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ABN 90 000 001 276

14 November 2012

This document represents information provided pursuant to Listing Rule 4.2A of the Australian Securities Exchange. The information should be read in conjunction with CSR's most recent annual financial report, including the Financial Report for the year ended 31 March 2012.

CSR Limited ABN 90 000 001 276 - Appendix 4D

Results for the six months ended 30 September 2012

Results for announcement to the market

(All comparisons are to the half year ended 30 September 2011)

CSR announces net profit (pre significant items)[1] for the half year of $20.4 million in challenging market conditions

Statutory net profit of $17.5 million

- Trading revenue of $859.8 million down 8.2% from the previous corresponding period following a further deterioration in market conditions:
  - Australian residential construction activity down 15%; Commercial construction down 6%
  - Aluminium prices down 19% in Australian dollar terms
- EBITDA[1] (earnings before interest, tax, depreciation and amortisation) of $84.9 million down 38.0%
- EBIT[1] of $40.4 million down 56.5%
  - Building Products (excluding Viridian) performed ahead of underlying market activity with EBIT down 11.8%
  - No significant Property sales were recognised during the period due to the timing of transactions
- Net profit[1] of $20.4 million down 59.7%
- Statutory net profit attributable to shareholders of $17.5 million down 49.9%
- Earnings per share[1] 4.0 cents – down from 10.0 cents
- Interim unfranked dividend of 3 cents to be paid on 18 December 2012 represents a dividend payout ratio of 75% of net profit[1]
- Strong financial position maintained with net debt increasing to $45.5 million due to delayed timing of cash inflows during the period – Standard & Poor's BBB+ credit rating (outlook stable)
- Continued weakness in underlying construction markets expected for the remainder of the current financial year. Early indications of modest improvement in residential construction activity should benefit CSR in its next financial year
- Increased aluminium hedge book following recent improvement in aluminium price with 80% of net aluminium exposure hedged for the second half of the year at A$2,267 per tonne, before premiums
- Property EBIT expected to be stronger in the second half following settlement of a series of transactions

1 EBITDA, EBIT and net profit are all pre significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the six months ended 30 September 2012.

	30 Sep 2012	30 Sep 2011
Net tangible assets per share	$2.27	$2.32

Record date for determining entitlements to interim dividend	26 November 2012
Dividend payment date	18 December 2012

Financial results summary

Half year ended 30 September [A$ million unless stated]	2012	2011	change
Trading revenue	**859.8**	937.0	(8.2%)
EBITDA [1]	**84.9**	136.9	(38.0%)
EBIT [1]			
Building Products (ex Viridian)	**43.4**	49.2	(11.8%)
Viridian	**(11.7)**	(6.9)	(69.6%)
Aluminium	**18.3**	43.0	(57.4%)
Property	**0.1**	17.8	(99.4%)
Corporate costs	**(7.6)**	(7.8)	2.6%
Restructure and provisions	**(2.1)**	(2.5)	16.0%
Total EBIT [1]	**40.4**	92.8	(56.5%)
Net finance cost	**(11.1)**	(10.0)	(11.0%)
Tax expense	**(4.6)**	(23.4)	80.3%
Non-controlling interests	**(4.3)**	(8.8)	51.1%
Net profit after tax [1]	**20.4**	50.6	(59.7%)
Significant items [2]	**(2.9)**	(15.7)	81.5%
Statutory net profit after tax attributable to shareholders	**17.5**	34.9	(49.9%)
Earnings per share[1] [cents]	**4.0**	10.0	(60.0%)
Earnings per share (after significant items) [cents]	**3.5**	6.9	(49.3%)

1 EBITDA, EBIT and net profit are all pre significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the six months ended 30 September 2012.

2 Details of the significant items can be found on page 21 of the half yearly report.

Overview

CSR Limited ("CSR") today reported a net profit after tax (pre significant items) of $20.4 million, for the six months ended 30 September 2012. EBITDA of $84.9m was down 38% on the previous corresponding period reflecting ongoing weakness in construction and aluminium markets. The timing of Property transactions also impacted earnings comparisons, with a series of transactions expected to complete in the second half of this year.

Managing Director Rob Sindel said, "The key external drivers that impact CSR's profitability were all materially worse this period, driven primarily by weakening global economic conditions and the flow-on effect to aluminium prices as well as local construction activity.

"CSR's businesses have responded positively and, in many cases, we have outperformed the market. We are pleased with the performance of Building Products, however, we clearly have more work to do in Viridian glass.

"The restructuring programs in Building Products and Viridian launched last year have also helped to preserve our underlying profitability by reducing overhead costs, aligning production to demand and improving operational efficiency. We have also achieved significant improvement in costs at the Tomago smelter.

"We continue to invest some of these cost savings into developing new products and services, improving customer service, expanding distribution channels and investing in our people to ensure that we do not compromise our position when markets recover.

"The outlook for housing construction is improving with eight months of growth in finance approvals combined with the lowest interest rates for some time pointing to a modest recovery in housing construction next financial year – particularly in New South Wales, Victoria and Western Australia.

"The aluminium price was also higher during September enabling a significant amount of hedging to be undertaken to lock-in prices for the majority of production for the remainder of the year," Mr Sindel said.

Financial review

Net profit after tax (pre significant items) was $20.4 million compared to $50.6 million for the previous half year period. The lower half on half profitability is primarily driven by the performance in Aluminium and Property both having much stronger starts to last year.

Statutory net profit after tax was $17.5 million, which included a significant item charge of $2.9 million post tax ($5.2 million pre-tax and non-controlling interests) related to restructuring costs in Building Products and in CSR's joint venture in aluminium at the Tomago smelter. This compares to statutory net profit of $34.9 million for the previous half year which included significant items of $15.7 million ($22.4 million pre-tax) for restructuring costs and a charge to maintain the product liability provision.

Net finance costs of $11.1 million were broadly in line with last year of $10.0 million, and included an ongoing charge to restate CSR's discounted product liability provision to nominal dollars and costs to maintain banking facilities.

Tax expense of $4.6 million (pre significant items) was down from $23.4 million due to the reduction in earnings as well as tax deductions for research and development (R&D) expenditure. These levels of R&D tax deductions will continue for the full year with CSR's effective tax rate forecasted to be in the order of 16% to 20% for the full year.

CSR ended the period with net debt of $45.5 million compared to a net cash position of $55.7 million at 31 March 2012, reflecting lower earnings and the timing of Property cash flows. In addition, an aluminium shipment was unexpectedly delayed at the end of the period, resulting in $25.8 million of cash received at the beginning of October.

CSR's recent major capital expenditure program is now largely completed with the commissioning of the new jumbo glass laminating line at Dandenong in Melbourne expected in the fourth quarter of this financial year. Total capital expenditure (excluding Property) was $20.9 million during the period, down from $51.2 million last year, excluding acquisitions. Of this total, $14.1 million was for stay-in-business capital projects and $6.8 million was development related capital expenditure.

Total capital expenditure (excluding Property) for the full year is expected to be in the order of $60 million, representing 70% of depreciation and a decline of around $28 million on the prior year (excluding acquisitions).

CSR continued to invest in its Property business, specifically at the Brendale, Erskine Park and Chirnside developments resulting in a net cash outflow of $15.2 million for the period. This included $4.0 million in proceeds received during the period.

Standard and Poor's confirmed CSR's long term corporate credit rating BBB+ with the outlook stable in August 2012.

CSR reaffirms its dividend policy to pay out as dividends 60-80% of full year net profit after tax (pre significant items). Accordingly, the Company has resolved to pay an unfranked interim dividend of 3 cents per share on 18 December 2012, representing a payout ratio of 75% of net profit after tax (pre significant items).

The Company's dividend reinvestment plan (DRP) will operate for the interim dividend payable on 18 December 2012. The last date for receipt of the election notice for participation in the DRP is 23 November 2012, being the business day before the dividend record date of 26 November 2012. For the interim dividend, shares will be acquired on-market and transferred to participants to satisfy any shares to be issued under the DRP.

DRP shares will be allocated at the arithmetic average of the daily volume weighted average market prices of shares in CSR sold on ASX's trading platform (including the closing single price auction but excluding all off-market trades) ("VWAP") on each day over a period of 10 trading days commencing on the second trading day after the dividend record date. No discount will apply to shares issued under the DRP. For further details of the DRP please refer to the DRP Terms and Conditions available on CSR's website (www.csr.com.au).

Product Liability

For the six months ended 30 September 2012, CSR paid asbestos related claims of $18.0 million which was down 17.1% from $21.7 million.

CSR includes in its financial statements a product liability provision covering all known asbestos-related claims and reasonably foreseeable future claims. This provision is reviewed every six months based on independent expert advice in relation to the future incidence and value of asbestos related claims in the United States and Australia.

The provision also includes a prudential margin above the aggregate of the central estimate of CSR's total future asbestos liabilities. The prudential margin is determined by CSR directors, having regard to the prevailing litigation environment, any material uncertainties that may affect future liabilities and consideration of the long term Australian dollar to United States dollar exchange rate.

As at 30 September 2012, the product liability provision was $432.2 million compared to $441.7 million at 31 March 2012. This provision includes a prudential margin of $78.6 million or 22.2% above the central estimate of future liabilities.

Building Products market overview

Half year ended 30 September	2012	2011	change
Australia			
Detached housing (6 month starts – 000s)[1]	**39.8**	44.7	(11.2%)
Other residential (6 month starts – 000s)[1]	**24.3**	30.4	(20.1%)
Total dwellings (6 month starts – 000s)[1]	**64.0**	75.1	(14.8%)
Non-residential construction activity (A$B)[2]	**$15.6**	$16.6	(6.1%)
Alterations & additions (A$B)[2]	**$3.5**	$3.7	(4.1%)
New Zealand residential consents[3]	**7.6**	6.5	16.8%

1 *Source ABS data – (one quarter lag – six months to June)*
2 *Source ABS (value of work done – six months to June)*
3 *Source Statistics New Zealand - (residential consents 2 quarter lag - six months to March)*

It is well known that construction markets in Australia were significantly weaker than the previous half year. Australian residential dwelling commencements declined by 14.8% on a one quarter lag basis, including multi-residential activity which declined by 20.1% on the previous comparable period. Commercial construction activity was down 6.1% with further weakness in the retail and office markets offset by activity in the hospital sector.

It is pleasing to see improvements in New Zealand, where residential consents (two quarter lag) were up 16.8% as the Auckland market continues to improve.

Building Products results

Half year ended 30 September [A$ million unless stated] Pre significant items	2012	2011	Change
Trading revenue	**502.3**	518.6	(3.1%)
EBITDA	**61.2**	67.3	(9.1%)
EBIT	**43.4**	49.2	(11.8%)
Funds employed[1]	**782.1**	796.8	(1.8%)
EBIT/trading revenue	**8.6%**	9.5%	

1 *Excludes cash and tax balances*

In this challenging environment, Building Products trading revenue was $502.3 million, down 3.1%. EBIT declined by 11.8% to $43.4 million. On a like-for-like basis (excluding acquisitions and divestments), EBIT was down 9.2% as lower sales activity could only be partially offset by restructuring initiatives completed over the last twelve months.

Lightweight Systems

The **Lightweight Systems** division includes Gyprock™ plasterboard, Cemintel™ fibre cement, Ceilector™ commercial ceiling solutions, Hebel® lightweight concrete products, Bradford™ insulation and the Edmonds™ ventilation systems business.

Lightweight Systems trading revenue for the six months to September was $363.6 million down 5.0% from $382.8 million.

Gyprock maintained its market-leading brand position through its strong national service offering, integrated multi-channel strategy and new product development. Earnings in **Cemintel** were in the line with the previous year as the business made further inroads in production efficiencies and increased contribution from new products such as the Designer Series™ innovative external cladding product range.

Hebel, CSR's autoclaved aerated concrete business, continued to increase earnings as it gains traction in civil infrastructure segments. Revenue this period includes upgrades to the M2 and M5 motorways in Sydney.

Trading conditions remain particularly challenging for **Bradford** insulation. Both revenue and earnings were lower year on year, reflecting weak demand and pricing and the ongoing strength of the Australian dollar.

Bricks and Roofing

The **Bricks and Roofing** division includes the PGH™ bricks, and Monier™, MonierPrime™ and Wunderlich™ roofing businesses.

While the key market of detached housing declined by 11% for the six months to September, trading revenue increased by 2.1% to $138.7 million due to improved product and customer mix.

In **Bricks**, lower volumes reflected the decline in detached residential housing markets, particularly in New South Wales where CSR has greatest market penetration. Despite the downturn, margins improved through operating efficiencies and the benefit of restructuring initiatives completed over the last twelve months.

In October 2012, the proposed joint venture between CSR and Brickworks for the sale and distribution of bricks in the New Zealand market was approved by the New Zealand Commerce Commission. Negotiations are continuing to finalise the structure of the joint venture expected to be completed by the end of this financial year.

Trading revenue in **Roofing** declined modestly due to lower volumes, however the decline was less than the drop in market activity as a result of higher average selling prices of around 2 to 3%.

Viridian results

Half year ended 30 September [A$ million unless stated] **Pre significant items**	**2012**	2011	Change
Trading revenue	**140.7**	164.0	(14.2%)
EBITDA	**0.6**	4.7	(87.2%)
EBIT	**(11.7)**	(6.9)	(69.9%)
Funds employed[1]	**423.4**	420.9	0.6%
EBITDA/trading revenue	**0.4%**	2.8%	

1 *Excludes cash and tax balances*

The result in Viridian reflects the business' sensitivity to changes in volume and currency. The ongoing deterioration in construction activity, together with the continuing high Australian dollar, has a more pronounced impact on Viridian as it is the most trade exposed and highest fixed cost business within CSR's Building Products portfolio. In addition, intense competition in glass processing continues to impact profitability.

Viridian's trading revenue of $140.7 million declined by 14.2%. However adjusting for the impact of Viridian's New Zealand operations, following the creation of the joint venture in March 2012, Viridian's revenue was down 7%.

While Viridian's EBITDA remained positive, higher levels of depreciation and lower volumes resulted in a loss before interest and tax of $11.7 million compared to a loss of $6.9 million for the previous half year period.

In the **Glass Processing & Services (GP&S)** downstream business, Viridian's immediate focus continues to be on rationalising glass processing capacity, reducing fixed costs and improving service levels to support price increases.

In Victoria, where construction activity has declined sharply, market share, product mix and operational efficiencies have all improved to increase profits from that region year on year.

The integration of the New Zealand joint venture remains on track and earnings have improved by approximately $1 million for the period.

In **Primary Products**, the commissioning of the new jumbo laminating line at Dandenong in Melbourne is expected to be completed by December 2012 which will improve efficiency and reduce freight costs between sites.

Viridian management was also strengthened during the period with the appointment of Peter Moeller as Executive General Manager – Viridian, who will oversee both Primary Products and GP&S operations to ensure a more integrated approach to market. Peter brings 20 years of glass industry experience most recently as Managing Director Saint Gobain Glass Scandinavia.

It is clear that the current results are unacceptable. Viridian's new management team is currently undertaking a review of the operational footprint and cost structure of the business to improve performance in the current challenging market environment.

Aluminium market overview

Half year ended 30 September	2012	2011	Change
LME 3 month average price in US$	**US$1,983**	US$2,527	(21.5%)
US$/A$ exchange rate	**1.024**	1.056	(3.0%)
LME 3 month average price in A$	**A$1,936**	A$2,394	(19.1%)
GAF realised price in A$ (including hedging and premiums)	**A$2,197**	A$2,689	(18.3%)

Economic uncertainty in global markets weighed heavily on commodity markets and base metal markets in particular. As a result, the US$ LME 3 month aluminium price traded in a wide range during the last six months with the average price of US$1,983 down 21.5% from the previous half year period.

While the strength of the Australian dollar moderated slightly compared to last year, the realised aluminium price in Australian dollars after hedging and premiums for **Gove Aluminium Finance** (GAF – 70% CSR) of A$2,197 per tonne was down 18.3%.

This was partially offset by a sharp increase in ingot premiums - the premium paid to aluminium suppliers above the LME aluminium price - during the period. The sharp rise in ingot premiums is predominately related to aluminium inventory warehouse financing creating a shortage of physical aluminium available to industrial customers.

Relatively high ingot premiums are expected to continue to be supported by attractive conditions for inventory warehousing arrangements. Such conditions include an upward trending (contango) forward curve for aluminium and historically low US dollar based interest rates.

Aluminium results

Half year ended 30 September [A$ million unless stated] Pre significant items	**2012**	2011	Change
Sales (tonnes)	**98,676**	94,564	4.3%
GAF realised price in A$ (including hedging and premiums)	**$2,197**	$2,689	(18.3%)
Trading revenue	**216.8**	254.2	(14.7%)
EBITDA	**32.2**	56.8	(43.3%)
EBIT	**18.3**	43.0	(57.4%)
Funds employed[1]	**258.0**	265.8	(2.9%)
EBIT/trading revenue	**8.4%**	16.9%	

1 Excludes cash, tax and fair value of derivative balances

GAF sales volume of 98,676 tonnes was 4.3% higher than the prior year due to increased production at Tomago and the timing of shipments.

However trading revenue of $216.8 million was down 14.7% due to the 18.3% reduction in GAF's realised aluminium price in Australian dollars (including hedging and premiums) to A$2,197 per tonne.

EBIT of $18.3 million was down 57.4%. The decline in EBIT is primarily due to the impact of lower realised Australian dollar aluminium price on Tomago's high fixed cost of production, which could only be partially mitigated by improved production and overhead efficiencies and lower petroleum coke prices. In addition, the previous corresponding period included significant contribution from prior hedging activities.

Property results

Half year ended 30 September [A$ million unless stated]	**2012**	2011	Change
EBIT	**0.1**	17.8	(99.4%)

CSR's property division recorded EBIT of $0.1 million. As highlighted at the annual general meeting in July, there were no significant sales completed during the period due to the timing of transactions. This result compares to $17.8 million for the same period last year, which included the sale of residential lot sites at Brendale, north of Brisbane.

The launch of 'Cloverlea', a 533 lot residential development at Chirnside Park, Melbourne commenced during the period. This is the first major residential development in the area for more than a decade and is expected to deliver gross revenue of $155 million over three stages of a five year development period.

Pleasingly, at this early stage, sales results are meeting expectations. Earnings on this development will not be recognised until the financial year ending March 2014.

Other projects include the development of the remaining 38.5 hectare industrial site at Brendale while marketing continues for the 9 hectare industrial site at Erskine Park, Sydney.

Group outlook for year ending March 2013

CSR estimates that total housing starts in Australia (on a one quarter lag basis) will be around 135,000 for the year ended 31 March 2013, 9.0% lower than the 148,300 in the previous financial year. The value of non-residential construction work done in Australia will be down approximately 10% year-on-year.

In the absence of any market recovery this financial year, Building Products and Viridian earnings are typically higher in the first half of the year due to the slowdown in construction activity during December and January.

In Aluminium, GAF has approximately 80% of its net aluminium exposure hedged at A$2,267 per tonne which will lead to improved earnings in the second half of this financial year.

Property EBIT is expected to increase in the second half of this financial year following the settlement of a series of transactions, subject to timing of completion.

CSR notes that the current analysts' consensus range for CSR net profit after tax is $35 million to $54 million for the year ending 31 March 2013. Assuming no further significant deterioration in construction volumes or in Australian dollar aluminium prices, CSR expects that group net profit after tax (pre significant items) will be within that range.

Looking beyond the current year, there are some encouraging signs of a recovery in housing construction, with finance approvals increasing for eight consecutive months. Any recovery is anticipated to be modest in its initial phases, while consumer and investor confidence returns. However a combination of falling interest rates and improved State Government stimulus programmes in New South Wales, Queensland and South Australia should enable a moderate recovery in residential activity in the next financial year.

The market outlook for aluminium pricing is likely to remain volatile for some time, driven largely by financing and warehousing activity, ongoing economic uncertainty and continued government support for some higher cost smelters through subsidies. Nonetheless, the longer term demand for physical aluminium remains robust and when combined with the anticipated curtailment of high cost smelter production, a gradual recovery in pricing should occur in the medium term.

The present industrial property market remains subdued in line with the downturn in construction activity. However, CSR's retains a robust property portfolio, underpinned by Chirnside Park which will be developed in several stages over the next five years.

CSR retains its strong balance sheet and has limited committed capital expenditure, positioning the Company to take advantage of opportunities as they arise and to benefit from the expected recovery in construction and aluminium markets.

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Half yearly report for the six months ended 30 September 2012

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

CSR Limited
ABN 90 000 001 276

The half yearly report does not include all the notes of the type normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the CSR Limited Annual Report for the year ended 31 March 2012 and any announcements to the market made during the financial half year in accordance with the CSR group's continuous disclosure obligations arising under the Corporations Act 2001 and Listing Rule 3.1.

Directors' report

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

The directors of CSR Limited present their report on CSR Limited and its controlled entities (CSR group) for the half year ended 30 September 2012.

Directors

The directors of CSR Limited at any time during the half year ended 30 September 2012, or since that date, are as follows:

Jeremy Sutcliffe
Rob Sindel
Kathleen Conlon
Ray Horsburgh
Michael Ihlein
Rebecca McGrath
John Story (retired 12 July 2012)

Review of operations

A review of operations of CSR group during the half year ended 30 September 2012 is set out in the attached results for announcement to the market and forms part of this directors' report.

Auditor's independence declaration

A copy of the auditor's independence declaration made under section 307C of the Corporations Act 2001 is set out on page 12 and forms part of this report.

Rounding off

Amounts included in this directors' report and the financial report are rounded to the nearest tenth of a million dollars unless otherwise indicated. CSR Limited is a company of a kind referred to in ASIC Class Order 98/100 issued 10 July 1998.

The directors' report is signed in accordance with a resolution of directors made pursuant to s.298 (2) of the Corporations Act 2001.

Jeremy Sutcliffe
Chairman

Sydney, 14 November 2012

Rob Sindel
Managing Director

Sydney, 14 November 2012

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The Board of Directors
CSR Limited
Triniti 3
39 Delhi Road
North Ryde NSW 2113

14 November 2012

Dear Board Members

CSR Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of CSR Limited.

As lead audit partner for the review of the financial statements of CSR Limited for the financial half-year ended 30 September 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants

Statement of financial performance

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

($ MILLION)	NOTE	2012	2011
Trading revenue - sale of goods		**859.8**	937.0
Cost of sales		**(627.9)**	(660.0)
Gross margin		**231.9**	277.0
Other income		**7.8**	21.0
Warehouse and distribution costs		**(90.9)**	(92.6)
Selling, administration and other operating costs		**(113.6)**	(118.6)
Share of net profit of associates	9	**5.2**	6.0
Other expenses		**(5.2)**	(22.4)
Profit before finance and income tax		**35.2**	70.4
Interest income	3	**0.9**	4.5
Finance cost	3	**(12.0)**	(14.5)
Profit before income tax		**24.1**	60.4
Income tax expense	4	**(3.0)**	(16.7)
Net profit		**21.1**	43.7
Net profit attributable to non-controlling interests		**3.6**	8.8
Net profit attributable to shareholders of CSR Limited [a]		**17.5**	34.9

RECONCILIATION OF RETAINED PROFITS			
Retained profits at the beginning of the financial year		**170.6**	170.3
Net profit attributable to shareholders of CSR Limited		**17.5**	34.9
Net loss recognised directly in retained profits		**(8.5)**	(21.6)
Total available for appropriation		**179.6**	183.6
Dividends provided for or paid	8	**(35.4)**	(26.8)
Retained profits at the end of the financial half year		**144.2**	156.8

EARNINGS PER SHARE (CENTS)			
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited [b]		**3.5**	6.9
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited [b]		**3.5**	6.9

a Net profit before significant items attributable to shareholders of CSR Limited is $20.4 million (2011: $50.6 million). Refer to Note 2 to the financial statements.

b Weighted number of ordinary shares used in the calculation of earnings per share is 506.0 million (2011: 506.0 million).

Notes to the financial statements are annexed.

Statement of comprehensive income

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

($ MILLION)	**2012**	2011
Net profit	**21.1**	43.7
Other comprehensive income (expense)		
Exchange differences arising on translation of foreign operations	**0.7**	3.1
Hedge profit recognised in equity	**9.6**	32.1
Hedge profit transferred to the statement of financial performance	**(15.3)**	(19.0)
Actuarial loss on superannuation defined benefit plans	**(12.1)**	(30.9)
Income tax relating to components of other comprehensive income	**5.3**	5.3
Other comprehensive expense for the period (net of tax)	**(11.8)**	(9.4)
Total comprehensive income	**9.3**	34.3
Total comprehensive income attributable to:		
Shareholders of CSR Limited	**6.9**	23.3
Non-controlling interests	**2.4**	11.0
Total comprehensive income	**9.3**	34.3

Notes to the financial statements are annexed.

Statement of financial position

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

($ MILLION)	NOTE	**AS AT 30 SEPTEMBER 2012**	AS AT 31 MARCH 2012
Current assets			
Cash and cash equivalents		**8.6**	55.8
Receivables		**294.5**	263.5
Inventories		**321.6**	309.5
Other financial assets		**12.3**	16.1
Income tax assets		**48.5**	40.8
Other current assets		**6.2**	7.4
Total current assets		**691.7**	693.1
Non-current assets			
Receivables		**65.5**	52.4
Inventories		**52.4**	54.6
Investments accounted for using the equity method		**39.5**	41.1
Other financial assets		**2.4**	3.7
Property, plant and equipment		**1,092.7**	1,120.3
Goodwill		**22.6**	22.4
Other intangible assets		**30.3**	31.7
Deferred income tax assets		**224.5**	213.7
Other non-current assets		**14.4**	14.8
Total non-current assets		**1,544.3**	1,554.7
Total assets		**2,236.0**	2,247.8
Current liabilities			
Payables		**202.3**	218.0
Borrowings		**32.0**	-
Other financial liabilities		**2.6**	0.8
Tax payable		**-**	2.1
Provisions		**170.4**	198.5
Total current liabilities		**407.3**	419.4
Non-current liabilities			
Payables		**15.7**	16.4
Borrowings		**22.1**	0.1
Provisions		**438.8**	447.6
Deferred income tax liabilities		**42.1**	36.2
Other non-current liabilities		**56.5**	49.4
Total non-current liabilities		**575.2**	549.7
Total liabilities		**982.5**	969.1
Net assets		**1,253.5**	1,278.7
Equity			
Issued capital	7	**1,042.2**	1,042.2
Reserves		**16.4**	17.6
Retained profits		**144.2**	170.6
Equity attributable to shareholders of CSR Limited		**1,202.8**	1,230.4
Non-controlling interests		**50.7**	48.3
Total equity		**1,253.5**	1,278.7

Notes to the financial statements are annexed.

Statement of changes in equity

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

($ MILLION)	ISSUED CAPITAL	HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	EMPLOYEE SHARE RESERVE	OTHER RESERVES	RETAINED PROFITS	ATTRIBUTABLE TO CSR LIMITED SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Balance at 1 April 2012	**1,042.2**	**9.9**	**(10.7)**	**18.4**	**-**	**170.6**	**1,230.4**	**48.3**	**1,278.7**
Net profit	**-**	**-**	**-**	**-**	**-**	**17.5**	**17.5**	**3.6**	**21.1**
Exchange differences arising on translation of foreign operations	**-**	**-**	**0.7**	**-**	**-**	**-**	**0.7**	**-**	**0.7**
Hedge profit recognised in equity	**-**	**6.7**	**-**	**-**	**-**	**-**	**6.7**	**2.9**	**9.6**
Hedge profit transferred to the statement of financial performance	**-**	**(10.7)**	**-**	**-**	**-**	**-**	**(10.7)**	**(4.6)**	**(15.3)**
Actuarial loss on superannuation defined benefit plans	**-**	**-**	**-**	**-**	**-**	**(12.1)**	**(12.1)**	**-**	**(12.1)**
Income tax relating to components of other comprehensive income	**-**	**1.2**	**-**	**-**	**-**	**3.6**	**4.8**	**0.5**	**5.3**
Total comprehensive income for the financial half year	**-**	**(2.8)**	**0.7**	**-**	**-**	**9.0**	**6.9**	**2.4**	**9.3**
Payment of dividends	**-**	**-**	**-**	**-**	**-**	**(35.4)**	**(35.4)**	**-**	**(35.4)**
Recognition of share based payments	**-**	**-**	**-**	**0.9**	**-**	**-**	**0.9**	**-**	**0.9**
Balance at 30 September 2012	**1,042.2**	**7.1**	**(10.0)**	**19.3**	**-**	**144.2**	**1,202.8**	**50.7**	**1,253.5**
Balance at 1 April 2011	1,042.2	11.6	(12.6)	16.9	5.3	170.3	1,233.7	47.6	1,281.3
Net profit	-	-	-	-	-	34.9	34.9	8.8	43.7
Exchange differences arising on translation of foreign operations	-	-	3.5	-	-	-	3.5	(0.4)	3.1
Hedge profit recognised in equity	-	22.6	-	-	-	-	22.6	9.5	32.1
Hedge profit transferred to the statement of financial performance	-	(13.3)	-	-	-	-	(13.3)	(5.7)	(19.0)
Actuarial loss on superannuation defined benefit plans	-	-	-	-	-	(30.9)	(30.9)	-	(30.9)
Income tax relating to components of other comprehensive income	-	(2.8)	-	-	-	9.3	6.5	(1.2)	5.3
Total comprehensive income for the financial half year	-	6.5	3.5	-	-	13.3	23.3	11.0	34.3
Payment of dividends	-	-	-	-	-	(26.8)	(26.8)	-	(26.8)
Recognition of share based payments	-	-	-	0.6	-	-	0.6	-	0.6
Balance at 30 September 2011	1,042.2	18.1	(9.1)	17.5	5.3	156.8	1,230.8	58.6	1,289.4

Notes to the financial statements are annexed.

Statement of cash flows

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

($ MILLION)	NOTE	**2012**	2011
Cash flows from operating activities			
Receipts from customers		**896.0**	1,007.5
Payments to suppliers and employees		**(914.6)**	(951.8)
Dividends and distributions received		**6.2**	5.0
Interest received		**1.3**	3.9
Income tax paid		**(12.4)**	(34.9)
Net cash (used in) from operating activities		**(23.5)**	29.7
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(40.0)**	(70.2)
Proceeds from sale of property, plant and equipment and other non-current assets		**8.9**	28.7
Costs associated with disposal of discontinued operations		**(1.6)**	(8.0)
Investment in associated entity		**-**	(1.1)
Loans advanced		**(5.8)**	(5.0)
Purchase of controlled entities and businesses, net of cash acquired	6	**-**	(16.1)
Net cash used in investing activities		**(38.5)**	(71.7)
Cash flows from financing activities			
Net proceeds from (repayment of) borrowings		**54.0**	(3.1)
Dividends paid		**(35.4)**	(26.8)
Interest and other finance costs paid		**(3.2)**	(8.4)
Net cash from (used in) financing activities		**15.4**	(38.3)
Net decrease in cash held		**(46.6)**	(80.3)
Net cash at the beginning of the financial year		**55.8**	142.3
Effects of exchange rate changes		**(0.6)**	1.8
Net cash at 30 September		**8.6**	63.8

Reconciliation of net cash

Reconciliation of net cash at the end of the financial period (as shown in the statement of cash flows) to the related items in the statement of financial position is as follows:

From continuing operations		
Cash at banks and on hand	**8.6**	61.1
Bank overdraft [a]	**-**	(0.7)
Net cash at 30 September from continuing operations	**8.6**	60.4
From assets held for sale		
Cash at banks and on hand associated with the Asian AAC business [b]	**-**	3.4
Net cash at 30 September from assets held for sale	**-**	3.4
Net cash at 30 September	**8.6**	63.8

a Bank overdrafts held by CSR Limited are subject to set-off arrangements with other CSR group entities cash balances. Bank overdrafts for CSR group as at 30 September 2012 amounted to $Nil (2011: $0.7 million).

b On 15 December 2011 CSR Limited sold its Asian autoclaved aerated concrete business (Asian AAC business). The Asian AAC business was disclosed as an asset held for sale in the financial half-year ended 30 September 2011.

Notes to the financial statements are annexed.

Notes to the consolidated financial report

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

ADDITIONAL CASH FLOW INFORMATION

Non-cash financing and investing activities

During the financial half year ended 30 September 2012, $30.1 million was paid in dividends and $5.3 million was expended to purchase shares on market to satisfy obligations under the Dividend Reinvestment Plan (DRP) which collectively have been disclosed as dividends paid on the statement of cash flows.

Credit standby facilities

The CSR group has a total of $635 million (31 March 2012: $635 million) committed standby facilities. These facilities have fixed maturity dates as follows: $100 million in financial year 2013, $370 million in financial year 2015 with the balance $165 million in financial year 2016. As at 30 September 2012, $581 million of the standby facilities were undrawn.

OTHER NOTES

BASIS OF PREPARATION

This half yearly report for CSR Limited and its controlled entities (CSR group) is a general purpose financial report prepared in accordance with the accounting standard AASB 134 “Interim Financial Reporting”, the requirements of the Corporations Act 2001, other applicable accounting standards and interpretations, and complies with other requirements of the law and the Listing Rules of the Australian Securities Exchange Limited. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. The financial report is based on historical cost, except for certain assets which are at deemed cost and the revalued amount of certain assets. In preparing this financial report, the CSR group is required to make estimates and assumptions about carrying values of assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The half yearly report does not include all the notes of the type normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the CSR Limited Annual Report for the year ended 31 March 2012 and any announcements to the market made during the financial half year in accordance with the CSR group's continuous disclosure obligations arising under the Corporations Act 2001 and Listing Rule 3.1.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimation methods and measurement bases adopted in this report are consistent with those applied in the CSR Limited Annual Report for the year ended 31 March 2012.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are critical judgements and key assumptions that Management has made in the process of applying the CSR group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Product liability

CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. CSR’s involvement in asbestos ceased with the disposition of the Wunderlich asbestos cement business in 1977. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States. At 30 September 2012, a provision of $432.2 million (31 March 2012: $441.7 million) has been made for all known claims and reasonably foreseeable future claims. Refer to Note 12 for further details of the key assumptions and uncertainties in estimating this liability.

Asset impairment

Assets are reviewed for impairment at each reporting date in accordance with the accounting policy. Where a valuation is required, the valuation is determined using discounted cash flows. Management judgement is required in these valuations to forecast future cash flows and a suitable discount rate in order to calculate the present value. Future cash flows take into consideration forecast changes in the building cycle, aluminium prices and exchange rate where appropriate. Discounted cash flow projections over a ten year period are used and deemed appropriate given the cyclical nature of the markets in which the CSR group operates. The first five years represent financial plans approved by management, based on the CSR group's view of the respective cycle, with years six to ten applying averaging assumptions to ensure cash flows in year ten are sufficiently stable to apply the terminal value. A terminal value is used from year eleven onwards.

Measurement of provisions for restoration and environmental rehabilitation and legal claims

The CSR group is in the process of remediating land in relation to legacy factory sites and is involved in a number of ongoing legal disputes. Judgement is required in arriving at an estimate of future costs required to extinguish these obligations. Expert advice is relied upon (where available) and known facts at the date of this report are considered to arrive at the best estimate for future liabilities that the CSR group will incur. Given the nature of these issues, circumstances may change and estimates and provisions will be updated accordingly.

NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The CSR group has adopted all new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to operations and effective for the current reporting period.

The adoption of new and revised standards and interpretations has not resulted in any changes to the CSR group’s accounting policies and has no effect on the amounts reported for the current or comparative periods. In addition no changes have been required to the CSR group’s presentation or disclosures in the half year financial statements as a result of the new and revised standards and interpretations.

IMPACT OF STANDARDS ON ISSUE BUT NOT YET EFFECTIVE

The CSR group will adopt AASB 119 Employee Benefits (revised) from 1 April 2013. The revised standard includes changes to the recognition of income and expenses associated with superannuation defined benefit plans of which the CSR group participates. Under the revised standard, return on plan assets will be calculated based on the rate used to discount the obligations rather than the expected rate of return on these assets, which may have a significant impact on profit or loss. The CSR group has obtained actuarial assessments which estimate the impact of the revised standard would have been a $2.2 million decrease in profit before tax for the financial half year ended 30 September 2012.

CURRENCY

Unless otherwise stated amounts are in Australian currency.

ROUNDING

Unless otherwise stated, amounts have been rounded to the nearest tenth of a million dollars and are shown by '$ million'. CSR Limited is a company of the kind referred to in the ASIC Class Order 98/100 issued 10 July 1998.

Notes to the consolidated financial report (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

1. Segment information

Operating segments
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers (CODM) - being the board of directors - to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The CSR group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in respect of the nature of products, production processes, type of customer and the methods used to distribute the product. Operating segments that meet the qualitative criteria as prescribed by AASB 8 Operating Segments are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Identification of reportable segments
The CSR group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (CODM) in assessing performance and in determining the allocation of resources. The operating segments are identified by management and the board of directors based on the nature of the product sold and production processes involved.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the CSR group's major risks and has the most effect on the rates of return. Each of the business units disclosed below has been determined as both an operating segment and a reportable segment.

Types of products and services

Building Products
The CSR group's Building Products segment encompasses:

Lightweight Systems (Gyprock plasterboard, Hebel aerated autoclaved concrete products, Cemintel fibre cement, Fricker ceiling systems, and Rondo rollformed steel products) and Insulation (Bradford insulation and Edmond ventilation systems); and Bricks and Roofing (PGH bricks, Monier and Wunderlich roofing, MySteel roofing solutions and Topcat safety rail).

Glass
The Glass business includes the operations of Viridian, Australia's leading glass provider and the only manufacturer of float glass and hardcoated performance products in Australia. It operates two main businesses - manufacturing clear float and coated glass from float lines in Victoria and NSW and downstream value-added processing of glass from a number of facilities across Australia and New Zealand (via a joint venture).

Aluminium
The Aluminium business unit relates to the CSR group's 36.05% interest in the Tomago aluminium smelter joint venture via a 70% interest in Gove Aluminium Finance Limited (i.e. an effective interest of 25.24%). Products from the aluminium business include aluminium ingots, billets and slabs.

Property
The Property business unit generates returns typically from the sale of former operating sites by advancing the sites through various stages of the development cycle. In addition, this business is currently involved in a small number of large-scale developments in NSW, Queensland and Victoria. These projects, in most cases, are in-fill developments (currently vacant land or discontinued operating sites within otherwise built up areas) located in metropolitan regions.

Accounting policies and inter-segment transactions
The accounting policies used by the CSR group in reporting segments internally are the same as those disclosed in the significant accounting policies included within this report, with the exception that significant items (i.e. those items which by their size, nature or incidence are relevant in explaining financial performance) are excluded from earnings. This approach is consistent with the manner in which results are reported to the CODM.

Asset transfers
Transfers of assets between segments are recognised at cost.

It is the group's policy that if items of revenue and expense are not allocated to operating segments, then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believes would be inconsistent. Reporting provided to the board of directors in respect of earnings is primarily measured based on earnings before interest and tax (EBIT), excluding significant items with significant items reviewed and reported seperately to the CODM.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core trading operations of any segment:

- corporate overheads;
- restructuring and provisions;
- net finance costs; and
- significant items.

Notes to the consolidated financial report (continued)
CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

1. Segment information (continued)

	PROFIT BEFORE INCOME TAX		INCOME TAX		NON-CONTROLLING INTEREST		NET PROFIT	
($ MILLION)	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Business segments								
Building Products	**43.4**	49.2	**12.1**	13.1	**-**	-	**31.3**	36.1
Glass	**(11.7)**	(6.9)	**(4.0)**	(1.9)	**-**	-	**(7.7)**	(5.0)
Aluminium	**18.3**	43.0	**2.6**	12.9	**4.3**	8.9	**11.4**	21.2
Property	**0.1**	17.8	**-**	5.1	**-**	-	**0.1**	12.7
Segment total	**50.1**	103.1	**10.7**	29.2	**4.3**	8.9	**35.1**	65.0
Corporate[a]	**(7.6)**	(7.8)	**(2.2)**	(2.3)	**-**	-	**(5.4)**	(5.5)
Restructuring and provisions[b]	**(2.1)**	(2.5)	**(0.8)**	(0.5)	**-**	-	**(1.3)**	(2.0)
Earnings before interest and significant items	**40.4**	92.8	**7.7**	26.4	**4.3**	8.9	**28.4**	57.5
Net finance cost	**(11.1)**	(10.0)	**(3.1)**	(3.0)	**-**	(0.1)	**(8.0)**	(6.9)
Total before significant items	**29.3**	82.8	**4.6**	23.4	**4.3**	8.8	**20.4**	50.6
Significant items (Note 2)	**(5.2)**	(22.4)	**(1.6)**	(6.7)	**(0.7)**	-	**(2.9)**	(15.7)
Total after significant items	**24.1**	60.4	**3.0**	16.7	**3.6**	8.8	**17.5**	34.9

	TOTAL REVENUE [c]		SHARE OF NET PROFIT OF ASSOCIATES		DEPRECIATION AND AMORTISATION [d]	
($ MILLION)	**2012**	2011	**2012**	2011	**2012**	2011
Business segments						
Building Products	**502.9**	518.6	**5.2**	6.0	**17.8**	18.1
Glass	**141.1**	164.0	**-**	-	**12.3**	11.6
Aluminium	**222.9**	256.2	**-**	-	**13.9**	13.8
Property	**0.7**	19.2	**-**	-	**-**	-
Segment total	**867.6**	958.0	**5.2**	6.0	**44.0**	43.5
Corporate[a]	**-**	-	**-**	-	**0.5**	0.6
Restructuring and provisions [b]	**-**	-	**-**	-	**-**	-
Interest income	**0.9**	4.5	**-**	-	**-**	-
Total	**868.5**	962.5	**5.2**	6.0	**44.5**	44.1

a Represents unallocated overhead and other revenues.

b Includes product liability, certain defined benefit superannuation liabilities and expenses, other payables, non-operating revenue and other costs (excluding those categorised as significant items).

c Inter-segment sales are negligible. Total revenue includes trading revenue, other income, interest income and dividend income from other entities and excludes share of net profit of associates.

d Depreciation and amortisation includes $1.7 million (2011: $2.1 million) amortisation of intangible assets. Other significant non-cash expenses such as movements in provisions and other rationalisation expenses which are significant items are disclosed in Note 2. Other non-cash expenses are immaterial.

There has not been a material change in the value of assets in each reportable segment during the financial half year ended 30 September 2012. The CSR Limited Annual Report 2012 provides details of segment assets as at 31 March 2012.

Notes to the consolidated financial report (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

($ MILLION)	**2012**	2011

2. Significant items

Restructuring [a]		
Redundancy costs	**(5.2)**	(10.3)
Income tax benefit	**1.6**	3.1
	(3.6)	(7.2)
Expense relating to product liability provision [b]		
Charge to provision	**-**	(12.1)
Income tax benefit	**-**	3.6
	-	(8.5)
Significant items after tax	**(3.6)**	(15.7)
Significant items attributable to non-controlling interests	**0.7**	-
Significant items attributable to shareholders of CSR Limited	**(2.9)**	(15.7)
Net profit attributable to shareholders of CSR Limited	**17.5**	34.9
Significant items attributable to shareholders of CSR Limited	**2.9**	15.7
Net profit before significant items attributable to shareholders of CSR Limited	**20.4**	50.6
EARNINGS PER SHARE (CENTS)		
From continuing operations before significant items		
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited	**4.0**	10.0
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited	**4.0**	10.0

a Redundancy costs of $5.2 million for the financial half year ended 30 September 2012 relate to restructuring across the Building Products, Viridian and Aluminium businesses to secure ongoing efficiencies and align these businesses with the current market conditions.
For the financial half year ended 30 September 2011, the CSR group recorded redundancy costs of $10.3 million associated with the restructuring of the Viridian float glass and bulk laminate manufacturing operations.

b For the financial half year ended 30 September 2011, the CSR group recorded a charge of $12.1 million in relation to its product liability provision, reflecting an increase in the routine estimate of future asbestos related claims in the United States (after cash payments and adjustments for the present value of future claims).

3. Net finance cost

Interest expense	**1.3**	4.8
Unwinding of discount on non-current provisions	**9.5**	11.2
Funding costs	**2.3**	4.0
Foreign exchange (gain)	**(1.1)**	(5.5)
Finance cost	**12.0**	14.5
Interest income	**(0.9)**	(4.5)
Net finance cost	**11.1**	10.0

4. Income tax

Reconciliation of income tax expense charged to the statement of financial performance with income tax calculated on profit before income tax:

Profit before income tax	**24.1**	60.4
Income tax expense calculated at 30%	**7.2**	18.1
(Decrease) increase in income tax expense due to:		
Research and development tax credits	**(3.0)**	-
Share of net profit of associates and rebates on dividend income	**(1.4)**	(1.8)
Asian trading profits tax rate differential	**-**	(0.4)
Other items	**0.2**	0.8
Total income tax expense on profit	**3.0**	16.7

Notes to the consolidated financial report (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

5. Net tangible assets per share [a]

	30 SEPTEMEBER 2012 $	30 SEPTEMBER 2011 $
Net tangible assets per share	**2.27**	2.32

a Calculated as net assets attributable to CSR Limited shareholders ($1,202.8 million) less intangible assets ($52.9 million) divided by the number of shares (506.0 million).

6. Acquisitions of controlled entities and businesses

Businesses acquired during the financial half year

No acquisitions were made during the financial half year ended 30 September 2012.

During the financial half year ended 30 September 2011, the CSR group acquired the assets of the following businesses:

- Burnbridge glass products business on 30 June 2011 (Glass segment)
- Luna & Valk Group Pty Ltd Distribution business in South Australia on 1 September 2011 (Building Products segment)
- Karratha Timber and Building Supplies in Western Australia on 2 August 2011 (Building Products segment).

The primary reason for the acquisitions was to continue the CSR group's growth in glass and building products.
The acquisition related costs expensed during the period to 30 September 2011 were $0.6 million.
The initial accounting for these acquisitions has been fully determined and details of the purchase consideration and the fair value of assets and liabilities acquired are as disclosed in the CSR Limited Annual Report 2012.

7. Issued capital

	ORDINARY SHARES FULLY PAID [a]	ISSUED CAPITAL ($ MILLION)
On issue 31 March 2012	506,000,315	1,042.2
On issue 30 September 2012	**506,000,315**	**1,042.2**

a The shares are fully paid ordinary shares listed on the Australian Securities Exchange and carry one vote per share and the right to dividends.

8. Dividends

	FINANCIAL YEAR ENDING 31 MARCH	FRANKING PERCENTAGE	DATE PAID / PAYABLE	AMOUNT PER SHARE (CENTS)	TOTAL AMOUNT ($MILLION)
Final dividend	2011	100	5 July 2011	5.3	26.8
Interim dividend	2012	100	16 December 2011	6.0	30.4
Final dividend	2012	100	9 July 2012	7.0	35.4
Interim dividend	2013	Nil	18 December 2012	3.0	15.2

The interim dividend in respect of ordinary shares for the half year ended 30 September 2012 has not been recognised in this financial report because the interim dividend was resolved to be paid subsequent to 30 September 2012.

Dividend reinvestment plan

CSR Limited has an established dividend reinvestment plan (DRP) under which the holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than be paid in cash. The company's DRP operated for all dividends paid during the period. Shares were acquired on-market and transferred to participants to satisfy any shares issued under the DRP and therefore had no effect on the number of shares on issue.

Notes to the consolidated financial report (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

9. Equity accounting information

Share of net profit of associates

($ MILLION)	2012	2011
Profit before income tax	**7.4**	8.6
Income tax expense	**(2.2)**	(2.6)
Total share of net profit	**5.2**	6.0

	OWNERSHIP INTEREST AS AT 30 SEPTEMBER		CONTRIBUTION TO NET PROFIT - HALF YEAR ENDED 30 SEPTEMBER	
Name of entity	**2012 %**	2011 %	**2012 $ MILLION**	2011 $ MILLION
Associate companies and joint venture entities				
Rondo Pty Limited	**50**	50	**4.8**	5.3
Other non-material associates [a]			**0.4**	0.7
Total share of net profit			**5.2**	6.0

a As consideration for the contribution of New Zealand glass operating assets, the CSR group acquired 58% of the shares in Viridian Glass GP Limited on 2 March 2012 entitling the CSR group to a 58% share of profits of the Viridian Glass Limited Partnership (Glass segment), a joint venture with Euroglass Systems Limited. It is noted that whilst the CSR group holds over 50% of issued capital the partnership, it has been determined that joint control exists between the partners due to the structure of the Limited Partnership Agreement.

10. Subsequent events

Dividends

For dividends resolved to be paid after 30 September 2012, refer to Note 8.

11. Contingent liabilities

Contingent liabilities/assets

Claims and possible claims (other than product liability which is discussed in Note 12) have arisen in the course of business against entities in the CSR group and made by entities in the CSR group. Based on legal advice obtained, the directors believe that any resultant liability or asset will not materially affect the financial position of the CSR group.

The parent entity has undertaken to provide financial support, as and when required, to certain wholly-owned controlled entities so as to enable those entities to pay their debts as and when such debts become due and payable.

Hornsby Shire Council compulsorily acquired land from CSR in 2003 for $25 million. The Council has brought a claim for damages against the CSR group and others in relation to this acquisition. CSR is defending the claim and based on information available at reporting date is of the view that the outcome of the claim will not be material to the CSR group's financial results.

Workers' compensation

CSR Limited is a licensed self insurer in NSW, Queensland, Victoria, South Australia (to 10 April 2003), Western Australia and the Australian Capital Territory for workers' compensation insurance. Adequate provision has been made for all known claims and reasonably foreseeable future claims with a provision of $32.0 million as at 30 September 2012 (31 March 2012: $33.6 million).

Notes to the consolidated financial report (continued)
CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

12. Product liability

CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. CSR's involvement in asbestos mining, and the manufacture of products containing asbestos, began in the early 1940s and ceased with the disposition of the Wunderlich asbestos cement business in 1977. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States.

In Australia, asbestos related personal injury claims have been made by employees and ex-employees of CSR, by others such as contractors and transporters and by users of products containing asbestos, as well as residents of and visitors to Wittenoom. As at 30 September 2012, there were 512 such claims pending.

In the United States, claims are made by people who allege exposure to asbestos fibre used in the manufacture of products containing asbestos or in the installation or use of those products. As at 30 September 2012, there were 999 such claims pending.

CSR has been settling claims since 1989. As at 30 September 2012, CSR had resolved approximately 3,375 claims in Australia and approximately 135,950 claims in the United States.

CSR's recent claims experience can be summarised as follows:

	HALF YEAR ENDED 30 SEPTEMBER	YEAR ENDED 31 MARCH			
	2012	2012	2011	2010	2009
Number of claims received	161	435	412	514	553
Number of claims resolved	284	418	634	986	1,246
Amount spent on settlements (A$ million) [a]	16.3	34.7	32.5	33.4	41.6
Average cost per resolved claim (A$)	57,513	83,067	51,300	33,916	33,371

a Excludes external legal costs

The annual amounts paid by CSR in respect of asbestos related claims vary year on year depending on the number and types of claims received and resolved during each year, the litigation or other determination of particular claims or issues and any determination by management to resolve claims that may have been received in earlier years.

Basis of provision
CSR includes in its financial statements a product liability provision covering all known claims and reasonably foreseeable future asbestos related claims. This provision is reviewed every six months. The provision recognises the best estimate of the consideration required to settle the present obligation for anticipated compensation payments and legal costs as at the reporting date. The provision is net of anticipated workers' compensation payments from available workers' compensation insurers. CSR does not believe there is any other significant source of insurance available to meet its asbestos liabilities. CSR no longer has general insurance coverage in relation to its ongoing asbestos liabilities.

In determining the product liability provision, CSR has obtained independent expert advice in relation to the future incidence and value of asbestos related claims in each of the United States and Australia. CSR has appointed Taylor Fry Pty Limited, consulting actuaries, as the independent expert to estimate the Australian liabilities. CSR has appointed Gnarus Advisors LLC, as the independent expert to estimate the United States liabilities. The independent experts make their own determination of the methodology most appropriate for estimating CSR's future liabilities. The assessments of those independent experts project CSR's claims experience into the future using modelling techniques that take into account a range of possible outcomes. The present value of the liabilities is estimated by discounting the estimated cash flows using the pre-tax rate that reflects the current market assessment of the time value of money and risks specific to those liabilities.

Many factors are relevant to the independent experts' estimates of future asbestos liabilities, including:
- numbers of claims received by disease and claimant type and expected future claims numbers, including expectations as to when claims experience will peak;
- expected value of claims;
- the presence of other defendants in litigation or claims involving CSR;
- the impact of and developments in the litigation and settlement environment in each of Australia and the United States;
- estimations of legal costs;
- expected claims inflation; and
- the discount rate applied to future payments.

There are a number of assumptions and limitations that impact on the assessments made by CSR's experts, including the following:
- assumptions used in the modelling are based on the various considerations referred to above;
- the future cost of asbestos related liabilities are inherently uncertain for the reasons discussed in this note;
- uncertainties as to future interest rates and inflation;
- the analysis is supplemented by various academic material on the epidemiology of asbestos related diseases that is considered by the experts to be authoritative;
- the analysis is limited to liability in the respective jurisdictions of Australia and the United States that are the subject of the analysis of that expert and to the asbestos related diseases that are currently compensated in those jurisdictions; and
- the effect of possible events that have not yet occurred which are currently impossible to quantify, such as medical and epidemiological developments in the future in treating asbestos diseases, future court and jury decisions on asbestos liabilities, and legislative changes affecting liability for asbestos diseases.

Notes to the consolidated financial report (continued)
CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

12. Product liability (continued)

In Australia the methodology used by Taylor Fry Pty Limited produces a range of potential outcomes, including a central estimate, or most likely outcome. At 30 September 2012 the central estimate was A$162.7 million calculated using a discount rate of 5.5%. On an undiscounted and inflated basis that central estimate would be A$310.9 million over the period to 2063, being the period that the Australian independent expert advises CSR is relevant for the estimation of CSR's future Australian asbestos liabilities.

In the United States the methodology used by Gnarus Advisors LLC produces a base case estimate or most likely outcome. At 30 September 2012 the base case estimate was US$199.2 million calculated using a discount rate of 3.8%. On an undiscounted and inflated basis that base case estimate would be US$273.8 million over the anticipated further life of the United States liability (45 years).

The product liability provision is determined every six months by aggregating the Australian and United States estimates noted above, translating the United States base case estimate to Australian dollars using the exchange rate prevailing at the balance date and adding a prudential margin. The prudential margin is determined by the CSR directors at the balance date, having regard to the prevailing litigation environment, any material uncertainties that may affect future liabilities and the applicable long term Australian dollar to United States dollar exchange rate. As evidenced by the analysis below, due, in particular, to the fluctuations in exchange rate, the prudential margin has been variable over the past five years. The directors anticipate that the prudential margin will continue to fluctuate within a range approximating 10% to 30% depending on the prevailing circumstances at each balance date.

The table below shows CSR's asbestos provision from 2009 to the half year ended 30 September 2012:

	HALF YEAR ENDED 30 SEPTEMBER	YEAR ENDED 31 MARCH			
($ MILLION)	**2012**	**2012**	**2011**	**2010**	**2009**
United States base case estimate US$	199.2	199.2	191.8	159.5	153.6
United States base case estimate A$	190.9	191.8	185.9	173.7	225.9
Australian central estimate A$	162.7	172.7	180.1	184.8	187.8
Sub total A$	**353.6**	**364.5**	**366.0**	**358.5**	**413.7**
Prudential Margin A$	78.6	77.2	82.9	96.8	41.4
Prudential Margin %	*22.2%*	*21.2%*	*22.7%*	*27.0%*	*10.0%*
Total product liability provision A$	**432.2**	**441.7**	**448.9**	**455.3**	**455.1**

At 30 September 2012, a provision of $432.2 million (31 March 2012: $441.7 million) has been made for all known claims and reasonably foreseeable future claims, and includes a prudential margin of $78.6 million above the aggregate most likely estimate of the future asbestos liabilities in Australia and the United States as determined by Taylor Fry Pty Limited and Gnarus Advisors LLC respectively.

Having regard to the extremely long tailed nature of the liabilities and the long latency period of disease manifestation from exposure, the estimation of future asbestos liabilities is subject to significant complexity. As such, there can be no certainty that the product liability provision as at 30 September 2012 will definitively estimate CSR's future asbestos liabilities. If the assumptions adopted by CSR's experts prove to be incorrect, the current provision may be shown to materially under or over state CSR's asbestos liability.

However, taking into account the provision already included in CSR's financial statements and current claims management experience, CSR is of the opinion that asbestos litigation in the United States and Australia will not have a material adverse impact on the CSR group's financial condition.

Process agreed with the Foreign Investment Review Board (FIRB)
On 22 December 2010, CSR sold its Sucrogen business, to Wilmar International Limited (Wilmar). The sale of Sucrogen to Wilmar required approval from the Commonwealth Treasurer (via the FIRB).

As part of the approval process, and as further evidence of CSR's commitment to responsibly managing its asbestos related liabilities, CSR has put in place a process for the external oversight of any repatriation of capital by CSR to its shareholders during the period of seven years following the sale of Sucrogen (subject to limited earlier termination provisions).

As part of this process, CSR has entered into an agreement with an independent body, The Trust Company (TTC), pursuant to which CSR must demonstrate that CSR has fulfilled certain requirements prior to any repatriation of funds to its shareholders other than half yearly or annual dividends paid by CSR in accordance with its usual practice and its dividend policy in force from time to time.

These requirements include that:
- CSR's asbestos liabilities have been reviewed by an additional independent expert;
- CSR intends to retain its 'investment grade' credit rating following any repatriation; and
- an approved accounting firm has expressed an opinion that the decision of CSR's directors that a particular repatriation of capital would not materially prejudice creditors, including current and reasonably foreseeable future asbestos claimants, was formed on a reasonable basis.

In accordance with the agreement with TTC, documentation was provided by CSR to TTC to demonstrate that the above requirements were fulfilled in relation to the special dividend and the capital return which were paid to CSR shareholders on 2 February and 3 March 2011 respectively.

Directors' declaration

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
HALF YEAR ENDED 30 SEPTEMBER

CSR LIMITED

ABN 90 000 001 276

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes, set out on pages 13 to 25 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2012, and of its performance as represented by the results of its operations and its cash flows, for the financial half year ended on that date;

(b) there are reasonable grounds to believe that CSR Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors pursuant to section 303(5) of the Corporations Act 2001.

Jeremy Sutcliffe
Chairman

Sydney, 14 November 2012

Rob Sindel
Managing Director

Sydney, 14 November 2012

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Independent Auditor's Review Report to the Members of CSR Limited

We have reviewed the accompanying half-year financial report of CSR Limited, which comprises the statement of financial position as at 30 September 2012, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 13 to 26.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CSR Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CSR Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CSR Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants
Sydney, 14 November 2012