09

SHAREHOLDER REVIEW 2009

Managing through the cycle

Taking decisive action across all businesses in response to weaker markets.

Positioning for growth

Further strengthening individual businesses to position for cyclical improvements.

Providing sustainable solutions

Developing new products and increasing capacity to provide energy efficient solutions for the built environment and renewable energy and fuel.

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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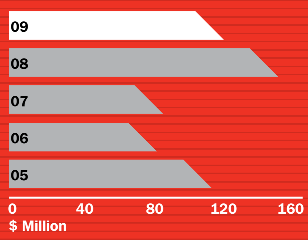
SUMMARY OF BUSINESS RESULTS

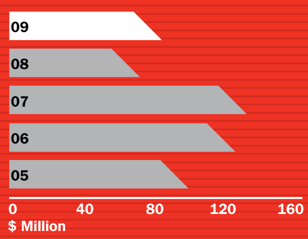
Building Products EBIT
Year ended 31 March



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.

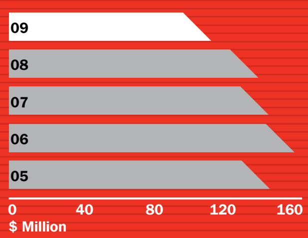
Sugar EBIT
Year ended 31 March



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.

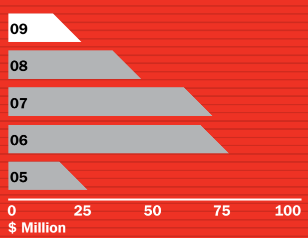
Aluminium EBIT
Year ended 31 March



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.

This concise Shareholder Review is not the financial report, directors' report or auditor's report required to be provided to shareholders under section 314 of the Corporations Act 2001. These reports are included in CSR's Annual Report. A copy of the Annual Report is available on CSR's website at www.csr.com.au.

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

IAN BLACKBURNE
Chairman

q&a

JERRY MAYCOCK ADDRESSES CURRENT MARKET ISSUES AND HOW CSR IS RESPONDING

CSR's focus on the safety of its people remains paramount

In Sugar, we have made some significant improvements in safety performance with our joint venture business, Sugar Australia (pictured above), being recordable injury free for most of the past year.

Recordable injuries increased in the Building Products division, primarily as a result of the inclusion of full year data from the Viridian glass business. However, solid improvements were made in the Lightweight Systems and Bricks and Roofing businesses which both recorded a reduction in injuries over the past year.

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.

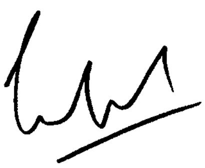
What is the outlook for Sugar?
The fundamentals for global raw sugar continue to be positive, based on a few key factors, including a projected global sugar deficit for 2008/2009, rising relative costs of production in Brazil (which is the world's largest sugar producer) and also increasing demand for 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.

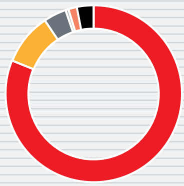


JERRY MAYCOCK
Managing Director

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**

Sustainable operations across raw sugar, refining, renewable energy and fuel

resource

SUGAR CSR CONTINUES TO BUILD A MORE STABLE EARNINGS BASE IN SUGAR WITH IMPROVED EARNINGS IN REFINING AND ETHANOL.

Trading revenue of $1,411 million was up from $1,274 million. EBIT of $83.7 million was also up from $71.7 million due to the increase in the average realised raw sugar price from A$300 per tonne last year to A$325 and increased earnings from Refining and Ethanol.

Raw Sugar benefited from higher realised raw sugar prices which offset the lower crop size which was down 3 per cent to 13.5 million tonnes due mostly to wet weather.

The second year of the three year program was completed in the mills to upgrade critical equipment, improve the cost position and increase sugar recovery.

The program has already delivered overall reliability and unit cost improvements which are expected to further improve as the program continues this year.

Refined Sugar's earnings continued to grow steadily in line with CSR's strategy to increase its proportion of reliable earnings with EBIT up 9 per cent to $44.7 million.

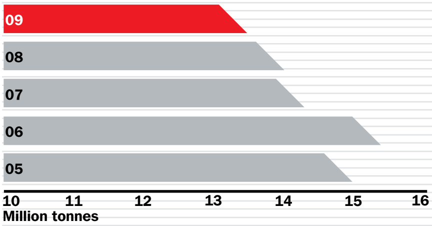
Sugar cane is harvested and processed to make raw sugar. The by-product called molasses is used to make ethanol.

Sugar Australia launched its new 'Better for you' range of sugars which includes CSR LoGiCane™ Low GI cane sugar, Organic Sugar and Smart White & Fine Raw Sugar Blends. The new products are a significant step forward in sugar innovation in the category and have been well received by retailers and consumers.

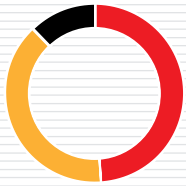
The upgrade of the Yarraville refinery in Melbourne remains on track for commissioning later this year to improve efficiency and storage, provide better reliability and enhanced quality.

Ethanol's EBIT increased by 22 per cent to $11 million driven by improved sales volumes and pricing in both the fuel and the agricultural fertiliser markets. The $17.8 million project to significantly increase fuel ethanol production capacity from 38 million litres to 60 million litres per annum at the Sarina distillery is on time and on budget for commissioning from July 2009. Demand for fuel ethanol continues to increase in Australia and this project enables CSR to increase its production of the renewable fuel to meet this growth.

Sugarcane crop
Year ended 31 March

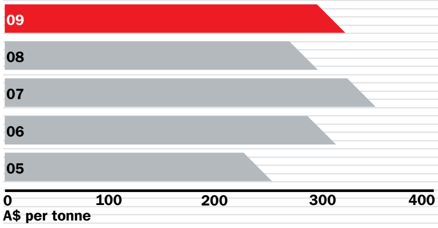


EBIT by business
Year ended 31 March 2009



49% Refined Sugar
39% Raw Sugar
12% Ethanol

Realised raw sugar price
Year ended 31 March



Australian made ethanol powers V8 Supercar series

CSR Ethanol is the official fuel supplier of the V8 Supercar Championship series

The agreement sets out to reduce greenhouse emissions from V8 Supercars racing in Australia and overseas in 2009 and beyond. CSR Ethanol joined the V8 Supercar Championship series as the official fuel sponsor of the sport and of the CSR V8 Racing Green carbon offset program for three years. The fuel which is now being used by the high performance V8 Supercars is E85, a blend of 85 per cent ethanol and 15 per cent unleaded petrol. E85's high concentrate of ethanol is great news for the environment.

Ian Glasson, CEO of CSR Sugar, said "We are excited to support the V8 Supercar series. Every litre of E85 made from CSR Ethanol produces around half the CO_2 emissions as one litre of petrol when measured on a full life-cycle analysis, so this move will help them reduce CO_2 emissions by about 50 per cent."

Although E85 is not currently available at many service stations, E10 is sold at over 800 retail outlets across Australia. Most cars in Australia that have been made to run on unleaded petrol are suitable to run on ethanol blended fuel such as E5 and E10. To check the compatibility of your make and model, visit www.ethanolfacts.com.au.

BUILDING PRODUCTS RAPIDLY DECLINING MARKET CONDITIONS IMPACTED EARNINGS ACROSS THE BUILDING PRODUCTS GROUP.

Earnings from the Building Products division were significantly affected by the continuing downturn in the residential housing and commercial construction markets during the year and increased energy related input costs, particularly in the first half of the year.

In Australia, residential approvals for the year to 31 March 2009 were down 16 per cent, while non-residential approvals decreased by 24 per cent on the prior year. In New Zealand, dwelling consents for the year to 31 March were 34 per cent lower than the previous year.

During the year, CSR consolidated its four Building Products business units into one group to deliver better efficiencies, remove duplication, and ensure shared services are more responsive to current business needs.

In further response to the challenging market, management action has also been focused on securing ongoing efficiencies to better align the businesses with the current market conditions without compromising future profitability when the cycle turns.

This has included extended shutdowns, temporary closures and further plant rationalisation.

Bradford Insulation increased revenue and EBIT and is now ensuring it is able to meet increased demand for ceiling insulation following the introduction of the Energy Efficient Homes Package.

Earnings in Gyprock™ were affected by the difficult sales environment, particularly in the second half of the year when commercial construction demand was considerably weaker. However, new product development, price increases and a focus on overhead cost control helped to partially offset reduced volumes and increased input costs.

Viridian earnings were adversely affected by the sharp deterioration in housing and commercial construction markets, with EBIT of $33.4 million for the year compared to $49.3 million for the part previous year.

Volumes were down significantly and rising energy related input costs, particularly earlier in the year, also reduced earnings. Despite this challenging environment, Viridian was able to increase prices and has aggressively continued to implement operational improvements targeting better efficiencies and overhead cost reductions.

During the year, CSR conducted a review of Viridian given that external market conditions have substantially deteriorated since the acquisition in 2007.

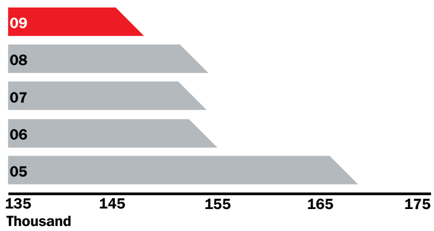
Whilst the review concluded that the business case for glass remains strong, particularly in relation to energy efficient glass and value added glass, the severe deterioration in market conditions since acquisition has impacted the value of the business as measured on a discounted cash flow basis.

As a result, a non-cash impairment charge of $280 million to reduce the carrying value of the goodwill associated with the acquisition of Viridian was included in the result.

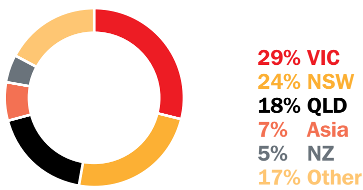
Bricks and Roofing trading revenue of $297.4 million was down 5 per cent. However, a continued focus on overhead cost control and inventory management resulted in an increased EBIT contribution from the business compared to the previous year. The Bricks and Roofing business has achieved substantial operational improvement efficiencies since the integration of the businesses commenced in March 2007.

The Energy Efficient Homes Package has increased demand for ceiling insulation.

Australian housing starts – three month lag
Year ended 31 March



Trading revenue by market
Year ended 31 March 2009



Green tick for Gyprock

New plasterboard targets sustainable building designs

After months of research and development, CSR Gyprock has launched Gyprock ECO8™ the first and only Australian plasterboard to be given the tick of approval by Good Environmental Choice Australia (GECA) for its sustainable properties. As environmental awareness increases, more owners, architects and builders are demanding sustainable building products. Gyprock ECO8™ aims to become a popular and leading-edge product in this rapidly growing green building market.

Gyprock ECO8™ has been designed to meet industry needs and can contribute to a project's Green Star points, due to its recycled content, acoustic performance and waste minimisation. "We are delighted that this project not only resulted in a product that has achieved GECA certification, but has also produced new technology that will lead to further product development," Gyprock's Marketing Manager, Commercial, Robert Ferrari said.

"Not only is Gyprock ECO8™ produced using the highest level of recycled content of any product in the Gyprock range of fire-grade and standard plasterboard, it can also be recycled rather than generating more waste. These were both important factors in gaining the GECA certification."

New era in local glass manufacturing

The $140 million project to upgrade the Viridian Dandenong glass manufacturing facility was completed earlier this year.

This major initiative conducted by a team of 300 engineers and contractors included rebuilding the furnace and upgrading the complete line with the latest technology, including a new raw materials batch plant, production line, and glass cutting and processing equipment.

The project was assisted by $20 million in funding from the Victorian State Government.

The floatline now includes a new 2,000 tonne furnace for melting the raw materials, a longer and larger float bath for making optically flat glass and a widened and lengthened 134 metre lehr for control cooling and annealing of the glass.

Production capacity was increased from 120,000 tonnes to 165,000 tonnes per year and a new high technology glass coater for making energy efficient, coated glass has been added.

The plant will play an important role in helping to address energy consumption of residential and commercial buildings by delivering a range of high performance glass products to improve energy efficiency of Australian homes and workplaces.

The project also incorporates the use of state of the art manufacturing technology to increase the energy and water efficiency of the plant.

Viridian now has one of the most advanced glass manufacturing facilities in the region and one of just a handful of such plants around the world.

The coating mechanism allows high performance, low-e coatings to be bonded to the surface of hot glass during manufacturing for excellent durability.

There are a wide range of coatings for different applications and performance levels, including a range of low-e glass products to meet the growing demand for energy efficient glass. The low-e coating helps to insulate the glass from heat loss in winter and heat gain in summer, improving energy efficiency performance and comfort.

Float glass being produced at the Dandenong factory.

New SOLARtile from Monier™

CSR Roofing is developing further energy efficient solutions for the built environment with the launch of its new SOLARtile.

Monier's new SOLARtile uses the latest photo voltaic technology to convert sunlight into electricity. It works in much the same way as a conventional 'bolt-on' photo voltaic panel, but with one important difference – its integrated design.

Developed specifically to work seamlessly with its range of flat profiled concrete tiles, Monier's SOLARtile is designed to provide an energy efficient solution with good design and aesthetic appeal at its core.

Monier has started to install the SOLARtiles in houses in Western Australia and NSW for builders looking for energy efficiency while maintaining the home's design integrity. The business plans to launch into further markets this year.

ALUMINIUM THE TOMAGO SMELTER RETAINS ITS GLOBALLY COST COMPETITIVE POSITION.

Global aluminium price

LME three month aluminium price

Earnings for Gove Aluminium Finance Limited (GAF – which is owned 70 per cent by CSR) were impacted initially by the escalation of carbon material costs and then by the rapid decline in the aluminium price in the second half of the year.

Trading revenue decreased by 2 per cent to $544.1 million, reflecting the lower average realised aluminium price. GAF's sales volume from its share of the Tomago aluminium smelter production was a record 186,103 tonnes, compared to 184,442 tonnes last year.

The average realised aluminium price was A$2,924 per tonne, after hedging, compared with A$3,025 last year. The average world aluminium price of US$2,274 was significantly below last year's comparable price of US$2,671.

EBIT was $110.7 million, 19 per cent lower than last year.

Given the significant decline in the metal price, GAF has not materially added to its metal hedge book recently and as a result, at year end had around 57 per cent of net aluminium exposure for YEM10 hedged at A$3,116 per tonne, which is a lower proportion than usual.

The Tomago smelter retains its highly competitive position within the third decile of the global aluminium cost curve.

Meanwhile, GAF has a long established customer base and as at year end, approximately 90 per cent of its share of production from the Tomago smelter is committed to sales arrangements in YEM10.

Aluminium slabs for rolling mill customers produced at the Tomago smelter, which is one of the world's lower cost and more efficient aluminium smelters.

PROPERTY MARKETS HAVE CONTINUED TO SLOW.

Darra site, Brisbane.

Property's earnings are predominantly based on a relatively limited number of large transactions, with the potential for significant variations from year to year.

The property market deteriorated sharply during the year, particularly in the institutional market which has affected the timing and value of various transactions.

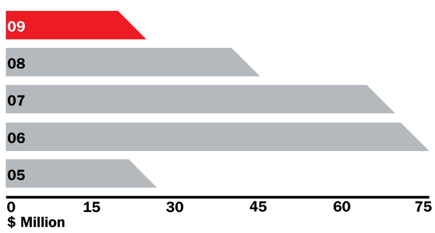
CSR elected to reduce sales rather than accept the lower prevailing market prices.

As a result, EBIT was $25.1 million, down from $45.4 million the previous year. The main contribution to earnings from property sales were:

- sale of the Welshpool site in WA;
- contracted sales for light industrial lots at Darra, a former roof tile factory in Brisbane; and
- further exchange of industrial lots at Erskine Park, a former quarry in western Sydney.

Property EBIT

Year ended 31 March



CSR's Property division remains focused on progressing core developments for medium term earnings, including:

- Brendale, north of Brisbane, consisting of 126 hectares, including a 70 hectare designated industrial subdivision and 600 lot residential sub division;
- Narangba, north of Brisbane, a 600 lot residential subdivision; and
- continued land sales at Erskine Park, west of Sydney.

The Property division is also progressing some longer term potential developments within its portfolio.

SUSTAINABILITY WE STRIVE TO IMPROVE SUSTAINABLE OPERATING PERFORMANCE.

CSR is committed to sustainability. We believe we can contribute to a more sustainable society through our operations and through the application of our energy efficient products and systems.

Throughout the year, CSR continued its focus on sustainability. A major milestone was the publication of CSR's first stand-alone Sustainability Report which details how the businesses are progressing towards meeting their sustainability targets. The report includes data on greenhouse gas emissions, water use and waste produced across CSR's majority owned businesses. The report is available at CSR's website – www.csr.com.au/sustainability.

Another key area of focus during the year was to ensure CSR is comprehensively prepared for the proposed introduction of the Federal Government's Carbon Pollution Reduction Scheme (CPRS).

CSR completed further extensive modelling of the potential effects of the scheme across its businesses and has examined various scenarios in relation to the cost impact and opportunity of a carbon scheme on CSR. In advance of the proposed implementation of the CPRS, we have also established a Carbon Working Group which includes representatives across all areas of the businesses.

Safety The very nature of CSR's business operations means that safety is paramount and over the past year we have been active in further integrating safety into our business operations with a continued focus on our goal of zero injuries. We continued to implement our Safety Health & Environment (SH&E) Accreditation System across CSR sites to develop uniform SH&E standards and provide benchmarks against which the performance of each operational site may be assessed and progress measured. Last year, Building Products recorded a total recordable injury frequency rate (TRIFR) of 28.7 medical treatment, lost time and restricted work injuries per million hours worked. Sugar's TRIFR was 16.5.

Environmental Incidents There were 192 level 1 and 2 incidents, and no level 3, 4 or 5 incidents. Level 1 and 2 incidents are minor incidents, likely to have occurred on site, with any off-site release having no off-site damage.

Community During the year, CSR continued to partner with many community-based organisations in recognition of our obligation to the communities in which we operate. Central to our charitable involvement is the CSR Workplace Giving program, under which CSR matches employee contributions dollar for dollar. During its six years of operation, the program has donated over $1.6 million. Last year, CSR and its employees donated a total of $444,852 through the workplace giving program, including a corporate $50,000 donation to both the Queensland Premier's Disaster Relief Appeal for people affected by the floods in North Queensland and the Red Cross Victorian bushfire appeal.

Rebuilding homes after bushfires

Not-for-profit home ownership organisation, Habitat for Humanity Australia (HFHA), is rebuilding homes for families affected by the Victorian bushfires after receiving a significant donation from CSR.

CSR committed enough building materials to help rebuild 12 houses in Victoria through its leading brands such as Gyprock™ plasterboard, Bradford™ insulation, Cemintel™ fibre cement and Hebel® aerated concrete.

The products are designed to meet environmental specifications with Hebel PowerWall in particular, being non-combustible and meeting the new Building Code of Australia (BCA) standards for building in bushfire prone areas.

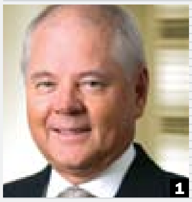
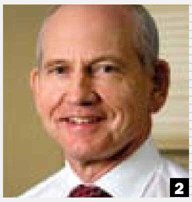
CSR's donation provides significant momentum to HFHA's long term strategy to provide relief for families across Victoria.

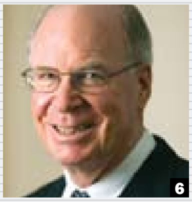
HFHA's Chairman, David Benn, said "Our ability to support families who've lost their homes in these fires relies both on the dedication of our volunteers and on donations like these. Habitat for Humanity Australia is exceptionally grateful for the generous contribution made by CSR".

CSR's Managing Director, Jerry Maycock said "CSR has worked with Habitat for Humanity for a number of years as part of our community support program and we are pleased to work with them again to provide much needed assistance to Victorians affected by the tragic bushfires".

CSR's policy is to act responsibly, ensuring that our people deal appropriately with the communities in which we operate, to encourage and gain their support. During the year, CSR continued to partner with many community based organisations in recognition of our community obligation.

BOARD OF DIRECTORS


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.

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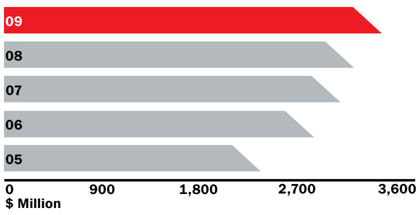
FIVE YEAR PERFORMANCE – KEY FACTS

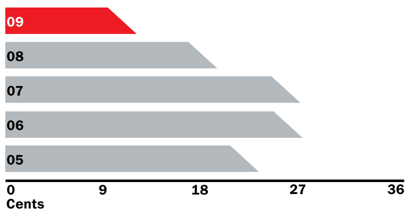
YEAR ENDED 31 MARCH – $ MILLION UNLESS STATED	2009	2008	2007	2006	2005
Operating results					
Trading revenue	**3,492.8**	3,231.3	3,111.0	2,866.9	2,367.5
Earnings before interest and tax (EBIT)					
Building Products	**117.9**	147.6	84.5	80.9	111.4
Sugar	**83.7**	71.7	130.1	123.7	97.8
Aluminium	**110.7**	136.7	141.9	156.1	141.9
Property	**25.1**	45.4	69.7	75.6	27.1
Segment total	**337.4**	401.4	426.2	436.3	378.2
Corporate[a]	**(17.0)**	(18.4)	(20.3)	(18.9)	(16.9)
Restructuring and provisions	**(0.3)**	3.3	0.2	(0.6)	(2.7)
CSR EBIT	**320.1**	386.3	406.1	416.8	358.6
Net profit before significant items	**134.0**	192.8	240.5	249.8	214.0
Net(loss)/profit after significant items	**(326.5)**	177.4	273.3	305.0	318.9
Financial position					
Shareholders' funds	**1,586.5**	1,590.7	1,264.2	1,075.4	1,256.1
Total assets	**4,188.4**	4,099.2	2,938.0	3,063.2	2,380.1
Net debt	**1,189.4**	1,236.7	448.6	558.5	270.1
Key data per share					
Earnings before significant items [cents]	**12.2**	20.9	27.0	27.4	23.4
Earnings after significant items [cents]	**(29.7)**	19.2	30.6	33.5	34.8
Dividend [cents]	**7.5**	15.0	15.0	15.0	12.0
Payout ratio [%]	**61.5**	71.8	55.6	54.7	51.3
Key measures					
Profit margin (EBIT:trading revenue) [%]	**9.2**	12.0	13.1	14.5	15.1
Return on shareholders' funds (ROSF) [%][b]	**9.4**	12.7	20.1	21.8	18.9
Gearing at 31 March [%][b] (net debt/net debt plus equity)	**43.3**	43.0	25.3	30.5	17.7
Interest cover at 31 March [times]	**5.5**	7.4	15.4	17.2	27.2
Employees [number of people employed]	**6,704**	7,282	5,492	6,363	5,973
Safety performance [recordable injuries][c]	**25.2**	24.8[d]	14.4	15.6	14.8

a Represents unallocated overhead and other revenues.
b Restated to exclude the fair value of hedges from equity.
c The total number of recordable injuries per million work hours.
d Restated to include safety performance data of the glass businesses which were acquired during the year ended 31 March 2008.

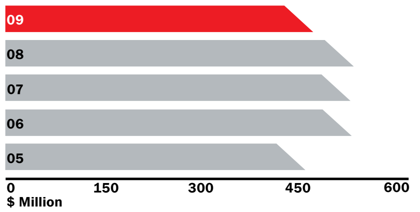
Trading revenue
Year ended 31 March



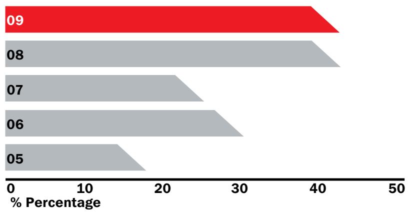
Earnings per share before significant items
Year ended 31 March



Earnings before interest, tax, depreciation and amortisation (EBITDA)
Year ended 31 March



Gearing
Year ended 31 March



Sugar Australia launches 'Better for you' range

Sugar Australia has launched its 'Better for you' range, showcasing two new innovative products as well as a makeover of its low calorie sugar blend, CSR Smart.

The CSR Better for you range consists of a natural Low GI cane sugar, CSR LoGiCane™, and is accompanied by CSR Organic and CSR Smart Sugar Blends. The range demonstrates an important step forward for the sugar industry.

Sugar Australia worked with Horizon Science using innovative and world first technology to develop CSR LoGiCane Low GI sugar. CSR LoGiCane has a lower Glycemic Index, which, along with a Low GI diet, can assist in keeping energy levels balanced.

Tapping into the trend towards organic foods, CSR Organic sugar is grown without the use of chemicals, pesticides and fertilisers, and meets Australian Certified Organic standards.

Meanwhile, CSR Smart has undergone an ingredient makeover. The low calorie sugar blend is now made with Stevia extracts, derived from the Stevia plant. Stevia can be up to 300 times sweeter than sugar, which makes CSR Smart twice as sweet, so you use half as much, resulting in a 50 per cent calorie reduction.

CSR LoGiCane™ represents innovation in sugar – the same sweet tasting natural sugar, with the added benefit of a Low GI rating of just 50.

Bradford Insulation ramps up production to meet demand

Bradford Insulation is ramping up production at its new glasswool factory in Brisbane and recruiting additional staff in response to the Federal Government's Energy Efficient Homes Package.

Under the Package, the Government is providing a rebate of up to $1,600 in value to homeowners to install ceiling insulation in all uninsulated, owner-occupied homes. Renters will also benefit from this scheme with landlords being entitled a rebate of $1,000 to install insulation in their rental properties.

Bradford was invited to the official launch of the Government's energy efficiency initiative, which was staged at Bradford's distributor, Just-rite in Canberra.

Prime Minister Kevin Rudd and Minister for Environment, Heritage and the Arts Peter Garrett launched the start of a new era of energy efficiency for Australia.

Installing ceiling insulation alone can save over 40 per cent of heating and cooling costs resulting in $200 savings on a household's energy bill each year. If the initiative is taken advantage of by every eligible household, this would result in the alleviation of up to 4.7 million tonnes of carbon dioxide equivalent per year from 2011.

"We welcome the Federal Government's acknowledgement of the importance of energy efficiency in housing and further stimulus to the housing sector," said Anthony Tannous, Bradford Insulation General Manager.

Bradford's new glasswool factory will add an additional 12,000 tonnes in annual capacity to the insulation market. The factory was commissioned in late 2008 and is expected to be running at full capacity by July this year.

Bradford Insulation Group Marketing Manager, Ray Thompson (left) together with Peter Garrett and Kevin Rudd at the launch of the Government's Energy Efficient Homes Package.

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:

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Level 3, 60 Carrington Street, Sydney NSW 2000 Australia
GPO Box 2975, Melbourne VIC 3001 Australia

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ISO CERTIFICATION | RECYCLED CONTENT | ECO BLEACHING PROCESS | EMS ENVIRONMENTAL MANAGEMENT SYSTEMS | FOREST MANAGEMENT

CSR