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26 October 2009

This document represents information provided pursuant to Listing Rule 4.2A of the Australian Securities Exchange. The information should be read in conjunction with CSR's most recent annual financial report, including the Full Financial Report for the year ended 31 March 2009.

Shareholders wishing to receive the Full Financial Report may obtain a copy from CSR's internet site or by contacting CSR Investor Relations on 02 9235 8000. The results presentation will be available via an audio webcast from CSR's website www.csr.com.au

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Appendix 4D

Results for the six months to 30 September 2009

Results for announcement to the market

(All comparisons are to the half year ended 30 September 2008)

				$ million
Trading revenue	up	15%	to	2,076.5
Earnings before interest and tax (excluding significant items)	up	22%	to	215.7
Profit for the period attributable to members (excluding significant items)	up	35%	to	96.6
Profit/(loss) for the period attributable to members (including significant items)	down	573%	to	(155.6)

	30 September 2009	30 September 2008
Net tangible assets per share	$0.87	$0.83

Dividends	**Amount per security**	**Franking**	**Franked amount per security at 30% tax**
Interim dividend	2.5 cents	100%	2.5 cents
Previous corresponding period	6 cents	100%	6 cents

Record date for determining entitlements to interim dividend	10 November 2009
Dividend payment date	23 December 2009

CSR reports EBIT of $215.7 million, up 22 per cent

- Significantly improved EBIT contribution from Sugar lifts group EBIT by 22% on previous period
- Net profit after tax (pre significant items) up 35% to $96.6 million
- Sugar EBIT up 311% on increased sugar volumes due to earlier crush and higher raw sugar price plus continued solid performance from Refining and Ethanol – EBIT heavily weighted to first half
- Building Products EBIT down 29% on decline in construction markets – EBIT expected to be weighted to second half on improving lead indicators in residential construction
- Aluminium EBIT down 16% on reduced metal price mitigated in part by prior hedging
- Continued focus on cash management results in cash flow from operations (excluding futures margin calls) increasing by $134 million
- Non cash impairment of Viridian business treated as a significant item results in net loss after tax including significant items of $155.6 million
- Major capital re-investment program near complete to enhance future free cash flows
- Interim dividend of 2.5 cents per share fully-franked to be paid on 23 December 2009

Financial results summary

Half year ended 30 September [$ million unless stated]	**2009**	2008	change
Trading revenue	**2,076.5**	1,807.6	+15%
Earnings before interest, tax, depreciation and amortisation - EBITDA	**296.3**	255.9	+16%
Earnings before interest and tax – EBIT	**215.7**	177.4	+22%
Net finance expense	**-56.8**	-54.9	+3%
Tax expense	**-44.1**	-32.4	+36%
Outside equity interest	**-18.2**	-18.4	-1%
Net profit before significant items	**96.6**	71.7	+35%
Net profit/(loss) after significant items	**(155.6)**	32.9	-573%
Earnings per share before significant items (EPS) [cents]	**7.5**	7.2	
	30 September 2009	30 September 2008	
Gearing – net debt / net debt + equity [(1)] (pre significant items)	**42.6%**	44.0%	
Gearing – net debt / net debt + equity [(1)] (after significant items)	**46.7%**	44.5%	

[(1)] Excludes fair value of hedges from equity

Earnings before interest and tax (EBIT) by segment

Half year ended 30 September [$ million unless stated]	**2009**	2008	change
Building Products	**53.4**	74.8	-29%
Sugar	**114.2**	27.8	+311%
Aluminium	**59.3**	70.4	-16%
Property	**-1.0**	12.6	-108%
Business segment total	**225.9**	185.6	+22%
Corporate costs	**-8.6**	-8.6	
Restructure and provisions	**-1.6**	0.4	
Total EBIT (pre significant items)	**215.7**	177.4	+22%

Overview

CSR Limited ("CSR") today announced group earnings before interest and tax (EBIT) before significant items of $215.7 million for the half year ended 30 September 2009, up 22% on the prior corresponding period.

Significantly improved EBIT in Sugar due to an increase in raw sugar volumes from the earlier crush and higher realised raw sugar price outweighed the impact of lower EBIT in Building Products from the decline in residential and commercial construction markets in Australia and New Zealand.

EBIT in Aluminium declined by 16%, affected by the lower metal price, while continued weak property markets resulted in CSR delaying sales until markets improve.

Managing director, Jerry Maycock, said: "While the Sugar business benefitted from higher raw sugar prices, it is pleasing to see the positive impact our recent mills upgrade program is having in terms of improved reliability and performance this season which also contributed to the significantly increased Sugar result.

"Our Building Products businesses continued to manage through a weak period of construction activity with Australian residential commencements down 23% on a one quarter lag basis compared to the previous period. However, as we foreshadowed at the AGM, we are now seeing some signs of improved activity which we expect to translate into improved EBIT in the second half.

"Overall, CSR's businesses remain well positioned to capitalise on opportunities in their respective industries, which we aim to further advance with the proposed demerger."

Financial review

Net debt as at 30 September was $1,236 million compared to $1,189 million in March 2009, impacted by $27 million in margin calls in the Sugar business as a result of the increase in the raw sugar price and $24 million due to a delayed shipment of aluminium which pushed the timing of receipt into the second half.

Continued focus on working capital across the businesses resulted in net cash from operating activities (excluding futures margin calls) improving by $134 million.

The interim dividend to be paid on 23 December 2009 will be 2.5 cents per share, fully franked.

Significant Items

CSR reviews the carrying value of its assets across all of its businesses in light of the current and anticipated trading environment, particularly in residential housing and commercial construction.

The high Australian dollar, lower residential demand and weaker near term commercial construction markets particularly impact the performance of Viridian.

As a result of the review, the half-year result includes a non-cash, pre-tax impairment charge of $250 million to reduce the carrying value of Viridian.

Review of results by segment

Building Products

Half year ended 30 September [$ million unless stated]	2009	2008	change
Trading revenue	**775.1**	818.2	-5%
EBITDA	**89.0**	109.6	-19%
EBIT	**53.4**	74.8	-29%
Funds employed	**1,398.9**	1,921.5	-27%
EBIT/trading revenue	**6.9%**	9.1%	
Return on funds employed (MAT)	**6.9%**	8.1%	

Australian residential and commercial construction markets declined in the first half with residential commencements down 23% on a one quarter lag basis compared to the previous period.

In response CSR has continued to align production with demand, control working capital and maintain a disciplined approach to pricing across its product portfolio. As a result of these measures, margins across the portfolio (ex Viridian) have generally been maintained.

In addition, costs have continued to be reduced with a particular focus on overhead and operational cost reductions. Particular emphasis has been placed on aligning the business for current market conditions with the ability to meet the expected upturn in the market from the second half, based on more recent positive lead indicators in residential construction.

EBIT of $53.4 million, which includes a loss of $5.6 million from Viridian, was down 29% from the previous year's $74.8 million.

Viridian's performance was impacted by the ongoing decline in building activity, and the high Australian dollar which makes imported glass more price accessible, particularly from Asian markets which have had additional supply capacity during the market downturn.

Viridian has continued to invest in its strategy to significantly enhance its customer service proposition in downstream value added glass, particularly at the Clayton site where it has installed Australasia's first fully-automated double glazed production facility.

While the business believes this is fundamentally the right strategy to gain market share for the longer term, some issues with the implementation of this project involved additional cost and loss of market share in the short term. Together with the ongoing difficult market conditions, this has resulted in a first half loss for the period of $5.6 million.

Viridian is being repositioned to capitalise on longer term improving market conditions and demand for energy efficient glass in particular. However, following a review of the carrying value of the business, particularly in the light of higher forecasts for the Australian dollar and weaker near term commercial activity, a non-cash, pre tax impairment charge of $250 million to reduce the carrying value of Viridian has been included in the half year result as a significant item.

Lightweight Systems' trading revenue (which includes Bradford™ insulation, Gyprock™, Cemintel™ Fibre Cement Systems, Fricker™ Ceiling Systems and Mitex™ texture coating brands, Hebel™ lightweight concrete products, Edmonds™ ventilation systems and Bradcore™ panels, including Asia) increased by 5 per cent to $432.3 million.

With the exception of the Insulation business, volumes were generally softer across the board in line with the decline in commencements versus the prior period and lower commercial activity.

Plasterboard revenues decreased on lower volumes, mitigated to some extent by national price increases, with average selling prices up by 7%.

The project to upgrade the Melbourne Gyprock plasterboard factory to a larger capacity, more sustainable plant continues on track. The new boardline has now been successfully commissioned with production shifting from the old line to the new line. The final stage of the project (warehouse and distribution facility) is expected to be completed on schedule by mid/late 2010.

Insulation volumes improved significantly following the Federal Government's ceiling insulation rebate scheme with Bradford Insulation's two glasswool facilities (Ingleburn and Brendale) operating at full capacity to meet increased demand. The business remains well positioned to capitalise on this initiative with a strong brand and increased capacity, without losing focus on its core markets of new residential and commercial.

Bricks and Roofing (including PGH™ bricks, Monier™, MonierPrime™ and Wunderlich™ roofing products) trading revenue of $138.1 million was down by 17% in a continued challenging environment. Volumes were down in line with the significant fall in single dwelling construction activity, particularly in Queensland and New Zealand, however, price increases were achieved in most markets, with brick prices up an average 6 per cent and roof tile prices up an average 3 per cent.

The Bricks and Roofing operational focus has remained on operational cost control and managing inventory during the period but positioning for the expected upturn which is now starting to materialise in terms of demand through the First Home Owners Grant and to a lesser extent, the schools programme (Building the Education Revolution). The division remains well placed to capitalise on an expected increase in demand in the second half and into next financial year with good inventory levels to meet increased demand.

Sugar

Half year ended 30 September [$ million unless stated]	**2009**	2008	change
Trading revenue	**1,050.1**	710.9	+48%
EBITDA	**143.8**	55.4	+160%
EBIT	**114.2**	27.8	+311%
Funds employed	**1,187.0**	1,058.0	+12%
EBIT/trading revenue	**10.9%**	3.9%	
Return on funds employed (MAT)	**14.3%**	7.3%	

The Sugar business reported an outstanding result. Trading revenue of $1,050.1 million increased significantly from $710.9 million while EBIT increased substantially from $27.8 million to $114.2 million due to increased sugar volumes and an increase in the global raw sugar price compared to last year. EBIT is heavily weighted to the first half.

The Sugar division increased its Refining and Renewable Energy earnings base with improved EBIT from refining, while ethanol's results were up on last year but weighted to the first half.

Raw Sugar: Due to the earlier commencement to the crushing season, total sugar cane crushed for the first half increased significantly by 2.1 million tonnes compared to last season. For the full year, CSR continues to expect that the total crop will be between 10-15% lower due to the heavy floods prior to the season.

The average realised raw sugar price has increased materially from last season's net realised price of A$325 per tonne. As at 30 September 2009, CSR had approximately 85 per cent of its current season exposure priced and expects a final year net realised price of approximately $A400 per tonne IPS.

The Raw Sugar business continues to benefit from the near completion of the capital program to upgrade critical milling equipment to ensure that the business maintains its competitive position in the global raw sugar market. Nearly all of CSR's seven sugar mills have reported higher plant availability and improvements in operational efficiency this season which enhances reliability and increases sugar recovery.

The Raw Sugar business also continues to advance further initiatives to maintain and increase land under cane through planting incentives and grower forward pricing. An additional 1,000 hectares are expected to be planted as a result of the planting incentive, while 64 per cent of growers are now taking the opportunity to hedge prices for future seasons.

Refined Sugar's EBIT increased by 55% to $27.7 million from continued margin growth and further improved customer value propositions in both Sugar Australia and New Zealand Sugar on slightly lower volumes.

Despite overall softer economic conditions, most end markets remain strong, particularly in the food and beverage sector with virtually all supply agreements now contracted for 2010 and a good majority contracted for 2011.

The launch of Sugar Australia's "Better for You" range, including CSR LoGicane and CSR Smart blends continues to be received positively by the market with all supermarket chains now stocking the range nationally and sales exceeding initial estimates.

Ethanol's EBIT improved to $6.0 million in the first half of the year due to improved fuel sales with the earlier start to the crush bringing forward agricultural fertiliser sales. The $17.8 million project to increase fuel ethanol production capacity from 38 million litres to 60 million litres per annum at the Sarina distillery was successfully commissioned on time and on budget in July 2009. Demand for fuel ethanol continues to increase in Australia and this project enables CSR to increase its production of the renewable fuel to meet this growth.

Aluminium

Half year ended 30 September [$ million unless stated]	**2009**	2008	change
Trading revenue	**251.3**	278.2	-10%
EBITDA	**74.1**	83.8	-12%
EBIT	**59.3**	70.4	-16%
Funds employed	**272.6**	277.3	-2%
EBIT/trading revenue	**23.6%**	25.3%	
Return on funds employed (MAT)	**36.5%**	50.9%	

Gove Aluminium Finance Limited's (70% CSR) trading revenue was down to $251.3 million from $278.2 million despite slightly higher sales of 95,549 tonnes compared to the previous period's sales of 90,764 tonnes.

The average realised aluminium price after hedging was A$2,630 per tonne, compared with A$3,065 for the previous period. The average world aluminium price decreased to US$1,681 for the half year compared to US$2,913 the prior half year.

EBIT was $59.3 million, 16% per cent lower than the corresponding period last year, with EBIT margin reduced slightly, primarily due to lower price.

For the second half of the financial year around 70% of net aluminium exposure is hedged at A$2,991 per tonne, which is a lower proportion than usual, given the lower metal price during the year.

Approximately 95 per cent of second half production is committed to sales.

Property

Half year ended 30 September [$ million unless stated]	**2009**	2008	change
EBIT	**-1.0**	12.6	-108%

Given the ongoing soft conditions in the commercial property markets, particularly for industrial properties, CSR has elected to delay development sales until conditions improve. The immediate focus remains on progressing sales of specific surplus sites to individual parties with a small number of sales currently in negotiation and expected to be completed prior to the year end.

Meanwhile, CSR is continuing to advance several re-zonings within its development pipeline and has now received local council approval for the residential development at Narangba, QLD for 600 lots.

Group summary and outlook

"CSR has continued to progress its competitive position across its businesses and remains well placed to capitalise on improving trends," said Mr Maycock.

"Our capital re-investment programme is now nearly complete which has enabled CSR to significantly strengthen its businesses in terms of manufacturing capability, reliability and scale ahead of the demerger.

"In Building Products, we have aligned our operations to meet current market conditions but also remain strongly positioned to meet increased demand as the cycle improves.

"We have increased our Refining and Renewable Energy earnings base in Sugar whilst securing higher realised prices from our globally competitive Raw Sugar operations.

"Meanwhile, we continue to maintain an attractive investment in the Tomago Aluminium smelter.

"As previously advised to the market, for the full year, on a pre-demerger basis, CSR's group EBIT before significant items is expected to be slightly higher than last year."

26 October 2009

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CSR Limited
ABN 90 000 001 276
Half yearly report for the six months ended 30 September 2009

Contents

Directors' Report

The directors of CSR Limited present their report on CSR Limited and its controlled entities ("CSR Group") for the half year ended 30 September 2009.

Directors

The directors of CSR Limited at any time during the half year ended 30 September 2009, or since that date, are as follows (each of them, with the exception of Mr Shane Gannon, was a director from 1 April 2009 up to and including the date of this report):

Ian Blackburne

Nick Burton Taylor

Kathleen Conlon

Shane Gannon*

Ray Horsburgh

Richard Lee

Jerry Maycock

John Story

* Appointed 24 September 2009.

Review of Operations

A review of operations of CSR group during the half year ended 30 September 2009 is set out in the attached results for announcement to the market and forms part of this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration made under section 307C of the Corporations Act 2001 is set out on page 2 and forms part of this report.

Rounding off

CSR Limited is a company of a kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order, amounts included in this directors' report are rounded to the nearest tenth of a million dollars unless otherwise indicated.

The directors' report is signed in accordance with a resolution of the directors of CSR Limited.

Ian Blackburne	Jerry Maycock
Chairman	Managing Director
Sydney, 26 October 2009	Sydney, 26 October 2009

Deloitte.

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The Directors
CSR Limited
Level 1
9 Help Street
CHATSWOOD NSW 2057

26 October 2009

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 review of the financial statements of CSR Limited for the half-year ended 30 September 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

Condensed income statement

Half year ended 30 September ($ million)	Note	Consolidated 2009	2008
Trading revenue - sale of goods		**2,076.5**	1,807.6
Cost of sales		**(1,595.2)**	(1,372.8)
Gross margin		**481.3**	434.8
Warehouse and distribution costs		**(121.7)**	(126.1)
Selling costs		**(90.4)**	(83.4)
Administration and other operating costs		**(73.8)**	(74.5)
Share of profit of associates	9	**6.2**	8.0
Operating profit		**201.6**	158.8
Other income from ordinary activities		**13.3**	17.7
Other expenses from ordinary activities		**(254.2)**	(56.9)
Dividend income		**1.9**	2.4
(Loss)/profit from ordinary activities before finance and income tax		**(37.4)**	122.0
Interest income	2	**0.4**	1.7
Finance cost	2	**(57.2)**	(56.6)
(Loss)/profit from ordinary activities before income tax		**(94.2)**	67.1
Income tax expense relating to ordinary activities	3	**(43.2)**	(15.8)
Net (loss)/profit		**(137.4)**	51.3
Net profit attributable to non-controlling interests		**18.2**	18.4
Net (loss)/profit attributable to shareholders of CSR Limited		**(155.6)**	32.9
Net profit before significant items attributable to shareholders of CSR Limited		**96.6**	71.7
Reconciliation of retained profits			
Retained profits at the beginning of the financial year		**73.0**	636.4
Net (loss)/profit attributable to shareholders of CSR Limited		**(155.6)**	32.9
Net income/(expense) recognised directly in retained profits		**31.4**	(38.9)
Total available for appropriation		**(51.2)**	630.4
Dividends paid	8	**(19.3)**	(88.4)
Retained (losses)/profits at the end of the financial half year		**(70.5)**	542.0

		(cents)	(cents)
Basic earnings per share based on net (loss)/profit attributable to shareholders of CSR Limited [(a)]		**(12.1)**	3.3
Diluted earnings per share based on net (loss)/profit attributable to shareholders of CSR Limited [(a)]		**(12.1)**	3.3

(a) Based on a weighted average number of shares of 1,287.6 million (2008: 1,000.0 million).

Notes to the financial statements are annexed.

Condensed statement of comprehensive income

Half year ended 30 September ($ million)	Consolidated 2009	2008
Net (loss)/profit for the financial half year	**(137.4)**	51.3
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(26.3)	10.4
(Loss)/gain on cash flow hedges taken to equity	(58.8)	24.7
Actuarial profit/(loss) on defined benefit plans	44.9	(55.6)
Income tax relating to components of other comprehensive income	4.2	9.3
Other comprehensive expense for the period (net of tax)	**(36.0)**	(11.2)
Total comprehensive (expense)/income for the financial half year	**(173.4)**	40.1
Total comprehensive income attributable to:		
CSR Limited shareholders	**(189.1)**	6.9
Non-controlling interests	**15.7**	33.2
Total recognised (expense)/income for the financial half year	**(173.4)**	40.1

Notes to the financial statements are annexed.

Condensed statement of financial position — Consolidated

($ million)	Note	As at 30 September 2009	As at 31 March 2009
Current assets			
Cash and cash equivalents		**27.1**	14.7
Receivables		**824.6**	562.1
Inventories		**524.8**	418.1
Other financial assets		**108.8**	120.2
Income tax assets		**-**	44.6
Other current assets		**64.8**	23.2
Total current assets		**1,550.1**	1,182.9
Non-current assets			
Receivables		**28.3**	27.4
Inventories		**32.2**	34.8
Investments accounted for using the equity method		**31.6**	30.2
Other financial assets		**101.2**	120.6
Property, plant and equipment		**2,242.9**	2,256.6
Goodwill		**70.6**	322.3
Other intangible assets		**39.2**	38.1
Deferred income tax assets		**150.3**	158.7
Other non-current assets		**16.3**	16.8
Total non-current assets		**2,712.6**	3,005.5
Total assets		**4,262.7**	4,188.4
Current liabilities			
Payables		**632.7**	416.6
Borrowings		**306.1**	17.2
Other financial liabilities		**148.1**	84.6
Tax payable		**13.0**	4.1
Provisions		**244.3**	244.2
Total current liabilities		**1,344.2**	766.7
Non-current liabilities			
Payables		**3.7**	6.7
Borrowings		**957.1**	1,186.9
Other financial liabilities		**43.6**	75.1
Provisions		**459.3**	463.5
Other non-current liabilities		**55.5**	103.0
Total non-current liabilities		**1,519.2**	1,835.2
Total liabilities		**2,863.4**	2,601.9
Net assets		**1,399.3**	1,586.5
Equity			
Issued capital	7	**1,334.0**	1,329.2
Reserves		**(29.3)**	30.7
Retained (losses)/profits		**(70.5)**	73.0
Equity attributable to shareholders of CSR Limited		**1,234.2**	1,432.9
Non-controlling interests		**165.1**	153.6
Total equity		**1,399.3**	1,586.5

Notes to the financial statements are annexed.

Condensed statement of changes in equity — Consolidated

Half year ended 30 September ($ million)	Issued Capital	Hedge Reserve	Foreign currency translation reserve	Employee Share reserve	Other reserve	Retained (losses)/ profits	Attributable to CSR Ltd shareholders	Non-controlling interests	**Total**
Balance at 1 April 2009	1,329.2	3.9	14.2	12.6	-	73.0	1,432.9	153.6	**1,586.5**
Net (loss)/profit for the financial half year	-	-	-	-	-	(155.6)	(155.6)	18.2	**(137.4)**
Exchange differences arising on translation of foreign operations	-	-	(27.0)	-	-	-	(27.0)	0.7	**(26.3)**
Loss on cash flow hedges	-	(54.2)	-	-	-	-	(54.2)	(4.6)	**(58.8)**
Actuarial profit on defined benefit plans	-	-	-	-	-	44.9	44.9	-	**44.9**
Income tax relating to components of other comprehensive income	-	16.3	-	-	-	(13.5)	2.8	1.4	**4.2**
Total comprehensive (expense)/income for the financial half year	-	(37.9)	(27.0)	-	-	(124.2)	(189.1)	15.7	**(173.4)**
Shares issued	4.8	-	-	-	-	-	4.8	-	**4.8**
Payment of dividends	-	-	-	-	-	(19.3)	(19.3)	(1.2)	**(20.5)**
Net contribution from joint venture partner								8.0	**8.0**
Purchase of minority interest	-	-	-	-	4.9	-	4.9	(11.0)	**(6.1)**
Balance at 30 September 2009	1,334.0	(34.0)	(12.8)	12.6	4.9	(70.5)	1,234.2	165.1	**1,399.3**
Balance at 1 April 2008	879.2	(28.5)	(11.8)	9.5	-	636.4	1,484.8	105.9	**1,590.7**
Net profit for the financial half year	-	-	-	-	-	32.9	32.9	18.4	**51.3**
Exchange differences arising on translation of foreign operations	-	-	11.3	-	-	-	11.3	(0.9)	**10.4**
Gain on cash flow hedges	-	2.3	-	-	-	-	2.3	22.4	**24.7**
Actuarial loss on defined benefit plans	-	-	-	-	-	(55.6)	(55.6)	-	**(55.6)**
Income tax relating to components of other comprehensive income	-	(0.7)	-	-	-	16.7	16.0	(6.7)	**9.3**
Total comprehensive income for the financial half year	-	1.6	11.3	-	-	(6.0)	6.9	33.2	**40.1**
Shares issued	91.4	-	-	3.1	-	-	94.5	-	**94.5**
Payment of dividends	-	-	-	-	-	(88.4)	(88.4)	-	**(88.4)**
Net contribution from joint venture partner							-	2.3	**2.3**
Balance at 30 September 2008	970.6	(26.9)	(0.5)	12.6	-	542.0	1,497.8	141.4	**1,639.2**

Condensed statement of cash flows

Half year ended 30 September ($ million)	Note	Consolidated 2009	2008
Cash flows from operating activities			
Receipts from customers		**1,941.2**	1,798.8
Payments to suppliers and employees		**(1,810.6)**	(1,753.7)
Dividends and distributions received		**6.7**	13.7
Interest received		**-**	1.6
Income tax refunded/(paid)		**23.2**	(33.4)
Net cash from operating activities before futures margin calls		**160.5**	27.0
Futures margin calls (paid)/refunded		**(32.2)**	45.7
Net cash from operating activities		**128.3**	72.7
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(138.7)**	(229.3)
Proceeds from sale of property, plant and equipment and other non-current assets		**10.0**	121.9
Loans and receivables advanced		**(2.0)**	-
Purchase of controlled entities and businesses, net of cash acquired	6	**-**	(11.6)
Purchase of non-controlling interests		**(6.0)**	-
Net cash used in investing activities		**(136.7)**	(119.0)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	56.5
Net proceeds from borrowings		**65.7**	108.0
Dividends paid		**(15.6)**	(53.5)
Interest and other finance costs paid		**(30.6)**	(53.4)
Net cash from financing activities		**19.5**	57.6
Net increase in cash held		**11.1**	11.3
Net cash at beginning of the financial period		**14.3**	24.3
Effects of exchange rate changes		**1.0**	2.4
Net cash at 30 September		**26.4**	38.0

Reconciliation of net cash

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

	2009	2008
Cash at banks and on hand	**27.1**	34.3
Short-term loans and deposits	**-**	5.1
Cash	**27.1**	39.4
Bank overdrafts	**(0.7)**	(1.4)
Net cash at 30 September	**26.4**	38.0

Notes to the financial statements are annexed.

Notes to the financial statements

i. Basis of Preparation. This half yearly report for CSR Limited and its controlled entities ("CSR group") is a general purpose financial report prepared in accordance with the accounting standard AASB 134 “Interim Financial Reporting”, the requirements of the Corporations Act 2001, other applicable accounting standards and interpretations, and complies with other requirements of the law and the Listing Rules of the Australian Securities Exchange Limited. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. The financial report is based on historical cost, except for certain assets which are at deemed cost or fair value (financial assets). It should be read in conjunction with the last CSR Annual Report and announcements to the market made during the financial half year in accordance with the CSR group’s continuous disclosure obligations arising under the Corporations Act 2001 and Listing Rule 3.1. This report does not include all the notes of the type normally included in an annual report.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations have not resulted in any significant changes to the Group’s accounting policies.

ii. Significant accounting policies.
The accounting policies set out below have been applied in preparing the financial statements for the financial half year ended 30 September 2009, and in the preparation of the comparative income statement for the financial half year ended 30 September 2008 and the comparative balance sheet as at 31 March 2009. The accounting standards, policies, estimation methods and measurement bases used in this report are the same as those used in the last CSR Annual Report.

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 income 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 income 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 income. Amounts deferred in equity are recycled in income in the periods when the hedged item is recognised in income.
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.

Impairment of assets. At each reporting date, the CSR group reviews the carrying amounts of its assets 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 income immediately. Where an impairment loss subsequently reverses, 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 income.

Employee benefits. For defined benefit superannuation 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 recognised income and expense. 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 balance sheet 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.

Critical accounting judgements and key sources of estimation uncertainty. The following are critical judgements and key assumptions that management has made in the process of applying the CSR group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
Product Liability: CSR Limited and/or certain subsidiaries 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 30 September 2009, a provision of $446.8 million (31 March 2009: $455.1 million) has been made for all known claims and probable future claims but not for such claims as cannot presently be reliably measured. Refer note 11 for further details including the basis of calculating the provision.
Asset Impairment: Assets are reviewed for impairment at each reporting date in accordance with the accounting policy. Valuations are determined using discounted cash flows. Management judgement is required in these valuations in determining future cash flows and a suitable discount rate in order to calculate the present value. Future cashflows take into consideration the building cycle and expected changes, sugar price and crop, aluminium prices and exchange rates.

ii. Significant accounting policies. (continued)

Goodwill. Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired, is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in income and is not subsequently reversed.

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 substantially 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 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 liabilities and assets 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 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 income statement 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.

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 rehabilitation. The estimated net present value of known rehabilitation costs that the CSR group believes will be incurred is taken up as a provision. The estimate is revised annually and the provision is adjusted accordingly.

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. Certain shares held by the CSR group are classified as being available for sale and are stated at fair value. Fair value is determined in accordance with a discounted cash flow analysis. Gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in income for the period.

iii. Seasonality of results. The CSR group's sugar mills only operate for approximately five months of the year generally from late June to November and therefore the results of this business are generally more favourable in the first half of the financial year than the second half. The crushing season in the current year has benefited from drier than normal conditions, this has meant that the volume of raw sugar produced is significantly higher than this time last year. As a result, the profit in Sugar Mills for the first half of the financial year is significantly higher than the prior year and will be weighted to the first half.

iv. Currency. Unless otherwise stated amounts are in Australian currency.

v. Rounding. Unless otherwise stated, the 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 Australian Securities and Investments Commission Class Order 98/100 issued 10 July 1998.

vi. Significant items. For the financial half year ended 30 September 2009 CSR recorded the following as significant items:

- Write down of assets held in relation to the Viridian business:

CSR has undertaken a review of the Viridian business, given the ongoing decline in building activity, the strengthening of the Australian dollar and other operational issues which have impacted business performance over the past six months. Forecast cash flows covering the next ten years were prepared and a valuation was calculated using a discount rate of 9.8%. A terminal value was included from year eleven onwards including annual growth of 2.5%. The key assumptions relate to housing starts, commercial building activity, foreign exchange rates, market share and the take up of energy efficient glass. The most sensitive assumptions are the level of building activity and foreign exchange rates (import parity price). These assumptions have been determined with reference to historical data and expected changes taking into account external information. This valuation has resulted in Viridian assets being written down by $250 million.

- Costs of $3.1 million associated with the proposed demerger of the Sugar business.

For the financial half year ended 30 September 2008 CSR recorded an increase to its product liability provision of $48.1m as a significant item and costs of $7.3 million associated with the integration of Pilkington Australasia and DMS glass acquisitions.

1. Segment information

Half year ended 30 September

($ million)	Total revenue[a b] 2009	Total revenue[a b] 2008	Depreciation & amortisation[c] 2009	Depreciation & amortisation[c] 2008
Business segments[g]				
Sugar	**1,063.2**	714.4	**29.6**	27.6
Building Products	**777.3**	818.4	**35.6**	34.8
Aluminium	**250.7**	280.3	**14.8**	13.4
Property	**0.3**	14.4	**0.2**	-
Segment totals	**2,091.5**	1,827.5	**80.2**	75.8
Corporate, Restructuring and provisions[d]	**0.2**	0.2	**0.4**	2.7
Interest revenue	**0.4**	1.7		
Group total	**2,092.1**	1,829.4	**80.6**	78.5

($ million)	Profit from ordinary activities before income tax 2009	Profit from ordinary activities before income tax 2008	Income tax 2009	Income tax 2008	Non-controlling interests 2009	Non-controlling interests 2008	Net profit 2009	Net profit 2008
Business segments								
Sugar	**114.2**	27.8	**33.1**	6.3	**5.8**	3.2	**75.3**	18.3
Building Products	**53.4**	74.8	**15.1**	22.0	**1.2**	0.2	**37.1**	52.6
Aluminium	**59.3**	70.4	**17.9**	21.2	**12.1**	14.4	**29.3**	34.8
Property	**(1.0)**	12.6	**-**	2.3	**-**	-	**(1.0)**	10.3
Segment totals	**225.9**	185.6	**66.1**	51.8	**19.1**	17.8	**140.7**	116.0
Corporate[e]	**(8.6)**	(8.6)	**(4.6)**	(2.5)	**-**	-	**(4.0)**	(6.1)
Restructuring and provisions[d]	**(1.6)**	0.4	**(0.5)**	0.1	**-**	-	**(1.1)**	0.3
	215.7	177.4	**61.0**	49.4	**19.1**	17.8	**135.6**	110.2
Net finance cost	**(56.8)**	(54.9)	**(16.9)**	(17.0)	**(0.9)**	0.6	**(39.0)**	(38.5)
Group total before significant items	**158.9**	122.5	**44.1**	32.4	**18.2**	18.4	**96.6**	71.7
Significant items (refer note 4)	**(253.1)**	(55.4)	**(0.9)**	(16.6)	**-**	-	**(252.2)**	(38.8)
Group total after significant items	**(94.2)**	67.1	**43.2**	15.8	**18.2**	18.4	**(155.6)**	32.9

($ million)	Assets[f] 2009	Assets[f] 31 March 2009
Business segments		
Sugar	**1,795.4**	1,378.8
Building Products	**1,687.6**	1,937.2
Aluminium	**475.4**	550.8
Property	**91.9**	62.8
Segment total	**4,050.3**	3,929.6
Unallocated[d]	**35.0**	40.8
	4,085.3	3,970.4
Finance assets/liabilities	**27.1**	14.7
Tax assets/liabilities	**150.3**	203.3
Group total	**4,262.7**	4,188.4

a Excludes net profit from associates.

b Intersegment revenue is negligible.

c Total depreciation and amortisation includes $4.4 million (2008: $5.7 million) amortisation of intangibles.

d Includes product liability, certain defined benefit superannuation expense and other non-operating costs.

e Represents unallocated overhead costs.

f Acquisitions of controlled entities and businesses in 2008 were in the Building Products segment.

g The Group has adopted AASB 8 "Operating Segments" and AASB 2008-3 "Amendments to Australian Accounting Standards arising from AASB 8" with effect from 1 April 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the CSR group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (AASB 114 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the CSR group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. Based on a review of the new requirements, it has been determined that the reportable business segments will remain the same as prior years, however, the CSR group will no longer report geographical segments.

Half year ended 30 September	($ million)	**2009**	2008

2. Net finance cost

Interest paid or payable on short-term debt	**2.2**	11.7
Interest paid or payable on long-term debt	**29.0**	39.6
Total interest expense	**31.2**	51.3
Unwinding discount on non-current provisions and debtors	**11.9**	9.2
Funding costs	**4.2**	2.0
Foreign exchange loss (gain)	**9.9**	(5.9)
Finance cost	**57.2**	56.6
Interest income	**(0.4)**	(1.7)
Net finance cost before income tax and minority interest	**56.8**	54.9

3. Income taxes

Income tax expense

Reconciliation of income tax expense charged to the income statement with income tax calculated on profit from ordinary activities before income tax:

(Loss)/profit from ordinary activities before income tax	**(94.2)**	67.1
Income tax (benefit)/expense calculated at 30%	**(28.3)**	20.1
Increase/(decrease) in income tax expense due to		
Utilisation of losses in asset disposals	**(0.6)**	(1.6)
Asian trading profits tax rate differential and utilisation of losses	**(1.7)**	0.3
Equity accounted associates' net profit and rebates on dividends received	**(2.4)**	(3.1)
Research and development	**(0.2)**	(0.4)
Income tax under provided in prior years	**0.5**	-
Asset write downs	**75.0**	-
Other items	**0.9**	0.5
Total income tax expense on (loss)/profit from ordinary activities	**43.2**	15.8

4. Significant items

Separation costs		
Costs associated with the proposed demerger of the Sugar business	**3.1**	-
Income tax benefit	**(0.9)**	-
Asset write downs		
Viridian	**250.0**	-
Product liability		
Increase in product liability provision	**-**	48.1
Income tax benefit	**-**	(14.4)
Pilkington Australia and DMS glass acquisitions		
Integration costs	**-**	7.3
Income tax benefit	**-**	(2.2)
Total significant items after tax	**252.2**	38.8

5. Net tangible assets per share [a]

	30 September 2009 $	30 September 2008 $
Net tangible assets per share	**0.87**	0.83

a Calculated as net assets attributable to CSR Ltd shareholders ($1,234.2 million) less intangible assets ($109.8 million) divided by the number of shares (1,289.3 million).

6. Details of entities over which control has been gained or lost

Control gained over entities

On 15 September 2008 CSR Limited acquired the assets of Ross Roofing. The acquired business contributed revenues of $0.4 million and earnings before interest and tax (EBIT) and net profit of nil for the period from 15 September 2008 to 30 September 2008. If the acquisition had occurred on 1 April 2008, revenues, EBIT and net profit for the half year ended 30 September 2008 would have been approximately $9.9 million, $0.5 million loss and $0.6 million loss respectively before significant items and interest expense. These amounts have been estimated using a consistent basis to the period since acquisition.

Details of the purchase consideration and the fair value of assets and liabilities acquired are given below.

	2009 ($ million)	2008 ($ million)
Purchase consideration		
Cash paid - purchase price	-	11.6
Total purchase consideration	-	11.6
Fair value of net identifiable assets acquired (refer below)	-	3.6
Goodwill (refer below)	-	8.0

Assets and liabilities acquired are as follows:

	2009		2008	
($ million)	**Acquiree's carrying amount**	**Fair value**	Acquiree's carrying amount	Adjusted fair value
Inventories	-	-	1.6	1.6
Property, plant and equipment	-	-	2.0	2.0
Net identifiable assets acquired	-	-	3.6	3.6
Goodwill acquired[a]		-		8.0
Total purchase consideration		-		11.6
Total flow of cash	-	-	3.6	11.6

a The goodwill is attributable to the workforce and the potential of the acquired business.

7. Issued capital

	Number shares[a]	Price $	Share Capital $ million
Particulars of shares issued during the financial half year by CSR Limited			
On issue 31 March 2009	1,286,059,187		1,329.2
Dividend Reinvestment Plan[b]	3,205,881	1.53	4.8
On issue 30 September 2009[c]	**1,289,265,068**		**1,334.0**

a The shares are fully paid ordinary shares listed on the Australian Stock Exchange and carry one vote per share and the right to dividends.
b Fully paid ordinary shares were issued on 3 July 2009. Eligible shareholders were able to reinvest all or part of their dividends in additional fully paid ordinary shares at a market discount of 2.5%.
c There were 1,021,345,339 shares on issue at 30 September 2008.

8. Details relating to dividends and return of capital

	Financial year ending 31 March	Franking percentage	Date dividend paid/payable	Amount per share cents	Total amount $ million
Final dividend	2007	100	3 July 2007	9	78.9
Interim dividend	2008	100	17 December 2007	6	57.8
Final dividend	2008	100	3 July 2008	9	88.4
Interim dividend	2009	100	12 December 2008	6	61.3
Final dividend	2009	100	3 July 2009	1.5	19.3
Interim dividend	2010	100	23 December 2009	2.5	32.2

The interim dividend in respect of ordinary shares for the financial half year ended 30 September 2009 has not been recognised in this financial report because the interim dividend was declared subsequent to 30 September 2009.

Dividend reinvestment plans

CSR Limited established a dividend reinvestment plan 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. This plan expired on 12 October 2009.

9. Details of associate entities

Share of net profit of associate entities

	Half year ended 30 September	
	2009	2008
	$ million	$ million
Profit from ordinary activities before income tax	**8.1**	11.8
Income tax expense	**1.9**	3.8
Profit from ordinary activities after income tax	**6.2**	8.0
Extraordinary items after tax	**-**	-
Net profit	**6.2**	8.0
Minority interests	**-**	-
Total share of net profit	**6.2**	8.0

	Ownership interest		Share of profit	
	As at 30 September		Half year ended 30 September	
	2009	2008	**2009**	2008
Name	**%**	%	**$ million**	$ million
Associate companies				
C. Czarnikow Limited	**43**	43	**1.8**	2.1
Rondo Pty Limited	**50**	50	**3.9**	5.8
Other non-material associates			**0.5**	0.1
Total share of net profit			**6.2**	8.0

The CSR group does not have any other material interests.

10. Events occurring after the balance sheet date

Dividends:
For dividends declared after 30 September 2009, refer to Note 8.

Demerger:
On 26 October 2009, CSR announced it is now in the final stages of due diligence for the demerger of the Sugar and Renewable Energy business. The demerger is proposed to be effected by way of a scheme of arrangement. A scheme booklet is expected to be distributed to shareholders later this calendar year ahead of shareholders' meetings in 2010 to consider the scheme. CSR expects the demerger to occur in or around March 2010, subject to remaining due diligence, shareholder, court and other approvals.

Capital raising:
On 26 October 2009, CSR Limited announced it will raise $375 million through a fully-underwritten renounceable entitlement offer ("Entitlement Offer"). Under the Entitlement Offer, eligible shareholders will be offered the opportunity to acquire CSR shares at $1.66 each on the basis of 7 new ordinary shares for every 40 existing ordinary shares. New shares issued under the Entitlement Offer will rank equally with existing ordinary shares, except that new shares will not participate in the interim dividend of 2.5cents per share payable on 23 December 2009. The financial effects of the transaction have not been brought to account in the CSR group financial report for the half year ended 30 September 2009.

Acquisition of non-controlling interest:
CSR Sugar Pty Limited, has entered into a binding agreement to acquire the 25% non-controlling interest in the joint venture Sugar Refining businesses (Sugar Australia and New Zealand Sugar Company Limited) from Mackay Sugar Limited. The consideration Mackay Sugar Limited will receive is an 8.77% interest in the demerged Sugar and Renewable Energy business. The agreement values the 25% interest at $100 million.

Under the agreement, for a period of 12 months following the demerger, Mackay Sugar Limited will be required to maintain a minimum shareholding of 7.5% in the demerged entity and will not be permitted to acquire additional shares (unless it makes an offer for 100% of shares). The transaction is conditional on regulatory approvals, the demerger proceeding and subsequent listing of CSR's Sugar and Renewable Energy business.

11. Contingent liabilities

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. 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 at 30 September 2009, there were 641 such claims pending.

In the United States, claims are made by people who allege exposure to asbestos fibre used in the manufacture of products containing asbestos or in the installation or use of those products. As at 30 September 2009, there were 1,272 such claims pending.

CSR has been settling claims since 1989. As at 30 September 2009, CSR had resolved 2,661 claims in Australia and approximately 135,000 claims in the United States.

There are uncertainties surrounding litigation in each of the United States and Australia. The incidence of asbestos related disease, the propensity of claimants to make demands on CSR, the amount of those demands, the presence of other defendants in litigation involving CSR, the impact on the United States litigation environment of asbestos-related bankruptcies, the passage of certain state based legislation relating to asbestos claims in the United States, and changes to the system for compensating asbestos claims in New South Wales and South Australia impact the numbers and value of claims made against CSR.

CSR has recognised as a provision for product liability costs the best estimate of the consideration required to settle the present obligation for anticipated compensation payments and legal costs as at the reporting date. In determining the 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. Those assessments have projected CSR’s claims experience into the future using various 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. The provision includes an appropriate prudential margin.

At 30 September 2009, a provision of $446.8 million (31 March 2009: $455.1 million) has been made for all known claims and probable future claims but not for such claims as cannot presently be reliably measured. CSR cannot determine with certainty the amount of its ultimate liability with respect to asbestos related claims or the future impact on its financial condition. 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.

Workers' compensation
CSR Limited acts as an authorised self insurer in New South Wales, 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 potential future claims that can be reliably measured.

CSR LIMITED

ABN 90 000 001 276

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes, set out on pages 3 to 15 are in accordance with the Corporations Act 2001, including:

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

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2009, and of its performance as represented by the results of its operations and its cash flows, for the financial half year ended on that date;

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

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

Ian Blackburne	Jerry Maycock
Chairman	Managing Director
Sydney, 26 October 2009	Sydney, 26 October 2009

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

We have reviewed the accompanying half-year financial report of CSR Limited, which comprises the condensed consolidated statement of financial position as at 30 September 2009, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CSR Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2009 and of its performance for the half-year ended on that date; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants
Sydney, 26 October 2009