



RESULTS PRESENTATION

Year ended 31 March 2018

CSR

Agenda

Details

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

OVERVIEW

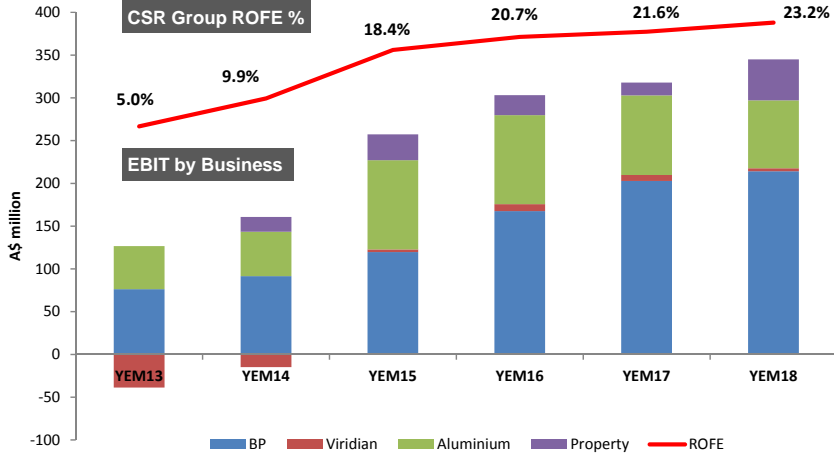


Earnings growth for the CSR group

| | | |
|---|---|--|
| REVENUE \$2.6bn ↑ 6% | EBIT¹ \$323.8m ↑ 9% | NPAT¹ \$212.7m ↑ 16% |
| STATUTORY NET PROFIT \$188.8m ↑ 6% | EARNINGS PER SHARE¹ 42.3c ↑ 16% | FULL YEAR DIVIDEND 27.0c ↑ 4% |

1. Earnings before interest and tax (EBIT), net profit after tax (NPAT) 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 2018. All comparisons are to the year ended 31 March 2017 unless otherwise stated.

Increased earnings and ROFE across the CSR group



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.

Improved performance in core operations creating a more balanced and resilient CSR



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FINANCIAL RESULTS



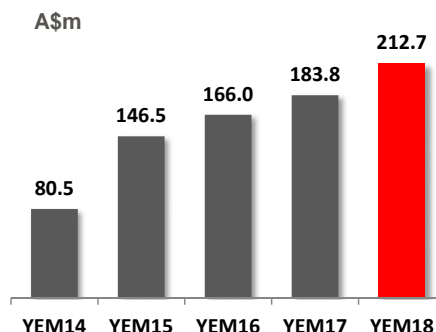
Full year net profit after tax¹ up 16%

Results summary

| A\$m (unless stated) | YEM18 | YEM17 | change |
|---|--------------|--------------|------------|
| Trading revenue | 2,606.2 | 2,468.3 | 6% |
| EBITDA ¹ | 408.2 | 386.5 | 6% |
| EBIT ¹ | 323.8 | 298.0 | 9% |
| Net finance costs ¹ | (1.6) | (0.4) | |
| Tax expense ¹ | (91.5) | (85.0) | |
| Non-controlling interests ¹ | (18.0) | (28.8) | |
| Net profit after tax¹ | 212.7 | 183.8 | 16% |
| Significant items after tax | (23.9) | (5.9) | |
| Statutory net profit after tax | 188.8 | 177.9 | 6% |
| Earnings per share¹ [cents] | 42.3 | 36.5 | 16% |
| EPS (after significant items) [cents] | 37.5 | 35.3 | 6% |
| Dividends per share [cents] | 27.0 | 26.0 | 4% |

1. All references are before significant items.

Full year net profit after tax¹



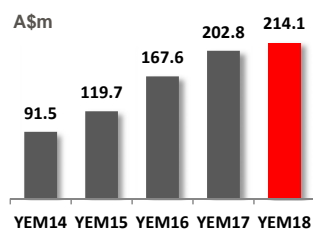
Note: YEM14 adjusted for change in accounting treatment for the classification of the discount unwind for the asbestos liability as a significant item.

Continued track record of growth in earnings which improved for the fifth consecutive year

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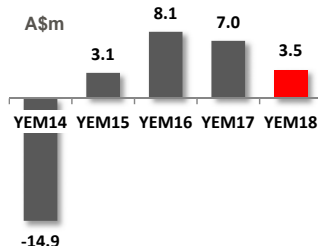
Strong EBIT growth for the CSR group

Building Products



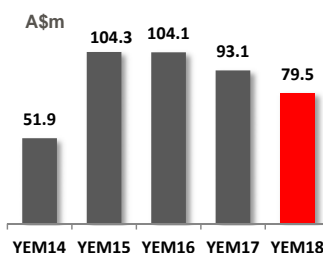
- Strong earnings growth in Gyprock, Hebel, Bradford and PGH
- Includes \$9m of additional energy costs
- \$10m in long-term growth investment including digital and off-site construction

Viridian



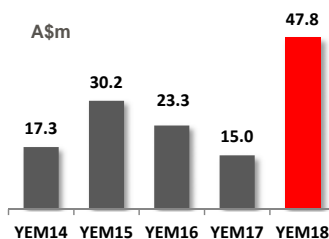
- Volumes down following exit from low margin products and sale of sites in Cairns, Darwin and Perth
- Operational issues at the commercial factory in Ingleburn, NSW increased costs
- Includes \$4m of additional energy costs

Aluminium



- Higher volumes and A\$m realised aluminium price
- Total power related costs increased by \$34m for five months since the new electricity contract started in November 2017

Property



- Earnings included Rosehill land sale and Chirnside Park Stage 4 and 5
- Five year average EBIT of \$26.7m

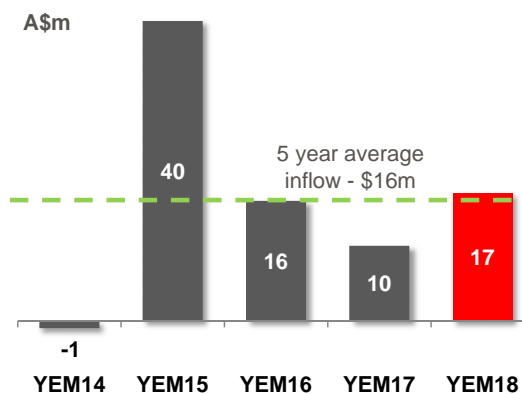
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Cash flow generation remains strong

Operating cash flow

| A\$m | YEM18 | YEM17 | change |
|---|--------|--------|--------|
| EBITDA | 408.2 | 386.5 | 6% |
| Net profit on asset disposals | (51.0) | (16.9) | |
| EBITDA excluding assets disposals | 357.2 | 369.6 | -3% |
| Net movement in working capital | (14.7) | 1.4 | |
| Movement in provisions/other | 2.3 | (5.8) | |
| Operating cashflows (pre tax, asbestos & sig. items) | 344.8 | 365.2 | -6% |
| Asbestos payments | (31.7) | (29.4) | |
| Tax paid | (40.6) | (52.7) | |
| Significant items | (23.3) | (18.3) | |
| Operating cashflows (post tax & sig. items) | 249.2 | 264.8 | -6% |

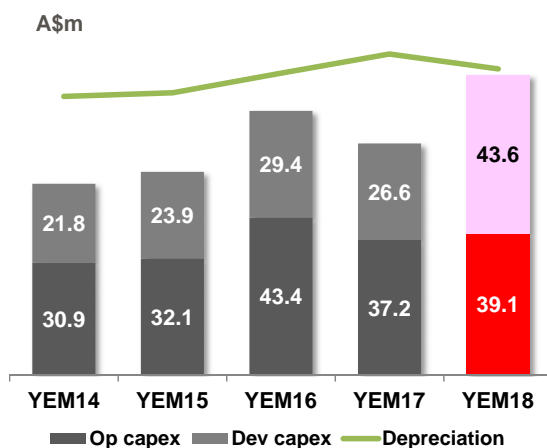
Net Property cash flows



Strong cash flow conversion supports investment in growth opportunities and Property projects

Strong financial position supports investment in Building Products and Property

Capital expenditure (ex Property & Acquisitions)



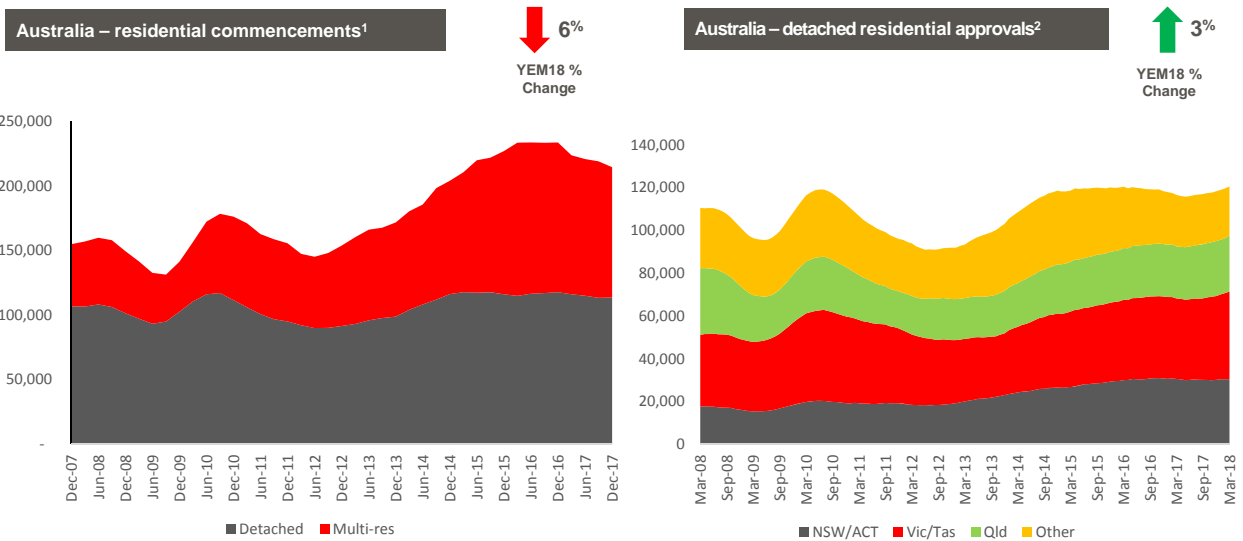
- Major Building Products projects include:
 - Hebel – \$75m expansion at Somersby, NSW due for completion in March 2019 (\$26 million in YEM18)
 - AFS – Rediwall expansion at Minto, NSW

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BUSINESS PERFORMANCE

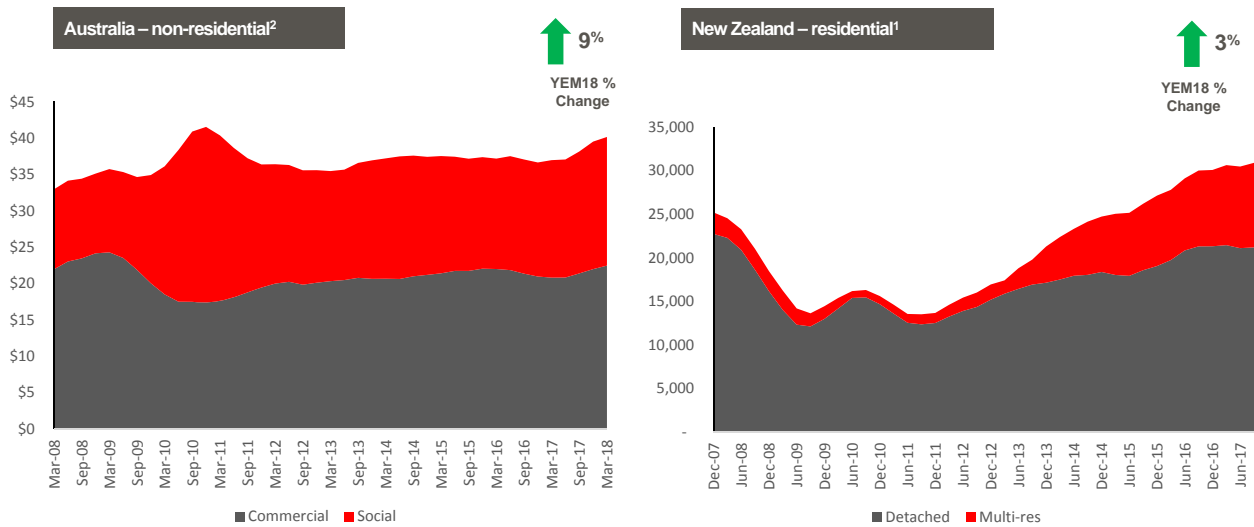


East coast detached housing remains relatively stable



1. Source ABS data – (two quarter lag – i.e. 12 months to September – original basis)
 2. Source ABS data to March 2018 annualised

Non-residential and New Zealand markets growing



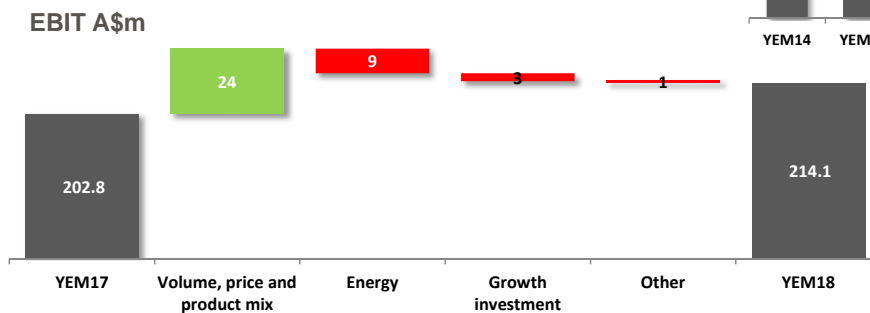
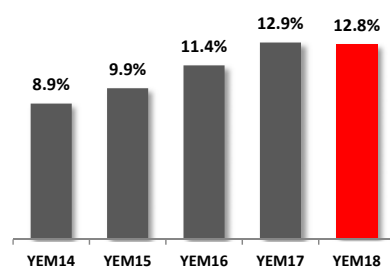
1. Source Statistics New Zealand - (residential consents 2 quarter lag – 12 months to September)
 2. Source ABS, BIS Oxford Economics forecast (SBN value of work done – 12 months to March)

Building Products EBIT up 6%

| A\$m unless stated ¹ | YEM18 | YEM17 | change |
|---------------------------------------|----------------|---------|--------|
| Revenue | 1,672.2 | 1,576.9 | 6% |
| EBITDA | 265.4 | 252.2 | 5% |
| EBIT | 214.1 | 202.8 | 6% |
| Funds employed ² | 919.1 | 877.4 | 5% |
| EBIT/revenue | 12.8% | 12.9% | |
| Return on funds employed ³ | 23.8% | 22.8% | |

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.

Building Products EBIT Margin %

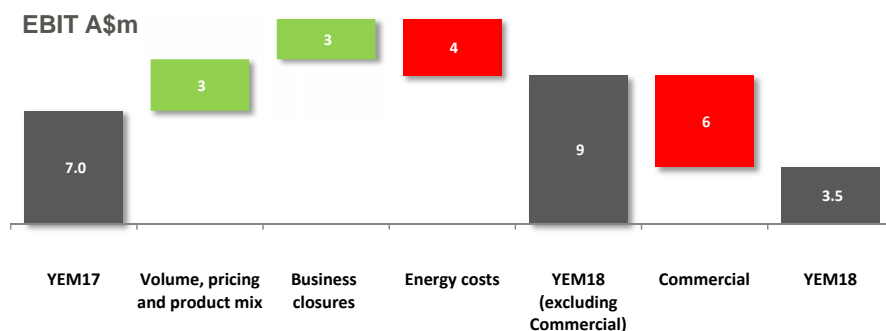


Viridian EBIT down due to lower volumes and operational issues

| A\$m unless stated ¹ | YEM18 | YEM17 | change |
|---------------------------------------|------------|------------|-------------|
| Revenue | 368.5 | 379.9 | -3% |
| EBITDA | 18.1 | 20.3 | -11% |
| EBIT | 3.5 | 7.0 | -50% |
| Funds employed ² | 239.3 | 247.4 | -3% |
| EBIT/revenue | 0.9% | 1.8% | |
| Return on funds employed ³ | 1.4% | 3.1% | |

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.

- Revenue down 3% following the sale of sites in Cairns, Darwin and Perth
- EBIT impacted by further losses in the Commercial business following operational issues
- Resolution of operational issues well advanced
- NZ operations delivering improved earnings

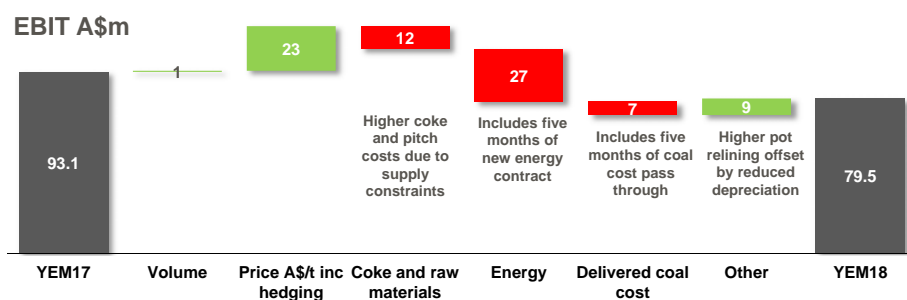


Aluminium – 10% increase in A\$ realised price offset by higher power costs

| A\$m unless stated ¹ | YEM18 | YEM17 | change |
|---------------------------------------|----------------|---------|--------|
| Sales (tonnes) | 212,801 | 211,230 | 1% |
| A\$ realised price ² | 2,657 | 2,422 | 10% |
| Revenue | 565.5 | 511.5 | 11% |
| EBITDA | 97.1 | 118.0 | -18% |
| EBIT | 79.5 | 93.1 | -15% |
| Funds employed ³ | 120.0 | 137.3 | -13% |
| EBIT/revenue | 14.1% | 18.2% | |
| Return on funds employed ⁴ | 61.8% | 61.1% | |

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.

- Realised aluminium price up 10%
 - Average ingot premium of \$111 per tonne, up 18%
- Sales tonnage up 1% following operational improvements
- EBIT down 15% largely due to new power supply contract which took effect from November 2017

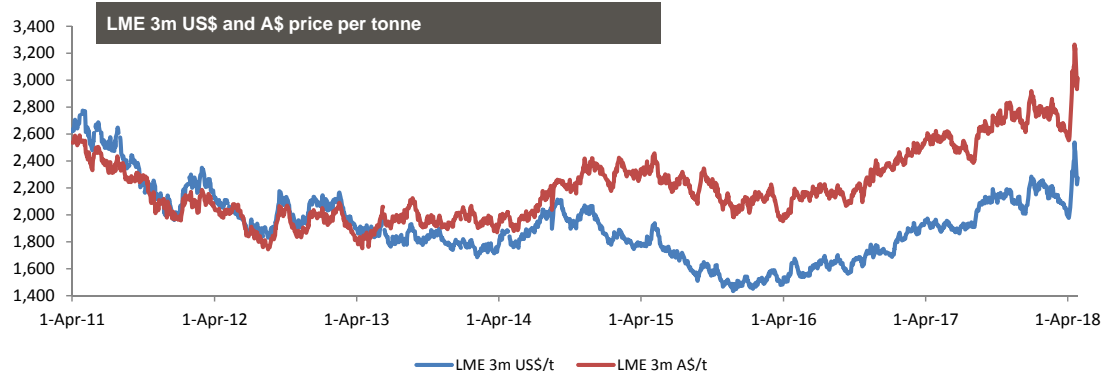


Aluminium market - upward pricing momentum

GAF aluminium hedge book

| As of 30 April 2018 | YEM19 | YEM20 | YEM21 |
|---|-----------|-----------|-----------|
| Average price A\$ per tonne (excludes premiums) | A\$ 2,590 | A\$ 2,710 | A\$ 2,953 |
| % of net aluminium exposure hedged | 74% | 70% | 13% |

- Increased hedge position to YEM21 following recent increase in pricing
- Recent aluminium price volatility following US tariffs on imports



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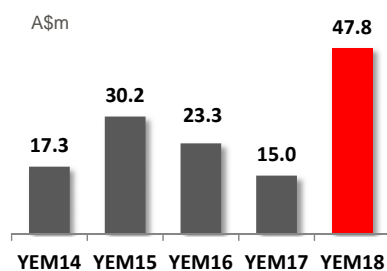


Property result boosted by Rosehill sale

| A\$m unless stated ¹ | YEM18 | YEM17 | change |
|---------------------------------------|-------------|-------|--------|
| EBIT | 47.8 | 15.0 | 219% |
| Funds employed ² | 185.7 | 142.0 | 31% |
| Return on funds employed ³ | 29.2% | 10.9% | |

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



Current projects

Chirnside Park, VIC

- Progress to date: 410 lots settled, 105 contracts exchanged with 69 lots to be released as construction of Stage 6 continues
- Project has delivered \$31.4 million in EBIT as of 31 March 2018

Schofields, NSW

- 70ha – future residential
- Approximately 1,250+ lots
- Quarry rehabilitation underway
- Rezoning approval expected in 2018

Horsley Park, NSW

- 30 ha – surplus industrial land
- Stage 1 sale announced in April 2018
- Stage 2 development progressing

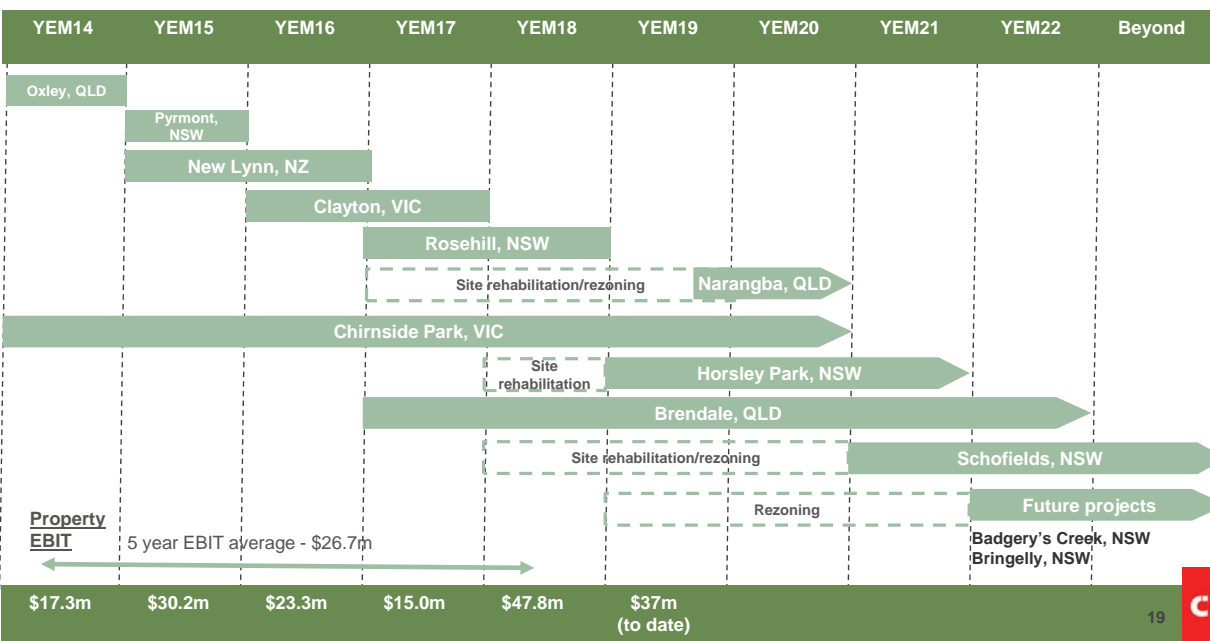
Brendale, QLD

- Marketing continues of ~30 ha industrial development

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Property – major project timeline

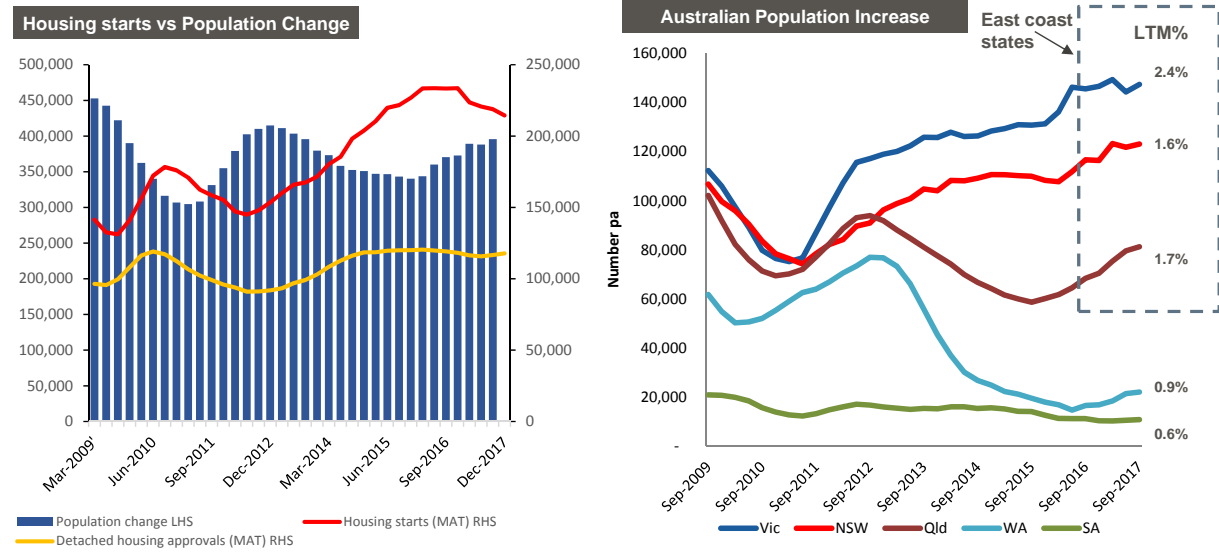


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MARKET & OUTLOOK



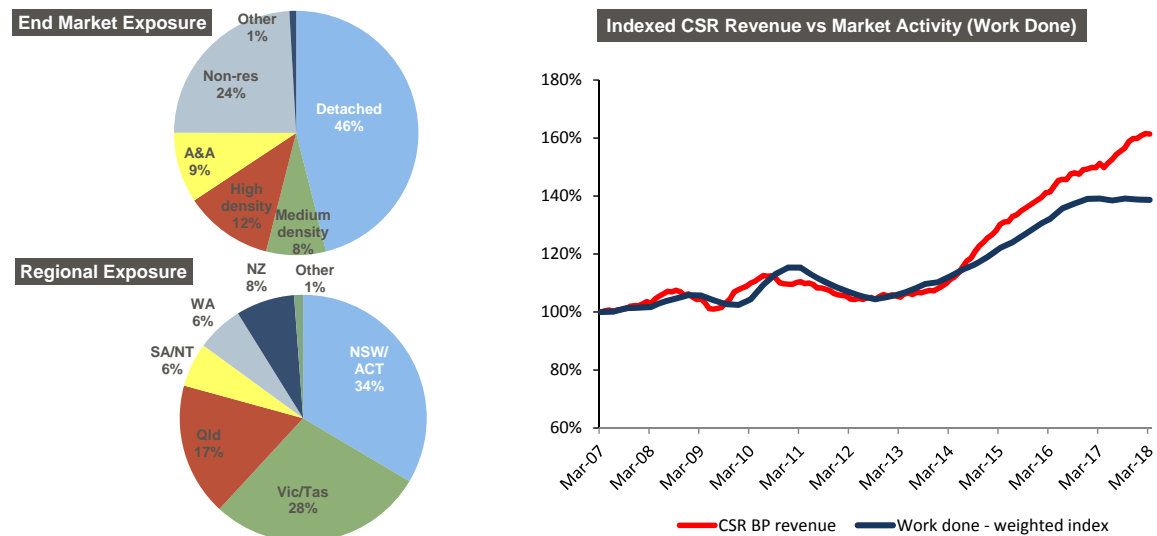
Underlying driver of housing demand



Robust population growth in Australia sustains residential and commercial construction demand through the cycle

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Growing exposure across construction segments



Investment in new products has delivered above market growth

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

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Consistent strategy delivering results for CSR

| | | Strategic rationale | Long-term growth |
|---|---|--|--|
|  Strengthen and invest |  | <ul style="list-style-type: none"> Increased exposure to stable detached market | <ul style="list-style-type: none"> Operational flexibility Land release |
|  Smarter, faster, easier |  | <ul style="list-style-type: none"> Greater share of multi-res market Speed of construction | <ul style="list-style-type: none"> Doubled Rediwall capacity New market segment offering (aged care, townhouse and student accommodation) |
|  Changing the way we live and work |  | <ul style="list-style-type: none"> Growth and increased share in all market segments | <ul style="list-style-type: none"> \$75m capacity expansion New product development Inclose Facades System |
|  Comfort and energy efficiency |  | <ul style="list-style-type: none"> Market expansion from glasswool to polyester, solar, battery storage and ventilation | <ul style="list-style-type: none"> Leading energy solutions provider to new build market |
|  Customer |  | <ul style="list-style-type: none"> Maintain market leading position Invest in digital capability | <ul style="list-style-type: none"> Investment in trade centres and retail capabilities Data analytics to provide customer preferences and trends |



Outlook for year ending 31 March 2019 (YEM19)

| | |
|---------------------------------------|---|
| Building Products and Viridian | <ul style="list-style-type: none"> Recent building approvals remain strong with detached housing at its highest level in two years. This supports the current level of activity for the year ahead. Viridian's operational performance in Australia and New Zealand has improved in recent months with the business on track to increase earnings in YEM19. |
| Aluminium | <ul style="list-style-type: none"> Currently 74% of net aluminium exposure for YEM19 is hedged at an average price of A\$2,590 per tonne (excluding ingot premiums) as of 30 April 2018. Earnings will be impacted by the full year effect of higher power related costs. |
| Property | <ul style="list-style-type: none"> Two transactions were announced in the first week of YEM19 resulting in EBIT of approximately \$37 million. This included the completion of Stage 5 at Chirnside Park, VIC and the sale of the 10-hectare surplus industrial site at Horsley Park, NSW which is expected to be recorded in the second half of the year. |

APPENDIX

Year ended 31 March 2018

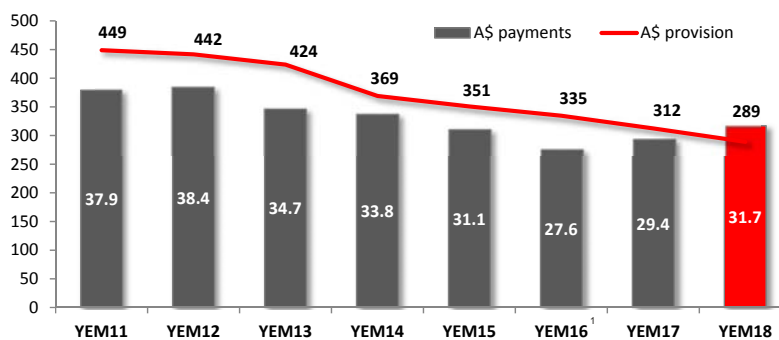


Further reductions in asbestos liability

| A\$m | YEM18 | YEM17 | change |
|---------------------------------------|--------------|--------|--------|
| Opening balance as of 1 April | 312.4 | 334.5 | -7% |
| Cash paid | (31.7) | (29.4) | |
| Discount unwind | 8.3 | 11.0 | |
| Prudential margin reduction | - | (3.7) | |
| Closing balance as of 31 March | 289.0 | 312.4 | -7% |

- Product liability provision of A\$289m – lowest level in 15 years
- Provision includes a prudential margin of 23.9% (\$55.7m)
- Cash payments A\$31.7m during the year

Asbestos provision – A\$m



¹ YEM16 includes \$3.4 million in insurance recoveries

Review of significant items

| \$million | 2018 | 2017 |
|--|---------------|---------------|
| Restructuring costs and asset impairments | (18.4) | (23.8) |
| Supply disruption costs | (6.1) | - |
| Legal disputes, warranties and land remediation | (1.5) | (0.7) |
| Transaction and integration costs | - | (5.4) |
| Gain on acquisition of controlled entity | - | 4.1 |
| Reduction in product liability provision | - | 3.7 |
| Significant items before finance costs and income tax | (26.0) | (22.1) |
| Discount unwind and hedging relating to product liability provision | (8.3) | (10.4) |
| Transaction costs included in finance costs | - | (0.4) |
| Interest income on tax refund | - | 2.1 |
| Significant items before income tax | (34.3) | (30.8) |
| Income tax benefit on significant items | 10.2 | 10.7 |
| Income tax refund related to divested business | - | 12.6 |
| Significant items after tax | (24.1) | (7.5) |
| Significant items attributable to non-controlling interests | 0.2 | 1.6 |
| Significant items attributable to shareholders of CSR Limited | (23.9) | (5.9) |
| Net profit attributable to shareholders of CSR Limited | 188.8 | 177.9 |
| Significant items attributable to shareholders of CSR Limited | 23.9 | 5.9 |
| Net profit before significant items attributable to shareholders of CSR Limited | 212.7 | 183.8 |
| Earnings per share attributable to shareholders of CSR Limited before significant items | | |
| Basic (cents per share) | 42.3 | 36.5 |
| Diluted (cents per share) | 42.0 | 36.3 |

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