CSL Limited
Biopharmaceuticals for Life™

24 August 2005

FULL YEAR RESULT
Profit* up 106% to $297 million
Final Dividend 30 cents plus Special Dividend of 10 cents

CSL Limited today announced its operating results for the full year ended 30 June 2005.

FULL YEAR HIGHLIGHTS

Financial

- Sales revenue of $2.75 billion, up 67% on the previous year;
- Reported net profit after tax of $546.5 million for the year ended 30 June 2005, up 149% on the previous year (June 2004 $219.6 million);
  - Net profit after tax including goodwill amortisation but before the sale of JRH was $297 million, which is consistent with previous company guidance at the upper end of between $270 to $295m million.
  - Net profit after tax from continuing operations grew 103% to $316.7 million, after adjusting for the operating contributions and sale of JRH Biosciences (JRH) in FY2005 and Animal Health in FY2004 and goodwill;
- Net operating cash flow of $568 million, up 174% on the previous year;
- Research & Development expenditure of $146 million, up 44% on the previous year;
- Sale of JRH, CSL's cell culture business for an estimated post tax profit of $250 million;
- Capital management initiatives:
  - On market buyback 1 – 10 million shares repurchased for $318 million with program completed on 16 May 2005; and
  - On market buyback 2 – program commenced on 12 July, for up to 8 million shares to be repurchased and is currently over 50% complete.
- Final dividend of 30 cents, plus a special dividend of 10 cents, a total of 40 cents franked to 79.5%. Dividends for the full year total 57 cents, up 50% on the previous year.

** Excludes sale of JRH in FY2005 and Animal Health in FY 2004.*

Operational

- An intellectual property settlement with GlaxoSmithKline and Merck & Co. Inc. (Merck) providing for additional future milestones and royalty flows from sales of Human Papilloma Virus Vaccine used for protection against cervical cancer;
- ZLB Behring integration substantially complete enabling production on a lower cost base;
- US plasma therapies market improving;
- Australian Plasma Products Agreement in place;
- Influenza vaccine facility expansion; and
- Successful tender for Australian influenza vaccine supply contract for CSL's Fluvax®.

Dr McNamee, CSL's Managing Director said, "I'm delighted to deliver to shareholders an excellent financial report for the year and forecast continuing growth for the company.

"Two years ago we set out to complete the transformation of CSL into a global bio-pharmaceuticals business. In that time we have more than tripled the profit from continuing operations of the company, more than doubled net tangible assets and almost halved the net debt, returning significant value to shareholders through growth in share price and capital management initiatives.

"Strong cash flow and a solid financial platform provided by our bio-pharmaceutical businesses, including plasma therapies, provide us with the means to expand our core capability in research and development. We're already the largest investor in bio-pharmaceutical research and development in Australia and we aim to grow this by a further 5 to 10% per annum over the next 3-5 years. Research and development is fundamental to our future growth.

"Innovation and new product development, operational excellence and careful capital management will continue to make CSL a growth company going forward", Dr McNamee said.

BUSINESS REVIEW

The Company's operating results for the twelve months ended 30 June 2005 incorporates the positive impact from the inclusion of twelve months trading by ZLB Behring and volume growth in the sales of Helixate (recombinant Factor VIII). Aventis Behring was acquired on 31 March 2004 and integration is now substantially complete.

Financial benefits from the integration of Research & Development, Commercial Operations and the rationalisation of head office functions of the merged ZLB Behring organisation have been realised. Synergy benefits are increasingly residing in inventory arising from the restructured business. The majority of this financial benefit will flow in fiscal 2006 and beyond as the inventory is sold.

Merck is now well advanced in its phase III clinical trials program on its human papillomavirus vaccine (cervical cancer vaccine) licensed from CSL and has announced that it anticipates filing for a product license with the US Food and Drug Agency during the second half of calendar 2005.

A new Plasma Products Agreement with the Australian National Blood Authority was signed in December 2004 providing for the supply of a broad range of plasma products from CSL Bioplasma's production facility for a period of five years.

An agreement has been reached with Bayer HealthCare – Australia, for the exclusive distribution rights for Kogenate® FS in Australia for an initial period of five years. Kogenate® FS is a leading recombinant factor VIII (a coagulation therapy used to treat haemophilia) and, as the market becomes available, enables CSL Bioplasma to offer an expanded range of products to people living with Haemophilia A.

A Licence Agreement has also been reached with Merck granting Merck rights and options to CSL's ISCOMATRIX® adjuvant across a range of Merck's investigational vaccine programs.

In December 2004 CSL successfully contracted with the Australian Commonwealth Government to supply 65% of their influenza vaccine requirements over the next three years. In addition, in the event of a pandemic, CSL will manufacture a sufficient quantity of pandemic vaccine doses - all of which will be manufactured in the company's upgraded and expanded flu vaccine production facility in Melbourne.

Additional funding from the Australian Commonwealth Government has enabled CSL to fast track its production of a pandemic influenza vaccine making Australia one of the most prepared countries in the world for coping with an influenza pandemic. Completion of the entire development program has been bought forward by 18 months.

The JRH business was sold on 28 February 2005, with net proceeds amounting to $A458 million against a book value of $179 million. The Company estimates the resulting after-tax profit will amount to $250 million.

The strong performance by the CSL Group has underpinned Research and Development investment of $146 million with an increasing focus on innovative new product development.

OUTLOOK

Commenting on the outlook for CSL, Dr McNamee said "The plasma therapeutics industry is in the final stage of consolidation and supply and demand for products is close to being in balance.

"This industry has a long production lead time but we are now at the stage where we will increasingly benefit from the lower cost manufacturing spine that we have put in place around the world as we continue to carefully manage plasma throughput and inventory.

"As we manage down the surplus inventory acquired with the Aventis Behring business and complete the realignment of the new business model we expect group sales for fiscal 2006 to be broadly similar to fiscal 2005.

"Despite a sharp increase in tax with the introduction of Australian International Financial Reporting Standards in 2006, earnings per share from continuing operations is expected to grow by approximately 10%. Margin growth and the impact of capital management will be the key drivers.

"With an increased proportion of earnings derived from offshore and an increased level of research and development spend in Australia, dividends for fiscal 2005/06 will not be significantly franked. However, with the Human Papilloma Virus Vaccine launch drawing closer, anticipated royalty payments on product sales in the US and Europe will improve our franking position in subsequent years," Dr McNamee said.

For further information, please contact:

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Group Results

Full year ended June	2005 $m	2004 $m	
Sales	**2,749.9**	**1,650.2**	
Other Revenue	503.0	185.5	
Total Revenue	**3,252.9**	**1,835.7**	**77%**
Earnings before Interest, Tax, Depreciation & Amortisation	**837.0**	**398.8**	**110%**
Depreciation/Amortisation	170.7	130.0	
Net Interest Expense	24.4	14.2	
Tax Expense	95.4	35.0	
Net Profit from Ordinary Activities	**546.5**	**219.6**	**149%**
Total Dividends (cents)	**57.0**	**38.0**	**50%**
Final Dividend (cents)	**30.0**	**26.0**	
Special Dividend	**10.0**	-	
EPS diluted (cents)	**277.5**	**122.8**	**126%**

Reconciliation to Continuing Operations

Net Profit from Ordinary Activities	**546.5**	**219.6**	**149%**
JRH sale	-249.6	-	
Animal Health sale	-	-75.3	
NPAT pre business unit sale	**296.9**	**144.3**	**106%**
JRH contribution	-17.8	-26.8	
Animal Health contribution	-	-3.6	
Continuing operations NPAT	**279.1**	**113.9**	**145%**
Goodwill tax effected	37.6	42.0	
Continuing operations NPAT pre goodwill	**316.7**	**155.9**	**103%**
Continuing operations NPAT pre goodwill EPS	**1.62**	**0.87**	**86%**