



Annual Report 2000

CSR LIMITED | ACN 000 001 276





CSR made record

OVERVIEW OF THE YEAR AND WHERE WE'RE HEADING

- 2 Performance highlights
- 4 Chairman's overview and the managing director's review
- 6 Growth strategy
- 7 Building an international presence – CSR's plants

HOW OUR BUSINESSES PERFORMED

INTERNATIONAL BUILDING MATERIALS

- 10 CSR America
- 12 CSR Construction Materials – Australia and Asia
- 14 CSR Building Materials – Australia, New Zealand and Asia
- 16 Our international brands and products

OTHER BUSINESSES

- 18 CSR Sugar
- 19 CSR Timber Products
- 19 Aluminium
- 20 Summary of operations
- 22 Financial review

PEOPLE

- 24 People, safety, health, environment and community
- 27 CSR's organisation

CORPORATE GOVERNANCE

- 28 Our directors
- 30 Corporate governance
- 33 Directors' statutory report
- 36 Eleven year performance table
- 37 Financial statements
- 67 Share information
- 68 Information for shareholders
- 69 Releases to the Australian Stock Exchange



profits last year. We are growing in the USA while narrowing our range of businesses

One of the world's largest building materials groups, CSR is a leader in its markets in the United States, Australia, New Zealand and Asia. We also have sugar and aluminium businesses in Australia. During the year, we divested most of our timber operations and made progress with selling our aluminium interests.

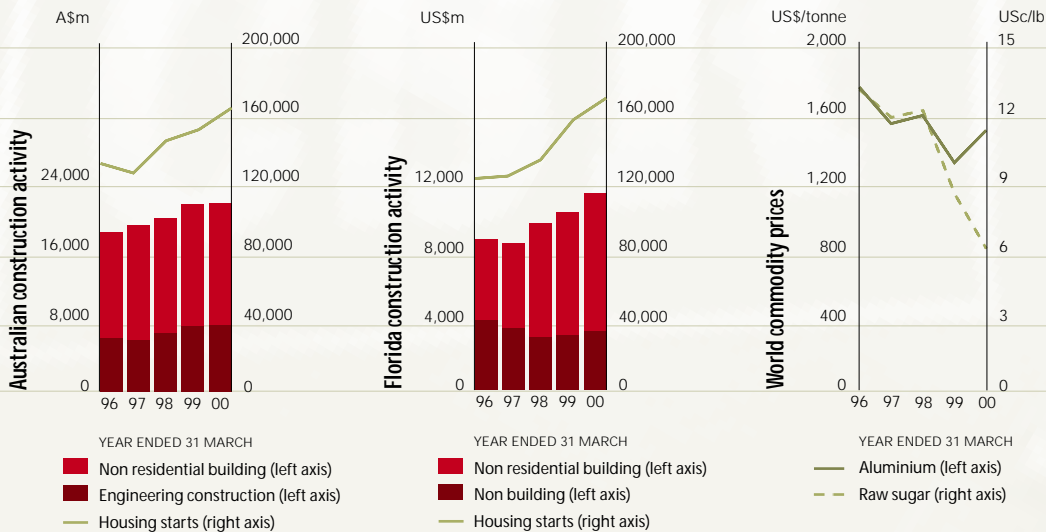
Our sales are over A\$6 billion a year and cash flow is over A\$1 billion. CSR was founded in 1855 as a sugar refiner and began making building materials in 1936.

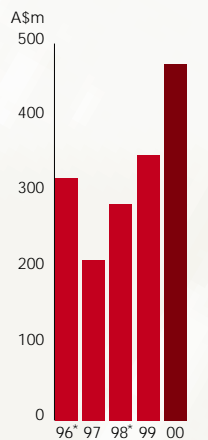
Performance highlights

OVERVIEW – KEY FACTS

YEAR ENDED 31 MARCH

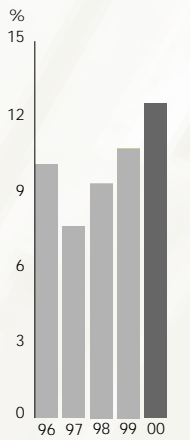
A\$ MILLION UNLESS STATED	2000	1999	% CHANGE
OPERATING RESULTS			
Trading revenue	6,419.0	6,506.8	-1
Earnings before interest and tax [EBIT]	803.5	693.0	16
Net profit	471.6	351.1	34
Net cash from operating activities	1,048.4	912.0	15
Capital investment	538.1	606.1	-11
FINANCIAL POSITION AT YEAR END			
Paid up capital	2,647.0	2,640.9	
CSR shareholders' funds	3,659.3	3,469.0	5
Total assets	6,883.1	7,250.5	-5
Net debt	1,088.3	1,749.1	-38
KEY DATA PER SHARE			
Earnings [A cents]	45.5	33.9	34
Dividend [A cents]	23.0	23.0	
KEY MEASURES			
Profit margin [EBIT : trading revenue] [%]	12.5	10.7	
Return on funds employed [%]	15.9	12.6	
Return on CSR shareholders' funds [%]	12.9	10.1	
Gearing at 31 March [%]	22.2	32.6	
Interest cover at 31 March [times]	9.1	5.3	72
Employees [thousand]	17.1	17.8	-4
Safety [lost time injuries per million work hours]	4.7	5.3	-11





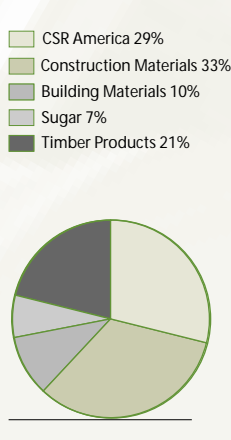
YEAR ENDED 31 MARCH

Net profit up 34%
*Before abnormals



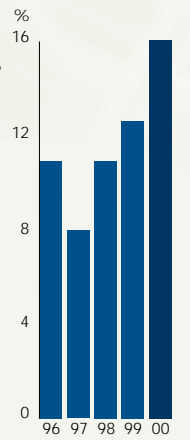
YEAR ENDED 31 MARCH

Profit margin 12.5%



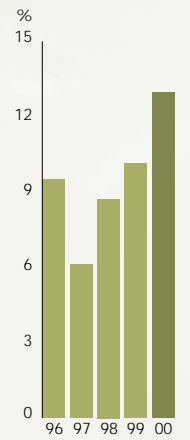
YEAR ENDED 31 MARCH

Performance improvement saves A\$98 million



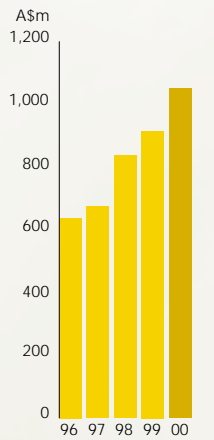
YEAR ENDED 31 MARCH

Return on funds employed 15.9%



YEAR ENDED 31 MARCH

Return on shareholders' funds 12.9%



YEAR ENDED 31 MARCH

Cash from operating activities up 15%



- CSR Limited
- - ASX Building Materials Accumulation
- ASX Industrials Accumulation

With dividends reinvested, A\$1000 in CSR shares in March 1988 was worth A\$2046 as this annual report went to print in May 2000. The same investment in the All Industrials index was worth A\$4200 and in the Building Materials index, A\$2296.



- CSR Limited
- - MSCI Building Materials (global)
- S&P Construction Index (US)
- BE500 Building Materials (Europe)

CSR Limited generally outperformed its building materials peers around the world during the year. A\$1000 in CSR shares on 31 March 1999 was worth A\$1161 on 30 April 2000. The values of initial A\$1000 investments in various international indices are as shown.

Chairman's overview

Building a
profitable future

The CSR Group produced an excellent result during the year, particularly CSR America and CSR Building Materials. Both have developed very strong market positions.

A lot of work has been done to narrow the focus of the group's operations. Companies can only excel at a limited range of operations – CSR has chosen to focus on international building materials.

Almost all of the CSR Timber Products business has been sold, and aluminium and sugar will be divested or separated later, but only if shareholders will benefit.

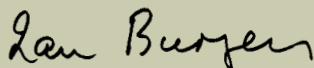
Meanwhile, the CSR Group is investing strongly in the US – where we see opportunities for substantial and profitable growth.

The board has also decided to maintain the dividend at 23 cents a share, and to buy back up to 10% of CSR shares on the market over the next 12 months. At current share prices, this makes good sense. It is a more tax effective way of providing shareholder returns than paying further partially franked dividends.

CSR's financial position remains strong. There is ample flexibility to fund continuing growth as well as the share buy back.

On behalf of the directors, I would like to thank Peter Kirby and all CSR's employees for their good work last year. Economic conditions will be tougher this year. The dual challenge for CSR is to invest well in new growth, while continuing to improve the underlying performance in all our businesses.

We are building a profitable future for your company.



IAN BURGESS
Chairman



The managing director's review

The
strongest result in our
145 year history

Earnings before interest and tax (EBIT) rose 16% to A\$804 million and net profit after tax increased 34% to A\$472 million.

Profit improved over and above the benefits provided by the economic cycle and by increased sales of aluminium and alumina. This was despite losing the contribution from businesses sold in the past two years. Comparable EBIT – that is, adjusted for divestments and acquisitions – increased 23% over the previous year.

We are also improving faster than a number of key competitors in both the Australian and US building materials markets.

Trading revenue fell 1% to A\$6419 million, mainly because of divestments. Cash flow rose 15% to A\$1048 million.

The return on funds employed was 15.9%, compared with 12.6% the previous year. The return on shareholders' funds was 12.9%, up from 10.1%. Profit margins rose in every business except CSR Sugar.

Around 68% of our assets generated positive shareholder value, compared to 66% in 1999 and 39% in 1998.

Our financial position is very strong. Net debt fell 38% from A\$1.7 billion to A\$1.1 billion. Gearing – net debt compared to net debt plus equity – fell from 32.6% to 22.2%.



We are making considerable progress in transforming CSR into a high performance international building materials group.

We have sold A\$960 million worth of businesses since March 1998, including almost our entire Timber Products business (see the announcements to the Australian Stock Exchange on page 69). Most of our employees were offered jobs with the new owners.

Proceeds from the divestments will fund the on-market buy back of up to 10% of CSR's ordinary shares as well as repay debt and finance continuing growth.

Growth in the US

Implementing our growth strategy is now our major focus. We are expanding mainly in the US heavy building materials sector, through CSR America.

The CSR Group is:

- the world's number one manufacturer of concrete pipe and products
- one of the largest manufacturers of pre-mixed concrete in the US and Australia
- the largest producer of concrete block in the US
- a large producer of quarry products and cement.

Last year, 42% of our revenue came from CSR America. Including exports, 60% of CSR's revenue was earned outside Australia.

The CSR share price

We in CSR share with other shareholders disappointment at the level of the current share price. This is especially so given CSR's strong operating performance.

It has been a difficult year for *old economy* stocks such as CSR. Building materials companies around the world are undervalued. This is shown by the significant share price premiums being paid in takeover offers.

CSR has outperformed other building materials stocks, both in Australia and globally (see the graph on page 3).

Building a high performance company

Following senior management changes in the previous year, we introduced more disciplined financial management and more transparent reporting and accountability of our people for their performance. Incentives for good performance have been enhanced, the proportion of *at risk* remuneration increased and *stretch* goals clarified.

CSR America and CSR Construction Materials restructured their organisations to be flatter – to bring managers closer to customers. Managers are encouraged to act as if they own their business.

We must strive harder to be world class in our safety, health and environmental performance. There is a much greater safety focus in CSR today, especially on avoiding fatalities.

The year ahead

We are cautiously optimistic about the year ahead.

In the US, economic activity remains at a high level, although we expect a slowdown in housing. Federal infrastructure spending should help underpin any construction slowdown.

In Australia, we are prepared for a slowdown in both housing and construction activity during this year. Construction activity is easing but most governments are targeting infrastructure spending to help maintain Australia's strong economic performance.

Performance improvement programs in all CSR businesses have delivered A\$300 million in cost savings and efficiency improvements since mid-1997 – providing a solid foundation in managing any slowdown.

We believe raw sugar prices have stabilised and will rise slowly as world production falls.

At the date of this report, Billiton Australia was continuing due diligence on the Gove alumina refinery assets and bauxite mine, ahead of making any formal offer to purchase. Discussions on the sale of the Tomago aluminium smelter interest have been

suspended, because it is worth more than the price offered.

CSR has hedged the majority of its aluminium production for the next two to three years. This has established a base level of profitability and reduced volatility in earnings.

Our priorities for the year ahead include:

- striving for further significant improvement in total shareholder returns
- profitably expanding our international operations, particularly in the US, and making larger acquisitions
- continuing to push operating performance improvement
- managing our working capital, assets and debt levels to maximise our financial strength and flexibility
- driving a high performance culture across CSR
- improving our performance in safety, health and the environment – including halving reportable injuries.

A challenge is to convert our good operating results into better returns for our shareholders.

I would like to thank all of our employees for their efforts during the year and our customers for their valued business.

The group has a clear direction, and is growing strongly in the US. Our underlying performance is improving in almost every business. We have good market positions. And we have significant financial strength and flexibility.

We are confident about the future for CSR.



PETER KIRBY
Managing director

Growth strategy

Expansion in the international building materials sector

The delivery of further substantial and profitable growth is the next major challenge facing us.

We are well positioned for increased expansion in the international building materials sector.

The CSR Group has invested more than A\$600 million in value-creating growth in the United States over the past two years.

We see good prospects to continue to grow our US building materials operations. This business has in recent years grown to be a third as large again as the group's comparable Australian building materials business (measured by funds employed).

The US building materials sector offers significant investment opportunities, unlike many global markets which are already highly consolidated.

Developments and acquisitions across the US

CSR America has concrete pipe and product operations in 29 US states and quarry, concrete and cement operations in south eastern USA, especially Florida, as well as Nevada and Washington state.

CSR America is strengthening existing operations and developing new regional *strongholds* where it can be a leader in its markets.

Development and acquisitions since March 1998 include:

- nine concrete pipe plants
- two pre-cast and two pre-stressed concrete products plants
- seven quarries and sand mines
- a polyethylene pipe plant.

CSR America has made sensibly priced, *bolt-on* acquisitions, which fit neatly into the existing structure – sharing administration, finance and logistic resources, and providing further outlets for our raw materials.

Upgrading plant

As well as making acquisitions and developing new plant, CSR America has invested in strategic plant upgrades, significantly improving efficiency and reducing costs.

The US\$147 million Miami cement mill, now in production, will cut operating costs by 20% and increase production by two thirds above that of the outdated plant it replaces.

All its output of 950,000 tonnes will be used to supply CSR America's businesses – equivalent to around 60% of total needs through the business cycle. The balance is imported through CSR America's cement terminals.

New concrete pipe plants, including those in Miami, Florida, and Washington, DC, are state of the art. These highly automated plants can each produce over 220,000 tonnes of pipe a year at low cost.

Further expansion

The CSR Group is currently examining a number of options for further expansion in the US and elsewhere.

All potential acquisitions are evaluated on the basis of their contribution to growing shareholder value. And we have rigorous assessment techniques to monitor post acquisition performance.

CSR America is well positioned to benefit from the continued strength of the US construction market.

Although we expect some slowing of residential building, increased spending by the US Federal Government as well as state governments on highways, bridges, airports and other infrastructure improvements will soften the impact. This should allow total US construction activity to remain at historically high levels.

The US Federal Government's six year US\$216 billion Transport Equity Act for the 21st Century (TEA-21) infrastructure spending program is expected to substantially support construction spending over the next few years. Construction has recently begun on projects under TEA-21.

President Clinton also recently authorised a US\$40 billion, three year spending plan for airports.

Total housing starts declined marginally (0.2%) across the US last year, but grew 8% in Florida, CSR America's major market.

Long-term population growth is a key driver of construction activity. We expect population in Florida to grow at about 1.4% a year compared with 0.9% for the US as a whole.

Other growth options

We are also seeking investments in Australia and Asia that meet our performance benchmarks.

In Australia, we are investigating opportunities to grow through the rationalisation of industries in which we operate.

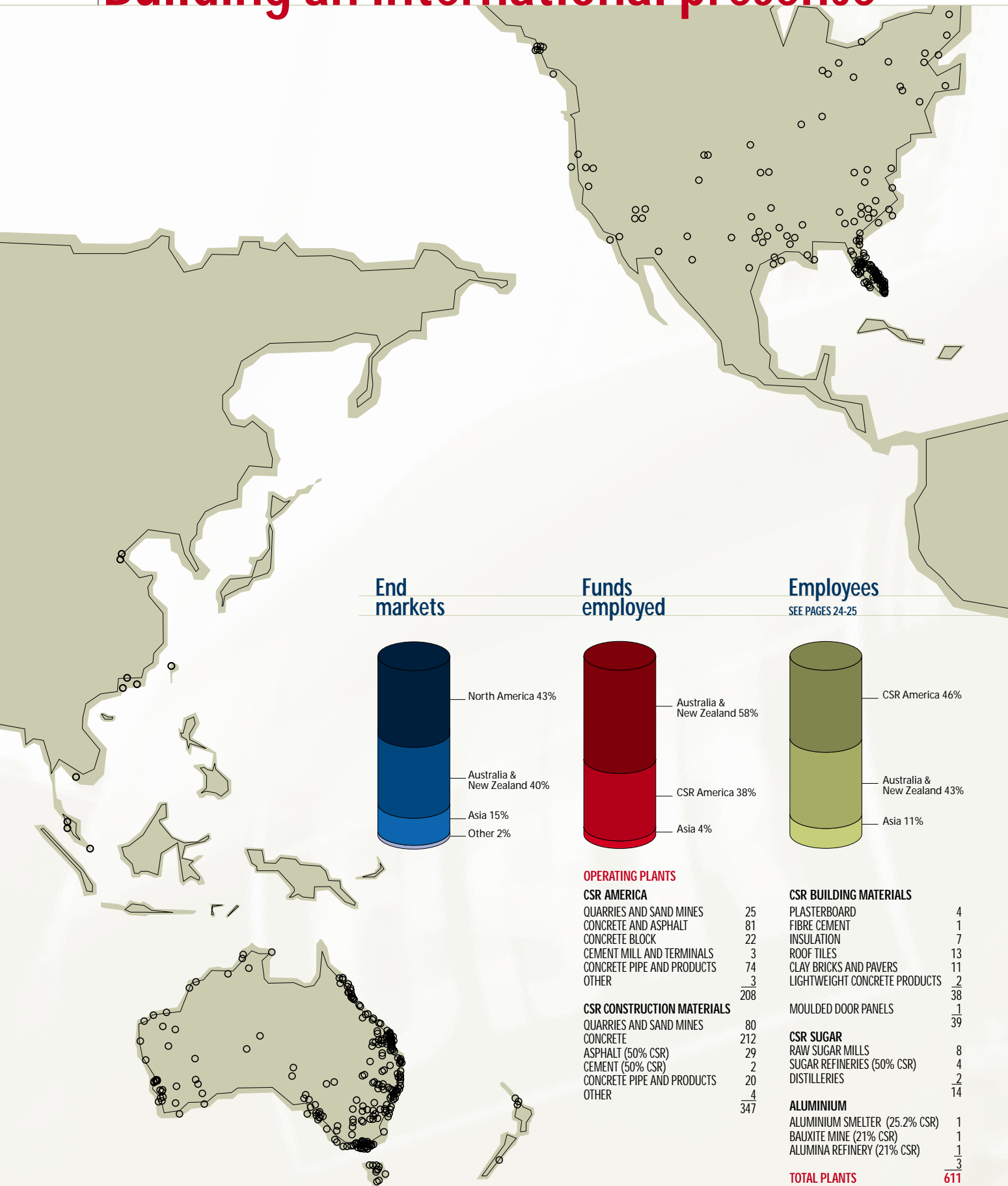
We are working vigorously to increase profit margins in our existing operations by continuing to improve cost performance. Profit margins in CSR Building Materials division, for example, are above the previous cycle peak in 1995.

Refocusing CSR

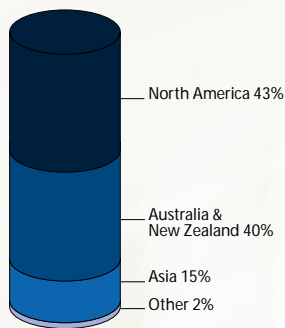
For the past two years we have been following our strategy to refocus CSR as an international building materials group, dedicated to improved shareholder value.

Growth is an important part of the strategy. With our strong cash flows, we are well placed to continue the process of expansion through value adding *bolt-ons* and major acquisitions, developing new plant and strategically upgrading existing operations.

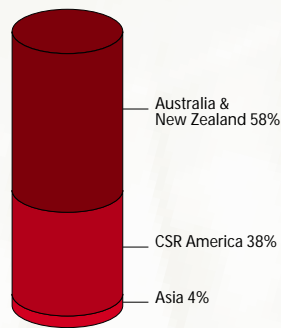
Building an international presence



End markets

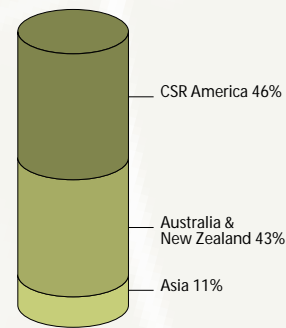


Funds employed



Employees

SEE PAGES 24-25



OPERATING PLANTS

CSR AMERICA

QUARRIES AND SAND MINES	25
CONCRETE AND ASPHALT	81
CONCRETE BLOCK	22
CEMENT MILL AND TERMINALS	3
CONCRETE PIPE AND PRODUCTS	74
OTHER	3
TOTAL	208

CSR CONSTRUCTION MATERIALS

QUARRIES AND SAND MINES	80
CONCRETE	212
ASPHALT (50% CSR)	29
CEMENT (50% CSR)	2
CONCRETE PIPE AND PRODUCTS	20
OTHER	4
TOTAL	347

CSR BUILDING MATERIALS

PLASTERBOARD	4
FIBRE CEMENT	1
INSULATION	7
ROOF TILES	13
CLAY BRICKS AND PAVERS	11
LIGHTWEIGHT CONCRETE PRODUCTS	2
TOTAL	38
MOULDED DOOR PANELS	1
TOTAL	39

CSR SUGAR

RAW SUGAR MILLS	8
SUGAR REFINERIES (50% CSR)	4
DISTILLERIES	2
TOTAL	14

ALUMINIUM

ALUMINIUM SMELTER (25.2% CSR)	1
BAUXITE MINE (21% CSR)	1
ALUMINA REFINERY (21% CSR)	1
TOTAL	3

TOTAL PLANTS

611

Our internet site, www.csr.com.au provides more facts about the group. Click on About CSR.

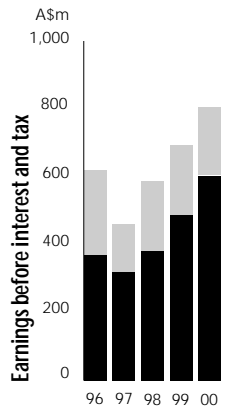


Our international building





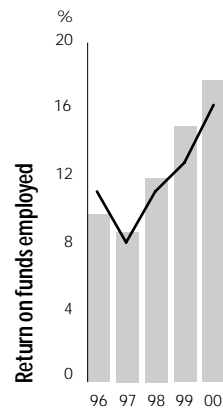
Performance of the CSR Group's combined building materials businesses



YEAR ENDED 31 MARCH

■ CSR combined building materials
 ■ Other CSR

CSR's combined international building materials businesses provided 75% of the group's EBIT



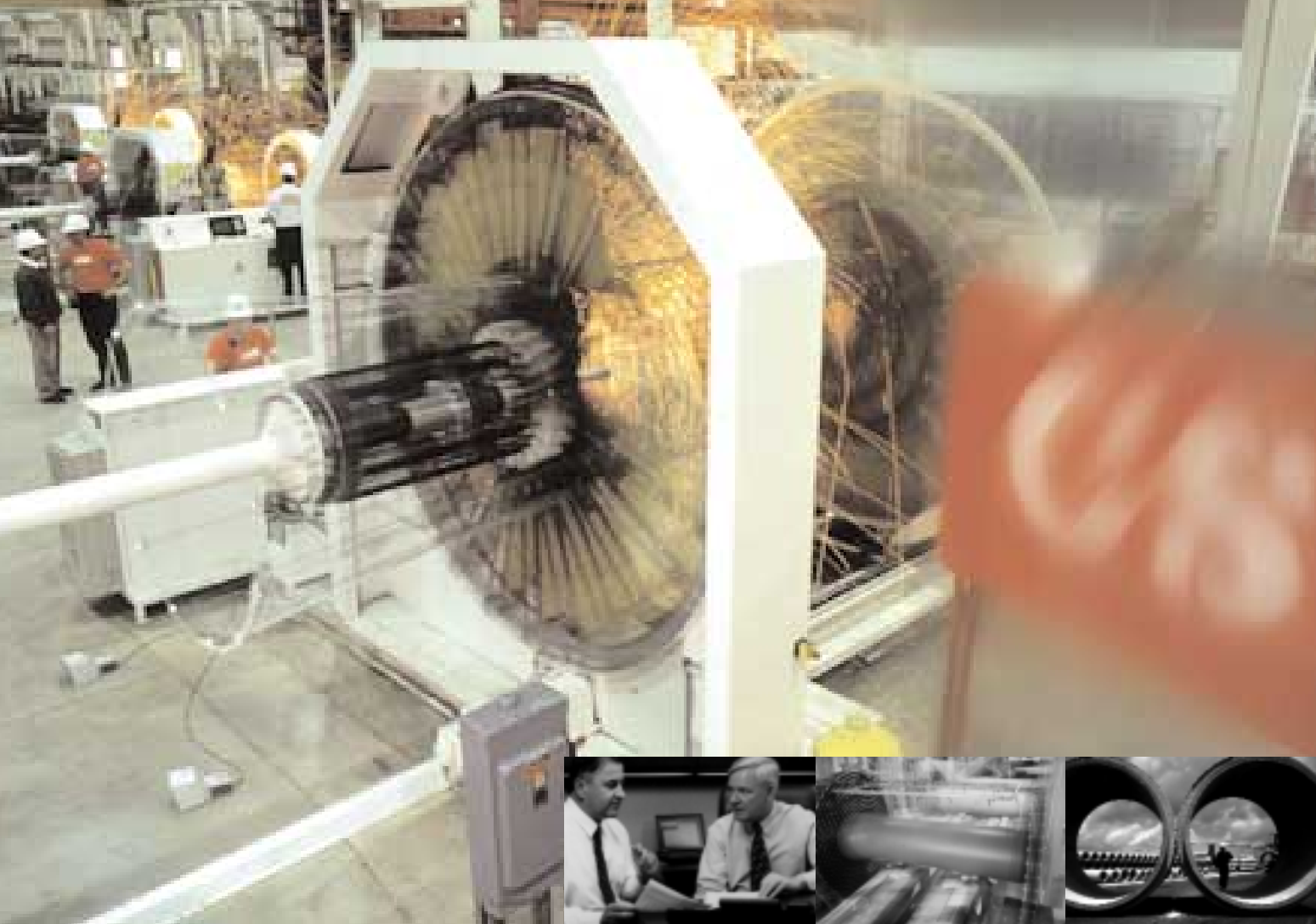
YEAR ENDED 31 MARCH

■ CSR combined building materials
 — Total CSR

Return on funds employed for CSR's combined building materials businesses rose to 18%

materials businesses are the heart of CSR and are our way forward

Our goal is to be a strong performer in the international building materials industry, delivering value for our shareholders throughout the economic cycle. CSR has the expertise, good market positions, product quality and customer focus to succeed in our very competitive industry. The following operational reviews outline our business performance across the USA, Australia, New Zealand and Asia.



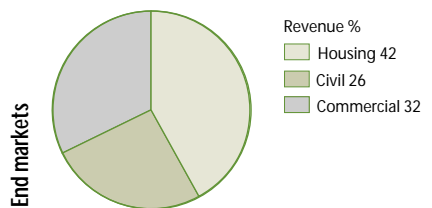
'CSR AMERICA had an outstanding year – returns rose, the business grew and we improved the way we are running our operations'

David Clarke, CEO CSR America Inc, above right, with Adrian Driver, president CSR Pipe and Concrete Products.

Trading revenue rose 10% to A\$2690 million (US\$1726 million, up 15%). Earnings before interest and tax grew 37% to A\$328 million (US\$211 million, up 44%). Profit margin was 12.2%, up from 9.8%.

Trading revenue and sales volumes, profits and profit margins rose in all divisions other than CSR America's relatively small Nevada operations. Improvements in the way the businesses are operated cut costs by A\$28 million.

The US economy continued to perform strongly. Residential construction reached the highest level in over 10 years. In Florida, CSR America's major market, housing starts rose 8% and total



YEAR ENDED 31 MARCH

The new low cost automated concrete pipe plant, in Washington, DC. CSR America is investing in new plants as well as upgrading existing operations to improve efficiency and reduce costs. In the United States, CSR America is the leading manufacturer of concrete pipe.



OVERVIEW – KEY FACTS

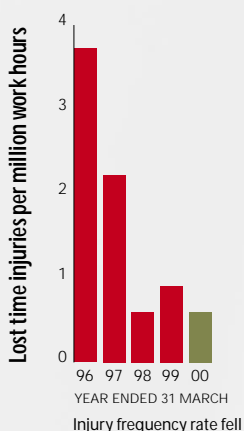
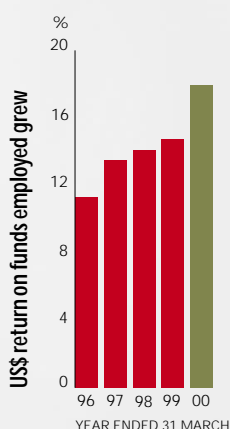
YEAR ENDED 31 MARCH – \$ MILLION UNLESS STATED

	2000	1999	1998	1997	1996	1995
Trading revenue	2,690	2,439	1,949	1,910	1,735	1,432
Depreciation	150.3	140.1	117.0	120.9	114.6	103.9
Earnings before interest, tax and abnormal items [EBIT]	327.8	238.7	182.7	203.4	185.9	141.7
Net profit before finance, abnormal items	194.2	142.9	106.9	117.7	110.6	82.2
Business cash flow ^a	341.6	353.0	250.1	251.7	225.0	183.0
Funds employed at 31 March	1,930	1,600	1,437	1,532	1,583	1,560
Capital investment	412.4	344.3	165.9	153.2	285.5	159.0
Profit margin [%]	12.2	9.8	9.4	10.6	10.7	9.9
Return on funds employed [%]	17.0	14.9	12.7	13.3	11.7	9.1
Average working capital : sales [%]	13.7	14.1	14.3	14.1	16.5	17.7

RESERVES PROVED AND PROBABLE – MILLION TONNES

Limestone, hard rock, sand and gravel, sand	939	801
Number of people employed	7,205	6,498
Number of plants	208	201

a Business cash flow: net cash from operating activities adjusted for tax paid and operating capital expenditure.



non building and non residential construction increased by 10%.

CSR America will benefit from 45% higher levels of federal infrastructure spending under TEA-21 (the Transport Equity Act for the 21st Century) the US Federal Government's US\$216 billion six year transport infrastructure program.

Continued growth in the US

CSR America continued to grow, expanding geographically across the US – especially in concrete pipes and concrete products, strengthening our position as a leading supplier.

Since March 1998, CSR America has committed over US\$400 million to developing the heavy building materials and concrete pipe businesses, constructing a cement plant and three new concrete pipe plants, and upgrading existing concrete pipe, concrete block and pre-mixed concrete plants.

CSR America made 11 acquisitions as part of the strategy of growing through *bolt-on* acquisitions – buying at sensible prices businesses which fit with our integrated building materials operations, sharing raw materials supply, distribution, management, marketing and general overheads.

Restructured for responsibility

To further its development as a high performance operation, CSR America was restructured as a flatter organisation, with more than 50 strategic business units – ensuring decision makers are closer to their customers. Managers have more responsibility with greater accountability; rewards are tied to improving shareholder value.

The SAP computer based business system has been installed in major businesses. SAP will provide a basis to extend e-commerce services for customers.

The major businesses had a very good year

QUARRIES AND CEMENT

CSR America completed construction of the US\$147 million dry process cement mill, replacing an obsolete wet process plant. Design capacity of 950,000 tonnes (1.05 million US tons) a year, up more than 60%, will be achieved in about nine months. All of the increased output will

be used within CSR America, replacing imports. In Florida, a quarry in Ft Myers and a sand mine in Palmdale were acquired. An asphalt road surfacing business in Georgia was sold.

MATERIALS FLORIDA Profit grew strongly, with good growth in sales volumes and prices. CSR America expanded the pre-mixed concrete truck fleet.

MATERIALS WEST Profit fell, reflecting the effect on the Las Vegas market of new entrants and a decline in casino construction – although casino activity is beginning to improve.

In Washington state, the quarry and concrete business traded strongly. A new sand, gravel and hard rock quarry at Granite Falls is being developed to replace the nearly depleted Everett quarry.

PIPE AND CONCRETE PRODUCTS

Prices and sales volumes rose, boosting profit.

The low cost, automated concrete pipe plant in Miami, Florida, became fully operational. Other plants have been completed in Washington, DC, and Columbia, South Carolina. New plants are under construction in Houston, Texas, and Alexandria, Louisiana.

Acquisitions included two concrete pipe plants in Delaware, a plant in Texas making pipe related pre-cast products and another making pre-cast products; and pre-stressed concrete products operations in Oklahoma and Indiana.

DISTRIBUTION The mainly Florida based building materials marketing business had a very strong year – profit rose following growth in sales volumes and prices.

The way ahead

- We expect continued overall good levels of demand, with the effects of a forecast housing decline largely offset by increased infrastructure spending
- CSR America will continue to focus on:
 - growing through *bolt-on* acquisitions and, where opportunities are available, major acquisitions to develop new regional strongholds
 - reducing costs through operational improvement.



CSR CONSTRUCTION MATERIALS

AUSTRALIA AND ASIA

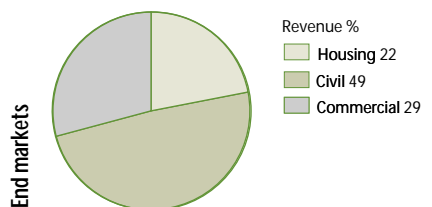
'Our concrete and quarry business in Australia had a good year in generally competitive markets'

CSR Construction Materials chief executive Chris Barry, above right, with Greg Minton, general manager CSR Humes.

The CSR Readymix concrete, quarrying and cement business had a particularly good year, lifting comparable earnings before interest and tax by 42%. This improved performance – well beyond the positive effects of market conditions – resulted largely from a more competitive operating performance and the sale of under performing assets.

Australian civil construction and non residential building seems to have peaked. But total construction activity ended the year about 1% up.

The strong performance from CSR Readymix was offset by lower earnings because of divestments and a significant decline in the Humes structural



YEAR ENDED 31 MARCH

CSR Humes is making over a thousand massive pre-stressed reinforced concrete beams for contractor Transfield Construction Queensland. The beams are to support the Air Train elevated rail line that will link Brisbane airport with the city's rail network. CSR Humes is Australia's leading manufacturer of pre-cast pipe and other concrete products.



OVERVIEW – KEY FACTS

YEAR ENDED 31 MARCH – A\$ MILLION UNLESS STATED

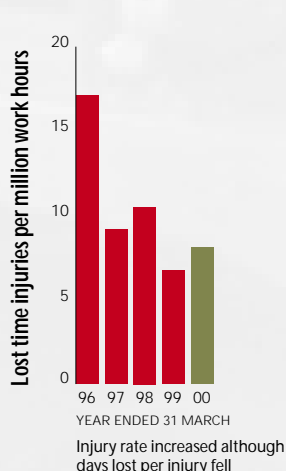
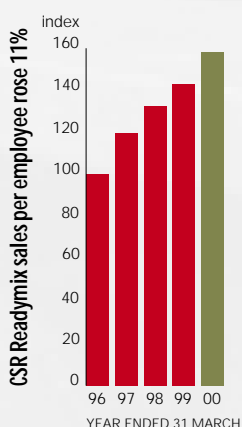
	2000	1999	1998	1997	1996	1995
Trading revenue	1,048	1,313	1,276	1,220	1,263	1,264
Depreciation	49.6	75.1	90.4	91.1	89.0	71.0
Earnings before interest, tax and abnormal items [EBIT]	116.9	116.8	104.9	71.8	84.5	147.8
Net profit before finance, abnormal items	82.3	82.9	77.5	53.7	62.8	109.7
Business cash flow ^a	136.3	160.8	174.1	147.8	87.0	144.0
Funds employed at 31 March	815	906	1,018	1,126	1,244	1,122
Capital investment	34.4	110.0	95.1	84.7	270.8	242.5
Profit margin [%]	11.2	8.9	8.2	5.9	6.7	11.7
Return on funds employed [%]	14.4	12.9	10.3	6.4	6.8	13.2
Average working capital : sales [%]	12.4	10.5	10.9	13.0	13.3	13.1

RESERVES PROVED AND PROBABLE – MILLION TONNES

Hard rock, sand and gravel	1,107	1,256
Limestone ^b	200	180
Number of people employed	3,191	3,306
Number of plants	347	351

a Business cash flow: net cash from operating activities adjusted for tax paid and operating capital expenditure.

b 50% CSR. Reserves have been reassessed since the last annual report.



business as the number of major construction projects fell sharply.

Total trading revenue of A\$1048 million was 20% down on the previous year, largely due to the divestment of the contract mining business in March 1999, and the Victorian waste business in July 1999. Earnings before interest and tax were unchanged at A\$117 million. EBIT from continuing businesses – that is, after adjusting for divestments – was up 20%. Profit margin rose from 8.9% to 11.2%.

Reduced overheads and improvements to the way we operate our businesses cut costs by A\$32 million.

Restructured organisation

We restructured the division to be flatter and leaner (effective from 1 April 1999). The quarry and pre-mixed concrete business was reorganised as seven regionally based businesses, closely aligned with the markets they serve.

The CSR Humes concrete pipe and reinforced concrete products business is now a separate national business.

As part of restructuring the business, we sold four Victorian landfill and waste management sites. To improve efficiency, we are beginning to share pre-mixed concrete production with other suppliers.

The new SAP computer system was successfully introduced across CSR Construction Materials on schedule and on budget.

CSR Readymix had a good year

CSR READYMIX CONCRETE AND QUARRIES performed well in Australia. Earnings before interest and tax, and profit margins rose strongly as we supplied major projects – and housing activity increased because of price rises expected to follow the introduction of the Goods and Services Tax in July 2000.

Many of the larger projects which boosted previous years' results have finished. But major projects last year included Queensland's Pacific Motorway and South East Transit infrastructure upgrades; a range of commercial and housing projects in Sydney; Melbourne's Federation Square; and the WMC Olympic Dam mine site in South Australia. Work has started on

the project to supply concrete for the Warragamba Dam auxiliary spillway project, New South Wales.

CSR HUMES CONCRETE PIPES AND PRODUCTS The Australian concrete pipes and concrete products business experienced lower sales volumes and earnings, mainly in structural beams, due to fewer major construction projects and weaker prices.

As well as Brisbane's Air Train, other large projects we are supplying include the M5 Eastern Motorway in New South Wales.

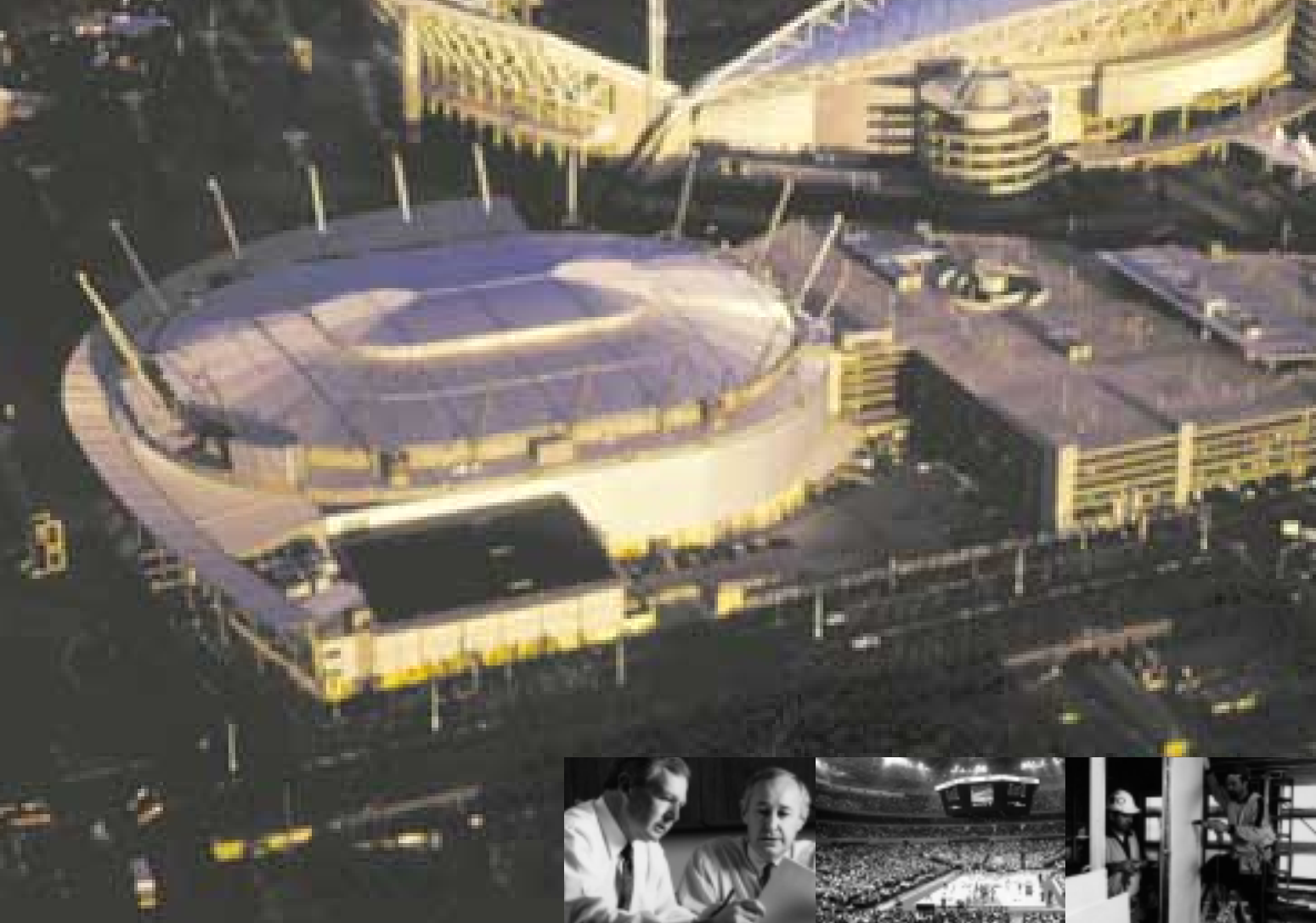
CSR EMOLEUM ROAD SERVICES (50% CSR) Returns from the asphalt road surfacing joint venture increased. Two (less efficient) plants were closed.

CEMENT Returns from CSR's 50% interest in Australian Cement Holdings rose 3% to A\$22.4 million. ACH completed the A\$83 million sale of its 49% share of Adelaide Brighton Cement. Cement prices suffered from the impact of cheap imports from Asia. The risk of further price falls has decreased with the weakening of Australia's currency and as Asian economies recover.

ASIA Our Asian activities made a loss of A\$5 million due to bad debts and intense price competition. In China, the Tianjin concrete and quarry business held its leading position, but sales volumes fell. The Taiwan concrete pipes and tunnel segments market continued to be tough. We closed the Taipei office, consolidating all operations at the Miaoli factory. The site of a nearby tunnel segments factory was sold.

The way ahead

- We are in good shape to manage an expected cyclical slowdown in Australia
- We are improving operational efficiency at an increasing rate and will continue to focus on controlling overhead costs
- To get full benefit from our restructured organisation, we are increasing the authority, autonomy and accountability of managers of our strategic business units.



CSR BUILDING MATERIALS

AUSTRALIA, NEW ZEALAND AND ASIA

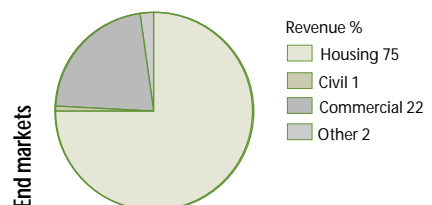
'We had a very good year, performing well at full capacity'

CSR Building Materials chief executive Graeme Pettigrew, above left, with Tony Hickson, general manager of CSR Gyprock/Fibre Cement.

Trading revenue rose 12% to A\$930 million, with sales volumes up for most products. Earnings before interest and tax increased 20% to A\$155 million. The profit margin at 16.7% (up from 15.7%) was higher than at the peak of the previous business cycle, so we are better placed to handle an expected market downturn.

To get the best out of the businesses, as well as prepare for the future, we have vigorously pursued operational improvement. This and reduced overheads cut costs by A\$10 million.

Australian housing activity continued to be strong, with housing starts up 8% – the fourth successive year of growth.



YEAR ENDED 31 MARCH

We supplied large quantities of CSR Gyprock® plasterboard, CSR Fibre Cement® building board and CSR Bradford™ glasswool insulation for the Superdome at the Olympic site, Sydney, constructed by the ABI Group. CSR was the preferred supplier of building materials to Mirvac/Lend Lease, the construction contractor for the nearby Olympic Village (below).



OVERVIEW – KEY FACTS

YEAR ENDED 31 MARCH – A\$ MILLION UNLESS STATED

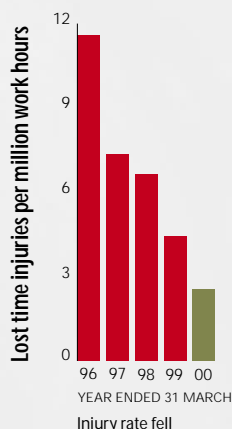
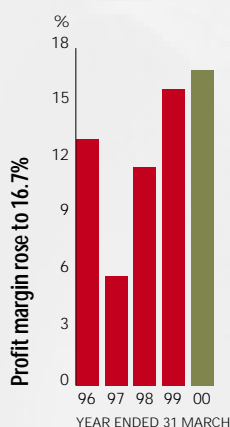
	2000	1999	1998	1997	1996	1995
Trading revenue	930	829	802	719	754	880
Depreciation	39.1	41.7	45.3	42.1	33.5	40.5
Earnings before interest, tax and abnormal items [EBIT]	155.4	130.0	92.7	41.4	97.9	138.0
Net profit before finance, abnormal items	98.9	79.3	66.4	31.2	73.4	80.2
Business cash flow ^a	172.7	160.9	119.2	92.4	98.0	122.0
Funds employed at 31 March	643	723	746	955	912	796
Capital investment	13.3	23.0	47.0	77.7	179.1	311.5
Profit margin [%]	16.7	15.7	11.6	5.8	13.0	15.7
Return on funds employed [%]	24.2	18.0	12.4	4.3	10.7	17.3
Average working capital : sales [%]	15.8	19.1	20.8	20.8	22.1	19.3

RESERVES PROVED AND PROBABLE – MILLION TONNES

Gypsum ^b	290	290
Clay and shale	34	37
Number of people employed	3,308	3,300
Number of plants	38	43

a Business cash flow: net cash from operating activities adjusted for tax paid and operating capital expenditure.

b 50% CSR.



Although the building cycle appears to have peaked, a vigorous economy and the rush to beat the introduction of the Goods and Services Tax in July 2000 sustained the market.

New Zealand housing approvals rose.

Sales were strong for commercial building in Sydney and Melbourne. In Sydney, this was helped by our status with the Olympic Village construction contractor as preferred supplier for building materials.

Strengthened management

We continued to strengthen management of CSR Building Materials' five independent product-market based business units. Controls are based on financial measures, with simplified lines of reporting and clear benchmarked goals. Incentive schemes reward managers for significant improvements in shareholder value, employee development and safety and environmental performance.

During the year, we launched new products and services, including imported ranges of acoustic ceiling tiles, new Gyprock® plasterboard products, Bradford® glasswool insulation and PGH® bricks and pavers.

The businesses performed well

PLASTERBOARD CSR Gyprock plasterboard sales volumes, trading revenue and profit rose strongly with strong demand in residential and commercial markets. We are improving customer service while reducing costs, by increasing direct deliveries from factories using an integrated production and distribution management system. Our distribution network is being strengthened with Gyprock Trade Centres to fully service the plasterboard trade.

FIBRE CEMENT significantly improved results, increasing trading revenue and profit. After four years of operations we now have 23% of the Australian market. We will continue to build market share to operate our factory at full capacity.

INSULATION A cool summer, stronger price competition and low cost imports reduced sales volumes and trading revenue.

In January 2000, CSR Bradford began manufacturing glasswool insulation using the latest

bio-soluble fibre formulation – as part of an Australian industry wide initiative.

We sold the expanded-polystyrene insulation business.

ROOFING Trading revenue, sales volumes and profits improved with increased building activity. The massive hailstorm damage to roofs in Sydney in April 1999 added to returns but put considerable pressure on the business and drove up roof-fixing prices.

BRICKS AND PAVERS & LIGHTWEIGHT CONCRETE PRODUCTS Trading revenue and profit margins increased in a buoyant market, despite increased price competition. The product mix continued to change reflecting relatively less demand for premium face bricks.

We closed the Doonside, New South Wales, clay pipe plant.

We continued to develop the strategy of marketing aerated lightweight concrete products for multi-residential construction.

ASIA Our Asian activities made a A\$7 million loss mainly because regional overcapacity depressed prices. The Taiwan aerated lightweight concrete products plant closed in October 1999 and we sold the Beijing plasterboard plant. We are planning to enhance CSR's regional distribution network for insulation products.

The way ahead

- Housing and non residential construction is expected to decline with the slowing of the Australian and New Zealand economies. We are in good shape to manage effectively through the cycle
- We will maintain tight control of pricing – while ensuring we retain market share
- We will continue to tightly control operating and development capital, improve productivity and reduce overheads and manufacturing costs.



CSR'S STRONG INTERNATIONAL BUILDING MATERIALS BRANDS ARE AMONG THE LEADERS IN THEIR FIELDS

CSR America

CSR Rinker™

- pre-mixed concrete
- quarry products
- concrete block

CSR Hydro Conduit™

- concrete pipe
- concrete products

CSR PolyPipe™

- polyethylene pipe

CSR U-Liner™

- underground pipeline rehabilitation products and services

CSR Construction Materials

CSR Readymix®

- pre-mixed concrete
- quarry products

CSR Humes®

- concrete pipe
- concrete products

CSR Building Materials

CSR Gyprock® plasterboard

CSR Fibre Cement® building board

CSR Bradford™ glasswool and rockwool insulation

CSR Glasswool™ insulation

CSR Rockwool™ insulation

CSR Monier™ concrete roof tiles

CSR Wunderlich™ terracotta roof tiles

CSR PGH® bricks and pavers

CSR Hebel® lightweight concrete products



Our sugar, aluminium & timber operations have been important to CSR

Indeed, sugar was the foundation on which CSR was established 145 years ago. Today, however, three quarters of our revenues come from our building materials businesses. We are increasingly becoming a focused building materials company. The other businesses have been separated – or will be separated, but only if our shareholders will benefit.

SUGAR

Refined sugar and distilling improved returns. We had a tough year in sugar milling due to sharply lower world prices, and the after effects of the previous year's heavy rains.

Trading revenue of A\$656 million was down 13%. Earnings before interest and tax of A\$45 million fell from A\$91 million. Profit margin was 6.9% compared with 12.0% the previous year. Operational improvement drove down costs by A\$7 million.

We sold the site of the closed New Farm sugar refinery in Brisbane, for over A\$30 million, in February 2000.

A new marketing company, Queensland Sugar Ltd is taking over the role of marketing the state's raw sugar from the Queensland Sugar Corporation. CSR's agency agreement with the Queensland Sugar Corporation ended in December 1999.

CSR'S RAW SUGAR BUSINESS

World raw sugar prices fell steeply, from an average of 8.69 US cents a pound the previous year to 6.13 US cents. Export prices for molasses fell 12%. Sugarcane milled increased 5% to 14.87 million tonnes from the previous year's rain and flood affected crop. Raw sugar produced rose 16% to 2.15 million tonnes.

CSR agreed in March 2000 to sell the Ord River Sugar Mill, Western Australia. This small mill did not fit our strategy of large scale, low cost production.

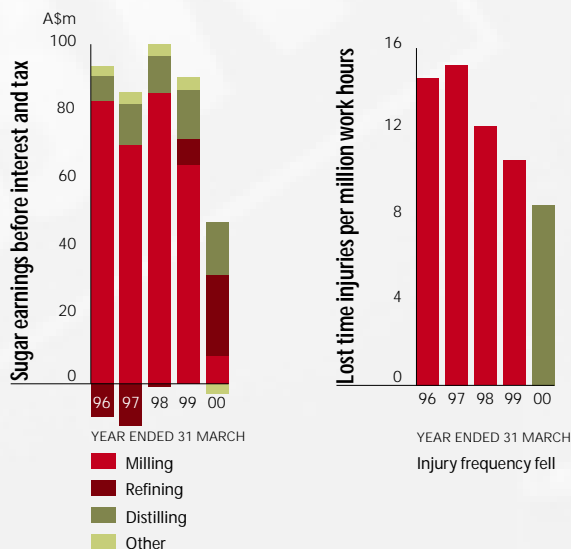
CSR'S REFINED SUGAR joint ventures (50% CSR), Sugar Australia and New Zealand Sugar Company, strongly improved returns and sales volumes, and reduced costs in an increasingly competitive market.

DISTILLERIES performed very well despite depressed ethanol prices, supported by record production from our Sarina Distillery in North Queensland.

The way ahead

- A continuing raw sugar surplus is likely to keep world prices low for at least the 2000 season
- The 2000 season crop has been affected by rain and flooding

- We will continue to improve operational efficiency, and tightly control capital expenditure
- The refined sugar joint ventures are expected to continue to deliver solid results
- CSR's longer term plans include the separation of the sugar business from the building materials business, subject to our ability to obtain fair value for our high quality sugar assets.



YEAR ENDED 31 MARCH	2000	1999	1998	1997	1996	1995
SUGAR – A\$ MILLION UNLESS STATED						
Trading revenue	656	754	1,177	1,172	1,232	1,213
Depreciation	38.8	36.9	44.9	43.2	34.4	30.1
Earnings before interest, tax and abnormal items [EBIT]	45.2	90.6	99.1	73.5	84.0	119.7
Net profit before finance, abnormal items	31.4	62.6	70.4	53.6	64.7	86.7
Business cash flow ^a	90.6	118.9	71.8	80.2	108.0	145.0
Funds employed at 31 March	754	801	908	838	750	663
Capital investment	18.3	31.8	65.0	98.8	208.5	181.5
Profit margin [%]	6.9	12.0	8.4	6.3	6.8	9.9
Return on funds employed [%]	6.0	11.3	10.9	8.8	11.2	18.1
Average working capital : sales [%]	7.3	8.7	11.9	12.5	12.9	13.5

RAW SUGAR FROM CSR'S MILLS		
Sugarcane milled [000 tonnes]	14,866	14,185
CCS ^b – CSR mills [%]	14.2	12.8
CCS ^b – Australian industry average [%]	13.3	12.1
Raw sugar produced [000 tonnes – IPS ^c]	2,148	1,850
Sugarcane milling rate [000 tonnes : hour]	4.7	4.4
CSR proportion of Australian raw sugar production [%]	37	39
Number of people employed	1,519	1,748
Number of sugar mills, refineries and distilleries	14	14
YEAR ENDED 31 AUGUST	1999	1998

WORLD SUGAR MARKET^d MILLION TONNES – RAW VALUE		
Production	135.0	128.2
Consumption	126.8	123.6
Final stocks	56.4	50.4

a Business cash flow: net cash from operating activities adjusted for tax paid and operating capital expenditure.

b A measure of the commercial value of raw sugar.

c IPS: International Pol Scale. Polarisation is a measure of the sucrose content of sugar.

d Source: F O Licht's *International Sugar and Sweetener Report, World Sugar Balances 1997/98-1998/99*.



TIMBER

As part of CSR's strategy to narrow its range of businesses, we successfully sold virtually all CSR Timber Products operations – for A\$760 million since March 1998.

CSR's timber people worked hard to develop internationally competitive businesses – ensuring we could sell them for fair value. This was assisted by operational improvements cutting costs by A\$21 million.

Strong demand helped CSR Timber Products perform well above expectations. Earnings before interest and tax rose 37% to A\$58 million and the profit margin was 9.4%, up from 5.5%. Trading revenue fell by 20% to A\$609 million because of divestments.

In May 1999, CSR divested the solid timber operations in Mt Gambier, South Australia, and Dartmoor, Victoria.

In August 1999, CSR sold:

- the Formica laminates business
- the Bombala sawmill in New South Wales
- the hardboard plant in Ipswich, Queensland.

In February 2000, CSR announced the sale of most of the remaining timber businesses:

- the medium density fibreboard plant in Oberon, NSW
- particleboard plants in Oberon, Mt Gambier; Tumut in NSW; and Gympie in Queensland
- sawmills in Oberon, Tumut, and Caboolture in Queensland
- the timber treatment plant in Narangba, Queensland.

In March 2000, we sold the moulded door panels plant at Ipswich, Queensland.

The one remaining business is the Oberon moulded door panels factory. Negotiations are under way to sell this operation.

ALUMINIUM

Gove Aluminium's earnings before interest and tax were a record A\$183 million, up 46%, and trading revenue rose 18% to a record A\$486 million. CSR's share of Gove's net profit was A\$82 million.

The Gove Aluminium companies (70% CSR) have a 36.05% interest in the Tomago aluminium smelter, in New South Wales,

and a 30% share in the Gove bauxite and alumina joint venture in the Northern Territory.

CSR and the Billiton mining and metals group in March 2000 signed a non binding heads of agreement for Billiton Australia to offer to acquire CSR's interest in the Gove bauxite mine and alumina refinery. The due diligence process is advanced.

The Gove joint venture agreement includes pre-emptive rights for Swiss Aluminium Australia to purchase the CSR stake on the same terms offered by any potential buyer, during a six month period following the receipt of a formal offer.

Discussions on the possible sale of CSR's interest in the Tomago aluminium smelter have been suspended.

Hedging the aluminium price and US\$ revenue produced an average realised price for all Gove's aluminium sales of A\$2303 a tonne, up 6% on the previous year.

We have hedged the majority of our aluminium production and US\$ revenue for the next two to three years. This has established a base level of profitability and reduced volatility in earnings.

ALUMINIUM sales were a record 157,000 tonnes, up 7%, in the first full year to benefit from the 10% expansion of the Tomago smelter. The average world aluminium price for the year rose 14% to US\$1498.

ALUMINA sales were 561,000 tonnes, up 14%. Spot market prices reached the highest level for 10 years.

BAUXITE sales rose 17% to 680,000 tonnes.

The way ahead

- Successfully complete the sale of CSR's interest in the Gove bauxite and alumina joint venture
- Continue reviewing the possible sale of CSR's aluminium smelter interest if it adds value for our shareholders. Retaining the investment remains an option
- We expect demand for aluminium and alumina to remain strong.

YEAR ENDED 31 MARCH	2000	1999	1998	1997	1996	1995
TIMBER PRODUCTS – A\$ MILLION UNLESS STATED						
Trading revenue	609	759	726	690	732	785
Depreciation	37.0	36.6	38.4	37.7	35.1	31.0
Earnings before interest, tax and abnormal items [EBIT]	57.5	42.1	30.0	4.7	35.2	98.9
Net profit before finance, abnormal items	36.9	27.8	16.3	4.1	25.2	68.6
Business cash flow ^a	98.8	51.3	22.3	38.3	39.0	47.0
Funds employed at 31 March	–	813	802	903	740	607
Capital investment	19.3	19.3	85.1	225.6	186.3	97.7
Profit margin [%]	9.4	5.5	4.1	0.7	4.8	12.6
Return on funds employed [%]	–	5.2	3.7	0.5	4.8	16.3
Average working capital : sales [%]	15.5	17.4	17.6	19.9	24.8	23.3
Number of plants	1	32				

a Business cash flow: net cash from operating activities adjusted for tax paid and operating capital expenditure.



YEAR ENDED 31 MARCH	2000	1999	1998	1997	1996	1995
ALUMINIUM – A\$ MILLION UNLESS STATED						
Trading revenue	486	413	405	396	419	345
Depreciation	31.4	28.9	30.0	25.7	24.8	25.4
Earnings before interest, tax and abnormal items [EBIT]	182.8	125.1	133.0	129.6	168.7	120.0
Net profit before finance, abnormal items	82.4	57.3	59.6	58.3	77.6	56.7
Business cash flow ^a	192.4	129.3	157.9	140.8	163.0	154.0
Funds employed at 31 March	435	464	421	365	357	365
Capital investment	18.7	56.3	33.4	13.3	37.6	12.8
Profit margin [%]	37.7	30.3	32.8	32.7	40.3	34.8
Return on funds employed [%]	42.0	27.0	31.6	35.5	47.2	32.9
Average working capital : sales [%]	11.6	14.3	12.8	14.3	15.2	13.3
Average world aluminium price [US\$/tonne]	1,498	1,312	1,584	1,534	1,747	1,677
Number of operations	3	3				

GOVE ALUMINIUM	CSR BENEFICIAL INTEREST		2000	
	2000	1999	QUANTITY	%
Bauxite recoverable reserves [proved and probable] ^b [million tonnes]	188	195	39	21
Bauxite sales [000 tonnes]	680	583	476	70
Alumina sales [000 tonnes]	561	493	393	70
Aluminium sales [000 tonnes]	157	147	110	70

a Business cash flow: net cash from operating activities adjusted for tax paid and operating capital expenditure.

b Provided by Nabalco Pty Ltd, manager of the Gove bauxite/alumina joint venture.

Summary of operations

CSR AMERICA

Performance summary

- Trading revenue \$2690 million, up 10% on the previous period (US\$1726 million, up 15%).
- Earnings before interest and tax (EBIT) A\$328 million, up 37% (US\$211 million, up 44%).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$478 million, up 26% (US\$303 million, up 32%).
- Profit margin was 12.2%, up from 9.8%.

Highlights

- New Miami cement mill now in operation.
- Three new low cost concrete pipe plants in production.
- Acquired eight businesses.
- Restructured the businesses' management autonomy, authority and accountability.

Progress against priorities

- Achieve further savings from operational improvements, including upgrading technology at existing plants: *Operational improvement saved A\$28 million.*
- Grow through building and acquiring concrete pipe and product plants; acquiring *bolt-on* quarries in Florida and concrete operations: *Five pipe plants built or acquired. Bought two pre-cast and two pre-stressed concrete products operations. In Florida, we bought a quarry and a sand mine.*
- Restructure organisational responsibilities to push decision making closer to the market: *New structure established based on more than 50 strategic business units.*
- Improve safety, health and environmental performance: *The injury frequency rate and the number of recorded environmental incidents fell.*

Key objectives

- Grow in North America through *bolt-on* acquisitions and possibly major acquisitions; investigate new markets.
- Reduce costs through operational improvement.
- Ensure new cement plant reaches full production capacity on schedule.
- Improve safety, health and environmental performance.

CONSTRUCTION MATERIALS Australia and Asia

Performance summary

- Trading revenue A\$1048 million, down 20%, due mainly to divesting the contract mining business in March 1999.
- Earnings before interest and tax (EBIT) A\$117 million, the same as the previous year. EBIT from continuing businesses (after adjusting for divestments) was up 20%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$167 million, down 13%.
- Profit margin was 11.2%, up from 8.9%.

Highlights

- The concrete and quarrying business had a very good year.
- The division's organisation was restructured.
- Australian Cement Holdings (50% CSR) completed the sale of its investment in Adelaide Brighton Cement.

Progress against priorities

- Increase rate of improvement in efficiency and cost reduction: *Operational improvement saved A\$32 million, including overhead savings from restructuring.*
- Improve marketing and sales effectiveness: *We are taking a more systematic and disciplined approach to customer development.*
- Successfully implement new computer systems: *Finalised on schedule and within budget the implementation of the new computer based SAP business system – which is performing to plan.*
- Improve safety, health and environmental performance: *The injury frequency rate increased, but the severity rate fell. Minor environmental incidents increased but significant incidents fell; one environmental incident was classified as serious.*

Key objectives

- Increase rate of improvement in efficiency and cost reduction.
- Manage expected slowdown in the Australian business cycle.
- Push out autonomy, authority and accountability to business unit managers.
- Improve safety, health and environmental performance.

BUILDING MATERIALS Australia, New Zealand and Asia

Performance summary

- Trading revenue A\$930 million, up 12%.
- Earnings before interest and tax (EBIT) A\$155 million, up 20%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$195 million, up 13%.
- Profit margin was 16.7%, up from 15.7%.

Highlights

- Continued strengthening of the five profit centres to enhance management focus and accountability.
- In Asia, cost reductions helped compensate for difficult trading conditions.
- New product ranges were launched to meet market needs in all major businesses.

Progress against priorities

- Reduce costs through continuing operational improvements: *Improvement in plant operating efficiency helped reduce costs by A\$10 million.*
- Restructuring – continue to look for industry restructuring opportunities; dispose of surplus assets; rebalance capacity within operating groups: *Modest achievement in industry restructuring, with toll manufacturing of plasterboard. Doonside, NSW, clay pipe plant closed. Beijing plasterboard plant sold. We closed the Taiwan aerated lightweight concrete plant.*
- Tight control of operating, development and working capital: *We are consolidating operations. Operating capital expenditure fell 22%. There was no development capital expenditure. Stocks are at record low levels.*
- Improve safety, health and environmental performance: *The injury frequency rate fell. Although minor environmental incidents increased, significant incidents fell and there were no serious incidents.*

Key objectives

- Strengthen management control over pricing.
- Reduce costs through operational improvement.
- Tight control of operating and development capital and of funds tied up in the business as working capital.
- Dispose of surplus assets.
- Improve safety, health and environmental performance.

SUGAR

Performance summary

- Trading revenue A\$656 million, down 13%.
- Earnings before interest and tax (EBIT) A\$45 million, down from A\$91 million.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$84 million, down 34%.
- Profit margin was 6.9%, down from 12.0%.

Highlights

- The refined sugar interests and the distilling operations had a good year.
- World raw sugar prices and molasses prices continued to be poor. Sugarcane milled increased 5%; raw sugar produced rose 16%.
- A new marketing company, Queensland Sugar Ltd, is taking over marketing of Queensland's raw sugar.
- We sold the site of the closed New Farm Refinery, Brisbane, and agreed to sell the small Ord sugar mill in Western Australia.

Progress against priorities

- Explore opportunities for profitable growth, including Asia and Latin America: *Opportunities have been identified and are being evaluated.*
- Achieve further mill efficiencies – increase recovery rate of sugar from sugarcane: *Efficiencies improved but the increase was constrained by lower milling rates as a result of poor sugarcane quality.*
- Reduce costs and improve operations: *Performance improvement cut costs by A\$7 million. Operating costs per tonne fell 6%.*
- Improve safety, health and environmental performance: *Our safety leadership culture, developed to improve safety performance, reduced total recordable injuries. Environmental incidents rated as serious fell.*

Key objectives

- Continue to cut costs and improve operations.
- Achieve mill efficiencies.
- Improve safety, health and environmental performance.

TIMBER PRODUCTS

Performance summary

- Trading revenue A\$609 million, down 20% because of divestments.
- Earnings before interest and tax (EBIT) A\$58 million, up 37%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) A\$95 million, up 20%.
- Profit margin 9.4%, up from 5.5%.

Highlights

- During the year, CSR effectively departed from the timber business, having either sold, closed, or entered into agreements to sell the company's remaining timber assets (other than the Oberon, NSW, moulded door panels plant). This included solid timber operations, pine plantations, wood panels plants in Australia and a decorative laminates operation in New Zealand.
- Profit margins were the highest since 1995.

Progress against priorities

- Reduce manufacturing and overhead costs: *Operational improvements saved A\$21 million.*
- Pursue opportunities for industry rationalisation: *Progressed rationalisation to prepare businesses for sale. Completed divestment of all but one business.*
- Improve marketing, service and product range: *Major modifications to the Oberon moulded door panels plant improved quality, opening market opportunities in North America.*
- Improve safety, health and environmental performance: *The injury frequency rate increased although the severity rate fell. The number of reported serious environmental incidents fell.*

ALUMINIUM

Performance summary

- Trading revenue A\$486 million, up 18%.
- Gove Aluminium's
 - earnings before interest and tax (EBIT) A\$183 million, up 46%
 - earnings before interest, tax, depreciation and amortisation (EBITDA) A\$214 million, up 39%
 - profit margin improved to 37.7% from 30.3%.
- CSR's share of Gove's net profit was A\$82 million, up 44%.

Highlights

- We negotiated a non binding agreement for the Billiton mining and metals group to offer to acquire CSR's interest in the Gove alumina refinery and bauxite mine. Due diligence is under way.
- First full year of benefits from the 10% expansion of the Tomago aluminium smelter.

Progress against priorities

- Market CSR's share of the increased production of aluminium: *Gove Aluminium's sale of its share of the increased aluminium production from Tomago smelter rose to a record level.*
- Continue to take advantage of opportunities to hedge the world market aluminium price and US dollar revenue: *We have hedged the majority of our aluminium production and US\$ revenue for the next two to three years.*

Key objectives

- Successful completion of the sale of CSR's interest in the Gove bauxite and alumina joint venture.
- Test the market for the sale of CSR's aluminium smelter investment for a fair price.
- Continue to take advantage of opportunities to hedge the world market aluminium price and US\$ revenue.

Financial review

Earnings and cash flows at record levels

Net profit after tax increased by A\$120.5 million or 34% to A\$471.6 million. Reduced financing costs and favourable tax adjustments enhanced the strong operating performance.

The A\$44.1 million (35%) decline in financing costs is consistent with the decline in net debt from A\$1749.1 million to A\$1088.3 million.

CSR's net profit benefited from the A\$24 million non-taxable portion of divestment proceeds and from a A\$17 million tax benefit resulting from a reduction in future income tax rates.

Cash flow and capital expenditure

Cash from operations was A\$1048.4 million, up 15%. The increased operating cash flow primarily derived from improved operating profits, partly offset by higher tax payments.

Cash from operations was used to fund cash capital expenditure – which increased to A\$622 million from A\$606 million. Most of the development capital expenditure of A\$336 million was in the US, including about A\$90 million for the Florida dry process cement mill and around A\$130 million for acquisitions.

Operating capital expenditure increased from A\$184 million to A\$202 million – equivalent to 66% of depreciation (A\$305 million).

In allocating capital, the projected return from the investment is reviewed together with the returns from previous capital expenditure employed in that business. To ensure proper accountability and to monitor accuracy of projections, acquisitions are reviewed quarterly against target.

Divestment proceeds of A\$655 million included the disposal of several CSR Timber Products businesses, CSR Construction Materials' Victorian landfill and waste operations, and the sale for close to book value of surplus property and equipment.

After funding net capital expenditure, internally generated cash combined with cash resources on hand at the beginning of the year were used to fund dividends and interest of A\$369 million and repay debt, A\$666 million.

Balance sheet

Continued tight management reduced the average working capital balance during the year as a proportion of sales to 13.1% from 13.7% in the previous year.

Total debt fell by A\$623 million, to A\$1215 million, following repayments of A\$666 million. These repayments were offset by a A\$43 million currency

restatement, to reflect the year end decline in the Australian dollar on the translation of US\$ debt.

CSR's capital management strategy maintains an efficient balance sheet, while ensuring cash flows will be adequate to meet financial obligations and provide for financial flexibility.

Gearing – net debt to net debt plus equity – fell from 32.6% to 22.2%, the lowest level for more than 20 years. Interest cover increased to 9.1 times from 5.3 times.

At 31 March 2000, CSR had available undrawn debt facilities of A\$1400 million.

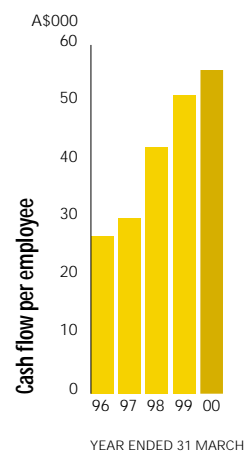
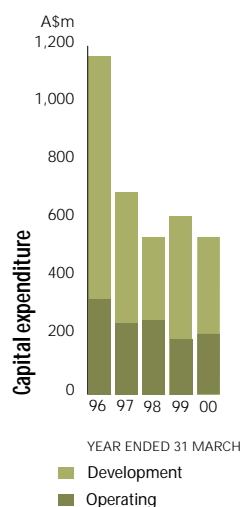
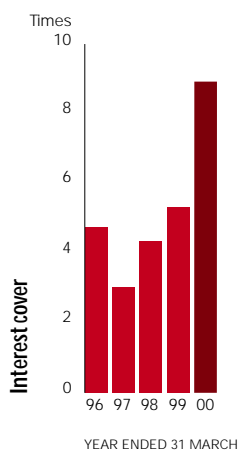
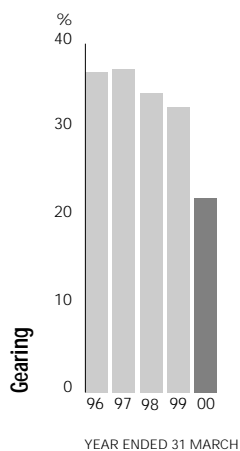
CSR's long and short-term credit ratings are A-/A2 from Standard & Poor's and A2/P1 from Moody's Investors Services.

Share buy back

The low gearing level offers substantial flexibility to borrow, should appropriate investment opportunities arise. CSR intends to retain a productive capital structure, utilising its strong balance sheet to add value for shareholders.

To this end, an on-market share buy back was announced in May 2000. Up to 10% (103.7 million) of the company's ordinary shares will be repurchased over the next 12 months.

CSR considers that its own shares represent a highly attractive investment and that the



CASH FLOW

YEAR ENDED 31 MARCH – A\$ MILLION	2000	1999
Operating profit before finance and income tax	803.5	693.0
Depreciation, amortisation and provisions	380.7	351.0
Income tax paid	(128.2)	(101.8)
Change in working capital	(43.5)	(28.4)
Other	35.9	(1.8)
Cash flow from operating activities	1,048.4	912.0
Cash capital investment	(621.8)	(606.1)
Divestment proceeds	654.5	170.4
Other	(6.4)	32.1
Cash flow provided by (applied to) investing activities	26.3	(403.6)
Internal cash flow	1,074.7	508.4

DEBT AND GEARING

AS AT 31 MARCH – A\$ MILLION UNLESS STATED	2000	1999
Total debt	1,214.6	1,837.3
Total cash and short term lending	126.3	88.2
Net debt	1,088.3	1,749.1
Total shareholders' equity	3,819.4	3,613.4
Gearing ratios		
Net debt : equity plus net debt [%]	22.2	32.6
Net debt : equity [%]	28.5	48.4
Interest cover [times]	9.1	5.3

buy back will add significant value for shareholders. The buy back is expected to have a positive effect on earnings per share and share price, and reduce the group's current cost of capital.

Total shareholder return, which measures share price and dividend return, was 7.7% during the year. The dividend was maintained at 23 cents per share, one third franked.

The return on shareholders' funds increased from 10.1% to 12.9%.

Financial risk management

CSR has an integrated program to manage risks associated with commodity price and exchange rate movements. CSR's hedge program has the objective of assuring a base level of profitability and reducing volatility in earnings. It incorporates forward contracts, swaps and futures. Options are also used, particularly in relation to currency exposures, to help establish base levels, while permitting

participation in favourable currency and commodity price movements.

CSR is exposed to the impact of exchange rate movements on US\$ earnings and on its investment in US\$ assets in relation to CSR America. The exposure to the impact of adverse exchange rate movements on US earnings is reduced by incurring US\$ interest expense on US\$ debt and by currency option cover, while the exposure in relation to US\$ net assets is partly hedged by US\$ debt.

Interest rates on debt are a mixture of fixed and floating rates. CSR enters into interest rate swaps and options with the objective of obtaining a stable and predictable interest expense.

The board has approved policies and principles to manage financial risks which provide the basis for CSR's comprehensive risk management program (further details, page 32).

Tax case

CSR has been in dispute with the Australian Tax Office in relation to the tax treatment of proceeds from a litigation settlement. CSR paid the A\$33 million in tax to the ATO in 1995, and has sought a refund plus interest. In April 2000, the Federal Court decided in favour of CSR. The ATO is appealing against the decision.

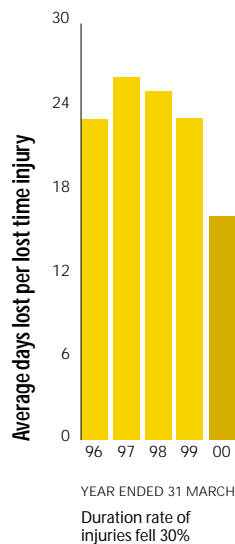
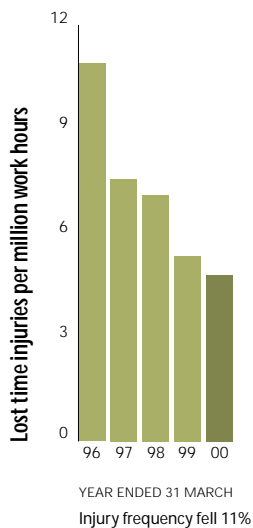
PROFITABILITY

A\$ MILLION	TRADING REVENUE		OPERATING PROFIT BEFORE INCOME TAX		INCOME TAX		OUTSIDE EQUITY INTERESTS		NET PROFIT	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
YEAR ENDED 31 MARCH										
CSR America	2,690	2,439	327.8	238.7	132.5	94.7	1.1	1.1	194.2	142.9
Construction Materials	1,048	1,313	116.9	116.8	35.5	33.8	(0.9)	0.1	82.3	82.9
Building Materials	930	829	155.4	130.0	57.2	48.0	(0.7)	2.7	98.9	79.3
Sugar	656	754	45.2	90.6	13.8	28.0	0.0	0.0	31.4	62.6
Timber Products	609	759	57.5	42.1	20.6	13.6	0.0	0.7	36.9	27.8
Aluminium	486	413	182.8	125.1	61.4	44.0	39.0	23.8	82.4	57.3
Corporate costs	–	–	(35.3)	(32.4)	(12.6)	(11.7)	–	–	(22.7)	(20.7)
Restructuring, asset sales and other	–	–	(46.8)	(17.9)	(61.4)	(18.0)	–	–	14.6	0.1
Segment totals	6,419	6,507	803.5	693.0	247.0	232.4	38.5	28.4	518.0	432.2
Finance			(81.6)	(125.7)	(33.2)	(41.5)	(2.0)	(3.1)	(46.4)	(81.1)
Group	6,419	6,507	721.9	567.3	213.8	190.9	36.5	25.3	471.6	351.1

People

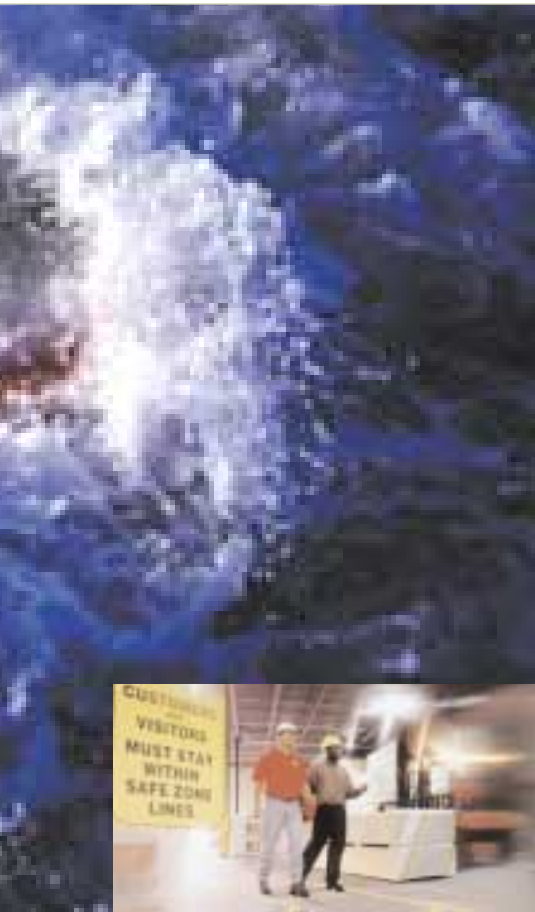


We took strides towards becoming a high performance organisation internationally



People

The total number of CSR people fell 4% to 17,104 as at March 2000. The major change was the progressive sale during the year of our timber businesses. At year end, 1475 timber people were in the process of transferring to the new owners.



MAIN PHOTO: The Olympic white water canoe slalom course at the Penrith Lakes Development Scheme (40% CSR), near Sydney – there is a rowing course too. This sand and gravel quarry operation is being progressively restored as part of normal quarrying operations to form a large recreation area with seven lakes.

INSET: Improving safety with mobile plant is a top priority across the CSR Group. At CSR America's building materials warehouse in West Palm Beach, Florida, pedestrians are kept apart from forklifts.

After adjusting the year end total for these transfers, the total number of employees effectively fell 12% to 15,629.

Our continuing employees are located as follows:

- CSR America 46%
- Australia and New Zealand 43%
- Asia 11%

INCENTIVE PLANS Improved *shareholder value* is being adopted across the company as the prime measure for performance. About 4750, or 30%, of our ongoing people have part of their pay directly linked to performance, compared with 4500 (25%) the previous year. Longer term incentive plans encouraging employees to behave like owners of their business were widened. 160 employees in Australia, New Zealand and Asia are now taking part in these plans – including rewards in the form of share options – up by 50 people. In CSR America, senior executives are now participating in plans based on improved shareholder value.

PERFORMANCE MANAGEMENT

We introduced a new performance management system to provide:

- more focused goals and responsibilities
- better performance measurement
- assessment of potential
- identification of training needs.

It also provides the opportunity for people to communicate their career goals to the company and supports our management succession and career development processes.

We are conducting a program across the group to speed developing of people with high potential.

ORGANISATIONAL STRUCTURES in CSR America and CSR

Construction Materials have been changed to improve performance.

Corporate and divisional headquarters are being refocused on their strategic role. Service activities are being separated and made more responsive to their internal and external customers.

SUPERANNUATION CSR's two largest Australian superannuation plans merged. The new plan gives members greater investment choices and cuts costs.

Safety and health in CSR

We deeply regret that a CSR employee and three contractors lost their lives while working for CSR. Tragically, four other people were killed in motor vehicle related accidents involving CSR.

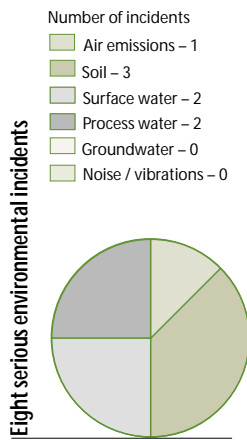
CSR's overall lost time injury frequency rate fell by 11% and injury severity – measured by the duration of lost time injuries – decreased by 30%. Safety performance as measured by lost time injury frequency rate has improved each year for the past decade. But we want to accelerate the rate of improvement. Managers of poorer performing sites are being challenged to improve safety.

Last year, we introduced the *CSR Safety Health and Environment (SHE) Standard* (a comprehensive management system): guidelines for managing mobile plant and traffic; and improved environment auditing and measurement of safety performance.

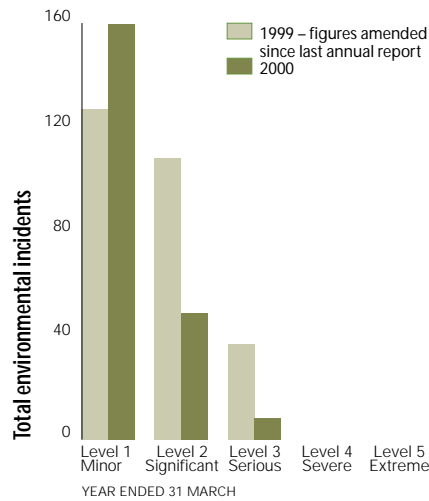
CSR'S PEOPLE

YEAR ENDED 31 MARCH	2000	1999	% CHANGE
NUMBER OF PEOPLE EMPLOYED ^a	17,104	17,802	- 4
Australia	8,119	9,361	-13
United States	7,205	6,498	11
China	1,107	1,003	10
South East Asia and Taiwan	566	662	-15
New Zealand	107	278	- 62
NUMBER OF PEOPLE EMPLOYED – BY DIVISION			
CSR America	7,205	6,498	11
Construction Materials	3,191	3,306	- 3
Building Materials	3,308	3,300	
Sugar	1,519	1,748	-13
Timber Products	1,681	2,757	- 39
Headquarters, Aluminium and support groups	200	193	4
FINANCIAL PERFORMANCE PER EMPLOYEE – A\$ THOUSAND UNLESS STATED			
Trading revenue	375.3	365.5	3
Net profit	27.6	19.7	40
Profit before finance and tax : labour cost [%]	0.62	0.51	

a Full time equivalent employees, including subsidiaries owned more than 50%.



YEAR ENDED 31 MARCH



FEC quarry, Miami, won the US Department of Labour's highest national safety award, the *Sentinels of Safety*.

MAJOR SAFETY INITIATIVES Our prime targets in the year ahead, as well as improving mobile plant safety, are improving safety leadership and changing employees' behaviour to involve them more in improving safety.

We are integrating the auditing of safety and of environmental performance, and boosting safety training. And we are improving the way we investigate incidents, identify hazards, assess risks and measure safety performance.

CSR and the environment

CSR impacts on the environment mainly through the production of aggregates, clay, concrete, other building materials and sugar.

The main issues the group faces include process water and stormwater management, boiler stack emissions, dust and noise control, and spills of liquids.

Our environmental management is based on a continuing program of auditing sites for compliance with the many environmental laws and regulations and licence requirements that apply to CSR's over 600 operating sites. We believe that we are in substantial compliance, but are seeking to achieve 100%.

We have provided for expenditure of A\$42.5 million to reduce our impact on the environment, compared to A\$35.2 million the previous year.

The CSR Group is not aware of any environmental issues which would materially affect our business as a whole.

ENVIRONMENTAL AWARDS A number of our activities received recognition for environmental achievements. This included the rehabilitation of a Perth asphalt plant site, two concrete plants in Queensland and a quarry restoration in Victoria. In CSR America, a quarry and a sand mine won major industry environmental awards. In northern China, our Ji County quarry near Tianjin received community recognition for tree planting.

INTERNET SITE CSR's internet site now has an environment section, which includes a range of emission data that we report to the Australian Federal Government's National Pollutant Inventory. The address is www.csr.com.au/environment

ENVIRONMENTAL INCIDENTS We report environmental incidents based on five levels of breaches of compliance: 1 minor, 2 significant, 3 serious, 4 severe and 5 extreme.

We dealt with 215 environmental incidents last year, 54 less than

the previous year's total of 269. These were mostly level 1 or level 2, but included eight level 3 breaches (compared with 36 the previous year): two in Australia and six in CSR America. Relevant authorities were notified of all these incidents. The pie chart (left) shows level 3 breaches. There were no level 4 or 5 incidents.

ENVIRONMENTAL PERFORMANCE TARGETS CSR has key targets for resource use and waste reduction in Australia.

We plan to reduce:

- waste material by 50% over five years
- energy consumption by 20% in three years
- water use by 30% in three years
- air emissions by 30% in three years.

We will report progress in next year's annual report.

In New South Wales, the State Government's Sustainable Energy Development Authority's *Energy Smart Business Program* is helping us identify ways to cut energy use and reduce greenhouse gas emissions.

ENVIRONMENTAL REMEDIATION In Victoria, we rehabilitated three exhausted quarries. In North Queensland, underground fuel tanks were removed at two raw sugar mills.

In CSR America, underground petrol tanks have been eliminated. Containment pans were installed beneath 17 diesel fuel pumps in Florida and 12 more are being constructed.

Community

CSR supports local communities in areas where we operate. Each CSR activity now has its own community relations plan to guide more regular and active local involvement.

In the USA, the CSR America Foundation contributed to universities and community groups.

Donations to political parties totalled less than A\$100,000.

CSR organisation

Peter Kirby
managing director

CHIEF EXECUTIVE COMMITTEE

Alec Brennan
executive director;
deputy managing director

Jim Osborne
executive director finance

David Clarke
executive director;
president and CEO CSR America

Chris Barry
chief executive Construction Materials

Graeme Pettigrew
chief executive Building Materials

Ian McMaster
chief executive Sugar

Peter Abraham
company secretary;
executive assistant to the MD

John Dyer
general manager Human Resources

Debra Stirling
general manager Corporate Affairs

SENIOR EXECUTIVES

CSR AMERICA

DAVID BERGER, vice president Distribution
TOM BURMEISTER, chief financial officer
KEITH CAREW, vice president
Strategy & Development
SHARON DeHAYES, vice president
IT & Reengineering
ADRIAN DRIVER, president
Pipe & Concrete Products
IRA FIALKOW, vice president
Human Resources & Business Services
KARL WATSON SNR, president
Quarries & Cement
KARL WATSON JR, president
Materials Florida

CSR CONSTRUCTION MATERIALS

IAN BALLARD, general manager
Readymix Sydney
MIKE CANNY, general manager
Readymix South Australia & Northern
Territory
BRIAN HALCROW, general manager
Readymix Country NSW & Victoria
IAN LATTA, general manager
Readymix Melbourne
ALAN LUSCOMBE, general manager
Readymix Western Australia
GREGORY MILLER, general manager
Readymix South East Queensland
GREG MINTON, general manager
Humes
CHRIS POWER, general manager
Planning & Development
JOHN PRIOR, general manager
Readymix Country Queensland
PETER TRIMBLE, chief financial officer
PETER WHIGHAM, general manager
Customer Business Development

CSR BUILDING MATERIALS

GRAEME DOYLE, general manager
Bricks & Pavers
ROBERT ELLIOTT, chief financial officer
DARRYL ELLIS, general manager Insulation
CHRIS GRUBB, general manager
Planning & Development
TONY HICKSON, general manager
Plasterboard & Fibre Cement
MIKE QUINN, general manager
International Business Development
TONY TANNER, general manager Roofing

CSR SUGAR

PETER JAMES, general manager Sugar Mills
ROB MCGREGOR, general manager
Distilleries
IAN WILTON, chief financial officer

ALUMINIUM

PETER DADSWELL, general manager
Gove Aluminium

CORPORATE

TONY CARLTON, general manager
Corporate Finance
OLE ELSAESSER, general manager Finance
BRIAN GILL, chief corporate lawyer
BOB REID, general manager
Safety, Health & Environment

Corporate governance



Robert McLean

BEC(Hons)(EconStats), MBA, age 53.

Joined the board in 1998. Director of Pacific Dunlop Ltd. Former managing director of McKinsey & Co (Australia & New Zealand) and chairman of McKinsey's Asia Pacific Council. Robert has wide international business experience, particularly in corporate strategy and organisational performance. Resides in Sydney.

Peter Kirby

BEcon(Hons), MA(Econ), MBA, age 52.

Joined the board in 1998 as managing director. Previously with Imperial Chemical Industries plc for 25 years, most recently as chief executive officer ICI Paints, responsible for the group's coatings businesses worldwide. Other directorships include CSR America Inc and Czarnikow Ltd. Resides in Sydney.

Carolyn Hewson

BEC(Hons), MA, age 44.

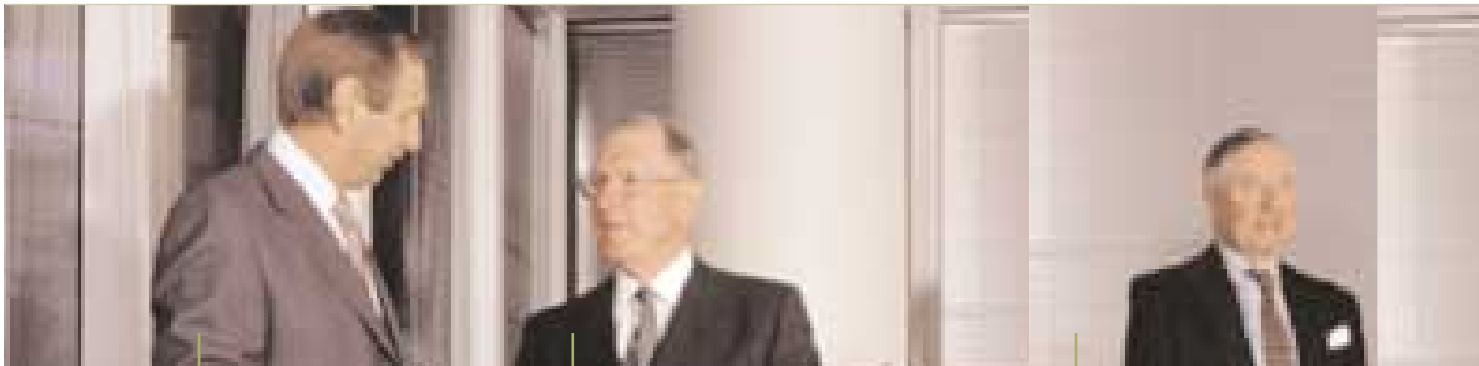
Joined the board in 1995. Directorships include AMP Limited, The Australian Gas Light Co and South Australian Water Corporation. Carolyn has substantial experience in the finance industry, and was formerly an executive director of Schroders Australia Ltd. Resides in Sydney.

David Clarke

Dip.Eng, age 56.

Joined the board as an executive director in 1996. Chief executive officer and director of CSR America Inc since 1992. David also has senior management experience with CSR in quarrying and concrete in the UK, South East Asia and Australia. Resides in the USA.

Directors



John Morschel

DipQS, AAIQS, FAIM, age 56.

Joined the board in 1996. Chairman of Comalco Ltd and a director of Westpac Banking Corporation, Rio Tinto plc, Rio Tinto Ltd, Cable & Wireless Optus Ltd and Tenix Pty Ltd and a trustee of the Art Gallery of NSW. John has particular experience in the building and construction and finance industries, and is a former managing director of Lend Lease Corporation Ltd. Resides in Sydney.

Ian Burgess

AO, BSc, HonDSc, age 68.

Joined the board in 1986. Appointed chairman in 1997. He is chairman of WMC Limited. Trustee of Walter and Eliza Hall Trust. Ian is a former managing director of CSR. Resides in Sydney.

David Voss

BA, LLB, QC, age 67.

Joined the board in 1973. David is a Queen's Counsel and has had an extensive career as a barrister, with a substantial commercial and equity practice. He has also had wide experience as a non executive director of Australian and overseas public and private companies. Resides in Sydney.



Allan Moss
BA, LLB, MBA, age 50.

Joined the board in 1996. Allan has extensive banking and finance experience, and has been managing director of Macquarie Bank Ltd since 1993. Resides in Sydney.

Ian Blackburne
BSc, PhD, MBA, age 54.

Joined the board in September 1999. Formerly managing director and CEO of Caltex Australia Ltd, with 25 years experience in petroleum refining, distribution and marketing. Chairman of the Royal Botanic Gardens and Domain Trust of New South Wales. He is also a member of the Australian Graduate School of Management Advisory Council. Resides in Sydney.

Jim Osborne
BBus, FCPA, FCS, age 56.

Joined the board as an executive director in 1998. A director of CSR America Inc. Previously chief financial officer and global director of finance, IT and purchasing at ICI Paints International and prior to that, finance director with Nabisco Australia Group and finance director of Best Foods. Resides in Melbourne.

Alec Brennan
BSc(Hons), MBA(Dist), age 53.

Joined the board as an executive director in 1996 and became deputy managing director in 1998. Alec has senior management experience with CSR in raw sugar marketing, sugar refining, aluminium, building materials and construction materials. He is chairman of Gove Aluminium Ltd (70% CSR) and Australian Cement Holdings Pty Ltd (50% CSR) and is a director of Sugar Australia (50% CSR). Resides in Sydney.



Charles Goode
BCom(Hons), MBA, Hon LLD, age 61.

Joined the board in 1993. Chairman of Australia and New Zealand Banking Group Ltd and Woodside Petroleum Ltd and a director of Queensland Investment Corporation. Charles has extensive experience in the securities industry and became a professional non executive director in 1989. Resides in Melbourne.

Corporate governance

The CSR board is accountable to shareholders for the performance of the company

The board sets the company's strategic direction and delegates responsibility for the management of the company to the managing director.

The board strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded. Its functions include:

- appointing, evaluating and rewarding senior management
- approving major strategies, budgets, plans and policies
- assessing performance against strategies to monitor both the suitability of those strategies and the performance of management
- reviewing operating information to understand at all times the state of health of the company
- considering management recommendations on key issues – including acquisitions and divestments, restructuring, funding and significant capital expenditure
- approving policies on and overseeing the management of business risks, safety and occupational health, and environmental issues
- ensuring that the company acts legally and responsibly on all matters and that the highest ethical standards are maintained.

Size and composition of the board

There are 12 directors on the board – eight non executive directors, including the chairman, and four executive directors. During the year, John Gough and Ben Macdonald, non executive directors, retired and Ian Blackburne was appointed as a non executive director.

All non executive directors are independent, having no business or other relationships which could compromise their autonomy. If a potential conflict of interest does arise, the director concerned does not receive the relevant board papers and leaves the board meeting while the matter is considered. Directors must keep the board advised, on an ongoing basis, of any interests which could potentially conflict with those of CSR.

The balance of skills and experience of the board is kept under review.

The Board Committee makes recommendations to the board on the appointment of new directors and sets criteria for new appointees, focusing on the particular skills and experience most appropriate to the company's objectives from time to time. External consultants may be engaged, where appropriate, to advise on potential appointees. The reputation and ethical standards of appointees must be beyond question.

Non executive directors are subject to re-election by rotation at least every three years and must retire at the annual general meeting following their 72nd birthday. A new constitution will be submitted for shareholder approval at this year's annual general meeting. If approved, non executive directors will be required to retire on their 70th birthday. Newly appointed directors must seek re-election at the first general meeting of shareholders following their appointment. Directors appointed after 1994 undertake not to seek re-election after serving 15 years.

Directors' CSR shareholdings

CSR directors must hold a minimum of 2000 shares. Their current shareholdings are shown on page 31. Other than regular monthly share purchases by the trustee of the Employee Share Acquisition Plan (approved by shareholders in 1998) on their behalf, directors and senior management may only buy or sell CSR shares during one month periods following the annual and half yearly results announcements and the annual general meeting. However, they are prohibited from buying or selling CSR shares at any time if they are aware of any price sensitive information that has not been made public.

The work of directors

Non executive directors normally spend more than 35 days a year on board and committee meetings, strategy meetings and inspections of operations in some or all of Australia, New Zealand, the United States and Asia. The chairman and the managing director meet regularly to review business issues and to agree board agendas.

To help the board maintain its understanding of the businesses and to assess the people running them, directors are briefed regularly by each member of the chief executive committee. Meetings are held with less senior staff, without their managers, giving each group valuable exposure to the other. Directors also have access to a wide range of employees during their inspections of operations.

At specially organised functions, directors meet customers, business partners, suppliers, government ministers and their departmental heads, and other people important to the company.

New directors receive a comprehensive information pack, special briefings from management and visit key sites to assist them in quickly understanding CSR's businesses and issues.

Directors may obtain independent professional advice, at CSR's expense, on matters arising in the course of their board and committee duties after obtaining the chairman's approval. The board's written policy requires all directors to be provided with a copy of such advice and to be notified if the chairman's approval is withheld.

Company policies

The board has adopted a code of business conduct which formalises the long standing obligation of all CSR people to act within the law, avoid conflicts of interest and act honestly and ethically in all business activities.

In addition, the board has adopted other policies in key areas including trade practices; safety, health and environment; equal employment opportunity; capital investment; dealing with price sensitive and other confidential information; trading in CSR shares; and requirements for authorising and entering into business transactions on behalf of CSR.

DIRECTORS' INTERESTS IN CSR SHARES ^a

AT 15 MAY	BENEFICIAL	NON BENEFICIAL	BENEFICIAL, PAID TO A\$0.10	BENEFICIAL, EXECUTIVE OPTIONS ^b	TOTAL 2000	TOTAL 1999
Ian Blackburne	17,000	–	–	–	17,000	– ^c
Alec Brennan	112,880	–	60,000	400,000	572,880	491,234
Ian Burgess	130,437	–	–	–	130,437	130,437
David Clarke	23,494	–	36,000	400,000	459,494	451,494
Charles Goode	254,509	–	–	–	254,509	247,642
Carolyn Hewson	11,177	–	–	–	11,177	7,738
Peter Kirby	208,780	–	–	500,000	708,780	549,361
Robert McLean	12,111	–	–	–	12,111	10,000
John Morschel	12,657	–	–	–	12,657	10,000
Allan Moss	35,000	–	–	–	35,000	35,000
Jim Osborne	110,000	–	–	400,000	510,000	110,000
David Voss	5,524	22,324	–	–	27,848	27,848

a No interests were held in the share capital of CSR-related companies.

b See note 21 on page 52 for details.

c Appointed director 1 September 1999.

DIRECTORS' MEETINGS

NAME	CSR BOARD		AUDIT COMMITTEE		SAFETY, HEALTH & ENVIRONMENT COMMITTEE		REMUNERATION COMMITTEE		BOARD COMMITTEE	
	HELD ^a	ATTENDED ^b	HELD ^a	ATTENDED ^b	HELD ^a	ATTENDED ^b	HELD ^a	ATTENDED ^b	HELD ^a	ATTENDED ^b
Ian Blackburne ^c	6	6	–	–	2	2	–	–	–	–
Alec Brennan	11	11	–	–	–	–	–	–	–	–
Ian Burgess ^d	11	11	5	5	4	4	2	2	3	3
David Clarke ^e	11	3	–	–	–	–	–	–	–	–
Charles Goode	11	10	5	4	–	–	–	–	–	–
John Gough ^f	3	2	–	–	–	–	1	1	1	1
Carolyn Hewson ^g	11	10	–	–	4	4	–	–	–	–
Peter Kirby	11	11	–	–	4	4	–	–	3	3
Ben Macdonald ^h	3	3	2	2	–	–	–	–	–	–
Robert McLean	11	10	–	–	–	–	–	–	2	2
John Morschel	11	11	3	3	–	–	2	2	–	–
Allan Moss	11	10	–	–	1	1	1	1	3	3
Jim Osborne	11	11	–	–	–	–	–	–	–	–
David Voss ⁱ	11	11	5	5	–	–	–	–	–	–

a Meetings held while a member.

b Meetings attended.

c Appointed director 1 September 1999.

d Chairs Remuneration Committee and Board Committee.

e Based in USA.

f Retired 1 July 1999.

g Chairs Safety, Health and Environment Committee.

h Retired 22 July 1999.

i Chairs Audit Committee.

CSR has a long established practice of providing relevant and timely information to its shareholders (enhanced by extensive use of its internet site), supported by a formal policy and procedures on continuous disclosure. Details of information provided during the year are set out on page 69.

Managing risk

The board has approved principles and policies to manage financial risks of exposures to foreign currencies, commodity prices and interest rates. CSR's policies prohibit speculative transactions, restrict hedging to preset limits and require senior management approval of hedging instruments. The policies specify who may authorise transactions and segregate duties of those carrying them out. Further information on financial risk management is on page 23.

The board requires managers of CSR's businesses to identify areas of risk, to quantify those risks and to adopt cost-effective strategies to manage CSR's exposure to the risks. CSR's internal audit team reports to the Audit Committee on the management of key risks.

Non executive directors' fees

Fees for non executive directors are based on the nature of their work and their responsibilities. In determining the level of fees, survey data on comparable companies is considered in detail. Non executive directors' fees are recommended by the Board Committee and determined by the board within the aggregate amount approved by shareholders in 1999: A\$750,000 a year.

Retiring non executive directors are entitled to an allowance, up to a maximum of their last three years' remuneration after five years' service (pro-rata for a lesser period). Any superannuation entitlements attributable to compulsory company contributions (currently 7% of remuneration for eligible directors) are deducted from this allowance. CSR provides for the allowance on an accrual basis, the provision at 31 March 2000 being

A\$1.4 million, the same as the previous year.

Non executive directors' fees are A\$58,000 per director per year. The chairman receives remuneration of A\$174,000 – inclusive of committee fees. Other non executive directors who are members of the Audit Committee and the Safety, Health and Environment Committee receive additional fees of A\$5000, with A\$10,000 paid to the directors who chair those committees. This fee structure took effect from 1 July 1999. No equity incentives are offered to non executive directors. Full details of the remuneration of all directors and key senior executives is set out on pages 34 and 35.

Board committees

To increase its effectiveness, the board has established four committees. Each committee has a charter approved by the board.

The **Audit Committee** is currently made up of David Voss as chairman, Ian Burgess, Charles Goode and John Morschel – who normally meet four or five times a year. Also attending meetings, by invitation, are CSR's managing director, the finance director, the general manager finance, the group audit manager and the external audit partner in charge of the CSR audit.

The committee advises the board on all aspects of internal and external audit and the adequacy of accounting procedures, systems, controls and financial reporting. Specific responsibilities include advising the board on the nomination and remuneration of external auditors, the yearly audit plan and on the yearly and half yearly financial statements.

The committee is a direct link for providing the views of internal and external auditors to the board, if necessary, independently of management influence.

The **Safety, Health and Environment Committee** is chaired by Carolyn Hewson and includes Ian Blackburne, Ian Burgess and Peter Kirby. The committee met four times during the year.

The committee reviews, and reports to the board on, the management of the company'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.

The **Remuneration Committee** – consisting of Ian Burgess as chairman, John Morschel and Allan Moss – normally meets at least twice a year. By invitation, the managing director is present for most of the proceedings. The committee advises the board on remuneration policies and practices for CSR as a whole, evaluates the performance of the managing director against pre-agreed goals and makes specific recommendations to the board on remuneration for the managing director and senior managers reporting to him. The committee considers independent advice on policies and practices to attract, motivate and retain strong performers. Further details on CSR's remuneration policy and its relationship to the company's performance during the year are set out on page 35.

The **Board Committee** is chaired by Ian Burgess and the other members are Peter Kirby, Robert McLean and Allan Moss. The committee had three meetings during the year. 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.

Contracts with directors

Since last financial year, no director has received or become entitled to receive a benefit because of a contract between any company in the CSR Group and the director, or a firm of which the director is a member,

or an entity in which the director has a substantial financial interest, other than:

- in the case of non executive directors, remuneration as disclosed on pages 34 and page 35, the shareholder approved Employee Share Acquisition Plan and an agreement which conforms to the company's constitution for entitlements to retirement and termination payments
- in the case of executive directors, a contract of employment and the shareholder approved Employee Share Acquisition Plan and Executive Share Option Plan.

Indemnity of officers

Under article 99 of CSR's constitution, each of the CSR directors (pages 28 and 29), the company secretary, and every other person who is or has been a CSR officer is indemnified to the extent permitted by law, against:

- liability to third parties (other than related CSR companies) arising out of conduct undertaken in good faith in his or her capacity as a CSR officer
- the costs and expenses of successfully defending legal proceedings arising out of conduct undertaken in his or her capacity as a current or former CSR officer.

CSR's auditor is not indemnified under article 99. The company has insured against amounts that it is liable to pay under article 99.

Directors and officers of the company have purchased insurance, for which they pay premiums, against certain liabilities they may incur in carrying out their duties for the company.

CSR America Inc and CSR's other subsidiaries

The board of CSR's major subsidiary, CSR America Inc, consists of five non executive directors, its chief executive officer, David Clarke, and Peter Kirby and Jim Osborne.

The CSR America 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.

Consistent governance practices (modified to reflect the size and

nature of each subsidiary's operations) are also applied within CSR's other subsidiaries.

The non executive directors of CSR America Inc are:

Marshall Criser, JD, age 71. Chairman. A lawyer and director of a number of companies including FPL Group, Perini Corporation and Flagler Systems Inc. He is the former president of the University of Florida.

Armando Codina, age 53. Chairman and CEO of Codina Group, Florida, and a director of companies including BellSouth, FPL Group, American Bankers Insurance Group, AMR Inc (American Airlines) and Winn Dixie.

Andrew Ireland, BS, age 69. 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 52. Chairman, President and CEO of Centex Construction Group, the largest domestic general building contractor in the United States. Bob was appointed to the board in July 1999.

E Lew Reid, BSEE, LLB, age 64. A lawyer and former partner in a leading San Francisco law firm. He is president and CEO of The Californian Endowment, a US\$3.7 billion private foundation established in 1996 to address the health needs of Californians.

Tom Danis retired from the board in June 1999.

Except where specifically stated, the above corporate governance practices were in effect for the whole of the year.

The directors of CSR Limited present their report for the year ended 31 March 2000

Review of operations and results

A review of CSR Group operations and their results for the financial year to March 2000 is set out on pages 2 to 5, 10 to 15, and 18 to 23.

Significant changes

There were a number of significant changes in the state of affairs of the CSR Group. CSR sold or agreed to sell for A\$760 million all but one of our timber products businesses (page 19). We entered a non binding agreement to receive an offer to acquire our interest in the Gove alumina refinery and bauxite mine in March 2000 (Page 19). CSR America invested US\$211 million (A\$328 million) in building and acquiring new plant (page 11) to expand in existing businesses. We agreed to sell the Ord sugar mill, Western Australia, in March 2000 (page 18).

Principal activities

CSR's principal activities are the manufacture and supply of building materials, with operations in Australia, the US, Asia and New Zealand. In Australia, CSR produces sugar and has substantial investments in the mining of bauxite, refining of alumina and smelting of aluminium. Apart from the sale of all but one of the group's timber products businesses, there were no significant changes in the nature of the activities.

Events after balance date

On 15 May 2000, directors announced a buy back of up to 10% of CSR ordinary shares over the next 12 months.

Directors' statutory report continued

REMUNERATION DETAILS OF EXECUTIVE DIRECTORS AND OFFICERS

YEAR ENDED 31 MARCH 2000	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	1,322,800	900,000	33,500 ^e	2,256,300	–	500,000
Alec Brennan Deputy managing director	669,100	500,000	–	1,169,100	–	400,000
David Clarke Executive director and president CSR America	960,900 (US\$617,800)	657,500 (US\$422,700)	23,500 ^f (US\$15,100)	1,641,900 (US\$1,055,600)	–	400,000
Jim Osborne Executive director finance	598,000	400,000	47,600 ^g	1,045,600	400,000	400,000
CSR LIMITED OFFICERS^h						
Graeme Pettigrew Chief executive CSR Building Materials	622,800	400,000	–	1,022,800	–	300,000
Chris Barry Chief executive CSR Construction Materials	595,700	150,000	–	745,700	–	300,000
Ian McMaster Chief executive CSR Sugar	663,000	35,000	7,800 ^g	705,800	300,000	300,000
Ian Myers General manager CSR Pinepanels	257,500	297,000	–	554,500	–	200,000
Tony Hickson General manager CSR Plasterboard/Fibre Cement	313,700	206,500	–	520,200	–	200,000
CSR AMERICA INC OFFICERSⁱ						
Tom Burmeister Vice president and chief financial officer	425,300 (US\$273,400)	205,800 (US\$132,300)	25,400 ^f (US\$16,300)	656,500 (US\$422,100)	–	200,000
Adrian Driver President CSR Pipe and Concrete Products	443,500 (US\$285,100)	179,600 (US\$115,400)	4,700 ^f (US\$3,000)	627,800 (US\$403,600)	–	200,000

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

b Short-term incentive.

c The options were granted by CSR Limited to two CSR Group executives during the year under the Executive Share Option Plan and have option prices (which must be fully paid on exercise) of A\$4.36 (Jim Osborne) and A\$4.40 (Ian McMaster) per option, which are the weighted average price of CSR shares traded on ASX for the week up to and including the dates of issue. Each option is convertible into one CSR Limited fully paid ordinary share. The options are exercisable

in four equal tranches if performance hurdles are met on or after the announcement of CSR's year ending March 2000 results in May 2000 for the first tranche, and subsequently for the other tranches in May 2001, May 2002 and May 2003. The value of the options using the Black-Scholes option pricing model is A\$0.67 per option.

d Options other than those in c were granted during the year ended March 1999. The value of these options using the Black-Scholes pricing model is A\$0.59 per option.

e Accommodation and family travel expenses.

f Health insurance and club membership fees for CSR America Inc executives in the US.

g Travel and/or accommodation expenses.

h The officers in the above table are current officers. During the year a number of senior executive officers ceased employment with CSR Limited. They received payments (comprising fixed and variable remuneration and termination payments) as follows: John Purdie-Smith A\$1,228,500, Brian de Boos A\$768,600 and Greg L'Estrange A\$608,900. These payments were consistent with market practice and legal advice.

i CSR America Inc executives participate in a cash long-term incentive plan based on increasing shareholder value. This plan vests on 31 March 2002. At 31 March 2000 approximately US\$4.2 million has been accrued which will potentially be distributed amongst 52 executives. This amount may increase or decrease depending on the financial performance of CSR America Inc up to March 2002.

REMUNERATION DETAILS OF NON EXECUTIVE DIRECTORS

A\$	DIRECTORS' FEES ^a	COMMITTEE FEES	RETIREMENT ALLOWANCE	STATUTORY SUPERANNUATION CONTRIBUTIONS ^b
Ian Burgess (Chairman)	174,250 ^c	2,500	–	–
Ian Blackburne ^d	33,833	2,652	–	2,554
Charles Goode	56,750	5,000	–	4,323
John Gough ^e	13,409	–	156,757	–
Carolyn Hewson	56,750	9,375	–	4,629
Ben Macdonald ^f	16,765	1,250	148,297	1,260
Robert McLean	56,750	–	–	3,973
John Morschel	56,750	3,750	–	–
Allan Moss ^g	56,750	1,250	–	4,060
David Voss	56,750	9,375	–	4,629

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 Includes car allowance for part of year.

d Appointed director 1 September 1999. Joined Safety, Health and Environment Committee 20 September 1999.

e Retired 1 July 1999.

f Retired 22 July 1999.

g Member of Safety, Health and Environment Committee until 30 June 1999.

Likely developments

Likely developments in the operations of the group in the future and the expected results are referred to on pages 5, 6, 11, 13, 15, 18, 19, 20 and 21.

The directors believe – on reasonable grounds – that reporting further information, including expected future results, would unreasonably prejudice the interests of the CSR Group. Developments which have arisen by the time of the annual general meeting on 24 July 2000 will be reported in the chairman's address to the meeting.

Environmental performance

The CSR Group's performance in relation to environmental regulation is reviewed on page 26.

Dividends

A final dividend for the year to 31 March 2000 of 12 cents per ordinary share, one third franked will be paid on 6 July 2000. Dividends paid and declared during the year are recorded in note 9 to the financial statements on page 45.

Directors, directors' meetings and directors' shareholdings

The names of the directors between 1 April 1999 and the date of this report and details about current directors' qualifications, age, experience and special responsibilities are on pages 28, 29, 31 and 32. Details about meetings of the board of directors and of board committees, including attendance, and directors' interests in CSR Limited shares, are on page 31. No company in the CSR Group has made available to any director any interest in a registered scheme.

Options granted to directors and senior executives

400,000 options over unissued shares were granted to executive director Jim Osborne and 300,000 options were granted to the chief executive CSR Sugar, Ian McMaster, as part of their remuneration. No options were granted to non executive directors. No options have been granted to directors or senior executives since the end of the year.

Options over share capital

Unissued shares subject to option at

the date of this report and shares issued pursuant to exercised options during or since the end of the year are set out in note 21 to the financial statements on page 52.

Indemnities and insurance

No indemnities were given or insurance premiums paid for current or former officers or auditors during or since the end of the year. Additional information regarding indemnities and insurance is set out on page 33.

Proceedings on behalf of company

No proceedings have been brought on behalf of the company, nor has any application been made in respect of the company under section 237 of the Corporations Law.

Remuneration policy for directors and senior executives

The policy for determining the nature and amount of remuneration for non executive directors is described on page 32. The policy, as it relates to executive directors and other senior executives is described below. Part of the role of the board Remuneration Committee is to advise the board on remuneration policies and practices for executives (see page 32).

Senior executives' benefits

The remuneration of executives in the CSR Group is structured to drive company performance. To increase shareholder value, the remuneration system rewards the achievement of business strategies and goals.

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

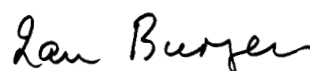
- Fixed remuneration is made up of cash salary, shares, superannuation and other benefits such as cars. Depending on their country of residence, managers may have some flexibility about apportioning their fixed remuneration among the components
- Variable remuneration is made up of a yearly short-term incentive – paid as cash or CSR shares – and a long-term incentive, currently in the form of a five year option 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. CSR America has a cash long-term incentive plan based on increasing shareholder value. The proportions of fixed and variable remuneration vary to some degree for group executives outside Australia. Arrangements for CSR America executives, for instance, are consistent with US practice.

Executive remuneration is set at levels which will attract, motivate, reward and retain good performers to drive the business effectively. The fixed part of executives' remuneration is generally set in the mid range of what is paid by comparable companies for similar jobs, but varies with their responsibilities and how well they do their job. The total remuneration – fixed plus variable – of executives who meet or exceed their targets, and thus earn significant incentive payments, can be towards the upper end of market rates.

Group and business unit performance is reflected in the variable incentive payments. This year's strong performance has resulted in significant short-term incentive payments for some executives.

The directors' statutory report is signed in accordance with a resolution of directors of CSR Limited.



IAN BURGESS
Chairman



PETER KIRBY
Managing director
15 May 2000

Eleven year performance

A\$ MILLION UNLESS STATED

YEAR ENDED 31 MARCH	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
PROFIT AND LOSS											
Total revenue	7,376	6,799	6,961	6,438	6,376	6,248	5,430	4,699	4,300	4,980	4,892
Trading revenue	6,419	6,507	6,335	6,123	6,137	5,922	5,365	4,636	4,200	4,566	4,516
Depreciation and amortisation	364	371	380	364	334	305	290	262	249	236	194
Earnings before interest, income tax & abnormal items [EBIT]	804	693	587	463	620	715	571	474	423	671	794
Net finance expense	82	126	129	141	132	95	97	94	107	123	60
Income tax expense	214	191	152	96	137	203	153	150	128	190	290
Net profit [loss] applicable to CSR shareholders											
– before abnormal and extraordinary items	472	351	288	212	320	391	297	211	175	326	407
– for six months to 30 September	224	200	176	155	193	225	173	125	110	206	234
– for six months to 31 March	248	151	112	57	127	166	124	86	65	120	173
– after abnormal and extraordinary items	472	351	(110)	212	331	393	297	231	(385)	324	407
Dividends	239	238	225	208	280	271	224	189	164	247	291
BALANCE SHEET											
Current assets	1,865	1,535	1,866	1,797	1,839	1,938	1,761	1,725	1,548	1,588	1,574
Property, plant and equipment	3,728	4,285	4,241	4,815	4,787	4,298	4,034	3,879	3,601	3,559	3,450
Investments	379	432	352	244	202	225	181	162	162	167	306
Intangibles	399	385	409	403	422	355	329	338	331	681	696
Other non-current assets	512	613	581	534	440	358	304	289	287	225	273
Total assets	6,883	7,250	7,449	7,793	7,690	7,174	6,609	6,393	5,929	6,220	6,299
Current borrowings and creditors	753	790	960	1,021	986	1,386	773	872	814	844	907
Current provisions	445	411	455	316	388	487	411	363	399	510	618
Non-current borrowings and creditors	1,166	1,768	1,954	2,110	2,069	1,199	1,494	1,489	1,298	1,219	1,414
Deferred income tax and other non-current provisions	700	668	627	673	649	643	505	488	505	501	475
Total liabilities	3,064	3,637	3,996	4,120	4,092	3,715	3,183	3,212	3,016	3,074	3,414
Net assets	3,819	3,613	3,453	3,673	3,598	3,458	3,426	3,181	2,913	3,146	2,885
Paid up capital ^a	2,647	2,641	1,032	1,009	977	944	904	866	817	778	735
Reserves ^a	151	200	1,752	1,629	1,567	1,559	1,514	1,394	1,229	1,465	1,318
Profits retained	861	628	526	857	855	805	680	607	564	555	480
CSR shareholders' funds [capital and reserves]	3,659	3,469	3,310	3,495	3,399	3,308	3,098	2,867	2,610	2,798	2,533
Outside equity interests	160	144	143	178	199	150	328	314	303	348	352
Total shareholders' funds [capital and reserves]	3,819	3,613	3,453	3,673	3,598	3,458	3,426	3,181	2,913	3,146	2,885
SHARE INFORMATION											
Earnings per share ^b [A cents]	45.5	33.9	28.4	21.6	33.6	42.4	33.6	25.1	21.9	42.4	54.8
Dividends per share [A cents] fully paid shares	23.0	23.0	22.0	21.0	29.0	29.0	25.0	22.0	20.0	32.0	40.0
Share price [A\$] high	4.80	5.24	5.90	5.00	4.76	5.18	5.46	4.91	5.80	5.56	5.78
low	3.31	3.20	4.31	3.95	4.09	4.08	3.82	3.30	4.48	4.42	3.90
end	3.46	3.42	5.25	4.88	4.26	4.28	4.65	4.64	4.60	5.36	5.04
Net tangible assets [A\$] per CSR share	3.33	3.12	2.89	3.28	3.28	3.35	3.31	3.17	3.01	3.11	2.89
GENERAL											
Divestments	901	170	572	278	193	86	38	32	60	341	272
Net cash from operating activities	1,048	912	832	671	634	836	786	535	474	624	829
Shareholders [thousand]	126	133	140	146	143	133	127	127	123	115	105
Employees [thousand]	17.1	17.8	19.7	22.5	23.5	23.2	20.6	19.7	19.1	20.0	22.4
Wages, salaries and payments to retirement funds	1,179	1,235	1,179	1,193	1,152	1,062	949	866	803	839	756
RATIOS AND STATISTICS											
Return on CSR shareholders' funds ^b [%]	12.9	10.1	8.7	6.1	9.4	11.8	9.6	7.4	6.7	11.6	16.1
Return on funds employed ^c [%]	15.9	12.6	10.9	7.9	10.9	14.3	11.6	9.4	9.1	12.4	14.1
Profit margin [%]	12.5	10.7	9.3	7.6	10.1	12.1	10.7	10.3	10.1	14.7	17.6
Dividend payout ratio ^b [%]	51	68	78	98	88	69	76	90	94	76	72
Interest cover [times]	9.1	5.3	4.3	3.0	4.7	7.6	5.9	4.9	3.9	5.4	12.7
Gearing ^d [%]	22.2	32.6	34.2	36.8	36.6	27.1	29.1	33.0	32.6	28.7	35.0
Current ratio	1.56	1.28	1.31	1.34	1.34	1.04	1.49	1.40	1.28	1.17	1.03
Trading revenue per employee [A\$ thousand]	375	366	321	272	261	255	260	235	220	228	202

a Corporations Law changes abolished the par value concept of share capital from 1998. The balance of the share premium reserve was transferred to the issued share capital account.

b Excluding abnormal and extraordinary items.

c Funds employed: shareholders' funds plus interest bearing debt.

d Gearing: ratio of net debt to total shareholders' funds plus net debt.



Financial report

FOR THE YEAR ENDED 31 MARCH 2000
CSR LIMITED AND ITS CONTROLLED ENTITIES

38	Profit and loss statement	51	20 – Provisions
39	Balance sheet	52	21 – Share capital
40	Statement of cash flows	53	22 – Reserves
41	Significant accounting policies	53	23 – Outside equity interests in controlled entities
	Notes to the financial statements	53	24 – Auditors' remuneration
43	1 – Segment information	54	25 – Directors' and executives' remuneration
43	2 – Operating profit	55	26 – Foreign currency balances not effectively hedged
44	3 – Non-operating revenue	55	27 – Non-cash financing and investing activities
44	4 – Interest income	56	28 – Financial instruments
44	5 – Operating costs	59	29 – Related party information
44	6 – Depreciation and amortisation	60	30 – Superannuation commitments
45	7 – Other non-trading items	61	31 – Contracted capital expenditure, lease & hire expenditure
45	8 – Net finance expense	61	32 – Contingent liabilities
45	9 – Dividends and franking credits	62	33 – Equity accounting information
46	10 – Income tax	63	34 – Acquisitions and disposals of controlled entities and businesses
46	11 – Net cash	64	35 – Particulars relating to controlled entities
47	12 – Accounts receivable	65	36 – Interests in joint venture operations
47	13 – Inventories	66	Directors' declaration
47	14 – Other assets	66	Independent audit report to the members of CSR Limited
48	15 – Non-current investments		
48	16 – Property, plant and equipment		
49	17 – Intangibles		
50	18 – Borrowings and accounts payable		
50	19 – Credit facilities and maturity profile		

Profit and loss statement

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999
Trading revenue – sale of goods		6,419.0	6,506.8	2,588.2	2,499.3
Dividend income from controlled entities				222.2	311.6
Dividend income from others		1.0	–	–	–
Share of partnership net income		5.8	4.7	5.2	4.2
Share of associate entities' net profit		68.9	35.5	16.1	–
Interest income	4	18.6	10.4	67.0	74.3
Total operating revenue		6,513.3	6,557.4	2,898.7	2,889.4
Non-operating revenue	3	862.2	241.8	435.0	172.3
Total revenue		7,375.5	6,799.2	3,333.7	3,061.7
Operating profit before income tax	2	721.9	567.3	416.1	452.8
Income tax expense attributable to operating profit	10	213.8	190.9	61.4	47.1
Operating profit after income tax		508.1	376.4	354.7	405.7
Outside equity interests in operating profit after income tax		36.5	25.3		
Operating profit after income tax attributable to members of CSR Limited		471.6	351.1	354.7	405.7
Retained profits at the beginning of the financial year		627.7	525.7	270.6	103.1
Adoption of AASB1016 Accounting for Investments in Associates			(10.9)		–
Aggregate of amounts transferred from reserves		–	–	0.4	–
Total available for appropriation		1,099.3	865.9	625.7	508.8
Dividends provided for or paid	9	238.5	238.2	238.5	238.2
Retained profits at the end of the financial year		860.8	627.7	387.2	270.6
A\$ CENTS PER SHARE					
Basic earnings per share based on operating profit after income tax attributable to members of CSR Limited^a		45.5	33.9		
Diluted earnings per share based on operating profit after income tax attributable to members of CSR Limited		45.1	33.8		

a Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share is 1,036.5 million (1999 1,034.5 million).

Notes to the financial statements are annexed.

Balance sheet

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999
Current assets					
Cash	11	126.3	88.2	7.5	29.9
Accounts receivable	12	1,257.8	882.9	1,618.3	1,327.3
Inventories	13	459.3	529.4	146.3	197.6
Other assets	14	21.5	34.3	6.7	5.2
Current assets		1,864.9	1,534.8	1,778.8	1,560.0
Non-current assets					
Accounts receivable	12	83.9	129.5	1,907.1	1,972.9
Inventories	13	46.6	59.7	10.4	16.1
Investments	15	378.7	432.0	1,425.0	1,450.5
Property, plant and equipment	16	3,728.0	4,284.6	997.9	1,164.5
Intangibles	17	399.3	385.3	5.9	14.4
Other assets	14	381.7	424.6	154.5	165.6
Non-current assets		5,018.2	5,715.7	4,500.8	4,784.0
Total assets		6,883.1	7,250.5	6,279.6	6,344.0
Current liabilities					
Accounts payable	18	688.2	715.7	1,367.9	1,211.2
Borrowings	18	65.2	74.5	1.7	2.3
Provisions	20	444.5	410.8	302.0	272.6
Current liabilities		1,197.9	1,201.0	1,671.6	1,486.1
Non-current liabilities					
Accounts payable	18	16.5	5.4	0.9	-
Borrowings	18	1,149.4	1,762.8	1,158.8	1,515.7
Provisions	20	699.9	667.9	307.8	276.4
Non-current liabilities		1,865.8	2,436.1	1,467.5	1,792.1
Total liabilities		3,063.7	3,637.1	3,139.1	3,278.2
Net assets		3,819.4	3,613.4	3,140.5	3,065.8
Shareholders' equity					
Capital	21	2,647.0	2,640.9	2,647.0	2,640.9
Reserves	22	151.5	200.4	106.3	154.3
Retained profits		860.8	627.7	387.2	270.6
Shareholders' equity attributable to members of CSR Limited		3,659.3	3,469.0	3,140.5	3,065.8
Outside equity interests in controlled entities	23	160.1	144.4		
Total shareholders' equity		3,819.4	3,613.4	3,140.5	3,065.8

Notes to the financial statements are annexed.

Statement of cash flows

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999
Cash flows from operating activities					
Receipts from customers		6,373.6	6,589.3	2,654.5	2,602.6
Payments to suppliers and employees		(5,302.3)	(5,625.0)	(2,274.2)	(2,334.8)
Dividends and distributions from associate entities		86.8	40.6	268.3	363.1
Interest received		18.5	8.9	67.0	74.5
Income taxes (paid) refunded		(128.2)	(101.8)	0.7	4.9
Net cash from operating activities		1,048.4	912.0	716.3	710.3
Cash flows from investing activities					
Purchase of property, plant and equipment, and other non-current assets		(494.9)	(487.3)	(291.0)	(128.8)
Proceeds from sale of property, plant and equipment, and other non-current assets		121.1	123.1	45.7	47.4
Purchase of controlled entities and businesses net of cash acquired	34	(126.9)	(94.3)	-	-
Purchase of additional shares in controlled entities		-	(1.4)	-	-
Proceeds from sale of interest in controlled entities and businesses	34	382.8	52.0	26.6	31.7
Return of capital from associate entities		44.7	-	0.9	-
Increase in investments in associate entities		-	(11.2)	-	(11.2)
Long-term loans and term debtors		(6.4)	(1.3)	(20.1)	(2.9)
Other loans and debtors		105.9	18.1	20.3	9.1
Purchase of intangibles		-	(1.3)	-	-
Net cash from (used in) investing activities		26.3	(403.6)	(217.6)	(54.7)
Cash flows from financing activities					
Proceeds from issue of shares					
- CSR shareholders		1.2	8.2	1.2	8.2
- outside equity interests		-	0.2	-	-
Net repayment of borrowings		(665.9)	(347.3)	(1.9)	(70.0)
Net financing of controlled entities				(229.6)	(366.9)
Dividends paid		(255.2)	(253.9)	(236.8)	(226.1)
Interest paid		(113.5)	(137.8)	(55.0)	(78.4)
Net cash used in financing activities		(1,033.4)	(730.6)	(522.1)	(733.2)
Net increase (decrease) in cash held		41.3	(222.2)	(23.4)	(77.6)
Cash at the beginning of the financial year		77.7	292.8	29.9	107.2
Effects of exchange rate changes		1.7	7.1	(0.2)	0.3
Net cash at the end of the financial year	11	120.7	77.7	6.3	29.9
Reconciliation of operating profit after income tax attributable to members of CSR Limited to net cash from operating activities					
Operating profit after tax attributable to members of CSR Limited		471.6	351.1	354.7	405.7
Depreciation and amortisation		363.9	371.1	116.8	106.3
Share of associate entities' net income (less dividends and distributions)		(11.1)	(19.2)	(24.8)	(4.2)
Transfer to (from) provisions		16.8	(20.1)	1.6	(31.5)
Interest expense		94.6	134.4	53.4	78.8
Loss (profit) on disposal of operating non-current assets		6.3	(14.6)	2.7	(8.3)
Other non-trading loss (profit)		39.8	1.1	54.7	17.2
Outside equity interests' share of profit		36.5	25.3		
(Increase) decrease in receivables and other current assets		(82.4)	109.9	(88.2)	194.4
Decrease (increase) in inventories		7.3	(2.3)	(6.9)	(17.9)
Increase (decrease) in payables and accrued expenses		5.4	(91.5)	175.2	(81.6)
Net change in tax balances		85.3	89.1	62.1	53.6
Other		14.4	(22.3)	15.0	(2.2)
Net cash from operating activities		1,048.4	912.0	716.3	710.3

Credit facilities are shown in note 19.

Non-cash financing and investing activities are shown in note 27.

Notes to the financial statements are annexed.

Significant accounting policies

Basis of accounting

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

Details of significant accounting policies adopted by the CSR Group are given below.

Principles of consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being CSR Limited (the chief entity) and its controlled entities as defined in Australian Accounting Standard AASB1024 Consolidated Accounts. In these 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.

Valuation 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 acquired or arising on consolidation is amortised to profit and loss over the period, not exceeding twenty years, in which the benefits are expected to arise.

Patents, trademarks and other intellectual property acquired or capitalised 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 5 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 and borrowings which are not subject to a term facility.

Capitalisation of interest

Interest is expensed as incurred except where it relates to the financing of major projects constructed for internal use where it is capitalised up to the date of commissioning. Following commissioning, the total capitalised cost including interest is amortised over the expected useful life of the project.

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.

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 maximum economic lives of property, plant and equipment assets are detailed in note 16.

Inventories

Inventories including work in progress, are valued at the lower of cost and net realisable value. Overheads directly related to production are included when calculating inventory costs.

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 the period, not exceeding seven years, in 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 reasonably estimated.

Contributions 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 30.

Research and development

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

Accounts payable

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

Revenue recognition

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

Significant accounting policies continued

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 balance sheet as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits arising from timing differences and tax losses are not recognised as an asset if there is uncertainty as to whether income will be derived of a nature and an amount sufficient to ensure their realisation.

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. Such liability is provided at the time of disposal of assets. Where assets are revalued no provision for potential capital gains tax has been made.

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

Foreign currency translation

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 the profit and loss statement in the period in which they arise except for specific and general hedges. Specific hedges relate to existing or known future transactions. General hedges relate to anticipated exposure to exchange rate risks. Exchange differences on the specific hedging of revenue and expense items are deferred until the date of purchase or sale at which time they are included in the measurement of the transactions to which they relate. Exchange differences arising from both general hedging and the specific hedging of amounts payable and receivable are included in profit and loss in the period in which they arise. Gains or losses arising at the time of entering into hedge transactions are accounted for separately and brought to account in the profit and loss over the lives of the hedge transactions. Transactions such as cross currency swaps and forward foreign exchange contracts which do not give rise to separate assets and liabilities are not recognised. 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 on consolidation 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.

Derivative financial instruments that are designated as hedges and remain effective as hedges of underlying exposure are accounted for on the same basis as the underlying exposure. Should such hedges be deemed ineffective (through identification of inadequate correlation), sold, extinguished, terminated, or an underlying anticipated transaction be considered unlikely to occur, the gains or losses on those transactions are brought to account in the profit and loss statement.

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 consolidated financial statements since the adoption of AASB1016 Accounting for Investments in Associates.

Interest rate hedges

Gains or losses on interest rate hedges of existing assets or liabilities are included in the determination of interest expense.

Borrowings

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

Commodities

The hedging of commodity price exposures relating to the sale and purchase of commodities gives rise to gains and losses on revaluation of hedge contracts. These gains and losses are deferred and brought to account in the profit and loss statement in the period the underlying transaction being hedged is recorded.

Product liability

Provision is made for the present value of anticipated compensation payments and legal costs arising from product liability claims.

Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of wages and salaries, annual leave, sick leave, and other employee entitlements expected to be settled within 12 months, are measured at their nominal values. Provisions made in respect of other employee entitlements which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

Investments

Investments in controlled entities are recorded at cost or directors' valuation based on the net tangible assets of each controlled entity.

Comparative figures

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current year.

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 10 July 1998.

A\$ MILLION	TRADING REVENUE ^a		OPERATING PROFIT (LOSS) BEFORE INCOME TAX		TOTAL ASSETS	
	2000	1999	2000	1999	2000	1999
1: Segment information						
Industry segments						
CSR America	2,690.3	2,438.7	327.8	238.7	2,538.5	2,176.5
Construction Materials	1,048.3	1,313.3	116.9	116.8	1,074.0	1,166.7
Building Materials	930.2	829.3	155.4	130.0	841.3	923.7
Sugar	655.7	753.5	45.2	90.6	959.5	1,022.1
Timber Products	609.2	759.2	57.5	42.1	119.9	901.9
Aluminium ^b	485.3	412.8	182.8	125.1	624.3	635.9
Corporate costs			(35.3)	(32.4)	227.7	199.7
Restructure costs, asset sales and other ^c			(46.8)	(17.9)	371.6	135.8
Segment totals	6,419.0	6,506.8	803.5	693.0	6,756.8	7,162.3
Finance ^d			(81.6)	(125.7)	126.3	88.2
Consolidated	6,419.0	6,506.8	721.9	567.3	6,883.1	7,250.5
Geographical segments						
Australia	3,596.4	3,898.9	472.6	451.7	3,963.7	4,604.4
North America	2,690.3	2,438.7	335.3	240.6	2,538.5	2,176.8
New Zealand	42.8	49.9	7.1	8.9	55.7	91.3
Asia	89.5	119.3	(11.5)	(8.2)	198.9	289.8
Segment totals	6,419.0	6,506.8	803.5	693.0	6,756.8	7,162.3

a Intersegment sales are negligible.

b In March 2000 CSR and the Billiton mining and metals group signed a non-binding heads of agreement for Billiton Aluminium Australia to offer to acquire CSR's interest in the Gove alumina refinery and bauxite mine for US\$275 million. Details of CSR's interests in joint ventures are shown in note 36.

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

d Refer to notes 8 and 11 for details of finance costs and assets.

Products and services

CSR America pre-mixed concrete, asphalt and other quarry products; cement; concrete pipes and other reinforced concrete products; concrete blocks; underground pipeline rehabilitation; polyethylene pipes; building materials distribution

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

Timber Products softwood plantation timber; timber-based panels

Aluminium aluminium; bauxite; alumina

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999
2: Operating profit					
Trading revenue – sale of goods		6,419.0	6,506.8	2,588.2	2,499.3
Operating costs	5	5,281.2	5,496.4	2,234.4	2,224.4
Depreciation and amortisation	6	363.9	371.1	116.8	106.3
Trading profit		773.9	639.3	237.0	168.6
Share of associate entities' net profit and dividend income		75.7	40.2	243.5	315.8
(Loss) profit on disposal of operating property, plant and equipment		(6.3)	14.6	(2.7)	8.3
Other non-trading items	7	(39.8)	(1.1)	(54.7)	(17.2)
Operating profit before finance and income tax		803.5	693.0	423.1	475.5
Net finance expense	8	81.6	125.7	7.0	22.7
Operating profit before income tax		721.9	567.3	416.1	452.8

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999

3: Non-operating revenue

Proceeds from disposal of investments		7.5	–	–	120.4
Proceeds from disposal of property, plant and equipment		841.4	239.1	414.2	43.3
Other non-operating revenue		13.3	2.7	20.8	8.6
Total non-operating revenue		862.2	241.8	435.0	172.3

4: Interest income

Short-term interest income from					
– controlled entities				51.1	65.3
– others		12.9	9.8	5.6	1.9
Long-term interest income from					
– controlled entities				8.3	6.6
– others		5.7	0.6	2.0	0.5
Total interest income		18.6	10.4	67.0	74.3

5: Operating costs

Cost of sales		4,060.0	4,266.1	1,757.6	1,735.4
Warehouse and distribution costs		730.8	679.7	219.7	200.3
Selling costs		157.9	181.6	94.3	103.9
Administration and other costs		332.5	369.0	162.8	184.8
Total operating costs		5,281.2	5,496.4	2,234.4	2,224.4

The above amounts include transfers to provisions for

– doubtful trade debts		14.2	13.5	6.1	3.8
– employee entitlements		81.7	92.2	46.1	50.3
– fringe benefits tax		9.2	10.0	7.8	7.9
– product liability		17.5	26.9	17.5	26.9
– restoration and environmental rehabilitation		7.0	3.1	0.9	1.6
– uninsured losses and future claims		103.8	82.6	31.2	29.8
– other		20.9	30.5	3.6	21.3
		254.3	258.8	113.2	141.6

Operating costs also include

– contributions to employee retirement funds	30	34.3	41.5	18.3	20.5
– mining royalties paid to governments		6.8	6.3	3.8	3.6
– operating lease and rental payments		62.5	64.4	44.4	45.4
– research and development		7.5	6.0	5.1	4.0

6: Depreciation and amortisation

Amounts incurred for depreciation, amortisation and depletion of					
– deferred costs		28.4	14.9	12.6	3.0
– goodwill		28.5	30.6	0.1	2.0
– leased assets		0.5	0.5	–	–
– other property, plant and equipment		304.2	322.8	103.5	100.5
– patents and trademarks		2.3	2.3	0.6	0.8
Total depreciation and amortisation		363.9	371.1	116.8	106.3

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999
7: Other non-trading items					
Net profit (loss) on disposal of surplus property, plant and equipment		25.4	2.8	21.1	(2.2)
Writedown of property, plant and equipment		(57.8)	-	(57.8)	-
Net profit (loss) on disposal of surplus investments		7.5	-	-	(5.7)
Write off of amounts owing to (by) controlled entities				21.9	(4.2)
Other restructure and rationalisation costs		(29.4)	(3.9)	(35.7)	(5.1)
Sundry non-trading items		14.5	-	(4.2)	-
Total other non-trading items		(39.8)	(1.1)	(54.7)	(17.2)

8: Net finance expense

Interest paid or payable on long-term debt to					
- controlled entities				51.0	70.6
- others		99.7	135.5	-	3.2
Interest paid or payable on short-term debt to					
- controlled entities				1.0	3.0
- others		6.1	3.9	1.4	2.0
Finance leases		0.2	0.6	-	-
Total interest expense		106.0	140.0	53.4	78.8
Less					
- interest income	4	18.6	10.4	67.0	74.3
- amounts capitalised		11.4	5.6	-	-
Add					
- borrowing costs		4.3	3.8	-	-
- foreign exchange loss (gain)		1.3	(2.1)	20.6	18.2
Net finance expense		81.6	125.7	7.0	22.7

9: Dividends and franking credits

DIVIDENDS					
Interim dividend paid ^a					
- fully franked		38.0	38.0	38.0	38.0
- unfranked		76.1	75.9	76.1	75.9
Interim dividend		114.1	113.9	114.1	113.9
Final dividend ^b					
- fully franked		41.5	41.4	41.5	41.4
- unfranked		82.9	82.9	82.9	82.9
Final dividend		124.4	124.3	124.4	124.3
Total dividends paid		238.5	238.2	238.5	238.2
FRANKING CREDITS					
Franking account balance at the end of the financial year		2.2	8.0	0.4	6.5
Franking credits which will arise upon payment of current income tax		63.5	35.4	-	-
Franking debits which will be used upon payment of proposed final dividend		(41.5)	(41.4)	(41.5)	(41.4)
Franking credits available for the next financial year^c		24.2	2.0	(41.1)	(34.9)

a Paid on 17 December 1999, franked to one third at corporate tax rate of 36%.

b For shares on issue as at 8 June 2000. A dividend of A\$0.12 per share, franked to one third at corporate tax rate of 34%, will be paid on 6 July 2000.

c CSR Limited can access sufficient franking credits from its controlled entities to eliminate its notional franking credit deficit.

A\$ MILLION	NOTE	CONSOLIDATED		CSR LIMITED	
		2000	1999	2000	1999

10: Income tax

Income tax expense

Reconciliation of income tax expense charged to the profit and loss statement with income tax calculated on operating profit before income tax

Operating profit before income tax		721.9	567.3	416.1	452.8
Income tax expense calculated at 36%		259.9	204.2	149.8	163.0
Increase (decrease) in income tax expense due to					
Non-tax deductible					
– depreciation and amortisation		15.8	11.6	3.2	1.6
– other expenditure		4.0	2.0	2.8	1.8
Asset disposals and writedowns		(24.2)	(2.8)	(1.4)	(2.8)
Asian trading losses not recognised		4.7	5.2	–	–
Equity accounted associates' profit/rebates on dividends received		(19.0)	(12.6)	(80.0)	(112.3)
Investment and development allowance		(0.7)	(2.7)	(0.2)	(0.6)
Research and development costs		(0.7)	(1.5)	(0.4)	(0.4)
Income tax (over) under provided in previous years		(2.5)	(5.5)	1.1	(5.0)
Overseas tax rate differential		2.8	6.1	–	–
Restatement of deferred tax balances from change in income tax rates ^a		(21.4)	–	(5.5)	–
Other items		(4.9)	(13.1)	(8.0)	1.8
Total income tax expense on operating profit		213.8	190.9	61.4	47.1
Total income tax expense comprises					
Additions to (deductions from) provision for current income tax		158.0	117.1	(0.7)	0.3
Additions to provision for deferred income tax		22.9	36.9	25.6	16.3
Deductions from future income tax benefits		32.9	36.9	36.5	30.5
		213.8	190.9	61.4	47.1
Future income tax benefits attributable to tax losses carried forward as an asset		99.1	124.0	–	–
Future income tax benefits not taken to account					
Balance at the beginning of the financial year		83.3	65.1	18.4	18.9
Benefits now taken to account		(9.2)	(8.2)	(6.6)	(4.0)
Benefits not recognised		40.8	26.4	8.5	3.5
Restatement of balance from change in income tax rates		(17.3)	–	(3.4)	–
Balance at the end of the financial year^b		97.6	83.3	16.9	18.4

a Allocated A\$16.9 million to CSR and A\$4.5 million to outside equity interests.

b Includes capital gains tax losses – Consolidated A\$77.3 million (1999 A\$62.2 million).

CSR has been in dispute with the Australian Taxation Office (ATO) in relation to the tax treatment of proceeds from an insurance settlement. CSR paid A\$33 million tax to the ATO in December 1995, and has sought a refund. In April 2000, the Federal Court decided that the proceeds were of a capital nature. CSR has sufficient capital losses to offset this gain. The ATO is appealing the decision.

11: Net cash

Cash at banks and on hand		86.9	67.1	7.5	29.7
Short-term loans and deposits		39.4	21.1	–	0.2
Total cash		126.3	88.2	7.5	29.9
Bank overdraft	18	(5.6)	(10.5)	(1.2)	–
Net cash		120.7	77.7	6.3	29.9

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
12: Accounts receivable				
CURRENT				
Trade receivables	840.4	780.4	379.3	348.3
Provision for doubtful debts	(32.1)	(26.8)	(11.9)	(11.0)
	808.3	753.6	367.4	337.3
Amounts owing by controlled entities			883.5	939.2
Provision for doubtful debts			(24.2)	(5.6)
			859.3	933.6
Loans to associate entities	10.8	8.5	8.7	7.0
Divestment debtors	353.1	29.6	336.3	4.4
Other receivables	86.3	103.2	47.3	45.0
Provision for doubtful debts	(0.7)	(12.0)	(0.7)	-
	85.6	91.2	46.6	45.0
Total current accounts receivable	1,257.8	882.9	1,618.3	1,327.3
Bad debts written off				
- trade receivables	9.9	10.6	5.3	4.5
- controlled entities			-	4.2
NON-CURRENT				
Loans to employees				
- directors of controlled entities ^{a b}	0.4	0.4	0.4	0.4
- other staff	25.1	29.6	18.5	22.0
	25.5	30.0	18.9	22.4
Amounts owing by controlled entities			1,856.4	1,929.9
Loans to associate entities	14.7	12.5	14.7	7.3
Other loans	27.0	72.8	4.4	5.6
Term receivables	16.7	14.2	12.7	7.7
Total non-current accounts receivable	83.9	129.5	1,907.1	1,972.9

a Includes loans to directors of CSR Limited. Amount before rounding A\$0.007 million (1999 A\$0.007 million). There are no outstanding loans to non-executive directors of CSR Limited.

b Amounts before rounding - Consolidated A\$0.387 million (1999 A\$0.436 million), CSR Limited A\$0.387 million (1999 A\$0.436 million).

13: Inventories

CURRENT				
Raw and process materials and stores	147.1	174.9	44.0	64.8
Work in progress	25.9	33.4	10.1	19.2
Finished goods	286.3	321.1	92.2	113.6
Total current inventories	459.3	529.4	146.3	197.6
NON-CURRENT				
Raw and process materials and stores	23.1	22.9	8.2	8.5
Land held for sale (at cost) ^a	23.5	36.8	2.2	7.6
Total non-current inventories	46.6	59.7	10.4	16.1

a Valued at the lower of cost and net realisable value.

14: Other assets

CURRENT				
Prepayments	16.3	25.5	3.9	3.8
Deferred costs	5.2	8.8	2.8	1.4
Total current other assets	21.5	34.3	6.7	5.2
NON-CURRENT				
Future income tax benefits	259.3	292.5	104.0	115.3
Deferred costs	55.1	60.5	15.5	18.5
Software and system development costs	67.3	71.6	35.0	31.8
Total non-current other assets	381.7	424.6	154.5	165.6

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999

15: Non-current investments

Shares in controlled entities ^a				
At directors' valuation				
– 1992 ^b			613.5	613.5
– 1998 ^b			337.5	337.5
At cost			358.8	358.8
			1,309.8	1,309.8
Shares in associate companies ^{a c}	192.2	225.9	–	–
Interests in partnerships ^c	35.6	35.5	26.4	27.6
Interests in other associate entity ^c	88.7	113.6	88.7	113.0
Shares in other companies quoted on stock exchanges ^d	15.0	15.0	–	–
Interests in other entities at cost ^a	47.2	42.0	0.1	0.1
Total non-current investments	378.7	432.0	1,425.0	1,450.5

a Not quoted on stock exchanges.

b Valued at recoverable amount. The valuation was not made in accordance with a policy of regular revaluation.

c Details of investments in associate entities are shown in note 33.

d Valued at cost. Market value at 31 March 2000 was not materially different.

16: Property, plant and equipment^a

Land and buildings	983.2	1,197.1	282.8	349.7
Plant and equipment	2,533.5	2,757.0	676.8	779.7
Quarry and other raw material reserves	211.3	220.3	38.3	35.1
Growing timber and log licences	–	110.2	–	–
Total property, plant and equipment	3,728.0	4,284.6	997.9	1,164.5
Land and buildings^b				
At directors' valuation				
– 1998 ^b	88.0	218.4	10.9	49.0
– 1999 ^c	0.6	2.4	0.6	2.4
– 2000 ^c	15.3		12.3	
At independent valuation				
– 1998 ^b	764.4	957.8	248.3	263.0
– 2000 ^c	18.4		–	
Accumulated depreciation	(43.2)	(32.5)	(12.7)	(11.9)
	843.5	1,146.1	259.4	302.5
At cost	147.0	53.5	24.3	49.1
Accumulated depreciation	(7.3)	(2.5)	(0.9)	(1.9)
	139.7	51.0	23.4	47.2
Total land and buildings	983.2	1,197.1	282.8	349.7
Plant and equipment				
At directors' valuation				
– 1985	16.2	16.2	16.2	16.2
– 1992 ^c	31.7	33.7	8.8	10.9
– 1993 ^c	3.3	3.3	1.7	1.7
– 1995 ^c	1.4	1.4	1.1	1.1
– 1996 ^c	0.2	0.2	0.2	0.2
– 1997 ^c	3.7	3.9	–	–
– 1998 ^c	25.1	165.1	2.5	14.5
– 1999 ^c	6.3	8.3	6.3	8.3
– 2000 ^c	23.2		23.2	
Assessed value of leased assets	2.5	1.6	–	–
Accumulated depreciation and amortisation	(39.8)	(40.7)	(24.8)	(20.2)
	73.8	193.0	35.2	32.7
At cost	4,547.5	4,720.7	1,287.8	1,446.2
Accumulated depreciation	(2,087.8)	(2,156.7)	(646.2)	(699.2)
	2,459.7	2,564.0	641.6	747.0
Total plant and equipment	2,533.5	2,757.0	676.8	779.7

a The maximum economic life over which assets are depreciated is: Land and buildings – 40 years; Plant and equipment – 30 years; Quarry and other raw material reserves – 50 years; Growing timber and log licences – 40 years.

b All land and buildings owned by the consolidated entity as at 31 December 1997 were valued at that date. The valuation was not made in accordance with a policy of regular revaluation. The basis of independent valuations was open market value based on existing use, except for discontinued operations where the valuation was open market value upon sale of relevant land and buildings. The basis for directors' valuations was recoverable amount using discounted cash flows.

c Valued at recoverable amount.

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
16: Property, plant and equipment continued				
Quarry and other raw material reserves				
At directors' valuation				
– 1998 ^c	204.1	199.0	38.2	38.2
Accumulated depletion	(34.8)	(14.6)	(7.2)	(4.7)
	169.3	184.4	31.0	33.5
At cost	42.7	36.6	7.6	1.9
Accumulated depletion	(0.7)	(0.7)	(0.3)	(0.3)
	42.0	35.9	7.3	1.6
Total quarry and other raw material reserves	211.3	220.3	38.3	35.1
Growing timber and log licences				
Growing timber				
At directors' valuation				
– 1992 ^c	–	58.1	–	–
Accumulated value of increase in timber volume	–	31.0	–	–
Growing timber	–	89.1	–	–
Log licences				
At directors' valuation				
– 1992 ^c	–	3.5	–	–
At cost	–	23.2	–	–
Accumulated amortisation	–	(5.6)	–	–
	–	17.6	–	–
Log licences	–	21.1	–	–
Total growing timber and log licences	–	110.2	–	–
Total property, plant and equipment	3,728.0	4,284.6	997.9	1,164.5

c Valued at recoverable amount.

17: Intangibles

Goodwill				
At directors' valuation				
– 1992 ^a	296.1	293.2	–	–
Accumulated amortisation	(126.3)	(106.3)	–	–
	169.8	186.9	–	–
At cost	215.3	158.9	1.4	3.2
Accumulated amortisation	(48.9)	(40.2)	(0.7)	(2.8)
	166.4	118.7	0.7	0.4
Goodwill	336.2	305.6	0.7	0.4
Patents and trademarks				
At independent valuation				
– 1992 ^a	55.0	65.6	–	–
Accumulated amortisation	(10.9)	(10.3)	–	–
	44.1	55.3	–	–
At cost	29.6	35.3	9.9	19.6
Accumulated amortisation	(10.6)	(10.9)	(4.7)	(5.6)
	19.0	24.4	5.2	14.0
Patents and trademarks	63.1	79.7	5.2	14.0
Total intangibles	399.3	385.3	5.9	14.4

a Valued at recoverable amount.

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
18: Borrowings and accounts payable				
CURRENT				
Accounts payable				
Trade creditors	577.8	571.0	282.5	264.1
Other accounts payable	110.4	144.7	9.8	43.6
Amounts owing to controlled entities			1,075.6	903.5
Total current accounts payable	688.2	715.7	1,367.9	1,211.2
Current maturities of long-term borrowings				
Secured				
- bank loans ^a	0.9	2.1	-	-
- other facilities ^a	4.5	0.7	0.1	0.2
Unsecured				
- bank loans	25.2	24.1	-	-
- other facilities	-	0.1	-	-
	30.6	27.0	0.1	0.2
Unsecured bank overdraft	5.6	10.5	1.2	-
Short-term borrowings				
Unsecured				
- bank loans	28.6	24.5	-	-
- other facilities	0.4	12.5	0.4	2.1
	29.0	37.0	0.4	2.1
Total current borrowings	65.2	74.5	1.7	2.3
NON-CURRENT				
Long-term borrowings				
Secured				
- bank loans ^a	11.3	23.9	-	-
- other facilities ^a	7.5	7.0	-	0.1
Unsecured				
- loans from controlled entities			1,158.7	1,515.4
- bonds	969.4	949.1	-	-
- commercial paper	112.4	145.5	-	-
- bank loans	35.8	616.0	-	-
- other facilities	13.0	21.3	0.1	0.2
Total non-current borrowings	1,149.4	1,762.8	1,158.8	1,515.7
Term accounts payable	16.5	5.4	0.9	-
Total non-current borrowings and accounts payable	1,165.9	1,768.2	1,159.7	1,515.7

a Secured by charge over property, plant and equipment.

19: Credit facilities and maturity profile

Commercial paper

CSR Limited and its controlled entities (CSR) have commercial paper programs based in the United States, Europe and Australia. These programs, which total US\$800 million (1999 US\$800 million) and A\$600 million (1999 A\$600 million) are evergreen facilities. They are backed by the standby facilities referred to below. As at 31 March 2000, the equivalent of A\$112 million (1999 A\$146 million) commercial paper was on issue.

Credit standby facilities

CSR has a total of US\$915 million (1999 US\$915 million) committed standby facilities of which US\$915 million (1999 US\$549 million) was undrawn as at 31 March 2000. These facilities have fixed maturity dates ranging between March 2001 and September 2001. In addition, CSR has US\$50 million of undrawn, uncommitted bank standby facilities (1999 US\$50 million).

A\$ MILLION	CONSOLIDATED		2000	
	2000	1999	AVERAGE RATE %	YEAR OF MATURITY
19: Credit facilities and maturity profile continued				
Current maturities of long-term borrowings				
United States dollar debt	5.3	1.1		
Australian dollar debt	0.1	0.2		
Other	25.2	25.7		
	30.6	27.0		
Long-term maturities of borrowings				
United States dollar debt				
– US bonds ^a	725.6	710.6	6.9	2004–2006
– US bonds ^a	243.7	238.5	7.7	2026
– commercial paper ^b	–	86.9	5.3	
– Eurocommercial paper ^b	112.4	–	6.0	
– bank lines ^b	–	183.7	5.9	
– other	34.3	31.0		
Australian dollar debt				
– domestic commercial paper ^b	–	58.6	5.1	
– bank lines ^b	–	395.0	5.3	
– bank loan	35.8	37.3	6.1	2003
– other	3.5	3.7		
Other currencies				
– Asian multi-option facilities	10.6	22.9	–	2005
Total non-current borrowings and accounts payable	1,165.9	1,768.2		
a	Refer to note 28 for details of fixed rate debt.			
b	Short-term maturities are matched by long-term credit standby facilities.			

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
20: Provisions				
CURRENT				
Dividend	124.4	124.3	124.4	124.3
Employee entitlements	88.2	102.3	51.4	66.8
Fringe benefits tax	2.4	1.3	1.7	0.6
Income tax	65.2	35.8	–	–
Restructure and rationalisation	60.3	63.7	54.4	24.6
Product liability	12.9	17.6	12.9	17.6
Restoration and environmental rehabilitation	16.8	11.4	7.0	7.3
Uninsured losses and future claims	46.3	32.5	25.6	17.0
Other	28.0	21.9	24.6	14.4
Total current provisions	444.5	410.8	302.0	272.6
NON-CURRENT				
Deferred income tax	477.9	462.5	142.0	128.9
Employee entitlements	60.9	62.0	54.2	54.2
Restructure and rationalisation	1.9	7.1	1.9	7.1
Product liability	72.0	64.0	72.0	64.0
Restoration and environmental rehabilitation	25.7	23.8	6.6	4.0
Uninsured losses and future claims	60.8	47.8	31.0	18.0
Other	0.7	0.7	0.1	0.2
Total non-current provisions	699.9	667.9	307.8	276.4

A\$ MILLION	ORDINARY SHARES ^a		ISSUE	SHARE
	FULLY PAID	PARTLY PAID	PRICE A\$	CAPITAL A\$ MILLION

21: Share capital^b

Particulars of shares issued during the year by CSR Limited

On issue 31 March 1999	1,035,635,925	1,377,500		2,640.9
Universal Share/Option Plan ^c	1,106,600		4.39	4.8
Executive Share/Option Plan (partly to fully paid) ^d	278,500	(278,500)	3.60	0.9
Executive Option Plan (options converted)	100,000		3.86	0.4

Total movements during the year	1,485,100	(278,500)		6.1
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On issue 31 March 2000	1,037,121,025	1,099,000		2,647.0
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Movements since year end

Executive Share/Option Plan (partly to fully paid)	59,000	(59,000)	3.28	0.2
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On issue 15 May 2000	1,037,180,025	1,040,000		2,647.2
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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.

b CSR will undertake a share buyback of up to 10% of its ordinary shares over the next 12 months.

c Ordinary fully paid shares were issued in August 1999 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.

d 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 shown are the average.

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 31 MARCH 1999	DURING THE YEAR		ON ISSUE 31 MARCH 2000	AFTER YEAR END		ON ISSUE 15 MAY 2000	
					ISSUED	CONVERTED		LAPSED	CONVERTED		LAPSED
1996 ^g	230	4.48	4,250,000	3,185,000		(3,185,000)					
1998 ^h	50	3.86	10,100,000	10,100,000	(100,000)	(600,000)	9,400,000		(200,000)	9,200,000	
1998 ⁱ	12	3.86	2,500,000	2,500,000			2,500,000		(200,000)	2,300,000	
1999 ^{h,k}	140	4.39	3,670,000		3,670,000		(25,000)	3,645,000		(5,000)	3,640,000
Total				15,785,000	3,670,000	(100,000)	(3,810,000)	15,545,000		(405,000)	15,140,000

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 Limited 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 profit and loss statement.

g Options issued under the now superseded Executive Share/Option Plan approved at the 1993 annual general meeting. Each option was paid to A\$0.01 with the balance of the issue share price payable when the options were exercised. These options were eligible for conversion progressively from mid 1995 to 1999. The conversion of options to shares was conditional on the company's earnings per share exceeding prescribed thresholds. This threshold was not reached for the years ended 31 March 1996, 1997, 1998 and 1999. As a result the relevant options lapsed for each of those years.

h Options issued under the Executive Option Plan approved at the 1998 and 1999 annual general meetings. Options have been issued in 1998 and 1999 and are eligible for conversion progressively over varying periods as from mid 2000 to mid 2004. Under certain circumstances employees who leave CSR have a 12 month window in which to convert their options. 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.

i Options issued to CSR America, Inc executives are on the same basis as set out in footnote h above, other than the options are paid to A\$0.01 with the balance of the issue price payable when the options are exercised.

k In 1999, 3,750,000 options were offered to 153 executives (13 declined the offer). 2,790,000 were issued at A\$4.40; 400,000 at A\$4.36 and 480,000 at A\$3.75.

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
22: Reserves				
Capital	39.2	116.8	105.4	153.3
Foreign currency translation	112.3	83.6	0.9	1.0
Total reserves	151.5	200.4	106.3	154.3
Movements in capital reserves				
Balance at the beginning of the financial year	116.8	133.8	153.3	160.4
Adoption of Accounting Standard AASB1016		6.0		-
Transfers to retained earnings	-	-	(0.4)	-
Transfers from foreign currency translation reserve	(1.2)	-	-	-
Decrease in asset revaluation reserve ^a	(76.4)	(23.0)	(47.5)	(7.1)
Balance at the end of the financial year	39.2	116.8	105.4	153.3
Movements in foreign currency translation reserve				
Balance at the beginning of the financial year	83.6	25.3	1.0	0.6
Exchange differences relating to overseas net assets				
- net gain (loss) on translation	34.4	50.5	(0.1)	0.4
- net loss on hedge transactions	(10.1)	(12.3)	-	-
Reserve of controlled entities disposed	3.2	20.1		
Transfers to capital reserve	1.2	-	-	-
Balance at the end of the financial year	112.3	83.6	0.9	1.0

a Asset writedowns to recoverable amount.

23: Outside equity interests in controlled entities

Share capital	103.6	120.5		
Capital reserves	22.0	22.4		
Retained profits	34.5	1.5		
Total outside equity interests	160.1	144.4		

A\$ THOUSAND

24: Auditors' remuneration

Amounts received or due and receivable for auditing the financial report by				
- auditors of the chief entity	1,015	1,323	786	1,017
- other auditors	765	1,060	-	-
	1,780	2,383	786	1,017
Amounts received or due and receivable for other services by auditors of the chief entity	212	300	119	193
	1,992	2,683	905	1,210

A\$ THOUSAND	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999

25: Directors' and executives' remuneration^{a,b}

Aggregate income paid or payable, or otherwise made available, to directors of

- CSR Limited	7,057	6,092	7,057	6,092
- controlled entities ^c	7,073	6,432		
	14,130	12,524	7,057	6,092

Australian executives whose total income equals or exceeds A\$100,000^d **23,464** 22,996 **23,260** 22,811

	CONSOLIDATED		CSR LIMITED		CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999	2000	1999	2000	1999

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

Directors (A\$)				Directors (A\$)			
30,000 to 39,999		1		450,000 to 459,999			1
50,000 to 59,999			3	860,000 to 869,999			1
60,000 to 69,999		4	5	1,040,000 to 1,049,999		1	
70,000 to 79,999		2		1,160,000 to 1,169,999		1	
160,000 to 169,999		1		1,640,000 to 1,649,999		1	
170,000 to 179,999		2		1,920,000 to 1,929,999			1
180,000 to 189,999			1	1,980,000 to 1,989,999			1
190,000 to 199,999			1	2,250,000 to 2,259,999		1	
Australian executives (A\$)				Australian executives (A\$)			
110,000 to 119,999		1	1	430,000 to 439,999		2	2
130,000 to 139,999		2	2	440,000 to 449,999	1		1
140,000 to 149,999		2	2	450,000 to 459,999	1	1	1
150,000 to 159,999	1	1	1	470,000 to 479,999	1		1
160,000 to 169,999		1	1	480,000 to 489,999		2	2
170,000 to 179,999	2	3	2	500,000 to 509,999	2		2
180,000 to 189,999	4	4	4	520,000 to 529,999	1		1
190,000 to 199,999		1	1	550,000 to 559,999	1	1	1
200,000 to 209,999	2	1	1	560,000 to 569,999		1	1
210,000 to 219,999	1	2	1	600,000 to 609,999	1		1
220,000 to 229,999	2	4	2	660,000 to 669,999		1	1
230,000 to 239,999	3	3	3	670,000 to 679,999		1	1
240,000 to 249,999	1	4	1	700,000 to 709,999	1		1
250,000 to 259,999	2		2	740,000 to 749,999	1		1
260,000 to 269,999	3	1	3	760,000 to 769,999	1		1
270,000 to 279,999	2	2	2	860,000 to 869,999		1	1
290,000 to 299,999	1	2	1	890,000 to 899,999		1	1
300,000 to 309,999	3	1	3	1,020,000 to 1,029,999	1		1
310,000 to 319,999		2	2	1,040,000 to 1,049,999	1		1
320,000 to 329,999		1	1	1,160,000 to 1,169,999	1		1
330,000 to 339,999	1		1	1,220,000 to 1,229,999	1		1
340,000 to 349,999	3		3	1,240,000 to 1,249,999		1	1
350,000 to 359,999	1		1	1,250,000 to 1,259,999		1	1
360,000 to 369,999	1	2	1	1,740,000 to 1,749,999		1	1
390,000 to 399,999	1	2	1	1,980,000 to 1,989,999		1	1
400,000 to 409,999	3		3	2,250,000 to 2,259,999	1		1
410,000 to 419,999	1	1	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 21.

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\$1.424 million as at 31 March 1999 to A\$1.411 million as at 31 March 2000.

c Includes executive directors of partly-owned controlled entities.

d Number of Australian executives 54 (1999 58). Average remuneration A\$434,506 (1999 A\$396,482). The definition of executive is "Employees responsible for the strategic direction and operational management of the company".

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
26: 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	701.3	603.7	24.9	56.1
Non-current assets	1,915.4	1,567.5	-	-
Current liabilities	(429.8)	(414.6)	(10.4)	(10.7)
Non-current liabilities	(1,631.1)	(1,411.2)	(561.1)	(577.1)
	555.8	345.4	(546.6)	(531.7)
Chinese renminbi				
Current assets	31.2	30.6	-	-
Non-current assets	76.9	108.3	-	-
Current liabilities	(21.8)	(20.0)	-	-
Non-current liabilities	-	-	-	-
	86.3	118.9	-	-
New Zealand dollars				
Current assets	42.6	27.5	3.7	7.5
Non-current assets	25.0	48.3	-	-
Current liabilities	(2.5)	(8.6)	-	-
Non-current liabilities	(35.9)	(37.6)	-	-
	29.2	29.6	3.7	7.5
Taiwan dollars				
Current assets	12.0	9.2	0.6	0.2
Non-current assets	40.6	69.5	-	-
Current liabilities	(24.7)	(24.6)	-	-
Non-current liabilities	-	(12.6)	-	-
	27.9	41.5	0.6	0.2
Malaysian ringgit				
Current assets	13.0	9.6	-	-
Non-current assets	33.4	34.7	-	-
Current liabilities	(29.8)	(26.9)	-	-
Non-current liabilities	-	-	-	-
	16.6	17.4	-	-
Other currencies				
Current assets	16.9	32.4	-	-
Non-current assets	30.5	16.2	-	-
Current liabilities	(10.1)	(14.2)	(0.1)	(0.5)
Non-current liabilities	(10.7)	(14.5)	-	(15.4)
	26.6	19.9	(0.1)	(15.9)

27: Non-cash financing and investing activities

CSR Limited issued shares to employees under the terms of the Universal Share/Option Plan. These shares were funded by employee loans of A\$4.7 million (1999 A\$7.0 million) from CSR Limited and CSR America, Inc.

28: Financial instruments

CSR Limited and its controlled entities (CSR) enter into a variety of derivative financial and commodity price instruments to manage risks. CSR does not hold or issue financial instruments for speculative or trading purposes.

Credit exposure

CSR is exposed to credit related losses in the event of non-performance by counterparties to these financial and commodity price instruments. The counterparties are predominantly prime financial institutions.

CSR controls risk through the use of credit ratings, limits and monitoring procedures. CSR does not usually require collateral or other security to support financial instruments with credit risk.

As at 31 March 2000, CSR had no significant concentration of credit risk with any single counterparty or group of counterparties. The carrying amounts of financial assets included in CSR's financial statements represent CSR's exposure to credit risk in relation to these assets.

Credit exposure of interest rate, foreign currency and commodity price derivatives is represented by the net fair value of the contracts, as disclosed.

Hedging transactions

Financial instruments are used to hedge exposure to foreign currency, interest rate and commodity price transactions.

Transactions designated as hedges are accounted for on a basis consistent with the accounting for the underlying transaction. Gains and losses on specific hedges of committed and anticipated future purchases and sales are deferred until the date of purchase or sale and included in the measurement of that transaction.

Net fair value

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

Commodity futures

The net fair value is the closing price on the applicable futures exchange.

Interest rate swaps, caps, swaptions, foreign currency contracts, foreign exchange options, currency swaps and commodity swaps

The net fair value is estimated as the present value of future cash flows using market accepted formulae and market quoted input variables.

Cash, short-term investments, receivables, payables and short-term borrowings

The carrying amounts of these financial instruments approximate net fair value because of their short maturity.

Long-term borrowings

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.

A\$ MILLION	AVERAGE PRICE ^a	PRINCIPAL/MATURITIES			TOTAL	NET FAIR VALUE	
		1 YEAR OR LESS	1 TO 5 YEARS	OVER 5 YEARS		ASSET	LIABILITY
COMMODITY PRICE RISK EXPOSURES							
2000							
Aluminium – underlying exposure							
Committed sales ^b							
– aluminium	-	295.1	489.0	-	784.1	-	-
– alumina	-	53.1	93.3	93.4	239.8	-	-
LME aluminium futures contracts							
– sell	1,493.9 ^c	52.8	7.5	-	60.3	0.6	3.1
Aluminium commodity swaps	1,554.1 ^c	189.1	307.0	-	496.1	15.7	12.0
Total						16.3	15.1
1999							
Aluminium – underlying exposure							
Committed sales ^b							
– aluminium	-	190.7	244.1	-	434.8	-	-
– alumina	-	38.9	90.3	85.7	214.9	-	-
LME aluminium futures contracts							
– sell	1,508.3 ^c	147.5	51.2	-	198.7	31.1	-
Aluminium commodity swaps	1,453.5 ^c	55.3	134.3	-	189.6	18.4	-
Total						49.5	-

Commodity price sensitivity and risk management

CSR has exposures to alumina and aluminium commodity prices. This exposure arises from sales contracts that commit CSR to supply these commodities in future years. Prices for product supplied under these contracts are a function of the US dollar market price at the time of delivery.

a Average prices for the individual periods do not materially differ from the overall average price disclosed.

b The value of committed sales is derived from the committed quantity multiplied by the year end spot rate.

c United States dollars per metric tonne.

A\$ MILLION	AVERAGE EXCHANGE RATE ^a	PRINCIPAL/MATURITIES			TOTAL	CARRYING AMOUNT		NET FAIR VALUE	
		1 YEAR OR LESS	1 TO 5 YEARS	OVER 5 YEARS		ASSET	LIABILITY	ASSET	LIABILITY
28: Financial instruments continued									
FOREIGN EXCHANGE RISK EXPOSURE									
2000									
US dollar functional currency									
Underlying exposure^b									
Committed sales		361.5	601.6	102.3	1,065.4				
Expected proceeds from sale of business		448.5	-	-	448.5				
Forward exchange rate agreements									
Receive US\$	0.63	98.4	-	-	98.4	-	-	3.3	0.1
Pay US\$	0.62	1,230.7	331.3	-	1,562.0	-	-	10.7	34.0
Currency options									
Purchased US\$ puts against A\$	0.65	6.5	-	-	6.5	-	-	0.1	-
Sold US\$ calls against A\$	0.63	3.3	-	-	3.3	-	-	-	0.1
NZ dollar functional currency									
Forward exchange rate agreements									
Receive NZ\$	1.25	3.6	-	-	3.6	-	-	-	0.1
Cross currency interest rate swaps									
Pay NZ\$	1.14	-	35.9	-	35.9	0.1	0.1	2.1	-
Total						0.1	0.1	16.2	34.3
1999									
US dollar functional currency									
Underlying exposure^b									
Committed sales		238.4	363.0	116.7	718.1				
Forward exchange rate agreements									
Receive US\$	0.63	47.2	-	-	47.2	-	-	1.4	1.4
Pay US\$	0.63	412.6	273.6	-	686.2	-	-	16.2	20.8
Currency options									
Purchased US\$ puts against A\$	0.64	4.8	-	-	4.8	-	-	0.1	-
Sold US\$ calls against A\$	0.60	4.8	-	-	4.8	-	-	-	-
NZ dollar functional currency									
Forward exchange rate agreements									
Receive NZ\$	1.18	1.4	-	-	1.4	-	-	-	-
Pay NZ\$	1.18	6.0	-	-	6.0	-	-	-	-
Cross currency interest rate swaps									
Pay NZ\$	1.14	-	37.3	-	37.3	-	0.1	0.9	-
Total						-	0.1	18.6	22.2

Foreign exchange sensitivity and risk management

CSR 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 alumina and aluminium sales), proceeds of anticipated asset sales, payments for some raw materials, capital equipment, liabilities and assets. The table above provides information about CSR's significant exchange rate exposure.

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

b Committed sales are those where a contract is in place in respect of the transaction. In addition to these amounts, the underlying exposure to the US dollar includes the net assets in CSR America, Inc and other US dollar borrowings, as disclosed in note 19.

A\$ MILLION	WEIGHTED AVERAGE		PRINCIPAL/MATURITIES				CARRYING AMOUNT		NET FAIR VALUE	
	TERM IN YEARS	RATE %PA ^a	1 YEAR OR LESS	1 TO 5 YEARS	OVER 5 YEARS	TOTAL	ASSET	LIABILITY	ASSET	LIABILITY
28: Financial instruments continued										
INTEREST RATE RISK EXPOSURE										
2000										
Long-term debt										
Fixed rate US\$ debt	9.9	7.1	-	318.0	652.3	970.3	-	981.4	-	939.7
Fixed rate A\$ debt	2.5	6.1	-	38.7	-	38.7	-	38.8	-	38.5
Total							-	1,020.2	-	978.2
Interest rate derivatives										
US dollar interest rate swaps										
Fixed rate payer against LIBOR	1.9	6.5	154.9	326.2	-	481.1	5.1	10.3	12.0	6.0
Fixed rate receiver against LIBOR	4.6	6.9	-	318.0	326.2	644.2	6.3	6.0	-	12.8
Australian dollar interest rate swaps										
Fixed rate receiver against A\$ bank bills	1.9	6.9	15.0	20.0	-	35.0	0.1	0.1	0.2	0.4
Collars										
US\$ interest rate caps purchased	1.6	6.4	-	236.5	-	236.5	0.1	-	3.3	-
US\$ interest rate floors sold	1.6	5.3	-	236.5	-	236.5	-	-	-	-
Total							11.6	16.4	15.5	19.2
1999										
Long-term debt										
Fixed rate US\$ debt	10.9	7.1	-	311.4	638.6	950.0	-	962.9	-	977.3
Fixed rate A\$ debt	3.5	6.1	-	38.7	-	38.7	-	38.8	-	42.0
Total							-	1,001.7	-	1,019.3
Interest rate derivatives										
US dollar interest rate swaps										
Fixed rate payer against LIBOR	2.2	6.5	71.9	351.3	-	423.2	4.1	12.0	-	21.6
Fixed rate receiver against LIBOR	5.6	6.9	-	311.4	319.3	630.7	6.1	4.7	47.5	-
Australian dollar interest rate swaps										
Fixed rate payer against A\$ bank bills	2.1	5.7	75.0	244.8	-	319.8	1.9	2.6	-	7.0
Fixed rate receiver against A\$ bank bills	2.5	7.2	10.0	35.0	-	45.0	0.2	0.1	1.6	-
Caps										
A\$ interest rate caps purchased	1.0	5.6	25.0	50.0	-	75.0	-	-	-	-
A\$ interest rate floors sold	1.2	5.0	-	25.0	-	25.0	-	-	-	0.1
Total							12.3	19.4	49.1	28.7

Interest rate sensitivity and risk management

CSR enters into a variety of financial instruments in the management of interest rate exposure with the objective of obtaining lower funding costs and a more stable and predictable interest expense. CSR 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 above provides information about CSR's interest rate exposure and should be read in conjunction with note 19.

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

29: 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 except for certain intragroup loans, are on commercial terms and conditions. Except for the amounts disclosed in the equity accounting information note 33, no material amounts were receivable from, or payable to, related parties as at 31 March 2000, 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 on the following page. The directors' holdings of CSR securities are also detailed in the table on the following page. The directors increased their holdings of CSR ordinary shares on terms and conditions no more favourable than those available to other employees or shareholders.

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.

Loans to directors

Aggregate repayments of A\$0.025 million (1999 A\$0.031 million) were received from the following directors of CSR Limited and its controlled entities during the year.

G W Bainbridge, A N Brennan, P J Dadswell, D W Farley, J A Fox, D C Lane, G Livingstone, I M Mutton, K P Ogden, S A Quay, M W Quinn, D L Rodgers, P W Trimble.

Employee share plan loans are interest free. Aggregate loans of A\$0.039 million (1999 A\$0.048 million) were made to, and aggregate repayments of A\$0.045 million (1999 A\$0.030 million) were received from, the following directors of CSR Limited and its controlled entities during the year.

R A Albano, M O Bateman, B W de Boos, P J Bremner, A N Brennan, M B Buckland, J E Burman, M J Canny, R J Capasso, A B Carlton, D V Clarke, K N Commins, P J Dadswell, J L Davies, A P Driver, R E Elliott, S D Farr, I D Forrest, B J Fowler, R G Gellweiler, J A Glover, F N Gosling, R J Halbert, M Hollingsworth, S M Hughes, E K Ip, P G James, D F Kerr, R J Kirk, G P L'Estrange, D C Lane, H F Leong, G Livingstone, N H Lowndes, J G MacArthur-Stanham, B M Mann, R J McGregor, P M McGuigan, J V McKay, D J McKenzie, R Michel, N F Miller, A E Morse, B Naran, P R Nettheim, W C Ong, G F Pettigrew, N P Pezet, J C Prior, S A Quay, M W Quinn, M J Ring, D L Rodgers, D E Ryerson, T L Saletta, A G Shield, P A Simpson, E A Smith, C T Soh, P D Stone, B E Stump, A J Tanner, V C Thomas, P W Trimble, A R Vivian, P G Wakeham, K H Watson, W H Webb, J B Wilcox.

Transactions with directors and director-related entities

A related entity of G P L'Estrange, an executive director of CSR controlled entities, entered into a non-competition agreement with CSR entitling the related entity to a receipt of A\$1,114,400.

Related entities of A Codina, a non-executive director of CSR America, Inc received sales commissions and fees of A\$1,113,691 (US\$729,870) to jointly develop land held by a controlled entity of CSR America, Inc (1999 US\$286,121), and received A\$ nil (US\$ nil) for consulting services (1999 US\$10,000). No goods were purchased in the current year (1999 US\$107,192). Related entities of A Codina entered into a contract in August 1999, for the purchase of land from a controlled entity of CSR America, Inc 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. The amount of the mortgage at 31 March 2000 which is due on 31 August 2001 was A\$6,200,145 (US\$3,947,000). For the year ended 31 March 2000 interest of A\$323,350 (US\$207,623) had been received on the mortgage and at 31 March 2000 A\$34,700 (US\$22,281) had been accrued as receivable.

A related entity of E L Reid, a non-executive director of CSR America, Inc received A\$ nil (US\$ nil) for legal services (1999 US\$35,260).

A Ireland, a non-executive director of CSR America, Inc received A\$140,000 (US\$90,000) for consulting services (1999 US\$60,000).

A related entity of M Criser, a non-executive director of CSR America, Inc received A\$ nil (US\$ nil) for legal services (1999 US\$36,441).

A related entity of M Lai, an executive director of CSR controlled entities, purchased goods valued at A\$528,989 (1999 A\$81,114) from a CSR controlled entity.

A related entity of J Mai, a non-executive director of CSR controlled entities, purchased goods valued at A\$240,957 (1999 A\$282,864) 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 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.

	SHARES			OPTIONS			
	31 MARCH 1999	ACQUIRED	SOLD	31 MARCH 2000	31 MARCH 1999	ISSUED	LAPSED

29: Related party information continued

Shareholdings of directors and director-related entities

Ian Blackburne ^a		17,000	–	17,000				
Alec Brennan	89,180	81,455	–	170,635^b	600,000	–	(200,000)	400,000
Ian Burgess	130,437	–	–	130,437				
David Clarke	51,494	8,000	–	59,494	400,000	–	–	400,000
Charles Goode	247,642	5,417	–	253,059^b				
John Gough	83,476	–	–	83,476^c				
Carolyn Hewson	7,738	2,878	–	10,616^b				
Peter Kirby	41,660	158,703	–	200,363^b	500,000	–	–	500,000
Ben Macdonald	6,125	–	–	6,125^d				
Robert McLean	10,000	1,830	–	11,830^b				
John Morschel	10,000	2,096	–	12,096^b				
Allan Moss	35,000	–	–	35,000				
Jim Osborne	110,000	–	–	110,000	–	400,000	–	400,000
David Voss	27,848	–	–	27,848				

a Appointed 1 September 1999.

b In April 2000, under the Employee Share Acquisition Plan, the following shares were acquired. Alec Brennan (2,245), Charles Goode (1,450), Carolyn Hewson (561), Peter Kirby (8,417), Robert McLean (281) and John Morschel (561).

c Balance at date of retirement (1 July 1999).

d Balance at date of retirement (22 July 1999).

30: Superannuation commitments

CSR Limited and its controlled entities (CSR) 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 dependents 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.

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.

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.

A\$ MILLION	ACCRUED BENEFITS	MARKET VALUE OF ASSETS	SURPLUS	VESTED BENEFITS	EMPLOYER CONTRIBUTIONS FOR THE YEAR	
					PAID	PAYABLE
Defined benefit funds sponsored by CSR						
CSR America, Inc Pension Plan ^a	14.4	16.0	1.6	13.4	–	–
CSR America, Inc Retirement Income Plan ^a	22.5	30.7	8.2	22.1	–	–
CSR Australian Superannuation Fund Defined Benefit Division ^{b c}	132.7	217.6	84.9	129.8	–	–
Monier PGH Superannuation Fund Defined Benefit Division ^d	44.1	51.1	7.0	43.5	3.1	0.3

a Last actuarial assessment performed on 1 January 1999.

b Last actuarial assessment performed on 30 June 1998.

c 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 actuarial liabilities of the DBD. Actuarial liabilities are determined to be the total service liabilities as the existing assets are necessary to support both past and future benefits. As at 31 March 2000, the assets of the CSR Australian Superannuation Fund attributable to the DBD exceeded 120% of the corresponding actuarial liabilities.

d Last actuarial assessment performed on 1 July 1999.

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
31: Contracted capital expenditure, lease & hire expenditure				
Contracted capital expenditure				
Estimated capital expenditure contracted for at balance date but not provided for				
Payable within one year – controlled entities	76.9	108.6	6.2	1.1
Payable within one year – associate entities	10.3	0.2	–	–
Contracted lease and hire expenditure commitments not otherwise provided for in the financial statements				
– land and buildings	84.4	108.7	52.0	83.2
– quarry and other raw material reserves	4.9	6.7	4.9	6.7
– plant and equipment	29.6	33.9	7.8	8.2
	118.9	149.3	64.7	98.1
Contracted lease and hire expenditure comprises				
Operating leases				
Non-cancellable payable				
– within 1 year	35.9	41.2	20.4	23.2
– between 1 and 2 years	28.1	34.1	15.5	18.8
– between 2 and 5 years	33.4	33.4	16.0	23.4
– after 5 years	17.4	15.6	9.2	9.0
	114.8	124.3	61.1	74.4
Other payable				
– within 1 year	1.5	4.1	1.2	3.5
– between 1 and 2 years	1.3	3.5	1.1	3.3
– between 2 and 5 years	1.3	6.0	1.3	5.9
– after 5 years	–	11.4	–	11.0
	4.1	25.0	3.6	23.7
Total contracted lease and hire expenditure not otherwise provided for in the financial statements				
	118.9	149.3	64.7	98.1

Finance lease commitments are immaterial.

32: Contingent liabilities

Contingent liabilities, capable of estimation, arise in respect of the following categories

Various performance and other guarantees provided to third parties by CSR Limited	53.2	45.0	53.2	45.0
Guarantees given by CSR in respect of amounts borrowed by				
– CSR Finance Limited and CSR America, Inc			1,173.7	1,748.4
– associate entities	25.1	34.3	24.6	33.8
	78.3	79.3	1,251.5	1,827.2

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 31 March 2000, there were 509 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 31 March 2000, there were 846 such claims pending.

CSR has been settling claims since 1989. At 31 March 2000, CSR had resolved 114,600 claims in the United States, including resolution of 75,000 claims in mass settlements in West Virginia, Texas and Mississippi, and 946 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.

CSR cannot determine with certainty the amount of its ultimate liability with respect to asbestos related claims.

Provision has been made for all known claims and probable future claims but not for such future claims as cannot presently be reliably quantified. However, taking into account the provision already included in CSR's financial statements, the directors are of the opinion that the asbestos litigation in the United States and Australia will not have a material adverse impact on the CSR Group's financial condition.

CSR Limited acts as an authorised self-insurer in New South Wales, Queensland, Victoria, South Australia, Western Australia, and Australian Capital Territory for workers' compensation insurance, as does CSR America, Inc and certain of its controlled entities in California, Nevada, New Mexico and Washington. Adequate provision has been made for potential claims. CSR Limited guarantees the liabilities of CSR America, Inc in respect of certain of its self-insurance programs.

	OWNERSHIP INTEREST		CARRYING AMOUNT	
	2000	1999	2000	1999

33: Equity accounting information

Name of entity	Principal activity	%	%	A\$ million	
Australian Cement Holdings Pty Ltd ^a	cement manufacture	50	50	139.1	169.8
New Zealand Sugar Company Limited	sugar refining	50	50	19.3	19.8
Metromix Pty Ltd ^a	pre-mixed concrete	50	50	13.2	15.9
Czarnikow Pty Ltd ^{a b}	sugar brokering	43	43	10.7	10.6
Other immaterial associates				9.9	9.8
Associate companies				192.2	225.9
Sugar Australia joint venture	sugar refining	50	50	88.7	113.6
Joint venture entities				88.7	113.6
CSR Emoleum ^a	road resurfacing	50	50	21.3	20.6
Other immaterial partnerships				14.3	14.9
Partnerships				35.6	35.5
Total associate entities				316.5	375.0
A\$ MILLION				CONSOLIDATED	
				2000	1999
Equity accounted investments					
Carrying amount of investments at the beginning of the financial year				375.0	350.4
Amounts not reflected in the carrying amount of the investments (adjustment on adoption of equity accounting)					
– retained profits					(10.9)
– reserves					6.0
Equity accounted amount of investments at the beginning of the financial year				375.0	345.5
Share of associate entities' operating profit before income tax				103.8	55.2
Share of income tax				(29.1)	(15.0)
Dividends and distributions received				(88.9)	(21.0)
Disposals and writedowns				(1.5)	(0.8)
Return of investment				(42.8)	–
Acquisition of additional interests				–	12.1
Other (including foreign currency movements)				–	(1.0)
Equity accounted amount of investments at the end of the financial year				316.5	375.0
Share of reserves attributable to associate entities					
Retained profits				45.5	33.1
Asset revaluation reserves				0.5	6.2
Summarised financial position of associate entities					
Assets					
– cash				42.7	36.9
– other current assets				398.4	427.4
– property, plant and equipment				640.3	640.4
– other non-current assets				37.5	181.7
Liabilities					
– current accounts payable				(176.2)	(194.6)
– current borrowings and other liabilities				(108.2)	(91.8)
– non-current liabilities				(193.6)	(230.8)
Net assets				640.9	769.2

a Information obtained from associate entities is based on unaudited financial reports.

b The year end is 31 December.

A\$ MILLION	CONSOLIDATED		CSR LIMITED	
	2000	1999	2000	1999
Balances and transactions with associate entities				
Current receivables	10.8	8.5	8.7	7.0
Non-current receivables	14.7	12.5	14.7	7.3
Current accounts payable	12.4	3.6	12.4	3.5
Purchase of goods and services	115.8	123.6	115.8	123.6
Sale of goods and services	61.0	12.3	61.0	12.3
Capital repaid	42.8	–	0.9	–
Interest revenue ^c	0.6	0.8	0.6	0.8
Dividends and distributions received and receivable	88.9	21.0	41.0	–

c Australian Cement Holdings Pty Ltd has entered into interest rate financial instruments 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\$25 million (1999 A\$35 million) and are on commercial terms and conditions. As at 31 March 2000, interest receivable was A\$85,874 (1999 A\$197,337) and interest payable was A\$68,804 (1999 A\$141,483). Net interest received during the year was A\$586,651 (1999 A\$813,874).

A\$ MILLION	DATE ACQUIRED	INTEREST %	CONSIDERATION	NET TANGIBLE ASSETS
Controlled entities acquired^a			–	–
Businesses acquired during the year^b			127.7	73.0
			127.7	73.0

34: Acquisitions and disposals of controlled entities and businesses

A\$ MILLION	DATE DISPOSED	RESIDUAL INTEREST %	PROFIT ON DISPOSAL	NET TANGIBLE ASSETS
Controlled entities disposed^a				
CCA Timbers (Vic) Pty Ltd	31 May 1999	–	–	0.7
Hanaki Pty Ltd	31 May 1999	–	–	2.0
Kaiyou Pty Ltd	31 May 1999	–	–	0.4
KI Holdings Pty Ltd	31 May 1999	–	–	2.7
CSR Plasterboard Co Ltd, Beijing	15 March 2000	–	–	1.7
Businesses disposed during the year^b			8.3	616.0
			8.3	623.5

A\$ MILLION	CONSOLIDATED ACQUISITIONS		CONSOLIDATED DISPOSALS	
	2000	1999	2000	1999
Fair value of net assets of controlled entities				
Cash	0.8	–	1.8	(10.5)
Receivables	9.6	22.5	45.9	43.5
Inventories	10.0	6.2	80.5	10.4
Other current assets	0.2	0.9	10.1	1.2
Investments	–	–	5.6	–
Property, plant and equipment	55.8	55.3	511.3	125.4
Intangibles	5.9	3.5	21.0	0.6
Other non-current assets	–	6.2	42.3	3.4
Borrowings and creditors	(2.5)	(11.6)	(53.1)	(36.4)
Provisions	(0.9)	(1.9)	(20.9)	(29.5)
Outside equity interests			–	(1.5)
	78.9	81.1	644.5	106.6
Goodwill acquired/disposed	48.8	26.1	2.7	38.7
Divestment expenses/provisions			59.0	–
Profit (loss) on disposal			8.3	(6.3)
Total consideration	127.7	107.2	714.5^c	139.0
Non-cash consideration	–	–	–	(95.4)
Cash balances acquired/disposed	(0.8)	–	(1.8)	10.5
Change in divestment receivables and payables	–	(12.9)	(329.9)	(2.1)
Total flow of cash	126.9	94.3	382.8	52.0

a Operating results of the entities acquired (disposed) are included in the profit and loss statement from date acquired (up to the date disposed).

b Businesses acquired (disposed) during the year have been absorbed into (deducted from) the existing company structure.

c Includes consideration for Timber Products businesses disposed of A\$678 million.

	COUNTRY OF INCORPORATION	% CSR OWNERSHIP		COUNTRY OF INCORPORATION	% CSR OWNERSHIP	
		2000	1999		2000	1999

35: Particulars relating to controlled entities

Chief entity	COUNTRY OF INCORPORATION	% CSR OWNERSHIP 2000	% CSR OWNERSHIP 1999	COUNTRY OF INCORPORATION	% CSR OWNERSHIP 2000	% CSR OWNERSHIP 1999	
CSR Limited	Australia			Singapore	100	100	
ACN 000 179 742 Pty Ltd (formerly Formica Australia Pty Ltd)	Australia	100	100	USA	100	100	
Alstergren Pty Ltd	Australia	100	100	New Zealand	100	100	
Amalgamated Sugar Mills Pty Ltd	Australia	100	100	Taiwan	100	100	
ARC Materials Corporation	USA	100	100	Australia	100	100	
Austoclean Pty Ltd	Australia	100	100	Australia	100	100	
Australian Blue Metal Ltd ^b	Australia	100	100	Australia	100	100	
Ballestrin Concrete Constructions Pty Ltd	Australia	100	100	Australia	100	100	
Bettaform Constructions Pty Ltd	Australia	70	70	Australia	100	100	
BI (Australia) Pty Ltd	Australia	100	100	Australia	100	100	
BI (Contracting) Pty Ltd	Australia	100	100	Australia	100	100	
BI Holdings Australia Pty Ltd	Australia	100	100	Australia	70	70	
Bradford Enercon, Inc ^c	Canada	-	100	Australia	70	70	
Bradford Holdings, Inc	Canada	100	100	Australia	100	100	
Bradford Insulation (M) Sdn Bhd	Malaysia	100	100	Australia	-	81	
Bradford Insulation (SA) Pty Ltd ^b	Australia	100	100	Australia	100	100	
Bradford Insulation Industries Pty Ltd	Australia	100	100	Australia	100	100	
Brimik Pty Ltd ^b	Australia	100	100	USA	100	100	
Britash Trading Pty Ltd ^b	Australia	100	100	Australia	-	77	
Buchanan Borehole Collieries Pty Ltd	Australia	100	100	Australia	-	85	
CCA Timbers (Vic) Pty Ltd ^a	Australia	-	77	Landop Holdings Limited (formerly Formica (NZ) Limited)	New Zealand	100	100
Centralian Industries Pty Ltd ^b	Australia	100	100	Midalco Pty Ltd	Australia	100	100
Chang Chien Engineering Co Ltd	Taiwan	100	100	Mili, L.L.C.	USA	100	100
Chang Yuan Enterprises Ltd	Taiwan	100	100	Monier PGH Holdings Limited	Australia	100	100
Chelsea Estates Ltd	New Zealand	100	100	NC Plaster Nominees (Victoria) Pty Ltd ^b	Australia	100	100
Chelsea Nominees Ltd	New Zealand	100	100	Ord Sugar Pty Ltd	Australia	100	100
CSR-SYC Hebel Taiwan Co Ltd	Taiwan	100	55	Oxi, L.L.C.	USA	100	100
CSR (Guangdong) Rockwool Co, Ltd	China	70	70	Perma-Log Holdings Pty Ltd	Australia	100	100
CSR (Tianjin) Readymix Co, Ltd	China	70	70	Perma-Log Products Pty Ltd	Australia	100	100
CSR (UK) Holdings	UK	100	100	PGH Pty Ltd	Australia	100	100
CSR America Foreign Sales Corporation	US Virgin Is.	100	100	Pioneer Sugar Mills Pty Ltd	Australia	100	100
CSR America, Inc	USA	100	100	Pipe Liners, Inc	USA	100	100
CSR Bradford Air (M) Sdn Bhd	Malaysia	70	70	Plaster Castings Pty Ltd ^b	Australia	100	100
CSR Bricks Pty Ltd	Australia	100	100	PT Prima Karya Plasterboard	Indonesia	100	100
CSR Building Materials (HK) Ltd	Hong Kong	100	100	Pyneboard Pty Ltd	Australia	100	100
CSR Building Materials (M) Sdn Bhd	Malaysia	70	70	Queensland Sugar Power Pool Pty Ltd	Australia	82	82
CSR Building Materials (NZ) Ltd	New Zealand	100	100	Ready Mixed Concrete Ltd	Australia	100	100
CSR Building Materials (UK) Ltd ^c	UK	-	100	Refined Sugar Services Pty Ltd	Australia	100	100
CSR Building Systems (M) Sdn Bhd	Malaysia	70	70	Richter Drilling Pty Ltd	Australia	100	100
CSR Climate Control (M) Sdn Bhd (formerly Bradford Sales & Engineering (M) Sdn Bhd)	Malaysia	70	70	Rinker Materials Corporation	USA	100	100
CSR Concrete Products Co Ltd	Taiwan	85	85	Rivarol Pty Ltd	Australia	100	100
CSR Distilleries Operations Pty Ltd	Australia	100	100	River Sand & Gravel Pty Ltd ^b	Australia	100	100
CSR Emoleum Services Pty Ltd	Australia	100	100	S.Q. Logging Pty Ltd ^b	Australia	100	100
CSR Finance Limited	Australia	100	100	Sellers Holdings Ltd ^b	Australia	100	100
CSR Guangdong Glasswool Co, Ltd	China	79	79	Seltsam Pty Ltd	Australia	100	100
CSR Gypsum Products (UK) Ltd	UK	100	100	Shelf Drilling Pty Ltd	Australia	100	100
CSR Hebel Australia Pty Ltd	Australia	100	100	Softwood Holdings Ltd	Australia	100	100
CSR Humes (UK) Limited	UK	100	100	Softwood Plantations Pty Ltd	Australia	100	100
CSR Humes Pty Ltd ^b	Australia	100	100	Softwoods Adelaide Pty Ltd ^b	Australia	100	100
CSR Insulation (Thailand) Limited	Thailand	100	100	Softwoods Dartmoor Pty Ltd	Australia	100	100
CSR Insurance Pte Limited	Singapore	100	100	Softwoods Panelboard Pty Ltd	Australia	100	100
CSR International (L) Pty Ltd ^c	Malaysia	-	100	Softwoods Portland Pty Ltd	Australia	100	100
CSR International Pty Ltd	Australia	100	100	Softwoods Queensland Pty Ltd	Australia	100	100
CSR Investments (Asia) Pty Ltd	Australia	100	100	South Queensland Forests Pty Ltd ^b	Australia	100	100
CSR Investments (Indonesia) Pty Ltd	Australia	100	100	Spuncon Pty Ltd	Australia	100	100
CSR Investments (Taiwan) Pty Ltd	Australia	100	100	Steel Construction Systems	USA	55	55
CSR Investments (Thailand) Pty Ltd	Australia	100	100	Stonelea, L.L.C.	USA	100	100
CSR Investments Overseas Ltd	Australia	100	100	Sunrock Quarries Pty Ltd ^b	Australia	100	100
CSR Investments PNG Pty Ltd	Australia	100	100	The Houghton Sugar Co Pty Ltd	Australia	100	100
CSR Investments Pty Ltd	Australia	100	100	The Readymix Group (Australia) Ltd ^b	Australia	100	100
CSR Nevada, Inc	USA	100	100	Thiess Bros Pty Ltd	Australia	100	100
CSR Pipeline Systems, L.L.C.	USA	100	100	Thiess Holdings Pty Ltd	Australia	100	100
CSR Plane Creek Pty Ltd	Australia	100	100	Timber Holdings Ltd	Australia	100	100
CSR Plasterboard Co Ltd, Beijing ^a	China	-	55	U-Linear Mid-America, Inc	USA	100	100
CSR PolyPipe, Inc	USA	100	100	Upline Holdings Pty Ltd	Australia	100	100
CSR Readymix (Australia) Pty Ltd ^b	Australia	100	100	Waterford Sands Pty Ltd ^b	Australia	100	100
CSR Readymix (Qld) Pty Ltd	Australia	100	100	West Moreton Industries Pty Ltd ^b	Australia	100	100
CSR SE Asia Pty Ltd	Australia	100	100	Whittlesee No. 1 Pty Ltd ^b	Australia	100	100
CSR SMT Pty Ltd	Australia	100	100	Woodland Ltd	Australia	100	100

a Controlled entity disposed during the year.
 b In voluntary liquidation.
 c Controlled entity liquidated.

A\$ MILLION	CONSOLIDATED		CSR LIMITED		
	2000	1999	2000	1999	
36: Interests in joint venture operations					
Interests in joint venture operations are included in the financial statements in the following categories					
Current assets					
- cash	0.7	1.0	-	-	
- receivables	1.4	1.1	-	-	
- inventories	32.4	31.3	-	-	
- other	0.6	0.6	-	-	
	35.1	34.0	-	-	
Non-current assets					
- receivables	0.3	0.5	-	-	
- inventories	10.1	10.6	-	-	
- property, plant and equipment	445.1	457.1	-	-	
- other	14.3	14.5	-	-	
	469.8	482.7	-	-	
Total assets employed in joint venture operations	504.9	516.7	-	-	
Total liabilities	(43.6)	(47.4)	-	-	
Net assets	461.3	469.3	-	-	
Contracted capital expenditure	3.4	3.2	-	-	
Contingent liabilities	-	-	-	-	
JOINT VENTURE (INTEREST)^a					
	PRINCIPAL ACTIVITIES	SHARE OF PRODUCTION COSTS		NET ASSETS	
		2000	1999	2000	1999
Tomago (36.1%)	aluminium	143.3	147.5	353.4	371.9
Gove (30.0%)	bauxite, alumina	101.6	91.6	107.9	97.4
Total interest in joint venture operations				461.3	469.3

a Joint venture operations are held through controlled entities in which CSR has a 70% interest.

Directors' declaration

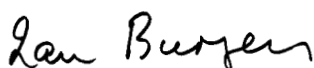
Declaration by directors on the financial statements and notes thereto set out on pages 38 to 65

The directors declare that the financial statements and notes thereto:

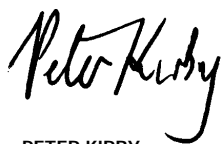
- (a) comply with Accounting Standards;
- (b) give a true and fair view of the financial position and performance of the company and consolidated entity;
- (c) are, in the directors' opinion, in accordance with the Corporations Law.

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Law.



IAN BURGESS
Chairman



PETER KIRBY
Managing Director

15 May 2000

Independent audit report to the members of CSR Limited

Scope

We have audited the financial report of CSR Limited for the financial year ended 31 March 2000 as set out on pages 38 to 66. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

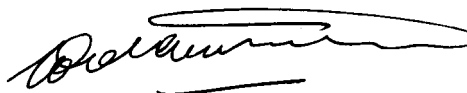
Audit opinion

In our opinion, the financial report of CSR Limited is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 31 March 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



DELOITTE TOUCHE TOHMATSU



HARLEY McHUTCHISON
Partner
Chartered Accountants

15 May 2000

The liability of Deloitte Touche Tohmatsu is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

Share information

AT 15 MAY 2000	MILLION	% OF TOTAL SHARES
20 LARGEST HOLDERS OF ORDINARY FULLY PAID SHARES^a		
Chase Manhattan Nominees Ltd	147.50	14.22
Westpac Custodian Nominees Ltd	120.33	11.60
National Nominees Ltd	91.72	8.84
ANZ Nominees Ltd	46.44	4.48
Citicorp Nominees Pty Ltd	24.42	2.35
AMP Life Ltd	23.32	2.25
Perpetual Nominees Ltd	21.77	2.10
MLC Ltd	20.00	1.93
Perpetual Trustees Nominees Ltd	16.83	1.62
Queensland Investment Corporation	13.62	1.31
AMP Nominees Pty Ltd	11.56	1.11
Perpetual Trustees Nominees Ltd	10.34	1.00
BT Custodial Services Pty Ltd	8.13	0.78
Perpetual Trustees Australia Ltd	7.89	0.76
HSBC Custody Nominees (Australia) Ltd	6.59	0.64
Government Superannuation Office	5.62	0.54
Australian Foundation Investment Co Ltd	5.54	0.53
Westpac Custodian Nominees Ltd	5.50	0.53
CSS Board	5.25	0.51
Perpetual Trustees Australia Ltd	5.25	0.51
Total	597.62	57.61

a Substantial shareholders of CSR Limited:

Maple-Brown Abbott Ltd advised that at 1 September 1998, it and its associates had a relevant interest in 62.52 million shares, which represented 6.06% of CSR's total issued capital.

Delaware International Advisers Ltd advised that at 18 August 1999, it and its associates had a relevant interest in 72.7 million shares, which represented 7.02% of CSR's total issued capital. Delaware International Advisers further advised that at 13 October 1999, it and its associates had increased its relevant interest to 82.98 million shares, which represented 8.0% of CSR's total issued capital.

Perpetual Trustees Australia Ltd advised that at 30 November 1999, it and its associates had a relevant interest in 51.85 million shares, which represented 5.0% of CSR's total issued capital. Perpetual Trustees Australia Ltd further advised that at 7 February 2000, it and its associates had a relevant interest in 62.77 million shares, which represented 6.05% of CSR's total issued capital.

AT 15 MAY 2000	LISTED FULLY PAID SHARES WITH FULL VOTING RIGHTS				UNLISTED PARTLY PAID SHARES WITH NO VOTING RIGHTS ^a			
	SHAREHOLDERS	%	SHARES	%	SHAREHOLDERS	%	SHARES	%
DISTRIBUTION OF SHAREHOLDERS AND SHAREHOLDINGS								
Registered address^b								
Australia	118,617	95.3	1,022,555,942	98.5	131	92.2	917,000	88.2
New Zealand	3,668	2.9	8,856,644	0.9	4	2.8	46,000	4.4
UK	767	0.6	1,867,959	0.2	-	-	-	-
USA	522	0.4	1,871,631	0.2	4	2.8	56,000	5.4
Other	891	0.8	2,027,849	0.2	3	2.2	21,000	2.0
	124,465	100.0	1,037,180,025	100.0	142	100.0	1,040,000	100.0
Class of holder								
Individuals	112,550	90.4	250,795,051	24.2	142	100.0	1,040,000	100.0
Companies	11,915	9.6	786,384,974	75.8	-	-	-	-
	124,465	100.0	1,037,180,025	100.0	142	100.0	1,040,000	100.0
Size of holding								
1 - 99	4,103	3.3	143,362	0.01	-	-	-	-
100 - 1,000	50,639	40.7	24,754,618	2.39	16	11.3	16,000	1.5
1,001 - 5,000	55,933	45.0	134,156,955	12.94	68	47.9	208,000	20.0
5,001 - 10,000	9,320	7.5	64,502,667	6.22	27	19.0	194,000	18.7
10,001 - 100,000	4,257	3.4	81,222,137	7.83	31	21.8	622,000	59.8
100,001 - 1,000,000	156	0.1	42,879,498	4.13	-	-	-	-
1,000,001 - 5,000,000	37	-	91,899,313	8.86	-	-	-	-
5,000,001 and over	20	-	597,621,475	57.62	-	-	-	-
	124,465	100.0	1,037,180,025	100.0	142	100.0	1,040,000	100.0

a Issued under CSR's superseded Executive Share/Option Plan and entitled to one thirtieth of the dividend.

b About 77% of CSR's shares are beneficially held in Australia. This figure is an estimate based on periodic searches for beneficiaries of large nominee holdings.

Information for shareholders

Annual general meeting

10.00 am Monday 24 July 2000
The Auditorium, Level 2, Sydney Convention Centre
Darling Drive, Darling Harbour, Sydney

Shareholders' timetable – 2000

31 MARCH	CSR YEAR END
15 May	Full year profit and final dividend announced
2 June	Shares begin trading ex dividend
8 June	Record date for determining shareholders' entitlement to final dividend payment
23 June	CSR annual report, notice of meeting and proxy form released
6 JULY	FINAL DIVIDEND PAID
22 July	Proxy returns close 10.00 am Sydney
24 July	Annual general meeting, 10.00 am, Sydney Convention Centre
30 SEPTEMBER	CSR HALF YEAR END
20 November	Half year profit and interim dividend announced
24 November	Shares begin trading ex dividend
30 November	Record date for determining shareholders' entitlement to interim dividend payment
18 December	Interim dividend paid Half year results summary released

2001

31 MARCH	CSR YEAR END
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Inquiries about your shareholding

Please contact our share registrar, National Registry Services, if you have a question about your shareholding, dividends, share transfers and monthly holding statements. Updated contact information is on the back cover. The CSR registry telephone number has been changed to (02) 9320 8881.

Shareholders can now access details about their shareholding and standard forms via the Investor Online service on CSR's internet site at www.csr.com.au/invest/share_registrar.html

Inquiries about CSR

Call the Manager Investor Services or visit CSR's internet site – see contact information on back cover.

Stock exchange listings

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

Changed your address?

If you change your address, please promptly notify the share registrar 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.

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 our share registrar or can be downloaded from our internet site.

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 (781) 575 4082.

CSR communications

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

CSR printed communications for shareholders include the *Results Summary*, which reports on the half year to September and is mailed with the interim dividend in December. The *Report of the AGM* is sent to shareholders who request it.

Recent CSR dividends

DATE PAID	TYPE	A CENTS PER SHARE	FRANKING % / RATE IN DOLLAR
July 1998	final	11	33 1/3% / 36 cents
December 1998	interim	11	33 1/3% / 36 cents
July 1999	final	12	33 1/3% / 36 cents
December 1999	interim	11	33 1/3% / 36 cents

The final dividend for the year to 31 March 2000, to be paid 6 July 2000, will be 12 cents per share, one third franked at 34 cents in the dollar.

CSR's major announcements to ASX

CSR immediately informs the Australian Stock Exchange of anything that may affect the company's share price. The stock exchange keeps the market continuously informed.

Announcements are recorded in full on our internet site www.csr.com.au

1999

13 APRIL CSR sells pine plantations and sawmills in South Australia and Victoria to US-based forests company RII Weyerhaeuser World Timberfund for A\$224 million. Please refer to page 19

13 APRIL Update on proposed CSR-Amatek Holdings wood panels transactions.

17 MAY Profit of A\$351 million announced for year to March 1999.

21 JUNE *Annual report 1999* sent to shareholders and lodged.

13 JULY Fire damages the Oberon, New South Wales, timber plant. Damage and production delays covered by insurance.

20 JULY Four Victorian waste landfills sold to Grosvenor Lodge for A\$15 million. Page 13

22 JULY Agreement reached with Amatek on the sale of CSR's Formica laminates business, including a five year purchasing arrangement for particleboard. Page 19

22 JULY Annual general meeting 1999 for shareholders held. Chairman's address and managing director's speech lodged.

3 AUGUST CSR America acquires three concrete pipe and concrete products businesses for US\$28 million, bringing total US acquisitions to more than US\$225 million since March 1998. Page 11

27 AUGUST Final settlement of the agreement with Amatek on purchase of Formica business and five year purchase of particleboard. Page 19

31 AUGUST Sale of CSR's Ipswich, Queensland, hardboard business to Hudson Investment Group. Page 19

1 SEPTEMBER Ian Blackburne joins CSR board. Page 29

22 SEPTEMBER *Report on the annual general meeting 1999* sent to shareholders and lodged.

30 SEPTEMBER Confirmation that key year 2000 computer risks have been addressed.

15 OCTOBER Presentation to Australian financial analysts visiting CSR America in Florida, lodged.

12 NOVEMBER CSR America announces intent to acquire in Florida a Ft Myers quarry and a Palmdale sand mine as part of continued expansion in the US building materials sector. Page 11

15 NOVEMBER Announced interim net profit of A\$224 million for half year to September 1999, up 12%.

26 NOVEMBER Copy of speech titled *Predator or prey?* by CSR's managing director, Peter Kirby, to Trans-Tasman Business Circle, lodged. Speech discusses the role of CSR's businesses in a globalised marketplace.

30 NOVEMBER CSR granted approval to delist from New Zealand Stock Exchange on 1 April 2000.

17 DECEMBER *Results Summary* for the half year to September sent to shareholders and lodged.

2000

10 FEBRUARY CSR America buys pre-cast concrete product manufacturers in Indiana and Texas, strengthening its presence in central and central west USA. Page 11

16 FEBRUARY Oberon pine sawmilling joint venture formed with Boral.

18 FEBRUARY CSR sells the Brisbane River site of the closed New Farm sugar refinery for residential development to Mirvac for around A\$30 million. Page 18

21 FEBRUARY Major remaining timber businesses sold for around A\$420 million: A\$330 million sale of CSR's medium density fibreboard and particleboard businesses and Oberon, NSW, sawmill to New Zealand forestry products company Carter Holt Harvey; the Tumut, NSW, and Caboolture, Queensland, sawmills and our 70% interest in Pine Solutions Australia to Weyerhaeuser; and the Narangba, Queensland, timber treatment plant to Prime Pine. Page 19

16 MARCH CSR enters into non binding heads of agreement for Billiton Aluminium Australia to offer to acquire CSR's interest in the Gove alumina and bauxite venture. Page 19

22 MARCH Ipswich, Queensland, door panels plant sold to Hume Masterpanel. Page 19

24 MARCH CSR signs memorandum of understanding to sell Ord raw sugar mill, Kununurra, Western Australia, to the Cheil Jedang Corporation of South Korea. Page 18

17 APRIL Stronger than expected trading conditions expected to lift operating profit by 15% and profit after tax will be more than 30% for the year to March 2000. Pages 2 and 4

17 APRIL Offers received to date for Tomago aluminium smelter do not justify sale. Page 19

15 MAY CSR announces a profit of A\$472 million for the year to March 2000 and a buy back of up to 10% of CSR ordinary shares over the next 12 months. Pages 2 and 4



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PHOTO: CSR America's new dry process cement mill in Miami, Florida, replaces an obsolete, higher cost, wet process plant. All of the new mill's increased output will be used within CSR America.

