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ABN 90 000 001 276

5 November 2008

This document represents information provided pursuant to Listing Rule 4.2A of the Australian Securities Exchange. The information should be read in conjunction with CSR's most recent annual financial report, including the Full Financial Report for the year ended 31 March 2008.

Shareholders wishing to receive the Full Financial Report may obtain a copy from CSR's internet site or by contacting CSR Investor Relations on 02 9235 8000. The results presentation will be available via an audio webcast from CSR's website www.csr.com.au commencing at 10am today.

CSR Limited
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Appendix 4D

Results for the six months to 30 September 2008

Results for announcement to the market

(All comparisons are to the half year ended 30 September 2007)

				$ million
Trading revenue	up	16%	to	1,807.6
Earnings before interest and tax (excluding significant items)	up	12%	to	177.4
Profit for the period attributable to members (excluding significant items)	down	1%	to	71.7
Profit for the period attributable to members (including significant items)	down	51%	to	32.9

	30 September 2008	30 September 2007
Net tangible assets per share	$0.83	$0.93

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

Ex- trading commencement date	10 November 2008
Record date for determining entitlements to interim dividend	14 November 2008
Dividend payment date	12 December 2008

The company's dividend reinvestment plan (DRP) will operate for the interim dividend. The last date for receipt of the election notice for participation in the DRP is the dividend record date of 14 November 2008. For the interim dividend, a discount of 2.5% to the volume weighted average market price for CSR shares sold on the ASX trading platform between 18 November 2008 and 1 December 2008 inclusive, will apply for shares allocated under the DRP. For further details of the DRP please refer to the DRP Terms and Conditions available on CSR's internet site www.csr.com.au

CSR reports EBIT of $177.4 million, up 12 per cent

- CSR EBIT for the six months to 30 September 2008 of $177.4 million up 12% on previous period
- Building Products (including Viridian Glass) EBIT up 13% in challenging residential construction market
- Successfully finalised bank facilities to replace Medium Term Note maturing in March 09
- Significant operational improvement initiatives have been accelerated across building products portfolio to manage through the cycle and better position CSR for cyclical upturn
- Synergies from glass acquisitions being achieved ahead of target
- Capital reinvestment program – key projects at or close to completion:
  - refurbished and expanded Viridian float glass manufacturing facility at Dandenong successfully commissioned in October 2008. At Clayton, Victoria, Australia's first fully automated double glazing facility is due for commissioning March 2009
  - new Bradford glasswool manufacturing insulation plant in Brisbane substantially complete and due for commissioning in December 2008
  - upgrade of Sugar Australia Yarraville refinery 80% complete and on schedule for commissioning mid 2009
  - Yarraville Gyprock plasterboard factory replacement 50% complete with Gypsum handling commissioned in October 2008, boardline start-up projected for September 2009 and warehousing due for completion mid/late 2010
  - Line 2 of Bradford Guangzhou rockwool technical insulation plant on track for commissioning in December 2008

- Sugar earnings up 24%, reflecting higher realised raw sugar price and improved earnings from Refining and Ethanol
- Net profit after tax before significant items down 1% to $71.7 million, reflecting higher finance costs relating to glass acquisitions. Increased provision for asbestos liability as a significant item resulted in net profit after tax including significant items down 51% to $32.9 million
- The interim dividend to be paid on 12 December 2008 will be maintained at 6 cents per share, fully franked

Financial results summary

Half year ended 30 September [$ million unless stated]	2008	2007	change
Trading revenue	**1,807.6**	1,552.2	+16%
Earnings before interest, tax, depreciation and amortisation	**255.9**	229.1	+12%
Earnings before interest and tax – EBIT	**177.4**	158.2	+12%
Net finance expense	**-54.9**	-39.1	+40%
Tax expense	**-32.4**	-30.2	+7%
Outside equity interest	**-18.4**	-16.6	
Net profit before significant items	**71.7**	72.3	-1%
Net profit after significant items	**32.9**	67.5	-51%
Earnings per share before significant items (EPS) [cents]	**7.2**	8.2	
	30 September 2008	30 September 2007	
Gearing – net debt / net debt + equity (1)	**44.5%**	42.4%	

(1) Excludes fair value of hedges from equity

Earnings before interest and tax (EBIT) by segment

Half year ended 30 September [$ million unless stated]	2008	2007	change
Building Products	**74.8**	66.3	+13%
Sugar	**27.8**	22.4	+24%
Aluminium	**70.4**	65.9	+7%
Property	**12.6**	7.6	+66%
Business segment total	**185.6**	162.2	+14%
Corporate costs	**-8.6**	-8.6	
Restructure and provisions	**0.4**	4.6	
Total EBIT	**177.4**	158.2	+12%

Overview

CSR Limited (CSR) today announced earnings before interest and tax (EBIT) of $177.4 million for the half year ended 30 September 2008, up 12% on the prior corresponding period. Higher realised raw sugar prices and improved earnings from aluminium and property offset the impact of the ongoing weak residential construction in east coast markets and in New Zealand.

"CSR achieved a steady result in increasingly volatile markets," said managing director, Jerry Maycock.

"The continued weakness in residential construction markets and higher input costs impacted the earnings of our Building Products' businesses in the first half.

"In response CSR is continuing to closely manage its Building Products businesses through the cycle by recovering cost increases from the market where possible, and generating further ongoing operational improvements to position for growth as the cycle turns.

"While our Viridian glass business is also subject to the residential building slow-down, we are achieving maintainable synergies at a faster rate and above our initial targets.

"Raw Sugar earnings are benefiting from higher raw sugar prices and operational improvements despite weather and mechanical challenges in mills, with earnings weighted heavily towards the second half of the year. The Refined Sugar business continues to perform well and Ethanol also contributed strong earnings growth.

"Aluminium earnings were ahead of the previous period, however as previously advised, carbon material cost pressures continue, while Property's results are in line with our expectations," Mr Maycock said.

"During the period CSR made substantial progress on its capital reinvestment program with several important projects now commissioned and others approaching completion."

Financial review

CSR has strengthened liquidity by finalising $200 million in new bank facilities that will be applied to repay the $200 million medium term note programme (MTN) maturing in March 2009. The Dividend Reinvestment Plan (DRP) in July 2008 raised an additional $88 million in new equity.

As a result of the debt component of the funding for last year's acquisitions, net debt has increased to $1.34 billion from $1.24 billion in March 2008. As anticipated, gearing (measured as net debt/net debt plus equity) increased to 44.5% from 43.0% which is towards the upper end of the company's preferred range.

During the first half, substantial progress was made on a number of medium and large capital projects designed to improve the company's future earnings capacity. A significant proportion of these projects will be completed by the end of the financial year, leading to an increasing ability to reduce debt thereafter.

Net cash from operating activities (excluding futures margin calls) was lower at $27.0 million, impacted by the timing of particular events which affects comparison with the corresponding prior period. Two significant amounts totalling $99 million were deferred to the second half with one payment of $38m received shortly after balance date.

CSR's asbestos provision has been increased by $48 million, reflecting the recent decrease in the AUD/USD exchange rate and a routine re-estimate of future liabilities. This amount is treated as a significant item.

The interim dividend to be paid on 12 December 2008 will be 6 cents per share, fully franked. The DRP will be in operation for the interim dividend to be paid in December 2008, and CSR will decide whether to underwrite the DRP for the interim dividend closer to the payment date.

In the unfolding economic environment the Board will continue to monitor liquidity and the balance sheet carefully and ensure that all sensible capital management tools are considered as appropriate to protect the Company's strong position.

Review of results by segment

Building Products

Half year ended 30 September [$ million unless stated]	2008	2007	change
Trading revenue	**818.2**	627.3	+30%
EBITDA	**109.6**	94.4	+16%
EBIT	**74.8**	66.3	+13%
Funds employed	**1,921.5**	1,452.6	+32%
EBIT/trading revenue	**9.1%**	10.6%	
Return on funds employed (MAT)	**8.1%**	7.2%	

CSR is managing through the current downturn in the building cycle, particularly in east coast markets and in New Zealand, through a series of initiatives designed to remove cost and improve operational efficiencies across its portfolio. These initiatives are providing short term earnings benefits and also positioning the businesses for medium term growth as the cycle turns.

EBIT of $74.8 million, which includes $25.1 million of earnings from Viridian, was up 13% from the previous year's $66.3 million. Excluding Viridian, like for like EBIT fell 7%, primarily on increased input costs of energy and related raw materials in a declining housing construction market.

Viridian's earnings will be weighted towards the second half of the year following the shut down and re-build of the Dandenong float glass line, which was successfully re-commissioned in October.

CSR has accelerated a number of initiatives to enable the Building Products business to meet short term challenges and also position for medium term growth. Significant organisational restructuring has already been implemented across all businesses.

In addition, cost reduction programs have been implemented across all businesses in manufacturing, logistics, sales and administration, with additional focus on discretionary spending. CSR is also optimising manufacturing and distribution networks to improve delivered cost and satisfy demand throughout the cycle.

CSR is also implementing pricing initiatives across its product portfolio in response to rising input costs. A time lag in these price increases, means that most of the effects are more likely to be materialised in the second half and subsequent periods.

Performance Systems' trading revenue (including product brands Bradford™ insulation, Hebel® lightweight concrete products, Edmonds™ ventilation systems) increased by 13% to $160.4 million (excluding Viridian™ products). Viridian contributed revenue of $248.2 million and EBIT of $25.1 million.

In late October 2008, Viridian successfully re-commissioned its Dandenong manufacturing facility, following an extensive shut down and rebuild of the furnace. The upgraded facility will provide a 37 per cent increase in capacity and be some 15 per cent more energy efficient leading to ongoing reduced energy costs and carbon emissions.

Following the upgrade, Viridian will install the coating mechanism to produce energy efficient ('low e' glass) from early next calendar year, substituting product that is currently imported. It will also commission its first fully automated double glazing production line in Clayton VIC in March 2009. During the first half, the proportion of energy efficient glass (double glazing units and coated glass) sales grew over 50% to more than 5% by volume. In New Zealand this proportion now exceeds 40%.

As part of the integration of Viridian, CSR is well advanced in achieving its target of $33 million in recurring synergies by YEM 2010. Costs have been reduced through labour savings and rationalisation of operations. The synergistic benefits were offset in this period by the combined effects of lower market demand and unusually large increases in fuel, energy and oil related raw materials. Prices have been adjusted to start recovering these costs, and there were no significant changes in market share despite a period with a very strong Australian dollar earlier this year.

The $50 million project to construct the new Bradford™ glasswool insulation manufacturing plant in Pine Rivers, north of Brisbane, Queensland is also proceeding on time and is expected to be commissioned in December this year. Bradford is the largest insulation producer in the Asia Pacific region and this new factory will increase its total glasswool production capacity in Australia by over 30%. This facility is expected to be heavily utilised from its first year of production.

Meanwhile, line 2 of Bradford Guangzhou rockwool technical insulation plant is on track for commissioning in December 2008 following the successful commissioning of line 1 in March 2008. This plant will supply the market for industrial and commercial insulation across the Asian region.

Lightweight Systems' (including product brands Gyprock™ Plasterboard, Cemintel™ Fibre Cement, Fricker™ Ceiling Systems and Mitex™ texture coating brands) trading revenue was $239.7 million, up from $213.7 million.

Again, earnings were impacted by significantly higher than forecast input costs. Gyprock announced national price increases from 1 September 2008, together with other operational improvement initiatives to protect margins.

The program to upgrade the Melbourne Gyprock plasterboard factory to a larger capacity, environmentally sustainable plant continues to progress. The new gypsum handling facility is now operating, with the new boardline expected to be commissioned within 12 months and the warehouse and distribution facility expected to be complete by mid/late 2010.

In response to Australia's rapidly growing green building market, Gyprock has launched a new product, Gyprock EC08, which is the first and only plasterboard in Australia to achieve Good Environmental Choice Australia (GECA) certification. This is another example of CSR's leadership in providing energy efficient solutions for the built environment.

PGH™ bricks and Monier™ and Wunderlich™ roofing products trading revenue of $166.0 million increased by 4% in a very challenging environment. The continued restructuring of the Bricks and Roofing operations is aimed at providing sustainable earnings in the residential construction downturn.

The Bricks and Roofing business is further strengthening its position for the eventual market upturn with two strategic acquisitions. In New Zealand, CSR has acquired Ross Roofing, which will provide CSR with the opportunity to re-establish concrete roofing as the preferred roofing solution in New Zealand and further strengthen the Monier™ brand. As part of this transaction CSR has already closed its Penrose plant and transferred production to Ross Roofing's plant at Takanini, Auckland. In Western Australia, CSR has merged its roofing business with Prime RoofTiles Pty Ltd to form a joint venture to be known as Monier-Prime Pty Ltd. The increased scale of the business will allow significant efficiency improvements to be realised. The merger will also provide ongoing enhancements to products, services, systems and equipment, and ultimately improved customer service.

Outlook: The Australian residential building market continues to be weak, with housing approvals over the year down nearly 9% on already low numbers and NSW at historically low levels. The NZ market has also dropped very quickly to remarkably low levels. Commercial demand will decline in most centres from recent high levels.

CSR welcomes the recent announcement from the Federal Government to triple the first home owners grant for new home purchases which, together with lower interest rates, could be expected to act as a stimulus for activity. However, present volatile market conditions make forecasting more difficult than usual and it could well be into the second half of calendar 2009 before noticeable increases in building products demands are apparent.

Sugar

Half year ended 30 September [$ million unless stated]	2008	2007	change
Trading revenue	**710.9**	642.0	+11%
EBITDA	**55.4**	47.3	+17%
EBIT	**27.8**	22.4	+24%
Funds employed	**1,058.0**	976.7	+8%
EBIT/trading revenue	**3.9%**	3.5%	
Return on funds employed (MAT)	**7.3%**	8.3%	

Trading revenue of $710.9 million was up from $642.0 million while EBIT increased from $22.4 million to $27.8 million largely due to an increased global raw sugar price compared to last year and increased earnings in the refining and renewables (ethanol and cogeneration) businesses. Earnings in raw sugar and ethanol are weighted towards the second half of the year.

Raw Sugar: Total sugar cane crushed is up marginally by 395,000 tonnes (5%) compared to a very wet season last year which delayed the start to the crushing season.

The average realised price has increased from last year's net realised price of A$300 per tonne. As at 30 September 2008, CSR had over 80 per cent of its current season exposure hedged and expects a final year net realised price of approximately $A315 per tonne.

As previously advised, the incident at Pioneer mill in June where two clarifier tanks collapsed is not expected to have a material effect on earnings, although it did cause disruption to CSR's and growers' operations. CSR worked around the clock to replace the clarifier tanks while also implementing other measures, such as transferring cane to other mills, to minimise disruption to growers. While production resumed ahead of schedule, the incident, together with heavy rain in July, is expected to extend the crushing season in the Burdekin by approximately three to four weeks beyond an 'average' season.

CSR remains focused on its capital program to upgrade critical milling equipment to ensure that the business maintains its competitive position in the global raw sugar market. The second year of a three year program is near complete to upgrade equipment, improve cost position, enhance reliability and increase sugar recovery.

Refined Sugar's earnings were up 8% to $17.9 million due to higher margins and further improved customer value propositions in both Sugar Australia and New Zealand Sugar Company on slightly lower sales volumes.

The $56 million upgrade of the Yarraville refinery in Melbourne to improve efficiency continues to progress well and remains on time and within budget for commissioning in mid 2009.

Ethanol's returns improved to $4.5 million in the first half of the year due primarily to higher prices achieved in Fuel and Agricultural services. In August, CSR announced a $17.8 million project to significantly increase its fuel ethanol production capacity to 60 million litres per annum. With demand for fuel ethanol continuing to increase in Australia, the project enables CSR to increase its production of the renewable fuel to meet this growth. This project has now commenced and commissioning is expected to begin in July 2009 at Sarina.

More recently, CSR announced that it will be the official fuel supplier of the V8 Supercar Championship series from next year. These high performance vehicles will use E85, a blend of 85% ethanol and 15% unleaded petrol, demonstrating the fuel's potential and enabling the sport to significantly reduce its carbon emissions.

Outlook:

The Refining and Renewables businesses are continuing to perform well and continue to build a more stable earnings stream in Sugar. Meanwhile, long term contracts and hedging of commodity and currency add further stability to Sugar returns.

Assuming reasonable weather conditions for the remainder of the milling season and the prevailing raw sugar prices and exchange rates continue, the overall Sugar EBIT is expected to be above last year.

Aluminium

Half year ended 30 September [$ million unless stated]	**2008**	2007	change
Trading revenue	**278.2**	282.5	-2%
EBITDA	**83.8**	81.4	+3%
EBIT	**70.4**	65.9	+7%
Funds employed	**277.3**	254.4	+9%
EBIT/trading revenue	**25.3%**	23.3%	
Return on funds employed (MAT)	**50.9%**	55.1%	

Gove Aluminium Finance Limited's (70% CSR) trading revenue was slightly down to $278.2 million from $282.5 million with sales 2,373 tonnes lower than the previous period to 90,764 tonnes due to planned inventory increase, partially offset by a higher metal price after hedging.

The period saw progressive and substantial price increases for carbon based materials such as petroleum coke, pitch and cathode blocks.

The average realised aluminium price after hedging was A$3,065 per tonne, compared with A$3,033 for the previous period. The average world aluminium price increased to US$2,913 for the half year compared to US$2,702 for the prior half year.

EBIT was $70.4 million, 7% per cent higher than the corresponding period last year. EBIT margin increased to 25.3%, compared to 23.3%, mainly due to higher prices.

The world US$ aluminium price, in line with most commodities, softened in the latter part of the period. Due to Tomago's favourable position on the cost curve, it is expected to benefit as higher cost producers in Asia, the US and Europe find their cash costs exceeding current metal prices and reduce their production accordingly.

For the second half of the financial year around 80% of net aluminium exposure is hedged at A$3,037 per tonne, with progressively lower hedging levels beyond that period. With the recent lower A$/US$ exchange rate and existing hedge position, realised Australian dollar prices for Gove Aluminium Finance should continue to be satisfactory. More recently there are also indications that the US$ price for some carbon based material inputs commodities has peaked.

Outlook: As previously advised, Aluminium's EBIT for the full year is expected to be slightly below last year.

Property

Half year ended 30 September [$ million unless stated]	2008	2007	change
Total revenue	**14.4**	6.2	+132%
EBIT	**12.6**	7.6	+66%
Capital investment	**7.2**	5.2	+38%

Property EBIT of $12.6 million was up from $7.6 million. The half year result reflects positive take-up of industrial land at CSR's Darra development, south of Brisbane. CSR is continuing to advance several re-zonings within its solid development pipeline in south east QLD, NSW, VIC and WA.

Outlook: This year, Property's results are expected to be in the sustainable range of $35 to $40 million per annum, depending on the timing of transactions currently in negotiation.

Group and Strategic outlook

"The unprecedented volatility in markets presents a very challenging period across all our business, but particularly in Building Products," said Mr Maycock.

"CSR is addressing these challenges head on, by implementing a number of business improvement initiatives across our portfolio.

"We are encouraged by recent Government announcements to provide much needed stimulus to the housing market, however the benefits of these are more likely to be realised in the YEM10 financial year.

"We continue to make progress in increasing the stability of earnings in our Sugar business and the increased realised raw sugar price will modestly assist earnings this year, with additional benefit in coming seasons.

"As previously advised to the market, for the full year, CSR's group EBIT before significant items is expected to be in line with last year.

"Looking forward, we are now well advanced with our capital reinvestment program across our portfolio with expenditure to significantly reduce in YEM10. The earnings benefits from these projects, together with a reduced spend will result in significantly improved cash flow generation from next financial year.

"We are improving business performance and investing in growth. I am confident that these steps will position the company to take advantage of improved market conditions anticipated in the medium term," Mr Maycock said.

CSR has thoroughly reviewed opportunities to restructure its portfolio of businesses and concluded that a restructure may create additional shareholder value under more appropriate market conditions. The potential for a value creating restructure remains under active consideration.

5 November 2008

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CSR Limited

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Half yearly report for the six months ended 30 September 2008

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Directors' Report

The directors of CSR Limited present their report on CSR Limited and its controlled entities ("CSR Group") for the half year ended 30 September 2008.

Directors

The directors of CSR Limited at any time during the half year ended 30 September 2008, or since that date, are as follows (each of them, with the exception of Mr Nick Burton Taylor, was a director from 1 April 2008 up to and including the date of this report):

Ian Blackburne

Nick Burton Taylor*

Kathleen Conlon

Ray Horsburgh

Richard Lee

Jerry Maycock

John Story

* Appointed on 1 August 2008.

Review of Operations

A review of operations of CSR Group during the half year ended 30 September 2008 is set out in the attached Results for announcement to the market and forms part of this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration made under section 307C of the Corporations Act 2001 is set out on page 2 and forms part of this report.

Rounding Off

CSR Limited is a company of a kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order, amounts included in this directors' report are rounded to the nearest tenth of a million dollars unless otherwise indicated.

The directors' report is signed in accordance with a resolution of the directors of CSR Limited.

Jerry Maycock

Managing Director

Sydney, 5 November 2008

Deloitte.

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The Board of Directors
CSR Limited
9 Help Street
Chatswood NSW 2067

5 November 2008

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION TO CSR LIMITED

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

As lead audit partner for the review of the financial statements of CSR Limited for the half-year ended 30 September 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

Condensed income statement

Half year ended 30 September ($ million)	Note	Consolidated 2008	2007
Trading revenue - sale of goods		**1,807.6**	1,552.2
Cost of sales		**(1,372.8)**	(1,187.8)
Gross margin		**434.8**	364.4
Warehouse and distribution costs		**(126.1)**	(90.1)
Selling costs		**(83.4)**	(83.1)
Administration and other operating costs		**(74.5)**	(54.8)
Share of profit of associates	9	**8.0**	9.1
Operating profit		**158.8**	145.5
Other income from ordinary activities		**17.7**	12.1
Other expenses from ordinary activities		**(56.9)**	(8.3)
Dividend income		**2.4**	2.0
Profit from ordinary activities before finance and income tax		**122.0**	151.3
Interest income	2	**1.7**	1.9
Finance cost	2	**(56.6)**	(41.0)
Profit from ordinary activities before income tax		**67.1**	112.2
Income tax expense relating to ordinary activities	3	**(15.8)**	(28.1)
Net profit		**51.3**	84.1
Net profit attributable to minority interests		**18.4**	16.6
Net profit attributable to shareholders of CSR Limited		**32.9**	67.5
Reconciliation of retained profits			
Retained profits at the beginning of the financial year		**636.4**	630.7
Net profit attributable to shareholders of CSR Limited		**32.9**	67.5
Net (expense) income recognised directly in retained profits		**(38.9)**	2.2
Total available for appropriation		**630.4**	700.4
Dividends paid	8	**(88.4)**	(78.9)
Retained profits at the end of the financial half year		**542.0**	621.5

(cents)			
Basic earnings per share based on net profit attributable to shareholders of CSR Limited [a]		**3.3**	7.7
Diluted earnings per share based on net profit attributable to shareholders of CSR Limited [a]		**3.3**	7.7

[a] Based on a weighted average number of shares of 1,000.0 million (2007: 878.4 million).

Notes to the financial statements are annexed.

Condensed balance sheet

($ million)	Note	Consolidated As at 30 September 2008	As at 31 March 2008
Current assets			
Cash and cash equivalents		**39.4**	24.9
Receivables		**644.8**	555.5
Inventories		**425.8**	377.4
Other financial assets		**54.1**	85.6
Other current assets		**37.6**	67.5
Total current assets		**1,201.7**	1,110.9
Non-current assets			
Receivables		**22.6**	20.0
Inventories		**23.6**	29.8
Investments accounted for using the equity method		**24.6**	27.9
Other financial assets		**66.5**	99.9
Property, plant and equipment		**2,156.2**	2,040.1
Goodwill		**601.1**	585.0
Other intangible assets		**49.4**	49.8
Deferred income tax assets		**145.5**	105.9
Other non-current assets		**17.6**	29.9
Total non-current assets		**3,107.1**	2,988.3
Total assets		**4,308.8**	4,099.2
Current liabilities			
Payables		**472.5**	389.0
Borrowings		**246.9**	482.8
Other financial liabilities		**70.8**	118.3
Tax payable		**10.8**	6.4
Provisions		**212.9**	226.8
Total current liabilities		**1,013.9**	1,223.3
Non-current liabilities			
Payables		**5.7**	8.3
Borrowings		**1,134.1**	778.8
Other financial liabilities		**53.1**	95.1
Provisions		**420.4**	399.9
Other non-current liabilities		**42.4**	3.1
Total non-current liabilities		**1,655.7**	1,285.2
Total liabilities		**2,669.6**	2,508.5
Net assets		**1,639.2**	1,590.7
Equity			
Issued capital	7	**970.6**	879.2
Reserves		**(14.8)**	(30.8)
Retained profits		**542.0**	636.4
Equity attributable to shareholders of CSR Limited		**1,497.8**	1,484.8
Minority interests in controlled entities		**141.4**	105.9
Total equity		**1,639.2**	1,590.7

Notes to the financial statements are annexed.

Condensed statement of recognised income and expense

Half year ended 30 September ($ million)	Consolidated 2008	2007
Actuarial (loss) profit on defined benefit plans	**(55.6)**	3.1
Income tax on actuarial (loss) profit	**16.7**	(0.9)
Net income recognised directly in retained profits	**(38.9)**	2.2
Hedge gain taken to other equity	**24.7**	122.6
Income tax expense on cash flow hedges	**(7.4)**	(36.8)
Translation of foreign operations taken to other equity	**10.4**	(10.1)
Net income recognised directly in other equity	**27.7**	75.7
Total income recognised directly in equity	**(11.2)**	77.9
Net profit for the financial half year	**51.3**	84.1
Total recognised income and expense for the financial half year	**40.1**	162.0
Attributable to:		
CSR Limited shareholders	**6.9**	123.8
Minority interests	**33.2**	38.2
Total recognised income and expense for the financial half year	**40.1**	162.0

Notes to the financial statements are annexed.

Condensed statement of cash flows

Half year ended 30 September ($ million)	Note	Consolidated 2008	2007
Cash flows from operating activities			
Receipts from customers		**1,798.8**	1,728.6
Payments to suppliers and employees		**(1,753.7)**	(1,569.8)
Dividends and distributions received		**13.7**	7.7
Interest received		**1.6**	1.2
Income tax paid		**(33.4)**	(33.5)
Net cash from operating activities before futures margin calls		**27.0**	134.2
Futures margin calls refunded		**45.7**	13.1
Net cash from operating activities		**72.7**	147.3
Cash flows from investing activities			
Purchase of property, plant and equipment and other non-current assets		**(229.3)**	(140.9)
Proceeds from sale of property, plant and equipment and other non-current assets		**121.9**	25.1
Purchase of controlled entities and businesses, net of cash acquired	6	**(11.6)**	(712.7)
Net cash used in investing activities		**(119.0)**	(828.5)
Cash flows from financing activities			
Proceeds from issue of shares		**56.5**	150.7
Net proceeds from borrowings		**108.0**	636.3
Dividends paid		**(53.5)**	(78.7)
Interest and other finance costs paid		**(53.4)**	(28.1)
Net cash from financing activities		**57.6**	680.2
Net increase (decrease) in cash held		**11.3**	(1.0)
Net cash at beginning of the financial period		**24.3**	51.3
Effects of exchange rate changes		**2.4**	(1.5)
Net cash at 30 September		**38.0**	48.8

Reconciliation of net cash

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

	2008	2007
Cash at banks and on hand	**34.3**	46.7
Short-term loans and deposits	**5.1**	2.1
Cash	**39.4**	48.8
Bank overdrafts	**(1.4)**	-
Net cash at 30 September	**38.0**	48.8

Notes to the financial statements are annexed.

Notes to the financial statements

i. Basis of Preparation. This half yearly report for CSR Limited and its controlled entities ("CSR group") is a general purpose financial report prepared in accordance with the accounting standard AASB 134 "Interim Financial Reporting", the requirements of the Corporations Act 2001, other applicable accounting standards and interpretations, and complies with other requirements of the law and the Listing Rules of the Australian Securities Exchange Limited. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The financial report is based on historical cost, except for certain assets which are at deemed cost or fair value (financial assets). It should be read in conjunction with the last CSR Annual Report and announcements to the market made during the financial half year in accordance with the CSR group's continuous disclosure obligations arising under the Corporations Act 2001 and Listing Rule 3.1. This report does not include all the notes of the type normally included in an annual report.

ii. Significant accounting policies.
The accounting policies set out below have been applied in preparing the financial statements for the financial half year ended 30 September 2008, and in the preparation of the comparative income statement for the financial half year ended 30 September 2007 and the comparative balance sheet as at 31 March 2008. The accounting standards, policies, estimation methods and measurement bases used in this report are the same as those used in the last CSR Annual Report.

Financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in income immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in income depends on the nature of the hedge relationship. The CSR group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedges of highly probable forecast transactions (cash flow hedges).
Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in income immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.
Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in income. Amounts deferred in equity are recycled in income in the periods when the hedged item is recognised in income.
Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts.

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

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

ii. Significant accounting policies. (continued)

Goodwill. Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired, is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in income and is not subsequently reversed.

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 substantially enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the CSR group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and when the CSR group intends to settle the tax assets and liabilities on a net basis. No provision for withholding tax has been made on undistributed earnings of overseas controlled entities where there is no intention to distribute those earnings. Current and deferred tax is recognised as an expense in the income statement except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from an initial accounting for a business acquisition, in which case it is taken into account in the determination of goodwill.

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

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

Provision for rehabilitation. The estimated net present value of known rehabilitation costs that the CSR group believes will be incurred is taken up as a provision. The estimate is revised annually and the provision is adjusted accordingly.

Financial assets. Financial assets are classified as available for sale financial assets, or loans and receivables (stated at amortised cost less impairment). The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Certain shares held by the CSR group are classified as being available for sale and are stated at fair value. Fair value is determined in accordance with a discounted cash flow analysis. Gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in income for the period.

iii. Seasonality of results. The CSR group's sugar mills only operate for approximately five months of the year generally from late June to November. The results of this business are generally more favourable in the first half of the financial year than the second half. Due to delays as a result of wet weather, the current crushing season is likely to extend until December and hence the profit from the Sugar Milling business is likely to be significantly higher in the second half of the financial year than would ordinarily be the case. The prior year's crushing season (half year ended 30 September 2007) was also impacted by wet weather resulting in the profit from the Sugar Milling business being significantly higher than usual in the second half of the financial year.

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

v. Rounding. Unless otherwise stated, the 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 Australian Securities and Investments Commission Class Order 98/100 issued 10 July 1998.

vi. Significant items. For the financial half year ended 30 September 2008 CSR has increased its product liability provision by $48.1 million (2007: nil) to $405.9 million following its half-yearly review of outstanding liabilities and provisions. The Australian dollar provision relating to US denominated liabilities is impacted by exchange rates. CSR's provision for product liability is determined using reports provided by independent experts in each of the United States and Australia. CSR has included within the provision an appropriate prudential margin.

For the financial half year ended 30 September 2008 costs associated with the integration of Pilkington Australasia and DMS glass acquisitions of $7.3 million were recorded as a significant item (2007: $6.9 million).

1. Segment information

Half year ended 30 September

($ million)	Total revenue[a b] 2008	Total revenue[a b] 2007	Depreciation & amortisation[c] 2008	Depreciation & amortisation[c] 2007
Business segments				
Sugar	**714.4**	645.4	**27.6**	24.9
Building Products	**818.4**	628.3	**34.8**	28.1
Aluminium	**280.3**	284.6	**13.4**	15.5
Property	**14.4**	6.2	**-**	-
Segment totals	**1,827.5**	1,564.5	**75.8**	68.5
Corporate, Restructuring and provisions[d]	**0.2**	1.8	**2.7**	2.4
Interest revenue	**1.7**	1.9		
Group total	**1,829.4**	1,568.2	**78.5**	70.9

($ million)	Profit from ordinary activities before income tax 2008	Profit from ordinary activities before income tax 2007	Income tax 2008	Income tax 2007	Minority interests 2008	Minority interests 2007	Net profit 2008	Net profit 2007
Business segments								
Sugar	**27.8**	22.4	**6.3**	4.9	**3.2**	3.0	**18.3**	14.5
Building Products	**74.8**	66.3	**22.0**	18.7	**0.2**	0.5	**52.6**	47.1
Aluminium	**70.4**	65.9	**21.2**	19.5	**14.4**	13.6	**34.8**	32.8
Property	**12.6**	7.6	**2.3**	0.9	**-**	-	**10.3**	6.7
Segment totals	**185.6**	162.2	**51.8**	44.0	**17.8**	17.1	**116.0**	101.1
Corporate[e]	**(8.6)**	(8.6)	**(2.5)**	(2.5)	**-**	-	**(6.1)**	(6.1)
Restructuring and provisions[d]	**0.4**	4.6	**0.1**	0.7	**-**	-	**0.3**	3.9
	177.4	158.2	**49.4**	42.2	**17.8**	17.1	**110.2**	98.9
Net finance cost	**(54.9)**	(39.1)	**(17.0)**	(12.0)	**0.6**	(0.5)	**(38.5)**	(26.6)
Group total before significant items	**122.5**	119.1	**32.4**	30.2	**18.4**	16.6	**71.7**	72.3
Significant items (refer note 4)	**(55.4)**	(6.9)	**(16.6)**	(2.1)	**-**	-	**(38.8)**	(4.8)
Group total after significant items	**67.1**	112.2	**15.8**	28.1	**18.4**	16.6	**32.9**	67.5

a Excludes net profit from associates.

b Intersegment revenue is negligible.

c Total depreciation and amortisation includes $5.7 million (2007: $7.4 million) amortisation of intangibles.

d Includes product liability, certain defined benefit superannuation expense and other non-operating costs.

e Represents unallocated overhead costs.

Half year ended 30 September	($ million)	**2008**	2007

2. Net finance cost

	2008	2007
Interest paid or payable on short-term debt	**11.7**	0.9
Interest paid or payable on long-term debt	**39.6**	30.2
Total interest expense	**51.3**	31.1
Unwinding discount on non-current provisions and debtors	**9.2**	8.9
Funding costs	**2.0**	0.9
Foreign exchange (gain) loss	**(5.9)**	0.1
Finance cost	**56.6**	41.0
Interest income	**(1.7)**	(1.9)
Net finance cost before income tax and minority interest	**54.9**	39.1

3. Income taxes

Income tax expense

Reconciliation of income tax expense charged to the income statement
with income tax calculated on profit from ordinary activities before income tax:

	2008	2007
Profit from ordinary activities before income tax	**67.1**	112.2
Income tax expense calculated at 30%	**20.1**	33.7
Increase (decrease) in income tax expense due to		
Utilisation of losses in asset disposals	**(1.6)**	-
Asian trading profits tax rate differential	**0.3**	(0.2)
Equity accounted associates' net profit and rebates on dividends received	**(3.1)**	(3.3)
Research and development	**(0.4)**	(1.3)
Income tax under provided in prior years	**-**	0.3
Other items	**0.5**	(1.1)
Total income tax expense on profit from ordinary activities	**15.8**	28.1

4. Significant items

	2008	2007
Product liability		
Increase in product liability provision	**48.1**	-
Income tax benefit	**(14.4)**	-
Pilkington Australia and DMS glass acquisitions		
Integration costs	**7.3**	6.9
Income tax benefit	**(2.2)**	(2.1)
Total significant items after tax	**38.8**	4.8

5. Net tangible assets per share [a]

	30 September 2008 $	30 September 2007 $
Net tangible assets per share	**0.83**	0.93

a Calculated as net assets attributable to CSR Ltd shareholders ($1,497.8million) less intangible assets ($650.5 million) divided by the number of shares (1,021.3 million).

6. Details of entities over which control has been gained or lost

Control gained over entities

On 15 September 2008 CSR Limited acquired the assets of Ross Roofing. The acquired business contributed revenues of $0.4 million and earnings before interest and tax (EBIT) and net profit of nil for the period from 15 September 2008 to 30 September 2008. If the acquisition had occurred on 1 April 2008, revenues, EBIT and net profit for the half year ended 30 September 2008 would have been approximately $9.9 million, $0.5 million loss and $0.6 million loss respectively before significant items and interest expense. These amounts have been estimated using a consistent basis to the period since acquisition.

On 29 June 2007 CSR Limited acquired 100% of the issued share capital of Pilkington Australia Finance Pty Ltd. For the half year to 30 September 2007 the acquired business contributed revenues of $104.8 million, earnings before interest and tax (EBIT) of $12.7 million, and net profit of $8.9 million before synergies to the CSR group.

Details of the purchase consideration and the fair value of assets and liabilities acquired are given below. No additional payments are anticipated for the 2008 acquisitions and no additional consideration was paid for the 2007 acquisitions over that reported previously. The fair value of the assets and liabilities acquired in 2007 have been adjusted over those previously reported to reflect additional information being available during the period to one year after the acquisition date. The fair value of assets and liabilities acquired in 2008 are shown on a provisional basis only.

	2008 ($ million)	2007 ($ million)
Purchase consideration		
Cash paid - purchase price	**11.6**	690.0
Cash paid - other - includes working capital and cash adjustments	**-**	38.6
Direct costs relating to the acquisition	**-**	6.7
Total purchase consideration	**11.6**	735.3
Fair value of net identifiable assets acquired (refer below)	**3.6**	299.8
Goodwill (refer below)	**8.0**	435.5

Assets and liabilities acquired are as follows:

	2008		2007	
($ million)	**Acquiree's carrying amount**	**Fair value**	Acquiree's carrying amount	Adjusted fair value[b]
Cash	**-**	**-**	22.6	22.6
Trade receivables	**-**	**-**	61.1	61.1
Inventories	**1.6**	**1.6**	56.2	53.7
Other current assets	**-**	**-**	3.4	3.4
Property, plant and equipment	**2.0**	**2.0**	252.2	244.2
Deferred income tax asset	**-**	**-**	14.0	26.5
Superannuation defined benefit plans - fair value of (deficit) surplus			(6.3)	1.4
Trade payables	**-**	**-**	(37.4)	(32.2)
Other creditors	**-**	**-**	(6.4)	(17.6)
Income tax provision	**-**	**-**	(2.8)	(2.8)
Provisions	**-**	**-**	(32.3)	(56.5)
Deferred income	**-**	**-**	(4.0)	(4.0)
Net identifiable assets acquired	**3.6**	**3.6**	320.3	299.8
Goodwill acquired[a]		**8.0**		435.5
Total purchase consideration		**11.6**		735.3
Cash balances acquired		**-**		(22.6)
Total flow of cash	**3.6**	**11.6**	320.3	712.7

a The goodwill is attributable to the workforce and the potential of the acquired business.
b Reflects the final fair values for the previously provisionally accounted acquisition.

7. Issued capital

	Number shares[a]	Price $	Share Capital $ million
Particulars of shares issued during the financial half year by CSR Limited			
On issue 31 March 2008	982,726,635		879.2
Universal Share/Option Plan[b]	3,034,800	1.01	3.0
Dividend Reinvestment Plan [c]	35,583,904	2.49	88.4
On issue 30 September 2008[d]	**1,021,345,339**		**970.6**

a The shares are fully paid ordinary shares listed on the Australian Stock Exchange and carry one vote per share and the right to dividends.
b Fully paid ordinary shares were issued in September 2008 under the employee Universal Share/Option Plan. For tax reasons, shares cannot be sold by participants within three years of allotment, unless they finish their employment with the CSR group. Offers of fully paid shares were made to all eligible employees (5,692). 3,372 accepted the offer prior to 30 September 2008, subscribing for 450 shares at $2.02 each and receiving an equivalent number of shares at no cost. The issue of 1,517,400 shares purchased by employees was taken to equity. The additional 1,517,400 shares issued at no cost were recorded as an expense in the financial report with an offsetting entry to the employee share reserve.
c Fully paid ordinary shares were issued on 3 July 2008. Eligible shareholders were able to reinvest all or part of their dividends in additional fully paid ordinary shares at a market discount of 2.5%.
d There were 926,833,108 shares on issue at 30 September 2007.

8. Details relating to dividends and return of capital

	Financial year ending 31 March	**Franking percentage**	**Date dividend paid/payable**	**Amount per share cents**	**Total amount $ million**
Final dividend	2006	100	5 July 2006	9	82.1
Interim dividend	2007	100	11 December 2006	6	52.6
Final dividend	2007	100	3 July 2007	9	78.9
Interim dividend	2008	100	17 December 2007	6	57.8
Final dividend	2008	100	3 July 2008	9	88.4
Interim dividend	2009	100	12 December 2008	6	61.3

The interim dividend in respect of ordinary shares for the financial half year ended 30 September 2008 has not been recognised in this financial report because the interim dividend was declared subsequent to 30 September 2008.

Dividend reinvestment plans

CSR Limited has established a dividend reinvestment plan under which the holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than be paid in cash. The dividend reinvestment plan has been extended for a further year to 12 October 2009 on the same terms and conditions as previously announced to the market.

9. Details of associate entities

Share of net profit of associate entities	Half year ended 30 September	
	2008	2007
	$ million	$ million
Profit from ordinary activities before income tax	**11.8**	13.1
Income tax expense	**3.8**	4.0
Profit from ordinary activities after income tax	**8.0**	9.1
Extraordinary items after tax	**-**	-
Net profit	**8.0**	9.1
Minority interests	**-**	-
Total share of net profit	**8.0**	9.1

	Ownership interest		Share of profit	
	As at 30 September		Half year ended 30 September	
	2008	2007	**2008**	2007
Name	**%**	%	**$ million**	$ million
Associate companies				
C. Czarnikow Limited	**43**	43	**2.1**	1.7
Enviroguard Pty Limited	**-**	50	**-**	2.7
Rondo Pty Limited	**50**	50	**5.8**	4.5
Other non-material associates			**0.1**	0.2
Total share of net profit			**8.0**	9.1

The CSR group does not have any other material interests.

10. Events occurring after the balance sheet date

There have been no changes in events since 30 September 2008 that would materially impact any information disclosed in this financial report.

11. Contingent liabilities

Product liability

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

In Australia, asbestos related personal injury claims have been made by employees and ex-employees of CSR, by others such as contractors and transporters and by users of products containing asbestos. As at 30 September 2008, there were 614 such claims pending.

In the United States, claims are made by people who allege exposure to asbestos fibre used in the manufacture of products containing asbestos or in the installation or use of those products. As at 30 September 2008, there were 2,412 such claims pending.

CSR has been settling claims since 1989. As at 30 September 2008, CSR had resolved 2,434 claims in Australia and approximately 132,800 claims in the United States.

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

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

At 30 September 2008, a provision of $405.9 million (31 March 2008: $375.1 million) has been made for all known claims and probable future claims but not for such claims as cannot presently be reliably measured. CSR cannot determine with certainty the amount of its ultimate liability with respect to asbestos related claims or the future impact on its financial condition. However, taking into account the provision already included in CSR’s financial statements and current claims management experience, CSR is of the opinion that asbestos litigation in the United States and Australia will not have a material adverse impact on the CSR group financial condition.

Workers' compensation

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

CSR LIMITED

ABN 90 000 001 276

Directors' declaration

In the directors' opinion:

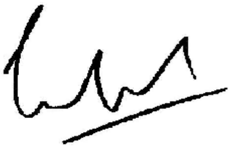
(a) the financial statements and notes, set out on pages 3 to 14 are in accordance with the Corporations Act 2001, including

(i) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2008, and of its performance as represented by the results of its operations and its cash flows, for the financial half year ended on that date;

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

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



Jerry Maycock
Managing Director

Sydney, 5 November 2008

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

Report on the Half-Year Financial Report
We have reviewed the accompanying half-year financial report of CSR Limited, which comprises the balance sheet as at 30 September 2008, and the income statement, cash flow statement and statement of recognised income and expense for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year, as set out on pages 3 to 15.

Directors' Responsibility for the Half-Year Financial Report
The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of CSR Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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

(a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Samantha Lewis
Partner
Chartered Accountants
Sydney, 5 November 2008

Member of
Deloitte Touche Tohmatsu