

# **Agenda**

1. Introduction Rob Sindel, Managing Director, CSR

2. Viridian Glass Processing and Services (GPS)

2.1 Market overview and demand drivers Steve Darwell, GM, Viridian – GPS

2.2 Introduction to SmartGlass<sup>™</sup> Lachlan Austin − GM, Marketing − Viridian

2.3 Introduction to Clayton Facility Alan Westwood, GM, Viridian, Victoria

3. Clayton site tour

4. Gyprock Plasterboard

4.1 Market overview and demand drivers Ian Hardiman, GM, CSR Lightweight Systems

4.2 Introduction to Gyprocket Project Ian Hardiman

5. Yarraville site tour

6. Gyprock Trade Centre Network Presentation Zoran Jovanovski, GM, Gyprock Victoria

7. Gyprock Trade Centre site tour - Derrimut

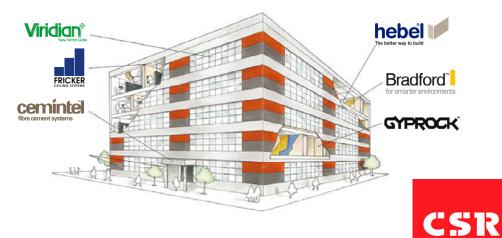
# CSR portfolio - leading brands and strong market position

Business Unit	Description				
GYPROCK  Everything else is just plasterboard	Gypsum based products including plasterboard, plaster, cornices, finishing materials & accessories				
cemintel fibre cement systems	Lightweight fibre cement – weatherboards, cladding, internal linings and flooring systems				
hebel The better way to build	Lightweight autoclaved aerated concrete				
FRICKER	Commercial ceilings products				
Bradford <sup>™</sup> for smarter environments	Full range of thermal, acoustic and fire insulation products				
Viridian® New World Glass	Manufacturer of float glass and provides full range of processed glass				
PGHRKS*	Cay bricks and pavers				
MONIER TO Living in style.	Concrete and flat roof tiles				
WUNDERLICH The listing brands of terminate	Terracotta roof tiles				

#### Residential ~70% of Building Products revenue



#### Non-residential ~30% of Building Products revenue



# Extensive distribution channels in building products market

- National coverage for key products
- Multiple channels, including wholly-owned trade centres and supply & fix services for key products
- Strong builder relationships and market offering



			Distribution				
	Raw Materials	Manufacturing	3rd party channels resellers	CSR owned retail	Supply and Fit	National Retailers	Direct Sales
GYPROCK  Everything else is just plasterboard	Gypsum mine and JV	4 x manufacturing facilities	1	Gyprock Trade Centres	1	1	1
Bradford for smarter environments	Minor glass sourcing from Viridian	4 x manufacturing facilities	1	Gyprock/Bradford dist centres	1	1	1
Viridian* New World Glass		2 x bulk glass and 33 processing facilities	1		1		
PGH RCES	Quarries	6 x brick manufacturing facilities		Selection centres	1		1
MONIER" Loring is style.  WUNDERLICHT The brang stange glasses get annexes	Quarries (for Terracotta)	5 x tile plants, 1 x JV (WA)		Selection centres	1	1	1

**Builder relationships & cornerstone brand** 





## **Building Products revenue summary – YEM11**

Trading Revenue A\$m	2011	2010	%∆				
Lightweight Systems	<u>stems</u>						
CEMENTAL CEMENTAL STATES CONTINUES OF THE CONTINUES OF TH	762.7	764.3					
Bradford hebel The better way to build	702.7	701.0					
© EDMONDS Technologies for a Sustainable Future FRICKER CELLING SYSTEMS							
<u>Glass</u>							
Viridian	348.8	379.7	(8%)				
Bricks and Roofing							
MONIER WUNDERLICH STORY	286.6	281.3	2%				
PGH BRICKS & MY STEEL Land Land							
TOTAL	1,398.1	1,425.3	(2%)				

- Lightweight Systems revenue up 7% ex insulation
- Focused business model benefitting smaller businesses (Cemintel, Hebel) with increased revenue and EBIT
- Volumes improved generally across portfolio despite ongoing weak commercial markets
- While total housing starts up 21% private detached houses up 5% on previous year
- Bradford Insulation impacted by insulation scheme but core business (new homes, commercial) remains solid
- Significant improvement in Bricks and Roofing EBIT despite steady revenue – focus on margin improvement



## Strategy summary

### Generate competitive advantage to deliver market-leading profits in Building Products

**Improved** manufacturing efficiency

- Investment in existing manufacturing facilities to reduce costs and lower energy intensity
  - \$55m invested over next 2 years expected to deliver ~\$10m in annualised savings
- Further rationalise operations targeting efficiency improvements, increased utilisation and lower costs
- Improved margins through cost containment and price increases above inflation

Innovation in specific areas

- Product and systems innovation targeting three specific areas:
  - speed & cost of construction reducing the time and cost to build with more lightweight solutions (e.g. Hebel)
  - multi residential systems and products targeted at higher density living
  - energy efficiency save households money with energy efficient products –Viridian SmartGlass™
- CSR Innovation Centre working with key external groups (e.g. CSIRO)
- CSR House demonstration of affordable, energy efficient house at specific price point

Acquisition opportunities

- Initial focus on 'close to core' acquisitions which complement existing portfolio (e.g. Burnbridge Glass)
- Currently assessing a number of bolt-on opportunities each in \$25-100m range
- Focus on multi-residential construction, alterations and additions capitalising on key growth areas
- Further opportunities will become available over 12/24 months



# Today's focus – Viridian Glass Processing and Gyprock



- Improve customised solution capabilities in commercial, residential fit-out and retail
- Leverage high volume capability- targeting volume fabricator and builder needs
- Drive growth in energy efficiency
  - new product development SmartGlass<sup>TM</sup>
- Active cost management
  - improved glass yield
  - improved labour efficiency



- Price premium leveraging brand value and product quality
- Continued product development to support brand and price premium
- Grow commercial interiors business
- Leverage trade retail and distribution capabilities
- Continue to invest in business to lower the cost base and improve productivity

