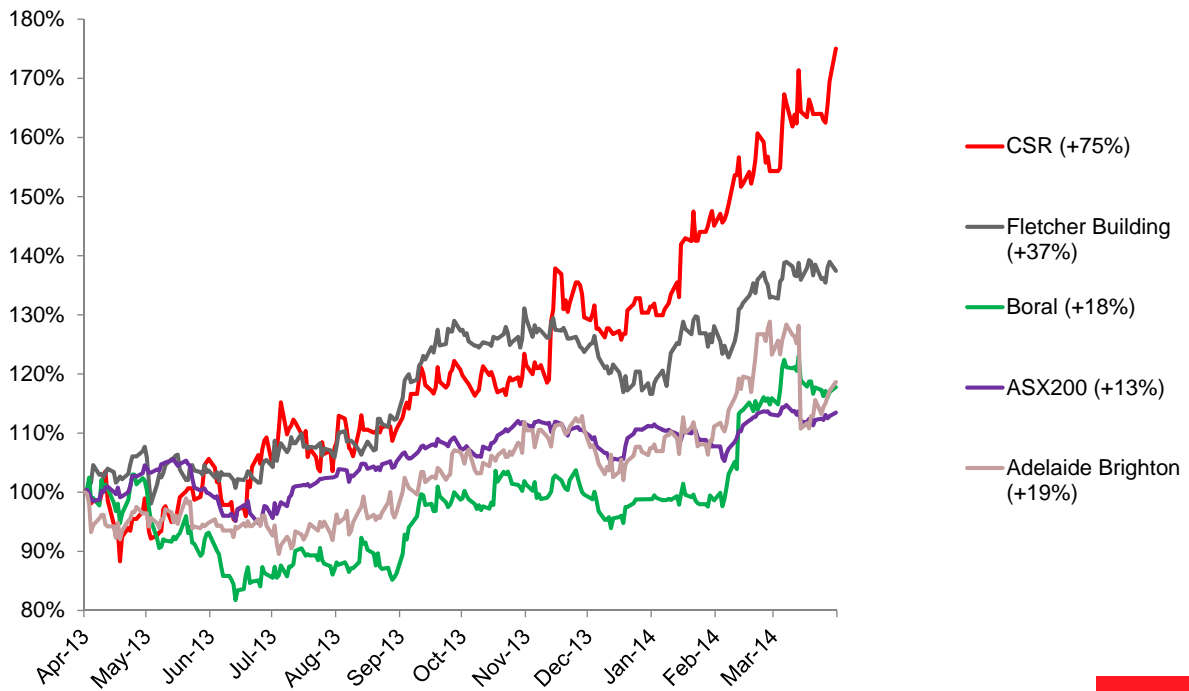




# Significant improvement in CSR's total shareholder return

Total shareholder return – financial year ended 31 March 2014

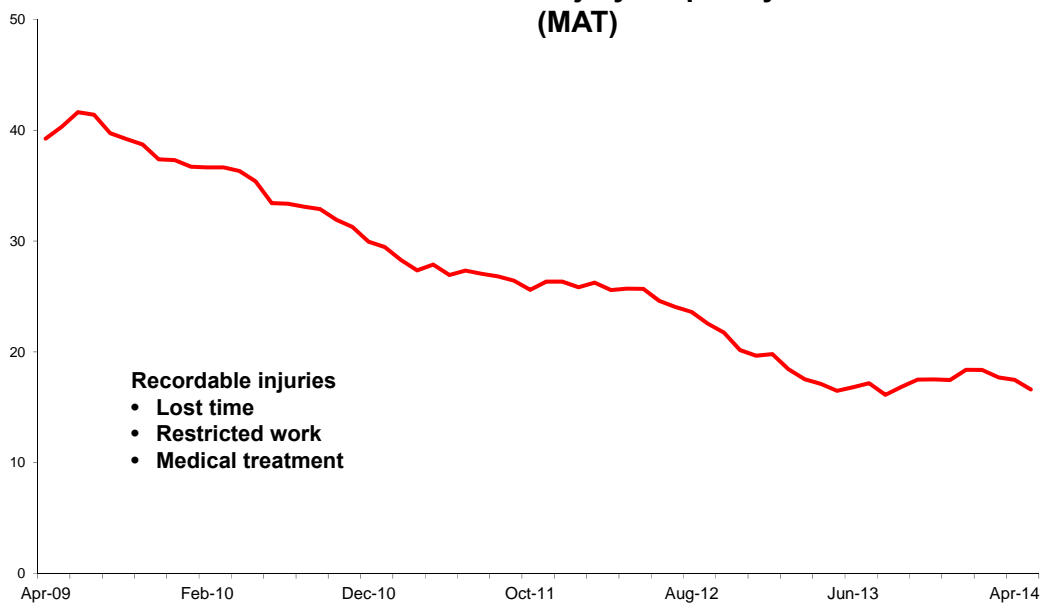


Note: Total shareholder return (TSR) includes share price appreciation plus dividends



# 64% reduction in number of total recordable injuries

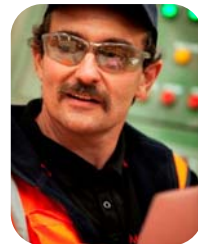
Total recordable injury frequency rate (MAT)



- Recordable injuries**
- Lost time
  - Restricted work
  - Medical treatment

$$\text{Rate} = \frac{\text{Number of injuries} \times 1,000,000}{\text{Number of Hours Worked}}$$





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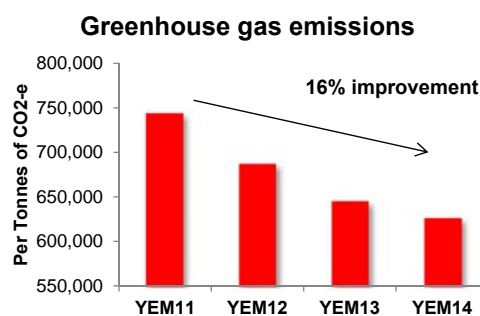
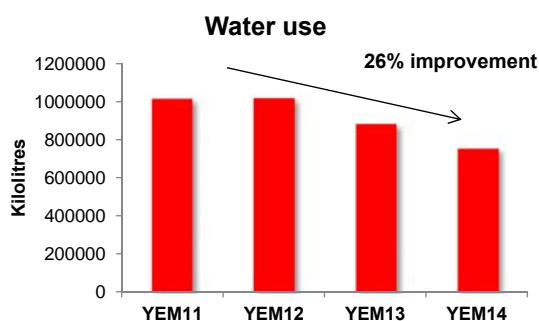
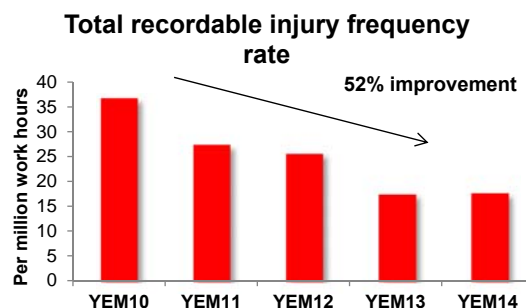
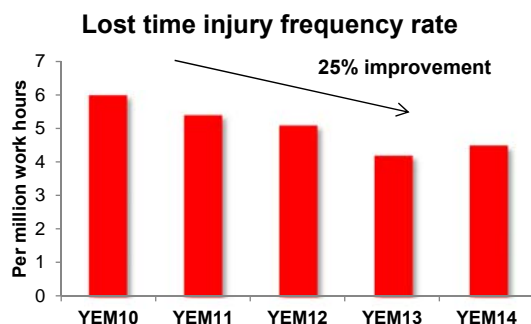


# Managing Director's Report



CSR

# Safety and environmental performance



Environmental data reported for the period of 1 July to 30 June for the respective years to be consistent with the National Greenhouse and Energy Reporting Scheme. YEM10 data not comparable as reported data included discontinued operations.

**CSR**

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# Financial results summary

Year ended 31 March			
A\$m	2014	2013 <sup>2</sup>	%Δ
Trading Revenue	1,746.6	1,682.4	4%
<b>EBITDA<sup>1</sup></b>	<b>202.5</b>	157.4	29%
<b>EBIT<sup>1</sup></b>	<b>125.7</b>	68.1	85%
Net Finance Costs	(18.6)	(22.2)	
Tax Expense	(24.1)	(4.9)	
Non-controlling Interests	(11.0)	(11.4)	
<b>Net profit after tax<sup>1</sup> (pre significant items)</b>	<b>72.0</b>	29.6	143%
Net profit/(loss) after tax (after significant items)	88.1	(150.0)	

- Trading revenue of \$1.7bn up 4%
  - Modest volume growth in Building Products
  - Improved GAF realised aluminium price
- EBIT of \$125.7m up 85%
  - Higher earnings across all divisions
- Effective tax rate of 22.5% (pre sig items) due to lower R&D tax credits in second half
- Positive significant items of \$16.1m (after tax) primarily due to a reduction in US asbestos liability
- YEM13 restatement for accounting standard change - \$4.4m reduction in earnings (\$3.1m post tax)

<sup>1</sup> EBITDA, EBIT, net profit and earnings per share are all pre significant items. They are non-IFRS measures and are used 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.

<sup>2</sup> On 1 April 2013, the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change of accounting policy and a restatement of balances for the financial year ended 31 March 2013.

**CSR**

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## Financial results by division

Year ended 31 March			
A\$m EBIT	2014	2013 <sup>2</sup>	%Δ
Building Products	92.6	77.4	20%
Viridian	(14.9)	(38.8)	62%
Aluminium	51.9	50.3	3%
Property	17.3	---	NM
Corporate	(15.7)	(13.8)	
Restructure and Provisions	(5.5)	(7.0)	
<b>Total EBIT<sup>1</sup></b>	<b>125.7</b>	<b>68.1</b>	<b>85%</b>

- Building Products EBIT up 20%
  - Earnings growth across most businesses with higher volumes and operational cost improvement
- Viridian improvement on track
  - Includes benefit of \$14m reduction in depreciation due to asset impairment in YEM13
- Aluminium EBIT up 3%
  - Average realised prices up due to higher ingot premiums and favourable hedging
- Property EBIT of \$17.3m

1 EBITDA, EBIT and net profit are all pre significant items. They are non-IFRS measures and are used 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.

2 On 1 April 2013, the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change of accounting policy and a restatement of balances for the financial year ended 31 March 2013.



## Strategic growth priorities

Key initiative	Progress
Protect and invest	<ul style="list-style-type: none"> <li>• East coast bricks JV with Boral</li> </ul>
Ensuring customers choose CSR	<ul style="list-style-type: none"> <li>• Viridian turnaround on track</li> <li>• Launched CSR Connect 24/7 digital account access for customers</li> </ul>
Smarter, faster and easier	<ul style="list-style-type: none"> <li>• Acquisition of AFS – a leader in permanent formwork walling solutions in the multi-residential market</li> <li>• Strong growth in Hebel through investment in installation and inspection services</li> </ul>
Adapting to the changing way we live and work	<ul style="list-style-type: none"> <li>• Ongoing research and testing of pre-fabricated housing systems – \$5m investment committed</li> </ul>
Improving comfort, quality and energy efficiency	<ul style="list-style-type: none"> <li>• Martini acquisition (polyester insulation)</li> <li>• Odyssey ventilation passive air conditioning</li> <li>• Bradford Energy Solutions</li> </ul>

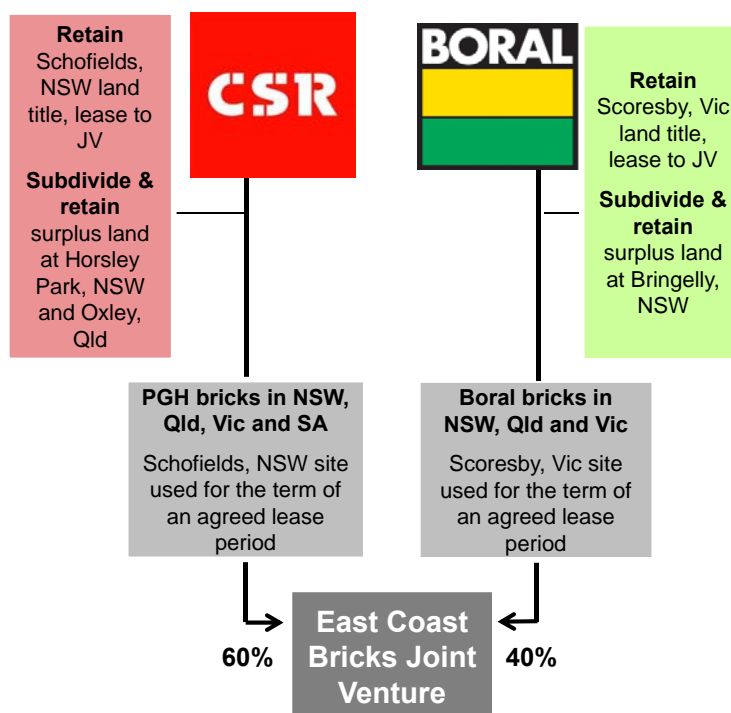


# Acquisition of AFS

- A leader in load bearing permanent formwork walling solutions
- Faster and less complex building solutions
  - Increased speed of construction
  - Lower labour costs and crane requirements
- Logicwall® fibre cement based permanent formwork system:
  - Scalable production facility at Goulburn, NSW to meet growing demand in multi-residential market
  - Over 30,000 multi-residential units completed to date
  - CSR Cemintel current supplier of fibre cement products
- Rediwall® polymer-based (PVC) permanent formwork system
  - Concrete walling system that is water resistant
  - Used in basement and retaining walls in multi-residential and commercial applications
- AFS load bearing walling system complements CSR's non-load bearing walling products (Gyprock, Cemintel and Hebel)



# East coast bricks JV proposed transaction structure



- Structure reflects relative valuation of the businesses
- Initial overhead savings of \$7-\$10m pa
- Longer term, opportunities to improve operational efficiencies and release high value land assets without impacting product range
- ACCC review process underway



## Improving outlook for year ending 31 March 2015 (YEM15)

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### Building Products & Viridian

- Building Products – expected to improve from previous year following increased construction activity and expansion into new markets
  - Viridian will benefit from full year impact of cost reduction initiatives
    - On track to exit the financial year with a breakeven EBIT run-rate
- 

### Aluminium

- Hedging in place for 72% of net aluminium exposure in YEM15 at average price of A\$2,136 per tonne (before premiums) <sup>1</sup>
  - Premiums will help counter ongoing market weakness
- 

### Property

- Earnings will also improve in accordance with previous guidance
  - Solid pipeline underpinned by Chirnside Park to be developed in several stages over the next five years
- 

### Group

- Growth in market activity should benefit Building Products and Viridian over the next 2-3 years
- CSR retains strong balance sheet and capacity to invest for further growth

<sup>1</sup> As at 30 June 2014.

