RINKER™

17 July 2003

Manager Companies
Company Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

Rinker's annual general meeting 17 July 2003
Advance copy of Managing Director's address

As foreshadowed in our advice attaching an advance copy of the Chairman's address, and in accordance with Listing Rule 3.13.3, attached is an advance copy of the Managing Director's address which is to be given at today's annual general meeting of members of Rinker Group Limited

At the conclusion of the meeting, we will either confirm that there were no changes to the address as presented, or advise you of changes made.

Yours sincerely,

P B Abraham
Company Secretary

RINKER GROUP LIMITED

AGM 2003

MANAGING DIRECTOR'S SPEECH

DAVID CLARKE

Good afternoon Ladies & Gentlemen and may I add my welcome to that of the Chairman.

I would like to talk about Rinker's performance and strategy, and our major priorities.

The Chairman has outlined the annual results in some detail. Following a quick review of the business results, I would like to focus on how we are performing compared to our peers in the heavy building materials sector.

Our US business, Rinker Materials, performed well during the year to March, with sales up 13% and earnings before interest, tax depreciation and amortisation – that is, EBITDA -- up 12% in local currency.

The US$540 million Kiewit acquisition in September had a modest negative impact on EBITDA margins, which fell slightly to 21.6%. Excluding acquisitions, the margin was up at 22.3% and the return on funds employed was 17.8% -- which means we are strongly adding shareholder value.

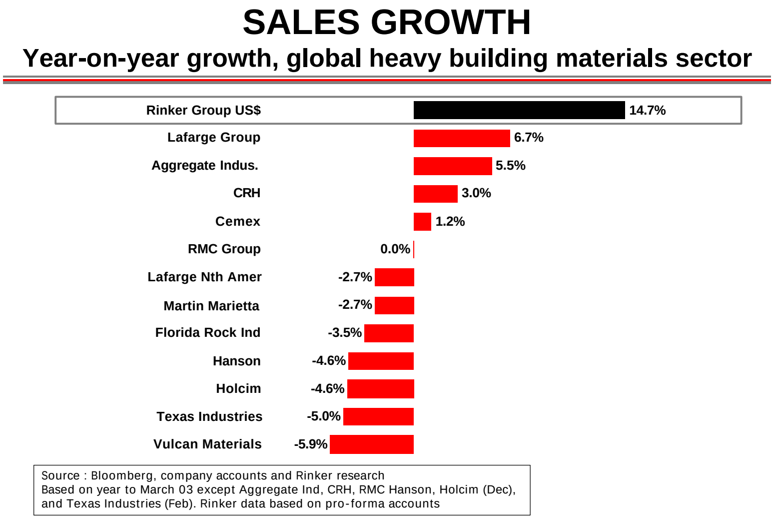
The aggregates, cement, concrete and concrete block and asphalt businesses all performed strongly. Concrete pipe and prestress profits however fell on lower volumes and the business' heavier exposure to the US commercial construction sector, which is down over 30% on its previous peak.

In Australia and China, Readymix performed extremely well with sales up 10% and EBITDA up 51%, while return on funds employed doubled to 16%. Price recovery and cost savings were the key drivers, with concrete prices up 12% on average, from the very low levels of the previous year.

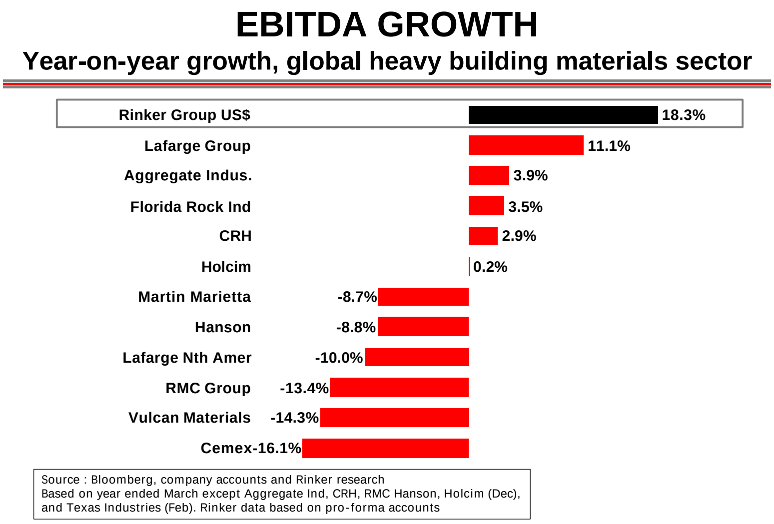
Rinker today is amongst the top 30 to 35 companies on the Australian Stock Exchange and one of the few Australian multinationals. We are one of the top 10 heavy building materials groups in the world.

Our mission is to deliver top quartile returns to our shareholders. We will do that by being in the top quartile of our peers for growth in revenue, EBITDA and shareholder value added. So how well are we doing against those objectives?

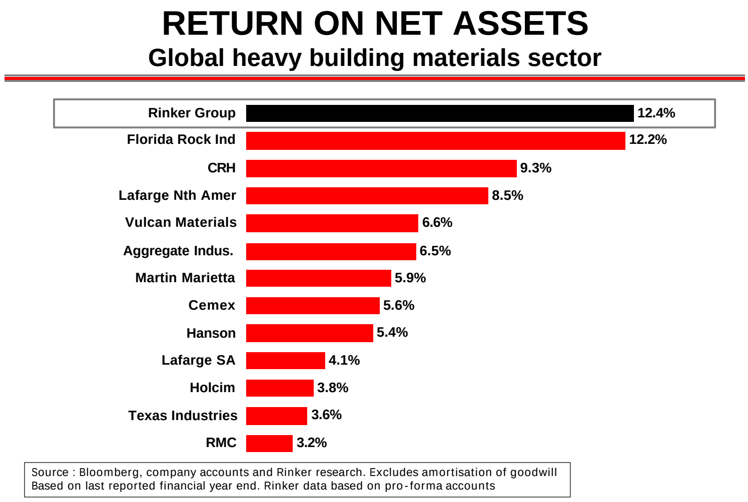
This chart shows you the pro-forma comparative growth in sales for the 12 months to March this year. Compared to our peers, Rinker's sales growth of 15% in US$ is in the top quartile.



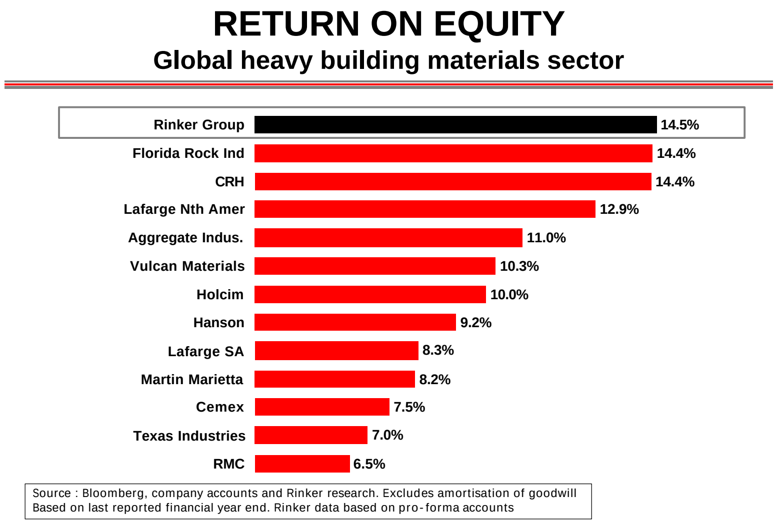
This chart shows EBITDA growth for the 12 months to March. Again, Rinker's performance is in the top quartile compared to our industry peers – up 18% in US$.



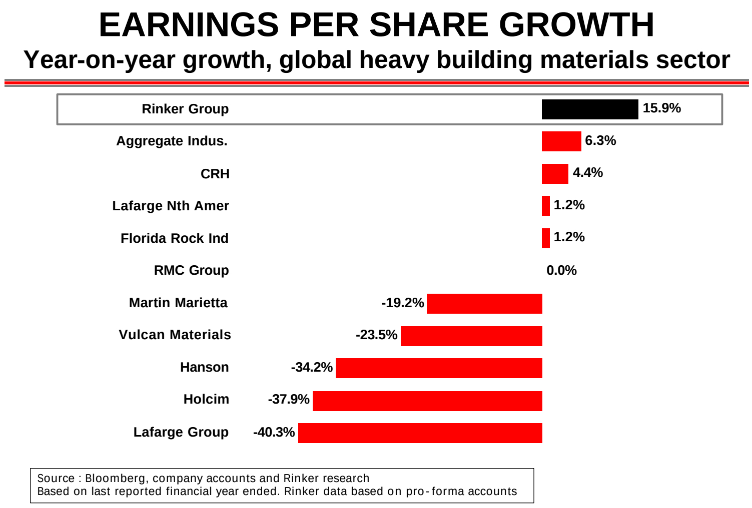
SVA or shareholder value added is a difficult concept for comparing performance, as it is hard to measure from our competitors' publicly available information. A rough analogy for comparison is the return on net assets. The chart shows that Rinker's performance is again towards the top end of the group.



Another useful measure is return on equity. This chart shows ROE before the amortisation of goodwill, to make the accounting treatment common with our competitors. Rinker is in a strong position compared to most of its peers with a return of 14.5%, although we want to lift that further.



One final slide to show the comparison is earnings per share. With 16% growth last year, Rinker has again performed well .



To ensure that we can continue to achieve very good financial results , we have five strategic priorities:

1. To deliver value-adding growth – both from acquisitions and from improvements in the underlying business
2. To continue to strengthen our positions so that we are number one or two in every market we serve
3. An ongoing cost reduction effort with the aim of being the low cost producer in our markets
4. To develop a talented workforce, with a high performance ethic and high integrity, and
5. To make further significant improvements in our customer service, and in our safety, health and environment performance across the group.

1. DELIVERING VALUE ADDING GROWTH

The US subsidiary, Rinker Materials, has made 26 acquisitions in the last six years, for around US$1.7 billion. We watch their performance very closely, and I am pleased to say they are performing in line with that of the group overall.

Half of Rinker Materials' sales and EBITDA growth over the past four years has come from acquisitions and half from the base business. The acquisitions are also creating shareholder value at the same rate as the base business.

Kiewit -- our large acquistion completed in the middle of last year -- is performing ahead of last year and ahead of expectations. Indeed, May volumes were the strongest month ever for the Arizona business… and continued at high levels in June.

If we are to continue growing in the top quartile of our industry peer group, we must continue to make value-adding acquisitions. The Chairman said we expected to spend around US$200 million a year on acquisitions. This is an average aspiration over the next few years. By their very nature, the actual expenditure on acquisitions is likely to be somewhat more lumpy as it has been in the past.

It is likely that more acquisitions will be small and medium-sized businesses -- which can be “bolted-on” to existing operations, and integrated quickly into the group.

The important thing is that what we are about is *“smart growth”* - not growth for growth’s sake. Acquisitions must create value for our shareholders. Capital must always be treated as a scarce resource and managed tightly.

We expect bolt-ons to be earning their cost of capital in the first full 12 months of ownership.

Rinker’s integration process is one of the synergies we bring to acquisitions. The administration and back office systems of every acquisition have been integrated into Rinker’s existing operations, with a significant net reduction of people.   In fact, Rinker Material’s back office costs have fallen over the last several years even as the business has grown substantially.

In some cases, we have been able to get small acquisitions at very attractive prices. The latest example is the bulk of Holcim’s Excel aggregate and concrete business in Australia. This was acquired at a prospective multiple of 3.1 times EBITDA, roughly half the multiple that Rinker trades on currently.

Rinker Materials has operations in 31 states of the US, and our people are required to watch for potential acquisition opportunities.   Very few of these get to the public arena : mostly it is about being in the right place at the right time and having good relations with the business owners – often over many years.

We also expect larger, acquisition opportunities to emerge – most likely via public auction. These involve more due diligence and more comprehensive post-acquisition management plans.

In addition to growth through acquisition, around half of Rinker's growth has come from improving the base business – either through price improvement or cost reduction. The Florida Materials business for example, which supplies concrete and concrete block, has increased sales 15% a year on average since 1998 – with only one small acquisition - while EBIT has more than doubled.

We have been helped by our strategy of focusing mainly on areas of high population growth. In the US, we are in 9 of the 10 fastest growing states and around 80% of Rinker Materials' profit comes from these states.

High population growth means higher construction activity. In Florida and Arizona - which together account for around 50% of Rinker group revenue - the growth in construction activity over the past decade has averaged 10 to 11% a year.

2. BEING NUMBER ONE OR TWO IN ALL MARKETS

Over 90% of Rinker Materials' revenue comes from markets where we are number one or two. In China we are number one in the Tianjin market and in Australia, Readymix is number one in asphalt, number two in aggregates and number three in concrete. In cement we are part of a joint venture that holds the number one position.

We need strong market positions to maintain cost leadership – since higher volumes help reduce costs.

Rinker cut costs A$72 million last year – similar to the level of previous years. We have 400 operational improvement teams working across the group to do this. The aim is to largely offset the inflationary increases we incur each year, although last year we weren't able to do enough to offset significantly higher insurance and health premiums.

4. DEVELOPING A TALENTED WORKFORCE

We have a strong workforce but we want to improve the quality further through training and mentoring. What we call the high performance culture is developing across the group and we are seeing strong results as our people focus on delivering economic profit and stretch targets, rather than just the agreed budget.

5. IMPROVING CUSTOMER SERVICE AND SAFETY

We are continuously striving to improve customer service. We rate well in surveys, but there are always opportunities to do better. Our safety record has improved sharply with the total recordable injury frequency rate now less than half what it was five years ago but our aim is to prevent *all* injuries.

OUTLOOK

Moving to the outlook, things are little changed from our comments in May. We expect both the US and Readymix to deliver improved results in their local currencies.

Rinker Materials is performing as expected with solid results continuing from the Florida and Arizona operations. However times are still tough for concrete pipe, prestress and polypipe. These businesses are more geographically exposed to tougher markets, and to commercial construction – which is still declining, albeit more slowly.

Residential construction remains strong, despite earlier expectations of a downturn. Low interest rates and demographics are driving demand. The US receives around 800,000 new immigrants each year, while many immigrants from previous years are moving into higher income brackets, which allow them to buy their own homes.

Infrastructure spending remains steady in most of our key states. Progress on the new six year federal transport spending package continues, with the industry currently looking for an increase of perhaps 30% overall.

In Australia, Readymix has been hit hard by the lengthy bout of extreme wet weather during April and May. However activity has now resumed and management is optimistic at this stage of making up most, if not all, of the lost ground against plan.

Concrete prices have stabilised after the strong recovery of last year. We expect gains slightly ahead of inflation this year – and we expect this trend to continue for at least the next couple of years. The increases are necessary to ensure this business can earn its cost of capital, which it is almost doing now. Aggregate prices are also increasing.

It is critical that *all* of our businesses earn ahead of their cost of capital, otherwise there is little point in them receiving further investment. Our objective is to earn better than the cost of capital in each and every year – even at the bottom of the cycle.

Residential activity has softened in Australia but this is being replaced by a steady pickup in commercial construction and the plethora of new engineering projects such as the Lane Cove Tunnel, the Parramatta to Chatswood rail link, and the Scoresby Freeway in Melbourne.

In China, the Tianjin Readymix business is performing very well. The SARS virus slowed activity considerably but we are optimistic that we will recover by the end of this financial year. We announced another small acquisition there this week, and expect it to be earning its cost of capital within the first full year.

In conclusion, Rinker is a brand new company but we have a solid history of strong performance from the businesses. We have a clear future direction, and a strategy that is both proven and sustainable. And we continue to add value and increase the returns to you, our shareholders.
Thank you.