

20 December, 2005

Historic Chelsea Estate To Become Public Legacy

*Joint statement made by Bernard Duignan, General Manager,
New Zealand Sugar Company Limited (Chelsea Sugar) and Sir David Tompkins,
Chairman, Chelsea Park Trust*

The New Zealand public has secured ownership of the largest remaining tract of undeveloped urban land bordering the Waitemata Harbour held in private ownership.

CSR Limited, the parent company of Chelsea Sugar, has confirmed its conditional agreement to the sale for \$20 million of the 36.7 hectares of parkland and lakes that comprises the Chelsea Estate surrounding the Chelsea Sugar refinery in Birkenhead, North Shore City.

The historic land, which has future development potential, will be sold to the Chelsea Park Trust for use as a public park.

The land will be held in perpetuity for the public of New Zealand.

The parkland borders the 14 hectare Chelsea Sugar refinery site on the edge of the Waitemata Harbour, and has been owned by Chelsea Sugar since the early 1880s, some 125 years.

Throughout that period Chelsea Sugar has permitted the public free and open access to its grounds. The transfer of ownership to the Chelsea Park Trust will formalise that arrangement and secure the property as parkland for the future.

The land encompasses lakes, regenerating forest, wetlands, open spaces and historic homes that once housed employees of the refinery.

The transaction is conditional on

- Chelsea Sugar receiving assurances that it will be able to continue to operate its refinery on a 24/7 basis as it does at present.
- That in the unlikely event the refinery was relocated, a suitable pattern of land use for the refinery site is in place for the future.
- Chelsea Park Trust obtaining sufficient funds to complete the purchase.

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Chelsea Sugar To Provide Land For Creation of a Harbourside Public Park

*Statement made by Bernard Duignan, General Manager,
New Zealand Sugar Company Limited (Chelsea Sugar)*

This is a significant event in the history of our Company and we are delighted to have been able to work with the Chelsea Park Trust to bring the idea of a park to fruition.

This is a sensible and valuable outcome for the Company, for the local community and for the people of New Zealand.

Chelsea Sugar is a strong business and the refinery will continue to operate on a 24/7 basis on its remaining 14 hectare site for the foreseeable future. The Company has invested and continues to invest in the development of our business and we believe that sugar will be refined at our Birkenhead site for many years to come.

Chelsea has owned the land that is being sold for 125 years.

Originally, part of the land was used as a village for our employees when Birkenhead was bush and farmland, and a remote outpost of the then fledgling settlement of Auckland.

As urban development took place the land became important as a buffer zone between the refinery and our neighbours, and it has allowed us to maintain 24/7 operations.

We have always maintained the grounds in a park like state, and have willingly shared its beauty and tranquility with all.

While we are more than prepared to remain owners of the land, and could have developed portions of the property, we are very pleased to come to agreement with the Trust to make public access to this surrounding land a permanent right through ownership.

The covenants we have asked for in return are those that secure and allow the operations of the refinery to proceed unimpeded in an efficient manner for the future and preserve the value of the remainder of the refinery site. This includes planning acceptance that provides, in the unlikely event the refinery was to be relocated, a suitable zoning pattern for the refinery site for the future.

We employ and support more than 200 people at the Chelsea Refinery. Sugar processed at Chelsea supplies much of the New Zealand food and beverage market and Chelsea Sugar's products continue to be popular with all New Zealanders. Chelsea Sugar also operates a strong and growing export business from its Birkenhead site.

We are pleased to contribute this land to what may become a magnificent metropolitan park for future generations.