

CSR Limited ("CSR") is pleased to announce the completion of a \$315 million institutional capital raising, comprising approximately \$125 million through an institutional placement (the "Placement") and approximately \$190 million through the institutional component of the non-renounceable 1 for 4 pro-rata entitlement offer (the "Institutional Entitlement Offer").¹ Participation from existing eligible institutional Shareholders in the Institutional Entitlement Offer was over 70% by number of shares available to these Shareholders.

Managing Director of CSR, Mr Jerry Maycock, said, "We are very pleased with the high level of support the offer has received from our existing institutional Shareholders and new investors. This is a great result in the current market conditions and demonstrates the confidence these investors have in CSR."

The Offer was announced to the market on 17 November 2008. The proceeds from the Offer will be used to reduce CSR's net debt.

Completion of the Placement and Institutional Entitlement Offer

Approximately \$125 million will be raised through the Placement at \$1.40 per share, which will result in the issue of 89 million new shares ("New Shares"). Approximately \$190 million will be raised through the Institutional Entitlement Offer at the same price, and will result in the issue of approximately 136 million New Shares. The New Shares to be issued as part of the Placement and Institutional Entitlement Offer will be allotted on 28 November 2008 and will rank equally with existing CSR ordinary shares on issue except that New Shares will not qualify for the interim YEM09 dividend of 6 cents per share in respect of the period to 30 September 2008.

The Placement and Institutional Entitlement Offer are underwritten by ABN AMRO Equity Capital Markets Australia Limited and UBS AG, Australia Branch.

Commencement of Retail Entitlement Offer

The retail component of the entitlement offer ("Retail Entitlement Offer") opens on 25 November 2008 and is expected to close at 5.00pm (AEDT) on 10 December 2008. Eligible retail Shareholders will have the opportunity to participate at the same price and offer ratio as the Institutional Entitlement Offer.

CSR shares are expected to resume trading on ASX on 19 November 2008.

18 November 2008

This announcement is not a prospectus and does not constitute an offer of securities. Eligible retail Shareholders wishing to acquire New Shares will need to complete the Entitlement and Acceptance Form that will be sent to them.

Media/analyst enquiries:

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1. Subject to no termination rights arising under the underwriting agreement prior to settlement on 27 November 2008. Following the allocations today under the Placement and Institutional Entitlement Offer, the underwriters have agreed that the termination event relating to the ASX/S&P 200 Index falling will cease to apply.