SECURITIES AND EXCHANGE COMMISSION
FORM 20-F

(Mark One)

[ ]ANNUAL REPORT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[**X**]ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2002

OR

[ ]TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from .... to...............................

Commission file number: 0-24678

CSR LIMITED

ABN 90 000 001 276

(Exact name of Registrant as specified in its charter)

New South Wales, Australia

(Jurisdiction of incorporation or organization)

Level 1, 9 Help Street, Chatswood, New South Wales 2067, Australia

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Ordinary Shares.

American Depositary Shares

evidenced by American Depositary Receipts, each representing

four Ordinary Shares.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report.

Ordinary shares, fully paid	**935,834,472**
Ordinary shares, partly paid to A$0.10	**517,000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes **X** No

Indicate by check mark which financial statement item the registrant has elected to follow

Item 17 **Item 18** X

CONTENTS

Certain Definitions

The fiscal year for CSR ends on March 31. As used throughout this Annual Report, unless otherwise stated or the context otherwise requires, the fiscal year ended March 31, 2002 is referred to as Fiscal Year 2002 and other fiscal years are referred to in a corresponding manner. All other references to years are specified and relate to calendar years.

References to tonnes herein are to metric tonnes, each of which equals approximately 2,205 pounds or 1.102 short tons. Measures of distance referred to herein are stated in kilometers, each of which equals approximately 0.62 miles. Measures of area referred to herein are stated in square kilometers or hectares; one square kilometer equals 0.3861 square miles and one hectare equals 2.47 acres. Measures of volume referred to herein are stated in litres, each of which equals approximately 0.26 United States gallons.

Estimates with respect to market size information represent the judgment of the CSR Group, based on records and experience of CSR Group entities as well as information available from industry and government publications and other sources.

Any discrepancies between totals and sums of components in tables contained in this Annual Report are due to rounding.

"ADSs" means "American Depositary Shares", each American Depositary Share representing four Ordinary Shares.

"ADRs" means "American Depositary Receipts" which may evidence any number of ADSs.

"Associate or Associated Company" means in relation to CSR, an entity other than a Consolidated Entity, where CSR has the capacity to influence significantly the financial and operating policies of the entity.

"ASX" means the Australian Stock Exchange Limited.

"Consolidated Entity" means an entity which CSR must consolidate under accounting standards applying in Australia.

"CSR" means CSR Limited.

"CSR Group" means CSR and its Consolidated Entities.

"CSR Group Net Profit" means consolidated CSR Group Net Profit attributable to members of CSR Limited.

"CSR Group Net Profit before Significant Items" means consolidated CSR Group Net Profit less Significant Items.

"Finance" means borrowing costs net of interest income.

"Finance Assets" means cash on hand and short term deposits.

"Financial Statements" means: (i) the audited consolidated statement of financial position of the CSR Group as at March 31, 2002 and 2001; and (ii) the audited consolidated statements of financial performance, changes in shareholders' equity and statements of cash flows of the CSR Group for each of the one-year periods ended March 31 for the years 2002, 2001, and 2000, together with accompanying notes included herein at pages F-1 to F-60.

"Gross margin" means Operating Profit divided by Trading Revenue.

"Operating Assets" means total assets less Finance Assets.

"Operating Profit" means Profit from ordinary activities before Finance and income tax less Significant Items. This is an internal measure used by the CSR Group for individual business performance. In particular, it excludes large one-off items (Significant Items). It is, however, not a measure directly obtainable from the statement of financial performance. Furthermore, this measure may not be comparable to similarly titled measures reported by other Companies.

"Option" means an option granted by CSR pursuant to the CSR Executive Share Option Plan.

"Ordinary Shares" means fully paid ordinary shares in the issued capital of CSR.

"Partly Paid Shares" means ordinary shares in the issued capital of CSR, each partly paid to A$0.10 and issued pursuant to the Executive Share / Option Plan.

"Rinker Materials" (formerly CSR America) means Rinker Materials Corporation (formerly CSR America, Inc.) and its Consolidated Entities

"Shares" means Ordinary Shares and Partly Paid Shares.

"Significant Items" are those items which by their size, nature or incidence are relevant in explaining the financial performance of the CSR Group, and as such are disclosed separately. They include all items previously classified as abnormal.

"Strategic Business Unit" means a profit center focused on a single or common markets or products with a dedicated management team.

"Total Revenue" means Trading Revenue plus other revenue from ordinary activities plus dividend income from others plus interest income

"Trading Revenue" means revenue received from customers (net of discounts, returns and allowances), including fees for services as agent, rents and royalties.

Forward-Looking Statements

This Annual Report contains a number of forward-looking statements, including statements regarding the anticipated trading results or returns of CSR Group entities in Fiscal Year 2003 and certain ongoing litigation or expected impact on the CSR Group's financial condition of such litigation. Such statements can be identified by the use of forward-looking words such as "may", "should", "expect", "anticipate", "estimate", "scheduled" or "continue" or the negative thereof or comparable terminology. CSR can give no assurances that the expected impact on financial condition of anticipated trading results or returns of entities in the CSR Group in Fiscal Year 2003 will not differ materially from the statements contained in this Annual Report.

Such forward-looking statements are not guarantees of future results or performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of CSR, which may cause actual results of CSR Group entities, or industry results to differ materially from those expressed or implied in the statements contained in this Annual Report. Such factors include, among other things, the following:

- general economic and business conditions in Australia, New Zealand, the United States (including the regional economies within the United States), Japan and Asia;
- trends and business conditions in the Australian and United States building and construction industries;
- trends and business conditions in the Australian and global aluminium, and sugar industries;
- competition from other suppliers in the industries in which the CSR Group operates;
- the potential loss of major customers or suppliers;
- costs and availability of raw materials;
- changes in the CSR Group entities' strategies and plans regarding acquisitions, dispositions and business development;
- success in defending the ongoing litigation from claimants alleging personal injuries due to exposure to asbestos; and
- compliance with, and potential changes to, governmental regulations related to the environment, employee safety and welfare and other matters related to the entities of the CSR Group.

For a discussion of certain of these factors, see "Item 3. Key Information", "Item 4. Information on the CSR Group", "Item 5. Operating and Financial Review and Prospects" and "Item 8. Financial Information".

Part I

Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Currency of Presentation and Exchange Rates

The CSR Group publishes its Financial Statements in Australian dollars. In this Annual Report, unless otherwise specified herein or the context requires, references to " US$" or "US dollars" are to United States dollars and references to "$" or "A$" are to Australian dollars. For the convenience of the reader, this Annual Report contains translations of certain Australian dollar amounts into US dollars at the rate or rates indicated. Translations of Australian dollars into US dollars have been made at the noon buying rate in New York City for cable transfers in Australian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate"). Unless otherwise stated, the translations of Australian dollars into US dollars for Fiscal Year 2002 have been made at the Noon Buying Rate on March 31, 2002 of US$0.5333 = A$1.00. These translations should not be construed as representations that the Australian dollar amounts actually represent such US dollar amounts or could be converted in US dollars at the rate indicated.

The following table sets forth, for each of the CSR Group's Fiscal Years indicated and for the most recent months, the high, low, average and period-end Noon Buying Rates for Australian dollars expressed in United States dollars per A$1.00.

Year ended March 31	At Period End	Average Rate [1]	High	Low
1998	0.6613	0.7137	0.7795	0.6515
1999	0.6340	0.6177	0.6613	0.5550
2000	0.6062	0.6446	0.6713	0.6017
2001	0.4881	0.5471	0.6005	0.4881
2002	0.5333	0.5124	0.5362	0.4828
October 2001	0.5030	0.5042	0.5139	0.4923
November	0.5203	0.5165	0.5217	0.5076
December	0.5117	0.5138	0.5201	0.5047
January 2002	0.5072	0.5170	0.5238	0.5060
February	0.5167	0.5128	0.5177	0.5070
March	0.5333	0.5256	0.5336	0.5177
April	0.5372	0.5352	0.5442	0.5270
May	0.5660	0.5498	0.5660	0.5365
June (through June 24)	0.5737	0.5692	0.5748	0.5583

(1) The average of the Noon Buying Rates on the last day of each month during the year or, in the case of monthly average rates, the average of the Noon Buying Rates for each day in the month.

The Australian dollar is convertible into United States dollars at freely floating rates and there are currently no restrictions on the flow of Australian currency between Australia and the United States.

Selected Financial Data

The following table presents selected consolidated financial information of the CSR Group. This table should be read in conjunction with "Item 5. Operating and Financial Review and Prospects," and the Financial Statements that are included elsewhere in this Annual Report.

The statement of financial position (formerly balance sheet) data as of March 31, 2002 and 2001 and statement of financial performance (formerly profit and loss statement) data for fiscal years ended March 31, 2002, 2001 and 2000 set forth below have been derived from, and are qualified in their entirety by reference to, the Financial Statements. The statement of financial position data as of March 31, 2000, 1999 and 1998 and statement of financial performance data for the years ended March 31, 1999 and 1998 set forth below have been derived from the audited Financial Statements of the CSR Group, which are not included herein.

The CSR Group's Financial Statements are prepared in accordance with accounting principles generally accepted in Australia ("Australian GAAP"), which differ in certain material respects from accounting principles generally accepted in the United States ("US GAAP"). See Note 40 to the Financial Statements for a description of the principal differences between Australian GAAP and US GAAP as they relate to the CSR Group and a reconciliation of net profit and shareholders' equity for the years and as at the dates therein indicated.

		2002(1)	2002	2001	2000	1999	1998
		(Dollars in Millions, Except Per Share and Employees)					
Statement of Financial Performance Data		US$	A$	A$	A$	A$	A$
Total revenue		3,837	7,195	7,038	7,301	6,759	6,924
Trading revenue		3,725	6,985	6,424	6,419	6,507	6,335
Profit from ordinary activities before finance and income tax		494	926	980	804	693	22
Net finance expense including interest income		(57)	(107)	(132)	(82)	(126)	(129)
Income tax expense		(130)	(244)	(179)	(214)	(191)	(3)
Outside equity interests		(12)	(22)	(35)	(37)	(25)	-
Net profit (loss) attributable to members of CSR Limited		295	553	634	472	351	(110)
Statement of Financial Position Data							
Total assets		4,240	7,950	8,462	6,883	7,250	7,449
Total liabilities		2,051	3,846	4,381	3,064	3,637	3,996
Contributed equity		1,141	2,139	2,322	2,647	2,641	1,032
Net assets		2,189	4,104	4,081	3,819	3,613	3,453
Debt to capitalization ratio	(2)	31%	31%	36%	23%	33%	37%
Per Share Information							
Weighted average number of ordinary shares			944.8	1,003.3	1,036.4	1,034.5	1,013.4
Earnings per share	(3)	0.31	0.58	0.63	0.45	0.34	(0.11)
Dividends provided for or paid per share		0.13	0.24	0.23	0.23	0.23	0.22
Amounts in accordance with US GAAP							
Total assets		4,138	7,759	8,152	6,524	6,837	7,195
Net assets		2,109	3,955	3,941	3,680	3,429	3,275
Net profit attributable to members of CSR Limited		283	530	673	441	313	(186)
Basic earnings per share		0.30	0.56	0.67	0.43	0.30	(0.18)
Diluted earnings per share		0.30	0.56	0.67	0.43	0.30	(0.18)
Dividends declared per share		0.12	0.23	0.23	0.23	0.22	0.20
Other							
Capital expenditure		311	584	1,660	538	606	538
Depreciation and amortization		242	453	415	364	371	380
Employees			16,057	16,134	17,104	17,802	19,726

(1) For convenience of the reader, Statement of Financial Performance and Statement of Financial Position data have been translated at the Noon Buying Rate on March 31, 2002 of US$0.5333 = A$1.00
(2) Ratio of long term debt to long term debt plus total shareholders' equity.
(3) Based on the weighted average number of Ordinary Shares issued and outstanding during the fiscal year. Diluted earnings per share are not materially different from basic earnings per share.

Risk Factors

The discussion below contains certain forward looking statements. See "Forward Looking Statements" on page 6.

CSR Group entities are subject to various risks resulting from changing economic, political, social, industry, business and financial conditions, particularly in Australia and the United States. Certain of these risks are described below. CSR Group entities could also be subject to other risks that management has not anticipated.

Our results could be hurt by a depreciation of the US dollar.

Fluctuations in the value of the US dollar relative to the Australian dollar may affect the CSR Group's results of operations. Approximately 74 percent of the CSR Group's Trading Revenue in Fiscal Year 2002 was denominated in or linked to the US dollar. Strengthening of the Australian dollar relative to the US negatively impacts the CSR Group's results from operations, while depreciation of the Australian dollar relative to the US dollar has a positive impact. The majority of CSR Group borrowings are in US dollars and are subject to risks related to currency and interest rate fluctuations.

Further information concerning price and foreign exchange exposures and instruments is included in "Item 5. Operating and Financial Review and Prospects", "Item 11. Quantitative and Qualitative Disclosures about Market Risk" and Note 30 to the Financial Statements.

We are a defendant in asbestos litigation that could result in substantial liabilities.

CSR and several CSR Group entities have been named as a defendant in litigation in Australia and the United States by claimants alleging personal injuries due to exposure to asbestos. Claimants in these cases generally seek compensatory and punitive damages. In almost all cases in which it is a party, a CSR Group entity is one of a number of companies named as defendants.

The involvement of CSR arises from the mining of raw asbestos fiber by one of CSR's subsidiaries as well as the sale by CSR and its subsidiaries of asbestos-containing products. Claimants in these cases generally seek compensatory and punitive damages.

When announcing CSR's half yearly results in November 2000, directors advised that CSR was considering the potential impact of an accounting exposure draft on provisions. The applicable new accounting standard, AASB1044 "Provisions, Contingent Liabilities and Contingent Assets", was finally issued in October 2001. CSR is not required to adopt AASB1044 until the financial year beginning April 1 2003, however it can adopt the new standard earlier. The new standard provides significant additional guidance and imposes new requirements for measurement of uncertain liabilities. It also provides guidance on the discounting of provisions, which will require CSR to apply a rate which is lower than the discount rate currently adopted. The directors believe that the only material effect of adopting the new standard will be on the product liability provision (mainly for asbestos claims) and have engaged actuaries to assist in estimating the provision required under AASB1044. Whilst the work is not complete, based on preliminary analysis directors estimate that application of the new standard may increase the product liability provision from A$133.6 million at March 31 2002 to between A$250 million and A$350 million. Any increase in the provision as a result of adopting the new standard will be charged directly to retained earnings. The above estimate does not reflect any material change in CSR's underlying product liability risk profile nor does it include any potential benefits from settlements with insurers.

Taking into account the provision already included in the CSR Group's Financial Statements and current claims experience, CSR management is of the opinion that asbestos litigation in the United States and Australia will not have a material adverse impact on CSR Group's financial condition. However, this litigation may negatively affect CSR Group's earnings in a particular reporting period and there can be no assurance as to future liabilities.

See "Item 8. Legal Proceedings" and Note 22 and Note 39 to the Financial Statements for details of cases, provisions and contingent liabilities, respectively.

An economic slowdown would negatively affect our results.

The profitability of CSR Group entities could be significantly adversely affected by a prolonged economic slowdown in the United States or Australia, which are the principal markets of CSR Group entities. A recession or sustained loss of consumer confidence in the United States or Australian economy could trigger a significant decline in construction activity and associated demand for construction and building materials sold by CSR Group entities and which could reduce the revenues and profits of CSR Group entities.

A significant economic downturn in the United States or Australia could intensify competitive pricing pressure because of overcapacity within the respective construction and building materials industries.

Our results are vulnerable to fluctuations in commodity prices.

Aluminium and sugar are commodities available in world markets and subject to shortages or surpluses and resulting price impacts due to changes in demand and production capacity. CSR sold its interest in bauxite mining and alumina refining in January 2001 but is still subject to world prices for alumina, the main raw material for the smelting process, and aluminium through its investment in Gove Aluminium Finance Ltd. A fall in world raw sugar prices related to such things as the world supply and demand balance and actions of other producers and consumers, could have a negative impact on CSR Sugar's results of operations and a resulting negative impact on the CSR Group results of operations.

Our operations may be disrupted by failures in our facilities.

The manufacturing facilities of CSR Group entities could be disrupted for reasons beyond their control. These disruptions may include extremes of weather, fire, natural catastrophes, supplies of materials or services, system failures, workforce actions or environmental issues. Any significant manufacturing disruptions could adversely affect CSR Group entities ability to make and sell products, which could cause revenues and profits to decline.

We may discover problems with businesses we have recently acquired.

Rinker Materials has completed a number of significant acquisitions during recent years. While various forms of warranties and indemnities exist with respect to such acquisitions, there can be no assurance that Rinker Materials has anticipated all problems of these businesses or that all losses associated with these recently acquired businesses may come to light prior to the expiration of such warranty and indemnity protections, or that Rinker Materials will in all cases be able to enforce such provisions against the parties making the indemnities.

Our operations are subject to extensive environmental regulation that could give rise to significant liabilities.

CSR Group entities are subject to numerous environmental laws and regulations concerning their products, operations and other activities. Failure to comply with these laws and regulations could result in orders being issued that may cause certain of the CSR Group entities' operations to cease or be curtailed or may require installation of additional equipment at substantial cost. In such circumstances, CSR Group entities may be required to compensate those suffering loss or damage by reason of violations and may be fined if convicted of an offense under such legislation. Any of these events could have a material adverse effect on the CSR Group's financial condition, results of operations or cash flows. See the discussion on Environmental Matters in "Item 4. Information on the CSR Group" for further details on environmental issues faced by entities in the CSR Group.

We could be subject to liabilities or increased costs arising from the occupational health and safety aspects of our products.

CSR Group entities' operations are subject to the operating risks associated with construction materials and other manufacturing and handling risks, including the related storage and transportation of raw materials, products and wastes. These hazards include, among other things:

– storage tank leaks and ruptures
– explosions
– discharges or releases of hazardous substances
– manual handling
– exposure to dust
– the operation of mobile equipment and manufacturing machinery.

These operating risks can cause personal injury, property damage and environmental contamination, and may result in the imposition of civil or criminal penalties. The occurrence of any of these events may have a material adverse effect on the productivity and profitability of a particular manufacturing facility and the operating results of CSR Group entities. For more detailed information of environmental issues faced by entities in the CSR Group, see "Item 4. Information on the CSR Group – Environmental Matters."

Crystalline silica dust and its control have been identified as an occupational health issue in CSR Group operations in Australia and at Rinker Materials operations in the United States. CSR Group uses raw materials containing silica in concrete plants, roof tile factories, brick and paver factories, insulation factories, and products from many quarries contain silica. Rinker Materials uses materials containing silica in concrete plants and quarries

Because the risk is now perceived to be higher than previously thought by regulatory agencies in Australia and the United States, CSR Group entities may face future costs of engineering and compliance to meet new standards relating to crystalline silica as such standards are made more stringent. A risk exists that claims for crystalline silica-related diseases could arise. At this time, CSR Group entities have no outstanding silica related claims, prosecution or litigation. CSR Group entities cannot reliably quantify future claims or charges related to crystalline silica.

Item 4. Information on the CSR Group

The discussion below contains certain forward-looking statements. See "Forward-Looking Statements" on page 6.

General

CSR was incorporated in New South Wales, Australia in 1887 as the Colonial Sugar Refining Company. The company name was changed to CSR Limited in 1973. As at March 31, 2002, CSR was the 27th largest listed Australian company on the ASX, as measured by its share market capitalization of A$6,167 million. CSR's headquarters are at Level 1, 9 Help Street, Chatswood, New South Wales, 2067 Australia. The telephone number is (61-2) 9235-8000.

CSR Group entities comprise building and construction materials divisions, with major manufacturing and distribution operations in Australia, New Zealand, and Asia plus Rinker Materials Corporation in the United States. CSR Group entities are also Australia's largest producer of raw sugar and have significant investments in Australia in sugar refining and the production of aluminium.

For Fiscal Year 2002, the CSR Group had revenue from all sources of A$7,195 million and net profit attributable to members of CSR of A$553 million. As at March 31, 2002, CSR Group entities employed 16,057 people worldwide at some 653 operating facilities in Australia, the United States, and Asia, including China, Taiwan, Malaysia, Singapore and Indonesia. In 2002, 59 percent of Trading Revenue was derived from sales by Rinker Materials in North America, 39 percent from Australia and 2 percent from Pacific Rim countries. CSR had approximately 109,000 shareholders at March 31, 2002.

There are no material seasonal factors in the CSR Group businesses, although the Sugar division earns most of its income in the crushing season period from June to December each year.

During the last four years, CSR Group entities have built shareholder value with three primary strategies:

- Performance Improvement - Gross Margin has increased from 9 percent in 1998 to 13 percent in 2002. Operational improvements made in each of the divisions and Rinker Materials have increased efficiency and reduced costs by more than an estimated A$400 million in four years.
- Rationalization and Industry Restructuring - CSR Group entities have sold under-performing or non-strategic businesses during the last four years. Disposals include the Timber Products business, CSR's interest in Gove Aluminium Limited bauxite mining and alumina production, and the AWP contract mining business.
- Growth - Capital expenditure by Rinker Materials in the United States has totaled A$2.4 billion over the last three years. Rinker Materials acquired businesses and new assets valued at about A$0.4 billion in Fiscal Year 2002 following A$1.5 billion in Fiscal Year 2001, and has continued to acquire "bolt-on" businesses, build new or upgraded plants and equipment in the construction materials businesses.

CSR is currently evaluating a number of options to progress the restructuring of the CSR Group. The Australian Federal Government recently announced that it intended to introduce amendments to Australian tax law relating to demergers (splitting a company into two or more parts). If adopted, the legislation is expected to facilitate this, and options to be evaluated by CSR include the creation of two separate Australian listed companies. The driver of any restructuring will be delivering value for CSR's shareholders.

More detailed information regarding the strategic acquisitions, divestitures, and capital expenditure by CSR Group entities is provided below in the discussion of each segment and below under "Acquisitions and Divestitures."

Segment Overview

As at March 31, 2002, the CSR Group was organized into four divisions: Construction Materials Division (Australia and Asia), Building Materials Division (Australia, New Zealand and Asia), Sugar Division and Aluminium Division, plus Rinker Materials Corporation. These entities are organized into a number of Strategic Business Units. A description of these divisions and Rinker Materials is included below. For additional financial information regarding segments and geographical areas, see Note 1 to the Financial Statements.

Segment Operating Results

CSR Group
Business Segment Revenues And Operating Profit before Significant Items
A$ Millions
Year Ended March 31,

	2002		2001		2000	
	Trading Revenues	Operating Profit/(Loss)	Trading Revenues	Operating Profit/(Loss)	Trading Revenues	Operating Profit/(Loss)
Rinker Materials Corporation	4,116	598	3,590	516	2,691	328
Construction Materials Division	926	57	923	51	1,048	117
Building Materials Division	806	109	860	135	943	156
Sugar Division	694	74	529	16	643	45
Aluminium Division	443	110	520	212	485	183
Timber Division	-	-	-	-	609	57
Other Unallocated Items	-	(22)	2	(7)	-	(82)
Total	6,985	926	6,424	923	6,419	804

Trading Revenue by Geographic Areas

Year Ended March 31,

	2002		2001		2000	
	A$ m.	Area %	A$ m.	Area %	A$ m.	Area %
Australia domestic	1,762	25%	1,780	28%	2,458	38%
Australia export	957	14%	922	14%	1,139	18%
North America	4,116	59%	3,590	56%	2,690	42%
New Zealand	31	-	30	-	43	1%
Asia	119	2%	102	2%	89	1%
Total	6,985	100%	6,424	100%	6,419	100%

Strategy

CSR Group has been transforming itself into a high performance international building materials group through divestitures of certain businesses and the use of those proceeds, in part, to fund continuing growth. Significant investment has been made to acquire, build, or upgrade assets in Rinker Materials, which now accounts for more than half of the CSR Group Trading Revenue. The CSR Group remains confident about growth in the US heavy building materials sector, subject to value being obtained and strong synergies being available. Rinker Materials is actively assessing further acquisitions.

Rinker Materials

Rinker Materials, an indirect wholly owned subsidiary of CSR, was incorporated in Georgia, USA, in 1981. Previously known as CSR America, Inc., it changed its name to Rinker Materials Corporation on August 1, 2001. Rinker Materials is one of the largest producers of construction materials in the United States, with products including aggregate, sand, cement, pre-mixed concrete, concrete block, concrete pipe, polyethylene pipe, pre-stressed concrete products and asphalt. As at March 31, 2002, Rinker Materials employed 8,667 people and had operations at 256 sites in 30 states across the United States. Rinker Materials, through its consolidated entities, contributed 59 percent of CSR Group's Trading Revenue and 65 percent of the Operating Profit of the CSR Group for Fiscal Year 2002.

Rinker Materials commenced operations through acquisition of an asphalt contracting and quarrying company in South Carolina in 1981. Expansion in the United States continued in subsequent years, culminating in several significant acquisitions. In 1988, Rinker Materials acquired the Florida-based company Rinker Materials of Florida, Inc., a substantial, integrated quarrying, concrete and cement business, for US$515 million. In January 1990, Rinker Materials acquired the concrete, quarry, asphalt and concrete pipe subsidiaries of ARC America Corporation, including American Aggregates Corporation ("American Aggregates"), Associated Sand & Gravel Company, Inc., ARC Materials Corporation (operating as WMK Materials) and Hydro Conduit Corporation for US$650 million. In Fiscal Year 2001 Rinker Materials substantially increased its South East quarries and cement business with the acquisition of the American Limestone Company for US$211 million and Florida Crushed Stone for US$348 million.

Rinker Materials has continued to acquire businesses, construct new facilities, and develop existing sites. Acquired businesses fit with Rinker Materials existing integrated construction materials operations, sharing management and distribution networks and marketing and general overheads. In Fiscal Year 2001, capital expenditures totalled US$890 million including the acquisition of the quarry and concrete business of American Limestone, the cement and quarry business of Florida Crushed Stone, and the concrete pipe and prestress businesses or assets of Wilson Concrete, Leppert, Southern Culvert, Duracrete, Bay Pipe and US Concrete Pipe. In Fiscal Year 2002 capital expenditure totalled US$220 million, including the acquisition of Mid-Coast Concrete in Florida, the Las Vegas concrete and aggregate business of Hanson plc, the Kentucky and Missouri quarries business of Cemex, Inc., and the purchase of the remaining 50 percent share in the New England Concrete Products joint venture. Construction of new facilities and site improvements continue and has increased production capacity and lowered production costs. In Fiscal Year 2002 Rinker Materials commissioned new plants in Florida, Washington and Oklahoma. New plants in Texas and South Carolina are currently being commissioned. Additional investments were also made in new mobile equipment.

In Fiscal Year 1999, Rinker Materials completed implementation of a new integrated business information system in all major businesses providing streamlined transaction processing, reduced overheads and improved availability and quality of marketing and finance information. Rinker Materials operates a shared service function providing information technology, transaction processing and other corporate services to the majority of its US operations. Strategic Business Units have been redesigned to improve management focus and accountability.

Rinker Materials operations are structured into nine major lines of business for management purposes. These include Florida Materials, Quarries, Cement, Hydro Conduit, Materials Nevada, Materials Northwest, Gypsum Supply, Prestress, and Polypipe & Pipeline Rehabilitation. Each line of business is described below.

Rinker Materials believes its businesses are not economically dependent on any particular customer or trading group. Major customers are residential builders, commercial and civil contractors and pre-mixed concrete and asphalt producers. Rinker Materials estimates that approximately 40 percent of its Trading

Revenue is derived from the residential housing sector, approximately 31 percent from commercial and industrial construction and the remainder from civil construction.

Rinker Materials businesses are affected by the regional economies in which they operate. Rinker Materials currently derives approximately 55 percent of its Trading Revenue from operations in the State of Florida. Through its Florida Materials, Quarries, Hydro Conduit, Prestress and Gypsum Supply divisions, Rinker Materials is one of the largest suppliers in most of the markets in which it operates in Florida. The remaining share of Rinker Materials Trading Revenue is derived primarily from the South Central, Pacific, Mountain and other regions, each at about 10 percent of Trading Revenue. The US economy grew by 1.1 percent during calendar year 2001, which was the slowest pace since 1991. Rinker Materials businesses were impacted by the economic slowdown, but continue to benefit from high levels of federal infrastructure spending under TEA-21 (the Transportation Equity Act for the 21st Century), and the US Government's US$216 billion six year transport infrastructure program which extends from 1998 to 2003.

Florida Materials

Florida Materials operates 69 pre-mixed concrete plants and 20 concrete block manufacturing plants throughout Florida. A majority of the cement and aggregate raw materials used in production are supplied by Rinker Materials Quarries and Cement businesses through Florida's rail system or by contracted freight haulers. Florida Materials also distributes reinforcing steel, bagged cement, clay bricks and other building material accessory products. Plant sites are strategically located throughout Florida's major markets. Products are delivered through its fleet of approximately 1,100 trucks. Production capacity is estimated at 5.4 million cubic metres of pre-mixed concrete and 143 million concrete block units.

Quarries

Quarries operate in Florida, Georgia, Tennessee, Kentucky, South Carolina and Virginia. Quarry operations include 34 quarries and sand mines, three secondary processing plants and nine aggregate distribution centers. Production capacity is approximately 46 million tonnes. Rinker Materials estimates its combined quarry operations have in excess of 1.9 billion tonnes of limestone, hard rock, sand and gravel reserves. Reserve life at current extraction rates is estimated to be in excess of 30 years.

Cement

Cement operates 2 cement plants in Florida with combined production capacity of 1.6 million tonnes. The 1 million tonne Miami dry process plant came on line in April 2000, replacing an obsolete 560 thousand tonne wet process plant. The 600 thousand tonne Brooksville plant was acquired in Fiscal Year 2001 as part of Florida Crushed Stone. These two investments tripled production capacity during Fiscal Year 2001

Hydro Conduit

Hydro Conduit is the largest producer by revenue of reinforced concrete pipe in the United States. Its pipes are primarily used for storm water transmission, sewage and irrigation. Auxiliary concrete products include manholes and pollution prevention devices.

Operations include 54 concrete pipe plants and associated support plants, operating in 27 states. Major customers of Hydro Conduit are general and utility contractors who contract to government agencies (federal, state and local) and private developers.

Since April 1998, Rinker Materials has more than doubled its production capacity of concrete pipe and pre-stressed and concrete products. Current annual pipe production capacity is estimated at 3.5 million tonnes. During the last three years, Rinker Materials commissioned modern automated pipe plants in Florida, South Carolina, Washington DC and Louisiana and has made further acquisitions to enter new geographic markets. New plants are currently being commissioned in Texas and South Carolina. In Fiscal Year 2001, Rinker Materials acquired the concrete pipe and prestressed business of Wilson Concrete in Iowa, Kansas and Nebraska, purchased the Bay pipe plant in Houston, Duracrete pipe and precast plants in Ohio and Indiana, the Leppert plant in Indiana, and the concrete pipe and metal pipe operations of Southern Culvert in Florida. In Fiscal Year 2002 Hydro Conduit purchased the remaining 50 percent joint venture interest of its partner in five concrete plants in the New England region.

The United States market for concrete pipe is estimated by Rinker Materials to be about US$ 2.5 billion a year. Storm drains, culverts and sewerage pipelines are the end use for pipes. Demand is heavily dependent on the construction of roads, residential subdivisions, commercial development and airports. The industry is mature and its modest growth over the past 15 years is expected to increase due to increased federal infrastructure spending. The United States concrete pipe industry is generally fragmented and localized because of the product's high freight costs, with most markets limited to a 150 kilometers radius from plant sites. Despite substantial rationalization in recent years, the industry has maintained a low level of concentration, with over 100 producers operating about 320 plants.

Concrete pipe represents approximately 80 percent of the demand for non-pressure pipe in diameters above 12 inches. Although plastics have been penetrating the market, it has principally been at the expense of pipe materials other than concrete pipes (such as corrugated steel).

Materials Nevada

Materials Nevada operates in Las Vegas, Nevada. Operations include sand and gravel pits, pre-mixed concrete, concrete block and other building materials. The four main concrete plants are positioned in the Las Vegas Valley to service the entire metropolitan market. Additional mobile concrete units are used to serve outlying areas and large jobs in the metropolitan area.

In September 2001 Rinker Materials purchased the Las Vegas construction materials business of Hanson plc, which included five pre-mixed concrete plants, two quarries and associated trucking operations. One of the acquired quarries was subsequently divested.

Materials Northwest

The Northwest operations include 6 sand and gravel pits, 5 asphalt manufacturing plants, two pre-mixed concrete manufacturing plants, and a road surfacing business. The sand and gravel pit at Everett, Washington is nearly depleted. Quarry operations at Granite Falls, about 30 kilometers east of Everett, commenced in December 1999. Rinker estimates reserves at this new site to be at least 30 years at current sales levels. Four fixed asphalt plants are placed to serve the road building industry in northwest Washington, while portable asphalt and crushing plants service more remote highway projects in the Puget Sound region. Materials Northwest exited the Oregon market during Fiscal Year 2000 with the sale of Portland pre-mixed concrete plant and closure of the Washougal quarry.

Other Businesses

Gypsum Supply

Gypsum Supply operates 25 building materials distribution centers in Florida with operations also in North Carolina, South Carolina and Tennessee. Products supplied include gypsum wallboard, metal framing, ceiling tile, insulation and other building materials.

During the period 1992 through 1996, Rinker Materials acquired several wallboard distributors in Florida becoming one of the state's leading distributors of gypsum wallboard. Rinker Materials also owns Dierco Supply, a ceiling tile and insulation distributor. Rinker Materials owns a 55 percent interest in a steel fabrication joint venture, Steel Construction Systems ("Steelcon"), with Bethlehem Steel. Steelcon fabricates light gauge metal framing which is sold through the division's distribution centers.

Prestress

Prestress operates 16 prestressed concrete products plants and associated support facilities across 11 states. Its prestressed concrete products included bridge beams, support structures, commercial and industrial building panels.

Polypipe/Pipeline Rehabilitation

Rinker Materials owns Rinker Materials PolyPipe, Inc. ("PolyPipe"). PolyPipe makes and sells polyethylene pipe for natural gas and oil transmission and polyethylene duct material used for placement of underground utility cables. Rinker Materials acquired a manufacturer of polyethylene valves and fittings, Shafer, in April 1996. Rinker Materials also owns Pipe Liners Inc ("PLI"), the exclusive manufacturer of the U-Liner™ product in the United States, allowing for relining of aging pipes underground. PLI is the holder of the patent for the U-Liner™ rehabilitation process licensed to installers throughout the United States. Rinker Materials is a U-Liner™ licensee.

Construction Materials Division

As at March 31, 2002, the Construction Materials Division employed 2,687 people at 351 operating sites in Australia and Asia. Construction Materials' activities include the production and distribution of quarry aggregate, sand, pre-mixed concrete, concrete pipe and other reinforced precast and concrete products. It also provides asphalt and road pavement services and services in waste management. The CSR Group also has investments in cement production in Australia. The Construction Materials Division contributed 13 percent of Trading Revenue and 6 percent of Operating Profit for Fiscal Year 2002.

In Fiscal Year 2000, Construction Materials introduced a new integrated business information system across the business that has streamlined transaction processing, reduced overheads and improved the availability and quality of marketing and finance information.

Construction Materials reorganised its business during Fiscal Year 2002 into 58 autonomous business unit cells, based on defined geographic markets. The focus of its aggregates, concrete and concrete pipe and product businesses is not national, rather they are local businesses, dealing with local customers on local issues. The primary responsibility of the cell leaders is to achieve agreed financial performance while ensuring their people and the public are safe, that they are providing a high degree of customer service, and that product quality is assured.

Construction Materials' operations are diversified geographically and also by end market. About 40 percent of production is used in civil construction with the remainder in commercial and industrial construction and residential building. Major customers include civil engineering contractors, government agencies, home builders and commercial building developers. Production of asphalt is closely linked to government road making activities.

Pre-Mixed Concrete and Quarries

Construction Materials is one of Australia's largest pre-mix concrete and quarry operators. The CSR Group entered the quarrying and pre-mixed concrete sector in 1965 and has expanded its operations through acquisition and merger of established businesses and greenfield development in each of its products. The CSR Group's pre-mixed concrete, concrete product and asphalt operations provide assured outlets for its quarry products. More than three-quarters of Construction Materials' quarry products and over half of the CSR Group's cement requirements are sourced from the CSR Group's operations and associated companies.

Under its READYMIX™ and associated brand names, Construction Materials provides a range of aggregates, aggregate mixes, gravel, sand and pre-mixed concrete from some 81 operating quarries and 212 pre-mixed concrete plants, including agencies, throughout Australia. Most quarry operations and quarry reserves are located close to major markets, being the Australian state capital cities and large regional centers, to facilitate transport cost minimization and security of raw material supplies to Construction Materials' other value-added and integrated activities. While reserve life varies from quarry to quarry, at current extraction rates, reserve life at most locations is in excess of 50 years.

Concrete Pipes and Products

The CSR Group, under the HUMES™ and associated brand names, is a leading Australian manufacturer of reinforced concrete pipe for sewerage, storm water and irrigation, arches for bridges, and other pre-cast and pre-stressed concrete products for use in civil engineering projects and commercial buildings. The Concrete Pipes and Products' operations consist of an Australia-wide network of 18 plants.

The market for concrete pipe and other pre-cast and pre-stressed products is highly dependent on government and state authority spending and on housing sub-division work. Australian civil construction activity has fallen substantially during Fiscal Year 2002.

Emoleum Road Services

Construction Materials and Vacuum Oil Company Pty Limited, a subsidiary of Mobil Oil Australia Limited, each have a 50 percent interest in the CSR Emoleum Partnership. CSR Emoleum manufactures asphalt, a bitumen-based material used mainly for road paving, and provides a range of road services including paving, pavement design, profiling, spray sealing and road maintenance contracting. These services are used for the construction of new roads and the maintenance of existing roads across Australia.

Asia

CSR Group entities established two joint venture operations (85 percent owned by the CSR Group) in Taiwan which make and market concrete pipes and other pre-cast products such as tunnel segments. Production was consolidated on one site in Fiscal Year 2001. A decision has been made to exit this business.

In China, a CSR Group entity has a joint venture (70 percent owned by the CSR Group) in the industrial city of Tianjin in northern China with a partner associated with the Tianjin municipal government. The joint venture company operates a large hard rock aggregate quarry. The joint venture also has three large pre-mixed concrete plants, servicing the Tianjin / Tang Gu and Dong Li regions.

Cement

A CSR Group entity has a 50 percent shareholding in Australian Cement Holdings Pty Limited ("Australian Cement"). The other shareholder is Hanson plc. Australian Cement is a major cement producer in Australia.

Australian Cement operates two cement plants, Railton in Tasmania and Kandos in New South Wales. Each plant owns and operates nearby limestone quarries. Limestone is the major raw material for cement, and CSR expects that Australian Cement's reserves of limestone at current consumption rates, to be sufficient for approximately 75 years of production. Australian Cement owns and operates cement seaboard distribution facilities in Sydney, Newcastle and Melbourne, and owns a dedicated ship which transports bulk cement from its Railton plant to mainland Australia.

During Fiscal Year 2000, Australian Cement sold its 49 percent interest in Adelaide Brighton Cement Limited for A$83 million.

Over 80 percent of Australian Cement's output is presently supplied in bulk to pre mixed concrete producers. Australian Cement's two main customers are its two shareholders, the CSR Group and Hanson plc .

Other Businesses

Construction Materials Division conducts a waste disposal/landfill joint venture (Enviroguard Pty Ltd, 50 percent owned by the CSR Group) with Brambles Australia Limited which includes a landscaping products business (Envirogreen Pty Ltd, 50 percent owned by the CSR Group).

During Fiscal Year 1999, CSR Group sold its Australian contract mining businesses, AWP Contractors Pty Limited and CSR Contracting Pty Limited, for a total consideration of A$140 million.

Building Materials Division

As at March 31, 2002, the Building Materials Division employed 2,911 people at 33 operating sites in Australia, New Zealand and Asia. Building Materials' activities include the production and distribution of gypsum products, glasswool and rockwool insulation products, concrete and clay roof tiles, clay bricks and pavers, fiber cement, autoclaved aerated concrete blocks and panels and a contract Shipping business. The Building Materials Division contributed 12 percent of Trading Revenue and 12 percent of Operating Profit for Fiscal Year 2002.

The Building Materials Division is the leading supplier in Australia of plaster wallboard, insulation, roof tiles and autoclaved aerated concrete. Approximately 73 percent of Division production is supplied to the residential building market and remainder to commercial and industrial building, civil construction and other non-building sectors.

Plasterboard and Fiber Cement

CSR Group, under GYPROCK™ and other brand names, is one of the largest manufacturers and marketers of gypsum-based products in Australia operating from 4 production sites and 50 distribution outlets. The CSR Group's gypsum products operations also encompass the mining and shipping of gypsum and the production and marketing of dry plaster and a full range of accessories. Over 70 percent of the Division’s gypsum products are used in residential construction (mainly interior walls and ceilings), with the balance used in commercial construction. Competition in the plaster wallboard market is strong.

The Division’s gypsum is mined at Lake MacDonnell, South Australia, through Gypsum Resources Australia (“GRA”). 50 percent owned by the CSR Group, GRA is a joint venture with Boral Limited. CSR manages the shipping of gypsum to the various manufacturing sites in Australia for GRA. This gypsum mine, one of the largest in Australia, has approximately 287 million tonnes of proven and probable gypsum reserves. CSR estimates that at current consumption levels these reserves would be sufficient to meet industry requirements for more than 250 years.

CSR Fiber Cement entered the fiber cement market in March 1996 with a plant located in Sydney, New South Wales. Fiber cement products are made from cement, sand and cellulose fiber and include flat sheeting principally for internal lining and external cladding of domestic and commercial buildings. The plant delivers most of its product to the Australian east coast market which represents more than 80 percent of the Australian market and has been successful in achieving an improvement in its market share in that market to over 26 percent in Fiscal Year 2002.

Insulation Products

The CSR Group, under BRADFORD INSULATION™ and other brand names, is the largest insulation manufacturer in Australia. It manufactures and markets a wide range of thermal and acoustic insulation products including glasswool, rockwool and reflective foil. Its manufacturing and support facilities are located in Australia, New Zealand, Indonesia, Malaysia, Singapore, China, Hong Kong and Thailand.

Australia. The CSR Group's Bradford operations include three plants throughout Australia. Principal end markets are in residential and commercial building and construction. CSR is the only Australian manufacturer of rockwool, which is used primarily in industrial insulation. Major customers are home builders, distributors, retail hardware outlets, insulation contractors and manufacturers. The polystyrene manufacturing business was sold during 1999. The CSR Group also distributes its products in Australia.

Asia. The CSR Group operates five plants in Asia: a rockwool joint venture in Malaysia (70 percent owned by the CSR Group); small glasswool operation in Indonesia (50 percent owned by the CSR Group); glasswool joint venture in Zhuhai, China (79 percent owned by the CSR Group); rockwool joint venture in Dongguan, China (70 percent owned by the CSR Group); and a rockwool operation in Thailand (100 percent owned by the CSR Group). The CSR Group operates trading facilities in Singapore and Hong Kong. Principal end markets for the CSR Group's Asian insulation businesses are industrial and commercial enterprises, mainly related to infrastructure development in southeast Asia and China.

Roofing

The CSR Group is the largest supplier in Australia and New Zealand of concrete and clay roof tiles. The concrete and clay roof tile market is of particular significance in Australia where an estimated 70 percent of single dwelling residential housing incorporate roof tiles. Roof tiles are primarily utilized in the construction and renovation of residential housing.

Concrete roof tiles are sold under the MONIER™ brand and clay roof tiles are sold under the WUNDERLICH™ brand. The CSR Group currently operates five concrete and two clay roof tile plants in Australia and 2 concrete tile plants in New Zealand. Roof tiles are supplied through a supply and fix service and through roofing contractors. Principal customers are large project builders in all Australian states and major roofing contractors in New South Wales, Victoria and New Zealand.

During Fiscal Year 2002, the CSR Group constructed a new concrete tile plant. This will allow the closure of two older plants in Fiscal Year 2003, improving capacity, quality and cost of manufacture.

Bricks, Pavers and Lightweight Concrete Products

The CSR Group is a leading manufacturer in Australia and New Zealand of clay bricks and pavers. The CSR Group currently operates nine clay brick and paver plants in Australia and one clay brick and paver plant in New Zealand. Bricks and pavers are manufactured and sold close to major markets due to high transportation costs. The Australian clay brick and paver products are sold under the PGH™, ZACUBA™ and BATHURST BRICK™ brands. CSR Building Materials (NZ) Limited, supplies the New Zealand brick and paver market under the MONIER™ brand from its plant in Auckland.

Clay bricks and pavers are made from naturally occurring clays and shales supplied from 38 CSR Group controlled reserves as well as independent clay suppliers. While reserve life varies from quarry to quarry, at current extraction rates reserves are estimated to be in excess of 20 years.

The clay brick market is of particular significance in Australia where an estimated 85 percent of external cladding for houses is brick. However, the trend in use is changing, as rendered finishes become more popular and cheaper common bricks are preferred over the more expensive ones. Bricks are primarily utilized in the construction and renovation of residential housing, a highly fragmented market. Principal customers are large project builders for bricks and distributors for pavers.

CSR Hebel is the largest supplier of autoclaved aerated concrete products in Australia. The CSR Hebel plant, close to Sydney, New South Wales, produces light weight concrete blocks, reinforced panels and reinforced door and window lintels. These products are used in many applications, including walls, roofs and floors. Approximately 55 percent of production is used in commercial and industrial building, 40 percent in residential building and the balance in civil construction. The CSR Group also operates an autoclaved aerated concrete plant in Malaysia (70 percent owned by the CSR Group). The business supplies markets in both Malaysia and Singapore. A similar plant operated in Taiwan through a joint venture (55 percent owned by the CSR Group) was closed October 1999 and all assets disposed of in 2000.

Shipping

The CSR Group shipping business currently manages three ships which carry over two million tonnes of dry bulk cargo around the Australian coast each year. Two of the ships, together with chartered ships when required, carry gypsum from South Australia to the eastern States, and raw sugar and calcite from Queensland to the southern States on return voyages. The third ship carries cement for Australian Cement (50 percent owned by the CSR Group).

Sugar Division

The Sugar Division is Australia's largest sugar producer with activities encompassing milling of sugar cane, sugar refining, distilling and other sugar services. Sugar operations are subject to various statutory regulations. Raw and refined sugar is traded on the "world free market" and subject to international competition. Sugar prices are affected by world sugar production and consumption. For Fiscal Year 2002, the Sugar Division contributed 10 percent of the CSR Group's Trading Revenue and 8 percent of Operating Profit.

The raw sugar industry in Australia operates under compulsory acquisition and "single desk seller" arrangements for the export and domestic sales of raw sugar. Queensland Sugar Limited ("QSL") is responsible for acquisition and marketing, for ensuring that domestic raw sugar prices be set at export parity levels, for the pooling of raw sugar revenues and for marketing expenses. QSL operates a scheme to facilitate producer pricing known as the Call Pool. The CSR Group participates in this scheme.

Sugar Milling

The CSR Group operates seven mills in Queensland. The CSR Group sold a mill in the Ord River district of Western Australia in September 2000. In Fiscal Year 2002, the CSR Group produced 1.8 million tonnes of raw sugar representing about 39 percent of Australia's total production. The Australian sugar industry is considered one of the most technically efficient in the world. Sugar cane is grown in Australia by around 6,800 independent farmers that supply mill operations. The annual sugar cane harvesting season generally extends from June through December.

The production of sugar in Queensland is regulated by statute with all raw sugar produced being acquired by the Queensland Government and marketed by QSL. Income available for distribution to growers and millers is the combined net proceeds of raw sugar sales overseas and in Australia. Income is shared approximately two-thirds to growers and one-third to millers, but is the subject of arrangements made locally by millers and growers. The precise division depends on the sugar content of the cane, the efficiency of the milling and district arrangements related to harvesting.

In August 2000, the bulk sugar terminal assets of port authorities in Cairns, Mourilyan, Lucinda, Townsville, Mackay, Bundaberg and Brisbane were transferred to a new industry owned unlisted company - Sugar Terminals Limited ("STL"). STL leases the terminals to QSL on a commercial basis. CSR owns approximately 13.5 percent of STL shares.

Export Marketing

Through December 31, 1999, CSR acted as agent for the Queensland Sugar Corporation, marketing all Australian raw sugar exports (other than to New Zealand) and arranging the sale, pricing, storage and shipment of the raw sugar. The agency agreement expired on December 31, 1999 with these activities being directly undertaken by the Queensland Sugar Corporation. The marketing role of the Queensland Sugar Corporation has subsequently been assumed by QSL.

It is estimated that approximately 133 million tonnes of sugar is currently being produced worldwide, of which approximately 41 million tonnes is traded on the "world free market". Consequently, sugar prices (denominated in US cents per pound) are generally less stable than prices of other commodities as small shifts in world sugar production or consumption may have a significant effect on prices.

CSR estimates that around 75-80 percent of Australia's raw sugar production is exported, with the balance consumed in Australia. QSL sales include long term agreements with customers in a range of overseas markets.

Sugar Refining

Australia. CSR holds a 50 percent interest in Sugar Australia, an unincorporated joint venture formed in 1998 with Mackay Sugar Co-Operative Association Limited and ED&F Man plc (now known as Man Group plc). Sugar Australia was formed to help rationalize the Australian sugar industry following the Australian Government's removal of a $55/tonne tariff on imported sugars. Sugar Australia is managed independently of the joint venture partners, having its own board. The assets used in the joint venture include the former CSR refinery in Melbourne (CSR retains ownership of the land on which the refinery stands) and depots in other capital cities, the former Mackay Refined Sugar refinery at Mackay and the specialized bulk refined sugar ship "MV Pioneer".

Sugar Australia, with refining capacity of approximately 670,000 tonnes a year, is Australia's largest sugar refiner and one of the largest in the world. Sugar Australia's refineries produce a wide range of granulated and liquid sugars as well as specialty products such as golden syrup, treacle and coffee sugar. Products are supplied to industrial users and in retail packs. Refined sugar is sold to industrial users under contracts which may extend for up to three years. The principal end markets for refined sugar in Australia are alcoholic and non-alcoholic beverages, retail, confectionery and bakery products. Sugar Australia also exports sugar in both container lots and bulk shipments using the MV Pioneer.

New Zealand. A 50 percent interest in New Zealand Sugar Company (previously 100 percent owned by the CSR Group) was sold to Mackay Sugar Co-operative Association Limited (25 percent) and ED & F Man plc (25 percent) in March 1998. The New Zealand Sugar Company's refinery in Auckland is the only sugar refinery in New Zealand. It currently buys all its raw sugar from QSL. A CSR Group company owns the land on which the refinery is situated.

Key end markets for refined sugar operations in New Zealand include carbonated beverages, confectionery, bakery, ice-cream and alcoholic beverages as well as direct consumption through retail outlets. New Zealand Sugar Company's major customers include large retailers and wholesalers and significant food and beverage manufacturing entities. The New Zealand Sugar Company is also a significant exporter of refined sugar to Pacific island markets and of sugar blends to Japan.

Distilling

The CSR Group operates two distilleries in Australia. The principal distillery is adjacent to the Plane Creek raw sugar mill in Queensland while the second is located adjacent to the Sugar Australia sugar refinery in Melbourne, Victoria. The Plane Creek facility produces ethanol from molasses, a by-product of the sugar milling process. The output of this distillery is exported or sold into the domestic market after product upgrading and/or repackaging carried out at the second distillery in Melbourne.

Aluminium Division

The CSR Group participates in aluminium production through a joint venture in the Tomago smelter in New South Wales, Australia's second largest aluminium smelter. Aluminium Division contributed 6 percent of Trading Revenue and 12 percent of Operating Profit for Fiscal 2002.

Australia is the fifth largest producer of aluminium in the world (contributing approximately 7 percent of the world's output). Aluminium is produced by the refining of bauxite (the major aluminium bearing ore) into alumina and the reduction of alumina into primary aluminium.

Bauxite and Alumina

CSR has not been involved in production of bauxite and alumina since January 2001, when the CSR Group sold its interest in Gove Aluminium Limited (GAL) to a subsidiary of Alcan Aluminium Limited. Until that time CSR held a 70 percent interest in GAL and GAL in turn held a 30 percent interest in the Gove bauxite mine and alumina refinery.

Aluminium

The aluminium smelter at Tomago, New South Wales is owned by Gove Aluminium Finance Limited (36.05 percent) ("Gove Aluminium Finance"), Pechiney Pacific Pty. Limited (36.05 percent), Cathjoh Holdings Pty Limited (15.50 percent), V.A.W. Tomago, Inc (6.20 percent) and VAW Australia Pty. Limited (6.20 percent). The CSR Aluminium Division has a 70 percent interest in Gove Aluminium Finance and AMP Life Limited has the remaining 30 percent interest.

Tomago's operating capacity is 460,000 tonnes per annum of which Gove Aluminium Finance's share is 166,000 tonnes. The Tomago smelter is the second largest in Australia and CSR believes that it is one of the largest and most cost-efficient of its kind in the world.

Gove Aluminium Finance purchases its 36.05 percent share of the alumina used at the Tomago aluminium smelter under a long term contract with Gove Aluminium Limited, an Alcan Group company. Gove Aluminium Finance is entitled to 36.05 percent of the aluminium produced at Tomago. The main markets for Tomago's aluminium are major industrial companies in Japan and Asia. Most of the output is sold under long-term supply contracts.

Tomago smelter obtains its electric power from Macquarie Generation under a contract expiring in November 2017. CSR believes the commercial terms of this contract are consistent with similar contracts for the supply of power to aluminium smelters internationally.

Acquisitions and Divestitures

The CSR Group made the following major acquisitions and divestitures during Fiscal Years 2002, 2001 and 2000:

In Fiscal Year 2001, Rinker Materials acquired 100 percent of American Limestone Company Inc., an aggregates and pre-mixed concrete producer in Tennessee and Virginia, from Grupe Mexico's ASARCO division for US$211 million. Rinker Materials also acquired Wilson Concrete Company, a pipe and prestress products manufacturer in Missouri, Iowa, and Nebraska, and Leppert Concrete Products in Indiana for a total of US$84 million plus additional amounts for working capital.

Also in Fiscal Year 2001, Rinker Materials acquired 100 percent of Florida Crushed Stone Company, an aggregate and cement producer in Florida and Georgia, for US$348 million.

In Fiscal Year 2001, CSR Group sold its interest in Gove Aluminium Ltd, a bauxite and alumina producer in Northern Territory, Australia, to a subsidiary Alcan Aluminium Limited for net proceeds of A$412 million.

During Fiscal Years 2000-2001, the CSR Group exited the timber business either selling or closing its solid timber and wood panel businesses and Operating Assets. Proceeds from these divestment transactions, as part of CSR's strategy to narrow its business portfolio and divest non-strategic assets, totaled about A$800 million.

In Fiscal Year 2002, Rinker Materials acquired five quarries in Missouri and Kentucky from Cemex Inc, for US$42 million and the Las Vegas quarry and concrete operations of Hanson plc for US$24 million.

During Fiscal Year 2002 CSR sold its interest in the Downer Group Ltd for A$60 million and Rinker Materials sold land and other non-core operations and assets for a total of A$73 million.

See also Note 37 to the Financial Statements for the fair value of net assets acquired and disposed, and Note 3 Significant Items on the sale of the CSR Group's Gove Aluminium Limited interest.

Environmental Matters

General

CSR Group entities are subject to numerous environmental laws and regulations concerning its products, operations and other activities. Failure to comply with these laws and regulations could result in orders being issued that may cause certain of the operations to cease or be curtailed or may require installation of additional equipment at substantial cost. In such circumstances, CSR Group entities may be required to compensate those suffering loss or damage by reason of violations and may be fined if convicted of an offence under such legislation. Any of these events could have a material adverse effect on the CSR Group's financial condition, results of operations or cash flows.

CSR believes that the activities of CSR Group entities are in substantial compliance in material respects with applicable environmental laws and regulations as administered by the responsible regulatory authorities or agreements are in place to reach compliance within an agreed time.

CSR cannot reasonably estimate the cost of future compliance or remedial work or further investment which may be necessitated by environmental laws and regulations or by any causes of contamination, including those occurring prior to the introduction of such laws and regulations or before or after the property in question was owned or occupied by an entity of the CSR Group. The level of such costs will be dependent upon, among other things, the nature and extent of the current and future environmental laws and regulations, the timing and nature of any required remedial work, the extent of any contamination, the technology available to meet the required standards, the determination of any liability of an entity in the CSR Group in proportion to that of other parties and the extent to which any costs are recoverable from insurance and third parties. Assuming that the environmental laws and regulations are applied uniformly, CSR believes that its environmental compliance costs will not have a material adverse impact on its relative competitive position or on the earnings or capital expenditure of the CSR Group, taken as a whole. The CSR Group has provided in its Financial Statements for all probable environmental liabilities at an amount that can be reasonably estimated. As at March 31, 2002 such provisions totaled A$32 million. See Note 22 "Provisions – Restoration and Environmental Rehabilitation" of the Financial Statements.

The Board of Directors of CSR has a "Safety, Health and Environment Committee" to monitor the environmental performance of the CSR Group's Divisions (except for Rinker Materials which operates as an indirect subsidiary) by receiving reports, interviewing managers and making inspections of CSR Group entity sites. Rinker Materials Board of Directors has an independent committee to monitor the environmental performance of its businesses. To date neither committee has become aware of any environmental issues which management believes would have a material adverse impact upon the CSR Group taken as a whole.

CSR Group's environmental policies have not necessarily been adopted at the sites of its investments (such as the aluminium smelter at Tomago, Sugar Australia, Australian Cement and Enviroguard), which are managed independently. Nevertheless, CSR believes that each of these ventures has implemented environmental policies appropriate for the environmental risks inherent in their operations.

See also Item 3. Risk Factors for further discussion of the risks associated with the environmental issues faced by the CSR Group.

The following is a description of the material environmental issues affecting particular operations of the CSR Group entities.

Australian Operations

Australia's principal laws governing environmental and sustainable management of natural and physical resources are contained in legislation and regulations enacted by the Commonwealth Government and the states and territories of the Commonwealth of Australia. This body of legislation regulates the operations of companies principally in regard to air, water and noise emissions, waste disposal, land contamination, and the handling and storage of environmentally hazardous chemicals and dangerous goods.

Compliance. Ongoing audits are made of environmental performance at sites in the CSR Group entities.

The main activities in which expenditure on compliance will be incurred are construction materials (dust emissions and waste water management at quarries, concrete batching plants and concrete products operations and removal of underground fuel storage tanks), the CSR Group's sugar mills (waste water treatment and particulate matter emissions), and the CSR Group’s brick and paver, tile and insulation operations (dust and gas emissions from kilns and solvent emissions).

CSR Group sold its timber businesses during Fiscal Years 2000 and 2001. While CSR entities have certain contractual obligations to share in site clean-up in relation to certain of these businesses, CSR Group does not expect any costs incurred will have a material impact on its earnings.

Site Remediation. Contamination has been identified on several sites. Clean up operations of these sites are planned and under way. Clean up costs have been provided for and no material adverse impact on operations is expected. CSR Group policy requires that all wastes be taken off the CSR Group’s land for disposal according to regulations in licensed and regulated landfills. Some instances of past disposal of wastes on the CSR Group's land are known. Management considers only minor immediate remedial action to be necessary and this is not anticipated to have a material adverse effect on the CSR Group’s operations or competitive position.

Land Filling Operations. Non-putrescible and non-hazardous solid waste disposal in disused clay pits on land owned and controlled by the CSR Group has been completed. The landfills have been capped and restored.

Enviroguard Pty Ltd (“Enviroguard”), a joint venture (50 percent owned by the CSR Group) with Brambles Australia Limited, operates two non-putrescible landfills in disused quarries in Sydney, New South Wales and Brisbane, Queensland. The sites are licensed by relevant state Environment Protection Authorities, and operate under strict protocols established by Enviroguard.

Rinker Materials Operations

The Rinker Materials operations in the United States are subject to extensive regulation by various federal, state and local environmental control agencies. Regulations and statutes impose effluent and emission limitations and waste disposal, as well as other requirements, upon Rinker Materials and require it to obtain and operate in compliance with the conditions of permits and similar authorizations from the appropriate governmental authorities. Rinker Materials believes it has obtained, has applications pending or is making applications for such permits and authorizations which would be necessary to adequately operate its businesses. Rinker Materials does not presently anticipate that compliance with such statutes and regulations will have a material adverse impact on its competitive position or on its earnings and capital expenditure.

Rinker Materials through the Environment, Occupational Health and Safety Committee of its board of directors monitors the environmental compliance of its operations. Rinker Materials business units have environmental staff that provide internal auditing safeguards, compliance training and policy enforcement in liaison with operations management. Site auditing, monthly reporting and a "hot line" toll-free telephone number all combine to ensure compliance and cost controls are part of regular business activities.

Rinker Materials is not aware of any investigations of any material scope by any federal or state regulatory enforcement agencies currently in progress. Rinker Materials does not have any sites listed as a United States federal Superfund clean-up project. Rinker Materials, however, has several locations listed as state clean-up projects or allegations of disposal of waste material in listed Superfund sites. Rinker Materials believes the costs of remediation are not material and are fully provided for.

Competition

The building materials and construction materials businesses in which the CSR Group entities operate are highly competitive. The markets can generally be divided into three segments: residential building (both new single dwellings, multi story residential and renovations / additions); commercial building (for example, commercial offices, tourist-related buildings, shopping centers); and civil construction (for example, roads, highways, airports, dams, ports, mines). The industry is generally considered to be cyclical. CSR believes that the three segments of the market for building and construction materials tend to move in different cycles and have different impacts on the demand for building and construction materials products. Important factors affecting the building and construction cycles include interest rates, government fiscal policy, unemployment, consumer confidence, the level of net immigration into Australia and the United States and inter-state migration flows. CSR Group’s experience is that competition intensifies in the down cycle (particularly on the basis of price) resulting in pressure on CSR Group entities’ profit margins.

In Australia, the residential building segment is estimated to represent approximately one-half of the total market. A common feature of most Australian building and construction materials markets, currently estimated at A$17 billion per year, is that generally three domestic suppliers (including CSR Group entities) account for a significant portion of total annual sales in each market. While competition varies from business to business, the CSR Group's two principal competitors in the Australian building and construction materials industry are Boral Limited and Hanson plc (formerly Pioneer International Limited). Intensity of competition varies from region to region depending on the location of production, distribution or other facilities. Additional smaller regional companies compete in most of the product markets within the industry.

Rinker Materials businesses in the United States also face strong competition. In general, most United States markets are regional and not dominated by large national companies. Since the markets tend to be regional, competitors in the United States are typically smaller local operators.

Competition in the CSR Group’s other businesses (Sugar and Aluminium) is also strong. The CSR Group is a leading producer of raw sugar and ethanol in Australia and, through its joint venture operations, is a leading producer of refined sugar in Australia and New Zealand. Competition in the Australian, New Zealand and other international sugar and ethanol markets remains very strong. The CSR Group's aluminium interests are relatively small in a global market dominated by major world producers and exporters of aluminium.

Organizational Structure

CSR Limited is the chief entity in a group of more than one hundred Consolidated Entities in Australia, New Zealand, North America and Asia. The complete list of these entities, with their country of incorporation and percentage of CSR ownership, is listed at Note 38 to the Financial Statements.

Description of Property

CSR Group’s principal executive offices are located in Chatswood, New South Wales, Australia.

As at March 31, 2002, CSR Group entities had 653 production sites and manufacturing facilities in Australia, New Zealand, North America, and Asia.

These sites include:

Product Sold	Sites
Pre-mixed concrete	304
Quarries and sand	130
Pipe & concrete products	108
Asphalt (29 are 50% owned)	34
Concrete block	25
Building materials factories	33
Sugar mills, refineries (50% owned), and distilleries	12
Cement mills and terminals (2 are 50% owned)	6
Aluminium Smelter (36.05% owned)	1

Management believes that the facilities of CSR Group entities are suitable and adequate for its present needs and are well maintained and in good operating condition. The CSR Group entities carry insurance covering property and casualty and certain other risks to which its facilities and operations may be subject. The CSR Group entities own most of their principal operating facilities and lease the remainder. Management does not believe CSR Group earnings are dependent upon any single operating facility.

The following table is a list of the principal facilities in the CSR Group:

CSR LIMITED CORPORATE OFFICES

SITE			PRODUCT SOLD
Chatswood (leased)	New South Wales	Australia	Administration

CONSTRUCTION MATERIALS DIVISION

SITE			PRODUCT SOLD
Albion Park	New South Wales	Australia	Aggregates
Gosnells	Western Australia	Australia	Aggregates
Oaklands	Victoria	Australia	Aggregates
Pakenham	Victoria	Australia	Aggregates
Penrith Quarry	New South Wales	Australia	Aggregates
Blacktown	New South Wales	Australia	Pipe
Eagle Farm	Queensland	Australia	Pipe
Laverton	New South Wales	Australia	Pipe

BUILDING MATERIALS DIVISION

SITE			PRODUCT SOLD
Cecil Park	New South Wales	Australia	Bricks
East Maitland	New South Wales	Australia	Bricks
Golden Grove	South Australia	Australia	Bricks
Horsley Park	New South Wales	Australia	Bricks
Oxley	Queensland	Australia	Bricks
New Lynn	Auckland	New Zealand	Bricks
Schofields	New South Wales	Australia	Bricks and pavers
Strathpine	Queensland	Australia	Bricks and pavers
Wetherill Park	New South Wales	Australia	Fiber Cement
Ingleburn	New South Wales	Australia	Insulation
Coopers Plains	Queensland	Australia	Plasterboard
Wetherill Park	New South Wales	Australia	Plasterboard
Yaraville	Victoria	Australia	Plasterboard

Vermont	Victoria	Australia	Clay roof tiles
Welshpool	Western Australia	Australia	Plasterboard Roofing
Rosehill	New South Wales	Australia	Clay roof tiles

SUGAR DIVISION

SITE			PRODUCT SOLD
Chelsea Refinery	Auckland	New Zealand	Sugar
Inkerman Mill	Queensland	Australia	Sugar
Invicta Mill	Queensland	Australia	Sugar
Kalamia Mill	Queensland	Australia	Sugar
Macknade Mill	Queensland	Australia	Sugar
Pioneer Mill	Queensland	Australia	Sugar
Plane Creek Mill	Queensland	Australia	Sugar
Victoria Mill	Queensland	Australia	Sugar
Sarina Distillery	Queensland	Australia	Ethanol
Racecourse Refinery	Queensland	Australia	Sugar
Yaraville Refinery	Victoria	Australia	Sugar
Yarraville Distillery	Victoria	Australia	Ethanol

ALUMINIUM DIVISION

SITE			PRODUCT SOLD
Tomago (joint venture)	New South Wales	Australia	Aluminium

RINKER MATERIALS CORPORATION

SITE			PRODUCT SOLD
West Palm Beach	Florida	USA	Administration
FEC Quarry	Florida	USA	Aggregate
Brooksville Quarry	Florida	USA	Aggregate
Buffalo Road	Nevada	USA	Aggregate
Krome Quarry	Florida	USA	Aggregate
Macon Quarry	Georgia	USA	Aggregate
Everett Quarry	Washington	USA	Aggregate
Alico Quarry	Florida	USA	Aggregate
Dogwood Quarry	Georgia	USA	Aggregate
St Catherine Quarry	Florida	USA	Aggregate
Davenport Sand	Florida	USA	Aggregate
Riviera Beach	Florida	USA	Block
Crego	New Mexico	USA	Block
Las Vegas	Nevada	USA	Block
Miami Cement Mill	Florida	USA	Cement
Brooksville Cement Mill	Florida	USA	Cement
Port Everglades Terminal	Florida	USA	Cement
Port Canaveral Terminal	Florida	USA	Cement
Bonita Springs	Florida	USA	Concrete
Houston Pipe	Texas	USA	Pipe
Frederick	Maryland	USA	Pipe
Dallas	Texas	USA	Pipe
Denver	Colorado	USA	Pipe
Corona	California	USA	Pipe
Las Vegas	Nevada	USA	Pipe
Everett	Washington	USA	Pipe
Phoenix	Arizona	USA	Pipe
Greenfield	Indiana	USA	Pipe

Albuquerque	New Mexico	USA	Pipe
Wauregan	Connecticut	USA	Pipe
Fresno	California	USA	Pipe
Gainesville	Texas	USA	Polypipe
Laplatt	Nebraska	USA	Prestress
Marshall	Missouri	USA	Prestress

Item 5. Operating and Financial Review and Prospects

The discussion below contains certain forward looking information. See "Forward-Looking Statements" on page 6.

Significant Events in Fiscal Year 2002

– Changes to the Australian-US tax treaty will remove any obligation on Rinker Materials to pay withholding tax (currently 15 percent) if remitting dividends to its Australian holding company from July 1, 2003.

– Rinker Materials Corporation changed its name from CSR America, Inc on 1 August 2001.

– CSR bought back 34 million or 3.5 percent of its shares.

– Aluminium sales were a record 164,000 tonnes.

– Rinker Materials acquired the MidCoast Concrete Company, the Las Vegas construction business of Hanson plc, the Kentucky and Missouri quarries business of Cemex Inc., and its partner's 50 percent share in the New England Concrete Pipe joint venture. All operations have been incorporated within the existing divisions of Rinker Materials.

– Australian building and construction activity declined in Fiscal Year 2002, with housing starts (lagged 3 months) down approximately 3.6 percent on Fiscal Year 2001, and engineering and construction spending down approximately 6 percent on Fiscal Year 2001.

– Sugar Operating Profit improved 347 percent over the previous year, largely as a result of improved world sugar prices .

– In November 2001, CSR's dispute with the Australian Tax Office in relation to the treatment of a lump sum settlement with insurers was resolved in CSR's favour. In January 2002, CSR received a tax refund of A$33 million plus interest of A$11.4 million. These amounts were taken to Net Profit in Fiscal Year 2002.

U. S. GAAP

The following discussion and analysis should be read in conjunction with the CSR Group's Financial Statements, prepared in conformity with Australian GAAP. For a reconciliation and explanation of the differences between Australian GAAP as followed by the CSR Group and US GAAP, see Note 40 to the Financial Statements. The CSR Group's Net Profit reported under US GAAP is A$530.2 million which is A$22.4 million lower than the Net Profit reported under Australian GAAP in Fiscal Year 2002. The difference relates principally to the accounting for revaluation and impairment of non-current assets (A$8.2 million), executive options (-A$10.4 million), restructure and rationalization (-A$11.0 million), superannuation (pension) funds (-A$8.0 million) and taxation (A$2.3 million) .

Critical Accounting Policies

The CSR Group Financial Statements are prepared under Australian GAAP. A description of the significant accounting policies of the CSR Group are listed on pages F-8 to F-10 of the Financial Statements.

In applying its accounting principles, CSR Group management must often make individual estimates and assumptions regarding expected outcomes or uncertainties. The actual results or outcomes are generally different than the estimated or assumed amounts. These differences are usually not material and are included in the consolidated financial statements of the CSR Group as soon as they are known. The individual estimates and assumptions generally do not involve a level of risk or uncertainty that would be material to the consolidated financial statements of the CSR Group as a whole because, although numerous in number, they generally are relatively immaterial in amount.

There are estimates and assumptions made by management in preparing the consolidated financial statements of the CSR Group for which actual results will emerge over long periods of time, such as the assumptions underlying the assessment of the recoverable amounts of the non-current assets employed in the businesses of the CSR Group. These estimates and assumptions are closely monitored by CSR Group management and periodically adjusted as circumstances warrant. Although there is greater risk with respect to the accuracy of these long-term estimates and assumptions because of the long period over which actual results will emerge, CSR believes that such risk is mitigated by its ability to make changes in these estimates and assumptions over the same long period.

Based on a critical assessment of the CSR Group's accounting policies and the underlying judgments and uncertainties affecting the application of those policies, CSR's management believes that the Financial Statements provide a meaningful and fair perspective of the CSR Group. This is not to suggest that other general risk factors, such as those described in "Forward-Looking Statements" and "Item 3 – Key Information – Risk Factors", could not adversely impact the CSR Group's consolidated financial position, results of operations and cash flows in future periods.

The accounting policies that management believes could have a major impact on the CSR Group's future performance or financial condition are discussed below.

Recoverable Amounts of Non-Current Assets

Under Australian GAAP, the CSR Group is required to write-down non-current assets to their estimated recoverable amount. Recoverable amounts involve significant judgments by CSR Group management and represent the current value of the estimated cash flows arising from the continued use or the sale of the non-current assets. The discount rate used in such estimations is the CSR Group's cost of capital calculated with reference to the nature of the business and the geographical source of the cash flows. The cash flows are calculated by management utilizing forecasts of how the business is expected to operate based on the current business environment but taking into account known future changes, including approved strategic initiatives by the CSR Group, and any known external factors. These cash flow projections are reviewed annually by CSR Group management and any assets not supported by their future cash flows are written down to their estimated recoverable amount.

Depreciation

The CSR Group depreciates its property plant and equipment over their estimated useful lives. This requires CSR Group management to make estimates as to technological and / or market redundancy issues affecting its assets as well as any potential physical asset life. The CSR Group had A$4,138 million of property plant & equipment on its statement of financial position as at March 31, 2002 that had been depreciated by A$346 million in Fiscal Year 2002.

Amortization

Under Australian GAAP, the CSR Group amortizes goodwill over a maximum of 20 years on a straight-line basis. The expense in Fiscal Year 2002 amounted to A$72 million. Any unamortized goodwill is included in asset values that are required to be supported by their future cash flows. Under FAS142, CSR would not be required to amortize goodwill and other indefinite life intangible assets but would be required to review the carrying value every year for impairment. Application of this US accounting standard is likely to result in higher but potentially more volatile earnings under US GAAP in future financial reporting periods.

Claims Alleging Personal Injuries Due to Asbestos Exposure

In preparing the consolidated financial statements of the CSR Group, CSR Group management is also periodically faced with uncertainties, the outcomes of which are not within its control and will not be known for prolonged periods of time. As described in "Item 8 – Financial Information – Legal Proceedings", CSR and several CSR Group entities have been named as defendants in litigation in Australia and the United States by claimants alleging personal injuries due to exposure to asbestos. Claimants in these cases generally seek compensatory and punitive damages. In almost all cases in which it is a party, a CSR Group entity is one of a number of companies named as defendants.

When announcing CSR's half yearly results in November 2000, directors advised that CSR was considering the potential impact of an accounting exposure draft on provisions. The applicable new accounting standard, AASB1044 "Provisions, Contingent Liabilities and Contingent Assets", was finally issued in October 2001. CSR is not required to adopt AASB1044 until the financial year beginning April 1 2003, however it can adopt the new standard earlier. The new standard provides significant additional guidance and imposes new requirements for measurement of uncertain liabilities. It also provides guidance on the discounting of provisions, which will require CSR to apply a rate which is lower than the discount rate currently adopted. The directors believe that the only material effect of adopting the new standard will be on the product liability provision (mainly for asbestos claims) and have engaged actuaries to assist in estimating the provision required under AASB1044. Whilst the work is not complete, based on preliminary analysis directors estimate that application of the new standard may increase the product liability provision from A$133.6 million at March 31 2002 to between A$250 million and A$350 million. Any increase in the provision as a result of adopting the new standard will be charged directly to retained earnings. The above estimate does not reflect any material change in CSR's underlying product liability risk profile nor does it include any potential benefits from settlements with insurers.

Taking into account the provision already included in the CSR Group's Financial Statements and current claims experience, CSR management is of the opinion that asbestos litigation in the United States and Australia will not have a material adverse impact on the CSR Group's financial condition. However, this litigation may negatively affect CSR Group's earnings in a particular reporting period and there can be no assurance as to future liabilities.

See "Item 8. Financial Information - Legal Proceedings" and Note 22 and Note 39 to the Financial Statements for details of cases, provisions and contingent liabilities, respectively.

Environmental Compliance and Remedial Work

The level of the costs to be incurred by the CSR Group of future compliance or remedial work or further investment which may be necessitated by environmental laws and regulations will be dependent upon various factors. These include, among other things, the nature and extent of the current and future environmental laws and regulations, the timing and nature of any required remedial work, the extent of any contamination, the technology available to meet the required standards, the determination of any liability of an entity in the CSR Group in proportion to that of other parties and the extent to which any costs are recoverable from insurance and third parties. Assuming that the environmental laws and regulations are applied uniformly, CSR believes that its environmental compliance costs will not have a material adverse impact on its relative competitive position or on the earnings or capital expenditure of the CSR Group, taken as a whole.

CSR management makes estimates, if determinable, of the anticipated costs of the CSR Group that may be necessitated by environmental laws and regulations and records such amounts in the consolidated financial statements of the CSR Group. The measurement of this provision requires significant management judgment. CSR believes it has provided in its Financial Statements for all probable environmental liabilities at an amount that can be reasonably estimated. As at March 31, 2002 such provisions totaled A$32 million. See Note 22 “Provisions – Restoration and Environmental Rehabilitation” of the Financial Statements. In light of the difficulty of predicting the level of future probable environmental liabilities, CSR cannot determine with certainty the amount of its ultimate liability with respect to environmental compliance or remedial costs nor their effect on the earnings of the CSR Group in future reporting periods.

Risk Management

The CSR Group’s risk management policies are addressed in various places throughout this annual report, including in “Item 11 – Quantitative and Qualitative Disclosures about Market Risk” and in Notes 21 and 30 to the Financial Statements. The CSR Group has in place principles and policies approved by CSR’s directors designed to manage financial risks associated with the CSR Group’s exposures to foreign currencies, commodity prices and interest rates. These risks are managed through a variety of means including natural hedges, forward sales contracts, forward foreign exchange contracts, futures, swaps, caps, collars and other foreign exchange, commodity price and interest rate options. CSR Group policies prohibit speculative transactions, restrict hedging transactions to preset limits and require senior management approval of hedging instruments. In addition, the policies limit who may authorize transactions and segregate relevant functions among different individuals.

Fiscal Year 2002 Compared with Fiscal Year 2001 and Fiscal Year 2000

Overview

CSR Group Net Profit decreased by 12.9 percent from A$634.1 million in Fiscal Year 2001 to A$552.6 million in Fiscal Year 2002, reflecting the inclusion in Fiscal Year 2001 of a net profit from Significant Items of A$129.2 million. Excluding Significant Items, the net profit increased by 9.4 percent from A$504.9 million in Fiscal Year 2001 to A$552.6 million in Fiscal Year 2002. This improved operating result was mainly due to improved profitability by Rinker Materials and Sugar.

The Fiscal Year 2001 CSR Group Net Profit included Significant Items comprised of a A$94 million net loss from asset write downs and rationalisation costs from plans to restructure businesses and dispose of surplus assets, a A$46 million net loss due to additional provisions for product liability claims, and a A$269 million net profit from the sale of CSR Group’s investment in Gove Aluminium Limited. There were no Significant Items in Fiscal Year 2002 or Fiscal Year 2000.

The Rinker Materials Operating Profit in Fiscal Year 2002 benefited by about A$40 million from the weaker Australian dollar which averaged A$1.00 = US$0.5112 in Fiscal Year 2002 compared to A$1.00 = US$0.5524 in Fiscal Year 2001. The US$ Operating Profit for Rinker Materials improved by 8 percent (US$22 million) to US$306 million in Fiscal Year 2002 from US$284 million in Fiscal Year 2001. The Sugar Operating Profit increased by 347 percent to A$74 million in Fiscal Year 2002 from A$16 million in Fiscal Year 2001 largely as a result of an increase in the average sugar price from A$252 per tonne in Fiscal Year 2001 to A$331 per tonne in Fiscal Year 2002. The Construction Materials Operating Profit improved by 10.7 percent to A$57 million in Fiscal Year 2002 from A$51 million in and Fiscal Year 2001, while the Building Materials and Aluminium Operating Profit declined. The 48 percent decline in the Aluminium Operating Profit to A$110 million in Fiscal Year 2002 from A$212 million in Fiscal Year 2001 was due mainly to the sale of the Gove Aluminium Limited bauxite and alumina business in January 2001, but was also adversely affected by a reduction in aluminium prices from an average of A$1,544 per tonne in Fiscal Year 2001 to an average of A$1,412 per tonne in Fiscal Year 2002. The Operating Profit for Building Materials decreased by 19 percent to A$109 million in Fiscal Year 2002 from A$135 million in Fiscal Year 2001, principally due to decreased Australian housing activity.

CSR Group Trading Revenue rose 9 percent in Fiscal Year 2002 to A$6,985 million from A$6,424 million compared to in Fiscal Year 2001, principally due to the effects of the weaker Australian dollar and the improved world sugar price. This was offset in part by Trading Revenue decreases in Building Materials and Aluminium.

A$584 million was invested during Fiscal Year 2002 in acquiring new businesses, construction, and refurbishment, primarily in Rinker Materials. Trading Revenues and Operating Profits from Rinker Materials continued to increase during Fiscal Year 2002 and represent in excess of 50 percent of the CSR Group totals.

In May 2000, CSR announced a share buyback plan with the intent to purchase up to 10 percent of its fully paid shares, extended for an additional 10percent in May 2001. 34.1 million fully paid ordinary shares (3.5 percent) were repurchased during Fiscal Year 2002, reducing share capital by A$208 million, with a total of 111.7 million being repurchased since the inception of the plan.

Summary by Business Segment – Fiscal Year 2002 Compared with Fiscal Year 2001 and Fiscal Year 2000

Market Conditions

The markets for Rinker Materials products were sound during Fiscal Year 2002. The US economy continued to grow, although at 1.1 percent which was the slowest rate for a decade. Civil construction was assisted by higher levels of federal infrastructure spending under the US Federal Government's US$216 billion six-year transport infrastructure program (TEA-21, the Transport Equity Act for the 21st Century, 1998 - 2003).

Building and construction activity in Australia declined during Fiscal Year 2002, with housing starts off one-third in the second half of the Fiscal Year. Concrete, quarry, and building material markets fell. Aluminium sales were up 2 percent and prices were down 9 percent during Fiscal Year 2002. CSR raw sugar production increased by about 7 percent during Fiscal Year 2002 but were still disappointing as crop levels were lower than expected.

Segment Operating Results

CSR Group
Business Segment Revenues And Operating Profit before Significant Items
A$ Millions
Year Ended March 31,

	2002		2001		2000	
	Trading Revenues	Operating Profit/(Loss)	Trading Revenues	Operating Profit/(Loss)	Trading Revenues	Operating Profit/(Loss)
Rinker Materials Corporation	4,116	598	3,590	516	2,691	328
Construction Materials Division	926	57	923	51	1,048	117
Building Materials Division	806	109	860	135	943	156
Sugar Division	694	74	529	16	643	45
Aluminium Division	443	110	520	212	485	183
Timber Division	-	-	-	-	609	57
Other Unallocated Items	-	(22)	2	(7)	-	(82)
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Total	6,985	926	6,424	923	6,419	804

Rinker Materials

In Australian dollar terms, as recognized in the CSR Group Financial Statements, Rinker Materials Trading Revenue for Fiscal Year 2002 increased by 15 percent to A$ 4,116 million from A$3,590 million in Fiscal Year 2001 and from A$2,691 million in Fiscal Year 2000. Operating Profit rose by 16 percent in Fiscal Year 2002 to A$598 million, from A$516 million for Fiscal Year 2001 and from A$328 million for Fiscal Year 2000. This improvement reflects the appreciation of the US dollar against the Australian dollar, the contribution of acquired businesses and reduced costs from operational improvement initiatives realised during Fiscal Years 2002 and 2001.

In US dollar terms, Rinker Materials Trading Revenue increased by 7 percent in Fiscal Year 2002 to US$2,104 million from US$1,974 million in Fiscal Year 2001 and US$1,726 million in Fiscal Year 2000. Operating Profit improved by 8 percent in Fiscal Year 2002 to US$306 million from US$284 million in Fiscal Year 2001 and from US$211 million in Fiscal Year 2000.

Economic uncertainty caused by the events of September 11 appears to have declined, with the US economy showing signs of recovery. Rinker Materials existing businesses are well positioned in major US markets, with most facilities operating at full capacity. Businesses acquired in Fiscal Years 2002, 2001, and 2000 contributed around US$429 million (A$804 million) to Trading Revenue and around US$70 million (A$131 million) to Operating Profit in Fiscal Year 2002. Rinker Materials realised US$41 million (A$77 million) in cost savings during Fiscal Year 2002 resulting from operational improvement initiatives.

Florida Materials - Trading Revenue in US dollars increased 9 percent in each of Fiscal Years 2002 and 2001 due to increased sales volumes of both pre-mixed concrete and manufactured concrete blocks, and higher prices. The increased trading activity reflects continued strength of the Florida housing, commercial and civil (particularly highway and airport) markets and Rinker Material's strong presence there. Operating Profit increased 21 percent in Fiscal Year 2002 compared with Fiscal Year 2001, after increasing by 25 percent in Fiscal Year 2001. The Fiscal Year 2001 increase was due to both higher sales volumes and higher prices.

Quarries - Trading Revenue in US dollars increased by 23 percent in Fiscal Year 2002 and by 56 percent in Fiscal Year 2001. The quarries business continues to take advantage of the strong Florida housing, commercial and highway and airport markets. In Fiscal Year 2002, sales volumes increased by 15 percent driven by record levels of concrete production by Florida Materials and supplying quarry products for large civil construction projects. Increased prices were also achieved during Fiscal Year 2002. Higher Gross Margins improved Operating Profit by 26 percent in Fiscal Year 2002 and by 42 percent in Fiscal Year 2001. The Fiscal Year 2001 increase was due to the contribution from acquired businesses, along with higher sales volumes and prices.

Cement – Trading Revenue in US dollars increased by 11 percent in Fiscal Year 2002 and by 43 percent in Fiscal Year 2001. Cement sales volumes rose strongly, due to the strong production by Florida Materials and a full year contribution from the Fiscal Year 2001 acquisition of Florida Crushed Stone. Operating Profit increased by 8 percent in Fiscal Year 2002 after increasing 67 percent in Fiscal Year 2001.

Hydro Conduit - Trading Revenue in US dollars increased by 17 percent in Fiscal Year 2002 and by 14 percent in Fiscal Year 2001 due both to acquisitions and the level of construction activity throughout most regions of the business. Strategic plant upgrades and construction of highly automated large scale plants have assisted in reducing operating costs. Operating Profit increased by 11 percent in each of Fiscal Years 2002 and 2001.

Materials Nevada - In US dollars, Trading Revenue increased by 29 percent in Fiscal Year 2002 compared with a decrease of 3 percent in Fiscal Year 2001. The increase in Fiscal Year 2002 was due largely to the acquisition of the Las Vegas construction business of Hanson plc in September 2001. The business returned to profitability in Fiscal Year 2002 following losses in Fiscal Year 2001 and Fiscal Year 2000. In Fiscal Year 2001 operating results were significantly impacted by a union labour work stoppage.

Materials Northwest - In US dollars, Trading Revenue fell 8 percent in Fiscal Year 2002 following a fall of 7 percent in Fiscal Year 2001. The business continued to be adversely impacted by a general regional economic downturn during Fiscal Year 2002. The divestment of Portland, Oregon Concrete in Fiscal Year 2000, accounts for the difference in the prior year. Operating Profit decreased by 7 percent in Fiscal Year 2002 after an increase of 72 percent in Fiscal Year 2001.

Other Businesses

Gypsum Supply - In US dollars, Fiscal Year 2002 Trading Revenue fell 17 percent while Operating Profit fell by 35 percent. Profits in the Gypsum Supply business have returned to more normal levels following two years of abnormally high returns, when wallboard prices increased significantly due to demand outstripping supply as a result of high levels of building activity. In US dollars, Fiscal Year 2001 Trading Revenue decreased 19 percent compared to Fiscal Year 2000. Operating costs were reduced, enabling margins to be maintained in Fiscal Year 2001. Results from Fiscal Year 2000 to Fiscal Year 2001 were steady.

Prestress – In US dollars, Trading Revenue decreased by 11 percent in Fiscal Year 2002. In Fiscal Year 2001 Trading Revenue more than doubled. Operating Profit in Fiscal Year 2001 was US$4.2 million while Fiscal Year 2002 resulted in a loss of US$2.2 million. During Fiscal Year 2002, the business was adversely impacted by a decline in the commercial construction market.

PolyPipe and Pipeline Rehabilitation – In US dollars, Trading Revenue fell by 22 percent in Fiscal Year 2002 following an increase of 7 percent in Fiscal Year 2001. Industry volumes overall were down by over 20 percent and prices declined principally due to reduced activity in gas pipeline and telecommunications ducting markets. The business incurred a small loss in Fiscal Year 2002.

Construction Materials Division

Trading Revenue from Construction Materials, including Asia, increased marginally to A$926 million for Fiscal Year 2002 from A$923 million for Fiscal Year 2001 with a decrease from A$1,048 million in Fiscal Year 2000. Operating Profit increased 11 percent to A$57 million in Fiscal Year 2002 from A$51 million in Fiscal Year 2001, which was significantly down from the A$ 117 Operating Profit in Fiscal Year 2000.

Civil construction in Australia declined further in Fiscal Year 2002 following the increased level of activity prior to the introduction of the Australian Goods and Services Tax in July 2000 and construction associated with the Sydney Olympics. Both housing and commercial construction fell in Fiscal Year 2002. This continuing slowdown resulted in a further fall in concrete prices, declining sales of concrete pipes and reduced asphalt construction. Expectations are that in Fiscal Year 2003 construction activities should improve and move out of the current trough in the construction cycle

Building Materials Division

Trading Revenue from Building Materials decreased 6 percent to A$806 million for Fiscal Year 2002 from A$860 million for Fiscal Year 2001 and A$943 million for Fiscal Year 2000. The 6 percent (A$54 million) decrease in Trading Revenue was principally due to volume decrease as a result of lower building activity during Fiscal Year 2002. Operating Profit fell by 19 percent to A$109 million for Fiscal Year 2002 from A$135 million for Fiscal Year 2001, and A$156 million for Fiscal Year 2000.

Australian housing activity in the first half of Fiscal Year 2002 was at a 30 year low, continuing the trend in the second half of Fiscal Year 2001. In the second half there was an upturn in activity, however not to the historic peak. This followed relatively strong activity in the first half of Fiscal Year 2001 and in Fiscal Years 2000 and 1999. CSR estimates that approximately 73 percent of the Building Materials Division's Australian Trading Revenue is derived from the Australian residential housing market. Through its program of cost reduction, rationalization of factories, and selective investments CSR Group believes it is well positioned to manage effectively through the cycle.

Sugar Division

Trading Revenue from Sugar increased 31 percent to A$694 million for Fiscal Year 2002 from A$529 million for Fiscal Year 2001 and from A$643 million for Fiscal Year 2000.

QSL's sugar pool price in Fiscal Year 2002 is estimated to have increased 31 percent over Fiscal Year 2001. The QSL sugar pool price is determined on a June year basis and therefore can not yet be finalised for the current period which ends in June 2002. CSR milled 11.4 million tones of sugarcane producing 1.8 million tones of raw sugar (an increase of 7 percent). However, Fiscal Year 2002 did not include volume from the Ord Mill sold in Fiscal Year 2001.

Operating Profit increased by 347 percent for Fiscal Year 2002 to A$74 million from A$16 million for Fiscal Year 2001 and A$45 million for Fiscal Year 2000. The increase in Fiscal Year 2002 was driven by the recovery in world sugar prices. Operating Profit fell by 63 percent for Fiscal Year 2001 to A$16 million, from A$45 million in Fiscal Year 2000, due to lower volumes caused by adverse weather conditions during the crushing season.

CSR Group income from its refining joint ventures declined 11 percent in Fiscal Year 2002 following a decline of 14 percent in Fiscal Year 2001.

During Fiscal Years 2002, 2001 and 2000 Sugar continued its operational improvement program designed to reduce operating costs and increase efficiencies. These measures included a revised management structure introduced towards the end of Fiscal Year 2002.

Aluminium Division

Trading Revenue fell by 15 percent to A$443 million for Fiscal Year 2002, following the divestment of bauxite and alumina activities late in Fiscal Year 2001. This compares with Trading Revenue from all activities of A$520 million for Fiscal Year 2001 and A$485 million for Fiscal Year 2000. Aluminium sales volumes were at a record level in Fiscal Year 2002. Lower aluminium prices and hedging costs reduced revenue, offset by the lower A$/US$ exchange rate. There was no revenue from bauxite and alumina sales during Fiscal Year 2002.

Operating Profit declined by 48 percent to A$110 million for Fiscal Year 2002 from A$212 million for Fiscal Year 2001 and A$183 million for Fiscal Year 2000. The decrease in Fiscal Year 2002 was due mainly to the divestment of the bauxite and alumina activities. Operating Profit improved by 16 percent for Fiscal Year 2001 from A$183 million in Fiscal Year 2000 due to strong trading activity, reduced costs from operational improvements and favourable movement of the US dollar relative to the Australian dollar.

The CSR Group sold its interest in the Gove Project alumina refinery and bauxite mine late in Fiscal Year 2001. Revenue from the aluminium smelter operation remained steady over Fiscal Years 2002 and 2001. In Fiscal Year 2001 revenue from aluminium smelter operations was 17 percent higher than in Fiscal Year 2000. Operating Profit from smelter operations fell 17 percent in Fiscal Year 2002, due to higher operating costs, following a 30 percent rise in Fiscal Year 2001 from Fiscal Year 2000.

Consolidated Results

Trading Revenue

CSR Group Trading Revenue rose 9 percent to A$6,985 million for Fiscal Year 2002 from A$6,424 million for Fiscal Year 2001. Strong trading in Rinker Materials, up 15 percent in Australian Dollars compared with Fiscal Year 2001 and a strong Sugar result principally due to higher world sugar prices, offset declines in Building Materials and Aluminium which did not include any contribution from the alumina business sold in January 2001. CSR Group Trading Revenue rose slightly for Fiscal Year 2001 from A$6,419 million for Fiscal Year 2000.

Other Revenue from Ordinary Activities

Other revenue fell to A$183 million in Fiscal Year 2002 from A$589 million in Fiscal Year 2001 and A$863 million in Fiscal Year 2000. The largest item in Fiscal Year 2002 was the sale of the Downer Group Ltd investment for A$60 million. Fiscal Year 2001 other revenue included A$412 million from the disposal of the Gove alumina and bauxite investment. In addition, CSR recognized A$28 million in revenue in Fiscal Year 2001 from shares in Sugar Terminals Limited received when the Sugar Bulk Terminal organization was privatized and its shares distributed to industry participants. Fiscal Year 2000 other revenue was primarily from the disposal of the CSR Group's Timber businesses.

Cost of Sales

Cost of sales increased by 8 percent to A$4,438 million in Fiscal Year 2002 from A$4,097 million in Fiscal Year 2001 and A$4,259 million in Fiscal Year 2000. As a percentage of revenue, cost of sales was 64 percent in Fiscal Year 2002, which was the same as for Fiscal Year 2001 and 66 percent in Fiscal Year 2000.

Selling, General, Administrative and Other Expenses

Selling, General, Administrative and Other Expenses rose 9 percent to A$678 million in Fiscal Year 2002 from A$623 million in Fiscal Year 2001 and from A$558 million in Fiscal Year 2000 principally due to the weaker Australian dollar and acquisitions in Rinker Materials. In both Fiscal Years 2001 and 2002 these costs were 9.7 percent of Trading Revenue

Significant Items included in Net Profit

During Fiscal Year 2001, due to difficult economic conditions in some markets, particularly Asia, CSR Group entities conducted a strategic review of certain of their businesses, including decisions to exit or restructure, which necessitated an assessment of the recoverable amount of each of these businesses on an individual basis, rather than as part of an overall regional business.

The asset write downs and restructure provisions from this strategic review resulted in a significant loss of A$94 million (after tax and outside equity interests). After undertaking an evaluation of asbestos litigation and claims in Australia and the United States, CSR Group recorded charges to product liability of A$46 million after tax. The profit after tax from the sale of CSR Group's investment in Gove Aluminium Limited was A$269 million.

There were no Significant Items in Fiscal Years 2002 and 2000.

Borrowing Costs (excluding interest income)

Borrowing costs decreased by 15 percent to A$132 million in Fiscal Year 2002 from A$155 million in Fiscal Year 2001 and A$100 million in Fiscal Year 2000. The decrease primarily reflected lower interest rates averaging 7.2 percent for Fiscal Year 2001 and 6.1 percent for Fiscal Year 2002. The increase from Fiscal Year

2000 to Fiscal Year 2001 was the result of acquisitions in the United States during Fiscal Year 2001 involving either the assumption of debt or additional financing.

Income Tax Expense Relating to Ordinary Activities

Income tax expense relating to ordinary activities increased by 36 percent to A$244 million in Fiscal Year 2002, compared to A$179 million in Fiscal Year 2001. The CSR Group effective tax rate increased from 21.1 percent in Fiscal Year 2001 to 29.8 percent in Fiscal Year 2002. A large proportion of this increase was due to an A$94 million tax benefit in Fiscal Year 2001 relating to asset writedowns and disposals, compared to A$7 million tax benefit in Fiscal Year 2002 and an A$9 million tax benefit in Fiscal Year 2001 in relation to the recognition of revenue on the receipt of shares in Sugar Terminals Limited. This was partially offset by an A$33 million tax benefit in Fiscal Year 2002 relating to the settlement of a legal case between CSR and the Australian Taxation Office, as described further in Note 9 to the Financial Statements.

Income tax expense was A$ 214 million in Fiscal Year 2000 with an effective tax rate of 30 percent.

The corporate tax rate in Australia declined from 36 percent in Fiscal Year 2000 to 34 percent in Fiscal Year 2001 and then to 30 percent in Fiscal Year 2002. This decrease was more than offset in Fiscal Year 2002 by the CSR Group's increasing proportion of profits being derived from Rinker Materials where the effective tax rate is 39 percent on United States earnings. This effect can be seen in the A$35 million overseas tax rate differential described in Note 9 to the Financial Statements.

Net Profit

CSR Group Net Profit decreased by A$81 million or 12.8 percent to A$553 million for Fiscal Year 2002 from A$634 million for Fiscal Year 2001. This reduction was because the CSR Group Net Profit for Fiscal Year 2001 included a net profit of A$129 million from Significant Items. The CSR Group Net Profit before Significant Items increased from A$505 million in Fiscal Year 2001 to A$553 million in Fiscal Year 2002. CSR Group Net Profit before Significant Items rose by 7 percent for Fiscal Year 2001 compared to A$472 million for Fiscal Year 2000.

During Fiscal Year 2002, CSR Group entities continued their focused operational improvement programs to reduce the costs of their operations. In Fiscal Year 2002, the CSR Group estimated that it saved approximately A$106 million before income tax from cost improvements in the operating performance of CSR Group entities, following similar estimated savings in Fiscal Years 2001 and 2000.

Research and Development

CSR Group entities incur research and development costs in a number of businesses, which are expensed when incurred. Research and development costs in Fiscal Years 2002, 2001 and 2000 has remained steady at approximately A$6 million each Fiscal Year.

Contractual Obligations and Commercial Commitments

The CSR Group's long term obligations and commitments are detailed below:

	A$ millions				
	Payments Due by Period				
	Total	Less than 1 year	1 – 2 years	2 – 5 years	After 5 years
Debt	1,938	104	384	996	454

Lease Obligations	117	34	23	44	16
Unconditional Purchase Obligations	30	30	-	-	-
Other Long-Term Obligations	15	4	3	7	1
Total Contractual Cash Obligations	2,100	172	410	1,047	471

The CSR Group is well placed to meet these long term obligations and commitments. In each of the last three Fiscal Years the CSR Group has generated over A$1 billion of cash from its operating activities. For a discussion of factors that could adversely affect the operating results of the CSR Group in future financial reporting periods, see those described in "Forward-Looking Statements" and "Item 3 – Key Information – Risk Factors.

The CSR Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the CSR Group's net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition, other than stated in the "Outlook" below.

The CSR Group has a total of US$800 million (A$1,500 million) of commercial paper programs in the United States, Europe and Australia. A$600 million of these programs are evergreen facilities. These programs are supported by US$625 million (A$1,172 million) of undrawn standby facilities maturing from June 2002 to July 2006. There are no credit rating downgrade triggers that could cause early repayment under these facilities. The facilities include customary provisions relating to material adverse change and events of default which could trigger early repayment.

Liquidity and Capital Resources

The liquidity of the CSR Group improved in Fiscal Year 2002 as the funds required for capital expenditure, dividends, interest and the share buyback were more than offset by the A$1,195 million of cash from operating activities. In Fiscal Year 2003, CSR Group entities expect to finance their funding needs from net cash from operating activities and existing lines of credit.

Net cash from operating activities increased 17 percent to A$1,195 million for Fiscal Year 2002 from A$1,024 million for Fiscal Year 2001 and from $1,048 million for Fiscal Year 2000. The increase in Fiscal Year 2002 was due to lower tax payments (A$54 million, including a tax refund in Fiscal Year 2002 of A$33 million) and an improved result assisted by acquisitions by Rinker Materials and a weaker Australian dollar during Fiscal Year 2002 compared with Fiscal Year 2001. The decrease in Fiscal Year 2001 compared with Fiscal Year 2000 was mainly due to higher tax payments.

	Fiscal Years		
	2002	2001	2000
		A$ millions	
Net cash from operating activities....................	1,195	1,024	1,048
Net cash (used in) from investing activities ..	(437)	(580)	26
Net cash (used in) financing activities............	(800)	(390)	(1,033)
Net (decrease) increase in cash	(42)	54	41

CSR's main source of liquidity has been cash generated by the operations of the CSR Group. Net cash from operating activities includes interest received and total tax paid.

In Fiscal Year 2002, cash from operations was mainly directed to capital expenditure of A$585 million. Divestment proceeds of A$136 million included A$60 million from the sale of the CSR Group's investment in the Downer Group equity.

After funding net capital expenditure, net cash from operating activities was used mainly to repay debt of A$243 million, fund dividends and interest of A$371 million and fund a share buyback of A$209 million.

In Fiscal Year 2001, cash flow from operations and increased borrowings of A$436 million was mainly used to fund net capital expenditure of A$580 million, dividends and finance costs of A$500 million and a share buyback of A$341 million. Net capital expenditure of A$580 million consisted of A$1,484 million spent on new businesses and assets, mainly by Rinker Materials in the United States, offset by A$876 million of divestment proceeds. The divestment proceeds related to the sale of the GAL bauxite and alumina business (A$412 million) and the receipt of deferred payments from timber divestments (A$313 million in Fiscal Year 2000).

Capital expenditure (on an accrual basis) was A$584 million, A$1,660 million, and A$538 million for Fiscal Years 2002, 2001, and 2000, respectively. Of the Fiscal Year 2002 amount, A$287 million related to development expenditure by Rinker Materials in the United States, including the acquisitions of complementary businesses. The remaining amount expended during Fiscal Year 2002 mainly related to the refurbishment of existing facilities and fleet replacements.

	Capital Expenditure during the Year Ended March 31		
	2002	2001	2000
	(A$Millions)		
Rinker Materials Corporation	433	1,537	412
Construction Materials Division	43	45	34
Building Materials Division	52	28	15
Sugar Division	23	22	17
Aluminium Division	10	13	19
Timber Division	--	--	19
Other [1]	23	15	22
Total	A$584	A$1,660	A$538

(1) Includes long term loans made by the CSR Group.

Net debt (total debt less cash and short term lending) fell 17 percent to A$ 1,738 million at March 31, 2002 from A$2,100 million at March 31, 2001 and A$1,088 million at March 31, 2000. The reduction was due primarily to the moderate levels of capital expenditure enabling debt repayments to be made from Net Cash from operating activities, as well as a A$161 million reduction due to the strengthening of the Australian dollar. The increase in debt during Fiscal Year 2001 was mainly due to significant US acquisitions by Rinker Materials.

The CSR Group's debt profile during the last five Fiscal Years has been as follows:

	Group Debt Profile as at and for Year Ended March 31				
	2002	2001	2000	1999	1998
	(A$ millions, except where indicated)				
Long term debt [1]	1,791	2,230	1,149	1,763	1,951
Total debt [2]	1,895	2,300	1,215	1,837	2,091
Net debt [3]	1,738	2,100	1,088	1,749	1,795
Debt to capitalization ratio [4]	31%	36%	22%	33%	36%

(1) Debt maturing in excess of twelve months from period end.
(2) Long term debt plus short term debt (including bank overdrafts).
(3) Total debt less cash and short term lending.
(4) Ratio of long term debt to long term debt plus total shareholders' equity.

Of total debt at March 31, 2002, A$1,791 million was classified as non-current (not repayable within 12 months) of which 1 percent is repayable in Thai baht, 99 percent in US dollars.

Details of borrowings, credit facilities and maturity profiles are given in Note 20 and Note 21 of the Financial Statements. Details of financial instruments used for hedging purposes are given in Note 30 of the Financial Statements.

In May 2001, CSR announced a further share buyback plan with the intent to purchase up to 10 percent of its fully paid shares. 34,081,215 shares were repurchased in Fiscal Year 2002 under this and the original buyback plan, following 77,643,304 fully paid ordinary shares (7.5 percent) being repurchased in Fiscal Year

2001. This resulted in a reduction of share capital of A$ 208.5 million in Fiscal Year 2002 and A$340.7 million in Fiscal Year 2001.

In recent years, capital has been raised by: (i) the conversion of partly paid shares issued under rights issues in 1986-90 to fully paid shares, and (ii) the issue of CSR shares (or options in respect of CSR shares) under the following CSR incentive plans for employees (collectively, "Employee Incentive Plans"):

- the Universal Share / Option Plan (prior to 1993, known as the Employee Share Plan);
- the Executive Share / Option Plan (from 1986 to 1993);
- the Executive Option Plan (from 1993 to 1998); and
- the Executive Share Option Plan (since 1998).

Details or the plans are given in "Item 6. Options to Purchase Securities from Registrant or Subsidiaries".

In prior years, CSR has raised capital from its shareholders under its Share Purchase Plan ("SPP"), either under the dividend reinvestment portion of the SPP (which was suspended on June 26, 1995 until further notice) or under the cash contribution portion of the SPP (which, on May 18, 1998, was suspended with effect from August 15, 1998 until further notice) where CSR shareholders could contribute cash up to A$2,400 each fiscal year to purchase new shares ("Cash Contributions").

The figures for the amounts raised from the above sources over the past five fiscal years are as follows:

	Capital Raising for the Year Ended March 31				
	2002	2001	2000	1999	1998
			(A$ millions)		
SPP – Cash contribution	-	-	-	-	94.4
Employee Incentive Plans	25.5	16.1	6.1	15.2	13.6
	A$25.5	A$16.1	A$6.1	A$15.2	A$108.0
Non-cash share issues (1)	2.6	1.7	4.9	7.0	8.4
	A$22.9	A$14.4	A$1.2	A$8.2	A$99.6

(1) A portion of employee shares are financed by interest-free loans

At March 31, 2002, the CSR Group had a total of US$650 million (A$1,220 million) committed standby facilities of which US$ 625 million (A$1,172 million) was not drawn. These facilities have fixed maturity dates through July 2006. Most of these credit lines can be drawn on short notice in both Australian dollars and United States dollars. The CSR Group also utilizes commercial paper facilities in the United States, Europe and Australia, completed a Rule 144A bond issue in February 1994 and completed a public registered bond issue in the United States in July 1995. Details of credit facilities are provided in Note 21 to the Financial Statements.

CSR Group believes that the working capital of the CSR Group is sufficient for the CSR Group's present requirements.

There are no legal or economic restrictions on the ability of its subsidiaries to transfer funds to CSR in the form of cash dividends, loans or advances, with the exception of the existing 15 percent US dividend withholding tax which is in the process of being withdrawn.

Off-Balance Sheet Financial Arrangements

The CSR Group does not use special purpose vehicles or any other significant form of off-balance sheet financing. The CSR Group has some lease obligations as outlined above in the table of "Contractual Obligations and Commercial Commitments".

The CSR Group operates through a number of operating associates. Note 13 to the Financial Statements contains the CSR Group's net equity-accounted investment in those associates. A summary of the gross statement of financial performance of these associates is shown in Note 36 to the Financial Statements.

Trading Activities Involving Commodity Contracts

The entities of the CSR Group use a variety of instruments to manage financial and commodity price risks. CSR does not use or issue derivatives or financial instruments for speculative or trading purposes.

Hedging or Commodities - Aluminium sales are hedged by the use of futures and commodity swaps. The level of hedging is based on the estimated future sales of aluminium. Approximately 69 percent of estimated Fiscal Year 2003 net aluminium sales are hedged.

All raw sugar produced in Queensland is compulsorily acquired by QSL, which is the single desk seller of that raw sugar. Sugar sales are hedged by QSL, by the use of futures contracts and futures options. Additional hedging has been undertaken by CSR using commodity price swaps and options. The level of hedging by both parties is based on estimated future sales. Of Fiscal Year 2003 sales, approximately 23 percent has been hedged by QSL and 10 percent by CSR.

Hedging of foreign exchange – CSR enters into foreign exchange risk management instruments such as forward contracts, currency options and swaps. These instruments are used to hedge receipts resulting from sales denominated in foreign currencies and disbursements for raw materials and capital equipment. They are also used to hedge foreign currency borrowings and assets. The purpose of these financial instruments is to protect the CSR Group against potential adverse changes in exchange rates.

Hedging of Interest Rates – The CSR Group enters into transactions involving financial instruments to reduce the potential impact of interest rate changes to within certain specified parameters. This enables the CSR Group to obtain a more stable and predictable interest expense.

Details of these hedges are provided in Note 30 to the Financial Statements.

Related Party Transactions

Related party transactions are detailed in Note 34 to the Financial Statements. CSR has a policy that all related party transactions must be approved by general management prior to the transaction being entered into.

Balances and transactions with associate companies are detailed in Note 36 to the Financial Statements. All these transactions with associates are on normal commercial terms and conditions.

The CSR Group does not have any material contracts or arrangements with former executives or former directors of CSR and / or any CSR Group controlled entities, except as disclosed in "Item 6. Directors, Senior Management and Employees, Remuneration Details of Executive Directors and Officers" .

New Accounting Standards

Australian Standards

The revised Australian Accounting Standards Board Standard ("AASB") 1020, Accounting for Income Tax, is applicable to financial years ending on or after June 30, 2004 (Fiscal Year 2005 for the CSR Group) and has the following key implications:

- For assets that have previously been revalued upwards, the CSR Group will recognize the equivalent deferred tax liability. When these assets are subsequently depreciated, the additional depreciation will then be tax effected and will result in an increased profit after tax compared to the existing standard.
- For acquisitions, the seller's assets and liabilities have initially been recorded by the CSR Group at fair value (which may be above their tax bases). Under the new standard, the CSR Group will have to record a deferred tax liability for this increased value. This will cause differences in deferred tax balances and goodwill recorded in accounting for the CSR Group's recent and past acquisitions. When the net fair values are greater than the tax bases, a deferred tax liability will be recorded causing goodwill to be increased.

A project is being undertaken by the CSR Group to consider both the ongoing impact to the CSR Group and the impact on initial adoption. The transitional provisions require all previous acquisitions to be revisited where practicable.

As described on page F-10 of the Financial Statements, AASB 1041, Revaluation of Non Current Assets was applicable from April 1, 2001. This standard required the CSR Group to elect, for each class of non-current assets, valuation at fair value, original cost or current cost. In the past, CSR Group entities have recorded land and buildings using independent appraisals or recoverable amount. Taken as a whole, this fair value type of method has resulted in increasing values for this class of assets during the past ten years.

As allowed by AASB 1041, the directors have deemed the carrying amount of non-current assets as at April 1, 2001 to be cost (previously at independent and directors' valuations). This change in accounting policy does not affect the carrying amount of non-current assets recorded in the Financial Statements. However, the balance of the asset revaluation reserve recorded in the financial statements as at April 1, 2001 relating to the previous revaluations of property, plant and equipment, amounting to A$11.9 million, is no longer available to absorb any future write-downs.

When announcing CSR's half yearly results in November 2000, directors advised that CSR was considering the potential impact of an accounting exposure draft on provisions. The applicable new accounting standard, AASB1044 "Provisions, Contingent Liabilities and Contingent Assets", was finally issued in October 2001. CSR is not required to adopt AASB1044 until the financial year beginning April 1 2003, however it can adopt the new standard earlier. The new standard provides significant additional guidance and imposes new requirements for measurement of uncertain liabilities. It also provides guidance on the discounting of provisions, which will require CSR to apply a rate which is lower than the discount rate currently adopted. The directors believe that the only material effect of adopting the new standard will be on the product liability provision (mainly for asbestos claims) and have engaged actuaries to assist in estimating the provision required under AASB1044. Whilst the work is not complete, based on preliminary analysis directors estimate that application of the new standard may increase the product liability provision from A$133.6 million at March 31 2002 to between A$250 million and A$350 million. Any increase in the provision as a result of adopting the new standard will be charged directly to retained earnings. The above estimate does not reflect any material change in CSR's underlying product liability risk profile nor does it include any potential benefits from settlements with insurers.

US Standards

On April 1, 2001, the CSR Group adopted Statement of Financial Accounting Standards ("FAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended by FAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities – an Amendment of FASB Statement No. 133". FAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments. Specifically, FAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and to measure those instruments at fair value.

Additionally, the fair value adjustments will affect either stockholders' equity or net income depending on whether the derivative instrument qualifies as a hedge for accounting purposes and, if so, the nature of the hedging activity. On April 1, 2001, upon adoption of the new standard, the CSR Group recorded an unrealized loss of A$104 million in accumulated other comprehensive income in the statement of financial position and an after-tax loss of A$0.1 million as the cumulative effect of an accounting change in the statement of financial performance for Fiscal Year 2002.

On July 20, 2001, the Financial Accounting Standards Board ("FASB") issued FAS No. 141, "Business Combinations" and FAS No. 142, "Goodwill and Other Intangible Assets". FAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Under FAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed for impairments annually, or more frequently if impairment indicators arise. All other intangible assets will continue to be amortized over their estimated useful lives. The amortization provisions of FAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, the CSR Group is required to adopt FAS No. 142 effective April 1, 2002. The CSR Group expects that for Fiscal Year 2003, ceasing amortisation on goodwill will result in an increase in profit before tax of A$70 million.

On August 16, 2001, the FASB issued FAS No. 143, "Accounting for Asset Retirement Obligation" which is effective for financial statements issued for fiscal years beginning after June 15, 2002 (Fiscal Year 2004 for the CSR Group). The pronouncement addresses the recognition and remeasurement of obligations associated with the retirement of a tangible long-lived asset. On October 3, 2001, the FASB issued FAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which is effective for financial statements issued for fiscal years beginning after December 15, 2001 (Fiscal Year 2003 for the CSR Group). FAS No. 144 supersedes FAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and establishes one accounting model for the impairment or disposal long-lived assets. Management is currently reviewing these statements but have not yet determined their impact on the CSR Group financial position or results of operations.

Outlook

The discussion below contains certain forward-looking statements. See "Forward-Looking Statements" on page 6.

The US economy appears to be recovering, and predictions are for a gradual upturn, helped by the US$51 billion stimulus package and the ongoing TEA-21 road-funding program. Housing and commercial construction are expected to decline during this year, with commercial construction expected to recover from 2004. Infrastructure spending remains strong. Overall, US construction activity is currently forecast to be down about 2 percent for Fiscal Year 2003.

Asia is slowly improving and in Australia, CSR is seeing gradual progress towards a significant engineering construction upturn starting in 2004. Commercial activity is expected to improve beginning this year. 70 percent of Construction Materials business is exposed to these two sectors. Prices in Construction Materials businesses are also improving.

74 percent of Building Materials business is exposed to the housing sector, which remains strong. Housing starts are forecast to fall in the latter half of Fiscal Year 2003 as interest rates increase. CSR expects a similar level of activity to Fiscal Year 2002.

Sugar prices have fallen recently on expectations of a large Brazilian crop in 2002, although the current drought in Brazil may have a negative impact on the crop in subsequent periods. The Australian sugar crop should also be larger, but lower prices will severely impact profitability. Initiatives by CSR to reduce earnings volatility and improve returns are underway.

Aluminium profit in Fiscal Year 2003 should be similar to Fiscal Year 2002, due to hedging.

CSR is currently evaluating a number of options to progress the restructuring of the CSR Group. The Australian Federal Government recently announced that it intended to introduce amendments to Australian tax law relating to demergers (splitting a company into two or more parts). If adopted, the legislation is expected to facilitate this, and options to be evaluated by CSR include the creation of two separate Australian listed companies. The driver of any restructuring will be delivering value for CSR's shareholders.

Item 6. Directors, Senior Management, and Employees

The board of CSR sets the company's strategic direction and delegates responsibility for the management of the CSR Group to the managing director. CSR's constitution provides that the number of non-executive directors shall be such number from six to ten as the directors from time to time determine. In addition, the directors may appoint up to five executive directors of whom one may be the managing director of CSR Limited. As of the date of this Annual Report, the number of directors is nine, three of whom are executive directors, one of these being the managing director, as set out in further detail below.

Non-executive directors may be appointed by the board of directors to fill a vacancy on the board or to increase the number of non-executive directors. Executive directors and non-executive directors, who are appointed by the board of directors, hold office until the next General Meeting unless their appointment is ratified by the shareholders at such meeting. Additionally, two non-executive directors (or such greater number as the listing rules of the Australian Stock Exchange may require, or the board of directors may from time to time determine) are required to retire at each Annual General Meeting by order of seniority of election or, if equal in seniority, as determined by directors. Directors, other than the managing director, may not continue to hold office without re-election or ratification of their appointment by the shareholders after the third Annual General Meeting following their last election or ratification of their appointment by the shareholders. Additionally, each director is required by CSR's Constitution to own a minimum of 2,000 ordinary shares in CSR.

Details of the directors in office at June 24, 2002 are as follows:

John Morschel, Chairman.............	Age	58
	First elected	1996. Elected Chairman in 2001.
	Stands for election	2002
	Principal Occupation	Former managing director of Lend Lease Corporation Ltd.
	Directorships	Leighton Holdings Ltd (Chairman), Rio Tinto plc, Rio Tinto Ltd., Singapore Telecomunications Ltd, Tenix Pty Ltd, Art Gallery of NSW (Trustee)
Peter Kirby, C.E.O............................	Age	54
	First elected	1998
	Principal Occupation	Managing Director and Chief Executive Officer of CSR Limited
	Directorships	Rinker Materials Corporation, Business Council of Australia
John Arthur.......................................	Age	47
	First elected	2001
	Stands for election	2003 or 2004
	Principal Occupation	Senior partner of law firm Freehills and formerly general counsel at Lend Lease Group.

	Directorships	EDS Australia Pty Ltd, Investa Properties Ltd.
John Ballard	Age	56
	First elected	2001
	Stands for election	2003 or 2004
	Principal Occupation	Former managing director of United Biscuits, Asia Pacific, including responsibility for the Smith's snack business in Australia.
	Directorships	Wattyl Limited (Chairman), Woolworths Limited, Sydney Opera House (Trustee)

Ian Blackburne.................................	Age	56
	First elected	1999
	Stands for election	2002
	Principal Occupation	Formerly managing director and CEO of Caltex Australia Ltd.
	Directorships	Australian Nuclear Science and Technology Organisation (Chairman), Suncorp Metway Ltd, Teekay Shipping Corporation, Royal Botanic Gardens and Domain Trust of New South Wales (Chairman), member of the Australian Graduate School of Management Advisory Council
Alec Brennan..................................	Age	55
	First elected	1996
	Stands for election	2002
	Principal Occupation	Deputy Managing Director of CSR Limited
	Directorships	Garvan Research Foundation
David Clarke....................................	Age	58
	First Elected	1996
	Stands for election	2003
	Principal Occupation	Chief Executive Officer of Rinker Materials Corporation
	Directorships	Rinker Materials Corporation
Carolyn Hewson	Age	46
	First elected	1995
	Stands for election	2003 or 2004
	Principal Occupation	Former Executive Director of Schroders Australia Ltd
	Directorships	The Australian Gas Light Co, South Australian Water Corporation, Economic Development Board of South Australia, Sydney YWCA (President)
John Wylie...	Age	41
	First elected	2001
	Stands for election	2003 or 2004
	Principal Occupation	Principal of Carnegie, Wylie and Company. Former head of investment banking and non-executive chairman of Credit Suisse First Boston Australia Investment Banking,
	Directorships	DSL Group Pty Ltd, Melbourne Cricket Ground Trust (Chairman)

Executive Officers of CSR Limited who are not directors at the date of this Annual Report are as follows:

Name	Position	Age	Year Joined CSR	Year Appointed To Position
Ian McMaster	Chief Executive Officer Sugar	53	1999	1999
Karl Watson Jnr	Chief Executive Officer Construction Materials	37	2001 *	2001
Graeme Pettigrew	Chief Executive Officer Building Materials	53	1996	1996
Warren Saxelby	Chief Financial Officer	50	2001	2001

* On secondment from Rinker Materials

There are no family relationships between any of the Directors or Executive Officers.

Board Committees

To assist the board, four standing committees have been established, as described below:

Audit Committee. The committee advises the board on all aspects of internal and external audit, including the independence of CSR's external auditors, and the adequacy of accounting procedures, systems, controls and financial reporting. Specific responsibilities include advising the board on the appointment of external auditors, the yearly audit plan and on the yearly and half yearly financial statements. Members of the audit committee are: Carolyn Hewson (chairperson), John Morschel, and John Wylie. The audit committee met three times during Fiscal Year 2002.

Safety, Health and Environment Committee. The committee reviews, and reports to the board on, the management of the CSR Group's safety, health and environmental responsibilities. The committee receives regular reports from management, reviews the adequacy of management systems and performance, ensures that appropriate improvement targets and benchmarks are in place and monitors potential liabilities, changes in legislation, community expectations, research findings and technological changes. Members of the safety, health and environment committee are: Ian Blackburne (chairman), John Morschel, John Arthur and Peter Kirby. The committee met four times during Fiscal Year 2002.

Remuneration and Human Resources Committee. The committee reviews and advises on human resources issues, including succession and development planning as well as advising the board on remuneration policies and practices. The committee evaluates the performance of the managing director against pre-agreed goals and makes recommendations to the board on remuneration for the managing director and senior managers reporting to him. Members of the remuneration and human resources committee are: John Morschel (chairman), Carolyn Hewson, and John Ballard. The committee met five times during Fiscal Year 2002.

Board Committee. The committee considers the appropriate size and composition of the board, criteria for board membership, candidates for board membership, the terms and conditions of appointment to and retirement from the board, and the level of remuneration of non executive directors. All non-executive directors are members of the board committee, which is chaired by John Morschel, the board chairman. The committee did not meet formally during Fiscal Year 2002.

Rinker Materials Board

The board of Rinker Materials Corporation consists of six external non executive directors, Rinker Materials chief executive officer, David Clarke, and CSR's Managing Director, Peter Kirby.

The Rinker Materials board has a similar committee structure to that of CSR and has adopted governance practices, policies and procedures which are generally consistent with those of CSR.

The external non executive directors of Rinker Materials Corporation are:
Marshall Criser, JD, Age 73. Chairman. A lawyer and director of Flagler Systems Inc. He is a former director of BellSouth Corporation. The former president of the University of Florida, he is now chairman of the university's board of trustees. He chairs Rinker Material's Executive and Compensation Committees.
Armando Codina, age 55. Chaiman and CEO of Codina Group, Florida, and a director of companies including BellSouth Corporation, FPL Group, AMR Inc (American Airlines) and Winn Dixie. Chairs Rinker Material's Audit Committee. During the Fiscal Year he was elected to the board of General Motors Corporation.
Andrew Ireland, BS, age 71. Founding partner of a major US government relations and marketing firm. He was a US Congressman for 16 years and is based in Washington DC.
Bob Moss, BS, age 54. Chairman, president and CEO of Centex Construction Group, the largest domestic general building contractor in the United States.
E Lew Reid, BSEE, LLB, age 66. A lawyer and former partner in a leading San Francisco law firm. He is a director and the former president and CEO of The Californian Endowment (a US$3.7 billion private foundation established in 1996 to address the health needs of Californians) and is also a director of the Larry Hillblom Foundation. Chairs Rinker Material's Environment, Occupational Health and Safety Committee.
Walter Revell, BS, age 67. A former secretary for transportation for the State of Florida, he is currently chairman of the Florida 2020 Energy Commission as well as holding directorships of a number of listed US companies.

Employees

As at March 31, 2002, the CSR Group entities employed 16,057 people, which represents a decline of 0.5 percent compared to March 31, 2001. 5,889 people were employed in Australia, 8,667 people in the United States by Rinker Materials and the balance in China, South East Asia, Taiwan and New Zealand.

Employees As Of March 31,

	2002	2001	2001-2002 % Change	2000
North America (Rinker Materials)	8,667	8,591	1	7,205
Australia and New Zealand	5,978	6,071	-2	8,226
Asia	1,412	1,472	-4	1,673
Total Employees including Rinker Materials	16,057	16,134	-0.5	17,104

The overall safety statistics for CSR Group entities improved significantly in Fiscal Year 2002, with the injury frequency rate falling to 3.2 lost time injuries per million work hours from 3.7 in Fiscal Year 2001 and the days lost to work related injuries fell to 6,632 days from 7,834 days in Fiscal Year 2001. The total recordable injury frequency rate, which includes medical treatment and restricted work injuries in addition to lost time injuries, fell from 36.2 per million hours to 27.3 per million hours. A program of external safety, health and environment audits of operating sites is ongoing, with the objective of having all sites audited every three years.

Labor policies of CSR Group entities are not necessarily adopted by the operations of its investments in the aluminium smelter at Tomago, Sugar Australia, Australian Cement, CSR Emoleum or Enviroguard. Nevertheless, CSR believes that each of these ventures has implemented labor policies appropriate for the labor relations in their operations.

Australian Operations

The major unions which represent employees of the CSR Group's entities in Australia are the Australian Workers' Union ("AWU"), the Australian Liquor, Hospitality and Miscellaneous Workers' Union, the Construction, Forestry, Mining and Energy Union, the Transport Workers' Union, the Amalgamated Metal and Engineering Employees Union, the Brick, Tile and Pottery Union and the CSR Limited Officers' Association.

Employees are covered by various Federal and State awards which prescribe minimum wages and conditions for the type of work performed in Australia. In addition to these awards, enterprise-based agreements exist at most sites which address productivity and efficiency initiatives at those sites and provide for over award wages and working arrangements. Enterprise agreements are typically negotiated annually between local management, employees and their union representatives. The level of industrial disputes at the CSR Group's Australian workplaces is very low.

However during June 2001 our Sugar Division was negotiating a certified agreement with the AWU, Australian Metal Workers Union and Electrical Trades Union. As a result of not being able to reach agreement on wage increases, the unions imposed overtime bans which prevented the sugar mills from running steam trials in preparation for crushing. CSR locked out employees from all seven sugar mills for one week. There was also a strike at the Clayton Rockwool operation in Victoria which lasted in excess of one month. This was over the negotiation of a new enterprise agreement.

Rinker Materials Operations

The major unions which represent employees of Rinker Materials in the United States are the Teamsters, Laborers, Operating Engineers, Steelworkers and Paperworkers. Contract agreements are typically negotiated for a three year period between local management, employees and their union representation. Approximately 2,700 employees of Rinker Materials are represented by these unions. Rinker Materials is currently introducing to its labor contracts, where possible, an innovation whereby incentives will be paid to employees based on contributions to productivity improvement. Many of the Rinker Materials operations do not have union representation for their employees.

When the Teamsters Union Local contract in Las Vegas, Nevada expired on May 31, 2000, Rinker Materials locked out the approximately 200 employees represented by that Local until a new contract was negotiated. This dispute lasted for 19 days. There were no other labor disputes resulting in lost workdays.

Employees are covered by various Federal and State laws which impose minimum wages, overtime requirements and safety and environmental conditions. Rinker Materials provides appropriate health, welfare and retirement benefits to most of its employees.

Compensation of Directors and Officers

The aggregate remuneration paid and accrued to Directors and Executive Officers of CSR Group entities, including superannuation and termination payments for Fiscal Year 2002, was A$18,901,089. The aggregate amount set aside or accrued by CSR during Fiscal Year 2002, to provide pension and retirement benefits for Directors of CSR was A$269,848. Further compensation details are provided in Note 27 to the Financial Statements and in the table below.

Remuneration Details of Executive Directors and Officers

FISCAL YEAR 2002	FIXED REMUNERATION[a] A$	VARIABLE REMUNERATION[b] A$	OTHER COMPENSATION A$	TOTAL COMPENSATION A$	OPTIONS AWARDED[c] (NUMBER)	OPTIONS HELD[d] (NUMBER)
Executive Directors						
Peter Kirby Managing Director and chief executive officer	1,502,460	2,006,139	3,107[e]	3,511,706	225,000	450,000
Alec Brennan Director Strategy and Investments and Deputy Managing Director	930,186	881,554	17,483[e]	1,829,223	100,000	300,000
David Clarke Executive Director and president Rinker Materials Corporation	1,525,175 (US$779,364)	4,237,260 (US$2,165,240)	31,939[f] (US$16,321)	5,794,374 (US$2,960,925)	-	400,000
CSR Limited officers[g]						
Karl Watson Jr[h] Chief executive Construction Materials	594,123	1,291,115	88,493	1,973,731	-	200,000
Keith Carew Chief Operations Officer Quarries	378,129	621,172	61,532	1,060,833	50,000	100,000
Graeme Pettigrew Chief executive Building Materials	704,565	250,000	-	954,565	110,000	230,000
Ian McMaster Chief executive Sugar	704,055	180,000	-	884,055	95,000	230,000
Warren Saxelby Chief financial officer	247,071	309,214	279,250[i]	835,535	300,000	-
Rinker Materials Corporation Officers						
Tom Burmeister Chief Financial Officer	642,925 (US$328,535)	2,509,746 (US$1,282,480)	2,422[f] (US$1,238)	3,155,093 (US$1,612,253)	-	200,000
Adrian Driver President Hydro Conduit	672,871 (US$343,837)	1,955,542 (US$999,282)	45,266[f] (US$23,131)	2,673,679 (US$1,366,250)	-	100,000
David Berger VP Prestress, PolyPipe, Rehabilitation and Gypsum Supply	562,092 (US$287,229)	2,082,583 (US$1,064,200)	6,955[f] (US$3,554)	2,651,630 (US$1,354,983)	-	-
Karl Watson Sr President Quarries and Cement	674,626 (US$344,734)	1,684,186 (US$860,619)	60,911[f] (US$31,125)	2,419,723 (US$1,236,478)	-	100,000

a Cost to the CSR Group of remuneration package comprising cash salary, CSR shares under the Employee Share Acquisition Plan approved by shareholders, superannuation contributions, motor vehicle, leave provisions, financial advice and club memberships, if any.

b Short-term and long-term incentives. Rinker Senior Executives participate in a cash long-term incentive plan based on increasing shareholder value, with the long-term incentive being paid progressively over three years, from March 2001. The final payment, determined on the basis of Rinker's Fiscal Year 2002 results, amounting to US$2.772m, is due to be paid in the Fiscal Year 2003. It is intended to make long term incentives available to Rinker Senior Executives in future using similarly designed plans.

c The options were granted by CSR to Warren Saxelby and other executives during the year under the Executive Share Option Plan and have an option price (which must be fully paid on exercise) of A$6.62 per option by Warren Saxelby and A$7.03 per option by other executives, which is the weighted average price of CSR shares traded on the ASX for the week up to and including the date of issue. Each option is convertible into one CSR Limited fully paid ordinary share. The options issued to Warren Saxelby are exercisable between May 2003 and December 2006 (when they lapse) if performance hurdles are met on or after the announcement of the CSR Group's Fiscal Year 2003 results. The options issued to other executives are exercisable between May 2004 and August 2006 (when they lapse) if performance hurdles are met on or after the announcement of the CSR Group's Fiscal Year March 2004 results. The value of the options using the Black-Scholes option pricing model is A$1.19 per option for Warren Saxelby and A$1.46 per option for other executives.

d Options other than those in c. were granted in previous years. The values using the Black-Scholes pricing model are A$0.59 per option for options granted in Fiscal Year 1999, A$0.67 per option for options granted in Fiscal Year 2000 and A$0.79 per option for options granted in Fiscal Year 2001.

e Family travel expenses.

f Health insurance and club membership fees for Rinker executives in the US.

g The officers in the above table are current officers. During the year an executive director, Jim Osborne, and a senior executive officer, Chris Barry, ceased employment with CSR Limited. Jim Osborne received payments (comprising fixed and variable remuneration and termination payments) of A$990,154. Chris Barry received payments (comprising fixed and variable remuneration and a non-compete payment) of $903,812. These payments were consistent with market practice and legal advice.

h Karl Watson Jr was seconded from Rinker Materials Corporation to CSR Limited during the year. The figures in the above table reflect the remuneration paid in respect of his Rinker and subsequent CSR appointments, including a long term incentive through his participation in the Rinker Long Term Incentive Plan. His other compensation includes health insurance and club membership fees while in the US and expatriate benefits in Australia.

i Recruitment premium.

Remuneration Details of CSR Non Executive Directors

FISCAL YEAR 2002	DIRECTORS' FEES[a]	COMMITTEE FEES	RETIREMENT ALLOWANCE	STATUTORY SUPERANNUATION CONTRIBUTIONS[b]
John Arthur	63,000	5,000	-	5,860
John Ballard[c]	54,681	3,098	-	4,602
Ian Blackburne	63,000	10,000	-	5,973
Ian Burgess[d]	16,258	-	527,734	-
Carolyn Hewson	63,000	15,000	-	6,373
Robert McLean[e]	18,968	1,505	102,986	1,776
John Morschel[f]	181,260	-	-	-
John Wylie	63,000	5,000	-	5,860

a Includes cash payments and CSR shares under the Employee Share Acquisition Plan.

b Each director's superannuation entitlements attributable to these contributions are deducted from their retirement allowance when they leave the board.

c Appointed May 21 2001.

d Retired as chairman and as a director on May 1 2001.

e Retired July 19 2001.

f Appointed chairman May 1 2001.

Executive directors and Executive Officers have agreements with CSR relating to their engagement as senior executives. Remuneration is at such rates and payable at such times as CSR may from time to time determine. The remuneration of executives in CSR Group entities is structured to reflect performance. To increase shareholder value, the remuneration system focuses individual and team efforts on the achievement of business strategies and goals.

Remuneration for senior executives has two parts, fixed and variable:

- **Fixed remuneration** is made up of cash salary, shares, superannuation and other benefits such as cars. Depending on their country of residence, managers may have some flexibility about apportioning their fixed remuneration between the components.
- **Variable remuneration** is made up of a yearly short term incentive – paid as cash or CSR shares – and a long term incentive, which may be in the form of a five year option plan or a cash based five year share plan, plus a further long term incentive for the managing director payable in cash or shares. A significant part of each senior executive's potential total remuneration is variable. Short term incentives directly depend on the executive successfully achieving specific financial and operational targets. For executives to realise long term incentives CSR's shareholder returns must exceed the average of listed Australian industrial companies over specified periods. Rinker Materials has a cash long term incentive plan based on increasing shareholder value.

The proportions of fixed and variable remuneration vary for executives of CSR Group entities outside Australia. Arrangements for Rinker Materials executives, for instance, are consistent with US practice.

The remuneration of CSR non-executive directors is from time to time determined by the CSR board of directors within an aggregate limit approved by the CSR shareholders in general meeting, currently A$750,000 per annum. The directors may also be reimbursed for expenses they incur in performing their duties.

Executive directors and Executive Officers, whose employment is terminated as a consequence of redundancy, are entitled to retrenchment payments which vary according to term of service and remuneration at time of termination.

Executive directors and most Executive Officers in Australia are members of one of the two divisions of a CSR sponsored superannuation fund. The defined benefit division provides lump sum benefits on withdrawal prior to the age of 52, and lump sum or pension benefits, or a combination of the two, on retirement from the age of 52. The accumulation division provides lump sum benefit equal to the balance of a member's account, which includes contributions made by the member and CSR, together with net fund earnings. The defined benefit division has an actuarial surplus.

Under the Commonwealth Superannuation Guarantee legislation, CSR is required to make contributions to a superannuation fund on behalf of all Australian executives and executive directors, including non-executive directors under the age of 70, equal to 8 percent (increasing to 9 percent from July 1, 2002) of their remuneration.

Non-executive directors of CSR have agreements with CSR which provide benefits to that director in connection with that director's departure from office, within the limits allowed by the Corporations Act 2001 (namely a maximum of all emoluments received by the relevant non-executive director during the last three years of service).

Executive directors and Executive Officers may participate in two share based incentive plans operated by CSR: a Universal Share/Option Plan and an Executive Share Option Plan. Participation by executive directors in these plans is subject to prior approval from CSR's shareholders in General Meeting.

The aggregate number of (a) Ordinary Shares issued under all CSR employee and executive incentive plans, and (b) Ordinary Shares to which options may later be converted, held by all employees of CSR entities, cannot exceed 5 percent of the number of Ordinary Shares on issue and outstanding at any time.

Options to Purchase Securities from Registrant or Subsidiaries

Executive Share/Option Plan

CSR has maintained an Executive Share / Option Plan ("ES / OP") since 1986, following its approval by shareholders at CSR's Annual General Meeting on July 16, 1986. Under ES / OP, selected executives were given an opportunity each year to buy Partly Paid Shares. The number of Partly Paid Shares offered to a particular executive was determined by CSR's board of directors based on seniority and performance. The issue price was based on the weighted average ASX price for Ordinary Shares on such dates as the board of directors specified. Executives paid CSR A$0.10 for each Partly Paid Share they applied for. No executive could be issued more than 200,000 Partly Paid Shares under the ES / OP. Notwithstanding the name of this plan, no options were offered to CSR executives under this plan.

Executives could defer payment of the unpaid balance owing on the Partly Paid Shares for as long as the executive remained employed by CSR. Under this plan, CSR's board of directors could make a call on the balance owing on the Partly Paid Shares to be paid in certain circumstances. Usually, such a call was made when the executive's employment with CSR came to an end. When the issue price of the Partly Paid Shares exceeded the market price of Ordinary Shares at the time the unpaid balance became payable, CSR's share premium account was used to meet the excess.

At CSR's Annual General Meeting on July 26, 1993, shareholders approved amendments to the ES / OP, which became known as the Executive Option Plan ("EOP"). The amendments had the effect of discontinuing the issue of Partly Paid Shares. Partly Paid Shares still on issue will continue to be subject to the former ES / OP rules.

Executive Option Plan

EOP operated between 1993 and May 17, 1999. Under the plan selected executives were granted Options in 1993, 1994, 1995 and 1996. The main features of EOP were:

- eligibility to participate in EOP was decided by CSR's board of directors;
- Options were offered, payable to A$0.01 each and convertible into fully-paid Ordinary Shares, at the rate of one Option for one Ordinary Share (adjusted for bonus issues);
- the number of Options offered to each eligible executive was decided by the board of directors;
- Options lapse not later than five years from the date on which they are granted;
- although Options became eligible for exercise on a given date, the conversion of those Options into ordinary Shares was conditional on CSR's diluted earnings per share for the relevant financial year, exceeding a prescribed earnings per share threshold;
- if any earnings per share threshold was not met, the corresponding proportion of Options (which were eligible for exercise at that time) lapsed. Options which were eligible for exercise in each of 1996 , 1997, 1998, and 1999 lapsed because the relevant threshold was not met;
- the relevant threshold was met for those Options eligible for exercise in mid 1995, thus executives were able to convert those Options into Ordinary Shares. The price payable by an executive on the conversion of an Option into an Ordinary Share was the average weighted price of Ordinary Shares traded on the ASX on three consecutive trading days shortly before the Option was granted, less the A$0.01 option price (adjusted for pro rata share issues); and
- Ordinary Shares issued on conversion of Options qualified for the same entitlements as fully-paid Ordinary Shares.

As of June 24, 2002 all Options issued pursuant to EOP had lapsed.

Executive Share Option Plan

At CSR's Annual General Meeting on July 13, 1998 the shareholders approved a new Option plan for executives, the Executive Share Option Plan ("ESOP"). The main features of ESOP are:

- eligibility to participate in ESOP is decided by CSR's board of directors;
- the number of Options offered to each eligible executive is decided by the board of directors;
- Options are offered, at the market price of fully-paid Ordinary Shares and convertible into fully-paid Ordinary Shares, at the rate of one option for one Ordinary Share (adjusted for bonus issues);
- cash payment for Options by the executive may be deferred until the Options are exercised;
- Options lapse not later than five years from the date on which they are granted;
- Options have been issued in Fiscal Years 1998, 1999, 2000, 2001 and 2002 and are eligible for exercise after nominated minimum holding periods, as from mid 2000 to end 2005 when those Options will lapse;
- although Options become eligible for exercise on a given date, the conversion of those Options into Ordinary Shares will be conditional on the growth in the cumulative value of a notional investment in CSR Ordinary Shares (share price growth and dividends reinvested) exceeding the growth of an equivalent investment in the All Industrials Index on the ASX from the date of offer through to the minimum holding period for those options for the 1998 and 1999 issues; Options from 2000 exclude financial and certain service-type companies from the All Industrials Index;
- if any performance hurdle is not met at the end of any of the minimum holding periods, the relevant Options may be exercised later if the performance hurdle is subsequently met at any time before the Options lapse five years from the date on which they were granted;
- the cash payment to be made by an executive on the conversion of an Option into an Ordinary Share is the average weighted price of Ordinary Shares traded on the ASX on five consecutive trading days up to and including the day on which the Option was granted (adjusted for pro rata share issues);
- Ordinary Shares issued on conversion of Options will qualify for the same entitlements as fully-paid Ordinary Shares; and
- although Options will not be quoted on the ASX, application will be made for quotation of Ordinary Shares issued on the conversion of options.
- At the request of Rinker Materials, selected executives of Rinker Materials were offered Options in ESOP in December 1998. The conditions on which these Options were offered were the same as those outlined above except that:
  - Options were offered, payable to A$0.01 each and convertible into fully-paid Ordinary Shares, at the rate of one Option for one Ordinary Share (adjusted for bonus issues); and
  - the price payable by an executive of Rinker Materials on the conversion of an Option into an Ordinary Share will be the average weighted price of Ordinary Shares traded on the ASX on five consecutive trading days up to and including the day on which the Option was granted, less the A$0.01 option price (adjusted for pro rata share issues).

The following table shows, as of May 21, 2002, the number of Options to purchase Ordinary Shares held by directors and Executive Officers pursuant to ESOP:

Director/Executive Officer	Title	Options
Peter Maxwell Kirby	Executive Director and Managing Director	675,000
Alexander Norman Brennan	Executive Director and Deputy Managing Director	400,000
David Vincent Clarke	President and CEO of Rinker Materials Corporation	400,000
Graeme Francis Pettigrew	Chief Executive Officer Building Materials	340,000
Ian McMaster	Chief Executive Officer Sugar	325,000
Karl Hamilton Watson Jr	Chief Executive Officer Construction Materials	200,000
Warren Roy Saxelby	Chief Financial Officer	300,000
Total number of unissued Ordinary Shares relating to the Options on issue and held by Executive Directors and Executive Officers as a group		2,640,000

Details of Executive Option prices, conversion and expirations are provided in Note 23 to the Financial Statements. The value of these options using the Black-Scholes pricing model is A$1.33 per option.

No Director or Executive Officer has beneficial ownership of 1 percent or more of the voting securities. Note 34 to the Financial Statements shows actual shareholdings of Directors, each of whom is required by the CSR Constitution to own a minimum of 2,000 shares in his or her name. As at March 31, 2002, the holdings of Directors and Executive Officers (all of whom are also shareholders) of CSR, as a group, of CSR's voting securities were as follows:

Title of Class	Identity of Person or Group	Number Owned	Percent of Class
Ordinary Shares	Directors and Executive Officers	1,972,904 (1)	0.2%

(1) Excludes shares held non-beneficially.

As at May 21, 2002, 10.3 million Ordinary Shares were owned by current Executive Officers and all other employees of CSR Group entities in the various CSR share plans.

Item 7. Major Shareholders and Related Party Transactions

Major Shareholders

CSR is not directly or indirectly controlled by another corporation or by any foreign government and does not know of any arrangement the operation of which may at a subsequent date result in a change of control of CSR.

As at March 31, 2002, there were four holders known to CSR of more than 5 percent of the CSR's outstanding voting securities. J P Morgan Nominees Australia Limited held 111.3 million ordinary shares or 11.9 percent of CSR's issued capital. National Nominees, Limited held 96.1 million ordinary shares, or 10.3 percent of CSR's issued capital. Westpac Custodian Nominees Limited held 92.0 million ordinary shares or 9.8 percent of CSR's issued capital. RBC Global Services Australia Nominees Pty Limited held 49.1 million ordinary shares, or 5.3 percent of CSR's issued capital. The shares are held as nominee for numerous beneficiaries, most of whom are believed to be pension funds but whose identity is not known to CSR. None of these holders of larger blocks of shares have voting rights that are different from the rights of other shareholders.

Related Party Transactions

As at March 31, 2002, total interest free loans to the directors of CSR and its consolidated entities were A$0.3 million. During Fiscal Year 2002, no directors of CSR or any of its subsidiaries and their director-related entities have received or are entitled to receive any additional benefit, other than a benefit shown in the accompanying Financial Statements (specifically, Note 27 "Directors' and executives' remuneration", Note 11 "Receivables" and Note 34 "Related party information") by reason of a contract made by CSR or a related party with the Directors, or with a firm or company in which they have a substantial financial interest or over which they have a significant influence. For a discussion of related party transactions, also see "Item 5. Operating and Financial Review and Prospects – Related Party Transactions".

Item 8. Financial Information

See "Item 18. Financial Statements. No significant change has occurred to the CSR Group entities since the date of the Financial Statements.

Legal Proceedings

General

The discussion below contains certain forward-looking information. See "Forward-Looking Statements" on page 6.

In addition to the proceedings described below and under "Asbestos Litigation", there are outstanding court proceedings, claims and possible claims against CSR Group entities arising in the ordinary course of business, the aggregate amount of which cannot be readily quantified.

While CSR can give no assurance in respect of these other legal proceedings, it does not believe that any adverse decision would have a material adverse effect on the financial condition or results of operations or cash flows of the CSR Group.

Asbestos Litigation

CSR and several CSR Group entities have been named as defendants in litigation in Australia and the United States by claimants alleging personal injuries due to exposure to asbestos. Claimants in these cases generally seek compensatory and punitive damages. In almost all cases in which it is a party, a CSR Group entity is one of a number of companies named as defendants.

Australian Asbestos Litigation -- Historical Overview: The involvement of CSR and its subsidiaries in asbestos litigation in Australia arises from the mining of raw asbestos fiber by one of CSR's subsidiaries, as well as the sale by CSR and by certain of its subsidiaries of asbestos-containing products. Claimants in this litigation include former employees, contractors and carriers of raw fiber, and users of asbestos products.

The first claim naming CSR or a subsidiary as a defendant in Australia was asserted in 1976. As at March 31, 2002, CSR and its subsidiaries had been named in approximately such 1,700 claims, of which,

141 were commenced in 1997,
87 in 1998,
72 in 1999,
28 from January 1 to March 31, 2000,
140 during Fiscal Year 2001, and
121 during Fiscal Year 2002.

As at March 31, 2002, approximately 988 Australian claims had been settled and a further 170 had been dismissed voluntarily or by a successful CSR defense and the total costs of settlements and judgments were approximately A$82 million and legal and related fees totaled approximately A$42 million.

There has been a single punitive damages award, in the Rabenalt case, which was against a subsidiary in the amount of A$250,000. It was entered in 1989.

Australian Asbestos Litigation -- Current Status: As at March 31, 2002, there were approximately 558 asbestos claims pending against CSR and / or its subsidiaries in Australia. Settlement payments by CSR and its subsidiaries continue to be affected by a variety of factors, including principally the type of injury alleged to have been sustained by the claimant, and the nature and extent of the claimant's alleged exposure to raw asbestos fiber or asbestos containing products manufactured or supplied by CSR or its subsidiaries.

United States Asbestos Litigation -- Historical Overview: The involvement of CSR and its subsidiaries in asbestos litigation in the United States arises from sales of asbestos fiber mined by an Australian subsidiary of CSR and sold by CSR acting as its subsidiary's sales agent. The last such sale occurred in 1966.

Prior to 1990, the vast majority of the asbestos claims against CSR were commenced by or on behalf of employees of Johns Manville Corporation, the principal purchaser of asbestos fiber sold by CSR as sales agent for its subsidiary. These individuals generally claimed exposure to such fiber during the course of their employment at the Johns Manville plants where the fiber was used in the manufacture of certain asbestos cement pipes. Such claims, as well as claims of other persons allegedly exposed to raw asbestos supplied by CSR, are collectively referred to as "Plant-worker Claims". In the early stages of the litigation, settlements by CSR of US asbestos claims for the most part involved Johns Manville Plant-worker Claims. CSR has entered into a number of global settlements of such claims with various claimants' counsel.

Beginning in late 1990, CSR began to be named as a defendant in US lawsuits brought by persons alleging occupational exposure to finished asbestos products, particularly specialty gasket material and asbestos cement pipe. Such claims are referred to as "Finished Product Claims". CSR does not believe Finished Product Claims are meritorious, and has defended them on the bases that, among other things: there is no evidence that asbestos fiber supplied by CSR was incorporated into the particular products to which these claimants were allegedly exposed; there is no personal jurisdiction over CSR; CSR did not owe a duty to warn users of finished products manufactured by Johns Manville, a sophisticated and knowledgeable asbestos company in its own right, of the potential consequences under certain circumstances of the inhalation of asbestos fiber; and any alleged failure by CSR to warn Johns Manville of such potential consequences was not the cause of claimants' injuries. CSR believes that the primary reason for its inclusion in Finished Product Claims is the bankruptcy in 1982 of John Manville and the consequent unavailability of a full remedy against Johns Manville for injuries allegedly caused by its products.

The first US asbestos claims naming CSR or a subsidiary as a defendant were Plant-worker Claims asserted against CSR in 1980. As at March 31, 2002, CSR and / or its subsidiaries had been named in approximately 3,000 Plant-worker Claims and approximately 128,000 Finished Product Claims.

Of the approximately 3,000 Plant-worker Claims,

48 were asserted in 1997,
23 in 1998,
25 in 1999,
0 from January 1 to March 31, 2000
28 during Fiscal Year 2001, and
39 during Fiscal Year 2002.

As at March 31, 2002 approximately 2,848 Plant-worker Claims had been settled or decided and 150 were pending. As at March 31, 2002 the total of the cost of settlements and judgments was approximately A$77 million.

Of the approximately 128,000 Finished Product Claims,

4,655 were asserted in 1997,
9,829 in 1998
4,120 in 1999,
172 from January 1 to March 31, 2000,
1,359 in Fiscal Year 2001 and
14,165 in Fiscal Year 2002

As at March 31, 2002, approximately 125,384 Finished Product Claims had been settled or decided and 2,121 were pending As at March 31, 2002 the total of the cost, both paid and committed, of settlements and judgments was approximately A$57 million. The total defense costs, relating both to Plant-worker Claims and Finished Product Claims, was approximately A$44 million.

The only judgments entered to date against CSR in the US asbestos litigation occurred in August 1993 in the Abrams case in Mississippi. That case involved Johns Manville Finished Product Claims by nine shipyard workers claiming exposure to Johns Manville gasket material allegedly containing fiber supplied by CSR as sales agent. In that case, a jury verdict was entered against CSR in favor of four of the former shipyard workers for compensatory damages totaling US$2,150,000 and punitive damages totaling US$215,000. In addition to deciding the claims of the nine shipyard workers, the jury in Abrams also decided certain common issues with respect to approximately 6,700 of the approximately 16,000 claims then pending against CSR in Mississippi. The jury found that the Johns Manville gasket material had been used at the shipyard where the claimants were employed; that CSR may be liable for injuries caused by such material; and that punitive damages in the amount of 10 percent of compensatory damages were appropriate against CSR. CSR has reached settlements of all claims made in Mississippi with various claimants' attorneys. While the attorneys' clients have the right to opt out of the settlement, it is CSR's belief that relatively few, if any, claimants will choose to do so, and none has done so to date. An integral part of the settlement agreement provided for and resulted in the shipyard worker specific and common issues verdicts being vacated.

Although claims have been brought against CSR in 34 states, the bulk of the claims against CSR have been Finished Product Claims in four particular states: Mississippi (16 percent), West Virginia (19 percent), Texas (26 percent) and Ohio (20 percent), each as at March 31, 2002. Each of these states permits so-called "mass trials" of claimants' claims. Although CSR does not believe these or other Johns Manville Finished Product Claims are meritorious, given their large number; the risk of adverse rulings, particularly in mass trial states; and the costs of defending the claims, CSR in July, 1995 and May, 1996, settled a total of 17,056 West Virginia claims for US$6,329,900; in March, 1996, settled 32,100 Texas claims for US$10,572,694; in April, 1996, settled 18,319 Mississippi claims for US$13,300,000, and in March and April 1997 and in August 1999 settled 14,735 Ohio claims for US$2,397,550. CSR has continued to move to settle such claims where the prevailing circumstances cause it to believe that it is commercially advantageous to do so. CSR has entered into a number of agreements with various claimants' counsel pursuant to which the parties will attempt to resolve the counsels' future claims on an agreed upon basis prior to litigation.

United States Asbestos Litigation -- Current Status: As at March 31, 2002, there were approximately 2,271 asbestos claims pending against CSR in the United States.

The settlement payments by CSR in the United States continue to be affected by a variety of factors, including principally the type of injury alleged to have been sustained by the claimant, the nature and extent of the claimant's alleged exposure to fiber supplied by CSR as sales agent for one of its subsidiaries, the jurisdiction of the suit, and whether the claim is to be part of a group settlement. A number of defendants in the US litigation, in addition to Johns Manville, have declared bankruptcy. This may cause plaintiffs' counsel to seek to join CSR in additional actions and / or seek higher settlement amounts.

Insurance Issues: On March 3, 1995, in settlement of litigation commenced by CSR and for the assumption by CSR of certain indemnity and other obligations, CSR received an undissected lump sum payment of A$100 million in full and final settlement of all present and future claims CSR has or may have had against certain insurers issuing liability policies to it from 1955 to at least 1978. Subsequent to the settlement of these coverage and damages claims, CSR and its subsidiary Rinker Materials commenced litigation in the United States District Court for the District of New Jersey against other insurers that issued policies to CSR from approximately 1979 to 1986, seeking, among other things, coverage for US asbestos claims against them and damages. Some of these insurers then commenced their own litigation against CSR and Rinker Materials in the Supreme Court of New South Wales, seeking, among other things, a declaration that the insurers have no obligation to provide any such coverage. The Supreme Court of New South Wales issued a preliminary injunction barring CSR and Rinker Materials from prosecuting the US coverage suit without further order of the Supreme Court of New South Wales. CSR and Rinker Materials successfully appealed to the High Court of Australia against that injunction. The High Court lifted the injunction and ordered that the proceedings commenced in New South Wales be stayed pending the outcome of the US coverage suit. On April 24, 2001, the New Jersey court denied motions brought by the insurers to stay or dismiss the US action. Discovery is continuing and no trial date has yet been set.

Management's Views: *The discussion below contains certain forward-looking information. See "Forward-Looking Statements" on page 6.* In light of the difficulty of predicting the number of further claims, the severity and mix of diseases involved, the costs of defense and indemnity associated with such claims, and other changes in the litigation environment that might affect CSR's position or that of its subsidiaries, CSR cannot determine with certainty the amount of its ultimate liability with respect to asbestos claims nor their effect on net profit or loss in future reporting periods. Nonetheless, in the opinion of management, the asbestos litigation in the United States and Australia will not have a material adverse impact on the CSR Group's financial condition, results of operations or cash flows. This view is based upon the experience of CSR Group entities in the asbestos litigation to date; the resolution of a large number of matters on commercially acceptable terms; the provisions already included in the CSR Group's Financial Statements; CSR's belief that it has even stronger evidence than presented during the Mississippi trial to support CSR's position that the fiber contained in Johns Manville gasket materials was not supplied by CSR; CSR's expectations concerning probable settlements in pending as well as future claims; CSR's expectations concerning the number of claims likely to be brought against it and / or its subsidiaries in the future; and the possibility of an insurance recovery as a result of the New Jersey litigation. There can, however, be no assurance that the litigation will not have a material adverse impact on the CSR Group's financial condition, results of operations or cash flows.

Dividend Policy

The payment and amount of any dividends depends on CSR's current and future earnings, cash flow, financial condition and other factors. Subject to the Australian Corporations Act 2001, the Directors may declare a dividend and set the amount and date for its payment. Dividends are payable to shareholders of fully paid shares equally, and fractionally to shareholders of partly paid shares. Generally, Shares rank for dividend from their date of allotment.

In Fiscal Year 2002, CSR declared a dividend of $A 0.24 per share, with final payment to be made July 4, 2002. The initial payment was 40 percent franked; the final payment is to be 70 percent franked.

Item 9. The Offer and Listing

Nature of Trading Market

The principal trading market for CSR's fully paid Ordinary Shares is the ASX. CSR's fully paid Ordinary Shares are also listed on the London stock exchange.

In the United States, Morgan Guaranty Trust Company of New York, as Depositary (the "Depositary"), has issued ADRs evidencing ADSs. Each ADS represents four fully paid Ordinary Shares. Since March 1990, the ADRs have been traded in sponsored American Depositary Receipt form on the over-the-counter market.

The following table sets forth, for the Fiscal Years indicated, the high and low sales prices in A$ per Ordinary Share as reported by the ASX and the high and low sales prices in US$ per ADS as reported by the Depositary.

		Per Ordinary Share (A$)		Per ADS (US$)	
		High	Low	High	Low
	Fiscal Year				
	1997	5.00	3.95	15.75	12.50
	1998	5.90	4.31	16.50	13.25
	1999	5.24	3.20	11.75	7.50
	2000	4.80	3.31	12.63	8.25
	2001	5.38	3.44	11.81	8.13
	2002..................	7.23	5.20	15.06	10.14
	Quarter ending				
Fiscal Year 2001:	June.........................	4.66	3.44	11.50	8.13
	September	4.78	3.92	11.38	8.63
	December	4.85	3.85	10.75	8.13
	March....................	5.38	4.73	11.81	9.38
Fiscal Year 2002:	June.........................	7.20	5.20	14.91	10.14
	September	7.23	5.50	15.06	11.08
	December	6.94	6.05	14.21	12.40
	March....................	7.17	6.30	14.65	13.23

Month Ending		Per Ordinary Share (A$)		Per ADS (US$)	
		High	Low	High	Low
2001	November	6.90	6.05	14.10	12.47
	December	6.88	6.48	13.97	13.16
2002	January..................	7.17	6.55	14.65	13.79
	February................	7.08	6.44	14.33	13.30
	March....................	6.91	6.30	14.36	13.23
	April.......................	6.58	5.83	14.09	12.91
	May	6.90	6.17	15.10	13.35
	June (June 24)	6.65	6.24	15.19	14.21

At March 31, 2002, 935,834,472 Ordinary Shares were outstanding and were held by 109,443 holders of record. Of this, 1,237,200 Ordinary Shares were held by 2,044 Rinker Materials employees resident in the United States pursuant to share offers under the terms of the Universal Share / Option Plan ("USOP"). As at

March 31, 2002, 859,816 ADSs representing 3,439,264 Ordinary Shares, or approximately 0.37 percent of the Ordinary Shares outstanding on such date, were held by 172 holders with registered addresses in the United States.

Item 10. Additional Information

Constitution

CSR Limited is a stock corporation organized in Australia under the Corporations Act 2001. It is registered in Sydney, Australia under the number ABN 90 000 001 276. CSR's Constitution (which serves as the articles of association) was attached as an Exhibit to CSR's annual report on Form 20-F for the Fiscal Year 2001 and has not been amended since.

The information called for by Item 10.B of Form 20-F is contained in the registration statement of Form F-3 (File No 333-5492) filed by CSR Limited, Rinker Materials Corporation and CSR Finance Limited under the U.S. Securities Act of 1933 on August 29, 1996.

Exchange Controls and Other Limitations Affecting Security Holders

There are no foreign exchange controls or other governmental laws, decrees or regulations, other than in relation to withholding taxes (see Taxation below), which affect the remittance of dividends, interest or other payments by CSR to non-resident holders of CSR securities in the United States.

Subject to the exceptions referred to below, there are no limitations on the right of United States residents or owners to hold or vote CSR Ordinary Shares imposed by Australian law or CSR's Constitution.

Changes in interests held by foreign persons in Australian companies may be subject to review and approval by the Treasurer of the Commonwealth of Australia under the Foreign Acquisitions and Takeovers Act 1975. Generally, that statute requires prior notification of any acquisition which would result in a foreign person together with any associates either holding interests in 15 percent or more of an Australian company's issued shares or controlling 15 percent or more of the voting power in the company. The statute also requires prior notification of any acquisition resulting in two or more foreign persons and their associates similarly holding interests in 40 percent or more of an Australian company's issued shares or controlling, in the aggregate, 40 percent or more of its total voting power. In each case, the Treasurer may prohibit any part of the acquisition if the Treasurer is satisfied it would be contrary to the national interest of Australia.

Further, the Corporations Act 2001 regulates the acquisition of shares in public companies in Australia. Subject to certain exceptions, it prohibits such an acquisition if (1) after the acquisition the acquirer and the acquirer's associates would be entitled to more than 20 percent of the company's issued ordinary shares and (2) the acquisition does not satisfy one of a number of specified exceptions. The more significant exceptions are: a formal, registered takeover offer to all the shareholders in the target company, acquisitions by a broker on the stock market under a formal takeover announcement, acquisitions of no more than 3 percent of the target company's voting share capital every six months or acquisitions approved by the target company's shareholders in general meeting.

Taxation

The taxation discussion set forth below is intended only as a descriptive summary and does not purport to be a comprehensive technical analysis of all potential tax consequences for United States residents investing in shares in an Australian incorporated company. Investors contemplating the purchase of shares are advised to consult their own tax advisers with respect to the tax consequences relevant to their specific situations.

Except as otherwise noted, the statements of Australian tax laws set out below are based on the laws in force as of the date of this Annual Report, and are subject to any changes in Australian law, and in any double taxation convention between the United States and Australia occurring after that date.

Australian Taxation

Dividends

Since 1987, Australia has had a dividend imputation system which relieves double taxation on certain dividends by imputing tax paid at the company level to shareholders by means of imputation credits attached to dividends received by them. Where an Australian tax resident shareholder receives a "franked" dividend, a tax credit (at the corporate tax rate, currently 30 percent) attaches to the extent to which the dividend paid is a franked dividend. This tax credit can be offset against the Australian income tax payable by the shareholder. Since the introduction of the dividend imputation system, all dividends prior to Fiscal Year 1994 were fully franked. Since then:

The dividend for Fiscal Year 1995 was 76 percent franked.
The dividend for Fiscal Year 1996 was 100 percent franked.
The dividend for Fiscal Year 1997 was 50 percent franked.
The interim and final dividends for Fiscal Year 1998 were 50 percent and one third franked respectively.
The dividends for Fiscal Years 1999 and 2000 were one third franked.
The interim dividend for Fiscal Year 2001 was one third franked. The final dividend was 40 percent franked.
The interim dividend for Fiscal Year 2002 was 40 percent franked. The final dividend will be 70 percent franked.

All ordinary shareholders and ADR holders will be advised as to the extent to which each future dividend will be franked as dividends are declared. Broadly, shareholders who are non-residents for Australian tax purposes, rather than receiving a tax credit on "franked" dividends, are exempt from Australian dividend withholding tax in respect of franked dividends received. Any part of a dividend, paid to a United States tax resident who is a non-resident of Australia, which is not franked will attract Australian dividend withholding tax at a rate of 15 percent. However, if such a shareholder carries on a business in Australia through a permanent establishment and unfranked dividends paid by CSR are effectively connected with that permanent establishment, tax at the rate of 30 percent will apply. Notwithstanding this, unfranked dividends paid to a United States tax resident in either of the above situations will be free of withholding tax to the extent such dividends are sourced from CSR's foreign dividend account.

The United States of America and Australia signed a Protocol on 27 September 2001 that will amend the Convention between Australia and the United States of America for the avoidance of double taxation and the prevention of fiscal evasion. Once this Protocol enters into force it will reduce the Australian dividend withholding tax rate to zero, whether or not the dividend is franked. The Protocol will enter into force when both countries have formally ratified it, but this cannot be until 1 July 2003 at the earliest.

Some foreign shareholders are exempt from Australian dividend withholding tax on dividends that are not franked; most notably, foreign superannuation / pension funds that are exempt from income tax in their home jurisdiction.

Gain or Loss on Disposal

Capital gains tax is payable in Australia on realized gains over the period in which the shares have been held. In working out the cost base of shares acquired on or before 21 September 1999, expenditure incurred may be indexed for inflation up to 30 September 1999. Indexation is not relevant to shares acquired after 21 September 1999.

Where shares were acquired on or before 21 September 1999, and such a shareholder does not choose the indexation option, or where shares were acquired after 21 September 1999, the capital gain may be discounted by an appropriate percentage. For individuals or trusts, this is 50 percent. For complying superannuation funds it is 33 1/3 percent. Companies are automatically entitled to indexation up to 30 September 1999, but cannot choose the discount.

For indexation to be available, as well as a condition of the discount, it is usually necessary that the shareholder held the shares for at least 12 months.

Subject to the following two exceptions, a non-resident of Australia for tax purposes disposing of shares in Australian public companies will be free from capital gains tax in Australia:

(i) Shares used as part of a trade or business conducted through a permanent establishment in Australia. In such case any profit on disposal will be subject to capital gains tax or, depending on such usage, may be assessable to ordinary income tax. Losses would constitute capital loss deductions or normal deductions.

(ii) Shares held in public companies where such shares represent a holding of 10 percent or more (together with associates, if any) in the issued share capital of the company.

Stamp Duty

Any transfer of Ordinary Shares (including a transfer from the Depositary or any Custodian to a holder of ADSs) would, in almost all cases, require the payment in Australia of stamp duty calculated on their value. If the transfer takes place on the ASX that stamp duty (at present normally 0.3 percent) is split between the transferor and the transferee. In other cases, the transferee is liable for the duty and the rate of duty will normally be 0.6 percent. Duty is payable in New South Wales on the transfer of ADRs calculated on the value of the ADRs transferred at a rate of 0.6 percent (except where the transferee is not a resident of Australia and is acting on its own behalf or on behalf of a trustee for another non-resident of Australia and the transfer is registered outside Australia or if the ADR's are registered on a recognized stock exchange outside Australia. The ADRs are not currently registered on a recognized stock exchange outside Australia). The transferee is liable for the duty. The duty must be paid before a transfer of Ordinary Shares can be registered. Where a transfer of ADR's is not exempt from duty, duty must be paid on that transfer before it can be registered.

United States Taxation

Dividends on CSR shares, and payments of the proceeds of a sale of CSR shares, paid within the United States or through United States - related financial intermediaries are subject to information reporting and may be subject to backup withholding at a 15 percent rate unless the Qualified Holder (1) is a corporation or other exempt recipient or (2) provides a taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

The discussion below contains certain forward looking statements. See "Forward-Looking Statements" on page 6.

The CSR Group is exposed to the following types of market risk: (i) commodity prices, (ii) foreign currencies, and (iii) interest rates.

The CSR Group has in place principles and policies approved by CSR's board of directors designed to manage financial risks associated with exposures to foreign currencies, commodity prices and interest rates. These risks are managed through a variety of means including natural hedges, forward sales contracts, forward foreign exchange contracts, futures, swaps, caps, collars and other foreign exchange, commodity price and interest rate options. CSR's policies prohibit speculative transactions, restrict hedging transactions to preset limits and require senior management approval of hedging instruments. In addition, the policies limit who may authorize transactions and segregate relevant functions among different individuals.

Each Divisional chief executive officer is responsible for managing exposures in their Division in accordance with the policies and is required to do so in consultation with specialist advice from CSR Treasury. Rinker Materials has adopted similar policies where relevant. Except for certain sugar and aluminium commodity price hedging activities, and some Strategic Business Units operating outside Australia, all such transactions are executed through CSR Treasury.

CSR Group entities utilize a variety of domestic and international financial institutions as counter parties for hedging transactions. Transaction limits based on credit ratings are placed on each financial institution and reviewed regularly. Predominantly, CSR Group entities will only utilize counter parties with a Moody's or Standard & Poors "A3 / A -" equivalent rating or higher. In a few instances where no Moody's or Standard & Poors rating is available management may assign a small limit based on alternative arrangements.

It is management's opinion that CSR Group entities in the past year have not engaged in any financial transactions of a trading or speculative nature.

Commodity Price Sensitivity and Risk Management

The CSR Group's commodity exposures relate predominantly to raw sugar and aluminium. Raw sugar exposures are predominantly managed by QSL, an industry based company which, under statutory authority, compulsorily acquires all Queensland produced raw sugar and arranges for its sale. Limited additional hedging has been undertaken by CSR using commodity swaps and options.

A portion of aluminium sales is hedged with a view to reducing the effects of adverse commodity price fluctuations on the cash flows of the business. The portion hedged will vary from time to time dependent upon management's view of the potential risk to profit and cash flows from commodity price movements.

For Fiscal Year 2003, the CSR Group has an estimated aluminium commodity price exposure of 124,000 tones (equivalent to approximately US$180 million / A$337 million) and sugar price exposure of 700,000 tones (equivalent to US$85 million / A$159 million). For these exposures, 69 percent and 30 percent respectively are currently protected from adverse commodity price movements. For the remaining exposure, a hypothetical US$100 (A$188) per tonne movement in the aluminium price will result in an A$4.8 million change in the CSR Group's operating profit and a hypothetical US 1 cent per pound movement from the end of period market price for sugar will result in an A$14.2 million change in Operating Profit.

Specific information concerning commodity price exposures and financial instruments used to limit that exposure is disclosed in Note 30 of the Financial Statements.

Foreign Exchange Sensitivity and Risk Management

The CSR Group is exposed to fluctuations in foreign currencies in some of its entities' businesses. CSR Group entities periodically enter into foreign currency hedging contracts, including forwards and options, to manage their exposure to changes in currency exchanges rates.

The CSR Group's predominant ongoing exposures to foreign currency movements relate to US dollar revenues and foreign assets and profits. Foreign currency liabilities are utilized where they provide a hedge for foreign currency asset exposure. Management believes that the CSR Group's investment in its international entities, mainly in the United States, provides it with a natural hedge against exchange rate fluctuations with respect to US dollar-denominated obligations. Excluding Rinker Materials and the CSR Group's raw sugar operations, for Fiscal Year 2003, it is estimated that the CSR Group will have US dollar revenues of US$195 million, of which 94 percent were protected from adverse exchange rate movements as at March 31, 2002. On the exposed portion, a hypothetical one cent movement in the A$/US$ exchange rate will result in an A$0.3 million change in the CSR Group's Operating Profit.

In addition, CSR Group entities receive Australian dollars for their share of US dollar denominated raw sugar exports. Currency exposures for these exports are managed by QSL.

Specific information concerning the currency exposure and financial instruments used to limit that exposure is reviewed in Note 30 of the Financial Statements.

Interest Rate Sensitivity and Risk Management

Interest rate exposure is managed with an objective of reducing year to year volatility in interest costs to obtain a stable and predictable interest expense outcome. To achieve this result, CSR Group entities enter into interest rate hedges, including interest rate swaps, swaptions, caps and collars .

As at March 31, 2002 approximately 99 percent of the CSR Group's gross debt is US dollar denominated. Approximately 65 percent of the net US dollar exposure is subject to fixed interest rates and a further 5 percent is protected by interest rate collars. It is estimated that a hypothetical 100 basis point movement would have an A$3.7 million impact on the CSR Group's Operating Profit.

Specific information concerning interest rate exposure and financial instruments used to limit that exposure is disclosed in Note 21 and 30 of the Financial Statements.

Item 12. Description of Securities Other Than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None

PART III

Item 15. Reserved

Item 16. Reserved

PART IV

Item 17. Financial Statements

Not Applicable.

Item 18. Financial Statements

Report of Independent Auditors

Consolidated Financial Statements As At March 31, 2002

See pages F-1 through F-60, which are incorporated herein by reference.

Item 19. Exhibits

Documents filed as exhibits to this Annual Report:

Constitution of CSR Limited
(incorporated by reference to the annual report of Form 20-F of CSR Limited for the Fiscal Year ended March 31, 2001)

8.1 List of subsidiaries. Included in Note 38 to the Financial Statements.

10.1 Independent Auditors' Consent. Included as page F-3

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CSR Limited
(Registrant)

By: ....
Peter Maxwell Kirby
Managing Director

Dated: June 24, 2002

Financial Report

for the year ended March 31, 2002

Consolidated statement of financial performance

Year ended March 31

CSR Limited and its controlled entities

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
Trading revenue - sale of goods		**3724.9**	**6984.7**	6424.0	6419.0
Cost of sales		**(2366.5)**	**(4437.5)**	(4097.2)	(4258.7)
Warehouse and distribution costs		**(541.4)**	**(1015.2)**	(874.1)	(809.7)
Selling costs		**(86.3)**	**(161.8)**	(156.7)	(165.9)
Administration and other costs		**(275.3)**	**(516.3)**	(466.1)	(392.4)
Share of partnership net (loss) income		**(0.2)**	**(0.3)**	(0.8)	5.8
Share of associate entities' net profit		**24.4**	**45.7**	50.2	68.9
Operating profit		**479.6**	**899.3**	879.3	867.0
Other revenue from ordinary activities	2	**97.6**	**183.0**	588.9	862.2
Other expenses from ordinary activities	2	**(84.7)**	**(158.8)**	(489.7)	(926.7)
Dividend income from others		**1.2**	**2.3**	1.4	1.0
Profit from ordinary activities before finance and income tax		**493.7**	**925.8**	979.9	803.5
Interest income	4	**13.2**	**24.8**	23.7	18.6
Borrowing costs	5	**(70.4)**	**(132.1)**	(155.4)	(100.2)
Profit from ordinary activities before income tax		**436.5**	**818.5**	848.2	721.9
Income tax expense relating to ordinary activities	9	**(130.0)**	**(243.7)**	(179.1)	(213.8)
Profit from ordinary activities after income tax		**306.5**	**574.8**	669.1	508.1
Net profit attributable to outside equity interests		**(11.8)**	**(22.2)**	(35.0)	(36.5)
Net profit attributable to members of CSR Limited		**294.7**	**552.6**	634.1	471.6
Decrease in asset revaluation reserve arising on revaluation of property, plant and equipment	24	**-**	**-**	(4.5)	(76.4)
(Decrease)/increase in currency translation reserve arising on translation of self-sustaining foreign operations	24	**(55.9)**	**(104.9)**	241.3	24.3
Total revenue, expense and valuation adjustments attributable to members of CSR Limited recognised directly in equity		**(55.9)**	**(104.9)**	236.8	**(52.1)**
Total changes in equity other than those resulting from transactions with owners as owners		**238.8**	**447.7**	870.9	**419.5**
Reconciliation of retained profits					
Retained profits at the beginning of the financial year		**679.4**	**1273.9**	860.8	**627.7**
Net profit attributable to members of CSR Limited		**294.7**	**552.6**	634.1	**471.6**
Aggregate of amounts transferred from reserves	24	**0.4**	**0.8**	1.5	**-**
Total available for appropriation		**974.5**	**1827.3**	1496.4	**1099.3**
Dividends provided for or paid	8	**120.0**	**225.0**	222.5	**238.5**
Retained profits at end of the financial year		**854.5**	**1602.3**	1273.9	**860.8**
(cents per share)					
Basic earnings per share based on net profit attributable to members of CSR Limited[a]		**31.2**	**58.5**	63.2	45.5
Diluted earnings per share based on net profit attributable to members of CSR Limited		**30.8**	**57.8**	62.5	45.1

a - Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share is 944.8 million (2001: 1,003.3 million, 2000: 1,036.5 million).

Notes to the financial statements are annexed.

Consolidated statement of financial position

As at March 31

CSR Limited and its controlled entities

(million)	Note	**2002 US$**	**2002 A$**	2001 A$
Current assets				
Cash	10	**83.5**	**156.6**	200.2
Receivables	11	**526.9**	**988.0**	971.4
Inventories	12	**305.3**	**572.5**	629.9
Other	18	**13.6**	**25.5**	37.6
Total current assets		**929.3**	**1742.6**	1839.1
Non-current assets[a]				
Receivables	11	**27.2**	**50.9**	79.7
Inventories	12	**68.9**	**129.2**	99.3
Investments accounted for using the equity method	13	**168.9**	**316.6**	334.8
Other financial assets	14	**21.4**	**40.2**	92.0
Property, plant and equipment	15	**2206.7**	**4137.9**	4273.4
Intangibles	17	**592.8**	**1111.6**	1233.5
Deferred income tax assets	9	**150.9**	**283.0**	370.1
Other assets	18	**74.0**	**138.7**	139.7
Total non-current assets		**3310.8**	**6208.1**	6622.5
Total assets		**4240.1**	**7950.7**	8461.6
Current liabilities				
Payables	19	**397.5**	**745.3**	824.2
Interest-bearing liabilities	20	**55.5**	**104.0**	70.1
Current income tax liabilities		**9.2**	**17.3**	49.9
Provisions	22	**188.0**	**352.6**	376.4
Total current liabilities		**650.2**	**1219.2**	1320.6
Non-current liabilities				
Payables		**23.0**	**43.2**	33.1
Interest-bearing liabilities	20	**955.0**	**1790.7**	2230.0
Deferred income tax liabilities	9	**277.1**	**519.6**	518.9
Provisions	22	**145.9**	**273.6**	278.0
Total non-current liabilities		**1401.0**	**2627.1**	3060.0
Total liabilities		**2051.2**	**3846.3**	4380.6
Net assets		**2188.9**	**4104.4**	4081.0
Equity				
Contributed equity	23	**1141.0**	**2139.4**	2322.4
Reserves	24	**149.9**	**281.1**	386.8
Retained profits		**854.5**	**1602.3**	1273.9
Equity attributable to members of CSR Limited		**2145.4**	**4022.8**	3983.1
Outside equity interests in controlled entities	25	**43.5**	**81.6**	97.9
Total equity		**2188.9**	**4104.4**	4081.0

a - The CSR Group has adopted Australian Accounting Standard AASB 1041 “Revaluation of Non-Current Assets” ("AASB 1041") and has reverted to the cost basis of measurement. The directors have deemed the carrying amount of non-current assets as at April 1, 2001 to be cost (previously certain classes of assets were at independent and directors' valuations). This change in accounting policy does not affect the carrying amount of non-current assets recorded in the financial statements. However, the balance of the asset revaluation reserve recorded in the financial statements as at April 1, 2001 relating to the previous revaluation of property, plant and equipment amounting to A$11.9 million, is no longer available to absorb any future write-downs.

Notes to the financial statements are annexed.

Consolidated statement of cash flows[a]

Year ended March 31

CSR Limited and its controlled entities

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
Cash flows from operating activities					

	Note				
Receipts from customers		**3870.9**	**7258.3**	6719.2	6373.6
Payments to suppliers and employees		**(3192.9)**	**(5987.1)**	(5545.3)	(5302.3)
Dividends, and distributions from associate entities		**29.1**	**54.6**	39.1	86.8
Interest received		**14.8**	**27.8**	24.7	18.5
Tax refund from Australian Taxation Office	9	**17.6**	**33.0**	-	-
Income taxes paid		**(102.3)**	**(191.8)**	(213.5)	(128.2)
Net cash from operating activities		**637.2**	**1194.8**	1024.2	1048.4
Cash flows from investing activities					
Purchase of property, plant and equipment and other non-current assets		**(227.7)**	**(427.0)**	(391.1)	(494.9)
Proceeds from sale of property, plant and equipment and other non-current assets		**64.3**	**120.6**	92.4	121.1
Purchase of controlled entities and businesses net of cash acquired	37	**(84.5)**	**(158.5)**	(1093.1)	(126.9)
Return of capital from associate entities		**-**	**-**	5.6	44.7
Proceeds from sale of interests in controlled entities and businesses	37	**8.2**	**15.5**	783.7	382.8
Loans and receivables advanced		**(0.6)**	**(1.2)**	(2.1)	(6.4)
Loans and receivables repaid		**7.1**	**13.3**	25.1	105.9
Net cash (used in) from investing activities		**(233.2)**	**(437.3)**	(579.5)	26.3
Cash flows from financing activities					
Proceeds from issue of shares					
- CSR shareholders		**12.2**	**22.9**	14.4	1.2
Share buyback		**(111.2)**	**(208.5)**	(340.7)	-
Net (repayment of) proceeds from borrowings		**(129.6)**	**(243.0)**	436.2	(665.9)
Dividends paid		**(136.6)**	**(256.2)**	(276.5)	(255.2)
Interest and other finance costs paid		**(63.1)**	**(118.3)**	(167.5)	(113.5)
Hedging of foreign operations		**1.7**	**3.3**	(56.1)	-
Net cash used in financing activities		**(426.6)**	**(799.8)**	(390.2)	(1033.4)
Net (decrease) increase in cash held		**(22.6)**	**(42.3)**	54.5	41.3
Cash at the beginning of the financial year		**106.4**	**199.5**	120.7	77.7
Effects of exchange rate changes		**(0.3)**	**(0.6)**	24.3	1.7
Net cash at the end of the financial year	10	**83.5**	**156.6**	199.5	120.7
Reconciliation of net profit attributable to members of CSR Limited to net cash from operating activities					
Net profit after tax attributable to members of CSR Limited		**294.7**	**552.6**	634.1	471.6
Depreciation and amortisation	6	**241.5**	**452.9**	415.4	363.9
Share of associate entities' net income (less dividends and distributions)		**3.7**	**6.9**	11.7	(11.1)
Transfer (from) to provisions		**(25.0)**	**(47.0)**	(50.0)	16.8
Interest expense		**70.2**	**131.7**	157.3	94.6
Other (profit) loss from ordinary activities	2	**(12.9)**	**(24.2)**	(99.2)	46.1
Outside equity interests' share of profit		**11.8**	**22.2**	35.0	36.5
Decrease in trade receivables and other current assets		**9.7**	**18.1**	105.2	(82.4)
Decrease (increase) in current inventories		**15.5**	**29.0**	(46.9)	7.3
(Decrease) increase in trade payables		**(28.3)**	**(53.0)**	(88.1)	5.4
Net change in tax balances		**45.3**	**84.9**	(59.1)	85.3
Other		**11.0**	**20.7**	8.8	14.4
Net cash from operating activities		**637.2**	**1194.8**	1024.2	1048.4

a - The consolidated statement of cash flows is prepared in accordance with accounting principles generally accepted in Australia and therefore results in compliance with International Accounting Standard No. 7 "Cash Flow Statements".

Credit facilities are shown in note 21.
Non-cash financing and investing activities are shown in note 33.

Notes to the financial statements are annexed.

Consolidated statement of changes in shareholders' equity

Year ended March 31

CSR Limited and its controlled entities

(million)	2002 US$	2002 A$	2001 A$	2000 A$
Issued and paid-up capital[a]				
Balance at the beginning of the financial year	**1238.6**	**2322.4**	2647.0	2640.9
Share buyback	**(111.2)**	**(208.5)**	(340.7)	-
Universal Share/Option Plan	**2.1**	**4.0**	2.7	4.8
Executive Share Option Plan (options converted)	**10.7**	**20.0**	12.3	0.4
Executive Share/Option Plan (partly to fully paid)	**0.8**	**1.5**	1.1	0.9
Balance at the end of the financial year	**1141.0**	**2139.4**	2322.4	2647.0
Retained profits				
Balance at the beginning of the financial year	**679.4**	**1273.9**	860.8	627.7
Aggregate of amounts transferred from reserves	**0.4**	**0.8**	1.5	-
Net profit attributable to members of CSR Limited	**294.7**	**552.6**	634.1	471.6
Total available for appropriation	**974.5**	**1827.3**	1496.4	1099.3
Dividends provided for or paid	**120.0**	**225.0**	222.5	238.5
Balance at the end of the financial year	**854.5**	**1602.3**	1273.9	860.8
Capital reserves				
Balance at the beginning of the financial year	**16.4**	**30.8**	39.2	116.8
Decrement on revaluation of non-current assets	**-**	**-**	(4.5)	(76.4)
Transfer to retained profits	**(0.4)**	**(0.8)**	(3.9)	-
Transfer to foreign currency translation reserve	**-**	**-**	-	(1.2)
Balance at the end of the financial year	**16.0**	**30.0**	30.8	39.2
Foreign currency translation reserve				
Balance at the beginning of the financial year	**189.8**	**356.0**	112.3	83.6
Exchange differences relating to overseas net assets				
- net (loss) gain on translation	**(69.4)**	**(130.2)**	330.2	34.4
- net gain (loss) on hedge transactions	**13.5**	**25.3**	(88.9)	(10.1)
Reserve of controlled entities disposed	**-**	**-**	-	3.2
Transfer from capital reserve	**-**	**-**	-	1.2
Transfer to retained profits	**-**	**-**	2.4	-
Balance at the end of the financial year	**133.9**	**251.1**	356.0	112.3
Total shareholders' equity attributable to members of CSR Limited	**2145.4**	**4022.8**	3983.1	3659.3

a - Refer to notes 23 for additional information.

Notes to the financial statements are annexed.

Significant accounting policies

CSR Limited and its controlled entities

Basis of accounting

This general purpose financial report is prepared in accordance with the Corporations Act 2001, applicable accounting standards and urgent issues group consensus views, and complies with other requirements of the law. In Australia the financial report is based on historical cost, except for certain assets which are at deemed cost. The accounting policies adopted are consistent with those of the previous year, unless otherwise stated. Details of significant accounting policies adopted are given below.

Principles of consolidation

The consolidated financial statements have been prepared by aggregating the financial statements of all the entities that comprise the consolidated entity, being CSR Limited ("CSR") and its controlled entities (collectively, the "CSR Group"). In these consolidated financial statements:

Depreciation (including amortisation and depletion)

Depreciable assets other than quarry and other raw material reserves are depreciated at rates based upon their expected economic life, using the straight-line method. Quarry and other raw material reserves are depleted after taking into account the life of the quarry and its estimated residual value. Depletion is determined by production for the year as a proportion of recoverable reserves. The economic lives of property, plant and equipment assets are detailed in note 15.

Inventories

Inventories including work in progress and land held for resale are valued at the lower of cost and net realisable value. Costs included in inventories consist of materials, labour, and manufacturing overheads which are related to the purchase and production of inventories.

consolidated financial statements:

- results of each controlled entity are included from the date CSR Limited obtains control and until such time as it ceases to control an entity; and
- all inter-entity balances and transactions are eliminated.

Entities controlled by CSR Limited are under no obligation to accept responsibility for liabilities of other common controlled entities except where such an obligation has been specifically undertaken.

Recoverable amount of non-current assets

Non-current assets are reviewed annually to ensure the carrying values are not in excess of recoverable amounts. Recoverable amounts are determined as the present value of the net cash inflows from the continued use and subsequent disposal of the non-current asset.

Intangibles

Goodwill arising from the purchase of controlled entities or businesses is amortised over the period over which the benefits are expected to arise to a maximum of twenty years. Patents, trademarks and other intellectual property acquired are valued at the lower of cost and recoverable amount and are amortised over the period in which the benefits are expected to arise varying from five to 40 years.

Statement of cash flows

Cash is defined as cash at banks and on hand and cash equivalents net of bank overdrafts. Cash equivalents include highly liquid investments which are readily convertible to cash.

Capitalisation of interest

The CSR Group capitalises interest expense during the new construction or upgrade of qualifying assets. Following commissioning, the total capitalised cost including interest is amortised over the expected useful life of the project. Interest expense capitalised is shown in note 5.

Acquisition of assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition. In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

production of inventories.

The value of inventory is derived by the method most appropriate to each particular class of inventory. The major portion is valued on either a first-in-first-out or average cost basis.

Software and system development

The cost of developing new systems, including purchased software, is deferred and subsequently amortised over a period of five to seven years, being the period over which the benefits are expected to arise.

Restoration and environmental rehabilitation

Provision is made for the restoration of areas from which natural resources are extracted. The restoration cost is provided over the period in which the recoverable mineral reserves are expected to be extracted. Estimates are based on current technology. Changes in estimates are dealt with on a prospective basis.

Provision is also made for the expected cost of environmental rehabilitation of commercial sites which require remediation of existing conditions resulting from present and past operations. The liability is immediately recognised when the environmental exposure is identified and the rehabilitation costs can be reliably estimated.

Contribution to superannuation funds

The CSR Group participates in several superannuation funds which provide benefits upon the disability, retirement or death of employees. Contributions to these funds are expensed as incurred. Additional details on superannuation funds are provided in note 35.

Research and development

All expenditure on research and development is expensed in the year in which it is incurred except where future benefits can be assured beyond reasonable doubt. Projects are continually under review.

Translation to US dollars

The financial statements are stated in Australian dollars, the currency of the country in which CSR Limited is incorporated and operates. The translations of Australian dollar amounts into US dollar amounts are included solely for the convenience of readers in the United States of America (US) and have been made at the rate of US$0.5333 to A$1, the Federal Reserve Bank of New York noon buying rate at March 31, 2002. Such translations should not be construed as representations that the Australian dollar amounts could be converted into US dollars at the above or any other rate.

Significant accounting policies (continued)

CSR Limited and its controlled entities

Tax effect accounting

The liability method of tax effect accounting is applied in the calculation of provisions for current and future tax.

Tax expense for the year is based on pre-tax accounting profit adjusted for items which, as a result of treatment under income tax legislation, create permanent differences between pre-tax accounting profit and taxable income.

To arrive at tax payable, adjustments to income tax are made for items which have been included in periods for accounting purposes which differ from those specified by income tax legislation. The extent to which these timing differences give rise to income tax becoming payable earlier or later than is indicated by accounting treatment, is recorded in the statement of financial position as a deferred income tax asset or a deferred income tax liability.

Deferred income tax assets arising from timing differences are not

Derivative and hedging activities

The consolidated entity uses derivative financial instruments ("derivatives") to hedge exposures to interest rate, commodity and foreign exchange risk. In order to be designated as a hedge, at inception and during the term of the hedging instrument, it must be expected that the hedge will be effective in reducing exposure to the risks being hedged. The hedge items include recognised assets and liabilities and anticipated transactions that are probable of occurring.

Interest rate

Interest rate swaps and options are used to vary the consolidated entity's mix of fixed and variable rate borrowings. These derivatives are accounted for on an accruals basis consistent with the accounting treatment of the underlying deferred income tax asset or a deferred income tax liability.

Deferred income tax assets arising from timing differences are not carried forward as an asset unless realisation is assured beyond reasonable doubt, whereas deferred income tax assets arising from tax losses are not carried forward as an asset unless the losses can be regarded as being virtually certain of realisation.

No provision for withholding tax has been made on undistributed earnings of overseas controlled entities where there is no intention to distribute those earnings.

Capital Gains Tax

No liability has been provided in the financial statements in respect of possible future capital gains tax that may arise on the disposal of assets, as no decision has been made to sell any of these assets. Such liability is provided at the time of disposal of assets. Where assets were revalued, no provision for potential capital gains tax has been made.

Use of estimates

The preparation of the financial statements necessarily requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenue and expense during the reported periods. Actual results could differ from those estimates.

Accounts payable

Trade creditors and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of good and services.

Revenue recognition

Revenue from the sale of goods and disposal of other assets is recognised when the economic entity has passed control of the goods or other assets to the buyer.

Interest-bearing liabilities

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

consistent with the accounting treatment of the underlying borrowings. Both payments and receipts under the swaps are included in interest expense. The related amount payable to, or receivable from counterparties, is included in other receivables or other payables. Option premiums are deferred and amortised over the term of the option.

Foreign exchange and commodities

Forward exchange contracts, cross currency swaps and options are used to hedge foreign currency receivables, payables, borrowings and anticipated transactions. Commodity futures, swaps and options are used to hedge anticipated purchases and sales of commodities. Derivatives hedging recognised assets and liabilities are measured at net fair value and included in other receivables or other payables. Gains or losses are recognised in net profit or loss as they occur and offset translation gains and losses of the underlying hedged item. Gains and losses on derivatives hedging anticipated transactions are deferred and recognised in the measurement of the hedged item when it occurs. If a derivative is terminated, sold, redesignated or is no longer effective and the anticipated transaction is still probable of occurring, gains and losses up to the time of termination, sale, redesignation or loss of effectiveness, continue to be accounted for as stated above. If the anticipated transaction is no longer probable, all deferred gains and losses are recognised immediately in net profit or loss. Derivatives are not entered into for speculative reasons. However, if a derivative ceases to be designated as a hedge, for example, where the designated item is sold, extinguished, terminated or no longer probable of occurring, further gains and losses are recognised in net profit or loss until the derivative matures or is terminated or sold. Option premiums are deferred and amortised over the term of the option.

Net investment in self-sustaining foreign operations

Both derivative and non-derivative financial instruments are used to hedge foreign currency movements on net investments in foreign operations. Derivatives are measured at fair value and included in other receivables or other payables. Gains and losses related to time value are recognised in net profit or loss. The remaining gains and losses (net of tax) are recognised in the foreign currency translation reserve to offset transaction gains or losses.

Significant accounting policies (continued)

CSR Limited and its controlled entities

Product liability

Provision is made for discounted anticipated compensation payments and legal costs arising from product liability claims that can be reliably measured.

Comparative figures

The CSR Group has adopted Australian Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosures" and AASB 1040 "Statement of Financial Position" from 1 April 2001. Comparative figures have been adjusted to conform with the requirements of these standards. The reclassification of comparative amounts has not resulted in a change in aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity or the net profit recorded in the prior year.

Foreign currency

All foreign currency transactions during the year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date. Exchange differences are brought to account in net profit or loss in the period in which they arise except if designated as hedges. Exchange differences net of tax relating to foreign currency monetary items forming part of the net investment in a self-sustaining foreign operation are taken directly to the foreign currency translation reserve. Financial statements of self-sustaining foreign controlled entities are translated at reporting date using the current rate method and exchange differences are brought to account by entries made directly to the foreign currency translation reserve.

Rounding
Unless otherwise shown in the financial report, amounts have been rounded to the nearest tenth of a million dollars and are shown by A$ million.

CSR Limited is a company of the kind referred to in the Australian Securities and Investments Commission Class Order 98/100 issued July 10, 1998.

Joint venture operations
Interests in joint venture operations are recorded in the financial statements by including the entity's share of assets employed, the share of liabilities incurred, and the share of any expenses incurred in relation to joint ventures in their respective categories.

Joint venture entities, associates and partnerships
Investments in joint venture entities, associates and partnerships have been accounted for under the equity method in the financial statements.

Significant items
Significant items are those which by their size, nature or incidence are relevant in explaining the financial performance of the consolidated entity, and as such are disclosed separately. They include all items previously classified as abnormal.

Accounting Standard AASB 1041
The CSR Group has adopted AASB 1041 from April 1 2001. Refer to the statement of financial position (page F-5) for details.

Accounting standards not yet effective
Revised Australian Accounting Standard AASB 1020
"Income Taxes" will be required to be adopted for CSR's financial year ended March 31, 2005. This standard requires the recognition of a deferred tax liability equivalent to assets previously revalued upwards. When these assets are subsequently depreciated, the additional depreciation will be tax effected. In the case of acquisitions, where the fair value of assets and liabilities, as recorded by the CSR Group upon acquisition, is greater than their tax bases, a deferred tax liability for this increase will have to be recognised causing goodwill to be increased. It has not yet been determined whether this standard will have a material impact on CSR's financial statements.

Australian Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" ("AASB 1044") will be required to be adopted for CSR's financial year ended March 31, 2004. The anticipated effect of the adoption is detailed in note 22 Provisions.

Notes to the financial statements

CSR Limited and its controlled entities

(million)	**2002 US$**	**2002 A$**	2001 A$	2000 A$
1 Segment information				
Industry segments				
Profit from ordinary activities before income tax				
- Rinker Materials Corporation	**319.2**	**598.5**	515.5	327.8
- Construction Materials	**30.2**	**56.7**	51.2	116.9
- Building Materials	**58.0**	**108.8**	135.1	155.9
- Sugar	**39.3**	**73.8**	16.5	44.7
- Timber Products[b]	**-**	**-**	-	57.5
- Aluminium[c]	**58.7**	**110.0**	211.5	182.8
- Corporate costs	**(18.3)**	**(34.3)**	(32.0)	(35.3)
- Restructure costs, asset sales and other[d]	**6.6**	**12.3**	24.8	(46.8)
	493.7	**925.8**	922.6	803.5
Finance[f]	**(57.2)**	**(107.3)**	(131.7)	(81.6)
Profit from ordinary activities before significant items and income tax	**436.5**	**818.5**	790.9	721.9
Significant items	**-**	**-**	57.3	-
Profit from ordinary activities after significant items, before tax	**436.5**	**818.5**	848.2	721.9
Income tax				
- Rinker Materials Corporation	**124.2**	**232.8**	200.5	132.5
- Construction Materials	**4.8**	**8.9**	10.6	35.5
- Building Materials	**17.5**	**32.8**	45.5	57.4
- Sugar	**8.8**	**16.5**	4.0	13.6
- Timber Products[b]	**-**	**-**	-	20.6
- Aluminium[c]	**16.7**	**31.4**	73.1	61.4
- Corporate costs	**(5.3)**	**(9.9)**	(13.3)	(12.6)
- Restructure costs, asset sales and other[d]	**(14.8)**	**(27.7)**	(18.4)	(61.4)
	151.9	**284.8**	302.0	247.0
Finance[f]	**(21.9)**	**(41.1)**	(56.6)	(33.2)
Income tax before significant items	**130.0**	**243.7**	245.4	213.8
Significant items	**-**	**-**	(66.3)	-
Income tax after significant items	**130.0**	**243.7**	179.1	213.8
Outside equity interest				
- Rinker Materials Corporation	**0.3**	**0.7**	(0.1)	1.1
- Construction Materials	**0.6**	**1.1**	(0.6)	(0.9)
- Building Materials	**0.6**	**1.1**	(0.3)	(0.7)
- Sugar	**-**	**-**	-	-
- Timber Products[b]	**-**	**-**	-	-
- Aluminium[c]	**10.9**	**20.4**	40.5	39.0
- Corporate costs	**-**	**-**	-	-
- Restructure costs, asset sales and other[d]	**-**	**-**	-	-
	12.4	**23.3**	39.5	38.5
Finance[f]	**(0.6)**	**(1.1)**	1.1	(2.0)
Outside equity interest before significant items	**11.8**	**22.2**	40.6	36.5
Significant items	**-**	**-**	(5.6)	-
Outside equity interest after significant items	**11.8**	**22.2**	35.0	36.5
Net profit				
- Rinker Materials Corporation	**194.7**	**365.0**	315.1	194.2
- Construction Materials	**24.8**	**46.7**	41.2	82.3
- Building Materials	**39.9**	**74.9**	89.9	99.2
- Sugar	**30.5**	**57.3**	12.5	31.1
- Timber Products[b]	**-**	**-**	-	36.9
- Aluminium[c]	**31.1**	**58.2**	97.9	82.4
- Corporate costs	**(13.0)**	**(24.4)**	(18.7)	(22.7)
- Restructure costs, asset sales and other[d]	**21.4**	**40.0**	43.2	14.6
	329.4	**617.7**	581.1	518.0
Finance[f]	**(34.7)**	**(65.1)**	(76.2)	(46.4)
Net profit before significant items	**294.7**	**552.6**	504.9	471.6
Significant items	**-**	**-**	129.2	-
Net profit after significant items	**294.7**	**552.6**	634.1	471.6

Notes to the financial statements

CSR Limited and its controlled entities

(million)	2002 US$	2002 A$	2001 A$	2000 A$
1 Segment information (continued)				
Industry segments				
Significant items before income tax				
- Rinker Materials Corporation	**-**	**-**	(19.1)	-
- Construction Materials	**-**	**-**	(45.4)	-
- Building Materials	**-**	**-**	(48.6)	-
- Sugar	**-**	**-**	-	-
- Timber Products[b]	**-**	**-**	-	-
- Aluminium[c]	**-**	**-**	235.4	-
- Corporate costs	**-**	**-**	-	-
- Restructure costs, asset sales and other[d]	**-**	**-**	(65.0)	-
Segment totals	**-**	**-**	57.3	-
Finance [f]	**-**	**-**	-	-
Total Significant items before income tax	**-**	**-**	57.3	-
Trading revenue[a]				
- Rinker Materials Corporation	**2194.8**	**4115.5**	3589.5	2690.3
- Construction Materials	**493.6**	**925.5**	922.5	1048.3
- Building Materials	**430.0**	**806.3**	859.6	942.9
- Sugar	**369.9**	**693.7**	529.3	643.0
- Timber Products[b]	**-**	**-**	-	609.2
- Aluminium[c]	**236.3**	**443.2**	520.4	485.3
- Corporate costs	**-**	**-**	-	-
- Restructure, asset sales and other[d]	**0.3**	**0.5**	2.7	-
Total trading revenue	**3724.9**	**6984.7**	6424.0	6419.0
Total assets				
- Rinker Materials Corporation	**2370.9**	**4445.8**	4739.9	2538.5
- Construction Materials	**521.7**	**978.2**	1004.7	1074.0
- Building Materials	**417.5**	**782.8**	763.9	843.9
- Sugar	**483.4**	**906.4**	971.6	956.9
- Timber Products[b]	**-**	**-**	-	119.9
- Aluminium[c]	**215.1**	**403.3**	448.6	624.3
- Corporate costs	**134.4**	**252.1**	240.1	227.7
- Restructure, asset sales and other[d]	**13.6**	**25.5**	92.6	371.6
	4156.6	**7794.1**	8261.4	6756.8
Finance[g]	**83.5**	**156.6**	200.2	126.3
Total assets	**4240.1**	**7950.7**	8461.6	6883.1
Depreciation				
- Rinker Materials Corporation	**159.8**	**299.6**	246.6	150.3
- Construction Materials	**25.1**	**47.2**	50.3	49.6
- Building Materials	**18.0**	**33.8**	38.4	39.4
- Sugar	**19.4**	**36.4**	37.0	38.5
- Timber Products[b]	**-**	**-**	-	37.0
- Aluminium[c]	**11.6**	**21.7**	29.8	31.4
- Corporate costs	**-**	**-**	-	-
- Restructure, asset sales and other[d]	**7.6**	**14.2**	13.3	17.7
Total depreciation	**241.5**	**452.9**	415.4	363.9

Notes to the financial statements

CSR Limited and its controlled entities

(million)	2002 US$	2002 A$	2001 A$	2000 A$
1 Segment information (continued)				
Industry segments				
Capital expenditure (accrued basis)				
- Rinker Materials Corporation	**231.0**	**433.2**	1537.3	412.4

- Construction Materials	**23.0**	**43.1**	44.9	34.4
- Building Materials	**27.9**	**52.3**	27.5	14.8
- Sugar	**12.3**	**23.0**	21.7	16.8
- Timber Products[b]	**-**	**-**	-	19.3
- Aluminium[c]	**5.1**	**9.5**	13.1	18.7
- Corporate costs	**12.2**	**22.8**	15.2	21.7
- Restructure, asset sales and other[d]	**-**	**-**	-	-
Total capital expenditure	**311.5**	**583.9**	1659.7	538.1
Associate entities' and partnership income				
- Rinker Materials Corporation	**-**	**-**	0.9	0.6
- Construction Materials	**12.3**	**23.1**	25.3	42.9
- Building Materials	**2.4**	**4.5**	4.7	4.7
- Sugar	**9.5**	**17.8**	18.5	24.7
- Timber Products[b]	**-**	**-**	-	1.8
- Aluminium[c]	**-**	**-**	-	-
- Corporate costs	**-**	**-**	-	-
- Restructure, asset sales and other[d]	**-**	**-**	-	-
Total associate entities' and partnership income	**24.2**	**45.4**	49.4	74.7
Investments in associate entities and partnerships				
- Rinker Materials Corporation	**-**	**-**	11.8	9.2
- Construction Materials	**95.2**	**178.5**	180.0	183.6
- Building Materials	**2.7**	**5.1**	4.9	4.9
- Sugar	**71.0**	**133.0**	138.1	118.8
- Timber Products[b]	**-**	**-**	-	-
- Aluminium[c]	**-**	**-**	-	-
- Corporate costs	**-**	**-**	-	-
- Restructure, asset sales and other[d]	**-**	**-**	-	-
Total investments in associate entities and partnerships	**168.9**	**316.6**	334.8	316.5

Notes to the financial statements

CSR Limited and its controlled entities

(million)	**2002 US$**	**2002 A$**	2001 A$	2000 A$
1 Segment information (continued)				
Geographical segments				
Trading revenue[a]				
- Australia domestic	**939.6**	**1761.9**	1780.4	2457.6
- Australia export[e]	**510.1**	**956.6**	922.4	1138.8
- North America	**2194.8**	**4115.5**	3589.5	2690.3
- New Zealand	**16.8**	**31.5**	29.6	42.8
- Asia	**63.6**	**119.2**	102.1	89.5
Total trading revenue	**3724.9**	**6984.7**	6424.0	6419.0
Profit before significant items, finance and income tax				
- Australia	**164.7**	**308.9**	401.6	472.6
- North America	**319.2**	**598.5**	515.5	335.3
- New Zealand	**5.2**	**9.8**	8.6	7.1
- Asia	**4.6**	**8.6**	(3.1)	(11.5)
Total profit before significant items, finance and income tax	**493.7**	**925.8**	922.6	803.5
Significant items before tax				
Australia	**-**	**-**	154.1	-
North America	**-**	**-**	(19.1)	-
New Zealand	**-**	**-**	-	-
Asia	**-**	**-**	(77.7)	-
Total significant items before tax	**-**	**-**	57.3	-
Profit from ordinary activities before finance and income tax				
Australia	**164.7**	**308.9**	555.7	472.6
North America	**319.2**	**598.5**	496.4	335.3
New Zealand	**5.2**	**9.8**	8.6	7.1

Asia	**4.6**	**8.6**	(80.8)	(11.5)
Total profit from ordinary activities before finance and income tax	**493.7**	**925.8**	979.9	803.5
Total property, plant and equipment				
- Australia	**967.8**	**1814.7**	1843.6	2163.3
- North America	**1182.5**	**2217.3**	2307.6	1395.3
- New Zealand	**7.1**	**13.4**	13.7	22.4
- Asia	**49.3**	**92.5**	108.5	147.0
Total property, plant and equipment	**2206.7**	**4137.9**	4273.4	3728.0

Products and services of industry segments

Industry segments are based along product and major geographical lines and are the same as those used for internal management reporting. Each of these segments has a dedicated management team and is managed separately, primarily because of differences in products.

Rinker Materials Corporation
pre-mixed concrete, asphalt and other quarry products; cement; concrete pipes and other reinforced concrete products; underground pipeline rehabilitation: polyethylene pipes; building materials distribution.

Construction Materials
pre-mixed concrete, asphalt and other quarry products; cement; concrete pipe and other reinforced concrete products

Building Materials
plasterboard; fibre cement; glasswool and rockwool insulation; clay bricks and pavers; roof tiles; lightweight concrete products

Sugar
raw sugar; refined sugar; ethanol

Aluminium
aluminium; bauxite; alumina

Timber Products
softwood plantation timber; timber-based panels

Notes

a - Inter segment sales are negligible. Geographic revenue is based on location of non-current assets, except for Australian exports which are based on location of end customer.

b - The majority of the Timber Products segment was divested during CSR's 2000 financial year and the remainder divested in 2001. The profit (loss) incurred on exit of this segment are included within restructure costs, asset sales and other (refer note e below).

c - In January 2001 CSR sold its interest in the Gove Alumina refinery and bauxite mine to Alcan. Details of CSR's interests in joint venture operations are shown in note 33.

d - Includes profit (loss) on major asset sales, product liability charges and certain rationalisation costs.

e - Includes CSR's share of exports made by the Queensland government on behalf of the sugar industry.

f - Refer to note 5 for details of finance expense.

g - Refer to note 10 for details of finance assets.

Notes to the financial statements

CSR Limited and its controlled entities

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
2 Other revenue and expenses from ordinary activities					
Revenue					
Significant items	3	**-**	**-**	412.4	-
Disposal of property, plant and equipment and other assets		**52.8**	**99.1**	140.8	841.4
Disposal of investments		**31.9**	**59.8**	-	7.5
Gift of shares in Sugar Terminals Limited	33	**-**	**-**	27.5	-
Other		**12.9**	**24.1**	8.2	13.3
Total other revenue from ordinary activities		**97.6**	**183.0**	588.9	862.2
Expenses					
Significant items	3	**-**	**-**	(355.1)	-
Disposal of property, plant and equipment and other assets		**(43.8)**	**(82.2)**	(121.9)	(822.0)
Disposal of investments		**(28.8)**	**(53.9)**	-	-
Restructure and rationalisation provision reversals (raised)		**5.3**	**9.9**	-	(29.4)
Increase in product liability provision		**(16.0)**	**(30.0)**	-	(17.5)
Writedown of property, plant and equipment		**-**	**-**	-	(57.8)
Other		**(1.4)**	**(2.6)**	(12.7)	-
Total other expenses from ordinary activities		**(84.7)**	**(158.8)**	(489.7)	(926.7)
3 Significant items					
Sale of Gove Aluminium Ltd					
Net proceeds on sale		**-**	**-**	412.4	-
Book value of assets sold and selling costs		**-**	**-**	(177.0)	-
Income tax benefit		**-**	**-**	33.2	-
		-	**-**	268.6	-
Asset writedowns and rationalisation costs					
Writedown of property, plant and equipment		**-**	**-**	(74.8)	-
Writedown of other assets		**-**	**-**	(17.9)	-
Rationalisation costs		**-**	**-**	(20.4)	-

	-	-	(113.1)	-
Income tax benefit	-	-	13.6	-
Outside equity interest	-	-	5.6	-
	-	-	(93.9)	-
Product liability				
Increase in provision	-	-	(65.0)	-
Income tax benefit	-	-	19.5	-
	-	-	(45.5)	-
Analysis of significant items				
Revenue	-	-	412.4	
Expenses	-	-	(355.1)	
Net profit before income tax	-	-	57.3	-
Income tax benefit	-	-	66.3	-
Outside equity interests	-	-	5.6	-
Total significant items	-	-	129.2	-
4 Interest income				
Short-term loans receivable	**4.7**	**8.9**	20.2	12.9
Australian Taxation Office[a]	**6.1**	**11.4**	-	-
Long-term loans receivable	**2.4**	**4.5**	3.5	5.7
Total interest income	**13.2**	**24.8**	23.7	18.6

a - Refer to note 9 for details

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
5 Net finance expense					
Interest paid or payable on					
- short-term debt		**4.2**	**7.8**	7.8	6.1
- long-term debt		**66.7**	**125.1**	150.3	99.7
Finance leases		**0.3**	**0.6**	0.7	0.2
Total interest expense		**71.2**	**133.5**	158.8	106.0
Less amount capitalised		**1.0**	**1.8**	1.5	11.4
Add					
- funding costs (including commitment fees)		**1.7**	**3.2**	0.8	4.3
- foreign exchange (gain) loss		**(1.5)**	**(2.8)**	(2.7)	1.3
Borrowing costs		**70.4**	**132.1**	155.4	100.2
less interest income	4	**13.2**	**24.8**	23.7	18.6
Net finance expense		**57.2**	**107.3**	131.7	81.6
6 Depreciation and amortisation					
Amounts incurred for depreciation, amortisation and depletion of					
- deferred costs		**12.5**	**23.4**	22.5	28.4
- goodwill		**38.4**	**72.0**	57.7	28.5
- property, plant and equipment		**184.6**	**346.2**	326.3	303.2
- other intangibles		**6.0**	**11.3**	8.9	3.8
Total depreciation and amortisation		**241.5**	**452.9**	415.4	363.9
7 Operating costs					
Operating costs include transfers to (from) provisions for					
- doubtful trade debts		**4.1**	**7.7**	13.3	(2.6)
- employee entitlements		**48.2**	**90.3**	83.5	37.9
- fringe benefits tax		**3.6**	**6.7**	7.0	6.1
- restoration and environmental rehabilitation		**2.6**	**4.9**	-	1.0
- uninsured losses and future claims		**76.0**	**142.5**	111.0	20.9
- other		**7.3**	**13.6**	22.9	8.6
		141.8	**265.7**	237.7	71.9
Operating costs also include					
- contributions to employee retirement funds	35	**26.2**	**49.1**	36.2	16.4
- mining royalties paid to governments		**1.4**	**2.7**	5.7	2.8

- operating lease and rental payments	**35.7**	**66.9**	65.6	34.3
- research and development	**3.1**	**5.8**	6.3	5.8
- repairs and maintenance	**141.8**	**265.9**	239.3	270.2

8 Dividends and franking credits

Dividends

Interim dividend [a]	**54.9**	**103.0**	108.1	114.1
Final dividend [b]	**65.1**	**122.0**	114.4	124.4
	120.0	**225.0**	222.5	238.5

Franking credits

Franking account balance at the end of the financial year	**14.2**	**26.7**	70.5	2.2
Franking credits which will arise upon payment of current income tax	**3.7**	**7.0**	51.3	63.5
Franking debits which will be used upon payment of proposed final dividend	**(45.5)**	**(85.3)**	(45.8)	(41.5)
Franking credits available for the next financial year [c]	**(27.6)**	**(51.6)**	76.0	24.2

a Paid on December 17, 2001, franked to 40% at corporate tax rate of 30% in 2002.

b For shares on issue as at June 6, 2002. A dividend of A$0.13 per share, 70% franked at corporate tax rate of 30%, will be paid on July 4, 2002, for the 2002 financial year.

c CSR Limited and its Australian controlled entities and associates will pay sufficient tax in the next financial year to eliminate the CSR Limited and Group notional franking credit deficit.

Notes to the financial statements

CSR Limited and its controlled entities

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
9 Income tax					
The components of income tax expense consist of the following					
Current					
- Australian		**(3.2)**	**(6.0)**	71.3	50.3
- US		**71.7**	**134.5**	118.1	109.8
- other foreign		**1.4**	**2.5**	1.2	(2.1)
		69.9	**131.0**	190.6	158.0
Deferred					
- Australian		**32.4**	**60.8**	(31.0)	52.7
- US		**27.8**	**52.1**	20.1	3.0
- other foreign		**(0.1)**	**(0.2)**	(0.6)	0.1
		60.1	**112.7**	(11.5)	55.8
		130.0	**243.7**	179.1	213.8
The significant temporary differences are as follows					
Future income tax benefit arising from					
- provisions[a]		**86.7**	**162.5**	173.4	156.0
- tax losses[b] (including the valuation allowance shown below)		**128.5**	**240.9**	227.8	196.7
- other[c]		**7.4**	**14.0**	53.5	4.2
Total deferred income tax assets		**222.6**	**417.4**	454.7	356.9
Valuation allowance not brought to account		**(71.7)**	**(134.4)**	(84.6)	(97.6)
Net deferred income tax assets		**150.9**	**283.0**	370.1	259.3
Deferred income tax liabilities					
- fixed asset depreciation[d]		**(236.6)**	**(443.6)**	(458.2)	(369.9)
- spares and stores[e]		**(13.7)**	**(25.8)**	(24.3)	(32.1)
- inventory and deferred stripping		**(1.2)**	**(2.2)**	(2.3)	(3.1)
- prepayments		**(3.9)**	**(7.4)**	(11.4)	(4.6)
- other[c]		**(21.7)**	**(40.6)**	(22.7)	(68.2)
Total deferred income tax liabilities		**(277.1)**	**(519.6)**	(518.9)	(477.9)
Income tax expense					
Reconciliation of income tax expense charged to the statement of financial performance with income tax calculated on profit from ordinary activities before income tax					
Profit from ordinary activities before income tax		**436.5**	**818.5**	848.2	721.9
Income tax expense calculated at 30% (34% in 2001 and 36% in 2000)		**131.0**	**245.6**	288.4	259.9
Increase (decrease) in income tax expense due to					
- non-tax deductible depreciation and amortisation		**9.9**	**18.5**	19.8	15.8

- non-tax deductible other expenditure	**0.7**	**1.4**	4.3	4.0
- asset disposals	**(3.7)**	**(6.9)**	(117.4)	(24.2)
- asset writedowns	**-**	**-**	23.7	-
- Asian trading (profits)/losses not recognised	**(0.7)**	**(1.3)**	4.2	4.7
- equity accounted associates' profit	**(6.1)**	**(11.4)**	(13.5)	(19.0)
- research and development costs	**(0.2)**	**(0.4)**	(0.5)	(0.7)
- tax refund on settlement with insurer in prior years	**(17.6)**	**(33.0)**	-	-
- income tax over provided in previous years	**(0.7)**	**(1.4)**	(16.8)	(2.5)
- overseas tax rate differential	**18.8**	**35.3**	3.5	2.8
- restatement of deferred tax balances from change in income tax rates[f]	**-**	**-**	-	(21.4)
- gift of shares in Sugar Terminals Limited	**-**	**-**	(9.4)	-
- other items	**(1.4)**	**(2.7)**	(7.2)	(5.6)
Total income tax expense on profit from ordinary activities	**130.0**	**243.7**	179.1	213.8

CSR has been in dispute with the Australian Taxation Office (ATO) in relation to the treatment of a lump sum settlement with its insurers. In November 2001 the High Court of Australia rejected the ATO's special leave application, thereby confirming the full Federal Court decision in favour of CSR. In January 2002 CSR received a tax refund of A$33.0 million plus interest of A$11.4 million.

Notes to the financial statements

CSR Limited and its controlled entities

(million)		**2002 US$**	**2002 A$**	2001 A$	2000 A$
9	**Income tax** (continued)				
Total income tax expense comprises					
Additions to provision for current income tax liability		**69.9**	**131.0**	190.6	158.0
(Deductions from) additions to provision for deferred income tax liability		**9.5**	**17.8**	(1.8)	22.9
(Additions to) deductions from deferred income tax assets		**50.6**	**94.9**	(9.7)	32.9
		130.0	**243.7**	179.1	213.8
Analysis of total income tax expense					
Income tax expense on operating profit		**130.0**	**243.7**	245.4	213.8
Income tax benefit on significant items		**-**	**-**	(66.3)	-
		130.0	**243.7**	179.1	213.8
Deferred income tax assets attributable to tax losses carried forward as an asset[g]		**56.8**	**106.5**	143.2	99.1
Deferred income tax assets not taken to account (valuation allowance)[h]					
Balance at the beginning of the financial year		**45.1**	**84.6**	97.6	83.3
Assets now taken to account		**(21.5)**	**(40.4)**	(45.3)	(9.2)
Assets not recognised		**48.1**	**90.2**	32.7	40.8
Restatement of balances from change in income tax rates		**-**	**-**	(0.4)	(17.3)
Balance at the end of the financial year[i]		**71.7**	**134.4**	84.6	97.6
Tax losses					
The tax losses carried forward expire as summarised below[j]					
- US	expiration 2012 - 2015	**14.2**	**26.6**	33.7	-
- US	unlimited expiration	**7.3**	**13.7**	16.7	-
- Australia	unlimited expiration	**95.0**	**178.2**	155.3	176.4
- Other	unlimited expiration	**11.9**	**22.4**	22.1	20.3
		128.4	**240.9**	227.8	196.7

Undistributed earnings

No provision for withholding tax has been made on undistributed earnings of overseas controlled entities where there is no intention to distribute those earnings. The aggregate amount of such undistributed earnings for which Australian income taxes have not been provided was A$539.4 million as of March 31, 2002. If taxes were to be provided on these earnings, the estimated total of such taxes at 15% (being the average dividend withholding tax rate) would be A$80.9 million. As from July 1, 2003 the withholding tax rate applicable to dividend payments from CSR US companies to CSR Australian companies will be nil.

Valuation allowance

The net change in the valuation allowance for deferred income tax assets was an increase of A$49.8 million in 2002, a decrease of A$13.0 million in 2001 and an increase of A$14.3 million in 2000. The current year increase was due to the liquidation of certain group companies offset by losses utilised primarily by the lump sum insurance settlement noted above. The valuation allowance relates primarily to capital gains tax losses, with the allowance recorded due to the uncertainty of whether these losses may ultimately be realised.

realised.

a - Provision for tax deduction arising after expense is reported for accounting purposes.
b - Tax losses to be offset against future taxable income.
c - Other taxable and deductible temporary differences.
d - Tax depreciation in excess of accounting depreciation.
e - Spares and stores held in inventory, deductible for tax on purchase; expensed for accounting purposes on issue.
f - Allocated A$16.9 million CSR and A$4.5 million outside equity interests in 2000.
g - Net of the valuation allowance A$134.4 million (2001 A$84.6 million, 2000 A$97.6 million).
h - Includes capital gains tax losses A$112.0 million (2001 A$62.5 million, 2000 A$77.3 million).
i - These benefits will only be obtained if the CSR Group derives the necessary future assessable income and capital gains, and there are no adverse changes in tax legislation.
j - These balances are not net of the valuation allowance.

Notes to the financial statements

CSR Limited and its controlled entities

(million)	Note	2002 US$	2002 A$	2001 A$
10 Net cash				
Cash at banks and on hand		**36.4**	**68.2**	85.7
Short-term loans receivable and deposits		**47.1**	**88.4**	114.5
Total cash		**83.5**	**156.6**	200.2
Bank overdraft	20	**-**	**-**	(0.7)
Net cash		**83.5**	**156.6**	199.5

(million)	Note	2002 US$	2002 A$	2001 A$
11 Receivables				
Current				
Trade receivables		**474.9**	**890.5**	917.6
Provision for doubtful debts[d]		**(17.4)**	**(32.6)**	(47.1)
		457.5	**857.9**	870.5
Loans to and receivables from associate entities		**24.6**	**46.1**	15.9
Divestment debtors		**19.1**	**35.8**	23.3
Other receivables [c]		**25.9**	**48.6**	61.7
Provision for doubtful debts		**(0.2)**	**(0.4)**	-
		69.4	**130.1**	100.9
Total current receivables		**526.9**	**988.0**	971.4
Bad debts written off - trade receivables		**6.5**	**12.2**	17.4
Non-current				
Loans to employees				
- directors of controlled entities[a b]		**0.2**	**0.3**	0.3
- other staff		**10.5**	**19.6**	19.7
		10.7	**19.9**	20.0
Loans to associate entities		**8.6**	**16.1**	15.2
Other loans		**2.6**	**4.9**	21.8
Term receivables		**5.3**	**10.0**	22.7
Total non-current receivables		**27.2**	**50.9**	79.7

a - Includes net hedging gains A$5.5 million deferred (2001: nil).

b - Amounts before rounding - Consolidated A$0.315 million (2001: A$0.327 million), CSR Limited A$0.315 million (2001: A$0.327 million).

c - Includes loans to directors of CSR Limited. Amount before rounding A$0.007 million (2001 A$0.007 million). There are no outstanding loans to non-executive directors of CSR Limited.

d - Provision for doubtful debts as detailed below.

(A$ million)	Year ending March 31	Opening balance	(Provided) reversed	Net charged	Foreign exchange	(Acquisitions)/ disposals	Closing balance
	2001	(30.8)	(26.2)	17.4	(5.2)	(2.3)	(47.1)
	2002	(47.1)	0.8	12.2	1.5	-	(32.6)

In 2001, the A$26.2 million provided was made up of A$13.3 million operating, A$6.5 million non trading and A$6.4 million included in significant items.

In 2002, the A$0.8 million written back was made up of A$7.7 million provided as operating expense offset by A$(8.5) million written back as non- trading items.

(million)	Note	2002 US$	2002 A$	2001 A$
12 Inventories				
Current[a]				
Raw and process materials and stores		**94.1**	**176.4**	191.7
Work in progress		**21.5**	**40.3**	38.1
Finished goods		**189.7**	**355.8**	400.1
		305.3	**572.5**	629.9
Non-current				
Raw and process materials and stores[a]		**15.7**	**29.4**	13.4
Land held for sale				
- at cost		**11.3**	**21.3**	22.1
- at net realisable value		**41.9**	**78.5**	63.8
		68.9	**129.2**	99.3

a - Valued at cost.

Notes to the financial statements

CSR Limited and its controlled entities

(million)	2002 US$	2002 A$	2001 A$
13 Investments accounted for using the equity method			
Shares in associate companies[a b]	**101.9**	**191.1**	190.8
Interests in partnerships[b]	**12.3**	**23.0**	35.1
Interest in other associate entity[b]	**54.7**	**102.5**	108.9
Total investment accounted for using the equity method	**168.9**	**316.6**	334.8

a - Not quoted on stock exchanges.
b - Details of investments in associate entities are shown in note 36.

14 Other financial assets

Downer shares (quoted on stock exchange)[a]	**-**	**-**	15.0
Downer convertible notes[a]	**-**	**-**	38.7
Other immaterial interests in other entities at cost[b]	**21.4**	**40.2**	38.3
Total other financial assets	**21.4**	**40.2**	92.0

a - Sold during the year.
b - Not quoted on stock exchanges. Consists of investment in Sugar Terminals Limited (A$27.5 million) which is a strategic Sugar investment essential to the Sugar mill operations. The balance is mainly a trust for the benefit of Rinker Materials Corporation executives (A$11.5 million) with an offsetting amount in non-current liabilities. Neither asset is available for sale.

15 Property, plant and equipment[a]

Land and buildings			
At directors' amount [b]	**-**	**-**	287.1
At independent valuation [b]	**-**	**-**	839.5
Accumulated depreciation	**-**	**-**	(7.2)
	-	**-**	1119.4
At cost	**601.7**	**1128.3**	3.1
Accumulated depreciation	**(21.0)**	**(39.3)**	-
	580.7	**1089.0**	3.1
Total land and buildings	**580.7**	**1089.0**	1122.5
Plant and equipment			
At recoverable amount	**-**	**-**	100.3
Assessed value of leased assets	**-**	**-**	6.9
Accumulated depreciation and amortisation	**-**	**-**	(48.4)
	-	**-**	58.8
At cost	**2812.0**	**5272.9**	5130.1
Accumulated depreciation	**(1310.3)**	**(2457.1)**	(2282.9)
	1501.7	**2815.8**	2847.2
Total plant and equipment	**1501.7**	**2815.8**	2906.0
Quarry and other raw material reserves			
At recoverable amount			140.7
Accumulated depletion	**-**	**-**	(23.4)
	-	**-**	117.3
At cost	**142.5**	**267.2**	130.3
Accumulated depletion	**(18.2)**	**(34.1)**	(2.7)
	124.3	**233.1**	127.6
Total quarry and other raw material reserves	**124.3**	**233.1**	244.9
Total property, plant and equipment	**2206.7**	**4137.9**	4273.4

a - The economic life over which assets are depreciated is: Buildings - 1 to 46 years; Plant and equipment - 3 to 50 years; Quarry and other raw material reserves - 3 to 48 years. The weighted average life is: Buildings - 21 years; Plant and equipment - 11 years; Quarry and other raw material reserves - 21 years.

b - All land and buildings owned by the consolidated entity were valued as at December 31, 2000. All independent valuations brought to account in the financial statements were carried out by Jones Lang LaSalle Pty Ltd (Australia), with the exception of: Aluminium properties - Craig Miller Pty Ltd and Edward Rushtons Pty Ltd; United States and Asian properties - American Appraisal Associates. The basis of the independent valuations was existing use, except for the sites that are considered to be surplus to CSR requirements where an open market value was used. The basis for directors' valuations was recoverable amount using discounted business cash flows.

(A$ million)	Land and buildings	Plant and equipment	Quarry and other raw material reserves
16 Movements in property, plant and equipment			
Balance at the beginning of the financial year	1,122.5	2,906.0	244.9
acquired	85.3	359.3	15.9
disposed of	(26.5)	(41.6)	(3.2)
depreciation and amortisation	(33.3)	(303.1)	(9.8)
foreign currency translation	(49.9)	(112.2)	(14.7)
reclassifications	(9.1)	7.4	-
Balance at the end of the financial year	1,089.0	2,815.8	233.1

(million)	**2002 US$**	**2002 A$**	2001 A$
17 Intangibles			
Goodwill			
At recoverable amount	**-**	**-**	369.8
Accumulated amortisation	**-**	**-**	(181.1)
	-	**-**	188.7
At cost	**723.3**	**1356.2**	1040.6
Accumulated amortisation	**(174.8)**	**(327.7)**	(94.0)
	548.5	**1028.5**	946.6
Goodwill	**548.5**	**1028.5**	1135.3
Other intangibles			
At recoverable amount	**-**	**-**	58.5
Accumulated amortisation	**-**	**-**	(12.7)
	-	**-**	45.8
At cost	**66.9**	**125.5**	72.8
Accumulated amortisation	**(22.6)**	**(42.4)**	(20.4)
	44.3	**83.1**	52.4
Other intangibles	**44.3**	**83.1**	98.2
Total Intangibles	**592.8**	**1111.6**	1233.5
18 Other assets			
Current			
Prepayments	**11.4**	**21.3**	28.8
Deferred costs	**2.2**	**4.2**	8.8
Total current other assets	**13.6**	**25.5**	37.6
Non-current			
Deferred costs	**57.2**	**107.2**	108.7
Accumulated amortisation	**(18.1)**	**(33.9)**	(32.1)
	39.1	**73.3**	76.6
Software and system development	**60.0**	**112.4**	99.4
Accumulated amortisation	**(25.1)**	**(47.0)**	(36.3)
	34.9	**65.4**	63.1
Total non-current other assets	**74.0**	**138.7**	139.7

CSR Limited and its controlled entities

(million)	2002 US$	2002 A$	2001 A$
19 Current payables			
Accounts payable			
Trade payables	**300.5**	**563.5**	599.9
Other accounts payable[a]	**97.0**	**181.8**	224.3
Total current payables	**397.5**	**745.3**	824.2

a - Includes net hedging losses deferred 2002: nil (2001: A$15.4 million).

20 Interest-bearing liabilities

Current			
Current maturities of long-term borrowings			
Secured			
- bank loans[a]	**0.6**	**1.2**	2.5
- other facilities[a]	**1.5**	**2.7**	2.2
Unsecured			
- bank loans	**30.9**	**58.0**	29.3
- other facilities	**1.0**	**1.9**	0.2
	34.0	**63.8**	34.2
Unsecured bank overdraft	**-**	**-**	0.7
Short-term borrowings			
Unsecured			
- bank loans	**18.6**	**34.9**	34.4
- other facilities	**2.9**	**5.3**	0.8
	21.5	**40.2**	35.2
Total current interest-bearing liabilities	**55.5**	**104.0**	70.1
Non-current			
Long-term borrowings			
Secured			
- bank loans[a]	**5.9**	**11.1**	12.7
- other facilities[a]	**90.4**	**169.5**	185.7
Unsecured			
- bonds	**599.8**	**1124.7**	1210.5
- commercial paper	**223.3**	**418.6**	393.1
- bank lines	**25.2**	**47.3**	413.0
- other facilities	**10.4**	**19.5**	15.0
Total non-current interest-bearing liabilities	**955.0**	**1790.7**	2230.0
Term payables	**23.0**	**43.2**	33.1
Total non-current interest-bearing liabilities and payables	**978.0**	**1833.9**	2263.1

a - Secured by charge over property, plant and equipment. The net carrying value of the assets subject to charge is A$264.3 million.

CSR Limited and its controlled entities

(million)	2002 US$	2002 A$	2001 A$
21 Credit facilities and maturity profile			
Current maturities of long-term borrowings are repayable in the following currencies			
(Australian dollar equivalents are shown)			
United States dollar debt	**3.1**	**5.8**	4.7
Australian dollar debt	**19.3**	**36.3**	0.2
New Taiwanese dollar debt	**11.6**	**21.7**	24.8
Singapore dollar debt	**-**	**-**	4.5
	34.0	**63.8**	34.2

Category of aggregate short-term borrowings
(Australian dollar equivalents are shown)

Australian dollar debt			
- money market	**2.8**	**5.3**	0.8
Malaysian ringgit debt			
- other	**10.9**	**20.4**	22.1
Chinese yuan debt			
- other	**5.3**	**9.9**	10.6
Singapore dollar debt			
- other	**2.5**	**4.6**	1.7
	21.5	**40.2**	35.2

	2002 %	2001 %
Weighted average interest rate of aggregate short-term borrowings		
Australian dollar debt		
- money market	**4.9**	6.1
Malaysian ringgit debt		
- other	**8.0**	8.0
Chinese yuan debt		
- other	**5.9**	5.9
Singapore dollar debt		
- other	**2.4**	3.4

(million)	**2002 US$**	**2002 A$**	2001 A$
Non-current interest-bearing liabilities and payables are repayable in the following currencies			
(Australian dollar equivalents are shown)			
Australian dollars	**0.9**	**1.6**	38.3
United States dollars	**971.4**	**1821.6**	2213.6
Thai baht	**5.7**	**10.7**	11.2
	978.0	**1833.9**	2263.1
Total non-current interest-bearing liabilities and payables will mature as follows			
Year ending March			
- 1 to 2 years	**222.7**	**417.6**	173.0
- 2 to 3 years	**8.5**	**15.8**	403.3
- 3 to 4 years	**402.5**	**754.8**	322.8
- 4 to 5 years	**110.9**	**207.9**	820.9
- 5 to 6 years	**0.4**	**0.8**	0.9
- 6 to 7 years	**0.2**	**0.4**	15.5
- 7 to 8 years	**0.2**	**0.4**	0.4
- 8 to 9 years	**0.3**	**0.5**	0.4
- 9 to 10 years	**-**	**-**	0.4
- more than 10 years	**227.8**	**427.2**	464.5
	973.5	**1825.4**	2202.1
Borrowings and payables without fixed maturity date	**4.5**	**8.5**	61.0
	978.0	**1833.9**	2263.1

(million)	**2002 US$**	**2002 A$**	2001 A$
21 Credit facilities and maturity profile (continued)			
Non-current interest-bearing liabilities and payables			
Short-term maturities backed by long-term credit standby facilities[a]			
US dollar debt			
commercial paper[b]			
- (average rate 2.89%, 2001: 5.21%)	**186.0**	**348.9**	91.2
eurocommercial paper[c]			
- (average rate 3.54%, 2001: 6.34%)	**37.2**	**69.7**	301.9
bank lines			
- (average rate 3.67%, 2001: 6.82%)	**25.2**	**47.3**	376.8
Australian dollar debt			
commercial paper[d]			

- (average rate 4.89%, 2001: 6.35%)	**-**	**-**	-
	248.4	**465.9**	769.9
Long-term maturities			
US dollar debt			
US bonds			
- maturity March 2004 (average rate 6.88%, 2001: 6.88%)	**196.8**	**369.0**	397.1
- maturity July 2005 (average rate 6.88%, 2001: 6.88%)	**252.2**	**473.0**	509.2
- maturity July 2025 (average rate 7.70%, 2001: 7.70%)	**150.8**	**282.7**	304.3
promissory note (average rate 8.50%, 2001: 8.50%)	**82.1**	**154.0**	169.1
private placement (average rate 2.30%, 2001: 4.27%)	**7.3**	**13.6**	14.7
term creditors	**22.3**	**41.8**	31.5
other items (average rate 7.30%, 2001: 7.50%)	**11.5**	**21.6**	17.9
Australian dollar debt			
bank loan			
- maturity September 2002 (average rate nil%, 2001: 6.05%)	**-**	**-**	36.2
other items	**0.9**	**1.6**	2.1
Thai baht debt			
bank loans			
- maturities to 2005 (rate nil%, 2001: nil%)	**5.7**	**10.7**	11.1
	729.6	**1368.0**	1493.2
Non-current interest-bearing liabilities and payables	**978.0**	**1833.9**	2263.1

a - Details of long-term credit standby facilities are disclosed below.

b - Part of a US$400 million evergreen facility.

c - Part of a US$400 million evergreen facility.

d - Part of the A$600 million evergreen facility.

Commercial paper. The CSR Group has commercial paper programs based in the United States, Europe and Australia. These programs, which total US$800 million (2001: US$800 million) and A$600 million (2001: A$600 million) are evergreen facilities. Drawings on these programs are backed by the standby facilities referred to on the right. As at March 31, 2002, the equivalent of A$419 million (2001: A$393 million) commercial paper was on issue.

Credit standby facilities. The CSR Group has a total of US$650 million (2001: US$650 million) committed standby facilities of which US$625 million (2001: US$465 million) was undrawn as at March 31, 2002. These facilities have fixed maturity dates ranging between June 2002 and July 2006. In addition, the CSR Group has US$50 million of undrawn, uncommitted bank standby facilities (2001: US$50 million).

(million)	2002 US$	2002 A$	2001 A$
22 Provisions			
Current			
Dividend	**64.9**	**121.7**	114.4
Employee entitlements	**44.6**	**83.7**	96.8
Fringe benefits tax	**0.6**	**1.1**	0.5
Restructure and rationalisation [b]	**22.1**	**41.4**	55.1
Product liability[a]	**11.0**	**20.6**	19.9
Restoration and environmental rehabilitation	**6.2**	**11.7**	15.1
Uninsured losses and future claims	**29.5**	**55.4**	50.8
Other	**9.1**	**17.0**	23.8
Total current provisions	**188.0**	**352.6**	376.4
Non-current			
Employee entitlements	**31.3**	**58.7**	61.6
Restructure and rationalisation	**1.2**	**2.2**	3.0
Product liability[a]	**60.2**	**113.0**	113.0
Restoration and environmental rehabilitation	**10.6**	**19.9**	18.0
Uninsured losses and future claims	**42.5**	**79.7**	82.3
Other	**0.1**	**0.1**	0.1
Total non-current provisions	**145.9**	**273.6**	278.0

a - Provision for product liability claims and associated costs as detailed below. This table and the notes below should be read in conjunction with note 39 Contingent liabilities.

(A$ million)	Year ending March 31	Opening balance	Provided	Net charged	Closing balance
	2001	84.9	65.0	(17.0)	132.9
	2002	132.9	30.0	(29.3)	133.6

When announcing CSR’s half yearly results in November 2000, directors advised that CSR was considering the potential impact of an accounting exposure draft on provisions. The applicable new accounting standard, AASB1044 "Provisions, Contingent Liabilities and Contingent Assets", was finally issued in October 2001. CSR is not required to adopt AASB1044 until the financial year beginning 1 April 2003, however it can adopt the new standard earlier. The new standard provides significant additional guidance and imposes new requirements for measurement of uncertain liabilities. It also provides guidance on the discounting of provisions, which will require CSR to apply a rate which is lower than the discount rate currently adopted. The directors believe that the only material effect of adopting the new standard will be on the product liability provision (mainly for asbestos claims) and have engaged actuaries to assist in estimating the provision required under AASB1044. Whilst the work is not complete, based on preliminary analysis directors estimate that application of the new standard may increase the product liability provision from A$133.6 million at 31 March 2002 to between A$250 million and A$350 million. Any increase in the provision as a result of adopting the new standard will be charged directly to retained earnings. The above estimate does not reflect any material change in CSR’s underlying product liability risk profile nor does it include any potential benefits from settlements with insurers.

b - The CSR Group is currently closing down its Taiwan operations. A$9 million of the provision relates to various closure costs. In 2001 and 2000 the CSR Group exited the Timber business. A$12 million of these provisions relate to various disputes with certain purchasers and to ongoing closure costs. The CSR Group has closed its Indonesian plasterboard business and has provided A$7 million for closure and rehabilitation costs.

Notes to the financial statements

CSR Limited and its controlled entities

	Ordinary shares[a] Fully paid	Partly paid	price A$	capital A$ million
23 Contributed equity				
Particulars of shares issued during the year by CSR Limited				
On issue March 31, 2001	963,738,421	843,000		2,322.4
Partly to fully paid[b]	326,000	(326,000)	4.82	1.5
Executive Share Option Plan (options converted)	5,029,166	-	3.98	20.0
Universal Share/Option Plan[c]	822,100	-	4.86	4.0
Share buyback[d]	(34,081,215)	-	6.12	(208.5)
Total movements during the year	**(27,903,949)**	**(326,000)**		**(183.0)**
On issue March 31, 2002	**935,834,472**	**517,000**		**2,139.4**
Movements since year end				
Share buyback[d]	(1,100,000)		6.05	
On issue May 21, 2002	**934,734,472**	**517,000**		

a - Ordinary fully paid shares are listed on the Australian and London stock exchanges and are traded in sponsored American Depositary Receipt form on the over-the-counter market in the United States. Fully paid ordinary shares carry one vote per share and the right to dividends.

b - Ordinary shares were issued between 1986 and 1990 under the now superseded Executive Share/Option Plan. The shares are partly paid to A$0.10, are entitled to one thirtieth of the dividend, and have no voting rights. The issue prices ranged between A$3.00 and A$5.35 per share.

c - Ordinary fully paid shares were issued in August, September and October 2001 under the employee Universal Share/Option Plan. For tax reasons, shares cannot be sold by participants within three years of allotment, unless they finish their employment with the company. Offers of 100 or 200 fully paid shares were made to all eligible employees (6,612), 4,129 accepted the offer with 2,026 purchasing shares under the loan option and 2,103 purchasing shares under the alternative option, subscribing for 100 shares and receiving a further 100 shares at no cost.

d - On June 1, 2000, CSR commenced a twelve month share buyback of up to 10% of its fully paid shares. A total of 89.0 million shares were repurchased under the original buyback. On 1 June 2001 CSR commenced a further twelve month share buyback of up to 10% of its fully paid shares. A total of 22.7 million shares were repurchased under this further buyback.

Options[e]

Under the CSR executive option plans, the following options, each convertible to one ordinary CSR Limited fully paid share, have been issued.

Calendar year of issue	No. execs	Price[f]	Original issue	On issue March 31, 2001	During the year Issued	Converted	Lapsed	On issue March 31, 2002	After year end Converted	Lapsed	On issue May 21, 2002
1998[g]	50	3.86	10,100,000	5,972,500		(3,097,500)	(50,000)	2,825,000	-	-	2,825,000
1998[h]	12	3.86	2,500,000	2,500,000		(700,000)	(450,000)	1,350,000	-	-	1,350,000
1999[g]	123	4.40	2,790,000	2,220,000		(865,000)	(20,000)	1,335,000	-	-	1,335,000
1999[g]	1	4.36	400,000	400,000		-	-	400,000	-	-	400,000
1999[g]	16	3.75	480,000	235,000		(66,666)	-	168,334	-	-	168,334
2000[g]	1	4.04	200,000	200,000		(50,000)	-	150,000	-	-	150,000
2000[i,]	145	4.47	3,080,000	2,920,000		(250,000)	(265,000)	2,405,000	-	-	2,405,000
2000[i]	3	4.65	410,000	410,000		-	-	410,000	-	-	410,000
2001[g j]	3	6.44	215,000		215,000	-	-	215,000	-	-	215,000
2001[i,j]	147	7.03	3,180,000		3,180,000	-	(60,000)	3,120,000	-	-	3,120,000
2001[i,j]	3	6.62	315,000		315,000	-	-	315,000	-	-	315,000
Total				14,857,500	3,710,000	(5,029,166)	(845,000)	12,693,334	-	-	12,693,334

e - The holders of the options do not have any right, by virtue of the options, to participate in any share or other interest issue of CSR or any other body corporate, but the amount payable on exercise or number of shares issued may be varied as a result of pro-rata rights or bonus issues.

f - The issue price is the CSR share market price at the time of each issue, hence no cost was recognised in the statement of financial performance.

g - Options issued under the Executive Share Option Plan approved at the 1998 annual general meeting. Options have been issued in 1998, 1999 and June 2000 and are eligible for conversion progressively over varying periods as from mid 2000 to mid 2005. The conversion of each portion of options to shares is conditional on the percentage growth in the cumulative value of a notional investment in CSR exceeding the growth of an equivalent investment in the ASX All Industrials Accumulation Index, measured over defined periods. Options are issued at the CSR share market price at the time of the issue. The obligation to pay this amount is deferred until these options are exercised or lapse.

h - Options issued to Rinker Materials Corporation executives on the same basis as set out in note g above, except that the options paid to A$0.01 with the balance of the issue price payable when the options are exercised.

í - Options issued under the Executive Share Option Plan approved at the 1998 annual general meeting and amended at the 2000 annual general meeting. Options have been issued in August 2000, December 2000, June 2001, August 2001 and December 2001 and are eligible for conversion progressively over varying periods as from mid 2002 to end 2005. The conversion of options to shares is conditional on the percentage growth in the cumulative value of a notional investment in CSR exceeding the growth of an equivalent investment in the ASX All Industrials Accumulation Index (including manufacturing and industrial organisations, but excluding such companies as banks, finance, insurance, investment, financial services, media, property trusts, telecommunications, leisure and tourism), measured over defined periods. Options are issued at the CSR share market price at the time of the issue. The obligation to pay this amount is deferred until these options are exercised or lapse.

j - In 2001, 3,710,000 options were offered to 153 executives.

(million)	2002 US$	2002 A$	2001 A$

24 Reserves

Capital	**16.0**	**30.0**	30.8
Foreign currency translation	**133.9**	**251.1**	356.0
Total reserves	**149.9**	**281.1**	386.8
Movement in capital reserves			
Balance at the beginning of the financial year	**16.4**	**30.8**	39.2
Transfers to retained earnings	**(0.4)**	**(0.8)**	(3.9)
Decrease in asset revaluation reserve[a]	**-**	**-**	(4.5)
Balance at the end of the financial year	**16.0**	**30.0**	30.8
Movements in foreign currency translation reserve			
Balance at the beginning of the financial year	**189.9**	**356.0**	112.3
Exchange differences relating to overseas net assets			
- net (loss) gain on translation	**(69.4)**	**(130.2)**	330.2
- net gain (loss) on hedge transactions	**13.5**	**25.3**	(88.9)
	(55.9)	**(104.9)**	241.3
Transfers to retained earnings	**-**	**-**	2.4
Balance at the end of the financial year	**134.0**	**251.1**	356.0

a - Asset writedowns to recoverable amount and results of group wide land and buildings revaluation exercise.

25 Outside equity interests in controlled entities

Share capital	**39.2**	**73.4**	74.1
Capital reserves	**2.2**	**4.2**	4.2
Retained profits	**2.1**	**4.0**	19.6
Total outside equity interests in controlled entities	**43.5**	**81.6**	97.9

26 Interests in joint venture operations

Interest in the Tomago aluminium smelter joint venture operation [a b] is included in the financial statements in the following categories

Current assets			
- cash	**0.4**	**0.8**	-
- receivables	**0.3**	**0.6**	1.2
- inventories	**12.3**	**23.0**	22.3
- other	**0.4**	**0.7**	0.4
	13.4	**25.1**	23.9
Non-current assets			
- receivables	**0.1**	**0.2**	0.2
- property, plant and equipment	**164.3**	**308.0**	324.4
- other	**7.3**	**13.7**	14.0
	171.7	**321.9**	338.6
Total assets employed in joint ventures	**185.1**	**347.0**	362.5
Current liabilities	**(14.4)**	**(27.0)**	(25.3)
Non-current liabilities	**(1.2)**	**(2.2)**	(2.4)
Total liabilities	**(15.6)**	**(29.2)**	(27.7)
Net assets	**169.5**	**317.8**	334.8
Contracted capital expenditure	**2.6**	**4.8**	4.5
Contingent liabilities	**-**	-	-

a - CSR's joint venture interest of 36.1% (2001: 36.1%) is held through controlled entities in which CSR has a 70% interest (2001: 70%).
b - Principal activity: Aluminium

(thousand)	2002 US$	2002 A$	2001 A$	2000 A$
27 Directors' and executives' remuneration[a b]				
Aggregate income paid or payable, or otherwise made available, to directors of				
- CSR Limited	**7119**	**13349**	9559	7057
- controlled entities[c]	**2298**	**4308**	4415	7073
	9417	**17657**	13974	14130
Australian executives whose total income equals or exceeds A$100 000[d]	**15163**	**28433**	23106	23464

The number of CSR Limited directors and Australian executives whose total income fell within the following bands[d]

Directors (A$)	2002	2001	2000
1 to 9,999		2	
30,000 to 39,999			1
60,000 to 69,999	**1**	2	4
70,000 to 79,999	**3**	2	2
80,000 to 89,999	**1**		
120,000 to 129,999	**1**		
160,000 to 169,999			1
170,000 to 179,999		2	2
180,000 to 189,999	**1**		
200,000 to 209,999		1	
220,000 to 229,999		1	
540,000 to 549,999	**1**		
990,000 to 999,999	**1**		
1,040,000 to 1,049,999			1
1,050,000 to 1,059,999		1	
1,160,000 to 1,169,999			1
1,310,000 to 1,319,999		1	
1,640,000 to 1,649,999			1
1,820,000 to 1,829,999	**1**		
2,250,000 to 2,259,999			1
2,990,000 to 2,999,999		1	
3,100,000 to 3,109,999		1	
3,510,000 to 3,519,999	**1**		
5,790,000 to 5,799,999	**1**		

Australian executives (A$)	2002	2001	2000
100,000 to 109,999	**1**		
120,000 to 129,999		1	
140,000 to 149,999		1	
150,000 to 159,999			1
160,000 to 169,999	**1**	2	
170,000 to 179,999	**1**	3	2
180,000 to 189,999	**1**	1	4
190,000 to 199,999	**4**	1	
200,000 to 209,999	**4**	1	2
210,000 to 219,999	**4**	1	1
220,000 to 229,999	**3**	3	2
230,000 to 239,999	**3**	3	3
240,000 to 249,999	**1**	1	1
250,000 to 259,999	**2**	4	2
260,000 to 269,999	**1**		3
270,000 to 279,999	**2**	3	2
280,000 to 289,999		3	
290,000 to 299,999	**5**	1	1
300,000 to 309,999	**2**	1	3
310,000 to 319,999		2	
330,000 to 339,999	**1**		1
340,000 to 349,999		1	3
350,000 to 359,999		1	1
360,000 to 369,999	**2**		1
370,000 to 379,999	**2**	5	
380,000 to 389,999	**1**		
390,000 to 399,999	**1**	1	1
400,000 to 409,999	**1**		3
410,000 to 419,999	**4**	1	1
420,000 to 429,999		2	
430,000 to 439,999		1	
440,000 to 449,999	**1**		1
450,000 to 459,999			1
470,000 to 479,999		1	1
480,000 to 489,999		1	
490,000 to 499,999	**1**		
500,000 to 509,999	**1**	3	2
510,000 to 519,999	**1**		
520,000 to 529,999			1
550,000 to 559,999			1
560,000 to 569,999		1	
600,000 to 609,999			1
700,000 to 709,999		1	1
740,000 to 749,999			1
760,000 to 769,999	**1**		1
780,000 to 789,999		1	
830,000 to 839,999	**1**		
880,000 to 889,999	**1**		
900,000 to 909,999	**1**		
950,000 to 959,999	**1**		
990,000 to 999,999	**1**		
1,020,000 to 1,029,999			1
1,040,000 to 1,049,999			1
1,050,000 to 1,059,999		1	
1,060,000 to 1,069,999	**1**	1	
1,160,000 to 1,169,999			1
1,220,000 to 1,229,999			1
1,310,000 to 1,319,999		1	
1,820,000 to 1,829,999	**1**		
1,970,000 to 1,979,999	**1**		
2,250,000 to 2,259,999			1
2,990,000 to 2,999,999		1	
3,510,000 to 3,519,999	**1**		

a - Total remuneration for each director and executive includes salary, bonus, superannuation, retirement payments and other benefits, but excludes possible benefits arising from executive directors' and executives' participation in the Executive Share Option Plan as the exercise price of options issued is the market price at the time of issue. Refer to note 23.

b - Included in the balance sheet is a provision for the retirement allowances of CSR Limited non-executive directors. This provision has decreased from A$1.101 million as at March 31, 2001 to A$0.740 million as at March 31, 2002.

c - Includes executive directors of partly-owned controlled entities.

d - Number of Australian executives 61 (2001: 56). Average remuneration A$466,114 (2001: A$412,607). The definition of executive is "Employees responsible for the strategic direction and operational management of the company".

(thousand)	2002 US$	2002 A$	2001 A$	2000 A$
28 Auditors' remuneration				
Auditing and reviewing the financial report of the parent entity (including the consolidated entity) and each controlled entity				
Auditor of parent entity				
- Deloitte Touche Tohmatsu in Australia	**593**	**1111**	912	1015
Other auditors				
- Deloitte Touche Tohmatsu excluding Australia	**646**	**1211**	1328	765
	1238	**2322**	2240	1780
Other services				
- Deloitte Touche Tohmatsu in Australia	**238**	**446**	784	212
- Deloitte Touche Tohmatsu excluding Australia	**905**	**1696**	823	2898
	1142	**2142**	1607	3110
Total auditors' remuneration	**2381**	**4464**	3847	4890
Other services comprise:				
- internal audit	**13**	**25**	12	472
- taxation strategy and compliance [a]	**905**	**1696**	823	2424
- completion audits	**24**	**45**	120	-
- accounting advice	**25**	**46**	122	186
- actuarial services	**161**	**301**	500	-
- other	**16**	**29**	30	28
	1142	**2142**	1607	3110

a - During the year ended March 31, 2002, additional one-off assistance was provided in relation to the tax position of major acquisitions in the prior year.

(million)	2002 US$	2002 A$	2001 A$
29 Foreign currency balances not effectively hedged			
The Australian dollar equivalents of foreign currency balances not effectively hedged are included in the financial statements as follows			
United States dollars			
Current assets	**355.1**	**665.9**	667.6
Non-current assets	**1896.7**	**3556.6**	3813.5
Current liabilities	**(281.5)**	**(527.9)**	(600.0)
Non-current liabilities	**(1139.7)**	**(2137.0)**	(2722.5)
	830.6	**1557.6**	1158.6
Other			
Current assets	**61.3**	**115.0**	120.6
Non-current assets	**58.5**	**109.7**	125.3
Current liabilities	**(75.3)**	**(141.2)**	(115.8)
Non-current liabilities	**(6.0)**	**(11.3)**	(47.4)
	38.5	**72.2**	82.7

30 Financial instruments

The CSR Group use a variety of derivative instruments to manage financial and commodity price risks. The CSR Group does not use or issue derivative or financial instruments for speculative or trading purposes.

Credit exposure.

The CSR Group is exposed to credit related losses in the event of non-performance by counterparties to these derivative and financial instruments. The counterparties are predominantly prime financial institutions with a Moody's or Standard and Poor's rating of at least A2 or A respectively. The CSR Group controls risk through the use of credit ratings, limits and monitoring procedures. The CSR Group does not usually require collateral or other security to support financial instruments with credit risk.

Credit exposure of interest rate, foreign currency and commodity price derivatives is represented by the net fair value of the contracts. The carrying amounts of financial assets included in CSR's financial statements represent CSR's exposure to credit risk in relation to these assets.

As at March 31, 2002, the CSR Group had no significant concentration of credit risk for derivative instruments with any single counter-party or group of counterparties. Concentrations of credit risk with respect to receivables are limited due to the large number of clients and markets in which the CSR Group does business, as well as the dispersion across many geographic areas.

Net fair value. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that the CSR Group would realise upon disposition nor do they indicate the CSR Group's intent or ability to dispose of the financial instrument.

The following assumptions and methods were used to estimate net fair value.

<u>Commodity futures.</u> The net fair value is based on the closing price on the applicable futures exchanges and other market prices.

<u>Interest rate swaps, caps, swaptions, foreign currency contracts, foreign exchange options, currency swaps and commodity swaps.</u> The net fair value is estimated using market accepted formulae and market quoted input variables.

<u>Cash, short-term loans and deposits, receivables, payables and short-term borrowings.</u> The carrying amounts of these financial instruments approximate net fair value because of their short maturity.

<u>Long-term borrowings.</u> The present value of expected cash flows have been used to determine net fair value using interest rates derived from market parameters that accurately reflect their term structure. Certain estimates and judgements were required to develop the fair value amounts.

Commodity price sensitivity and risk management

The CSR Group has exposure to aluminium commodity prices arising from sales contracts that commit the CSR Group to supply this commodity in future years. Prices for product supplied under these contracts are a function of the US dollar market price at the time of delivery. The CSR Group also has exposure to sugar prices through its raw sugar milling activities. The CSR Group receives its share of A$ pool price revenue derived by Queensland Sugar Ltd based on its sugar price and foreign exchange hedging activities. The CSR Group uses a variety of derivative instruments to manage its commodity price exposure with the objective of ensuring more predictable revenue cashflows. The CSR Group has a policy of maintaining a minimum, but declining level of hedging over the next four years by the use of commodity price swaps and options. Sugar price hedging is predominantly carried out by Queensland Sugar Ltd for a maximum term usually of 18 months. Limited additional hedging for a longer term has been undertaken by the CSR Group when an acceptable price outcome could be achieved.

Commodity price risk exposures (A$ million)	Average price[a]	Principal / maturities 1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years	Total	Net fair value Asset	Liability
2002										
Aluminium										
LME aluminium futures contracts[e]										
- Sell	**1,488.7[b]**	**-**	**-**	**12.7**	**-**	**-**	**-**	**12.7**	**0.2**	**-**
Aluminium commodity swaps[e]	**1,533.4[b]**	**253.2**	**204.0**	**79.7**	**72.4**	**-**	**-**	**609.3**	**38.3**	**0.3**
Raw sugar										
Commodity swaps[e]										
- US$ raw sugar	**8.27[c]**	**12.1**	**1.2**	**-**	**-**	**-**	**-**	**13.3**	**4.4**	**-**
- A$ raw sugar	**12.46[d]**	**9.5**	**1.0**	**-**	**-**	**-**	**-**	**10.5**	**1.7**	**-**
Total									**44.6**	**0.3**
2001										
Aluminium										
LME aluminium futures contracts										
- Sell	1,531.5[b]	23.4	-	-	-	-	-	23.4	0.9	0.3
Aluminium commodity swaps	1,544.4[b]	286.4	272.5	214.9	-	-	-	773.8	29.5	5.8
Raw sugar										
Commodity swaps										
- US$ raw sugar	8.55[c]	12.6	12.3	-	-	-	-	24.9	3.7	-
- A$ raw sugar	12.82[d]	9.8	9.6	-	-	-	-	19.4	-	2.7
Commodity options										
- Purchased US$ raw sugar	11.00[d]	0.9	-	-	-	-	-	0.9	-	-
- Sold US$ raw sugar	14.40[d]	1.1	-	-	-	-	-	1.1	-	0.1
Total									34.1	8.9

a - Average prices for the individual periods do not materially differ from the overall average price disclosed.
b - United States dollars per metric tonne.
c - United States cents per pound.
d - Australian cents per pound.

e - A$44.3 million of commodity contract assets have been deferred or not recognised as they relate to hedges of anticipated transactions. The expected timing of recognition based on the fair values at March 31, 2002 are 1 year or less A$29.7 million, 1 to 2 years A$12.0 million, 2 to 3 years A$1.1 million and 3 to 4 years A$1.5 million.

Notes to the financial statements

CSR Limited and its controlled entities

30 Financial instruments (continued)

Foreign exchange sensitivity and risk management

The CSR Group is party to a variety of foreign exchange risk management instruments, such as currency swaps, forward contracts and currency options. These instruments are used to hedge foreign currency denominated receipts resulting from revenue denominated in foreign currencies (principally US dollar, in respect of aluminium sales), payments for some raw materials, capital equipment, liabilities and assets. The CSR Group uses a variety of derivative instruments in the management of its foreign exchange exposures with the objective of achieving more continuity in its Australian dollar equivalent revenues.

The CSR Group's major foreign currency exposure relates to its aluminium commodity price exposure and consequently it has a currency hedging policy associated with the commodity price hedging policy. That is, minimum but declining levels of hedging over the next four years by the use of forward exchange rate agreements and currency options. Any sugar price hedging undertaken directly by the CSR Group (noted above) is also matched with currency hedging.

Other foreign exchange revenues are relatively small and policy only requires hedging a minimum amount of these exposures for a period of 12 to 18 months. Policy requires that foreign currency denominated purchases of capital equipment be fully hedged to the domestic currency to eliminate all such currency exposure. Similarly, policy also requires that foreign currency assets and liabilities are fully hedged to the relevant entity's domestic currency. A long term US dollar bond issue, which is used by CSR to hedge its investment in Rinker Materials Corporation is excluded from this policy.

The table below provides information about the CSR Group's significant exchange rate exposure.

Foreign exchange risk exposure (A$ million)	Average exchange rate[a]	Principal/maturities 1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years	Total	Carrying amount Asset	Carrying amount Liability	Net fair value Asset	Net fair value Liability
2002												
US dollar												
Forward exchange rate agreements[b]												
Receive US$	**0.59**	**41.6**	**40.6**	**-**	**-**	**-**	**-**	**82.2**	**-**	**-**	**12.3**	**0.1**
Pay US$	**0.54**	**660.3**	**333.7**	**100.5**	**70.6**	**-**	**-**	**1,165.1**	**5.8**	**0.1**	**15.6**	**64.4**
Currency options[b]												
Purchased US$ puts against A$	**0.54**	**1.9**	**-**	**-**	**-**	**-**	**-**	**1.9**	**-**	**-**	**-**	**-**
Sold US$ calls against A$	**0.50**	**1.9**	**-**	**-**	**-**	**-**	**-**	**1.9**	**-**	**-**	**-**	**0.1**
NZ dollar												
Forward exchange rate agreements[b]												
Pay NZ$	**1.21**	**9.1**	**-**	**-**	**-**	**-**	**-**	**9.1**	**-**	**-**	**-**	**-**
Cross currency interest rate swap												
Pay NZ$	**1.14**	**38.7**	**-**	**-**	**-**	**-**	**-**	**38.7**	**0.1**	**0.1**	**2.7**	**-**
Euro												
Forward exchange rate agreements[b]												
Receive Euro	**0.61**	**2.9**	**-**	**-**	**-**	**-**	**-**	**2.9**	**-**	**-**	**0.1**	**-**
Total									**5.9**	**0.2**	**30.7**	**64.6**
2001												
US dollar												
Forward exchange rate agreements												
Receive US$	0.55	199.7	34.6	38.2	-	-	-	272.5	-	-	30.9	-
Pay US$	0.56	978.7	294.4	282.4	26.4	-	-	1,581.9	-	-	-	219.4
Currency options												
Purchased US$ puts against A$	0.58	8.6	1.9	-	-	-	-	10.5	-	-	0.1	-
Sold US$ calls against A$	0.56	1.6	2.0	-	-	-	-	3.6	-	-	-	0.1
NZ dollar												
Forward exchange rate agreements												
Pay NZ$	1.22	8.2	-	-	-	-	-	8.2	-	-	-	0.1
Cross currency interest rate swap												
Pay NZ$	1.14	-	38.7	-	-	-	-	38.7	-	0.1	3.0	-
Euro												
Forward exchange rate agreements												
Receive Euro	0.63	7.8	-	-	-	-	-	7.8	-	-	1.0	-
Total									-	0.1	35.0	219.6

a - Average rates for the individual periods do not materially differ from the overall average rates disclosed.

b - A$42.2 million of foreign exchange contract liabilities have been deferred or not recognised as they relate to hedges of anticipated transactions. The expected timing of recognition based on fair values at March 31, 2002 are 1 year or less A$34.7 million, 1 to 2 years A$10.7 million, 2 to 3 years A$(2.0) million and 3 to 4 years A$(1.2) million.

Net fair values (A$ million)	Carrying amount Asset **2002**	Carrying amount Asset 2001	Carrying amount Liability **2002**	Carrying amount Liability 2001	Net fair value Asset **2002**	Net fair value Asset 2001	Net fair value Liability **2002**	Net fair value Liability 2001
Other investments	**40.2**	92.0			**40.2**	92.0		
Current payables			**745.3**	824.2			**745.3**	824.2
Non-current payables			**43.2**	33.1			**43.2**	33.1
Total	**40.2**	92.0	**788.5**	857.3	**40.2**	92.0	**788.5**	857.3

Notes to the financial statements

CSR Limited and its controlled entities

30 Financial instruments (continued)

Interest rate sensitivity and risk management

The CSR Group enters into a variety of derivative instruments in the management of interest rate exposure with the objective of obtaining lower funding costs and a more stable and predictable interest expense. The CSR Group has a policy to maintain the percentage of fixed and variable rate debt within controlled limits. Interest rate swaps and options are entered into to maintain the mix of fixed and variable rate debt. The table below provides information about the CSR Group's interest rate exposure and should be read in conjunction with note 21.

	Weighted average		Principal/maturities										
Interest rate risk exposure	Term in	Rate	1 year	1 to 2	2 to 3	3 to 4	4 to 5	over		Carrying amount		Net fair value	
(A$ million)	years	%pa[a]	or less	years	years	years	years	5 years	Total	Asset	Liability	Asset	Liability
2002													
Long-term debt													
Fixed rate US$ debt	8.5	7.3	-	369.0	-	473.0	-	437.8	1279.8	-	1296.8	-	1332.9
Floating rate US$ debt	4.1	2.1	-	5.2	5.1	281.8	207.9	-	500.0	-	500.6	-	500.6
Floating rate THB debt	2.8	-	-	-	10.7	-	-	-	10.7	-	10.7	-	10.7
Short-term debt													
Fixed rate A$ debt	0.5	6.1	38.7	-	-	-	-	-	38.7	-	38.8	-	39.0
Fixed rate CNY debt	0.9	5.7	9.8	-	-	-	-	-	9.8	-	9.9	-	9.9
Fixed rate MYR debt	0.2	8.0	20.4	-	-	-	-	-	20.4	-	20.5	-	20.5
Floating rateUS$ debt	-	-	5.8	-	-	-	-	-	5.8	-	5.8	-	5.8
Floating rate A$ debt	-	-	3.0	-	-	-	-	-	3.0	-	3.0	-	3.0
Floating rate NTD debt	-	1.9	21.7	-	-	-	-	-	21.7	-	21.7	-	21.7
Floating rate SGD debt	0.3	1.6	4.6	-	-	-	-	-	4.6	-	4.6	-	4.6
Term payables and other	-	-	-	43.4	-	-	-	-	43.4	-	43.4	-	43.4
Cash at bank and on deposit	-	-	156.6	-	-	-	-	-	156.6	156.6	-	156.6	-
Total										156.6	1,955.8	156.6	1,992.1
Interest rate derivatives													
US dollar interest rate swaps													
Fixed rate payer against LIBOR	1.3	5.7	94.6	141.9	-	-	-	-	236.5	0.1	0.2	-	6.4
Fixed rate receiver against LIBOR	1.9	6.9	-	189.2	-	-	-	-	189.2	1.1	0.4	10.1	-
US dollar interest rate basis swaps													
Floating rate payer against US$ LIBOR	1.9	2.1	-	94.6	-	-	-	-	94.6	0.2	0.2	-	0.1
US dollar interest rate swaptions													
US$ interest rate swaptions purchased	0.1	5.2	94.6	-	-	-	-	-	94.6	-	-	-	0.3
US$ interest rate swaptions sold	0.1	4.6	94.6	-	-	-	-	-	94.6	-	-	0.2	-
Australian dollar interest rate swaps													
Fixed rate receiver against A$ bank bills	1.1	6.0	10.0	10.0	-	-	-	-	20.0	0.1	-	0.2	-
Total										1.5	0.8	10.5	6.8
2001													
Long-term debt													
Fixed rate US$ debt	9.5	7.3	-	-	397.1	-	509.2	471.3	1,377.6	-	1,395.9	-	1,521.7
Fixed rate A$ debt	1.5	6.1	-	38.3	-	-	-	-	38.3	-	38.8	-	39.5
Floating rate US$ debt	3.4	5.3	57.1	101.6	6.2	311.7	311.7	14.7	803.0	-	804.9	-	804.3
Floating rate THB debt	3.8	-	-	-	-	11.1	-	-	11.1	-	11.2	-	11.2
Short-term debt													
Fixed rate CNY debt	0.9	5.9	10.6	-	-	-	-	-	10.6	-	10.7	-	10.7
Fixed rate MYR debt	0.2	8.0	22.1	-	-	-	-	-	22.1	-	22.3	-	22.3
Floating rateUS$ debt	-	-	4.7	-	-	-	-	-	4.7	-	4.7	-	4.7
Floating rate A$ debt	-	-	1.7	-	-	-	-	-	1.7	-	1.7	-	1.7
Floating rate NTD debt	-	3.7	24.8	-	-	-	-	-	24.8	-	24.9	-	24.9
Floating rate SGD debt	0.1	2.8	6.2	-	-	-	-	-	6.2	-	6.2	-	6.2
Term payables and other	-	-	-	33.1	-	-	-	-	33.1	-	33.1	-	33.1
Cash at bank and on deposit	-	-	200.2	-	-	-	-	-	200.2	200.2	-	200.2	-
Total										200.2	2,354.4	200.2	2,480.3
Interest rate derivatives													
US dollar interest rate swaps													
Fixed rate payer against LIBOR	1.7	5.7	152.7	101.8	152.8	-	-	-	407.3	0.6	0.6	-	4.7
Fixed rate receiver against LIBOR	3.6	6.9	-	-	397.1	-	407.4	-	804.5	7.7	6.3	38.5	-
Australian dollar interest rate swaps													
Fixed rate receiver against A$ bank bills	2.1	6.0	-	10.0	10.0	-	-	-	20.0	0.1	-	0.4	-
Total										8.4	6.9	38.9	4.7

a - Average rates for the individual periods do not materially differ from the overall average rates disclosed.

(million)	2002 US$	2002 A$	2001 A$
31 Contracted capital expenditure			
Contracted capital expenditure			
Estimated capital expenditure contracted for at balance date but not provided for			
Payable within one year - controlled entities	**13.9**	**26.0**	65.4
Payable within one year - CSR Group share of associate entities	**1.9**	**3.6**	2.3
Total contracted capital expenditure	**15.8**	**29.6**	67.7
32 Contracted lease and hire expenditure			
Contracted lease and hire expenditure commitments not otherwise provided for in the financial statements			
- land and buildings	**51.0**	**95.6**	114.8
- quarry and other raw material reserves	**4.2**	**7.9**	5.1
- plant and equipment	**15.1**	**28.4**	32.1
	70.3	131.9	152.0
Contracted lease and hire expenditure comprises			
Operating leases			
Non-cancellable payable			
- within 1 year	**17.9**	**33.5**	38.2
- between 1 and 2 years	**12.4**	**23.3**	31.5
- between 2 and 3 years	**10.7**	**20.0**	23.9
- between 3 and 4 years	**7.3**	**13.7**	16.3
- between 4 and 5 years	**5.6**	**10.5**	12.5
- after 5 years	**8.6**	**16.1**	18.5
	62.5	**117.1**	140.9
Other payable			
- within 1 year	**2.0**	**3.8**	2.2
- between 1 and 2 years	**1.6**	**3.0**	1.9
- between 2 and 3 years	**1.5**	**2.8**	1.9
- between 3 and 4 years	**1.5**	**2.8**	1.9
- between 4 and 5 years	**0.7**	**1.3**	0.8
- after 5 years	**0.6**	**1.1**	2.4
	7.9	**14.8**	11.1
Total operating lease and hire expenditure	**70.4**	**131.9**	152.0
Finance leases payable			
- within 1 year	**0.9**	**1.6**	1.1
- between 1 and 2 years	**1.2**	**2.3**	4.6
Total minimum finance lease payments	**2.1**	**3.9**	5.7
Less amounts provided for in the financial statements			
- current lease liabilities	**0.9**	**1.6**	1.1
- non-current lease liabilities	**1.2**	**2.3**	4.6
Finance lease expenditure not otherwise provided for	**-**	**-**	-
in the financial statements	**-**	**-**	-
Total contracted lease and hire expenditure not otherwise provided for in the financial statements	**70.4**	**131.9**	152.0

The total of minimum rentals to be received in the future under non-cancellable subleases as at March 31, 2002 is not material.
Contingent rentals for 2002, 2001 and 2000 financial years were not material.
The leases on most of the company's rental premises contain renewal options. The company's decision to exercise renewal options is primarily dependant upon the level of business conducted at the location and the profitability thereof.

33 Non-cash financing and investing activities

During the year ended March 31, 2002, CSR Limited issued shares to employees of CSR Limited and its controlled entities under the terms of the Universal Share Option Plan. These shares are funded by employee loans of A$2.6 million (2001: A$1.7 million) from CSR Limited.

During the year ended March 31, 2001, CSR Limited was gifted shares in Sugar Terminals Limited which CSR valued at A$27.5 million. The receipt of these shares was recorded as revenue and recognised as an asset.

During the year ended March 31, 2001, the purchase of the assets of a controlled entity was partially financed by the assumption of a A$158.4 million debt in the controlled entity.

34 Related party information

During the year CSR Limited advanced and repaid loans, sold and purchased goods and services and provided accounting and administrative assistance to its wholly owned controlled entities.

All transactions with related parties are on commercial terms and conditions.

Except for the amounts disclosed in note 36, no material amounts were receivable from or payable to related parties as at March 31, 2002, and no material transactions with related parties occurred during the year.

Directors and director-related entities

The directors who held office during the year are included in the table below.

Non-executive directors have agreements with CSR Limited which conform to the provisions of the company's constitution in respect of entitlements to retirement and termination payments.

Directors' Holdings of CSR Securities

The directors' holdings of CSR securities are detailed in the table below. The directors increased their shareholdings of CSR ordinary shares on terms no more favourable than those available to other employees or shareholders.

Shareholdings of directors and director-related entities

	Number of shares				Number of options				
	March 31 2001	Acquired	Sold	**March 31 2002**	March 31 2001	Issued	Lapsed	Exercised	**March 31 2002**
John Arthur	4,000	4,412	-	**8,412**[b]					
John Ballard[a]	-	10,000	-	**10,000**					
Ian Blackburne	21,000	1,000	-	**22,000**					
Alec Brennan	318,220	250,000	-	**568,220**	500,000	100,000	-	200,000	**400,000**
Ian Burgess	130,437	-	-	**130,437**[c]					
David Clarke	88,294	-	-	**88,294**	400,000	-	-	-	**400,000**
Carolyn Hewson	16,155	3,621	-	**19,776**[b]					
Peter Kirby	667,881	417,335	-	**1,085,216**	700,000	225,000	-	250,000	**675,000**
Robert McLean	15,410	1,250	-	**16,660**[d]					
John Morschel	20,382	8,729	-	**29,111**[b]					
Jim Osborne	134,533	-	-	**134,533**[e]	500,000	100,000	-	-	**600,000**[e]
John Wylie	12,000	9,088	-	**21,088**[b]					

a - Appointed May 21, 2001.

b - In April 2002, under the Employee Share Acquisition Plan, the following shares were acquired; John Arthur (479), Carolyn Hewson (320), John Morschel (879) and John Wylie (1,132).

c - Balance at date of retirement, May 1, 2001.

d - Balance at date of retirement, July 19, 2001.

e - Balance at date of retirement, September 10, 2001.

34 Related party information (continued)

Loans to directors

Aggregate repayments of A$0.004 million (2001: A$0.006 million; 2000: A$0.025million) were received from the following directors of CSR Limited and its controlled entities during the year. G Livingstone, B M Mann, S A Quay, P W Trimble.

Employee share plan interest free loans to directors.

Aggregate loans of A$0.040 million (2001: A$0.029 million; 2000: A$0.039 million) were made to, and aggregate repayments of A$0.058 million (2001: A$0.048; 2000: A$0.045 million) were received from, the following directors of CSR Limited and its controlled entities during the year.

R A Albano, C J Barry, M O Bateman, P J Bremner, A N Brennan, M B Buckland, J E Burman, M J Canny, K R Carew, A B Carlton, D V Clarke, K N Commins, J H Crossley, J L Davies, M R Day, F T Dooley, A P Driver, R E Elliott, D J Ellis, I D Forrest, B J Fowler, D A Fuller, R G Gellweiler, F N Gosling, C J Crubb, R J Halbert, M Hollingsworth, E K Ip, P G James, H F Leong, G Livingstone, N H Lowndes, B M Mann, R J McGregor, P M McGuigan, J V McKay, I M McMaster, K R Merton, R Michel, N F Miller, P R Nettheim, W C Ong, G F Pettigrew, C W Power, J C Prior, S A Quay, M J Ring, D E Ryerson, I R Sampson, P A Simpson, E A Smith, M Sneddon, C T Soh, P D Stone, B E Stump, V C Thomas, D J Timms, P W Trimble, A R Vivian, S P Vlam, P G Wakeham, C D Wallace, K H Watson, K H Watson Jr, W H Webb, J B Wilcox.

Transactions with directors and director-related entities

Related entities of A Codina, a non-executive director of Rinker Materials Corporation received fees and commissions to jointly develop land that was held by a controlled entity of Rinker Materials Corporation (2002: nil; 2001: US$17,887; 2000: US$729,870). Related entities of A Codina entered into a contract in August 1999, for the purchase of land from a controlled entity of Rinker Materials Corporation at a price of A$8,930,254 (US$5,685,000), which was based upon two independent valuations and which was secured by a mortgage of A$6,200,145 (US$3,947,000) at an interest rate of 10% per annum. For the year ended March 31, 2002 mortgage repayments of A$5,303,604 (US$2,819,926) have been received (2001: US$1,127,074). The mortgage was fully discharged on August 31, 2001. For the year ended March 31, 2002 interest of A$277,222 (US$141,383) had been received (2001: US$318,447; 2000: US$207,623) on the mortgage and at March 31, 2002 there were no outstanding interest obligations (2001: US$23,950; 2000: US$22,281). All interest and principal were received when due.

A Ireland, a non-executive director of Rinker Materials Corporation, received A$175,987 (US$90,000) for consulting services (2001: US$90,000; 2000: US$90,000).

A related entity of M Lai, an executive director of CSR controlled entities, purchased goods valued at A$93,277 (2001: A$112,755; 2000: A$528,989) from, and sold goods valued at A$114,108 (2001: A$458,983; 2000: A$ nil) to, a CSR controlled entity.

A related entity of J Mai, a non-executive director of CSR controlled entities, purchased goods valued at A$ nil (2001: A$ nil; 2000: A$240,957) from a CSR controlled entity.

In addition, transactions entered into during the year with directors of CSR Limited and its controlled entities and with their director-related entities which are within normal customer or employee relationships on terms and conditions no more favourable than those available to other customers, employees or shareholders include

- acquisition of shares in CSR Limited under the employee share plans;
- acquisition of options in CSR Limited under the Executive Share Option Plan;
- dividends from shares in CSR Limited;
- sale of goods and services;
- contracts of employment and reimbursement of expenses; and
- contracts of employment with relatives of directors on either a full-time or work experience basis.

35 Superannuation commitments

CSR Limited and its controlled entities participate in a number of superannuation funds in Australia, New Zealand, the United States and other countries where it operates. The funds provide benefits either on a defined benefit or cash accumulation basis, for employees on retirement, resignation, or disablement, or to their dependants on death. Employer contributions are legally enforceable, with the right to terminate, reduce or suspend those contributions upon giving written notice to the trustees. However, CSR Limited and its Australian controlled entities are required to provide a minimum level of superannuation support for employees under the Australian Superannuation Guarantee legislation.

Asset backing
The assets of the funds were sufficient to satisfy all benefits which would have been vested in the event of termination of the funds, or in the event of the voluntary or compulsory termination of the employment of each employee with the exception of the Rinker Materials Corporation Pension Plan where the actuary has estimated a shortfall of A$3.2m. This deficit is to be funded progressively by Rinker Materials Corporation.

Accumulation funds
The benefits provided by accumulation funds are based on the contributions and income thereon held by the fund on behalf of the member. Contributions are made by the member and the company based on a percentage of the member's salary, as specified by the rules of the fund. These contributions are expensed in the period in which they are incurred. Employer contributions to accumulation funds were A$41.3 million (2001: A$32.4 million; 2000: A$30.9 million).

Defined benefit funds
The benefits provided by defined benefit funds are based on length of service or membership and salary of the member at or near retirement. Member contributions, based on a percentage of salary, are specified by the rules of the fund.

Employer contributions generally vary based on actuarial advice and may be reduced or even cease when a fund is in actuarial surplus. These contributions are expensed in the period in which they are incurred.

Defined benefit funds sponsored by CSR (A$ million)	Accrued benefits	Market value of assets	Surplus (Deficit)	Vested benefits	Employer contributions for the year paid	Employer contributions for the year payable
CSR Australian Superannuation Fund Defined Benefit Division [a b]	151.3	170.6	19.3	151.9	2.9	-
Monier PGH Superannuation Fund Defined Benefit Division [c]	43.9	53.4	9.5	47.3	3.2	0.3
Rinker Materials Corporation Pension Plan [d]	19.5	16.3	(3.2)	18.2	1.4	-
Rinker Materials Corporation Retirement Income Plan [d]	26.7	28.6	1.9	26.4	-	-

a - These amounts are calculated at 31 March 2002, based on the assumptions used for the last actuarial review which was performed on 30 June 2001 by R Paton FIA FIAA.

b - There is an enforceable obligation for CSR Limited to contribute such amounts as to ensure that the assets attributable to the Defined Benefit Division (DBD) of the CSR Australian Superannuation Fund are not less than 120% of the amount required to meet the actuarial liabilities of the DBD. Actuarial liabilities are determined to be past service liabilities based on membership accrued up to 31 March 2002. As at 31 March 2002, the assets of the CSR Australian Superannuation Fund attributable to the DBD were 113% of the corresponding actuarial liabilities. CSR Limited has made available to the Trustee of the Fund a bank guarantee to satisfy its commitment to maintain the assets of the DBD at a minimum of 120% of actuarial liabilities.

c - Last actuarial review performed by G I McRae FIAA on July 1, 1999

d - Last actuarial review performed by G Howell ASA EA MAAA on January 1, 2001.

Notes to the financial statements

CSR Limited and its controlled entities

36 Equity accounting information

Name of entity	Principal activity	Ownership interest 2002 %	Ownership interest 2001 %	2002 US$	Carrying amount 2002 A$ million	Carrying amount 2001 A$ million
Australian Cement Holdings Pty Ltd	cement manufacture	**50**	50	**73.0**	**136.9**	138.5
New Zealand Sugar Company Limited	sugar refining	**50**	50	**10.6**	**19.8**	19.0
Metromix Pty Ltd	pre-mixed concrete	**50**	50	**7.2**	**13.4**	13.2
Czarnikow Pty Ltd [a]	sugar brokering	**43**	43	**5.7**	**10.7**	10.2
Other immaterial associates				**5.5**	**10.3**	9.9
Associate companies				**102.0**	**191.1**	190.8
Sugar Australia joint venture [b]	sugar refining	**50**	50	**54.7**	**102.5**	108.9
CSR Emoleum [a]	road resurfacing	**50**	50	**10.2**	**19.2**	19.0
Other immaterial partnerships				**2.0**	**3.8**	16.1
Partnerships				**12.2**	**23.0**	35.1
Total associate entities				**168.9**	**316.6**	334.8

(million)	2002 US$	2002 A$	2001 A$
Equity accounted amount of investments at the beginning of the financial year	**178.6**	**334.8**	316.5
Share of associate entities' profit from ordinary activities before income tax	**32.8**	**61.5**	65.4
Share of income tax	**(8.6)**	**(16.1)**	(16.0)
Dividends and distributions received	**(27.6)**	**(51.8)**	(37.3)
Additional capital investment	**-**	**-**	9.4
Acquisition by CSR of a controlling interest	**(6.3)**	**(11.8)**	-
Return of investment (at cost)	**-**	**-**	(5.6)
Foreign currency translation	**-**	**-**	2.4
Equity accounted amount of investments at the end of the financial year	**168.9**	**316.6**	334.8

a - The year end is December 31.

b - CSR's share of revenue was A$212.8 million (2001: A$182.9 million) and share of expenses was A$203.6 million (2000: A$171.5 million).

36 Equity accounting information (continued)

(million)	2002 US$	2002 A$	2001 A$
Share of reserves attributable to associate entities			
- retained profits [c]	**26.2**	**49.1**	50.6
- asset revaluation reserves [c]	**0.3**	**0.5**	0.5
Summarised financial position of associate entities			
Assets			
- cash	**32.6**	**61.2**	58.1
- other current assets	**250.0**	**468.7**	477.6
- property, plant and equipment	**319.5**	**599.1**	636.7
- other non-current assets	**14.7**	**27.6**	25.5
Liabilities			
- current accounts payable	**(91.5)**	**(171.5)**	(185.2)
- current borrowings and other liabilities	**(79.5)**	**(149.1)**	(140.8)
- non-current liabilities	**(105.2)**	**(197.2)**	(192.4)
Net assets	**340.7**	**638.8**	679.5

Balances and transactions with associate entities

Current loans and receivables	**24.6**	**46.1**	15.9
Non-current loans and receivables	**8.6**	**16.1**	15.2
New loans	**41.5**	**77.9**	-
Loans repaid	**25.0**	**46.8**	-
Current accounts payable	**17.4**	**32.7**	25.0
New borrowings	**23.4**	**43.8**	-
Borrowings repaid	**21.0**	**39.3**	-
Purchases of goods and services	**71.8**	**134.6**	143.3
Sale of goods and services	**23.1**	**43.3**	45.1
Capital repaid	**-**	**-**	5.6
Dividends and distributions received and receivable	**27.6**	**51.8**	37.3
Other [d]	**0.4**	**0.7**	0.2

c - The 2001 opening balance for retained profits was A$45.5 million and for asset revaluation reserves was A$0.5 million.

d - Other includes interest rate financial instruments entered into Australian Cement Holdings Pty Ltd with a controlled entity of CSR to lock in a fixed rate of interest on borrowings. The notional principal of the interest rate financial instruments was A$20 million (2001: A$20 million) and they are on commercial terms and conditions. As at March 31, 2002, interest receivable was A$52,430 (2001: A$55,219) and interest payable was A$38,551 (2001: A$46,915). Net interest received during the year was A$255,908 (2001: A$173,691).

(million)	Date acquired	Interest %	Consideration US$	Consideration A$	Net tangible assets US$	Net tangible assets A$
37 Acquisitions and disposals of controlled entities and businesses						
Controlled entities acquired[a]						
Oz Sands International Pty Ltd	February 13, 2002	100	0.2	0.4	0.2	0.4
Businesses acquired[b]			84.3	158.1	50.2	94.1
			84.5	158.5	50.4	94.5

Value of net assets of controlled entities and businesses acquired	2002 US$	2002 A$	2001 A$	2000 A$
Cash	**-**	**-**	0.4	0.8
Receivables	**3.3**	**6.2**	83.2	9.6
Inventories	**5.5**	**10.3**	62.0	10.0
Other current assets	**0.1**	**0.2**	2.4	0.2
Property, plant and equipment	**46.2**	**86.6**	426.2	55.8
Intangibles	**-**	**-**	37.5	5.9
Other non-current assets	**-**	**-**	61.8	-
Interest-bearing liabilities and payables	**(4.3)**	**(8.1)**	(213.2)	(2.5)
Provisions	**(0.4)**	**(0.7)**	(39.8)	(0.9)
	50.4	**94.5**	420.5	78.9
Goodwill on acquisition	**34.1**	**64.0**	673.0	48.8
Total consideration	**84.5**	**158.5**	1093.5	127.7
Cash balances acquired	**-**	**-**	(0.4)	(0.8)
Total flow of cash	**84.5**	**158.5**	1093.1	126.9

Material Acquisitions

There were no material acquisitions during year ended March 31, 2002.

The only material acquisition made by the CSR Group during the year ended March 31, 2001 was Florida Crushed Stone Company, Inc. This aggregates and cement company was acquired on July 21, 2000 for A$597.2 million (including the assumption of A$158.4 million of debt). The Florida Crushed Stone Company, Inc. acquisition included an aggregates quarry, three limerock quarries, a dry process cement mill and various other assets. The acquisition was incorporated into the CSR group using the purchase method of accounting.

The Australian GAAP CSR group results for year ended March 31, 2001 adjusted for a full year's results of the Florida Crushed Stone Company, Inc. (unaudited) acquisition are given below.

(A$ million)	2001
Trading revenue	6555.6
Profit from ordinary activities before finance and income tax	984.5
Interest income	23.7
Borrowing costs	(170.0)
Profit from ordinary activities before income tax	838.2
Income tax benefit (expense)	(177.2)
Outside equity interest	(35.0)
Net profit attributable to members of CSR Limited	626.0

(Australian cents per share)	2001
Basic earnings per share	62.4
Diluted earnings per share	61.7

Notes to the financial statements
CSR Limited and its controlled entities

(million)	Profit (loss) on disposal US$	Profit (loss) on disposal A$	Net tangible assets US$	Net tangible assets A$
37 Acquisitions and disposals of controlled entities and businesses (continued)				

Businesses disposed[b]	-	-	15.6	29.3

Value of net assets of controlled entities disposed	**2002 US$**	**2002 A$**	2001 A$	2000 A$
Cash	**-**	**-**	10.7	1.8
Receivables	**-**	**-**	117.4	45.9
Inventories	**0.6**	**1.1**	29.8	80.5
Other current assets	**-**	**-**	-	10.1
Investments	**-**	**-**	1.0	5.6
Property, plant and equipment	**15.0**	**28.2**	209.7	511.3
Intangibles	**-**	**-**	0.2	21.0
Other non-current assets	**-**	**-**	19.8	42.3
Interest-bearing liabilities and payables	**-**	**-**	(119.4)	(53.1)
Provisions	**-**	**-**	(52.7)	(20.9)
Outside equity interests	**-**	**-**	(36.4)	-
	15.6	**29.3**	180.1	644.5
Goodwill disposed	**-**	**-**	12.8	2.7
Divestment expenses/provisions	**-**	**-**	55.3	59.0
Profit (loss) on disposal	**-**	**-**	233.1	8.3
Total consideration	**15.6**	**29.3**	481.3	714.5
Cash balances disposed	**-**	**-**	(10.7)	(1.8)
Gove Aluminium Ltd sale hedge costs	**(14.5)**	**(27.2)**		
Change in divestment receivables	**7.1**	**13.4**	313.1[c]	(329.9)
Total flow of cash	**8.2**	**15.5**	783.7	382.8

a - Operating results of the entities acquired (disposed) are included in the statement of financial performance from date acquired (up to the date disposed). These acquisitions would not have had a material effect on the consolidated results of the Group had they been combined from the beginning of the current or preceding financial years.

b - Businesses acquired (disposed) during the year, which are mainly in Rinker Materials Corporation, have been absorbed into (deducted from) the existing company structure.

c - Includes cash consideration received for Timber Products businesses disposed in the preceding financial year.

38 Particulars relating to controlled entities

	Country of incorporation	% CSR ownership 2002	% CSR ownership 2001
Parent entity			
CSR Limited	Australia		
Amalgamated Sugar Mills Pty Ltd	Australia	**100**	100
American Limestone Company, Inc	USA	**100**	100
American Limestone West, LLC *d*	USA	**100**	
ARC Management Company, Inc	USA	**100**	100
ARC Materials Corporation	USA	**100**	100
Austocean Pty Ltd	Australia	**100**	100
Australian Blue Metal Ltd *b*	Australia	**100**	100
Ballestrin Concrete Constructions Pty Ltd	Australia	**100**	100
Bettaform Constructions Pty Ltd	Australia	**100**	100
BI (Australia) Pty Ltd	Australia	**100**	100
BI (Contracting) Pty Ltd	Australia	**100**	100
BI Holdings Australia Pty Ltd	Australia	**100**	100
Bradford Holdings, Inc	Canada	**100**	100
Bradford Insulation (M) Sdn Bhd	Malaysia	**100**	100
Bradford Insulation Industries Pty Ltd	Australia	**100**	100
Brimik Pty Ltd *b*	Australia	**100**	100
Buchanan Borehole Collieries Pty Ltd	Australia	**100**	100
Chang Chien Engineering Co., Ltd	Taiwan	**100**	100
Chang Yuan Enterprises Ltd	Taiwan	**100**	100
Chelsea Estates Ltd	New Zealand	**100**	100
Chelsea Nominees Ltd	New Zealand	**100**	100
CSR-SYC Hebel Taiwan Co, Ltd	Taiwan	**100**	100
CSR Bradford Air (M) Sdn Bhd	Malaysia	**100**	100
CSR Bricks Pty Ltd	Australia	**100**	100
CSR Building Materials (HK) Ltd	Hong Kong	**100**	100
CSR Building Materials (M) Sdn Bhd	Malaysia	**70**	70
CSR Building Materials (NZ) Ltd	New Zealand	**100**	100
CSR Building Systems (M) Sdn Bhd	Malaysia	**70**	70
CSR Climate Control (M) Sdn Bhd	Malaysia	**70**	70
CSR Concrete Products Co., Ltd	Taiwan	**85**	85
CSR Distilleries Operations Pty Limited	Australia	**100**	100
CSR Emoleum Services Pty Ltd	Australia	**100**	100
CSR Ethanol Pty Ltd *d*	Australia	**100**	
CSR Finance Limited	Australia	**100**	100
CSR Guangdong Glasswool Co., Ltd	China	**79**	79
CSR Gypsum Products (UK) Ltd	UK	**100**	100
CSR Hebel Australia Pty Ltd	Australia	**100**	100
CSR Humes Pty Ltd *b*	Australia	**100**	100
CSR Humes (UK) Limited	UK	**100**	100
CSR Insulation (Thailand) Limited	Thailand	**100**	100
CSR Insurance Pte Limited	Singapore	**100**	100
CSR International Pty Ltd	Australia	**100**	100
CSR Investments Overseas Ltd	Australia	**100**	100
CSR Investments PNG Pty Ltd	Australia	**100**	100
CSR Investments Pty Ltd	Australia	**100**	100
CSR Investments (Asia) Pty Ltd	Australia	**100**	100
CSR Investments (Indonesia) Pty Ltd	Australia	**100**	100
CSR Investments (Taiwan) Pty Ltd	Australia	**100**	100
CSR Investments (Thailand) Pty Ltd	Australia	**100**	100
CSR Plane Creek Pty Ltd	Australia	**100**	100
CSR Readymix (Australia) Pty Ltd *b*	Australia	**100**	100
CSR Readymix (Qld) Pty Ltd	Australia	**100**	100
CSR SE Asia Pty Ltd	Australia	**100**	100
CSR South East Asia Pte Ltd	Singapore	**100**	100
CSR Sugar Investments Pty Ltd *d*	Australia	**100**	
CSR Sugar Pty Ltd *d*	Australia	**100**	
CSR Sugar New Zealand Ltd *a*	New Zealand		100
CSR Sugar (Herbert) Pty Ltd *d*	Australia	**100**	
CSR Sugar (Invicta) Pty Ltd *d*	Australia	**100**	
CSR Sugar (Kalamia) Pty Ltd *d*	Australia	**100**	
CSR Taiwan Co, Ltd	Taiwan	**100**	100
CSR Travel Pty Ltd *b*	Australia	**100**	100
CSR (Guangdong) Rockwool Co., Ltd	China	**70**	70
CSR (Pioneer Sugar) Pty Ltd *d*	Australia	**100**	
CSR (Tianjin) Readymix Co., Ltd	China	**70**	70
CSR (UK) Holdings *b*	UK	**100**	100
EKI Pty Ltd *c* (formerly PGH Pty Ltd)	Australia		100
F & L (Qld) Pty Ltd	Australia	**100**	100
Farley & Lewers Ltd	Australia	**100**	100
FEP Colourtile Pty Ltd	Australia	**100**	100
FEP Construction Holdings Pty Ltd	Australia	**100**	100
Florida Crushed Stone Company	USA	**100**	100
Gove Aluminium Finance Ltd	Australia	**70**	70
Gyprock Holdings Pty Ltd	Australia	**100**	100
Havelock Food Products Pty Ltd	Australia	**100**	100
Humes Australia Pty Ltd *d*	Australia	**100**	
Hydro Conduit Corporation	USA	**100**	100
Hydro Conduit Management Company, Inc	USA	**100**	100
Hydro Conduit of Texas, LP	USA	**100**	100
Hydro Investments, Inc	USA	**100**	100
Landop Holdings Limited *a*	New Zealand		100
Midalco Pty Ltd	Australia	**100**	100
Mili, LLC	USA	**100**	100
Monier PGH Holdings Limited	Australia	**100**	100
Oxi, LLC	USA	**100**	100
Oz Sands International Pty Ltd	Australia	**100**	-
Pinepanels Export Pty Ltd *c*	Australia		100
Pioneer Sugar Mills Pty Ltd	Australia	**100**	100
Pipe Liners, Inc	USA	**100**	100
Plaster Castings Pty Ltd *b*	Australia	**100**	100
PT Prima Karya Plasterboard	Indonesia	**100**	100
Pyneboard Pty Ltd	Australia	**100**	100
Queensland Sugar Power Pool Pty Ltd	Australia	**82**	82
Readymix Australia Pty Ltd *d*	Australia	**100**	
Ready Mixed Concrete Ltd	Australia	**100**	100
Readymix Holdings Pty Ltd *d*	Australia	**100**	
Refined Sugar Services Pty Limited	Australia	**100**	100
Richter Drilling Pty Ltd	Australia	**100**	100
Rinker Management Company, Inc	USA	**100**	100
Rinker Materials Corporation (formerly CSR America, Inc.)	USA	**100**	100
Rinker Materials Foreign Sales Corporation (formerly CSR America Foreign Sales Corp.)	US Virgin Is.	**100**	100
Rinker Materials Nevada, Inc. (formerly CSR Nevada, Inc.)	USA	**100**	100
Rinker Materials of Florida, Inc. (formerly Rinker Materials Corporation)	USA	**100**	100
Rinker Materials Pipeline Systems, LLC *c* (formerly CSR Pipeline Systems, LLC)	USA		100
Rinker Materials Polypipe, Inc. (formerly CSR PolyPipe, Inc.)	USA	**100**	100
Rinker Materials Steel Framing, Inc. (formerly CSR Steel Framing, Inc.)	USA	**100**	100
Rinker Materials West, LLC (formerly CSR West, LLC)	USA	**100**	100
Rivarol Pty Ltd	Australia	**100**	100
Roads Holdings Pty Ltd *d*	Australia	**100**	
Sellars Holdings Ltd *b*	Australia	**100**	100
Seltsam Pty Ltd	Australia	**100**	100
Shelf Drilling Pty Ltd	Australia	**100**	100
SKCOR, L.L.C.	USA	**100**	100
Spuncon Pty Ltd	Australia	**100**	100
Steel Construction Systems	USA	**55**	55
Stonelea, LLC	USA	**100**	100
Sunrock Quarries Pty Ltd *b*	Australia	**100**	100
Superior Drainage, LLC	USA	**100**	100
The Forestry Pulp & Paper Company of Australia	Australia	**100**	100
The Haughton Sugar Co Pty Limited	Australia	**100**	100
The Readymix Group (Australia) Ltd *b*	Australia	**100**	100
Thiess Bros Pty Ltd	Australia	**100**	100
Thiess Holdings Pty Ltd	Australia	**100**	100
U-Liner Mid-America, Inc	USA	**100**	100
Upline Holdings Pty Ltd	Australia	**100**	100
Waterford Sands Pty Ltd *b*	Australia	**100**	100
West Moreton Industries Pty Ltd *b*	Australia	**100**	100
Wilson Concrete Company	USA	**100**	100
Woodland Pty Ltd	Australia	**100**	100

a *Amalgamated into another controlled entity.*
b *In voluntary liquidation.*
c *Controlled entity liquidated.*
d *Controlled entity incorporated during the year.*

(million)	**2002 US$**	**2002 A$**	2001 A$
39 Contingent liabilities			
Contingent liabilities, capable of estimation, arise in respect of the following categories			
Various performance guarantees and other contingent liabilities provided to			
- third parties	**25.3**	**47.4**	42.7
- CSR Group share associate entities	**-**	**-**	24.5
Total contingent liabilities	**25.3**	**47.4**	67.2

CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States.

In Australia, claims for asbestos induced injury have been made by employees and ex-employees of CSR, by others such as contractors and transporters and by users of products containing asbestos. As at March 31, 2002, there were 558 such claims pending. In the United States, claims for damages are being made by people who allege exposure to asbestos fibre liberated either during the manufacture of products containing asbestos or in the installation or use of those products. As at March 31, 2002, there were 2,271 such claims pending.

CSR has been settling claims since 1989. As at March 31, 2002, CSR had resolved 128,000 claims in the United States, including resolution of 80,000 claims in mass settlements in West Virginia, Texas and Mississippi, and 1,158 claims in Australia. CSR has commenced proceedings in New Jersey against a number of insurers who issued policies to CSR during the years 1979 to 1986. In those proceedings CSR seeks indemnity for US asbestos claims and certain other relief. Those proceedings are being pursued by CSR as speedily as possible.

Provision has been made for all known claims and probable future claims but not for such claims as cannot presently be reliably measured. CSR cannot determine with certainty the amount of its ultimate liability with respect to asbestos related claims or the future impact on its financial condition. However, taking into account the provision already included in CSR's financial statements, the status of proceedings in CSR's insurance litigation and current claims management experience, the directors are of the opinion that asbestos litigation in the United States and Australia will not have a material adverse impact on its financial condition.

CSR Limited acts as an authorised self-insurer in New South Wales, Queensland, Victoria, South Australia, Western Australia and the Australian Capital Territory for workers' compensation insurance, as does Rinker Materials Corporation and certain of its controlled entities in California, Nevada, New Mexico and Washington. Adequate provision has been made for all known claims and probable future claims that can be reliably measured CSR Limited guarantees the liabilities of Rinker Materials Corporation in respect of certain of its self-insurance programs.

40 United States generally accepted accounting principles (US GAAP) information

Provided below is a summary and explanation of the differences between net profit, shareholders' equity and major statement of financial position items disclosed in these financial statements and that which would be reported if the financial statements were prepared in accordance with US GAAP. This summary and explanation is not intended to be a comprehensive US GAAP report.

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
Reconciliation of net profit					
Profit from ordinary activities after income tax attributable to members of CSR Limited		**294.7**	**552.6**	634.1	471.6
Revaluation and impairment of non-current assets	A	**4.4**	**8.2**	31.7	(76.4)
Divestment of assets to joint venture entities	B	**1.5**	**2.8**	2.8	2.8
Restructure and rationalisation	C	**(5.8)**	**(11.0)**	11.0	-
Acquisition accounting	D	**(2.0)**	**(3.8)**	(5.1)	(2.7)
Employee shares and share loans (Universal share/option plan)	F	**(1.5)**	**(2.8)**	(2.4)	-
Other	H	**(0.1)**	**(0.1)**	(0.6)	(2.8)
Executive option plan	I	**(5.5)**	**(10.4)**	-	-
Amortisation of goodwill written back	L	**0.3**	**0.5**	-	-
Timber volume reversal on sale	N	**-**	**-**	-	31.6
Superannuation (pension) fund	R	**(4.3)**	**(8.0)**	5.0	7.6
Accounting for derivative instruments and hedging	S	**(0.1)**	**(0.1)**		
Deferred tax effect of US GAAP adjustments		**1.2**	**2.3**	(3.2)	8.9
		(11.9)	**(22.4)**	39.2	(31.0)
US GAAP net profit attributable to members of CSR Limited		**282.8**	**530.2**	673.3	440.6
Discontinued operations (net of tax benefit/(expense) 2001:A$0.9m, 2000:A$(20.6)m)		**-**	**-**	(2.7)	34.5
Gain on disposal of discontinued operations (net of tax benefit 2000:A$66.0m)		**-**	**-**	-	25.1
Continuing operations (net of tax (expense) 2001:A$(161.2)m, 2000:A$(255.0)m)		**282.8**	**530.2**	676.0	381.0
US GAAP net profit attributable to members of CSR Limited		**282.8**	**530.2**	673.3	440.6
(Dollars per share)					
Basic earnings per share					
Discontinued operations (including gain on disposal)		**-**	**-**	(0.003)	0.057
Continuing operations		**0.299**	**0.561**	0.674	0.368
	M	**0.299**	**0.561**	0.671	0.425
Diluted earnings per share					
Discontinued operations (including gain on disposal)		**-**	**-**	(0.003)	0.057
Continuing operations		**0.298**	**0.558**	0.673	0.368
	M	**0.298**	**0.558**	0.670	0.425

Discontinued operations

During the year ended March 31, 2000 the CSR Group sold its Timber Products business as part of its strategy of divesting itself of non-strategic businesses. This represented a disposal of a business segment under Accounting Principles Board Opinion No. 30, and would have been classified as a discontinued operation under US GAAP. There is no such classification under Australian GAAP. Substantially all of the assets of the Timber Products business were either sold, closed, or agreements to sell were entered into, for an aggregate pre-tax amount of approximately A$800 million.

The assets and liabilities of the discontinued Timber Products business remaining were:

(A$ million)	2000
Total current assets	84.9
Total current liabilities	(120.1)
Net current assets	(35.2)
Total non-current assets	36.1
Total non-current liabilities	(1.9)
Net non-current assets	34.2

Consolidated statement of financial performance - classification differences

Under Australian GAAP, the proceeds on sale of investments are reported as revenue from ordinary activities and the book value of investments sold is reported as an expense from ordinary activities. Under US GAAP, only the net gain/(loss) on sale of investments is reported in non-operating income/(expense). Under Australian GAAP, the proceeds on sale of property, plant and equipment are reported as revenue from ordinary activities and the book value of assets sold is reported as an expense from ordinary activities. Under US GAAP, only the net gain/(loss) on sale of property, plant and equipment is reported in operating income/(expense). Under Australian GAAP, borrowing costs (less amounts capitalised for qualifying assets) are reported as a component of profit/(loss) from ordinary activities. Under US GAAP, borrowing costs (less amounts capitalised for qualifying assets) are reported as a component of non-operating income/(expense). Under Australian GAAP, interest income is reported as revenue from ordinary activities. Under US GAAP, interest income is reported as a component of non-operating income/(expense). Under Australian GAAP, the share of net profit/(loss) of associates, joint ventures and partnerships accounted for using the equity method is reported as a component of profit/(loss) from ordinary activities. Under US GAAP, the share of net profit/(loss) of associates, joint ventures and partnerships accounted for using the equity method is generally reported below non-operating income/(expense) following income tax expense/(benefit).

Notes to the financial statements

CSR Limited and its controlled entities

(million)	Note	**2002 US$**	**2002 A$**	2001 A$	2000 A$
40 United States generally accepted accounting principles (US GAAP) (continued)					
Reconciliation of equity					
Equity attributable to members of CSR Limited		**2145.4**	**4022.8**	3983.1	3659.3
Net effect of US GAAP adjustments on items within the statement of financial position					
Current assets					
- receivables (reclassify loans and receivables to associate entities)	Q	**(24.6)**	**(46.1)**	(15.9)	(10.8)
- deferred income tax assets (reclassification from non-current)	G	**93.3**	**174.9**	121.2	68.4
- deferred income tax assets (derivative instruments and hedging)	S	**2.2**	**4.1**	-	-
- other financial assets (derivative instruments and hedging)	S	**14.0**	**26.3**	-	-
Non-current assets					
- property, plant and equipment (revaluation and impairment)	A	**(134.4)**	**(252.0)**	(266.6)	(218.5)
- property, plant and equipment	H	**3.2**	**6.0**	5.7	5.3
- intangibles (acquisition accounting goodwill)	D	**55.7**	**104.5**	125.7	40.3
- intangibles (reverse capitalisation of trademarks)	H	**(7.7)**	**(14.4)**	(14.3)	(13.9)
- intangibles (reverse SFAS 142 goodwill amortisation)	L	**0.3**	**0.5**	-	-
- intangibles (superannuation (pension) fund)	R	**1.3**	**2.5**	-	-
- receivables (reclassify loans to associate entities)	Q	**(8.6)**	**(16.1)**	(15.2)	(14.7)
- deferred income tax assets (reclassification to current)	G	**(129.6)**	**(243.0)**	(266.0)	(212.7)
- other financial assets (derivative instruments and hedging)	S	**12.2**	**22.9**	-	-
- investments accounted for using the equity method (divestment of assets)	B	**(12.5)**	**(23.4)**	(26.2)	(29.0)
- investments accounted for using the equity method (SFAS 133)	S	**(3.5)**	**(6.5)**	-	-
- investments accounted for using the equity method (reclassify loans)	Q	**33.2**	**62.2**	31.1	25.5
- receivables (employee share loans)	F	**(13.2)**	**(24.8)**	(27.2)	(32.3)
- other (superannuation (pension) fund)	R	**14.3**	**26.8**	33.9	28.9
- other	H	**2.3**	**4.3**	4.1	4.7
Current liabilities					
- deferred income tax liabilities (reclassification from non-current)	G	**(11.8)**	**(22.1)**	4.4	(0.6)
- provision for dividend	E	**64.9**	**121.7**	114.4	124.4
- other financial liabilities (derivative instruments and hedging)	S	**(17.7)**	**(33.2)**	-	-
- other (minimum pension liability)	R	**(5.3)**	**(9.9)**	-	-
- other	C	**-**	**-**	11.0	-
Non-current liabilities					
- deferred income tax liabilities (acquisition accounting)	D	**(63.7)**	**(119.4)**	(137.7)	(66.9)
- deferred income tax liabilities (reclassification to current)	G	**51.8**	**97.1**	143.7	153.1
- deferred income tax liabilities (US GAAP profit adjustments)		**16.1**	**30.2**	33.8	9.8
- other financial liabilities (derivative instruments and hedging)	S	**(11.8)**	**(22.2)**	-	-
		(79.6)	**(149.1)**	(140.1)	(139.0)
US GAAP equity attributable to members of CSR Limited		**2065.8**	**3873.7**	3843.0	3520.3
Statement of comprehensive income					
US GAAP net profit attributable to members of CSR Limited		**282.8**	**530.2**	673.3	440.6
Other comprehensive income					
- foreign currency translation		**(66.0)**	**(123.8)**	313.2	34.4
- hedging of US assets		**19.3**	**36.1**	(134.7)	(15.8)
- minimum pension liability	R	**(3.9)**	**(7.4)**	-	-
- derivative instruments and hedging	S	**72.8**	**136.5**	-	-
		22.2	**41.4**	178.5	18.6
- foreign currency translation reserve of controlled entities disposed (reclassification)		**-**	**-**	-	3.2
- tax (expense)/benefit on hedging		**(5.8)**	**(10.8)**	45.8	5.7
- tax (expense) on derivative instruments and hedging	S	**(21.8)**	**(40.9)**	-	-
Total other comprehensive income		**(5.4)**	**(10.3)**	224.3	27.5
Comprehensive income		**277.4**	**519.9**	897.6	468.1
Accumulated other comprehensive income					
Balance at the end of the financial year[a]		**122.0**	**228.7**	343.1	116.4

a - Includes opening balance adjustment on April 1, 2001 on adoption of SFAS No. 133 of A$104.1 million debit.

Explanatory notes

The differences between US GAAP and Australian GAAP are set out below. The matters discussed do not necessarily address all the differences between US GAAP and Australian GAAP.

A. Revaluation and impairment of non-current assets. Prior to adoption of Australian Accounting Standard AASB 1041 "Revaluation of Non-Current Assets" by the CSR Group from April 1, 2001, Australian GAAP allowed non-current assets to be revalued upwards via an asset revaluation reserve. Such revaluations of assets were not allowed under US GAAP and so were reversed.

The depreciation charge on the revaluation increment of revalued assets was also reversed. Since adoption of AASB 1041 on April 1, 2001, the CSR Group has elected to apply the cost basis of recording property, plant and equipment, discontinue our practice of revaluing property, plant and equipment upwards and deemed all our revalued property, plant and equipment carrying amounts as at March 31, 2001 to be their cost going forward. This means that the asset revaluation reserve of A$11.9 million is fixed as at April 1, 2001, and writedowns of assets may no longer be made through the asset revaluation reserve. Assets which had previously been revalued upwards will still require a US GAAP adjustment for depreciation and profit on disposal.

Under Australian GAAP, the recoverable amount of non-current assets is assessed each reporting period. An impairment loss is recorded when the future discounted net cash flows expected to be generated by the asset are less than the carrying amount of the asset. Under US GAAP, property, plant and equipment, certain recognised intangible assets and goodwill related to those assets (attributable to business combinations initiated prior to July 1, 2001) is evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of such assets is measured by a comparison of the carrying amount of the asset (as adjusted from Australian GAAP to US GAAP) to future undiscounted net cash flows expected to be generated from the assets' use at the lowest level at which identifiable cash flows are generated. When the cash flow analysis indicates an asset is impaired, the impairment loss to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Fair value is determined by quoted market prices, discounted cash flows or other valuation techniques.

B. Divestment of assets to joint venture entities. US GAAP requires certain conditions be met before asset exchanges and disposals are considered as sales. This adjustment reverses a gain recognised on a transaction which was recorded as a sale for Australian GAAP purposes but did not meet the US GAAP criteria for a sale. The CSR Group transferred refined sugar assets into the Sugar Australia joint venture in 1998. The CSR Group's contribution represented 50% of the assets of the joint venture. Under Australian GAAP, the CSR Group recognised a profit on sale of A$28.3 million, however this profit was not recognised under US GAAP because there was no cash component in the sale. The US GAAP profit adjustment relates to the reversal of increased depreciation included in the equity accounted results of the Sugar Australia joint venture, because the CSR Group's share of the joint venture asset carrying values are greater than its equity accounted carrying value under US GAAP.

C. Restructure and rationalisation. Under Australian GAAP, certain provisions were made for costs relating to the restructuring of manufacturing processes, plant closure and reorganisation. At the time they were raised, these provisions did not meet US GAAP recognition requirements and so were reversed. The provisions are expensed when they meet US GAAP requirements.

D. Acquisition accounting (deferred taxes). US GAAP requires that a deferred income tax liability be raised to reflect the difference between the tax basis of assets acquired and liabilities assumed, and their fair values determined in business combinations accounted for as a purchase. The creation of this deferred income tax credit gives rise to additional goodwill on acquisition which is amortised over the estimated period of future benefits (not exceeding 20 years). No such provision is required for Australian GAAP.

E. Dividends. Under Australian GAAP, dividends are provided for in the year in respect of which they are recommended by directors. Under US GAAP, provision for dividends is only recognised if they are declared prior to balance date. Dividends per share is calculated under Australian GAAP as A$0.240 (2001: A$0.230, 2000: A$0.230). Using the US GAAP method of dividend recognition, dividends per share is A$0.230 (2001: A$0.230, 2000: A$0.230).

F. Employee shares and share loans (Universal share/option plan). Under US GAAP, interest free non-recourse loans granted in respect of employee shares issued are treated as stock options and are classified as a reduction in shareholders' equity. Under Australian GAAP, these amounts are disclosed as non-current receivables.

The dividends applied against the employee share plan loans repaid are recognised as compensation expense for US GAAP. No compensation expense is recognised for Australian GAAP. Commencing in 2001, the employee share plan added a choice of one free share for each share paid for in cash up to a maximum of 100 shares. For US GAAP the fair value of the free shares is recognised as compensation expense. No compensation expense is recognised for Australian GAAP.

G. Deferred income tax balances. Under Australian GAAP, all deferred tax balances are classified as non-current. Under US GAAP, deferred tax assets and liabilities are classified as current or non-current based on the classification of assets and liabilities to which timing differences relate, or anticipated timing of reversal if they are not associated with any balance sheet items. Under Australian GAAP, deferred tax assets arising from timing differences are not carried forward as assets unless realisation is assured beyond reasonable doubt. Deferred tax assets arising from tax losses are not carried forward as assets unless the losses can be regarded as being virtually certain of realisation. Under US GAAP, deferred tax assets arising from timing differences and tax losses are carried forward as assets and then reduced by a valuation allowance if, in the opinion of management, it is more likely than not that some or all of the deferred tax assets will not be realised. This does not result in any difference to the net deferred income tax assets recognised by the CSR Group as disclosed in note 9.

H. Other. Includes immaterial adjustments to account for capitalisation of interest on software and systems development projects; reversing capitalisation of trademarks; the foreign exchange effect of US GAAP adjustments; real estate gains on sale; reversal of start up costs and research and development costs capitalised.

I. Executive option plan. Under Australian GAAP, no cost attributable to share options issued under the Executive Share Option Plan disclosed in Note 23 has been recognised in the statement of financial performance. Under US GAAP, the CSR Group has elected to follow the measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations ("APB 25") in accounting for share options issued under the plan and to provide the disclosure-only provisions of SFAS No. 123, "Accounting for Stock Based Compensation" ("SFAS 123"). Under APB 25, the Executive Share Option Plan is considered a variable plan as the number of shares the executive is entitled to receive is not known at the date of grant. The vesting of the share options is conditional on a share performance measure that is beyond the control of the CSR Group; as such, compensation expense is only recognised under APB 25 when the target is achieved. During the year ended March 31, 2002, certain options vested as the share performance targets were met, and accordingly, the CSR Group recognised compensation expense under APB 25 based on the excess of the market price on the measurement date over the exercise price of the share options. SFAS No. 123 requires recognition of compensation expense for options, over the vesting periods of such options, based on the estimated grant date fair values of those options.

The CSR Group has determined the pro-forma information (below) under the fair value method of SFAS 123. The Black-Scholes option pricing model was used with the following weighted-average assumptions for options issued in each year:

	2002	2001	2000
Risk-free interest rate	5.41%	6.29%	7.00%
Dividend yield	3.20%	5.00%	6.00%
Volatility factor	20.7%	20.4%	21.0%
Weighted-average expected life (yrs)	4.44	3.28	2.12

The weighted-average fair values of options granted in 2002, 2001 and 2000 were A$1.33, A$0.79 and A$0.67 per option, respectively. If the CSR Group had recognised compensation expense based on these values, the CSR Group's US GAAP pro-forma net earnings and both basic and diluted earnings per share would have been increased (reduced) by approximately A$7.2 million or A$0.008 per share for 2002, A$(2.4) million or A$(0.002) per share for 2001 and A$(1.9) million or A$(0.002) per share for 2000. These impacts are not necessarily indicative of the effects on net income of future years.

J. Asset Impairment

The US GAAP and Australian GAAP treatment of the Fiscal Year 2000 and Fiscal Year 2001 asset impairments was identical. There were no asset impairments in Fiscal Year 2002.

In Fiscal Year 2001 the CSR Group undertook a strategic review of their businesses because of markedly different economic conditions and competitive positions in some markets, particularly in Asia, bricks in Australia and pipe rehabilitation in the US. This review identified certain assets that were not supported by future cash flows and this resulted in a write down of these assets and the raising of certain restructuring provisions as detailed below.

Construction - Readymix - Tianjin: The detailed strategic review indicated the Tianjin assets were significantly over valued. Profit from ordinary activities before tax was at break-even but the business had no real upside save for the then possibility of the 2008 Olympics in Beijing. Given the low barriers to entry of this business in China, a writedown of A$38 million (pre-tax) to the assets, including A$5 million for doubtful debts, was required.

Construction - Pipes - Taiwan: A decision was made to exit this business. This necessitated a writedown of assets and raising of provisions for particular closure costs totalling A$11 million (pre-tax).

Building - Insulation - Malaysia and Thailand: In recent years there has been increased competition in the Asian insulation markets. This necessitated a writedown of A$8 million (pre-tax) in the assets of each business.

Building - Plasterboard - Indonesia: The CSR Group have exited the Indonesian plasterboard business and therefore provided for site remediation and other exit costs to a total amount of A$7 million (pre-tax).

Building - Bricks - Schofields: Schofields was constructed as a paver specific plant. This was justified on expected significant growth in the Australian clay paver market that did not eventuate, principally due to the development of alternate paver types and the popularity of stamped concrete. The impact of this necessitates a writedown of A$24 million (pre-tax).

Rinker - Pipe rehabilitation: This business is engaged in the rehabilitation of concrete pipes. Losses resulted in each of fiscal year 1999 and 2000 and, despite plans for a turnaround in YEM 01, losses increased. This necessitated an asset write down and other costs of A$19 million (pre tax).

In Fiscal Year 2000, following a decline in economic activity in certain regions of Asia and the decision to exit the Timber business, the CSR Group identified certain assets that were required to be written down.

Timber - Featurpanels: These assets were the last major Timber business to be sold. Indicative prices necessitated that the assets had to be written down by A$39 million (pre-tax).

Construction - Pipes - Taiwan: Infrastructure projects anticipated for Taiwan were not going ahead. A review of the carrying value of the assets indicated a write-down of A$10 million (pre-tax) was required.

Building - Insulation - Zhuhai: A review of the carrying value of the assets revealed a writedown of A$9 million was required following a slowdown in trading conditions.

Notes to the financial statements
CSR Limited and its controlled entities

40 United States generally accepted accounting principles (US GAAP) (continued)

Explanatory notes (continued)

K. Recently issued United States accounting standards.

M. Earnings per share. Under Australian GAAP diluted

K. Recently issued United States accounting standards. On July 20, 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortised but are reviewed for impairments annually, or more frequently if impairment indicators arise. All other intangible assets will continue to be amortised over their estimated useful lives. The amortisation provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, the CSR Group is required to adopt SFAS No. 142 effective April 1, 2002.

Management is currently reviewing the statements and expects that ceasing amortisation of goodwill will result in an increase in profit before tax of about A$70 million, but have not yet determined the impact of impairment on the CSR Group financial position.

On August 16, 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" which is effective for financial statements issued for fiscal years beginning after June 15, 2002 (Fiscal Year 2004 for the CSR Group). The pronouncement addresses the recognition and remeasurement of obligations associated with the retirement of a tangible long-lived asset. On October 3, 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which is effective for financial statements issued for fiscal years beginning after December 15, 2001 (Fiscal Year 2003 for the CSR Group). SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and establishes one accounting model for the impairment or disposal of long-lived assets. Management is currently reviewing these statements but have not yet determined their impact on the CSR Group financial position or results of operations.

L. Amortisation of goodwill written back. Goodwill is subject to amortisation under Australian GAAP. Under US GAAP goodwill acquired in business combinations subsequent to June 30, 2001 is not amortised in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). Goodwill acquired on or prior to June 30, 2001 will continue to be amortised under US GAAP until the CSR Group adopts SFAS 142 on April 1, 2002. This adjustment reverses the amortisation of goodwill acquired subsequent to June 30, 2001.

M. Earnings per share. Under Australian GAAP diluted earnings per share are calculated by adjusting income for the nominal earnings if all the options were converted to shares and by adjusting the number of shares for the conversion.

Under US GAAP diluted earnings per share are adjusted after deducting the number of shares that could be purchased (at average share price for the year) from the proceeds if all the options were converted as follows;

2002	
Weighted number of shares	944,837,585
Conversion options	13,459,793
Redemption of shares from proceeds	(7,498,421)
Diluted number of shares	950,798,957
2001	
Weighted number of shares	1,003,324,299
Conversion options	15,469,034
Redemption of shares from proceeds	(14,066,713)
Diluted number of shares	1,004,726,620
2000	
Weighted number of shares	1,036,465,357
Diluted number of shares	1,036,465,357

Total no. of options (15,545,000) are anti-dilutive.

N. Timber volume reversal on sale. US GAAP required that amounts charged to profit relating to Timber growth for Australian GAAP were reversed. Upon sale of the forests during the 2000 year, reversal of the accumulated amount of timber growth required for US GAAP resulted in an adjustment to profit on sale reported for Australian GAAP.

O. Employee entitlements. Employee entitlement provisions include a liability for long service leave. The assumptions used to calculate this liability are consistent with those used under SFAS 87 'Employers' Accounting for Pensions' for US GAAP.

P. Adoption of SAB 101. Adoption of Staff Accounting Bulletin 101 'Revenue Recognition in Financial Statements' in 2001 has had no impact on the CSR Group's revenue recognition policy.

Q. Consolidated statement of financial position - classification differences. Under Australian GAAP, advances and loans made to associated entities are classified as receivables. Under US GAAP, such advances and loans made to associated entities are classified in the "investments accounted for using the equity method" account.

40 United States generally accepted accounting principles (US GAAP) (continued)

Explanatory notes (continued)

R. Superannuation (pension) fund. In accounting for defined benefit superannuation funds, Australian GAAP requires the recognition of an expense to the CSR Group only when contributions are paid or payable to the superannuation funds. Under US GAAP, the amount charged to the income statement in each accounting period is the net retirement benefit expense (net periodic pension income) which an expense to the CSR Group only when contributions are paid or payable to the superannuation funds. Under US GAAP, the amount charged to the income statement in each accounting period is the net retirement benefit expense (net periodic pension income) which comprises actual service cost of the plan to the CSR Group and the interest cost of the projected benefit obligations of the fund, less the actual return achieved by the assets invested in the plan and net amortisation and deferral of costs.

The CSR Australian superannuation fund has changed the way gains and losses are recognised for US GAAP purposes. The amount of gains and losses recognised exceeds the minimum amount required to be recognised under SFAS 87 and no corridor has been used in determining the amount recognised. The accumulated experience gains and losses are amortised over the expected future working lifetime of active defined benefit division members.

For 1998 to September 2001, the CSR Group's annual contribution to the Accumulation Division of the CSR Staff Superannuation Fund (essentially a defined contribution plan) was funded by a transfer from the surplus of the Defined Benefit Division, resulting in no expense recognition by the company. Under US GAAP, this is accounted for as an asset reversion to the company and subsequent expense.

Under US GAAP if an additional minimum pension liability is recognised, an equal amount shall be recognised as an intangible asset, provided that the asset recognised shall not exceed the amount of unrecognised prior service cost. If an additional minimum pension liability required to be recognised exceeds unrecognised prior service cost, the excess (which represents a net loss not yet recognised as net periodic pension cost) shall be reported as a separate component of equity. No such adjustment is required for Australian GAAP.

The following table in relation to the company's defined benefit plans is given for information purposes. In making the calculations the following rates (weighted by total fund assets) have been used : discount 6.1% (2001: 6.7%, 2000: 7.0%), compensation increase 4.8% (2001: 4.8%, 2000: 5.5%) and return on assets 7.3% (2001: 7.7%, 2000: 9.0%).

(million)	**2002 US$**	**2002 A$**	2001 A$	2000 A$
Change in benefit obligation				
Benefit obligation at the beginning of the financial year	**143.5**	**269.0**	224.0	255.1
Service cost	**4.1**	**7.6**	8.0	8.9
Interest cost	**8.6**	**16.2**	16.3	15.5
Employee contributions	**0.3**	**0.6**	0.6	0.8
Amendments	**(0.1)**	**(0.1)**	0.2	1.7
Actuarial loss/(gain)	**1.1**	**2.0**	30.1	(40.3)
Benefits paid	**(11.6)**	**(21.8)**	(21.9)	(20.1)
Foreign exchange adjustment	**(2.6)**	**(4.8)**	11.7	2.4
Benefit obligation at the end of the financial year	**143.3**	**268.7**	269.0	224.0
Change in plan assets				
Fair value of plan assets at the beginning of the financial year	**148.4**	**278.3**	308.2	306.3
Actual return on plan assets	**4.8**	**9.0**	(8.3)	29.4
Employer contribution	**2.1**	**4.0**	3.1	3.4
Employee contributions	**0.3**	**0.6**	0.6	0.8
Transfer to accumulation division	**(3.6)**	**(6.8)**	(12.8)	(13.0)
Benefits paid and expenses incurred	**(11.6)**	**(21.8)**	(22.7)	(20.8)
Foreign exchange adjustment	**(2.0)**	**(3.7)**	10.2	2.1
Fair value of plan assets at the end of the financial year	**138.4**	**259.6**	278.3	308.2
Total funded status	**(4.9)**	**(9.1)**	9.3	84.2
Rinker Materials Corporation superannuation funds	**(13.1)**	**(24.6)**	(14.4)	(6.3)
Monier PGH and CSR Australian superannuation funds	**8.2**	**15.5**	23.7	90.5
Transitional assets	**(31.3)**	**(58.6)**	(78.3)	(97.8)
Unrecognised net actuarial loss	**47.7**	**89.4**	94.7	32.9
Unrecognised prior service cost	**1.9**	**3.6**	7.1	9.4
Intangible asset	**(1.3)**	**(2.5)**	(3.1)	(2.6)
Accumulated other comprehensive income	**(3.9)**	**(7.4)**	(3.2)	(1.2)
Total net prepaid benefit cost	**8.2**	**15.4**	26.5	24.9
Rinker Materials Corporation superannuation funds - accrued benefit cost	**(9.2)**	**(17.2)**	(13.0)	(7.4)
Monier PGH and CSR Australian superannuation funds - prepaid benefit cost	**17.4**	**32.6**	39.5	32.3
Components of net periodic benefit cost				
Service cost	**4.6**	**8.6**	9.1	10.2
Interest cost	**8.6**	**16.2**	16.3	15.5
Expected return on plan assets	**(10.7)**	**(20.1)**	(23.9)	(26.6)
Amortisation of transitional assets	**(10.5)**	**(19.6)**	(19.6)	(19.6)
Amortisation of prior service cost	**1.7**	**3.1**	3.1	2.8
Recognised net actuarial loss	**9.0**	**16.9**	0.3	0.5
Net periodic pension expense (income)	**2.7**	**5.1**	(14.7)	(17.2)

40 United States generally accepted accounting principles (US GAAP) (continued)

Explanatory notes (continued)

S. Derivatives and hedging. Effective April 1, 2001, the CSR

S. Derivatives and hedging (continued)

S. Derivatives and hedging. Effective April 1, 2001, the CSR Group adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended. The standard requires an entity to recognise derivatives as assets or liabilities in the statement of financial position and measure them at fair value. The transition adjustment on April 1, 2001 resulted in a net charge after tax of A$104.1 million which was recorded in Other Comprehensive Income ("OCI"). Derivatives and hedging activities are managed as part of a formally documented risk management process outlined in the CSR Group's Financial and Commodity Price Risk Management Policy and in detailed Operational Guidelines. The risk management process detailed in the guidelines specifies what is an exposure, when it is recognised, the objectives of the risk management process, the need for a risk management plan, the approved hedging instruments and detailed reporting requirements. The CSR Group's hedging activities are under the direct control and review of the CSR Group's Finance Committee consisting of the Deputy Managing Director, the Chief Financial Officer, General Manager of Corporate Strategy and the Treasurer. The general objective of the CSR Group's risk management activities is to reduce the potential variability in financial returns thus contributing to more certainty and stability in profit outcomes.

Hedge effectiveness. The CSR Group measures hedge effectiveness through quarterly review of the retrospective and prospective relationship between changes in the value of a hedge and it's underlying transaction. The methods used to assess effectiveness are the shortcut method based on criteria as stated in SFAS 133, matched terms method, dollar offset method and regression analysis. To the extent that option contracts are used as hedges, the intrinsic value of the option will be effective if all terms of the contract are matched with the underlying transaction. The time value of options (amounts excluded from the measurement of effectiveness) and any other ineffectiveness is reported through earnings in the current period.

For the year ended March 31, 2002, the earnings effect after tax of ineffectiveness was a loss of A$80,821 and of items excluded from the measurement of effectiveness was a profit of A$32,476.

Fair value hedges. Under SFAS 133, a fair value hedge mitigates exposure to changes in the fair value of an asset, liability or firm commitment. A fair value hedge protects against changes in value caused by variability in prices, costs or rates. The hedged item and the hedging instrument are marked-to-market in the statement of financial position. The resulting gains/losses on the effective portion of both the hedged item and the hedging instrument are recognised currently in earnings and will offset each other. Any movements in ineffectiveness are recorded in earnings in the current period. Hedged items include fixed rate debt and firm commitments for capital expenditure.

S. Derivatives and hedging (continued)

Cash flow hedges. Under SFAS 133, a cash flow hedge mitigates exposure to variable cash flows of a forecasted transaction, asset or liability. A cash flow hedge protects against the risk caused by variable prices, costs or rates. The hedging instrument is marked-to-market in the statement of financial position. The resulting gains/losses on the effective portion of a hedging instrument are recorded in OCI. Gains/losses on the ineffective portion of a hedging instrument are recognised currently in earnings. Amounts in OCI are reclassified to earnings when the hedged item is settled and/or otherwise recognized in earnings. Variable cash flows include variable rate debt and forecasted purchases and sales.

Net investment hedges. Under SFAS 133, a net investment hedge mitigates foreign currency exposure of a net investment in a foreign operation. The accounting treatment of net investment hedges under US GAAP is consistent with Australian GAAP.

Other Derivatives. Any other derivative transaction that cannot meet the designation requirement as a fair value, cash flow or net investment hedge, will be marked-to-market in earnings in the current period.

Other information. The maximum time that the CSR Group hedges anticipated transactions is four years in relation to aluminium commodity price hedges and the associated foreign exchange hedges.

The following table provides a reconciliation of OCI after tax for the year ended March 31, 2002.

$A millions	Debit/(Credit)
Opening adjustment on adoption of SFAS 133 as at April 1, 2001	104.1
Net loss reclassified to earnings	(58.9)
Changes in fair value of derivatives	(36.7)
Closing balance March 31, 2002	8.5

Based on SFAS 133 revaluations as at March 31, 2002, CSR is expected to recognise a loss after tax through earnings of A$10.6 million on expiring hedging contracts in the next 12 months.

41 Consolidating financial information

Rinker Materials Corporation and its controlled entities

Rinker Materials Corporation is a wholly owned subsidiary of CSR Limited. Rinker Materials Corporation and CSR Finance Limited, also a wholly owned subsidiary of CSR Limited, are able to offer and sell certain securities from time to time pursuant to a registration statement on Form F-3 filed with the U.S. Securities and Exchange Commission. CSR Limited will fully and unconditionally guarantee all securities issued by Rinker Materials Corporation and CSR Finance Limited pursuant to that registration statement.

CSR Limited is providing in its consolidated financial statements included in this annual report on Form 20F certain financial information regarding Rinker Materials Corporation. In light of this financial information and the fact that any securities issued by Rinker Materials Corporation pursuant to this registration statement on Form F-3 will be fully and unconditionally guaranteed by CSR Limited, CSR Limited does not believe that separate, more formal financial statements of Rinker Materials Corporation would be material to investors investing in these securities. No separate financial information has been provided for CSR Finance Limited. This is because CSR Finance Limited is a financing subsidiary of CSR Limited and CSR Limited does not believe that such information would be material to investors investing in any securities that may be issued by CSR Finance Limited pursuant to this registration statement on Form F-3, all of which will also be fully and unconditionally guaranteed by CSR Limited.

Both Rinker Materials Corporation and CSR Finance Limited are each corporations duly incorporated and in good standing in the jurisdictions in which they are incorporated, and are entitled to declare dividends and make loans to the extent legally permissible in their jurisdictions of incorporation. In the event that Rinker Materials Corporation or CSR Finance Limited fail to pay the holders of the securities being offered and sold pursuant to a registration statement on Form F-3 directly, thereby requiring CSR Limited to make payment pursuant to the terms of its full and unconditional guarantee of those securities, there is no impediment to CSR Limited obtaining reimbursement for any such payments through dividends or loans from Rinker Materials Corporation or CSR Finance Limited to the full extent that such dividends or loans are permitted under applicable law.

The following consolidating financial information for CSR Limited has been prepared in accordance with Australian Generally Accepted Accounting Principles (Australian GAAP) based on the requirements of the Securities and Exchange Commission's revised Rule 3-10 of Regulation S-X, which requires investments in subsidiaries to be equity accounted by the parent entity (CSR Limited).

Year ended March 31, 2002			A$ million		
Statement of financial performance	CSR Limited	Rinker Materials Corporation and its controlled entities	Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
Trading revenue - sale of goods	1818.2	4115.5	1110.2	(59.2)	6984.7
Cost of sales	(1265.7)	(2335.3)	(870.7)	34.2	(4437.5)
Warehouse and distribution costs	(208.4)	(765.5)	(41.3)	-	(1015.2)
Selling costs	(70.3)	(75.0)	(16.5)	-	(161.8)
Administration and other costs	(152.2)	(352.6)	(32.2)	20.7	(516.3)
Equity accounted result of subsidiaries (less dividends received)	86.1			(86.1)	
Share of partnership net (loss) income	(0.3)	-	9.2	(9.2)	(0.3)
Share of associate entities' net profit	9.2	-	27.3	9.2	45.7
Operating profit	216.6	587.1	186.0	(90.4)	899.3
Other revenue from ordinary activities	266.2	66.3	594.5	(744.0)	183.0
Other expenses from ordinary activities	(183.3)	(56.6)	(760.7)	841.8	(158.8)
Dividend income from controlled entities	210.5	-	187.8	(398.3)	
Dividend income from others	1.3	0.3	0.7	-	2.3
Profit from ordinary activities before finance and income tax	511.3	597.1	208.3	(390.9)	925.8
Interest income	53.3	1.0	31.1	(60.6)	24.8
Borrowing costs	11.3	(122.1)	(56.8)	35.5	(132.1)
Profit from ordinary activities before income tax	575.9	476.0	182.6	(416.0)	818.5
Income tax benefit (expense) relating to ordinary activities	(23.3)	(185.2)	(49.3)	14.1	(243.7)
Profit from ordinary activities after income tax	552.6	290.8	133.3	(401.9)	574.8
Net profit attributable to outside equity interests		(0.7)	(21.5)	-	(22.2)
Net profit attributable to members of CSR Limited	552.6	290.1	111.8	(401.9)	552.6
Increase/(decrease) in asset revaluation reserve arising on revaluation of property, plant and equipment	-	-	5.9	(5.9)	-
(Decrease)/increase in currency translation reserve arising on translation of self-sustaining foreign operations	-	(125.2)	6.0	14.3	(104.9)
Total revenue, expense and valuation adjustments attributable to members of CSR Limited recognised directly in equity	-	(125.2)	11.9	8.4	(104.9)
Total changes in equity other than those resulting from transactions with owners as owners	552.6	164.9	123.7	(393.5)	447.7

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

Year ended March 31, 2001 Statement of financial performance	A$ million CSR Limited	Rinker Materials Corporation and its controlled entities	Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
Trading revenue - sale of goods	1808.0	3589.5	1186.3	(159.8)	6424.0
Cost of sales	(1244.7)	(2105.0)	(885.5)	138.0	(4097.2)
Warehouse and distribution costs	(199.6)	(630.6)	(43.9)	-	(874.1)
Selling costs	(73.6)	(68.6)	(17.9)	3.4	(156.7)
Administration and other costs	(166.8)	(296.1)	(25.4)	22.2	(466.1)
Equity accounted result of subsidiaries (less dividends received)	400.3			(400.3)	
Share of partnership net (loss) income	(1.7)	0.9	11.4	(11.4)	(0.8)
Share of associate entities' net profit	11.4	-	27.4	11.4	50.2
Operating profit	533.3	490.1	252.4	(396.5)	879.3
Other revenue from ordinary activities	81.8	78.2	967.9	(539.0)	588.9
Other expenses from ordinary activities	(158.5)	(75.9)	(637.2)	381.9	(489.7)
Dividend income from controlled entities	302.2	-	580.7	(882.9)	
Dividend income from others	-	0.6	0.8		1.4
Profit from ordinary activities before finance and income tax	758.8	493.0	1164.6	(1436.5)	979.9
Interest income	109.5	3.2	51.1	(140.1)	23.7
Borrowing costs	(271.1)	(134.6)	(127.3)	377.6	(155.4)
Profit from ordinary activities before income tax	597.2	361.6	1088.4	(1199.0)	848.2
Income tax benefit (expense) relating to ordinary activities	36.9	(136.3)	(38.5)	(41.2)	(179.1)
Profit from ordinary activities after income tax	634.1	225.3	1049.9	(1240.2)	669.1
Net loss (profit) attributable to outside equity interests		0.1	(33.9)	(1.2)	(35.0)
Net profit attributable to members of CSR Limited	634.1	225.4	1016.0	(1241.4)	634.1
(Decrease)/increase in asset revaluation reserve arising on revaluation of property, plant and equipment	(4.7)	12.5	(6.2)	(6.1)	(4.5)
Increase/(decrease) in currency translation reserve arising on translation of self-sustaining foreign operations	-	302.6	19.3	(80.6)	241.3
Total revenue, expense and valuation adjustments attributable to members of CSR Limited recognised directly in equity	(4.7)	315.1	13.1	(86.7)	236.8
Total changes in equity other than those resulting from transactions with owners as owners	629.4	540.5	1029.1	(1328.1)	870.9

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

Year ended March 31, 2000 Statement of financial performance	A$ million CSR Limited	Rinker Materials Corporation and its controlled entities	Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
Trading revenue - sale of goods	2588.2	2690.2	1306.8	(166.2)	6419.0
Cost of sales	(1833.3)	(1622.5)	(935.5)	132.6	(4258.7)
Warehouse and distribution costs	(226.4)	(484.8)	(98.5)	-	(809.7)
Selling costs	(100.2)	(47.7)	(21.1)	3.1	(165.9)
Administration and other costs	(191.4)	(206.4)	(13.8)	19.2	(392.4)
Equity accounted result of subsidiaries (less dividends received)	116.9			(116.9)	
Share of partnership net income (loss)	5.2	0.6	16.1	(16.1)	5.8
Share of associate entities' net profit	16.1	-	36.7	16.1	68.9
Operating profit	375.1	329.4	290.7	(128.2)	867.0

Other revenue from ordinary activities	435.0	61.4	566.4	(200.6)	862.2
Other expenses from ordinary activities	(492.4)	(65.1)	(664.6)	295.4	(926.7)
Dividend income from controlled entities	222.2		199.7	(421.9)	
Dividend income from others	-	0.4	0.6		1.0
Profit from ordinary activities before finance and income tax	539.9	326.1	392.8	(455.3)	803.5
Interest income	67.0	3.7	67.1	(119.2)	18.6
Borrowing costs	(73.9)	(48.3)	(117.9)	139.9	(100.2)
Profit from ordinary activities before income tax	533.0	281.5	342.0	(434.6)	721.9
Income tax expense relating to ordinary activities	(61.4)	(110.0)	(29.5)	(12.9)	(213.8)
Profit from ordinary activities after income tax	471.6	171.5	312.5	(447.5)	508.1
Net profit attributable to outside equity interests		(1.1)	(26.9)	(8.5)	(36.5)
Net profit attributable to members of CSR Limited	471.6	170.4	285.6	(456.0)	471.6
(Decrease)/increase in asset revaluation reserve arising on revaluation of property, plant and equipment	(47.5)	-	(44.6)	15.7	(76.4)
(Decrease)/increase in currency translation reserve arising on translation of self-sustaining foreign operations	(0.1)	27.5	14.3	(17.4)	24.3
Total revenue, expense and valuation adjustments attributable to members of CSR Limited recognised directly in equity	(47.6)	27.5	(30.3)	(1.7)	(52.1)
Total changes in equity other than those resulting from transactions with owners as owners	424.0	197.9	255.3	(457.7)	419.5

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

Year ended March 31, 2002	CSR Limited	Rinker Materials Corporation and its controlled entities	A$ million Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
Consolidated statement of financial position					
Current assets					
Cash	63.2	7.0	86.4	-	156.6
Receivables	1566.4	531.6	1671.7	(2781.7)	988.0
Inventories	149.1	320.7	103.3	(0.6)	572.5
Other	12.3	19.2	1.0	(7.0)	25.5
Current assets	1791.0	878.5	1862.4	(2789.3)	1742.6
Non-current assets					
Receivables	862.0	7.0	1516.4	(2334.5)	50.9
Inventories	16.9	90.1	22.2	-	129.2
Equity accounted investment in subsidiaries	1141.8			(1141.8)	
Investments accounted for using the equity method	125.5	-	191.1	-	316.6
Other financial assets	1604.6	11.5	2996.1	(4572.0)	40.2
Property, plant and equipment	941.7	2217.3	982.6	(3.7)	4137.9
Intangibles	8.7	1068.7	27.9	6.3	1111.6
Deferred income tax assets	108.3	94.8	90.7	(10.8)	283.0
Other assets	61.6	67.2	15.6	(5.7)	138.7
Non-current assets	4871.1	3556.6	5842.6	(8062.2)	6208.1
Total assets	6662.1	4435.1	7705.0	(10851.5)	7950.7
Current liabilities					
Payables	1204.6	686.8	1812.7	(2958.8)	745.3
Interest-bearing liabilities	5.3	5.9	92.8	-	104.0
Income tax liabilities	-	12.0	16.0	(10.7)	17.3
Provisions	229.4	75.8	38.8	8.6	352.6
Current liabilities	1439.3	780.5	1960.3	(2960.9)	1219.2
Non-current liabilities					
Payables	0.4	41.8	1.0	-	43.2
Interest-bearing liabilities	872.2	1497.1	1758.7	(2337.3)	1790.7
Deferred income tax liabilities	115.2	245.7	158.2	0.5	519.6
Provisions	212.2	57.6	4.9	(1.1)	273.6

Non-current liabilities	1200.0	1842.2	1922.8	(2337.9)	2627.1
Total liabilities	2639.3	2622.7	3883.1	(5298.8)	3846.3
Net assets	4022.8	1812.4	3821.9	(5552.7)	4104.4
Equity					
Contributed equity	2139.4	1177.5	3623.4	(4800.9)	2139.4
Reserves	101.6	340.0	273.0	(433.5)	281.1
Retained profits	1781.8	287.6	(157.3)	(309.8)	1602.3
Equity attributable to members of CSR Ltd	4022.8	1805.1	3739.1	(5544.2)	4022.8
Outside equity interests in controlled entities		7.3	82.8	(8.5)	81.6
Total equity	4022.8	1812.4	3821.9	(5552.7)	4104.4

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

Year ended March 31, 2001	CSR Limited	Rinker Materials Corporation and its controlled entities	A$ million Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
Consolidated statement of financial position					
Current assets					
Cash	88.0	38.7	73.5	-	200.2
Receivables	1371.2	529.5	1,444.8	(2,374.1)	971.4
Inventories	149.6	369.3	111.6	(0.6)	629.9
Other	8.9	26.8	1.9	-	37.6
Total current assets	1617.7	964.3	1631.8	(2374.7)	1839.1
Non-current assets					
Receivables	1171.6	29.5	1870.9	(2992.3)	79.7
Inventories	17.9	60.0	21.4	-	99.3
Equity accounted investment in subsidiaries	1160.6			(1160.6)	
Investments accounted for using the equity method	132.2	11.8	190.8		334.8
Other financial assets	1337.4	9.2	2999.1	(4253.7)	92.0
Property, plant and equipment	937.0	2307.6	1041.3	(12.5)	4273.4
Intangibles	9.2	1188.9	28.6	6.8	1233.5
Deferred income tax assets	164.1	106.5	112.1	(12.6)	370.1
Other assets	46.5	85.0	8.2	-	139.7
Total non-current assets	4976.5	3798.5	6272.4	(8424.9)	6622.5
Total assets	6594.2	4762.8	7904.2	(10799.6)	8461.6
Current liabilities					
Payables	971.0	803.3	1494.2	(2444.3)	824.2
Interest-bearing liabilities	1.0	4.7	64.4		70.1
Income tax liabilities	-	17.9	4.0	28.0	49.9
Provisions	255.4	78.1	49.9	(7.0)	376.4
Total current liabilities	1227.4	904.0	1612.5	(2423.3)	1320.6
Non-current liabilities					
Payables	0.6	31.5	1.0	-	33.1
Interest-bearing liabilities	1047.0	1877.9	2302.8	(2997.7)	2230.0
Deferred income tax liabilities	122.1	240.8	157.1	(1.1)	518.9
Provisions	214.0	59.7	5.4	(1.1)	278.0
Total non-current liabilities	1383.7	2209.9	2466.3	(2999.9)	3060.0
Total liabilities	2611.1	3113.9	4078.8	(5423.2)	4380.6
Net assets	3983.1	1648.9	3825.4	(5376.4)	4081.0
Equity					
Contributed equity	2322.4	1177.9	3378.6	(4556.5)	2322.4
Reserves	101.6	465.3	269.9	(450.0)	386.8
Retained profits	1559.1	(2.5)	80.5	(363.2)	1273.9
Equity attributable to members of CSR Ltd	3983.1	1640.7	3729.0	(5369.7)	3983.1
Outside equity interests in controlled entities		8.2	96.4	(6.7)	97.9
Total equity	3983.1	1648.9	3825.4	(5376.4)	4081.0

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

Year ended March 31, 2002 **Statement of cash flows**	CSR Limited	Rinker Materials Corporation and its controlled entities	Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
	A$ million				
Cash flows from operating activities					
Receipts from customers	2058.9	4134.0	1119.0	(53.6)	7258.3
Payments to suppliers and employees	(1916.1)	(3247.4)	(904.4)	80.8	(5987.1)
Dividends, and distributions from associate entities and controlled entities	227.3	0.3	37.5	(210.5)	54.6
Interest received	53.4	3.7	19.8	(49.1)	27.8
Tax refund from Australian Taxation Office	33.0	-	-		33.0
Income taxes paid	-	(135.6)	(56.2)		(191.8)
Net cash from operating activities	456.5	755.0	215.7	(232.4)	1194.8
Cash flows from investing activities					
Purchase of property, plant and equipment and other non-current assets	(121.3)	(281.3)	(24.4)	-	(427.0)
Proceeds from sale of property, plant and equipment and other non-current assets	19.3	33.8	67.5	-	120.6
Purchase of controlled entities and businesses net of cash acquired	(1.2)	(157.3)	-		(158.5)
Proceeds from sale of interests in controlled entities and businesses	9.1	32.6	1.0	(27.2)	15.5
Loans and receivables advanced	(0.9)	(0.2)	(0.1)		(1.2)
Loans and receivables repaid	3.3	9.9	0.1		13.3
Net cash (used in) from investing activities	(91.7)	(362.5)	44.1	(27.2)	(437.3)
Cash flows from financing activities					
Proceeds from issue of shares to CSR shareholders	22.9		-		22.9
Share buyback	(208.5)		-		(208.5)
Net proceeds from (repayment of) borrowings	4.5	(253.0)	5.5		(243.0)
Net financing of controlled entities	31.0	(73.2)	42.2		
Dividends paid	(216.3)	(1.1)	(249.3)	210.5	(256.2)
Interest and other finance costs paid	(24.5)	(95.8)	(47.1)	49.1	(118.3)
Hedging of foreign operations	-	-	3.3		3.3
Net cash used in financing activities	(390.9)	(423.1)	(245.4)	259.6	(799.8)
Net (decrease) increase in cash held	(26.1)	(30.6)	14.4	-	(42.3)
Cash at the beginning of the financial year	88.0	38.7	72.8		199.5
Effects of exchange rate changes	1.3	(1.1)	(0.8)		(0.6)
Net cash at the end of the financial year	63.2	7.0	86.4	-	156.6

41 Consolidating financial information (continued)

Year ended March 31, 2001	CSR Limited	Rinker Materials Corporation and its controlled entities	Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
	A$ million				
Statement of cash flows					
Cash flows from operating activities					
Receipts from customers	2017.5	3661.7	1055.9	(15.9)	6719.2
Payments to suppliers and employees	(2106.4)	(2910.8)	(544.0)	15.9	(5545.3)
Dividends, and distributions from associate entities and controlled entities	303.1	1.5	36.7	(302.2)	39.1
Interest received	111.7	3.9	9.5	(100.4)	24.7
Income taxes paid	-	(130.9)	(82.6)		(213.5)
Net cash from operating activities	325.9	625.4	475.5	(402.6)	1024.2
Cash flows from investing activities					
Purchase of property, plant and equipment and other non current-assets	(91.9)	(273.4)	(25.8)		(391.1)
Proceeds from sale of property, plant and equipment and other non-current assets	19.7	53.2	19.5		92.4
Purchase of controlled entities and businesses net of cash acquired	(2.9)	(1090.2)			(1093.1)
Return of capital from associate entities	0.6		5.0		5.6
Proceeds from sale of interests in controlled entities and businesses	353.9	22.7	407.1		783.7
Loans and receivables advanced	(0.8)	(1.3)	-		(2.1)

Loans and receivables repaid	20.5	4.4	0.2		25.1
Net cash from (used in) investing activities	299.1	(1284.6)	406.0		(579.5)
Cash flows from financing activities					
Proceeds from issue of shares to CSR shareholders	14.4				14.4
Share buyback	(340.7)				(340.7)
Net proceeds from borrowings	0.5	418.7	17.0		436.2
Net financing of controlled entities	46.2	356.4	(402.6)		
Dividends paid	(231.2)	-	(347.5)	302.2	(276.5)
Interest and other finance costs paid	(37.9)	(130.0)	(100.0)	100.4	(167.5)
Hedging of foreign operations	-	-	(56.1)		(56.1)
Net cash (used in) from financing activities	(548.7)	645.1	(889.2)	402.6	(390.2)
Net increase (decrease) in cash held	76.3	(14.1)	(7.7)		54.5
Cash at the beginning of the financial year	6.3	42.3	72.1		120.7
Effects of exchange rate changes	5.4	10.5	8.4		24.3
Net cash at the end of the financial year	88.0	38.7	72.8	-	199.5

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

	A$ million				
Year ended March 31, 2000	CSR Limited	Rinker Materials Corporation and its controlled entities	Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
Statement of cash flows					
Cash flows from operating activities					
Receipts from customers	2654.5	2648.6	1082.5	(12.0)	6373.6
Payments to suppliers and employees	(2274.2)	(2240.0)	(800.1)	12.0	(5302.3)
Dividends, and distributions from associate entities and controlled entities	268.3	-	40.7	(222.2)	86.8
Interest received	67.0	4.4	36.0	(88.9)	18.5
Income taxes paid	0.7	(94.0)	(34.9)		(128.2)
Net cash from operating activities	716.3	319.0	324.2	(311.1)	1048.4
Cash flows from investing activities					
Purchase of property, plant and equipment and other non-current assets	(291.0)	(332.3)	(1.5)	129.9	(494.9)
Proceeds from sale of property, plant and equipment and other non-current assets	45.7	46.4	158.9	(129.9)	121.1
Purchase of controlled entities and businesses net of cash acquired	-	(126.6)	(0.3)		(126.9)
Proceeds from sale of interests in controlled entities and businesses	26.6	15.1	341.1		382.8
Return of capital from associate entities	0.9		43.8		44.7
Loans and receivables advanced	(20.1)	(6.8)	20.5		(6.4)
Loans and receivables repaid	20.3	37.4	48.2		105.9
Net cash (used in) from investing activities	(217.6)	(366.8)	610.7	-	26.3
Cash flows from financing activities					
Proceeds from issue of shares to CSR shareholders	1.2		-		1.2
Net (repayment of) proceeds from borrowings	(1.9)	98.4	(762.4)		(665.9)
Net financing of controlled entities	(229.6)		229.6		
Dividends paid	(236.8)	-	(240.6)	222.2	(255.2)
Interest and other finance costs paid	(55.0)	(41.9)	(105.5)	88.9	(113.5)
Net cash (used in) from financing activities	(522.1)	56.5	(878.9)	311.1	(1033.4)
Net (decrease) increase in cash held	(23.4)	8.7	56.0		41.3
Cash at the beginning of the financial year	29.9	34.8	13.0		77.7
Cash sold/acquired with businesses and subsidiaries	-	(1.0)	1.0		-
Effects of exchange rate changes	(0.2)	(0.2)	2.1		1.7
Net cash at the end of the financial year	6.3	42.3	72.1	-	120.7

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

	A$ million				
	CSR	Rinker Materials	Non-	Consol-	CSR

Year ended March 31, 2002	Limited	Corporation and its controlled entities	guarantor subsidiaries	idation adjustments	Consolidated
United States generally accepted accounting principles (US GAAP) information					
Reconciliation of net profit					
Profit from ordinary activities after income tax attributable to members of CSR Limited	552.6	290.1	111.8	(401.9)	552.6
Revaluation and impairment of non-current assets	(2.7)	10.6	0.3		8.2
Divestment of assets to joint venture entities	2.8	-	-		2.8
Restructure and rationalisation	(11.0)	-	-		(11.0)
Acquisition accounting	-	(3.8)	-		(3.8)
Employee shares and share loans (Universal share/option plan)	(2.8)	-	-		(2.8)
Other	(0.9)	0.8	-		(0.1)
Executive option plan	(10.4)		-		(10.4)
Amortisation of goodwill written back	-	0.5	-		0.5
Superannuation (pension) fund	(7.4)	(1.0)	0.4		(8.0)
Accounting for derivative instruments and hedging	0.2	(0.3)	-		(0.1)
Deferred tax effect of US GAAP adjustments	4.5	(2.1)	(0.1)		2.3
Equity accounted result of subsidiaries	5.3			(5.3)	
	(22.4)	4.7	0.6	(5.3)	(22.4)
US GAAP net profit attributable to members of CSR Limited	530.2	294.8	112.4	(407.2)	530.2
Reconciliation of equity					
Equity attributable to members of CSR Limited	4022.8	1805.1	3739.1	(5544.2)	4022.8
Net effect of US GAAP adjustments on items within the statement of financial position					
Current assets					
receivables (reclassify loans and receivables to associate entities)	(22.9)	-	(23.2)		(46.1)
deferred income tax assets (reclassification from non-current)	47.7	56.1	81.8	(10.7)	174.9
deferred income tax assets (derivative instruments and hedging)	1.9	0.8	4.6	(3.2)	4.1
other financial assets (derivative instruments and hedging)	5.7	-	20.6		26.3
Non-current assets					
property, plant and equipment (revaluation and impairment)	(113.5)	(74.1)	(64.4)		(252.0)
property, plant and equipment	6.2	0.8	(1.0)		6.0
intangibles (acquisition accounting goodwill)	-	104.5	-		104.5
intangibles (reverse capitalisation of trademarks)	-	(4.0)	(10.4)		(14.4)
intangibles (reverse SFAS 142 goodwill amortisation)	-	0.5	-		0.5
intangibles (superannuation (pension) fund)	-	2.5	-		2.5
receivables (reclassify loans to associate entities)	(16.1)	-	-		(16.1)
deferred income tax assets (reclassification to current)	(106.7)	(54.9)	(90.7)	9.3	(243.0)
equity accounted result of subsidiaries	(171.4)			171.4	
other financial assets (derivative instruments and hedging)	0.4	10.2	12.4	(0.1)	22.9
investments accounted for using the equity method (divestment of assets)	(17.1)	-	(6.3)		(23.4)
investments accounted for using the equity method (SFAS 133)	-	-	(6.5)		(6.5)
investments accounted for using the equity method (reclassify loans)	39.0	-	23.2		62.2
receivables (employee share loans)	(19.3)	(5.5)	-		(24.8)
other (superannuation (pension) fund)	27.7	(12.8)	11.9		26.8
other	10.0	(5.7)	-		4.3
Current liabilities					
deferred income tax liabilities (reclassification from non-current)	7.3	(26.3)	(3.1)		(22.1)
provision for dividend	121.7	-	-		121.7
other financial liabilities (derivative instruments and hedging)	(12.0)	(1.7)	(30.1)	10.6	(33.2)
other (minimum pension liability)	-	(9.9)	-		(9.9)
Non-current liabilities					
deferred income tax liabilities (acquisition accounting)	-	(119.4)	-		(119.4)
deferred income tax liabilities (reclassification to current)	60.5	26.3	10.3		97.1
deferred income tax liabilities (US GAAP profit adjustments)	7.4	27.7	(4.9)		30.2
other financial liabilities (derivative instruments and hedging)	(5.6)	(15.3)	(6.5)	5.2	(22.2)
	(149.1)	(100.2)	(82.3)	182.5	(149.1)
US GAAP equity attributable to members of CSR Limited	3873.7	1704.9	3656.8	(5361.7)	3873.7

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

			A$ million		
	CSR	Rinker Materials	Non-	Consol-	CSR
Year ended March 31, 2001	Limited	Corporation and its	guarantor	idation	Consolidated

		controlled entities	subsidiaries	adjustments	
United States generally accepted accounting principles (US GAAP) information					
Reconciliation of net profit					
Profit from ordinary activities after income tax attributable to members of CSR Limited	634.1	225.4	1016.0	(1241.4)	634.1
Revaluation and impairment of non-current assets	(1.3)	(6.0)	39.0		31.7
Divestment of assets to joint venture entities	2.8	-	-		2.8
Restructure and rationalisation	11.0	-	-		11.0
Acquisition accounting	-	(5.1)	-		(5.1)
Employee shares and share loans (Universal share/option plan)	(2.4)	-	-		(2.4)
Other	(0.7)	0.2	(0.1)		(0.6)
Superannuation (pension) fund	7.1	(2.3)	0.2		5.0
Deferred tax effect of US GAAP adjustments	(6.2)	2.7	0.3		(3.2)
Equity accounted result of subsidiaries	28.9			(28.9)	
	39.2	(10.5)	39.4	(28.9)	39.2
US GAAP net profit attributable to members of CSR Limited	673.3	214.9	1055.4	(1270.3)	673.3
Reconciliation of equity					
Equity attributable to members of CSR Limited	3983.1	1640.7	3729.0	(5369.7)	3983.1
Net effect of US GAAP adjustments on items within the statement of financial position					
Current assets					
receivables (reclassify loans and receivables to associate entities)	(12.9)	-	(3.0)		(15.9)
deferred income tax assets (reclassification from non-current)	90.8	-	30.4		121.2
Non-current assets					
property, plant and equipment (revaluation and impairment)	(110.8)	(90.7)	(65.1)		(266.6)
property, plant and equipment	6.7	0.2	(1.2)		5.7
intangibles (acquisition accounting goodwill)	-	125.7	-		125.7
intangibles (reverse capitalisation of trademarks)	-	(3.9)	(10.4)		(14.3)
receivables (reclassify loans to associate entities)	(15.2)	-	-		(15.2)
deferred income tax assets (reclassification to current)	(174.4)	-	(91.6)		(266.0)
equity accounted result of subsidiaries	(174.5)			174.5	
investments accounted for using the equity method (divestment of assets)	(19.9)	-	(6.3)		(26.2)
investments accounted for using the equity method (reclassify loans)	28.1	-	3.0		31.1
receivables (employee share loans)	(20.1)	(7.1)	-		(27.2)
other (superannuation (pension) fund)	37.3	(15.0)	11.6		33.9
other	7.3	(3.2)	-		4.1
Current liabilities					
deferred income tax liabilities (reclassification from non-current)	7.3	-	(2.9)		4.4
provision for dividend	114.4	-	-		114.4
other	11.0	-	-		11.0
Non-current liabilities					
deferred income tax liabilities (acquisition accounting)	-	(137.7)	-		(137.7)
deferred income tax liabilities (reclassification to current)	76.3	-	67.4		143.7
deferred income tax liabilities (US GAAP profit adjustments)	8.5	32.7	(7.4)		33.8
	(140.1)	(99.0)	(75.5)	174.5	(140.1)
US GAAP equity attributable to members of CSR Limited	3843.0	1541.7	3653.5	(5195.2)	3843.0

Notes to the financial statements

CSR Limited and its controlled entities

41 Consolidating financial information (continued)

Year ended March 31, 2000	CSR Limited	Rinker Materials Corporation and its controlled entities	A$ million Non-guarantor subsidiaries	Consol-idation adjustments	CSR Consolidated
United States generally accepted accounting principles (US GAAP) information (continued)					
Reconciliation of net profit					
Profit from ordinary activities after income tax attributable to members of CSR Limited	471.6	170.4	285.6	(456.0)	471.6
Revaluation and impairment of non-current assets	(74.0)	6.5	(8.9)		(76.4)
Divestment of assets to joint venture entities	2.8	-	-		2.8
Acquisition accounting	-	(1.2)	(1.5)		(2.7)

Other	(1.4)	4.2	(5.6)		(2.8)
Timber volume reversal on sale	-	-	31.6		31.6
Superannuation (pension) fund	7.6	(2.5)	2.5		7.6
Deferred tax effect of US GAAP adjustments	10.1	(1.8)	0.6		8.9
Equity accounted result of subsidiaries	23.9			(23.9)	
	(31.0)	5.2	18.7	(23.9)	(31.0)
US GAAP net profit attributable to members of CSR Limited	440.6	175.6	304.3	(479.9)	440.6
Reconciliation of equity					
Equity attributable to members of CSR Limited	3659.3	1099.6	3959.2	(5058.8)	3659.3
Net effect of US GAAP adjustments on items within the statement of financial position					
Current assets					
receivables (reclassify loans and receivables to associate entities)	(8.7)	-	(2.1)		(10.8)
deferred income tax assets (reclassification from non-current)	20.7	-	47.7		68.4
Non-current assets					
property, plant and equipment (revaluation and impairment)	(113.3)	13.7	(118.9)		(218.5)
property, plant and equipment	7.2	(1.9)	-		5.3
intangibles (acquisition accounting goodwill)	-	40.3	-		40.3
intangibles (reverse capitalisation of trademarks)	-	(2.6)	(11.3)		(13.9)
receivables (reclassify loans to associate entities)	(14.7)	-	-		(14.7)
deferred income tax assets (reclassification to current)	(103.0)	-	(109.7)		(212.7)
equity accounted result of subsidiaries	(158.1)			158.1	
investments accounted for using the equity method (divestment of assets)	(22.7)	-	(6.3)		(29.0)
investments accounted for using the equity method (reclassify loans)	23.4	-	2.1		25.5
receivables (employee share loans)	(25.6)	(6.7)	-		(32.3)
other (superannuation (pension) fund)	28.0	(9.6)	10.5		28.9
other	8.3	(3.6)			4.7
Current liabilities					
deferred income tax liabilities (reclassification from non-current)	7.3	-	(7.9)		(0.6)
provision for dividend	124.4	-	-		124.4
Non-current liabilities					
deferred income tax liabilities (acquisition accounting)	-	(66.9)	-		(66.9)
deferred income tax liabilities (reclassification to current)	82.0	-	71.1		153.1
deferred income tax liabilities (US GAAP profit adjustments)	5.8	(4.8)	8.8		9.8
	(139.0)	(42.1)	(116.0)	158.1	(139.0)
US GAAP equity attributable to members of CSR Limited	3520.3	1057.5	3843.2	(4900.7)	3520.3