



**A year of consolidation...
as performance continues to improve**

RESULTS PRESENTATION

Year ended 31 March 2002

Agenda

Part 1 Group financial performance

Part 2 Business performance

Part 3 Strategy

Part 4 Outlook

Strong results reflect improved performance and growth

Year ended 31 March 2002

	A\$m	change
Trading revenue	6,985	+ 8.7%
EBIT	926	+ 0.3%
EBITDA	1,379	+ 3.0%
Net profit**	553	+ 9.4%
Operating cash flow	1,195	+ 17%
Free cash flow*	846	+ 15%
ROFE **	15.5%	+ 0.9pp
ROE **	13.7%	+ 1.0pp
EPS **	58.5c	+ 16.3%
EPS (after significant items)***	58.5c	- 7.4%

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

** before significant items previously called abnormals.

*** significant items in YEM01 included profit on sale of GAL

EBIT breakdown

Year ended 31 March 2002

A\$m EBIT

		YEM 02	YEM 01	% change
Rinker Materials Corp	US\$m	306	284	+ 8 %
	A\$m*	598	516	+ 16 %
Construction Materials (Aust & Asia)		57	51	+ 11 %
Building Materials (Aust, NZ & Asia)		109	135	- 19 %
Sugar		74	16	+ 347 %
Aluminium		110	212**	- 48 %
Corporate costs		(34)	(32)	
Restructuring, one-offs, other		12	25	
Total EBIT		926	923	+ 0.3%

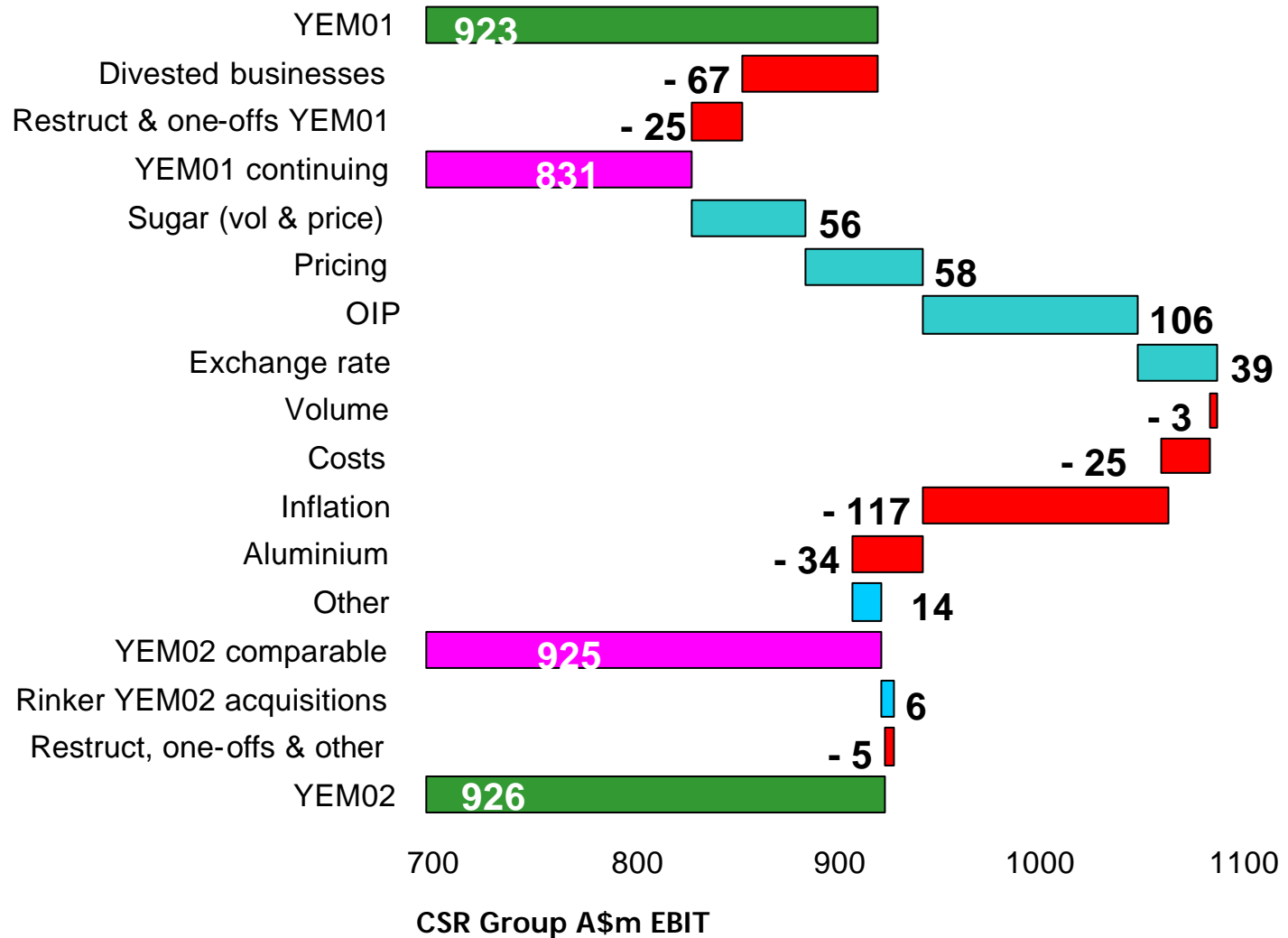
Totals may not add due to rounding.

* Sum of monthly US\$ converted at month-end FX rate (averaged 51.12 in YEM02 versus 55.24 in YEM01)

** YEM01 EBIT included \$67 from GAL, now sold

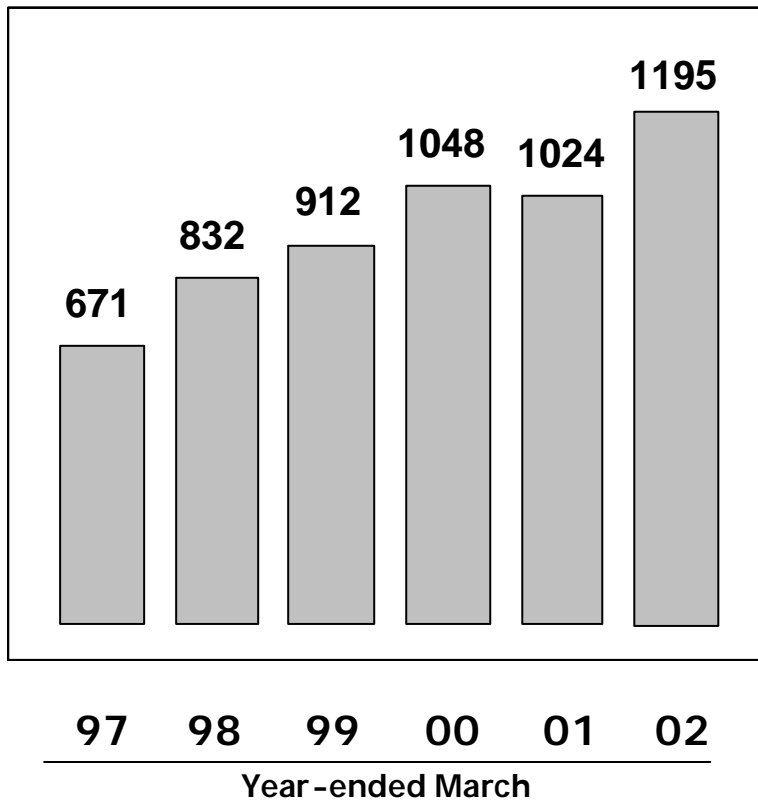
EBIT variance analysis

Year ended 31 March 2002

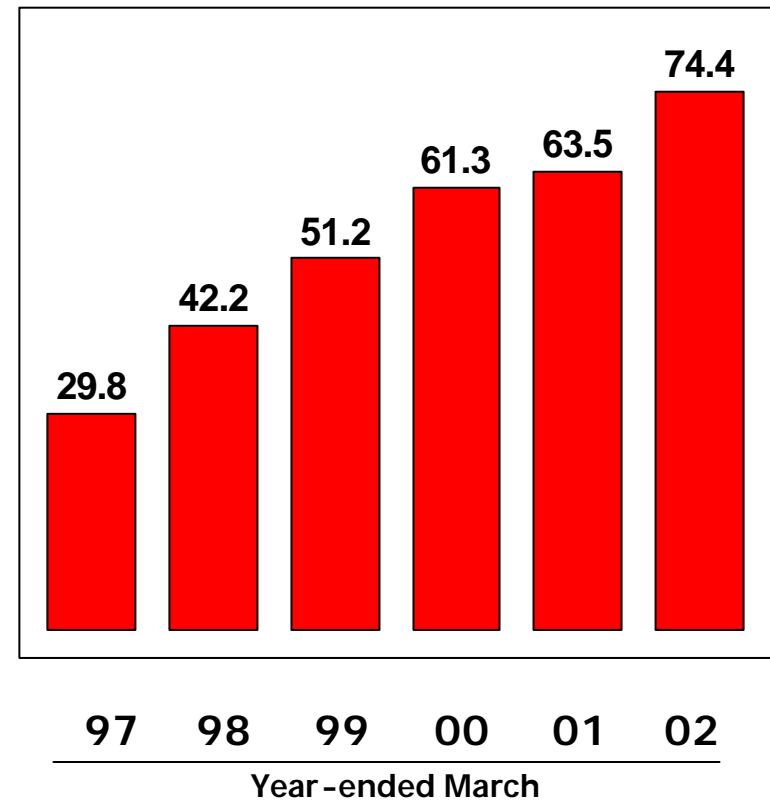


Cash flow up 17%

Operating cash flow *
A\$m



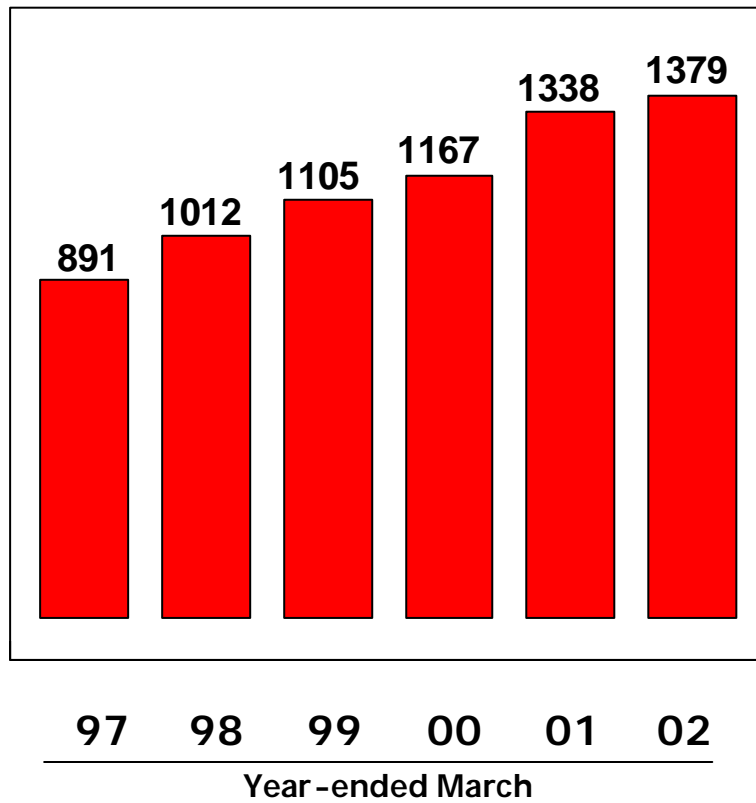
Operating cash flow
A\$'000 per employee



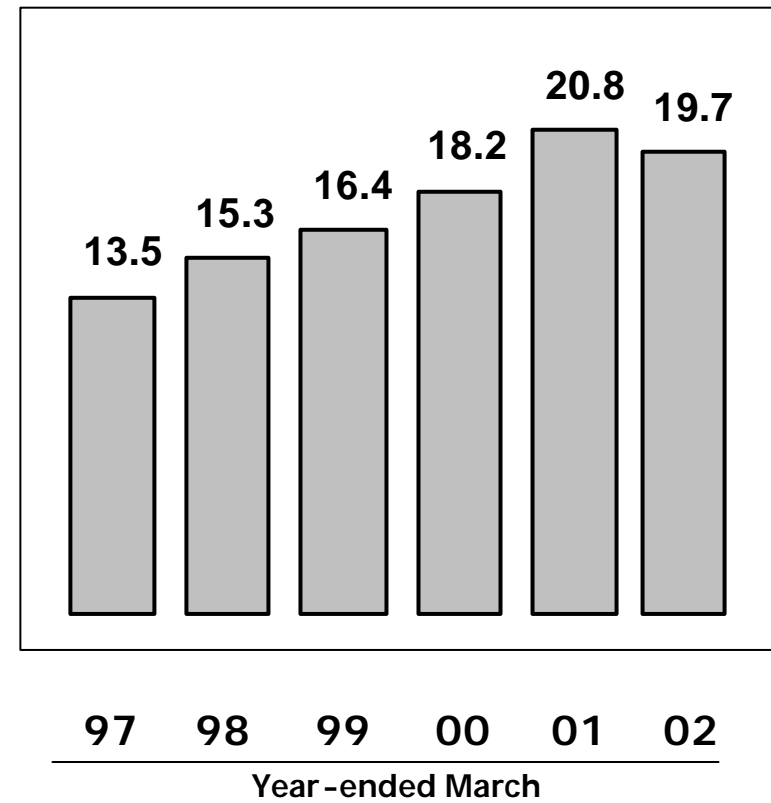
* Net operating cash flow after tax

EBITDA up 3% to A\$1.4 billion

EBITDA
A\$m*

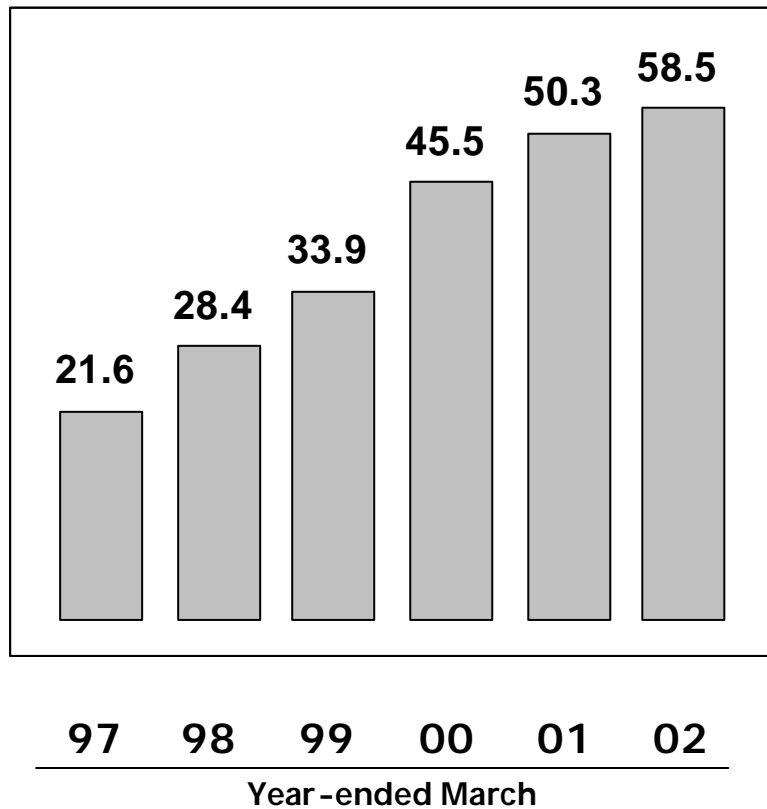


EBITDA / Sales %

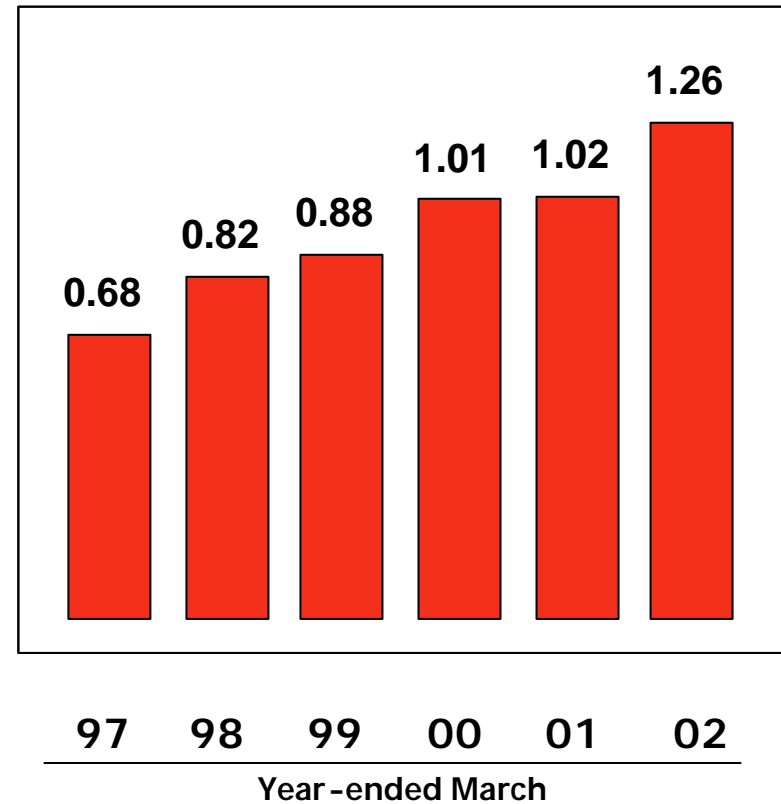


Strong growth in earnings & cash flow per share since 1997

EPS
CAGR 22% YEM97-YEM02

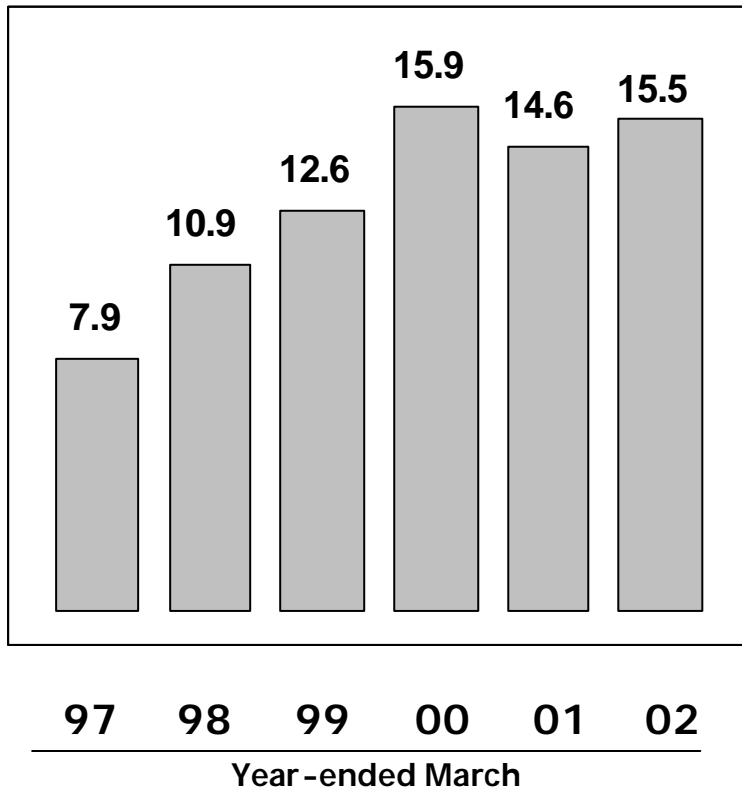


Operating cash flow per share
CAGR 13% YEM97-YEM02

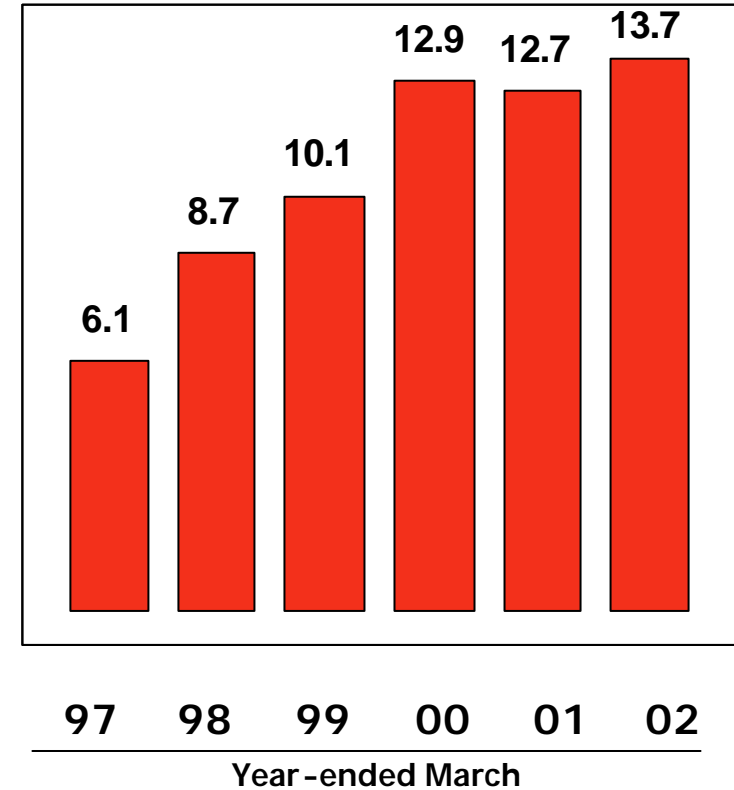


Return on equity more than doubled since 1997

Return on funds employed
%

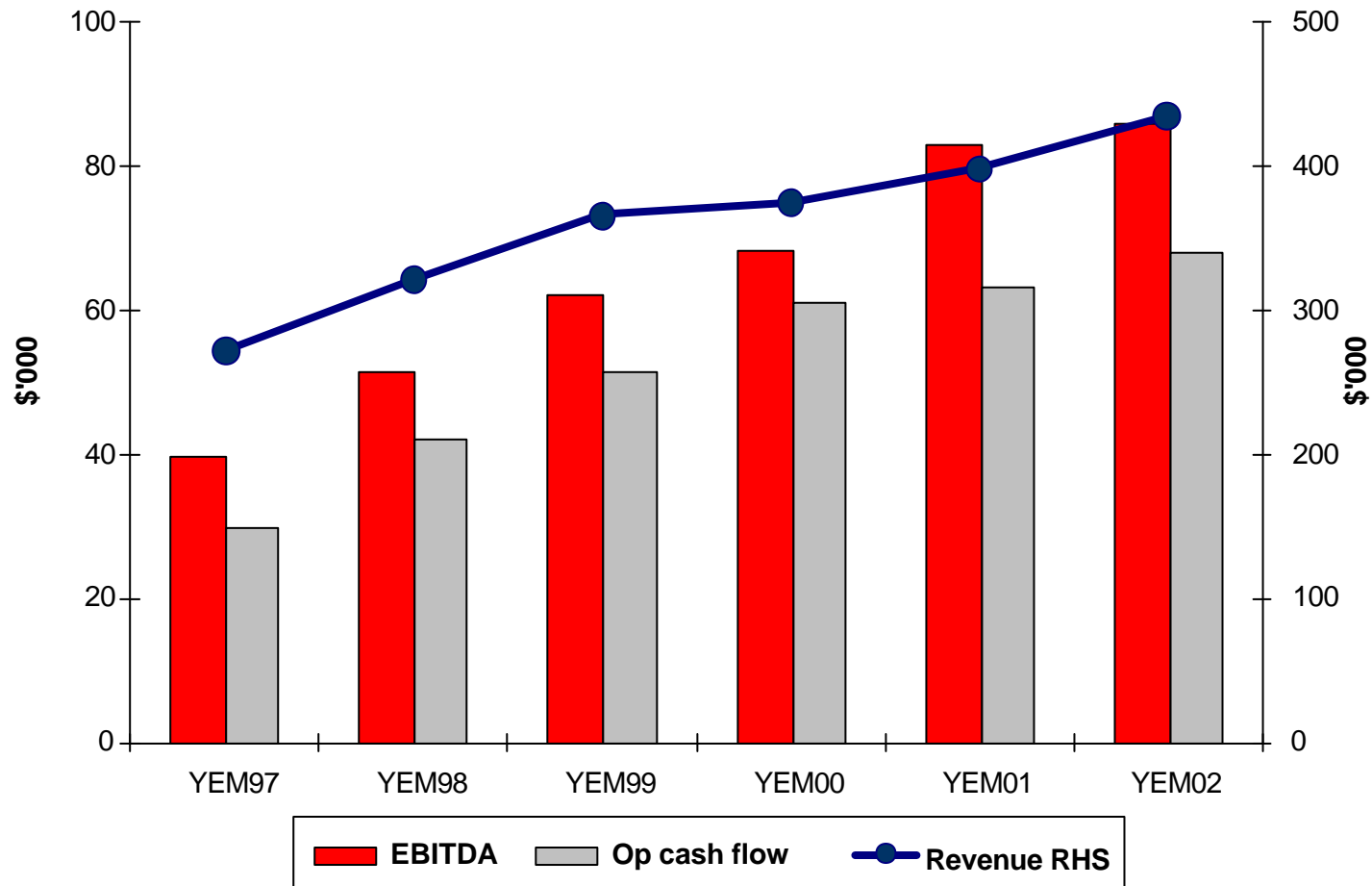


Return on Equity
%

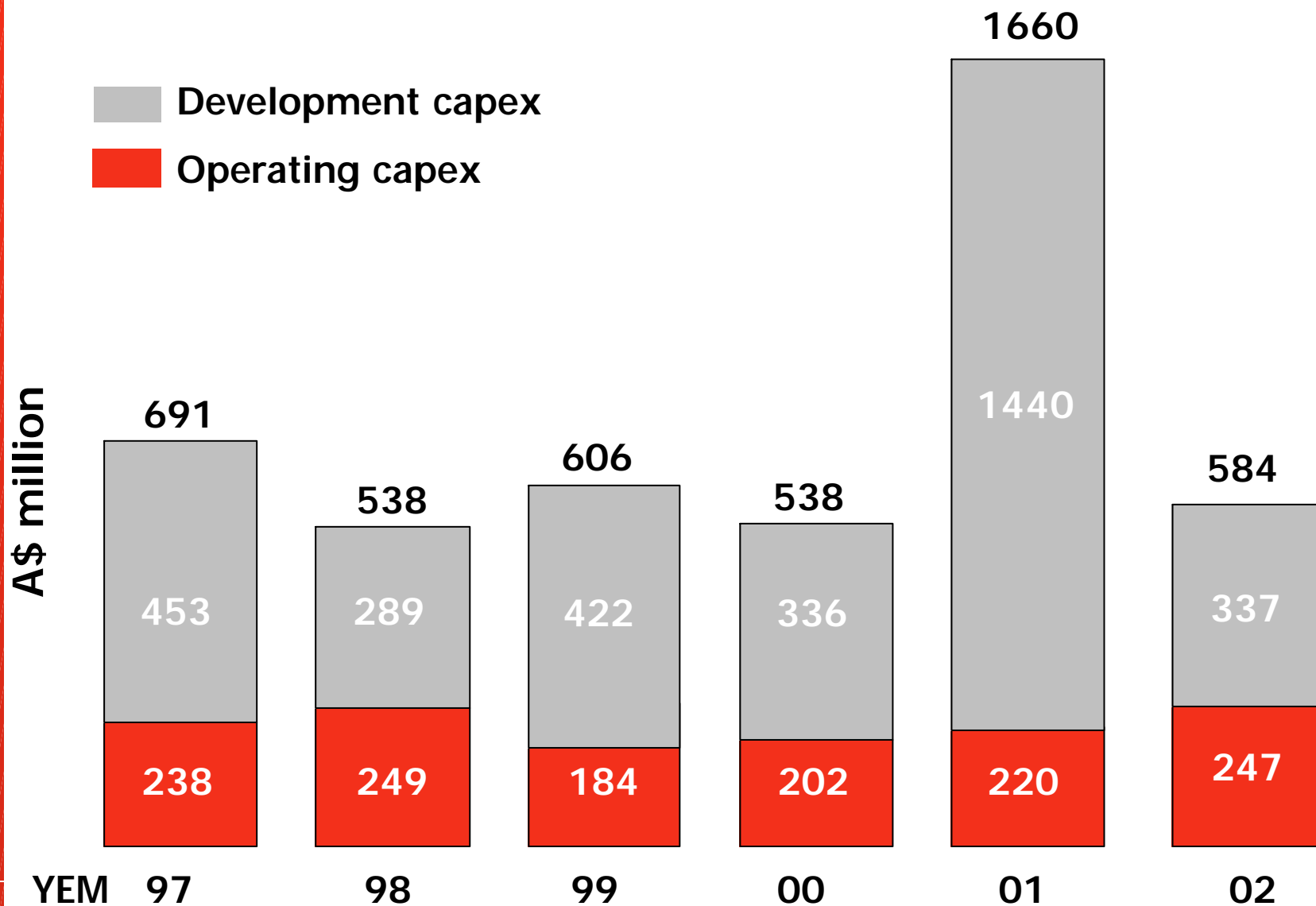


Significant productivity improvement has helped lift performance

Growth in revenue, EBITDA & cash flow per employee

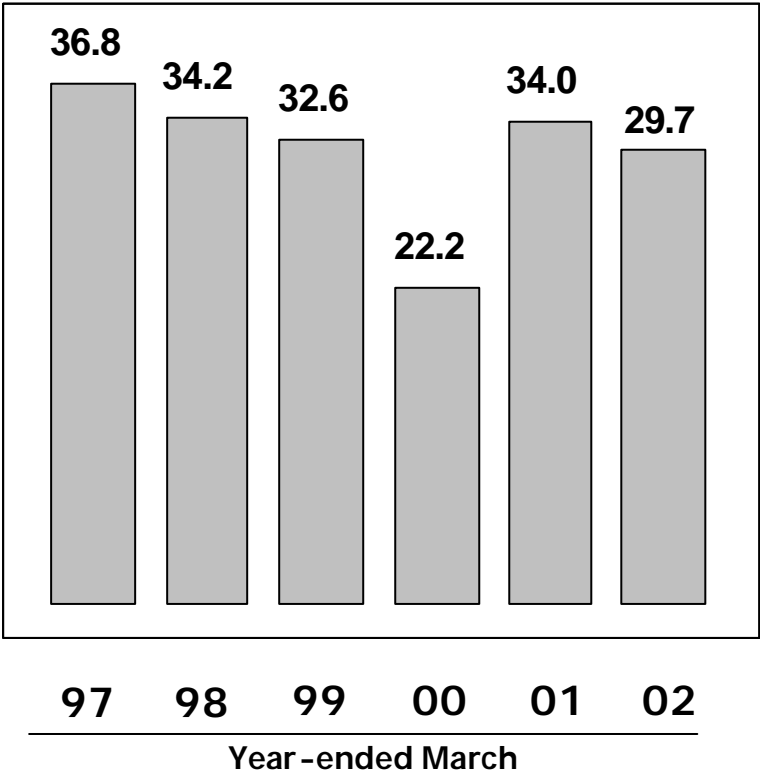


Operating capex at sustainable levels Growth spending ongoing but at a slower rate

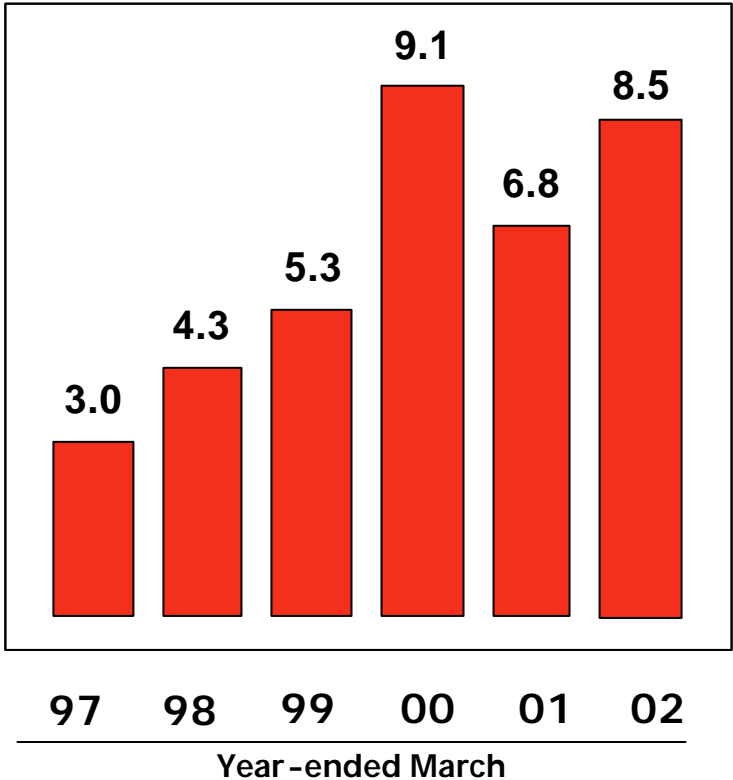


Strong financial position

Gearing %
(net debt / net debt + equity)



Interest cover
(times)



Agenda

Part 1 Group financial performance

Part 2 Business performance

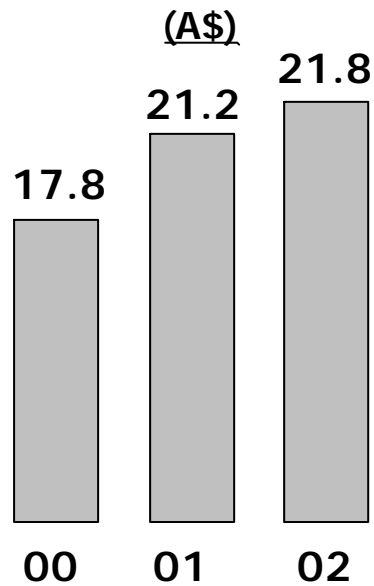
Part 3 Strategy

Part 4 Outlook

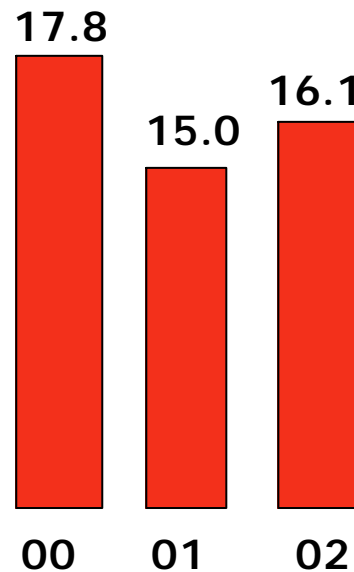
Rinker Materials Corporation

A\$m	YEM	02	01	
Revenue		4,116	3,590	+15%
EBIT		598	516	+16%
EBITDA		898	762	+18%
Funds Empl		3,592	3,865	- 7%

EBITDA/Sales %



ROFE % (US\$)

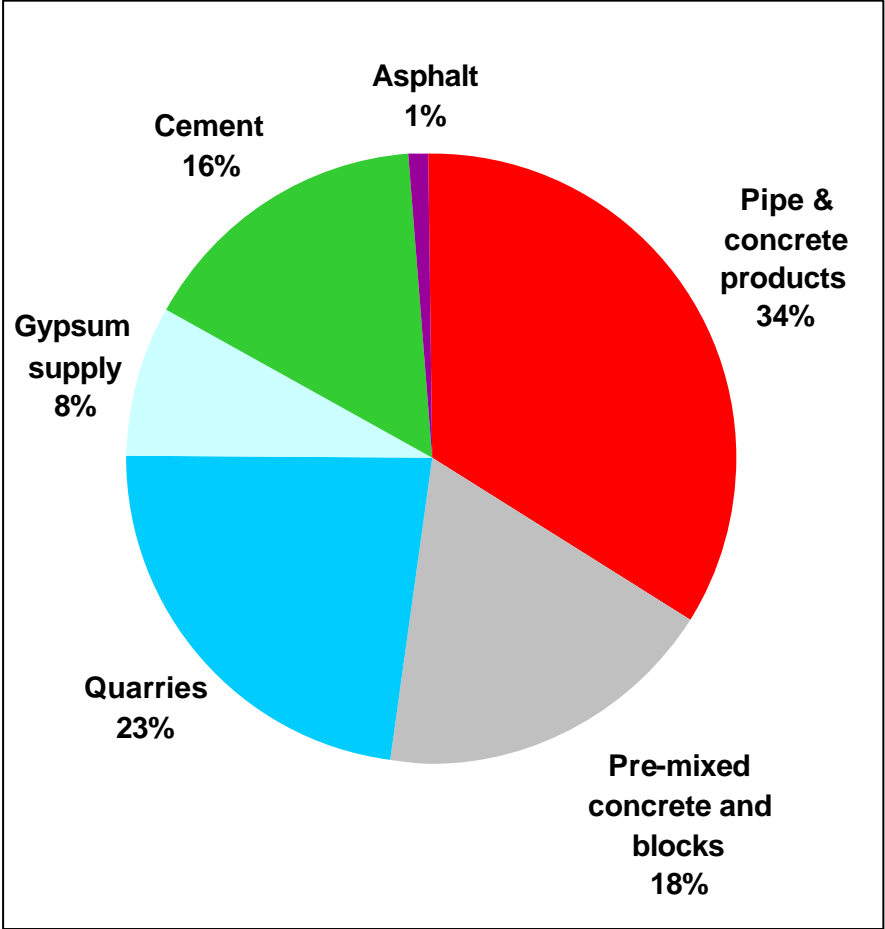


- EBIT up 16% (8% in US\$)
- EBITDA up 10% in US\$; EBITDA margin up to 21.8%
- Improved EBIT in all major businesses. Pricing up 1-5%
- Quarries SE EBIT up 26%
Florida materials (concrete & block) EBIT up 21%; concrete pipe up 11%
- Small Polypipe, Prestress businesses made losses as commercial activity fell
- Gypsum Supply profit down US\$8m as demand-supply conditions back to normal

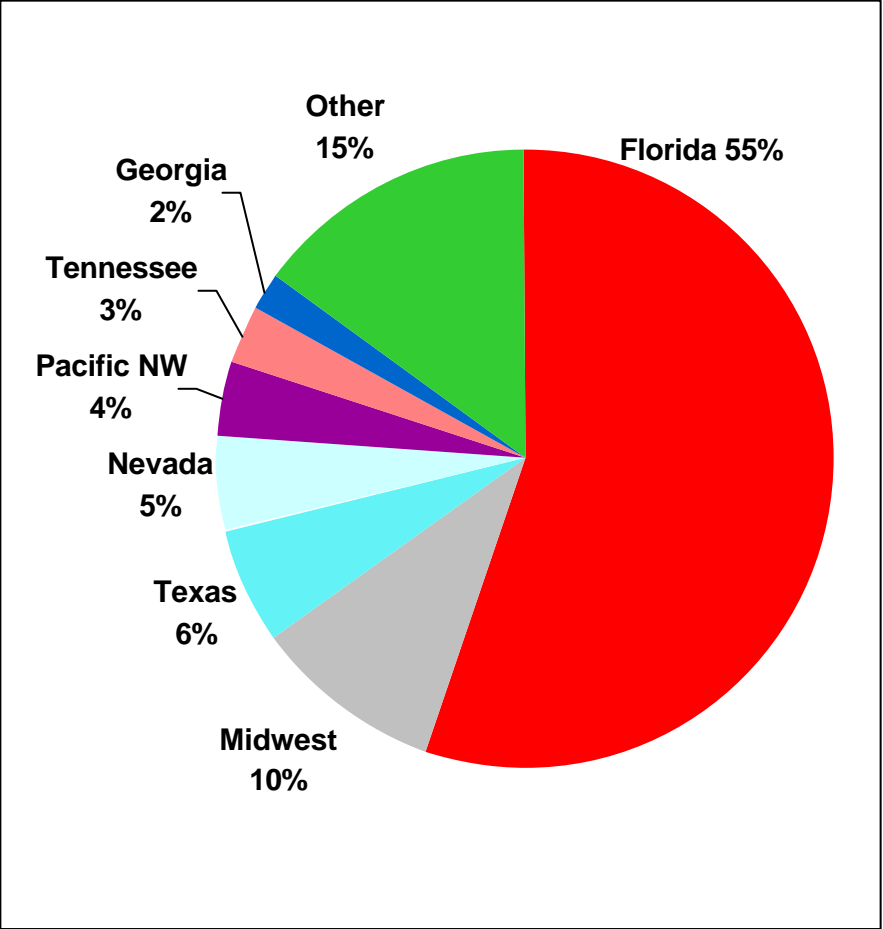
Over 80% of Rinker revenue from high population growth states in US

Year ended 31 March 2002

Revenue by product



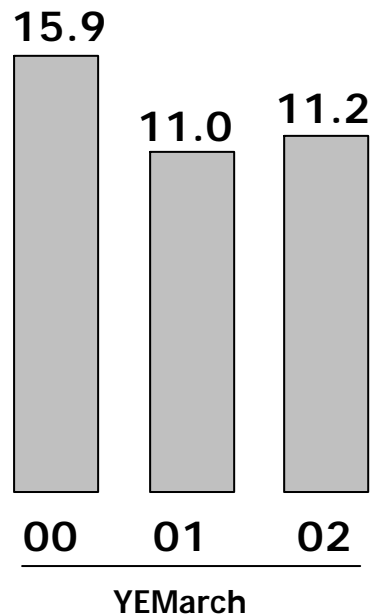
Revenue by state



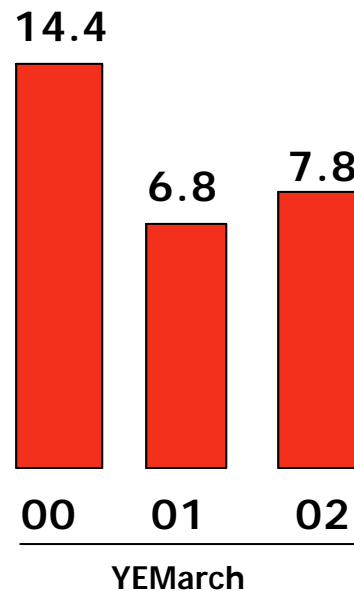
Construction Materials (Aust & Asia)

A\$m	YEM	02	01	
Revenue		926	923	+ 0.3%
EBIT		57	51	+ 11%
EBITDA		104	102	+ 2%
Funds Empl		728	751	- 3%

EBITDA/Sales %



ROFE %

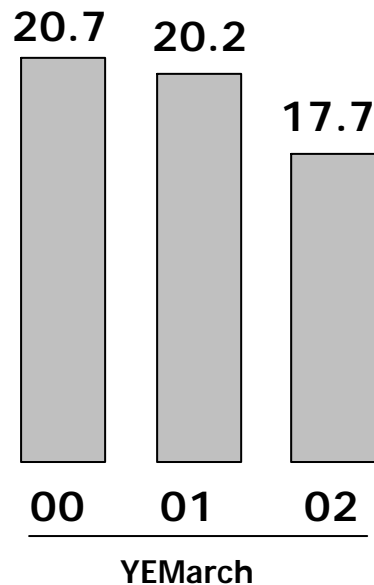


- EBIT up 11% to A\$57m; H2 up strongly on pcp
- Concrete and quarry results below cost of capital but in line with competitors
- Asian operations EBIT up
- ACH cement returns up
- Business restructured; new CEO & 58 performance cells
- Focus on lifting customer service delivery
- Price rises from 1 April 02
- Further increase later in year

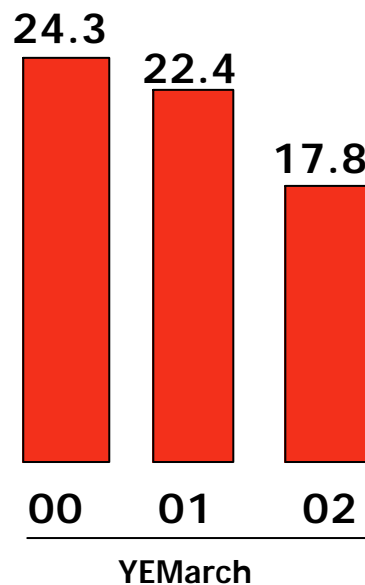
Building Materials (Aust, NZ & Asia)

A\$m	YEM	02	01	
Revenue	806	860	-6%	
EBIT	109	135	-19%	
EBITDA	143	174	-18%	
Funds Empl	612	602	+2%	

EBITDA/Sales %

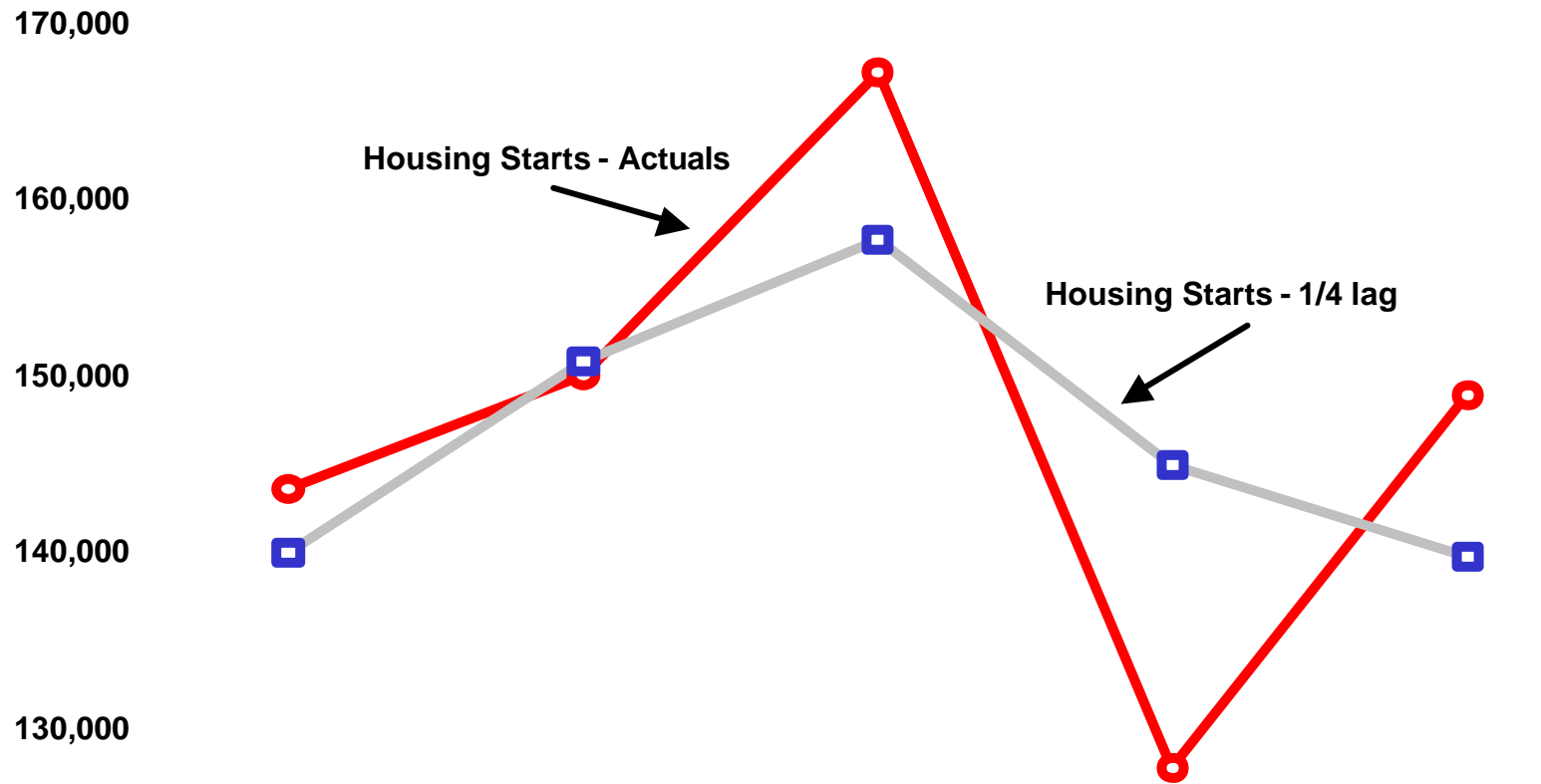


ROFE %



- EBIT down 20%
- A year of two halves: H2 was up 27% over H1
- Significant lag in home building in NSW due to HIH, council delays etc
- Returns well ahead of previous downturn
- New products in plasterboard, bricks, fibre cement
- Some factory issues in roof tile business
- Commissioning new A\$25m roof tile factory

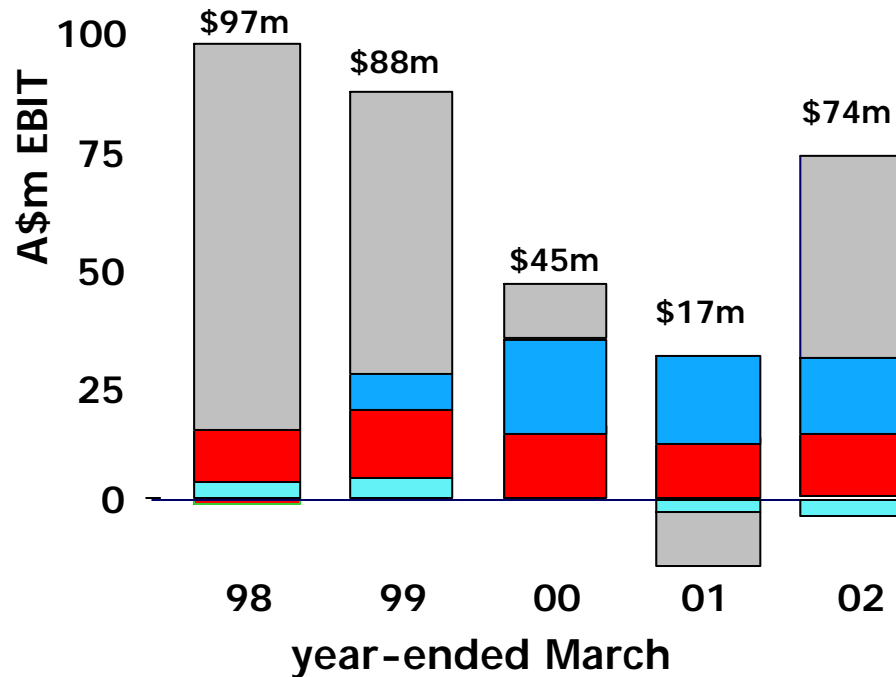
Market environment: Australian housing starts activity: Actual vs lagged



	YEM98	YEM99	YEM00	YEM01	YEM02
Actual starts :	143,514	149,936	167,135	127,658	148,882
Lagged :	139,914	150,713	157,658	144,941	139,664

Sugar EBIT up

A\$m	YEM	02	01	
Revenue		694	529	+31%
EBIT		74	16	+347%
EBITDA		110	54	+106%
Funds Empl		698	757	-8%



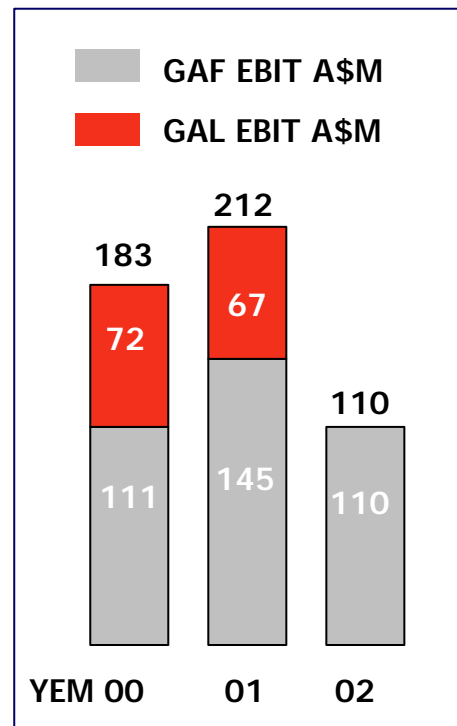
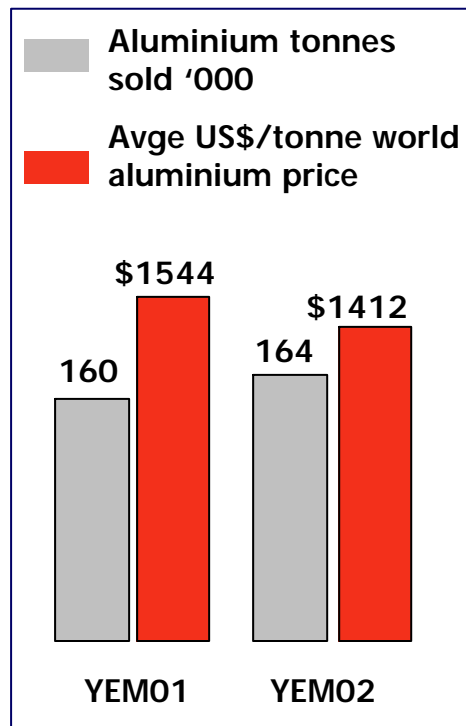
- EBIT up significantly to A\$74m mainly on higher world prices
- Crop size still disappointing
- Tonnes crushed at 11.6mt, up 2% in Qld on pcp
- Distilleries improved returns
- Refining EBIT recovered in H2, NZ performing strongly

Improving CSR Sugar's earnings profile

- **Low cost, high return investment opportunities**
- **Help stabilise earnings stream**
- **Co-generation – “green” electricity. Currently only significant in 1 of 7 mills**
- **Distilleries – expanding production of ethanol for bio-fuel blends**
- **A\$150m industry-wide productivity program underway**

Aluminium

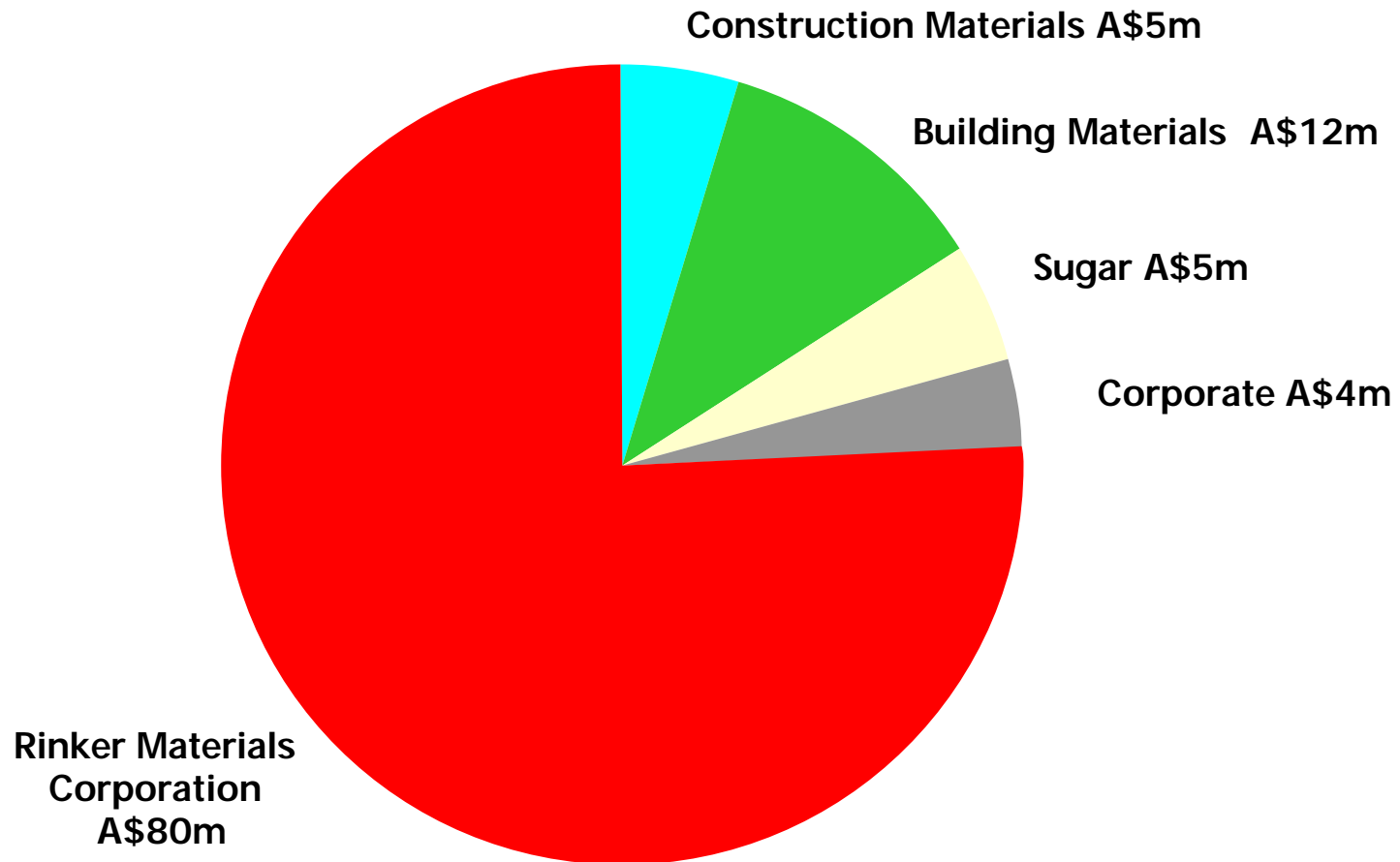
A\$m	YEM	02	01*	
Revenue		443	520	- 15%
EBIT		110	212	- 48%
EBITDA		132	241	- 45%
Funds Empl		308	304	+ 1%



- Profit as expected due to hedging of metal and currency
- YEM01 included GAL EBIT of \$67m
- Excluding GAL, EBIT down 24%
- World aluminium price average down 9% to US\$1412
- YEM 03 well hedged – similar result to YEM02 expected

Performance improvement program continues A\$106m in YEM02 cost savings

Year ended 31 March 2002



Totals may not add due to rounding

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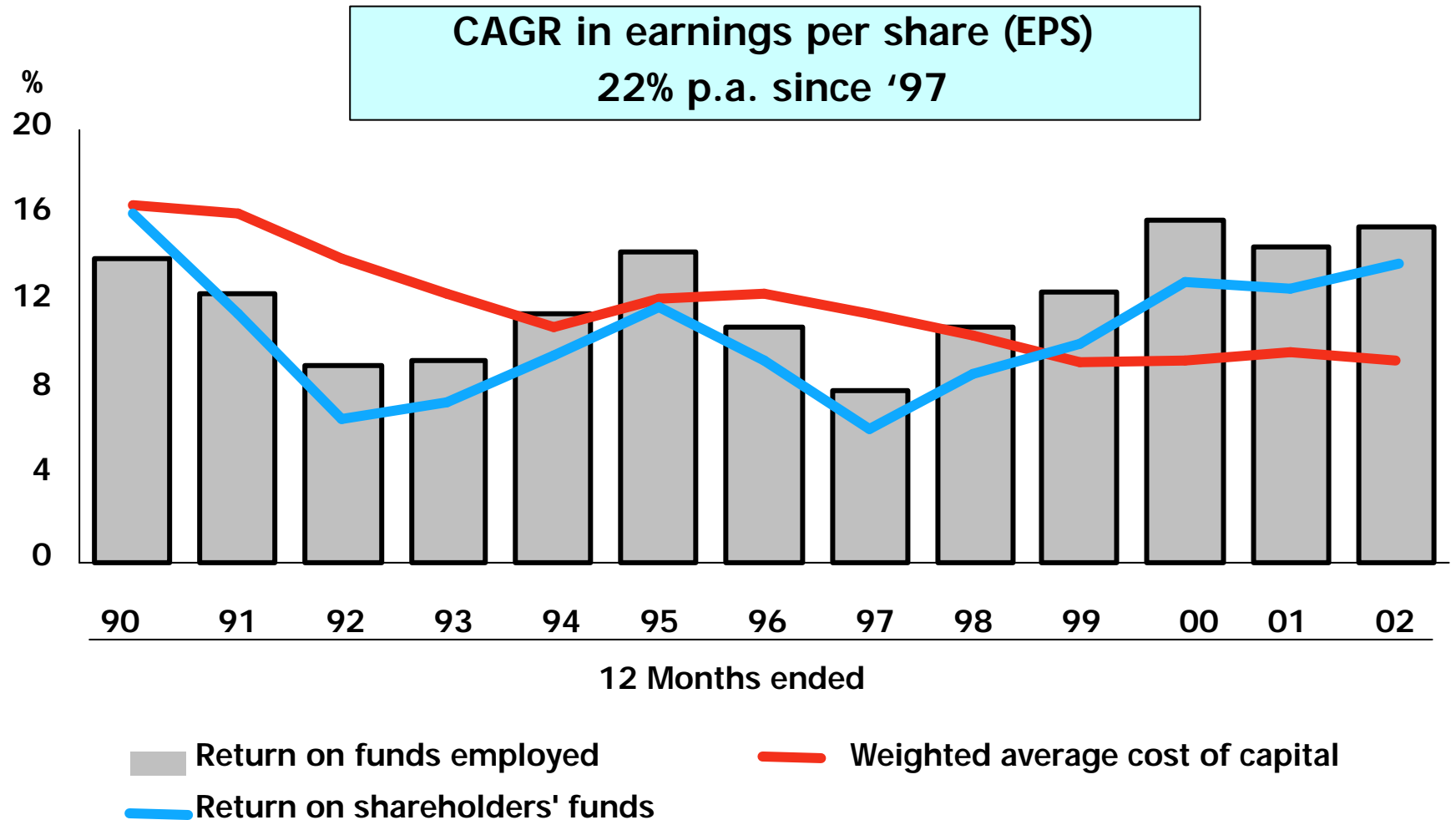
Part 3 Strategy

Part 4 Outlook

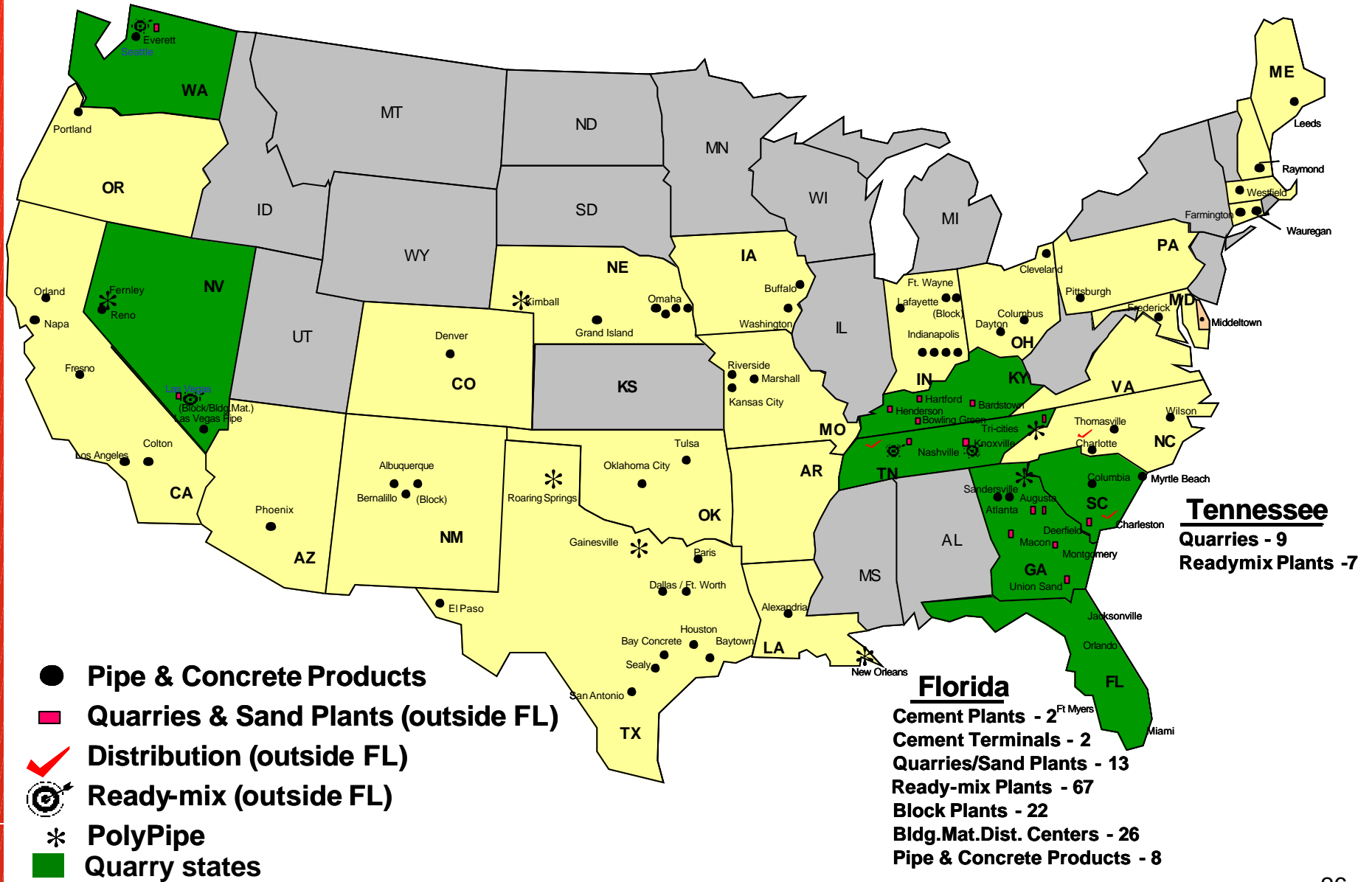
CSR group strategy - Growth in heavy building materials and separating other assets for value

- **Develop CSR as a focused, high performing, heavy building materials group, growing internationally**
- **Use shareholder value as decision driver**
- **Employ full gamut of value levers to drive value from portfolio**
- **Pursue growth & portfolio rationalisation in parallel**
- **Recognise that most parts of portfolio are cyclical and that cyclical issues will influence timing**
- **Growth focus is heavy building materials, mainly in Rinker in the US**

Strategic driver to ensure we deliver for shareholdersreturns above cost of capital since 1998



A\$1.8 billion growth in US heavy building materials by Rinker since March 1998

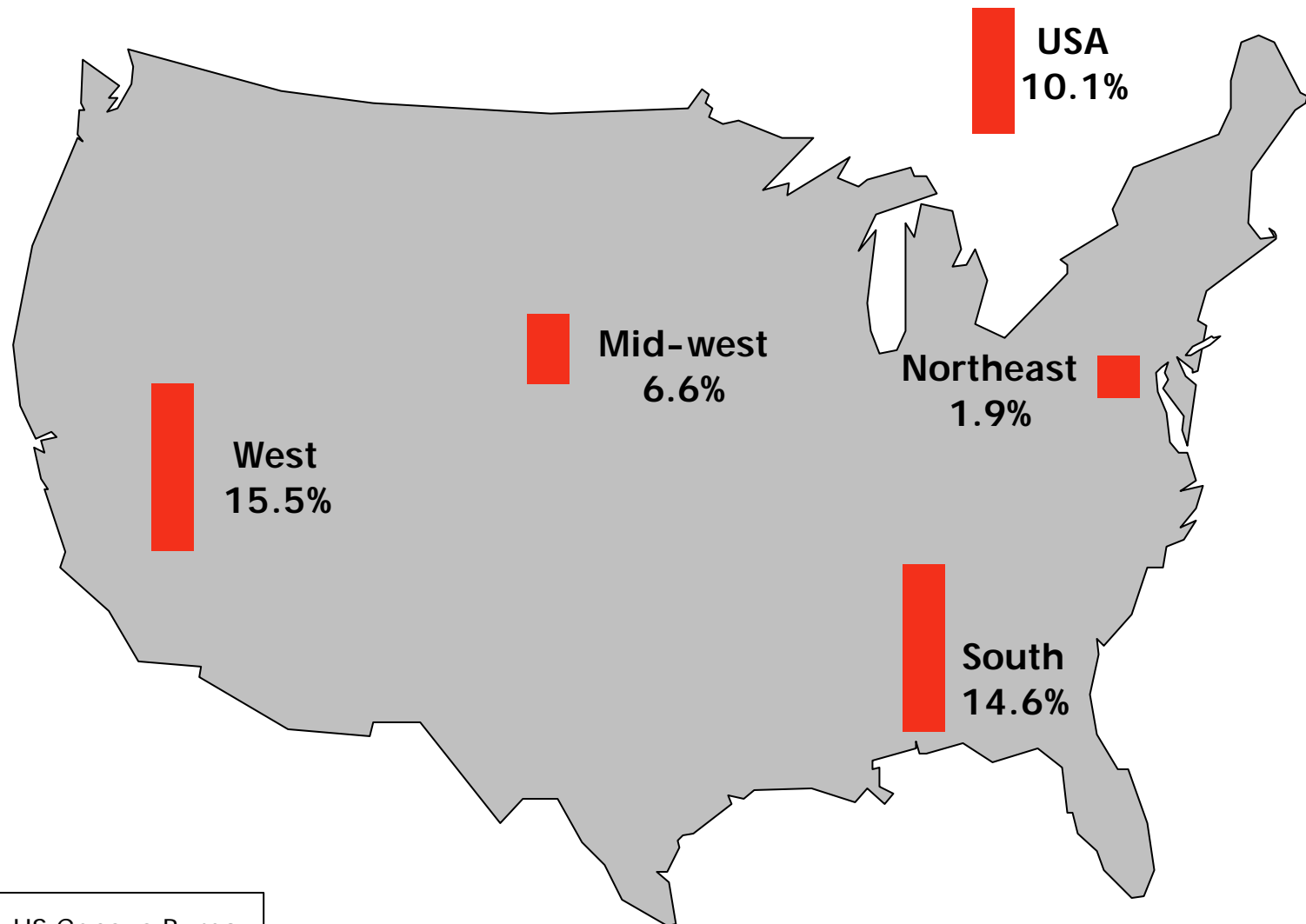


Rinker has strong US market positions

- **# 3 in heavy building materials**
- **# 1 in concrete pipes**
- **# 5 in aggregates**
- **# 3 in pre-mixed concrete**
- **# 1 in Florida cement**

Rinker growth strategy focused mainly on high population growth states

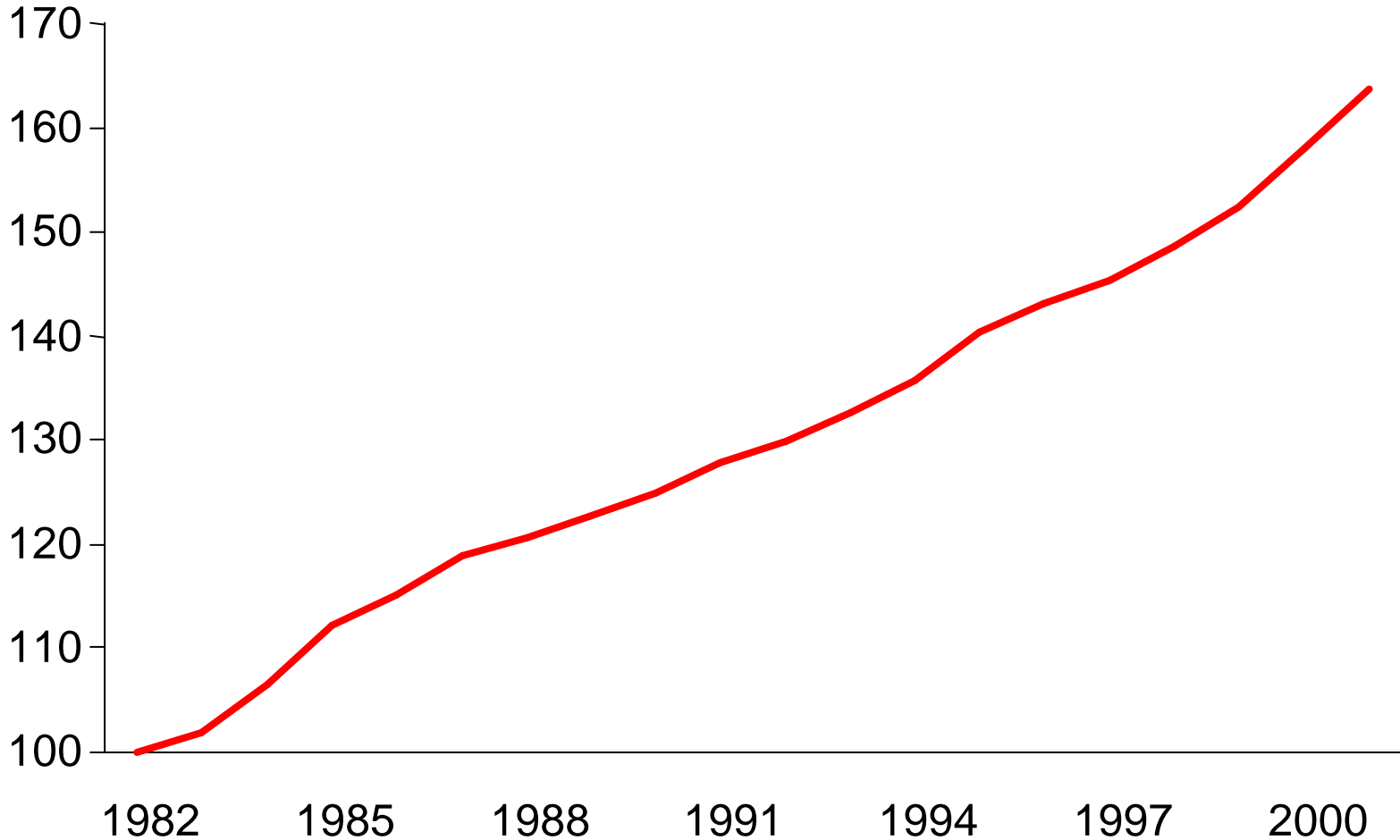
Metropolitan population change by region 1990 to 1999



Source: US Census Bureau

US national aggregate prices

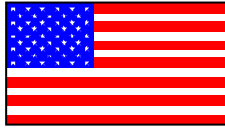

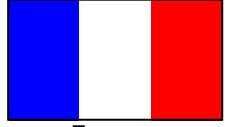
Indexed : 1982 to 2001



Source: US Bureau of Labor Statistics – Producer Price Index

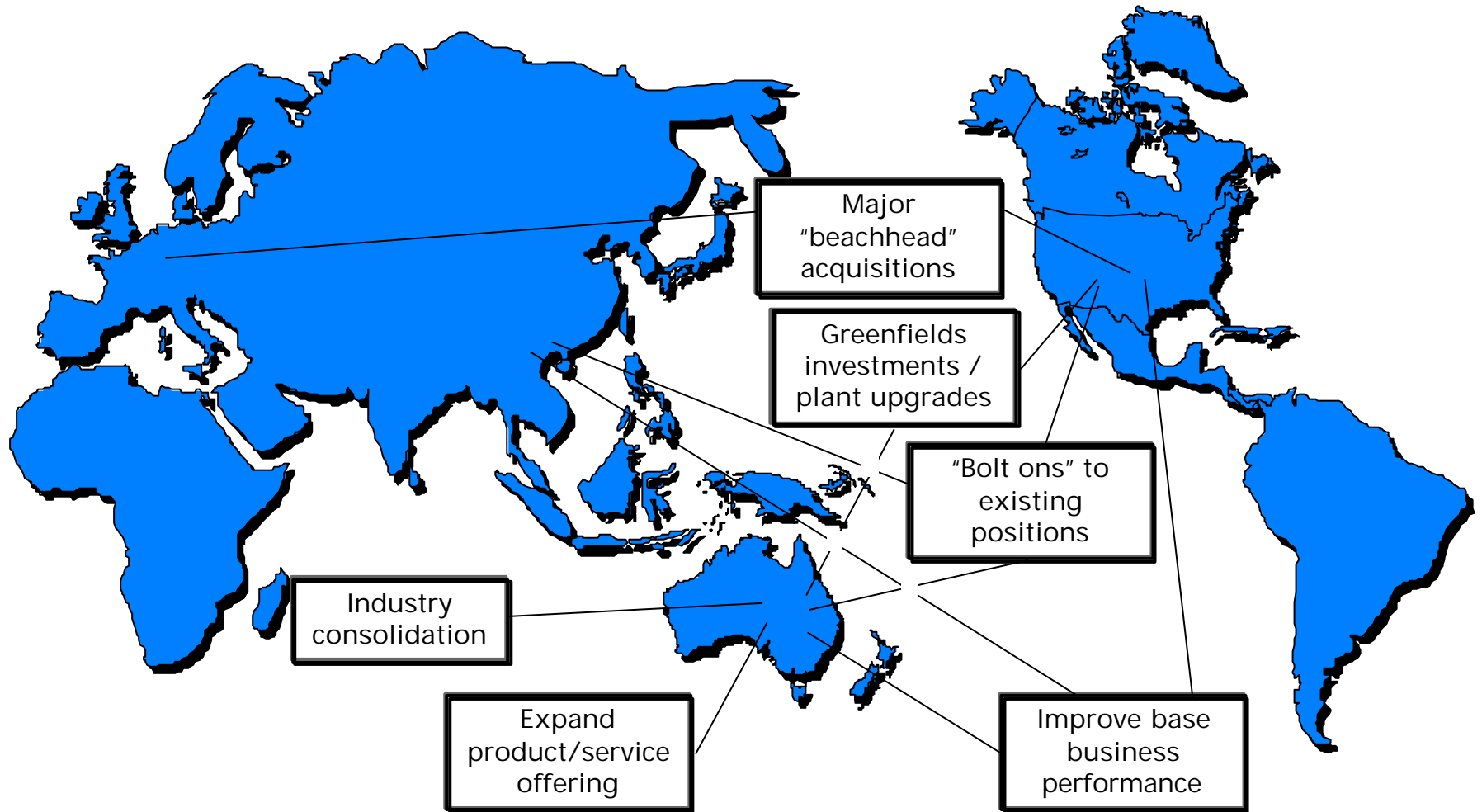
Why growth in the US?

- Consolidation now occurring :

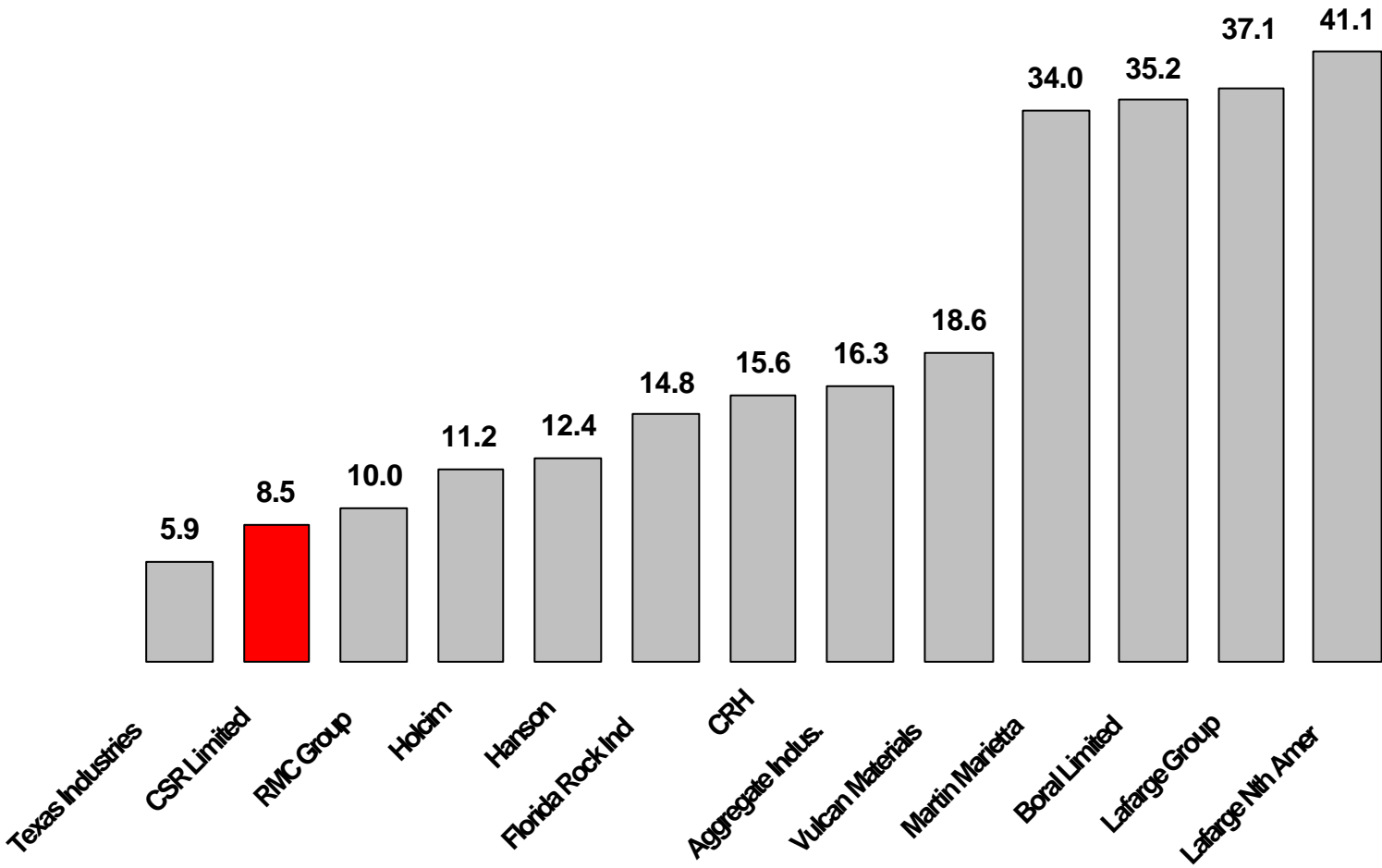
	AGGREGATES	CONCRETE	CEMENT
 USA	Top 5 25%	Top 5 15%	Top 5 70%
 UK	Top 5 80%	Top 5 90%	Top 3 95%
 France	Top 5 40%	Top 5 70%	Top 4 95%

- Rinker is #1 in concrete pipes with only 20% market share
- US economic growth average 3.4% p.a. over past 10 years
- Ongoing population growth of 1%-plus per year
- High performance and environmental standards required.

A range of growth options across the CSR group



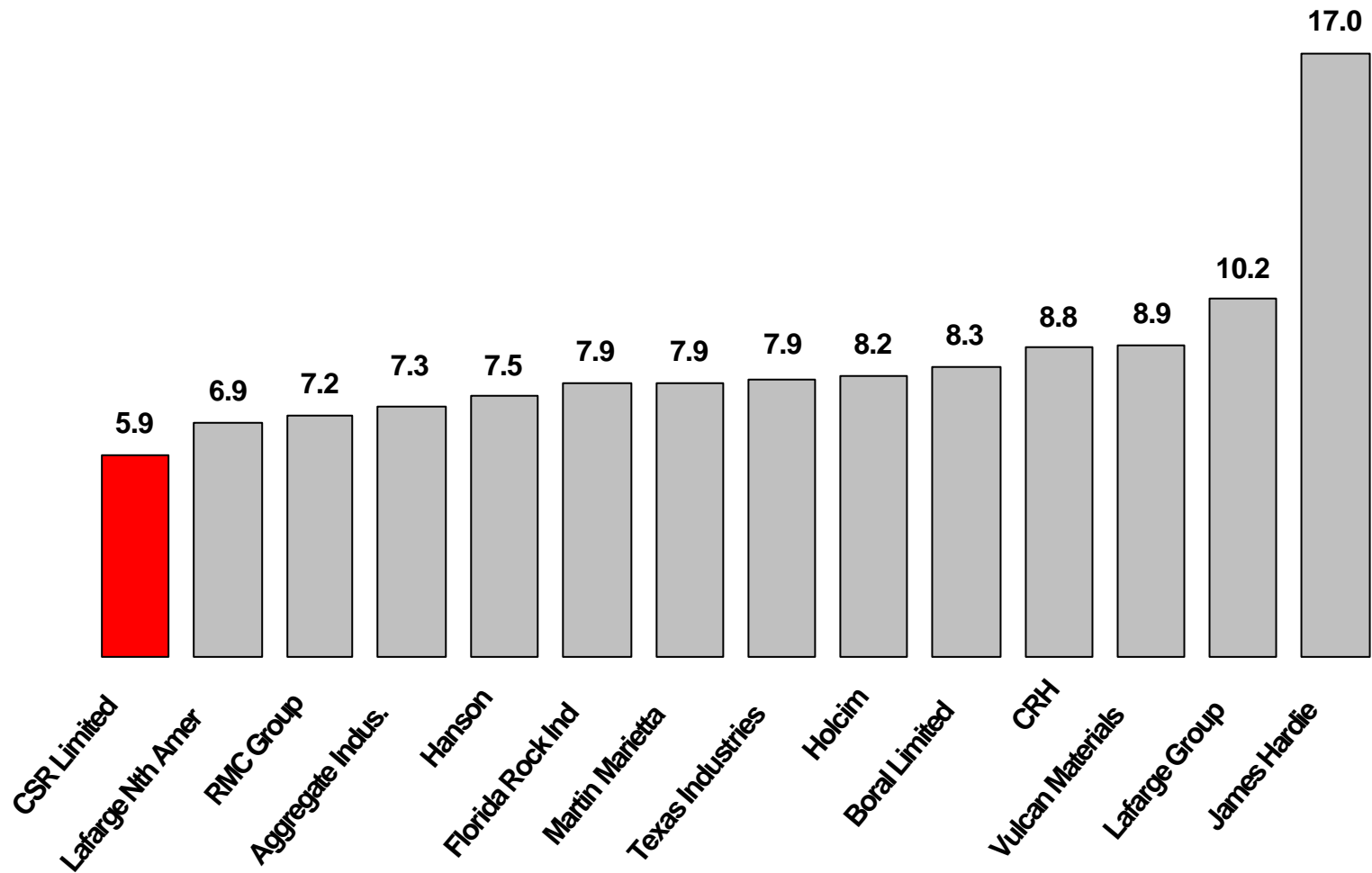
Price / Free Cash Flow



Source: Bloomberg & CSR YEM02 accounts
 Price at 17 May 02 / data is last financial year (CSR based on YEM02 results and share price of \$6.70)
 Free cash flow is Bloomberg definition "cash from operations, less capital expenditures"



EV / EBITDA



Source: Bloomberg & CSR YEM02 accounts

EBITDA is Bloomberg definition. CSR number includes share of associates income

EV based on market cap as at 17 May 02 - CSR share price = \$6.70; other financial data T12 months

CSR Restructuring

The next steps

- Since 1998 strategic focus on growing heavy building materials internationally - 24 acquisitions by Rinker in the US, A\$1.8bn
- Concurrent rationalisation - 22 divestments, A\$1.5bn
- Total return to shareholders average 30% p.a. compound over past three years
- Still further re-rating potential; restructuring options being actively explored
- Federal demerger legislation from 1st July may facilitate further restructuring
- Explore option of creating two Australian listed companies
- Actively pursuing growth in heavy building materials including step out opportunities and bolt ons in the US

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Economic outlook generally positive for YEM03 but some caution over US recovery

- **In US, positive signs of recovery. Housing strong but forecast to fall; non-residential weak but slowly improving; infrastructure strong, backed by TEA 21**
- **Positive pricing outlook unchanged - particularly for aggregates**
- **Stronger A\$ will impact; CSR Group's US\$-denominated debt partly offsets**
- **Australia stronger with infrastructure and non-residential up; housing to weaken in second half**
- **Sugar prices weak**
- **Aluminium price to track global recovery but hedging will mean similar EBIT result**

US construction forecasts predict strong non-building activity but lower overall

Change 2002 vs 2001

	USA	Florida
Residential	-4.4%	-7.6%
Non-residential	-5.6%	-7.0%
Non-building	10.1%	27.3%
Total	-2.1%	-3.1%

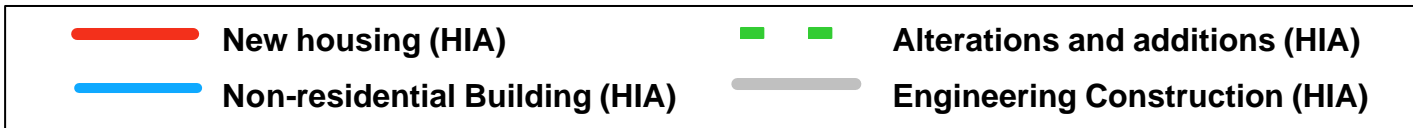
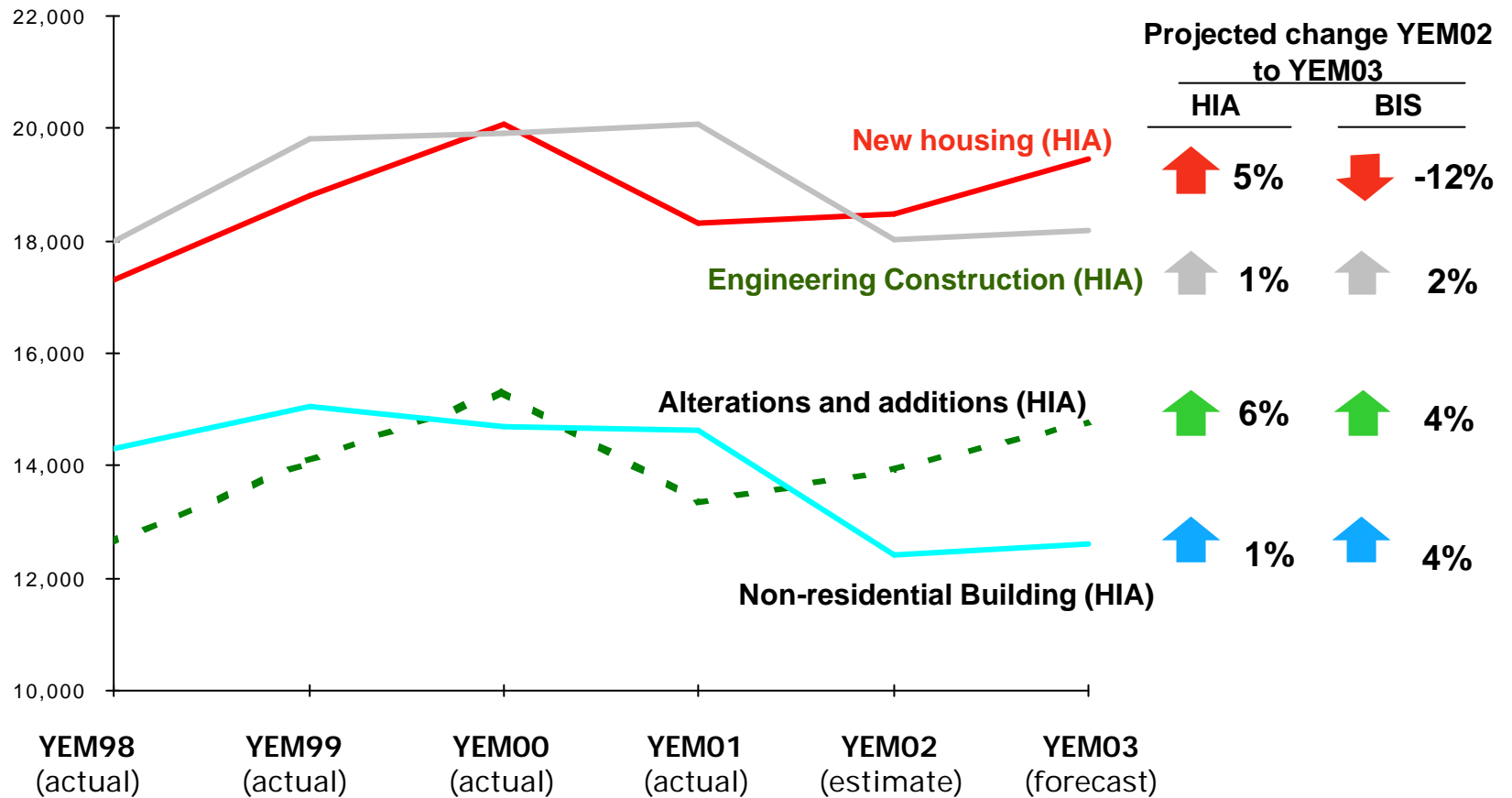
Total value (US\$m)

	2000 (a)	2001 (a)	2002 (f)
USA	366,200	367,800	360,200
Florida	28,300	29,500	28,600

Source: Dodge Q4 2001 Put in Place activity forecast (constant 1992\$)

Building & construction in Australia - value of work done p.a. (year ended March)

Constant 1999/00 prices
\$ million



Source: HIA May 2002 (based on work done); BIS Mar 02 (based on commencements)

Major construction projects in Australia

Commencing 2002 & beyond

Project	Location	Cost (\$m)	Start date
<u>Infrastructure:</u>			
Parramatta-Chatswood rail link	Syd NSW	1600	2002/03
Western Sydney orbital tollway	Syd NSW	1400	2002
Scoresby freeway	Melb VIC	900	2002/03
Regional fast rail	Melb VIC	800	2002
High speed rail link to Newcastle	Syd NSW	700	2003
Lane Cove tunnel	Syd NSW	550	2003
Eastern Freeway Extension	Melb VIC	326	2002
Cross City Tunnel	Syd NSW	300	2002
<u>Other:</u>			
Alumina refinery	Glads QLD	1500	2002
Magnesium plant	Rockh QLD	1300	2002
NW shelf expansion 4th train	WA	976	2002
Methanol plant	WA	525	2002/2003

Source : BIS Shrapnel Feb 02

Ongoing growth and Australian construction recovery will lift YEM03 profit but US economy and A\$ may offset

- **Actively pursuing US growth; bolt-ons plus larger acquisitions if value and synergies available to Rinker**
- **Australian construction materials volumes to lift as economic cycle turns up; price rises repairing profit**
- **Building Materials should see some pick up overall in another year of two very different halves**
- **Asian operations also stronger, particularly China**
- **But US economy and stronger \$A may offset gains**
- **YEM02 A\$41m tax refund benefit not in YEM03 PAT**
- **Overall, cautiously optimistic about a solid result**

CSR group priorities for YEM03

- ✔ Further improve safety and environmental performance
- ✔ Instil a high performance culture across the group
- ✔ Continue to improve the performance of all businesses, particularly Construction Materials
- ✔ Actively pursue international growth in heavy building materials
- ✔ Expedite the separation of assets