CSR Limited

Results Presentation

Half Year ended 30 September 2003

19 November 2003

Highlights

- EBIT of $165 million – slightly below 2002
- Solid cash flow generation – $137 million
- Interim dividend of 5 cents per share 70% franked
- $75m investment in Tomago aluminium expansion confirmed
- $100m renewable energy project under way – others under review
- Further streamlining of organisation to deliver over $15 million in ongoing annual savings

2003 performance in line with 2002

Half year ended 30 September $ million unless stated	2003	2002	% Change
Trading revenue	1,110.7	1,096.2	1.3
EBITDA	218.9	217.2	0.8
EBIT	165.0	168.0	-1.8
Finance costs after tax	-6.8	-6.7	
Tax expense on EBIT	-43.9	-43.5	
Outside equity interest	-14.3	-11.5	
Net profit	100.0	106.3	-5.9
Earnings per share (cents)	10.6	11.3	

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Significant reduction in net debt

$ million unless stated	As at 30 Sep 2003	As at 31 March 2003
Total assets	2,441	2,736
Total liabilities	1,241	1,587
Total shareholders' equity	1,200	1,149
Net debt	161	226
Net debt: equity plus net debt	11.8%	16.4%
Interest cover	24.6x	15.4x

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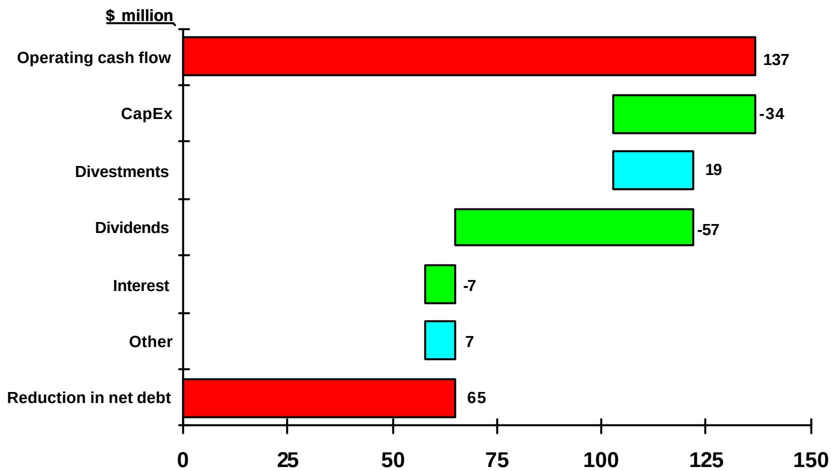
Strong cash flow supports dividend yield

- Strong cash flow continues to support high dividend payout ratio combined with significant reduction in debt



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EBIT breakdown

Half Year ended 30 Sept	$m EBIT		
	2003	**2002**	**% Change**
Building Products	59.2	63.2	-6.3
Aluminium	72.8	61.1	19.1
Sugar (1)	48.7	59.3	-17.9
Property	2.5	5.0	-50.0
Corporate Costs	-9.8	-10.9 (2)	
Subtotal	**173.4**	**177.7**	**-2.4**
Restructure & Provisions (3)	-8.4	-9.7	
Total EBIT	**165.0**	**168.0**	**-1.8**

1. Based on raw sugar price of $250 per tonne
2. Based on normalised costs assumed in the demerger scheme booklet.
3. Includes product liability costs and superannuation costs partly offset by write back of provisions

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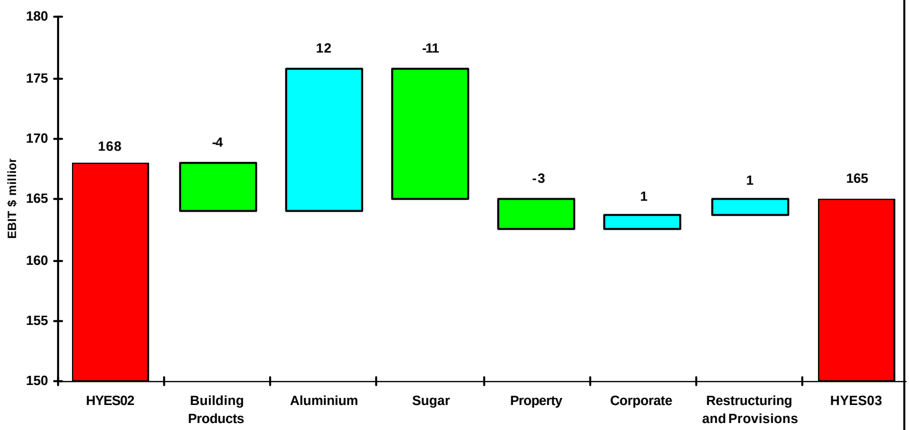
Review of EBIT movements



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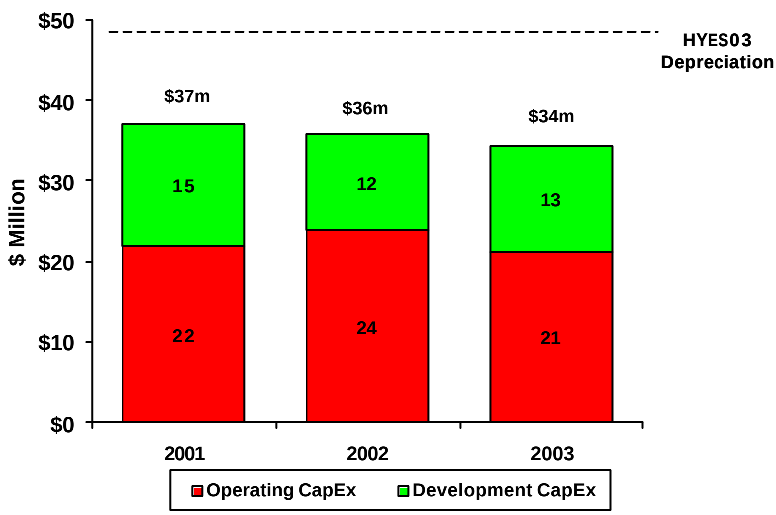
Operating capex significantly below depreciation



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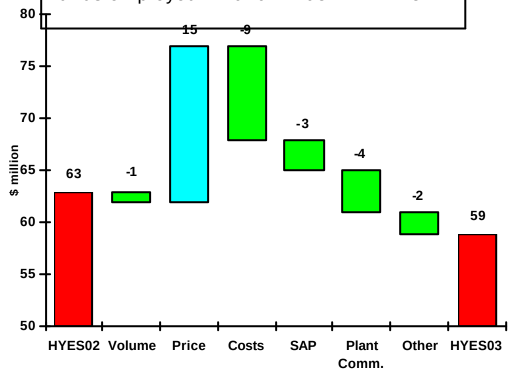
Building Products – price improvements partially offset softer market and higher costs

$m HYES	2003	2002	%
Trading revenue	462	462	-
EBITDA	81	80	1
EBIT	59	63	-6
Funds employed	619	637	-3



- Small overall volume decline with stronger commercial market offsetting 13.7% decline in east cost detached housing starts
- Pricing improvements achieved across whole product range more than offset volume decline
- Cost increases due to inflation and higher levels of R&M aimed at lifting factory reliability
- Ongoing impact on EBIT from SAP amortisation
- Increased costs in roofing from Rosehill commissioning and operating multiple plants in NSW

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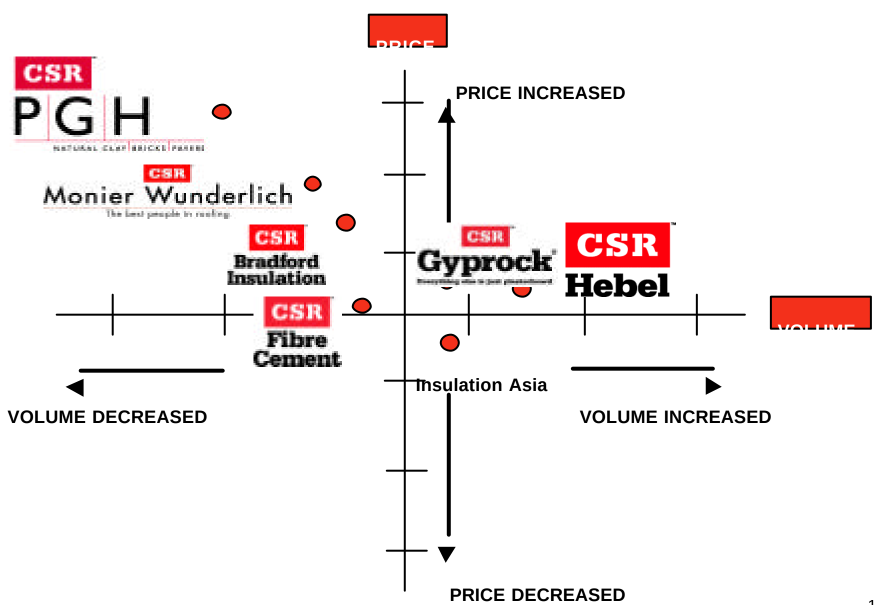
Pricing improvements in all products



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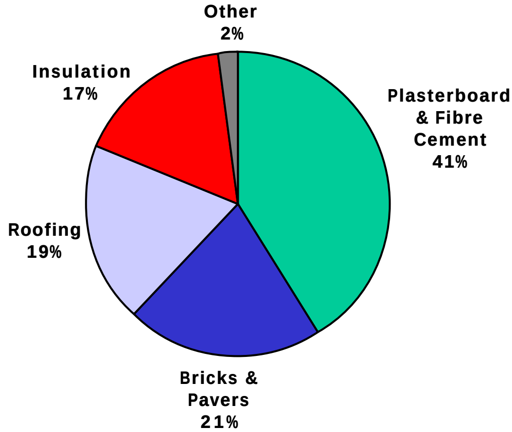
Review of performance by product



HYES03 Trading Revenue - $462 million

- **Plasterboard** – improved performance due to stronger prices and higher volumes
- **Fibre Cement** – some reduction in volume offset by improved product mix. Successful launch of compressed panel product for commercial sector
- **Roofing** – Decreased volume due to market downturn. Rosehill commissioning continues – products are well received by the market
- **Bricks & Pavers** – strong increase in pricing offset by volume reduction. Hebel performing particularly well in commercial market
- **Insulation** – good turnaround in performance due to increased prices and cost control
  - Asia – China performing well with Malaysia and Singapore impacted by price competition

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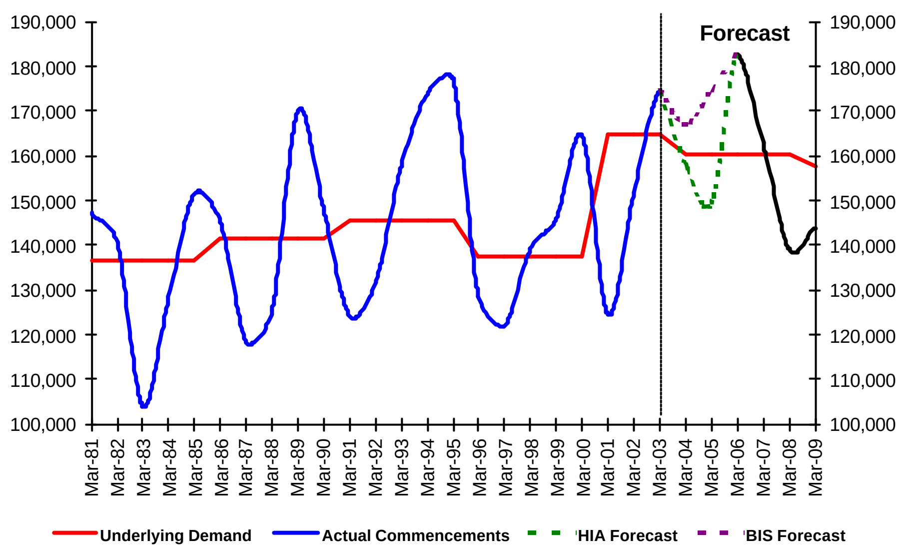
Australian housing outlook



Source: ABS, HIA and BIS Shrapnel

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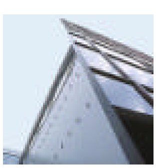
Product innovation focusing on the commercial sector

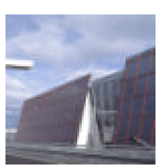
- **Compressed façade system designed for commercial market**
  - Allows for differential movement between sheets and vertical joints
  - Easy to install
  - Lightweight
  - Minimises leaking and cracking
- **Good commercial market acceptance since product launch in June 2003**

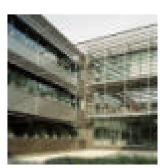
CSR ExpressWall
COMPRESSED SHEET FACADE SYSTEM

Paroc Panel systems

- **CSR has signed an exclusive distribution agreement with Paroc Panel Systems of Finland**
  - CSR to distribute Paroc Panel in Australia, NZ and in most of Asia
  - Advanced sandwich panel system based on non-combustible core material between a coated steel outer shell
  - Well suited for external and internal walls and ceilings that require fire ratings, strength, tightness and thermal insulation
  - Strong global appeal with significant use in Europe – 10 million square metres sold to date
  - Currently exploring manufacturing feasibility in Australia and Asia





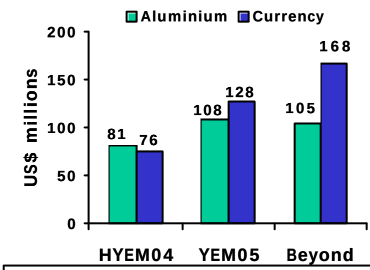


Aluminium EBIT up 19.1%

$m HYES	2003	2002	%
Trading Revenue	223	215	4
EBITDA	84	72	16
EBIT	73	61	19
Funds Employed	221	303	-27

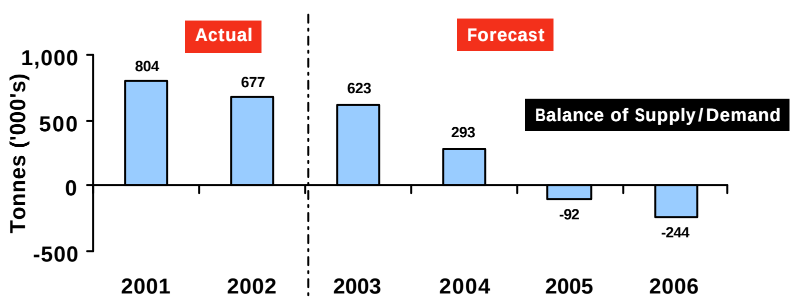
- EBIT improvement of 19% on 4% increase in revenues
- Decrease in alumina costs contributed to margin improvement
- Profits also benefited from hedging
- Tonnage sold increased by 2% to 81,782
- World aluminium price increased to US$1,400 a tonne for HYES03 compared to US$1,353 for HYES02

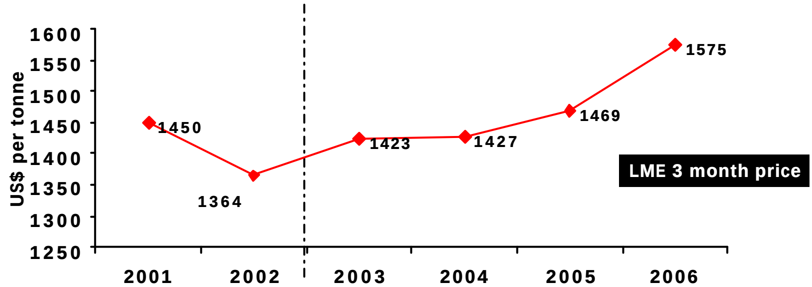
Hedge Book in US$ millions



	HYEM04	YEM05	Beyond	
	0.542	0.532	0.535	Average forward currency rate in US cents
	1,492	1,445	1,453	Average forward aluminium price in US$ per tonne

Aluminium market environment





Source: CRU International Ltd forecasts

$75m expansion in Aluminium

- Gove Aluminium Finance (CSR 70%) to invest $75 million in upgrade (total cost $210 million)
- Tomago production to increase by 70,000 tonnes per annum (GAF share 25,235 tonnes)
- Construction to be completed over the next three months
- One of the world's lowest cost projects for increased aluminium capacity

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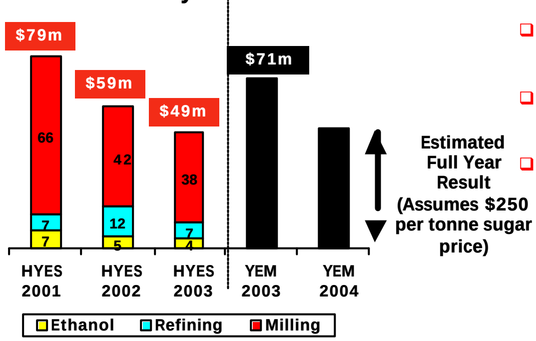
Difficult trading conditions in Sugar continue

$m HYES	2003	2002	%
Trading Revenue	423	420	1
EBITDA	66	78	-15
EBIT	49	59	-18
Funds Empl	630	698	-10

EBIT by Business



- 9.83 million tonnes of sugarcane milled, producing 1.45mt sugar, up from 1.43mt last year
- Trading revenue flat
- EBIT impacted by delayed STL dividend and reduced sugar hedging benefit
- Refining result down due to poor domestic trading conditions
- Ethanol result down due to reduced export prices
- Impact of sugar price movements: A$10 per tonne change in price impacts EBIT by $7 million

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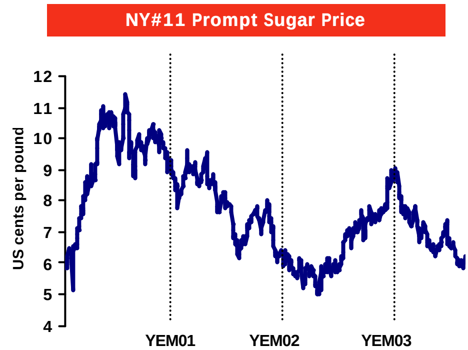
Dynamics of the sugar market

- Sugarcane crop and raw sugar production steadily recovering – up 10% since 2001 - which is offset by significant drop-off in pricing

Half Year ended Sept	2003	2002	2001
Raw Sugar Production (mt)	**1.45**	1.43	1.32
CCS% of Sugarcane	**14.35%**	14.52%	14.74%
NY11 Average US cents per lb	**6.76**	5.86	8.43
CSR Pool Price – A$per tonne	**250**	250	341
CSR Final Pool Price (YEM)	**NA**	274	331



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$100m renewable energy project

- $100m investment at Pioneer Mill announced in September 2003
- Project is proceeding as planned with key contracts in line with budget
- Work plan in place to begin during the upcoming slack period
- Review of similar projects at other mills under way

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Property investments progressing well

- **Woodcroft: 35 hectare residential development in Sydney**
  - Site remediation to be completed in January 2004
  - Mirvac development application lodged – home and land packages to be available in mid to late 2004
  - First payment to CSR expected in early March 2004
- **Erskine Park: 100 hectare industrial park**
  - Road construction has begun – other services (power, water) in process
  - Land to be available for sale/development in mid 2004
- **Penrith Lakes Development progressing to public exhibition of development plans in 2004**
- **Small contribution expected from other land assets this year**
- **Enviroguard (50% JV with Brambles) operations also progressing well**

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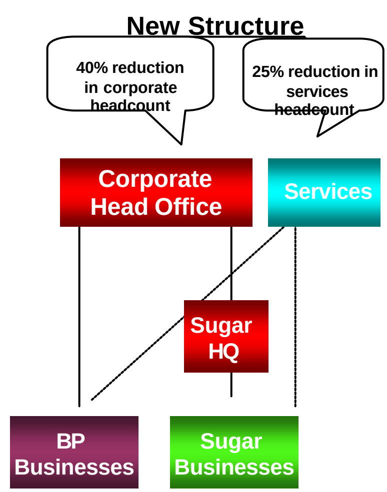
Corporate restructuring

- **Streamlining corporate overheads to reduce costs by at least $15 million per year**
- **One-off restructuring charge of up to $10 million to be taken this year**
- **Services function (IT, HR, accounts payable/receivable) to be merged into one unit**



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Outlook

- <u>Building Products</u> – Housing market in next six months expected to be below last year, however price increases expected to positively impact second half results
- <u>Aluminum</u> – Returns are well hedged to provide stability in profits. Results over the next six months will be impacted by timing of shipments and some higher one-off costs at Tomago
- <u>Sugar</u> – Pricing outlook likely to be in the \$230-\$250 a tonne range – down from \$274 per tonne in YEM03. Final crop expected to be slightly ahead of last year. Full year result likely to be in line or below half year result
- Small contribution from Property this year
- Overall, based on weakening sugar price outlook and stronger Australian dollar, operating result likely to be at least 5% below YEM03, excluding the one-off restructuring charge

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Summary

- Following successful demerger of Rinker, CSR has made good progress on a number of initiatives:
  - Improved the already strong balance sheet
  - Lifted factory efficiencies and customer service
  - Committed \$176 million to launch two growth projects to create value from surplus cash flow
- Benefits of improvements in business performance, cost control and low risk growth should underpin dividend payout capacity in future years – full franking expected next year
- Capital management opportunities to provide additional value for shareholders

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