A YEAR OF MAJOR CHANGE FOR CSR

Results Presentation

Year ended 31 March 2003

- Good morning and welcome to everyone here this morning and to all of you listening on the webcast.
- Today we have the unusual situation of two separate public companies presenting their annual results together with both sets of results derived from the one set of statutory accounts.
- It is of course driven by the fact that the demerger of Rinker Group from the CSR Group coincided with the end of the financial year.
- It is a historic occasion in that it is the last time that CSR and Rinker Group will be sharing a common stage. Both companies have been trading and operating separately since 1 April 2003.
- Rinker Group has already moved to its own corporate office – also in Chatswood
- We welcome them back for today's joint presentation

Agenda

Part 1		CSR Group - Statutory results for YEM 03 including Rinker	Alec Brennan
Part 2		Performance of ongoing businesses and Q&A	Alec Brennan
Part 3		Performance of businesses and Q&A	David Clarke

- The agenda for today is as follows:
- I intend today to briefly go through the statutory accounts of the CSR Group, which include the results of both CSR and Rinker.
- I will then focus solely on the business performance, strategy and outlook for those businesses that are part of CSR on an ongoing basis – building products, aluminium and sugar. We will then take a few minutes to answer your questions about CSR.
- I will then hand over to David Clarke, to go through the results for Rinker Group followed by a Q&A session for Rinker.
- Before I start I would like to introduce some of the senior management team of CSR Limited, many of whom you already know:

  Graeme Pettigrew…Chief Executive CSR Building Products

  John Davies…General Manager Gove Aluminium

  Ian McMaster…Chief Executive CSR Sugar

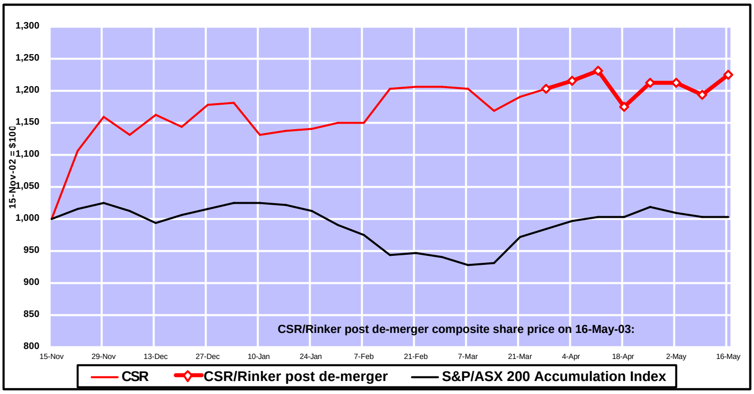
  Tony Carlton…Executive General Manager Strategy and Development

  and

  Warren Saxelby…Chief Financial Officer

Highlights for 2003 Financial Year

- Demerger of Rinker Group announced in November 2002, completed by end March 2003
- Solid share price performance post announcement – and post separation



- Record operating result for CSR Group (including Rinker) - EBIT up 5% to A$974m

- The major event of the year for the CSR Group of course was the demerger.
- We announced that the demerger would proceed at our half yearly results in November and completed the demerger by end March 2003
- Post the November announcement, the share price performed strongly in relation to the ASX 200 index and has outperformed the market by 20%. This strong performance has been maintained by the two stocks since they began trading separately as well.
- As you have seen from our announcement this morning, the last result for CSR Group including Rinker has been a pretty solid one. Our EBIT was up 5% to $974 million.
- This is a good outcome that was achieved despite the pressures of the demerger process.

CSR Group Financial Results (including Rinker)

- Record operating result for the CSR Group

Year ended 31 March 2003	A$m	% Change
Trading revenue	7,283	+4
EBIT (before significant items)	974	+5
EBIT / Sales	13.4%	+0.1pp
Net profit before significant items	561	+1
Net cash from operating activities	1,172	-2
ROFE before significant items	16.4%	+0.9pp
Net profit after significant items*	2,054	

* Includes the A$1.5 billion significant net profit to CSR arising from the demerger.

CSR

- For the CSR Group, trading revenue increased by 4% to $7.3 billion
- The record EBIT result was backed up by improvements in our EBIT/sales margin and in our return on funds employed
- Earnings from all businesses improved, although the stronger Australian dollar negatively impacted the translation of Rinker's results.
- Before significant items, net profit was $561 million, in line with the previous year despite a one-off A$40 million tax and interest benefit in the 2002 profit. Excluding this item, the 2003 net profit increased by 11% compared to last year.
- The net profit after tax to CSR includes the significant item of the A$1.5 billion net profit to CSR resulting from the demerger of Rinker.
- In essence the amount is the difference between the fair value of Rinker – determined after ten days separate trading less the book value less the transaction costs of the demerger.
- This significant profit was distributed to CSR shareholders in the value of shares in Rinker.
- Demerger costs amounted to $74.2 million, which is in line with the estimate in the scheme booklet.

Group Financial Position

As at A$ million	PRE-DEMERGER CSR GROUP 31 March 2003	 31 March 2002	POST-DEMERGER RINKER 31 March 2003	 CSR 31 March 2003
Total assets	**8,718**	7,950	**6,395**	**2,736**
Total liabilities	**4,529**	3,846	**3,258**	**1,587**
Total shareholders' equity	**4,189**	4,104	**3,137**	**1,149**
Net debt	**1,806**	1,738	**1,580**	**226**
Gearing ratios (%)				
Net debt: equity plus net debt	**30.1**	29.7	**33.5**	**16.4**
Net debt: equity	**43.1**	42.3	**50.4**	**19.7**

CSR

- The financial position of the CSR Group pre-demerger and for both CSR Limited and Rinker Group Limited following the demerger are shown on this slide.
- However, you will see these two parts add up to slightly more than the pre-demerger values due to revaluation of some assets transferred to Rinker with the demerger.
- I will leave David to review Rinker's balance sheet with you further during his presentation.
- For CSR, we have a strong balance sheet with modest debt and low gearing of 16%.

YEM03 Results Compared to Forecasts

	CSR			RINKER		
	Year ended 31 March 03		Year ended 31 March 02	Year ended 31 March 03		Year ended 31 March 02
	Actuals	Forecast [1]		Actuals	Forecast [1]	
Total Revenue	**2,127**	2,032	2,047	**5,359**	5,368	5,123
EBIT	**276**	272	280	**698**	696	646
Net profit	**172** [2]	159		**389** [2]	384	
Earnings per share (A$ cents)	**18.3**	16.9		**41.5**	40.9	

(1) Proforma as outlined in the demerger booklet.

(2) Net profit is based on normalised allocations of corporate costs and net finance expense after tax as per the demerger booklet.

- In order for you to better understand the group results, we have separated the P&L between the two companies.
- The forecast column on this slide refers to the scheme booklet forecasts. For the full year, we slightly exceeded the forecasts found in the demerger booklet on a like for like basis.
- For CSR, the total revenue was $2.1 billion, a slight increase from 2002. Combined with Rinker's total revenue of $5.4 billion is the total revenue of $7.5 billion
- On the EBIT line, CSR's EBIT of $276 million was slightly below the previous year due to adverse one-off impacts while Rinker recorded an 8% increase bringing the group total to $974 million.
- We have not provided 2002 figures for CSR and Rinker below the EBIT line due to the difficulty of allocating prior years finance costs between the two businesses.
- Finally looking at net profit before significant items, CSR delivered $172 million with $389 million from Rinker. As you will see these figures are based on normalised net finance expenses in line with the demerger booklet. CSR's higher net profit is due to a lower tax rate of 25% reflecting benefits of property profits which are subject to lower tax.
- These figures translate into an EPS before significant items for CSR of 18.3 cents with 41.5 cents from Rinker and a total for the group of 59.8 cents

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Part 3	RINKER	Performance businesses and Q&A	David Clarke

CSR

- That is end of the CSR statutory accounts. Now I will talk about the ongoing CSR businesses following the demerger.

CSR EBIT Breakdown

- Improved profits from building products and aluminium

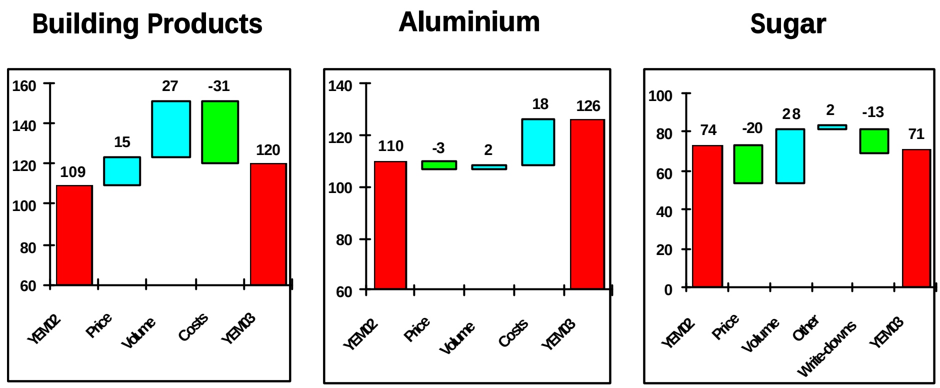
Year ended 31 March 2003	A$m EBIT		
	YEM03	YEM02	% Change
Building Products	120	109	10%
Aluminium	126	110	15%
Sugar	71	74	(4)%
Corporate Costs (1)	(19)	(21)	
Subtotal	**297**	**272**	**9%**
Restructure & Provisions (2)	(22)	8	
Total EBIT	**276**	**280**	**(1)%**

CSR

(1) Normalised as per scheme booklet
(2) YEM03 includes A$35 million superannuation top -up

- You can see that prior to the restructuring and provisions line CSR EBIT is up 9%.
- This is on the back of stronger results from both building products and aluminium
- For building products EBIT was up 10% driven by higher activity levels in the new housing market.
- Aluminium EBIT increased by 15% to $126 million. We had record sales and lower costs.
- Sugar was down 4%. It would have been marginally up but for a $13 million write-down of our Plane Creek VLC assets. We had an improved sugarcane crop offset by lower raw sugar prices.
- Normalised corporate costs were slightly reduced and we will be working hard to bring these costs down further this year.
- In the restructuring and provisions line, we have had the benefit in each of the last two years of asset sales offsetting the charge to the asbestos provision.
- This year however we were required to make a $35 million top up to the CSR defined benefit superannuation fund
- While this fund is currently funded to more than 100% of liabilities, future funding obligations will depend on the performance of equities markets.
- We also had the impact of some provision write-backs totalling $15 million and property profits amounting to $25 million

Review of EBIT by Business



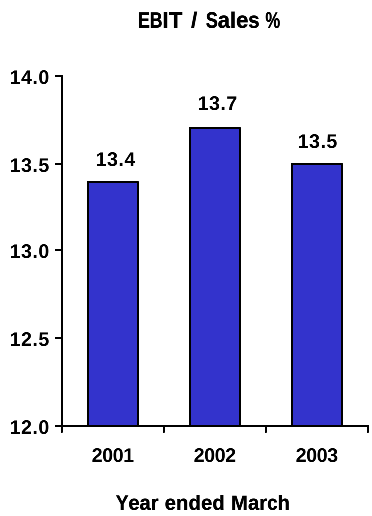
CSR

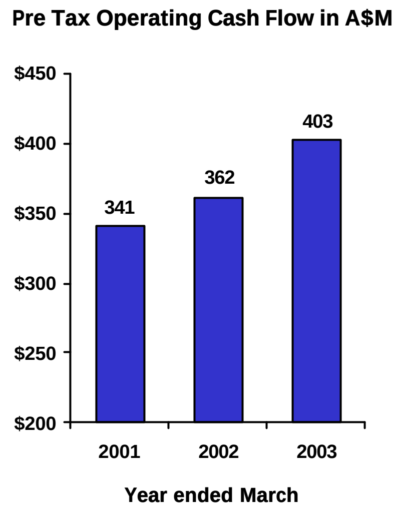
- Looking at the breakdown of EBIT by business, in Building Products, both price and volumes were up, but costs increased due to a range of factors including the commissioning of our new Rosehill concrete roof tile plant, SAP implementation, factory performance issues and some one-off costs associated with meeting the very sharp spike in demand last year.

- In Aluminium, prices were down slightly with a marginal increase in volume. The result was helped significantly by the positive impact of lower alumina price due to favourable contract terms, lower LME aluminium price and the benefit from a stronger A$.

- In Sugar, the world sugar price remains depressed and therefore reduced EBIT by $26 million despite the significant increase in volume. The write-down of the Plane Creek assets of $13 million is offset by improved profits in refined sugar .

EBIT Margin & Cashflow

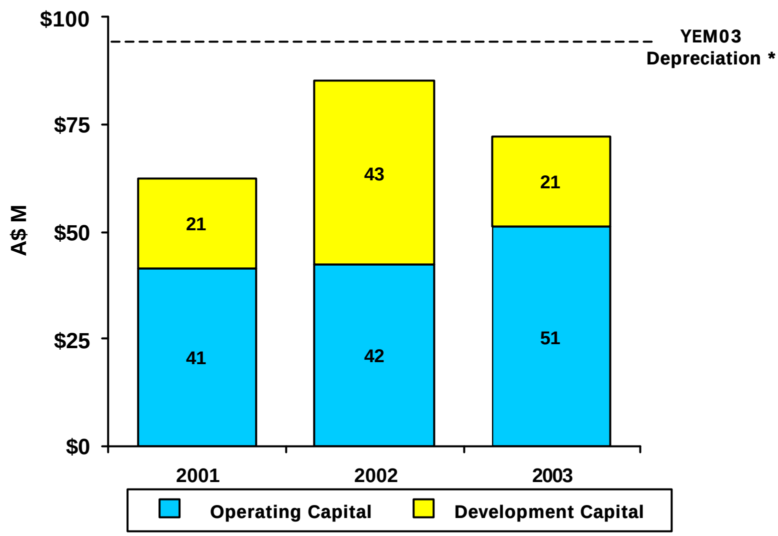




CSR

- For the CSR group, the profit margin fell slightly to 13.5% due principally to the impact of a one-off contribution to the defined benefit fund.
- Looking at cash flow, CSR has three businesses that are strong cash generators. An 11% increase in pre-tax operating cash flow reflects the higher EBITDA and good management of working capital. This number is $40 million stronger than the cashflow forecast in the scheme demerger due to changes to working capital.

Operating CAPEX at Sustainable Levels



* Excluding corporate depreciation of $13 million

- In CSR we have our internal definitions of what constitutes development and operating capex. For example, there are always debates about whether replacing systems is development or stay in business capital.
- The development capex in YEM03 largely relates to SAP implementation and the costs associated with constructing the Rosehill concrete tile plant.
- The important point is that total capex continues to be well-managed. For 2003, it was at around 75% of depreciation.
- However, looking ahead to this year, if we make a significant investment such as the capacity expansion at Tomago, our total capex will likely exceed depreciation.

Strong Financial Position

- Low gearing provides opportunity to maximise shareholder returns
- Share buyback announced for 5% of CSR shares
- Dividend of 6 cents per share with 70% franking

Key Facts

Net debt:	A$226 m
Net debt: Equity plus net debt	16.4%
Net debt: Equity	19.7%
Funds employed	A$1,365 m
NTA / Share	$1.10 per share
Investment Grade Ratings	
S&P	BBB+
Moody's	Baa2
Fitch	BBB+

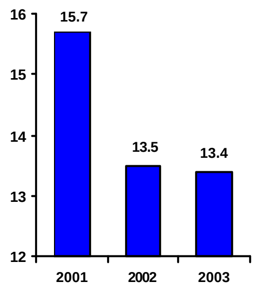
CSR

- CSR is in a very strong financial position with gearing of just 16%
- It has investment grade credit ratings although these were reduced slightly following the demerger due to the smaller scale of the businesses
- Looking ahead for CSR, we are seeking to improve the future returns for shareholders and as a first step announced a share buyback for 5% of shares as well as a 6 cent dividend franked at 70% which is consistent with the proposal in the explanatory booklet.
- We believe that until such time as dividends can be fully franked, a buyback is a tax effective way of rewarding shareholders
- Even with the buyback, the company has plenty of financial flexibility to pursue sensible low risk growth opportunities.

Building Products EBIT up 10%

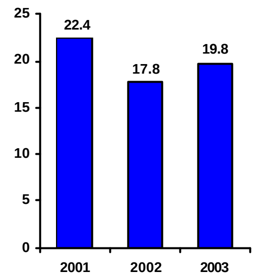
A$m	2003	2002	%
Revenue	896	806	+11%
EBITDA	155	143	+8%
EBIT	120	109	+10%
Funds Empl	606	612	-1%

EBIT / SALES %



Year ended March

ROFE %



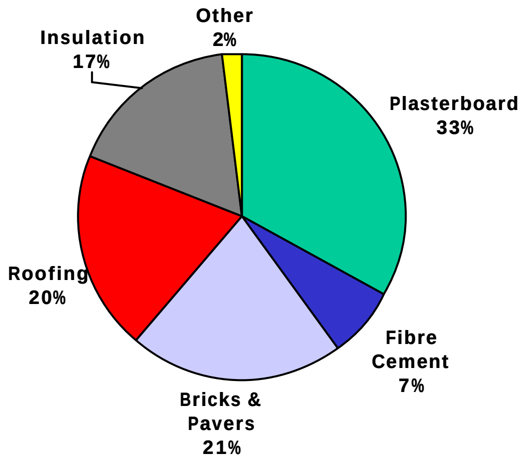
Year ended March

- EBIT up 10% on 11% sales increase
- Sharper than anticipated increase in Australian housing activity – 175,000 starts
- Operational and logistics issues in meeting market requirements induced extra costs
- Commissioned Rosehill tile plant now producing. Divestment of redundant sites in process
- New business information systems in Australia/NZ in final deployment stage
- Strong control over working capital and capital expenditure

CSR

- In Building Products, EBIT was up 10% on 11% sales increase
- This increase was largely due to the sharper than expected increase in Australian housing activity in certain regions with a total of 175,000 starts for the year
- We were not able to take full advantage of the strength of the market due to a number of significant logistical and operational issues
- In particular we incurred significant extra costs as we worked to meet customer requirements during the demand spike in certain parts of the country
- We are well prepared for the year ahead with the Rosehill concrete tile plant now in production and we have further consolidated our plasterboard distribution channels
- SAP computer systems are now in the last stage of roll-out across all Australian/NZ businesses and this will help us to improve customer service and efficiency.

Stronger than Expected Activity Across all Markets



Total YEM03 Revenue - $896 million

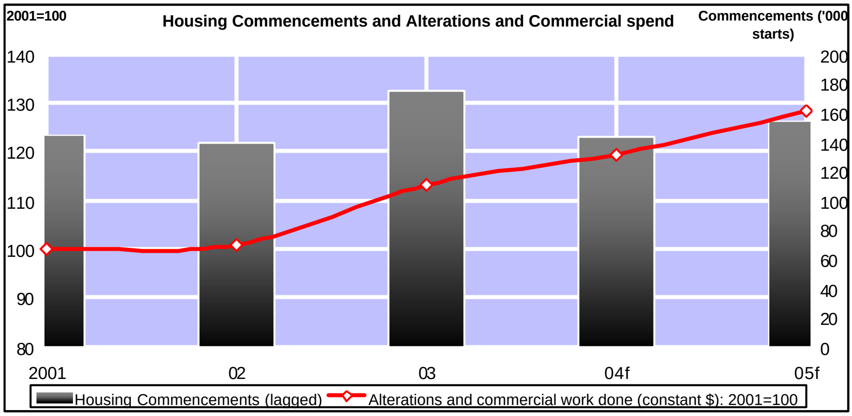
- **Plasterboard** - improvement driven by stronger sales
- **Fibre cement** – continues to perform well. Volumes are up in a strong market
- **Roofing** – Major initiative undertaken with the construction and commissioning of a new concrete tile plant to serve Sydney market. Launched new terracotta designs
- **Bricks & Hebel** – increased production and sales volumes with improved prices
- **Insulation** – Good volumes but prices deteriorated compared to last year. Early signs of improving prices now seen.
  - Satisfactory results from Asian operations

CSR

- As mentioned, housing starts increased from 140,000 to 175,000 which helped all business units improve performance, except the Australian insulation business which was impacted by some production problems
- **Plasterboard** - most improvement came from stronger sales volumes
- **Fibre cement** – continues to perform well. Volumes up in a strong market.
- **Roofing** – Major initiative undertaken with the construction and commissioning of new concrete tile plant to serve Sydney market. Launched new terracotta designs.
- **Bricks & Hebel** – increased production and sales volumes with improved prices.
- **Insulation** – Good volumes but prices compared to last year. Early signs of improving prices now seen
- We also had a satisfactory result from our Asian operations in insulation

Australian Housing Outlook

- **Softening housing start market to be offset by steady increase in alterations and commercial work**



Source: ABS, HIA and BIS Shrapnel

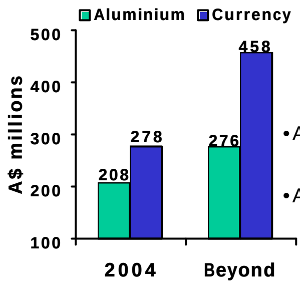
- Market for new housing, particularly multi residential expected to soften over next twelve months.
- Commercial and alterations and additions markets are expected to strengthen which will partly compensate for the drop-off in housing starts
- The other major challenge is to recover efficiency and customer service levels that were dented during the 2003 housing spike.
- Prices for a number of products continue to lag behind inflation and further price increases will be sought to recover costs

Record Aluminium Production and Sales

A$m YEM	2003	2002	%
Revenue	447	443	+1%
EBITDA	149	132	+13%
EBIT	126	110	+15%
Funds Empl	265	308	-14%

- EBIT improvement of 15% on 1% increase in revenues
- Profits benefited from hedging
- Continued pressure on world aluminium prices
- Option to participate in upgrade to increase production by 70,000 tonnes

Hedge Book in A$ millions



- Average forward currency rate in US cents: 0.53
- Average forward aluminium price in US$ per tonne: $1,480

Year-end March

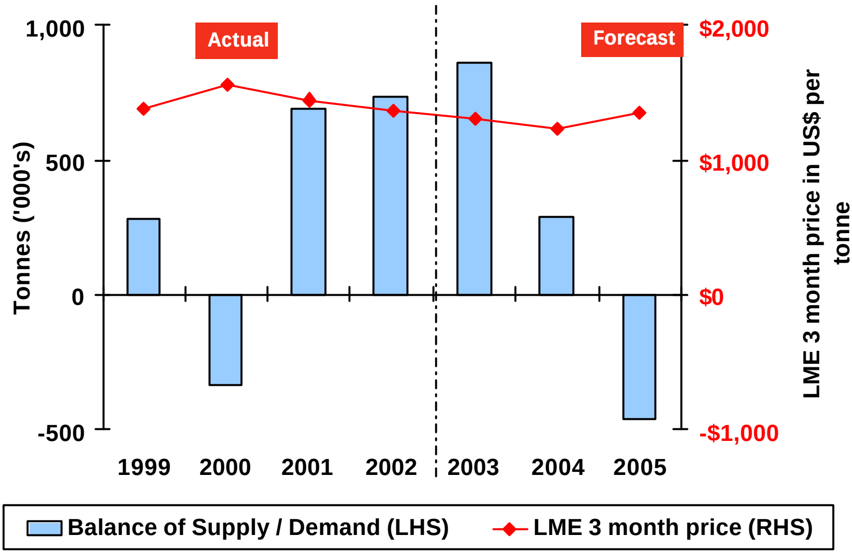
- Aluminium profit was up by 15%. The main influence was lower raw materials cost (principally alumina) offset in part by higher conversion costs at Tomago.
- Sales up marginally by 1% to 165,700 tonnes – which represents record levels
- Sales of the value added billet and slab products were up 31% due to strong demand for these products
- The average world aluminium price was down 3.4% to US$ 1364/tonne
- On the upside, hedging continues to ensure steady returns.

Strong demand for value-added products

- For a bit more background on our aluminium operations, here are examples of the three types of products produced at Tomago
- **Ingot** is commodity aluminium for remelting. Sales for this past year were down to just under 116,000 tonnes due to increased sales of the value-added products
- **Billet –** is alloyed aluminium for extrusion presses to manufacture principally building, transport and industrial products. The past year had a strong increase in sales to about 25,000 tonnes – an increase of 34%
- **Slab -** is alloyed aluminium for rolling mills to manufacture plates, sheet and foils. Sales were also strong up 27% to just under 15,000 tonnes

- The bulk of our product is sold into the Asian markets, primarily to Japan and sold across a wide range of end user industries.
- The strategy for our aluminium business is to continue to
  - –maximise sales of value added products
  - –achieve high levels of profit insurance by hedging
  - –increase tonnage sold under long term contracts

Aluminium Market Environment



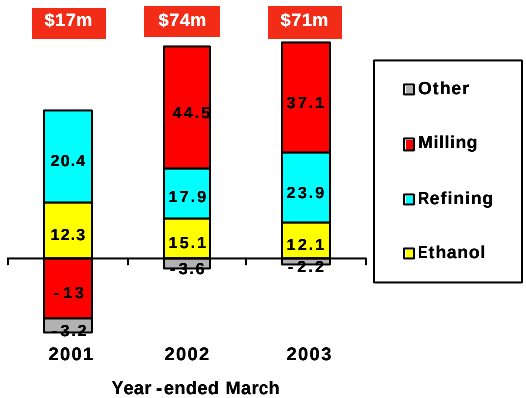
Source: CRU International Ltd

- The forecast market for Aluminium continues to show a net surplus of supply over demand for the next two years, with an expected move into a deficit position in calendar year 2005.
- Therefore the pricing outlook is also expected to improve once this balance is anticipated by the market.
- This chart includes the forecast production of China which is the fastest growing supplier in the market generating over 50% of the world production growth during the last four years. The overall outlook for the pricing beyond 2004 looks good, although increased production from China will remain a factor.

Steady Sugar Result with Lower World Prices

A$m YEM	2003	2002	%
Revenue	708	694	+2%
EBITDA	107	110	-3%
EBIT	71	74	-4%
Funds Empl	656	698	-6%

EBIT by Business

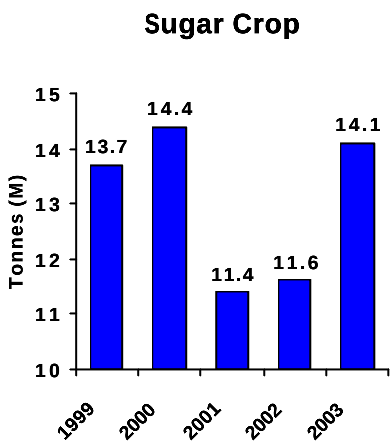


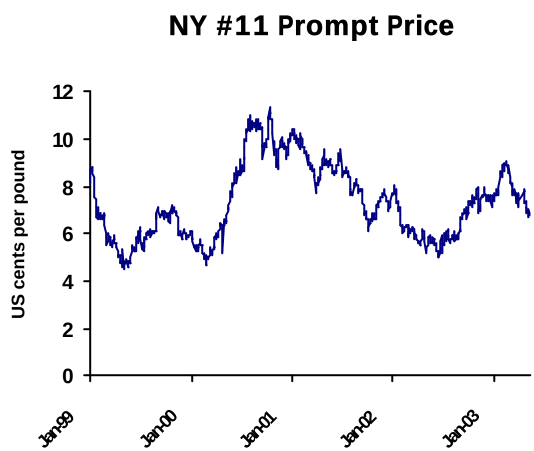
- Trading revenue up 2% to A$708 m
- Overall results reflect A$13 million writedown in Plane Creek
- 14.1 m tonnes milled producing 2.1 m tonnes of raw sugar – an increase of 22%
- Refining results higher on improved sales to food and beverage sector
- Ethanol returns fell slightly due mainly to higher molasses prices
- 2003 crop expected to be slightly lower than 2002

CSR

- Sugar revenue was up marginally to $708 million as the increased crop was offset by low raw sugar prices.
- EBIT reduced by 4% to $71 million which included a $13 million write-down of the value of assets used to produce very low colour sugar known as VLC. We expect this to be the last year of production of VLC, as there is no longer a viable market for this type of sugar.
- Refining EBIT increased due to high demand, while Ethanol was down due to increased molasses costs.
- Regarding this year's crop, the prospects for the Burdekin are good, although the lack of rain remains a problem in other Queensland regions. We are currently forecasting that this year's crop will be slightly lower than 2002.

Dynamics of Sugar Market





- The results for sugar include a significant increase in crop of 22%. This was driven by improved weather conditions in the last year and increased productivity.
- Despite increases in crop, we are subject to the significant volatility of the global sugar price market. As you can see the 7 US cent price represents a fall of almost 25% in the last three months.
- The sugar price outlook remains uncertain as a result of the low world raw sugar price combined with the rising Australian dollar.

Sugar Regulatory Environment

Proposed Regulatory Changes

- Cane production area system abolished
- Statutory bargaining replaced with voluntary system
- Compulsory acquisition: case-by-case exemptions for domestic market applications

Status in Government

- Debate on Amendment Bill ongoing in Queensland Parliament. Expect finalisation of legislation soon

Impact on CSR

- Will enable CSR to develop more commercial arrangements which will provide more flexibility and lead over time to increased profitability throughout the entire sugar value chain

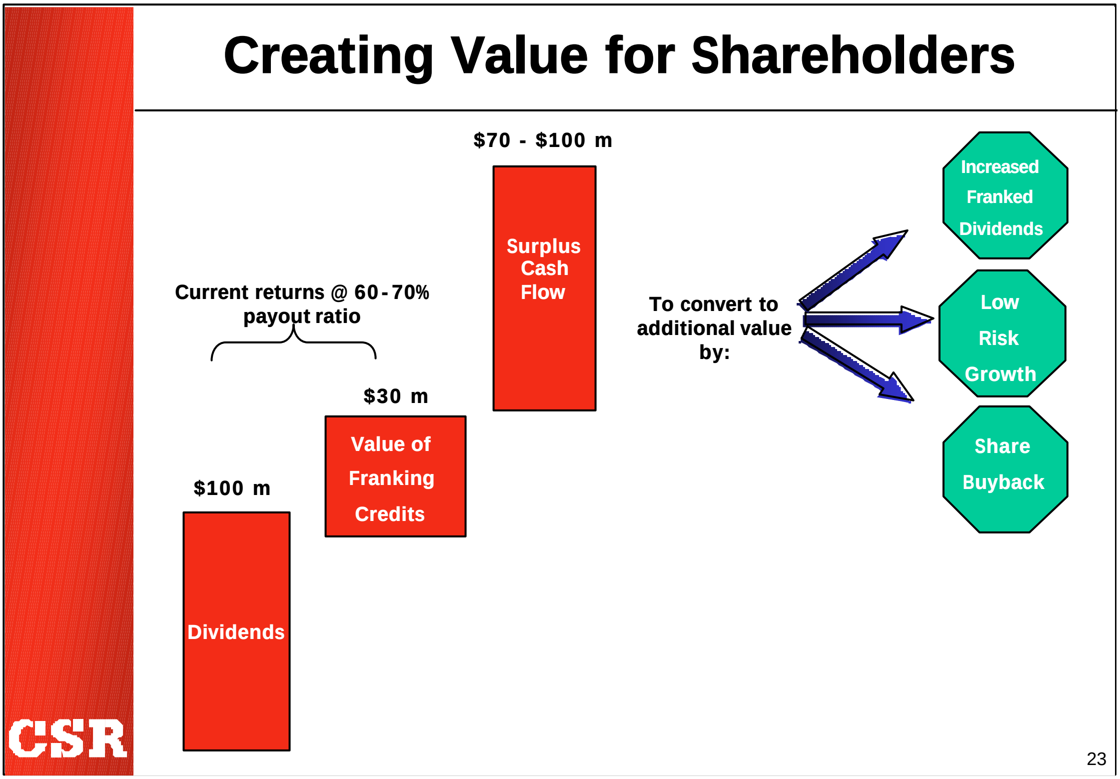
CSR

- You may have seen that the Queensland government is currently debating several key regulatory changes which will impact the longer-term performance of our sugar business.
- We expect resolution of the regulatory changes soon, but the key changes involve abolishing the cane production area arrangements and mandatory statutory bargaining. In addition we will have the opportunity to distribute sugar in the domestic market outside of the compulsory acquisition scheme.
- We believe these changes will enable us to develop more commercial arrangements with the cane growers which should improve profitability throughout the entire sugar value chain in years to come.

Sale and Development of Land Assets

- Development of 35 hectare site near Blacktown
- Site will include up to 400 dwellings plus enhancing 15 hectares of woodland and waterways
- Estimated A$40 million in development payments over the life of the project
- Future CSR development sites:
  - Erskine Park – 100 hectare potential industrial park
  - Sharing profits with Rinker on Penrith Lakes Development (CSR 20% interest)

- Today we have also announced our agreement with Mirvac Homes to develop CSR’s 35 hectare site at Woodcroft near Blacktown.
- CSR has several land assets and we see the development and sale of these assets over the next few years as an important contribution to the profits of the group.
- The Mirvac agreement enables us to receive a return in excess of $40 million over the life of the project expected to include up to 400 dwellings constructed over the next four years. There is also significant redevelopment of nearby woodland and waterways for the benefit of the local community.



- Now that we have reviewed the performance of each business, let's look at the strategy for CSR in the year ahead.
- CSR has cash generation of over $200 million dollars available for value creation for shareholders. Our strategy is to maximise the value of this cash.
- We are firstly distributing to shareholders $100 million in dividends which at today's share price implies a dividend yield of 6%. This is well above the average yield for the ASX200 of around 4%.
- With franking at 70%, this creates an additional $30 million in value.
- The remaining cash flow will be utilised for low risk growth opportunities or be returned to shareholders via the share buyback or increased dividends.
- We see several interesting growth opportunities for our businesses. These options will be reviewed with strict investment criteria and weighed against the potential returns of capital management programs before any capital outlays are made.

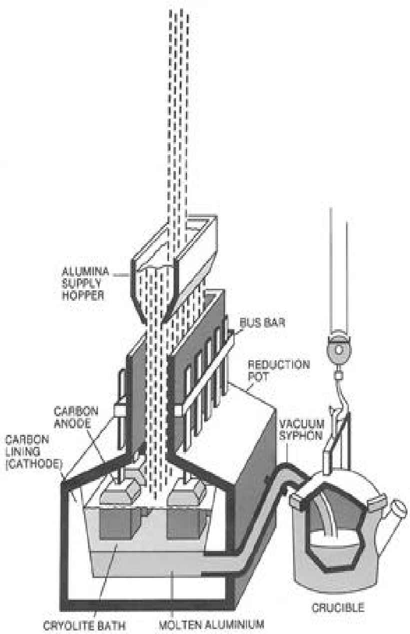
Low Risk Growth

- **Expand presence in Building Products**
  - Value added product and market development opportunities
  - Reviewing possible acquisition and restructuring options
- **Potential participation in expansion of capacity at Tomago**
  - Increase capacity by 70,000tpa to 530,000tpa
- **Complementary growth opportunities in Sugar**
  - Expand electricity co-generation assets
  - Increase ethanol production by construction of a new distillery
- **Maximise value from CSR's existing property assets**
  - Woodcroft, Erskine Park, Penrith Lakes Development Corporation

CSR

- Within building products, there are several acquisition opportunities in the market which may provide opportunities for us to increase our presence in key products. In addition, we are positioning our businesses in the higher growth commercial and alterations and additions markets.
- For aluminium, we will be evaluating our position in the expansion of the Tomago smelter and we expect to make a decision a bit later this year.
- In sugar, there are new projects under review for green energy production from our sugar mills. We already sell about 40MW of electricity into the Queensland grid, and see opportunities to increase this capability significantly, with potentially up to three additional cogeneration facilities.
- Increasing our ethanol production is another option to take advantage of the Federal government's extension of ethanol subsidies over the next 8 years.
- Today in fact Caltex is launching a new trial for an ethanol blended fuel in Cairns based on ethanol provided by CSR to help increase consumer acceptance of a 10% blended product.
- In addition, there are several property assets under development which will provide new income streams for the company.

Tomago AP 22 - Expansion



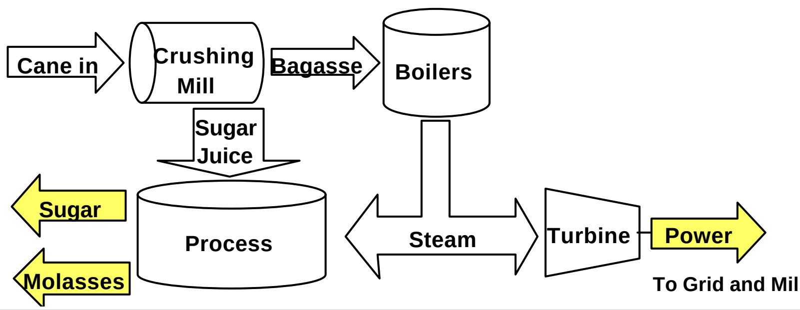
- Technology upgrade to increase Tomago production from 460 ktpa to 530 ktpa
- Construction complete end CY 2003
- Production ramps up over CY 2004-2006
- Total project cost A$209 million (GAF share $75.3 million)
- GAF has an option to participate, expiring 30 November 2003

CSR

- AP22 is a technology upgrade to increase Tomago production from 460 ktpa to 530 ktpa
- Construction is due for completion at the end of calendar year 2003
- Production then ramps up over calendar years 2004-2006
- The total project cost is A$209 million (with GAF's share at A$75.3 million)
- GAF has an option to participate which expires 30 November 2003

Co-generation Potential

- Cogeneration is the simultaneous production of electricity and process energy – usually steam – and is standard sugar mill practice
- Historically mills have not had access to the grid and have been deliberate inefficient steam generators
- New legislation created national market for renewable energy
- Market opportunity to improve mill steam efficiency and generate electricity and renewable energy credits (RECs)
- Favourable market dynamics could generate attractive returns for CSR investment in new projects



CSR

- Cogeneration is the simultaneous production of electricity and useable heat – this is mature technology, which has always been intrinsic to sugar mill operations
- Federal government legislation has created a national market for electricity generated from renewable fuels.
- This gives us an incentive to improve the efficiency of steam generation and consumption, and to use the additional steam to generate and sell electricity and Renewable Energy Certificates
- We have identified three potentially attractive opportunities at Pioneer, Victoria and Inkerman mills.

Outlook

- Challenging operating environment due to a number of uncertainties which can impact performance
  - Building Products profits to benefit from operational improvements, but in a softening housing market
  - 2003 sugarcane crop is expected to be slightly below the 2002 crop, although drought continues to be an issue and the sugar price outlook remains volatile
  - Aluminum revenue expected to perform in line with last year as the returns are well hedged
  - Property activity expected to provide a small contribution this year
- **Based on the current outlook, the goal is to achieve an operational result broadly in line with YEM03 subject to an anticipated higher effective tax rate**

CSR

- Looking at the outlook for each business, in building products, the slowdown in the market will reduce volumes, although we see some increases from improvements in the alterations and additions market and in the commercial sector.
- Sugar continues to be a very difficult business to forecast due to the unpredictable nature of the weather and sugar prices.
- On the upside, our aluminium returns are well hedged and it is expected to perform in line with last year. We also expect a small contribution from property activity which will increase in future years.
- A key characteristic across all of our businesses is that there are a number of uncertainties which can impact performance.
- Against this background, our goal is to achieve a result in line with last year subject to an anticipated higher effective tax rate.
- This concludes the CSR portion of today's presentation and I will now take the next few minutes to answer some of your questions.