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CSL

ASX Announcement

For immediate release

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Full Year Result
Reported Profit up 30%
(Constant Currency Basis up 45%)
Cash Flow from Operations up 49%

CSL Limited today announced a profit after tax of $702 million for the twelve months ended 30 June 2008, up 30% when compared to the twelve months ended 30 June 2007. On a constant currency basis profit grew 45%.

HIGHLIGHTS

Financial

- Total revenue of $3.8 billion, up 15%;
  - Up 23% on a constant currency basis;
  - GARDASIL® royalty of $167m;
  - GARDASIL® – Australian sales $227m;
- Reported net profit after tax grew 30% to $702m;
  - Includes an adverse foreign currency impact of $78m;
- Research and Development expenditure of $225m, up 18%;
- Cash flow from operations of $715m, up 49%;
- Earnings per share of $1.28, up 30%[1];
- Final dividend 23 cents per share, franked at 100%, payable on 10 October 2008. Total ordinary dividends for the year were 46 cents per share up 33%[1] on the previous year.

Operational

- Global demand for plasma therapies continues;
- Privigen® (10% liquid intravenous immunoglobulin) approved July 2007 by US FDA;
  - launched in the USA during February 2008;
  - Marketing approval in Europe;
- International rollout of GARDASIL® continues to perform well, including the European sales by sanofi pasteur-MSD, a joint venture of Merck and Co., Inc (Merck) and sanofi aventis;
- Encouraging uptake of GARDASIL® in Australia;
  - New Zealand program announced
- Influenza vaccine production capacity doubled;

[1] After restating the comparative period for 3:1 share split undertaken 24 October 2007

  - Influenza vaccine approved by US FDA;
- Panvax® (avian influenza vaccine) approved June 2008 by Australian TGA;
- 5 Year plasma product agreement signed with Canadian Blood Service and Héma Quebéc;
- Rheumatoid arthritis antibody fully licensed to MedImmune / AstraZeneca (AZ).

Dr McNamee, CSL's Managing Director, said "This is a fine result despite absorbing the impact of significant adverse currency movements.

"Global demand for our plasma therapies continues as we enter new markets, develop new therapies and find new indications for existing therapies. The company's strategic move towards our new generation liquid IVIg, Privigen®, is well underway with key regulatory approvals received and the construction of manufacturing facilities in Switzerland progressing as planned.

"In excess of 26 million doses of GARDASIL® have been distributed by our licensee Merck who have now submitted an application for filing in the US for adult women through to age 45 and intend to also submit a filing application for males 9 to 26 years of age.

"During the year we entered the US market with our influenza vaccine and started the registration process in a number of other northern hemisphere markets. In support of our influenza vaccine growth program we have now completed the capacity expansion of our Melbourne based manufacturing facility to 40m doses per season" Dr McNamee said.

BUSINESS REVIEW

Results overview

CSL Behring[2] sales grew 15% when compared to the 12 months ended 30 June 2007. Robust performance across the plasma product portfolio continued with a sales volume growth of approximately 10%.

Immunoglobulins grew 23% with Carimune® / Sandoglobulin® (Intravenous Immunoglobulin), Vivaglobin® (subcutaneous Immunoglobulin) and Rhophylac® (used in the prevention of haemolytic disease of the new born) performing well.

[2] Growth in CSL Behring products are shown at constant currency

Privigen® (10% liquid intravenous immunoglobulin) sales were included for the first time after the product was launched in the USA during February 2008. Also included for the first time was a full year of CytoGam® (Cytomegalovirus immunoglobulin intravenous) sales, after the product was acquired in December 2006.

The Critical Care segment grew 16% underpinned by Albumin price increases and growth in specialty products, particularly Haemocomplettan® P, Beriplex® P/N and Berinert® P.

Haemophilia sales grew 10% with growth in demand for Helixate® arising from increasing US patient numbers and the win-back of a UK tender contract. Sales of Humate® P / Haemate® P also grew driven by demand from patients in need of von Willibrand's factor and Haemophilia-A patients in need of inhibitor therapy.

CSL Bioplasma sales grew 20% to $253 million driven by increasing commercial sales of plasma products in Asia, particularly Albumin sales into China and the commencement of fractionation services for Taiwan. A 7% increase in plasma collected by the Australian Red Cross Blood Service for fractionation at our Australian facility also contributed to growth.

CSL Biotherapies sales grew 52% to $481 million driven mainly by strong demand for the GARDASIL® cervical cancer vaccine in Australia, with sales of $227m. Sales are forecast to decline in FY2009 as the schools based catch up program is due for completion at the end of this calendar year and the GP based catch up program is due for completion at the end of June 2009. Thereafter there will be an ongoing immunisation program of only the 12 to 13 year old females.

Also contributing to sales growth has been the continued expansion of our international influenza vaccine business and increased sales of in-licensed pharmaceuticals.

Other Revenue grew 72% to $238m in line with the royalty increase from Merck on the sale of GARDASIL®. The total GARDASIL® royalty received for the period amounted to $167 million.

Business development

Privigen®

On 27 July 2007, the US FDA granted marketing approval for Privigen® (10% liquid intravenous immunoglobulin) used for treating patients diagnosed with primary immunodeficiency. Privigen® is also indicated for the treatment of chronic immune

thrombocytopenic purpura to rapidly raise platelet counts to prevent bleeding. Privigen® is the first and only proline stabilised IVIg that is ready for immediate use, not requiring refrigeration or reconstitution during its shelf life. Privigen® was launched in the USA on 7 February 2008.

During April 2008, Swissmedic, the Swiss Agency for therapeutic products granted marketing approval for Privigen®. The European Commission has also accepted the product for marketing in the member states of the European Union and the European Economic Area states, Norway and Iceland. Market launch is planned for later in calendar 2008.

Underpinning the company's strategy for growing the supply of Privigen has been the construction of a 10 million gram manufacturing facility in Switzerland. This facility is expected to be approved for US sales in the quarter ending June 2009.

GARDASIL® – Human Papillomavirus Vaccine
The international rollout of GARDASIL®, by CSL's licensee Merck, continues to perform well. Through their joint venture sanofi pasteur-MSD, Merck have made significant progress in the European rollout program.

Merck have also submitted an application for filing in the US for adult women through to age 45 and intend to also submit a filing application for males 9 to 26 years of age.

During May 2008, the New Zealand Government announced a NZ$164m funding program for human papillomavirus immunisation program to be offered free to more than 300,000 young women aged 12 to 18 years over the next five years. The program, which is scheduled to commence in September this year will utilise GARDASIL®, which will be supplied by CSL.

Influenza
On 1 October 2007, the US Food and Drug Administration (FDA) granted marketing approval for Afluria®, the company's brand name for its influenza vaccine in the USA. Following approval, shipments were made of both single-dose, thiomersal-free, pre-filled syringes and multidose vials. The company's influenza vaccines are now registered in twenty-seven countries and international sales continue to expand.

A two year capital works program to expand the Melbourne plant capacity to 40 million doses per season at a cost of $80m, is now complete. During the year, the Australian

Therapeutic Goods Administration gave approval for registration of Panvax®, CSL's avian influenza vaccine developed in collaboration with the Australian Government.

Beriplex® P/N

CSL Behring's prothrombin complex, Beriplex® P/N was launched in several European countries following its broad European approval in January 2008. Beriplex® P/N is used to rapidly improve blood coagulation in patients who bleed when receiving warfarin anticoagulant therapy.

Rheumatoid Arthritis

During 2006 CSL Limited acquired Zenyth Therapeutics which included a 50/50 joint venture with Cambridge Antibody Technology (CAT). The joint venture was conducting antibody research on the GM-CSF receptor with Rheumatoid Arthritis being the clinical target. CAT has since been acquired with the research work now being conducted by MedImmune / AstraZeneca. During the period under review, CSL decided to license its 50% share in the project to MedImmune, a company with a great deal of experience in inflammation research. MedImmune commenced Phase I clinical trials in December 2007.

Albumin Fusion Technology

Recombinant Factor VIIa effectively controls bleeding episodes in haemophilia patients with inhibitors. In June 2008 CSL Behring presented results of animal studies demonstrating the feasibility of genetically fusing factor VIIa to human albumin. The study also showed that this therapeutic protein with a prolonged half life can lead to a longer biologic effect of coagulation factors. On the strength of this animal data the company has decided to take a program through to the next phase and into pre-clinical development.

Q-Fever

Q-Fever is primarily an occupational disease of people working in Australia's meat and livestock industries. CSL produces the only known vaccine against this disease as part of the company's commitment to products of national significance. A new state-of-the-art Q-Fever vaccine facility is being built at the company's Broadmeadow's site in Melbourne and is scheduled to be opened in 2009.

Canadian Plasma Therapy Supply

In April 2008, CSL Behring announced that the Canadian Blood Services and Héma-Québec have both awarded the company contracts to supply Helixate® FS, Humate® P, Privigen®, Vivaglobin® and other plasma-derived products. The contracts call for CSL Behring to supply these therapies over a period of at least five years and to provide toll manufacturing services to Canadian Blood Services for the fractionation of Canadian

plasma. In addition CSL Behring will become the main supplier of bleeding disorder treatments in the province of Quebec.

Australian Plasma Therapy Supply
Two high-yielding, chromatographically purified immunoglobulins phase III clinical trials in Australia and New Zealand were progressed this year. These 10% intravenous and 16% subcutaneous immunoglobulins are designed to improve patient convenience and reduce treatment costs. Following successful clinical investigations Biostate® (Factor VIII/von Willebrand Factor concentrate) has been approved for the treatment of von Willebrand disease in New Zealand and recommended for approval in Australia by the Therapeutic Goods Administration and the Australian Drug Evaluation Committee. Formal approval is anticipated during late 2008.

OUTLOOK

Commenting on CSL's outlook, Dr McNamee said "We continue to anticipate stable market conditions for our plasma therapies business and growing contribution from royalties associated with the international sales of GARDASIL®. Contribution from our influenza vaccine business is expected to increase over the medium term as new northern hemisphere markets are developed.

"Research and Development, which is an essential element of our strategy, will be increased in support of company growth. This year we expect R&D investment to increase to around $265m – $275m.

"In compiling our financial forecasts for 2009 we have determined a number of key variables which may have a significant impact on guidance - in particular, material price and volume movements on core plasma products, unforeseen competitor activity, changes in healthcare regulations and reimbursement policies, royalties[3] arising from the sale of GARDASIL® by Merck, sales of GARDASIL® in Australia, successful implementation of the company's influenza expansion strategy and plasma therapy life cycle management strategies, enforcement of key intellectual property, the risk of regulatory action or litigation, the effective tax rate and foreign exchange movements.

"For the 2008/09 fiscal year we expect net profit after tax of between $810m and $850m, at constant currency. Given the volatile foreign exchange environment we have provided with

[3] Analyst consensus estimates on GARDASIL® royalties used in FY2009 forecast

our results materials a foreign currency sensitivity analysis to assist investors to determine the impact of movement in key currency pairs," Dr McNamee said.

For further information, please contact:

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Group Results

Full year ended June	June 2008 $m	June 2007 $m	Change %
Sales	**3,556.7**	**3,172.4**	
Other Revenue	237.6	137.8	
Total Revenue	**3,794.3**	**3,310.2**	**15%**
Earnings before Interest, Tax, Depreciation & Amortisation	**1,108.4**	**918.7**	**21%**
Depreciation/Amortisation	141.8	132.6	
Earnings before Interest and Tax	**966.6**	**786.1**	**23%**
Net Interest Expense	14.6	12.0	
Tax Expense	250.2	234.8	
Net Profit after Tax	**701.8**	**539.3**	**30%**
Total Ordinary Dividends (cents)	46.00	34.67[4]	
Final Dividend (cents)	23.00	18.33[4]	
Basic EPS (cents)	127.6	98.5[4]	

[4] After restating for 3:1 share split undertaken 24 October 2007