



BE SURE WITH 

Building Products focus — aggressively pursue operational performance improvement and sensible growth

§ Operational improvement

- On track to deliver \$75m over three years ending YEM07

§ Sensible growth — we have achieved growth through:

- **Organic expansion** — Two plant expansions in Australia and the \$20m construction of the Bradcore™ commercial factory in southern China
- **Acquisitions in adjacent businesses** including roofing guard rails, ventilation products and metal roof installation

§ Brand positioning to support strategy of a strong portfolio of brands

- **“Be sure with CSR”**
This tagline reinforces CSR’s brand values – reliability, quality, longevity and trustworthiness

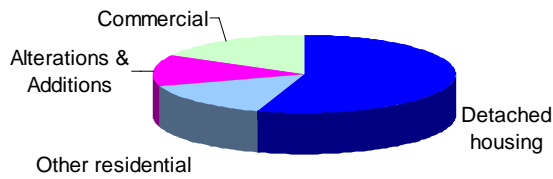


CSR Building Products has significant exposure to the east coast residential construction market

Geographical and segment exposures

- § ~55% of CSR Building Products revenue comes from Queensland and NSW
- § ~70% of revenue is derived from residential construction

End market exposures for YEM06



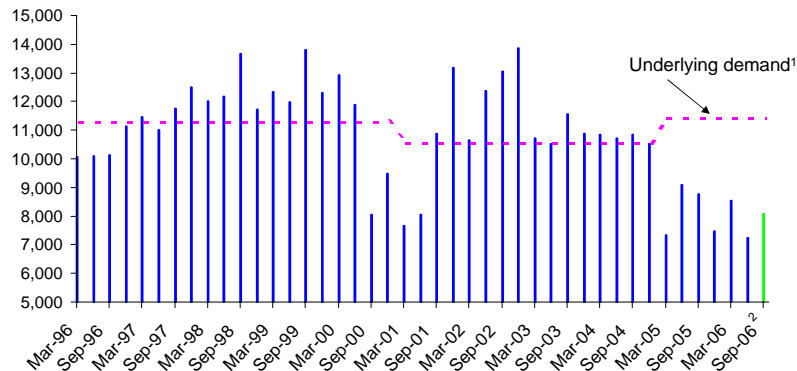
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The sharp slowdown in NSW residential building activity continues

NSW - Demand & Residential Building Activity

Commencements



1. Underlying demand (source: BIS Shrapnel) is based on population growth and household formation

2. Sep-06 is a forecasted number (source: BIS Shrapnel)

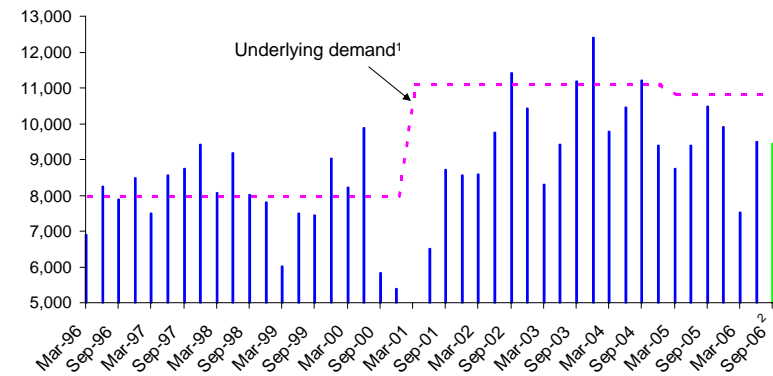
Source: ABS; BIS Shrapnel

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The Queensland market also continues to be soft

QLD - Demand & Residential Building Activity
Commencements



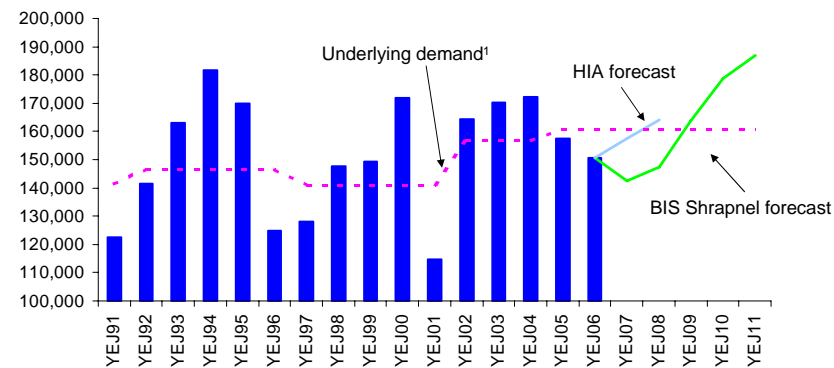
1. Underlying demand (source: BIS Shrapnel) is based on population growth and household formation
 2. Sep-06 is a forecasted number (source: BIS Shrapnel)
- Source: ABS; BIS Shrapnel



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Medium term outlook for residential building is positive ... but the timing of the rebound remains uncertain

Australia - Demand & Residential Building Activity
Commencements



1. Underlying demand (source: BIS Shrapnel) is based on population growth and household formation
 2. Sep-06 is a forecasted number (source: BIS Shrapnel)
- Source: ABS; BIS Shrapnel



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Plasterboard and Fibre Cement



GYPROCK™
Everything else is just plasterboard

cemintel™
fibre cement systems

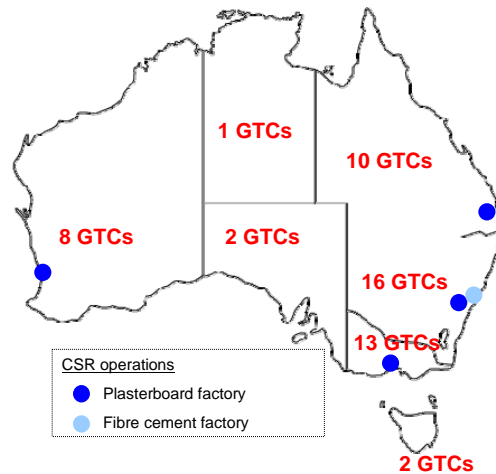
Greg Rough

Executive General Manager

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Strong national presence with the largest trade distribution network in the market

- § Year ended March 06 revenue \$393 million
- § #1 or #2 plasterboard market position in all states
- § National manufacturing network
 - 4 plasterboard factories
 - 1 fibre cement factory
- § Largest distribution network in the market
 - 52 company owned Gyprock™ Trade Centres (GTCs)
 - 40 closely aligned, but independently owned trade centres
- § 900 employees



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Wide range of plasterboard products & accessories allows us to package solutions for customers ...

Manufactured Products/ Services

- Plasterboard
- High Performance plasterboards
- Cornice
- Jointing cement
- Plasters
- Stud adhesives
- Industrial plaster
- Bought-in complementary lines
- Supply & Fix service

Investments

- **Rondo** – A 50:50 JV with Boral that manufactures metal building accessories for plasterboard installation.
- **Gypsum Resources Australia (GRA)** – A 50:50 JV with Boral is one of two Australian gypsum suppliers for the plasterboard industry

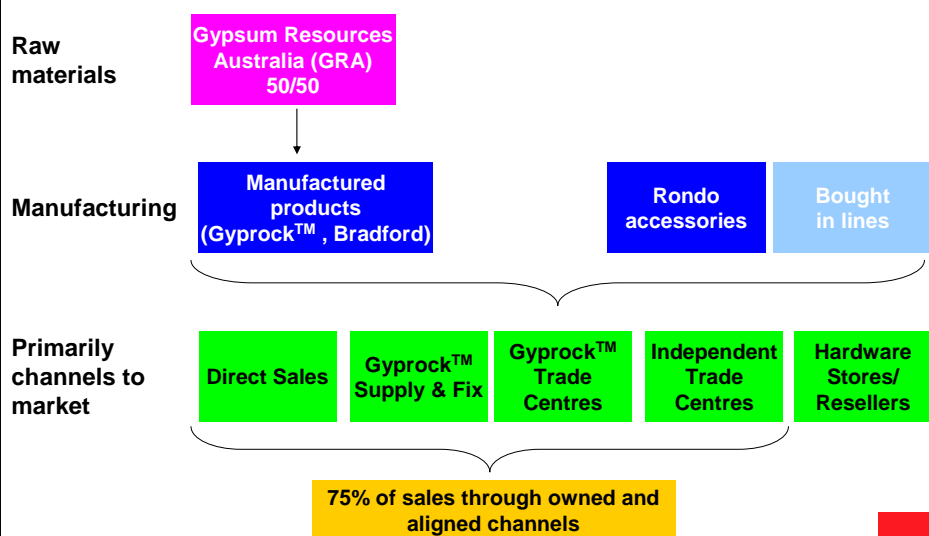
Industry Attractiveness

- Low threat from substitutes
- Volumes dependent on building cycle. Good long term growth
- Plasterboard value added share growing.
- Strong margins.
- Customer base fragmented

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Vertically integrated with strong pull through from owned or aligned channels to market



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Close contact with our customers assists us in delivering new solutions with a strong value proposition



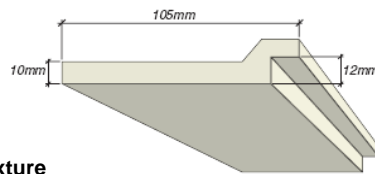
cemintel
weatherboards - headland™



Complete Texture Coating System



GYPROCK™ ShadowSet™



... that are easily accessible through our distribution network

Gyprock™ Trade Centres

- § One Stop Shop for plasterers
- § Extensive range of board and accessory products
- § Fully Integrated stores – Customers can buy from any store
- § Large Network – a store is always close to keep customers on the job



CSR Gyprock™ progressing with plasterboard expansion plans — focused on lowest delivered cost through the cycle

§ Focused on having the right level of low cost capacity through the cycle; close to major centres of usage in NSW, VIC/TAS/SA and QLD

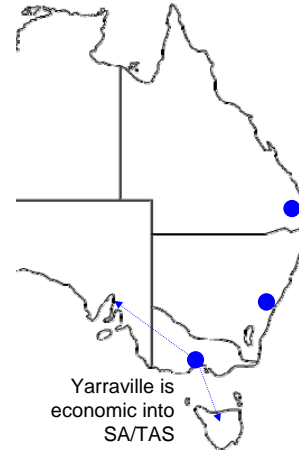
- Balances production cost, freight and capital return
- Lowest delivered cost across Australian plasterboard markets

§ East cost demand outlook is positive (especially Qld)

§ Need increased local capacity for VIC/SA/TAS and Qld

§ CSR Gyprock™ is progressing with:

- ~50% increase in plasterboard output from Gyprock™'s Qld plant (Coopers Plains) with expansion of plaster capacity to 23 million sq. metres
 - Very capital-efficient
- ~42% increase in plasterboard production in Yarraville (efficient dock-side location)
 - Up to 32 million sq. metres
 - Upgrade of gypsum receival and storage
 - Major warehousing development will allow closure of offsite warehousing
 - Total project cost around \$100 million



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CSR Bricks & Pavers 26th September 2006

Chris Grubb
Executive General Manager

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CSR Bricks & Pavers — key facts

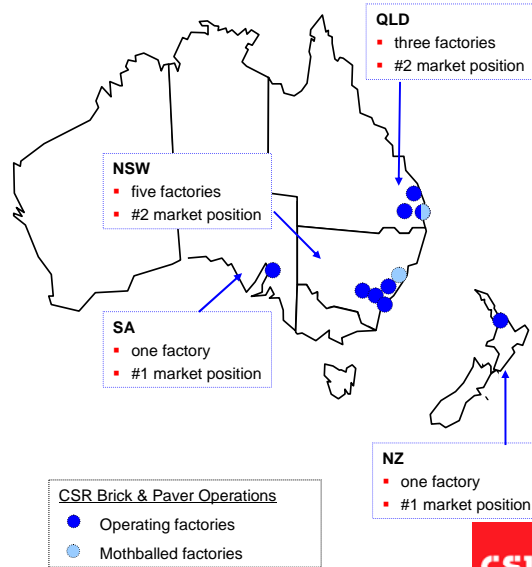
§ \$137 million YEM06 revenue

§ 75% of revenue derived from NSW & Qld

- 70-80% exposure to new residential construction

§ 10 brick & paver factories

- Maitland (NSW) plant is currently mothballed
- Strathpine (Qld) brick line is also mothballed



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PGH™ has a strong market position and quality assets in Queensland

§ Queensland brick & paver market

- Approx market size for YEM06
 - 200-220 million SBE* bricks
 - 50-60 million SBE pavers
- PGH™ is #2
- 5 Queensland competitors: Austral; PGH; Boral; Claypave (pavers only); and QC (mainly export)

§ PGH™ assets in QLD

- Total capacity = 150m SBE
 - Oxley 80m SBE - lowest cost plant in the PGH™ network
 - Strathpine — pavers only (currently the brick kiln is mothballed)
 - Cooroy — premium brick plant
- 3 display centres



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* SBE = standard brick equivalent

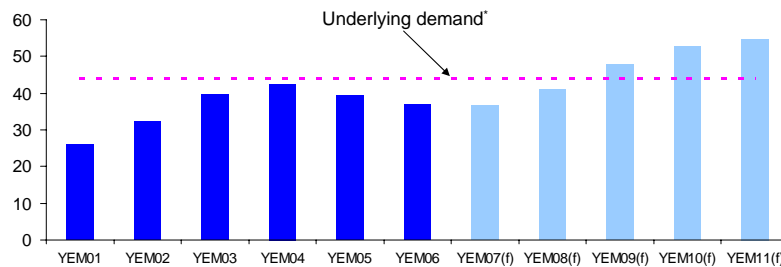
16

The outlook for Queensland is forecast to be positive in the medium to longer term

- § Building activity has been below underlying demand for a sustained period
 - Next peak is expected to be 30% higher than YEM04
 - Current activity is 15% below the YEM04 peak
- § The trend towards rendered finishes appears to have stabilised
 - Approximately 50% of total market sales is face bricks
- § Demand for small format pavers has declined

Queensland new residential building activity

Total commencements



* Underlying demand (source: BIS Shrapnel) is based on population growth and household formation
source: ABS; BIS Shrapnel; HIA

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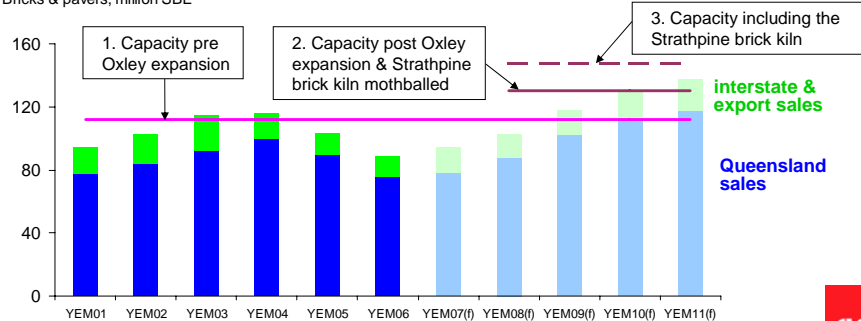
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The Oxley expansion provides additional low cost capacity to service the next peak

- § We sold out at the top of the last peak; and the next peak is expected to be materially stronger
 - Without the additional capacity we would have lost market share to competitors and/or substitute products
- § Oxley has relatively large geographical reach because it is low cost
 - Oxley can competitively supply Southern markets, such as Sydney

PGH Queensland capacity and sales from Queensland plants

Bricks & pavers, million SBE



source: CSR analysis

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The PGH™ transformation in Queensland is nearing completion

- § **Network re-configuration now complete**
 - Oxley expanded by 34 million bricks
 - High cost Strathpine brick kiln (18 million bricks) mothballed
 - Strathpine is currently a focussed paver plant
- § **Operational improvement is on track**
 - Investing in a proprietary robot de hacker at Cooroy
- § **Slightly improved pricing**
 - Improved controls and reporting
 - Passing on cost increases wherever possible
- § **Improved penetration of face brick**
 - Selling the strong value proposition of face bricks
 - Architectural representation
 - Upgrading display centres
- § **Slowing the erosion of small format pavers** through selling a 'robust driveway' value proposition



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Overall, CSR Bricks & Pavers has been reconfigured to better service future demand

- § **NSW network reconfiguration**
 - Maitland is now mothballed (35m SBE)
 - Expanded Schofields capability
 - Maitland demand has been shifted to other NSW plants
- § **Consolidation of Sydney display centres is underway**
 - New display centre under construction at Schofields
 - We are overhauling all other display centres
- § **New Zealand share rebuild**
 - Rebuilding share lost to imports at the top of the last cycle
- § **Managing through slow building activity**
 - Matching production to sales activity to manage inventory
 - Production has been slowed in 7 of 9 plants
 - This has predominantly been achieved through mothballing kilns at multi-kiln sites (in NSW & Qld, 5 out of 14 kilns are currently mothballed)
- § **OIP is a high priority** and good progress continues to be made



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Prices remain stable, despite weak conditions in some geographies

§ NSW

- NSW activity down -16% to last year
- 30 year lows in building activity with no signs of upturn yet
- Pricing relatively stable considering very weak conditions – but some price pressures
- 60% of CSR Bricks & Pavers revenue comes from NSW

§ SA

- SA activity down -5% to last year
- Prices have improved

§ VIC

- VIC activity down -14% to last year
- Prices remain flat
- With less than 5% market share, PGH™ is a small player in VIC

§ NZ - only major local manufacturer

- NZ market (excl apartments) down -10%
- Brick penetration up
- Prices have improved



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CSR Roofing



Neill Evans
Executive General Manager
26th September 2006



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CSR Roofing — Key Facts

§ CSR Roofing - \$171 million YEM06 revenue

- 75% Concrete roof tiles – Monier™
- 15% Terracotta roof tiles – Wunderlich™
- 10% Metal Roofing - MySteel

§ Distribution

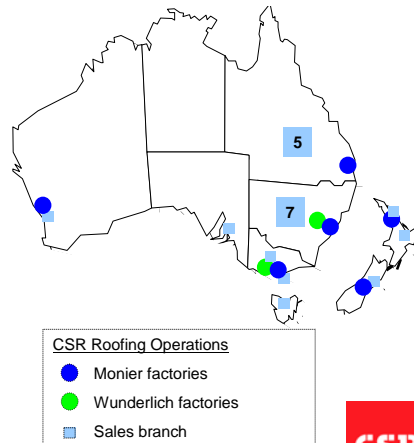
- 60% Supplied & installed
- 40% Supply only

§ 390 employees and approximately 800 sub-contract installers

§ 95% of demand is in residential construction

CSR Roofing Australia New Zealand

- 8 Manufacturing facilities (6 Aust, 2 NZ)
- 20 Sales offices



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CSR Roofing is a clear market leader in Australia and New Zealand

Market Share Rankings

	NSW	VIC	Qld	WA	SA	Aust	NZ
CSR	1	1	1	2	2	1	1
Boral	2	2	3	-	1	2	-
Brickworks (Bristile)	3	3	2	1	-	3	-
BGC	-	-	-	3	-	-	-
Other	-	-	-	-	-	-	2

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Improved market position in Queensland

- § January 2005 – purchased Karreman Roof Tiles
- § 25+ million tile capacity
- § CSR moved to No. 1 in Queensland
- § Rationalising Queensland operations onto a smaller footprint
 - Improved operational efficiency
 - Lower operating cost
 - Releases a developable land bank

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Rationalising the Darra operation into a smaller foot print



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CSR Roofing Business Strategy

- Deliver operational improvement at all factories
- Build market share against metal roofing
- Expand business model into related areas

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Deliver operational improvement at all factories

- § **Short Term**
 - Reject rates
 - Plant efficiency
 - Contracting savings
 - Logistics savings
- § **Long Term**
 - Palletless deliveries
 - Removing back office costs

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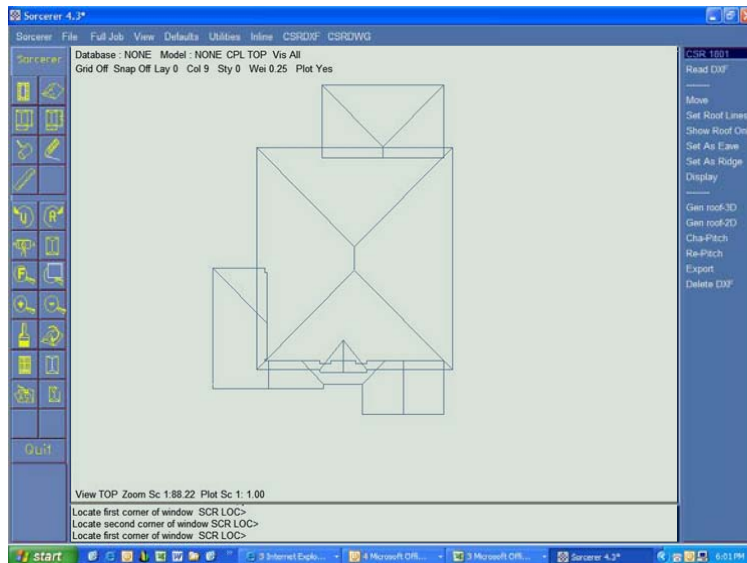
Palletless Delivery



29



25% of plans now estimated electronically



30



Build market share against metal

Three key steps:

1. Continue to launch new products
2. Improve selection process
3. Reinvest in our brands

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Regional TV Campaign



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Extending business model to related areas

§ Service offering now includes

- Fascia & Gutter
- Guardrail
- Metal roofing

§ Benefits

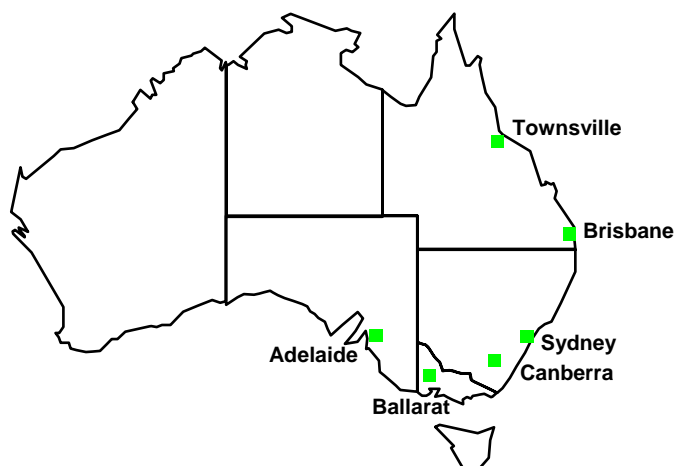
- One stop shop / convenience for builder

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Currently offering metal roofing in six locations and growing

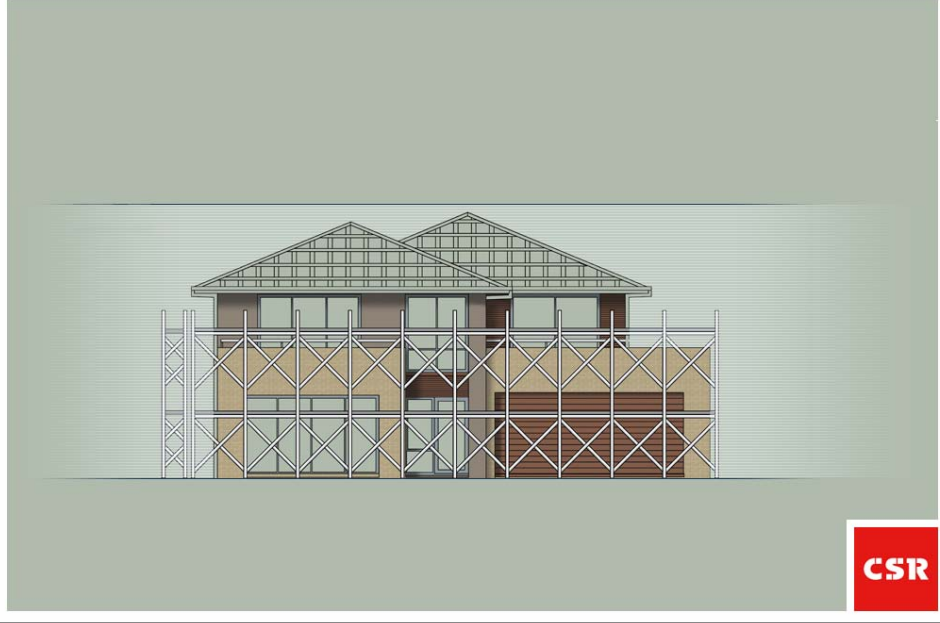


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One stop shop construction process



Fascia & Gutter Installed





Guardrail Installed



Roof Tiles Installed





Roof Completed



CSR Group Property 26th September 2006

Anne Brennan
Chief Financial Officer
CSR Limited



CSR Building Products operating strategy incorporates realising valuable land banks

CSR Group Property focuses on:

- § Working with business units to maximise the value of existing CSR landholdings
- § In-house management of rezoning, site rehabilitation and infrastructure roll out
 - Projects are typically “infill” development sites located in prime metropolitan areas
- § Traditional development risk minimised with certain level of pre-commitment targeted



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CSR Group property has a strong portfolio of ongoing projects

Existing Development Projects:

Project	Description	Stage
Darra, Brisbane (QLD)	Light Industrial Subdivision 41 Lots	Development applications lodged
Narangba, Brisbane (QLD)	Residential Subdivision 440 Lots	Master planning works underway
Erskine Park, Sydney (NSW)	Industrial Subdivision 100ha Subdivision	Stage 3 release, 38ha site, DA lodged
Ferntree Gully, Melbourne (VIC)	Residential Subdivision 75 Lots	Construction completed, marketing underway
Enviroguard – Erskine Park landfill (NSW)	Existing Non Putrescible Landfill	Final height profile approved

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The Darra development is an outcome of this operating strategy

- § **Redevelopment of a 21ha site, 14ha being suitable for subdivisional development, subject to Council approval**
- § **Subdivision into 41 clean, light Industrial lots, for a size ranging 2,000sqm to 6,000 sqm**
 - Strong demand for small, light Industrial lots in the area
 - Estimated gross revenue \$40 million
- § **Anticipate commencement of subdivisional works mid 2007 with completion of works in early 2008**
 - Site rehabilitation works are about to commence



Indicative Development



Narangba (QLD)

- § **Redevelopment of existing clay quarry site, of some 43.6ha providing approximately 440 residential lots**
- § **Site has been rezoned Residential**
- § **Negotiations and preparation of development applications underway**
- § **Construction subject to Council and State Government approval, late 2007**
- § **Estimated revenue of \$70 million (gross)**
 - Sales program over three years
- § **Average sale price per block \$160,000**



Erskine Park (NSW)

- § 100ha Industrial Estate in Western Sydney, close to the M4/M7 intersection
- § Sale of 17ha to Bluescope Steel settled in YEM06
- § Sale of 16.7ha to Australand in YEM06
- § Application with Planning NSW for subdivision and development of a 38ha section of the site
- § CSR is well positioned to supply fully serviced industrial land to either the owner occupier or tenant as required
- § Strong market demand for fully serviced Industrial land



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Ferntree Gully (VIC)

- § Redevelopment of former quarry site
- § Site area 7.5ha providing 75 residential lots
- § Construction completed September 2006
- § Sales commenced June 2006
- § Block prices from \$199,000 to \$340,000
- § Estimated gross revenue \$20 million
- § Strong enquiry for land sales, with strong council and community support



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Enviroguard — Erskine Park Landfill

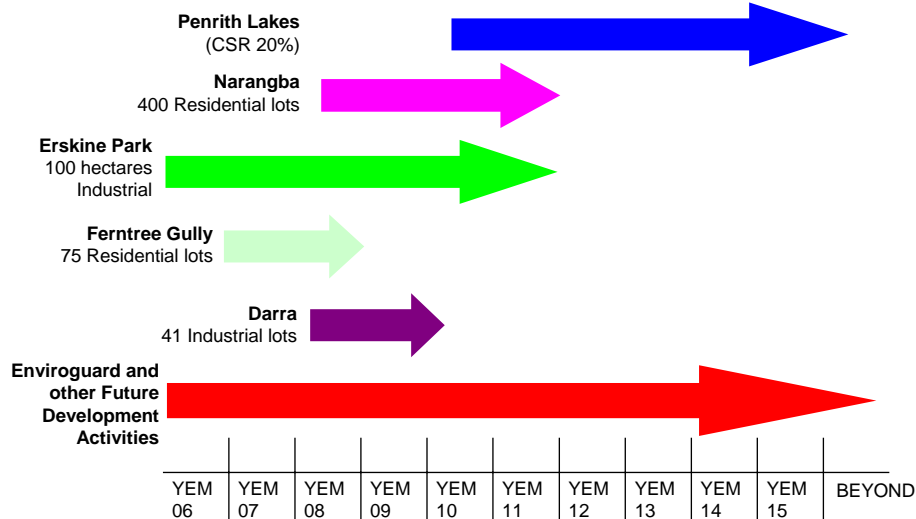
- § Joint venture between CSR (50%) and BIS Cleanaway (50%)
- § Erskine park landfill is a non putrescible landfill
- § Approval obtained from Penrith City Council for final height profile in June 2006
- § Approval provides Enviroguard with a further 3-4 years of landfill capacity at current volume intake
- § Enviroguard is examining opportunity for expansion



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Property returns sustainable over long term



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CSR Insulation, Ventilation and Panel Systems

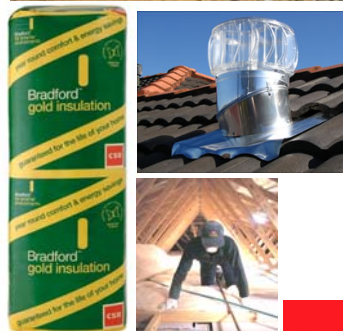
26th September 2006

John Hodgkinson
Executive General Manager



CSR Insulation & Panels revenue has grown 10%+ pa over the past three years

- § Revenue for year ending March 2006 \$247 million¹
- § Revenue has grown at 10%+ pa compound for the last three years – this growth rate is expected to increase going forward
- § Strong market position in the insulation market in Australia and New Zealand
- § Using its strong Australian operations and leading technology, CSR was able to enter the Asian market to develop:
 - Largest insulation company in the Asia Pacific region, with exports to Middle East, Europe and North America
 - # 1 position in South China high quality insulation market
 - # 1 position in S.E. Asia insulation market



¹ Revenue includes sales of Bradford™ insulation, Hebel™ lightweight concrete products, Edmonds™ ventilation products and Bradcore™ panel systems



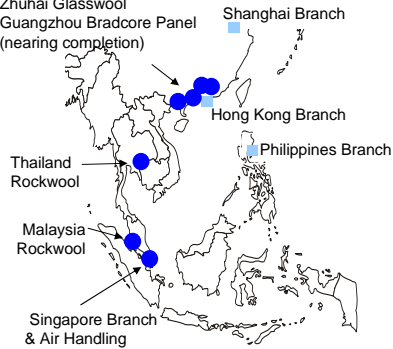
CSR is the largest manufacturer of Insulation in Asia Pacific Region

Bradford Insulation Asia

- 7 Manufacturing facilities (4 in China, 3 in SE Asia)
- Employees ~1,800

Chinese operations

- Nanning Glasswool
- Dongguan Rockwool
- Zhuhai Glasswool
- Guangzhou Bradcore Panel (nearing completion)



Bradford Insulation Australia New Zealand

- 5 Manufacturing facilities (3 NSW, 2 VIC)
- Employees ~500

Sydney operations

- Glasswool factory
- Edmonds ventilation systems
- Hebel factory

Melbourne operations

- Rockwool factory
- Foil factory

CSR operations

- Manufacturing facilities
- Sale branch

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The Regional Insulation market has strong growth prospects

Increasing Environment Awareness

Global warming and greenhouse gas issues are encouraging governments and companies to recognise the social costs and reduce energy consumption

Growing Focus on Sustainable Development

Glasswool (made from recycled glass) and Rockwool (made from abundantly available basalt rock) increase life of a manufacturing plant/building, contributing to sustainable development

Rising Energy Cost

Rising energy costs due to growing demand and shortage of low cost fossil fuels is encouraging companies to reduce energy consumption

- § Demand for Glasswool and Rockwool insulation products is growing as they provide an important role in managing these issues
- § Average growth of insulation products is expected to be higher than GDP till 2011

Source: World Insulation – Industry Study, Freedonia Group; Industry experts; Industry association websites

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Bradford™ has expanded Ingleburn glasswool to service increased demand

- § Recent changes to the Building Code of Australia (BCA) now require most new houses and commercial buildings to have improved insulation and therefore improved energy efficiency
- § Over 40% of existing Australian dwellings are either not insulated or have poor insulation
- § And a large proportion of existing industrial and commercial buildings are not insulated or have poor insulation
- § Some inferior quality insulation materials had been allowed to penetrate the market in 1990's

To meet growing demand we increased capacity of Ingleburn 50% to 28,000 tonnes

- Low cost capacity expansion \$28 million
- Material per unit operating cost reduction

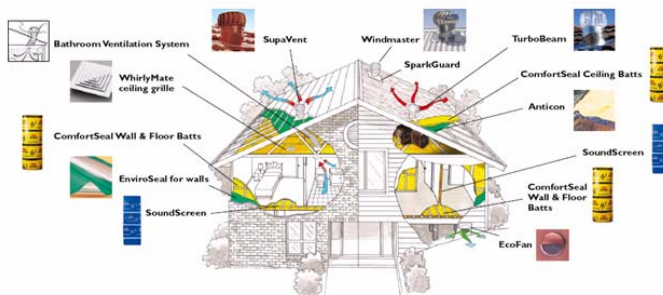


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Bradford™ ANZ focus on 'Smarter Environments'

- § Our business focus in ANZ will drive adjacent segment growth
- § Edmonds Ventilation acquired December 2005
 - World leading technology
 - Exporting to 30 countries
 - Complementary to Bradford Gold



Bradford™ for smarter environments

EDMONDS

Insulation + Ventilation
A Smarter Comfort Solution

Plus Save more on energy costs

CSR

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Bradford™ Asia is focused on value add and technical rockwool for domestic and export markets

§ Asian Insulation business improving

- Underlying growth in regional demand for rockwool in technical applications
- Focus on value add in glasswool and rockwool business for domestic and export markets
- Utilisation of low cost operations
- Approval for new 40kt 'world class' Rockwool plant at Guangzhou



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bradcore™ panels plant in China almost complete

§ What is bradcore™?

- bradcore™ is a panel system that offers thermal and acoustic insulation, as well as offering an attractive facade
- bradcore™ currently markets Rokcore™ and Paroc fire proof composite panel systems as well as Alutri™ aluminium composite panels

§ Sales commenced 2004 with good growth. Major projects

- Castle Hill Homemaker Centre, Sydney 5,500m²
- IKEA, Adelaide 5,000m²
- University of Southern QLD, Brisbane 4,500m²
- Macarthur Shopping Centre, Sydney 3,000m²

§ Investing A\$20m to build an expandable 500,000 m2 panels plant in Guangzhou

- Due for completion November 2006



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bradcore™ is a new and growing business

rokcore™
panels

§ Sales commenced 2004 with good growth

prestigeoffices



rokcore™
panels

bulkygoodscentre



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Guangzhou site will house new bradcore™ and Rockwool factories

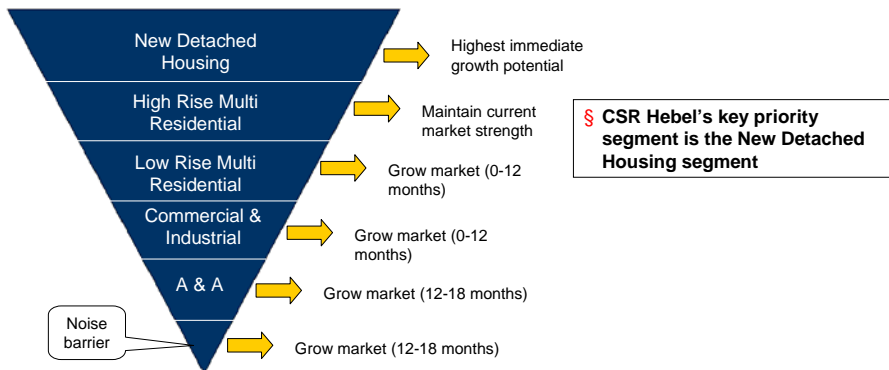


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Hebel ALC business entering new segments

§ Changes to BCA providing growth opportunity

Hebel segment priorities



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Hebel ALC is entering new market segments

