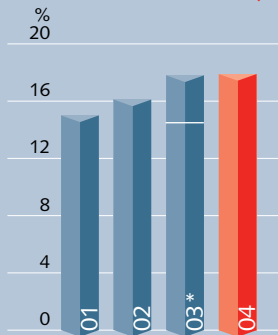




LOCATION: **PHOENIX, ARIZONA**
 PROJECT: **GLENDALE ARENA**
 DATE OF COMPLETION: **DECEMBER 2003**

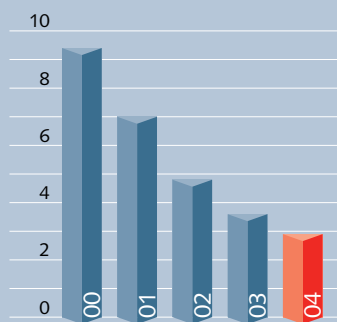
Rinker Materials contract with Perini Building Co. helped complete the 17,779 seat Glendale Arena, home of the local ice hockey team, the Phoenix Coyotes, in an unprecedented 18 months. It was the fastest built arena of its kind in the US. Rinker Materials delivered 40,700yd³ (37,200m³) of concrete in record time to help meet construction deadlines.

RINKER MATERIALS RETURN ON FUNDS EMPLOYED (US\$)



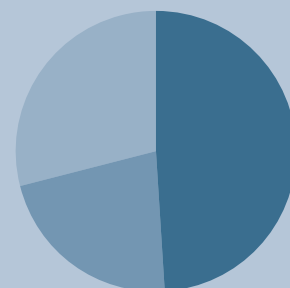
Year end 31 March
 *Adjusted for acquisitions; with Kiewit acquisition included, ROFE was 14.5%

RINKER MATERIALS TOTAL RECORDABLE INJURIES FREQUENCY RATE (TRFR)*



Year end 31 March
 *Per 200,000 work hours

RINKER MATERIALS END MARKETS – % SALES



■ Housing 49%
 ■ Civil 22%
 ■ Commercial 29%
 Year end 31 March 2004



RINKER MATERIALS DELIVERED A RECORD PROFIT...
**THE SEVENTH SUCCESSIVE
 YEAR OF DOUBLE DIGIT
 GROWTH... HELPED BY STRONG
 CONSTRUCTION ACTIVITY IN FLORIDA AND ARIZONA
 AND A VERY SATISFACTORY RESULT FROM THE FIRST
 FULL YEAR OF THE KIEWIT ACQUISITION**

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 15% to US\$591 million (A\$854 million, down 6%), while sales grew 20% to US\$2,868 million (A\$4,139 million, down 2%). Earnings before interest and tax (EBIT) rose 17% to US\$392 million (down 4% in A\$ to A\$568 million). Heritage EBIT – that is, excluding earnings from acquisitions that were not in the previous comparable year for the full 12 months, writedowns and divestments – rose 15%.

Return on funds employed (ROFE) rose strongly to 17.9%, up from 14.5% in the previous year, which only included EBIT from Kiewit for 6 months. ROFE for the heritage operations was up 2.6%.

The result included non cash writedowns of US\$16 million EBIT, to reflect changes in valuation of some assets. The writedowns comprised US\$5 million for restructuring in the concrete pipe and products business and US\$11 million within the small prestress business.

Price increases were achieved in most products, particularly Florida aggregate, concrete and block.

Excluding acquisitions, aggregate prices rose an average of 6%, concrete 3% and concrete block 4%.

Volumes were up strongly in all product segments except concrete pipe and prestress. Cement volumes rose 16%, including one off bulk shipments to other suppliers. Concrete volumes were up 11% and aggregate up 6%.

A rigorous program of operational improvement delivered US\$55 million in cost savings. However, freight, fuel, energy and other raw materials costs increased significantly. The lag effect between these higher input costs and the implementation of price increases, coupled with lower margins from the Kiewit business (compared to Rinker Materials' base business) and the effect of the writedowns, dampened profit margins slightly. EBIT margins were 13.7%, down from 14.0% in the previous year. EBITDA margins were 20.6%, down from 21.6%.

On a geographic basis, profit margins increased strongly in the Florida aggregate, concrete and block operations. Margins also improved in Georgia, Kentucky, Tennessee, Arizona and Oregon.

US put-in-place construction activity was up 1.1% last year, with residential up 9.0%, commercial (non residential) down 8.2% and nonbuilding/ infrastructure down 6.6% (source: Dodge; actual and forecast data).

AGGREGATES

Aggregates EBITDA was up 27% to US\$208 million. The Florida construction market remained strong, with aggregates prices up 7% and production close to capacity for much of the year. Incremental performance improvements allowed some increased volumes. Volumes were higher in most other markets except Las Vegas, Washington state and the smaller quarry operations in the north-western states, due to lower demand and state highway spending.

CEMENT

Cement EBITDA was US\$117 million, up 9%. Volume was up 16% on strong demand. Prices were flat during the year due to new capacity in Florida. Freight and energy costs have been rising.

CONCRETE, BLOCK AND ASPHALT

Concrete, block and asphalt EBITDA was US\$170 million, up 33%. Concrete volumes rose in Florida, Arizona and Nevada to record levels on strong residential construction activity and some recovery in commercial construction, after two years of decline across the US. Block prices and volumes rose in Las Vegas and Florida. Asphalt prices were up, but were outstripped by materials cost increases.

CONCRETE PIPE

EBITDA was US\$85 million, down US\$7 million or 8%. Pipe's geographic spread, selling into 31 states, means it is more exposed to weaker economic conditions. Good weather saw an improvement in the December quarter. However, a fourth quarter US\$5 million restructuring writedown, a 25% increase in the cost of steel – which provides the framework to reinforce the pipe – and competitor activity, resulted in lower profits. Prices declined 2% but began moving up at year end.

OTHER BUSINESSES

EBITDA fell 54% to US\$10 million. Polypipe volumes, prices and profit margins rose. Volumes in the gypsum distribution business rose and prices were up slightly. Weak prestress markets continued in the Midwest and sales fell sharply. Two of the 11 plants – Henderson and Lafayette – were divested in March 2004. More plants may be sold, if appropriate.

GROWTH

The US\$540 million Kiewit acquisition in September 2002 – the largest acquisition Rinker Materials has made to date – proved very successful, earning above its cost of capital within the first 12 months, a year ahead of schedule. During the year, Kiewit generated US\$93 million in EBITDA – compared with US\$76 million just prior to acquisition.

Kiewit's integration into the Rinker West division has been very satisfactory and is now virtually complete.

The Superstition acquisition is the first in the Arizona region since Rinker Materials acquired Kiewit, and adds to the group's reserves position in the Phoenix area. The two quarries are a sand and gravel deposit at Hassayampa and a sand and gravel deposit at Laveen, both within the greater Phoenix area.

On 1 April 2004 we acquired the Loven Inc. premix concrete business, comprising six concrete plants in north-east Tennessee and Virginia.

Loven operates concrete plants in Greenville, Morristown, Newport, Kingsport, Johnson City – all in Tennessee – and Bristol, Virginia. It is a leading concrete supplier in most of its markets.

Generally, acquisitions have slowed across the US industry during the past 18 months. Anecdotal evidence suggests the slow down relates to uncertainty about the US economic recovery and the new six year road federal funding bill. As these issues are being resolved, we are hopeful that the pace of acquisitions will pick up this year.

Construction of three new premix concrete plants, two new concrete block plants and two additional block production lines commenced last year, at a cost of US\$41 million. These greenfields facilities, in Florida and Nevada, are needed to service new, high growth markets and to satisfy demand in areas where we are currently capacity constrained and unable to meet customer demand.

New block plants are being built at Jacksonville and Fort Pierce, on the Florida east coast, together with second production lines at our block plants at Davenport (near Orlando) and Las Vegas. New premix concrete plants will be constructed at Davenport, North Vero Beach and Zephyrhills, on the Florida east coast.

All plants are projected to be earning above their weighted average cost of capital within the first full year. In addition, Rinker Materials will gain pull-through benefits in its aggregates and cement operations as these materials are utilised internally.

LOCATION: **WEST PALM BEACH, FLORIDA**
PROJECT: **I-95 HIGHWAY**
DATE OF COMPLETION: **LATE 2004**

Interstate 95 is the main transport artery linking north and south Florida. Rinker Materials supplied concrete to a US\$112 million project to widen the Interstate, add a new interchange, build 14 bridges and construct overpass lanes into Palm Beach International Airport, one of the busiest airports in the state. The project required over 100,000yd³ (75,500m³) of concrete.



RINKER MATERIALS REVIEW OF OPERATIONS CONTINUED

The plants will incorporate state-of-the-art manufacturing techniques to ensure a high-quality product and production process, while at the same time reducing costs. They are all scheduled for operation by December 2004.

BUSINESS STRATEGY

Rinker Materials aims to generate returns in the top quartile of industry peers, and ahead of its cost of capital throughout the construction cycle. Strategies to achieve these goals include:

Achieving the number one or two market position in each market served

Rinker Materials believes that performance is enhanced by holding the number one or number two position by market share in all of the markets it serves. It has applied this strategy in most of its acquisitions. More than 90% of revenues are generated in markets where Rinker Materials has leading positions.

Overall cost leadership

Rinker Materials aims to be the lowest cost operator in its markets. A culture of continuous improvement operates through the benchmarking of performance – internally and externally – together with the implementation of operational improvement projects. The business has a track record of generating significant cost savings from operational improvement.

Continued growth through acquisitions

Rinker Materials has grown significantly in recent years through large regional and small, bolt-on acquisitions. The focus is generally on states where population growth is above the national average and on the acquisition of quarry operations in new regions, although we are comfortable with integrated operations (including concrete, cement and asphalt).

Expanding the base business

Expanding the base business is the most cost-effective and least risky form of growth. Strong pricing disciplines, high standards of customer service, continuous improvement in costs and efficiencies, and ongoing greenfields expansion enable Rinker Materials to continue growing and improving returns from existing operations.

RINKER MATERIALS

MILLIONS OF DOLLARS UNLESS STATED YEAR END 31 MARCH	US\$ 2004	US\$ 2003	US\$ 2002	US\$ 2001*	A\$ 2004	A\$ 2003	A\$ 2002	A\$ 2001*
TRADING REVENUE								
Aggregates	803	626	489	405	1,158	1,109	957	737
Cement	377	327	312	287	543	579	610	524
Concrete, block, asphalt	1,365	1,010	771	705	1,969	1,783	1,507	1,280
Concrete pipe and products	421	437	484	411	612	777	947	748
Other	411	397	402	474	592	704	787	859
Eliminations	(509)	(414)	(354)	(307)	(734)	(734)	(693)	(558)
Rinker Materials	2,868	2,383	2,104	1,974	4,139	4,218	4,116	3,590
EBITDA								
Aggregates	207.7	163.3	138.0	111.0	300.8	290.0	270.2	203.4
Cement	116.9	107.5	96.8	87.5	168.4	190.1	189.3	160.5
Concrete, block, asphalt	170.5	128.2	91.4	76.9	244.7	226.0	178.9	139.5
Concrete pipe and products	85.1	92.5	108.4	93.3	124.7	164.9	212.4	169.5
Other	10.4	22.4	24.5	49.7	15.6	39.3	47.3	89.2
Rinker Materials	590.6	513.9	459.1	418.3	854.2	910.3	898.1	762.1
EBIT								
Aggregates	138.2	104.0	89.5	69.7	200.9	185.4	175.0	127.5
Cement	95.5	86.8	76.7	70.9	137.6	153.5	150.1	129.6
Concrete, block, asphalt	116.4	85.8	63.3	51.2	166.9	151.3	123.7	92.7
Concrete pipe and products	53.1	60.1	78.4	68.3	78.6	107.6	153.8	124.1
Other	(11.4)	(3.1)	(1.8)	23.6	(16.0)	(5.8)	(4.1)	41.6
Rinker Materials	391.8	333.6	306.1	283.6	568.0	592.0	598.5	515.5
Net profit before finance	247.0	200.9	186.7	173.2	357.7	356.6	365.0	315.1
Funds employed at 31 March	2,186	2,298	1,897	1,897	2,895	3,827	3,592	3,865
Profit margin (EBIT:trading revenue) [%]	13.7	14.0	14.5	14.4	13.7	14.0	14.5	14.4
Capital investment	149.8	650.9	220.1	890.3	212.7	1,187.0	433.2	1,537.2
Number of people employed	10,695	10,700	8,667	8,591	10,695	10,700	8,667	8,591
Number of operating plants	351	362	256	250	351	362	256	250
RESERVES PROVED AND PROBABLE								
Limestone/hard rock/ sand and gravel	2,965				2,674			

* Before significant items during the year ended 31 March 2001

A safe workplace

Good safety performance is an integral part of good business performance. Rinker Materials is focused on improving the safety of its business workplaces in the interests of all stakeholders.

High performance culture

Rinker Materials continues to enhance the high performance culture within the organisation. Quarterly reviews are held with each of the 48 business managers. The focus is on delivering stretch goals based on economic profit. Rinker Materials' Foundations of Business Success course provides training on effectively managing a business and delivering high performance. The course covers finance, leadership, operations, people development, safety, sales and marketing, and strategy.

OUTLOOK

Construction activity overall is expected to increase slightly, with nonresidential/commercial activity showing signs of recovery and infrastructure spending generally remaining strong. Residential construction is forecast to flatten but low interest rates are expected to sustain activity at high levels. The outlook for Florida, Arizona and Nevada is similar, with the strong activity levels of last year expected to continue.

Overall, barring any unforeseen major impacts, we expect continuing growth in Rinker Materials' EBIT in US\$ this year.