



CSR Limited Annual General Meeting –
11 July 2013

Managing Director's Presentation



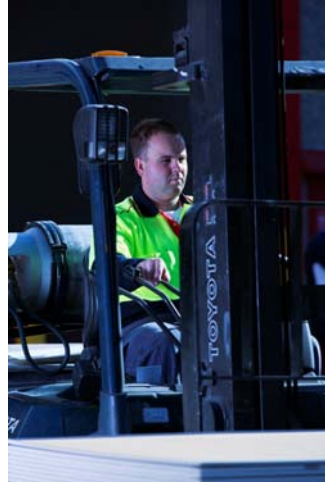
Agenda

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|-----------------------------|---|
| 1. Sustainability | Overview of our safety and environmental performance |
| 2. Financial results | Results for the year ended 31 March 2013 |
| 3. Strategy | Our plans for growth |
| 4. Outlook | Outlook for the year ending 31 March 2014 |



Safety and environment – the priority for our people

Safety Performance YEM13	YEM13		4 year trend 09-13	
Recordable injuries 116	39%	↓	71%	↓
Lost Time Injuries 28	26%	↓	66%	↓
Total Recordable Injury Frequency Rate 17.5	32%	↓	55%	↓
Lost Time Injury Frequency Rate 4.2	18%	↓	42%	↓
Severity Rate 62.1	20%	↓	64%	↓



Environmental Performance	As at June 2012		3 year trend 10-12	
Greenhouse gas emissions (tonnes of CO ₂ e)	6%	↓	13%	↓

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Overview of results for the year ended 31 March 2013

Prolonged weakness in key markets continued

- Annualised dwelling commencements down to 145,000 (2Q lag)
 - Australian detached residential construction down 6%
 - 'Other-res' (including high-rise) comprised 40% of total commencements
- A\$ realised aluminium prices down 13%

Focus on reducing costs to help offset market decline

- EBITDA¹ (pre significant items) of \$161.8m, down 34%
 - Profit impact of declines in market activity mitigated by significant reduction in cost base and overhead expenses
- Net profit after tax¹ (pre significant items) of \$32.7m
- Dividend of 5.1 cents per share (unfranked) for the year, 78% full year payout ratio

Viridian restructuring underway

- Remains our #1 priority
- Strengthened management - deep industry knowledge
- Significant restructuring program underway to right size float glass and processing capacity

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 year ended 31 March 2013.

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Financial results summary

Year ended 31 March			
A\$m	2013	2012	%Δ
Trading Revenue	1,682.4	1,801.9	(7%)
EBITDA¹	161.8	246.3	(34%)
EBIT¹	72.5	156.7	(54%)
Net Finance Costs	(22.2)	(23.2)	(4%)
Tax Expense	(6.2)	(23.2)	(73%)
Non-controlling Interests	(11.4)	(19.6)	(42%)
Net profit after tax¹ (pre significant items)	32.7	90.7	(64%)
Significant items	(179.6)	(14.4)	NM
Net profit/(loss) after tax (after significant items)	(146.9)	76.3	NM

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 year ended 31 March 2013.

- Net profit after tax (pre sig items) of \$32.7m
 - In line with March 2013 guidance
- Revenues of \$1.7b, down 7%,
 - Down 4% like-for-like (excluding divestments)
- EBITDA of \$161.8m, down 34%
 - Ex Property, EBITDA down 27%
 - Strong discipline in margin and overhead management
- Effective tax rate of 12.3% (pre significant items) due to lower earnings and sustained R&D tax credits
- After-tax significant items of \$180m primarily related to restructuring costs and Viridian write-down

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Financial results by division

Year ended 31 March			
A\$m EBIT	2013	2012	%Δ
Building Products	77.4	86.9	(11%)
Viridian	(38.8)	(19.3)	NM
Aluminium	50.3	80.5	(38%)
Property	---	24.4	NM
Corporate	(13.8)	(15.3)	10%
Restructure and Provisions	(2.6)	(0.5)	NM
Total EBIT	72.5	156.7	(54%)

¹ EBIT (pre significant items) is a non-IFRS measure and is used internally by management to assess the performance of the business and has been extracted or derived from CSR's financial statements for the year ended 31 March 2013.

- Building Products result underpinned by strong performance given market conditions
 - Earnings growth in Hebel and PGH Bricks
 - Monier and Gyprock showed continued resilience
 - Includes \$4m of investment in new initiatives
- Viridian results disappointing
 - Action taken to adapt to new market dynamics
- Aluminium - 13% drop in realised A\$ aluminium price
 - Significant improvements in operating cost position
- No Property earnings due to timing of transactions
- Ongoing discipline in managing overhead and head office costs

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Viridian restructuring to meet structural changes in the market

Structural shifts in the market

High Australian dollar

- Impacting bulk glass pricing – value added products creating less favourable product mix

Excess capacity

- Significant excess processing capacity added in recent years

Shift to multi-res

- Leading to greater importation of finished windows

Construction market downturn

- Simultaneous contraction in residential and commercial construction activity

Restructuring objectives

- Align float glass capacity to the realities of the market
- Rationalise glass processing capacity and focus the organisation on the industry segment where we have a competitive capability
- Ensure the business can be earnings and cash positive at the bottom of the cycle
- Cease material new investment until earnings stability and improvement achieved

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Strategic priorities

Investing in core businesses

- Opened three new Gyprock Trade Centres in key growth areas
- Continued drive for industry consolidation opportunities – NZ bricks JV began trading in April 2013
- Significant restructuring program in Viridian underway

Developing systems that are smarter, faster and easier to use

- Continued investment in new residential walling systems and higher density construction systems including Hebel, Gyprock and Bradford

Adapting to the changing way we live and work

- CSR House opened in November 2012 represents the future of energy efficient housing design and is a working research and development facility

Driving building efficiency, quality and comfort

- Product innovation across the CSR portfolio to improve energy efficiency, acoustics, fire performance, comfort, air quality and durability

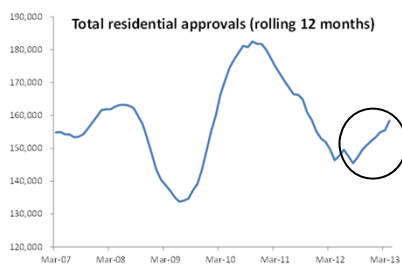
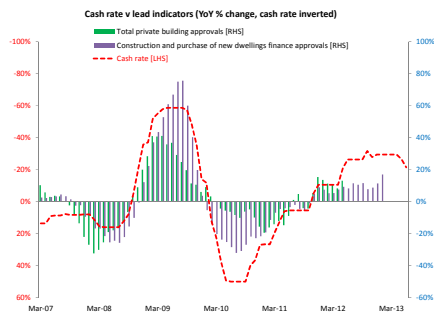
Ensuring customers choose to do business with CSR

- Launched CSR Connect – enables 24/7 access for customers to search, view and analyse their CSR accounts information with further enhancements to the system underway
- Improvement in recent customer survey metrics to highest level to date



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Leading indicators point to a recovery in residential building



Source: ABS

- **Building Approvals** - rolling 12 month total improving in key states:
 - Detached approvals in NSW up 10% and WA up 17%
 - Multi-res continues strong growth
 - Overall detached market flat with recent trends positive
- **Finance Approvals** - for the construction and purchase of new homes are up 11% (rolling 12 month total)
 - NSW (up 15%), WA (up 26%), Qld (up 8%) and Vic (up 4%)
- **New home sales**
 - Up 7% compared to last year and rising 26% from lows reached in October 2012
- **Total value of building activity (ABS data)**
 - Steady result as anticipated
 - Multi-res remains robust
 - Non-res weakening



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Outlook for year ending 31 March 2014 (YEM14)

Building Products & Viridian

- Expect Australian dwelling commencements to grow modestly in YEM14 to 147,000
 - NSW and WA likely to grow between 5-8%
- Building Products – maintain momentum through pricing discipline, product development and bolt-on opportunities that strengthen relative position
- Viridian continue roll-out of restructuring program
 - Improved result expected in YEM14
 - Depreciation benefit of around \$14 million following impairment and asset write-downs

Aluminium

- Hedging in place for 40% of net aluminium exposure in YEM14
- Continue short-term hedging strategy
- Ingot premiums remain historically high, helping to counter ongoing market weakness

Property

- Negotiations on current transactions should flow through to YEM14
- Pipeline remains solid with Chirside Park development to benefit YEM14

Group

- CSR retains strong balance sheet and improved underlying competitive positions
- Significant leverage to any improvement in construction market activity and aluminium prices