CSR™

Performance & Growth

RESULTS PRESENTATION

6 months ended 30 September 2001

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- Good morning and thank you once again for coming. I'd also like to welcome everyone listening on the webcast.
- You know most of our management team, but there are a couple of new faces today.
  Alec Brennan you know…our Deputy Managing Director
  Graeme Pettigrew…Chief Executive Building Materials Aust & Asia
  Ian McMaster…Chief Executive Sugar.
- The new faces are Warren Saxelby, Chief Financial Officer, who joined us last month from BHP Steel, and Karl Watson Junior, who is the new Chief Executive of Construction Materials Australia & Asia. Many of you will know Karl from Rinker Materials Corporation (Rinker), where he ran the Florida Materials concrete and block business – right at the sharp end of the Florida market.
- David Clarke, Chief Executive of Rinker, is in the US and not with us today – but he and his team have delivered another solid result this half and we are, as always, most appreciative of their efforts.
- I am pleased to say that with our latest results, we have again been able to deliver value for our shareholders. The Group has worked hard to bed down last year's major acquisitions, and to further lift the performance of the business.

Agenda

Part 1	**Group financial performance**
Part 2	**Business performance**
Part 3	**Strategy**
Part 4	**Outlook**

- Let’s look first at the Group financial performance.

Strong results reflect improved performance and growth

Half year ended 30 September 2001

	A$m	change
Trading revenue	3,712	+ 9%
EBIT	514	+ 2%
EBITDA	739	+ 7%
Net profit	277	+ 2%
Operating cash flow	545	+ 32%
Free cash flow*	360	+ 45%
ROFE (MAT)	14.5%	+ 0.6pp
ROE (MAT)	12.7%	- 0.9pp
EPS	29.1c	+ 10%
Dividend per share	11c	n/c

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* EBITDA after deducting tax & net interest paid, operating capital & change in working capital

- Again we have a solid operating result.
- It reflects the ongoing strength of Rinker, the performance of the US acquisitions and the offset that Rinker and Sugar gave us against the very weak building and construction sector in Australia, and the loss of earnings from Gove.
- Sales rose 9%, partly due to the exchange rate but nonetheless the first time in many years that we have seen growth in trading revenue.
- EBIT and net profit were both up 2%.
- And earnings per share was up 10%, helped by the buyback.
- Return on equity was down, partly due to the low period-end exchange rate.
- Operating cash flow & free cash were very strong with increases of 32% & 45% respectively, partly due to the timing of US tax payments
- The dividend is 11 cents per share. Shareholders will again benefit from a higher level of franking, at 40%. In addition, the unfranked portion will be paid from CSR's Foreign Dividend Account – so overseas shareholders will receive the dividend free of withholding tax.
- As you know, shareholder value added, or SVA, is a very important measure for us. It was again strongly positive.

EBIT breakdown

Half year ended 30 September 2001

		A$m EBIT		
		HYES 01	HYES 00	% change
Rinker Materials Corp	*US$m*	*170*	*155*	*+ 10%*
	A$m	**335**	**269**	**+ 25%**
Construction Materials (Aust & Asia)		**32**	**48**	**- 33%**
Building Materials (Aust, NZ & Asia)		**48**	**86**	**- 44%**
International Building Materials		***415***	***403***	***+ 3%***
Sugar		**79**	**29**	**+ 170%**
Aluminium		**55**	**109**	**- 49%**
Corporate costs		**(16)**	**(14)**	
Restructuring, one-offs, other		**(20)**	**(22)**	

Totals may not add due to rounding

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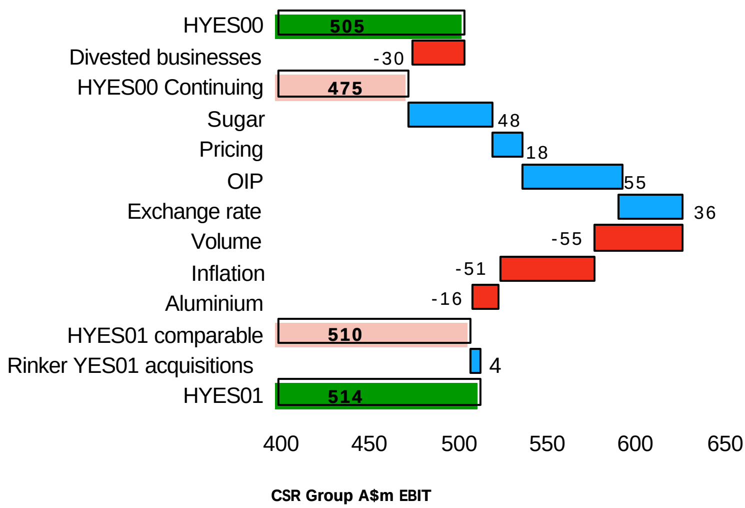
- The operating performance split shows that total EBIT from international building materials (the red line in the middle of the slide) was up 3%, with the Rinker result more than offsetting the slowdown in Australia.
- Rinker EBIT was up 10% in $US, or 25% in A$.
- Construction Materials & Building Materials were hit by the substantial fall in domestic building and construction activity versus the pre-GST boom in the first half last year.
- Sugar EBIT rose on an improvement in the sugar price, and
- Aluminium EBIT was down. Last year's number, of course, included the Gove alumina interest which we sold in January.
- Corporate costs last period included some one-offs. On a like for like basis they continued to fall, from A$16.9m to A$16.0m.
- Restructuring, one-offs and other includes some increases in provisions, and costs associated with the sugar separation.

EBIT variance analysis

Half year ended 30 September 2001



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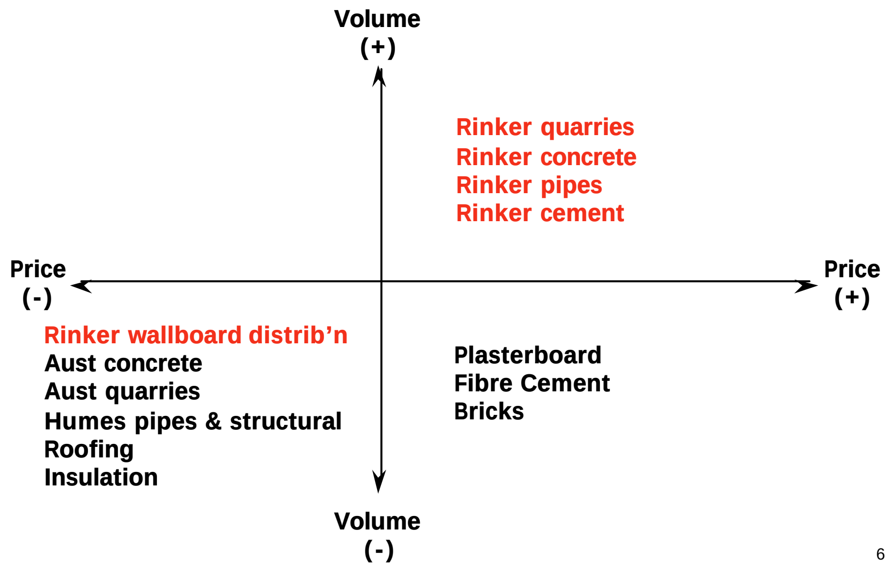
- EBIT was up A$9 million to A$514 million for the six months to September – that's shown in the top and bottom GREEN bars.
- To pull out EBIT on a continuing business basis, we have adjusted for divestments – the line near the top - and acquisitions, near the bottom.
- So EBIT on a continuing basis - the PINK bars - rose from A$475 to A$510 million
- The BLUE bars show positive movement and the RED, negative movement.
- Cost savings of A$55 million from operational improvement more than offset cost increases due to inflation.
- The exchange rate benefit was A$36 million. The average US$ exchange rate for the half was 50.8 cents versus 57.8 cents previously.
- The biggest negative was the A$55 million drop in EBIT due to lower volumes in building and construction materials - mainly here in Australia but also wallboard and polypipe in Rinker.

Price / Volume matrix

Half year ended 30 September 2001



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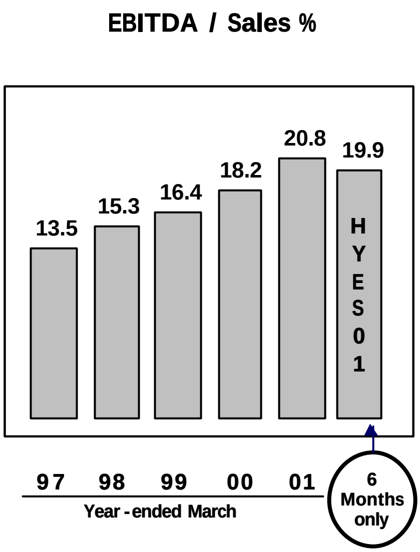
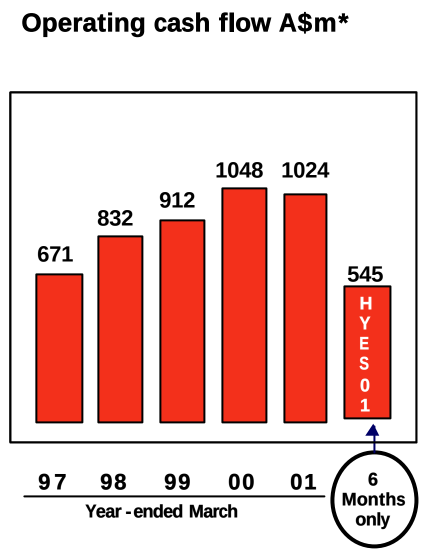
- This shows the movement in price and volume for our products during the half, compared with 12 months earlier.
- One interesting point is that despite the slowdown in the residential sector in Australia, prices for bricks, fibre cement and plasterboard continued to increase. This is quite contrary to what happened in the previous downturn, when prices - and profits - fell dramatically.

EBITDA margin & cash flow



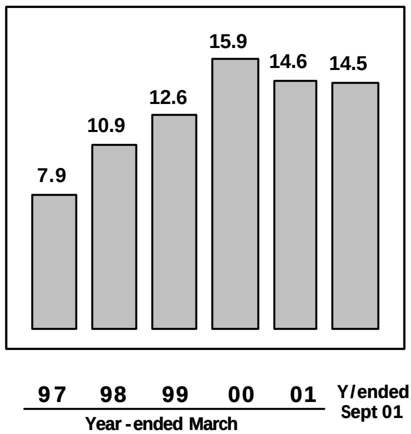


* Net operating cash flow after tax

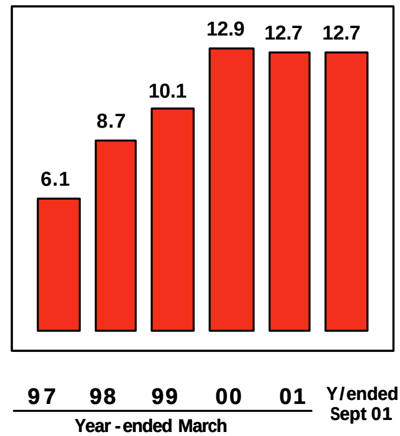
- As you can see from this slide, our EBITDA margin has held around the 20 percent mark - up quite a bit on five years ago.
- Operating cash flow also continues to improve.
- These are calculated on a full year basis, except for the latest half year.

Financial ratios

Return on funds employed
%



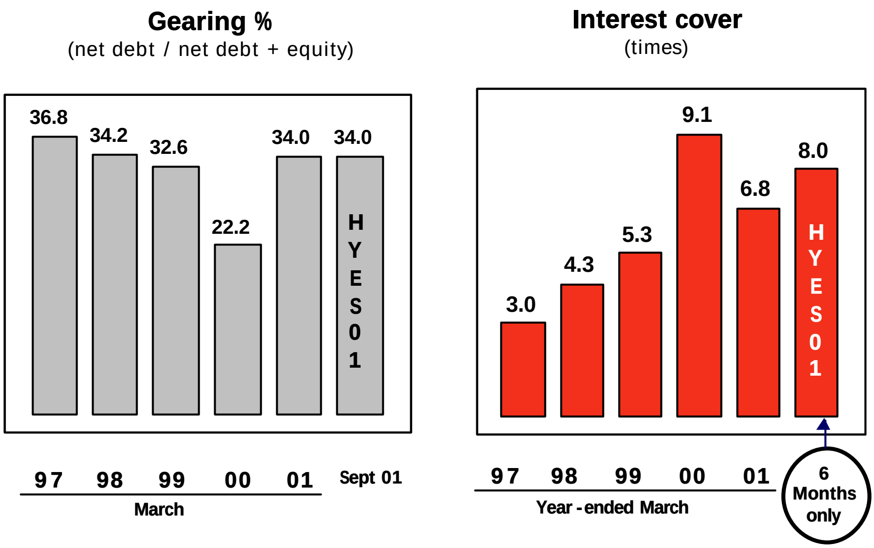
Return on Equity
%



- These ratios remain strong – notwithstanding the high level of investment in growth last year and the downturn in Australia.

- These are also calculated on a full year basis - plus we’ve shown the year to September 01.

Strong financial position



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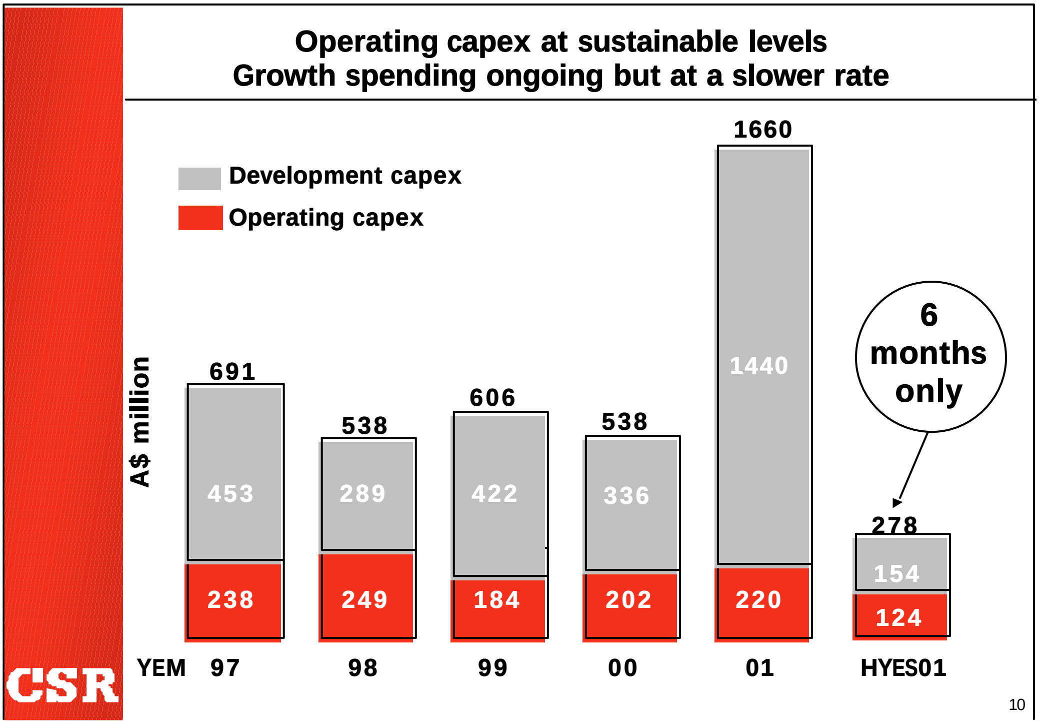
- Gearing is holding comfortably at 34%
- And interest cover has bounced back to 8 times.



- Development capex is down on last year, which included two major acquisitions.

- Operating capex continues to run below 70% of depreciation.

Agenda

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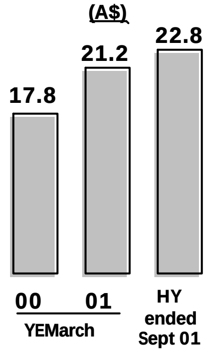
- Turning now to the performance of the businesses and Rinker…

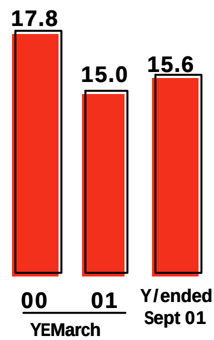
Rinker Materials Corporation

A$m HYES	01	00	
Revenue	2,115	1,745	+21%
EBIT	335	269	+25%
EBITDA	483	369	+31%
Funds Empl	3,954	3,649	+8%

EBITDA/Sales % (A$)



ROFE % (US$)



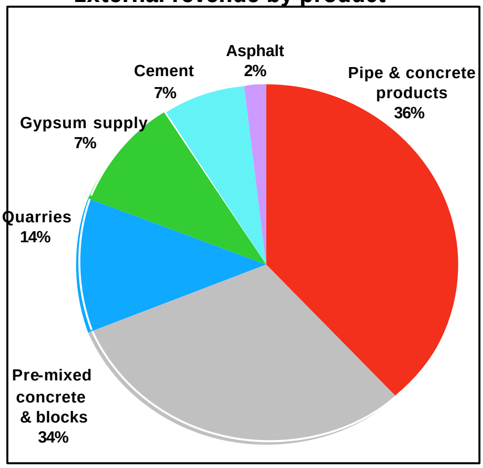
- EBITDA margin for the half year 22.8%, up from 21.1%
- Quarry prices up strongly
- Concrete volumes up 2%; Florida Materials US$ EBIT up 23%
- Concrete pipe US$ EBIT up 25%; prestress down US$7m
- Wallboard distribution EBIT fell US$7m; prices fell steeply
- Acquisitions in for their first full year in YEM02 delivered US$33m in the half

- Rinker Materials Corporation, formerly CSR America Inc, delivered further strong growth with EBIT up 25% in A$ and 10% in US$
- The EBITDA to sales margin was up 1.7 percentage points.
- EBIT from concrete pipes rose 25%. Strong increases in US$ sales and profit also came from the Florida and Georgia quarries, with EBIT up 34%, cement up 18% and Florida Materials, up 23%.
- The Nevada business, where Rinker has just added the Hanson operations, showed a profit turnaround, performing much better under new management
- The disappointments were prestress, where profit fell US$7 million, and the small polypipe business where market volumes fell 30%. Wallboard distribution suffered severe falls in price and volume but remains SVA positive.
- Comparable aggregates volumes - adjusted for acquisitions and divestments - rose 1.8% and prices were up over 5%.
- The acquisitions that will be in for their first full year this year, including Florida Crushed Stone and American Limestone, delivered US$33 million.

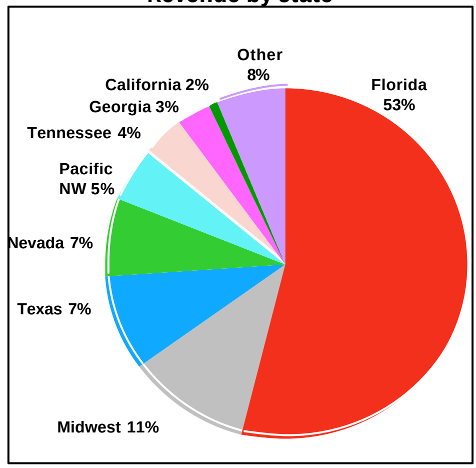
Over 80% of Rinker revenue from high population growth states in US

Half year ended 30 September 2001

External revenue by product



Revenue by state



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- This slide shows the product and geographic segmentation of Rinker's sales.

- The product split is on the left, and is based on external sales only.

- Doing it this way significantly underplays Rinker's involvement in aggregates and cement – and overplays the revenue from concrete. This is because a very large proportion of aggregate and cement production is used internally - and so is absorbed into the concrete product share.

- If you take internal sales into account, the concrete and block share of revenue almost halves, from 34% to 18%.

- The split by state is on the right. You can see the exposure in states with higher population growth, mainly in the US south. Whilst this is important, the primary driver of profitability is still market structure and share.

Benchmarking shows Rinker performing satisfactorily relative to competitors

Year-on-year to September 2001

	Lafarge Nth Am	Texas Ind (to Aug 01)	Vulcan	Martin Marietta	Florida Rock (to Jun 01)	Rinker
Sales (US$ million)	3165	1249	2726	1435	685	2044
Sales growth	12%	-8%	11%	6%	9%	9%
EBIT growth	-27%	-66%	-6%	-16%	15%	21%
EBITDA / Sales % this year	17%	13%	24%	24%	22%	22%
EBITDA / Sales % prior year	22%	20%	25%	27%	20%	19%

Source: published quarterly reports; Rinker analysis

US$ calculations

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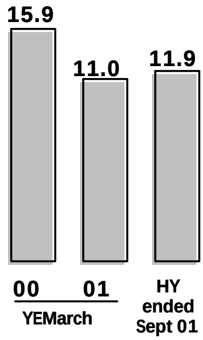
- Benchmarking of our performance against our competitors is a critical part of what is being done within the CSR Group.
- This table compares Rinker with its major competitors.
- Lafarge Corp, Texas Industries, Vulcan and Martin Marietta all showed profit falls over the year to Sept 2001.
- You can also see that, measured by sales revenue, Rinker is the third largest of the heavy building materials companies in the US market.

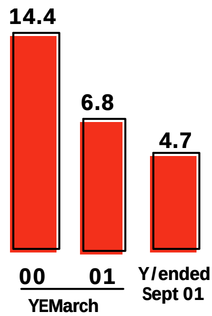
Construction Materials (Aust & Asia)

A$m HYES	*01*	*00*	
Revenue	476	501	-5%
EBIT	32	48	-33%
EBITDA	57	74	-23%
Funds Empl	755	846	-11%

EBITDA/Sales %



ROFE % (mat)



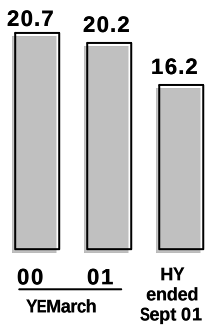
- **EBIT down 33% to A$32m**
- **Concrete and quarry results in line with competitor performance**
- **Improved result on half-year Oct 00 to Mar 01**
- **Pipe activity now beginning to pick up; infrastructure spending forecast late year**
- **Planning for price increases**
- **New management**
- **EBIT from Asian operations increased**

- Australian building and construction activity fell 12% vs the half year ended September 2000. This significantly impacted our Construction Materials performance - which is poor - but a big improvement on the second half last year.
- Concrete & quarry profits were down on last year. Volumes in Sydney for example fell 50%.
- But benchmarking shows margins are in line with our major competitors. However, all this shows is that none of us are earning satisfactory returns.
- Pipes are starting to pick up and some major infrastructure projects are getting underway.
- Asia is showing signs of growth, and our Tianjin joint venture should benefit from the 2008 Olympics.
- We have appointed a new Chief Executive to Construction Materials -- Karl Watson Jnr. Some kids play in sand pits, but Karl has been working with sand, rocks and concrete since he was born. His dad, Karl Watson Senior, has had a long and successful career in the industry.
- Karl is highly experienced in a very competitive market and is well-respected. He ran Rinker's Florida Materials division for nearly 4 years and in that time he and his team tripled EBIT.
- One of Karl's priorities will be to instil the high performance culture, along the lines of what he did over the past couple of years in Florida Materials.
- Another is to significantly lift prices - in aggregates, cement and concrete.
- None of the major players in this industry are creating value. At CSR, we want to invest

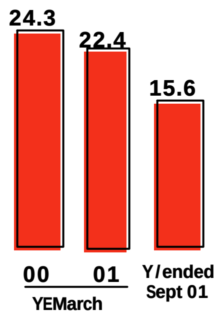
Building Materials (Aust, NZ & Asia)

A$m HYES	01	00	
Revenue	395	494	-20%
EBIT	48	86	-44%
EBITDA	64	105	-39%
Funds Empl	623	644	-3%

EBITDA/Sales %



ROFE % (mat)



- **EBIT down 44%**
- **Housing starts down 34% (on a 3 month lag basis) over the half**
- **EBIT margin 12.1% significantly higher than last cycle low of 6.1% (HYES96)**
- **Asian operations profitable**
- **Strong lift in housing approvals now starting to flow through to activity**
- **Rosehill tile plant on track for mid-2002 opening**

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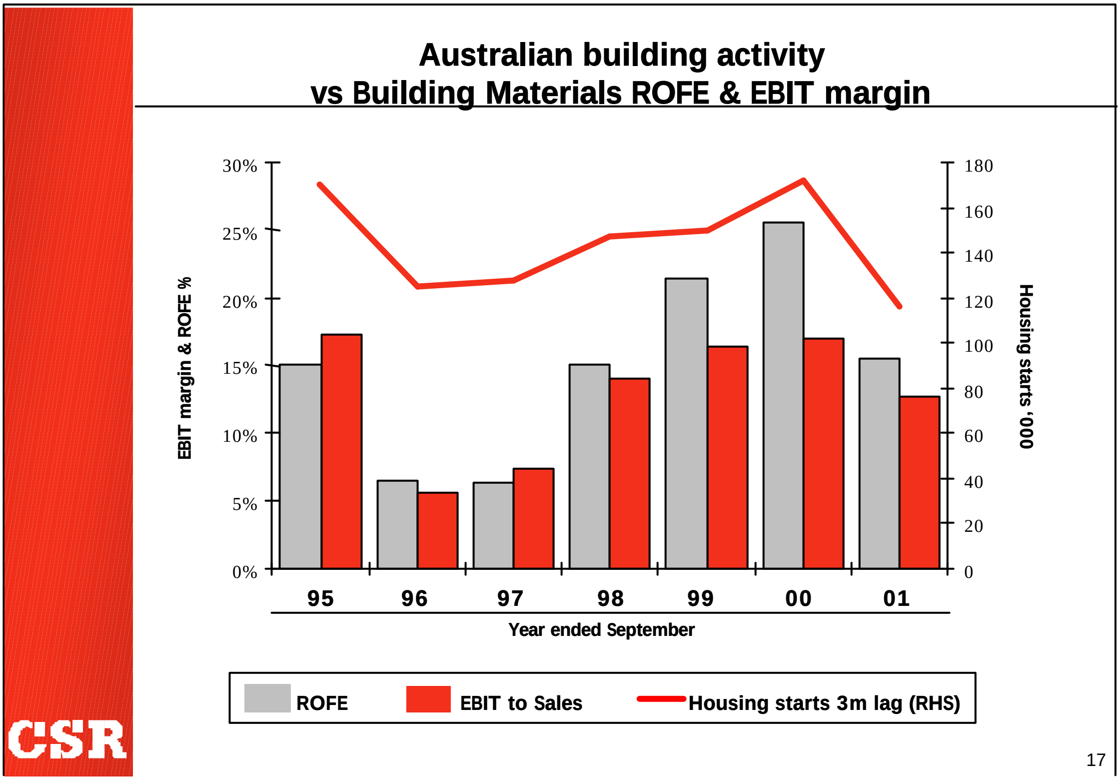
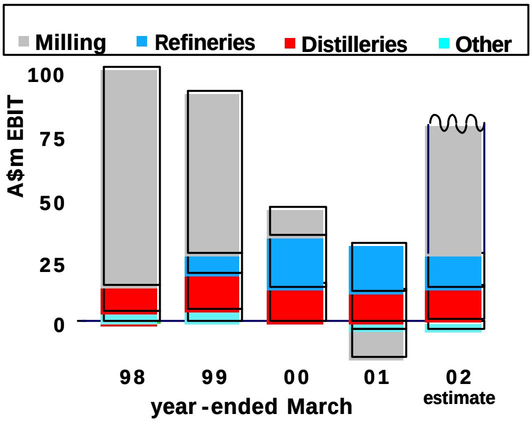
- In Building Materials, housing starts on a three month lagged basis – which correlates well with our product portfolio -- fell 34% to a low of around 117,000.
- This was below the low point of the previous cycle in 1996-97.
- Despite this, Building Materials performed significantly better this time around.
- Margins and ROFE are well up on 1996-97 – and the business has achieved our goal of being SVA-positive through the cycle.
- Building Materials’ Asian operations, particularly insulation, are also improving.
- I would like to publicly thank Graeme Pettigrew and his team for the work they have done to turn their business around…
- Graeme is currently working to implement the high performance culture model in his business.



- This slide shows that Building Materials has done better this cycle than in the previous downturn -- to significantly lift performance and deliver value.

Sugar EBIT up 170% but crop size still well down

A$m HYES	*01*	*00*	
Revenue	505	388	+30%
EBIT	79	29	+170%
EBITDA	97	48	+102%
Funds Empl	760	731	+4%



- **EBIT up 170% to A$79m assisted by sugar price**
- **Crop volumes only slightly recovered**
- **Tonnes crushed at 8.75mt, down 6% on pcp**
- **Distilleries profit up 19% - higher margins & sales growth**
- **Refineries profit impacted by higher input costs in Australia; NZ performing strongly.**
- **No 2nd half profit contribution expected**

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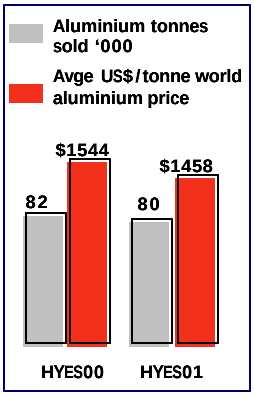
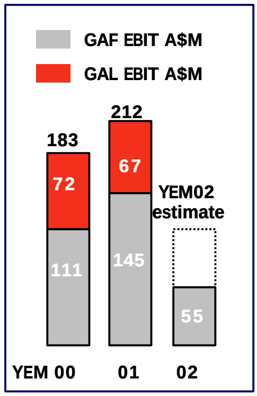
- Now to Sugar…
- EBIT rose 170% to A$79 million, from A$29 million previously
- Profit from Milling lifted significantly on higher raw sugar prices – but cane volumes were disappointing.
- Distilleries EBIT rose 19%, on higher margins and sales, including new overseas markets.
- This business has quite a green tinge to it. Sales from fertiliser – made from recycled by-products of the distillery process – increased 36%. In addition, they increased sales of ethanol as a greenhouse-friendly fuel extender. We also have one electricity co-generation plant and are looking at more.
- Profit from refining fell slightly due to higher input costs.
- Unfortunately this year, the small crop will mean a short season – so we do not expect any further profit contribution from Sugar in the second half.

Aluminium

A$m HYES	01	00*	
Revenue	221	222	-
EBIT	55	72	-24%
EBITDA	66	82	-20%
Funds Empl	300	304	-1%





* Excludes GAL – divested Jan 01

- EBIT down 24%
- Average price down 6% to US$1458
- Slowing global economy impacted
- Hedging of currency and metal price has insulated returns
- Expect H2 EBIT close to first half result

- Aluminium's profit was down mainly due to the sale of the Gove Alumina business in January, plus lower spot sales.

- With the hedging we have done – of both the metal price and the currency – we expect second half profit to be similar to the first half.

- While we are comfortable to retain both Sugar and Aluminium for the time being, we remain committed to separate them as soon as we can achieve fair value.

Agenda

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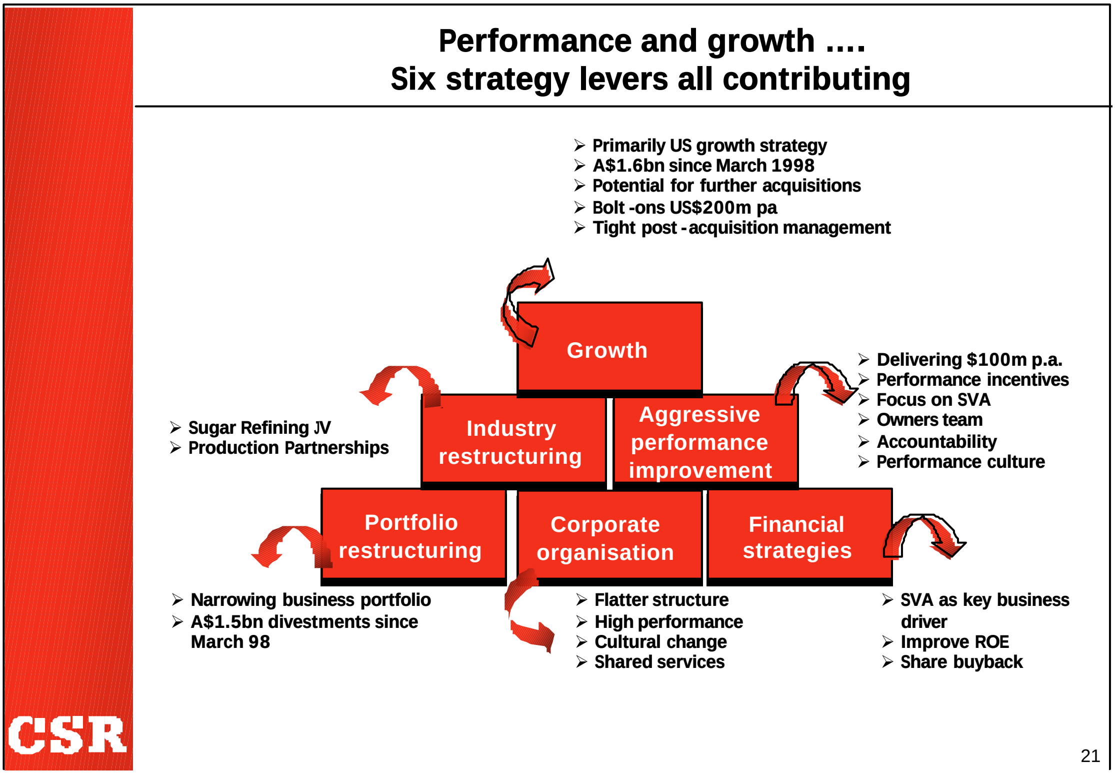
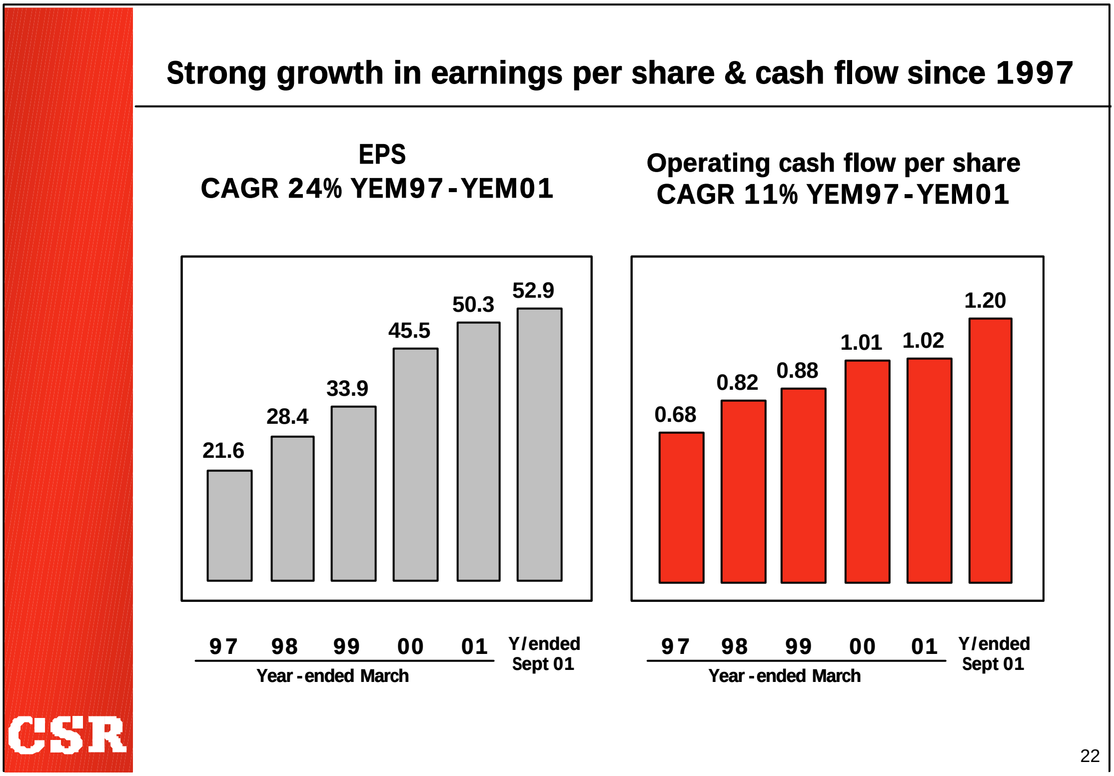
- Now to strategy …



- We have been using six strategy levers to transform CSR into a major international building materials group – with the over-riding objective of delivering industry top quartile returns to our shareholders.

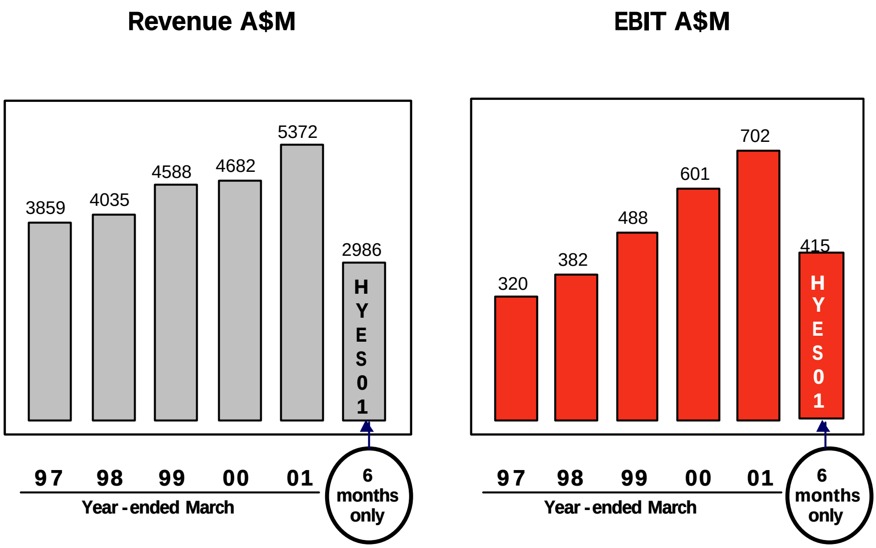
- We have been working hard over a number of years to try and deliver this.



- This slide shows that earnings per share have been growing at 24% per annum compound between March '97 and March this year.

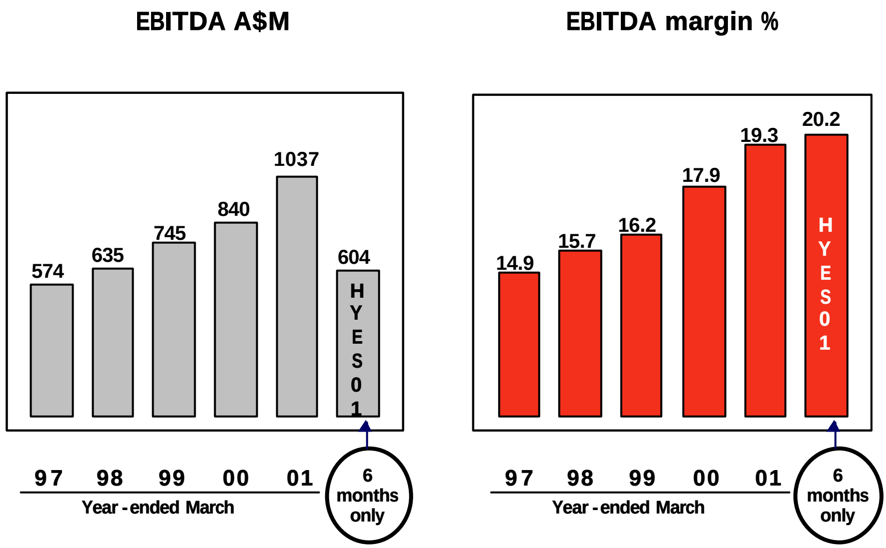
- Cash flow per share has also been growing at 11% over the same period.

International building materials
22% CAGR in EBIT and 9% CAGR in sales YEM97 to YEM01



- Almost 80% of group EBIT is now derived from international building materials – and the growth rate has been strong.
- EBIT from international building materials grew 22% per annum compound in the four years to March this year.
- Sales have been growing at 9% per annum compound since 1997, but this growth has been masked by the flat revenue growth for the CSR group as a whole – as we have divested non-core businesses.

International building materials
16% CAGR in EBITDA YEM97 to YEM01 and higher margins



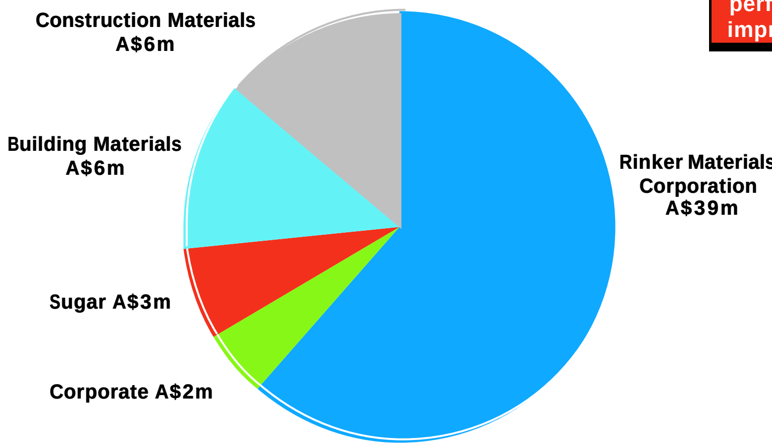
- EBITDA has also grown, as have margins, and the period to September shows some further improvement.

- So we are making progress…

Performance improvement program continues
A$55m in HYES01 cost savings

Half year ended 30 September 2001

Aggressive performance improvement



Totals may not add due to rounding

- The CSR Group’s operational improvement programs continue to be an important part of the strategy, reducing costs by A$55 million during the latest half year.

Sugar separation

Portfolio restructuring

- An important strategic objective
- Improved profit performance is a positive
- Uncertain global outlook probably means no outcome this financial year
- Continuing to support the business and improve stability of returns
- Will look at value-adding growth options in Australia
- Higher EBIT this year benefiting shareholders

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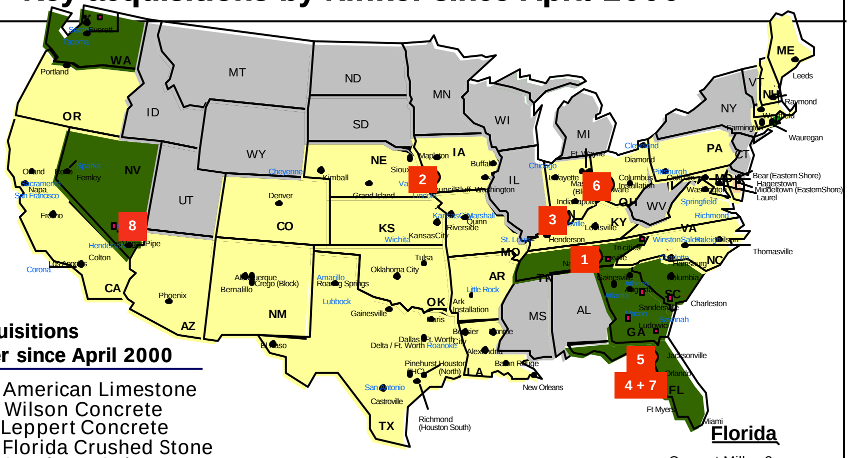
- The separation of CSR Sugar remains an important strategic objective.
- But we will not sell this business cheaply; it is one of the biggest and most efficient sugar cane milling businesses in the world, it has a lot of growth potential, and we are not under pressure to sell cheaply.
- We have tried hard but have so far been unable to conclude a deal. The issue has been more about completion risk than price – and the events of September 11 have not helped the process.
- Although the sharply improved profit performance is a positive - and will benefit shareholders in the meantime - no outcome is expected during the current financial year.
- We have had a number of temporary setbacks but we are committed to separating this business, and we will find a value-adding solution.
- Meanwhile, we will be working to maintain and further improve Sugar's performance, and we will pursue value creating investment opportunities in Australia - if they arise.

Growth in heavy building materials
Key acquisitions by Rinker since April 2000



Key Acquisitions by Rinker since April 2000

1	Jun-00	American Limestone
2	Jun-00	Wilson Concrete
3	Jun-00	Leppert Concrete
4	Jul-00	Florida Crushed Stone
5	Aug-00	Southern Culvert
6	Oct-00	Dura Crete
7	Jul-01	Mid-Coast Concrete
8	Aug-01	Las Vegas quarries

Pipe & Concrete Products
Quarries & Sand Plants
Distribution (outside Florida)
Pre-mix (outside Florida)

Florida

Cement Mills - 2
Cement Terminals - 2
Quarries/Sand Plants - 14
Pre-mix Plants - 64
Block Plants - 18
Bldg.Mat.Distribution Centres - 33
Pipe & Concrete Products - 3

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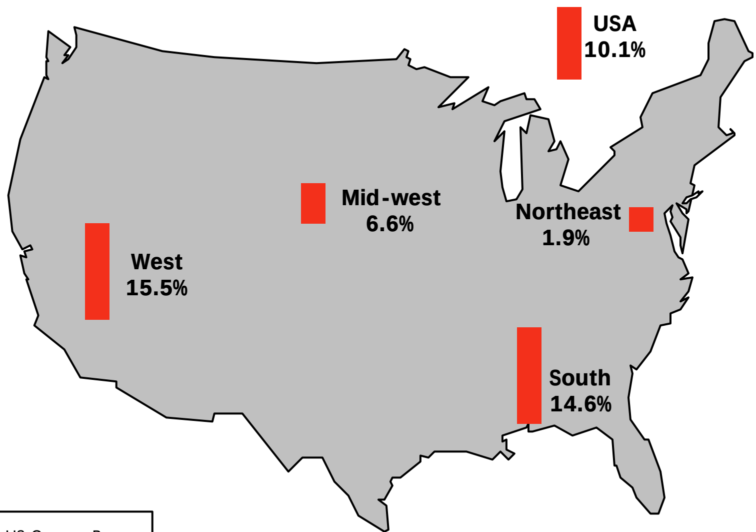
- This map shows you where Rinker has been growing in heavy building materials.
- The acquisitions since April 2000 have included 15 quarries, with almost 1900m tons of reserves of hard rock, limestone and dolomite.
- Rinker has made 23 acquisitions since March 1998, primarily in the high growth, sun belt states.

Rinker growth strategy focused mainly on high population growth states in US south

Metropolitan population change by region 1990 to 1999



Source: US Census Bureau

- This map shows the population growth across the US during the 90s.

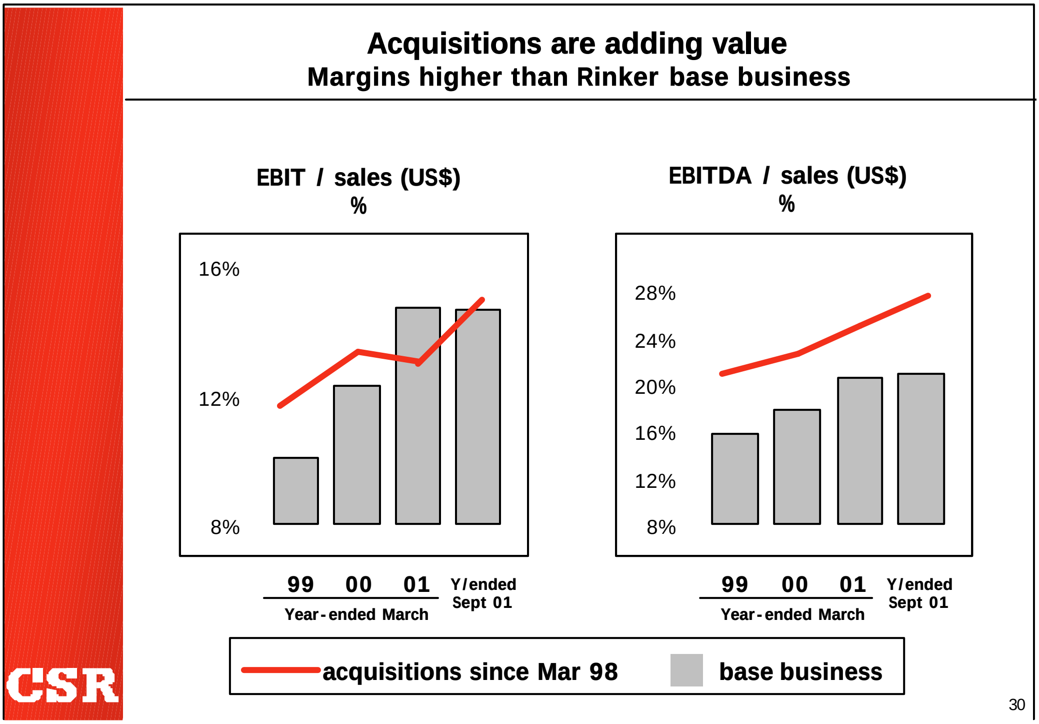
- The highest growth is in the west – such as Las Vegas, which had a 5.6% p.a. growth rate over the period and is the single fastest growing metropolitan area in the US.

- The south is also growing very strongly – 45% faster than the US average – and there is no indication that this trend is about to change as people migrate south from the colder states of the north, and north into the US from Mexico, Puerto Rico and so on.

- **Sales revenue around US$2 billion p.a. in 31 states**
- **# 3 in US building materials**
- **# 1 in concrete pipes**
- **# 6 in aggregates**
- **# 3 in pre - mixed concrete**
- **# 1 in Florida cement**

CSR

- Rinker is now in 31 states and is building strong market positions – but I would like to stress that the growth strategy is not about pins in the map, nor about national market shares.
- It is all about building strong and defensible local positions - and being number 1 or 2 in every market.



- The Rinker board reviews acquisition performance rigorously every quarter.
- Overall, the acquisitions are delivering as forecast.
- There have been a couple of failures – small pipe rehabilitation operations which have not delivered.
- But otherwise Rinker is doing pretty well.
- The slide shows the improving margins from the acquisitions.
- Partly this is due to the business mix – but it is also due to their improving performance.

Agenda

Part 1	Group financial performance
Part 2	Business performance
Part 3	Strategy
Part 4	**Outlook**

CSR

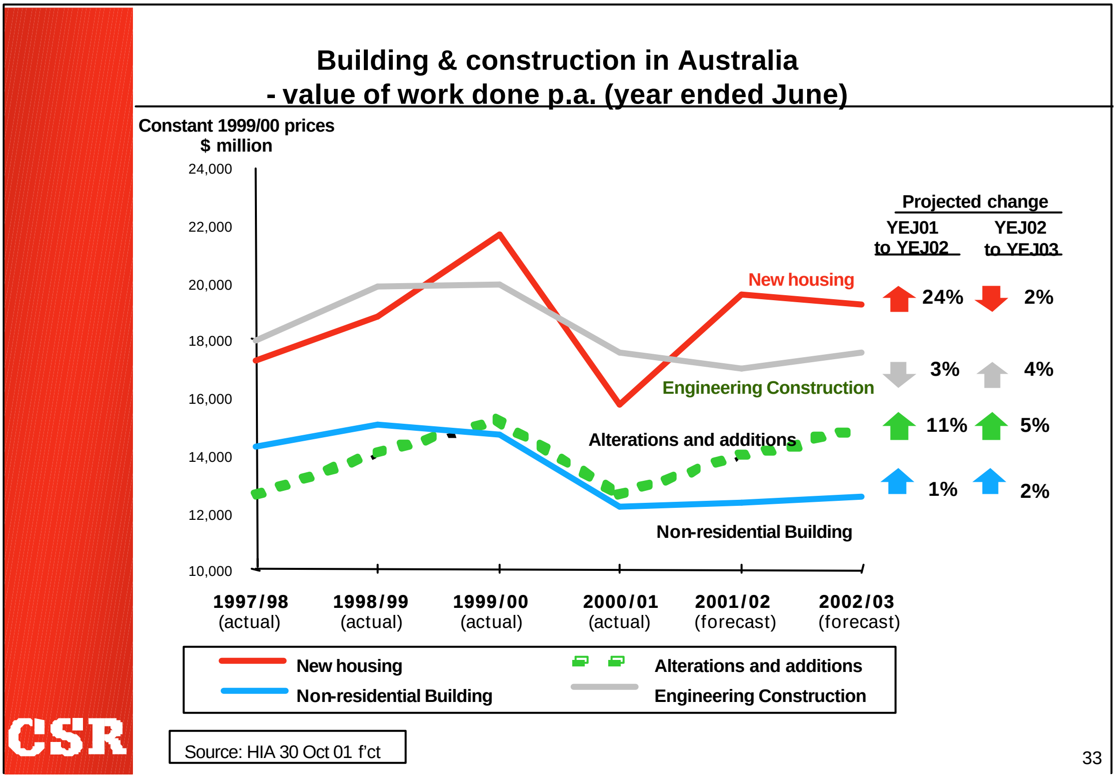
- Now to the outlook…

Outlook

- **Generally positive but overlaid with caution**
- **Construction and building activity improving in Australia**

CSR

- We are reasonably positive but cautious about the next 6 months
- In Australia, construction and building activity is improving as you can see from the slide...



- The red and green lines show housing – both new homes, and alterations and additions. They are expected to be very strong to June next year – up 24 and 11% respectively.

- Engineering construction – the grey line -- is still forecast to be declining to June – although volumes have begun to pick up and a significant turnaround is expected for the next year.

- And as you can see from the blue line, the forecast for non-residential is up slightly.

Outlook

- Generally positive but overlaid with caution
- Construction and building activity improving in Australia
- **US housing and non-residential activity levels down but infrastructure spending (50% of aggregate volumes) will partly offset; government stimulus initiatives will assist**

CSR

- In the US, current activity levels are strong but the longer term outlook is still unclear
- US housing and non-residential activity levels are expected to fall but infrastructure spending should partly offset that
- The various state and federal fiscal initiatives to stimulate activity should also help.

US construction forecasts (post 11 Sept) predict strong non-building activity but lower overall

Change 2002 vs 2001

	USA	Florida
Residential	-3.8%	-8.2%
Non-residential	-5.1%	-6.5%
Non-building	14.4%	26.7%
Total	-0.8%	-3.2%

Total value (US$m)

	2000 (a)	2001 (f)	2002 (f)
USA	367,230	370,961	368,120
Florida	28,272	29,517	28,576

Source: Dodge Q3 2001 Put in Place activity forecast (constant 1992$) (preliminary & unpublished)

CSR

- This slide shows Dodge forecasts for US and Florida construction activity out to the end of next year
- They were released earlier this week, so they include a view on the longer-term effects of the September 11 attacks.
- But they are still preliminary and unpublished – and may change.
- Our view is still that it is too early to call.

Outlook

- Generally positive but overlaid with caution
- Construction and building activity improving in Australia
- US housing and non-residential activity levels down but infrastructure spending (50% of aggregate volumes) will partly offset; government stimulus initiatives will assist
- **Value adding growth will continue : further bolt-on acquisition opportunities expected but larger acquisitions unlikely in short term**
- **Full year profit will not include YEM01's A$27m sugar terminal benefit or Gove alumina earnings**
- **CSR Group will continue to push for top quartile performance in the global building materials sector**

CSR

- Meanwhile, value adding growth will continue with further bolt-ons but with the current global uncertainty, larger acquisitions are unlikely in the short term.
- The CSR Group is well positioned for additional opportunities as they arise. We have a sound balance sheet and strong cashflows.
- Rinker does see further opportunities in the US, but we are also looking in Europe and elsewhere, including Australia, where smaller acquisitions may be feasible.
- Turning to the second half result…we think that overall, it will be difficult for us to match last year's profit - which included the A$27 million one-off sugar terminal benefit and the operating profit from GAL.
- So in summary, we had a good first half. We are circumspect about the second half but our strategic direction and focus will continue unabated.
- The people in CSR and Rinker have worked very hard to deliver solid growth in EPS over the past 5 years - and our building materials core business has produced consistent increases in profit and cash over that period. Which, incidentally, has included the full economic cycle in Australia.
- The challenge for us now is to keep that performance going, to ensure we continue to deliver a top quartile industry performance versus our international peers.
- Thank you.