21 June 2006

CSL MAKES PROVISION FOR FINAL PAYMENT

CSL Limited today announced that positive business performance has underpinned a decision to make a provision in recognition of the contingent payment(1) arising from the acquisition of Aventis Behring.

Dr McNamee, CSL's Managing Director said, "I'm very pleased to report that the company is performing well. The formation and highly successful integration and financial performance of ZLB Behring and the recent approval of Gardasil®(2) by the US Food and Drug Administration and Australia's Therapeutic Goods Administration have given me continuing confidence in the performance of the company.

"Accordingly we have decided to raise a provision for the contingent payment arising from the acquisition of Aventis Behring," Dr McNamee said.

A pre-tax charge of US$250m (~A$330m), which is consistent with the company's announcement at the time of the acquisition, will be booked to the profit and loss account for the financial year ending 2006. In accordance with Australian equivalents to international financial reporting standards this will be reflected as an exceptional item.

OUTLOOK FOR 2006 REAFFIRMED

The company reaffirmed its financial guidance provided at the first half result announcement on 22 February 2006.

For the 2005/06 fiscal year the company expects to report a net profit after tax figure, prior to the contingent payment provision, in the region of $335 to $350 million.

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(1) On 31 March 2004, CSL Limited acquired the global plasma therapeutics business of Aventis Behring. The consideration included contingent payments. A cash payment or issue of shares (at CSL Limited's discretion) in the amount of USD$125 million to be made if the ordinary shareprice of CSL Limited rises above A$28 per share ('trigger price') for a specified period. To satisfy this requirement, the volume weighted average shareprice of an ordinary share of CSL limited must remain above the trigger price for 60 consecutive trading days for the period starting from 27 September 2007 and ending on 26 March 2008.

A further cash payment or issue of shares (at CSL Limited's discretion) in the amount of USD$125million to be made if the ordinary share price of CSL Limited rises above A$35 per share. The same requirement for the trigger price must be satisfied as mentioned above.

(2) Gardasil, developed by CSL's licensee Merck & Co.Inc., is the world's first human papillomavirus vaccine which will help protect women against cervical cancer.

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