

RESULTS PRESENTATION

HALF YEAR ENDED 30 SEPTEMBER 2008

5 November 2008



Presentation agenda

Intro Building Products Sugar Aluminium Property Capital Outlook

Introduction and overview

Jerry Maycock, Managing Director

Divisional results – Building Products, Sugar, Aluminium and update on Capital Projects

Jerry Maycock

Property and Capital Management

Shane Gannon, CFO

Strategic overview and outlook

Jerry Maycock

CSR

INTRODUCTION

steady result in difficult market conditions

JERRY MAYCOCK

CSR

Earnings increase in difficult market conditions

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

Group EBIT increased by 12 per cent to \$177.4m

- In difficult market conditions CSR increased group EBIT by 12 per cent
- Stronger result from Sugar reflects higher raw sugar price and continuing improved returns from Refining and Ethanol – earnings weighted to second half of year
- Significant operational improvement programmes across Building Products portfolio to maintain competitive position in deteriorating residential housing market
- Aluminium earnings slightly ahead through higher realised price after hedging
- Solid first half contribution from Property

CSR continues to build medium term position

- Continue to manage through challenging building cycle, operational improvements provide recurring benefits – Building Products well positioned for upturn in cycle
- Value adding capital upgrade program is now significantly advanced with several major projects at or near completion
- Positive longer term fundamentals remain for sugar, aluminium
- CSR well positioned for medium term growth

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Financial results summary

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

A\$m	2008	2007	%Δ
Trading Revenue	1,807.6	1,552.2	+16.5
EBITDA	255.9	229.1	+11.7
EBIT	177.4	158.2	+12.1
Net Finance Expense	(54.9)	(39.1)	+40.4
Tax Expense	(32.4)	(30.2)	+7.3
Outside Equity Interests	(18.4)	(16.6)	+10.8
Net profit pre sig. items	71.7	72.3	(0.8)
Net profit after sig. items	32.9	67.5	(51.3)
EPS pre sig. items	7.2c	8.2c	
Interim DPS (fully franked)	6c	6c	

- EBIT 12% ahead of previous period
- Like for Like Group EBIT (excl Viridian) up 5%
- Significant items include asbestos provision of \$48m
- Finance expense represents impact of increased net debt (predominantly to fund acquisitions)
- Higher no. of shares on issue impacts EPS
- Interim Dividend maintained at 6 cents per share, fully franked

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5

EBIT by Division

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

A\$m	2008	2007	%Δ
Building Products	74.8	66.3	+12.8
Sugar	27.8	22.4	+24.1
Aluminium	70.4	65.9	+6.8
Property	12.6	7.6	+65.8
Corporate	(8.6)	(8.6)	
Restructure and Provisions	0.4	4.6	
Total EBIT	177.4	158.2	+12.1

- Building Products up but weak residential market and cost pressures affect 'like for like' EBIT (down 7% ex Viridian)
- Higher average realised price and earlier start to the season improves Sugar earnings from poor previous period
- Aluminium earnings slightly ahead
- Property earnings weighted to 2nd half
- Group EBIT ahead in difficult markets

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6

BUILDING PRODUCTS

managing through the cycle to position for growth

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Building Products revenue summary

Intro

Building Products





Sugar

Aluminium

Property

Capital

Outlook

Trading Revenue A\$m	2008	2007	% Δ
Lightweight Systems 	239.7	213.7	+12.2
Performance Systems 	160.4	142.2	+12.8
	248.2	104.8*	n/a
Bricks and Roofing 	166.0	159.0	+4.4

- Price increases implemented across portfolio
- Reasonable plasterboard volumes in Q1 commercial markets & insulation to all segments
- Easter fell in first half last year
- Abnormal energy - related cost increases incurred in first half
- Accelerated operational improvement programs in response to weaker markets

*3 months of Pilkington only

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Residential commencements lower than previous forecasts

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Building Products

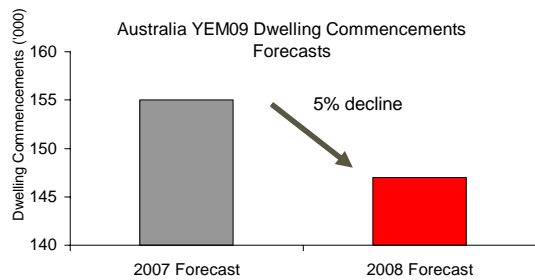
Sugar

Aluminium

Property

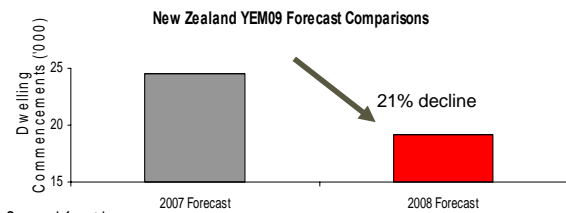
Capital

Outlook

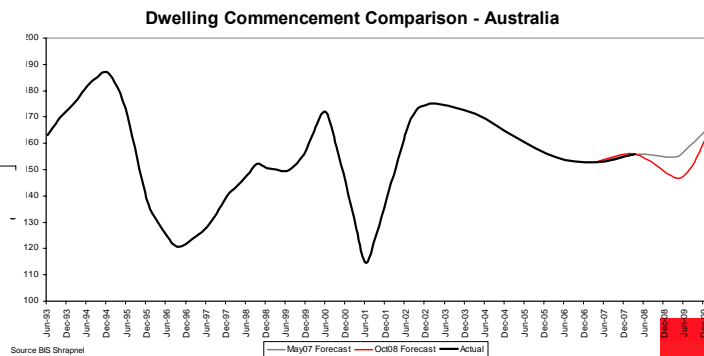


Source BIS Shrapnel

- Residential market represents ~ 70% of sales in Building Products
- Continued weak residential market activity affects market volume
- Dwelling commencements have fallen further than forecast from previous year
- Latest BIS Shrapnel forecast commencements for YEM09 – 147,000 vs previous forecast of 155,000 and YEM 08 actual of 156,000
- New Zealand – considerable decline in forecast commencements and YEM 08 actual of 25,600



Source: Infometrics



9

Underlying demand in Australia continues to accumulate

Intro

Building Products

Sugar

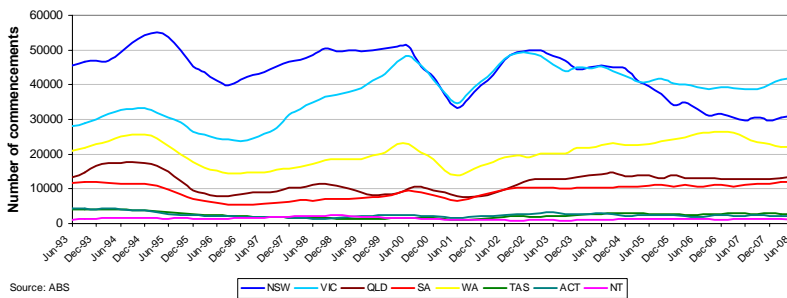
Aluminium

Property

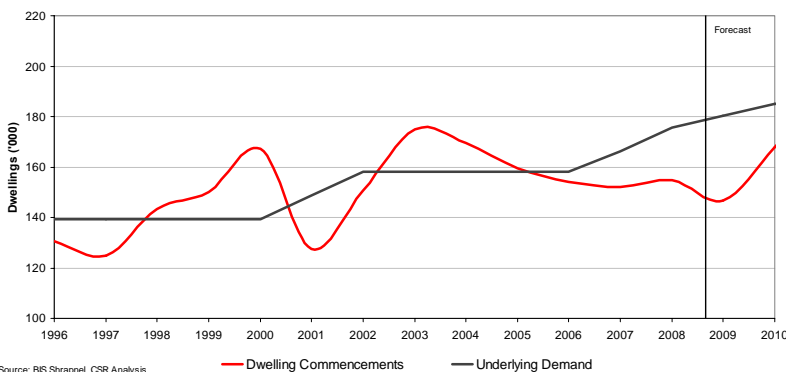
Capital

Outlook

Dwelling Commencements - State (MAT)



Dwelling Commencements vs Underlying Demand



- Total forecast commencements in YEM 09 of 147,000 (BIS Shrapnel) vs underlying demand of 180,000 - underlying demand at record levels
- Housing demand drivers:
 - Affordability
 - declining interest rates
 - government stimulus package
 - Demographic Trends
 - immigration levels remain high
 - strong population growth
 - move to medium density
 - Land availability
 - land release



10

Viridian – synergies achieved ahead of target

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

A\$m	Sept 2008	Sept 2007
Trading Revenue	248.2	104.8*
EBITDA	39.4	18.8*
EBIT	25.1	12.7*

* Three months Pilkington



Coating Plant at Dandenong to support new CVD coater to produce low e glass

- Weaker markets and rising input costs have affected returns
- Sharp unbudgeted increases in energy related key inputs (e.g. energy, PVB)
- Price increases and freight recovery charges implemented
- Additional cost out and price increases expected to recover substantial portion of negative volume and input cost impact
- Dandenong shut down in first half will skew earnings to 2nd half
- On track to meet original synergy target of \$33m by YEM 10 – YEM09 synergies will exceed \$22 million
- Positive market for energy efficient glass - Viridian sales of energy efficient glass up over 50% on prior period
- Further encouraging regulatory signals on energy efficient glass



11

Managing through cycle for cyclical upturn

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

Operational and revenue improvement initiatives have also been accelerated across the rest of the Building Products portfolio:

Gyprock

- Reduction in overheads
- Reduction in factory operating costs
- New product releases

Cemintel

- Factory headcount reduction

Bricks & Roofing

- Realisation of the full year benefits from a further reduction in overheads
- New product releases

Bradford

- Improved labour utilisation
- Reduced waste
- Leverage Asia sourcing in construction of new plant

Building Products organisation

- Combined structure to drive efficiency and productivity



12

SUGAR

higher realised price and continued growth in refining and renewables

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Sugar earnings up on higher realised price and improved earnings in Ethanol and Refining

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

A\$m	2008	2007	%Δ
Trading Revenue	710.9	642.0	+10.7
EBIT	27.8	22.4	+24.1
EBIT margin	3.9%	3.5%	
EBIT by Business			
Raw Sugar Milling	8.1	5.7	+42.1
Refining	17.9	16.6	+7.8
Ethanol	4.5	1.7	+164.7
Other	(2.7)	(1.6)	

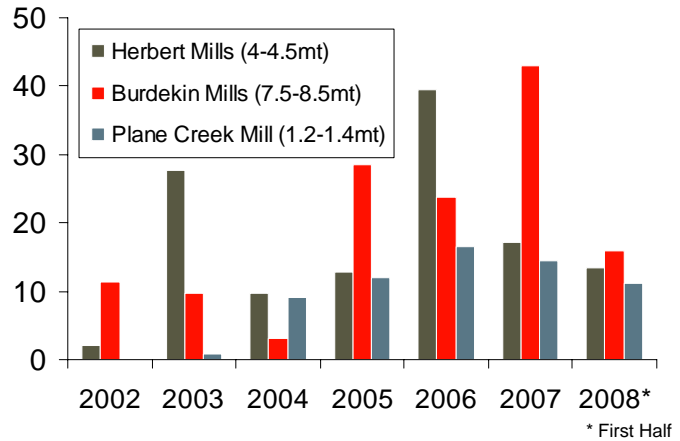
- Higher average realised price improves Sugar earnings
- Fertiliser sales and fuel ethanol sales drive improved ethanol earnings
- Refining continues to grow as margins and service propositions improve
- Raw sugar earnings, ethanol weighted towards second half of year

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Continuing to build a stable earnings base in Sugar

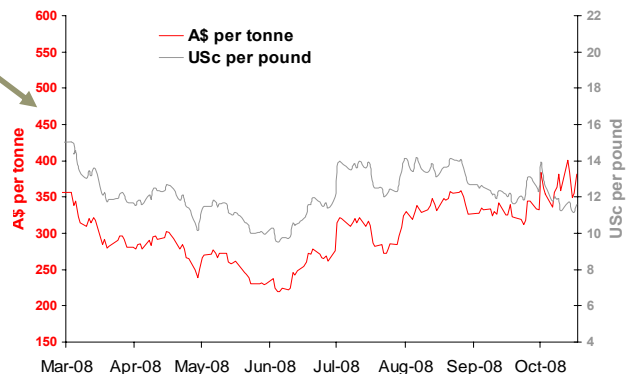
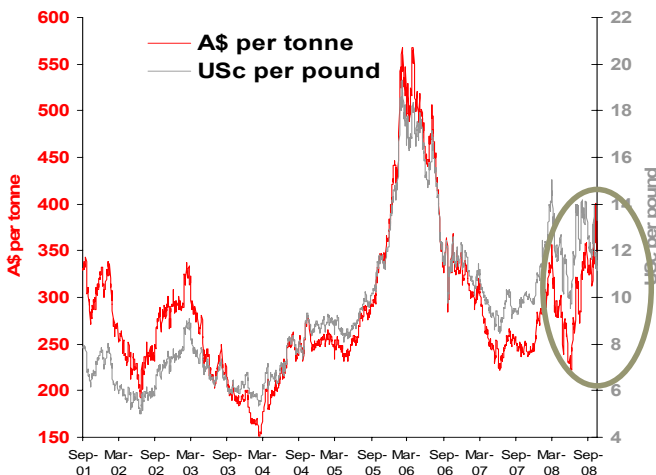
- CSR continues to build more stable earnings base in Sugar business
- Refining – margins continue to improve towards import parity
- Ethanol – despite wet start to season, good demand experienced across all markets (fuel, agricultural services and industrial)
- Challenges of wet weather/reduced crop and collapse of clarifier at Pioneer off-set by increased raw sugar price
- Pioneer incident to extend season in Burdekin by approx 3-4 weeks compared to “average” season

Days of crushing lost to wet weather



Longer term fundamentals support sugar price Good prices in A\$ terms

- **Longer term trend for sugar price is positive, supported by:**
 - Continued rising costs of production in Brazil
 - Indian production moving towards deficit
 - Increasing demand for Brazilian fuel ethanol which tightens sugar supply
- **A\$/Brazilian Real cross rate remains steady**
- **CSR mills remain competitive with Brazil**



ALUMINIUM

earnings slightly ahead through higher realised price

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Aluminium earnings slightly ahead

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Building Products

Sugar

Aluminium

Property

Capital

Outlook

A\$m	2008	2007	%Δ
Sales ('000 tonnes)	90,764	93,137	(2.5)
Ave realised price per tonne	3,065	3,033	+1.1
Trading Revenue	278.2	282.5	(1.5)
EBIT	70.4	65.9	+6.8
EBIT Margin	25.3%	23.3%	
LME/US\$ tonne	2,913	2,702	
US\$/A\$ average rate	0.916	0.84	
LME/A\$ tonne	3,179	3,217	

- Revenue down slightly due to planned recovery of inventory levels
- EBIT slightly ahead in first half mainly due to higher realised price
- Around 80% of net aluminium exposure hedged at A\$3,037 per tonne for second half

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UPDATE ON CAPITAL PROJECTS



Capital projects to strengthen market position

Intro Building Products Sugar Aluminium Property Capital Outlook		
Capital Project	Description	Status
Viridian™ Dandenong plant upgrade	Upgrade of factory to increase capacity and install CVD coater to produce energy efficient (low e) glass. Initial Cost estimate \$120m (net of Vic Govt grant of \$20m)	Glass plant successfully commissioned in October 2008. CVD coater to be commissioned in March 2009 Expected Final cost of \$132 m due to asbestos removal and IR costs
Viridian Downstream processing operations	Install fully automatic double glazed glass unit production capability and Australia-wide integrated software solution Initial Cost estimate \$40-50m in each of YEM09 & YEM10	Commenced upgrade at Clayton (VIC) – finalised by March 2009 Expected Final Cost \$38m YEM09, YEM10 under review
Yarraville Sugar refinery	Upgrade of refinery to improve operational efficiency Initial Cost estimate \$56m	80 per cent complete -scheduled for completion by July 2009 Expected final cost \$56m
Sarina Ethanol Distillery	Upgrade to produce 60ml of fuel grade ethanol Initial cost estimate \$18m	Equipment manufacturing commenced – scheduled for completion July 09 Expected final cost \$18m
Bradford™ glasswool insulation plant, BNE	Construct glasswool manufacturing insulation plant Initial cost estimate \$50m	Almost complete – target completion date Dec 08. Scope change to allow for additional product range Expected final cost \$55m
Bradford™ rockwool Line 2 Guangzhou	Relocate rockwool plant, finalise consolidation on Guangzhou site Initial cost estimate \$8m	On track for commissioning in Dec 2008 Expected Final Cost \$8m
Gyprock™ factory upgrade, Yarraville	upgrade/ expansion of plasterboard factory/distribution hub Initial cost estimate \$140m	Stage 1 Gypsum handling shed commissioned in October 2008. Higher costs due largely to underestimate of gypsum handling. Higher expected cost inflation over the 3 year duration. Total project due for completion mid/late 2010. Expected Final cost \$168m



PROPERTY

solid development pipeline

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Property – solid development pipeline earnings weighted to second half

Intro Building Products Sugar Aluminium **Property** Capital Outlook

A\$m	2008	2007
EBIT	12.6	7.6
Capital Investment	7.2	5.2

- Half year EBIT main contributor - land sales from Darra
- Capital investment attributed (mainly) to earthworks and site remediation
- Major transactions in negotiation and/or near completion:
 - Industrial property, Darra
 - Brisbane – contracts exchanged 26 lots, settlement subject to site construction expected early 2009
 - Site disposal, Welshpool, WA – marketing program commenced
- Continue to advance a mix of industrial and residential projects in Queensland, Victoria and NSW

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CAPITAL MANAGEMENT

Strong focus on cash flow and capital management improvements

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Capital management – balance sheet

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

A\$m	Sept 2008	Sept 2007
Net debt (A\$m)	1,342	1,086
Gearing (net debt / net debt + equity)	44.5%	42.4%
Interest cover (times)	5.2	7.8
Leverage ratio (times)	2.4	2.1
Shares on issue (million)	1,021.3	926.8

- Net debt slightly higher than target primarily due to timing of key receipts
- Key Funding ratios i.e. leverage ratio and interest cover well within bank covenants
- Refinancing of Medium Term Note due to be refinanced in March 09 now complete
- DRP to remain in operation for interim dividend
- Average maturity of net debt 2.8 years

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Capital management – operations

Intro Building Products Sugar Aluminium Property **Capital** Outlook

A\$m	Sept 2008	Sept 2007
EBITDA	256	229
Significant Items	(7)	(7)
Tax Paid	(33)	(34)
Working Capital Change	(109)	(21)
Other	(34)	(20)
Cash Flow from Operations	73	147

- Working capital affected by delay of to after balance date key receipts. Specifically: aluminium shipment \$38m, sugar advance payments
- Significant items - primarily Viridian integration costs
- Effective tax rate 26.4%
- Interim dividend 6 cents per share, fully franked, payable 12 December 2008
- Credit management remains key focus – No major adjustments (to date) in debtors bad debt provision



25

Capital management – investing

Intro Building Products Sugar Aluminium Property **Capital** Outlook

A\$m	Sept 2008	Sept 2007
Purchase of property plant and equipment	(229.3)	(140.9)
Proceeds of sale of property plant and equipment	121.9	25.1
Purchase of controlled entities and businesses	(11.6)	(712.7)
Net Cash used in investing	(119.0)	(828.5)

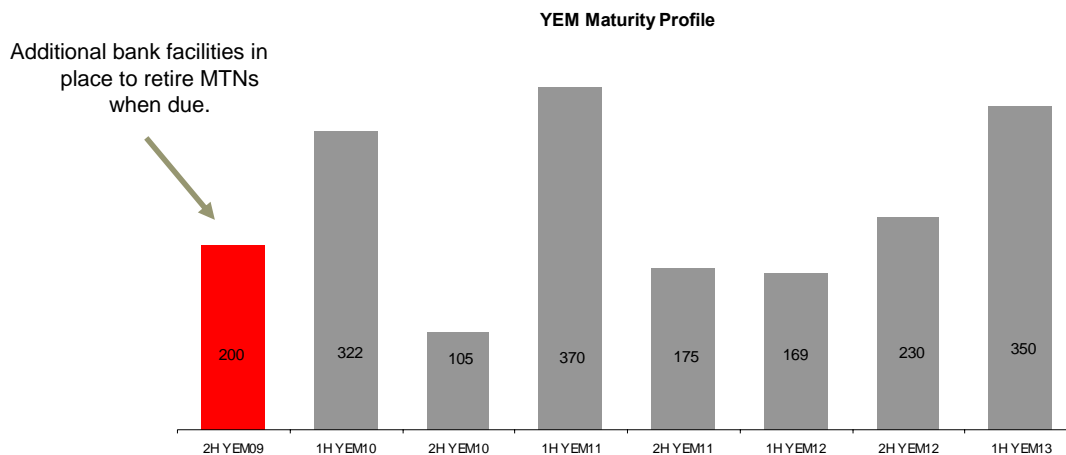
- Total capital expenditure \$229 million representing:
 - operating (stay in business) \$135m
 - development \$94m
- Major spend of development expenditure was in Building Products - \$84m
- Majority of operating capital expenditure allocated to Building Products (\$70m) and Sugar (\$48m)
- Minimal M&A activity during period, ~ \$10m
- Operating capital program to revert to levels consistent with depreciation charge from YEM10 onwards



26

Debt maturity

Funding and maturity (A\$ millions)



- Total existing debt facilities \$1,921 million
- Less MTN \$200 million
- Remaining bank facilities \$1,721 million
- Net Debt at 30 September \$1,342 million



STRATEGIC OUTLOOK

JERRY MAYCOCK



CSR well positioned for growth

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Building Products

Sugar

Aluminium

Property

Capital

Outlook

- Completion of most of the capital reinvestment programs in YEM09 starts to liberate cash flow for debt amortisation
- Building Products development projects add to substantial operational leverage from cyclical upturn in the residential housing cycle, and growing demand for energy efficiency in the built environment
- Sugar to benefit from reinvestment in mills, positive raw sugar price fundamentals and a growing proportion of refining and ethanol earnings
- Aluminium continues to provide steady cash flows from Tomago, with excellent position on global cost curve
- Property continues to liberate value and generate cash flow

- CSR has good growth potential, and may be able to generate additional shareholder value by restructuring its asset portfolio under more favourable market conditions



29

Outlook YEM 09

Intro

Building Products

Sugar

Aluminium

Property

Capital

Outlook

- **Building Products**
 - Too soon to see meaningful positive impact of stimulus package on residential leading indicators. Commercial market softening
 - EBIT expected to be similar to last year
- **Sugar**
 - Refining and renewables to continue earnings growth
 - Based on current hedge book, fx rates and forward curve, realised sugar price improvement expected to outweigh effect of Pioneer incident and wet weather. Assuming reasonable finish to season, total Sugar EBIT expected to be higher than last year
- **Aluminium**
 - Carbon material costs likely to have peaked, but benefits won't be seen this year. Tomago competitive position on cost curve and lower A\$ supports earnings
 - EBIT expected to be slightly lower than last year
- **Property**
 - EBIT expected to be in the sustainable range of \$35-40m, subject as usual to timing of transactions

- **GROUP LEVEL**
 - Group EBIT expected to be in line with last year
 - NPAT and EPS to reflect provision adjustments and more shares on issue



30

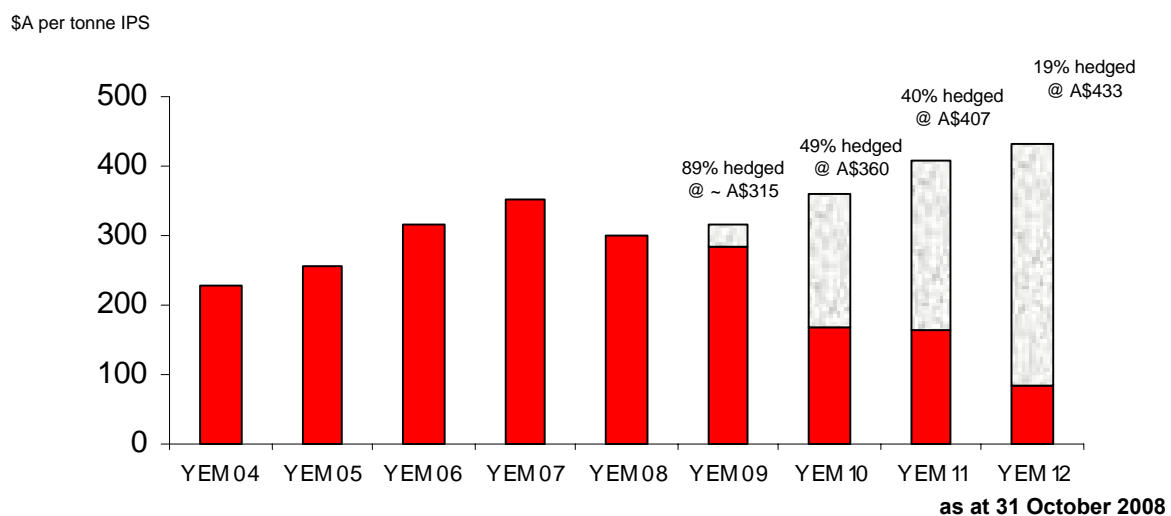
APPENDIX



Forward Pricing update – Sugar

Intro Building Products **Sugar** Aluminium Property Capital Outlook

Realised raw sugar price A\$ per tonne IPS



- Further hedging to lock in attractive exchange rates and prices on market rallies (includes fixed price contract)



Hedging update – Aluminium

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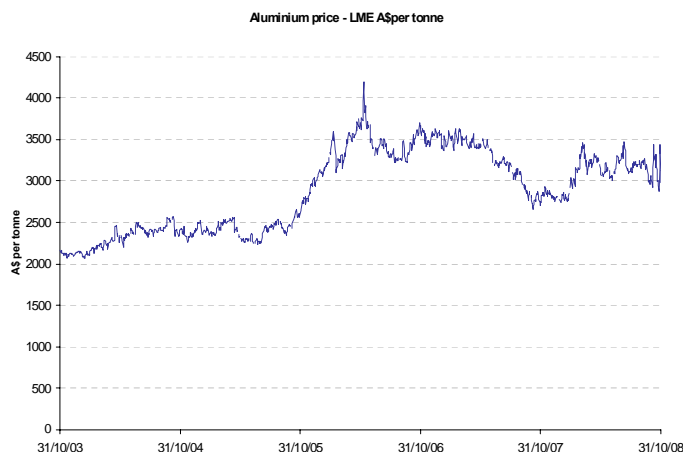
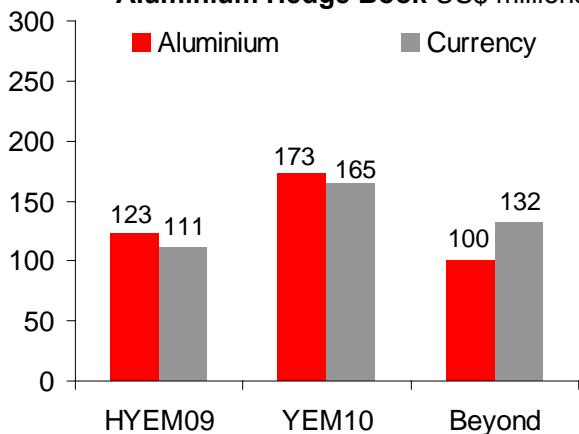
Aluminium

Property

Capital

Outlook

Aluminium Hedge Book US\$ millions



0.751	0.724	0.715	Average currency rate in US cents
US\$2,280	US\$2,254	US\$2,657	Average hedged aluminium price US\$ per tonne
A\$3,037	A\$3,116	A\$3,716	Average hedged aluminium price A\$ per tonne
80%	57%	N/A	% of net aluminium exposure hedged ¹

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. Figures as at 31 October 2008.

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RESULTS PRESENTATION

HALF YEAR ENDED 30 SEPTEMBER 2008

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