

# MELBOURNE SITE ANALYSTS TOUR

SUGAR AUSTRALIA REFINERY, YARRAVILLE

31 March 2009



# AGENDA

- Australia / New Zealand Business Overview
- A Low Risk, Growth Business
- Sustainable Supply Footprint
- New Growth Platforms

## LEVERAGE STRONG MARKET POSITION FOR FURTHER GROWTH

- Strong safety performance and plans
- Profit creation through customer value
- Low Risk
  - Multiple channels to generate earnings
  - Earnings largely independent of raw sugar price
- A unique and sustainable supply footprint
- Well placed to capture new growth opportunities



Confidence behind future business performance despite current market conditions

# BUSINESS OVERVIEW

## REFINING JOINT VENTURES

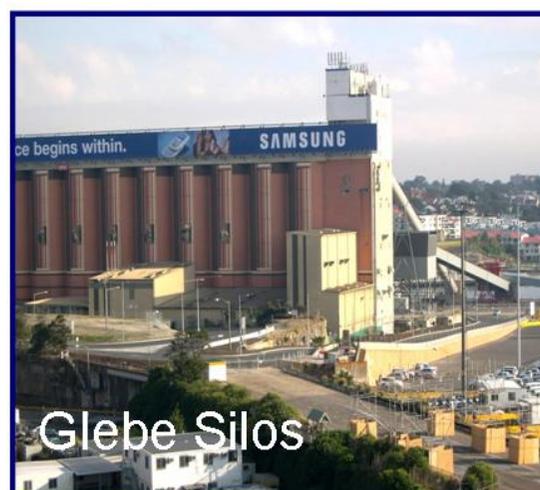
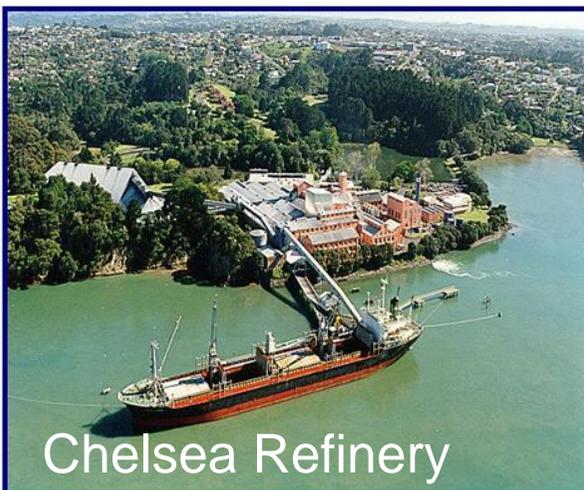
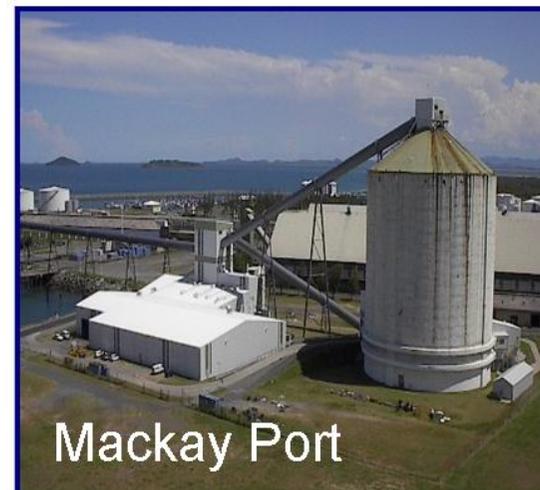
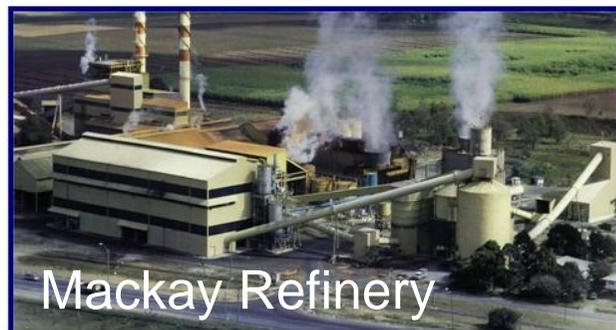
- CSR has 154 years in refining
- JV Established in March 1998
- 75% CSR Limited
- 25% Mackay Sugar Limited



# REFINING SUPPLY CHAIN

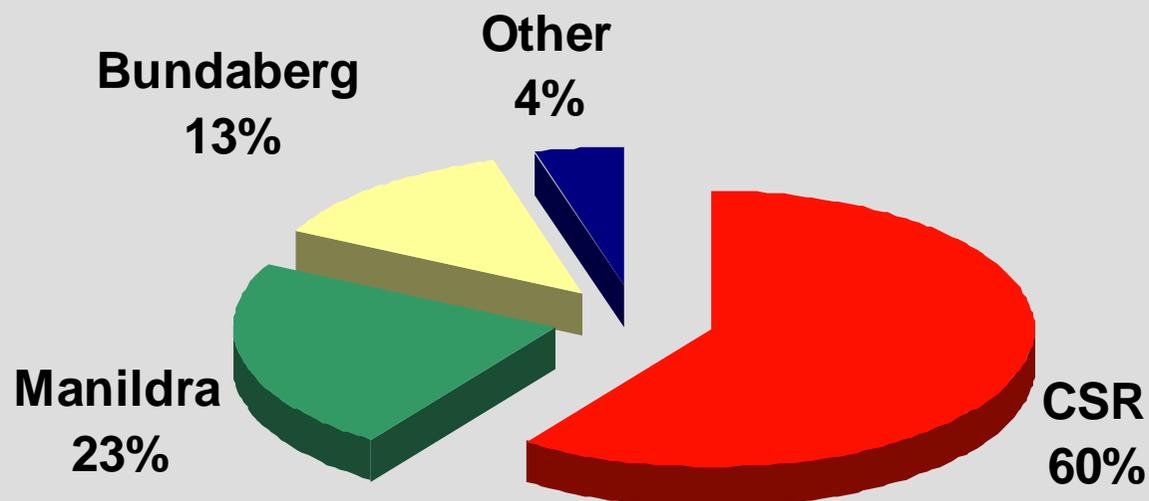


# MULTIPLE ASSETS PROVIDE SUPPLY CONFIDENCE TO CUSTOMERS



## LEADING DOMESTIC MARKET SHARE

Domestic Australia/New Zealand Refined Tonnes = 1,150kt



\*CSR export ~240kt to take-up refining capacity

# Source : Sugar Australia & New Zealand Sugar Co. Market Analysis

# REFINING

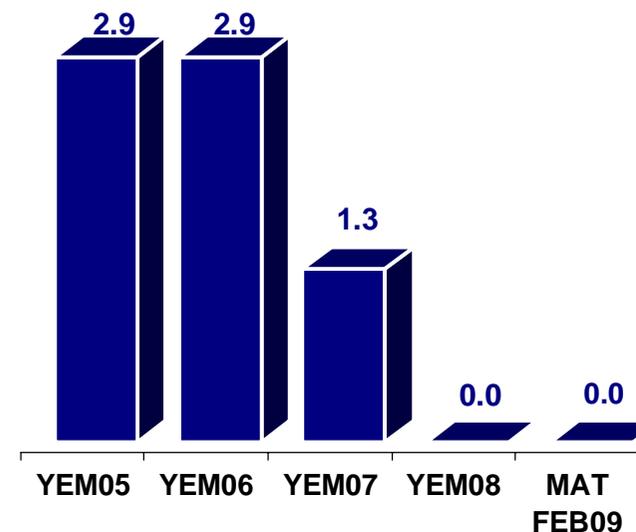
## A Low Risk, Growth Business

## SAFETY AT THE CORE OF BUSINESS IMPROVEMENT

- Excellent safety progress in recent years
- Significant cultural shift – ‘safety first’
- On-going development and implementation of robust policies and procedures
  - Risk Reduction focus
- Capital investment to underpin system & behaviour changes
  - A\$15m investment in dust explosion risk reduction

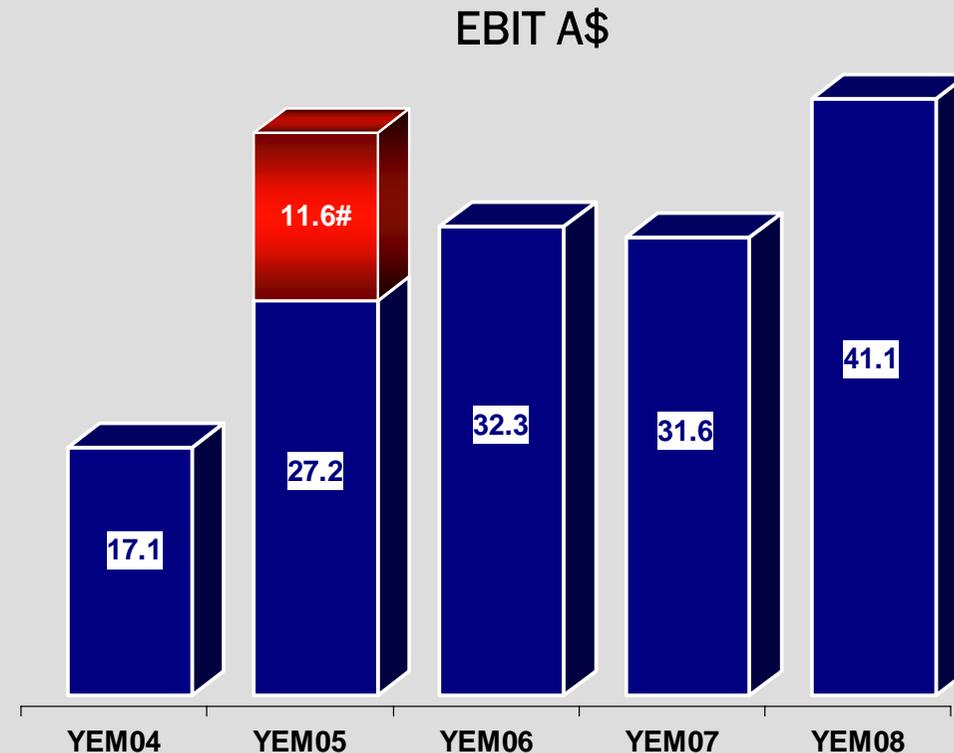


**Sugar Australia**  
Lost Time Injury Frequency Rate



## STRONG & SUSTAINABLE EBIT GROWTH IN REFINING

- Consistent EBIT improvement in recent years
- All channels in Australia and New Zealand contributing to growth
- Margin improvements supported by increased 'value-add' in customer proposition
- Locked-in supply contracts provide platform for earnings growth



\* EBIT Before Minorities

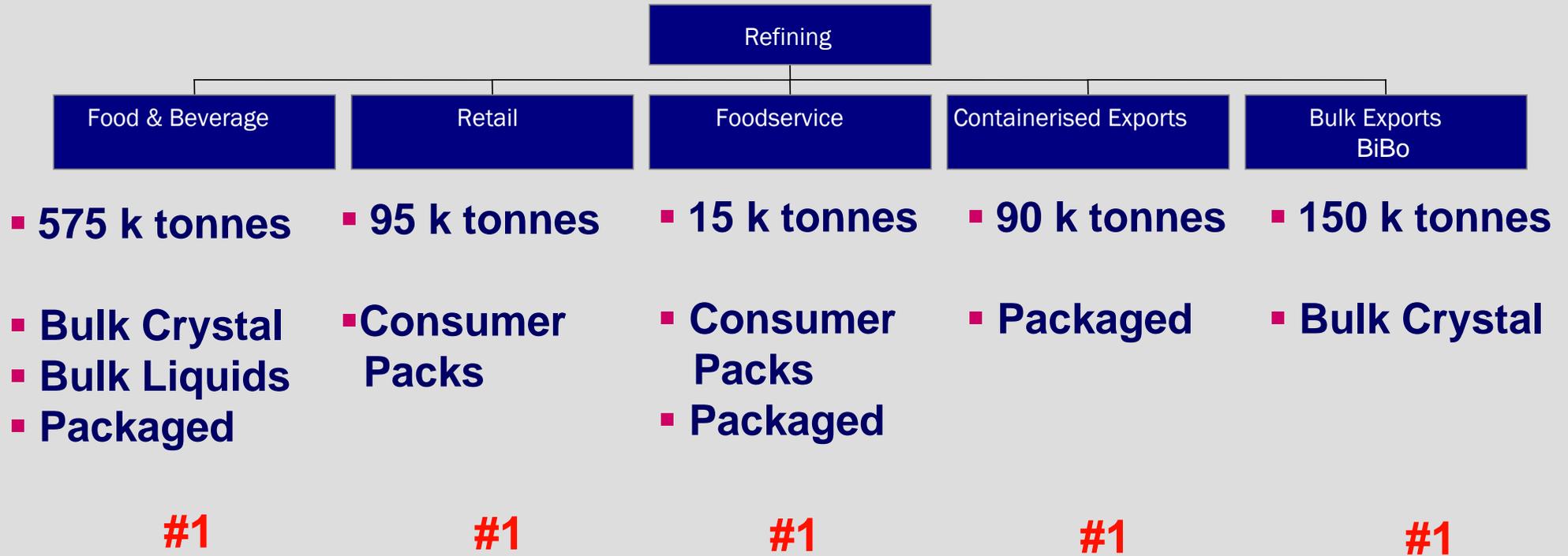
# One-off 'unsustainable volume drive'

## INCREASED CUSTOMER VALUE REFLECTED IN IMPROVED RETURNS

- Sugar Australia has significantly improved margins through its core business
  - Food & Beverage – strong commitment to quality product & service
  - Retail – product innovation and customer focus
- Delivering our ‘Customer Proposition’ is becoming a way of life
- Business performance is largely independent of sugar price volatility



# #1 A-NZ POSITIONS WITH DIVERSIFIED INCOME STREAMS

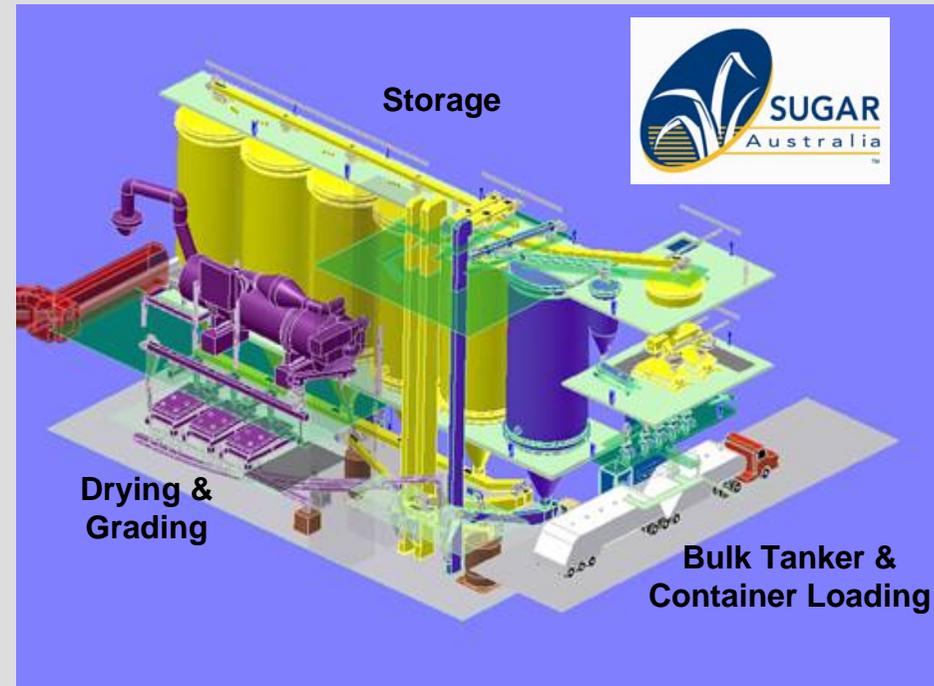


# REFINING

## A Sustainable, Supply Footprint

## YARRAVILLE UPGRADE IS A STRATEGIC INVESTMENT

- Replacement of the back-end of the refining process
- Exits all operations from the non-upgradeable drier house
- Increases sugar storage from 2/3rds day to 3 days
- Removes high business and operational risks around electrical and dust safety as well as catastrophic equipment failures



Yarraville's wharf access and close proximity to major customers, motorways and rail make for an ideal refinery site

# YARRAVILLE UPGRADE CONSOLIDATES CSR'S COMPETITIVE ADVANTAGE

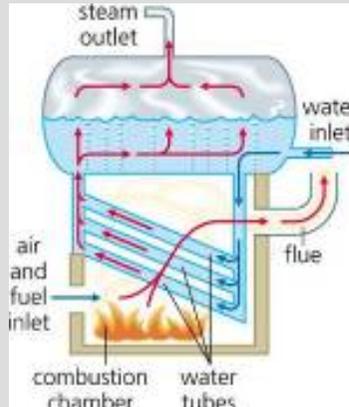
- Strengthen 'Customer Proposition' in Southern markets
  - Cements Yarraville as the only refinery south of Northern NSW
  - Better reliability
  - More consistent Quality
  - Improved storage supports Refinery efficiency and contingency planning
- Compliance to current & future food manufacturing standards
- Sustainable 3 refinery footprint across Australia and New Zealand
- Late 2009 commissioning



# CONTINUING THE SHIFT TOWARDS SUSTAINABLE BUSINESS

## BEING DELIVERED

- **Boiler Replacement @ Yarraville**
  - Efficient Steam production
  - 3500 tpa of CO2 reduction
- **Trade Waste in Glebe & Yarraville**
  - Reduced water usage by 13 million litres p.a.
  - Eliminating the disposal of 16 million litres to Trade Waste
  - Re-cycling of 3,000 tonnes of solids for composting
- **National Packaging Covenant (since '05)**
  - Packaging reduced from 5.2kg per tonne of product to 4.7kg = 10% reduction
  - Recyclability of all our packaging increased from 65% to 72%
  - Approx 400 tonnes of packaging reduced overall



## UNDER REVIEW

- **Carbon Water Treatment @ Yarraville**
  - Significantly reduce water requirements
- **MV Pioneer Ship Improvements**
  - Minimise fuel consumption
- **Further Yarraville Boiler Efficiencies**



# REFINING

## A Business with New Growth Platforms

## CSR'S 'BETTER FOR YOU' INNOVATION TO BUILD CATEGORY VALUE

- Further innovative sugar products launched in supermarkets March 2009
- 'All natural' products developed from extensive consumer research
- CSR LoGiCane™ is a 'world first' to market
- Supported by integrated consumer campaign
  - TV April-July
  - Magazines, Outdoor & Internet
- Gives consumers permission to enjoy sugar



## PROFITABLE EXPANSION OF 'SWEET SOLUTIONS' BUSINESS MODEL

- First step-out to Equal Distributorship highly successful in Retail & Foodservice Channels
- Second move into Food & Beverage 'Glucose' supply currently being commercialised
  - Import & Distribution Model
  - Existing customers
  - Two Approved & Accredited suppliers
  - Includes new product innovation driven from customer needs
- Pipeline of other growth opportunities to leverage infrastructure and capabilities in development



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