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Manager, Companies

Company Announcements Office

Australian Securities Exchange Limited

Stock Exchange Centre

20 Bridge Street

Sydney NSW 2000

Preliminary final report for the year ended 31 March 2012

Attached is CSR Limited's full year results information required by ASX Listing Rule 4.3A, comprising:

The slides for CSR's results presentation will be filed separately.

The results presentation will be available via an audio webcast from CSR's website www.csr.com.au, commencing at 10am today.

Yours sincerely

Debbie Schroeder

Debbie Schroeder

Company Secretary

CSR Limited ABN 90 000 001 276

CSR preliminary final report 2012

Details of the reporting period and previous corresponding reporting period

Current period: 1 April 2011 to 31 March 2012

Prior corresponding period 1 April 2010 to 31 March 2011

Results for announcement to the market

(All comparisons are to the full year ended 31 March 2011)

Net profit (pre significant items) of $90.7 million - slight increase on prior year[1, 2]
Statutory net profit of $76.3 million

- Net profit (pre significant items) of $90.7 million – marginally improved from prior year ($90.2 million) and slightly ahead of previous guidance[1,2]
- Statutory net profit of $76.3 million compared to a net loss of $78.0 million in the prior year[1]
- Despite adverse market conditions, strong performance in Gyprock™, Cemintel™ and Hebel®, increased earnings in Property, lower net finance costs & lower tax expense leads to improved net profit result[1]
- Final dividend of 7 cents per share fully-franked to be paid on 9 July 2012, brings full year dividend to 13 cents per share fully-franked
- Earnings per share (pre significant items) of 17.9 cents per share compared to 17.8 cents per share in prior year[1]
- Statutory earnings per share of 15.1 cents per share compared to a loss of 15.4 cents per share in prior year
- Group EBIT (pre significant items) of $156.7 million down 26% from prior year[1]:
    - Building Products EBIT down 16% to $86.9 million due to significantly weaker construction markets
    - Viridian EBITDA of $5.3 million; EBIT loss of $19.3 million on weaker construction markets and higher A$
    - Aluminium EBIT down 28% to $80.5 million on lower A$ realised aluminium price and higher smelter input costs
    - Property EBIT up 67% to $24.4 million following completion of key project sales
- After-tax significant items expense of $14.4 million includes restructuring costs, provisioning for land remediation, non-cash charge at half year to maintain product liability provision and profit on business disposals and transaction costs
- CSR's strong financial position has been maintained:
    - Net cash at year end $55.7 million
    - Standard & Poor's BBB+ long term corporate credit rating

[1] Refers to continuing operations which for the previous corresponding period exclude the Sucrogen and Asian Insulation businesses which were sold on 22 December 2010.

[2] Net profit (pre significant items) is a non-IFRS measure and is used internally by management to assess the performance of the business and has been extracted or derived from CSR's audited financial statements for the year ended 31 March 2012.

	31 March 2012	31 March 2011
Net tangible assets per share	$2.32	$2.35

Dividends	Amount per security	Franking	Franked amount per security at 30% tax
Current Period			
Final	7 cents	100%	7 cents
Interim	6 cents	100%	6 cents
Previous corresponding period			
Final	5.3 cents	100%	5.3 cents
Interim*	3 cents	100%	3 cents

Record date for determining entitlements to final dividend	14 June 2012
Dividend payment date	9 July 2012

** Pre 3:1 share consolidation that occurred on 3 March 2011*

Contents

Financial results summary - Continuing operations

Year ended 31 March [A$ million unless stated] **Pre significant items**	**2012**	2011	change
Trading revenue	**1,801.9**	1,913.6	(6%)
EBITDA	**246.3**	308.0	(20%)
EBIT	**156.7**	212.0	(26%)
Net finance expense	**(23.2)**	(57.0)	(59%)
Tax expense	**(23.2)**	(41.8)	(44%)
Non-controlling interests	**(19.6)**	(23.0)	(15%)
Net profit after tax (pre significant items)	**90.7**	90.2	1%
Earnings per share (pre significant items) [cents]	**17.9**	17.8	1%
Significant items[3]	**(14.4)**	(168.2)	(91%)
Net profit after tax (after significant items)	**76.3**	(78.0)	n/m
Earnings per share (after significant items) [cents]	**15.1**	(15.4)	n/m

n/m – not meaningful

[3] Refer to page 8 and also note 8 in the financial statements regarding details of significant items

Financial results summary – Continuing operations by division

Year ended 31 March [A$ million unless stated] **Pre significant items**	**2012**	2011	change
Building Products	**86.9**	103.8	(16%)
Viridian	**(19.3)**	3.6	n/m
Aluminium	**80.5**	111.9	(28%)
Property	**24.4**	14.6	67%
Business segment total	**172.5**	233.9	(26%)
Corporate costs	**(15.3)**	(19.0)	(19%)
Restructure and provisions	**(0.5)**	(2.9)	(83%)
Total EBIT (pre significant items)	**156.7**	212.0	(26%)

n/m – not meaningful

Commentary on Continuing operations

Overview

CSR Limited ("CSR") announced today group net profit (pre significant items) of $90.7 million for the year ended 31 March 2012 ("YEM12"), slightly improved from the prior year ($90.2m) and ahead of guidance provided at the half year result.

Despite the challenges of very weak residential and commercial construction markets, a significant appreciation in the Australian dollar and a lower A$ realised aluminium price, net profit (pre significant items) increased slightly from the previous year.

The net profit result was assisted by a strong performance in the Gyprock™, Cemintel™ and Hebel® businesses, improved earnings from the Property division and significantly reduced net finance costs following the repayment of outstanding debt after the sale of Sucrogen in the prior year. CSR also benefited from a lower effective tax rate.

CSR managing director, Rob Sindel, said: "This is a pleasing result in the context of a significant deterioration in the key external drivers of our businesses.

"The record high Australian dollar, which averaged over 10 per cent higher than the previous year, had a pronounced effect on our trade exposed businesses: Viridian™ glass, Aluminium and to a lesser extent, Bradford™ Insulation.

"CSR's other businesses performed better by comparison. In particular, we managed to increase earnings in most of our Lightweight Systems businesses despite the reduced levels of construction activity. This improved performance also demonstrates the strength of our plasterboard business which has been augmented by prudent acquisitions to our trade retail and distribution network. Our fibre cement, lightweight concrete and commercial interiors businesses are also benefiting from our more focused business structure.

"More broadly across our portfolio, our key focus over the past year has been to ensure our businesses are equipped to meet the very challenging markets in construction without compromising our ability to strengthen our position as markets improve.

"That has required decisive effort by management to reduce overhead costs, align production to meet levels of current demand and improve operational efficiency. Some of these cost savings have been reinvested in product innovation and people development in line with our core business improvement strategy.

"As a result of these initiatives, CSR remains well placed to meet the current difficult market conditions with strong operating leverage as markets start to recover.

"Meanwhile, our strong financial position provides a solid platform to complement our market-leading position in Building Products with sensible acquisitions and other business development opportunities," he said.

Financial review (Continuing operations)

Net profit after tax (pre significant items) was $90.7 million compared to $90.2 million for the prior year.

Statutory net profit after tax was $76.3 million compared to a net loss of $78.0 million in the prior year. The prior year's result included asset impairments, primarily in the Bricks and Viridian businesses and costs associated with the sudden termination of the Federal Government's insulation rebate scheme.

Net finance costs in YEM12 more than halved to $23.2 million, from $57.0 million the previous year, reflecting CSR's net cash position following the repayment of outstanding debt in December 2010.

While CSR remains debt free, net finance costs include a charge to restate CSR's discounted asbestos provision to nominal dollars (asbestos unwind) and costs to maintain banking facilities.

Tax expense of $23.2 million was 44 per cent lower than the prior year primarily as a result of higher tax deductions for research and development expenditure.

Net cash at year end was $55.7 million compared to $139.1 million at the start of the year. Major cash payments during the period included tax of $37.1 million, dividend payments to shareholders and non-controlling interests of $75.0 million and capital expenditure of $129.6 million.

Standard and Poor's affirmed its BBB+ long term corporate credit rating on CSR on 14 February 2012.

In line with its strategy, CSR completed a number of smaller scale, accretive acquisitions during the year to complement its Building Products portfolio. Spending on these acquisitions was $16.1 million.

Capital expenditure (ex Property) of $105.1 million increased by 59 per cent on the prior year, reflecting the final stages of CSR's capital reinvestment initiatives. Of this total, $65.5 million was for stay-in-business capital projects, and $39.6 million represented new growth and development initiatives.

CSR has now completed the significant component of its capital reinvestment programme. As a result, capital expenditure is expected to decline in the current financial year. Total capital expenditure (ex property) for YEM13 is expected to be in the order of $85 million, of which approximately $35 million is development capital expenditure.

Cashflow from operations was $171.3 million (before tax payments and significant items) compared to the previous year of $230.8 million[1].

The Board has resolved to pay a final dividend of 7 cents per share, fully-franked, to be paid on 9 July 2012. This brings the full year dividend to 13 cents per share and represents a dividend payout ratio of 73 per cent of net profit after tax from continuing operations (before significant items).

The company's dividend reinvestment plan (DRP) will operate for the final dividend payable on 9 July 2012. The last date for receipt of the election notice for participation in the DRP is 13 June 2012, being the day before the dividend record date of 14 June 2012. For the final 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).

Dividend Policy

The CSR tax consolidated group is currently in a position where it is not paying corporate income tax. Although very profitable, CSR's tax position is primarily a result of timing differences between accounting expenses and tax deductibility of these expenses.

As a consequence, CSR is not generating sufficient franking credits to continue to frank its dividends and this is likely to be the case for some time.

As a result, CSR advises that it intends to suspend the franking of its dividends until such time as sufficient credits are available. This will take effect from the interim dividend payable in respect of the half year ending 30 September 2012.

In terms of dividend policy, CSR intends to pay out as dividends 60-80 per cent of net profit after tax (before significant items).

1 – Refer to Appendix 2 for reconciliation of cashflow from operations before tax and significant items.

Significant Items

A pre tax significant items expense of $29.4 million (post tax $14.4 million) was incurred for the year.

Given the ongoing challenging market conditions in residential and commercial construction, CSR responded by continuing to align production levels with demand and ensuring its businesses were appropriately resourced for the prevailing market conditions. As a result, pre tax asset write-downs and restructuring costs (including redundancy payments) of $27.6 million were incurred, including $10.3 million (pre tax) previously advised in Viridian and costs associated with the closure of the rockwool insulation facility at Clayton, scheduled for June 2012.

CSR has increased provisions relating to land remediation obligations for specific legacy factory sites and ongoing legal disputes totalling $9.5 million (pre tax) and as advised at the half year, incurred a pre tax charge of $12.1 million to maintain CSR's product liability provision.

On 15 December 2011, CSR announced it had completed the sale of its autoclaved aerated concrete (AAC) business in Malaysia to Saint-Gobain Construction Products (Malaysia). Pre tax profit from the sale of this business, in addition to profit from other transactions, less transaction related costs, has amounted to a net profit of $19.8 million.

Year ended 31 March 2012 significant items	A$m
Asset write downs and restructuring costs	(27.6)
Increased provision for land remediation and legal disputes	(9.5)
Charge to maintain product liability provision at half year	(12.1)
Acquisition costs and disposal of businesses	19.8
Total significant items before tax	**(29.4)**
Income tax benefit	15.0
Total significant items after tax	**(14.4)**

Product Liability

For the year ended 31 March 2012, CSR paid asbestos related claims of $38.4 million which was in line with the previous year (YEM11: $37.9 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 31 March 2012, the product liability provision was $441.7 million compared to $448.9 million at 31 March 2011. This provision includes a prudential margin of $77.2 million or 21.2 per cent above the central estimate of future liabilities.

Review of Continuing operations by segment

Building Products

Year ended 31 March [A$ million unless stated] Pre significant items	2012	2011	change
Trading revenue	**991.4**	1,049.3	(6%)
EBITDA	**123.2**	145.5	(15%)
EBIT	**86.9**	103.8	(16%)
Funds employed*	**764.9**	762.8	
EBIT/trading revenue	**8.8%**	9.9%	

**Excludes cash and taxbalances*

Construction markets in Australia and New Zealand were significantly weaker than the previous year, with the majority of government stimulus programmes having concluded by the start of the financial year.

In Australia, total residential dwelling commencements declined by 12 per cent (on a one quarter lag basis) to 148,300 for the year ended 31 March 2012.

Private detached housing starts, a key market for CSR's building products portfolio, totalled 90,500, a decline of 13 per cent. This is lower than the number of private detached housing starts during the global financial crisis and is now at the lowest level since 2001.

Total multi-residential activity, including social housing, declined by 9 per cent on the previous year.

Commercial construction activity was down approximately 12 per cent, reflecting continued weak market conditions, low business confidence and the conclusion to government stimulus spending such as the Building the Education Revolution (BER) scheme.

In New Zealand, residential consents declined by 17 per cent on the previous year.

In this very challenging market environment, Building Products trading revenue was $991.4 million, 6 per cent lower than the prior year (YEM11: $1,049.3 million).

EBIT declined by 16 per cent to $86.9 million.

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. The division also includes nine months' contribution from the autoclaved aerated concrete (AAC) business in Malaysia which was sold in December 2011 compared to 12 months' contribution the previous year.

Lightweight Systems trading revenue was $735.8 million compared to $762.7 million in the prior year.

While the insulation business was impacted by the continuing high A$ and the overhang of the sudden termination of the ceiling insulation rebate scheme, the remainder of the Lightweight Systems division delivered a strong performance in a difficult market.

Trading revenue in Gyprock™, Cemintel™ and Hebel® increased through a shift in product mix towards higher value products and modest additional volume, primarily through prudent acquisitions to the Gyprock trade distribution network and a continued focus on pricing.

Total earnings for these businesses also improved on the prior year, reflecting increased sales, continued tight control of overhead expenditure and improved operational efficiencies across manufacturing facilities. The improvement in earnings also reflects the benefit from increased management focus on smaller businesses such as Cemintel, Hebel and Ceilector, with each business improving earnings on the prior year.

Gyprock maintained its market-leading brand position through its strong, national service offering.

Gyprock's national price increase was implemented on 1 March 2012 with a further price increase relating to the introduction of the carbon tax to be implemented from 1 July 2012.

During the year, Gyprock expanded its trade retail and customer service capability with the acquisition of a specialist supplier to the plasterboard segment in South Australia and a plasterboard and trade distribution outlet in Karratha, WA.

Gyprock also opened two new trade facilities during the period: Gladstone, in Qld and Beresfield in NSW. Meanwhile, Gyprock is enhancing its trade retail capability with the launch of its own branded accessory range, GTPRO™, with aligned distributors in the coming year.

The upgraded plasterboard factory and logistics operations at Yarraville were successfully commissioned and are now complete with the official opening ceremony held on 9 May 2012.

Earnings in **Cemintel** fibre cement increased on the previous year, on further improvements in manufacturing efficiencies, and increased contribution from new products such as the Designer Series™ innovative external cladding product range which continues to gain traction in the market.

Earnings in **Hebel** lightweight concrete also increased on the prior year. Market response from residential builders to the supply and fix offer in Victoria continues to improve. Given this positive market feedback, Hebel intends to launch a similar supply and fix offer in NSW this year. The contract to provide sound barriers on the M2 motorway in Sydney also assisted earnings growth.

Earnings in the **Ceilector** commercial ceilings business increased from improved pricing and new systems such as aluminium partitioning in New Zealand.

Trading revenue and earnings in the **Bradford Insulation** business were lower than the previous year with pricing continuing to be impacted by the overhang of the sudden termination of the Federal Government's ceiling insulation rebate scheme and the high Australian dollar which makes imported product more price competitive.

The prior year also included a more significant earnings contribution from the Home Insulation Safety Program (HISP) which was completed in April 2011.

In response to the challenging market conditions, Bradford will cease manufacturing rockwool insulation at its Clayton factory in Melbourne from June 2012. Bradford will replace a substantial amount of rockwool volume with glasswool manufactured from the Brendale facility in Queensland with remaining volume sourced from alternative suppliers.

Meanwhile, Bradford is broadening its offer to incorporate more energy efficient building solutions such as solar energy through its Bradford Energy Efficient Services platform. This platform will be used to launch further services in the current year targeting residential energy efficient solutions.

Bricks and Roofing

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

Trading revenue declined by 11 per cent on the prior year to $255.7 million. While the key market of detached housing declined by 13 per cent for the year, trading revenue declined by less than this amount as a result of price increases.

In the **Bricks** business, lower volumes reflected the decline in detached residential housing markets, particularly in Queensland, NSW and South Australia where CSR has greatest market penetration. Despite the downturn, average selling prices increased in most markets with a 20 per cent price increase implemented in Queensland from 1 January 2012.

Further price increases to recover the impost of the carbon tax will be implemented from 1 July.

The Bricks business continues to rationalise manufacturing capacity to align production with the lower levels of demand. As a consequence, PGH ceased production at the Plant 1 brick manufacturing facility at Cecil Park, Sydney at the end of October 2011.

Plant 2 remains in operation and PGH is servicing the broader brick market with product ranges manufactured from other facilities within its network.

Market response to the new higher margin, ceramic glazed brick range produced at Horsley Park, Sydney, continues to improve with further product releases scheduled for this year.

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

Volumes declined, particularly in the weak detached housing markets of Queensland and South Australia, partially off-set by better than market volume declines in Victoria and New Zealand.

Viridian

Year ended 31 March [A$ million unless stated] **Pre significant items**	**2012**	2011	change
Trading revenue	**306.1**	348.8	(12%)
EBITDA	**5.3**	29.7	(82%)
EBIT	**(19.3)**	3.6	n/m
Funds employed*	**420.3**	402.5	
EBIT/trading revenue	**n/m**	1%	

n/m – not meaningful

*excludes cash and tax balances

The result in Viridian was disappointing and reflects the business' sensitivity to changes in volume and currency.

The ongoing deterioration in construction markets, together with the continuing high Australian dollar, has a more pronounced impact on Viridian compared to other building products businesses in the CSR portfolio.

Meanwhile, the A$/US$ exchange rate averaged $1.045 compared to $0.945 the previous year, an increase of over 10 per cent.

Despite improvements in service levels in most parts of the business, macro pressures are being exacerbated by intense competition in glass processing which continues to impact profitability.

As a result of these dynamics, Viridian's trading revenue declined by 12 per cent to $306.1 million from $348.8 million the prior year. While EBITDA remained positive at $5.3 million, high levels of depreciation resulted in a loss before interest and tax of $19.3 million (pre significant items) compared to the previous year's EBIT of $3.6 million.

In response to these very challenging external market conditions, CSR has implemented additional initiatives to reduce the fixed cost base further and improve operational efficiency.

The restructure of the **Primary Products** float glass manufacturing business has commenced on schedule and is due to be completed by the end of calendar 2013.

As part of the restructure, Viridian has now ceased the manufacture of uneconomical, low margin products such as toughened door panels and has also reduced off-line cutting at the Dandenong and Ingleburn facilities. This cost saving has reduced the capacity at Ingleburn to approximately 65,000 tonnes from around 95,000 tonnes previously.

Further efficiencies will be achieved by switching the manufacture of non-coated grey glass from Ingleburn to Dandenong and by manufacturing grey coated glass at Dandenong instead of importing.

As advised at the half year, Viridian is also rationalising its laminating operations in Melbourne with the closure of the two laminating lines at Clayton and Dandenong which will be replaced by a more efficient line at Dandenong. The new line is expected to be operational by the second half of YEM13.

The restructure in Primary Products is expected to deliver ongoing annualised cost savings in excess of $10 million once complete.

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

Viridian has now established the joint venture between its New Zealand glass subsidiary and Euroglass Systems Limited.

The joint venture, of which Viridian owns 58%, will result in a more efficient operational structure through ongoing cost synergies and site rationalisation savings.

From 1 March 2012, earnings from the Viridian NZ joint venture were equity accounted such that Viridian will report its share of net profit before tax from the joint venture at the EBIT line.

This transaction builds on the previous acquisition of Burnbridge Glass in NSW and Viridian will assess other rationalisation opportunities in key markets.

In addition to cost savings, these transactions also provide modest additional glass volume by replacing previously imported glass with locally manufactured glass from the Primary Products business.

Having commenced the restructure in Primary Products and established the joint venture in New Zealand, Viridian's next focus is on the NSW market and how best to structure its processing capacity to optimise profitability in that state.

The capital projects within both the Primary Products and Glass Processing & Services businesses are largely complete such that capital expenditure in Viridian is expected to more than halve in the current financial year.

Aluminium

Year ended 31 March [A$ million unless stated]	2012	2011	change
Trading revenue	**504.4**	515.5	(2%)
EBITDA	**108.1**	139.4	(22%)
EBIT	**80.5**	111.9	(28%)
Funds employed*	**245.3**	265.2	
EBIT/trading revenue	**16.0%**	21.7%	

**excludes cash, tax and fair value of derivative balances*

Earnings for **Gove Aluminium Finance Limited** (70% CSR) were impacted by lower revenue as a result of the lower A$ aluminium price and higher production costs at the Tomago smelter, primarily petroleum coke.

GAF sales volume of 193,808 tonnes was 3 per cent higher than last year's total of 188,246 tonnes.

However, the higher Australian dollar for much of the year resulted in an average A$ aluminium price before hedging of A$2,363 per tonne compared to A$2,537 per tonne the previous year.

Through its currency and metal hedging strategy, GAF managed to secure higher prices such that the average A$ realised price after hedging was A$2,603 per tonne – an increase of A$240 per tonne on the unhedged price in YEM12.

However, this average realised aluminium price after hedging was 5 per cent lower than last year (YEM11: A$2,738 per tonne). As a result, trading revenue of $504.4 million was 2 per cent lower than last year's total of $515.5 million.

EBIT was $80.5 million, 28 per cent per cent lower than last year, impacted by the lower A$ realised aluminium price, increased input costs at the Tomago smelter and slightly higher contracted alumina costs.

Global economic concerns caused a significant decline in the US$ LME 3 month price of Aluminium from around US$2,800 per tonne in May 2011 to below US$2,000 per tonne at the start of calendar year 2012. Economic uncertainty in global markets continues to weigh on commodity markets in general and in base metal markets more particularly.

In response to these market conditions Tomago has commenced a restructure of its operations to ensure the smelter maintains a globally cost competitive position. The restructure will involve a reduction of approximately 100 existing roles at the smelter in addition to a number of other cost reduction initiatives including changes to maintenance and capital works budgets.

Through its shareholding in GAF, CSR has held preliminary discussions with Pacific Aluminium management regarding Rio Tinto's shareholding in the Tomago smelter joint venture.

While these discussions are preliminary, CSR is assessing options with the principal objective to ensure shareholder value is maximised by any proposed change in ownership structure at the smelter.

Property

Year ended 31 March [A$ million unless stated]	**2012**	2011	Change
EBIT	**24.4**	14.6	67%

EBIT from CSR's property division was $24.4 million, an increase of 67 per cent from the previous year.

As disclosed at the half year result, the primary contributor to earnings was the sale of the 535 lot residential development at Brendale, north of Brisbane, to Defence Housing Australia for $35 million.

The project was sold on deferred settlement terms to be received in stages, concluding by August 2013.

A further sale of 7.5 hectares of industrial land at Brendale also contributed to EBIT for the year.

CSR completed the site remediation works on the remaining 38.5 hectares of industrial land it owns at Brendale with infrastructure works now commenced.

Sale proceeds of approximately $27 million from the sale of the 2.7 hectare former glass factory at Alexandria were received in the first half.

Marketing continues for the remaining 9 hectares industrial site at Erskine Park, western Sydney while 5 light industrial lots at Darra, Brisbane remain to be sold out of a total of 40 lots.

Having received regulatory approvals, CSR is scheduled to commence development in mid 2012 of the first stage of the 536 lot residential development at Chirnside Park, Melbourne.

Group outlook for year ending March 2013

CSR estimates that total housing starts in Australia (on a one quarter lag basis) will be around 140,000 for the year ended 31 March 2013 compared to total commencements of 148,300 the previous year. Excluding the global financial crisis and the introduction of the GST, this represents the lowest level of housing activity in the past 15 years.

Within this total, private detached commencements are expected to remain broadly steady at around 90,000 with total multi-residential starts expected to decline by over 10 per cent to around 50,000.

Dwelling starts in New Zealand are expected to improve by around 15-20 per cent for the year from a low base.

CSR expects the market for housing alterations and additions to improve slightly and anticipates that the value of non-residential construction work done in Australia will be steady on the previous year.

In this environment, CSR remains focused on ensuring its cost base and manufacturing capacity continue to reflect current market conditions.

Within its Building Products and Viridian businesses, CSR expects to benefit from the restructuring and business improvement initiatives implemented over the past year.

In Viridian specifically, the restructure in Primary Products and the joint venture in New Zealand, should assist in earnings improvement in the current year despite the difficult markets.

In Aluminium, GAF has contracts in place for 95% of its share of production in YEM13.

As advised previously to the market, lower US$ spot aluminium prices together with the continuing high A$ means GAF has entered the current financial year with a significantly lower net hedged position than in previous years.

For YEM13, GAF has approximately 14 per cent of its net aluminium exposure hedged at A$3,077 per tonne compared to the price at 30 April 2012 of approximately A$2,010 per tonne.

GAF will add hedging as metal and currency markets permit, however, given the current net hedged position, earnings for YEM13 will be more exposed to the A$ spot price of aluminium than in previous years.

CSR notes that the average unhedged A$ aluminium price for the month of April 2012 was A$2,015 per tonne. This compares to an average unhedged aluminium price of A$2,244 per tonne for all of YEM12 and average realised price after hedging in YEM12 of A$2,603. As a result, the A$ aluminium price would need to increase substantially from current levels for GAF to achieve earnings in YEM13 similar to the level achieved in YEM12.

Earnings in CSR's Property division remain subject to the timing of specific transactions.

At a group level, CSR will continue to benefit from its strong financial position resulting in low net finance costs.

CSR expects to be able to give further information about prospects for YEM13 at the Annual General Meeting scheduled for 12 July 2012 in Sydney.

Media/analyst enquiries:

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Appendix 1 - financial results summary – continuing and discontinued operations

For the year ended 31 March 2012			A$m
Trading revenue from continuing operations	down 6%	to	1,801.9
EBIT (pre significant items) from continuing operations	down 26%	to	156.7
Net profit (pre significant items) from continuing operations[1]	**up 1%**	**to**	**90.7**
Net profit (after sig. items) from continuing operations attributable to shareholders	up 198%	to	76.3
Net profit attributable to shareholders[2]	down 85%	to	76.3

1 - Net profit (pre significant items) is a non-IFRS measure and is used internally by management to assess the performance of the business and has been extracted or derived from CSR's audited financial statements for the year ended 31 March 2012.

2 - Includes discontinued operations which for the previous corresponding period include the Sucrogen and Asian Insulation businesses which were sold on 22 December 2010.

Appendix 2 – Operating cashflow form continuing operations

Year ended 31 March [A$ million unless stated] Operating cashflow from continuing operations	2012	2011
EBITDA	**246.3**	308.0
Net movement in working capital	**3.5**	10.9
(Profit)/loss on asset disposals	**(27.5)**	(16.4)
Asbestos payments	**(38.4)**	(37.9)
Movement in provisions/other	**(12.6)**	(33.8)
Operating cashflow pre tax and significant items[1]	**171.3**	230.8
Tax paid	**(37.1)**	(40.5)
Significant items	**(30.9)**	(18.7)
Operating cashflow	**103.3**	171.6

1 – Operating cashflow pre tax and significant items is a non-IFRS measure and is used internally by management to assess the performance of the business and has been extracted or derived from CSR's audited financial statements for the year ended 31 March 2012.

CSR Limited

ABN 90 000 001 276

Directors of CSR Limited

The Directors of CSR Limited at any time during the year ended 31 March 2012 are as follows:

Ian Blackburne[1]
Jeremy Sutcliffe[2]
Nicholas Burton Taylor[3]
Kathleen Conlon
Ray Horsburgh
Richard Lee[3]
John Story
Rob Sindel
Michael Ihlein[4]
Rebecca McGrath[5]

1 – Retired on 7 July 2011
2 – Appointed Chairman on 7 July 2011
3 - Retired on 11 May 2011
4 - Appointed on 7 July 2011
5 - Appointed on 1 February 2012

Signed in accordance with a resolution of the directors.

Rob Sindel
Managing Director

Sydney, 16 May 2012

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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225 George Street
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The Directors
CSR Limited
Triniti 3
39 Delhi Road
NORTH RYDE NSW 2113

16 May 2012

Dear Directors,

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 audit of the financial statements of CSR Limited for the financial year ended 31 March 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 audit; and

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

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants

CSR group statement of financial performance

Year ended 31 March ($ million unless indicated)	Note	2012	2011
Continuing operations			
Trading revenue - sale of goods		**1,801.9**	1,913.6
Cost of sales		**(1,278.8)**	(1,323.0)
Gross margin from continuing operations		**523.1**	590.6
Other income	7	**53.0**	19.9
Warehouse and distribution costs		**(179.8)**	(184.2)
Selling, administration and other operating costs		**(230.0)**	(222.0)
Share of net profit of associates	13	**11.1**	10.5
Other expenses	7	**(50.1)**	(222.3)
Profit (loss) from continuing operations before finance and income tax		**127.3**	(7.5)
Interest income	3	**7.0**	11.2
Finance cost	3	**(30.2)**	(68.2)
Profit (loss) from continuing operations before income tax		**104.1**	(64.5)
Income tax (expense) benefit relating to continuing operations	4	**(8.2)**	9.5
Net profit (loss) from continuing operations		**95.9**	(55.0)
Net profit from discontinued operations [a]		**-**	589.0
Net profit		**95.9**	534.0
Net profit from continuing operations attributable to non-controlling interests		**19.6**	23.0
Net profit from discontinued operations attributable to non-controlling interests		**-**	7.6
Net profit attributable to non-controlling interests		**19.6**	30.6
Net profit (loss) from continuing operations attributable to shareholders of CSR Limited		**76.3**	(78.0)
Net profit from discontinued operations attributable to shareholders of CSR Limited	16	**-**	581.4
Net profit attributable to shareholders of CSR Limited [b]		**76.3**	503.4

(cents)		
From continuing and discontinued operations		
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited [c]	**15.1**	99.6
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited [c]	**15.1**	99.6
From continuing operations		
Basic earnings per share - based on net profit (loss) attributable to shareholders of CSR Limited [c]	**15.1**	(15.4)
Diluted earnings per share - based on net profit (loss) attributable to shareholders of CSR Limited [c]	**15.1**	(15.4)

a Discontinued operations relate to Sucrogen and Asian insulation businesses sold on 22 December 2010.

b Net profit from continuing operations before significant items attributable to shareholders of CSR Limited is $90.7 million (2011: $90.2 million). Refer to Note 8 to the financial statements.

c Weighted number of ordinary shares on issue used in the calculation of earnings per share is 506.0 million (2011: 505.6 million).

Notes to the financial statements are annexed

CSR group statement of comprehensive income

Year ended 31 March ($ million)	**2012**	2011
Net profit (loss) from continuing operations	**95.9**	(55.0)
Net profit from discontinued operations	**-**	589.0
Net profit	**95.9**	534.0
Other comprehensive (expense) income from continuing operations		
Exchange differences arising on translation of foreign operations	**0.9**	(3.5)
Reclassification of foreign currency translation reserve relating to foreign operations disposed during the year	**1.0**	2.3
Hedge profit recognised in equity	**14.9**	(20.5)
Hedge profit transferred to the statement of financial performance	**(19.0)**	(11.8)
Actuarial loss on superannuation defined benefit plans	**(34.0)**	
Income tax relating to components of other comprehensive income	**11.2**	9.1
Other comprehensive expense for the period (net of tax) from continuing operations	**(25.0)**	(24.4)
Other comprehensive (expense) income from discontinued operations		
Exchange differences arising on translation of foreign operations	**-**	(2.4)
Reclassification adjustments relating to foreign currency translation and hedge reserves	**-**	93.5
Hedge loss recognised in equity	**-**	(108.2)
Hedge profit transferred to statement of financial performance	**-**	(9.3)
Income tax relating to components of other comprehensive income	**-**	35.2
Other comprehensive income for the period (net of tax) from discontinued operations	**-**	8.8
Total comprehensive income (expense) from continuing operations	**70.9**	(79.4)
Total comprehensive income from discontinued operations	**-**	597.8
Total comprehensive income	**70.9**	518.4
Total comprehensive income attributable to:		
Shareholders of CSR Limited	**52.4**	480.5
Non-controlling interests	**18.5**	37.9
Total comprehensive income	**70.9**	518.4
Shareholders of CSR Limited from continuing operations	**52.4**	(98.4)
Non-controlling interests from continuing operations	**18.5**	19.0
Total comprehensive income (expense) from continuing operations	**70.9**	(79.4)
Shareholders of CSR Limited from discontinued operations	**-**	578.9
Non-controlling interests from discontinued operations	**-**	18.9
Total comprehensive income from discontinued operations	**-**	597.8
Total comprehensive income	**70.9**	518.4

Notes to the financial statements are annexed

CSR group statement of financial position

($ million)	Note	As at 31 March 2012	As at 31 March 2011
Current assets			
Cash and cash equivalents		**55.8**	143.6
Receivables		**263.5**	302.4
Inventories		**309.5**	281.9
Other financial assets		**16.1**	25.9
Income tax assets		**40.8**	-
Other current assets		**7.4**	8.5
Total current assets		**693.1**	762.3
Non-current assets			
Receivables		**52.4**	27.0
Inventories		**54.6**	17.6
Investments accounted for using the equity method		**41.1**	14.5
Other financial assets		**3.7**	5.8
Property, plant and equipment		**1,120.3**	1,134.5
Goodwill		**22.4**	13.8
Other intangible assets		**31.7**	32.1
Deferred income tax assets		**213.7**	236.9
Other non-current assets		**14.8**	13.7
Total non-current assets		**1,554.7**	1,495.9
Total assets		**2,247.8**	2,258.2
Current liabilities			
Payables		**218.0**	201.6
Borrowings		**-**	3.1
Other financial liabilities		**0.8**	7.1
Tax payable		**2.1**	19.7
Provisions		**198.5**	199.1
Total current liabilities		**419.4**	430.6
Non-current liabilities			
Payables		**16.4**	2.5
Borrowings		**0.1**	1.4
Other financial liabilities		**-**	1.8
Provisions		**447.6**	462.0
Deferred income tax liabilities		**36.2**	42.2
Other non-current liabilities		**49.4**	36.4
Total non-current liabilities		**549.7**	546.3
Total liabilities		**969.1**	976.9
Net assets		**1,278.7**	1,281.3
Equity			
Issued capital	5	**1,042.2**	1,042.2
Reserves	9	**17.6**	21.2
Retained profits		**170.6**	170.3
Equity attributable to shareholders of CSR Limited		**1,230.4**	1,233.7
Non-controlling interests		**48.3**	47.6
Total equity		**1,278.7**	1,281.3

Notes to the financial statements are annexed

CSR group statement of changes in equity

Year ended 31 March ($ million)	Issued Capital	Hedge Reserve	Foreign currency translation reserve	Employee Share reserve	Other reserves	Retained profits	Attributable to CSR Ltd shareholders	Non-controlling interests	**Total**
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	**-**	**-**	**-**	**-**	**-**	**76.3**	**76.3**	**19.6**	**95.9**
Exchange differences arising on translation of foreign operations	**-**	**-**	**0.9**	**-**	**-**	**-**	**0.9**	**-**	**0.9**
Reclassification adjustments relating to foreign currency translation reserves and other reserves on disposed foreign operations	**-**	**-**	**1.0**	**-**	**(5.3)**	**5.3**	**1.0**	**-**	**1.0**
Hedge profit recognised in equity	**-**	**10.7**	**-**	**-**	**-**	**-**	**10.7**	**4.2**	**14.9**
Hedge (profit) transferred to statement of financial performance	**-**	**(13.2)**	**-**	**-**	**-**	**-**	**(13.2)**	**(5.8)**	**(19.0)**
Actuarial loss on superannuaton defined benefit plans	**-**	**-**	**-**	**-**	**-**	**(34.0)**	**(34.0)**	**-**	**(34.0)**
Income tax relating to components of other comprehensive income	**-**	**0.8**	**-**	**-**	**-**	**9.9**	**10.7**	**0.5**	**11.2**
Total comprehensive (expense) income	**-**	**(1.7)**	**1.9**	**-**	**(5.3)**	**57.5**	**52.4**	**18.5**	**70.9**
Payment of ordinary dividends	**-**	**-**	**-**	**-**	**-**	**(57.2)**	**(57.2)**	**(17.8)**	**(75.0)**
Recognition of share based payments	**-**	**-**	**-**	**1.5**	**-**	**-**	**1.5**	**-**	**1.5**
Balance at 31 March 2012	**1,042.2**	**9.9**	**(10.7)**	**18.4**	**-**	**170.6**	**1,230.4**	**48.3**	**1,278.7**
Balance at 1 April 2010	1,700.9	32.3	(18.7)	12.6	5.3	(49.8)	1,682.6	135.6	1,818.2
Net profit	-	-	-	-	-	503.4	503.4	30.6	534.0
Exchange differences arising on translation of foreign operations	-	-	(6.3)	-	-	-	(6.3)	0.4	(5.9)
Reclassification adjustments relating to foreign currency translation and hedge reserves on discontinued operations	-	81.1	12.4	-	-	-	93.5	-	93.5
Hedge profit (loss) recognised in equity	-	(119.6)	-	-	-	-	(119.6)	13.7	(105.9)
Hedge (profit) transferred to statement of financial performance	-	(25.9)	-	-	-	-	(25.9)	(3.9)	(29.8)
Actuarial loss on superannuaton defined benefit plans	-	-	-	-	-	(11.8)	(11.8)	-	(11.8)
Income tax relating to components of other comprehensive income	-	43.7	-	-	-	3.5	47.2	(2.9)	44.3
Total comprehensive (expense) income	-	(20.7)	6.1	-	-	495.1	480.5	37.9	518.4
Shares issued	2.6	-	-	2.6	-	-	5.2	-	5.2
Payment of ordinary dividends	-	-	-	-	-	(136.4)	(136.4)	(32.2)	(168.6)
Payment of special dividend	-	-	-	-	-	(138.6)	(138.6)	-	(138.6)
Capital return	(661.3)	-	-	-	-	-	(661.3)	-	(661.3)
Recognition of share based payments	-	-	-	1.7	-	-	1.7	-	1.7
Net contribution from joint venture partner	-	-	-	-	-	-	-	(4.7)	(4.7)
Disposal of non-controlling interests	-	-	-	-	-	-	-	(89.0)	(89.0)
Balance at 31 March 2011	1,042.2	11.6	(12.6)	16.9	5.3	170.3	1,233.7	47.6	1,281.3

Notes to the financial statements are annexed

CSR group statement of cash flows

Year ended 31 March ($ million)	Note	2012	2011
Cash flows from operating activities			
Receipts from customers		**1,960.2**	3,400.2
Payments to suppliers and employees		**(1,836.3)**	(3,141.6)
Dividends and distributions received		**10.2**	7.3
Interest received		**6.3**	13.3
Income tax paid		**(37.1)**	(64.6)
Derivative margin calls paid		**-**	(29.3)
Net cash from operating activities	2	**103.3**	185.3
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(129.6)**	(143.1)
Proceeds from sale of property, plant and equipment and other non-current assets		**48.0**	48.8
Net cash from disposal of discontinued operations (including payments for transaction costs)	16	**(13.7)**	1,873.7
Tax instalment paid on disposal of discontinued operations		**-**	(60.1)
Net cash from disposal of of businesses (net of payments for transaction costs)	16	**31.1**	-
Purchase of controlled entities and businesses, net of cash acquired	11	**(16.1)**	(2.4)
Loans and receivables (advanced) repaid		**(17.2)**	2.3
Investment in associated entity		**(1.1)**	-
Net cash (used in) from investing activities		**(98.6)**	1,719.2
Cash flows from financing activities			
Proceeds from issue of shares to CSR Limited shareholders		**-**	2.6
Net repayment of borrowings		**(3.1)**	(794.5)
Dividends paid		**(75.0)**	(307.2)
Capital return to CSR Limited shareholders		**-**	(661.3)
Interest and other finance costs paid		**(13.4)**	(41.4)
Net cash used in financing activities		**(91.5)**	(1,801.8)
Net (decrease) increase in cash held		**(86.8)**	102.7
Net cash at beginning of the financial year		**142.3**	43.9
Effects of exchange rate changes		**0.3**	(4.3)
Net cash at the end of the financial year		**55.8**	142.3

Reconciliation of net cash

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

	2012	2011
Cash at banks and on hand	**26.8**	34.2
Short term loans and deposits	**29.0**	109.4
Total cash	**55.8**	143.6
Bank overdraft	**-**	(1.3)
Net cash at the end of the financial year	**55.8**	142.3

Notes to the financial statements are annexed

Notes to the consolidated financial report for the year ended 31 March 2012

ADDITIONAL CASH FLOW INFORMATION

Non-cash financing and investing activities. During the financial year ended 31 March 2012, CSR Limited issued nil shares to employees of the CSR group under the terms of the Universal Share/Option Plan (2011: 2,988,700 shares). During the financial year ended 31 March 2012, $53.4 million was paid in dividends and $3.8 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 cashflows.

Credit standby facilities. The CSR group has a total of $635 million (2011: $1,160 million) committed standby facilities. These facilities have fixed maturity dates as follows: $100 million in the second half of financial year 2013, $370 million in financial year 2015, with the balance of $165 million in financial year 2016. As at 31 March 2012, $635 million of the standby facilities were undrawn.

OTHER NOTES

i. Basis of Preparation. This report is prepared in accordance with the ASX listing rule 4.3A, the requirements of the Corporations Act 2001, applicable Accounting Standards and Interpretations, and complies with other requirements of the law and the listing rules of Australian Stock Exchange Limited. The financial report is based on historical cost, except for certain assets which are at deemed cost and the revalued amount of certain assets. It should be read in conjunction with announcements to the market made by the CSR group during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and ASX Listing Rule 3.1. This report does not include all the notes of the type normally included in an annual financial report.

ii. Subsequent events.

Dividends

For dividends declared after 31 March 2012, refer to Note 12.

iii. Significant accounting policies.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2012, and are consistent with those of the previous year, unless otherwise stated.

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:

<u>Product liability:</u> 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. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States. At 31 March 2012, a provision of $441.7 million (2011: $448.9 million) has been made for all known claims and reasonably foreseeable future claims. Refer Note 15 for further details of the key assumptions and uncertainties in estimating this liability.

<u>Asset impairment:</u> 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.

<u>Measurement of provisions for restoration and environmental rehabilitation and legal claims</u>: 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.

Intangibles. Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is not amortised, but tested annually or whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the statement of financial performance and is not subsequently reversed. Certain trade names determined as having an indefinite life are not amortised but are assessed annually for impairment. Internal costs relating to acquired intangible assets are expensed.

The cost of developing new systems, including purchased software, is deferred and subsequently amortised over the period over which the benefits are expected to arise; in most cases, this is five years.

Financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in income depends on the nature of the hedge relationship. The CSR group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedges of highly probable forecast transactions (cash flow hedges).

Fair value hedges. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss.

Embedded derivatives. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts.

iii. Significant accounting policies. (continued)

New and amended accounting standards and interpretations. The CSR group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 April 2011 as they are applicable for financial periods commencing on or after 1 July 2010.

- AASB 124 (revised) Related Party Disclosures;
- AASB 2009-12 Amendments to Australian Accounting Standards;
- AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement;
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project;
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project;
- AASB 2010-5 Amendments to Australian Accounting Standards;
- Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Impairment of assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Other assets are reviewed for impairment at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. The reversal of an impairment loss is recognised immediately in profit or loss.

Employee benefits. Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee obligations (based on wage rates expected at the time of settling the liability) when it is probable that settlement will be required and they are capable of being reliably measured.
Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.
Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the CSR group.
For superannuation defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full, directly in retained profits, in the period in which they occur, and are presented in the statement of comprehensive income. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.
Contributions to superannuation defined contribution plans are expensed when incurred and the CSR group's legal or constructive obligation is limited to these contributions.

Financial assets. Financial assets are classified as available for sale financial assets, or loans and receivables (stated at amortised cost less impairment). The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Income tax. Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable income for the financial year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).
Deferred income tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. In principle, deferred tax assets or liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. A deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the CSR group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and when the CSR group intends to settle the tax assets and liabilities on a net basis.
No provision for withholding tax has been made on undistributed earnings of overseas controlled entities where there is no intention to distribute those earnings.
Current and deferred tax is recognised as an expense in the statement of financial performance except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from an initial accounting for a business acquisition, in which case it is taken into account in the determination of goodwill.

iii. Significant accounting policies. (continued)

Share based payments. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the CSR group's estimate of shares that will eventually vest.

Borrowing costs. Unwinding of the interest component of discounted assets and liabilities is treated as interest (finance cost).

Provision for restoration and environmental rehabilitation. The net present value of estimated costs of environmental rehabilitation of commercial sites which require remediation of existing conditions resulting from present and past operations is taken up as a provision. The liability is immediately recognised when the environmental exposure is identified and the rehabilitation costs can be reliably estimated. The estimate is revised at each reporting period and the provision is adjusted accordingly.

Revenue recognition.
Sales revenue is measured at the fair value of the consideration receivable, and is recognised when each of the following conditions is met:
• persuasive evidence of an arrangement exists, which is usually in the form of a contractual arrangement;
• the significant risks and rewards of ownership of the goods have transferred from the CSR group to the buyer;
• the seller's price to the buyer is fixed or determinable; and
• collectibility is reasonably assured.
Other than raw sugar sales (included in discontinued operations in the comparative period), other products and services are sold on normal trade terms and conditions. In the case of raw sugar sold by the CSR group, revenue was recognised on a provisional basis at the time of title transfer to the centralised marketing authority, based on prevailing prices, and was subject to final adjustment when the final price was advised by the centralised marketing authority. In the prior year, this financial adjustment was not material.

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 - 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.

Accounting Standards and Interpretations not yet effective. The following Australian Accounting Standards and Interpretations have not yet been adopted by the CSR group:

- AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets applicable to the CSR group for the financial year ending 31 March 2013;
- AASB 1054 Australian Additional Disclosures applicable to the CSR group for the financial year ending 31 March 3013;
- AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets applicable to the CSR group for the financial year ending 31 March 2013;
- AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 9 Financial Instruments applicable to the CSR group (effective date deferred);
- AASB 2010-7 and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 10 Consolidated Financial Statements applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 11 Joint arrangements applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 12 Disclosure of Interests in Other Entities applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 2011-7 Consequential amendments from consolidations and joint arrangements standards applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 13 Fair Value Measurement applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 2011-8 Consequential amendments from AASB13 Fair Value Measurement applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 119 Employee benefits applicable to the CSR group for the financial year ending 31 March 2014;
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 applicable to the CSR group for the financial year ending 31 March 2014; and
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements applicable to the CSR group for the financial year ending 31 March 2015.

Presentation of financial statements and notes may be different when these Accounting Standards are adopted.

Implementation of AASB 119 is expected to result in changes to the accounting treatment for the CSR group's defined benefit superannuation funds and provisons for employee benefits which will impact amounts reported in profit or loss and net assets.

The CSR group does not anticipate any change in accounting for existing arrangements under AASB 10, AASB 11 and AASB 12. However should any arrangements take place which changes existing interests or creates new interests in controlled entities, the accounting for such transactions may be different to that applied to transactions in the past.

Comparative information. Where applicable, comparative information has been reclassified in order to comply with current period disclosure requirements.

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.

1. Segment information

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 (the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources. The operating segments are identifed 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 have the most effect on the rates of return. Each of the business units disclosed below has been determined as both an operating segment and 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 Edmonds 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, coated and bulk laminate glass in Victoria and NSW and downstream value-added processing of glass from a number of facilities across Australia and New Zealand.

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.

Sucrogen (discontinued operations)

The CSR group's Sucrogen segment encompasses three main businesses being Cane Products, Sweeteners and Bioethanol. The Cane Products business mills sugar. It also produces by-products such as molasses (which is distilled and fermented to produce ethanol and is used as a livestock feed additive). The mills generate their own electricity, with excess electricity sold into the Queensland electricity grid. The Sweeteners business refines raw sugar to produce food-grade products. The Bioethanol business produces ethanol, which is used in fuels and also in pharmaceuticals, food and beverages, cosmetics, printing, aerosols and paint. This business also produces agricultural fertiliser. This segment was sold on 22 December 2010 and was included as a discontinued operation for the comparative financial year.

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 these financial statements, 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 trading profits. This approach is consistent with the manner in which results are reported to the Chief Operating Decision Makers (CODM).

Asset transfers

Transfers of assets between segments are recognised at cost.

Inter-segment sales

From time to time, Renewable Energy Certificates (RECs) produced by the Sucrogen segment (now discontinued) were sold to the Building Products and Aluminium segments. Sales of RECs between segments are recorded at fair value.

It is the CSR 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.

1. Segment information (continued)

($ million)	Profit (loss) before income tax 2012	2011	Income tax 2012	2011	Non-controlling interests 2012	2011	Net profit (loss) 2012	2011
Business segments from continuing operations								
Building Products	**86.9**	103.8	**22.5**	27.7	**-**	0.3	**64.4**	75.8
Glass	**(19.3)**	3.6	**(4.5)**	1.0	**-**	-	**(14.8)**	2.6
Aluminium	**80.5**	111.9	**11.7**	31.1	**19.6**	23.6	**49.2**	57.2
Property	**24.4**	14.6	**7.2**	4.4	**-**	-	**17.2**	10.2
Segment total for continuing operations	**172.5**	233.9	**36.9**	64.2	**19.6**	23.9	**116.0**	145.8
Corporate [a]	**(15.3)**	(19.0)	**(6.4)**	(5.7)	**-**	-	**(8.9)**	(13.3)
Restructuring and provisions [b]	**(0.5)**	(2.9)	**(0.2)**	(0.3)	**-**	-	**(0.3)**	(2.6)
Earnings before interest and significant items	**156.7**	212.0	**30.3**	58.2	**19.6**	23.9	**106.8**	129.9
Net finance cost	**(23.2)**	(57.0)	**(7.1)**	(16.4)	**-**	(0.9)	**(16.1)**	(39.7)
Continuing operations total before significant items	**133.5**	155.0	**23.2**	41.8	**19.6**	23.0	**90.7**	90.2
Significant items (note 8)	**(29.4)**	(219.5)	**(15.0)**	(51.3)	**-**	-	**(14.4)**	(168.2)
Continuing operations total after significant items	**104.1**	(64.5)	**8.2**	(9.5)	**19.6**	23.0	**76.3**	(78.0)
Business segments from discontinued operations								
Sucrogen	**-**	69.4	**-**	25.2	**-**	7.6	**-**	36.6
Asian insulation business	**-**	7.0	**-**	2.1	**-**	-	**-**	4.9
Net finance cost	**-**	(2.3)	**-**	(0.1)	**-**	-	**-**	(2.2)
Significant items (note 16)	**-**	692.1	**-**	150.0	**-**	-	**-**	542.1
Segment total for discontinued operations	**-**	766.2	**-**	177.2	**-**	7.6	**-**	581.4
Group total after significant items	**104.1**	701.7	**8.2**	167.7	**19.6**	30.6	**76.3**	503.3

	Total revenue [c] 2012	2011	Share of net profit of associates 2012	2011	Depreciation and amortisation [d] 2012	2011	Additions to non-current assets [e] 2012	2011
Business segments from continuing operations								
Building Products	**993.5**	1,048.7	**11.3**	10.5	**36.3**	41.7	**45.7**	38.2
Glass	**306.5**	348.8	**(0.2)**	-	**24.6**	26.1	**73.3**	20.1
Aluminium	**507.9**	519.6	**-**	-	**27.6**	27.5	**10.4**	7.9
Property	**27.2**	16.4	**-**	-	**-**	-	**74.2**	15.6
Segment total for continuing operations	**1,835.1**	1,933.5	**11.1**	10.5	**88.5**	95.3	**203.6**	81.8
Corporate [a]	**-**	-	**-**	-	**1.1**	0.7	**0.2**	-
Restructuring and provisions [b]	**-**	-	**-**	-	**-**	-	**-**	-
Interest revenue	**7.0**	11.2						
Continuing operations total before significant items	**1,842.1**	1,944.7	**11.1**	10.5	**89.6**	96.0	**203.8**	81.8
Significant items (note 8)	**19.8**	-	**-**	-	**-**	-	**-**	-
Continuing operations total after significant items	**1,861.9**	1,944.7	**11.1**	10.5	**89.6**	96.0	**203.8**	81.8
Business segments from discontinued operations								
Sucrogen	**-**	1,368.5	**-**	3.0	**-**	43.4	**-**	62.4
Asian insulation business	**-**	60.2	**-**	-	**-**	2.4	**-**	0.3
Interest revenue	**-**	0.2						
Significant items (note 16)	**-**	692.1	**-**	-	**-**	-	**-**	-
Segment total for discontinued operations	**-**	2,121.0	**-**	3.0	**-**	45.8	**-**	62.7
Group total after significant items	**1,861.9**	4,065.7	**11.1**	13.5	**89.6**	141.8	**203.8**	144.5

1. Segment information (continued)

($ million)	Assets [f] 2012	Assets [f] 2011	Liabilities 2012	Liabilities 2011	Investments accounted for using the equity method 2012	Investments accounted for using the equity method 2011	Impairment of assets [g] 2012	Impairment of assets [g] 2011
Building Products	**929.8**	927.1	**165.0**	160.5	**16.6**	14.5	**(4.8)**	30.6
Glass	**485.6**	462.9	**65.3**	60.5	**24.5**	-	**-**	121.0
Aluminium	**338.3**	362.7	**73.9**	73.8	**-**	-	**-**	-
Property	**139.9**	81.3	**57.2**	18.6	**-**	-	**-**	-
Segment total	**1,893.6**	1,834.0	**361.4**	313.4	**41.1**	14.5	**(4.8)**	151.6
Unallocated [b]	**43.9**	43.7	**605.5**	597.1	**-**	-	**-**	-
	1,937.5	1,877.7	**966.9**	910.5	**41.1**	14.5	**(4.8)**	151.6
Cash / borrowings	**55.8**	143.6	**0.1**	4.5				
Tax assets / liabilities	**254.5**	236.9	**2.1**	61.9				
Group total	**2,247.8**	2,258.2	**969.1**	976.9	**41.1**	14.5	**(4.8)**	151.6

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 from continuing operations includes $4.6 million (2011: $5.3 million) amortisation of intangible assets. Other significant non-cash expenses such as asset write downs, movements in provisions and other rationalisation expenses which are significant items are disclosed in Note 8. Other non-cash expenses are immaterial.

e Includes additions for non-current assets other than deferred tax assets, loans and other financial instruments.

f All acquisitions of controlled entities and businesses in 2011 and 2012 were in the Building Products and Glass segments.

g Includes $4.3 million impairment of property, plant and equipment and $0.5 million impairment of inventory relating to site closures in the Building Products business. Impairment of assets for the year ended 31 March 2011 included $100.0 million relating to impairment of property, plant and equipment of the Glass and Bricks businesses. Goodwill of $48.2 million was impaired during the year ended 31 March 2011 relating to Glass ($46.7 million) and Roofing ($1.5 million). In addition $3.4 million of inventories relating to Glass were impaired in the year ended 31 March 2011.

Geographical information

The CSR group operates principally in Australia. For the year ended 31 March 2012, the CSR group's trading revenue from continuing operations from external customers in Australia amounted to $1,713.4 million (2011: $1,805.0 million), with $88.5 million (2011: $108.6 million) of trading revenue related to other geographical areas. The CSR group's non-current assets excluding investments accounted for using the equity method, deferred tax assets and other financial assets from continuing operations in Australia amounted to $1,275.1 million at 31 March 2012 (2011: $1,191.6 million), with $21.1 million (2011: $47.1 million) related to other geographical areas.

2. Cash flow reconciliation

Year ended 31 March	2012 $ million	2011 $ million
Reconciliation of net profit attributable to shareholders of CSR Limited to net cash from operating activities		
Net profit attributable to shareholders of CSR Limited	**76.3**	503.4
Net profit attributable to non-controlling interests	**19.6**	30.6
Depreciation and amortisation	**89.6**	141.8
Net change in provisions	**(50.2)**	(33.2)
Gain on disposal of discontinued operations (net of tax)	**-**	(542.1)
Significant items from continuing operations (non-cash)	**(16.5)**	149.6
Interest expense	**30.2**	38.4
Profit on disposal of assets, asset write downs and associated costs	**(27.5)**	(15.7)
Net change in trade receivables	**9.9**	(87.7)
Net change in current inventories	**(21.4)**	(7.1)
Net change in trade payables	**15.0**	36.5
Net change in other assets and liabilities	**(21.7)**	0.1
Derivative margin calls paid	**-**	(29.3)
Net cash from operating activities	**103.3**	185.3

Year ended 31 March	**2012** **$ million**	2011 $ million

3. Net finance cost - continuing operations

Interest expense	**5.9**	36.5
Unwinding of discount on non-current provisions	**22.2**	21.3
Funding costs	**6.6**	8.1
Foreign exchange (gain) loss	**(4.5)**	2.3
Finance cost	**30.2**	68.2
Interest income	**7.0**	11.2
Net finance cost	**23.2**	57.0

4. Income tax - continuing operations

Income tax expense

Reconciliation of income tax (benefit) expense credited (charged) to the statement of financial performance with income tax calculated on profit (loss) from continuing operations before income tax:

Profit (loss) from continuing operations before income tax	**104.1**	(64.5)
Income tax expense (benefit) calculated at 30%	**31.2**	(19.4)
(Increase) decrease in income tax (benefit) expense due to		
Non taxable profit on business disposals	**(7.2)**	-
Asset write downs on non depreciable assets	**-**	14.6
Asian trading profits tax rate differential	**(0.2)**	(0.3)
Share of net profit of associates and rebates on dividend income	**(3.4)**	(3.6)
Income tax over provided in prior years	**(14.6)**	(0.4)
Other items	**2.4**	(0.4)
Total income tax expense (benefit) on profit from continuing operations	**8.2**	(9.5)

5. Issued capital [a]

	Ordinary shares fully paid	Price $	Share capital $ million
Particulars of shares issued during the year by CSR Limited			
On issue 31 March 2011	506,000,315		1,042.2
Universal Share/Option Plan [b]	-	-	-
Dividend Reinvestment Plan [c]	-	-	-
On issue 31 March 2012	**506,000,315**		**1,042.2**

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

b No shares were issued during the year ended 31 March 2012 under the Universal Share/Option Plan as shares in respect of this plan were acquired on market. During the year ended 31 March 2011, 2,986,500 fully paid ordinary shares were issued on 31 August 2010 and 2,200 fully paid ordinary shares were issued on 2 November 2010 under the employee Universal Share/Option Plan. For tax reasons, shares cannot be sold by participants within three years of allotment, unless they finish their employment with the CSR group.

During the year ended 31 March 2011, offers of fully paid shares were made to 5,352 eligible employees: 2,717 accepted the offer, subscribing for 550 shares at the market price of $1.74 each and receiving an equivalent number of shares at no cost. For the year ended 31 March 2011 the issue of 1,494,350 shares purchased by employees was taken to equity. The additional 1,494,350 shares issued at no cost were recorded as an expense in the financial report with an offsetting entry to the employee share reserve.

c During the year ended 31 March 2012, eligible shareholders were able to reinvest all or part of their dividends in fully paid ordinary shares. Shares were acquired on market and did not have any impact on issued capital.

Year ended 31 March	**2012 $ million**	2011 $ million

6. Expenses - continuing operations

Profit from continuing operations before income tax and significant items includes the following items of expenditure:		
Depreciation of non-current assets	**85.0**	90.7
Amortisation of non-current assets	**4.6**	5.3
(Decrease) increase decrease in allowance for bad debts	**(0.2)**	1.9

7. Other income and expenses from continuing operations

Income		
Significant items	**19.8**	-
Profit on disposal of property, plant and equipment and other assets	**27.5**	15.7
Other	**5.7**	4.2
Total other income from continuing operations	**53.0**	19.9
Expenses		
Significant items	**(49.2)**	(219.5)
Other	**(0.9)**	(2.8)
Total other expenses from continuing operations	**(50.1)**	(222.3)

During the financial year ended 31 March 2012 expenses incurred in relation to employee benefits amounted to $427.4 million (2011: $428.9 million).

8. Significant items from continuing operations

Asset write downs and restructuring [a]		
Goodwill	**-**	(48.2)
Property, plant and equipment [b]	**(4.3)**	(100.0)
Redundancy costs and other [b]	**(23.3)**	(9.8)
Total asset write downs and restructuring	**(27.6)**	(158.0)
Income tax benefit	**8.3**	32.8
	(19.3)	(125.2)
Expense relating to product liability provision [c]		
Charge to provision	**(12.1)**	(12.6)
Income tax benefit	**3.6**	3.8
	(8.5)	(8.8)
Legal disputes, warranties and land remediation [d]		
Charge to provision	**(9.5)**	(25.3)
Income tax benefit	**2.0**	7.6
	(7.5)	(17.7)
Acquisitions and disposals of businesses [e]		
Gain on disposal of businesses and acquisition costs	**19.8**	-
Income tax benefit	**1.1**	-
	20.9	-
Termination of Federal Government's Energy Efficient Homes Package [f]		
Stock obsolescence and inventory management costs	**-**	(23.6)
Income tax benefit	**-**	7.1
	-	(16.5)
Total significant items from continuing operations		
Significant items before income tax	**(29.4)**	(219.5)
Income tax benefit on significant items	**15.0**	51.3
Total significant items from continuing operations after income tax	**(14.4)**	(168.2)
Net profit (loss) from continuing operations attributable to shareholders of CSR Limited	**76.3**	(78.0)
Total significant expense from continuing operations after tax	**14.4**	168.2
Net profit before significant items from continuing operations attributable to shareholders of CSR Limited	**90.7**	90.2
Earnings per share (cents)		
From continuing operations before significant items		
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited	**17.9**	17.8
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited	**17.9**	17.8

8. Significant items from continuing operations (continued)

a CSR reviews the carrying value of its assets as required under Australian Accounting Standards. No impairments have been recorded in the year ended 31 March 2012. During the year ended 31 March 2011, this review resulted in impairment of the Viridian business (reported as the "Glass" segment) and Bricks business (reported as part of the "Building Products" segment).

Viridian

At 31 March 2011, the CSR group reforecast future cash flows from this business to reflect macro factors prevailing at the time, affecting this business, including the change in outlook for the Australian dollar, the deterioration in commercial construction activity and a mixed commitment by government to drive energy efficient building code changes.

In relation to the valuation model prepared, the key assumptions relate to the Australian dollar versus US dollar exchange rate, commercial building activity levels, average sale prices, the take up of energy efficient glass, housing starts and market share. These assumptions were determined with reference to current performance and expected changes taking into account external forecast information where available. This valuation resulted in an impairment to the Viridian business of $121.0 million, of which $46.7 million was allocated against goodwill balances, $3.4 million to inventories and the remainder to plant and equipment.

Bricks

At 31 March 2011, the CSR group undertook a review of the Bricks business which also resulted in an impairment charge. Future cash flows were reforecast to reflect the current outlook for housing starts and the strategic decision to reallocate land which is surplus to the Bricks operations (and the associated forecast cash flows) to the Property segment. In relation to the valuation model prepared, the key assumptions related to housing starts, market share and average sale price. These assumptions were determined with reference to current performance and expected changes taking into account external forecast information where available. This valuation resulted in an impairment being recorded against the Bricks business of $29.1 million which was allocated against property, plant and equipment.

b During the year ended 31 March 2012, the decision to close the Clayton Rockwool factory resulted in impairment of property, plant and equipment of $4.3 million. Other items of $23.3 million mainly relate to redundancy costs associated with the continued restructuring of the Building Products and Viridian businesses to secure ongoing efficiencies to better align the business with the current market, along with some corporate restructure (2011: $9.8 million).

c In the year ended 31 March 2012, 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), (2011: $12.6 million).

d At 31 March 2012, the CSR group remeasured provisions in relation to land remediation obligations for some legacy factory sites and ongoing legal disputes as these matters have been advanced towards settlement.

e This amount is mainly comprised of gain on sale of the Asian autoclaved aerated concrete business in Malaysia (Asian AAC business) which completed on 15 December 2011, refer to Note 16. A small net profit was also recorded on disposal of the Viridian New Zealand assets and establishment of a joint venture in relation to these business operations during the year. The CSR group has also incurred transaction costs in relation potential transactions and completed acquisitions disclosed in Note 11 and benefited from remeasurement of provisions for costs relating to the disposal of the Sucrogen business.

f During the year ended 31 March 2011 costs of $23.6 million were incurred as a result of the abrupt termination of the Federal Government's Energy Efficient Homes Package including stock obsolescence, disposal and inventory management costs.

Year ended 31 March	**2012** **$ million**	2011 $ million

9. Reserves

Foreign currency translation reserve	**(10.7)**	(12.6)
Employee share reserve	**18.4**	16.9
Hedge reserve	**9.9**	11.6
Other reserves	**-**	5.3
Total reserves	**17.6**	21.2

10. Net tangible assets per share [a]

	$	$
Net tangible assets per share	**2.32**	2.35

a Calculated as net assets attributable to CSR Ltd shareholders ($1,230.4 million) less intangible assets ($54.1 million) divided by the number of shares (506.0 million).

11. Details of entities over which control has been gained or lost [a]

Control gained over entities

Businesses acquired during the year

The CSR group acquired the net assets of the following businesses during the year ended 31 March 2012:

- 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 CSR's growth in glass and building products.
The acquisition related costs expensed were $1.1 million.
The initial accounting for the acquisitions has been fully determined at 31 March 2012. At the date of finalisation of this report, the necessary market valuations and other calculations had been finalised and the fair value of the plant and equipment, associated deferred tax liabilities and goodwill noted below have been determined based on the directors' best estimate of the likely fair value of the plant and equipment.
Details of the purchase consideration and the fair value of assets and liabilities acquired are given below.

Acquisitions made during the year ended 31 March 2011 were as follows:
On 14 May 2010, the CSR group acquired the net assets of commercial ceiling and educational products businesses, Comprador Pacific (based in Australia) and Potters Interior Systems (based in New Zealand).
The primary reason for the acquisition was to continue CSR's growth in commercial ceiling tiles and related products.
The acquisition related costs expensed were $0.3 million.
Details of the purchase consideration and the fair value of assets and liabilities acquired are given below.

Year ended 31 March ($ million)	**2012**	2011
Purchase consideration	**16.1**	2.1
Fair value of net identifiable assets acquired (refer below)	**7.8**	2.1
Goodwill (refer below)	**8.3**	-

Value of assets and liabilities acquired are as follows:

	Fair value	
($ million)	**2012**	2011
Inventories	**2.4**	6.1
Other current assets	**-**	0.3
Property, plant and equipment	**1.6**	1.0
Intangible assets	**4.2**	0.9
Deferred income tax assets	**0.1**	0.3
Other non-current assets	**-**	0.1
Trade payables	**-**	(5.9)
Borrowings	**-**	(0.1)
Provisions	**(0.5)**	(0.6)
Net identifiable assets acquired	**7.8**	2.1
Goodwill acquired	**8.3**	-
Total consideration	**16.1**	2.1

a Refer to Note 16 for details of entities over which control has been lost.

12. Details relating to dividends

	Financial year ending 31 March	Franking percentage	Date dividend paid/payable	Amount per share cents	Total amount $ million
Interim dividend	2011	100	10 December 2010	3.0	45.5
Special dividend	2011	100	2 February 2011	9.1	138.6
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

The final dividend in respect of ordinary shares for the financial year ended 31 March 2012 has not been recognised in this report because the final dividend was resolved to be paid subsequent to 31 March 2012.

Dividend reinvestment plan

CSR Limited established a 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 will operate for the final dividend payable on 9 July 2012. For the the final dividend, shares will be acquired on-market and transferred to participants to satisfy any shares issued under the DRP.

13. Details of associates and joint venture entities

Aggregate share of income of associates - continuing operations

	Year ended 31 March	
	2012 $ million	2011 $ million
Profit before income tax	**16.0**	15.1
Income tax expense	**4.9**	4.6
Profit after income tax	**11.1**	10.5
Significant items net of tax	**-**	-
Net profit	**11.1**	10.5
Minority interests	**-**	-
Total share of net profit	**11.1**	10.5

	Ownership interest As at 31 March		Contribution to net income continuing operations - Year ended 31 March	
Name of entity	**2012 %**	2011 %	**2012 $ million**	2011 $ million
Associate companies				
Rondo Pty Limited	**50**	50	**9.8**	8.8
Viridian Glass GP Limited [a]	**58**	-	**(0.2)**	-
Other non-material associates [b]			**1.5**	1.7
Total share of net profit - continuing operations			**11.1**	10.5

The CSR group does not have any other material interests.

a The CSR group acquired 58% of the shares in Viridian Glass GP Limited on 2 March 2012 entitling 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.

b The CSR group acquired 50% of the shares in Luna & Valk Pty Limited Contracting business on 1 September 2011 which is accounted for as a joint venture (Building Products segment).

Year ended 31 March	**2012** $ million	2011 $ million

14. Contingent liabilities

Contingent liabilities, capable of estimation, arise in respect of the following categories		
Performance guarantees provided to third parties and other contingent liabilities	**44.7**	39.4
Total contingent liabilities	**44.7**	39.4

Contingent liabilities/assets
Claims and possible claims (other than product liability which is discussed in Note 15) 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 CSR group and others in relation to the 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 $33.6 million as at 31 March 2012 (2011: $42.0 million).

15. 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 31 March 2012, there were 602 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 31 March 2012, there were 1,032 such claims pending.

CSR has been settling claims since 1989. As at 31 March 2012, CSR had resolved 3,206 claims in Australia and approximately 135,820 claims in the United States.

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

Year ended 31 March	**2012**	**2011**	**2010**	**2009**	**2008**
Number of claims received	435	412	514	553	546
Number of claims resolved	418	634	986	1,246	575
Amount spent on settlements (A$ million) [a]	34.7	32.5	33.4	41.6	28.2
Average cost per resolved claim (A$)	83,067	51,300	33,916	33,371	49,128

[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.

15. Product liability (continued)

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.

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 31 March 2012 the central estimate was A$172.7 million calculated using a discount rate of 5.5%. On an undiscounted and inflated basis that central estimate would be A$325.8 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 31 March 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 2008 to 2012.

Year ended 31 March ($ million)	**2012**	**2011**	**2010**	**2009**	**2008**
United States base case estimate US$	199.2	191.8	159.5	153.6	120.6
United States base case estimate A$	191.8	185.9	173.7	225.9	131.7
Australian central estimate A$	172.7	180.1	184.8	187.8	172.9
Sub total A$	**364.5**	**366.0**	**358.5**	**413.7**	**304.6**
Prudential margin A$	77.2	82.9	96.8	41.4	66.9
Prudential margin %	*21.2%*	*22.7%*	*27.0%*	*10.0%*	*22.0%*
Total product liability provision A$	**441.7**	**448.9**	**455.3**	**455.1**	**371.5**

At 31 March 2012, a provision of $441.7 million (2011: $448.9 million) has been made for all known claims and reasonably foreseeable future claims, and includes a prudential margin of $77.2 million above the aggregate most likely estimate of the future asbestos liabilities in Australia and the United States as determined by Taylor Fry and Navigant Consulting 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 31 March 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.

15. Product liability (continued)

Process agreed with 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.

16 Discontinued operations, controlled entities and businesses disposed of during the year

16.1 Disposal of the Asian AAC business (disposal of controlled entity)
On 5 October 2011, CSR Limited announced that it had agreed to sell its Asian autoclaved aerated concrete business (Asian AAC business) to Saint-Gobain Construction Products (Malaysia) . The sale was completed on 15 December 2011 and after working capital adjustments the final consideration was $30.6 million.

Disposal of the Asian AAC business has not been recorded as a discontinued operation as it is not considered a major line of business for the CSR group.

16.2 Establishment Joint Venture - Viridian New Zealand (disposal of a business)
On 20 February 2012, CSR Limited announced that it had established a joint venture between its glass subsidiary, Viridian New Zealand Limited and Euroglass Systems Limited. This transaction was completed on 2 March 2012. This transaction involved the disposal of substaintially all of the operating assets and liabilities of Viridian New Zealand Limited to the joint venture vehicle "Viridian Glass Limited Partnership". Part of the consideration received for these assets was a 58% equity holding in the Viridian Glass Limited Partnership.

16.3 Disposal of the Sucrogen business (discontinued operations)
On 5 July 2010, CSR Limited announced that it had agreed to sell its Sucrogen business to Wilmar International Limited for an enterprise value of $1.75 billion. The sale was completed on 22 December 2010; due to settlement adjustments, Wilmar International Limited paid a total of $1.84 billion on completion.

16.4 Disposal of the Asian insulation business (discontinued operations)
On 6 July 2010, CSR Limited announced that it had agreed to sell its Asian insulation business to the Rockwool Group for consideration of $128.0 million. The transaction was completed on 22 December 2010 and due to working capital adjustments the final consideration was $126.8 million.

16.5 Analysis of profit from discontinued operations
The combined results of the discontinued operations (i.e. Sucrogen and Asian insulation businesses) included as discontinued operations in the statement of financial performance for the year ended 31 March 2011 are set out below.

($ million)	**2012**	2011
Profit from discontinued operations		
Trading revenue	**-**	1,420.9
Other income from operating activities	**-**	8.0
	-	1,428.9
Expenses	**-**	(1,354.8)
Profit before tax	**-**	74.1
Attributable income tax expense	**-**	(27.2)
Net profit	**-**	46.9
Net profit attributable to non-controlling interests	**-**	7.6
Net profit before significant items from discontinued operations attributable to shareholders of CSR Limited	**-**	39.3
Significant items from discontinued operations		
Gain (loss) on disposal of operations	**-**	692.1
Attributable income tax (expense) benefit	**-**	(150.0)
Total significant items after income tax [a]	**-**	542.1
Net profit from discontinued operations attributable to shareholders of CSR Limited [b]	**-**	581.4

a Significant items for the year ended 31 March 2011 include transaction costs related to separation of the Sucrogen business.

b Net profit from discontinued operations attributable to shareholders of CSR Limited of $581.4 million for the year ended 31 March 2011 excludes non-controlling interests of $7.6 million. Net profit from discontinued operations including non-controlling interests for the year ended 31 March 2011 is $589.0 million.

Cash flows from discontinued operations		
Net cash flows from operating activities	**-**	13.7
Net cash flows from investing activities	**(13.7)**	1,752.3
Net cash flows from financing activities	**-**	(22.0)
Net cash inflows [c]	**(13.7)**	1,744.0

c Net cash flows from investing activities for the year ended 31 March 2012 include $13.7 million cash payments for costs associated with disposal of Sucrogen and Asian insulation businesses (2011: $47.4 million)

16. Discontinued operations and controlled entities disposed during the year (continued)

16.6 Gain on disposal of controlled entities

On 15 December 2011, the CSR group disposed of the controlled entity which operated its Asian AAC business. On 22 December 2010, the CSR group disposed of all the controlled entities comprising the Sucrogen and Asian Insulation businesses.

Gain on disposal of controlled entities	**2012**	2011		
($ million)	**Asian AAC**	Sucrogen	Asian insulation	Total
Consideration for equity holdings	**30.6**	1,347.0	126.8	1,473.8
Settlement of inter-group debt balances	**-**	493.8	-	493.8
Total consideration	**30.6**	1,840.8	126.8	1,967.6
Indemnities in relation to continuing liabilities	**-**	22.8	-	22.8
Net assets disposed of	**(9.2)**	(1,169.7)	(69.7)	(1,239.4)
Non-controlling interests	**-**	89.0	-	89.0
Hedge and foreign currency reserves reclassified from equity on loss of control of subsidiary	**(1.0)**	(92.8)	(0.7)	(93.5)
Divestment expenses	**(1.6)**	(44.1)	(10.3)	(54.4)
Gain on disposal before tax expense	**18.8**	646.0	46.1	692.1
Tax expense	**(0.2)**	(148.9)	(1.1)	(150.0)
Gain on disposal of controlled entities	**18.6**	497.1	45.0	542.1

16.7 Carrying value of net assets of controlled entities and businesses disposed

($ million)	**2012**	2011
Cash	**6.8**	48.5
Receivables	**8.3**	320.1
Inventories	**5.2**	186.9
Other current assets	**0.1**	131.7
Property, plant and equipment	**19.6**	985.5
Goodwill	**-**	7.7
Other intangible assets	**-**	10.6
Deferred income tax assets	**-**	18.8
Other non-current assets	**-**	119.9
Payables and other financial liabilities	**(3.5)**	(520.6)
Current tax payable	**(0.3)**	(2.4)
Borrowings	**-**	(11.0)
Provisions	**(1.1)**	(56.3)
Net assets disposed [a]	**35.1**	1,239.4

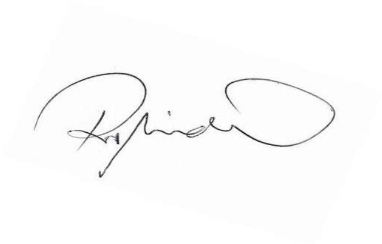
[a] Includes net assets disposed of as part of the sale of the Asian AAC business ($9.2 million) and the establishment of the Viridan New Zealand joint venture ($25.9 million).

16.8 Cashflows from disposal of controlled entities and businesses

Equity consideration	**30.6**	1,473.8
Cash proceeds from asset disposal	**9.3**	-
Settlement of inter-group debt balances	**-**	493.8
	39.9	1,967.6
Cash balances disposed	**(6.8)**	(48.5)
Transaction costs paid	**(2.0)**	(47.4)
Sale adjustments - not yet settled in cash	**-**	2.0
Total flow of cash	**31.1**	1,873.7

DIRECTORS' DECLARATION IN RELATION TO FINANCIAL STATEMENTS AND AUDIT

Deloitte has audited the financial statements contained within the CSR 2012 Annual Financial Report and has issued an unqualified audit report. A copy of their report will be available with the Annual Financial Report. This year end profit announcement has not been subject to audit. The preceding financial information contained in the Financial Report includes financial information extracted from the audited financial statements.



Rob Sindel
Managing Director
16 May 2012