CSL Limited

AUSTRALIA'S BIO-PHARMACEUTICAL COMPANY

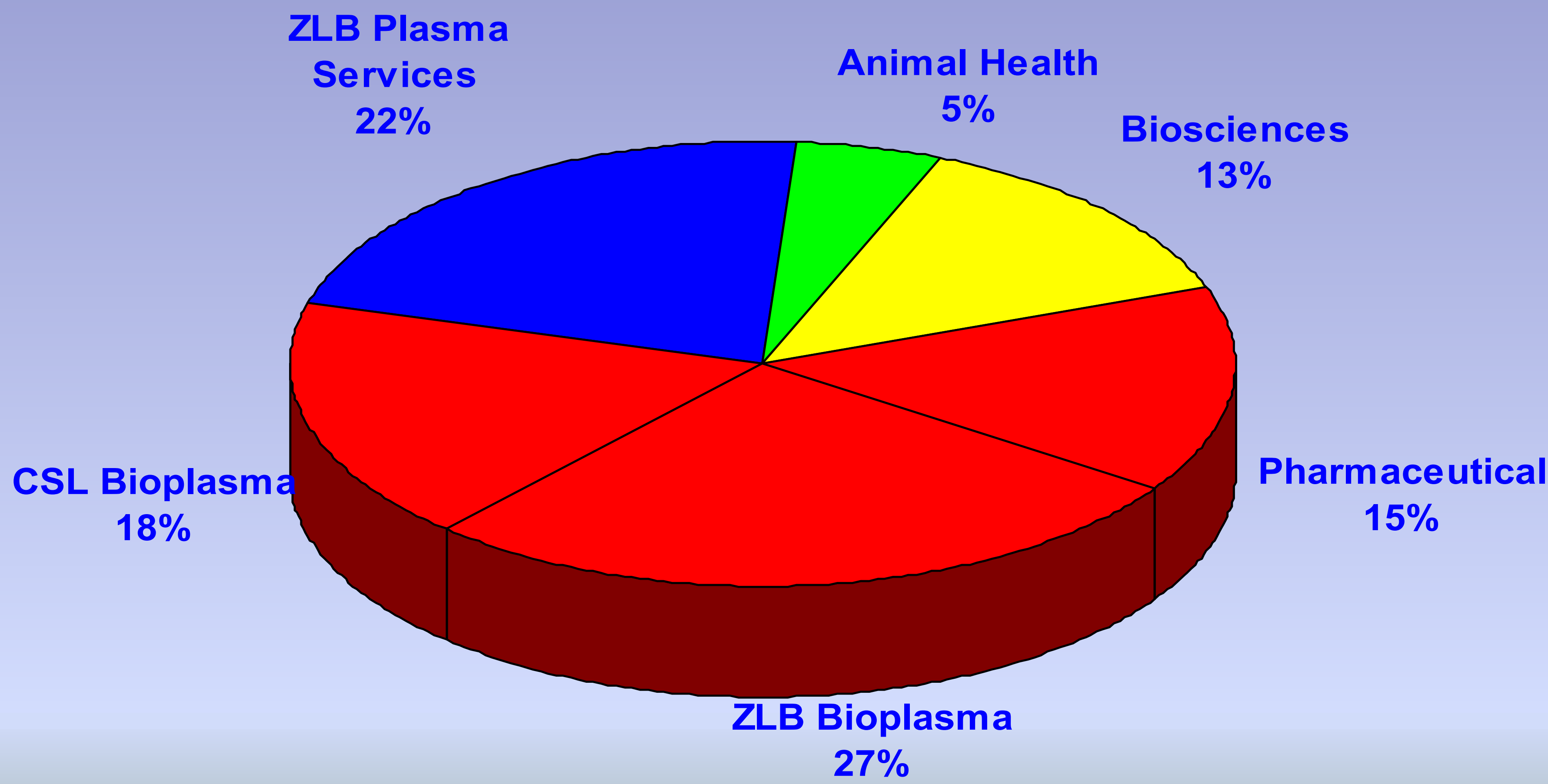
Progress 2002/03

- **Financial Performance**

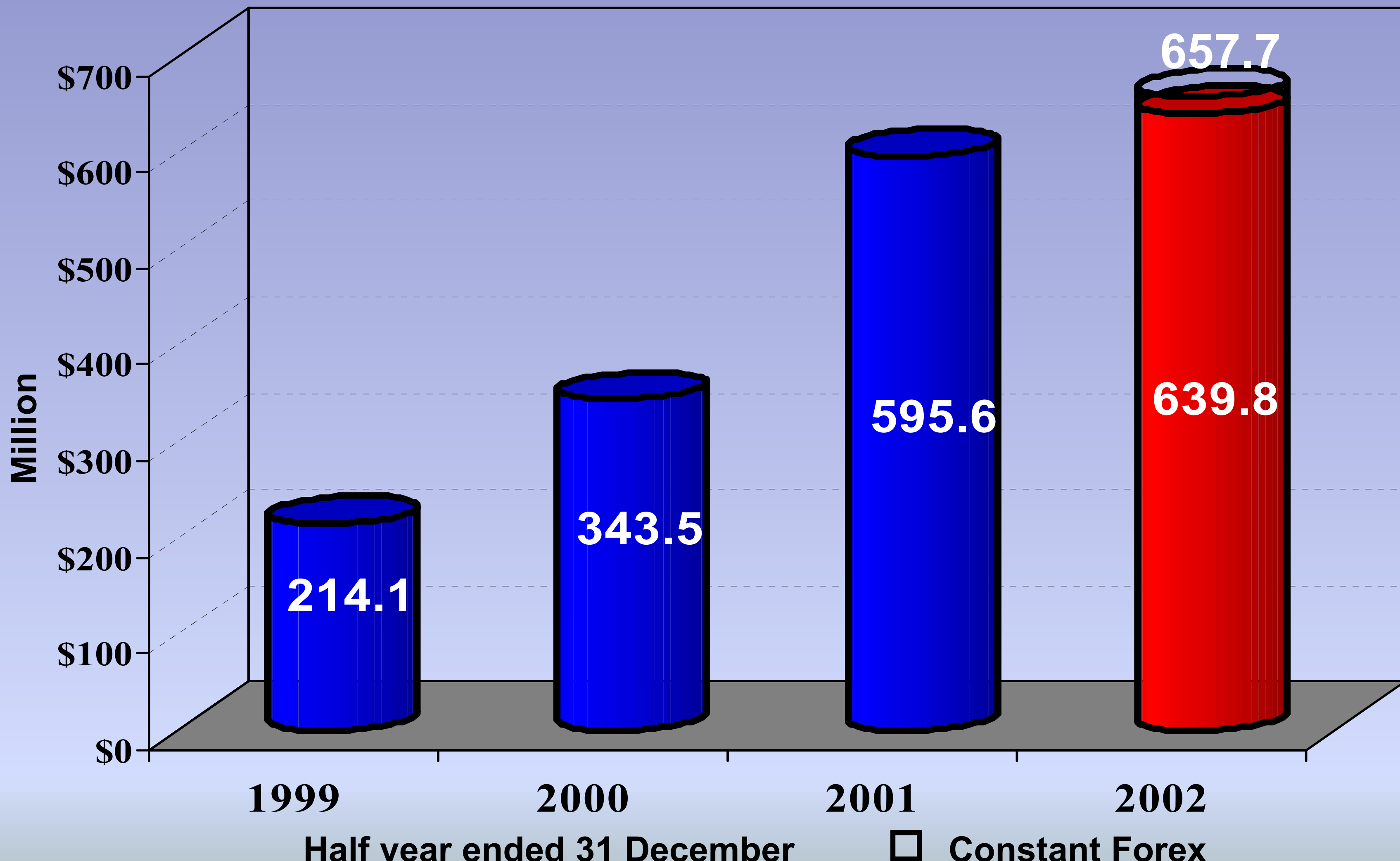
– Revenues	$639.8m	7%
– EBITDA	$132.0m	- 8%
– NPAT(before Amort)	$61.7m	- 20%
– NPAT	$40.1m	- 30%
– R&D investment	$50m	2%

Sales by Business Unit

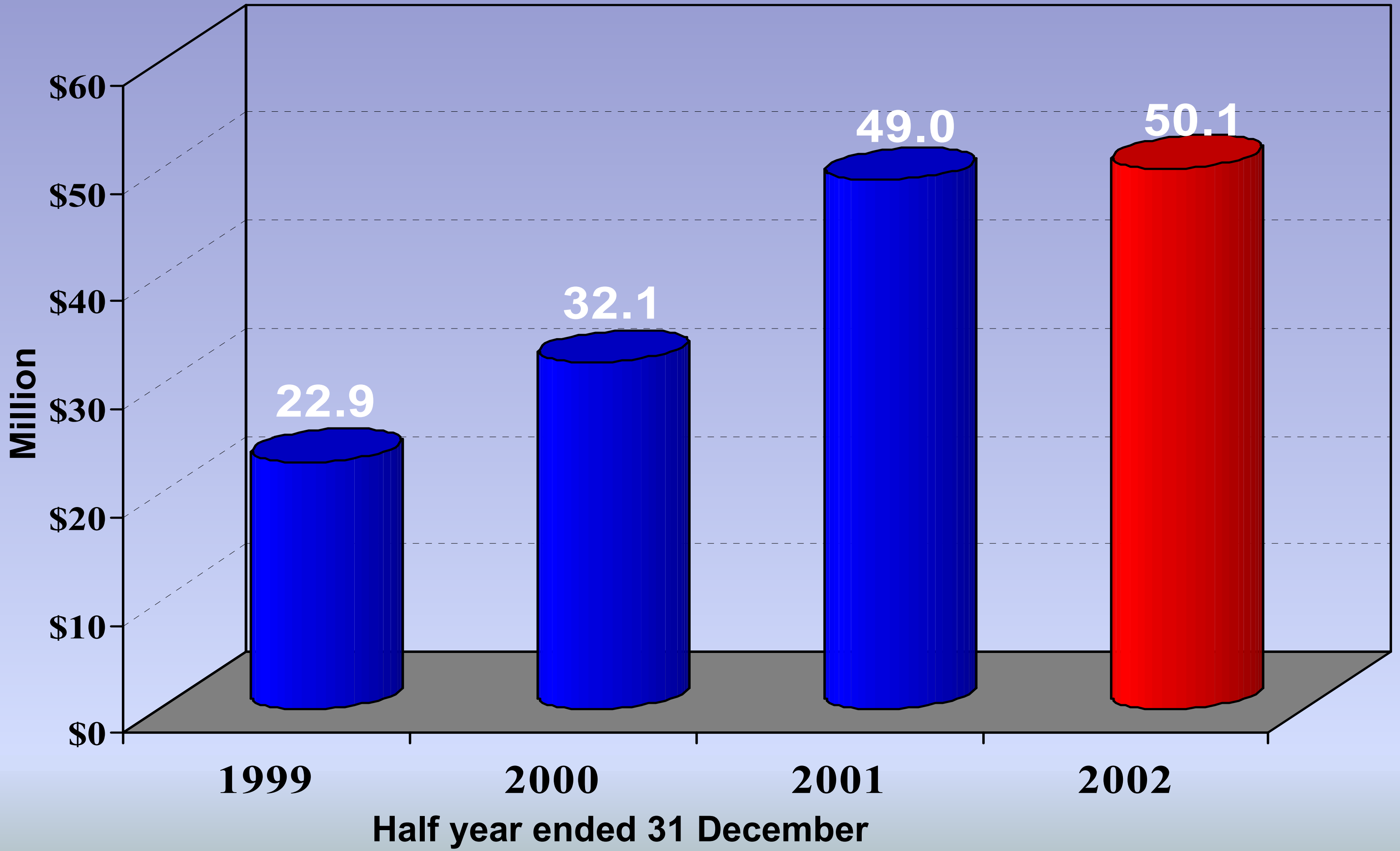
December 2002 $633.4m



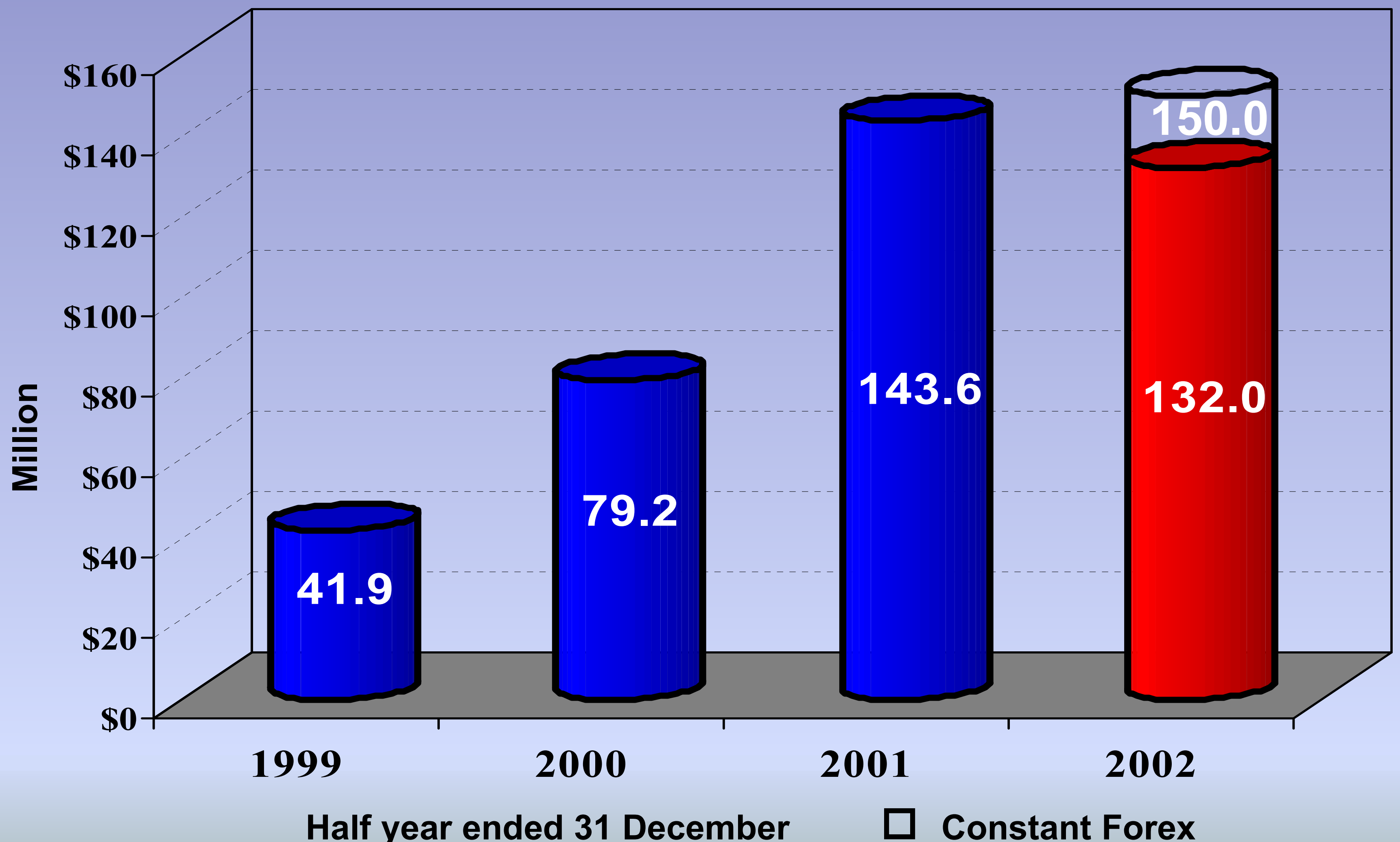
Total Revenues



R&D Investment

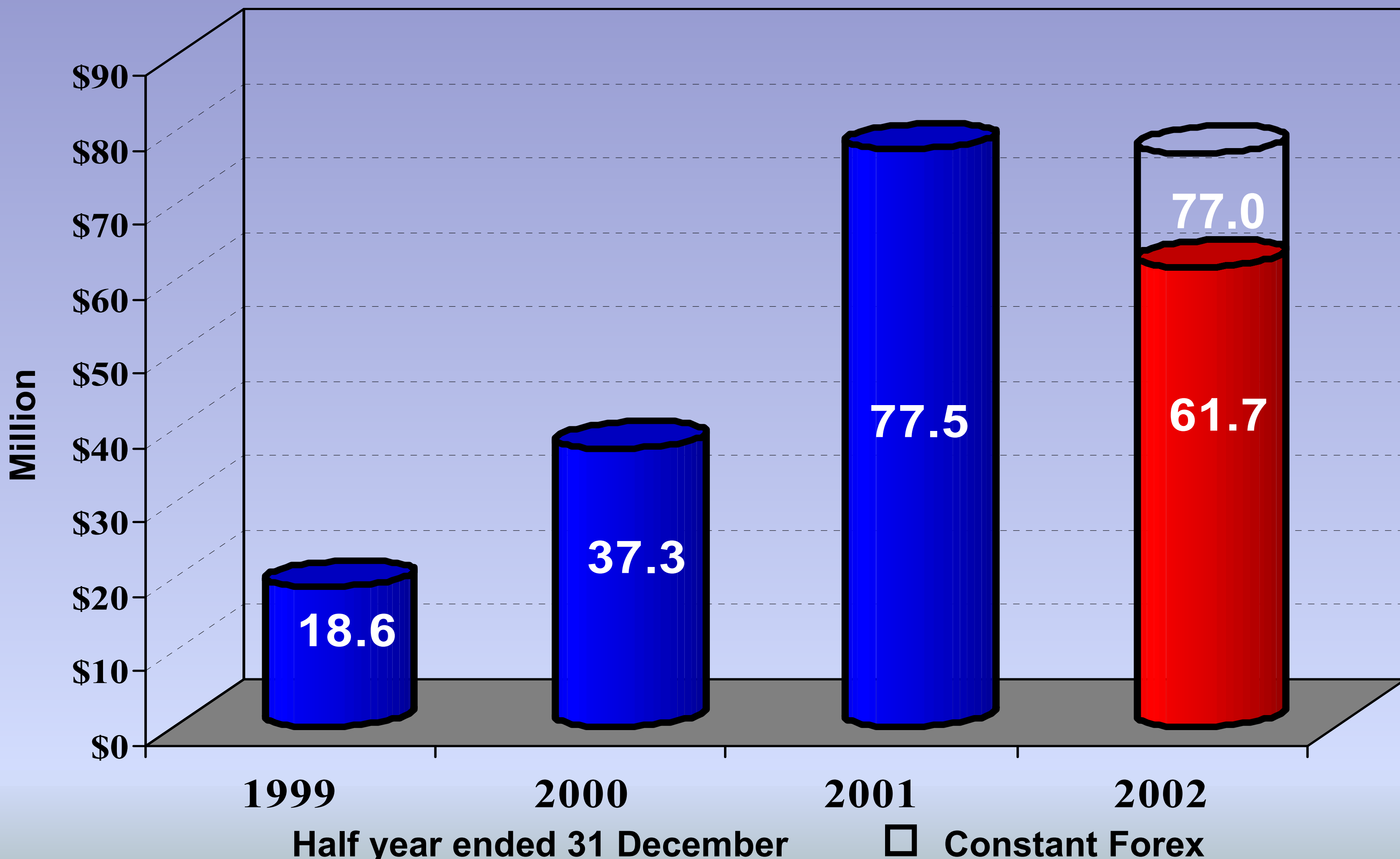


EBITDA

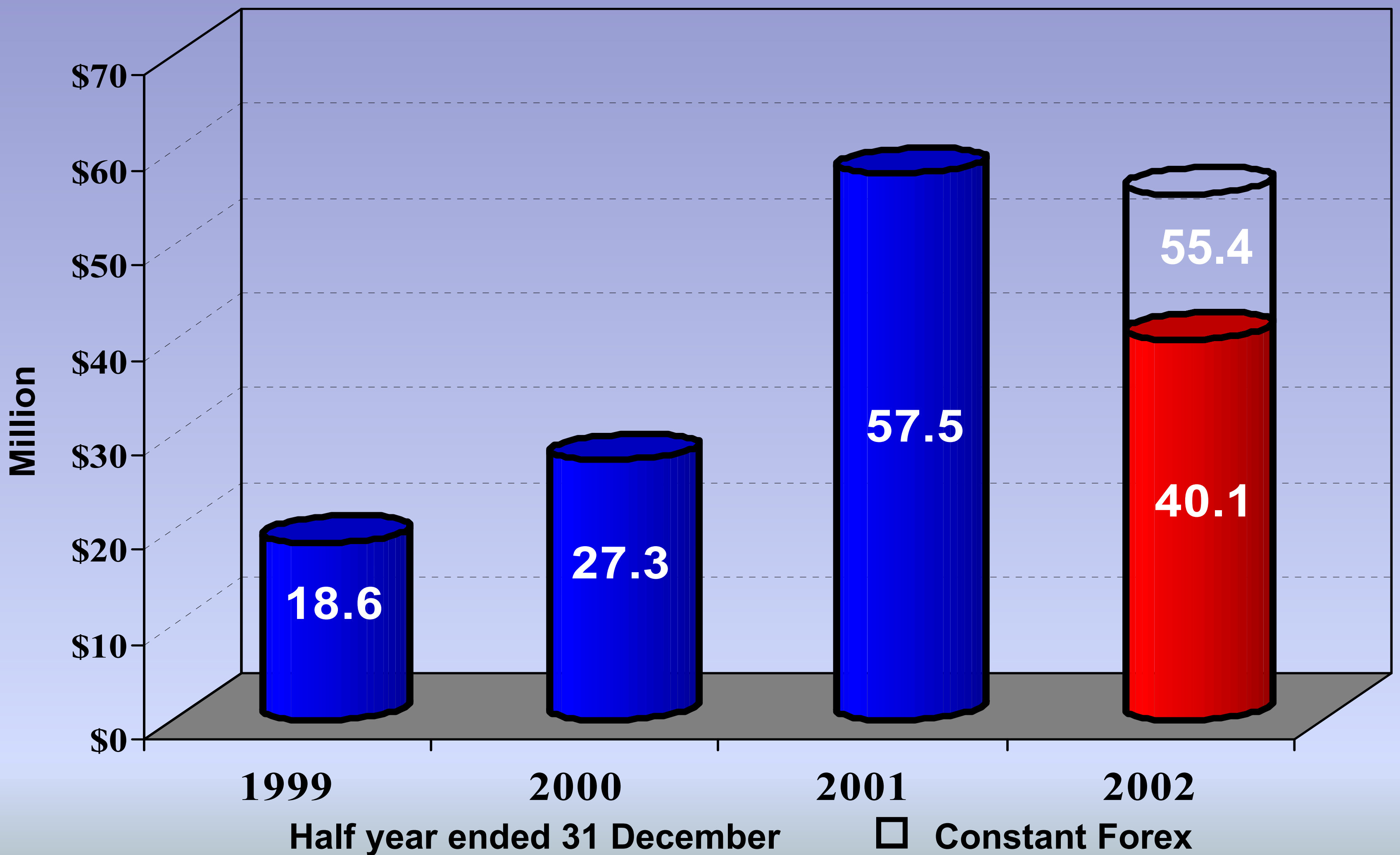


AUSTRALIA'S BIO-PHARMACEUTICAL COMPANY

NPAT before Goodwill



Operating Profit after Tax

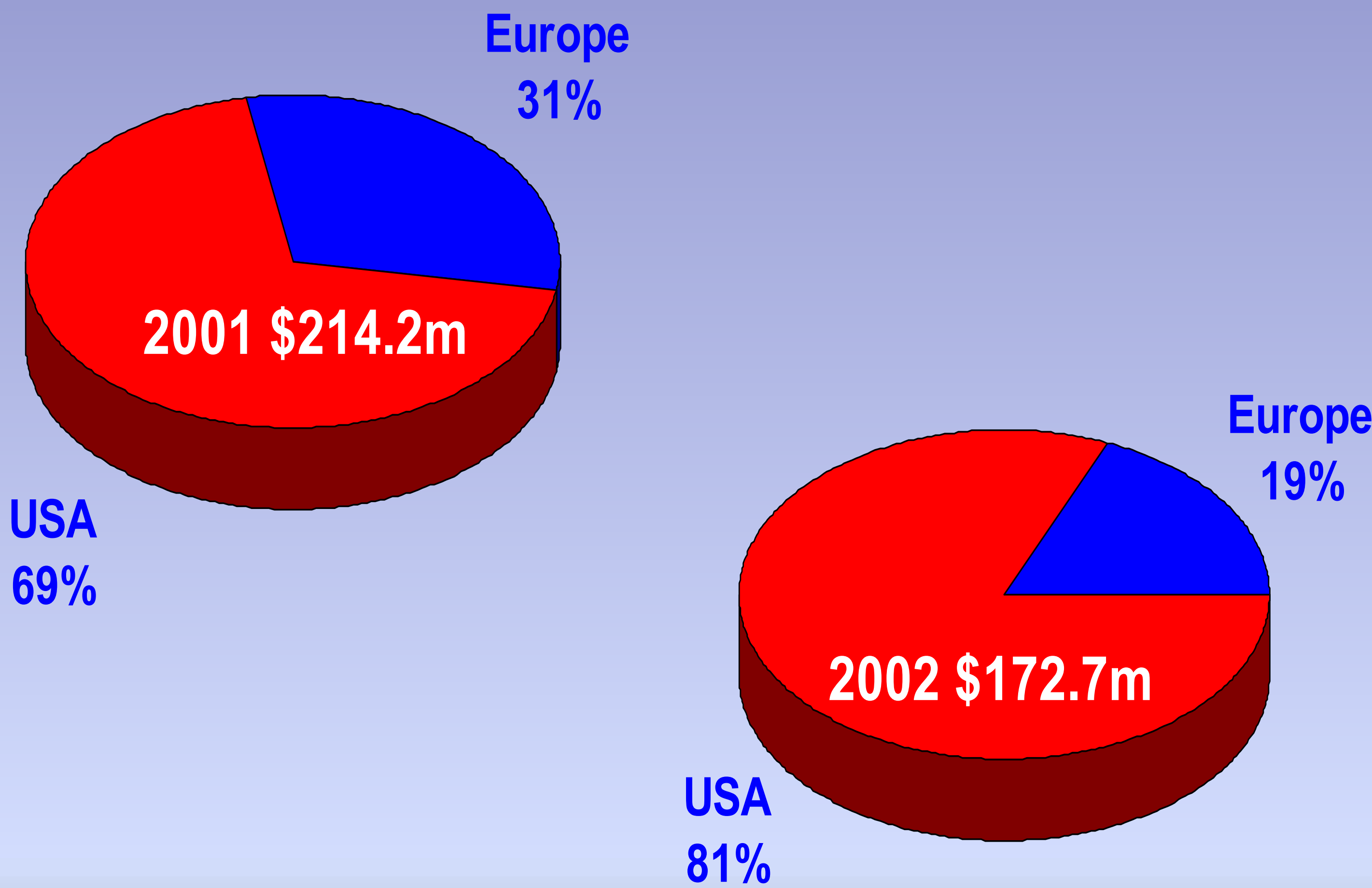


Business Unit Performance

Business Unit Performance

- ZLB Bioplasma
  - Revenues $172.7m
  - Sandoglobulin™ European transition
  - Investment in US sales and marketing
  - Adverse effects
    - US IVIG pricing/volume
    - USD/CHF

ZLB Sales by Region



ZLB Bioplasma

- Sandoglobulin™ transition to ZLB
  - Infrastructure built in 2002
  - Pricing remains attractive
  - Utilisation continues to grow
  - Entered Germany and United Kingdom
  - 2nd half enter Belgium, France and Italy

ZLB Bioplasma

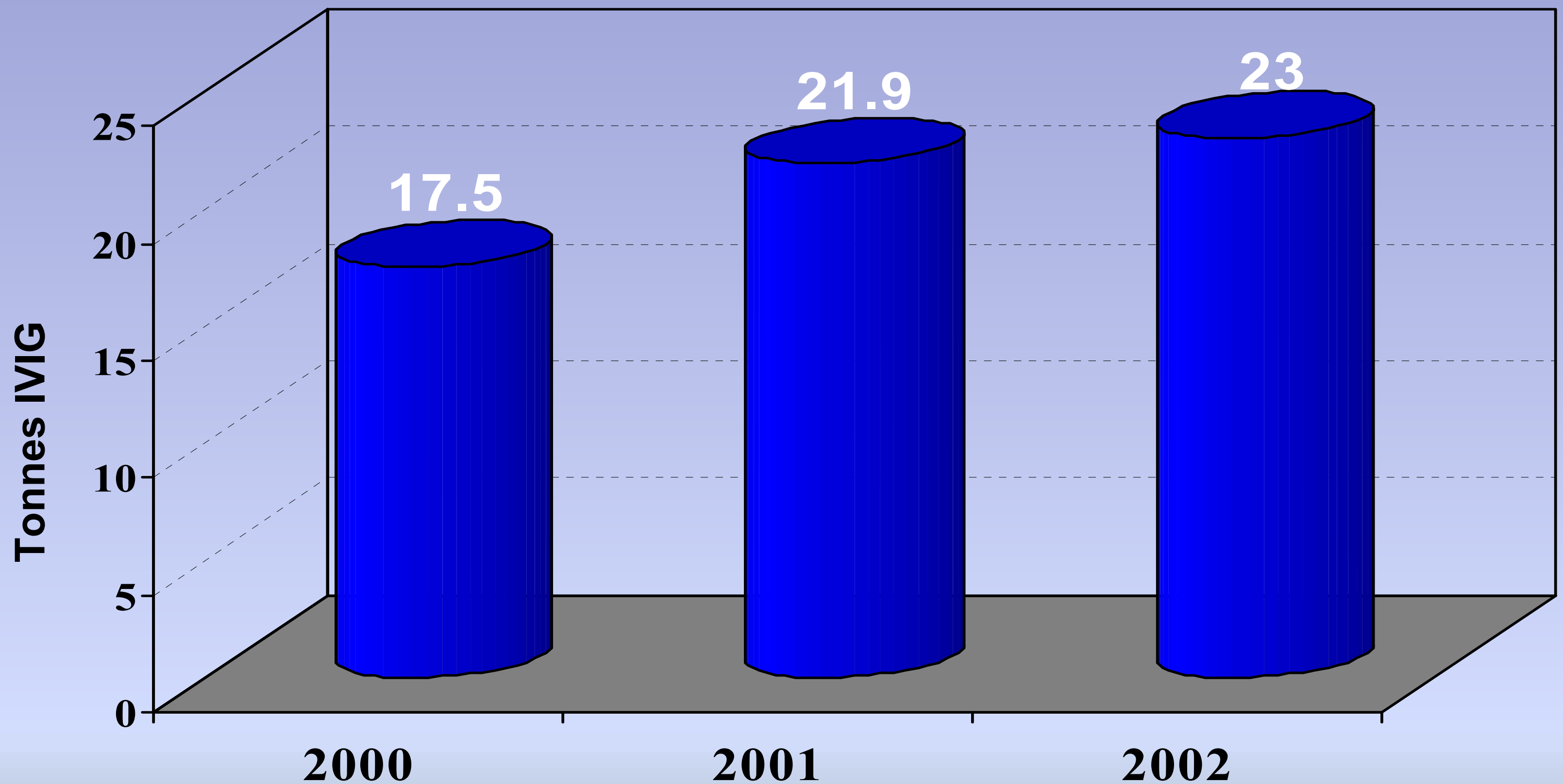
- **US IVIG - 2002 challenging market**
  - Customers de-stocking
  - Price pressure
  - Alpha sale process
  - US economic conditions = increase plasma supplies

ZLB Bioplasma Inc

- **Carimune™**
  - Average selling price - 19%
  - Unit volume increased 11%
  - Sales revenue - 6%

US IVIG Market 5% Growth

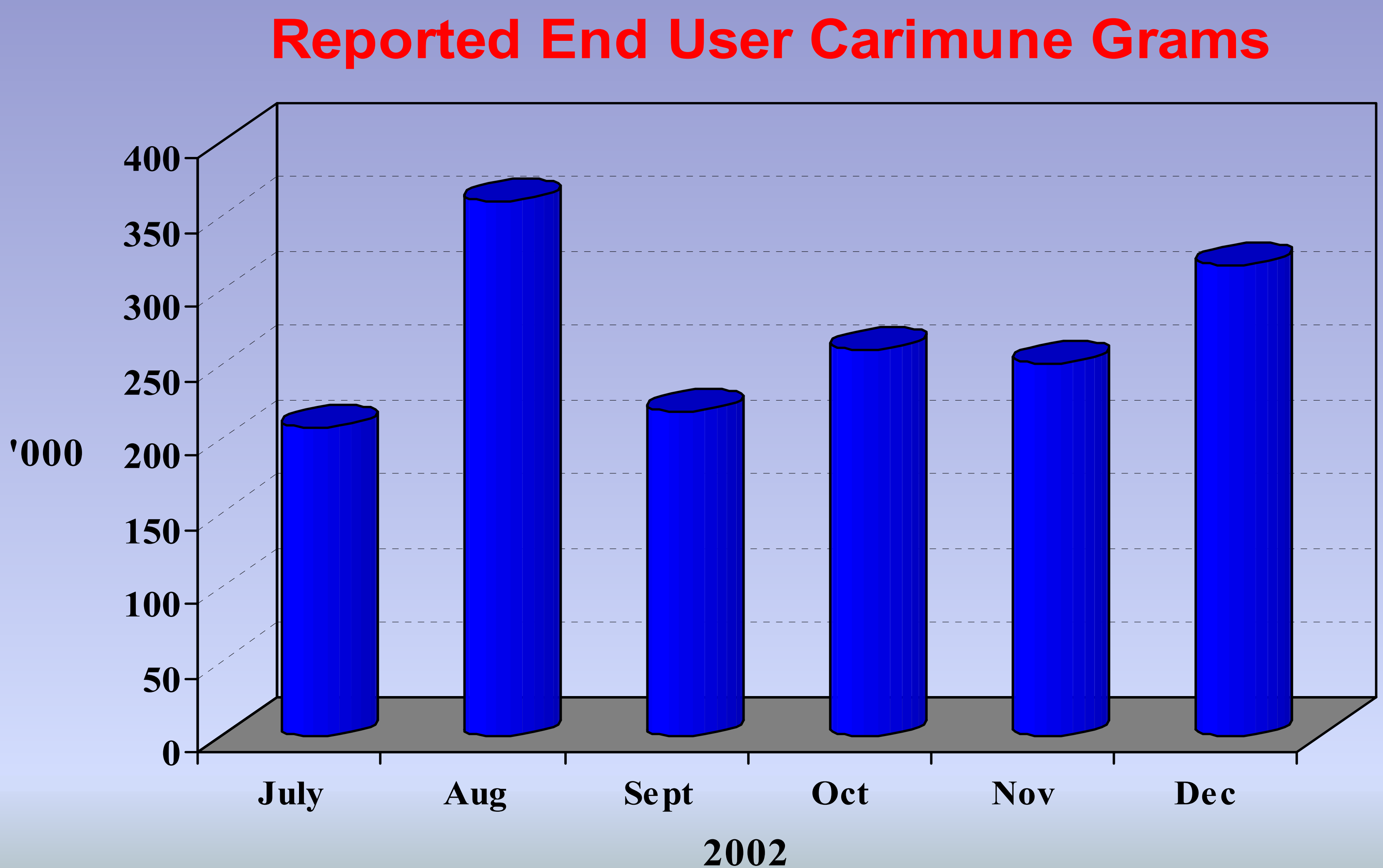
Ex-manufacturer sales reported by PPTA



Carimune™ Volume +11%

- Expanded field sales organisation
  - 36 Sales Representatives and Managers
- Expanded inside sales organisation
  - 14 Sales Representatives
- Established Medical Science Liaisons
  - 3MSLs
- Marketing investment
  - Carimune™ brand
  - Prepare for new product launches
  - Push into homecare (non-hospital) markets

End-User Usage



End-User Usage

- End-user usage has grown faster than ZLB sales
  - Customers are reducing inventory
    - Plentiful supplies of IVIG
    - Lower prices
  - Estimated impact on ZLB
    - 350,000 grams lost sales for this financial year

Calendar Year 2003

- **Customers**
  - Finish inventory adjustment
  - Start ordering at normal levels
- **Over-supply cycle is likely to end**
- **Utilisation continues to grow**
  - IVIG demand 8-10%
  - Albumin demand flat

ZLB Product Launches

- Carimune™ NF
  - Significant safety innovation
  - New size added - 12 gram
- Liquid IVIG
  - Targets fast growing homecare segment
  - High concentration - lower infusion volumes
- Rhophylac®
  - New market opportunity
  - HDN
  - ITP

Market Developement

- **Investment in market development**
  - Primary immune deficiency
    - Early diagnosis opportunity - Jeffery Modell Foundation
    - Improved dosing and dose interval - Immune Deficiency Foundation
  - Outpatient/Homecare market expansion
    - Patients
      - Insurance
      - Convenience
      - Quality of life
      - Compliance

Market Developement

- **Potential new applications**
  - Solid organ transplantation (>50k dialysis patients awaiting transplantation)
    - 1-2 tonnes per year potential
  - Neurological
- **Strong therapeutic position**
  - Very safe product
  - Non-IVIG competitors unlikely due to polyclonal nature of product

ZLB Summary

- 2002 was a challenging year
- 2nd half 2002/03….challenges continue
  - Customers finish inventory adjustment - start ordering consistently
  - Price stability/recovery
  - Utilisation continues to grow
  - Carimune™ NF launch

ZLB Summary

- 2003/04
  - Anticipate over-supply cycle ended
  - New therapeutic applications for IVIG
  - ZLB new product launches
    - Liquid IVIG
    - Rhophylac®

Business Unit Performance

- **Bioplasma (Australia)**
  - Strong sales growth
  - Plasma intake growth 9%
  - Intragam® P yield gains
  - Continued export growth

Business Unit Performance

- **Pharmaceutical**
  - Sales growth 11%
    - Tramal™ growth continues
  - Menjugate™
    - Expect contribution in second half

Business Unit Performance

- **JRH Biosciences**
  - Sales increase 24%
  - Market conditions remain strong
  - Strong growth in all media products, particularly FBS
  - Biotech approvals (demand) continues

JRH Biosciences

- **ByProd acquisition**
  - Secures position in high demand media (FBS)
  - Leverage of Gamma Irradiation technology
  - Enhances customer portfolio opportunities
  - Media critical to production of new generation vaccines and recombinant antibodies

Business Unit Performance

- **Animal Health**
  - Sales growth 15%
  - Strong performance in
    - Canine and Feline vaccines
    - Sheep vaccines
  - Spirovac® facility on track
    - first sales ex facility 2003/04

Business Unit Performance

- **Plasma Services**
  - Sales increased to $137.4m
  - Operating efficiencies improved
  - Bayer supply extended
  - Integration into ZLB Group complete

R&D Highlights

- BLA submissions for Liquid IVIG and Rhophylac accepted
- Thiomersil-free Fluvax® launched
- HPV publication boosted Phase III recruitment
- HPV16-induced AIN target for ISCOM®E6/E7 immunotherapeutic
- rHDL preclinical stroke data
  – reduce brain lesions 60% at 6 hours

R&D Highlights

- **CSL/ARC Fibrin Bandage**
  - Approved for battlefield use by FDA under IND in December 2002
  - CSL/ARC shipped bandages to US Army
  - 9 products tested in large animal model
    - CSL/ARC by far superior

CSL/ARC Fibrin Bandage

Differentiating Features

CSL/ARC	COMPETITOR
• Biological product	• Device
• Applicable to internal wounds and use in operating theatre	• Applicable to superficial wounds only
• Left *in situ* – naturally absorbed	• Removed prior to definitive treatment – non-absorbable
• Potent clotting factors part of bandage	• No active components – relies on patient's clotting factors

Forex

- USD depreciates sharply against the Swiss Franc
  - Middle East/Korea tensions
  - Economic sentiment in US
- USD/CHF
  - declines 12% Dec 01 to Dec 02
  - financial statement impact AUD $15m
- Appreciating AUD
  - financial impact on translation $0.7m

Working Capital

- Cash Flow from Operations $24.9m
  - Improved debtor management
  - Inventory builds
    - Forex $21m
    - JRH/Animal Health $16m
    - ZLB European entry $23m
    - Plasma Services $20m
    - Menjugate $13m
  - Anticipated inventory reduction by year end

Debt Restructure

- **Private Placement**
  - US$250m raised
  - increased debt maturity profile with 10 year funding
  - achieved 40 year low interest rate
- **Multi-Currency Facility**
  - A$400m available in various currencies
  - CHF borrowed at 1.4% to repay Foundation
  - Break costs CHF3.75m to be recovered by early 2004 in interest savings

Forex - looking forward

- USD/CHF
  - Expected to remain volatile until Middle East/Korean tensions resolved
  - CHF viewed as a safe haven in times of political tension = artificial strengthening
  - US economic recovery main variable in rate recovery
  - Swiss economy weak expected to place downward pressure on CHF

Outlook 2003

- EBITDA guidance
  - Original 40/60
  - Current 45/55
- Major variables
  - US IVIG market - price and volume
  - USD/CHF exchange rate
    - tax shield impact
  - USD/AUD translation impact

Group Results

Half year ended December	2001 $m	2002 $m
Sales	589.8	633.4
Other Revenue	5.8	6.4
Total Revenue	**595.6**	**639.8**
Earnings before Interest, Tax, Depreciation & Amortisation	**143.6**	**132.0**
Depreciation/Amortisation	55.1	59.5
Net Interest Expense/(Income)	15.2	15.8
Tax Expense	15.9	16.7
Profit after tax before Goodwill Amortisation	**77.5**	**61.7**
Amortisation of Goodwill after tax	20.0	21.6
Net Profit from Ordinary Activities	**57.5**	**40.1**
Interim Dividend (cents)	12.0	12.0
EPS diluted (cents)	35.9	25.1
EPS after tax before Goodwill Amortisation (cents)	48.4	38.7

Potential Acquisition

- Aventis announced on 31 January 2003 that its discussions with Bayer regarding the formation of a blood products joint venture had been terminated
- As part of its 2002 review, Aventis affirmed its desire to divest Aventis Behring within 2003
- CSL has entered into an agreement with Aventis to appropriately and exclusively evaluate Aventis Behring as a acquisition opportunity

CSL's History of Acquisitions

- Track record of successful acquisitions
  - 1994 JRH business
  - 2000 ZLB Switzerland
  - 2001 Nabi collection centres
- Regularly review acquisition opportunities
- Considering the acquisition of Aventis Behring
- Exclusivity agreement in place to appropriately evaluate
- Will proceed only if sufficiently attractive and value enhancing for our shareholders

CSL Aventis Behring's Business

- Approx Euro 1 billion turnover
- 2 main manufacturing facilities
  - Kankakee (US) - c. 2 million litres
  - Marburg (Germany) - c. 1 million litres
- Self-sufficiency in plasma supply
  - Network of 80 centres in US and Germany
  - Plasma testing facility in Knoxville (US)
- Major distributor of Recombinant Factor VIII
  - Distribution agreement with Baxter (Helixate)
- Global market presence
  - Significant player in US, Europe and Japan

Key Benefits to CSL

- Broadened and more balanced product portfolio
- Greater geographical reach and currency balance
- Potential attractive synergies
  - plant optimisation
  - cost efficiencies
  - fully utilise ZLB/CSL strategic assets