

## DIRECTORS' STATUTORY REPORT

The directors of Rinker Group Limited (Rinker) present their report on the consolidated entity consisting of Rinker Group Limited and the entities it controlled at the end of, or during, the year ended 31 March 2004 (the Rinker group).

### REVIEW OF OPERATIONS AND RESULTS

#### Unaudited Pro Forma Financial Information

Following Rinker's demerger from CSR Limited (CSR) on 28 March 2003, the year ended 31 March 2004 represents Rinker's first full year as a separately listed company. The results for the year ended 31 March 2004 represent the actual results of the Rinker group for the period. Prior to Rinker's demerger from CSR on 28 March 2003, a number of businesses were transferred between the Rinker group and CSR during the year ended 31 March 2003. The results of the Rinker group as a statutory entity during the prior comparative period, the year ended 31 March 2003, do not reflect the businesses that comprised the Rinker group on demerger.

Although the Consolidated Statement of Financial Performance and Consolidated Statement of Cash Flows shown for the year ended 31 March 2003 reflect the entire year's results of Rinker's principal US subsidiary, Rinker Materials Corporation (Rinker Materials), they contain only partial results of the Australian Readymix business and, furthermore, contain partial results of certain businesses now owned by CSR.

Accordingly, unaudited pro forma financial information has been prepared for the prior comparative period. The directors believe that it is meaningful for readers of the Directors' Report to focus on the actual financial statements and notes thereto for year ended 31 March 2004 and, for comparison purposes, on the unaudited pro forma financial information for the year ended 31 March 2003. Comparisons in this Directors' Report with the prior period are based on unaudited pro forma financial information for the year ended 31 March 2003. The unaudited pro forma financial information has been included at pages 50 to 59, together with an explanation of the basis of preparation of that information.

A review of the Rinker group's operations and the results for the financial year to 31 March 2004 is set out on pages 4 to 19.

#### SIGNIFICANT CHANGES

There were no significant changes in Rinker's state of affairs during the year.

#### PRINCIPAL ACTIVITIES

The principal activities of entities in the Rinker group during the year were the manufacture and supply of heavy building materials, with operations in the United States (Rinker Materials) and Australia and China (Readymix). There were no significant changes in the nature of those activities during the year.

#### EVENTS AFTER BALANCE DATE

No material matters or circumstances have arisen since the end of the financial year.

#### LIKELY DEVELOPMENTS

Likely developments in the operations of Rinker in the future and the expected results are referred to on pages 5, 7, 11, 15 and 17.

This report omits information about likely developments and expected future results that would unreasonably prejudice the Rinker group.

Developments which have arisen by the time of the annual general meeting on 20 July 2004 will be reported to the meeting.

#### ENVIRONMENTAL PERFORMANCE

Details of Rinker's performance in relation to environmental regulation are set out on page 21.

#### DIVIDENDS

An interim dividend for the year ended 31 March 2004 of six cents per ordinary share, (Australian dollars), fully franked, was paid on 15 December 2003. Rinker declared a final dividend for the year ended 31 March 2004 of eight cents per ordinary share (Australian dollars), fully franked, on 25 May 2004. The final dividend will be paid on 2 July 2004. Dividends paid and declared during the year are recorded in note 4 to the Concise Financial Statements on page 48.

### DIRECTORS, DIRECTORS' MEETINGS AND DIRECTORS' SHAREHOLDINGS

The names of the directors who held office between 1 April 2003 and the date of this report and details about current directors' qualifications, age, experience and special responsibilities are on pages 22 and 23. Details about meetings of the board of directors and of board committees, including attendance, and directors' interests in Rinker Group Limited shares, are on pages 27 and 28. No company in the Rinker group made available to any director any interest in a registered scheme.

### OPTIONS OVER SHARE CAPITAL

No options exist over unissued shares in Rinker and no Rinker shares have been issued as a result of the exercise of options (whether to directors, executive officers or otherwise).

### REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

A remuneration report is set out on pages 33 to 39. That report includes a discussion of board policy for determining the remuneration of directors and senior executives, the link between that policy and the Rinker group's performance, and details of the remuneration of each director and each member of the senior executive management team.

### INDEMNITIES AND INSURANCE

No indemnities were given or insurance premiums paid for current or former officers or auditors during the year.

To the extent permitted by law, Rinker's constitution requires that Rinker indemnify, on a full indemnity basis, each current and former director, secretary and executive officer of Rinker against all losses, liabilities, costs, charges and expenses incurred by them in their capacity as an officer of Rinker or of a subsidiary. Rinker's directors have each entered into a deed with the company in similar terms. The indemnity under Rinker's constitution also extends to such other officers or former officers of Rinker or its subsidiaries as the directors in each case determine.


### PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the company, nor has any application been made in respect of the company under Section 237 of the Corporations Act 2001.

The directors' statutory report is signed in accordance with a resolution of directors of Rinker Group Limited.



John Morschel  
CHAIRMAN



David Clarke  
CHIEF EXECUTIVE  
25 May 2004