RESULTS PRESENTATION

Half year ended 30 September 2018

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

1

Rob Sindel, Managing Director

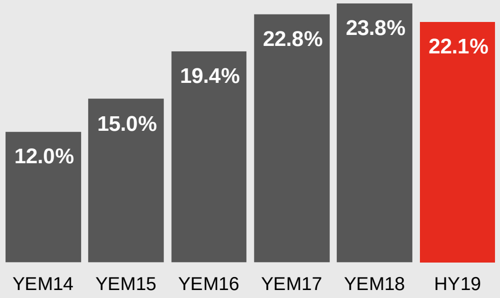
Strategic focus

Financial performance

- NPAT (before significant items) of \$94m – down 31% due to the timing of Property transactions and lower Aluminium earnings
- \$66m dividend (13.0 cents per share) with 100% franking up from 50% for previous interim dividend

Building Products

Return on funds employed [1]



Portfolio optimisation

- CSR has capitalised on the strength in the building market to increase shareholder value through portfolio optimisation
- Continuing review of businesses to deliver targeted returns of 15% ROFE
- Targeted investment through the cycle

Next stage of growth

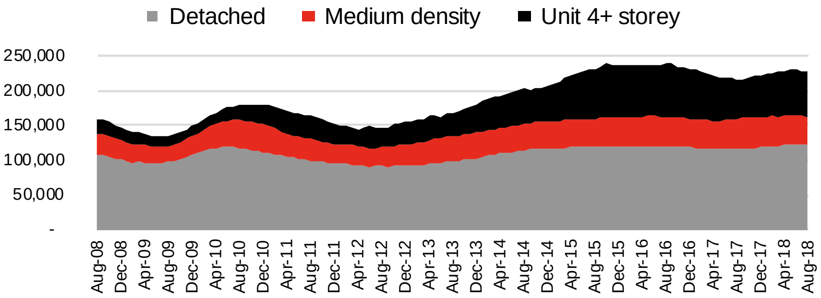
10% of revenue from new products and systems over last five years

- Innovation process delivering new opportunities in PGH bricks, Bradford insulation and Inclose façades
- Identified a number of acquisitions and organic growth opportunities

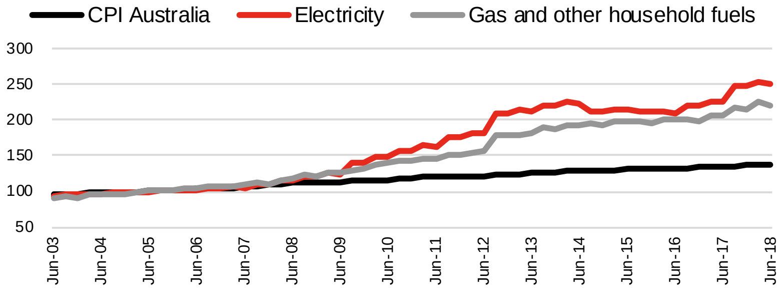
1. All ROFE calculations are based on EBIT (before significant items) for the 12 months to 31 March (except for HY18 and HY19 which are based on the 12 months to 30 September) divided by average funds employed which excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March (except for HY18 and HY19 which are as at 30 September).

Structural changes framing our strategy

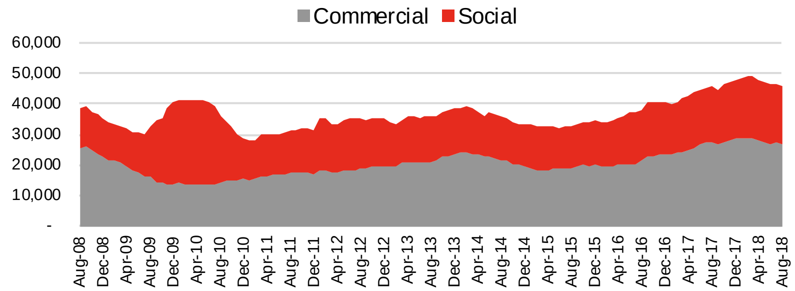
Multi-residential housing growth[1]



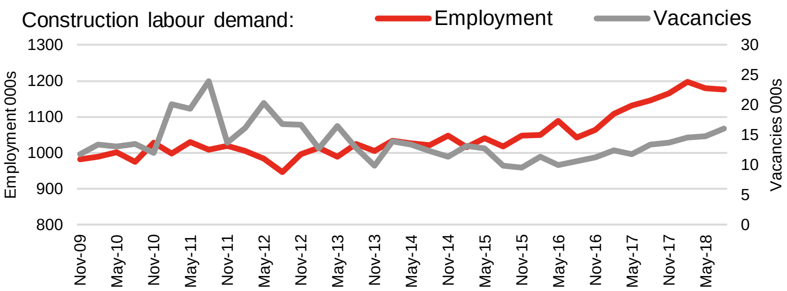
Rising energy costs[2]



Non-residential construction growth



Increased demand for construction trades



1. Source: ABS cat 8731
2. Source: ABS cat 6401, 6345 – March 2005 = 100

Detached and medium density stable while energy cost increases are impacting margins

Next stage of growth

Detached residential

- Hebel and Cemintel gaining share in external cladding
- Bradford Energy solutions alliance with major builders
- Monier InlineSOLAR integrated solar panels

Multi-residential

- Doubled AFS Rediwall capacity
- Townhouse segment growing with multi-product opportunities

Non-residential / Civil

- Gyprock, AFS and Hebel - new segment opportunities in aged care, student accommodation
- Hebel – civil infrastructure opportunities with sound barriers
- Inclose façade system

Alterations and Additions

- Expanded Gyprock Trade Network of 60 stores
- CSR Connect digital – delivery tracking
- Data analytics to provide customer trends

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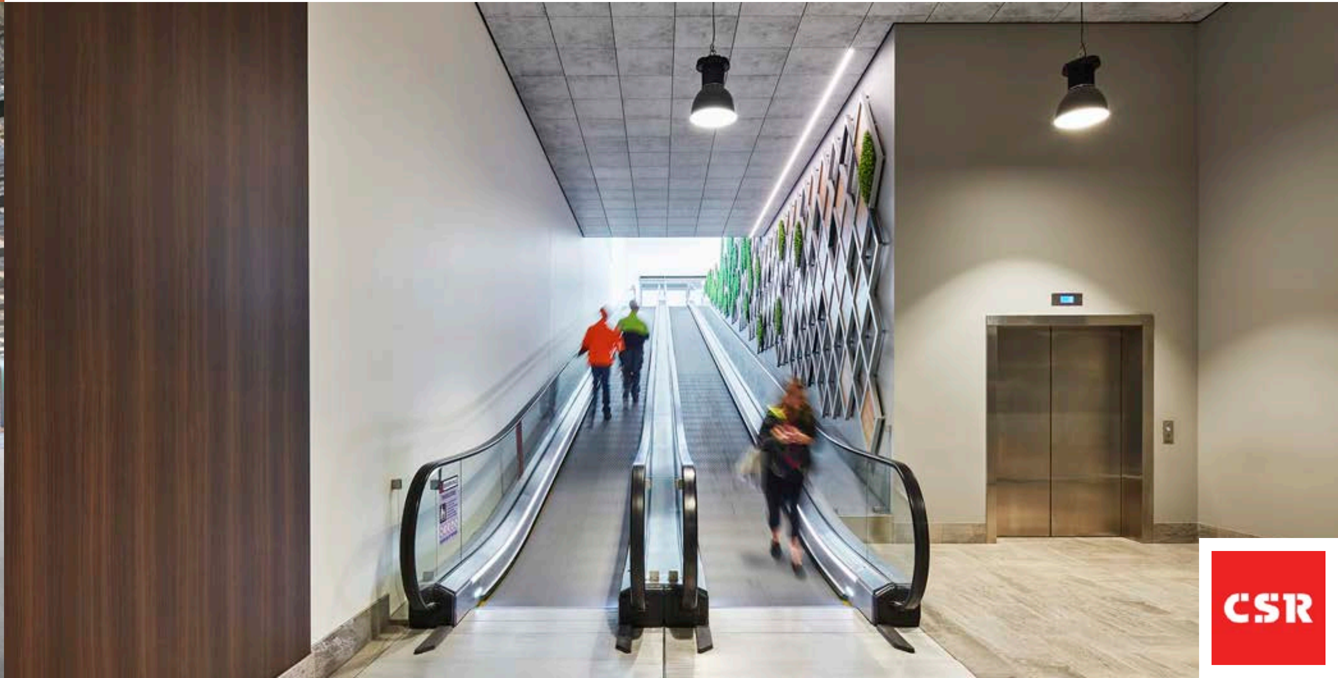
FINANCIAL RESULTS

David Fallu, CFO



Group results for the half year

Results summary

A$m (unless stated)	HY19	HY18	change
Trading revenue	**1,399.2**	1,324.2	6%
EBIT			
Building Products and Viridian	123.6	122.5	1%
Aluminium	23.0	50.1	(54%)
Property	4.3	46.5	(91%)
Corporate	(8.8)	(10.3)	
Group EBIT [1]	**142.1**	208.8	(32%)
Net finance costs [1]	(2.6)	(2.2)	
Tax expense [1]	(40.1)	(59.0)	
Non-controlling interests [1]	(5.4)	(11.0)	
Net profit after tax [1]	**94.0**	136.6	(31%)
Significant items after tax	(67.2)	(17.9)	
Statutory net profit after tax	**26.8**	118.7	(77%)

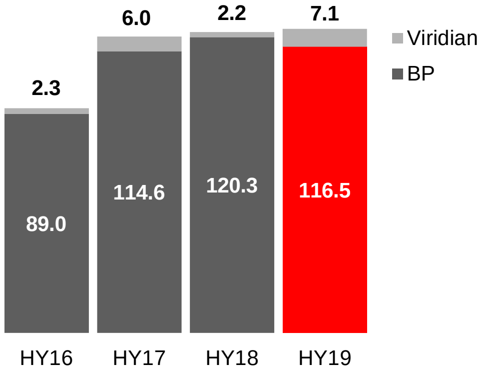
6% ▲ Revenue up 6% following growth in all businesses

- Building Products and Viridian EBIT up 1%
- CSR Group EBIT down 32% due to lower Aluminium earnings and the timing of Property transactions which are weighted to the second half of the year
- Statutory net profit after tax of $27m includes $67m of significant items after-tax including a non-cash impairment of Viridian

1. All references are before significant items.

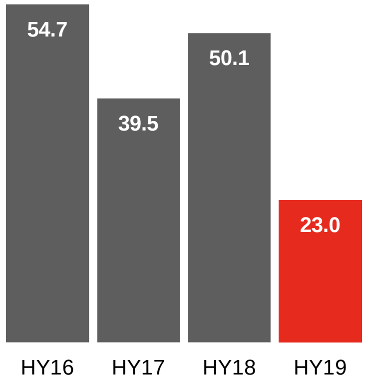
EBIT by business

Building Products and Viridian (A$m)



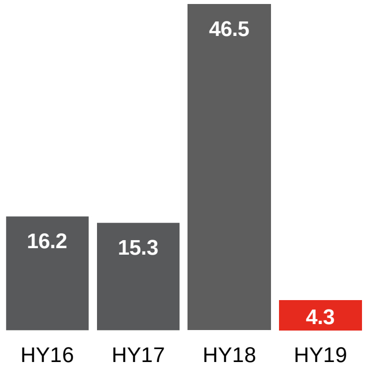
- Solid performance across most segments with high-rise apartment market slowing
- Includes $7m in long-term growth investment including digital and off-site construction

Aluminium (A$m)



- Total power related costs increased by $42m for the half year since the new electricity contract commenced in November 2017
- Raw material costs increased by $14m

Property (A$m)



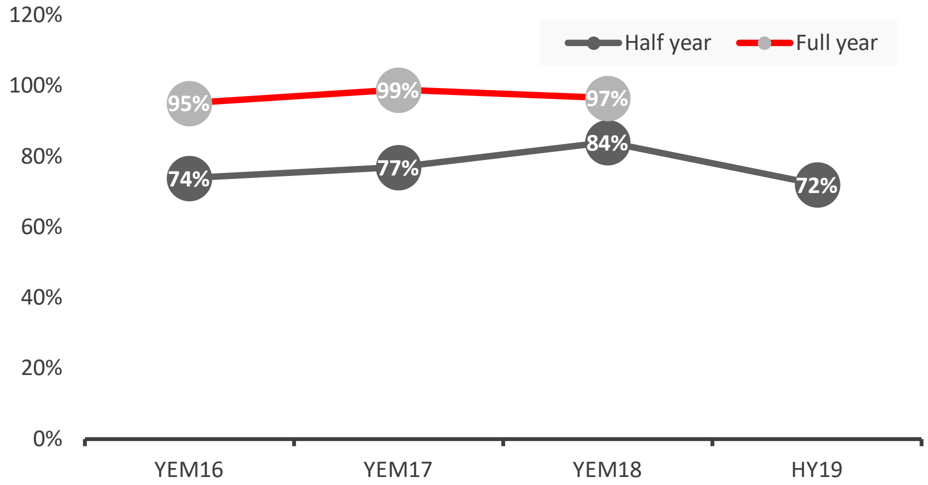
- HY19 includes settlement of Stage 5 of Chirnside Park, VIC
- EBIT of approximately $31 million from Horsley Park sale expected to be recorded in the second half of the year
- HY18 included the sale of the 8ha site at Rosehill, NSW

Cash flow generation impacted by the timing of aluminium shipments in 1H

Operating cash flow

A$m	HY19	HY18	change
EBITDA	**182.0**	253.0	(28%)
Net profit on asset disposals	(7.2)	(48.4)	
EBITDA excluding asset disposals	**174.8**	204.6	(15%)
Net movement in working capital	(43.2)	(17.3)	
Movement in provisions/other	(6.0)	(15.3)	
Operating cashflows (pre tax, asbestos & sig. items)	**125.6**	172.0	(27%)
Asbestos payments	(15.0)	(16.3)	
Tax paid	(14.9)	(29.0)	
Significant items	(5.3)	(11.1)	
Operating cashflows (post tax & sig. items)	**90.4**	115.6	(22%)

Cash conversion [1]



1. Cash conversion based on operating cashflows (pre tax, asbestos & significant items) divided by EBITDA excluding asset disposals.

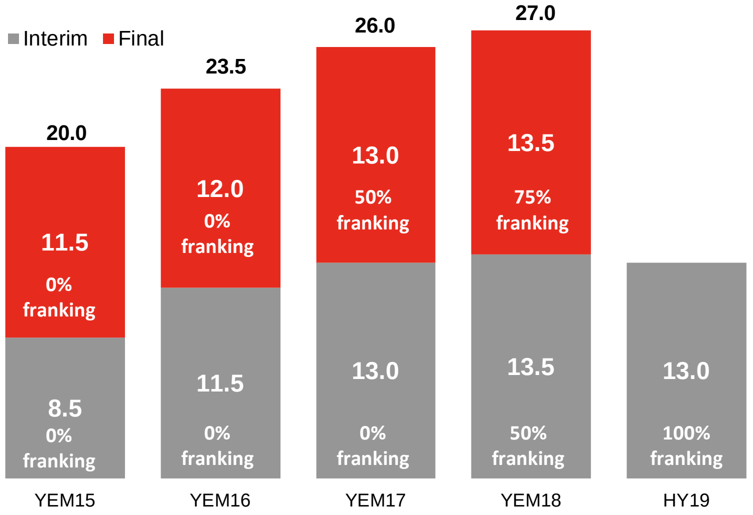
Strong cash flow supports dividends, investment in growth opportunities and Property projects

Dividends now fully franked

- Interim dividend of $66m (13.0 cents per share) with 100% franking
  - Steady increase in franking credits as CSR profitability has utilised its carried forward tax losses and moved into a tax payable position
  - Full year dividend expected to be in line with CSR's target dividend payout ratio of 60-80% of full year net profit after tax (before significant items)
- Deferred cash proceeds of $110m from two Property sales to be received in YEM20 will support capital investment and ongoing capital management

Dividends

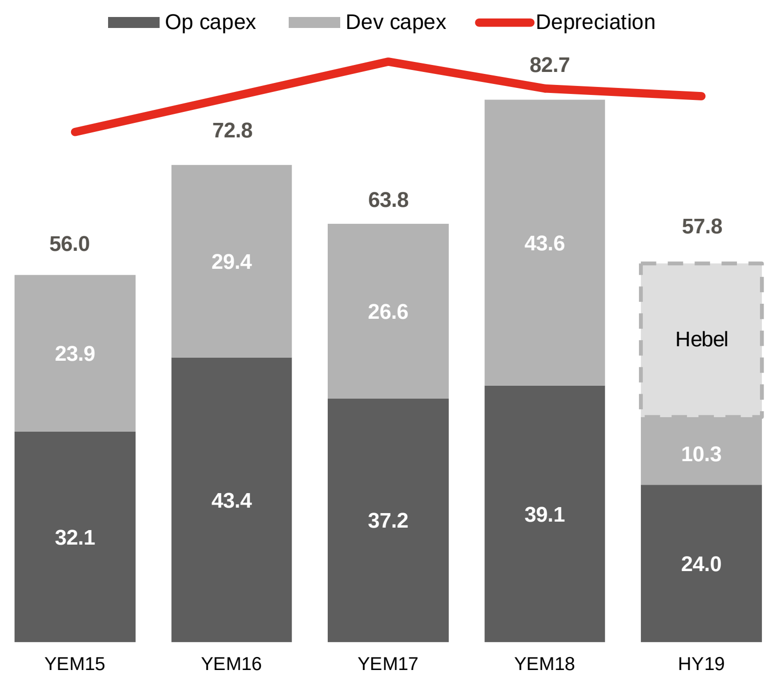
$101m	$119m	$131m	$136m	Total dividend
69%	71%	71%	64%	Payout ratio



Strong financial position supports investment in Building Products and Property

- Major Building Products projects include:
  - Hebel – $75m expansion at Somersby, NSW due for completion in April 2019 ($26m in YEM18)
  - AFS – Rediwall expansion at Minto, NSW
    - New AFS site purchased in Victoria
- Net debt of $69m increased from $14m at 31 March 2018 following increased investment in Hebel and Property
- Total capex for the full year expected to be approximately $200 million.

Capital expenditure (ex property & acquisitions, A$m)



Hebel – delivering factories of the future

Safety and productivity	Energy	Water	Local sourcing	Environment	Recycling	Product innovation
Increased automation	Peak load flexibility	Aimed to have zero water waste	Collaboration with local manufacturers and raw material suppliers	Underground storage of raw materials to minimise dust emissions	Waste dust capture recycled back into the manufacturing process	Unique product range and service capability

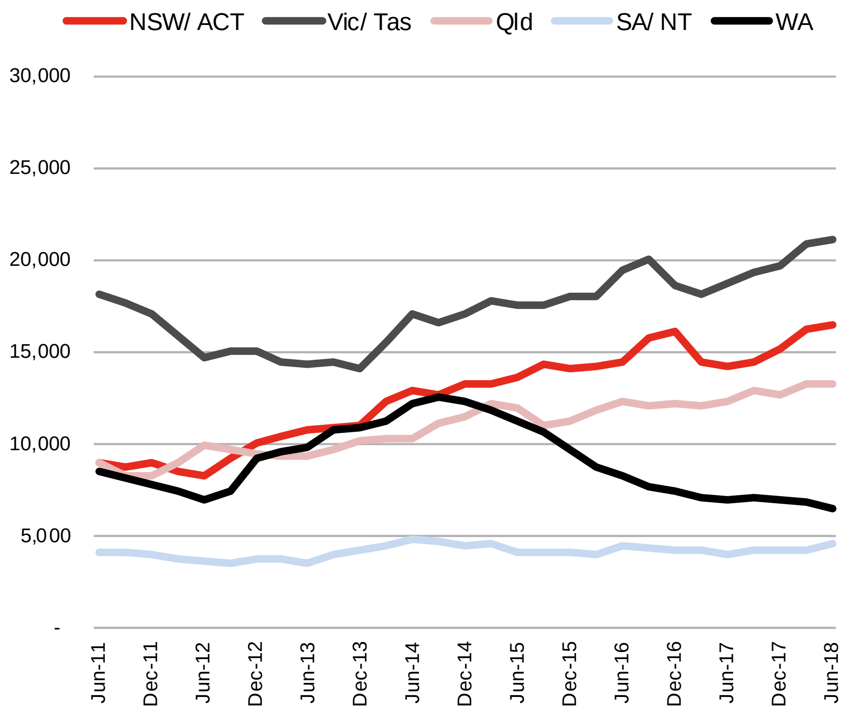
3

BUSINESS PERFORMANCE

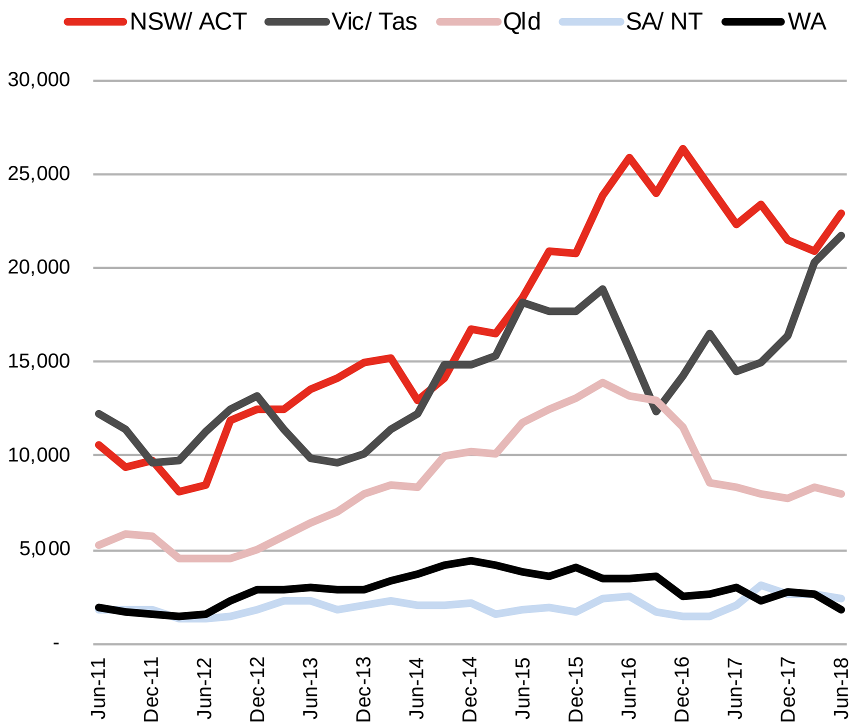
Rob Sindel, Managing Director

Changing market conditions across different regions

Detached commencements



Multi-residential commencements



Source: ABS

Detached commencements holding up well against declining high rise activity which represents ~12% of CSR revenue

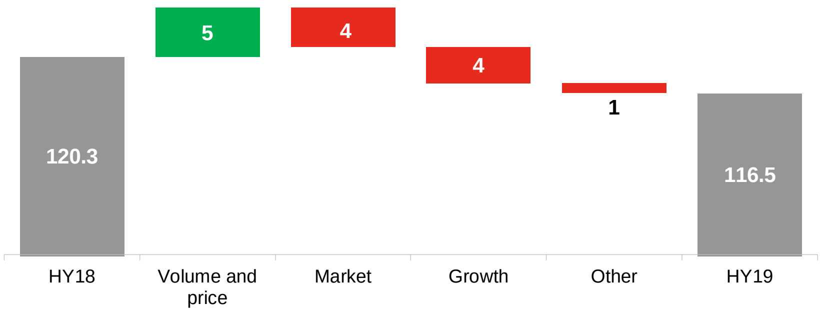
Building Products EBIT marginally lower as high-rise apartment market slows

A$m unless stated [1]	HY19	HY18	change
Revenue	**887.2**	862.5	3%
EBITDA	142.7	145.8	(2%)
EBIT	**116.5**	120.3	(3%)
Funds employed[2]	979.0	922.8	6%
EBIT/revenue	13.1%	13.9%	
Return on funds employed[3]	22.1%	22.7%	

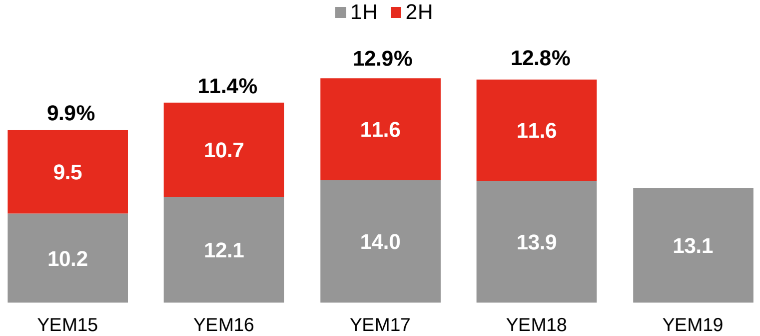
3% ▲ Revenue up 3% following higher volumes and growth from new products

- EBIT down 3% reflecting slower activity in high-rise apartment projects and increased imported products
- Includes $7m in growth investments in CSR Connect digital platform, new product development and Inclose façade systems

EBIT A$m



EBIT Margin %



1. EBITDA and EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 30 September.
3. Refer note on slide 4.

Viridian EBIT higher as operational performance improved

A$m unless stated [1]	HY19	HY18	change
Revenue	**200.5**	192.1	4%
EBITDA	14.6	9.7	51%
EBIT	**7.1**	2.2	223%
Funds employed[2]	172.3	236.2	(27%)
EBIT/revenue	3.5%	1.1%	
Return on funds employed[3]	4.1%	1.3%	

EBIT A$m

4%

Revenue up 4% following increased volume in double glazing and commercial growth

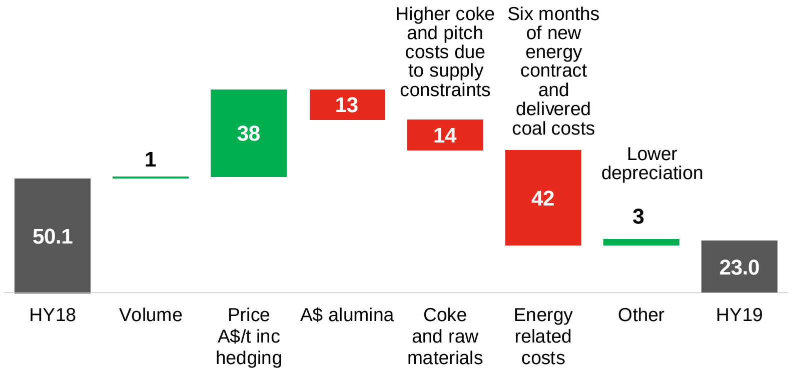
- EBIT of $7.1m up from $2.2m following operational improvements and site closures
- NZ EBIT increased by $3m following improved operational performance
- Viridian strategic review is materially progressed and expected to be finalised by the end of the year
- Viridian non-cash impairment and related costs of $76m included in significant items

1. EBITDA and EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 30 September.
3. Refer note on slide 4.

Aluminium – 14% increase in A$ realised price offset by higher power costs

A$m unless stated [1]	HY19	HY18	change
Sales (tonnes)	104,959	103,391	2%
A$ realised price[2]	2,967	2,607	14%
Revenue	**311.5**	269.6	16%
EBITDA	28.8	60.8	(53%)
EBIT	**23.0**	50.1	(54%)
Funds employed[3]	142.8	128.2	11%
EBIT/revenue	7.4%	18.6%	
Return on funds employed[4]	38.6%	69.6%	

EBIT A$m



16% ▲ Revenue up 16% following 14% increase in realised aluminium price

- Delivered EBIT of $23m despite $42m in increased power related costs
- Raw material costs including coke and pitch up by $14m
- Subject to movements in pricing, CSR expects full year Aluminium earnings to be around $45 million for YEM19

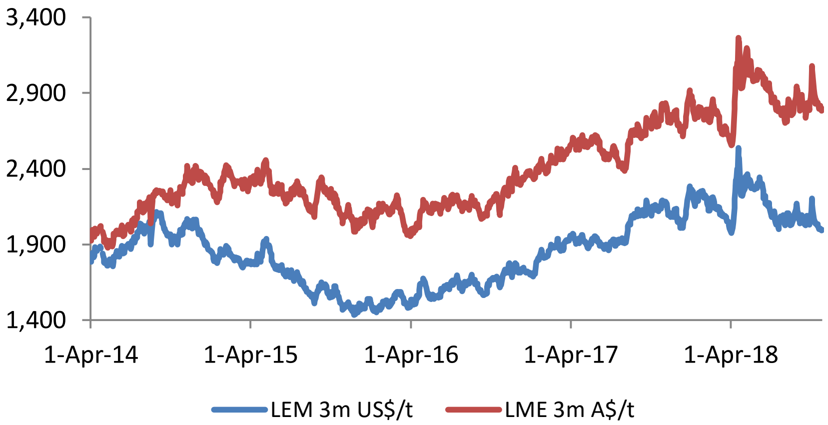
1. EBITDA and EBIT (before significant items).
2. Includes hedging and premiums.
3. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 30 September.
4. Refer note on slide 4.

Aluminium market – recent volatility following global trade tariffs and sanctions

GAF aluminium hedge book

As of 31 October 2018	2H YEM19	YEM20	YEM21
Average price A$ per tonne (excludes premiums)	A$ 2,648	A$ 2,718	A$ 2,976
% of net aluminium exposure hedged	75%	71%	15%

LME 3m US$ and A$ price per tonne



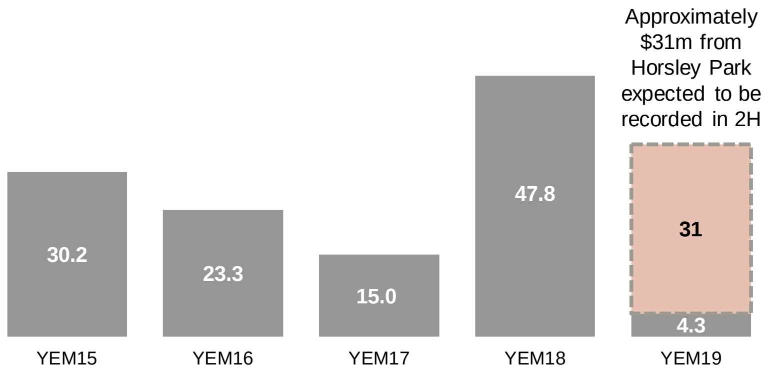
- Recent volatility in US$ aluminium prices due to uncertainty around global trade sanctions
- Australian dollar averaged 74.4 cents during the period down from 77.0 cents
- Alumina costs higher due to the higher US$ aluminium price and weaker A$
- GAF's current alumina contract, which is linked to the US$ aluminium price, expires in December 2019
  - A tender process has commenced regarding new contract terms to begin in January 2020.

Property EBIT weighted to the second half of the year

A$m unless stated [1]	HY19	HY18[4]	change
EBIT	**4.3**	46.5	(91%)
Funds employed[2]	181.4	176.6	3%
Return on funds employed[3]	3.1%	30.6%	

1. EBIT (before significant items).
2. Excludes cash and tax balances and certain other non-trading assets and liabilities as at 30 September.
3. Refer note on slide 4. ROFE varies due to timing of projects.
4. HY18 included the sale of the 8-hectare site at Rosehill, NSW.

Property EBIT



- EBIT of $4.3m includes Stage 5 Chirnside Park, VIC.
  - Project has delivered $38.4 million in EBIT as at 30 September 2018
  - Stage 6 construction continues with further completions subject to the timing of transactions
- EBIT of approximately $31m expected to be recorded in the second half from the sale of 10ha at Horsley Park, NSW
- Ongoing optimisation and development of key sites
- Subject to the timing of transactions, CSR expects full year Property earnings to be around $35 to $40 million

Schofields & Horsley Park, NSW sites

	Schofields, NSW	Horsley Park, NSW
Size	› 70ha – future residential › Approximately 1,250+ lots	› 30 hectares – industrial (current surplus) › 20 hectares – current operating factory
Zoning	› Public exhibition of draft masterplan closed in September 2018 › Rezoning due for completion in 2019	› Zoned industrial › Stage 1 – registration and title due for completion in mid 2019
Area	› Rapidly growing area in northwest Sydney › Richmond Road upgrade completed to South Street › North West Rail Link underway – opening in 2019	› Established industrial area › Adjacent to Oakdale Industrial Park (Goodman development)
Timing	› Stage 1 (approximately 400 lots) to begin development in YEM20	› Stage 1 – 10 hectares sold in April 2018 for EBIT of approximately $31 million (expected to be recorded in second half of the year) › Stage 2 – 20 hectares
Redevelopment works	› Quarry rehabilitation completed › Ongoing development work continues	› Land rehabilitation continues

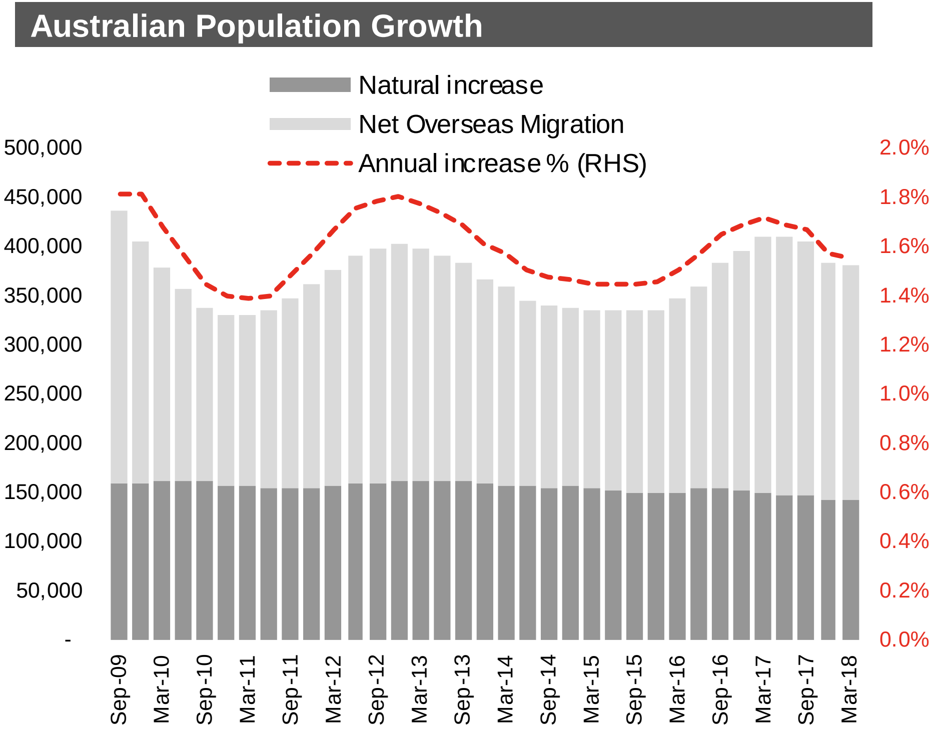
4

MARKET & OUTLOOK

Rob Sindel, Managing Director

Underlying drivers of housing demand remain positive

- **Population growth**
  - Strong population growth of 380,000pa driving demand for ~150,000 dwellings each year (based on 2.5 per household)
- **Housing shortfall** remains particularly on the east coast
- **Affordability** has improved with low interest rates and gradual decline in house prices
- **Low unemployment** with increasing total hours worked
- Significant increase in **First Home Owner** activity (stabilising at 18% of all financing)
- Growth in **knock-down rebuild** as housing stock ages



Source: ABS, BIS Oxford Economics, HIA, RBA

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

CSR

Outlook for year ending 31 March 2019 (YEM19)

Building Products and Viridian	› Despite moderation in demand from both multi-res and detached housing approvals, particularly in NSW, fundamentals for housing remain reasonably strong supported by population growth and a stable environment for employment and interest rates.
Aluminium	› Currently 75% of net aluminium exposure for 2H YEM19 is hedged at an average price of A$2,648 per tonne (excluding ingot premiums) as of 31 October 2018. Subject to current operating conditions and pricing, CSR expects earnings to be around $45 million for YEM19.
Property	› Earnings of approximately $31 million from the sale of the 10-hectare surplus industrial site at Horsley Park, NSW are expected to be recorded in the second half of the year. Construction of Stage 6 at Chirnside Park, VIC continues. This will increase the expected Property EBIT for the full year to around $35-$40 million, subject to the timing of transactions.
CSR Group	› CSR expects that group net profit after tax (before significant items) for YEM19 will be within the current range of analysts' forecasts of $180 million to $205 million (before significant items).

APPENDICES

Half year ended 30 September 2018

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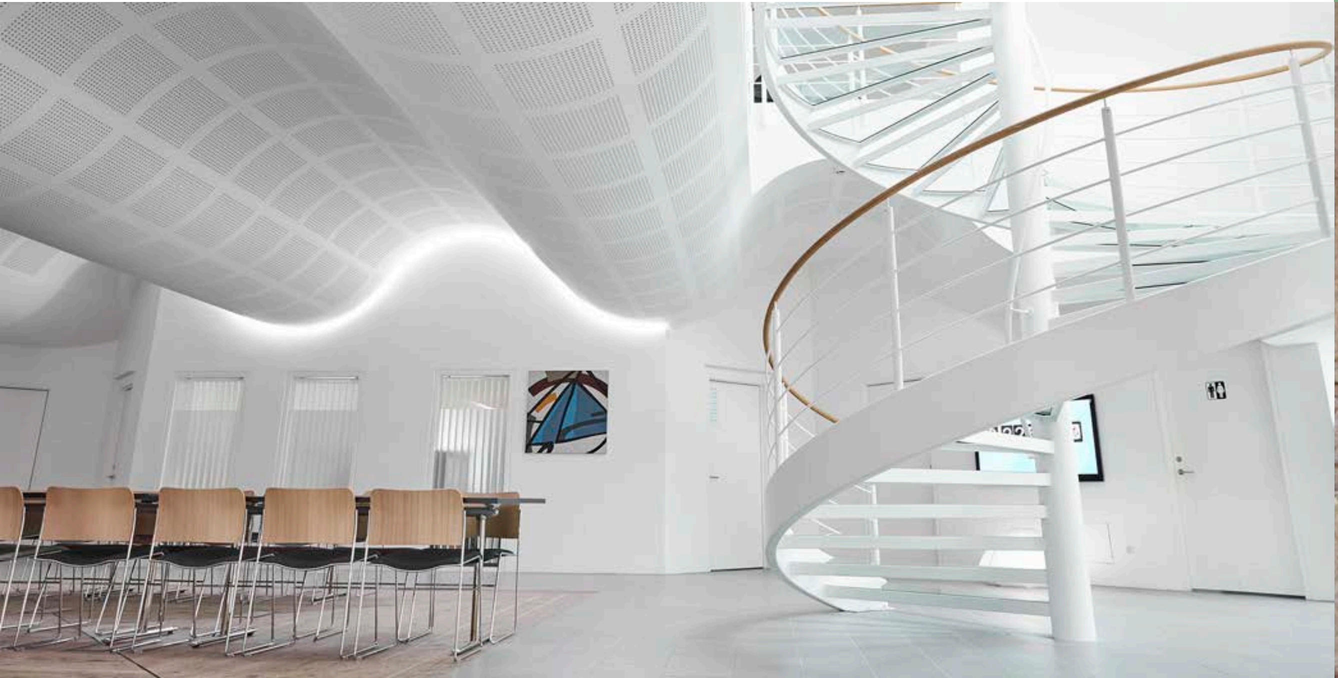
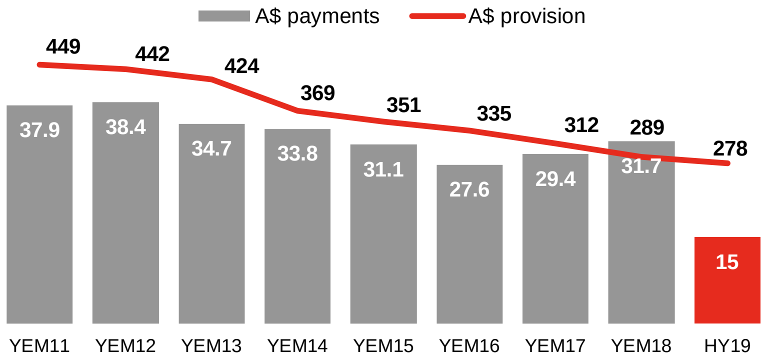


Further reductions in asbestos liability

Asbestos provision – A$m



- Product liability provision of A$278m
- Provision includes a prudential margin of 22% ($50m)
- Cash payments A$15m during the half year

Review of significant items

For the half year ended 30 September $million	HY19	HY18
Glass review and restructuring costs	(75.9)	(15.3)
Remediation, supply disruption costs and other	(3.1)	(6.0)
Significant items before finance cost and income tax	**(79.0)**	(21.3)
Discount unwind and hedge gain (loss) relating to product liability provision	(3.8)	(4.4)
Significant items before income tax	**(82.8)**	(25.7)
Income tax benefit on significant items	15.6	7.7
Significant items after tax	**(67.2)**	(18.0)
Significant items attributable to non-controlling interests	–	0.1
Significant items attributable to shareholders of CSR Limited	**(67.2)**	(17.9)
Net profit attributable to shareholders of CSR Limited	26.8	118.7
Significant items attributable to shareholders of CSR Limited	67.2	17.9
Net profit before significant items attributable to shareholders of CSR Limited	**94.0**	136.6
Earnings per share attributable to shareholders of CSR Limited before significant items		
Basic (cents per share)	18.7	27.1
Diluted (cents per share)	18.6	27.0

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