

Summary of the CSR Dividend Reinvestment Plan

CSR Limited ABN 90 000 001 276
2 October 2007



CSR

The CSR Limited (CSR or the company) Dividend Reinvestment Plan (DRP) allows shareholders in CSR to reinvest all or part of their dividends in fully paid ordinary CSR shares (shares).

Participation in the DRP is subject to the DRP Terms and Conditions. The Terms and Conditions are available on the company's internet site at http://www.csr.com.au/investorcentre/investors_SPPandDRP.asp or a copy may be obtained free of charge by contacting the company's share registry, Computershare Investor Services Pty Limited. Within Australia, phone 1800 676 061 or international +61 3 9415 4033.

Key Dates¹

Date 2007	Event
7 November	CSR half year profit and half year dividend announced
13 November	CSR shares trade ex-dividend
19 November	Record date for CSR half yearly dividend Final date for receipt by registry of DRP Notice of Election forms
10 December	Half year dividend payment Allotment of DRP shares

¹CSR Limited has the discretion to alter some Key Dates.

Who can participate in the DRP?

All holders of CSR shares having a registered address in Australia or New Zealand may participate in the DRP.

Participation in the plan is entirely optional. You may join the plan for some or all of your shareholding, including for shares purchased under the current offer in the CSR Share Purchase Plan.

How does the DRP work?

Dividends payable on your shares that you elect to be subject to the DRP (Participating Shares) will be applied on your behalf in acquiring additional shares in the company.

All shares allotted under the DRP rank equally with existing fully paid ordinary shares and will be quoted on the Australian Securities Exchange Limited (ASX).

If there is any amount which the company must retain from any dividend, this will be deducted and the balance will be applied in acquiring shares. Examples include where a participant does not quote a tax file number or when withholding tax is payable in respect of the dividend.

At what price will shares be allocated under the DRP?

Shares will be allotted at a price equal to the arithmetic average of the daily volume weighted average price for fully paid ordinary CSR shares sold in the ordinary course of trading on the ASX over a period of 10 trading days beginning on the second trading day after the relevant dividend record date (market price).

The DRP Terms and Conditions permit CSR's directors to alter the formula for determining the market price. Should this formula be altered in the future, CSR will announce the revised formula and notify the change to the ASX.

Is there a discount to the price the shares will be allocated under the DRP?

The directors of CSR have determined that in calculating the issue price of shares under the DRP, a discount will be applied to the volume weighted average market price. This discount level will be separately announced to the ASX, and may be changed at the discretion of the board of CSR in relation to future dividends.

What is the cost of participation?

No brokerage, commission, stamp duty or other transaction costs are payable by participants in respect of shares allotted under the DRP – and you receive a discount to the market price.

How is my share entitlement determined?

The number of shares allocated is the total amount of the dividend payable on your Participating Shares, divided by the market price less the discount for the dividend and rounded up to the nearest whole number.

How do I join the plan?

You may elect to participate in the DRP in respect of all or a specified number of your shares at any time by completing a Notice of Election form and returning it to the company's share registry.

Participation in the DRP will commence from the first dividend payment after receipt of the Notice of Election, provided that the Notice of Election is received by the company's share registry on or before the record date for the dividend.

To participate in the next dividend, payable on 10 December, you must apply by Monday 19 November 2007.

A Notice of Election is deemed to be made in respect of all of your shares, unless you specify the percentage of your shares to participate in the DRP.

Can I change my participation?

You may terminate your participation in the DRP at any time or change the number of shares in the DRP by giving written notice to the company's share registry. Simply complete a Notice of Election/Notice of Variation form and send it to our share registry. Any such election remains in effect until withdrawn or varied through a subsequent Notice of Election/Notice of Variation lodged with the company's share registry, or until otherwise dealt with by the DRP Terms and Conditions.

An election by you to vary the level of participation or to withdraw from the DRP will only be effective in relation to a forthcoming dividend if a Notice of Election/Notice of Variation is received by the company's share registry on or before the record date for the dividend.

Can I participate in the DRP for part only of my shares?

Yes. You can elect to participate in the DRP in respect of all shares registered in your name or a specified number of shares registered in your name.

If you elect to participate in the DRP in respect of a specified number of shares, the dividend on the shares which do not participate in the DRP will be paid in cash in the normal way.

Can I sell my shares when I choose?

Yes, you can sell any or all of your shares – including shares allotted to you under the DRP – at any time. The shares sold will be automatically withdrawn from the plan on receipt of a transfer in respect of those shares.

What happens if I sell some of my shares?

If you have elected to participate in the DRP in respect of a specified number of shares and subsequently sell a parcel of shares, the percentage of your remaining shares that still participate in the DRP will not change.

What happens if I acquire more shares?

If you have elected to fully participate in the DRP in respect of a holding of shares, all additional shares subsequently acquired by you in the future will be deemed to fully participate in the DRP.

But if you have elected to participate in the DRP only partly in respect of a holding of shares, all additional shares subsequently acquired, will participate at the same percentage.

Will I receive a statement?

Participants in the DRP will be sent a Dividend Statement following each dividend payment, detailing your participation, including the record date for the dividend, the number of shares participating in the DRP as at the last record date, the amount of the dividend per participating share, the number of DRP shares allotted to you and the cost of each share, the market price for the shares allotted to you, the extent to which the dividend is franked, and your total holding of both participating and non-participating shares after the allocation.

What about my tax position?

CSR cannot provide taxation advice nor accept responsibility for any interpretation of, or application by, shareholders of the general information set out here. We suggest that you seek independent professional advice concerning your taxation position. Having said that, it is our understanding that under current Australian income tax legislation, dividends reinvested under the DRP will be assessable for income tax in the same manner as cash dividends. Reinvestment of dividends under the DRP should not affect franking credits, which are treated as having been distributed as if a cash dividend had been paid.

For capital gains tax purposes, shares allocated under the DRP will have a cost base equal to the amount of the cash dividend entitlement which is reinvested. Participants may be subject to tax on disposal of the shares depending on the sale proceeds received and the cost base of the shares.

Can the plan be modified?

The directors have discretion under the DRP Terms and Conditions to suspend or withdraw the DRP or modify its terms (such as the formula for determining the allotment price of shares under the DRP) – when and if considered necessary. Any such changes will be notified to the ASX.

How do I get more information?

The terms and conditions of the DRP are detailed more fully in the Terms and Conditions of the DRP and participation in the DRP is subject to these terms and conditions. The Terms and Conditions are available from the company's internet site at http://www.csr.com.au/investorcentre/investors_SPPandDRP.asp or a copy may be obtained free of charge by contacting the company's share registry.

If you wish to inquire about the DRP, please contact the company's share registry:

Computershare Investor Services Pty Limited
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Sydney NSW 2000 Australia
GPO Box 7045
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