09

ANNUAL REPORT 2009

CSR

CSR continues to focus on **building shareholder value** by investing in and growing its businesses while operating in a sustainable manner across the company.

review

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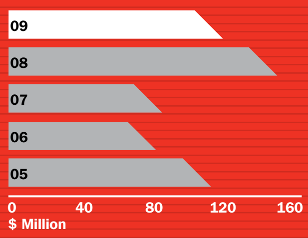
SUMMARY OF BUSINESS RESULTS

Building Products EBIT
Year ended 31 March

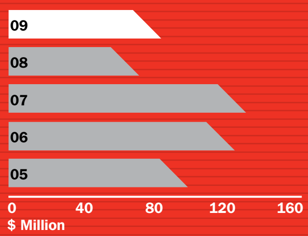


BUILDING PRODUCTS

Responding to the market downturn to position for cyclical improvement

Earnings were impacted by the downturn in residential housing and commercial construction demand during the year, with EBIT of $117.9 million down 20% from $147.6 million. CSR is actively managing through the cyclical downturn by implementing comprehensive cost reduction and operational improvement initiatives across all businesses.

Sugar EBIT
Year ended 31 March

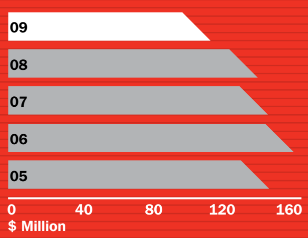


SUGAR

Continuing to build a stable earnings base in Sugar

Earnings increased by 17% to $83.7 million due to an increase in the realised raw sugar price and continued growth in earnings from the Refining and Ethanol businesses. CSR is in the final year of its capital program to ensure CSR maintains its competitive position in the global raw sugar market.

Aluminium EBIT
Year ended 31 March

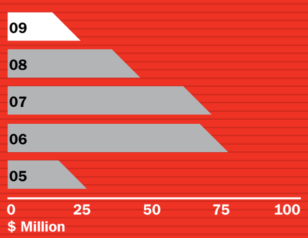


ALUMINIUM

Tomago remains a world-class, cost competitive smelter

Earnings decreased by 19% to $110.7 million, impacted by the rapid decline in the aluminium price in the second half of the year, together with a timing delay in the reduction of input costs. The Aluminium business continues to focus on its long term customer base and increasing the potential volume of value added products.

Property EBIT
Year ended 31 March



PROPERTY

Solid pipeline remains for medium term earnings

The property market deteriorated sharply during the year, particularly in the institutional market. As a result, EBIT was $25.1 million, down from $45.4 million the previous year. The Property division is focused on progressing its core developments in south east Queensland and New South Wales.

CHAIRMAN'S REVIEW

IAN BLACKBURNE PROVIDES A REVIEW OF THE YEAR AND OUTLINES THE STRATEGY FOR CSR

Like nearly every Australian company, the past year was a difficult period for CSR. As a cyclical company, we faced significant earnings pressure across our Building Products, Aluminium and Property businesses as market conditions continued to deteriorate sharply, particularly towards the end of the year. While we had good growth in our Sugar business, unfortunately this was not sufficient to offset the decline in earnings from our other businesses. As a result, our earnings before interest and tax (EBIT) for the year were down by 17 per cent to $320.1 million and net profit before tax (before significant items) was down 30 per cent to $134 million.

Earnings per share (before significant items) were 12.2 cents compared with last year's 20.9 cents, reflecting lower profits and the higher number of shares on issue. The reported result was a net loss after tax (and significant items) of $326.5 million. This reported result includes the impact of significant items which means they are either one-off items, or not part of the ordinary trading results for CSR. For the year, these items included a $280 million write-down in the value of the Viridian™ glass business which we acquired in 2007. We bought the glass businesses through a contested process at a time when the market conditions were considerably stronger and asset prices were significantly higher. Clearly, conditions have deteriorated markedly since then and as part of our year end review of asset values, we reduced the value of the Viridian business on our balance sheet to reflect the current trading and market conditions. While this write-down significantly impacts our reported result for this year, it does not result in any cash outlay for CSR or future impact on our underlying trading result.

Capital management

Given the economic uncertainty, the Board has been particularly mindful of its responsibilities to maintain the strong financial position of CSR. We successfully completed a $349 million equity capital raising in November which was well supported by our shareholders and the market. CSR also refinanced $407 million of debt facilities maturing in the current financial year with the remaining $25 million to be retired.

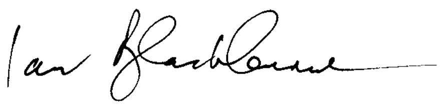
As part of our ongoing capital management program, the Board declared a final dividend of 1.5 cents per share, bringing the full year dividend to a total of 7.5 cents per share fully franked, which is in line with the dividend policy to pay out as dividends approximately 60 per cent – 80 per cent of net profit after tax before significant items. This is a reduction from 15 cents per share paid last year. We did not take this decision lightly and I personally understand the importance many shareholders attach to dividends. However, in the current uncertain environment, the Board believes a reduction in the dividend forms part of a responsible approach to capital management.

We strengthened our Board this year with the addition of two new directors. Nicholas Burton Taylor's extensive experience in agricultural industries is especially relevant to our Sugar business. Jeremy Sutcliffe also joined the Board, bringing a detailed understanding of international commodity trading and metals experience to CSR.

During the year, the Board reviewed executive remuneration with a view to better aligning remuneration with shareholder views. As a result, we developed a revised Long Term Incentive Plan for implementation in this financial year. Due to the May 2009 Federal Budget announcement which changed the tax treatment of employee share schemes, we have had to place the implementation of the new plan on hold pending finalisation of the associated legislation.

While we faced a particularly difficult year, we continued our consistent strategy of strengthening our businesses and ensuring they operate as efficiently and productively as possible.

The significant capital reinvestment program we have implemented over the past two years is now nearing completion with our businesses better equipped to manage through the current cycle and well positioned for when conditions improve. We have experienced a tough year and while we have had to respond by making difficult decisions, our longer term strategy remains the same. We continue to focus on creating shareholder value by growing our businesses while operating in a sustainable manner across our company.



IAN BLACKBURNE
Chairman

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JERRY MAYCOCK ADDRESSES CURRENT MARKET ISSUES AND HOW CSR IS RESPONDING

What particular measures are the businesses taking to manage the current economic conditions, particularly in Building Products?
We are focused on the issues within our control. Primarily that means ensuring our businesses are more appropriately aligned to the current market conditions without compromising their ability to respond when the cycle improves. We have consolidated our Building Products division by bringing our previously separate businesses into one group to better co-ordinate market opportunities, streamline back office functions, and improve our operating cost control.

We have reduced our factory and overhead costs with extended shutdowns, temporary closures and further plant rationalisation which has unfortunately resulted in a number of positions being made redundant. However, it's not all about cost reduction. We have put through price increases, launched new products which better enable our customers to target improved energy efficiency in buildings, and have continued to reinvest in our assets across our portfolio of businesses to ensure we remain competitive and well positioned to grow as the cycle improves. We are also creating new jobs in Bradford™ Insulation to ensure we can meet the increased demand for insulation under the Federal Government's Energy Efficient Homes Package.

Do the recent Government stimulus initiatives provide any benefit to CSR?
There are some early, yet tentative signs that the stimulus packages are having some effect, mostly at the first home buyer level. We are seeing a definite increase in enquiries and sales in our Bradford Insulation business, following the Government's Ceiling Insulation Rebate Scheme which is a welcome initiative, particularly as it acknowledges the importance of energy efficiency in the built environment. Other initiatives such as the building of 20,000 defence and social houses and the project to fund additional infrastructure in schools should also increase the demand for building materials. However, we would not expect to see any meaningful increase in demand for CSR products until later in 2009.

Why did you have to write down the value of Viridian?
We conducted a review of the Viridian business given that recent market conditions have been substantially weaker than at the time of the acquisition in 2007. For example, in the Australian residential housing market alone, commencements are currently running at about 20 per cent lower than at the time we acquired the business and even lower in New Zealand.

That review concluded that the business case for glass remains strong, particularly in relation to the expected growth in energy efficient and value added glass which we had identified as key drivers of demand for glass. However, the recent, rapid deterioration in the market has impacted the value of the business as measured on a discounted cash flow basis. As a result, a non-cash impairment charge of $280 million to reduce the carrying value of Viridian assets was included in the financial result as a significant item.

Are you still convinced the acquisition of Viridian was a good use of shareholders' funds?
Yes. The acquisition of the glass business was part of a longer term strategy to build our Building Products division, and particularly our product offering targeting improved energy efficiency. We also knew there was a fair degree of work we needed to do in terms of strengthening that business and the underlying assets such as the factory at Dandenong where we rebuilt the furnace and added the coater to make energy efficient glass. While no-one could have anticipated the significant decline in the market since the acquisition, we remain positive on the medium to longer term fundamentals of Viridian. Nevertheless, we continue to look at how we can improve that business, particularly in light of the current unprecedented conditions and we are very active in that process.

Why were profits in Aluminium lower in spite of the significant amount of hedging?
At around the half year, we had approximately 80 per cent of our net aluminium exposure hedged. From around November, the global price of aluminium declined extremely sharply to levels we had not seen in real terms for more than 25 years and that had a significant effect on the unhedged proportion of our aluminium sales. In addition, our earnings were also impacted by the fact that savings from declining raw material input costs are not realised as quickly as the fall in the metal price. For example, the cost of alumina (which is a key ingredient in making aluminium) is linked to the previous month's aluminium price, which means that in a rapidly declining metal price environment, there is a time lag before lower alumina costs are realised relative to aluminium sales. Also in a rapidly falling price environment, the decline in value of our finished goods inventory negatively affects profit. So earnings were impacted by the rapid decline in price but also by the slower decline in input costs.

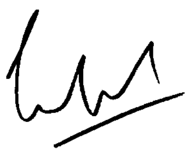
What is the outlook for Sugar?
The fundamentals for global raw sugar continue to be positive, based on a few key factors, including a projected global sugar deficit for 2008/2009, rising relative costs of production in Brazil (which is the world's largest sugar producer) and also increasing demand for ethanol fuel in Brazil which tightens the supply of sugar. India has also become an importer rather than exporter of raw sugar recently. We have locked in higher prices for future seasons and importantly, we have provided a mechanism where growers can also take advantage of higher future prices for a portion of their crop. Our Refining business continues to increase its earnings through enhanced value to customers and innovative new products. Our Ethanol business continues to generate better returns from fuel and also agricultural fertiliser sales.

How important a role are energy efficient products and the renewables business going to play in CSR's future?
It's very important and CSR is well placed to capitalise on our energy efficient building products and renewables businesses. In a carbon constrained economy, there will undoubtedly be a greater focus on products in the built environment which reduce energy consumption and emissions. We are already seeing this trend. For example, further Government regulation will require that new residences have a 6 star or equivalent rating by 2010. Insulation, energy efficient glass and several of our other systems are ideally suited to meet these requirements. Meanwhile, we have long experience in generating renewable energy from our cogeneration facilities at some of our sugar mills and have potential to generate further electricity depending on Government policy. Also demand for fuel ethanol is growing rapidly and we are further expanding our capacity by nearly doubling our fuel ethanol production to 60 million litres per year from later this year.

What is the overall strategy for CSR? Do you anticipate a restructure of the asset portfolio?
We are focused on running our businesses as efficiently as we can and completing our reinvestment program across the divisions. In Building Products, we are managing through the current downturn and positioning for growth. In Sugar, we are adding to our sustainable earnings such as Refining and our Renewables business (ethanol and cogeneration) which are less impacted by volatility in the raw sugar price and also completing our reinvestment in our sugar mills to ensure we remain globally competitive. The Tomago aluminium smelter is a world-class, cost competitive asset and we have the ability to create medium term earnings from the development pipeline in our Property business. We are very focused on managing and improving our individual businesses. At the corporate level, we also continue to actively consider when improved market conditions may create additional value opportunities from restructuring the asset portfolio.

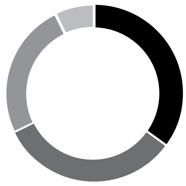
Why has the product liability provision increased?
The amount of the product liability provision is reviewed and adjusted if necessary at the end of each accounting period. When reviewing the liability, the Board receives independent expert advice in relation to the expected future incidence and value of asbestos related claims in the US and Australia. For the financial year, the provision was increased due to the decline in the A$/US$ exchange rate during the year and also due to the estimate of future liabilities.

How would you briefly summarise the year?
We have faced a very tough year but we are fortunate to have a great team of people working across all levels at CSR. I want to especially acknowledge their hard work, their continued focus on safety and on servicing our customers during what has obviously been a very challenging period.



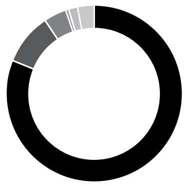
JERRY MAYCOCK
Managing Director

EBIT by business
Year ended 31 March 2009



35% Building Products
33% Aluminium
25% Sugar
7% Property

People across CSR
At 31 March 2009



81.2% Australia
9.5% New Zealand
4.1% China
0.5% Malaysia
1.7% Thailand
3.0% Singapore

BOARD OF DIRECTORS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CSR DIRECTORS AS AT 13 MAY 2009

Ian Blackburne (1)
BSC (HONS), PHD, MBA, AGE 63.

Chairman, is a member of the Audit Committee, Safety, Health and Environment Committee and Remuneration Committee and up until 29 October 2008 chaired the Remuneration Committee. He joined the Board in 1999 and was last re-elected in 2007. An independent director, Ian is a former managing director of Caltex Australia Limited. He has been a director of Suncorp-Metway Limited and Teekay Corporation for seven years. In April 2008, he ceased to be a director of Symbion Health Limited after three years.

Jerry Maycock (2)
BENG (MECH) (HONS), AGE 57.

Appointed as an executive director on 13 February 2007 and as managing director on 1 April 2007, Jerry has extensive experience in manufacturing businesses and a strong global perspective. From early 2004, he led the successful restructure and growth of Hastie Group Limited, the last two years as managing director. This followed a 23 year career with Holcim Limited, one of the world's leading construction materials companies, most recently as senior vice president, responsible for operations in a number of South East Asian countries, as well as Australia, New Zealand and the Pacific region. In this role, he also led a number of mergers and acquisitions. Jerry has been a director of AGL Energy Limited since 2006 and has been appointed to the Advisory Council of the Australian School of Business (The University of New South Wales), March 2009.

Kathleen Conlon (3)
BA (ECON) (DIST), MBA, AGE 45.

A member of the Safety, Health and Environment Committee and Audit Committee and up to 29 October 2008 a member of the Remuneration Committee. Kathleen joined the board in 2004 as an independent director after seven years as a partner and director of the Boston Consulting Group (BCG) where she led BCG's Asia Pacific Operational Effectiveness Practice Area and, previously, the Sydney office. She is a member of Chief Executive Women, a NSW council member of the Australian Institute of Company Directors and a non-executive director of both DLA Phillips Fox and REA Group Limited.

Ray Horsburgh AM (4)
BENG (CHEM), HON D UNIV, FAICD, FIE AUST, AGE 66.

Chairs the Safety, Health and Environment Committee and is a member of the Remuneration Committee. He joined the Board in October 2006 as an independent director. Ray has had a distinguished record of managing manufacturing businesses, including leading a number of mergers and acquisitions. He was managing director of Smorgon Steel Group Limited for nine years until its merger with OneSteel Limited in August 2007. This followed a 31 year career with the Australian Consolidated Industries group, primarily in senior roles in the glass and packaging businesses. In September 2007, he was appointed chairman of Toll Holdings Limited where he has served as a director for three years. Ray is also Chairman of Traffic Technologies Limited and Essendon Football Club and a director of National Can Industries Limited.

Richard Lee (5)
BENG (CHEM) (HONS), MA (OXON), AGE 59.

Chair of the Remuneration Committee (effective 29 October 2008) and member of the Audit Committee. Richard joined the Board in 2005 as an independent director. He has had 19 years' experience in investment banking and the finance industry. Richard is a former chief executive officer of N M Rothschild Australia group. Prior to his investment banking career, he held a number of senior roles in CSR's Sugar division. Richard has been chairman of Salmat Limited for seven years and is deputy chairman of Ridley Corporation Limited, where he has been a director for eight years. He has been a director of Newcrest Mining Limited since August 2007 and is also an independent director of the Insurance Division of Wesfarmers Limited. A Rhodes Scholar, he is a fellow and NSW President of the Australian Institute of Company Directors.

John Story (6)
BA, LLB, FAICD, AGE 63.

Chairs the Audit Committee, is a member of the Remuneration Committee and up until 29 October 2008 was a member of the Safety, Health and Environment Committee. John joined the Board in 2003. An independent director, he has a great depth of experience as a senior lawyer advising on corporate and commercial law. In 2007, he retired as non-executive chairman of the law firm Corrs Chambers Westgarth, where he was a partner for 36 years until his retirement as a partner in 2006. John is chairman of Suncorp-Metway Limited, where he has been a director for 13 years. In November 2007, he was appointed as chairman of Tabcorp Holdings Limited where he has been a director since 2004. Previously, he had been a director of Jupiters Limited. Also, John is national chairman of the Australian Institute of Company Directors.

Nicholas Burton Taylor AM (7)
BECON, FCA, FAICD, FFIN, AGE 59.

Member of the Audit Committee and the Safety, Health and Environment Committee, Nicholas joined the Board in 2008 as an independent director. Nicholas is the past chairman of Airservices Australia and the Australian Agricultural Company Limited, where he was a director for seven years. He has been a director of GrainCorp Limited, Rural Press Limited and Sydney Airport Corporation Limited and was a director of Hamilton James & Bruce Group Limited for four years. He is a past president of the Institute of Chartered Accountants and current chairman of the Country Education Foundation of Australia and a member of the Rabo Bank Advisory Board.

Jeremy Sutcliffe (8)
LLB (HONS), MAICD, AGE 51.

Member of the Remuneration Committee and the Safety, Health and Environment Committee. Jeremy joined the Board in 2008 as an independent director. Jeremy is an executive director of Sims Metal Management Limited having held several positions in Sims, including general manager Sims International, chief executive of Simsmetal UK and group CEO, Sims Group Limited from 2002 until 2008 when he assumed his current role. He is senior vice president of the Ferrous Board of the Bureau of International Recycling.

COMPANY SECRETARIES

Chris Bertuch
BA, LLM.

Company secretary since August 2007 and CSR's general counsel. Chris joined CSR as a corporate lawyer in 1993. Previously, he was a partner in the law firm Gadens Lawyers in Sydney. Chris has had extensive experience in corporate, commercial and trade practices law and dispute resolution. Chris also completed the Advanced Management Program at Harvard Business School.

Darren Timms
CA, BCOM, BECON.

Darren is CSR's group financial controller and alternate company secretary. He joined CSR's then Timber division in 1998 where he served for two years before transferring to senior financial roles in the Sugar division for six years. Darren has resigned as alternate company secretary post year end.

CORPORATE GOVERNANCE

CSR'S corporate governance is the system by which the company is directed and managed. It is the framework within which:

- **the CSR Board of directors is accountable to shareholders for the operations, profit performance and growth of the company;**
- **the risks of business are identified and managed; and**
- **CSR's long established values and behaviour underpin the way we do business.**

CSR actively reviews Australian and international developments in corporate governance and considers the views of shareholders, regulators and other stakeholders. The CSR Board adopts those arrangements which it considers are in the best interests of CSR and its shareholders.

The directors of CSR are committed to ensuring that the company maintains an effective system of corporate governance and that good corporate governance is an integral part of the culture and business practices of the CSR group.

The CSR Board fully supports the *Corporate Governance Principles and Recommendations* published by the ASX Corporate Governance Council (ASX CGC).

Throughout the reporting period, the year ended 31 March 2009, CSR complied with the recommendations contained in the ASX CGC's revised *Corporate Governance Principles and Recommendations* (second edition) dated August 2007.

Charters and policies referred to in this corporate governance statement have been reviewed in light of ASX CGC's revised principles and recommendations and are also available on CSR's internet site in the 'Investors' section under 'corporate governance' at http://www.csr.com.au/investorcentre/CorpGovernance.asp.

CSR's constitution (available on CSR's internet site), which sets out the provisions that govern the internal management of the company, can only be amended by special resolution of shareholders. Under the constitution, shareholders elect directors whose function is to represent shareholders by ensuring that the best interests of the company are protected.

This corporate governance statement is organised under headings reflecting the ASX CGC's current principles and recommendations, as updated in August 2007.

ROLES AND RESPONSIBILITIES: CSR has established and disclosed the respective roles and responsibilities of the Board and management (ASX CGC Principle 1)

The Board strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.

THE ROLES OF BOARD AND MANAGEMENT

The Board has adopted a formal Board charter, (available on the company's internet site) which establishes those matters reserved for the Board and authority delegated to management. The Board's functions, as summarised in the Board Charter, include:

- appointing, evaluating, rewarding or removing the managing director and approving appointments, remuneration or removal of senior management;
- reviewing and approving group strategies, budgets, plans and policies;
- assessing performance against strategies to monitor both the performance of management as well as the suitability of those strategies;
- reviewing executive and director succession planning and the balance of skills and experience available to the company;
- reviewing operating information to understand at all times the state of health of the company;
- considering management recommendations on key issues – including acquisitions and divestments, restructuring, funding and significant capital expenditure;
- approving policies on, and overseeing the management of, business and financial risks, safety and occupational health, and environmental issues; and
- ensuring that the company acts legally and responsibly on all matters and that the highest ethical standards are maintained.

Day-to-day management of the company's affairs and the implementation of strategy and policy initiatives are formally delegated by the Board to the managing director and senior executives.

LETTERS OF APPOINTMENT

The managing director's responsibilities and terms of employment, including termination entitlements, are set out in a formal executive service agreement. A summary of the main elements and terms of the agreement is available on CSR's internet site.

Letters of appointment are prepared for non-executive directors and senior executives, covering duties, time commitments, induction and company polices and corporate governance.

INDUCTION OF SENIOR EXECUTIVES

New executives undertake a structured induction program when they join the company.

This includes comprehensive briefings and information on the company's businesses, and its policies and procedures. Additionally the program includes site visits and meetings with people in key internal and external roles in order to build the relationships necessary to meet the requirements of their role.

As discussed further below and in the Remuneration Report, key performance indicators are agreed with each executive to ensure goals and performance measures are fully and accurately understood and disclosed.

PERFORMANCE EVALUATION OF SENIOR EXECUTIVES

CSR's high performance management framework requires the setting for all senior executives of a balanced scorecard of annual key performance indicators (including financial and non-financial measures). Every half year, each senior executive discusses their performance with their manager. At the end of the year, as part of a formal review process, each manager's performance is reviewed against compliance with the performance indicators. Also, each individual's performance and behaviour are compared and measured against the performance of their peers.

The process for evaluating the performance of senior executives and the remuneration policy for senior executives are discussed in the Remuneration Report.

BOARD OF DIRECTORS: CSR has a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties (ASX CGC Principle 2)

The Board Charter prescribes the structure of the Board and its Committees, the framework for independence and some obligations of directors.

SIZE AND COMPOSITION OF THE BOARD

The Board considers that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually and the Board collectively, to:

– discharge their responsibilities and duties under the law effectively and efficiently;

– understand the suite of CSR businesses and the environment in which CSR operates these businesses so as to be able to agree with management the objectives, goals and strategic direction which will maximise shareholder value; and

– assess the performance of management in meeting those objectives and goals.

The Board currently comprises seven non-executive directors and one executive director – the managing director. The chairman is appointed by the Board and provides leadership to ensure that a high standard of values, processes and constructive interaction are maintained. The chairman represents the views of the Board to shareholders and conducts the Annual General Meeting to canvass properly the views of stakeholders.

Information about directors is on pages 4 and 5. The Board keeps under review the balance of skills and experience of its members, their independence and access to advice and information.

DIRECTORS' INDEPENDENCE

Each of the non-executive directors, including the chairman, is independent of CSR and its management, having no business or other relationships that could compromise his or her autonomy as a director.

The Board's framework for determining director independence is included in the Board Charter. Any past or present relationship with the company is carefully examined to assess the likely impact on a director's ability to be objective and exercise independent judgement.

John Story was, until 21 June 2007, the non-executive chairman of the law firm Corrs Chambers Westgarth ("Corrs"), a firm which CSR paid $0.48 million in legal fees during the year ended 31 March 2009. He ceased to be a partner of Corrs in June 2006. CSR's Board believes that John Story's former role at Corrs does not affect his independence as a director as he received a fixed salary for his role as non-executive chairman and was one of seven directors on the Corrs Board.

CSR's policy is to engage those lawyers most appropriate for a task and CSR uses a number of different law firms.

DEALING WITH CONFLICT OF INTEREST

The Board has in place a process to ensure that conflicts of interest are managed appropriately. If a potential conflict of interest arises, the director concerned does not receive the relevant Board papers and leaves the Board meeting while the matter is considered. Directors must advise the Board immediately of any interests that could potentially conflict with those of CSR.

ELECTION OF DIRECTORS

The company aims to have a Board which, as a whole, has the range of skills, knowledge and experience to govern CSR, made up of individuals of high integrity with sound commercial judgement and inquiring minds and able to work cohesively with other directors. The Board determines criteria for new appointees and endorsement of retiring directors seeking re-election – based on the most recent performance review of the Board. CSR seeks a combination of former chief executives and individuals experienced in manufacturing, finance, the law and, ideally, the industries in which CSR participates.

External consultants are engaged, where appropriate, to advise on potential appointees. The reputation and ethical standards of appointees must be beyond question. Prospective directors confirm that they will have sufficient time to meet their obligations and that they will keep the company informed of their other commitments.

Non-executive directors are subject to re-election by rotation at least every three years and, under the company's constitution (except where this requirement is prohibited by law) must retire not later than their 70th birthday. Newly appointed directors must seek re-election at the first general meeting of shareholders following their appointment. Non-executive directors appointed from 2001 shall not seek re-election after serving for 10 years.

BOARD COMMITTEES

To increase its effectiveness, the Board has three Committees consisting of the Audit Committee, Safety Health and Environment Committee and the Remuneration Committee. It is the policy of the Board that a majority of the members of each Committee be independent directors, that all Audit Committee members be independent directors and that the Remuneration Committee and the Safety Health and Environment Committee be chaired by independent directors. Each Committee has a charter which includes a more detailed description of their duties and responsibilities. The charters are available on CSR's internet site. The Audit Committee and the Safety, Health and Environment Committee each comprise at least three non-executive directors and are chaired by directors other than the Board chairman. The Remuneration Committee consists of five non-executive directors. The Remuneration Committee meets formally four times each year and when otherwise required.

The Managing Director, Jerry Maycock, attends meetings of Board Committees by invitation. He is not present if this could compromise the objectivity of proceedings.

Committee papers are copied to all directors before the meetings. Minutes of Committee meetings are included in the papers for the next Board meeting and the director chairing the Committee reports to the Board on matters addressed by the Committee.

The membership of these Committees, the number of meetings held and each director's attendance record last year are shown in the 'Directors' meetings' table on page 9.

THE WORK OF DIRECTORS

In addition to attending Board and Committee meetings, non-executive directors allocate time for strategy and budget sessions, and preparation for meetings.

The chairman commits additional time and meets regularly with the managing director to review business and strategic issues and to agree Board meeting agendas. The non-executive directors usually meet with no managers present at the commencement of Board meetings.

Except where the directors need to meet privately, the general counsel and company secretary and, by invitation of the chairman, the chief financial officer, attend all Board meetings.

Last year, the directors visited the Viridian glass operations in Dandenong and Clayton, Melbourne; the Viridian Glass operations in Mt Wellington, Auckland; the Monier Bricks and Roofing plants in New Lynn and Penrose, Auckland; and the Chelsea Sugar Refinery in Auckland to understand better the issues facing each of the businesses and their people.

DIRECTORS' ACCESS TO INFORMATION

The Board strives to ensure that directors and key executives have the knowledge and information needed to operate effectively.

The chairman briefs new directors on their roles and responsibilities. They receive a comprehensive information pack and special briefings from management and visit key operating sites to assist them to understand rapidly CSR's businesses and issues.

Time is allocated at Board and Committee meetings for continuing education on significant issues facing the company and changes to the regulatory environment.

To help directors maintain their understanding of the businesses and to assess the people managing them, directors are briefed regularly by each member of the senior management team. Directors also have access to a wide range of employees at all levels during inspections of operations and in other meetings.

Directors receive a comprehensive monthly performance report from the managing director – whether or not a Board meeting is scheduled – and have unrestricted access to company records and information.

At specially organised functions, directors meet customers, business partners, suppliers and other people with a stake in the company.

Directors may obtain independent professional advice at CSR's expense on matters arising in the course of their Board and Committee duties, after obtaining the chairman's approval. The Board Charter requires that all directors be provided with a copy of such advice and be notified if the chairman's approval is withheld.

The Board appoints and removes the company secretary. All directors have direct access to the company secretary who is accountable to the managing director and, through the chairman, to the Board on all governance matters.

BOARD EVALUATION

The performance of the Board is regularly reviewed: the Board undertakes a self assessment of both its collective performance and that of individual directors and seeks specific feedback from the senior management team on particular aspects of its performance. The Remuneration Committee establishes procedures and oversees this annual performance assessment program. The process may be assisted by an independent third party facilitator. The results and any action plans flowing from this assessment are documented, together with specific performance goals that are agreed for the coming year.

In addition, each Board Committee undertakes an annual self assessment on the performance of the Committee and achievement of Committee objectives.

The performance of the managing director is reviewed at least annually, through a formal performance appraisal process conducted by the Board.

CODE OF CONDUCT: CSR actively promotes ethical and responsible decision-making (ASX CGC Principle 3)

CSR has a robust framework of policies, underpinned by its goals and values and Code of Conduct. CSR's Code of Conduct and policies discussed below set the standards for dealing with obligations to external stakeholders. A statement of CSR's community engagement is detailed in this Annual Report. A statement on CSR's approach to climate change is included in the Shareholder Review and this Annual Report. The underlying principle of the CSR Code of Conduct is that ethical behaviour is required of directors, executives and all other employees, as well as advisers, consultants and contractors.

CODE OF BUSINESS CONDUCT AND ETHICS

The Board has endorsed a Code of Business Conduct and Ethics (available on the company's internet site) that formalises the long-standing obligation of all CSR people, including directors, to behave ethically, act within the law, avoid conflicts of interest and act honestly in all business activities.

CSR's Code of Business Conduct and Ethics reinforces the company's commitment to giving proper regard to the interests of people and organisations dealing with the company. Each CSR person is required to respect and abide by the company's obligations to employees, shareholders, customers, suppliers and the communities in which CSR operates.

In addition, the Board has adopted specific policies in key areas, including trade practices; safety, health and the environment; fairness, respect and diversity in employment (formerly equal employment opportunity); capital investment; dealing with price sensitive and other confidential information; trading in CSR shares; privacy; indemnification of employees; and requirements for authorising and entering into business transactions on behalf of CSR.

CSR employees are required to sign a certificate of compliance signifying that they have read and complied with the Code of Business Conduct and Ethics.

CSR's Whistleblowers' Protection Policy promises that an employee will not be subject to retaliation by CSR for reporting in good faith a possible violation of the Code of Business Conduct and Ethics.

TRADING IN CSR SHARES

Directors had agreed to forego a minimum of 25% of their directors' fees to buy CSR shares until they held a beneficial interest in CSR shares, at time of acquisition, equivalent in value to 12 months directors' fees. Note that this requirement has been temporarily suspended following the Federal Government budget announcement on 12 May 2009 that would remove the ability to defer tax on interests in shares acquired under an employee share scheme. Directors' shareholdings at 13 May 2009 are shown in the table 'Directors' interests in CSR shares' on page 9.

Under the company's share trading policy (available on CSR's internet site), directors and senior managers may only buy or sell CSR shares, or give instructions to the trustee of CSR's Employee Share Acquisition Plan, during one month periods commencing 24 hours after the date of the yearly and half yearly results announcements and the Annual General Meeting. Also, they are prohibited from dealing in any financial products relating to CSR securities or entering into hedging arrangements in respect of CSR securities they hold, or which are held on their behalf. Under the policy, all directors and employees are prohibited from buying or selling CSR shares at any time if they are aware of any price sensitive information that has not been made public. All CSR share dealings by directors are notified to the ASX within the required time.

AUDIT: CSR has a structure to independently verify and safeguard the integrity of the company's financial reporting (ASX CGC Principle 4)

AUDIT COMMITTEE

The Audit Committee is chaired by John Story, the other members being Ian Blackburne, Nicholas Burton Taylor, Kathleen Conlon and Richard Lee, all of whom are independent directors. The external audit firm partner in charge of the CSR audit attends Audit Committee meetings by invitation, together with the internal audit manager and relevant senior executives.

The Committee advises the Board on all aspects of internal and external audit, the adequacy of accounting and risk management procedures, systems, controls and financial reporting.

The Committee's specific responsibilities include:

- review of the scope of the annual audit plans of the external auditor and internal auditor and oversight of the work performed by the auditors throughout the year;
- consideration and recommendations to the Board on significant accounting policies and material estimates and judgements in financial reports;
- review and monitoring of internal controls and risk management across the group;
- review and recommendations to the Board for the adoption of the company's half year and annual financial statements; and
- review of the effectiveness and performance of internal and external auditors.

The Committee is a direct link for providing the views of internal and external auditors to the Board, when necessary, independently of management influence. Time is allocated for detailed questioning of the material presented and separate sessions with each of the external auditor, internal auditor and chief financial officer.

The Committee seeks to ensure the independence of the external auditor. The policy on auditor independence applies to services supplied by the external auditor and their related firms to CSR. Under the policy on auditor independence (which is available on CSR's internet site):

– the external auditor is not to provide non-audit services under which the auditor assumes the role of management, becomes an advocate for the group, or audits its own professional expertise;

– significant permissible non-audit assignments proposed to be awarded to the external auditors must be approved in advance by the Committee or, between Committee meetings, by the Committee Chair; and

– the external audit engagement partner and review partner must be rotated every five years.

The external auditor annually confirms its independence within the meaning of applicable legislation and professional standards.

FINANCIAL REPORT ACCOUNTABILITY

CSR's managing director and chief financial officer, who are present for Board discussion of financial matters, are required to state to the Board, in writing, that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

DISCLOSURE: CSR promotes timely and balanced disclosure of all material matters concerning the company (ASX CGC Principle 5)

CONTINUOUS DISCLOSURE

CSR believes that shareholders, regulators, ratings agencies and the investment community generally, should be informed of all major business events and risks that influence CSR in a factual, timely and widely available manner. CSR has a long established practice of providing relevant and timely information to stakeholders, supported by its share market disclosure policy which details comprehensive procedures to ensure compliance with all legal obligations. It is CSR's policy that any price sensitive material for public announcement, including annual and interim profit announcements, release of financial reports, presentations to investors and analysts and other prepared investor briefings for CSR will be:

– lodged with the ASX as soon as practical and before external disclosure elsewhere; and

– posted on CSR's internet site.

The policy limits external briefings in the periods between the end of a financial year or half year and the release to the ASX of the relevant results. CSR's management Corporate Governance and Disclosure Committee meets as required to ensure compliance with disclosure requirements. Members of this Committee are the chief financial officer, the general counsel and company secretary, and the general manager investor relations and corporate communications.

The company secretary is responsible for communications with the ASX.

COMMENTARY ON FINANCIAL RESULTS

CSR provides a review of operations and financial performance in the 2009 Shareholder Review and this Annual Report includes the company's financial report. Results announcements to the ASX, analyst presentations and the full text of the chairman's and managing director's addresses at the company's Annual General Meeting are made available on the company's internet site.

SHAREHOLDERS: CSR respects the rights of shareholders and facilitates the effective exercise of those rights (ASX CGC Principle 6)

CSR strives to communicate effectively with shareholders about the company's performance, presenting the 2009 Shareholder Review and this Annual Report and other corporate information in clear language, supported by descriptive graphics and tables.

Where practicable, the company uses the latest widely available electronic technology to communicate openly and continually with shareholders – and the share market in general. Announcements to the ASX, significant briefings, notices of meetings and speeches at Annual General Meetings are promptly posted on the company's internet site and retained there for a minimum of three years.

Shareholders and other interested parties can receive e-mail advices of links to the newly posted Annual Report and can lodge proxies electronically for the Annual General Meeting.

The Annual General Meeting and profit announcement briefings are available via a live webcast from the company's internet site, to allow access by all interested parties.

The company's policy on shareholder communication is available on the company's internet site.

AUDITOR ATTENDANCE AT THE ANNUAL GENERAL MEETING

The external audit firm partner in charge of the CSR audit is available to answer shareholder questions at the company's Annual General Meeting.

RISK MANAGEMENT: CSR has a sound system of risk oversight and management and internal control (ASX CGC Principle 7)

There are many risks in the markets in which CSR operates. A range of factors, some of which are beyond CSR's control, can influence performance across CSR's businesses. In many of these businesses, CSR constantly and deliberately assumes certain levels of risk in a calculated and controlled manner. CSR has in place limits and a range of policies and procedures to monitor the risk in its activities and these are periodically reviewed by the Board. CSR's Risk Management Policy, which sets out the framework for risk management, internal compliance and control systems, is available on CSR's internet site. There are several layers that assist the Board in ensuring the appropriate focus is placed on the risk management framework:

– The Audit Committee – reviews and reports to the Board in relation to the company's financial reporting, internal control structure, risk management systems and the internal and external audit functions. The Audit Committee recommends to the Board the appointment or dismissal of the internal auditor, who is independent of the external auditor;

– The Safety Health and Environment Committee – reviews and reports to the Board on the management of the company's safety, health and environment liabilities and legal responsibilities; and

– The senior management team – manages and reports to the Board on business and financial risks and overall compliance.

Risk management is sponsored by the Board, and is a top priority for senior managers, starting with the managing director. The Board oversees the risk appetite and profile of CSR and ensures that business developments are consistent with the risk appetite and goals of CSR.

The risk management framework covering business risk, financial risk, financial integrity and legal compliance, including the establishment of policies for the control of these risks, is in place. The Board, through the Audit Committee, receives recommendations in relation to the risk profile of CSR, breaches of the policy framework and external developments which may have some impact on the effectiveness of the risk management framework. It also approves significant changes to the risk management framework and related policies.

The Audit Committee has responsibility for monitoring compliance with the risk management framework approved by the Board for internal control and compliance matters. In this role, the Audit Committee monitors and reviews the effectiveness of the internal audit and compliance functions. The management Corporate Governance and Disclosure Committee has responsibility for any governance matters. Committees exist at the executive management level to ensure the necessary elements of expertise are focused on specific risk areas. Beneath this level, other Committees exist where senior specialists focus on specific risks as appropriate.

The risk management framework is designed to ensure policies and procedures are in place to manage the risk arising within each business unit. Application varies in detail from one part of CSR to another; however, the same risk management framework applies across all business activities without exception.

RISK MANAGEMENT ACCOUNTABILITY
As part of the process of approving the financial statements, at each reporting date the managing director and other responsible senior executives provide statements in writing to the Board on the quality and effectiveness of the company's risk management and internal compliance and control systems. The statements are substantiated in part by an annual review using applicable elements of the frameworks provided by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control and Enterprise Risk Management.

The Board has also received statements from the Managing Director and the Chief Financial Officer certifying that, having made all reasonable enquiries and to the best of their knowledge and belief:

- the statements made in relation to the financial integrity of the group financial reports are founded on a sound system of risk management and internal compliance and control;
- the system of risk management in operation at 31 March 2009 implements the policies adopted and delegated by the Board and of the other decision making bodies operating within the CSR group and was operating effectively; and
- the systems relating to financial reporting were operating effectively in all material respects.

Further, the Board received the relevant declarations required under section 295A of the Corporations Act 2001 and the relevant assurances required under recommendation 7.3 of the revised ASX CGC principles.

REMUNERATION: CSR ensures that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear (ASX CGC Principle 8)
CSR's policy is to reward executives with a combination of fixed remuneration and short and long term incentives structured to drive improvements in shareholder value. Non-executive directors receive no incentive payments. Executives and directors previously had the option to forgo part of their cash remuneration to acquire shares in CSR. This has been temporarily suspended as a result of the Federal Government's budget announcement on 12 May 2009. Employees cannot approve their own remuneration, nor can they review that of their direct subordinates without their manager's approval.

REMUNERATION COMMITTEE
The Remuneration Committee comprises Richard Lee (chairman), Ian Blackburne, Ray Horsburgh, John Story and Jeremy Sutcliffe.

Together with an overview of people issues, particularly succession and development planning for senior managers, the Committee advises the Board on remuneration policies and practices, evaluates the performance of the managing director against pre-agreed goals and makes recommendations to the Board on remuneration for the managing director and senior managers reporting to him. The Committee considers independent advice on policies and practices to attract, motivate, reward and retain strong performers.

The Remuneration Report includes further details on CSR's remuneration policy and its relationship to the company's performance last year (refer pages 10 to 20). It also includes details of the remuneration of directors and key managers last year.

Shareholders are invited to vote on the adoption of the report at the company's Annual General Meeting.

EQUITY BASED EXECUTIVE REMUNERATION
Key features of the employee share plans used by CSR, the company's policy on share ownership and details of CSR shares beneficially owned by directors and key managers appear in the Remuneration Report on pages 10 to 20.

SAFETY, HEALTH AND ENVIRONMENT RESPONSIBILITIES
An important part of CSR's governance commitments includes protection for its people's safety and occupational health, and for the environment (SHE). The Board endorsed SHE policy (available on the CSR internet site) details the company's and individuals' obligations.

The Board's Safety, Health and Environment Committee oversees and reports to the Board on the management of the company's SHE responsibilities. The SHE Committee comprises Ray Horsburgh (chairman), Ian Blackburne, Nicholas Burton Taylor, Kathleen Conlon and Jeremy Sutcliffe.

The Committee receives regular reports from management, reviews the adequacy of SHE management systems and performance, and ensures appropriate improvement targets and benchmarks. It monitors potential liabilities, changes in legislation, community expectations, research findings and technological changes.

CORPORATE GOVERNANCE AND DISCLOSURE
CSR considers that the above corporate governance practices comply with the ASX CGC's Corporate Governance Principles and Recommendations.

The company's corporate governance framework is kept under review. A report is provided to the Board by the company secretary at least annually, recommending any improvements necessary to respond to changes to the company's business or applicable legislation and standards.

Statement as at 13 May 2009.

DIRECTORS' INTERESTS IN CSR SHARES

AS AT 13 MAY	TOTAL 2009	TOTAL 2008
Ian Blackburne	**241,333**	181,467
Jerry Maycock	**523,299**	310,917
Nicholas Burton Taylor	**92,000**	–
Kathleen Conlon	**67,898**	37,957
Ray Horsburgh	**32,228**	21,523
Richard Lee	**148,092**	71,794
John Story	**143,606**	98,587
Jeremy Sutcliffe	**45,778**	–

DIRECTORS' MEETINGS

YEAR ENDED 31 MARCH 2009	CSR BOARD		AUDIT COMMITTEE		SAFETY, HEALTH AND ENVIRONMENT COMMITTEE		REMUNERATION COMMITTEE	
	HELD[a]	ATTENDED[b]	HELD[a]	ATTENDED[b]	HELD[a]	ATTENDED[b]	HELD[a]	ATTENDED[b]
Ian Blackburne	14	14	4	4	5	5	5	5
Jerry Maycock	14	14	–	–	–	–	–	–
Nicholas Burton Taylor[1]	8	8	3	3	4	4	3	3
Kathleen Conlon	14	14	2[3]	2	5	5	4[5]	4
Ray Horsburgh	14	13	–	–	5	5	5	4
Richard Lee	14	13	4	4	–	–	5	5
John Story	14	14	4	4	2[4]	2	5	5
Jeremy Sutcliffe[2]	3	3	–	–	2	2	1	1

a Meetings held while a member.
b Meetings attended.
1 Appointed director on 1 August 2008.
2 Appointed director on 1 December 2008.
3 Ms Conlon was appointed to the Audit Committee during the year.
4 Mr Story resigned from the Safety, Health and Environment Committee during the year.
5 Ms Conlon resigned from the Remuneration Committee during the year.

THIS REPORT FORMS PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009

REMUNERATION AT A GLANCE

Below is a summary of CSR's executive and non-executive director remuneration arrangements in place for the year ended 31 March 2009 (YEM09).

During YEM09, with the assistance of external advisers, the company undertook a review of the executive remuneration strategy and remuneration framework to ensure the approach meets the company's business needs, shareholder expectations and contemporary market practice. The outcomes of this review are detailed in this report in section B.

INTRODUCTION

This Remuneration Report provides a summary of CSR's remuneration policy and practices during the past year as they apply to 'directors and key management personnel' as defined by the Accounting Standard AASB 124 (Related Party Disclosures).

For simplicity and the purposes of this report, the terms 'executives' and 'non-executive directors (NEDs)' are used. In some cases where aspects apply only to senior roles within the executive group, the term 'senior executives' will also be used.

The disclosures set out in this report have been prepared in accordance with the requirements of section 300A of the Corporations Act 2001 and Corporations Regulation 2M.3.03 and have been audited.

The sections covered in this Remuneration Report are:

Introduction – Key Features of CSR's Remuneration Framework for YEM09

A The Remuneration Committee's role

B Detailed Outcomes of the Review of Executive Remuneration

C Executive Remuneration Policy

D Executive Remuneration Framework

E Link between Remuneration and Company Performance

F Executive Contracts

G Non-Executive Director Remuneration

H Remuneration and Shareholdings for YEM09 (and Comparatives).

Key Features of CSR's Remuneration Framework for YEM09

- Executive fixed remuneration is targeted to be competitive at around the market median. Remuneration is benchmarked against the Hay Group Industrial & Services Index for roles of comparative size. At senior level, specific roles are benchmarked against their counterparts in related industries. Variable remuneration provides the opportunity to earn upper quartile total remuneration (fixed remuneration plus variable remuneration).
- The executive reward framework sought to encourage top performance and alignment with shareholder interests through:
  – a short term incentive plan that incorporates a variety of both financial and non-financial measures critical to both the short term and longer term success of CSR;
  – a long term incentive plan with performance hurdles based on total shareholder return (TSR) relative to the S&P/ASX 200 Accumulation Index;
  – an employee share plan which has encouraged employees to forgo fixed remuneration and incentives for CSR shares; and
  – a minimum shareholding requirement equivalent in value to 12 months' base salary (calculated using the acquisition cost of the shares) for senior executives participating in the senior executive short term incentive plan (see below section D2 – Short Term Incentive Plans).
- Non-executive directors were encouraged to hold shares in CSR by sacrificing fees to acquire shares through the Employee Share Acquisition Plan (ESAP). Directors are expected to build their shareholdings to a minimum shareholding with a value equal to 12 months' fees (calculated using the acquisition cost of the shares), and were encouraged to forgo part of their fees to receive shares through ESAP until this requirement is met. Note that this requirement, and the ability to salary sacrifice into ESAP, has temporarily been suspended by the ESAP trustee, following the Federal Government budget announcement of 12 May 2009 (proposed Federal Budget changes) that would remove the ability to defer tax on grants of shares provided under an employee share scheme. The future of ESAP and other share based incentive schemes (discussed below) will be reviewed when the effect of the proposed Federal Budget changes is known.
- Directors and designated senior executives are not permitted to deal in financial products issued over CSR's securities by third parties or enter into transactions in products associated with CSR's securities which operate to limit the economic risk of their security holding in CSR (for example, hedging arrangements).

More detail on the executive remuneration plans are provided in sections D2 – Short Term Incentive Plans and D3 – Long Term Incentive Plan.

A – THE REMUNERATION COMMITTEE'S ROLE

The composition and functions of the Remuneration Committee (Committee), which oversees remuneration issues and human resources matters, are set out in the charter available from the CSR internet site at http://www.csr.com.au/investorcentre/CorpGovernance.asp.

As a high level overview, the role of the Committee is to review and make recommendations to the Board on (but not limited to):

- remuneration of non-executive directors;
- the remuneration of the Managing Director and senior executives;
- The remuneration incentive policies, guidelines for executives and senior managers; and
- Succession planning.

Support for the Committee is provided through CSR's Executive General Manager – People and Performance, and external advisers.

B – DETAILED OUTCOMES OF THE REVIEW OF EXECUTIVE REMUNERATION

B1 – The Remuneration Framework Review Process & Objectives

The review of the remuneration framework was undertaken in order to improve alignment of reward with business goals and shareholder expectations, and to make performance goals and outcomes clearer. This review was undertaken before the proposed Federal Budget changes and will not be implemented until the effect of those changes is known.

External remuneration advisers facilitated the consultation and design process for the review. Key steps in the process were as follows:

- comprehensive consultation with the Board in relation to the current executive reward framework and recommendations as to the proposed design of the executive reward framework going forward;
- stakeholder interviews with the Managing Director and each member of the executive team to better understand the key drivers of business success;
- meetings with the Managing Director and each member of the executive team to develop remuneration principles and the high-level design of the revised remuneration framework; and
- Board review and approval of the new executive remuneration framework.

B2 – Specific Outcomes of the Review

The following outcomes of the review are proposed to be implemented from YEM10 onwards:

- Long Term Incentive (LTI) participation eligibility will be restricted to Managing Director and their direct reports and for other senior managers the Short Term Incentive (STI) opportunity will be increased to provide these executives with increased line of sight over the performance-reward linkage;
- the weightings and measures in the STI plan have been reviewed in order to drive participants to deliver their business unit objectives and to increase shareholder value;
- clarification is provided of the CSR financial targets required to be achieved to ensure funding for the STI pool is available in order to improve the transparency of the STI funding process for employees;
- a key outcome of the review was the proposed replacement of the YEM09 LTI "Cash Award Share Plan" (CASP – outlined in section D3) with a simplified LTI plan designed to align more closely with shareholder interests. However, the proposed Federal Budget changes would remove the ability to defer tax on grants of shares provided under an employee share scheme and have created uncertainty, at this time, in relation to the viability of employee share schemes.

B2 – Specific Outcomes of the Review (Continued)
As such, the introduction of the amended LTI scheme has been placed on hold pending finalisation of the legislation associated with this announcement; and

- a further outcome of the review was the proposed introduction of a mandatory deferral of 25% of any STI plan payment into deferred CSR shares for senior executives in order to encourage equity ownership and support retention. This initiative is also on hold pending the introduction of the legislation in relation to the tax treatment of Australian employee share schemes.

C – EXECUTIVE REMUNERATION POLICY

C1 – Key principles
The key principles on which CSR's executive remuneration policy are based are:

Performance driven	Remuneration should reward executives for achieving or exceeding the business plan and increasing shareholder value. A significant proportion of executive remuneration should be 'at risk' and performance dependent.
Alignment with shareholder interests	Incentive plans and performance measures are aligned with CSR's short and long term success. Employee ownership of CSR shares is encouraged through: • the ability to forgo fixed remuneration and short term incentives for shares; and • a minimum shareholding requirement for senior executives.
Market competitive remuneration opportunities	Remuneration opportunities, which can be earned subject to performance, are set at competitive levels that will attract, motivate and retain high quality executives.

C2 – Ensuring executive remuneration is performance driven
The variable components of remuneration (short term and long term) are driven by challenging targets focused on both external and internal measures of financial and non-financial performance. Details of the performance measures used are set out in sections D2 – STI and D3 – LTI. Further detail on the link between performance and remuneration is set out in section E.

A significant proportion of executive remuneration is 'at risk'. The following target remuneration mix chart sets out the remuneration mix (fixed remuneration, STI and LTI) for the Managing Director and other senior executives:

Target remuneration mix

C3 – Alignment with Shareholder Interests
Executives' remuneration is aligned with shareholder interests via a significant emphasis on variable (incentive) remuneration. These awards are linked to short term and long term performance benchmarks that support CSR's business strategy and future success.

In order to encourage executive share ownership and further increase the alignment with shareholder interests, executives have been encouraged to forgo salary or part or all of their STI payment to acquire shares in CSR.

Additionally, under the YEM09 remuneration framework all senior executives were required to acquire a beneficial interest in CSR shares equivalent in value at the date of acquisition to 12 months' base salary. Until that goal is achieved, these executives were expected to forgo at least 25% of any STI payment and apply it to the purchase of CSR shares.

All vested shares under the YEM09 LTI plan were required to be transferred into the CASP and may only be withdrawn with the Board's approval.

C4 – Ensuring market competitive remuneration
Executive remuneration is reviewed annually. CSR aims to provide market competitive remuneration against jobs of comparable size and responsibility (as measured by the Hay Group job evaluation system) as follows:

- fixed remuneration for executives is targeted at market median; and
- variable remuneration (through STI and LTI) provides the opportunity to earn total remuneration (fixed remuneration plus variable remuneration) for outstanding performance that reaches the top quartile of the market.

D – EXECUTIVE REMUNERATION FRAMEWORK
The executive remuneration framework consists of:

Fixed remuneration	• Base salary • Superannuation • Other short terms benefits
Variable remuneration	• Short term incentive • Long term incentive

D1 – Fixed remuneration
Fixed remuneration comprises salary, superannuation and other benefits provided by the company.

As discussed above, fixed remuneration is targeted at the median of the market for jobs of comparable size and responsibility. In some cases, superior performance or strong market demand for specific job categories may justify above median fixed remuneration.

Employees were able to forgo part of their fixed remuneration to acquire CSR shares under the ESAP discussed in section D4 – Other equity incentive plans.

D2 – Short Term Incentive Plans
CSR's executives all participate in a STI plan. The plan is broadly the same for all executives, although there are some differences within levels in the executive group. Features of all executives' STI plans are as follows:

Short term incentive plans – summary

Purpose of the plans	To drive individual and team performance to deliver annual business plans and increase shareholder value.
Frequency and timing	Participation is on an annual basis with performance measured over the year to 31 March. Payment is normally made in July following the end of the performance year.
Financial measures used (and rationale)	A principal focus of the organisation is economic profit, which assesses the profitability of the company while taking into account the cost of capital employed in the business. The measures used in the STI plans are: • for corporate roles: economic profit of CSR; • for profit centre managers: EBIT and working capital (the most relevant and controllable components of economic profit); and • for managers with narrower responsibilities: sub-components of the profit centre managers' measures may be used as appropriate. The financial targets are set each year by the Managing Director, in consultation with the business unit and corporate leaders, and approved by the Board.
Balanced scorecard measures used (and rationale)	Individual scorecards are constructed for each executive which are chosen because they are critical to CSR's short term and long term success, and are aligned to the business plan. These cover areas including: • safety, health and environment; • meeting customer needs and becoming supplier of choice; • leadership and development of people; • personal sales targets; • operational improvement; • restructuring and rationalisation; • production targets; • growth; and • other personally attributed budget goals.
Assessment of performance against measures	At the end of the CSR year, each executive's performance is assessed based on financial performance results for CSR and the respective businesses and a review by the executive's manager and, where appropriate, 360 degree feedback (that is, feedback provided by the executive's immediate manager, peers and employees reporting to the executive). STI assessments and recommendations are made by an executive's immediate manager, as he or she is best placed to assess the individual's performance. The recommendations are then approved by the Remuneration Committee so as to ensure group-wide consistency. Payment for the balanced scorecard component is normally independent of the business financial result. However, if the business financial result is below expectations, there is discretion to reduce the payout for performance against non-financial measures.
Discretionary override	The Board and the Managing Director have discretion to alter payments having regard to: • CSR's overall financial performance; • individual performance and remuneration, relative to peers and the market; • occurrence of a fatality, regardless of fault; • leadership or performance improvement; • maintenance and preservation of the company's assets; • development and attention to customer relationships; • any short term action which causes market share loss or other damage to CSR; and • other special circumstances (for example, acquisitions and divestments).
Service condition	New starters with CSR or people promoted into eligible roles can participate with pro-rata entitlements if they have been in the role for more than three months of the year. For staff who retire, die or are retrenched during the performance period, the Managing Director and the Board have discretion in awarding a payment. No payment will be made to participants who cease employment, or have their employment terminated for inadequate performance or misconduct, before the end of the performance year.
Voluntary election into shares	Participants were able to elect to forgo all or part of the cash payment in favour of either purchasing CSR shares (held in the ESAP – see section D4 – Other equity incentive plans) or funding additional superannuation contributions.

Further detail regarding the Managing Director's STI is set out in section F2 – Managing Director.

Although sharing these common features, under the YEM09 plan the STI opportunity and the application of performance measures vary by level within the executive group. The differences are summarised as follows:

Executives' short term incentives by level of responsibility under the YEM09 plan

	Senior executive STI plan	**Executive STI plan**	
	Senior members of the executive team as nominated by the Managing Director	**Executives**	**Senior management**
Maximum STI opportunity (% of base salary)	100%	50%	35%
Financial vs balanced scorecard (% of base salary)	Financial • Threshold: 0% • Maximum: 60% Balanced scorecard • Maximum: 40%	Financial • Threshold: 0% • Maximum: 30% Balanced scorecard • Maximum: 20%	Financial • Threshold: 0% • Maximum: 20% Balanced scorecard • Maximum: 15%
Minimum shareholding requirement and mandatory STI deferral election	Participants were required to forgo at least 25% of their STI payment to acquire CSR shares until their vested holdings of shares equalled the value of 12 months' base salary (calculated using acquisition cost of the shares).*	Not applicable	Not applicable

* Salary sacrifice for acquisition of CSR shares is temporarily on hold – see section D4 under "ESAP" for more details.

D3 – Long Term Incentive Plan

Details of the plan below relate to YEM09 only. During the financial year, eligible executives were invited to participate in CSR's LTI plan, which aims to:

- provide executives with a financial interest in CSR shares, thus aligning their interests more closely with those of CSR shareholders;
- attract, retain and motivate the necessary executive talent to deliver and sustain business performance and increase returns to shareholders; and
- provide greater incentive for relevant employees to focus on the company's longer term goals.

The LTI plan for YEM09 was administered under a combination of the company's CASP and the company's ESAP (discussed below). The future operation of the CASP and ESAP will be further reviewed when the effect of the proposed Federal Budget changes is known.

The amount of a grant made to each eligible executive depended on their level within the organisation and had regard to the desired mix between fixed compensation, STI and LTI as well as the performance and potential of the individual executive.

The initial LTI grant comprised a specified value of shares to be held in the CASP and which vest only if pre-determined performance and other qualifying criteria are met.

No shares will vest to a participating executive unless the percentage increase in CSR's total shareholder return (TSR) exceeds the S&P/ASX 200 Accumulation Index over a three to five year period from the date of grant. If this threshold is reached, the shares in the CASP, representing 50% of the maximum potential LTI grant, vest.

Additional shares will be purchased and held in the ESAP if a second performance condition is met. An additional number of shares equal to the original LTI grant will be awarded if the company's TSR ranks at or above the 75th percentile against the companies in the S&P/ASX 200 Index (at the date of grant), with a pro-rata number of shares granted for TSR ranking between the median and 75th percentile.

As a result, participating executives can only achieve 100% of their LTI grant if this second performance hurdle is met in full.

On vesting, all shares acquired by executives under the LTI plan must remain in the CASP trust (initial grant shares) or ESAP (additional top-up shares) and may only be withdrawn with the Board's approval.

The CSR Board has adopted a policy that prohibits participants hedging their exposure to unvested shares or reducing the risk associated with the performance hurdles applicable to those shares in any way. Under the policy, participants are required to forfeit their interest in unvested shares (that is, shares that have not met the performance hurdles) if they enter any hedging transaction in relation to those shares.

The operation of the plan for YEM09 is described in more detail as follows:

Operation of the executive's long term incentive plan

Participation	Executives were eligible subject to approval by the Board.	
Grant frequency	Grants were typically made on an annual basis.	
Type of award	Awards were grants of shares held in trust subject to service duration requirements and performance vesting criteria. If a further performance condition was met, additional shares were to be purchased and held on trust in the company's ESAP (described below). See `Performance conditions' below for more detail.	
Timing	Awards were subject to a three year minimum holding period. Immediately following the completion of the minimum holding period, from the third anniversary of grant to the fifth anniversary of grant, the performance conditions (detailed below) were tested to determine whether, and to what extent, awards vest.	
Performance conditions	Performance measure and rationale for selection	The performance conditions for the plan were based on CSR's total shareholder return relative to the S&P/ASX 200 Accumulation Index over a three to five year period from the date of grant (performance period). TSR is the percentage growth in shareholder value, taking into account share price growth, dividends and capital returns. The performance conditions for each grant under the LTI plan were chosen to align the LTI component of executive remuneration with the relative returns generated for shareholders.
	Performance period and testing approach	CSR's TSR performance was measured from the date of grant up to the relevant testing date. The testing dates fall within a two year period starting from the third anniversary of grant and ending on the fifth anniversary of grant (performance testing period). CSR's TSR is measured over this period to ensure that the long term measurement of performance under the plan is not distorted by business and commodity cycles or capital investment decisions. The performance conditions for the 2005, 2006 and 2007 grants were tested in six consecutive four month windows during the performance testing period. The performance conditions for 2008 grants were tested during the 20 trading days up to and including the last day of the three year performance period and, to the extent the grant has not vested, the fourth and fifth anniversaries of the date of grant.

<table>
<tr><td></td><td>Performance condition 1</td><td>If CSR's TSR exceeds the S&P/ASX 200 Accumulation Index for a minimum of 20 trading days within any of the six four month windows (2005, 2006 and 2007 grants) or three windows of 20 trading days preceding the third, fourth or fifth anniversaries of the grant date (2008 grants), the shares will vest at the end of the trading window in which the performance condition is met.

If the performance condition is not met by the fifth anniversary of the date of grant, participants will forfeit their interests in the unvested shares (and the opportunity to be granted additional shares).</td></tr>
<tr><td></td><td>Performance condition 2</td><td>Based on CSR's performance against a second TSR hurdle, measured over the same trading windows as performance condition 1, an additional grant of shares may be purchased and held in the ESAP.

CSR's TSR is ranked against the companies in the S&P/ASX 200 Index and, subject to performance, an additional grant of shares will be made as follows:
<table>
<tr><th>TSR ranking</th><th>Additional shares granted</th></tr>
<tr><td>CSR's TSR ranks equal to or above the 75th percentile of the peer group.</td><td>An additional number of shares equal to the initial grant.</td></tr>
<tr><td>CSR's TSR ranks between the median and the 75th percentile of the peer group.</td><td>A pro-rata number of shares between 0% and 100% of the initial grant.</td></tr>
<tr><td>CSR's TSR ranks below the median of the peer group.</td><td>No additional shares.</td></tr>
</table>
The 75th percentile and median are adjusted to take into account the market capitalisation weighting of the ranked companies.

The constituents of the S&P/ASX 200 Accumulation Index at the date of grant are used as the peer group. Any companies that are no longer in the S&P/ASX 200 Accumulation Index at the date of testing are removed from the peer group.</td></tr>
<tr><td></td><td>How is performance assessed and why is it assessed that way?</td><td>Performance against the performance conditions is assessed by CSR based on publicly available data. TSR performance compared to the S&P/ASX 200 is considered appropriate given CSR's size and mix of businesses.</td></tr>
<tr><td>Treatment of dividends</td><td colspan="2">As shares are held on trust for participants during the vesting period, participants are entitled to dividends paid on these shares.

The value of such payments expected to be received on unvested shares is taken into account when setting individuals' remuneration levels.</td></tr>
<tr><td>Sales restrictions post vesting</td><td colspan="2">Shares which satisfy the performance conditions remain in CASP/ESAP for the balance of a period of 10 years from grant date or until the earlier cessation of the participant's employment, unless a notice of withdrawal is submitted by a participant and approved by the Board.</td></tr>
<tr><td>Treatment of vested and unvested awards on cessation of employment</td><td>Unvested awards</td><td>Generally, a participant who ceases to be employed prior to the performance conditions being met will forfeit their interests in the unvested shares.

However, if the cessation of employment is the result of retirement, redundancy, permanent disablement, death or any other special circumstances at the Board's discretion, then the Board can apply its discretion to enable awards to vest. Board policy is to consider the time elapsed and performance up to the date of cessation in determining the proportion (if any) of awards that vest.</td></tr>
<tr><td></td><td>Vested awards</td><td>Awards that have vested to participants and are held in the CASP/ESAP will be released to participants upon cessation of employment.</td></tr>
<tr><td>Treatment of vested and unvested awards on a change of control</td><td>Unvested awards</td><td>The Board has discretion to allow awards to vest on a change of control of CSR (for example, a takeover or merger).</td></tr>
<tr><td></td><td>Vested awards</td><td>Awards that have vested to participants and are being held in the CASP/ESAP will be released to participants on a change of control of CSR.</td></tr>
<tr><td>Prohibition of hedging arrangements</td><td colspan="2">Participants will forfeit their interest in unvested shares if they enter any hedging transaction in relation to those shares in breach of the Board's policy outlined above.

At 31 March 2009, relevant executives confirmed in writing their beneficial interest in CSR shares, including confirming that they had not entered into any hedging arrangements over vested or unvested CSR shares.</td></tr>
</table>

The following table summarises the key dates and current status of the current outstanding LTI awards:

Status and key dates – outstanding long term incentive awards

Grant date	Holding period	Performance testing window (performance test starts from date of grant)	Expiry date (if hurdle not met)	Date at which sales restriction lifted	Performance status
26 July 2004	26 July 2004 to 25 July 2007	26 July 2007 to 25 July 2009	25 July 2009	26 July 2014	CSR's TSR exceeded the median of the S&P/ASX 200 Accumulation Index on 1 August 2007 at which time the shares vested.
25 July 2005	25 July 2005 to 24 July 2008	25 July 2008 to 24 July 2010	25 July 2010	25 July 2015	Performance tested but not yet exceeded the median of the S&P/ASX 200 Index. No shares have vested.
24 July 2006	24 July 2006 to 23 July 2009	24 July 2009 to 23 July 2011	24 July 2011	24 July 2016	Performance testing window not yet commenced.
16 July 2007	16 July 2007 to 15 July 2010	16 July 2010 to 15 July 2012	16 July 2012	16 July 2017	Performance testing window not yet commenced.
21 July 2008	21 July 2008 to 20 July 2011	21 July 2011 to 20 July 2013	21 July 2013	21 July 2018	Performance testing window not yet commenced.

D4 – Other Equity Incentive Plans

Employee Share Acquisition Plan (ESAP)

The ESAP currently serves three primary purposes:

- **forgo salary to purchase equity.** The ESAP allows directors and employees to forgo part of their cash remuneration to acquire shares in the company. The shares are purchased on-market by the ESAP trustee, who acts on instructions given in accordance with the plan rules and the company's share trading policy. Participants are entitled to dividends and other distributions on shares held by the trustee on their behalf and can instruct the trustee how to vote their shares at company Annual General Meetings. As participants forgo part of their salary to acquire the shares, no performance conditions apply to shares acquired under this part of the ESAP.

The shares are held in trust while the participant is employed by CSR, unless company approval is granted to sell or transfer shares. Under current Australian tax law, the maximum period of income tax deferral on the shares purchased is 10 years from the date of grant:

- **election of STI payments into equity.** As discussed in section D2 – Short term incentive plans, executives may elect to forgo, or be required to forgo, part of their STI to purchase shares. These shares are held under the ESAP. As the participants have already earned the STI forgone to acquire the ESAP shares, no performance conditions apply to these shares; and
- **to hold any additional shares granted under the company's LTI plan.** As discussed above, if the second TSR hurdle in the LTI plan is achieved, an additional grant of shares is made and held in the ESAP until released in accordance with the LTI plan rules.

The Federal Government budget announcement on 12 May 2009 included proposed changes to the taxation rules that may abolish the ability to defer tax on receipt of ESAP shares until the shares are released to participants. If these changes are implemented, executives would incur a tax liability at the time of issue of any share based incentive. This would significantly reduce the effectiveness of the ESAP scheme as an LTI tool. As such, no further shares will be acquired under the ESAP scheme until the effect of the proposed Federal Government budget changes is known.

Universal Share/Option Plan (USOP)

The USOP provides all CSR employees with the opportunity to link their interests more closely with those of other shareholders by buying company shares and working to improve their value. The current plan is summarised in the following USOP table. The future operation of the USOP will be reviewed when the effect of the proposed Federal Budget changes is known.

Universal Share/Option Plan

Purpose of the plan	To encourage share ownership through enabling executives and employees to benefit from a favourable Australian tax treatment ($1,000 tax exemption).
Participation	All executives and employees (except executive directors), who have the equivalent of at least one year's service.
Form and quantum of award	Each year, the Board sets a maximum number of shares that can be issued to each eligible participant, up to a maximum of $1,000 (being the limit of the tax exemption). The award is structured such that participants buy shares which are then matched one-for-one by the company at no additional cost to participants. In August 2008, eligible participants were each offered 450 shares, on payment of market value, plus an equivalent number of additional shares at no additional cost to participants.
Vesting period	Shares vest immediately upon acquisition by participants. The shares can only be sold three years after the date of grant, unless the participant's employment ceases before then.
Absence of a performance condition	The USOP grants are designed to encourage share ownership among the broad employee population and therefore do not have any performance conditions attached.
Dividends and voting rights	Participants are entitled to dividends and have full voting rights during the three year holding period.

In light of the very difficult trading conditions facing CSR's businesses and the focus on reducing costs, the CSR Board has resolved to suspend USOP for YEM10.

E – LINK BETWEEN REMUNERATION AND COMPANY PERFORMANCE

As discussed earlier, a key underlying principle of the executive reward strategy is that remuneration should be linked to performance.

E1 – Short Term Incentives

STI payments are based on a variety of performance conditions, both financial and non-financial. The key financial measure, depending on role and seniority, was economic profit and its underlying components.

The following table shows earnings before interest, tax, depreciation and amortisation over the past five years and share price information:

KEY FINANCIALS YEAR ENDED 31 MARCH	**2009**	2008	2007	2006	2005
Earnings before interest and tax (EBIT) ($ million) (1)	**320.1**	386.3	406.1	416.8	358.6
Earnings before interest, tax, depreciation and amortisation (EBITDA) ($ million) (1)	**474.9**	536.5	531.9	533.1	462.1
Shareholder funds ($ million)	**1,586.5**	1,590.7	1,264.2	1,075.4	1,256.1
Return on shareholder funds (ROSF %) (2)	**9.4**	12.7	20.1	21.8	18.9
Net profit before significant items ($ million)	**134.0**	192.8	240.5	249.8	214.0
Net (loss)/profit after significant items ($ million)	**(326.5)**	177.4	273.3	305.0	318.9
Basic EPS before significant items (cents)	**12.2**	20.9	27.0	27.4	23.4
Dividend per share (cents)	**7.5**	15.0	15.0	15.0	12.0
Share Price as at 31 March ($)	**1.20**	3.20	3.41	4.46	2.46

(1) Excludes significant items.
(2) Restated to exclude the fair value of hedges from equity.

The main financial performance measure for STI was economic profit with the key components being EBIT and the capital employed in the business. Other performance measures included working capital, safety health and environment and other measures aligned to the relevant business plans. Significant items are excluded when measuring performance for STIs as significant items are either one off items or not part of the ordinary trading results for CSR. CSR's earnings and other performance measures are affected by external economic factors, including sugar and aluminium prices and foreign exchange rates.

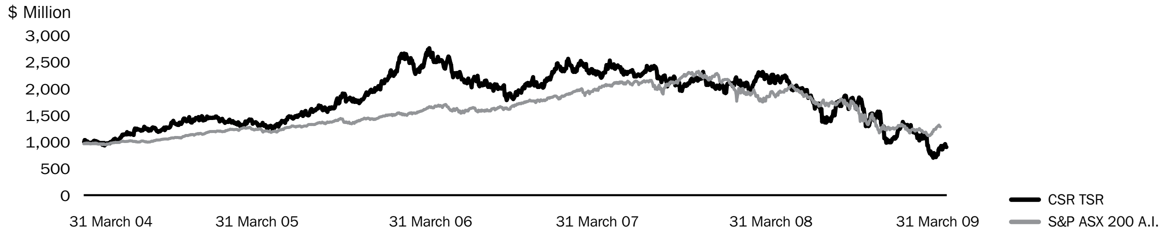
E2 – Long Term Incentives

Long term incentives have been linked to company performance as follows:

- awards comprise shares whose value ultimately depends on share price performance; and
- awards vest subject to CSR's relative TSR performance compared against the S&P/ASX 200 Accumulation Index.

The chart shows CSR's TSR performance over the past five years against the S&P/ASX 200 Accumulation Index.

Although CSR's TSR exceeded that of the S&P/ASX200 Accumulation Index for the four years to 31 March 2008, CSR's total shareholder return fell below that of the S&P/ASX200 Accumulation Index for YEM09.



F – EXECUTIVE CONTRACTS

F1 – Executives

The details of the contracts of CSR's senior executives named in the remuneration tables (excluding the Managing Director) can be summarised as:

- all executives have ongoing contracts of no fixed term;
- the contracts may be terminated by the individual giving four or in some cases three or six months' notice or the company giving 12 months' or in some cases nine month's notice or payment in lieu of that notice;
- upon termination, executives are entitled to:
  - payment of annual and long service leave; and
  - LTI awards that have vested, as discussed under section D3 on pages 13 and 14.
- if an executive is retrenched, the executive will receive the greater of the entitlement to severance pay plus notice under the CSR Redundancy & Retrenchment Agreement or payment in lieu of 12 months' notice and pro-rata STI payment for the proportion of the financial year served.

F2 – Managing Director

Jerry Maycock was appointed as an executive director on 13 February 2007 and as Managing Director on 1 April 2007. Detail of his contract is available on CSR's internet site.

The Managing Director's remuneration package is summarised as follows:

The Managing Director's remuneration package – outline

Fixed remuneration	The Managing Director has received an annual fixed remuneration of $1,300,000 inclusive of superannuation contributions effective from 1 July 2008. Fixed remuneration is reviewed annually.
STI	An annual maximum STI opportunity of 100% of fixed remuneration. Achievement of target performance will result in 70% of the maximum STI being paid. If the targets are significantly outperformed or the Managing Director exceeds stretch targets set by the Board, the Managing Director can earn up to his maximum opportunity. The STI is weighted 40% on financial performance by reference to financial measures, 40% on achievement of specific pre-agreed non-financial goals and 20% on an assessment of the general state of the company at the Board's discretion. The performance of the Managing Director against these measures is assessed and the payment determined by the Board, as the Board is best placed to assess this performance.
Long term incentive	An annual grant of CSR shares equivalent to a maximum of 140% of fixed remuneration subject to annual Board approval and any required shareholder approval. Shares granted to the Managing Director are awarded at the beginning of the performance period. The vesting of these shares is based 50% each on the two performance conditions detailed in section D3.
Sign-on incentive	The Managing Director's contract provides for a sign-on benefit of $350,000 to be paid in cash or provided as shares in the ESAP in two equal installments in February 2008 and February 2009). He has elected to forgo the first tranche of this benefit into shares (which were allocated during the May 2008 trading window), and the second tranche of this benefit into cash.
Minimum shareholding requirement	The Managing Director is required to maintain vested holdings of CSR shares equal to the value of 12 months' base salary (calculated using the acquisition cost of the shares). The Managing Director was required to forgo at least 25% of his STI payment into shares under the ESAP until his vested holdings met this requirement. This requirement has been met.

The contract is for an indefinite duration. The Managing Director's employment can be terminated by:

- the company giving him 12 months' notice of termination; and
- the Managing Director giving six months' notice of resignation.

The Managing Director's incentives will be treated in the event of termination, or a change of control, as follows:

Treatment of the Managing Director's incentives on termination

				Long term incentive	
Circumstance		**Sign-on incentive**	**Short Term Incentive**	**Unvested shares**	**Vested shares that remain held in trust**
Cessation of employment	Notice by company	Any unvested tranche will lapse.	STI will be paid on a pro-rata basis.	Board discretion to allow awards to vest.	Released on termination.
	Death or permanent disability		STI will be paid on a pro-rata basis.	Board discretion to allow awards to vest.	Board discretion to release shares.
Change of control and subsequent material change to Managing Director's role		Not affected	STI – refer to note 1	Board discretion to allow awards to vest.	Released on change of control.

Note 1 – If the Managing Director resigns due to a material change in the Managing Director's status (including the company undergoing a change of control), there would be an entitlement to a payment equivalent to:

- one year's fixed remuneration; and
- 100% of fixed remuneration as the STI for the year.

G – NON-EXECUTIVE DIRECTOR REMUNERATION

G1 – Approach to Setting NED Fees

In setting NED fees, the Committee considers the level of remuneration required to attract and retain NEDs with the necessary skills and experience for the CSR Board. This involves taking into account advice from independent external remuneration consultants who have regard to market data on the level of fees being paid to NEDs in companies of comparable size and complexity to CSR.

G2 – Aggregate Cap on NED Fees

The maximum aggregate sum (or cap), approved by shareholders in 2008, for the remuneration of NEDs is $1,450,000 per annum. This cap covers NED fees, superannuation contributions and retirement benefits.

G3 – Base and Committee Fee Policy

For the period from 1 April 2008 to 8 December 2008, fees payable to Board members were:

Role	Annual Fee
Chairman base fees	$317,500
Non-executive director base fees (including Committee memberships)	$127,000
Chairman of the Audit Committee	An additional $17,000
Chairman of the Safety, Health and Environment Committee	An additional $8,000
Chairman of the Remuneration Committee	No additional fee (Committee is chaired by the chairman of the Board)

On 8 December 2008, fees payable to Board members became as follows:

Role	Annual Fee
Chairman base fees	$317,500
Non-executive director base fees (including one Committee membership)	$127,000
Chairman of the Audit Committee	An additional $17,000
Chairman of the Safety, Health and Environment Committee	An additional $8,000
Chairman of the Remuneration Committee	An additional $8,000
Additional Committee membership	An additional $5,000 per additional Committee (applies to directors other than the chairman)

G4 – Equity Participation and Share Ownership Guidelines

NEDs do not participate in the company's STI or LTI plans or receive any variable remuneration, but were able to forgo fees for CSR shares under the ESAP.

To further align NED's interests with those of shareholders, the company expects all NEDs to acquire a beneficial interest in CSR shares equivalent in value to 12 months' fees. Until that goal is achieved, NEDs had agreed to forgo a minimum of 25% of their fees to buy CSR shares under ESAP. The ability to salary sacrifice for acquisition of CSR shares is temporarily on hold – see section D4 under "ESAP" for more details.

G5 – Retirement Allowances

No retirement allowances are payable to NEDs appointed after 1 April 2003.

The Chairman, Ian Blackburne, who joined the Board before this date, remains entitled to a retirement allowance of $211,306, frozen as at 31 March 2004.

G6 – Changes to Fees Since Year End

The Board has resolved that there will be no increase in director's fees for YEM10.

H – REMUNERATION AND SHAREHOLDINGS (AND COMPARATIVES)

Managing Director and Key Managers' Long Term Incentives

UNVESTED SHARES HELD IN TRUST UNDER THE CASH AWARD SHARE PLAN

		NUMBER OF CASP SHARES					
		OPENING BALANCE AT 1 APRIL	PURCHASED [a]	VESTED [b]	LAPSED	BALANCE AT 31 MARCH [c]	INCLUDED IN REMUNERATION YEAR ENDED 31 MARCH [d]
Managing Director							
Jerry Maycock	2008	–	406,010	–	–	406,010	135,337
	2009	**406,010**	**882,638**	**–**	**–**	**1,288,648**	**429,549**
Key managers							
Chris Bertuch	2008	98,762	49,716	(30,223)	–	118,255	39,418
	2009	**118,255**	**87,294**	**–**	**–**	**205,549**	**55,915**
Neill Evans	2008	106,322	38,668	(30,223)	–	114,767	38,256
	2009	**114,767**	**67,895**	**–**	**–**	**182,662**	**45,766**
Shane Gannon	**2009**	**–**	**145,490**	**–**	**–**	**145,490**	**48,497**
Ian Glasson	2008	107,576	96,669	–	–	204,245	68,082
	2009	**204,245**	**184,287**	**–**	**–**	**388,532**	**129,511**
John Hodgkinson	2008	130,494	49,716	(34,540)	–	145,670	48,557
	2009	**145,670**	**96,993**	**–**	**–**	**242,663**	**63,246**
Gregory Rough [e]	2008	95,954	38,668	–	–	134,622	44,874
	2009	**134,622**	**–**	**(52,924)**	**(81,698)**	**–**	**–**

a A total of 134 executives participated in the CASP in the year ended 31 March 2009, with shares purchased at a price of $2.062 per share.

b For 2008, these shares were issued in July 2004 and met the performance hurdle in July 2007. For 2009, the CASP shares issued in July 2005 had not met the performance hurdle as at 31 March 2009.

c It is not possible to estimate the fair market value of these shares. The maximum value will be the market value of the shares at the date on which these shares vest, if at all.

d One third of the CASP shares purchased during the year and each of the two previous years.

e Gregory Rough left CSR on 17 May 2008. Under a Separation Agreement, Gregory Rough's 2005 CASP shares were subject to meeting the performance hurdle test while his remaining 2006 grant of 43,030 and 2007 grant of 38,668 CASP shares lapsed on his cessation of employment. His 52,924 2005 CASP shares successfully passed the performance hurdle in the measurement block ended 31 March 2008.

DIRECTORS' AND KEY MANAGERS' SHAREHOLDINGS [a]

		NUMBER OF CASP SHARES				
		OPENING BALANCE AT 1 APRIL	INCLUDED IN REMUNERATION	ACQUIRED	SOLD OR TRANSFERRED	BALANCE AT 31 MARCH
Directors						
Ian Blackburne (Chairman)	2008	146,301	–	35,166	–	181,467
	2009	**181,467**	**–**	**59,866**	**–**	**241,333**
Jerry Maycock (Managing Director)	2008	2,000		308,917	–	310,917
	2009	**310,917**	**57,757**	**154,625**	**–**	**523,299**
Kathleen Conlon	2008	14,808	–	23,149	–	37,957
	2009	**37,957**	**–**	**29,941**	**–**	**67,898**
Ray Horsburgh [c]	2008	2,000	–	19,523	–	21,523
	2009	**21,523**	**–**	**10,705**	**–**	**32,228**
Richard Lee	2008	65,000	–	6,794	–	71,794
	2009	**71,794**	**–**	**76,298**	**–**	**148,092**
John Story	2008	57,851	–	40,736	–	98,587
	2009	**98,587**	**–**	**45,019**	**–**	**143,606**
Nicholas Burton Taylor (joined Board 1 August 2008) [d]	**2009**	**–**	**–**	**92,000**	**–**	**92,000**
Jeremy Sutcliffe (joined Board 1 December 2008)	**2009**	**–**	**–**	**45,778**	**–**	**45,778**
Key managers						
Chris Bertuch	2008	260,187	–	30,223	–	290,410
	2009	**290,410**	**–**	**75,197**	**–**	**365,607**
Neill Evans	2008	106,866	–	60,299	(14,000)	153,165
	2009	**153,165**	**–**	**1,967**	**–**	**155,132**
Shane Gannon (Chief Financial Officer from 14 July 2008)	**2009**	**–**	**–**	**–**	**–**	**–**
Ian Glasson	2008	1,182	–	23,071	–	24,253
	2009	**24,253**	**–**	**36,603**	**–**	**60,856**
John Hodgkinson	2008	101,017	–	34,540	(28,000)	107,557
	2009	**107,557**	**–**	**36,664**	**–**	**144,221**
Gregory Rough (ceased employment 13 May 2008) [e]	2008	29,725	–	13,890	–	43,615
	2009	**43,615**	**–**	**52,924**	**(96,539)**	**–**

a CSR shares in which the director or key manager has a beneficial interest, including shares held under the ESAP and CASP or via their related parties, but excluding shares held under CASP which have not vested. Shares held under the CASP which have not vested are disclosed in the table "Managing Director and Key Managers' Long Term Incentives" above.

b YEM09 shares purchased as an unlatching benefit for Jerry Maycock and held under the ESAP.

c The 31 March 2008 figure previously reported in the YEM08 Remuneration Report was incorrect.

d Includes 10,000 shares held by a related party to Mr Burton Taylor.

e On cessation of employment, Gregory Rough's 52,924 CASP shares issued on 25 July 2005 vested and the shares were transferred into his name. His 96,539 ESAP shares were sold or transferred on cessation of employment.

EXECUTIVE DIRECTOR'S AND KEY MANAGERS' REMUNERATION

$ YEAR ENDED 31 MARCH	FIXED REMUNERATION [a]	SHORT TERM INCENTIVE [b]	USOP [c]	LONG TERM INCENTIVE ACCRUAL [d]	OTHER BENEFITS [e]	TOTAL (INCL ACCRUED LTI)	AT RISK [f]	TOTAL (INCL VESTED LTI) [g]
Executive director								
Jerry Maycock (Managing Director)								
2008	1,225,000	796,250		490,000	11,520	2,522,770	51%	2,032,770
2009	**1,281,250**	**390,000**		**1,096,666**	**360,882**	**3,128,798**	**48%**	**2,032,132**
Key managers								
Chris Bertuch (General Counsel and Company Secretary)								
2008	424,383	230,000	–	126,667	8,488	789,538	45%	732,871
2009	**468,750**	**140,000**	**909**	**153,334**	**9,375**	**772,368**	**38%**	**619,034**
Neill Evans (Executive General Manager Bricks and Roofing) [h]								
2008	435,750	223,000	1,005	120,000	12,407	792,162	43%	742,162
2009	**466,500**	**–**	**–**	**126,667**	**17,830**	**610,997**	**21%**	**484,330**
Shane Gannon (Chief Financial Officer) [i]								
2009	**541,630**	**150,000**	**–**	**100,001**	**2,510**	**794,141**	**31%**	**694,140**
Ian Glasson (Chief Executive Officer Sugar)								
2008	772,500	390,000	1,005	233,333	4,707	1,401,545	44%	1,168,212
2009	**806,250**	**375,000**	**909**	**359,999**	**21,464**	**1,563,622**	**47%**	**1,203,623**
John Hodgkinson (Chief Operating Officer Building Products) [j]								
2008	548,750	370,000	–	153,333	6,585	1,078,668	49%	1,005,335
2009	**606,250**	**–**	**–**	**173,333**	**12,955**	**792,538**	**22%**	**619,205**
Gregory Rough (Executive General Manager Lightweight Systems) [k]								
2008	458,080	104,000	–	140,000	199	702,279	35%	562,279
2009	**54,184**	**–**	**–**	**140,000**	**358,430**	**552,614**	**25%**	**552,614**
Total key managers (excluding the executive director)								
2008	2,639,463	1,317,000	2,010	773,333	32,386	4,764,192	44%	4,210,859
2009	**2,943,564**	**665,000**	**1,818**	**1,053,334**	**422,564**	**5,086,280**	**34%**	**4,172,946**

a Fixed remuneration may be allocated at the executive's discretion to cash, superannuation (subject to legislative minimums), motor vehicles and certain other benefits.

b The minimum entitlement to an STI is zero and the maximum entitlement as a % of fixed remuneration for the year ended 31 March 2009 was 100% for the Managing Director and Ian Glasson, 90% for Shane Gannon, 76% for John Hodgkinson and 75% for other key managers. STIs may be allocated at the executive's discretion to cash, the purchase of shares under the ESAP or additional superannuation contributions.

c Value of 450 free shares issued under the USOP at $2.02 per share (YEM08: 300 shares at $3.35 per share). This plan is available to all eligible employees and is not subject to performance conditions.

d For executive director and key managers one third of last three CASP offers if participated, that is, one third of CASP shares purchased on 21 July 2008 at $2.062 per share, one third of the CASP shares purchased on 16 July 2007 at $3.62 per share and one third of CASP shares purchased on 24 July 2006 at $3.25 per share. The 2006 and 2007 shares vest if CSR TSR exceeds the percentage increase in the S&P/ASX 200 Accumulation Index during one of six specified periods between the third and fifth anniversary after purchase of the shares. The 2008 shares vest if CSR TSR exceeds the percentage increase in the S&P/ASX 200 Accumulation Index on the third, fourth or fifth anniversary of the grant. Gregory Rough's 2005 CASP shares vested at the time of termination. His LTI is the 52,924 shares multiplied by the purchase price of $2.6453.

e In the years ended 31 March 2008 and 2009, other benefits included an allowance for long service leave. Other benefits for year ended 31 March 2009 also included a recruitment premium for Jerry Maycock ($175,000 ESAP shares; $175,000 cash). Other benefits for year ended 31 March 2009 also included: for Jerry Maycock, airfares; for Neill Evans, accommodation, airfares and corporate hospitality; for Ian Glasson, airfares; for Shane Gannon, airfares; and for John Hodgkinson, airfares; for Gregory Rough on cessation of employment this includes eight months' salary ($307,626) and ESAP top-up on 2005 CASP shares ($50,804).

f Short term incentive plus long term incentive, as a percentage of total remuneration.

g Represents the total of all remuneration package components excluding the LTI accrual amount but including the dollar amount of any LTI awards that actually vested in the year ended 31 March 2009. These LTI amounts relate to LTI awards from previous years. This figure represents what was actually earned by the executive for the year ended 31 March 2009.

h The Executive General Manager Bricks and Roofing role reported into the Managing Director until October 2008, at which time the reporting line changed to the Chief Operating Officer Building Products.

i Shane Gannon commenced on 14 July 2008.

j John Hodgkinson was promoted to the role Chief Operating Officer Building Products in October 2008.

k Gregory Rough left CSR on 13 May 2008. The Executive General Manager Lightweight Systems role now reports to the Chief Operating Officer Building Products. The vested LTI amount was an accelerated testing of the 2005 LTI award component due to retirement, and which met the performance criteria in the measurement block ended 31 March 2008.

DIRECTORS' REMUNERATION – YEAR ENDED 31 MARCH 2009

$	YEAR	DIRECTORS' FEES	SUPERANNUATION	TOTAL
Non-executive directors				
Ian Blackburne (chairman)	2008	312,500	28,125	340,625
	2009	**317,500**	**28,575**	**346,075**
Nicholas Burton Taylor (appointed 1 August 2008)	2008	–	–	–
	2009	**88,425**	**7,909**	**96,334**
Kathleen Conlon	2008	125,000	11,250	136,250
	2009	**132,739**	**11,929**	**144,668**
Ray Horsburgh	2008	133,000	11,970	144,970
	2009	**98,091**	**54,787**	**152,878**
Richard Lee	2008	125,000	11,250	136,250
	2009	**132,946**	**12,903**	**145,849**
John Story	2008	142,000	12,780	154,780
	2009	**123,170**	**37,240**	**160,410**
Jeremy Sutcliffe (appointed 1 December 2008)	2008	–	–	–
	2009	**44,000**	**3,960**	**47,960**
Total non-executive directors	2008	837,500	75,375	912,875
	2009	**936,871**	**157,303**	**1,094,174**
Executive Directors				
(Details are in the executive director's and key manager's remuneration table)				
Jerry Maycock	2008	–	–	2,522,770
	2009	**–**	**–**	**3,128,798**
Total directors	2008	837,500	75,375	3,435,645
	2009	**936,871**	**157,303**	**4,222,972**

DIRECTORS' REPORT

The directors of CSR Limited (CSR) present their report of the consolidated entity, being CSR and its controlled entities (CSR group), for the year ended 31 March 2009.

REVIEW OF OPERATIONS AND RESULTS

A review of CSR group operations and the results for the year ended 31 March 2009 are set out on the inside front cover to page 3 and pages 23 to 51 of the Annual Report. This includes information on the financial position, strategies and prospects of the group for future years. This report omits information about strategies and prospects for future years that would unreasonably prejudice CSR.

SIGNIFICANT CHANGES

There were no significant changes in the state of affairs of the CSR group or in the nature of the CSR group's principal activities during the year.

PRINCIPAL ACTIVITIES

The principal activities of entities in the CSR group during the year included the manufacture and supply of building products in Australia, China, Malaysia, New Zealand, Singapore and Thailand. The group mills raw sugar from sugarcane as well as producing renewable electricity and ethanol in Australia, and manufactures and distributes refined sugar products in Australia and New Zealand. In Australia, the group has an interest in the smelting of aluminium. Also in Australia, CSR maximises returns from the sale of industrial land by advancing sites through stages of the development process.

EVENTS AFTER BALANCE DATE

No material matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the CSR group's operations, the results of those operations or the CSR group's state of affairs in future financial years.

LIKELY DEVELOPMENTS

Likely developments in the operations of the CSR group in the future and the expected results are referred to in the inside front cover to page 3 and pages 23 to 51 of the Annual Report. This report omits information about likely developments and expected future results that would unreasonably prejudice CSR. Developments which have arisen by the time of the Annual General Meeting on Thursday 9 July 2009 will be reported to the meeting.

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The Board places a high priority on environmental issues and is satisfied that adequate systems are in place for the management of the CSR group's compliance with applicable environmental regulations under the laws of the Commonwealth, States and Territories. CSR is not aware of any pending prosecutions relating to environmental issues last year. Nor are we aware of any environmental issues, not provided for, which would materially affect our business as a whole.

CSR produced its first stand alone Sustainability Report in 2008 which is available on the CSR internet site.

Given the breadth of its manufacturing and processing operations, the mix of its individual businesses, CSR will be impacted by the Federal Government's proposed Carbon Pollution Reduction Scheme. In anticipation of the roll out of this proposed scheme, CSR has undertaken extensive modelling of the potential effects of the proposed scheme across its businesses and continues to examine various scenarios in relation to the cost impact and opportunity of carbon emissions on CSR.

POLITICAL DONATIONS

CSR contributed $30,028 in direct and indirect donations to political parties in the year ended 31 March 2009. Our businesses are often involved in a degree of interaction with all levels of government. We assist all sides of politics in the development of policy in fields where CSR has specific expertise. All donations are disclosed in accordance with our obligations to the Australian Electoral Commission.

DIVIDENDS

A final dividend for the year ended 31 March 2009 of 1.5 cents per ordinary share, fully franked, will be paid on 3 July 2009. Dividends paid and declared during the year are in note 26 to the financial statements on page 40.

DIRECTORS, SECRETARIES, DIRECTORS' MEETINGS AND DIRECTORS' SHAREHOLDINGS

The names of directors who held office between 1 April 2008 and the date of this report and details about current directors' period of appointment, qualifications, age, experience, special responsibilities, current directorships and directorships for the past three years of other listed companies are on pages 4 and 5. The qualifications and experience of each company secretary at 31 March 2009 are also on page 5. Details about meetings of the Board and of Board Committees, including attendance are on page 9 and the directors' relevant interests in shares in CSR Limited or a related body corporate as at the date of this report are on page 9.
Other than as disclosed elsewhere in this report, no director:

– has any relevant interest in debentures of, or interests in a registered scheme made available by, CSR or a related body corporate;

– has any rights or options over shares in, debentures of, or interests in a registered scheme made available by, CSR or a related body corporate; or

– is a party to or entitled to a benefit under any contracts that confer a right to call for or deliver shares in, debentures of or interests in a registered scheme made available by CSR or a related body corporate.

AUDITOR INDEPENDENCE

There is no current or former partner or director of Deloitte Touche Tohmatsu, CSR's auditor, who is or was at any time during the year ended 31 March 2009 an officer of the CSR group. No auditor played a significant role in the CSR group audit for the year ended 31 March 2009 in reliance on a declaration made under section 342A of the Corporations Act 2001 (that is, the ASIC relaxation of requirements to rotate persons who play a significant role in the audit every five years). The auditor's independence declaration (made under section 307C of the Corporations Act 2001) is set out on page 51 and forms part of this report.

OPTIONS OVER SHARE CAPITAL

No CSR options were granted to executives or non-executive directors during the year. There were no unissued shares or interests in CSR subject to options at the date of this report and no CSR shares or interests issued pursuant to exercised options during or since the end of the year.

INDEMNITIES AND INSURANCE

Under clause 101 of CSR's constitution and (in the case of CSR's directors) a deed substantially in the form approved by shareholders in July 1999, each CSR director, each company secretary and every other person who is or has been a CSR officer is indemnified to the extent permitted by law, against:

- liability to third parties (other than related CSR companies) arising out of conduct undertaken in good faith in their capacity as a CSR officer; and
- the costs and expenses of defending legal proceedings arising out of conduct undertaken in their capacity as a current or former CSR officer, unless the defence is unsuccessful.

The company has a similar policy covering all employees. CSR's external auditor is not indemnified under clause 101. The company has insured against amounts that it is liable to pay under this clause. In accordance with normal commercial practice, the insurance contract prohibits disclosure of the nature of the liability covered by, or the premium payable under, the contract of insurance. No indemnities were paid to current or former officers or auditors during or since the end of the year.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the CSR group auditor, Deloitte Touche Tohmatsu, for non-audit services provided by that firm during the year are shown in note 25 to the financial statements on page 39. In accordance with written advice provided by the Audit Committee, the directors are satisfied that the provision of non-audit services by Deloitte Touche Tohmatsu is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, in view of the materiality of the amounts, the nature of the services and the processes established to monitor the independence of the auditors.

PROCEEDINGS ON BEHALF OF CSR

No proceedings have been brought or intervened in on behalf of CSR, nor has any application for leave been made in respect of CSR under section 237 of the Corporations Act 2001 (which allows members and other persons to bring proceedings on behalf of companies).

REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

The Remuneration Report on pages 10 to 20, which forms part of the Directors' Report, provides a summary of the Board's remuneration policy and practices during the past year as they apply to directors, executives and the company secretary (including 'key management personnel' as defined by the Accounting Standard AASB 124, Related Party Disclosures); the relationship between remuneration policy and the company's performance; a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and the remuneration details for each director and key manager.

ROUNDING OF AMOUNTS

CSR is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that class order, amounts included in this Directors' Report and in the Financial Report are rounded to the nearest million dollars unless otherwise indicated.

The Directors' Report is signed in accordance with a resolution of directors of CSR Limited.

Ian Blackburne

IAN BLACKBURNE
Chairman

JERRY MAYCOCK
Managing Director

13 May 2009

FINANCIAL REPORT
YEAR ENDED 31 MARCH 2009
CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)

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INCOME STATEMENT

YEAR ENDED 31 MARCH
CSR LIMITED AND ITS CONTROLLED ENTITIES

		CSR GROUP		CSR LIMITED	
($ MILLION)	NOTE	**2009**	2008	**2009**	2008
Trading revenue – sale of goods		**3,492.8**	3,231.3	**22.6**	22.3
Cost of sales		**(2,679.0)**	(2,410.9)	**(0.1)**	(0.1)
Gross margin		**813.8**	820.4	**22.5**	22.2
Warehouse and distribution costs		**(245.5)**	(207.2)	**–**	–
Selling costs		**(172.3)**	(172.7)	**–**	–
Administration and other operating costs		**(140.6)**	(127.1)	**(18.3)**	(20.2)
Share of profit of associates		**15.0**	16.6	**–**	–
Operating profit		**270.4**	330.0	**4.2**	2.0
Other income from ordinary activities	2	**52.7**	55.7	**30.1**	8.2
Other expenses from ordinary activities	2	**(540.1)**	(25.9)	**(143.3)**	(10.2)
Dividend income from controlled entities				**353.3**	12.6
Dividend income		**4.6**	4.5	**4.6**	4.4
(Loss) profit from ordinary activities before finance and income tax		**(212.4)**	364.3	**248.9**	17.0
Interest income	6	**3.3**	3.6	**45.5**	54.0
Finance cost	4	**(109.1)**	(97.3)	**(113.9)**	(97.1)
(Loss) profit from ordinary activities before income tax		**(318.2)**	270.6	**180.5**	(26.1)
Income tax benefit (expense) relating to ordinary activities	8	**24.5**	(56.8)	**49.7**	8.8
Net (loss) profit		**(293.7)**	213.8	**230.2**	(17.3)
Net profit attributable to minority interests		**32.8**	36.4		
Net (loss) profit attributable to shareholders of CSR Limited		**(326.5)**	177.4	**230.2**	(17.3)
Net profit before significant items attributable to shareholders of CSR Limited		**134.0**	192.8	**326.0**	(17.3)
Reconciliation of retained profits					
Retained profits at the beginning of the financial year		**636.4**	630.7	**368.3**	553.1
Net (loss) profit attributable to shareholders of CSR Limited		**(326.5)**	177.4	**230.2**	(17.3)
Net loss recognised directly in retained profits		**(87.2)**	(35.0)	**(80.3)**	(30.8)
Total available for appropriation		**222.7**	773.1	**518.2**	505.0
Dividends provided for or paid	26	**(149.7)**	(136.7)	**(149.7)**	(136.7)
Retained profits at the end of the financial year		**73.0**	636.4	**368.5**	368.3
(CENTS)					
Basic earnings per share based on net (loss) profit attributable to shareholders of CSR Limited [a]		**(29.7)**	19.2		
Diluted earnings per share based on net (loss) profit attributable to shareholders of CSR Limited [a]		**(29.7)**	19.2		

a Weighted number of ordinary shares on issue used in the calculation of earnings per share is 1,098.7 million (2008: 923.9 million).

Notes to the financial statements are annexed.

BALANCE SHEET
AS AT 31 MARCH
CSR LIMITED AND ITS CONTROLLED ENTITIES

		CSR GROUP		CSR LIMITED	
($ MILLION)	NOTE	**2009**	2008	**2009**	2008
Current assets					
Cash and cash equivalents	7	**14.7**	24.9	**–**	1.7
Receivables	10	**562.1**	555.5	**1,801.2**	1,068.9
Inventories	9	**418.1**	377.4	**–**	–
Other financial assets	11	**120.2**	85.6	**0.1**	3.5
Income tax assets	8	**44.6**	–	**44.6**	–
Other current assets	12	**23.2**	67.5	**5.7**	4.8
Total current assets		**1,182.9**	1,110.9	**1,851.6**	1,078.9
Non-current assets					
Receivables	10	**27.4**	20.0	**2,650.0**	2,706.6
Inventories	9	**34.8**	29.8	**15.5**	14.9
Investments accounted for using the equity method	31	**30.2**	27.9	**–**	–
Other financial assets	11	**120.6**	99.9	**1,082.1**	1,076.1
Property, plant and equipment	13	**2,256.6**	2,040.1	**21.2**	18.5
Goodwill	15	**322.3**	585.0	**–**	–
Other intangible assets	16	**38.1**	49.8	**2.6**	0.9
Deferred income tax assets	8	**158.7**	105.9	**223.6**	152.2
Other non-current assets	12	**16.8**	29.9	**3.5**	16.5
Total non-current assets		**3,005.5**	2,988.3	**3,998.5**	3,985.7
Total assets		**4,188.4**	4,099.2	**5,850.1**	5,064.6
Current liabilities					
Payables	17	**416.6**	389.0	**531.3**	413.3
Borrowings	18	**17.2**	482.8	**16.8**	474.8
Other financial liabilities	19	**84.6**	118.3	**10.8**	–
Tax payable	8	**4.1**	6.4	**–**	–
Provisions	21	**244.2**	226.8	**141.2**	135.9
Total current liabilities		**766.7**	1,223.3	**700.1**	1,024.0
Non-current liabilities					
Payables	17	**6.7**	8.3	**–**	–
Borrowings	18	**1,186.9**	778.8	**2,893.8**	2,395.4
Other financial liabilities	19	**75.1**	95.1	**7.1**	–
Provisions	21	**463.5**	399.9	**461.9**	383.4
Other non-current liabilities	17	**103.0**	3.1	**89.3**	–
Total non-current liabilities		**1,835.2**	1,285.2	**3,452.1**	2,778.8
Total liabilities		**2,601.9**	2,508.5	**4,152.2**	3,802.8
Net assets		**1,586.5**	1,590.7	**1,697.9**	1,261.8
Equity					
Issued capital	22	**1,329.2**	879.2	**1,329.2**	879.2
Reserves	23	**30.7**	(30.8)	**0.2**	14.3
Retained profits		**73.0**	636.4	**368.5**	368.3
Equity attributable to shareholders of CSR Limited		**1,432.9**	1,484.8	**1,697.9**	1,261.8
Minority interests in controlled entities	24	**153.6**	105.9		
Total equity		**1,586.5**	1,590.7	**1,697.9**	1,261.8

Notes to the financial statements are annexed.

RECOGNISED INCOME AND EXPENSE STATEMENT

YEAR ENDED 31 MARCH
CSR LIMITED AND ITS CONTROLLED ENTITIES

	CSR GROUP		CSR LIMITED	
($ MILLION)	**2009**	2008	**2009**	2008
Actuarial losses on defined benefit superannuation plans	**(120.4)**	(49.9)	**(110.6)**	(43.9)
Income tax benefit on actuarial losses	**36.1**	14.9	**33.2**	13.1
Fair value adjustment for Sugar Terminals Limited	**(2.9)**	–	**(2.9)**	–
Net expense recognised directly in retained profits	**(87.2)**	(35.0)	**(80.3)**	(30.8)
Hedge gain (loss) taken to other equity	**111.3**	14.8	**(24.6)**	3.6
Income tax (expense) benefit on cash flow hedges	**(33.4)**	(4.6)	**7.4**	(1.1)
Translation of foreign operations taken to other equity	**24.2**	(9.0)	**–**	–
Net income (expense) recognised directly in other equity	**102.1**	1.2	**(17.2)**	2.5
Total income (expense) recognised directly in equity	**14.9**	(33.8)	**(97.5)**	(28.3)
Net (loss) profit for the financial year	**(293.7)**	213.8	**230.2**	(17.3)
Total recognised income and (expense) for the financial year	**(278.8)**	180.0	**132.7**	(45.6)
Attributable to:				
CSR Limited shareholders	**(355.5)**	139.7	**132.7**	(45.6)
Minority interests	**76.7**	40.3		
Total recognised income and (expense) for the financial year	**(278.8)**	180.0	**132.7**	(45.6)

Notes to the financial statements are annexed.

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH
CSR LIMITED AND ITS CONTROLLED ENTITIES

($ MILLION)	NOTE	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
Cash flows from operating activities					
Receipts from customers		**3,693.2**	3,568.7	**34.1**	28.5
Payments to suppliers and employees		**(3,485.0)**	(3,175.1)	**(110.9)**	(38.0)
Dividends and distributions received		**18.0**	19.8	**4.6**	4.4
Interest received		**3.3**	2.0	**45.5**	52.5
Income tax paid		**(64.1)**	(63.0)	**(35.5)**	(11.3)
Net cash from (used in) operating activities before derivative margin calls		**165.4**	352.4	**(62.2)**	36.1
Derivative margin calls refunded (paid)		**48.5**	(26.0)	**–**	–
Net cash from (used in) operating activities		**213.9**	326.4	**(62.2)**	36.1
Cash flows from investing activities					
Purchase of property, plant and equipment and other non-current assets		**(476.3)**	(379.6)	**(37.3)**	(41.5)
Proceeds from sale of property, plant and equipment and other non-current assets		**169.2**	73.5	**139.9**	0.9
Purchase of controlled entities and businesses, net of cash acquired	36	**(11.8)**	(890.9)	**–**	–
Loans and receivables advanced		**(11.0)**	–	**(3.8)**	–
Loans and receivables repaid		**0.1**	0.3	**–**	0.3
Net cash (used in) from investing activities		**(329.8)**	(1,196.7)	**98.8**	(40.3)
Cash flows from financing activities					
Proceeds from issue of shares to CSR shareholders		**343.1**	262.2	**343.1**	262.2
Net (repayment of) proceeds from borrowings		**(72.3)**	761.6	**(101.4)**	769.2
Net financing of controlled entities				**(142.7)**	(893.3)
Dividends paid		**(71.1)**	(111.8)	**(42.8)**	(78.9)
Interest and other finance costs paid		**(97.3)**	(65.7)	**(95.2)**	(66.0)
Net cash from (used in) financing activities		**102.4**	846.3	**(39.0)**	(6.8)
Net decrease in cash held		**(13.5)**	(24.0)	**(2.4)**	(11.0)
Net cash at beginning of the financial year		**24.3**	51.3	**–**	11.0
Effects of exchange rate changes		**3.5**	(3.0)	**(0.4)**	–
Net cash at the end of the financial year	7	**14.3**	24.3	**(2.8)**	–
Reconciliation of net (loss) profit attributable to shareholders of CSR Limited to net cash from (used in) operating activities					
Net (loss) profit attributable to shareholders of CSR Limited		**(326.5)**	177.4	**230.2**	(17.3)
Depreciation and amortisation	5	**154.8**	150.2	**5.8**	4.5
Net change in provisions		**(92.9)**	(45.7)	**(65.6)**	(24.4)
Significant items (non-cash)	3	**446.3**	14.7	**85.1**	–
Interest expense	4	**89.9**	76.3	**87.7**	76.3
Profit on disposal of assets, asset write downs and associated costs	2	**(28.5)**	(45.2)	**(30.1)**	(5.1)
Net profit attributable to minority interests		**32.8**	36.4		
Net change in trade receivables and other current assets		**(73.2)**	72.4	**–**	–
Net change in current inventories		**(39.7)**	(38.5)	**–**	–
Net change in trade payables		**15.2**	(20.0)	**–**	–
Derivative margin calls refunded (paid)		**48.5**	(26.0)	**–**	–
Dividend income from controlled entities				**(340.0)**	–
Other		**(12.8)**	(25.6)	**(35.3)**	2.1
Net cash from (used in) operating activities		**213.9**	326.4	**(62.2)**	36.1

Credit facilities are shown in note 20.
Notes to the financial statements are annexed.

BASIS OF ACCOUNTING

This general purpose financial report is prepared in accordance with the Corporations Act 2001, applicable accounting standards and interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the company and the consolidated financial statements of the CSR group. Accounting standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the CSR group comply with International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS.

The financial report is based on historical cost, except for certain assets which are at deemed cost and the revalued amount of certain assets. In preparing this financial report, the CSR group is required to make estimates and assumptions about carrying values of assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The accounting policies adopted are consistent with those of the previous year, unless otherwise stated. Details of the significant accounting policies adopted by the CSR group are given below.

PRINCIPLES 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.

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.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are critical judgements and key assumptions that management has made in the process of applying the CSR group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Product liability: CSR Limited and/or certain subsidiaries were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States. At 31 March 2009, a provision of $455.1 million (2008: $371.5 million) has been made for all known claims and probable future claims but not for such claims as cannot presently be reliably measured. Refer note 35 for further details including the basis of calculating the provision.

Asset impairment: Assets are reviewed for impairment at each reporting date in accordance with the accounting policy. Valuations are determined using discounted cash flows. Management judgement is required in these valuations in determining future cash flows and a suitable discount rate in order to calculate the present value. Future cash flows take into consideration the building cycle and expected changes, sugar price and crop, aluminium prices and exchange rates.

CASH FLOW STATEMENT

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.

ACQUISITION OF ASSETS

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the 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.

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 income statement on a straight-line basis over the period of the lease.

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.

CURRENCY

Unless otherwise shown in the financial report, amounts are in Australian currency.

DEPRECIATION

Depreciable assets are depreciated at rates based upon their expected economic life using the straight-line method. The economic lives of property, plant and equipment assets are detailed in note 13.

RENEWABLE ENERGY CERTIFICATES

Renewable Energy Certificates (RECs) are recognised as other assets when they have been generated and the CSR group has obtained the necessary government approvals to sell them. They are valued at net fair value.

INTANGIBLE ASSETS

Goodwill assets represent 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 income statement and is not subsequently reversed. Certain trade names determined as having an indefinite life are not amortised but are assessed annually for impairment. Internal costs relating to acquired intangible assets are expensed.

The cost of developing new systems, including purchased software, is deferred and subsequently amortised over a period of five years, being the period over which the benefits are expected to arise.

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 income over the period of the borrowing using the effective interest rate method.

CAPITALISATION OF INTEREST

Interest is expensed as incurred except where it relates to the financing of major projects constructed for internal use, where it is capitalised up to the date of commissioning. Following commissioning, the total capitalised cost including interest is amortised over the expected useful life of the asset.

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 inventory is derived by the method most appropriate to each particular class of inventory. The major portion is valued on either a first-in-first-out or average cost basis.

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
Sales revenue is measured at the fair value of the consideration receivable, and is recognised when each of the following conditions is met:

- persuasive evidence of an arrangement exists, which is usually in the form of a contractual arrangement;
- the significant risks and rewards of ownership of the goods have transferred from the CSR group to the buyer;
- the seller's price to the buyer is fixed or determinable; and
- collectibility is reasonably assured.

Other than raw sugar sales, other products and services are sold on normal trade terms and conditions. In the case of raw sugar sold by the CSR group, revenue is recognised on a provisional basis at the time of title transfer to the centralised marketing authority, based on prevailing prices, and is subject to final adjustment when the final price is advised by the centralised marketing authority. In the current and prior years, this financial adjustment was not material.

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

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 defined benefit superannuation plans, the cost of providing benefits is determined using the Projected Unit Credit Funding 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 recognised income and expense statement. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

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

CAPITAL GAINS TAX
No liability has been provided in the financial statements in respect of possible future capital gains tax that may arise on the disposal of assets, as no decision has been made to sell any of these assets.

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 consolidation group, has agreed to compensate or be compensated by its wholly owned controlled entities for the carrying amount of their deferred tax balances. 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).

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

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

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

COMPARATIVE FIGURES
Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

PRODUCT LIABILITY
The CSR group's provision for product liability is determined using reports provided by independent experts in each of the United States and Australia. The CSR group has included within the provision an appropriate prudential margin.

JOINT VENTURE AND ASSOCIATE ENTITIES

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

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.

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 income in the period in which they arise except if designated as cash flow hedges.

On consolidation, the financial statements of the CSR group's overseas operations are translated at exchange rates prevailing at reporting date. Exchange differences are recognised in the foreign currency translation reserve and recognised in income on disposal of the operation.

FINANCIAL INSTRUMENTS

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

Fair value hedges

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

Cash flow hedges

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

Embedded derivatives

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

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 income statement.

BORROWING COSTS

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

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.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

The following Australian accounting standards and interpretations have not yet been adopted by the CSR group:

- AASB 101 (revised) "Presentation of Financial Statements" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 8 "Operating Segments" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 3 (revised) "Business Combinations" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 123 "Borrowing Costs" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 2007-3 "Amendments to Australian accounting standards arising from AASB 8" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 2007-6 "Amendments to Australian accounting standards arising from AASB 123" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 2007-8 "Amendments to Australian accounting standards arising from AASB 101" applicable to the CSR group for the financial year ending 31 March 2010;
- AASB 127 "Consolidated and Separate Financial Statements" applicable to the CSR group for the financial year ending 31 March 2011; and
- AASB 2008-3 "Amendments to Australian accounting standards arising from AASB 3 and AASB 127" applicable to the CSR group for the financial year ending 31 March 2010.

The CSR group does not anticipate that the adoption of these standards will have a material effect on its financial statements. There will be no effect on reported income or net assets; however presentation of financial statements and notes may be different when the accounting standards are adopted.

FINANCIAL ASSETS

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

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

IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are reviewed for impairment at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount. An impairment loss is recognised in income immediately. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. The reversal of an impairment loss is recognised immediately in income.

($ MILLION)	PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX 2009	2008	INCOME TAX 2009	2008	MINORITY INTERESTS 2009	2008	NET PROFIT 2009	2008
1 SEGMENT INFORMATION								
Business segments								
Sugar	**83.7**	71.7	**18.8**	17.6	**8.8**	8.2	**56.1**	45.9
Building Products	**117.9**	147.6	**32.9**	39.6	**0.6**	1.0	**84.4**	107.0
Aluminium	**110.7**	136.7	**31.5**	40.8	**23.1**	28.2	**56.1**	67.7
Property [a]	**25.1**	45.4	**2.1**	(0.2)	**–**	–	**23.0**	45.6
Segment total	**337.4**	401.4	**85.3**	97.8	**32.5**	37.4	**219.6**	266.2
Corporate [b]	**(17.0)**	(18.4)	**(4.8)**	(5.5)	**–**	–	**(12.2)**	(12.9)
Restructuring and provisions [c]	**(0.3)**	3.3	**(1.0)**	(0.5)	**–**	–	**0.7**	3.8
	320.1	386.3	**79.5**	91.8	**32.5**	37.4	**208.1**	257.1
Net finance cost	**(105.8)**	(93.7)	**(32.0)**	(28.4)	**0.3**	(1.0)	**(74.1)**	(64.3)
Group total before significant items	**214.3**	292.6	**47.5**	63.4	**32.8**	36.4	**134.0**	192.8
Significant items (note 3)	**(532.5)**	(22.0)	**(72.0)**	(6.6)	**–**	–	**(460.5)**	(15.4)
Group total after significant items	**(318.2)**	270.6	**(24.5)**	56.8	**32.8**	36.4	**(326.5)**	177.4

Products and services

Sugar: raw sugar and renewable electricity; ethanol and refined sugar

Building Products: glasswool and rockwool insulation, plasterboard, fibre cement, clay bricks and pavers, concrete and terracotta roof tiles, lightweight concrete products and glass

Aluminium: aluminium ingots, billets and slabs

Property: property sales

	TOTAL REVENUE [d] 2009	2008	SHARE OF ASSOCIATES' NET PROFIT 2009	2008	DEPRECIATION AND AMORTISATION [e] 2009	2008	CAPITAL EXPENDITURE 2009	2008
Business segments								
Sugar	**1,432.5**	1,280.5	**2.5**	2.8	**56.4**	51.8	**107.3**	134.3
Building Products	**1,538.5**	1,399.5	**12.5**	10.6	**65.2**	63.5	**321.8**	1,121.3
Aluminium	**549.5**	561.8	**–**	–	**27.7**	30.7	**26.3**	12.4
Property	**29.2**	45.7	**–**	3.2	**0.4**	0.4	**23.7**	8.9
Segment total	**3,549.7**	3,287.5	**15.0**	16.6	**149.7**	146.4	**479.1**	1,276.9
Corporate [b]	**0.4**	4.0	**–**	–	**5.1**	3.8	**8.6**	3.0
Interest revenue	**3.3**	3.6						
Group total before significant items	**3,553.4**	3,295.1	**15.0**	16.6	**154.8**	150.2	**487.7**	1,279.9
Significant items (note 3)	**–**	–	**–**	–	**–**	–	**–**	–
Group total after significant items	**3,553.4**	3,295.1	**15.0**	16.6	**154.8**	150.2	**487.7**	1,279.9

	ASSETS [f] 2009	2008	LIABILITIES 2009	2008	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD 2009	2008
Business segments						
Sugar	**1,378.8**	1,255.2	**342.4**	207.8	**19.2**	17.9
Building Products	**1,937.2**	2,018.8	**301.3**	314.1	**11.0**	10.0
Aluminium	**550.8**	486.5	**98.0**	233.8	**–**	–
Property	**62.8**	157.9	**10.9**	9.2	**–**	–
Segment total	**3,929.6**	3,918.4	**752.6**	764.9	**30.2**	27.9
Unallocated [c]	**40.8**	50.0	**641.1**	475.6	**–**	–
	3,970.4	3,968.4	**1,393.7**	1,240.5	**30.2**	27.9
Finance assets/liabilities	**14.7**	24.9	**1,204.1**	1,261.6		
Tax assets/liabilities	**203.3**	105.9	**4.1**	6.4		
Group total	**4,188.4**	4,099.2	**2,601.9**	2,508.5	**30.2**	27.9

a The 2008 amount includes $17.8 million net profit relating to sale of the investment in Enviroguard Pty Limited.
b Represents unallocated overhead and other revenues.
c Includes product liability, certain defined benefit superannuation expense and other non-operating revenue and costs (excluding those categorised as significant items).
d Intersegment sales are negligible. Excludes net profit from associates.
e Total depreciation and amortisation includes $11.1 million (2008: $13.4 million) amortisation of intangible assets. Other than asset write downs, movements in provisions and other rationalisation expenses which are disclosed as significant items (note 3) other non-cash expenses are immaterial.
f All acquisitions of controlled entities and businesses in 2009 and 2008 were in the Building Products segment.

($ MILLION)	PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE, INCOME TAX AND SIGNIFICANT ITEMS 2009	2008	TOTAL REVENUE [a] 2009	2008	SEGMENT ASSETS 2009	2008	CAPITAL EXPENDITURE 2009	2008
1 SEGMENT INFORMATION (CONTINUED)								
Geographic segments								
Australia	**304.6**	362.9	**3,197.6**	2,951.7	**3,858.7**	3,806.9	**448.7**	1,245.5
New Zealand	**15.5**	20.0	**233.4**	252.9	**171.0**	166.7	**21.1**	5.4
Asia	**–**	3.4	**122.4**	90.5	**158.7**	125.6	**17.9**	29.0
Group total	**320.1**	386.3	**3,553.4**	3,295.1	**4,188.4**	4,099.2	**487.7**	1,279.9

a After significant items. Intersegment sales are negligible. Excludes net profit from associates.

($ MILLION)	NOTE	CSR GROUP 2009	2008	CSR LIMITED 2009	2008
2 OTHER INCOME AND EXPENSES FROM ORDINARY ACTIVITIES					
Income					
Profit on disposal of property, plant and equipment and other assets		**30.9**	45.8	**30.1**	5.1
Other		**21.8**	9.9	**–**	3.1
Total other income from ordinary activities		**52.7**	55.7	**30.1**	8.2
Expenses					
Significant items	3	**(532.5)**	(22.0)	**(133.7)**	–
Other sundry asset write downs		**(2.4)**	(0.6)	**–**	–
Increased allowance for controlled entities' doubtful debts				**(4.9)**	(9.2)
Other		**(5.2)**	(3.3)	**(4.7)**	(1.0)
Total other expenses from ordinary activities		**(540.1)**	(25.9)	**(143.3)**	(10.2)
3 SIGNIFICANT ITEMS					
Viridian integration and restructure costs					
Integration and restructure costs		**(52.4)**	(22.0)	**–**	–
Income tax benefit		**15.7**	6.6	**–**	–
		(36.7)	(15.4)	**–**	–
Increase in product liability provision					
Increase in provision		**(113.4)**	–	**(113.4)**	–
Income tax benefit		**34.0**	–	**34.0**	–
		(79.4)	–	**(79.4)**	–
Building Products (excluding Viridian) and Corporate restructure costs					
Redundancy expenses		**(11.0)**	–	**(11.0)**	–
Income tax benefit		**3.3**	–	**3.3**	–
		(7.7)	–	**(7.7)**	–
Asset write downs					
Goodwill		**(279.7)**	–	**–**	–
Property, plant and equipment		**(51.5)**	–	**–**	–
Other intangible assets including software		**(6.2)**	–	**–**	–
Other		**(18.3)**	–	**(9.3)**	–
Total asset write downs		**(355.7)**	–	**(9.3)**	–
Income tax benefit		**19.0**	–	**0.6**	–
		(336.7)	–	**(8.7)**	–
Total significant items					
Significant items before income tax		**(532.5)**	(22.0)	**(133.7)**	–
Income tax benefit on significant items		**72.0**	6.6	**37.9**	–
Total significant items after income tax		**(460.5)**	(15.4)	**(95.8)**	–

Viridian integration and restructure costs include costs associated with the closure of the Viridian automotive glass facilities ($13.9 million), Alexandria factory closure ($5.9 million), and other costs (mainly employee redundancies) associated with the integration of the Viridian glass business ($32.6 million). Of this amount, $18.2 million has been spent at 31 March 2009.

CSR's product liability provision has increased by $113.4 million, reflecting the decrease in the $A/$US exchange rate and the routine re-estimate of future liabilities.

In Building Products, in response to the challenging market, management action has been focused on securing ongoing efficiencies to better align the business with the current market conditions without compromising future profitability when the cycle turns. This has included extended shutdowns, temporary closures and further plant rationalisation. The costs associated with this along with some corporate restructure has been included as a significant item ($11.0 million).

CSR has reviewed the carrying value of its assets in light of the current and anticipated trading environment, particularly in residential housing and commercial construction. As a result of this review, assets have been written down by $355.7 million. The write down is primarily Viridian goodwill ($279.7 million) with the remainder mainly relating to Asian Panels ($14.0 million), Fibre Cement ($10.3 million) and Bricks and Roofing ($33.3 million) businesses and also in relation to the Penrith Lakes Development ($7.2 million).

($ MILLION)	NOTE	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
4 NET FINANCE COST					
Interest paid or payable on					
Short term debt to controlled entities				**0.5**	1.1
Long term debt to controlled entities				**–**	0.2
Short term debt to others		**14.8**	17.9	**12.5**	16.9
Long term debt to others		**75.1**	58.4	**74.7**	58.1
Total interest expense		**89.9**	76.3	**87.7**	76.3
Unwinding discount on non-current provisions and debtors		**18.4**	17.9	**18.4**	17.8
Funding costs		**6.2**	2.0	**5.8**	2.0
Foreign exchange (gain) loss		**(5.4)**	1.1	**2.0**	1.0
Finance cost		**109.1**	97.3	**113.9**	97.1
Interest income	6	**3.3**	3.6	**45.5**	54.0
Net finance cost		**105.8**	93.7	**68.4**	43.1
5 DEPRECIATION AND AMORTISATION					
Amounts incurred for depreciation, amortisation and depletion of					
Property, plant and equipment		**143.7**	136.8	**5.4**	4.3
Intangible assets		**11.1**	13.4	**0.4**	0.2
Other		**–**	–	**–**	–
Total depreciation and amortisation		**154.8**	150.2	**5.8**	4.5
6 INTEREST INCOME					
Interest income from					
Short term debt to controlled entities				**4.3**	5.3
Long term debt to controlled entities				**38.9**	46.8
Short term debt to others		**3.3**	3.5	**2.3**	1.9
Long term debt to others		**–**	0.1	**–**	–
Total interest income		**3.3**	3.6	**45.5**	54.0
7 NET CASH					
Cash at banks and on hand		**14.7**	24.9	**–**	1.7
Short term loans and deposits		**–**	–	**–**	–
Total cash		**14.7**	24.9	**–**	1.7
Bank overdraft	18	**(0.4)**	(0.6)	**(2.8)**	(1.7)
Net cash		**14.3**	24.3	**(2.8)**	–
8 INCOME TAXES [a]					
Reconciliation of income tax (benefit) expense charged to the income statement with income tax calculated on (loss) profit from ordinary activities before income tax:					
(Loss) profit from ordinary activities before income tax		**(318.2)**	270.6	**180.5**	(26.1)
Income tax (benefit) expense calculated at 30%		**(95.5)**	81.2	**54.2**	(7.8)
Increase (decrease) in income tax expense (benefit) due to					
Utilisation of losses in asset disposals		**(5.4)**	(13.7)	**(5.3)**	(1.6)
Asset write downs		**86.5**	–	**–**	–
Asian trading profits tax rate differential		**1.1**	(0.3)	**–**	–
Equity accounted associates' net profit and rebates on dividends received		**(5.9)**	(6.3)	**(103.4)**	(1.3)
Research and development		**(6.8)**	(0.2)	**–**	–
Income tax under (over) provided in prior years		**0.7**	(1.8)	**–**	–
Other items		**0.8**	(2.1)	**4.8**	1.9
Total income tax (benefit) expense on profit from ordinary activities		**(24.5)**	56.8	**(49.7)**	(8.8)
Total income tax (benefit) expense comprises					
Current tax expense (income)		**19.4**	53.0	**(24.7)**	(4.2)
Deferred tax (income) expense relating to the origination and reversal of temporary differences		**(43.9)**	3.8	**(25.0)**	(4.6)
Total income tax (benefit) expense on profit from ordinary activities		**(24.5)**	56.8	**(49.7)**	(8.8)

a Refer to significant accounting policies for details of tax consolidation.

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
8 INCOME TAXES (CONTINUED)				
Current income tax payable attributable to				
Entities in the tax consolidated group	**–**	–	**–**	–
Other entities	**4.1**	6.4	**–**	–
Total current income tax payable	**4.1**	6.4	**–**	–
Deferred income tax assets and liabilities comprise				
Tax losses – revenue recorded as asset	**7.3**	1.5	**5.8**	–
Temporary differences recorded as net asset	**151.4**	104.4	**217.8**	152.2
Net deferred income tax assets and liabilities	**158.7**	105.9	**223.6**	152.2
Current income tax assets	**44.6**	–	**44.6**	–

($ MILLION)	CSR GROUP OPENING BALANCE	CSR GROUP CHARGED TO INCOME	CSR GROUP CHARGED TO EQUITY	CSR GROUP OTHER	CSR GROUP **CLOSING BALANCE**	CSR LIMITED OPENING BALANCE	CSR LIMITED CHARGED TO INCOME	CSR LIMITED CHARGED TO EQUITY	CSR LIMITED OTHER	CSR LIMITED **CLOSING BALANCE**
2009										
Movement in net deferred income tax assets/liabilities attributable to temporary differences										
Fair value of hedges	**20.7**	**(1.1)**	**(33.4)**	**–**	**(13.8)**	**(2.1)**	**–**	**7.4**	**–**	**5.3**
Property, plant and equipment	**(86.1)**	**18.2**	**–**	**–**	**(67.9)**	**(6.1)**	**0.3**	**–**	**–**	**(5.8)**
Intangible assets	**(7.9)**	**1.7**	**–**	**–**	**(6.2)**	**–**	**–**	**–**	**–**	**–**
Defined benefit superannuation	**(3.3)**	**(1.9)**	**36.1**	**0.4**	**31.3**	**(4.2)**	**(2.2)**	**33.2**	**–**	**26.8**
Prepayments	**(3.3)**	**–**	**–**	**–**	**(3.3)**	**–**	**–**	**–**	**–**	**–**
Product liability provision	**111.5**	**25.1**	**–**	**–**	**136.6**	**111.5**	**25.1**	**–**	**–**	**136.6**
Employee benefits provisions	**39.8**	**5.3**	**–**	**–**	**45.1**	**23.7**	**(1.9)**	**–**	**–**	**21.8**
Other provisions	**22.6**	**1.4**	**–**	**–**	**24.0**	**6.6**	**3.0**	**–**	**–**	**9.6**
Foreign currency monetary items	**1.4**	**(0.3)**	**–**	**–**	**1.1**	**1.8**	**(0.1)**	**–**	**–**	**1.7**
Other	**9.0**	**(4.5)**	**–**	**–**	**4.5**	**21.0**	**0.8**	**–**	**–**	**21.8**
	104.4	**43.9**	**2.7**	**0.4**	**151.4**	**152.2**	**25.0**	**40.6**	**–**	**217.8**
2008										
Movement in net deferred income tax assets/liabilities attributable to temporary differences										
Fair value of hedges	22.1	3.2	(4.6)	–	20.7	(1.0)	–	(1.1)	–	(2.1)
Property, plant and equipment	(85.9)	(0.2)	–	–	(86.1)	(6.8)	0.7	–	–	(6.1)
Intangible assets	(8.1)	0.2	–	–	(7.9)	–	–	–	–	–
Defined benefit superannuation	(14.8)	(2.6)	14.9	(0.8)	(3.3)	(14.8)	(2.5)	13.1	–	(4.2)
Prepayments	(3.3)	–	–	–	(3.3)	–	–	–	–	–
Product liability provision	116.4	(4.9)	–	–	111.5	116.4	(4.9)	–	–	111.5
Employee benefits provisions	29.8	(1.2)	–	11.2	39.8	24.4	(0.7)	–	–	23.7
Other provisions	20.5	(6.1)	–	8.2	22.6	5.9	0.7	–	–	6.6
Foreign currency monetary items	1.2	0.2	–	–	1.4	1.8	–	–	–	1.8
Other	1.3	7.6	–	0.1	9.0	9.7	11.3	–	–	21.0
	79.2	(3.8)	10.3	18.7	104.4	135.6	4.6	12.0	–	152.2

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
Deferred income tax assets not taken to account [b]				
Balance at the beginning of the financial year	**20.8**	15.0	**12.6**	7.4
Assets now taken to account	**(6.9)**	(7.8)	**(3.9)**	(7.2)
Assets not recognised	**4.1**	13.6	**0.6**	12.4
Assets now expired	**–**	–	**–**	–
Balance at the end of the financial year [c]	**18.0**	20.8	**9.3**	12.6

b Includes capital tax losses – CSR group $9.4 million (2008: $12.6 million).
c These benefits will only be obtained if the CSR group derives the necessary future assessable income and capital gains, and there are no adverse changes in relevant income tax legislation.

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
9 INVENTORIES				
Current				
Raw and process materials and stores	**127.5**	100.9	**–**	–
Work in progress	**20.7**	19.0	**–**	–
Finished goods	**269.9**	257.5	**–**	–
Total current inventories	**418.1**	377.4	**–**	–
Non-current				
Raw and process materials and stores	**8.2**	7.5	**–**	–
Land held for sale at cost	**26.6**	22.3	**15.5**	14.9
Total non-current inventories	**34.8**	29.8	**15.5**	14.9

($ MILLION)	CSR GROUP 2009	2008	CSR LIMITED 2009	2008
10 RECEIVABLES				
Current				
Trade receivables [a]	**483.4**	398.6	**0.2**	0.1
Allowance for doubtful debts	**(9.0)**	(6.5)	**–**	–
	474.4	392.1	**0.2**	0.1
Amounts owing by controlled entities			**1,782.4**	955.7
Allowance for doubtful debts			**(31.1)**	(26.2)
			1,751.3	929.5
Loans to and receivables from associate entities [b]	**13.2**	9.8	**13.2**	9.8
Divestment debtors [c]	**32.6**	125.9	**32.6**	125.7
Other loans and receivables	**71.9**	57.7	**33.9**	33.8
Allowance for doubtful debts [d]	**(30.0)**	(30.0)	**(30.0)**	(30.0)
	87.7	163.4	**49.7**	139.3
Total current receivables	**562.1**	555.5	**1,801.2**	1,068.9
Trade receivables – past due 0-60 days	**29.1**	20.5	**–**	–
Trade receivables – past due >60 days	**28.2**	15.2	**–**	–
Movement in allowance for doubtful debts – trade receivables				
Opening balance allowance for doubtful debts	**(6.5)**	(5.5)	**–**	–
Trade debts written off	**2.1**	1.5	**–**	–
Trade debts provided	**(4.5)**	(2.0)	**–**	–
Other	**(0.1)**	(0.5)	**–**	–
Closing balance allowance for doubtful debts	**(9.0)**	(6.5)	**–**	–
Movement in allowance for doubtful debts – amounts owing by controlled entities				
Opening balance allowance for doubtful debts			**(26.2)**	(17.0)
Controlled entities debts provided			**(4.9)**	(9.2)
Other			**–**	–
Closing balance allowance for doubtful debts			**(31.1)**	(26.2)
Movement in allowance for doubtful debts – other loans and receivables				
Opening balance allowance for doubtful debts	**(30.0)**	(30.0)	**(30.0)**	(30.0)
Other loans and receivables written off	**–**	–	**–**	–
Other loans and receivables provided	**–**	–	**–**	–
Closing balance allowance for doubtful debts	**(30.0)**	(30.0)	**(30.0)**	(30.0)
Non-current				
Amounts owing by controlled entities			**2,647.1**	2,697.4
Loans to associate entities	**15.6**	17.5	**–**	7.2
Other loans and receivables	**11.8**	2.5	**2.9**	2.0
Total non-current receivables	**27.4**	20.0	**2,650.0**	2,706.6

a CSR's policy requires all customers to pay in accordance with agreed payment terms. As at 31 March 2009 current trade receivables of $9.0 million (2008: $6.5 million) were impaired, all were past due >60 days and do not include any individually significant debtors.
b Includes no amounts past due.
c Includes $4.3 million of amounts past due (2008:nil).
d Balance relates to other loans and receivables.

($ MILLION)	CSR GROUP 2009	2008	CSR LIMITED 2009	2008
11 OTHER FINANCIAL ASSETS				
Current				
Fair value of derivatives recognised in equity	**120.2**	85.6	**0.1**	3.5
Total current financial assets	**120.2**	85.6	**0.1**	3.5
Non-current				
Investment in controlled entities at cost			**1,039.4**	1,026.9
Available for sale: shares at fair value [a b]	**42.8**	45.7	**42.7**	45.7
Fair value of derivatives recognised in equity	**77.8**	54.2	**–**	3.5
Total non-current other financial assets	**120.6**	99.9	**1,082.1**	1,076.1

a Not quoted on stock exchanges. The valuation is determined using discounted cash flow projections.
b The CSR group holds 16.9% (2008: 16.9%) of the share capital of Sugar Terminals Limited, a company involved in storage of raw sugar. The CSR group does not believe that it is able to exert significant influence over Sugar Terminals Limited as it has only one director on the Board comprised of a minimum of five directors.

($ MILLION)	CSR GROUP 2009	2008	CSR LIMITED 2009	2008
12 OTHER ASSETS				
Current				
Prepayments (including derivative margin calls)	**15.0**	61.3	**2.9**	2.7
Renewable Energy Certificates at net fair value	**4.4**	2.9	**–**	–
Deferred costs	**3.8**	3.3	**2.8**	2.1
Total other current assets	**23.2**	67.5	**5.7**	4.8
Non-current				
Prepayments	**12.7**	12.7	**–**	–
Superannuation defined benefit plans – fair value of surplus	**–**	14.1	**–**	14.1
Deferred costs	**4.1**	3.1	**3.5**	2.4
Total other non-current assets	**16.8**	29.9	**3.5**	16.5

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
13 PROPERTY, PLANT AND EQUIPMENT [a]				
Land and buildings				
At cost	**706.5**	671.6	**7.6**	7.1
Accumulated depreciation	**(105.9)**	(92.8)	**(0.9)**	(0.6)
Total land and buildings	**600.6**	578.8	**6.7**	6.5
Plant and equipment				
At cost or written down value	**3,224.2**	2,884.9	**32.5**	26.2
Accumulated depreciation	**(1,568.2)**	(1,423.6)	**(18.0)**	(14.2)
Total plant and equipment	**1,656.0**	1,461.3	**14.5**	12.0
Total property, plant and equipment	**2,256.6**	2,040.1	**21.2**	18.5

a The economic life over which assets are depreciated is buildings – 10 to 40 years; and plant and equipment – 2 to 40 years. The weighted average life of buildings is 20 years; and plant and equipment is 11 years.

($ MILLION)	LAND AND BUILDINGS CSR GROUP	LAND AND BUILDINGS CSR LIMITED	PLANT AND EQUIPMENT CSR GROUP	PLANT AND EQUIPMENT CSR LIMITED
14 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT				
Balance at 1 April 2008	**578.8**	**6.5**	**1,461.3**	**12.0**
Capital expenditure	**38.3**	**0.5**	**376.8**	**7.6**
Disposed	**(13.7)**	**–**	**(24.7)**	**–**
Depreciation and amortisation	**(14.5)**	**(0.3)**	**(129.2)**	**(5.1)**
Write down [a]	**(3.5)**	**–**	**(48.0)**	**–**
Reversal of previous write down	**6.6**	**–**	**–**	**–**
Foreign currency translation	**8.6**	**–**	**19.3**	**–**
Transferred from inventories	**–**	**–**	**0.5**	**–**
Balance at 31 March 2009	**600.6**	**6.7**	**1,656.0**	**14.5**

a Refer note 3 for details of the asset write down.

($ MILLION)	LAND AND BUILDINGS CSR GROUP	LAND AND BUILDINGS CSR LIMITED	PLANT AND EQUIPMENT CSR GROUP	PLANT AND EQUIPMENT CSR LIMITED
Balance at 1 April 2007	368.4	6.7	1,195.7	12.3
Capital expenditure	227.2	–	393.7	3.8
Disposed	(0.1)	–	(6.7)	–
Depreciation and amortisation	(14.5)	(0.2)	(122.3)	(4.1)
Reversal previous write down	–	–	0.5	–
Foreign currency translation	(2.2)	–	(1.6)	–
Transferred from inventories	–	–	2.0	–
Balance at 31 March 2008	578.8	6.5	1,461.3	12.0

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
15 GOODWILL [a]				
Carrying amount				
Balance at the beginning of the financial year	**585.0**	15.5	**–**	–
Acquisitions	**17.4**	571.2	**–**	–
Write down	**(279.7)**	(0.2)	**–**	–
Foreign currency translation	**(0.4)**	(1.5)	**–**	–
Balance at the end of the financial year	**322.3**	585.0	**–**	–

a The carrying amount of goodwill is: Building Products (2009: $314.3 million, 2008: $576.7 million), Sugar (2009: $8.0 million, 2008: $8.3 million). The recoverable amounts of the cash generating units that include goodwill are determined using discounted cash flow projections based on financial budgets approved by management covering a five year period. Terminal values are used into the future from year six onwards. The discount rate used is between 8-10% depending on the cash generating unit. CSR has undertaken a review of the Viridian business, given the significant deterioration in market conditions since the acquisition in 2007. Forecast cash flows covering the next ten years were prepared and a valuation was calculated using a discount rate of 9.8%. A terminal value was included from year eleven onwards including an annual growth of 2.5%. The key assumptions relate to housing starts, market share and the take up of energy efficient glass. The most sensitive assumptions are housing starts and market share. These assumptions have been determined with reference to current performance and expected changes taking into account external information. This valuation has resulted in Viridian goodwill being written down by $279.7 million.

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
16 OTHER INTANGIBLE ASSETS				
Systems software				
Software and systems development	**73.0**	71.7	**4.0**	2.0
Accumulated amortisation	**(55.2)**	(47.5)	**(1.4)**	(1.1)
Total systems software	**17.8**	24.2	**2.6**	0.9
Movements in systems software				
Net book value at the beginning of the financial year	**24.2**	24.7	**0.9**	1.1
Capital expenditure	**4.3**	10.7	**2.0**	–
Write down	**(1.9)**	–	**–**	–
Amortisation	**(8.8)**	(11.2)	**(0.3)**	(0.2)
Net book value at the end of the financial year	**17.8**	24.2	**2.6**	0.9
Trade names and non-competition agreements [a]				
At cost	**32.0**	38.1	**–**	–
Accumulated amortisation	**(11.7)**	(12.5)	**–**	–
Total trade names and non-competition agreements	**20.3**	25.6	**–**	–
Movements in trade names and non-competition agreements				
Net book value at the beginning of the financial year	**25.6**	25.6	**–**	–
Capital expenditure	**1.3**	2.2	**–**	–
Write down	**(4.3)**	–	**–**	–
Amortisation	**(2.3)**	(2.2)	**–**	–
Net book value at the end of the financial year	**20.3**	25.6	**–**	–
Total other intangible assets	**38.1**	49.8	**2.6**	0.9

a Includes indefinite life Building Products trade names (2009: $17.0 million, 2008: $17.8 million). The recoverable amounts of the cash generating units that include the trade names are determined using discounted cash flow projections based on financial budgets approved by management covering a five year period. Terminal values are used into the future from year six onwards. These trade names currently have an indefinite life as the CSR group is continually spending money on marketing and developing the trade names and there are no contractual or other restrictions on the use of the trade names.

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
17 PAYABLES AND OTHER LIABILITIES				
Current				
Trade payables	**340.0**	313.4	**10.2**	9.4
Amounts owing to controlled entities			**511.4**	374.3
Other payables	**76.6**	75.6	**9.7**	29.6
Total current payables	**416.6**	389.0	**531.3**	413.3
Non-current				
Superannuation defined benefit plan – fair value of deficit	**103.0**	3.1	**89.3**	–
Other payables	**6.7**	8.3	**–**	–
Total non-current payables and other liabilities	**109.7**	11.4	**89.3**	–
18 BORROWINGS				
Current				
Unsecured bank overdraft	**0.4**	0.6	**2.8**	1.7
Short term borrowings				
Secured				
Other facilities	**1.1**	–	**–**	–
Unsecured				
Bank loans	**–**	276.0	**–**	270.0
Other facilities	**15.7**	206.2	**14.0**	203.1
	16.8	482.2	**14.0**	473.1
Total current borrowings	**17.2**	482.8	**16.8**	474.8
Non-current				
Long term borrowings				
Secured				
Other facilities	**1.8**	–	**–**	–
Unsecured				
Loans from controlled entities			**1,763.8**	1,621.6
Bonds	**0.2**	0.1	**–**	–
Bank loans	**1,184.9**	778.7	**1,130.0**	773.8
Total non-current borrowings	**1,186.9**	778.8	**2,893.8**	2,395.4
19 OTHER FINANCIAL LIABILITIES				
Current				
Fair value of derivatives	**84.6**	118.3	**10.8**	–
Total current other financial liabilities	**84.6**	118.3	**10.8**	–
Non-current				
Fair value of derivatives	**75.1**	95.1	**7.1**	–
Total non-current other financial liabilities	**75.1**	95.1	**7.1**	–

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	2009 AVERAGE RATE % PA	2009 YEAR OF MATURITY
20 CREDIT FACILITIES AND MATURITY PROFILE				
Long term maturities of borrowings				
United States dollar debt				
Bonds	**0.2**	0.1	**7.7**	**2025**
Australian dollar debt				
Bank loans [a]	**1,130.0**	760.0	**6.8**	**2010 – 2012**
Other loans	**1.8**	–	**3.9**	**2010 – 2017**
New Zealand dollar debt				
Bank loans	**24.2**	13.8	**6.9**	**2011**
Thai baht debt				
Bank loans	**5.6**	4.9	**5.5**	**2010**
Chinese yuan debt				
Bank loans	**25.0**	–	**7.6**	**2011**
Malaysian ringgit debt				
Bank loans	**0.1**	–	**4.2**	**2011**
Total non-current borrowings	**1,186.9**	778.8		

a Bank loans' maturities are as follows: $270 million (2010), $225 million (2011) with the balance of $635 million in 2012.

Credit standby facilities

The CSR group has a total of $1,719 million (2008: $1,435 million) committed standby facilities. These facilities have fixed maturity dates as follows: $315 million (2010), $337 million (2011) with the balance $1,067 million in 2012. As at 31 March 2009, $519 million of the standby facilities were undrawn.

($ MILLION)	31 MARCH 2008	RECOGNISED/ REMEASURED	SETTLED/ TRANSFERRED	ACQUISITION FINALISATION	UNWINDING OF DISCOUNT	DISPOSED/ OTHER	31 MARCH 2009
21 PROVISIONS							
CSR group							
Current							
Employee benefits	126.4	43.3	(53.3)	5.3	–	–	**121.7**
Fringe benefits tax	1.6	4.8	(5.7)	–	–	–	**0.7**
Restructure and rationalisation	21.7	45.5	(22.6)	–	–	–	**44.6**
Product liability [a]	27.2	53.2	(46.6)	–	–	–	**33.8**
Restoration and environmental rehabilitation	8.3	16.3	(1.5)	(10.0)	–	–	**13.1**
Uninsured losses and future claims [b]	6.8	11.5	(13.0)	–	–	–	**5.3**
Other [c]	34.8	3.7	(13.5)	–	–	–	**25.0**
Total CSR group current provisions	226.8	178.3	(156.2)	(4.7)	–	–	**244.2**
Non-current							
Product liability [a]	344.3	60.2	–	–	16.8	–	**421.3**
Restoration and environmental rehabilitation	16.9	(15.0)	–	–	–	–	**1.9**
Uninsured losses and future claims [b]	38.0	(0.2)	–	–	2.4	–	**40.2**
Other	0.7	(0.6)	–	–	–	–	**0.1**
Total CSR group non-current provisions	399.9	44.4	–	–	19.2	–	**463.5**
CSR Limited							
Current							
Employee benefits	76.1	26.6	(33.3)	–	–	(0.4)	**69.0**
Fringe benefits tax	1.2	3.3	(4.5)	–	–	–	**–**
Restructure and rationalisation	9.1	16.1	(11.3)	–	–	–	**13.9**
Product liability [a]	27.2	53.2	(46.6)	–	–	–	**33.8**
Restoration and environmental rehabilitation	7.5	5.9	(0.8)	–	–	–	**12.6**
Uninsured losses and future claims [b]	6.8	11.4	(13.0)	–	–	–	**5.2**
Other	8.0	–	(1.3)	–	–	–	**6.7**
Total CSR Limited current provisions	135.9	116.5	(110.8)	–	–	(0.4)	**141.2**
Non-current							
Product liability [a]	344.3	60.2	–	–	16.8	–	**421.3**
Restoration and environmental rehabilitation	0.4	(0.1)	–	–	–	–	**0.3**
Uninsured losses and future claims [b]	38.0	(0.2)	–	–	2.4	–	**40.2**
Other	0.7	(0.6)	–	–	–	–	**0.1**
Total CSR Limited non-current provisions	383.4	59.3	–	–	19.2	–	**461.9**

a Refer to note 35 and the significant accounting policies note for details of the basis of the product liability provision. Includes impact of foreign currency.
b Uninsured losses and future claims mainly relate to the CSR group's self insurance for workers' compensation program.
c Includes provision for anticipated disposal costs of Tomago smelter's spent pot lining.

	2009 ORDINARY SHARES FULLY PAID	2009 PRICE $	2009 SHARE CAPITAL $ MILLION	2008 ORDINARY SHARES FULLY PAID	2008 PRICE $	2008 SHARE CAPITAL $ MILLION
22 ISSUED CAPITAL [a]						
CSR Limited						
On issue at the beginning of the financial year	**982,726,635**		**879.2**	876,277,500		559.5
Institutional placement [b]	**225,358,467**	**1.40**	**307.1**	49,019,608	3.06	148.1
Retail placement [c]	**24,448,860**	**1.40**	**32.9**	–	–	–
Universal Share/Option Plan [d]	**3,035,700**	**1.01**	**3.1**	1,536,000	1.68	2.6
Share Purchase Plan [e]	**–**	**–**	**–**	36,586,077	3.06	111.5
Dividend Reinvestment Plan [f]	**50,489,525**	**2.15**	**106.9**	19,307,450	3.00	57.5
Total movements during the financial year	**303,332,552**		**450.0**	106,449,135		319.7
On issue at the end of the financial year	**1,286,059,187**		**1,329.2**	982,726,635		879.2

a The shares are fully paid ordinary shares listed on the ASX and carry one vote per ordinary share and the right to dividends.
b Fully paid ordinary shares were issued on 28 November 2008. The purpose of the institutional placement was to repay borrowings. Fully paid ordinary shares were issued on 18 September 2007. The purpose of the institutional placement was to partly fund the acquisition of Pilkington and the acquisition of DMS Glass. Proceeds are net of share placement costs of $8.4 million in 2009 (2008: $1.9 million).
c Fully paid ordinary shares were issued on 17 December 2008. The purpose of the retail placement was to repay borrowings. Proceeds are net of share placement costs of $1.3 million.
d Fully paid ordinary shares were issued in September and December 2008 and September 2007 under the employee Universal Share/Option Plan. For tax reasons, shares cannot be sold by participants within three years of allotment, unless they finish their employment with the CSR group. Offers of fully paid shares were made to all eligible employees (2009: 5,692, 2008: 4,098). 3,373 (2008: 2,560) accepted the offer, subscribing for up to 450 shares (2008: 300 shares) at the market price of $2.02 each (2008: $3.35) and receiving an equivalent number of shares at no cost. The issue of 1,517,850 (2008: 768,000) shares purchased by employees was taken to equity. The additional 1,517,850 (2008: 768,000) shares issued at no cost were recorded as an expense in the financial report with an offsetting entry to the employee share reserve.
e Fully paid ordinary shares were issued on 9 November 2007. Eligible shareholders were able to invest up to $5,000 in CSR ordinary shares without brokerage or transaction costs.
f Fully paid ordinary shares were issued on 17 December 2007, 3 July 2008 and 12 December 2008. Eligible shareholders were able to reinvest all or part of their dividends in additional fully paid ordinary shares at a market discount of 2.5 per cent.

23 RESERVES

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
Foreign currency translation reserve				
Value at beginning of financial year	**(11.8)**	(3.0)	**–**	–
Translation of foreign operations	**26.0**	(8.8)	**–**	–
Value at the end of the financial year	**14.2**	(11.8)	**–**	–
Employee share reserve				
Value at the beginning of financial year	**9.5**	6.9	**9.5**	6.9
CSR Limited free employee shares issued	**3.1**	2.6	**3.1**	2.6
Value at the end of the financial year	**12.6**	9.5	**12.6**	9.5
Hedge reserve				
Value at the beginning of financial year	**(28.5)**	(34.6)	**4.8**	2.3
Hedge profit (loss) recognised	**27.3**	(19.9)	**(21.2)**	4.6
Income tax (expense) benefit	**(8.1)**	5.9	**6.4**	(1.4)
Transferred to the income statement [a]	**13.2**	20.1	**(2.4)**	(0.7)
Value at the end of the financial year	**3.9**	(28.5)	**(12.4)**	4.8
Total reserves	**30.7**	(30.8)	**0.2**	14.3

a The 2009 amount transferred to the income statement of $19.0 million before tax (2008: $28.8 million) and $13.2 million after tax (2008: $20.1 million) was taken to revenue $20.1 million (2008: $18.8 million), with the balance mainly taken to cost of sales.

24 MINORITY INTERESTS IN CONTROLLED ENTITIES

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
Issued capital	**49.6**	49.3		
Hedge reserve	**26.0**	(19.7)		
Other reserves	**8.6**	9.8		
Retained profits	**69.4**	66.5		
Total minority interests in controlled entities	**153.6**	105.9		

($ THOUSAND)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
25 AUDITORS' REMUNERATION				
Auditing and reviewing the financial report of the CSR group				
Deloitte Touche Tohmatsu in Australia	**1,565**	1,547	**490**	480
Deloitte Touche Tohmatsu outside of Australia	**139**	159	**–**	–
	1,704	1,706	**490**	480
Other services				
Deloitte Touche Tohmatsu in Australia	**65**	48	**65**	48
Deloitte Touche Tohmatsu outside of Australia	**51**	29	**–**	–
	116	77	**65**	48
Total auditors' remuneration	**1,820**	1,783	**555**	528
Other services comprise				
Taxation strategy and compliance	**51**	29	**–**	–
Accounting advice	**5**	5	**5**	5
Other	**60**	43	**60**	43
	116	77	**65**	48

	2009		2008	
	CENTS PER SHARE	TOTAL $ MILLION	CENTS PER SHARE	TOTAL $ MILLION
26 DIVIDENDS AND FRANKING CREDITS				
Recognised amounts				
Fully paid ordinary shares				
Prior year final dividend – franked to 100% (2008: 100%)	**9.0**	**88.4**	9.0	78.9
Interim dividend – franked to 100% (2008: 100%)	**6.0**	**61.3**	6.0	57.8
	15.0	**149.7**	15.0	136.7
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend – franked to 100% (2008: 100%)	**1.5**	**19.3**	9.0	88.4

The final dividend for the financial year ended 31 March 2009 has not been recognised in this financial report because it was declared after 31 March 2009. The amounts disclosed as recognised are the final dividend in respect of the prior financial year, and the interim dividend in respect of the current financial year.

	CSR GROUP		CSR LIMITED	
($ MILLION)	**2009**	2008	**2009**	2008
Adjusted franking account balance (tax paid basis)	**(7.2)**	1.1	**(7.2)**	1.1
Impact on franking account balance of dividends not recognised	**(8.3)**	(37.9)	**(8.3)**	(37.9)

27 RELATED PARTY INFORMATION

Directors and key management personnel remuneration

During the financial year, total remuneration of $9,309,252 (2008: $9,268,223) was paid to directors and key management personnel. Details of the payments, and the CSR Limited equity holdings of director and key management personnel are shown in the Remuneration Report.

CSR Limited transactions with controlled entities

During the financial years ended 31 March 2009 and 2008, CSR Limited advanced and repaid loans, sold and purchased goods and services and provided accounting and administrative assistance to its controlled entities.
Details of write downs of receivables from the controlled entities are disclosed in note 2.
Amounts receivable from and payable to these related parties are disclosed in notes 10, 17 and 18.
All loans advanced to and payable to these related parties are unsecured and subordinate to other liabilities.
Loans between members of the Australian tax consolidation group are not on normal terms and conditions.
Details of interest paid to and received from controlled entities are shown in notes 4 and 6.
Details of dividends received by CSR Limited from controlled entities are shown in the income statement.

Other related parties

Other than transactions with associate entities disclosed in note 31, no material amounts were receivable from, or payable to, other related parties as at 31 March 2009 or 2008, and no material transactions with other related parties occurred during those years.
Details of payments to defined benefit superannuation plans are shown in note 29.

Employee share plan interest free loans to directors or key management personnel

No new loans, loan repayments or loan balances occurred between the CSR group and directors and key management personnel of the CSR group during the financial year ended 31 March 2009 or 2008.
Transactions entered into during the financial year with directors of CSR Limited and key management personnel of the CSR group and with their closely related entities which are within normal customer or employee relationships on terms and conditions no more favourable than those available to other customers, employees or shareholders including:
- acquisition of shares in CSR Limited under the employee share plans, share purchase plan and the Dividend Reinvestment Plan;
- dividends from shares in CSR Limited;
- sale and purchase of goods and services;
- contracts of employment and reimbursement of expenses; and
- contracts of employment with relatives of directors on either a full time or work experience basis.

	CSR GROUP		CSR LIMITED	
($ MILLION)	**2009**	2008	**2009**	2008
28 INTEREST IN JOINT VENTURE OPERATION				
Interest in the Tomago aluminium smelter joint venture operation [a b] **is included in the financial statements in the following categories**				
Current assets				
Cash and receivables	**3.7**	3.3	**–**	–
Inventories	**39.4**	30.6	**–**	–
Other	**1.4**	0.9	**–**	–
	44.5	34.8	**–**	–
Non-current assets				
Receivables	**0.6**	0.4	**–**	–
Property, plant and equipment	**280.7**	281.8	**–**	–
Other	**14.2**	16.0	**–**	–
	295.5	298.2	**–**	–
Total assets	**340.0**	333.0	**–**	–

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
28 INTEREST IN JOINT VENTURE OPERATION (CONTINUED)				
Current liabilities	**49.5**	45.2	**–**	–
Non-current liabilities	**75.0**	75.0	**–**	–
Total liabilities	**124.5**	120.2	**–**	–
Net assets	**215.5**	212.8	**–**	–
Contracted capital expenditure	**5.1**	15.6	**–**	–
Contingent liabilities	**–**	–	**–**	–

a The CSR group's joint venture interest of 36.05% (2008: 36.05%) is held through a controlled entity in which the CSR group has a 70% interest.
b Principal activity: aluminium production.

29 SUPERANNUATION COMMITMENTS

The CSR group participates in a number of superannuation funds (funds) in Australia, New Zealand and other countries where it operates. The funds provide benefits either on a cash accumulation or defined benefit basis, for employees (and spouses) on retirement, resignation, disablement, or to their dependants on death. Employer contributions are legally enforceable, with the right to terminate, reduce or suspend those contributions upon giving written notice to the trustees. CSR Limited and its Australian controlled entities are required to provide a minimum level of superannuation support for employees under the Australian Superannuation Guarantee legislation.

Asset backing

The assets of the funds at 31 March 2009 were insufficient to satisfy all benefits which would have been vested in the event of termination of the funds, or in the event of the voluntary or compulsory termination of the employment of each employee. The funds have obligations of $103.0 million in excess of the fair value of assets. The CSR group is making contributions to the funds as follows:

Harwood Superannuation Fund	– DBD CSR Super	$37,000 per month from 1 April 2009
	– DBD Monier PGH Super	15.8% of eligible salary plus $120,220 per month from 1 April 2009
Pilkington (Australia) Superannuation Scheme	– DBD	14.6% of eligible salary plus $165,000 per month from 1 April 2009.

This contribution rate will be reviewed after the next actuarial assessment at 30 June 2009. The aggregate funding method was used to determine the contribution rates for the Harwood Superannuation Fund and the Projected Unit Credit Funding method for the Pilkington (Australia) Superannuation Scheme.

Retirement funds

The contributions to the funds were: CSR group: $37.1 million (2008: $35.7 million); and CSR Limited: $20.6 million (2008: $26.7 million).

Accumulation funds

The benefits provided by accumulation funds are based on the contributions and income thereon held by the funds on behalf of the members. Contributions are made by the members and the company based on a percentage of the members' salary, as specified by the rules of the fund. These contributions are expensed in the period they are incurred.

Defined benefit funds

The benefits provided by defined benefit divisions of funds (DBDs) are based on length of service or membership and salary of the member at or near retirement. Member contributions, based on a percentage of salary, are specified by the rules of the fund. Employer contributions generally vary based on actuarial advice and may be reduced or cease when a fund is in actuarial surplus. The accounting treatment of the defined benefit superannuation funds is discussed in the note on significant accounting policies.

Australian superannuation funds

In Australia, the CSR group participates in the Harwood Superannuation Fund and the Pilkington (Australia) Superannuation Scheme for those employees and pensioners who are currently members of these funds and any new employees who become members of those funds.

Expected rate of return on defined benefit fund assets

The expected return on assets is determined by weighting the expected long term return for each asset class by the target allocation of assets to each asset class. The returns used for each asset class are net of investment fees and investment tax (if applicable).

Defined benefit funds sponsored by the CSR group

($ MILLION)		DEFINED BENEFIT OBLIGATION	FAIR VALUE OF FUND ASSETS	ASSET/ (LIABILITY)	CONTRIBUTIONS PAID
Harwood Superannuation Fund	– DBD CSR [a b]	213.5	135.9	(77.6)	–
	– DBD Monier PGH Plan [c]	51.5	39.8	(11.7)	2.3
Pilkington (Australia) Superannuation Scheme	– DBD [c]	64.0	50.3	(13.7)	1.8

a Actuarial liabilities are determined to be past service liabilities based on membership accrued up to 31 March 2009. These amounts were calculated at 31 March 2009 based on the assumptions used for the last actuarial review which was performed on 30 June 2008 by K Knapman FIAA.
b There is an obligation for CSR Limited to contribute such amounts so as to ensure that the assets attributable to the CSR plan DBD are not less than 120% of the amount required to meet the actuarial liabilities of the CSR plan DBD. CSR Limited has made available to the trustee of the fund a bank guarantee $12.0 million (2008: $nil) to satisfy the balance of its commitment if assets fall below 120%. The bank guarantee has been disclosed in note 35 as a contingent liability.
c These amounts are calculated at 31 March 2009 based on assumptions used in the last actuarial review performed on 30 June 2008.

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
29 SUPERANNUATION COMMITMENTS (CONTINUED)				
Amounts recognised in the income statement (administration costs) in respect of the defined benefit funds				
Current service cost	**5.6**	3.6	**2.1**	2.0
Interest cost	**15.6**	13.6	**11.7**	11.5
Expected return on assets	**(23.5)**	(22.7)	**(18.7)**	(19.8)
Total income included in the income statement	**(2.3)**	(5.5)	**(4.9)**	(6.3)
Actuarial losses incurred during the financial year and recognised in the recognised income and expense statement	**(120.4)**	(49.9)	**(110.6)**	(43.9)
Cumulative actuarial gains and losses recognised in the recognised income and expense statement	**(115.7)**	4.7	**(99.9)**	10.7
Net liability (asset) of defined benefit funds				
Present value of liabilities	**329.0**	312.6	**265.0**	233.8
Fair value of assets	**(226.0)**	(323.6)	**(175.7)**	(247.9)
Net liability (asset)	**103.0**	(11.0)	**89.3**	(14.1)
Included in the balance sheet				
Payables and other non-current liabilities (note 17)	**103.0**	3.1	**89.3**	–
Other non-current assets (note 12)	**–**	(14.1)	**–**	(14.1)
Net liability (asset)	**103.0**	(11.0)	**89.3**	(14.1)
Movements in the present value of the defined benefit funds liabilities were as follows:				
Liabilities at the beginning of the financial year	**312.6**	236.3	**233.8**	236.3
Acquisitions/transfers in	**–**	86.9	**–**	–
Current service cost	**5.6**	3.6	**2.1**	2.0
Interest cost	**15.6**	13.6	**11.7**	11.5
Contributions from participants	**1.3**	1.3	**0.3**	0.7
Actuarial losses (gains)	**33.2**	14.4	**38.3**	12.7
Benefits paid	**(39.3)**	(43.5)	**(21.2)**	(29.4)
Liabilities at the end of the financial year	**329.0**	312.6	**265.0**	233.8
Movements in the present value of the defined benefit funds assets were as follows:				
Assets at the beginning of the financial year	**323.6**	285.7	**247.9**	285.7
Acquisitions/transfers in	**–**	89.5	**–**	–
Return on fund assets – expected	**23.5**	22.7	**18.7**	19.8
Return on fund assets – actuarial	**(87.2)**	(35.5)	**(72.3)**	(31.2)
Contributions from the employer	**4.1**	3.4	**2.3**	2.3
Contributions from participants	**1.3**	1.3	**0.3**	0.7
Benefits paid	**(39.3)**	(43.5)	**(21.2)**	(29.4)
Assets at the end of the financial year	**226.0**	323.6	**175.7**	247.9
The history of experience adjustments is as follows:				
Experience loss on fund liabilities	**6.5**	(22.0)	**(2.4)**	(19.9)
Experience loss on fund assets	**(87.2)**	(35.5)	**(72.3)**	(31.2)

(%)		CSR GROUP 2009	CSR GROUP 2008
Key assumptions and parameters (expressed as weighted averages):			
Discount rate (after tax)		**4.3**	6.1
Expected return on fund assets (after tax)		**6.7**	7.4
Expected salary increase		**3.0**	3.5
Asset class allocation	– equity instruments	**50.2**	49.8
	– debt instruments	**37.8**	39.6
	– property	**8.6**	7.4
	– other	**3.4**	3.2

30 FINANCIAL RISK MANAGEMENT

The CSR group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and commodity risk). The CSR group uses a variety of derivative instruments to manage financial and commodity price risks. The CSR group does not use derivative or financial instruments for speculative or trading purposes.

CSR Treasury provides services to the businesses, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the CSR group through internal risk reports that analyse exposures by degree and magnitude of risks as detailed further in this note. The use of financial derivatives is governed by the policies approved by the Board of directors. The policies provide specific principles in relation to foreign exchange risk, interest rate risk, credit risk, the use of financial and non financial derivatives and the investment of excess liquidity. Compliance with policies and procedures is reviewed by CSR internal audit on a continuous basis.

Capital management

The CSR group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances.

The capital structure of the CSR group consists of debt which includes the borrowings disclosed in note 18, cash and cash equivalents disclosed in note 7, issued capital and reserves disclosed in notes 22 and 23 and retained profits. The CSR group reviews the capital structure regularly and balances its overall capital structure through the payment of dividends, new share issues and share buybacks as well as the issue of new debt or the redemption of existing debt.

Fair value

Certain estimates and judgements were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that CSR would realise upon disposition nor do they indicate the CSR group's intent or ability to dispose of the financial instrument.

The following assumptions and methods were used to estimate fair value:

Commodity futures: The fair value is based on the closing price on the applicable futures exchange and other market prices;

Foreign currency contracts, foreign exchange options, currency swaps and commodity swaps: The fair value is estimated using market accepted formulae and market quoted input variables;

Cash, short term loans and deposits, receivables, payables and short term borrowings: The carrying amounts of these financial instruments approximate fair value because of their short maturity;

Long term borrowings: The present value of expected cash flows has been used to determine fair value using interest rates derived from market parameters that accurately reflect their term structure. Certain estimates and judgements were required to develop the fair value amounts; and

Interest rate swaps: The present value of expected cash flows has been used to determine fair value using yield curves derived from market parameters that accurately reflect their term structure. Certain estimates and judgements were required to develop the fair value amounts.

Credit risk

The CSR group is exposed to credit related losses in the event of non-performance by counterparties to these derivative and financial instruments. The counterparties are predominantly prime financial institutions with the majority of them with a Standard & Poor's or Moody's rating of at least A- or A3 respectively.

The CSR group controls risk through the use of credit limits and monitoring procedures. The CSR group does not usually require collateral or other security to support financial instruments with credit risk.

Credit exposure of foreign currency and commodity price derivatives is represented by the fair value of the contracts. The carrying amounts of financial assets included in the CSR group's financial statements represent its exposure to credit risk in relation to these assets.

As at 31 March 2009, the CSR group had no significant concentration of credit risk for derivative instruments with any single counterparty or group of counterparties. Concentrations of credit risk with respect to receivables are limited due to the large number of clients and markets in which the CSR group does business, as well as the dispersion across many geographic areas.

Liquidity risk

Liquidity risk management requires maintaining sufficient cash, bank facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Details of credit facilities and the maturity profile are detailed in note 20.

The table below analyses the CSR group's financial liabilities and derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to maturity date. The amounts are not discounted.

	CSR GROUP MATURITY GROUPING					CSR LIMITED MATURITY GROUPING				
LIQUIDITY RISK ($ MILLION)	1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL
2009										
Current payables	**416.6**	**–**	**–**	**–**	**416.6**	**531.3**	**–**	**–**	**–**	**531.3**
Other non-current payables	**–**	**6.7**	**–**	**–**	**6.7**	**–**	**–**	**–**	**–**	**–**
Borrowings (including interest) [a]	**80.5**	**1,342.6**	**–**	**0.2**	**1,423.3**	**76.6**	**1,283.2**	**–**	**1,763.8**	**3,123.6**
Commodity financial instruments [b]	**19.3**	**4.0**	**0.4**	**–**	**23.7**	**–**	**–**	**–**	**–**	**–**
Foreign currency financial instruments [b]	**46.4**	**63.4**	**2.2**	**–**	**112.0**	**–**	**–**	**–**	**–**	**–**
Total	**562.8**	**1,416.7**	**2.6**	**0.2**	**1,982.3**	**607.9**	**1,283.2**	**–**	**1,763.8**	**3,654.9**
2008										
Current payables	389.0	–	–	–	389.0	413.3	–	–	–	413.3
Other non-current payables	–	8.3	–	–	8.3	–	–	–	–	–
Borrowings (including interest) [a]	586.1	554.6	337.1	0.1	1,477.9	577.3	549.3	337.1	1,621.6	3,085.3
Commodity financial instruments [b]	107.7	92.3	4.7	–	204.7	–	–	–	–	–
Foreign currency financial instruments [b]	12.5	1.7	0.5	–	14.7	–	–	–	–	–
Total	1,095.3	656.9	342.3	0.1	2,094.6	990.6	549.3	337.1	1,621.6	3,498.6

a Over 5 years includes repayment of borrowings in July 2025 – CSR group $0.2 million (2008: $0.1 million), CSR Limited $nil (2008: $nil).
b Settlement of commodity and foreign currency financial instruments will be offset by revenue from the sale of commodities.

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Commodity price and risk management

The CSR group has exposure to aluminium commodity prices. The aluminium price exposure arises from sales contracts that commit the CSR group to supply aluminium in future years. Prices for product supplied under these contracts are a function of the US dollar market price at the time of delivery. The CSR group has a policy of maintaining a minimum, but declining, level of hedging for up to the next five years at acceptable prices to manage its commodity price exposure with the objective of ensuring more predictable revenue cash flows.

The CSR group also has exposure to sugar prices through its raw sugar milling activities. The CSR group undertakes longer term pricing in A$ terms with the sugar and currency exposure closely matched. This pricing may be conducted in declining volumes for up to five years where an acceptable price outcome can be achieved. In addition, CSR undertakes sugar pricing during the season (in season pricing). The remainder of the sugar pricing, excluding CSR's long term and in season pricing, is undertaken by Queensland Sugar Limited (QSL). The CSR group receives its share of the Australian dollar pool price revenue derived by QSL based on QSL's sugar price and foreign exchange pricing activities. Sugar pricing is carried out by QSL for a maximum term usually of 18 months. As at 31 March 2009, almost all of QSL's 2008 milling season (year ended 31 March 2009) pricing had been completed. The estimated CSR realised sugar price for the year ended 31 March 2009 was $325 per tonne. This sugar price is a weighted average of the expected QSL sugar price and CSR's hedged sugar price. CSR priced approximately 70% of its share of the 2008 milling season's crop (year ended 31 March 2009) with the remainder priced by QSL. The 2008 season sugar price (year ended 31 March 2009) is now insensitive to further movements in market prices. For the anticipated production of the 2009 milling season (year ending 31 March 2010) and as at 31 March 2009, CSR is approximately 63% priced including longer term pricing, in season pricing and QSL pricing.

Sugar refining businesses seek to cover their exposure to raw sugar input costs against their refined sugar sales to industrial and retail customers on a back to back basis, thus eliminating market risk and locking in a refining margin. In this way, sugar commodity and currency price risk is minimised.

COMMODITY PRICE RISK EXPOSURE ($ MILLION)	AVERAGE PRICE [a b]	PRINCIPAL/MATURITIES 1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	FAIR VALUE ASSET	LIABILITY
2009								
Aluminium								
London Metal Exchange aluminium futures sell contracts [c]	**2,755.4**	**15.9**	**57.1**	**–**	**–**	**73.0**	**30.3**	**–**
Aluminium commodity swaps [c]	**2,308.9**	**240.0**	**89.5**	**–**	**–**	**329.5**	**116.2**	**–**
Raw sugar								
New York Board of Trade Sugar No 11 futures buy contracts [c]	**293.7**	**77.9**	**1.7**	**–**	**–**	**79.6**	**1.5**	**–**
New York Board of Trade Sugar No 11 futures sell contracts [c]	**294.9**	**133.0**	**3.0**	**–**	**–**	**136.0**	**0.6**	**–**
Sugar commodity swaps [c]	**224.4**	**136.7**	**240.1**	**34.3**	**–**	**411.1**	**–**	**8.4**
Total							**148.6**	**8.4**
2008								
Aluminium								
London Metal Exchange aluminium futures sell contracts [c]	2,525.2	38.1	29.6	19.2	–	86.9	0.4	17.0
Aluminium commodity swaps [c]	2,276.5	219.5	216.3	22.9	–	458.7	0.5	146.6
Raw sugar								
New York Board of Trade Sugar No 11 futures buy contracts [c]	256.8	48.3	1.2	–	–	49.5	6.6	1.3
New York Board of Trade Sugar No 11 futures sell contracts [c]	264.5	109.8	14.1	–	–	123.9	5.6	8.8
Sugar commodity swaps [c]	273.7	92.5	123.4	25.9	–	241.8	12.1	25.7
Total							25.2	199.4

a Average prices for the individual periods do not materially differ from the overall average price disclosed.
b US dollars per metric tonne.
c $140.2 million of commodity contract gains (2008: $174.2 million losses) was deferred in 2009 as the losses relate to hedges of highly probable forecast transactions and fair value hedges. The expected timing of recognition based on the fair values at 31 March 2009 is one year or less: $70.1 million gain (2008: $90.5 million loss); one to three year/s: $69.3 million gain (2008: $82.7 million loss) and three to five years: $0.8 million gain (2008: $1.0 million loss). $3.2 million of commodity contract losses relating to fair value hedges was recognised in 2009 (2008: $4.8 million losses).

The following table details the CSR group's sensitivity to an increase in the aluminium and sugar prices assuming a constant exchange rate. A decrease would have the opposite impact to the amounts shown in the table. The sensitivity analysis of the CSR group's exposure to aluminium and sugar price risk at the reporting date has been determined based on the balances as at reporting date.

PRICE CHANGE SENSITIVITY	ALUMINIUM PRICE – 10%				SUGAR PRICE – 30%			
	CSR GROUP		CSR LIMITED		CSR GROUP		CSR LIMITED	
($ MILLION)	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Profit or loss	**–**	–	**–**	–	**–**	0.2	**–**	–
Other equity	**17.5**	68.8	**–**	–	**84.9**	56.1	**–**	–

The CSR group's sensitivity to sugar price risk at balance date is not representative of the sensitivity throughout the year as the year end exposure does not reflect the exposure during the year due to in season sugar pricing undertaken.

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign exchange and risk management

The CSR group uses a variety of foreign exchange risk management instruments including spot, forward and swap currency contracts and currency options, to hedge foreign currency denominated receipts resulting from revenue denominated in foreign currencies and payments for raw materials and capital equipment, with the key objective of achieving more predictable Australian dollar equivalent revenues.

The CSR group's major foreign currency exposure relates to its US dollar aluminium and sugar commodity price exposure and consequently it has a currency hedging policy which complements the commodity price hedging policy by providing minimum but declining levels of hedging for up to the next five years using forward exchange rate contracts.

Other foreign exchange exposures are relatively small with the CSR group policy outlining guidelines for hedging for up to 18 months. The policy requires that material foreign currency denominated purchases of capital equipment be fully hedged to the domestic currency to eliminate currency exposure. Similarly, the policy also requires that all material foreign currency assets and liabilities are hedged to the relevant entity's domestic currency.

The table below provides information about the CSR group's significant exchange rate exposures:

FOREIGN EXCHANGE RISK EXPOSURE ($ MILLION)	AVERAGE EXCHANGE RATE [a]	PRINCIPAL/MATURITIES 1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	FAIR VALUE [c] ASSET	LIABILITY
2009								
Forward exchange rate agreements [b]								
US dollar								
Buy US dollar	**0.70**	**180.6**	**1.0**	**–**	**–**	**181.6**	**6.8**	**–**
Sell US dollar	**0.74**	**462.3**	**390.5**	**49.4**	**–**	**902.2**	**–**	**93.1**
New Zealand dollar								
Sell New Zealand dollar	**1.24**	**17.9**	**–**	**–**	**–**	**17.9**	**–**	**0.8**
Euro								
Buy euro	**0.56**	**26.3**	**–**	**–**	**–**	**26.3**	**2.7**	**–**
Japanese yen								
Buy Japanese yen	**63.10**	**0.8**	**–**	**–**	**–**	**0.8**	**–**	**–**
Sell Japanese yen	**65.93**	**0.3**	**–**	**–**	**–**	**0.3**	**–**	**–**
Swedish krona								
Buy Swedish krona	**5.42**	**1.0**	**–**	**–**	**–**	**1.0**	**–**	**–**
Canadian dollar								
Buy Canadian dollar	**0.88**	**6.1**	**–**	**–**	**–**	**6.1**	**0.3**	**–**
Singaporean dollar								
Buy Singaporean dollar	**1.08**	**0.2**	**0.1**	**–**	**–**	**0.3**	**0.1**	**–**
Total							**9.9**	**93.9**
2008								
Forward exchange rate agreements [b]								
US dollar								
Buy US dollar	0.83	158.2	11.0	–	–	169.2	0.5	12.5
Sell US dollar	0.76	435.1	422.2	69.0	–	926.3	104.0	1.5
New Zealand dollar								
Sell New Zealand dollar	1.15	4.7	–	–	–	4.7	–	–
Euro								
Buy euro	0.61	41.0	–	–	–	41.0	2.5	–
United Kingdom pound								
Buy United Kingdom pound	0.43	0.3	–	–	–	0.3	–	–
Japanese yen								
Buy Japanese yen	88.47	1.2	–	–	–	1.2	–	–
Sell Japanese yen	93.46	0.2	–	–	–	0.2	–	–
Singaporean dollar								
Buy Singaporean dollar	1.51	0.5	0.3	–	–	0.8	0.2	–
Total							107.2	14.0

a Average rates for the individual periods do not materially differ from the overall average rates disclosed.
b $84.1 million of net foreign exchange contract losses (2008: $93.2 million gains) have been deferred as the losses relate to hedges of highly probable forecast transactions. The expected timing of recognition based on the fair values at 31 March 2009 are one year or less: $28.3 million loss (2008: $55.5 million gain); one to three year/s: $55.7 million loss (2008: $37.4 million gain) and three to five years: $0.1 million loss (2008: $0.3 million gain).
c As at reporting date, the aggregate amount of unrealised losses under forward foreign exchange contracts relating to anticipated future transactions is $84.1 million (2008: unrealised gains of $93.2 million). These unrealised gains/losses have been deferred in the hedge reserve to the extent the hedge is effective.

At 31 March 2009, had the Australian dollar weakened/strengthened by 10% against the respective foreign currencies with all other variables held constant, the post-tax profit would have been materially unchanged mainly as a result of the effectiveness of the hedging in place. Equity would have been $55.6 million higher/$45.3 million lower (2008: $46.5 million higher/$38.1 million lower) had the Australian dollar weakened/strengthened by 10% against the respective foreign currencies arising mainly from foreign forward exchange contracts designated as cash flow hedges. CSR Limited is not materially different to the CSR group.

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate sensitivity and risk management

CSR group policy allows the group to enter into a variety of derivative instruments to manage its interest rate exposure with the objective of obtaining lower funding costs and a more stable and predictable interest expense. The CSR group has a policy to maintain the percentage of fixed and variable rate debt within controlled limits. CSR group policy allows interest rate swaps and options to be entered into to maintain the mix of fixed and variable rate debt. The table below provides information about the CSR group's interest rate exposure and should be read in conjunction with note 18.

INTEREST RATE RISK EXPOSURE ($ MILLION)	NOTE	WEIGHTED AVERAGE TERM IN YEARS	WEIGHTED AVERAGE RATE % PA [a]	PRINCIPAL/MATURITIES 1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	CARRYING AMOUNT ASSET	CARRYING AMOUNT LIABILITY	FAIR VALUE ASSET	FAIR VALUE LIABILITY
2009												
Long term debt												
Fixed rate US dollar debt	18	**16.3**	**7.7**	**–**	**–**	**–**	**0.2**	**0.2**	**–**	**0.2**	**–**	**0.2**
Fixed rate Thai baht debt	18	**1.7**	**5.5**	**–**	**5.6**	**–**	**–**	**5.6**	**–**	**5.6**	**–**	**5.6**
Fixed rate Chinese yuan debt	18	**2.1**	**7.6**	**–**	**25.0**	**–**	**–**	**25.0**	**–**	**25.0**	**–**	**25.0**
Fixed rate Malaysian ringgit debt	18	**2.5**	**4.2**	**–**	**0.1**	**–**	**–**	**0.1**	**–**	**0.1**	**–**	**0.1**
Floating rate Australian dollar debt [b]	18	**3.0**	**6.8**	**–**	**1,130.0**	**–**	**1.8**	**1,131.8**	**–**	**1,131.8**	**–**	**1,131.8**
Floating rate New Zealand dollar debt	18	**2.1**	**6.9**	**–**	**24.2**	**–**	**–**	**24.2**	**–**	**24.2**	**–**	**24.2**
Short term debt												
Floating rate Australian dollar debt [b]	18	**–**	**3.4**	**15.1**	**–**	**–**	**–**	**15.1**	**–**	**15.1**	**–**	**15.1**
Floating rate New Zealand dollar debt	18	**–**	**3.9**	**1.7**	**–**	**–**	**–**	**1.7**	**–**	**1.7**	**–**	**1.7**
Cash at bank and on deposit [c]	7	**–**	**–**	**(14.3)**	**–**	**–**	**–**	**(14.3)**	**(14.7)**	**0.4**	**(14.3)**	**–**
Total				**2.5**	**1,184.9**	**–**	**2.0**	**1,189.4**	**(14.7)**	**1,204.1**	**(14.3)**	**1,203.7**
2008												
Long term debt												
Fixed rate US dollar debt	18	17.3	7.7	–	–	–	0.1	0.1	–	0.1	–	0.1
Fixed rate Thai baht debt	18	–	5.3	–	4.9	–	–	4.9	–	4.9	–	4.2
Floating rate Australian dollar debt [b]	18	2.8	8.0	–	440.0	320.0	–	760.0	–	760.0	–	760.0
Floating rate New Zealand dollar debt	18	2.5	9.1	–	13.8	–	–	13.8	–	13.8	–	13.8
Short term debt												
Fixed rate Australian dollar debt	18	1.0	6.1	200.0	–	–	–	200.0	–	200.0	–	200.0
Fixed rate Thai baht debt	18	0.7	5.3	0.5	–	–	–	0.5	–	0.5	–	0.5
Fixed rate Malaysian ringgit debt	18	0.2	4.1	5.5	–	–	–	5.5	–	5.5	–	5.5
Floating rate Australian dollar debt [b]	18	0.5	7.4	270.0	–	–	–	270.0	–	270.0	–	270.0
Floating rate Australian dollar debt [b]	18	–	7.3	3.2	–	–	–	3.2	–	3.2	–	3.2
Floating rate New Zealand dollar debt	18	–	8.8	3.0	–	–	–	3.0	–	3.0	–	3.0
Cash at bank and on deposit [c]	7	–	–	(24.3)	–	–	–	(24.3)	(24.9)	0.6	(24.3)	–
Total				457.9	458.7	320.0	0.1	1,236.7	(24.9)	1,261.6	(24.3)	1,260.3

a Average rates for the individual periods do not materially differ from the overall average rates disclosed. Other financial assets and liabilities are not exposed to interest rate risk.
b Maturities based on the maturity date of the debt facilities, not the repricing date.
c Net of overdraft. Interest rates vary from nil to 3.2% per annum (2008: nil to 7.5% per annum).

At 31 March 2009, if interest rates had changed by +/- 1% per annum from the year end rates with all other variables held constant, the post tax profit for the year would have been $3.9 million higher/lower (2008: $6.6 million higher/lower) mainly as a result of higher interest cost on borrowings. CSR Limited is not materially different to the CSR group.

INTEREST RATE DERIVATIVES AUSTRALIAN DOLLAR INTEREST RATE SWAPS ($ MILLION)	WEIGHTED AVERAGE TERM IN YEARS	WEIGHTED AVERAGE RATE % PA [a]	PRINCIPAL/MATURITIES 1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	CARRYING AMOUNT ASSET	CARRYING AMOUNT LIABILITY	FAIR VALUE ASSET	FAIR VALUE LIABILITY
2009											
Fixed rate payer against A$ bank bills	**1.7**	**6.4**	**130.0**	**156.8**	**100.0**	**–**	**386.8**	**–**	**–**	**–**	**17.9**
2008											
Fixed rate payer against A$ bank bills	2.9	6.5	–	266.5	100.0	–	366.5	–	–	7.4	–

a Average rates for the individual periods do not materially differ from the overall average rates disclosed. Other financial assets and liabilities are not exposed to interest rate risk.

At 31 March 2009, if interest rates had changed by +/- 1% per annum from the year end rates with all other variables held constant, reserves for the year would have been $3.9 million higher/$4.0 million lower (2008: $7.7 million higher/$7.8 million lower) mainly as a result of higher/lower interest cost on borrowings. CSR Limited is not materially different to the CSR group.

OTHER FAIR VALUES ($ MILLION)	CARRYING AMOUNT ASSET 2009	CARRYING AMOUNT ASSET 2008	CARRYING AMOUNT LIABILITY 2009	CARRYING AMOUNT LIABILITY 2008	FAIR VALUE ASSET 2009	FAIR VALUE ASSET 2008	FAIR VALUE LIABILITY 2009	FAIR VALUE LIABILITY 2008
Other financial assets	**240.8**	185.5			**240.8**	185.5		
Current receivables	**562.1**	555.5			**562.1**	555.5		
Current payables and financial liabilities			**501.2**	507.3			**501.2**	507.3
Non-current payables and financial liabilities			**184.8**	106.5			**184.8**	106.5
Total	**802.9**	741.0	**686.0**	613.8	**802.9**	741.0	**686.0**	613.8

31 EQUITY ACCOUNTING INFORMATION

Name of entity	Principal activity	Ownership interest 2009 %	Ownership interest 2008 %	Carrying amount 2009 $ million	Carrying amount 2008 $ million
C. Czarnikow Limited [a]	Sugar brokering	**43**	43	**19.1**	17.9
Rondo Pty Limited	Building products	**50**	50	**9.1**	8.9
Other non-material associates				**2.0**	1.1
Total investments accounted for using the equity method				**30.2**	27.9

a All incorporated in Australia except C. Czarnikow Limited which was incorporated in England and Wales.

($ MILLION)	CSR GROUP 2009	2008
Equity accounted amount of investments at the beginning of the financial year	**27.9**	33.0
Share of associate entities' profit from ordinary activities before income tax	**21.5**	24.7
Share of income tax	**(6.5)**	(8.1)
Disposals [b]	**–**	(6.4)
Dividends and distributions received	**(13.4)**	(15.3)
Foreign currency translation and other	**0.7**	–
Equity accounted amount of investments at the end of the financial year	**30.2**	27.9
Share of revenue and reserves attributable to associate entities		
Revenue	**157.6**	143.4
Retained profits [c]	**24.7**	19.8
Asset revaluation reserves [c]	**0.3**	0.4
Other reserves [c]	**5.2**	3.1
Summarised balance sheet of associate entities		
Assets		
– Cash	**27.3**	22.2
– Other current assets	**458.1**	229.2
– Property, plant and equipment	**23.0**	14.9
– Other non-current assets	**5.3**	7.0
Liabilities		
– Current payables	**127.6**	87.4
– Current borrowings and other liabilities	**275.1**	131.7
– Non-current liabilities	**43.4**	2.2
Net assets	**67.6**	52.0

($ MILLION)	CSR GROUP 2009	2008	CSR LIMITED 2009	2008
Balances and transactions with associate entities [d]				
Current loans and receivables	**13.2**	9.8	**13.2**	9.8
Non-current loans and receivables	**15.6**	17.5	**–**	7.2
New loans and receivables	**20.6**	9.6	**15.4**	9.6
Loans and receivables repaid	**11.9**	11.0	**11.9**	10.2
Current payables	**5.5**	6.4	**–**	–
Purchases of goods and services	**44.3**	54.0	**–**	–
Sales of goods and services	**3.4**	3.8	**–**	–
Dividends and distributions received and receivable	**13.4**	15.3	**–**	–

a The reporting date is 31 December.
b The CSR group's share of Enviroguard Pty Limited was sold in December 2007 for $24.5 million, resulting in a profit of $17.8 million.
c The opening balances as at 1 April 2007 were retained profits $23.2 million, asset revaluation reserves $1.4 million and other reserves $8.7 million.
d Purchases and sales of goods and services are on normal terms and conditions.

32 PARTICULARS RELATING TO CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION/ FORMATION	% CSR OWNERSHIP 2009	2008
BI (Contracting) Pty Ltd	Australia	**100**	100
Bradford Insulation Industries Pty Ltd	Australia	**100**	100
Bradford Insulation (SA) Pty Ltd [a]	Australia	**100**	100
Buchanan Borehole Collieries Pty Ltd	Australia	**100**	100
Chelsea Estates NZ Pty Ltd	Australia	**100**	100
Chelsea Nominees Ltd	New Zealand	**100**	100
CSR Bradford Air (M) Sdn Bhd	Malaysia	**70**	70
CSR Building Materials (HK) Ltd	Hong Kong	**100**	100
CSR Building Materials (M) Sdn Bhd	Malaysia	**70**	70
CSR Building Products (NZ) Ltd	New Zealand	**100**	100
CSR Building Materials Trading (Shanghai) Co., Ltd	China	**100**	100
CSR Building Products Ltd	Australia	**100**	100
CSR Climate Control (M) Sdn Bhd	Malaysia	**70**	70
CSR Developments Pty Ltd	Australia	**100**	100
CSR Distilleries Operations Pty Ltd	Australia	**100**	100
CSR Erskine Park Trust	Australia	**100**	100
CSR Ethanol Pty Ltd	Australia	**100**	100
CSR Finance Ltd	Australia	**100**	100
CSR Guangdong Glasswool Co., Ltd	China	**79**	79
CSR Industrial Property Trust	Australia	**100**	100
CSR Industrial Property Nominees No 1 Pty Ltd	Australia	**100**	100
CSR Industrial Property Nominees No 2 Pty Ltd	Australia	**100**	100
CSR Insulation (Thailand) Ltd	Thailand	**100**	100
CSR Insurance Pte Ltd	Singapore	**100**	100
CSR International Pty Ltd	Australia	**100**	100
CSR Investments Pty Ltd	Australia	**100**	100
CSR Investments (Asia) Pty Ltd	Australia	**100**	100
CSR Investments (Indonesia) Pty Ltd	Australia	**100**	100
CSR Investments (Thailand) Pty Ltd	Australia	**100**	100
CSR Plane Creek Pty Ltd	Australia	**100**	100
CSR Refining Investments Pty Ltd	Australia	**100**	100
CSR Refining Investments (NZ) Ltd	New Zealand	**100**	100
CSR Share Plan Pty Ltd	Australia	**100**	100
CSR South East Asia Pte Ltd	Singapore	**100**	100
CSR Sugar Investments Pty Ltd	Australia	**100**	100
CSR Sugar Pty Ltd	Australia	**100**	100
CSR Sugar (Herbert) Pty Ltd	Australia	**100**	100
CSR Sugar (Invicta) Pty Ltd	Australia	**100**	100
CSR Sugar (Kalamia) Pty Ltd	Australia	**100**	100
CSR Viridian Finance Pty Ltd	Australia	**100**	100
CSR Viridian Holdings Ltd	Australia	**100**	100
CSR Viridian International Pty Ltd	Australia	**100**	100
CSR Viridian Investment Company Pty Ltd	Australia	**100**	100
CSR Viridian Ltd	Australia	**100**	100
CSR Viridian Operations Pty Ltd	Australia	**100**	100
CSR Viridian Properties Pty Ltd	Australia	**100**	100
CSR Viridian (New Zealand) Holdings Ltd	New Zealand	**100**	100
CSR Viridian (New Zealand) Ltd	New Zealand	**100**	100
CSR (Guangzhou) Building Materials Co., Ltd	China	**100**	100
CSR (Guangdong) Rockwool Co., Ltd	China	**70**	70
CSR (Pioneer Sugar) Pty Ltd	Australia	**100**	100
DMS Security Glass Pty Ltd	Australia	**100**	100
Don Mathieson & Staff Glass Pty Ltd	Australia	**100**	100
Farley & Lewers Pty Ltd	Australia	**100**	100
FEP Concrete Pty Ltd	Australia	**100**	100
Gove Aluminium Finance Ltd	Australia	**70**	70
Gyprock Holdings Pty Ltd	Australia	**100**	100
Midalco Pty Ltd	Australia	**100**	100
New Zealand Sugar Company Ltd	New Zealand	**75**	75
PASS Pty Ltd	Australia	**100**	100
Pioneer Sugar Mills Pty Ltd	Australia	**100**	100
Premier Packers Ltd	New Zealand	**75**	75
PT Prima Karya Plasterboard	Indonesia	**100**	100
Refined Sugar Services Pty Ltd	Australia	**100**	100
Rivarol Pty Ltd	Australia	**100**	100
SA Independent Glass Pty Ltd	Australia	**100**	100
Seltsam Pty Ltd	Australia	**100**	100
Softwood Holdings Ltd [a]	Australia	**100**	100
Softwood Plantations Pty Ltd [a]	Australia	**100**	100
Softwoods Queensland Pty Ltd [a]	Australia	**100**	100
Sugar Australia Joint Venture	Australia	**75**	75
Sugar Australia Pty Ltd	Australia	**75**	75
Tatefield Pty Ltd	Australia	**75**	75
The Haughton Sugar Co Pty Ltd	Australia	**100**	100
Thiess Bros Pty Ltd	Australia	**100**	100
Thiess Holdings Pty Ltd	Australia	**100**	100
VEST Super Pty Ltd	Australia	**100**	100

a In members' voluntary liquidation.

33 CONTRACTED LEASE AND HIRE EXPENDITURE [a]

($ MILLION)	CSR GROUP 2009	2008	CSR LIMITED 2009	2008
Contracted lease and hire expenditure commitments not otherwise provided for in the financial statements				
Land and buildings	**137.1**	84.5	**45.1**	7.7
Plant and equipment	**54.1**	69.8	**0.1**	0.1
	191.2	154.3	**45.2**	7.8
Contracted lease and hire expenditure comprises				
Non-cancellable operating leases payable				
Within one year	**35.3**	34.8	**3.5**	3.5
Between one and two year/s	**23.3**	27.6	**5.5**	3.6
Between two and five years	**49.4**	27.9	**16.8**	–
After five years	**29.1**	5.4	**18.8**	–
	137.1	95.7	**44.6**	7.1
Other payable				
Within one year	**17.6**	16.9	**0.2**	0.2
Between one and two year/s	**12.6**	12.5	**0.2**	0.2
Between two and five years	**21.0**	25.8	**0.2**	0.3
After five years	**2.9**	3.4	**–**	–
	54.1	58.6	**0.6**	0.7
Total operating lease and hire expenditure	**191.2**	154.3	**45.2**	7.8

a The operating lease and rental payments were CSR group $37.8 million (2008: $36.0 million) and CSR Limited $7.4 million (2008: $5.9 million).
The total of minimum rentals to be received in the future under non-cancellable sub-leases as at 31 March 2009 is not material. Contingent rentals for 2009 and 2008 financial years were not material. The leases on most of the CSR group's rental premises contain renewal options. The CSR group's decision to exercise renewal options is primarily dependent upon the profitability of business conducted at the location.

($ MILLION)	CSR GROUP 2009	CSR GROUP 2008	CSR LIMITED 2009	CSR LIMITED 2008
34 CONTRACTED CAPITAL EXPENDITURE				
Estimated capital expenditure contracted for at year end but not provided for				
Payable within one year – CSR group	**98.8**	221.7	**0.4**	2.6
Payable within one year – associate entities	**–**	–	**–**	–
Total contracted capital expenditure	**98.8**	221.7	**0.4**	2.6
35 CONTINGENT LIABILITIES				
Contingent liabilities, capable of estimation, arise in respect of the following categories:				
Performance guarantees provided to third parties and other contingent liabilities	**35.8**	10.6	**–**	–
Guarantees given by CSR Limited in respect of amounts borrowed by CSR Finance Limited			**0.1**	0.1
Total contingent liabilities	**35.8**	10.6	**0.1**	0.1

Contingent liabilities/assets
Claims and possible claims have arisen in the course of business against entities in the CSR group and made by entities in the CSR group. Based on legal advice obtained, the directors believe that any resultant liability or asset will not materially affect the financial position of the consolidated entity.

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

Product liability
CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States.

In Australia, asbestos related personal injury claims have been made by employees and ex-employees of CSR, by others such as contractors and transporters and by users of products containing asbestos. As at 31 March 2009, there were 632 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 2009, there were 1,713 such claims pending.

CSR has been settling claims since 1989. As at 31 March 2009, CSR had resolved 2,544 claims in Australia and approximately 130,000 claims in the United States.

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

CSR has recognised as a provision for product liability costs the best estimate of the consideration required to settle the present obligation for anticipated compensation payments and legal costs as at the reporting date. In determining the provision, CSR has obtained independent expert advice in relation to the future incidence and value of asbestos related claims in each of the United States and Australia. Those assessments have projected CSR's claims experience into the future using various modelling techniques that take into account a range of possible outcomes. The present value of the liabilities is estimated by discounting the estimated cash flows using the pre-tax rate that reflects the current market assessment of the time value of money and risks specific to those liabilities. The provision includes an appropriate prudential margin as determined by directors at each balance date having regard to the applicable $A/$US exchange rate, the prevailing litigation environment and uncertainties that may affect the company's future liabilities.

CSR's provision is reviewed and, if necessary, adjusted at each accounting period. It is possible that, in the future, CSR's anticipated liabilities may change and that exchange rates or interest rates may fluctuate in a way that requires CSR to adjust its asbestos provisions and such events may influence the directors' view of the appropriate prudential margin.

At 31 March 2009, a provision of $455.1 million (2008: $371.5 million) has been made for all known claims and probable future claims but not for such claims as cannot presently be reliably measured. CSR cannot determine with certainty the amount of its ultimate liability with respect to asbestos related claims or the future impact on its financial condition. However, taking into account the provision already included in CSR's financial statements and current claims management experience, CSR is of the opinion that asbestos litigation in the United States and Australia will not have a material adverse impact on the CSR group financial condition.

Workers' compensation
CSR Limited is a licensed self insurer in New South Wales, Queensland, Victoria, South Australia (to 10 April 2003), Western Australia and the Australian Capital Territory for workers' compensation insurance. Adequate provision has been made for all known claims and potential future claims that can be reliably measured.

36 ACQUISITIONS AND DISPOSALS OF CONTROLLED ENTITIES AND BUSINESSES
On 15 September 2008, CSR Limited acquired the assets of Ross Roofing. The acquired business contributed revenues of $4.3 million and earnings before interest and tax (EBIT) and net profit of $nil for the period from 15 September 2008 to 31 March 2009. If the acquisition had occurred on 1 April 2008, revenues, EBIT and net profit for the year ended 31 March 2009 would have been approximately $8.6 million, $0.9 million and $0.6 million respectively including the estimated benefits from synergies before significant items and interest expense. These amounts have been estimated using a consistent basis to the period since acquisition.

On 29 June 2007 and 8 October 2007, CSR Limited acquired 100% of the issued share capital of Pilkington Australia Finance Pty Limited (renamed CSR Viridian Finance Pty Limited) and Don Mathieson & Staff Glass Pty Limited respectively. The acquired businesses contributed revenues of $354.9 million, earnings before interest and tax (EBIT) of $49.3 million and net profit of $36.4 million for the period from 29 June 2007 to 31 March 2008 and 8 October 2007 to 31 March 2008. The net profit does not include significant items and interest expense associated with the acquisition. If the acquisition had occurred on 1 April 2007, revenues, EBIT and net profit included in the group result for these businesses for the year ended 31 March 2008 would have been approximately $505.0 million, $64.3 million and $45.0 million respectively before significant items and interest expense. These amounts have been estimated using a consistent basis to the period since acquisition.

36 ACQUISITIONS AND DISPOSALS OF CONTROLLED ENTITIES AND BUSINESSES (CONTINUED)

Details of the purchase consideration and the fair value of assets and liabilities acquired are given below. No additional payments are anticipated for the 2009 acquisition and no additional consideration was paid for the 2008 acquisitions over that reported previously. The fair value of the assets and liabilities acquired in 2008 have been adjusted over those previously reported to reflect additional information being available during the period to one year after the acquisition date. The fair value of assets and liabilities acquired in 2009 are shown on a provisional basis only.

($ MILLION)	**2009**	2008
Purchase consideration (refer below)		
Cash paid – purchase price	**11.4**	865.0
Cash paid – other – includes working capital and cash adjustments	**–**	41.6
Direct costs relating to the acquisition	**0.4**	10.4
Total purchase consideration	**11.8**	917.0
Fair value of net identifiable assets acquired (refer below)	**3.4**	336.8
Goodwill (refer below)	**8.4**	580.2

VALUE OF NET ASSETS OF CONTROLLED ENTITIES AND BUSINESSES ACQUIRED/DISPOSED	CSR GROUP ACQUISITIONS				CSR GROUP DISPOSALS	
	ACQUIREE'S CARRYING AMOUNT	FAIR VALUE	ACQUIREE'S CARRYING AMOUNT	FAIR VALUE [a]		
($ MILLION)	**2009**		2008		**2009**	2008
Cash	**–**	**–**	26.1	26.1	**–**	–
Trade receivables	**–**	**–**	77.4	77.4	**–**	–
Inventories	**1.6**	**1.4**	68.2	64.8	**–**	–
Other current assets	**–**	**–**	3.7	3.7	**–**	–
Investments accounted for using the equity method	**–**	**–**	–	–	**–**	6.4
Property, plant and equipment	**2.0**	**2.0**	276.1	267.9	**–**	–
Deferred income tax asset	**–**	**–**	12.5	27.6	**–**	–
Superannuation defined benefit plans – fair value of surplus	**–**	**–**	2.6	1.4	**–**	–
Trade payables	**–**	**–**	(39.7)	(39.7)	**–**	–
Other creditors	**–**	**–**	(14.5)	(20.9)	**–**	–
Income tax provision	**–**	**–**	(7.1)	(7.3)	**–**	–
Provisions	**–**	**–**	(35.7)	(59.9)	**–**	–
Deferred income	**–**	**–**	(4.3)	(4.3)	**–**	–
Net identifiable assets	**3.6**	**3.4**	365.3	336.8	**–**	6.4
Goodwill acquired [b]		**8.4**	–	580.2	**–**	–
Divestment/acquisition expenses					**–**	0.3
Profit on disposal					**–**	17.8
Total consideration		**11.8**		917.0	**–**	24.5
Cash balances acquired/disposed		**–**		(26.1)	**–**	–
Total flow of cash		**11.8**		890.9	**–**	24.5

a Reassessment of fair values for 2008 acquisitions include reduction in property, plant and equipment $21.4 million, superannuation defined benefit plans $1.2 million and provisions $4.7 million with subsequent increase to deferred income tax asset of $8.9 million. These adjustments to fair values resulted in an increase in goodwill acquired of $9.0 million.

b The goodwill is attributable to the workforce and the profitability of the acquired businesses. CSR has undertaken a review of the Viridan business, given the significant deterioration in market conditions since the acquisition in 2007. This review has resulted in Viridian goodwill being written down by $279.7 million.

37 SUBSEQUENT EVENTS

There have been no changes in events since 31 March 2009 that would materially impact any information disclosed in this financial report.

DIRECTORS' DECLARATION

1. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 March 2009.

2. In the Directors' opinion:
   (a) the financial statements and notes, set out on pages 23 to 50 are in accordance with the Corporations Act 2001, including:
      (i) complying with accounting standards in Australia and the Corporations Regulations 2001; and
      (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 March 2009 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
   (b) there are reasonable grounds to believe that CSR Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of directors pursuant to Section 295(5) of the Corporations Act 2001.

IAN BLACKBURNE
Chairman

JERRY MAYCOCK
Managing Director
13 May 2009

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060
Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia
DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CSR LIMITED

We have audited the accompanying financial report of CSR Limited, which comprises the balance sheet as at 31 March 2009, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 23 to 50.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian accounting standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting polices; and making accounting estimates that are reasonable in the circumstances. The directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

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

Auditor's Opinion on the Financial Report

In our opinion:

(a) the financial report of CSR Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 March 2009 and of their performance for the year ended on that date; and
- (ii) complying with Australian accounting standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in the significant accounting policies.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 20 of the directors' report for the year ended 31 March 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion on the Remuneration Report

In our opinion the Remuneration Report of CSR Limited for the year ended 31 March 2009, complies with section 300A of the Corporations Act 2001.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

SAMANTHA LEWIS
Partner
Chartered Accountants
Sydney, 13 May 2009

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CSR LIMITED REPORT TO THE MEMBERS

The following declaration has been provided to the directors of 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 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

SAMANTHA LEWIS
Partner
Chartered Accountants
Sydney, 13 May 2009

SHARE INFORMATION

20 LARGEST HOLDERS OF ORDINARY FULLY PAID SHARES

AS AT 13 MAY 2009

SHAREHOLDER	ORDINARY SHARES	% OF TOTAL SHARES
National Nominees Limited	228,767,410	17.86%
JPMorgan Nominees Australia Limited	148,379,708	11.59%
HSBC Custody Nominees (Australia) Limited	135,183,966	10.56%
Citicorp Nominees Pty Limited	49,457,950	3.86%
ANZ Nominees Limited	37,434,064	2.92%
GPG Australia Nominees Limited	34,305,813	2.68%
Cogent Nominees Pty Limited	33,236,283	2.60%
UBS Nominees Limited	15,900,849	1.24%
Brispot Nominees Pty Limited	12,540,247	0.98%
RBC Dexia Investor Services Australia Nominees Pty Limited	11,287,426	0.88%
AMP Life Limited	11,011,323	0.86%
CSR Share Plan Pty Limited	10,241,079	0.80%
Queensland Investment Corporation	9,007,619	0.70%
Citicorp Nominees Pty Limited	8,265,797	0.65%
Citicorp Nominees Pty Limited	7,800,000	0.61%
Australian Foundation Investment Company Limited	6,244,404	0.49%
The Senior Master of the Supreme Court	6,203,425	0.48%
Cogent Nominees Pty Limited	5,242,178	0.41%
HSBC Custody Nominees (Australia) Limited	4,506,345	0.35%
GPG Nominees Pty Limited	4,137,898	0.32%
Total	**779,153,784**	**60.84%**
Total issued capital	1,280,737,489	

SUBSTANTIAL SHAREHOLDERS OF CSR LIMITED

MLC Investments Limited advised that, as at 19 December 2008, it and its associates had an interest in 66.8 million shares, which represented 5.20% of CSR's issued capital.

Maple-Brown Abbott Limited advised that, as at 24 February 2009, it and its associates had an interest in 80.5 million shares, which represented 6.26% of CSR's issued capital.

IOOF Holdings Limited advised that, as at 15 April 2009, it and its associates had an interest in 65.0 million shares, which represented 5.1% of CSR's issued capital.

DISTRIBUTION OF SHAREHOLDERS AND SHAREHOLDINGS

AS AT 13 MAY 2009

	SHAREHOLDERS	%	SHARES	%
Registered address				
Australia	84,076	96.48%	1,231,869,641	96.18%
New Zealand	1,728	1.98%	8,213,729	0.64%
United Kingdom	355	0.41%	37,685,014	2.94%
United States of America	142	0.16%	354,302	0.03%
Other	844	0.97%	2,614,803	0.20%
Total	87,145	100.00%	1,280,737,489	100.00%
Size of shareholding				
1 – 1000	24,124	27.68%	13,397,913	1.05%
1001 – 5000	40,649	46.65%	107,290,664	8.38%
5001 – 10000	13,292	15.25%	95,161,650	7.43%
10001 – 100000	8,799	10.10%	184,595,051	14.41%
100001 and over	281	0.32%	880,292,211	68.73%
Total	87,145	100.00%	1,280,737,489	100.00%
Shareholdings of less than a marketable parcel				
Holdings of 339 or less shares	5,886	6.75%	1,146,034	0.09%

Share Issues

On 3 July 2008 the company issued 21,459,808 fully paid ordinary shares under its Dividend Reinvestment Plan Underwriting Agreement and on 3 July 2008 the company issued 14,124,096 fully paid ordinary shares to participants in the Dividend Reinvestment Plan.

On 28 November 2008 following the completion of an institutional equity placement the company issued 89,285,715 fully paid ordinary shares; issued an additional 136,072,752 fully paid ordinary shares pursuant to an institutional entitlement offer; and issued an additional 24,448,860 fully paid ordinary shares pursuant to a retail entitlement offer.

On 12 December 2008 the company issued 14,905,621 fully paid ordinary shares to participants in the Dividend Reinvestment Plan.

RECENT CSR DIVIDENDS

DATE PAID	TYPE OF DIVIDEND	DIVIDEND PER SHARE	FRANKING	FRANKED AMOUNT PER SHARE AT 30% TAX
July 2005	Final	6 cents	100%	6 cents
August 2005	Capital return	20 cents		
December 2005	Interim	6 cents	100%	6 cents
July 2006	Final	9 cents	100%	9 cents
December 2006	Interim	6 cents	100%	6 cents
July 2007	Final	9 cents	100%	9 cents
December 2007	Interim	6 cents	100%	6 cents
July 2008	Final	9 cents	100%	9 cents
December 2008	Interim	6 cents	100%	6 cents

SHAREHOLDERS' TIMETABLE[a]

	2009
CSR year end	31 March
Full year profit and final dividend announced	13 May
Shares begin trading ex-dividend	3 June
Annual Report, Notice of Meeting and proxy form released	5 June
Record date for final dividend	10 June
Final dividend paid	3 July
Proxy returns close 10.00 am Sydney	7 July
Annual General Meeting 10.00 am Sydney	9 July
CSR half year end	30 September
Half year profit and half year dividend announced	4 November
	2010
CSR year end	31 March

a Timing of events is subject to change.

ANNUAL GENERAL MEETING

Annual General Meeting 10.00 am Thursday 9 July 2009
The Four Seasons Hotel, 199 George Street, Sydney NSW 2000

SHAREHOLDER INFORMATION AND INQUIRIES

All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street, Sydney NSW 2000 Australia
GPO Box 2975, Melbourne VIC 3001 Australia

Telephone 1800 676 061 (International +61 3 9415 4033)
Facsimile (03) 9473 2500 (International +61 3 9473 2500)
E-mail web.queries@computershare.com.au
www.computershare.com.au

CSR LIMITED

ABN 90 000 001 276

Level 1, 9 Help Street
Chatswood NSW 2067 Australia

Locked Bag 6
Chatswood NSW 2057 Australia

Telephone (02) 9235 8000
International +61 2 9235 8000

Facsimile (02) 9235 8044
International +61 2 9235 8044
E-mail investorrelations@csr.com.au
www.csr.com.au

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ANNUAL REPORT 2009

CSR