CSR LIMITED ANNUAL REPORT 2013

KNOWLEDGE YOU CAN BUILD ON

CONTENTS

CSR is helping to create great homes and buildings with comfortable and sustainable spaces for people to live and work. We are developing new ways to improve energy efficiency, acoustics, fire performance, comfort, air quality and durability of our products and systems.

CSR House, Sydney, NSW

p.8

Top Ryde Shopping Centre, Sydney, NSW
Photographer Peter Hyatt

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Bricks and Roofing CSR's Bricks and Roofing businesses include widely recognised brands such as PGH™ clay bricks and pavers, and Monier™ concrete and terracotta roof tiles.

Lightweight Systems CSR provides a range of lightweight and energy efficient solutions in residential and commercial construction, through its market-leading brands including Gyprock™ plasterboard, Bradford™ insulation, Cemintel™ fibre cement, Ceilector™ ceiling solutions, Hebel® lightweight concrete products and Edmonds™ ventilation systems.

Viridian™ is Australia's leading glass provider and the only manufacturer of float and hardcoat performance glass products in Australia. Viridian's broad product range includes energy efficient glass, and glass for a variety of other solutions including noise reduction, security, mirrored and privacy glass and decorative interior glass.

CSR'S TRUSTED BUILDING PRODUCTS BRANDS

GYPROCK™ Everything else is just plasterboard

Bradford™ for smarter environments

cemintel CREATE AND CONSTRUCT

MONIER™ Top Cat in Roofing

“The 8-star CSR House represents the future of energy efficient housing.”

CSR is a market leader in the building industry and helps to create homes and buildings built to last for many generations.

We continue to invest in research to develop innovative and pragmatic solutions for the industry – new products, systems and services – aimed at increasing the speed of construction, improving comfort and lowering energy costs.

Investing in innovation is part of CSR's proud history as one of Australia's oldest manufacturing companies. CSR continues to develop building knowledge while sharing that knowledge with the industry.

Knowledge you can build on.

p.11

Tomago smelter, Newcastle, NSW

Aluminium CSR holds an effective 25.2% interest in the Tomago aluminium smelter joint venture through its 70% interest in Gove Aluminium Finance Limited (GAF) which in turn owns 36.05% of Tomago. Located near Newcastle, NSW, Tomago produces some 25% of Australia's primary aluminium production.

p.12

Brendale industrial development, Brisbane, Qld

Property CSR's Property division is responsible for managing CSR's property portfolio, with a primary focus on maximising financial returns by developing surplus former CSR manufacturing sites and industrial land for sale. The division obtains rezoning approvals and pre-commitments before developing particular parcels of land to on-sell to a range of buyers.

EDMONDS Technologies for a Sustainable Future · hebel The better way to build · PGH BRICKS & PAVERS · Ceilector Ceiling Solutions · Viridian New World Glass

Overview

- Trading revenue of $1,682.4 million down 7% from the prior year following a deterioration in market conditions
- Earnings before interest and tax (EBIT)[1] of $72.5 million compared with $156.7 million in the prior year
  - Building Products EBIT of $77.4 million down 11% in line with market conditions
  - Viridian EBIT loss of $38.8 million due to the impact of industry structural changes
  - Aluminium EBIT of $50.3 million down 38% due to lower aluminium prices
  - no significant Property sales recognised during the year due to timing of transactions
- Net profit[1] of $32.7 million, down from $90.7 million in the prior year
- Earnings per share[1] of 6.5 cents, down from 17.9 cents in the prior year
- Net loss after tax (after significant items) of $146.9 million, compared to net profit after tax (after significant items) of $76.3 million in the prior year
- Full year dividend of 5.1 cents represents dividend payout ratio of 78% of net profit[1]
- Strong financial position maintained with low net debt at year end of $25.1 million

1 EBIT and net profit are all pre significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March 2013.

YEAR ENDED 31 MARCH 2013

TRADING REVENUE

$1,682.4m

EBIT BEFORE SIGNIFICANT ITEMS

$72.5m

NET PROFIT AFTER TAX BEFORE SIGNIFICANT ITEMS

$32.7m

STATUTORY NET LOSS AFTER TAX

$(146.9)m

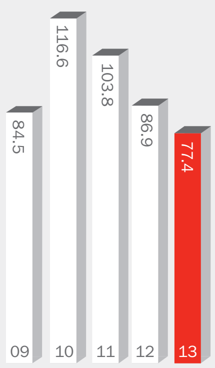
EARNINGS PER SHARE BEFORE SIGNIFICANT ITEMS

6.5c

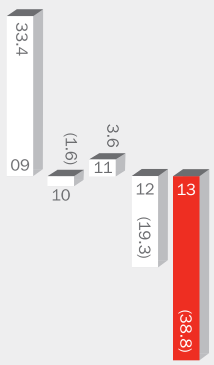
FULL YEAR DIVIDEND PER SHARE

5.1c

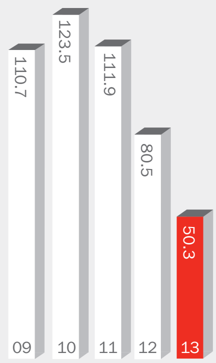
BUILDING PRODUCTS EBIT
YEAR ENDED 31 MARCH
($ MILLION)



VIRIDIAN EBIT
YEAR ENDED 31 MARCH
($ MILLION)



ALUMINIUM EBIT
YEAR ENDED 31 MARCH
($ MILLION)

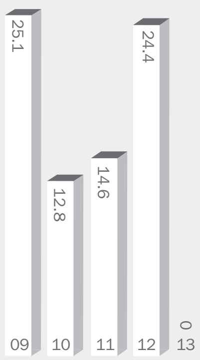


Five year performance

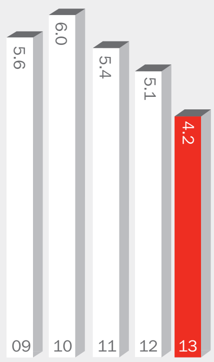
YEAR ENDED 31 MARCH ($ MILLION) UNLESS STATED	Continuing operations[a]				
	2013	2012	2011	2010	2009
Operating results					
Trading revenue	**1,682.4**	1,801.9	1,913.6	3,754.9	3,492.8
Earnings before interest and tax (EBIT)					
Building Products	**77.4**	86.9	103.8	116.6	84.5
Viridian	**(38.8)**	(19.3)	3.6	(1.6)	33.4
Aluminium	**50.3**	80.5	111.9	123.5	110.7
Property	**–**	24.4	14.6	12.8	25.1
Sucrogen	**–**	–	–	135.7	83.7
Segment total	**88.9**	172.5	233.9	387.0	337.4
Corporate[b]	**(13.8)**	(15.3)	(19.0)	(18.6)	(17.0)
Restructuring and provisions	**(2.6)**	(0.5)	(2.9)	(4.3)	(0.3)
CSR EBIT	**72.5**	156.7	212.0	364.1	320.1
Net profit after tax (before significant items)	**32.7**	90.7	90.2	173.4	134.0
Net profit (loss) after tax (after significant items)	**(146.9)**	76.3	(78.0)	(111.7)	(326.5)
Financial position					
Shareholders' funds	**1,086.6**	1,278.7	1,281.3	1,818.2	1,586.5
Total assets	**2,032.7**	2,245.5	2,258.2	3,874.6	4,188.4
Net (cash)/debt	**25.1**	(55.7)	(139.1)	766.9	1,189.4
Key data per share					
Earnings before significant items (cents)[c]	**6.5**	17.9	17.8	38.1	36.6
Earnings after significant items (cents)[c]	**(29.0)**	15.1	(15.4)	(24.5)	(89.1)
Dividend (cents)	**5.1**	13.0	14.3[c]	25.5[d]	22.5[d]
Payout ratio (%)	**78.5**	72.6	80.0	66.9	61.5
Key measures					
Profit margin (EBIT: trading revenue) (%)	**4.3**	8.7	11.1	9.7	9.2
Return on shareholders' funds (%)[e]	**3.2**	7.4	10.6	10.5	9.4
Gearing at 31 March (%)[e] (net debt/net debt plus equity)	**2.3**	n/a	n/a	30.1	43.3
Interest cover at 31 March (times)	**n/a**	n/a	n/a	9.3	5.5
Employees (number of people employed)	**3,218**	3,582	3,925	6,738	6,704

a From continuing operations which exclude the Sucrogen and Asian insulation businesses which were sold on 22 December 2010.
b Represents unallocated overhead and other revenues.
c Interim dividend restated for the 3:1 share consolidation completed on 3 March 2011 and excludes special dividend of 9.1 cents.
d Restated for the 3:1 share consolidation completed on 3 March 2011.
e Restated to exclude the fair value of hedges from equity.

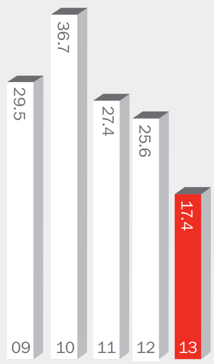
PROPERTY EBIT
YEAR ENDED 31 MARCH
($ MILLION)



LOST TIME INJURY FREQUENCY RATE
YEAR ENDED 31 MARCH
(PER MILLION WORK HOURS)



TOTAL RECORDABLE INJURY FREQUENCY RATE
YEAR ENDED 31 MARCH
(PER MILLION WORK HOURS)



Adapting to changing markets

JEREMY SUTCLIFFE
CHAIRMAN

CSR's year ended 31 March 2013 saw an encouraging improvement in our share price, up 76% from a low reached in July 2012, but lower operating profits, as our markets continued to face significant headwinds.

Overall, our Building Products division performed well, especially Gyprock, PGH and Hebel but this was offset by a very disappointing result from our Viridian glass operation and the significant write down in the carrying value of that business.

Our other major division, our investment in Tomago Aluminum, suffered from lower average US dollar LME aluminum prices exacerbated by the high Australian dollar, both factors outside of our control.

In addition, a number of property transactions, which are always subject to timing, were deferred and so did not contribute to the result.

Consequently, net profit after tax (before significant items) was $32.7 million, down from $90.7 million the previous year, but in line with guidance provided to the market in March 2013.

During the year, we finalised our review of our Viridian glass operation, where earnings have been under considerable pressure for a number of years. This review concluded that a number of structural changes have occurred in the market for architectural glass, including increased import competition, higher energy and manufacturing costs and excess glass processing capacity, all in a period of weak demand and a high Australian dollar.

These structural changes in the glass industry require a significant reduction in the manufacturing capacity and changes to the structure of Viridian if profitability is to improve and the business succeed well into the future.

CSR's statutory result includes $196.1 million of asset write downs and impairment to the carrying value of Viridian, leading to a statutory net loss for the year of $146.9 million.

Despite the challenges facing the industries in which we compete, our overall financial position remains strong with low net debt of $25.1 million.

DIVIDENDS

The board has reaffirmed our dividend policy to pay out as dividends 60-80% of full year net profit after tax (pre significant items).

Accordingly, the board has resolved to pay an unfranked final dividend of 2.1 cents per share on 9 July 2013. This brings the unfranked full year dividend to 5.1 cents per share and represents a dividend payout ratio of 78% of net profit after tax (pre significant items).

The company's dividend reinvestment plan (DRP) will operate for the final dividend and further details of the DRP are available on CSR's website (www.csr.com.au).

“We are competing very successfully by reducing costs, aligning our production to the current market environment and enhancing customer service.”

ADAPTING TO CHANGE

While we continue to focus on ensuring our operations are aligned to current market conditions, we are mindful of the changes taking place which will impact construction markets in the future. In many Australian cities, there is growth in higher density housing as people seek to live closer to city centres while technology and transport infrastructure is influencing how we live and where we work.

We are investing in innovation to develop new systems and solutions targeted specifically at the higher density construction sector and at increasing the speed of construction and affordability of housing while improving comfort and lowering energy costs.

We are also restructuring our Viridian glass operation to improve short term performance and position Viridian to compete in changing markets. The restructuring program aligns Viridian's operations and sales activities to specific customer markets. Ultimately, this segment-focused approach aims to reduce complexity and costs within Viridian, while serving the needs of the local glass market more effectively, through a more focused offering. Our shareholders should be aware this is a complex process and it will take some time to return Viridian to profitability.

Viridian remains a core part of CSR's portfolio as it provides greater exposure to the commercial and residential construction sectors and is aligned with many of our other products which enhance energy efficiency in homes and buildings.

BOARD CHANGES

I would like to thank John Story who retired as a director in July 2012 after serving CSR shareholders for nine years. His counsel and experience have been invaluable to the company which has undergone a number of significant changes during his term in office.

Ray Horsburgh has also signalled his intention to retire from the board. He joined the board in 2006 and has made a significant contribution to help guide CSR through the challenging market environment experienced by many Australian manufacturing companies in recent years. Ray will be continuing as a director until a replacement is appointed and we thank him for his service to shareholders.

CSR PEOPLE

CSR has a rich history of achievement and today makes a wide range of products which you can touch and feel in most Australian homes. I am encouraged that our employees take pride in CSR's heritage and are ensuring that we are adapting to changes in our markets. We will continue this renewal process as CSR has done for the last 150 years.

Today we are competing very successfully by reducing costs, aligning our production to the current market environment and enhancing customer service.

On behalf of the board, I would like to thank our managing director, Rob Sindel, his executive team and our 3,500 employees across Australia and New Zealand for their commitment to your company and ensuring a safe environment for their fellow colleagues and visitors to our operations.

Finally, I would also like to thank all of our shareholders for their continuing support of the company.

JEREMY SUTCLIFFE

Providing opportunities for our customers and people

ROB SINDEL
MANAGING DIRECTOR

WORKPLACE HEALTH, SAFETY AND ENVIRONMENT

The safety of our employees and protecting the environment in which we operate are core values at CSR.

I am pleased to report that we made good progress on our safety performance during the year. The lost time injury frequency rate has declined by 18% from 5.1 to 4.2 while the total number of injuries as measured by the total recordable injury frequency rate declined by 32% from 25.6 to 17.4.

Over the last four years, we have seen a 70% reduction in the number of injuries through a targeted effort to identify risks and improve safety management practices. Most importantly, we have emphasised the personal responsibility that all of us at CSR must take to look after ourselves and our colleagues.

We are also committed to minimising the impact our operations have on the environment by targeting a 20% reduction in greenhouse gas emissions, waste and the consumption of energy and water used in production by 2020.

To achieve these targets, CSR has launched a number of initiatives to improve operational efficiency with over 200 energy reduction projects underway across our sites.

FINANCIAL RESULTS

CSR's net profit after tax (pre significant items) of $32.7 million was down from $90.7 million in the previous year.

EBITDA of $161.8 million was down 34%, reflecting ongoing weakness in construction and aluminium markets which have declined steadily over the last two years.

Building Products performed in line with the downturn in market activity with EBIT down 11% to $77.4 million. Adjusting for the Malaysian autoclaved aerated concrete business sold in December 2011, EBIT was down 7% as lower sales activity could only be partially offset by cost reduction initiatives completed over the last twelve months.

The result was underpinned by strong performance in businesses including Gyprock plasterboard, PGH bricks and Monier roofing. Earnings in Hebel grew for the seventh consecutive year which is benefiting from its 'supply & fix' residential strategy as well as a continued focus on higher density residential construction and infrastructure projects.

Viridian's earnings were adversely impacted by the further deterioration in residential and commercial construction markets, combined with the ongoing strength of the Australian dollar resulting in a loss before interest and tax of $38.8 million.

The continuing high Australian dollar and lower realised aluminium price impacted our aluminium earnings where EBIT declined by 38% to $50.3 million. While the aluminium price has traded at or near historic lows for much of the year, earnings benefited from higher than normal premiums and from a deliberate shift in our short term hedging strategy which took advantage of the volatility in pricing during the year. Our Tomago operations also responded with improved productivity and increased production from operational efficiency programs.

In Property, due to the timing of transactions, no earnings were recorded during the year compared to EBIT of $24.4 million in the previous year which included two major sales of residential and industrial land at Brendale, north of Brisbane.

Statutory net loss after tax was $146.9 million, which included a significant item charge of $179.6 million post tax ($255.6 million pre tax) related primarily to restructuring costs and non-cash impairment charges to reduce the carrying value of the Viridian glass operations.

Net finance costs of $22.2 million were down slightly from last year of $23.2 million, and included an ongoing charge to restate CSR's discounted product liability provision to nominal dollars and costs to maintain banking facilities.

Tax expense of $6.2 million (pre significant items) was $17.0 million lower than the previous year, reflecting the reduction in earnings as well as tax deductions for research and development (R&D) expenditure. This level of benefit from R&D tax deductions will not continue in future years due to changes in tax legislation.

> **“** CSR retains a strong balance sheet, has largely completed its capital expenditure program and is now well placed to increase earnings and cash flow as markets recover.”

CSR ended the year with net debt of $25.1 million compared to a net cash position of $55.7 million at 31 March 2012, reflecting the timing of Property cash flows and lower earnings.

CSR continued to invest in its Property business, specifically at the Brendale industrial site in Brisbane and Chirnside Park residential development in Melbourne, resulting in a net cash outflow of $29.0 million for the year. Cash proceeds of $28 million from the sale of land at Brendale are expected in the coming months and the first contribution from the Chirnside Park development should be realised later this year.

CSR's recent major capital expenditure program is now largely finalised following the completion of a number of projects in recent years. Total capital expenditure (excluding Property) was $50.9 million, representing 57% of depreciation, down from $87.7 million last year, excluding acquisitions. Of this total, $33.2 million was for stay-in-business capital projects and $17.7 million was development related capital expenditure.

DELIVERING ON OUR STRATEGY

During the year, we made good progress in implementing our strategy to strengthen our Building Products business over the medium term:

Protecting and investing in our core businesses	Opened three new Gyprock Trade Centres in key growth areas Launched New Zealand JV in bricks Significant restructuring program in Viridian underway
Delivering building systems that are smarter, faster and easier to use	Continued investment in new residential walling systems and higher density construction systems
Influencing design and adapting to the changing way we live and work	In November 2012, the CSR House, a state-of-the-art buildings research centre in Schofields, Western Sydney was launched which represents the future of energy efficient housing design for Australia and New Zealand. The CSR House is not only a practical and energy efficient 8-star product display home but also a working research and development facility.
Driving building efficiency, quality and comfort	Product launches across the CSR portfolio to improve energy efficiency, acoustics, fire performance, comfort, air quality and durability
Ensuring that our customers prefer to do business with CSR	Launched CSR Connect a new customer portal that enables 24/7 access for customers to search, view and analyse their CSR accounts information with further enhancements to the system underway

OUTLOOK

CSR estimates that total housing starts in Australia (on a two quarter lag basis) will be around 147,000 for the year ending 31 March 2014 (YEM14), up around 2% on the previous year and reflecting a stabilisation of recent declines in Victoria, offset by growth in NSW and Western Australia. The value of non-residential construction work done in Australia is expected to remain flat.

There are some encouraging signs of improvement in housing construction in Australia, with rolling 12 month finance approvals increasing steadily over the last year and modest growth in lead indicators in NSW and Western Australia combined with record low interest rates. We expect any recovery to be gradual until consumer and investor confidence improves.

Within Building Products, CSR expects to benefit from the restructuring and business improvement initiatives implemented over the last two years.

In Viridian, the restructuring which is underway should assist earnings improvement in the current year while the full benefit of the various initiatives will be realised in the year ending 31 March 2015.

In Aluminium, GAF continues to increase its hedge book as opportunities arise with 42% of production hedged for the first half of YEM14. The overall net position is 32% hedged for YEM14 at an average price of A$2,218 per tonne (before premiums).

CSR notes that the average three month forward A$ aluminium price since 1 April 2013 was A$1,820 per tonne. While volatility in spot prices is expected to continue, the A$ aluminium price would need to increase from current levels by approximately 10% for GAF to achieve earnings similar to the level achieved last year, assuming no change in current ingot premiums.

In relation to CSR's Property division, while earnings are always subject to timing, current transactions under negotiation should flow through to earnings for YEM14. Beyond this, CSR retains a solid pipeline, underpinned by Chirnside Park to be developed in several stages over the next five years.

At the group level, CSR retains a strong balance sheet, has largely completed its capital expenditure program and is now well placed to increase earnings and cash flow as markets recover.

ROB SINDEL

Leading the market in product innovation

CSR is responding to the changing market conditions in which we compete by aligning production levels with demand and ensuring its businesses are minimising costs while continuing to invest in our brands, innovation and customer service.

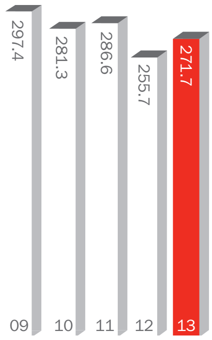
It is well known that construction markets in Australia continued to decline in the last year. Australian residential dwelling commencements declined, while New Zealand residential consents were up strongly as the Auckland market continued to improve.

Building Products trading revenue was $970.0 million, down 2% from $991.4 million. EBITDA declined by 8% to $113.0 million. Adjusting for the Malaysian autoclaved aerated concrete business sold in December 2011, EBIT was down 7% as lower sales activity could only be partially offset by cost reduction initiatives completed over the last 12 months.

$271.1m

REVENUE
BRICKS AND ROOFING

BRICKS AND ROOFING REVENUE
YEAR ENDED 31 MARCH
($ MILLION)



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

Monier introduces Solartile

Monier's new Solartile uses the latest Photo Voltaic (PV) technology to convert sunlight into electricity. It works in much the same way as a conventional 'bolt-on' solar panel, but is unique due to its integrated design.

Developed specifically to work seamlessly with Monier's range of flat profiled concrete tiles, Monier's Solartile is a truly innovative product that delivers a renewable energy solution with good design and aesthetic appeal at its core.

Bricks and Roofing trading revenue increased by 6% on the prior year to $271.1 million. While the key market of detached housing declined by 6%, earnings improved as a result of an ongoing focus on operating costs and improving margins.

In **Bricks**, volumes grew slightly on the prior year reflecting modest market improvements in NSW and Queensland. Earnings also improved following reduction in operational overheads and recovery of higher input costs.

The joint venture (JV) between CSR and Brickworks for the sale and distribution of bricks in the New Zealand market began trading in April 2013. The JV entity, New Zealand Brick Distributors, will jointly market CSR's Monier and Brickworks' Austral brands as well as other external cladding products. The JV entity will benefit from lower overhead and transport costs through access to CSR's brick operations in Auckland and Brickworks' network in Australia.

Trading revenue in **Roofing** was broadly in line with the previous year, despite the sharp decline in the detached housing market in Victoria, a key market for the Roofing business. A focus on installation channels and pricing discipline ensured cost increases were recovered and, as a result, earnings were slightly higher compared to the previous year.

In New Zealand, the upgrade to a water-based coating system was completed at the Takanini site, which is the only concrete roof tile producer in New Zealand, bringing it in line with Monier's roof tile operations in Australia.

AUSTRALIAN HOUSING STARTS
YEAR ENDED 31 MARCH
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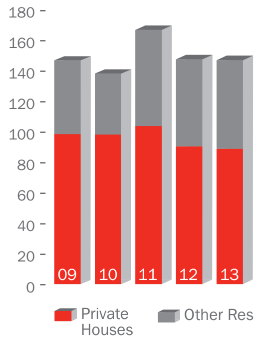


Source: ABS

> "Gyprock maintained its market-leading brand position through its strong, national service offering."

Lightweight Systems: The Lightweight Systems division includes the Gyprock™ plasterboard, Cemintel™ fibre cement, Ceilector™ commercial ceiling systems, Hebel® lightweight concrete products, Bradford™ insulation and Edmonds™ ventilation systems businesses.

Lightweight Systems trading revenue was $699.2 million, down 3% from $723.2 million in the prior year.

Gyprock maintained its market-leading brand position through further improvements in its national service offering, integrated multi-channel strategy and new product development. In the last year, three new Gyprock Trade Centres were opened further expanding the network near Newcastle and Penrith in NSW and north of Perth in Western Australia. In August, Gyprock launched EC08™ Complete, the first and only Australian made multi-function plasterboard engineered with mould, impact and moisture resistance; and further enhanced its core product offer with a new range of cornices and compounds.

Earnings in **Cemintel** were largely in line with the previous year. The business made further progress with production efficiencies and increased contributions from new products such as the Designer Series™ innovative pre-finished external cladding range and flooring solutions.

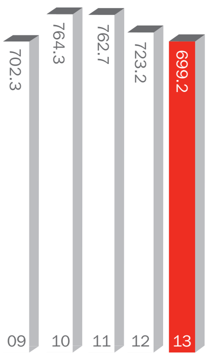
CSR's commercial ceilings businesses **Ceilector** in Australia and **Potter Interior Systems** in New Zealand both continue to perform well in difficult office construction markets.

For **Hebel,** CSR's autoclaved aerated concrete panels business, revenues were up 25% while earnings grew for the seventh consecutive year as it gains traction in residential housing and civil infrastructure segments with its lightweight wall and flooring solutions.

Trading conditions remain particularly challenging for **Bradford**. Earnings were lower, reflecting weak demand and pricing due to increased competition in the market. Bradford also incurred significant setup costs in the development and launch of its new Bradford Energy Solutions business which is targeting home owners as well as industry, in helping them identify and reduce their energy use.

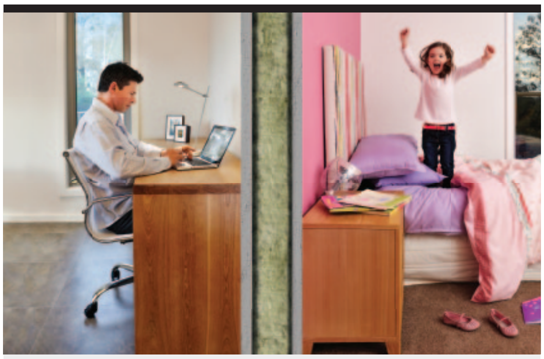
$699.2m
REVENUE
LIGHTWEIGHT SYSTEMS

LIGHTWEIGHT SYSTEMS REVENUE
YEAR ENDED 31 MARCH
($ MILLION)



Gyprock expands innovative EC08™ range

In 2008, Gyprock EC08™ with reCore™ technology became the first Australian made plasterboard to be certified by Good Environmental Choice Australia (GECA). In 2012, Gyprock™ further enhanced the range with the inclusion of EC08™ Impact MR and EC08™ Aqua and the innovative EC08 Complete. Gyprock EC08™ Complete has been specifically designed to meet the highest standards across a broad range of performance requirements. Ideal for internal linings where mould, moisture and impact resistance is imperative such as Health Care, Aged Care and Child Care facilities, EC08 Complete is a great addition to the range which is accredited to the latest GECA 04 – 2011 Panel Boards Standard.



Bradford launches New Generation SoundScreen™

SoundScreen™ is Australia's most trusted acoustic insulation because of its proven performance. Builders, large and small, know that wall systems that incorporate SoundScreen will deliver on the fundamental requirement to screen sound out.

Bradford has now improved this product and developed New Generation SoundScreen. Incorporating revolutionary fiberising technology, the New Generation SoundScreen range delivers even better sound attenuation properties combined with superior packaging and handling characteristics.

“Viridian is targeting specific market segments to reduce complexity and costs while improving customer service.”

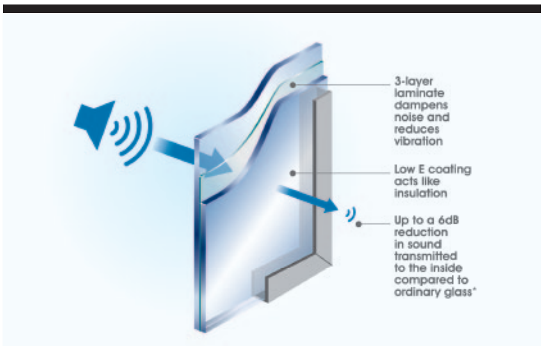
Responding to changing market conditions

Viridian is Australia's leading glass provider and the only manufacturer of float and hardcoat performance glass products in Australia. Viridian's broad product range includes energy efficient glass and glass for a variety of other solutions, including noise reduction, security, mirrored and privacy glass and decorative interior glass.

Viridian's trading revenue of $268.2 million declined by 3%, after adjusting for the impact of Viridian's New Zealand operations following the creation of the JV in March 2012.

Viridian's EBITDA was a loss of $14.1 million compared to positive EBITDA of $5.3 million in the prior year, reflecting the decline in market activity, continued pricing pressure and growth of imports. Higher levels of depreciation resulted in an EBIT loss of $38.8 million compared to an EBIT loss of $19.3 million for the previous year.

In the last quarter, Viridian completed the construction of its new laminating line in Dandenong, Victoria, which consolidates the two existing laminating lines (at Dandenong and Clayton) on to a more efficient and regionally competitive line, immediately adjacent to the float production facilities.



Viridian introduces ComfortHush™ acoustic performance glass

Viridian ComfortHush™ is an acoustic performance glass designed to reduce sound transmission from unwanted noise entering a home. It also features a durable Low E (low emissivity) coating to improve energy efficiency performance, by contributing to keeping a home cooler in summer and warmer in winter.

ComfortHush™ has been designed to enable it to fit most single glazed window frames, with care required to ensure windows are well sealed and installed for acoustic performance. It also allows a considerably lighter glass to be used for the equivalent sound transmission reduction. In addition to reducing noise and improving energy efficiency, it offers enhanced protection from fading of interiors attributed to UV light and comes as standard as a Grade A safety glass.

The first phase of the broader restructure, announced on 11 March 2013, is underway and on track. The float glass facility at Ingleburn, NSW is targeted for closure in July 2013 with laminating operations at the site to be closed by December 2013. The glass processing facility at Wetherill Park, NSW will be consolidated into the nearby Erskine Park facility by January 2014. Negotiations to strengthen Viridian's import supply chain are also well progressed.

The cost of redundancies, site relocation and remediation of approximately $34 million was incurred as a significant item this year. Headcount reductions will be around 170 which, when combined with site consolidation benefits, will deliver an annualised EBIT improvement of $27 million.

These significant changes to Viridian's operations lay the foundations for the next phase of the restructuring program which will align and focus Viridian's operations and sales activities to specific customer segments within the market. Ultimately, this segment-focused approach aims to reduce complexity and costs within Viridian's operations while better serving the needs of each market segment through a more tailored offering.

Once completed, Viridian will operate three market facing businesses: Fabricators, Merchandising and Distribution, and Glass Processing and Services:

1. Fabricators. The Fabricators segment comprises mainly residential window makers, which require a relatively consistent range of products delivered to a well-defined service level. This offering is well supported by Viridian's investments in fully automated processing and distribution. By concentrating operations on this market segment, Viridian will lift market penetration and asset utilisation – delivering high product quality and service reliability backed by the lowest unit cost position in the market.

2. Merchandising and Distribution. This business will be the market leader in bulk glass and standard ('off-the-shelf') product to provide downstream processors and integrated fabricators with access to Viridian's local float production and import capability. This business will be focused on efficiently serving a wide market through its national distribution network with the broadest product range, reliably stocked and matched to local market needs.

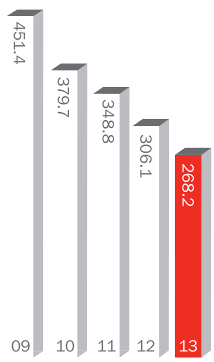
3. Glass Processing and Services. This is the existing network of operations serving regional markets and specialised glass applications. These businesses will range from specific forms of processed glass through to complete glazing solutions, either through Viridian owned operations or strategic partnerships.

The full benefits from the restructuring initiatives will not be realised until the financial year ending 31 March 2015.

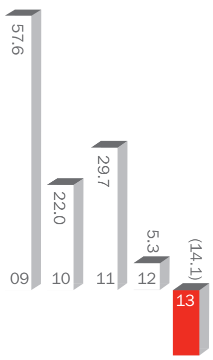
$268.2m
REVENUE

($14.1)m
EBITDA

VIRIDIAN REVENUE
YEAR ENDED 31 MARCH
($ MILLION)



VIRIDIAN EBITDA
YEAR ENDED 31 MARCH
($ MILLION)



"Tomago has undertaken a major restructure of its operations to ensure the smelter maintains its globally cost competitive position."

Improving operational efficiency

Aluminium: CSR holds an effective 25.2% interest in the Tomago aluminium smelter JV through its 70% interest in Gove Aluminium Finance Limited which in turn owns 36.05% of Tomago.

Tomago restructuring program underway

The Tomago smelter improvement program, launched in January 2012, resulted in a number of operational efficiency improvements during the year. Beyond increased production, improved profitability was achieved via an organisational restructure that reduced headcount by 125, reduction in contractor support and maintenance expenditure, and ongoing efficiency and waste reduction initiatives.

Uncertainty in global markets continued to weigh heavily on commodity markets and base metal markets in particular, during the last 12 months. As a result, the US$ LME three month aluminium price traded within a wide range during the last year with the average price of US$2,005 per tonne down 14% from the previous year.

The Australian dollar persisted at or near prior year levels for much of the year and, as a result, the realised aluminium price in Australian dollars after hedging and premiums for **Gove Aluminium Finance** (GAF – 70% CSR) of A$2,277 per tonne was down 13%.

Within these results, ingot premiums – the premiums paid to aluminium suppliers above the LME aluminium price – rose sharply during the period with an average premium of over US$200 per tonne compared to an average of US$115 per tonne the previous year. This recent trend in premiums is predominantly due to sustained tightness in physical aluminium supply caused by the constraints associated with warehousing of aluminium inventories under financing arrangements.

Relatively high ingot premiums are expected to continue, while attractive conditions for inventory financing persist and while constraints in relation to dispatching product from LME warehouses remain.

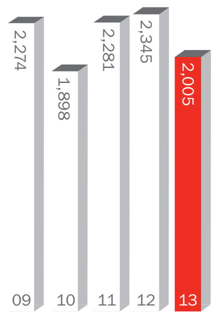
GAF sales volume of 195,095 tonnes was 1% higher than the prior year due to increased production at Tomago following continued operational focus on efficiencies such as production yield and controlled increases in amperage. Trading revenue of $444.2 million was down 12%, reflecting the decline in underlying LME spot prices.

EBIT of $50.3 million was down 38%. The decline in EBIT is primarily due to the flow-on effect of lower Australian dollar prices.

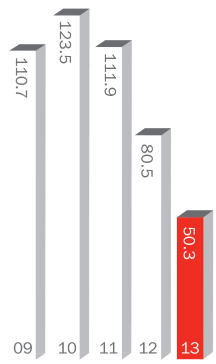
$444.2m
REVENUE

$50.3m
EBIT

AVERAGE LME ALUMINIUM PRICE
YEAR ENDED 31 MARCH
(US$ PER TONNE)



ALUMINIUM EBIT
YEAR ENDED 31 MARCH
($ MILLION)



> "CSR continues to progress its medium term pipeline of property development opportunities."

Strong medium term development pipeline

Property: CSR's Property division is responsible for managing CSR's property portfolio, with a primary focus on maximising financial returns by developing surplus former CSR manufacturing sites and industrial land for sale.

Sales of second stage of Cloverlea residential development underway

In April 2013, the second stage of land was released at CSR's Chirnside Park development located in the Yarra Valley shire around 40 minutes from the Melbourne CBD. Cloverlea is the first major residential development in the area for more than a decade with the potential to develop over 500 homes during the next five years.

Cloverlea offers buyers a range of different lot sizes situated among ample public space and close to local amenities including several schools and shopping centres, public transport, entertainment facilities and restaurants.

CSR's Property division recorded no earnings during the year compared to EBIT of $24.4 million in the previous year which included the sale of the 535 lot residential development and 7.5 hectares of industrial land at Brendale, north of Brisbane.

The launch of 'Cloverlea', a 533 lot residential development at Chirnside Park, Melbourne commenced during the year. This is the first major residential development in the area for more than a decade and is expected to deliver gross revenue of $155 million in six stages over a five-year development period.

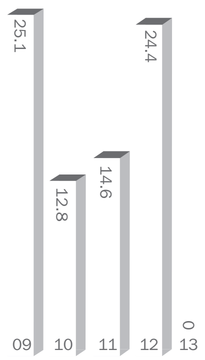
Bulk earthworks began in September 2012 with 83 sales contracts exchanged of the 92 Stage 1 released lots. Marketing has commenced on the 116 lot Stage 2 release. Earnings from this development will begin to be recognised in YEM14.

Other projects include the development of the remaining 38.5 hectare industrial site at Brendale while marketing continues for the nine hectare industrial site at Erskine Park, Sydney.

UPDATE ON MEDIUM-TERM DEVELOPMENT PIPELINE

Erskine Park, Sydney	• Marketing of remaining 9 hectare, DA approved, industrial sub-division • Estimated remaining gross revenue – $16m
Brendale, Brisbane	• ~38.5 hectare industrial development • Site remediation works completed with civil works underway • Estimated remaining gross revenue – $87m
Oxley, Brisbane	• 7 hectares of surplus land adjacent to PGH bricks Oxley plant
Chirnside Park, Melbourne	• 533 lot residential development • Stage 2 sales underway • Estimated gross revenue – $155m

PROPERTY EBIT
YEAR ENDED 31 MARCH
($ MILLION)



> "We place the same emphasis on managing workplace health and safety as any other business imperative."

Our sustainability agenda is how we do business at CSR

Community and sustainability: CSR remains committed to sustainable business practices throughout all of our businesses.

CSR is a market leader in the building industry. As one of Australia's largest manufacturers, we recognise our role in sustainability and the way we manage our business. We understand that a sustainable business must ensure that it minimises its impact on the environment and consumption of resources.

Full details of CSR's sustainability agenda and data relating to greenhouse gas emissions, energy consumption and water and waste production are included in CSR's Sustainability Report which is available on CSR's website at www.csr.com.au.

SAFETY

Our sustainability agenda goes well beyond the products we create and how we manufacture them. Our focus remains on safety and we place the same emphasis and importance on managing workplace health and safety as any other business imperative.

CSR's safety performance continued to improve on previous years with the number of recordable injuries per million work hours decreasing by 18% to 4.2 from 5.1 the previous year. Similarly, the number of total recordable injuries which includes lost time, restricted work and medical treatment injuries was down 32% to 17.4 from 25.6 in the prior year. The severity of injuries also decreased by 19.6%.

The number of lost time injuries also decreased by 74 during the year.

One area of focus for further improvement is manual handling which accounts for over one-third of injuries at CSR. We have launched a new initiative targeting a 25% reduction in manual handling injuries this year.

COMMUNITY

We continue to partner with a number of organisations in line with our commitment to operate in a sustainable manner, with the community at the centre of our right to operate. A core component of our community involvement is the CSR Community Support Program, under which CSR matches employee contributions dollar for dollar to a range of charitable organisations.

CSR launched the Community Support Program nine years ago and during that time CSR and its employees have donated $2.5 million to charity. In the year ended 31 March 2013, CSR and its employees donated $87,726 to a range of charitable organisations.

CSR also works with the Australian Business and Community Network (ABCN), a partnership of highly committed national business leaders and companies working on mentoring and coaching programs in schools in high need areas. For the year to 31 March 2013, 133 CSR employees mentored 184 students and volunteered 1,293 hours.

ENVIRONMENT

In 2010, we quantified our commitment to minimise the impact on our environment with specific targets to reduce greenhouse gas emissions and waste production, as well as a reduction in energy and water used per unit of production.

By 2020, CSR is targeting a 20% reduction in the following categories using 2009/10 as the base year:

- scope 1 and scope 2 greenhouse gas emissions through a reduction in carbon dioxide equivalent per tonne of saleable product
- energy consumption per tonne of saleable product
- potable water use per tonne of saleable product
- waste production disposed at landfill per tonne of saleable product

To achieve these targets, CSR has launched a number of initiatives to improve operational performance and energy efficiency with over 200 energy reduction initiatives underway across our sites.

PEOPLE

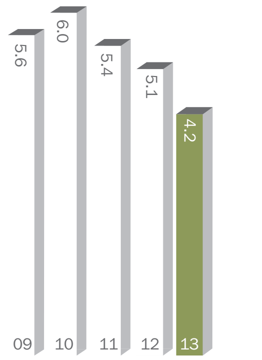
As at 31 March 2013, CSR had 3,218 full-time equivalent (FTE) employees across its operations in Australia and New Zealand which excludes about 300 employees who are now part of the Viridian Glass JV in New Zealand formed in March 2012. This total is down 3% from the comparable figure last year.

CSR recognises that improving diversity requires cultural change driven by the leadership and commitment of the board and senior management. The culture change themes have been used by CSR to define measurable objectives which are expanded in detail in the Corporate Governance section of this report on pages 18 to 19.

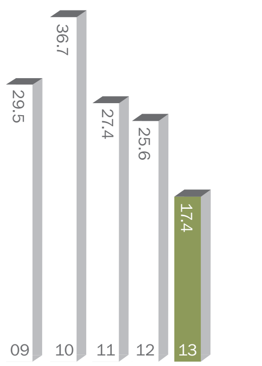
$87,726
COMMUNITY DONATIONS

18%
IMPROVEMENT IN SAFETY PERFORMANCE

LOST TIME INJURY FREQUENCY RATE
YEAR ENDED 31 MARCH
(PER MILLION WORK HOURS)



TOTAL RECORDABLE INJURY FREQUENCY RATE
YEAR ENDED 31 MARCH
(PER MILLION WORK HOURS)



Board of Directors

JEREMY SUTCLIFFE
LLB (HONS), MAICD, AGE 55.

Appointed Chairman July 2011 and a member of the Risk & Audit Committee and Remuneration & Human Resources Committee. Jeremy joined the board in 2008 as an independent director. He held the position of interim CEO and managing director from 1 April to 31 December 2010. Jeremy was Group CEO of Sims Metal Management Limited from 2002 until 2008 and a director until 2009. He is a non-executive director of Amcor Limited, and a member and director of Australian Rugby League Commission Limited. He is a member of the Investment Committee of Lazard Australia Corporate Opportunity Fund No 2 and is executive chairman of Evrol Pte Ltd, a company incorporated in Singapore. He previously held advisory roles with Scholz AG and Veolia Environmental Australia.

ROB SINDEL
BENG, MBA, GAICD, AGE 48.

Appointed to the board as an executive director December 2010 and managing director January 2011. Rob joined CSR in April 2008 as executive general manager of CSR Lightweight Systems. In October 2009, he was appointed CEO of CSR Building Products. Formerly the managing director of Civil & Marine (UK), a subsidiary of the global building materials company, Hanson, now part of the Heidelberg Cement Group. Rob has also held the position of commercial trading director for Hanson Aggregates (UK). Previously, Rob was with Pioneer Australia, where he worked for over 13 years. A member of the UNSW Australian School of Business Advisory Council and a member of the Australian Business and Community Network Council, a not for profit organisation, working on mentoring and coaching programs with schools in areas of high need.

KATHLEEN CONLON
BA (ECON) (DIST), MBA, FAICD, AGE 49.

Chairman of the Remuneration & Human Resources Committee and a member of the Risk & Audit 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 and a non-executive director of REA Group Limited, Lynas Corporation Limited, The Benevolent Society and the Australian Institute of Company Directors (AICD). She is also president of the AICD NSW Council.

Company Secretary

DEBBIE SCHROEDER
BED (HONS), LLB, MAICD.

Company secretary since July 2010 and CSR legal counsel. Joined CSR in September 2001, managing workers' compensation 2003 to 2006 and human resources for the sugar division 2006 to 2008. Debbie was appointed legal counsel for CSR Limited in 2008. She was previously a lawyer at Tress Cocks & Maddox and Lander & Rogers. Debbie has extensive experience in corporations law and corporate governance, dispute resolution, employment law, insurance and competition and consumer law. Debbie holds a Graduate Diploma in Applied Corporate Governance and is a member of Chartered Secretaries Australia and the Australian Institute of Company Directors.

RAY HORSBURGH AM
BENG (CHEM), HON D UNIV, FAICD, FIE AUST, AGE 70.

Chairman of the Workplace Health, Safety & Environment Committee. He joined the board in 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 15 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 nine years. In August 2012, he was appointed Chairman of Calibre Group Limited. Ray is also a director of National Can Industries Limited, Revolution Roofing and the Ponting Foundation. He is a former director of Traffic Technologies Limited.

MIKE IHLEIN
BBUS (ACCOUNTING), MAICD, FCPA, F FIN, AGE 57.

Chairman of the Risk & Audit Committee and a member of the Workplace Health, Safety & Environment Committee. Mike joined the board in 2011 as an independent director. He was formerly chief executive officer and executive director of Brambles Limited until November 2009, prior to which he was Brambles' chief financial officer for four years. Mike has also had a long career with Coca-Cola Amatil Limited including seven years as chief financial officer and executive director and a number of senior operational, finance, business development and treasury roles including managing director of Coca-Cola Amatil Poland. Mike is currently a non-executive director and chair of the Audit & Risk Committee of Westfield Retail Trust. He is also a non-executive director and chair of the Portfolio Risk Committee of Snowy Hydro Limited and a non-executive director, and the chair of the Compliance Committee, of Murray Goulburn Co-operative Co. Ltd. Mike is also a member of the Australian Institute of Company Directors and Financial Executives Institute of Australia and a fellow of CPA Australia and Financial Services Institute of Australasia. He is also chair of the Australian Theatre for Young People.

REBECCA McGRATH
BTP (HONS), MASC, FAICD, AGE 48.

A member of the Workplace Health, Safety & Environment Committee and Remuneration & Human Resources Committee. Rebecca joined the board in 2012 as an independent director. She was formerly chief financial officer and executive director of BP Australasia, a position held until January 2012, prior to which she was vice president operations and executive director, Australia & Pacific for BP Australasia and general manager, group marketing performance, for BP Plc (London). Rebecca's management career with BP spanned 22 years. Rebecca is currently a non-executive director of Goodman Group, OZ Minerals Limited and Incitec Pivot Limited and was previously a director of Big Sky Credit Union. She is also a council member of Chief Executive Women and a fellow of the Australian Institute of Company Directors.

Corporate Governance

CSR's corporate governance is the system by which the company is directed and managed. It is the framework of rules, relationships, systems and processes that underpin CSR's long established values and behaviours, the way it does business and within which:

- **the CSR board of directors is accountable to shareholders for the operations, financial performance and growth of the company; and**
- **the risks of business are identified and managed.**

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, being the year ended 31 March 2013, CSR complied with the recommendations contained in the ASX CGC's Corporate Governance Principles and Recommendations unless otherwise noted in this corporate governance statement.

Charters and policies referred to in this corporate governance statement are available on CSR's internet site in the 'Investor Centre & News' section under 'Corporate Governance' at http://www.csr.com.au/Investor-Centre-and-News/Corporate-Governance.

This corporate governance statement is organised under headings reflecting the ASX CGC's current principles and recommendations.

ROLES AND RESPONSIBILITIES

CSR has solid foundations for management and oversight (ASX CGC Principle 1)

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

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.

The roles of board and management

The board has adopted a formal board charter (available on CSR'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:

- approving CSR strategies, budgets, plans and policies;
- assessing performance against business plans to monitor both the performance of management as well as the continuing suitability of business strategies;
- reviewing operating information to understand at all times the state of the company;
- considering management recommendations on proposed acquisitions, divestments and significant capital expenditure;
- considering management recommendations on capital management, the issue or allotment of equity, borrowings and other financing proposals, guarantees of non-group liabilities, and restructures;
- ensuring that the Company operates an appropriate corporate governance structure, in particular ensuring that CSR acts legally and responsibly on all matters and that the highest ethical standards are maintained;
- approving CSR's risk management strategy and frameworks and monitoring their effectiveness;
- considering the social, ethical and environmental impact of CSR's activities and monitoring compliance with CSR's sustainability policies and practices;
- maintaining a constructive and ongoing relationship with the exchanges, regulators and shareholders;
- approving policies regarding disclosure and communications with the market and shareholders; and
- monitoring internal governance including delegated authorities, and monitoring resources available to senior executives.

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 set out in the remuneration report.

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

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 that a balanced scorecard of annual key performance indicators (including financial and non-financial measures) is set for each senior executive. 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 senior executive'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, and measures adjusted. CSR conducted evaluations of its senior executives in accordance with this process in September 2012 and March 2013.

Further details of the process for evaluating the performance of key management personnel and the remuneration policy for key management personnel are provided in the remuneration report.

BOARD OF DIRECTORS

CSR structures the board to add value (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.

Information regarding the induction program for directors is set out on page 18 of this statement.

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 five non-executive directors and one executive director.

The chairman is appointed by the board and provides leadership to ensure that a high standard of values, processes and constructive interaction is maintained. The chairman represents the views of the board to shareholders and conducts the annual general meeting to canvass properly the views of stakeholders.

In YEM13, the only change to the board was that Mr John Story retired on 12 July 2012.

Information about directors, including their skills, experience and expertise, is on pages 14 and 15. The board keeps the balance of skills and experience of its members, as well as their independence under review. The board strives to achieve diversity in its composition.

Directors' independence

At all times throughout YEM13, a majority of the board has been independent directors. Each of the non-executive directors, including the chairman, has been determined by the board to be 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 and operates in accordance with the considerations set out in the ASX CGC Principles. Any past or present relationship with the company is regularly examined carefully to assess the likely impact on a director's ability to be objective and exercise independent judgement.

Dealing with conflicts of interest

The board has a process in place to ensure that conflicts of interest are managed appropriately. If a potential conflict of interest arises, the director concerned is excluded from all discussion and decision making on the matter. Directors must advise the board immediately of any interests that could potentially conflict with those of CSR.

Election of directors

The CSR board takes on the role of the nominations and governance committee, which includes the following functions:

- determining the appropriate size and composition of the board (in accordance with the company's constitution);
- determining the appropriate criteria (necessary and desirable skills and experience) for appointment of directors;
- recommending the appointment and removal of directors;
- defining the terms and conditions of appointment to and retirement from the board;
- overseeing induction and continuing education programs for non-executive directors; and
- evaluating the board's performance.

It is considered appropriate that the board takes on this role, noting the smaller size of the company.

The company aims to have a board which, as a whole, has the range of skills, knowledge, background 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. CSR seeks a combination of former chief executives and individuals experienced in manufacturing, finance, the law and, ideally, the industries in which CSR participates.

CSR undertakes a rigorous process when selecting new directors. Specifically, CSR develops a matrix of required skills and experience. This matrix is developed by taking into account CSR's desire to ensure a diverse range of gender, background and experience is maintained on the board at all times, and also ensuring directors are appropriately qualified.

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. Newly appointed directors must seek re-election at the first general meeting of shareholders following their appointment. The board charter states that non-executive directors appointed from 2001 shall not seek re-election after serving for 10 years, unless determined by the board that it is appropriate to do so.

Board committees

To increase its effectiveness, the board has three committees consisting of the Risk & Audit Committee, Workplace Health, Safety & Environment Committee and Remuneration & Human Resources Committee. It is the policy of the board that a majority of the members of each committee be independent directors, that all Risk & Audit Committee members be independent directors and that the Remuneration & Human Resources Committee and the Workplace Health, Safety & Environment Committee be chaired by independent directors.

Each committee has a charter which includes a more detailed description of its duties, responsibilities and specific composition requirements. The charters are available on CSR's internet site. The Risk & Audit Committee, the Remuneration & Human Resources Committee and the Workplace Health, Safety & Environment Committee each comprise at least three non-executive directors and are chaired by directors other than the board chairman. All committees meet at least four times per year.

Rob Sindel, the managing director, attends meetings of board committees by invitation. He is not present at these meetings where it is considered that his presence 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 22.

The work of directors

In addition to attending board and committee meetings, non-executive directors allocate time for strategy and budget sessions, preparation for meetings and inspections of operations.

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 directors usually meet with no management present at the commencement of board meetings and on other occasions as required.

Corporate Governance (continued)

Except where the directors need to meet privately, the company secretary attends all board meetings.

The directors regularly visit certain of the company's operations to better understand the issues facing each of the businesses and their people. In YEM13, the directors visited the Viridian factory at Jandakot, Western Australia.

Since September 2011, every meeting of the Workplace Health, Safety & Environment Committee has been held at a CSR site. In YEM13, the Workplace Health, Safety & Environment Committee visited the Monier roof tile factory at Springvale, Victoria, the Viridian glass factories at Ingleburn, New South Wales, and Tingalpa, Queensland, the Bradford Insulation factory at Ingleburn, New South Wales, and the PGH brick factory at Golden Grove, South Australia.

Directors' induction education and 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 as part of this induction, as well as special briefings from management and visits to key operating sites to assist them to rapidly understand, 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 stakeholders of 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.

Performance evaluation
The performance of the board is reviewed annually. 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 board 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 annual assessment are documented, together with specific performance goals that are agreed for the coming year.

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

In YEM13, the Risk & Audit Committee conducted a thorough review of its functions and responsibilities. In YEM14, the other committees will be reviewed.

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 business conduct and ethics. CSR's code of business conduct and ethics 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, which is available on CSR's internet site. A statement on CSR's approach to climate change is included in this annual report.

Code of business conduct and ethics
The underlying principle of CSR's code of business conduct and ethics is that ethical behaviour is required of directors, executives and all other employees, as well as advisers, consultants and contractors.

The board has endorsed a code of business conduct and ethics (available on the company's internet site) that formalises the longstanding 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 we operate.

In addition, the board has adopted specific policies in key areas, including trade practices; workplace health, safety, and the environment; fairness, respect and diversity in employment; 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 each year signifying that they have read and complied with the code of business conduct and ethics and are not aware of any breaches of that policy.

Further, CSR employees are encouraged to report potential breaches to a confidential telephone service. The CSR whistleblowers' protection policy provides 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.

Diversity
CSR strives to ensure diversity within the organisation. CSR's policy on diversity is contained within its policy on fairness, respect and diversity. A summary of this policy is available on CSR's internet site in the 'Careers' section under 'Our People'.

CSR recognises that improving diversity is important to improving and sustaining a workforce capable of generating better relationships and more innovative solutions for its customers. Ultimately, this improves the results of CSR. CSR has adopted the ASX CGC's Corporate Governance Principles and Recommendations in respect of diversity.

CSR recognises that improving diversity requires cultural change driven by the leadership and commitment of the board and senior management. The culture change themes have been used by CSR to structure its measurable objectives. The objectives and achievements for YEM13 are described later in this corporate governance statement along with a brief outline of the objectives for YEM14.

CSR workplace profile
At board level, two of the five non-executive directors are women.

14% of employees in senior management positions are women including company secretary, group treasurer, group financial controller and general manager investor relations and corporate communications.

During YEM13, the percentage of the CSR workforce that are women increased from 14.3% to 15.6%.

Measurable objectives
The following table describes the measurable objectives that CSR will use to plan and report progress on diversity initiatives:

MEASURABLE OBJECTIVE	YEM13 ACHIEVEMENTS	YEM14 INITIATIVES
1 Leadership and commitment	One woman was appointed to a senior management role Continued the gender equity review as part of the annual salary review with only small variations in average pay for most job grades Completed a 'superannuation for women' information and education session Supported senior women to attend peak industry networking forums	Executive team to complete diversity workshop Continue to provide executive team quarterly updates on diversity performance metrics Continue to monitor and maintain pay equity as part of annual salary review process Executive team members to have specific diversity objectives incorporated into their performance and development reviews
2 Organisational awareness and readiness	Completed a diversity survey to understand employees' perspectives of what the company does well and how it can improve Continued the fairness, respect and diversity online training module, which is included in the induction of all new staff and has been completed by 626 employees Additional face-to-face training on Fairness, Respect and Diversity with 333 employees	Develop and communicate a targeted action plan of improvement based upon the insights from the diversity survey
3 Communication	Promotion of the Paid Parental Leave Policy which was accessed by 22 women, a 100% increase from YEM12 Used CSR's internal staff magazine to promote diversity and women in non-traditional roles	Promote results of surveys on diversity and other diversity initiatives through CSR's internal staff magazine
4 Building leadership and managing diversity capability	CSR leadership programs – 23% female participation, an increase of 15% from YEM12 Understanding and managing diversity are included in the CSR leadership programs	Continue to ensure adequate female participation rates in CSR leadership programs Design and implement a diversity workshop to grow awareness, skills and leadership
5 Recruitment and retention	Provided executive and human resources teams quarterly analysis of attraction, appointment and retention of staff by gender, to support decision making Continued to promote inclusion of women on shortlists for vacant roles 31% of internal promotions were women, an increase of 3.3% from YEM12	Improve female appointments to middle and senior management roles by reviewing recruitment processes Improve the employee value proposition for women and develop strategic alliances for attraction of senior female talent Develop more career sponsorships for senior women to improve retention

Trading in CSR shares
Directors' shareholdings at 15 May 2013 are shown in the table 'Directors' interests in CSR shares' on page 22.

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, and as required by law, 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)

Risk & Audit Committee
The Risk & Audit Committee is chaired by Mike Ihlein. Up to 12 July 2012, the committee was chaired by John Story and the other members were Jeremy Sutcliffe, Kathleen Conlon and Mike Ihlein. From 12 July 2012, the other members of the committee were Jeremy Sutcliffe and Kathleen Conlon.

The external audit firm partner in charge of the CSR audit attends Risk & Audit Committee meetings by invitation, together with the internal audit manager and relevant senior managers.

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 are set out in its charter and include:

- reviewing 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;
- considering and recommending to the board in relation to significant accounting policies and material estimates and judgements in financial reports;
- reviewing and monitoring internal controls and risk management across the group;
- reviewing and recommending to the board for the adoption of the company's half year and annual financial statements; and
- reviewing the effectiveness and performance of internal and external auditors.

Corporate Governance (continued)

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:

- 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 awarded to the external auditor must be approved in advance by the committee or, between committee meetings by the chairman of the committee; and
- the external audit engagement partner and review partner must be rotated every five years.

Procedures for selection and appointment of the external auditor, and for the rotation of external audit engagement partners, are set out in the committee charter.

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 statements are in accordance with relevant accounting standards, give a true and fair view in all material respects of the company's and the group's financial condition and operational results and comply with the Corporations Act 2001 and associated regulations.

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. Under this policy, 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 Corporate Governance and Disclosure Committee meets as required, and often on very short notice, to ensure compliance with disclosure requirements. Members of this committee are the managing director, chief financial officer, company secretary and general manager investor relations and corporate communications. The managing director approves all disclosures before they are released. The board approves all disclosures that are significant.

The share market disclosure policy was reviewed in YEM13 to ensure compliance with the revised ASX listing rules and guidance notes on continuous disclosure.

The company secretary is responsible for communications with the ASX.

Commentary on financial results
CSR provides a review of operations and financial performance in this annual report, which also 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 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 three years.

Shareholders and other interested parties can receive e-mails with links to the newly posted annual report and can lodge proxies electronically for the annual general meeting. CSR keep summary records for internal use of the issues discussed at group and one-on-one briefings with investors and analysts.

The annual general meeting and profit announcement briefings are available via a live webcast from the company's internet site, for access by all interested parties.

The company's shareholder communication policy 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 will be 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 Risk & 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 Risk & Audit Committee recommends to the board the appointment or dismissal of the internal auditor, who is independent of the external auditor;
- **the Workplace Health, Safety & 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 Risk & Audit Committee, receives recommendations in relation to the risk profile of CSR, breaches of the policy framework and external developments which may impact on the effectiveness of the risk management framework. It also approves significant changes to the risk management framework and related policies.

The Risk & 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 Risk & Audit Committee monitors and reviews the effectiveness of the internal audit and compliance functions. CSR's 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 risks 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 (COSO) 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 effective and efficient risk management and internal compliance and control;
- the system of risk management in operation at 31 March 2013 implemented 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.

The board received the relevant declarations required under section 295A of the Corporations Act 2001 from the managing director and chief financial officer as well as the relevant reports and assurances required under recommendations 7.2 and 7.3 of the revised ASX CGC Corporate Governance Principles and Recommendations.

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 and there are no retirement benefit schemes in place. Executives and directors may forgo part of their cash remuneration or, for non-executive directors, their directors' fees, to acquire shares in CSR. Employees cannot approve their own remuneration, nor can they review that of their direct subordinates without their manager's approval.

Remuneration & Human Resources Committee

Kathleen Conlon chairs the Remuneration & Human Resources Committee. Up to 12 July 2012, the other members of the committee were Jeremy Sutcliffe, Rebecca McGrath and John Story. From 12 July 2012, the other members of the committee were Jeremy Sutcliffe and Rebecca McGrath.

At all times throughout YEM13, the composition of the committee was in accordance with the ASX CGC's Corporate Governance Principles and Recommendations and the committee charter.

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 also oversees CSR's human resources strategy, particularly succession and development planning for senior managers. 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 on pages 23 to 37. It also includes details of the remuneration of directors and key management personnel for YEM13 and clearly distinguishes between the structure of non-executive director remuneration from that of the executive director and other key management personnel. 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 management personnel appear in the remuneration report on pages 23 to 37.

Workplace health, safety and environment responsibilities

An important part of CSR's governance commitments includes protection of its people's workplace health and safety, and for the environment (WHS&E). The board endorsed WHS&E policy (available on the CSR internet site) details the company's and individuals' obligations.

The board's Workplace Health, Safety & Environment Committee oversees and reports to the board on the management of the company's WHS&E responsibilities. At all times during YEM13, the Workplace Health, Safety & Environment Committee comprised Ray Horsburgh (Chairman), Mike Ihlein and Rebecca McGrath.

Rob Sindel attends all meetings of the Workplace Health, Safety & Environment Committee by invitation.

The committee receives regular reports from management, reviews the adequacy of WHS&E 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.

The committee has every meeting at a CSR site and such meetings include a presentation from local management and a site tour.

Corporate governance and disclosure

CSR considers that the above corporate governance practices comply with the ASX CGC's Corporate Governance Principles and Recommendations (as applying to the relevant reporting period).

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.

Corporate Governance (continued)

Statement as at 15 May 2013.

DIRECTORS' INTERESTS IN CSR SHARES

AS AT 15 MAY	TOTAL 2013	TOTAL 2012
Kathleen Conlon	**34,806**	31,159
Ray Horsburgh	**35,500**	32,482
Michael Ihlein	**53,338**	50,195
Rebecca McGrath	**13,608**	–[2]
Rob Sindel	**110,602**	69,443
John Story	**n/a**[1]	61,943
Jeremy Sutcliffe	**127,596**	125,546

1 John Story retired on 12 July 2012.

2 Rebecca McGrath was appointed as a non-executive director on 1 February 2012. Under CSR's share trading policy, Rebecca McGrath was not permitted to acquire shares in CSR until the trading window opened on 17 May 2012.

DIRECTORS' MEETINGS

	CSR BOARD		RISK & AUDIT COMMITTEE		WORKPLACE HEALTH, SAFETY & ENVIRONMENT COMMITTEE		REMUNERATION & HUMAN RESOURCES COMMITTEE	
YEAR ENDED 31 MARCH 2013	HELD[a]	ATTENDED[b]	HELD[a]	ATTENDED[b]	HELD[a]	ATTENDED[b]	HELD[a]	ATTENDED[b]
Jeremy Sutcliffe	14	14	4	4	n/a	n/a	4	4
Kathleen Conlon	14	14	4	4	n/a	n/a	4	4
Ray Horsburgh	14	14	n/a	n/a	4	4	n/a	n/a
Michael Ihlein[1]	14	14	4	4	4	4	n/a	n/a
Rebecca McGrath	14	14	n/a	n/a	4	4	4	4
John Story[2]	4	4	1	1	n/a	n/a	2	2

a Meetings held whilst a member.

b Meetings attended.

1 Michael Ihlein appointed as Chairman of Risk & Audit Committee as at 12 July 2012.

2 John Story retired 12 July 2012.

Remuneration Report

THIS REPORT FORMS PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

INTRODUCTION
This remuneration report provides a summary of CSR's remuneration policy and practices during the past financial year as they apply to CSR directors and executives.

The report begins with an executive summary intended to provide a 'plain English' explanation for shareholders of the CSR remuneration framework and key outcomes and events that occurred during the financial year. The report then outlines the role of the CSR Remuneration & Human Resources Committee, details CSR's remuneration policy and practice and provides information on the remuneration and shareholdings of key management personnel (KMP), which is comprised of CSR's non-executive directors (NEDs), and the managing director and the chief financial officer.

Key points to note in relation to this report are:

- 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;
- the report has been audited by CSR's external auditor;
- the remuneration report for YEM12 reported the total remuneration for the top five highest paid executives, as well as the KMP, in that year, in accordance with the legislative requirements in force at that time. In the report for YEM13, the Corporations Act 2001 only requires information on the KMP for that year;
- based on a review of all the senior executives against the criteria for determining KMP, only the managing director and chief financial officer qualify as KMP;
- KMP are as defined by the Accounting Standard AASB 124 Related Party Disclosures; and
- in this report, the term "senior executive" is used to describe the direct reports of the managing director – the executive team. In some cases, where aspects of the remuneration framework apply to other senior roles within CSR, the term "executive" is also used.

CONTENTS

A – EXECUTIVE SUMMARY

YEM13 remuneration framework update
Following the implementation of the revised executive framework in YEM10 and subsequent changes in YEM12, there was only one change made during YEM13. The change made was to the YEM13 Short Term Incentive (STI) plan for all eligible participants. As anticipated in the YEM12 remuneration report, the relative weighting of the financial component of the STI was increased. Under the YEM13 STI plan rules, all eligible employees have at least 50% of the financial component of their STI aligned with the CSR's earnings before interest and tax (EBIT) with the remaining 50% of the financial component aligned with the financial performance of their respective business unit. Under the revised rules in YEM13, should either the CSR financial result or the business unit financial result not reach the threshold EBIT number, then only 50% of the non-financial component of the STI would be eligible for funding. Should the CSR financial result and the business unit financial result not reach the threshold EBIT numbers, then the non-financial component of the STI would be at the discretion of the board.

Overview of executive remuneration approach and framework
CSR's remuneration framework is based on the principles that remuneration:

- is performance driven;
- aligns with shareholder interests; and
- provides market-competitive remuneration opportunities.

The key features of CSR's executive remuneration framework are outlined below. Detail is provided in the body of the remuneration report.

- **Market positioning:** Fixed remuneration is positioned at the market median against the Hay Group industrial and services index for roles of comparative size, or relative to their counterparts in related industries. Variable remuneration provides executives the opportunity to earn upper quartile total remuneration for stretch performance.
- **Fixed pay/variable mix:** Total remuneration is comprised of fixed plus variable (or 'at risk') remuneration. A significant portion of the total remuneration opportunity for senior executives is variable, and 'at risk' based on performance.
- **STI plan:** The STI plan provides rewards to executives for achievement of business financial performance goals (60% weighting) and individual performance goals which are focused on non-financial performance (40% weighting). Weightings of 50% financial and 50% personal goals may apply to lower job grades. As introduced in YEM12, 20% of the total STI earned by senior executives is deferred into shares.

  Financial performance for YEM13 was measured by EBIT before significant items. In YEM13, all executives and eligible employees have at least 50% of the financial component of their STI aligned with the CSR financial performance (EBIT) with the remaining 50% of the financial component aligned with the financial performance (EBIT) of their respective business unit which best reflects the role's influence. Return on funds employed (ROFE) is used as a secondary metric for the STI plan to ensure effective utilisation of assets.

  Non-financial performance reflects an individual's objectives that are linked to business strategy implementation. Payment for the non-financial component is now dependent on the CSR and business unit's financial performance. Should either the CSR or the business unit not meet the threshold EBIT, then only 50% of the non-financial component of the STI would be eligible for funding. Should the CSR financial result and the business unit financial result not reach the threshold EBIT, then the non-financial component of the STI would be at the discretion of the board.

Remuneration Report (continued)

- **Long Term Incentive (LTI) plan:** The Performance Rights Plan (PRP) provides CSR executives with grants of performance rights that vest based on:
  (i) CSR's three year total shareholder return (TSR) relative to the TSR of the other S&P/ASX 200 index constituents (the peer group); and
  (ii) CSR's annual compound earnings per share (EPS) growth over three years.

  Any performance rights which vest will be converted automatically into shares. Holders of performance rights are not entitled to dividends until the rights have vested and converted into shares.
- **Equity sacrifice:** Executives are eligible to elect to forgo a portion of their pre-tax fixed remuneration to purchase restricted CSR shares, up to the $5,000 annual limit as provided under the tax legislation that applies from 1 July 2009.
- **Hedging prohibition:** CSR's Share Trading Policy prohibits participants in any LTI plan from hedging their exposure to unvested shares or reducing the risk associated with the performance hurdles applicable to those shares in any way.

Overview of non-executive director remuneration

- **Market comparison:** NEDs are paid a base fee for service to the board and an additional fee for service to board committees. The fees are set with consideration to the fees paid in companies of a similar size and complexity.
- **Fee pool:** The fee pool is currently $1,450,000 per annum including superannuation.
- **Voluntary fee sacrifice:** NEDs can elect to forgo up to $5,000 of pre-tax fees annually to purchase CSR shares.

Remuneration outcomes for YEM13

The following is a high-level summary of CSR's remuneration outcomes for YEM13. Further detail of these outcomes is provided in the body of this report.

- **Total remuneration:** Total expensed remuneration decreased for disclosed KMP from YEM12 to YEM13 due to reduced STI outcomes.
- **STI outcomes:** YEM13 STI plan payments reduced by 32% compared with those for YEM12 and no STI plan payments were made to the KMP, primarily due to a reduced level of financial performance.
- **LTI outcomes:** No LTI grants vested during YEM13 as the relevant performance hurdles were not met following testing. Following an internal and external assessment of the performance against the EPS hurdle for the YEM12 PRP grant, the accounting expense for this grant was reversed out and set as zero. This decision was based upon the low probability of meeting the EPS performance hurdle of 7% compound growth for the YEM12 PRP and is consistent with the accounting standards. This accounting reversal is reflected in the remuneration table in section G of this report.

The following table sets out the actual value of remuneration received by the managing director and chief financial officer who are KMP for the financial year, derived from the various components of their remuneration during YEM13. This table differs from the more detailed remuneration disclosures provided in section G on pages 35 to 36 due to the exclusion of LTI amounts not vested or reversal of accounting expense associated with any LTI grant.

Table 1: Actual remuneration received by KMP

$ YEAR ENDED 31 MARCH 2013	FIXED REMUNERATION	SHORT TERM INCENTIVE	LONG TERM INCENTIVE (EARNED) [a]	TERMINATION BENEFITS	USOP	OTHER BENEFITS [b]	TOTAL
Currently employed KMP as at 31 March 2013							
Rob Sindel	1,084,454	–	–	–	–	27,364	1,111,818
Greg Barnes	540,000	–	–	–	999	15,546	556,545
Total currently employed KMP [c]	**1,624,454**	**–**	**–**	**–**	**999**	**42,910**	**1,668,363**

a Represents the value of any LTI awards that were vested or paid during YEM13. Excludes the value of any unvested LTI granted, expensed or reversed during the year.

b In YEM13, other benefits included the movement in accrual of long service leave and also included airfares and accommodation for Rob Sindel and Greg Barnes and their spouses and taxi fares for Rob Sindel.

c Based on changes in the reporting requirements, only the remuneration of the managing director Rob Sindel and the chief financial officer Greg Barnes are set out in the table above. In the interests of transparency, it should be noted that the total actual remuneration for the five highest paid executives (including Mr Sindel and Mr Barnes) decreased in aggregate by 9.94% to $3,307,624 from last year. This is broken down as follows: fixed remuneration increased by 3.09% to $2,851,518; short term incentive payments reduced by 53.77% to $360,359; USOP was unchanged at $2,998 and other benefits reduced by 25.17% to $92,749. There were no termination payments made to any of the five highest paid executives during either year.

The CSR board will continue to monitor the remuneration framework to ensure ongoing alignment with shareholders and the CSR strategy. Any changes will be disclosed in the YEM14 remuneration report.

B – THE REMUNERATION & HUMAN RESOURCES COMMITTEE'S ROLE

Whilst the board retains ultimate responsibility, CSR's remuneration policy is implemented by the board operating through its Remuneration & Human Resources Committee. The composition and functions of the Remuneration & Human Resources Committee, which oversees remuneration issues and human resources matters, are set out in the charter available from the CSR internet site. The charter was reviewed and updated during the year.

The role of the committee is to review and make recommendations to the board on (but not limited to):

- remuneration of NEDs;
- remuneration of the managing director and senior executives;
- remuneration incentive policies, and guidelines for executives;
- talent management – including succession planning;
- initiatives to improve and drive a stronger performance culture; and
- diversity.

Support to the committee was provided through CSR's general manager human resources, and external advisers. No remuneration recommendations were sought from remuneration consultants during YEM13.

C – EXECUTIVE REMUNERATION POLICY

C1 – Key principles

Table 2 below outlines the key principles on which CSR's executive remuneration policy are based:

Table 2: Key principles of CSR's executive remuneration policy

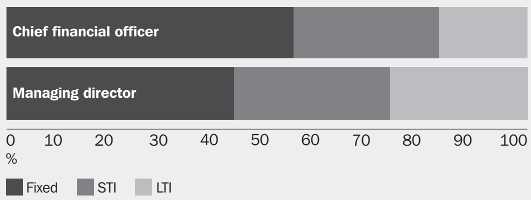
Performance driven	Remuneration should reward executives based on annual performance against business plans and longer term shareholder returns. A significant proportion of executive remuneration should be 'at risk' and performance dependent. Performance measurement is mainly focused at the organisational level which best reflects the role's influence.
Alignment with shareholder interests	Incentive plans and performance measures are aligned with CSR's short and long term success. Ownership of CSR shares is encouraged through the use of equity as the vehicle for the LTI plan, the STI deferral scheme for senior executives and the ability to forgo part of fixed remuneration to acquire shares.
Market-competitive remuneration opportunities	Remuneration opportunities, including those elements 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 (both 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 plans and D3 – LTI plans. 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 as fixed remuneration, on-target STI and half of the LTI expense (representing target LTI) for the chief financial officer and the managing director.

Chart 1: Target remuneration mix for KMP and the managing director



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, and LTI awards are in the form of CSR equity.

In order to encourage executive share ownership and further increase the alignment with shareholder interests, the STI deferral scheme was introduced in YEM12 and will apply to STI payments made in respect of YEM12 and subsequent financial years. Executives can also forgo salary to acquire shares in CSR.

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 and by position matching against equivalent roles from organisations with similar market capitalisation) 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) that reaches the top quartile of the market for superior performance.

D – EXECUTIVE REMUNERATION FRAMEWORK

The executive remuneration framework consists of:

Fixed remuneration	• base salary • superannuation • other short term benefits
Variable remuneration	• STI • LTI

D1 – Fixed remuneration

Fixed remuneration comprises salary, superannuation and other short term 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 are able to forgo part of their fixed remuneration to acquire CSR shares under the Employee Share Acquisition Plan (ESAP), discussed in section D4 – Other equity incentive plans, up to a maximum salary sacrifice of $5,000 annually.

D2 – Short Term Incentive plan

CSR's executives all participate in an STI plan. Typically, the STI plan is weighted 60% to financial metrics and 40% to individual metrics.

EBIT before significant items continued as the primary financial metric for the YEM13 STI plan. Significant items are excluded to keep participants focused on outcomes they can directly influence.

ROFE continues to act as a secondary metric for the STI plan to ensure continued effective utilisation of assets. In order to earn STI payments, ROFE goals were also required to be met as a secondary objective. Minimum ROFE gateways must be met in order to earn an incentive above threshold, target and stretch levels, while EBIT results determine the quantum of the incentive.

For YEM13, the chief financial officer had an STI opportunity of 50% of fixed remuneration for target level achievement against financial and individual objectives. If no objectives were achieved, the executive may receive no STI for that financial year, while stretch performance could result in an STI of up to 100% of fixed remuneration. In YEM13, the managing director had an STI target opportunity of 70% of fixed remuneration and maximum opportunity for stretch performance of up to 100% of fixed remuneration.

Remuneration Report (continued)

Table 3: Short Term Incentive plan – summary

Purpose	To drive individual and team performance to deliver annual business plans and increase shareholder value.
Frequency and timing	• Awards are determined on an annual basis with performance measured over the year to 31 March. • Payment is normally made in June following the end of the performance year.
Financial measures	The quantum of any STI is determined by EBIT before significant items, which assesses the amount of pre-tax profit generated by the business. Financial performance for YEM13 STI awards was measured against EBIT that was assigned at the organisational level that best reflects the roles' influence. All executives and eligible employees had 50% of the their financial component aligned to the CSR financial result (EBIT). ROFE was employed as a secondary metric to ensure effective utilisation of assets. In order to earn STI payments, minimum ROFE thresholds must also be met in order to qualify for a STI payment at threshold, target or stretch levels. The measures used in the YEM13 STI plans are: • **Corporate roles:** EBIT* of CSR's operations (100%**); and • **Business unit executive roles:** business unit EBIT* (50%**) and CSR EBIT* (50%**). 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. The managing director's targets are set each year by the board. * Before significant items. ** Expressed as a percentage of STI financial component. STI financial component typically comprises 60% of target STI.
Individual objectives used (and rationale)	Individual objectives are constructed for each participant, 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-attributable budget goals.
Assessment of performance against measures	At the end of the CSR financial year, each participant's performance is assessed based on financial results for CSR and the relevant businesses. A review by the executive's manager and, where appropriate, 360 degree feedback (i.e. feedback provided by the executive's immediate manager, peers and employees reporting to the executive) is also undertaken to determine performance against the relevant individual objectives for each 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 & Human Resources Committee so as to ensure group-wide consistency. Payment for the individual component is normally independent of the business financial result. Should either CSR or the applicable business unit fail to reach threshold EBIT performance set by the board, then only 50% of the individual component will be eligible for payment. Should both CSR and the applicable business unit not reach the EBIT threshold set, then any payment for the individual component will be at the discretion of the board. The payout, based on performance, is between the threshold of 0% and a maximum of 200% of target.
Discretionary override	The intention is to minimise discretionary adjustments to the plan outcomes. However, the board and the managing director do retain discretion in certain circumstances to alter payments having regard to: • CSR's overall financial performance; • occurrence of a fatality, regardless of fault; • 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 (e.g. acquisitions and divestments).
Service condition	New starters with CSR or people promoted into eligible roles can participate in the STI with pro-rata entitlements if they have been in the role for more than three months of the relevant financial 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 voluntarily, or have their employment terminated for inadequate performance or misconduct, before the end of the performance year.
Equity deferral	For STI payments made in respect of YEM12 and subsequent financial years, the board has implemented an STI deferral scheme. Under this scheme, 20% of any STI earned by executives is delivered in CSR shares. These shares must be held in trust subject to trading restrictions and a continued service requirement for a minimum of two years from the date of allocation. During this restriction period, the shares are subject to forfeiture if the executive resigns or is terminated for cause. No further performance conditions will apply and shares will fully vest to the executive at the end of the restriction period if the continued service requirement is met. As the shares are awarded in lieu of a full cash STI payment and relate to an incentive that has already been earned, the board has determined that during the restriction period, executives will be entitled to all dividend and voting entitlements applying to the shares held on trust in their name.

D3 – Long Term Incentive plans

Purpose

During the financial year, eligible executives were invited to participate in CSR's LTI program, which aims to:

- provide executives with performance rights in order to build their interest in CSR equity; and
- attract, motivate and retain the necessary executive talent to deliver and sustain business performance and increase returns to shareholders. All securities referred to in this report are granted by CSR Limited.

CSR's executive LTI plans

The PRP has been CSR's executive LTI plan since YEM10.

Under the PRP, participants are granted performance rights subject to a three year vesting period and associated performance hurdles. The YEM10 and YEM11 PRP performance hurdles were based on CSR's TSR over the performance period of three years with subsequent performance subject to a second and final test in year four and five. On vesting of performance rights, CSR shares will be provided at no cost to the participant. If there is no, or partial, vesting of the performance rights after the initial performance hurdle test, there will be opportunities for a second and final test of performance on the fourth and fifth grant date anniversaries (YEM10 and YEM11 plans only). 50% of the performance rights will vest if the TSR of CSR equals the median TSR of the constituents of the S&P/ASX 200 index (defined at date of grant), and 100% will vest for upper quartile performance.

The YEM12 and YEM13 PRP introduced a second performance condition based upon the annual compound EPS growth over the performance period. EPS is defined as net profit after tax per share and is pre significant items. The performance period remains at three years; however, there is a final performance test on the fourth grant date anniversary. 50% of PRP grants are subject to CSR's TSR performance against the comparator group (Tranche A) and 50% is based upon compound EPS growth (Tranche B). The following vesting schedules apply for these tranches:

TSR OF CSR RELATIVE TO THE PEER GROUP	PROPORTION OF TRANCHE A VESTING
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th percentile and the 75th percentile	Straight-line vesting between 50% and 100% (e.g. each percentile improvement will result in an additional 2% vesting)
75th percentile or greater	100%

EPS TARGET RANGE (COMPOUND GROWTH PER ANNUM)	PROPORTION OF TRANCHE B TO VEST
Below 7% compound EPS target	0%
Equal to 7% compound EPS	50%
Between 7% and 12% compound EPS	Between 50% and 100% increasing on a straight-line basis
Greater than 12% compound EPS	100%

Particular features of the PRP are as follows:

- LTI participation eligibility is restricted to the managing director, direct reports and selected critical corporate roles within CSR;
- under the PRP, participants are not entitled to dividends in respect of unvested performance rights;
- consistent with recently introduced prohibitions under the Corporations Act 2001, the CSR Share Trading Policy prohibits participants hedging their exposure risk in relation to unvested performance rights or reducing the risk associated with the performance hurdles applicable to those performance rights in any way. Under the policy, participants forfeit their interest in unvested shares (i.e. shares that have not met the performance hurdles) if they enter into any hedging transaction in relation to those shares; and
- looking forward for YEM14, the PRP grant performance hurdle will be maintained so that 50% of the grant is subject to the same relative TSR performance hurdle as previous PRP grants, and 50% of the grant is made subject to an EPS performance hurdle. This is intended to continue to align with best practice and improve executives' line of sight over LTI reward outcomes. The performance period of three years with a fourth year performance test will continue in the YEM14 plan.

Historically, the CSR executive LTI plan was the Cash Award Share Plan (CASP). While new grants under this plan have been discontinued, the details of the CASP are disclosed in this report as historical grants under the plan have a three to five year vesting period and remain subject to ongoing performance hurdle testing. The 2007 CASP grant lapsed with no vesting after it failed to meet the final scheduled performance hurdle test on 16 July 2012. There are two CASP grants that remain on foot (refer table 5 on page 31 for key dates).

On 3 March 2011, CSR shares underwent a 3:1 consolidation. The consolidation applied to existing grants under CSR's LTI plans which equated to a reduction in the number of shares or rights by two-thirds. The impact of the share consolidation on LTI grants to KMP under the CASP and the PRP is disclosed in section G.

Remuneration Report (continued)

Operation of LTI plans for YEM13

The operation of the LTI plans for YEM13 is described in more detail as follows:

Table 4: Long Term Incentive plans – summary

	CASP (DISCONTINUED)	PRP
Participation	Executives were eligible subject to approval by the board.	Managing director, direct reports and select key critical corporate roles are eligible subject to approval by the board.
Grant frequency	Prior to YEM10, grants were typically made on an annual basis. One individual grant only was made in YEM10 under the CASP, to the former managing director due to the timing of the award and implementation of the PRP.	Grants are intended to be made on an annual basis.
Type of award	Grants of shares held in trust subject to service requirements and performance vesting criteria. If a further performance condition is met, additional shares are to be purchased and held in trust in the company's ESAP trust (described below). Refer to 'Performance conditions' below for more detail.	Grants of performance rights subject to service requirements and performance vesting criteria. If performance conditions are met, CSR shares will be purchased and transferred to participants. Refer to 'Performance conditions' below for more detail.
Vesting/performance period	Awards are 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) are tested to determine whether, and to what extent, awards vest.	Under the PRP, awards are typically subject to a three year vesting period. Immediately following completion of the vesting period, the performance conditions (detailed below) are tested to determine whether, and to what extent, awards vest. The initial testing period for YEM13 awards commenced on 23 July 2012, finishes on or around 22 July 2015, and can extend to 23 July 2016 or such other period as the board dictates.
Performance conditions	**Performance period and testing approach** CSR's TSR performance is measured from the date of grant up to the relevant testing date. TSR is the percentage growth in shareholder value, taking into account share price growth, dividends and capital returns. 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 performance testing 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 and 2009 grants are based on the 20 trading day volume weighted average price 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.	For YEM13 grants under the PRP over the initial three year performance period, two performance hurdles are applied weighted equally at 50%: (i) **relative TSR:** TSR measures the percentage growth in shareholder value, taking into account share price growth, dividends and capital returns. To the extent any performance rights that are tested against this hurdle (Tranche A) remain unvested at the end of the initial three year period, the performance period will be extended for a further 12 months and performance will be subject to a second and final test at the end of the extended period to determine if any additional vesting is available; and (ii) **EPS:** the annual compound EPS growth over the period from commencement of the performance period to the test date. This performance hurdle was introduced in the YEM12 PRP and continued with the YEM13 PRP. EPS is defined as net profit after tax per share pre significant items. The board may adjust EPS to exclude the effects of material business acquisitions or divestments and for certain one off costs. To the extent any performance rights that are tested against this hurdle remain unvested (Tranche B) at the end of the initial three year period, the performance period will be extended and performance will be subject to a second and final test at the end of the four year period. Performance 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. For the purposes of the TSR calculation, the start and end share prices will be calculated based on 10 trading day volume weighted average share price.

		CASP (DISCONTINUED)	PRP
	Performance conditions	If CSR's TSR exceeds the percentage increase in 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 and 2009 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). Based on CSR's performance against a second TSR hurdle, measured over the same period as the performance testing period, an additional grant of shares may be purchased and held in the ESAP trust. 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: • if CSR's TSR ranks equal to or above the 75th percentile of the peer group, a grant of an additional number of shares equal to the original grant will be made; • if CSR's TSR ranks between the median and 75th percentile of the peer group, a pro-rata number of shares between 0% and 100% of the original grant will be made; and • if CSR's TSR ranks below the median of the peer group, no additional shares will be granted. 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 index at the date of grant are used as the peer group. Any companies that are no longer in the S&P/ASX 200 index at the date of testing are removed from the peer group.	PRP grants issued before YEM12 had only one performance condition, being TSR, which applied as follows: • if CSR's TSR equals the median TSR of the constituents of the S&P/ASX 200 index over the performance period, 50% of the grant of performance rights will vest; • if CSR's TSR equals the upper quartile TSR of the constituents of the S&P/ASX 200 index over the performance period, 100% of the grant of performance rights will vest; • for TSR performance between the median and the upper quartile TSR of the constituents of the S&P/ASX 200 index over the performance period, each percentile improvement will result in an additional 2% vesting (i.e. straight-line vesting between 50% and 100%); • to the extent that performance rights have not vested following the three and four year testing dates, the performance period will be extended as described above; and • if the performance condition is not met by the fifth anniversary of the date of grant, participants will forfeit their interests in any unvested performance rights. For the YEM12 and YEM13 PRP grants, Tranche A is tested against a TSR hurdle using the S&P/ASX 200 index hurdles described above. Tranche B is tested against the annual compound EPS growth over the period from commencement of the performance period to the test date. EPS is defined as net profit after tax per share pre significant items. The board set a threshold vesting schedule of 7% compound growth in EPS per year. In the event that this 7% compound growth in EPS was achieved, then 50% of this component would vest progressing on a straight line basis to 100% vesting for achieving a 12% compound growth in EPS. To the extent any performance rights under either of Tranche A or Tranche B remain unvested at the end of the initial three year period, the performance period will be extended for a fourth year (i.e. performance will be subject to a second and final test at the end of the four year period to determine if any additional vesting is available for the relevant performance rights). The second and final test done at the end of the four year period will be done based on the entire applicable four year period (in the case of the retest of Tranche B, the EPS targets will be compounded for four years rather than three).
	How is performance assessed and why is it assessed that way?	Performance against the performance conditions is assessed by CSR based on publicly available data. TSR performance compared to the S&P/ASX 200 accumulation index is considered appropriate given CSR's size and mix of businesses.	Performance is assessed against the performance conditions by CSR based on publicly available data. TSR performance compared to the constituents of the S&P/ASX 200 index is considered appropriate given CSR's size and mix of businesses. EPS performance hurdles were implemented in YEM12 and continue for YEM13. Compound growth in EPS assesses the success of the business in generating continued growth in earnings and aligns the effort of senior executives with shareholder interests.
Treatment of dividends	As shares are held on trust for participants during the vesting period, participants are entitled to dividends paid on these shares.		There is no entitlement to dividends on performance rights under the plan during the vesting period.

Remuneration Report (continued)

		CASP (DISCONTINUED)	PRP
Treatment of capital return	As shares are held on trust for participants during the vesting period, participants are entitled to any capital return paid on these shares.		There is no entitlement to a capital return; however, the board may seek shareholder approval to make an adjustment to the number of shares underlying existing and unvested performance rights that would be awarded to the participant if and when performance rights vest. The number of additional shares underlying the performance rights corresponds to the cash amount per share returned to shareholders, and is intended to ensure the awards of PRP holders are not eroded by capital returns.
Sales restrictions post vesting	For grants prior to 30 June 2009, shares which satisfy the performance conditions remain in the CASP/ESAP trusts for the balance of a period of 10 years from grant date or until the earlier cessation of a participant's employment unless a notice of withdrawal is submitted by a participant and approved by the board. For grants made after 30 June 2009, grants which satisfy the performance conditions remain in the CASP/ESAP trusts for the balance of the period of seven years from grant date or until the earlier cessation of the participant's employment.		Shares acquired by participants on the vesting of performance rights will be transferred to participants. Previously, any shares allocated in respect of vested performance rights would be placed in trust for up to seven years from date of grant. In considering evolving market practice and the tightened disposal restrictions on shares held in trust associated with the revised tax legislation governing employee share schemes, the board elected to remove post-vesting disposal restrictions for any future vesting of existing and future grants of performance rights. As a result, any performance rights under the PRP that vest in the future will result in associated shares being transferred directly to the participants.
Treatment of unvested and vested awards on cessation of employment	**Unvested award**	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.	Generally, a participant who ceases to be employed prior to the performance conditions being met will forfeit their interests in the unvested rights. However, if the cessation of employment is the result of retirement, redundancy, total or permanent disablement, death or any other special circumstances at the board's discretion, board policy is to retain awards in the plan subject to ongoing performance hurdles following cessation of employment i.e. awards remain 'on foot'.
	Vested awards	Awards that have vested to participants and are held in the CASP/ESAP trusts will be released to participants upon cessation of employment.	Awards that have vested are transferred to participants immediately at the time of vesting.
Treatment of unvested and vested awards on change of control	**Unvested awards**	The board has discretion to allow awards to vest on a change of control of CSR (e.g. a takeover or merger).	The board has discretion to allow awards to vest on a change of control of CSR (e.g. a takeover or merger).
	Vested awards	Awards that have vested to participants and are being held in the CASP/ESAP trusts will be released to participants on a change of control of CSR.	Awards that have vested are transferred to participants at the time of vesting.
Prohibition of hedging arrangements	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 2013, 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.		

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

Table 5: Status and key dates – outstanding LTI awards

GRANT DATE	HOLDING PERIOD	PERFORMANCE TESTING WINDOWS (PERFORMANCE TEST STARTS FROM DATE OF GRANT)	EXPIRY DATE (IF HURDLE NOT MET)	DATE AT WHICH SHARE RESTRICTIONS LIFTED	PERFORMANCE STATUS
CASP					
21 July 2008	21 July 2008 to 20 July 2011	21 July 2011 to 20 July 2013	21 July 2013	21 July 2018	Performance tested but not yet exceeded the S&P/ ASX 200 accumulation index. No shares have vested.
21 July 2009	21 July 2009 to 21 July 2012	21 July 2012 to 20 July 2014	21 July 2014	21 July 2016	Performance tested but not yet exceeded the S&P/ ASX 200 accumulation index. No shares have vested.
PRP					
24 July 2009	24 July 2009 to 23 July 2012	24 July 2012 to 23 July 2014	24 July 2014	n/a	Performance tested but not yet exceeded the S&P/ ASX 200 accumulation index. No rights have vested.
24 July 2010	24 July 2010 to 23 July 2013	24 July 2013 to 23 July 2015	24 July 2015	n/a	Performance testing window not yet commenced.
23 July 2011	23 July 2011 to 22 July 2014	23 July 2014 to 22 July 2015 (Tranche A) 1 April 2014 to 31 March 2015 (Tranche B)	23 July 2015	n/a	Performance testing window not yet commenced.
23 July 2012	23 July 2012 to 22 July 2015	23 July 2015 to 22 July 2016 (Tranche A) 1 April 2015 to 31 March 2016 (Tranche B)	23 July 2016	n/a	Performance testing window not yet commenced.

D4 – Other equity incentive plans

Employee Share Acquisition Plan (ESAP)

The ESAP currently serves to encourage equity ownership as well as providing a vehicle to hold additional shares granted under the CASP as outlined below:

- **forgo salary to purchase equity.** The ESAP allows directors and employees to forgo up to $5,000 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 CSR 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 board approval is granted to sell or transfer shares under specific circumstances (e.g. financial hardship). Under current Australian tax law, the maximum period of income tax deferral on the shares purchased is seven years; and
- **hold any additional shares granted under the CASP.** As discussed above, if the second TSR hurdle in the CASP is achieved, an additional grant of shares is made and held in the ESAP until released in accordance with the LTI plan rules. Note this provision does not apply to the PRP (refer to section D3 for more information on the PRP).

Universal Share Ownership 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:

Table 6: USOP

Purpose	To encourage share ownership through enabling executives and employees to benefit from a favourable Australian tax treatment ($1,000 tax exemption available where certain conditions met).
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 approves the purchase of shares up to a maximum value of $1,000 (being the limit of the tax exemption) for each eligible participant. 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.
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.

The CSR board has approved making an offer to staff under the USOP for YEM14. CSR shares will be purchased on market to meet the USOP participation by eligible CSR employees.

Remuneration Report (continued)

E – LINK BETWEEN REMUNERATION AND COMPANY PERFORMANCE

A key underlying principle of the executive reward strategy is that remuneration should be linked to performance.

STI payments are based on a variety of performance conditions, both financial and non-financial. The key financial measure in YEM13, depending on role and seniority, was EBIT before significant items (while ROFE was maintained as an underpinning metric). Significant items (both positive and negative) are excluded when measuring performance for STIs as they are not considered part of the ordinary trading results for CSR. CSR's earnings and other performance measures are affected by external economic factors, including aluminium prices and foreign exchange rates. CSR's dividend policy is to pay dividends to shareholders based on net profit after tax before significant items.

In YEM13, the performance of CSR's businesses declined on the prior year with EBIT (pre significant items) decreasing by 53% to $72.5 million and net profit after tax (from continuing operations and pre significant items) decreasing by 64% to $32.7 million. ROFE for CSR decreased.

The following table provides reported financial information on which STIs have been based for the last five years. Note that CSR disposed of a significant proportion of its business and undertook a share consolidation during YEM11, so the pre-2011 information is not directly comparable. Refer to detailed footnotes for explanation.

Table 7: Key financials

YEAR ENDED 31 MARCH[1]	**2013**	2012	2011	2010	2009
EBIT ($ million)[2]	**72.5**	156.7	212.0	364.1	320.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)($ million)	**161.8**	246.3	308.0	522.1	474.9
Shareholders' funds ($ million)	**1,086.6**	1,278.7	1,281.3	1,818.2	1,586.5
ROFE based on year end funds employed[3]	**6.4%**	12.5%	18.2%	14.1%	11.3%
Net profit before significant items ($ million)	**32.7**	90.7	90.2	173.4	134.0
Net profit (loss) after significant items ($ million)	**(146.9)**	76.3	503.4	(111.7)	(326.5)
Basic earnings per share before significant items (cents)[4]	**6.5**	17.9	17.8	12.7	12.2
Dividend per share (cents)[5]	**5.1**	13.0	17.4	8.5	7.5
Share price as of 31 March ($)[6]	**2.06**	1.80	3.28	1.66	1.20

1 All years represent results for the full CSR group operations for the year, with the exception of 2011 which represents results from continuing operations only (i.e. excludes Sucrogen and Asian insulation businesses sold during the financial year).

2 EBIT excludes significant items and represents the primary financial metric used in the YEM13 STI plan.

3 ROFE is calculated as EBIT/funds employed (excluding the fair value of derivatives and superannuation defined benefit fund liabilities) as at 31 March of the respective year. STI payments for YEM13 were awarded taking into consideration both the average funds employed balance throughout the financial year and the impact of significant items on funds employed.

4 EPS excludes significant items and is based on net profit after tax. EPS results for 2011 reflect the impact of the 3:1 share consolidation on 3 March 2011, while prior EPS results reflect pre-consolidation share numbers.

5 Dividend (cents) is comprised of the following:

	2013	2012
Interim dividend	**3.0**	6.0
Final dividend	**2.1**	7.0
Total	**5.1**	13.0

6 2011 share price represents the CSR share price after the 3:1 share consolidation of 3 March 2011. Share prices for 2006–2010 represent pre-consolidation share prices.

In YEM13, CSR did not meet the EBIT threshold set by the board. External market drivers such as ongoing weakness in construction and aluminium markets and the timing of several property transactions resulted in lower than budgeted financial performance. There is a clear link between this performance and the level of STI awarded in YEM13 as most business units paid no STI payments for the financial element of the STI which represents up to 60% of the overall STI payment. Additionally in YEM13, given CSR did not meet EBIT threshold set by the board, the non-financial component, which represents up to 40% of the overall STI payment, was reduced by 50%. Overall, this has resulted in a year-on-year reduction of STI payments of 32%.

LTIs have been linked to company performance as follows:

- awards comprise shares (under the CASP) or performance rights (under the PRP) whose value ultimately depends on share price performance; and
- awards vest subject to CSR's relative TSR performance compared against the constituents of the S&P/ASX 200 index. The following chart shows CSR's TSR performance over the past five years against the S&P/ASX 200 accumulation index.

CSR's TSR fell below that of the S&P/ASX 200 accumulation index for the period from April 2008 to April 2013. As a consequence, no existing CASP grants vested in YEM13, as CSR's relative TSR performance did not reach the performance threshold necessary for vesting. During YEM13, the 2007 CASP grant did not reach its performance threshold and all 2007 CASP shares were forfeited.

Chart 2: TSR and S&P/ASX 200 accumulation index five year comparison

F – EXECUTIVE SERVICES AGREEMENTS

F1 – KEY MANAGEMENT PERSONNEL

The details of the Executive Services Agreements of CSR's KMP named in the remuneration tables can be summarised as:

- both executives have ongoing agreements of no fixed term;
- the agreements may be terminated by the individual giving between three to six months' notice, or by the company giving between six and 12 months' notice or payment in lieu of that notice;
- upon termination, executives are entitled to:
  - payment of annual and long service leave;
  - at the discretion of the board, an STI payment may be awarded on a pro-rata basis reflective of the KMP's achievement of financial and personal objectives during the year;
  - LTI awards that have vested, as discussed under section D3; and
  - at the discretion of the board and under board policy, if a KMP ceases employment due to retrenchment, death, disablement or retirement:
    - unvested CASP shares may vest depending on the performance against hurdles prior to termination. If performance hurdles are not achieved during the testing window(s) specified by the board, no vesting would occur in relation to unvested CASP awards; and
    - unvested PRP grants may be left in the plan subject to ongoing performance hurdles.

F2 – MANAGING DIRECTOR – EXECUTIVE SERVICES AGREEMENT

Rob Sindel was appointed as managing director of CSR effective 1 January 2011. Mr Sindel's remuneration package is summarised as follows:

Table 8: Managing director's remuneration package

Fixed remuneration	The managing director receives an annual fixed remuneration of $1,095,938 inclusive of superannuation contributions effective from 1 July 2012. Fixed remuneration is reviewed annually commencing 1 July 2013.
STI	The annual maximum STI opportunity is 100% of annual fixed remuneration for exceptional performance. Achievement of target performance would result in 70% of the maximum STI being paid. The STI is weighted 60% on financial performance and 40% on individual performance.
LTI	The managing director is able to participate in the PRP. The potential value of any award of performance rights he may earn is not less than 100% of annual fixed remuneration. Grants of performance rights are subject to performance hurdles and vesting criteria set by the board (refer to section D3 for details).

There was no sign-on incentive associated with Mr Sindel's appointment as managing director.

The contract is for an indefinite duration. Under the Executive Service Agreement, Mr Sindel's employment can be terminated by:

- the company giving him 12 months' notice of termination; or
- Mr Sindel giving six months' notice of resignation.

Remuneration Report (continued)

F3 – CHIEF FINANCIAL OFFICER – EXECUTIVE SERVICES AGREEMENT

Greg Barnes was appointed as chief financial officer of CSR effective 1 December 2010. Mr Barnes's remuneration package is summarised as follows:

Table 9: Chief financial officer's remuneration package

Fixed remuneration	The chief financial officer receives an annual fixed remuneration of $550,000 inclusive of superannuation contributions effective from 1 July 2012. Fixed remuneration is reviewed annually commencing 1 July 2013.
STI	The annual maximum STI opportunity is 100% of annual fixed remuneration for exceptional performance. Achievement of target performance would result in 50% of the maximum STI being paid. The STI is weighted 60% on financial performance and 40% on individual performance.
LTI	The chief financial officer is able to participate in the PRP. The potential value of any award of performance rights he may earn is up to 60% of annual fixed remuneration. Grants of performance rights are subject to performance hurdles and vesting criteria set by the board (refer to section D3 for details).

There was no sign-on incentive associated with Mr Barnes' appointment as chief financial officer.

The contract is for an indefinite duration. Under the Executive Service Agreement, Mr Barnes' employment can be terminated by:

- the company giving him six months' notice of termination; or
- Mr Barnes giving three months' notice of resignation

Under their Executive Services Agreements, Mr Sindel's and Mr Barnes' incentives are treated in the event of termination, or a change of control, as follows:

Table 10: Treatment of the managing director's and chief financial officer's incentives on termination

		LONG TERM INCENTIVE	
CIRCUMSTANCE	SHORT TERM INCENTIVE [a]	UNVESTED PERFORMANCE RIGHTS	SHARES ALLOCATED IN RESPECT OF VESTED PERFORMANCE RIGHTS
Notice by company	STI will be paid on a pro-rata basis	Board discretion to allow awards to vest or remain subject to performance hurdles after termination	Vested performance rights are released at time of vesting
Death or permanent disability	STI will be paid on a pro-rata basis	Board discretion to allow awards to vest	Vested performance rights are released at time of vesting
Change of control and subsequent material change to managing director's role [b]	STI will be paid on a pro-rata basis	Board discretion to allow awards to vest or remain subject to performance hurdles after termination	Vested performance rights are released at time of vesting

a Any STI payments will be paid according to the normal annual STI payment time frame (i.e. payment timing will not be accelerated).

b Only applies to the managing director. If the managing director resigned 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 12 months' notice of termination.

G – REMUNERATION AND SHAREHOLDINGS FOR YEM13 (AND COMPARATIVES)

Managing director's and chief financial officer's long term incentives

UNVESTED SHARES HELD IN TRUST UNDER THE CASP[a]		NUMBER OF CASP SHARES BALANCE AT 1 APRIL	GRANTED	VESTED	LAPSED	BALANCE AT 31 MARCH[b]	CASP SHARES INCLUDED IN REMUNERATION YEAR ENDED 31 MARCH[c]
Executive director							
Rob Sindel	2012	22,632	–	–	–	22,632	–
(Managing Director)	**2013**	**22,632**	**–**	**–**	**–**	**22,632**	**–**
Chief financial officer							
Greg Barnes[d]	2012	–	–	–	–	–	–
	2013	**–**	**–**	**–**	**–**	**–**	**–**

a Unvested CASP shares may vest if the TSR of CSR exceeds the ASX 200 accumulation index during the prescribed testing dates. An additional equivalent number of "top-up" shares may be awarded if the TSR of CSR exceeds the 75th percentile of the ASX 200 during the prescribed testing dates (refer to section D3 for more detail).

b Balance at 31 March includes unvested shares granted to Mr Sindel in 2008.

c The final grant for Mr Sindel was made in 2008 and this grant has been fully expensed at 31 March 2011.

d Mr Barnes commenced after the cessation of CASP.

Note – number of performance rights granted under the PRP represents the maximum award for stretch performance, whereas under the CASP the number of shares granted represented the award for target level performance with an out-performance 'top-up' granted at a later date if the second performance hurdle was achieved.

UNVESTED RIGHTS GRANTED UNDER THE PRP[a]		NUMBER OF PERFORMANCE RIGHTS RIGHTS BALANCE AT 1 APRIL	RIGHTS GRANTED	RIGHTS VESTED	RIGHTS LAPSED	RIGHTS BALANCE AT 31 MARCH	CSR SHARES ELIGIBLE AT VESTING[b]	NO. OF RIGHTS INCLUDED IN REMUNERATION YEAR ENDED 31 MARCH[c]
Executive director								
Rob Sindel	2012	287,827	426,988	–	–	714,815	811,939	397,049
(Managing Director)	**2013**	**714,815**	**798,497**	**–**	**–**	**1,513,312**	**1,610,436**	**470,507**
Chief financial officer								
Greg Barnes	2012	90,978	112,824	–	–	203,802	234,501	124,136
	2013	**203,802**	**269,939**	**–**	**–**	**473,741**	**504,440**	**150,853**

a PRP grants are expensed over the vesting period at a valuation determined on grant date. Grant valuations are as follows: grant in year ended 31 March 2010: \$1.06; year ended 31 March 2011: \$1.23; year ended 31 March 2012: Tranche A (TSR) \$1.49 and Tranche B (EPS) \$2.27; and year ended 31 March 2013: Tranche A (TSR) \$0.62 and Tranche B (EPS) \$0.93. Valuations are performed by a third party accounting valuation.

b Represents the number of shares that will be granted if performance rights vest. For grants on issue at the date of the CSR return of capital on 3 March 2011, each performance right is worth 1.337 CSR shares on vesting. All grants made after this date are eligible for 1 CSR share per 1 performance right on vesting. Shares acquired on vesting are fully paid ordinary shares and the amount payable by KMP to acquire these shares is nil.

c Represents the number of performance rights expensed during the financial year in accordance with the valuation described in Note (a).

Remuneration Report (continued)

Managing director's and chief financial officer's shareholdings [a]

		NUMBER OF CSR SHARES				
		OPENING BALANCE AT 1 APRIL	INCLUDED IN REMUNERATION	ACQUIRED	SOLD OR TRANSFERRED	BALANCE AT 31 MARCH
Managing director						
Rob Sindel	2012	15,344	–	54,099	–	69,443
	2013	**69,443**	**–**	**41,159**	**–**	**110,602**
Chief financial officer						
Greg Barnes	2012	1,821	–	5,143	–	6,964
	2013	**6,964**	**–**	**23,449**	**–**	**30,413**

a CSR shares in which the senior executive has a beneficial interest, including shares held under the STI deferral scheme, ESAP and CASP trusts or via their related parties, but excluding shares held under the prevalent CASP which have not vested. It also includes spouse shareholdings. Shares held under the CASP trust for Mr Sindel that have not vested are disclosed in the table "Managing director's and chief financial officer's long term incentives" in this section G.

Managing director's and chief financial officer's remuneration

The remuneration table below shows a 16.9% reduction in total actual remuneration for the KMP in YEM13 versus YEM12 which is explained by no STI payments being made.

$ YEAR ENDED 31 MARCH	FIXED REMUNERATION [a]	STI [b]	USOP	LTI ACCRUAL [c]	OTHER BENEFITS [d]	TOTAL (INCL ACCRUED LTI)	AT RISK [e]	VESTED AT RISK [f]	TOTAL ACTUAL REMUNERATION [g]
Managing director									
Rob Sindel									
2012	1,050,000	275,000	–	528,657	24,553	1,878,210	43%	12%	1,349,553
2013	**1,084,454**	**–**	**–**	**470,507**	**27,364**	**1,582,325**	**30%**	**0%**	**1,111,818**
Senior executive									
Greg Barnes (chief financial officer)									
2012	507,500	142,800	999	156,544	7,621	815,464	37%	14%	658,920
2013	**540,000**	**–**	**999**	**150,853**	**15,546**	**707,398**	**21%**	**0%**	**556,545**

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 payment is zero and the target entitlement as a % of fixed remuneration for the year ended 31 March 2013 is 50% for the chief financial officer and 70% for the managing director. Maximum potential STI entitlement is 100% of fixed remuneration. STI payments may be allocated at the executive's discretion to cash or additional superannuation contributions. Under the STI deferral rules, 20% of the STI value will be deferred into CSR shares.

c "Long term incentive accrual" is as defined in the accounting standards. Includes the amortised expenses for YEM10, YEM11, YEM12 and YEM13 PRP grants (for participating employees – refer to tables on page 35 for LTI grant participation by KMP) net of any reversal of accounting expenses for grants associated with EPS performance hurdles that were reassessed during YEM13.

d In the years ended 31 March 2012 and 2013, other benefits include the movement in accrual of long service leave entitlement. YEM12 included corporate hospitality, airfares and accommodation for Rob Sindel and YEM13 included airfares and accommodation for Rob Sindel and Greg Barnes and their spouses and taxi fares for Rob Sindel.

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

f Represents the proportion of total remuneration (including accrued LTI and non-deferred STI) that has vested.

g Represents the total of all remuneration package components including deferred STI amounts but excluding any LTI amounts that were accrued but not vested. There was no vesting of LTI awards from previous years in the year ended 31 March 2013. This figure represents what was actually earned by the executive for the years ended 31 March 2012 and 2013.

H – NON-EXECUTIVE DIRECTOR REMUNERATION

ROLE	ANNUAL FEE
Chairman base fees	$317,500
NED base fees (including one committee membership)	$127,000
Chairman of the Risk & Audit Committee	An additional $30,000
Chairman of the Remuneration & Human Resources Committee	An additional $20,000
Chairman of the Workplace Health, Safety & Environment Committee	An additional $15,000
Additional committee membership	An additional $10,000 per additional committee (applies to directors other than the chairman)

All fees are exclusive of any superannuation guarantee contributions.

NEDs do not participate in the company's STI or LTI plans or receive any variable remuneration, but are able to forgo fees for CSR shares under the ESAP. To further align NEDs' interests with those of shareholders, the company expects all NEDs to acquire a beneficial interest in CSR shares.

No retirement allowances are payable to NEDs.

Non-executive directors' shareholdings [a]

		NUMBER OF CSR SHARES				
	YEAR	BALANCE AT 1 APRIL	INCLUDED IN REMUNERATION	ACQUIRED	SOLD OR TRANSFERRED	BALANCE AT 31 MARCH
Kathleen Conlon	2012	28,372	–	2,787	–	31,159
	2013	**31,159**	**–**	**3,647**	**–**	**34,806**
Ray Horsburgh	2012	19,791	–	12,691	–	32,482
	2013	**32,482**	**–**	**3,018**	**–**	**35,500**
Michael Ihlein	2012	–	–	50,195	–	50,195
(joined board 7 July 2011)	**2013**	**50,195**	**–**	**3,143**	**–**	**53,338**
Rebecca McGrath[b]	2012	–	–	–	–	–
(joined board 1 February 2012)	**2013**	**–**	**–**	**13,608**	**–**	**13,608**
John Story	2012	61,943	–	–	–	61,943
(retired 12 July 2012)	**2013**	**61,943**	**–**	**–**	**–**	**n/a**
Jeremy Sutcliffe (chairman)	2012	25,467	–	100,079	–	125,546
	2013	**125,546**	**–**	**2,050**	**–**	**127,596**

a CSR shares in which the director has a beneficial interest, including shares held under the ESAP trust or via related parties.

b Rebecca McGrath was appointed as a non-executive director on 1 February 2012. Under CSR's Share Trading Policy, Rebecca McGrath was not permitted to acquire shares in CSR until the trading window opened on 17 May 2012.

Non-executive directors' remuneration

$ YEAR ENDED 31 MARCH	YEAR	DIRECTORS' FEES	TERMINATION BENEFITS	SUPERANNUATION	TOTAL
Kathleen Conlon	2012	150,347	–	13,531	163,878
	2013	**147,000**	**–**	**13,230**	**160,230**
Ray Horsburgh	2012	142,000	–	12,780	154,780
	2013	**142,000**	**–**	**10,650**	**152,650**
Michael Ihlein [a]	2012	100,540	–	9,049	109,589
	2013	**151,355**	**–**	**13,622**	**164,977**
Rebecca McGrath [b]	2012	22,833	–	2,055	24,888
	2013	**137,000**	**–**	**12,330**	**149,330**
John Story [c]	2012	157,000	–	14,130	171,130
	2013	**44,315**	**–**	**3,988**	**48,303**
Jeremy Sutcliffe (chairman) [d]	2012	283,133	–	25,482	308,615
	2013	**338,931**	**–**	**7,144**	**346,075**
Total non-executive directors	2012	855,853	–	77,027	932,880
	2013	**960,601**	**–**	**60,964**	**1,021,565**

a Michael Ihlein joined the board on 7 July 2011.

b Rebecca McGrath joined the board on 1 February 2012.

c John Story retired on 12 July 2012.

d For 2012, Jeremy Sutcliffe was appointed chairman on 7 July 2011. Effective 1 July 2012, Jeremy Sutcliffe's superannuation contribution was reduced from 9% to the minimum superannuation guarantee charge and his base fees increased by the difference between that minimum and his previous 9% contribution.

Directors' Report

The board of 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 2013 and the auditor's report thereon. Information in the annual report referred to in this report, including the remuneration report, the corporate governance report as well as any information contained in a note to the financial statements referred to in this report, forms part of, and is to be read as part of, this report.

PRINCIPAL ACTIVITIES

The principal activities of entities in the CSR group during the year included the manufacture and supply of building products in Australia and New Zealand.

In Australia, the CSR group has an interest in the smelting of aluminium through its 70% interest in Gove Aluminium Finance Limited, which owns 36.05% of the Tomago aluminium smelter. Also in Australia, CSR maximises returns from the sale of its surplus land by advancing sites through stages of the development process.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

A review of CSR group operations and the results for the year ended 31 March 2013 are set out on the inside front cover to page 3 and pages 41 to 88 of the annual report.

SUMMARY OF CONSOLIDATED RESULTS

Net profit after tax (pre significant items) was $32.7 million compared to $90.7 million for the prior year, reflecting ongoing weakness in construction and aluminium markets and timing of several property transactions.

Statutory net loss after tax was $146.9 million, which included significant item charges of $255.6 million pre tax ($179.6 million post tax). These charges were related to CSR restructuring its operations and overhead base to better align its cost base to prevailing market conditions. This included restructuring Viridian operations and an assessment of the carrying value of Viridian's net assets. Details relating to these items are provided in Note 3 to the financial report on page 54.

Net finance cost of $22.2 million was down slightly from last year of $23.2 million, and included an ongoing charge to restate CSR's product liability provision to nominal dollars and costs to maintain borrowing facilities. Tax expense of $6.2 million (pre significant items) was $17.0 million lower than the previous year, reflecting the reduction in earnings as well as tax deductions for research and development (R&D) expenditure. This level of benefit from R&D tax deductions will not continue in future years due to changes in tax legislation.

As at 31 March 2013, CSR had a net debt (i.e. cash and cash equivalents net of borrowings) balance of $25.1 million compared to a net cash position of $55.7 million at 31 March 2012, reflecting the timing of property cash flows and lower earnings.

CSR's recent major capital expenditure program is now largely finalised following the completion of a number of projects in recent years. Total capital expenditure (excluding property) was $50.9 million, representing 57% of depreciation, down from $87.7 million last year, excluding acquisitions.

For the year ended 31 March 2013, CSR paid asbestos related claims of $34.7 million which was down 10% from $38.4 million. As at 31 March 2013, the product liability provision was $423.8 million compared to $441.7 million at 31 March 2012. This provision includes a prudential margin of $79.7 million or 23% above the central estimate of future liabilities.

Note 1 to the financial report (segment information) on page 51 provides a breakdown of operating results by business segment and supporting comments are provided below:

BUILDING PRODUCTS

Building Products revenue was $970.7 million, down 2.3% from $993.5 million. Profit before income tax declined by 11% to $77.4 million. Adjusting for the Malaysian autoclaved aerated concrete business sold in December 2011, profit before tax was down 7% as lower sales activity could only be partially offset by cost reduction initiatives completed over the last 12 months.

GLASS (VIRIDIAN)

Viridian reported a loss before income tax of $38.8 million. Viridian's results reflected the decline in residential and commercial construction activity, continued pricing pressure (including a high Australian dollar) and adverse product mix. This result, compared to a loss of $19.3 million in the prior year, is a reflection of these factors.

Viridian's revenue of $268.2 million declined by 12.5%. Once adjusted for the impact of Viridian's New Zealand operations, following the creation of the joint venture in March 2012, Viridian's revenues declined by 3%.

On 11 March 2013, CSR announced that it had completed its strategic and operational review of Viridian and concluded that the structural shift experienced in the market for architectural glass products over recent years was likely to be sustained. These pressures include a persistently high Australian dollar that has put downward pressure on pricing and has entrenched alternative import supply chains, weaker residential and commercial construction markets, and a significant increase in (downstream) processing glass capacity during a period of weak demand. These pressures have adversely impacted the current and potential profitability of the industry.

In response, CSR has announced a restructure of its Viridian operations, including the closure of its Ingleburn (NSW) float glass facility and Wetherill Park (NSW) processing facility. In addition, CSR completed a review of Viridian's operational footprint and of the carrying value of its net assets. As a result, CSR has recognised non-cash, pre tax asset write downs and impairment charges of $196.1 million based on the revised valuation of the Australian business of $181.3 million. The restructuring costs, asset write downs and impairments were recognised as a significant item and are detailed in Note 3 to the financial report on page 54.

ALUMINIUM (GAF)

GAF revenues of $451.4 million were down 11.1%, reflecting the 13% decline in the Australian dollar realised price for aluminium during the year.

Profit before tax of $50.3 million was down 38%. This decline is primarily due to the flow-on effect of lower Australian dollar prices to earnings and lower returns from hedging, which were partially mitigated by improved production and overhead efficiencies and lower petroleum coke prices.

PROPERTY

Due to the timing of transactions, CSR's property division recorded no earnings during the year compared to EBIT of $24.4 million in the previous year which included the sale of the 535 lot residential development and 7.5 hectares of industrial land at Brendale, north of Brisbane.

SIGNIFICANT CHANGES

There have been no significant changes to the CSR group in the financial year ended 31 March 2013 other than the restructuring, asset write downs and impairment charge for Viridian noted above.

EVENTS AFTER BALANCE DATE

No matter or circumstance has arisen since the end of the financial 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.

RISKS, LIKELY DEVELOPMENTS AND FUTURE PROSPECTS

CSR's business segments are in building products (including architectural glass), aluminium and property development. As such, CSR's long term profitability and cash flows are responsive to domestic and international economic conditions, outlook and sentiment. Specifically, building products demand is driven by movements in residential and non-residential construction activity in Australia and New Zealand, and aluminium results are responsive to movements in the global US dollar price for aluminium. Building Products also imports certain products and raw materials and has businesses that are exposed to import competition, while aluminium sells its product in US dollars. As a result, both segments are exposed to movements in foreign currency and, in particular, to movements in the Australian and US dollar exchange rates.

CSR estimates that total housing starts in Australia (on a two quarter lag basis) will be around 147,000 for YEM14, up around 2% on the previous year and reflecting a stabilisation of recent declines in Victoria, offset by growth in New South Wales and Western Australia. The value of non-residential construction work done in Australia is expected to remain flat.

There are some encouraging signs of an improvement in housing construction in Australia, with rolling 12 month finance approvals increasing steadily over the last year and modest growth in lead indicators in New South Wales and Western Australia combined with record low interest rates. The board expects any recovery to be gradual until consumer and investor confidence improves.

Within Building Products, CSR expects to benefit from the restructuring and business improvement initiatives implemented over the last two years.

In Viridian, the restructuring which is underway should assist in earnings improvement in the current year and the full benefit of the various initiatives should be realised by the year ending 31 March 2015.

In Aluminium, GAF continues to increase its hedge book as opportunities arise with 42% of production hedged for the first half of YEM14. The overall net position is 32% hedged for YEM14 at an average price of A$2,218 per tonne (before premiums).

In relation to CSR's property division, while earnings are always subject to timing, current transactions under negotiation should flow through to earnings for YEM14. Beyond this, CSR retains a solid pipeline, underpinned by Chirnside Park (VIC) to be developed in several stages over the next five years.

This report omits information about likely developments and expected future results that would unreasonably prejudice CSR.

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 CSR's compliance with applicable environmental regulations under the laws of the Commonwealth, States and Territories of Australia and of New Zealand. CSR is not aware of any pending prosecutions relating to environmental issues, nor is CSR aware of any environmental issues, not provided for, which would materially affect the business as a whole.

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS

On 15 May 2013, the board resolved to pay a final unfranked dividend for the year ended 31 March 2013 of 2.1 cents per ordinary share, on 9 July 2013. Dividends through the year have been as follows:

- an interim, unfranked dividend of 3 cents per ordinary share paid on 18 December 2012 (as set out in Note 26 to the financial statements on page 67); and
- a final, fully franked, dividend of 7 cents per ordinary share, with respect to the financial year ended 31 March 2012, paid on 9 July 2012.

No other distributions were paid during the year.

DIRECTORS, SECRETARIES, DIRECTORS' MEETINGS AND DIRECTORS' SHAREHOLDINGS

There has been one change to the board in YEM13. John Story, non-executive director, retired from the board on 12 July 2012. Mr Story was appointed to the board in 2003.

The names of directors who held office at 15 May 2013, as well as 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 14 and 15. The qualifications and experience of the company secretary at 15 May 2013 are also on page 14.

Details about meetings of the board and of board committees, including attendance, are on page 22 and the directors' relevant interests in shares in CSR or a related body corporate as at the date of this report are on page 37. 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.

OPTIONS OVER SHARE CAPITAL

Other than as disclosed in the remuneration report:

- 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 were issued pursuant to exercised options during or since the end of the year.

INDEMNITIES AND INSURANCE

Under clause 101 of CSR's constitution, CSR indemnifies every person who is or has been an officer of CSR, to the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001 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.

For the purposes of clause 101 of CSR's constitution, 'officer' means a director, secretary and executive officer (as defined in the Corporations Act 2001). CSR has entered into a deed of indemnity with current and former directors of CSR and its subsidiaries. The deeds of indemnity are substantially in the form approved by shareholders in July 1999.

CSR has a similar policy covering all employees. CSR's external auditor is not indemnified under clause 101 of CSR's constitution or any other agreement.

During the year, CSR paid premiums in respect of insurance contracts for the year ended 31 March 2013 and, since the end of the year, CSR has paid, or agreed to pay, premiums in respect of such contracts for the year ending 31 March 2014. The insurance contracts insure against certain liability (subject to exclusion) incurred by persons who are or have been directors or officers of CSR and its controlled entities. 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 claims under the indemnities have been made against CSR during or since the end of the year.

Directors' Report (continued)

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 2013, an officer of the CSR group. No auditor played a significant role in the CSR group audit for the year ended 31 March 2013 in reliance on a declaration made under section 342A of the Corporations Act 2001. The auditor's independence declaration (made under section 307C of the Corporations Act 2001) is set out on page 87 and forms part of this report.

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 29 to the financial statements on page 69. In accordance with written advice provided by the Risk & Audit Committee, the directors are satisfied that the provision of non-audit services during the year by Deloitte Touche Tohmatsu:

- is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001; and
- did not compromise the auditor independence requirements of 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.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL
The remuneration report on pages 23 to 37, 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 and key management personnel (as defined by the Accounting Standard AASB 124 Related Party Disclosures); the relationship between remuneration policy and the CSR group's performance; and the remuneration details for each director and key management personnel.

Jeremy Sutcliffe
Chairman

Rob Sindel
Managing Director

15 May 2013

Financial Report

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

Statement of financial performance

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

($ MILLION)	NOTE	2013	2012
Trading revenue – sale of goods		**1,682.4**	1,801.9
Cost of sales		**(1,229.6)**	(1,278.8)
Gross margin		**452.8**	523.1
Other income	2	**9.6**	53.0
Warehouse and distribution costs		**(177.0)**	(179.8)
Selling, administration and other operating costs		**(221.2)**	(230.0)
Share of net profit of associates		**8.4**	11.1
Other expenses	2	**(255.7)**	(50.1)
(Loss) profit before finance and income tax		**(183.1)**	127.3
Interest income	4	**2.7**	7.0
Finance cost	4	**(24.9)**	(30.2)
(Loss) profit before income tax		**(205.3)**	104.1
Income tax benefit (expense)	6	**68.9**	(8.2)
Net (loss) profit		**(136.4)**	95.9
Net profit attributable to non-controlling interests		**10.5**	19.6
Net (loss) profit attributable to shareholders of CSR Limited[a]		**(146.9)**	76.3

EARNINGS PER SHARE (CENTS)		
Basic earnings per share – based on net (loss) profit attributable to shareholders of CSR Limited[b]	**(29.0)**	15.1
Diluted earnings per share – based on net (loss) profit attributable to shareholders of CSR Limited[b]	**(29.0)**	15.1

a Net profit before significant items attributable to shareholders of CSR Limited is $32.7 million (2012: $90.7 million). Refer to Note 3 to the financial statements.
b Weighted number of ordinary shares on issue used in the calculation of earnings per share is 506.0 million (2012: 506.0 million).

Notes to the financial statements are annexed.

Statement of comprehensive income

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

($ MILLION)	2013	2012
Net (loss) profit	**(136.4)**	95.9
Other comprehensive income (expense)		
Hedge profit recognised in equity	**10.9**	14.9
Hedge (profit) transferred to the statement of financial performance	**(15.3)**	(19.0)
Exchange differences arising on translation of foreign operations	**1.0**	0.9
Reclassification adjustments relating to foreign currency translation reserves and other reserves on disposed foreign operations	**–**	1.0
Actuarial gain (loss) on superannuation defined benefit plans	**3.0**	(34.0)
Income tax relating to components of other comprehensive income (expense)	**0.4**	11.2
Other comprehensive income (expense) for the period (net of tax)	**–**	(25.0)
Total comprehensive (expense) income	**(136.4)**	70.9
Total comprehensive (expense) income attributable to:		
Shareholders of CSR Limited	**(146.0)**	52.4
Non-controlling interests	**9.6**	18.5
Total comprehensive (expense) income	**(136.4)**	70.9

Notes to the financial statements are annexed.

Statement of financial position

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

($ MILLION)	NOTE	2013	2012
Current assets			
Cash and cash equivalents	9	**11.9**	55.8
Receivables	11	**244.8**	263.5
Inventories	10	**315.0**	309.5
Other financial assets	12	**14.4**	16.1
Income tax assets	6	**43.8**	40.8
Other current assets	13	**8.1**	7.4
Total current assets		**638.0**	693.1
Non-current assets			
Receivables	11	**60.6**	52.4
Inventories	10	**61.4**	54.6
Investments accounted for using the equity method	33	**37.3**	38.8
Other financial assets	12	**1.0**	3.7
Property, plant and equipment	14	**881.3**	1,120.3
Goodwill	16	**22.6**	22.4
Other intangible assets	17	**27.4**	31.7
Deferred income tax assets	6	**288.5**	213.7
Other non-current assets	13	**14.6**	14.8
Total non-current assets		**1,394.7**	1,552.4
Total assets		**2,032.7**	2,245.5
Current liabilities			
Payables	18	**201.7**	218.0
Borrowings	19	**2.5**	–
Other financial liabilities	20	**0.9**	0.8
Tax payable	6	**3.4**	2.1
Provisions	22	**204.7**	196.2
Total current liabilities		**413.2**	417.1
Non-current liabilities			
Payables	18	**1.7**	16.4
Borrowings	19	**34.5**	0.1
Provisions	22	**428.6**	447.6
Deferred income tax liabilities	6	**31.5**	36.2
Other non-current liabilities	18	**36.6**	49.4
Total non-current liabilities		**532.9**	549.7
Total liabilities		**946.1**	966.8
Net assets		**1,086.6**	1,278.7
Equity			
Issued capital	23	**1,042.2**	1,042.2
Reserves	24	**17.4**	17.6
Retained profits		**(24.8)**	170.6
Equity attributable to shareholders of CSR Limited		**1,034.8**	1,230.4
Non-controlling interests	25	**51.8**	48.3
Total equity		**1,086.6**	1,278.7

Notes to the financial statements are annexed.

Statement of changes in equity

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

($ MILLION)	ISSUED CAPITAL	HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	EMPLOYEE SHARE RESERVE	OTHER RESERVES	RETAINED PROFITS	EQUITY ATTRIBUTABLE TO CSR LIMITED SHARE-HOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at 1 April 2012	**1,042.2**	**9.9**	**(10.7)**	**18.4**	**–**	**170.6**	**1,230.4**	**48.3**	**1,278.7**
Net (loss) profit	**–**	**–**	**–**	**–**	**–**	**(146.9)**	**(146.9)**	**10.5**	**(136.4)**
Hedge profit recognised in equity	**–**	**7.5**	**–**	**–**	**–**	**–**	**7.5**	**3.4**	**10.9**
Hedge (profit) transferred to the statement of financial performance	**–**	**(10.7)**	**–**	**–**	**–**	**–**	**(10.7)**	**(4.6)**	**(15.3)**
Exchange differences arising on translation of foreign operations	**–**	**–**	**1.0**	**–**	**–**	**–**	**1.0**	**–**	**1.0**
Actuarial gain on superannuation defined benefit plans	**–**	**–**	**–**	**–**	**–**	**3.0**	**3.0**	**–**	**3.0**
Income tax relating to components of other comprehensive income	**–**	**1.0**	**–**	**–**	**–**	**(0.9)**	**0.1**	**0.3**	**0.4**
Total comprehensive (expense) income	**–**	**(2.2)**	**1.0**	**–**	**–**	**(144.8)**	**(146.0)**	**9.6**	**(136.4)**
Payment of ordinary dividends	**–**	**–**	**–**	**–**	**–**	**(50.6)**	**(50.6)**	**(6.1)**	**(56.7)**
Recognition of share based payments	**–**	**–**	**–**	**1.0**	**–**	**–**	**1.0**	**–**	**1.0**
Balance at 31 March 2013	**1,042.2**	**7.7**	**(9.7)**	**19.4**	**–**	**(24.8)**	**1,034.8**	**51.8**	**1,086.6**
Balance at 1 April 2011	1,042.2	11.6	(12.6)	16.9	5.3	170.3	1,233.7	47.6	1,281.3
Net profit	–	–	–	–	–	76.3	76.3	19.6	95.9
Hedge profit recognised in equity	–	10.7	–	–	–	–	10.7	4.2	14.9
Hedge (profit) transferred to the statement of financial performance	–	(13.2)	–	–	–	–	(13.2)	(5.8)	(19.0)
Exchange differences arising on translation of foreign operations	–	–	0.9	–	–	–	0.9	–	0.9
Reclassification adjustments relating to foreign currency translation reserves and other reserves on disposed foreign operations	–	–	1.0	–	(5.3)	5.3	1.0	–	1.0
Actuarial loss on superannuation defined benefit plans	–	–	–	–	–	(34.0)	(34.0)	–	(34.0)
Income tax relating to components of other comprehensive income	–	0.8	–	–	–	9.9	10.7	0.5	11.2
Total comprehensive (expense) income	–	(1.7)	1.9	–	(5.3)	57.5	52.4	18.5	70.9
Payment of ordinary dividends	–	–	–	–	–	(57.2)	(57.2)	(17.8)	(75.0)
Recognition of share based payments	–	–	–	1.5	–	–	1.5	–	1.5
Balance at 31 March 2012	1,042.2	9.9	(10.7)	18.4	–	170.6	1,230.4	48.3	1,278.7

Notes to the financial statements are annexed.

Statement of cash flows

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

($ MILLION)	NOTE	2013	2012
Cash flows from operating activities			
Receipts from customers		**1,829.9**	1,960.2
Payments to suppliers and employees		**(1,767.7)**	(1,836.3)
Dividends and distributions received		**10.4**	10.2
Interest received		**2.9**	6.3
Income tax paid		**(11.9)**	(37.1)
Net cash from operating activities		**63.6**	103.3
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(92.5)**	(129.6)
Proceeds from sale of property, plant and equipment and other non-current assets		**18.7**	48.0
Costs associated with disposal of discontinued operations	8	**(2.1)**	(13.7)
Net cash from disposal of businesses (net of payments for transaction costs)	8	**–**	31.1
Purchase of controlled entities and businesses, net of cash acquired	7	**–**	(16.1)
Loans advanced		**(4.4)**	(17.2)
Investment in associated entity		**–**	(1.1)
Net cash used in investing activities		**(80.3)**	(98.6)
Cash flows from financing activities			
Net proceeds from (repayment of) borrowings		**36.9**	(3.1)
Dividends paid		**(56.7)**	(75.0)
Interest and other finance costs paid		**(6.8)**	(13.4)
Net cash used in financing activities		**(26.6)**	(91.5)
Net decrease in cash held		**(43.3)**	(86.8)
Net cash at the beginning of the financial year		**55.8**	142.3
Effects of exchange rate changes		**(0.6)**	0.3
Net cash at the end of the financial year	9	**11.9**	55.8
Reconciliation of net (loss) profit attributable to shareholders of CSR Limited to net cash from operating activities			
Net (loss) profit attributable to shareholders of CSR Limited		**(146.9)**	76.3
Net profit attributable to non-controlling interests		**10.5**	19.6
Depreciation and amortisation	5	**89.3**	89.6
Net change in provisions		**(46.6)**	(50.2)
Significant items (non-cash)		**154.3**	(16.5)
Finance cost		**24.9**	30.2
Profit on disposal of property, plant and equipment and other assets		**(6.7)**	(27.5)
Net change in trade receivables		**4.4**	9.9
Net change in current inventories		**6.2**	(21.4)
Net change in trade payables		**(9.6)**	15.0
Net change in other assets and liabilities		**(16.2)**	(21.7)
Net cash from operating activities		**63.6**	103.3

Credit facilities are shown in Note 21.

Notes to the financial statements are annexed.

Significant accounting policies

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

STATEMENT OF COMPLIANCE
CSR Limited is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

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 consolidated financial statements of the CSR group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the CSR group comply with International Financial Reporting Standards (IFRS).

BASIS OF PREPARATION
The financial report is based on historical cost, except for certain assets which are at deemed cost or their revalued amount.

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 provided below.

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

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

Control is achieved where CSR Limited has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

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

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

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

NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS
The CSR group has adopted all new and revised Australian Accounting Standards and Australian Accounting Standards Board (AASB) Interpretations that are relevant to operations and effective for the current reporting period.

The adoption of new and revised Standards and Interpretations has not resulted in any changes to the CSR group's accounting policies and has no effect on the amounts reported for the current or comparative periods. In addition, no changes have been required to the CSR group's presentation or disclosures in these financial statements as a result of the new and revised Standards and Interpretations.

IMPACT OF ACCOUNTING STANDARDS AND INTERPRETATIONS ON ISSUE BUT NOT YET EFFECTIVE
The following Australian Accounting Standards and Interpretations have not yet been adopted by the CSR group and are expected to be applicable for the financial year ending 31 March 2014:

- AASB 9 Financial Instruments (effective date deferred);
- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements;
- AASB 12 Disclosure of Interests in Other Entities;
- AASB 13 Fair Value Measurement;
- AASB 101 Presentation of Financial Statements (revised); and
- AASB 119 Employee Benefits (revised).

Presentation of financial statements and notes may be different when these Standards are adopted.

The CSR group will adopt AASB 119 Employee Benefits (revised) from 1 April 2013. The revised standard includes changes to the recognition of income and expenses associated with the superannuation defined benefit plans in which the CSR group participates. Under the revised standard, return on plan assets will be calculated based on the rate used to discount the obligations rather than the expected rate of return on these assets, which may have a significant impact on profit or loss. The CSR group has obtained actuarial assessments which estimate the impact of the revised standard would have been a $4.0 million increase in the loss before tax for the financial year ended 31 March 2013.

The CSR group does not anticipate any change in accounting for existing arrangements under AASB 10, AASB 11 and AASB 12. However, should any arrangements take place which change existing interests or create new interests in controlled entities, the accounting for such transactions may be different to that applied to transactions in the past.

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

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

Product liability: CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia, and exporting asbestos to the United States. CSR's involvement in asbestos ceased with the disposal of the Wunderlich asbestos cement business in 1977. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States. At 31 March 2013, a provision of $423.8 million (2012: $441.7 million) has been made for all known claims and reasonably foreseeable future claims. Refer Note 38 for further details of the key assumptions and uncertainties in estimating this liability.

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

Significant accounting policies (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

Cash flows are reforecast annually, covering the next ten years and a valuation was calculated using a post-tax discount rate of 10.2% per annum. Discounted cash flow projections over a ten year period are used and deemed appropriate given the cyclical nature of the markets in which the CSR group operates. The first five years represent financial plans forecast by management, based on the CSR group's view of the respective cycle, with years six to ten applying averaging assumptions to ensure cash flows in year ten are sufficiently stable to apply the terminal value. A terminal value is used from year eleven onwards including an annual growth rate, which was 2.5% in the year ended 31 March 2013 (2012: 2.5%).

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

Measurement of provision uninsured losses and future claims: The provision for uninsured losses and future claims relates to the CSR group's self insurance for workers' compensation program. CSR Limited is a licensed self insurer in New South Wales, Queensland, Victoria, South Australia (to 10 April 2003), Western Australia and the Australian Capital Territory for workers' compensation insurance. As at 31 March 2013, a provision of $32.4 million (2012: $33.6 million) has been made for all known claims and reasonably forseeable future claims. Management assesses the provision at each reporting date based on reports provided by independent experts.

SIGNIFICANT ITEMS

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

REVENUE RECOGNITION

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

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

LEASES

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

NET FINANCE COST

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

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

TAX CONSOLIDATION

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

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

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

INCOME TAX

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable income for the financial year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

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

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

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

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

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

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

GOODS AND SERVICES TAX

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

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

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

FOREIGN CURRENCY

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

On consolidation, the 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 profit or loss on disposal of the operation.

CASH AND CASH EQUIVALENTS

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

TRADE RECEIVABLES

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

INVENTORIES

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

ACQUISITION OF ASSETS

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

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 depreciated over the expected useful life of the asset.

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 14.

INTANGIBLE ASSETS

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

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

FINANCIAL ASSETS

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

IMPAIRMENT OF ASSETS

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

Other assets are reviewed for impairment at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount.

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

PAYABLES

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

BORROWINGS

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

Significant accounting policies (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

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

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

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

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

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

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

Product liability: The CSR group's provision for product liability is determined using reports provided by independent experts in each of Australia and the United States. The CSR group has included within the provision an appropriate prudential margin. Refer to Note 38 for further information on the basis for determining the product liability provision.

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

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

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

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

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

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

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

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

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

1. SEGMENT INFORMATION

Operating and reportable segments

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

Building Products	Lightweight Systems (Gyprock plasterboard, Hebel aerated autoclaved concrete products, Cemintel fibre cement, Fricker ceiling systems, and Rondo rollformed steel products) and Insulation (Bradford insulation and Edmonds ventilation systems). Bricks and Roofing (PGH bricks, Monier and Wunderlich roofing, MySteel roofing solutions and Topcat safety rail).
Glass	The Glass business includes the operations of Viridian, Australia's leading glass provider and the only manufacturer of float glass and hardcoated performance products in Australia. It operates two main businesses – manufacturing clear float, coated and bulk laminate glass in Victoria and New South Wales (closure of New South Wales facility announced 11 March 2013) and downstream value-added processing of glass from a number of facilities across Australia. It also participates in a glass processing joint venture in New Zealand.
Aluminium	The Aluminium business unit relates to the CSR group's 70% interest in Gove Aluminium Finance Limited, which in turn holds a 36.05% joint venture interest in the Tomago aluminium smelter (i.e. an effective interest of 25.24%). Gove Aluminium Finance Limited sources alumina, has it toll manufactured by Tomago and then sells aluminium into predominantly the Asian market. Products from the aluminium business include aluminium ingots, billets and slabs.
Property	The Property business unit generates returns typically from the sale of former operating sites by advancing the sites through various stages of the development cycle. In addition, this business is currently involved in a small number of large-scale developments in New South Wales, Queensland and Victoria. These projects, in most cases, are in-fill developments (currently vacant land or discontinued operating sites within otherwise built up areas) located in metropolitan regions.

Accounting policies and inter-segment transactions

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

Transfers of assets between segments are recognised at cost.

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

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

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

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

1. SEGMENT INFORMATION (CONTINUED)

	(LOSS) PROFIT BEFORE INCOME TAX		INCOME TAX (BENEFIT) EXPENSE		NON-CONTROLLING INTERESTS		NET (LOSS) PROFIT	
($ MILLION)	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Business segments								
Building Products	**77.4**	86.9	**20.8**	22.5	**–**	–	**56.6**	64.4
Glass	**(38.8)**	(19.3)	**(12.1)**	(4.5)	**–**	–	**(26.7)**	(14.8)
Aluminium	**50.3**	80.5	**10.3**	11.7	**11.4**	19.6	**28.6**	49.2
Property	**–**	24.4	**(1.4)**	7.2	**–**	–	**1.4**	17.2
Segment total	**88.9**	172.5	**17.6**	36.9	**11.4**	19.6	**59.9**	116.0
Corporate[a]	**(13.8)**	(15.3)	**(4.5)**	(6.4)	**–**	–	**(9.3)**	(8.9)
Restructuring and provisions[b]	**(2.6)**	(0.5)	**(0.2)**	(0.2)	**–**	–	**(2.4)**	(0.3)
Earnings before interest and significant items	**72.5**	156.7	**12.9**	30.3	**11.4**	19.6	**48.2**	106.8
Net finance cost	**(22.2)**	(23.2)	**(6.7)**	(7.1)	**–**	–	**(15.5)**	(16.1)
Total before significant items	**50.3**	133.5	**6.2**	23.2	**11.4**	19.6	**32.7**	90.7
Significant items (Note 3)	**(255.6)**	(29.4)	**(75.1)**	(15.0)	**(0.9)**	–	**(179.6)**	(14.4)
Total after significant items	**(205.3)**	104.1	**(68.9)**	8.2	**10.5**	19.6	**(146.9)**	76.3

	TOTAL REVENUE[c]		SHARE OF NET PROFIT OF ASSOCIATES		DEPRECIATION AND AMORTISATION[d]		ADDITIONS TO NON-CURRENT ASSETS[e]	
($ MILLION)	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Business segments								
Building Products	**970.7**	993.5	**10.2**	11.3	**35.6**	36.3	**28.9**	45.7
Glass	**268.2**	306.5	**(1.0)**	(0.2)	**24.7**	24.6	**15.0**	73.3
Aluminium	**451.4**	507.9	**–**	–	**28.0**	27.6	**6.9**	10.4
Property	**1.7**	27.2	**–**	–	**–**	–	**22.0**	74.2
Segment total	**1,692.0**	1,835.1	**9.2**	11.1	**88.3**	88.5	**72.8**	203.6
Corporate[a]	**–**	–	**–**	–	**1.0**	1.1	**0.1**	0.2
Restructuring and provisions[b]	**–**	–	**(0.8)**	–	**–**	–	**–**	–
Interest income	**2.7**	7.0						
Total before significant items	**1,694.7**	1,842.1	**8.4**	11.1	**89.3**	89.6	**72.9**	203.8
Significant items (Note 3)	**–**	19.8	**–**	–	**–**	–	**–**	–
Total after significant items	**1,694.7**	1,861.9	**8.4**	11.1	**89.3**	89.6	**72.9**	203.8

1. SEGMENT INFORMATION (CONTINUED)

($ MILLION)	ASSETS[f] 2013	ASSETS[f] 2012	LIABILITIES 2013	LIABILITIES 2012	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD 2013	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD 2012	IMPAIRMENT OF ASSETS[g] 2013	IMPAIRMENT OF ASSETS[g] 2012
Building Products	**930.3**	929.8	**161.2**	165.0	**16.4**	16.6	**(3.7)**	(4.8)
Glass	**261.4**	483.3	**99.6**	63.0	**21.7**	22.2	**(196.1)**	–
Aluminium	**304.1**	338.3	**66.5**	73.9	**–**	–	**–**	–
Property	**157.6**	139.9	**28.9**	57.2	**–**	–	**–**	–
Segment total	**1,653.4**	1,891.3	**356.2**	359.1	**38.1**	38.8	**(199.8)**	(4.8)
Unallocated[b]	**35.1**	43.9	**518.0**	569.3	**(0.8)**	–	**–**	–
	1,688.5	1,935.2	**874.2**	928.4	**37.3**	38.8	**(199.8)**	(4.8)
Cash/borrowings	**11.9**	55.8	**37.0**	0.1				
Tax assets/liabilities	**332.3**	254.5	**34.9**	38.3				
Group total	**2,032.7**	2,245.5	**946.1**	966.8	**37.3**	38.8	**(199.8)**	(4.8)

a Represents unallocated overhead and other revenues.

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

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

d Depreciation and amortisation includes $3.6 million (2012: $4.6 million) amortisation of intangible assets. Other significant non-cash expenses such as asset write downs and impairments, movements in provisions and other rationalisation expenses which are significant items are disclosed in Note 3. Other non-cash expenses are immaterial.

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

f All acquisitions of controlled entities and businesses in 2012 were in the Building Products and Glass segments.

g Includes $196.1 million of asset write downs and impairments of the Viridian business (Glass segment) as a result of restructuring and a reassessment of carrying value for this business. Viridian asset write downs and impairments are comprised of $187.4 million property, plant and equipment and other non-current assets and $8.7 million inventories. In addition, write downs of $3.7 million of plant and equipment have been recorded in the Building Products business. Impairment of assets for the year ended 31 March 2012 includes $4.3 million impairment of property, plant and equipment and $0.5 million impairment of inventories relating to site closures in the Building Products business.

Geographical information

The CSR group operates principally in Australia. For the year ended 31 March 2013, the CSR group's trading revenue from external customers in Australia amounted to $1,631.3 million (2012: $1,713.4 million), with $51.1 million (2012: $88.5 million) of trading revenue related to other geographical areas. The CSR group's non-current assets excluding investments accounted for using the equity method, deferred tax assets and other financial assets in Australia amounted to $1,049.6 million at 31 March 2013 (2012: $1,275.1 million), with $18.3 million (2012: $21.1 million) related to other geographical areas.

2. OTHER INCOME AND EXPENSES

($ MILLION)	NOTE	2013	2012
Income			
Significant items	3	**–**	19.8
Profit on disposal of property, plant and equipment and other assets		**6.7**	27.5
Other		**2.9**	5.7
Total other income		**9.6**	53.0
Expenses			
Significant items	3	**(255.6)**	(49.2)
Other		**(0.1)**	(0.9)
Total other expenses		**(255.7)**	(50.1)

During the financial year ended 31 March 2013, expenses incurred in relation to employee benefits amounted to $403.5 million (2012: $427.4 million).

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

3. SIGNIFICANT ITEMS

($ MILLION)	2013	2012
Asset write downs, impairments and restructuring		
Property, plant and equipment and other non-current assets[a]	**(187.4)**	–
Inventories[a]	**(8.7)**	–
Restructuring costs[b]	**(34.1)**	–
Surplus leases, committed contracts and other costs[b]	**(10.8)**	–
Viridian asset write downs, impairments and restructuring	**(241.0)**	–
Other restructuring costs[c]	**(13.2)**	(27.6)
Total asset write downs, impairments and restructuring	**(254.2)**	(27.6)
Other significant items		
Charge to product liability provision[d]	**–**	(12.1)
Charge to provision for legal disputes, warranties and land remediation[e]	**–**	(9.5)
Gain on disposal of businesses and costs related to proposed and completed acquisitions[f]	**(1.4)**	19.8
Total other significant items	**(1.4)**	(1.8)
Total significant items		
Significant items before income tax	**(255.6)**	(29.4)
Income tax benefit on significant items	**75.1**	15.0
Significant items after tax	**(180.5)**	(14.4)
Significant items attributable to non-controlling interests	**0.9**	–
Significant items attributable to shareholders of CSR Limited	**(179.6)**	(14.4)
Net (loss) profit attributable to shareholders of CSR Limited	**(146.9)**	76.3
Significant items attributable to shareholders of CSR Limited after tax	**179.6**	14.4
Net profit before significant items attributable to shareholders of CSR Limited	**32.7**	90.7

EARNINGS PER SHARE (CENTS)		
Before significant items		
Basic earnings per share – based on net profit attributable to shareholders of CSR Limited[g]	**6.5**	17.9
Diluted earnings per share – based on net profit attributable to shareholders of CSR Limited[g]	**6.5**	17.9

3. SIGNIFICANT ITEMS (CONTINUED)

a On 11 March 2013, CSR announced that it had completed a review of the Viridian business (Glass segment), and concluded that a structural shift experienced in the market for architectural glass products over recent years was likely to be sustained.

These structural shifts included:

– a persistently high Australian dollar that has put downward pressure on pricing and product mix, as well as enabling alternative import supply channels to be established which are now expected to become a permanent feature of the architectural glass market;
– weaker residential and non-residential construction markets, with both at cyclical lows and forecast to recover at a slower rate than previously anticipated; and
– a significant increase in (downstream) processing glass capacity during a period of weak demand which has adversely impacted profitability and profit potential of the industry.

These factors formed part of the CSR group's review of Viridian's operational footprint and have been incorporated into the assessment of the carrying value of its net assets. A valuation of the business has been prepared as at 31 March 2013, and as a result, the CSR group has recognised asset write downs and impairment charges of $196.1 million, of which $187.4 million was allocated to property, plant and equipment and other non-current assets and $8.7 million to inventories.

The valuation was carried out using the methodology and discount rate outlined in significant accounting policies. In relation to the valuation model prepared, the key assumptions relate to the Australian dollar versus US dollar exchange rate, residential and non-residential construction activity, average selling prices, the composition (or mix) of product to be sold and manufactured, and market share. Assumptions were determined with reference to current performance and expected changes, taking into account available external forecast information and the expected benefits from the restructuring initiatives announced on 11 March 2013.

b The decision to close the Viridian float and laminating glass manufacturing facility at Ingleburn (New South Wales), planned for July 2013, and the consolidation of the Viridian glass processing facility at Wetherill Park (New South Wales) into Erskine Park (New South Wales), which is expected to be completed by January 2014, has resulted in restructuring costs of $34.1 million, largely related to redundancies, asset decommissioning and relocation costs. In addition, a provision of $10.8 million has been recognised for onerous contractual obligations and other costs, mainly related to property leases.

c During the years ended 31 March 2013 and 2012, restructuring has taken place across Building Products, Aluminium and head office and support functions to align the CSR group's cost base with current market conditions and secure ongoing efficiencies. Costs are related to redundancies and sundry asset write downs.

Restructuring costs for the year ended 31 March 2012 include impairment of property, plant and equipment in relation to the decision to close the Clayton Rockwool factory.

d In the year ended 31 March 2012, the CSR group recorded a charge of $12.1 million in relation to its product liability provision, reflecting an increase in the routine estimate of future asbestos related claims in the United States (after cash payments and adjustments for the present value of future claims).

e As at 31 March 2012, the CSR group remeasured provisions in relation to land remediation obligations for some legacy factory sites and ongoing legal disputes as these matters had advanced towards settlement.

f During the year ended 31 March 2013, the CSR group incurred costs associated with proposed acquisitions of $1.4 million.

During the year ended 31 March 2012, the CSR group recorded a gain on disposal of businesses and acquisition costs of $19.8 million. This amount was mainly comprised of the gain on sale of the Asian autoclaved aerated concrete business in Malaysia (Asian AAC business) which completed on 15 December 2011; refer to Note 8. A small net profit was also recorded on disposal of the Viridian New Zealand assets and establishment of a joint venture in relation to these business operations during the year ended 31 March 2012. The CSR group also incurred transaction costs in relation to potential transactions and completed acquisitions disclosed in Note 7 and benefited from remeasurement of provisions for costs relating to the disposal of the Sucrogen business.

g Weighted number of ordinary shares on issue used in the calculation of earnings per share is 506.0 million (2012: 506.0 million).

4. NET FINANCE COST

($ MILLION)	2013	2012
Interest expense	**2.7**	5.9
Unwinding of discount on non-current provisions	**19.1**	22.2
Funding costs	**5.0**	6.6
Foreign exchange gain	**(1.9)**	(4.5)
Finance cost	**24.9**	30.2
Interest income	**(2.7)**	(7.0)
Net finance cost	**22.2**	23.2

5. DEPRECIATION AND AMORTISATION

($ MILLION)	2013	2012
Amounts incurred for depreciation and amortisation of		
Property, plant and equipment	**85.7**	85.0
Other intangible assets	**3.6**	4.6
Total depreciation and amortisation	**89.3**	89.6

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

6. INCOME TAXES[a]

($ MILLION)	2013	2012
Reconciliation of income tax (benefit) expense credited (charged) to the statement of financial performance with income tax calculated on (loss) profit before income tax:		
(Loss) profit before income tax	**(205.3)**	104.1
Income tax (benefit) expense calculated at 30%	**(61.6)**	31.2
(Increase) decrease in income tax (benefit) expense due to		
Non-taxable profit on business disposals	**–**	(7.2)
Significant items	**0.8**	–
Share of net profit of associates and rebates on dividend income	**(2.5)**	(3.4)
Income tax over provided in prior years	**(6.0)**	(14.6)
Other items	**0.4**	2.2
Total income tax (benefit) expense on (loss) profit	**(68.9)**	8.2
Total income tax (benefit) expense comprises		
Current tax (income)	**(26.1)**	(25.2)
Deferred tax (income) expense relating to the origination and reversal of temporary differences	**(42.8)**	33.4
Total income tax (benefit) expense on (loss) profit	**(68.9)**	8.2
Current tax payable attributable to		
Entities in the tax consolidated group	**–**	–
Other entities	**3.4**	2.1
Total current tax payable	**3.4**	2.1
Deferred income tax assets and liabilities comprise		
Temporary differences recorded as asset	**206.5**	168.0
Temporary differences recorded as liability	**(31.5)**	(36.2)
Net temporary differences – asset	**175.0**	131.8
Tax losses – revenue recorded as asset	**82.0**	45.7
Net deferred income tax assets	**257.0**	177.5
Current income tax assets	**43.8**	40.8

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

6. INCOME TAXES (CONTINUED)

($ MILLION)	OPENING BALANCE	CREDITED (CHARGED) TO PROFIT OR LOSS	CREDITED (CHARGED) TO EQUITY	OTHER	CLOSING BALANCE
2013					
Movement in net deferred income tax assets (liabilities) attributable to temporary differences					
Fair value of hedges	**(5.7)**	**–**	**1.3**	**–**	**(4.4)**
Property, plant and equipment	**(27.4)**	**43.3**	**–**	**(0.8)**	**15.1**
Superannuation defined benefit plans	**14.8**	**(3.1)**	**(0.9)**	**–**	**10.8**
Product liability provision	**132.5**	**(5.2)**	**–**	**1.0**	**128.3**
Employee benefits provisions	**25.1**	**(1.0)**	**–**	**0.4**	**24.5**
Other provisions	**26.8**	**1.6**	**–**	**1.2**	**29.6**
Spares and stores	**(13.5)**	**0.8**	**–**	**–**	**(12.7)**
Transaction costs	**8.5**	**(3.6)**	**–**	**–**	**4.9**
Prepayments	**(3.2)**	**–**	**–**	**–**	**(3.2)**
Deferred tax on sale of property	**(5.6)**	**–**	**–**	**–**	**(5.6)**
Other	**(20.5)**	**10.0**	**–**	**(1.8)**	**(12.3)**
	131.8	**42.8**	**0.4**	**–**	**175.0**
2012					
Movement in net deferred income tax assets (liabilities) attributable to temporary differences					
Fair value of hedges	(7.0)	–	1.3	–	(5.7)
Property, plant and equipment	(8.2)	(8.8)	–	(10.4)	(27.4)
Superannuation defined benefit plans	10.9	(2.3)	9.9	(3.7)	14.8
Product liability provision	134.7	(2.2)	–	–	132.5
Employee benefits provisions	27.4	(2.3)	–	–	25.1
Other provisions	30.6	(3.8)	–	–	26.8
Spares and stores	(13.2)	(0.3)	–	–	(13.5)
Transaction costs	16.6	(5.2)	–	(2.9)	8.5
Prepayments	(3.2)	–	–	–	(3.2)
Deferred tax on sale of property	–	(5.6)	–	–	(5.6)
Other taxes refundable	13.8	–	–	(13.8)	–
Other	(7.7)	(2.9)	–	(9.9)	(20.5)
	194.7	(33.4)	11.2	(40.7)	131.8

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

7. ACQUISITIONS OF CONTROLLED ENTITIES AND BUSINESSES

Businesses acquired
The CSR group did not acquire any controlled entities or businesses during the year ended 31 March 2013.

The CSR group acquired the net assets of the following businesses during the year ended 31 March 2012:

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

The acquisition related costs expensed were $1.1 million and the initial accounting for the acquisitions was fully determined at 31 March 2012.

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

($ MILLION)	2012
Purchase consideration	16.1
Fair value of net identifiable assets acquired (refer to below)	7.8
Goodwill acquired (refer to below)	8.3

Value of net assets of businesses acquired

($ MILLION)	FAIR VALUE 2012
Inventories	2.4
Property, plant and equipment	1.6
Intangible assets	4.2
Deferred income tax assets	0.1
Provisions	(0.5)
Net identifiable assets acquired	7.8
Goodwill acquired	8.3
Total consideration	16.1

8. CONTROLLED ENTITIES AND BUSINESSES DISPOSED

No controlled entities or businesses were disposed during the year ended 31 March 2013.

8.1 Disposal of the Asian AAC business (disposal of controlled entity)

On 5 October 2011, CSR Limited announced that it had agreed to sell its Asian autoclaved aerated concrete business (Asian AAC business) to Saint-Gobain Construction Products (Malaysia). The sale was completed on 15 December 2011 and after working capital adjustments the final consideration was $30.6 million.

Disposal of the Asian AAC business has not been recorded as a discontinued operation as it is not considered a major line of business for the CSR group.

8.2 Establishment of joint venture – Viridian New Zealand (disposal of a business)

On 20 February 2012, CSR Limited announced that it had established a joint venture between its glass subsidiary, Viridian New Zealand Limited, and Euroglass Systems Limited. This transaction was completed on 2 March 2012. This transaction involved the disposal of substantially all of the operating assets and liabilities of Viridian New Zealand Limited to the joint venture vehicle, the Viridian Glass Limited Partnership. Part of the consideration received for these assets was a 58% equity holding in the Viridian Glass Limited Partnership.

8. CONTROLLED ENTITIES AND BUSINESSES DISPOSED (CONTINUED)

8.3 Gain on disposal of controlled entities

On 15 December 2011, the CSR group disposed of the controlled entity which operated its Asian AAC business.

Gain on disposal of controlled entities

($ MILLION)	2012 ASIAN AAC
Consideration for equity holdings	30.6
Net assets disposed of	(9.2)
Hedge and foreign currency reserves reclassified from equity on loss of control of subsidiary	(1.0)
Divestment expenses	(1.6)
Gain on disposal before tax expense	18.8
Tax expense	(0.2)
Gain on disposal of controlled entities	18.6

8.4 Carrying value of net assets of controlled entities and businesses disposed

($ MILLION)	2012
Cash and cash equivalents	6.8
Receivables	8.3
Inventories	5.2
Other current assets	0.1
Property, plant and equipment	19.6
Payables and other financial liabilities	(3.5)
Current tax payable	(0.3)
Provisions	(1.1)
Net assets disposed[a]	35.1

a Includes net assets disposed of as part of the sale of the Asian AAC business ($9.2 million) and the establishment of the Viridan New Zealand joint venture ($25.9 million).

8.5 Cash flows from disposal of controlled entities and businesses

($ MILLION)	2012
Equity consideration	30.6
Cash proceeds from asset disposal	9.3
	39.9
Cash balances disposed	(6.8)
Transaction costs paid	(2.0)
Total flow of cash	31.1

During the year ended 31 March 2013, the CSR group made cash payments of $2.1 million associated with discontinued operations disposed of in previous years (2012: $13.7 million).

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

9. CASH AND CASH EQUIVALENTS

($ MILLION)	2013	2012
Cash at banks and on hand	**11.9**	26.8
Short term loans and deposits	**–**	29.0
Total cash	**11.9**	55.8

10. INVENTORIES

($ MILLION)	2013	2012
Current		
Raw and process materials and stores	**84.7**	93.2
Work in progress	**12.6**	12.5
Finished goods	**176.8**	183.6
Land held for sale and development costs	**40.9**	20.2
Total current inventories	**315.0**	309.5
Non-current		
Raw and process materials and stores	**1.2**	–
Land held for sale and development costs	**60.2**	54.6
Total non-current inventories	**61.4**	54.6

11. RECEIVABLES

($ MILLION)	2013	2012
Current		
Trade receivables	**198.5**	201.6
Allowance for doubtful debts	**(5.5)**	(5.4)
	193.0	196.2
Loans to and receivables from associates[a]	**1.6**	8.3
Divestment debtors[a]	**38.4**	45.0
Other loans and receivables	**11.8**	14.0
	51.8	67.3
Total current receivables	**244.8**	263.5
Trade receivables – past due 0–60 days – not impaired	**11.1**	11.3
Trade receivables – past due >60 days – not impaired	**4.1**	3.3
Trade receivables – past due >60 days – impaired	**5.5**	5.4
Trade receivables – past due >60 days	**9.6**	8.7
Movement in allowance for doubtful debts – trade receivables		
Opening balance	**(5.4)**	(5.6)
Trade debts written off	**5.0**	4.4
Trade debts provided	**(5.1)**	(4.7)
Other[b]	**–**	0.5
Closing balance	**(5.5)**	(5.4)
Non-current		
Loans to associates[c]	**45.3**	34.3
Other loans and receivables[d]	**15.3**	18.1
Total non-current receivables	**60.6**	52.4

a Includes no amounts past due.

b Other includes amounts disposed on sale of businesses.

c The CSR group has provided facilities to associates on arm's length terms. At reporting date, the amount drawn on facilities with fixed repayment terms was $31.5 million. Remaining loans to associates do not have fixed repayment terms.

d No fixed repayment term.

12. OTHER FINANCIAL ASSETS

($ MILLION)	2013	2012
Current		
Fair value of derivatives	**14.4**	16.1
Total current financial assets	**14.4**	16.1
Non-current		
Fair value of derivatives	**1.0**	3.7
Total non-current other financial assets	**1.0**	3.7

13. OTHER ASSETS

($ MILLION)	2013	2012
Current		
Prepayments and other assets	**8.1**	7.4
Total other current assets	**8.1**	7.4
Non-current		
Prepayments	**12.7**	12.7
Other assets	**1.4**	2.1
Superannuation defined benefit plans – fair value of surplus[a]	**0.5**	–
Total other non-current assets	**14.6**	14.8

a Refer to Note 31 for details of the basis for the asset for superannuation defined benefits plans – fair value of surplus.

14. PROPERTY, PLANT AND EQUIPMENT[a]

($ MILLION)	2013	2012
Land and buildings		
At cost or written down value	**359.7**	417.6
Accumulated depreciation	**(58.1)**	(47.4)
Total land and buildings	**301.6**	370.2
Plant and equipment		
At cost or written down value	**1,281.7**	1,403.4
Accumulated depreciation	**(702.0)**	(653.3)
Total plant and equipment	**579.7**	750.1
Total property, plant and equipment	**881.3**	1,120.3

a The economic life over which assets are depreciated is buildings – 10 to 40 years; and plant and equipment – 2 to 40 years. The average life of buildings is 18 years; and plant and equipment is 14 years.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

15. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

($ MILLION)	NOTE	LAND AND BUILDINGS	PLANT AND EQUIPMENT
Balance at 1 April 2012		**370.2**	**750.1**
Capital expenditure		**0.4**	**50.1**
Disposed		**(3.4)**	**(1.9)**
Depreciation and amortisation		**(13.1)**	**(72.6)**
Write downs and impairments[a]		**(45.5)**	**(142.9)**
Foreign currency translation		**–**	**0.1**
Reclassifications		**2.4**	**(2.4)**
Transferred (to) intangible assets		**–**	**(1.5)**
Transferred (to) from inventories and other assets		**(9.4)**	**0.7**
Balance at 31 March 2013		**301.6**	**579.7**
Balance at 1 April 2011		385.9	748.6
Capital expenditure		10.2	87.7
Disposed		(4.0)	(1.7)
Depreciation and amortisation		(13.2)	(71.8)
Write downs and impairments[b]		(2.0)	(2.3)
Foreign currency translation		0.4	1.7
Reclassifications		0.8	(0.8)
Transferred from intangible assets		–	0.4
Transferred (to) from inventories and other assets		(6.0)	4.4
Assets acquired on purchase of business	7	–	1.6
Assets disposed on sale of businesses		(1.9)	(17.7)
Balance at 31 March 2012		370.2	750.1

a Valuation of the Viridian business (Glass segment) as at 31 March 2013 resulted in asset write downs and impairments of property, plant and equipment of $184.7 million. Refer to Note 3 for further details. In addition, write downs of $3.7 million of plant and equipment have been recorded in the Building Products business.

b During the year ended 31 March 2012, asset write downs and impairments of $4.3 million related to site closures in the Building Products business.

16. GOODWILL[a]

($ MILLION)	NOTE	2013	2012
Carrying amount			
Balance at the beginning of the financial year		**22.4**	13.8
Recognised on purchase of business	7	**–**	8.3
Foreign currency translation		**0.2**	0.3
Balance at the end of the financial year		**22.6**	22.4

a The carrying amount of goodwill forms part of the Building Products segment: $22.6 million (2012: $22.4 million). The recoverable amounts of the cash generating units that include goodwill are determined using discounted cash flow projections. The discount rate used is a post-tax rate of 10.2% per annum. Refer to significant accounting policies for key assumptions in assessing impairment of these balances.

17. OTHER INTANGIBLE ASSETS

($ MILLION)	NOTE	2013	2012
Systems software			
Software and systems development		**66.7**	66.2
Accumulated amortisation		**(60.1)**	(58.0)
Total systems software		**6.6**	8.2
Movements in systems software			
Balance at the beginning of the financial year		**8.2**	11.8
Capital expenditure		**0.4**	0.4
Transfers		**0.2**	(0.4)
Amortisation		**(2.2)**	(3.6)
Balance at the end of the financial year		**6.6**	8.2
Trade names, non-competition agreements and other intangible assets[a]			
At cost		**35.3**	36.6
Accumulated amortisation		**(14.5)**	(13.1)
Total trade names, non-competition agreements and other intangible assets		**20.8**	23.5
Movements in trade names, non-competition agreements and other intangible assets			
Balance at the beginning of the financial year		**23.5**	20.3
Capital expenditure		**0.1**	–
Write downs and impairments[b]		**(2.7)**	–
Transfers		**1.3**	–
Assets acquired on purchase of business	7	**–**	4.2
Amortisation		**(1.4)**	(1.0)
Balance at the end of the financial year		**20.8**	23.5
Total other intangible assets		**27.4**	31.7

a Includes indefinite life Building Products' trade names of $16.8 million (2012: $16.8 million). The recoverable amounts of the cash generating units that include the trade names are determined using discounted cash flow projections. Refer to significant accounting policies for key assumptions in assessing impairment of these balances. These trade names currently have an indefinite life as the CSR group is continually investing in marketing activities to develop the trade names and there are no contractual or other restrictions on the use of the trade names.

b Valuation of the Viridian business (Glass segment) as at 31 March 2013 resulted in an impairment of other intangible assets of $2.7 million. Refer to Note 3 for further details.

18. PAYABLES AND OTHER LIABILITIES

($ MILLION)	2013	2012
Current		
Trade payables	**165.0**	176.5
Other payables	**36.7**	41.5
Total current payables	**201.7**	218.0
Non-current		
Superannuation defined benefit plans – fair value of deficit[a]	**36.6**	49.4
Other payables	**1.7**	16.4
Total non-current payables and other liabilities	**38.3**	65.8

a Refer to Note 31 for details on the basis for the liability for superannuation defined benefit plans – fair value of deficit.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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19. BORROWINGS

($ MILLION)	2013	2012
Current		
Unsecured		
Bank loans	**2.5**	–
Total current borrowings	**2.5**	–
Non-current		
Unsecured		
Bonds	**0.1**	0.1
Bank loans	**34.4**	–
Total non-current borrowings	**34.5**	0.1

Refer to Note 21 for details of credit facilities and maturity profile.

20. OTHER FINANCIAL LIABILITIES

($ MILLION)	2013	2012
Current		
Fair value of derivatives	**0.9**	0.8
Total current other financial liabilities	**0.9**	0.8

21. CREDIT FACILITIES AND MATURITY PROFILE

			2013	
($ MILLION)	2013	2012	AVERAGE RATE % PA	FINANCIAL YEAR OF MATURITY
Long term maturities of borrowings				
United States dollar debt				
Bonds	**0.1**	0.1	**7.7**	**2026**
New Zealand dollar debt				
Bank loans	**34.4**	–	**3.4**	**2015 – 2018**
Total non-current borrowings	**34.5**	0.1		

Credit standby facilities

The CSR group has a total of $535 million (2012: $635 million) committed standby facilities. These facilities have fixed maturity dates as follows: $155 million in the second half of financial year 2015, $165 million in financial year 2016, $150 million in financial year 2017, with the balance of $65 million in financial year 2018. As at 31 March 2013, $500.6 million of the standby facilities were undrawn.

22. PROVISIONS

($ MILLION)	31 MARCH 2012	RECOGNISED/ REMEASURED	SETTLED/ TRANSFERRED	UNWINDING OF DISCOUNT	**31 MARCH 2013**
Current					
Employee benefits	85.0	37.0	(40.3)	–	**81.7**
Fringe benefits tax	1.5	2.5	(3.1)	–	**0.9**
Restructure and rationalisation	19.3	47.6	(22.3)	–	**44.6**
Product liability[a]	38.0	28.7	(34.7)	–	**32.0**
Restoration and environmental rehabilitation	19.7	(0.6)	(5.2)	–	**13.9**
Uninsured losses and future claims[b]	5.6	14.6	(11.4)	–	**8.8**
Other[c]	27.1	5.7	(10.0)	–	**22.8**
Total current provisions	196.2	135.5	(127.0)	–	**204.7**
Non-current					
Product liability[a]	403.7	(28.7)	–	16.8	**391.8**
Restoration and environmental rehabilitation	1.0	–	–	–	**1.0**
Uninsured losses and future claims[b]	28.2	(6.2)	–	1.6	**23.6**
Other[c]	14.7	(3.2)	–	0.7	**12.2**
Total non-current provisions	447.6	(38.1)	–	19.1	**428.6**

a Refer to Note 38 and the significant accounting policies for details of the basis for the product liability provision.

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 aluminium smelter's spent pot lining.

23. ISSUED CAPITAL

	2013		2012	
	ORDINARY SHARES FULLY PAID	ISSUED CAPITAL $ MILLION	ORDINARY SHARES FULLY PAID	ISSUED CAPITAL $ MILLION
CSR Limited				
On issue at the beginning of the financial year	**506,000,315**	**1,042.2**	506,000,315	1,042.2
On issue at the end of the financial year	**506,000,315**	**1,042.2**	506,000,315	1,042.2

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

No shares were issued during the years ended 31 March 2013 and 31 March 2012 under the Universal Share/Option Plan as shares in respect of this plan were acquired on market.

During the years ended 31 March 2013 and 31 March 2012, eligible shareholders were able to reinvest all or part of their dividends in fully paid ordinary shares. Shares were acquired on market and did not have any impact on issued capital.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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24. RESERVES

($ MILLION)	2013	2012
Hedge reserve		
Balance at the beginning of the financial year	**9.9**	11.6
Hedge profit recognised in equity	**7.5**	10.7
Hedge (profit) transferred to the statement of financial performance[a]	**(10.7)**	(13.2)
Income tax benefit	**1.0**	0.8
Balance at the end of the financial year	**7.7**	9.9
Foreign currency translation reserve		
Balance at the beginning of the financial year	**(10.7)**	(12.6)
Translation of foreign operations	**1.0**	0.9
Disposal of foreign operations[b]	**–**	1.0
Balance at the end of the financial year	**(9.7)**	(10.7)
Employee share reserve		
Balance at the beginning of the financial year	**18.4**	16.9
Share based payments expense	**1.0**	1.5
Balance at the end of the financial year	**19.4**	18.4
Other reserves		
Balance at the beginning of the financial year	**–**	5.3
Transferred to retained profits on disposal of foreign operations	**–**	(5.3)
Balance at the end of the financial year	**–**	–
Total reserves	**17.4**	17.6

a The 2013 amount transferred to the statement of financial performance of $(10.7) million before tax (2012: $(13.2) million) and $(15.3) million after tax (2012: $(19.2) million) was taken to revenue $(10.8) million (2012: $(13.4) million) with the balance mainly taken to cost of sales and interest expense.

b This amount has been transferred to gain on disposal of the Asian AAC business – refer to Note 8.

25. NON-CONTROLLING INTERESTS

($ MILLION)	2013	2012
Issued capital	**37.1**	37.1
Hedge reserve	**3.1**	4.0
Other reserves	**0.3**	0.3
Retained profits	**11.3**	6.9
Total non-controlling interests	**51.8**	48.3

26. DIVIDENDS AND FRANKING CREDITS

	2013		2012	
	CENTS PER SHARE	TOTAL $ MILLION	CENTS PER SHARE	TOTAL $ MILLION
Recognised amounts				
Fully paid ordinary shares				
Prior year final dividend – franked to 100% (2012: franked to 100%)	**7.0**	**35.4**	5.3	26.8
Interim dividend – unfranked (2012: franked to 100%)	**3.0**	**15.2**	6.0	30.4
	10.0	**50.6**	11.3	57.2
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend – unfranked (2012: franked to 100%)	**2.1**	**10.6**	7.0	35.4

The final dividend for the financial year ended 31 March 2013 has not been recognised in this financial report because it was resolved to be paid after 31 March 2013. The amounts disclosed as recognised in 2013 are the final dividend in respect of the prior financial year and the interim dividend in respect of the current financial year. The amounts disclosed as recognised in 2012 are the final dividend in respect of the then prior financial year and the interim dividend in respect of the then current financial year.

($ MILLION)	2013	2012
Franking account balance (tax paid basis)	**0.1**	1.8
Impact on franking account balance of dividends not recognised	**–**	(15.2)

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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27. RELATED PARTY INFORMATION

Key management personnel remuneration
During the financial year, total remuneration set out below was paid or payable to directors and other key management personnel:

($)	2013	2012
Short term employee benefits	**2,689,928**	2,941,353
Share based payment	**621,360**	685,201
	3,311,288	3,626,554

Key management personnel equity holdings

	NUMBER OF CSR LIMITED SHARES					
	BALANCE AT 1 APRIL	INCLUDED IN REMUNERATION	ACQUIRED	SOLD/ TRANSFERRED	BALANCE AT 31 MARCH	BALANCE HELD NOMINALLY
2013						
Kathleen Conlon	**31,159**	**–**	**3,647**	**–**	**34,806**	**–**
Ray Horsburgh	**32,482**	**–**	**3,018**	**–**	**35,500**	**–**
Michael Ihlein	**50,195**	**–**	**3,143**	**–**	**53,338**	**–**
Rebecca McGrath	**–**	**–**	**13,608**	**–**	**13,608**	**–**
Jeremy Sutcliffe	**125,546**	**–**	**2,050**	**–**	**127,596**	**–**
Rob Sindel	**69,443**	**–**	**41,159**	**–**	**110,602**	**–**
Greg Barnes	**6,964**	**–**	**23,449**	**–**	**30,413**	**–**
2012						
Kathleen Conlon	28,372	–	2,787	–	31,159	–
Ray Horsburgh	19,791	–	12,691	–	32,482	–
Michael Ihlein	–	–	50,195	–	50,195	–
Rebecca McGrath	–	–	–	–	–	–
John Story[a]	61,943	–	–	–	61,943	–
Jeremy Sutcliffe	25,467	–	100,079	–	125,546	–
Rob Sindel	15,344	–	54,099	–	69,443	–
Greg Barnes	1,821	–	5,143	–	6,964	–

a Retired 12 July 2012.

Details of remuneration and the CSR Limited equity holdings of directors and other key management personnel are shown in the remuneration report.

CSR Limited transactions with controlled entities
During the financial years ended 31 March 2013 and 2012, CSR Limited advanced and repaid loans, sold and purchased goods and services, and provided accounting and administrative assistance to its controlled entities.

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.

During the 2013 year, CSR Building Products Ltd issued 175,000,000 "A" class ordinary shares to CSR Limited at a cost of $2 per share. The consideration received from CSR Limited was applied to the loan owing by CSR Building Products Ltd to CSR Limited.

Other related parties
Other than transactions with associate entities disclosed in Note 33, no material amounts were receivable from, or payable to, other related parties as at 31 March 2013 or 2012, and no material transactions with other related parties occurred during those years.

Details of payments to superannuation defined benefit plans are shown in Note 31.

Employee share plan interest free loans and other transactions with directors or other key management personnel
No new loans, loan repayments or loan balances occurred between the CSR group and directors and other key management personnel of the CSR group during the financial year ended 31 March 2013 or 2012.

Transactions entered into during the financial year with directors of CSR Limited and other 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 included:

- acquisition of shares in CSR Limited under the employee share plans, the 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.

28. INTEREST IN JOINT VENTURE OPERATION

($ MILLION)	2013	2012
Interest in the Tomago aluminium smelter joint venture operation[ab] is included in the financial statements in the following categories		
Current assets		
Cash and cash equivalents and receivables	**4.6**	6.2
Inventories	**31.0**	35.9
Other current assets	**1.8**	3.0
Total current assets	**37.4**	45.1
Non-current assets		
Receivables	**0.7**	0.7
Property, plant and equipment	**201.2**	222.8
Other non-current assets	**13.0**	13.0
Total non-current assets	**214.9**	236.5
Total assets	**252.3**	281.6
Total current liabilities	**53.9**	117.9
Total non-current liabilities	**75.9**	14.7
Total liabilities	**129.8**	132.6
Net assets	**122.5**	149.0
Contracted capital expenditure	**1.6**	3.1
Contingent liabilities	**–**	–

a The CSR group's joint venture interest of 36.05% (2012: 36.05%) is held through a controlled entity in which the CSR group has a 70% interest, resulting in an effective interest in the joint venture of 25.24%.

b Principal activity: aluminium production.

29. AUDITOR'S REMUNERATION

($)	2013	2012
Auditing and reviewing the financial report of the CSR group		
Deloitte Touche Tohmatsu in Australia	**980,000**	995,000
Deloitte Touche Tohmatsu outside of Australia	**–**	38,000
	980,000	1,033,000
Other services		
Deloitte Touche Tohmatsu in Australia	**130,333**	111,299
	130,333	111,299
Total auditor's remuneration	**1,110,333**	1,144,299
Other services comprise		
Taxation strategy and compliance	**–**	40,768
Sustainability and carbon related assurance services	**86,000**	–
Other	**44,333**	70,531
	130,333	111,299

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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30. CSR LIMITED DISCLOSURES

Financial position

($ MILLION)	CSR LIMITED 2013	2012
Assets		
Current assets	**192.3**	698.0
Non-current assets	**1,891.5**	1,945.6
Total assets	**2,083.8**	2,643.6
Liabilities		
Current liabilities	**464.1**	466.3
Non-current liabilities	**474.3**	472.6
Total liabilities	**938.4**	938.9
Equity		
Issued capital	**1,042.2**	1,042.2
Employee share reserve	**19.5**	18.4
Retained profits	**83.7**	644.1
Total equity	**1,145.4**	1,704.7
Financial performance		
Net loss	**(510.0)**	(16.2)
Other comprehensive income (expense)	**0.2**	(16.6)
Total comprehensive expense	**(509.8)**	(32.8)

During the year ended 31 March 2013, CSR Limited recorded an impairment against inter-company assets of $522.8 million. This impairment has no impact on the consolidated financial statements.

Contingent liabilities

($ MILLION)	CSR LIMITED 2013	2012
Contingent liabilities, capable of estimation, arise in respect of the following categories		
Guarantees given by CSR Limited in respect of amounts borrowed by CSR Finance Limited	**0.1**	0.1
Bank guarantees to Harwood Superannuation Fund[a]	**34.4**	29.3
Total contingent liabilities	**34.5**	29.4

a There is an obligation for CSR Limited to contribute such amounts so as to ensure that the assets attributable to certain superannuation defined benefit plans are not less than 120% of the amount required to meet the actuarial liabilities. Refer to Note 31 for details of superannuation commitments as at 31 March 2013.

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

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

Workers' compensation
CSR Limited is a licensed self insurer in New South Wales, Queensland, Victoria, South Australia (to 10 April 2003), Western Australia and the Australian Capital Territory for workers' compensation insurance. Adequate provision has been made for all known claims and reasonably foreseeable future claims with a provision of $32.4 million as at 31 March 2013 (2012: $33.6 million).

Product liability
Refer to Note 38 for details of CSR Limited's product liability. CSR Limited is liable for all product liability exposure in the CSR group shown in Note 38.

Commitments for the acquisition of property, plant and equipment
CSR Limited has committed $nil to the acquisition of any property, plant and equipment as at 31 March 2013 (2012: $0.1 million).

31. SUPERANNUATION COMMITMENTS

During the year, the CSR group participated in a number of superannuation funds (funds) in Australia and New Zealand. The funds provide benefits either on a cash accumulation or defined benefit basis, for employees (and spouses) on retirement, resignation or 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.

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 those funds and any new employees who become members of those funds.

Retirement funds

The contributions to the funds for the year ended 31 March 2013 were: CSR group: $31.9 million (2012: $33.2 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 as agreed between the member and the company. 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 superannuation defined benefit plans is discussed in the significant accounting policies. All DBDs are closed to new members.

Changes to defined benefit obligations

The CSR Viridian (New Zealand) Limited Superannuation Scheme was wound up during the financial year. All beneficiary obligations have been settled as at 31 March 2013.

The Harwood Superannuation Fund Trust Deed was amended with effect from midnight on 31 December 2011 to restructure the various plans within the fund, including splitting the CSR Plan Division One (defined benefit) into three separate plans. The amendment reflected the agreement between CSR Limited and Wilmar International Limited that Sucrogen Limited would assume full responsibility to fund its obligations for defined benefit members employed by Sucrogen as well as its share of the funding obligation in respect of the Harwood Pensioner DBD Plan. As such, amounts recorded for the CSR group exclude funding obligations and share of assets and liabilities which have been assumed by Sucrogen Limited.

Asset backing

The assets of the funds at 31 March 2013 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 in excess of the fair value of assets as at 31 March 2013. The CSR group's obligation in respect of the shortfall in asset value is $36.1 million (2012: $49.4 million). The CSR group is making contributions to the funds as follows:

Harwood Superannuation Fund	– DBD CSR	$60,000 per month from 1 April 2013 plus a further additional contribution of $651,000 to be made prior to 30 June 2013.
	– DBD Harwood Pensioner	$97,200 per month from 1 April 2013 plus a further additional contribution of $3,018,800 to be made prior to 30 June 2013.
	– DBD Monier PGH	16.4% of eligible salary plus $31,000 per month.
		For accumulation members, 10.7% of salary increasing to 10.95% from 1 July 2013.
Pilkington (Australia) Superannuation Scheme	– DBD	14.6% of eligible salary plus $185,000 per month until 30 June 2014.

The last actuarial assessment for Harwood Superannuation Fund and Pilkington (Australia) Superannuation Scheme was completed as at 30 June 2012. The funding requirements were reviewed as at 15 January 2013. A combination of the attained age normal and projected unit credit funding methods were used to determine the contribution rates for the Harwood Superannuation Fund. The projected unit credit funding method was used for the Pilkington (Australia) Superannuation Scheme.

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).

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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31. SUPERANNUATION COMMITMENTS (CONTINUED)

Defined benefit funds sponsored by the CSR group

($ MILLION)		DEFINED BENEFIT OBLIGATION	FAIR VALUE OF FUND ASSETS	LIABILITY	CONTRIBUTIONS PAID
Harwood Superannuation Fund	– DBD CSR and DBD Harwood Pensioner[a b]	92.6	66.0	26.6	1.3
	– DBD Monier PGH[c]	44.0	44.5	(0.5)	2.3
Pilkington (Australia) Superannuation Scheme	– DBD[c]	56.7	46.7	10.0	5.4
CSR Viridian (New Zealand) Limited Superannuation Scheme	– DBD[d]	–	–	–	1.8

a Actuarial liabilities are determined to be past service liabilities based on membership accrued up to 31 March 2013. These amounts are calculated at 31 March 2013 based on the assumptions used in the last actuarial review performed on 30 June 2012 by K Knapman FIAA.

b There is an obligation for plan employers to contribute such amounts so as to ensure that the assets are not less than 120% of the amount required to meet the actuarial liabilities of Division One of the Harwood Superannuation Fund which includes DBD CSR and DBD Harwood Pensioner. At the time of the last actuarial review, DBD CSR had a funding position of 88.8% and DBD Harwood Pensioner had a funding position of 95.6%. Therefore, CSR Limited made available to the trustee of the fund bank guarantees to satisfy the balance of its commitment to 120%. As at 31 March 2013, CSR Limited has provided bank guarantees of $34.4 million to the trustee of the fund (2012: $29.3 million). The bank guarantees have been disclosed in Note 30 and Note 37 as a contingent liability.

c These amounts are calculated at 31 March 2013 based on assumptions used in the last actuarial review performed as at 30 June 2012.

d This fund was wound up during the financial year ended 31 March 2013.

($ MILLION)	2013	2012
Amounts recognised in the statement of financial performance (administration and other operating costs) in respect of the defined benefit plans		
Current service cost	**3.7**	3.8
Finance cost	**6.3**	8.5
Expected return on assets	**(8.9)**	(11.0)
Net benefit on wind up of fund	**(0.7)**	–
Total expense included in the statement of financial performance	**0.4**	1.3
Actuarial gains (losses) incurred during the financial year and recognised in the statement of comprehensive income[a]	**3.0**	(34.5)
Cumulative actuarial losses recognised in the statement of comprehensive income	**(100.6)**	(103.6)

a During the year ended 31 March 2012, actuarial losses in the statement of comprehensive income of $34.0 million include $34.5 million relating to actuarial losses for the CSR group, in addition to revaluation of a balance receivable from Sucrogen and recognition of contribution payments from Sucrogen in relation to the superannuation defined benefit plan of ($0.5) million.

31. SUPERANNUATION COMMITMENTS (CONTINUED)

($ MILLION)	2013	2012
Net liability of superannuation defined benefit plans		
Present value of liabilities	**193.3**	200.4
Fair value of assets	**(157.2)**	(151.0)
Net liability	**36.1**	49.4
Included in the statement of financial position		
Other non-current assets (Note 13)	**(0.5)**	–
Payables and other non-current liabilities (Note 18)	**36.6**	49.4
Net liability	**36.1**	49.4
Movements in the present value of the defined benefit plan liabilities were as follows		
Liabilities at the beginning of the financial year	**200.4**	299.4
Acquisitions, transfers and revaluations	**–**	(0.3)
Current service cost	**3.7**	3.8
Finance cost	**6.3**	8.5
Contributions from participants	**0.7**	1.3
Actuarial losses	**6.5**	24.3
Benefits paid	**(20.2)**	(24.4)
Liabilities transferred to Sucrogen[a]	**–**	(112.2)
Liabilities settled on wind up of fund[b]	**(4.1)**	–
Liabilities at the end of the financial year	**193.3**	200.4
Movements in the present value of the defined benefit plan assets were as follows		
Assets at the beginning of the financial year	**151.0**	263.0
Acquisitions, transfers and revaluations	**–**	(0.5)
Return on plan assets – expected	**8.9**	11.0
Return on plan assets – actuarial	**9.5**	(10.2)
Contributions from the employer	**9.0**	9.1
Contributions from participants	**0.7**	1.3
Benefits paid	**(20.2)**	(24.4)
Assets transferred to Sucrogen[a]	**–**	(98.3)
Assets dissolved on wind up of fund[b]	**(1.7)**	–
Assets at the end of the financial year	**157.2**	151.0

a Represents share attributed to Sucrogen Limited as at 31 March 2011.
b Relates to wind up of CSR Viridian (New Zealand) Superannuation Scheme.

The history of experience adjustments is as follows:		
Experience (loss) on plan liabilities	**(1.7)**	(4.0)
Experience gain (loss) on plan assets	**9.5**	(10.2)

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

31. SUPERANNUATION COMMITMENTS (CONTINUED)

(%)	**2013**	2012
Key assumptions and parameters (expressed as weighted averages)		
Discount rate (after tax)	**3.6**	3.9
Expected return on plan assets (after tax)	**5.8**	5.8
Expected salary increase	**3.5**	3.7
Asset class allocation:		
– equity instruments	**45.3**	45.4
– debt instruments	**38.4**	38.3
– property	**6.5**	6.5
– other	**9.8**	9.8

($ MILLION)	**2013**	2012	2011	2010	2009
Net liability of superannuation defined benefit plans					
Present value of liabilities	**193.3**	200.4	299.4	307.4	329.0
Fair value of assets	**(157.2)**	(151.0)	(263.0)	(261.6)	(226.0)
Net liability	**36.1**	49.4	36.4	45.8	103.0
The history of experience adjustments is as follows:					
Experience (loss) gain on plan liabilities	**(1.7)**	(4.0)	(7.5)	(24.8)	6.5
Experience (loss) gain on plan assets	**9.5**	(10.2)	(0.2)	54.8	(87.2)

32. FINANCIAL RISK MANAGEMENT

The CSR group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including commodity price risk, currency risk and interest rate 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, coordinates access to financial markets and 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 derivatives and the investment of excess liquidity. Compliance with policies and procedures is reviewed by the Finance Committee on a routine basis. The Finance Committee membership consists of the Managing Director and other relevant senior executives.

Capital management

The CSR group manages its capital to ensure that entities in the CSR 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 19, cash and cash equivalents disclosed in Note 9, issued capital and reserves disclosed in Notes 23 and 24 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, share consolidations and share buy-backs, as well as the issue of new debt or the redemption of existing debt.

Fair value

The fair values of financial assets and liabilities are determined as follows:

- the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair values of other financial assets and financial liabilities (excluding derivatives) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair values of derivative instruments are calculated using quoted market prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted exchange rates and yield curves derived from quoted interest rates matching maturities of the contract. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

The assumptions and methods used to estimate fair value for the following financial assets and financial liabilities were:

- **Commodity futures:** The fair value is based on the closing price on the applicable futures exchange;
- **Foreign currency contracts, foreign exchange options, currency swaps and commodity swaps:** The fair value is estimated using market quoted spot and forward exchange rates and commodity prices and applicable yield curves following market accepted formulae and practices;
- **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.

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

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 as at 31 March 2013 were predominantly prime financial institutions with a Standard & Poor's or Moody's rating of at least A– or A3 respectively and the counterparties as at 31 March 2012 were predominantly prime financial institutions, the majority 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.

Under the Counterparty Credit Risk Policy, credit exposure of foreign currency and commodity price derivatives is represented by the fair value of the contracts plus an assigned credit usage factor. 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 2013, 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 customers and markets in which the CSR group does business, as well as the dispersion across many geographic areas. Refer to Note 11 for more information on credit risk on receivables.

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 given in Note 21.

The table below analyses the CSR group's financial liabilities and derivative financial instruments, currently in a liability position, into relevant maturity groupings based on the remaining period at the reporting date to maturity date.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

($ MILLION)	MATURITY GROUPING 1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL
2013					
Current payables	**201.7**	**–**	**–**	**–**	**201.7**
Non-current other payables	**–**	**1.7**	**–**	**–**	**1.7**
Borrowings (including interest)[a]	**3.7**	**35.1**	**–**	**0.3**	**39.1**
Commodity financial instruments[b]	**0.3**	**–**	**–**	**–**	**0.3**
Foreign currency financial instruments[b]	**0.6**	**–**	**–**	**–**	**0.6**
Total	**206.3**	**36.8**	**–**	**0.3**	**243.4**
2012					
Current payables	218.0	–	–	–	218.0
Non-current other payables	–	16.4	–	–	16.4
Borrowings (including interest)[a]	–	–	–	0.2	0.2
Foreign currency financial instruments[b]	0.8	–	–	–	0.8
Total	218.8	16.4	–	0.2	235.4

a Over five years includes repayment of borrowings in July 2025 – CSR group $0.1 million (2012: $0.1 million). Bank overdrafts are not included in this analysis as they are part of a set-off arrangement of cash balances with Commonwealth Bank of Australia.

b Settlement of commodity and foreign currency financial instruments will be offset by revenue from the sale of commodities.

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 hedging its aluminium sales, where acceptable pricing is available, to reduce the volatility of its aluminium earnings when exchanged into Australian dollars. Hedging is undertaken at declining levels for up to four years.

Commodity price risk exposure

($ MILLION)	AVERAGE PRICE[a b]	PRINCIPAL/MATURITIES 1 YEAR OR LESS	1 TO 3 YEARS	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	FAIR VALUE ASSET	LIABILITY
2013								
Aluminium								
Aluminium commodity swaps[c]	**2,211.7**	**91.3**	**4.6**	**–**	**–**	**95.9**	**12.6**	**–**
Pulp								
Pulp commodity swaps	**860.0**	**3.6**	**–**	**–**	**–**	**3.6**	**–**	**0.1**
Small-scale technology certificates (STCs)								
STC forwards	**31.8**	**1.6**	**–**	**–**	**–**	**1.6**	**–**	**0.2**
Total							**12.6**	**0.3**
2012								
Aluminium								
Aluminium commodity swaps[c]	2,754.4	36.8	14.9	–	–	51.7	10.6	–
Pulp								
Pulp commodity swaps	872.7	1.0	–	–	–	1.0	–	–
Small-scale technology certificates (STCs)								
STC forwards	31.7	0.3	–	–	–	0.3	–	–
Total							10.6	–

a Average prices for the individual periods do not materially differ from the overall average price disclosed.

b US dollars per metric tonne, except the price of STCs which is a function of AUD per certificate.

c $12.3 million net of commodity contract gains (2012: $10.6 million gains) were deferred in 2013 as the gains relate to cash flow hedges of highly probable forecast transactions. The expected timing of recognition based on the fair values at 31 March 2013 is one year or less: $11.5 million gain (2012: $7.6 million gain); one to three year(s): $0.8 million gain (2012: $3.0 million gain); and three to five years: $nil (2012: $nil). No commodity contract gains or losses relating to fair value hedges were recognised in 2013 (2012: $nil).

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table details the CSR group's pre-tax sensitivity to an increase in the commodity prices assuming a constant exchange rate on hedging contracts in place at 31 March 2013. A decrease would have the opposite impact to the amounts shown in the table. The sensitivity analysis of the CSR group's exposure to commodity price risk at the reporting date has been determined based on the balances as at reporting date. The rate used when reporting commodity risk internally to key management personnel is 10% increase/decrease.

Price change sensitivity

	ALUMINIUM PRICE – 10%		PULP PRICE – 10%		STC PRICE – 10%	
($ MILLION)	**2013**	2012	**2013**	2012	**2013**	2012
Other equity – (decrease) increase	**(8.3)**	(4.1)	**0.3**	0.1	**(0.2)**	–

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 and payments for raw materials and capital equipment denominated in foreign currencies.

The CSR group's major foreign currency exposure relates to its US dollar aluminium sales revenue. The CSR group's policy is to hedge its US dollar aluminium revenue to reduce the volatility of aluminium earnings, when acceptable Australian dollar outcomes can be achieved. This policy is aligned with and operates in conjunction with aluminium commodity price hedging. Hedging is undertaken at declining levels for up to four years.

Other foreign exchange exposures are relatively small with the CSR group policy providing 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

		PRINCIPAL/MATURITIES					FAIR VALUE	
($ MILLION)	AVERAGE EXCHANGE RATE[a]	1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	ASSET	LIABILITY
2013								
Forward exchange rate agreements[b]								
US dollar								
Buy US dollar	**1.03**	**24.5**	**0.9**	**–**	**–**	**25.4**	**–**	**0.4**
Sell US dollar	**1.00**	**84.0**	**–**	**–**	**–**	**84.0**	**2.6**	**–**
New Zealand dollar								
Buy New Zealand dollar	**1.25**	**10.3**	**–**	**–**	**–**	**10.3**	**0.1**	**–**
Sell New Zealand dollar	**1.25**	**32.5**	**–**	**–**	**–**	**32.5**	**0.1**	**0.1**
Euro								
Buy euro	**0.78**	**3.8**	**–**	**–**	**–**	**3.8**	**–**	**0.1**
Total							**2.8**	**0.6**
2012								
Forward exchange rate agreements[b]								
US dollar								
Buy US dollar	1.04	43.7	–	–	–	43.7	0.4	0.1
Sell US dollar	0.91	61.9	17.3	–	–	79.2	8.7	0.1
New Zealand dollar								
Buy New Zealand dollar	1.24	8.3	–	–	–	8.3	–	0.1
Sell New Zealand dollar	1.28	56.9	–	–	–	56.9	–	0.4
Euro								
Buy euro	0.78	8.1	–	–	–	8.1	0.1	0.1
Sell euro	0.79	0.4	–	–	–	0.4	–	–
Total							9.2	0.8

a Average rates for the individual periods do not materially differ from the overall average rates disclosed.

b $2.3 million of net foreign exchange contract gains (2012: $8.3 million gains) have been deferred as the gains relate to cash flow hedges of highly probable forecast transactions. The expected timing of recognition based on the fair values at 31 March 2013 are one year or less: $2.1 million gain (2012: $7.6 million gain); one to three year(s): $0.2 million gain (2012: $0.7 million gain); and three to five years: $nil (2012: $nil).

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

At 31 March 2013, had the Australian dollar strengthened/weakened 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 $7.1 million higher/$8.7 million lower (2012: $7.0 million higher/$8.6 million lower) had the Australian dollar strengthened/weakened by 10% against the respective foreign currencies arising mainly from foreign forward exchange contracts designated as cash flow hedges.

At 31 March 2013, had the New Zealand dollar strengthened/weakened by 10% against the Australian dollar with all other variables held constant, the post-tax profit would have been $1.1 million higher/ $0.9 million lower.

Interest rate sensitivity and risk management

CSR group policy allows the CSR 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. During the 2011 year, the CSR group used the proceeds from the sale of the Sucrogen business to repay all bank debt, leaving a small residual debt balance, and consequently closed out all outstanding interest rate swaps. The table below provides information about the CSR group's interest rate exposure and should be read in conjunction with Note 19:

Interest rate risk exposure

		WEIGHTED AVERAGE		PRINCIPAL/MATURITIES					CARRYING AMOUNT		FAIR VALUE	
($ MILLION)	NOTE	TERM IN YEARS	RATE % PA[a]	1 YEAR OR LESS	1 TO 3 YEAR(S)	3 TO 5 YEARS	OVER 5 YEARS	TOTAL	ASSET	LIABILITY	ASSET	LIABILITY
2013												
Long term debt												
Fixed rate US dollar debt	**19**	**12.3**	**7.7**	**–**	**–**	**–**	**0.1**	**0.1**	**–**	**0.1**	**–**	**0.1**
Floating rate New Zealand dollar debt[b]	**19**	**1.5**	**3.4**	**–**	**34.4**	**–**	**–**	**34.4**	**–**	**34.4**	**–**	**34.4**
Short term debt												
Floating rate Australian dollar debt[b]	**19**	**–**	**3.4**	**2.5**	**–**	**–**	**–**	**2.5**	**–**	**2.5**	**–**	**2.5**
Net cash[c]	**9**	**–**	**–**	**(11.9)**	**–**	**–**	**–**	**(11.9)**	**11.9**	**–**	**11.9**	**–**
Total				**(9.4)**	**34.4**	**–**	**0.1**	**25.1**	**11.9**	**37.0**	**11.9**	**37.0**
2012												
Long term debt												
Fixed rate US dollar debt	19	13.3	7.7	–	–	–	0.1	0.1	–	0.1	–	0.2
Short term debt												
Net cash[c]	9	–	–	(55.8)	–	–	–	(55.8)	55.8	–	55.8	–
Total				(55.8)	–	–	0.1	(55.7)	55.8	0.1	55.8	0.2

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 bank overdraft. Interest rates vary from nil to 5.1% per annum (2012: nil to 5.0% per annum).

At 31 March 2013, if interest rates had increased/decreased by one percentage point per annum from the year end rates with all other variables held constant, the post-tax profit for the year would have been $0.2 million higher/lower (2012: $0.4 million higher/lower), mainly as a result of higher interest income on cash balances (2012: higher interest income on cash balances).

The following table compares the difference between carrying amount and fair value of financial instruments:

Other fair values

	CARRYING AMOUNT				FAIR VALUE			
	ASSET		LIABILITY		ASSET		LIABILITY	
($ MILLION)	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Current receivables	**244.8**	263.5			**244.8**	263.5		
Non-current receivables	**60.6**	52.4			**45.0**	36.0		
Other financial assets	**15.4**	19.8			**15.4**	19.8		
Current payables and other financial liabilities			**202.6**	218.8			**202.6**	218.8
Non-current payables and other liabilities and other financial liabilities			**38.3**	65.8			**38.3**	65.8
Total	**320.8**	335.7	**240.9**	284.6	**305.2**	319.3	**240.9**	284.6

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition of fair value, grouped into Level(s) 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

($ MILLION)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2013				
Financial assets at fair value				
Aluminium				
Aluminium commodity swaps	**–**	**12.6**	**–**	**12.6**
Other financial instruments				
Forward exchange rate agreements	**–**	**2.8**	**–**	**2.8**
Total	**–**	**15.4**	**–**	**15.4**
Financial liabilities at fair value				
Pulp				
Pulp commodity swaps	**–**	**0.1**	**–**	**0.1**
Small-scale technology certificates				
STC forwards	**–**	**0.2**	**–**	**0.2**
Other financial instruments				
Forward exchange rate agreements	**–**	**0.6**	**–**	**0.6**
Total	**–**	**0.9**	**–**	**0.9**
2012				
Financial assets at fair value				
Aluminium				
Aluminium commodity swaps	–	10.6	–	10.6
Other financial instruments				
Forward exchange rate agreements	–	9.2	–	9.2
Total	–	19.8	–	19.8
Financial liabilities at fair value				
Other financial instruments				
Forward exchange rate agreements	–	0.8	–	0.8
Total	–	0.8	–	0.8

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

33. EQUITY ACCOUNTING INFORMATION

			OWNERSHIP INTEREST		CARRYING AMOUNT	
NAME OF ENTITY	COUNTRY OF ORIGIN	PRINCIPAL ACTIVITY	2013 %	2012 %	2013 ($ MILLION)	2012 ($ MILLION)
Rondo Pty Limited	Australia	Building products	**50**	50	**11.2**	10.8
Viridian Glass GP Limited	New Zealand	Glass products	**58**	58	**20.9**	22.2
Other non-material associates	Australia	Building products			**5.2**	5.8
Total investments accounted for using the equity method					**37.3**	38.8

($ MILLION)	2013	2012
Equity accounted amount of investments at the beginning of the financial year	**38.8**	14.5
Share of associate entities' profit before income tax[a]	**12.8**	16.0
Share of income tax	**(4.4)**	(4.9)
Dividends and distributions received and receivable	**(10.4)**	(10.2)
Acquisitions[b]	**–**	25.3
Foreign currency translation and other adjustments	**0.5**	(1.9)
Equity accounted amount of investments at the end of the financial year	**37.3**	38.8
Share of revenue and reserves attributable to associate and joint venture entities		
Revenue	**101.1**	96.7
Retained profits[c]	**7.4**	9.4
Other reserves[c]	**(0.6)**	(0.5)
Summarised statement of financial position of associate and joint venture entities		
Assets		
Cash and cash equivalents	**10.8**	12.2
Other current assets	**77.2**	70.3
Property, plant and equipment	**35.6**	41.5
Other non-current assets	**10.3**	5.7
Liabilities		
Current payables	**30.8**	19.9
Current borrowings and other liabilities	**18.7**	10.9
Non-current liabilities	**8.6**	44.5
Net assets	**75.8**	54.4
Balances and transactions with associate and joint venture entities[a]		
Current loans and receivables	**1.6**	8.3
Non-current loans and receivables	**45.3**	34.3
New loans and receivables provided	**4.0**	18.9
Loans and receivables repaid	**–**	1.5
Current payables	**4.1**	5.0
Purchases of goods and services	**39.4**	38.5
Sales of goods and services	**11.9**	4.8
Dividends and distributions received and receivable	**10.4**	10.2

a Purchases and sales of goods and services are on normal terms and conditions.

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

Acquisitions during the year ended 31 March 2012 included contribution of assets by CSR Viridian (New Zealand) Limited (a controlled entity of CSR Limited) on formation of the Viridian Glass Limited Partnership. Refer to Note 8.

c The opening balances as at 1 April 2011 were retained profits of $10.8 million and other reserves of $0.3 million.

34. PARTICULARS RELATING TO CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION/ FORMATION	% CSR OWNERSHIP 2013	2012
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
CSR Building Products (NZ) Ltd	New Zealand	**100**	100
CSR Building Products Ltd	Australia	**100**	100
CSR Developments Pty Ltd	Australia	**100**	100
CSR Erskine Park Trust	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 Insurance Pte Limited	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 Share Plan Pty Ltd	Australia	**100**	100
CSR Viridian Finance Pty Limited	Australia	**100**	100
CSR Viridian Holdings Limited	Australia	**100**	100
CSR Viridian International Pty Limited	Australia	**100**	100
CSR Viridian Investment Company Pty Limited	Australia	**100**	100
CSR Viridian Limited	Australia	**100**	100
CSR Viridian Operations Pty Limited	Australia	**100**	100
CSR Viridian Properties Pty Limited	Australia	**100**	100
CSR Viridian (New Zealand) Holdings Limited	New Zealand	**100**	100
CSR Viridian (New Zealand) Limited	New Zealand	**100**	100
CSR (Guangdong) Rockwool Co., Ltd [a]	China	**100**	100
DMS Security Glass Pty Limited	Australia	**100**	100
Don Mathieson & Staff Glass Pty Limited	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
PASS Pty Limited	Australia	**100**	100
PT Prima Karya Plasterboard	Indonesia	**100**	100
Rivarol Pty Ltd	Australia	**100**	100
SA Independent Glass Pty Limited	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
Thiess Bros Pty Ltd	Australia	**100**	100
Thiess Holdings Pty Ltd	Australia	**100**	100
VEST Super Pty Limited	Australia	**100**	100

a In members' voluntary liquidation.

35. CONTRACTED OPERATIONAL EXPENDITURE

Operating lease and hire expenditure[a]

($ MILLION)	2013	2012
Contracted lease and hire expenditure commitments not otherwise provided for in the financial statements		
Land and buildings	**155.0**	151.9
Plant and equipment	**18.6**	20.1
	173.6	172.0
Contracted lease and hire expenditure commitments comprise non-cancellable operating leases payable		
Within one year	**35.6**	36.3
Between one and two year(s)	**28.5**	27.5
Between two and five years	**54.5**	54.0
After five years	**45.4**	41.2
	164.0	159.0
Other payable		
Within one year	**4.2**	5.8
Between one and two year(s)	**2.7**	3.8
Between two and five years	**2.7**	3.4
	9.6	13.0
Total contracted operating lease and hire expenditure commitments	**173.6**	172.0

a The operating lease and rental payments during the year ended 31 March 2013 were $52.0 million (2012: $49.3 million).

The total of minimum rentals to be received in the future under non-cancellable sub-leases as at 31 March 2013 is not material. Contingent rentals for 2013 and 2012 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.

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

36. CONTRACTED CAPITAL EXPENDITURE

($ MILLION)	2013	2012
Estimated capital expenditure contracted for at year end but not provided for		
Payable within one year – CSR group	**14.3**	12.5
Payable within one year – associate entities	**–**	–
Total contracted capital expenditure	**14.3**	12.5

37. CONTINGENT LIABILITIES

($ MILLION)	2013	2012
Contingent liabilities, capable of estimation, arise in respect of the following categories		
Performance guarantees provided to third parties and other contingent liabilities	**50.1**	44.7
Total contingent liabilities	**50.1**	44.7

Contingent liabilities/assets
Claims and possible claims (other than product liability which is discussed in Note 38) have arisen in the course of business against entities in the CSR group and made by entities in the CSR group. Based on legal advice obtained, the directors believe that any resultant liability or asset will not materially affect the financial position of the CSR group.

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

Workers' compensation
CSR Limited is a licensed self insurer in New South Wales, Queensland, Victoria, South Australia (to 10 April 2003), Western Australia and the Australian Capital Territory for workers' compensation insurance. Adequate provision has been made for all known claims and reasonably foreseeable future claims with a provision of $32.4 million as at 31 March 2013 (2012: $33.6 million).

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

In Australia, asbestos related personal injury claims have been made by employees and ex-employees of CSR, by others such as contractors and transporters and by users of products containing asbestos, as well as residents of and visitors to Wittenoom. As at 31 March 2013, there were 479 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 2013, there were 1,005 such claims pending.

CSR has been settling claims since 1989. As at 31 March 2013, CSR had resolved 3,469 claims in Australia and approximately 136,000 claims in the United States.

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

YEAR ENDED 31 MARCH	2013	2012	2011	2010	2009
Number of claims received	**347**	435	412	514	553
Number of claims resolved	**488**	418	634	986	1,246
Amount spent on settlements (A$ million)[a]	**31.0**	34.7	32.5	33.4	41.6
Average cost per resolved claim (A$)	**63,553**	83,067	51,300	33,916	33,371

a Excludes external legal costs.

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

38. PRODUCT LIABILITY (CONTINUED)

Basis of provision

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

In determining the product liability provision, CSR has obtained independent expert advice in relation to the future incidence and value of asbestos related claims in each of Australia and the United States. CSR has appointed Taylor Fry Pty Limited, consulting actuaries, as the independent expert to estimate the Australian liabilities. CSR has appointed Gnarus Advisors LLC as the independent expert to estimate the United States liabilities. The independent experts make their own determination of the methodology most appropriate for estimating CSR's future liabilities. The assessments of those independent experts project CSR's claims experience into the future using modelling techniques that take into account a range of possible outcomes. The present value of the liabilities is estimated by discounting the estimated cash flows using the pre-tax rate that reflects the current market assessment of the time value of money and risks specific to those liabilities.

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

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

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

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

In Australia, the methodology used by Taylor Fry Pty Limited produces a range of potential outcomes, including a central estimate, or most likely outcome. At 31 March 2013, the central estimate was A$158.3 million calculated using a discount rate of 4.5%. On an undiscounted and inflated basis, that central estimate would be A$257.8 million over the period to 2063, being the period that the Australian independent expert advises CSR is relevant for the estimation of CSR's future Australian asbestos liabilities.

In the United States, the methodology used by Gnarus Advisors LLC produces a base case estimate or most likely outcome. At 31 March 2013, the base case estimate was US$194.0 million calculated using a discount rate of 3.0%. On an undiscounted and inflated basis, that base case estimate would be US$251.2 million over the anticipated further life of the United States liability (40 years).

The product liability provision is determined every six months by aggregating the Australian and United States estimates noted above, translating the United States base case estimate to Australian dollars using the exchange rate prevailing at the balance date and adding a prudential margin. The prudential margin is determined by the CSR directors at the balance date, having regard to the prevailing litigation environment, any material uncertainties that may affect future liabilities and the applicable long term Australian dollar to United States dollar exchange rate. As evidenced by the analysis below, due, in particular, to the fluctuations in exchange rate, the prudential margin has been variable over the past five years. The directors anticipate that the prudential margin will continue to fluctuate within a range approximating 10% to 30% depending on the prevailing circumstances at each balance date.

YEAR ENDED 31 MARCH ($ MILLION)	**2013**	2012	2011	2010	2009
United States base case estimate US$	**194.0**	199.2	191.8	159.5	153.6
United States base case estimate A$	**185.8**	191.8	185.9	173.7	225.9
Australian central estimate A$	**158.3**	172.7	180.1	184.8	187.8
Sub total A$	**344.1**	364.5	366.0	358.5	413.7
Prudential margin A$	**79.7**	77.2	82.9	96.8	41.4
Prudential margin %	**23.2%**	21.2%	22.7%	27.0%	10.0%
Total product liability provision A$	**423.8**	441.7	448.9	455.3	455.1

Notes to the financial statements (continued)

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

38. PRODUCT LIABILITY (CONTINUED)
At 31 March 2013, a provision of $423.8 million (2012: $441.7 million) has been made for all known claims and reasonably foreseeable future claims, and includes a prudential margin of $79.7 million above the aggregate most likely estimate of the future asbestos liabilities in Australia and the United States as determined by Taylor Fry Pty Limited and Gnarus Advisors LLC respectively.

Having regard to the extremely long tailed nature of the liabilities and the long latency period of disease manifestation from exposure, the estimation of future asbestos liabilities is subject to significant complexity. As such, there can be no certainty that the product liability provision as at 31 March 2013 will definitively estimate CSR's future asbestos liabilities. If the assumptions adopted by CSR's experts prove to be incorrect, the current provision may be shown to materially under or over state CSR's asbestos liability.

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

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

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

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

These requirements include that:

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

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

39. SUBSEQUENT EVENTS

Dividends
For dividends resolved to be paid after 31 March 2013, refer to Note 26.

Directors' declaration

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that CSR Limited will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as disclosed in the significant accounting policies;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 31 March 2013.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Jeremy Sutcliffe
Chairman
15 May 2013

Rob Sindel
Managing Director
15 May 2013

Independent auditor's report to the members of CSR Limited

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

Deloitte.

Deloitte Touche Tohmatsu
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REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of CSR Limited, which comprises the statement of financial position as at 31 March 2013, the statement of financial performance, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 41 to 85.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In "Significant accounting policies" the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply 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. Those 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 of the financial report that gives a true and fair view, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CSR Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

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 consolidated entity's financial position as at 31 March 2013 and of its performance for the year ended on that date; and
   - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in significant accounting policies.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 23 to 37 of the directors' report for the year ended 31 March 2013. 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.

Opinion

In our opinion the remuneration report of CSR Limited for the year ended 31 March 2013, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

Samantha Lewis
Partner
Chartered Accountants
Sydney, 15 May 2013

Auditor's independence declaration to the directors of CSR Limited

CSR LIMITED AND ITS CONTROLLED ENTITIES (CSR GROUP)
YEAR ENDED 31 MARCH 2013

Deloitte.

Deloitte Touche Tohmatsu
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The Directors
CSR Limited
Triniti 3
39 Delhi Road
North Ryde NSW 2113

15 May 2013

Dear Directors,

CSR Limited

IIn 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 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

Samantha Lewis
Partner
Chartered Accountants

Shareholder information

20 LARGEST HOLDERS OF ORDINARY SHARES
As at 15 May 2013

RANK	NAME	UNITS	% OF UNITS
1	JP Morgan Nominees Australia Limited	100,818,207	19.92
2	HSBC Custody Nominees (Australia) Limited	65,820,017	13.01
3	National Nominees Limited	58,509,855	11.56
4	Citicorp Nominees Pty Limited	32,247,468	6.37
5	RBC Investor Services Australia Nominees Pty Limited	23,812,329	4.71
6	BNP Paribas Noms Pty Ltd	12,726,584	2.52
7	HSBC Custody Nominees (Australia) Limited	5,417,476	1.07
8	RBC Investor Services Australia Nominees Pty Limited	3,380,277	0.67
9	Citicorp Nominees Pty Limited	3,056,677	0.60
10	BNP Paribas Nominees Pty Ltd Acf Pengana	2,950,000	0.58
11	RBC Investor Services Australia Nominees Pty Limited	2,734,601	0.54
12	Prudential Nominees Pty Ltd	2,600,000	0.51
13	QIC Limited	2,540,855	0.50
14	Australian Foundation Investment Company Limited	2,445,725	0.48
15	UBS Nominees Pty Ltd	2,222,263	0.44
16	National Exchange Pty Ltd	2,000,000	0.40
17	BNP Paribas Nominees Pty Ltd	1,872,954	0.37
18	CSR Share Plan Pty Limited	1,835,036	0.36
19	AMP Life Limited	1,679,056	0.33
20	JP Morgan Nominees Australia Limited	1,375,174	0.27
Top 20 holders of issued capital		**330,044,554**	**65.23**
Total remaining holders balance		**175,955,761**	**34.77**

SUBSTANTIAL SHAREHOLDERS OF CSR LIMITED

Perpetual Limited and its subsidiaries advised that as of 7 May 2013, it and its associates had an interest in 61.2 million shares, which represented 12.10% of CSR's issued capital at that time.

Allan Gray Australia Pty Ltd and its related bodies corporate advised that as of 6 April 2013, it and its associates had an interest in 49.6 million shares, which represented 9.81% of CSR's issued capital at that time.

UBS AG and its related bodies corporate advised that as of 4 April 2013, it and its associates had an interest in 30.2 million shares, which represented 5.97% of CSR's issued capital at that time.

National Australia Bank Limited advised that as of 20 March 2013, it and its associates had an interest in 38.0 million shares, which represented 7.50% of CSR's issued capital at that time.

DISTRIBUTION OF SHAREHOLDERS AND SHAREHOLDING

LOCATION	UNITS	UNITS %	HOLDERS	HOLDERS %
Australia	500,889,203	98.99	60,159	96.40
New Zealand	3,410,096	0.67	1,561	2.50
Hong Kong	540,079	0.11	51	0.08
United Kingdom	421,143	0.08	277	0.44
United States of America	149,998	0.03	102	0.16
Other	589,796	0.12	258	0.41
Total	**506,000,315**	**100.00**	**62,408**	**100.00**

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1–1,000	29,812	15,502,239	3.06
1,001–5,000	26,125	58,290,137	11.52
5,001–10,000	3,719	26,610,386	5.26
10,001–100,000	2,300	51,938,072	10.26
100,001 and over	107	353,659,481	69.89
Total	**62,063**	**506,000,315**	**100.00**

UNMARKETABLE PARCELS	HOLDERS	UNITS
Holdings of 257 or less shares	3,620	595,452

INTERESTS ARISING FROM EMPLOYEE INCENTIVE SCHEMES:

The table below outlines the rights granted over unissued shares in the company under the Performance Rights Plan. Details of the performance rights plan are contained in the remuneration report, on pages 23 to 37. There are no other classes of rights or options as at 15 May 2013. Holders of performance rights over unissued shares receive no voting rights or dividends during the vesting period.

	ISSUED TO HIGHEST PAID SENIOR EXECUTIVES	ISSUED TO ALL EMPLOYEES	TOTAL ISSUED IN THE YEAR ENDED 31 MARCH 2013	TOTAL RIGHTS ON ISSUE SINCE COMMENCEMENT OF THE PLAN
Performance rights plan	1,511,450	1,189,562	2,701,012	7,716,739

Shareholder information

RECENT CSR DIVIDENDS

DATE PAID	TYPE OF DIVIDEND	DIVIDEND PER SHARE	FRANKING	FRANKED AMOUNT PER SHARE AT 30% TAX
December 2008	Interim	6 cents	100%	6 cents
July 2009	Final	1.5 cents	100%	1.5 cents
December 2009	Interim	2.5 cents	100%	2.5 cents
July 2010	Final	6 cents	100%	6 cents
December 2010	Interim	3 cents	100%	3 cents
February 2011	Special	9.1 cents	100%	9.1 cents
July 2011	Final	5.3 cents	100%	5.3 cents
December 2011	Interim	6 cents	100%	6 cents
July 2012	Final	7 cents	100%	7 cents
December 2012	Interim	3 cents	0%	0 cents

ANNUAL GENERAL MEETING

Annual General Meeting
2:00pm
Thursday 11 July 2013
Civic Pavilion, The Concourse,
409 Victoria Avenue,
Chatswood NSW 2067

CORPORATE REPORTS

The CSR Annual Report and Sustainability Report are available to view online or download, visit **www.csr.com.au**

REGISTRY INFORMATION

All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:
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The CSR Annual Report and Sustainability Report are available to view online or download, visit **www.csr.com.au**

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