

**CSR Limited**

Triniti 3 39 Delhi Road  
North Ryde NSW 2113 Australia  
T +612 9235 8000  
F +612 8362 9013  
E-mail investorrelations@csr.com.au  
www.csr.com.au  
ABN 90 000 001 276

**4 November 2015****CSR announces 32%<sup>1</sup> rise in half year net profit (pre significant items)<sup>2</sup>, to \$92.4 million**

CSR Limited (CSR) reported a 32% increase in net profit after tax (pre significant items) to \$92.4 million for the half year ended 30 September 2015. After significant items (including transaction costs to complete the Boral CSR Bricks joint venture), net profit after tax was \$77.6 million, up 13%.

The substantial lift in half-year net profit, driven by a significant increase in earnings from Building Products and Aluminium, has enabled the company to declare a 35% increase in the unfranked interim dividend to 11.5 cents per share.

“Residential construction approvals continue to grow in both detached and multi-residential sectors with some states reaching record levels,” said CSR Managing Director Rob Sindel.

“Given recent building approvals and financing data, as well as feedback from our major customers, we anticipate robust demand for our key products will continue over the medium term, bolstered by improving activity in the alterations and additions market.

CSR has also benefited from investment in new product development and targeted acquisitions while our efforts to improve operational efficiency over recent years has driven margin improvement across all businesses, Mr Sindel said.

“The Boral CSR Bricks joint venture, now operating under the PGH brand, is performing well and the full benefits of the first phase of integration will be realised next financial year.

“Our Hebel business is continuing to capture volume growth in multi-residential markets and market share in detached housing.

“We are also encouraged by growing demand for the AFS Rediwall<sup>®</sup> polymer-based permanent formwork solution with the new manufacturing facility located at Minto, NSW targeted for completion by the end of November 2015.

“Aluminium EBIT was up 32%, with operational improvements and higher prices in Australian dollar terms, helping achieve increased margins.

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<sup>1</sup> All comparisons are to the year ended 30 September 2014 unless otherwise stated.

<sup>2</sup> EBIT and net profit are before significant items. They are non-IFRS measures used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the half year ended 30 September 2015 (HYES15).



## OUTLOOK

Looking at the outlook for the year ending 31 March 2016 (YEM16), CSR confirmed:

- **Building Products** to deliver year-on-year earnings growth. Given current construction data and longer lead times from approval to construction, CSR expects demand for its building products to remain at current levels for the medium term.
- **Viridian** is expected to improve its earnings arising from stronger construction activity, market share gains and pricing initiatives. Modest investment in the business will enhance Viridian's capability.
- **Aluminium** sales volumes are expected to be around 3% higher than last year while approximately 70% of the net aluminium exposure for the second half of YEM16 is hedged at an average price of A\$2,391 per tonne (excluding ingot premiums).
- **Property** earnings in the second half of YEM16 to be largely derived from settlements at the Chirnside Park, VIC residential development. As a result, Property EBIT for YEM16 is expected to be between \$20 to \$25 million.

CSR expects that group net profit after tax (pre significant items) for YEM16 will be higher than the previous financial year and will be towards the upper end of the current range of analysts' forecasts of \$128 million to \$162 million (pre significant items).

### Media/analyst enquiries:

Andrée Taylor  
CSR Limited Investor Relations  
Tel: +61 2 9235 8053  
Email: [ataylor@csr.com.au](mailto:ataylor@csr.com.au)  
[www.csr.com.au](http://www.csr.com.au)