CSR LIMITED HALF YEAR RESULTS ENDED 30 SEPTEMBER 2011

RESULTS PRESENTATION

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Agenda

1. Overview	Rob Sindel, Managing Director, CSR Ltd
2. Group Financial Results	Greg Barnes, CFO, CSR Ltd
3. Results by business	Rob Sindel
4. Outlook	Rob Sindel

1. Overview

Results at a glance

Continuing operations

Safety improvement[1]	⬆	30%
Trading revenue $937m	⬇	4%
EBIT[2] $92.8m	⬇	21%
Profit before tax[2] $82.8m	⬆	7%
NPAT[2] $50.6m	⬆	14%
EPS[2] 10.0c	⬆	14%

Continuing operations

Reported NPAT[3]
$34.9m

Interim dividend
6.0c (fully-franked)

Net cash position at 30 September
$63.8m

Long term credit rating
BBB+ outlook stable (*Standard & Poor's)*

1 *Lost Time Injury Frequency Rate (LTIFR) – from YEM11*
2 *Before significant items*
3 *After significant items*

Results summary

Net profit after tax from continuing operations[1] up 14 per cent to $50.6m

Profit higher on lower interest costs

- Lower interest costs from strengthened balance sheet assist net profit improvement in challenging markets
- Deteriorating construction markets impact earnings in Building Products
- Higher smelter input costs impact Aluminium earnings

Strong financial position maintained

- CSR remains strongly capitalised to meet current market challenges while reinvesting to strengthen core business
- Net cash at half-year $63.8m
- Standard & Poor's long term credit rating BBB+ Outlook stable

Progressing strategy

- Rationalise manufacturing operations and continued investment in operational efficiency
- Consolidation and investment in innovation - targeting new product and systems development
- Completed small scale accretive acquisitions in selected markets
- Continue to assess and progress further bolt on acquisition opportunities

1 pre significant Items

2. Half year results – 30 Sept. 2011

Financial results summary

Continuing operations A$m	2011	2010	%∆
Trading Revenue	**937.0**	975.0	(4%)
EBITDA	**136.9**	166.4	(18%)
EBIT	**92.8**	117.6	(21%)
Net Finance Costs	**(10.0)**	(40.4)	(75%)
Profit before Tax	**82.8**	77.2	7%
Tax Expense	**(23.4)**	(22.0)	6%
Non-controlling Interests	**(8.8)**	(10.8)	(19%)
Net Profit after tax (pre significant items)	**50.6**	44.4	14%
Net Profit/(loss) after tax (after significant items)	**34.9**	30.8[1]	13%

- Net profit after tax (pre significant items) up 14% on lower finance costs post Sucrogen sale
- Net Finance costs include asbestos unwind and costs to maintain finance facilities
- EBIT decline reflects deteriorating conditions in residential and commercial construction and higher input costs in Aluminium
- Income tax in line with guidance - underlying effective rate of 28%
- After-tax significant items of $15.7m include previously announced Viridian restructure costs and charge to maintain product liability provision

1 Costs associated with the disposal of the Sucrogen business have been reclassified as a significant item from discontinued operations.

Financial results by division

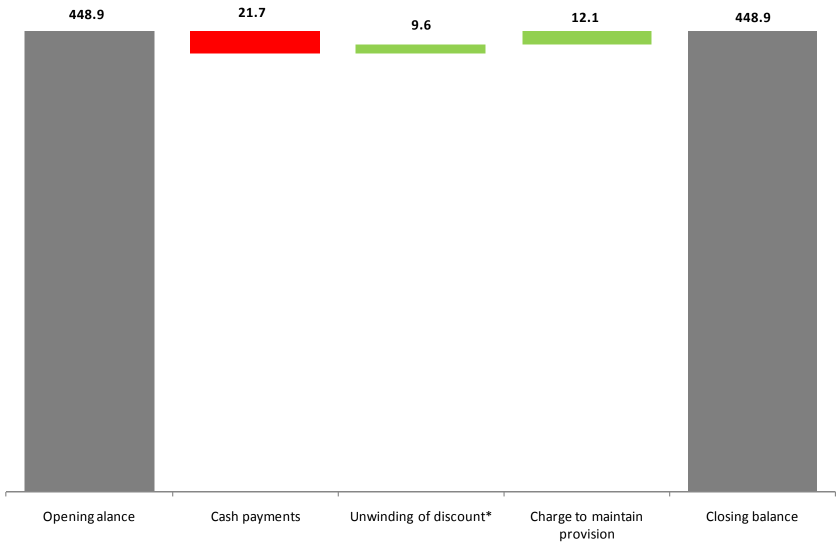
Continuing operations A$m EBIT	2011	2010	%∆
Building Products (ex Viridian)	**49.2**	54.7	(10%)
Viridian	**(6.9)**	3.0	n/m
Aluminium	**43.0**	55.1	(22%)
Property	**17.8**	14.7	21%
Corporate	**(7.8)**	(8.2)	
Restructure and Provisions	**(2.5)**	(1.7)	
Total EBIT (pre sig. items)	**92.8**	117.6	(21%)

- Building Products (ex Viridian) EBIT down 10% on significantly deteriorating construction markets
- Viridian impacted by volume decline in commercial and residential construction
- Aluminium earnings impacted by increased smelter input costs and slightly lower realised aluminium price
- Property earnings up 21% due to sale of Brendale residential development to DHA
- Group EBIT in line with previous guidance

Product liability - continued responsible approach

A$m

Asbestos reconciliation



*Unwinding of discount refers to re-statement of the discounted provision to nominal dollars

- Continued responsible approach to managing asbestos related claims
- Cash payments A$21.7m slightly lower than previous corresponding period
- Product liability provision based on semi-annual advice from US and Australian experts - unchanged from 31 March 2011
- Provision also includes prudential margin at discretion of Board (above central estimate of liabilities) to account for current environment, material uncertainties and exchange rate fluctuations
- Prudential margin at half-year - A$76.1m; (20%) above aggregate of central estimate of US and Australian liabilities

Operating cashflows from continuing operations

Cashflow from operations A$m	2011	2010
EBITDA	136.9	166.4
Net Movement in working capital	(18.2)	(24.6)
(Profit)/loss on asset disposals	(18.8)	(16.6)
Asbestos payments	(21.7)	(22.9)
Movement in provisions/other	(2.0)	(15.4)
Operating cashflows (pre tax & sig. items)	**76.2**	**86.9**
Tax paid	(34.9)	(23.5)
Significant items	(11.6)	(10.4)
Operating cashflows (post tax & sig. items)	**29.7**	**53.0**

- Building Products operating capital spend ($32.4m) slightly ahead of depreciation
- Building Products development capital spend ($30.7m) includes EBIT accretive acquisitions
  - Burnbridge glass (NSW)
  - trade distribution expansion in plasterboard (SA and WA)

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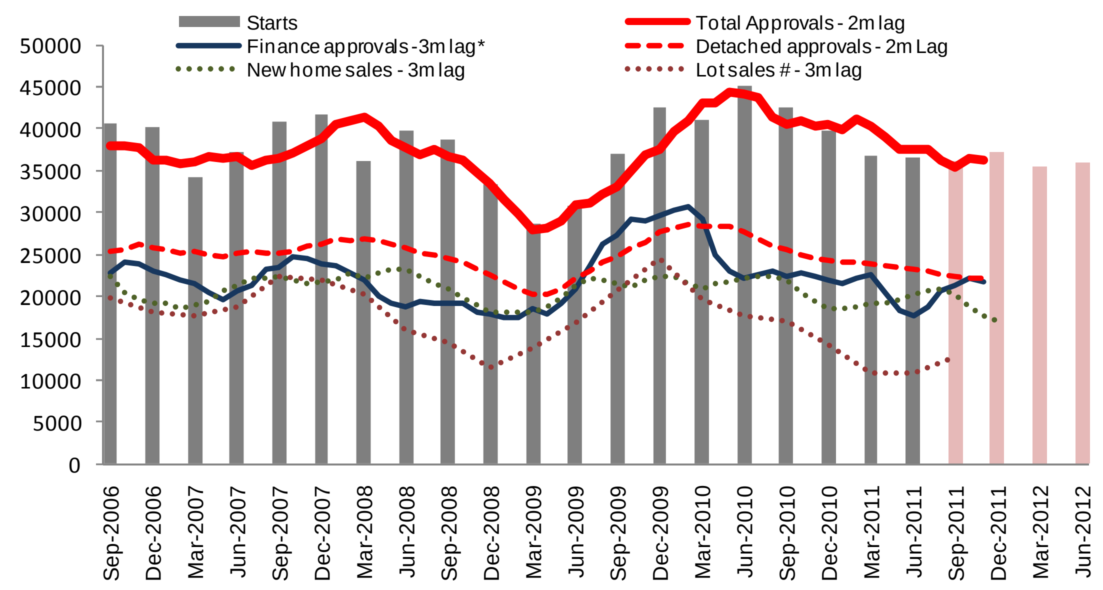
3. Results by business – Building Products

Responding to challenging markets

- Conclusion to Govt stimulus and low consumer sentiment drive construction markets significantly lower in first half:
  - Australian residential starts down 14%[1]
  - Australian commercial activity down 22%[2]
  - NZ residential consents down 21%[3]
- Response to market challenges:
  - restructure in Viridian Primary Products
  - rationalise manufacturing capacity to align production with demand
  - further cost removal and operational efficiencies
  - focus on customer service and pricing to drive product mix
- Maintain medium term strategy for growth:
  - continued investment in new products, systems development and people
  - small scale, accretive growth acquisitions

Australian building indicators



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

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

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Building Products revenue summary

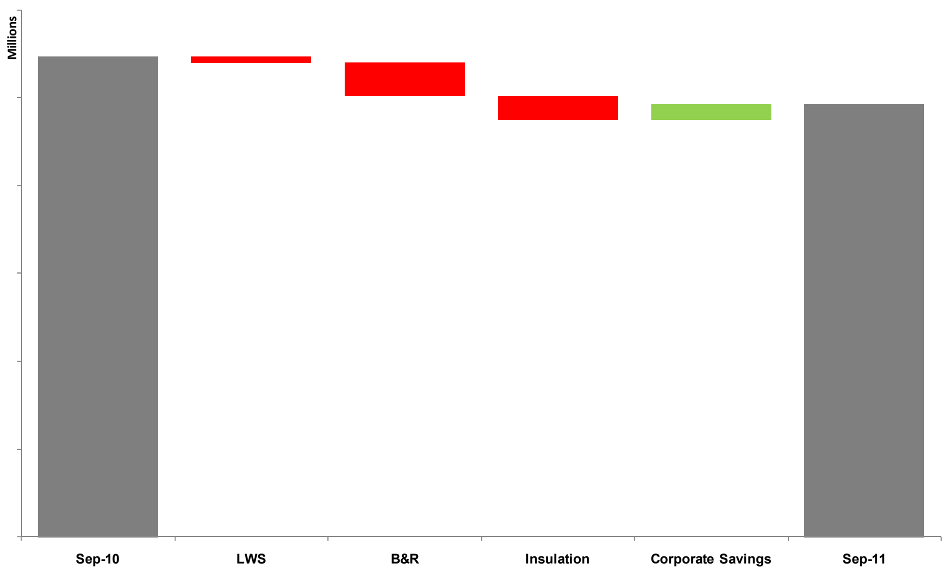
Trading Revenue A$m	2011	2010	%Δ
Lightweight Systems			
	382.8	383.0	--
Glass			
	164.0	182.9	(10%)
Bricks and Roofing			
	135.8	154.9	(12%)
TOTAL	**682.6**	720.8	(5%)

- Lightweight Systems revenue steady despite deteriorating market conditions
  - extension of trade distribution capacity in Gyprock
  - improvements in smaller businesses (Hebel, Cemintel, Commercial Interiors) under more focused business structure
- Insulation pricing impacted by continued overhang of termination of ceiling rebate scheme
- Viridian impacted by further construction market downturn and higher A$
- Significantly weaker volumes in Bricks and Roofing, particularly QLD and NZ

Building Products - solid performance

Building Products (ex Viridian) A$m	2011	2010	%Δ
Trading Revenue	**518.6**	537.9	(4%)
EBITDA	**67.3**	76.2	(12%)
EBIT	**49.2**	54.7	(10%)
EBIT Margin	**9.5%**	10.2%	

Building Products change in EBIT by business

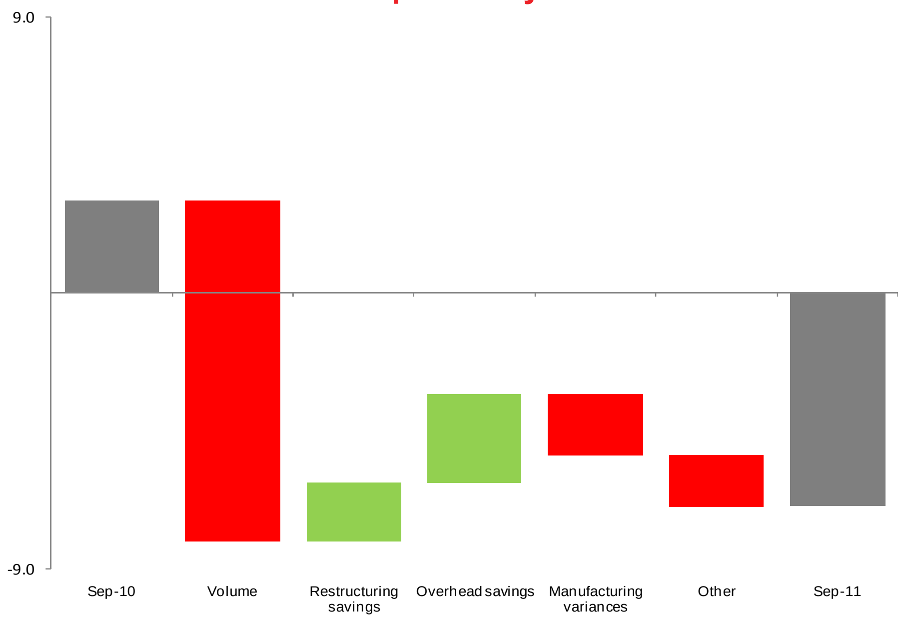


- Revenue down less than market from continued focus on
  - pricing and product mix
  - customer service to drive modest share gains
- Increased management focus benefiting smaller businesses:
  - Hebel – M2 contract; supply and fit capability in Victoria
  - Cemintel – improved pricing and product mix
  - Commercial Interiors – broadening capability
- Gyprock - growth in network and distribution
- Bradford - new development in solar and energy rating business

Viridian— declining volumes outweigh operational improvements

A$m	2011	2010	%∆
Trading Revenue	**164.0**	182.9	(10%)
EBITDA	**4.7**	15.9	(70%)
EBIT	**(6.9)**	**3.0**	**n/m**

Viridian – EBIT impacted by volume downturn

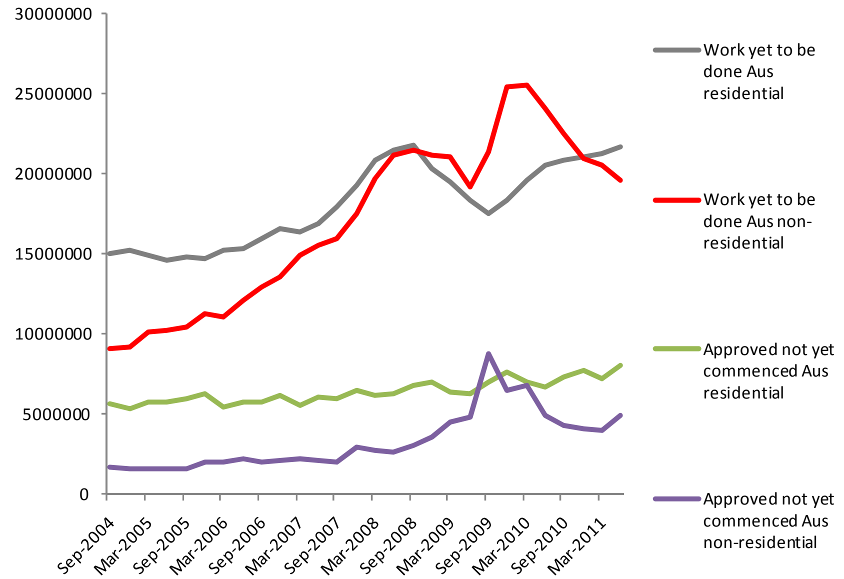


- Further commercial market decline (22%) and residential decline (14%) adversely impact volume
- High fixed cost business – earnings leveraged significantly to volume movements
- Primary Products (Upstream) market share steady but pricing pressure from high A$ continues
- Anti-dumping case successful – duties to be applied on imported clear float glass from specific countries
- Restructure on track:
  - rationalise laminating operations – replace with more efficient line
  - cease unprofitable product lines
  - expect to deliver ongoing annualised cost savings of ~$10m
- Glass Processing and Services (Downstream) volumes lower, particularly in QLD and NZ
- Product innovation in energy efficiency – SmartGlass™ – good traction in market

Construction activity outlook

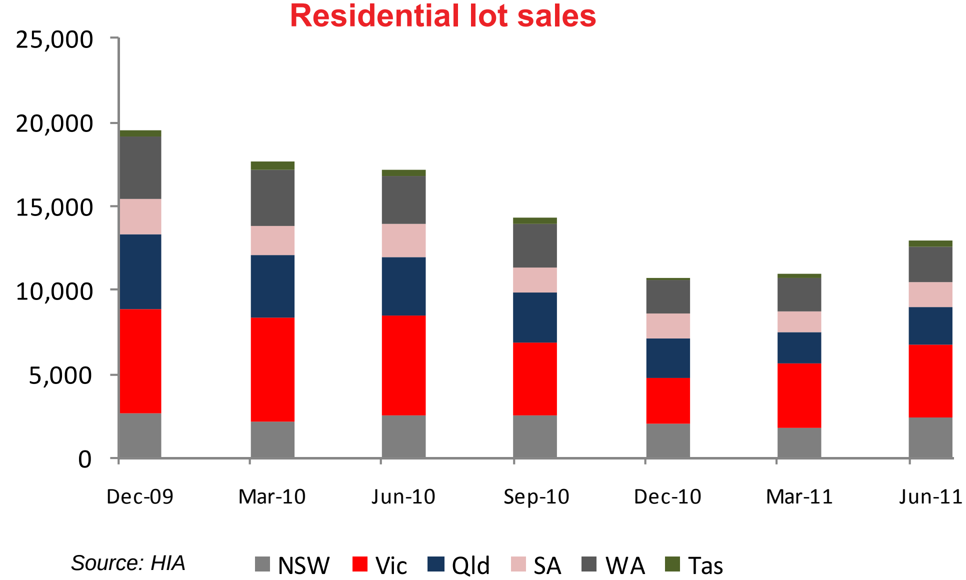
- Expect Australian housing starts of ~145,000 for YEM12 (one qtr lag)
  - private detached housing to decline ~13%; only partially offset by moderate increase in private multi residential
  - significant decline in social housing segment
  - slight improvement in residential pipeline of work yet to be done
  - moderate increase in alterations and additions
  - non-residential market down ~15% from stimulus conclusion (BER) in part offset by modest recovery in commercial (retail/warehouse)
- Medium term outlook remains favourable
  - market can turn relatively quickly on improved consumer confidence
  - mildly encouraging signs on recent residential lot sales
  - underlying housing demand remains strong

Activity Pipeline ('000)



Source: ABS

Residential lot sales



Source: HIA

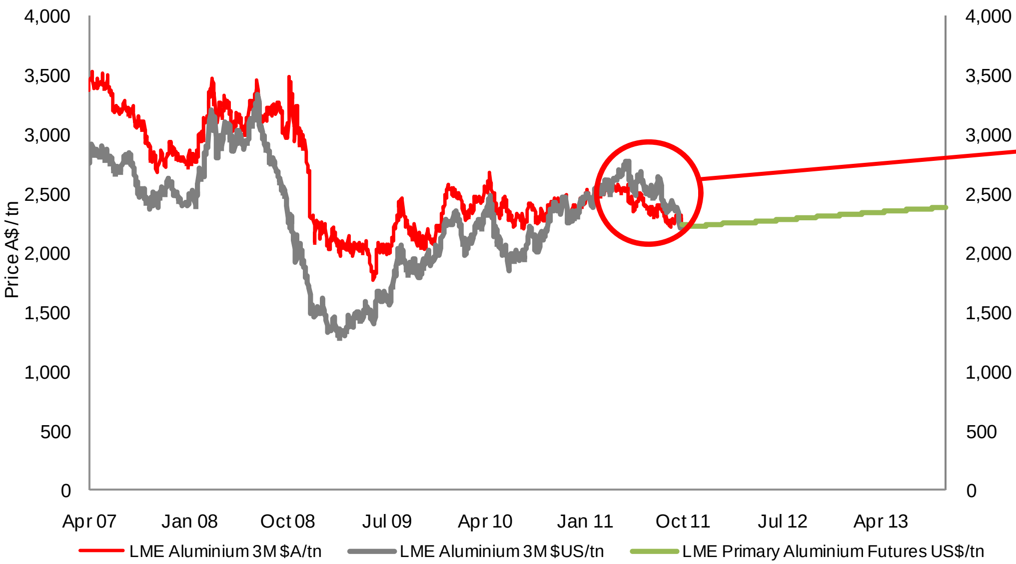
3.2 Aluminium

Earnings impacted by higher input costs and lower pricing

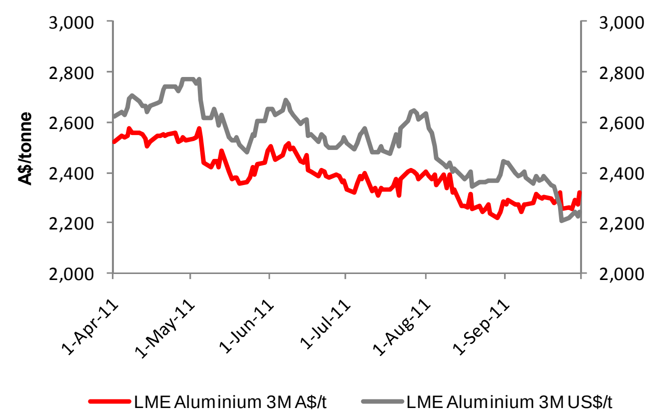
- Revenue in line with previous period - higher sales volumes offset by lower A$ realised price
- Earnings and EBIT margin impacted by higher input costs:
  - significant increase in petroleum coke costs
  - moderate increase in alumina costs

A$m (unless stated)	2011	2010	%∆
Sales (tonnes)	**94,564**	93,785	1%
Ave A$ realised price per tonne	**2,689**	2,702	--
Trading Revenue	**254.2**	253.4	--
EBIT	**43.0**	55.1	(22%)
EBIT Margin (%)	**16.9**	21.7	

Aluminium 3 month price per tonne (USD/AUD)
1 April 2007- 30 Sept 2011/forward price



Aluminium 3 month price per tonne (USD/AUD)
1 April 2011- 30 Sept 2011



Source: Bloomberg

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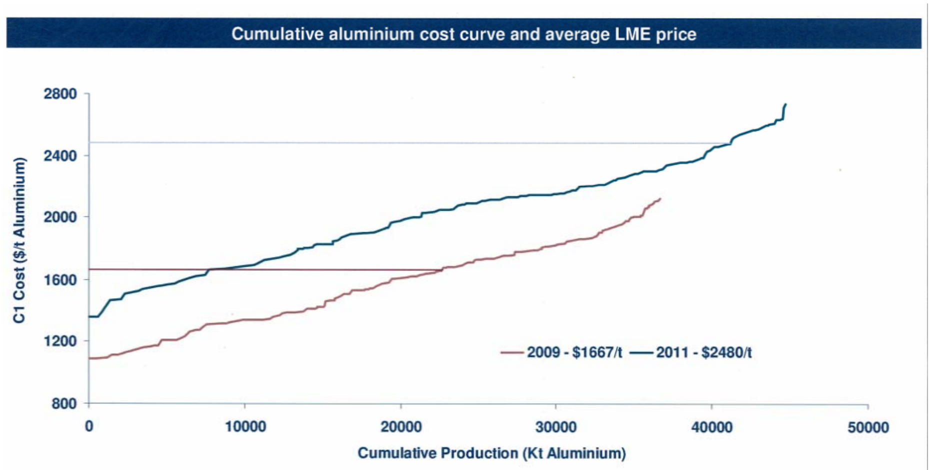
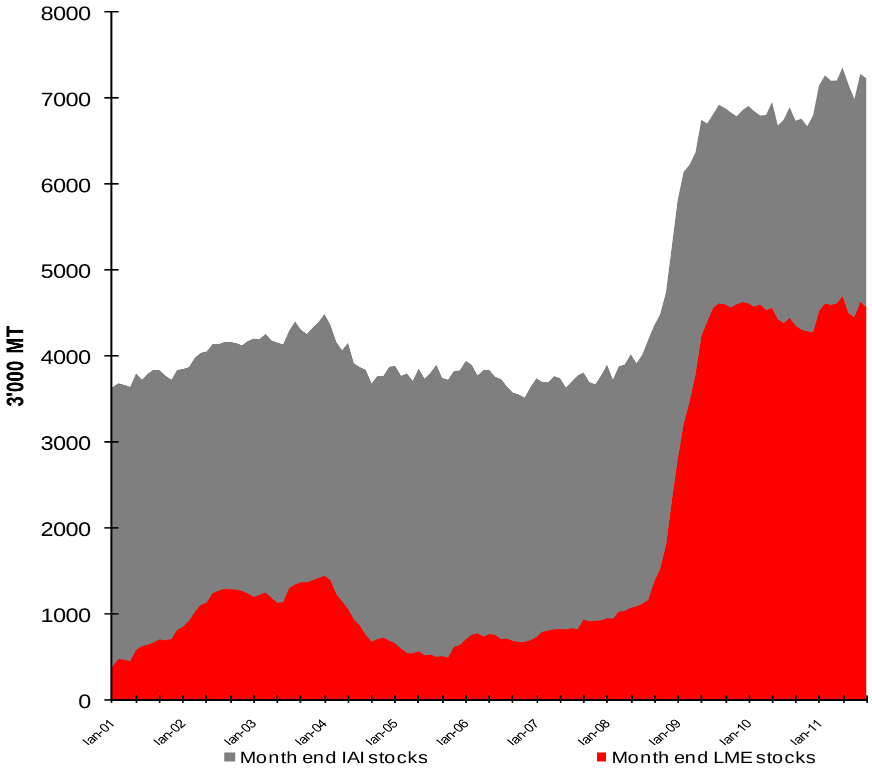
Net hedged position unchanged

- Softening US$ metal price into global cost curve - ~30% of global production (higher cost smelters) losing money at current aluminium price
- LME inventory continues to be locked into financing deals supported by low US interest rates, low warehousing costs and price expectations
- Given lower prices no material increase in GAF net hedged position:
  - YEM12 ~ 50% at A$2,972/tonne
  - YEM13 ~ 14% at A$3,073/tonne



Source: Wood Mackenzie

LME Aluminium inventory



Source: Jeffries

3.3 Property

Progress medium term pipeline

A$m	2011	2010	%∆
EBIT	**17.8**	14.7	21%

- Principal contribution to EBIT – sale of 535 lot residential development at Brendale to Defence Housing Australia
  - sale proceeds of ~$35 million to be received in stages concluding in August 2013
  - adjacent 54 hectares of industrial land being developed
- Sale proceeds of $27 million from Alexandria sale received in first half
- Continued marketing at Erskine Park (Sydney) and Darra (Brisbane) YEM12
- Planning approval received for Chirnside Park residential development
- Progressing development opportunities to add to medium term pipeline

Update on medium-term development pipeline

Darra, Brisbane	■ 16 hectare light industrial sub-division which is fully developed with 7 out of 40 lots remaining for sale ■ Remaining estimated gross revenue—$7m
Erskine Park, Sydney	■ DA approved 11 hectare industrial sub-division. Marketing program continues ■ Estimated remaining gross revenue—$19m
Brendale, Brisbane	■ 54 hectare industrial development. Site remediation works commenced ■ Estimated gross revenue—$100m
Chirnside Park, Melbourne	■ ~520 lot residential development. Planning approval received October 2011 ■ Estimated gross revenue—$155m

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4. Outlook

Divisional outlook – YEM12

Building Products	■ Expect Australian housing starts of ~145,000 (1/4 lag) for YEM12 – down 14% on prior year ■ Expect non-residential activity to decline by ~15% ■ Continued strong focus on further overhead cost reduction, rationalise manufacturing capacity and pricing to address market challenges ■ New product development – Hebel® home, SmartGlass™, energy efficiency services and growth in Commercial Interiors business
Aluminium	■ GAF net hedged position remains at ~50% @ A$2,972/tonne YEM12 ■ GAF has contracts in place for 95% of its share of production in YEM12 ■ Higher input smelter costs to remain in second half
Property	■ Brendale sale completed in first half ■ EBIT subject to timing of further specific transactions
Group	■ CSR continues to benefit from strong balance sheet and low interest costs ■ Current analyst consensus for YEM12 NPAT (pre sig. items) is $82-$100m with median of $87m ■ Subject to construction activity, A$ aluminium prices, CSR expects NPAT (pre sig. items) to be at the lower end of this range ■ Continue to progress accretive bolt-on acquisition opportunities

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5. Appendix

Carbon tax implications

Legislation timing

- Clean Energy Future (CEF) bills passed in Senate 8 November 2011
- Fixed price A$23/tonne from 1 July 2012; flexible price from 1 July 2015

Initial impact on CSR

- Float glass manufacturing (Viridian) and aluminium smelting (GAF) recognised as Energy Intensive Trade Exposed industries – qualify for transitional assistance (initial rate 94.5%)
- Arbitrary cut-offs penalise trade exposed industry which do not meet emissions threshold (e.g. Bradford)
- CSR estimates liability after transitional assistance but **before** mitigation of ~$10m in first full year of carbon tax – CSR intends to increase prices in line with these costs (where possible)

Further actions on Carbon

- Rigorously pursue assistance measures under Clean Technology Investment Program
- "CSR Energy Way" – efficiency improvements in manufacturing on carbon abatement curve
- Continued Govt lobbying on energy efficiency in built environment

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Significant items breakdown

Significant Items A$m	2011	2010
Viridian restructuring costs	(10.3)	--
Charge to maintain product liability provision	(12.1)	--
Insulation inventory write-down	--	(19.4)
Income tax benefit	6.7	5.8
Total significant items after tax	**(15.7)**	(13.6)

Dividend Reinvestment Plan (DRP)

- The Dividend Reinvestment Plan ("DRP") will be in operation for the interim dividend payable on 16 December 2011
- Shareholders can reinvest all or part of their dividend entitlements in more shares rather than being paid in cash
- For the interim dividend, shares will be acquired on-market and transferred to participants to satisfy any shares to be issued under the DRP
- DRP shares will be allocated to participants at the arithmetic average of the daily VWAP of shares sold on ASX's trading platform (including the closing single price auction but excluding all off-market trades) on each day over a period of 10 trading days commencing on the second trading day after the dividend record date (25 November 2011)
- No discount will apply to shares issued under the DRP