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IBISWorld Company Report

CSR Limited

Profile Report

Balance Date: 31 March 2012

Company Contact Details	
Company Registered Name	CSR Limited
Commonly Used Name	CSR
Business Address	Triniti 3, Level 5, 39 Delhi Road, NORTH RYDE, New South Wales, 2113, Australia
Telephone Number	02 9235 8000
Facsimile Number	02 8362 9013
Internet Address	www.csr.com.au

Company Details	
Major Business Line	C20 - Non-Metallic Mineral Product Manufacturing
ACN Number	000 001 276
ASX Code	CSR
Incorporated In	New South Wales
Incorporation Date	01-Jul-1887
Company Type	Public Company
FY Balance Date	31-Mar-2012
Ownership Type	Local, Non Government
IBISWorld Rank *	197

Introduction

CSR Limited is an Australian public company that generates revenue from the manufacture and supply of building products, and aluminium. The company is headquartered in Sydney and employs more than 3,580 employees across its operations in Australia, New Zealand and Asia. CSR is listed on the Australian Securities Exchange, under the code CSR.

Company History & Background

2011 - December: CSR sold its Malaysian autoclaved aerated concrete (AAC) business to Saint-Gobain Construction Products (Malaysia).
2010 -December: CSR finalised the sale of its sugar business, Sucrogen, to Wilmar International for A$1.75 billion and the sale of its Asian insulation and panels business to Rockwool Group for A$128 million.
April: CSR announced it had acquired NZ-based commercial ceilings companies Potter Interior Systems and Comprador Pacific from Tag Pacific Limited for approximately $8 million.
2009 - December: CSR announced that Sucrogen had been chosen as the new name for the demerged sugar & renewable energy division. Sucrogen will retain the CSR brand in Australia and the Chelsea brand in New Zealand. Shareholders will vote on the demerger in February 2010.
January: CSR announced its intent to exit the automotive glass manufacturing industry.
2008 - March: CSR announced the combined Pilikington and DMS Glass businesses will be called Viridian.
2007 - June: Acquired the Pilkington glass businesses in Australia and New Zealand.
September: Acquired DMS Glass.
2006 - December: Announced acquisition of business assets of Fricker Ceiling Systems Pty Ltd, a supplier of suspended ceilings to the commercial building market.
October: Completion of Rokcore plant in Guangzhou, Southern China.
September: Expansion of Sarina distillery in Queensland to increase production capacity of fuel ethanol was completed.
2005 - CSR acquired Karreman Roof Tiles, a concrete roof tile business based in Brisbane; the business assets of Edmonds Pty Limited, a designer and manufacture of residential and commercial ventilation products; and the business assets of DBC Building Products, a Queensland based metal roofing contractor.
2004 - CSR was awarded a capital grant to install additional manufacturing facilities for ethanol to the fuels market.
2003 - CSR completed the demerger of the heavy building materials focused Rinker Group Limited from CSR, which resulted in the creation of two separately listed companies, with Rinker Group Limited, listed on the Australian Stock Exchange in March.
1994 - CSR acquired a 50% interest in wooden door manufacturer Corinthian Industries in Singapore, and expanded its Readymix business through the purchase of a 51% interest in the AWP Contractors earthmoving business.
1990 - CSR acquired the subsidiaries of US concrete pipe producer ARC America Corporation and commenced a period of expansion through the formation of autoclave concrete producer CSR-SYC Hebel Taiwan, in addition a joint venture was established with Brambles Industries to exploit exhausted quarries for landfill.
1988 - CSR expanded into the US with the purchase of Rinker Materials Inc.
1973 - The company changed its name to CSR Limited.
1936 - The company expanded into building materials manufacturing and commenced mining of bauxite, aluminium, and petroleum in the 1960s.
1887 - CSR was founded in Sydney as Colonial Sugar Refining Company.

Financials

Balance Date	31-Mar-2012	31-Mar-2011	31-Mar-2010	31-Mar-2009	31-Mar-2008
Accounting Period Date	12 Months	12 Months	12 Months	12 Months	12 Months
Currency Units	AUD000	AUD000	AUD000	AUD000	AUD000
PROFIT AND LOSS ACCOUNT					
REVENUE ITEMS					
Sales Revenue	1,801,900	1,913,600	1,936,300	3,492,800	3,231,300
Other Revenue	64,500	31,100	35,800	60,600	63,800

Total Revenue	**1,866,400**	**1,944,700**	**1,972,100**	**3,553,400**	**3,295,100**
Cost of Goods Sold	1,278,800	1,323,000	1,341,800	2,679,000	2,410,900
Depreciation	89,600	96,000	93,400	154,800	150,200
R&D Expenditure	N/A	N/A	N/A	N/A	N/A
INTEREST					
Interest Received	7,000	11,200	1,400	3,300	3,600
Interest Expense	5,900	36,500	95,800	89,900	97,300
PROFIT AND LOSS					
Share of Profits of Associates	11,100	10,500	10,800	15,000	16,600
EBITDA	192,600	56,800	37,800	-76,800	514,500
Profit Before Tax	**104,100**	**-64,500**	**-150,000**	**-318,200**	**270,600**
Income Tax Expense	8,200	-9,500	14,100	-24,500	56,800
Continuing Operations after Tax	95,900	-55,000	-164,100	N/A	N/A
Discontinued Operations after Tax	N/A	581,400	74,800	N/A	N/A
Outside Equity Interest	19,600	23,000	22,400	32,800	36,400
NPAT	**76,300**	**503,400**	**-111,700**	**-326,500**	**177,400**
Significant Items	14,400	-168,200	-266,500	-460,500	0
Dividends	57,200	275,000	51,500	149,700	136,700
AUDIT					
Audit Fees	1,145	1,487	1,600	1,704	1,706
Audit Other	112	282	900	116	77
Total Audit Fees	1,257	1,769	2,500	1,820	1,783
BALANCE SHEET					
CURRENT ASSETS					
Cash At Bank	55,800	143,600	43,900	14,700	24,900
Trade Debtors	196,200	215,300	428,300	474,400	392,100
Inventory	309,500	281,900	455,900	418,100	377,400
Other Current Assets	131,600	121,500	221,400	275,700	316,500
Total Current Assets	693,100	762,300	1,149,500	1,182,900	1,110,900
NON-CURRENT ASSETS					
Receivables	52,400	27,000	29,100	27,400	20,000
Investments	44,800	20,300	130,800	150,800	127,800
Property & Plant Equipment	1,120,300	1,134,500	2,246,400	2,256,600	2,040,100
Intangible Assets	54,100	45,900	106,100	360,400	634,800
Other Non-Current Assets	283,100	268,200	212,700	210,300	165,600
Total Non-Current Assets	1,554,700	1,495,900	2,725,100	3,005,500	2,988,300
Total Assets	**2,247,800**	**2,258,200**	**3,874,600**	**4,188,400**	**4,099,200**
CURRENT LIABILITIES					
Trade Creditors	176,500	173,400	329,700	340,000	313,400
Interest Bearing Debt	0	3,100	25,600	17,200	482,800

Provisions	198,500	199,100	229,300	244,200	226,800
Other Current Liabilities	44,400	55,000	153,100	165,300	200,300
Total Current Liabilities	419,400	430,600	737,700	766,700	1,223,300
NON-CURRENT LIABILITIES					
Interest Bearing Debt	100	1,400	785,200	1,186,900	778,800
Provisions	447,600	462,000	471,200	463,500	399,900
Other Non-Current Liabilities	102,000	82,900	62,300	184,800	106,500
Total Non-Current Liabilities	549,700	546,300	1,318,700	1,835,200	1,285,200
Total Liabilities	**969,100**	**976,900**	**2,056,400**	**2,601,900**	**2,508,500**
SHAREHOLDERS' EQUITY					
Share Capital	1,042,200	1,042,200	1,700,900	1,329,200	879,200
Reserves	17,600	21,200	31,500	30,700	-30,800
Retained Earnings	170,600	170,300	-49,800	73,000	636,400
Other	48,300	47,600	135,600	153,600	105,900
Total Equity	**1,278,700**	**1,281,300**	**1,818,200**	**1,586,500**	**1,590,700**
OTHER					
Number of Employees	N/A	N/A	6,700	6,704	7,282
Number of Shares on Issue (end of period)	506,000,315	506,000,315	1,514,920,814	1,514,920,814	1,286,059,187
Market Capitalisation (end of period) ('000)	910,801	1,659,681	2,499,619	2,696,559	2,019,113
Earnings per Share (basic) (cents)	15.1	99.6	-24.5	-29.7	19.2
Earnings per Share (diluted)(cents)	15.1	99.6	-24.5	-29.7	19.2
Qualified Audit Report	No	No	No	No	No

* IBISWorld estimate

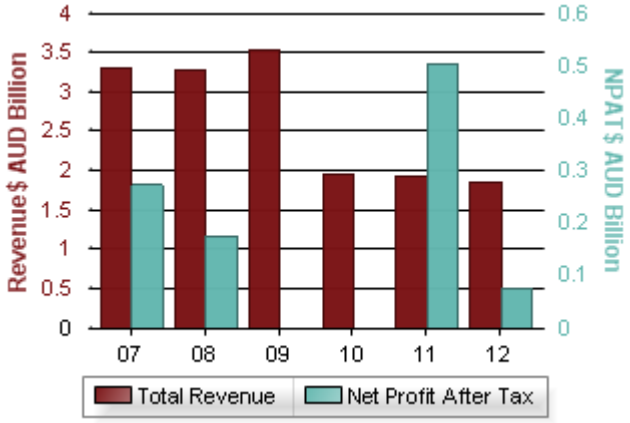
Financial Growth

Balance Date	31-Mar-2012	31-Mar-2011	31-Mar-2010	31-Mar-2009	Ave 2007-12 (%)
Total Revenue Growth (% change)	-4.0	-1.4	-44.5	7.8	-10.9
Sales Revenue Growth (% change)	-5.8	-1.2	-44.6	8.1	-10.4
EBITDA (% change)	239.1	50.3	N/A	-114.9	-18.6
NPAT (% change)	-84.8	N/A	N/A	-284.1	-22.5
Shareholders' Funds (% change)	-0.2	-29.5	14.6	-0.3	0.2
Total Assets (% change)	-0.5	-41.7	-7.5	2.2	-5.2
Employees (% change)	N/A	N/A	-0.1	-7.9	N/A

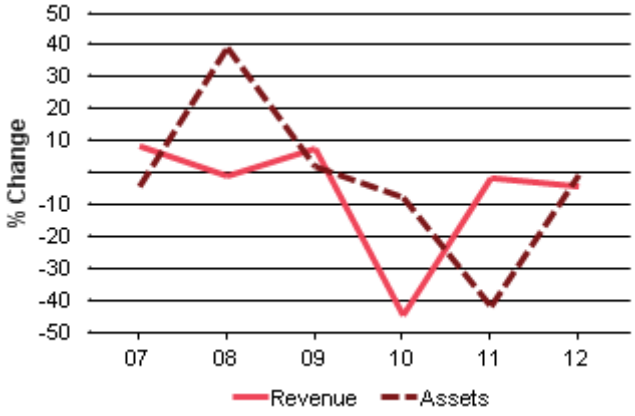
Financial Ratios

Balance Date	31-Mar-2012	31-Mar-2011	31-Mar-2010	31-Mar-2009	31-Mar-2008
Return on Revenue (ROR) (%)	4.1	25.9	-5.7	-9.2	5.4
Return on Shareholders' Funds (ROSF) (%)	6.0	39.3	-6.1	-20.6	11.2
Return on Assets (ROA) (%)	3.4	22.3	-2.9	-7.8	4.3
Profit Margin (%)	5.8	-3.4	-7.8	-9.1	8.4
Revenue per Employee ($'000 per person)	N/A	N/A	294.3	530.0	452.5
NPAT per Employee ($'000 per person)	N/A	N/A	-16.7	-48.7	24.4
Effective Tax Rate (%)	7.9	N/A	N/A	N/A	21.0
Gearing (%)	43.1	43.3	53.1	62.1	61.2
Interest Cover (X)	18.6	-0.8	-0.6	-2.5	3.8
Current Ratio (X)	1.7	1.8	1.6	1.5	0.9
Dividends Paid per Share ($)	0.1	0.5	0.0	0.1	0.1

Revenue & NPAT



Key Measures (% change)



Brands, Business & Products

CSR's principle activities are the manufacture and distribution of building products in Australia, New Zealand, China, Singapore, Malaysia and Thailand.
CSR products and brands include:

- Alutri
  Operating in Australia and New Zealand Altri produces aluminium composite panels for facades, internal wall linings and signage.

- Bradford Insulation and Solar Systems
  Thermal and acoustic insulation and air handling products for use in residential, commercial and industrial applications. This division also produces solar panels. Bradford products are sold in Australia, New Zealand and Asia.

- Cemintel Fibre Cement System
  Cemintel provides a range of building materials including internal linings, residential and commercial facades, flooring, ceiling systems and texture coating systems.

- Gyprock Plasterboard
  Gyprock produces gypsum-based plasterboard for wall and ceiling linings that act as protection from water, fire and sound.

- Ceilector Ceiling Systems
  Manufacturer of commercial ceilings that caters to various building types.

- Edmonds Ventilation
  Provides natural and hybrid ventilation systems for domestic and commercial projects.

- Hebel Aerated Concrete
  Hebel products include aerated lightweight concrete blocks, reinforced wall, floor and roof panels, reinforced lintel beams, mortars and finishes, and tools and fixing accessories. Hebel products are manufactured in Australia and Malaysia.

- Monier & Wunderlich Roof Tiles
  Monier & Wunderlich concrete and clay roof tiles are among the leading products in Australia and New Zealand. CSR also exports clay tiles from Australia to New Zealand.

- PGH Bricks & Pavers
  CSR manufactures clay bricks and pavers across Australia and New Zealand for use in residential, architectural and commercial applications. In New Zealand, clay bricks and pavers are sold under the Monier brand.

- Viridian Glass
  Viridian manufactures float and rolled glass for the Australian and New Zealand market. Viridian also offers bulk processing services that include cutting, laminating, toughening and mirroring for use by glass distributors, window, shower screen, furniture and solar panel manufacturers.

- Gove Aluminium
  CSR owns 36.05% of Tomago aluminium smelter through Gove Aluminium Finance Limited. This smelter has a production capacity of 525,000 tonnes annually and produces ingots, extrusion billets and rolling slabs.

Industry Segments

Segment Name	Revenue (AUD000)	Profits (AUD000)	Assets (AUD000)
Glass	306,500	-14,800	485,600
Building Products	993,500	64,400	929,800
Aluminium	507,900	49,200	338,300
Property	27,200	17,200	139,900
Unallocated	26,800	-39,700	354,200
Total Revenue	**1,861,900**	**76,300**	**2,247,800**

Balance Date: 31 March, 2012
Profit Definition: Profit From Ordinary Activities Before Tax

Industry Focus

Industry	Industry
C1524 - Sanitary Paper Product Manufacturing	C2090 - Glasswool, Stone and Non-Metallic Mineral Product Manufacturing
C1913 - Plastic Foam Product Manufacturing	C2131 - Alumina Production
C2010 - Glass and Glass Product Manufacturing	C2132 - Aluminium Smelting
C2021 - Clay Brick Manufacturing	D2911 - Solid Waste Collection Services
C2029 - Ceramic Product Manufacturing	F3322 - Metal and Mineral Wholesaling
C2031 - Cement and Lime Manufacturing	F3339 - Hardware Wholesaling
C2032 - Plaster Product Manufacturing	K6240 - Financial Asset Investing
C2034 - Concrete Product Manufacturing	L6711 - Residential Property Operators

Competitive Environment - C20 Non-Metallic Mineral Product Manufacturing in Australia

Major Industry Players (By Revenue)

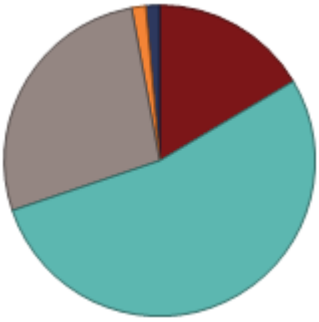
1	Boral Limited	6	Adelaide Brighton Ltd
2	CSR Limited	7	Owens-Illinois (Australia) Pty Limited
3	Holcim (Australia) Holdings Pty Ltd	8	GWA Group Limited
4	Hanson Australia (Holdings) Proprietary Limited	9	Brickworks Ltd
5	James Hardie Industries SE	10	Cement Australia Holdings Pty Ltd

Geographic Segments

Segment Name	Revenue AUD000	Profits AUD000	Assets AUD000
Australia	1,713,400	N/A	1,275,100
Other	148,500	76,300	972,700
Total Revenue	**1,861,900**	**76,300**	**2,247,800**

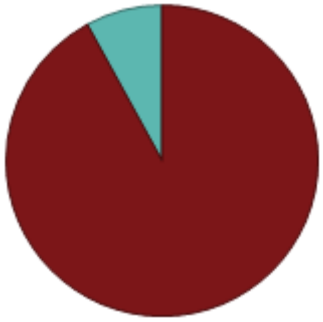
Balance Date: 31 March, 2012
Profit Definition: Profit From Ordinary Activities Before Tax

Business Segments - Revenue



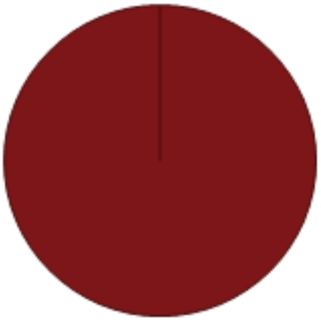
- Glass 16.5%
- Building Products 53.4%
- Aluminium 27.3%
- Property 1.5%
- Unallocated 1.4%

Geographical Segments - Revenue



- Australia 92.0%
- Other 8.0%

Geographical Segments - Profit



- Other 100.0%

Personnel

Position Type	Title	Salutation	Initials	Full Name
Chairman	Chairman*	Mr	J L	Jeremy Sutcliffe
Chief Executive	Managing Director*	Mr	R	Rob Sindel
Financial Controller	Chief Financial Officer*	Mr	G	Greg Barnes
Chief Operating Officer	Chief Operating Officer			Not Available
Non-Executive Director	Non-Executive Director*	Mr	M F	Michael Ihlein
Non-Executive Director	Non-Executive Director*	Ms	K M	Kathleen Conlon
Non-Executive Director	Non-Executive Director*	Mr	R	Ray Horsburgh
Non-Executive Director	Non-Executive Director*	Ms	R J	Rebecca McGrath
Company Secretary	Company Secretary	Ms	D	Debbie Schroeder
Legal Officer	General Counsel	Ms	D	Debbie Schroeder
Sales Manager	Sales Manager			Not Appointed
Marketing Manager	General Manager Investor Relations	Mr	M	Martin Cole
Procurement Manager	General Manager Procurement	Mr	G	Geoff Wadeson
Personnel Manager	General Manager Human Resources	Mr	L	Luke Murphy
Computing/IT Manager	Chief Information Officer	Mr	C	Charlie Sukkar

* Appointed to the Board of Directors.

Shareholders

Shareholder Name	Percentage Held	Country of Incorporation
Substantial Shareholders		
Perpetual Limited	14.57 %	Australia
National Australia Bank Limited	6.32 %	Australia
UBS AG	6.11 %	Switzerland
BlackRock Investment Management (Australia) Limited	5.48 %	Australia
Largest Shareholders		
J P Morgan Nominees (Australia) Limited	20.21 %	Australia
National Nominees Limited	14.94 %	Australia
HSBC Custody Nominees (Australia) Limited	11.73 %	Australia
RBC Dexia Investor Services Australia Nominees Pty Limited	7.03 %	Australia
Citicorp Nominees Pty Limited	4.00 %	Australia
Cogent Nominees Pty Limited	3.36 %	Australia
Senior Master of the Supreme Court	0.64 %	Australia
Share Direct Nominees Pty Limited	0.50 %	Australia
Queensland Investment Corporation Limited	0.49 %	Australia
Australian Foundation Investment Company Limited	0.48 %	Australia
AMP Life Limited	0.38 %	Australia
CSR Share Plan Pty Ltd	0.34 %	Australia
UBS Nominees Limited	0.24 %	Australia
CS Fourth Nominees Pty Limited	0.24 %	Australia

As at: 16 May, 2012

Subsidiaries

Subsidiary Name	Percentage Held	Country of Incorporation
Associated companies		
Rondo Pty Limited	50 %	Australia
Viridian Glass GP Limited	58 %	New Zealand
Holding company		
CSR Limited	100 %	Australia
Joint ventures		
Tomago Aluminium Joint Venture	36 %	Australia
Subsidiaries		
BI (Contracting) Pty Ltd	100 %	Australia
Bradford Insulation (SA) Pty Ltd	100 %	Australia
Bradford Insulation Industries Pty Ltd	100 %	Australia
Buchanan Borehole Collieries Pty Ltd	100 %	Australia
CSR (Guangdong) Rockwool Co Ltd	100 %	China
CSR Buiding Products Ltd	100 %	Australia
CSR Building Products (NZ) Ltd	100 %	New Zealand
CSR Developments Pty Ltd	100 %	Australia
CSR Finance Ltd	100 %	Australia
CSR Guangdong Glasswool Co Ltd	79 %	China
CSR Industrial Property Nominees No 1 Pty Ltd	100 %	Australia
CSR Industrial Property Nominees No 2 Pty Ltd	100 %	Australia
CSR Insurance Pte Ltd	100 %	Singapore
CSR International Pty Ltd	100 %	Australia
CSR Investments (Asia) Pty Ltd	100 %	Australia
CSR Investments (Indonesia) Pty Ltd	100 %	Australia
CSR Investments (Thailand) Pty Ltd	100 %	Australia
CSR Investments Pty Ltd	100 %	Australia
CSR Share Plan Pty Ltd	100 %	Australia
CSR Viridian (New Zealand) Holdings Ltd	100 %	New Zealand
CSR Viridian (New Zealand) Ltd	100 %	New Zealand
CSR Viridian Finance Pty Ltd	100 %	Australia
CSR Viridian Holdings Ltd	100 %	Australia
CSR Viridian International Pty Ltd	100 %	Australia
CSR Viridian Investment Company Pty Ltd	100 %	Australia
CSR Viridian Ltd	100 %	Australia
CSR Viridian Operations Pty Ltd	100 %	Australia
CSR Viridian Properties Pty Ltd	100 %	Australia
DMS Security Glass Pty Ltd	100 %	Australia
Don Mathieson & Staff Glass Pty Ltd	100 %	Australia
Farley & Lewers Pty Ltd	100 %	Australia
FEP Concrete Pty Ltd	100 %	Australia
Gove Aluminium Finance Ltd	70 %	Australia
Gyprock Holdings Pty Ltd	100 %	Australia

Midalco Pty Ltd	100 %	Australia
PASS Pty Ltd	100 %	Australia
PT Prima Karya Plasterboard	100 %	Indonesia
Rivarol Pty Ltd	100 %	Australia
SA Independent Glass Pty Ltd	100 %	Australia
Seltsam Pty Ltd	100 %	Australia
Softwood Holdings Ltd	100 %	Australia
Softwood Plantations Pty Ltd	100 %	Australia
Softwoods Queensland Pty Ltd	100 %	Australia
Thiess Bros Pty Ltd	100 %	Australia
Thiess Holdings Pty Ltd	100 %	Australia
VEST Super Pty Ltd	100 %	Australia
Trust		
CSR Erskine Park Trust	100 %	Australia
CSR Industrial Property Trust	100 %	Australia

Balance Date: 31 March, 2012

Services

Service Provider Type	Service Provider
Banker	Commonwealth Bank
External Auditor	Deloitte
Insurance Broker	Not available
Internal Auditor	Not available
Solicitor	Not available
Telecommunication	Not available

Balance Date: 31 March, 2012

* IBISWorld's company information covers more than 2,000 of the country's largest businesses, which drive Australia's economy. The companies are ranked based on total revenue earned in the most recently reported financial year. All company types, such as public listed, public non-listed, private companies and more, are listed in our database. The IBISWorld rank is updated daily.

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IBISWorld

WHERE KNOWLEDGE IS POWER

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