CSR Limited
Investor Presentation

December 2009

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CSR at a glance

One of Australasia's leading diversified companies with operations in Sugar, Building Products and Aluminium

Sugar	■ Largest producer of raw and refined sugar in Australia and New Zealand ■ Market leading consumer brands across the Australia/NZ sweetener market ■ Leading producer of ethanol and renewable energy in Australia
Building Products	■ Leading building products company focused on Australia/New Zealand residential and commercial construction markets ■ Portfolio of market leading building products brands with extensive channels to market and customer relationships ■ Focus on energy efficient/lightweight systems and solutions for built environment
Aluminium	■ Effective 25.2% interest in Tomago Aluminium smelter, one of the world's lower cost smelters, based near Newcastle, NSW.
Key Stats	■ Market capitalisation ~A$2.5 billion ■ Revenue to 31 March 09 – A$3.49 billion ■ EBIT[1] to 31 March 09 – A$320.1m ■ 6,700 employees across Australia, New Zealand and Asia

1. pre significant items

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Update on recent events

Recent initiatives progressing demerger proposal

Half year result to 30 September 2009	■ Group EBIT (pre significant items) up 22% to $215.7 million ■ Significant EBIT growth in Sugar from improved sugar volumes, higher raw sugar price and early crush ■ Building Products well positioned for expected cyclical improvement as residential building market recovers ■ Confirm previous YEM10 guidance - on current assumptions, on a pre demerger basis, expect Group EBIT (pre significant items) to be slightly higher than last year
Demerger update	■ Demerger to establish two independent and focused companies on ASX – Australia/New Zealand's leading Sugar and Renewable Energy company – Premium branded Building Products company with attractive investment in aluminium ■ Acquisition of remaining 25% of Refining JV in Australia/New Zealand, subject to demerger proceeding ■ Update on target capital structures and Board members for each company ■ Demerger on track for completion in or around March 2010, subject to remaining due diligence, shareholder and court approvals
Equity Raising to establish demerged companies	■ Successful completion of Underwritten Simultaneous Accelerated Renounceable Entitlement Offer raised $375 million to facilitate the demerger

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Demerger overview and rationale

Demerger aims to unlock additional shareholder value over time

Overview of Transaction

- Demerger creates two independent and focused companies listed on ASX:
  - Australia/New Zealand's leading Sugar and Renewable Energy company
  - Premium branded Building Products company with attractive investment in aluminium
- Shareholders expected to vote on Demerger in February 2010
- Eligible CSR shareholders to receive shares in SugarCo pro rata to their existing CSR shareholding at the date of demerger
- Completion expected in or around March 2010

Demerger Rationale

- Separate businesses can focus on individual growth objectives and core competencies
- Provides shareholders with greater investment choice and opportunity to manage their exposure to respective sectors
- Each company will be able to adopt a capital structure and dividend policy more tailored to its specific needs/business profile
- Demerger expected to facilitate better recognition of value of businesses over time

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Demerger establishes two market-leading, independent businesses

Creates two market leading businesses

Sugar and Renewable Energy

- Australia's largest producer of raw sugar and 7th largest international supplier
- One of the world's lowest cost sugar producers
  - Cost competitive and highly efficient by world standards
- Australia/New Zealand's largest producer of refined sugar with leading consumer brands across the sweetener market
- A leading producer of ethanol and renewable energy in Australia
  - Australia's largest producer of sugar based ethanol
  - Australia's largest renewable energy generator from biomass with cogeneration capacity of 170 MW with 105 MW available for export

CSR post demerger

- Portfolio of leading brands and market share positions in Australasian building products, weighted towards residential sector
- Well established and extensive distribution channels and long standing customer relationships
- Leading provider of energy efficient products and systems in Australian residential/commercial sector
- Leverage to expected cyclical upswing in Australia/New Zealand construction markets
- Consistent cashflow generation, enhanced through attractive investment in Tomago aluminium smelter and medium-term property development pipeline
- Continued prudent management of contingent product liabilities

Financial Metrics[1]

- Starting net debt of ~$300m + working capital adjustments
- Credit approved facilities exceeding requirements
- No credit rating sought but pro-forma financial structure consistent with investment grade metrics
- Indicative dividend policy of 40% of NPAT (pre sig. items) – YEM10 Final and YEM11 Interim dividends expected to be unfranked

Financial Metrics[1]

- Starting net debt of ~$610m
- Credit approved facilities exceeding requirements
- Standard & Poor's advised 26/10 expects CSR to exhibit long-term credit rating of BBB (on completion of equity raising and demerger)
- Indicative dividend policy of 60-80% of NPAT (pre sig. items)

1. Post Entitlement Offer; assumes date of demerger 31 March 2010

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Demerger financial overview

Pro forma financial overview (excluding significant items)

	CSR pre-demerger (post Entitlement Offer)		SugarCo***		CSR post-demerger***	
A$m unless indicated	**YEM09**	**1HYEM10**	**YEM09 PF**	**1HYEM10 PF**	**YEM09 PF**	**1HYEM10 PF**
Trading Revenue	3,493	2,077	1,411	1,050	2,082	1,027
EBITDA	**475**	**296**	**136**	**142**	**342**	**156**
EBITDA margin	13.6%	14.3%	9.6%	13.5%	16.4%	15.2%
EBIT	**320**	**216**	**82**	**113**	**243**	**105**
EBIT margin	**9.2%**	10.4%	**5.8%**	10.8%	**11.7%**	10.2%
Pro forma net debt	**824***	**871***		**300**		**631****

* Excludes funding of estimated pre tax demerger costs of A$60 million. Based on assumed net proceeds from the Entitlement Offer of $365 million

** Includes estimated pre tax demerger costs of A$60 million

*** Reflects pro forma adjustments arising as a result of the demerger, such as changed corporate costs structures

Indicative capital position and coverage ratios for demerged companies as at 31 March 2010

	SugarCo	CSR post-demerger
Indicative Gearing (net debt/net debt plus equity)	22–27%	35–40%
Indicative Leverage Ratio (net debt/EBITDA)	1.5–2.0x	1.8–2.2x
Indicative Interest Cover (EBITDA/net interest)	6.5–7.5x	6.0–7.0x

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Conclusion

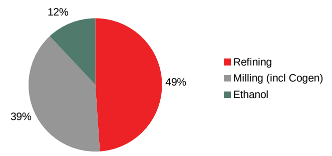
- **Key initiatives to progress demerger**
  - Demerger remains on track for completion in or around March 2010, subject to remaining due diligence, shareholder, court and other approvals
  - Successful completion of Entitlement Offer facilitates demerger which will establish two independent, well capitalised companies on ASX
  - Sugar Refining business strengthened by acquisition of remaining 25% of Joint Venture in Australia/New Zealand
  - First half result—EBIT (pre significant items) up 22%, re-affirm previous guidance: on a pre demerged basis YEM10 Group EBIT (pre significant items) expected to be slightly ahead of last year
- **Demerged companies well placed to pursue standalone strategies:**
  - **Sugar and Renewable Energy**
    - Positive fundamentals for raw sugar price, cost competitive position in milling
    - Market leading positions in Refining and Renewable Energy
  - **CSR (post demerger)**
    - Portfolio of leading brands, extensive channels to market, long established customer base
    - Leverage to expected cyclical upswing in Australia/New Zealand construction markets
    - Investment in one of the world's lower cost aluminium smelters

Sugar and Renewable Energy

Strong capabilities in sugar

- Largest producer of raw and refined sugar in Australia and New Zealand
- One of the world's lowest cost sugar producers
  - Cost competitive and highly efficient by world standards
- Australia's largest producer of raw sugar and 7th largest international supplier
- Australia/New Zealand's leading consumer brands across the sweetener market
- A leading producer of ethanol and renewable energy in Australia
  - Australia's largest producer of sugar based ethanol
  - Australia's largest renewable energy generator from biomass with cogeneration capacity of 170 MW with 105 MW available for export

YEM09 EBIT Split



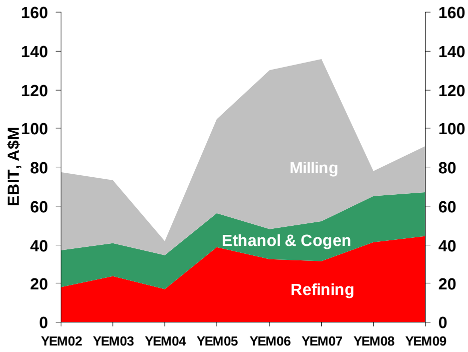
YEM09 EBIT $83.7 million
YEM09 Revenue $1.41 billion

Refining EBIT includes minorities

EBIT from milling, refining and renewable energy

- Increased Milling EBIT in first half from improved volumes and earlier start to crush and higher raw sugar price
- Increasing EBIT from growth in Refining and Renewables
  - Significant proportion of sugar pricing 'locked in' through hedging positions
- Capital spend programme has improved mills performance
  - Significant capital spent over last 3 years upgrading facilities to maximise operational efficiency
- Positive industry outlook
  - Positive trend for long term sugar price based on increasing world sugar and ethanol demand with near term supply issues

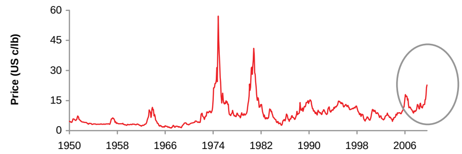
Increased earnings base from refining and renewables



Positive market dynamics for sugar and renewable energy

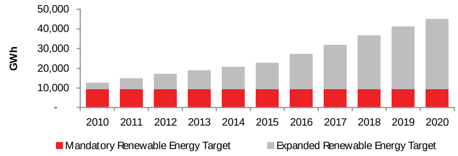
- Longer term fundamentals are supportive for global raw sugar price
  - World sugar price increased significantly during 2009
  - Relative increase in Brazilian costs as BRL appreciates
  - Forecast global supply shortage from lower production in India and slower growth in Brazil
  - Increasing demand for Brazilian fuel-grade ethanol which tightens sugar supply
  - Removed export subsidy in EU
- Global sugar demand remains strong
  - Sugar demand growth of ~1.7% p.a., implying growth of ~20 million tonnes to 2015
  - Growth in demand in developing countries at ~2.5% p.a.
- Carbon constrained economy expected to drive increased demand for renewable fuel and energy
  - Legislation (CPRS, RET) expected to drive increased demand for renewable energy
  - Growing consumer preference for renewable fuels

World ICE#11 Raw Sugar Price



(Source: Bloomberg)

Expanded Renewable Energy Target



(Source: Department of Climate Change)

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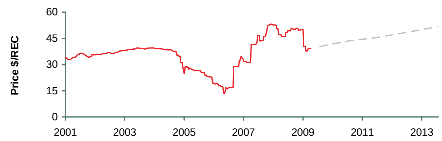
A significant producer of renewable energy—cogeneration

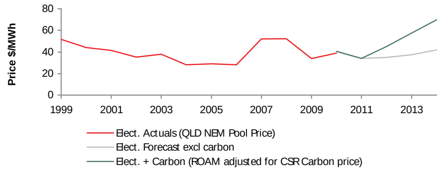
- CSR is Australia's largest producer of renewable electricity from biomass
- Produces enough renewable energy to operate each of its 7 mills, and has two sites where a significant surplus is produced—Invicta and Pioneer
- Cogeneration capacity of 170 MW with 105 MW available for export—total electricity generation is ~510GWh p.a.
- ~285 GWh exported to national grid annually on average (similar quantity of Renewable Energy Credits—RECs)
- Positive longer term outlook for REC prices provides opportunities for growth
- Future REC and electricity prices expected to be supported by carbon price following introduction of proposed CPRS

Renewable Energy Certificate (REC) Prices



(Source: AFMA, NGES)

Base Electricity Prices



(Source: Roam Consulting, NEMMCO, CSR Analysis)

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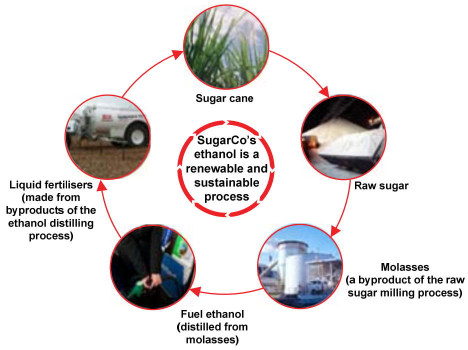
A significant producer of renewable energy—ethanol

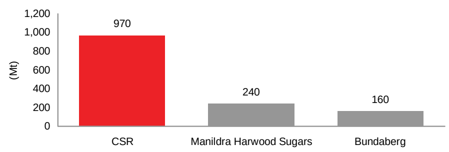
- The largest Australian producer of sugar based ethanol, with volumes tripling in total over the last 3 years
- Two major upgrades to Sarina plant generating 60ML p.a. of renewable fuel ethanol
- The leading market share in most key applications in the industrial ethanol market
- A significant and growing fertiliser market share in major Queensland farming areas with innovative “Liquid One Shot” products
- Significant potential for growth—potential to make up to 100 ML of ethanol using molasses
- The Sugar industry has potential to supply large amounts of ethanol but requires:
  - Further market development
  - Supportive government policy
  - Attractive price relativities
  - Further capital investment



The market leader in refined sugar in Australia/New Zealand

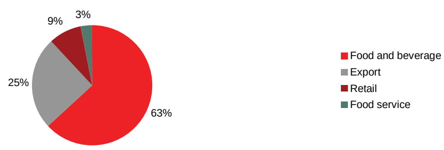
- Current joint venture between CSR (75%) and Mackay Sugar Ltd (25%)
  - binding agreement for CSR to move to 100% ownership on demerger
- Refines and markets a complete range of liquid and crystal sugars for industrial markets, as well as offering a complete branded product range (incl sweeteners) for consumer markets
- A comprehensive network of manufacturing, packing, and warehousing facilities provides a secure supply chain across Australia, New Zealand and into the Asia Pacific region
- Services multiple end use markets

Refining Capacity by Company



Source: CSR Analysis

CSR Refined Sugar End Use Breakdown



Source: CSR Analysis

Conclusion—key investment highlights

- **Positive market dynamics for sugar and renewable energy**
  - Longer term fundamentals are supportive for global raw sugar price
  - Global sugar demand remains strong
  - Carbon economy should drive increased demand for renewable energy
- **Well positioned to capitalise on positive trends**
  - Australia's largest producer of raw sugar with strong export capability
  - Maintaining cost competitiveness with global market leader Brazil
  - Australia/New Zealand's leading producer of refined sugar with leading brands and market share
  - Australia's leading producer of sugar based ethanol and largest producer of renewable electricity from biomass

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CSR (post demerger)

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Market leading building products brands; attractive aluminium investment

Market leading building products company focused on Australia/New Zealand residential and commercial construction markets

Leverage to cycle	■ Leveraged to expected cyclical upswing in Australia/New Zealand residential construction markets
Market leading brands	■ Portfolio of market leading building products brands with extensive channels to market and customer relationships
Strong cash flows	■ Consistent cashflow generation, enhanced through attractive investment in aluminium smelter and medium-term property development pipeline
Growth opportunities	■ Well capitalised with financial flexibility to participate in industry restructuring and value accretive growth options that may arise

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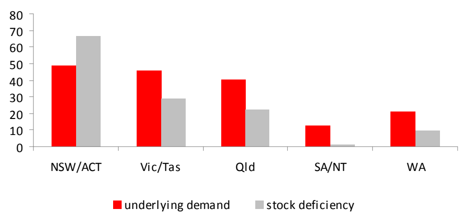
Lead indicators point to a recovery in residential markets

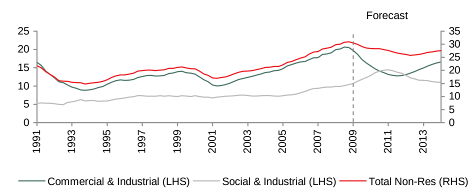
- Australian market has been under-building since 2006
- Significant pent-up demand, most notably in NSW
- Housing approvals and Finance approvals both recovering from cyclical lows in March 2009
- Investor and upgrader segments are recovering to potentially mitigate drop-off in First Home Owner segment
- Supply side constraints starting to be addressed
- Non-residential markets weaker in near term
- Asian technical insulation business also trending positively
- New Zealand market (~10% revenue) showing signs of recovery

Underlying demand v stock deficiency as at June 2009 (‘000 dwellings)



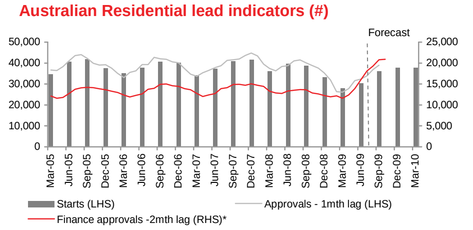
Source: BIS Shrapnel

Australian Non Residential value of work done (A$bn)



Source: ABS, BIS Shrapnel

Australian Residential lead indicators (#)



*Owner-occupier construction finance approvals

Source: ABS

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Leading brands and strong market position

Business Unit	Major Brands	Position	Share (Aust)
Lightweight Systems	Bradford	#1-2	>40%
	GYPROCK	#1-2	>30%
Viridian	Viridian	#1	~55%
Bricks and Roofing	PGH	#2	~26%
	MONIER	#1	~20%

Residential accounts for ~70% of Building Products revenue

Non-residential accounts for ~30% of Building Products revenue

Extensive distribution channels in building products market

- National coverage for key products
- Multiple channels, including wholly-owned trade centres and supply/fix services for key products
- Strong builder relationships and market offering

Depth and strength of Channels

	Raw Materials	Manufacturing	Distribution: 3rd party channels resellers	CSR owned retail	Supply and Fit	National Retailers	Direct Sales
GYPROCK	Gypsium mine and JV	4 x manufacturing facilities	✓	Gyprock Trade Centres	✓	✓	✓
Bradford	Minor glass sourcing from Viridian	4 x manufacturing facilities	✓	Gyprock/Bradford dist centres	✓	✓	✓
Viridian		2 x bulk glass and 23 processing facilities	✓		✓		
PGH	Quarries	7 x brick manufactucting facilities		Selection centres			✓
MONIER / WUNDERLICH	Quarries (for Terracotta)	5 x tile plants, 1 x JV (W A)		Selection centres	✓		✓

BUILDER/COMMERCIAL CONTRACTOR

Builder relationships & cornerstone brand

Viridian – management action and strategy

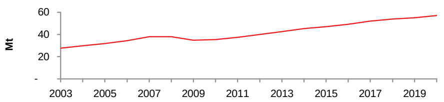
Viridian remains an important strategic component of CSR's energy efficient product portfolio

Management focus	■ New senior management structure implemented. Flatter structure with Upstream Manager and new Australian Downstream Manager directly reporting to CEO CSR Building Products
Cost structure	■ Further streamlining and operational improvements will lead to a reduction in both overhead and site variable costs ■ Clayton operational performance improving, enabling elimination of remaining temporary resources ■ Capex constrained
Demand	■ Leverage expected recovery in residential housing construction ■ Further integration to leverage CSR customer relationships
Energy efficiency	■ Continue to influence and leverage increased regulatory requirements and architectural trends for energy efficient glass ■ Complete roll-out of fully-automated double glazed unit production in Sydney/Auckland, delivering economies of scale and improved quality
Customer service	■ Implementing new service proposition in downstream markets ■ Differentiated service and pricing offering to build market share
Outlook	■ Business expects to be at operational breakeven YEM10 ■ On the basis of current market and lead indicators, expect positive EBIT in YEM11

Attractive investment in globally competitive aluminium business

- CSR owns 70% of Gove Aluminium Finance (GAF), which holds a 36.05% interest in the Tomago Aluminium smelter joint venture
- Tomago is one of the world's lower cost aluminium smelters
- Tomago's competitive cost position is attributable to:
  - Large scale operation
  - Close proximity to alumina supplies
  - Competitive electricity supply contract (to 2017)
  - Recent technology (AP22)
  - Operational efficiency
- Historical steady cash flow generated by:
  - Long term customer base
  - Established supply contracts (e.g. alumina)
  - Forward hedging of currency and metal exposures
- Future EBIT will be dependent on metal prices and currency impacts

World Primary Aluminium Consumption



Source: Brook Hunt Long Term Outlook for Aluminium 2nd Qtr Volume 2009

- Positive longer term aluminium demand driven by:
  - Increased urbanisation and infrastructure particularly in emerging markets
  - Strong, lightweight qualities provide significant application across various sectors and industries (e.g. packaging and motor vehicles)
  - Recyclability of aluminium metal provides excellent life-cycle benefits in carbon constrained economies

Property – maximising returns from sale of legacy operating sites

- Additional cashflows generated through partial development and sale of legacy operating sites
- Development portfolio comprised primarily of large scale infill developments in metropolitan areas in Qld, NSW and Vic
- EBIT subject to timing of transactions
- Continued soft industrial markets – short term focus on sales to specific end use trade buyers
- Medium term focus on advancing project mix across Qld, NSW and Vic

Strong medium-term development pipeline

Darra, Brisbane	■ A 16 hectare light industrial sub-division which is fully developed with 13 out of 40 lots available for sale ■ Total project estimated gross revenue is $41 million
Erskine Park, Sydney	■ A 12 hectare industrial sub-division. DA approval obtained with marketing program commenced ■ Estimated gross revenue is $30 million
Narangba, Brisbane	■ A 600 lot residential development with DA approved in September 2009 ■ Estimated gross revenue is $100 million
Brendale, Brisbane	■ A 600 lot residential and 70 hectare industrial development. Site remediation works have commenced and rezoning is expected to be completed in 2009 ■ Estimated gross revenue - residential - $110 million; industrial $130 million
Chirnside Park, Melbourne	■ A 450 block development. The Victorian State government is currently determining rezoning application ■ Estimated gross revenue is $100 million

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Conclusion – key investment highlights

- **Well positioned to leverage the expected cyclical upswing in the Australian/New Zealand construction markets**
  - Portfolio of leading brands and market leading positions with extensive channels to market
  - Enhanced, low cost manufacturing capability from recent capital reinvestment program
- **Well positioned to capitalise on growth in emerging building trends – sustainable housing and medium/high density living**
  - Leading portfolio of energy efficient building products
  - Premium branded, lightweight systems and solutions to meet building trends
- **Consistent cash flow generation and attractive dividend stream**
  - Strategic investment in globally competitive aluminium smelter
  - Capital reinvestment programme largely complete
  - Medium term property development pipeline provides additional cash flows
- **Financial position allows flexibility to pursue growth options**

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