Shareholder Review 2010

WE CONTINUED TO STRENGTHEN OUR BUSINESSES DURING THE YEAR

CSR HAS AUSTRALIA/ NEW ZEALAND'S LEADING PORTFOLIO OF BUILDING PRODUCTS BRANDS AND AN INVESTMENT IN A GLOBALLY COST COMPETITIVE ALUMINIUM SMELTER

SUCROGEN IS AUSTRALIA/NEW ZEALAND'S LEADING SUGAR AND RENEWABLE ENERGY COMPANY

CSR

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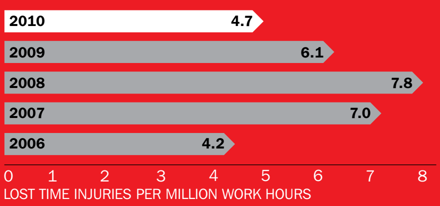
It's been a busy year for CSR

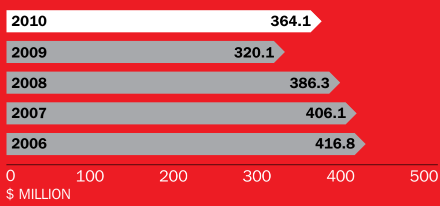
CSR reported a quality underlying result with return on funds employed improving across core businesses.

LOST TIME INJURY FREQUENCY RATE
Year ended 31 March



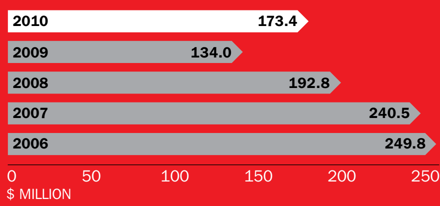
Safety of our people across all our sites remains paramount. The number of lost time injuries and number of recorded injuries across our businesses continued to decline.

GROUP EBIT BEFORE SIGNIFICANT ITEMS
Year ended 31 March



CSR's group earnings before interest and tax (EBIT) pre significant items were $364.1 million for the year ended 31 March 2010, an increase of 14 per cent on the previous year.

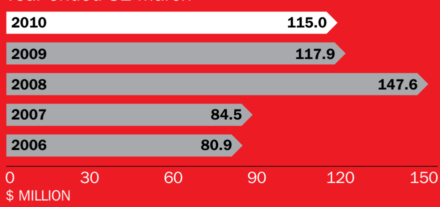
NET PROFIT AFTER TAX BEFORE SIGNIFICANT ITEMS
Year ended 31 March



Improved EBIT and lower interest costs resulted in net profit after tax (pre significant items) increasing by 29 per cent to $173.4 million.

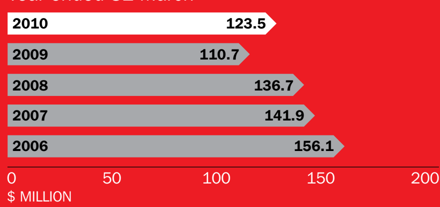
EBIT BY DIVISION

BUILDING PRODUCTS
Year ended 31 March



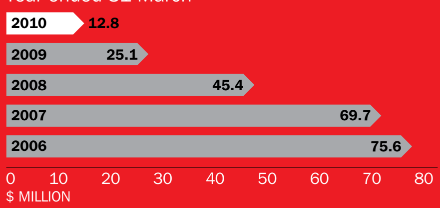
Earnings in Building Products were $115.0 million, in line with the previous year ($117.9 million) despite generally weaker conditions for most of the year, particularly in commercial construction.

ALUMINIUM
Year ended 31 March



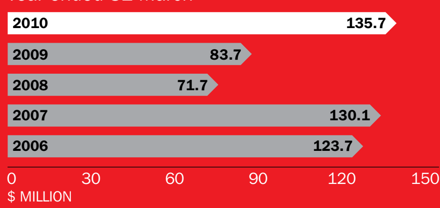
Aluminium EBIT was up 12 per cent to $123.5 million, due to higher unhedged aluminium prices towards the end of the year and lower input and operating costs.

PROPERTY
Year ended 31 March



Market conditions for commercial and industrial property continued to remain challenging, with EBIT reduced to $12.8 million compared to $25.1 million last year.

SUCROGEN
Year ended 31 March



CSR's Sugar business, Sucrogen, delivered an exceptionally strong result with significant growth in earnings from its Cane Products division and continued growth in Sweeteners. EBIT increased by 62 per cent to $135.7 million.

This concise Shareholder Review is not the financial report, directors' report or auditor's report required to be provided to shareholders under section 314 of the Corporations Act 2001. These reports are included in CSR's Annual Report. A copy of the Annual Report is available on CSR's website at www.csr.com.au.

We are taking a new direction

In a busy year for CSR, I am pleased to report that good progress has been made on a number of important fronts.

CSR's underlying financial performance improved for the year ended 31 March 2010.

Our Sugar business, which has adopted the new brand of Sucrogen, had a very good year on the strength of higher raw sugar prices, while earnings in our Building Products business were steady despite generally weaker housing construction markets for most of the year. Our Aluminium profits were up due to an increase in the aluminium price towards the end of the year; however, earnings in our Property division were impacted by weak market conditions.

Group earnings before interest and tax (EBIT) (before significant items) increased by 14 per cent to $364.1 million, while net profit after tax (before significant items) increased by 29 per cent to $173.4 million. Earnings per share (before significant items) increased to 12.7 cents per share from 12.2 cents last year.

Your board declared a final dividend of 6 cents per share, bringing the full year dividend to 8.5 cents per share compared to 7.5 cents paid last year. This is in line with our policy to pay out as dividends approximately 60-80 per cent of net profit after tax before significant items.

Our reported result was a net loss of $111.7 million after significant items which amounted to $300.2 million. They included a $250 million write-down of goodwill in the Viridian glass business, costs associated with the proposed demerger and a charge to maintain the prudent level of the product liability provision.

The benefits of our recent large capital reinvestment program contributed to the improved performance, including improved reliability in the sugar mills and expanded production capacity in building products with an eye to meeting growing demand. The balance sheet of CSR remains strong, having raised new equity of $375 million during the year.

STRATEGIES TO CREATE ADDITIONAL SHAREHOLDER VALUE

After an extensive 12-18 month due diligence period, we announced in June 2009 that we would pursue a demerger of our Sucrogen business. The demerger creates two separately listed companies on the Australian Securities Exchange: CSR, incorporating our Building Products, Aluminium and Property businesses, and Sucrogen. Your board believes that a demerger will facilitate better realisation of the value of these businesses for shareholders over time. Many shareholders of course would be familiar with a demerger process, given the successful Rinker demerger we conducted in 2003. The due diligence process included extensive work and independent assessment to enable the board to conclude that following the demerger, CSR would continue to be able to meet our asbestos liabilities in the same responsible manner we have done for over the past 20 years. The approvals process for a demerger requires Federal Court approval for CSR to convene a meeting of shareholders to vote on the demerger proposal. Given the significant degree of due diligence we had completed, we were extremely disappointed that the Court initially denied our application.

We appealed on the basis that the decision contained errors in law and the Full Federal Court has since set aside the judgement at the first Court hearing and ordered that CSR can convene a meeting of shareholders to consider the demerger proposal.

Shareholders will receive further information about this process in due course. On 1 April 2010, CSR received a conditional offer of A$1.75 billion from a Chinese entity, Bright Food, to acquire the Sucrogen business. The offer also included further information regarding regulatory approvals in both China and Australia and certain undertakings regarding future Sucrogen operations in Australia.

While there is no certainty that any such transaction with Bright Food will be completed, CSR has entered into discussions with Bright Food to explore this offer further.

Your board will continue to progress these two options of either a demerger or a sale of Sucrogen, and will advise shareholders of developments as they occur.

INDEPENDENT AND FOCUSED BUSINESSES

In the meantime, CSR has made changes to the operating structure to give our two main businesses greater autonomy to operate as distinct entities. While still part of the CSR group, we believe our businesses can deliver greater returns by being more focused and managed independently. To support this structure, we have streamlined and simplified our centralised corporate functions and transferred those responsibilities directly to the businesses to make them more efficient and accountable.

Jerry Maycock retired as managing director at the end of the financial year and, consistent with our new operating structure, the board invited non-executive director Jeremy Sutcliffe to assume the position of managing director for an interim period of up to 12 months from 1 April 2010.

We were in a fortunate position to have an executive of Jeremy's experience and calibre available to accept this responsibility. His appointment enables CSR to manage strategic issues, such as the demerger proposal, at a group corporate level while ensuring that our two businesses remain focused on their day-to-day operations.

I would like to thank Jerry and acknowledge his contribution to CSR during a challenging period and wish him well in his future endeavours. I also thank CSR's management team and employees for their contribution over the past year.

It has been a busy year for CSR. While there were a lot of strategic issues to manage, the pleasing aspect is that our businesses performed well despite these distractions and remain well positioned to capitalise on market improvements as the economy strengthens.

Ian Blackburne

IAN BLACKBURNE
CHAIRMAN

We are building two stronger companies

We have established our two businesses, Building Products and Sucrogen, as more independent entities to pursue their specific strategies.

YOU HAVE BEEN IN THE JOB FOR ABOUT TWO MONTHS NOW – WHAT ARE YOUR FIRST IMPRESSIONS?

I'm impressed by the respective management teams in our two businesses, Building Products and Sucrogen. I think the operational structure we've adopted to allow the respective CEOs (Rob Sindel and Ian Glasson) more autonomy to run their businesses more independently is the correct approach and I think that is already being reflected in the good underlying results the businesses have reported this year.

Operationally, our manufacturing assets are also in good shape as a result of the capital reinvestment program we've implemented in the past couple of years. That's really important to ensure we can capitalise on improving trends in building construction, but it's also crucial in maintaining a globally cost competitive position in sugar.

As the new managing director, it's also really pleasing to see the dedication of our employees across our various manufacturing sites. Safety has to remain our number one priority and I am impressed by the improvements we are making in this area, while recognising that we still have a long way to go to achieve our stated objectives.

WHAT ARE YOUR IMMEDIATE PRIORITIES?

The board has given me a specific mandate to progress the separation of our two key businesses. We believe we can generate additional shareholder value over time by a structural separation of these two quite different businesses and that's my immediate agenda.

We have options on how to achieve this and my goal is to work through these options and deliver the best outcome for shareholders and our other key stakeholders in the business. Beyond that, my responsibility is to work with our respective senior management teams to ensure CSR continues to perform well and operates in a sustainable manner across the group.

WHY DO YOU THINK SEPARATING THE BUSINESS CREATES VALUE? WHAT'S WRONG WITH THE CURRENT STRUCTURE?

While there is nothing inherently wrong with the current structure, as a board, we have a responsibility to identify opportunities to create additional value for our shareholders where possible.

We currently have a mix of businesses that are very different and appeal to distinct types of investors. By separating our businesses and having them more focused with their own board and management, we believe we can facilitate better realisation of their value over time.

Additionally, having separate businesses provides shareholders with greater investment choice, which should also enhance the investor and market awareness of each company.

THE PERFORMANCE OF THE VIRIDIAN GLASS BUSINESS SINCE ACQUISITION HAS BEEN VERY DISAPPOINTING – WHAT ARE YOU DOING TO TURN THAT BUSINESS AROUND?

Let me acknowledge this straight away: the performance of Viridian has not been satisfactory. CSR bought the glass businesses at a time (in 2007) when market valuations were much higher and business conditions were much better than they have been over the past two years. But it's a simple fact that CSR paid too much and we have had to write down the value of Viridian to reflect its current carrying value.

Further, the integration of the businesses within CSR was poor and that has impacted performance.

There are essentially two businesses within Viridian – Upstream, which is the manufacture of float glass; and Downstream, which involves the value-adding processing of glass. In the past year the performance of the Upstream business has improved, with both revenue and EBIT increasing; however, weaker market conditions together with a loss of market share have impacted the performance of the Downstream business.

Rob Sindel is working hard to turn this business around, including a restructure of the Viridian management team, and we are starting to see some progress. However, it will take time. Fundamentally, it is a good business with a team of dedicated people determined to make it successful and I am confident we will get there.

WHY DID CSR HAVE TO RAISE EQUITY AGAIN IN 2009?

Part of our due diligence in recommending a demerger proposal to shareholders was to ensure that the two separate companies would be appropriately capitalised with the right levels of debt.

We undertook the capital raising to ensure that both CSR and Sucrogen would have the financial flexibility to pursue their stand-alone strategies to create value for their respective shareholders after the demerger.

In the interim, the funds raised have been used to repay debt within CSR, which has strengthened our financial position. We were also pleased that in conducting the equity raising we were able to introduce the concept of a simultaneous renounceable entitlement offer, which provided the same outcome for retail and institutional shareholders for their entitlements. A number of other Australian companies have subsequently adopted this approach to raising equity.

IN PURSUING THE DEMERGER PROPOSAL, CSR'S FUTURE ASBESTOS LIABILITIES BECAME AN ISSUE. WHAT IS THE SITUATION WITH THESE LIABILITIES AND HOW ARE THEY FUNDED?

For more than 20 years, CSR has consistently and responsibly met asbestos liabilities. We pay claims where we have a demonstrated liability and we maintain a provision on our balance sheet to cover all known claims and reasonably foreseeable future claims. We have never shirked our responsibility, nor have we ever attempted to ring-fence claims or limit the amount which is available to meet claims. I think it's fair to say that the community in general recognises that CSR has followed a responsible approach to this issue for over 20 years.

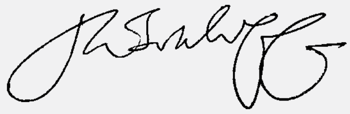
In recommending the demerger proposal, the board undertook a significant amount of due diligence to conclude that post demerger, CSR would continue to be in a position to meet its responsibilities. I personally chaired this due diligence committee, so I know firsthand just how much work went into this area. Quite simply, we would not even contemplate a proposal where we did not have confidence in CSR's ability to meet ongoing claims, and that is a continuing commitment by the board in developing any future proposals.

WHAT IS THE OUTLOOK FOR CSR'S BUSINESSES IN THE CURRENT FINANCIAL YEAR?

For our Building Products business, we have seen improved lead indicators in the residential building environment in Australia and that should translate into increased housing commencements, particularly in the first half of this financial year. However, the sustainability of this increase remains unclear due to a number of factors. So we are cautiously optimistic in Building Products.

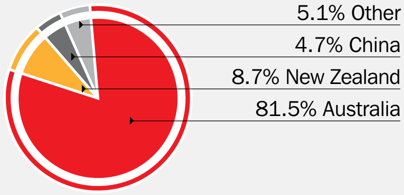
In Aluminium, we have a lower proportion of our net aluminum exposure hedged this year. This means that our earnings will be more linked to spot aluminium prices than in previous years. The metal price will be influenced by the commissioning of new smelting capacity in the Middle East and China, and also the restoration of demand as global economic growth recovers. Conditions in the commercial and industrial property sectors are expected to remain weak.

In our Sucrogen business, an earlier finish to the crush last season, coupled with good rain in the early part of this year, should see the sugar crop return towards an average size this season. Raw sugar prices have fallen recently, but they remain at levels higher than the long run average price and Sucrogen continues its active hedging program to lock in attractive prices for this year and beyond.

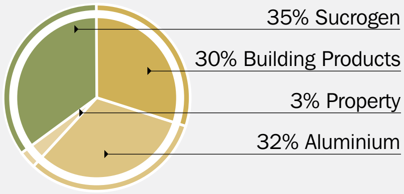


JEREMY SUTCLIFFE
MANAGING DIRECTOR

CSR PEOPLE
At 31 March 2010



EBIT BY BUSINESS
Year ended 31 March 2010



DEMAND FOR BRICKS IS EXPECTED TO INCREASE IN THE COMING YEAR ON FORECAST IMPROVEMENT IN RESIDENTIAL HOUSING STARTS.

CSR REVIEW

Building foundation for change

CSR'S NEW GYPROCK FACTORY IN YARRAVILLE, VICTORIA IS EXPECTED TO BE COMPLETED THIS YEAR.

During the year, **Rob Sindel** was appointed as CEO, CSR Building Products with responsibility for CSR's Building Products and Property divisions and also for CSR's investment in Aluminium through our 70 per cent shareholding in Gove Aluminium Finance.

BUILDING PRODUCTS

EARNINGS IN BUILDING PRODUCTS WERE STEADY DESPITE WEAKER MARKETS FOR MOST OF THE YEAR, WITH THE BUSINESSES NOW WELL PLACED TO CAPITALISE ON IMPROVING CONDITIONS.

Australian residential housing activity remained weaker for most of the financial year, with some signs of improvement towards year end. Residential housing commencements on a one quarter lag basis to 31 March 2010 were down 7 per cent on the previous year.

Conditions for commercial construction (which comprises approximately 30 per cent of CSR's Building Products revenue) continued to remain weak and are expected to remain so in the short to medium term.

Gross margins across the portfolio were generally steady despite softer markets for most of the year.

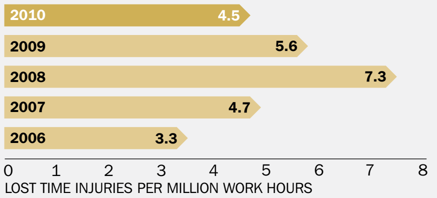
Trading revenue of $1,507 million was down 2 per cent from $1,538 million last year, with EBIT of $115.0 million down slightly from $117.9 million.

Volumes for **Gyprock™** plasterboard were impacted by weaker market conditions for most of the year, particularly in commercial markets, partially offset by price increases across most product lines and continued overhead cost control.

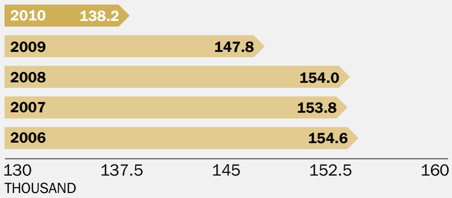
Bradford™ Insulation increased revenue and EBIT in response to the Federal Government's Energy Efficient Homes Package prior to its sudden termination by the Government in February 2010. Following the abrupt termination of the scheme, Bradford has now implemented staff reductions at manufacturing plants and in sales and marketing roles and has restructured manufacturing capacity at its sites.

As advised at the half year, earnings in the Viridian glass business continue to be impacted by weaker market conditions in residential and commercial markets across Australia/New Zealand, particularly in the Downstream business.

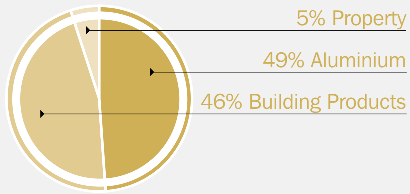
LOST TIME INJURY FREQUENCY RATE
Year ended 31 March



AUSTRALIAN HOUSING STARTS THREE MONTH LAG
Year ended 31 March



EBIT BY BUSINESS
Year ended 31 March 2010



CSR targets energy efficiency at its purpose built office at Triniti, North Ryde.

Photo: Willem Rethmeier

CSR'S SYDNEY OFFICE, NORTH RYDE, NSW.

CSR'S NEW SYDNEY OFFICE IS A TESTAMENT TO OUR COMMITMENT TO SUSTAINABILITY BY USING CSR'S ENERGY EFFICIENT BUILDING PRODUCTS.

In moving to a new location, CSR was focused on ensuring the new premises were a showcase of our range of energy efficient building solutions, inside and out.

The new building incorporates sustainable design to provide comfort to staff and also to reduce energy costs.

The Green Building Council of Australia has awarded CSR a 5 star green star office interior rating.

Viridian™ reported a loss of $1.6 million on revenue of $379.7 million, with underlying trading performance improving in the second half.

Volumes in Upstream manufacturing (Primary Products) improved slightly from a recovery in market share following the completion of the rebuild and refurbishment of the float glass facility at Dandenong. This managed to offset generally lower market activity and the continuing high Australian dollar for much of the year, which makes imported float glass more price competitive.

However, the performance of the Downstream business has not been satisfactory. Earnings were impacted by significantly reduced volumes on lower levels of market activity, together with reduced market share in core east coast markets.

In the second half of the year, the management team of the Viridian business was restructured with new senior management appointments for the Primary Products and Downstream businesses reporting directly to the CEO of CSR Building Products.

Bricks and Roofing trading revenue of $281.3 million was down 5 per cent, in line with the downturn in market conditions for residential construction. However, a continued focus on overhead cost control and pricing discipline, together with some market share gains in specific product categories, resulted in increased EBIT compared to the previous year.

BRADFORD INSULATION PROVIDES A RANGE OF ENERGY EFFICIENT SOLUTIONS FOR RESIDENCES AND COMMERCIAL BUILDINGS.

VALUE ADDED BILLETS PRODUCED AT THE TOMAGO ALUMINIUM SMELTER, NEAR NEWCASTLE.

ALUMINIUM

INCREASED EARNINGS ON HIGHER UNHEDGED ALUMINIUM PRICE WITH STRONG IMPROVEMENT IN RETURN ON FUNDS EMPLOYED.

Earnings for Gove Aluminium Finance Limited (GAF), which is 70 per cent owned by CSR, benefited from an increase in the unhedged aluminium price towards the end of the year. Stringent cost control resulting in lower than forecast operating costs at the Tomago smelter, together with slightly increased sales volumes, also added to the better result. EBIT of $123.5 million was 12 per cent higher than last year. Trading revenue decreased by 6 per cent to $510.7 million, reflecting the lower average realised aluminium price.

The average realised aluminium price was A$2,674 per tonne after hedging, compared with A$2,924 last year. The average world aluminium price was US$1,898 per tonne, compared to last year's US$2,274 per tonne.

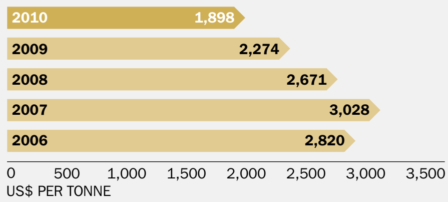
GAF's sales volume from the Tomago aluminium smelter was a record 190,981 tonnes, compared to 186,103 tonnes last year.

GAF has not materially added to its metal hedge book and, as a result, as at 30 April 2010 around 35 per cent of net aluminium exposure for this financial year is hedged at A$3,195 per tonne, which is a lower proportion than usual.

The Tomago smelter retains its competitive position on the global aluminium cost curve. Meanwhile, GAF has a long established customer base and at year end, approximately 90 per cent of its share of production from the Tomago smelter is committed to sales arrangements in this financial year.

AVERAGE LME ALUMINIUM PRICE

Year ended 31 March



ALUMINIUM PRICE

PROPERTY

CONTINUED CHALLENGING CONDITIONS IN PROPERTY MARKETS ACROSS AUSTRALIA IMPACTED THIS YEAR'S RESULT.

Market conditions for commercial and industrial property continued to remain challenging during the year, with EBIT dependent on the timing of specific transactions of sales to end users.

As a result, EBIT fell to $12.8 million, compared to $25.1 million last year.

CSR also reduced capital expenditure in light of the market conditions.

The main contributions to earnings from property sales were:

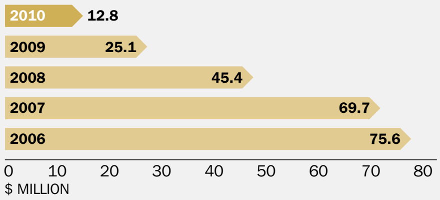
- sale of a 17 hectare industrial site at Brendale north of Brisbane;
- sale of 1.5 hectares at Erskine Park;
- further light industrial lot sales at Darra in Brisbane; and
- the sale of a former plasterboard site in Indonesia.

Market conditions are indicating a gradual recovery and, on this basis, CSR remains focused on progressing core developments for the medium term.

Approvals have now been received for the Narangba site north of Brisbane, a 606 lot residential subdivision with site works commenced recently.

In March 2010, the Victorian State Government also approved the rezoning of the Chirnside Park site for residential development for approximately 450 lots.

PROPERTY EBIT
Year ended 31 March



CSR HAS APPROVAL TO DEVELOP 600 RESIDENTIAL LOTS AT NARANGBA, NORTH OF BRISBANE.

VIRIDIAN GLASS AT THE NEW AUDI SHOWROOM IN SYDNEY.

The new Audi showroom showcases the sustainable range of Viridian glass.

VIRIDIAN'S NEW RANGE OF ENERGY EFFICIENT GLASS HAS RECENTLY BEEN INSTALLED AT THE NEW SYDNEY AUDI CAR SHOWROOM.

During the year, Audi Australia officially opened its flagship 'Lighthouse' development in Sydney. The eight-level, 16,000 square metre facility located on South Dowling Street, Sydney showcases Viridian glass design.

Comprising 2,100 square metres of performance glass, including Viridian EnviroShield XIR 72-47™ EnergyTech glass, the project is one of the largest commercial projects completed by Viridian.

Viridian's architectural segment manager worked closely with both the architect and consulting engineers to assist in delivering performance glass that met the client's requirements.

The project galvanises Viridian's commitment to provide competitive smart glass solutions and demonstrates the use of glass in extraordinary ways.

SUCROGEN'S OPERATIONS FOLLOW A NATURAL, SUSTAINABLE CYCLE, CREATING RENEWABLE ENERGY AND FUEL FROM SUGARCANE BY-PRODUCTS AND PRODUCING FERTILISERS WHICH ARE RE-APPLIED TO CANE FIELDS.

SUCROGEN REVIEW

Creating energy for the future

Ian Glasson has been appointed CEO of Sucrogen, Australia/New Zealand's leading sugar and renewable energy company.

sucrogen™

Sugar and Renewable Energy announces its new name.

Sucrogen is the new corporate identity for CSR's sugar business.

Sucrogen is a combination of sucrose and generation. The name captures our strong position in sugar, but also further opportunities in renewable energy based on our sustainable operations.

'Gen' also reflects our philosophy of being the new generation – leading the way in sugar and renewable energy.

While Sucrogen is the new corporate identity, we will retain the iconic CSR and Chelsea brands for food and beverage products in Australia and New Zealand respectively.

The new corporate identity is being progressively introduced across our operations this year.

CANE PRODUCTS

EARNINGS INCREASED ON A HIGHER REALISED SUGAR PRICE, DESPITE A LOWER CROP.

The Cane Products (Raw Sugar) business benefited strongly from higher realised raw sugar prices, which offset the lower crop size as a result of severe flooding prior to the commencement of the crushing season last year. The crop was down 8 per cent to 12.4 million tonnes, due primarily to wet weather; however, sugar production was down only slightly to 1.91 million tonnes from 1.96 million tonnes previously on improved mills efficiency and higher cane yields.

EBIT for Cane Products more than doubled to $85.6 million, with strong capital management focus resulting in improved operating cash flows from the previous year.

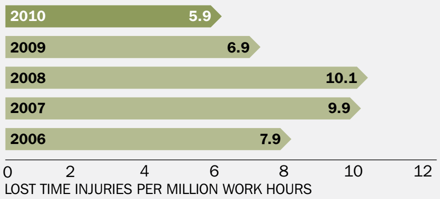
Sugar mill reliability continues to improve as a result of the targeted capital upgrade program to refurbish critical equipment, improve cost efficiencies and increase sugar recovery.

CANE PRODUCTS (CONTINUED)

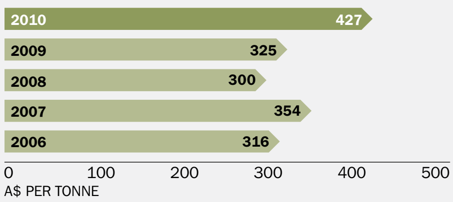
In another positive development, the land area under cane continues to improve across most regions through a combination of higher sugar prices, planting incentives and the Sucrogen grower forward pricing scheme introduced last season.

Area under cane is expected to increase by more than 6,000 hectares in the coming year, while around 70 per cent of growers are now taking the opportunity to hedge prices for future seasons.

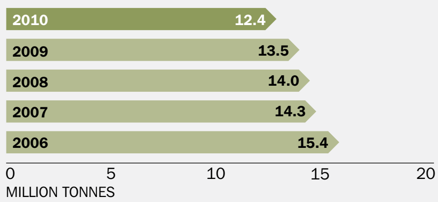
LOST TIME INJURY FREQUENCY RATE
Year ended 31 March



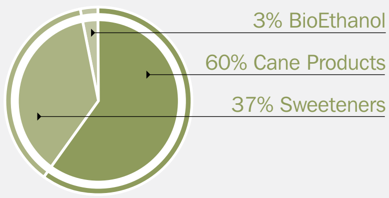
REALISED RAW SUGAR PRICE
Year ended 31 March

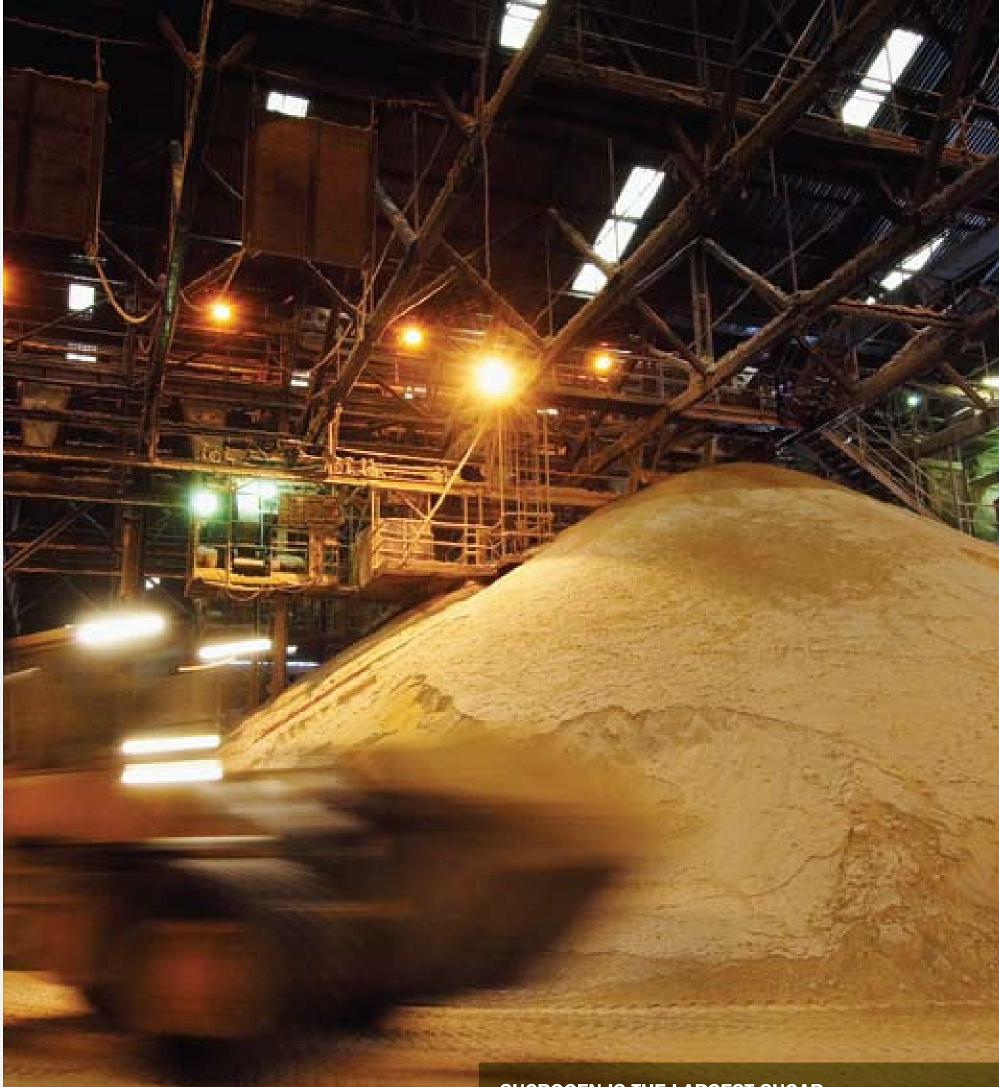


SUGARCANE CROP SIZE
Year ended 31 March



EBIT BY BUSINESS
Year ended 31 March 2010





SUCROGEN IS THE LARGEST SUGAR REFINER IN AUSTRALIA AND NEW ZEALAND.

SWEETENERS

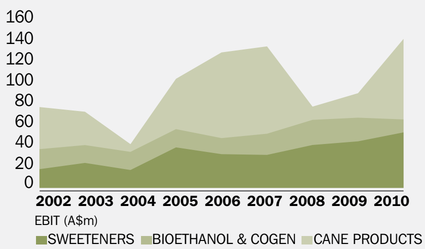
EARNINGS CONTINUED TO IMPROVE ON CUSTOMER VALUE AND INNOVATION.

Earnings from the Sweeteners business (formerly Refining) continued to increase, with EBIT up 19 per cent to $53.2 million due to improved margins, particularly in the food and beverage sector. The Sweeteners business continues to generate stronger returns through a sustained focus on enhanced customer value and innovation in the food and beverage and retail sectors. Volumes in both Australia and New Zealand were slightly lower, primarily in response to higher sugar prices which have a minor impact on demand in some product categories.

Customer response to the launch of the 'Better For You' range of sugars, including CSR LoGiCane Low GI Cane Sugar, Organic Sugar and Smart White and Fine Raw Sugar blends, continues to be positive, with further distribution across Australian retail outlets.

Meanwhile, Sugar Australia extended its distribution of stevia extract products beyond the retail segment with a memorandum of understanding with GLG Life Tech Corporation to distribute and market its stevia extract products as an ingredient to the food and beverage sector.

INCREASED EARNINGS BASE FROM SWEETENERS AND RENEWABLES
Year ended 31 March



Sucrogen to increase its renewable energy electricity production.

SUCROGEN HAS EXPANDED ITS ELECTRICITY COGENERATION FACILITY AT THE VICTORIA SUGAR MILL, NORTH OF TOWNSVILLE.

The $24 million project replaces two of the existing steam turbo-alternators at the mill with a single, larger capacity turbo-alternator capable of producing 19 megawatts (MW) of renewable electricity.

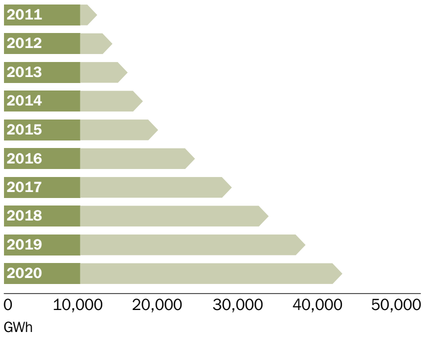
Sucrogen is already Australia's largest producer of renewable energy from biomass, using the waste cane fibre by-product of sugar cane production (bagasse). It has current cogeneration capacity of 171MW to operate its own seven sugar mills, with a surplus of 105MW available for export to the QLD power grid which is enough to power around 36,000 households each year.

The new facility takes advantage of existing steam capacity at Victoria mill to provide a low capital cost option to expand the mill's total electricity exported to the grid by up to 12MW.

This project is in line with our strategy to develop low risk growth projects aligned to our focus on providing sustainable solutions from our sugar operations.

Demand for renewable energy is expected to increase in response to requirements such as the large-scale Renewable Energy Target Scheme, which requires a growing proportion of electricity to be sourced from renewable energy.

LARGE-SCALE RENEWABLE ENERGY TARGET



MANDATORY RENEWABLE ENERGY TARGET
LARGE-SCALE RENEWABLE ENERGY TARGET
Source: Department of Climate Change

SUCROGEN HAS INCREASED ITS FUEL ETHANOL PRODUCTION AT THE SARINA DISTILLERY.

WASTE CANE FIBRE, BAGASSE, IS USED TO GENERATE ELECTRICITY AT SUCROGEN'S MILLS.

BIOETHANOL

THE HIGH PRICE OF MOLASSES IMPACTED EARNINGS IN BIOETHANOL.

BioEthanol's EBIT fell by nearly two-thirds to $4 million, with margins impacted by the high price of molasses which is Sucrogen's key feedstock in producing ethanol.

Reduced molasses production from India drove the molasses price up an average A$30 per tonne on the previous year to over A$100 per tonne. Earnings were also impacted by lower fertiliser prices which resulted in lower agriculture fertiliser revenue, despite slightly higher volumes.

The $17.8 million project to increase fuel ethanol production capacity from 38 million litres to 60 million litres per annum at the Sarina distillery was successfully commissioned on time and on budget in July 2009. Demand for fuel ethanol continues to increase in Australia and this project enables CSR to increase its production of the renewable fuel to meet this growth.

V8

SUCROGEN IS HELPING THE V8 SUPERCARS TO REDUCE THEIR CO_2 EMISSIONS.

Sucrogen supports V8 Supercar Championship Series in Townsville.

SUCROGEN HAS BECOME THE NAMING RIGHTS SPONSOR OF THE TOWNSVILLE 400, THE V8 SUPERCAR CHAMPIONSHIP SERIES RACE HELD IN TOWNSVILLE IN JULY.

"With our change from CSR Sugar to Sucrogen, an important part of our re-branding strategy is to raise awareness of the new brand in the marketplace and the Sucrogen Townsville 400 was the perfect fit," said Ian Glasson, CEO of Sucrogen.

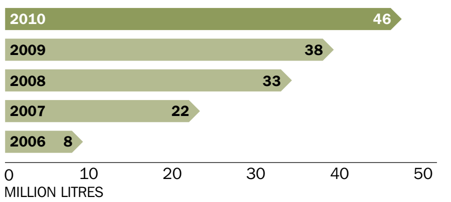
"We have been the official fuel supplier to the V8 Supercar championship series, providing renewable fuel ethanol to help the sport lower its CO_2 emissions and this is a logical extension of that agreement," he said.

The fuel being used by the V8 supercars is E85, a blend of 85 per cent ethanol and 15 per cent unleaded petrol. Every litre of E85 made from Sucrogen ethanol produces around half the CO_2 emissions as one litre of petrol when measured on a full life cycle analysis.

Most cars in Australia that have been made to run on unleaded petrol are suitable to run on ethanol blended fuel.

To check the compatibility of your make and model, visit www.ethanolfacts.com.au

BIOETHANOL FUEL ETHANOL PRODUCTION
Year ended 31 March



Board

IAN BLACKBURNE (1)
BSC (HONS), PHD, MBA, AGE 64.

Chairman, and is a member of the Audit Committee, Safety, Health and Environment Committee and Remuneration Committee. He joined the board in 1999 and was last re-elected in 2007. An independent director, Ian is a former managing director of Caltex Australia Limited. He has been a director of Suncorp-Metway Limited and Teekay Corporation for eight years, and in December 2009 was appointed as a director-elect of Aristocrat Leisure Limited. In April 2008, he ceased to be a director of Symbion Health Limited after three years.

JEREMY SUTCLIFFE (2)
LLB (HONS), MAICD, AGE 52.

Jeremy joined the board in 2008 as an independent director. He was appointed as an executive director and managing director on 1 April 2010. Jeremy was formerly an executive director of Sims Metal Management Limited, having held several positions, including Group CEO, from 2002 until 2008. He is a non–executive director of Amcor Limited and holds advisory roles with Scholz AG and Veolia Environmental Australia.

NICHOLAS BURTON TAYLOR AM (3)
BECON, FCA, FAICD, FFIN, AGE 60.

A member of the Audit Committee and the Safety, Health and Environment Committee, Nicholas joined the board in 2008 as an independent director. Nicholas is the past chairman of Airservices Australia. He has been a director of GrainCorp Limited, Rural Press Limited, Sydney Airport Corporation Limited and the Federal Airports Corporation. He is currently the chairman of Australian Agricultural Company Limited and in January 2010 was appointed chairman of Delta Agribusiness. He is a past president of the Institute of Chartered Accountants and current chairman of the Country Education Foundation of Australia and a member of the Rabo Bank Advisory Board.

KATHLEEN CONLON (4)
BA (ECON) (DIST), MBA, AGE 46.

A member of the Safety, Health and Environment Committee and Audit Committee. Kathleen joined the board in 2004 as an independent director after seven years as a partner and director of the Boston Consulting Group (BCG), where she led BCG's Asia Pacific Operational Effectiveness Practice Area and, previously, the Sydney office. She is a member of Chief Executive Women, a NSW council member of the Australian Institute of Company Directors, a member of the NSW Government's Better Services & Value Taskforce and a non-executive director of both DLA Phillips Fox and REA Group Limited.

SHANE GANNON (5)
BBUS(ACC), CPA, FAICD, AGE 50.

Joined CSR as chief financial officer in July 2008. Appointed to the CSR board in September 2009 as an executive director. Shane is a former chief financial officer of Dyno Nobel and chief executive of Novera Energy. He spent 10 years at the Lend Lease Group, undertaking senior CFO roles in the property and financial services sectors. He is a director of Tomago Aluminium, a joint venture with Gove Aluminium Finance Ltd (CSR and AMP), Rio Tinto Alcan and Hydro Aluminium.

RAY HORSBURGH AM (6)
BENG (CHEM), HON D UNIV, FAICD, FIE AUST, AGE 67.

Chairman of the Safety, Health and Environment Committee and is a member of the Remuneration Committee. Ray joined the board in October 2006 as an independent director. Ray has had a distinguished record of managing manufacturing businesses, including leading a number of mergers and acquisitions. He was managing director of Smorgon Steel Group Limited for nine years until its merger with OneSteel Limited in August 2007. This followed a 31 year career with the Australian Consolidated Industries group, primarily in senior roles in the glass and packaging businesses. In September 2007, he was appointed chairman of Toll Holdings Limited, where he has served as a director for four years. Ray is also chairman of Traffic Technologies Limited and a director of National Can Industries Limited and Essendon Football Club.

RICHARD LEE (7)
BENG (CHEM) (HONS), MA (OXON), AGE 60.

Chair of the Remuneration Committee and is a member of the Audit Committee. Richard joined the board in 2005 as an independent director. He has had 19 years' experience in investment banking and the finance industry. Richard is a former chief executive officer of N M Rothschild Australia group. Prior to his investment banking career, he held a number of senior roles in CSR's Sugar division. Richard has been chairman of Salmat Limited for eight years and is deputy chairman of Ridley Corporation Limited, where he has been a director for nine years. He has been a director of Newcrest Mining Limited since August 2007. In June 2009, he was appointed as non-executive chairman of C. Czarnikow Limited. A Rhodes Scholar, he is a fellow of, and in November 2009 was appointed national chairman of, the Australian Institute of Company Directors.

JOHN STORY (8)
BA, LLB, FAICD, AGE 64.

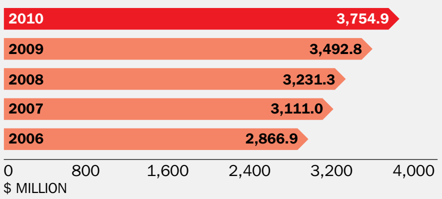
Chairman of the Audit Committee and is a member of the Remuneration Committee. John joined the board in 2003. An independent director, he has a great depth of experience as a senior lawyer advising on corporate and commercial law. In 2007, he retired as non-executive chairman of the law firm Corrs Chambers Westgarth, where he was a partner for 36 years until his retirement as a partner in 2006. John is chairman of Suncorp-Metway Limited, where he has been a director for 13 years. In November 2007, he was appointed as chairman of Tabcorp Holdings Limited, where he has been a director since 2004. Previously, he had been a director of Jupiters Limited.

Five year performance – Key facts

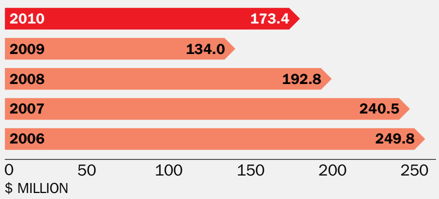
YEAR ENDED 31 MARCH – $ MILLION UNLESS STATED	2010	2009	2008	2007	2006
OPERATING RESULTS					
Trading revenue	**3,754.9**	3,492.8	3,231.3	3,111.0	2,866.9
EARNINGS BEFORE INTEREST AND TAX (EBIT)					
Building Products	**115.0**	117.9	147.6	84.5	80.9
Aluminium	**123.5**	110.7	136.7	141.9	156.1
Property	**12.8**	25.1	45.4	69.7	75.6
Sucrogen	**135.7**	83.7	71.7	130.1	123.7
Segment total	**387.0**	337.4	401.4	426.2	436.3
Corporate [a]	**(18.6)**	(17.0)	(18.4)	(20.3)	(18.9)
Restructuring and provisions	**(4.3)**	(0.3)	3.3	0.2	(0.6)
CSR EBIT	**364.1**	320.1	386.3	406.1	416.8
Net profit after tax (before significant items)	**173.4**	134.0	192.8	240.5	249.8
Net(loss)/profit after tax (after significant items)	**(111.7)**	(326.5)	177.4	273.3	305.0
FINANCIAL POSITION					
Shareholders' funds	**1,818.2**	1,586.5	1,590.7	1,264.2	1,075.4
Total assets	**3,874.6**	4,188.4	4,099.2	2,938.0	3,063.2
Net debt	**766.9**	1,189.4	1,236.7	448.6	558.5
KEY DATA PER SHARE					
Earnings before significant items (cents)	**12.7**	12.2	20.9	27.0	27.4
Earnings after significant items (cents)	**(8.2)**	(29.7)	19.2	30.6	33.5
Dividend (cents)	**8.5**	7.5	15.0	15.0	15.0
Payout ratio (%)	**66.9**	61.5	71.8	55.6	54.7
KEY MEASURES					
Profit margin (EBIT:trading revenue) (%)	**9.7**	9.2	12.0	13.1	14.5
Return on shareholders' funds (ROSF) (%) [b]	**10.5**	9.4	12.7	20.1	21.8
Gearing at 31 March (%) [b] (net debt/net debt plus equity)	**29.7**	43.3	43.0	25.3	30.5
Interest cover at 31 March (times)	**9.3**	5.5	7.4	15.4	17.2
Employees (number of people employed)	**6,738**	6,704	7,282	5,492	6,363
Safety performance (recordable injuries) [c]	**24.6**	25.2	24.8[d]	14.4	15.6

a Represents unallocated overhead and other revenues.
b Restated to exclude the fair value of hedges from equity.
c Total number of recordable injuries per million work hours.
d Restated to include safety performance data of the Viridian business which was acquired during the year ended 31 March 2008.

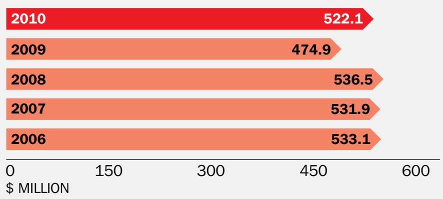
TRADING REVENUE
Year ended 31 March



NET PROFIT AFTER TAX BEFORE SIGNIFICANT ITEMS
Year ended 31 March



EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)
Year ended 31 March



Shareholder Information

SHAREHOLDERS' TIMETABLE [a]	2010
CSR year end	31 March
Full year profit and final dividend announced	12 May
Annual Report, Notice of Meeting and Proxy Form released	7 June
Shares begin trading ex-dividend	9 June
Record date for final dividend	16 June
Final dividend paid	6 July
Proxy returns close 10.00 am Sydney	6 July
Annual General Meeting 10.00 am Sydney	8 July
CSR half year end	30 September
Half year profit and half year dividend announced	3 November

a Timing of events is subject to change.

ANNUAL GENERAL MEETING
Annual General Meeting 10.00 am
Thursday 8 July 2010
The Four Seasons Hotel,
199 George Street, Sydney NSW 2000

REGISTRY INFORMATION
All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000 Australia
GPO Box 2975, Melbourne VIC 3001
Australia

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