



CSR NOW

Shareholder Review 2008

CSR

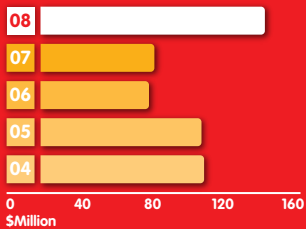


CSR 2008

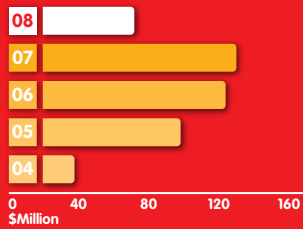
CSR is meeting increasing demand for energy efficient and sustainable glass products and for architectural glass in residential and commercial buildings through our powerful new Building Products' operation, Viridian™.

Highlights

Building Products EBIT
Year ended 31 March



Sugar EBIT
Year ended 31 March



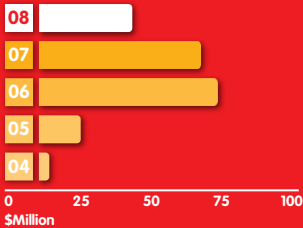
Aluminium EBIT
Year ended 31 March



- In a difficult overall environment (low raw sugar price, unprecedented wet weather and flat residential construction market), earnings before interest and tax (EBIT) were \$386.3 million, down 5% and in line with guidance provided to the market.
- Lower EBIT and higher finance costs reduced net profit after tax (before significant items) by 20% to \$192.8 million.
- Building Products' earnings improved significantly – by 75% including part year earnings from the Pilkington and DMS glass businesses acquired during the year and by 16% excluding the glass businesses.
- Integration of the glass business progressed according to plan.
- We launched Viridian™ as the new brand for the combined glass business, broadening CSR's product portfolio and extending our energy efficient product range.

Property EBIT

Year ended 31 March



- Significant capital investment is being made across the business to generate growth over the medium term.
- CSR remains in a strong position. The company has continued to reinvest in existing divisions to sustain value creation for shareholders.

This concise Shareholder Review is not the financial report, directors' report or auditor's report required to be provided to shareholders under section 314 of the Corporations Act 2001. These reports are included in CSR's Annual Report. As noted on page 3, a copy of the Annual Report is available on CSR's website.



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With a history in Australia extending over 150 years, CSR is one of Australia's leading diversified companies, with operations in building products, sugar, aluminium and property.

We build shareholder value by investing in and growing these businesses while operating in a sustainable manner across our company.

STRATEGIC OVERVIEW

CSR's businesses are diverse but our strategy is consistent across the group. We continue to target improving operational performance and identify areas for growth and internal investment.

We have made a serious commitment to invest in our underlying businesses to leverage market opportunities and growth across our portfolio.

This enables us to improve our operational efficiency and service to our customers.

Meanwhile, we remain absolutely committed to the safety and health of our people and the ongoing sustainability of our businesses.

CSR's fundamental values will continue to underpin the way we conduct business to deliver sustainable results for all our stakeholders.

Chairman's message



During the past year, CSR committed significant new investment in our business which is expected to deliver medium term growth and value creation for our shareholders.

We also continued the path we have been pursuing for several years, of strengthening the fundamentals and ensuring that all businesses operate as efficiently and productively as possible.

Earnings before interest and tax (EBIT) fell by 5% to \$386.3 million, which was a satisfactory result, given the steep decline in the global raw sugar price and the unprecedented wet weather which affected our businesses. Building Products' underlying earnings improved markedly, overcoming the ongoing flat residential construction market, particularly in NSW.

We undertook a considerable expansion of our Building Products' portfolio with the acquisition of two glass businesses totalling \$865 million. As a result, interest costs were higher during the year which impacted the financial result.

Net profit after tax (before significant items) of \$192.8 million was down 20% due to the lower EBIT result and higher interest expense.

Earnings per share before significant items were 20.9 cents compared with last year's 27.0 cents. CSR's net profit after significant items was \$177.4 million down from \$273.3 million.

The final dividend to be paid on 3 July 2008 will be 9.0 cents a share, bringing total dividends for the year to 15.0 cents, fully franked. This is the same as the previous year, in line with our continuing aim of paying a substantial proportion of sustainable profit as dividends to shareholders.

CREATING VALUE FOR SHAREHOLDERS

CSR continues to be committed to sustainably growing all its businesses over the longer term to build value for shareholders.

Sustainability, including the issue of climate change, has wide implications for CSR. We are acutely aware of our need to limit our impact on the environment. But sustainability also brings opportunities for CSR.

Markets remain unpredictable, and while they meant that last year was challenging for CSR, we continued to look to the future.

We continue to work on expanding the range of our environmentally responsible products and services, including the production of renewable fuel ethanol and electricity as well as products targeting the improved energy efficiency of residential, commercial and industrial buildings.

Our acquisition of the glass businesses last year, now branded as Viridian™, is a good example of our determination to build our portfolio of energy efficient building products. Construction is underway of a major upgrade of Viridian's Dandenong site which will be one of only five factories globally to produce hard coated, energy efficient glass products.

CSR is giving a full commitment to Greenhouse Challenge Plus – a cooperative partnership between industry and the Australian Government. Later this year, we will publish a Sustainability Report for the year ending 30 June, the Greenhouse Challenge Plus reporting period – a major step in CSR's corporate reporting on meeting our environmental and social responsibilities. Other major initiatives are described on pages 14 to 17.

Your board also remains committed to a high standard of accountability with good corporate governance. We want everyone with a stake in CSR to know what we are doing and why, and how we operate.

This year's Annual Report is in a new format. The Australian Government passed an Act allowing companies to distribute annual reports online via the

internet and only provide printed copies on request. Rather than move at this time to a totally internet based Annual Report, CSR is sending this concise Shareholder Review to all shareholders and the Annual Report only to those 10% of shareholders who requested it in response to an offer made to all shareholders in December 2007.

Both the 2008 concise Shareholder Review and the 2008 Annual Report are available from our internet site, www.csr.com.au, and copies may be requested from our share registry.

We are starting this year in good shape, with clearly developed plans for getting the best from our businesses and retaining talented and motivated staff across the group. Markets will continue to be unpredictable, and our businesses will be tested; however, we are investing for the medium term growth of CSR to continue to deliver value for shareholders.



IAN BLACKBURNE
Chairman

EBIT
Year ended 31 March



Managing Director's review



Last year – my first 12 month term leading CSR's management team – was a time of growth, intensifying improvement and change.

We extensively reviewed CSR's businesses, identifying further opportunities to drive operational performance improvement, higher performance by our people and greater returns from our assets to deliver future growth.

We added a strong new operation to our range of building products, by investing \$865 million to acquire the market-leading Australian and New Zealand Pilkington glass manufacturing operations in June 2007 and the DMS glass value adding and distribution businesses in October 2007. The combined business, rebranded as Viridian™ in March 2008, builds on the considerable resources of the two businesses and adds significant earnings capacity to CSR.

Viridian capitalises on the increasing use of architectural glass in residential and commercial buildings and is a leader in the supply of energy efficient and sustainable glass products, expanding CSR's range of energy efficient building products. The business will also be a leading Australian

downstream value added processor and distributor of flat glass.

We have a number of promising growth opportunities under review, including the expansion of our existing operations as well as targeted growth, especially in maximising the supply of environmentally sustainable products and services.

This investment has been funded by a mixture of debt, the issue of 105 million new shares through a placement to institutions, a share purchase plan and a dividend reinvestment plan.

CSR's financial position continues to be strong, although our capital structure has changed following the associated funding for the glass acquisitions last year. Net debt rose to \$1,236.7 million from \$448.6 million. Gearing (net debt/net debt plus equity) at year end was 43% compared to 25% the previous year.

BUILDING PRODUCTS

Despite CSR's primary markets for our building products being mainly located in Australia's eastern states, where the residential market continues to be flat, earnings before interest and tax (EBIT) rose 75% to

EBIT by business
Year ended 31 March 2008



37% Building Products
34% Aluminium

18% Sugar
11% Property

\$147.6 million including the part year contribution from the glass business. This is a significant increase from the previous year's \$84.5 million, with growth coming from the commercial market and also from new products and services. EBIT excluding glass on a like for like basis was up 16% to \$98.3 million which was a creditable result in a very difficult external environment.

We are well advanced with an upgrading of Viridian's glass operations and integration is in line with expectations. We are also seeing encouraging demand signals for energy efficient glass which supports our business strategy.

We have commenced a \$140 million program to upgrade the Melbourne Gyprock™ plasterboard factory to improve capacity. We are also investing

\$50 million to construct a Bradford™ glasswool insulation manufacturing plant in south east Queensland to increase production capacity by over 30%.

SUGAR

EBIT of \$71.7 million was down from \$130.1 million largely due to a significant drop of A\$54 per tonne in the raw sugar price paid to sugar mills. Unusually heavy rain significantly delayed sugarcane milling, increasing costs and reducing the sugar that could be recovered from cane.

We began a three year program to upgrade milling equipment to reduce costs and increase mill operational efficiency. This program is starting to deliver reliability and unit cost improvements.

Refined Sugar's earnings were up with increased sales volumes and improved profit margins. A \$56 million upgrade of the Yarraville refinery in Melbourne is under way to improve the sustainability of our operations. Ethanol and the renewable electricity businesses' returns also increased.

ALUMINIUM

Gove Aluminium Finance Limited (70% CSR) EBIT was \$136.7 million, 4% lower than last year, mainly due to higher input costs and lower sales volumes.

PROPERTY

Earnings are based on a limited number of relatively large transactions, resulting in the potential for significant swings from year to year. Last year was no exception with EBIT of \$45.4 million, down from \$69.7 million.

We consolidated our market position this year and maintained a capital expenditure program investing across our businesses. Next year will see the conclusion of most of that program, from which we expect to yield a significant improvement in our medium term earnings outlook.

JERRY MAYCOCK
Managing Director

We are consolidating our market position with a significant capital expenditure program across our key business assets to improve performance and increase our medium term earnings.

Building Products

Review of operations



Earnings improved significantly, particularly following the acquisition of the glass businesses, Viridian™.

PERFORMANCE SUMMARY

- Earnings in the Building Products division improved significantly, particularly following the acquisition of the glass businesses, Pilkington and DMS glass, and also the completion of the restructuring of the Bricks and Roofing operations.
- Earnings growth came from the commercial market and also from new products and services.
- Earnings before interest and tax (EBIT) increased by 75% to \$147.6 million from \$84.5 million last year. Excluding the glass acquisitions, trading revenue increased 4% to \$1.04 billion with EBIT increasing by 16% to \$98.3 million.
- Performance Systems' trading revenue (including Bradford™ insulation, Hebel™ lightweight concrete products, Edmonds™ ventilation systems and Bradcore™ panels) increased by 3% to \$289.5 million (excluding the glass business).
- Lightweight Systems' (including Gyprock™, Cemintel™, Fricker™ and Mitex™ brands) trading revenue increased by 7% to \$423.6 million despite the impact of the generally flat housing market particularly in NSW.
- While trading revenue for PGH™ bricks and Monier™ and Wunderlich™ roofing was down slightly to \$311.9 million, the successful completion of the restructuring of the Bricks and Roofing operations has led to a significant increase in EBIT.

Trading revenue by market

Year ended 31 March 2008



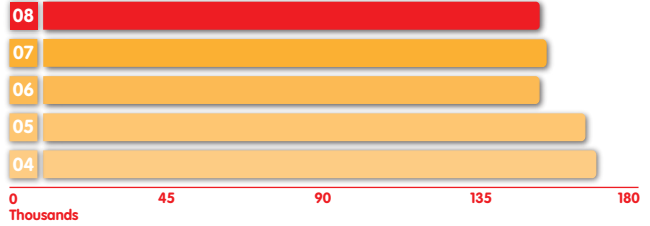
28% VIC
25% NSW
19% QLD
6% Asia
5% NZ
17% SA, WA & other

BUILDING PRODUCTS

YEAR ENDED 31 MARCH - \$MILLION UNLESS STATED	2008	2007	%
Trading revenue	1,399	1,004	39%
Earnings before interest and tax (EBIT)	148	85	75%
Profit margin (EBIT:trading revenue)	11%	8%	

Antun Busijeta, Gyprock™,
Wetherill Park Sydney.

Residential starts – three month lag
Year ended 31 March



- A \$140 million program, now underway, will upgrade the Melbourne Gyprock plasterboard factory to a larger capacity, environmentally sustainable plant which will be the lowest cost in the industry.
- Bradford completed the first stage of the \$40 million Rockwool technical insulation plant in Guangzhou on time on budget in March 2008. Construction has commenced of a \$50 million Bradford Gold glasswool insulation plant in South East Queensland.
- Work has commenced on a \$120 million upgrade of the Dandenong float glass plant which provides a 37% increase in plant capacity. Proprietary technology installation is planned for this year to produce hard-coated, energy efficient glass.
- The rationalisation of Pilkington and DMS glass downstream operations under the Viridian brand is progressing well. Plans are under way to upgrade processing capability (especially for double glazing) at downstream sites across Australia and New Zealand.

- There are encouraging demand signals for energy efficient glass in New Zealand while demand for insulated glass units in Victoria has increased significantly.

OUTLOOK

- Building Products' EBIT is expected to be higher than last year with sales growth in the commercial sector and further cost reductions in addition to the full year benefit of earnings from Viridian.

End markets
Year ended 31 March 2008



51% Detached housing
20% Commercial
16% Other residential
13% Alterations and additions

Van Lam, Viridian™,
Ingleburn Sydney.



Sugar

Review of operations



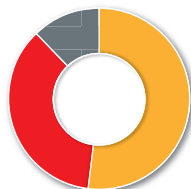
We have started a three year program to upgrade critical equipment, improve cost position and increase the sugar recovery in the mills.

PERFORMANCE SUMMARY

- Sugar business' trading revenue of \$1274.2 million was down from \$1544.7 million. Earnings before interest and tax (EBIT) of \$71.7 million were down from \$130.1 million, largely due to the significant drop in the raw sugar price to A\$300 per tonne from A\$354 per tonne last year.
- Unusually heavy rain in June and July delayed the start of the milling season and further rain caused additional delays at the end of the season. As a result, costs increased while sugar recovery was down.
- Our sugar mills have started a three year program to upgrade critical equipment, improve the cost position and increase sugar recovery. This program is starting to deliver reliability and unit cost improvements.
- Refined Sugar's earnings were up 30% due to increased sales volumes and improved trading margins. Good results flowed from the acquisition of Equal™ sweetener distribution rights in Australian and New Zealand.
- Retail market share for refined sugar continues to grow with specialised products and new packaging.
- The \$56 million upgrade of the Yarraville refinery in Melbourne is under way to improve efficiency and ensure that the refinery meets customer expectations of Sugar Australia being Australia's preferred refined sugar supplier.
- CSR produces ethanol from molasses using much less fossil fuel than from grains, and does not influence food prices.

EBIT by business

Year ended 31 March 2008



52% Refined Sugar
36% Raw Sugar
12% Ethanol

SUGAR

YEAR ENDED 31 MARCH - \$MILLION UNLESS STATED	2008	2007	
Trading revenue	1,274	1,545	-18%
Earnings before interest and tax (EBIT)	72	130	-45%
Profit margin (EBIT:trading revenue)	6%	8%	

Barbara Powell, Sugar Australia,
Yarraville Melbourne.

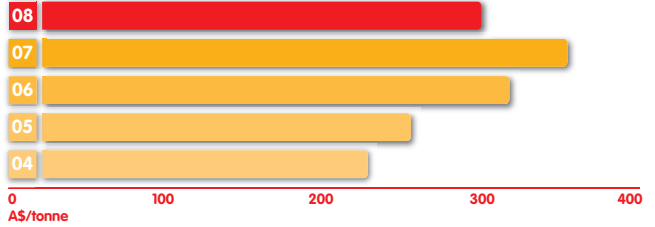
- Ethanol's returns increased, driven by improved sales volumes and pricing, especially in the Australian vehicle fuel market. Fertiliser by-product sales performed strongly. The fertiliser business was awarded winner of the National Australia Bank Agribusiness excellence award for value adding.
- Sugar's results are underpinned by a growing stable earnings base in Renewables and Refining.

OUTLOOK

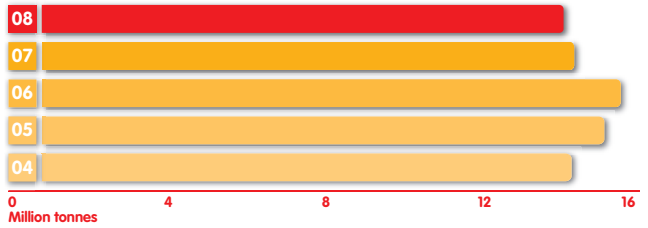
- Assuming reasonable weather conditions for the milling season and that the prevailing raw sugar prices and exchange rates continue, earnings from Sugar are expected to be ahead of last year.

John Brisbane, Sugar Australia,
Yarraville Melbourne.

Raw sugar price Year ended 31 March



Sugarcane crop Year ended 31 March



Aluminium

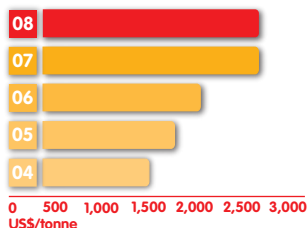
Review of operations



Pat Cunningham,
Tomago Aluminium, Tomago NSW

Growth in demand for aluminium continues to be strong and US dollar prices should continue to be favourable.

Average world aluminium price
Year ended 31 March



PERFORMANCE SUMMARY

- Trading revenue for Gove Aluminium Finance Limited (GAF) in which CSR has a 70% shareholding, decreased slightly by 0.6% to \$557.9 million, reflecting the marginally lower average realised price of aluminium and a small reduction in sales.
- GAF's sales volume from the Tomago aluminium smelter was 184,442 tonnes, a reduction of 968 tonnes (0.5%) on the previous year.
- The average realised aluminium price after hedging was A\$3,025 per tonne, compared with A\$3,028 in the same period last year. The average world aluminium price increased to US\$2,671, a rise of just US\$1 over last year's comparable price.

- Earning before interest and tax (EBIT) from the Aluminium business were \$136.7 million, \$5.2 million down on last year. This was mainly due to higher production costs and lower sales volume.
- Growth in demand for aluminium continues to be strong and US dollar prices should continue to be favourable, but will remain sensitive to the supply and demand balance for aluminium in China.

OUTLOOK

- There has been a significant increase in some costs, particularly carbon based inputs, which impacts earnings. Production volume is expected to marginally increase in the coming year and Aluminium's EBIT is expected to be in line with last year's result.

ALUMINIUM

YEAR ENDED 31 MARCH - \$MILLION UNLESS STATED	2008	2007	
Trading revenue	558	561	-1%
Earnings before interest and tax (EBIT)	137	142	-4%
Profit margin (EBIT:trading revenue)	25%	25%	

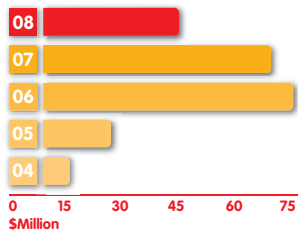
Property

Review of operations

CSR continues to review a number of development options in Queensland and is well advanced in developing the Erskine Park site in Sydney.



Property EBIT Year ended 31 March



PERFORMANCE SUMMARY

- Property's earnings are typically based on a relatively small number of large transactions, with the potential for significant variance from year to year.
- Earnings before interest and tax (EBIT) for the year were \$45.4 million, down from \$69.7 million. The main contribution to earnings was the completion of the NZ\$20 million sale of 36 hectares of land around New Zealand Sugar Company's Chelsea sugar refinery in Auckland for use as a public park.
- Also included in the result is the sale of CSR's 50% shareholding in Enviroguard, resulting in a profit of \$17.8 million.

- We continue to review a number of development options in Queensland, including a 21 hectare site at Darra, a 44 hectare site at Narangba and a 126 hectare development site at Strathpine. We are well advanced in developing the remaining 20 hectares of a former quarry at Erskine Park in western Sydney as industrially zoned land with fully-serviced lots.

OUTLOOK

- This year, Property's results are expected to be maintained in the more medium term sustainable range of \$35-\$40 million.

PROPERTY

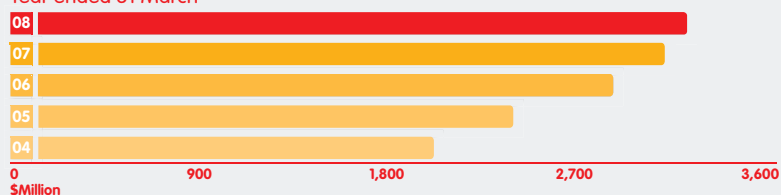
YEAR ENDED 31 MARCH - \$MILLION UNLESS STATED	2008	2007	
Earnings before interest and tax (EBIT)	45	70	-35%

Erskine Park, western Sydney

Five year performance

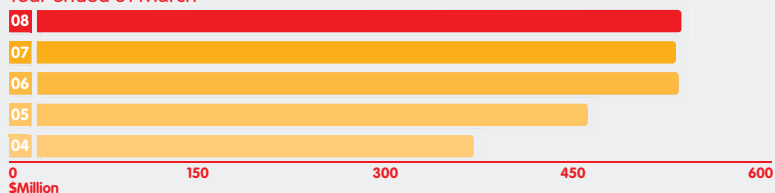
Trading revenue

Year ended 31 March



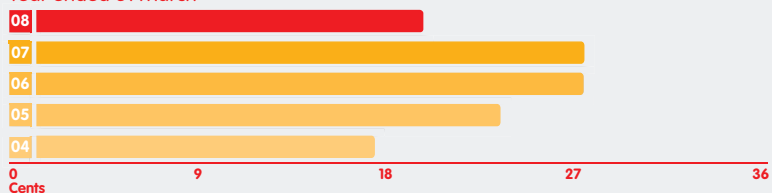
Earnings before interest, tax, depreciation and amortisation (EBITDA)

Year ended 31 March



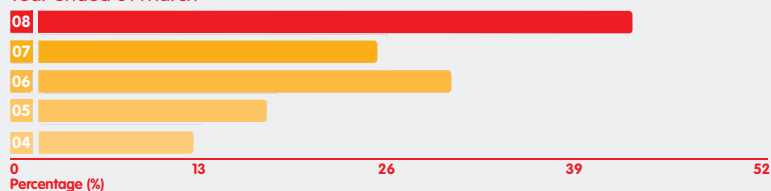
Earnings per share before significant items

Year ended 31 March



Gearing

Year ended 31 March



KEY FACTS

YEAR ENDED 31 MARCH - \$MILLION UNLESS STATED	2008	2007	2006	2005	2004
OPERATING RESULTS^a					
Trading revenue	3,231.3	3,111.0	2,866.9	2,367.5	1,970.8
EARNINGS BEFORE INTEREST AND TAX (EBIT)					
Building Products	147.6	84.5	80.9	111.4	112.6
Sugar	71.7	130.1	123.7	97.8	37.6
Aluminium	136.7	141.9	156.1	141.9	144.2
Property	45.4	69.7	75.6	27.1	15.9
Segment total	401.4	426.2	436.3	378.2	310.3
Corporate ^b	(18.4)	(20.3)	(18.9)	(16.9)	(18.6)
Restructuring and provisions	3.3	0.2	(0.6)	(2.7)	(29.0)
CSR EBIT	386.3	406.1	416.8	358.6	262.7
Net profit before significant items	192.8	240.5	249.8	214.0	160.2
Net profit after significant items	177.4	273.3	305.0	318.9	160.2
FINANCIAL POSITION					
Shareholders' funds	1,590.7	1,264.2	1,075.4	1,256.1	1,144.9
Total assets	4,099.2	2,938.0	3,063.2	2,380.1	2,349.9
Net debt	1,236.7	448.6	558.5	270.1	164.1
KEY DATA PER SHARE					
Earnings before significant items [cents]	20.9	27.0	27.4	23.4	17.1
Earnings after significant items [cents]	19.2	30.6	33.5	34.8	17.1
Dividend [cents]	15.0	15.0	15.0	12.0	11.0
Payout ratio [%]	71.8	55.6	54.7	51.3	64.3
KEY MEASURES					
Profit margin (EBIT:trading revenue) [%]	12.0	13.1	14.5	15.1	13.3
Return on shareholders' funds (ROSF) [%] ^c	12.7	20.1	21.8	18.9	14.9
Gearing at 31 March [%] ^c (net debt/net debt plus equity)	43.0	25.3	30.5	17.7	12.5
Interest cover at 31 March [Times]	7.4	15.4	17.2	27.2	35.9
Employees [Number of people employed]	7,282	5,492	6,363	5,973	4,535
Safety performance [Recordable injuries] ^d	19.8	14.4	15.6	14.8	21.5

a Results for 2005 to 2008 are reported under Australian equivalents to International Reporting Standards (A-IFRS).

Results for 2004 are reported under previous Australian Accounting Standards.

b Represents unallocated overhead and other revenues.

c Restated to exclude the fair value of hedges from equity.

d The total number of recordable injuries per million work hours.

Sustainability

By balancing economic, social and environmental needs, CSR can actively contribute to sustainability. Specifically, we strive to improve sustainable operating performance, maximise our opportunities to supply renewable energy and fuel and further expand our range of energy efficient building products.

Over the past year, we continued to embed sustainability into all facets of CSR's businesses.

GOVERNANCE

- The CSR board upgraded the charter of its Safety, Health and Environment (SHE) Committee. The environment is now an integral element of our sustainability policies. The amendments ensure that the committee provides advice to the full board on CSR's approach to sustainability, with specific regard to climate change.
- We established a new groupwide function, Strategy and Sustainability, to lead our efforts on sustainability.
- Sponsored by the managing director, a top level Sustainability Steering Committee was formed, to bring together the company's leaders in sustainability with divisional Executive General Managers.

STRATEGIC PLANNING AND POLICY

- Our strategic planning process now ensures consideration of the opportunities and impacts associated with carbon trading, including CSR's responses to policy issues emerging across the nation.
- CSR's first sustainability forum brought together senior managers from across the company to discuss sustainability, including what it means to their businesses and the organisation as a whole.
- CSR participated in policy discussions with regulators and other representatives from industry about sustainability, with a special focus on the development of the proposed Australian emissions trading scheme.

ENVIRONMENTAL PERFORMANCE AND REPORTING

- CSR completed its first comprehensive inventory of greenhouse gas emissions.
- We joined the Australian Government's Greenhouse Challenge Plus program.
- CSR has registered for participation in the Australian Government Energy Efficiency Opportunities program.

Assad Azar, Sugar Australia, Yarraville Melbourne.





Scott Taylor, Tomago Aluminium, Tomago NSW

We are acting to fulfil the program's requirements specified in the legislation, including undertaking comprehensive and rigorous assessments to identify and evaluate cost effective opportunities to improve energy efficiency.

At this stage of the program's assessment cycle, we have not yet fully completed an assessment. However, the results of assessments currently being undertaken will be published on our website and in our sustainability report by the due date specified in the program legislation.

Sustainability, including climate change issues, has wide implications for CSR. We are committed to managing our impact on the environment and respecting the communities in which we operate.

- CSR Distilleries completed a Life Cycle Assessment of its ethanol product.

ENVIRONMENTAL INCIDENTS

- There were 168 level 1 and 2 incidents, and two level 3 incidents. The level 3 incidents have been thoroughly investigated and action taken to prevent repetition. There were no level 4 or level 5 incidents.

SUSTAINABLE DESIGN

- The Bradford Gold™ glasswool insulation plant now under construction in South East Queensland is to harvest the site's rainwater. It will also use in its manufacturing process clean wastewater from an adjoining sewage treatment plant. The new factory will extensively use as its raw material recycled glass made possible by the establishment of a significant glass recycling program in Queensland. The plant is due to be commissioned late 2008.

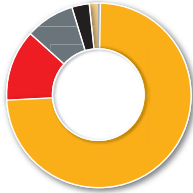
Sustainability continued

SAFETY, HEALTH AND ENVIRONMENT (SHE)

SHE is paramount – our goal is zero injuries as is minimising the impact of our activities on the environment. As well as the environmental sustainability actions described in the previous two pages, our initiatives last year included:

- CSR's SHE Policy was revised to incorporate CSR's updated values.
- SHE responsibilities and accountabilities were standardised across the company for all job positions.
- We began updating the SHE Management System manual to reflect changes in policy.
- We continued to roll out our SHE Accreditation System across CSR, with all manufacturing sites (other than the recently acquired Viridian™ operations) achieving bronze accreditation. We will continue to assess our activities each year to ensure they at least maintain their accreditation level and are encouraged to improve.
- We continued to roll out the SHE Leadership program across CSR.
- Last year, Building Products recorded a total recordable injury frequency rate (TRIFR) of 18.6 medical treatment, lost time and restricted work injuries per million hours worked. Sugar's TRIFR was 24.0. The CSR severity rate of injuries was 52.9 days lost per million work hours.

People across CSR At 31 March 2008



74.0% Australia
12.4% China
8.7% New Zealand
3.0% Malaysia
1.5% Thailand
0.4% Singapore

OUR PEOPLE

For CSR to reach its goals, our people must perform highly. We successfully launched the 'Be sure with CSR' program across the company, boosting our people's commitment to CSR's core values by over 50% – and their awareness of the importance of fully supporting our brands and what they represent.

- Employee engagement remains strong among those surveyed.

- An employee share plan encourages our people to own a stake in the company, aligning employees' interests with those of shareholders. Some 2,560 employees took part last year, 62.5% of those eligible.
- The CSR Way program continued to increase the sharing of information and expertise across vital business functions, including marketing, sales, distribution and manufacturing.
- 5,890 employees completed 124,000 hours of training in both in-house and CSR sponsored external programs, equivalent to 18 hours of training a year per employee.



Paul Jackson, Bricks and Roofing, Schofields Sydney.

Magdalena King, Viridian™,
Ingleburn Sydney



OUR COMMUNITY

It is our firm policy to act responsibly always, ensuring that our people deal appropriately with the communities in which we operate, to encourage and gain their support.

Central to our charitable involvement is the CSR Workplace Giving program, under which CSR matches employee contributions dollar for dollar. During its 4½ years of operating, the program has given over \$1 million to 14 Australian charities selected by our people. Last year, our employees donated a total of \$208,584.

In addition:

- CSR donated over \$30,000 of building products and installation services to Habitat for Humanity, helping build 12 homes for needy people.
- CSR contributed \$50,000 to the Queensland Premier's Disaster Relief Appeal for communities affected by the 2008 floods and is also matching employee donations.
- CSR has donated laptop computers to Youth off the Streets, in addition to its financial contribution.
- CSR Sugar is funding the Australian South Sea Islander Community Foundation to provide university scholarships for student members of this community in Queensland. CSR is also providing laptop computers for scholarship recipients.

CSR is committed to growing in a sustainable way – including developing a high performance workforce while protecting people's safety and health and dealing effectively with the community.

Board of Directors

IAN BLACKBURNE

BSC (HONS), PHD, MBA, age 62.

Chairman, chairs the Remuneration and Nominations Committee and is a member of the Audit Committee and the Safety, Health and Environment Committee. He joined the board in 1999 and was last re-elected in 2007. An independent director, Ian is a former managing director of Caltex Australia Limited. He has been a director of Suncorp-Metway Limited and Teekay Corporation for seven years. In April 2008, he ceased to be a director of Symbion Health after three years.

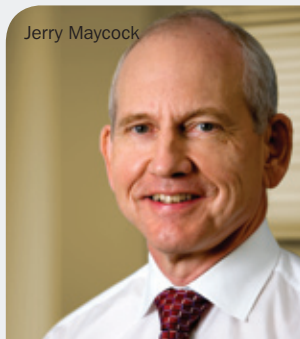


Ian Blackburne

JERRY MAYCOCK

BENG (MECH) (HONS), age 56.

Appointed as an executive director on 13 February 2007 and as managing director on 1 April 2007, Jerry has extensive experience in manufacturing businesses and a strong global perspective. From early 2004, he led the successful restructure and growth of Hastie Group Limited, including its ASX listing in 2005. This followed a 23 year career with Holcim Limited, one of the world's leading construction materials companies, latterly as senior vice president, responsible for operations in a number of South East Asian countries, as well as Australia, New Zealand and the Pacific region.



Jerry Maycock



Kathleen Conlon

KATHLEEN CONLON

BA (ECON) (DIST), MBA, age 44.

A member of the Safety, Health and Environment Committee and the Remuneration and Nominations Committee. Kathleen joined the board in 2004 as an independent director after seven years as a partner and director of the Boston Consulting Group (BCG) where she led BCG's Asia Pacific Operational Effectiveness Practice Area and, previously, the Sydney office. She is a member of Chief Executive Women, a NSW council member of the Australian Institute of Company Directors and a non-executive director of both DLA Phillips Fox and Real Estate.com.au.

Ray Horsburgh



RAY HORSBURGH AM

BENG (CHEM), age 65.

Chairs the Safety, Health and Environment Committee and is a member of the Remuneration and Nominations Committee. He joined the board in October 2006 as an independent director. Ray has had a distinguished record of managing manufacturing businesses, including leading a number of mergers and acquisitions. He was managing director of Smorgon Steel Group Limited for nine years until its merger with OneSteel Limited in August 2007. This followed a 31 year career with the Australian Consolidated Industries group, primarily in senior roles in the glass and packaging businesses. In September 2007, he was appointed chairman of Toll Holdings Limited where he has served as a director for three years. As well, Ray is a member of the Business Council of Australia, a director of Epworth Hospital and chairman of Essendon Football Club.

RICHARD LEE

BENG (CHEM) (HONS), MA (OXON), age 58.

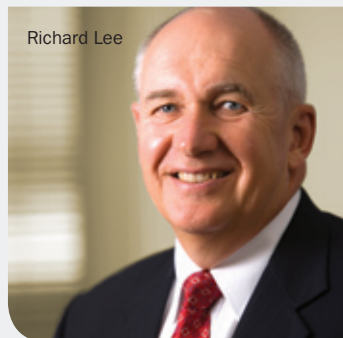
A member of the Audit Committee and the Remuneration and Nominations Committee, Richard joined the board in 2005 as an independent director. He has had 19 years' experience in investment banking and the finance industry. Richard is a former chief executive officer of N M Rothschild Australia group. Prior to his investment banking career, he held a number of senior roles in CSR's Sugar division. Richard has been chairman of Salmat Limited for five years and is deputy chairman of Ridley Corporation Limited, where he has been a director for six years. He has been a director of Newcrest Mining Limited since August 2007 and is also a director of Wesfarmers Insurance division and Cash Services Australia Pty Limited. A Rhodes Scholar, he is a fellow and NSW President of the Australian Institute of Company Directors.

JOHN STORY

BA, LLB, age 62.

Chairs the Audit Committee and is a member of the Safety, Health and Environment Committee and the Remuneration and Nominations Committee. John joined the board in 2003. An independent director, he has a great depth of experience as a senior lawyer advising on corporate and commercial law. He recently retired as non-executive chairman of the law firm Corrs Chambers Westgarth, where he was a partner for 36 years until his retirement in 2006. John is chairman of Suncorp-Metway Limited, where

Richard Lee



John Story



he has been a director for 13 years. In November 2007, he was appointed as chairman of Tabcorp Holdings Limited where he has been a director since 2004. Previously, he had been a director of Jupiters Limited. Also, John is national chairman of the Australian Institute of Company Directors.

Remuneration

EXECUTIVE DIRECTOR'S AND KEY MANAGERS' REMUNERATION

\$ YEAR ENDED 31 MARCH	FIXED REMUNERATION	SHORT TERM INCENTIVE	RETIREMENT	USOP	LONG TERM INCENTIVE	OTHER BENEFITS	TOTAL	AT RISK
EXECUTIVE DIRECTOR								
Jerry Maycock (Executive Director from 13 February 2007; Managing Director from 1 April 2007)								
2007	142,917	-	-	-	-	286	143,203	0%
2008	1,225,000	796,250	-	-	490,000	11,520	2,522,770	51%
KEY MANAGERS								
Chris Bertuch (General Counsel & Company Secretary)								
2007	364,500	557,000	-	820	89,999	7,290	1,019,609	63%
2008	424,383	230,000	-	-	126,667	8,488	789,538	45%
Anne Brennan (Chief Financial Officer)								
2007	700,000	410,000	-	-	116,667	240,873	1,467,540	36%
2008	737,386	331,000	-	-	-	-	1,068,386	31%
Neill Evans (Executive General Manager Bricks and Roofing)								
2007	380,167	150,000	-	820	96,665	10,865	638,517	39%
2008	435,750	223,000	-	1,005	120,000	12,407	792,162	43%
Ian Glasson (Chief Executive Officer Sugar)								
2007	750,000	305,000	-	-	116,667	3,000	1,174,667	36%
2008	772,500	390,000	-	1,005	233,333	4,707	1,401,545	44%
John Hodgkinson (Executive General Manager Performance Systems)								
2007	442,500	300,000	-	820	119,998	7,108	870,426	48%
2008	548,750	370,000	-	-	153,333	6,585	1,078,668	49%
Gregory Rough (Executive General Manager Lightweight Systems)								
2007	442,500	100,000	-	-	93,332	2,851	638,683	30%
2008	458,080	104,000	-	-	140,000	199	702,279	35%
Total key managers (excluding the executive director)								
2007	3,079,667	1,822,000	-	2,460	633,328	271,987	5,809,442	42%
2008	3,376,849	1,648,000	-	2,010	773,333	32,386	5,832,578	42%

CSR aims to provide market competitive remuneration against jobs of comparable size as follows:

- fixed remuneration for executives is targeted at market median; and
- variable remuneration (through short and long term incentives) provides the opportunity to earn total remuneration (fixed remuneration plus variable remuneration) that is around the upper quartile of market for outstanding performance.

The board strives to align executive remuneration with the creation of value for CSR shareholders, with a significant emphasis on variable (incentive) remuneration. All executives have a significant component of their remuneration 'at risk', with payment of short term incentives and vesting of long term incentives dependent on performance against predetermined goals.

Shareholder information

SHAREHOLDERS' TIMETABLE^a

	2008
CSR year end	31 March
Full year profit and final dividend announced	14 May
Shares begin trading ex dividend	4 June
Annual Report, notice of meeting and proxy form released	11 June
Record date for final dividend	11 June
Final dividend paid	3 July
Proxy returns close 10.00 am Sydney	8 July
Annual general meeting 10.00 am Sydney	10 July
CSR half year end	30 September
Half year profit and half year dividend announced	5 November
	2009
CSR year end	31 March

^a Timing of events is subject to change.

ANNUAL GENERAL MEETING

Annual general meeting 10.00 am Thursday 10 July 2008
The Four Seasons Hotel, 199 George Street, Sydney NSW 2000

SHAREHOLDER INFORMATION AND INQUIRIES

All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street, Sydney NSW 2000 Australia
GPO Box 2975, Melbourne VIC 3001 Australia
Telephone within Australia 1800 676 061
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Facsimile (03) 9473 2500
International +61 3 9473 2500
E-mail web.queries@computershare.com.au
Internet site www.computershare.com.au

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