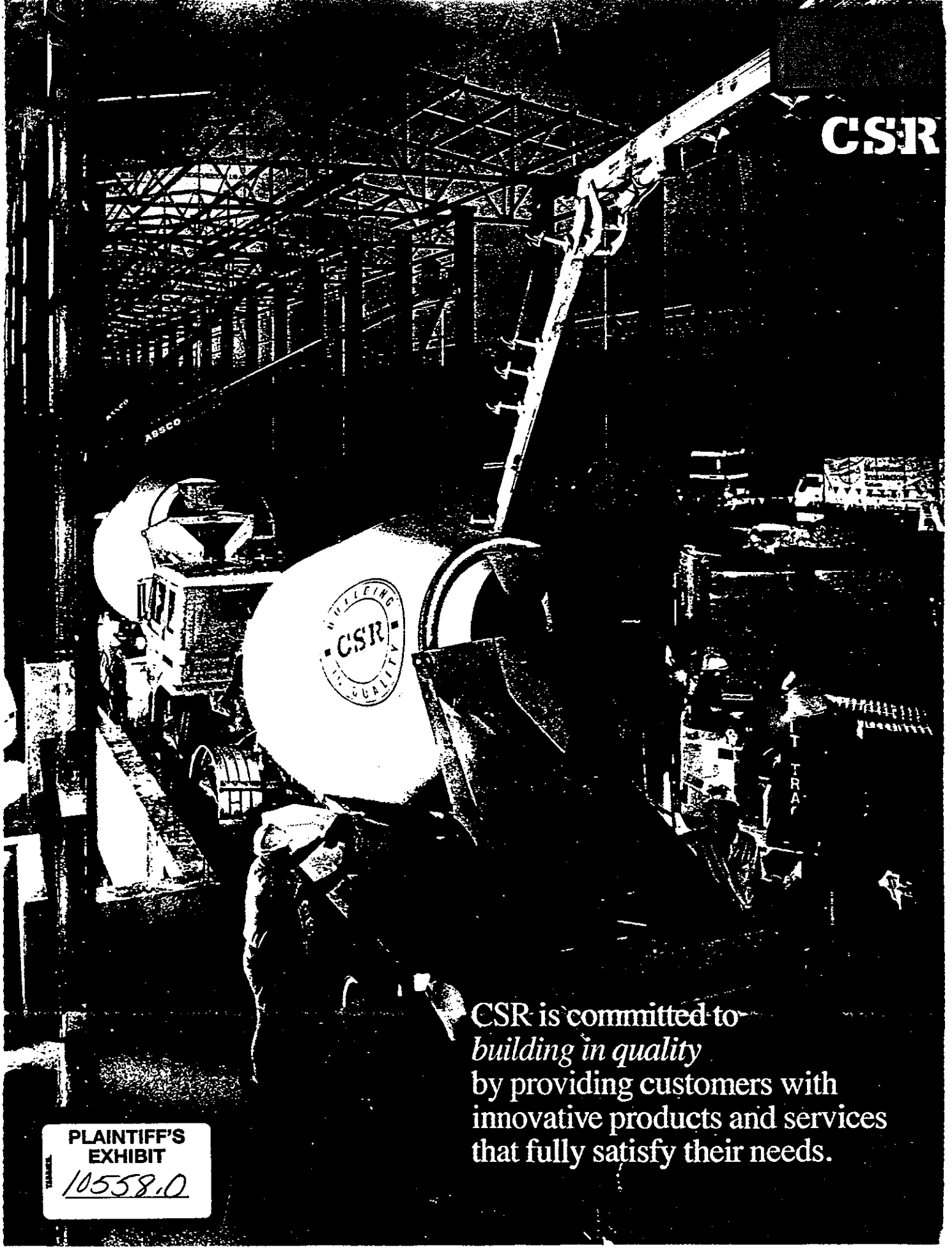

CSR is committed to
building in quality
by providing customers with
innovative products and services
that fully satisfy their needs.

PLAINTIFF'S
EXHIBIT
10558.0

CSR Limited

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Australia

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About the cover

Many CSR products are being used in the construction of Tomago aluminium smelter's (24.5% CSR) third potline. They include pre-mix concrete and asphalt from The Readymix Group; pre-cast concrete panels from CSR Humes; rockwool and glasswool insulation from Bradford Insulation Group; and clay ventilation blocks from PGH Ltd (51% CSR). As well, the aggregate and cement for the concrete are supplied by CSR associated companies.

Construction of the A$700 million potline at Tomago, near Newcastle in New South Wales, is expected to be completed by mid-1993.

CSR Limited

ACN 000 001 276

The year in brief ...
what CSR did in the year

Financial summary ...
key numbers and ratios

The state of the business ...
CSR a strong company in a difficult year

Overview ...
the businesses – and their outlook

CSR is building in quality ...
how we are improving our performance

Building and construction materials ...
recession-reduced markets, major changes in how we do things

Construction materials USA ...
recession-reduced markets, productivity improvements, costs reduced

Timber products ...
weak markets – major reorganisation should return businesses to profitability

Sugar ...
a reduced crop and low world prices

Aluminium ...
low world prices, cost-effective expansion increasing competitiveness

Finance ...
a closer look at the figures

CSR in the community ...
protecting the environment and other initiatives

People ...
commitment to continuous quality improvement

Directors ...
the CSR Board – widely experienced

Organisation and management ...
the senior people and how CSR is organised

Additional statutory information ...
statutory requirements not covered elsewhere

Eleven-year performance ...
financial trends

Financial statements ...
consolidated accounts

Share information ...
shares issued and shareholder distribution

Investor information ... **inside back**
services to shareholders

Financial calendar

1992		1993	
7 July	Shares begin trading ex dividend	13 January	Interim dividend Half-yearly results summary mailed
15 July	Books close for final dividend	28 February	Conversion date fo A$4 convertible no
27 July	Annual general meeting	31 March	Year end. Interest paid on A$4 convertible no
5 August	Final dividend paid		
30 September	Half year end. Interest paid on A$4 convertible notes		
23 November	Half-yearly profit and interim dividend announced		
8 December	Shares begin trading ex dividend		
11 December	Last day for conversion of option bonds		
16 December	Books close for interim dividend		

Annual general meeting

Monday 27 July 1992 at 10.30 am
Grand ballroom
Sheraton-Wentworth Hotel
61 Phillip Street
Sydney

A notice of meeting and a proxy form included with this report to shareholc

What we are

CSR was founded in Sydney in 1855 as a sugar refining company and began manufacturing building materials in 1936. CSR was incorporated as a public company in 1887 and has since paid a dividend every year.

CSR is now one of the world's largest building and construction materials companies, with operations in Australia, North America, New Zealand and Asia.

CSR is also Australia's largest producer of raw and refined sugar and has high quality investments in alumina and aluminium production.

CSR's trading revenue was AS4.2 billion. Total assets are AS5.9 billion of which over a third are outside Australia, mostly in the United States. CSR employs 19 100 people worldwide at 730 locations.

Where we are going

CSR is clearly focused on the manufacture and marketing of building and construction materials and sugar.

We will continue to develop building and construction materials businesses in Australia and overseas, and sugar businesses in Australia. These are businesses we know and understand, and where our management skills can add value and sustain growth in returns to shareholders over the longer term.

Our businesses have strong market shares. That position will be maintained by being innovative and by differentiating our brands from those of competitors through quality products, superior customer service and the initiative of our people.

In building and construction materials we will maintain diversity of product and industry segment, and geographic spread of end markets.

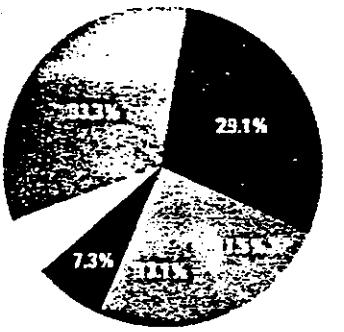
CSR's organisation centres on business units and encourages sound management of each business. The company has a simple, no-nonsense management style that encourages and rewards employees who provide superior customer service and achieve increased value for shareholders.

We will maintain high standards of corporate governance, ethics and conduct.

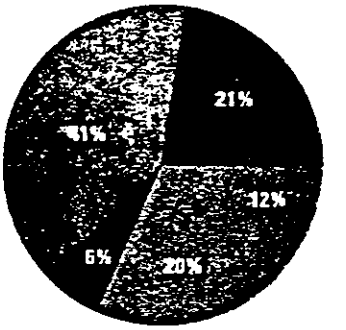
CSR is responsive to the attitudes and expectations of the communities in which it operates and places strong emphasis on achieving a sustainable balance between development and protection of the environment.

CSR is focused on building and construction materials and sugar

Assets AS5.9 billion



Revenue AS4.2 billion



- Building and construction materials
- Construction materials USA
- Timber products
- Sugar
- Aluminium
- Unallocated

The year in brief

Building and construction activity fell 10% in Australia and 12% CSR's United States markets.

World sugar prices fell 20% and the sugarcane crop in CSR's m areas was 18% less than last season.

World aluminium prices were 23% lower.

Operating profit before abnormal items and income tax of A$315.4 million was down 42%.

Net profit after tax and before abnormal items was A$175.3 million, down 46%.

A comprehensive review of the value of CSR's non-current asse resulted in a A$372 million reduction in shareholders' funds.

Revaluation of land and buildings increased reserves by A$186 million while the write down of other non-current assets caused an abnormal loss of A$558 million.

A$558 million was transferred from the share premium reserve t retained profits to offset the abnormal loss.

The recommended final dividend is reduced from 16 cents to 10 cents a share, fully franked, bringing the full year dividend tc 20 cents a share, fully franked, compared with 32 cents the prev year. The final dividend will be paid on 5 August.

CSR strengthened its competitive position by reducing costs and improving productivity, product quality and customer service.

Capital investment totalled A$442 million, enhancing CSR's building and construction materials businesses in Australia and t United States, and expanding production capacity of alumina, aluminium and raw sugar.

CSR remains financially strong:

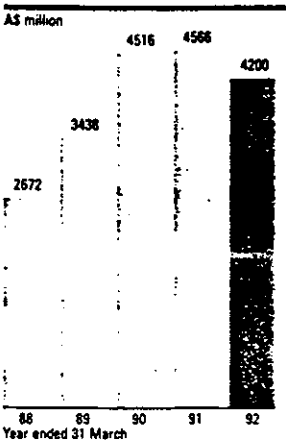
- gearing was 30.8%
- cash flow from operating activities was A$474 million
- interest was covered 3.5 times by earnings before interest and

Financial summary

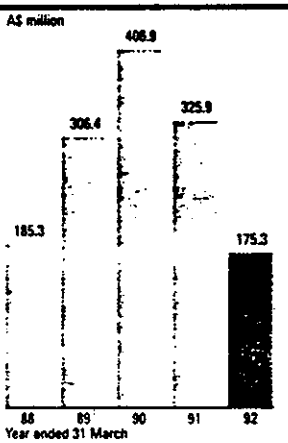
CSR

Year ended 31 March (A$ million unless indicated)	1992	1991	% change
Total revenue	**4299.9**	4979.5	–14
Trading revenue	**4199.9**	4566.5	–8
Operating profit before interest, foreign exchange and income tax	**423.2**	671.3	–37
Net interest expense	**107.0**	123.7	–14
Net foreign exchange loss	**0.8**	–	–
Income tax expense	**127.6**	190.2	–33
Outside equity interests in net profit before abnormal items and after tax	**12.5**	31.5	–60
Net profit before abnormal items	**175.3**	325.9	–46
Abnormal items net of tax and outside equity interests	**(560.6)**	(2.4)	–
Operating (loss) profit after abnormal items	**(385.3)**	323.5	–
Earnings per share on issue before abnormal items at 31 March (cents)	**21.5**	41.9	–49
Earnings per share on issue at 31 March (cents)	**(47.2)**	41.6	–
Dividend per share (cents)	**20**	32	–38
Return on shareholders' funds before abnormal items at 31 March (%)	**6.7**	11.6	–
Return on shareholders' funds at 31 March (%)	**(14.8)**	11.6	–
Paid up capital at 31 March	**817.1**	777.8	5
CSR shareholders' funds at 31 March	**2610.6**	2797.8	–7
Non-current creditors and borrowings at 31 March	**1297.5**	1219.2	6
Cash flow from operating activities	**473.6**	559.6	–15
Gearing at 31 March (%)	**30.8**	27.9	–
Total assets at 31 March	**5929.4**	6220.2	–5
Capital investment	**441.5**	452.7	–2
Divestments	**59.9**	340.8	–82
Net tangible assets per share at 31 March (A$)	**3.01**	3.11	–3
Net assets per share at 31 March (A$)	**3.20**	3.60	–11

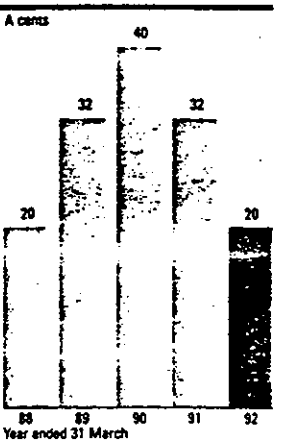
Trading revenue



Net profit
before abnormal and extraordinary items



Dividend
per share



Management action is being taken to enable us to cope better with continued depressed markets. CSR remains financially strong.

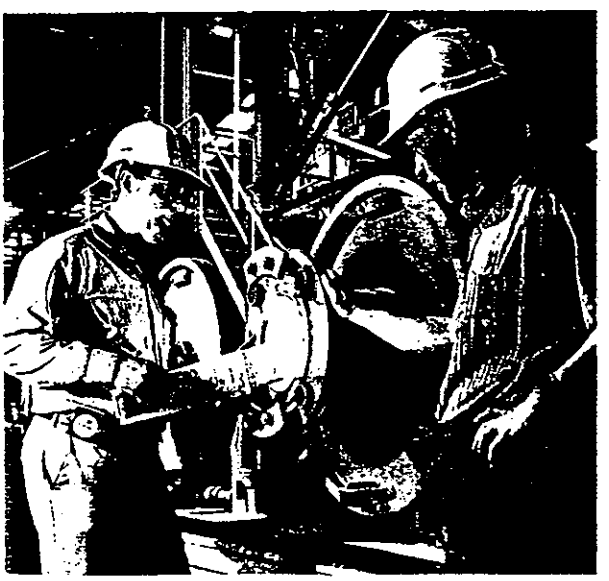
Last year was another struggle. Markets for all our products deteriorated for the second successive year.

- Building and construction activity fell 10% in Australia and 12% in CSR's United States markets. In the previous year the falls were 10% and 15%.
- Sugar prices fell 20% and the sugar crop 18%, compared with falls of 20% and 11% in the previous year.
- Aluminium prices fell 23% following a 6% fall the previous year.

The net profit after tax and before abnormal items of A$175.3 million was a little less than half that achieved two years ago when all our markets were booming. This outcome disappointed us all. But in the economic climate with which we had to contend, it represented a good effort by all our people.

The operating after tax loss applicable to CSR shareholders (after inclusion of abnormal items) was A$385.3 million.

We based our planning for last year on the assumption that, as the year progressed, we would see the start of a normal recovery from a typically cyclical recession. Initially, we concentrated on cost containment and cash conservation. As the year went on we became aware that there were new and deep-seated reasons for the step-change down in economic activity and some fundamental changes in the outlook for our markets.



CSR people are working to achieve continuous improvements in the v we do things. As a major technological innovation, a team at CSR Hu designed and developed a new dry-spun concrete pipe plant at Lave in Victoria. The new-generation pipe plant produces small diameter reinforced concrete pipes at double the rate of conventional equipme Foreman Aldo Caposiena and Plant Manager Ken McRae are among CSR people responsible for maintaining a high level of productivity fr this advanced equipment.

We came to the view that the best we could expect was much slower growth in economic activity in Australia and the United States, countries in which most of our operations are located. In addition to c containment, a far more fundamental approach to increasing efficiency and effectiveness was needed

In times of reduced demand and intense competiti the company's products will not be bought simply because they exist. Our goal must be to achieve th status of preferred supplier. Intensive efforts are u way to differentiate CSR from its competitors by product innovation, as well as by quality, value an service so that the company becomes and remains preferred supplier.

In these circumstances, the achieving of continuous improvement has become a deeply ingrained way of d things. We adopted a broad approach to quality improvement, including benchmarking and concentration on satisfying customer needs.

Benchmarking, which includes detailed comparisc of what we are doing with what is achieved by the best businesses in the world, highlighted areas wh we could improve.

Systems are being established to make sure that everyone, at all levels in the company, is oriented the continuous improvement of processes, product and service to meet customer needs and reduce co

It is sad to report that the workforce was reduced b nearly 880. But the interests of the company and ti majority of employees, who now number over 19 were best served by that reduction.

The worth of our assets had to be reassessed. Our assessment of the level of future economic activity and CSR's rationalisation of operations, including closing uneconomic plants, required a review of the value of our assets.

All our non-current assets were reviewed resulting a write up in the value of land and buildings of A$188 million and a write down of A$696 millior other assets. Those assets considered to be over-valued were written down. With the exceptic land and buildings, assets assessed as under-value (and there were many) were not revalued upwards This followed the strict application of accounting standards and reflected our wish to be conservativ the face of low growth prospects.

In addition, we reviewed all provisions to ensure they were adequate to meet future liabilities.

The write down and the review of provisions put us in the position of having a strong and conservative balance sheet – a good position to be in given our view of future economic activity.

Now to comment on the performance of our businesses in the year just ended: Our building and construction materials markets in Australia and the United States experienced falling demand and prices that did not keep up with inflation. Margins and profits in all businesses fell and, in some cases, fell a long way.

We had large problems with the two timber businesses, CSR Softwoods and CSR Wood Panels. The recession and its effects, together with competition from imports, made clear the unpalatable fact that these were 'fair weather' businesses. A great deal has now been done to convert them to 'all weather' businesses. We are confident of major improvement this year.

Rinker Materials was another problem business. The recession in Florida has been very deep. But we have greatly lowered costs without compromising the strengths of the business. When the economy of Florida improves, and we expect this later this year, the recovery in profits should be significant.

> 'We are starting this year in good shape and with clear purpose.'

CSR took advantage of the recession to acquire a number of good quality assets offering immediate and high returns. These included a brick plant in New South Wales, an asphalt business in Sydney, and two quarrying and concrete businesses in Las Vegas.

Much work has been done to assess the opportunities for us in building materials in Pacific Basin markets.

Our insulation business in Malaysia is being expanded and strengthened and we are evaluating other opportunities to manufacture building materials in Asia.

An export marketing group has been formed to coordinate and expand CSR's exports of Australian building materials, particularly to Asia. Exports of building materials to the region increased by 80% to AS22 million last year and are expected to increase by a further 80% to around AS40 million this year.

Drought and flood badly affected the company's raw sugar business and world sugar prices were lower.

Our refined sugar operations were also affected by the distortions arising from partial deregulation of the Australian sugar industry and our resultant lower market share. Major rationalisation included closing the Adelaide refinery and will be continued by the closure of the large Sydney refinery later this year. These actions will lower costs and improve competitiveness.

Aluminium prices fell to very low levels, substantially reducing profits from our investments. The expansion of the Tomago aluminium smelter, in which CSR has a 24.5% beneficial interest, went ahead and should be completed within budget and on schedule. The smelter will be one of the largest and most competitive in the world, and substantial gains should come from its counter-cyclical expansion.

We are starting this year in good shape and with clear purpose:

- the financial position of the company remains strong, with gearing at a prudent level of less than 35%
- management effort is focused on actions needed to improve efficiency and effectiveness
- our people are being trained to strengthen the company by continuous emphasis on improvement and rapidly increasing responsiveness to customer requirements
- well-developed plans to improve all manufacturing and marketing operations are being acted on by all our operating groups
- a high priority is being given to the development of export markets for building materials
- management of occupational health, safety, the environment and trade practices is much more systematic.

We will benefit greatly from the inevitable recovery in the Australian and United States economies and in commodity prices. We will do moderately well in the interim.



Ian Burgess Managing Director

Main operating groups	Main products	Resources
Building and construction materials The Readymix Group CSR Gyprock Bradford Insulation CSR Hebel Australia (92.4% CSR) Monier Roofing (51% CSR) PGH (51% CSR) Australian Cement Holdings (50% CSR)	Aggregates, sand, pre-mixed concrete, asphalt, concrete pipes and other reinforced concrete products, plasterboard, insulation, lightweight concrete blocks and panels, roof tiles, bricks, pavers, clay pipes, cement	Total assets A$1976 million 7987 employees 467 plants and qu 1.3 billion tonnes hard rock, sand a gravel reserves
Construction materials USA Rinker Materials American Aggregates Hydro Conduit Associated Sand & Gravel WMK Transit Mix	Aggregates, sand, cement, pre-mixed concrete, asphalt, concrete pipes, pre-stressed concrete beams, concrete blocks	Total assets A$1725 million 4613 employees 218 plants and qu 1.8 billion tonnes limestone, hard rc sand and gravel reserves
Timber products CSR Softwoods CSR Wood Panels	Sawn softwood, preserved timber, wood based panels, decorative and industrial high pressure laminates, moulded door panels, furniture components	Total assets A$684 million 3794 employees 32 plants 200 square kilome of radiata pine plantations
Sugar Sugar Mills Refined Sugars Raw Sugar Marketing New Zealand Sugar CSR Distilleries CSR Shipping	Raw sugar, refined sugar, providing marketing and related services to the Queensland Sugar Corporation, ethanol, shipping	Total assets A$777 million 2563 employees 15 plants 2 ships
Aluminium Gove Aluminium (70% CSR) Gove Aluminium Finance (70% CSR)	Bauxite, alumina, aluminium	Total assets A$432 million 18 CSR employee 1800 joint venture employees 2 plants 159 million tonne bauxite reserves

Significant events	Results*	Outlook
Building and construction activity in Australia fell 10%. Most prices and margins were lower. All businesses continued to increase efficiency, lower costs and improve customer service. Factories were closed, overheads lowered and operating hours reduced. Employee numbers were reduced by 770. Capital investment at A$135 million was the lowest for five years.	Sales A$1696 million, down 3% Profit A$107.6 million, down 26% Return on assets 5.4%; last year 6.7%	Demand should increase modestly this year. Small recovery expected in home building, steady civil construction and reduced commercial building. Cost reductions and productivity improvements should increase profits.
Construction activity fell 12% in CSR's markets. Many prices and margins were lower. The slowdown has been most severe in Florida where sales volumes for most products fell about 20%. Capital investment totalled A$119 million. All businesses improved productivity.	Sales A$886 million, down 6% Profit A$4.4 million, down 88% Return on assets 0.3%; last year 2%	Demand should improve this year. Construction expected to recover in the second half of this year. The longer-term outlook remains favourable.
The market for wood panels in Australia fell about 10%. The market for sawn timber was flat. Margins were lower. Action to develop CSR's three largest sawmills into internationally competitive operations is well advanced. Productivity was improved by increasing sawn timber production and reducing costs.	Sales A$522 million, up 11% Loss A$16.6 million, last year's loss A$5.5 million Return on assets –2.4%; last year –0.7%	Demand expected to increase modestly this year. Product rationalisation and cost reductions should return the businesses to profitability this year.
Poor weather reduced sugarcane production in CSR's mill areas by 18%. World raw sugar prices fell 20%. Sugar refining capacity is being rationalised. Sugar refineries are achieving quality accreditation.	Sales A$854 million, down 22% Profit A$55 million, down 36% Return on assets 7.1%; last year 10.2%	World sugar prices are expected to remain around current levels this year. A cyclical recovery in prices is likely in the medium term. Milling returns should benefit from a larger crop.
World aluminium prices fell 23% and stocks rose to record levels. Expansion of Gove alumina refinery was completed. Expansion of Tomago aluminium smelter is on schedule and within budget.	Sales A$240 million, down 21% Profit A$4.8 million, down 86% Return on assets 1.1%; last year 9.7%	World aluminium prices are not expected to increase in the short term but the longer-term outlook remains favourable.

* ... means profit or loss after tax and before abnormal items. This is consistent with CSR's previous annual reports.

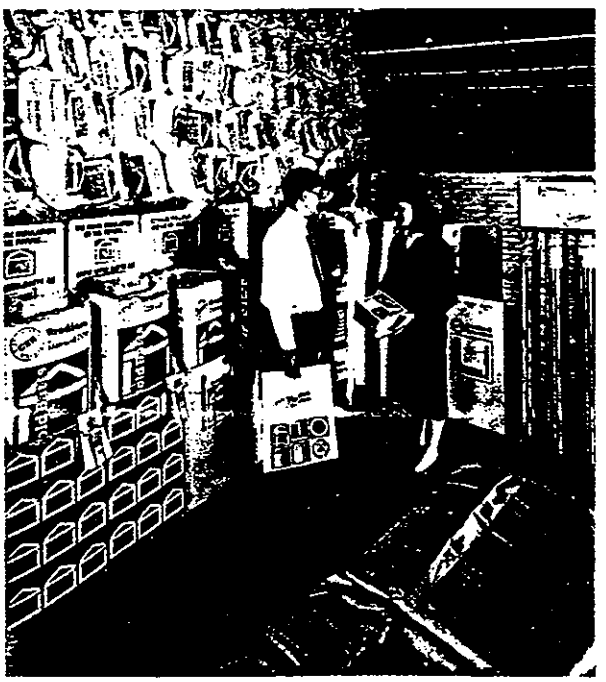
CSR is increasing its focus on customers and making continuous improvement in all aspects of its processes, products and services.

The process of improving CSR, with its many work sites in a number of industries and wide geographic spread, is complex and time-consuming. Much has been achieved in the last few years, as shown in the diagrams on page 9. Profits would have been much lower last year had it not been for these and other productivity improvements and cost reductions.

The continuing recession in CSR's markets emphasised the need to intensify efforts last year to strengthen the company's businesses.

In addition, growth in CSR's markets is expected to improve only gradually over the next few years, compared with the strong growth of the 1970s and 1980s. Given this outlook, the company is adopting new and more focused management approaches to improving competitiveness and profitability.

CSR's goal is to be a quality Australian company dedicated to the continuous improvement of customer satisfaction through the total involvement of CSR's people. To achieve this, the company needs to focus on providing its customers with innovative goods and services that anticipate and fully satisfy their needs.



Changing the way CSR does business is being achieved in a planned and coordinated way. The senior management of all CSR's businesses are committed to the new way of doing things. Key aspects are:

- teamwork – small teams with authority and responsibility for improving their businesses
- training and development – CSR's people are being trained so that they can improve their businesses. This is being achieved in an integrated way with training in teams to meet the immediate and future needs of the company
- support for people – by delegating responsibility to better trained and better equipped people. CSR is increasingly harnessing the creativity and innovation of its employees

> '. . . the company is adopting new and more focused management approaches to improving competitiveness and profitability.'

- placing even greater emphasis on improving CSR's approach to customer service – CSR's people are learning to anticipate customers' needs rather than just satisfying them. And, increasingly, are giving customers the consistent quality needed, by reducing variability and improving reliability
- improving processes, products and services – all CSR's businesses are committed to continuous quality improvement using such processes as quality accreditation and international benchmarking, both of which are now widely applied in the company.

CSR's improvement programs yielded cost savings of about A$41 million last year, reducing the fall in profit resulting from lower sales volumes and prices. A similar reduction in costs is planned this year. These savings will result from much more focused management, greater productivity and rationalised production capacity.

CSR's commitment to *building in quality* to provide continuous improvement of products and services builds on an already solid base of strong concern for customer needs. In 1991 Bradford Insulation won three of the BBC Hardware Group's four top supplier-of-the-year awards, including best national supplier. The Mitre 10 retail chain recognised Bradford with a number of awards as a leading supplier.

As an example, the closure of two insulation plants in Sydney and Melbourne and their replacement by a glasswool plant in Sydney, which uses the latest technology, has enabled Bradford Insulation to reduce costs and supply the entire east coast of Australia, and export markets as well.

The application of new technology is contributing to CSR's competitiveness. CSR Gyprock introduced new Controlled Density technology to make a better, lighter plasterboard which is easier to handle, reducing production and distribution costs.

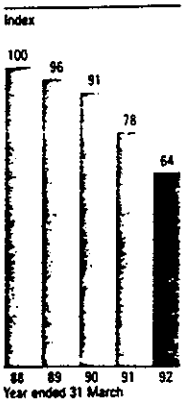
CSR Softwoods adopted strategies to become internationally competitive by increasing throughput and introducing computer-based control systems at its three large sawmills. Significant reductions in unit costs and improvements in product quality have been achieved.

The expansion of Tomago aluminium smelter's production capacity, based on reduced energy prices, will produce economies of scale when completed by mid-1993.

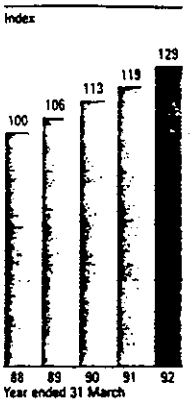
In the United States, new concrete and asphalt mixes in CSR's pre-mixed concrete, concrete pipe and asphalt operations reduced costs while satisfying customer needs.

CSR's Australian refined sugar production facilities are being rationalised to reduce unit costs. The Adelaide refinery was closed and the Sydney refinery will be closed later this year. The Melbourne and Brisbane refineries are being upgraded and delivery systems improved.

Fuel consumption per thousand bricks produced
PGH, Golden Grove, SA.



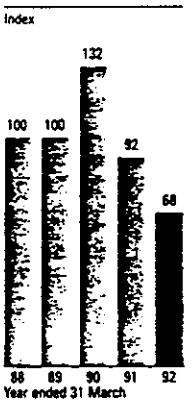
Tonnes of rockwool produced per employee
Bradford Insulation.



Roof tiles produced per shift hour
Monier Roofing, Canberra.



Days of raw material stocks
CSR Gyprock.

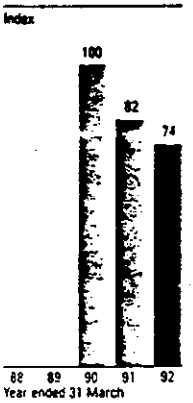


Production cost* per square metre of dressed timber
CSR Softwoods, Lakeside Mill, SA.



*Real costs.

Production cost* per tonne of aggregate
American Aggregates.



*Real costs

Corporate overhead costs*
Rinker Materials, Florida.



*Real costs.

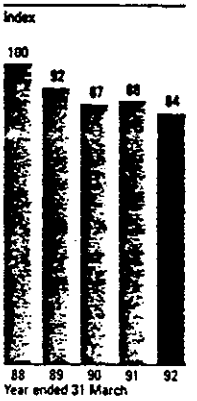
Tonnes of raw sugar processed per employee
New Zealand Sugar, Auckland.



Number of employees in CSR sugar mills
Queensland.



Production cost* per tonne of aluminium
Tomago aluminium smelter, NSW.



*Real costs.

Construction materials

CSR aims to be the preferred supplier of building and construction materials in Australia.

Strategies

Continuously improve business processes, product quality and customer service.

Broaden product range, particularly of high-value-added products.

Improve competitiveness through add-on acquisitions.

Net profit before abnormal items fell 26% to A$107.6 million. Revenue was 3% lower. Returns from all businesses fell.

Australian building and construction expenditure dropped 10%. Commercial building fell 20%, mainly because of reduced office and hotel construction. Civil construction was only marginally lower, being sustained by expenditure on road and highway building, and growth in the mining and energy sector. Housing expenditure fell 6% although housing starts rose 5%.

Demand was strongest in Queensland for most of CSR's range of building and construction materials, but was weak in all other states, particularly Victoria and South Australia.

All businesses increased competitiveness by tightly controlling costs, reducing overheads, improving customer service and enhancing employees' skills.

The businesses are making fundamental changes in the way they do things, giving full commitment to continuous quality improvement. Benchmarking is being used to establish goals for improvement. Quality processes are being standardised for accreditation under Australian Standard AS 3902 to lock in improvements.

CSR invested A$134.5 million in expanding and improving existing businesses. Divestments yielded A$24 million.

Profits from quarrying and concrete operations were lower. Reduced demand, particularly from the commercial building sector, affected revenue and margins. Pre-mixed concrete sales were particularly affected. Despite intense price competition, especially in Victoria, The Readymix Group maintained its market share.

The group's share of the relatively strong Queensland market increased with the acquisition of a pre-mixed concrete business and a bitumen road surfacing business. Quarries were upgraded. Elsewhere, the group rationalised production capacity, and closed quarries and pre-mixed concrete and concrete products plants, mostly in Victoria and South Australia.

The Readymix Group improved customer service and truck fleet efficiency by introducing computer-based distribution control. Employee numbers were reduced by 375 (9%) reflecting lower sales volumes. Working capital, overheads and overtime were also reduced.

In Western Australia, CSR finished a large contract to supply ballast rock to the North-West Shelf Gas Project ahead of schedule. The group won a five-year contract to develop and operate a new iron ore mine.

In New South Wales, the group developed a package, combining the supply of a number of CSR products, to meet the contractor's needs for the construction of the F5 Tollroad in Sydney.

A large asphalt business, being acquired, will double CSR's presence in the Sydney asphalt market.

The CSR Humes concrete products business opened a new, low-cost, pipe plant in Victoria. A licensing agreement to provide concrete pipe technology to Indonesia was negotiated.

Dividends from Australian Cement Holdings (50% CSR) decreased 62% to A$6.5 million. Revenue fell marginally. Reduced sales in Victoria were only partly offset by increased sales in South Australia.

The expansion of Goliath Cement's production capacity by 60%, to nearly 1 million tonnes a year, is progressing well. The Tasmanian factory will be one of the lowest cost cement plants



CSR's Gyprock Fyrchek™, Gyprock Aquachek™ and Gyprock™ plasterboard were used extensively throughout the new 5-star ANA Hotel in Sydney. The products have been incorporated in an innovative, highly sound-resistant wall structure system developed by CSR, using the Rondo (50% CSR) wall and ceiling system. Render Set Pty Ltd, one of CSR Gyprock's largest customers, installed the plasterboard.

in Australia when completed in January 1993.

Closing the small Traralgon cement plant rationalised production facilities in Victoria. Work practices were restructured at the plant at Geelong in Victoria, a cement kiln was closed and total employee numbers were reduced by 221 (19%).

Competitiveness is being improved with the construction of additional cement terminals in Sydney, Newcastle and Adelaide. A 15 000 tonne capacity ship, being built, is scheduled to begin transporting bulk cement from Tasmania to mainland terminals in January 1993.

Sales of CSR Hebel's (92.4% CSR) autoclaved aerated concrete blocks and panels more than trebled, reflecting the first full year's operation. Exports to Asia increased. The business incurred a loss, but is expected to be profitable this year as sales increase.

CSR's North American plasterboard accessories businesses improved profitability. Revenue increased strongly in Canada as the housing industry recovered. The US business enjoyed higher sales despite a depressed Californian market.

> "All businesses increased competitiveness by tightly controlling costs . . . improving customer service and enhancing employees' skills."

Profits from plasterboard operations were lower and sales declined. Plasterboard quality continued to be improved. Controlled Density technology was introduced at all CSR Gyprock's factories as a major innovation to improve product quality, handling and performance. Reduced board weight is cutting distribution and production costs.

Other marketing initiatives included the release of a number of new products including SUPA-CEIL™ lightweight plasterboard. The increase in manufacturing costs was kept below the inflation rate.

Recycling waste and reject plasterboard at the Sydney plant reduced costs.

CSR Gyprock opened a plasterboard research centre in Sydney.

A third plasterboard manufacturer started production in Australia in February 1992, adding to the industry's substantial excess production capacity. CSR's market share is expected to decline this year.

Monier Roofing's (51% CSR) profits were lower. Sales of concrete and clay roof tiles fell, reflecting the depressed housing market. Margins were maintained for concrete roof tiles but were lower for clay tiles.

Marketing efforts were intensified. A range of flat concrete roof tiles was successfully relaunched as the Monier Country Shingles Collection.

The company continued to reduce costs in line with falling demand.

Concrete tile plants were upgraded in New South Wales and Victoria.

Monier acquired a concrete tile business in New Zealand and a roof truss business in Western Australia.

PGH Clay Bricks and Pavers (51% CSR) made a smaller profit. In Australia, sales volumes were unchanged but intense price competition eroded margins. Profits from the New Zealand brick and tile businesses fell because of a sharp decline in house building.

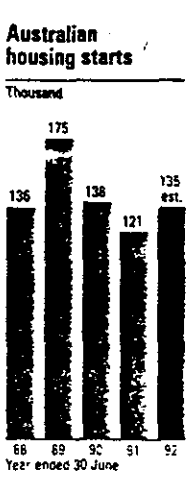
Productivity improved at most plants. Acquisition of the Bathurst Brick operations in October 1991 enhanced PGH's competitive position. A brick plant was closed in New South Wales. Exports to Asia and the Pacific region increased.

Insulation profits were marginally lower. Sales of all products were affected by reduced demand in industrial and commercial markets. Bradford Insulation maintained market shares even though competition was intense. Revenue and margins fell.

Overheads were reduced and factory costs and efficiency improved. The new Sydney glasswool plant reduced costs. Employee numbers were reduced by 212 (17%). Exports to Asia and the Pacific rose.

The Malaysian rockwool business (70% CSR) increased sales and profits. A glasswool factory, being transferred from Sydney, is planned to begin production in late 1992.

CSR's small Canadian rockwool insulation business incurred another loss and was closed in February 1992.





*In constan: 1984/85 prices.



*In constant 1984/85 prices.

Outlook

The Australian economy is expected to emerge slowly from recession this year, leading to a modest increase in house building.

A recovery in commercial building is not expected until excess office space and hotel accommodation are absorbed over the next two or three years.

Civil construction should continue to grow modestly, underpinned by increased expenditure on infrastructure.

Senior management

Brent Baker, BSc, age 53. General Manager CSR Gyprock Group since 1987. Joined CSR 1980 having worked in the USA and Spain. Has had senior management experience in CSR in marketing building materials. Was previously General Manager Bradford Insulation Group.

Peter Bowen, BEng, PhD, age 47. General Manager PGH Ltd (51% CSR) since 1991. Joined CSR 1962. Has had senior management experience in sugar refining and sugar milling. Was previously General Manager Refined Sugars Group.

Alec Brennan, BSc, MSc (Admin), age 45. General Manager The Readymix Group since 1988. Joined CSR 1969. Has had senior management experience in raw sugar marketing, sugar refining, aluminium and insulation. Was previously General Manager Bradford Insulation Group.

Peter Cummins, BEng, age 52. General Manager Bradford Insulation Group since May 1992. Joined CSR Group 1988. Has had senior management experience in building materials and construction in Australia, USA and Asia. Was previously General Manager CSR Hebei Australia Pty Ltd (92.4% CSR).

Geoff Squires, BEc, MBA, age 43. General Manager Monier Roofing Ltd (51% CSR) since 1991. Joined Monier Ltd (which became 51% CSR in 1989) in 1970. Has had senior management experience in roof tiles in Australia. Was previously General Manager Monier Roofing Division.

Performance

Year ended 31 March (A$ million unless indicated)	1992	1991	1990	1989	1988	1987
Trading revenue	**1696**	1753	1878	1247	954	646
Operating profit before abnormal items, interest, foreign exchange and tax	**242.0**	293.5	360.1	244.6	156.9	101.0
Gross margin (%)	**14.2**	16.7	19.2	19.6	16.4	15.6
Net profit before abnormal items	**107.6**	144.9	165.8	139.8	77.6	49.8
Shareholders' funds at 31 March	**847**	931	890	800	604	243
Return on shareholders' funds (%)	**12.7**	15.6	18.6	17.5	12.8	20.5
Funds employed at 31 March	**1608**	1759	1825	1537	817	424
Total assets at 31 March	**1976**	2159	2261	1884	995	528
Return on assets (%)	**5.4**	6.7	7.3	7.4	7.8	9.4
Capital investment	**134.5**	224.6	458.1	672.9	403.8	87.4
Depreciation	**88.6**	86.2	77.6	46.4	32.8	29.4

Business profile

Year ended 31 March	1992	1991
Sales by end market (A$ million)		
Housing	**734**	749
Civil construction	**468**	517
Commercial building	**401**	448
Other	**93**	39
	1696	1753
Plants at 31 March		
Quarries and sand[a,b]	**125**	131
Pre-mixed concrete[b]	**223**	232
Concrete products[c]	**31**	31
Cement[d]	**3**	4
Asphalt	**24**	22
Plasterboard and accessories	**9**	9
Autoclaved aerated concrete[e]	**1**	1
Bricks, pavers and clay pipes[f]	**15**	14
Roof tiles[f]	**20**	20
Roofing timber[f]	**7**	5
Insulation[g]	**8**	9
	467	473
Reserves proved and probable at 31 March (Mt)		
Hard rock	**1137**	1165
Sand	**59**	64
Sand and gravel	**78**	69
Gypsum[d]	**300**	300
Dividends received (A$ million)		
Australian Cement Holdings Pty Ltd[d]	**6.5**	17.0
Other	**4.0**	7.4
	10.5	24.4
Employees at 31 March	**7987**	8757

CSR Group trademarks include Beadex, Bradford Batts, Brickmakers, Gyprock, Humes, Monier, PGH, Readymix, Synko and Zacuba. A comprehensive list of trademarks is included in the *CSR Facts Book*.

a Includes Penrith Lakes Development Corp (40% CSR) sand and gravel deposit in Sydney.
b Excludes mobile plants not in use.
c Includes three concrete block factories (50% CSR).
d 50% CSR.
e 92.4% CSR.
f 51% CSR.
g Includes a factory in Malaysia (70% CSR).

Mt million tonnes.

CSR aims to be the preferred supplier of construction materials in its USA markets.

Strategies

Improve all aspects of the business including processes, product mixes and services.

Acquire high-yielding add-on businesses.

Divest surplus assets.

Net profit before abnormal items fell 88% to A$4.4 million. Revenue was 6% lower. The United States recession had a major impact on all CSR America's businesses. Rinker Materials and WMK Transit Mix incurred losses, Associated Sand & Gravel increased profits and American Aggregates and Hydro Conduit made smaller profits.

Total US residential building was down 12%: the number of housing starts being the lowest for over two decades. Commercial (non-residential) building fell 11% and civil (non-building) construction fell 4%.

Construction activity in CSR's market areas fell 12%. Florida and the north-east USA were particularly affected as the construction industry remained depressed. Markets in the mid-west declined marginally.

Productivity improvements continued to be achieved by all businesses. Employee numbers were again reduced. A benchmarking program for setting targets, based on best practices, was begun in November 1991. The program is expected to yield major benefits this year. To reinforce this, a continuous quality improvement management program began in March 1992.

CSR America invested A$119.4 million in expanding and improving existing businesses. Divestment of surplus land and non-strategic assets yielded A$19.5 million.

Rinker Materials incurred a loss. The amount spent on construction in Florida fell a further 13% to about two thirds the level of two years ago. Apart from the relatively buoyant civil construction sector, the value of other construction fell by about 20%. Housing starts dropped 25% and expenditure on commercial buildings was 14% lower. Expenditure on the civil construction sector, particularly highways and bridges, rose 43% as a result of increased state funding.

Rinker Materials' revenue fell because of reduced sales volumes and lower prices. Sales of pre-mixed concrete, concrete blocks and cement fell. Sales of quarry products improved slightly because of marketing initiatives, the closure of a competitor's quarry and increased road building. Despite the very difficult trading conditions, market shares were maintained and, in some areas, increased.

Margins were lower for all products except cement, the price for which benefited from dumping duties imposed on cement imported from Mexico and Venezuela.

Market coverage was improved. Rinker constructed a pre-mixed concrete plant and an outlet for concrete blocks and other building materials in Naples in south-west Florida. Naples has been one of the ten fastest growing regions of the United States.

Markets in Georgia and South Carolina were weaker. Again, employee numbers and overheads were reduced.

Rinker achieved further cost reductions. The program of plant automation and computerisation, which CSR began shortly after acquiring Rinker, was completed. Employee numbers were reduced by 147 (8%).



Mobile crushing and screening plants installed at two American Aggregates' quarries have improved cost-effectiveness in the Columbus and Dayton markets.

American Aggregates' revenue and profit fell. Sales volumes were lower in all markets. Intense price competition affected margins, particularly in the Columbus market.

Expenditure on commercial building dropped 22% in American Aggregates' market areas and the number of housing starts fell 12%. But the company benefited from increased highway and bridge construction in Indiana and Ohio, where it has strong market shares.

Associated Sand & Gravel strengthened its competitive position in the residential concrete market by acquiring a pre-mixed concrete plant near Everett. The company increased production capacity of its pre-mixed concrete plants in that city.

Additional sand and gravel reserves were secured and quarrying permits are being obtained. The two concrete pipe plants, in Washington and Oregon, were upgraded to expand their product range.

> ‘Productivity improvements continued to be achieved by all businesses.’

Mild winter weather also helped maintain demand for American Aggregates' construction materials.

A limestone quarry, acquired in Ohio, will enable American Aggegates to supply the northern Columbus region very competitively. A state-of-the-art mobile crushing plant was installed at the Marble Cliff limestone quarry near Columbus, reducing production costs and increasing productivity by 25%.

Divestments, including surplus land, totalled A$16 million. More land is planned to be sold this year.

Productivity and efficiency improvements continued, with employee numbers being reduced by 13%. Average plant productivity increased by 14%, following a 16% increase the previous year. More productivity gains are expected this year as plant and equipment are upgraded and operational practices are improved.

Associated Sand & Gravel achieved record revenue and profits. The Washington state economy continued to perform better than the rest of the United States. Record sales of quarry products and pre-mixed concrete were helped by mild winter weather. Also, asphalt and concrete pipe sales benefited from the Boeing Company's expansion in Everett, Washington.

WMK Transit Mix incurred a loss. A 30% fall in tourist-related construction in Las Vegas, Nevada, and Bullhead City, Arizona, affected revenue and margins. Residential construction also fell.

But demand for construction materials improved in the second half of the year. Las Vegas is now one of the fastest growing cities in the United States. Construction activity is increasing and is expected to recover this year to the peak level of 1989.

WMK's competitive position in the Las Vegas market was strengthened and its production capacity doubled with the acquisition, in November 1991, of two quarrying and concrete businesses. The acquisitions make WMK the equal largest pre-mixed concrete and quarry products supplier in Las Vegas, servicing about one third the market.

WMK's operations now extend over the whole of Las Vegas, enabling the company to meet the requirements of the hotel and casino construction industry. Economies of scale are being achieved, reducing costs of concrete and transport. Quarry reserves have been expanded from nine to 12 years. New computerised concrete despatch systems improved productivity.

Hydro Conduit's revenue and profit were affected by reduced construction in most markets. Total US demand for concrete pipes fell for the third successive year and margins and sales volumes were lower.

Market shares were maintained in all regions. Markets in the south-west experienced moderate growth. East coast and southern California markets were weak. Severe price competition occurred in Houston, Texas and in Florida.

The production rationalisation and reorganisation that was begun when CSR acquired Hydro Conduit was completed. Two pipe plants were sold and two were closed. The plant in Indianapolis is being upgraded to meet strong local demand.
A pre-stressed concrete products plant was built in Colorado.

Hydro Conduit continued to upgrade concrete technology at all plants.

Outlook

Total US construction activity is forecast to rise 5% in 1992 as the economic recovery gathers pace in the second half of the year. Residential building is expected to increase 16% and civil construction 6%. But commercial building will probably fall a further 6%.

Total construction activity in Florida is forecast to improve by 10% in 1992. Housing starts are expected to increase by 9% and commercial building by 16%. Civil construction is predicted to increase by 9% as a result of improved funding from a state petrol tax.

Mid-west markets are expected to remain at last year's levels. Markets in Washington state should continue to be strong and Nevada is recovering strongly. Demand for construction materials in the mid-Atlantic states and southern California will probably remain weak.

In the longer term, demand for construction materials will benefit from an underlying need for large expenditure on infrastructure.

Senior management

David Clarke, Dip Eng, age 48. Chief Executive Officer CSR America Inc since May 1992. Joined CSR Group 1966. Has had senior management experience in quarrying and concrete in the UK, South-East Asia and Australia. Previously President Rinker Materials Corporation.

Michael Donohoe, BEng, age 44. President Associated Sand & Gravel Co Inc since 1990. Joined CSR 1983. Has had senior management experience in concrete, asphalt and quarrying. Was previously Manager Sydney Quarries Division of The Readymix Group.

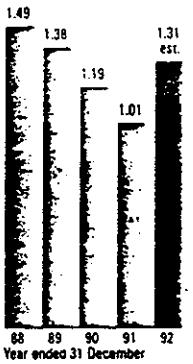
Neil Hallagan, BSc (Eng), age 43. President WMK Transit Mix since 1990. Joined CSR Group 1987. Has had senior management experience in asphalt, quarrying and concrete in Australia. Was previously Northern Territory Division Manager of The Readymix Group.

Geoff Harris, age 44. President American Aggregates Corporation since 1990. Joined CSR Group 1965. Has had senior management experience in quarrying and concrete in Australia and South Africa. Was previously President Southern Aggregates.

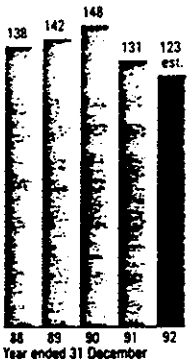
Peter James, Dip Ed, age 45. President Hydro Conduit Corporation since 1990. Joined CSR Group 1969. Has had senior management experience in quarrying and concrete in New South Wales and Queensland. Was previously Queensland Regional Manager of The Readymix Group.

William Snyder, BS (Bus Mngt), MBA, age 56. President Rinker Materials Corporation since May 1992. Joined CSR Group March 1992. Has had senior management experience in marketing ceramic tiles and building materials. Was previously President American Olean Tile Company.

US housing starts

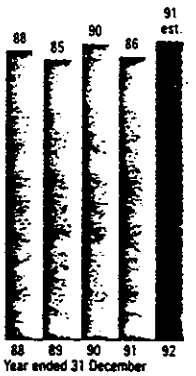


US commercial building*



*In constant 1987 prices.

US civil construction*



*In constant 1987 prices.

Performance

Year ended 31 March (A$ million unless indicated)	1992	1991	1990	1989	1988	1987
Trading revenue	886	947	621	459	54	6
Operating profit before abnormal items, interest, foreign exchange and tax	66.3	111.2	54.2	59.2	2.3	–
Gross margin (%)	7.5	11.7	8.7	12.9	4.3	–
Net profit before abnormal items	4.4	35.5	26.7	26.6	2.1	–
Shareholders' funds at 31 March	894	961	923	388	95	20
Return on shareholders' funds (%)	0.5	3.7	2.9	6.9	2.2	–
Funds employed at 31 March	1469	1518	1561	653	117	38
Total assets at 31 March	1725	1739	1818	757	126	41
Return on assets (%)	0.3	2.0	1.5	3.5	1.7	–
Capital investment	119.4	99.9	877.9	684.8	81.8	36.4
Depreciation	74.5	60.8	36.4	26.3	5.1	2.0

Business profile

Year ended 31 March	1992	1991
Sales by end market (A$ million)		
Civil construction	327	367
Housing	281	323
Commercial building	261	243
Other	17	14
	886	947
Plants at 31 March		
Quarries and sand	63	61
Pre-mixed concrete	82	78
Concrete blocks	21	21
Concrete pipes	35	37
Pre-stressed concrete products	5	4
Pre-cast concrete	1	–
Cement	1	1
Asphalt	7	8
Asphalt recycling	1	1
Slag	2	2
	218	213
Reserves proved and probable at 31 March (Mt)		
Limestone/hard rock	1222	1119
Sand and gravel	555	484
Sand	31	32
Employees at 31 March	4613	4704

Mt million tonnes.

CSR aims to be a low cost, internationally competitive timber products producer.

Strategies

Reduce costs and increase productivity at all operations.

Focus product range on customer needs.

Improve distribution effectiveness and product quality.

Persuade governments to reduce log royalties to international levels.

Timber products made a net loss before abnormal items of A$16.6 million. The previous year's loss was A$5.5 million. Revenue increased 11%, mainly because of increased sales volume of sawn timber, sales of new products and growth in exports.

Demand for wood panels and sawn timber remained weak, reflecting the impact of the prolonged recession in Australia on the housing, furniture, kitchen and commercial building markets.

The poorer than expected profit result was due to intense price competition, particularly for sawn timber, in the weak market.

Both timber businesses have a clear objective: to become internationally competitive and to improve quality to meet customer needs better. Strong remedial action is being taken to improve profitability.

CSR Wood Panels is reducing costs in its traditional high volume operations while simplifying and improving the new value-adding activities.

CSR Softwoods is becoming a low-cost, internationally competitive sawmiller. Emphasis is being placed on full utilisation of mill capacity and continuous improvement in production efficiency and customer service.

returned to profitability in the second half of the year.

Formica New Zealand's operations remained profitable and increased market share, despite reduced demand.

The fall in demand in key market sectors resulted in generally lower product volumes with the exception of FIBRON™ medium density fibreboard. The decline in the commercial building sector was offset by increased sales to the housing and furniture/kitchen sectors as a result of the expansion of CSR's distribution network and the successful introduction of new products.

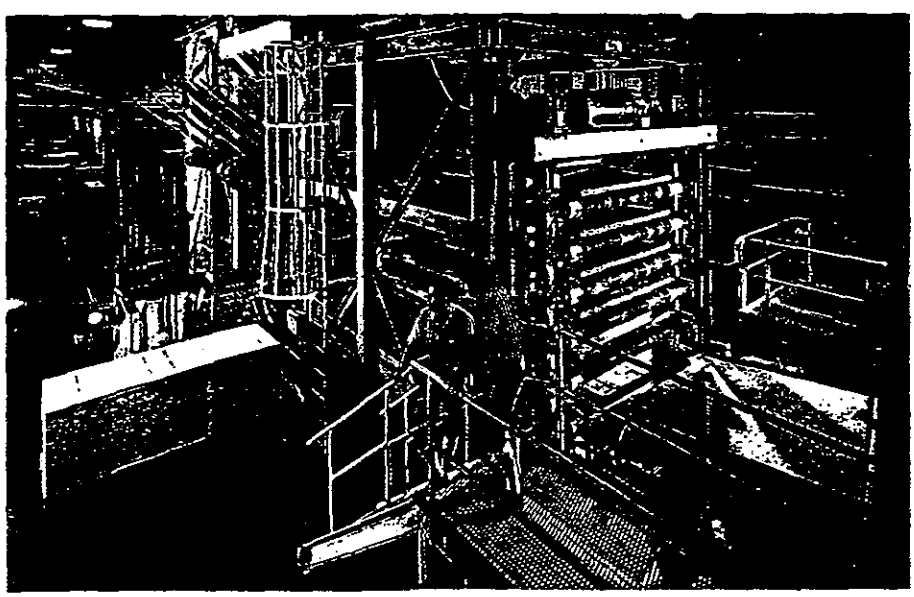
‘Both timber businesses have a clear objective: to become internationally competitive and to improve quality to meet customer needs better.’

CSR Wood Panels' loss was marginally larger than in the previous year. The market for wood panels in Australia fell about 10%. But CSR Wood Panels' revenue increased because of the introduction of new products and growth in exports. Prices and margins fell and Australian operations made a loss. The business

CSR Wood Panels began manufacturing thin FIBRON™ medium density fibreboard in Oberon, New South Wales; the first plant of its kind in Australia. Sales to local and export markets are increasing.

Sales of moulded door panels from the new plant in Ipswich, Queensland, increased displacing imports and establishing a significant export market.

The closing of a particleboard and laminating factory in Victoria and the allocation of its production to more efficient plants reduced costs. Overheads were lowered and marketing and distribution savings achieved.



CSR Wood Panels' new range of moulded door panels is replacing imports. A contract has been won for substantial exports to the United States. Shift Foreman Drew Elsley with Planning Engineer Dennis Biggs at the high density fibreboard door panels forming machine at the company's factory at Ipswich in Queensland.

CSR Softwoods incurred a larger loss. Radiata pine plantations in South Australia and Victoria remained profitable. Sawmilling operations incurred a greater loss.

Previously the high level of imports of sawn softwood had resulted in significant underutilisation of CSR's sawmills. This caused a cycle of higher unit costs leading to further loss of market share to imports which in turn resulted in even higher unit costs.

The group is now fully utilising its production facilities and log reserves. Considerable progress has been made towards becoming internationally competitive.

Sales volumes rose by more than 40%. CSR increased its share of the softwood market from 12% to 18%. Unit costs fell by 13%. Prices fell by about 20% although they have started to recover in the last few months. Further cost reductions are planned for the current year.

An additional sawmill near Tumut was acquired. Its log supply is now processed at CSR's existing Tumut sawmill. This has helped provide the volume necessary to drive down costs to internationally competitive levels.

Exports of pine chips from Queensland to Japan began under a contract to supply about 4 million tonnes over 15 years. CSR won its first contract to export structural softwood to Japan.

An advanced-technology plant for preservative treating pine timber was built in Tumut. The plant, which adds value to CSR's sawn timber products, is the lowest cost plant of its kind in Australia. Sales of preservative-treated pine products increased strongly.

Computer controlled high temperature drying kilns were installed at two mills.

The group reinforced its commitment to customer service and continuous improvement.

Benchmarking reduced costs. Actions taken included the installation of comprehensive production control systems at the three major mills and improved inventory and distribution control systems.

Outlook

CSR's timber products businesses should benefit from the modest recovery in house building anticipated this year.

As consumer confidence returns, sales should improve to furniture and kitchen manufacturers, which have been severely affected by the recession.

Improvements in productivity, production efficiency, quality and customer service will continue to increase competitiveness.

Senior management

Henry Pens. BEng. age 57. General Manager CSR Softwoods since 1989. Joined CSR 1966. Has had senior management experience in wood panels. Was previously Group Operations Manager CSR Softwoods.

John Purdie-Smith. ACA, BCom, MA (Mkt), age 42. General Manager CSR Wood Panels since May 1991. Joined CSR 1980. Has had senior management experience in insulation, coal, quarrying and concrete. Was previously New South Wales Regional Manager of The Readymix Group.

Performance

Year ended 31 March (A$ million unless indicated)	1992	1991	1990	1989	1988	1987
Trading revenue	522	472	538	493	229	132
Operating profit before abnormal items, interest, foreign exchange and tax	10.2	33.9	86.9	95.5	24.1	16.2
Gross margin (%)	2.0	7.2	16.2	19.4	10.5	12.3
Net profit before abnormal items	(16.6)	(5.5)	37.1	47.8	10.5	10.8
Shareholders' funds at 31 March	367	449	375	343	356	60
Return on shareholders' funds (%)	(4.5)	(1.2)	9.9	13.9	2.9	18.0
Funds employed at 31 March	598	703	626	501	467	98
Total assets at 31 March	684	779	730	596	537	111
Return on assets (%)	(2.4)	(0.7)	5.1	8.0	2.0	9.7
Capital investment	32.1	58.6	125.3	94.4	327.7	25.3
Depreciation	29.1	27.4	21.9	20.8	8.0	8.2

Business profile

Year ended 31 March	1992	1991
Sales by end market (A$ million)		
Housing	310	266
Commercial building	102	118
Furniture/kitchens	74	61
Other	36	27
	522	472
Plants at 31 March		
Particleboard	5	6
Medium density fibreboard	3	1
Fibreboard	3	3
Furniture components/specialty products	4	4
High pressure laminates	2	2
Sawmills	6	6
Plywood	2	2
Pine preservative/treatment	5	5
Timber remanufacturing	2	2
	32	31
Radiata pine plantations at 31 March (km^2)	200	200
Employees at 31 March	3794	3513

CSR Group trademarks include Cane-ite, Fibron, Fineline, Glamapyne, Masonite, Pyneboard, Structaflor and Weathertex. The Formica trademark is used under licence in Australia, New Zealand, Fiji, Papua New Guinea and some other South Pacific island countries. The Laminex trademark is used under licence in New Zealand, Papua New Guinea and Fiji. A comprehensive list of trademarks is included in the *CSR Facts Book*.

km^2 square kilometres.

Sugar

CSR aims to be the lowest cost and most efficient sugar producer in the world.

Strategies

Improve productivity of milling and refining operations.

Improve customer service in refined sugar and ethanol markets.

Continue to seek further deregulation of the Queensland sugar industry.

Net profit before abnormal items fell 36% to A$55 million. Revenue was 22% lower. Milling and Australian refining profits fell. Profits from New Zealand refining, and Australian distilling and shipping operations increased.

Sugar milling operations were affected by a poor crop and lower world sugar prices. Revenue and profit fell. Despite a 17% expansion in the area under sugarcane in CSR's mill areas, flood and drought reduced sugarcane production by 18%. As a result, production costs per tonne of sugarcane rose 5%. Raw sugar production from CSR's eight mills in Queensland fell 15%.

The New York spot price for raw sugar averaged 8.87 US cents a pound, down 2.2 cents on the previous year. World sugar supplies exceeded demand for the second successive year and stocks rose. Prices strengthened marginally in April/May 1992 and the New York spot price averaged 9.57 cents a pound.

CSR reduced maintenance and operating costs at its mills. Further cost savings have been identified. To service the continuing increase in cane-growing lands in the Burdekin and Herbert river regions, A$12 million was spent as part of a A$36 million expansion of capacity at CSR's sugar mills.

Invicta Mill crushed sugarcane on a seven-day-a-week basis. The poor crops made it unnecessary to introduce continuous crushing at other CSR mills. Hambledon Mill was closed in October 1991, after losing cane land to urban development over many years.

Refined sugar sales and profits fell as demand was affected by competition and the recession. CSR's share of Australian sugar sales fell slightly. This followed the continued pricing advantage enjoyed by the New South Wales sugar industry which is not subject to the same government controls as in Queensland. A lower tariff from July 1991 marginally improved CSR's competitive position. Refining costs were reduced although margins were lower.

Production capacity at CSR's sugar refineries in Melbourne and Brisbane is being increased. This is to enable them to operate at near optimum capacity and service east coast markets at lower cost. The company's Sydney refinery will be closed later this year.

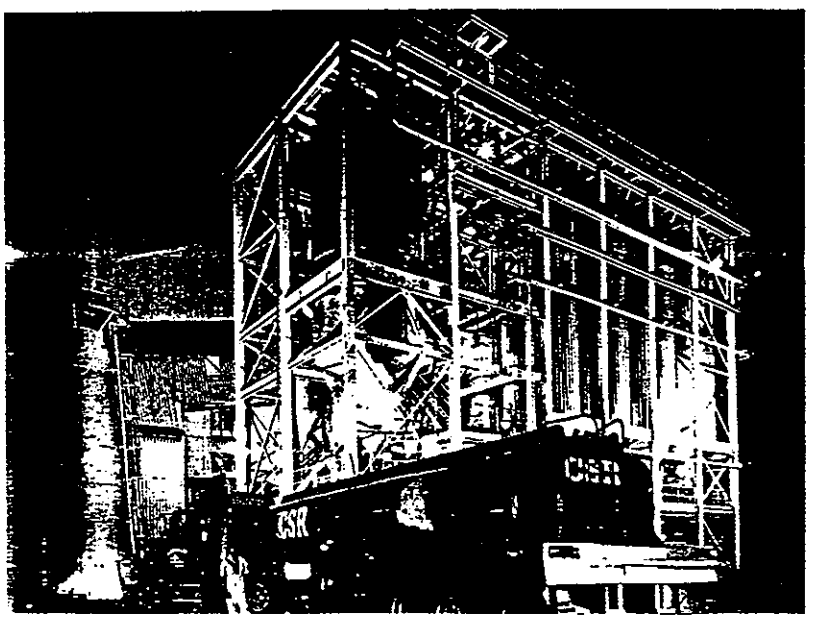
> ‘CSR supports the key recommendations of the Industry Commission inquiry concerning deregulation of sugarcane production, and tariffs.’

A factory trial of a new process, developed by CSR's sugar technologists, to produce refined sugar at raw sugar mills was conducted at CSR's Kalamia Mill in northern Queensland in March and April 1992. Evaluation of the process is continuing.

The New Zealand Sugar Company's profits and margins were higher. Domestic sales rose a little and the company achieved record export sales.

CSR has commenced discussions with Bennett & Fisher in an endeavour to reach a commercial settlement of CSR's claim for losses suffered in connection with CSR's purchase of Anchor Foods in 1987.

The report of the Commonwealth Government's Industry Commission inquiry into the Australian sugar industry recommended total deregulation of the industry over the period to 1997. CSR supports the key recommendations of the Industry Commission inquiry concerning deregulation of sugarcane production, and tariffs.



The new A$8 million carbon decolourisation plant at Yarraville Sugar Refinery in Melbourne economically produces liquid sugar for bulk delivery to brewers and food manufacturers.

Profits from distilling operations rose, mainly because of tight cost control. Revenue was similar to the previous year. Sales of ethanol in Australia were marginally lower because of depressed trading conditions and increased imports.

Competition from two new distilleries in Australia was less than anticipated because of their delayed production start.

CSR's shipping business operated profitably. Operational cost savings were achieved. Freight rates to customers were lowered following a reduction in crew numbers on the two ships managed by CSR.

Outlook

World sugar production is forecast to marginally exceed consumption this year, leading to higher stocks and continued depressed prices. Raw sugar production by CSR's mills in 1992 is expected to be 20% higher than last year. Milling profits are expected to be a little higher.

CSR's refined sugar sales in Australia and New Zealand should remain at around last year's levels. Profits from refining will depend largely on the raw/white sugar price differential, which cannot be accurately predicted. Benefits from the rationalisation of refining capacity will be felt fully next year.

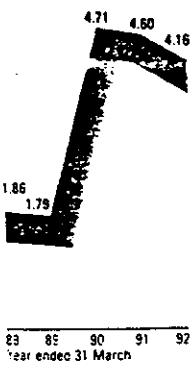
World raw sugar price

US cents/pound



World raw/white sugar price differential

US cents/pound



Senior management

Peter Currie. ACA. FCPA. age 52. General Manager Sugar since 1987. Joined the CSR Group 1977. Has had senior management experience in quarrying and concrete and several aspects of the sugar industry. Was previously General Manager Raw Sugar Marketing.

John Noble. BCom. age 55. General Manager Sugar since 1987. Joined CSR 1954. Has had senior management experience in sugar milling. Was previously General Manager Sugar Milling.

Performance

Year ended 31 March (A$ million unless indicated)	1992	1991	1990	1989	1988	1987
Trading revenue	854	1088	1169	813	756	583
Operating profit before abnormal items, interest, foreign exchange and tax	109.5	162.6	191.1	117.4	104.2	84.4
Gross margin (%)	12.8	14.9	16.3	14.4	13.8	14.5
Net profit before abnormal items	55.0	86.1	102.5	68.3	44.4	31.5
Shareholders' funds at 31 March	362	381	370	381	486	364
Return on shareholders' funds (%)	15.2	22.6	27.7	17.9	9.1	8.7
Funds employed at 31 March	597	605	623	563	568	562
Total assets at 31 March	777	842	891	804	859	677
Return on assets (%)	7.1	10.2	11.5	8.5	5.2	4.7
Capital investment	42.8	34.7	37.9	51.1	141.9	26.5
Depreciation	31.9	32.4	32.0	29.6	28.3	25.3

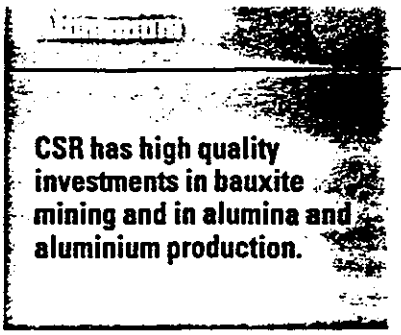
Business profile

Year ended 31 March		1992	1991
Raw sugar from CSR's eight[a] mills[b]			
Cane crushed (kt)		7135	8662
CCS[c] (Australian industry average)(%)		14.7(14.3)	14.3(13.7)
Production (kt – 94 net titre[d])		1071	1266
Crushing rate (kt/hour)		3.58	3.67
Proportion of Australian production (%)		34	36
Refined sugar sales from CSR's six[e] refineries (A$ million)			
	Australia	345	445
	New Zealand	94	104
Ethanol sales (ML)	Australia	36.7	39.2
	exports	8.2	12.7
Cargoes carried by the two ships managed by CSR (kt)		1113	1149
Employees at 31 March		2563	2829
Year ended 31 December		1991	1990
Australian raw sugar exports by CSR as agent for the Queensland Sugar Corporation (kt – raw value)		2395	3038
Year ended 31 August		1992[f]	1991
World sugar market[g] (Mt – raw value)			
Production		113.6	115.3
Consumption		111.1	110.1
Final stocks		36.2	34.5

CSR Group trademarks include Brinecol, Chelsea, Flexol, Petranol and Propel.

a Hamleton Mill was closed in October 1991.
b CSR's net beneficial interest from raw sugar milling is about 13% of the pooled revenue of the Queensland raw sugar industry. CSR buys raw sugar for its refineries from the Queensland Sugar Corporation on a normal commercial basis. CSR provides marketing and related services to the Queensland Sugar Corporation under an agency contract.
c The percentage of sugarcane recoverable as pure sugar.
d The approximate percentage of refined sugar recoverable from raw sugar.
e CSR's refinery in Adelaide was closed in April 1991. The Sydney refinery will close later this year.
f Estimate.
g Source: F O Licht. Third Estimate of the World Sugar Balance 1991/92. 26 May 1992.

kt thousand tonnes. ML million litres. Mt million tonnes



CSR has high quality investments in bauxite mining and in alumina and aluminium production.

Strategies

Improve cost competitiveness of Gove and Tomago operations.

Increase sales of high-value-added aluminium products.

Provide excellent customer service.

Net profit before abnormal items fell 86% to A$4.8 million. Revenue was down 21% as a result of lower prices for aluminium and alumina, and much lower bauxite exports.

World supplies of aluminium exceeded demand for the third successive year. Large quantities of aluminium exported by the former Soviet Union contributed to the over-supply. World stocks rose to record levels and prices fell. The London Metal Exchange three-month delivery price averaged US$1265 a tonne, down 23%. In January 1992 the price fell to US$1150, its lowest level ever in real terms. In April/May 1992 the price averaged US$1337 a tonne.

Construction of the Tomago aluminium smelter's third potline is over 40% complete. The project (24.5% CSR), costing about A$700 million, is presently on schedule and within budget.

The new potline, which will increase capacity by nearly 60% to 380 000 tonnes a year, is expected to be fully operational by mid-1993. On completion, economies of scale and lower energy prices should reduce the unit cost of production by at least 15%, substantially improving competitiveness.

Over half Gove Aluminium's (70% CSR) production entitlement is now exported in the form of value-added products. The sale of Gove Aluminium's 49 000 tonne yearly entitlement of aluminium from the new potline has been agreed in principle with customers.

Alumina sales rose 21%, but prices fell. Expansion of Gove alumina refinery's (21% CSR) production capacity by about 10% to 1.6 million tonnes a year, was completed in June 1991, seven months ahead of schedule and below budget. Productivity has improved and the unit cost of production is about 10% lower.

Gove maintained its position as one of the world's lowest cost bauxite export mines and one of the most cost competitive alumina refineries.

Three-year contracts were concluded for the supply of alumina to China and Canada.

Bauxite exports by Gove Aluminium fell 55% to 1.1 million tonnes. The reduction is mainly due to the first full year's operation of a new 20-year export agreement. Prior to 1991 Gove Aluminium was entitled to 100% of exports. Last year its entitlement was 58%, and this will progressively reduce to 30% by 1996.

Sales to most markets fell. World bauxite prices weakened towards the end of the year.

Outlook

Aluminium, alumina and bauxite markets are expected to remain weak throughout 1992.

World aluminium production is forecast to remain steady with the closure of high-cost smelter capacity offsetting new capacity. Demand should grow modestly as the major world economies emerge from recession. Aluminium from the former Soviet Union is expected to continue to flow on to the market although the quantity is unknown. Stocks are expected to remain high.

The outlook for 1993 is more encouraging as demand should strengthen, stocks fall and prices rise.

Senior management

Peter Lovell, BEc, CPA, age 52. General Manager Gove Aluminium Ltd (70% CSR) since 1988. Joined CSR 1958. Has had senior management experience in finance and resources. Was previously Deputy General Manager Coal Division.

Performance

Year ended 31 March (A$ million unless indicated)	1992	1991	1990	1989	1988	1987
Trading revenue	240	304	306	303	288	226
Operating profit before abnormal items, interest, foreign exchange, tax	20.4	88.7	111.1	115.1	94.4	33.8
Gross margin (%)	8.5	29.2	36.3	38.0	32.8	15.0
Net profit before abnormal items	4.8	34.1	46.9	45.9	28.5	8.3
Shareholders' funds at 31 March	143	91	66	65	96	49
Return on shareholders' funds (%)	3.4	37.5	71.1	70.6	29.7	16.9
Funds employed at 31 March	299	204	178	171	241	294
Total assets at 31 March	432	350	330	326	341	397
Return on assets (%)	1.1	9.7	14.2	14.1	8.4	2.1
Capital investment	114.3	44.4	12.2	8.6	4.7	16.3
Depreciation	21.0	24.2	24.1	24.5	25.9	8.6

Business profile

Year ended 31 March		1992	1991	CSR beneficial interest 1992 Quantity	%
Gove Aluminium					
Bauxite sales (kt)		1072	2391	750	70
Bauxite recoverable reserves[a] (Mt)					
	proved	159	163	35	22
Alumina (kt)	sales	308	255	216	70
	transfers for Tomago	199	153	139	70
Aluminium sales (kt)		83	85	58	70
Employees at 31 March		18	17		

Year ended 31 March	1992	1991	1990	1989	1988	1987
World aluminium price (US$/t)	1265	1638	1749	2362	1691	1171

a Prepared by Nabalco Pty Ltd, manager of the Gove joint venture.

kt thousand tonnes. Mt million tonnes. t tonnes.

CSR continues to be financially strong.

Non-current asset values were reviewed. Land and buildings were revalued upwards by A$188 million which, after deducting A$1.6 million applicable to minority interests, resulted in a transfer to capital reserves of A$186.4 million.

An abnormal loss applicable to CSR shareholders of A$558.2 million followed the write down of the following non-current assets:

	A$ million
Quarry and other raw materials reserves	68.6
Plant and equipment	193.5
Plant closure costs and other expenses	36.2
Growing-timber and log licences	44.9
Goodwill	215.9
Patents and trademarks	120.6
Investments and other non-current assets	16.5
Total write downs – abnormal loss	**696.2**
Less tax benefit on abnormal loss	79.3
Net abnormal loss	**616.9**
Less minority interest in abnormal loss	58.7
Net abnormal loss applicable to CSR shareholders	**558.2**

Shareholders approved, and the Supreme Court of New South Wales confirmed, the transfer of a corresponding amount (A$558.2 million) from the company's share premium reserve to retained profits.

The transfer of A$558.2 million from the share premium reserve has been exactly offset in the books of account against the abnormal loss arising from the revaluation of non-current assets and therefore cannot be used for any other purpose, now or in the future.

The net reduction in shareholders' funds resulting from the revaluation was A$371.8 million (a loss of A$558.2 million less the transfer to capital reserves of A$186.4 million).

Net after tax profit before abnormal items was 46% lower at A$175.3 million. The operating after tax loss, applicable to CSR shareholders (after inclusion of abnormal items) was A$385.3 million.

Abnormal items contributed a loss of A$560.6 million after tax and minorities. An abnormal loss of A$558.2 million resulted from the review of the valuation of non-current assets. A further net abnormal loss of A$2.4 million arose from a general review of the adequacy of all provisions, including tax.

Income tax. As part of the Australian Taxation Office audit of the 100 largest companies, CSR has been the subject of a tax audit since October 1989. The outcome of this audit is not expected to adversely affect the results of the company.

During the year favourable tax settlements have enabled income tax provisions to be reduced by A$41.2 million relating to a range of items over a number of years. This write-back to profits has been treated as an abnormal item in the profit and loss account.

Directors recommend a final dividend of 10 cents a share, fully franked. The final dividend, if approved by the annual general meeting, will be paid on 5 August. This will bring the total dividend for the year to 20 cents a share, fully franked, compared with a total dividend the previous year of 32 cents a share, fully franked.

Directors consider that franking credits should be passed to shareholders. Although about a third of CSR's assets are outside Australia, a large proportion of the group's profits will continue to bear Australian tax, generating franking credits available to shareholders through dividends.

Issued capital increased by A$39 million to A$817 million. The increase included the issue of 29.4 million shares under the share purchase plan. Details of all issues are shown on page 51.

Shareholders' funds, including minority interests, fell 7% to A$2.9 billion. The fall resulted from the revaluation of non-current assets partly offset by the proceeds from the issue of shares.

Total asset values were reduced by 5% to A$5.9 billion. The reduction reflected the non-current asset write down.

Intangibles. The balance of goodwill is A$270.7 million after accumulated amortisation of A$14.4 million and the write down of A$215.9 million. The balance of patents and trademarks is A$60.6 million after the write down of A$120.6 million. No amortisation has been provided on patents and trademarks.

Net tangible asset backing per share dropped 10 cents to A$3.01. Total net asset backing per share fell 40 cents to A$3.20 reflecting the write down of non-current assets.

Return on shareholders' funds before abnormal items declined from 11.6% to 6.7%. Earnings per share before abnormal items declined from 41.9 cents to 21.5 cents because of lower profits.

Cash flow from operating activities fell 15% to A$473.6 million. The fall was mainly because of weaker markets for most of CSR's products and lower prices for key products.

Gearing rose from 27.9% to 30.8%. (See table on page 24.) The increase is a result of the reduction in shareholders' funds following the write down in the value of non-current assets, and a small increase in CSR's long-term debt.

CSR continues to have substantial long-term borrowing capacity. On 31 March 1992 the company had A$873 million of undrawn standby facilities and substantial unused borrowing capacity under short-term commercial paper programs.

CSR's strong cash flow, conservative gearing and strong international ratings enable the company to borrow at competitive rates from domestic and international markets.

Net borrowings increased by A$145 million. Total borrowings increased by 7% to A$1671.7 million. US$365 million of long-term bank borrowings were repaid. A$78 million of standby facilities terminated during the year.

CSR arranged US$340 million of long-term bank facilities. Most were with banks which had maturing facilities. In addition, a A$300 million commercial paper program was established in Australia to complement programs in Europe and the United States.

Long-term debt repayments scheduled for this year total A$342 million. US$200 million of undrawn standby facilities will expire. CSR maintains a balanced spread of debt maturities and a diversity of lending sources.

Net interest expense fell from A$123.7 million to A$107 million. The decrease mainly results from lower interest rates in Australia and the United States. CSR maintains a balance of fixed and floating interest rates consistent with its financial risk policies.

On 31 March 1992, 55% of CSR's debt was at fixed interest rates. Interest cover fell from 4.6 to 3.5 times.

Liabilities in foreign currencies increased by A$57.8 million to the equivalent of A$1691.8 million. These are more than covered by the value of assets outside Australia.

CSR's credit ratings	Short term	Long term
Moody's	P–1	A2
Standard & Poor's	A–1	–
S & P – Australian Ratings	A.1	A

CSR has maintained its P–1 and A–1 short-term ratings from the international rating agencies since they were assigned in 1985. All ratings were reaffirmed following CSR's non-current asset revaluation.

Working capital. The provision for doubtful trade debtors was A$24.1 million, similar to the previous year, following a write off of A$15.9 million in bad debts compared to A$17.8 million the previous year.

Capital investment planned or committed this year is about A$600 million. About A$270 million (A$186 million last year) will be invested in maintaining production capability and improving the efficiency of existing businesses. Most of the balance will be spent on completing the third potline at the Tomago aluminium smelter, the expansion of quarrying and concrete operations in the United States and Australia, and increasing sugar milling capacity.

Operating profit before abnormal items, interest, tax, etc fell 37%

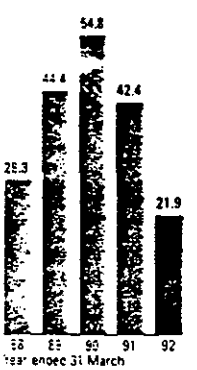


Return on shareholders' funds[a] fell to 6.7%



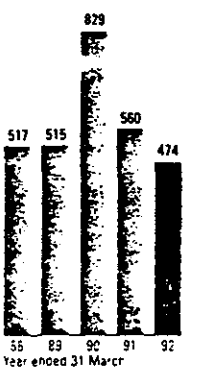
a Excluding abnormal and extraordinary items

Earnings per share[a] fell to 21.9 cents



a Excluding abnormal and extraordinary items and

Cash flow from operating activities was A$474 million



Gearing increased to 30.8%



Capital investment was marginally lower



Risk management. CSR's risk management policy requires the company's businesses to practise effective loss control and to provide safe work places. An in-house insurance company with access to international reinsurance markets provides protection against major risks. Since introduction of this risk management program in 1987, reserves of A$8.7 million have accumulated from savings on insurance premiums.

Reconciliation with US accounting principles. A reconciliation of CSR's financial results and shareholders' equity prepared in accordance with United States generally accepted accounting principles (US GAAP) is on page 59. CSR's net profit before abnormal items of A$175.3 million would be A$209.5 million under US GAAP. CSR's net loss after abnormal items of A$385.3 million would be A$323.4 million under US GAAP.

Senior management

Don Murden, FCPA, FCIS, FCIM, age 55. Chief Financial Officer since 1989 and Company Secretary since 1982. Joined CSR 1958. Has had senior financial and accounting management experience in sugar, building materials and corporate headquarters. Was previously Group Controller and Company Secretary.

Financial profile

Year ended 31 March (A$ million unless indicated)	1992	1991	% change
Balance sheet			
Paid up capital (A$1 shares)	817.1	777.8	5
Total assets	5929.4	6220.2	–5
Current assets	1548.1	1587.8	–3
CSR shareholders' funds	2610.6	2797.8	–7
Gearing (%)	30.8	27.9	–
Non-current creditors and borrowings	1297.5	1219.2	6
Current creditors and borrowings	813.8	843.5	–4
Standby credit undrawn	873.3	911.8	–4
Current ratio	1.28	1.17	–
Interest			
Expense	139.0	171.2	–
Income	29.6	47.5	–
Interest capitalised	2.4	–	–
Net expense	107.0	123.7	–
Interest cover (times)	3.5	4.6	–
Profitability			
Trading revenue	4199.9	4566.5	–8
Operating profit before abnormal items, interest, income tax, etc.	423.2	671.3	–37
as a % of trading revenue	10.1	14.7	–
as a % of funds employed	9.1	12.4	–
Net profit before abnormal items	175.3	325.9	–46
as a % of CSR shareholders' funds	6.7	11.6	–
as a % of trading revenue	4.2	7.1	–
as a % of total assets	3.0	5.2	–
Average income tax rate, excluding abnormal items (%)	40	35	–
Performance per share on issue at 31 March			
Earnings before abnormal items (cents)	21.5	41.9	–49
Dividends (cents)	20.0	32.0	–38
Net tangible assets (A$)	3.01	3.11	–3
Net assets (A$)	3.20	3.60	–11
Value added (A$)	1.89	2.31	–18
Currency conversion at 31 March[a]			
A$1 = New Zealand dollar	1.4040	1.3184	
Pound sterling	0.4440	0.4451	
United States dollar	0.7695	0.7743	
Canadian dollar	0.9170	0.8978	
Yearly average A$/US$ exchange rate (cents)			
daily market	0.7725	0.7842	
realised on export receipts	0.7550	0.7605	

a Exchange rates used to convert CSR's non-Australian financial results into Australian dollars.

Segment analysis

Year ended 31 March (A$ million unless indicated)	Trading revenue 1992	Trading revenue 1991	Operating profit before abnormal items, interest, income tax, etc. 1992	Operating profit before abnormal items, interest, income tax, etc. 1991	Interest and foreign exchange allocation[a] 1992	Interest and foreign exchange allocation[a] 1991	Income tax 1992	Income tax 1991	Outside equity interests 1992	Outside equity interests 1991	Net profit before abnormal items 1992	Net profit before abnormal items 1991	CSR shareholders' funds 1992	CSR shareholders' funds 1991	1992 (% return)	1991 (% return)
Building and construction materials	1696	1753	242.0	293.5	53.7	57.0	71.7	75.0	9.0	16.6	107.6	144.9	847	931	12.7	15.6
Construction materials USA	886	947	66.3	111.2	50.1	52.8	11.8	22.9	–	–	4.4	35.5	894	961	0.5	3.7
Timber products	522	472	10.2	33.9	35.4	41.2	(8.6)	(1.8)	–	–	(16.6)	(5.5)	367	449	(4.5)	(1.2)
Sugar	854	1088	109.5	162.6	23.0	30.4	31.5	46.1	–	–	55.0	86.1	362	381	15.2	22.6
Aluminium	240	304	20.4	88.7	4.8	1.8	7.3	37.9	3.5	14.9	4.8	34.1	143	91	3.4	37.5
Unallocated[b]	2	2	(25.2)	(18.6)	(59.2)	(59.5)	13.9	10.1	–	–	20.1	30.8	(2)	(15)	–	–
Consolidated	4200	4566	423.2	671.3	107.8	123.7	127.6	190.2	12.5	31.5	175.3	325.9	2611	2798	6.7	11.6

a Segmental profits include an allocation of finance costs based on the funds invested in each segment.
b Unallocated headquarters' overheads, unallocated net interest and divested resource operations.

End-markets

Trading revenue Year ended 31 March		1992 A$ million	%	1991 A$ million	%
Building and construction materials					
Housing	Australia	682	16.2	679	14.9
	international	52	1.2	70	1.5
Civil construction	Australia	447	10.6	495	10.8
	international	21	0.5	22	0.5
Commercial building	Australia	364	8.7	412	9.0
	international	37	0.9	36	0.8
Other		93	2.2	39	0.9
		1696	40.3	1753	38.4
Construction materials USA					
Civil construction	international	327	7.8	367	8.0
Housing	international	281	6.7	323	7.1
Commercial building	international	261	6.2	243	5.3
Other		17	0.4	14	0.3
		886	21.1	947	20.7
Timber products					
Housing	Australia	310	7.4	266	5.8
Commercial building	Australia	102	2.4	118	2.6
Furniture/kitchens	Australia	74	1.8	61	1.3
Other		36	0.9	27	0.6
		522	12.5	472	10.3
Sugar					
Food	Australia	400	9.5	520	11.4
	New Zealand	91	2.2	103	2.3
	other international	273	6.5	381	8.3
Other		90	2.1	84	1.8
		854	20.3	1088	23.8
Aluminium	international	240	5.7	304	6.7
Unallocated	Australia	2	0.1	2	0.1
Trading revenue	Australia	2381	57	2553	56
	international	1600	38	1863	41
	Mixed Australia and international	219	5	150	3
		4200	100	4566	100

Capital investment

Year ended 31 March (A$ million)	1992	1991
Building and construction materials		
quarrying, concrete, cement	82.4	142.3
bricks, roof tiles (100% basis)	22.9	15.8
plasterboard	21.3	17.7
insulation	7.9	27.5
other	–	21.3
	134.5	224.6
Construction materials USA		
quarrying, concrete, cement	106.8	73.0
concrete pipes	12.2	26.1
other	0.4	0.8
	119.4	99.9
Timber products		
sawn timber	19.4	20.6
wood panels	12.7	38.0
	32.1	58.6
Sugar		
mills	24.4	18.3
refineries	8.2	13.1
distilleries	0.6	2.0
other	9.6	1.3
	42.8	34.7
Aluminium (100% basis)	114.3	44.4
Corporate	(1.6)	(9.5)
Total capital investment	441.5	452.7
Divestment proceeds		
US assets	19.5	49.7
sugar mill assets	9.6	–
brick investment	–	142.2
plasterboard investment	–	113.8
non-strategic investments	14.5	10.8
other	16.3	24.3
	59.9	340.8

Value added

Year ended 31 March	1992 A$ million	%	1991 A$ million	%
Source				
Trading revenue and dividends	4210	100	4591	100
Less purchases of materials and services[a]	2662	63	2792	61
Total value added available for distribution	1548	37	1799	39
Distribution				
To employees in wages, salaries and payments to retirement funds	803	52	839	47
To governments in taxation[b]	158	10	276	15
To providers of capital				
interest paid on loans	107	7	124	7
dividends paid to shareholders – including minority interests	188	12	284	16
Reinvested in business				
depreciation[c] and amortisation	248	16	236	13
profit retained from operations	44	3	40	2
	1548	100	1799	100

a Includes amounts paid to governments as rail freight, port fees, sales tax, import and excise duties, and the cost of services purchased from government departments.
b Includes company income tax, payroll tax, fringe benefits tax, royalties, local government rates, fees charged such as licence fees, stamp duty and financial duties.
c Straight line depreciation is used at rates based on the expected economic life of non-current assets.

Gearing

Year ended 31 March (A$ million)	1992	1991
Borrowings		
Short-term debt	172.3	201.1
Current maturities of long-term debt	201.9	135.1
Long-term debt	1297.5	1219.2
	1671.7	1555.4
Cash and short-term lending		
Cash	23.9	13.8
Short-term lending	238.4	276.7
	262.3	290.5
Net borrowings	1409.4	1264.9
Total shareholders' equity	2913.3	3146.3
Total liabilities	3016.1	3073.9
Gearing ratios (%)		
Long-term debt : equity plus long-term debt	30.8	27.9
Total borrowings less cash and short-term lending : equity	48.4	40.2
Long-term debt : equity	44.5	38.8

CSR strengthened its commitment to environmental protection.

CSR will manage the impact of its operations on the environment so as to:

- use energy efficiently
- eliminate rework and waste
- have regard for the legitimate interests of the communities in which we operate
- design in protection for the environment when planning new products and processes
- meet the requirements of all relevant laws and regulations.

Environmental compliance management systems have been established in Australia and the United States. The systems help managers comply with complex environmental laws and regulations. In Australia the system incorporates an environment compliance manual, supported by a video and a computer-based training program. The USA system incorporates an environment compliance manual and training programs.

Members of the CSR Board's Environment, Occupational Health and Safety Committee inspected a number of CSR's major Australian operational sites during the year.

CSR gives high priority to environmental protection. New plants are designed to ensure environmental effectiveness and compliance with all laws and regulations. In addition, existing plants are upgraded where the need exists. Each business unit carries out regular environmental audits of its operations.



Readymix's Divisional Manager for Brisbane and Gold Coast Quarries, Tony Howe, and Ann Stone from the Jacobs Well Environmental Education Centre with a rare plant near the Beenleigh Quarry in Queensland. Cuttings of endangered species will be grown in a 70 hectare rainforest reserve planned to be set aside by CSR.

CSR Softwoods' new plant for preservative-treating sawn pine and logs in Tumut, New South Wales, is one of the most efficient of its kind in Australia. The plant provides advanced environmental protection while reducing processing time to a sixth that of existing equipment.

CSR Gyprock's plasterboard factory in Sydney reduced the amount of liquid waste to be disposed of by road tanker by 94%, from 171 tonnes in 1990 to under 11 tonnes in 1991. As well as benefiting the environment this also saved dumping costs and other expenses including transport.

The Readymix Group plans to set aside 70 hectares of rainforest near its Beenleigh Quarry in south-east Queensland as a nature reserve, helping to ensure survival of endangered plant species.

Rinker Materials' cement factory in Miami expanded its profitable recycling of oil-contaminated soil and water as well as other waste material including scrapped rubber and used motor vehicle tyres.

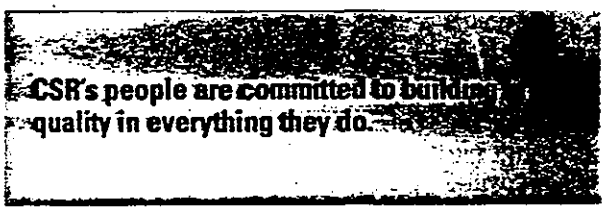
CSR received recognition for its environmental responsibility. Employees at CSR Distilleries were joint winners of the 1992 Australian Chemical Industry Council's Environment Award.

The New South Wales State Pollution Control Commission's 1991 annual report included Bradford Insulation among the companies which made particular effort to achieve a high level of environmental performance.

Rinker Materials' cement plant in southern Florida received the Environmental Award of the Year for Outstanding Environmental Efforts from the Hispanic American Builders Association.

Another important way in which CSR contributes to the community is by adding value through profitable businesses which employ people, buy goods and services and pay taxes. Last year, CSR added value of A$1548 million to the A$2662 million of goods and services purchased. Of the added value, A$803 million went to employees and A$158 million to governments.

Donations of cash and services are modest. Financial support is given to local community organisations in areas where CSR operates. Support is also given to a small number of national educational and charitable organisations.



Continued emphasis on improving quality and business processes made it a challenging year for CSR's people. Across the company, people responded positively to the very difficult trading conditions, becoming more efficient and effective. There was continued and enhanced emphasis on satisfying customer needs.

A commitment to continuous improvement in all aspects of CSR's processes, products and services was adopted throughout the CSR Group. A considerable amount of work was done and encouraging results have already been achieved. But there is still much to be done.

CSR recognises that restructuring can be difficult for the people affected. However, there is often no alternative. The overriding objective of management must be the competitive health of the company. Only by continuously striving for greater competitiveness and improved profits will CSR ensure continued employment for the majority of its people.

CSR employed 19 119 people at 31 March 1992; 877 fewer than at the same time last year. Some business groups increased employee numbers as a result of acquisitions or to meet specific market needs. 1537 people were retrenched and were provided with appropriate termination payments and other forms of assistance by the company.

Training continues to be given high priority. CSR provides training for employees at all levels to equip its people to respond successfully to the changing business climate and to increasingly competitive markets.

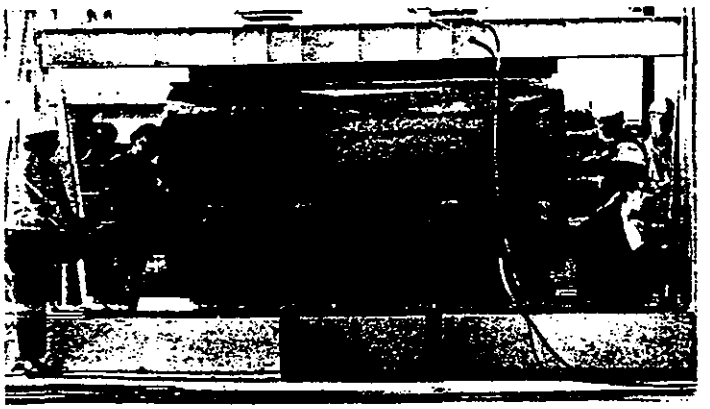
Particular emphasis was placed on programs designed to apply the principles of quality management. 830 people in The Readymix Group and 220 people in CSR Wood Panels participated in quality-management training programs during the year.

Expenditure on training by CSR substantially exceeded the minimum required under the Commonwealth Government's Training Guarantee Act (1% of CSR's annual payroll in Australia).

CSR is committed to improving occupational health and safety. The safety risks associated with some of the industries in which CSR operates were evidenced by the tragic deaths of seven CSR employees during the year. Much work is being done to reduce these risks and progress is being made.

There was a 29% reduction in the number of accidents leading to lost time or alternative work. The serious injury frequency rate fell 24%, the second successive yearly reduction. Improvements were achieved by all business groups including, in particular, New Zealand Sugar Company, Bradford Insulation, PGH Ltd, CSR Softwoods, Monier Roofing Ltd, Hydro Conduit and CSR Mills Group.

Australian employees benefit from the management of workers' compensation claims under CSR's self insurance programs. Compensation payments and rehabilitation are provided promptly to injured employees. Claims by US employees are managed under self-insurance programs in six states and an external insurance program in other states. CSR benefits from cost savings resulting from operating its self insurance schemes.



Rick Traylor (left) from Rinker Materials directed trials at Hydro Conduit of a new concrete mix as part of CSR America's quantitative improvement program. Hydro Conduit's Javier Cerda, Jose Ortega, Jose Fuentes and Randy Weber test the load bearing capacity of a 1200 mm pipe.



Delegates to the 1991 CSR commercial managers' conference in Sydney included (from left) Mike Hennings, Hydro Conduit's Vice President Controller; Greg Livingstone, Commercial Manager, NZ Sugar Co; Dennis Anstey, Commercial Manager for The Readymix Group in Western Australia; Robyn Farrell, Deputy Manager Group Taxation; and Neville Hughes, CSR Gyprock's Group Accountant.

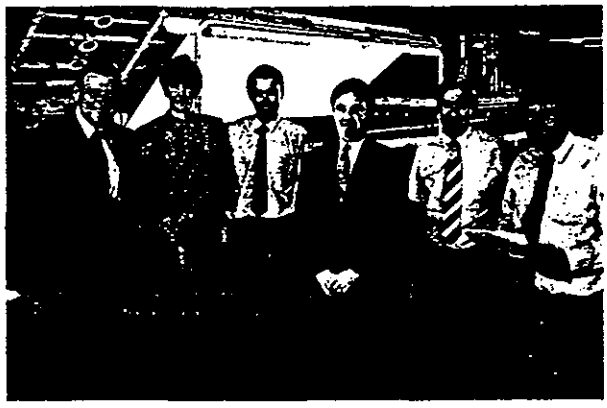
All Australian employees have access to company-supported superannuation. CSR has a long-standing commitment to occupational superannuation. The company's superannuation funds are competitive by community standards. (Details of CSR's major Australian and United States superannuation funds are on page 62.)

Most of CSR's employees in the United States are members of a retirement plan. Retirement plans are of two types: company-sponsored and union-sponsored. Both types provide benefits on a defined benefit or defined contribution basis and are competitive by community standards.

CSR is an equal opportunity employer. CSR's recruitment, training, promotion and reward practices, as well as its organisation and management processes, are designed to attract the best people and to allow them to develop to the full extent of their aptitudes and skills.

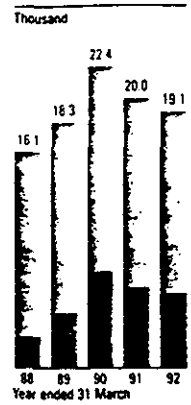
In Australia, compliance with affirmative action legislation includes the submission of annual reports by all CSR's business groups to the Commonwealth Government's Affirmative Action Agency.

CSR's employees in Australia can participate in an employee share plan. The plan was suspended last year because of uncertainty surrounding the prospectus requirements of the new Corporations Law. Following clarification of these requirements, issues under the plan are being renewed. To make up for the one year suspension, employees will be given the opportunity to acquire 100, 200 or 400 shares this year. Shares issued under the plan in 1989 and 1990 were not listed on the Australian Stock Exchange. These shares, and all shares issued under the plan in the future, will be listed on the Australian Stock Exchange.



The successful application of quality management techniques and skills by *a continuous improvement project team is saving* CSR Wood Panels over A$1 million a year in the supply and management of melamine, an essential raw material for laminated particleboard. The team included (from left) Rodney Darke, Mary Schoenmaker, Keith Coventry, team leader Doug George, Alan Arnold and Wes Winks.

Employee numbers were reduced by 877



Working in Australia.
Working outside Australia.

The serious injury frequency rate* was reduced



*Lost-time or alternative-work accidents per million employee hours worked.

Employee information

Year ended 31 March	1992	1991	% change
Employees[a] at 31 March	19 119	19 996	–4
Australia	13 477	14 108	–4
USA	4 699	4 793	–2
New Zealand	499	537	–7
Malaysia	246	205	20
Canada	71	224	–68
Other countries	127	129	–2
Males	16 941	17 780	–5
Females	2 178	2 216	–2
Employees by business segment at 31 March			
Building and construction materials	7 987	8 757	–9
Construction materials USA	4 613	4 704	–2
Timber products	3 794	3 513	8
Sugar	2 563	2 829	–9
Aluminium	18	17	6
Corporate headquarters and service groups	144	176	–18
	19 119	19 996	–4
New university graduates recruited			
Engineering and science	16	24	–33
Commerce and economics	14	17	–18
Other	6	6	–
	36	47	–23
Apprentices employed at 31 March	309	384	–20
Serious injury frequency rate			
Building and construction materials	24	33	–27
Construction materials USA	18	21	–14
Timber products	39	50	–22
Sugar	25	38	–34
Aluminium	–	–	–
Group including corporate	25	33	–24
Financial performance			
Trading revenue per employee (A$ thousand)	220	228	–4
Net profit before abnormal items per employee (A$)	9 169	16 298	–44
Wages, salaries and payments to retirement funds per employee (A$)	42 000	41 958	–
Value added per employee (A$)	80 967	89 968	–10
Total CSR contributions to CSR superannuation funds (A$ million)	27.8	26.2	6

a Including employees at partly-owned subsidiaries.

CSR's directors have wide experience in Australia and overseas.

Alan Coates, AO. DSc (Hon). FAII. FAIM. age 67.

Joined the CSR Board in 1986.
Appointed chairman in 1989. Formerly chief executive and a director of the Australian Mutual Provident Society. Chairman of Brambles Industries Ltd, his directorships include CRA Ltd, Pacific Dunlop Ltd, The Australian Gas Light Co, Mitsubishi Motors Australia Ltd, the Queensland Investment Corporation and Cambooya Investments Ltd.

David Voss, BA. LLB. QC. age 59.

Joined the CSR Board in 1973.
Formerly a barrister, he is chairman of Perpetual Trustee Company Ltd and Sandoz Australia Pty Ltd, and a director of other companies.

Bryan Kelman, AO. CBE. BEng. FTS. age 66.

Joined the CSR Board in 1973.
Formerly chief executive of CSR. Chairman of State Authorities Superannuation Board, State Superannuation Management and Investment Committee, Jennings Industries Ltd and Simon Engineering (Aust) Ltd. Mr Kelman's directorships include Macquarie Bank Ltd, Prudential Assurance Company of Australia and New Zealand Ltd, Homestake Gold of Australia Ltd, Spotless Services Ltd, New Zealand Guardian Trust Australia Ltd and Hill Samuel Australia Ltd.

Emeritus Professor Sir Rupert Myers, KBE. MSc. PhD. DSc (Hon). DEng (Hon). LLD (Hon). DLitt (Hon). FTS. age 71.

Joined the CSR Board in 1981.
Formerly vice-chancellor and principal of the University of New South Wales. He is chairman of Unisearch Ltd and a director of Energy Resources of Australia Ltd. Sir Rupert is president of the Australian Academy of Technological Sciences and Engineering and is a director of several charitable foundations.

Jim Scully, AO. BA. age 64.

Joined the CSR Board in 1984.
Formerly head of a number of Commonwealth Government departments responsible for overseas trade, industry and natural resources. Chairman of Seabridge Australia Pty Ltd and the Japan Australia Venture Capital Fund, his directorships include Westpac Banking Corporation and Tubemakers of Australia Ltd.

Ben Macdonald, age 59.

Joined the CSR Board in 1985.
Formerly joint managing director of Macdonald Hamilton & Co Pty Ltd. Chairman of Perpetual Trustees Queensland Ltd and Queensland Cotton Holdings Ltd, his directorships include Perpetual Trustees Australia Ltd, Allgas Energy Ltd, AP Group Ltd, Placer Pacific Ltd, Eagers Holdings Ltd and the Queensland Investment Corporation. Mr Macdonald is a member of the Australian Board of Advice of the Australian Mutual Provident Society, effective July 1992.

Jim Kirk, AC. AASA. CPA. age 71.

Joined the CSR Board in 1985.
Formerly chairman and managing director of Esso Australia Ltd. He is chairman of Landcare Australia Ltd and a director of Macquarie Bank Ltd.

Ian Burgess, BSc. FTS. age 60.

Joined the CSR Board in 1986.
Managing director of CSR since 1987, having joined the company in 1951. He is a director of the Australian Mutual Provident Society, chairman of Business in the Community Ltd and a member of the Australian Public Service Management Advisory Board.

Bill Bennett, BEng. MSc. age 55.

Joined the CSR Board in 1986.
Deputy managing director of CSR since 1989, having joined the company in 1959. He is the executive director responsible for sugar milling, raw sugar export marketing, aluminium and personnel.
Mr Bennett is a director of Brambles Industries Ltd.

John Gough, AO, OBE. LLD (Hon). Dip Tex Ind. age 63.

Joined the CSR Board in 1989.
Formerly managing director of Pacific Dunlop Ltd. Chairman of Pacific Dunlop Ltd and, effective July 1992, of Australia and New Zealand Banking Group Ltd. His directorships include Amcor Ltd and The Broken Hill Proprietary Co Ltd. Mr Gough is a member of General Motors Australian Advisory Council and the International Advisory Board of Alexander Proudfoot Co. He is a director of the SICPA Group's Asia Pacific Advisory Board. The Walter and Eliza Hall Institute of Medical Research and chairman of the Graduate School of Management at the University of Melbourne.

Keith Barton, BSc. PhD. age 52.

Joined the CSR Board in 1990.
He is the executive director responsible for CSR's construction materials operations in the United States. Dr Barton joined CSR in 1979.

Geoffrey Kells, BCom. MEc. age 48.

Joined the CSR Board in 1990.
He is the executive director responsible for CSR's building and construction materials and timber products operations in Australia, New Zealand and Asia. Mr Kells joined CSR in 1964.

Board committees

Audit
Non-executive directors: David Voss (Chairman), John Gough and Jim Kirk.

Environment, Occupational Health and Safety
Non-executive directors: Sir Rupert Myers (Chairman), Alan Coates and Jim Scully.

Remuneration
Non-executive directors: Alan Coates (Chairman), John Gough and Bryan Kelman.

CSR America

The external board members of the subsidiaries of CSR America Inc are:

Marshall Criser, LLB. Chairman. Lawyer and former president of the University of Florida.

Armando Codina. President of The Codina Group.

Marshall McDonald, LLB, MBA. Immediate past chairman of the FPL Group, which includes Florida Power and Light Company.

Directors fees paid to non-executive directors totalled A$425 000 last year. (Details are on page 42.) Total fees to be paid this year to current non-executive directors are expected to be about A$450 000. Directors are also reimbursed for expenses they incur performing their duties.

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

Executive directors have agreements with CSR relating to their employment as senior executives. They receive remuneration as employees of the company and may participate in the shareholder approved Employee Share Plan and in the Executive Share/Option Plan.

No directors have received or become entitled to receive any additional benefit, other than those mentioned here, by reason of a contract made by CSR or a related party with the directors, or with a firm of which they are a member, or with a company in which they have a substantial financial interest. Some directors participate in CSR's Share Purchase Plan on the same terms as are available to all shareholders.

At the date of this report, and other than as mentioned above, no directors have any interest in a contract or proposed contract with CSR and none have been entered into since the previous year.

Directors' holdings of ordinary CSR shares*

At 1 June 1992	Fully paid. Personally	Fully paid. Other relevant interests	Partly paid. Personally	Total 1992	Total 1991
Alan Coates	2 000	83 440		**85 440**	85 440
David Voss	8 514	6 052		**14 566**	14 566
Bryan Kelman	77 843			**77 843**	102 843
Sir Rupert Myers	18 577			**18 577**	18 577
Jim Scully	9 541			**9 541**	8 504
Ben Macdonald	2 200			**2 200**	2 200
Jim Kirk	6 426			**6 426**	5 628
Ian Burgess	4 512		180 000	**184 512**	184 283
Bill Bennett	10 837		129 000	**139 837**	139 837
John Gough	11 838	15 000		**26 838**	26 212
Keith Barton	1 392		109 000	**110 392**	110 365
Geoffrey Kells	2 945		130 000	**132 945**	132 836

* No interests were held in other CSR securities or in the share capital of related companies.



I G Burgess
Managing Director



W A Bennett
Deputy Managing Director



R K Barton
Executive Director



G V Kells
Executive Director



D Murden
Chief Financial Officer

Raw sugar

P J Noble
General Manager
Sugar

J E Burman
General Manager
Raw Sugar Marketing
Group

Aluminium

P H T Lovell
General Manager
Gove Aluminium Ltd
(70% CSR)

Personnel

R H Beardmore
General Manager
Personnel

Refined sugar

P G Currie
General Manager
Sugar

R G Lowndes
Managing Director
New Zealand Sugar Co Ltd

I E H Ballard
General Manager
CSR Distilleries Group

S M Hughes
Chief Manager
CSR Shipping Group

Construction materials USA

D V Clarke
Chief Executive Officer
CSR America Inc

M D Donohoe
President
Associated Sand &
Gravel Co Inc

N R Hallagan
President
WMK Transit Mix

G C Harris
President
American Aggregates Corp

P G James
President
Hydro Conduit Corp

W L Snyder
President
Rinker Materials Corp

Building and construction materials

B G Baker
General Manager
CSR Gyprock Group

P J Bowen
General Manager
PGH Ltd
(51% CSR)

A N Brennan
General Manager
The Readymix Group

P J Cummins
General Manager
Bradford Insulation Group

G W Squires
General Manager
Monier Roofing Ltd
(51% CSR)

Timber products

H F Pens
General Manager
CSR Softwoods

J Purdie-Smith
General Manager
CSR Wood Panels

Major associated company

A R Arnold
Chief Executive Officer
Australian Cement
Holdings Pty Ltd
(50% CSR)

Finance

E R Beers
Group Manager
Information Systems

J B Bolan
Manager
Group Taxation

A B Carlton
Treasurer

R K Philp
Group Chief Accountant

W S Taylor
Chief Group Auditor

Corporate services

P J Dadswell
Manager
Corporate and Investor
Relations

F B Gill
Chief Corporate Lawyer

[redacted]

Various statutory requirements [illegible] elsewhere are reported in this section.

Payment of recommended dividend. Directors recommend a final dividend of 10 cents a share be paid on 5 August, or otherwise dealt with under the Share Purchase and Employee Share plans, to shareholders entitled to receive dividends and registered on 15 July 1992. Duly completed transfers received by CSR up to 5 pm on 15 July will be registered before dividend entitlements are determined.

Options are held on CSR shares through convertible notes and option bonds. For details see the table on this page.

The registrar, principal paying agent and principal conversion agent for the CSR option bonds is Bankers Trust Co, 4 Albany Street, New York.

No contingent or other liability of the CSR Group has become enforceable or is likely to become enforceable this year which will or may substantially affect the ability of the group to meet its due obligations.

We are not aware of any circumstances, not otherwise dealt with in this annual report, which would render misleading any amount stated in the report.

Unusual items have been covered. The state of affairs of the group has not been, in our opinion, substantially affected by any material or unusual matter otherwise than as referred to in this report.

Matters arising since the balance date have been covered in the appropriate sections of this report. Further developments by the time of the annual general meeting will, as appropriate, be reported in the chairman's address to that meeting.

Likely developments in operations and their anticipated results have been reported as appropriate. Further information on likely developments in the operations of the group, including the expected results of those operations in subsequent financial years, would in our opinion prejudice the interests of the company and has therefore not been included in this report.

Dividends and share options

Year ended 31 March		1992	1991
Dividend (A$)			
Interim	19 December 1990	–	122 038 067[a]
	18 December 1991	80 465 687	–
Final	7 August 1991	–	125 638 562
	5 August 1992 recommended	82 960 000[b]	–
Books close for dividend entitlement		15 July	17 July

As at 19 May	1992	1991
Number of options held on CSR shares		
Convertible notes[c]	291 624	311 924
Option bonds[d]	151 930	237 167
Repayment value of options (A$ thousand)		
Convertible notes[c]	1 166	1 248
Option bonds[d]	1	2
CSR shares issued on conversion of options		
Convertible notes converted[c]	20 300	81 499
Option bonds converted[d]	8 752 098	6 057 683

a Reported in the 1991 annual report.

b For shares on issue at 19 May 1992, plus A$0.10 a share on shares to be issued in June and July 1992 in respect of cash contributions (received by 30 June 1992) under the Share Purchase Plan, on shares issued as a result of option bonds converted, and on Executive Share/Option Plan shares which become fully paid prior to 5 pm on 15 July 1992.

c 6 232 402 convertible notes were issued in August and September 1987 at par value of A$4 each. Interest is paid end March and end September at 8% a year. The notes are convertible, at holder's option, on 28 February every year until 1997 at 100 notes to 100 ordinary CSR A$1 shares (adjusted for bonus issues). Notes not converted will be repaid at par together with the final interest payment on 31 March 1997. Noteholders participate equally with shareholders in any share issues. The notes are listed on the Australian Stock Exchange. As at 1 June 1992, the number of unissued ordinary shares which are the subject of options is 291 624 (1991: 311 924).

d 340 000 option bonds of A$380 each paid to A$0.01 were issued in December 1985. Each bond is currently convertible to 102.6797 ordinary CSR A$1 shares on payment of A$379.99 per option bond at any time until 11 December 1992. The conversion rate may change on 16 July 1992 as a result of the recent shareholder-approved capital reduction. The conversion rate may also be adjusted in the event of a share issue. The option bonds were issued by CSR Limited in December 1985 as part of CSR Finance Limited's (100% CSR) issue of US$100 million 7.5% Guaranteed Eurobonds, each of US$5000, maturing in 1995. The option bonds are listed on the Australian and London stock exchanges. Any bond not converted by 11 December 1992 will be repaid at the principal amount paid up on 19 December 1992. The bonds do not attract interest. As at 1 June 1992, the number of unissued ordinary shares which are the subject of options is 15 600 126 (1991: 24 353 263).

Signed in accordance with a resolution of directors of CSR Limited.

Ian Burgess
Managing Director

Alan Coates
Chairman

1 June 1992

Year ended 31 March	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
Profit and loss (A$ million)			—								
Total revenue	4300	4980	4892	4444	3942	2418	3003	2183	2044	1936	1763
Trading revenue	4200	4566	4516	3438	2672	2077	2212	2074	1852	1757	1603
Depreciation	247	236	194	164	145	119	125	120	110	109	89
Earnings before long-term interest and tax	444	703	827	621	501	334	286	242	227	189	183
before net interest, foreign exchange and tax	423	671	794	605	421	349	250	229	219	183	154
Interest on long-term borrowings	126	152	87	78	112	108	74	73	67	73	53
Income tax expense	128	190	290	212	190	67	81	68	57	30	35
Net profit (loss) applicable to CSR shareholders											
Before abnormal and extraordinary items	175	326	407	306	185	150	125	92	92	75	82
for six months to 30 September	110	206	234	147	80	58	55	49	44	43	42
for six months to 31 March	65	120	173	159	105	92	70	43	48	32	40
After abnormal and extraordinary items	(385)	324	407	307	186	110	(80)	(63)	92	81	81
Dividends	164	247	291	220	115	102	90	64	64	60	47
Balance sheet (A$ million)											
Current assets	1548	1588	1574	1609	1525	1002	858	796	796	663	771
Property, plant and equipment	3601	3559	3450	2507	1998	1519	1285	1003	919	996	1016
Interests in joint ventures and partnerships	–	–	–	–	–	–	–	470	476	496	447
Investments	162	167	306	272	366	167	156	169	206	194	122
Delhi investment	–	–	–	–	–	984	1101	271	249	161	147
Intangibles	331	681	696	408	260	42	–	–	34	36	37
Future income tax benefits	155	89	81	82	79	96	103	133	109	75	51
Other non-current assets	132	136	192	168	190	162	249	274	171	89	69
Total assets	5929	6220	6299	5046	4418	3972	3752	3116	2960	2710	2660
Current creditors and borrowings	814	844	907	1040	772	613	775	686	574	393	527
Current provisions	399	510	618	502	428	165	127	128	132	130	147
Non-current creditors and borrowings	1298	1219	1414	596	816	1007	916	558	494	568	444
Deferred income tax and other non-current provisions	505	501	475	348	294	323	317	326	281	225	217
Total liabilities	3016	3074	3414	2486	2310	2108	2115	1698	1481	1316	1335
Net assets	2913	3146	2885	2560	2108	1864	1617	1418	1479	1394	1325
Paid up capital	817	778	735	697	658	619	533	359	353	338	315
Reserves	1229	1465	1318	1164	1108	1003	854	628	558	515	495
Profits retained	564	555	480	364	278	206	197	367	496	466	442
CSR shareholders' funds (capital and reserves)	2610	2798	2533	2225	2044	1828	1584	1354	1407	1319	1252
Outside equity interests	303	348	352	335	64	36	33	64	72	75	73
Total shareholders' funds (capital and reserves)	2913	3146	2885	2560	2108	1864	1617	1418	1479	1394	1325
Share information											
Share issues rights	–	–	–	–	–	1-for-10	1-for-3	–	–	–	1-for-5
private placements	–	–	–	–	–	pp	–	–	pp	pp	–
Shares issued (million) for cash	38	42	36	13	10	118	129	6	15	23	50
acquisitions	–	–	–	–	30	–	44	–	–	5	1
Paid up capital in A$1 shares at 31 March (A$ million)	817	778	735	697	658	619	533	359	353	338	315
Earnings per share[a] (cents) on issue at 31 March	21.5[b]	41.9	55.4	44.1	28.4	24.5	23.5	25.7	26.0	22.1	26.6
adjusted for issues[c]	21.9	42.4	54.8	44.4	28.3	25.6	25.8	23.5	24.2	21.8	27.2
Dividends per share (cents) fully-paid shares	20.0	32.0	40.0	32.0	20.0	19.0	18.0	18.0	18.0	18.0	18.0
adjusted for issues[c]	20.0	32.0	40.0	32.0	20.0	19.0	17.8	17.2	16.4	16.5	16.1
Share price adjusted for issues[c] (A$) high	5.80	5.56	5.78	5.06	4.90	4.40	3.77	3.60	4.05	3.22	6.35
low	4.48	4.42	3.90	3.60	2.60	2.53	2.61	2.45	2.41	2.23	2.47
end	4.60	5.36	5.04	4.00	3.75	4.22	3.07	2.86	3.48	2.45	2.75
Net tangible assets (A$) per CSR share[d]	3.01[b]	3.11	2.89	2.88	2.96	3.19	3.25	4.13	4.19	4.08	4.26
adjusted for issues[c]	2.77	2.70	2.50	2.71	2.81	3.01	3.06	3.35	3.69	3.62	3.68
Ratios and statistics											
Return[a] (%) on CSR shareholders' funds at 31 March	6.7	11.6	16.1	13.8	9.1	8.2	7.9	6.8	6.5	5.7	6.6
total assets at 31 March	3.0	5.2	6.5	6.1	4.2	3.8	3.3	3.0	3.1	2.7	3.1
total revenue	4.1	6.5	8.3	6.9	4.7	6.2	4.2	4.2	4.5	3.9	4.7
Price/earnings ratio adjusted for issues[a c] (times)	21.0	12.6	9.2	9.0	13.3	16.5	11.9	12.2	14.4	11.2	10.1
Dividend payout ratio (%)	94	76	72	72	62	68	72	70	69	81	57
Interest cover[e] (times)	3.5	4.6	9.5	8.0	4.5	3.2	3.9	3.3	3.4	2.6	3.5
Gearing[f] (%)	30.8	27.9	32.9	18.9	27.9	35.1	36.2	28.3	25.0	28.9	25.1
Current ratio	1.28	1.17	1.03	1.04	1.27	1.29	0.95	0.98	1.13	1.27	1.14
General											
Capital investment (A$ million)	442	453	1508	1538	1176	336	226	201	247	350	545
Divestments (A$ million)	60	341	272	918	1138	197	695	38	126	116	89
Cash flow from operating activities[g]	474	560	829	515	517	477	366	263	259	243	261
Shareholders (thousand)	123	115	105	99	102	102	101	102	97	97	89
Employees (thousand)	19.1	20.0	22.4	18.3	16.1	13.4	13.5	14.3	14.5	14.9	16.0
Wages, salaries and payments to retirement funds (A$ million)	803	839	756	565	480	411	428	418	406	413	378
Trading revenue per employee (A$ thousand)	220	228	202	188	166	155	164	145	128	118	100
Profit after tax per employee (A$ thousand)	9.2	16.3	18.2	16.8	11.5	11.2	9.3	6.4	6.3	5.0	5.1
Value added per employee (A$ thousand)	81	90	79	74	66	68	62	57	54	52	41

a Excluding abnormal and extraordinary items.

b Based on approximately 820 million shares which includes partly-paid shares adjusted for the proportion of their paid-up value to their issue price.

c Calculated by Australian Stock Exchange, using weighted average of shares on issue adjusted for rights issues. 1992 figures based on preliminary profit statement.

d Future tax benefits, deferred tax provisions, goodwill, patents and trademarks are treated as intangibles, adjusted for outside equity interests.

e Earnings before long-term interest, foreign exchange and tax divided by interest on long-term borrowings.

f Ratio of non-current creditors and borrowings to total shareholders' funds plus non-current creditors and borrowings.

g 1992 as defined in accordance with Accounting Standard AASB 1026. 1991-1987 recalculated for comparative purposes. 1986 to 1982 not recalculated.

Financial statements
for the year ended 31 March 1992

CSR

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CSR Limited	
The principal registered office in Australia is Level 24, 1 O'Connell Street, Sydney.	
Telephone (02) 235 8000.	
Secretary – D Murden.	
Share registry	Share and/or loan security registers are kept by Deloitte Ross Tohmatsu at the following addresses:
Sydney (principal register)	Level 4, 72-80 Cooper Street, Surry Hills.
Melbourne	Level 12, 461 Bourke Street, Melbourne.
Brisbane	Level 6, 307 Queen Street, Brisbane.
Adelaide	Level 14, 45 Pirie Street, Adelaide.
Perth	Level 3, 19 Pier Street, Perth.
Canberra	Level 5, 10 Rudd Street, Canberra City.
Hobart	c/- Wise, Lord & Ferguson, Level 4, 111 Macquarie Street, Hobart.
Auckland, New Zealand	c/- Deloitte Ross Tohmatsu, Shortland Centre, Shortland Street, Auckland.

CSR Limited and its controlled entities — A$ million	Note	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
Operating profit before abnormal items and income tax	1-8	**315.4**	547.6	**257.8**	340.9
(Loss) profit on abnormal items	9	**(756.2)**	17.1	**(631.8)**	(11.4)
Operating (loss) profit before income tax		**(440.8)**	564.7	**(374.0)**	329.5
Income tax (benefit) expense attributable to operating profit	10	**(9.3)**	209.7	**12.3**	86.5
Operating (loss) profit after income tax		**(431.5)**	355.0	**(386.3)**	243.0
Outside equity interests in operating (loss) profit after income tax		**(46.2)**	31.5		
Operating (loss) profit after income tax attributable to members of CSR Limited		**(385.3)**	323.5	**(386.3)**	243.0
Retained profits at the beginning of the financial year		**555.2**	480.2	**131.5**	137.0
Aggregate of amounts transferred from reserves[a,b]		**558.2**	–	**558.2**	–
Total available for appropriation		**728.1**	803.7	**303.4**	380.0
Dividends provided for or paid	11	**164.0**	248.5	**164.0**	248.5
Retained profits at the end of the year		**564.1**	555.2	**139.4**	131.5

Operating (loss) profit after income tax attributable to members of CSR Limited consists of:

Net profit before abnormal items	1-8	**175.3**	325.9	**186.6**	251.2
Abnormal loss on review of non-current asset values[b,c]	9	**(558.2)**	–	**(558.2)**	–
Loss on other abnormal items		**(2.4)**	(2.4)	**(14.7)**	(8.2)
		(385.3)	323.5	**(386.3)**	243.0

a The transfer of $558,200,000 from the share premium reserve to retained profits was passed by special resolution at an extraordinary general meeting of members of CSR Limited on 16 March 1992. The resolution was subsequently confirmed by the Supreme Court of New South Wales.

b The transfer of $558,200,000 from the share premium reserve has been exactly offset in the books of account against the abnormal loss arising from the review of non-current asset values and therefore cannot be used for any other purpose, now or in the future.

c The loss of $558,200,000 resulting from the review of non-current asset values has been treated as an abnormal item. This accords with the view expressed by the Australian Securities Commission that the writedowns must be treated in this manner to comply with Accounting Standards, Generally Accepted Accounting Principles and the Corporations Law.

Notes to and forming part of the accounts are annexed.

CSR Limited and its controlled entities	A$ million	Note	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
Current assets						
Cash		12	262.3	290.5	67.3	114.3
Receivables		13	665.3	663.2	1196.6	1221.0
Inventories		14	598.3	611.1	198.6	205.0
Other		15	22.2	23.0	9.1	12.7
Total current assets			1548.1	1587.8	1471.6	1553.0
Non-current assets						
Receivables		16	81.4	92.0	911.1	1303.4
Investments		17	162.3	167.0	837.6	959.3
Inventories		18	13.9	15.9	5.2	9.0
Property, plant and equipment		19, 20	3601.4	3558.6	890.3	808.3
Intangibles		21	331.3	680.6	–	12.9
Other		22	191.0	118.3	87.8	66.3
Total non-current assets			4381.3	4632.4	2732.0	3159.2
Total assets			5929.4	6220.2	4203.6	4712.2
Current liabilities						
Creditors and borrowings		23	813.8	843.5	904.9	916.2
Provisions		24	399.4	510.4	253.4	318.9
Total current liabilities			1213.2	1353.9	1158.3	1235.1
Non-current liabilities						
Creditors and borrowings		25	1297.5	1219.2	726.4	952.0
Provisions		26	505.4	500.8	214.5	188.0
Total non-current liabilities			1802.9	1720.0	940.9	1140.0
Total liabilities			3016.1	3073.9	2099.2	2375.1
Net assets			2913.3	3146.3	2104.4	2337.1
Shareholders' equity						
Share capital		27	817.1	777.8	817.1	777.8
Reserves		28	1229.4	1464.8	1147.9	1427.8
Retained profits			564.1	555.2	139.4	131.5
Shareholders' equity attributable to members of CSR Limited			2610.6	2797.8	2104.4	2337.1
Outside equity interests in controlled entities		29	302.7	348.5		
Total shareholders' equity			2913.3	3146.3	2104.4	2337.1

Notes to and forming part of the accounts are annexed.

Basis of accounting. These accounts are based on historical cost accounting conventions except for certain assets which are at valuation.

The accounts have been prepared in accordance with Schedule 5 to the Corporations Regulations. Statements of Accounting Concepts and applicable accounting standards and comply with other requirements of the Corporations Law (the Law).

The accounting policies adopted are consistent with those of the previous year unless otherwise specified.

Principles of consolidation. The consolidated financial statements have been prepared by combining the accounts of all the entities that comprise the economic entity (group), being CSR Limited (the chief entity) and its controlled entities as defined in Accounting Standard AASB 1024 Consolidated Financial Statements. AASB 1024 defines control as the capacity of an entity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of another entity so as to enable the other entity to operate with it in achieving the objectives of the controlling entity.

In these consolidated accounts:

- 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;
- all intra-entity balances and transactions are eliminated in full.

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.

Statement of cash flows. The directors have elected, in accordance with s.285(3) of the Law to apply Accounting Standard AASB 1026 Statement of Cash Flows before it is obligatory.

Cash is defined as cash at banks and on hand and cash equivalents. Cash equivalents include highly liquid investments and borrowings which are readily convertible to cash, and are not subject to a term facility.

Total revenue is the total of:

- trading revenue, including sales (net of discounts, returns and allowances), fees for services as agent, rents, royalties and interest on long-term loans;
- non-trading revenue, including dividend income and proceeds from the disposal of non-current assets; and
- interest income from short-term deposits.

Depreciation (including amortisation and depletion). Assets other than quarry and other raw material reserves are depreciated at rates based upon their expected useful economic lives, using the straight-line method.

Quarry and other raw material reserves are depleted over the shorter of forty years or the life of the quarry after taking into account the estimated residual value. Depletion is determined by production for the year as a proportion of total recoverable reserves.

Tax effect accounting. The liability [illegible] effect accounting is applied throughout the [illegible] entity.

Income tax expense for the year is [illegible] pre-tax accounting profit adjusted for items [illegible] as a result of treatment under income tax legislation [illegible] permanent differences between pre-tax accounting [illegible] and taxable income.

To arrive at tax payable, adjustments [illegible] income tax expense are made for items which have been included in time 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 [illegible] 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 assets where there is uncertainty as to whether income will be derived of a nature and an amount sufficient to enable their realisation.

Where assets are revalued no provision for potential capital gains tax has been made.

Capitalisation of interest. Interest on [illegible] projects, the installation of which occurs over an extended period of time, is capitalised until commencement of operations. The capitalised interest is subsequently amortised over the economic life of the project.

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.

Valuation of non-current assets. In accordance with s.285(3) of the Law the directors have elected to apply revised Accounting Standard AASB 1010 Accounting for the Revaluation of Non-current Assets before it is obligatory. Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. Recoverable amount is determined as the present value of the amount expected to be recovered through the net cash inflows arising from the continued use and subsequent disposal of the non-current asset. Applying the 'recoverable amount' test during the year gave rise to a reduction in asset values of $[illegible] million.

When non-current assets have been revalued they are shown at their latest valuation. All non-current assets which have not been revalued are shown at cost.

Increments in the value of a class of assets arising from a revaluation are taken directly to the asset revaluation reserve. Decrements in the value of assets are offset against previous increments relating to the same class of asset or charged against profit.

Leased assets. Assets acquired under finance leases are capitalised. The initial amount of the leased asset and corresponding lease liability is the present value of the minimum lease payments.

The assets are amortised over the life of the relevant lease or, where ownership of the asset is likely to be obtained, the life of the asset.

Lease payments are allocated between interest expense and lease liability. The interest component is charged against profit when paid.

Operating lease payments are expensed as incurred.

Investments. Shareholdings in listed and unlisted companies which are not controlled entities are treated as investments. Only the dividend income from these investments is included in profit.

Interests in partnerships are recorded as part of investments.

Joint ventures. Interests in joint ventures are recorded in the accounts 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.

Afforestation. Growing timber is a non-current asset shown at valuation. Each year the net increase or decrease in volume of growing timber is calculated at commercial rates. This gain or loss is recognised as profit or loss for the period and added to or deducted from the latest valuation of growing timber.

Expenses related to growing timber are charged against profit as incurred.

Foreign currency.

- **Translation of foreign currency transactions.** Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the dates of those transactions.

  Amounts payable and receivable in foreign currency at balance date are converted to Australian dollars at exchange rates ruling on that date. Any differences are treated as operating revenue and expenses in the period in which they arise.
- **Translation of foreign currency financial statements.** Assets and liabilities of overseas branches and controlled entities are translated at exchange rates ruling at balance date. Revenue and expense items of overseas branches and controlled entities are translated at the rates ruling at the end of each month. Exchange differences arising on these translations are recorded in the foreign currency translation reserve.
- **Hedging of foreign currency commitments.** 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. Costs or gains arising at the time of entering into hedge transactions are accounted for separately and brought to account in 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 in the balance sheet.

Associated companies are those in which the economic entity has a material investment and has capacity to significantly influence their financial and/or operating policies.

Financial information on associated companies is not included in the profit and loss statement or balance sheet. It is shown by way of supplementary information in note 38.

Intangibles. Goodwill acquired or arising on consolidation is included in non-current assets and systematically amortised to profit and loss over the period in which the benefits are expected to arise. The period over which goodwill is amortised does not exceed twenty years.

The unamortised balance of intangibles is reviewed at each balance date and charged to profit and loss to the extent future benefits are no longer probable.

Patents and trademarks acquired are valued at the lower of cost and recoverable amount. No amortisation is provided.

Employee entitlements. Provision is made in the accounts for all entitlements accruing to employees, including obligations in respect of annual and long service leave.

Contributions to superannuation funds. The CSR economic entity 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 41.

Rounding of amounts to nearest A$ 0.1 million. Unless otherwise shown in the accounts 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 Commission Class Order 210/91 dated 15 April 1991.

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

Statement of cash flows

for the year ended 31 March 1992

CSR Limited and its controlled entities	A$ million		Explanatory note	Consolidated 1992		CSR Limited 1992	
Cash flows from operating activities							
Receipts from customers				4190.2		1843.9	
Payments to suppliers and employees				(3594.9)		(1558.0)	
Dividends received				2.7		82.8	
Interest received				45.4		17.6	
Income taxes paid				(169.8)		(71.8)	
Net cash from operating activities			A	473.6		314.5	
Cash flows from investing activities							
Purchase of controlled entities, net of cash acquired				(10.8)		(74.4)	
Purchase of property, plant and equipment				(369.2)		(100.7)	
Proceeds from sale of equipment				69.6		24.5	
Proceeds from sale of investments				17.1		0.1	
Acquisition of other investments				(17.1)		0.2	
Purchase of intangibles				(3.5)		(1.1)	
Net cash from investing activities				(313.9)		(151.4)	
Cash flows from financing activities							
Proceeds from issue of shares:	CSR shareholders			59.3		59.3	
	outside equity interests			22.1	81.4	–	59.3
Borrowings: proceeds				1606.4		1046.5	
repayments				(1576.2)	30.2	(1256.1)	(209.6)
Dividends paid					(114.1)		(90.1)
Interest paid					(137.3)		(48.0)
Long-term loans and term debtors					(14.3)		(115.6)
Other loans and debtors:	issued			(40.7)		(1072.3)	
	matured and repaid			14.9	(25.8)	1263.8	191.5
Net cash from financing activities					(179.9)		(212.5)
Net decrease in cash held					(20.2)		(49.4)
Cash at 1 April 1991					270.2		105.3
Effects of exchange rate changes					(0.4)		–
Cash at 31 March 1992			B		249.6		55.9
Explanatory notes:							
A Reconciliation of net cash from operating activities to operating loss after income tax attributable to members of CSR Limited							
Net cash from operating activities					473.6		314.5
Depreciation and amortisation					(249.0)		(70.0)
Transfers to/from provisions					38.4		25.4
Interest expense					(136.6)		(66.9)
Surplus (loss) on disposals of non-current assets					(5.4)		2.5
Review of non-current asset values					(660.0)		(561.9)
Abnormal provisions raised					(94.1)		(67.8)
Increment in value of growing timber					3.8		–
Net foreign exchange (loss) gain					(0.8)		0.7
Dividend income reinvested					7.8		–
Outside equity interests share of losses					46.2		–
Changes in assets and liabilities:							
decrease in receivables and other current assets					(17.3)		(3.8)
decrease in inventories					(12.8)		(9.0)
decrease (increase) in creditors and accrued expenses					20.7		(12.3)
increase in deferred costs					5.2		0.9
net change in tax balances					179.2		54.8
other					15.8		6.6
Operating loss after income tax attributable to members of CSR Limited					(385.3)		(386.3)

CSR Limited and its controlled entities — A$ million	Consolidated 1992	CSR Limited 1992
B Components of cash		
Cash at banks and on hand	23.9	11.2
Short-term loans and deposits	238.4	56.1
	262.3	67.3
Bank overdraft	(12.7)	(11.4)
	249.6	55.9

	Acquired	Disposed of
C Acquisitions and disposals		
Details of acquisitions and disposals are as follows:		
Fair value of net assets of entities		
Property, plant and equipment	13.1	0.1
Intangibles	8.4	–
Inventories	2.6	–
Receivables	2.2	0.2
Other current assets	0.1	–
Cash	0.1	–
Current creditors and borrowings	(8.6)	(0.2)
Provisions	(1.1)	–
Outside equity interest	2.5	–
	19.3	0.1
Consideration		
Cash for: shares	10.9	0.3
businesses	8.4	–
	19.3	0.3
Net cash flow		
Cash consideration for controlled entities	10.9	0.3
Less cash balances acquired	0.1	–
Cash flow	10.8	0.3
Cash consideration for businesses acquired	8.4	–
Total flow of cash	19.2	0.3

D Non-cash financing and investing activities

Under the CSR Share Purchase Plan, shareholders may elect to have dividends either paid out in cash or reinvested in additional shares. During the year ended 31 March 1992, a total of $116.0 million in dividends were reinvested under this option.

$7.8 million of dividends received during the year were either reinvested in additional shares in the existing investments or offset by loans, and thus did not involve an exchange of cash.

E Details of major credit facilities

Credit standby facilities

The economic entity has a total of US$880 million committed standby facilities of which US$572 million were undrawn as at 31 March 1992. These include a US$350 million Note Underwriting Facility provided by a syndicate of banks, and a number of bilateral bank facilities. The facilities have fixed maturity dates ranging between October 1992 and October 1996.

In addition, the economic entity has US$100 million of undrawn, uncommitted bank standby facilities of which US$50 million matures in February 1993 and US$50 million is an evergreen facility.

Commercial paper

The economic entity has commercial paper programs based in Europe, the United States and Australia. Commercial paper issued by CSR Finance Limited and CSR America, Inc is guaranteed by CSR Limited. The programs which total US$800 million and A$300 million are evergreen facilities. They are backed by the standby facilities referred to above. As at 31 March 1992, A$522 million equivalent of commercial paper was issued.

Other loans

(i) Eurobonds

A$195 million equivalent of Eurobonds were outstanding at 31 March 1992. These are denominated in United States and Australian dollars. A$39 million matures in May 1992; A$36 million in May 1993 and US$100 million in December 1995.

(ii) Cash advances

A total of US$368 million of fully drawn cash advances from international financial institutions was outstanding as at 31 March 1992. The advances have fixed maturity dates ranging from April 1992 to September 1998.

CSR Limited and its controlled entities	1992 A$ million		1991 A$ million	
Source of funds				
Operations				
Trading revenue	4199.9		4566.5	
Less outgoings after adjustment for non-fund items	3693.8	506.1	3879.1	687.4
Dividend income		10.5		24.7
Funds from operations		516.6		712.1
Proceeds from disposals of non-current assets				
Ordinary and abnormal items		59.9		340.8
Proceeds from share issues				
CSR shareholders		175.6		195.6
Outside equity shareholders in controlled entities		22.1		0.1
Long-term borrowings				
Received	897.1		532.9	
Less repayments and borrowing costs	(785.0)	112.1	(734.3)	(201.4)
Increase in term creditors		14.6		2.6
		900.9		1049.8
Application of funds				
Non-current assets acquired[a]				
Property, plant and equipment	403.8		411.8	
Intangibles	3.5		15.4	
Shares in new controlled entities	7.7		–	
Additional shares in existing controlled entities	3.2		–	
Other investments	23.6	441.8	51.2	478.4
Long-term loans				
Made	14.0		55.7	
Less matured and repaid	(14.3)	(0.3)	81.4	(25.7)
Capital expenditure		441.5		452.7
Movement in operating working capital				
Inventories	(12.8)		73.9	
Receivables and other current assets	(45.5)		(132.7)	
Creditors	67.0	8.7	35.3	(23.5)
Increase in deferred costs and term debtors		7.0		5.7
Income tax paid		169.8		250.3
Dividends paid				
CSR shareholders	206.1		299.6	
Outside equity shareholders in controlled entities	24.0	230.1	36.0	335.6
		857.1		1020.8
Increase in liquidity[b]		43.8		29.0
		900.9		1049.8

a The acquisition and disposal of controlled entities are reflected in shares acquired and proceeds from divestments respectively. Therefore the assets and liabilities of those controlled entities are not included elsewhere.

b Liquidity comprises cash, short-term loans and current investments less bank overdrafts and short-term borrowings.

The acquisition and disposal of controlled entities affected the consolidated accounts as follows:	Acquired A$ million	Disposed of A$ million
Net assets		
Property, plant and equipment	13.1	0.1
Intangibles	8.4	–
Inventories	2.6	–
Receivables	2.2	0.2
Other current assets	0.1	–
Cash	0.1	–
Current creditors and borrowings	(8.6)	(0.2)
Provisions	(1.1)	–
Outside equity interests	2.5	–
	19.3	0.1
Consideration		
Cash for: shares in controlled entities	10.9	0.3
businesses	8.4	–
Net profit on disposal before income tax		(0.2)
	19.3	0.1

Funds from operations comprises:	1992 A$ million	1991 A$ million
Operating profit	315.4	547.6
Depreciation	249.0	236.3
Transfers to provisions	142.0	129.7
Payments from provisions	(180.4)	(176.7)
Surplus on disposals of non-current assets	(5.4)	(21.5)
Net foreign exchange losses	0.7	0.4
Other	(4.7)	(3.7)
	516.6	712.1

CSR Limited and its controlled entities	A$ million	Note	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
1 Operating profit						
Total revenue			4299.9	4979.5	1965.4	2234.2
Less: interest income from short-term deposits		2	29.6	47.5	14.9	30.5
non-trading revenue		3	70.4	365.5	97.4	129.6
Trading revenue			4199.9	4566.5	1853.1	2074.1
Operating costs		4	3543.6	3705.1	1554.3	1743.6
Depreciation		5	249.0	236.3	70.0	68.5
Trading profit			407.3	625.1	228.8	262.0
Dividend income			10.5	24.7	82.8	120.7
Surplus (loss) on disposals of non-current assets			5.4	21.5	(2.5)	1.1
Operating profit before net interest, foreign exchange and income tax			423.2	671.3	309.1	383.8
Less: net interest expense		6	107.0	123.7	52.0	43.8
net foreign exchange loss (gain)			0.8	–	(0.7)	(0.9)
Operating profit before abnormal items and income tax			315.4	547.6	257.8	340.9
2 Interest income from short-term deposits						
Interest income from: controlled entities					6.2	16.1
others			31.6	50.4	9.2	22.9
Interest income included in total revenue			31.6	50.4	15.4	39.0
Less interest from long-term loans			2.0	2.9	0.5	8.5
			29.6	47.5	14.9	30.5
3 Non-trading revenue						
Dividend income from: controlled entities					82.8	120.7
others			10.5	24.7	–	–
Proceeds from disposals of non-current assets: ordinary and abnormal			59.9	340.8	14.6	8.9
			70.4	365.5	97.4	129.6
4 Operating costs						
Cost of sales			2790.1	2943.7	1210.8	1355.4
Warehouse and distribution costs			166.4	142.9	76.4	66.8
Selling costs			265.6	308.8	143.5	161.9
Administration and other costs			321.5	309.7	123.6	159.5
Total operating costs			3543.6	3705.1	1554.3	1743.6
The above amounts include transfers to (from) provisions for:						
Annual and sick leave			55.2	58.0	28.1	29.4
Contract losses			0.1	8.5	–	8.4
Diminution in value of:	stocks		1.4	2.1	1.3	1.5
	investments		–	(8.1)	–	10.1
Doubtful debts:	trade		15.2	5.4	7.7	1.3
	other		(2.5)	(2.2)	(1.1)	(2.4)
Fringe benefits tax			3.9	4.0	2.3	2.3
Long service leave			7.9	9.6	5.7	6.7
Plant overhaul			14.4	11.5	11.0	9.3
Uninsured losses and future claims			37.2	31.7	5.9	11.6
Other costs			9.2	9.2	7.3	10.2
			142.0	129.7	68.2	88.4
Operating costs also include:						
Contribution to employee retirement funds (refer note 41)			27.8	26.2	11.8	12.0
Mining royalties paid to government			1.9	2.0	0.9	0.4
Operating lease and rental payments			46.7	34.2	31.7	27.3
(No government subsidies were received or receivable)						

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
5 Depreciation				
Amounts charged for depreciation, amortisation and depletion of:				
leased assets	1.8	2.4	0.7	0.7
other property, plant and equipment	228.2	216.4	68.5	66.8
goodwill	19.0	17.5	0.8	1.0
	249.0	236.3	70.0	68.5
6 Net interest expense				
Interest paid or payable on:				
long-term debt to: controlled entities			46.3	47.0
others	126.3	150.1	4.7	12.1
short-term debt to: controlled entities			14.8	12.3
others	11.4	19.1	0.8	2.3
Finance leases	1.3	2.0	0.3	0.6
Total interest expense	139.0	171.2	66.9	74.3
Less: interest income on short-term deposits (note 2)	29.6	47.5	14.9	30.5
amounts capitalised	2.4	–	–	–
Net interest expense charged against profit	107.0	123.7	52.0	43.8

A$ thousand	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
7 Auditors' remuneration				
Amounts received or due and receivable by auditors for:				
auditing the accounts	3530	3345	1885	1784
other services	2334	1610	1564	905
Included above are amounts received or due and receivable by auditors other than the auditor of CSR Limited for:				
auditing the accounts	985	951		
other services	247	552		
8 Directors' and executives' remuneration				
Aggregate income received or due and receivable by:				
directors of: CSR Limited	2612	2428	2612	2428
controlled entities	1559	3479		
	4171	5907	2612	2428
Australian executives whose total income equals or exceeds $100 000[a]	6969	6461	6260	5997
Amounts paid to superannuation funds in respect of the directors' and principal executive officers' retirement[b]	85	348	–	–

The number of directors and Australian executives whose total income fell within the following bands:

	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
Directors				
$40 000 to $49 999			7	7
$110 000 to $119 999			1	1
$380 000 to $389 999				1
$410 000 to $419 999			1	
$480 000 to $489 999				1
Australian executives				
$100 000 to $109 999	8	4	6	4
$110 000 to $119 999	6	4	5	4
$120 000 to $129 999	2	6	2	5
$130 000 to $139 999	4	4	4	4
$140 000 to $149 999	4	2	4	2
$150 000 to $159 999	1	1	1	1
$160 000 to $169 999		1		
$170 000 to $179 999	1	5	1	4
$180 000 to $189 999	4	2	3	2
$190 000 to $199 999	2	1	1	1
$200 000 to $209 999		1		1

	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
Directors				
$510 000 to $519 999			1	
$540 000 to $549 999				1
$580 000 to $589 999			1	
$610 000 to $619 999				1
$660 000 to $669 999			1	
Australian executives				
$210 000 to $219 999	2		2	
$240 000 to $249 999		1		1
$260 000 to $269 999	1		1	
$310 000 to $319 999		1		1
$340 000 to $349 999	1		1	
$380 000 to $389 999		1		1
$410 000 to $419 999	1		1	
$480 000 to $489 999		1		1
$510 000 to $519 999	1		1	
$610 000 to $619 999		1		1
$660 000 to $669 999	1		1	

a Number of executives: 39 (1991: 36).
b The directors believe the provision of full particulars would be unreasonable having regard to the number of persons to whom those particulars relate.

Notes to and forming part of the accounts
CSR Limited and its controlled entities

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
9 Abnormal items				
Review of non-current asset values				
Quarry and other raw material reserves	(68.6)	–	(9.6)	–
Plant and equipment	(193.5)	–	(75.0)	–
Growing timber and log licences	(44.9)	–	–	–
Goodwill	(215.9)	–	(10.4)	–
Patents and trademarks	(120.6)	–	–	–
Investments and other non-current assets	(16.5)	–	(2.3)	–
Shares in and amounts owing by controlled entities	–	–	(464.6)	–
Total non-current asset write downs	(660.0)	–	(561.9)	–
Plant closure costs and other expenses	(36.2)	–	(27.9)	–
	(696.2)	–	(589.8)	–
Income tax benefit	79.3	–	31.6	–
	(616.9)	–	(558.2)	–
Outside equity interests in abnormal items	58.7	–	–	–
	(558.2)	–	(558.2)	–
Provisions raised				
Provision for product liability	(30.0)	–	(30.0)	–
Income tax benefit	11.7	–	11.7	–
Provision for restoration and environmental rehabilitation	(12.0)	–	(12.0)	–
Income tax benefit	4.7	–	4.7	–
Provision for losses arising from disposal of assets and businesses in previous years[a]	(18.0)	10.4	–	4.2
Income tax expense	–	(2.4)	–	–
Provision for plant closure	–	(14.0)	–	(14.0)
Income tax benefit	–	3.2	–	3.2
	(43.6)	(2.8)	(25.6)	(6.6)
Income tax overprovided in previous years[b]	41.2	–	10.9	–
Disposal of non-current assets				
Loss on disposal of associated company	–	(36.0)	–	(1.6)
Profit on disposal of associated company	–	56.7	–	–
Income tax expense	–	(20.3)	–	–
	–	0.4	–	(1.6)
Abnormal items net of income tax	(560.6)	(2.4)	(572.9)	(8.2)
Analysis of abnormal items:				
Abnormal items before income tax	(756.2)	17.1	(631.8)	(11.4)
Income tax benefit (expense) on abnormal items	95.7	(19.5)	48.0	3.2
Abnormal tax credit	41.2	–	10.9	–
Outside equity interests in abnormal items	58.7	–	–	–
Loss on abnormal items after income tax attributable to members of CSR Limited	(560.6)	(2.4)	(572.9)	(8.2)

a Includes a provision for bad debts of $10 million.
b Arising from favourable tax settlements.

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
10 Tax effect accounting				
Income tax expense				
Reconciliation of income tax expense charged in the profit and loss statement with income tax calculated on operating profit.				
Operating (loss) profit	(440.8)	564.7	(374.0)	329.5
Income tax (benefit) expense calculated at 39 cents in the dollar	(171.9)	220.2	(145.9)	128.5
Increase (decrease) in tax expense due to:				
non tax deductible: depreciation	13.8	12.5	2.6	3.3
loss on disposal of associated company	–	13.4	–	–
provision for diminution in value of investments	–	(3.4)	–	3.9
provision for losses arising from disposal of assets and businesses in previous years	7.0	–	–	–
other expenditure	3.5	5.1	2.7	2.8
reassessment of future income tax benefits	0.2	(2.7)	(0.4)	–
prior year capital losses recognised	–	(14.5)	–	(7.4)
non-taxable surplus on disposals of assets	(3.0)	(11.4)	(2.5)	(0.8)
review of non-current asset values	192.2	–	198.4	–
rebates on dividends received	(4.1)	(9.6)	(32.3)	(47.1)
overseas tax rate differential	(0.3)	(0.5)	–	–
other items	(5.5)	0.6	0.6	3.3
Income tax expense on current year's operating profit	31.9	209.7	23.2	86.5
Abnormal item: income tax overprovided in previous years	(41.2)	–	(10.9)	–
Total income tax (benefit) expense on operating profit	(9.3)	209.7	12.3	86.5
Total income tax (benefit) expense comprises additions to:				
provision for current tax	90.7	192.8	37.5	79.3
provision for deferred tax	(28.0)	32.2	(2.3)	12.0
future income tax benefits	(72.0)	(15.3)	(22.9)	(4.8)
	(9.3)	209.7	12.3	86.5
Analysis of total income tax (benefit) expense:				
Income tax expense on operating profit	127.6	190.2	71.2	89.7
Income tax (benefit) expense on abnormal items	(95.7)	19.5	(48.0)	(3.2)
Abnormal item: income tax overprovided in previous years	(41.2)	–	(10.9)	–
	(9.3)	209.7	12.3	86.5
Future income tax benefits attributable to tax losses carried forward as an asset	27.9	16.0	1.6	–
Future income tax benefits not taken to account				
Balance at beginning of year	–	13.1	–	7.2
Adjustments for controlled entities acquired and disposed of	0.1	4.1	–	–
Benefits not recognised (recognised)	4.0	(17.2)	–	(7.2)
Balance at end of year	4.1	–	–	–
11 Dividends				
Interim dividend paid fully franked	80.5	122.0	80.5	122.0
Final dividend proposed fully franked	83.5	126.5	83.5	126.5
	164.0	248.5	164.0	248.5
12 Cash				
Cash at banks and on hand	23.9	13.8	11.2	7.6
Short-term loans and deposits	238.4	276.7	56.1	106.7
	262.3	290.5	67.3	114.3

Notes to and forming part of the accounts
CSR Limited and its controlled entities

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
13 Current receivables				
Trade debtors	590.6	602.4	287.7	301.3
Provision for doubtful debts	(24.1)	(24.6)	(12.5)	(14.3)
	566.5	577.8	275.2	287.0
Amounts owing by controlled entities			899.1	895.3
Provision for doubtful debts			(6.5)	(6.7)
			892.6	888.6
Other loans	41.5	–	–	–
Other debtors	68.1	88.0	28.8	46.5
Provision for doubtful debts	(10.8)	(2.6)	–	(1.1)
	57.3	85.4	28.8	45.4
	665.3	663.2	1196.6	1221.0
Bad debts written off against provisions				
Trade debtors	15.9	17.8	9.5	10.6
Other debtors	0.3	7.1	–	–
14 Current inventories				
Raw and process materials and stores	204.3	235.4	77.3	87.7
Provision for diminution in value	(1.2)	(2.5)	(0.5)	(0.6)
	203.1	232.9	76.8	87.1
Work in progress	48.9	41.4	13.4	13.0
Finished goods	345.6	336.2	107.7	104.3
Livestock	0.7	0.6	0.7	0.6
	598.3	611.1	198.6	205.0
15 Other current assets				
Prepayments	22.2	23.0	9.1	12.7
16 Non-current receivables				
Amounts owing by controlled entities			858.4	1242.0
Loans to employees[a]				
Directors of controlled entities[b]	1.1	1.2	1.1	1.2
Other staff	15.9	18.4	15.9	18.4
Other loans	60.6	58.5	35.7	26.8
Provision for doubtful debts	–	(3.9)	–	–
	77.6	74.2	911.1	1288.4
Term debtors	3.8	17.8	–	15.0
	81.4	92.0	911.1	1303.4

a Includes loans to directors of CSR Limited. Amount before rounding $0.031 million (1991 $0.033 million). There are no outstanding loans to non-executive directors.
b Amounts before rounding – consolidated $1,072 million (1991 $1,239 million). CSR Limited $1,072 million (1991 $1,239 million).

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
17 Non-current investments				
Shares in controlled entities – not quoted on stock exchanges				
At directors' valuation 1967			–	0.1
At directors' valuation 1992			613.5	–
At cost			212.0	957.0
			825.5	957.1
Provision for losses in controlled entities			–	(10.2)
			825.5	946.9
Shares in other companies – not quoted on stock exchanges				
At directors' valuation 1978	0.5	0.5	–	–
At directors' valuation 1992	0.4	–	–	–
	0.9	0.5	–	–
At cost	149.2	140.2	–	–
Provision for diminution in value	–	(2.1)	–	–
	149.2	138.1	–	–
	150.1	138.6	–	–
Shares in other companies – *quoted on stock exchanges*[a]				
At cost	–	16.0	–	–
Total shares in other companies[b]	150.1	154.6	–	–
Debentures and government stock – not quoted on stock exchanges (at cost)	–	0.1	–	0.1
Interests in partnerships (at cost)	12.2	12.3	12.1	12.3
	162.3	167.0	837.6	959.3

a Quoted market value 1991 $13.9 million.
b Details of the significant investment are shown in note 38.

18 Non-current inventories				
Raw and process materials and stores	13.3	13.8	4.6	6.9
Finished goods	–	1.1	–	1.1
Livestock	0.6	1.0	0.6	1.0
	13.9	15.9	5.2	9.0
19 Property, plant and equipment				
Land and buildings[a]	1203.5	875.1	357.3	192.0
Quarry and other raw material reserves	445.4	622.0	10.0	29.6
Plant and equipment	1859.3	1931.6	523.0	586.7
Growing timber and log licences	93.2	129.9	–	–
Total property, plant and equipment (details given below)	3601.4	3558.6	890.3	808.3
Land and buildings				
At directors' valuation 1984	–	2.0	–	2.0
1985	–	9.0	–	9.0
At independent valuation 1985	–	81.4	–	78.1
1987	–	12.1	–	–
1992	1213.8	–	362.5	–
	1213.8	104.5	362.5	89.1
Accumulated depreciation	(10.3)	(11.1)	(5.2)	(10.1)
	1203.5	93.4	357.3	79.0
At cost	–	875.9	–	140.0
Accumulated depreciation	–	(94.2)	–	(27.0)
	–	781.7	–	113.0
	1203.5	875.1	357.3	192.0

Notes to and forming part of the accounts
CSR Limited and its controlled entities

A million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
19 Property, plant and equipment (continued)				
Quarry and other raw material reserves				
At directors' valuation 1992	160.2	–	3.0	–
Accumulated depletion	(4.6)	–	(0.1)	–
	155.6	–	2.9	–
At cost	310.2	651.3	8.0	32.7
Accumulated depletion	(20.4)	(29.3)	(0.9)	(3.1)
	289.8	622.0	7.1	29.6
	445.4	622.0	10.0	29.6
Plant and equipment				
At directors' valuation 1962	7.7	10.0	7.6	9.9
1985	13.5	13.5	13.5	13.5
1992	67.7	–	19.8	–
At independent valuation 1985	48.6	89.4	48.6	89.4
1987	6.2	8.7	–	–
At assessed value – leased assets	25.5	26.3	14.1	14.2
	169.2	147.9	103.6	127.0
Accumulated: depreciation – valuation	(46.0)	(54.2)	(34.4)	(46.3)
amortisation – leased assets	(19.3)	(18.4)	(9.2)	(8.6)
	103.9	75.3	60.0	72.1
At cost	2968.5	3040.9	820.0	872.7
Accumulated depreciation	(1213.1)	(1184.6)	(357.0)	(358.1)
	1755.4	1856.3	463.0	514.6
	1859.3	1931.6	523.0	586.7
Growing timber and log licences				
Growing timber				
At directors' valuation 1992	60.9	–	–	–
At cost	–	79.2	–	–
Accumulated value of increase in timber volume	0.5	19.7	–	–
	61.4	98.9	–	–
Log licences				
At directors' valuation 1992	5.6	–	–	–
At cost	30.3	34.3	–	–
Accumulated amortisation	(4.1)	(3.3)	–	–
	26.2	31.0	–	–
	31.8	31.0	–	–
	93.2	129.9	–	–
Total property, plant and equipment	3601.4	3558.6	890.3	808.3

a Valuation of land and buildings.
All land and buildings owned by the economic entity were independently valued as at 31 December 1991.

The 1992 independent valuations brought to account in the financial statements were carried out in Australia by H M Bickford AVLE(Val) of H M Bickford Valuations, B R Nicholson FVLE(Val) of Alcorn Lupton Nicholson Pty Ltd, A W Miller LFVLE(Val) of Arthur Miller & Assoc Pty Ltd, P J Logan FVLE(Val) of Baillieu Knight Frank (WA) Pty Ltd, T J Sanderson LFVLE(Val) of Chesterton International (WA) Pty Ltd, D R Blackwell AVLE(Val) of Craig Miller Pty Ltd, C D Johns FVLE(Val) of Geo M Hume Pty Ltd, G W Litherland FVLE(Val) and P Rennie AVLE(Val) of Herron Todd White Valuers Pty Ltd, G McNamara FVLE(Val) of McNamara & Assoc Proprietary, M G Fimmel REIV of M G Fimmel, G D Clarke FVLE(Val) of McGee Isles Love Pty Ltd, G J McCloud AVLE(Val) of Rushtons, S A De Garis AVLE(Val) of S A De Garis, J S Howes FVLE(Val) of Sallmanns (NSW) Pty Ltd and R J Hodgson FVLE(Val) of R J Hodgson & Co Pty Ltd; in New Zealand by R W Laing ANZIV of Barratt-Boyes Jefferies Ltd; in the United States of America by S M McClurg ASA of American Appraisal Associates, Inc; in Canada by D G Pateman BA AACI of Penny & Keenleyside Appraisals, T S Bull AACI CMA of L E Rivard & Associates Ltd; in Malaysia by A H B Othman FRICS of C H Williams Talhar & Wong Sdn Bhd.

The independent valuations were carried out on the basis of open market value based on existing use, or for discontinued operations on open market value upon sale of the relevant land and buildings.

CSR Limited and its controlled entities

20 Movements in consolidated property, plant and equipment

A$ million	Land and buildings	Quarry and other raw material reserves	Plant and equipment	Growing timber and log licences	Total
Gross book value					
Balance at beginning of year	980.4	651.3	3188.8	133.2	4953.7
Assets: acquired	20.2	0.1	383.5	–	403.8
in controlled entities acquired	3.0	–	4.5	–	7.5
disposed of	(8.9)	(6.4)	(67.2)	–	(82.5)
in controlled entities disposed of	–	–	(0.1)	–	(0.1)
Foreign currency movements	(0.2)	4.2	3.2	–	7.2
Increase in timber volume	–	–	–	3.8	3.8
Reclassifications	140.8	(87.9)	(59.8)	5.5	(1.4)
Revaluations	96.5	(90.9)	(315.2)	(45.2)	(354.8)
Balance at end of year	1231.8	470.4	3137.7	97.3	4937.2
Depreciation and other provisions					
Balance at beginning of year	105.3	29.3	1257.2	3.3	1395.1
Provisions raised	14.4	10.1	202.6	1.1	228.2
Depreciation on assets:					
disposed of	(1.8)	(0.9)	(52.7)	–	(55.4)
Foreign currency movements	0.4	0.3	1.7	–	2.4
Reclassifications	(2.6)	8.5	(8.7)	–	(2.8)
Revaluations	(87.4)	(22.3)	(121.7)	(0.3)	(231.7)
Balance at end of year	28.3	25.0	1278.4	4.1	1335.8
Net book value of assets at end of year	1203.5	445.4	1859.3	93.2	3601.4

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
21 Intangibles				
Goodwill				
At directors' valuation 1992	244.3	–	–	–
Accumulated amortisation	(4.8)	–	–	–
	239.5	–	–	–
At cost	40.8	546.1	1.3	17.0
Accumulated amortisation	(9.6)	(48.3)	(1.3)	(4.4)
	31.2	497.8	–	12.6
	270.7	497.8	–	12.6
Patents and trademarks[a]				
At independent valuation 1992	60.6	–	–	–
At cost	–	182.8	–	0.3
	60.6	182.8	–	0.3
	331.3	680.6	–	12.9
22 Other non-current assets				
Future income tax benefits	155.3	88.6	74.4	53.1
Deferred costs	33.7	27.3	13.4	13.2
Other	2.0	2.4	–	–
	191.0	118.3	87.8	66.3

a All patents and trademarks were independently valued as at 31 December 1991.
The valuations were performed by P R Espie BSc MBA and J M Armstrong BSc(Chem Eng) MBA of Pacific Road Securities Pty Limited.
The basis used for the independent valuation is the 'comparable royalty basis'.

Notes to and forming part of the accounts
CSR Limited and its controlled entities

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
23 Current creditors and borrowings				
Current maturities of long-term loans				
Secured				
Finance lease liabilities[a]	3.2	3.3	1.5	1.7
Other	3.1	0.6	–	–
Unsecured				
Bank	105.1	129.8	–	–
Notes	90.5	0.6	–	–
Other	–	0.8	–	–
	201.9	135.1	1.5	1.7
Bank overdraft: secured[b]	1.0	2.9	–	–
unsecured	11.7	17.4	11.4	9.0
	12.7	20.3	11.4	9.0
Short-term loans – secured[b]				
Bank	2.5	1.7	–	–
Short-term loans – unsecured				
Notes	152.6	174.0	–	–
Other	4.5	5.1	2.2	2.7
	159.6	180.8	2.2	2.7
Creditors				
Trade	311.9	393.6	139.6	142.0
Other	127.7	113.7	3.9	73.5
Amounts owing to controlled entities			746.3	687.3
	439.6	507.3	889.8	902.8
	813.8	843.5	904.9	916.2
Current maturities of long-term loans are repayable in the following currencies:				
(Australian dollar equivalents are shown)				
Australian dollars	41.2	2.2	0.1	0.1
United States dollars	158.6	132.7	1.4	1.6
Other currencies	2.1	0.2	–	–
	201.9	135.1	1.5	1.7

a Secured by a charge over the leased assets.
b Secured by a charge over the assets of certain controlled entities.

24 Current provisions				
Annual and sick leave	52.5	51.9	26.2	26.4
Contract losses	0.2	7.5	0.1	7.4
Dividend	83.0	125.1	83.0	125.1
Fringe benefits tax	1.1	1.5	0.6	0.9
Income tax	139.3	226.3	69.4	103.7
Long service leave	15.5	15.0	11.2	11.2
Losses arising from disposal of businesses in previous years	6.9	0.5	2.2	–
Pension and retiring allowances	1.3	2.4	1.1	1.2
Plant closure	35.6	14.0	31.4	14.0
Plant overhaul	1.8	2.6	1.1	1.2
Product liability	13.1	9.6	13.1	9.6
Restoration and environmental rehabilitation	5.4	4.1	1.8	1.4
Uninsured losses and future claims	25.5	31.8	5.1	9.0
Other	18.2	18.1	7.1	7.8
	399.4	510.4	253.4	318.9

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
25 Non-current creditors and borrowings				
Long-term loans				
Secured				
Bank	–	5.0	–	–
Finance lease liabilities[a]	5.4	13.4	3.0	4.4
Other[b]	4.3	7.7	–	–
Unsecured				
Loans from controlled entities			715.0	938.7
Bank	659.0	694.2	–	–
Notes	460.6	350.9	–	–
Other	137.3	133.8	7.2	7.6
Term creditors	29.7	12.9	–	–
CSR convertible notes – unsecured[c]	1.2	1.3	1.2	1.3
	1297.5	1219.2	726.4	952.0
Non-current creditors and borrowings are repayable in the following currencies:				
(Australian dollar equivalents are shown)				
Australian dollars	151.7	125.5	726.4	950.6
United States dollars	1145.8	1088.8	–	1.4
Other currencies	–	4.9	–	–
	1297.5	1219.2	726.4	952.0
Total non-current creditors and borrowings will mature as follows:				
Year ending March 1994	141.3		38.8	
1995	314.5		–	
1996	272.8		136.7	
1997	537.0		36.1	
1998	6.9		6.7	
1999	20.4		19.4	
2000	0.2		–	
2001	0.2		–	
2002	0.2		–	
2003 and after	1.1		–	
	1294.6		237.7	
Creditors and borrowings without fixed maturity date	1.7		487.5	
CSR convertible notes	1.2		1.2	
	1297.5		726.4	

a Secured by a charge over the leased assets.
b Secured by a charge over controlled entity assets.
c Includes convertible notes and option bonds. Refer to note 27 for details.

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
26 Non-current provisions				
Annual and sick leave	2.9	2.7	2.5	2.4
Deferred income tax	343.2	370.7	114.0	118.7
Long service leave	45.2	44.6	31.3	31.0
Losses arising from disposal of businesses in previous years	30.1	27.5	–	–
Pension and retiring allowances	1.9	1.3	1.1	0.4
Plant closure	3.2	–	1.9	–
Product liability	36.0	19.4	36.0	19.4
Restoration and environmental rehabilitation	29.1	16.8	12.0	–
Uninsured losses and future claims	12.1	7.5	7.4	7.4
Other	1.7	10.3	8.3	8.7
	505.4	500.8	214.5	188.0

Notes to and forming part of the accounts
CSR Limited and its controlled entities

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991

27 Share capital

Authorised capital				
2 000 000 000 ordinary shares of $1 each	2000.0	2000.0	2000.0	2000.0
Less: unissued capital over which options are held[a]	15.9	24.7	15.9	24.7
other unissued and uncalled capital	1167.0	1197.5	1167.0	1197.5
Paid-up capital	817.1	777.8	817.1	777.8
Paid-up capital comprises:				
816 694 480 ordinary shares of $1 each fully paid (1991 – 776 498 003)	816.7	776.5	816.7	776.5
nil ordinary shares of $1 each partly paid to $0.50 (1991 – 1 769 727)	–	0.9	–	0.9
3 784 000 ordinary shares of $1 each partly paid to $0.10 (1991 – 4 075 000)	0.4	0.4	0.4	0.4
820 478 480 ordinary shares on issue (1991 – 782 342 730)	817.1	777.8	817.1	777.8

a 6 232 402 convertible notes were issued in August and September 1987 at par value $A4.00. The notes are convertible, at holder's option, on 28 February every year until 1997 at 100 notes to 100 ordinary CSR A$1.00 shares. Notes not converted will be repaid at par together with the final interest payment on 31 March 1997. Number of notes not converted 291 624 (1991 – 311 924). Options held on ordinary shares 291 624 (1991 – 311 924).

340 000 option bonds of $A380 each paid to A$0.01 were issued December 1985. Each option bond is currently convertible to 102.6797 ordinary CSR A$1.00 shares at any time until 11 December 1992. The conversion rate may change on 16 July 1992 as a result of the shareholder-approved capital reduction. Number of option bonds not converted 151 930 (1991 – 237 167). Options held on ordinary shares 15 600 126 (1991 – 24 353 263).

	Ordinary A$1 shares: Partly paid	Ordinary A$1 shares: Fully paid	Issue price A$	Equity funds A$ million
Particulars of shares issued during the year by CSR Limited				
On issue 31 March 1991	5 844 727	776 498 003		
Share Purchase Plan				
reinvested dividends		13 966 655	5.04	70.4
reinvested dividends		10 680 651	4.29	45.8
cash contributions		4 716 046	4.89	23.0
Convertible notes converted		20 300	4.00	–
Option bonds converted		8 752 098	3.70	32.4
Partly paid to fully paid: 1986 1-for-10 issue	(1 769 727)	1 769 727	2.50	2.7
Executive Share/Option plan	(291 000)	291 000	4.43	1.3
Total movements during year	(2 060 727)	40 196 477		175.6
On issue 31 March 1992	3 784 000	816 694 480		
Issued from 1 April to 19 May 1992		530 727	4.47	
Partly paid to fully paid	(24 000)	24 000	4.43	

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991

28 Reserves

Share premium	907.4	1329.3	907.4	1329.3
Capital	335.5	149.1	240.5	98.4
Foreign currency translation	(13.5)	(13.6)	–	0.1
Total reserves	1229.4	1464.8	1147.9	1427.8
Movements in share premium reserve				
Balance at beginning of year	1329.3	1176.5	1329.3	1176.5
Premium on shares issued	136.3	152.8	136.3	152.8
Transfer to retained profits	(558.2)	–	(558.2)	–
Balance at end of year	907.4	1329.3	907.4	1329.3
Movements in capital reserves				
Balance at beginning of year	149.1	149.1	98.4	98.4
Increment on revaluation of non-current assets	186.4	–	142.1	–
Balance at end of year	335.5	149.1	240.5	98.4
Movements in foreign currency translation reserve				
Balance at beginning of year	(13.6)	(8.0)	0.1	0.2
Exchange differences relating to overseas net assets:				
net loss on translation	(1.0)	(7.3)	(0.1)	(0.1)
net gain on hedge transactions	1.1	1.6	–	–
Reserves of controlled entities disposed of	–	0.1		
Balance at end of year	(13.5)	(13.6)	–	0.1

A$ million	Consolidated 1992	Consolidated 1991
29 Outside equity interests in controlled entities		
Share capital	80.2	79.9
Capital reserves[a]	239.7	235.1
Retained profits	(17.2)	33.5
	302.7	348.5

	Number of shares issued	Class of shares	Issue price A$	Purpose of issue
Particulars of shares issued during the year to outside equity shareholders in a controlled entity				
Gove Aluminium Limited	219 000	Redeemable preference fully paid	100	Expansion
Gove Aluminium Finance Limited[b]	150 000	Redeemable preference fully paid	100	Expansion

a Includes capital redemption reserve of $150,000.
b Preference shares redeemed on 1 November 1991.

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
30 Contracted capital expenditure, lease and hire expenditure				
Contracted capital expenditure				
Estimated capital expenditure contracted for at balance date but not provided for, payable within 1 year	114.4	67.8	7.7	4.7
Contracted lease and hire expenditure commitments				
Not otherwise provided for in the accounts:				
land and buildings	155.3	137.4	133.2	109.9
quarry and other raw material reserves	26.2	27.4	12.3	14.8
plant and equipment	32.7	37.0	81.5	38.6
	214.2	201.8	227.0	163.3
Contracted lease and hire expenditure comprises:				
Operating leases				
Non-cancellable payable: within 1 year	16.8	19.2	11.9	15.1
between 1 and 2 years	16.9	17.0	12.3	12.3
between 2 and 5 years	42.5	37.7	33.6	25.4
after 5 years	74.6	64.6	57.3	56.2
	150.8	138.5	115.1	109.0
Other payable: within 1 year	12.9	11.4	11.5	11.0
between 1 and 2 years	10.4	9.6	10.9	10.1
between 2 and 5 years	18.7	14.4	25.5	22.5
after 5 years	21.2	25.2	63.7	10.2
	63.2	60.6	111.6	53.8
Total operating lease and hire expenditure	214.0	199.1	226.7	162.8
Finance leases payable: within 1 year	3.5	4.9	1.6	2.0
between 1 and 2 years	4.7	7.5	3.2	4.6
between 2 and 5 years	0.6	7.0	–	–
Total minimum finance lease payments	8.8	19.4	4.8	6.6
Less amounts provided for in the accounts:				
current lease liabilities	3.2	3.3	1.5	1.7
non-current lease liabilities	5.4	13.4	3.0	4.4
Finance lease expenditure not otherwise provided for in the accounts	0.2	2.7	0.3	0.5
Total contracted lease and hire expenditure not otherwise provided for in the accounts	214.2	201.8	227.0	163.3

Notes to and forming part of the accounts
CSR Limited and its controlled entities

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991

31 Contingent liabilities

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

CSR Limited				
Various performance and other guarantees provided to third parties	6.1	5.9	6.1	5.9
Controlled entities				
Guarantees given by CSR Limited in respect of:				
amounts borrowed by CSR Finance Ltd and CSR America, Inc			1633.4	1515.0
leverage lease commitment of Austocean Pty Ltd			2.3	3.3
Other	4.8	6.1	–	0.5
	4.8	6.1	1635.7	1518.8
Other persons	0.2	–	–	–
	11.1	12.0	1641.8	1524.7

Other contingent liabilities

- Liability as self-insurer – CSR Limited acts as an authorised self-insurer in New South Wales, Victoria, Western Australia, Australian Capital Territory and South Australia for workers' compensation insurance, as does CSR America, Inc and certain of its controlled entities in California, Ohio, Washington and Nevada. Adequate provision has been made for potential claims.
- The maximum contingent liability of CSR Limited and its controlled entities for termination benefits under service agreements with directors and persons who take part in the management of the company is $3.4 million. A provision for CSR Limited non-executive directors' retirement benefits of $1.1 million is included in the accounts.
- CSR Limited has agreed to inject equity into CSR Investments Overseas Limited to the extent that CSR Investments Overseas Limited, pursuant to an underwriting agreement expiring on 31 March 1993, is required to invest up to US$100 million in CSR America, Inc.

32 Interests in joint ventures

Interests in joint ventures are included in the accounts in the following categories:

Current assets				
Receivables	1.7	2.5	–	–
Inventories	35.3	36.0	–	–
Other	1.0	–	–	–
	38.0	38.5	–	–
Non-current assets				
Inventories	2.3	2.9	–	–
Property, plant and equipment	337.4	242.1	–	–
Other	10.5	10.5	–	–
	350.2	255.5	–	–
Total assets employed in joint ventures	388.2	294.0	–	–
Current liabilities				
Creditors and borrowings	35.4	28.7	–	–
Provisions	3.7	2.7	–	–
	39.1	31.4	–	–
Non-current liabilities				
Provisions	5.8	4.5	–	–
	5.8	4.5	–	–
Total liabilities	44.9	35.9	–	–
Net assets	343.3	258.1	–	–
Contracted capital expenditure	89.7	35.0	–	–
Value of CSR's share of joint venture production after delivery costs				
Tomago	91.3	95.2	–	–
Gove	98.3	94.2	–	–

Joint venture	Principal activities	% Interest	A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
Details of interests in joint ventures							
Tomago	aluminium	35		269.5	193.7	–	–
Gove	bauxite, alumina	30		73.8	64.4	–	–
Total interests in joint ventures				343.3	258.1		

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991

33 Related party information

Ownership interests in related parties

Ownership interests held in controlled entities and associated companies are disclosed in notes 34 and 38.

Ownership interests held in joint ventures are identified in note 32.

In addition the economic entity holds a number of immaterial investments in associated companies which are not separately disclosed in note 38. These include the following with which there are material related party transactions:

Gypsum Resources Australia Ltd (50%)
Metromix Pty Ltd (50%) (formerly Ready Mixed Industries Pty Ltd)
Penrith Lakes Development Corporation (40%)

Aggregate amounts receivable from related parties				
Current				
Associated companies	**47.8**	2.5	**1.9**	2.4
Other related parties	**–**	0.1	**–**	0.1
Non-current				
Directors of controlled entities	**1.1**	1.2	**1.1**	1.2
Associated companies[a]	**41.4**	35.8	**23.7**	21.0
Aggregate amounts payable to related parties				
Current				
Directors of non-wholly owned controlled entities	**–**	0.5	**–**	–
Associated companies	**6.2**	5.8	**6.1**	5.5
Other related parties	**–**	0.4	**–**	–

Transaction type	Class of related party[b]				
Transactions with related parties					
Management fees paid	Associated company[c]	**6.9**	8.2	**6.9**	8.2
Purchases of goods and services	Associated company[d]	**73.9**	73.6	**67.3**	65.9
	Controlled entities	**–**	–	**0.8**	–
Sales of goods and services	Associated company[e]	**7.3**	12.2	**7.3**	12.2
	Controlled entities	**–**	–	**22.4**	12.3
	Other	**7.7**	–	**7.7**	–
Loans advanced	Associated company[f]	**42.8**	2.5	**1.3**	2.5
Loans repaid	Associated company[g]	**22.1**	37.8	**22.1**	–
Interest revenue	Associated company	**6.2**	1.2	**0.3**	–
Dividend revenue	Associated company[h]	**10.2**	23.2	**–**	–

a Non-current receivables were revalued to their recoverable amount by $2.8 million.

b All transactions with related parties are made on normal commercial terms and conditions except loans to associated companies of $18.9 million (1991 $28.7 million) which are non-interest bearing.

c Represents management fees paid to Penrith Lakes Development Corporation.

d Includes purchases of cement from Australian Cement Holdings Pty Ltd - consolidated $54.0 million (1991 $59.2 million), CSR Limited $48.4 million (1991 $50.1 million); purchases of gypsum from *Gypsum Resources Australia Ltd - consolidated* $10.1 million (1991 $9.4 million), CSR Limited $10.1 million (1991 $9.4 million); purchases of products and services from Metromix Pty Ltd - consolidated $4.6 million (1991 $3.6 million), CSR Limited $4.6 million (1991 $3.6 million).

e Includes sales of goods and services to Metromix Pty Ltd - consolidated $3.4 million (1991 $5.3 million), CSR Limited $3.4 million (1991 $5.3 million).

f Includes loans advanced to Australian Cement Holdings Pty Ltd - consolidated $41.5 million (1991 $nil); Metromix Pty Ltd - consolidated $1.3million (1991 $2.5 million), CSR Limited $1.3 million (1991 $2.5 million).

g Includes loans repaid by Australian Cement Holdings Pty Ltd - consolidated $19.0 million.

h Includes dividends received from Australian Cement Holdings Pty Ltd - consolidated $6.5 million (1991 $17.0 million).

Notes to and forming part of the accounts CSR Limited and its controlled entities	A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991

33 Related party information (continued)

Directors and director-related entities

The directors named on pages 28 and 29 of the Directors' report each held office as a director of CSR Limited throughout the year ended 31 March 1992.

Directors' remuneration is disclosed in note 8.

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

Loan repayments received

Aggregate amount of home loan repayments received at 4.5% interest.	**0.1**	0.1	**0.1**	0.1

Repayments received from the following directors of CSR Limited and its controlled entities:

D K Adams, W N Adams, D L Anstey, E E Apted, I E H Ballard, J J Bayer, W A Bennett, G G Blackford, J B Bolan, P J Bowen, A N Brennan, P R Bristol, M B Buckland, A B Carlton, J Chominsky, D V Clarke, G J Cook, E D Cooper, J R Cordner, J C Cotton, P G Currie, B W de Boos, I C Dear, S J Droder, D W Fea, C R Forster, I R Forster, P J Godbee, F N Gosling, N V Gregory, P S Hatt, J J Herron, J R Hodgkinson, M Hollingsworth, G A Howe, S M Hughes, D M Irons, P G James, G V Kells, E J Laakso, G Livingstone, I M Lockett, P H T Lovell, N H Lowndes, R G Lowndes, W P Macmillan, R J McGregor, I K Melrose, P J Meynink, A T L Moore, A E Morse, B M Munro, D Murden, I M Mutton, P J Noble, K P Ogden, R R Peacock, H F Pens, R K Philp, J S Pollock, M W Quinn, D F Roberts, L C Rufus, E A Smith, S C Smith, P D Stone, A J Tanner, R F Terpstra, B H Thomas, V C Thomas.

Aggregate amount of employee share plan loan repayments	**0.1**	0.1	**0.1**	0.1

Employee share plan loans are interest free.

Repayments received from the following directors of CSR Limited and its controlled entities:

J G Abbott, D K Adams, W N Adams, G J Allen, D L Anstey, E E Apted, R F Atkinson, B G Baker, I E H Ballard, R K Barton, J J Bayer, B E Beale, W A Bennett, G G Blackford, I B Bolan, P J Bowen, P J Bremner, A N Brennan, P R Bristol, M B Buckland, I G Burgess, A B Carlton, J Chominsky, D V Clarke, G J Cook, E D Cooper, J R Cordner, J C Cotton, P G Currie, B W de Boos, I C Dear, M D Donohue, S J Droder, R B Evans, D W Fea, I R Forster, B J Fowler, L C Freedman, S J Gawley, F N Gosling, W Gross, P S Hatt, J R Hodgkinson, M Hollingsworth, G A Howe, S M Hughes, D M Irons, P G James, G V Kells, E J Laakso, G Livingstone, J M Lockett, P H T Lovell, N H Lowndes, R G Lowndes, W P Macmillan, B P Mallon, W J Martin, R J McGregor, R G McIlwraith, P J Meynink, A T L Moore, A E Morse, B M Munro, D Murden, I M Mutton, P J Noble, K P Ogden, R R Peacock, H F Pens, R K Philp, J S Pollock, B G Powell, M W Quinn, D F Roberts, L C Rufus, H A T Segerius, E A Smith, S C Smith, P D Stone, A J Tanner, R F Terpstra, B H Thomas, V C Thomas, R C Thompson, B J Travers, B F Trayling, M F Wilmot, L Youdale.

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

- Acquisition of shares in CSR Limited under the share purchase plans
- Purchase of goods and services from a director-controlled company
- Sale of goods and services
- Contracts of employment and reimbursement of expenses

During the year Topmix Pty Ltd (formerly 66% CSR) was sold to a former director of the controlled entity for an amount in excess of book value. Refer to note 36 for details.

The economic entity purchased shares in WA Gravel & Paving Pty Limited and CSR Hebel Australia Pty Limited from former directors of these controlled entities.

34 Particulars relating to controlled entities

Except where shown all controlled entities are wholly owned and are investments of CSR Limited.

CSR Limited and its controlled entities	A$ million	Country of incorporation	Contribution to consolidated operating profit after income tax 1992	1991	Book value of investment 1992	1991
Corporate						
CSR Finance Ltd		Australia	4.9	1.6	5.4	5.3
CSR Insurance Pte Limited[*h]		Singapore	5.9	1.0	0.7	0.7
CSR International Pty Ltd		Australia	–	–	–	–
CSR Investments Pty Ltd		Australia	120.7	33.0	130.3	130.3
Buchanan Borehole Collieries Pty Ltd		Australia	(0.1)	–	2.8†	2.9†
Cosure Ltd (liquidated 1991)		Australia		0.3		
CSR Contracting Pty Ltd (Ord A, B & C)		Australia	–	–	–†	–†
Richter Drilling Pty Ltd		Australia	(0.1)	–	–†	–†
Shelf Drilling Pty Ltd		Australia	–	–	–†	–†
Seltsam Pty Ltd (formerly Seltsam Ltd)		Australia	–	–	5.8†	5.8†
Thiess Holdings Ltd (Ord A & B)		Australia	–	–	133.1†	402.9†
Biloela Callide Open Cut Pty Ltd[g]		Australia	–	–		–†
Thiess Bros Pty Ltd		Australia	11.9	8.0	220.4†	242.1†
Thiess Properties Pty Ltd		Australia	0.1	0.1	1.6†	1.5†
CSR Investments (Asia) Pte Ltd[*i]		Singapore	–	–	–†	–†
CSR Investments Australia Ltd		Australia	–	–	–	–
CSR Portfolio Investments Pty Limited[g]		Australia	–	–		–†
CSR Investments Overseas Ltd		Australia	1.1	0.4	517.1	618.6
Duinland B.V.[hw]		Netherlands	(0.1)	(18.8)	139.1†	139.4†
CSR Travel Pty Ltd		Australia	–	–	–	0.1
Farrer Properties Limited		Australia	3.7	–	0.2	0.2
HCC Pty Ltd (formerly Hail Creek Coal Pty Ltd)		Australia	–	–	–	–
Midalco Pty Ltd		Australia	–	–	–	–
Building and construction materials						
CSR Investments Pty Ltd[c]						
BI (Australia) Pty Ltd (Ord A & B)		Australia	(0.1)	(0.2)	–†	–†
BI Holdings Australia Pty Limited		Australia	(0.8)	–	–†	–†
Bradford Insulation Industries Pty Ltd		Australia	–	–	1.3†	1.3†
Bradford Insulation (SA) Pty Ltd		Australia	–	–	2.4†	2.4†
BI (Contracting) Pty Ltd		Australia	–	–	0.1†	0.1†
Bradford Rockwool (M) Sdn Bhd (70% CSR)[*f]		Malaysia	2.2	1.4	12.5†	15.3†
Bradford Sales & Engineering (M) Sdn Bhd[*f]		Malaysia	–	–	–†	–†
Canberra Asphalters Pty Ltd		Australia	(0.2)	(0.2)	0.7†	0.7†
CSR Bricks Limited		Australia	(0.1)	46.0	–†	–†
Monier PGH Limited (51% CSR)		Australia	0.7	1.1	215.1†	267.5†
Monier Roofing Limited (51% CSR)		Australia	(5.9)	8.2	120.1†	62.9†
Olympic Roofing Pty Limited (51% CSR)		Australia	–	–	0.2†	–†
Monier Colourtile Pty Ltd (51% CSR)		Australia	–	–	0.7†	0.7†
Variety Engineering Pty Ltd (Ord A & B – 51% CSR)		Australia	–	–	–†	–†
Monier Management Pty Ltd (51% CSR)		Australia	–	–	0.2†	0.1†
Reliance Roof Tiles Pty Ltd (51% CSR)		Australia	–	–	4.0†	4.9†
PGH Limited (51% CSR)		Australia	(47.9)	6.3	220.5†	30.7†
Rivarol Pty Limited (51% CSR)		Australia	–	0.1	0.3†	–†
Monier Brickmakers Limited (51% CSR)[*a]		New Zealand	(2.5)	(0.1)	0.3†	3.0†
Zacuba Pty Ltd (51% CSR)		Australia	3.9	2.4	25.7†	25.7†
Farley & Lewers Ltd		Australia	(0.1)	0.2	51.7†	52.0†
F & L (Qld) Pty Ltd (Ord A & B)		Australia	0.1	(0.3)	8.2†	8.2†
G & S S Pty Ltd		Australia	–	–	1.3†	1.3†
Gyprock Holdings Pty Limited		Australia	(12.6)	–	–†	–†
CSR Hebel Australia Pty Limited (92.4% CSR)		Australia	(1.8)	(2.4)	39.1†	28.2†
Keneen Pty Ltd		Australia	–	–	–†	–†
NAP Building Wholesale Pty Ltd[g]		Australia	–	–		–†
Ready Mixed Concrete Ltd		Australia	(24.0)	10.1	230.8†	249.3†
Australian Blue Metal Ltd		Australia	–	–	8.4†	8.4†
The Readymix Group (Australia) Ltd		Australia	(0.1)	–	2.3†	2.3†
BBIQ Pty Ltd (formerly Bell Basic Industries (Qld) Pty Ltd)		Australia	–	–	–†	–†
CSR Humes Pty Limited		Australia	(19.9)	15.1	181.1†	185.0†
CSR Readymix Pty Ltd		Australia	0.2	2.3	41.5†	41.5†
Spuncon Pty Ltd		Australia	–	–	–†	–†
Readymix (SA) Pty Ltd		Australia	–	–	–†	–†
Centralian Industries Pty Limited		Australia	0.3	(0.5)	2.5†	2.5†
Darwin Crushed Metal (NT) Pty Ltd		Australia	0.1	–	0.4†	0.4†
Ready Mix Concrete (NT) Pty Ltd		Australia	0.2	(0.2)	0.7†	0.7†
RGL Services N.V. (Ord & Pref)[*bc]		Neth Antilles	–	0.3		9.8†
River Sand & Gravel Pty Ltd		Australia	–	–	0.8†	0.8†
Sellars Holdings Limited		Australia	12.9	1.1	12.8†	20.5†
Brimik Pty Ltd		Australia	0.6	–	2.1†	–†
Sunrock Quarries Pty Ltd		Australia	0.9	0.4	1.2†	3.5†
West Moreton Industries Pty Ltd		Australia	0.6	(0.4)	3.7†	4.5†
Resource Industries Asia Pty Ltd (Ord A & B)(liquidated 1991)		Australia		0.9		
Suspended Products (Manufacturing) Pty Ltd[c]		Australia	(0.2)	(0.7)		–†
Territory Aggregate Supplies Pty Ltd		Australia	(0.1)	–	1.1†	1.1†
Topmix Pty Ltd (66% CSR)[f]		Australia	–	–		0.1†
Trafalgar Pty Limited		Australia	–	(0.2)	0.4†	0.4†
WA Gravel & Paving Pty Limited		Australia	0.3	(0.4)	1.2†	0.5†

Notes to and forming part of the accounts

CSR Limited and its controlled entities	A$ million	Country of incorporation	Contribution to consolidated operating profit after income tax 1992	1991	Book value of investment 1992	1991
34 Particulars relating to controlled entities (continued)						
Building and construction materials (continued)						
CSR Investments Overseas Ltd[c]						
Beadex Holding Inc[c,g]		USA	–	0.9	4.5†	4.5†
Beadex Manufacturing Company Inc[c,d]		USA	0.5	–	4.5†	4.5†
Beadex Foreign Sales Corporation[c,d]		USA	–	–	–†	–†
Bradford Holdings Inc (Ord A & B)[c,k]		Canada	(0.1)	0.2	111.4†	114.3†
Bradford Enercon Inc[c,k]		Canada	(8.9)	4.1	–†	11.7†
Bradford Insulation (M) Sdn Bhd[f]		Malaysia	–	–	–†	–†
Bradford Insulation (S) Pte Ltd[h]		Singapore	0.5	0.3	1.3†	1.3†
CSR (UK) Holdings[f,m]		UK	3.1	–	15.5†	9.0†
CSR Gypsum Products (UK) Ltd[f,m]		UK	(3.4)	(20.9)	–†	–†
CSR Building Materials (UK) Ltd[f,m]		UK	0.1	2.2	–†	–†
CSR Humes (UK) Limited (formerly Hume Pipe Limited)[f,m]		UK	(0.9)	(1.3)	1.7†	1.2†
Hume Pipe Group Limited (UK)[f,m]		UK	(1.5)	–	–†	3.0†
Hume Pipe (Scotland) Ltd[f,m]		UK	(0.2)	–	–†	1.1†
Hume Pipe (Wales) Ltd[f,m]		UK	1.4	–	–†	0.2†
Duinland B.V.[f]						
Readymix Services B.V.[f,w]		Netherlands	–	2.0	21.3†	21.3†
GPG Canada Holdings Ltd (Ord & Pref)[c,k]		Canada	–	–	17.2†	17.2†
Synkoloid Holdings Inc[c,k]		Canada	3.4	(1.7)	0.7†	–†
Whippet Holdings Ltd[c,k,x]		Canada	–	(0.6)		0.7†
The Synkoloid Company of Canada Ltd[c,k]		Canada	(0.1)	5.4	0.7†	0.6†
Hume Industries (South Seas) Ltd (sold 1991)[f,j]		Fiji		0.1		
Waterford Sands Pty Ltd		Australia	(0.1)	(0.5)	1.1	1.0
Construction materials USA						
CSR Investments Overseas Ltd[c]						
CSR America, Inc[c,d]		USA	(5.7)	(15.1)	351.5†	456.4†
CSR Construction Materials (USA) Inc[c,d]		USA	–	–	297.1†	130.4†
ARCA Acquisition Corp[c,d]		USA	–	–	202.5†	137.8†
American Aggregates Corporation[c,d]		USA	(28.7)	11.1	202.5†	137.8†
Dredging & Hauling, Inc[c,d]		USA	0.9	–	9.1†	1.1†
Ernst Aggregates, Inc[c,d]		USA	–	–	–†	12.5†
Parkland Properties, Inc[c,d]		USA	(0.4)	–	–†	0.5†
Portable Aggregate Producers, Inc[c,d]		USA	–	–	–†	4.0†
ARC Materials Corporation[c,d]		USA	(4.8)	1.6	41.0†	52.6†
All Star Ready Mix, Inc[c,d]		USA	–		–†	
Basic Ready Mix, Inc[c,d]		USA	–		–†	
Rinker Materials Corporation[c,d]		USA	(92.5)	(4.5)	47.0†	47.0†
Rinker Cen-Con Corp[c,d]		USA	–	–	–†	–†
Rinker Realty Corporation[c,d]		USA	–	–	2.6†	2.6†
Rinker Materials Substitution, Inc[c,d,z]		USA	–		–†	
Rinker Transport Corporation[c,d]		USA	1.3	1.0	–†	2.4†
Southern Aggregates Company[c,d]		USA	(4.4)	4.0	24.5†	24.5†
CSR Concrete Pipes (USA) Inc[c,d]		USA	–	–	82.8†	80.8†
ARC Transportation Company[c,d]		USA	–	–	–†	–†
Hydro Conduit Corporation[c,d]		USA	(45.7)	5.9	94.3†	147.5†
Associated Sand & Gravel Company, Inc[c,d]		USA	5.4	4.9	50.4†	31.6†
Timber products						
Chelsea Investments Ltd[c]						
CSR Timber Products (NZ) Limited[c,q]		New Zealand	(5.3)	(0.3)	12.3†	12.3†
Formica (NZ) Limited[c,q]		New Zealand	0.8	1.0	21.1†	21.1†
CSR Investments Pty Ltd[c]						
Hardboards Australia Ltd		Australia	(0.2)	(0.6)	8.3†	8.3†
Pyneboard Pty Ltd		Australia	95.4	3.9	24.2†	24.2†
Britash Trading Pty Ltd (Ord A & B)		Australia	0.5	(0.1)	–†	–†
Softwood Holdings Limited (Ord A – 100% CSR :						
Red Cum Pref – 59% CSR)		Australia	(12.5)	2.7	252.2†	267.9†
Formica Australia Pty Ltd		Australia	(14.6)	2.0	18.0†	32.4†
Softwoods Adelaide Pty Limited		Australia	(1.3)	(1.3)	0.8†	0.8†
Softwoods Dartmoor Proprietary Limited		Australia	(0.6)	(1.9)	38.6†	38.6†
Softwood Plantations Pty Limited		Australia	(30.2)	4.2	70.8†	70.8†
Softwoods Panelboard Pty Limited		Australia	(0.1)	(0.1)	0.9†	0.9†
Softwoods Portland Pty Limited		Australia	(2.1)	(0.1)	2.1†	2.1†
Softwoods Queensland Pty Ltd		Australia	(4.9)	(0.2)	15.6†	17.6†
Perma-Log Holdings Pty Ltd		Australia	(1.4)	–	1.3†	3.1†
South Queensland Forests Pty Ltd		Australia	0.3	–	–†	–†
S.Q. Logging Pty Ltd		Australia	(0.1)	–	–†	–†
Perma-Log Products Pty Ltd		Australia	(1.0)	0.4	1.7†	1.7†
Perma-Log Products (NSW) Pty Ltd[k]		Australia	–	–		–†
The Forestry Pulp & Paper Company of Australia Proprietary Limited[s]		Australia	–	–	0.1†	0.2†
Timber Holdings Ltd		Australia	–	–	45.6†	61.9†
Alstergren Pty Ltd (Ord A, B & C)		Australia	(0.1)	(0.3)	–†	24.6†
Brodribb Sawmilling Co Pty Ltd[c]		Australia	–	(0.1)		0.2†
CSR Softwoods (Queensland) Pty Ltd		Australia	–	(0.1)	–†	0.5†
RGL Services N.V. (Ord & Pref)[c]						
Giamapyne Inc[c,y]		USA	0.5	–		–†
Woodland Ltd (Ord S1A & S0.70B)		Australia	0.8	(1.2)	5.8†	5.8†

Notes to and forming part of the accounts

34 Particulars relating to controlled entities (continued)

CSR Limited and its controlled entities	A$ million	Country of incorporation	Contribution to consolidated operating profit after income tax 1992	1991	Book value of investment 1992	1991
Sugar						
[illegible] Pty Ltd		Australia	0.6	0.5	–	–
CSR Investments Pty Ltd[c]						
Amalgamated Sugar Mills Pty Ltd		Australia	0.2	1.1	8.0†	8.0†
CSR Distilleries Operations Pty Ltd		Australia	–	0.6	1.8†	1.8†
Hercules Food Products Pty Ltd		Australia	0.4	(0.1)	0.3†	0.3†
Roger Clarke Packaging Pty Ltd[π]		Australia	–	–		–†
The Hamilton Sugar Co Pty Ltd		Australia	1.3	3.2	1.9†	1.9†
CSR Investments Overseas Ltd[c]						
Chelsea Investments Ltd[*a]		New Zealand	0.8	0.5	4.4†	4.4†
Chelsea Nominees Ltd[*a]		New Zealand	–	–	–†	–†
Chelsea Retirement Fund Nominees Ltd[*a]		New Zealand	–	–	–†	–†
New Zealand Sugar Co Ltd[*a]		New Zealand	10.8	10.0	11.9†	12.1†
Pioneer Sugar Mills Limited		Australia	1.3	7.9	170.8	190.8
Pyne Gould Central Mill Company Limited		Australia	(22.0)	1.6	51.3†	51.3†
Queensland Harvesting Co Pty Ltd[π]		Australia	–	–	24.5†	44.5†
					–†	–†
Aluminium						
CSR Investments Pty Ltd[c]						
Comalco Aluminium Ltd (Ord. Non-red 7.75% Red pref – 70% CSR)		Australia	8.7	37.2	81.2†	30.1†
Comalco Aluminium Finance Ltd (Ord. Red pref – 70% CSR)		Australia	(0.7)	(2.4)	33.9†	33.9†
Total controlled entities			(100.8)	183.0		
plus CSR Limited (loss) profit			(386.3)	243.1		
provision for controlled entity losses			–	10.1		
other consolidation adjustments			184.6	8.0		
less inter-entity dividends			82.8	120.7		
Operating (loss) profit after income tax attributable to CSR shareholders			(385.3)	323.5		

a Carries on business in New Zealand.
b Carries on business in Netherlands.
c Carries on business in Netherlands Antilles.
d Carries on business in USA.
f Carries on business in Malaysia.
g Carries on business in Hong Kong.
h Carries on business in Singapore.
j Carries on business in Fiji.
k Carries on business in Canada.
m Carries on business in United Kingdom.
n Statutory details are reported under Building and construction materials.
p Statutory details are reported under Sugar.
r Controlled entity incorporated during the year.
¶ In voluntary liquidation.
π Controlled entity liquidated during the year.
‡ Statutory details reported under Corporate.
τ All shares were sold during the year. Refer note 36 for full details.
§ Audited by firms other than Deloitte Ross Tohmatsu.
* Audited by associated firms of Deloitte Ross Tohmatsu.
† Investment by other CSR Limited controlled entities.

35 Acquisition of controlled entities and businesses

	A$ million	Date acquired	Cash consideration	Net tangible assets
Controlled entities acquired during the year[a]				
All State Ready Mix, Inc		Nov 91	4.4	0.4
Basin Ready Mix, Inc		Nov 91	3.3	0.2
			7.7[b]	
Business acquired during the year				
Barbers Brick		Oct 91	8.4	7.8

a Except where shown 100% of voting shares were acquired and operating results of the controlled entity are included in profit and loss from date acquired.
b Refer consolidated statement of source and application of funds.

36 Disposal of controlled entities

	A$ million	Net tangible assets	Profit on sale
Controlled entities disposed of during the year			
Tooth & Co Pty Ltd		0.1	0.2

Notes to and forming part of the accounts
CSR Limited and its controlled entities

	Explanatory note	A$ million 1992	A$ million 1991	US$ million[a] 1992	US$ million[a] 1991
37 United States generally accepted accounting principles (US GAAP) information					
Provided below is a summary of the differences between net profit and shareholders' equity disclosed in these accounts and that which would be reported if the accounts were prepared in accordance with US GAAP. This summary is not intended to be a comprehensive US GAAP report.					
Net profit					
Operating profit and abnormal items after income tax attributable to members of CSR Limited consists of:					
Net profit before abnormal items		175.3	325.9	134.9	252.4
Loss on abnormal items		(560.6)	(2.4)	(431.4)	(1.9)
		(385.3)	323.5	(296.5)	250.5
Depreciation on revalued property, plant and equipment	A	5.9	4.7	4.5	3.6
Superannuation expense adjustment	B	32.8	36.6	25.3	28.3
Share of associated company profits	C	(0.2)	(1.0)	(0.1)	(0.8)
Increase in timber volume	D	(3.8)	(6.8)	(2.9)	(5.3)
Amortisation of goodwill	E	4.8	3.8	3.7	2.9
Amortisation of patents and trademarks	F	(2.9)	(4.6)	(2.2)	(3.6)
Review of asset values	G	25.3	–	19.5	–
US GAAP net (loss) profit		(323.4)	356.2	(248.7)	275.6
US GAAP net (loss) profit consists of:					
Net profit from operations		209.5	356.2	161.3	275.6
Net loss from impairment in asset values		(532.9)	–	(410.0)	–
US GAAP net (loss) profit		(323.4)	356.2	(248.7)	275.6
Shareholders' equity					
Shareholders' equity attributable to members of CSR Limited		2610.6	2797.8	2008.8	2166.3
Elimination of asset revaluation reserves	A	(263.7)	(83.3)	(202.8)	(64.5)
Superannuation expense adjustment	B	72.3	36.6	55.6	28.3
Share of associated company shareholders' equity	C	6.2	10.2	4.7	7.9
Accumulated value of increase in timber volume	D	(0.5)	(19.7)	(0.4)	(15.3)
Accumulated amortisation of goodwill	E	1.8	9.8	1.4	7.6
Accumulated amortisation of patents and trademarks	F	(0.3)	(12.5)	(0.2)	(9.7)
Investment in shares in other companies	H	–	(2.1)	–	(1.6)
Employees' share plan loans	I	(12.3)	(14.6)	(9.5)	(11.3)
Final dividend provision	J	83.5	126.5	64.3	97.9
US GAAP shareholders' equity		2497.6	2848.7	1921.9	2205.6

Explanatory notes:

A Revaluation of non-current assets is not permitted under US GAAP. The depreciation charge on the revaluation increment of revalued assets has been reversed. When revalued assets are sold any revaluation increment realised is reflected in net profit.

B CSR's superannuation arrangements are detailed in note 41. The defined benefit funds have a surplus which has been calculated in accordance with the requirements of SFAS 87 and 88 Employers' Accounting for Pensions.

The following information in relation to these superannuation plans is given for information purposes:

	A$ million	US$ million
Service cost	(9.9)	(7.5)
Interest cost	(15.6)	(12.0)
Actual return on assets	33.5	25.7
Net amortisation and deferral	36.5	28.1
Net periodic pension income	44.5	34.3
Expensed employer contribution	4.6	3.6
Transfer to Accumulation Division	(16.3)	(12.6)
Superannuation expense adjustment	32.8	25.3
Fund status at 31 March 1992:		
Fair value of assets	439.2	337.9
Projected benefit obligation	163.8	126.0
Asset not yet recognised	247.2	190.2

a Conversion rate – A$1.00 = US$0.7695.

C Financial information on associated companies is not included in the consolidated profit and loss statement or balance sheet. It is shown by way of supplementary information in note 38.

D Growing timber is shown at latest valuation. The change in the total volume of growing timber is calculated each year and recognised in net profit for the period. US GAAP does not permit this treatment.

E The economic entity systematically amortises goodwill over the period, not exceeding 20 years, during which the benefits are expected to arise. US GAAP allows amortisation on a straight line basis over a period not exceeding 40 years.

F Under US GAAP purchased patents and trademarks are amortised over a period not exceeding 40 years. No amortisation is provided by the economic entity on these assets.

G Difference between book value of assets under US GAAP and the book value shown in the accounts at the time of the review of asset values.

H Non-current investments in shares in other companies quoted on stock exchanges are recorded at cost. US GAAP requires that any temporary declines in value be deducted from shareholders' equity.

I Loans advanced to employees under share plans are offset against shareholders' equity for the purposes of US GAAP.

J Dividends declared by CSR Limited after the end of the financial year are recorded in the year to which they relate. Under US GAAP dividends are recorded in the period in which they are declared.

Notes to and forming part of the accounts

CSR Limited and its controlled entities	Associate's year end[a]	% Interest[b]	Book value of shares held A$ million	Value of loans and advances to associate A$ million	Share of associate's operating profit after tax A$ million	Dividends received A$ million
38 Equity accounting information						
Investment in associated companies						
Australian Cement Holdings Pty Ltd cement manufacture (holding company)	31 Mar 92	50.0	135.0	53.9	6.3	6.5
Other companies			15.1			4.0
			150.1			10.5

A$ million	Consolidated 1992	Consolidated 1991	Share of associated companies[c] 1992	Share of associated companies[c] 1991	Consolidation and share of associated companies[d] 1992	Consolidation and share of associated companies[d] 1991
Profit and loss statement						
Operating profit before abnormal items and income tax	**315.4**	547.6	**11.4**	15.7	**320.3**	546.3
(Loss) profit on abnormal items	**(756.2)**	17.1	**–**	–	**(756.2)**	22.0
Operating (loss) profit before income tax	**(440.8)**	564.7	**11.4**	15.7	**(435.9)**	568.3
Income tax (benefit) expense attributable to operating (loss) profit	**(9.3)**	209.7	**5.1**	4.8	**(4.2)**	214.5
Operating (loss) profit after income tax	**(431.5)**	355.0	**6.3**	10.9	**(431.7)**	353.8
Outside equity interests in operating (loss) profit after income tax	**(46.2)**	31.5	**–**	(0.2)	**(46.2)**	31.3
Operating (loss) profit after income tax attributable to members of CSR Limited	**(385.3)**	323.5	**6.3**	11.1	**(385.5)**	322.5
Retained profits (losses) at the beginning of the year	**555.2**	480.2	**(0.3)**	(10.3)	**554.9**	469.9
Aggregate of amounts transferred from reserves	**558.2**				**558.2**	
Adjustment to retained profits for:						
associated companies sold				4.9	–	–
dividend income from associated companies			**(6.5)**	(17.0)	–	–
Dividends provided for or paid	**164.0**	248.5			**164.0**	248.5
Other movements	**–**	–	**–**	11.0	**–**	11.0
Retained profits (losses) at the end of the year	**564.1**	555.2	**(0.5)**	(0.3)	**563.6**	554.9
Balance sheet						
Investment in associated companies						
At cost or valuation	**135.0**	128.6			**135.0**	128.6
Retained losses			**(0.5)**	(0.3)	**(0.5)**	(0.3)
Post-acquisition reserves			**6.7**	10.5	**6.7**	10.5
Aggregate carrying amount	**135.0**	128.6	**6.2**	10.2	**141.2**	138.8
Other non-current investments	**27.3**	38.4	**–**	–	**27.3**	38.4
Total non-current investments	**162.3**	167.0	**6.2**	10.2	**168.5**	177.2
Other assets	**5767.1**	6053.2	**–**	–	**5767.1**	6053.2
Total assets	**5929.4**	6220.2	**6.2**	10.2	**5935.6**	6230.4
Total liabilities	**3016.1**	3073.9	**–**	–	**3016.1**	3073.9
Net assets	**2913.3**	3146.3	**6.2**	10.2	**2919.5**	3156.5
Share capital	**817.1**	777.8			**817.1**	777.8
Reserves	**1229.4**	1464.8	**6.7**	10.5	**1236.1**	1475.3
Retained profits (losses)	**564.1**	555.2	**(0.5)**	(0.3)	**563.6**	554.9
Outside equity interest in controlled entities	**302.7**	348.5	**–**	–	**302.7**	348.5
Total shareholders' equity	**2913.3**	3146.3	**6.2**	10.2	**2919.5**	3156.5

a CSR Limited is not aware of any significant events or transactions which have occurred after the year end of the associated company which could materially affect the financial position or operating performance of the company.

b Shares held are ordinary and preference.

c Information obtained from associated companies is based on unaudited accounts.

d Figures for current year profits and retained profits are derived by deducting dividend income from associated companies from the consolidated figures and adding the share of profits of associated companies. Losses of associated companies are provided for in the consolidated accounts. Therefore no adjustment to consolidated figures is required.

Notes to and forming part of the accounts

CSR Limited and its controlled entities — A$ million

39 Segment information

	Segment revenue[a] 1992	Segment revenue[a] 1991	Operating profit before abnormal items, interest, foreign exchange and income tax 1992	Operating profit before abnormal items, interest, foreign exchange and income tax 1991	Total assets 1992	Total assets 1991
Industry segments						
Building and construction materials	**1706.1**	1777.6	**242.0**	293.5	**1975.5**	2159.0
Construction materials USA	**885.6**	947.4	**66.3**	111.2	**1724.5**	1739.2
Timber products	**522.0**	472.1	**10.2**	33.9	**684.2**	779.3
Sugar	**854.7**	1088.3	**109.5**	162.6	**777.4**	841.8
Aluminium	**240.5**	304.0	**20.4**	88.7	**432.2**	349.8
Segment totals	**4208.9**	4589.4	**448.4**	689.9	**5593.8**	5869.1
Unallocated items	**1.5**	1.8	**(25.2)**	(18.6)	**335.6**	351.1
	4210.4	4591.2	**423.2**	671.3	**5929.4**	6220.2
Geographical segments						
Australia	**3096.5**	3424.7	**336.1**	543.1	**3872.5**	4156.7
North America	**947.3**	1011.7	**66.1**	104.7	**1877.4**	1908.7
New Zealand	**126.6**	117.1	**17.8**	16.3	**119.0**	114.7
Europe	**15.5**	18.9	**(4.6)**	3.9	**20.1**	9.1
Others	**24.5**	18.8	**7.8**	3.3	**40.4**	31.0
	4210.4	4591.2	**423.2**	671.3	**5929.4**	6220.2

Products and services

Building and construction materials
aggregates and sand; pre-mixed concrete; asphalt; concrete pipes, blocks and other pre-cast concrete products; cement; clay bricks, pavers and pipes; concrete and clay roof tiles; plasterboard and plasterboard accessories; autoclaved aerated concrete; glasswool, rockwool and foil insulation; air handling products

Construction materials USA
aggregates and sand; pre-mixed concrete; asphalt; concrete pipes and blocks; pre-stressed concrete products; cement

Timber products
wood panel products; sawn timber products; high pressure laminates; furniture components; plywood

Sugar
raw and refined sugar; ethanol; sugar industry services; shipping

Aluminium
bauxite, alumina, aluminium

a Segment revenue includes dividend income. Inter-segment sales are negligible.

40 Non-hedged foreign currency balances

A$ million	Consolidated 1992	Consolidated 1991	CSR Limited 1992	CSR Limited 1991
The Australian dollar equivalents of non-hedged foreign currency balances are included in the accounts as follows:				
United States dollars				
Current assets	**305.9**	289.1	**7.1**	11.8
Non-current assets	**1440.5**	1515.6	**–**	–
Current liabilities	**(366.8)**	(378.3)	**(120.0)**	(101.9)
Non-current liabilities	**(1270.3)**	(1184.9)	**(182.4)**	(157.4)
	109.3	241.5	**(295.3)**	(247.5)
New Zealand dollars				
Current assets	**45.5**	66.2	**–**	–
Non-current assets	**61.5**	30.3	**–**	–
Current liabilities	**(13.7)**	(24.4)	**(13.3)**	(17.6)
Non-current liabilities	**(2.7)**	(1.5)	**–**	–
	90.6	70.6	**(13.3)**	(17.6)
Canadian dollars				
Current assets	**5.1**	5.2	**–**	–
Non-current assets	**29.6**	53.2	**–**	–
Current liabilities	**(19.0)**	(16.4)	**(105.1)**	–
Non-current liabilities	**–**	(11.3)	**–**	–
	15.7	30.7	**(105.1)**	–
Other currencies				
Current assets	**33.9**	26.6	**1.4**	1.1
Non-current assets	**18.9**	14.5	**–**	–
Current liabilities	**(17.7)**	(17.1)	**(1.1)**	(1.1)
Non-current liabilities	**(1.6)**	(0.1)	**(9.0)**	–
	33.5	23.9	**(8.7)**	–

41 Superannuation commitments

CSR Limited and its controlled entities participate in a number of superannuation funds in Australia, New Zealand, the United States and other countries where it operates. The funds provide benefits either on a defined benefit or cash accumulation basis for employees or their dependants on retirement, resignation, total and permanent disablement or death. The members and the economic entity make contributions as specified in the rules of the respective funds.

The assets of all 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.

Company contributions are legally enforceable, with the right to terminate, reduce or suspend those contributions upon giving written notice to the trustees.

Due to an actuarial surplus, the economic entity's contributions to the CSR Staff Superannuation Fund have been suspended since July 1987. This suspension was confirmed by the fund's actuary Mr G F Burgess FIAA in June 1991 and is subject to review following future actuarial valuations of the Fund.

The economic entity's major funds as at 31 March 1992 are summarised below.

Plan name	Basis of contribution	Last actuarial assessment
Defined Benefit Funds:		
American Aggregates Corporation Hourly Pension Plan	Company contribution based on actuarial valuations subject to IRS regulations.	1 April 1991 by Mr N A Parmenter FSA
American Aggregates Corporation Non-Contributory Pension Plan	Company contribution based on actuarial valuations subject to IRS regulations.	1 January 1992 by Mr B E Binzel ASA EA
ARC America Corporation Pension Plan	Company contribution based on actuarial valuations subject to IRS regulations.	1 January 1990 by Mr S C Twery FSA
ARC America Corporation Retirement Income Plan	Company contribution based on actuarial valuations subject to IRS regulations.	1 January 1990 by Mr S C Twery FSA
CSR Staff Superannuation Plan Defined Benefit Division	Such amount as is determined from time to time upon the advice of the actuary.	30 June 1991 by Mr G F Burgess FIAA
Monier PGH Superannuation Plan	Contributory scheme by the company and employee.	1 July 1991 by Mr G I McRae FIAA
New Zealand Sugar Company Staff Superannuation Scheme	Contributory scheme by the company and employee.	31 December 1991 by Mr M Swanton FIA
RMC Cement Mill Pension Plan	Company contribution based on actuarial valuations subject to IRS regulations.	1 January 1991 by Mr R O Goehring FSA
Accumulation Funds:		
ARC America Corporation Thrift & Profit Sharing Plan	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.
Chelsea Retirement Fund	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.
CSR Employees' Retirement Fund	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.
CSR Staff Superannuation Plan Accumulation Division	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.
Monier Brickmakers Staff Superannuation Plan	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.
RMC Profit Sharing Plan	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.
Southern Aggregates Company 401(k) Retirement Savings Plan	Contributions are based on member's salary and contributed by the member and the company.	Not applicable.

Listed		Fully paid shares – full voting rights: Shareholders	%	Shares	%
Distribution of shareholders and shareholding as at 19 May 1992					
Registered address	Australia	112 174	93.6	784 300 818	96.2
	New Zealand	5 373	4.5	12 278 021	1.5
	United Kingdom	1 398	1.2	3 499 136	0.4
	United States of America	184	0.1	150 039	0.2
	Other	751	0.6	14 974 393	1.7
		119 880	100.0	815 202 407	100.0
Class of holder	Individuals	110 184	91.9	199 193 710	24.4
	Companies	9 696	8.1	616 008 697	75.6
		119 880	100.0	815 202 407	100.0
Size of holding	1 – 99	7 003	5.8	303 684	–
	100 – 1000	58 833	49.1	27 757 890	3.4
	1001 – 5000	42 901	35.8	96 435 176	11.9
	5001 – 10 000	6 946	5.8	48 293 431	5.9
	10 001 – 100 000	3 904	3.3	81 520 275	10.0
	100 001 – 1 000 000	229	0.2	63 705 551	7.8
	1 000 001 – 5 000 000	45	–	104 472 787	12.8
	5 000 001 and over	19	–	392 713 613	48.2
		119 880	100.0	815 202 407	100.0

Unlisted		Fully paid shares – full voting rights: Shareholders	%	Shares	%	Partly paid shares – no voting rights: Shareholders	%	Shares	%
Registered address	Australia	6 143	93.4	1 912 000	93.4	320	95.0	3 477 000	92.5
	Other	437	6.6	134 800	6.6	17	5.0	283 000	7.5
		6 580	100.0	2 046 800	100.0	337	100.0	3 760 000	100.0
Class of holder	Individuals	6 580	100.0	2 046 800	100.0	337	100.0	3 760 000	100.0
Size of holding	1 – 1000	6 580	100.0	2 046 800	100.0	44	13.0	44 000	1.2
	1001 – 5000	–	–	–	–	133	39.5	409 000	10.9
	5001 – 10 000	–	–	–	–	58	17.2	443 000	11.8
	10 001 and over	–	–	–	–	102	30.3	2 864 000	76.1
		6 580	100.0	2 046 800	100.0	337	100.0	3 760 000	100.0

	Ordinary A$1 shares million fully paid	% of total shares 821.0 million
20 largest shareholders as at 19 May 1992[a]		
Australian Mutual Provident Society	106.60	12.98
Pendal Nominees Pty Limited	40.64	4.95
Queensland Investment Corporation	37.06	4.51
National Nominees Ltd	31.43	3.83
Bank of New South Wales Nominees Pty Ltd	27.84	3.39
ANZ Nominees Limited	22.58	2.75
State Authorities Superannuation Board	16.88	2.06
National Mutual Life Association of Australasia Ltd	16.39	2.00
Citicorp Nominees Pty Limited	16.09	1.96
Permanent Trustee Company Ltd	14.33	1.74
Toyota Motor Corporation	13.14	1.60
Chase Manhattan Nominees Limited	12.10	1.47
Perpetual Trustee Company Ltd	10.12	1.23
Perpetual Trustees Nominees Limited	10.06	1.23
Colonial Mutual Life Assurance Society Ltd	9.63	1.17
MLC Life Limited	9.10	1.11
CTB Nominees Limited	9.07	1.11
Prudential Assurance Company Limited	8.74	1.07
Devrossi Pty Ltd	8.68	1.06
Jaminigo Pty Ltd	6.60	0.80
	427.08	52.02

a Substantial shareholders in CSR Limited –
The Australian Mutual Provident Society has a relevant interest in 105.58 million fully paid ordinary shares representing 13.32% of the company's total issued capital of A$817.6 million;
BT Australia Limited has a relevant interest in 48.65 million fully paid ordinary shares representing 5.95% of the company's total issued capital of A$817.6 million.
The relevant interests of these substantial shareholders include nominee holdings.

Statement by directors on the accounts set out on pages 34 to 62.

In the opinion of the directors of CSR Limited:

(a) the profit and loss statement gives a true and fair view of the company's profit for the financial year ended 31 March 1992:

(b) the balance sheet gives a true and fair view of the company's state of affairs as at 31 March 1992:

(c) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due: and

(d) the consolidated accounts:

(i) have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law: and

(ii) in particular, give a true and fair view of the matters with which they deal.

The directors have elected under s.285(3) of the Corporations Law to apply Accounting Standards AASB 1010 Accounting for the Revaluation of Non-current Assets and AASB 1026 Statement of Cash Flows, even though those standards are not required to be applied until financial years ending on or after 30 June 1992.

Signed in accordance with a resolution of the directors.

I G Burgess
Managing Director

A W Coates
Chairman

1 June 1992

Auditors' report to the members of CSR Limited.

Scope

We have audited the financial statements of CSR Limited for the financial year ended 31 March 1992 as set out on pages 34 to 62 and 64. The financial statements include the consolidated accounts of the economic entity comprising the company and the entities it controlled at year end or from time to time during the year. The company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of those financial statements in order to express an opinion on them to the members of the company.

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

The names of the entities controlled during all or part of, or at the end of, the financial year, but of which we have not acted as auditors have been indicated in note 34. We have, however, received sufficient information and explanations concerning these entities to enable us to form an opinion on the consolidated accounts.

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

Audit opinion

In our opinion, the financial statements of CSR Limited are properly drawn up:

(a) so as to give a true and fair view of:

(i) the company's and the economic entity's state of affairs as at 31 March 1992 and of the company's and the economic entity's result for the year ended on that date: and

(ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements:

(b) in accordance with the provisions of the Corporations Law: and

(c) in accordance with Statements of Accounting Concepts and applicable Accounting Standards.

Deloitte Ross Tohmatsu

R W Freeman
Partner
Chartered Accountants

1 June 1992

Shareholder inquiries. Shareholders with questions about their shareholding or the Share Purchase Plan, should telephone CSR's external share registry Deloitte Ross Tohmatsu on (02) 281 4822. International calls should be made to +61 2 281 4822, or send facsimile messages to +61 2 281 9590.

Dividends. The final dividend of 10 cents a share, if approved at the annual general meeting on 27 July, will be paid on 5 August 1992. The dividend will be fully franked for Australian tax purposes. Overseas shareholders benefit by having no Australian withholding tax deducted from their dividends.

Direct payment to investors' accounts. Dividends may be paid directly to bank, building society or credit union accounts in Australia. The payments are electronically credited on the dividend date and confirmed by mailed payment advices.

Change of address. Shareholders who have changed address should advise CSR's share registry in writing:

Deloitte Ross Tohmatsu
Securities Registry Services
PO Box 152
Surry Hills NSW 2010
Australia

Facsimile (02) 281 9590
International +61 2 281 9590.

Removal from annual report mailing list. Investors who do not want to receive the annual report should advise CSR's share registry in writing.

Consolidate shareholdings. Investors who want to consolidate their separate shareholdings into one account should advise CSR's share registry in writing.

Share Purchase Plan. The plan offers two ways to increase a shareholding in CSR:

- **Dividend reinvestment.** Shareholders may arrange to buy CSR shares, using all or part of their dividends, at an average market price less 5% with no brokerage or other costs. Last year 44 967 shareholders reinvested 56% of dividends this way.
- **Cash contributions.** Shareholders may also contribute up to AS2400 each year ending 30 June to buy shares. Shares are priced and issued on a monthly basis. Last year 12 000 shareholders bought shares this way. Monthly purchases of shares can be arranged through an automatic bank transfer.

Investor information. Financial and operating information about CSR is available from the Manager Investor Relations, telephone Sydney (02) 235 8368, facsimile (02) 235 8642.

CSR publications. The annual report is the main source of information for investors. Other publications supplement it including:

- the annual results summary promptly informs investors of the highlights of the year
- the report of the annual general meeting updates the annual report
- the half-yearly results summary reviews the September half year
- a facts book, providing detailed information on CSR's operations, is available on request.

These publications are available from the Corporate and Investor Relations Group, telephone Sydney (02) 235 8412, facsimile (02) 235 8642.

Stock exchange listings. CSR's shares are listed on the Australian, New Zealand, London and Frankfurt stock exchanges. CSR's convertible unsecured notes and option bonds are listed on the Australian Stock Exchange. The option bonds are also listed on the London Stock Exchange.

American Depositary Receipts. CSR's shares are traded in sponsored American Depositary Receipt (ADR) form on the over-the-counter market in the United States. Each ADR represents four ordinary CSR shares. ADR holders receive all information sent to shareholders.

Inquiries about ADR holdings should be made to the Depositary, Morgan Guaranty Trust Company of New York. Their New York, USA, telephone number is (212) 648 3143.

CSR's shareholders. CSR has 123 300 shareholders. Of the 821 million shares on issue, 52% are held by the 20 largest registered holders, the same as last year.

There are 115 300 shareholders with registered addresses in Australia, 5600 in New Zealand, and 2400 elsewhere, mostly in the United Kingdom. About 85% of shares are beneficially held in Australia.

Additional share information. Share capital, shares issued, shareholder and shareholding distribution, and the 20 largest shareholders are listed on pages 51 and 63.

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