

CSR LIMITED 30 JUNE 2011

ANALYST PRESENTATION

ANALYST SITE TOUR – CLAYTON AND YARRAVILLE



CSR

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™

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
	Gypsum based products including plasterboard, plaster, cornices, finishing materials & accessories
	Lightweight fibre cement – weatherboards, cladding, internal linings and flooring systems
	Lightweight autoclaved aerated concrete
	Commercial ceilings products
	Full range of thermal, acoustic and fire insulation products
	Manufacturer of float glass and provides full range of processed glass
	Gay bricks and pavers
	Concrete and flat roof tiles
	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



	Raw Materials	Manufacturing	Distribution				
			3rd party channels resellers	CSR owned retail	Supply and Fit	National Retailers	Direct Sales
	Gypsum mine and JV	4 x manufacturing facilities	✓	Gyprock Trade Centres	✓	✓	✓
	Minor glass sourcing from Viridian	4 x manufacturing facilities	✓	Gyprock/Bradford dist centres	✓	✓	✓
		2 x bulk glass and 33 processing facilities	✓		✓		
	Quarries	6 x brick manufacturing facilities		Selection centres	✓		✓
 	Quarries (for Terracotta)	5 x tile plants, 1 x JV (WA)		Selection centres	✓	✓	✓



BUILDER/COMMERCIAL CONTRACTOR



Building Products revenue summary – YEM11

Trading Revenue A\$m	2011	2010	%Δ
Lightweight Systems			
	762.7	764.3	--
Glass			
	348.8	379.7	(8%)
Bricks and Roofing			
	286.6	281.3	2%
			
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™
- Active cost management
 - improved glass yield
 - improved labour efficiency



Everything else is just plasterboard

- 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