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**CSR LIMITED ANNUAL GENERAL MEETING
14 July 2015****Chairman's Address****By Jeremy Sutcliffe**

Good morning everyone. I'd like to open our Annual General Meeting for 2015 and welcome you all along today.

Rob will provide you with a detailed commentary on the year in a few minutes so I'll just highlight a few areas which merit specific comment.

Firstly, our safety performance continues to move in the right direction. You may recall that last year, we made a commitment to make a step change in reducing the number and severity of injuries. Today the rate of lost time injuries is down 30% from last year. As you would expect, we are looking to improve on this performance in the year ahead.

The improvement in our financial performance was driven by a number of initiatives including the turnaround of Viridian. Last year we said that our plan was to return Viridian to profitability this year and we achieved this. We still have a long way to go to deliver an acceptable return but our management team has clearly defined plans to continue the improvement.

The formation of our Bricks JV was another milestone which was brought about by our management team's commitment to achieve an acceptable return on assets across all of our businesses. We had a strong result from Aluminium which was assisted by higher global pricing.

We are also pleased that we have been able to double our dividend for the second consecutive year.

We're by no means complacent and remain mindful of the strong tailwinds we enjoyed via a buoyant housing market and a weaker Australian dollar. The recent decline in our share price (leaving global uncertainty aside) is primarily a consequence of declining aluminium prices and a reminder that, as shareholders, we are all taking a view on the future trend of global aluminium pricing.

But it's not just the tailwinds that delivered the result - management focus, cost control, innovation, strategic investments and joint ventures and the efforts of everyone at CSR have also had a huge impact on the result. The CSR culture, led by Rob, is really flowing down through the organisation and all of our employees are enjoying the benefits of a safer, more diverse and inclusive workplace and, for the increasing number of employee shareholders, the benefit of equity participation.

As always there will be challenges in the current year. There will be a lot of hard work supporting Viridian's endeavours to improve earnings and returns, we need to ensure our Bricks JV is bedded down seamlessly and delivers the promised benefits and we need to maintain our responsible management of our asbestos liabilities. This process manages legitimate claims equitably within our objective of progressively reducing the company's long term liabilities which has seen our US dollar provision down 47% from its peak three years ago.

Aluminium remains a focus, given the volatility of global pricing, ingot premiums and exchange rates all of which remain beyond our control and have an enormous impact on earnings. Critical negotiations with AGL in relation to the Tomago power contract due to commence in November 2017 are also yet to be resolved.

I've said enough for the time being – Rob will now speak.

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14 July 2015**

Managing Director's Report

By Rob Sindel

Thanks Jeremy. Good morning ladies and gentlemen and a warm welcome to you all. I'm delighted that so many of our shareholders have been able to join us here today.

Pleasingly, the efforts of the management team and the Board, as well as the improvements in residential construction markets have significantly boosted our earnings and strengthened CSR's foundations.

The company is performing well. Our operations are now safer, more efficient and have lower cost structures. Our strategy in the last few years has ensured we were well positioned to take advantage of the strong construction activity now being experienced.

Performance across the group slide

Let's have a look at an overview of our results.

As the chairman said, we've seen a very pleasing lift in CSR's earnings – to their highest level in five years.

This has been driven by a couple of key factors: the first is the benefit of the restructuring initiatives we implemented – including those that contributed to the turnaround in Viridian.

Secondly we've seen strong growth in our volumes and margins – particularly in the second half of the year.

And finally, we also benefited from both higher aluminium prices and growth in our property earnings.

EBIT improved across all divisions slide

Pleasingly, the substantial lift in full-year net profit has been driven by improved performance in all divisions.

Building Products' profit was up by 31%, with earnings growth across all businesses.

Earnings benefited from higher sales volumes, good operational performance and a strong focus on cost control. Acquisitions, particularly AFS which I will speak about a little later, contributed to this growth but, importantly, underlying EBIT was up by more than 20%.

We're also encouraged by the progress we've made in Viridian. EBIT improved by \$18 million this year and the division returned to profitability ahead of schedule. We

are particularly pleased to see top-line growth in this business with revenues up 7% – from both improved volumes as well as better prices.

In Aluminium, our EBIT doubled year-on-year. This is largely due to the 13% increase in realised Australian dollar prices – primarily from higher ingot premiums. We were able to achieve a 3.5% lift in production volumes on the back of strong operational performance at the Tomago smelter.

Property EBIT was \$30.2m following the settlement of three major transactions during the year.

Improving safety and environmental performance slide

One of the most encouraging aspects of our recent performance has been the improved safety and environmental results. There's no doubt that safer, more engaged employees have a significant positive impact on a company's financial results.

Nevertheless while our safety performance continues to improve, we have more work to do to achieve our aim of ensuring that all employees remain safe - each and every day. To that end, we're using the same continuous improvement philosophy as we do in other parts of our business.

A good example is a program we introduced to reduce manual handling injuries which three years ago made up over 50% of our injuries. We introduced a sports-based interactive training program to give employees a game plan they can use to minimise manual handling risks. As a result, we've reduced these types of injuries by over 70% in the past three years.

As for minimising our environmental impact, our 2020 target is to reduce our greenhouse gas emissions and energy and water consumption by 20 percent per tonne of saleable product. We are well on track to meet this target, driven by the commitment of our employees, who have developed and implemented many different projects across our sites.

Delivering on our strategy slide

Now let's turn to our strategy and how we're growing CSR.

Our strategy is about changing the way we build. By influencing design and making it faster and easier to build, our customers recognise the benefits of working more closely with CSR.

As in all businesses, our people remain key to the success of our strategy. Over the past three years we've developed a suite of programs to provide them with the knowledge, skills and support they need to perform at their best.

These programs are also helping us drive innovative thinking and fostering closer collaboration between our teams and our customers.

Diversity is an important element of this. We recognise that a more diverse workforce will generate better relationships, and a more progressive, innovative company. Earlier this year, I joined a series of forums which connected over 60 women across the company to gain personal insights into their experiences of working at CSR. This first-hand feedback has strengthened our resolve and helped shape the strategies we're putting in place to increase the number of women in senior operational roles. We're also making significant changes to our recruitment process to increase diversity across CSR.

While we have made good progress in all of our key strategic initiatives, I'd like to highlight three achievements from the past year.

Launched Boral CSR Bricks JV slide

Our first theme is to strengthen and invest in our existing operations. We reached a major milestone with the launch of our east coast Bricks JV with Boral which began trading on 1 May. This joint venture will ensure the long-term viability of our brick business, and create opportunities to develop our high-value land assets over the next 5 to 10 years.

I'm pleased to report the integration of the two businesses is well underway. Initial overhead savings of \$7 to \$10 million a year are expected once the two businesses are fully integrated.

Gyprock Optimised Core Innovation slide

Moving on to our smarter, faster, easier theme. In August last year, our Gyprock team reinforced our market-leading brand position and reputation for product innovation with the launch of Optimised Core technology. The team worked for over two years with customers to understand their needs and bring this new product to market.

One of the key features of the improved ceiling board range is that it is 15% lighter with improved performance providing our customers significant efficiencies in installation.

It's already receiving excellent feedback from the market, and other new products incorporating this technology are under development.

AFS walling system capturing growing demand slide

Finally I'd like to look at how CSR is adapting to changing lifestyles. As all of you will be aware, the way we live and work is changing rapidly. More and more people want to live closer to where they work, which in turn is fuelling demand for multi-residential housing closer to city centres.

Indeed, multi-residential construction now represents around 45% of all new dwellings in Australia. We've increased our exposure to this market over the past few years and taken a significant step following the acquisition last April of the AFS Group.

AFS has 20 years' experience in the structural walling industry and has completed over 1,500 projects to date. It's a good fit with our business, as CSR already had a long-standing relationship with AFS as the supplier of its Cemintel™ fibre cement products.

The integration of this business is also progressing well. And while I could talk about how pleased we are with its performance, perhaps the best way to demonstrate our success is to hear from one of our customers.

AFS customer video

Outlook slide

Before turning to the outlook for the remainder of the year, I wanted to briefly give you some insights into the markets in which we operate.

Pipeline remains strong in residential construction slide

If we look at the construction markets, these charts represent the pipeline of activity in residential housing.

This pipeline, shown in blue shading on the charts, is an ABS statistic which includes dwellings approved or under construction BUT not yet completed.

The coloured lines show the lag between approvals and completions. This trend means actual construction, or demand for our products, continues to push out, particularly with the longer lead times experienced in high-rise apartments.

The building in detached is starting to catch up with the approvals ... and while many thought approvals couldn't go much higher, we've seen them remaining strong, both in detached and multi-residential markets.

It's obviously hard to predict the cycle, but with approvals remaining so strong I believe this has a fair while to play out.

Aluminium market – decline in ingot premiums slide

Turning to the aluminium market, which has been subject to volatile trading in recent months. Ingot premiums have seen a sharp decline in the last quarter, with the Platts premium down to around US\$100 per tonne. This is due to a number of factors including increased exports from China and declining LME inventories.

As a result, the all-in price for aluminium is under pressure, though this has been partially offset by the lower Australian dollar as you can see on the chart on the slide.

We continue to increase our hedge book to lock-in returns when pricing opportunities arise, with 59% of net sales for the current financial year hedged at an average price in Australian dollars of \$2,311 before premiums.

While there are external factors such as aluminium prices, premiums and exchange rates which we can't control, we are managing what we *can* control well, with continuing operational improvements at the Tomago smelter.

Outlook for the year ending 31 March 2016 slide

As to the outlook for the rest of the current financial year to March 2016, we believe building approvals for both detached and multi-residential housing will remain strong with detached housing up around 7% in the year to May 2015. Multi-res is up 22% over the same period. For this year this translates into a run rate of over 200,000 housing starts, which is at record levels.

The lead times from approval to construction means strong demand for our products should continue over the next few years.

As I highlighted earlier, the turnaround of Viridian is tracking ahead of schedule and we're targeting new opportunities for revenue growth. Particularly in residential performance windows and the commercial and architectural design markets.

This will require modest levels of capital investment, which should be more than offset by improved market activity and growth in higher margin products.

In Aluminium, as I mentioned earlier, we've seen increased volatility in pricing and premiums. This is no different than we have seen in the past and continues to be a function of our exposure to the global aluminium market

In Property, earnings are always subject to timing but our range has been fairly consistent over the past few years.

So the outlook for CSR is positive. We've had a few tailwinds which have helped our performance, but we're delivering on our growth strategy by developing smarter and faster building solutions to improve the comfort and performance of homes and buildings.

In closing, I'd like to thank my colleagues for their hard work, dedication and great ideas, all of which helped to deliver such a strong performance this year.

I will now hand back to Jeremy who will take us through the remainder of the meeting.

Thank you.