



RESULTS PRESENTATION

Year ended 31 March 2017

CSR

Agenda

1. Overview – **Rob Sindel** Managing Director, CSR Limited
2. Financial Results – **David Fallu** CFO, CSR Limited
3. Business Unit Performance – **Rob Sindel**
4. Strategy and Outlook – **Rob Sindel**

1

OVERVIEW



Four years of consecutive earnings growth

REVENUE

\$2.5bn

↑ 7%

EBIT¹

\$298.0m

↑ 8%

NPAT¹

\$183.8m

↑ 11%

**STATUTORY NET
PROFIT \$177.9m**

↑ 25%

**EARNINGS PER
SHARE¹ 36.5c**

↑ 11%

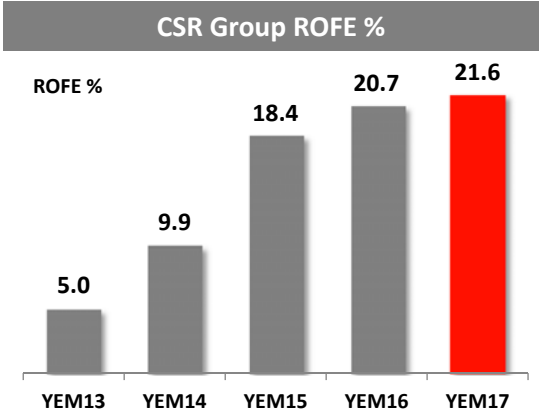
**FULL YEAR
DIVIDEND 26.0c**

↑ 11%

¹ EBIT, net profit and earnings per share are all before 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 year ended 31 March 2017. All comparisons are to the year ended 31 March 2016 unless otherwise stated.

Further ROFE improvement for the CSR Group

Profit performance	<ul style="list-style-type: none"> • Building Products record profit • Maximising leverage to the cycle • Commitment to Viridian turnaround
PGH Bricks investment	<ul style="list-style-type: none"> • \$126m acquisition of 40% of PGH Bricks • Extends Property pipeline
Aluminium hedging	<ul style="list-style-type: none"> • Significant increase in hedging in subsequent years • Reduces future earnings volatility



All ROFE calculations 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.



FINANCIAL RESULTS



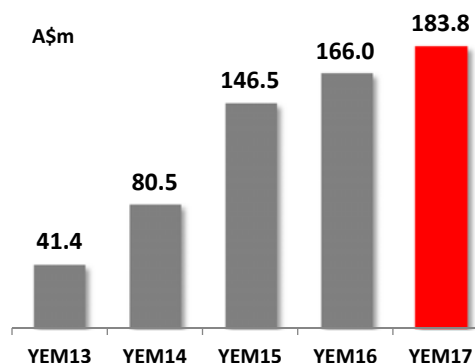
Net profit after tax¹ up 11%

Results summary

A\$m (unless stated)	YEM17	YEM16	change
Trading revenue	2,468.3	2,298.8	7%
EBITDA ¹	386.5	360.0	7%
EBIT¹	298.0	276.8	8%
Net finance costs ¹	(0.4)	(5.3)	
Tax expense ¹	(85.0)	(73.4)	
Non-controlling interests ¹	(28.8)	(32.1)	
Net profit after tax¹	183.8	166.0	11%
Significant items after tax	(5.9)	(23.7)	
Statutory net profit after tax	177.9	142.3	25%
Earnings per share¹ [cents]	36.5	32.9	11%
EPS (after significant items) [cents]	35.3	28.2	25%
Dividends per share [cents]	26.0	23.5	11%

¹ All references are before significant items.

Full year net profit after tax¹



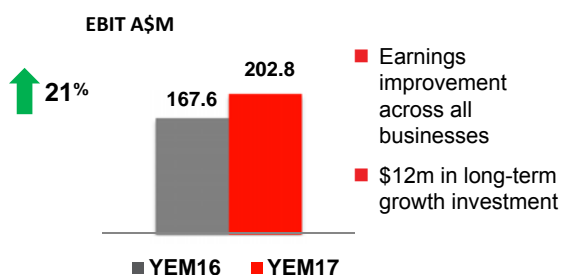
Note: YEM13-14 adjusted for change in accounting treatment for the classification of the discount unwind for the asbestos liability as a significant item.

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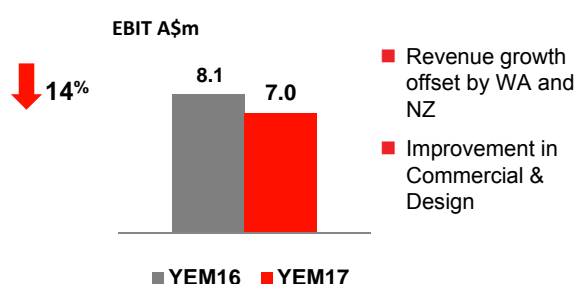
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Strong growth in Building Products

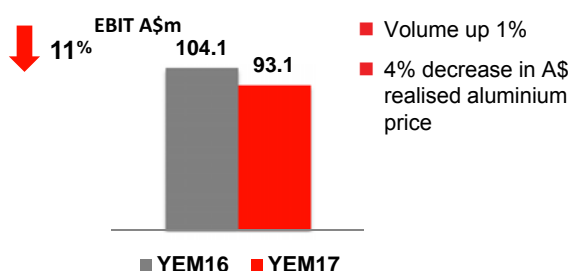
Building Products



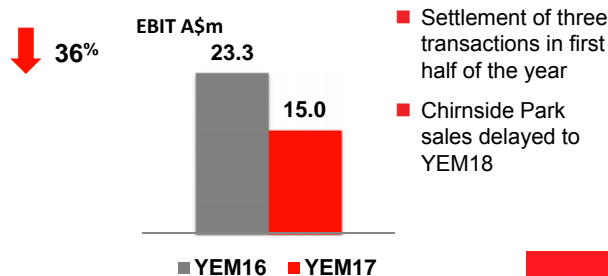
Viridian



Aluminium



Property



All EBIT results are before significant items.

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8

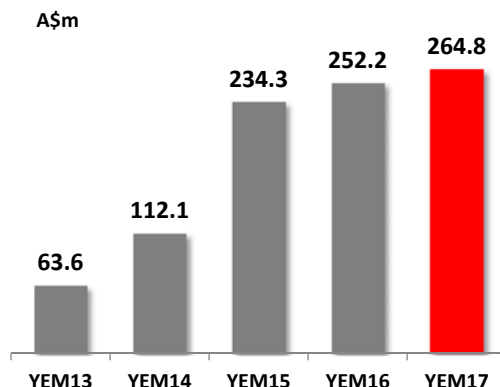
Cash flow generation continues to improve

Operating cash flow

A\$m	YEM17	YEM16	change
EBITDA	386.5	360.0	7%
Net movement in working capital	1.4	(16.7)	
Net profit on asset disposals	(16.9)	(26.1)	
Movement in provisions/other	(5.8)	0.4	
Operating cashflows (pre tax, asbestos & sig. items)	365.2	317.6	15%
Asbestos payments	(29.4)	(27.6)	
Tax paid	(52.7)	(14.6)	
Significant items	(18.3)	(23.2)	
Operating cashflows (post tax & sig. items)	264.8	252.2	5%

- Year end net debt of \$11.4 million

Operating cash flow (post tax & sig items)

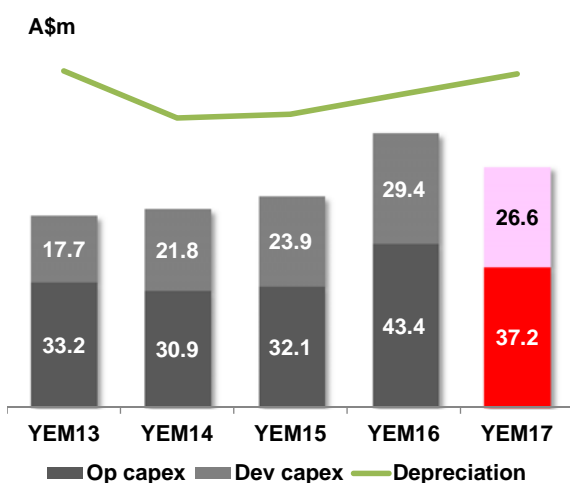


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9

Strong financial position supports growth

Capital expenditure (ex Property and Acquisitions)



- Total YEM17 capex of \$220 million (including property and acquisitions)

- YEM18 capex expected to be above depreciation.
- Major projects includes:
 - Hebel - \$65m expansion of Somersby, NSW factory over next two years
 - AFS Rediwall expansion at Minto, NSW to double capacity

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10

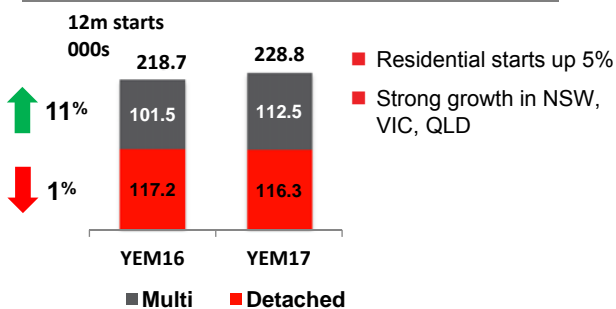
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BUSINESS UNIT PERFORMANCE

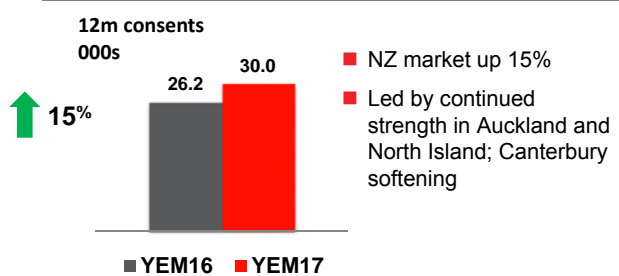


Residential construction activity remains strong

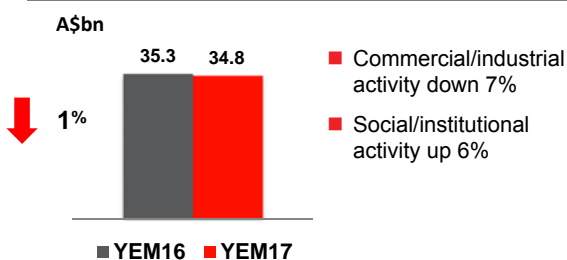
Australia – residential¹



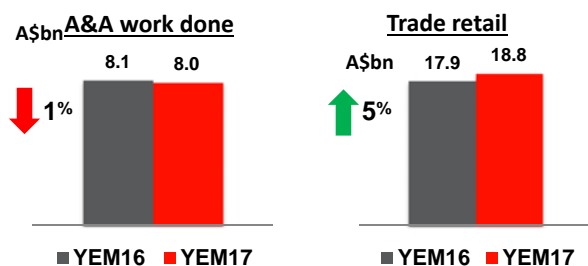
New Zealand – residential³



Australia – non-residential²



Australia – A&A² / Trade Retail⁴



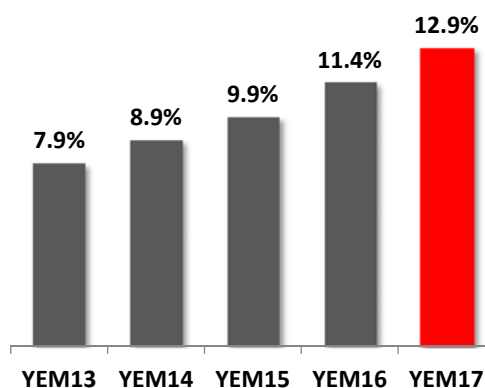
1. Source ABS data – (two quarter lag – actual 12 months to September)
 2. Source ABS, BIS Oxford Economics forecast (value of work done – 12 months to March)
 3. Source Statistics New Zealand - (residential consents 2 quarter lag – 12 months to September)
 4. Source ABS – Hardware retailing code 8501 – 12 months to February 2017

Record Building Products EBIT up 21%

A\$m unless stated ¹	YEM17	YEM16	change
Revenue	1,576.9	1,466.8	8%
EBITDA	252.2	213.4	18%
EBIT	202.8	167.6	21%
Funds employed ²	877.4	903.1	-3%
EBIT/revenue	12.9%	11.4%	
Return on funds employed ³	22.8%	19.4%	

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

Building Products EBIT Margin %



Building Products movement in EBIT



- Building Products EBIT up 21%
 - Earnings growth across all businesses
 - Includes \$12 million investment in growth initiatives including digital and off-site construction projects

13



Viridian EBIT improvement offset by WA and NZ

A\$m unless stated ¹	YEM17	YEM16	change
Revenue	379.9	301.3	26%
Revenue (adjusted for NZ JV acq)²	315.1	301.3	5%
EBITDA	20.3	17.9	13%
EBIT	7.0	8.1	-14%
Funds employed ³	247.4	208.4	19%
EBIT/revenue	1.8%	2.7%	
Return on funds employed ⁴	3.1%	4.1%	

- EBITDA and EBIT (before significant items).
- Excludes nine months of revenue (1 July 2016 to 31 March 2017) from the NZ Viridian Glass Limited Partnership (VGLP) following CSR's acquisition of the remaining 42% stake on 30 June 2016.
- Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.
- Refer footnote on slide 5.

Viridian movement in EBIT

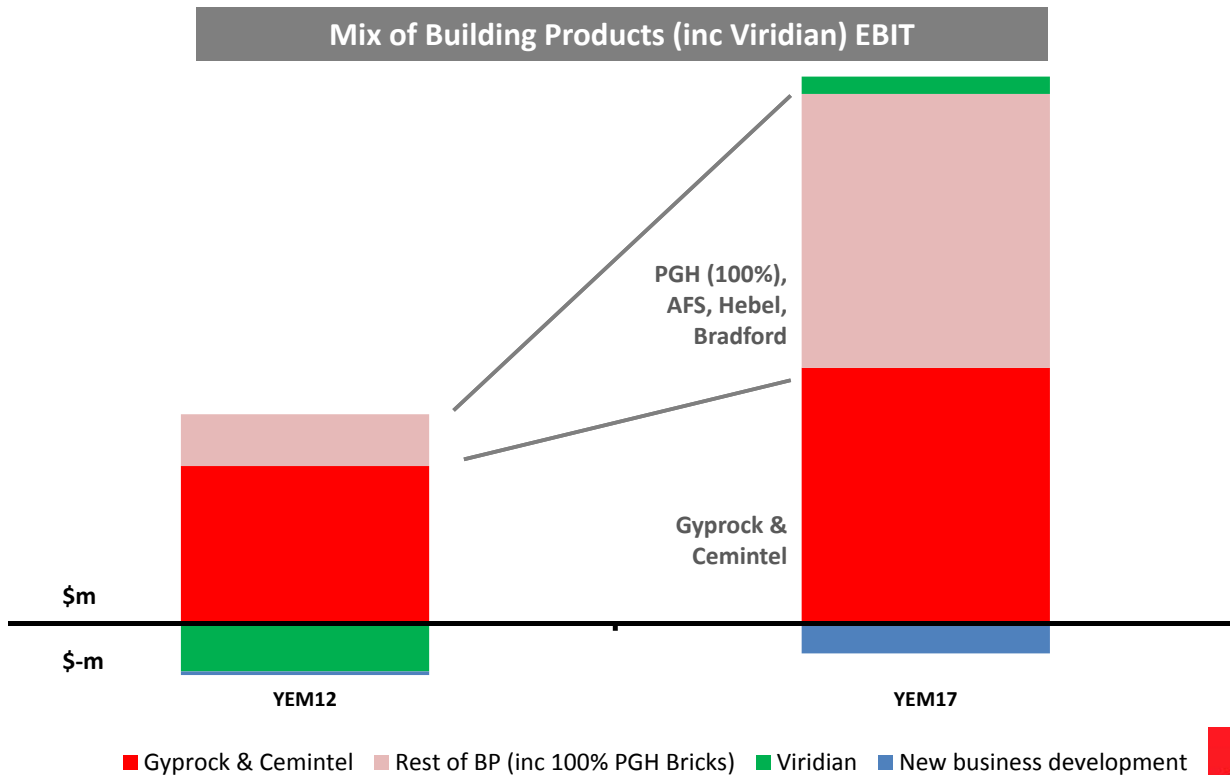


- Viridian adjusted revenue up 5%
 - Increased volumes in higher margin products
 - Improved performance in commercial market
- EBIT growth offset by \$4 million impact from WA and NZ
 - Exposure to WA market slowdown
 - NZ commissioning costs for new plant in Auckland
 - Restructuring plans underway in both regions

14



More resilient to changes in the cycle



15

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Aluminium – 1% increase in sales tonnage

A\$m unless stated ¹	YEM17	YEM16	change
Sales (tonnes)	211,230	210,158	1%
A\$ realised price ²	2,422	2,525	-4%
Revenue	511.5	530.7	-4%
EBITDA	118.0	131.0	-10%
EBIT	93.1	104.1	-11%
Funds employed ³	137.3	167.2	-18%
EBIT/revenue	18.2%	19.6%	
Return on funds employed ⁴	61.1%	60.5%	

¹ EBITDA and EBIT (before significant items).

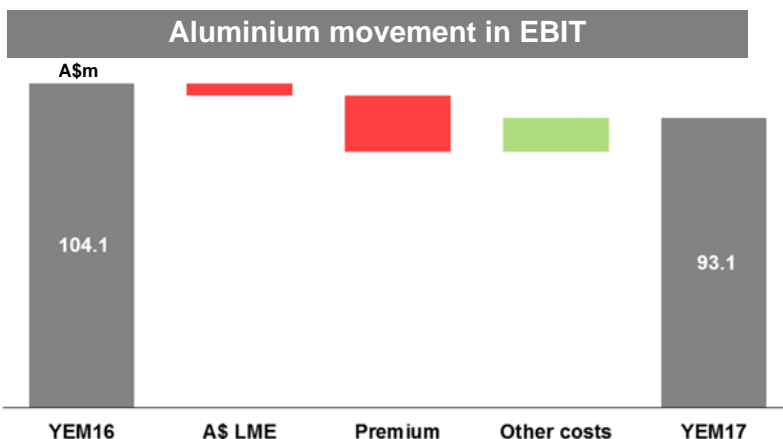
² Includes hedging and premiums.

³ Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March.

⁴ Refer footnote on slide 5

- Realised aluminium price down 4%
 - Average ingot premium of US\$94 per tonne, down 44%
- Sales tonnage up 1% following operational improvements
- EBIT down 11% due to lower realised aluminium price
- New power supply contract with Macquarie Generation will take effect from November 2017.

- Power costs to increase by A\$250 per tonne of production



16

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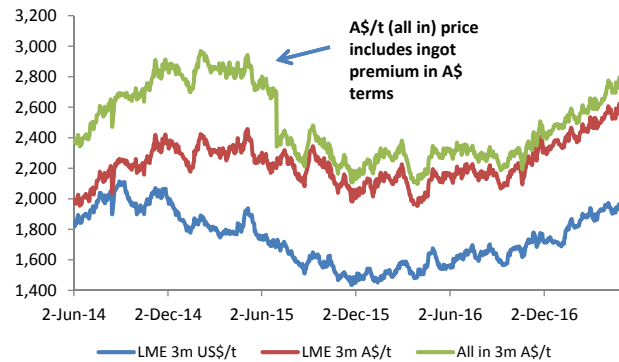
Aluminium market – upward pricing momentum

GAF aluminium hedge book (as of 30 April 2017)

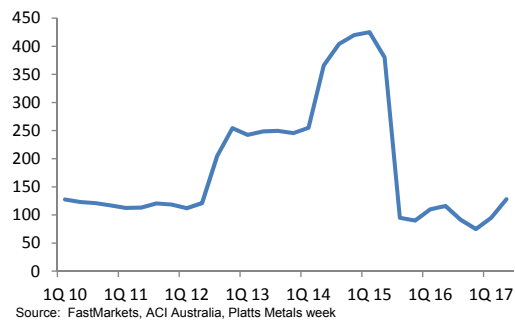
As of 30 April 2017	YEM18	YEM19	YEM20
Average price A\$ per tonne (excludes premiums)	\$ 2,373	\$ 2,511	\$ 2,617
% of net aluminium exposure hedged	81%	60%	38%

- Significant increase in hedge position over next three years
- Reduces future earnings volatility

LME 3m US\$ and A\$ and A\$ (all-in) price



Platts – ingot premium (MJP) US\$ p/t



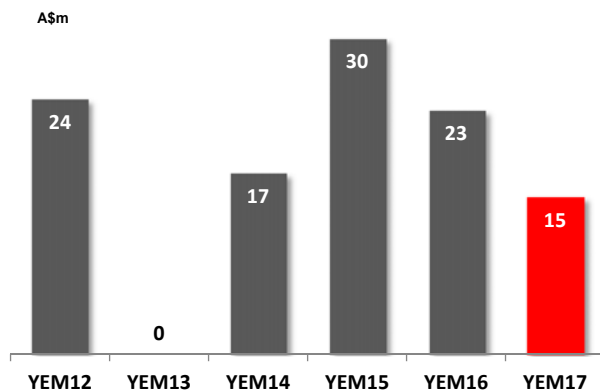
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Property result impacted by Chirnside Park delay

A\$m unless stated ¹	YEM17	YEM16	change
EBIT	15.0	23.3	-36%
Funds employed ²	142.0	133.0	7%
Return on funds employed ³	10.9%	18.1%	

- 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 footnote on slide 5. ROFE varies due to timing of projects.

Property EBIT



Current Projects

Chirnside Park, Vic	<ul style="list-style-type: none"> ■ \$8.5m Stage 4 settled in May 2017 ■ Progress to date: 363 lots settled, 112 contracts exchanged with 109 lots remaining to be sold
Schofields, NSW	<ul style="list-style-type: none"> ■ 70ha – future residential ■ Between 1,000 to 1,200 lots ■ Quarry rehabilitation underway ■ Full development approval expected in 2018
Horsley Park, NSW	<ul style="list-style-type: none"> ■ 30 ha – surplus land future industrial ■ Subdivision of surplus land underway ■ Construction commencing in June 2016
Brendale, Qld	<ul style="list-style-type: none"> ■ Marketing continues of ~39 ha industrial development
Rosehill, NSW	<ul style="list-style-type: none"> ■ Sale of the 8ha site is expected to generate total EBIT of \$49.2 million

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STRATEGY AND OUTLOOK

4



Further progress in delivering on our strategy



Strengthen and invest

- 12%¹ improvement in total recordable injury frequency rate while the lost time injury frequency rate rose to 3.3 from 2.4 last year
- Acquisition of PGH Bricks JV minority interest



Smarter, faster, easier

- Relaunched the Gyprock Red Book, the market leading design guide with enhanced technical support in all states
- Launched development of an Australian-first high performance building facade system



Adapting to changing lifestyles

- Doubling capacity of AFS Rediwall factory underway
- Major expansion of Hebel factory to begin construction in YEM18



Comfort and energy efficiency

- Bradford Energy Solutions expanded its alliances with a number of major builders to provide a solar PV and battery storage offering
- Growth in Bradford product offering in adjacent markets

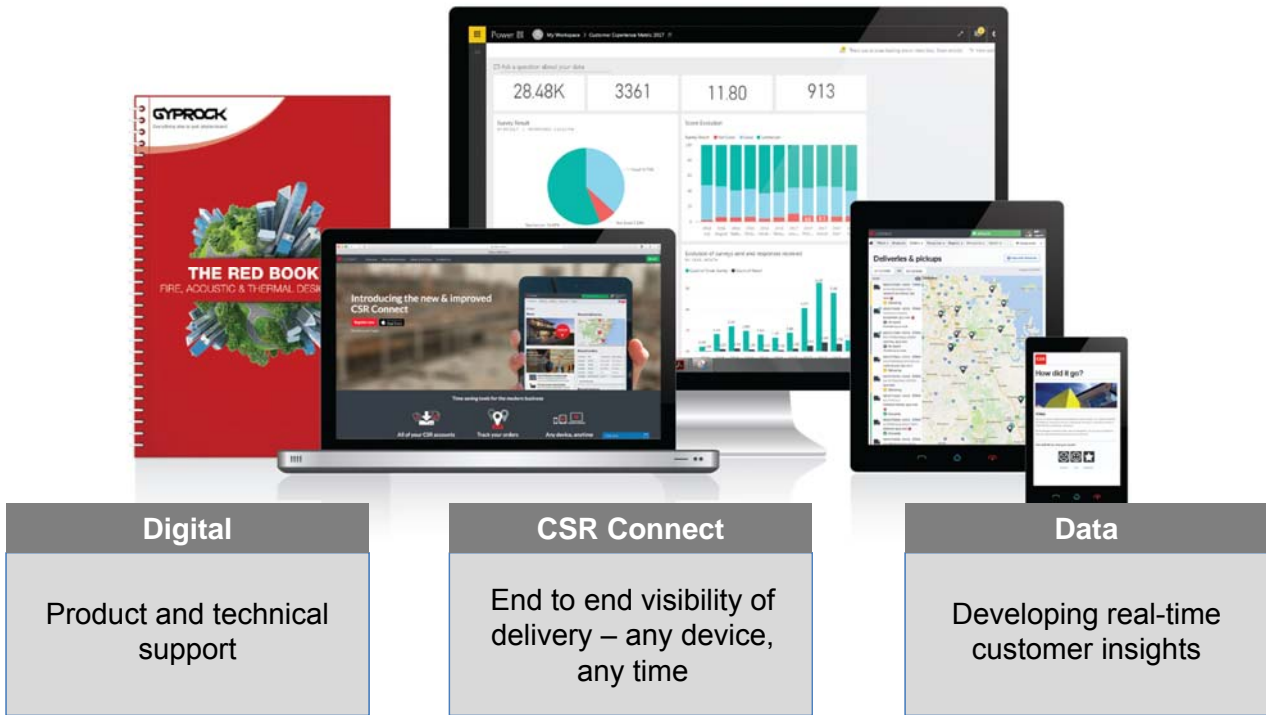


Customers

- Expanded 24/7 online and mobile digital access to CSR customers to include delivery tracking and notifications

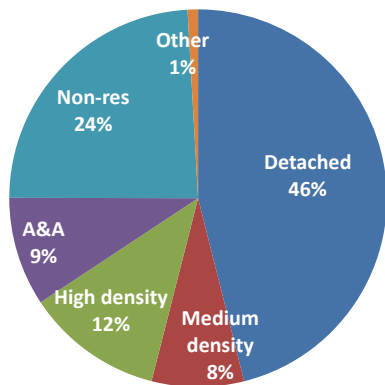
¹ Total recordable injury frequency rate (per million work hours)

Building a competitive advantage with our customers



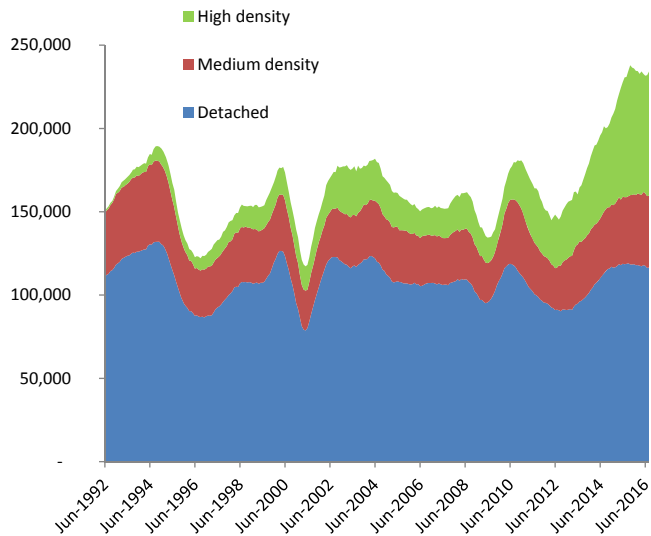
Growing exposure across all construction segments

End Market Exposure



■ Over 50% exposure to detached and medium density

Dwelling mix approvals

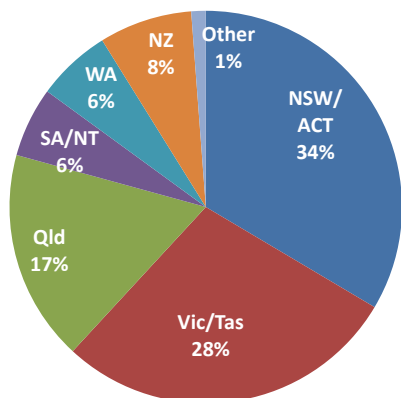


Source: ABS – moving annual total (MAT). Medium density includes townhouses and apartments up to 3 storeys. High density includes apartments 4+ storey



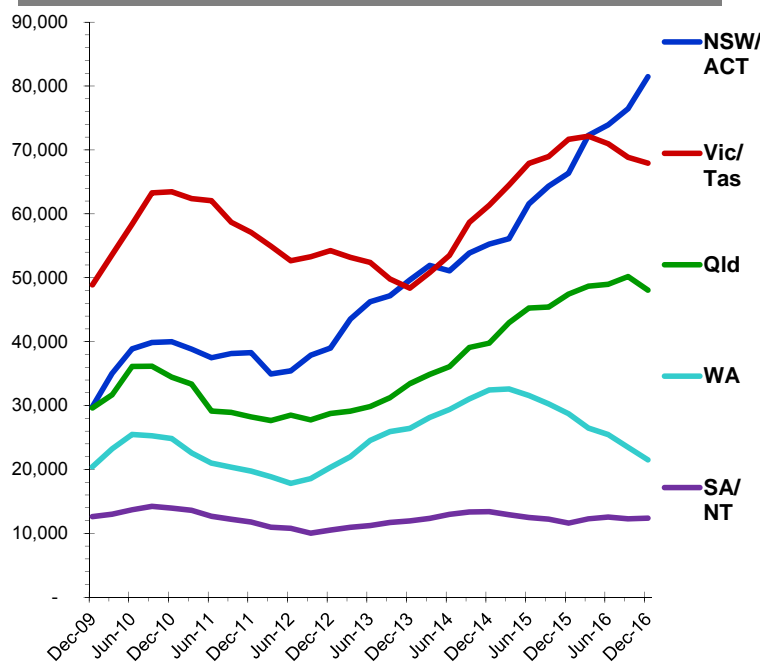
Well positioned State exposure

State Exposure



■ Over 76% exposure to East Coast States

State commencements



Source: ABS – moving annual total (MAT).



Outlook for year ending 31 March 2018 (YEM18)

Building Products

- While residential construction markets appear to have peaked from recent record levels of activity, the pipeline of activity currently underway will support demand for CSR's products in the year ahead.
- Earnings will be supported by reasonably steady demand from detached housing and high-rise construction on the east coast.

Viridian

- Following a number of restructuring initiatives to reduce costs in certain regions combined with a growing position in higher-margin commercial projects, Viridian's earnings are expected to improve.

Aluminium

- Aluminium pricing has improved significantly in the past six months, which has provided an opportunity to lock in returns in the hedge book to reduce volatility in future earnings (refer slide 17)
- New power contract to take effect from November 2017

Property

- Two transactions recorded in the first six weeks of YEM18 (Rosehill and Stage 4 Chirnside Park)
- Property EBIT in YEM18 will substantially exceed long-term targets with \$48 million locked in from already completed projects.

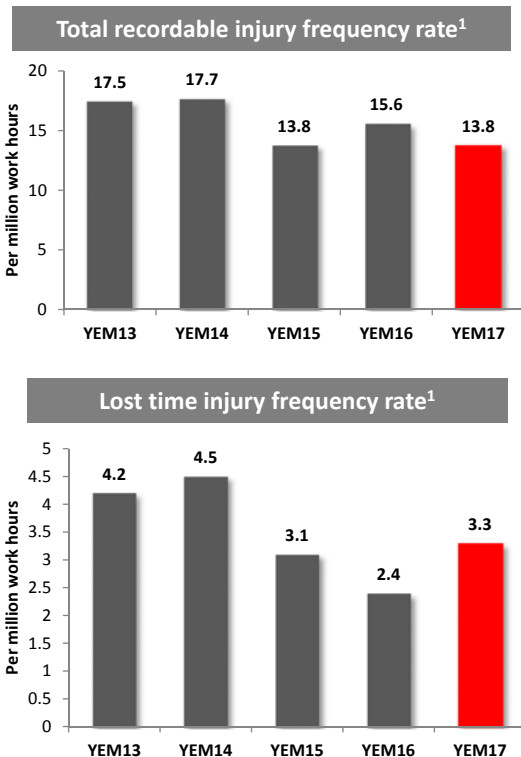


5

APPENDIX



Safety and environmental performance



1. Per million work hours. Includes PGH Bricks JV in 2015 and Viridian NZ JV in 2016

Environment

- Continued progress to meet 2020 goal of a 20% reduction per tonne of saleable product using 2009/10 as the base year:
 - Energy usage
 - CO₂-e emissions reduction
 - Waste production
 - Water consumption
- Already exceeded target for waste and water
- On target for emissions

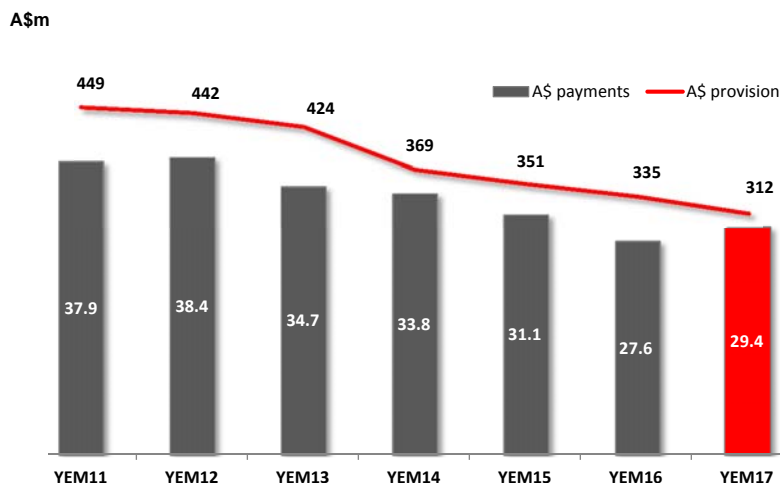


Further reductions in asbestos liability

A\$m	YEM17	YEM16	change
Opening balance as of 1 April	334.5	350.7	-5%
Cash paid	(29.4)	(27.6)	
Unwinding of discount	11.0	11.4	
Prudential margin reduction	(3.7)	—	
Closing balance as of 31 March	312.4	334.5	-7%

- Product liability provision of A\$312.4 m – lowest level in 12 years
- Provision includes a prudential margin of 23.8% (\$60.0m)
- Cash payments A\$29.4m

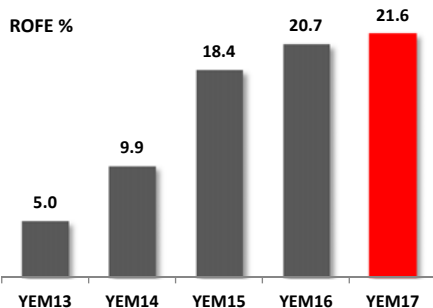
Asbestos provision



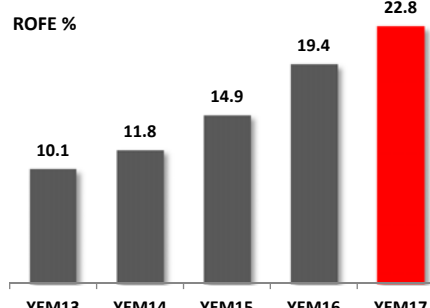
27

Further ROFE improvement for the CSR Group

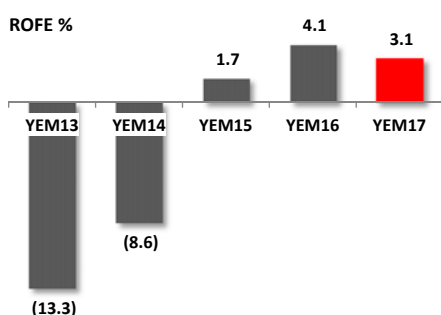
CSR Group



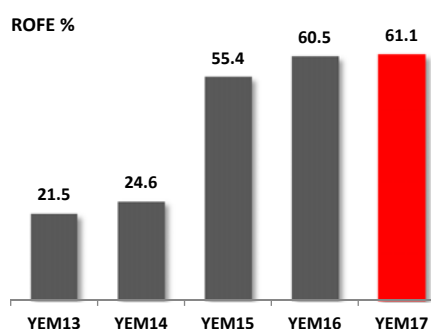
Building Products



Viridian



Aluminium



All ROFE calculations 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.

28



Review of significant items

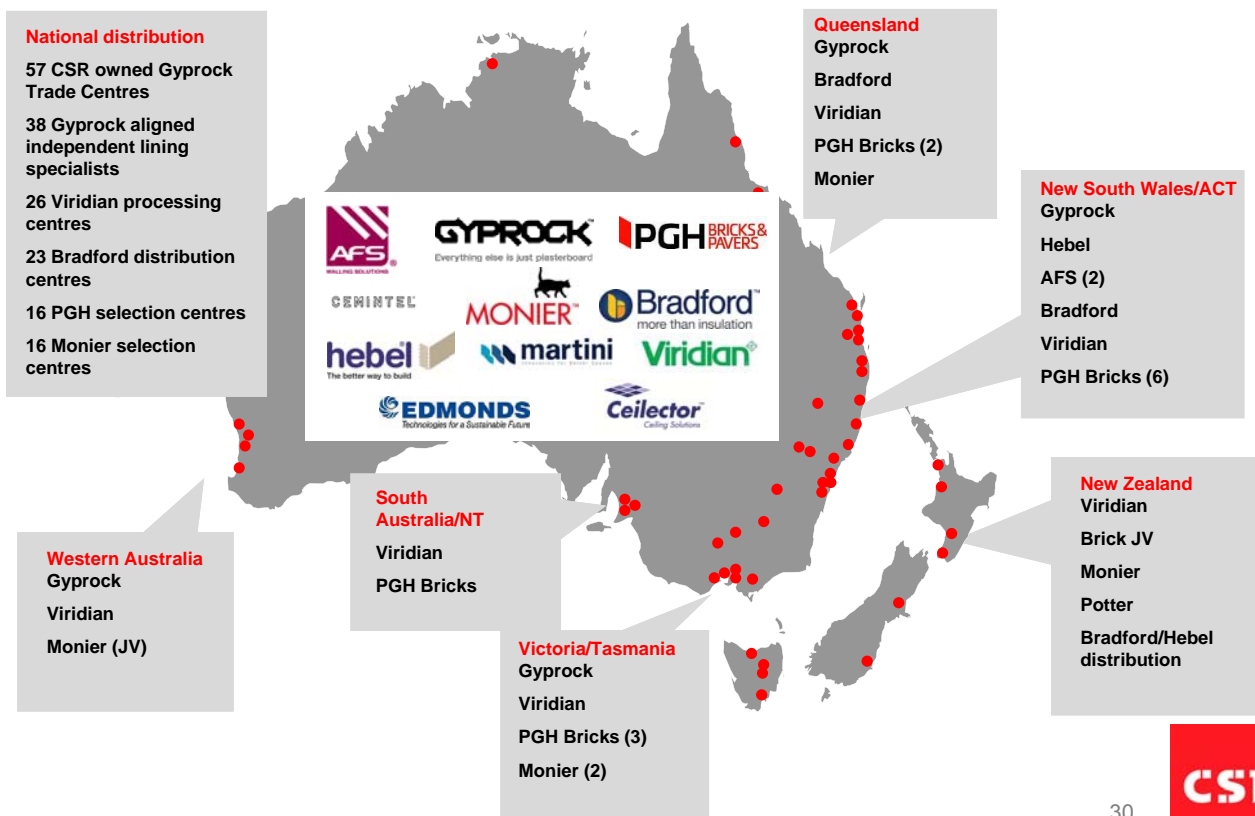
\$million	2017	2016
Transaction and integration costs	(5.4)	(21.5)
Restructuring costs and asset impairments	(23.8)	(3.3)
Legal disputes, warranties and land remediation	(0.7)	-
Gain on acquisition of controlled entity	4.1	-
Reduction in product liability provision	3.7	-
Significant items before finance costs and income tax	(22.1)	(24.8)
Discount unwind and hedging relating to product liability provision	(10.4)	(12.6)
Transaction costs included in finance costs	(0.4)	(0.4)
Interest income on tax refund	2.1	-
Significant items before income tax	(30.8)	(37.8)
Income tax benefit on significant items	10.7	9.0
Income tax refund related to divested business	12.6	-
Significant items after tax	(7.5)	(28.8)
Significant items attributable to non-controlling interests	1.6	5.1
Significant items attributable to shareholders of CSR Limited	(5.9)	(23.7)
Net profit attributable to shareholders of CSR Limited	177.9	142.3
Significant items attributable to shareholders of CSR Limited	5.9	23.7
Net profit before significant items attributable to shareholders of CSR Limited	183.8	166.0
Earnings per share attributable to shareholders of CSR Limited before significant items		
Basic (cents per share)	36.5	32.9
Diluted (cents per share)	36.3	32.7

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

29



Extensive manufacturing and distribution capability



30

