

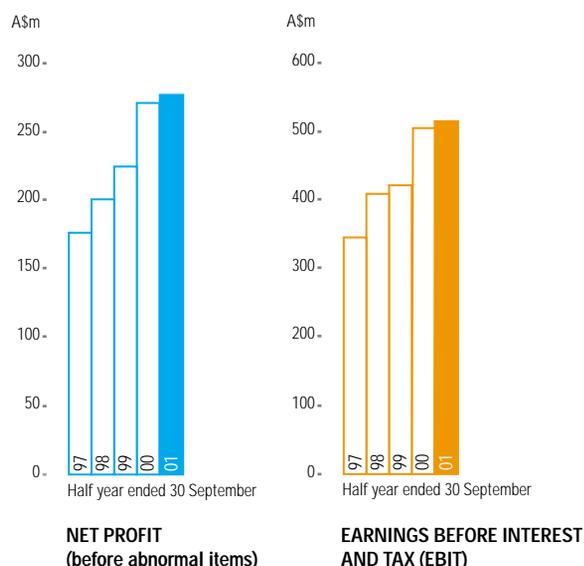
results summary

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2001
CSR LIMITED ABN 90 000 001 276

CSRTM



The managing director's review



NET OPERATING PROFIT AFTER TAX OF A\$277 MILLION FOR THE HALF YEAR ENDED 30 SEPTEMBER 2001 WAS UP 2% ON THE CORRESPONDING PERIOD LAST YEAR.

Earnings per share, which rose 10% to 29.1 cents, have increased an average 13% per year compound over the past five years (since the half year ended September 1996).

Other half year highlights included:

- Sales rose 9% to A\$3,712 million
- Earnings before interest and tax (EBIT) were up 2% to A\$514 million
- Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 7% to A\$739 million
- Operating cash flow was up 32% to A\$545 million. Operating cash flow per share was 57.2 cents, up 42%
- Return on funds employed (ROFE) rose from 13.9% to 14.5% (12 months to September).

The result was lifted by strong performances from the US subsidiary, Rinker Materials Corporation (Rinker) (EBIT up 10% in US\$) and Sugar (EBIT up 170%), and a weaker A\$ currency. These offset the impact of the Australian construction downturn on Building Materials (Australia, New Zealand and Asia) and Construction Materials (Australia and Asia), and divestment of the Gove alumina interests, which had contributed A\$37 million EBIT in the half year ended September 2000.

Total EBITDA from sales of international building materials (by Rinker, Construction Materials and Building Materials) rose 10% to A\$604 million – or 82% of CSR Group EBITDA. The EBITDA margin from sales of international building materials was 20.2%, up from 20.0%.

The result reflected the ongoing investment in value-adding growth and the focus on improving performance from existing assets. The improvement was particularly satisfactory given the significant, 12%, decline in total housing and construction activity in Australia during the half year.

Rinker continued to perform satisfactorily against its competitors in the US market, with the acquisitions overall delivering in line with forecasts. In Australia, despite the sharp fall off in activity, Building Materials' performance was encouraging and significantly better than the previous downturn in 1996-7, when housing starts dropped to a similar level.

FINANCIAL POSITION

Net debt declined from A\$2,268 million as at September 2000 to A\$2,130 million. Gearing (net debt/net debt plus equity) improved from 36.2% to 34.0%. Interest cover was very strong at 8.0 times, albeit down from 9.4 times in September 2000. Over 111 million shares have been bought back to date under the two buybacks since June 2000, at an average cost of A\$4.91. The buyback is continuing, subject to other capital investment opportunities which may arise.

Directors declared an interim dividend of 11 cents a share, 40% franked, payable on 17 December.

BUSINESS PERFORMANCE

RINKER EBIT was up 25% to A\$335 million (in US\$, up 10% to US\$170 million). Rinker EBITDA was up 31% to A\$483 million (in US\$, up 16%). Sales increased 21% to A\$2,115 million (in US\$, up 7%). The EBIT/sales margin increased from 15.4% to 15.8%. US\$ ROFE (for the 12 months to September) rose to 15.6%.

EBIT from Rinker's concrete pipe business, Hydro Conduit, rose 25%. Strong increases in US\$ sales and profit also came from Quarries Southeast (Florida and Georgia), with EBIT up 34%, Cement (up 18%) and Florida Materials (pre-mixed

concrete and concrete block), up 23%. Comparable aggregates volumes – adjusted for acquisitions and divestments – rose 1.8% and prices were up over 5%.

A priority for Rinker was to bed down the two major acquisitions made last year – Florida Crushed Stone (purchased July 2000) and American Limestone (June 2000). These – together with the other acquisitions which will deliver their first full year of earnings this year – contributed US\$33 million during the half year.

CONSTRUCTION MATERIALS EBIT fell 33% to A\$32 million, due to the slide in Australian construction activity and lower concrete pipe sales. The performance was, however, up significantly over the second half last year. Profit from the Asian operations increased.

BUILDING MATERIALS EBIT was down 44% to A\$48 million, on a 20% decline in sales. Housing starts during the half year were down 34% (lagged three months) on the previous corresponding period, which included the pre-GST boom. ROFE was 15.6%, down from 25.6%. This compared with a ROFE of 6.8% at the bottom of the previous downturn in Australia.

SUGAR EBIT rose 170% to A\$79 million, from A\$29 million previously, mainly due to higher raw sugar prices. Distilleries EBIT rose 19%, on higher margins and sales growth, including new overseas markets. Profit from sugar refining fell slightly due to higher raw sugar input costs.

ALUMINIUM EBIT was A\$55 million, down 49% on the previous result, which had included the contribution from the Gove alumina joint venture (Gove Aluminium Ltd). A substantial level of hedging means that the business is well insulated against the current downturn in the aluminium market.

STRATEGY

The CSR Group's drive for value-creating growth and performance continued during the half year.

Rinker focused on bedding down the major acquisitions and on improving the performance of the base business. Rinker also completed two bolt-on acquisitions in the US – Mid Coast Concrete in Florida and Hanson's aggregate and concrete operations in Las Vegas. Work is under way on several other bolt-on acquisitions, and the group is well positioned to take advantage of opportunities during the current slowdown.

The CSR Group's strong financial position and cash flows of around A\$1 billion a year provide good flexibility. CSR is now the ninth largest heavy building materials group in the world and will continue to invest in bolt-on acquisitions in the US and elsewhere. The group is cautious however in the current uncertain economic climate.

Operational improvement across the group delivered A\$55 million in cost savings during the half year.

The separation of CSR Sugar remains an important strategic objective. Although the sharply improved profit performance is a positive, the current global uncertainty means that no outcome of the separation process is expected during the current financial year ending March 2002.

While CSR continues to own the business, the company will work to maintain CSR Sugar as one of the world's most efficient raw sugar producers and will pursue value creating investment opportunities in Australia if they arise.

OUTLOOK FOR THE BALANCE OF THE YEAR

Overall, the outlook is generally positive, but overlaid with caution. Activity levels in Australia and Asia are starting to see some improvement. In the US, current activity levels remain steady but the outlook, particularly the impact of the tragic events of September 11, is still unclear.

In the US, interest rates are the lowest for 40 years and a Federal Government stimulus package is being debated. The outlook for infrastructure construction is steady, and the US\$216 billion TEA-21 (Transport Equity Act for the 21st Century) transport program is continuing. In Florida last month, Governor Jeb Bush announced 62 road projects – worth US\$688 million – to start between January and June 2002. With over 50% of the production of aggregates going into infrastructure, this is very reassuring.

In housing, inventories are relatively low, and a solid level of activity is continuing – particularly in the US south where Rinker's operations are mainly located. However, consumer confidence is volatile and activity is predicted to fall further. Non-residential building spending is also expected to fall.

The economic slowdown will affect Rinker's second half year performance. However, the impact is expected to be partly offset by infrastructure related spending, assisted by various new government fiscal initiatives.

The outlook in Australia is improving, and benefits of the first home owner grant on housing activity are expected in the second half of the year to March 2002. Major infrastructure projects, including the Geelong Road and Scoresby By-pass in Melbourne and the Parramatta to Chatswood rail link in Sydney, mean the construction sector is looking increasingly positive from the end of this year.

The second half of the year will not see any profit contribution from CSR Sugar, due to the small sugarcane crop and short milling season. Sugarcane harvesting concluded last week.

CSR had a strong first half year performance but it will be difficult to match last year's annual profit, which was boosted by the A\$27 million once-off gain from the sugar terminal shares and the operating profit contributed by the Gove Aluminium Ltd investment, before it was sold.

Nonetheless, the group continues to push hard for a top quartile performance against its global building materials peers – improving comparative performance from existing operations and acquisitions, and adding further value for CSR shareholders.

PETER KIRBY, MANAGING DIRECTOR
20 NOVEMBER 2001



Summary of operations

Rinker Materials Corporation

USA

PERFORMANCE SUMMARY

- Trading revenue A\$2,115 million, up 21% on the corresponding period last year (US\$1,076 million, up 7%).
- Earnings before interest and tax (EBIT) A\$335 million, up 25% (US\$170 million, up 10%).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$483 million, up 31% (US\$246 million, up 16%).
- Profit margin (EBIT/trading revenue) was 15.8%, up from 15.4%.

FEATURES

- Rinker Materials Corporation (Rinker) changed its name from CSR America, Inc. on 1 August 2001. This followed a customer survey showing strong recognition of the Rinker brand.
- Rinker had a good half year, especially in Florida, assisted by federal transport infrastructure spending.
- The pre-mixed concrete and concrete pipe businesses performed well.

PROGRESS AGAINST PRIORITIES

- Grow through bolt-on acquisitions and, if opportunities present, major acquisitions; investigate new geographic markets: **Acquired Mid Coast Concrete in July 2001 and Hanson PLC's Las Vegas concrete and quarrying business in September 2001. Rinker purchased its partner's share in a concrete pipe joint venture in New England.**
- Reduce costs through operational improvement: **Reduced costs by A\$39 million.**
- Improve safety and environmental performance: **Lost time injury and medical treatment injury frequency rates decreased. Environmental incidents fell.**

Construction Materials

AUSTRALIA AND ASIA

PERFORMANCE SUMMARY

- Trading revenue A\$476 million, down 5%.
- Earnings before interest and tax (EBIT) A\$32 million, down 33%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$57 million, down 23%.
- Profit margin (EBIT/trading revenue) was 6.8%, down from 9.6%.

FEATURES

- Total Australian construction activity declined 12% compared with the previous half year ended 30 September 2000, but has improved in recent months.
- Performance issues were experienced generally across the industry, particularly in concrete. The CSR Humes pipe business suffered as housing sub-division activity declined sharply.
- A new chief executive, Karl Watson Jr, has been appointed. Formerly head of Rinker's Florida Materials business, Karl has instigated a full review of the business and is developing a high performance culture, with greater accountability and rewards (tied directly to adding shareholder value) applied widely across Construction Materials.
- To ensure our concrete and other plants are effectively located (for example, close to our quarries), CSR acquired four pre-mixed concrete plants; closed two concrete plants; and widened tolling arrangements for concrete supply.

PROGRESS AGAINST PRIORITIES

- Increase rate of improvement in efficiency and cost reduction: **Operational improvement reduced costs by A\$6 million in the half year.**
- Continue to manage the slowdown in the construction cycle. Prepare to take swift and value adding advantage of the upturn: **The market has begun to improve. During the half year, we continued to ensure our plants were optimally located; and we upgraded plants, including transport. Employee numbers fell. Marketing and pricing discipline were better but more improvement is needed.**
- Improve safety and environmental performance: **All safety measures improved. Environmental incidents decreased.**

Building Materials

AUSTRALIA, NEW ZEALAND AND ASIA

PERFORMANCE SUMMARY

- Trading revenue A\$395 million, down 20% on last year's pre-GST building boom results.
- Earnings before interest and tax (EBIT) A\$48 million, down 44%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$64 million, down 39%.
- Profit margin (EBIT/trading revenue) was 12.1%, down from 17.4%.

FEATURES

- Activity levels were well down on the same period last year, which was influenced by the pre-GST and Sydney Olympics building boom. Building Materials results were significantly better than in the previous downturn (1996-97), despite similar levels of housing starts. The increase in the federal first home owner grant, which commenced in April 2001, will benefit returns in the second half year.
- A high performance culture is being established across the businesses, driving accountability and incentives deeper within the organisation to achieve further performance improvement. Customer service measures are being enhanced.
- Construction of the Rosehill, Sydney, concrete roof tile plant is scheduled for completion in mid 2002.
- Operational improvement reduced costs by A\$6 million.

PROGRESS AGAINST PRIORITIES

- Intensify efforts to improve further the servicing of our customers and the quality of our sales force: **New programs successfully implemented in plasterboard, fibre cement and bricks, pavers and lightweight concrete products. Some roofing sales teams reorganised. Initiatives under way in insulation.**
- Closely manage pricing, while maintaining market share: **Pricing successfully managed in all businesses, although Australian glasswool insulation prices have fallen.**
- Tightly control operating capital to ensure only value creating projects are implemented: **Continued to be tightly managed.**
- Improve safety and environmental performance: **Lost time injury and medical treatment injury frequency rates decreased. Environmental incidents remained at low levels.**



Sugar

PERFORMANCE SUMMARY

- Trading revenue A\$505 million, up 30%.
- Earnings before interest and tax (EBIT) A\$79 million, up 170%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$97 million, up 102%.
- Profit margin (EBIT/trading revenue) was 15.7%, up from 7.6%.

FEATURES

- Returns improved significantly with increased world sugar prices, despite a decline in the quantity of sugarcane milled in the half year. The milling season started later in anticipation of a smaller crop, caused by various factors including rainfall.
- Sales by the refined sugar joint ventures rose, but input costs also rose due to higher raw sugar prices.
- Distilleries results improved with higher ethanol sales (including to new overseas markets) and export prices, and increased fertiliser sales.

PROGRESS AGAINST PRIORITIES

- Continue to investigate options for separating the sugar operations from the group's international building materials businesses: **CSR is committed to separation of the sugar business for fair value, but this is unlikely to be concluded in the short term.**
- Continue to cut costs and improve operations: **Operational improvements cut costs by A\$3 million.**
- Achieve mill efficiencies: **The reduced sugarcane crop, higher sucrose levels in the cane, and continued poor cane quality constrained improvement.**
- Improve safety and environmental performance: **Lost time injuries fell although medical treatment injury frequency rates rose marginally. Environmental incidents fell.**

Aluminium

PERFORMANCE SUMMARY

- Trading revenue of A\$221 million was down 16% (following the January 2001 sale of Gove Aluminium Ltd – GAL).
- Earnings before interest and tax (EBIT) was A\$55 million; last year A\$109 million (A\$72 million excluding GAL).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) was A\$66 million; last year A\$124 million (A\$82 million excluding GAL).
- Profit margin (EBIT/trading revenue) was 24.9%; last year 41.1% (32.3% excluding GAL).
- CSR's share of the Gove Aluminium companies' net profit after tax and before finance was A\$28 million; last year A\$50 million (A\$33 million excluding GAL).

FEATURES

- Demand for aluminium slowed with the global economy.
- For the half year, the world price of aluminium averaged US\$1,458 a tonne, down 6%.
- The Tomago aluminium smelter is making satisfactory progress with its structural business improvement plan to control costs and improve operating efficiency.

PROGRESS AGAINST PRIORITIES

- Continue to manage CSR's aluminium investment to achieve the best outcome for shareholders: **The business continued to perform strongly.**
- Take advantage of opportunities to hedge the world market aluminium price and US\$ revenue: **The majority of our exposure to movement in aluminium prices and US\$/A\$ exchange rates has been hedged for the next two to three years, providing a good level of profitability and reducing earnings volatility.**



Information for shareholders

SHARE REGISTRY – CHANGE TO COMPUTERSHARE

Please note, CSR's share registry is now managed by Computershare Investor Services Pty Ltd (Computershare). For contact details, please refer to the outside back cover of this report.

CHANGED YOUR ADDRESS?

If you change your address, please promptly notify the share registry in writing – quoting your shareholder number and your old address as security checks. Change of address advice forms can be downloaded from the internet using the *Investor Online* service on CSR's internet site at www.csr.com.au. An acknowledgment of your change of address will be mailed to both your old address and to your new address.

INQUIRIES ABOUT YOUR SHAREHOLDING

Please contact the share registry, Computershare, on (02) 8216 5701 if you have a question about your shareholding, dividends, share transfers or monthly holding statements.

Shareholders can access details about their shareholding as well as download standard forms via the *Investor Online* service.

INQUIRIES ABOUT CSR

Call the Manager Investor Services or visit CSR's internet site. Contact information is on the back cover.

STOCK EXCHANGE LISTINGS

CSR's shares are listed on the Australian and London stock exchanges.

DIRECT DIVIDEND DEPOSIT INTO BANK ACCOUNTS

Dividends can be paid directly into a bank, building society or credit union account in Australia on the dividend payment date. Deposit details will be confirmed by an advice mailed to you on that date. Application forms are available from the share registry, Computershare, or can be downloaded from CSR's internet site.

If you subsequently change your bank account, please promptly notify the share registry in writing, quoting your old bank account number as an added security check. An acknowledgment of your changed details will be mailed to you.

UNCERTIFICATED SHARE REGISTER

CSR's share register is wholly uncertificated. Shareholding statements are issued to you within five business days after the end of any month in which transactions alter the balance of your holding.

AMERICAN DEPOSITARY RECEIPTS

In the USA, CSR's shares are traded on the over-the-counter market in the form of sponsored American Depositary Receipts. Each ADR represents four CSR ordinary fully paid shares. Holders receive all information sent to shareholders and receive their dividends in US dollars. Inquiries: J P Morgan Service Center, 150 Royall Street, Mail Stop 45-02-54, Canton, MA 02021, United States of America. Phone USA (781) 575 4328; fax USA (781) 575 4082.

DO WE HAVE YOUR TAX FILE NUMBER (TFN)?

All shareholders, including children, may choose to provide their tax file number (TFN), or details of any tax exemption, to the share registry to avoid unnecessary tax deductions from any CSR unfranked dividend payments. TFN forms are available from the share registry, Computershare, or can be downloaded from CSR's internet site using the *Investor Online* service.

It is not compulsory for shareholders to provide a TFN. But if they do not, CSR must deduct tax at the top marginal rate plus levies from the unfranked part of dividends paid. Australian shareholders living abroad should advise the share registrar of their resident status as limited exemptions from tax deduction may apply.

CSR COMMUNICATIONS

Our internet site www.csr.com.au offers shareholder publications, news releases and announcements to ASX, financial presentations, facts about CSR, and the company newsletter, *What's new*. It also offers access to information about the CSR Group's Australian range of building products.

Information about Rinker Materials Corporation's operation and product range can be found on the internet at www.rinker.com

CSR printed communications for shareholders include the *Annual Report* and this *Results Summary*. The *Report of the AGM* is sent to shareholders who request it.

Should you not wish to receive the annual report by mail, please notify the share registry, Computershare, in writing.

COMBINING MULTIPLE SHAREHOLDINGS

If you have multiple shareholding accounts that you want to consolidate into a single account, please advise our share registry in writing.

KEY FACTS

HALF YEAR ENDED 30 SEPTEMBER

A\$ MILLION UNLESS STATED

	2001	2000	% CHANGE
OPERATING RESULTS			
Trading revenue	3,711.8	3,394.6	9
Earnings before interest and tax (EBIT)	513.9	505.1	2
Net profit	277.0	271.1	2
Net cash from operating activities	545.4	414.7	32
Capital investment	278.0	1,424.1	-80
KEY DATA PER SHARE			
Earnings before abnormal items [A cents]	29.1	26.4	10
Dividend [A cents]	11.0	11.0	
KEY MEASURES			
EBIT : trading revenue [%]	13.8	14.9	
Return on funds employed before abnormal items (last 12 months) [%]	14.5	13.9	
Return on shareholders' funds before abnormal items (last 12 months) [%]	12.7	13.6	
Interest cover [times]	8.0	9.4	
Gearing at 30 September			
Net debt : equity plus net debt [%]	34.0	36.2	
Net debt : equity [%]	51.4	56.8	
CSR'S PEOPLE			
Employees	17,073	17,467	-2.3
% IMPROVEMENT			
Safety – recordable injuries per million work hours	28.9	45.3	36
Safety – lost time injuries per million work hours	2.8	4.0	30

SHAREHOLDERS' TIMETABLE*

2002

31 MARCH	CSR YEAR END
21 May	Full year profit and final dividend announced
31 May	Shares begin trading ex dividend
6 June	Record date for determining shareholders' entitlement to final dividend payment
19 June	CSR annual report, notice of meeting and proxy form released
4 JULY	FINAL DIVIDEND PAID
16 July	Proxy returns close 10.00 am Sydney
18 July	Annual general meeting, 10.00 am, Sydney Convention Centre
30 SEPTEMBER	CSR HALF YEAR END

* Timing of events can be subject to change.

RECENT CSR DIVIDENDS

DATE PAID	TYPE	A CENTS PER SHARE	FRANKING % / RATE IN DOLLAR
July 2000	final	12	33 1/3% / 34 cents
December 2000	interim	11	33 1/3% / 34 cents
July 2001	final	12	40% / 30 cents
December 2001	interim	11	40% / 30 cents



Cover: CSR Readymix is supplying concrete and aggregates for constructing the auxiliary spillway at Warragamba Dam, NSW.

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