



# report on agm 2001

CSR LIMITED ABN 90 000 001 276

**CSR**<sup>TM</sup>

CSR held its annual general meeting at the Convention Centre, Darling Harbour, Sydney, on 19 July 2001.

This report on the meeting has been sent to those shareholders who requested a copy by returning a form distributed with the final dividend payment on 5 July 2001. The report is also available on CSR's internet site [www.csr.com.au](http://www.csr.com.au)

# Chairman John Morschel's address to the annual general meeting



## THE 12 MONTHS ENDED MARCH 2001 WAS THE SECOND CONSECUTIVE YEAR OF RECORD PROFIT FOR CSR.

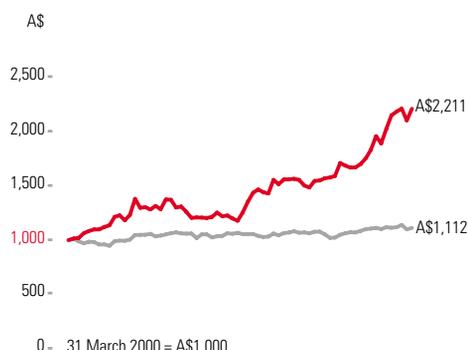
Earnings before interest and tax, EBIT, rose 15% to A\$923 million. Profit after tax, but before abnormal items, was up 7% to A\$505 million. Our profit margin, that is, EBIT to sales, rose from 12.5% to 14.4%.

Operating cash flow was again over a billion dollars, and earnings per share rose 11% to 50.3 cents.

Profit after tax and abnormal items of A\$634 million included an abnormal profit of A\$129 million.

The abnormal gain resulted from the profit we made in January, when we sold our bauxite and alumina interests. This was partly offset by the write down of some assets – mainly in Asia – and an increase in the asbestos provision.

Net debt rose to A\$2.1 billion, reflecting further investment in CSR America, Inc. and the low



### CSR AND ASX ALL ORDINARIES ACCUMULATION INDEX

31 March 2000 – 13 July 2001

— CSR Limited — ASX All Ordinaries

Australian dollar at year end. Interest cover was very strong at 6.8 times, which gives CSR a lot of financial flexibility.

Our US subsidiary, CSR America, Inc., did particularly well – as did the Building Materials and Aluminium businesses in Australia. This offset a weaker performance from sugar and construction materials.

**RETURNS TO SHAREHOLDERS** Dividends for the year remained a total of 23 cents per share, and franking of the final dividend was lifted to 40%.

Unfranked dividends are not a tax effective way of distributing wealth to shareholders. The board has therefore decided to focus more on share price growth until we are able to fully frank dividends.

The share buyback has been used to increase earnings per share, and this, combined with improved operating results and a clear strategy, has resulted in a significant increase in the share price. We invested A\$402 million in buying back CSR shares during the year – 89 million, or 8.6%, of the company's shares were purchased on market, at an average price of A\$4.52.

Last month we commenced a second buyback of up to 10% of the company's shares.

CSR's share price rose from A\$3.46 at 31 March 2000 to A\$5.21 at 31 March this year, an increase of more than 50% for the year.

Total shareholder return for the year – that is, dividends plus share price appreciation – was 59.2%. And I am delighted to report that the share price has continued to rise since March, closing at A\$6.96 yesterday (18 July 2001).

The graph below left shows how CSR shareholders have fared compared to the All Ordinaries Accumulation index for the 15 months or so since 31 March 2000. As of last Friday, 13 July 2001, a A\$1,000 investment in CSR shares would have grown to A\$2,211 – compared to A\$1,112 if the \$1,000 had been invested in the All Ordinaries index.

The challenge, of course, is to keep the momentum going. Our shares are still rated lower than our global peers in the building materials sector. In the US, CSR America's operating performance is on a par with or better than most of our competitors. Yet our price/earnings ratio – that is, the price of our shares expressed as a multiple of earnings – is considerably lower than these same competitors.

So we still have a way to go.

**FOCUS ON BUILDING MATERIALS** Our strategy is to transform CSR from a conglomerate into a focused, high performing, international building materials group – growing strongly, mainly in the United States.

Since 1998, we have sold 22 businesses, for a total of around A\$1.5 billion – while CSR America has reinvested a similar amount, in 21 new businesses.

The board is pleased with the progress and is committed to growing the group strongly – while at the same time ensuring we continue to create shareholder value.

**BOARD OF DIRECTORS** There have been a several changes to the CSR board in the past year.

Our former chairman, Ian Burgess, retired in May after completing 50 years of service with CSR. He joined CSR in 1951 as a 19-year-old cadet and progressed quickly. Ian worked in the sugar mills in Queensland and Fiji, became deputy general manager of the Sugar division, and in 1982, was appointed general manager of CSR's Building Materials division. In 1987, he was appointed chief executive. Ten years later, Ian became chairman of the CSR board.

Under Ian's guidance the CSR Group, through CSR America, began investing in the USA. This decision is testament to his strategic skills.

His knowledge of CSR and his wise counsel will be missed by both the board and CSR management.

I would like to thank Ian for his enormous contribution to CSR and wish him and his wife, Barbara, a very long, happy and healthy retirement.

I would also like to thank the other directors who retired during the year:

- Charles Goode retired in March 2000 after eight years as a director
- Allan Moss also retired in March, after four years service, and
- David Voss retired in July 2000 after 27 years service.

All made outstanding contributions to the revitalisation of CSR, and we will miss their strategic input.

You will see from the notice of meeting that Rob McLean is not standing for re-election today. Rob is currently living in the UK and his extensive commitments there mean he cannot devote the time to his board position at CSR. Rob has also provided much valued strategic guidance during his three years as a director.

Your new directors are:

- John Wylie – one of Australia's most respected investment bankers
- John Arthur – a senior commercial lawyer and partner at Freehills
- John Ballard – a director of Woolworths and Wattyl, with strong manufacturing experience.

We are fortunate to have them as directors.

The board and the CSR management team, ably led by Peter Kirby, have worked well together over the past 12 months. The company's performance over that period has been very satisfactory.

**STRATEGY** Our mission to become an international construction and building material group, is now within our grasp – with separation of the Sugar and Aluminium divisions being the last major hurdles in the group's rationalisation.

We are currently discussing the sale of Sugar with several interested parties. But we are determined to sell only when we can obtain fair value.

As we near completion of the rationalisation process, the question of the company's domicile inevitably raises its head. CSR is a proud Australian company, and I know that both board and management would like it to remain headquartered and listed in Australia.

It is imperative however, that we remain focused on creating value for our shareholders. This will drive the decision in regard to CSR's future domicile.

The group's operating performance has continued to improve overall. Although recent acquisitions in the US have yet to reach their full potential, they are starting to contribute well.

It is also most gratifying to report that CSR's safety record has improved. Total recordable injuries were down 37% last year.

I would like to thank Peter Kirby and all members of the CSR team for delivering such a strong result last year.

**OUTLOOK** While there is still a lot to do, we are optimistic about CSR's future.

The first quarter of the current year (which commenced 1 April) was pretty much in line with our internal forecasts.

The outlook for the full year is at this time quite positive. By far our biggest contributor is CSR America, and it continues to perform strongly. US housing construction has not experienced the expected slowdown, and the US\$216 billion federal infrastructure program is well under way in a number of areas – including Florida, where more than half of CSR America's operations are located.

In the current year, CSR America will receive a full year's profit from the new acquisitions, Florida Crushed Stone and American Limestone.

Although currency markets are difficult to predict, the current Australian/US exchange rate is encouraging for us.

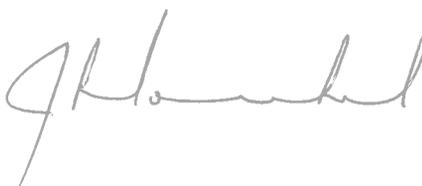
In Australia, the sugarcane harvest is now well under way. We expect an improved crop and increased prices to lift sugar earnings well above last year's result.

All this is somewhat counterbalanced by the Australian building and construction materials markets, which are very tough. Housing starts are down 30% from this time last year, but current indications are that markets will improve later in the year. The 26% lift in housing approvals in May is encouraging. And there are signs that infrastructure spending will increase towards the end of the year.

In summary, a positive, but still somewhat cautious, outlook.

Peter Kirby will now give you further details about CSR's operating performance and what we expect this year.

**JOHN MORSCHER, CHAIRMAN**



# Managing director Peter Kirby's message



LAST FINANCIAL YEAR, WE MADE FURTHER GOOD PROGRESS IN OUR MISSION TO TRANSFORM CSR FROM A POORLY PERFORMING, CONGLOMERATE INTO A FOCUSED, INTERNATIONAL BUILDING MATERIALS GROUP – WITH A SUSTAINABLE GROWTH STRATEGY AND AN IMPROVING EARNINGS STREAM.

Just over three years ago, the CSR Group had 38 separate business units – 22 of them have been sold for A\$1.5 billion. This in turn was reinvested in CSR America, Inc., which made 21 acquisitions, all in the US.

International building materials now accounts for 76% of CSR's group earnings before interest and tax (EBIT) and is growing. CSR America represents 56%, up from 18% in 1995.

By growing simultaneously while we progress the divestments, we have worked hard to ensure our shareholders are less exposed to dramatic swings in profitability. We have also lessened our dependence on the highly cyclical Australian building materials sector.

Following this strategy CSR has achieved record profits in each of the past two years with EBIT increasing by 15% to A\$923 million in the year ended March 2001.

**CSR America, Inc.** Last year, our US subsidiary, CSR America, did extremely well, with EBIT up 35% in US dollars, and 57% in Australian dollars.

The importance of CSR America to the CSR Group's overall results is absolutely critical – delivering 56% of Group EBIT last year.

All of CSR America's businesses improved their profit. Quarries and cement did particularly well, with EBIT up 54% in US dollars. The concrete pipe business, which operates across 30 states, suffered from a very severe winter, which meant pipes could not be laid. EBIT still rose 13%, mainly due to acquisitions. Half of CSR America's profit increase came from new acquisitions during the year, and half from improvements in the core business.

**Construction Materials** in Australia had a poor result, particularly in the second half of last year. Full year profits fell 56% from the previous year. This was largely due to the simultaneous downturn in all four sectors of the economy.

The introduction of the Goods and Services Tax in June 2000 hit hard between June and March this year. Housing was hit hardest, down 38%. This affected Construction Materials in various ways.

First, the Humes concrete pipe business suffered from the combined impact of slowing subdivision work and a sharp decline in commercial work.

Second, Readymix® concrete volumes dropped sharply, particularly in Sydney after the Olympics. This hit the industry as a whole, not just CSR.

I am pleased to say that we have seen a turnaround in performance over the past three months as external markets have improved quite strongly since March.

**Building Materials** in Australia fared well given the massive fall in housing. Like Construction Materials, Building Materials had a year of two different halves. The first half year was strong, driven by pre-GST activity. The second half was very weak, as house starts plunged more than 40%.

Starts have been running at about 115,000 a year – the same level as at the bottom of the previous downturn. This is well under the sustainable level of Australian housing replacement of about 145,000 a year.

Despite the fall in housing, Building Materials' profit this year (to March 2002) is not expected to decline to anywhere near the levels we saw in 1997. And, unlike the previous downturn, prices have not collapsed.

**Asia** Our Asian businesses across Construction Materials and Building Materials almost broke even and so far this year they are trading profitably. Insulation in particular is doing well.

**CSR Sugar** had its worst year in living memory due to record rainfall and crop disease, which reduced sugarcane volumes by around 25%. Prices were also very low.

The sugarcane milling season has now commenced and we expect to deliver a massive improvement on last year's profit result – although it will take another year for the crop to fully recover.

**Aluminium** Our aluminium business did well. This was the last year of profits from the bauxite and alumina business, which was sold in January 2001. We continue to hold our Gove Aluminium Finance investment in the Tomago smelter, for the time being.

The CSR share of production this year and next has been hedged, and we expect to derive around A\$110-115 million in EBIT from that.

So, overall, CSR Limited's performance last year was good – with strong performance from CSR America, Aluminium and Building Materials outweighing the poor results in (Australian) Construction Materials and Sugar. Having a strong US dollar earnings stream also helped enormously.

Everyone across the CSR Group worked extremely hard to deliver both the good financial results and also a step change in our safety,

occupational health and environmental performance.

I would like to thank the CSR Group's people for their consistent efforts and dedication. And I would especially like to recognise the team at CSR America, who performed extremely well – not only in making sure the acquisitions were bedded down satisfactorily, but also in lifting the performance of their existing business.

**STRATEGY** Now let us focus on strategy and the six value levers which we have had to pull simultaneously:

**Performance improvement** Improving the performance of every business unit is a very important part of our strategy to build shareholder value. It has also meant reducing costs across the group. We have saved around A\$100 million a year since 1998, and expect to do so again this year.

**Financial restructuring** includes the buybacks of CSR shares and our focus on improving return on equity.

**Industry restructuring** has been necessary in some cases to rationalise poor performing assets and reduce industry over capacity.

**Business portfolio restructuring** As the chairman, John Morschel, indicated, we are on the last lap of our restructuring the CSR Group's portfolio of businesses, with only Sugar and Aluminium to go.

Sugar is a great business, with good cash flows, but in the longer term it does not fit as part of a focused international building materials group. Last year, we started a process to separate Sugar in order to complete it ahead of a major demerger tax change that was to apply from this month. Fortunately the government did not proceed with it.

Last year was not the ideal time to divest Sugar with its profit being at the lowest level in living memory. Despite this, we had a number of parties interested in buying the total business or parts of it. Discussions are continuing on a number of fronts to separate the business. This includes the possibility of spinning it off to shareholders.

As has been our priority in all our restructuring work, the focus is on delivering value to shareholders rather than on corporate tidiness.

In the meantime, shareholders will benefit from the increasing profits from Sugar. Sugar has been part of CSR for nearly 150 years and we are not separating it lightly.

Our Aluminium investment will be sold when we are confident that it is in the best interests of shareholders.

**Corporate organisation** Each business is being split into individual geographic cells, centred on customer product markets. Each cell manager is

encouraged to run his or her business as their own – with high levels of autonomy, clear financial transparency, aggressive targets and unremitting accountability.

Our people are highly motivated, with significant incentives for success. This high performance system is working extremely well in the US. It is now being extended throughout Australia.

**Growth** All of the investment has been in CSR America, because the markets in the US are fragmented, the acquisition opportunities are value adding and there is significant market growth.

Our focus is heavy building materials, particularly aggregates, and concrete pipe and products. You can't economically transport these products far, so you are not affected by national over capacity. And prices, especially of aggregates, have continued to increase for decades. Quarries are a scarce resource and are becoming scarcer because of tougher environmental laws and greater community pressure.

CSR America is focusing on the high population growth, sunbelt states. They have identified 10 growth nodes, which suit the criteria for expansion. CSR America targets to spend at least US\$200 million in bolt-on acquisitions each year. In addition, we periodically have the capacity for larger acquisitions, if the value is there.

There are still many opportunities for further growth. For example, CSR America is number one in concrete pipe in the US with over 20% of the national market. This business could be doubled in size. In aggregates, CSR America is number five in the US, producing 54 million US tons a year, and number three in pre-mixed concrete.

A whole pipeline of acquisition opportunities is being evaluated using dedicated acquisition teams. After purchase, the acquisitions are monitored quarterly in some detail to ensure they are delivering as promised.

In total, the acquisitions made since 1998 are performing to plan. In particular, the two major acquisitions have been successful. The largest acquisition, Florida Crushed Stone – an aggregates and cement business in central-west Florida, costing US\$348 million – is doing very well indeed. American Limestone, an aggregates and concrete business in Tennessee, is performing to target.

CSR America's business in the US is all about local markets and they are revising their marketing strategy accordingly. Market research shows the high customer recognition of regional company names. In Florida, their largest market, Rinker is a very long-standing and well-known brand. As a result, the US subsidiary will become Rinker Materials Corporation from later this year.

**OUTLOOK** The chairman has already commented quite extensively on CSR's outlook for the current year.

The most important issue for us is the performance of CSR America, which contributes well over 50% of CSR's profit. While CSR America has operations in 31 states, by far the heaviest exposure is to Florida – an economy that (in Gross Domestic Product terms) is as large as the economy of Australia.

Florida has been one of the star performers in the US over the past decade, with economic growth rates consistently above the US average. In Florida, about one third of CSR America's profit comes from the housing sector, which continues to perform strongly. The balance comes from commercial building and civil engineering/infrastructure.

Housing approvals in the southern states were up 10% in May over the previous year. While US expenditure in the commercial sector is expected to be flat, infrastructure spending will remain strong – forecast to be up 13%.

In recent years, the federal government has mandated a number of major infrastructure programs, such as TEA-21 and AIR-21, which have significantly boosted spending, particularly in the faster growing regions of the US such as Florida. So to the extent that we do see a slowdown in housing spending in the US, we feel confident that infrastructure spending will help underpin the performance of CSR America.

The chairman commented that results in our (now finished) first quarter were satisfactory and pretty much where we expected them to be.

Based on the results we are seeing, we feel cautiously optimistic about the way CSR is tracking:

- CSR America continues to perform well with no fall off in activity levels being seen
- Current indications are that Australian building and construction activity is beginning to pick up from a poor second half last year, with a boom being expected in 2002-3
- Sugarcane harvesting is under way and the year ahead for Sugar will be much better than last year.

The main note of caution is that we are still only three months into the new year.

**IMPERATIVES** I want to share with you some of the challenges we have to meet this financial year.

Our share price has moved up nicely, but we are still not valued as highly as our global building materials peers – although in many cases, our operating performance is as good or better than theirs. CSR's price to earnings ratio has improved, but we still have a way to go.

Similarly, CSR's cash flow (measured by EBITDA – earnings before interest, depreciation and amortisation), compares well against our global peers.

In the US, Vulcan's EBITDA, for example, is less than ours, yet their market capitalisation is 1.6 times ours. And their enterprise value to EBITDA ratio is about 50% higher. Hanson is also significantly better rated.

So how do we convince the financial markets to lift our global rating?

- We must continue to perform strongly – outperforming our competitors.
- We need to complete the portfolio restructuring
- We must demonstrate growth – both organic and through value adding acquisitions.

We made good progress in the past year and our track record of performance is improving. There is a lot more value to be created in this 146 year old company.

PETER KIRBY, MANAGING DIRECTOR

# A summary of major issues raised at the annual general meeting

**SHAREHOLDERS ASKED FOR COMMENT ON THE IMPACT OF THE STATE OF THE US ECONOMY ON THE CSR GROUP'S EARNINGS, GIVEN THAT SO MUCH OF THE GROUP'S INCOME NOW COMES OUT OF THE US.**

The US is essentially a series of regional economies. CSR America, Inc. has operations in 31 states. Some of these economies are softening somewhat but economies in other states continue to grow. Florida – where CSR America has around 55% of its business – is one of the stronger states.

Also, the market segments into which CSR America sells its products vary. In the past year, the housing industry, commercial construction and infrastructure/civil construction each contributed about a third of CSR America's profit. Housing has been resilient and is still at high levels but may ease somewhat. Commercial construction right across the US is currently flat. However, the infrastructure market – particularly the streets and highways segment – is very strong. This sector is underwritten by federal and state government funding.

On balance, CSR America sees the outlook as flat, but still strong. This view of construction activity accords with that of leading US forecasters.

**CSR'S PAYOUT RATIO OF DIVIDEND TO PROFIT FELL THIS YEAR. AT THE MEETING IT WAS SUGGESTED THAT SHAREHOLDERS SHOULD BE REWARDED WITH A HIGHER PAYOUT OF PROFITS IN THE FORM OF INCREASED DIVIDENDS – DESPITE A LACK OF FRANKING CREDITS.**

CSR's dividend for the past year was held at 23 cents a share (although franking of the final dividend was increased to 40%). CSR is continuing to focus on improving the value of shareholders' investment in CSR, including the return on shareholder funds.

The CSR board believes that payment of unfranked dividends is not tax effective. Retention of earnings, investment in expanding the business and an improved performance should lead to an increase in the share price.

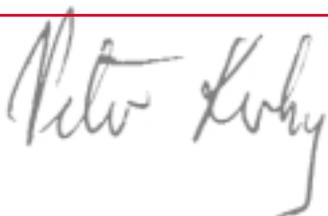
The board understands the desirability of paying the highest level of dividend possible to shareholders but, until we are able to fully frank dividends, has decided to focus more on share price growth. The board will keep the matter under consideration.

**WILL CSR BE ABLE TO PAY A DIVIDEND WITH HIGHER FRANKING THIS YEAR?**

CSR's franking credit position is difficult to forecast at this time. While the proportion of US earnings is increasing, we do not expect any reduction in franking credits for the short-term. Our franking position may improve over the longer term, but we do not expect to be in a position to fully frank dividends this year.

**ARE CSR SUGAR'S POOR RECENT RESULTS MAKING IT HARDER TO SELL, SPIN OFF OR FLOAT THE BUSINESS?**

Sugarcane output – like almost all agricultural commodities – is subject to the vagaries of weather, crop disease and pest invasion, which result in fluctuations in the throughput of our sugar milling business. Also, the Queensland sugar industry is a large exporter, and is subject to volatile international prices. CSR Sugar had an extremely



bad year in 2000, due to poor crop yields and very low international market prices. But, over time, the bad years are balanced by very good years, and the performance of Sugar over a long period of time shows that it is a good business.

We are separating Sugar from the rest of CSR's activities because of group strategy and focus, rather than any concern about the long-term viability of Sugar. We are looking to generate shareholder value. Whatever we do with CSR Sugar will be in the best interests of shareholders.

#### **CSR ANNOUNCED ON 18 DECEMBER 2000 THAT IT AND BORAL LTD WERE ENTERING INTO A JOINT VENTURE TO INVESTIGATE ESTABLISHING AN E-COMMERCE SERVICE FOR THE SUPPLY OF BUILDING MATERIALS. WHAT IS HAPPENING?**

The work is continuing. We are conducting detailed customer surveys to determine exactly what the market opportunities are, and how any such service should be structured. We have conducted a considerable number of interviews and run focus groups. We expect to learn the outcome of that market research soon.

#### **IN THE CONTEXT OF CRITICISMS OF AUDIT FIRMS IN THE CASE OF LOSSES BY SUCH COMPANIES AS HIH, ONE.TEL AND HARRIS SCARFE, QUESTIONS WERE ASKED AT THE AGM ABOUT NOTE 25 DEALING WITH AUDITORS' REMUNERATION IN THE FINANCIAL STATEMENTS OF CSR ANNUAL REPORT 2001.**

Deloitte Touche Tohmatsu have been the CSR Group's auditors for many years. The audit plan is agreed with the board audit committee each year and the results of that audit are reviewed by the committee each six months. Deloitte has a strong record in Australia and internationally.

As shown in note 25 to CSR's financial statements, A\$912,000 was paid for auditing *the chief entity*, mainly CSR in Australia. The A\$1,328,000 paid to *other auditors* was essentially to Deloitte in the US for auditing CSR America, Inc. and its subsidiaries. The payment to the auditors for *other services* of A\$784,000 – an increase of A\$572,000 (consolidated) – resulted

from our actuarial consultant, Trowbridge Consulting becoming part of Deloitte during the year. Hence payments to them were reported as non-audit fees.

We are reviewing information to be shown in future in this note to the financial statements about payments to auditors, to ensure the explanation to shareholders is informative.

#### **CSR'S DEBT AND GEARING ROSE SUBSTANTIALLY BECAUSE OF MAJOR USA ACQUISITIONS. IS THIS A CONCERN?**

The CSR Group has about 6.8 times cover on interest, so we are in a healthy financial position. The group raised most of the debt in the United States, in US\$, to fund the acquisitions there. We have a natural hedge as the US subsidiaries earn profits in US\$. At year end, when we convert the debt back into A\$ in our accounts, around A\$486 million of the increased debt was due to the low A\$ exchange rate at year end (49.1 US cents). This was more than compensated for by the conversion of the value of assets held in US\$ into A\$ in our accounts.

Gearing has increased (from 22.2% to 34.0%) but remains conservative.

CSR's credit rating is sound. Debt levels are manageable, debts can be paid as and when they fall due, and we can more than adequately cover the interest payments.

#### **THE MEETING APPROVED THE ISSUE OF ADDITIONAL OPTIONS TO THREE EXECUTIVE DIRECTORS UNDER THE SHAREHOLDER APPROVED CSR EXECUTIVE SHARE OPTION PLAN (ESOP). BEFORE DOING SO, THERE WAS DISCUSSION OF**

##### **A. THE EFFECTIVENESS OF ESOP AS AN INCENTIVE SCHEME**

##### **B. ANY EFFECT ON THE VALUE OF THE OPTIONS OF THE SHARE BUYBACK.**

A. The previous allocation of options to managing director, Peter Kirby; deputy managing director, Alec Brennan; and executive director finance, Jim Osborne, were set at modest levels which reflected the company's performance at the time and were modest by current standards. Performance has improved

and the objective is to ensure an appropriate level of incentive is sustained.

The options are issued at the prevailing stock market price (immediately before the issue date). They are not discounted and they have a clear performance hurdle which must be exceeded, otherwise they will lapse. Any reward for executives is therefore tied directly to rewards for shareholders.

Executives benefit only if they get the share price above the issue price of the options and pass the performance hurdle. That hurdle is an index referenced to more than 200 manufacturing, industrial and diversified companies, with a combined market capitalisation of more than A\$100 billion.

The CSR board's remuneration committee reviews rewards for senior executives, based on external advice, to ensure that we attract and retain a highly competent executive team to run the company. Across the senior executive group, CSR is paying between the median and the 75th percentile of similar companies.

B. The share buyback is used by CSR to increase shareholder returns. Executives, like all shareholders, would participate in some of the value that is generated.

## **Resolutions**

The annual general meeting passed the resolutions described in the notice of meeting:

#### **ORDINARY BUSINESS**

1. To receive and consider the financial and other reports
2. To elect directors:
  - a. Carolyn Hewson
  - b. John Arthur
  - c. John Ballard
  - d. John Wylie

**SPECIAL BUSINESS** Approval of executive directors' participation in the CSR Executive Share Option Plan.

# Information for shareholders

## **INQUIRIES ABOUT YOUR**

**SHAREHOLDING** Please contact our share registrar, BT Registries, if you have a question about your shareholding, dividends, share transfers or monthly holding statements.

Shareholders can access details about their shareholding and can download standard forms via the *Investor Online* service by clicking on 'Share Registry' on the CSR internet site page at [www.csr.com.au/investorcentre](http://www.csr.com.au/investorcentre)

**INQUIRIES ABOUT CSR** Call the Manager Investor Services or visit CSR's internet site.

**CHANGED YOUR ADDRESS?** If you change your address, please promptly notify the share registrar, BT Registries, in writing – quoting your shareholder number and your old address as security checks. Change of address advice forms can be downloaded from the internet using the *Investor Online* service. An acknowledgment of your change of address will be mailed to both your old address and to your new address.

**DIRECT DIVIDEND DEPOSIT INTO BANK ACCOUNTS** Dividends can be paid directly into a bank, building society or credit union account in Australia on the dividend payment date. Deposit details will be confirmed by an advice mailed to you on that date. Application forms are available from the share registrar, BT Registries, or can be downloaded from CSR's internet site.

If you subsequently change your bank account, please promptly notify the share registrar in writing, quoting your old bank account number as an added security check. An acknowledgment of your changed details will be mailed to you.

**DO WE HAVE YOUR TAX FILE NUMBER (TFN)?** All shareholders, including children, may choose to provide their tax file number (TFN), or details of any tax exemption, to the share registrar to avoid unnecessary tax deductions from any CSR

unfranked dividend payments. TFN forms are available from the share registrar, BT Registries, or can be downloaded from the internet using the *Investor Online* service.

It is not compulsory for shareholders to provide a TFN. But if they do not, CSR must deduct tax at the top marginal rate plus levies from the unfranked part of dividends paid. Australian shareholders living abroad should advise the share registrar of their resident status as limited exemptions to tax deduction may apply.

**CSR COMMUNICATIONS** Our internet site [www.csr.com.au](http://www.csr.com.au) offers shareholders publications, news releases and announcements to ASX, financial presentations, facts about CSR, and the company newsletter, *What's new*. It also offers information about the CSR Group's Australian range of building products.

CSR printed communications for shareholders include the *Annual Report* and also the *Results Summary*, which reports on the half year to September and is mailed with the interim dividend in December.

**COMBINING MULTIPLE SHAREHOLDINGS** If you have multiple shareholding accounts that you want to consolidate into a single account, please advise our share registrar, in writing.

## **SHAREHOLDERS' TIMETABLE\***

### 2001

30 September	CSR half year end
20 November	Half year profit and interim dividend announced
26 November	Shares begin trading ex dividend
30 November	Record date for determining shareholders' entitlement to interim dividend payment
17 December	Interim dividend paid
	Half year <i>Results Summary</i> released

### 2002

31 March	CSR year end
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\* Timing of events can be subject to change.

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## **SHARE REGISTRY INQUIRIES**

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