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ABN 90 000 001 276

3rd November 2010

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 2010.

CSR Limited ABN 90 000 001 276

Appendix 4D

Results for the six months ended 30 September 2010

Results for announcement to the market

(All comparisons are to the half year ended 30 September 2009)

CSR reports 22% increase in EBIT from continuing operations[1] to $117.6 million

- EBIT from continuing operations (excluding Sucrogen and Asian insulation) pre significant items up 22% compared to previous corresponding period
  - Building Products EBIT up 19% on improved volumes across portfolio despite abrupt termination of ceiling insulation scheme
  - Aluminium EBIT down 7% on lower volumes and higher alumina costs
  - Property EBIT of $14.7 million from sale of Narangba site to Stockland
- Net Profit After Tax (after significant items) from continuing operations of $18.4 million compared to loss of $233.1 million for previous period
- Group Net Profit After Tax (continuing and discontinued operations) pre significant items down 8% due primarily to extension of sugar crush into second half vs last year
- Group Net Profit After Tax (continuing and discontinued operations) after significant items of $63.0 million compared to loss of $155.6 million for previous period
- Pre tax significant items of $37.2 million comprise Sucrogen separation costs ($17.8m) and one-off costs due to termination of ceiling insulation scheme ($19.4m)
- Earnings per share (pre significant items) for continuing operations up to 2.9 cents per share from 1.5 cents per share
- Interim dividend of 3.0 cents per share fully-franked to be paid on 10 December 2010
- Sale of Sucrogen expected to be complete during November 2010, subject to regulatory approvals (FIRB, OIO). CSR expects to provide update on capital management post sale completion

[1] CSR Ltd has announced agreements to sell its Sucrogen business and Asian Insulation business. These businesses have been classified as 'discontinued operations' for the purpose of this document and in the CSR group half yearly report.

'Continuing operations' refers to CSR's operations excluding the Sucrogen and Asian Insulation businesses.

Financial results summary

For the six months ended 30 September 2010[2]				A$m
Trading revenue from continuing operations	*down*	*1%*	*to*	*975.0*
Trading revenue from discontinued operations	*down*	*11%*	*to*	*976.4*
Group trading revenue	**down**	**6%**	**to**	**1,951.4**
EBIT (pre significant items) from continuing operations	*up*	*22%*	*to*	*117.6*
EBIT (pre significant items) from discontinued operations	*down*	*41%*	*to*	*70.5*
Group EBIT (before significant items)	**down**	**13%**	**to**	**188.1**
Net profit after tax (pre significant items) from continuing operations	*up*	*132%*	*to*	*44.4*
Net profit after tax (pre significant items) from discontinued operations	*down*	*42%*	*to*	*44.6*
Group net profit after tax attributable to members (pre significant items)	**down**	**8%**	**to**	**89.0**
Net profit after tax (after significant items) from continuing operations	*up*	*108%*	*to*	*18.4*
Net profit after tax (after significant items) from discontinued operations	*down*	*42%*	*to*	*44.6*
Group net profit after tax attributable to members (after significant items)	**up**	**140%**	**to**	**63.0**

	30 Sept 2010	30 Sept 2009
Net tangible assets per share	$1.00	$0.87

Dividends	Amount per security	Franking	Franked amount per security at 30% tax
Interim dividend	3.0 cents	100%	3.0 cents
Previous corresponding period	2.5 cents	100%	2.5 cents

Record date for determining entitlements to interim dividend	15 November 2010
Dividend payment date	10 December 2010

[2] Ordinary activities for the period include both continuing operations and discontinued operations.

Financial results summary cont'd

A$m unless stated	30 September 2010			30 September 2009		
	Continuing operations	*Discontinued operations*	**Group Total**	*Continuing operations*	*Discontinued operations*	**Group Total**
Trading Revenue	*975.0*	*976.4*	**1,951.4**	*983.3*	*1,093.2*	**2,076.5**
EBITDA	*166.4*	*104.6*	**271.0**	*145.7*	*150.6*	**296.3**
EBIT	***117.6***	***70.5***	**188.1**	***96.6***	***119.1***	**215.7**
Net Finance Expense	*(40.4)*	*(1.6)*	**(42.0)**	*(54.7)*	*(2.1)*	**(56.8)**
Tax Expense	*(22.0)*	*(18.6)*	**(40.6)**	*(11.3)*	*(32.8)*	**(44.1)**
Non-controlling Interests	*(10.8)*	*(5.7)*	**(16.5)**	*(11.5)*	*(6.7)*	**(18.2)**
Net Profit after tax (before significant items)	***44.4***	***44.6***	**89.0**	***19.1***	***77.5***	**96.6**
Net Profit/(loss) after tax (after significant items)	*18.4*	*44.6*	**63.0**	*(233.1)*	*77.5*	**(155.6)**
Earnings Per Share before significant items (EPS) [cents]	*2.9c*	*3.0c*	**5.9c**	*1.5c*	*6.0c*	**7.5c**

Earnings before interest and tax (EBIT) by segment for continuing operations

Half year ended 30 September [A$ million unless stated]	**2010**	2009	change
Building Products	**57.7**	48.5	+19%
Aluminium	**55.1**	59.3	-7%
Property	**14.7**	(1.0)	----
Business segment total	**127.5**	106.8	+19%
Corporate costs	**(8.2)**	(8.6)	-5%
Restructure and provisions	**(1.7)**	(1.6)	+6%
Total EBIT (pre significant items) from continuing operations	**117.6**	96.6	+22%

Overview

CSR Limited ("CSR") announced today a 22 per cent increase in earnings before interest and tax from continuing operations (before significant items) for the half year ended 30 September 2010.

Continuing operations do not include the Sucrogen business which is being sold to Wilmar International and the Asian insulation business which is being sold to Rockwool Group.

Improved market conditions and continued focus on margins resulted in a 19 per cent increase in earnings from the Building Products business, despite the termination of the Federal Government's ceiling insulation rebate scheme which impacted earnings compared to the previous corresponding period.

Earnings from Aluminium declined by 7 per cent on lower volumes and higher alumina costs, while Property earnings increased to $14.7 million primarily from the sale of the Narangba residential development site to Stockland.

"I am pleased that our businesses continue to respond and make steady progress in what remains a challenging environment," said CEO and Managing Director, Jeremy Sutcliffe.

"Across our Building Products portfolio we continue to improve operational performance while also investing in new products and systems. It's also pleasing to see the gradual turnaround in Viridian being reflected in the overall improved result in the first half.

"Having almost finalised the sale of Sucrogen, and nearing completion of the sale of the Asian insulation business, CSR remains well placed to capitalise on its leading market positions in the Australian/NZ building products market.

"Subject to the final conditions of the sale of Sucrogen being satisfied and the sale being completed, the company will be in a position to advise the market in relation to capital management initiatives.

"In considering that capital management process, CSR will adopt an appropriate balance of providing a tax effective return of surplus funds to shareholders, continuing our responsible approach to meeting future asbestos obligations and also providing future flexibility for growth in our Building Products focused business," said Mr Sutcliffe.

Financial review

Net profit after tax (before significant items) from continuing operations increased from $19.1 million to $44.4 million, reflecting the continued improvement in earnings from the Building Products business, including the Viridian glass business.

Total Group net profit after tax (including continued and discontinued operations) before significant items was down 8 per cent to $89.0 million due primarily to the timing of earnings from Sucrogen. Significant rain during the crushing season means earnings in Sucrogen for this financial year are not as heavily weighted to the first half as they were for the previous financial year.

The Board has resolved to pay an interim dividend of 3.0 cents per share fully-franked which will be paid on 10 December 2010. This compares to a dividend of 2.5 cents for the previous corresponding period.

Net debt as at 30 September 2010 was $938 million compared to $767 million as at 31 March 2010. Debt increased primarily as a result of seasonal working capital impacts mostly in Sucrogen and the delay in cash receipts from property transactions which will be received in the second half.

Gearing (measured as net debt/net debt plus equity) was 34 per cent.

Operating cashflow from continuing operations of $86.5 million (before tax payments and significant items) was flat compared to the previous corresponding period ($86.7 million).

Significant Items

Pre-tax costs of $17.8 million associated with the separation of the Sucrogen business have been treated as significant items for the half year result.

Meanwhile, the abrupt termination of the Federal Government's Energy Efficient Homes Package resulted in pre-tax, one-off costs of $19.4 million in Bradford Insulation, comprising a provision for stock obsolescence and associated inventory management costs.

Product Liability

CSR continues to manage its asbestos liabilities responsibly and professionally. For the half year ended 30 September 2010, CSR paid asbestos related claims of A$22.9 million compared to $19 million for the previous corresponding period. The slight increase in payments relates to the higher value of settlements from the United States.

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

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

As at 30 September 2010, a product liability provision of $441.8 million has been made which includes a prudential margin of $93.1 million or 26.7 per cent above the central estimate of future liabilities.

Review of continuing operations by segment

Building Products

- **EBIT up 19% on improved performance across portfolio despite impact of termination of ceiling insulation scheme**
- **EBIT (ex Insulation) up 64%**
- **Gross margin and EBITDA margins increased across most businesses**

Half year ended 30 September [A$ million unless stated] **Pre significant items**	**2010**	2009	change
Trading revenue	**721.2**	732.0	-1%
EBITDA	**92.1**	82.2	+12%
EBIT	**57.7**	48.5	+19%
Funds employed	**1,316.7**	1,311.1	
EBIT/trading revenue	**8.0%**	6.6%	
Return on funds employed (MAT)	**8.6%**	7.1%	

The underlying increase in earnings from the Building Products business reflected improved conditions in residential construction markets together with the ongoing benefits from the cost reduction and efficiency improvements which have been implemented over the past 18 months.

Australian residential construction markets improved in the first half with private residential detached commencements increasing by 24 per cent (on a one quarter lag basis) compared to the previous corresponding period. However, commercial construction markets continue to remain weak with the latest Australian Bureau of Statistics data showing the total value of work done in the commercial and industrial sectors in Australia declining by 31 per cent over the year to June 2010.

New Zealand residential construction activity has increased modestly, however markets remain subdued.

Trading revenue from continuing operations (ex Asia) of $721.2 million was down 1 per cent from $732 million on the previous corresponding period, however EBIT of $57.7 million was up 19 per cent from $48.5 million.

Reflecting the impact of the termination of the ceiling insulation rebate scheme, Building Products EBIT on a like for like basis (excluding Bradford Insulation) improved by 64 per cent on the previous corresponding period.

Lightweight Systems' trading revenue (which includes Bradford™ insulation, Gyprock™ plasterboard, Cemintel™ Fibre Cement Systems, Fricker™ Ceiling Systems and Mitex™ texture coating brands, Hebel™ lightweight concrete products and Edmonds™ ventilation systems) was virtually steady at $383.4 million compared to $389.8 million previously.

Revenue in the Gyprock plasterboard business improved on higher sales volumes and continued focus on margins with average price increases of over 4 per cent.

The $168 million project to upgrade the Gyprock plasterboard factory at Yarraville remains on time and on budget with the warehouse and distribution facility on schedule to be completed in the second half of this financial year.

Margins in the Cemintel Fibre Cement business continued to improve with a significant increase in EBIT on the first half last year. The strategy to focus on internal linings is proving successful while market response to the launch of the new CeminSeal™ product has been positive.

In May 2010, CSR strengthened its Fricker commercial ceilings business with the acquisition of Comprador Pacific (Australia) and Potters Interiors (New Zealand).

Revenue and EBIT for the Australian insulation business were significantly below the previous corresponding period as a result of the termination of the Federal Government's ceiling insulation rebate scheme in February 2010.

As a result, Bradford Insulation was forced to reduce staff and restructure manufacturing capacity at its two plants in Sydney and Brisbane.

While Bradford's core business outside of the retro-fit insulation market remains strong, with the business continuing to strengthen its market position in new homes and commercial applications, the half year result includes one-off costs of $19.4 million, comprising a provision for stock obsolescence and associated inventory management costs.

Bradford continues to work through these issues and was appointed by the Federal Government to undertake safety inspections as part of the Home Insulation Safety Program.

The performance of **Viridian** continues to improve gradually with EBIT of $3 million compared to a loss of $5.6 million in the previous corresponding period. Revenue declined to $182.9 million from $204.1 million, reflecting the disposal of the automotive glass business in the second half of YEM10 and also the closure of the Alexandria facility.

Operationally, the business delivered improvements in its safety performance and customer service. Delivery in Full on Time (DIFOT) improved in both the Primary Products (upstream) business (up 2% to 99%) and the Glass Processing (downstream) business (up 2% to 91%).

Meanwhile, Viridian continued to regain some market share, securing two key national accounts in window manufacturing which will assist earnings into the second half of the year.

Annualised costs of over $9.8 million have been removed from the business, primarily at the downstream facility at Clayton, where extra costs had been incurred as part of the implementation of the fully-automated double glazing facility. DIFOT at Clayton has improved significantly to 91 per cent.

Primary Products manufacturing continues to be impacted by the high A$/US$ exchange rate. While Viridian's market share versus imports has been relatively steady, the higher Australian dollar impacts the import parity price of upstream glass products with an associated impact on margins for locally produced product.

Bricks and Roofing (including PGH™ bricks, Monier™, MonierPrime™ and Wunderlich™ roofing products) trading revenue of $154.9 million increased by 12 per cent on generally improved market conditions in residential detached housing in most states and continued price increases across product categories.

Sales volumes improved generally in line with residential construction activity despite wet weather, particularly in QLD and NSW.

Price increases were achieved in most markets, with face brick prices increasing by over 4 per cent and rooftile prices also up by around 4 per cent.

Meanwhile, the business has broadened its range into higher margin products with the release of new ceramic glazed and new colour PGH bricks and the new Monier horizon flat concrete roof tiles.

The Bricks business continues to rationalise manufacturing operations to improve operational efficiency with the Cooroy brick plant mothballed in July 2010 and production transferred to the more efficient and larger capacity factory at Oxley in Brisbane.

Aluminium

- **EBIT down on lower sales volumes and higher alumina costs**
- **Lower hedged position – earnings more linked to unhedged A$ spot metal price**
- **Continued sound operational performance at Tomago smelter**

Half year ended 30 September [A$ million unless stated]	**2010**	2009	change
Trading revenue	**253.4**	251.3	+1%
EBITDA	**68.9**	74.1	-7%
EBIT	**55.1**	59.3	-7%
Funds employed	**248.8**	272.6	-9%
EBIT/trading revenue	**21.7%**	23.6%	

Gove Aluminium Finance Limited's (70% CSR) trading revenue was up slightly to $253.4 million from $251.3 million despite lower sales volume of 93,785 tonnes compared to the previous corresponding period's sales of 95,549 tonnes.

The business continued to benefit from its hedged position from previous years, although to a lesser extent given the lower proportion of metal hedged in response to lower prices over the past two years.

EBIT was $55.1 million, 7 per cent per cent lower than the corresponding period last year, impacted by higher alumina costs. As a result, EBIT margin reduced slightly to 21.7 per cent.

The average realised aluminium price after hedging was A$2,702 per tonne, compared to A$2,630 for the previous corresponding period. The average world aluminium price was US$2,116 per tonne for the half year compared to US$1,681 the previous corresponding period.

The Tomago smelter continues its sound operational performance with production volumes ahead slightly on the previous corresponding period.

For the second half of the financial year around 50% of net aluminium exposure is hedged at A$3,196 per tonne, which continues to be a lower proportion than in previous years. Consequently earnings for the second half and next financial year will be more linked to A$ spot aluminium prices than in recent years.

Property

- **EBIT increased on sale of Narangba residential site**
- **Strong medium term development pipeline remains**

Half year ended 30 September [A$ million unless stated]	**2010**	2009	change
EBIT	**14.7**	(1.0)	

Earnings from CSR's property division were $14.7 million compared to a loss of $1.0 million for the previous corresponding period. The main contributor to earnings was the sale of the 606 lot, 47.2 hectare residential development at Narangba to Stockland for $25.3 million. The transaction was in line with CSR's strategy to reduce development risk and monetise the portfolio to maximise value.

More recently, CSR announced the sale of the 2.6 hectare site at Alexandria which was a former glass factory acquired as part of the Viridian acquisition in 2007.

Conditions in commercial property markets, particularly for industrial properties remain challenging. CSR's immediate focus continues to be on progressing sales of specific surplus sites to individual parties.

Review of discontinued operations

Sucrogen

- **Extensive rain impacts earnings in first half vs previous corresponding period**
- **Wet weather reduces cane and molasses volumes**
- **Refining earnings steady**

Half year ended 30 September [A$ million unless stated]	**2010**	2009	change
Trading revenue	**935.9**	1.050.1	-11%
EBITDA	**99.1**	143.8	-31%
EBIT	**66.7**	114.2	-42%
Funds employed	**1,188.6**	1,187.0	
EBIT/trading revenue	**7.1%**	10.9%	

A rain affected crushing season means that earnings in the Sucrogen business were lower for the first half compared to the previous corresponding period. Rain stopped crushing in the Burdekin district for two weeks during August and also impacted crushing in the Herbert and Plane Creek regions to a lesser extent.

The extensive wet weather extended the crush well into the second half of the year compared to last financial year where a smaller crop and dry weather meant that earnings for Cane Products were weighted heavily to the first half.

The wet weather also impacted molasses production from the reduced amount of cane crushed and also reduced volumes of agricultural fertiliser sales in the BioEthanol business.

EBIT of $66.7 million was 42 per cent lower than the previous corresponding period due primarily to the lower amount of cane crushed in the first half, partially offset by a higher average realised price.

Earnings from the Sweeteners (formerly Refining) business were in line with the previous corresponding period. The business continues to maintain a strong focus on enhanced customer value and innovation in the food and beverage sector and retail sectors.

Separation strategy and management update

On 5 July 2010, CSR announced that it had entered in an agreement to sell its Sucrogen business to Wilmar International for an enterprise value of A$1.75 billion (excluding minority interests). Completion of the sale remains subject to approval by the Foreign Investment Review Board (FIRB) in Australia and the Overseas Investment Office in New Zealand.

Given the timing of the August 21 federal election, FIRB extended its review of Wilmar's application until 9 November 2010.

Subject to a satisfactory conclusion of the approvals process and completion of the sale, CSR expects to advise the market of its capital management initiatives as a result of proceeds from the sale, which are expected to be approximately A$1.6 billion.

As previously advised to the market, a successful conclusion of the sale of Sucrogen will result in senior management changes within CSR Ltd.

Interim CEO and Managing Director of CSR Ltd, Jeremy Sutcliffe will revert to his former role as a Non-Executive Director of CSR. As previously advised, Rob Sindel, currently the CEO of CSR Building Products will replace Mr Sutcliffe as CEO and Managing Director and also join the Board of CSR Ltd.

The Chief Financial Officer and Executive Director of CSR Ltd, Shane Gannon, will depart CSR as an Executive and as a Director. Mr Gannon has played a critical role in executing CSR's separation strategy and has decided to pursue other opportunities outside of CSR.

Greg Barnes currently the CFO of CSR Building Products will become the CFO of CSR Ltd. Mr Barnes has been in his current role for 18 months and brings extensive financial experience across a range of industries to the position including his former role as CFO, Asia/Pacific of Dyno Nobel.

It is anticipated that these appointments will be effective from 1 December 2010, subject to finalisation of the sale of Sucrogen.

Group summary and outlook for year ending March 2011

While housing starts in Australia improved to 30 June 2010 over the previous year, the range of leading indicators (new home lending, building approvals and new home sales) point to a future moderation in residential construction activity.

For example, August 2010 building approvals fell by 4.7 per cent on the previous month with detached dwelling approvals down 10 per cent on the previous year in response to the withdrawal of Government stimulus.

Supply-side constraints such as land availability and lack of developer financing continue to weigh on housing activity.

CSR expects Australian housing starts on a one quarter lag basis of around 155,000 - 160,000 to 31 March 2011. However, social housing and multi-residential dwellings will continue to account for an increased proportion of this total where usage of CSR products is generally lower.

Non-residential construction remains weak with the latest approvals data showing a further decline of 5 per cent for the month of August 2010 on the previous month.

In this environment, CSR remains focused on the turnaround of Viridian and ensuring its other businesses continue to respond to market conditions.

CSR expects improved earnings for the year ending 31 March 2011 ("YEM11") from each of its

Building Products business units with Bradford Insulation being the exception. The termination of the ceiling insulation rebate scheme means earnings from Bradford will be negatively impacted on a year on year comparison. Bradford continues to work through the impact of the scheme's termination and remains well positioned in its core business.

On a continuing operations basis (i.e. removing the full year earnings contribution from the Asian insulation business), earnings in Building Products for YEM11 are expected to be slightly higher than the previous year, despite the negative impact in Bradford.

In **Aluminium**, spot metal prices have improved slightly in recent months, however the high A$/US$ exchange erodes part of this price benefit.

While Gove Aluminium Finance has added modestly to its hedge book recently to take advantage of these higher prices, the net hedged position of 50 per cent for the second half of the year remains lower than in previous years. As a result, earnings in Aluminium will continue to be dependent on the A$ spot price of aluminium. Depending on A$/US$ exchange rates and aluminium prices, CSR expects YEM11 EBIT in the range of $90 - $100 million for the full year.

Property earnings remain subject to the timing of specific transactions. At this stage of the year, CSR expects YEM11 EBIT in the range of $20-25 million.

3 November 2010

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CSR Limited
ABN 90 000 001 276
Half yearly report for the six months ended 30 September 2010

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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 2010.

Directors

The directors of CSR Limited at any time during the half year ended 30 September 2010, or since that date, are as follows:

Ian Blackburne
Jeremy Sutcliffe
Nicholas Burton Taylor
Kathleen Conlon
Shane Gannon
Ray Horsburgh
Richard Lee
John Story

Review of Operations

A review of operations of CSR group during the half year ended 30 September 2010 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 13 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
Chairman

Sydney, 3 November 2010

Jeremy Sutcliffe
Managing Director

Sydney, 3 November 2010

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Board Members
CSR Limited
Level 5
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NORTH RYDE NSW 2113

3 November 2010

Dear Board Members

CSR Limited

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

As lead audit partner for the review of the financial statements of CSR Limited for the half-year ended 30 September 2010, 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

Condensed statement of financial performance

Half year ended 30 September ($ million)	Note	2010	2009
Continuing operations			
Trading revenue - sale of goods		**975.0**	983.3
Cost of sales		**(670.7)**	(685.4)
Gross margin		**304.3**	297.9
Warehouse and distribution costs		**(95.4)**	(94.0)
Selling costs		**(79.8)**	(78.7)
Administration and other operating costs		**(33.1)**	(35.8)
Share of net profit of associates	9	**5.5**	4.5
Operating profit from continuing operations		**101.5**	93.9
Other income from ordinary activities		**17.7**	2.1
Other expenses from ordinary activities		**(38.8)**	(252.5)
Profit (loss) from continuing operations before finance and income tax		**80.4**	(156.5)
Interest income	2	**0.7**	0.4
Finance cost	2	**(41.1)**	(55.1)
Profit (loss) from continuing operations before income tax		**40.0**	(211.2)
Income tax expense relating to continuing operations	3	**(10.8)**	(10.4)
Profit (loss) from continuing operations		**29.2**	(221.6)
Profit from discontinued operations	13	**50.3**	84.2
Net profit (loss)		**79.5**	(137.4)
Net profit from continuing operations attributable to non-controlling interests		**10.8**	11.5
Net profit from discontinued operations attributable to non-controlling interests		**5.7**	6.7
Net profit attributable to non-controlling interests		**16.5**	18.2
Net profit (loss) attributable to shareholders of CSR Limited		**63.0**	(155.6)
Net profit before significant items from continuing operations attributable to shareholders of CSR Limited		**44.4**	19.1
Net profit before significant items from discontinued operations attributable to shareholders of CSR Limited		**44.6**	77.5
Net profit before significant items attributable to shareholders of CSR Limited		**89.0**	96.6
Reconciliation of retained profits			
Retained profits at the beginning of the financial year		**(49.8)**	73.0
Net profit (loss) attributable to shareholders of CSR Limited		**63.0**	(155.6)
Net profit (loss) recognised directly in retained profits		**(6.2)**	31.4
Total available for appropriation		**7.0**	(51.2)
Dividends provided for or paid	8	**(90.9)**	(19.3)
Retained profits (losses) at the end of the financial half year		**(83.9)**	(70.5)

(cents)	2010	2009
From continuing and discontinued operations		
Basic earnings per share based on net profit (loss) attributable to shareholders of CSR Limited [(a)]	**4.2**	(12.1)
Diluted earnings per share based on net profit (loss) attributable to shareholders of CSR Limited [(a)]	**4.2**	(12.1)
From continuing operations		
Basic earnings per share based on net profit (loss) attributable to shareholders of CSR Limited [(a)]	**1.2**	(18.1)
Diluted earnings per share based on net profit (loss) attributable to shareholders of CSR Limited [(a)]	**1.2**	(18.1)

(a) Based on a weighted average number of shares of 1,515.4 million (2009: 1,287.6 million).

Discontinued operations relate to Sucrogen and Asian insulation businesses which CSR Limited has entered into agreements to sell prior to 30 September 2010.

Notes to the financial statements are annexed.

Condensed statement of financial position

($ million)	Note	As at 30 September 2010	As at 31 March 2010
Current assets			
Cash and cash equivalents		**21.4**	43.9
Receivables		**356.9**	491.9
Inventories		**273.1**	455.9
Other financial assets		**30.4**	82.9
Income tax assets		**44.0**	44.0
Other current assets		**12.3**	30.9
		738.1	1,149.5
Assets classified as held for sale	14	**1,725.1**	
Total current assets		**2,463.2**	1,149.5
Non-current assets			
Receivables		**27.9**	29.1
Inventories		**23.4**	32.1
Investments accounted for using the equity method		**9.5**	33.4
Other financial assets		**15.6**	97.4
Property, plant and equipment		**1,259.9**	2,246.4
Goodwill		**62.4**	69.8
Other intangible assets		**34.9**	36.3
Deferred income tax assets		**189.9**	164.8
Other non-current assets		**14.0**	15.8
Total non-current assets		**1,637.5**	2,725.1
Total assets		**4,100.7**	3,874.6
Current liabilities			
Payables		**214.6**	408.0
Borrowings		**345.0**	25.6
Other financial liabilities		**2.3**	53.1
Income tax payable		**13.7**	21.7
Provisions		**178.2**	229.3
		753.8	737.7
Liabilities directly associated with assets classified as held for sale	14	**447.6**	
Total current liabilities		**1,201.4**	737.7
Non-current liabilities			
Payables		**2.2**	0.6
Borrowings		**612.4**	785.2
Other financial liabilities		**3.3**	15.9
Provisions		**452.8**	471.2
Other non-current liabilities		**45.9**	45.8
Total non-current liabilities		**1,116.6**	1,318.7
Total liabilities		**2,318.0**	2,056.4
Net assets		**1,782.7**	1,818.2
Equity			
Issued capital	7	**1,703.5**	1,700.9
Reserves		**23.6**	31.5
Retained profits (losses)		**(83.9)**	(49.8)
		1,643.2	1,682.6
Amounts recognised directly in equity associated with assets classified as held for sale	14	**(14.4)**	
Equity attributable to shareholders of CSR Limited		**1,628.8**	1,682.6
Non-controlling interests in controlled entities attributable to continuing operations		**67.6**	135.6
Non-controlling interests in controlled entities attributable to assets held for sale		**86.3**	
Non-controlling interests in controlled entities		**153.9**	135.6
Total equity		**1,782.7**	1,818.2

Notes to the financial statements are annexed.

Condensed statement of comprehensive income

Half year ended 30 September ($ million)	**2010**	2009
Net profit (loss) from continuing operations	**29.2**	(221.6)
Net profit (loss) from discontinued operations	**50.3**	84.2
Net profit (loss)	**79.5**	(137.4)
Other comprehensive income from continuing operations		
Exchange differences arising on translation of foreign operations	(2.6)	(2.1)
Loss on cash flow hedges taken to equity	(1.7)	(24.0)
Actuarial (loss) gain on superannuation defined benefit plans	(8.9)	44.9
Income tax relating to components of other comprehensive income	3.2	(6.3)
Other comprehensive (expense) income for the period (net of tax) from continuing operations	**(10.0)**	12.5
Other comprehensive income from discontinued operations		
Exchange differences arising on translation of foreign operations	(2.7)	(24.2)
Loss on cash flow hedges taken to equity	(14.0)	(34.8)
Income tax relating to components of other comprehensive income	4.2	10.5
Other comprehensive expense for the period (net of tax) from discontinued operations	**(12.5)**	(48.5)
Total comprehensive income (expense) from continuing operations	**19.2**	(209.1)
Total comprehensive income from discontinued operations	**37.8**	35.7
Total comprehensive income (expense)	**57.0**	(173.4)
Total comprehensive income (expense) attributable to:		
Shareholders of CSR Limited from continuing operations	**8.2**	(215.6)
Non-controlling interests from continuing operations	**11.0**	6.5
Total comprehensive income (expense) from continuing operations	**19.2**	(209.1)
Shareholders of CSR Limited from discontinued operations	**23.7**	26.5
Non-controlling interests from discontinued operations	**14.1**	9.2
Total comprehensive income from discontinued operations	**37.8**	35.7
Total comprehensive income (expense)	**57.0**	(173.4)

Notes to the financial statements are annexed.

Condensed statement of changes in equity

Half year ended 30 September ($ million)	Issued Capital	Hedge Reserve	Foreign currency translation reserve	Employee Share reserve	Other reserves	Retained (losses)/ profits	Attributable to CSR Ltd shareholders	Non-controlling interests	**Total**
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 (loss) profit	-	-	-	-	-	63.0	63.0	16.5	**79.5**
Exchange differences arising on translation of foreign operations	-	-	(5.4)	-	-	-	(5.4)	0.1	**(5.3)**
Hedge (loss) profit recognised in equity	-	(0.3)	-	-	-	-	(0.3)	16.0	**15.7**
Hedge loss transferred to statement of financial performance	-	(27.5)	-	-	-	-	(27.5)	(3.9)	**(31.4)**
Actuarial loss on superannuation defined benefit plans	-	-	-	-	-	(8.9)	(8.9)	-	**(8.9)**
Income tax relating to components of other comprehensive income	-	8.3	-	-	-	2.7	11.0	(3.6)	**7.4**
Total comprehensive (expense) income	-	(19.5)	(5.4)	-	-	56.8	31.9	25.1	**57.0**
Shares issued	2.6	-	-	2.6	-	-	5.2	-	**5.2**
Payment of dividends	-	-	-	-	-	(90.9)	(90.9)	(3.2)	**(94.1)**
Net contribution to joint venture partner								(3.6)	**(3.6)**
Balance at 30 September 2010	1,703.5	12.8	(24.1)	15.2	5.3	(83.9)	1,628.8	153.9	**1,782.7**
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	-	-	-	-	-	(155.6)	(155.6)	18.2	**(137.4)**
Exchange differences arising on translation of foreign operations	-	-	(27.0)	-	-	-	(27.0)	0.7	**(26.3)**
Hedge (loss) profit recognised in equity	-	(42.2)	-	-	-	-	(42.2)	17.9	**(24.3)**
Hedge loss transferred to statement of financial performance	-	(12.0)	-	-	-	-	(12.0)	(22.5)	**(34.5)**
Actuarial gain on superannuation 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	-	(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 non-controlling interests	-	-	-	-	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**

Condensed statement of cash flows

Half year ended 30 September ($ million)	Note	**2010**	2009
Cash flows from operating activities			
Receipts from customers		**1,994.9**	1,941.2
Payments to suppliers and employees		**(1,918.9)**	(1,810.6)
Dividends and distributions received		**7.3**	6.7
Interest received		**1.8**	-
Income tax (paid) refunded		**(27.2)**	23.2
Net cash from operating activities before derivative margin calls		**57.9**	160.5
Derivative margin calls paid		**(18.4)**	(32.2)
Net cash from operating activities		**39.5**	128.3
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(90.6)**	(138.7)
Proceeds from sale of property, plant and equipment and other non-current assets		**4.2**	10.0
Loans and receivables repaid (advanced)		**1.5**	(2.0)
Purchase of controlled entities and businesses, net of cash acquired	6	**(2.1)**	-
Purchase of non-controlling interests		**-**	(6.0)
Net cash used in investing activities		**(87.0)**	(136.7)
Cash flows from financing activities			
Proceeds from issue of shares to CSR shareholders		**2.6**	-
Net proceeds from borrowings		**152.0**	65.7
Dividends paid		**(94.1)**	(15.6)
Interest and other finance costs paid		**(31.1)**	(30.6)
Net cash from financing activities		**29.4**	19.5
Net (decrease) increase in cash held		**(18.1)**	11.1
Net cash at beginning of the financial year		**43.9**	14.3
Effects of exchange rate changes		**(3.0)**	1.0
Net cash at 30 September		**22.8**	26.4

Reconciliation of net cash

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

	2010	2009
From continuing operations		
Cash at banks and on hand	**21.1**	12.4
Short-term loans and deposits	**0.3**	-
	21.4	12.4
Bank overdraft [a]	**(33.0)**	(86.2)
Net cash at 30 September from continuing operations	**(11.6)**	(73.8)
From discontinued operations		
Cash at banks and on hand associated with the Sucrogen business [a]	**24.9**	85.5
Cash at banks and on hand associated with the Asian insulation business	**9.5**	14.7
Net cash at 30 September from discontinued operations	**34.4**	100.2
Net cash at 30 September	**22.8**	26.4

[a] Bank overdrafts held by CSR Limited are subject to set-off arrangements with other CSR group entities' cash balances. Bank overdrafts for CSR group, including continuing and discontinued operations as at 30 September 2010 amounted to $9.6 million (2009: $0.7 million).

Notes to the financial statements are annexed.

Notes to the consolidated financial report for the half year ended 30 September 2010

ADDITIONAL CASH FLOW INFORMATION

Non-cash financing and investing activities. During the financial half year ended 30 September 2010, CSR Limited issued 2,986,500 shares to employees of the CSR group under the terms of the Universal Share/Option Plan (2009: nil shares). During the financial half year ended 30 September 2010, $nil (2009: $4.8 million) of CSR Limited dividends were reinvested in CSR shares.

Credit standby facilities. The CSR group has a total of $1,335 million (31 March 2010: $1,522 million) committed standby facilities. These facilities have fixed maturity dates as follows: $148 million in financial year 2011, $607 million in financial year 2012 with the balance $580 million in financial year 2013. As at 30 September 2010, $400 million of the standby facilities were undrawn.

OTHER NOTES

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 has not resulted in any material changes to amounts included in this financial report.

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 2010, and in the preparation of the comparative statement of financial performance for the financial half year ended 30 September 2009 and the comparative statement of financial position as at 31 March 2010. 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 except for new and amended accounting standards and interpretations (see below).

New accounting standards and interpretations.

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

- AASB 3 (revised) "Business Combinations" results in a number of changes to accounting for business combinations. Changes as a result of the new standard include treatment of contingent consideration and subsequent adjustments on acquisition, measurement of non-controlling interests and acquisition related costs.
- AASB 127 (revised) "Consolidated and Separate Financial Statements" which principally affects the accounting for transactions or events that result in a change in the CSR Group's interest in its subsidiaries.

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 of 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 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 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.

Employee benefits. For defined benefit superannuation plans, the cost of providing benefits is determined using the aggregate funding method (Harwood Superannuation Fund) and the Projected Unit Credit Method (Pilkington (Australia) Superannuation Scheme), 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 defined contribution superannuation plans are expensed when incurred and the CSR group's legal or constructive obligation is limited to these contributions.

ii. Significant accounting policies. (continued)

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 2010, a provision of $441.8 million (31 March 2010: $455.3 million) has been made for all known claims and reasonably foreseeable future claims. Refer to Note 11 for further details of the key assumptions and uncertainties in estimating this liability.
Asset Impairment: Assets are reviewed for impairment at each reporting date in accordance with the accounting policy. 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.

Intangibles. Certain trade names determined as having an indefinite life are not amortised.

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 income 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.

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 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 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 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.

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 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 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.

ii. Significant accounting policies. (continued)

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, other products and services are sold on normal trade terms and conditions. In the case of raw sugar sold by the CSR group, revenue is recognised on a provisional basis at the time of title transfer to the centralised marketing authority, based on prevailing prices, and is subject to final adjustment when the final price is advised by the centralised marketing authority.

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. Operating segments that meet the qualitative criteria as prescribed by AASB 8 are reported separately.

iii. Seasonality of results. The CSR group's sugar mills (included as part of discontinued operations at 30 September 2010) 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 prior year benefited from drier than normal conditions, this meant that the volume of raw sugar produced in the prior half year was significantly higher than this half year. As a result, the profit in Sugar Mills for the first half of the financial year is significantly lower than the prior half year.

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.

1. Segment information

Identification of reportable segments

The 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 group's major risks and have the most effect on the rates of return. Each of the business units disclosed below have been determined as both an operating segment and reportable segment.

Types of products and services

Sucrogen

The group's Sucrogen segment encompasses three main businesses being cane products, sweeteners and bio-ethanol. The cane products business mills sugarcane to produce raw 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 sweetener business refines raw sugar to produce food-grade products. The bio-ethanol 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.

Building products

The group's building products segment encompasses:

- Lightweight systems (Gyprock plasterboard, Hebel aerated autoclaved concrete products, Cemintel fibre cement, Fricker Ceiling Systems, Alutri and Rokcore panels, and Rondo rollformed steel products) and Insulation (Bradford Insulation and Edmonds ventilation systems);
- Glass (Viridian); and
- Bricks and roofing (PGH bricks, Monier and Wunderlich roofing, MySteel roofing solutions and Topcat Safety Rail).

Aluminium

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

Property

The property business unit generates returns from the sale of industrial 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 New South Wales, Queensland and Victoria. These projects, in most cases, are in-fill developments (currently vacant land within otherwise built up areas) located in metropolitan regions.

Accounting policies and inter-segment transactions

The accounting policies used by the group in reporting segments internally are the same as those disclosed in the Significant Accounting Policies included within this report.

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 are sold to the Building Products and Aluminium segments. Sales of RECs between segments are recorded at fair value.

It is the group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent. Reporting provided to the board of directors in respect of earnings is primarily measured based on Earnings Before Interest and Taxes (EBIT). The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Corporate overheads
- Restructuring and provisions
- Net finance costs
- Significant items

1. Segment information

Half year ended 30 September

($ million)	Profit from ordinary activities before income tax 2010	2009	Income tax 2010	2009	Non-controlling interests 2010	2009	Net profit 2010	2009
Business segments from continuing operations								
Building Products	**57.7**	48.5	**15.9**	14.6	**-**	0.8	**41.8**	33.1
Aluminium	**55.1**	59.3	**16.6**	17.9	**11.2**	12.1	**27.3**	29.3
Property	**14.7**	(1.0)	**4.5**	-	**-**	-	**10.2**	(1.0)
Segment total for continuing operations	**127.5**	106.8	**37.0**	32.5	**11.2**	12.9	**79.3**	61.4
Corporate[a]	**(8.2)**	(8.6)	**(2.5)**	(4.6)	**-**	-	**(5.7)**	(4.0)
Restructuring and provisions[b]	**(1.7)**	(1.6)	**(0.5)**	(0.5)	**-**	-	**(1.2)**	(1.1)
	117.6	96.6	**34.0**	27.4	**11.2**	12.9	**72.4**	56.3
Net finance cost	**(40.4)**	(54.7)	**(12.1)**	(16.1)	**(0.4)**	(1.4)	**(27.9)**	(37.2)
Continuing operations total before significant items	**77.2**	41.9	**22.0**	11.3	**10.8**	11.5	**44.4**	19.1
Significant items (refer note 4)	**(37.2)**	(253.1)	**(11.2)**	(0.9)	**-**	-	**(26.0)**	(252.2)
Continuing operations total after significant items	**40.0**	(211.2)	**10.8**	10.4	**10.8**	11.5	**18.4**	(233.1)
Business segments from discontinued operations								
Sucrogen (now discontinued)	**66.7**	114.2	**18.3**	33.1	**5.7**	5.8	**42.7**	75.3
Asian insulation business (now discontinued)	**3.8**	4.9	**0.3**	0.5	**-**	0.4	**3.5**	4.0
Net finance cost	**(1.6)**	(2.1)	**-**	(0.8)	**-**	0.5	**(1.6)**	(1.8)
Segment total for discontinued operations	**68.9**	117.0	**18.6**	32.8	**5.7**	6.7	**44.6**	77.5
Group total after significant items	**108.9**	(94.2)	**29.4**	43.2	**16.5**	18.2	**63.0**	(155.6)

($ million)	Total revenue[c d] 2010	2009	Share of net profit from associates 2010	2009	Depreciation & amortisation[e] 2010	2009
Business segments from continuing operations						
Building Products	**720.8**	734.2	**5.5**	4.5	**34.4**	33.7
Aluminium	**255.7**	250.7	**-**	-	**13.8**	14.8
Property	**15.9**	0.3	**-**	-	**-**	0.2
Segment total for continuing operations	**992.4**	985.2	**5.5**	4.5	**48.2**	48.7
Corporate, Restructuring and provisions[d]	**0.3**	0.2	**-**	-	**0.6**	0.4
Interest revenue	**0.7**	0.4	**-**	-		
Group total from continuing operations	**993.4**	985.8	**5.5**	4.5	**48.8**	49.1
Business segments from discontinued operations						
Sucrogen (now discontinued)	**940.0**	1,063.2	**1.2**	1.7	**32.4**	29.6
Asian insulation business (now discontinued)	**42.2**	43.1	**-**	-	**1.7**	1.9
Segment total for discontinued operations	**982.2**	1,106.3	**1.2**	1.7	**34.1**	31.5
Group total	**1,975.6**	2,092.1	**6.7**	6.2	**82.9**	80.6

($ million)	Assets[f] 2010	31 March 2010	Impairment of property, plant and equipment and intangibles[g] 2010	2009
Business segments				
Building Products	**1,569.3**	1,528.6	**-**	250.0
Aluminium	**400.7**	408.8	**-**	-
Property	**106.8**	84.7	**-**	-
Segment total	**2,076.8**	2,022.1	**-**	250.0
Sucrogen (now discontinued)	**1,634.7**	1,444.9	**-**	-
Asian insulation business (now discontinued)	**90.4**	114.5		
Unallocated [b]	**43.5**	40.4	**-**	-
	3,845.4	3,621.9	**-**	250.0
Finance assets	**21.4**	43.9		
Tax assets	**233.9**	208.8		
Group total	**4,100.7**	3,874.6	**-**	250.0

a Represents unallocated overhead costs.

b Includes certain defined benefit superannuation expense and other non-operating costs.

c Excludes net profit from associates.

d Intersegment revenue is negligible.

e Total depreciation and amortisation includes $4.5 million (2009: $4.4 million) amortisation of intangibles.

f Acquisitions of controlled entities and businesses in 2010 were in the Building Products segment.

g Includes $250.0 million impairment of Viridian goodwill for the half year ended 30 September 2009.

Half year ended 30 September ($ million)	**2010**	2009

2. Net finance cost

Interest paid or payable on short term debt	**7.7**	2.2
Interest paid or payable on long term debt	**17.1**	27.0
Total interest expense	**24.8**	29.2
Unwinding discount on non-current provisions	**10.7**	11.9
Funding costs	**4.1**	3.8
Foreign exchange loss	**1.5**	10.2
Finance cost	**41.1**	55.1
Interest income	**(0.7)**	(0.4)
Net finance cost from continuing operations	**40.4**	54.7

3. Income tax

Income tax expense

Reconciliation of income tax expense charged to the statement of financial performance with income tax calculated on profit (loss) from ordinary activities before income tax:

Profit (loss) from continuing operations before income tax	**40.0**	(211.2)
Income tax expense (benefit) calculated at 30%	**12.0**	(63.4)
(Decrease) increase in income tax expense due to		
Utilisation of losses in asset disposals	**-**	(0.6)
Asian trading profits tax rate differential	**(0.1)**	(1.4)
Equity accounted associates' net profit and rebates on dividends received	**(1.6)**	(1.3)
Research and development	**(0.1)**	(0.2)
Income tax (over) under provided in prior years	**-**	0.5
Asset write-downs	**-**	75.0
Other items	**0.6**	1.8
Total income tax expense on profit / (loss) from continuing operations	**10.8**	10.4

4. Significant items

Separation costs		
Costs associated with the proposed separation of the Sucrogen business	**17.8**	3.1
Income tax benefit	**(5.4)**	(0.9)
Asset write downs		
Goodwill	**-**	250.0
Termination of Federal Government's Energy Efficient Homes Package		
Stock obsolescence and inventory management costs	**19.4**	-
Income tax benefit	**(5.8)**	-
Total significant items after tax	**26.0**	252.2

For the financial half year ended 30 September 2010 CSR Limited recorded the following as significant items:

- costs of $17.8 million (2009: $3.1 million) associated with the proposed separation of the Sucrogen business from CSR Limited; and
- costs of $19.4 million incurred as a result of the abrupt termination of the Federal Government's Energy Efficient Homes Package including stock obsolescence and inventory management costs.

For the financial half year ended 30 September 2009 CSR Limited recorded the following asset write downs as significant items:

In September 2009 CSR undertook 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 twelve months. Forecast cash flows covering the next ten years were prepared and a valuation was calculated using a post-tax discount rate of 9.8%. Discounted cashflows over a ten year period are appropriate given the cyclical nature of the industry. The first five years represent financial plans approved by management, based on CSR's view of the respective cycle, with years six to ten applying averaging assumptions to ensure cash flows in year 10 are sufficiently stable to apply the terminal value. A terminal value was included from year eleven onwards including an annual growth of 2.5%. The key assumptions relate to housing starts, market share and the take up of energy efficient glass. The most sensitive assumptions are housing starts and market share. These assumptions have been determined with reference to current performance and expected changes taking into account external information. This valuation resulted in Viridian goodwill being written down by a further $250.0 million.

5. Net tangible assets per share [a]

	30 September 2010 $	30 September 2009 $
Net tangible assets per share	**1.00**	0.87

a Calculated as net assets attributable to CSR Ltd shareholders ($1,628.8 million) less intangible assets (continuing operations: $97.3 million; discontinued operations:$14.2 million) divided by the number of shares (1,517.9 million).

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

Control gained over entities

On 14 May 2010 CSR Limited acquired the assets of commercial ceiling and educational products businesses, Comprador Pacific (based in Australia) and Potters Interior Systems (based in New Zealand). The acquired businesses contributed revenues of $12.9 million and earnings before interest and tax (EBIT) of $0.2 million and net profit of $0.1 million for the period from 14 May 2010 to 30 September 2010. If the acquisition had occurred on 1 April 2010, revenues, EBIT and net profit for the half year ended 30 September 2010 would have been approximately $17.2 million, $0.2 million and $0.2 million respectively including the estimated benefits from synergies before interest expense. These amounts have been estimated using a consistent basis to the period since acquisition.
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 $0.2 million.
The initial accounting for the acquisition has only been provisionally determined at 30 September 2010. At the date of finalisation of this report, the necessary market valuations and other calculations had not been finalised and the fair value of the plant and equipment, associated deferred tax liabilities and goodwill noted below have therefore only been provisionally 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.

No acquisitions were made during the half year ended 30 September 2009.

	2010 ($ million)	2009 ($ million)
Purchase consideration		
Cash paid - purchase price	**2.1**	-
Total purchase consideration	**2.1**	-
Fair value of net identifiable assets acquired (refer below)	**2.1**	-
Goodwill (refer below)	**-**	-

Assets and liabilities acquired are as follows:

($ million)	2010 Fair value	2009 Fair value
Inventories	**6.1**	-
Other current assets	**0.3**	-
Property, plant and equipment	**1.0**	-
Intangible assets	**0.9**	-
Deferred income tax assets	**0.3**	-
Other non-current assets	**0.1**	-
Trade payables	**(5.9)**	-
Borrowings	**(0.1)**	-
Provisions	**(0.6)**	-
Net identifiable assets acquired	**2.1**	-
Goodwill acquired	**-**	-
Total purchase consideration	**2.1**	-
Total flow of cash	**2.1**	-

7. Issued capital

	Ordinary shares fully paid [a]	Price $	Issued capital $ million
Particulars of shares issued during the financial half year by CSR Limited			
On issue 31 March 2010	1,514,920,714		1,700.9
Universal Share/Option Plan[b]	2,986,500	0.87	2.6
On issue 30 September 2010[c]	**1,517,907,214**		**1,703.5**

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 31 August 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. Offers of fully paid shares were made to all eligible employees : 5,352, and 2,715 accepted the offer, subscribing for up to 550 shares at the market price of $1.74 each and receiving an equivalent number of shares at no cost. The issue of 1,493,250 shares purchased by employees was taken to equity. The additional 1,493,250 shares issued at no cost were recorded as an expense in the financial report with an offsetting entry to the employee share reserve.
c There were 1,289,265,068 shares on issue at 30 September 2009.

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	2009	100	3 July 2009	1.5	19.3
Interim dividend	2010	100	23 December 2009	2.5	32.2
Final dividend	2010	100	6 July 2010	6.0	90.9
Interim dividend	2011	100	10 December 2010	3.0	45.5

The interim dividend in respect of ordinary shares for the half year ended 30 September 2010 has not been recognised in this financial report because the interim dividend was declared subsequent to 30 September 2010.

Dividend reinvestment plan

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 associates and joint venture entities

Aggregate share of income of associates (continuing operations)	Half year ended 30 September	
	2010	2009
	$ million	$ million
Profit from ordinary activities before income tax	**7.9**	6.4
Income tax expense	**2.4**	1.9
Profit from ordinary activities after income tax	**5.5**	4.5
Significant items net of tax	**-**	-
Net profit	**5.5**	4.5
Non-controlling interests	**-**	-
Total share of net profit	**5.5**	4.5

	Ownership interest As at 30 September		Share of profit Half year ended 30 September	
	2010	2009	**2010**	2009
Name of entity	**%**	%	**$ million**	$ million
Associates				
Rondo Pty Limited	**50**	50	**4.7**	3.9
Other non-material associates			**0.8**	0.6
Total share of net profit			**5.5**	4.5

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 2010, refer to Note 8.

11. Product liability

Background

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 at 30 September 2010, there were 622 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 2010, there were 1,084 such claims pending.

CSR has been settling claims since 1989. As at 30 September 2010, CSR had resolved 2,872 claims in Australia and approximately 135,400 claims in the United States.

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

	Half year ended 30 September	Year ended 31 March			
	2010	**2010**	**2009**	**2008**	**2007**
Number of claims received	208	514	553	546	1,489
Number of claims resolved	341	986	1,246	575	2,680
Amount spent on settlements (A$ million)[a]	19.6	33.4	41.6	28.2	23.5
Average cost per resolved claim (A$)	57,610	33,916	33,371	49,128	8,767

[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 accounts 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 source of insurance available to meet its asbestos liabilities. CSR no longer has general insurance coverage in relation to its ongoing asbestos liabilities.

In determining the product liability provision, CSR has obtained independent expert advice in relation to the future incidence and value of asbestos related claims in each of the United States and Australia. CSR has appointed Taylor Fry Pty Limited, consulting actuaries, as the independent expert to estimate the Australian liabilities. CSR has appointed Navigant Consulting, Inc 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.

11. Product liability (continued)

In Australia the methodology used by Taylor Fry Pty Limited produces a range of potential outcomes, including a central estimate, or most likely outcome. At 30 September 2010 the central estimate was A$184.1 million calculated using a discount rate of 6%. On an undiscounted and inflated basis that central estimate would be A$384.7 million over the period to 2060, 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 Navigant Consulting, Inc produces a base case estimate or most likely outcome. At 30 September 2010 the base case estimate was US$159.5 million calculated using a discount rate of 4.5%. On an undiscounted and inflated basis that base case estimate would be US$240.5 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 2007 to the half year ended 30 September 2010.

	Half year ended 30 September	Year ended 31 March			
($ million)	**2010**	**2010**	**2009**	**2008**	**2007**
United States base case estimate $US	159.5	159.5	153.6	120.6	111.2
United States base case estimate A$	164.6	173.7	225.9	131.7	137.7
Australian central estimate A$	184.1	184.8	187.8	172.9	152.1
Sub total A$	**348.7**	**358.5**	**413.7**	**304.6**	**289.8**
Prudential Margin A$	93.1	96.8	41.4	66.9	98.2
	26.7%	*27.0%*	*10.0%*	*22.0%*	*33.9%*
Total product liability provision A$	**441.8**	**455.3**	**455.1**	**371.5**	**388.0**

At 30 September 2010, a provision of $441.8 million (31 March 2010: $455.3 million) has been made for all known claims and reasonably foreseeable future claims and includes a prudential margin of $93.1 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 30 September 2010 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 financial condition.

12. Contingent liabilities

Contingent liabilities/assets

Claims and possible claims (other than product liability which is discussed in note 11) 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 consolidated entity.

CSR recently became aware that the fire-rating on some floor panels supplied by CSR may not comply with Building Code of Australia (BCA) requirements and/or may be overstated. To the extent it is found that floor panels were sold and installed are non-compliant, CSR may be liable for the cost of replacing the panels and/or remediating work in which faulty panels have been used. The cost of any such work will depend on individual building characteristics, building code requirements and remediation requirements and cannot yet be reliably estimated. CSR is of the view that the associated costs will not be material to the CSR group's financial results.

In 2005 CSR received a claim for remediation costs associated with CSR's former Timber operating sites, which were sold in 2000. CSR is defending the claim and the parties are seeking to resolve the dispute. CSR is of the view that the claim will not be material to the CSR Group's financial results.

Hornsby Shire Council has brought a claim for damages against CSR and others in relation to the Council's compulsory acquisition of land from CSR in 2003. CSR is defending the claim and is of the view that the claim will not be material to the CSR Group's financial results.

Workers' compensation

CSR Limited is a licensed 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 reasonably foreseeable future claims.

13. Discontinued operations

13.1 Agreement to sell the Sucrogen business
On 5 July 2010, CSR Limited announced that it had agreed to sell its Sugar and Renewable Energy business, Sucrogen, to Wilmar International Limited for an enterprise value of A$1.75 billion. The sale is subject to Foreign Investment Review Board and Overseas Investment Office (NZ) approvals and other customary sale conditions.

13.2 Agreement to sell the Asian insulation business
On 6 July 2010, CSR Limited announced that it had agreed to sell its Asian insulation business to the Rockwool Group for consideration of A$128 million. The transaction is expected to be completed by 31 December 2010.

13.3 Analysis of profit from discontinued operations
The combined results of the discontinued operations (i.e. Sucrogen and Asian insulation business) included in the statement of financial performance are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

Half year ended 30 September ($ million)	**2010**	2009
Profit from discontinued operations		
Trading revenue	**976.4**	1,093.2
Other gains	**5.8**	13.1
	982.2	1,106.3
Expenses	**(913.3)**	(989.3)
Profit before tax	**68.9**	117.0
Attributable income tax expense	**(18.6)**	(32.8)
Net profit	**50.3**	84.2
Net profit attributable to non-controlling interests	**5.7**	6.7
Net profit attributable to shareholders of CSR Limited	**44.6**	77.5
Gain (loss) on remeasurement to fair value less costs to sell	**-**	-
Gain (loss) on disposal of operations	**-**	-
Attributable income tax expense	**-**	-
	-	-
Profit from discontinued operations	**44.6**	77.5
Cash flows from discontinued operations		
Net cash flows from operating activities	**(4.1)**	21.3
Net cash flows from investing activities	**(47.1)**	(56.3)
Net cash flows from financing activities	**3.8**	5.3
Net cash inflows (outflows)	**(47.4)**	(29.6)

The Sucrogen and Asian insulation business has been classified and accounted for at 30 September 2010 as a disposal group held for sale (see note 14).

14. Assets classified as held for sale

($ million)	As at 30 September 2010
Assets related to the Sucrogen business[a]	**1,634.7**
Assets related to the Asian insulation business[a]	**90.4**
Assets related to businesses held for sale	**1,725.1**
Liabilities associated with the Sucrogen business[a]	**409.2**
Liabilities associated with the Asian insulation business[a]	**38.4**
Liabilities associated with assets held for sale[a]	**447.6**
Amounts recognised directly in equity associated with assets held for sale	**(14.4)**

a. As described in note 13, the CSR group has signed agreements for the sale of its Sucrogen and Asian insulation business and anticipates that the disposals will be completed by 31 December 2010.

The major classes of assets and liabilities of the Sucrogen business at the end of the reporting period are as follows:

($ million)	As at 30 September 2010
Investments accounted for using the equity method	**25.0**
Other financial assets	**125.5**
Property, plant and equipment	**918.9**
Goodwill	**7.6**
Inventories	**200.0**
Other assets	**57.5**
Receivables	**275.3**
Cash and bank balances	**24.9**
Assets of the Sucrogen business classified as held for sale	**1,634.7**
Payables	**211.9**
Borrowings	**9.5**
Other financial liabilities	**106.4**
Provisions	**49.5**
Other liabilities	**0.3**
Current tax liabilities	**0.1**
Deferred tax liabilities	**31.5**
Liabilities of the Sucrogen business associated with assets classified as held for sale	**409.2**
Net assets of the Sucrogen business classified as held for sale	**1,225.5**

The major classes of assets and liabilities of the Asian insulation business at the end of the reporting period are as follows:

($ million)	As at 30 September 2010
Property, plant and equipment	**56.4**
Deferred income tax assets	**4.4**
Inventories	**6.7**
Other assets	**0.5**
Receivables	**12.9**
Cash and bank balances	**9.5**
Assets of the Asian insulation business classified as held for sale	**90.4**
Payables	**8.6**
Borrowings	**26.6**
Provisions	**2.0**
Other liabilities	**-**
Current tax liabilities	**1.2**
Deferred tax liabilities	**-**
Liabilities of the Asian insulation business associated with assets classified as held for sale	**38.4**
Net assets of the Asian insulation business classified as held for sale	**52.0**

CSR LIMITED

ABN 90 000 001 276

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes, set out on pages 14 to 31 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 2010, 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
Chairman

Sydney, 3 November 2010

Jeremy Sutcliffe
Managing Director

Sydney, 3 November 2010

Deloitte.

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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 2010, and the condensed consolidated statement of financial performance, the 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 14 to 32.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2010 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 2010 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, 3 November 2010