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14 May 2014

Manager, Companies
Company Announcements Office
Australian Securities Exchange Limited
Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

Preliminary final report for the year ended 31 March 2014

Attached is the full year results information for CSR Limited (CSR) required by ASX Listing Rule 4.3A, comprising:

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

The results presentation will be available via an audio webcast from CSR's website http://www.csr.com.au/Investor-Centre-and-News/Pages/Presentations-and-Results, commencing at 10am today.

Yours sincerely

Debbie Schroeder
Company Secretary

CSR Limited ABN 90 000 001 276

Preliminary Final Report 2014

Results for the year ended 31 March 2014 (YEM14)

(All comparisons are to the full year ended 31 March 2013 (YEM13))

Results for announcement to the market

CSR announces full year net profit (pre significant items) [1] of $72.0 million, up 143%
Statutory net profit of $88.1 million

- Trading revenue of $1,746.6 million, up 4% for the year ended 31 March 2014
- EBITDA[1] of $202.5 million, up 29% reflecting higher earnings across all businesses
- EBIT[1] of $125.7 million, up 85%
    - Building Products EBIT of $92.6 million, up 20% with higher volumes from increasing construction activity and improved operational efficiencies
    - Viridian recorded an EBIT loss of $14.9 million, a $23.9 million improvement on the prior year following significant progress in restructuring the business
    - Aluminium EBIT of $51.9 million, up 3% due to higher realised aluminium prices
    - Property EBIT of $17.3 million compared to a break-even result (before interest and tax) in the prior year
- Net profit[1] of $72.0 million, up 143%
- Earnings per share[1] of 14.2 cents, up from 5.8 cents
- Significant items include a $33.0 million reduction in the asbestos provision, as a result of lower actuarial estimates in the United States
- Statutory net profit attributable to shareholders of $88.1 million compared to a statutory net loss of $150.0 million in the prior year
- Full year dividend of 10.0 cents per share (unfranked), up 96%, representing a payout ratio of 70% of net profit[1]

1 *EBITDA, EBIT, net profit and earnings per share are all pre significant items. They are non-IFRS measures used by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March 2014.*

	31 March 2014	31 March 2013
Net tangible assets per share	$2.16	$2.05

Dividends

Year ended 31 March 2014	Amount per security	Franking
Final [1]	5.0 cents	0%
Interim	5.0 cents	0%

1 *For Australian tax purposes, 100% of the dividend will be conduit foreign income.*

Record date for determining entitlements to final dividend	5 June 2014
Dividend payment date	8 July 2014

Financial results summary

Year ended 31 March [A$ million unless stated]	2014	2013 (Restated)[2]	Change
Trading revenue	**1,746.6**	1,682.4	4%
EBITDA [1]	**202.5**	157.4	29%
EBIT [1]			
Building Products (ex Viridian)	**92.6**	77.4	20%
Viridian	**(14.9)**	(38.8)	62%
Aluminium	**51.9**	50.3	3%
Property	**17.3**	---	NM
Corporate costs	**(15.7)**	(13.8)	
Restructure and provisions	**(5.5)**	(7.0)	
Total EBIT [1]	**125.7**	68.1	85%
Net finance cost	**(18.6)**	(22.2)	
Tax expense	**(24.1)**	(4.9)	
Non-controlling interests	**(11.0)**	(11.4)	
Net profit after tax [1] attributable to CSR shareholders	**72.0**	29.6	143%
Significant items [3]	**16.1**	(179.6)	
Statutory net profit/(loss) after tax attributable to CSR shareholders	**88.1**	(150.0)	NM
Earnings per share[1] [cents]	**14.2**	5.8	145%
Earnings per share (after significant items) [cents]	**17.4**	(29.6)	

1 EBITDA, EBIT, net profit and earnings per share are all pre significant items. They are non-IFRS measures used by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March 2014.

2 On 1 April 2013, the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change of accounting policy and a restatement of balances for the financial year ended 31 March 2013.

3 Details of the significant items can be found on page 26 of the financial report.

Contents

Overview
CSR Limited (CSR) reported a 143% increase in net profit after tax (pre significant items) of $72.0 million reflecting higher earnings across all divisions for the year ended 31 March 2014.

In announcing the result, CSR Managing Director Rob Sindel said: "The significant restructuring initiatives completed over the past few years greatly assisted CSR's performance.

"Building Products earnings increased by 20% with growth across most businesses while the turnaround of Viridian is on track leading to a significant improvement in earnings. Property's contribution returned to more traditional levels and, despite pressure on aluminium prices, our ongoing hedging program resulted in a higher Aluminium result.

"We have also made progress on our strategy to deliver faster and less complex building solutions for multi-residential projects with the recent acquisition of the AFS Group, which provides exposure to the structural walling market.

"The proposed east coast brick joint venture with Boral announced in April is a critical initiative to deliver efficiencies through the combined businesses, while at the same time reinvesting in the brick industry and releasing high-value land assets for future development.

"All of these initiatives, together with ongoing work across our network to lower energy use, invest in product development and reduce manufacturing costs, ensure we are well positioned to take advantage of the construction market's expected growth over the next few years," Mr Sindel said.

Financial review
Statutory net profit after tax was $88.1 million, which included income from significant items of $16.1 million after tax ($16.2 million pre tax), largely related to a reduction in the asbestos liability provision in the United States. This compares to a statutory net loss of $150.0 million for the previous year, which included a significant item charge of $179.6 million related primarily to restructuring costs and non-cash impairment charges to reduce the carrying value of the Viridian glass operations.

Net finance costs of $18.6 million were down from $22.2 million and included an ongoing charge to restate the value of CSR's asbestos provision into present value dollars of $12.1 million and finance costs to maintain banking facilities.

Tax expense of $24.1 million (pre significant items) was up from $4.9 million due to the increase in pre tax profits compared to the previous year. CSR's effective tax rate for the year was 22.5% reflecting lower R&D tax credits.

The company ended the year with net debt of $28.5 million compared to a net debt position of $25.1 million at 31 March 2013.

Capital expenditure (excluding Property) was $52.7 million, representing 69% of depreciation, up from $50.9 million in the previous year, excluding acquisitions. Of this, $30.9 million was for stay-in-business capital projects and $21.8 million was development related capital expenditure.

CSR continued to invest in its Property business, specifically at the Brendale industrial site in Brisbane and Chirnside Park residential development in Melbourne. This investment was largely offset by proceeds from previous transactions and resulted in a net cash outflow from Property of $1.0 million.

The Board has resolved to pay an unfranked final dividend of 5.0 cents per share on 8 July 2014.

This brings the full year dividend to 10.0 cents per share and represents a dividend payout ratio of 70% of net profit after tax (pre significant items). For Australian tax purposes, 100% of the dividend will be conduit foreign income.

The company's dividend reinvestment plan (DRP) will operate for the final dividend payable on 8 July 2014. The last date for receipt of the election notice for participation in the DRP is 6 June 2014, being the business day after the dividend record date of 5 June 2014. For the final dividend, shares will be acquired on-market and transferred to participants under the DRP. For further details of the DRP please refer to the DRP Terms and Conditions available on CSR's website (www.csr.com.au).

Product liability

CSR's financial statements include 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.

For the year ended 31 March 2014, CSR paid net asbestos-related claims of $33.8 million which was down 3% from $34.7 million in the previous year.

As at 31 March 2014, the product liability provision was $369.1 million, a reduction of $54.7 million compared to $423.8 million at 31 March 2013. This reflects reductions in actuarial estimates in relation to the United States liability to bring settlement values more in line with Australian levels.

Asbestos reconciliation [A$ million]	
Opening balance as of 1 April 2013	423.8
Cash paid	(33.8)
Unwind of discounting	12.1
Decrease in provision (sig items)	(33.0)
Closing balance as of 31 March 2014	**369.1**

The provision includes a prudential margin of $73.8 million or 25% above the aggregate of the central estimate of CSR's total future asbestos liabilities. The prudential margin is determined by CSR's directors, having regard to the prevailing litigation environment, any material uncertainties that may affect future liabilities and consideration of the Australian dollar to United States dollar exchange rate.

Change in classification of asbestos-related liabilities in future reporting periods

Each reporting period, CSR recognises an expense to restate its asbestos liability in present value terms, for the current period. This "discounting unwind adjustment" is recognised as a finance charge in CSR's net profit.

To assist readers of the financial statements in interpreting CSR's financial performance, in future reporting periods, the company will recognise this adjustment as a significant item. This will bring the treatment of the "discounting unwind adjustment" in line with the way in which CSR reports all other profit and loss related movements in the asbestos liability. The change, which will take effect from 1 April 2014, will have no impact on the value of CSR's reported statutory net profit.

Building Products market overview

Year ended 31 March	2014	2013	Change
Australia			
Detached housing (12 month starts – 000s)[1]	**94.6**	89.6	6%
Other residential (12 month starts – 000s)[1]	**68.7**	57.0	21%
Total dwellings (12 month starts – 000s)[1]	**163.3**	146.6	11%
Non-residential construction activity (A$B)[2]	**35.3**	33.5	5%
Alterations & additions (A$B)[2]	**7.0**	7.0	0%
New Zealand residential consents (000s)[3]	**18.8**	15.4	22%

1 Source ABS data – (twelve months to September)
2 Source ABS (value of work done – twelve months to March forecast BIS Shrapnel)
3 Source Statistics New Zealand – (residential consents - twelve months to September)

Detached housing starts, a key market for CSR's building products portfolio, were up 6% on a two-quarter lag basis for the year to 31 March 2014. The New South Wales market was up 15% and Western Australia up 35%, while detached activity in Queensland was down 3% as the market shifts to a greater proportion of multi-residential housing. The largest detached housing market in Victoria was down 7% following strong activity over the last three years.

The other residential segment, which includes multi-residential housing, was up 21% with activity evenly split between low rise (semi-detached and units up to three-storey) and high rise (units four-storey and higher) segments. The multi-residential market is continuing to increase its share of total residential construction, accounting for 42%, up from 39% in the previous year.

Building Products results

Year ended 31 March [A$ million unless stated] Pre significant items	2014	2013	Change
Trading revenue	1,029.2	970.0	6%
EBITDA	130.6	113.0	16%
EBIT	92.6	77.4	20%
Funds employed[1]	791.5	769.5	3%
EBIT/trading revenue	9.0%	8.0%	

1 Excludes cash and tax balances

Building Products trading revenue was up 6% due to a combination of volume growth and improved pricing in most product categories.

EBIT was up 20% with earnings growth across most businesses, reflecting the incremental benefit from improved revenues and operational cost improvements. A number of projects were completed across the manufacturing sites to lower energy consumption, improve product quality and reduce manufacturing costs. As a consequence, EBIT margins increased to 9%, up from 8%.

Lightweight Systems include Gyprock™ plasterboard, Cemintel™ fibre cement, Ceilector™ and Potter™ interior systems, and Hebel® lightweight concrete products. The division also includes the Bradford™ businesses (Insulation and Energy Solutions) and the Edmonds™ ventilation, as well as the recently acquired Martini polyester business.

Lightweight Systems trading revenue was up 7% to $745.1 million from $699.2 million.

Gyprock increased earnings through a combination of improved pricing and factory efficiencies at all major sites. The business maintained its market-leading brand position through investing in innovative products designed for the demands of the Australian market and focusing on product quality, operational improvement and customer service.

Steady volumes saw **Cemintel** record earnings in line with the previous year. Growth continues for new products such as the Designer Series™ pre-finished external cladding range and fibre cement flooring systems.

CSR's commercial ceilings businesses of **Ceilector** in Australia and **Potter Interior Systems** in New Zealand continue to increase earnings from growth in the office refurbishment segment and expansion into the aluminium partition market through the acquisition of Alsupply located in New South Wales.

Earnings in **Hebel,** CSR's autoclaved aerated concrete panels business, were higher as a result of the growth in apartment buildings and the "supply and fix" offer for detached housing, both of which offset lower project revenue in the civil infrastructure segment.

Earnings increased in **Bradford** following improved pricing and higher volumes in line with market activity. The result also includes five months' contribution from the acquisition of Martini, a leading manufacturer of polyester and distributor of reflective foil which has extended Bradford's product line into adjacent markets.

Bricks and Roofing includes the PGH™ bricks and Monier™ roofing businesses.

Trading revenue increased by 5% to $284.1 million with higher pricing and volumes reflecting the pick-up in detached housing demand in Australia and New Zealand.

In **Bricks**, revenue and earnings increased with modest volume improvements. Margins were higher following improved product mix and production efficiencies. The result also included an increased contribution from the NZ Brick Distributors joint venture following strong growth in residential activity and realisation of overhead and distribution efficiencies underpinning the formation of the joint venture.

Earnings in **Roofing** were lower as improved results in New South Wales and Queensland were more than offset by lower demand in Monier's key market of Victoria, where detached housing starts fell 7%.

On 4 April 2014, CSR and Boral announced their intention to form a joint venture to combine their brick operations on the east coast of Australia. The proposed joint venture will be owned 60% by CSR and 40% by Boral, reflecting the valuation of the two businesses. Completion of the transaction is subject to clearance by the Australian Competition and Consumer Commission (ACCC) with the review currently underway.

The joint venture will deliver efficiencies across the combined network of operations, which could not otherwise be achieved by the two companies acting separately. This will improve returns and strengthen the competitiveness of the combined business relative to other brick and cladding suppliers.

Viridian results

Year ended 31 March [A$ million unless stated] **Pre significant items**	**2014**	2013	Change
Trading revenue	**262.0**	268.2	(2%)
EBITDA	**(4.1)**	(14.1)	71%
EBIT	**(14.9)**	(38.8)	62%
Funds employed[1]	**183.0**	161.9	13%
EBIT/trading revenue	**NM**	NM	

1 Excludes cash and tax balances

Viridian's trading revenue declined by 2% to $262.0 million, largely as a consequence of restructuring initiatives undertaken during the period, which reduced Viridian's operational footprint and significantly improved profitability.

As a consequence of the major restructuring program launched in March 2013, Viridian recorded an EBIT loss of $14.9 million, a $23.9 million improvement on the prior year. This result included the benefit of a $14.0 million reduction in depreciation due to the asset impairment recorded at 31 March 2013 and associated restructuring initiatives.

The restructure of Viridian is on track with key milestones achieved to date including:

- New management and organisational structure in place
- $18 million reduction in costs
- Closure of major sites at Ingleburn and Wetherill Park in New South Wales completed on time and within budget
- Completion of a major import agreement to supplement bulk glass production at Dandenong in Victoria

These initiatives have ensured that Viridian achieved its target of moving to a positive EBITDA in the final months of the year ended 31 March 2014.

For the upcoming year, Viridian will benefit from the full year effect of these restructuring initiatives and will focus on optimising its supply chain to drive further efficiencies, growing revenues and improving performance in its Commercial and Design business unit.

Aluminium market overview

Year ended 31 March	**2014**	2013	Change
LME 3 month average price in US$	**US$1,815**	US$2,007	(10%)
US$/A$ exchange rate	**0.933**	1.031	10%
LME 3 month average price in A$	**A$1,945**	A$1,947	0%
GAF realised price in A$ (including hedging and premiums)	**A$2,328**	A$2,277	2%

Aluminium prices declined through the year due to continued global uncertainty and high levels of aluminium stored in London Metal Exchange (LME) and non-LME warehouses. The US dollar aluminium price traded in a relatively narrow band during the year with the average price of US$1,815 per tonne down 10% compared to the prior year.

Offsetting the decline in US dollar aluminium prices was a lower Australian dollar falling 10% compared to the previous year. In addition, ingot premiums, the premium paid to aluminium suppliers above the LME aluminium price, remained at record levels. As a result, the realised aluminium price in Australian dollars after hedging and premiums for **Gove Aluminium Finance** (GAF – 70% CSR) was A$2,328 per tonne, up 2% from the previous year.

Ingot premiums have continued to rise in the first quarter of the new financial year beginning 1 April 2014 due to ongoing tightness in the supply of physical aluminium and the continued financing and warehousing of aluminium inventories. Relatively high ingot premiums are likely to continue in the short to medium term.

Aluminium results

Year ended 31 March [A$ million unless stated] **Pre significant items**	**2014**	2013	Change
Sales (tonnes)	**195,591**	195,095	0%
Trading revenue	**455.4**	444.2	3%
EBITDA	**78.8**	78.3	1%
EBIT	**51.9**	50.3	3%
Funds employed[1]	**199.2**	222.4	(10%)
EBIT/trading revenue	**11.4%**	11.3%	

1 Excludes cash, tax and fair value of derivative balances

GAF sales volume of 195,591 tonnes was marginally higher following continued operational improvements at Tomago. Trading revenue of $455.4 million was up 3%, reflecting the higher realised price which includes hedging and premiums.

EBIT of $51.9 million was up 3% with the EBIT margin improving slightly to 11.4%.

Property results

Year ended 31 March [A$ million unless stated]	**2014**	2013	Change
EBIT	**17.3**	---	NM

CSR's Property division delivered earnings of $17.3 million. The result includes the sale of seven hectares of surplus land at Oxley in Queensland and seven hectares of industrial land at Erskine Park in New South Wales.

Stage 1 of the 533 lot residential subdivision at Chirnside Park in Melbourne was completed with the title registrations being issued on 27 March 2014. This enabled settlement of a number of contracts to be included in the result, with the remaining Stage 1 contracts completing settlement in April 2014 which will be included in the result for the year ending 31 March 2015.

Construction continues on Stages 2 and 3 at Chirnside Park with a further 130 contracts exchanged to date.

Other projects include the development of the remaining 30-hectare industrial site at Brendale in Brisbane and the multi-residential site to be located above a Gyprock Trade Centre in Pyrmont in Sydney. Marketing continues for the remaining two hectares of land at Erskine Park.

Group outlook for the year ending 31 March 2015 (YEM15)

Building approvals for both detached and multi-residential housing continue to grow strongly. This is expected to lead to increased demand for CSR's products over the next few years as multi-residential projects near completion.

In the year ahead, Building Products should also benefit from expansion into new markets through its recent acquisitions, including AFS.

Viridian will benefit from the full year effect of cost reduction initiatives and remains on track to exit the financial year with a breakeven EBIT run-rate. Additional longer-term opportunities exist to improve performance to return the business to profitability in future years.

In Aluminium, GAF continues to lock-in returns in its hedge book when opportunities arise with 58% of net sales hedged for the first half of YEM15. The overall position for YEM15 is that 50% of net sales are currently hedged at an average price of A$2,176 per tonne (before premiums).

Property earnings are always subject to timing with a targeted range of $15-$20 million per year on average, with a solid pipeline of transactions currently under negotiation.

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CSR Limited

ABN 90 000 001 276

Directors of CSR Limited

The Directors of CSR Limited at any time during the year ended 31 March 2014 are as follows:

Jeremy Sutcliffe
Kathleen Conlon
Ray Horsburgh[1]
Michael Ihlein
Rebecca McGrath
Matthew Quinn[2]
Rob Sindel

1 – Resigned on 20 August 2013
2 – Appointed on 20 August 2013

Signed in accordance with a resolution of the directors.

Rob Sindel
Managing Director

Sydney, 14 May 2014

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

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

14 May 2014

Dear Directors,

CSR Limited

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

As lead audit partner for the audit of the financial statements of CSR Limited for the financial year ended 31 March 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

Statement of financial performance

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH

($ MILLION)	NOTE	2014	2013 (Restated)[a]
Trading revenue - sale of goods		**1,746.6**	1,682.4
Cost of sales		**(1,235.2)**	(1,229.6)
Gross margin		**511.4**	452.8
Other income	5	**55.9**	9.6
Warehouse and distribution costs		**(176.5)**	(177.0)
Selling, administration and other operating costs		**(240.8)**	(225.6)
Share of net profit of joint ventures		**9.4**	8.4
Other expenses	5	**(17.5)**	(255.7)
Profit (loss) before finance and income tax		**141.9**	(187.5)
Interest income	6	**2.5**	2.7
Finance cost	6	**(21.1)**	(24.9)
Profit (loss) before income tax		**123.3**	(209.7)
Income tax (expense) benefit	7	**(24.2)**	70.2
Net profit (loss)		**99.1**	(139.5)
Net profit attributable to non-controlling interests		**11.0**	10.5
Net profit (loss) attributable to shareholders of CSR Limited [b]		**88.1**	(150.0)
EARNINGS PER SHARE (CENTS)			
Basic earnings per share - based on net (loss) profit attributable to shareholders of CSR Limited [c]		**17.4**	(29.6)
Diluted earnings per share - based on net (loss) profit attributable to shareholders of CSR Limited [c]		**17.4**	(29.6)

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

b Net profit before significant items attributable to shareholders of CSR Limited is $72.0 million (2013: $29.6 million). Refer to Note 3 to the financial statements.

c Weighted number of ordinary shares on issue used in the calculation of earnings per share is 506.0 million (2013: 506.0 million).

Notes to the financial statements are annexed.

Statement of comprehensive income

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH

($ MILLION)	2014	2013 (Restated)[a]
Net profit (loss)	**99.1**	(139.5)
Other comprehensive income (expense)		
Items that may be reclassified to profit or loss		
Hedge profit recognised in equity	**9.6**	10.9
Hedge (profit) transferred to the statement of financial performance	**(13.3)**	(15.3)
Exchange differences arising on translation of foreign operations	**2.4**	1.0
Income tax relating to these items	**1.1**	1.3
Items that will not be reclassified to profit or loss		
Actuarial gain on superannuation defined benefit plans	**17.1**	7.4
Income tax relating to these items	**(5.1)**	(2.2)
Other comprehensive income (expense) for the period (net of tax)	**11.8**	3.1
Total comprehensive income (expense)	**110.9**	(136.4)
Total comprehensive income (expense) attributable to:		
Shareholders of CSR Limited	**100.8**	(146.0)
Non-controlling interests	**10.1**	9.6
Total comprehensive income (expense)	**110.9**	(136.4)

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

Notes to the financial statements are annexed.

Statement of financial position

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
AS AT 31 MARCH

($ MILLION)	NOTE	2014	2013
Current assets			
Cash and cash equivalents		**5.9**	11.9
Receivables		**251.1**	244.8
Inventories		**326.4**	315.0
Other financial assets		**12.2**	14.4
Income tax assets		**30.2**	43.8
Other current assets		**6.3**	8.1
Total current assets		**632.1**	638.0
Non-current assets			
Receivables		**69.4**	60.6
Inventories		**66.1**	61.4
Investments accounted for using the equity method		**44.4**	37.3
Other financial assets		**0.4**	1.0
Property, plant and equipment		**842.3**	881.3
Goodwill		**29.2**	22.6
Other intangible assets		**31.4**	27.4
Deferred income tax assets		**272.8**	288.5
Other non-current assets		**16.8**	14.6
Total non-current assets		**1,372.8**	1,394.7
Total assets		**2,004.9**	2,032.7
Current liabilities			
Payables		**195.0**	201.7
Borrowings		**34.4**	2.5
Other financial liabilities		**1.4**	0.9
Tax payable		**6.8**	3.4
Provisions		**187.6**	201.0
Total current liabilities		**425.2**	409.5
Non-current liabilities			
Payables		**5.4**	1.7
Borrowings		**-**	34.5
Provisions		**378.6**	432.3
Deferred income tax liabilities		**25.2**	31.5
Other non-current liabilities		**16.7**	36.6
Total non-current liabilities		**425.9**	536.6
Total liabilities		**851.1**	946.1
Net assets		**1,153.8**	1,086.6
Equity			
Issued capital	8	**1,042.2**	1,042.2
Reserves	9	**17.0**	17.4
Retained profits		**39.4**	(24.8)
Equity attributable to shareholders of CSR Limited		**1,098.6**	1,034.8
Non-controlling interests		**55.2**	51.8
Total equity		**1,153.8**	1,086.6

Notes to the financial statements are annexed.

Statement of changes in equity

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH

($ MILLION)	ISSUED CAPITAL	HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	EMPLOYEE SHARE RESERVE	OTHER RESERVES	RETAINED PROFITS	ATTRIBUTABLE TO CSR LIMITED SHARE-HOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Balance at 1 April 2013	**1,042.2**	**7.7**	**(9.7)**	**19.4**	**-**	**(24.8)**	**1,034.8**	**51.8**	**1,086.6**
Net profit	**-**	**-**	**-**	**-**	**-**	**88.1**	**88.1**	**11.0**	**99.1**
Exchange differences arising on translation of foreign operations	**-**	**-**	**2.4**	**-**	**-**	**-**	**2.4**	**-**	**2.4**
Hedge profit recognised in equity	**-**	**6.6**	**-**	**-**	**-**	**-**	**6.6**	**3.0**	**9.6**
Hedge (profit) transferred to the statement of financial performance	**-**	**(9.0)**	**-**	**-**	**-**	**-**	**(9.0)**	**(4.3)**	**(13.3)**
Actuarial gain on superannuation defined benefit plans	**-**	**-**	**-**	**-**	**-**	**17.1**	**17.1**	**-**	**17.1**
Income tax relating to components of other comprehensive income	**-**	**0.7**	**-**	**-**	**-**	**(5.1)**	**(4.4)**	**0.4**	**(4.0)**
Total comprehensive (expense) income	**-**	**(1.7)**	**2.4**	**-**	**-**	**100.1**	**100.8**	**10.1**	**110.9**
Payment of ordinary dividends	**-**	**-**	**-**	**-**	**-**	**(35.9)**	**(35.9)**	**(9.1)**	**(45.0)**
Other items recognised directly in equity	**-**	**-**	**-**	**-**	**(3.3)**	**-**	**(3.3)**	**-**	**(3.3)**
Non-controlling interests on acquisition of subsidia	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.4**	**2.4**
Recognition of share based payments	**-**	**-**	**-**	**1.8**	**-**	**-**	**1.8**	**-**	**1.8**
Income tax relating to share based payments	**-**	**-**	**-**	**0.4**	**-**	**-**	**0.4**	**-**	**0.4**
Balance at 31 March 2014	**1,042.2**	**6.0**	**(7.3)**	**21.6**	**(3.3)**	**39.4**	**1,098.6**	**55.2**	**1,153.8**
Balance at 1 April 2012	1,042.2	9.9	(10.7)	18.4	-	170.6	1,230.4	48.3	1,278.7
Net Profit[a]	-	-	-	-	-	(150.0)	(150.0)	10.5	(139.5)
Exchange differences arising on translation of foreign operations	-	-	1.0	-	-	-	1.0	-	1.0
Hedge profit recognised in equity	-	7.5	-	-	-	-	7.5	3.4	10.9
Hedge (profit) transferred to the statement of financial performance	-	(10.7)	-	-	-	-	(10.7)	(4.6)	(15.3)
Actuarial gain on superannuation defined benefit plans[a]	-	-	-	-	-	7.4	7.4	-	7.4
Income tax relating to components of other comprehensive income[a]	-	1.0	-	-	-	(2.2)	(1.2)	0.3	(0.9)
Total comprehensive (expense) income	-	(2.2)	1.0	-	-	(144.8)	(146.0)	9.6	(136.4)
Payment of ordinary dividends	-	-	-	-	-	(50.6)	(50.6)	(6.1)	(56.7)
Recognition of share based payments	-	-	-	1.0	-	-	1.0	-	1.0
Balance at 31 March 2013	1,042.2	7.7	(9.7)	19.4	-	(24.8)	1,034.8	51.8	1,086.6

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

Notes to the financial statements are annexed.

Statement of cash flows

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH

($ MILLION)	NOTE	2014	2013
Cash flows from operating activities			
Receipts from customers		**1,894.8**	1,829.9
Payments to suppliers and employees		**(1,796.7)**	(1,767.7)
Dividends and distributions received		**10.5**	10.4
Interest received		**3.0**	2.9
Income tax received (paid)		**0.5**	(11.9)
Net cash from operating activities		**112.1**	63.6
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(102.0)**	(92.5)
Proceeds from sale of property, plant and equipment and other non-current assets		**53.1**	18.7
Costs associated with acquisition and disposal of businesses	15, 16	**(1.5)**	(2.1)
Purchase of controlled entities and businesses, net of cash acquired	15	**(10.1)**	-
Loans and receivables advanced		**(3.5)**	(4.4)
Net cash used in investing activities		**(64.0)**	(80.3)
Cash flows from financing activities			
Net proceeds from (repayment of) borrowings		**(2.6)**	36.9
Dividends paid		**(45.0)**	(56.7)
Interest and other finance costs paid		**(7.2)**	(6.8)
Net cash used in financing activities		**(54.8)**	(26.6)
Net decrease in cash held		**(6.7)**	(43.3)
Net cash at the beginning of the financial year		**11.9**	55.8
Effects of exchange rate changes		**0.7**	(0.6)
Net cash at the end of the financial year		**5.9**	11.9

Reconciliation of net cash

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

Cash at banks and on hand	**5.9**	11.9
Total cash	**5.9**	11.9

Notes to the financial statements are annexed.

Significant accounting policies

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

ADDITIONAL CASH FLOW INFORMATION

During the financial year ended 31 March 2014, CSR Limited purchased shares for employees of the CSR group under the terms of the Universal Share/Option Plan. These cash flows are classified as operating activities.

During the financial year ended 31 March 2014, $28.7 million was paid in dividends and $7.2 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 within financing activities on the statement of cashflows.

Credit standby facilities

The CSR group has a total of $535.0 million (2013: $535.0 million) committed standby facilities. These facilities have fixed maturity dates as follows: $155.0 million in the second half of financial year 2015, $165.0 million in financial year 2016, $150.0 million financial year 2017, with the balance of $65.0 million in financial year 2018. As at 31 March 2014, $504.6 million of the standby facilities were undrawn.

OTHER NOTES

BASIS OF PREPARATION

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

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2014, and are consistent with those of the previous year, unless otherwise stated.

BASIS OF CONSOLIDATION

The consolidated financial statements have been prepared by aggregating the financial statements of all the entities that comprise the CSR group, being CSR Limited and its controlled entities. In these consolidated financial statements:

- results of each controlled entity are included from the date CSR Limited obtains control and until such time as it ceases to control an entity; and
- all inter-entity balances and transactions are eliminated.

Control is achieved where CSR Limited is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity.

Entities controlled by CSR Limited are under no obligation to accept responsibility for liabilities of other common controlled entities except where such an obligation has been specifically undertaken.

JOINT VENTURE AND ASSOCIATE ENTITIES

Investments in joint venture and associate entities have been accounted for under the equity method in the CSR group financial statements.

JOINT VENTURE OPERATIONS

Interests in joint venture operations are recorded in the financial statements by including the entity's share of assets employed, the share of liabilities incurred, and the share of any expenses incurred in relation to joint venture operations in their respective categories.

CHANGE IN ACCOUNTING POLICIES: NEW OR REVISED ACCOUNTING STANDARDS

The CSR group has adopted all amendments to Australian Accounting Standards which became applicable from 1 April 2013. The CSR group applies, for the first time, certain standards and amendments that apply retrospectively and require restatement of previous financial statements.

Employee benefits

The CSR group adopted AASB 119 Employee benefits (revised) from 1 April 2013. The revised standard includes changes to the recognition of income and expenses associated with the superannuation defined benefit plans in which the CSR group participates. Under the revised standard, return on plan assets has been calculated based on the rate used to discount the obligations rather than the expected rate of return on these assets.

The CSR group has obtained actuarial assessments and applied amendments retrospectively resulting in a $3.1 million decrease in profit after tax ($4.4 million before tax) and a corresponding increase in other comprehensive income for the financial year ended 31 March 2013. Earnings per share based on net profit attributable to shareholders of CSR Limited has been restated for the financial year ended 31 March 2013 resulting in a decrease of 0.6 cents per share to 29.6 cents per share loss.

In addition, the revised standard requires discounting of annual leave provisions for balances which are not expected to be utilised within 12 months. This change has not had a significant impact on the CSR group for the current or comparative financial year.

Fair value measurement

AASB 13 Fair value measurement requires inclusion of a measure for credit risk in the calculations of assets and liabilities recorded at fair value. This change in accounting policy is applied prospectively and has not had a significant impact on the fair value of the CSR group's assets and liabilities for the financial year ended 31 March 2014.

Control and joint arrangements

The following standards have been adopted by the CSR group for the first time for the financial year ended 31 March 2014:

- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements; and
- AASB 12 Disclosure of Interests in Other Entities.

AASB 10 Consolidated Financial Statements provides a single consolidation model for all entities based on control and irrespective of the nature of the investee. The definition of control is focused on power over the investee and the ability to use this power to affect returns from the entity whether obtained through voting rights or some other contractual arrangement.

AASB 11 Joint Arrangements provides a new definition of joint venture and joint operation and removes optionality around accounting for joint arrangements. Joint ventures are defined by a right to net profit and net assets of the joint arrangement and are required to be equity accounted. Joint operations are defined by a right to assets and obligation for liabilities of the joint arrangements. Share of assets, liabilities, revenues and expenses of joint operations are proportionately consolidated.

There has been no change in accounting for existing arrangements for the financial year ended 31 March 2014 as a result of applying these standards. However, should any arrangements take place which change existing interests or create new interests in controlled entities, the accounting for such transactions may be different to that applied to transactions in the past.

IMPACT OF ACCOUNTING STANDARDS AND INTERPRETATIONS ON ISSUE BUT NOT YET EFFECTIVE

The following Australian Accounting Standards and Interpretations have not yet been adopted by the CSR group and are expected to be applicable for the financial year ending 31 March 2018:

AASB 9 Financial Instruments (effective date deferred)

Provides a simplified model for classifying and recognising financial instruments. It amends hedge accounting requirements to align more closely with an entity's risk management framework and permits entities to present changes in its own credit risk in respect of liabilities designated at fair value through profit or loss within other comprehensive income (OCI). The group has yet to assess the impact of this standard.

Significant accounting policies (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

CURRENCY
Unless otherwise shown in the financial statements, amounts are in Australian dollars, which is the CSR group's functional currency.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
The following are critical judgements and key assumptions that management has made in the process of applying the CSR group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Product liability: CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. CSR's involvement in asbestos ceased with the disposal of the Wunderlich asbestos cement business in 1977. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States. At 31 March 2014, a provision of $369.1 million (2013: $423.8 million) has been made for all known claims and reasonably foreseeable future claims.

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 apply a suitable discount rate in order to calculate the present value. Future cash flows take into consideration forecast changes in the building cycle, aluminium prices and exchange rate where appropriate.

Cash flows are reforecast annually, covering the next ten years and valuations are calculated using a post-tax discount rate of 10.2% for all segments other than Aluminium which uses 12.2% . Discounted cash flow projections over a ten year period are deemed appropriate given the cyclical nature of the markets in which the CSR group operates. The first five years represent financial plans forecast by management, based on the CSR group's view of the respective cycle, with years six to ten applying averaging assumptions to ensure cash flows in year ten are sufficiently stable to be representative as the terminal value. A terminal value is used from year eleven onwards including a terminal growth rate, which was 2.5% in the year ended 31 March 2014 (2013: 2.5%).

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

Provision for uninsured losses and future claims: The provision for uninsured losses and future claims relates to the CSR group's self insurance for workers' compensation program. 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. As at 31 March 2014, a provision of $31.3 million (2013: $32.4 million) has been made for all known claims and reasonably forseeable future claims. Management assesses the provision at each reporting date and obtains reports from independent experts annually.

Non consolidation of entities in which the CSR group holds more than 50%: The directors have also determined that they do not control Viridian Glass Limited Partnership even though the CSR group owns 58% of the interest of this entity. It is not a controlled entity of CSR Limited because the decisions over the relevant activities of the entity require unanimous consent between the two partners.

Classification of joint arrangements: The agreements in relation to the existing joint arrangements require unanimous consent over the relevant activities between the group and at least one other participant. Where the CSR group is jointly and severally liable for the liabilities incurred by the partnership it will classify the entity as a joint operation and recognise its direct right to the assets and liabilities. Where the CSR group and the parties to the agreements only have rights to the net assets of each of the partnerships under the arrangements, these entities will be classified as joint ventures of the group and accounted for using the equity method.

SIGNIFICANT ITEMS
Significant items are those which by their size, nature or incidence are relevant in explaining the financial performance of the CSR group, and as such are disclosed separately.

REVENUE RECOGNITION
Trading 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.

LEASES
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the CSR group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received by the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

NET FINANCE COST
Interest income and expense are accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rates.

Funding costs are capitalised and subsequently amortised over the term of the facility. Unwinding of the interest component of discounted assets and liabilities is treated as interest (finance cost).

TAX CONSOLIDATION
Legislation to allow groups, comprising a parent entity and its Australian resident wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes, was substantively enacted on 21 October 2002.

The CSR group has elected for those entities within the CSR group that are wholly owned Australian resident entities to be taxed as a single entity from 1 April 2004.

Prior to the adoption of the tax consolidation system, CSR Limited, as the head entity in the tax consolidated group, agreed to compensate or be compensated by its wholly owned controlled entities for the balance of their current tax liability/(asset) and any tax loss related deferred tax asset assumed by CSR Limited. Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by CSR Limited and each member of the group in relation to the tax contribution amounts paid or payable between CSR Limited and the other members of the tax consolidated group in accordance with the arrangement.

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).

Significant accounting policies (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

Deferred income tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. In principle, deferred tax assets or liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. A deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the CSR group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and when the CSR group intends to settle the tax assets and liabilities on a net basis.

No provision for withholding tax has been made on undistributed earnings of overseas controlled entities where there is no intention to distribute those earnings.

Current and deferred tax is recognised as an expense in the statement of financial performance except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from an initial accounting for a business acquisition, in which case it is taken into account in the determination of goodwill.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

FOREIGN CURRENCY

All foreign currency transactions during the financial year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date. Exchange differences are brought to account in profit or loss in the period in which they arise except if designated as cash flow hedges.

On consolidation, the results and financial position of foreign operations are translated as follows:

- assets and liabilities are translated using exchange rates prevailing at the end of the reporting period;
- income and expense items are translated at the average exchange rates for the period; and
- exchange differences arising, if any, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the operation.

CASH AND CASH EQUIVALENTS

Net cash is defined as cash at banks and on hand and cash equivalents, net of bank overdrafts. Cash equivalents include highly liquid investments which are readily convertible to cash, and loans which are not subject to a term facility.

TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. An allowance for doubtful debts is raised based on a review of outstanding balances at balance date. Bad debts are written off against the allowance account and any other change in the allowance account is recognised in the statement of financial performance.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs included in inventories consist of materials, labour and manufacturing overheads which are related to the purchase and production of inventories. The value of inventories is derived by the method most appropriate to each particular class of inventories. The major portion is valued on either a first-in-first-out or average cost basis.

ACQUISITION OF ASSETS

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition. In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their value as at the date of acquisition.

DEPRECIATION

Depreciable assets are depreciated at rates based upon their expected economic life using the straight-line method.

INTANGIBLE ASSETS

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

Other intangible assets, including software and capitalised development costs, are initially recorded at cost and subsequently amortised over the period over which the benefits are expected to arise; in most cases, this is five years.

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.

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.

Significant accounting policies (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

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.

PUT OPTION LIABILITIES FOR NON-CONTROLLING INTERESTS
Contracts that contain an obligation to pay cash in the future to purchase minority shares, even if the payment is conditional on the option being exercised by the holder, are recorded as a financial liability.

The initial redemption liability is recorded against equity. The financial liability is recognised at the present value of the expected redemption amount. Any adjustments to the liability are recorded through equity.

PAYABLES
Trade and other payables are recognised when the CSR group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at their amortised cost.

BORROWINGS
Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate method.

EMPLOYEE BENEFITS
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee obligations (based on wage rates expected at the time of settling the liability) when it is probable that settlement will be required and they are capable of being reliably measured.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the CSR group.

For superannuation defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full, directly in retained profits, in the period in which they occur, and are presented in the statement of comprehensive income. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Contributions to superannuation defined contribution plans are expensed when incurred and the CSR group's legal or constructive obligation is limited to these contributions.

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PROVISIONS
Provisions are recognised when the CSR group has a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will be required and the obligation can be reliably estimated.

Product liability: The CSR group's provision for product liability is determined using reports provided by independent experts in each of Australia and the United States. The CSR group has included within the provision an appropriate prudential margin. Refer to Note 14 for further information on the basis for determining the product liability provision.

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

Provision for uninsured losses and future claims: The provision for uninsured losses and future claims relates to the CSR group's self insurance for workers' compensation program. The provision recognises the best estimate of the consideration required to settle the present obligation for anticipated compensation payments and is determined at each reporting date using reports provided by independent experts annually.

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.

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.

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.

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

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

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

Notes to the financial statements

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

1. SEGMENT INFORMATION

Operating and 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 in their role as the chief operating decision makers (CODM) in assessing performance and in determining the allocation of resources. Operating segments are identifed by management and the board of directors based on the nature of the product sold and production processes involved. Reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the CSR group's major risks and have the most effect on the rates of return. Each of the business units disclosed below has been determined as both an operating segment and reportable segment.

Building Products	Lightweight Systems (Gyprock plasterboard, Hebel aerated autoclaved concrete products, Cemintel fibre cement, Ceilector Ceiling Solutions, and Rondo rollformed steel products) and Insulation (Bradford insulation and Edmonds ventilation systems). Bricks and Roofing (PGH bricks, Monier roofing, MySteel roofing solutions and Topcat safety rail).
Glass	The Glass business includes the operations of Viridian, Australia's leading architectural glass provider and the only manufacturer of float glass and hardcoated performance products in Australia. It operates two main businesses - manufacturing clear float, coated and bulk laminate glass in Victoria and downstream value-added processing of glass from a number of facilities across Australia. It also participates in a glass processing joint venture in New Zealand.
Aluminium	The Aluminium business unit relates to the CSR group's 70% interest in Gove Aluminium Finance Limited, which in turn holds a 36.05% joint venture interest in the Tomago aluminium smelter (i.e. an effective interest of 25.24%). Gove Aluminium Finance Limited sources alumina, has it toll manufactured by Tomago and then sells aluminium into predominantly the Asian market. Products from the Aluminium business include aluminium ingots, billets and slabs.
Property	The Property business unit generates returns typically from the sale of former operating sites by advancing the sites through various stages of the development cycle. In addition, this business is currently involved in a small number of large-scale developments in NSW, Queensland and Victoria. These projects, in most cases, are in-fill developments (currently vacant land or discontinued operating sites within otherwise built up areas) located in metropolitan regions.

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

Transfers of assets between segments are recognised at cost.

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

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

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

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

1. SEGMENT INFORMATION (CONTINUED)

($ MILLION)	PROFIT (LOSS) BEFORE INCOME TAX 2014	PROFIT (LOSS) BEFORE INCOME TAX 2013 (Restated)[a]	INCOME TAX (BENEFIT) EXPENSE 2014	INCOME TAX (BENEFIT) EXPENSE 2013 (Restated)[a]	NON-CONTROLLING INTERESTS 2014	NON-CONTROLLING INTERESTS 2013	NET PROFIT (LOSS) 2014	NET PROFIT (LOSS) 2013 (Restated)[a]
Business segments								
Building Products	**92.6**	77.4	**25.8**	20.8	**0.1**	-	**66.7**	56.6
Glass	**(14.9)**	(38.8)	**(4.9)**	(12.1)	**-**	-	**(10.0)**	(26.7)
Aluminium	**51.9**	50.3	**12.4**	10.3	**10.9**	11.4	**28.6**	28.6
Property	**17.3**	-	**3.3**	(1.4)	**-**	-	**14.0**	1.4
Segment total	**146.9**	88.9	**36.6**	17.6	**11.0**	11.4	**99.3**	59.9
Corporate [b]	**(15.7)**	(13.8)	**(5.7)**	(4.5)	**-**	-	**(10.0)**	(9.3)
Restructuring and provisions [c]	**(5.5)**	(7.0)	**(1.1)**	(1.5)	**-**	-	**(4.4)**	(5.5)
Earnings before interest and significant items	**125.7**	68.1	**29.8**	11.6	**11.0**	11.4	**84.9**	45.1
Net finance cost	**(18.6)**	(22.2)	**(5.7)**	(6.7)	**-**	-	**(12.9)**	(15.5)
Total before significant items	**107.1**	45.9	**24.1**	4.9	**11.0**	11.4	**72.0**	29.6
Significant items (Note 3)	**16.2**	(255.6)	**0.1**	(75.1)	**-**	(0.9)	**16.1**	(179.6)
Total after significant items	**123.3**	(209.7)	**24.2**	(70.2)	**11.0**	10.5	**88.1**	(150.0)

	TOTAL REVENUE [d] 2014	TOTAL REVENUE [d] 2013	SHARE OF NET PROFIT OF JOINT VENTURES 2014	SHARE OF NET PROFIT OF JOINT VENTURES 2013	DEPRECIATION AND AMORTISATION [e] 2014	DEPRECIATION AND AMORTISATION [e] 2013	ADDITIONS TO NON-CURRENT ASSETS [f] 2014	ADDITIONS TO NON-CURRENT ASSETS [f] 2013
Business segments								
Building Products	**1,029.2**	970.7	**11.3**	10.2	**38.0**	35.6	**45.5**	28.9
Glass	**262.1**	268.2	**(0.7)**	(1.0)	**10.8**	24.7	**8.8**	15.0
Aluminium	**458.1**	451.4	**-**	-	**26.9**	28.0	**5.2**	6.9
Property	**20.1**	1.7	**-**	-	**-**	-	**34.3**	22.0
Segment total	**1,769.5**	1,692.0	**10.6**	9.2	**75.7**	88.3	**93.8**	72.8
Corporate [b]	**-**	-	**-**	-	**1.1**	1.0	**1.3**	0.1
Restructuring and provisions [c]	**-**	-	**(1.2)**	(0.8)	**-**	-	**-**	-
Interest revenue	**2.5**	2.7	**-**	-	**-**	-	**-**	-
Total before significant items	**1,772.0**	1,694.7	**9.4**	8.4	**76.8**	89.3	**95.1**	72.9
Significant items (Note 3)	**33.0**	-	**-**	-	**-**	-	**-**	-
Total after significant items	**1,805.0**	1,694.7	**9.4**	8.4	**76.8**	89.3	**95.1**	72.9

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

1. SEGMENT INFORMATION (CONTINUED)

	ASSETS [g]		LIABILITIES		INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		IMPAIRMENT OF ASSETS [h]	
($ MILLION)	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Building Products	**979.2**	930.3	**188.7**	161.2	**22.5**	16.4	**-**	(3.7)
Glass	**250.2**	261.4	**67.3**	99.6	**21.9**	20.9	**-**	(196.1)
Aluminium	**276.6**	304.1	**66.3**	66.5	**-**	-	**-**	-
Property	**153.8**	157.6	**18.8**	28.9	**-**	-	**-**	-
Segment total	**1,659.8**	1,653.4	**341.1**	356.2	**44.4**	37.3	**-**	(199.8)
Unallocated [c]	**36.2**	35.1	**443.6**	518.0	**-**	-	**-**	-
	1,696.0	1,688.5	**784.7**	874.2	**44.4**	37.3	**-**	(199.8)
Cash / borrowings	**5.9**	11.9	**34.4**	37.0	**-**	**-**	**-**	-
Tax assets / liabilities	**303.0**	332.3	**32.0**	34.9	**-**	**-**	**-**	-
Group total	**2,004.9**	2,032.7	**851.1**	946.1	**44.4**	37.3	**-**	(199.8)

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

b Represents unallocated overhead and other revenues.

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

d 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 joint ventures.

e Depreciation and amortisation includes $3.5 million (2013: $3.6 million) amortisation of intangible assets. Other significant non-cash expenses such as asset write downs and impairments, movements in provisions and other rationalisation expenses which are significant items are disclosed in Note 3. Other non-cash expenses are immaterial.

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

g All acquisitions of controlled entities and businesses in 2014 were in Building Products.

h For the year ended 31 March 2013 it includes $196.1 million of asset write downs and impairments of the Viridian business (glass segment) as a result of restructuring and a reassessment of carrying value for this business. Viridian asset write downs and impairments are comprised of $187.4 million property, plant and equipment and other non-current assets and $8.7 million inventory. In addition, write downs of $3.7 million of plant and equipment had also been recorded in the Building Products business during 2013.

Geographical information

The CSR group operates principally in Australia. For the year ended 31 March 2014, the CSR group's trading revenue from external customers in Australia amounted to $1,692.4 million (2013: $1,631.3 million), with $54.2 million (2013: $51.1 million) of trading revenue related to other geographical areas. The CSR group's non-current assets excluding investments accounted for using the equity method, deferred tax assets and other financial assets from continuing operations in Australia amounted to $1,007.2 million at 31 March 2014 (2013: $1,049.6 million), with $48.0 million (2013: $18.3 million) related to other geographical areas.

2. CASH FLOW RECONCILIATION

($ MILLION)	**2014**	2013 (Restated)[a]
Reconciliation of net (loss) profit attributable to shareholders of CSR Limited to net cash from operating activities		
Net profit (loss) attributable to shareholders of CSR Limited	**88.1**	(150.0)
Net profit attributable to non-controlling interests	**11.0**	10.5
Depreciation and amortisation	**76.8**	89.3
Impairment Charges	**-**	187.4
Movement in product liability provision	**(54.7)**	(17.9)
Net change in other provisions	**(12.4)**	(45.1)
Finance costs net of product liability unwind	**9.0**	8.1
Profit on disposal of assets	**(19.6)**	(6.7)
Net change in trade receivables	**(9.1)**	4.4
Net change in current inventories	**2.3**	6.2
Net change in trade payables	**(1.0)**	(9.6)
Movement in current and deferred tax balances	**24.6**	(5.5)
Net change in other assets and liabilities	**(2.9)**	(7.5)
Net cash from operating activities	**112.1**	63.6

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

3. SIGNIFICANT ITEMS

($ MILLION)	2014	2013 (Restated)[a]
Reduction in product liability provision[b]	**33.0**	-
Charge to provision for legal disputes, warranties and land remediation[c]	**(13.3)**	-
Costs related to proposed and completed acquisitions[d]	**(3.5)**	(1.4)
Total Viridian asset write downs, impairments and restructuring[e]	**-**	(241.0)
Other restructuring costs[f]	**-**	(13.2)
Total significant items		
Significant items before income tax	**16.2**	(255.6)
Income tax (expense) benefit on significant items	**(0.1)**	75.1
Significant items after tax	**16.1**	(180.5)
Significant items attributable to non-controlling interests	**-**	0.9
Significant items attributable to shareholders of CSR Limited	**16.1**	(179.6)
Net profit (loss) attributable to shareholders of CSR Limited	**88.1**	(150.0)
Significant items attributable to shareholders of CSR Limited after tax	**16.1**	(179.6)
Net profit before significant items attributable to shareholders of CSR Limited	**72.0**	29.6
EARNINGS PER SHARE (CENTS)		
Before significant items		
Basic earnings per share - based on net profit attributable to shareholders of CSR Limited[g]	**14.2**	5.8
Diluted earnings per share - based on net profit attributable to shareholders of CSR Limited[g]	**14.2**	5.8

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

b For the year ended 31 March 2014, the CSR group recorded income in relation to its product liability provision of $33.0 million, reflecting a decrease in the routine estimate of future asbestos related claims in the United States (after cash payments and adjustments for the present value of future claims).

c For the year ended 31 March 2014, the CSR group recorded a charge of $13.3 million in relation to product warranty claims and ongoing legal disputes as these matters have advanced towards settlement.

d During the year ended 31 March 2014, the CSR group incurred costs associated with potential and completed acquisitions of $3.5 million (2013: $1.4 million).

e On 11 March 2013, the CSR group announced that it had completed a review of the Viridian (glass) business, and concluded that a structural shift experienced in the market for achitectural glass products over recent years was likely to be sustained. A valuation of the business was prepared as at 31 March 2013, and as a result, asset write downs and impairment charges of $196.1 million were recognised, of which $187.4 million was allocated to property, plant and equipment and other non-current assets and $8.7 million to inventory.

In addition, during the year ended 31 March 2013, the decision to close the Viridian float and laminating glass manufacturing facility at Ingleburn (NSW), and the consolidation of the Viridian glass processing facility at Wetherill Park (NSW) into Erskine Park (NSW), resulted in restructuring costs of $34.1 million, largely related to redundancies, asset decommissioning and relocation costs. Further, a provision of $10.8 million was recognised for onerous contractual obligations and other costs, mainly related to property leases. For further details on the valuation of the Viridian business and related impairment and restructure refer to the CSR Annual report for the year ended 31 March 2013.

f During the year ended 31 March 2013, restructuring took place across Building Products, Aluminium and head office and support functions to align CSR group's cost base with current market conditions and secure ongoing efficiencies. Costs are related to redundancies and sundry asset write-offs.

g Weighted number of ordinary shares on issue used in the calculation of earnings per share is 506.0 million (2013: 506.0 million).

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

4. EXPENSES

($ MILLION)	**2014**	2013
Profit before income tax and significant items includes the following items of expenditure:		
Depreciation of non-current assets	**73.3**	85.7
Amortisation of non-current assets	**3.5**	3.6
Increase in allowance for doubtful debts	**-**	1.1

During the financial year ended 31 March 2014 expenses incurred in relation to employee benefits amounted to $433.5 million (2013: $403.5 million).

5. OTHER INCOME AND EXPENSES

($ MILLION)	**2014**	2013
Income		
Significant items	**33.0**	-
Profit on disposal of property, plant and equipment and other assets	**19.6**	6.7
Other	**3.3**	2.9
Total other income	**55.9**	9.6
Expenses		
Significant items	**(16.8)**	(255.6)
Other	**(0.7)**	(0.1)
Total other expenses	**(17.5)**	(255.7)

6. NET FINANCE COST

($ MILLION)	**2014**	2013
Interest expense	**2.7**	2.7
Unwind of discounting on product liability provision	**12.1**	16.8
Unwind of discounting on other non-current provisions	**1.3**	2.3
Other unwind of discounting	**0.6**	-
Funding costs	**4.7**	5.0
Foreign exchange gain	**(0.3)**	(1.9)
Finance cost	**21.1**	24.9
Interest income	**(2.5)**	(2.7)
Net finance cost	**18.6**	22.2

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

7. INCOME TAXES

($ MILLION)	**2014**	2013 (Restated)[a]
Reconciliation of income tax expense (benefit) charged (credited) to the statement of financial performance with income tax calculated on profit (loss) before income tax:		
Profit (loss) before income tax	**123.3**	(209.7)
Income tax expense (benefit) calculated at 30%	**37.0**	(62.9)
Tax effect of amounts which are not (deductible) taxable in calculating taxable income:		
Tax free component of profit on property sales	**(1.9)**	(1.1)
Research and development relating to current year	**(1.8)**	(1.5)
Share of net profit of joint ventures and rebates on dividend income	**(2.8)**	(2.5)
Income tax over provided in prior years [b]	**(1.9)**	(6.0)
Other items [c]	**(4.4)**	3.8
Total income tax expense (benefit) on profit (loss)	**24.2**	(70.2)
Total income tax expense (benefit) comprises:		
Current tax (income)	**(13.2)**	(26.1)
Deferred tax expense (income) relating to the origination and reversal of temporary differences	**37.4**	(44.1)
Total income tax expense (benefit) on profit (loss)	**24.2**	(70.2)

a On 1 April 2013 the CSR group adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the financial year ended 31 March 2013. Refer to Significant Accounting Policies.

b Mainly related to the finalisation of research and development credits from prior years.

c Includes the impact of permanent differences related to significant items.

8. ISSUED CAPITAL

	2014		2013	
	ORDINARY SHARES FULLY PAID	SHARE CAPITAL $ MILLION	ORDINARY SHARES FULLY PAID	SHARE CAPITAL $ MILLION
CSR Limited				
On issue at the beginning of the financial year	**506,000,315**	**1,042.2**	506,000,315	1,042.2
On issue at the end of the financial year	**506,000,315**	**1,042.2**	506,000,315	1,042.2

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

No shares were issued during the years ended 31 March 2014 and 31 March 2013 under the Universal Share/Option Plan as shares in respect of this plan were acquired on market.

During the years ended 31 March 2014 and 31 March 2013, eligible shareholders were able to reinvest all or part of their dividends in fully paid ordinary shares. Shares were acquired on market and did not have any impact on issued capital.

Notes to the financial statements (continued)
CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2014

9. RESERVES

($ MILLION)	**2014**	2013
Foreign currency translation reserve	**(7.3)**	(9.7)
Employee share reserve	**21.6**	19.4
Hedge reserve	**6.0**	7.7
Other reserves	**(3.3)**	-
Total reserves	**17.0**	17.4

10. NET TANGIBLE ASSETS PER SHARE [a]

	2014	2013
	$	$
Net tangible assets per share	**2.16**	2.05

a Calculated as net assets attributable to CSR Ltd shareholders ($1,153.8 million) less intangible assets ($60.6 million) divided by the number of shares (506.0 million).

11. DETAILS RELATING TO DIVIDENDS

	FINANCIAL YEAR ENDING 31 MARCH	FRANKING PERCENTAGE	DATE DIVIDEND PAID/PAYABLE	AMOUNT PER SHARE CENTS	TOTAL AMOUNT $ MILLION
Interim dividend	2013	Nil	18 December 2012	3.0	15.2
Final dividend	2013	Nil	9 July 2013	2.1	10.6
Interim dividend	2014	Nil	17 December 2013	5.0	25.3
Final dividend	2014	Nil	8 July 2014	5.0	25.3

The final dividend in respect of ordinary shares for the financial year ended 31 March 2014 has not been recognised in this report because the final dividend was resolved to be paid subsequent to 31 March 2014.

Dividend reinvestment plan
CSR Limited established a dividend reinvestment plan (DRP) under which the holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than be paid in cash. The company's DRP will operate for the final dividend payable on 8 July 2014. For the the final dividend, shares will be acquired on-market and transferred to participants to satisfy any shares issued under the DRP.

12. DETAILS OF JOINT VENTURE ENTITIES

Share of net profit of joint ventures

($ MILLION)	**2014**	2013
Profit before income tax	**13.5**	12.8
Income tax expense	**(4.1)**	(4.4)
Total share of net profit	**9.4**	8.4

	OWNERSHIP INTEREST AS AT 31 MARCH		CONTRIBUTION TO NET PROFIT - YEAR ENDED 31 MARCH	
($ MILLION)	**2014 %**	2013 %	**2014**	2013
Joint venture entities				
Rondo Pty Limited	**50**	50	**9.2**	9.4
Viridian Glass [a]	**58**	58	**(1.9)**	(1.8)
New Zealand Brick Distributors [b]	**50**		**1.7**	
Other non-material joint ventures			**0.4**	0.8
Total share of net profit			**9.4**	8.4

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

YEAR ENDED 31 MARCH 2014

12. DETAILS OF JOINT VENTURE ENTITIES (CONTINUED)

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

b On 15 April 2013, a joint venture between CSR Limited's subsidiary, CSR Building Products (NZ) Limited and Brickworks Building Products (NZ) Pty Limited was established. This transaction involved the disposal of operating assets of the Bricks New Zealand business from CSR Building Products (NZ) Limited into the joint venture vehicle "NZ Brick Distributors Limited Partnership." A gain of $1.0 million was recorded on the transaction. Consideration for the disposal was 50% of the shares of NZ Brick Distributors GP Limited entitling CSR group to a 50% share of profits of the NZ Brick Distributors Limited Partnership.

The CSR group does not have any other material interests.

13. CONTINGENT LIABILITIES

($ MILLION)	**2014**	2013
Contingent liabilities, capable of estimation, arise in respect of the following categories		
Performance guarantees provided to third parties and other contingent liabilities [a]	**49.8**	50.1
Total contingent liabilities	**49.8**	50.1

a CSR Limited has not directly provided any financial guarantees to third parties outside of the CSR group. All financial guarantees disclosed above are related to bank guarantees provided to third parties to guarantee CSR Limited's performance of its liabilities. In addition, CSR Limited 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.

Claims and possible claims (other than product liability which is discussed in Note 14) 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.

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 $31.3 million as at 31 March 2014 (2013: $32.4 million).

14. PRODUCT LIABILITY

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

In Australia, asbestos related personal injury claims have been made by employees and ex-employees of CSR, by others such as contractors and transporters and by users of products containing asbestos, as well as residents of and visitors to Wittenoom. As at 31 March 2014, there were 487 such claims pending.

In the United States, claims are made by people who allege exposure to asbestos fibre used in the manufacture of products containing asbestos or in the installation or use of those products. As at 31 March 2014, there were 533 such claims pending.

CSR has been settling claims since 1989. As at 31 March 2014, CSR had resolved 3,666 claims in Australia and approximately 137,000 claims in the United States.

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

YEAR ENDED 31 MARCH	**2014**	2013	2012	2011	2010
Number of claims received	**339**	347	435	412	514
Number of claims resolved	**804**	488	418	634	986
Amount spent on settlements (A$ million) [a]	**29.2**	31.0	34.7	32.5	33.4
Average cost per resolved claim (A$)	**36,411**	63,553	83,067	51,300	33,916

a Excludes external legal costs, net of insurance recoveries

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.

14. PRODUCT LIABILITY (CONTINUED)

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 Finity Consulting Pty Limited, as the independent expert to estimate the Australian liabilities. CSR has appointed Gnarus Advisors LLC as the independent expert to estimate the United States liabilities. The independent experts make their own determination of the methodology most appropriate for estimating CSR's future liabilities. The assessments of those independent experts project CSR's claims experience into the future using modelling techniques that take into account a range of possible outcomes. The present value of the liabilities is estimated by discounting the estimated cash flows using the pre-tax rate that reflects the current market assessment of the time value of money and risks specific to those liabilities.

Many factors are relevant to the independent experts' estimates of future asbestos liabilities, including:

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

There are a number of assumptions and limitations that impact on the assessments made by CSR's experts, including the following:

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

In Australia the methodology used by Finity Consulting Pty Limited produces the central estimate of future asbestos liabilities which represents the average expectation of the range of possible future outcomes. At 31 March 2014 the central estimate was A$161.8 million calculated using a discount rate of 5.0%. On an undiscounted and inflated basis that central estimate would be A$251.9 million over the period to 2066, being the period that the Australian independent expert advises CSR is relevant for the estimation of CSR's future Australian asbestos liabilities.

In the United States the methodology used by Gnarus Advisors LLC produces a base case estimate or most likely outcome. At 31 March 2014 the base case estimate was US$123.5 million calculated using a discount rate of 3.9%. On an undiscounted and inflated basis that base case estimate would be US$159.9 million over the anticipated further life of the United States liability (40 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.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

YEAR ENDED 31 MARCH 2013

14. PRODUCT LIABILITY (CONTINUED)

The table below shows CSR's asbestos provision from 2010 to 2014:

YEAR ENDED 31 MARCH ($MILLION)	**2014**	2013	2012	2011	2010
United States base case estimate US$	**123.5**	194.0	199.2	191.8	159.5
United States base case estimate A$	**133.5**	185.8	191.8	185.9	173.7
Australian central estimate A$	**161.8**	158.3	172.7	180.1	184.8
Sub total A$	**295.3**	344.1	364.5	366.0	358.5
Prudential margin A$	**73.8**	79.7	77.2	82.9	96.8
Prudential margin %	***25.0%***	*23.2%*	*21.2%*	*22.7%*	*27.0%*
Total product liability provision A$	**369.1**	423.8	441.7	448.9	455.3

At 31 March 2014, a provision of $369.1 million (2013: $423.8 million) has been made for all known claims and reasonably foreseeable future claims, and includes a prudential margin of $73.8 million above the aggregate most likely estimate of the future asbestos liabilities in Australia and the United States as determined by Finity Consulting Pty Limited and Gnarus Advisors LLC respectively.

Having regard to the extremely long tailed nature of the liabilities and the long latency period of disease manifestation from exposure, the estimation of future asbestos liabilities is subject to significant complexity. As such, there can be no certainty that the product liability provision as at 31 March 2014 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 2011 and 3 March 2011 respectively.

15. ACQUISITIONS OF CONTROLLED ENTITIES AND BUSINESSES

Businesses acquired

The CSR group acquired the net assets of the following businesses during the year ended 31 March 2014:

- 70% of the equity of Martini Investments (Australia) Pty Limited ("Martini Business"), a polyester manufacturer and importer of high performance reflective insulation, effective 1 November 2013 (Building Products segment);
- Alsupply Aluminium Partitions on 1 May 2013 (Building Products segment); and
- Accent Powdercoaters on 1 May 2013 (Building Products segment).the impact of and developments in the litigation and settlement environment in each of Australia and the United States;

The primary reason for these acquisitions was to continue CSR's growth in the building products segment.

The initial accounting for these acquisitions has only been provisionally determined at 31 March 2014. At the date of finalisation of this report, the necessary market valuation and other calculations have not been finalised and the fair value of goodwill noted below has therefore only been provisionally determined based on the directors' best estimates. Acquisition related costs expensed were $1.0 million.

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

($ MILLION)	2014
Purchase consideration	**11.3**
Add: Non-controlling interest	**2.4**
Less: Fair value of net identifiable assets acquired (refer to below)	**(8.5)**
Goodwill acquired (refer to below)	**5.2**

Value of net assets of controlled entities and businesses acquired

($ MILLION)	FAIR VALUE 2014
Cash	**0.8**
Receivables	**3.0**
Inventories	**3.2**
Property, plant and equipment	**2.7**
Other assets	**0.6**
Intangible assets	**0.2**
Deferred income tax assets	**0.1**
Payables	**(0.8)**
Provisions	**(0.5)**
Other creditors	**(0.8)**
Net identifiable assets acquired	**8.5**
Less: Non-controlling interests	**(2.4)**
Add: Goodwill acquired	**5.2**
Total consideration	**11.3**

(i) Consideration
Total consideration is comprised of payments during the financial year ended 31 March 2014 of $10.9 million. An additional $0.4 million is expected to be payable in future periods and is contingent on achievement of performance targets.

(ii) Contingent earn-out - Martini business
In the event that certain pre-determined earnings targets are achieved by the subsidiary from acquisition date until 31 March 2015, additional payment may be payable in cash at the time of finalisation of the financial statements for that financial year. The earn-out is linked to continued employment and has therefore been classified as compensation. The potential amount payable under the agreement is dependent on the performance of the business.

(iii) Non-controlling interests
The CSR group elected to recognise the non-controlling interests in Martini Investments (Australia) Pty Limited at its proportionate share of the acquired net identifiable assets.

Notes to the financial report (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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(iv) Put and call options over minority interests - Martini business

The CSR group has a call option over the remaining 30% non-controlling interest. The option has three exercise periods, the first one commencing on 31 March 2016 (for 3 months). The minority shareholders have a put option to sell all of their remaining interest to the group at a discount to the call option price with two exercise windows that match the first and last call option periods.

The exercise price of the options is based on the financial results of the business.

(v) Purchase consideration - cash outflow

($ MILLION)	2014
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	**10.9**
Less: cash acquired	**(0.8)**
Outflow of cash - investing activities	**10.1**

16. CONTROLLED ENTITIES AND BUSINESSES DISPOSED

(i) Establishment of joint venture - Bricks New Zealand (disposal of a business)

On 15 April 2013, a joint venture between CSR Limited's subsidiary, CSR Building Products (NZ) Limited and Brickworks Building Products (NZ) Pty Limited was established. This transaction involved the disposal of certain operating assets of the Bricks New Zealand business from CSR Building Products (NZ) Limited into the joint venture vehicle “NZ Brick Distributors Limited Partnership.” A gain of $1.0 million was recorded on the transaction.

(ii) Carrying value of net assets of business disposed

($ MILLION)	2014
Inventories	**3.5**
Property, plant and equipment	**0.1**
Net assets disposed	**3.6**

(iii) Cashflows from disposal of a business

Consideration for the disposal was 50% of the shares of NZ Brick Distributors GP Limited entitling the CSR group to a 50% share of profits of the NZ Brick Distributors Limited Partnership.

Costs associated with the establishment of the joint venture were $0.1 million and were expensed in the financial year ended 31 March 2014.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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17. SUBSEQUENT EVENTS

Acquisition of AFS Products Group Ltd
On 2 April 2014, the CSR group announced that it has reached an agreement to acquire the businesses of AFS Products Group Ltd (AFS), a leader in load bearing permanent formwork walling solutions for the construction industry. The CSR group will acquire AFS for an initial consideration of $40 million following completion of the transaction. Additional payments over the next three years are subject to achieving growth targets. The acquisition will be funded via existing cash and debt facilities.

Proposed formation of east coast bricks joint venture
On 4 April 2014, the CSR group announced that together with Boral Limited (Boral) propose to form a joint venture to combine their brick operations located on the east coast of Australia. The proposed joint venture will be owned 60% by the CSR group and 40% by Boral. There is no cash consideration as part of the proposed joint venture except for typical working capital and closing adjustments. Completion of this transaction remains subject to clearance by the Australian Competition and Consumer Commission.

Dividends
For dividends resolved to be paid after 31 March 2014, refer to Note 11.

Directors' declaration

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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DIRECTORS' DECLARATION IN RELATION TO FINANCIAL STATEMENTS AND AUDIT

Deloitte has audited the financial statements contained within the CSR 2014 Annual Financial Report and has issued an unqualified audit report. This year end results announcement has not been subject to audit. The preceding financial information contained in the Financial Report includes financial information extracted from the audited financial statements. A copy of the audit report will be available with the CSR 2014 Annual Financial Report when it is released on 10 June 2014 and has not been included within the Financial Report as it does not include all of the information otherwise presented in the Annual Financial Report.

Rob Sindel
Managing Director
14 May 2014