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CSL

ASX Announcement

For immediate release

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Interim Result
Strong profit growth, up 44% to $502 million
Underlying profit[1] up 24%

CSL Limited today announced a profit after tax of $502 million for the six months ended 31 December 2008, up 44% when compared to the six months ended 31 December 2007. This included a foreign currency benefit of $26 million and a number of favourable non operational items totalling $44 million in net profit after tax which also boosted the result. Adjusting for currency and the items above, underlying profit growth was 24%.

HIGHLIGHTS

Financial

- Total revenue of $2.35 billion, up 25% when compared to the six months ended 31 December 2007, or up 14% at constant currency[2];
  - Human Papillomavirus Vaccine (HPV) royalties of $82 million;
- Net profit after tax grew 44% to $502 million, or up 37% at constant currency;
- Research and Development investment $153 million;
- Strong balance sheet;
- Operating cash flow up 52% to $445 million;
- Earnings per share of 85.4 cents, up 35%;
- Interim dividend up 30% to 30 cents per share, unfranked, payable on 9 April 2009.

Talecris Biotherapeutics Holdings Corp. (Talecris)

- Regulatory process remains on track;
  - The parties 'substantially complied' with the US Federal Trade Commission's (FTC) Second Request at the end of January 2009;
  - CSL is working diligently to assist the FTC in their review of the acquisition;
- Finance secured following successful debt and equity raisings, of approximately US$1.5 billion each, to fund the proposed US$3.1 billion acquisition of Talecris.

[1] Underlying profit excludes non operational beneficial items and the impact of exchange rate movements

[2] Constant currency removes the impact of exchange rate movements to facilitate comparability

Operational

- Plasma Therapies
  - Privigen® (10% liquid intravenous immunoglobulin) - new manufacturing facility pre-approval inspection by US FDA complete;
  - Market development of specialty plasma therapies.
- GARDASIL®
  - Merck submits data to the US FDA for males ages 9 – 26 and females ages 27 – 45
  - Merck phase III trial on 9-valent vaccine;
  - New US Patent expires 2026;
- Influenza
  - Expanded influenza vaccine facility approved by US FDA.

Dr McNamee, CSL's Managing Director, said "This is a strong result for CSL in an extraordinary period of foreign exchange volatility and global economic upheaval.

"We have met key milestones in the approval process for increasing Privigen® manufacturing capacity. CSL is now well placed to accommodate and take advantage of the continued demand for core and specialty plasma therapies.

"Royalties from GARDASIL® continue to be an excellent contributor and I'm pleased to report that a new US patent now protects our intellectual property through to 2026.

"In relation to the company's intentions to acquire plasma fractionator Talecris, the regulatory process remains on track and following the schedule we anticipated. We will work diligently with the US FTC in their review of the acquisition" Dr McNamee said.

BUSINESS REVIEW

Results overview

CSL Behring sales grew 33% to $1.8 billion (19% in US dollar terms) when compared to the six months ended 31 December 2007. Strong contribution from both core and specialty products has underpinned the growth.

Immunoglobulins grew 32% in US dollar terms with good growth in specialty products Cytogam® and Rhophylac®. Vivaglobin® (subcutaneous Immunoglobulin), a product which provides the convenience of immunoglobulin self administration, attracted significant

patient growth. Global IVIG sales growth benefited equally from growth in price, volume and product mix as demand moves in favour of liquid presentations over lyophilised. The Critical Care segment grew 25% in US dollar terms underpinned by price and volume growth of albumin. Specialty products, particularly Haemocomplettan® P, Beriplex® P/N and Berinert® P, also made a strong contribution.

Haemophilia sales grew 6% in US dollar terms. Helixate® (recombinant factor VIII) grew 11% reflecting tenders won in the UK and Canada. Plasma derived FVIII sales grew only moderately with Beriate® sales up 12% but offset by supply issues with Monoclate®.

CSL Bioplasma sales were up 23% to $151 million driven by strong demand and improved pricing for albumin in China. Demand for plasma therapies from Indonesia, Malaysia and Taiwan was also strong. Australian sales grew by 5%.

CSL Biotherapies sales were down 6% to $251 million. Growth in influenza vaccine sales into the Northern Hemisphere was offset by reduced Australian sales of GARDASIL®, as previously foreshadowed. The current period includes GARDASIL® sales of $84 million compared with $143 million in the prior comparable period arising from strong demand during the initial take-up by women in the 18-26 year old cohort. Northern Hemisphere influenza vaccine sales totalled $74 million for the period.

Non operational items - net profit after tax was boosted by $44 million from a number of favourable items arising during the period. These included a net pre tax $14 million benefit of holding funds in anticipation of the closure of the Talecris deal, foreign exchange gains on hedging contracts and a number of 'one-off' tax adjustments.

Business development

Talecris

On 13 August 2008, CSL signed an agreement to acquire Talecris, a leading manufacturer and marketer of plasma-derived protein therapies from current owners Cerberus Partners, L.P. and Ampersand Ventures. The close of the acquisition is subject to customary regulatory approvals including the approval from US anti-trust authorities.

The parties have submitted their documents and information to the US Federal Trade Commission (FTC) and have certified 'substantial compliance' with the Second Request.

CSL has secured debt and equity finance in anticipation of approval by the US FTC. However, a US$75m break fee, as previously advised, would be payable to the vendors, under certain circumstances, if anti trust approvals are not forthcoming within 12 months of signing the agreement.

CSL is working diligently to assist the US FTC in their review of the acquisition.

GARDASIL® – Human Papillomavirus Vaccine

CSL's licensee Merck made a number of announcements regarding cervical cancer vaccine, GARDASIL®. They have submitted data to the US FDA seeking to expand the GARDASIL® label claim to include adult women ages 27 - 45 and males ages 9 - 26. The US FDA has since recommended that Merck submit additional data when the 48 month female study has been completed.

Merck has also announced that they are in phase III trials for a 9-valent vaccine. GARDASIL® is a quadrivalent vaccine.

In addition, during the period a US patent for HPV virus like particles was issued jointly to CSL and the University of Queensland, which is licensed to Merck and will drive royalties from the sale of GARDASIL® until 2026.

Specialty Plasma Products

The company's 'revenue per litre' objective moved forward with market development in a number of specialty products.

- RiaSTAP™ (fibrinogen) - In January 2009 the US Food and Drug Administration (FDA) granted marketing approval for RiaSTAP™, the first and only treatment of acute bleeding episodes in patients with congenital fibrinogen deficiency, a rare and potentially life threatening bleeding disorder.
- Berinert® - EU mutual recognition procedure completed December 2008. CSL Behring is currently addressing questions raised by the US FDA that relate to the manufacturing process and clinical data.
- Beriplex® – US trial initiated. European expansion ongoing.

Privigen®

The company has a modularised plan to increase manufacturing capacity of Privigen® (10% liquid intravenous immunoglobulin). The 3 million gram per annum facility is now open and operating smoothly. During the period, the US FDA completed a pre-approval inspection of the new 10 million gram per annum facility. Final approval is anticipated

during the quarter ending June 2009. Construction of a further 10 million gram per annum facility, has commenced with operations anticipated to commence in 2011.

The company's Privigen® strategy is to accommodate increasing global patient demand for IVIG as well as progressively migrating patients from Sandoglobulin® / Carimune® to liquid Privigen. Privigen® is the first and only proline stabilised IVIG that is ready for immediate use, not requiring refrigeration or reconstitution during its shelf life.

Influenza
Initial sales of influenza vaccine, manufactured at the expanded facility in Parkville, were made into the USA. During the period CSL's influenza vaccine was launched into Germany and Ireland. A vaccine tender was won in Hong Kong and a product license was obtained from the Chinese Food and Drug Authority for adults 18-60 years of age.

Corporate Responsibility
In December 2008, CSL released its first global environment report which presents four years of performance data from its five manufacturing sites. Highlighted in the report are significant improvements in the rate at which CSL consumes natural resources and generates by-products in the manufacture of plasma therapies. This report is available on the company's website.

OUTLOOK

Commenting on CSL's outlook, Dr McNamee said "To-date there has been little to no impact on our sales arising from the global financial crisis. This is consistent with a product portfolio of life saving therapies and essential vaccines. However, we remain vigilant as the situation develops. Potential risks to our outlook include pressures on healthcare spend, debtors risk, foreign exchange volatility and ongoing access to long term debt.

"However, in this difficult economic environment, we anticipate broadly stable market conditions for CSL's group of businesses.

"Research and Development spend of $153 million in the first half is expected to be similar in the second half with total spend for the year between $300 million to $310 million on a reported currency basis.

"In compiling our financial forecasts for 2009 we have determined several key variables in addition to the global financial crisis which may have a significant impact on guidance - in

particular material price and volume movements on core plasma products, unforseen competitor activity, changes in healthcare regulations and reimbursement policies, royalties[3] arising from the sale of HPV, sales of GARDASIL® in Australia, 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 a net profit after tax figure of between $1.02 billion and $1.06 billion. Using fiscal year 2007/08 constant currency and excluding the benefit of a number of non operational items this equates to $810 million to $850 million, consistent with guidance at the company's Annual General Meeting in October last year. We continue to believe the result will be toward the high end of this guidance, despite additional research and development investment and a reduction in expectations for GARDASIL® royalties," Dr McNamee said.

For further information, please contact:

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

Group Results

Half year ended December	December 2008 A$m	December 2007 A$m	Change %
Sales	**2,206.7**	**1,750.1**	
Other Revenue	139.1	125.6	
Total Revenue	**2,345.7**	**1,875.7**	**25%**
Earnings before Interest, Tax, Depreciation & Amortisation	**701.5**	**572.8**	**22%**
Depreciation/Amortisation	75.3	72.9	
Earnings before Interest and Tax	**626.2**	**499.9**	**25%**
Net Interest Expense	(13.6)	8.8	
Tax Expense	138.0	142.4	
Net Profit after Tax	**501.9**	**348.7**	**44%**
Interim Dividend (cents)	30.00	23.00	
Basic EPS (cents)	85.44	63.42	