FINANCIAL REVIEW

DEMERGER AND PRO FORMA COMPARISONS

Rinker demerged from CSR Limited following an order of the Federal Court made on 28 March 2003. Prior to the demerger, a number of businesses were transferred between Rinker and CSR during the year ended 31 March 2003. Accordingly, unaudited pro forma financial information was prepared for the year ended 31 March 2003. Rinker directors believe this unaudited pro forma financial information is more meaningful for readers to use when comparing financial information with the year ended 31 March 2004.

PROFITABILITY

US$ MILLIONS	TRADING REVENUE		PROFIT BEFORE TAX	
YEAR END 31 MARCH	**2004**	2003	**2004**	2003
Rinker Materials	**2,868**	2,383	**391.8**	333.6
Readymix	**839**	573	**110.1**	67.8
Corporate costs	**–**	–	**(9.2)**	(7.6)
	3,706	2,956	**492.7**	393.8
Finance	**–**	–	**(47.2)**	(59.0)
Group total	**3,706**	2,956	**445.5**	334.8
A$ MILLIONS				
Rinker Materials	**4,139**	4,218	**568.0**	592.0
Readymix	**1,201**	1,014	**158.3**	119.5
Corporate costs	**–**	–	**(13.0)**	(13.4)
	5,339	5,232	**713.3**	698.1
Finance	**–**	–	**(68.8)**	(104.3)
Group total	**5,339**	5,232	**644.5**	593.8

REPORTING CURRENCY

The directors believe that the best measure of performance for Rinker Materials in the US and Readymix in Australia is their respective local currencies, since each subsidiary generates all revenue and incurs all costs in that local currency.

The business activity in Australia is generating adequate cash flow and franking credits to service the current level of Australian dollar dividends. As a result, the only impact of US$/A$ foreign exchange movements is one of accounting translation – for financial reporting purposes.

Rinker Materials' earnings in US$ represent nearly 80% of the total Rinker group result. Consequently, the directors believe US$ reporting represents the best measure of Rinker's overall performance. As a result, the group has obtained relief from the Australian Securities and Investment Commission, to enable us to present information in US dollars as well as Australian dollars.

FINANCIAL PERFORMANCE

Trading revenue for the year ended 31 March 2004 increased 25% to US$3,706 million or A$5,339 million (up 2%). Earnings before interest and tax rose 25.1% to US$492.7 million or 2.2% to A$713.3 million. Net profit after tax increased 37.0% in US$ and 11.8% in A$.

Rinker Materials' result benefited from the inclusion of 12 months trading results from Kiewit, following its acquisition in September 2002. This added US$55.1 million or A$81.1 million earnings before interest and tax. Other non allocated items during the year included a writedown of US$10.5 million in the value of the prestress business.

Reported A$ earnings from Rinker Materials were adversely impacted by the strengthening Australian currency. Conversely, reported US$ earnings from Readymix were favourably impacted by this. The average A$/US$ exchange rate was 69.8 cents compared to 56.5 cents in the previous year.

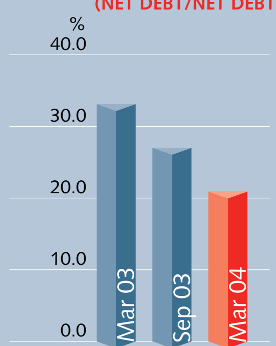
Earnings per share increased 37% to 31.3 US cents or 12% to 45.2 Australian cents.

CASHFLOW

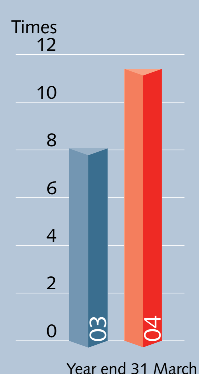
Cash from operating activities rose 28.4% to US$660.6 million or 3.8% to A$947.0 million during the year.

Total purchases of property plant and equipment were US$224.4 million or A$340.2 million and operating capital expenditure – included within purchases of property, plant and equipment – was US$166.4 million or A$257.5 million.

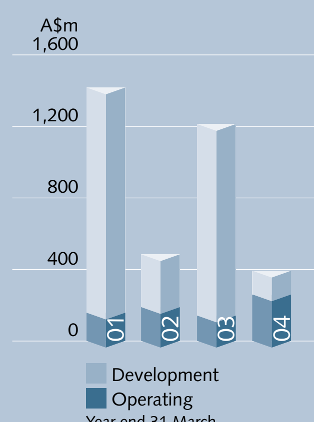
FINANCIAL POSITION (NET DEBT/NET DEBT+EQUITY)



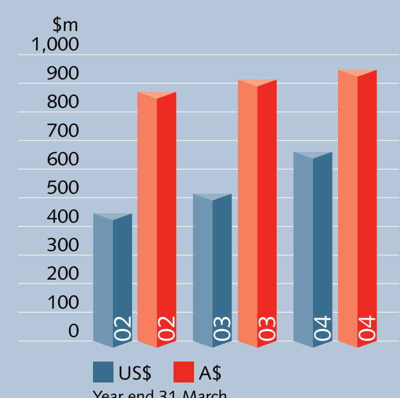
INTEREST COVER



CAPITAL EXPENDITURE



CASH FROM OPERATING ACTIVITIES



Rinker is a strong cash generator. Free cash flow (defined as net cash from operating activities less operating capital expenditures and interest paid) increased 15% to US$441 million or A$614 million, down 10%. This represents the cash available for investment in growth (acquisitions and greenfields expansion), dividends and share buybacks.

Cash was also used to fund dividends of US$85.6 million or A$122.8 million, as well as purchases of businesses (US$36.0 million or A$49.2 million) and greenfield expansions (US$58.0 million or A$82.7 million).

BALANCE SHEET

Gearing – net debt to net debt plus equity – fell from 33.5% to 20.9%, reflecting the group's strong cash flow, and smaller scale of acquisition activity during the year. EBIT interest cover rose from 8.0 times to 11.5 times in US dollars and 8.1 times to 11.4 times in Australian dollars.

Net debt was reduced by US$347.6 million or A$783.7 million. Total debt fell US$283.4 million to US$929.8 million. Almost all debt (98%) is denominated in US$. In Australian dollars, total debt fell A$788.7 million to A$1,231.2 million. Net debt is net of cash of US$328.5 million or A$435.1 million, most of which is denominated in Australian dollars.

Rinker's long term credit ratings were BBB+ from Standard and Poor's, A3 from Moody's Investors Services, and A – from Fitch.

SHARES AND DIVIDENDS

The strength of Rinker's balance sheet has allowed the group to both pursue acquisitions and to announce a share buyback. The Rinker board has approved the buy back of up to 10% of Rinker ordinary shares over 12 months. The buyback will be subject to larger value-creating acquisitions that may arise. No buyback activity occurred prior to the announcement of the annual results on 25 May 2004.

The total dividend for the year was 14 Australian cents per ordinary share. The final dividend was increased 14% to eight cents. All dividends were 100% franked.

In the United States, Rinker's shares began trading on the New York Stock Exchange in the form of American Depositary Receipts, or ADRs, in October 2003. Each ADR represents ten Rinker ordinary shares.

FINANCIAL RISK MANAGEMENT

Rinker has a program to manage risks associated with interest rate movements. During the year just ended, the proportion of the Rinker group's gross interest rate exposure subject to fixed interest rates averaged 93 percent.

Rinker does not engage in any foreign exchange transactions and therefore has no requirement, within the foreseeable future, to hedge foreign exchange movements.

The board has approved principles and policies to manage financial risks that provide the basis for Rinker's financial risk management policy.

INTERNATIONAL ACCOUNTING STANDARDS

The Financial Reporting Council in Australia has indicated that International Accounting Standards (IAS) will be introduced in Australia from 1 January 2005. Rinker's first year of reporting under IAS will be the year ended 31 March 2006, when the group's accounting policies will be required to comply with IAS. Rinker is currently reviewing the impact of IAS on its reported financial performance and position.

CASH FLOW

MILLIONS OF DOLLARS YEAR END 31 MARCH	**US$ 2004**	US$ 2003	US$ 2002	US$ 2001	**A$ 2004**	A$ 2003	A$ 2002	A$ 2001
Operating profit before finance and tax	**492.7**	393.8	330.2	305.8	**713.3**	698.1	645.7	553.3
Depreciation and amortisation	**234.2**	210.6	180.9	166.3	**336.9**	372.0	353.8	303.9
Net income tax paid	**(117.7)**	(99.6)	(75.9)	(68.6)	**(155.3)**	(172.8)	(146.9)	(125.9)
Change in working capital	**(18.0)**	21.9	–	4.2	**(42.8)**	31.2	(0.5)	27.0
Loss (profit) on asset sales	**10.1**	(20.8)	(6.3)	(11.8)	**13.8**	(37.0)	(12.4)	(22.1)
Interest received	**10.7**	0.6	0.8	2.1	**15.0**	1.2	1.4	3.8
Other	**48.6**	7.8	15.7	(12.1)	**66.1**	20.0	27.3	(21.9)
Net Cash flow from operations	**660.6**	514.3	445.4	385.9	**947.0**	912.7	868.4	718.0
Operating capital expenditure	**(166.4)**	(79.3)	(95.9)	(86.1)	**(257.5)**	(140.0)	(187.0)	(156.0)
Interest paid	**(53.0)**	(51.0)	(56.2)	(73.8)	**(75.0)**	(89.6)	(111.8)	(135.2)
Free Cash Flow	**441.2**	384.0	293.3	226.0	**614.5**	683.1	569.6	426.8