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9 November 2011

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 2011.

CSR Limited ABN 90 000 001 276

Appendix 4D

Results for the six months ended 30 September 2011

Results for announcement to the market

(All comparisons are to the half year ended 30 September 2010)

CSR announces net profit (pre significant items) of $50.6 million[1]

- Net Profit (pre significant items) of $50.6 million up 14% compared to $44.4 million for previous corresponding period[1] primarily on lower interest costs
- Earnings per share (pre significant items) of 10 cents per share up 14% from 8.8 cents per share in previous corresponding period[1]
- Interim dividend of 6 cents per share fully-franked to be paid on 16 December 2011
- EBIT (pre significant items) of $92.8 million down 21% compared to previous corresponding period[1]:
  - Building Products (ex Viridian) EBIT down 10% on weaker construction markets in Australia and New Zealand
  - Viridian loss of $6.9 million in line with previous guidance
  - Aluminium EBIT down 22% to $43 million in line with previous guidance
  - Property EBIT up 21% to $17.8 million due to sale of Brendale residential site to Defence Housing Australia
- After-tax significant items of $15.7 million comprise Viridian restructuring costs and non-cash charge to maintain product liability provision
- Net Profit (after significant items) attributable to members up 13% to $34.9 million[1]
- Earnings per share (after significant items) of 6.9 cents per share – up from 6.1 cents per share in previous corresponding period[1]
- Net Profit from continuing <u>and</u> discontinued operations (after significant items) attributable to members of $34.9 million compared to $63.0 million (previous corresponding period includes Sucrogen and Asian insulation businesses sold on 22 December 2010)
- Strong financial position maintained – Standard & Poor's BBB+ long term corporate credit rating

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

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	30 Sept 2011	30 Sept 2010
Net tangible assets per share	$2.32	$3.00*

**Restated for the 3:1 share consolidation*

Dividends	Amount per security	Franking	Franked amount per security at 30% tax
Interim dividend	6 cents	100%	6 cents
Previous corresponding period**	9 cents	100%	9 cents

***Includes discontinued operations (Sucrogen and Asia), restated for the 3:1 share consolidation*

Record date for determining entitlements to interim dividend 25 November 2011

Dividend payment date 16 December 2011

Financial results summary - Continuing operations

Half year ended 30 September [A$ million unless stated] **Pre significant items**	**2011**	2010	change
Trading revenue	**937.0**	975.0	(4%)
EBITDA	**136.9**	166.4	(18%)
EBIT	**92.8**	117.6	(21%)
Net finance expense	**(10.0)**	(40.4)	(75%)
Tax expense	**(23.4)**	(22.0)	6%
Non-controlling interests	**(8.8)**	(10.8)	(19%)
Net profit after tax (pre significant items)	**50.6**	44.4	14%
Net profit after tax (after significant items)	**34.9**	30.8*	13%
Earnings per share (before significant items) [cents]	**10c**	8.8c**	14%
Earnings per share (after significant items) [cents]	**6.9c**	6.1c**	13%

**costs associated with the disposal of the Sucrogen business have been reclassified as a significant item from discontinued operations*

***restated for the 3:1 share consolidation*

Financial results summary – Continuing operations by division

Half year ended 30 September [A$ million unless stated] Pre significant items	2011	2010	change
Building Products (ex Viridian)	**49.2**	54.7	(10%)
Viridian	**(6.9)**	3.0	*n/m**
Aluminium	**43.0**	55.1	(22%)
Property	**17.8**	14.7	21%
Business segment total	**103.1**	127.5	(19%)
Corporate costs	**(7.8)**	(8.2)	
Restructure and provisions	**(2.5)**	(1.7)	
Total EBIT (pre significant items)	**92.8**	117.6	(21%)

**n/m – not meaningful*

See appendix 1 for financial results summary for continuing and discontinued operations

Commentary on Continuing operations

Overview

CSR Limited ("CSR") announced today group net profit after tax from continuing operations (before significant items) of $50.6 million for the half year ended 30 September 2011, up 14 per cent on the previous corresponding period and slightly ahead of previous market guidance.

CSR strengthened its balance sheet following the divestment of Sucrogen in December 2010 and entered the financial year in a net cash position. In doing so CSR has reduced its finance and interest expenses significantly. These savings, coupled with increased earnings from the Property Division, helped shield CSR from the deterioration in local construction markets and global aluminium markets.

"With residential and commercial construction activity slowing significantly, we are responding to the difficult markets by continuing to address our cost base and capacity utilisation across our businesses," said Rob Sindel, managing director of CSR Limited.

"The result in Viridian is disappointing and reflects the high fixed cost nature of the business which is leveraged to volume. In response, we are proceeding with the restructure of the business to remove further costs and cease production of unprofitable products.

"More broadly across our portfolio, we have completed a small number of earnings accretive bolt-on acquisitions to complement our existing leading positions across our key markets. In addition, we are launching new products and have reinvested and consolidated our innovation activities to target further systems and product development, including the construction of the CSR house in Sydney.

"Overall, CSR maintains a strong balance sheet and is well placed to meet the current difficult conditions. I am pleased with the company's progress in dealing with these challenges but also in positioning the company for the medium term by reinvesting in our manufacturing capability, launching new products targeting speed of construction and energy efficiency and pursuing earnings accretive smaller scale acquisitions," he said.

Financial review (Continuing operations)

Group net profit after tax (before significant items) increased from $44.4 million to $50.6 million, primarily as a result of lower net finance costs and also the increased contribution from the Property division.

Group net finance costs were $10 million, down 75 per cent on the previous corresponding period, reflecting CSR's net cash position following the repayment of all outstanding debt in December 2010.

While CSR currently has no debt, finance costs include a charge to re-state CSR's discounted asbestos provision to nominal dollars (asbestos unwind) of $9.6 million and costs to maintain banking facilities of $4 million.

Net cash at 30 September 2011 was $63.8 million compared to $139.1 million at 31 March 2011. Major cash payments during the period included tax of $34.9 million and the final dividend for the previous financial year of $26.8 million which was paid in July 2011.

As part of the strategy to strengthen the Building Products portfolio, CSR spent $17.2 million on bolt-on acquisitions during the period.

Cashflow from operations was $76.2 million (before tax payments and significant items) compared to the previous corresponding period of $86.9 million.

The Board has resolved to pay an interim dividend of 6 cents per share, fully-franked, to be paid on 16 December 2011. This amount represents a dividend payout ratio of 60 per cent of net profit after tax from continuing operations (before significant items).

The company's dividend reinvestment plan (DRP) will operate for the interim dividend payable on 16 December 2011. The last date for receipt of the election notice for participation in the DRP is the day before the dividend record date of 25 November 2011. For the interim dividend, shares will be acquired on-market and transferred to participants to satisfy any shares to be issued under the DRP.

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

Standard and Poor's affirmed its BBB+ long term corporate credit rating on CSR on 15 August 2011.

Product Liability

For the half year ended 30 September 2011, CSR paid asbestos related claims of A$21.7 million compared to $22.9 million for the previous corresponding period. The slight decrease in payments relates primarily to a lower number of claims in Australia, particularly for downstream product claims.

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 2011, a product liability provision of $448.9 million was retained, consistent with the amount provided at 31 March 2011. This provision includes a prudential margin of $76.1 million or 20.4 per cent above the central estimate of future liabilities. A pre-tax charge of $12.1 million was recorded as a significant item to maintain the provision.

Review of continuing operations by segment

Building Products

Half year ended 30 September [A$ million unless stated] Pre significant items	2011	2010	change
Trading revenue	**518.6**	537.9	(4%)
EBITDA	**67.3**	76.2	(12%)
EBIT	**49.2**	54.7	(10%)
Funds employed*	**796.8**	843.4	
EBIT/trading revenue	**9.5%**	10.2%	

Excludes cash and tax

The conclusion of Government stimulus and poor consumer sentiment significantly impacted construction markets during the period. Australian residential dwelling commencements declined by 14 per cent on a one quarter lag basis in the first half compared to the previous corresponding period. Commercial construction activity was down approximately 22 per cent. New Zealand residential consents also declined by 21 per cent.

Revenue was 3.6 per cent lower to $518.6 million, predominately in the Bricks and Roofing division which is disproportionately exposed to the worst affected regions (Queensland and NZ).

Revenue declined by less than the market due to a continued company-wide emphasis on price discipline and a strong commitment to improved customer service to gain modest levels of market share and drive a more favourable product mix. Nonetheless, lower sales volumes, together with investment in product innovation and marketing programmes resulted in EBIT declining by 10 per cent to $49.2 million.

Lightweight Systems

The Lightweight Systems' group includes, Gyprock™ plasterboard, Cemintel™ fibre cement, Fricker™ ceiling systems, Hebel® lightweight concrete products, Bradford™ insulation, Edmonds™ ventilation systems and the Asian panels business in Malaysia.

Lightweight Systems' trading revenue of $382.8 million was steady on the previous corresponding period's total of $383.0 million.

Smaller businesses such as Cemintel, Hebel and Commercial Interior Systems are benefiting from an increased focus under the new simplified structure while Gyprock secured modest additional volume from the expansion of its trade distribution network.

Gyprock expanded its trade retail and customer service capability with the acquisition of Luna & Valk, a specialist supplier to the plasterboard segment in South Australia. Gyprock also acquired a plasterboard and trade distribution outlet in Karratha to increase its exposure to the key growth mining region in Western Australia. In line with CSR's overall strategy, the business will examine other prudent additions to the network over the next 12-18 months.

Meanwhile, Gyprock also opened two new trade facilities during the period: Gladstone, in Qld and Beresfield in NSW. Gyprock will implement its national annual price increase from 1 March 2012.

Earnings in Cemintel Fibre Cement were broadly in line with last year, with improved pricing and product mix assisting to counter pressures on sales volumes from weaker market conditions. Market feedback to the launch of Cemintel's Designer Series innovative external cladding product range continues to be positive.

CSR's Hebel business improved earnings on the previous corresponding period. Hebel secured a major contract to provide sound barriers on the M2 motorway in Sydney. Hebel has implemented a residential supply and fix offer in Victoria and continues to gain traction in this market with an increased number of builders now constructing and marketing Hebel homes.

In October, CSR entered into an agreement to sell the autoclaved aerated concrete (AAC) business in Malaysia to Saint-Gobain Construction Products (Malaysia). The transaction is expected to be completed by financial year end.

Earnings in the Commercial Interior Systems business increased slightly from improved pricing, despite weaker markets, particularly in Australia.

Revenue in the Bradford insulation business was lower than the previous corresponding period with glasswool pricing impacted in part by the continued market overhang of the sudden termination of the Federal Government's ceiling insulation rebate scheme and the high Australian dollar.

Bradford is building on its strong brand recognition in energy efficiency with the launch of its range of photovoltaic solar panels, Bradford Solar.

Revenue in the Edmonds ventilation business was lower following the completion of the Building the Education Revolution (BER) schools program.

Bricks and Roofing

Trading revenue for the PGH™ bricks, and Monier™, MonierPrime™ and Wunderlich™ roofing business was $135.8 million, down 12 per cent from the previous corresponding period.

In Bricks, lower volumes reflected the decline in residential housing markets, particularly in Queensland, South Australia and New Zealand where, aside from NSW, CSR has greatest market exposure and manufacturing presence. Price increases were implemented in all markets. In Queensland, a 20 per cent increase is to be implemented from 1 January 2012.

In response to the market downturn, PGH continues to rationalise manufacturing capacity to align production with demand. As a consequence, PGH ceased production at the Plant 1 brick manufacturing facility at Cecil Park, Sydney at the end of October 2011.

Plant 2 remains in operation and PGH will continue to service the broader brick market with product ranges manufactured from other facilities within its network. The Cecil Park Plant 1 closure follows the mothballing of the Cooroy brick plant in Queensland last year.

Other brick factories continue to operate below capacity to align production with lower levels of demand.

Revenue in roof tiles declined on lower volumes offset in part by higher average selling prices.

Viridian

Year ended 30 September [A$ million unless stated] Pre significant items	2011	2010	change
Trading revenue	**164.0**	182.9	(10%)
EBITDA	**4.7**	15.9	(70%)
EBIT	**(6.9)**	3.0	n/m*
Funds employed**	**420.9**	513.0	
EBIT/trading revenue	**n/m***	1.6%	

**n/m – not meaningful*

***Excludes cash and tax*

The more pronounced decline in commercial building activity compared to residential construction, coupled with the high fixed cost nature of float glass production, disproportionately impacted Viridian's profitability, relative to other Building Products business units. In response, Viridian's Primary Products business is being restructured to reduce costs and improve efficiency.

Revenue declined by 10% to $164.0 million from $182.9 million, as a consequence of deterioration in both residential (down 14%) and commercial construction (down 22%) markets.

In line with guidance provided to the market on 1 September, Viridian reported a loss of $6.9 million (pre significant items) compared to the previous corresponding period's EBIT of $3.0 million.

The Primary Products manufacturing business was impacted primarily by weaker construction conditions leading to significantly lower sales volumes. Primary Products continues to face pricing pressure from a high A$/US$ exchange rate which averaged 1.05 for the first half compared to 0.89 for the previous corresponding period.

Nonetheless, Primary Products' market share versus imports was steady during the period, assisted modestly by some recent initiatives such as the acquisition of Burnbridge Glass in NSW from Flat Glass Industries which will now source its glass from Viridian as opposed to imports.

Pricing in Primary Products was broadly maintained half on half, despite market pressures and the high Australian dollar.

The restructure of Viridian's Primary Products business is on track. As previously advised, Viridian is rationalising its laminating operations in Melbourne and has commenced the closure of the two laminating lines at Clayton and Dandenong to be replaced by a more efficient line at Dandenong. The new line is expected to be operational by the second quarter of next financial year. Viridian is also ceasing production of uneconomical products and has reduced off-line cutting at Dandenong and Ingleburn. The restructure, which is scheduled to be complete next year, is expected to deliver in excess of $10 million in ongoing annualised cost savings once complete.

As previously announced, pre-tax restructuring costs of $10.3 million have been treated as a significant item for the half year result. Capital expenditure relating to the new laminating line of approximately $12 million will be incurred in the second half of this financial year.
Volumes in Glass Processing and Services were lower, particularly in Queensland and New Zealand where market activity has not recovered from the natural disasters earlier this year.

In challenging markets, the business continues to focus on operational improvements, specifically targeting improved glass yield, higher levels of process automation and new product innovation, most notably SmartGlass™ (a lower cost energy efficient glass solution).

Market response to SmartGlass™ continues to be positive with the product gaining traction with volume residential home builders. The product has now been officially launched with a marketing campaign targeting customers in warmer climates.

Yield has improved by 7 per cent on the previous corresponding period, while the automated double glazed line at Erskine Park was successfully brought on line during the period.

Aluminium

Half year ended 30 September [A$ million unless stated]	**2011**	2010	change
Trading revenue	**254.2**	253.4	n/m*
EBITDA	**56.8**	68.9	(18%)
EBIT	**43.0**	55.1	(22%)
Funds employed**	**265.8**	300.2	
EBIT/trading revenue	**16.9%**	21.7%	

**n/m – not meaningful*

***Excludes cash, tax and fair value of derivatives*

Gove Aluminium Finance Limited's (70% CSR) sales volume of 94,564 tonnes was slightly higher than the previous corresponding period total of 93,785 tonnes.

However, the average realised aluminium price after hedging was slightly lower at A$2,689 per tonne, compared to A$2,702 for the previous corresponding period.

As a result, trading revenue of $254.2 million was in line with the previous corresponding period's total of $253.4 million.

EBIT was $43.0 million, 22 per cent per cent lower than the corresponding period, impacted by increased input costs at the Tomago smelter, primarily petroleum coke, higher alumina costs and slightly lower A$ aluminium pricing. The global price of petroleum coke, which is used to produce carbon anode blocks at the smelter, has increased by around 30 per cent since the start of 2011.

Global economic concerns caused a significant decline in the US$ LME price of Aluminium from around US$2,700 per tonne in May 2011 to around US$2,200 per tonne at the end of September 2011. Meanwhile the average A$/US$ exchange rate was 1.05 for the six months to 30 September 2011.

As a result, GAF has added only modestly to its hedge book and for the remainder of the financial year continues to have approximately half of its net aluminium exposure hedged at A$2,972 per tonne.

Property

Half year ended 30 September [A$ million unless stated]	**2011**	2010	Change
EBIT	**17.8**	14.7	21%

EBIT from CSR's property division was $17.8 million, an increase of 21 per cent from the previous corresponding period.

The primary contributor to earnings was the sale of the 535 lot, residential development at Brendale, north of Brisbane, to Defence Housing Australia.

The transaction was consistent with CSR's strategy to reduce development risk and monetise its development portfolio to maximise value.

The project was sold on deferred settlement terms with CSR receiving the sale proceeds of approximately $35 million in stages, commencing this financial year and expected to conclude by August 2013. CSR owns an adjacent 54 hectares of industrial land which is currently being developed.

Sale proceeds of approximately $27 million from the sale of the 2.7 hectare former glass factory at Alexandria were also received during the period.

Marketing of the 11 hectare industrial site at Erskine Park, western Sydney continues while seven light industrial lots at Darra, Brisbane remain to be sold out of a total of 40 lots.

Following a delay due to the change of state Government in Victoria, CSR has now received approval for its residential development at Chirnside Park, Melbourne.

Group outlook for year ending March 2012

Leading indicators (finance and housing approvals) point to continued weakness in housing construction activity in the year ending 31 March 2012 ("YEM12"). CSR now estimates that total housing starts in Australia (on a one quarter lag basis) will be around 145,000 for the year ended 31 March 2012 compared to a previous forecast in May 2011 of around 150,000.

Within this total, private detached commencements are expected to decline 13 per cent year on year to approximately 90,000 with total multi-residential starts down 11 per cent to 55,000.

Dwelling starts in New Zealand are expected to decline by 17 per cent for the year.

Non-residential construction remains weak and CSR does not expect any meaningful recovery in the short term.

In this environment CSR continues to address its cost base to secure further operational efficiencies across its network without compromising its ability to leverage an improvement in the cycle when it occurs. To ensure its cost base is aligned to the current market conditions CSR is targeting further cost efficiencies in the second half.

In Aluminium, US$ spot aluminium prices have declined since the start of the financial year and as a result GAF has added some modest currency hedging with the result that GAF continues to have approximately half of its net aluminium exposure hedged at A$2,972 per tonne for the remainder of the year compared to the current 3 month LME price of approximately A$2,050 per tonne.

While the Property division has now completed the Brendale transaction, further earnings remain subject to the timing of specific transactions.

CSR notes the current analysts' consensus range for CSR net profit after tax (pre significant items) is $82 million to $100 million for the year ending 31 March 2012 with a median of $87 million. Assuming no further significant deterioration in construction volumes or in A$ aluminium prices, CSR expects that group net profit after tax for continuing operations (pre significant items) will be at the lower end of this range.

9 November 2011

Media/analyst enquiries:

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Appendix 1 - financial results summary – continuing and discontinued operations

For the six months ended 30 September 2011			A$m
Trading revenue from continuing operations	down 4%	to	937.0
Group trading revenue from continuing and discontinued operations	down 52%	to	937.0
EBIT (pre significant items) from continuing operations	down 21%	to	92.8
EBIT (pre significant items) from continuing and discontinued operations	down 51%	to	92.8
Net profit (pre significant items) from continuing operations attributable to members	**up 14%**	**to**	**50.6**
Net profit (pre significant. items) from continuing and discontinued operations attributable to members	down 43%	to	50.6
Net profit (after sig. items) from continuing operations attributable to members	up 13%	to	34.9
Reported net profit (after sig. items) from continuing and discontinued operations attributable to members	down 45%	to	34.9

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Half yearly report for the six months ended 30 September 2011

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The half yearly report does not include all the notes of the type normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the CSR Annual Report for the year ended 31 March 2011 and any announcements to the market made during the financial half year in accordance with the CSR group's continuous disclosure obligations arising under the Corporations Act 2001 and Listing Rule 3.1.

Directors' Report

The directors of CSR Limited present their report on CSR Limited and its controlled entities ("CSR group") for the half year ended 30 September 2011.

Directors

The directors of CSR Limited at any time during the half year ended 30 September 2011, or since that date, are as follows:

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

1 - Retired on 7 July 2011
2 - Appointed Chairman on 7 July 2011
3 - Resigned on 11 May 2011
4 - Appointed on 7 July 2011

Review of Operations

A review of operations of CSR group during the half year ended 30 September 2011 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.

Jeremy Sutcliffe
Chairman

Sydney, 9 November 2011

Rob Sindel
Managing Director

Sydney, 9 November 2011

Deloitte Touche Tohmatsu
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The Board of Directors
CSR Limited
Level 5
39 Delhi Road
North Ryde NSW 2113

9 November 2011

Dear Board Members

CSR Limited

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

As lead audit partner for the review of the financial statements of CSR Limited for the financial half-year ended 30 September 2011, 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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Statement of financial performance

Half year ended 30 September ($ million)	Note	2011	2010
Continuing operations			
Trading revenue - sale of goods		**937.0**	975.0
Cost of sales		**(660.0)**	(670.7)
Gross margin from continuing operations		**277.0**	304.3
Warehouse and distribution costs		**(92.6)**	(95.4)
Selling, administration and other operating costs		**(118.6)**	(112.9)
Share of net profit of associates	9	**6.0**	5.5
Operating profit from continuing operations		**71.8**	101.5
Other income		**21.0**	17.7
Other expenses		**(22.4)**	(21.0)
Profit from continuing operations before finance and income tax		**70.4**	98.2
Interest income	2	**4.5**	0.7
Finance cost	2	**(14.5)**	(41.1)
Profit from continuing operations before income tax		**60.4**	57.8
Income tax expense from continuing operations	3	**(16.7)**	(16.2)
Net profit from continuing operations		**43.7**	41.6
Net profit from discontinued operations [a]	13	**-**	37.9
Net profit		**43.7**	79.5
Net profit from continuing operations attributable to non-controlling interests		**8.8**	10.8
Net profit from discontinued operations attributable to non-controlling interests		**-**	5.7
Net profit attributable to non-controlling interests		**8.8**	16.5
Net profit from continuing operations attributable to shareholders of CSR Limited [b]		**34.9**	30.8
Net profit from discontinued operations attributable to shareholders of CSR Limited		**-**	32.2
Net profit attributable to shareholders of CSR Limited [b]		**34.9**	63.0
Reconciliation of retained profits (losses)			
Retained profits (losses) at the beginning of the financial year		**170.3**	(49.8)
Net profit attributable to shareholders of CSR Limited		**34.9**	63.0
Net loss recognised directly in retained profits		**(21.6)**	(6.2)
Total available for appropriation		**183.6**	7.0
Dividends provided for or paid	8	**(26.8)**	(90.9)
Retained profits (losses) at the end of the financial half year		**156.8**	(83.9)

(cents)		
From continuing and discontinued operations		
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited [c]	**6.9**	12.5
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited [c]	**6.9**	12.5
From continuing operations		
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited [c]	**6.9**	6.1
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited [c]	**6.9**	6.1

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

b Net profit from continuing operations before significant items attributable to shareholders of CSR Limited is $50.6 million (2010: $44.4 million). Refer to Note 4 to the financial statements.

c Weighted number of ordinary shares used in the calculation of earnings per share is 506.0 million (2010: 505.1 million). The 2010 amount has been restated for the 3:1 share consolidation completed on 3 March 2011.

Notes to the financial statements are annexed.

Statement of financial position

($ million)	Note	As at 30 September 2011	As at 31 March 2011
Current assets			
Cash and cash equivalents		**61.1**	143.6
Receivables		**331.1**	302.4
Inventories		**295.0**	281.9
Other financial assets		**32.8**	25.9
Income tax assets		**26.0**	-
Other current assets		**8.8**	8.5
		754.8	762.3
Assets classified as held for sale	14	**11.0**	-
Total current assets		**765.8**	762.3
Non-current assets			
Receivables		**34.4**	27.0
Inventories		**20.6**	17.6
Investments accounted for using the equity method		**16.4**	14.5
Other financial assets		**9.9**	5.8
Property, plant and equipment		**1,154.7**	1,134.5
Goodwill		**22.5**	13.8
Other intangible assets		**34.0**	32.1
Deferred income tax assets		**182.7**	194.7
Other non-current assets		**14.7**	13.7
Total non-current assets		**1,489.9**	1,453.7
Total assets		**2,255.7**	2,216.0
Current liabilities			
Payables		**202.8**	201.6
Borrowings		**0.7**	3.1
Other financial liabilities		**3.6**	7.1
Tax payable		**9.1**	19.7
Provisions		**193.2**	199.1
		409.4	430.6
Liabilities directly associated with assets classified as held for sale	14	**2.4**	-
Total current liabilities		**411.8**	430.6
Non-current liabilities			
Payables		**2.2**	2.5
Borrowings		**0.2**	1.4
Other financial liabilities		**1.9**	1.8
Provisions		**461.9**	462.0
Other non-current liabilities		**88.3**	36.4
Total non-current liabilities		**554.5**	504.1
Total liabilities		**966.3**	934.7
Net assets		**1,289.4**	1,281.3
Equity			
Issued capital	7	**1,042.2**	1,042.2
Reserves		**31.8**	21.2
Retained profits		**156.8**	170.3
Equity attributable to shareholders of CSR Limited		**1,230.8**	1,233.7
Non-controlling interests		**58.6**	47.6
Total equity		**1,289.4**	1,281.3

Notes to the financial statements are annexed.

Statement of comprehensive income

Half year ended 30 September ($ million)	**2011**	2010
Net profit from continuing operations	**43.7**	41.6
Net profit from discontinued operations	**-**	37.9
Net profit	**43.7**	79.5
Other comprehensive income (expense) from continuing operations		
Exchange differences arising on translation of foreign operations	**3.1**	(2.6)
Hedge profit recognised in equity	**32.1**	18.9
Hedge profit transferred to the statement of financial performance	**(19.0)**	(20.6)
Actuarial loss on superannuation defined benefit plans	**(30.9)**	(8.9)
Income tax relating to components of other comprehensive income	**5.3**	3.2
Other comprehensive expense for the period (net of tax) from continuing operations	**(9.4)**	(10.0)
Other comprehensive expense from discontinued operations		
Exchange differences arising on translation of foreign operations	**-**	(2.7)
Hedge loss recognised in equity	**-**	(3.2)
Hedge profit transferred to the statement of financial performance	**-**	(10.8)
Income tax relating to components of other comprehensive income	**-**	4.2
Other comprehensive expense for the period (net of tax) from discontinued operations	**-**	(12.5)
Total comprehensive income from continuing operations	**34.3**	31.6
Total comprehensive income from discontinued operations	**-**	25.4
Total comprehensive income	**34.3**	57.0
Total comprehensive income attributable to:		
Shareholders of CSR Limited	**23.3**	31.9
Non-controlling interests	**11.0**	25.1
Total comprehensive income	**34.3**	57.0
Shareholders of CSR Limited from continuing operations	**23.3**	20.6
Non-controlling interests from continuing operations	**11.0**	11.0
Total comprehensive income from continuing operations	**34.3**	31.6
Shareholders of CSR Limited from discontinued operations	**-**	11.3
Non-controlling interests from discontinued operations	**-**	14.1
Total comprehensive income from discontinued operations	**-**	25.4
Total comprehensive income	**34.3**	57.0

Notes to the financial statements are annexed.

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 profits (losses)	Attributable to CSR Ltd shareholders	Non-controlling interests	**Total**
Balance at 1 April 2011	1,042.2	11.6	(12.6)	16.9	5.3	170.3	1,233.7	47.6	**1,281.3**
Net profit	-	-	-	-	-	34.9	34.9	8.8	**43.7**
Exchange differences arising on translation of foreign operations	-	-	3.5	-	-	-	3.5	(0.4)	**3.1**
Hedge profit recognised in equity	-	22.6	-	-	-	-	22.6	9.5	**32.1**
Hedge profit transferred to statement of financial performance	-	(13.3)	-	-	-	-	(13.3)	(5.7)	**(19.0)**
Actuarial loss on superannuation defined benefit plans	-	-	-	-	-	(30.9)	(30.9)	-	**(30.9)**
Income tax relating to components of other comprehensive income	-	(2.8)	-	-	-	9.3	6.5	(1.2)	**5.3**
Total comprehensive income for the financial half year	-	6.5	3.5	-	-	13.3	23.3	11.0	**34.3**
Payment of dividends	-	-	-	-	-	(26.8)	(26.8)	-	**(26.8)**
Recognition of share based payments				0.6			0.6	-	**0.6**
Balance at 30 September 2011	1,042.2	18.1	(9.1)	17.5	5.3	156.8	1,230.8	58.6	**1,289.4**
Balance at 1 April 2010	1,700.9	32.3	(18.7)	12.6	5.3	(49.8)	1,682.6	135.6	**1,818.2**
Net profit	-	-	-	-	-	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 profit 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**

Notes to the financial statements are annexed.

Statement of cash flows

Half year ended 30 September ($ million)	Note	2011	2010
Cash flows from operating activities			
Receipts from customers		**1,007.5**	1,994.9
Payments to suppliers and employees		**(951.8)**	(1,907.8)
Dividends and distributions received		**5.0**	7.3
Interest received		**3.9**	1.8
Income tax paid		**(34.9)**	(27.2)
Net cash from operating activities before derivative margin calls		**29.7**	69.0
Derivative margin calls paid		**-**	(18.4)
Net cash from operating activities		**29.7**	50.6
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(70.2)**	(90.6)
Proceeds from sale of property, plant and equipment and other non-current assets		**28.7**	4.2
Costs associated with disposal of discontinued operations		**(8.0)**	(11.1)
Investment in associate entity		**(1.1)**	-
Loans and receivables (advanced) repaid		**(5.0)**	1.5
Purchase of controlled entities and businesses, net of cash acquired	6	**(16.1)**	(2.1)
Net cash used in investing activities		**(71.7)**	(98.1)
Cash flows from financing activities			
Proceeds from issue of shares to CSR Limited shareholders		**-**	2.6
Net (repayment) proceeds from borrowings		**(3.1)**	152.0
Dividends paid		**(26.8)**	(94.1)
Interest and other finance costs paid		**(8.4)**	(31.1)
Net cash from financing activities		**(38.3)**	29.4
Net decrease in cash held		**(80.3)**	(18.1)
Net cash at the beginning of the financial year		**142.3**	43.9
Effects of exchange rate changes		**1.8**	(3.0)
Net cash at 30 September		**63.8**	22.8

Reconciliation of net cash

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

From continuing operations		
Cash at banks and on hand	**61.1**	21.1
Short term loans and deposits	**-**	0.3
Total cash	**61.1**	21.4
Bank overdraft (a)	**(0.7)**	(33.0)
Net cash at 30 September from continuing operations	**60.4**	(11.6)
From discontinued operations and assets held for sale		
Cash at banks and on hand associated with the Sucrogen business [a]	**-**	24.9
Cash at banks and on hand associated with the Asian insulation business	**-**	9.5
Cash at banks and on hand associated with the Asian AAC business	**3.4**	-
Net cash at 30 September from discontinued operations	**3.4**	34.4
Net cash at 30 September	**63.8**	22.8

[a] Bank overdrafts held by CSR Limited are subject to set-off arrangements with other CSR group entities cash balances. Bank overdrafts for CSR group, including continuing and discontinued operations as at 30 September 2011 amounted to $0.7 million (2010: $9.6 million).

Notes to the financial statements are annexed.

Notes to the consolidated financial report for the half year ended 30 September 2011

ADDITIONAL CASH FLOW INFORMATION

Non-cash financing and investing activities. During the financial half year ended 30 September 2011, CSR Limited issued nil shares to employees of the CSR group under the terms of the Universal Share/Option Plan (2010: 2,986,500 shares). During the financial half year ended 30 September 2011, $25.2 million was paid in dividends and $1.6 million was expended to purchase shares on market to satisfy obligations under the Dividend Reinvestment Plan (DRP) which collectively have been disclosed as dividends paid on the statement of cashflows.

Credit standby facilities. The CSR group has a total of $931 million (31 March 2011: $1,160 million) committed standby facilities. These facilities have fixed maturity dates as follows: $281 million in financial year 2012, $235 million in financial year 2013, $300 million in financial year 2015 with the balance $115 million in financial year 2016. As at 30 September 2011, $931 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 and liabilities which are at deemed cost or fair value (financial assets / liabilities). The half yearly report does not include all the notes of the type normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the CSR Annual Report for the year ended 31 March 2011 and any announcements to the market made during the financial half year in accordance with the CSR group's continuous disclosure obligations arising under the Corporations Act 2001 and Listing Rule 3.1.

The CSR 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 2011, and in the preparation of the comparative statement of financial performance for the financial half year ended 30 September 2010 and the comparative statement of financial position as at 31 March 2011. 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 and amended accounting standards and interpretations

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

- AASB 124 (revised) Related Party Disclosures results in a number of changes to the definition of a related party. Changes as a result of the new standard include simplification and clarification of the definition of a related party.
- AASB 1054 Australian Additional Disclosures.
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project.
- AASB 2009-14 Amendments to Australian Accounting Interpretation - Prepayments of a Minimum Funding Requirement.
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2010-5 Amendments to Australian Accounting Standards.
- Interpretation 19 Extinguishing Liabilities with Equity Instruments.

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

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

Cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The profit 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 superannuation defined benefit 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 superannuation defined contribution plans are expensed when incurred and the CSR group's legal or constructive obligation is limited to these contributions.

ii. Significant accounting policies. (continued)

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 profit or loss immediately. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. The reversal of an impairment loss is recognised immediately in profit or loss.

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

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

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

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

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

ii. Significant accounting policies. (continued)

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

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

v. Critical accounting judgements and key sources of estimation uncertainty. The following are critical judgements and key assumptions that management has made in the process of applying the CSR group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:
Product liability: CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States. At 30 September 2011, a provision of $448.9 million (31 March 2011: $448.9 million) has been made for all known claims and reasonably foreseeable future claims. Refer to Note 12 for further details of the key assumptions and uncertainties in estimating this liability.
Asset impairment: Assets are reviewed for impairment at each reporting date in accordance with the accounting policy. Where a valuation is required, the valuation is determined using discounted cash flows. Management judgement is required in these valuations to forecast future cash flows and a suitable discount rate in order to calculate the present value. Future cash flows take into consideration forecast changes in the building cycle, aluminium prices and exchange rates.

vi. Comparative information. Where applicable, comparative information has been reclassified in order to comply with current period disclosure requirements. In the comparative period, costs associated with disposal of the Sucrogen business have been reclassified as a significant item from discontinued operations.

1. Segment information

Identification of reportable segments

The CSR group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments are identified by management and the board of directors based on the nature of the product sold and production processes involved. The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the CSR group's major risks and has the most effect on the rates of return. Each of the business units disclosed below has been determined as both an operating segment and a reportable segment.

Types of products and services

Building Products

The CSR group's Building Products segment encompasses:

- Lightweight Systems (Gyprock plasterboard, Hebel aerated autoclaved concrete products, Cemintel fibre cement, Fricker ceiling systems, and Rondo rollformed steel products) and Insulation (Bradford insulation and Edmonds ventilation systems); and

- Bricks and Roofing (PGH bricks, Monier and Wunderlich roofing, MySteel roofing solutions and Topcat safety rail).

Glass

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

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 NSW, Queensland and Victoria. These projects, in most cases, are in-fill developments (currently vacant land within otherwise built up areas) located in metropolitan regions.

Sucrogen (discontinued operations)

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

Accounting policies and inter-segment transactions

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

Asset transfers

Transfers of assets between segments are recognised at cost.

Inter-segment sales

In the prior financial period, Renewable Energy Certificates (RECs) produced by the Sucrogen segment were 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 believes would be inconsistent. Reporting provided to the board of directors in respect of earnings is primarily measured based on earnings before interest and tax (EBIT).

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

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

1. Segment information (continued)

Half year ended 30 September

($ million)	Profit (loss) before income tax 2011	Profit (loss) before income tax 2010	Income tax 2011	Income tax 2010	Non-controlling interests 2011	Non-controlling interests 2010	Net profit (loss) 2011	Net profit (loss) 2010
Business segments from continuing operations								
Building Products	**49.2**	54.7	**13.1**	14.4	**-**	-	**36.1**	40.3
Glass	**(6.9)**	3.0	**(1.9)**	1.5	**-**	-	**(5.0)**	1.5
Aluminium	**43.0**	55.1	**12.9**	16.6	**8.9**	11.2	**21.2**	27.3
Property	**17.8**	14.7	**5.1**	4.5	**-**	-	**12.7**	10.2
Segment total for continuing operations	**103.1**	127.5	**29.2**	37.0	**8.9**	11.2	**65.0**	79.3
Corporate[a]	**(7.8)**	(8.2)	**(2.3)**	(2.5)	**-**	-	**(5.5)**	(5.7)
Restructuring and provisions[b]	**(2.5)**	(1.7)	**(0.5)**	(0.5)	**-**	-	**(2.0)**	(1.2)
Earnings before interest and significant items	**92.8**	117.6	**26.4**	34.0	**8.9**	11.2	**57.5**	72.4
Net finance cost	**(10.0)**	(40.4)	**(3.0)**	(12.0)	**(0.1)**	(0.4)	**(6.9)**	(28.0)
Continuing operations total before significant items	**82.8**	77.2	**23.4**	22.0	**8.8**	10.8	**50.6**	44.4
Significant items (Note 4)	**(22.4)**	(19.4)	**(6.7)**	(5.8)	**-**	-	**(15.7)**	(13.6)
Continuing operations total after significant items	**60.4**	57.8	**16.7**	16.2	**8.8**	10.8	**34.9**	30.8
Business segments from discontinued operations								
Sucrogen	**-**	66.7	**-**	18.3	**-**	5.7	**-**	42.7
Asian insulation business	**-**	3.8	**-**	0.3	**-**	-	**-**	3.5
Net finance cost	**-**	(1.6)	**-**	-	**-**	-	**-**	(1.6)
Significant items (Note 13)	**-**	(17.8)	**-**	(5.4)	**-**	-	**-**	(12.4)
Segment total for discontinued operations	**-**	51.1	**-**	13.2	**-**	5.7	**-**	32.2
Group total after significant items	**60.4**	108.9	**16.7**	29.4	**8.8**	16.5	**34.9**	63.0

($ million)	Total revenue[c] 2011	Total revenue[c] 2010	Share of net profit of associates 2011	Share of net profit of associates 2010	Depreciation & amortisation[d] 2011	Depreciation & amortisation[d] 2010
Business segments from continuing operations						
Building Products	**518.6**	537.9	**6.0**	5.5	**18.1**	21.5
Glass	**164.0**	182.9	**-**	-	**11.6**	12.9
Aluminium	**256.2**	255.7	**-**	-	**13.8**	13.8
Property	**19.2**	15.9	**-**	-	**-**	-
Segment total for continuing operations	**958.0**	992.4	**6.0**	5.5	**43.5**	48.2
Corporate, Restructuring and provisions[a b]	**-**	0.3	**-**	-	**0.6**	0.6
Interest income	**4.5**	0.7	**-**	-		
Continuing operations total	**962.5**	993.4	**6.0**	5.5	**44.1**	48.8
Business segments from discontinued operations						
Sucrogen	**-**	940.0	**-**	1.2	**-**	32.4
Asian insulation business	**-**	42.2	**-**	-	**-**	1.7
Segment total for discontinued operations	**-**	982.2	**-**	1.2	**-**	34.1
Group total	**962.5**	1,975.6	**6.0**	6.7	**44.1**	82.9

($ million)	Assets[e] 2011	Assets[e] 31 March 2011	Impairment of property, plant and equipment and intangibles 2011	Impairment of property, plant and equipment and intangibles 2010
Business segments				
Building Products	**965.1**	927.1	**-**	-
Glass	**482.9**	462.9	**-**	-
Aluminium	**374.2**	362.7	**-**	-
Property	**100.1**	81.3	**-**	-
Segment total	**1,922.3**	1,834.0	**-**	-
Unallocated	**63.6**	43.7	**-**	-
	1,985.9	1,877.7	**-**	-
Finance assets	**61.1**	143.6		
Tax assets	**208.7**	194.7		
Group total	**2,255.7**	2,216.0	**-**	-

a Represents unallocated overhead and other revenues.

b Includes certain defined benefit superannuation expenses / credits, non-operating revenue, business development expenses and other costs (excluding those categorised as significant items).

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

d Depreciation and amortisation from continuing operations includes $2.1 million (2010: $2.6 million) amortisation of intangible assets. Other significant non-cash expenses such as asset write downs, movements in provisions and other rationalisation expenses which are significant items are disclosed in Note 4. Other non-cash expenses are immaterial.

e All acquisitions of controlled entities and businesses in 2011 were in the Glass and Building Products segments, and in 2010 were in the Building Products segment.

Half year ended 30 September	($ million)	2011	2010

2. Net finance cost - continuing operations

	2011	2010
Interest expense	**4.8**	24.8
Unwinding of discount on non-current provisions	**11.2**	10.7
Funding costs	**4.0**	4.1
Foreign exchange (gain) loss	**(5.5)**	1.5
Finance cost	**14.5**	41.1
Interest income	**(4.5)**	(0.7)
Net finance cost	**10.0**	40.4

3. Income tax - continuing operations

Income tax expense

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

	2011	2010
Profit from continuing operations before income tax	**60.4**	57.8
Income tax expense calculated at 30%	**18.1**	17.3
(Decrease) increase in income tax expense due to		
Asian trading profits tax rate differential	**(0.4)**	(0.1)
Share of net profit of associates and rebates on dividend income	**(1.8)**	(1.6)
Research and development	**-**	(0.1)
Other items	**0.8**	0.7
Total income tax expense on profit from continuing operations	**16.7**	16.2

4. Significant items from continuing operations

	2011	2010
Restructuring [a]		
Redundancy costs	**(10.3)**	-
Income tax benefit	**3.1**	-
Expense relating to product liability provision [b]		
Charge to provision	**(12.1)**	-
Income tax benefit	**3.6**	-
Termination of Federal Government's Energy Efficient Homes Package [c]		
Stock obsolescence and inventory management costs	**-**	(19.4)
Income tax benefit	**-**	5.8
Total significant items from continuing operations after tax	**(15.7)**	(13.6)

	2011	2010
Net profit from continuing operations attributable to shareholders of CSR Limited	**34.9**	30.8
Total significant expense (income) items from continuing operations after tax	**15.7**	13.6
Net profit before significant items from continuing operations attributable to shareholders of CSR Limited	**50.6**	44.4

[a] For the financial half year ended 30 September 2011, the CSR group recorded redundancy costs of $10.3 million associated with the restructuring of the Viridian float glass and bulk laminate manufacturing operations.

[b] For the financial half year ended 30 September 2011, the CSR group recorded a charge of $12.1 million in order to maintain its product liability provision.

[c] For the financial half year ended 30 September 2010, the CSR group recorded a charge 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.

5. Net tangible assets per share [a]

	30 September 2011 $	30 September 2010 $
Net tangible assets per share	**2.32**	3.00

a Calculated as net assets attributable to CSR Ltd shareholders ($1,230.8 million) less intangible assets ($56.5 million) divided by the number of shares (506.0 million). The 2010 amount has been restated for the 3:1 share consolidation completed on 3 March 2011.

6. Acquisitions of controlled entities and businesses

Businesses acquired

The CSR group acquired the assets of the following businesses during the half year ended 30 September 2011:

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

The primary reason for the acquisitions was to continue CSR's growth in glass and building products.
The acquisition related costs expensed were $0.6 million.
The initial accounting for the acquisitions has only been provisionally determined at 30 September 2011. 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.

Acquisitions made during the half year ended 30 September 2010 were as follows:
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 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.
Details of the purchase consideration and the fair value of assets and liabilities acquired are given below.

	2011 ($ million)	2010 ($ million)
Purchase consideration	**16.1**	2.1
Fair value of net identifiable assets acquired (refer below)	**7.8**	2.1
Goodwill acquired (refer below)	**8.3**	-

Value of net assets of controlled entities and businesses acquired

($ million)	**2011 Fair value**	2010 Fair value
Inventories	**2.4**	6.1
Other current assets	**-**	0.3
Property, plant and equipment	**1.6**	1.0
Intangible assets	**4.2**	0.9
Deferred income tax assets	**0.1**	0.3
Other non-current assets	**-**	0.1
Trade payables	**-**	(5.9)
Borrowings	**-**	(0.1)
Provisions	**(0.5)**	(0.6)
Net identifiable assets acquired	**7.8**	2.1
Goodwill acquired	**8.3**	-
Total consideration	**16.1**	2.1

7. Issued capital

	Ordinary shares fully paid [a]	Issued capital $ million
Particulars of shares issued during the financial half year by CSR Limited		
On issue 31 March 2011	506,000,315	1,042.2
On issue 30 September 2011 [b]	**506,000,315**	**1,042.2**

a The shares are fully paid ordinary shares listed on the Australian Securities Exchange and carry one vote per share and the right to dividends.
b There were 1,517,907,314 shares on issue at 30 September 2010. These shares restated for the 3:1 share consolidation completed on 3 March 2011 is 505,969,105 shares.

8. Details relating to dividends and return of capital

	Financial year ending 31 March	**Franking percentage**	**Date paid/payable**	**Amount per share cents**	**Total amount $ million**
Final dividend	2010	100	6 July 2010	6.0	90.9
Interim dividend	2011	100	10 December 2010	3.0	45.5
Special dividend	2011	100	2 February 2011	9.1	138.6
Capital return	2011	n/a	3 March 2011	43.6	661.3
Final dividend	2011	100	5 July 2011	5.3	26.8
Interim dividend	2012	100	16 December 2011	6.0	30.4

The interim dividend in respect of ordinary shares for the half year ended 30 September 2011 has not been recognised in this financial report because the interim dividend was declared subsequent to 30 September 2011.

Dividend reinvestment plan

CSR Limited established a dividend reinvestment plan (DRP) under which the holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than be paid in cash. The company's DRP operated for the final dividend paid on 5 July 2011. For the the final dividend, shares were acquired on-market and transferred to participants to satisfy any shares issued under the DRP and therefore had no effect on the number of shares on issue.

9. Details of associates and joint venture entities

Aggregate share of income of associates and joint venture entities - continuing operations

	Half year ended 30 September	
	2011	2010
	$ million	$ million
Profit from ordinary activities before income tax	**8.6**	7.9
Income tax expense	**2.6**	2.4
Profit from ordinary activities after income tax	**6.0**	5.5
Significant items net of tax	**-**	-
Net profit	**6.0**	5.5
Non-controlling interests	**-**	-
Total share of net profit	**6.0**	5.5

	Ownership interest As at 30 September		Contribution to net income continuing operations - Half year ended 30 September	
Name of entity	**2011 %**	2010 %	**2011 $ million**	2010 $ million
Associate companies and joint venture entities [a]				
Rondo Pty Limited	**50**	50	**5.3**	4.7
Other non-material associates			**0.7**	0.8
Total share of net profit - continuing operations			**6.0**	5.5

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

The CSR group does not have any other material interests.

10. Subsequent events

Dividends:
For dividends declared after 30 September 2011, refer to Note 8.

Assets held for sale:
On 5 October 2011, the CSR group announced that it has entered into an agreement to sell its Asian AAC business to Saint-Gobain Construction Products (Malaysia). The transaction is expected to be completed by the conclusion of CSR's financial year, 31 March 2012.

11. Contingent liabilities

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

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

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

Workers' compensation
CSR Limited is a licensed self insurer in NSW, Queensland, Victoria, South Australia (to 10 April 2003), Western Australia and the Australian Capital Territory for workers’ compensation insurance. Adequate provision has been made for all known claims and reasonably foreseeable future claims with a provision of $39.2 million as at 30 September 2011 (31 March 2011: $42.0 million).

12. 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 well as residents of and visitors to Wittenoom. As at 30 September 2011, there were 606 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 2011, there were 974 such claims pending.

CSR has been settling claims since 1989. As at 30 September 2011, CSR had resolved approximately 3110 claims in Australia and approximately 135,750 claims in the United States.

	Half year ended 30 September	Year ended 31 March			
	2011	**2011**	**2010**	**2009**	**2008**
Number of claims received	225	412	514	553	546
Number of claims resolved	261	634	986	1,246	575
Amount spent on settlements (A$ million) [a]	20.6	32.5	33.4	41.6	28.2
Average cost per resolved claim (A$)	78,927	51,300	33,916	33,371	49,128

[a] Excludes external legal costs

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

Basis of provision

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

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.

12. Product liability (continued)

In Australia the methodology used by Taylor Fry Pty Limited produces a range of potential outcomes, including a central estimate, or most likely outcome. At 30 September 2011 the central estimate was A$176.6 million calculated using a discount rate of 5.5%. On an undiscounted and inflated basis that central estimate would be A$334.5 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 2011 the base case estimate was US$191.8 million calculated using a discount rate of 4.2%. On an undiscounted and inflated basis that base case estimate would be US$283.0 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.

	Half year ended 30 September	Year ended 31 March			
($ million)	**2011**	**2011**	**2010**	**2009**	**2008**
United States base case estimate US$	191.8	191.8	159.5	153.6	120.6
United States base case estimate A$	196.2	185.9	173.7	225.9	131.7
Australian central estimate A$	176.6	180.1	184.8	187.8	172.9
Sub total A$	**372.8**	**366.0**	**358.5**	**413.7**	**304.6**
Prudential Margin A$	76.1	82.9	96.8	41.4	66.9
Prudential Margin %	*20.4%*	*22.7%*	*27.0%*	*10.0%*	*22.0%*
Total product liability provision A$	**448.9**	**448.9**	**455.3**	**455.1**	**371.5**

At 30 September 2011, a provision of $448.9 million (31 March 2011: $448.9 million) has been made for all known claims and reasonably foreseeable future claims, and includes a prudential margin of $76.1 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 2011 will definitively estimate CSR's future asbestos liabilities. If the assumptions adopted by CSR's experts prove to be incorrect, the current provision may be shown to materially under or over state CSR's asbestos liability.

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

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

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

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

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

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

13. Discontinued operations

13.1 Disposal of the Sucrogen business

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

13.2 Disposal of 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 $128 million. The transaction was completed on 22 December 2010 and due to working capital adjustments the final consideration was $126.8 million.

13.3 Analysis of profit from discontinued operations

The combined results of the discontinued operations (i.e. Sucrogen and Asian insulation businesses) included as discontinued operations in the statement of financial performance for the half year ended 30 September 2010 are set out below.

Half year ended 30 September ($ million)	**2011**	2010
Profit from discontinued operations		
Trading revenue	-	976.4
Other income from operating activities	-	5.8
Total revenue	-	982.2
Expenses	-	(913.3)
Profit before tax	-	68.9
Attributable income tax expense	-	(18.6)
Net profit	-	50.3
Net profit attributable to non-controlling interests	-	5.7
Net profit before significant items from discontinued operations attributable to shareholders of CSR Limited	-	44.6
Significant items from discontinued operations		
Transaction costs associated with the separation of the Sucrogen business	-	(17.8)
Attributable income tax benefit	-	5.4
Total significant items after income tax [a]	-	(12.4)
Net profit from discontinued operations attributable to shareholders of CSR Limited [b]	-	32.2

a Significant items for the half year ended 30 September 2010 include transaction costs related to separation of the Sucrogen business.

b Net profit from discontinued operations attributable to shareholders of CSR Limited of $32.2 million in 2010 excludes non-controlling interests of $5.7 million. Net profit from discontinued operations including non-controlling interests is $37.9 million in 2010.

Cash flows from discontinued operations

Net cash flows from operating activities	-	(2.4)
Net cash flows from investing activities [c]	**(8.0)**	(58.2)
Net cash flows from financing activities	-	3.8
Net cash outflows	**(8.0)**	(56.8)

c Net cash flows from investing activities for the half year ended 30 September 2011 include $8.0 million cash payments for costs associated with disposal of Sucrogen and Asian insulation businesses (2010: $11.1 million).

The Sucrogen and Asian insulation businesses were 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 2011**	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 the Asian AAC business[b]	**11.0**	-
Assets related to businesses held for sale	**11.0**	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 the Asian AAC business[b]	**2.4**	-
Liabilities associated with assets held for sale	**2.4**	447.6
Amounts recognised directly in equity associated with assets held for sale	**-**	(14.4)

a As described in Note 13, the CSR group signed agreements for the sale of its Sucrogen and Asian insulation businesses on 5 and 6 July 2010 respectively. The disposals were completed on 22 December 2010.

b On 5 October 2011, the CSR group announced that it has entered into an agreement to sell its Asian AAC business to Saint-Gobain Construction Products (Malaysia). The transaction is expected to be completed by the conclusion of CSR's financial year, 31 March 2012.

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 2011**	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 businesses at the end of the reporting period are as follows:

($ million)	**As at 30 September 2011**	As at 30 September 2010
Property, plant and equipment	**3.2**	56.4
Deferred income tax assets	**0.2**	4.4
Inventories	**0.8**	6.7
Other assets	**0.1**	0.5
Receivables	**3.3**	12.9
Cash and bank balances	**3.4**	9.5
Assets of the Asian businesses classified as held for sale	**11.0**	90.4
Payables	**1.4**	8.6
Borrowings	**-**	26.6
Provisions	**0.4**	2.0
Other liabilities	**-**	-
Current tax liabilities	**0.6**	1.2
Deferred tax liabilities	**-**	-
Liabilities of the Asian businesses associated with assets classified as held for sale	**2.4**	38.4
Net assets of the Asian businesses classified as held for sale	**8.6**	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 2011, and of its performance as represented by the results of its operations and its cash flows, for the financial half year ended on that date;

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

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

Jeremy Sutcliffe
Chairman

Sydney, 9 November 2011

Rob Sindel
Managing Director

Sydney, 9 November 2011

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

We have reviewed the accompanying half-year financial report of CSR Limited, which comprises the statement of financial position as at 30 September 2011, and the statement of financial performance, the statement of comprehensive income, statement of cash flows and the statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 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 2011 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Auditor's Independence Declaration

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2011 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, 9 November 2011