

NOTICE OF MEETING 2011

INVITATION TO CSR'S AGM

DEAR SHAREHOLDER,

IT GIVES ME GREAT PLEASURE TO INVITE YOU TO ATTEND CSR'S ANNUAL GENERAL MEETING TO BE HELD IN THE SKYLINE ROOM, MELBOURNE AND OLYMPIC PARKS, BATMAN AVE, MELBOURNE, AT 10.00 AM ON THURSDAY 7 JULY 2011.

This year CSR is holding its Annual General Meeting ('AGM') in Melbourne and I look forward to meeting with our many shareholders.

For shareholders not able to attend the AGM in Melbourne, CSR will also host an information session in Sydney with an opportunity to ask questions of the chairman and managing director. This will be held at 2.00 pm on Wednesday 10 August 2011, at our head office in North Ryde. For shareholders interested in attending this session in Sydney, please RSVP by email to investorrelations@csr.com.au or by telephone (02) 9235 8000.

At the Annual General Meeting, managing director, Rob Sindel, and I will present our yearly reviews to shareholders of CSR's financial position, operations, prospects and growth strategy. The notice of meeting (following pages) details the business to be dealt with at the AGM. Briefly, this will be:

- to receive and consider the formal reports for the financial year;
- election of directors – Kathleen Conlon will be standing for re-election and shareholders will be given the opportunity to ratify the appointment of our new managing director, Rob Sindel;
- to approve the issue of long term incentives to the managing director; and
- to adopt the remuneration report.

As we did last year, we are also inviting shareholders to submit questions in advance of the meeting on the form attached to this notice of meeting.

If you choose to attend the meeting, please bring the enclosed proxy form with you to speed your registration for entry to the AGM. If you do not plan to be at the meeting, you are encouraged to appoint someone to attend and vote on your behalf as your proxy. Instructions on how to appoint a proxy are on the back of the proxy form.

Proxy forms must be received by 10.00 am Sydney time on Tuesday 5 July 2011 to be valid for the meeting. Your proxy may be appointed in a variety of ways described on page 2 of the notice of meeting under 'Proxies'.

The AGM will be webcast live on CSR's internet site, www.csr.com.au. Also available on our internet site are:

- a link to register your email address to receive all shareholder information electronically;
- the *CSR Annual Report 2011*, *CSR Shareholder Review 2011* and *Notice of Meeting 2011*;
- a link to standard shareholder forms, including a direct dividend advice, a change of address advice and a request to consolidate holdings; and
- copies of news releases and financial presentations.

I look forward to seeing you at the AGM.

Yours sincerely



DR IAN BLACKBURNE
Chairman

7 June 2011

THE ANNUAL GENERAL MEETING OF CSR LIMITED WILL BE HELD IN:

The Skyline Room
Melbourne and Olympic Parks
Batman Avenue
Melbourne Victoria 3000

at 10.00 am on
Thursday 7 July 2011

THE AGENDA

AGENDA

1. To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2011.

2. Re-election of Ms Conlon as a non-executive director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Kathleen Conlon, who will retire by rotation at the close of the Annual General Meeting in accordance with clause 55 of the company's constitution, be re-elected as a director of the company.

3. Ratification of the appointment of Mr Sindel as an executive director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That the appointment of Rob Sindel as an executive director in December 2010 be ratified in accordance with clause 59 of the company's constitution.

4. To approve the issue of performance rights

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

That the grant to Mr Rob Sindel of 426,988 performance rights under the terms of the company's performance rights Plan (the 'PRP') on the terms set out in the explanatory notes to this notice of meeting be approved for all purposes, including for the purposes of Listing Rule 10.14.

5. To adopt the remuneration report for the financial year ended 31 March 2011.

Note that the vote on this item is advisory only and does not bind the directors or the company.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00 pm Sydney time on 5 July 2011.

Voting restrictions

CSR will disregard any votes cast on the resolution of agenda item 4 by:

- all directors of CSR; and
- any associates of the directors.

However, CSR need not disregard a vote if it is cast by:

- a person as proxy for another person who is entitled to vote, in accordance with the directions on the proxy form (or provided electronically); or
- the chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form (or provided electronically) to vote as the proxy decides.

Proxies

If you are a shareholder entitled to attend and vote, you may appoint a proxy. If you are a shareholder entitled to cast two or more votes, you may appoint two proxies and specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a shareholder of the company.

The company's constitution (available on the company's internet site, www.csr.com.au under Investors/Corporate Governance) provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a shareholder or is also a proxy for another shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

You may lodge a proxy online at the internet address (below) of our share registry, Computershare Investor Services Pty Limited, by following the instructions set out on the internet site. Shareholders who elected to receive their notice of meeting and proxy electronically will have received an email with a link to the Computershare site.

To be effective, the proxy form or electronic proxy appointment must be received by Computershare at the postal or internet address or facsimile number below, or by CSR at its registered office, Level 5, 39 Delhi Road, North Ryde, New South Wales 2113, Australia, not later than 10.00 am Sydney time on 5 July 2011.

Where to lodge a proxy

CSR Limited share registry
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001 Australia
(Please use the enclosed reply envelope)

You can lodge your proxy electronically at: www.investorvote.com.au

You will need a specific 6 digit Control Number to vote online. This number is located on the front of your proxy form.

Facsimile 1800 783 447
International +61 3 9473 2555

You can arrange to receive shareholder information electronically, or obtain a replacement proxy form or a special proxy form to appoint a second proxy, by contacting Computershare on 1800 676 061 (within Australia) or +61 3 9415 4033 (outside Australia) or at www.computershare.com.au (Investor Centre).

Admission to meeting

Shareholders who will be attending the CSR Annual General Meeting and not appointing a proxy, are asked to bring your proxy form (if you still have one) to the meeting to help speed admission.

If you do not plan to attend the meeting, you are encouraged to complete and return a proxy form or lodge a proxy online, for your holding(s) of CSR shares.



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1. KATHLEEN CONLON
2. ROB SINDEL

Questions and comments by shareholders at the meeting

In accordance with the Corporations Act and the company's past practice, a reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comments on, the management of the company.

Similarly, a reasonable opportunity will also be given to shareholders at the meeting to ask Deloitte Touche Tohmatsu, CSR's auditor, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Written questions for Deloitte Touche Tohmatsu relevant to the conduct of the audit of the annual financial report and the content of the auditor's report may be sent to Computershare (at the address or fax number for lodgement of proxies). Alternatively, the questions may be sent to the company secretary, CSR Limited, Level 5, 39 Delhi Road, North Ryde, NSW 2113 or by email to investorrelations@csr.com.au. In each case, the written questions must be received no later than 5.00 pm Sydney time on 30 June 2011. A list of questions to the auditor will be available at the meeting.

EXPLANATORY NOTES TO NOTICE OF MEETING

1. To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2011

The *CSR Annual Report 2011* (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting. Shareholders can access a copy of the Annual Report on CSR's internet site, www.csr.com.au under Investors/Annual Reports. As permitted by legislation, a printed copy of the *CSR Annual Report 2011* has been sent only to those shareholders who have elected to receive a printed copy.

During this item, shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the reports and CSR's management, businesses, operations, financial performance and prospects, but there will be no formal resolution put to the meeting. CSR's auditor will also be present at the meeting to answer questions. Shareholders may also submit questions in advance of the meeting by completing the form attached to this notice of meeting.

2. Re-election of Ms Kathleen Conlon as a non-executive director

Kathleen Conlon was appointed as a director in 2004 and was last re-elected by shareholders at the annual general meeting in July 2008. Having served for three years, she must retire by rotation in accordance with clause 55 of the company's constitution and the ASX Listing Rules.

Information about Ms Conlon is set out below:

Kathleen Conlon

BA(ECON)(DIST), MBA, MAICD, AGE 47.

Ms Conlon 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. Ms Conlon brings to the CSR board over 20 years' experience in professional consulting, having advised many of Australia's leading industrial companies. She is a member of Chief Executive Women, a NSW council member of the Australian Institute of Company Directors and a non-executive director of REA Group Limited. Ms Conlon resides in Sydney. Ms Conlon is chairman of the Remuneration & Human Resources Committee and is a member of the Safety, Health & Environment Committee and the Risk & Audit Committee.

Recommendation

The directors (excluding Ms Conlon) unanimously recommend that shareholders vote in favour of Ms Conlon's re-election.

3. Ratification of the appointment of Mr Rob Sindel as an executive director

Rob Sindel, the managing director of CSR, was appointed a director of the company in December 2010. Shareholders are asked to ratify this appointment in accordance with clause 59.2 of the company's constitution.

Information about Mr Sindel is set out below:

Mr Rob Sindel

BENG, MBA, GAICD. AGE 46.

Mr Sindel was appointed to the board as an executive director in December 2010 and as managing director in January 2011. He joined CSR in April 2008 as executive general manager of CSR Lightweight Systems. In October 2009, he was appointed as CEO of CSR Building Products. Mr Sindel was formerly the managing director of Civil & Marine (UK), a subsidiary of the global building materials company, Hanson, which is now part of the Heidelberg Cement Group. Mr Sindel has also held the position of commercial trading director for Hanson Aggregates (UK). Previously, Mr Sindel was with Pioneer Australia, where he worked for over 13 years.

Recommendation

The directors (excluding Mr Sindel) unanimously recommend that shareholders vote in favour of Mr Sindel's appointment.

4. To approve the issue of Performance Rights

Pursuant to Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval. Accordingly, shareholder approval is sought for the board to grant performance rights (the 'performance rights') to Mr Rob Sindel under CSR's performance rights Plan (the 'PRP') on the terms set out below, and to the issue of fully paid ordinary shares in CSR on the exercise of such of those performance rights which vest upon satisfaction of the applicable performance and service conditions.

THE AGENDA (CONTINUED)

The board recognises that it is desirable for the managing director and other executives to be incentivised and remunerated on a consistent basis, and to be remunerated in a manner that focuses their efforts on delivering long term value for shareholders.

Accordingly, approval is now sought for Mr Sindel to be granted 426,988 performance rights. Subject to the satisfaction of the performance and service vesting conditions below (and to adjust for any bonus issue of shares which may be made to the company's shareholders), Mr Sindel will receive one fully paid ordinary share in CSR for each performance right that vests. The grant of performance rights will be at no cost to Mr Sindel and no amount will be payable by Mr Sindel on vesting of the performance rights.

The key terms of the performance rights to be granted to Mr Sindel are set out below. Details of the PRP are contained in the remuneration report and, as relevant, are summarised below.

Number of performance rights to be granted to Mr Sindel

It is proposed that 426,988 performance rights be issued to Mr Sindel. This quantum has been determined in conjunction with an analysis of Mr Sindel's total target remuneration referenced against external market benchmarks. The share price used to calculate the number of performance rights allocated to Mr Sindel is the 10 day Volume Weighted Average Price of CSR shares leading up to 16 May 2011 which was \$2.9509.

Performance conditions and vesting periods

On the vesting date, if the service and performance conditions are satisfied, Mr Sindel's performance rights automatically vest and CSR will issue or procure the transfer to Mr Sindel of one CSR share for each performance right which vests, for no further consideration.

The PRP rules give the board the discretion to determine the performance conditions attaching to a grant of performance rights. The board has determined that the following performance hurdles apply to the grant of performance rights to Mr Sindel:

a) Total Shareholder Return ('TSR')

50% of Mr Sindel's performance rights ('tranche A') will be subject to a performance condition based on the relative performance of CSR's TSR over the performance period.

TSR is the percentage growth in shareholder value, which measures the changes in share price, taking into account dividends. The TSR performance condition measures CSR's ability to deliver superior shareholder returns relative to its peer companies by ranking the TSR performance of CSR against the TSR performance of companies in a comparator group.

The proportion of the tranche A performance rights that vest will be determined based on the ranking of CSR's TSR, relative to the TSR of each of the companies in a comparator group over the performance period, as set out in the table below.

The comparator group comprises the constituents of the S&P ASX 200 index, defined at the start of the performance period ('peer group'). The board has the discretion to adjust the peer group to take into account events including, but not limited to, takeovers, mergers, de-mergers and similar transactions that might occur over the performance period.

The vesting schedule is as follows:

TSR OF CSR RELATIVE TO THE PEER GROUP	PROPORTION OF TRANCHE TO VEST
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%

b) Earnings per share ('EPS')

The other 50% of Mr Sindel's performance rights ('tranche B') will be subject to an EPS hurdle, being the annual compound EPS growth over the period from commencement of the performance period to the test date. EPS is defined as basic core earnings per share from continued operations. The board may adjust EPS to exclude the effects of material business acquisitions or divestments and for certain one-off costs. The EPS growth measure assesses the success of the business in generating continued growth in earnings.

The EPS vesting schedule is as follows:

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% & 100% increasing on a straight-line basis
Greater than 12% compound EPS	100%

c) Performance periods

The performance period is initially the applicable three-year period over which CSR's relative TSR performance and EPS growth is measured.

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 re-tested at the end of the four year period to determine if any additional vesting is available for the relevant performance rights). The re-testing 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).

CSR's TSR hurdles are measured over this period to ensure that the long term measurement of performance under the PRP is not distorted, for example by business and commodity cycles or capital investment decisions.

This represents a reduction in PRP grant retesting as previous grants under the PRP included two re-tests (on the fourth and fifth anniversary of the grant) rather than one.

The initial testing period for tranche A (i.e. the 50% of the PRP grant that is subject to the relative TSR hurdle) will commence on 23 July 2011 and finish on or around 22 July 2014. The additional testing period for tranche A will commence on 23 July 2011 and finish on or around 22 July 2015.

The initial testing period for tranche B (i.e. the 50% of the PRP grant that is subject to the compound EPS hurdle) will extend for the three CSR financial years from 1 April 2011 until the year ending 31 March 2014. The additional testing period for tranche B will extend for the four CSR financial years from 1 April 2011 until the year ending 31 March 2015.

If the performance conditions for performance rights under either of tranche A or tranche B are not met by the fourth anniversary of the date of the grant of performance rights, Mr Sindel will forfeit his interest in any unvested performance rights.

Rights attaching to performance rights

Performance rights carry no voting or dividend entitlements.

The PRP rules contain provisions in relation to the adjustment of performance rights in certain circumstances, including in the event of capital reorganisations (such as a subdivision or consolidation), a capital return or a bonus issue of shares to members.

Change of control

The board has discretion to allow all or a part of unvested performance rights to vest on a change of control of CSR (e.g. a takeover, merger, compromise or arrangement).

Treatment of options on cessation of employment

If Mr Sindel ceases to be employed prior to the performance conditions being met, generally this will result in Mr Sindel forfeiting his interest in the unvested performance rights under the PRP.

However, if Mr Sindel's cessation of employment is the result of redundancy, total or permanent disablement, death or any other circumstances at the board's discretion, the board may determine that all or a portion of the unvested performance rights will vest or that Mr Sindel may retain the performance rights subject to ongoing performance hurdles, (i.e. performance rights remain 'on foot').

Shares allocated on vesting of performance rights

Shares allocated to Mr Sindel upon vesting of the performance rights will rank equally with other ordinary shares on issue.

Prohibition of hedging arrangements

CSR prohibits participants in the PRP from entering into any arrangement to hedge or otherwise affect their economic exposure to their performance rights. It is the board's policy to require participants to forfeit their interest in the performance rights if they enter into any hedging transaction.

Disclosure for the purposes of Listing Rule 10.15:

- a) the maximum number of performance rights that can be awarded to Mr Sindel under this approval is 426,988;
- b) the price payable on the issue or exercise of each performance right is nil;

c) Mr Shane Gannon, former Executive Director, was granted 473,394 performance rights on 19 August 2010 (adjusted to 157,798 performance rights in light of the 3:1 CSR share consolidation on 3 March 2011). Mr Gannon left employment of CSR on 15 December 2010 but the performance rights remain on foot subject to ongoing performance hurdles. Mr Rob Sindel was granted 473,394 performance rights on 31 March 2010 and 390,087 performance rights on 24 July 2010, both grants being prior to his appointment as a director. (Mr Sindel's total grant of 863,481 performance rights was adjusted to 287,827 performance rights in light of the 3:1 CSR share consolidation on 3 March 2011). On 3 March 2011, the number of shares underlying the performance rights was increased in accordance with the adjustment for capital returns approved by shareholders at the general meeting held in February 2011. As a result, each unvested right under existing outstanding PRP grants became potentially eligible for 1.337 CSR shares (rather than 1 CSR share) on vesting. The acquisition price for the grant of performance rights to Mr Gannon and Mr Sindel was nil;

- d) the name of the person referred to in Listing Rule 10.14 entitled to participate in the PRP is Mr Rob Sindel;
- e) there is no loan proposed in relation to the proposed award of performance rights to Mr Sindel; and
- f) the performance rights that are awarded to Mr Sindel are intended to be awarded on or around 22 July 2011 and in any event will not be awarded later than 12 months after the Annual General Meeting.

For the voting restrictions applicable to this item, please refer to page 2 of this notice of meeting.

Recommendation

The directors (excluding Mr Sindel) unanimously recommend that shareholders vote in favour of the issue of performance rights, in the terms set out above, to Mr Sindel.

THE AGENDA (CONTINUED)

5. To adopt the remuneration report for the financial year ended 31 March 2011

Directors of listed companies, such as CSR, are required to provide detailed disclosures of director and senior executive remuneration in their directors' reports. These disclosures are set out in the remuneration report (which forms part of the directors' report) on pages 12 to 30 of the *CSR Annual Report 2011*. (As mentioned above, shareholders can access a copy of the annual report on CSR's internet site. Printed copies of the annual report have been sent to those shareholders who elected to receive a copy in this form and the annual report will be presented to the AGM.)

The remuneration report includes:

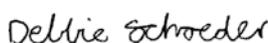
- discussion of the board's policy in relation to the nature and level of remuneration of the key management personnel of CSR;
- discussion of the relationship between the board's remuneration policy and CSR's performance over the five financial years up to and including the year ended 31 March 2011;
- information about performance hurdles applicable to the short term and long term incentive components of the remuneration of key management personnel; and
- details of the remuneration provided to the non-executive directors, managing director and key management personnel and the five highest paid executives for the year ended 31 March 2011.

There will be a reasonable opportunity for shareholders at the meeting to comment on, and ask questions about, the remuneration report.

The vote on item 5 is advisory only and will not bind the directors or the company, however, the board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Recommendation

The directors unanimously recommend that shareholders vote in favour of adopting the remuneration report.



DEBBIE SCHROEDER
Company Secretary

7 June 2011

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Internet www.csr.com.au

SHAREHOLDER INFORMATION AND ENQUIRIES

All enquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000 Australia
GPO Box 2975
Melbourne VIC 3001 Australia
Telephone within Australia 1800 676 061
International +61 3 9415 4033
Facsimile (03) 9473 2500
International +61 3 9473 2500
Email web.queries@computershare.com.au
Internet www.computershare.com.au

SHAREHOLDER QUESTIONS

QUESTIONS FROM SHAREHOLDERS

CSR aims to provide relevant and timely information to shareholders at the Annual General Meeting. If you would like to submit a question, please use this form and send it to Computershare (at the address or fax number for lodgement of proxies). Alternatively, questions may be sent to the company secretary, CSR Limited, Level 5, 39 Delhi Road, North Ryde, NSW 2113 or by email to investorrelations@csr.com.au. Questions should be relevant to the business of the meeting as outlined in the notice of meeting and explanatory notes on agenda items. Questions must be received no later than 5.00 pm Sydney time on 30 June 2011.

Questions will be collated and, during the meeting, either the chairman or managing director will seek to address as many of the more frequently raised topics as possible. Where a question relates to the audit, the accounting policies adopted by the company in relation to the preparation of the financial statements, or the independence of the auditor in relation to the conduct of the audit, the chairman will request a representative of CSR's auditor, Deloitte Touche Tohmatsu, to respond to such questions. Questions to the auditor must be received by no later than 5.00 pm Sydney time on 30 June 2011. Please note that there may not be sufficient time at the AGM to respond to all topics raised. Individual responses will not be sent to shareholders.

Shareholder's Name:

Address:

Question(s): Please tick the box if the question is directed to CSR's auditor

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