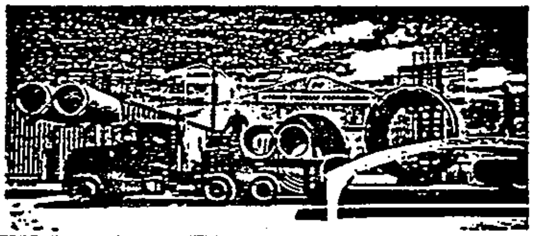
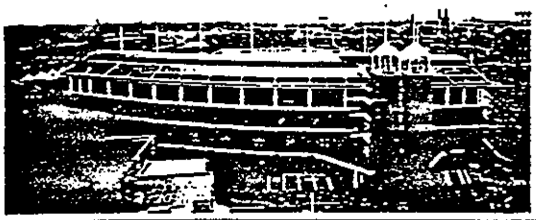
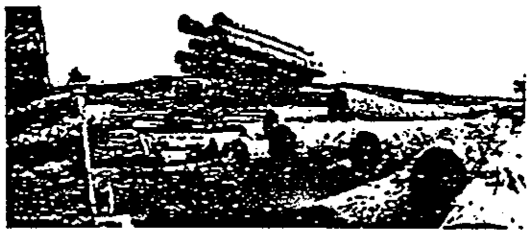
CSR

Annual Report 1990







Financial calendar

1990	
27 June	Final instalment of $A1.50 a share to be paid for partly-paid shares to become entitled to final dividend
5 July	Shares begin trading ex dividend
11 July	Books close for final dividend
18 July	Annual general meeting
1 August	Final dividend paid
13 September	Books close for interest entitlements on debentures and convertible notes
30 September	Half year end. Interest paid on debentures and convertible notes. Debentures mature and are repaid
5 November	Interim dividend announced
14 November	Final instalment of $A1.50 a share to be paid for partly-paid shares to become entitled to interim dividend
22 November	Shares begin trading ex dividend
26 November	Half-yearly profit announced
28 November	Books close for interim dividend
19 December	Interim dividend paid and half-yearly results summary mailed
1991	
15 March	Books close for interest entitlements on convertible notes
31 March	Year end. Interest paid on convertible notes. $A8.25 convertible notes mature and are repaid.

Annual general meeting

10.30 am Wednesday 18 July 1990
Grand ballroom
Sheraton-Wentworth Hotel
61 Phillip Street
Sydney

A notice of meeting and a proxy form are included with this report to shareholders.

range of building and construction

CSR

What we are

CSR is a leading Australian building and construction materials company. with substantial operations in Australia. New Zealand. North America and Europe. CSR is also Australia's largest producer of raw and refined sugar and has investments in bauxite. alumina and aluminium.

Building materials include plasterboard. insulation products. bricks. pavers. roof tiles. clay pipes and concrete blocks.

Construction materials include aggregates. sand. cement. pre-mixed concrete. asphalt and concrete pipes.

Timber products include sawn softwood timber. wood based panels and decorative laminates.

Sugar operations include milling. refining. providing marketing and distribution services to the Queensland sugar industry. ethanol production and shipping.

CSR's sales exceed $A4.5 billion yearly. Total assets are $A6.3 billion. of which a third are overseas. mostly in the United States. CSR employs over 22 000 people worldwide.

CSR. founded as a sugar refining company in 1855 and incorporated as a public company in 1887. began manufacturing building materials in 1940. CSR has made an operating profit and paid a dividend every year since incorporation.

Where we are going

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

We will continue to develop the company's building and construction materials businesses in Australia and overseas. and our 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.

Our businesses have strong market share. 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.

We will maintain prudent financial policies and make our assets earn returns that place CSR among the best performing industrial companies in Australia.

CSR's organisation centres on business units and encourages strong profit performance from each business. The company has a simple. no-nonsense management style that encourages and rewards employees who provide [illegible] customer serv[illegible] and achieve [illegible] value for [illegible]holders.

CSR is responsive to the attitudes and expectations of the communities in [illegible] ...eving a balance [illegible]

Directors' report

Highlights

Net profit before abnormal items increased 33% to \$A406.9 million. Pre-tax profit rose 36%.

The recommended final dividend is increased from 18 cents to 24 cents a share, fully franked, bringing the full year dividend to 40 cents, fully franked.

Return on shareholders' funds rose from 13.8% to 16.1%.

Earnings per share increased 25%, from 44 cents to 55 cents.

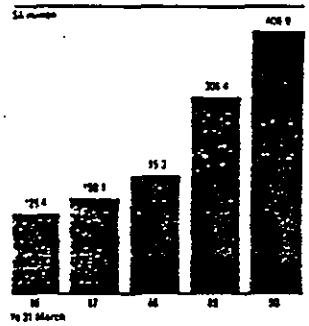
Trading revenue increased 31% to \$A4.5 billion.

Cash flow (gross funds from operations) increased 30% to \$A903 million.

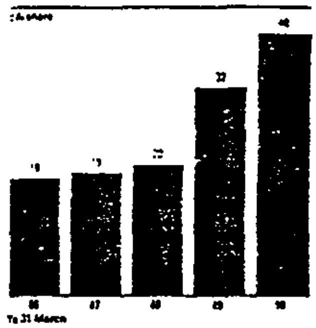
\$A1.5 billion was invested in developing and strengthening CSR's businesses. The major developments were:

- acquisition of the ARC America Corporation subsidiaries in the United States
- expansion of quarrying and concrete operations in Australia
- acquisition of Goliath Cement (50% CSR) in Tasmania
- acquisition of a medium density fibreboard plant in New South Wales
- construction of a fibreglass insulation factory in New South Wales.

Net profit before abnormal items



Dividend



Financial summary

Year ended 31 March ($A million unless indicated)	1990	1989	% change
Gross revenue – including sales made as agent	5664.7	5265.4	8
Group revenue	4892.3	4444.0	10
Trading revenue	4516.1	3438.2	31
Operating profit before interest, foreign exchange and income tax	793.7	604.6	31
Net interest expense	60.0	67.4	–
Net foreign exchange gain	5.7	6.6	–
Income tax expense	289.9	211.7	–
Minority interests' profit proportion	42.6	25.7	–
Net profit before abnormal items	406.9	306.4	33
Abnormal items	–	(97.4)	–
Extraordinary items	0.5	98.0	–
Operating profit after abnormal and extraordinary items	407.4	307.0	33
Earnings per share on issue at 31 March (cents)	55.0	44.0	25
Dividends per share (cents)	40.0	32.0	25
Return on shareholders' funds at 31 March (%)	16.1	13.8	–
Paid up capital at 31 March	735.0	696.6	6
CSR shareholders' funds at 31 March	2532.8	2225.1	14
Non-current creditors and borrowings at 31 March	1413.5	595.9	137
Cash flow (gross funds from operations)	902.7	695.4	30
Gearing at 31 March (%)	32.9	18.9	–
Total assets at 31 March	6299.2	5046.1	25
Capital investment	1508.1	1537.7	–2
Divestments	272.1	915.4	–70
Net tangible assets (book value) per share at 31 March ($A)	2.89	2.58	–
Total net assets (book value) per share at 31 March ($A)	3.45	3.20	8

Managing director's statement

Managing director Ian Burgess (centre), deputy managing director Bill Bennett (left) and external board members of CSR America subsidiaries Marshall Criser, Armando Codina and Marshall McDonald.

CSR made a record profit and expanded construction materials operations in the United States.

The year ended March 1990 was another very good one for CSR. Markets were generally better than anticipated a year ago. The company's operating results were much improved. The businesses grew strongly and operations in the United States were substantially expanded.

Net profit before abnormal items increased 33% to $A406.9 million. This continues the profit improvement of the past five years during which CSR achieved a 34% compound annual growth in net profit.

The profit from sugar operations increased by 50%, building and construction materials' profit in Australia increased by 19% and aluminium by 2%. The profit from construction materials USA rose marginally. Timber products' profit fell 22%.

Sales increased to $A4.5 billion. Cash flow rose to $A903 million, return on shareholders' funds was much higher and earnings per share rose to 55 cents. The dividend is increased from 32 cents, fully franked, to 40 cents, fully franked.

These improvements follow a record performance the previous year. They demonstrate the value of restructuring the company's operations and focussing on businesses that we understand and in which we have skills – making and marketing building and construction materials and sugar.

CSR is financially sound and is well positioned for profit growth in the 1990s. Our businesses have strong market positions, gearing is prudent and we have a robust cash flow.

CSR's underlying strength, improved performance and sound prospects have been recognised by investors. Between 3 April 1989 and 1 June 1990 CSR's share price increased 30.5%. This compares with a 1.5% fall in the Australian Stock Exchange's All Industrials share index over the same period.

Expansion was achieved by acquiring businesses and building factories. We substantially expanded the construction materials operations in the United States with the acquisition of the subsidiaries of the ARC America Corporation. CSR is now one of the largest construction materials companies in the US and is well positioned for further growth in North America. There is much to be done to improve the profitability of these new businesses. A lot will be achieved this year, but a substantial profit contribution from them is not expected until next year.

In Australia, cement operations were expanded with the acquisition of Goliath Cement by Cement Industries (50% CSR). Quarrying and concrete operations were also expanded and strengthened. A medium density fibreboard plant was bought in New South Wales.

CSR also built plants. In the United Kingdom, Redland Plasterboard (49% CSR) completed construction of a large plasterboard plant. In Australia, we completed the construction of an autoclaved aerated concrete plant in New South Wales and an ethanol distillery in Queensland.

Nearing completion in Sydney is a fibreglass insulation factory and Austral Brick's (50% CSR) brick factory and, in Queensland, a moulded door panel plant. All will contribute to profits this year.

CSR's building and construction materials operations were expanded, including (from left) acquisition of the subsidiaries of the ARC America Corporation in the United States, a medium density fibreboard plant in NSW, Goliath Cement (50% CSR) in Tasmania and construction of a fibreglass insulation plant in NSW.

CSR is now a building and construction materials and sugar company. The restructuring of the company was completed during the year. CSR's last coal investment was sold, as was Anchor Foods and the shareholding in Brick & Pipe Industries.

At the end of March 1990:

- 76% of CSR's total assets were in building and construction materials businesses, of which:
  - 32% were in building and construction materials in Australia
  - 11% were in timber products in Australia
  - 33% were in building and construction materials outside Australia, mainly in the United States
- 14% of assets were in sugar activities
- 5% of assets were in aluminium investments.

The main tasks this year are to consolidate recent acquisitions, to improve efficiency, to continue to drive down costs and to carefully manage cash.

Growth will continue to be largely focussed on building and construction materials. We will also expand the production capacity of our sugar mills and evaluate options to rationalise sugar refining activities.

These strategies will ensure CSR remains a strong and profitable company that:

- is clearly focussed on businesses in which its people excel
- is market driven
- is very competitive
- has a no-nonsense management style, with a small headquarters and short reporting lines and
- has conservative financial policies.

Profit growth this year will be more difficult to achieve in the face of a slowdown in world economic growth, high interest rates, reduced consumer confidence and the lower level of housing construction in Australia, [illegible]

Much of last year's profit growth flowed from the first full year's contribution from recently acquired businesses, in particular Rinker Materials Corporation, Monier PGH, Humes Concrete Products and Sellars Holdings, and from higher earnings from sugar and aluminium.

Profits from CSR's aluminium investment will be lower because of the fall in world prices. Higher world sugar prices will, to some extent, offset these factors.

Nevertheless, our target is to continue the progress of the past five years and improve on last year's results.

CSR is a long established and conservative manufacturing company. The company has the performance to justify it being a sound, long-term investment for shareholders. We have the people, the manufacturing facilities and the natural resources to take the company successfully through the 1990s and into the next century.

Ian Burgess

Ian Burgess
Managing director

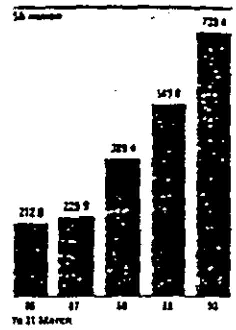
*** External board members of CSR America Inc subsidiaries**

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

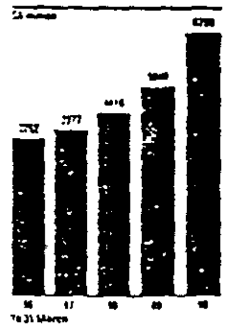
Armando Codina, president of The Codina Group and immediate past chairman of the Greater Miami Chamber of Commerce.

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

Operating profit before tax increased by 35%.



Total assets increased by SA1253 million.



Finance

CSR's financial performance improved strongly.

Net profit before abnormal and extraordinary items was 33% higher at SA406.9 million. Accounting standards under which CSR reports were changed during the year. Some items previously classified as extraordinary have been reclassified as ordinary or abnormal. The previous year's results have been restated for comparative purposes.

The major effect of the restatement has been to reclassify as abnormal items some of the previous year's extraordinary items. Net profit before extraordinary and abnormal items, and operating profit after extraordinary and abnormal items have remained relatively unchanged. Restated comparative figures are shown on page 34 and in the accompanying notes.

Pre-tax profit was 36% higher at SA739.4 million. Operating profit and extraordinary items after income tax was SA407 424 412.

Directors recommend a final dividend of 24 cents a share, fully franked. The final dividend, if approved by the annual general meeting, will increase the total dividend to 40 cents a share, fully franked. This compares with a total dividend of 32 cents a share, fully franked, the previous year. The final dividend, if approved, will be payable on 1 August 1990.

As a guiding principle, directors believe that the benefits of franking credits should be passed on to shareholders. Although about a third of CSR's assets are now outside Australia, a significant proportion of the group's profits will continue to bear Australian tax and thereby generate franking credits which will be available to shareholders through dividends.

Issued capital increased by 36 million to 740 million SA1 shares, including partly-paid shares. The increase included the issue of 28 million shares under the shareholder and employee share purchase plans. Details of all issues are shown on page 48.

Shareholders' funds, including minority interests, rose by 13% to SA2.9 billion. The increase was mainly due to the issue of shares under CSR's share purchase plans (see page 48 for details of issue prices) together with profits retained in the business.

Total assets increased 25% to SA6299.2 million. Current assets fell SA34.8 million to SA1574.5 million, largely due to a reduction in short-term lending and the sale of CSR's 18.2% interest in Brick & Pipe Industries. These decreases were offset by an increase in stocks and debtors mainly associated with deregulation of the Australian sugar industry and acquisition of the subsidiaries of the ARC America Corporation.

Net tangible asset backing per share was marginally higher at SA2.89. Total net asset backing per share increased by SA0.25 to SA3.45.

Cash flow (gross funds from operations) increased 30% to SA902.7 million. The ability to generate funds internally continues to be one of CSR's most significant financial strengths. The increase in cash flow was mainly due to the high level of building and construction materials sales in Australia and increased world sugar prices.

Return on shareholders' funds increased from 13.8% to 16.1% – the seventh successive [illegible] [illegible] the fourth successive improvement. [illegible]

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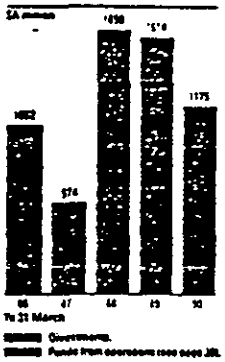
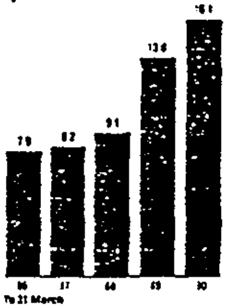
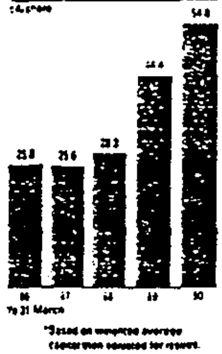
Cash flow from operations increased to $A903 million.



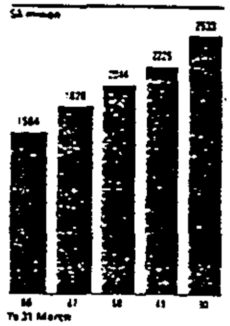
Return on shareholders' funds increased to 16.1%.



Earnings per share* increased by 10.4 cents.



CSR shareholders' funds increased by $A308 million.



Extraordinary items contributed a profit of $A0.5 million after tax and $A0.5 million after minorities. Major extraordinary profits arose from the excess of net tangible assets over the consideration for acquisitions ($A21.4 million) and surplus on disposal of business segments ($A20.5 million). Extraordinary losses included a provision for losses on business disposals ($A28.4 million) and a provision relating to businesses previously divested.

Intangibles. CSR's accounts comply with the Australian standard in accounting for goodwill in calculating the profit, which requires goodwill be capitalised and amortised, with unamortised balances being reviewed at each balance date. The value of goodwill on the balance sheet at 31 March 1990 was $A523.2 million after charging accumulated amortisation of $A31.0 million.

During the year, trademarks valued at $A34.8 million were acquired, bringing the total value of these items on the balance sheet to $A172.5 million at 31 March 1990. No amortisation has been provided on these items.

Gearing rose from 18.9% to 32.9%, which continues to be conservative. (See table on page 9.) The main reason for the increase was the US$530 million of bank borrowings to fund the acquisition of the subsidiaries of the ARC America Corporation.

Other major funding arrangements during the year included:

- the establishment of US$250 million of committed standby bank facilities, part of which was used to fund the acquisition of the subsidiaries of the ARC America Corporation
- US$58 million of private placement borrowings
- the establishment of a US$400 million Euro Commercial Paper program.

Financial profile

Year ended 31 March ($A million unless indicated)	1990	1989	% change
Balance sheet at 31 March			
Paid up capital ($A1 shares)	735.0	696.6	6
Total assets	6299.2	5046.1	25
Current assets	1574.5	1609.3	–2
CSR shareholders' funds	2532.8	2225.1	14
Gearing (%)	32.9	18.9	–
Non-current creditors and borrowings	1413.5	595.9	137
Current creditors and borrowings	907.4	1039.8	–13
Owing (to) by the Australian sugar industry	(2.1)	59.6	–
Standby credit undrawn	670.4	559.4	20
Current ratio	1.03	1.04	–
Interest expense	140.0	127.4	–
income	80.0	60.0	–
net expense	60.0	67.4	–
Interest cover (times)	9.5	8.0	–
Exchange rate A/US (cents) at 31 March	75.1	82.8	–9
average for year	77.2	81.6	–5
Profitability			
Trading revenue	4516.1	3438.2	31
Operating profit before interest, foreign exchange and income tax	793.7	604.8	31
as a % of trading revenue	17.6	17.6	–
funds employed	14.1	14.1	–
Net profit before abnormal items	406.9	306.4	33
as a % of CSR shareholders' funds	16.1	13.8	–
trading revenue	9.0	8.9	–
total assets	6.5	6.1	–
Average income tax rate, excluding abnormal items (%)	39	39	–
Performance per share on issue at 31 March			
Earnings (cents)	55.0	44.0	25
Dividends (cents)	40.0	32.0	25
Net tangible assets (book value) ($A)	2.89	2.88	–
Total net assets (book value) ($A)	3.45	3.20	8
Value added ($A)	2.41	1.95	–

Capital investment currently planned or committed this year totals about $A500 million. About $A250 million will be invested to maintain the production capabilities and efficiency of current businesses. Most of the balance will be spent completing major projects commenced last year, such as the insulation plant in Sydney and various particleboard manufacturing facilities.

Actual expenditure could be higher depending on whether other investment opportunities, currently being evaluated or contemplated, are realised.

Divestments yielded $A272.1 million. The sale of CSR's 18.2% interest in Brick & Pipe Industries ($A69.7 million), Anchor Foods ($A30 million) and other non strategic assets and investments accounted for most of the proceeds.

Risk management. CSR has effective risk management to achieve safe places of work and minimise insurance claims. The company's risk control program identifies and eliminates potential hazards to people and property. Following the introduction of a new program three years ago, reserves of $A6.1 million have been accumulated from savings on insurance premiums. An in-house insurance company, with access to international reinsurance markets, provides protection against major risks. Minor losses are self insured. Risk management consultants assist where specialist skills are required.

Senior management

Don Murden, FASA, CPA, FCIS, FCIM, age 53, chief financial officer and company secretary, joined CSR 1958.

Gearing analysis

Year ended 31 March ($A millions)	1990	1989
Borrowings		
Short-term debt	190.4	469.6
Current maturities of long-term debt	173.7	137.3
Long-term debt	1413.5	595.9
	1777.6	1202.8
Cash and short-term lendings		
Cash	4.7	23.1
Short-term lending	217.1	300.2
Owing (to) by the Australian sugar industry	(2.1)	59.6
	219.7	382.9
Net borrowings	1557.9	819.9
Total shareholders' equity	2885.5	2560.0
Total liabilities	3413.7	2456.1
Gearing ratios (%)		
Long-term debt: equity plus long-term debt	32.9	18.9
Long-term debt: equity	49.0	23.3

Capital investment

Year ended 31 March ($A millions)		1990	1989
Building and construction materials	concrete, quarrying and cement	148.6	56.7
	bricks and roof tiles	77.1	4.4
	insulation	52.4	27.0
	plasterboard	45.9	14.7
	acquisitions	84.4	531.1
	other	49.7	39.0
		458.1	672.9
Construction materials USA	concrete, quarrying and cement	41.0	34.0
	major acquisitions	834.5	650.8
	other	2.4	–
		877.9	684.8
Timber products	wood panels	106.1	83.4
	sawn timber	18.6	5.4
	other	0.6	5.6
		125.3	94.4
Sugar	mills	17.1	15.6
	refineries	15.4	11.8
	distilleries	4.6	21.6
	other	0.8	2.1
		37.9	51.1
Aluminium		12.2	8.6
Resources		–	26.0
Corporate		(3.3)	(0.1)
Total capital investment		1508.1	1537.7
Divestment proceeds	brick investment	69.7	–
	retail foods	30.0	–
	oil and gas	10.5	134.9
	coal	2.6	467.3
	minerals	–	88.9
	other	159.3[a]	227.3[b]
		272.1	918.4

a Non-strategic assets and non-strategic investments.
b Includes Agnew Steel and US assets.

Value added

Year ended 31 March	1990 $A million	%	1989 $A million	%
Source				
Trading revenue and dividends	4540	100	3466	100
Less purchases of materials and services[a]	2774	61	2107	61
Total value added available for distribution	1766	39	1359	39
Distribution				
To employees in wages, salaries and payments to retirement funds	756	43	565	41
To governments in taxation[b]	349	20	258	19
To providers of capital				
interest paid on loans	60	3	67	5
dividends paid to shareholders – including minority interests	318	18	225	17
Reinvested in business				
depreciation[c] and amortisation	194	11	164	12
profit retained from operations	89	5	79	6
	1766	100	1359	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, land tax, local government rates, [illegible] charges such as [illegible] and financial duties.
c [illegible] depreciation [illegible] assets.

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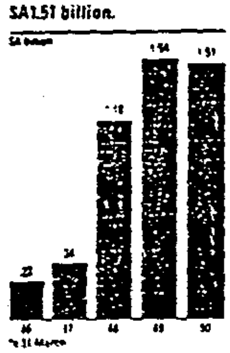
Gearing increased to 32.9%

Capital investment was $A1.51 billion.



Finance (continued)

As at the date of this report, CSR has over $A700 million of undrawn committed standby facilities and substantial unutilised borrowing capacity under short-term commercial paper programs.

$A176 million of debt was repaid last year, including:

- US$75 million of Eurobonds issued in 1982
- $A23 million of convertible notes issued in 1987.

In addition, an underwritten $A125 million promissory note facility matured during the year. This will be replaced by a non-underwritten domestic commercial paper program.

Scheduled long-term debt repayments this year total $A156 million. These include $A98 million of 8.25% convertible bonds and $A40 million of Eurobonds. CSR aims to maintain a reasonable spread of debt maturities.

Net interest expense was reduced during the year. Interest costs were protected against high Australian interest rates by hedging. CSR continues to keep a balance of fixed and floating interest rates.

Ratings. Ratings of A-1 by Standard & Poor's and P-1 by Moody's were reconfirmed for CSR's commercial paper programs in Europe and the United States, following the acquisition of the subsidiaries of the ARC America Corporation. CSR's short-term unsecured debt rating of A1 was maintained by Australian Ratings. The company's long-term unsecured debt rating was maintained at A2 by Moody's and AA– by Australian Ratings. These ratings and CSR's conservative gearing enable very competitive borrowing rates to be achieved.

The provision for doubtful current receivables has been increased by $A12.8 million to $A51.4 million due to the inclusion of the subsidiaries of the ARC America Corporation and following a full review in the light of current economic conditions.

Working capital. Despite the increase in stocks arising from acquisitions, working capital was maintained at approximately the same level as last year.

Exchange rate fluctuations resulted in a net gain before tax of $A5.7 million. The use of forward cover resulted in an average A/US exchange rate on revenues of 76.3 cents being achieved last year. Foreign currency liabilities increased by $A892.6 million to $A1706.8 million but these are more than matched by the value of overseas business assets.

Capital investment totalled $A1.51 billion. Investment was directed mainly at enhancing and strengthening CSR's building and construction materials businesses in Australia and overseas.

Expenditure included:

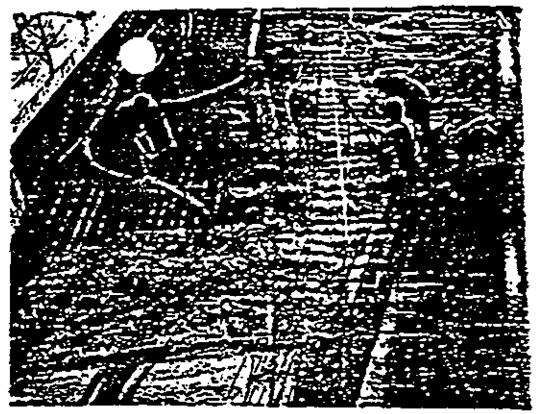
- $A835 million on the acquisition of the subsidiaries of the ARC America Corporation in the US
- $A88 million on the acquisition of quarrying, pre-mixed concrete, asphalt and concrete products businesses in Australia
- $A84 million for CSR's 50% share of the cost of acquiring Goliath Cement in Tasmania.

Segment analysis

Year ended 31 March ($A million unless indicated)	Operating profit before interest, foreign exchange and income tax 1990	1989	Interest and foreign exchange allocation[1] 1990	1989	Income tax 1990	1989	Minorities 1990	1989	Net profit before abnormal items 1990	1989	Trading revenue 1990	1989	CSR shareholders' funds 1990	1989	1990 (% return)	1989 (% return)
Building and construction materials	360.1	244.6	49.7	12.2	124.5	85.8	20.1	3.5	165.8	139.5	1878	1247	890	800	18.6	17.5
Construction materials USA	54.2	59.2	15.1	15.0	12.4	17.6	–	–	26.7	26.6	621	459	923	388	2.9	6.9
Timber products	86.9	95.5	24.0	16.2	25.8	30.8	–	0.3	37.1	47.8	538	493	375	343	9.9	13.9
Sugar	191.1	117.4	24.3	16.1	64.3	33.0	–	–	102.5	68.3	1169	813	370	351	27.7	17.9
Aluminium	111.1	115.1	(2.3)	4.8	44.0	43.7	22.5	20.7	46.9	45.9	306	303	66	65	71.1	70.6
Unallocated[2]	(9.7)	(27.2)	(56.5)	(3.5)	18.9	(2.2)	–	0.5	27.9	(22.0)	4	123	(91)	248	–	–
Group	793.7	604.6	54.3	60.8	289.9	211.7	42.6	25.7	406.9	306.4	4516	3435	2533	2225	[illegible]	13.7

1. Divisional profits include an allocation of [illegible]
2. Unallocated [illegible]

Business environment



In Australia, demand for CSR's building and construction materials, especially pre-mixed concrete, was strong for most of the year.

Overall, CSR's markets were satisfactory.

The Australian market for building and construction materials weakened. Housing approvals and commencements were at record levels for the first three months of the year but declined over the remainder of the year, mainly due to high interest rates. Demand for CSR's building materials was strong for most of the year due to the large volume of building work in progress and the growing home alterations and additions market. Demand was particularly strong for CSR's pre-mixed concrete, plasterboard, bricks, roof tiles and wood panels.

The level of non-residential construction increased. Office construction was at a very high level, particularly in the larger cities. Hotel and other tourism-related construction was also active. Civil construction activity was lower. Office construction is expected to fall this year.

North American construction materials markets were generally satisfactory. CSR's overseas operations are predominantly in the United States, in 24 States. CSR's sales are split between the three segments of the US construction industry – residential, civil and commercial. Total US construction declined by about 5% last year and is expected to decline again this year. Non-residential construction is expected to be particularly weak. Despite this, demand for CSR's construction materials is expected to be satisfactory.

Sales of rockwool insulation in western Canada and western US increased. Capacity exists to increase sales substantially.

The markets for CSR's plasterboard accessories products in western US and Canada grew strongly.

Demand for plasterboard in Europe was satisfactory. Redland Plasterboard (49% CSR) increased market share in the United Kingdom from 8% to over 15%. A higher market share is expected this year. Sales of plasterboard and accessories increased in Holland, Belgium, Germany, France, Sweden and Finland, but fell in Norway.

World demand for raw sugar exceeded supply for the fourth successive year. World stocks fell to their lowest level since 1981 and prices rose. The outlook for the remainder of the year is for strong demand, lower stocks and firm prices.

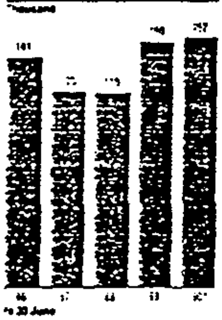
CSR's share of the Australian refined sugar market fell. A competitor commenced production at a new refinery in New South Wales and imports of sugar followed the lifting of the import embargo. CSR's market share consequently fell and is expected to fall further this year. New Zealand Sugar's sales and market share rose. Industrial ethanol sales in Australia by CSR fell due to the closure of customers' plants.

The world market for aluminium weakened. World prices eased during the year as supply increased a little faster than demand. Aluminium stocks increased slightly but are still at relatively low levels. The world aluminium industry continues to operate at a high capacity utilisation of around 98%.

Markets for alumina and bauxite were strong, although alumina prices eased from the very high levels of early last year.

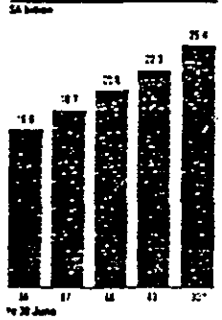
Prices for aluminium, alumina and bauxite are expected to remain satisfactory this year.

Australian dwelling completions



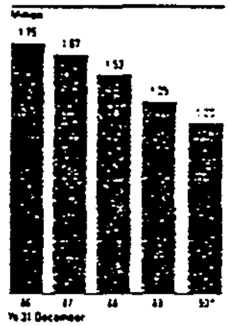
*Estimate

Australian non-dwelling construction



*Estimate.

US dwelling completions

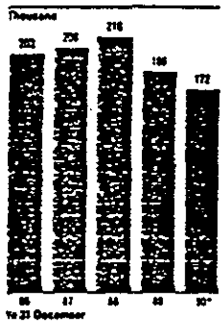


*Estimate by The WEFA Group.

US non-dwelling construction

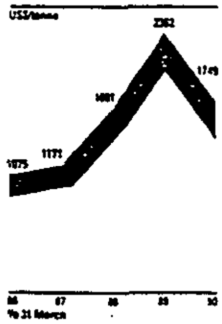
*Estimate by The WEFA Group.

UK dwelling completions



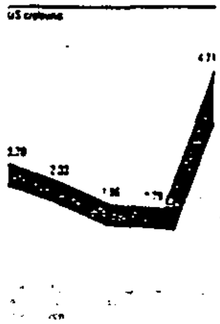
*Estimate.

World aluminium price



World raw sugar price

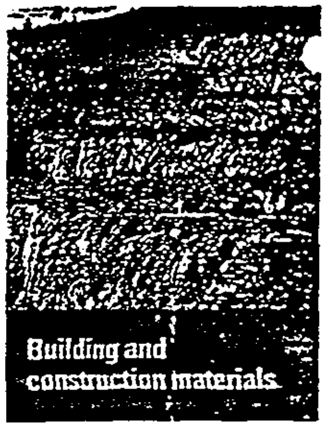
World raw/white sugar price differential



End-market analysis of trading revenue

Year ended 31 March		1990 $A million	%	1989 $A million	%
Building and construction materials					
Civil construction	Australia	662	14.7	555	16.1
	international	18	0.4	3	0.1
Dwellings	Australia	647	14.3	367	10.7
	international	52	1.2	23	0.7
Commercial buildings	Australia	435	9.6	277	8.1
	international	45	1.0	10	0.3
Other		19	0.4	12	0.3
		1878	41.6	1247	36.3
Construction materials USA					
Dwellings	international	252	5.6	201	5.8
Commercial buildings	international	211	4.6	141	4.1
Civil construction	international	158	3.5	105	3.1
Other		–	–	12	0.4
		621	13.7	459	13.4
Timber products					
Dwellings	Australia	323	7.2	300	8.7
Commercial buildings	Australia	100	2.2	96	2.8
Furniture	Australia	82	1.8	76	2.2
Other		33	0.7	21	0.6
		538	11.9	493	14.3
Sugar					
Food	Australia	593	13.1	361	10.5
	New Zealand	98	2.2	82	2.4
	other international	412	9.1	318	9.2
Other		66	1.5	52	1.5
		1169	25.9	813	23.6
Aluminium	international	306	6.8	303	8.8
Resources	Australia and international	–	–	112	3.3
Unallocated	Australia	4	0.1	11	0.3
Trading revenue					
Australia		[illegible]	6?	2043	[illegible]
International		[illegible]		[illegible]	
Mixed Australia and international		118	[illegible]	209	

Operations summary



	Building and construction materials	Construction materials USA
Profit performance	Profit rose 19% to $A165.8 million. Readymix Group, Monier PGH (51% CSR) and Gyprock Group contributed most of the increase.	Profit rose marginally to $A26.7 million. The result was affected by normal seasonal losses by the ARC America subsidiaries in February and March 1990.
Key achievements	Acquisition of Goliath Cement by Cement Industries (50% CSR) provides CSR with increased access to competitive supplies of cement. In Australia, CSR acquired or built 22 concrete plants, 3 precast concrete plants and 8 quarries. Redland Plasterboard (49% CSR) secured over 15% of the UK market, commenced production at its Bristol factory and bought two French plasterboard companies. A new autoclaved aerated concrete factory and a fibre concrete plant commenced production in Australia.	Rinker's profitability improved due to rationalisation of operations, sale of surplus assets, and improved margins. Acquisition of the ARC America subsidiaries: ☐ substantially expanded CSR's US construction materials operations ☐ positions CSR to benefit from an anticipated increase in expenditure on US infrastructure ☐ provides CSR with opportunities for further expansion in North America.
Future strategies	Make further add-on acquisitions in Australia in quarrying and concrete. Expand cement production, reduce production and distribution costs and improve efficiencies. Continue to broaden product range, especially for concrete products and plasterboard.	Consolidate and extract full value from ARC America acquisitions by improving organisation, production methods and marketing strategy. Divest surplus assets promptly. Seek high-yielding add-on businesses.
Outlook	Reduced house building and commercial construction in Australia will affect demand this year. New insulation and brick plants in Australia will add to profits.	US construction activity will fall this year. Demand for construction materials will also fall. Prospects for next year are brighter with a recovery expected in construction activity.

rofit fell 22% to SA37.1 million.

The lower profit was due to competition rom imported timber and reduced ouse building.

:onsolidation of the Wood Panels, Softwoods and Formica groups was completed.

cquisition of a medium density ibreboard plant in New South Wales strengthened CSR's product range.

moulded fibreboard door panel plant was built in Queensland.

Timber rights to 17 000 hectares of idiata pine forests were obtained in Queensland.

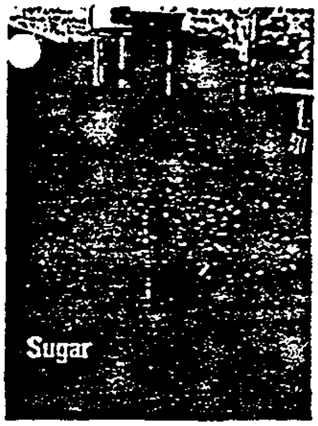
New wood panel products were iccessfully launched in Australia and lew Zealand.

:ontinue to broaden product range, particularly of high-value-added roducts.

:ontinue to reduce costs and increase productivity at wood panel plants and sawmills.

educed house building will affect demand for timber products this year.

'ew door panel and fibreboard plants ill contribute to profits this year.



Profit rose 50% to SA102.5 million.

Milling and refining operations in Australia were the main contributors to the increase.

A record 9.5 million tonnes of sugarcane was crushed.

CSR's refining business successfully met the challenges of deregulation of the Australian sugar market.

A new ethanol distillery in Queensland commenced operations.

CSR was appointed The Sugar Board's sole export marketing agent, for an initial period of three years.

Long-term sugar contracts were negotiated with the USSR, Malaysia and The People's Republic of China.

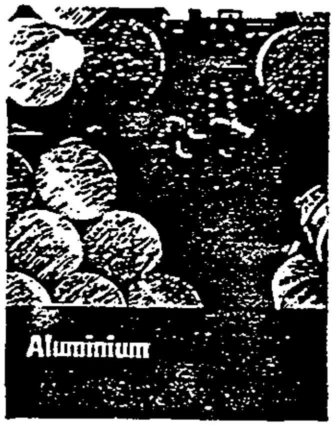
Implement continuous crushing at sugar mills to handle increased crops.

Continue to reduce costs and improve customer service to meet increased competition in the refined sugar market.

Evaluate benefits of building a large sugar refinery in Queensland.

Milling revenue should continue to benefit from high world sugar prices.

Refined sugar sales and profits will fall due to increased competition.



Profit rose 2% to SA46.9 million.

The increase mainly reflected higher sales of bauxite and higher prices for alumina.

Bauxite production at Gove (21% CSR) increased 13% to a record 6.3 million tonnes.

Bauxite sales increased 38% to a record 2.7 million tonnes.

Production cost increases at the Tomago aluminium smelter (24.5% CSR) were kept below the inflation rate, for the sixth consecutive year.

Sales of aluminium by Gove Aluminium, in the form of value-added slabs and billets, increased 30% to 31 400 tonnes.

Continue efforts to improve productivity and achieve lower costs at Gove and Tomago.

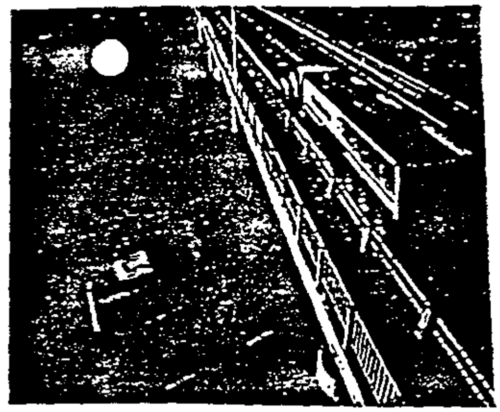
Increase production capacity at Gove.

Evaluate benefits of adding a third potline at the Tomago smelter to improve competitiveness.

World bauxite and alumina prices should remain satisfactory this year.

Aluminium prices are expected to remain at current levels this year.

Building and construction materials



The Sunshine Motorway in Queensland is one of the major projects constructed with Readymix Group products. Readymix's operating revenue increased strongly to nearly $A1 billion.

Profits benefited from a strong Australian building and construction industry and the first full year's contribution from acquisitions.

Profit rose 19% to $A165.8 million. Larger profits were made by quarrying and pre-mixed concrete operations: the Monier PGH (51% CSR) brick, paver and roof tile businesses: and plasterboard operations. The contribution was also higher from insulation activities and dividends increased from Austral Brick (50% CSR).

Housing construction in Australia was at a high level for most of last year due to the amount of work already committed. Approvals and commencements fell sharply from the end of the first quarter of the year and a reduction in housing construction is inevitable this year.

An expected increase in home alterations and additions should moderate the fall in demand for building and construction materials caused by the downturn in new housing construction. CSR's plasterboard and brick businesses, especially, should benefit from this.

Commercial construction in Australia was at a high level because of the completion of existing projects. However the number of new projects is falling.

Increased expenditure on civil construction, particularly roads, is expected to partially compensate for the anticipated downturn in commercial construction this year.

CSR's building and construction materials businesses maintained or enhanced their strong market positions during the year.

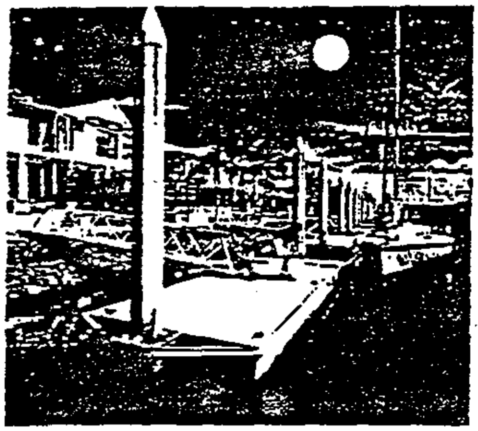
The Readymix Group's quarrying, pre-mixed concrete, concrete products and asphalt businesses performed strongly. Revenue increased to almost $A1 billion. The improved result was helped by strong demand for all products and the inclusion of the first full year's contributions from the Humes Concrete Products business and Sellars Holdings.

The group invested $A88 million in expanding operations throughout Australia. Market share increased for all products and especially for aggregates, pre-mixed concrete and concrete pipes.

Production of aggregates and sand exceeded 30 million tonnes. Quarrying operations grew with the addition of eight quarries. Construction of a major quarry, costing $A20 million, near Melbourne will be completed in mid 1990. CSR's high quality quarry reserves are sufficient for 50 years at current rates of extraction.

Pre-mixed concrete operations benefited from buoyant housing, civil and commercial construction throughout Australia. Concrete production increased to over 4 million cubic metres. The acquisition or construction of 22 plants expanded CSR's market share, especially in New South Wales, Victoria and Tasmania.

The Humes precast concrete products business performed strongly due to high levels of sub-division activity and civil construction. The launching of new products such as FLEXMAT™ flexible concrete block matting and Humes' marina systems also contributed to the improved performance. Production of large diameter pipes, beams, poles, engineering components, bricks and blocks rose to nearly 600 000 tonnes.



CSR Humes is expanding its range of precast concrete products. The INVINCIBLE™ marina system is a feature of the Sanctuary Cove development in Queensland.

Gyprock Group's Sydney Plant has extensive capacity to supply customer needs with an increasingly wide range of plasterboard products.

Humes' range of precast products expanded with the acquisition, in June 1989, of Wembley Cement Industries, Western Australia. Wembley's two Perth plants make an extensive range of small concrete products. A HUMECORE™ precast concrete panel factory in Melbourne was commissioned in February 1990. The Emu Pipes and Veal Pipes businesses in Victoria were bought in March 1990.

Humes' concrete pipe manufacturing operations in the United Kingdom and Fiji performed satisfactorily.

Asphalt production increased strongly to over 1 million tonnes due to a high level of road construction activity. Road profiling operations expanded with the purchase in July 1989 of the Wirtgen business in New South Wales and Queensland. READYBINDER™ dust and soil stabiliser emulsion was successfully launched in mid 1989.

The Readymix Group's transport and distribution services were considerably increased. These comprise pre-mixed concrete, precast concrete and quarry product trucks, cement tankers and concrete pump trucks.

Cement interests expanded with the acquisition of Goliath Cement and its integration with Australian Cement (50% CSR). The balance of Goliath Cement not already owned by Cement Industries (50% CSR) was bought in October 1989 for $A169 million. Goliath's plant in northern Tasmania supplies over 60% of its output to Australian Cement for sale in Melbourne and Sydney.

Goliath Cement traded profitably since its acquisition. Planning for the expansion of its plant is well advanced. Increased cement storage facilities at mainland ports will also be required.

Dividends from Australian Cement were marginally lower than last year. Australian Cement's results were disappointing as demand for cement was very strong in south-east Australia for most of the year, especially in New South Wales where there was considerable road construction activity. Profitability would have been higher but for competition from imports of cement as well as production problems and industrial unrest at Australian Cement's plant at Geelong, Victoria. These problems are being rectified.

Plasterboard sales in Australia showed satisfactory growth during the year. Market share was maintained and profitability improved. Major contributions to the improved result included the amount of housing construction already committed and the continued buoyancy of commercial construction.

Because of the anticipated fall in housing construction, CSR expects to sell less plasterboard in Australia this year. However growth in home alterations and additions and the continued strength of the commercial construction market will partly compensate for the reduced demand. The release of a number of new products will also help. Recently launched were GYPROCK AQUACHEK™ water resistant board, FRESCO™ decorative moulded board and the SHAFTWALL™ fire rated shaft lining system. Market response for these products is encouraging.

Gyprock Group upgraded the plaster mill at its Sydney Plant, achieving cost savings and operational efficiencies.

Rondo Building Services (50% CSR), manufacturer of metal suspended ceiling and wall partition products, commenced production at a new plant in Brisbane in April 1990.

Monier PGH (51% CSR) supplied the roof tiles, bricks and pavers for this Binet housing estate in Sydney.

Gyprock Group continued to develop its activities. In September 1989, Luna and Valk, Australia's largest manufacturer of acoustic plaster tiles, was acquired. Demand for this product is strong and production capacity at the company's Adelaide plant has been doubled. A new range of CRAFTSTONE™ cast plaster tiles was successfully introduced.

CSR Hebel Australia's $A33 million plant (82.5% CSR) near Sydney in March 1990 began production of autoclaved aerated concrete blocks and panels. Market prospects for this versatile building material are very promising.

Production of fibreglass reinforced concrete panels at CSR Fibre Concrete's factory in Brisbane began in July 1989. Contracts to supply cladding for major building projects in Sydney and Brisbane have already been won. Production capacity is being increased.

European plasterboard operations increased market share. Redland Plasterboard's large $A65 million factory (49% CSR) in the United Kingdom commenced production ahead of schedule in September 1989. The factory is now operating at full capacity and sales of plasterboard have achieved a market share in excess of 15%. Cornice and decorative panel production facilities are scheduled to be completed in August 1990.

Norgips (44.9% Redland Plasterboard) improved profitability. Operations were expanded with the acquisition of Salsi, a French manufacturer of plaster and jointing compounds. Norgips' plants in Norway, the Netherlands and France achieved further cost savings and operational efficiencies. Revenue and market share improved, particularly in the Netherlands, Belgium, West Germany, France, Sweden and Finland. Sales in Norway were flat due to slow market conditions.

The Swedish paper linerboard manufacturer Orebro Kartongbruk (100% Redland Plasterboard) continued to improve manufacturing efficiency and reduce production costs.

In North America, CSR's plasterboard accessories businesses improved profitability and sales rose strongly. With buoyant housing markets in western Canada and western US, revenue and market shares increased and new products were successfully launched.

CSR's brick and roof tile interests increased profits due to strong demand. Record sales revenue from the home building industry, especially during the first half of the year contributed to the improved profitability, as did the first full year's contribution from Monier PGH (51% CSR) and returns from newly acquired brick and roof tile businesses. Dividends from Austral Brick (50% CSR) increased 22%. CSR sold its 18.2% interest in Brick & Pipe Industries in June 1989.

Monier PGH upgraded its brick plants in New South Wales and South Australia, reducing operating costs. Construction of a $A15 million clay roof tile plant was completed in Victoria early in 1990.

Monier PGH's operations were expanded with the purchase of Brickmakers Ltd the only clay brick business in New Zealand, the Humes concrete tile operations in New Zealand, the John Brazier Pty Ltd brick and paver business in Queensland, and the Lion Tile business in New South Wales.

Austral Brick improved profitability. It sold surplus land and successfully launched new products. Commissioning of Austral's new $A44 million plant in Sydney, with a yearly production capacity of 60 million bricks, is scheduled to begin in June 1990.

Bradford Insulation Group services its market from factories and distribution centres throughout Australia. At the Auburn, NSW plant Troy Crelley prepares rolls of fibreglass insulation blanket.

Bradford Insulation improved profitability. A buoyant market in Australia for insulation products resulted in record sales of fibreglass and rockwool products. Sales of foil insulation were strong and sales of air handling products improved.

Commissioning of a $A67 million fibreglass insulation factory in Sydney has begun. The factory, incorporating the latest technology, will supply high quality products to the Australian market and enhance Bradford's competitive position.

Bradford extended its product range during the year. New products include MARITIME™ fire rated insulation panel systems for marine applications, THERMOKRAFT™ fire retardant building paper and THERMOPLAST™ decorative coloured reflective insulation foil for commercial building applications. In November 1989 CSR purchased the Dove Conservation business, the leading supplier of insulation cladding systems to the Australian wine industry.

The Malaysian rockwool business (70% CSR) and the flexible ducting business in Singapore traded profitably at the same levels as the previous year. The Canadian rockwool business (70% CSR) again incurred a loss. Low prices resulted from vigorous competition, and the strengthening Canadian dollar reduced revenue from US sales.

Senior management

Brent Baker, BSc, age 51, general manager Gyprock Group, joined CSR 1980.

Alec Brennan, BSc, MSc (Admin), age 43, general manager Readymix Group, joined CSR 1969.

Stan Droder, FCA, age 53, general manager Bradford Insulation Group, joined CSR 1963.

[illegible] Monier PH Ltd (51 [illegible] 1957.

Six-year performance

Year ended 31 March ($A million unless indicated)	1990	1989	1988	1987	1986	1985
Trading revenue	1878	1247	954	646	643	577
Profit before interest, foreign exchange, tax	360.1	244.6	156.9	101.0	93.1	78.8
Net profit before abnormal items	165.8	139.6	[illegible]	[illegible]	54.2	[illegible]
Shareholders' funds at 31 March	890	[illegible]	[illegible]	[illegible]	261	[illegible]
Return on shareholders' funds (%)	18.6	[illegible]	[illegible]	[illegible]	[illegible]	17.5
Total funds employed at 31 March	1963	1626	[illegible]	425	389	391
Total assets at 31 March	2261	1584	995	523	466	444
Return on assets (%)	7.3	[illegible]	[illegible]	9.4	11.6	8.3
Capital investment	458.1	672.9	403.5	57.4	53.1	40.2
Depreciation	77.6	[illegible]	[illegible]	29.4	28.1	27.8

Business profile

Year ended 31 March	1990	1989
Sales ($A million)		
Civil construction	680	558
Dwellings	699	390
Commercial buildings	480	287
Other	19	12
	1878	1247
Plants at 31 March		
Quarries[b] and sand	114[a]	126
Pre-mixed concrete	234[a]	235
Concrete products	46[c]	39
Cement[d]	4	3
Asphalt	24	22
Plasterboard and accessories[e]	17	13
Bricks, pavers and clay pipes[f]	20[g]	18
Roof tiles[h]	20	18
Insulation[i]	11	12
Reserves proven and probable (Mt)		
Hard rock	1816	1839
Sand	90	93
Sand and gravel	77	78
Limestone	69	58
Gypsum[d]	300	300
Dividends received[j] ($A million)		
The Austral Brick Co Pty Ltd[d]	9.5	7.8
Cement Industries Pty Ltd[d]	7.3	7.6
Brick & Pipe Industries Ltd[k]	1.7	2.1
Other	3.2	1.8
	21.7	19.3
Employees at 31 March	9421	8017

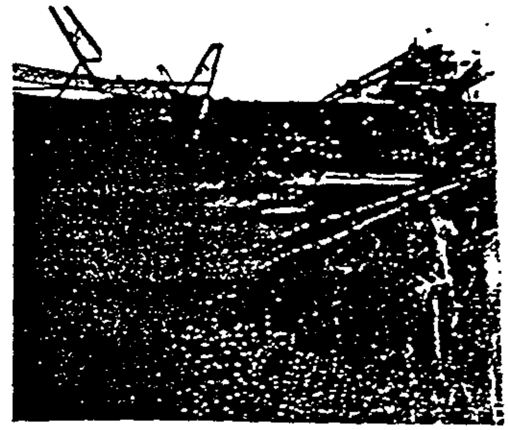
CSR Group trademarks in Australia and other countries include [illegible]

a Includes Penrith Lakes Development Corp (40% CSR) sand and gravel operation in Sydney.
b Excludes mothballed quarries not in use.
c Includes four concrete block factories (50% CSR).
d 50% CSR.
e Includes a plasterboard factory and an accessories factory in the UK (both 44% CSR), a plasterboard factory in Sweden (44% CSR), three plasterboard factories in France, Norway and the Netherlands (22% CSR), and an accessories factory in France (22% CSR).
f Includes 13 factories (51% CSR) and six factories (50% CSR) in Australia.
g Includes one factory in New Zealand (51% CSR).
h 51% CSR.
i Includes one factory in Malaysia and one in Canada (both 70% CSR).
j See page 55 for details.
k All shares now sold.

Mt million tonnes

110000

Construction materials USA



Stockpile facilities at Rinker Materials' FEC Quarry in Miami, Florida. Rinker's extensive quarrying and concrete operations are strategically located to efficiently supply the large Florida market.

CSR is now one of the largest construction materials companies in the United States.

Profit rose marginally to $A26.7 million. The result was affected by losses incurred by the subsidiaries of the ARC America Corporation in the first two months of CSR's ownership. Normal seasonal factors were responsible for these losses. The result was also affected by one-off costs associated with the rationalisation of the ARC America operations following acquisition. The outlook this year is for subdued demand for most of CSR's construction materials.

Rinker Materials Corporation improved profits substantially. The increase, in line with expectations, was achieved despite a significant fall in construction activity in Florida. Revenue increased, market shares were generally maintained and margins improved. Southern Aggregates' sales and profits were adversely affected from October 1989 by Hurricane Hugo and its aftermath.

Rationalisation of Rinker's operations continued, achieving cost savings and operational efficiencies. The non-concrete businesses of Mack Industries were sold, as well as other surplus assets. Employee numbers were reduced, computerised management systems introduced and pre-mixed concrete technology upgraded.

The market for aggregates was weaker than expected due to the reduced level of construction in southern Florida and lower expenditure on road and highway repairs. Production of aggregates by Rinker and Southern Aggregates was marginally lower at 16.1 million tonnes.

Pre-mixed concrete production was 4.4 million cubic metres, down 4%. Three pre-mixed concrete plants were acquired in the high-growth region of south-western Florida.

The market for concrete block was also affected by the general downturn in construction in Florida. Production fell 12% to 74 million blocks. Southern Aggregates' competitive position was improved with the commissioning of a block plant in Georgia.

Cement operations performed well despite continued competition from low-priced imports. Rinker's plant in southern Florida produced some 600 000 tonnes of cement. To maintain its 25% share of the market, Rinker also imported 720 000 tonnes of cement and bought 430 000 tonnes from other US producers. The slowing construction market and the increasing use of fly ash by Rinker's pre-mixed concrete operations resulted in Rinker's cement sales falling 4%.

Building and construction materials markets in south-eastern US are expected to weaken this year. Actions to counter the effects of the downturn include a reduction in overhead costs, further rationalisation of production facilities, the divestment of surplus land and the acquisition of add-on businesses.

Quarrying and concrete operations substantially expanded with the acquisition of the subsidiaries of ARC America Corporation for $A835 million. Bought in January 1990, the subsidiaries consolidate CSR's position as one of the largest producers of construction materials in the US and position the company for further growth in North America. The acquisition will enable CSR to benefit from anticipated upgrading of highway, bridge, airport and other infrastructure during the 1990s.

All CSR's US construction materials businesses are now grouped under one holding company, CSR America Inc. In the United States the combined operations of CSR America are the:

- largest concrete pipe producer
- largest concrete block producer
- second largest pre-mixed concrete producer
- fourth large[illegible]

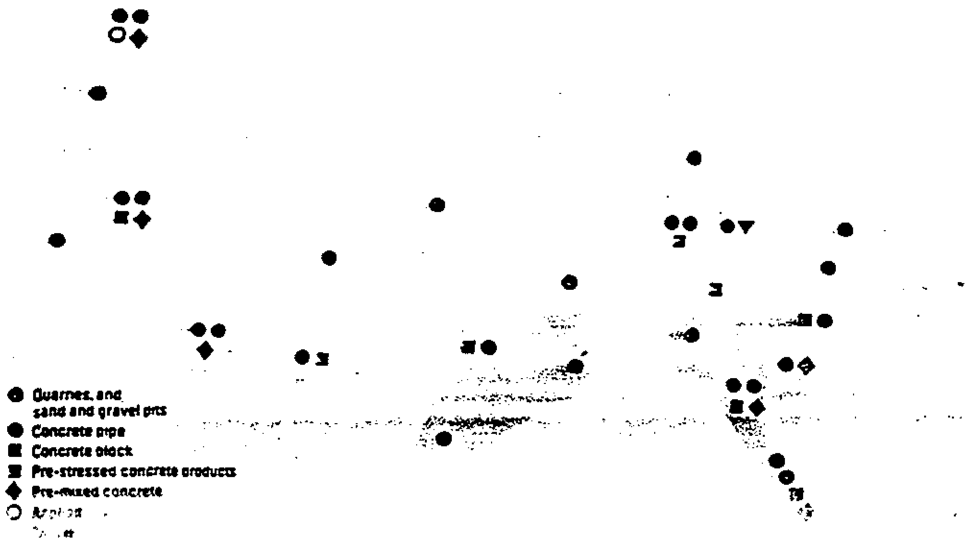
The underground mine at American Aggregates Indianapolis, Indiana, quarry supplements the open pit operations, providing high quality limestone aggregate without costly removal of overburden. American Aggregates' quarries are located close to major markets in three adjoining States.

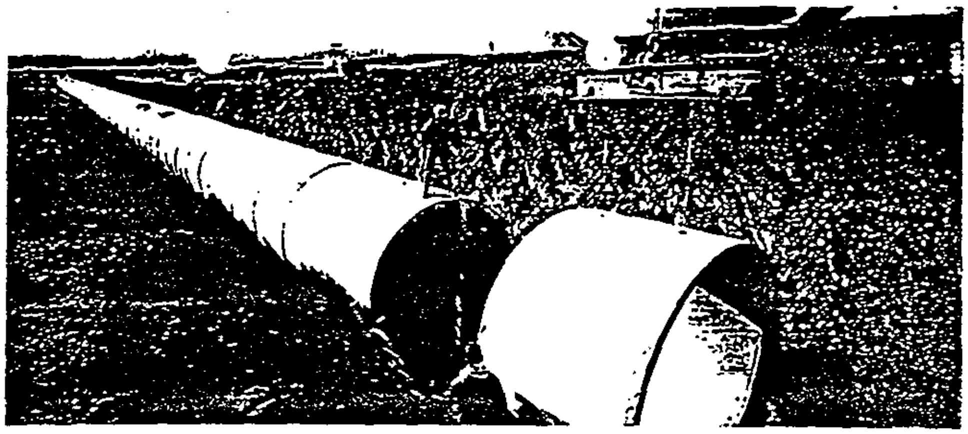
The main operating companies bought from ARC America were American Aggregates Corporation, Hydro Conduit Corporation, ARC Materials Corporation (trading as WMK Transit Mix) and Associated Sand & Gravel Company Inc.

The new acquisitions are not expected to make a significant contribution to CSR's profits until next year. By then, production facilities will have been rationalised, surplus assets sold, overhead and operating costs reduced, manufacturing technologies improved, product ranges expanded and new management systems installed.

American Aggregates is a large quarry operator in Ohio, Indiana and Michigan. Operations are centred on five cities, Columbus, Dayton, Cincinnati, Indianapolis and Detroit. Strong market shares are held in each centre, except Detroit. The region is expected to experience steady growth over the next few years. Output from American Aggregates' 38 quarries and sand and gravel pits exceeds 21 million tonnes. The company's extensive reserves of high-grade limestone, gravel and sand have an average life in excess of 30 years. These reserves are superior to those of its competitors and are a major strength.

CSR's extensive construction materials operations in the United States are well positioned to benefit from growth in infrastructure replacement.





Hydro Conduit's three-metre diameter concrete pipes being laid at the Kansas City Airport, Kansas. Hydro Conduit's highly efficient plants are spread throughout the United States.

The ARC America subsidiaries at a glance

Largest producer of concrete pipes in the US
Fifth largest aggregate producer in the US

Plants
16 limestone quarries in 3 States
38 sand and gravel pits in 6 States
38 concrete pipe plants in 19 States
4 pre-stressed concrete products plants in 4 States
2 concrete block plants in 2 States
4 pre-mixed concrete plants in 3 States
8 asphalt plants in 2 States
2 slag plants in 1 State

Yearly output
22 million tonnes of quarry products
1.8 million tonnes of concrete pipes
70 000 tonnes of pre-stressed concrete products
7 million concrete blocks
500 000 cubic metres of pre-mixed concrete
1.8 million tonnes of asphalt

Reserves
497 million tonnes of sand and gravel
421 million tonnes of limestone

Yearly sales
$A510 million

Total assets
$A990 million

Employees
[illegible]

American Aggregates' profitability is being improved. Non-strategic businesses and surplus land are being sold, plant and equipment are being upgraded and employee numbers are being reduced. The new management has the task of changing operational procedures to reduce costs and optimise market share and margins.

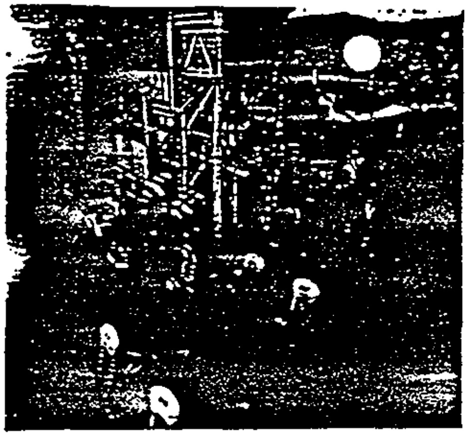
Hydro Conduit is the largest concrete pipe producer in the United States. With plants in 19 States and yearly production of 1.8 million tonnes of concrete products, Hydro Conduit is twice the size of the next largest pipe producer and has some 12% of the US market.
The company also produces pre-stressed concrete bridge beams and box-culverts. The wide geographic spread of its 42 plants enables Hydro Conduit to offset the vagaries of the various local economies.
The company is generally the lowest cost supplier in its markets.

Opportunities exist to improve the profitability of the business. Management structure and reporting have been simplified and reorganised into five regions. Unprofitable operations will be made profitable, sold or shut. Priority tasks this year include the expansion of Hydro Conduit's product range and the upgrading of concrete technology. New marketing strategies to improve margins will be put into practice. For example, in Florida Hydro Conduit can benefit from its relationship with Rinker Materials Corporation.

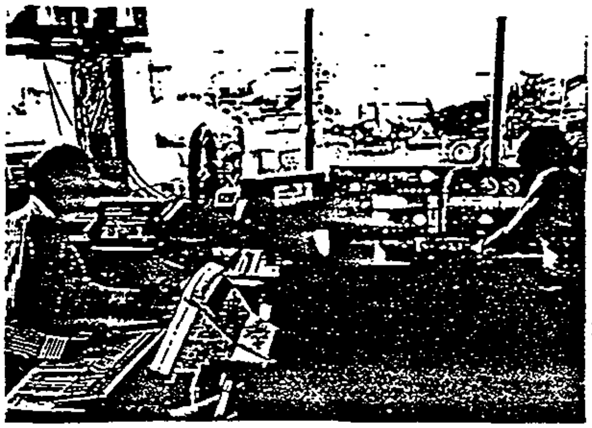
Demand for concrete pipes in the US depends on the level of infrastructure development and replacement, as well as on the level of housing construction. Because of reduced economic activity this year, the outlook is for industry sales volume to fall 5%.

WMK Transit Mix and Associated Sand & Gravel are located in regions experiencing strong growth.
WMK Transit Mix produces aggregate, pre-mixed concrete and concrete blocks in Nevada and Arizona. The company [illegible] significant [illegible]
A new crushing plant and a new [illegible]

000026



WMK Transit Mix's new pre-mixed concrete and crushing plants in Las Vegas, Nevada. WMK Transit Mix is also a major supplier of concrete blocks to the expanding Las Vegas market.



The highly-automated control room at Associated Sand & Gravel's concrete plant at Everett, Washington State. Wally Davenport and Bill Delaune dispatch pre-mixed concrete.

April 1990; production costs are expected to substantially reduce this year. Surplus land is being sold. Demand for aggregate is expected to fall slightly from its previous record level. But, because of planned expansion of the hotel and casino industry in Las Vegas, demand is expected to recover next year.

Associated Sand & Gravel's major operations are based in Everett, near Seattle, Washington State, one of the fastest growing regions in the US. The company holds strong positions in its markets for aggregate, pre-mixed concrete, asphalt, and concrete pipes in Washington, and asphalt in Alaska. New management is in place and the organisational structure has been simplified. Additional quarry reserves are being sought as a high priority.

Construction activity in Seattle is expected to decline by 8% in 1990 and then return to the strong growth levels of recent years.

Senior management

David Clarke, Dip Eng, *age 46, president and chief executive officer Rinker Materials Corporation, joined the CSR Group 1966.*

Mike Donohoe, B Eng, *age 42, president and chief executive officer Associated Sand & Gravel Company Inc, chairman WMK Transit Mix, joined the CSR Group 1983.*

Geoffrey Harris, age 42, president and chief executive officer American Aggregates Corporation, joined the CSR Group [illegible]

[illegible] age 45, president and chief [illegible]

Six-year performance

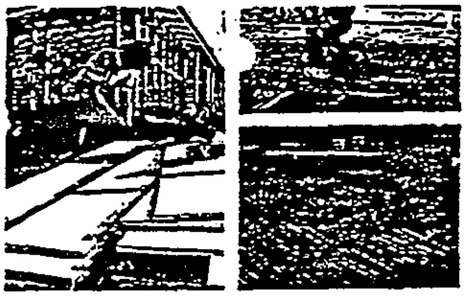
Year ended 31 March ($A million unless indicated)	1990	1989	1988	1987	1986	1985
Trading revenue	621	459	54	6	–	–
Profit before interest, foreign exchange, tax	54.2	59.2	2.3	–	–	–
Net profit before abnormal items	26.7	26.6	2.1	–	–	–
Shareholders' funds at 31 March	923	388	95	20	–	–
Return on shareholders' funds (%)	2.9*	6.9	2.2	–	–	–
Total funds employed at 31 March	1668	695	117	38	–	–
Total assets at 31 March	1818	757	126	41	–	–
Return on assets (%)	1.5*	3.5	1.7	–	–	–
Capital investment	877.9	684.8	81.8	36.4	–	–
Depreciation	36.4	26.3	5.1	2.0	–	–

* Reduction due to inclusion of ARC America subsidiaries from 1 February 1990.

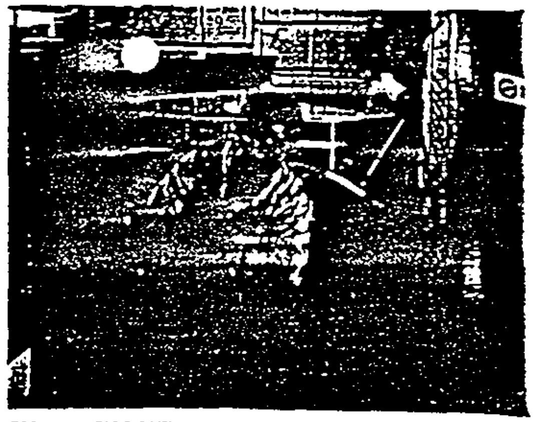
Business profile

Year ended 31 March	1990	1989
Sales ($A million)		
Dwellings	252	201
Commercial buildings	211	141
Civil construction	158	105
Other	–	12
	621	459
Plants at 31 March		
Quarries and sand	66	9
Pre-mixed concrete	72	66
Asphalt	8	–
Concrete blocks	20	19
Concrete pipes	38	–
Pre-stressed concrete products	4	–
Cement	1	1
Slag	2	–
Reserves proven and probable (Mt)		
Limestone	924	485
Sand and gravel	500	–
Hardrock	218	223
Sand	24	6
Employees at 31 March	5707	2925

[illegible]



Timber products



CSR added FIBRON™ medium density fibreboard to its product range. A customer, Christopher Evans Furniture, manufactures furniture taking advantage of Fibron's strength and smooth surface.

Sales increased, but profits were affected by import competition and reduced home building.

Profit fell 22% to $A37.1 million, despite a 9% increase in sales. The result reflected competition from timber imports, the downturn in housing construction in Australia in the last three months of the year and higher finance costs. The higher finance costs resulted from expenditure on new plants and acquisitions which did not contribute to profits during the year.
Despite difficult trading conditions CSR maintained its strong market position.

Rationalisation of the Wood Panels and Softwoods groups was completed. Formica operations were integrated with Wood Panels Group. Cost savings and operational efficiencies resulted from these changes.

Difficult trading conditions are expected this year. Housing construction will be lower and timber imports are likely to continue at high levels. Actions to offset the effects of the downturn include an expanded range of value-added wood panel products for the commercial building industry supported by a strong marketing program, upgraded production technology, lower overhead costs and reduced employee numbers.

Wood panel operations performed well despite reduced home building. Revenue increased but profits were marginally lower. Sales of wood panels rose and almost all plants operated at full capacity until the end of 1989. Demand weakened from January 1990. Sales of flooring, hardboard, particleboard, door panels and fibreboard were particularly affected.

The markets for furniture components and decorative products were buoyant. A new production line at Tumut, New South Wales, commenced operations in April 1990. FORMICA™ decorative laminates improved ...

The FIBRON™ medium density fibreboard factory at Oberon, New South Wales, was acquired in December 1989. Productivity has been improved through reduced employee numbers and the integration of administration activities with CSR's nearby particleboard factory. A thin medium density fibreboard production line should be commissioned at the Fibron factory by March 1991. Sales of FIBRON™ fibreboard are ahead of expectations and should increase this year. Because of the acquisition of the Oberon plant, construction of a medium density fibreboard plant at Tumut, New South Wales, did not proceed.

CSR's particleboard flooring plant at Tumut is being upgraded at a cost of $A13 million. On completion, production capacity will increase by 25%.
The hardboard plant at Raymond Terrace, New South Wales, is being upgraded to meet strong demand for WEATHERTEX™ exterior cladding.

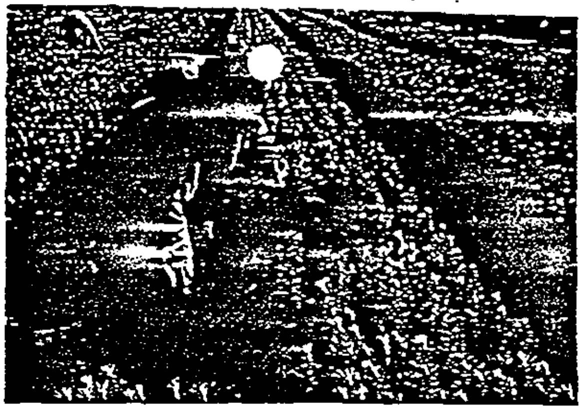
A $A16 million moulded fibreboard door panel plant at the Ipswich, Queensland, hardboard mill commences production in June 1990. Output from the plant, Australia's first, will enable CSR to replace imports and develop export markets.

CSR's range of value-added products was expanded. New ranges of FORMICA™ high pressure laminate, COLORPANEL™ and GLAMAPYNE™ faced boards, and ULTIMA™ synthetic solid surfacing were launched in October 1989. This was followed in November with the re-launching of WEATHERTEX™ exterior hardboard cladding. Market acceptance for these products is encouraging.

Exports of particleboard, mainly for use in the Japanese housing and furniture industries, increased significantly. Markets in South-East Asia are being developed.

Profit from the Formica operations in New Zealand fell slightly due to price competition from imports. New products were successfully launched ...

[illegible]ood Panels Group's MASONITE™ hardboard panels are used extensively in the building and furniture industries. Cedric Staines stacks Masonite at the Ipswich, Queensland, fibreboard mill.



CSR plants 200 000 more trees each year than it harvests from its plantations. Jim Priddle thins radiata pine seedlings at Softwood Group's Mt Gambier nursery in South Australia.

Profits from sawn timber operations were affected by competition from imports. Softwoods' profit fell despite a marginal increase in revenue. Sales of preservative-treated products and plywood rose strongly. Sales of sawn timber remained at the previous year's level. Intense competition from timber imported from New Zealand and North America and declining housing starts contributed to the difficult trading conditions, particularly in the last three months of the year. The increase in production costs for sawn timber was kept below the rate of inflation.

Access to long-term timber resources is critical for CSR's sawn timber operations. The timber rights to an additional 17 000 hectares of radiata pine plantations in Queensland were acquired in July 1989.

Acquisition of Perma-Log Products Pty Ltd, a Queensland-based timber treating business, in March 1990, increased CSR's market share of the growing treated pine products market by 50%.

CSR plants many more trees each year than it harvests from its plantations. The company's long-established radiata pine nursery at Mt Gambier, South Australia, raises 2.5 million seedlings each year. About 1 million are planted on CSR's plantations and the remainder are sold to other timber producers. CSR harvests some 800 000 trees from its plantations each year.

Six-year performance

Year ended 31 March ($A million unless indicated)	1990	1989	1988	1987	1986	1985
Trading revenue	538	493	229	132	94	83
Profit before interest, foreign exchange, tax	86.9	95.5	24.1	16.2	12.5	9.5
Net profit before abnormal items	37.1	47.8	10.5	10.8	7.8	7.1
Shareholders' funds at 31 March	375	343	356	60	28	32
Return on shareholders' funds (%)	9.9	13.9	2.9	18.0	27.9	22.2
Total funds employed at 31 March	655	530	481	99	48	46
Total assets at 31 March	730	596	537	111	58	57
Return on assets (%)	5.1	8.0	2.0	9.7	13.4	12.5
Capital investment	125.3	94.4	327.7	25.2	3.8	1.9
Depreciation	21.9	20.8	8.0	8.2	6.0	5.7

Business profile

Year ended 31 March	1990	1989
Sales ($A million)		
Dwellings	323	300
Commercial buildings	100	96
Furniture	82	76
Other	33	21
	538	493
Plants at 31 March		
Particleboard	6	6
Medium density fibreboard	1	-
Fibreboard	4	4
Components	3	3
Timber re-manufacturing	1	1
Sawmills	9	8
Plywood	2	2
High pressure laminates	2	2
Plantations (km^2)	190	190
Employees at 31 March	4074	3863

CSR Group trademarks in Australia and other countries include [illegible], Craftstone, Duraboard, [illegible], Glasswool, [illegible], Masonite, [illegible], Pyneboard, [illegible], Structaflor, [illegible], Ultima, Cladure 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.

Senior management

Col Forster, BEng, MBA, age 39, general manager Wood Panels Group, joined CSR 1969.

[illegible]

Additional statutory information

Various statutory requirements not covered elsewhere are reported in this section.

Payment of recommended dividend. Directors recommend the dividend of 24 cents be paid on 1 August, or otherwise dealt with under the Share Purchase and Employee Share plans, to shareholders entitled to receive dividends and registered on 11 July 1990. Duly completed transfers received by CSR up to 5 pm on 11 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.

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.

Statutory information

Year ended 31 March		1990	[illegible]
Dividend ($A)			
Interim	21 December 1988	–	[illegible]
	22 December 1989	114 394 276	
Final	1 August 1989	–	[illegible]
	1 August 1990 recommended	176 064 000[b]	
Books close for dividend entitlement		11 July	[illegible]
Options held on CSR shares			
$A8.25 5% convertible unsecured notes[c]		–	12 [illegible]
$A4.00 8% convertible unsecured notes[d]		393 423	6 [illegible]
$A380 option bonds (pre paid to 1 cent) outstanding at 14 May[e]		294 163	[illegible]

As 14 May 1990	Maturity date	Interest rate % pa	Amount outstanding ($A million)
CSR Limited			
Debentures	September 1990	12.40	[illegible]
Convertible notes[f]	31 March 1991[c]	8.00	[illegible]
	31 March 1997[d]	8.00	1 [illegible]
Option bonds[f]	11 December 1992[e]	–	[illegible]
			107 [illegible]

a Reported in the 1989 annual report
b For shares on issue at 14 May 1990 plus 24 cents per share on shares to be issued in June and July 1990 in respect of cash contributions [illegible] on 29 June 1990) under the Share Purchase Plan and on shares issued as a result of option bonds [illegible] Executive Share-Option Plan shares which became fully paid prior to 5 pm on [illegible] July 1990, or 1984 partly-paid shares which became fully paid prior to 5 pm on 27 June 1990
c 12 121 200 notes were issued in December 1980 at par value $A8.25. The notes were last convertible, at holder's option, on 28 February 1990 at 100 notes to 100 ordinary CSR $A1 shares. As this was the last opportunity to convert, the outstanding notes will be repaid at par together with the final interest payment on 31 March 1991
d 6 232 400 notes were issued in September 1987 at par value $A4. The notes are convertible, at holder's option, on 28 February every year until 1997 at 100 notes to 100 ordinary CSR $A1 shares (adjusted for bonus issues). Notes not converted will be repaid at par together with the final interest payment on 31 March 1997
e Each option bond is currently convertible to 102.4797 ordinary CSR $A1 shares at $A379.99 per option bond any time until 11 December 1992. The conversion rate is adjustable in accordance with the [illegible] provisions of the issue. The option bonds were issued by CSR Limited and issued with US$100 million Eurobonds of CSR Finance Limited (100% CSR) in December 1985. The option bonds are listed on the Australian and London stock exchanges.
f Listed on the Australian Stock Exchange.

Likely developments in operations and their likely results have been reported as appropriate. Further information as to 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 your company and has therefore not been included in this report.

Auditors. The auditors, Deloitte Haskins & Sells, have informed us that on 5 February 1990, they changed their name to Deloitte Ross Tohmatsu.

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

Ian Burgess
Managing director

Alan Coates
Chairman

1 June 1990

Financial statements

for the year ended 31 March 1990

CSR Limited	Incorporated in New South Wales
The principal registered office in Australia is Level 35, 225 George Street, Sydney.	
Telephone (02) 235 3333.	
Secretary – D Murden.	
Share and/or loan security registers are kept at the following addresses:	
Sydney (principal register)	Level 5, 152 George Street, Sydney.
Melbourne	Level 11, 461 Bourke Street, Melbourne.
Brisbane	Level 6, 60 Edward Street, Brisbane.
Adelaide	100 Greenhill Road, Unley.
Perth	75 Canning Highway, Victoria Park.
Hobart	29 Murray Street, Hobart.
Canberra	10 Rudd Street, Canberra City.
Auckland, New Zealand	Colonial Road, Birkenhead.
New York, USA	c/- Bankers Trust Co., 4 Albany Street, New York.

Profit and loss statement

for the year ended 31 M[illegible] 1990

CSR Limited and subsidiaries $A million	Note	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Operating profit before abnormal items and income tax	1-8	739.4	543.8	496.5	302.9
Loss on abnormal items	9	–	(97.4)	–	(10.6)
Operating profit before income tax		739.4	446.4	496.5	292.3
Income tax expense attributable to operating profit	10	289.9	211.7	155.2	90.0
Operating profit after income tax		**449.5**	**234.7**	**341.3**	**202.3**
Profit (loss) on extraordinary items		**0.5**	**45.6**	**(11.3)**	**(45.3)**
Income tax benefit attributable to extraordinary items	10	**–**	**52.4**	**–**	**30.6**
Profit (loss) on extraordinary items after income tax	11	0.5	98.0	(11.3)	(14.7)
Operating profit and extraordinary items after income tax		**450.0**	**332.7**	**330.0**	**157.6**
Minority interests in operating profit and extraordinary items after income tax		**42.6**	**25.7**		
Operating profit and extraordinary items after income tax attributable to members of CSR Limited		**407.4**	**307.0**	**330.0**	**157.6**
Retained profits at the beginning of the year		**364.0**	**277.5**	**98.2**	**161.1**
Total available for appropriation		**771.4**	**584.5**	**428.2**	**318.7**
Dividends provided for or paid	12	291.2	220.5	291.2	220.5
Retained profits at the end of the year		**480.2**	**364.0**	**137.0**	**98.2**
Operating profit and extraordinary items after income tax attributable to members of CSR Limited consists of:					
Net profit before abnormal items	1-8	**406.9**	**306.4**	**341.3**	**212.9**
Loss on abnormal items		**–**	**(97.4)**	**–**	**(10.6)**
Profit (loss) on extraordinary items		**0.5**	**98.0**	**(11.3)**	**(14.7)**
		407.4	**307.0**	**330.0**	**157.6**

Notes on and forming part of the accounts are annexed.

Balance sheet

as at 31 March 1990

CSR Limited and subsidiaries	$A million	Note	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Current assets						
Cash		13	221.8	[illegible]	103.5	195.6
Receivables		14	773.5	[illegible]	1256.0	2497.0
Investments		15	20.5	[illegible]	–	–
Inventories		16	539.4	[illegible]	208.1	141.5
Other		17	19.3	22.4	10.3	10.7
Total current assets			1574.5	[illegible]	1577.9	2347.8
Non-current assets						
Receivables		18	158.7	[illegible]	1729.3	1490.8
Investments		19	305.7	[illegible]	903.8	361.6
Inventories		20	18.1	[illegible]	9.3	7.3
Property, plant and equipment		21, 22	3450.5	2506.5	747.7	654.1
Intangibles		23	695.7	407.9	13.1	10.1
Other		24	96.0	[illegible]	48.9	48.3
Total non-current assets			4724.7	3436.3	3452.1	2572.2
Total assets			6299.2	5046.1	5030.0	5420.0
Current liabilities						
Creditors and borrowings		25	907.4	1039.5	1045.5	2210.0
Provisions		26	617.9	502.6	396.6	294.5
Total current liabilities			1525.3	1542.4	1442.1	2504.5
Non-current liabilities						
Creditors and borrowings		27	1413.5	595.9	1254.8	803.3
Provisions		28	474.9	347.8	186.0	170.5
Total non-current liabilities			1888.4	943.7	1440.8	973.8
Total liabilities			3413.7	2486.1	2882.9	3478.3
Net assets			2885.5	2560.0	2147.1	1941.7
Shareholders' equity						
Share capital		29	735.0	696.6	735.0	696.6
Reserves		30	1317.6	1164.5	1375.1	1146.9
Retained profits			480.2	364.0	137.0	98.2
Shareholders' equity attributable to members of CSR Limited			2532.8	2225.1	2147.1	1941.7
Minority shareholders' interest in subsidiaries			352.7	334.9		
Total shareholders' equity			2885.5	2560.0	2147.1	1941.7

Notes on and forming part of the accounts are annexed.

Significant accounting policies used in the CSR Group

Basis of accounting. These accounts are based on historical cost accounting conventions as practised in Australia.

The accounts have been made out in accordance with the requirements of Schedule 7 of the Companies (New South Wales) Regulations and comply with applicable Australian Accounting Standards and applicable approved accounting standards.

Principles of consolidation. The consolidated financial statements give a view of the group as a whole.

The group consolidates the accounts of all companies in which it holds or controls more than half the issued ordinary or voting share capital or in which it controls the composition of the board of directors. The consolidation process eliminates all inter-company accounts and transactions.

In these accounts:

- results of subsidiaries which the group acquired or disposed of during the year are included from the date of acquisition or to the date of disposal;
- shareholdings in listed and unlisted companies which are not subsidiaries are treated as investments. Only the dividend income from these investments is included in profit;
- interests in joint ventures are recorded in the accounts by including the company'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;
- interests in partnerships are recorded as part of investments.

Companies in the CSR Group are under no obligation to accept responsibility for liabilities of other companies within the group except where such an obligation has been specifically undertaken.

Group revenue is the total of:

- trading revenue, including sales net of discounts, returns and allowances, [illegible] for services [illegible] 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.

Tax effect accounting. The liability method of tax effect accounting [illegible] applied throughout the group.

Income tax expense for the year is based on pre-tax accounting profit adjusted for items which, as a result of treatment under income tax legislation, create permanent differences between pre-tax accounting profit and taxable income.

To arrive at tax payable, adjustments to income tax 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 than is indicated by accounting treatment is recorded in the balance sheet as an addition to future income tax benefits.

The extent to which timing differences give rise to income tax becoming payable later than is indicated by accounting treatment is recorded in the balance sheet as provision for deferred income tax.

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

Valuation of non-current assets. Certain non-current assets have been revalued at various times and are shown at their latest valuation.

The basis for revaluations, unless otherwise indicated, is the value to the company as a going concern.

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 are either offset against previous increments relating to the same class of asset or charged against profit.

Depreciation (including amortisation and depletion). Assets other than quarry and 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.

Disposal of non-current assets. Where a significant business is disposed of any surplus or deficiency is shown as an extraordinary item. Surpluses and deficiencies on the disposal of other businesses and non-current assets are treated as operating revenue or expense.

Leased assets. Assets acquired under finance leases are capitalised. The initial amount of the leased asset and [illegible] liability [illegible] the present value [illegible] 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 leases are expensed as incurred.

Afforestation. Forests are initially shown at cost at the time of acquisition by the group. The increase or decrease in the total volume of timber in the forests is calculated each year at commercial rates, after making allowances for some loss in the harvesting of timber and calamities such as fire and pestilence. The amount of this gain or loss is recognised as profit or loss for the period.

Log licences are recorded at cost and are amortised over the lives of the licences.

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

Inventories including work in progress are valued at the lower of cost and net realisable value. Inventory values are recorded at cost, with any write down to net realisable value being taken to a provision for diminution in 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.

Mineral and petroleum exploration and development interests were divested by the group in prior years. No new accumulated expenditure has been capitalised. Last financial year exploration and development costs incurred were written off to profit and loss.

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.

  Exchange differences arising from the conversion of amounts payable and receivable in foreign currencies 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 subsidiaries are translated at currency conversion rates ruling at balance date. Revenue and expense items of overseas branches and subsidiaries 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 together with the costs or gains arising at the time of entering into the hedge transactions are deferred until the date of purchase [illegible] time they are included in the [illegible] of the [illegible]

Exchange differences ar[illegible] 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.

Exchange differences on transactions which hedge a net investment in overseas branches and subsidiaries are transferred on consolidation from profit and loss to the foreign currency translation reserve together with the applicable amount of income tax.

Costs or gains arising at the time of entering into these 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.

Contributions to superannuation funds. The CSR Group participates in several superannuation funds which provide benefits upon the disability, retirement or death of employees. Contributions to these funds are expensed as incurred.

Additional details on the group's superannuation funds are provided in note 41.

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

Financial information on associated companies is not included in the profit and loss statement or balance sheet prepared in accordance with the Companies (New South Wales) Code. 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 are included in the accounts at the cost of acquisition. No amortisation is provided until an event occurs which results in a loss or limitation of the useful life of the asset.

Comparative figures. The comparative figures shown in the profit and loss statement and accompanying notes have been amended to comply with Approved Accounting Standard ASRB1018, Profit and Loss Accounts.

Rounding amounts to nearest SA 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 SA million.

CSR Limited is a company of a kind referred to in Schedule A of the National Companies and Securities Commission Class Order No 620.

[illegible] rounding [illegible] been [illegible] class order.

Consolidated statement of source and application of funds

for the year ended 31 March 1990

CSR Limited and subsidiaries	1990 $A million		1989 $A million	
Source of funds				
Operations				
Trading revenue	4516.1		3438.2	
Less outgoings after adjustment for non-fund items	3637.5	878.6	2770.2	668.0
Dividend income		24.1		27.4
Funds from operations		902.7		695.4
Proceeds from disposals of non-current assets				
Ordinary and abnormal items	228.2		83.8	
Extraordinary items	43.9	272.1	834.6	918.4
Proceeds from share issues				
CSR shareholders		166.2		130.8
Minority shareholders in subsidiaries		3.8		3.6
Long-term borrowings				
Received	962.9		33.5	
Less repayments and borrowing costs	175.7	787.2	164.8	(131.3)
Increase in term creditors		2.6		2.1
		2134.6		1619.0
Application of funds				
Non-current assets acquired [a]				
Property, plant and equipment	476.5		361.0	
Intangibles	29.5		45.1	
Shares in new subsidiaries	839.8		1073.6	
Additional shares in existing subsidiaries	1.0		10.6	
Other investments	137.0	1483.8	23.3	1513.6
Long-term loans				
Made	40.1		36.8	
Less matured and repaid	15.8	24.3	17.7	19.1
Capital expenditure		1508.1		1532.7
Movement in operating working capital				
Inventories	129.4		31.1	
Receivables and other current assets	(52.4)		117.7	
Creditors	(17.9)	59.1	3.9	152.7
Increase in deferred costs and term debtors		2.7		—
Income tax paid		188.6		127.7
Dividends paid				
CSR shareholders	239.5		153.9	
Minority shareholders in subsidiaries	27.1	266.6	5.2	159.1
		2025.1		1977.2
Increase (decrease) in liquidity [b]		109.5		(358.2)
		2134.6		1619.0

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

b Liquidity comprises cash, short-term loans and current investments less bank overdrafts and short-term borrowings and is adjusted for balances with the Australian sugar industry.

The acquisition and disposal of subsidiaries affected the group accounts as follows:

Net assets	Acquired $A million	Disposed of $A million
Property, plant and equipment	623.0	11.3
Investments	—	0.1
Intangibles	236.5	0.2
Other non-current assets	1.5	0.1
Inventories	54.9	6.8
Receivables	75.2	14.7
Other current assets	3.4	0.1
Liquidity	(12.8)	2.0
Creditors and borrowings: non-current	(21.9)	—
current	(21.3)	(9.1)
Provisions	(80.0)	(1.2)
Minority shareholders' interest	(1.1)	—
	862.4	25.0
Consideration		
Cash for shares in subsidiaries	840.8	33.0
Transfer from investment	0.2	
Excess of net tangible assets over consideration for subsidiary acquired	21.4	
Net profit on [illegible]		[illegible]
	[illegible]	[illegible]

Funds from operations comprise:

	1990 $A million	1989 $A million
Operating profit	739.4	446.4
Depreciation	194.4	143.6
Transfers to provisions	142.1	132.6
Payments from provisions	(151.4)	(91.0)
Surplus on disposals of non-current assets	(23.5)	(6.1)
Reassessment of value of intangibles	—	79.1
Net foreign exchange gains	(2.3)	(0.5)
Other	4.0	(5.7)
	902.7	695.4

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989

5 Depreciation

	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Amounts charged for depreciation, amortisation and depletion of:				
leased assets	2.7	3.4	0.7	[illegible]
other property, plant and equipment	177.2	147.5	60.3	[illegible]
goodwill	14.5	12.7	0.9	[illegible]
	194.4	163.6	61.9	[illegible]

6 Net interest expense

	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Interest paid or payable on:				
long-term debt to: subsidiaries			75.8	[illegible]
others	84.1	76.4	18.6	[illegible]
short-term debt to: subsidiaries			39.9	[illegible]
others	52.7	49.7	3.7	[illegible]
Finance leases	3.2	1.8	1.1	[illegible]
Total interest expense	140.0	127.9	139.1	[illegible]
Less: interest income on short-term deposits (note 2)	80.0	60.0	55.7	[illegible]
amounts capitalised	–	0.5	–	–
Net interest expense charged against profit	60.0	67.4	83.4	[illegible]

7 Auditors' remuneration

$A thousand	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Amounts received or due and receivable by auditors for:				
auditing the accounts	2904	2648	1662	[illegible]
other services	828	538	274	[illegible]
Included above are amounts received or due and receivable by auditors other than the auditor of CSR Limited for:				
auditing the accounts	616	451		
other services	596	20		

8 Directors' and executives' remuneration

	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Aggregate income received or due and receivable by:				
directors	4988	3373	1927	[illegible]
executive officers whose total income equals or exceeds $85 000	7004	4928	6282	[illegible]
Amounts paid to superannuation funds and directors in respect of the directors' and principal executive officers' retirement *	339	299	177	[illegible]

The number of directors and executive officers whose total income fell within the following bands:

	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Directors				
$10 000 to $19 999			1	1
$30 000 to $39 999			7	7
$60 000 to $69 999			1	1
$220 000 to $229 999			1	
$250 000 to $259 999			1	
$280 000 to $289 999			1	[illegible]
$290 000 to $299 999				[illegible]
$350 000 to $359 999			1	
$380 000 to $389 999				[illegible]
$460 000 to $469 999			1	
Executive officers				
$85 000 to $94 999	8	6	8	6
$95 000 to $104 999	7	9	7	9
$105 000 to $114 999	9	5	9	5
$115 000 to $124 999	5	1	5	1
$125 000 to $134 999	1	4	1	4
$135 000 to $144 999	3	3	3	3
$145 000 to $154 999	3		2	
$155 000 to $164 999	2	1	2	1
$165 000 to $174 999	1	2	1	1
$175 000 to $184 999		1		1
$185 000 to $194 999	3		2	
$215 000 to $224 999	1	1	1	[illegible]
$245 000 to $254 999	1		1	
$285 000 to $294 999	1		1	
$295 000 to $304 999		1		[illegible]
$345 000 to $354 999	1		1	
$375 000 to $384 999	1			
$385 000 to $394 999		1		[illegible]
$455 000 to $464 999	1		1	

* The directors believe the provision of full particulars would be unreasonable having regard to the number of persons to whom these particulars relate

9 Abnormal items[a]

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Reassessment of the value of intangibles	–	[illegible][b]	–	(10.6)
Provision for diminution in value of investments	–	[illegible]	–	–
Abnormal items net of income tax	–	(97.4)	–	(10.6)

a The 1989 comparative figures have been amended to comply with Approved Accounting Standard ASRB1018, Profit and Loss Accounts, whereby certain amounts previously classified as extraordinary have been restated as operating. The entire $97.4 million has been reclassified from extraordinary items.
b The reassessment arose from the review of probable future benefits to be derived from intangibles and includes $30.3 million in respect of intangibles acquired during the year.

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 and extraordinary items.

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Operating profit and extraordinary items	739.9	492.0	485.2	247.0
Income tax expense calculated at 39 cents in the dollar	288.6	191.9	189.2	96.4
Increase (decrease) in tax expense due to:				
non tax deductible: depreciation	12.4	11.2	3.5	4.0
provision for loss on loan to subsidiary			–	5.7
provision for diminution in value of investments	3.4	7.7	–	–
reassessment of the value of intangibles	–	32.4	–	4.1
provision for loss on business disposals	10.7	10.1	–	2.9
provision for product liability of businesses closed	5.1	15.6	5.1	15.6
other expenditure	5.9	4.3	3.5	3.1
excess of net tangible assets over consideration for subsidiary acquired	(8.3)	–	–	–
non-taxable surplus on disposals of assets	(17.7)	(103.9)	(1.1)	(43.9)
rebates on dividends received	(9.4)	(10.7)	(55.5)	(33.5)
overseas tax rate differential	(0.8)	(2.3)	–	–
other items	(3.3)	(0.2)	3.2	5.2
Income tax expense on current year's operating profit and extraordinary items	286.6	156.6	147.9	59.6
Income tax under (over) provided in previous years	3.3	2.7	7.3	(0.2)
Total income tax expense on operating profit and extraordinary items	289.9	159.3	155.2	59.4
Total income tax expense comprises:				
additions to provision for current tax	267.1	190.3	134.2	73.9
additions to (deductions from) provision for deferred tax	27.6	(20.1)	22.5	(15.8)
(additions to) deductions from future tax benefits	(4.8)	(10.9)	(1.5)	1.3
	289.9	159.3	155.2	59.4
Future income tax benefits attributable to tax losses carried forward as an asset	7.8	10.3	0.7	–
Future income tax benefits not taken to account				
Balance at beginning of year	4.2	10.1	–	–
Adjustments for subsidiaries acquired and disposed of	(4.2)	(6.5)	–	–
Benefits not recognised	13.1	0.6	7.2	–
Balance at end of year	13.1	4.2	7.2	–

11 Extraordinary items[a]

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Surplus on business disposals	20.5	159.3	6.0	37.2
Income tax benefit	–	50.8	–	31.2
Provision for loss on business disposals	(28.4)	(25.8)	(4.3)	(7.5)
Excess of net tangible assets over consideration for subsidiary acquired	21.4	–	–	–
Provision for product liability of businesses closed	(5.5)	(35.0)	(5.5)	(38.0)
Asbestos: provision for claims	(6.1)	(35.0)	(6.1)	(23.5)
legal and other costs	(1.4)	(10.5)	(1.4)	(10.5)
Loss on business disposals	–	(7.4)	–	(3.0)
Income tax benefit (expense)	–	1.6	–	(0.6)
Extraordinary items net of income tax	0.5	98.0	(11.3)	(14.7)

a The 1989 comparative figures have been amended to comply with Approved Accounting Standard ASRB1018, Profit and Loss Accounts whereby certain amounts previously classified as extraordinary items have been restated as operating. $(97.4) million has been reclassified as an abnormal item, the remainder forming part of ordinary operating profit.

12 Dividends

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Interim dividend paid fully franked	114.2	96.0	114.2	96.0
Final dividend proposed fully franked	177.0	124.5	177.0	124.5
	291.2	220.5	291.2	220.5

13 Cash

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Cash at banks and on hand	4.7	23.1	3.6	6.9
Short-term loans and deposits	217.1	300.2	99.9	191.7
	221.8	323.3	103.5	198.6

14 Current receivables

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Trade debtors	728.0	680.2	366.9	356.4
Provision for doubtful debts	(35.3)	(23.8)	(23.6)	(17.2)
	692.7	656.4	343.3	339.2
Amounts owing by subsidiaries			885.8	2097.7
Provision for doubtful debts			(1.1)	–
			884.7	2097.7
Other debtors	96.9	184.3	29.6	60.1
Provision for doubtful debts	(16.1)	(14.8)	(1.6)	–
	80.8	169.5	28.0	60.1
	773.5	825.9	1256.0	2497.0
Bad debts written off against provisions				
Trade debtors	9.1	5.4	4.8	3.2
Amounts owing by subsidiaries			–	36.2
Other debtors	–	5.0	0.1	4.5

15 Current investments

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Quoted on stock exchanges at cost				
Shares in other companies[a]	–	57.4	–	–
Debentures[b]	16.4	10.9	–	–
Government stock[b]	4.1	4.5	–	–
	20.5	72.8	–	–

a Quoted market value $nil (1989 $66.5 million).
b Market value of quoted investments is equal to cost value.

16 Current inventories

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Raw and process materials and stores	225.0	155.6	108.9	62.6
Provision for diminution in value	(2.8)	(1.9)	(0.4)	(0.9)
	222.2	153.7	108.5	61.7
Work in progress	31.6	32.3	10.3	8.7
Finished goods	284.9	178.1	88.6	70.3
Livestock	0.7	0.8	0.7	0.8
	539.4	364.9	208.1	141.5

17 Other current assets

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Prepayments	19.3	22.4	10.3	10.7

18 Non-current receivables

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Amounts owing by subsidiaries			1627.4	1392.0
Loans to employees [a]				
Directors of group companies [b]	1.4	1.0	1.4	1.0
Other staff	16.4	14.0	16.3	14.0
Other loans	120.8	103.8	61.1	51.7
Provision for doubtful debts	(5.8)	(5.0)	(1.9)	(2.9)
	132.8	113.8	1704.3	1455.8
rm debtors	25.9	35.0	25.0	35.0
	158.7	148.8	1729.3	1490.8

a Includes loans to directors of CSR Limited. Amount before rounding $0.033 million (1989 $0.024 million). There are no outstanding loans to non-executive directors.
b Amounts before rounding – consolidated $1.378 million (1989 $1.024 million), parent $1.378 million (1989 $1.024 million).

19 Non-current investments

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
hares in subsidiaries - not quoted on stock exchanges				
directors' valuation 1967 [a]			0.1	5.4
At cost			891.2	357.6
			891.3	363.0
rovision for losses in subsidiaries			(0.1)	(24.1)
			891.2	338.9
Shares in other companies – not quoted on stock exchanges				
t directors' valuation 1978 [a]	0.5	0.5	–	–
t cost	303.4	190.5	0.5	0.5
rovision for diminution in value	(10.3)	(4.6)	–	–
	293.1	185.9	0.5	0.5
	293.6	186.4	0.5	0.5
Shares in other companies – quoted on stock exchanges [b]				
At cost	–	85.9	–	–
rovision for diminution in value	–	(22.2)	–	–
	–	63.7	–	–
Total shares in other companies [c]	293.6	250.1	0.5	0.5
ebentures and government stock – not quoted on stock exchanges (at cost)	0.1	10.1	0.1	10.1
Interests in partnerships (at cost)	12.0	12.1	12.0	12.1
	305.7	272.3	903.8	361.6

Shares not quoted on stock exchanges were revalued by the directors by reference to the tangible assets of the respective investee companies.
b Quoted market value $nil (1989 $76.5 million).
c Details of the group's significant investments are shown in note 38.

20 Non-current inventories

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Raw and process materials and stores	14.1	3.9	5.3	3.0
Finished goods	3.0	3.4	3.0	3.4
Livestock	1.0	0.9	1.0	0.9
	18.1	8.2	9.3	7.3

21 Property, plant and equipment

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Land and buildings [a]	890.6	734.0	173.8	173.8
Quarry and other raw material reserves	644.3	227.5	40.7	37.0
Plant and equipment	1791.7	1428.0	533.2	443.3
Growing timber and log licences	123.9	117.0	–	–
Total property, plant and equipment (details given below)	3450.5	2506.5	747.7	654.1
Land and buildings				
At directors' valuation 1984	2.0	2.2	2.0	2.2
1985	9.0	12.5	9.0	11.9
At independent valuation 1985	86.2	88.4	82.8	85.1
1987	12.3	12.3	–	–
	109.5	115.4	93.8	99.2
Accumulated depreciation	(9.6)	(7.6)	(8.8)	(6.8)
	99.9	107.8	85.0	92.4
At cost	871.5	686.0	110.6	99.0
Accumulated depreciation	(80.8)	(59.8)	(21.8)	(17.6)
	790.7	626.2	88.8	81.4
	890.6	734.0	173.8	173.8
Quarry and other raw material reserves				
At cost	664.9	244.1	45.5	42.2
Accumulated depletion	(20.6)	(16.6)	(4.8)	(5.2)
	644.3	227.5	40.7	37.0
Plant and equipment				
At directors' valuation 1962	10.6	10.9	10.5	10.6
1985	13.5	16.1	13.5	16.1
At independent valuation 1985	89.6	102.3	89.6	102.3
1987	8.9	9.7	0.1	0.1
At assessed value – leased assets	27.5	27.2	14.4	14.1
	150.1	166.2	128.1	143.2
Accumulated: depreciation – valuation	(49.3)	(43.5)	(41.3)	(34.1)
amortisation – leased assets	(18.8)	(19.9)	(8.1)	(7.5)
	82.0	102.8	78.7	101.6
At cost	2759.5	2121.0	770.1	619.1
Accumulated depreciation	(1049.8)	(795.8)	(315.6)	(277.4)
	1709.7	1325.2	454.5	341.7
	1791.7	1428.0	533.2	443.3
Growing timber and log licences				
Growing timber at cost	79.2	79.2	–	–
Accumulated value of increase in timber volume	12.9	7.3	–	–
	92.1	86.5	–	–
Log licences at cost	34.6	31.9	–	–
Accumulated amortisation	(2.8)	(1.4)	–	–
	31.8	30.5	–	–
	123.9	117.0	–	–
Total property, plant and equipment	3450.5	2506.5	747.7	654.1

a Current value $1164.8 million (consolidated), $333.8 million (parent).

22 Movements in consolidated property, plant and equipment

CSR Limited and subsidiaries $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	801.4	244.1	2287.2	118.4	3451.1
Assets: acquired	53.9	–	420.2	2.4	476.5
in subsidiaries acquired	157.7	329.6	259.2	0.3	746.8
disposed of	(12.4)	(1.2)	(48.6)	–	(62.2)
in subsidiaries disposed of	(5.5)	–	(8.1)	–	(13.6)
Foreign currency movements	30.7	13.2	43.3	–	87.2
Increase in timber volume	–	–	–	5.6	5.6
Revaluations and reclassifications	(44.8)	79.2	(43.6)	–	(9.2)
Balance at end of year	981.0	664.9	2909.6	126.7	4682.2
Depreciation and other provisions					
Balance at beginning of year	67.4	16.6	859.2	1.4	944.6
Provisions raised	17.2	2.2	158.2	1.4	179.0
Depreciation on assets:					
disposed of	(1.2)	(1.0)	(36.2)	–	(38.4)
in subsidiaries disposed of	(0.1)	–	(2.2)	–	(2.3)
in subsidiaries acquired	4.8	1.0	113.0	–	118.8
Foreign currency movements	4.1	0.4	19.7	–	24.2
Revaluations and reclassifications	(1.8)	1.4	6.2	–	5.8
Balance at end of year	90.4	20.6	1117.9	2.8	1231.7
Net book value of assets at end of year	890.6	644.3	1791.7	123.9	3450.5

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989

23 Intangibles

Goodwill at cost	554.2	286.8	16.4	12.7
Accumulated amortisation	(31.0)	(16.6)	(3.4)	(2.6)
	523.2	270.2	13.0	10.1
Patents and trademarks at cost	172.5	137.7	0.1	–
	695.7	407.9	13.1	10.1

24 Other non-current assets

Future income tax benefits	80.5	82.4	48.9	48.3
Deferred costs	13.2	10.6	–	–
Other	2.3	0.1	–	–
	96.0	93.1	48.9	48.3

...ied forming part of t... ...counts ...ed and subsidiaries	$A million	Consolidated 1990	1989	Parent 1990	1989

25 Current creditors and borrowings[1]

	Consolidated 1990	1989	Parent 1990	1989
...rent maturities of long-term loans				
...ured[2]				
...entures	17.0	–	8.3	–
...ance lease liabilities[3]	4.5	5.1	1.7	[illegible]
...her	0.8	1.5	0.4	[illegible]
...ured				
...nk	1.1	38.7	–	–
...tes[4]	138.7	91.4	98.0	91.4
...her	11.6	0.6	0.3	0.5
	173.7	137.3	108.7	93.3
...nk overdraft: secured[5]	6.7	4.6	–	–
unsecured	23.2	20.5	17.8	24.1
	29.9	25.1	17.8	24.1
...rt-term loans — secured[5]				
...	3.7	4.0	–	–
...	0.8	2.0	–	–
...rt-term loans — unsecured				
...	–	133.0	–	12.2
...	156.0	305.5	3.5	29.7
	160.5	444.5	3.5	41.9
...editors				
...ade	448.5	363.7	176.9	171.2
...her	94.8	69.2	18.7	17.2
...ounts owing to subsidiaries			719.9	1861.8
	543.3	432.9	915.5	2050.2
	907.4	1039.8	1045.5	2210.0

1. ...cludes domestic and overseas borrowings by CSR Limited on behalf of the State of ...eensland for the 1989/90 season and the State of Queensland and the Sugar Board ...r the 1989/90 season for financing operations of the Australian sugar industry. The amount owing by the State of Queensland which is included in current debtors at 31 March 1990 was $nil ($59.6 million in 1989).
2. ...bentures are secured by a floating charge over certain assets of CSR Limited and the guaranteeing subsidiaries.
3. ...ured by a charge over the leased assets.
4. ...cludes convertible notes. Refer to note 29 for details.
5. ...ured by a charge over the assets of certain subsidiary companies.

26 Current provisions

	Consolidated 1990	1989	Parent 1990	1989
Annual and sick leave	53.8	49.6	26.5	24.4
Asbestos claims and costs	8.7	31.6	8.7	29.6
Dividend	176.2	124.5	176.2	124.5
...ringe benefits tax	1.2	0.6	0.8	0.2
Income tax	289.0	220.9	143.1	83.6
Long service leave	24.8	20.5	18.7	16.7
Loss on business disposals	11.1	18.3	–	–
...uarry site restoration	4.8	1.5	1.3	1.3
...etirement and retiring allowances	4.0	1.9	1.6	1.2
...ant overhaul	3.7	3.0	1.7	1.7
...ant relocation	2.2	2.4	0.8	0.5
...insured losses and future claims	15.1	8.5	7.2	3.8
Other	23.3	19.3	10.0	7.0
	617.9	502.6	396.6	294.5

27 Non-current creditors and borrowings

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Long-term loans				
Secured				
Bank [a]	2.8	2.7	–	–
Debentures [a]	–	17.7	–	8.3
Finance lease liabilities [a]	16.4	19.2	6.2	7.4
Other [b]	10.9	9.7	1.2	1.6
Unsecured				
Loans from subsidiaries			1245.3	647.4
Bank	1014.6	9.7	–	–
Notes	340.3	388.2	–	–
Other	16.2	18.3	0.5	14.5
Term creditors	10.7	7.0	–	–
CSR convertible notes – unsecured [c]	1.6	124.1	1.6	124.1
	1413.5	595.9	1254.8	303.3
Total non-current creditors and borrowings will mature as follows:				
Year ending March 1992	144.4		33.2	
1993	302.0		44.4	
1994	414.9		38.2	
1995	31.5		–	
1996	349.6		137.2	
1997	47.4		–	
1998	1.2		–	
1999	20.2		20.0	
2000	0.2		–	
2001 and after	11.2		–	
	1322.6		273.0	
Creditors and borrowings without fixed maturity date	89.3		980.2	
CSR convertible notes	1.6		1.6	
	1413.5		1254.8	

a Refer to note 25 for details of security.
b Secured by a charge over subsidiary company assets.
c Includes convertible notes and option bonds. Refer to note 29 for details.

28 Non-current provisions

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Annual and sick leave	2.0	1.3	1.7	1.0
Deferred income tax	344.2	249.0	107.0	84.8
Long-service leave	33.5	32.7	23.2	22.3
Loss on business disposals	27.5	7.5	7.5	7.5
Quarry site restoration	14.6	0.2	–	–
Pension and retiring allowances	1.8	0.2	0.3	0.2
Plant overhaul	0.6	0.4	0.1	0.1
Product liability of businesses closed	30.1	40.0	30.1	40.0
Uninsured losses and future claims	9.8	8.1	8.1	8.1
Other	10.8	8.4	8.0	6.5
	474.9	347.8	186.0	170.5

29 Share capital

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Authorised capital				
2 000 000 000 ordinary shares of $1 each (1989 — 2 000 000 000)	2000.0	2000.0	2000.0	[illegible]
Less: unissued capital over which options are held [a]	30.8	50.5	30.8	[illegible]
other unissued and uncalled capital	1234.2	1252.9	1234.2	[illegible]
Paid-up capital	735.0	696.6	735.0	[illegible]
Paid-up capital comprises:				
732 281 904 ordinary shares of $1 each fully paid (1989 — 691 201 593)	732.3	691.2	732.3	691
4 794 795 ordinary shares of $1 each partly paid to $0.50 (1989 — 10 248 123)	2.4	5.1	2.4	[illegible]
3 127 000 ordinary shares of $1 each partly paid to $0.10 (1989 — 2 775 000)	0.3	0.3	0.3	[illegible]
740 203 699 ordinary shares on issue (1989 — 704 224 716)	735.0	696.6	735.0	696.[illegible]

a
- 12 121 200 notes were issued December 1980 at par value $A8.25: the notes were last convertible, at holder's option, on 28 February 1990 at 100 notes to 100 ordinary CSR $1 shares (adjusted for bonus issues). As this was the final opportunity to convert, the remaining 11 874 700 notes will be repaid at par together with the final interest payment on 31 March 1991. Options held on ordinary shares nil (1989 — 12 042 700).
- 6 232 402 notes were issued August and September 1987 at par value $A4.00: the notes are convertible, at holder's option, on 28 February every year until 1997. Notes not converted will be repaid at par on 31 March 1997. Options held on ordinary shares 393 423 (1989 — 6 181 542).
- 340 000 option bonds of $A380 each paid to $0.01 were issued December 1985: each option bond is convertible to 102.68 ordinary CSR $1 shares at any time until 11 December 1992. Options held on ordinary shares 30 409 927 (1989 — 32 315 560).

	Ordinary $A1 shares Partly paid	Ordinary $A1 shares Fully paid	Issue price $A	Equity funds $A million
Particulars of shares issued during the year by CSR Limited				
On issue 31 March 1989	13 023 123	691 201 593		
Share Purchase Plan				
reinvested dividends		23 703 350	4.57	108.3
cash contributions		2 011 785	4.66	9.4
Employee Share Plan		1 314 100	4.35	5.7
Executive Share/Option Plan	352 000	736 000	4.45	3.0
Convertible notes converted		5 956 119	4.12	24.5
Option bonds converted		1 905 629	3.70	7.1
Partly paid to fully paid	(5 453 328)	5 453 328	2.50	8.2
Total movements during year	(5 101 328)	41 080 311		166.2
On issue 31 March 1990	7 921 795	732 281 904		
Issued from 1 April to 14 May 1990		396 314	4.62	
Partly paid to fully paid	(54 784)	54 784	3.71	

	Number of shares issued	Class of shares	Issue price $A	Purpose of issue
Particulars of shares issued during the year to minority shareholders in a subsidiary company				
Bradford Holdings Inc	570	Preferred A SCAN 1000	at par	Expansion

Notes on and forming part of the accounts CSR Limited and subsidiaries	$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989

30 Reserves

	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Share premium	1176.5	[illegible]	1176.5	1048.5
Capital	149.1	[illegible]	98.4	98.4
Foreign currency translation	(8.0)	(33.1)	0.2	–
Total reserves	1317.6	[illegible]	1275.1	1146.9
Movements in share premium reserve				
Balance at beginning of year	1048.5	956.3	1048.5	956.3
Premium on shares issued	128.0	[illegible]	128.0	92.2
Balance at end of year	1176.5	[illegible]	1176.5	1048.5
Movements in capital reserves				
Balance at beginning of year	149.1	[illegible]	98.4	98.8
Increment (decrement) on revaluation of non-current assets	–	[illegible]	–	(0.4)
Balance at end of year	149.1	[illegible]	98.4	98.4
Movements in foreign currency translation reserve				
Balance at beginning of year	(33.1)	4.6	–	0.4
Exchange differences relating to overseas net assets:				
net gain (loss) on translation	34.8	[illegible]	0.2	(0.4)
net (loss) gain on hedge transactions after including income tax expense of $1.8 million (1989 $0.4 million)	(10.2)	5.1	–	–
Reserves of subsidiaries disposed of	0.5	[illegible]		
Balance at end of year	(8.0)	(33.1)	0.2	–

31 Contracted capital expenditure, lease and hire expenditure

	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Contracted capital expenditure				
Estimated capital expenditure contracted for at balance date but not provided for, payable within 1 year	27.9	[illegible]	6.9	23.3
Contracted lease and hire expenditure commitments				
Not otherwise provided for in the accounts:				
land and buildings	76.1	58.7	71.0	40.2
quarry and other raw material reserves	12.4	–	12.3	–
plant and equipment	22.0	[illegible]	17.6	9.1
	110.5	[illegible]	100.9	49.3
Contracted lease and hire expenditure comprises:				
Operating leases				
Non-cancellable payable: within 1 year	10.9	[illegible]	11.2	6.7
between 1 and 2 years	10.4	[illegible]	10.4	6.8
between 2 and 5 years	12.7	[illegible]	13.0	9.5
after 5 years	34.4	[illegible]	26.7	4.5
	68.4	[illegible]	61.3	27.5
Other payable: within 1 year	5.6	[illegible]	5.4	3.7
between 1 and 2 years	4.5	[illegible]	4.7	2.8
between 2 and 5 years	11.8	[illegible]	11.6	5.9
after 5 years	16.6	[illegible]	14.9	4.7
	38.5	[illegible]	36.6	17.1
Total operating lease and hire expenditure	106.9	[illegible]	97.9	44.6
Finance leases payable: within 1 year	6.8	[illegible]	2.5	2.5
between 1 and 2 years	5.7	[illegible]	[illegible]	2.5
between 2 and 5 years	10.9	[illegible]	5.9	8.4
after 5 years	1.1	[illegible]	–	–
Total minimum finance lease payments	24.5	[illegible]	10.9	13.4
Less amounts provided for in the accounts:				
current lease liabilities	4.5	[illegible]	1.7	1.3
non-current lease liabilities	16.4	[illegible]	6.2	7.4
Finance lease expenditure not otherwise provided for in the accounts	3.6	[illegible]	3.0	4.7
Total contracted lease and hire expenditure not otherwise provided for in the accounts	110.5	[illegible]	100.9	49.3

32 Contingent liabilities

$A million	Consolidated 1990	1989	Parent 1990	1989
Contingent liabilities, capable of estimation, arise in respect of the following categories:				
CSR Limited				
Various performance and other guarantees provided to third parties	4.9	3.5	4.9	3.[illegible]
Subsidiary companies				
Guarantee given by CSR Limited in respect of:				
amounts borrowed by CSR Finance Ltd and CSR America, Inc			1587.5	832.[illegible]
leverage lease commitment of Austocean Pty Ltd			4.4	5.[illegible]
Other	2.5	1.1	–	–
	2.5	1.1	1591.9	838.1
Other persons				
Guarantee given to the Queensland Government in respect of loans to a third party	–	3.8	–	–
Other	9.8	0.2	2.6	0.2
	9.8	4.0	2.6	0.2
	17.2	8.6	1599.4	841.8

Other contingent liabilities

- Liability as self-insurer – the parent company acts as an authorised self-insurer in New South Wales, Victoria, Western Australia, Australian Capital Territory and South Australia for workers' compensation insurance. Adequate provision has been made for potential claims.
- The maximum contingent liability of the parent and its subsidiaries for termination benefits under service agreements with directors and persons who take part in the management of the company is $3.8 million. A provision for non-executive directors' retirement benefits of $0.3 million is included in the accounts.

33 Interests in joint ventures

	Consolidated 1990	1989	Parent 1990	1989
Interests in joint ventures are included in the accounts in the following categories:				
Current assets				
Receivables	1.5	1.7	–	–
Inventories	23.7	26.2	–	–
	25.2	27.9	–	–
Non-current assets				
Inventories	4.2	–	–	–
Property, plant and equipment	222.4	234.3	–	–
Other	11.5	10.6	–	–
	238.1	244.9	–	–
Total assets employed in joint ventures	263.3	272.8	–	–
Current liabilities				
Creditors and borrowings	20.7	19.2	–	–
Provisions	3.6	3.3	–	–
	24.3	22.5	–	–
Non-current liabilities				
Provisions	3.9	1.6	–	–
	3.9	1.6	–	–
Total liabilities	28.2	24.1	–	–
Net assets	235.1	248.7	–	–

Joint venture	Principal activities	% Interest	Consolidated 1990 $A million	Consolidated 1989 $A million	Parent 1990 $A million	Parent 1989 $A million
Details of interests in joint ventures						
Tomago	aluminium	35	201.9	213.7	–	–
Gove	bauxite, alumina	30	33.2	35.0	–	–
Total interests in joint ventures			235.1	248.7	–	–

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$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989

33 Interests in joint ventures (continued)

Value of joint venture production after delivery costs	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
Tomago	87.0	73.2		
Gove	85.7	69.8		
Bayswater	–	2.3		
Callide	–	5.3		
Drayton	–	8.8	–	8.8
Lemington	–	9.2	–	9.2
Denison Trough and Roma gas	–	13.2	–	–
	172.7	186.8	–	18.0

34 Related party information[a]

Identity of related parties

Interests held in subsidiary and associated companies are identified in notes 35 and 38.

Interests held in joint ventures are identified in note 33.

All directors holding office throughout the year ended 31 March 1990 are identified in note 42.[b]

In addition the group 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%)
Ready Mixed Industries Pty Ltd (50%).

$A million	Consolidated 1990	Parent 1990
Amounts receivable from related parties		
Current		
Associated companies	2.8	2.1
Non-current		
Directors of group companies	1.4	1.4
Associated companies	81.2	46.0
Amounts payable to related parties		
Current		
Associated companies	4.5	4.5
Other related parties	5.3	0.2
Material transactions with related parties[c]		
Interest revenue		
Associated companies	4.5	4.5
Dividend revenue		
Associated companies	19.6	–

$A million unless indicated

Class of related party	Group company transacting	Related party	Transaction type	Consolidated 1990	Parent 1990
Associated companies	CSR Limited	Rondo Building Services Pty Ltd	A	4.3	4.3
	CSR Limited	Cement Industries Pty Ltd	B	40.5%	40.5%
	CSR Limited	Gypsum Resources Australia Ltd	A	15.3	15.3
	CSR Limited	Ready Mixed Industries Pty Ltd	C	7.1	7.1
	CSR Limited	Ready Mixed Industries Pty Ltd	D	7.4	7.4
	CSR Limited	The Austral Brick Co Pty Ltd	D	10.0	10.0
	CSR Gypsum Products (UK) Ltd	Redland Plasterboard Holdings (UK)	D	8.4	–

Transaction type:
- A Purchase of goods and services from related party.
- B Purchases of cement from related party.
- C Sale of goods and services to related party.
- D Loans advanced to related party during the year.

a Comparative figures cannot be specified without unreasonable expense or delay.
b Transactions with directors are disclosed at notes 6 and 42.
All transactions with related parties are made on normal commercial terms and conditions. During the year wholly owned subsidiaries transacted with the holding company and other group companies.

Notes on and forming part of the accounts

35 Particulars relating to group companies (continued)

CSR Limited and subsidiaries	$A million	Country of incorporation	Contribution to group operating profit and extraordinary items after income tax 1990	Contribution to group operating profit and extraordinary items after income tax 1989	Book value of investment 1990	Book value of investment 1989
Building and construction materials (continued)						
Ready Mixed Concrete Ltd (continued)						
CSR Humes Pty Limited		Australia	12.1	4.2	–†	–†
CSR Readymix Pty Ltd		Australia	0.4	–	–†	–†
Span-Con Pty Ltd		Australia	–		–†	
Diesel Motors (Readymix) Ltd		Australia	–	–	15.0†	15.0†
Readymix (SA) Pty Ltd (formerly Kosne Pty Ltd)		Australia	–	–	–†	–†
Centralian Industries Pty Limited		Australia	0.3	0.2	2.5†	2.5†
Darwin Crushed Metal (NT) Pty Limited		Australia	–	0.2	0.4†	0.4†
Ready Mix Concrete (NT) Pty Ltd		Australia	0.1	–	0.7†	0.7†
RGL Services N.V. (Ord & Pref) ‡*		Neth Antilles	0.8	–	9.8†	9.8†
River Sand & Gravel Pty Ltd		Australia	–	–	0.8†	0.8†
Sellars Holdings Limited		Australia	3.4	(17.4)	20.5†	20.5†
Brimak Pty Ltd		Australia	–	–	3.5†	3.5†
Sunrock Quarries Pty Ltd		Australia	(0.8)	0.5	–†	–†
West Moreton Industries Pty Ltd		Australia	(0.6)	0.5	4.5†	4.5†
West Moreton Contractors Pty Ltd		Australia	1.1	–	–†	–†
Resource Industries Asia Pty Ltd		Australia	0.3	–	–†	–†
Riordan Quarries Pty Ltd *		Australia	–	(0.3)		0.1†
Skewes Readymix Pty Ltd		Australia	–	–	0.6†	0.6†
Suspended Products (Manufacturing) Pty Ltd		Australia	0.3	0.5	–†	–†
Synkoloid Drywall Products Pty Ltd		Australia	–	(0.1)	–†	–†
Territory Aggregate Supplies Pty Ltd		Australia	(0.2)	–	1.1†	1.1†
Territory Asphalt Roadways Pty Ltd		Australia	–	–	0.8†	0.8†
Topmix Pty Ltd (66% CSR Group)		Australia	–	–	0.1†	0.1†
Valdoura Investments Pty Ltd *		Australia	(0.3)	(1.2)		–†
WA Gravel & Paving Pty Limited (69.4% CSR Group)		Australia	(0.1)	0.3	1.2†	1.2†
Waterford Sands Pty Ltd		Australia	0.3	0.3	1.0†	1.0†
Construction Materials USA						
CSR Investments Overseas Ltd ‡						
CSR America, Inc (formerly AMC Holdings (USA) Ltd) *4		USA	(25.5)	(11.4)	195.3†	195.3†
CSR Construction Materials (USA) Inc *‡4		USA	–		–†	
ARCA Acquisition Corp *4		USA	–		435.7†	
American Aggregates Corporation *4		USA	(5.8)		–†	
Dredging & Hauling, Inc *4		USA	–		–†	
Ernst Aggregates, Inc *4		USA	–		–†	
Parkland Properties, Inc *4		USA	–		–†	
Permacrete Products Corporation *4		USA	–		–†	
Portable Aggregate Producers, Inc *4		USA	–		4.8†	
ARC Materials Corporation *4		USA	(0.1)		66.6†	
CSR Concrete Pipe (USA) Inc *‡4		USA	–		–†	
ARC Transportation Company *4		USA	–		–†	
Hydro Conduit Corporation *4		USA	0.5		328.2†	
Associated Sand & Gravel Company, Inc *4		USA	(1.8)		–†	
Construction Products Corporation *4 ‡		USA	–			
Rinker Materials Corporation *4		USA	28.0	5.1	438.3†	438.3†
Krome Aggregates, Inc (liquidated 1989) *4		USA		1.2		
Mack Industries, Inc *4 ‡		USA	3.8	(1.0)		20.8†
McIntosh Sand, Inc *4 ‡		USA	–			
Rinker Cen-Con Corp *4		USA	–	–	2.5†	2.5†
Rinker Realty Corporation *4		USA	(0.2)	–	–†	–†
Rinker Transport Corporation *‡4		USA	–	–	–†	–†
Southern Aggregates Company *4		USA	4.0	4.4	24.5†	24.5†
Clausen Concrete Co., Inc (liquidated 1989) *4		USA		(0.2)		
Timber products						
Hardboards Australia Ltd		Australia	(0.7)	(0.4)	7.9†	7.9†
Pyneboard Pty Ltd		Australia	(4.2)	(16.3)	4.2†	4.2†
British Trading Pty Ltd		Australia	0.1	–	0.6†	0.6†
Softwood Holdings Limited		Australia	4.0	(4.5)	275.6†	275.6†
Formica Australia Pty Ltd		Australia	3.3	5.0	37.4†	37.4†
Softwood Research and Development Company Proprietary Limited *		Australia	0.7	0.2	1.6†	1.6†
Softwoods Adelaide Pty Limited		Australia	1.1	0.9	0.8†	0.8†
Softwoods Dartmoor Proprietary Limited		Australia	2.4	1.9	38.6†	38.6†
Softwood Plantations Pty Limited		Australia	6.3	5.3	70.8†	70.8†
Softwoods Panelboard Pty Limited		Australia	0.1	–	0.9†	0.9†
Softwood Portland Pty Limited		Australia	0.1	(0.6)	2.1†	2.1†
Softwoods Queensland Pty Ltd		Australia	0.2	1.6	17.6†	17.6†
Perma-Log Holdings Pty Ltd		Australia	–		3.1†	
South Queensland Forests Pty Ltd		Australia	–		–†	
S.Q. Logging Pty Ltd		Australia	–		–†	
Perma-Log Products Pty Ltd		Australia	–		–†	
Perma-Log Products (NSW) Pty Ltd		Australia	–		–†	
Softwoods SE Land Pty Limited *		Australia	–	0.2	1.9†	1.9†
The Forestry Pulp & Paper Company of Australia Proprietary Limited		Australia	–	–	0.2†	0.2†
Timber Holdings Ltd		Australia	(4.8)	2.4	76.3†	76.3†
Alvergren Pty Ltd		Australia	0.1	–	24.6†	24.6†
Bendigo Holdings Pty Ltd *		Australia	3.1	–	1.3†	1.3†
Northern Victoria Hardware Pty Ltd *		Australia	–	–	0.2†	0.2†
Brodribb Sawmilling Co Pty Ltd		Australia	–	–	0.2†	0.2†
Wangaratta Building Supplies Pty Ltd *		Australia	–	–	–†	–†
CSR Softwoods (Queensland) Pty Ltd		Australia	–	–	0.5†	0.5†
Dunone Pty Ltd *		Australia	[illegible]	[illegible]	[illegible]	–†
Runak Timbers Pty Ltd *		Australia		–	[illegible]	[illegible]
RGL Services N.V. (Ord & Pref) [illegible]						
Glamarene Inc *		USA		(0.1)		
Woodland Estates [illegible]						

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35 Particulars relating to group companies (continued)

CSR Limited and subsidiaries — $A million	Country of incorporation	Contribution to group operating profit and extraordinary items, after income tax 1990	1989	Book value of investment 1990	1989
Sugar					
Amalgamated Sugar Mills Pty Ltd	Australia	1.8	2.9	8.0†	8.2*
Austocean Pty Ltd	Australia	0.3	0.6	–	–
CSR Investments Overseas Ltd ‡					
Chelsea Investments Ltd *a	New Zealand	1.6	1.9	4.4†	4.4*
Chelsea Nominees Ltd *a	New Zealand	–	–	–†	–*
Credit Leveque Limited *a	New Zealand	–	–	12.8†	12.5*
Formica (NZ) Limited *a	New Zealand	1.7	2.4	21.1†	21.1*
Chelsea Retirement Fund Nominees Ltd *a	New Zealand	–	–	–†	–*
New Zealand Sugar Co Ltd *a	New Zealand	7.6	10.3	12.5†	12.5*
CSR Distilleries Investments Pty Ltd *	Australia	–	–	3.0†	3.0*
Agency Products Pty Limited *	Australia	–	–	–†	–*
CSR Distilleries Operations Pty Ltd	Australia	0.2	0.4	1.8†	1.8*
Duinland B.V. ‡					
Alvimont N.V ‡ c	Neth Antilles	–	–		14.2*
G Wood Son & Co Pty Ltd t	Australia	–	–		–
Anchor Foods Pty Ltd t	Australia	–	(14.9)		0.4*
Coastal Agencies (1977) Pty Ltd t	Australia	–	–		–*
Douglas Foods Pty Ltd t	Australia	–	–		0.2*
Havelock Food Products Pty Ltd	Australia	–		0.3†	
J W Edwards Pty Ltd	Australia	–		–†	
Pioneer Sugar Mills Limited	Australia	23.2	27.3	200.9	200.9
				51.3†	51.3*
Plane Creek Central Mill Company Limited	Australia	6.0	3.9	44.5†	44.5*
Queensland Harvesting Co Pty Ltd	Australia	–	–	–†	–*
Roger Clarke Packaging Pty Ltd	Australia	–		0.4†	
The Haughton Sugar Co Pty Ltd	Australia	4.7	3.2	1.9†	1.9*
Aluminium					
Gove Aluminium Ltd (Ord. Non-red 7.75% pref–70% CSR Group)	Australia	50.9	46.6	30.1†	30.1*
Gove Aluminium Finance Ltd (Ord. Red pref–70% CSR Group)	Australia	1.4	1.9	37.1†	37.1*
Resources					
Oil and Gas					
CSR Petroleum Limited (sold in 1989)	Australia		3.6		
CSR Petroleum (International) Limited *g (sold in 1989)	Hong Kong		(14.3)		
CSR Petroleum (Asia Pacific) Limited *g (sold in 1989)	Hong Kong		–		
CSR Orient Oil Pte Ltd *h,n (sold in 1989)	Singapore		(2.3)		
CSR Petroleum (Seram) Limited *e,g (sold in 1989)	Hong Kong		0.2		
CSR Petroleum Operations Pty Limited (sold in 1989)	Australia		7.1		
CSR Petroleum Pipelines Holdings Pty Limited (sold in 1989)	Australia		–		
CSR Petroleum Pipelines Limited (sold in 1989)	Australia		2.4		
Richter Drilling Pty Ltd	Australia	(0.2)	(3.3)	3.0†	3.0*
Richter Drilling International Pty Ltd i (sold in 1989)	Australia		0.2		
Seadrill Pty Ltd t	Australia	–	0.3		–*
Shelf Drilling Pty Ltd	Australia	(0.8)	(1.6)	–†	–*
Drillsearch International Ltd *g (sold in 1989)	Hong Kong		(0.1)		
Coal					
Buchanan Borehole Collieries Pty Ltd	Australia	–	–	2.9†	2.9*
Hail Creek Coal Pty Ltd †	Australia	–	–	–	–
Thiess Holdings Ltd (Ord A & B)	Australia	(2.2)	(6.0)	377.6†	377.5*
Biloela Callide Open Cut Pty Ltd	Australia	–	–	–†	0.1*
Callide Open Cut Collieries Pty Ltd (sold in 1989)	Australia		–		
Thiess Bros Pty Ltd	Australia	3.9	(3.3)	244.1†	244.1*
Thiess Properties Pty Ltd	Australia	–	(0.1)	0.1†	0.1*
Western Collieries Ltd (sold in 1989)	Australia		2.6		
Cardinal Contractors Pty Ltd (sold in 1989)	Australia		0.3		
Minerals					
Bengkulu Minerals Pty Ltd (sold in 1989)	Australia		(3.8)		
PT Lusang Mining (70% CSR Group) ‡ e (sold in 1989)	Indonesia		1.3		
Blaire Company Limited o *g	Hong Kong	–	–	–†	–*
Warrock Company Limited o *g	Hong Kong	–	19.2	–†	–*
Pattison Pty Ltd (sold in 1989)	Australia		(0.3)		
Total subsidiary companies		235.0	197.3		
plus: parent company profit		330.0	137.5		
provision for subsidiary company losses		–	14.6		
other consolidation adjustments		(15.5)	(6.7)		
less: inter-company dividends		(142.1)	(35.8)		
Operating profit and extraordinary items for year attributable to CSR shareholders		407.4	307.0		

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.
e Carries on business in Indonesia.
f Carries on business in Malaysia.
g Carries on business in Hong Kong.
h Carries on business in Singapore.
i Carries on business in Philippines.
j Carries on business in Fiji.
k Carries on business in Canada.
m Carries on business in United Kingdom.
n Carries on busine[illegible]
o Carries on business in The People's Republic of China.
p Statutory details are reported under Building and construction materials.
q Subsidiary of Pioneer Sugar Mills Limited.
r Subsidiary incorporated during the year.
s Shown as disposed of in 1989. Subsequently sale contract has been cancelled.
¶ In voluntary liquidation.
t Subsidiary liquidated during the year.
* Statutory details reported under Corporate.
[illegible]
[illegible]
[illegible]

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36 Disposal of subsidiaries

$A million	Net tangible assets	Profit on sale
Subsidiaries disposed of during the year		
G Wood Son & Co Pty Ltd and subsidiaries [a]	21.0	8.0
Mack Industries, Inc [a]	3.3	1.5
Seadrill Pty Ltd	–	–

a Provisions for loss on disposal of these subsidiaries were made in a prior year.

37 Acquisition of subsidiaries

	Date acquired	Cash consideration $A million	Net tangible assets $A million
Subsidiaries acquired during the year [a]			
ARC Acquisition Corp and subsidiaries	Jan 90	435.7	435.0
ARC Materials Corporation	Jan 90	66.6	54.0
ARC Transportation Company	Jan 90	–	–
Farrer Properties Limited [b]	Apr 89	0.2	21.6
Havelock Food Products Pty Ltd and subsidiaries	Aug 89	0.3	0.3
Hydro Conduit Corporation and subsidiaries	Jan 90	328.2	141.2
McIntosh Sand, Inc	Jun 89	1.6	0.5
Perma-Log Holdings Pty Ltd and subsidiaries	Mar 90	3.1	5.0
Portable Aggregate Producers, Inc	Mar 90	4.0	3.5
Roger Clarke Packaging Pty Ltd [c]	Sep 89	0.1	–
Spun-Con Pty Ltd	Jun 89	–	–
		839.8 [d]	

a Except where shown 100% of voting shares were acquired and operating results of the subsidiary are included in profit and loss from date acquired.
b During the year options were exercised to acquire Farrer Properties Limited which had previously owned and sold at a profit CSR's head office complex.
c Includes transfer from investment of $0.1 million.
d Refer Consolidated statement of source and application of funds.

38 Equity accounting information

	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 profit and extraordinary items after tax $A million	Dividends received $A million
Investments in material associated companies						
The Austral Brick Co Pty Ltd						
brick and pipe manufacture (holding company)	31 Mar 90	50.0	75.9	10.0	12.9	9.5
Cement Industries Pty Ltd [c]						
cement manufacture (holding company)	31 Mar 90	50.0	94.4	36.5	8.9	7.3
Redland Plasterboard Holdings (UK)						
plasterboard manufacture (holding company)	31 Dec 89	49.0	58.3	9.2	(11.6)	–
Redland Plasterboard BV						
plasterboard manufacture (holding company)	31 Dec 89	49.0	50.9	–	(0.5)	–
			279.5	55.7	9.7	16.8
Other companies			26.2			7.3
			305.7			24.1

a–c Refer page 56.

38 Equity accounting information (continued)

CSR Limited and subsidiaries $A million	Consolidated 1990	Consolidated 1989	Share of associated companies 1990	Share of associated companies 1989	Consolidated and share of associated companies [d] 1990	Consolidated and share of associated companies [d] 1989
Profit and loss statement						
Operating profit before abnormal items and income tax	739.4	543.8	18.2	26.1	749.6	552.2
Loss on abnormal items	–	(97.4)	–	–	–	(97.4)
Operating profit before income tax	739.4	466.4	18.2	26.1	749.6	454.8
Income tax attributable to operating profit	289.9	211.7	9.5	11.9	299.4	223.6
Operating profit after income tax	449.5	234.7	8.7	14.2	450.2	231.2
Profit on extraordinary items	0.5	45.6	1.1	1.0	1.6	46.6
Income tax benefit attributable to extraordinary items	–	52.4	–	–	–	52.4
Profit on extraordinary items after income tax	0.5	98.0	1.1	1.0	1.6	99.0
Operating profit and extraordinary items after income tax	450.0	332.7	9.8	15.2	451.8	330.2
Minority interests in operating profit and extraordinary items after income tax	42.6	25.7	0.1	0.1	42.7	25.8
Operating profit and extraordinary items after income tax attributable to members of CSR Limited	407.4	307.0	9.7	15.1	409.1	304.4
Retained profits at the beginning of the year	364.0	277.5	(8.3)	(8.2)	355.7	269.3
Adjustment to retained profits for:						
associated companies sold			–	2.5	–	2.5
dividend income from associated companies			(16.8)	(17.7)	–	–
Dividends provided for or paid	291.2	220.5			291.2	220.5
Other movements	–	–	5.1	–	(3.7)	–
Retained profits at the end of the year	480.2	364.0	(10.3)	(8.3)	469.9	355.7
Balance sheet						
Investment in associated companies						
At cost or valuation	279.5	148.5			279.5	148.5
Retained profits			(10.3)	(8.3)	(10.3)	(8.3)
Post-acquisition reserves			14.0	12.4	14.0	12.4
Aggregate carrying amount	279.5	148.5	3.7	4.1	283.2	152.6
Other non-current investments	26.2	123.8	–	–	26.2	123.8
Total non-current investments	305.7	272.3	3.7	4.1	309.4	276.4
Other assets	5993.5	4773.8	–	–	5993.5	4773.8
Total assets	6299.2	5046.1	3.7	4.1	6302.9	5050.2
Total liabilities	3413.7	2486.1	–	–	3413.7	2486.1
Net assets	2885.5	2560.0	3.7	4.1	2889.2	2564.1
Share capital	735.0	696.6			735.0	696.6
Reserves	1317.6	1164.5	14.0	12.4	1331.6	1176.9
Retained profits	480.2	364.0	(10.3)	(8.3)	469.9	355.7
Minority shareholders' interest in subsidiaries	352.7	334.9	–	–	352.7	334.9
Total shareholders' equity	2885.5	2560.0	3.7	4.1	2889.2	2564.1

a The group is not aware of any significant events or transactions which have occurred after the year end of any associated company which could materially affect the financial position or operating performance of that company.
b All shares held are ordinary.
c Holding company for Australian & Kandos Cement Holdings Ltd.
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.

CSR Limited and subsidiaries $A million	Segment revenue[a] 1990	Segment revenue[a] 1989	Operating profit before abnormal items, interest, foreign exchange and income tax 1990	Operating profit before abnormal items, interest, foreign exchange and income tax 1989	Total assets 1990	Total assets 1989

39 Segment information

	1990	1989	1990	1989	1990	1989
Industry segments						
Building and construction materials	1900.0	1266.3	360.1	244.6	2261.3	1584.1
Construction materials USA	620.9	458.9	54.2	59.2	1817.6	756.6
Timber products	537.6	493.1	86.9	95.5	729.8	595.9
Sugar	1168.7	813.5	191.1	117.4	890.9	803.9
Aluminium	306.3	302.6	111.1	115.1	329.9	325.9
Segment totals	4533.5	3334.4	803.4	631.8	6029.5	4366.4
Unallocated items	6.7	131.2[b]	(9.7)	(27.2)	269.7	679.7
	4540.2	3465.6	793.7	604.6	6299.2	5046.1
Geographical segments						
Australia	3712.1	2840.6	731.0	533.8	4152.7	4044.6
North America	682.0	499.3	55.3	56.8	1885.6	812.3
New Zealand	113.6	93.8	13.4	13.7	89.3	72.3
Europe	17.0	5.8	(9.1)	(0.1)	142.3	83.5
Others	15.5	26.1	3.1	0.4	29.3	33.4
	4540.2	3465.6	793.7	604.6	6299.2	5046.1

Products and services

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

Construction materials USA
aggregates and sand: pre-mixed concrete: asphalt: concrete pipes and blocks: prestressed 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

Resources
gold: minerals exploration: coal: hydrocarbons: pipeline operation: contract drilling

a Segment revenue includes dividend income. Inter-segment sales are negligible.
b Includes resources $114.9 million.

40 Non-hedged foreign currency balances

The Australian dollar equivalents of non-hedged foreign currency balances are included in the accounts as follows:

$A million	Consolidated 1990	Consolidated 1989	Parent 1990	Parent 1989
United States dollars				
Current assets	293.9	237.0	103.8	73.2
Non-current assets	1541.0	611.2	19.9	317.6
Current liabilities	(327.9)	(513.8)	(169.2)	(313.3)
Non-current liabilities	(1302.0)	(246.7)	(160.3)	(170.2)
	205.0	87.7	(205.8)	(92.7)
New Zealand dollars				
Current assets	42.0	25.8	–	–
Non-current assets	29.3	29.3	–	–
Current liabilities	(9.3)	(4.6)	(18.5)	(17.2)
Non-current liabilities	(2.5)	(1.8)	–	–
	59.5	48.7	(18.5)	(17.2)
British Pounds sterling				
Current assets	8.8	12.6	–	–
Non-current assets	51.3	18.8	–	–
Current liabilities	(5.3)	(4.7)	(30.5)	–
Non-current liabilities	(0.1)	–	–	–
	54.7	26.7	(30.5)	–
Other currencies				
Current assets	30.0	15.8	0.1	1.2
Non-current assets	98.9	78.0	–	–
Current liabilities	(38.3)	(23.8)	(7.3)	(32.4)
Non-current liabilities	(21.4)	(18.8)	[illegible]	–
	[illegible]	[illegible]	[illegible]	[illegible]

41 Superannuation commitments

The CSR Group participates in a number of superannuation funds in Australia, New Zealand and other countries where it operates. Most were established and are sponsored by the group. 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 assets of all funds were sufficient to satisfy all benefits which would have been vested in the event of termination of the fund, or in the event of the voluntary or compulsory termination of the employment of each employee.

Due to an actuarial surplus in the CSR Officers' Provident Fund (OPF) and on advice from the then actuary to the OPF Mr W K Roberts FIAA the group's contributions to the OPF have been suspended since July 1987. This suspension was confirmed by the fund's current actuary Mr Geoffrey F Burgess FIAA in June 1989 and is subject to review following future actuarial valuations of the fund.

The members and the group make contributions as specified in the rules of the respective funds. The group's major funds as at 31 March 1990 are summarised below.

From 1 April 1990 the OPF's name was altered to CSR Staff Superannuation Fund (SSF). With effect from that date all members of CSR Staff Cash Accumulation Retirement Fund transferred to OPF. The group's contributions to SSF for such transferred members are being paid in lieu from surplus assets in SSF. This arrangement is also subject to review following a future actuarial valuation of the fund.

In respect of the Defined Benefits Division of SSF the group has undertaken to ensure that SSF has assets of not less than 120 percent of the amount required to meet the actuarial liabilities of the Division.

	CSR Officers' Provident Fund	CSR Staff Cash Accumulation Retirement Fund	CSR Employees Retirement Fund
Type of benefit	Defined benefits (lump sum and pension)	Cash accumulation benefits (lump sum)	Cash accumulation benefits (lump sum)
Basis of contributions	Percentage of member's salary contributed by member and the group	Percentage of member's salary contributed by member and the group	Percentage of member's wage contributed by member and the group
Group legal obligation to contribute	Enforceable obligation subject to a right to reduce or discontinue on six months' notice to the Trustee	Enforceable obligation subject to a right to reduce or discontinue on six months' notice to the Trustee	Enforceable obligation subject to a right to reduce or discontinue on six months' notice to the Trustee
Last actuarial assessment	Completed 30 June 1989 by Mr Geoffrey F Burgess FIAA	Not applicable	Not applicable

42 Interests of directors (CSR Group)[a]

Shares held as at 4 June 1990	Fully paid Personally	Fully paid Beneficially	Partly paid Personally	Partly paid Beneficially	Total 1990	Total 1989
K W Steel [b]						9 940
A W Coates [c]	2 000	83 440			85 440	35 440
D K Voss	8 012	5 501	502	551	14 566	14 566
B N Kelman	102 843				102 843	102 843
R H Myers	17 114				17 114	15 362
J Scully	7 387				7 387	6 390
B W Macdonald	2 200				2 200	2 200
J F Kirk	5 184				5 184	3 810
J B Gough	10 329	10 000			20 329	10 000
I G Burgess	3 769		130 000		133 769	98 325
E F Herbert [d]						88 003
W A Bennett	4 637		100 000		104 637	59 437
R K Barton [e]	1 139		74 000		75 139	
G V Kells [e]	2 494		95 000		97 494	

Fees to non-executive directors totalled $A330 000 last year. Details are on page 40. Total fees to be paid this year to current non-executive directors are expected to be about $A350 000. Directors are also reimbursed for the minor direct expenses they incur in performing their duties.

Non-executive directors have service 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 service agreements with CSR in respect of their employment as senior executives and receive remuneration as employees of the [illegible]

No director has received or become entitled to receive any other additional benefit, other than those mentioned here, by reason of a contract made by the company or a related party with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

No director has any interest in a contract or proposed contract with the company. There are no material contracts involving directors' interests either still subsisting at the end of this financial year or entered into since the end of [illegible]

a No interests were held in the [illegible] of [illegible] parties.
b Retired from office on 31 M[illegible]
c Beneficially owned shares [illegible]
d Retired [illegible] office [illegible]

[illegible]

Share information

Listed	Fully paid shares — full voting rights: Shareholders	%	Shares	%	Partly paid shares — full voting rights: Shareholders	%	Shares	%
Distribution of shareholders and shareholding as at 14 May 1990								
Registered address								
Australia	93 887	92.0	698 426 820	95.5	6 696	89.5	4 570 776	95.6
New Zealand	5 702	5.6	13 056 683	1.8	595	7.9	146 323	3.1
United Kingdom	1 538	1.5	4 901 372	0.7	134	1.8	40 075	0.8
Other	869	0.9	15 113 127	2.0	61	0.8	21 837	0.5
	101 996	100.0	731 498 002	100.0	7 486	100.0	4 779 011	100.0
Class of holder								
Individuals	93 817	92.0	171 115 023	23.4	6 889	92.0	1 344 087	28.1
Companies	8 179	8.0	560 382 979	76.6	597	8.0	3 434 924	71.9
	101 996	100.0	731 498 002	100.0	7 486	100.0	4 779 011	100.0
Size of holding								
1 — 99	7 465	7.3	320 651	0.1	4 534	60.6	162 486	3.4
100 — 1000	50 266	49.3	22 991 353	3.1	2 684	35.8	775 809	16.2
1001 — 5000	34 293	33.6	78 040 467	10.7	223	3.0	451 732	9.5
5001 — 10 000	6 145	6.0	42 729 730	5.8	21	0.3	157 588	3.3
10 001 and over	3 827	3.8	587 415 801	80.3	24	0.3	3 231 396	67.6
	101 996	100.0	731 498 002	100.0	7 486	100.0	4 779 011	100.0

Unlisted	Fully paid shares — full voting rights: Shareholders	%	Shares	%	Partly paid shares — no voting rights: Shareholders	%	Shares	%
Registered address								
Australia	5 872	92.7	1 144 500	92.7	300	95.8	2 946 000	95.4
Other	460	7.3	90 500	7.3	13	4.2	142 000	4.6
	6 332	100.0	1 235 000	100.0	313	100.0	3 088 000	100.0
Class of holder								
Individuals	6 332	100.0	1 235 000	100.0	313	100.0	3 088 000	100.0
Size of holding								
100 — 1000	6 332	100.0	1 235 000	100.0	62	19.8	62 000	2.0
1001 — 5000					102	32.6	300 500	9.7
5001 — 10 000					58	18.5	459 500	14.9
10 001 and over					91	29.1	2 266 000	73.4
	6 332	100.0	1 235 000	100.0	313	100.0	3 088 000	100.0

	Ordinary $1 shares (millions): Fully paid	Partly paid	% of total shares 740.6 million
20 largest shareholders as at 14 May 1990 (ranked for fully paid) [a]			
Australian Mutual Provident Society [b]	109.8	—	14.82
Beaglemoat Nominees	43.3	—	5.85
ANZ Nominees Ltd	40.3	0.1	5.44
Bank of New South Wales Nominees Pty Ltd	27.5	0.1	3.71
Pendal Nominees Pty Ltd	25.7	—	3.47
National Nominees Ltd	18.8	—	2.54
National Mutual Life Association of Australasia Ltd	15.1	—	2.04
Queensland Treasury Corporation	14.8	—	2.00
Toyota Motor Corporation	13.1	—	1.77
State Authorities Superannuation Board	12.0	—	1.62
Citicorp Nominees Pty Limited	11.0	—	1.49
Devrossi Pty Ltd	8.7	—	1.17
New Zealand Wine Pty Limited	8.0	—	1.08
Superannuation Fund Investment Trust	7.1	—	0.96
Colonial Mutual Life Assurance Society Ltd	7.0	—	0.95
Mutual Life and Citizens Assurance Co Ltd	7.0	—	0.95
Jaminigo Pty Ltd	6.6	—	0.89
Chase AMP Nominees Limited	6.3	—	0.85
ANZ Executors Nominees Ltd	5.5	—	0.74
The Prudential Assurance Company Ltd	4.5	—	0.61
	392.1	0.2	52.95

a Includes shares beneficially held for Fletcher Challenge Limited which in total holds 72.9 million shares representing 9.85% of total issued capital.

b The Australian Mutual Provident Society is the only substantial security holder in [illegible] Limited and has a relevant interest in 109 [illegible] shares representing 14.8% of the company's total issued [illegible] (740 [illegible])

Directors' statement

Statement by directors on the accounts set out on pages 34 to 58.

In the opinion of the directors of CSR Limited:

(a) the profit and loss statement is drawn up so as to give a true and fair view of the results of the company for the financial year ended 31 March 1990:

(b) the balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 1990:

(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:

(d) the accompanying group accounts are drawn up so as to give a true and fair view of:
   (i) the results of the company and its subsidiaries for the financial year ended 31 March 1990; and
   (ii) the state of affairs of the company and its subsidiaries as at 31 March 1990.
   so far as they concern members of the company:

(e) the accounts and group accounts have been made out in accordance with applicable approved accounting standards.

Signed in accordance with a resolution of the directors.

I G Burgess
Managing director

A W Coates
Chairman

4 June 1990

Auditors' report

Auditors' report to the members of CSR Limited.

We have audited the accounts set out on pages 34 t[illegible] and 60 in accordance with Australian Auditing St[illegible]

In our opinion:

the accounts of CSR Limited, and the group accou[illegible] properly drawn up in accordance with the provisio[illegible] the Companies (New South Wales) Code and so as [illegible] a true and fair view of:

(a) the state of affairs of the company and of the gr[illegible] at 31 March 1990 and of the results of the com[illegible] and of the group for the year ended on that date [illegible] as they concern members of the holding comp[illegible]

(b) the other matters required by section 269 of th[illegible] to be dealt with in the accounts and in the grou[illegible] accounts:

and are in accordance with applicable Australian Accounting Standards and applicable approved accounting standards.

The names of the subsidiaries of which we have no[illegible] as auditors have been indicated in note 35.

Deloitte Ross Tohmatsu

Deloitte Ross Tohmatsu

H J Mattock
Partner
Chartered Accountants

4 June 1990.

Eleven-year performance

Year ended 31 March	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Profit and loss ($A million)										
Gross revenue – group revenue plus sales made as agent	5665	5265	4658	3209	3648	2796	2704	2506	2679	2932
Group revenue	4892	4444	3942	2418	3003	2183	2044	1936	1763	1828
Trading revenue	4516	3438	2672	2077	2212	2074	1852	1757	1603	1652
Depreciation	194	164	145	119	125	120	110	109	89	83
Earnings before long-term interest and tax	827	621	501	334	256	242	227	189	183	239
before net interest, foreign exchange and tax	794	605	421	349	250	229	219	183	154	221
Interest on long-term borrowings	87	78	112	108	74	73	67	73	53	41
Income tax expense	290	212	190	67	81	65	57	30	35	72
Net profit										
Before abnormal and extraordinary items applicable to CSR shareholders	407	306	185	150	125	92	92	75	82	112
for 6 months to 30 September	234	147	80	58	55	49	44	43	42	61
for 6 months to 31 March	173	159	105	92	70	43	48	32	40	51
After abnormal and extraordinary items applicable to CSR shareholders	407	307	186	110	(80)	(63)	92	81	81	127
Dividends	291	220	115	102	90	64	64	60	47	46
Balance sheet ($A million)										
Current assets	1574	1609	1525	1002	858	796	796	663	771	840
Property, plant and equipment	3450	2507	1998	1519	1285	1003	919	996	1016	831
Interests in joint ventures and partnerships	–	–	–	–	–	470	476	496	447	386
Investments	306	272	366	167	156	169	206	194	122	153
Delhi investment	–	–	–	984	1101	271	249	161	147	–
Intangibles	696	408	260	42	–	–	34	36	37	–
Future income tax benefits	81	82	79	96	103	133	109	75	51	31
Other non-current assets	192	168	190	162	249	274	171	89	69	57
Total assets	6299	5046	4418	3972	3752	3116	2960	2710	2660	2298
Current creditors and borrowings	907	1040	772	613	775	686	574	393	527	418
Current provisions	618	502	428	165	127	128	132	130	147	133
Non-current creditors and borrowings	1414	596	816	1007	916	558	494	568	444	405
Deferred income tax and other non-current provisions	475	348	294	320	310	326	281	225	217	185
Deferred foreign exchange gains	–	–	–	3	7	–	–	–	–	–
Total liabilities	3414	2486	2310	2108	2115	1698	1481	1316	1335	1141
Net assets	2885	2560	2108	1864	1617	1418	1479	1394	1325	1157
Paid up capital	735	697	658	619	533	359	353	338	315	259
Other reserves	1318	1164	1108	1003	854	628	558	515	495	398
Profits retained	480	364	278	206	197	367	496	466	442	410
CSR shareholders' funds (capital and reserves)	2533	2225	2044	1828	1584	1354	1407	1319	1252	1067
Interest of minority shareholders	352	335	64	36	33	64	72	75	73	90
Total CSR shareholders' funds (capital and reserves)	2885	2560	2108	1864	1617	1418	1479	1394	1325	1157
Share information										
Share issues — rights	–	–	–	1-for-10	1-for-5	–	–	–	1-for-5	1-for-5
private placements	–	–	–	pp	–	–	pp	pp	–	–
Shares issued (million) for — cash	36	13	10	118	129	6	15	23	50	43
acquisitions	–	–	30	–	44	–	–	5	1	4
Paid up capital in $A1 shares at 31 March ($A million)	735	697	658	619	533	359	353	338	315	259
Earnings per share (cents) — on issue at 31 March	55.0[a]	44.0	25.4	24.5	23.5	25.7	26.0	22.1	26.6	43.3
adjusted for issues[b]	54.8	44.4	28.3	25.6	25.8	23.5	24.2	21.8	27.2	38.2
Dividends per share (cents) — fully-paid shares	40.0	32.0	20.0	19.0	18.0	18.0	18.0	18.0	18.0	18.0
adjusted for issues[b]	40.0	32.0	20.0	19.0	17.8	17.2	16.4	16.5	16.1	15.7
Share price adjusted for issues[b] ($A) — high	5.78	5.06	4.90	4.40	3.77	3.60	4.05	3.22	6.35	6.96
low	3.90	3.60	2.60	2.53	2.61	2.45	2.41	2.23	2.47	4.05
end	5.04	4.00	3.75	4.22	3.07	2.36	3.48	2.45	2.75	5.97
Net tangible assets (book value) ($A) — per CSR share[c]	2.59[a]	2.38	2.96	3.19	3.25	4.13	4.19	4.08	4.26	4.51
adjusted for issues[b]	2.56	2.63	2.81	3.01	3.06	3.35	3.69	3.62	3.68	3.74
Ratios and statistics										
Return (%) on CSR shareholders' funds at 31 March	16.1	13.8	9.1	8.2	7.9	6.8	6.5	5.7	6.6	10.5
total assets at 31 March	6.5	6.1	4.2	3.8	3.3	3.0	3.1	2.7	3.1	4.9
group revenue	8.3	6.9	4.7	6.2	4.2	4.2	4.5	3.9	4.7	6.1
Payout ratio (%)	72	72	62	68	72	70	69	81	57	42
Interest cover[d] (times)	9.5	8.0	4.5	3.2	3.9	3.3	3.4	2.6	3.5	5.3
Gearing[e] (%)	32.9	18.9	27.9	35.1	36.2	28.3	25.0	28.9	25.1	26.0
Current ratio	1.03	1.04	1.27	1.29	0.95	0.98	1.13	1.27	1.14	1.53
General										
Group capital investment ($A million)	1508	1538	1176	336	226	201	247	350	545	225
Group divestments ($A million)	272	918	1138	197	695	38	126	116	89	169
Shareholders (thousand)	105	99	102	102	101	102	97	97	89	78
Employees (thousand)	22.4	18.3	16.1	13.4	13.5	14.3	14.5	14.9	16.0	16.1
Wages, salaries and payments to retirement funds ($A million)	756	565	480	411	428	418	406	413	378	313
Trading revenue per employee ($A thousand)	202	188	166	155	164	145	125	115	100	103
Profit after tax per employee ($A thousand)	18.2	16.8	11.5	11.2	9.3	6.4	6.3	5.0	5.1	7.0
Value added per employee ($A thousand)	79	74	66	68	62	57	54	52	41	39

a Based on [illegible] 736 million shares which includes partly-paid shares [illegible]
b Calculated by research department of the Australian Stock Exchange [illegible]
c Future tax benefits, deferred tax [illegible]
d Earnings [illegible]
e [illegible]