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CSL

ASX Announcement

For immediate release

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Interim Result
Strong profit growth from operations, up 36% to $349 million

CSL Limited today announced a profit after tax of $349 million for the six months ended 31 December 2007, up 36% when compared to the six months ended 31 December 2006. This included an adverse foreign currency impact of $28m, when compared with the prior comparable period (PCP).

HIGHLIGHTS

Financial

- Total revenue of $1.9 billion, up 20% when compared to the six months ended 31 December 2006, or up 29% when adjusting for currency movements:
  - GARDASIL® royalty of $81m;
  - GARDASIL® – Australian sales $143m;
- Net profit after tax grew 36% to $349m;
  - Includes an adverse foreign currency impact of $28m when compared with PCP;
- Net operating cash flow up 57% to $293m;
- Earnings per share of 63.4 cents, up 35%[1];
- Interim dividend up 41%[1] to 23 cents per share, unfranked, payable on 14 April 2008.

Operational

- Robust global demand for plasma therapies continues;
- Excellent European rollout of GARDASIL® by sanofi pasteur-MSD, a joint venture of Merck and Co., Inc (Merck) and sanofi aventis;
- Encouraging uptake of GARDASIL® in Australia;
- Privigen® (10% liquid intravenous immunoglobulin) approved July 2007 by US FDA;
  - launched in the USA during February 2008;
- Influenza vaccine approved by US FDA;
- Rheumatoid arthritis antibody licensed to MedImmune / AstraZeneca (AZ).

Dr McNamee, CSL's Managing Director, said "All CSL divisions contributed solidly to the Company's excellent first half. We achieved significant profit growth despite an environment of significant adverse currency movements.

"GARDASIL® is performing up to expectations. Our licensee Merck has continued the successful global roll out of GARDASIL® through their joint venture company in Europe,

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

sanofi pasteur – MSD. The cervical cancer vaccine is now approved in 93 countries, having been launched in 76.

"Vigorous global demand for both core and specialty products in CSL Behring's plasma therapies portfolio continues. Privigen®, the company's new generation liquid IVIg, was approved by the US FDA in July 2007 and launched earlier this month in the USA. This was a key milestone in the company's program of immunoglobulin initiatives.

"Another important business development has been the approval and launch of the company's influenza vaccine in the USA, coming ahead of the expanded manufacturing facility opening later this year," Dr McNamee said.

BUSINESS REVIEW

Results overview

CSL Behring sales grew 3% to $1.4 billion (18% in US dollar terms) when compared to the six months ended 31 December 2006. Robust performance across the plasma product portfolio in both core and specialty products has underpinned the growth.

Immunoglobulins grew 26% in US dollar terms with Carimune® / Sandoglobulin® (Intravenous Immunoglobulin), Vivaglobin® (subcutaneous Immunoglobulin) and Rhophylac® (used in the prevention of haemolytic disease of the new born) performing particularly well. Vivaglobin®, which provides patients with the convenience of self administration of immunoglobulin, attracted significant new patient demand. CytoGam® (Cytomegalovirus immunoglobulin intravenous), acquired in December 2006, boosted sales in the first half of the fiscal year when compared to the prior comparable period.

The Critical Care segment grew 22% in US dollar terms underpinned by a recovery in Albumin prices and growth in specialty products, particularly Haemocomplettan® P, Beriplex® P/N and Berinert® P.

Haemophilia sales grew 15% in US dollar terms. Following a supplier agreement in the prior period to extend the supply of Helixate®, patient numbers have increased steadily, particularly in the USA. Humate® P / Haemate® P with their high ratio of ristocetin co-factor, have been in strong demand by patients with a need for von Willebrand factor and by Haemophilia-A patients in need of inhibitor therapy.

CSL Bioplasma sales were $123 million driven by solid Intragam® P sales in Australia, growth in specialty products and sales into Asia. Normalising for uneven manufacturing schedules between reporting halves shows a growth rate of approximately 10-12%, for the full year.

CSL Biotherapies sales were $267 million arising from solid demand for the school based GARDASIL® immunisation program in Australia, with sales of $143 million, the launch of RotaTeq® and growth in pharmaceutical product sales. Reflected in the result was the initial stocking of GARDASIL® in support of the 18 to 26 year old vaccination program. Full year GARDASIL® sales in Australia are expected to be approximately $200m.

Other Revenue grew in line with the royalty received from Merck on the sale of GARDASIL®. The total GARDASIL® royalty received amounted to $81 million.

Business development

GARDASIL® – Human Papillomavirus Vaccine
CSL's licensee Merck, through their joint venture sanofi pasteur-MSD, has made significant progress in the European rollout of their cervical cancer vaccine, GARDASIL®.

At the end of December 2007 GARDASIL® was approved in 93 countries, many under fast track or expedited review, with launches under way in 76 of those countries. The vaccine remains under review in approximately 40 other countries and territories.

Merck have indicated they are seeking to expand the GARDASIL label claim to include adult women through to age 45 and 9-26 year old males.

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.

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.

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 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.

OUTLOOK

Commenting on CSL's outlook, Dr McNamee said "We continue to anticipate stable to favourable market conditions for our plasma therapies business and growing contribution from royalties associated with the international sales of GARDASIL®.

"Research and Development spend of $89m in the first half is expected to lift in the second half, with total spend for the year between $200m to $220m - in line with guidance provided in August last year.

"In compiling our financial forecasts for 2008 we have determined several key variables which may have a significant impact on guidance - in particular material price and volume movements on core plasma products, royalties[2] arising from the sale of GARDASIL® by Merck, sales of GARDASIL® in Australia, the effective tax rate and foreign exchange movements.

"For the 2007/08 fiscal year we expect a net profit after tax figure of between $670m to $690m, which includes an estimated[3] adverse foreign currency impact of between $65m and $70m when using FY2007 constant currency," Dr McNamee said.

[2] Analyst consensus estimates on GARDASIL® sales used in FY2008 forecast

[3] A foreign exchange sensitivity analysis is included with details results materials on the company's website www.csl.com.au

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Group Results

Half year ended December	December 2007 $m	December 2006 $m	Change %
Sales	**1,750.1**	**1,514.4**	
Other Revenue	128.3	53.1	
Total Revenue	**1,878.4**	**1,567.5**	**20%**
Earnings before Interest, Tax, Depreciation & Amortisation	**572.8**	**448.3**	**28%**
Depreciation/Amortisation	72.9	57.6	
Earnings before Interest and Tax	**499.9**	**390.7**	**28%**
Net Interest Expense	8.8	3.8	
Tax Expense	142.4	129.6	
Net Profit after Tax	**348.7**	**257.3**	**36%**
Interim Dividend (cents)	23.00	16.33[4]	
Basic EPS (cents)	63.42	47.05[4]	

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