CSR Limited Half Year Ended 30 September 2012

Results Presentation

Agenda

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

1. Overview

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Overview of results

Continued improvement in safety performance

- Improvement in safety continues leading to fewer and less severe injuries
  - TRIFR (recordable rate) improved 20% in last six months
  - LTIFR (lost time) improved 12%
  - Severity rate (time lost per injury) improved 31%

Market activity deteriorated further during the period

- Annualised dwelling commencements run-rate (1Q lag) of ~128k for the six month period
  - Down 15% from the previous corresponding period
  - Current annualised starts are lower than during the GFC
- Aluminium LME 3 month average price down 19%

Earnings impacted by timing of Property transactions

- Timing of property sales impacted earnings comparisons
  - EBITDA[1] (pre significant items) of $84.9m down 38%
- Net profit after tax[1] (pre significant items) of $20.4m down 60%
- First half dividend of 3 cents per share (unfranked), a 75% payout ratio

1 EBITDA and net profit (pre significant items) are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the six months ended 30 September 2012.

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CSR well placed as markets recover – likely we are 'at the bottom'

Signs of construction activity stabilising

- 8 months of successive growth in finance approvals for the construction & purchase of new homes in NSW, QLD and WA
- Interest rates at lowest levels since GFC and likely to reduce further
- 3 consecutive quarters of improving housing lot sales
  - June 2012 quarter had highest volume of lot sales in over 2 years.

CSR retains a strong financial position

- Limited net debt ($45.5m) – impacted by timing of Property cash flows and aluminium shipments
- Modest 'growth' capital expenditure plans
- Conservative approach to acquisitions
- Investment grade credit rating (BBB+)

A patient and sustainable strategy for the long term

- Viridian earnings recovery our #1 priority - management team strengthened
- Continue exploring industry consolidation opportunities where returns are weak
  - NZ Bricks JV with Brickworks approved by NZ competition authorities in October
- Investing in building systems to make building 'lighter, faster and easier'
- Aluminium – continue to lock-in returns when attractive prices available
  - Following rise in aluminium price in September, 80% of net aluminium exposure now hedged for second half

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2. Half year results – 30 Sept 2012

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Financial results summary

Half year ended 30 Sept A$m	2012	2011	%∆
Trading revenue	**859.8**	937.0	(8.2%)
EBITDA [1]	**84.9**	136.9	(38.0%)
EBIT [1]	**40.4**	92.8	(56.5%)
Net finance cost	**(11.1)**	(10.0)	(11.0%)
Tax expense	**(4.6)**	(23.4)	80.3%
Non-controlling interests	**(4.3)**	(8.8)	51.1%
Net profit after tax [1]	**20.4**	50.6	(59.7%)
Statutory net profit after tax	**17.5**	34.9	(49.9%)
Earnings per share [1]	**4.0**	10.0	(60.0%)
Dividend per share	**3.0**	6.0	(50.0%)

- Trading revenue of $859.8m down 8.2%
  - Residential construction markets down 15%
  - GAF realised aluminium price down 18%
- EBITDA[1] of $84.9m down 38.0%
  - Decline in macro conditions, only partially mitigated by efficiencies and pricing improvements
  - Property earnings deferred to second half and next year
  - Tight control of operating costs
- Effective tax rate of 15.7%, ahead of previous guidance due to additional R&D tax credits
  - Further benefit expected in second half, prior to changes in legislation
  - Expect effective tax rate of 16-20% for the full year
- After-tax significant items of $2.9m related to restructuring costs
- Interim dividend of 3 cents unfranked – 75% dividend payout ratio.

1 *EBITDA, EBIT and net profit are all pre significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the six months ended 30 September 2012.*

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Financial results by division

Half year ended 30 Sept A$m EBIT	2012	2011	%∆
Building Products (ex Viridian)	**43.4**	49.2	(11.8%)
Viridian	**(11.7)**	(6.9)	(69.6%)
Aluminium	**18.3**	43.0	(57.4%)
Property	**0.1**	17.8	(99.4%)
Corporate	**(7.6)**	(7.8)	2.6%
Restructure and Provisions	**(2.1)**	(2.5)	16.0%
Total EBIT [1]	**40.4**	92.8	(56.5%)

- Building Products EBIT of $43.4m down 11.8%
  - EBIT down 9.2% excluding acquisitions and divestments
  - Outperformed underlying markets with residential construction down ~15%
  - Competitive positions improved across most businesses
- Viridian EBIT decline driven entirely by weaker macro conditions
  - Operational efficiencies and improved market share partially mitigated currency and construction market impacts
- Aluminium earnings lower following 18% drop in GAF realised A$ aluminium price
  - Operating cost position improved
- No significant Property transactions during first half
  - 2011 result included first tranche of sale of Brendale residential development
- Ongoing discipline in managing overhead and head office costs

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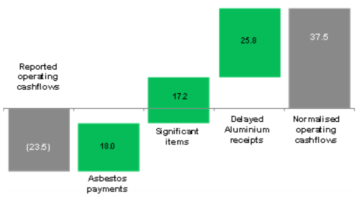
Operating cashflow

Cashflow from operations A$m	2012	2011
EBITDA	84.9	136.9
Net movement in working capital	(48.3)	(18.2)
(Profit)/loss on asset disposals	(6.1)	(18.8)
Movement in provisions/other	(6.4)	(2.0)
Operating cashflows (pre tax & sig. items)	**24.1**	**94.9**
Asbestos payments	(18.0)	(21.7)
Tax paid	(12.4)	(34.9)
Significant items	(17.2)	(11.6)
Operating cashflows (post tax & sig. items)	**(23.5)**	**29.7**



- First half cash flows significantly impacted by timing factors:
  - Delayed aluminium receipt of $26m due to timing of shipment
  - Timing of Property inflows in the 2nd half
- Net Property outflows of $15.2m, includes $19m on Chirnside Park
- Capital expenditure program largely completed
  - Operating capital expenditure (ex Property) of $14.1m down from $37.1m represents 32% of depreciation
  - Development capital expenditure of $6.8m (ex Property and acquisitions) down from $14.1m
- Total capital expenditure (ex Property) for the full year of ~$60 million, down $28 million from last year (excluding acquisitions).

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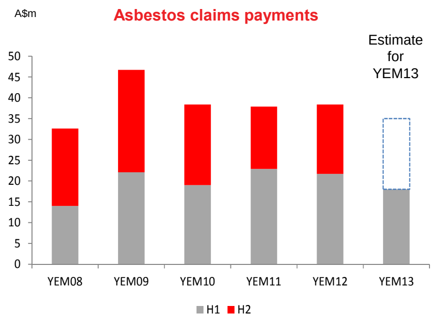
Product liability - continued responsible approach

Asbestos reconciliation A$m	2012
Opening balance as of 31 March	441.7
Cash paid	(18.0)
Unwinding of discount	8.5
Closing balance as of 30 Sept	**432.2**



- Continued responsible approach to managing asbestos related claims
- Cash payments A$18.0m, down 17% on prior year
- Product liability provision of $432.2m down $9.5m on opening position
  - Fifth successive decline in Australian outstanding liability estimates
  - Managing US claims remains a key strategic priority
- Provision includes a prudential margin of 22.2% above the aggregate of independent actuarial (central) estimates
- Currently estimate full year cash payments of ~$35m, down ~8% year on year

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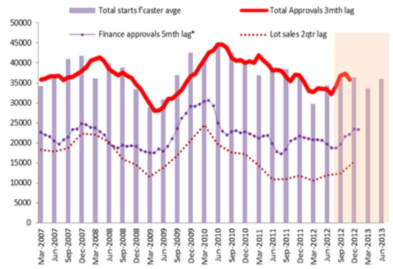
3. Results by business – Building Products

Construction markets declined but appear set for a modest recovery

Half year ended 30 Sept	2012	2011	%∆
Detached housing (starts – 000s) [1]	**39,754**	44,747	(11.2%)
Other residential (starts – 000s) [1]	**24,272**	30,399	(20.2%)
Total residential (starts – 000s) [1]	**64,026**	75,146	(14.8%)
Total non-residential ($B) [2]	**15,583**	16,597	(6.1%)
NZ consents ($B) [3]	**7,610**	6,514	16.8%

Australia building indicators (#)



Owner-occupier construction finance approvals

Sources: ABS, forecast source is average of forecasts of HIA and BIS

- Residential building activity down 15% year on year
  - Worst six month period since the GFC
  - Detached housing run-rate of 80k not seen since 2001
- Non-residential markets remain weak, with education stimulus unwound
  - A few large hospital projects to support second half
  - No signs of imminent recovery
- NZ housing has recovered off a very low base
  - Predominately in Auckland
- Australian residential finance approvals point to a modest medium term recovery
  - NSW, Qld and SA state govt. stimulus should benefit next year

1. *Source ABS data – (one quarter lag – six months to June)*
2. *Source ABS (value of work done – six months to June + BIS forecast)*
3. *Source Statistics New Zealand - (residential consents 2 quarter lag - six months to March)*

Building Products revenues outperformed the market

Half year ended 30 Sept A$m	2012	2011	%∆
Lightweight Systems GYPROCK, cemintel, Bradford, hebel, EDMONDS, Ceilector	**363.6**	382.8	(5.0%)
Bricks and Roofing MONIER, PGH, WUNDERLICH	**138.7**	135.8	2.1%
Building Products (ex Viridian) Total	**502.3**	518.6	(3.1%)
Viridian	**140.7**	164.0	(14.2%)

- Lightweight Systems revenue down 5%
  - Channel strategy in Gyprock continue to add value with modest price increases achieved
  - Cemintel – growth in Designer Series™ continues
  - Bradford insulation markets remain competitive, high A$ impacting pricing
- Improved results in Bricks and Roofing
  - Improved performance in NSW and Qld Bricks
  - Rationalisation of industry capacity in Qld
- Viridian revenues 'held up' under significant macro pressures (construction and higher A$)
  - 7% decline excluding NZ (accounted for as a JV in 2012/13)
  - Good competitive performance in Victoria, despite market challenges

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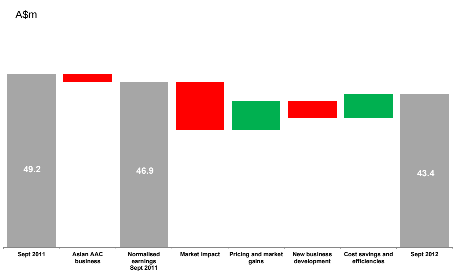
Building Products (ex Viridian) - maintaining cost management

A$m	2012	2011	%∆
Trading Revenue	**502.3**	518.6	(3.1%)
EBITDA [1]	**61.2**	67.3	(9.1%)
EBIT [1]	**43.4**	49.2	(11.8%)
EBIT Margin	**8.6%**	9.5%	

Building Products movement in EBIT



- Outperformed market activity – revenue down 3.1% despite significant drop in market activity
  - Investing in service, channels and accessories in Gyprock™
  - Hebel® – growth in civil infrastructure and residential construction
  - Pricing discipline in all key product categories
- Cost management
  - Further efficiencies achieved across all businesses
  - Clayton rockwool facility closed, successful transition to new Soundscreen™ products
  - Competitive tolling in Qld Bricks
  - Shared services and corporate costs reduced
- Reinvesting to achieve long term strategic agenda
  - Investing in new products and systems (walling systems, lightweight flooring, plastering accessories, solar rooftiles)
  - People and cultural development

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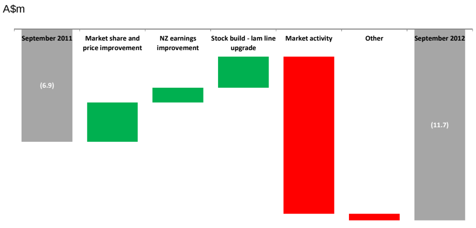
Viridian — Further market deterioration weighed on result

A$m	2012	2011	%∆
Trading Revenue	**140.7**	164.0	(14.2%)
EBITDA [1]	**0.6**	4.7	(87.2%)
EBIT [1]	**(11.7)**	(6.9)	(69.6%)

Viridian – movement in EBIT



- CSR's highest fixed cost business and therefore the most susceptible to weak market activity
- NZ JV progressing according to plan
  - Underlying earnings improvement of approximately $1m for the six months
  - Further site consolidation to occur in next 18 months
- Improvement in Victorian processing business, despite declining market is encouraging
- Commissioning of investment at Erskine Park and Jandakot added to cost base (warehousing and depreciation)
  - Offset by operational efficiencies elsewhere
- Strengthened management team with deep knowledge of glass industry
- Review of operational footprint and cost structure continues

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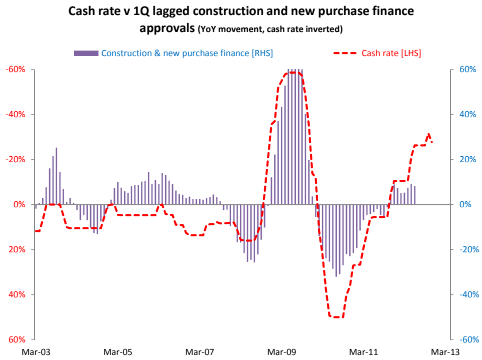
Medium term outlook points to modest improvement in residential activity

- Expect Australian housing starts of ~135,000 for YEM13 (one qtr lag)
  - Detached housing to be down around ~ 8% but requires a stronger 2H
  - Multi-residential segment to decline by ~13% . Some recovery expected in 2H based on strong pipeline in Sydney and Melbourne
- Improvement in NZ expected to continue, up by 17.8% year on year
- Non-residential market declining by around ~11% with weakness in all sectors
- Medium term key drivers support increased construction levels:
  - Declining interest rates to improve affordability and activity levels in residential segments
  - Government stimulus, focussed on new construction will assist NSW, Qld and SA activity
  - Growth in commercial market activity (office and retail) to replace social spend for non-residential building - but limited overall growth in medium term

Reduction in interest rates leads finance approvals



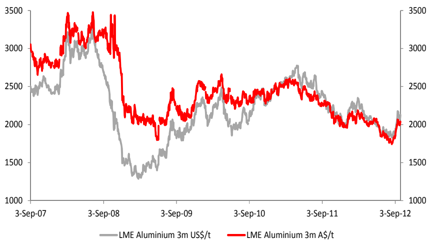
Source: ABS and RBA

3.2 Aluminium

Aluminium price volatility driven by a number of factors

Half year ended 30 Sept	2012	2011	%∆
LME 3 month average price in US$	**$1,983**	$2,527	(21.5%)
USD/AUD exchange rate	**1.024**	1.056	(3.0%)
LME 3 month average price in A$	**A$1,936**	A$2,394	(19.1%)
GAF realised price in A$ (including hedging and premiums)	**A$2,197**	A$2,689	(18.3%)

Aluminium 3 month price per tonne (USD/AUD)
1 Sep 2007 to 30 Sep 2012



- Ongoing global uncertainty impacted aluminium pricing during the period
  - LME 3 month average prices in A$ down by 19.1% compared to prior year
- GAF realised price was 13.5% higher than the average spot market, driven by increased ingot premiums and favourable hedging
- Ingot premiums currently at record levels, driven by inventory warehouse financing activity creating a physical shortage of aluminium
  - Ingot premiums have ranged between US$90/t to US$110/t per tonne over the last 5 to 10 years
  - CY12 Q4 range US$254 to US$255 per tonne*
- Market conditions likely to support ongoing strength in ingot premium in the medium term
  - Low US$ interest rates combined with price contango will continue to support inventory financing deals and tightness in supply conditions

* Source: Platts Metals week

Aluminium earnings impacted by lower prices

- Trading revenue down 14.7%
  - 18.3% fall in GAF realised price (including hedging and premiums)
  - Ingot premiums up 45% per tonne on average for period
  - Sales volumes up 4.3% due to timing of shipments weighted to first half
- Reduction in pricing flowed through to earnings with EBIT of $18.3m down from $43.0m
- Tomago smelter improvement program delivering efficiencies
  - Small increase in production from higher amperage through pot lining and technology improvements
  - Headcount reduced by 100
  - Reduction in capital expenditure and maintenance spend
  - Broad range of cost reduction and procurement initiatives

A$m (unless stated)	2012	2011	%Δ
Sales (tonnes)	**98,676**	94,564	4.3%
GAF A$ realised price per tonne (including hedging)	**$2,197**	$2,689	(18.3%)
Trading revenue	**216.8**	254.2	(14.7%)
EBITDA [1]	**32.2**	56.8	(43.3%)
EBIT [1]	**18.3**	43.0	(57.4%)
EBIT Margin (%)	**8.4%**	16.9%	

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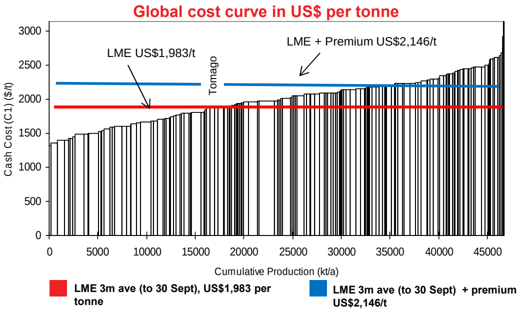
Hedging resumed following rebound in aluminium pricing

Aluminium hedge book (as at 22 October 2012)

	Half year ending 31 March 2013	YEM14
Average hedged aluminium price A$ per tonne (excludes ingot premiums)	A$2,267	A$2,432
% of net aluminium exposure hedged[1]	80%	9%

1. CSR hedges net aluminium exposure which takes into account the natural hedge involved in alumina purchases. Net aluminium exposure equates to around three quarters of metal production.

Global cost curve in US$ per tonne



Source: Cost curve - Wood Mackenzie Q2 2012, LME 3mth average price 1 Apr to 30 Sep US$1,983/t and Platts Metals Week ingot premiums average CY12 Q2 & Q3 of US$163/t

- GAF significantly increased its H2 YEM13 hedge book with the increase in aluminium price in September
- Improved but still limited hedging in YEM14
- Relatively high ingot premiums expected to continue, supported by inventory warehouse financing arrangements and low USD interest rates
- Short term, pricing likely to remain volatile
  - Ongoing economic uncertainty
  - Continued government support for some higher cost smelters through subsidies or lower power costs
- Volatility should create opportunities for GAF to increase YEM14 hedging position
- Longer term, the strong demand fundamentals should see a recovery in pricing for metal

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3.3 Property

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Progressing medium term pipeline

A$m	2012	2011	%Δ
EBIT	**0.1**	17.8	(99.4%)

- Property sales are subject to timing of specific transactions
- Industrial property market remains subdued
- Launched the Cloverlea 533 lot residential subdivision at Chirnside Park, Melbourne in September 2012
  - Over 30 contracts exchanged to date – EBIT to be recognised on settlement in YEM14
- Other projects include
  - Development of the remaining ~ 38.5 hectare industrial site at Brendale
  - Marketing continues for the 9 hectare industrial site at Erskine Park, western Sydney

Update on medium-term development pipeline

Darra, Brisbane	■ Contracts exchanged on final five lots – settlement forecast in second half of this year ■ Development of 40 light industrial lots ■ Gross revenue over last four years - $39m
Erskine Park, Sydney	■ Marketing of remaining 9 hectare, DA approved, industrial sub-division ■ Estimated remaining gross revenue—$16m
Brendale, Brisbane	■ ~38.5 hectare industrial development. ■ Site remediation works completed with civil works underway ■ Estimated remaining gross revenue—$87m
Chirnside Park, Melbourne	■ 533 lot residential development. ■ Stage 1 sales underway ■ Estimated gross revenue—$155m

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Chirnside Park development progressing well

- Launched 'Cloverlea' 533 lot residential development at Chirnside Park, Melbourne in September 2012
- First major development in the area in more than a decade
  - Attractive location 40 minutes to Melbourne CBD in the Yarra Valley shire
- Site rezoned for residential development
- Stage 1:
  - Construction/bulk earthworks began in September
  - Marketing continues with over 30 contracts exchanged to date of total of 110 lots in stage 1
- Total project to be developed over next five years
  - Gross revenue estimated - $155m
  - Total estimated capex - ~$110m

Chirnside Park development

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4. Outlook

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Outlook for year ending 31 March 2013 (YEM13)

Building Products & Viridian	■ Expect Australian dwelling commencements of ~135,000 (1/4 lag) for YEM13 – Private detached starts ~85,000 – Multi-residential to decline by around 13% to ~50,000 ■ Building Products – maintain momentum through pricing discipline, customer service and product development ■ Viridian review of operational footprint and cost structure continues ■ Viridian laminating line to be commissioned by 4th quarter of financial year
Aluminium	■ GAF has hedging in place for 80% of net aluminium exposure in YEM13 ■ Continuing to lock-in returns when attractive prices available ■ Short term premiums to help counter ongoing market weakness
Property	■ Current year EBIT will be subject to timing of a series of transactions – industrial property market remains subdued ■ Pipeline remains solid with Chirnside Park development to benefit YEM14
Group	■ Current analyst estimates of net profit after tax (NPAT) range from $35 to $54 million ■ Subject to construction activity, CSR expects to report NPAT (pre significant items) within this range ■ Underlying competitive positions improved with significant leverage to any improvement in construction market activity

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5. Appendix

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Significant items breakdown

Significant Items Half year ended 30 September A$m	2012	2011
Restructuring costs	(5.2)	(10.3)
Charge to maintain product liability provision	----	(12.1)
Income tax benefit	1.6	6.7
Total significant items after tax	**(3.6)**	**(15.7)**
Attributable to non-controlling interests	0.7	----
Total significant items after tax	**(2.9)**	**(15.7)**

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Dividend reinvestment plan (DRP)

- The Dividend Reinvestment Plan ("DRP") will be in operation for the interim dividend payable on 18 December 2012
- 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 (26 November 2012)
- No discount will apply to shares issued under the DRP

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