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CSL

ASX Announcement

For immediate release

20 February 2008

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

For further information, please contact:

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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

CSL Limited

ABN: 99 051 588 348

ASX Half-year Information
31 December 2007

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction
with the 30 June 2007 Annual Report.

Contents

CSL Limited

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Appendix 4D
Half-year ended 31 December 2007

(Previous corresponding period:
Half-year ended 31 December 2006)

Results for Announcement to the Market

- Revenues from continuing operations up 19.9% to $1,875,673,369.
- Profit from continuing operations after tax and net profit for the period attributable to members up 35.5% to $348,728,870.

Dividends

	Amount per security	Franked amount per security
Interim dividend (declared subsequent to balance date)	23.00¢	Unfranked*
Interim dividend from the previous corresponding period**	16.33¢	Unfranked
Final dividend (prior year)**	18.33¢	50% franked
Record date for determining entitlements to the dividend:	20 March 2008	

***** Non-resident withholding tax is not payable on this dividend as it will be declared to be wholly conduit foreign income.
** Dividends per share have been restated following the 3 for 1 share split undertaken on 24 October 2007.

Explanation of results
For further explanation of the results please refer to the accompanying press release and "Review of Operations" in the Directors' Report that is within the Half-year Report.

Other information required by Listing Rule 4.3A
The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached Half-year Report (which includes the Directors' Report) and Media Release.

CSL Limited
Half-year Report – 31 December 2007

Contents

This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2007 and any public announcements made by CSL Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CSL Limited
Directors' Report

The Board of Directors of CSL Limited has pleasure in presenting their report on the consolidated entity for the half-year ended 31 December 2007.

Directors

The following persons were Directors of CSL Limited during the whole of the half-year and up to the date of this report:

Miss E A Alexander, AM (Chairman)
Dr B A McNamee (Managing Director)
Mr J H Akehurst
Mr A M Cipa
Mr I A Renard
Mr M A Renshaw
Mr K J Roberts, AM
Professor J Shine, AO
Mr D J Simpson

Review of Operations

In the half year ended 31 December 2007 total revenue for the Group was $1.9b up 20% compared to the same period last year. Net profit after tax increased 36% to $349m and net operating cash flow was up 57% to $293m.

The Group's operating result for the period reflected robust global demand for plasma therapies with CSL Behring sales growing 3% (or 18% in US dollar terms) to $1.4b when compared to the same period last year, resulting in an improved EBITDA for the Group of $573m, an increase of 28% over the same period last year.

CSL Behring's performance was a result of strong global demand for both core and specialty products. Privigen™, the Company's new generation liquid IVIg, was approved by the US FDA in July 2007 and launched in the USA in February 2008.

CSL Bioplasma sales were $123m driven by solid Intragam®P sales in Australia and growth in sales into Asia.

CSL Biotherapies sales were $267m principally as a result of sales of Gardasil® in the school-based immunisation programme in Australia and the Australian launch of RotaTeq®, Merck's rotavirus vaccine. The US FDA also granted marketing approval for Afluria® in October 2007, the Company's US branded influenza vaccine, and the product entered the US market for the first time in the reporting period.

Sales of Gardasil® by the Company's licensee Merck & Co, Inc, also resulted in significant royalty receipts of $81m, Gardasil® having now been approved in 93 countries and launched in 76.

After adjusting for the 3 for 1 share split, a final dividend of 18.33¢ per ordinary share (50% franked) was paid out of retained profits for the year ended 30 June 2007 on 12 October 2007. The Directors have declared an interim dividend of 23¢ per ordinary share, unfranked, payable on 14 April 2008.

CSL Limited
Directors' Report

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Rounding of Amounts

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

This report has been made in accordance with a resolution of the directors.

Elizabeth A Alexander
CHAIRMAN

Brian A McNamee
MANAGING DIRECTOR

20 February 2008

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Auditor's Independence Declaration to the Directors of CSL Limited

In relation to our review of the financial report of CSL Limited for the half-year ended 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Denis Thorn
Partner
20 February 2008

CSL Limited and its controlled entities
Income Statement
For the half-year ended 31 December 2007

		Consolidated Entity	
		December 2007	December 2006
	Notes	**$000**	$000
Continuing Operations			
Sales revenue		**1,750,079**	1,514,385
Cost of sales		**(945,389)**	(837,615)
Gross profit		**804,690**	676,770
Other revenue	4	**125,594**	49,436
Other income	4	**2,755**	3,657
Research and development expenses		**(89,307)**	(84,746)
Selling and marketing expenses		**(189,753)**	(175,232)
General and administration expenses	4	**(137,152)**	(59,285)
Finance costs	4	**(25,733)**	(23,664)
Profit before income tax expense		**491,094**	386,936
Income tax expense	5	**(142,366)**	(129,650)
Net profit for the period	13	**348,728**	257,286

Earnings per share		**Cents**	Cents
Basic earnings per share	6	**63.42**	47.05*
Diluted earnings per share	6	**63.06**	46.75*

* Earnings per share in the comparative period have been restated following the 3 for 1 share split undertaken on 24 October 2007.

CSL Limited and its controlled entities
Balance Sheet
As at 31 December 2007

		Consolidated Entity	
		December 2007	June 2007
	Notes	**$000**	$000
CURRENT ASSETS			
Cash and cash equivalents	7	**559,747**	480,237
Trade and other receivables		**680,732**	616,980
Current tax assets		**-**	-
Inventories		**1,198,973**	1,128,281
Other financial assets		**1,663**	594
Total Current Assets		**2,441,115**	2,226,092
NON-CURRENT ASSETS			
Trade and other receivables		**9,878**	10,667
Other financial assets		**7,748**	13,808
Property, plant and equipment	8	**930,590**	858,894
Deferred tax assets		**176,193**	150,656
Intangible assets	9	**935,297**	927,594
Retirement benefit assets		**14,449**	11,983
Total Non-Current Assets		**2,074,155**	1,973,602
TOTAL ASSETS		**4,515,270**	4,199,694
CURRENT LIABILITIES			
Trade and other payables		**372,053**	439,510
Interest-bearing liabilities	10	**135,070**	157,145
Current tax liabilities		**148,659**	97,801
Provisions		**126,150**	103,110
Deferred government grants		**809**	100
Retirement benefit liabilities		**-**	-
Total Current Liabilities		**782,741**	797,666
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	**857,075**	850,612
Non-current tax liabilities		**-**	-
Deferred tax liabilities		**96,227**	85,515
Provisions		**80,021**	107,623
Deferred government grants		**4,426**	4,961
Retirement benefit liabilities		**97,909**	84,468
Total Non-Current Liabilities		**1,135,658**	1,133,179
TOTAL LIABILITIES		**1,918,399**	1,930,845
NET ASSETS		**2,596,871**	2,268,849
EQUITY			
Contributed equity	11	**1,032,601**	1,023,941
Reserves	12	**(113,588)**	(190,371)
Retained earnings	13	**1,677,858**	1,435,279
TOTAL EQUITY		**2,596,871**	2,268,849

CSL Limited and its controlled entities
Statement of Recognised Income and Expense
For the half year ended 31 December 2007

		Consolidated Entity	
		December 2007	December 2006
	Notes	**$000**	$000
Net profit for the period		**348,728**	257,286
Exchange differences on translation of foreign operations, net of hedges	12	**71,693**	(58,703)
Gains (losses) on available-for-sale financial assets, net of tax	12	**(2,957)**	2,971
Actuarial gains/(losses) on defined benefit plans, net of tax	13	**(5,309)**	2,526
Net income (expense) recognised directly in equity		**63,427**	(53,206)
Total recognised income and expense for the period attributable to equity holders		**412,155**	204,080

CSL Limited and its controlled entities
Cash Flow Statement
For the half-year ended 31 December 2007

	Notes	Consolidated Entity December 2007 $000	December 2006 $000
Cash flows from Operating Activities			
Receipts from customers (inclusive of goods and services tax)		**1,803,338**	1,486,191
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,393,344)**	(1,240,691)
		409,994	245,500
Interest received		**16,285**	19,619
Income taxes paid		**(110,293)**	(63,902)
Borrowing costs		**(23,260)**	(14,416)
Net cash inflow from operating activities		**292,726**	186,801
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		**853**	3,857
Payments for property, plant and equipment	8	**(102,631)**	(88,577)
Payments for intangible assets		**-**	(64,477)
Payments for other investments		**(42)**	(31)
Payments for acquired entities	16	**-**	(103,939)
Proceeds from sale of other financial assets		**-**	31,385
Payments for restructuring of acquired entities and businesses		**-**	(1,608)
Payment for deferred and contingent consideration		**-**	(78,735)
Trust distribution received		**7,325**	-
Payments for Onerous Contracts		**(1,114)**	(2,608)
Net cash outflow from investing activities		**(95,609)**	(304,733)
Cash flows from Financing Activities			
Proceeds from issue of shares		**9,852**	17,888
Dividends paid		**(100,840)**	(72,926)
Repayment of borrowings	10	**(35,633)**	(28,051)
Net cash outflow from financing activities		**(126,621)**	(83,089)
Net decrease in cash and cash equivalents		**70,496**	(201,021)
Cash and cash equivalents at the beginning of the period		**474,138**	747,988
Exchange rate variations on foreign cash and cash equivalent balances		**12,635**	(12,552)
Cash and cash equivalents at the end of the period		**557,269**	534,415
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the period as shown in the statement of cash flows is reconciled as follows:			
Cash and cash equivalents	7	**559,747**	554,593
Bank overdrafts		**(2,478)**	(20,178)
		557,269	534,415

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2007

1 Corporate Information

The financial report of CSL Limited (the Company) for the half-year ended 31 December 2007 was authorised for issue in accordance with a resolution of the directors on 20 February 2008. CSL Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 Summary of Significant Accounting Policies

(a) Basis of Accounting

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of CSL Limited as at 30 June 2007.

It is also recommended that the half-year financial report be considered together with any public announcements made by CSL Limited and its controlled entities during the half-year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under ASX listing rules.

(b) Basis of Preparation

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, and land and buildings.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(c) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2007.

(d) Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of CSL Limited and its subsidiaries as at 31 December 2007 ('the Group').

The acquisition of Zenyth Therapeutics Limited on 10 November 2006 (see Note 16) has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair values of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the comparative half-year consolidated financial statements include the results of Zenyth Therapeutics Limited for the period from its acquisition on 10 November 2006 to 31 December 2006.

3 Segment Information

Primary Reporting - business segments

	December 2007			December 2006		
	CSL Behring	**Other Human Health**	**Total Human Health**	**CSL Behring**	**Other Human Health**	**Total Human Health**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
External sales	**1,360,980**	**389,099**	**1,750,079**	1,317,437	196,948	1,514,385
Other external revenue	**2,899**	**105,813**	**108,712**	2,213	27,205	29,418
Segment revenue	**1,363,879**	**494,912**	**1,858,791**	1,319,650	224,153	1,543,803
Interest income			**16,882**			19,887
Other unallocated revenue			**-**			131
Total revenue			**1,875,673**			1,563,821
Segment earnings	**395,099**	**118,097**	**513,196**	379,827	18,347	398,174
Unallocated expenses net of other unallocated revenue			**(13,251)**			(7,460)
Profit from continuing activities before interest and income tax expense			**499,945**			390,714
Interest income			**16,882**			19,887
Finance costs			**(25,733)**			(23,664)
Profit from continuing activities before income tax expense			**491,094**			386,937
Income tax expense			**(142,366)**			(129,650)
Net profit for the period			**348,728**			257,287

Business Segments

The consolidated entity's primary segment reporting format is business segments. The consolidated entity operates one segment – Human Health, the principal activity being to develop, manufacture and market biopharmaceutical products to the human health industry.

The Human Health business segment has been further broken down into CSL Behring and Other Human Health to assist with external analysis of the financial statements. Other Human Health includes CSL Biotherapies and CSL Bioplasma.

Segment Accounting Policies

The consolidated entity accounts for intersegmental sales and transfers as if the sales or transfers were to third parties at current market prices.

Segment accounting policies are the same as the consolidated entity's policies. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

4 Revenue, Income and Expenses from continuing operations

	Consolidated Entity	
	December 2007	December 2006
	$000	$000
(a) Other Revenue		
Trust distributions	**7,325**	-
Interest income	**16,882**	19,887
Rent	**541**	591
Royalties	**81,889**	21,395
Sundry	**18,957**	7,563
	125,594	49,436
(b) Other Income		
Net gain on disposal of property, plant and equipment	**328**	2,171
Government grants	**2,427**	1,486
	2,755	3,657
(c) Finance Costs		
Interest paid / payable	**25,560**	17,182
Non-cash interest – unwinding of discount	**173**	6,482
	25,733	23,664
(d) Other Expenses		
General and administration expenses		
Expense of share based payments	**6,838**	4,881
Amortisation of intellectual property	**23,851**	7,826
Other relevant expenses		
Depreciation and Amortisation of property, plant and equipment	**49,055**	49,730

In addition to the increases already described above in Note 4(d), the net growth in General and Administration expenses over the comparative period can be attributed to a contractual settlement included in the December 2006 financials which had the effect of reducing the December 2006 expense base, current period expensing of CSL's Gardasil royalty obligations and milestone expenses. There are also non-recurring revenue items in Other Revenue off setting non-recurring expenses in General and Administration expenses. In comparison to the 6 month period ending June 2007, General and Administration expenses increased by $4.3m.

5 Income Tax

The reconciliation between income tax expense and the consolidated entity's applicable tax rate is as follows:

Profit from continuing activities before income tax expense	**491,094**	386,936
Income tax calculated at 30%	**147,328**	116,081
Tax effect of non-assessable / non-deductible items		
Research and development	**(2,587)**	(2,773)
Other (non-assessable revenue)/non-deductible expenses	**1,818**	(3,902)
(Utilisation of tax losses)/Unrecognised deferred tax assets	**(3,662)**	(1,607)
Effects of different rates of tax on overseas income	**495**	15,890
Under (over) provision in previous year	**(1,026)**	5,961
Income tax expense	**142,366**	129,650

6 Earnings Per Share

	Consolidated Entity	
	December 2007 $000	December 2006 $000
The following reflects the income and share information used in the calculation of basic and diluted earnings per share:		
Earnings used in calculating basic earnings per share	**348,728**	257,286

	Number of shares	
	December 2007	December 2006**
Weighted average number of ordinary shares used in the calculation of basic earnings per share:*	**549,844,720**	546,812,124
Effect of dilutive securities:		
Share options	**1,037,637**	1,425,276
Performance rights	**2,119,717**	2,076,714
Global employee share plan	**9,328**	45,354
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**553,011,402**	550,359,468

*Refer note 11 for a reconciliation of the movement in issued shares.
** Share numbers have been restated following the 3 for 1 share split undertaken on 24 October 2007.

Conversions, calls, subscription or issues after 31 December 2007
Subsequent to the reporting date 7,800 ordinary shares were issued following the vesting of performance shares. There have been no other ordinary shares issued since the reporting date and before the completion of this financial report. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

7 Cash and cash equivalents

	Consolidated Entity	
	December 2007 $000	June 2007 $000
Cash at bank and on hand	**203,357**	137,629
Cash deposits	**356,390**	342,608
Total cash and cash equivalents	**559,747**	480,237

8 Property, Plant and Equipment

During the half-year ended 31 December 2007, the Group acquired assets with a cost of $102,789,423 (2006: $88,577,000).

9 Intangible assets

During the comparative period, and specifically on 9 November 2006, the Group reached an agreement with MedImmune, Inc. to acquire CytoGam® (cytomegalovirus immune globulin intravenous (human)) for $153 million (US$120 million), $89 million (US$70 million) of which is subject to achievement of sales milestones. The consideration for the intangible asset has been recognised as follows:

	December 2006 $000
Consideration	
Cash	**63,850**
Provision for contingent consideration - current	**29,724**
Provision for contingent consideration - non-current	**59,448**
	153,022

In addition to the above, $10.2 million of inventory and incidental equipment was acquired.

10 Borrowings and repayments

For the half year ended 31 December 2007, the Group has repaid $16,772,000 of interest bearing debt, $17,503,000 of non-interest bearing debt, and $1,358,000 in finance lease repayments.

11 Contributed Equity

Movements in the contributed equity

	Number of Shares	$000
Ordinary shares		
Balance as at 1 July 2007	**183,042,022**	**1,023,941**
Shares issued to employees through participation in Share Option Plans	**281,100**	**7,064**
Shares issued to employees through participation in Performance Rights Plan	**88,600**	**-**
Shares issued to employees through participation in Global Employee Share Plan	**23,448**	**1,559**
Subtotal prior to 3 for 1 share split	**183,435,170**	**1,032,564**
3 for 1 share split on 24 October 2007	**366,870,340**	**-**
Shares issued to employees through participation in Share Option Plans	**4,000**	**37**
Balance as at 31 December 2007	**550,309,510**	**1,032,601**

12 Reserves

	Consolidated Entity	
	December 2007 $000	June 2007 $000
Composition		
Share based payments reserve (i)	**38,194**	30,147
Net unrealised gains reserve (ii)	**-**	2,957
Foreign currency translation reserve (iii)	**(151,782)**	(223,475)
	(113,588)	(190,371)

Nature and purpose of reserves

(i) *Share based payments reserve*

The share based payments reserve is used to recognise the fair value of options, performance rights and global employee share plan rights issued but not exercised. Amounts are transferred to contributed equity when options and other equity instruments are exercised.

(ii) *Net unrealised gains reserve*
The net unrealised gains reserve is used to recognise the cumulative changes in the fair value, net of tax, of investments that are classified as available-for-sale. Amounts are recognised in profit or loss when the associated assets are sold or impaired.

(iii) *Foreign currency translation reserve*
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations and exchange gains and losses arising on those foreign currency borrowings which are designated as hedging the Company's net investment in foreign operations.

13 Retained Earnings

	Consolidated Entity	
	December 2007 $000	December 2006 $000
Retained earnings as at the beginning of the period	**1,435,279**	1,051,470
Net profit for the half year	**348,728**	257,286
Dividends provided for or paid	**(100,840)**	(72,926)
Actuarial gain/(loss) on defined benefit plans net of tax	**(5,309)**	2,526
Retained Earnings as at the end of the period	**1,677,858**	1,238,356

14 Dividends

	Consolidated Entity	
	December 2007 $000	December 2006 $000
Ordinary shares		
Dividends provided for or paid during the half-year	**100,840**	72,926
Dividends not recognised at the end of the half-year		
Since the end of the half-year the directors have recommended the payment of an interim dividend of 23 cents (2006 – 16.33 cents) per fully paid ordinary share, unfranked. The aggregate amount of the proposed interim dividend expected to be paid on 14 April 2008 out of retained earnings at 31 December 2007, but not recognised as a liability at the end of the half-year, is:	**126,573**	89,483

15 NTA Backing

	December 2007 $	June 2007* $
Net tangible asset backing per ordinary security	**3.02**	2.44

*The comparative NTA backing per ordinary share at 30 June 2007 has been restated to reflect the impact of the 3 for 1 share split which occurred on 24 October 2007.

16 Changes in controlled entities - acquisition in the comparative period

On 10 November 2006, the Group acquired 100% of the share capital of Zenyth Therapeutics Limited (Zenyth), a Biotechnology company, for a cash consideration of $103,711,000.

The acquired business contributed revenues of $79,000 and a loss before tax of $1,678,000 to the Group for the period from acquisition to 31 December 2006. This result is included within "Other Human Health" in the Segment Information contained in Note 3. If the acquisition had occurred on 1 July 2006, consolidated revenue and consolidated profit for the half year ended 31 December 2006 would not have been materially affected.

Details of net assets acquired and goodwill are as follows:

	December 2006 $'000
Purchase consideration:	
Cash paid	103,711
Direct costs relating to the acquisition	1,870
Total purchase consideration	105,581
Fair value of net identifiable assets acquired (see below)	93,498
Goodwill	12,083

The goodwill attributable to the acquisition of Zenyth represents the know-how of the research staff.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair amount value $'000
Cash and cash equivalents	1,642	1,642
Trade and other receivables	1,409	1,409
Other Financial Assets	40,889	41,605
Property Plant & Equipment	1,383	610
Intangible Assets	-	53,952
Trade and other payables	(5,000)	(5,000)
Provisions	(720)	(720)
Net identifiable assets acquired	39,603	93,498

Outflow of cash to acquire business, net of cash acquired:

	$'000
Cash consideration	(103,711)
Direct costs relating to the acquisition	(1,870)
Cash and cash equivalents in subsidiary acquired	1,642
Cash outflow on acquisition	(103,939)

Note: Other Financial Assets comprised Unit Trust investments that were converted to cash following the acquisition.

17 Commitments and contingencies

Litigation
The consolidated entity is involved in litigation in the ordinary course of business. The directors believe that future payment of a material amount in respect of litigation is remote. An estimate of the financial effect of this litigation cannot be calculated as it is not practicable at this stage. The consolidated entity has disclaimed liability for, and is vigorously defending, all current material claims and actions that have been made.

18 Share Based Payment Plans

On 1 October 2007, 242,800 share options (or 728,400 in a post share split context) and 93,800 performance rights (or 281,400 in a post share split context) were granted to senior executives under the CSL Performance Rights Plan. After adjusting for the share split, the exercise price of the options of $35.46 is equal to the 5 day volume weighted average market price of CSL Limited shares as traded on the Australian Stock Exchange in the one week before and ending on the grant date. The exercise price for the performance rights is Nil. The options and performance rights will become exercisable between 1 October 2009 and 30 September 2014. The fair value of the options and performance rights granted is estimated as at the date of grant using an adjusted form of the Black-Scholes model, taking into account the terms and conditions upon which the options and performance rights were granted. The following table lists the inputs to the model used for options and performance rights issued in the half-year ended 31 December 2007:

	December 2007
Dividend yield (%)	1.5%
Expected volatility (%)	29%
Risk-free interest rate (%)	6.45%
Fair Value of Options	
2 year vesting	12.06
3 year vesting	12.33
4 year vesting	12.59
Fair Value of Performance Rights	
2 year vesting	28.65
3 year vesting	26.78
4 year vesting	25.20

CSL Limited
Directors' Declarations

The directors declare that:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act* 2001, and:

  (i) give a true and fair view of the financial position as at 31 December 2007 and the performance for the half-year ended on that date of the consolidated entity; and
  (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Made in accordance with a resolution of directors.

Elizabeth A Alexander
Chairman

Brian A McNamee
Managing Director

Melbourne
20 February 2008

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To the members of CSL Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CSL Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of recognised income and expense and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of CSL Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of CSL Limited is not in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Denis Thorn
Partner
Melbourne
20 February 2008

CSL Limited
2007/08 Half Year Result
20 February 2008

Disclaimer

Forward looking statements

The materials in this presentation speak only as of the date of these materials, and include forward looking statements about our financial results and estimates, business prospects and products in research that involve substantial risks and uncertainties, many of which are outside the control of, and are unknown to, CSL. You can identify these statements by the fact that they use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “may,” “assume,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Among the factors that could cause actual results to differ materially are the following: the success of research and development activities, decisions by regulatory authorities regarding whether and when to approve our drug applications as well as their decisions regarding labeling and other matters that would affect the commercial potential of our products; competitive developments affecting our current growth products; the ability to successfully market new and existing products in Australia and other countries; difficulties or delays in manufacturing; trade buying patterns, fluctuations in interest and currency exchange rates; legislation or regulations throughout the world that affect product production, distribution, pricing, reimbursement or access; legal defense costs, insurance expenses, settlement costs and the risk of an adverse decision or settlement relating to product liability, patent protection or governmental investigations, growth in costs and expenses; and CSL’s ability to protect its patents and other intellectual property throughout the world. The statements being made in this presentation do not constitute an offer to sell, or solicitation of an offer to buy, any securities of CSL.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including CSL). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward looking statements.

Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, CSL disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of CSL since the date of these materials.

Highlights

Financial

- Total revenue $1,878m up 20%
  - GARDASIL® royalty of $81m
  - Australian GARDASIL® sales $143m
- NPAT $349m up 36%
- Operating cashflow $293m up 57%
- EPS 63.4* cents up 35%
- Interim dividend 23 cents (unfranked)

** After restating comparative period for 3:1 share split undertaken 24 October 2007*

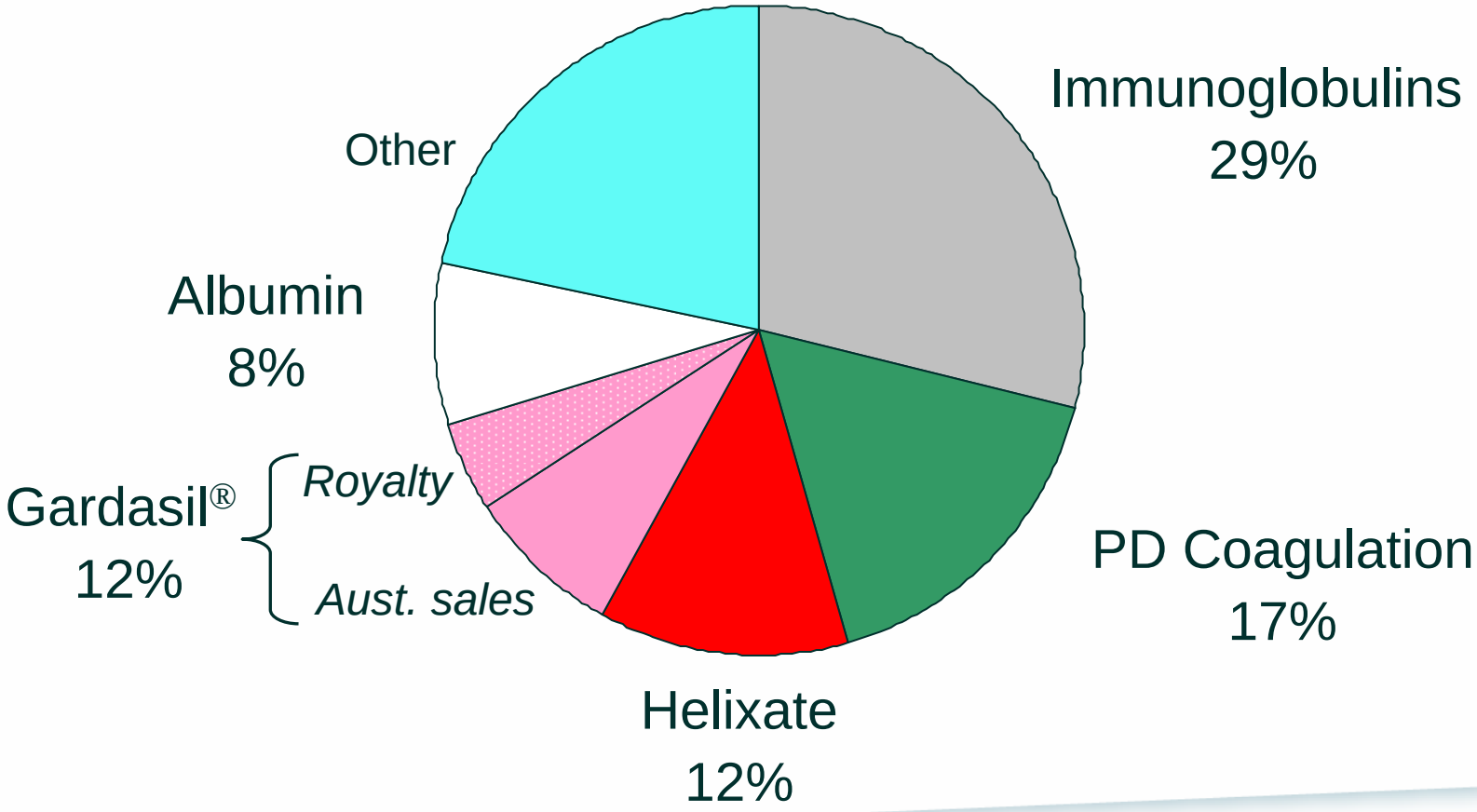
Highlights

Operational

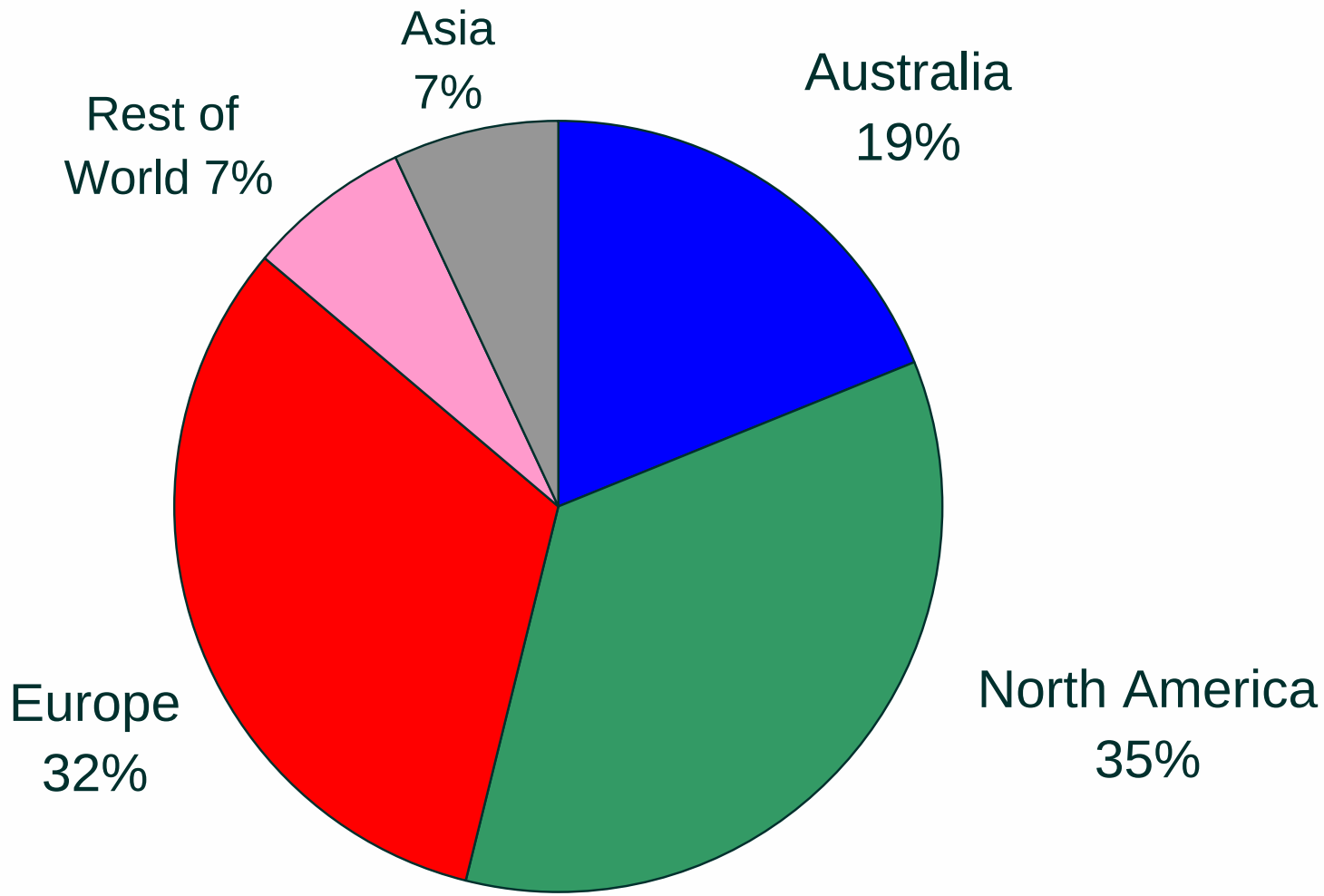
- Robust global demand for plasma therapies continues
- Excellent European rollout of GARDASIL® by Merck-Sanofi Aventis Joint Venture
- Encouraging uptake of GARDASIL® in Australia
- Privigen® (10% liquid IVIG) approved July 07 by US FDA
  - launched in US - Feb 08
- Influenza vaccine approved by US FDA
- Rheumatoid arthritis antibody licensed to MedImmune/ AstraZeneca (AZ)

Revenue 1H08 – A$1.9 billion

Top 10 revenue lines account for ~90% of total revenue



Sales - Geographic Breadth



Group Outlook for FY2008

Revenue	$3.7bn – $3.8bn
R&D	$200m – $220m
Net profit after tax*	$670m - $690m
Est. foreign currency NPAT impact	~$65m - $70m
(New guidance at FY07 constant currency	*$740m – $760m)*

**Subject to:*

- *material price & volume movements on core plasma products*
- *GARDASIL royalties*
- *Australian GARDASIL sales*
- *effective tax rate*
- *Currency movements (see Foreign Exchange Sensitivity slide)*

Revised profit growth offsets currency headwind

August '07 - FY07 result announcement

- FY2008 NPAT guidance $670m – $700m

  "*at FY2007 constant FX*"

October '07 – AGM

- FY2008 NPAT guidance reaffirmed

  "$65m adverse FX impact if current rates prevail.."
- Adjusted guidance $605m - $635m

Today – 1H08 result announcement

- FY2008 NPAT guidance $670m - $690m

  "Includes est. $65m - $70m adverse FX impact"

Human Health
Business Unit Performance

- CSL Behring
- Other Human Health
  - CSL Bioplasma
  - CSL Biotherapies
  - CSL Research & Development

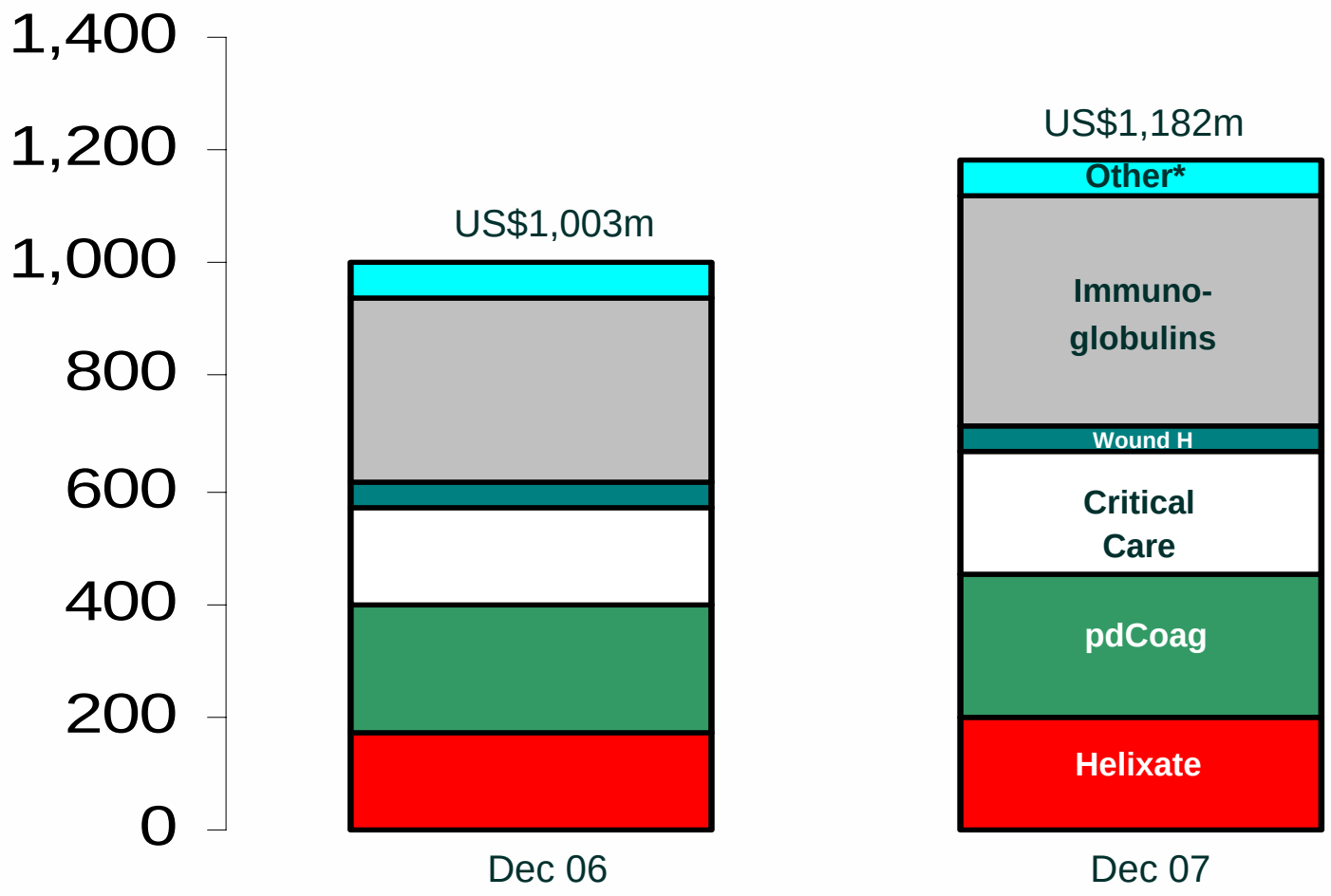
CSL Behring

- Sales US$1,182m (A$1,361m)
  - Up 18% in $US or 13% at constant currency
- EBITDA US$382m, EBITDA margin ~32%
- Strong contribution from core and specialty products
- Optimizing product mix

Privigen®

- Launched in US Feb 2008
- European rollout late calendar 2008 through to mid calendar 2009

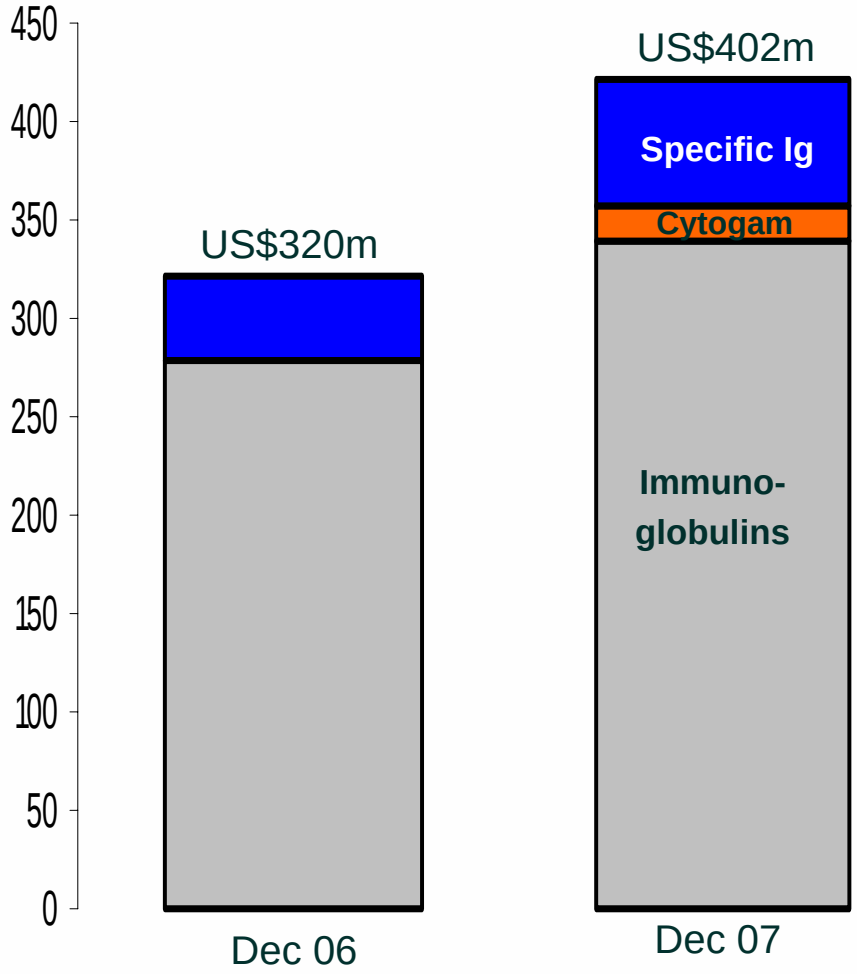
CSL Behring – Sales up 18% in $US



Sales for the 6 month period

** Non therapy sales such as plasma, testing services etc*

Immunoglobulins sales up 26% in $US

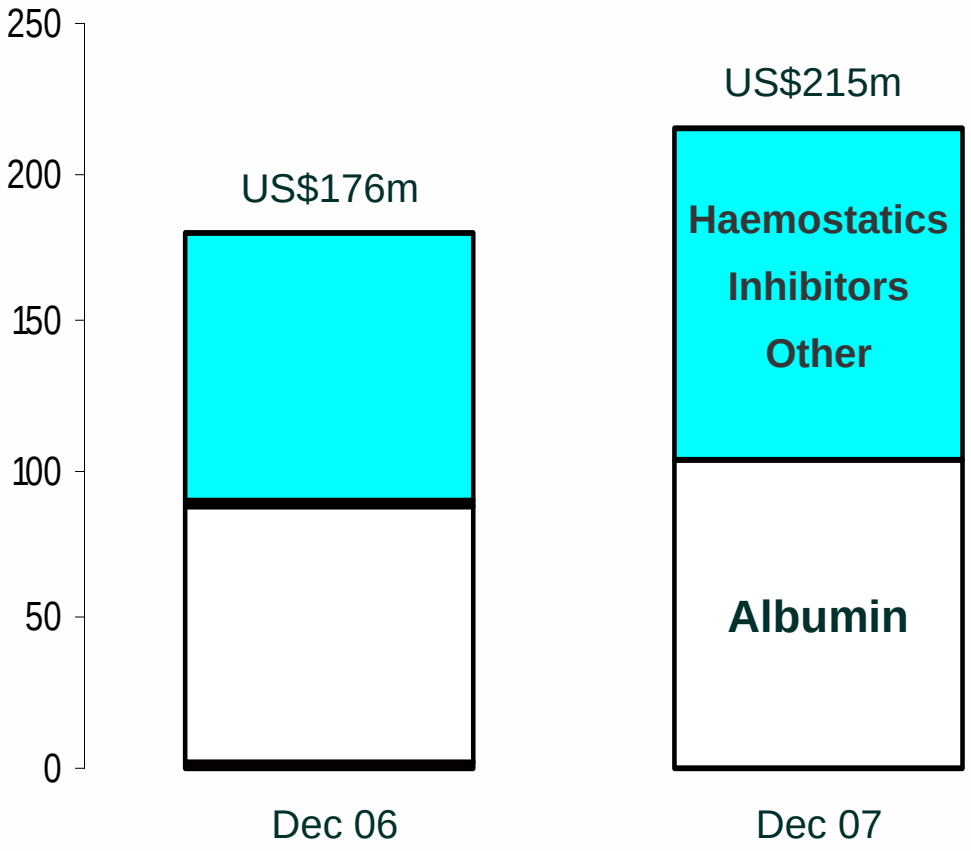


Sales for the 6 month period

Highlights

- IVIG product mix, price and volume strength
- First full period of Cytogam® sales
- Strong growth in Vivaglobin® and Rhophylac®
- 20% Liquid SCIG – phase III
- High single digit volume growth expected for FY2008

Critical Care Sales up 22% in $US

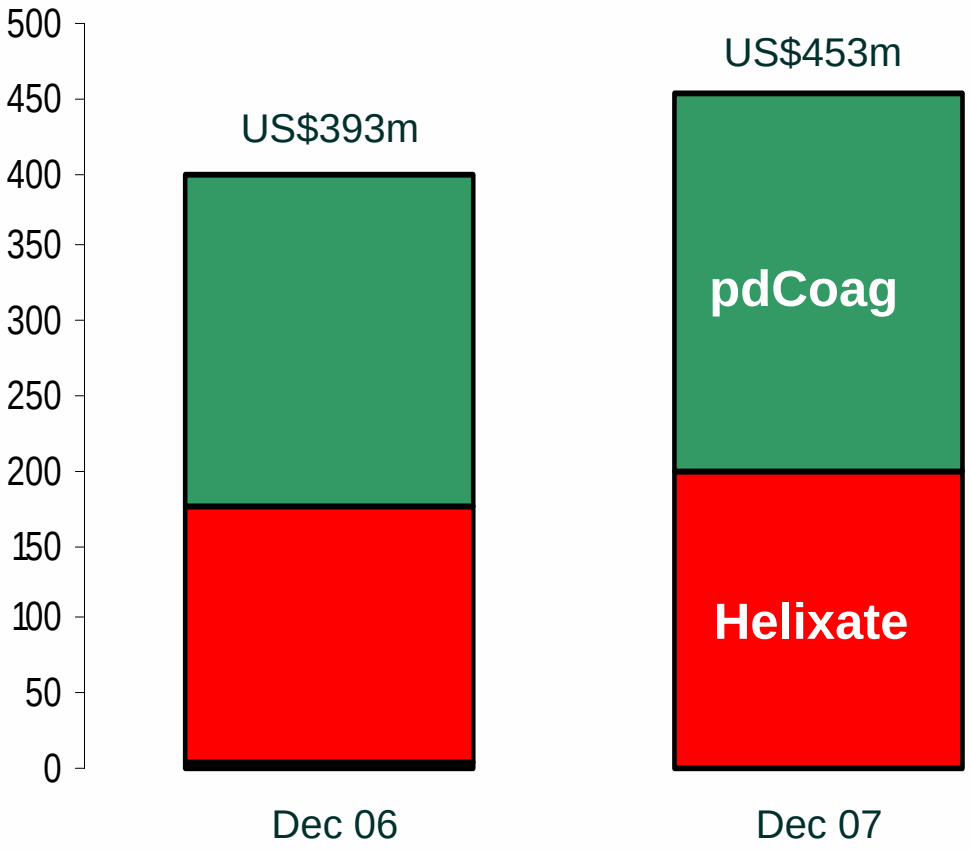


Sales for the 6 month period

Highlights

- Albumin price recovery
- Strong contribution and growth in specialty products such as, Haemocomplettan® P, Beriplex® P/N and Berinert® P

Haemophilia sales up 15% in $US



Sales for the 6 month period

Highlights

- Haemate® P /Humate-P®
  - US patient uptake
  - Increasing ITT sales in Europe
  - 70% of FVIII sales
- Helixate® – US patient growth

CSL Bioplasma

Sales A$123m

- Solid Intragam® P sales in Australia
- Growth in specialty products sales
- Manufacturing scheduling benefits 1H08
- Taiwanese Toll fractionation commenced
- Strong Albumin demand and improved pricing in China
- Improved sales volume under existing toll contracts

CSL Biotherapies

Sales A$267m

GARDASIL® Australia – existing program

- Strong first half of GARDASIL sales - $143m
- School based catch-up program ~50% complete
- 18 to 26 year old GP based catch-up program included pipeline build in first half
- FY2008 sales ~$200m

RotaTeq® launch in Australia

Growth in pharmaceutical products – urology, analgesics

CSL Biotherapies – Influenza Vaccine

- Launch of US Influenza vaccine – late in season
- 3 new vaccine strains advised by WHO

Influenza business development

- Licensure in Germany and Ireland
  - On track to launch in 2008
- Marketing application submitted China State FDA
- Expanded facility
  - US FDA approval anticipated in calendar 2008

GARDASIL® - International

Merck's GARDASIL® rollout

- GARDASIL® now approved in 93 countries
- Launched in 76 countries
- Successfully rolling out in Europe
- ~7m 9-26yo US females have received at least their first dose
- >29m 9-26yo have yet to receive a dose

Merck seeking to expand label

- Adult women through to Age 45
- 9 – 26 year old males

GARDASIL® royalties

- $81m to CSL for first half
- FY2008 estimates* $163m

** Source: analyst consensus*

Product Development - Portfolio Highlights

Privigen®

Compelling features

- Excellent stability profile - 24 month storage at room temp
- Improved production yield over time

Annual Capacity

- 3 million grams currently available
- Additional 10 million gram capacity available 1H calendar 2009
- Further capacity proposed for 2011

Conversion

- Anticipate conversion of ~1m grams in fiscal 2008
- Anticipate majority conversion within 2 years of new capacity

Product Development – Portfolio Highlights cont.

Plasma Therapeutics

- Subcutaneous IG 20% – phase III ongoing
- Berinert® P (C1 Esterase Inhibitor) – positive phase III results
- Pre-clinical proof of principle data for recombinant coagulation factors for extended half life
- Beriplex® P/N approved in Western Europe

ISCOMATRIX® adjuvant

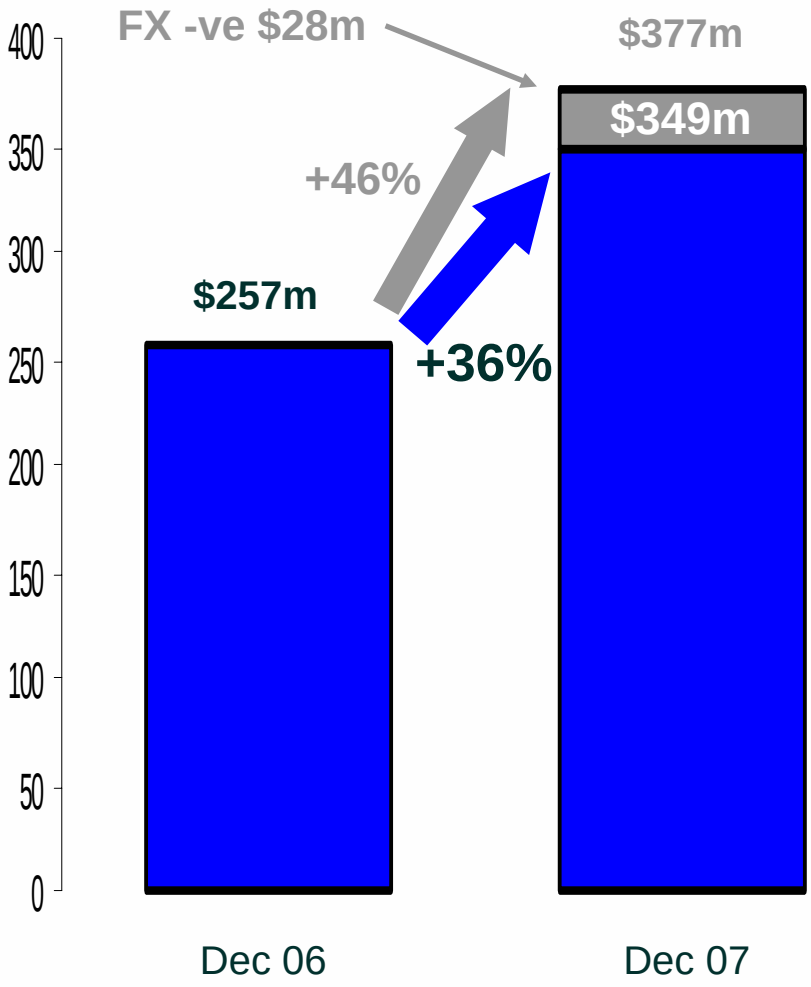
- December 2007 – Merck added 2 additional licences
- Clinical programs continuing
- Influenza ISCOMATRIX® Vaccine – phase IIa clinical study well advanced

Recombinant Proteins

- CSL 360 Acute Myeloid Leukemia – Phase I study ongoing
- IL13R Asthma – licensed to Merck
- GM-CSFR Rheumatoid Arthritis – licensed to MedImmune / AZ - Phase I study initiated

Financial Detail

NPAT 1H08 – up 36% on PCP *(46% FX adjusted)*



NPAT for the 6 month period

Notable items

Reported NPAT Growth	36%
NPAT on PCP at Const. FX	46%
Effective tax rate	29.0%

1H08 NPAT comparator growth impacted by:

- 1H07 Sanofi-Aventis settle $18m
- 1H07 Inv. Disc. Release $12m

Strong Financial Fundamentals

- Cashflow from operations $293m (up 57%)
- Net debt $432m
- Gearing 14.3%
- Interest coverage 57x
- Capital invested $103m

Emphasis of working capital translation to cashflow

General and Admin Expenses / Other Revenue*

Net growth $59m on PCP a function of:

- *Sanofi-Aventis settlement in 1H07*
- *CSL's GARDASIL® royalty obligations*
- *Additional amortisation*
- *Milestone expenses & other revenue offsets*

Growth of $4m in general and administration expenses on trailing half

* *Other revenue excludes interest and royalty income*

Foreign Currency Headwind FY2008

Foreign Exchange *(post tax)*

$m	1H08 Act	2H08 Fcst	FY Fcst
Translation*	20	~10	~30
Transaction	3	~30-35	~35-40
Total	23	~41-47	~65-70

- 1H08 FX impact consistent with August ready reckoner
- Significant movement in USD/CHF currently circa 1.09 (Aug 1.22)
- FY08 impact expected ~$65m - $70m

Net profit after tax**

Net profit after tax FY2008 guidance	$670m - $690m
Est. foreign currency NPAT impact	~$65m - $70m
(New guidance at FY07 constant currency	*$740m – $760m)*

* *See slide 26*

** *Previous FY2008 NPAT guidance $670 – 700M at FY2007 constant currency*

Foreign Exchange Sensitivity

Translation sensitivity to 1% movement in key currency pairs

Translation 2H08 NPAT* only (ie 6 months)

	2H08	1% chg
• AUD/USD	0.90	+/- $0.5m
• AUD/EUR	0.61	+/- $2.0m
• AUD/CHF	0.99	+/- $1.0m
		$3.5m

* *Includes GARDASIL Royalties*

Growth Strategy

Appendix

Group Results

Half year ended December	1H08 A$m	1H07 A$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	**348.7**	**257.3**	**36%**
Interim Dividend (cents)	23.00	16.33*	
Basic EPS (cents)	63.42	47.05*	

** After restating for 3:1 share split undertaken 24 October 2007*