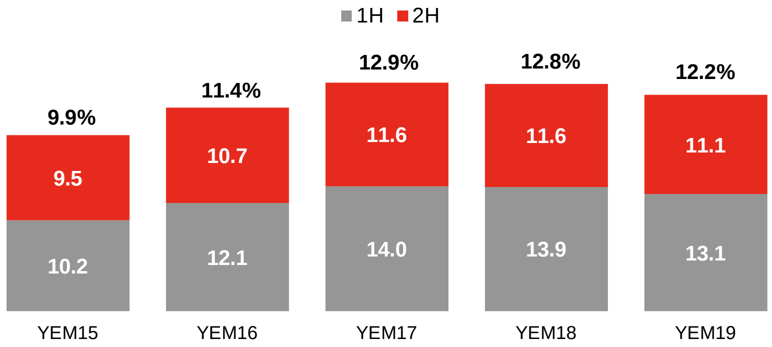
A$m unless stated [1]	YEM19	YEM18	change
Revenue	**1,695.9**	1,672.2	1%
EBITDA	258.9	265.4	(2%)
EBIT	**206.5**	214.1	(4%)
Funds employed[2]	947.4	919.1	3%
EBIT/revenue	12.2%	12.8%	
Return on funds employed[3]	22.1%	23.8%	

- Revenue up 1% with higher pricing and improved product mix offsetting the moderate reduction in volumes in the second half of the year
- Includes $14m in growth investments in CSR Connect digital platform, new product development and Inclose façade systems

EBIT A$m



EBIT Margin %



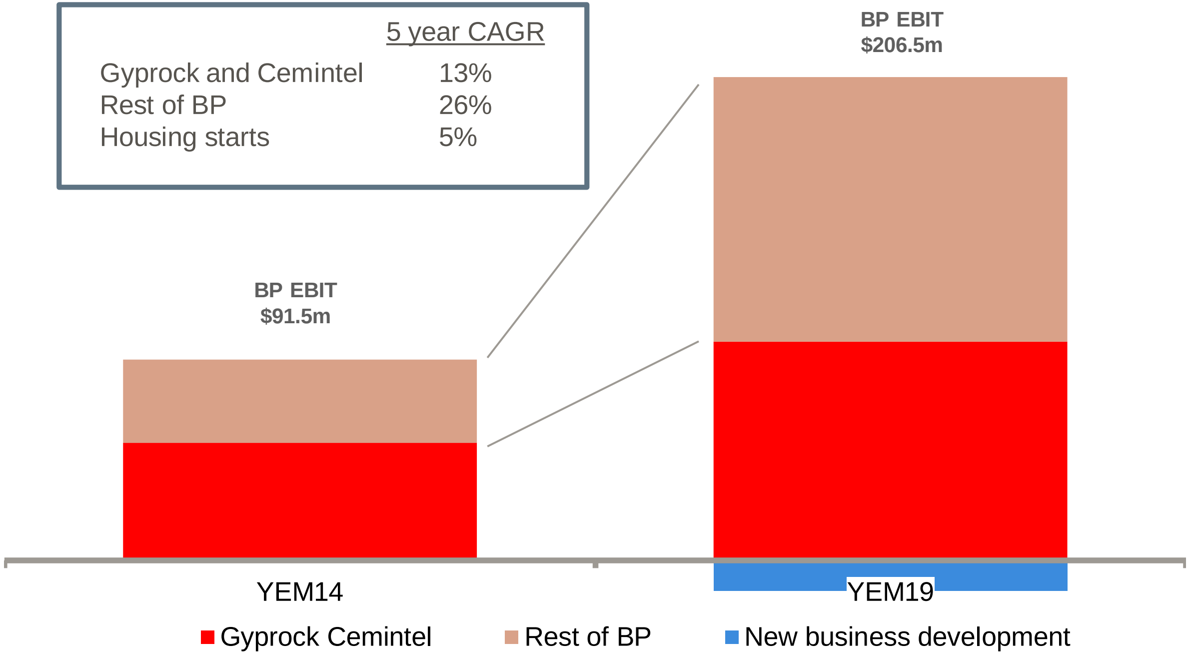
1. EBITDA and EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
3. Refer note on slide 5.

Growth and resilience of the Building Products portfolio

- Lightweight Systems (including Gyprock and Cemintel) have grown by a CAGR of 13% since YEM14 - ahead of housing starts CAGR up 5%
- Rest of Building Products CAGR of 26% since YEM14 includes the benefit of acquisitions and industry consolidation in bricks

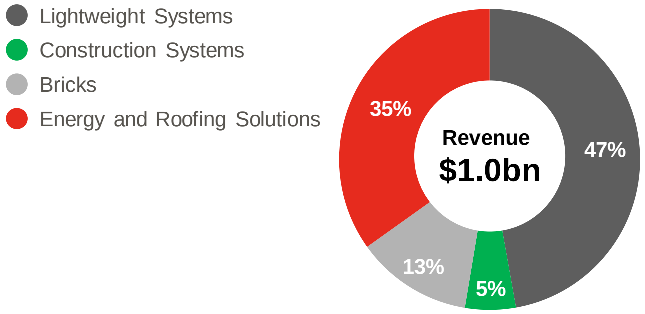
Building Products EBIT A$m

	5 year CAGR
Gyprock and Cemintel	13%
Rest of BP	26%
Housing starts	5%

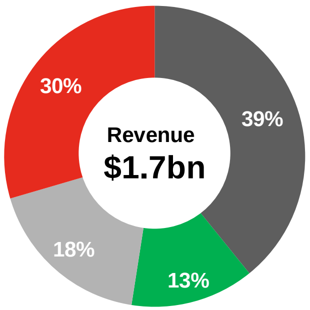


Broader revenue base from wider addressable market

YEM14 Building Products revenue



YEM19 Building Products revenue



Lightweight Systems	Construction Systems	Bricks	Energy and roofing solutions
GYPROCK, CEMINTEL, HIMMEL Interior Systems, POTTER Interior Systems, RONDO	hebel The better way to build, afs smarter permanent formwork., Inclose Unitised Rainscreen Facades, VELOCITY	PGH BRICKS & PAVERS	Bradford, martini, EDMONDS Technologies for a Sustainable Future, MONIER ROOFING

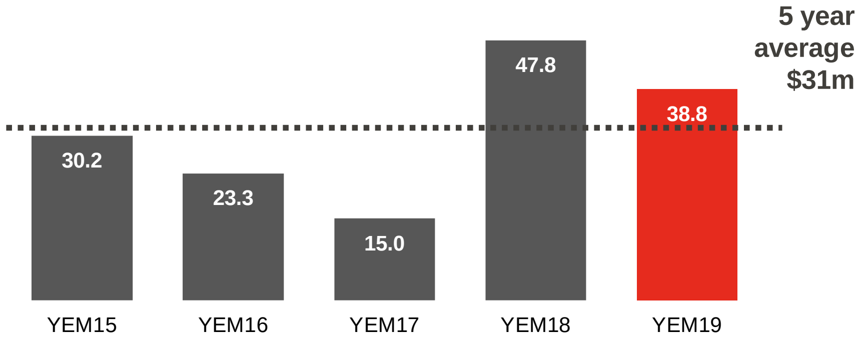
CSR

Continued strength in Property earnings

A$m unless stated [1]	YEM19	YEM18	change
EBIT	**38.8**	47.8	(19%)
Funds employed[2]	224.5	185.7	21%
Return on funds employed[3]	18.9%	29.2%	

1. EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
3. Refer note on slide 5. ROFE varies due to timing of projects.

Property EBIT A$m



- EBIT of $38.8m includes Stage 1 Horsley Park, NSW and sales at Chirnside Park, VIC.
- Chirnside Park project has delivered $44 million in EBIT to date (including $12.5m in YEM19).
  - Marketing and construction continuing on the townhouses and duplexes in Stage 6 during YEM20 and YEM21

Major residential projects in Western Sydney

	Schofields, NSW	Bringelly, NSW
Size	› 70ha – future residential › Approximately 1,250+ lots	› 92 hectares
Zoning	› Public exhibition closed in September 2018 › Rezoning due for completion in mid 2019	› Future residential (approximately 1,000 lots) › 1.8km south of future Western Sydney CBD aerotropolis
Area	› Rapidly growing area in northwest Sydney › Richmond Road upgrade completed to South Street › North West Rail Link underway – opening in 2019	› Southwest Sydney growth centre › North South Rail link announced
Timing	› Stage 1 (approximately 400 lots) to begin development in YEM21	› Rezoning in process for the area
Redevelopment works	› Quarry rehabilitation completed › Masterplan for local planning (roads, lots, infrastructure)	› Studies commencing on rezoning
Market outlook	› Infill location, well located in growth area › Marketing to begin in 1.5+ years based on market outlook	› Residential, key growth area › Government focus on infrastructure spend

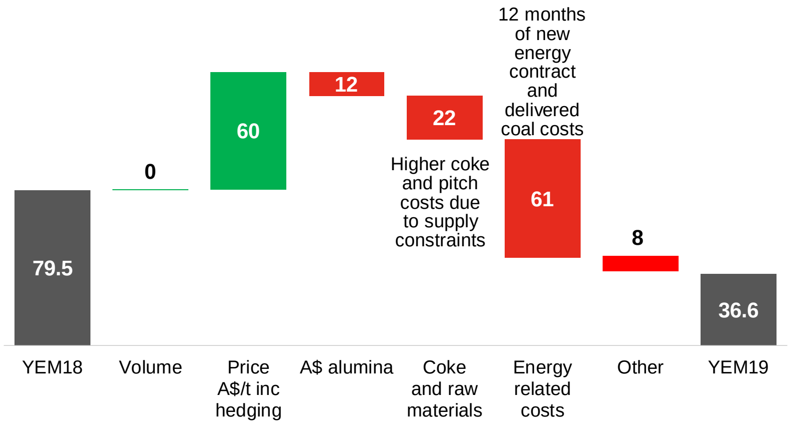
Major industrial projects in Western Sydney

	Horsley Park, NSW	Badgerys Creek, NSW
Size	› 30 hectares – industrial (current surplus) › 20 hectares – current operating factory	› 200 hectares
Zoning	› Zoned industrial › Stage 1 – registration and title due for completion in mid 2019	› Future zoning Flexible Employment / Urban land
Area	› Established industrial area › Adjacent to Oakdale Industrial Park (Goodman development)	› Located within the Western Sydney Aerotropolis release area
Timing	› Stage 1 – 10 hectares sold in YEM19 for EBIT of $32 million › Stage 2 – 20 hectares	› Subject to final government rezoning and infrastructure availability – 5 + years
Redevelopment works	› Land rehabilitation continues	› Applications with government for rehabilitation works
Market outlook	› Strong demand from both institutional investors and owner occupiers	› Located adjacent to the future Western Sydney CBD with solid growth prospects once rezoned

Aluminium – earnings impacted by higher electricity costs

A$m unless stated [1]	YEM19	YEM18	change
Sales (tonnes)	213,280	212,801	—
A$ realised price[2]	2,939	2,657	11%
Revenue	**626.9**	565.5	11%
EBITDA	48.3	97.1	(50%)
EBIT	**36.6**	79.5	(54%)
Funds employed[3]	140.3	120.0	17%
EBIT/revenue	5.8%	14.1%	
Return on funds employed[4]	28.2%	61.8%	

EBIT A$m



- Revenue up 11% following 11% increase in realised aluminium price
- Delivered EBIT of $36.6m despite $61m in increased electricity related costs (including $27m in delivered coal costs)
- Raw material costs including coke and pitch up by $22m offset by the higher realised aluminium price

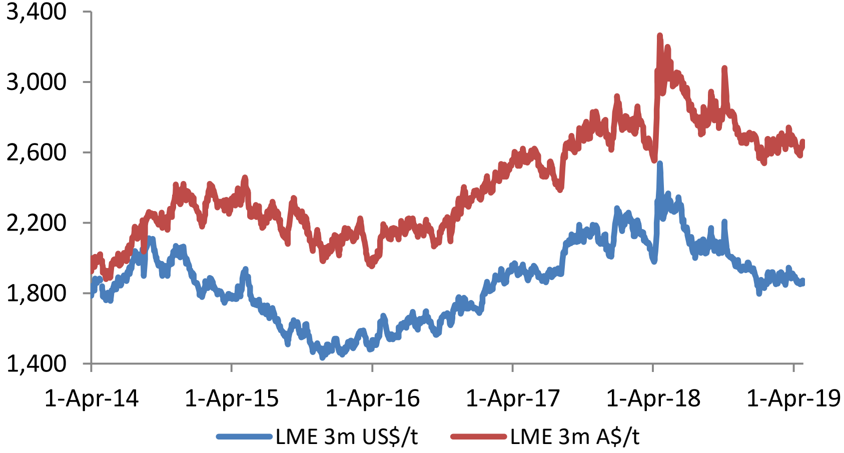
1. EBITDA and EBIT (before significant items).
2. Includes hedging and premiums.
3. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
4. Refer note on slide 5.

Secured new alumina contract

GAF aluminium hedge book

As of 30 April 2019	YEM20	YEM21
Average price A$ per tonne (excludes premiums)	A$ 2,718	A$ 2,976
% of net aluminium exposure hedged	71%	15%

LME 3m US$ and A$ price per tonne



- US$ aluminium prices traded in a wide range during the year with the average US cash price per tonne of US$2,035 down slightly from prior year
- Australian dollar averaged 72.95 US cents during the year down from 77.36 US cents
- Alumina costs higher due to weaker A$
- A new two-year contract is now in place for 50% of alumina volumes linked to the US$ aluminium price
- A contract for the balance of GAF's requirements is expected to be finalised within the first half of YEM20

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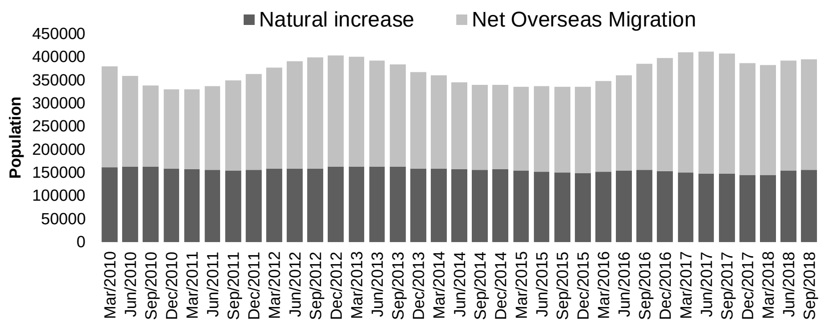
MARKET AND OUTLOOK

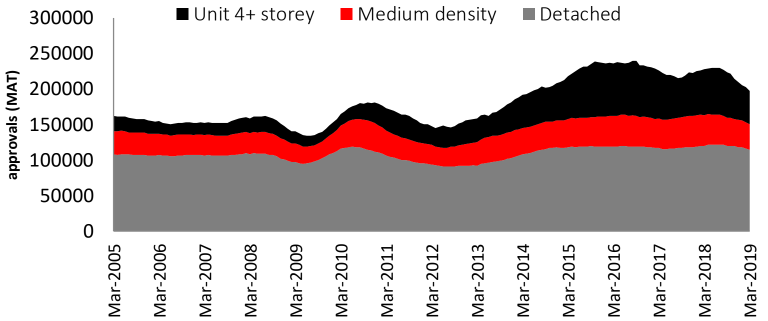
Rob Sindel, Managing Director

Support for construction demand over the longer-term

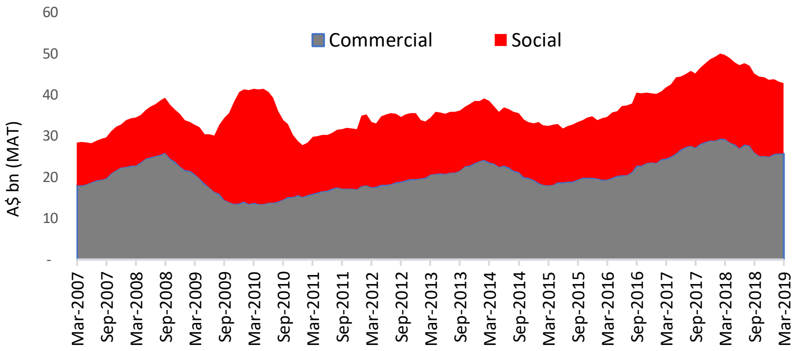
Australian population growth



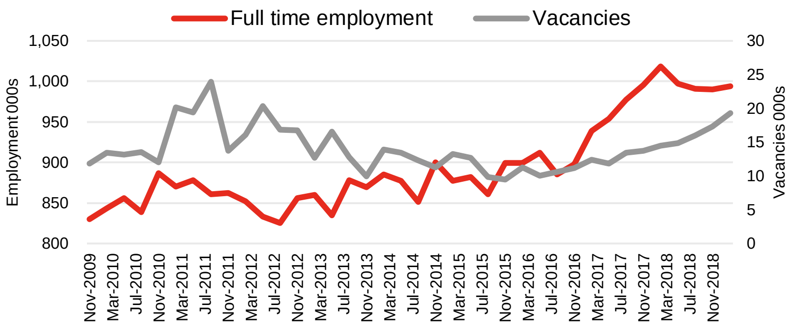
Stability in detached housing market



Non-residential construction growth



Increased demand for construction trades



Source: ABS cat 8731, 3101, 6291, 6354

CSR

Outlook for year ending 31 March 2020 (YEM20)

Building Products

- Volumes in the first month of YEM20 remain consistent with the final quarter of YEM19. Mixed economic signals make it difficult to predict building activity levels for the year ahead. CSR is making changes to its operating footprint and overheads to mitigate the impact on earnings.

Property

- Whilst the quantum of earnings may fluctuate due to the timing of transactions, the ongoing development of a number of major projects will underpin Property earnings over the next 10 years.

Aluminium

- Currently 71% of net aluminium exposure for YEM20 is hedged at an average price of A$2,718 per tonne (excluding ingot premiums) as of 30 April 2019.

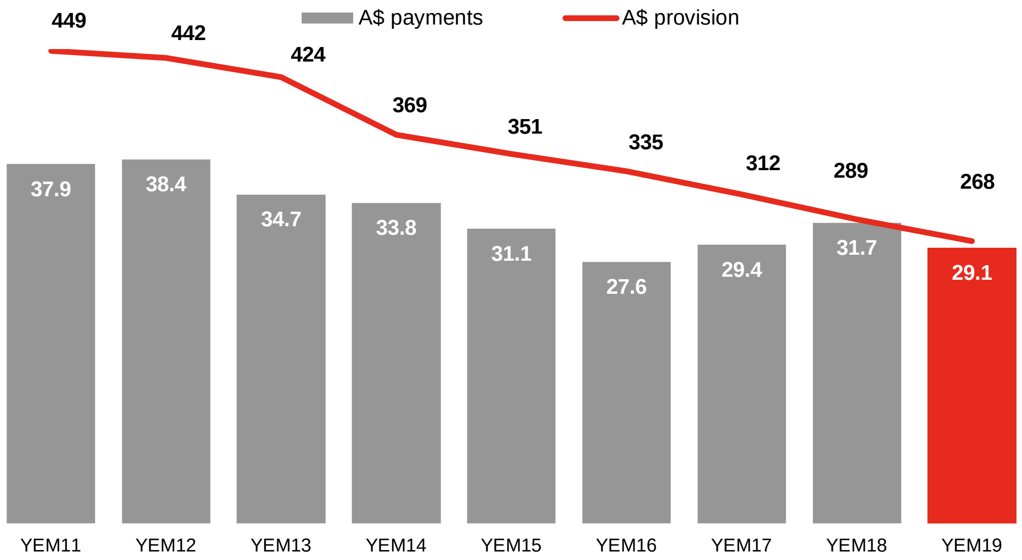
APPENDICES

Year ended 31 March 2019

5

Further reductions in asbestos liability

Asbestos provision - A$m



- Product liability provision of A$268m
- Provision includes a prudential margin of A$35.7m
- Cash payments A$29m during the year

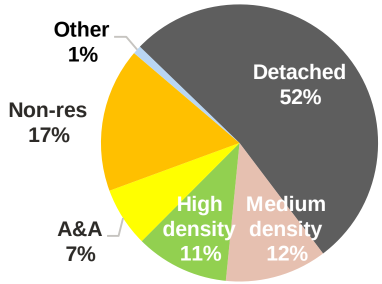
Review of significant items

$million	2019	2018
Significant items from continuing operations:		
Impairment of Roofing assets	(32.8)	–
Restructuring costs	(11.6)	(0.9)
Remediation, supply disruption and other costs	(4.0)	(7.6)
Significant items from continuing operations before finance costs and income tax	**(48.4)**	(8.5)
Discount unwind and hedging relating to product liability provision	(8.0)	(8.3)
Income tax benefit on significant items from continuing operations	13.5	5.0
Significant items after tax from continuing operations	**(42.9)**	(11.8)
Significant items attributable to non-controlling interests	0.1	0.2
Significant items from continuing operations attributable to shareholders of CSR Limited	**(42.8)**	(11.6)
Loss from discontinued operations after tax attributable to shareholders of CSR Limited	(65.3)	(12.3)
Significant items and discontinued operations loss attributable to shareholders of CSR Limited	**(108.1)**	(23.9)
Net profit attributable to shareholders of CSR Limited	73.6	186.7
Significant items and discontinued operations loss attributable to shareholders of CSR Limited	108.1	23.9
Net profit from continuing operations before significant items attributable to shareholders of CSR Limited	**181.7**	210.6
Earnings per share from continuing operations attributable to shareholders of CSR Limited before significant items		
Basic (cents per share)	36.1	41.9
Diluted (cents per share)	36.1	41.6

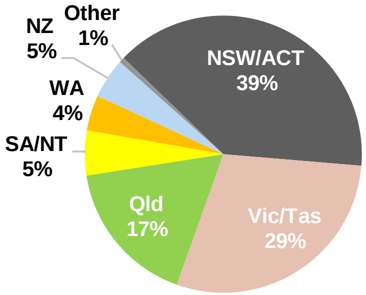
Additional information on significant items is contained in Note 3 in the full year report.

CSR exposure across construction segments

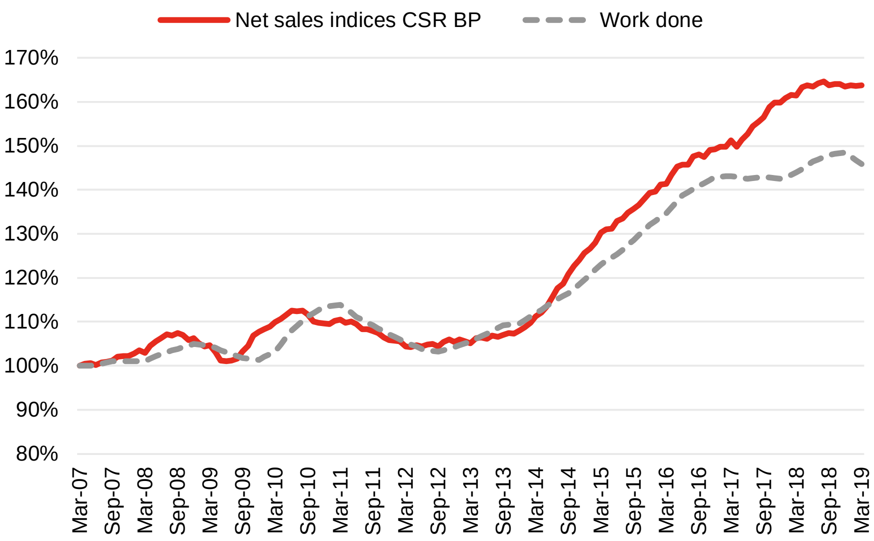
End market exposure



Regional exposure



Indexes CSR Revenue vs Market Activity (Work Done)



Source: ABS-CSR analysis.
Note: CSR Building Products revenue normalises impact of the PGH Bricks JV. Work done – weighted index based on CSR estimate of exposures to constructions market segments.