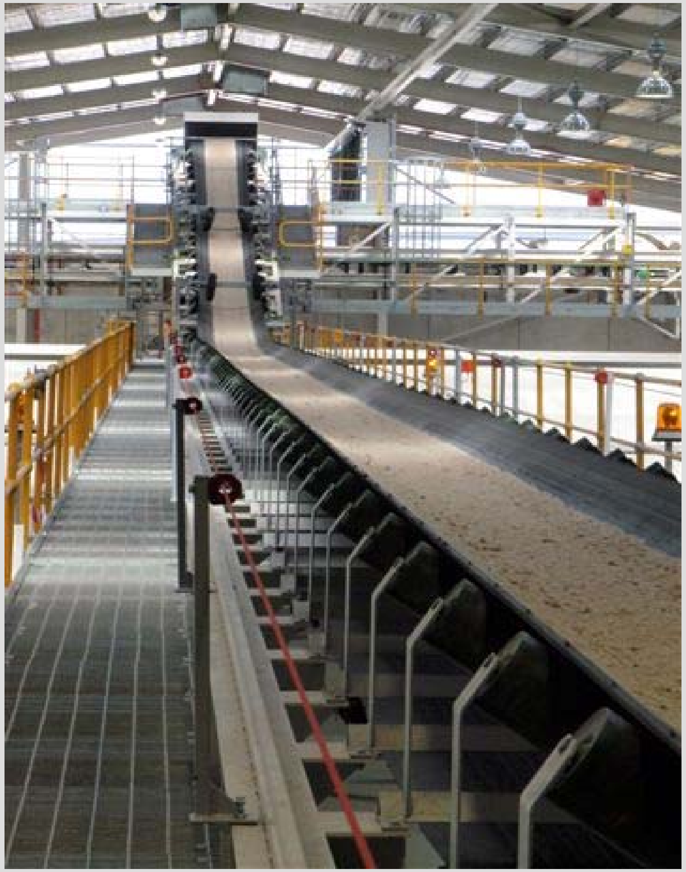
MELBOURNE SITE ANALYSTS TOUR

GYPROCKET PROJECT, YARRAVILLE

31 March 2009



AGENDA

- Australian plasterboard market and demand outlook
- CSR capabilities and position
- Routes to market
- Business strategy
- Gyprock™ expansion – Why Victoria?
  - Delivering lowest cost plant in Australia
  - Lowest delivered network cost through the cycle
  - Sustainable design delivers environmental benefits
- Key project deliverables and timeline
- Site tour

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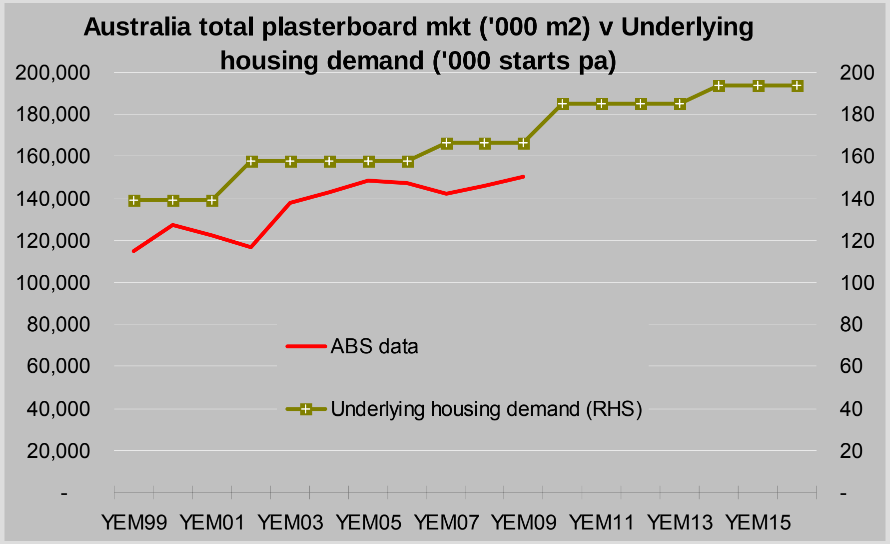
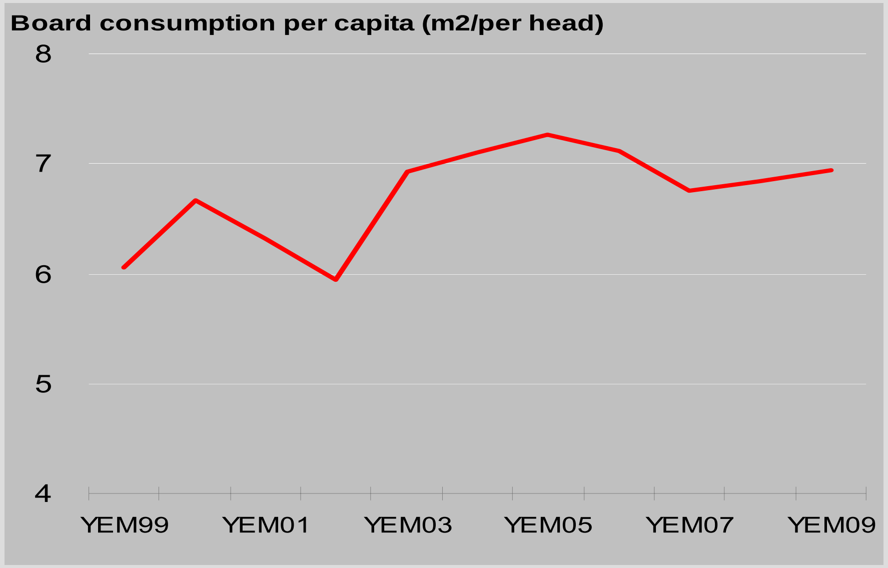
MEDIUM-TERM PLASTERBOARD DEMAND OUTLOOK IS POSITIVE

- This decade the Australian plasterboard market has grown at ~2.5% compound*
- Forecast growth at ~2% pa assuming trend consistent with underlying demand**:
  - population growth (1.8% in year to September 2008; 1.4% pa over next 20 years forecast*);
  - demographic changes shrinking average household sizes; and demolitions
  - demand assisted by
    - fiscal policy (social housing, FHOG).
    - improved affordability
- Australian plasterboard usage (~7 m2/capita) cf 8-10 m2/capita for similar markets***
  - potential for higher penetration in commercial and residential applications (WA)
  - growing attractiveness of lightweight, low carbon footprint building systems





*ABS **Underlying housing demand forecast – BIS Shrapnel

***Aus data: ABS, comparable markets: NZ, Canada, US; source: St.Gobain

AUST PLASTERBOARD PLANT & MINE LOCATIONS AND CAPACITIES*

Lafarge:
- Matraville NSW – 15 mill m2
- Altona Vic -15 mill m2

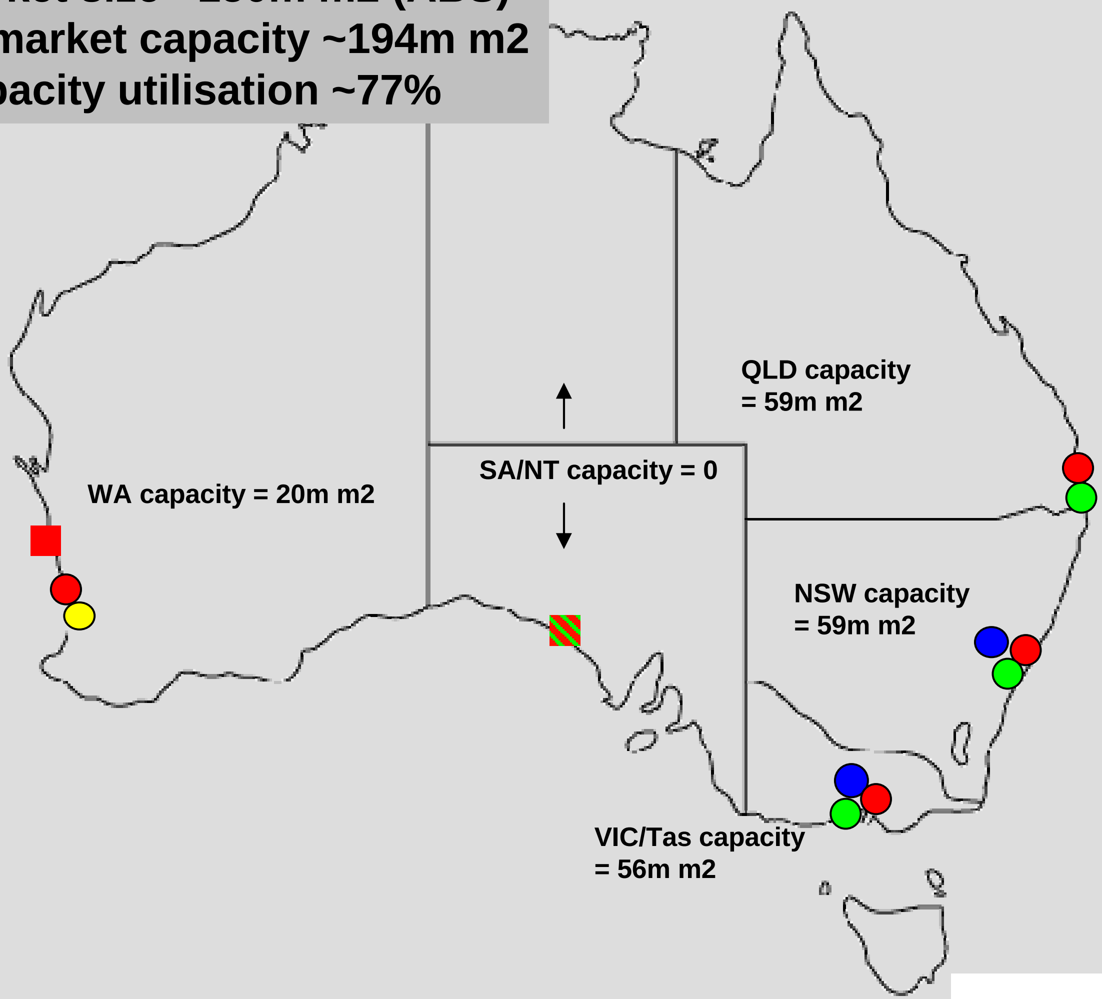
Boral:
- Pinkenba Qld – 37 mill m2
- Camellia NSW – 22 mill m2
- Port Melbourne Vic – 21 mill m2

BGC:
- Hazelmere WA – 13 mill m2

CSR:
- Coopers Plains Qld – 22 mill m2
- Wetherill Park NSW – 22 mill m2
- Yarraville Vic old – 20 mill m2
- Yarraville Vic new – 30 mill m2
- Welshpool WA – 7 mill m2

Gypsum mines
- Thevenard (GRA 50% CSR)
- Jurien Bay 100% CSR

2008 market size ~150m m2 (ABS)
Current market capacity ~194m m2
2008 Capacity utilisation ~77%



*maximum estimated output adjusted for assumed product mix

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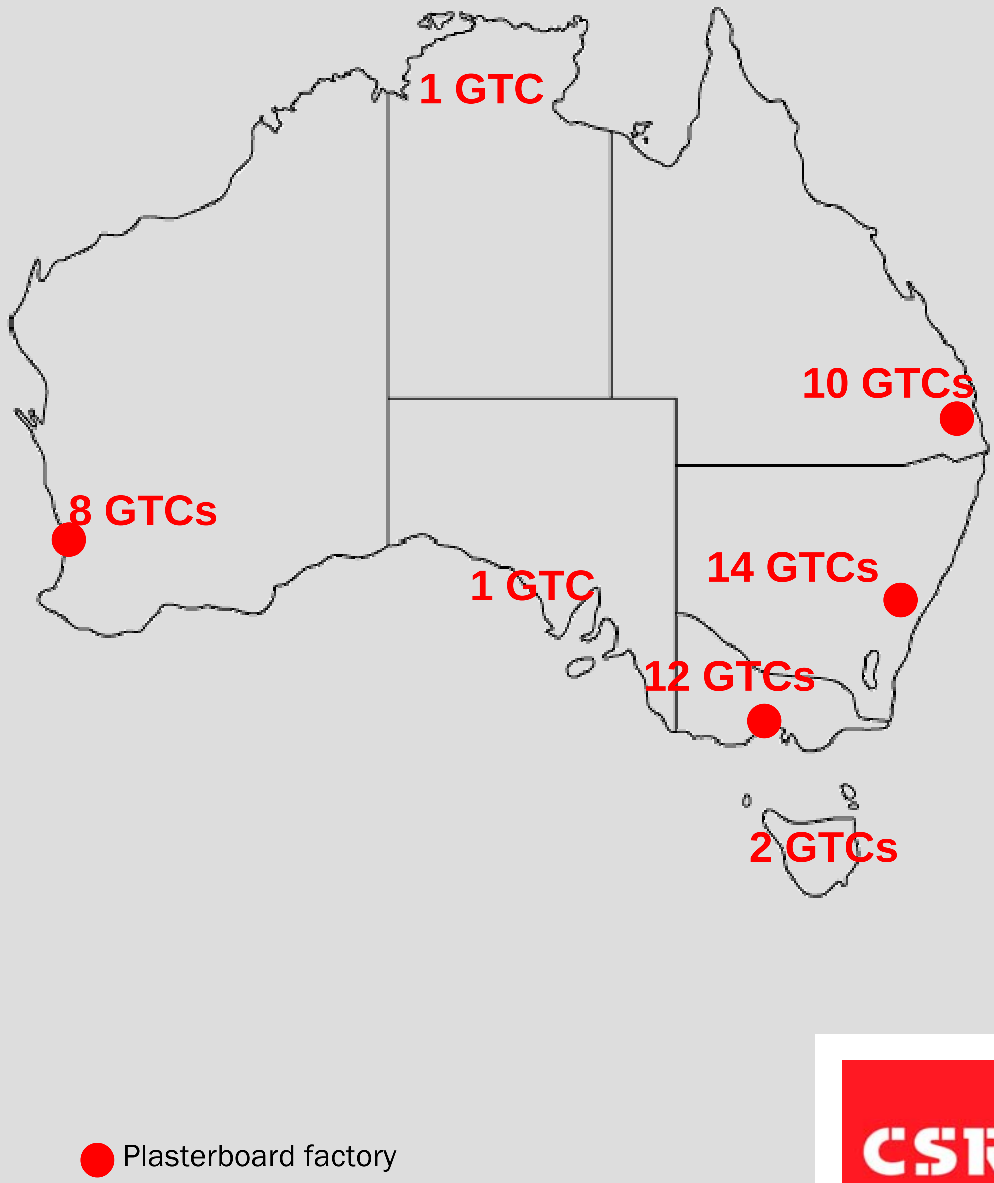
GYPROCK™: NATIONAL REACH WITH LARGEST DISTRIBUTION NETWORK

- National manufacturing network
  - 4 plasterboard factories
- Largest distribution network in the market
  - 48 company owned Gyprock™ Trade Centres (GTCs)
  - 50 independently owned trade centres
  - can profitably reach any market in Australia
- 800 employees
  - down 52 on last year
  - rightsizing continues



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GYPROCK™: VERTICALLY INTEGRATED WITH STRONG ALIGNED CHANNELS

Raw materials

- Gypsum Resources Australia (GRA) 50/50 JV
- Jurien Bay (WA)

Manufacturing

- Manufactured products (Gyprock™)
- Rondo stud & metal track 50/50 JV
- ▪Gyprock™ compounds
  ▪Ceiling grid and tiles
  ▪Adhesives and sealants
- ▪Specialised trade hand tools
  ▪Specialised trade power tools
  ▪Nails & screws

Primary channels to market

- Direct Sales
- Gyprock™ Supply & Fix
- Gyprock™ Trade Centres
- Independent Trade Centres
- Hardware Stores/ Resellers

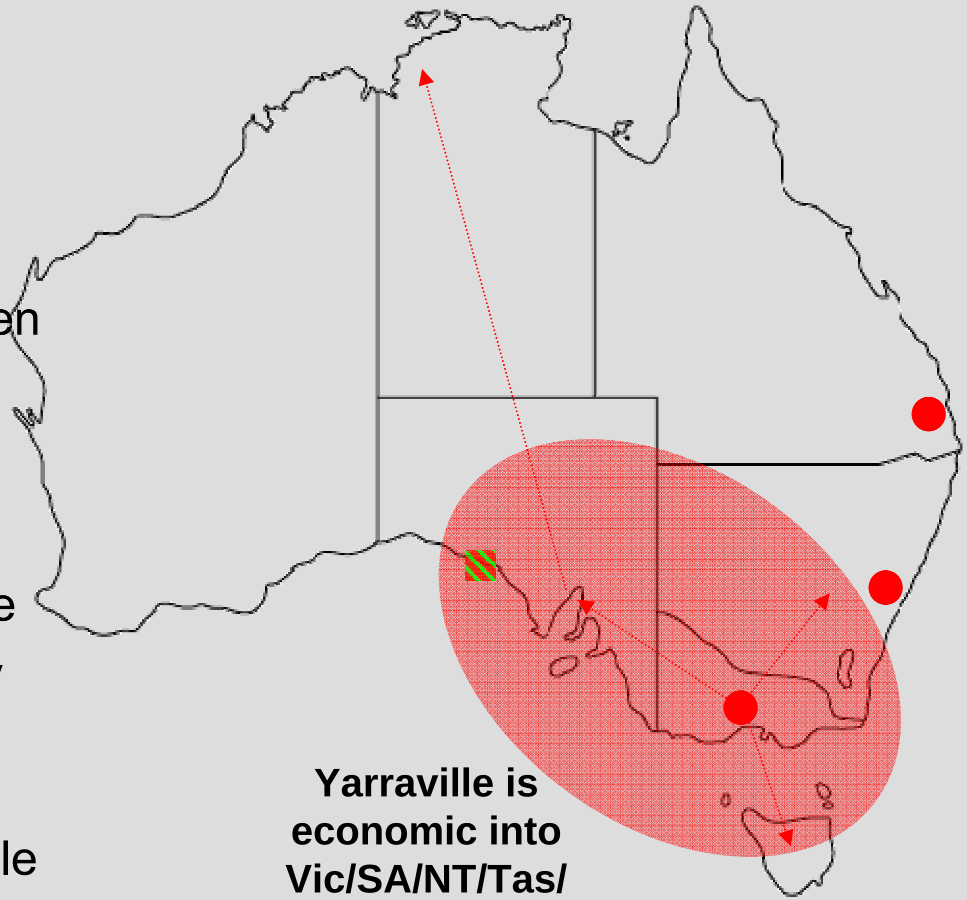
75% of sales through owned and aligned channels

GYPROCK™ KEY STRATEGIES

- **Price increases to reflect value proposition**
  - Plasterboard prices up 5% in December 2008 quarter (ABS)
  - Further price rises announced for 2009
- **Lowest Cost manufacturing network**
  - Matching supply to local demand – reduce inter-state transport
  - Gyprocket – Yarraville plant replacement - a key driver of lower production costs
- **Market leader in differentiated products – 2008 launches**
  - GECA certified EC08™ plasterboard – rapidly growing market segment
  - Superchek™ – Premium grade plasterboard that is tougher, quieter and safer
- **Leverage Gyprock™ key assets**
  - Brand equity/ Price premium
  - Distribution network
- **Managing costs**
  - Re-sizing the business to reflect current operating conditions
  - Focus on cost reduction and tight control of overhead costs
- **Safety, health & environment**
  - Year on year reduction in injury rates – 40% improvement
  - Prepare for carbon-trading future and minimise environmental footprint

GYPROCK™ EXPANSION – WHY VICTORIA?

- **Delivers low cost capacity; close to major centres of usage VIC/TAS/SA and southern NSW**
  - Balances production cost, freight and capital return
- **Underlying East coast demand outlook is positive**
  - Victorian & South Australian markets have been strongest for longest
- **Yarraville upgrade is progressing well**
  - Due to come on stream as market recovers
  - Consolidating warehouse capacity at Yarraville
  - Gypsum storage and handling facilities greatly improved
  - Existing plant at end of useful life and insufficient board line capacity to meet available market
  - Significant environmental benefits
- **Low capital cost expansion options in Qld plant (Coopers Plains, Brisbane)**



Yarraville is economic into Vic/SA/NT/Tas/ Southern NSW

YARRAVILLE WELL PLACED TO SUPPLY AUSTRALIA'S LARGEST CATCHMENT AREA

- Yarraville catchment represents 39% of "East" coast population
- Population increase >1 million over next 10 years
- Yarraville catchment (Vic/Tas/SA/NT) is and will remain the largest housing market in Australia*
- Yarraville catchment has highest proportion (75%) of detached houses** = higher penetration of plasterboard
- Population size drives secondary plasterboard demand via renovations, demolitions and commercial building activity (offices, retail, schools, hospitals etc)

Population growth forecasts ('000)	2006a	2016f	Δ - 2006a to 2016f	share of 2016f total
Melbourne, Adelaide	4,888	5,652	764	26%
Other Vic/SA/Tas/NT	2,508	2,752	244	13%
Total Vic/Tas/SA/NT	**7,396**	**8,404**	**1,008**	**39%**
Sydney	4,282	4,840	558	22%
Other NSW/ACT	2,868	3,141	273	15%
Total NSW/ACT	7,150	7,981	831	37%
Brisbane	1,820	2,316	496	11%
Other Qld	2,271	2,914	643	13%
Total Qld	4,091	5,230	1,139	24%
"East" Coast	18,637	21,615	2,978	100%

source: ABS Population Projections, Australia, [series B], September 2008

* Based on underlying demand (BIS Shrapnel)

** ABS Housing starts

SNAPSHOT OF GYPROCKET (YARRAVILLE UPGRADE)

- Budget: $168 million
- Board line capacity 30* million m2 (up from 20 mill m2)
- Low cost upgrade to 40 million m2 designed in
- High-speed ship unload capability (1,200 t/hr up from 400 t/hr)
- Undercover gypsum storage
- Improved materials receiving and finished goods despatch logistics
- Warehouse expansion to 22,300 m2 from 10,700 m2
  - Ceases expensive offsite warehousing and double handling
- Cornice line upgrade: 15% increase in capacity & expanded product range
- Timeline:
  - Gypsum shed; conveyor; plaster mill feed: completed
  - Buildings' completion: Q2 2009
  - Commissioning commences: Q2 2009
  - Wet line commissioning commences: Q3 2009
  - Full production: Q4 2009
  - Warehouse expansion and project completion: 2H 2010

*mix adjusted capacity; nameplate capacity is 32m m2

CSR

GYPROCKET: ENVIRONMENTAL BENEFITS

- 35% reduction in gas consumption
- 20% reduction in water usage:
  - Rain water collection fed into plasterboard production
  - Dryer steam condensed and re-cycled into plasterboard production
  - Gypsum store avoids need to spray gypsum pile
- Gas reduction: dryer heat re-cycled and used to pre-heat burner air
- Eradication of gypsum spills and gypsum dust into local environment
- Significant reduction in inter-state truck movements
- Recycling capability designed in – able to take in-house and building site waste

GYPROCKET SITE MARCH 2008

GYPROCKET SITE OCTOBER 2008

GYPROCKET SITE FEBRUARY 2009