



SFE NOTICE NO. 180/09

Date of Issue: 26 October 2009
Effective Date: 28 October 2009 (indicatively)

CSR LIMITED ENTITLEMENT OFFER – CORPORATE ACTION IMPLICATIONS FOR ASX CSR CFDS

1.0 Introduction

CSR Limited (ASX Code: **CSR**) has announced on 26 October 2009, a pro-rata renounceable entitlement offer of 7 new shares for every 40 shares at a subscription price of \$1.66. The new shares do not participate in the interim dividend of \$0.025. The shares will be in trading halt/suspension from Monday, 26 October 2009, and is expected to resume trading on an ex-entitlement basis on Wednesday, 28 October 2009 (indicatively).

The purpose of this SFE Notice is to describe the cash adjustments to be made to open positions in ASX CSR CFDS (commodity code **CPK6**).

The Effective Date for cash adjustments for open positions in **CPK6** held at the close of business on the day prior to the resumption of ex-entitlement trading on account of the **entitlement offer**, will be Wednesday, 28 October 2009.

2.0 Cash Adjustment for the Entitlement Offer

The following will occur for positions in CPK6 on account of the entitlement offer. The market implied value of the entitlement for the purpose of the CFD cash adjustment will be based on the CSPA (closing price) ex-entitlement of the underlying shares as determined by ASX on Wednesday, 28 October 2009.

Cash Adjustment per Account

Implied value of an individual right or entitlement V (whether positive or negative) is determined by the Exchange, for the purposes of the CFDs cash adjustment, as

$$V = S - (d + C)$$

Where:

- S = CSPA (closing price) ex-entitlement
- d = Dividend (or distribution) amount difference, if any, between new and old stapled securities = **\$0.025**
- C = Entitlement (or subscription) price to take up the new stapled securities = **\$1.66**

So that the cash adjustment CA amount for each open CFD per account, on account of the issue ratio

$$\begin{aligned} \text{CA} &= V \times 7/40 \\ &= (S - 0.025 - 1.66) \times 7/40, \text{ rounded to nearest 1 cent} \end{aligned}$$



Long position holders (at close of business on the day prior to the effective date) will be credited the cash adjustment. Short position holders will be debited.

It should be noted that only trades to open a position prior to the trading halt that are cum-entitlement, will therefore be subject to the above cash adjustment for positions held. As the market value of the entitlement as determined by ASX for the purposes of the CFD cash adjustment is used by ASX, this amount will only be determined after the close of trading on the first ex-entitlement date of the underlying stapled securities using the CSPA.

The cash adjustment will only be applied to positions prior to the recommencement of trading on Wednesday, 28 October 2009. It will be settled by SFECC on Thursday, 29 October 2009, the first settlement day following the effective date.

3.0 Further SFE Notice

Participants are advised that a further SFE Notice setting out the amount of cash adjustment will be issued as soon as is practicable, after the close of business on the effective date.

4.0 Further information

Participants seeking further information in relation to this Notice should contact:

Peter Ho, Senior Operations Analyst on +612 9227 0668, or peter.ho@asx.com.au.

A handwritten signature in black ink, appearing to read 'Suzanne Munro', is written in a cursive style.

Suzanne Munro
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Australia