CSR Limited

Results Presentation

Half year ended 30 September 2010

Agenda

1. Overview	Jeremy Sutcliffe, Managing Director, CSR Ltd
2. Group Half Year Results	Shane Gannon, CFO, CSR Ltd
3. Results for Continuing Operations	Rob Sindel, CEO, CSR Building Products
4. Conclusion & Outlook	Jeremy Sutcliffe

1. Overview

Solid platform for focused Building Products company

EBIT from continuing operations up 22 per cent to $117.6m

Solid result for continuing operations	■ Building Products EBIT up 19% despite negative impact of abrupt termination of insulation scheme ■ Aluminium EBIT down 7% on lower volumes and higher alumina costs ■ Property EBIT $14.7m on sale of Narangba residential site
Separation strategy on track	■ Remain on schedule to complete separation strategy by end November 2010, subject to regulatory approvals ■ Management changes – experienced senior executive team in Building Products ■ Expect to announce capital management alternatives post completion
Strong platform for 'New' CSR	■ Australian/NZ focused Building Products business with leading market positions, market leading brands and strong channels to market ■ Strongly capitalised business with financial flexibility for future growth

Update on separation strategy

CSR is well advanced on two key transactions to create a focused Building Products company

Sale of Sucrogen	■ Announced on 5 July 2010 - sale of Sucrogen to Wilmar International for A$1.75 billion ■ Transaction remains subject to FIRB, OIO (NZ) – FIRB extended deadline until 9 November 2010 ■ Expect regulatory approvals shortly – transaction to complete within 1-2 weeks of approvals
Sale of Asian Insulation Business	■ Announced on 6 July 2010 – sale of Asian Insulation business to Rockwool Group for A$128 million ■ Transaction does not include Malaysian AAC operations ■ Expect transaction to complete by end 2010
Capital Management	■ Key considerations: – tax effective return of funds to shareholders – continuing responsible approach to asbestos obligations – future financial flexibility for Building Products focused business

CSR

2. Half year results - 30 Sept 2010

CSR

Financial results summary – continuing operations

A$m	Sept 2010	%∆ on pcp
Trading Revenue	**975.0**	(1%)
EBITDA	**166.4**	14%
EBIT	**117.6**	22%
Net Finance Expense	**(40.4)**	(26%)
Tax Expense	**(22.0)**	95%
Non-controlling Interests	**(10.8)**	(6%)
Net Profit after tax (pre significant items)	**44.4**	132%
Net Profit after tax (after significant items)	**18.4**	108%

- EBIT from continuing operations (pre significant items) up 22% compared to previous corresponding period
- Net Profit After Tax (pre significant items) $44.4m vs previous corresponding period $19.1m
- Earnings Per share (pre significant items) for continuing items 2.9 cents per share from 1.5 cents per share

CSR

7

Financial results summary

A$m	30 September 2010			30 September 2009			%∆ on pcp	
	*Continuing operations**	*Discontinued operations*	**Group**	*Continuing operations**	*Discontinued operations*	Group	*Continuing operations**	**Group**
Trading Revenue	**975.0**	976.4	1,951.4	**983.3**	1,093.2	2,076.5	**(1%)**	(6%)
EBITDA	**166.4**	104.6	271.0	**145.7**	150.6	296.3	**14%**	(9%)
EBIT	**117.6**	70.5	188.1	**96.6**	119.1	215.7	**22%**	(13%)
Net Finance Expense	**(40.4)**	(1.6)	(42.0)	**(54.7)**	(2.1)	(56.8)		
Tax Expense	**(22.0)**	(18.6)	(40.6)	**(11.3)**	(32.8)	(44.1)		
Non-controlling Interests	**(10.8)**	(5.7)	(16.5)	**(11.5)**	(6.7)	(18.2)		
Net Profit After Tax pre significant items	**44.4**	44.6	89.0	**19.1**	77.5	96.6	**132%**	(8%)
Net Profit/(loss) after sig. items	**18.4**	44.6	63.0	**(233.1)**	77.5	(155.6)		
Interim dividend per share (cents)			3.0c			2.5c		

*Continuing operations refers to CSR's ongoing businesses (Building Products, Aluminium and Property) post the sale of Sucrogen and the Asian insulation business. The Sucrogen and Asian insulation businesses have been classified as discontinued operations.

CSR

8

Solid performance from continuing operations

A$m EBIT	Sept 2010	Sept 2009	%∆
Building Products	**57.7**	48.5	19%
Aluminium	**55.1**	59.3	(7%)
Property	**14.7**	(1.0)	
Corporate	**(8.2)**	(8.6)	(5%)
Restructure and Provisions	**(1.7)**	(1.6)	6%
Total EBIT (pre sig. items)	**117.6**	**96.6**	**22%**

- 22% EBIT growth from Continuing Operations
- Continued earnings growth across Building Products portfolio
  - margins maintained and improved across key businesses
  - Viridian improvement continues
- Building Products EBIT negatively impacted by sudden cancellation of the Federal Government ceiling insulation programme
  - excluding insulation, earnings up 64%
- Hedging profile assists to counter weak Aluminium prices
  - higher alumina prices impacted margins
- Sale of Narangba (Qld) residential site to Stockland, drives earnings improvement in Property

CSR

Sucrogen – rain extends crush into second half

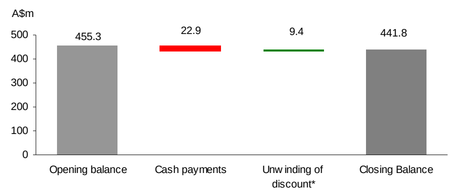
A$m	Sept 2010	Sept 2009	%∆
Trading Revenue	**935.9**	1,050.1	(11%)
EBITDA	**99.1**	143.8	(31%)
EBIT	**66.7**	114.2	(42%)
EBIT Margin	**7.1%**	10.9%	

- In-season rain extends crush into second half vs last year (where crush virtually completed in first half)
- Lower amount crushed impacts revenue and EBIT in Cane Products for first half, partially offset by higher average realised price A$440/t vs A$400/t
- For YEM11 94% of the crop is priced at ~ A$440 per tonne IPS
- Sugar content (CCS) and sugar recovery reduced due to rain
- Extension of crush delays cash receipts to second half – impacts operating cash flow for first half
- Molasses volumes lower from lower crush impacts Ethanol earnings and Cogeneration revenue
- Sweeteners EBIT steady on continued focus on margin and customer service

CSR

Product liability - continued responsible approach

Asbestos reconciliation



*Unwinding of discount refers to re-statement of the discounted provision to nominal dollars

- Continued responsible approach to managing asbestos related claims
- Cash payments A$22.9m slightly higher than previous half from higher US settlements
- Product liability provision based on semi-annual expert advice from US and Australian experts
- Product liability provision also includes prudential margin at discretion of Board (above central estimate of liabilities) to account for current environment, material uncertainties and exchange rate fluctuations
- Prudential margin at half year A$93.1m (26.7%) above aggregate of central estimate of US and Australian liabilities
- Expectation that payments will be broadly in line with last year.

CSR

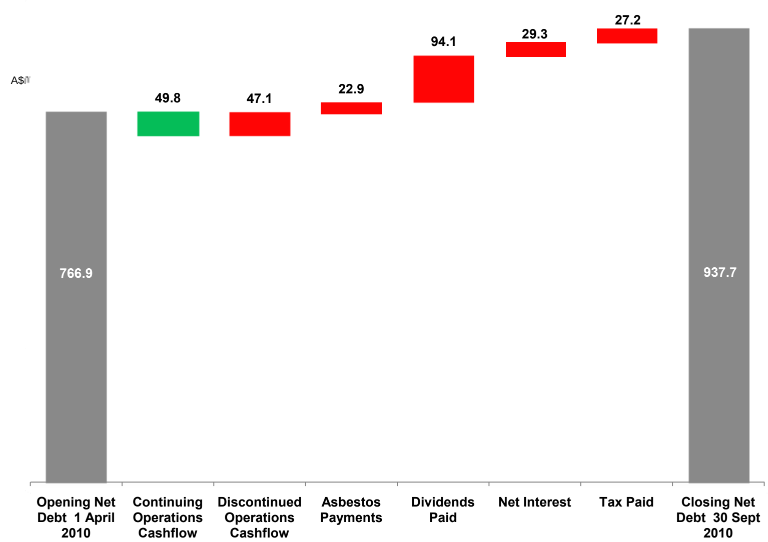
Steady operating cashflows from continuing operations (pre sig. items)

A$m	Sept 2010		Sept 2009	
	Continuing Operations	Group	*Continuing Operations*	Group
EBITDA	166.4	271.0	145.7	296.3
Net Movement in Working capital	(24.6)	(98.3)	(23.4)	(178.5)
Margin calls	0.0	(18.4)	(4.9)	(32.2)
(Profit)/loss on asset disposals	(16.6)	(15.7)	0.6	0.7
Movement in Provisions	(31.2)	(28.7)	(17.2)	(3.9)
Other	(7.5)	(23.8)	(14.1)	25.8
Operating cashflows (pre tax & sig. items)	**86.5**	**86.1**	**86.7**	**108.2**
Tax	(23.5)	(27.2)	23.4	23.2
Significant items	(19.4)	(19.4)	(3.1)	(3.1)
Operating cashflows (post tax & sig. items)	**43.6**	**39.5**	**107.0**	**128.3**

- Operating cashflows from continuing operations steady on the previous year (pre tax and significant items)
- Group working capital increase due primarily to increased debtors in Sucrogen from extended crush
- Tax refund in previous period vs tax paid in first half impacts group cashflows

CSR

Debt reconciliation April – Sept 2010



CSR

13

3. Half year results for continuing operations

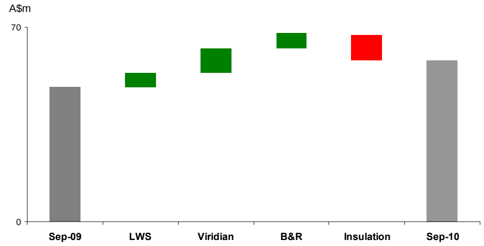
CSR

3.1 Building Products

Strong underlying earnings growth

A$m	Sept 2010	Sept 2009	%∆
Trading Revenue	**721.2**	732.0	(1%)
EBITDA	**92.1**	82.2	12%
EBIT	**57.7**	48.5	19%
EBIT Margin	**8.0%**	6.6%	21%
Funds Employed	**1,316.7**	1,311.1	
Return on Funds Employed (MAT)	**8.6%**	7.1%	21%

EBIT impacted by Insulation scheme termination



- Improved market conditions and efficiency improvements drive growth across portfolio
- EBIT up 19% despite negative impact of insulation scheme termination
- EBIT (ex Bradford) up 64 per cent
- Underlying revenues up around 8 per cent, excluding Bradford and impact of prior year restructuring
- Gross and EBITDA margin increases across most businesses
  - Solid price growth
  - Improved volumes
  - Overheads contained

Building Products revenue summary

Trading Revenue A$m	Sept 2010	Sept 2009	%Δ
Lightweight Systems GYPROCK, cemintel, Bradford, Hebel, EDMONDS, FRICKER	**383.4**	389.8	(2%)
Glass Viridian	**182.9**	204.1	(10%)
Bricks and Roofing MONIER, WUNDERLICH, PGH Bricks & Pavers, mySTEEL	**154.9**	138.1	12%
TOTAL	**721.2**	732.0	(1%)

- Volumes improved generally across portfolio
- Bradford Insulation impacted by insulation scheme but core business remains strong
- Increased revenue in Gyprock plasterboard despite ongoing weak commercial markets
- Growth in revenue and margin for Cemintel fibre cement business
- Revenue fall in Viridian reflects closure of Alexandria factory and sale of auto business
- Improved contribution from Bricks and Roofing businesses on increased detached housing starts

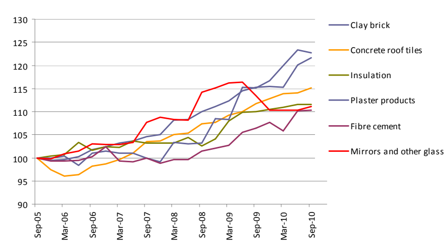
CSR

Volume growth and ongoing focus on margins

	Price	Volume	EBITDA
GYPROCK, cemintel	↑	↑	↑
Bradford	↔	↓	↓
Viridian	↔	↑	↑
PGH Bricks & Pavers	↑	↑	↑
MONIER, WUNDERLICH	↑	↑	↑

- Continued focus on margins – price increases implemented across portfolio
  - Commercial market deterioration adversely impacting glass industry capacity and pricing
- Launch of new, higher margin products in key areas (e.g. Bricks, fibre cement)

Price index of house building materials



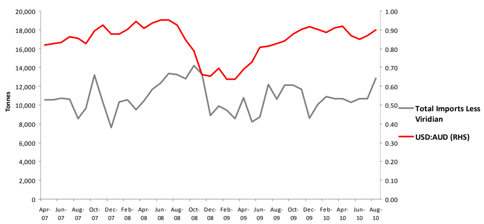
Source: ABS

CSR

Viridian— continuing improvement in performance

A$m	Sept 2010	Sept 2009	%∆
Trading Revenue	**182.9**	204.1	(10%)
EBITDA	**15.9**	8.5	87%
EBIT	**3.0**	**(5.6)**	**154%**

Glass Imports vs A$/US$



Source: ABS, CSR analysis

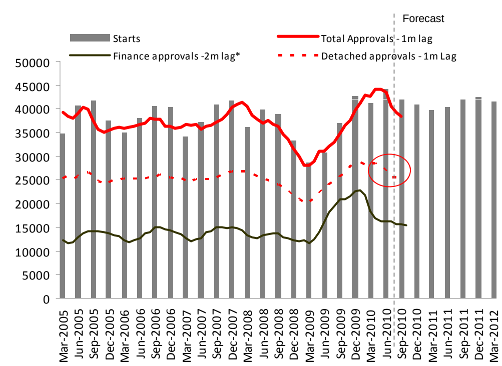
- EBIT improvement of $8.6m for first half
  - Sale of Automotive business
  - Site rationalisation (Alexandria, Nerang)
  - Cost reductions and operational improvement, most notably at Clayton facility
- Revenue reduction reflects
  - Disposal of Automotive business in 2HYEM10
  - Closure of Alexandria
  - Slow commercial market and flow impact to pricing
- Significant improvement in Customer Service
  - Primary Products DIFOT 99% (up 2% on last year)
  - Glass Processing DIFOT 91% (up 2%)
  - Clayton site DIFOT 91% (up 34%)
- Continued recovery in market share – two national accounts secured, will benefit 2H earnings
- High A$/US$ exchange rate impacts margin

CSR

Residential markets stronger but moderating

- Housing starts to 30 June 2010 increased from historic lows
- Higher density and social housing account for increasing proportion of Australian housing starts
- Leading indicators point to moderation in housing activity
  - first home owner and social housing stimuli peaked
  - partially replaced by private upgraders and investors re-entering the market
- Medium term macro effects still positive for housing
  - strong immigration and population growth
  - continued underbuilding in most states
  - significant underlying demand
- Trend towards energy efficient buildings gradual but inevitable
  - COAG agreement on 6 star
  - increased electricity prices
  - consumer preference

Australia building indicators



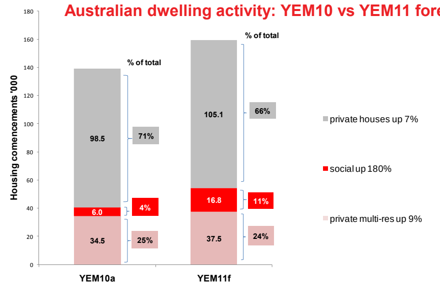
Source ABS *Owner-occupier construction finance approvals (forecast source is average of forecasts of HIA and BIS)

CSR

Social housing increased; commercial markets – medium term recovery

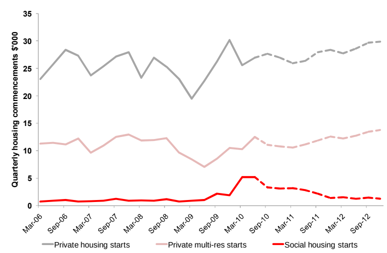
- Changing mix in housing starts
  - social housing represents 50 per cent in growth in total dwellings
  - multi – residential units increasing (esp NSW)
  - lengthening of time lag in project completion
- Commercial activity still weak, social programs account for major increase in non-residential activity
  - education stimulus (BER program), winding down in YEM11
  - strong health spend to end YEM13
- Valuations, vacancy and credit point to commercial market improvement in medium term
- Mandatory disclosure of commercial building energy ratings to assist Insulation business

Australian dwelling activity: YEM10 vs YEM11 forecast



Source: ABS. Forecast source (BIS, HIA, and CSR)

Australian dwelling starts per quarter by segment



Source: ABS. Forecast source (BIS & HIA)

CSR

3.2 Aluminium

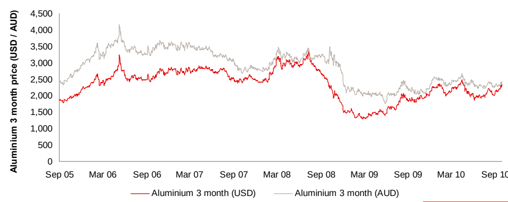
CSR

Earnings reduced on lower volumes

A$m	Sept 2010	Sept 2009	%∆
Sales ('000 tonnes)	**93,785**	95,549	(2%)
Ave A$ realised price per tonne	**2,702**	2,630	3%
Trading Revenue	**253.4**	251.3	1%
EBIT	**55.1**	59.3	(7%)
EBIT Margin	**21.7**	23.6	
LME/US$ tonne	**2,116**	1,681	
US$/A$ average rate	**0.894**	0.796	
LME/A$ tonne	**2,368**	2,112	

- Lower sales volumes, reflects inventory rebalancing following sales slightly above production in YEM10
- Production volumes up slightly on prior year
- Lower EBIT margin reflects higher alumina costs
- Lower hedged position – earnings more dependent on A$ unhedged price of aluminium
- Continued sound operational performance at Tomago

Aluminium 3 month price per tonne (USD/AUD)



CSR

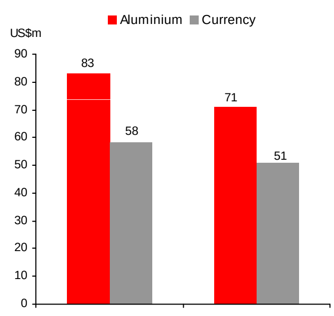
23

Earnings more exposed to unhedged metal price

Aluminium Hedge Book US$m (as at 31 October 2010)

	2H YEM11	YEM12
Average currency rate in US cents	0.7744	0.7111
Average hedged aluminium price US$ per tonne	US$2,475	US$2,635
Average hedged aluminium price A$ per tonne	A$3,196	A$3,706
% of net aluminium exposure hedged[1]	50%	20%

1. CSR hedges net aluminium exposure which takes into account the natural hedge involved in alumina purchases. Net aluminium exposure equates to around three quarters of metal production.



- Lower hedged position for balance of YEM11 and YEM12
- General weakness in USD aluminium price as industry works through excess inventories
- Medium term forecasts, slightly more positive

CSR

24

3.3 Property

Property – monetise opportunities; progress pipeline

A$m	Sept 2010	Sept 2009	%∆
EBIT	**14.7**	(1.0)	
Capital Investment	9.0	9.8	

- Two major transactions in first half:
  - Sale of 606 lot residential development at Narangba to Stockland
  - Sale of former glass facility at Alexandria to Bunnings
- Commercial/Industrial markets remain challenging
- Medium term pipeline remains strong

Update on medium-term development pipeline

Darra, Brisbane	■ 16 hectare light industrial sub-division which is fully developed with 9 out of 40 lots available for sale ■ Remaining estimated gross revenue—$9m
Erskine Park, Sydney	■ DA approved 12 hectare industrial sub-division. Marketing program underway ■ Estimated gross revenue—$25m
Brendale, Brisbane	■ 532 lot residential and 53 hectare industrial development. Site remediation works commenced; DA approval expected late 2010 ■ Estimated gross revenue—residential—$105m; industrial $110m
Chirnside Park, Melbourne	■ 450 lot residential development. Victorian Govt approved rezoning in March 2010 ■ Estimated gross revenue—$110m

4. Conclusion & Outlook

Outlook – YEM11

Building Products	■ Expect housing starts of around 155,000-160,000 on a one quarter lag basis to 31 March 2011 ■ Social housing and multi-residential dwellings to account for increased proportion of starts ■ Expect continued gradual improvement in Viridian ■ On continuing operations basis (ex Asia) and including negative impact on Bradford – full year EBIT expected to be slightly ahead of last year
Aluminium	■ GAF has added modestly to hedge book recently; however 50% net hedged position for 2HYEM11 is a lower proportion than usual ■ YEM11 and future EBIT more linked to unhedged A$ spot price of aluminium than previously ■ Expect full year EBIT of $90-$100 million
Property	■ EBIT continues to be subject to timing of specific transactions ■ On current transaction schedule expect full year EBIT in range of $20 – 25 million

Conclusion – focused, well capitalised Building Products company

Separation strategy on track

- Remain on track to establish CSR as a leading, Australian/NZ focused Building Products company with diversity through Aluminium and Property
- Expect regulatory approvals shortly followed by transaction completion
- Experienced senior management team in place to progress focused strategy

Capital management alternatives

- CSR expects to announce capital management initiatives post sale completion
- Appropriate balance of tax effective return of surplus funds, meeting ongoing asbestos obligations and providing financing flexibility for business

The 'New" CSR

- Strongly capitalised building products company with leading market positions and brand across Australia & New Zealand
- Low cost manufacturer with ability to leverage product innovation and optimise current portfolio (esp Viridian) to drive earnings growth
- Short to medium term focus on pursuing 'close to core' growth opportunities
- Major ''step out'' opportunities a longer term objective

CSR