CSL LIMITED
ANNUAL REPORT
2008-2009

CSL Limited ABN 99 051 588 348
Annual Report 2008-2009

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FINANCIAL CALENDAR

2009

19 August	Annual profit and final dividend announcement
14 September	Shares traded ex-dividend
18 September	Record date for final dividend
9 October	Final dividend paid
14 October	Annual General Meeting
31 December	Half year ends

2010

17 February	Half year profit and interim dividend announcement
9 March	Shares traded ex-dividend
15 March	Record date for interim dividend
9 April	Interim dividend paid
30 June	Year ends
18 August	Annual profit and final dividend announcement
13 September	Shares traded ex-dividend
17 September	Record date for final dividend
8 October	Final dividend paid
13 October	Annual General Meeting
31 December	Half year ends

ANNUAL GENERAL MEETING

Wednesday 14 October 2009 at 10:00am
Function Centre, National Tennis Centre, Melbourne Park, Batman Avenue, Melbourne 3000

AGM LIVE WEBCAST

The Chairman's Report and the Chief Executive Officer's Report will both be webcast through CSL's web site: www.csl.com.au

Log on to the Home Page of CSL's web site and then click on the item called Annual General Meeting webcast.

SHARE REGISTRY

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YEAR IN REVIEW 2008-2009 HIGHLIGHTS

DEAR SHAREHOLDER,

The strong international growth in demand for our plasma products and significant continuing revenues from GARDASIL[1] vaccine sales and royalties underpin the pleasing result achieved by CSL this year.

- → Group net profit after tax increased by 63% on the previous year to $1.15 billion. Underlying operational profit[2] was $1.02 billion, up 45% on the previous year. CSL's balance sheet is strong with net cash of $1.81 billion. Cash flow from operations grew 49% this year to $1.03 billion.

- → In June 2009, CSL announced an on-market share buyback of up to 54,863,000 shares[3]. Our shareholders will benefit from improved investment return ratios such as on earnings per share and return on equity. The buyback will return funds received from shareholders last year to support our acquisition of Talecris Biotherapeutics, a merger proposal from which we have now withdrawn.

- → CSL received royalty payments of $161 million from international sales of human papillomavirus vaccine (HPV) and Australia's national immunisation program generated $159 million in sales of the GARDASIL[1] vaccine.

- → In February 2008, CSL launched Privigen® in the US. This year, we opened a new Privigen® facility, and a further facility is well advanced. Our new generation intravenous immunoglobulin will be a key driver of margin expansion and value.

- → CSL is carrying out clinical trials of its H1N1 pandemic influenza vaccine. The Australian Government has ordered 21 million doses of the vaccine. CSL also has a contract with the US Department of Health and Human Services to provide vaccine with the initial order valued at US$180 million.

- → Our expenditure this year on research and development increased by 38% to $312 million.

[1] GARDASIL is a trademark of Merck & Co. Inc.
[2] Excludes one-off beneficial items to facilitate comparison. Items excluded – foreign exchange earnings and costs associated with discontinuing the Talecris deal, tax and other adjustments.
[3] CSL reserves the right to suspend or terminate the share buyback at any time.

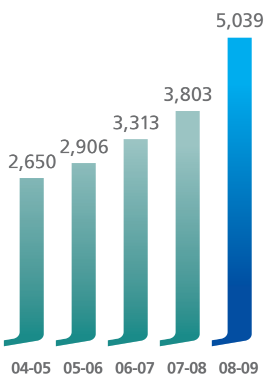
YEAR IN REVIEW 2008-2009
FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2009

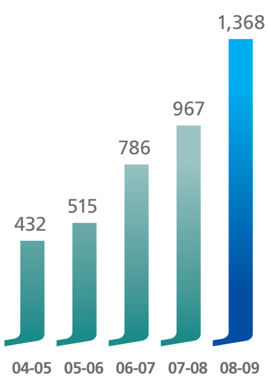
DIVIDENDS TO SHAREHOLDERS

On 9 April 2009, shareholders received an interim unfranked dividend of 30 cents per share, an increase of 30% on the same period last year. A final unfranked dividend of 40 cents per share will be paid on 9 October 2009. Total ordinary dividends for the year were 70 cents per share, up 52% on the previous year.

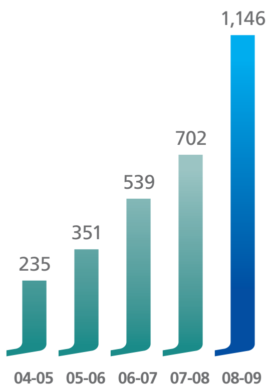
CSL TOTAL REVENUE
($A MILLIONS)



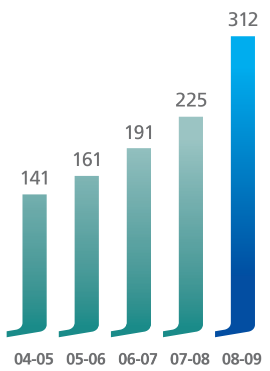
CSL PROFIT BEFORE INTEREST AND TAX[2]
($A MILLIONS)



CSL NET PROFIT[2]
($A MILLIONS)



CSL R&D INVESTMENT
($A MILLIONS)



FIVE YEAR SUMMARY ALL FIGURES ARE IN $A MILLION UNLESS STATED OTHERWISE [1].

	2008-09	2007-08	2006-07	2005-06	2004-05
Total revenue	**5,039**	3,803	3,313	2,906	2,650
Sales revenue	**4,622**	3,557	3,172	2,849	2,609
Research and development investment	**312**	225	191	161	141
Profit before income tax expense [2]	**1,370**	952	774	499	410
Net profit [2]	**1,146**	702	539	351	235
Capital investment	**286**	218	205	122	105
Total assets at 30 June	**7,367**	4,695	4,200	4,186	3,893
Total equity at 30 June	**5,463**	2,806	2,269	1,990	2,109
Net tangible assets per share at 30 June ($) [4]	**7.49**	3.44	2.44	2.14	2.34
Weighted average number of shares (million) [4]	**595**	550	548	546	588
Basic earnings per share (cents) [2] [4]	**192.5**	127.6	98.5	64.3	39.9
Dividend per share (cents) [3] [4]	**70.0**	46.0	34.7	22.7	15.7

(1) The Group's results are reported in accordance with the Australian Equivalents to International Financial Reporting Standards (A-IFRS).
(2) Excludes the recognition of contingent consideration payable for the acquisition of Aventis Behring and the profit after tax from discontinued operations for years ended 30 June 2006 and 30 June 2005.
(3) Excludes special dividend of 10 cents for the year ended 30 June 2005.
(4) Restated for the years ended 30 June 2007, 30 June 2006 and 30 June 2005 following the 3 for 1 share split undertaken on 24 October 2007.

YEAR IN REVIEW 2008-2009

CSL GROUP SALES BY REGION 2008-09

ELIZABETH ALEXANDER
CHAIRMAN

BRIAN MCNAMEE
CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

CSL GROUP SALES BY MAJOR PRODUCTS 2008-09

DIVIDENDS AND FINANCIAL RESULTS

On 9 April 2009, shareholders received an interim unfranked dividend of 30 cents per share. A final unfranked dividend of 40 cents per share will be paid on 9 October 2009. Total ordinary dividends for the year were 70 cents per share, up 52% on the previous year.

The CSL Group achieved a net profit after tax of $1.15 billion, up 63% on the previous year. This result was boosted by some one-off beneficial items including foreign exchange earnings associated with the withdrawal from the Talecris acquisition, some one-off tax benefits and other smaller items. Underlying operational profit[†] was $1.02 billion up 45% on the previous year. Group sales revenue grew 30% to $4.62 billion. Cash flow from operations was up 49% to $1.03 billion. Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew 40% to $1.55 billion.

BUSINESS REPORTS

CSL's business activities include CSL Behring, CSL Bioplasma, CSL Biotherapies and our global research and development operations.

CSL BEHRING

Plasma product sales grew 34% to $3.79 billion (17% in constant currency terms) when compared to the twelve months ended 30 June 2008. Strong contributions from immunoglobulins and critical care products have underpinned the growth.

Immunoglobulins grew 26% in constant currency terms with vigorous growth in Privigen®, consistent with the company's transition program in favour of liquid over lyophilised presentations. Vivaglobin® (subcutaneous immunoglobulin), a product which provides the convenience of immunoglobulin self administration, attracted significant patient growth. Volume and price growth as well as the product mix all contributed to global growth in immunoglobulin sales. Specialty products Rhophylac® (Anti-D) and Tetagam® P (Tetanus) also boosted sales.

[†] Excludes one-off beneficial items to facilitate comparison. Items excluded – foreign exchange earnings and costs associated with discontinuing the Talecris deal, tax and other adjustments.

YEAR IN REVIEW 2008-2009 CONTINUED

NORD AWARD PRESENTED TO CSL BEHRING

In May, Peter Saltonstall, President and CEO, National Organization for Rare Disorders (NORD), presented Peter Turner (left), President, CSL Behring, with the NORD corporate award for developing RiaSTAP™ and bringing this unique product to market in the US.

See feature on page 10.

Recent approval of the first of two manufacturing facilities for Privigen® supports further expansion of this 10% liquid IVIg in the next year. The marketing application for our new proline stabilised 20% liquid subcutaneous immunoglobulin product is being reviewed by the US Federal Drugs Administration (FDA). We anticipate approval in mid 2010 so that we will be able to offer primary immune deficiency (PID) patients even more convenience.

The critical care segment grew 18% in constant currency terms underpinned by price and volume growth of albumin, particularly in the US and emerging markets. Specialty products, particularly Haemocomplettan® P, Beriplex® P/N and Berinert® P, also made a significant contribution. RiaSTAP™ (human fibrinogen) was approved by the FDA in January 2009 for the treatment of patients with a congenital deficiency of this coagulation protein.

Haemophilia sales grew 8% in constant currency, after adjusting for short-term supply issues with Monoclate-P®. Total sales volume grew by 11% with pricing steady, even though the total average price was affected by growth in lower priced emerging and tender markets.

In the US, immunoglobulins contributed significantly to the 20% growth in sales. European sales benefited from recent product launches including Beriplex® P/N (prothrombin complex) for rapid improvement of blood coagulation in patients receiving anticoagulant therapy, and Berinert® (C1 esterase inhibitor) for the treatment of edema caused by hereditary deficiency of this protein. Sales in Latin America, the Middle East and Canada were exceptionally strong.

Our research and development team is concentrating on expanding the registration of our products throughout the global marketplace, as well as new indications for existing products. One example is a pilot study assessing the benefit of fibrinogen in patients undergoing surgery who develop a deficiency of this protein which is essential to prevent bleeding. We continue to develop our recombinant coagulation protein candidates through the preclinical phase with the goal of commencing human trials with one prospect in 2011.

We are investing significant capital in our manufacturing base. This year we completed a second manufacturing facility in Bern for Privigen®. In Marburg, we are in the process of validating new aseptic filling and lyophilisation suites which will support future growth in coagulation and critical care products. These investments together with new albumin manufacturing facilities in Bern and Marburg will enable balanced manufacturing and sales volumes as we grow our business.

We also completed the renovation or relocation of 10 US plasma collection centres and a new state-of-the-art testing laboratory for plasma donations in Knoxville, Tennessee. CSL Plasma is well positioned to deliver plasma volumes that meet projected demand.

CSL BIOPLASMA

Ongoing demand for our plasma fractionation services together with growth in our Asian markets for commercial products manufactured by CSL Behring has delivered a 32% increase in CSL Bioplasma sales this year to $334 million.

Our plasma fractionation facility in Melbourne has continued to provide plasma fractionation services under contracts with Australia, New Zealand, Hong Kong, Malaysia, Singapore, and Taiwan. Again this year, Australia and New Zealand increased volumes of plasma for fractionation.

Our continuing robust operation has been ensured by the equipment upgrades and the process automation and control system that we introduced last year. The ongoing success of our manufacturing operations is underpinned by close attention to continuous improvement and to operational excellence. Expansion is planned to meet future needs in Australia and for our international toll fractionation customers.

Growth in Asia has been underpinned by increased sales of albumin in China. As the leading supplier of plasma fractionation services and products in the Asia Pacific, we have worked with our distributors to expand the regional sales of products surplus to the demands of our contract fractionation customers.

We completed Phase III clinical trials of Intragam® 10 NF, our high-yielding, chromatographically purified 10% intravenous immunoglobulin for idiopathic thrombocytopenic purpura and primary immune deficiency. A dossier for this product has been submitted to the Therapeutic Goods Administration (TGA) seeking registration. In Australia and New Zealand, recruitment has progressed for the Phase III trial of our high-yielding, chromatographically purified 16% immunoglobulin for subcutaneous use.

During the year, both the TGA and the New Zealand Medicines and Medical Devices Safety Authority (MedSafe) approved registration of our Biostate® (Factor VIII/von Willebrand Factor) for the treatment of von Willebrand disease.

MILESTONE FOR GARDASIL*

GARDASIL achieved a significant milestone in March this year when vaccine distribution reached five million doses across Australia.*

Funded by the Australian Government, this vaccination program against cervical cancer has been a very successful public health campaign with GARDASIL provided free to females aged 12 to 26 years – and more than 70% in this age group now vaccinated.*

Cervical cancer is the second most prevalent cancer in women, typically affecting those aged 35 to 55, and causing an estimated 250,000 deaths globally each year.

Mary Sontrop, CSL Biotherapies General Manager, Australia and New Zealand (centre) with members of the GARDASIL vaccine marketing team: Daniella Arturi (Brand Manager), Greg Whiteside (Senior Brand Manager), Helen Concilia (Vaccines Marketing Director) and Belinda Whyte (Associate Brand Manager).*

** GARDASIL is a trademark of Merck & Co. Inc.*

YEAR IN REVIEW 2008-2009 CONTINUED

PANDEMIC VACCINE CLINICAL TRIALS

CSL's Chief Scientific Officer, Dr Andrew Cuthbertson, and Director of Public Affairs, Dr Rachel David, at the launch of the Novel Type A (H1N1) 'swine' influenza vaccine clinical trial in Adelaide, South Australia on 22 July this year.

This clinical trial involved two hundred and forty healthy adult volunteers aged 18 to 64 receiving two doses of the vaccine three weeks apart to determine the generated immune response.

CSL BIOTHERAPIES

CSL Biotherapies manufactures and markets vaccines and pharmaceutical products in Australia and New Zealand and is responsible for global sales of our influenza vaccines. In-licensed pharmaceutical products include vaccines and a range of neurological, cardio-thoracic, dermatological, analgesic, urological, allergy and emergency products.

Our sales revenue reached $502 million this year (up 5%) with a strong contribution from GARDASIL* vaccine, continuing expansion of our global influenza vaccine business, and a solid performance by in-licensed pharmaceuticals.

The success of the human papillomavirus (HPV) national immunisation program has continued with more than five million doses of GARDASIL* distributed and more than 70% of females aged 12 to 26 now vaccinated. The Australian Government has announced an extension of the program until December 2009 to enable females who have commenced the three-dose vaccination schedule to complete their courses. During the year, the Therapeutic Goods Administration (TGA) approved extending the indications for use of GARDASIL* to include all females aged 9 to 45 years. In New Zealand, an HPV national immunisation program with GARDASIL* has commenced with the launch of a two-year catch-up program offering free vaccination to females up to 18 years of age.

** GARDASIL is a trademark of Merck & Co. Inc.*

Merck & Co. Inc. is our exclusive licensee for the GARDASIL* vaccine with global marketing rights. CSL has distribution rights for Australia and New Zealand and receives royalties from global sales.

Following the successful rollout of the HPV program in Australia by the Commonwealth Government, sales of GARDASIL* are expected to substantially decline as the catch-up immunisation programs draw to a close.

International markets for CSL's Afluria® and Enzira® brands of seasonal influenza vaccine continue to expand with a 60% increase in global sales achieved this year. The recently completed dispensing and packaging facilities at our Kankakee site will further enhance our influenza vaccine manufacturing capabilities and assist in meeting anticipated growth in US demand. CSL has submitted a Biologics License Application (BLA) supplement for this new plant to the US FDA.

The new Q-Vax® manufacturing facility at CSL's Broadmeadows site in Melbourne was officially opened on 1 July 2009, following approval by the TGA. CSL manufactures the Q-Vax® vaccine against Q-Fever as part of an ongoing commitment to products of national significance. Q-Fever is primarily an occupational disease of people working in Australia's meat and livestock industry.

NEW PRODUCT DEVELOPMENT

CSL continues to invest in the development of protein-based medicines to treat serious human illnesses. Today, most of our licensed medicines are purified from human plasma or made from traditional sources, like influenza vaccines. In addition, CSL is building the capabilities required to develop future products using recombinant DNA technology.

Global research and development activities support CSL's core licensed product businesses and three other areas of new product development:

- Replacement therapies that enhance our plasma products portfolio;
- Therapeutic proteins based on recombinant proteins and antibodies; and
- Vaccines that use our proprietary ISCOMATRIX® adjuvant and/or our influenza vaccine capabilities.

Our replacement therapies focus has been on supporting the launch of Privigen® in Europe, completing the clinical development of our 20% subcutaneous immunoglobulin product, progressing the recombinant coagulation projects in preclinical development, and expanding the geographical registrations and medical indications for existing plasma products.

The advent of the H1N1 pandemic influenza threat required an immediate response from CSL scientists to develop a vaccine for Australia and other markets including the US. A candidate vaccine is undergoing clinical testing in Australia and the US (see feature on page 16).

An adjuvant enhances the immune response when formulated with a vaccine antigen. We continue to make good progress with our ISCOMATRIX® adjuvant and have several commercial partners with vaccine candidates at various stages of clinical development. The management focus for this developing technology has moved to our King of Prussia office in the US to ensure close coordination with regulatory agencies and partners. To facilitate the supply of ISCOMATRIX® for clinical trials, commercial scale production is now being carried out at our Kankakee site in the US.

We have continued to strengthen our capabilities in later stage clinical and commercial development of biopharmaceutical products. This has been achieved through hiring world class scientific and medical leaders for key projects, ensuring access to R&D manufacturing capacity through relationships with contract manufacturers, and judicious investment in our own facilities.

R&D investment remains an important avenue to future growth for CSL. We continue to search globally for high quality new product opportunities that match our technical skills in protein-based medicines, as well as our development and commercial capabilities.

OUR THANKS TO MANAGEMENT AND STAFF

CSL develops and produces life-saving medicines essential to the health of many thousands of people around the world. For continuing success in this satisfying work, we depend on the commitment, skills and experience of a talented international workforce.

Your Board of Directors greatly appreciates all that management and staff have achieved this year to deliver another strong result for the Company.

ELIZABETH ALEXANDER
CHAIRMAN

BRIAN MCNAMEE
CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

BUSINESS FEATURE
CSL BEHRING

In CSL's expanded Bern facility for the production of Privigen®, Ernst Stalder changes a filter cartridge. Privigen® is a 10% immunoglobulin, proline-stabilised preparation that can be stored at room temperature for up to two years. Through this new generation product, CSL is now well positioned to benefit from the increasing global demand for intravenous immunoglobulin.

CSL Behring is committed to saving lives and improving the quality of life for patients with rare and serious diseases. Our extensive research and development activities, patient support services and patient-focused resources are key elements in an ongoing commitment to people whose lives depend on our products.

A MILESTONE FOR RHOPHYLAC®

Erwin Rindlisbacher sets up a filter press in CSL's Rhophylac® facility. The Bern facility has now produced more than five million syringes of Rhophylac® since manufacturing commenced there in 2002.

Rhophylac® protects against haemolytic disease of the newborn (HDN) allowing pregnant women with a Rhesus-negative factor to give birth to healthy babies. HDN is caused by incompatibility between the blood of an Rh-negative pregnant woman and her Rh-positive foetus.

We listen carefully to the concerns of people with rare, life-threatening disorders and work to address their needs. By providing safe and effective products and services, we help patients to improve their quality of life. We continue to develop programs and provide educational tools that help patients and families to manage the daily challenges of living with chronic conditions. CSL Behring is dedicated to collaboration with patient groups and stakeholders around the world to advocate for patient access to care.

Our therapies are indicated for treatment of coagulation disorders including haemophilia and von Willebrand disease, primary immune deficiencies and inherited respiratory disease. CSL Behring products are also used to prevent haemolytic diseases in newborns, speed recovery from heart surgery, prevent infection in people undergoing solid organ transplants, and help victims of shock and burns to recover faster.

A global leader in biotherapies with substantial markets in the US, Europe and Japan, we offer the broadest range of quality products in our industry.

Based in the US at King of Prussia in Pennsylvania, CSL Behring operates manufacturing plants in Kankakee, Illinois (US), Bern in Switzerland and Marburg in Germany. Regional sales and distribution centres are located throughout the world.

CSL Behring is well positioned to develop its biotherapeutics business with a broad portfolio of quality products, global marketing that meets customer needs, an ongoing pipeline of new and improved plasma therapies, cost effective, high yield manufacturing processes and efficient operations.

CSL Behring produces high-quality products in our state-of-the-art facilities using the most sophisticated methods available. Because patient safety is our first priority, we closely monitor every aspect of the manufacturing process.

Vial filling (left) and vial washing being carried out by Markus Freiling in the expanded filling and freeze-drying facility in Marburg where our coagulation, wound healing and specialty products are manufactured.

MAJOR PRODUCTS MARKETED BY CSL BEHRING

HAEMOPHILIA AND OTHER COAGULATION DISORDERS

Coagulation therapies are used to treat bleeding disorders such as haemophilia and von Willebrand disease.

Plasma-derived Factor VIII and von Willebrand Factor

- Beriate® P
- Monoclate-P®
- Humate-P®
- Haemate® P
- Biostate®

Recombinant Factor VIII

- Helixate® FS
- Helixate® NexGen
- Plasma-derived Factor IX
- Berinin® P
- Mononine®

Plasma-derived Factor X

- Factor X P

Other Products

- Stimate®
- Octostim®
- Minirin®

CRITICAL CARE CONDITIONS

Critical care products are used to treat shock, sepsis and severe burns, and are used in cardiac surgery.

Coagulation Disorders

- Beriplex® P/N
- Fibrogammin® P
- Haemocomplettan® P
- Kybernin® P

Trauma Therapies

- Albuminar®
- Human Albumin
- AlbuRx™

Other Critical Care

- Berinert® P
- Minirin® Parenteral
- Innohep®
- Streptase®

WOUND HEALING

Wound healing therapies are used to facilitate healing.

- Beriplast® P
- Tachocomb®

IMMUNE DISORDERS AND IMMUNE THERAPY

Immunoglobulins are used to treat infections and autoimmune diseases, and to prevent haemolytic disease in the newborn.

Polyvalent Immunoglobulins

- Privigen®
- Carimune® NF
- Redimune®
- Redimune® NF Liquid
- Sandoglobulin®
- Sandoglobulin® NF Liquid
- Sanglopor®
- Lymphoglobuline®

Subcutaneous Immunoglobulins

- Vivaglobin®

Specific Immunoglobulins

- Beriglobin® P
- Berirab® P
- Hepatitis B Immunoglobulin
- Rhophylac®
- Tetagam® P
- Varicellon® P
- Cytogam®

ALPHA 1-PROTEINASE INHIBITOR DEFICIENCY

For people at risk from life-shortening emphysema through a genetic deficiency in their synthesis of this protein.

- Zemaira®

For more information about these products, see www.cslbehring.com

CSL BEHRING CONTINUED

INDUSTRY FORUM PROMOTES WORK-LIFE BALANCE

In February this year, CSL Behring in Japan participated in an industry forum promoting diversity and female representation in the workplace.

Although the number of female medical representatives in the industry is increasing in Japan, those who are married can face particular difficulties in managing their work-life balance.

Namiko Hirakawa (above right), Logistics Manager for Sales Promotion in the National Sales Division, facilitated a panel discussion about issues faced by medical representatives with childcare responsibilities.

CSL Behring took part in this event as part of an ongoing commitment to ensuring that female employees receive work-life balance support when family circumstances change as a result of marriage or childbirth.

NEW KNOXVILLE LABORATORY OPENED

In May 2009, CSL Behring President, Peter Turner officially opened a new state-of-the-art, plasma-testing laboratory in Knoxville, Tennessee (US).

A significant investment in plasma collection and testing capabilities, this new CSL Plasma laboratory was completed in just over a year.

CSL Plasma is the largest collector of human blood plasma in the world.

NORD AWARD TO CSL BEHRING FOR RIASTAP™

At their annual gala event on 14 May 2009, the National Organization for Rare Disorders (NORD) presented CSL Behring with an award for developing RiaSTAP™ and bringing this unique therapy to market.

The NORD award was accepted by Peter Turner, President, CSL Behring, from Peter Saltonstall, President and CEO, NORD. In presenting the award, Peter Saltonstall paid tribute to pioneers in public health policy, the sciences and health-related education and awareness for showing compassion and concern for what was once a forgotten community – people with rare diseases.

Approved by the US FDA in January 2009, RiaSTAP™ is the first and only treatment for acute bleeding episodes in patients with congenital fibrinogen deficiency, an extremely rare and potentially life-threatening bleeding disorder.

NORD is a non-profit, voluntary health agency committed to identification, treatment and cure of rare disorders through education, advocacy, research, and service. The agency represents nearly 30 million Americans with rare diseases. In the United States, a disease is considered rare if it affects fewer than 200,000 people. Many rare diseases are serious, life-threatening and chronic.

CSL PLASMA

CSL Behring's plasma collection business, CSL Plasma, has collection centres throughout the US and eight in Germany, along with plasma testing laboratories and logistics centres in both countries.

Millions of donations every year provide the plasma used to produce life-saving products for critically ill patients. CSL Plasma offers a reliable and secure source of plasma for those essential medications.

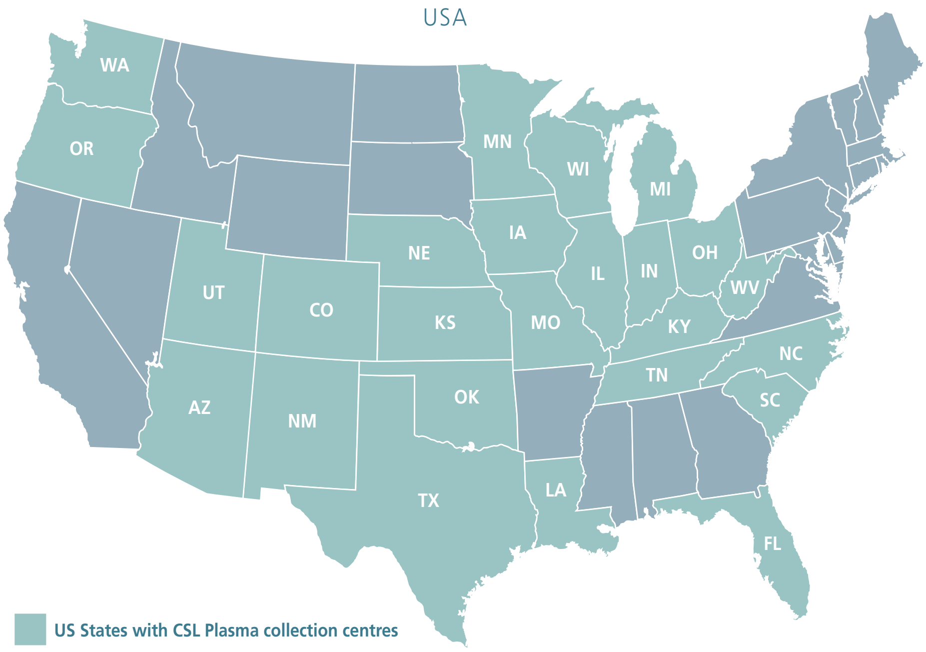
CSL Plasma has its headquarters in Boca Raton, Florida (US), a logistics centre in Indianapolis, Indiana (US), and a new plasma-testing laboratory in Knoxville, Tennessee (US) officially opened in May this year.

Based in Marburg, our German operations include a plasma-testing laboratory in Goettingen and a logistics centre in Schwalmstadt.

The largest collector of human blood plasma in the world, CSL Plasma sources the plasma required by CSL Behring through its plasma collection operations and commercial purchases.

In this stringently regulated industry, CSL Behring and CSL Plasma meet or exceed international standards, use the most sophisticated systems and continue to explore avenues of innovation.

US STATES AND GERMAN CITIES WITH CSL PLASMA COLLECTION CENTRES



German cities with CSL Plasma collection centres

CSL PLASMA

US HEADQUARTERS – BOCA RATON, FLORIDA

US TESTING LABORATORY – KNOXVILLE, TENNESSEE

US LOGISTICS CENTRE – INDIANAPOLIS, INDIANA

EU HEADQUARTERS – MARBURG, GERMANY

EU TESTING LABORATORY – GOETTINGEN, GERMANY

EU LOGISTICS CENTRE – MARBURG, GERMANY

BUSINESS FEATURE
CSL BIOPLASMA

CSL Bioplasma scientist, Grace O'Brien, uses gel electrophoresis to characterise the protein profile of a plasma product. R&D work at CSL Bioplasma has a significant focus on enhancing manufacturing processes for our thrombosis and haemostasis products.

CSL Bioplasma has four Product Liaison Specialists in Australia and one in New Zealand who provide information and supporting reference materials about our products to specialists, nurses and hospital blood bank scientists.

In the Australian Red Cross Blood Service (ARCBS) mobile unit at CSL Bioplasma, Catherine Finn takes a blood donation from Steven Jacovou.

CSL staff organise regular visits of the ARCBS mobile unit to Parkville and Broadmeadows providing the opportunity for fellow employees to donate blood during their working day.

This service supports the appropriate use of products manufactured under the Plasma Products Agreement with the National Blood Authority in Australia and the Manufacturing Agreement with the New Zealand Blood Service (NZBS).

The information provided includes changes to registered indications and storage conditions, registered dose, administration, and known side effects. This Product Liaison Team service is particularly valued by new medical staff, or those who irregularly use these products, and helps to underpin patient welfare.

The Product Liaison Team also provides information about the fractionation processes used at our Broadmeadows facility in Melbourne and the safety profile of the plasma products we manufacture. This covers the multiple and overlapping procedures and processes to optimise product safety including donor deferral policies used by the blood services, testing of every donation prior to use, and the manufacturing process for every product with at least two dedicated steps solely to optimise pathogen safety.

CSL Bioplasma works with appropriately qualified experts at the Australian Red Cross Blood Service (ARCBS) and the NZBS to develop information which can be used by health care professionals during discussions with their patients prior to the administration of our products.

The team also provides information to donor service staff of the ARCBS and NZBS about products manufactured from donations and the conditions they treat. This empowers staff to communicate their knowledge to voluntary and non-remunerated donors - the people who the blood supplies of Australia and New Zealand rely on.

MAJOR PLASMA PRODUCTS MANUFACTURED BY CSL BIOPLASMA

HAEMOPHILIA AND OTHER COAGULATION DISORDERS

Coagulation therapies are used to treat bleeding disorders such as haemophilia and von Willebrand disease.

Biostate®

(human coagulation factor VIII/von Willbrand Factor concentrate)

MonoFix® -VF

(human coagulation factor IX)

Prothrombinex®- VF

(human prothrombin complex)

CRITICAL CARE CONDITIONS

Critical care products are used in fluid resuscitation, for replacement of albumin, and to treat specific factor deficiencies.

Albumex®

(human albumin)

Thrombotrol®-VF

(human antithrombin III)

IMMUNE DISORDERS AND IMMUNE THERAPY

Immunoglobulins are used to treat immunodeficiency, modify the function of the immune system, and for protection against specific infections.

Intragam® P

(6g liquid intravenous immunoglobulin)

Normal Immunoglobulin-VF

(human normal immunoglobulin)

Rh(D) Immunoglobulin-VF

(human Rh (D) immunoglobulin)

CMV Immunoglobulin-VF

(human cytomegalovirus immunoglobulin)

Hepatitis B Immunoglobulin-VF

(human hepatitis B immunoglobulin)

Zoster Immunoglobulin-VF

(human zoster immunoglobulin)

Tetanus Immunoglobulin-VF

(human tetanus immunoglobulin)

DIAGNOSTIC PRODUCTS

Diagnostic products are used in the testing of blood to prevent haemolytic transfusion reactions and haemolytic disease of the foetus and newborn, and for snake venom detection.

Reagent Red Blood Cells

Monoclonal Reagents

Supplementary Reagents

Snake Venom Detection Products

Used to detect venom in snakebite victims and indicate the appropriate monovalent antivenom for treatment.

Special Access Scheme

Under Australia's Special Access Scheme, CSL Bioplasma distributes several life-saving, plasma-derived products for the treatment of rare conditions.

Sandoglobulin® NF Liquid

(12% liquid intravenous immunoglobulin) manufactured by CSL Behring and distributed in Australia by CSL Bioplasma.

Toll Fractionation

CSL Bioplasma performs plasma fractionation for Australia's National Blood Authority, a role pivotal to Australia's policy of self-sufficiency. CSL Bioplasma is also the national fractionator of New Zealand, Hong Kong, Malaysia and Singapore.

BUSINESS FEATURE
CSL BIOTHERAPIES

Olympic swimmer and GARDASIL Ambassador, Libby Trickett (left), with Associate Brand Manager, Belinda Whyte. In Australia, more than 70% of females aged 12 to 26 have now been vaccinated with GARDASIL*.*

* *GARDASIL is a trademark of Merck & Co. Inc.*

CSL operates one of the largest influenza vaccine manufacturing facilities in the world at our Parkville site in Melbourne and has more than 40 years experience in the production of these vaccines.

In 2008, we significantly expanded the capacity of our Melbourne plant to support the continuing international growth of this vaccine business. CSL also has influenza vaccine dispensing and packaging facilities at Marburg in Germany and Kankakee, Illinois in the US.

Our Melbourne plant can produce up to 80 million doses of vaccine each year to help meet demand for both Southern and Northern Hemisphere influenza seasons. CSL's influenza vaccines are now registered and marketed in twenty-seven countries.

PANDEMIC INFLUENZA VACCINE

Following the June 2009 World Heath Organisation announcement of an influenza pandemic, CSL has developed a pandemic vaccine (H1N1) and is carrying out clinical trials to establish an optimum vaccine dose. As soon as clinical trials are successfully completed, CSL will seek approval from the Therapeutic Goods Administration (TGA) to register a vaccine.

The initial order from the Australian Government for the pandemic vaccine is for 21 million (15mcg) doses. CSL has also signed a $US180 million contract with the US Department of Health and Human Services (HHS) to provide bulk H1N1 influenza antigen. The HHS contract includes the opportunity to use our influenza vaccine dispensing and packaging facilities in the US and Germany. We also have contracts for pandemic vaccine with New Zealand and Singapore.

Q-FEVER FACILITY OPENED

Richard Marles MHR, Parliamentary Secretary for Innovation and Industry, and Mary Sontrop, General Manager, CSL Biotherapies, Australia and New Zealand, at the 1 July 2009 official opening of CSL's Q-Fever vaccine facility. Q-Vax® is our vaccine against Q-Fever which is primarily an occupational disease of people working in Australia's meat and livestock industry.

Last year, the TGA approved CSL's Panvax® pandemic *avian* influenza vaccine for Australian use in the event of an outbreak of that virus strain. That Panvax® (H5N1) vaccine was also developed in collaboration with the Australian Government.

The current pandemic is the result of a novel type A virus (H1N1) emerging and then spreading rapidly through populations not previously exposed to it.

At the syringe inspection machine is Halina Doktor, one of the Packaging team at Parkville that processes Fluvax®, Enzira® and Afluria® seasonal influenza vaccines. This year, they also processed the pandemic Panvax® H1N1 vaccine for use in clinical trials that commenced in July.

TRADEMARKS

CSL, **Bioplasma**, **ZLB** and **ISCOMATRIX** are all trademarks of the CSL Group

® Registered trademark of CSL Limited or its affiliates

™ Trademark of CSL Limited or its affiliates

* Trademarks of companies other than CSL and referred to in this Annual Report are listed below:

Merck & Co. Inc.	Comvax, GARDASIL, H-B-Vax II, M-M-R II, PedvaxHIB, Pneumovax, Rotateq, Vaqta, Varivax, ZOSTAVAX
Merck KGaA	EpiPen
Shire	Solaraze, Vaniqa
Astellas	Flomaxtra
Berna Biotech	Vivotif Oral
Cephalon Inc.	Modavigil
Controlled Therapeutics (Scotland) Limited	Cervidil
Grunenthal GmbH	Tramal
Intendis GmbH	Advantan, Finacea, Scheriproct
Intercell AG	JESPECT
Leo Pharmaceutical Products Limited AS	Burinex, Daivobet, Daivonex, Fucidin
Novartis	Menjugate, Rabipur
Encysive Pharmaceuticals Inc.	Thelin
The Medicine Company	Angiomax

MAJOR PHARMACEUTICAL PRODUCTS MARKETED BY CSL BIOTHERAPIES IN AUSTRALIA

VACCINES

	For prevention of:
Fluvax®	Influenza
ADT® Booster	Diphtheria and Tetanus
Q-Vax®	Q-Fever
Comvax*	Haemophilus influenzae B and Hepatitis B infection
GARDASIL*	Cervical cancer and genital warts
H-B-Vax* II	Hepatitis B infection
JESPECT*	Japanese encephalitis
Menjugate*	Meningococcal C disease
M-M-R*II	Measles, mumps and rubella
PedvaxHIB*	Haemophilus influenzae B
Pneumovax 23*	Pneumococcal infection
Rabipur*	Rabies infection
Rotateq*	Rotavirus-induced gastroenteritis
Vaqta*	Hepatitis A infection
Varivax*	Varicella
Vivotif Oral*	Typhoid infection
ZOSTAVAX*	Herpes zoster (shingles)

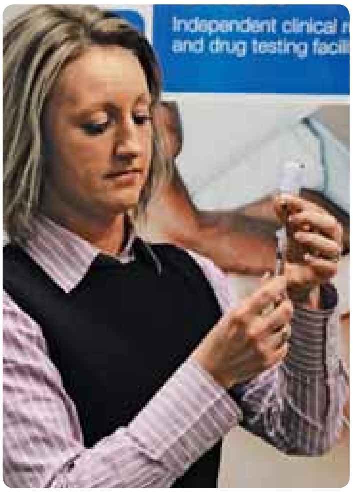
ANTI-INFECTIVES

	For treatment of:
BenPen®	Bacterial infections
Fucidin*	Bacterial infections

OTHER PRODUCTS

	For treatment of:
Advantan*	Eczema and psoriasis
Angiomax*	Patients undergoing percutaneous coronary intervention (PCI)
Antivenoms	Envenomation
Burinex*	Oedema
Cervidil*	Complications during childbirth requiring induced labour
Daivobet*	Psoriasis
Daivonex*	Psoriasis
EpiPen*	Severe allergic reactions
Finacea*	Rosacea
Flomaxtra*	Benign prostatic hyperplasia
Modavigil*	Excessive daytime sleepiness in narcolepsy
Scheriproct*	Haemarrhoids, proctitis and anal fissures
Solaraze*	Actinic keratosis
Streptase®	Myocardial infarction and arterial thrombosis
Thelin*	Pulmonary arterial hypertension
Tramal*	Moderate to severe pain
Vaniqa*	Unwanted facial hair in women

BUSINESS FEATURE
NEW PRODUCT DEVELOPMENT



At CSL's H1N1 pandemic influenza vaccine clinical trial in Adelaide, Nurse Supervisor Luiza Duszynski prepares to vaccinate volunteers.

PANDEMIC VACCINE CLINICAL TRIALS

The advent of the global pandemic influenza threat in April this year required an immediate response from CSL scientists to develop a vaccine. By 22 July, clinical trials of CSL's Novel Type A (H1N1) 'swine' influenza vaccine commenced in Adelaide, South Australia.

The candidate vaccine being tested in the clinical trials was produced using CSL's well established, large scale production technologies. The purpose of this clinical trial is to establish an optimum vaccine dose for protection against this new strain of influenza. Both a standard dose (15 mcg) and a higher dose (30 mcg) are being tested.

Two hundred and forty healthy adult volunteers aged 18 to 64 are taking part in the trial at the Royal Adelaide Hospital. Each volunteer receives two doses of the candidate vaccine three weeks apart, with blood tests taken to measure the strength and appropriateness of the immune response. As with any of our clinical trials, the safety of the vaccine is also being monitored.

In August, clinical trials in children commenced using the same dosing with 400 healthy volunteers aged six months to nine years taking part. Additional studies are being carried out in the United States.

Data from these clinical trials will help governments decide how best to deploy the H1N1 vaccine as it becomes available.

CSL HAS A GLOBAL ROLE

CSL operates one of the largest influenza vaccine manufacturing facilities in the world at our Parkville site in Melbourne and has more than 40 years experience in the production of these vaccines.

The WHO Global Influenza Surveillance Network collects samples of influenza virus throughout the year and determines which new strains in the constantly changing viruses are becoming dominant. As usual, this year the WHO provided CSL with virus samples including those from which our pandemic vaccine has been developed.

CSL scientists take the candidate WHO viruses through a process known as reassortment to create viruses with good vaccine properties, and that will grow well in eggs. The seed lots obtained through this process are used to produce our influenza vaccines.

As one of only three laboratories in the world that produces the Type A virus seed lots for the World Health Organisation (WHO), CSL has a global role in developing pandemic and seasonal influenza vaccines.

During the past 10 years, all the Type A seasonal H1N1 viruses used by manufacturers worldwide to produce influenza vaccine have been from seed virus developed by scientists at CSL.

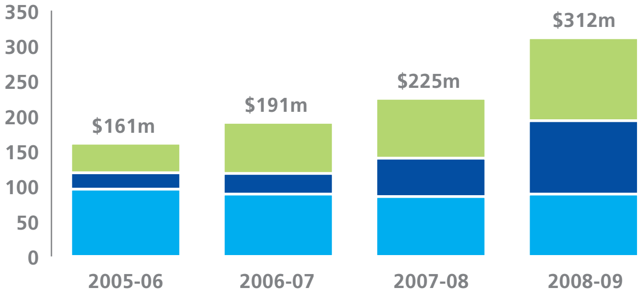
At the launch of CSL's H1N1 pandemic influenza vaccine clinical trial in Adelaide, South Australia on 22 July this year, Nurse Supervisor Luiza Duszynski vaccinates Chloe Gibbons (left). This clinical trial involved two hundred and forty healthy adult volunteers aged 18 to 64 receiving two doses of the vaccine three weeks apart to determine the generated immune response.

CSL's Chief Scientific Officer, Dr Andrew Cuthbertson, at the launch of the Novel Type A (H1N1) 'swine' influenza vaccine clinical trial in Adelaide, South Australia on 22 July this year.

CSL scientists Tony Nguyen and Sonia Finotello inoculate eggs with an H1N1 virus isolate in our influenza vaccine seed preparation laboratory at Parkville in Melbourne.

RESEARCH AND DEVELOPMENT INVESTMENT

CSL invested $312 million in research and development this year.

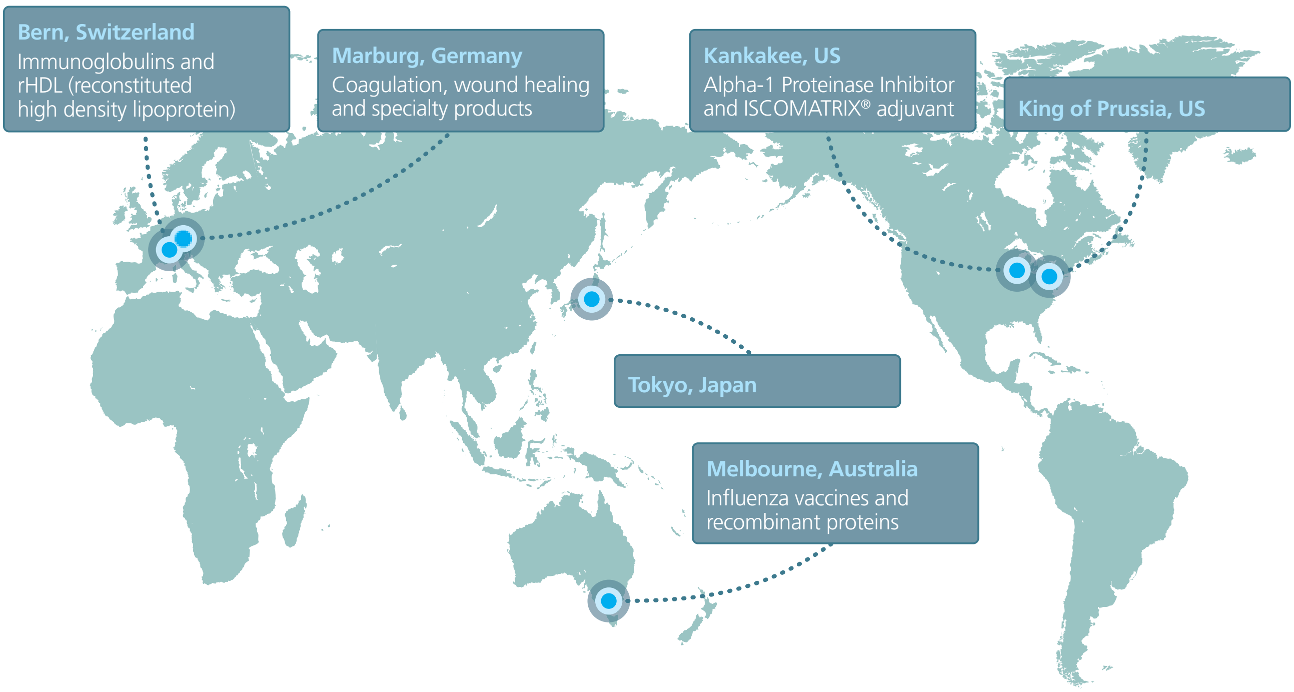


New Product Development activities focus on innovative new treatments for life-threatening diseases.

Market Development strategies seek to maximise market opportunities for existing products.

Life Cycle Management is a global program of continuous improvement to ensure existing products remain competitive.

RESEARCH AND DEVELOPMENT OPERATIONS



Clinical and regulatory affairs teams operate from Melbourne, King of Prussia, Bern, Marburg and Tokyo.

Plasma fractionation and associated research and development activities are carried out in Melbourne, Kankakee, Bern and Marburg.

OUR PEOPLE
GLOBAL CONNECTIONS

The CSL Group gives its businesses a significant level of autonomy to enable them to be accountable and effective. At the same time, we value and encourage those things which give CSL its corporate cohesion and support our distinctive CSL culture. These include our common values, our global commitment to Corporate Responsibility and high Health, Safety and Environment standards, and our effective use of international assignments to share skills, knowledge and experience.

In July this year, Debbie Drane moved to the US to take up an assignment as Senior Vice President, R&D at the CSL Behring Head Office in King of Prussia, Pennsylvania.

Debbie has been pivotal in the scientific and commercial development of CSL's ISCOMATRIX® adjuvant technology and this assignment enables her to be in closer proximity to major partners, regulatory agencies and our adjuvant manufacturing site.

In the past few years, CSL has entered into a number of ISCOMATRIX® license and option agreements with major vaccine manufacturers and has also established a large-scale manufacturing facility for this adjuvant at our Kankakee site in Illinois.

We also offer highly successful global leadership programs which not only boost our leadership strength but also build international connections which support effective collaboration.

This year, we developed new ways to support corporate cohesion – our Code of Responsible Business Practice, new tools for virtual teams and a global system to support succession and talent development.

CODE OF RESPONSIBLE BUSINESS PRACTICE

We have created a new Code of Responsible Business Practice which underpins all our policies and practices worldwide. This guide, which replaces and enhances our previous Code of Conduct, clearly explains the standards of professional and ethical behaviour required from all our people. We have included new references to corporate responsibility, created clear statements on bioethics, added references to third party expectations and market practices and committed ourselves to relevant international standards.

The new Code has had input from across the Company and reflects what CSL stands for. It has been approved by the Board and a user-friendly document, translated into ten languages, is now being launched across the globe.

Our Values bind the CSL group of companies together through a shared commitment to:

- Customer Focus - being passionate about meeting the needs of our customers
- Innovation - seeking better ways of doing things
- Integrity - behaving ethically and honestly at all times
- Collaboration - working together to achieve better results for everyone
- Superior performance - striving to be the best at what we do

Staff at CSL Behring's US headquarters in King of Prussia discuss the new Code of Responsible Business Practice which underpins all CSL's policies and practices worldwide.

CREATING EFFECTIVE CROSS-CULTURAL PROJECT TEAMS

CSL's projects need input and collaboration from talented employees across many locations and this is particularly important for the Global Research and Development business where staff often work in cross-functional, cross-cultural teams with infrequent face-to-face contact.

This year, a collaborative project involving Global R&D and CSL Behring colleagues found new ways to enhance the functioning of virtual teams. The project had three components: a "*Global Team Toolkit*", a "*Team Launch*" process, and a web-based "*Culture Tool*" to boost cross-cultural awareness and competence.

CSL's global project management system and capabilities are essential components in ensuring project milestones are achieved in this complex environment. They give teams a roadmap for *what* needs to be done.

The *Global Team Toolkit* helps teams to figure out *how* work is done – how to manage conflicts, relationships and all the dynamics which come with diverse teams. We have developed thirteen practical tools after researching best practice among high performing cross-functional teams. These tools support the team leader in establishing goals, clarifying roles and accountabilities, creating operational norms and strengthening team relationships.

Our *Team Launch* prototype has been designed to ensure maximum value from face-to-face kick-off meetings and enables more *long-distance* work to be undertaken by teams.

The web-based *Culture Tool* gives staff access to an on-line interactive e-learning guide to build cultural awareness. This valuable and accessible resource is available to support virtual teams, business travellers and international assignees. It allows us to gain even greater value from the diversity in our businesses.

We are confident this collaborative project will accelerate the performance of global teams and the achievement of project outcomes. Learning from this pilot, we will offer the new project tools across the business.

SUCCESSION AND TALENT DEVELOPMENT

CSL people are strongly committed to our business. This helps us retain talent but we also need to ensure we develop staff to meet future business needs and that we respond to employees' aspirations to learn and progress.

Succession and talent development have always been taken seriously at CSL and in 2007 we began holding global talent discussions across our businesses. We have continued to enhance this global process to ensure that we make the most of the opportunities we can offer to develop the talent in our businesses worldwide. In this way we can identify employees holding the skills we need for the future and prepare them for a bigger challenge or an overseas assignment.

Senior executive succession has oversight from the Board but business leaders throughout the Company engage in regular discussions with staff to better understand their abilities and motivation and to plan for development and progression.

CSL's introduction this year of a global software system to support development and succession planning gives us a strong platform for continuing to successfully develop the careers of our people and ensure smooth transitions.

HEALTH, SAFETY AND ENVIRONMENT

In the Occupational Health Centre at Parkville, Louise Hord gives Karen Del Castillo her Fluvax® influenza vaccination, part of the health and well-being programs offered across locations.

HEALTH AND SAFETY

CSL protects and promotes the health and well-being of our people and works to minimise our impact on the environment. Fundamental to our strategic goals being achieved is a global commitment to the continuous improvement of our Health, Safety and Environment (HS&E) activities.

CSL operates an integrated Health, Safety and Environment Management System that is binding for all sites to ensure we maintain high standards in HS&E. We are committed to conducting all operations in ways that protect and promote the health and well-being of our people and minimise our impact on the environment.

CSL's global HS&E Management System underpins our ongoing review of regulatory compliance and in-house performance. To further enhance the integration of our global reporting systems, this year we extended the number of key indicators used as standard tools to monitor HS&E performance.

Lost time incident data continues to record performance improvement. With enhanced early intervention injury management strategies, improvements in recordable incident results should continue to be expected.

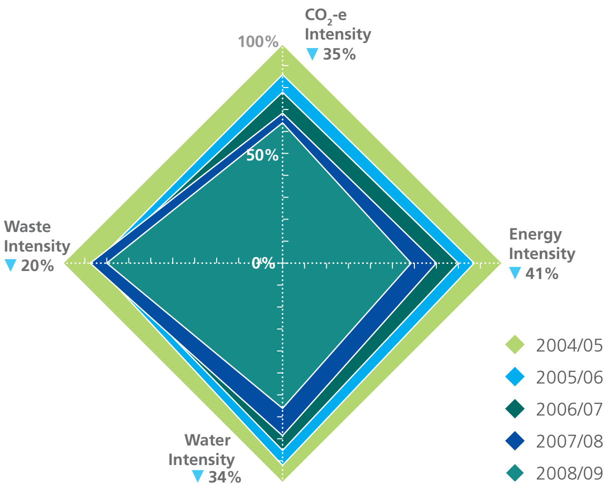
All our sites around the world maintain certifications to relevant external occupational health and safety management systems. Strategic in-house initiatives this year included critical hazard reduction plans in Australia and the implementation of a *Safety and Health Accident Reduction Process (SHARP)* at our Kankakee site in the US.

Preparatory works have been completed to assess the capacity of the global HS&E auditing program to integrate internal and external reporting requirements into a single auditing tool. Such works include use of a common database as the platform for audit completion and assessment. Independent review of the auditing tools will occur to ensure the integrated system meets all reporting and compliance needs.

We continue to create opportunities for our employees to be involved in HS&E workplace health and well-being programs operating at all sites. These programs aim to improve workplace and community engagement. Among many events our employees have participated in this year have been the Penn Relays at the University of Pennsylvania, the Bern Grand Prix run, the BRW Triathlon in Melbourne and the Tokyo Marathon.

MEDICAL TREATMENT INJURY FREQUENCY RATE (MTIFR) AND LOST TIME INJURY FREQUENCY RATE (LTIFR)
JULY 2005 TO JULY 2009

Global figures presented are in accordance with Australian Standard AS1885 and are based on the number of incidents reported per million hours worked.



The above chart shows how CSL's plasma manufacturing locations continue to reduce energy consumption, greenhouse gas emissions, water use and waste per unit of production from the base year 2004/05.

EUROPEAN UNION'S ECO-MANAGEMENT AND AUDIT SCHEME

CSL Behring registered with the European Union's Eco-Management and Audit Scheme (EMAS) in 2004. EMAS is a voluntary program through which companies in the European Union evaluate, improve and report their environmental performance. EMAS registered organisations are legally compliant, operate an environmental management system and report on environmental performance through the publication of an independently verified environmental statement.

In August 2008, CSL Behring's Marburg site successfully requalified to the EMAS II Eco Audit regulation. Our Marburg site was certified as one of the ten best by independent auditors, according to the comparison of industries in Germany.

ENVIRONMENT

CSL published its first Global Environmental Report this year covering key environmental issues including energy consumption and greenhouse gas emissions, water use and the management of waste. As covered in this Report, CSL is working to address important environmental issues through innovation, skills development and prudent investments.

In line with a broadening strategy on environmental issues, commitment to the environment is clearly expressed in our new Code of Responsible Business Practice launched this year to employees across the globe and translated into ten languages.

CSL was included in the Goldman Sachs JBWere Climate Disclosure Leadership Index in Australia as a result of our submission to the Carbon Disclosure Project on climate change strategy, management and practices.

We submitted Environment and Resource Efficiency Programs to the Environment Protection Authority (EPA) this year for our Australian sites. The program was well received meeting all our obligations under the legislation. Our program targets better management of energy, water and waste to reduce environmental impacts.

CSL is reviewing opportunities to integrate sustainability principles into the design of new and refurbished buildings and trialling introduction of new environmental criteria into our capital projects evaluation process.

We monitor climate change policy developments in all the jurisdictions where we are located to assess how emerging policy directions might impact our current business and future directions. CSL remains well prepared for the greenhouse gas reporting regimes being introduced around the world.

CSL TAKES PART IN EARTH HOUR 2009

More than four thousand towns, cities and municipalities in 88 countries and over one billion people around the world united for Earth Hour 2009 on 28 March this year, switching off their lights to show they care about our living planet.

CSL's Australian manufacturing sites in Melbourne took part again and achieved a 26% (1710 kWh) reduction in electricity consumption – more than twice last year's savings – demonstrating how simple changes can make a significant difference in slowing the rate of global warming.

Teams across Melbourne sites identified lighting, equipment, heating and cooling that could be shutdown then coordinated and monitored these activities. Participation in Earth Hour by our US sites of Kankakee and King of Prussia also saw energy-saving ideas being captured across the broader business.

In Melbourne, CSL's Future Spark bicycle team provided enough pedal power to generate 748 watt hours of clean energy for the Earth Hour concert.

OUR COMMUNITIES

CSL Plasma employees from Wichita, Kansas raised over US$4000 for the March for Babies campaign to help infants and children in their local community.

At CSL, we actively contribute to the health and well-being of our communities. This year alone we initiated new access programs to support our patient communities, increased our efforts to foster talent in our medical research communities and contributed to disaster relief and charitable efforts in our local communities.

INCREASING ACCESS TO MEDICINES

On World Hemophilia Day we announced a new multi-year commitment to the World Federation of Hemophilia (WFH). Each year for the next three years, CSL Behring will donate two million units of Factor VIII to the WFH's Global Alliance for Progress (GAP) program. GAP aims to improve the diagnosis and treatment of haemophilia in developing countries by creating sustainable national haemophilia care programs. Additionally, CSL Behring renewed its pledge to provide WFH with separate financial support, taking the full value of our contribution to almost US$3 million over the next three years.

We also continued to support international efforts to improve access to snake antivenom. Snake bite is a serious, yet much neglected, socio-economic problem affecting millions of lives, particularly in tropical developing countries. In November, CSL helped bring together experts from all around the world to agree on a new approach to snake bite control. A global initiative was launched and an interdisciplinary working group has since begun to formulate practicable solutions. At a regional level, CSL has commissioned the Nossal Institute of Global Health to review snake bite problems in Papua New Guinea and recommend ways in which we can best assist.

FOSTERING MEDICAL RESEARCH

In Australia, we announced partnerships with the National Youth Science Forum and the Undergraduate Research Opportunities Program, both of which aim to attract bright young minds to careers in the sciences. We also commenced sponsorship of the prestigious Florey Medal which recognises researchers for significant achievements in biomedical science, providing important role models for young scientists.

In Germany, we announced the winners of the 2009 Professor Heimburger Awards in memory of coagulation therapy pioneer and long-time CSL employee, Professor Dr Norbert Heimburger. Five young clinicians each received a €20,000 grant for preclinical or clinical research in coagulation. The awards are designed to help the next generation of coagulation researchers establish themselves professionally and to support their efforts to improve patient outcomes.

ASSISTING DISASTER RELIEF

In February this year, CSL's home state in Victoria, Australia, suffered the most devastating bushfire in its history, with a significant number of lives and homes lost. To directly assist individuals and communities affected by the fires, the Victorian Government in partnership with the Australian Red Cross established the Victorian Bushfire Fund.

CSL responded immediately by pledging a $250,000 donation. Our staff also took swift action by organising fundraising events, having donations deducted from their pay and providing household goods to help relief efforts. The generosity of our people extended beyond Australian shores with CSL Behring staff contributing additional funds.

In recognition of the community spirit shown by our staff in response to this disaster, CSL matched all employee donations. Together we contributed a total of $412,760.90 to the Victorian Bushfire Fund, the proceeds from which are being distributed to the most fire-ravaged areas to help rebuild lives, homes and communities.

ADVOCACY FOR ACCESS

At CSL we recognise that access to medicines is not just a developing world issue. That's why in the US we operate a Patient Assistance Program, providing medically necessary therapies to patients who cannot afford our biotherapies. Through the Local Empowerment for Advocacy Development (LEAD) program, we also help patient organisations with their grass-roots advocacy efforts. This year, CSL Behring awarded LEAD grants totalling $US165,000 to 11 organisations. The Myositis Association (TMA), which provides assistance to people with muscle swelling resulting from an autoimmune disorder of unknown origin, was the recipient of one of these grants. TMA will use our LEAD grant to develop online tools to enable rapid communication with its constituents about important advocacy issues, including improving access to intravenous immunoglobulin (IVIg) therapies.

OUR COMMITMENT TO PATIENT HEALTH

CSL Behring is committed to advancing the health of people affected by bleeding disorders. We make annual contributions to research, education, awareness and patient support initiatives. In the United States alone this year we awarded $US1.2M to 19 projects, including an exploratory study of the needs of people with bleeding disorders within Latino and Hispanic communities and an observational study of post-operative Deep Vein Thrombosis (DVT) in people with haemophilia undergoing major orthopaedic surgery.

CSL SHAREHOLDERS SUPPORT THE RED CROSS

In December 2008, we were pleased to present a donation of $119,689 to the Australian Red Cross (ARC) on behalf of our shareholders. The donation represented excess funds remaining after the completion of our Shareholder Share Purchase Plan. The ARC will use the donation to support an inaugural meeting in Melbourne of blood donor recruiters from the Asia Pacific, and to expand nutrition programs for indigenous children in remote areas of South Australia. The 'Good Start Breakfast Clubs' will enable Red Cross volunteers to provide disadvantaged school children with a healthy breakfast each morning and deliver an education program focussed on the provision of nutrition, social and living skills.

CONTRIBUTING LOCALLY

CSL has a significant presence in the communities in which its manufacturing facilities and plasma collection centres are located. In the US, we partner with United Way to help address significant social challenges in our local communities. Together with our staff, we donated more than US$300,000 to United Way this year, supporting programs aimed at alleviating poverty, unemployment and social exclusion.

Our Kankakee Senior Leadership Team presents 13 year-old local girl, Balei Chinksi, and her mother, with a donation to help manage her severe immunodeficiency disorder and improve her quality of life.

One of the most rewarding contributions made by our Kankakee workforce this year was being able to help Balei Chinksi, a local 13 year-old girl with undefined severe combined immunodeficiency. A donation of immunoglobulin was arranged, helping Balei to manage her condition, stay in school and spend time with her friends. Kankakee staff also rallied to raise funds for Balei, which her family used to purchase special shoes and install railings and a motorised hospital bed in their home.

In Bern this year, CSL supported Coin Bear, a fundraising campaign conducted by the Children's Hospital in Bern to help sick and injured children get back to a regular and active life. Our staff also worked with the University of Bern to improve employment prospects for unemployed scientists by providing practical in-house training in Good Manufacturing Practice.

Movember was a big hit in Australia this year with 148 of our staff growing moustaches to raise funds for research into prostate cancer and depression. Our staff also helped to raise funds for a paediatric burns unit in El Salvador and rolled up their sleeves to help Foodbank and FareShare prepare food for the homeless and hungry.

DIRECTORS' PROFILES

ELIZABETH A ALEXANDER, AM,

BCom, FCA, FCPA, FAICD - (AGE 66)

Finance and Risk Management (resident in Victoria)

Chairman

Miss Alexander was appointed to the CSL Board in July 1991 and became Chairman on 1 October 2006. She is a Director of the Dexus Property Group and of Medibank Private Limited. Miss Alexander is a former National President of the Australian Society of Certified Practising Accountants and of the Australian Institute of Company Directors. She is Chairman of the Board of Advice to the Salvation Army (Southern Command), National President of the Winston Churchill Fellowship Trust and Chairman of the Finance Committee of Melbourne University. Miss Alexander is a Member of the Audit and Risk Management Committee.

BRIAN A MCNAMEE, AO,

MB, BS, FAICD, FTSE - (AGE 52)

Pharmaceutical Industry, Medicine (resident in Victoria)

Chief Executive Officer and Managing Director

Dr McNamee was appointed to the CSL Board in 1990 and is the Chief Executive Officer and Managing Director. He is a former Director of the Peter MacCallum Cancer Foundation Ltd. Dr McNamee completed Bachelor of Medicine and Bachelor of Surgery Degrees at the University of Melbourne in 1979. Dr McNamee is a Fellow of the Australian Academy of Technical Services and Engineering (FTSE).

ANTONI M CIPA,

B.Bus (Acc), Grad.Dip (Acc), CPA, ACIS - (AGE 54)

Finance (resident in Victoria)

Finance Director

Mr Cipa was appointed to the CSL Board as Finance Director in August 2000. Mr Cipa commenced his employment at CSL in 1990 as Finance Manager. He was instrumental in the float of the Company in 1994 at which time he was appointed Chief Financial Officer.

JOHN H AKEHURST,

MA (Oxon), FIMechE - (AGE 60)

Engineering, Management (resident in Western Australia)

Mr Akehurst was appointed to the CSL Board in April 2004. He had 30 years' executive experience in the international hydrocarbon industry, including 7 years as Managing Director and CEO of Woodside Petroleum Ltd. Mr Akehurst is a member of the Board of the Reserve Bank of Australia. He is a Director of Origin Energy Limited and of Securency International Pty Ltd. He was formerly Chairman of Alinta Limited and of Coogee Resources Limited and is a former Director of Oil Search Limited. He is Chairman of The National Centre for Asbestos Related Diseases and The Fortitude Foundation and a Director of the University of Western Australia's Business School and of Curtin University's Sustainable Development Institute. Mr Akehurst is a Member of the Human Resources Committee.

DAVID W ANSTICE,

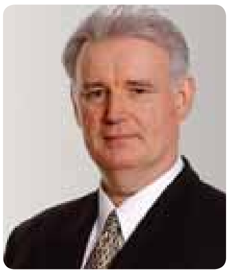
BEc - (AGE 61)

International Pharmaceutical Industry (resident in Pennsylvania, USA)

Mr Anstice was appointed to the CSL Board in September 2008. Mr Anstice was a long-time member of the Board of Directors and Executive Committee of the US Biotechnology Industry Organisation, and has 40 years' experience in the global pharmaceutical industry. Until recently, Mr Anstice was for many years a senior executive of Merck & Co. Inc. serving at various times as President of Merck Human Health for US/Canada/Latin America, Europe, Japan and Asia, and as Executive Vice President. Mr. Anstice is a Director of Alkermes, Inc., in Cambridge, Massachusetts, a Director of the United States Studies Centre at the University of Sydney, and Chairman of the USA Foundation of the University of Sydney. He is an Adjunct Professor in the Faculty of Economics and Business at Sydney University and holds a Bachelor of Economics from that University which he obtained in 1970. Mr Anstice is a member of the Human Resources Committee and the Innovation and Development Committee.

Elizabeth Alexander
Chairman

Brian McNamee
Chief Executive Officer and Managing Director



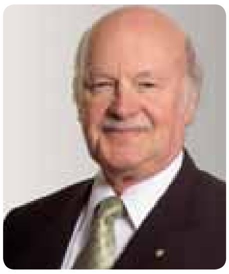
Tony Cipa
Finance Director

John Akehurst

David Anstice

Ian Renard

Maurice Renshaw



Professor John Shine

David Simpson

IAN A RENARD,
BA, LLM, LLD(Hon), FAICD - (AGE 63)

Law (resident in Victoria)

Mr Renard was appointed to the CSL Board in August 1998. For many years he practised in company and commercial law. He was a Director of Newcrest Mining Limited from 1998 until September 2006, and is a Director of Hillview Quarries Pty Ltd, SP Australia Networks (Distribution) Ltd and SP Australia Networks (Transmission) Ltd. Mr Renard was the Chancellor of the University of Melbourne until 10 January 2009. Mr Renard is Chairman of the Audit and Risk Management Committee.

MAURICE A RENSHAW,
B.Pharm - (AGE 62)

International Pharmaceutical Industry (resident in NSW)

Mr Renshaw was appointed to the CSL Board in July 2004. Formerly, he was Vice President of Pfizer Inc, USA, Executive Vice President, Pfizer Global Consumer Group and President of Pfizer's Global Consumer Healthcare Division. Prior to his positions in Pfizer, Mr Renshaw was Vice President of Warner Lambert Co. and President of Parke-Davis USA. Mr Renshaw has had more than 30 years' experience in the international pharmaceutical industry. Mr Renshaw is Chairman of the Innovation and Development Committee.

JOHN SHINE, AO,
BSc (Hons), PhD, DSc, FAA - (AGE 63)

Pharmaceutical Industry, Medicine (resident in NSW)

Professor Shine was appointed to the CSL Board in June 2006. He is Executive Director of the Garvan Institute of Medical Research and a Board Member of the Garvan Research Foundation. He is Professor of Molecular Biology and Professor of Medicine at the University of NSW, and a Director of many scientific research and medical bodies throughout Australia. Professor Shine was formerly Chairman of the National Health and Medical Research Council (NHMRC) and a Member of the Prime Minister's Science, Engineering and Innovation Council (PMSEIC). Professor Shine is a member of the Innovation and Development Committee.

DAVID J SIMPSON,
FCPA – (AGE 69)

Finance and Management (resident in Victoria)

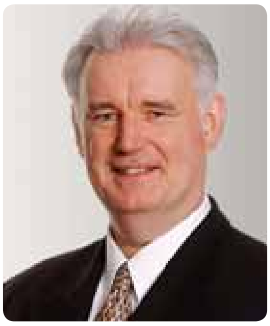
Mr Simpson was appointed to the CSL Board in September 2006. He is the non-executive Chairman of Aristocrat Leisure Limited. For many years, Mr Simpson was Finance Director of Tabcorp Holdings Limited and before that Executive General Manager Finance of Southcorp Holdings Ltd. Mr Simpson is Chairman of the Human Resources Committee and a member of the Audit and Risk Management Committee.

EDWARD H BAILEY,
LLB, B.Com, FCIS

Company Secretary

EXECUTIVE MANAGEMENT GROUP

Brian McNamee
Chief Executive Officer and Managing Director



Tony Cipa
Finance Director

Edward Bailey
Company Secretary and Australian General Counsel

Peter Turner
President
CSL Behring

Jeff Davies
General Manager
Asia Pacific
CSL Bioplasma

Mary Sontrop
General Manager
CSL Biotherapies
Australia and New Zealand

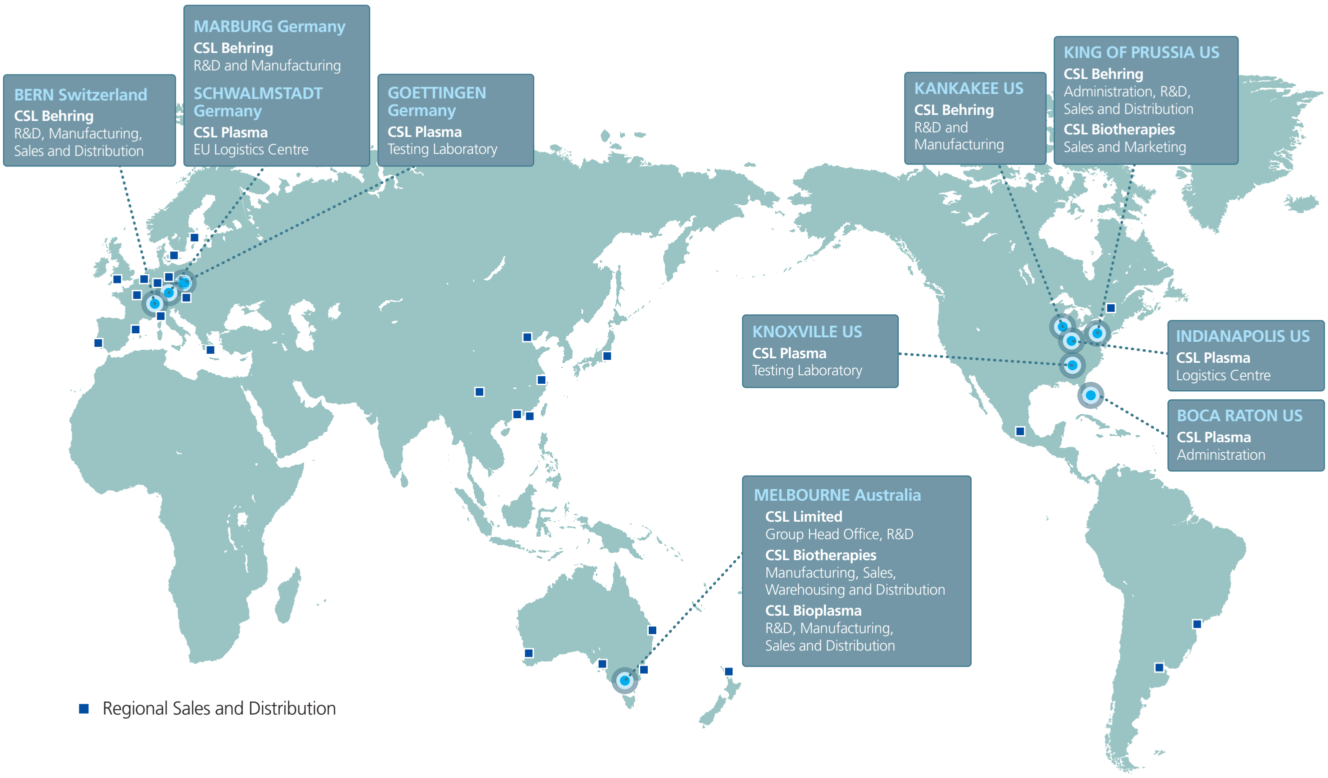
Dr Andrew Cuthbertson
Chief Scientific Officer

Greg Boss
Senior Vice President - CSL Behring, and CSL Group General Counsel

Jill Lever
Senior Vice President
Human Capital

Paul Walton
Senior Vice President
Corporate Development

CSL GROUP BUSINESS OPERATIONS



REGIONAL SALES AND DISTRIBUTION LOCATIONS

CSL BIOTHERAPIES

Australia	Sydney
	Brisbane
	Adelaide
	Perth
New Zealand	Auckland
China	Hong Kong
US	King of Prussia

CSL BIOPLASMA

Australia	Sydney
	Brisbane
	Adelaide
	Perth
New Zealand	Auckland
China	Hong Kong
	Beijing
	Chengdu
	Shanghai
	Guangzhou

CSL BEHRING

Canada	Ottowa
Mexico	Mexico City
Brazil	Sao Paulo
Argentina	Buenos Aires
United Kingdom	Haywards Heath
Belgium	Leuven
France	Paris
Portugal	Lisbon
Spain	Barcelona
Denmark	Copenhagen
Sweden	Stockholm
Germany	Hattersheim
Austria	Vienna
Italy	Milan
Switzerland	Zurich and Bern
Greece	Athens
Japan	Tokyo
China	Shanghai

SHARE INFORMATION

CSL LIMITED

Issued Capital Ordinary Shares:

602,487,176[1] as at 30 June 2009

DETAILS OF INCORPORATION

CSL's activities were carried on within the Commonwealth Department of Health until the Commonwealth Serum Laboratories Commission was formed as a statutory corporation under the Commonwealth Serum Laboratories Act 1961 (Cth) [the CSL Act] on 2 November 1961. On 1 April 1991, the Corporation was converted to a public company limited by shares under the Corporations Law of the Australian Capital Territory and it was renamed Commonwealth Serum Laboratories Limited. These changes were brought into effect by the Commonwealth Serum Laboratories (Conversion into Public Company) Act 1990 (Cth). On 7 October 1991, the name of the Company was changed to CSL Limited. The Commonwealth divested all of its shares by public float on 3 June 1994.

The CSL Sale Act 1993 (Cth) amends the CSL Act to impose certain restrictions on the voting rights of persons having significant foreign shareholdings, and certain restrictions on the Company itself.

CSL ordinary shares have been traded on the Australian Stock Exchange since 30 May 1994. Melbourne is the Home Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2009, there were no substantial shareholders of CSL.

VOTING RIGHTS

At a general meeting, subject to restrictions imposed on significant foreign shareholdings and some other minor exceptions, on a show of hands each shareholder present has one vote. On a poll, each shareholder present has one vote for each fully paid share held in person or by proxy.

In accordance with the CSL Act, CSL's Constitution provides that the votes attaching to significant foreign shareholdings are not to be counted when they pertain to the appointment, removal or replacement of more than one-third of the directors of CSL who hold office at any particular time. A significant foreign shareholding is one where a foreign person has a relevant interest in 5% or more of CSL's voting shares.

SIGNIFICANT FOREIGN SHAREHOLDINGS

As at 30 June 2009, there were no significant foreign shareholdings in CSL.

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2009

RANGE	HOLDERS	SHARES	% TOTAL SHARES
1 - 1,000	64,764	27,045,276	4.49
1,001 - 5,000	31,487	75,069,347	12.46
5,001 - 10,000	5,654	39,093,024	6.49
10,001 - 100,000	2,621	48,634,148	8.07
100,001 and over	123	412,645,381	68.49
Total shareholders and shares on issue[1]	**104,649**	**602,487,176**	**100.00**
Number of shareholders with less than a marketable parcel of 16 shares (based on the share price at 30 June 2009)	583	5,043	

[1] As at 30 June, the Company had entered into contracts to buy back an additional 3,247,748 ordinary shares, with settlement and amendment to the share register pending. The cancellation of these shares has been reflected in the reconciliation of outstanding ordinary shares in Note 20 to the financial report.

SHAREHOLDER INFORMATION

CSL'S TWENTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2009

SHAREHOLDER		ACCOUNT	SHARES	%TOTAL SHARES
1	HSBC Custody Nominees (Australia) Limited		129,183,873	21.44
2	J P Morgan Nominees Australia Limited		100,668,955	16.71
3	National Nominees Limited		67,473,423	11.20
4	Citicorp Nominees Pty Limited		31,745,398	5.27
5	ANZ Nominees Limited	Cash Income A/c	12,390,235	2.06
6	Cogent Nominees Pty Limited		7,190,634	1.19
7	AMP Life Limited		5,505,316	0.91
8	Queensland Investment Corporation		4,891,521	0.81
9	UBS Wealth Management Australia Nominees Pty Ltd		4,529,889	0.75
10	UBS Nominees Pty Ltd		3,274,509	0.54
11	Citicorp Nominees Pty Limited	CFS WSLE Imputation Fund A/c	2,501,497	0.42
12	ANZ Nominees Limited	SL Cash Income A/c	2,399,649	0.40
13	Perpetual Trustee Company Limited		2,180,789	0.36
14	Cogent Nominees Pty Limited	SMP Accounts	1,927,290	0.32
15	Citicorp Nominees Pty Limited	CFS Imputation Fund A/c	1,775,859	0.29
16	RBC Dexia Investor Services Australia Nominees Pty Limited	BCUST A/c	1,510,292	0.25
17	Australian Reward Investment Alliance		1,397,550	0.23
18	Citicorp Nominees Pty Limited	BHP Billiton ADR Holders A/c	1,344,923	0.22
19	Citicorp Nominees Pty Limited	CFS WSLE Aust Share Fund A/c	1,229,632	0.20
20	RBC Dexia Investor Services Australia Nominees Pty Limited	MLCI A/c	985,391	0.16
	Top 20 holders of ordinary and employee shares		**384,106,625**	**63.75**
	Remaining holders balance		**218,380,551**	**36.25**
	Total shares on issue[1]		**602,487,176**	**100.00**

[1] *As at 30 June, the Company had entered into contracts to buy back an additional 3,247,748 ordinary shares, with settlement and amendment to the share register pending. The cancellation of these shares has been reflected in the reconciliation of outstanding ordinary shares in Note 20 to the financial report.*

SHAREHOLDER INFORMATION CONTINUED

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street Abbotsford VIC 3067
Postal Address: GPO Box 2975 Melbourne VIC 3001
Enquiries within Australia: 1800 646 882
Enquiries outside Australia: 61 3 9415 4178
Investor enquiries facsimile: 61 3 9473 2500
Website: www.computershare.com
Email: web.queries@computershare.com.au

Shareholders with enquiries should email, telephone or write to the Share Registry at the above address.

Separate shareholdings may be consolidated by advising the Share Registry in writing or by completing a Request to Consolidate Holdings form which can be found online at the above website.

Change of address should be notified to the Share Registry online via the Investor Centre at www.computershare.com, by telephone or in writing without delay. Shareholders who are broker sponsored on the CHESS sub-register must notify their sponsoring broker of a change of address.

Direct payment of dividends into a nominated account may be arranged with the Share Registry. Shareholders are encouraged to use this option by providing a payment instruction online via the Investor Centre at www.computershare.com or by obtaining a direct credit form from the Share Registry or by advising the Share Registry in writing with particulars.

The Annual Report is produced for your information. The default option is an online Annual Report via the company's website. If you opted to continue to receive a printed copy and you receive more than one or you wish to be removed from the mailing list for the Annual Report, please advise the Share Registry. You will continue to receive Notice of Meeting and Proxy.

The Annual General Meeting will be held at the Function Centre, National Tennis Centre, Melbourne Park, Batman Avenue, Melbourne at 10:00am on Wednesday 14 October 2009. There is a public car park adjacent to the Function Centre which will be available to shareholders at no charge.

SUPPORTING THE ENVIRONMENT THROUGH eTREE

CSL Limited is a participating member of eTree and proud to support this environmental scheme encouraging security holders to register to access all their communications electronically. Our partnership with eTree is an ongoing commitment to driving sustainable initiatives that help security holders contribute to a greener future.

For every email address registered at www.eTree.com.au/csl, a donation of up to $1 is made to Landcare Australia towards reforestation projects to help restore degraded plant, animal and water resources. With your support, CSL has registered over 14,200 email addresses which in turn has facilitated the planting of more than 45,800 trees in Australia and New Zealand.

We also encourage you to visit eTree if your email address has changed and you need to update it. For every updated registration, $1 dollar will be donated to Landcare Australia. To register, you will need your Security Holder Reference Number (SRN) or Holder Identification Number (HIN).

SHAREHOLDERS AS AT 30 JUNE 2009

	SHAREHOLDERS	SHARES
Australian Capital Territory	1,834	3,051,656
New South Wales	29,574	319,023,631
Northern Territory	311	331,274
Queensland	15,359	28,497,845
South Australia	6,148	11,981,329
Tasmania	1,528	2,161,929
Victoria	36,747	218,923,066
Western Australia	9,442	12,564,252
International shareholders	3,706	5,952,194
Total shareholders and shares on issue[1]	**104,649**	**602,487,176**

[1] *As at 30 June, the Company had entered into contracts to buy back an additional 3,247,748 ordinary shares, with settlement and amendment to the share register pending. The cancellation of these shares has been reflected in the reconciliation of outstanding ordinary shares in Note 20 to the financial report.*

CORPORATE GOVERNANCE

CSL's Board and management maintain high standards of corporate governance as part of their commitment to maximise shareholder value through promoting effective strategic planning, risk management, transparency and corporate responsibility.

This statement outlines the Company's principal corporate governance practices in place during the financial year. The Board believes that the Company complies with the ASX Corporate Governance Council's Revised Corporate Governance Principles and Recommendations, released in August 2007. Furthermore, the Board and management remain committed to continuing to review the Company's corporate governance practices in response to changes in market conditions or recognised best practices.

1. THE BOARD OF DIRECTORS

1.1 THE CSL BOARD CHARTER

The Board has a formal charter documenting its membership, operating procedures and the apportionment of responsibilities between the Board and management.

The Board is responsible for oversight of the management of the Company and providing strategic direction. It monitors operational and financial performance, human resources policies and practices and approves the Company's budgets and business plans. It is also responsible for overseeing the Company's risk management, financial reporting and compliance framework.

The Board has delegated the day-to-day management of the Company, and the implementation of approved business plans and strategies to the Managing Director, who in turn may further delegate to senior management. In addition, a detailed authorisations policy sets out the decision-making powers which may be exercised at various levels of management.

The Board has delegated specific authority to five Board committees that assist it in discharging its responsibilities by examining various issues and making recommendations to the Board. Those committees are the Audit and Risk Management Committee, the Human Resources Committee, the Nomination Committee, the Innovation and Development Committee and the Securities and Market Disclosure Committee. Each committee is governed by a charter setting out its composition and responsibilities. A description of each committee and their responsibilities is set out below. The Board also delegates specific responsibilities to ad hoc committees from time to time.

The CSL Board Charter sets guidelines as to the desired term of service of non-executive directors. This charter recognises that whilst board renewal is essential, a mixture of skills and differing periods of service provides for balance and optimal outcomes at a Board level. Prior to the expiry of a director's term of office, the Board reviews that director's performance. In the event that such performance is considered less than adequate, the Board may decide that it will not support the re-election of that director.

Directors are entitled to access independent professional advice at the Company's expense to assist them in fulfilling their responsibilities. To do so, a director must first obtain the approval of the Chairman. The director should inform the Chairman of the reason for seeking the advice, the name of the person from whom the advice is to be sought, and the estimated cost of the advice. Professional advice obtained in this way is made available to the whole Board.

Details of Board meetings held during the year and individual directors' attendance at these meetings can be found on page 38 of the Directors' Report attached to the financial report.

The CSL Board Charter is available on the Company's website.

1.2 COMPOSITION OF THE BOARD

Throughout the year there were nine directors on the Board. Two of the directors – the Managing Director and the Finance Director – are executive directors. The CSL Board Charter provides that a majority of directors should be independent. No director acts as a nominee or representative of any particular shareholder. A profile of each current director, including details of their skills, expertise, relevant experience, term of office and Board committee memberships can be found on pages 24 and 25 of this Report.

The Chairman of the Board, Elizabeth Alexander, is an independent, non-executive director. She is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for communicating the views of the Board to the public. The Chairman sets the agenda for Board meetings and manages their conduct and facilitates open and constructive communication between the Board, management, and the public.

1.3 INDEPENDENCE

The Board has determined that all of its non-executive directors are independent, and were independent for the duration of the reporting period.

All CSL directors are aware of, and adhere to, their obligation under the Corporations Act to disclose to the Board any interests or relationships that they or any associate of theirs may have in a matter that relates to the affairs of the Company, and any other matter that may affect their independence. As required by law,

CORPORATE GOVERNANCE CONTINUED

details of any related party dealings are set out in full in Note 28 of the financial report. All directors have agreed to give the Company notice of changes to their relevant interests in Company shares within five days to enable both them and the Company to comply with the Australian Securities Exchange (ASX) Listing Rules. If a potential conflict of interests exists on a matter before the Board then (unless the remaining directors determine otherwise), the director concerned does not receive the relevant briefing papers, and takes no part in the Board's consideration of the matter nor exercises any influence over other members of the Board.

In addition to considering issues that may arise from disclosure by directors from time to time under these obligations, the Board makes an annual assessment of each non-executive director to determine whether it considers the director to be independent. The Board considers that an independent director is a director who is independent of management and free of any business or other relationship that could, or could reasonably be perceived to, materially interfere with the exercise of their unfettered and independent judgment.

Information about any such interests or relationships, including any related financial or other details, is assessed by the Board to determine whether the relationship could, or could reasonably be perceived to, materially interfere with the exercise of a director's unfettered and independent judgment. As part of this process the Board takes into account a range of relevant matters including:

- information contained in specific disclosures made by directors pursuant to their obligations under the CSL Board Charter and the Corporations Act;
- any past employment relationship between the director and the Company;
- any shareholding the director or any of his or her associates may have in the Company;
- any association or former association the director may have with a professional adviser or consultant to the Company;
- any other related party transactions whether as a supplier or customer of the Company or as party to a contract with the Company other than as a director of the Company;
- any other directorships held by the director;
- any family or other relationships a director may have with another person having a relevant relationship or interest; and
- length of service.

In determining whether an interest or relationship is considered to interfere with a director's independence, the Board has regard to the materiality of the interest or relationship. For this purpose, the Board adopts a conservative approach to materiality consistent with Australian accounting standards.

If a director has a current or former association with a supplier, professional adviser or consultant to the CSL Group, that supplier, adviser or consultant will be considered material:

- from the Company's point of view, if the annual amount payable by the CSL Group to the supplier, adviser or consultant exceeds 5% of the consolidated expenses of the CSL Group; and
- from the director's point of view, if that amount exceeds 5% of the supplier's, adviser's or consultant's total revenues.

Similarly, a customer of the CSL Group would be considered material for this purpose:

- from the Company's point of view, if the annual amount received by the CSL Group from the customer exceeds 5% of the consolidated revenue of the CSL Group; and
- from the director's point of view, if that amount exceeds 5% of the customer's total expenses.

In addition to assessing the relationship in a quantitative sense, the Board also considers qualitative factors, such as the nature of the goods or services supplied, the period since the director ceased to be associated and their general subjective assessment of the director.

1.4 NOMINATION COMMITTEE

The functions and responsibilities of the Nomination Committee are documented in a formal charter approved by the Board. The Nomination Committee comprises all of the independent non executive directors. The Committee is chaired by the Board Chairman.

The Committee is responsible for reviewing the Board's membership and making recommendations on any new appointments. The Committee is also responsible for:

- setting and following the procedure for the selection of new directors for nomination;
- conducting regular reviews of the Board's succession plans to enable it to maintain an appropriate mix of skills and experience;
- regularly reviewing the membership of Board committees; and
- conducting annual performance reviews of the Board, individual directors, and the Board committees.

Details of Committee meetings held during the year and individual directors' attendance at these meetings can be found on page 38 of the Directors' Report attached to the financial report.

The Nomination Committee Charter is available on the Company's website.

1.5 DIRECTOR APPOINTMENTS

One new director was appointed to the Board during the financial year. David Anstice was appointed as of 1 September 2008 and was elected at the 2008 Annual General Meeting.

Ken Roberts retired as a director on 15 October 2008. Elizabeth Alexander and David Simpson were each re-elected as directors at the 2008 Annual General Meeting.

Before their nomination for election or re-election, it is the Company's policy to ask directors to acknowledge to the Board that they have sufficient time to meet the Company's expectations of them. The Board requires that all of its members devote the time necessary to ensure that their contribution to the Company is of the highest possible quality. The CSL Board Charter sets out procedures relating to the removal of a director whose contribution is found to be inadequate.

1.6 PERFORMANCE EVALUATION

As mentioned above, the Nomination Committee meets annually to review the Board's performance. The Chairman also holds discussions with individual directors to facilitate peer review. The Nomination Committee is responsible for evaluating the performance of the Managing Director, who in turn evaluates the performance of all other senior executives. These evaluations are based on specific criteria including the Company's business performance, whether the long term strategic objectives are being achieved and the achievement of individual performance objectives. These performance evaluations took place in accordance with these processes during the last financial year.

In addition to the briefing papers, agenda and related information regularly supplied to directors, the Board has an ongoing education program designed to give directors further insight into the operation of the Company's business. As part of this program, directors have the opportunity to visit Company facilities including all major operating sites in the US, Europe and Australia and attend meetings and information sessions with employees.

2. AUDIT AND RISK MANAGEMENT

2.1 INTEGRITY IN FINANCIAL REPORTING AND REGULATORY COMPLIANCE

The Board is committed to ensuring the integrity and quality of its financial reporting, risk management and compliance systems.

Prior to giving their director's declaration in respect of the annual and half-year financial statements, the Board requires the Managing Director and the Finance Director to sign written declarations to the Board that:

- The financial statements and associated notes comply with IFRS Accounting Standards as required by the Corporations Act, the Corporations Regulations and the CSL Group Accounting Policies;
- The financial statements and associated notes give a true and fair view of the financial position as at the relevant balance date and performance of the Company for the year then ended as required by the Corporations Act;
- In their 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; and
- They have established and maintained an adequate risk management and internal compliance and control system to facilitate the preparation of a reliable financial report which in all material respects implements the policies adopted by the Board and the statements made above are based on that system.

These written declarations were received by the Board in respect of the financial year ended 30 June 2009.

2.2 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee is responsible for assisting the Board in fulfilling its financial reporting, risk management and compliance responsibilities. The functions and responsibilities of the Committee are set out in a charter. Broadly, the Committee is responsible for:

- overseeing the Company's system of financial reporting and safeguarding its integrity;
- overseeing risk management and compliance systems and the internal control framework (other than the management of risk associated with research and development projects which is the responsibility of the Innovation and Development Committee);
- monitoring the activities and effectiveness of the internal audit function;
- monitoring the activities and performance of the external auditor and coordinating its operation with the internal audit function; and
- providing full reports to the Board on all matters relevant to the Committee's responsibilities.

The roles and responsibilities of the Committee are reviewed annually.

The Committee currently comprises three independent non-executive directors. Details of the Committee's current members, including their qualifications and experience, are set out in the directors' profiles on pages 24 and 25 of this Report. The Committee's charter provides that a majority of the Committee must be independent directors, and that the Committee Chair must be an independent director who is not also Chairman of the Board. Executive directors may not be members of the Committee. Members are chosen having regard to their qualifications and training to ensure that each is capable of considering and contributing to the matters for which the Committee is responsible.

The Committee meets at least four times a year, and senior executives and internal and external auditors frequently attend meetings on invitation by the Committee. The Committee holds regular meetings with both the internal and external auditors without management or executive directors present. Details of Committee meetings held during the year and individual directors' attendance at these meetings can be found on page 38 of the Directors' Report attached to the financial report.

The Audit and Risk Management Committee Charter is available on the Company's website.

CORPORATE GOVERNANCE CONTINUED

2.3 RISK FRAMEWORK

The Company has adopted and follows a detailed and structured Risk Framework to ensure that risks in the CSL Group are identified, evaluated, monitored and managed. This Risk Framework sets out the risk management process, the roles and responsibilities for different levels of management, the risk tolerance of the Company, the matrix of risk impact and likelihood for assessing risk, and risk management reporting requirements.

As part of the Risk Framework, a Corporate Risk Management Committee of responsible executives reports to the Audit and Risk Management Committee on a quarterly basis. Its task is to implement, coordinate and facilitate the risk management process across the CSL Group. This includes quantifying and monitoring certain business risks identified and evaluated as part of the risk management process, including those relating to operating systems, the environment, health and safety, product quality, physical assets, security, disaster recovery, insurance and compliance. Each business unit and manufacturing site in the Group has its own Risk Management Committee which reports to the Corporate Risk Management Committee on a quarterly basis, and the Group has a Global Risk and Insurance Manager who is responsible for monitoring and coordinating the implementation of the Risk Framework throughout the CSL Group.

In addition, the oversight of risk management associated with research and development projects is one of the responsibilities of the Innovation and Development Committee (see below). The research and development operations have a number of management committees that report into the Innovation and Development Committee.

Risk assessment and management policies are reviewed periodically, including by the CSL Group's internal audit function.

2.4 EXTERNAL AUDITOR

One of the chief functions of the Audit and Risk Management Committee is to review and monitor the performance and independence of the external auditor. The Company's external auditor for the financial year was Ernst & Young, who were appointed by shareholders at the 2002 Annual General Meeting. A description of the procedure followed in appointing Ernst & Young is set out in the notice of the 2002 Annual General Meeting.

The Committee has established guidelines to ensure the independence of the external auditor. The external audit partner is to be rotated at least every five years, and the auditor is required to make an independence declaration annually. Information about the total remuneration of the external auditor, including details of remuneration for any non-audit services, can be found in Note 30 of the financial report.

The Committee is satisfied that the provision of those non-audit services by the external auditor was consistent with auditor independence.

The external auditor attends each Annual General Meeting to be available to answer questions from shareholders.

3. HUMAN RESOURCES COMMITTEE

Detail on the Company's remuneration policies and practices (including details of the Human Resources Committee of the Board and its charter, remuneration of directors and senior executives of the consolidated entity and the Company, and details of the Company's employee share, option and performance rights plans and human resources priorities and succession planning) are set out in the Remuneration Report on pages 41 to 53 of the Directors' Report attached to the financial report. Details of Committee meetings held during the year and individual directors' attendance at these meetings can be found on page 38 of the Directors' Report attached to the financial report.

The Human Resources Committee Charter is available on the Company's website.

4. INNOVATION AND DEVELOPMENT COMMITTEE

The Board has delegated authority to the Innovation and Development Committee to provide the Board with oversight of CSL's programs and development opportunities. The Committee comprises at least three members, being at least two independent non-executive directors and the Managing Director. The Committee is authorised by the Board to:

- monitor the strategic direction of CSL's technology, research and product development programs;
- provide guidance on issues and priorities, additions to the research and development pipeline and significant development milestones; and
- oversee the management of risk associated with the research and development projects.

The Committee generally meets at least four times a year. The Company's Chief Scientific Officer is a required attendee. The Board Chairman or any other director may attend any meeting of the Committee in an ex officio capacity. Details of Committee meetings held during the year and individual directors' attendance at these meetings can be found on page 38 of the Directors' Report attached to the financial report.

The Innovation and Development Committee Charter is available on the Company's website.

5. MARKET DISCLOSURE

5.1 CONTINUOUS DISCLOSURE

The Company has a Communications and External Disclosure Policy, which was adopted by the Board this year in place of its previous Continuous Disclosure Policy. This policy is available on the Company's website, and operates in conjunction with the Company's more detailed internal continuous disclosure policy. Together, these policies are designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules by:

- providing guidance as to the types of information that may require disclosure, including examples of practical application of the rules;
- providing practical guidance for dealing with market analysts and the media;
- identifying the correct channels for passing on potentially market-sensitive information as soon as it comes to hand;
- establishing regular occasions at which senior executives and directors are actively prompted to consider whether there is any potentially market-sensitive information which may require disclosure; and
- allocating responsibility for approving the substance and form of any public disclosure and communications with investors.

5.2 SECURITIES AND MARKET DISCLOSURE COMMITTEE

Significant ASX announcements (such as announcements of financial results or major transactions) are the subject of full Board approval. The Board has also delegated authority to a Securities and Market Disclosure Committee, which has a formal charter. The Committee is designed to be convened at short notice to enable the Company to comply with urgent or less significant continuous disclosure obligations and miscellaneous securities related issues. It comprises a minimum of any two directors, one of whom must be an independent director. The Committee has authority to:

- approve the form and substance of any disclosure to be made by the Company to the ASX in fulfilment of its continuous disclosure obligations;
- approve the allotment and issue, and registration of transfers of securities;
- make determinations on matters relating to the location of the share register; and
- effect compliance with other formalities which may be urgently required in relation to matters affecting the share capital.

From time to time, the Committee may also be specifically authorised by the Board to approve minor amendments to significant ASX announcements following full Board approval.

Details of Committee meetings held during the year and individual directors' attendance at these meetings can be found on page 38 of the Directors' Report attached to the financial report.

The Securities and Market Disclosure Committee Charter is available on the Company's website.

5.3 SHAREHOLDER COMMUNICATION

In addition to its formal disclosure obligations under the ASX Listing Rules, the Board uses a number of additional means of communicating with shareholders. These include:

- the half-year and annual report and shareholder review;
- posting media releases, public announcements, notices of general meetings and voting results, and other investor related information on the Company's website; and
- annual general meetings, including webcasting which permits shareholders worldwide to view proceedings.

The Company has a dedicated Governance page on the Company's website which supplements the communication to shareholders in the annual report regarding the Company's corporate governance policies and practices. That web page also contains copies of many of the Company's governance-related documents, policies and information.

The Board is committed to monitoring ongoing developments that may enhance communication with shareholders, including technological developments, regulatory changes and the continuing development of "best practice" in the market, and to implementing changes to the Company's communications strategies whenever reasonably practicable to reflect any such developments.

6. SECURITIES TRADING POLICY

By promoting director and employee ownership of shares, the Board hopes to encourage directors and employees to become long-term holders of Company securities, aligning their interests with those of the Company. It does not condone short-term or speculative trading in its securities by directors and employees, nor does it permit directors or employees to enter into any price protection arrangements with third parties to hedge such securities or margin loan arrangements in relation to Company securities. The Company has a comprehensive securities trading policy which applies to all directors and employees and is available on the Company's website. The policy aims to inform directors and employees of the law relating to insider trading, and provide them with practical guidance for avoiding unlawful transactions in Company securities.

As a basic principle, the policy states that directors and employees should not buy or sell securities in the Company when they are in possession of price sensitive information which is not generally available to the market. In addition, the policy identifies certain "blackout periods" during which no directors or employees are allowed to trade in Company securities. Directors and employees are reminded that procuring others to trade in Company securities when in possession of price sensitive information is also a breach of the law and the securities trading policy. Acquisitions of securities under the employee share and option plans are exempt from the prohibition under the Corporations Act.

A procedure of internal notification and approval applies to directors and designated senior employees wishing to buy or sell Company securities or exercise options over Company shares. Directors and designated senior employees are forbidden from making such transactions without the prior approval of the Chairman (in the case of Directors) and the Company Secretary (in the case of designated senior employees). Directors also have specific disclosure obligations under the Corporations Act and the corresponding ASX Listing Rules.

CORPORATE GOVERNANCE CONTINUED

7. CORPORATE RESPONSIBILITY

The Company's approach to Corporate Responsibility is guided by its Group Values, Code of Responsible Business Practice and related policies.

7.1 GROUP VALUES

The Company has developed a set of values common to the diverse business units that form the CSL Group. The CSL Group Values, endorsed by the Board, serve as the foundation for every day decision-making. These values are superior performance, innovation, integrity, collaboration and customer focus.

7.2 CODE OF RESPONSIBLE BUSINESS PRACTICE

The Board adopted a new Code of Responsible Business Practice (the Code) in December 2008. Based upon the CSL Group Values and guiding principles, the Code outlines CSL's commitment to responsible business practices and ethical standards. The Code replaces the previous CSL Limited Code of Conduct and sets out the rights and obligations that all employees have in the conduct of the Company's business. These rights and obligations relate to:

- business integrity, including statements relating to compliance with applicable laws and standards, ethical and transparent business practices, privacy and political donations;
- the safety and quality of products, including statements on bioethics (including animal ethics) and human rights principles;
- maintaining a safe, fair and rewarding workplace, which covers many employee relations issues such as:
  - labour standards;
  - equal employment opportunity/workplace harassment;
  - learning and development;
  - occupational health and safety;
  - professional behaviour;
  - employee counselling;
  - recruitment and selection;
  - recognition of employee contribution;
  - rehabilitation; and
  - reporting and management of incidents;
- the community, incorporating policy statements on charitable donations; and
- environmental management.

In accordance with the Code, the Company is committed to ensuring that employees, contractors, suppliers and partners are able to raise concerns regarding any illegal conduct or malpractice and to have such concerns properly investigated. This commitment is implemented through the Company's internal Whistleblower Policy, which sets out the mechanism by which employees, contractors, suppliers and partners can confidently, and anonymously if they wish, voice such concerns in a responsible manner without being subject to victimisation, harassment or discriminatory treatment.

A copy of the Code was distributed to all employees in March/April 2009 and an enhanced training program is being developed and will be implemented across the CSL Group in the next financial year.

The Company expects its contractors and suppliers to comply not only with the laws of the countries in which they operate, but also with internationally accepted best practice. It therefore expects that contractors and suppliers also observe the principles set out in the Code.

A copy of the Code can be accessed in 11 languages on the Company's website.

7.3 SUPPORTING POLICIES

A review of the CSL policy framework was conducted in conjunction with the introduction of the Code. The new framework provides for three levels of policy making within the CSL Group as follows:

- Board Policies cover any operational issue of strategic importance that applies to all CSL Group business units and all CSL Group employees and are approved by the Board;
- Global Policies cover issues of an operational nature requiring consistent implementation across all CSL Group business units and are approved by a member of the Executive Management Group or the Chair of a CSL Global Functional Committee; and
- Local Policies cover issues that apply to a particular CSL Group business unit or a part of a particular CSL Group business unit and are approved by the appropriate site leader or functional leader.

The new framework ensures that policy issues are reviewed and approved at the appropriate level within the CSL Group and that the principles outlined in the Code are properly implemented.

Communication of the revised CSL policy framework has been undertaken to ensure that all employees have a clear understanding of the policy structure and decision making processes within the CSL Group.

CSL LIMITED

FINANCIAL REPORT 2008-2009

CONTENTS

DIRECTORS' REPORT

The Board of Directors of CSL Limited has pleasure in presenting their report on the consolidated entity for the year ended 30 June 2009.

1. Directors

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

Miss E A Alexander, AM (Chairman)

Dr B A McNamee, AO (Managing Director)

Mr J H Akehurst

Mr A M Cipa

Mr I A Renard

Mr M A Renshaw

Professor J Shine, AO

Mr D J Simpson

Mr K J Roberts, AM, was a Director from the beginning of the financial year until his retirement on 15 October 2008.

Mr D W Anstice was appointed Director on 2 September 2008 and continues in office at the date of this report.

Particulars of the directors' qualifications, experience, all directorships of public companies held for the past three years, special responsibilities, ages and the period for which each has been a director are set out in the Directors' Profiles section of the Annual Report.

2. Company Secretary

Mr E H Bailey, B.Com/LLB, FCIS, was appointed to the position of Company Secretary on 1 January 2009 and continues in office at the date of this report. Mr Bailey joined CSL Limited in 2000 and had occupied the role of Assistant Company Secretary from 2001. Before joining CSL Limited, Mr Bailey was a Senior Associate with Arthur Robinson & Hedderwicks. Mr P R Turvey, BA/LLB, MAICD, having been appointed to the position of Company Secretary in 1998 acted in that capacity during the financial year until his retirement from office on 31 December 2008. Mr Turvey remains in the capacity of Assistant Company Secretary as well as performing other senior management roles within the Company.

3. Directors' Meetings

During the year, the Board held fourteen meetings. The Audit and Risk Management Committee met four times, the Human Resources Committee met four times, the Innovation and Development Committee met four times and the Nominations Committee met once. The Securities and Market Disclosure Committee met eleven times and comprises at least any two Directors, one of whom must be a non-executive director.

The attendances of directors at meetings of the Board and its Committees were:

	Board of Directors		Audit and Risk Management Committee		Securities and Market Disclosure Committee	Human Resources Committee		Innovation and Development Committee		Nomination Committee
	Attended	Maximum	Attended	Maximum	Attended	Attended	Maximum	Attended	Maximum	Attended
E A Alexander	14	14	4	4	11	4[2]	4	2[1]		1
B A McNamee	14	14	4[2]	4	11	4[2]	4	4	4	
J H Akehurst	14	14				4	4			1
A M Cipa	13	14	4[2]	4	3					
I A Renard	14	14	4	4	5			1[2]		1
M A Renshaw	12	14						4	4	1
K J Roberts	5	5				2	2			
J Shine	14	14						4	4	1
D J Simpson	14	14	4	4	5	4	4			1
D W Anstice	7	9				2	2	2	2	1

[1] Attended for at least part in ex officio capacity

[2] Attended for at least part by invitation

4. Principal Activities

The principal activities of the consolidated entity during the financial year were the research, development, manufacture, marketing and distribution of biopharmaceutical and allied products.

5. Operating Results

The Group's net profit was up 63.3% to $1.145 billion. Total income was $5.04 billion up 32% on the previous year, with research and development expenditure of $311.6 million up 38% on the previous year. Net operating cash flow was $1.024 billion, up 49% on the previous year.

6. Dividends

The following dividends have been paid or declared since the end of the preceding financial year:

2007-2008 As declared by the Directors in last year's Directors' Report, a final dividend for the year ended 30 June 2008 of 23 cents per share, 100% franked, was paid on 10 October 2008.

2008-2009 An interim dividend of 30 cents per share, unfranked, was paid on 9 April 2009. The Company's Directors have declared an unfranked final dividend of 40 cents per ordinary share for the year ended 30 June 2009.

In accordance with determinations by the Directors, the Company's dividend reinvestment plan remains suspended.

Total dividends for the 2008-2009 year are:

	On Ordinary shares $000
Interim dividend paid 9 April 2009	180,982
Final dividend payable on 9 October 2009	239,695

7. Review of Operations

CSL Behring product sales grew 17% in constant currency terms to $3.8 billion when compared to the 12 months ended 30 June 2008. Strong contribution from immunoglobulins and critical care products have underpinned the growth.

Immunoglobulins grew 26% in constant currency terms with vigorous growth in Privigen®, consistent with the company's transition program in favour of liquid over lyophilised presentations. Vivaglobin® (subcutaneous Immunoglobulin) attracted significant patient growth. Volume and price growth and, above all, product mix contributed to global growth in immunoglobulin sales. Specialty products Rhophylac® (Anti-D) and Tetagam®P (Tetanus) also boosted sales.

The Critical Care segment grew by 18% in constant currency terms underpinned by volume growth of albumin, particularly in the US and emerging markets. Specialty, particularly Haemocompletta®P, Beriplex® P/N and Berinert®P, also made a significant contribution.

Haemophilia sales grew at 8% in constant currency terms, after adjusting for short term supply issues with Monoclate-P® as indicated in the half year result. Total sales volume grew by 11% with pricing steady, albeit the total average price was affected by growth in lower priced emerging and tender markets.

Sale of plasma raw material declined consistent with the new supply contract with Talecris Biotherapeutics ("Talecris").

CSL Bioplasma sales were up by 32% to $334 million driven by strong demand and improved pricing for albumin in China. Demand for plasma therapies from Hong Kong, Singapore and Taiwan was also strong. Australian sales grew by 8%.

CSL Biotherapies sales were up 5% to $502 million. Growth in influenza vaccine sales into the Northern Hemisphere was offset by reduced Australian sales of Gardasil® (Human Papillomavirus Vaccine). The current period included Gardasil® sales into the Australian market of $159 million and $26 million into the New Zealand market, compared with $227 million in the prior comparable period arising from strong demand during the initial take-up by women in the 18-26 year old cohort. Influenza vaccine sales totalled $124 million for the period, up 60% compared to the prior comparable period.

Other revenue/income grew 69% to $417 million, the key driver being a $157 million foreign exchange gain arising from the conversion back to Australian dollars of US$1.5 billion of funds held in deposit in anticipation of the closure of the Talecris acquisition.

8. Significant changes in the State of Affairs

On 13 August 2008, the Company announced that it had signed an agreement to acquire Talecris from Cerberus Partners, L.P. and Ampersand Ventures for US$3.1 billion. This acquisition was subject to the Company obtaining required regulatory approvals, including approval by the United States' Fair Trade Commission ("FTC").

The proposed acquisition was to be funded in-part through an institutional share placement that raised approximately $1.685 billion and a share placement plan that raised approximately $145 million.

On 9 June 2009, following the announcement that the FTC intended to challenge the Company's proposed acquisition of Talecris, the Company announced that the Company and Talecris had mutually agreed to terminate the merger agreement. On the same day, the Company announced its intention to conduct an on-market buyback of up to 54,863,000 shares. Up to 30 June 2009 4,261,134 shares had been bought on market. Subsequent to year end and from 1 July until 10 July 2009, an additional 4,282,285 shares were purchased. Post 10 July and up to 19 August 2009, no further shares have been bought back.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year not otherwise disclosed in this report or in the financial statements.

DIRECTORS' REPORT CONTINUED

9. Significant events after year end

Other than as disclosed in the financial statements, the Directors are not aware of any matter or circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the consolidated entity, results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

10. Likely Developments, Business Strategies and Future Prospects

In the medium term the Company expects to continue to grow through developing differentiated plasma products, expanding flu vaccine sales internationally, receiving royalty flows from the exploitation of the Human Papillomavirus Vaccine by Merck & Co, Inc, and the commercialisation of the Company's Iscomatrix™ adjuvant technology. Over the longer term the Company intends to develop new products which are protected by its own intellectual property and which are high margin human health medicines marketed and sold by the Company's global operations. Further comments on likely developments and expected results of certain aspects of the operations of the consolidated entity and on the business strategies and prospects for future financial years of the consolidated entity, are contained in the Year in Review in the Annual Report and in section 7 of this Directors' Report. Additional information of this nature can be found on the Company's website, www.csl.com.au. Any further information of this nature has been omitted as it would unreasonably prejudice the interests of the Company to refer further to such matters.

11. Environmental Regulatory Performance

The consolidated entity maintains a global Health, Safety and Environment Management System to ensure its facilities operate to internationally recognised standards. These standards include strict compliance with Government regulations and a commitment to minimising the impact of operations on the environment.

The consolidated entity's environmental obligations and waste discharge quotas are regulated under applicable Australian and foreign laws. Environmental regulatory performance is monitored by the Board and subjected from time to time to government agency audits and site inspections. Throughout the Company's operations, environmental leadership groups continue to refine data collection systems and processes to ensure the Company is well prepared for new regulatory requirements.

No environmental breaches have been notified by the Environmental Protection Authority in Victoria, Australia, or by any other equivalent interstate or foreign government agency in relation to the Company's Australian, European or Asia Pacific operations during the year ended 30 June 2009, except for two minor notifications which were submitted to applicable U.S. regulatory authorities during the reporting year. Following submission of response reports, no further action was required of CSL by the applicable regulatory authorities.

The Company's global Health, Safety and Environment Management System ensures the consolidated entity continuously reviews its environmental responsibilities, including regulatory compliance, and seeks to continuously improve its approach to environmental management. As part of continuous improvement in environmental reporting, both regulatory and voluntary, CSL released its first Global Environmental Report during the reporting year. Reporting on key environmental issues including energy consumption, emissions, water use and management of waste, the report outlined the many ways CSL is working to maintain compliance and actively address CSL's important environmental issues through innovation, skills development and prudent investments.

Whilst it is the Company's view that climate change does not pose any significant risks to its operations in the short to medium term, climate change continues to drive new regulatory regimes around the world. Climate change is monitored and acted upon by the Company as applicable to ensure compliance to new and emerging regulatory requirements. For example, Environment and Energy Resource Efficiency Plans submitted for Australian operations were approved by the Environmental Protection Authority (Victoria) in the reporting year, and preparatory works were assessed for completeness against reporting requirements of the Australian Government's *National Greenhouse Energy Reporting Act (2007)* due by 31 October 2009.

12. Directors' Shareholdings and Interests

At the date of this report, the interests of the directors who held office at 30 June 2009 in the shares, options and performance rights of the Company are set out in Section 15 (and in Tables 7 and 10) of this Report and Note 28 of the Financial Report. It is contrary to Board policy for key management personnel to limit exposure to risk in relation to these securities. From time to time the Company Secretary makes inquiries of key management personnel as to their compliance with this policy.

13. Directors' Interests in Contracts

Section 17 of this Report sets out particulars of the Directors Deed entered into by the Company with each director in relation to Board paper access (indemnity and insurance matters).

14. Share Options

As at the date of this report, the number of unissued ordinary shares in the Company under options and under performance rights are set out in Note 27 of the Financial Statements.

Holders of options or performance rights do not have any right, by virtue of the options or performance rights, to participate in any share issue by the Company or any other body corporate or in any interest issued by any registered managed investment scheme.

The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in the Company is set out in Note 27 (b) and (c) of the Financial Statements. Since the end of the financial year, 975 shares were issued under the Company's Performance Rights Plan and 67,800 shares were issued under the SESOP II plan.

15. Remuneration Report

This remuneration report summarises the remuneration arrangements applicable to the key management personnel and the top 5 most highly remunerated officers of both the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The information provided in this report has been audited as required by section 308(3C) of the Corporations Act 2001.

Key Management Personnel

For the purposes of this report, key management personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, and include:

a. All executive and non executive directors of CSL Limited, as listed in Table 3 of this report;

b. Those executives who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Board and Human Resources Committee

The Board and its Human Resources Committee have various responsibilities in relation to the Group's human resource and remuneration framework.

The full Board has responsibility for:

a. Determining remuneration payable to non-executive directors;

b. Deciding the remuneration package of the CEO, inclusive of fixed pay and short and long term incentive components;

c. Reviewing and making decisions in relation to the appointment and the terms of employment of the CEO;

d. Approving remuneration proposals from the Committee in relation to senior management; and

e. Overseeing the Group's Senior Executive Share Ownership Plan and Global Employee Share Plan and any other employee share, option and performance right plans (including approval of the establishment of, or any amendment to, those plans), and determining the policies which will apply to the implementation of those plans.

The Board's Human Resources Committee is responsible for approving human resources initiatives of the CSL Group generally. The Committee's responsibilities include:

a. Recommending to the Board a framework or policy for employee remuneration. The policy should aim to set remuneration which:

    i. is competitive, equitable and designed to attract and retain high quality employees;

    ii. motivates executives to pursue the long-term growth of the CSL Group; and

    iii. establishes a clear relationship between executives' performance and their remuneration;

b. Reviewing, and recommending to the Board the design of any long term incentive and retention schemes and share ownership plans and any amendments to such schemes or plans;

c. Reviewing recommendations from the Managing Director on short and long term incentive and retention schemes and share ownership plans, inclusive of allocations and measurement and making recommendations to the Board;

d. Reviewing, approving and monitoring the implementation of the Company's Human Resources Strategic Plan and Performance Management Systems;

e. Reviewing and recommending to the Board the total individual remuneration package of each member of senior management who reports to the Managing Director;

f. Reviewing the CSL Group's executive management succession plan; and

g. Reporting to the Board the findings and recommendations of the Committee after each meeting.

The Committee comprises three independent, non-executive directors, namely David Simpson (Chairman, effective 15 October 2008), John Akehurst and David Anstice. Ken Roberts AM was Chairman of the Committee until his retirement on 15 October 2008. Jill Lever, Senior Vice President – Human Capital, acts as the Secretary of the Committee. The Board Chairperson may attend any meeting of the Committee in an ex officio capacity. The Managing Director, senior executives and professional advisors retained by the Human Resources Committee attend meetings by invitation.

The Committee meets at the conclusion of the performance management process, at the conclusion of the succession planning process, prior to the allocation of long term incentives, and at other times as are required to discharge its responsibilities. Information about Committee meetings held during the year and individual directors' attendance at these meetings can be found in section 3 of this Directors' Report.

Any recommendation made by the Human Resources Committee concerning an individual director's or executive's remuneration is made without that director or executive being present.

Non-Executive Directors' Remuneration

As approved by shareholders on 17 October 2007, the Company's constitution sets the current maximum aggregate amount of remuneration which may be paid to non-executive directors at $2,000,000. Any increases to this sum in the future are subject to shareholder approval at a general meeting.

Subject to the aggregate remuneration cap, non-executive director fees are set at levels which:

a. enable the Company to attract and retain suitably qualified directors with appropriate experience and expertise; and

b. have regard to directors' Board responsibilities and their individual roles on Board committees.

DIRECTORS' REPORT CONTINUED

The Board determines the fees payable to non-executive directors based on advice from professional advisors and after considering the fees payable to non-executive directors by comparable organisations. Non-executive director remuneration is not linked to the Group's short-term financial performance and these directors are not entitled to performance based remuneration or participation in the Group's equity incentive plans.

Table 1 below sets out non-executive director board and committee fees on a per annum basis. These fee levels became effective as of 1 July 2008.

The Chairperson of the Board does not receive any additional fees for committee responsibilities.

In addition to the fees detailed below, the Company's constitution provides that the Board may approve the payment of additional amounts of remuneration to individual directors for extra services rendered from time to time. It also provides that directors be reimbursed for reasonable expenses incurred by them in the course of discharging their duties.

Non-executive directors participate in the Non-Executive Directors' Share Plan approved by shareholders at the 2002 annual general meeting. Under this plan, non-executive directors are required to take at least 20% of their director's fees in the form of shares in the Company. Shares are purchased on-market at prevailing share prices, twice yearly, subsequent to the announcement of the half and full year results.

Non-executive directors were entitled to a retirement allowance as approved by shareholders in 1994 equal to the highest fees over any consecutive 36 months of service. If the director had served more than five years on the Board, they would receive another 5% of the base fee at the time of retirement for every additional year served, up to a limit of 15 years. The Board terminated this retirement plan as at 31 December 2003 and froze the retirement allowance as at that date.

Table 3 shows actual fees paid to non-executive and executive directors in respect to the 2009 and 2008 financial years.

Executive Remuneration

In order to attract and retain high calibre employees, the Group aims to provide each individual executive with a market competitive remuneration package that is commensurate with their position and responsibilities and which is geared towards aligning their interests with those of shareholders. As such, executive remuneration packages include a fixed remuneration element and performance related at risk elements in the form of short term cash based and long term equity based incentives.

The proportion of an executive's maximum remuneration potential that is performance based or at risk varies depending on the executive's seniority level. As an executive's seniority level increases, so does the proportion of their maximum remuneration potential that is performance related or at risk. This proportion ranges from 10% to 60% of fixed remuneration. The relative proportions of actual remuneration attributable to fixed and performance based remuneration elements in respect to each of the Group's executive key management personnel in 2009 is set out in Table 5.

CSL's performance management system is central to the management of performance related remuneration. The extent to which executives meet or exceed the performance objectives as set out in the performance management plan influences an executive's actual entitlement to short-term incentives as well as executives' ability to participate in the Group's long-term incentive programs. Performance as measured under the performance management system is also taken into consideration in reviewing fixed remuneration.

Table 4 shows actual remuneration paid to non director executive key management personnel in respect to the 2009 and 2008 financial years.

Fixed Remuneration

Depending on the country in which the executive is employed, an executive's fixed pay comprises "salary including benefits" or "salary plus benefits".

Where a "salary including benefits" approach is adopted, an executive's fixed remuneration comprises benefits the executive has elected to receive in lieu of salary inclusive of any associated costs such as fringe benefits tax and mandatory superannuation, with the balance paid as cash salary. Where a "salary plus benefits" approach is adopted, the salary is specified and the Company provides benefits to an executive consistent with the labour market practices in that jurisdiction.

Executives who are working in a country other than their usual country of residence are eligible to receive benefits in accordance with the Company's expatriate policies. CSL's expatriate policies are intended to compensate an executive for the additional commitment and costs associated with working in a different country.

Short-term Incentives

Subject to meeting or exceeding agreed objectives, short-term incentives may be awarded to executives based on their annual performance as evaluated under CSL's performance management system.

Table 1 - Non-executive director board and committee fees

Role	Board	Audit & Risk Management Committee	Human Resources Committee	Nomination Committee	Securities & Market Disclosure Committee	Innovation & Development Committee
Chairman	470,000	30,000	20,000	-	-	20,000
Members	180,000	15,000	10,000	-	-	10,000

At the commencement of each financial year each executive's performance objectives are set. The Board approves the Managing Director's performance objectives and ensures that they are consistent with Board approved corporate objectives, plans and budgets. Similarly, and in that context, the Managing Director sets the performance objectives of his direct reports and he reviews and approves the objectives of their staff. Performance objectives include a blend of financial, corporate and individual objectives and typically include targets in relation to contribution to earnings, the successful implementation of strategic initiatives, management of operating expenses, customer service, risk management, market share and portfolio management. These objectives have been adopted because the attainment of each is likely to directly correlate to an increase in shareholder value. Additionally each executive is expected to conduct themselves in a manner which supports and demonstrates behaviour, consistent with our Company values.

A formal review of each executive's progress against their specific objectives is conducted twice annually, with the full year performance review of the Managing Director's direct reports discussed and agreed to by the Board. The Board has responsibility for reviewing the Managing Director's performance annually. Short term incentive rewards are then paid subsequent to the completion of the financial year if individual executives have met or exceeded their performance objectives.

Long-term Incentives

Long-term incentives are reserved for executives (and other employees) who have performed to a required performance level and who are regarded as being of strategic and/or operational importance to the Group. These incentives are also used in order to attract certain new employees. The Group currently offers long term incentives in the form of:

a. Cash incentives subject to deferred settlement, the value of which is ultimately determined via reference to the Company's future share price. Only the Managing Director has a long term incentive of this type.

   In any given year, where the Managing Director's performance generates an entitlement to a cash settled STI, it simultaneously generates an entitlement to a further cash based reward which is subject to deferred settlement. When the Managing Director is eligible to receive this particular reward, its amount is determined and payable as follows:

   - 50% of the STI awarded to the Managing Director for a given financial year's performance (the 'entitlement year') is divided by the volume weighted share price during the last week of that financial year to give a number ('A').
   - 3 years from the end of the 'entitlement year' (or earlier at the Board's discretion), and subject to his continuing employment with the Group over the intervening period, the Managing Director is entitled to the payment of a cash amount equivalent to 'A' multiplied by the volume weighted share price during the last week immediately prior to the end of that 3 year period (or such earlier period as the Board may determine).

b. Equity rewards. Equity rewards take the form of performance rights and performance options and options issued under the Senior Executive Share Ownership Plan II ("SESOP II"). During the years ended 30 June 2008 and 2009, only performance rights and performance options were issued to eligible executives under the CSL Performance Rights Plan, as approved by shareholders at the 2003 annual general meeting. No SESOP II options were issued during the 2009 year. As set out in section 12 of this report, it is contrary to Board policy for key management personnel to limit exposure to risk in relation to performance rights and options which may be granted to them.

Performance Rights and Performance Options

In October 2008 the long-term incentive grants made to executives incorporated both performance rights and performance options. Grants of performance rights and performance options to the Executive Directors at that time were made in accordance with the resolution approved by shareholders at the 2006 Annual General Meeting. Each long-term incentive grant generally consists of 50% performance rights and 50% performance options. For a specified group of Senior Leadership Executives, a mix of 40% performance rights and 60% performance options was granted. The use of a higher proportion of the grant as performance options is consistent with our intent of providing a higher level of at risk remuneration, for the most senior staff in the Group, including the Managing Director and executive key management personnel.

Performance rights and performance options are subject to different quantitative performance hurdles. The use of two types of quantitative performance hurdles aligns long term incentive rewards more closely with corporate performance, increases the market competitiveness of remuneration packages and facilitates the attraction and retention of high calibre executives. In addition, the vesting of performance rights and options is also contingent on a qualitative hurdle which requires executives to obtain a satisfactory (or equivalent) rating under the Company's performance management system for the financial year prior to vesting of the performance rights and performance options.

Performance rights and performance options which vest may be exercised any time between their vesting date and their expiry date. Any vested but unexercised performance rights and options expire seven years from the date of their initial grant. Current offers provide for a portion to become exercisable, subject to satisfying the relevant performance hurdles, after the second anniversary of the date of grant. Full vesting does not occur until four years post grant date. If the portion tested at the applicable anniversary meets the relevant performance hurdle, then those particular rights and options vest and become exercisable until the expiry date. If the portion tested fails to meet the performance hurdles then those particular rights and options may be carried over to the next anniversary and retested. Any performance rights and options that have not vested on the fifth anniversary of their initial grant date lapse.

DIRECTORS' REPORT CONTINUED

Performance rights

Performance rights are issued for nil cash consideration and represent the right to subscribe for one share for nil consideration. The number of performance rights granted, reflects an executive's seniority, job value and location and the relevant market conditions in each region of the world in which CSL recruits for talent.

The performance hurdle attached to performance rights is a relative Total Shareholder Return ("TSR") hurdle with a peer group of the companies comprising the ASX top 100 by market capitalisation (excluding companies with the GICS industry codes of commercial banks, oil and gas and metals and mining). Relative TSR was chosen as the LTI performance hurdle, as it provides an alignment between comparative shareholder return and potential reward for staff. The peer group for the October 2008 performance rights allocation was established on 1 October 2008, which was also the date of grant. Each performance right grant is split into three tranches, each with a different vesting period. Tranche 1 (25% of total grant), Tranche 2 (35% of total grant) and Tranche 3 (40% of total grant) have vesting periods of 2, 3 and 4 years, respectively, from date of grant. Vesting of performance rights at the end of the relevant vesting period occurs if the Company's TSR ranking is at or above the 50th percentile on the relevant test date. Subject to performance hurdles being met over applicable vesting periods, each vested performance right entitles an eligible executive to an ordinary share in the Company for nil cash consideration. The performance hurdle for performance rights issued prior to October 2006 is such that 50% of performance rights vest at the 50th percentile, with the balance vesting on a straight line basis between the 50th and 75th percentile, with 100% of rights vesting if the 75th percentile is reached.

Performance options

Performance options are issued for nil cash consideration with an exercise price equal to the volume weighted average CSL share price over the week up to and including the day of grant.

Performance options have a basic earnings per share (EPS) performance hurdle. The target is 10% compound EPS growth per annum measured from 30 June in the financial year preceding the grant of options until 30 June in the financial year prior to the relevant test date. The Board considers that an EPS hurdle is appropriate since a key approved corporate objective is the pursuit of sustainable earnings growth.

Each grant of performance options is split into three tranches with different vesting periods, mirroring the arrangements detailed above with respect to performance rights. Vesting of performance options is subject to the EPS performance hurdle being met over applicable vesting periods. When a performance option vests, it entitles the eligible executives to purchase an ordinary share in the Company at the exercise price applicable to the option tranche.

The Company does not provide loans to fund the exercise of performance options.

Changes to Performance Rights Plan

The Performance Rights Plan is an integral feature of the Company's remuneration philosophy. It is aimed at delivering outcomes that serve CSL's needs to operate its global businesses successfully by attracting and retaining high calibre employees and motivating them to pursue ongoing growth of the business, thus aligning their interests with those of shareholders. Consistent with this objective, CSL is committed to providing performance related at risk remuneration incentives in the form of Performance Rights and Performance Options. However, following a recent review of the Performance Rights Plan and arising from a compatibility test with trends in current market practice, it has been decided that any grants made on or after 1 January 2010 will be subject to modified provisions as follows:

a. Provided that relevant individual and CSL Group performance hurdles are met, vesting of 50% of Performance Rights and Performance Options granted will occur after the third anniversary with the remaining 50% vesting after the fourth anniversary of the date of grant;

b. Each tranche of performance rights and performance options will have only one retest opportunity, namely, if the first tranche of 50% does not vest after the third anniversary, it will be retested at the fourth anniversary and the second tranche of 50%, eligible for initial vesting at the fourth anniversary will be retested after the fifth anniversary of the date of grant; and

c. The performance hurdle will be revised in respect of performance rights so that 50% of performance rights vest when CSL reaches the 50th percentile of a ranked group of comparator companies on Total Shareholder Return, with the balance vesting on a straight line basis between the 50th and 75th percentile, where 100% of rights vest.

Alongside these agreed changes the Board intends to review the Company's Performance Rights Plan in the light of outcomes from various Australian government reviews as yet incomplete and alongside the need to retain competitive remuneration practices in the 18 countries in which our executive employees are operating.

SESOP II

Prior to the introduction of performance rights and performance options, the Senior Executive Share Ownership Plan II ("SESOP II") had been used for the purpose of delivering long-term incentives. All SESOP II options which were capable of vesting have vested and there have been no SESOP II options granted since the 2003 financial year.

Under the rules of SESOP II, participants could be provided with a loan to fund the exercise of the options as at the date of exercise. Interest equivalent to the after-tax cash amount of dividends on the underlying shares (excluding the impact of imputation and assuming a marginal income tax rate of 46.5%) is charged on loans where provided. The SESOP II loan terms provide that the Company can seek immediate loan repayment where the market value of the shares issued to an individual participant falls to 110% or less of the total exercise price. This mechanism ensures that the full loan amount remains recoverable by the Company.

Certain KMP have outstanding SESOP II loans as at 30 June 2008 and 2009, respectively. The difference between interest calculated at market rates versus that which is calculated pursuant to the terms above is included in the relevant KMP's remuneration as a non monetary benefit.

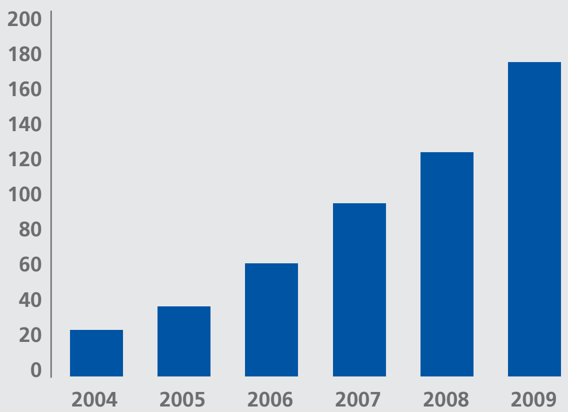
Total amount of equity issued to employees

As at 30 June 2009 the total number of shares, performance rights and options issued under all Company equity plans was 5,349,182 representing 0.89% of the total number of issued shares.

Relationship between Company performance and executive remuneration

The Company's remuneration framework aims to incentivise executives towards creating shareholder value. The creation of shareholder value in recent years is evidenced by increases in earnings per share (EPS). The Company's EPS performance is displayed graphically below:

CSL Limited - Basic earnings per share (cents)*



*In certain years, the earnings per share used for performance management purposes has been adjusted to exclude the profit and loss impact attributable to significant events or transactions.

The generation of an increasing level of EPS and shareholder value over the 6 years to 30 June 2009, has meant performance objectives which are linked to financial results have been met (or exceeded) and accordingly over that timeframe the component of each executive's short term incentive that is linked to the consolidated group's financial result has been payable.

Similarly, long term equity rewards in the form of options and rights that have had testing dates within this 6 year timeframe have been found to have exceeded relevant performance hurdles and accordingly have vested.

Table 2 below illustrates the Group's annual compound growth in basic earnings per share (EPS) in respect to performance options granted in 2006, 2007 and 2008 respectively. The compound growth rate applicable to Tranche 1 of the 2006 performance options grant exceeded the 10% hurdle over their 2 year vesting period and accordingly those performance options vested in October 2008. Based on the growth rates below, it appears likely that Tranche 2 of the 2006 performance option grant and Tranche 1 of the 2007 performance option grant will each vest in October 2009.

Table 2- Annual compound growth of EPS

Year of grant	Compound EPS growth to the end of the financial year		
	2007	2008	2009
2006	53%	41%	41%
2007		30%	35%
2008			41%

Since October 2003, the Company has provided long-term incentives using performance rights which have a total shareholder return (TSR) hurdle. On 30 September 2008 (test date), the vesting period of the performance rights granted on 7 June 2005 and 2 October 2006 (Tranche 1) concluded and an assessment was undertaken to determine whether the TSR hurdle had been met or exceeded between the grant and test dates applicable to each grant. An external, independent party calculated the respective TSR from the date of each grant and up until the test date. The TSR in respect of the 7 June 2005 grant was 301.29%, ranking the Company at the top of the comparator group. The TSR in respect to tranche 1 of the performance rights granted on 2 October 2006 was 110.6%, also ranking the Company at the top of the comparator group. Accordingly, as the TSR performance hurdle was exceeded in each instance, each issue of performance rights vested, thereby entitling eligible executives to an ordinary share per vested right for nil consideration.

Employment Contracts - Non Executive Directors

Non-executive directors are subject to ordinary election and rotation requirements as stipulated in the ASX Listing Rules and the Company's constitution. Accordingly, there are no specific employment contracts with non-executive directors.

Employment Contracts - Executive Key Management Personnel

All executive key management personnel are employed under individual service contracts. Each contract outlines the key terms of employment including the executive's fixed remuneration. The potential short-term incentive may also be stipulated in the contract or be governed by the Company's remuneration policy which governs the level of short-term incentives applicable to seniority levels.

It is the Group's general practice that employment contracts for executives do not have a fixed term.

It is the Group's policy that employment contracts for executives contain provisions for termination with notice or payment in lieu thereof. Accordingly, each executive key management person is entitled to 6 months notice on termination or to the payment of 6 months salary in lieu of notice. They are also entitled to 12 months of salary (excluding non cash benefits) on termination, irrespective of the notice period given. Each individual is required to give the Group 6 months notice if they intend to resign from their role. An executive's employment may also be terminated by the Group without notice and, without payment in lieu, for serious misconduct and breach of contract.

DIRECTORS' REPORT CONTINUED

Table 3 - Directors' remuneration

Directors	Year	Short term benefits			Post employment		Other long term		Equity		
		Cash salary and fees[1] $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Long service leave $	Deferred cash incentives $	Performance rights[2] $	Performance options[2] $	Total $
Executive Directors											
Dr B A McNamee	**2009**	**2,165,780**	**1,120,000**	**-**	**100,000**	**-**	**124,439**	**560,000**	**1,187,280**	**816,823**	**6,074,322**
Managing Director	2008	2,048,741	1,167,645	-	100,000	-	193,565	583,822	1,059,728	561,291	5,714,792
A M Cipa	**2009**	**785,393**	**367,356**	**-**	**66,458**	**-**	**52,502**	**-**	**468,611**	**326,222**	**2,066,542**
Finance Director	2008	841,851	333,960	212	64,266	-	60,480	-	407,137	209,538	1,917,444
Non-executive Directors											
E A Alexander	**2009**	**431,193**	**-**	**-**	**38,807**	**-**	**-**	**-**	**-**	**-**	**470,000**
Chairman	2008	376,147	-	-	33,853	-	-	-	-	-	410,000
J H Akehurst	**2009**	**175,138**	**-**	**-**	**15,762**	**-**	**-**	**-**	**-**	**-**	**190,900**
Non-executive director	2008	161,376	-	-	14,299	-	-	-	-	-	175,675
I A Renard	**2009**	**186,388**	**-**	**-**	**16,775**	**-**	**-**	**-**	**-**	**-**	**203,163**
Non-executive director	2008	166,376	-	-	14,636	-	-	-	-	-	181,012
M A Renshaw	**2009**	**185,137**	**-**	**-**	**16,662**	**-**	**-**	**-**	**-**	**-**	**201,799**
Non-executive director	2008	163,876	-	-	14,524	-	-	-	-	-	178,400
K J Roberts[3]	**2009**	**52,836**	**-**	**-**	**27,046**	**263,725**	**-**	**-**	**-**	**-**	**343,607**
Non-executive director	2008	171,376	-	-	14,974	-	-	-	-	-	186,350
Professor J Shine	**2009**	**175,138**	**-**	**-**	**15,762**	**-**	**-**	**-**	**-**	**-**	**190,900**
Non-executive director	2008	163,876	-	-	14,524	-	-	-	-	-	178,400
D J Simpson	**2009**	**203,888**	**-**	**-**	**18,350**	**-**	**-**	**-**	**-**	**-**	**222,238**
Non-executive director	2008	183,876	-	-	15,874	-	-	-	-	-	199,750
D W Anstice[4] *Non-executive director*	**2009**	**149,281**	**-**	**-**	**13,735**	**-**	**-**	**-**	**-**	**-**	**163,016**
Total of all	**2009**	**4,510,172**	**1,487,356**	**-**	**329,357**	**263,725**	**176,941**	**560,000**	**1,655,891**	**1,143,045**	**10,126,487**
Directors[5, 6]	2008	4,277,495	1,501,605	212	286,950	-	254,045	583,822	1,466,865	770,829	9,141,823

[1] As disclosed in the section titled "Non-Executive Director Remuneration", non-executive directors participate in the NED Share Plan under which non-executive directors are required to take at least 20% of their fees in the form of shares in the Company which are purchased on-market at prevailing share prices. The value of this remuneration element is included in cash, salary and fees.

[2] The options and rights have been valued using a combination of the Binomial and Black Scholes option valuation methodologies as at the grant date adjusted for the probability of performance hurdles being achieved. This valuation was undertaken by PricewaterhouseCoopers. The amounts disclosed in remuneration have been determined by allocating the value of the options and performance rights evenly over the period from grant date to vesting date in accordance with applicable accounting standards. As a result, the current and prior year remuneration includes amounts referable to options and rights that we granted in the year under report and in prior years.

[3] Mr K J Roberts retired from the office of Director on 15 October 2008. Accordingly, his 2009 remuneration is referrable to the period from 1 July 2008 until 15 October 2008.

[4] Mr D W Anstice was appointed Director on 2 September 2008 and his remuneration is referrable to services rendered from that date until 30 June 2009.

[5] There were no termination benefits paid to key management personnel listed in Table 3 during the years ended 30 June 2008 or 2009. During the 2009 financial year, Mr KJ Roberts received a retirement benefit of the type disclosed in the section titled "Non Executive Director Remuneration".

[6] All non executive and executive directors are considered to be key management personnel.

Table 4 – Non director executive key management personnel and other executive remuneration

Executive	Year	Short term benefits			Post employment		Other	Other Long Term		Equity		
		Cash salary and fees[1] $	Cash bonus[1] $	Non-monetary benefits[1] $	Super-annuation[1] $	Retirement benefits $	Termination benefits $	Long service leave $	Deferred cash incentives $	Performance right[2] $	Performance options[2] $	Total $
Key Management Personnel												
P Turner *President, CSL Behring*	**2009**	**1,342,671**	**646,324**	**14,217**	**245,512**	**-**	**-**	**129,470**	**-**	**447,966**	**326,222**	**3,152,382**
	2008	934,728	500,151	12,344	276,999	-	-	111,513	-	395,443	209,538	2,440,716
A Cuthbertson *Chief Scientific Officer*	**2009**	**558,585**	**183,206**	**10,298**	**47,659**	**-**	**-**	**24,239**	**-**	**248,206**	**180,312**	**1,252,505**
	2008	500,755	142,684	36,396	41,720	-	-	14,300	-	220,931	120,812	1,077,598
P Turvey[3] *Company Secretary and General Counsel*	**2009**	**305,034**	**97,550**	**1,304**	**68,260**	**-**	**-**	**20,006**	**-**	**70,069**	**45,762**	**607,985**
	2008	538,764	245,410	10,309	250,152	-	-	39,723	-	149,392	91,454	1,325,204
M Sontrop *GM, CSL Biotherapies Australia & New Zealand*	**2009**	**391,765**	**154,875**	**-**	**109,892**	**-**	**-**	**26,237**	**-**	**137,592**	**142,067**	**962,428**
	2008	370,653	160,908	21,719	127,746	-	-	23,055	-	100,877	82,501	887,459
J Davies[4] *GM, CSL Bioplasma, Asia Pacific*	**2009**	**344,284**	**137,700**	**-**	**93,364**	**-**	**-**	**25,000**	**-**	**114,210**	**140,301**	**854,859**
	2008	100,841	43,746	1,880	2,930	-	-	16,541	-	24,870	25,524	216,332
A von Bibra[5] *GM, Human Resources*	**2009**	**76,310**	**-**	**-**	**16,929**	**-**	**521,285**	**13,796**	**-**	**-**	**-**	**628,320**
	2008	334,247	74,000	1,369	28,994	-	-	8,540	-	67,160	70,013	584,323
E Bailey[6] *Company Secretary*	**2009**	**160,255**	**43,400**	**3,782**	**12,798**	**-**	**-**	**18,269**	**-**	**15,185**	**11,654**	**265,343**
G Boss[6] *Group General Counsel*	**2009**	**217,978**	**101,826**	**11,706**	**12,372**	**-**	**-**	**-**	**-**	**53,225**	**60,630**	**457,737**
J Lever[7] *Senior VP, Human Capital*	**2009**	**27,996**	**-**	**-**	**2,339**	**-**	**-**	**650**	**-**	**-**	**-**	**30,985**
T Giarla[8] *President, Bioplasma Asia Pacific*	2008	244,755	210,974	86,324	27,881	3,187	-	-	-	79,667	51,413	704,201
C Armit *President, CSL Biotherapies*	2008	105,246	-	-	18,462	-	-	-	-	-	-	123,708
Total KMP remuneration	**2009**	**3,424,878**	**1,364,881**	**41,307**	**609,125**	**-**	**521,285**	**257,667**	**-**	**1,086,453**	**906,948**	**8,212,544**
	2008	3,129,989	1,377,873	170,341	774,884	3,187	-	213,672	-	1,038,340	651,255	7,359,541
Other Executives[9]												
P Perreault *Executive VP, Commercial Operations*	**2009**	**549,471**	**267,801**	**45,571**	**26,789**	**-**	**-**	**-**	**-**	**203,586**	**190,199**	**1,283,417**
G Naylor *Executive VP, Plasma/Supply Chain*	**2009**	**542,389**	**263,418**	**23,412**	**21,625**	**-**	**-**	**19,238**	**-**	**133,804**	**150,935**	**1,154,821**

DIRECTORS' REPORT CONTINUED

Table 4 – Non director executive key management personnel and other executive remuneration (Continued)

[1] Cash salary and fees, cash bonuses and superannuation paid in foreign currency in respect to executives based overseas have been converted to Australian dollars at an average exchange rate for the year. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the respective currency exchange rates. Mr P Turner, Mr G Boss, Mr P Perreault and Mr G Naylor are all based in the United States and accordingly elements of their total remuneration are impacted by the AUD/USD exchange rate. All other executives listed in Table 4 are based in Australia and their remuneration is denominated in Australian dollars.

[2] The options and rights have been valued using a combination of the Binomial and Black Scholes option valuation methodologies as at the grant date adjusted for the probability of hurdles being achieved. This valuation was undertaken by PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the options and performance rights evenly over the period from grant date to vesting date in accordance with applicable accounting standards. As a result, the current and prior year remuneration includes amounts referable to options and rights that were granted in the year under report and in prior years.

[3] Mr P Turvey resigned as Company Secretary on 31 December 2008. Accordingly Mr Turvey's 2009 remuneration reflects amounts paid to him from 1 July 2008 until his date of resignation.

[4] Mr J Davies became a key management person on 1 March 2008 and therefore remuneration disclosed for 2008 purposes reflects amounts paid or payable to Mr Davies from that date until 30 June 2008.

[5] Ms A von Bibra ceased to be a key management person upon leaving the Company on 31 December 2008. Accordingly, Ms von Bibra's 2009 remuneration reflects amounts paid to her from 1 July 2008 until 31 December 2008.

[6] Mr E Bailey became a key management person on 1 January 2009 when he was appointed as Company Secretary. Similarly, Mr G Boss became a key management person on I January 2009 when he became Group General Counsel. Accordingly, their respective 2009 remuneration amounts as disclosed above reflect amounts paid or payable to them from the date on which each became a key management person until 30 June 2009.

[7] Ms J Lever became a key management person on 1 June 2009. Accordingly, Ms Lever's remuneration reflects amounts paid to her from 1 June 2009 to 30 June 2009.

[8] Mr T Giarla ceased to be a key management person effective 30 June 2008. Mr T Giarla was previously on an international assignment contract. Mr Giarla repatriated to the USA in February 2008, and was retained in a part time advisor capacity until December 2008. Consistent with the terms of his contract at the conclusion of Mr Giarla's advisory role he received a termination payment consisting of 1 year base salary, health benefits for two years after termination date and US$32,000 as compensation for other ongoing benefits. These amounts did not enter into the calculation of Mr Giarla's remuneration for the 2008 financial year, as disclosed above, and are not included in 2009 remuneration amounts as Mr Giarla was not a key management person during the 2009 financial year.

[9] Mr P Perreault's and Mr G Naylor's 2009 remuneration has been disclosed pursuant to the requirements of section 300A(1) of the Corporations Act 2001, as each received remuneration in 2009 which placed them amongst the Group's 5 most highly remunerated executives in that year. Mr P Perrault and Mr G Naylor are not KMP in the context of AASB 124 *Related Party Disclosures*.

Executive Key Management Personnel

Fixed and Performance Remuneration Components

Table 5 – Executive key management personnel remuneration components in the 2009 financial year

Remuneration components as a proportion of total remuneration	Remuneration not linked to Company performance[1]	Performance Related Remuneration				Total
			Equity Based			
		Cash based bonuses[2]	Performance rights	Performance options	Total	
Executive Directors						
B A McNamee	39%	28%	20%	13%	61%	100%
A M Cipa	44%	18%	22%	16%	56%	100%
Other executives						
P Turner	55%	21%	14%	10%	45%	100%
A Cuthbertson	51%	15%	20%	14%	49%	100%
P Turvey	65%	16%	11%	8%	35%	100%
E Bailey	74%	16%	6%	4%	26%	100%
G Boss	53%	22%	12%	13%	47%	100%
M Sontrop	55%	16%	14%	15%	45%	100%
J Davies	54%	16%	13%	17%	46%	100%
A von Bibra	100%	-	-	-	-	100%
J Lever	100%	-	-	-	-	100%

[1] Remuneration not linked to Company performance means fixed remuneration as outlined in the section "Executive Remuneration" of this report and comprises cash salary, superannuation and non monetary benefits.

As stated under the "Fixed Remuneration" section of this report, any recommendations concerning senior executive fixed remuneration levels are significantly influenced by the executive's performance as assessed under the CSL Group's performance management system.

[2] Cash based bonuses include amounts awarded which are due and payable shortly after the conclusion of the financial year as well as that component of Dr McNamee's entitlement which is subject to deferred settlement terms.

DIRECTORS' REPORT CONTINUED

Table 6 - Executive key management personnel performance remuneration components in the 2009 financial year

Key management person	Cash incentives[1]		Accounting values being amortised in respect of the 2009 equity grants in future years[2]				Remuneration consisting of options & rights	Grant date value of options & rights granted during 2008/09	Value of options & rights exercised during 2008/09 at exercise date[3]
	Percentage Awarded[1]	Percentage Not Awarded[1]	2010 $	2011 $	2012 $	2013 $	%	$	$
Executive Directors									
B A McNamee	80.0%	20.0%	582,369	421,721	219,391	42,555	33%	1,700,022	6,478,500
A M Cipa	80.0%	20.0%	262,178	189,856	98,769	19,158	38%	765,337	-
Other executives									
P Turner	95.0%	5.0%	262,178	189,856	98,769	19,158	24%	765,337	3,488,560
A Cuthbertson	75.0%	25.0%	130,996	94,860	49,349	9,572	34%	382,396	1,733,293
P Turvey	75.0%	25.0%	-	-	-	-	19%	-	1,179,150
E Bailey	70.0%	30.0%	20,745	14,986	7,769	1,505	10%	60,465	610,762
G Boss	100.0%	-	116,988	84,717	44,072	8,549	25%	341,506	778,537
M Sontrop	87.5%	12.5%	143,113	103,636	53,916	10,458	29%	417,771	1,353,831
J Davies	85.0%	15.0%	143,113	103,636	53,916	10,458	32%	417,771	-
A von Bibra	-	-	-	-	-	-	-	-	721,857
J Lever[4]	-	-	-	-	-	-	-	-	-

[1] Cash incentives awarded and not awarded relate to the period ended 30 June 2009 only. All cash incentive amounts are payable in full shortly after the conclusion of the 30 June 2009 financial year with the exception of that component of Dr McNamee's cash incentive that is subject to deferred settlement. The percentage awarded and not awarded in respect to Dr McNamee's cash paid incentive components (comprising an amount paid shortly after the conclusion of the financial year and an amount subject to deferred settlement terms) are the same.

The extent to which an individual executive meets and exceeds their annual performance objectives determines the level of award received. To be awarded 100% of an executive's potential short-term incentive, the executive is required to have exceeded all performance objectives.

[2] The value of performance rights and performance options is determined at grant date and is then amortised over the applicable vesting period. The amount which will be included in a given executive's remuneration for a given year is consistent with this amortisation amount.

[3] The value at exercise date has been determined by the share price at the close of business on exercise date less the option/right exercise price (if any) multiplied by the number of options/rights exercised during 2009.

[4] Ms J Lever commenced employment on 1 June 2009 and was therefore not eligible to participate in the 2009 short term incentive program.

Executive Key Management Personnel

Options and Rights Holdings

Table 7 – Key management personnel performance right holdings

Key management person	Balance at 1 July 2008	Number granted	Number exercised	Number lapsed / forfeited	Balance at 30 June 2009	Number vested during the year	Balance at 30 June 2009	
							Vested and exercisable	Unvested
Executive Directors								
B A McNamee	513,480	21,600	210,000	-	325,080	244,230	244,230	80,850
A M Cipa	176,340	9,720	-	-	186,060	94,290	154,290	31,770
Other executives								
P Turner	114,990	9,720	92,940	-	31,770	92,940	-	31,770
A Cuthbertson	57,870	4,860	45,150	-	17,580	45,150	-	17,580
P Turvey	42,270	-	32,625	-	9,645	32,625	-	9,645
E Bailey	9,840	960	-	-	10,800	3,180	7,380	3,420
G Boss	21,690	4,340	14,445	-	11,585	14,445	-	11,585
M Sontrop	31,830	5,300	23,625	-	13,505	23,625	-	13,505
J Davies	20,010	5,300	-	-	25,310	11,925	11,925	13,385
A von Bibra	18,360	-	11,280	7,080	-	11,280	-	-
J Lever	-	-	-	-	-	-	-	-
Total	**1,006,680**	**61,800**	**430,065**	**7,080**	**631,335**	**573,690**	**417,825**	**213,510**

The number of ordinary shares issued on exercise of performance rights is equivalent to the number of performance rights exercised. No amounts are payable on exercise of performance rights.

Table 8 - The terms and conditions of the performance rights granted to key management personnel (amongst others) in the 2008 and 2009 financial years

Grant Date	Tranche	Value per right at grant date	First exercise date	Last exercise date
1 October 2007	1	28.65	1 October 2009	1 October 2014
1 October 2007	2	26.78	1 October 2010	1 October 2014
1 October 2007	3	25.20	1 October 2011	1 October 2014
1 October 2008	1	33.30	30 September 2010	30 September 2013
1 October 2008	2	31.72	30 September 2011	30 September 2013
1 October 2008	3	30.15	30 September 2012	30 September 2013

DIRECTORS' REPORT CONTINUED

Options and Rights Holdings

Table 9 - Shares issued to key management personnel on exercise of performance rights during the 2009 financial year

Executive	Date performance rights granted	Number of shares issued
B A Mc Namee	26 October 2003	90,000
	30 March 2004	120,000
P Turner	7 June 2005	52,950
	20 December 2005	35,700
	2 October 2006	4,290
A Cuthbertson	7 June 2005	15,750
	20 December 2005	27,000
	2 October 2006	2,400
P Turvey	7 June 2005	18,750
	20 December 2005	12,000
	2 October 2006	1,875
G Boss	7 June 2005	13,050
	2 October 2006	1,395
M Sontrop	7 June 2005	22,050
	2 October 2006	1,575
A von Bibra	7 June 2005	9,900
	2 October 2006	1,380

No amount is payable on exercise of performance rights. One ordinary share is issued on the exercise of each performance right.

Table 10 - Key management personnel option holdings

Key management person	Balance at 1 July 2008	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2009	Number Vested during the year	Balance at 30 June 2009: Vested and exercisable	Balance at 30 June 2009: Unvested
Executive Directors								
B A McNamee	236,400	74,880	-	-	311,280	39,690	39,690	271,590
A M Cipa	87,840	33,720	-	-	121,560	14,535	14,535	107,025
Other executives								
P Turner	87,840	33,720	14,535	-	107,025	14,535	-	107,025
A Cuthbertson	50,280	16,840	8,130	-	58,990	8,130	-	58,990
P Turvey	38,340	-	-	-	38,340	6,345	6,345	31,995
E Bailey	25,140	2,220	18,600	-	8,760	1,080	1,080	7,680
G Boss	38,460	15,040	9,600	-	43,900	4,740	4,740	39,160
M Sontrop	47,520	18,420	15,000	-	50,940	5,310	5,310	45,630
J Davies	32,100	18,420	-	-	50,520	5,310	5,310	45,210
A von Bibra	36,240	-	12,600	23,640	-	4,680	-	-
J Lever	-	-	-	-	-	-	-	-
Total	**680,160**	**213,260**	**78,465**	**23,640**	**791,315**	**104,355**	**77,010**	**714,305**

Table 11- Terms and conditions of the options granted to key management personnel (amongst others) during the 2008 and 2009 financial years

Grant Date	Tranche	Value per option at Grant Date	First Exercise Date	Last Exercise Date
1 October 2007	1	12.06	1 October 2009	1 October 2014
1 October 2007	2	12.33	1 October 2010	1 October 2014
1 October 2007	3	12.59	1 October 2011	1 October 2014
1 October 2008	1	13.31	30 September 2010	30 September 2013
1 October 2008	2	13.58	30 September 2011	30 September 2013
1 October 2008	3	13.85	30 September 2012	30 September 2013

Options and Rights Holdings

Table 12 – Shares issued on exercise of options during the 2009 financial year

Executive	Date options granted	Number of shares issued	$ amount paid per share	$ amount unpaid per share
P Turner	2 October 2006	14,535	17.48	-
A Cuthbertson	2 October 2006	8,130	17.48	-
A von Bibra	2 October 2006	4,680	17.48	-
A von Bibra	1 July 2003	7,920	4.06	-
E Bailey	1 July 2003	18,600	4.06	-
G Boss	1 July 2003	9,600	4.06	-
M Sontrop	1 July 2003	15,000	4.06	-

One ordinary share is issued on the exercise of each option.

16. Other Transactions and Balances with Directors and other Key Management Personnel

The directors and other key management personnel and their related entities have the following transactions with entities within the consolidated entity that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing at arm's length in similar circumstances:

The Group has a number of contractual relationships, including property leases and collaborative research arrangements, with the University of Melbourne of which Mr Ian Renard was the Chancellor until 10 January 2009 and of which Miss Elizabeth Alexander is the Chair of the Finance Committee and a member of the Council and Dr Virginia Mansour (whose husband is Dr Brian McNamee) is a member of the Council.

17. Indemnification of Directors and Officers

During the financial year, the insurance and indemnity arrangements discussed below were in place concerning directors and officers of the consolidated entity.

The Company has entered into a Director's Deed with each director regarding access to Board papers, indemnity and insurance. Each deed provides:

(a) an ongoing and unlimited indemnity to the relevant director against liability incurred by that director in or arising out of the conduct of the business of the Company or of a subsidiary (as defined in the Corporations Act) or in or arising out of the discharge of the duties of that director. The indemnity is given to the extent permitted by law and to the extent and for the amount that the relevant director is not otherwise entitled to be, and is not actually, indemnified by another person or out of the assets of a corporation, where the liability is incurred in or arising out of the conduct of the business of that corporation or in the discharge of the duties of the director in relation to that corporation;

(b) that the Company will maintain, for the term of each director's appointment and for seven years following cessation of office, an insurance policy for the benefit of each director which insures the director against liability for acts or omissions of that director in the director's capacity or former capacity as a director ; and

(c) the relevant director with a right of access to Board papers relating to the director's period of appointment as a director for a period of seven years following that director's cessation of office. Access is permitted where the director is, or may be, defending legal proceedings or appearing before an inquiry or hearing of a government agency or an external administrator, where the proceedings, inquiry or hearing relates to an act or omission of the director in performing the director's duties to the Company during the director's period of appointment.

In addition to the Director's Deeds, Rule 146 of the Company's constitution requires the Company to indemnify each "officer" of the Company and of each wholly owned subsidiary of the Company out of the assets of the Company "to the relevant extent" against any liability incurred by the officer in the conduct of the business of the Company or in the conduct of the business of such wholly owned subsidiary of the Company or in the discharge of the duties of the officer unless incurred in circumstances which the Board resolves do not justify indemnification.

For this purpose, "officer" includes a director, executive officer, secretary, agent, auditor or other officer of the Company. The indemnity only applies to the extent the Company is not precluded by law from doing so, and to the extent that the officer is not otherwise entitled to be or is actually indemnified by another person, including under any insurance policy, or out of the assets of a corporation, where the liability is incurred in or arising out of the conduct of the business of that corporation or in the discharge of the duties of the officer in relation to that corporation.

The Company paid insurance premiums of $780,334 in respect of a contract insuring each individual director of the Company and each full time executive officer, director and secretary of the Company and its controlled entities, against certain liabilities and expenses (including liability for certain legal costs) arising as a result of work performed in their respective capacities, to the extent permitted by law.

18. Auditor independence and non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the entity's auditor, Ernst & Young for non-audit services provided during the year are set out below. The directors, in accordance with the advice received from the Audit and Risk Management Committee, are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure that they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 accompanies this Report.

Ernst & Young and its related practices received or are due to receive the following amounts for the provision of non-audit services in respect to the year ended 30 June 2009:

Due diligence and completion audits	$21,481
Compliance and other services	$222,554
Total fee paid for non-audit services	$244,035

19. Rounding

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 directors.

Elizabeth Alexander (Director)

Brian A McNamee (Director)

Melbourne
19 August 2009

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF CSL LIMITED

In relation to our audit of the financial report of CSL Limited for the financial year ended 30 June 2009, 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

Ernst & Young

Denis Thorn

Denis Thorn
Partner
Melbourne
19 August 2009

CSL LIMITED

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
Continuing operations					
Sales revenue	3	**4,622,387**	3,556,662	**569,212**	553,674
Cost of sales		**(2,399,720)**	(1,928,683)	**(402,453)**	(362,355)
Gross profit		**2,222,667**	1,627,979	**166,759**	191,319
Other revenues	3	**247,666**	237,630	**510,411**	524,150
Other income	3	**169,352**	9,080	**9,274**	4,526
Research and development expenses		**(311,615)**	(225,121)	**(175,614)**	(124,233)
Selling and marketing expenses		**(489,150)**	(396,100)	**(69,448)**	(74,738)
General and administration expenses	3(i)	**(407,264)**	(251,648)	**(36,006)**	(53,649)
Finance costs	3	**(61,909)**	(49,796)	**-**	(437)
Profit before income tax expense		**1,369,747**	952,024	**405,376**	466,938
Income tax (expense) / benefit	4	**(223,815)**	(250,222)	**7,819**	(33,111)
Profit attributable to members of the parent company	22	**1,145,932**	701,802	**413,195**	433,827

Earnings per share	5	Cents	Cents		
Basic earnings per share		**192.51**	127.58		
Diluted earnings per share		**191.74**	126.85		

The above income statements should be read in conjunction with the accompanying notes.

CSL LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
CURRENT ASSETS					
Cash and cash equivalents	6	**2,528,097**	701,590	**-**	-
Trade and other receivables	7	**885,884**	709,390	**2,900,012**	671,824
Inventories	8	**1,522,039**	1,198,133	**90,108**	77,453
Current tax assets	16	**12,174**	-	**58,161**	40,136
Other financial assets	9	**854**	1,513	**-**	-
Total Current Assets		**4,949,048**	2,610,626	**3,048,281**	789,413
NON-CURRENT ASSETS					
Trade and other receivables	7	**10,225**	8,160	**6,408**	4,832
Other financial assets	9	**8,397**	8,442	**1,348,974**	1,340,144
Property, plant and equipment	10	**1,197,502**	975,936	**379,849**	348,242
Deferred tax assets	11	**227,096**	173,238	**12,384**	-
Intangible assets	12	**974,547**	910,510	**-**	-
Retirement benefit assets	13	**-**	8,052	**-**	3,518
Total Non-Current Assets		**2,417,767**	2,084,338	**1,747,615**	1,696,736
TOTAL ASSETS		**7,366,815**	4,694,964	**4,795,896**	2,486,149
CURRENT LIABILITIES					
Trade and other payables	14	**663,818**	444,723	**1,149,211**	684,820
Interest-bearing liabilities and borrowings	15	**332,358**	128,052	**55,055**	5,789
Current tax liabilities	16	**101,173**	123,018	**-**	54,157
Provisions	17	**126,959**	139,525	**31,797**	30,328
Deferred government grants	18	**469**	469	**469**	469
Derivative financial instruments	19	**873**	167	**-**	-
Total Current Liabilities		**1,225,650**	835,954	**1,236,532**	775,563
NON-CURRENT LIABILITIES					
Interest-bearing liabilities and borrowings	15	**385,420**	825,134	**-**	-
Deferred tax liabilities	11	**108,062**	93,677	**-**	593
Provisions	17	**38,811**	41,553	**6,573**	6,687
Deferred government grants	18	**12,083**	6,950	**12,083**	6,950
Retirement benefit liabilities	13	**133,894**	85,571	**2,772**	-
Total Non-Current Liabilities		**678,270**	1,052,885	**21,428**	14,230
TOTAL LIABILITIES		**1,903,920**	1,888,839	**1,257,960**	789,793
NET ASSETS		**5,462,895**	2,806,125	**3,537,936**	1,696,356
EQUITY					
Contributed equity	20	**2,760,207**	1,034,337	**2,760,207**	1,034,337
Reserves	21	**15,198**	(134,299)	**55,565**	27,823
Retained earnings	22	**2,687,490**	1,906,087	**722,164**	634,196
TOTAL EQUITY	24	**5,462,895**	2,806,125	**3,537,936**	1,696,356

The above balance sheets should be read in conjunction with the accompanying notes.

CSL LIMITED

STATEMENTS OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
Profit for the year		**1,145,932**	701,802	**413,195**	433,827
Exchange differences on translation of foreign operations, net of hedges	21	**121,011**	51,894	**-**	-
Gains/(losses) on available-for-sale financial assets, net of tax	21	**-**	(2,957)	**-**	(2,957)
Actuarial gains/(losses) on defined benefit plans, net of tax	22	**(45,037)**	(3,534)	**(5,734)**	(2,973)
Net income/(expense) recognised directly in equity		**75,974**	45,403	**(5,734)**	(5,930)
Total recognised income and expense for the year attributable to equity holders	24	**1,221,906**	747,205	**407,461**	427,897

The above statements of recognised income and expense should be read in conjunction with the accompanying notes.

CSL LIMITED

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
Cash flows from Operating Activities					
Receipts from customers		**4,756,195**	3,648,044	**384,296**	373,671
Payments to suppliers and employees		**(3,440,962)**	(2,709,521)	**(280,773)**	(202,227)
Cash generated from operations		**1,315,233**	938,523	**103,523**	171,444
Income taxes paid		**(294,150)**	(237,859)	**(63,953)**	(26,417)
Interest received		**66,198**	33,574	**2,510**	1,943
Finance costs paid		**(62,457)**	(44,982)	**-**	(5)
Net cash inflow from operating activities	25	**1,024,824**	689,256	**42,080**	146,965
Cash flows from Investing Activities					
Proceeds from sale of property, plant and equipment		**1,411**	845	**-**	-
Dividends received		**-**	-	**4,346**	857
Trust distribution received		**-**	7,325	**-**	7,325
Payments for property, plant and equipment		**(285,611)**	(218,086)	**(70,975)**	(62,102)
Payments for other investments		**-**	(42)	**-**	(42)
Payments for intellectual property		**(32,292)**	(26,578)	**-**	-
Payments for restructuring of acquired entities and businesses		**-**	(186)	**-**	-
Payments for onerous contracts		**-**	(2,399)	**-**	-
Payments related to discontinued acquisition activities		**(133,037)**	-	**-**	-
Net cash outflow from investing activities		**(449,529)**	(239,121)	**(66,629)**	(53,962)
Cash flows from Financing Activities					
Proceeds from issue of shares		**1,859,903**	13,099	**1,859,903**	13,099
Dividends paid	23	**(319,492)**	(227,431)	**(319,492)**	(227,431)
Advances (to)/from subsidiaries		**-**	-	**(1,510,187)**	174,263
Repayment of borrowings		**(397,340)**	(36,858)	**-**	-
Payment for shares bought back		**(54,941)**	-	**(54,941)**	-
Receipts/(payment) for settlement of finance hedges		**(34,004)**	26,080	**-**	-
Net cash inflow/(outflow) from financing activities		**1,054,126**	(225,110)	**(24,717)**	(40,069)
Net increase/(decrease) in cash and cash equivalents		**1,629,421**	225,025	**(49,266)**	52,934
Cash and cash equivalents at the beginning of the financial year		**695,596**	474,138	**(5,789)**	(58,723)
Exchange rate variations on foreign cash and cash equivalent balances		**197,175**	(3,567)	**-**	-
Cash at the end of the financial year	25	**2,522,192**	695,596	**(55,055)**	(5,789)

For non-cash financing activities refer to note 25.

The above cash flow statements should be read in conjunction with the accompanying notes.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. Corporate information

CSL Limited is a company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Stock Exchange. This financial report covers both the separate financial statements of CSL Limited, as an individual entity and the consolidated financial statements for the consolidated entity consisting of CSL Limited (the Parent Company) and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of the directors on 19 August 2009.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial report has been prepared under the historical cost convention, except for "available-for-sale" and "at fair value through profit or loss" financial assets and liabilities (including derivative instruments), that have been measured at fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report are disclosed in note 1(ee).

The Parent Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

Early Adoption of AASB 8 Operating Segments

AASB 8 Operating Segments was early adopted by the Group in 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires segment information to be presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented. The change in reportable segments has required a reallocation of Research & Development expense. There have been no impacts on the measurement of the segment assets and liabilities as a result of applying the new standard. Comparatives for 2008 have been restated.

(b) Principles of consolidation

i. Subsidiaries

The consolidated financial statements comprise the financial statements of CSL Limited and its subsidiaries. Subsidiaries are all of those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the Parent Company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of assets acquired and the liabilities and contingent liabilities assumed at the date of the acquisition.

In the individual financial statements of CSL Limited, investments in subsidiaries are accounted for at cost.

ii. Employee share trust

The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated as the substance of the relationship is that the trust is controlled by the Group.

1. Summary of significant accounting policies (continued)

(c) Segment reporting

Operating segments, as defined in note 2, are reported in a manner consistent with the internal reporting to the chief operating decision maker. The Chief Executive Officer is considered to be the chief operating decision maker.

(d) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is CSL Limited's functional and presentational currency.

ii. Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in functional currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

iii. Group companies

The results of foreign subsidiaries are translated into Australian dollars at average exchange rates. Assets and liabilities of foreign subsidiaries are translated to Australian dollars at exchange rates prevailing at balance date and resulting exchange differences are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to the foreign currency translation reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain on sale or loss on sale where applicable.

(e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable. The Group recognises revenue when: the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Group and the specific criteria have been met for each of the Group's activities as described below.

i. Sales revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products to buyers external to the Group. Sales revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

ii. Interest income

Interest income is recognised as it accrues (using the effective interest rate method).

iii. Other revenue

Other revenue is recognised as it accrues.

iv. Dividend income

Dividend income is recognised when the shareholder's right to receive the payment is established.

(f) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to an expense item are deferred and recognised in the income statement over the period necessary to match them with the expenses that they are intended to compensate. Government grants received for which there are no future related costs are recognised in the income statement immediately. Government grants relating to the purchase of property, plant and equipment are included in current and non-current liabilities as deferred income and are released to the income statement on a straight line basis over the expected useful lives of the related assets.

(g) Borrowing costs

Borrowing costs are expensed as incurred, except where they are directly attributable to the acquisition or construction of a qualifying asset in which case they are capitalised as part of the cost of that asset.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

1. Summary of significant accounting policies (continued)

(h) Goods and Services Tax and other foreign equivalents (GST)

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from a taxation authority in which case it is recognised as part of an asset's cost of acquisition or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, taxation authorities is included in other receivables or payables in the balance sheet. Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from or payable to a taxation authority are presented as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, a taxation authority.

(i) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent Company is able to control the timing of the reversal of temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities are related to the same taxable entity or group and the same taxation authority.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(j) Cash, cash equivalents and bank overdrafts

Cash and cash equivalents in the balance sheet comprise cash on hand, at call deposits with banks or financial institutions and investments in money market instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the balance sheet bank overdrafts are included within current interest bearing liabilities and borrowings. For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

(k) Trade and other receivables

Trade and other receivables are initially recorded at fair value and are generally due for settlement within 30 to 60 days from date of invoice. Collectability of trade and other receivables is reviewed on an ongoing basis at an operating unit level. Debts which are known to be uncollectible are written off when identified. An allowance for doubtful debts is recognised when there is objective evidence that the Group may not be able to fully recover all amounts due according to the original terms. The amount of the allowance recognised is the difference between the receivable's carrying amount and the present value of estimated future cash flows that may ultimately be recovered. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. When a trade receivable for which a provision for impairment has been recognised becomes uncollectible in a subsequent period, it is written off against the provision.

Other current receivables are recognised and carried at the nominal amount due. Non-current receivables are recognised and carried at amortised cost. They are non-interest bearing and have various repayment terms.

(l) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost includes direct material and labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1. Summary of significant accounting policies (continued)

(m) Investments and other financial assets

The Group's financial assets have been classified into one of the three categories noted below. The classification depends on the purpose for which the investments were acquired. The Group determines the classification of its investments at initial recognition and re-evaluates this designation at each financial year end when allowed and appropriate.

i. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Financial assets at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement. After initial recognition, assets in this category are carried at fair value. Gains and losses on financial assets held for trading are recognised in the income statement when they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest rate method and are included in trade and other receivables in the balance sheet. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

iii. Available for sale investments

Available for sale investments, comprising principally marketable equity securities, are non-derivatives. They are included in non-current assets unless the Group intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Investments are initially recognised at fair value plus transaction costs. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the income statement. A significant or prolonged decline in the fair value of an equity security below its cost is considered to be an indicator that the securities may be impaired.

Regular purchases and sales of financial assets are recognised on the date when the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The fair values of investments that are actively traded in organised financial markets are determined by reference to market prices. For investments that are not actively traded, fair values are determined using valuation techniques. These techniques include: using recent arm's length transactions involving the same or substantially the same instruments as a guide to value, discounted cash flow analysis and various pricing models.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(n) Business combinations

The purchase method of accounting is used for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of the combination. Transaction costs arising on the issue of equity instruments are recognised directly in equity. Where settlement of any part of cash consideration is deferred, where material, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. If the cost of the acquisition is less than the identifiable net assets acquired, the difference is recognised immediately in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

1. Summary of significant accounting policies (continued)

(o) Property, plant and equipment

Land, buildings, capital work in progress and plant and equipment assets are recorded at historical cost less, where applicable, associated depreciation and any accumulated impairment losses. Land and capital work in progress assets are not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of an asset. Costs incurred subsequent to an asset's acquisition, including the cost of replacement parts, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the income statement when incurred.

Depreciable assets are depreciated using the straight line method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Buildings	5 – 30 years
Plant and equipment	3 – 15 years
Leasehold improvements	5 – 10 years

Assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. Items of property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their use or disposal. Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts. Gains and losses are included in the income statement when realised.

(p) Impairment of assets

Goodwill and other assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Assets with finite lives are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

(q) Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement whichever is the shorter.

(r) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities and borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

1. Summary of significant accounting policies (continued)

(s) Goodwill and intangibles

i. Goodwill

On acquisition of another entity, the identifiable net assets acquired (including contingent liabilities assumed) are measured at their fair value. The excess of the fair value of the purchase consideration plus incidental expenses, over the fair value of the identifiable net assets, is brought to account as goodwill. Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Goodwill is not amortised. Instead, following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

ii. Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

iii. Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any development expenditure so recognised is amortised over the period of expected benefit from the related project.

(t) Trade and other payables

Liabilities for trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other creditors are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

(u) Interest-bearing liabilities and borrowings

Interest-bearing liabilities and borrowings are recognised initially at fair value net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the income statement over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Derivative financial instruments

The Group uses derivative financial instruments in the form of forward foreign currency contracts to hedge risks associated with foreign currency. Such derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The gain or loss on re-measurement to fair value is recognised immediately in the income statement. The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The Group also has external loans payable that have been designated as a hedge of its investment in foreign subsidiaries (net investment hedge). Gains or losses on the hedging instruments relating to the effective portion of the hedge are recognised directly in equity while any gains or losses relating to the ineffective portion, if any, are recognised immediately in profit or loss.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

1. Summary of significant accounting policies (continued)

(w) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation arising from past transactions or events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions recognised reflect management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows required to settle the obligation at a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(x) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(y) Pension plans

The Group contributes to defined benefit and defined contribution pension plans for the benefit of all employees. Defined benefit pension plans provide defined lump sum benefits based on years of service and final average salary. Defined contribution plans receive fixed contributions from the Group and the Group's legal and constructive obligation is limited to these contributions.

A liability or asset in respect of defined benefit pension plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with maturity and currency that match, as closely as possible, the estimated future cash outflows. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in retained earnings as incurred.

Past service costs are recognised immediately in income, unless the changes to the pension fund are conditional on the employees remaining in service for a specified period of time (vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation are taken into account in measuring the net liability or asset.

Contributions to defined contribution pension plans are recognised as an expense as they become payable.

1. Summary of significant accounting policies (continued)

(z) Share-based payment transactions

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity settled transactions). There are currently two plans in place to provide these benefits, namely the 'Senior Executive Share Ownership Plan and Employee Performance Rights Plan' and the 'Global Employee Share Plan'.

Under the 'Senior Executive Share Ownership Plan and Employee Performance Rights Plan', Group executives and employees are granted options or performance rights over CSL Limited shares which only vest if the Group and the individual achieve certain performance hurdles.

Under the 'Global Employee Share Plan', all employees are granted the option to acquire discounted CSL Limited shares.

The fair value of options or rights is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is independently measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or rights. The fair value at grant date is independently determined using a combination of the Binomial and Black Scholes valuation methodologies, taking into account the terms and conditions upon which the options and rights were granted. The fair value of the options granted excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each reporting date, the Parent Company revises its estimate of the number of options and rights that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate of the number of options and rights that are expected to vest. No expense is recognised for options and rights that do not ultimately vest, except where vesting is conditional upon a market condition and that market condition is not met.

Share based payment awards granted by CSL Limited, the Parent Company, to the employees of its subsidiaries are recognised in the Parent Company's separate financial statements as an additional investment in the subsidiary with a corresponding credit to the share based payment reserve in equity. Effective 2008 and in accordance with the requirements of AASB Interpretation 11, the share based payment expense was reflected in the entity whose employees benefit from the share based payment award.

(aa) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Where the Parent Company reacquires its own shares, for example as a result of a share buy-back, those shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid to acquire the shares, including any directly attributable transaction costs net of income taxes, is recognised directly as a reduction from equity.

(bb) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(cc) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

1. Summary of significant accounting policies (continued)

(dd) New and revised standards and interpretations not yet adopted

Certain new and revised accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. With the exception of AASB 8, both the Group and the Parent Company have chosen not to early adopt these standards. An assessment of the impact of these new standards and interpretations is set out below.

i. *AASB 8 Operating Segments* replaces the presentation requirements of segment reporting in AASB 114 Segment Reporting. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009 and as detailed in Note 1(a) the Group has elected to early adopt the standard in the preparation of Note 2.

ii. *AASB 123 Borrowing Costs* and *AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123* are applicable for reporting periods beginning on or after 1 January 2009. The revised AASB 123 has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no material impact on the Group's financial report on adoption of this standard as the Group already capitalises directly attributable borrowing costs relating to qualifying assets.

iii. *Revised AASB 101 Presentation of Financial Statements* and consequential amendments as outlined in AASB 2007-8 and AASB 2007-10 are applicable to reporting periods beginning on or after 1 January 2009. These standards introduce a statement of comprehensive income, which in general discloses those items currently disclosed in the Statement of Recognised Income and Expenses, as well as other minor presentation changes. The amendments are expected to only affect the presentation of the Group's financial report and will not have a material impact on the measurement and recognition of amounts under the current AASB 101. The Group will apply the revised standard from 1 July 2009.

iv. *AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation* is applicable to reporting periods beginning on or after 1 October 2008. This interpretation clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the Group. The Group will apply the interpretation prospectively from 1 July 2009. There will be no material impact on the way the Group accounts for existing hedges of net investments in foreign subsidiaries.

(ee) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within subsequent financial years are discussed below.

i. Testing goodwill and intangible assets for impairment

On an annual basis, the Group determines whether goodwill and its indefinitely lived intangible assets are impaired in accordance with the accounting policy described in note 1(s). In the context of goodwill allocated to specific cash generating units, this requires an estimation of the recoverable amount of the cash generating units using a value in use discounted cash flow methodology. In the context of indefinite lived intangible assets, this requires an estimation of the discounted net cash inflows that may be generated through the use or sale of the intangible asset. The assumptions used in estimating the carrying amount of goodwill and indefinite lived intangibles are detailed in note 12.

ii. Income taxes

Judgements are required about the application of income tax legislation in jurisdictions in which the Group operates. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet. In such circumstances an adjustment to the carrying value of a deferred tax item will result in a corresponding credit or charge to the income statement.

2 Segment Information

Description of Segments

Reportable segments are:

- CSL Behring – manufactures, markets and develops plasma products.
- Intellectual Property Licensing – revenue and associated expenses from the licensing to unrelated third parties of Intellectual Property generated by the Group. This is a new reporting segment.
- Other Human Health – comprises CSL Bioplasma and CSL Biotherapies. These businesses manufacture and distribute biotherapeutic products and are disclosed in aggregate as they exhibit similar economic characteristics.

Geographical areas of operation

The Group operates predominantly in four specific geographic areas, namely Australia, the United States of America, Switzerland, and Germany. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World' in note 2.

Segment Accounting Policies

Inter-segment sales are carried out on an arm's length basis and reflect current market prices. Segment accounting policies are the same as the Group's policies described in note 1. During the financial year, there were no changes in segment accounting policies.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

2 Segment Information (continued)

	CSL Behring	Intellectual Property Licensing	Other Human Health	Intersegment Elimination	Consolidated Group
	2009 $000	2009 $000	2009 $000	2009 $000	2009 $000
Sales to external customers	3,786,429	-	835,958	-	4,622,387
Inter-segment sales	112,024	-	6,147	(118,171)	-
Other revenue / other Income (excl interest income)	10,666	165,282	8,954	-	184,902
Total segment revenue	**3,909,119**	**165,282**	**851,059**	**(118,171)**	**4,807,289**
Interest income					63,444
Unallocated revenue / income					168,672
Consolidated revenue					**5,039,405**
Segment EBIT	**1,203,010**	**141,171**	**12,161**	**-**	**1,356,342**
Unallocated revenue / income less unallocated costs					11,870
Consolidated EBIT					**1,368,212**
Interest income					63,444
Finance costs					(61,909)
Consolidated profit before tax					**1,369,747**
Income tax expense					(223,815)
Consolidated net profit after tax					**1,145,932**
Amortisation and impairment loss	31,290	-	20,053	-	51,343
Depreciation	91,033	-	37,567	-	128,600
Segment EBITDA	**1,325,333**	**141,171**	**69,781**	**-**	**1,536,285**
Unallocated revenue / income less unallocated costs					11,870
Unallocated depreciation and amortisation					1,663
Consolidated EBITDA					**1,549,818**
Segment assets	4,686,061	33,051	748,707	(112,039)	5,355,780
Other unallocated assets					2,581,910
Elimination of amounts between operating segments and unallocated					(570,875)
Total assets					**7,366,815**
Segment liabilities	1,537,109	5,481	379,261	(112,039)	1,809,812
Other unallocated liabilities					664,983
Elimination of amounts between operating segments and unallocated					(570,875)
Total liabilities					**1,903,920**
Other information					
Segment capital expenditure	214,027	-	71,584	-	**285,611**

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

2 Segment Information (continued)

	CSL Behring	Intellectual Property Licensing	Other Human Health	Intersegment Elimination	Consolidated Group
	2008 $000	2008 $000	2008 $000	2008 $000	2008 $000
Sales to external customers	2,822,359	-	734,303	-	3,556,662
Inter-segment sales	57,262	-	2,675	(59,937)	-
Other revenue / other income (excl interest income)	4,208	185,323	17,450	-	206,981
Total segment revenue	**2,883,829**	**185,323**	**754,428**	**(59,937)**	**3,763,643**
Interest income					35,175
Unallocated revenue / income					4,554
Consolidated revenue					**3,803,372**
Segment EBIT	**793,042**	**139,299**	**62,735**	**-**	**995,076**
Unallocated revenue / income less unallocated costs					(28,431)
Consolidated EBIT					**966,645**
Interest income					35,175
Finance costs					(49,796)
Consolidated profit before tax					**952,024**
Income tax expense					(250,222)
Consolidated net profit after tax					**701,802**
Amortisation	25,428	9,425	4,180	-	39,033
Depreciation	65,804	-	35,249	-	101,053
Segment EBITDA	**884,274**	**148,724**	**102,164**	**-**	**1,135,162**
Unallocated revenue / income less unallocated costs					(28,431)
Unallocated depreciation and amortisation					1,713
Consolidated EBITDA					**1,108,444**
Segment assets	3,579,450	35,356	676,198	(32,275)	4,258,729
Other unallocated assets					983,501
Elimination of amounts between operating segments and unallocated					(547,266)
Total assets					**4,694,964**
Segment liabilities	1,285,813	5,518	234,278	(32,275)	1,493,334
Other unallocated liabilities					942,771
Elimination of amounts between operating segments and unallocated					(547,266)
Total liabilities					**1,888,839**
Other information					
Segment capital expenditure	155,901	-	62,185	-	**218,086**

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

2 Segment Information (continued)

Geographic areas	Australia	United States	Switzerland	Germany	Rest of world	Total
June 2009	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
External sales revenue	**613,269**	**1,739,585**	**199,752**	**759,915**	**1,309,866**	**4,622,387**
Property, plant, equipment and intangible assets	**417,347**	**428,748**	**1,038,129**	**265,193**	**22,632**	**2,172,049**
June 2008						
External revenues	632,925	1,224,677	105,218	603,332	990,510	3,556,662
Property, plant, equipment and intangible assets	405,792	321,286	923,388	216,879	19,101	1,886,446

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
3 Revenue and expenses from continuing operations				
Revenue				
Sales revenue	**4,622,387**	3,556,662	**569,212**	553,674
Other revenue				
Royalties and licence revenue	**165,282**	185,323	**165,282**	185,323
Trust distribution revenue	**-**	7,325	**-**	7,325
Finance revenue	**63,444**	35,175	**2,510**	943
Rent	**1,049**	1,155	**1,049**	1,155
Dividend revenue – subsidiaries	**-**	-	**334,346**	324,959
Other revenue	**17,891**	8,652	**7,224**	4,445
Total other revenues	**247,666**	237,630	**510,411**	524,150
Total revenue from continuing operations	**4,870,053**	3,794,292	**1,079,623**	1,077,824
Finance revenue comprises:				
Interest income:				
Other persons and/or corporations	**63,391**	35,141	**2,457**	909
Key management personnel	**53**	34	**53**	34
	63,444	35,175	**2,510**	943
Other income				
Government grants	**680**	4,526	**680**	4,526
Net foreign exchange gain	**168,672**	4,554	**8,594**	-
Total other income	**169,352**	9,080	**9,274**	4,526

The Group has entered into various grant agreements relating to the development, commercialisation and production of pharmaceutical products. The grants received are deferred until all conditions or other contingencies attaching to them have been satisfied, at which time they are recognised as other income over the period necessary to match them with the expenses that they are intended to compensate.

	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Company 2009 $000	Parent Company 2008 $000
Finance costs				
Interest expense:				
Other persons and/or corporations	**61,909**	49,623	**-**	437
Non-cash interest – unwinding of discount	**-**	173	**-**	-
Total finance costs	**61,909**	49,796	**-**	437

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
3 Revenue and expenses (continued)					
Depreciation and amortisation included in the income statement					
Depreciation and amortisation of fixed assets					
Building depreciation	10	**12,990**	10,778	**5,381**	4,534
Plant and equipment depreciation	10	**109,675**	86,887	**32,782**	31,353
Leased property, plant and equipment amortisation	10	**3,822**	2,573	**-**	-
Leasehold improvements amortisation	10	**3,776**	2,528	**797**	598
Total depreciation and amortisation of fixed assets		**130,263**	102,766	**38,960**	36,485
Amortisation of intangibles					
Intellectual Property	12	**35,470**	39,033	**-**	9,425
Total amortisation of intangibles		**35,470**	39,033	**-**	9,425
Impairment loss					
Intellectual Property	12	**15,873**	1,647	**-**	-
Total depreciation, amortisation and impairment expense		**181,606**	143,446	**38,960**	45,910
Other expenses					
Write-down of inventory to net realisable value		**74,566**	65,004	**3,739**	12,524
Doubtful debts		**4,331**	3,071	**-**	-
Net loss on disposal of property, plant and equipment		**1,170**	917	**407**	850
Impairment loss on available for sale asset		**-**	5,000	**-**	5,000
Net foreign exchange loss		**-**	-	**-**	62
Lease payments and related expenses included in the income statement					
Rental expenses relating to operating leases		**42,562**	33,534	**2,424**	2,264
Employee benefits expense					
Salaries and wages		**1,013,194**	808,497	**171,904**	163,564
Defined benefit plan expense	26(a)	**19,818**	14,740	**1,717**	1,465
Defined contribution plan expense	26(b)	**19,433**	15,854	**11,605**	10,934
Share based payments expense	21	**16,801**	12,607	**7,972**	6,266
		1,069,246	851,698	**193,198**	182,229

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000

3 Revenue and expenses (continued)

Significant items included in the calculation of profit after tax

i. Discontinued acquisition and related costs.

In August 2008 the Group entered into a contract to acquire Talecris Biotherapeutics Holdings Corp. This transaction was opposed by regulators in the US and the contract terminated by agreement of the parties in June 2009.

Equity capital raised in August 2008 was converted to US Dollars and placed on interest bearing deposit and subsequently converted back to Australian Dollars giving rise to a foreign exchange gain. In addition, the Group incurred a break fee on termination of the contract, costs associated with the establishment of financing facilities and professional fees. These items are considered to be significant items and are non-recurring in nature. The amounts involved are set out below with a reference to the relevant line item in the income statement.

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Interest income (Other Revenue)	**32,800**	-	**-**	-
Foreign exchange gain (Other Income)	**157,300**	-	**-**	-
Finance facility costs (Finance Costs)	**(26,100)**	-	**-**	-
Break Fee (General & Administration Expenses)	**(95,396)**	-	**-**	-
Professional Fees (General & Administration Expenses)	**(38,504)**	-	**-**	-
Net impact on profit before tax	**30,100**	-	**-**	-
Tax benefit	**48,582**	-	**-**	-
Net impact on profit after tax	**78,682**	-	**-**	-

ii. Revaluation of certain deferred tax assets

While unrealised profits on inter-company transactions are eliminated on consolidation the shipping of inventory from one jurisdiction to another does result in a deferred tax balance being recorded in accordance with AASB112 – Income Taxes. During 2009 increasing divergence in the tax rates applicable to the selling and buying entity have necessitated an upwards revaluation of the deferred tax asset. The benefit on revaluation is considered significant in the context of the 2009 result. The amount involved is set out below and by its nature is volatile from one year to the next:

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Benefit realised on the revaluation of certain deferred tax assets	**32,356**	-	**-**	-

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Company 2009 $000	Parent Company 2008 $000
4 Income tax expense					
Income tax expense recognised in the income statement					
Current tax expense					
Current year		**230,735**	304,734	**4,800**	40,720
Deferred tax expense					
Origination and reversal of temporary differences	11	**6,654**	(33,603)	**422**	(5,393)
Tax losses recognised		**(3,782)**	(16,765)	**-**	-
		2,872	(50,368)	**422**	(5,393)
Under/(over) provided in prior years		**(9,792)**	(4,144)	**(13,041)**	(2,216)
Income tax expense		**223,815**	250,222	**(7,819)**	33,111
Reconciliation between tax expense and pre-tax net profit					
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:					
Accounting profit before income tax		**1,369,747**	952,024	**405,376**	466,938
Income tax calculated at 30% (2008: 30%)		**410,924**	285,607	**121,613**	140,081
Research and development		**(14,245)**	(9,907)	**(14,112)**	(9,907)
Exempt dividends received		**-**	-	**(100,304)**	(97,488)
Other non-deductible/(non-assessable) items		**(58,826)**	20,857	**(1,975)**	2,641
Utilisation of tax losses/unrecognised deferred tax		**(3,782)**	(18,154)	**-**	-
Revaluation of deferred tax balances		**(7,180)**	(19,867)	**-**	-
Effects of different rates of tax on overseas income		**(93,284)**	(4,170)	**-**	-
Under/(over) provision in prior year		**(9,792)**	(4,144)	**(13,041)**	(2,216)
Income tax expense (benefit)		**223,815**	250,222	**(7,819)**	33,111
Income tax recognised directly in equity					
Deferred tax benefit/(expense)					
Share based payments	21	**11,685**	(8,324)	**10,941**	(1,092)
Net actuarial (gain)/loss on defined benefit plans	22	**12,056**	855	**2,458**	1,275
Income tax benefit/(expense) recognised in equity	11	**23,741**	(7,469)	**13,399**	183

Tax consolidation in Australia

The Parent Company and its wholly owned Australian resident entities formed a tax consolidation group with effect from 1 July 2003 and therefore are taxed as a single entity from that date. CSL Limited is the head entity of the tax consolidated group.

Tax effect accounting by members of the tax consolidated group in Australia

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidation group are recognised in the separate financial statements of the members of the tax consolidation group using the 'separate taxpayer within group' approach, by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidation group and are recognised as amounts payable/(receivable) to or from other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts (refer below).

The Parent Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

4 Income tax (continued)

Tax funding arrangements and tax sharing agreements in Australia

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement sets out the funding obligations of members of the tax consolidated group. Payments are required to/from the head entity equal to the current tax liability/(asset) assumed and any deferred tax assets arising from unused tax losses assumed by the head entity, resulting in the head entity recognising an inter-entity payable/(receivable) equal to the tax liability/(asset) assumed. The inter-entity payable/(receivable) is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant authorities.

The head entity, in conjunction with other members of the tax consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amount under the tax sharing agreement is considered remote.

	Consolidated Group	
	2009 $000	2008 $000
5 Earnings Per Share		
Earnings used in calculating basic and dilutive earnings per share comprises:		
Profit attributable to ordinary shareholders	**1,145,932**	701,802

	Number of shares	
	2009	2008
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	**595,243,751**	550,105,914
Effect of dilutive securities:		
Senior Executive Share Ownership Plan options	**642,387**	999,873
Employee Performance Rights	**1,765,691**	2,147,977
Global Employee Share Plan	**2,302**	11,805
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share:	**597,654,131**	553,265,569

Conversions, calls, subscription or issues after 30 June 2009

Subsequent to 30 June 2009, 975 shares have been issued to employees as a result of the exercise of performance rights and performance options and 67,800 shares have been issued as a result of the exercise of SESOP II options. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary or potential ordinary shares since the reporting date and before the completion of this financial report.

Options and performance rights

Options and performance rights granted to employees are considered to be potential ordinary shares that have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and rights have not been included in the determination of basic earnings per share.

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
6 Cash and cash equivalents				
Cash at bank and on hand	**410,278**	156,927	**-**	-
Cash deposits	**2,117,819**	544,663	**-**	-
	2,528,097	701,590	**-**	-

Note 25(a) contains a reconciliation of the above figures to cash at the end of the financial year as shown in the statement of cash flows.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
7 Trade and other receivables				
Current				
Trade receivables	**779,140**	615,656	**33,376**	26,490
Less: Provision for impairment loss (i)	**(20,254)**	(20,415)	**(118)**	(118)
	758,886	595,241	**33,258**	26,372
Sundry receivables	**99,992**	86,315	**58,283**	56,453
Prepayments	**27,006**	27,834	**2,834**	2,285
Receivables – wholly owned subsidiaries	**-**	-	**2,805,438**	584,154
Receivables – partly owned subsidiaries	**-**	-	**199**	2,560
Carrying amount of current trade and other receivables*	**885,884**	709,390	**2,900,012**	671,824
Non Current				
Related parties				
Loans to key management personnel – executive directors**	**-**	46	**-**	46
Loans to key management personnel – other executives**	**620**	701	**1,599**	701
Loans to other employees	**5,788**	4,085	**4,809**	4,085
Long term deposits	**3,817**	3,328	**-**	-
Carrying amount of non current trade and other receivables*	**10,225**	8,160	**6,408**	4,832

* The carrying amount disclosed above is a reasonable approximation of fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed above. Refer to note 34 for more information on the risk management policy of the Group and the credit quality of trade receivables.

** Further information relating to loans to key management personnel is set out in note 28.

(i) Past due but not impaired and impaired trade receivables

As at 30 June 2009, the Parent Company and the Group had current trade receivables which were impaired and which had nominal values of $118,160 (2008: $118,160) and $20,253,449 (2008: $20,414,587) respectively. These receivables have been fully provided for within the company's and the Group's respective provisions for impairment loss. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. Movements in the provision for impairment loss are reconciled as follows:

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Opening balance at 1 July	**20,415**	18,853	**118**	423
Additional allowance / (utilised)	**(168)**	1,260	**-**	(305)
Currency translation differences	**7**	302	**-**	-
Closing balance at 30 June	**20,254**	20,415	**118**	118

Debts which are past due and not impaired are set out in the credit risk analysis in note 34.

(ii) Other receivables

The other classes within trade and other receivables do not contain impaired or overdue receivable amounts and it is expected that all of these amounts will be received when due. Loans provided to key management personnel to purchase the company's shares on the exercise of options are secured against those shares. Neither the company nor the Group holds any collateral in respect to other receivable balances.

8 Inventories	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Raw materials and stores – at cost	**375,408**	241,679	**24,395**	19,784
Less: Allowance for diminution in value	**(7,008)**	(2,546)	**(389)**	(407)
Raw materials and stores – net	**368,400**	239,133	**24,006**	19,377
Work in progress – at cost	**549,458**	506,467	**40,287**	29,454
Less: Allowance for diminution in value	**(27,785)**	(28,731)	**(6,627)**	(7,415)
Work in progress – net	**521,673**	477,736	**33,660**	22,039
Finished goods – at cost	**647,634**	494,828	**33,323**	36,876
Less: Allowance for diminution in value	**(15,668)**	(13,564)	**(881)**	(839)
Finished goods - net	**631,966**	481,264	**32,442**	36,037
Total inventories at the lower of cost and net realisable value	**1,522,039**	1,198,133	**90,108**	77,453

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
9 Other financial assets				
Current				
At fair value through the profit or loss:				
Managed financial assets (held for trading)	**854**	1,513	**-**	-
Non-current				
At fair value through the profit or loss:				
Managed financial assets	**8,397**	8,442	**-**	-
Shares in subsidiaries – at cost (refer note 32)	**-**	-	**1,348,974**	1,340,144
Total non-current other financial assets as at 30 June	**8,397**	8,442	**1,348,974**	1,340,144
10 Property, Plant and Equipment				
Land at cost				
Opening balance 1 July	**25,437**	25,594	**25,030**	25,030
Disposals	**-**	-	**-**	-
Currency translation differences	**152**	(157)	**-**	-
Closing balance 30 June	**25,589**	25,437	**25,030**	25,030
Buildings at cost				
Opening balance 1 July	**256,511**	224,081	**121,260**	92,138
Transferred from capital work in progress	**20,921**	32,668	**1,183**	29,122
Other additions	**465**	656	**-**	-
Disposals	**(722)**	-	**(81)**	-
Transfers	**(27,024)**	-	**-**	-
Currency translation differences	**16,605**	(894)	**-**	-
Closing balance 30 June	**266,756**	256,511	**122,362**	121,260
Accumulated depreciation and impairment losses				
Opening balance 1 July	**61,813**	52,699	**35,235**	30,701
Depreciation for the year	**12,990**	10,778	**5,381**	4,534
Disposals	**(640)**	-	**(3)**	-
Transfers	**(19,512)**	-	**-**	-
Currency translation differences	**4,051**	(1,664)	**-**	-
Closing balance 30 June	**58,702**	61,813	**40,613**	35,235
Net book value of buildings	**208,054**	194,698	**81,749**	86,025
Net book value of land and buildings	**233,643**	220,135	**106,779**	111,055
Leasehold improvements at cost				
Opening balance 1 July	**14,399**	8,772	**8,128**	159
Transferred from capital work in progress	**18,760**	9,847	**-**	7,969
Other additions	**1,519**	429	**-**	-
Disposals	**(1,447)**	(2,112)	**-**	-
Transfers	**29,127**	-	**-**	-
Currency translation differences	**5,121**	(2,537)	**-**	-
Closing balance 30 June	**67,479**	14,399	**8,128**	8,128
Accumulated amortisation and impairment				
Opening balance 1 July	**1,812**	2,497	**757**	159
Amortisation for the year	**3,776**	2,528	**797**	598
Disposals	**(1,432)**	(1,742)	**-**	-
Transfers	**20,792**	-	**-**	-
Currency translation differences	**4,663**	(1,471)	**-**	-
Closing balance 30 June	**29,611**	1,812	**1,554**	757
Net book value of leasehold improvements	**37,868**	12,587	**6,574**	7,371

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
10 Property, Plant and Equipment (continued)				
Plant and equipment at cost				
Opening balance 1 July	**1,098,728**	993,405	**584,702**	533,075
Transferred from capital work in progress	**183,788**	107,377	**8,695**	52,973
Other additions	**17,146**	20,969	**-**	-
Disposals	**(31,857)**	(12,675)	**(484)**	(1,346)
Transfers	**4,083**	-	**-**	-
Currency translation differences	**80,915**	(10,348)	**-**	-
Closing balance 30 June	**1,352,803**	1,098,728	**592,913**	584,702
Accumulated depreciation and impairment				
Opening balance 1 July	**591,608**	527,778	**396,930**	366,074
Depreciation for the year	**109,675**	86,887	**32,782**	31,353
Disposals	**(29,970)**	(11,348)	**(154)**	(497)
Transfers	**(1,280)**	-	**-**	-
Currency translation differences	**60,857**	(11,709)	**-**	-
Closing balance 30 June	**730,890**	591,608	**429,558**	396,930
Net book value of plant and equipment	**621,913**	507,120	**163,355**	187,772
Leased property, plant and equipment at cost				
Opening balance 1 July	**36,893**	33,344	**-**	-
Other additions	**7,691**	2,352	**-**	-
Disposals	**(1,698)**	(318)	**-**	-
Currency translation differences	**2,407**	1,515	**-**	-
Closing balance 30 June	**45,293**	36,893	**-**	-
Accumulated amortisation and impairment				
Opening balance	**11,821**	8,867	**-**	-
Amortisation for the year	**3,822**	2,573	**-**	-
Disposals	**(1,102)**	(299)	**-**	-
Currency translation differences	**1,406**	680	**-**	-
Closing balance 30 June	**15,947**	11,821	**-**	-
Net book value of leased property, plant and equipment	**29,346**	25,072	**-**	-
Capital work in progress				
Opening balance 1 July	**211,022**	165,539	**42,044**	70,006
Other additions	**266,481**	196,032	**70,975**	62,102
Transferred to buildings at cost	**(20,921)**	(32,668)	**(1,183)**	(29,122)
Transferred to plant and equipment at cost	**(183,788)**	(107,377)	**(8,695)**	(52,973)
Transferred to leasehold improvements at cost	**(18,760)**	(9,847)	**-**	(7,969)
Transfers	**(6,186)**	-	**-**	-
Currency translation differences	**26,884**	(657)	**-**	-
Closing balance 30 June	**274,732**	211,022	**103,141**	42,044
Total net book value of property, plant and equipment	**1,197,502**	975,936	**379,849**	348,242

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
11 Deferred tax assets and liabilities				
Deferred tax asset	**227,096**	173,238	**12,384**	-
Deferred tax liability	**(108,062)**	(93,677)	**-**	(593)
Net deferred tax asset / (liability)	**119,034**	79,561	**12,384**	(593)
Deferred tax balances reflect temporary differences attributable to:				
Amounts recognised in the income statement				
Trade and other receivables	**3,651**	6,464	**(109)**	(1,062)
Inventories	**75,380**	30,647	**(3,615)**	(1,480)
Property, plant and equipment	**(54,887)**	(54,694)	**(16,864)**	(17,344)
Intangible assets	**(8,874)**	(7,828)	**-**	-
Other assets	**189**	(546)	**-**	15
Trade and other payables	**11,072**	9,179	**7,977**	7,253
Interest bearing liabilities	**4,279**	4,248	**-**	-
Other liabilities and provisions	**35,940**	64,647	**14,577**	13,096
Recognised carry-forward tax losses	**17,864**	16,765	**-**	-
	84,614	68,882	**1,966**	478
Amounts recognised in equity				
Other assets	**18,416**	6,731	**9,031**	-
Other liabilities and provisions	**16,004**	3,948	**1,387**	(1,071)
	34,420	10,679	**10,418**	(1,071)
Net deferred tax asset/(liability)	**119,034**	79,561	**12,384**	(593)
Movement in temporary differences during the year				
Opening balance	**79,561**	65,141	**(593)**	7,670
Credited/(charged) to the income statement	**(6,654)**	33,603	**(422)**	5,393
Credited/(charged) to equity	**23,741**	(7,469)	**13,399**	183
Amounts transferred to subsidiaries	**-**	-	**-**	(13,839)
Currency translation difference	**22,386**	(11,714)	**-**	-
Closing balance	**119,034**	79,561	**12,384**	(593)
Unrecognised deferred tax assets				
Deferred tax assets have not been recognised in respect of the following items:				
Tax losses:				
Expiry date in less than 1 year	**-**	22	**-**	-
Expiry date greater than 1 year but less than 5 years	**132**	-	**-**	-
Expiry date greater than 5 years	**-**	-	**-**	-
No expiry date	**954**	5,285	**-**	-
	1,086	5,307	**-**	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available for utilisation in the entities that have recorded these losses.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
12 Intangible Assets					
Carrying amounts					
Goodwill					
Opening balance at 1 July		**672,519**	655,665	**-**	-
Currency translation differences		**85,779**	16,854	**-**	-
Closing balance at 30 June		**758,298**	672,519	**-**	-
Intellectual property					
Opening balance at 1 July		**330,356**	321,708	**20,000**	20,000
Additions		**-**	-	**-**	-
Disposals		**(59)**	(48)	**-**	-
Currency translation differences		**37,668**	8,696	**-**	-
Closing balance at 30 June		**367,965**	330,356	**20,000**	20,000
Accumulated amortisation and impairment					
Opening balance at 1 July		**92,365**	49,779	**20,000**	10,575
Amortisation for the year		**35,470**	39,033	**-**	9,425
Current year impairment charge	3	**15,873**	1,647	**-**	-
Amortisation written back on disposal		**(59)**	(48)	**-**	-
Currency translation differences		**8,067**	1,954	**-**	-
Closing balance at 30 June		**151,716**	92,365	**20,000**	20,000
Net intellectual property		**216,249**	237,991	**-**	-
Total net intangible assets as at 30 June		**974,547**	910,510	**-**	-

The amortisation charge is recognised in general and administration expenses in the income statement.

Impairment tests for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the business unit which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

CSL Behring	**746,215**	660,436	**-**	-
CSL Biotherapies	**12,083**	12,083	**-**	-
Closing balance of goodwill as at 30 June	**758,298**	672,519	**-**	-

The impairment tests for these cash generating units is based on value in use calculations. These calculations use cash flow projections based on actual operating results and the three-year strategic business plan, after which a terminal value is calculated based on a business valuation multiple. The valuation multiple has been calculated based on independent external analyst views, long term government bond rates and the company's pre-tax cost of debt. Projected cash flows have been discounted by using the implied pre-tax discount rate of 11.7% (2008: 11%) associated with the business valuation multiple discussed above.

Each unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. It is not considered a reasonable possibility for a change in assumptions to occur that would lead to a unit's recoverable amount falling below the carrying value of each unit's respective net assets.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
13 Retirement benefit assets and liabilities				
Retirement benefit assets				
Non-current defined benefit plans (refer note 26)	**-**	8,052	**-**	3,518
Retirement benefit liabilities				
Non-current defined benefit plans (refer note 26)	**133,894**	85,571	**2,772**	-
14 Trade and other payables				
Current				
Trade payables	**271,835**	160,630	**71,865**	50,232
Accruals and other payables	**391,983**	284,093	**64,862**	14,964
Payable – wholly owned subsidiaries	**-**	-	**1,012,484**	619,624
Carrying amount of current trade and other payables	**663,818**	444,723	**1,149,211**	684,820
15 Interest-bearing liabilities and borrowings				
Current				
Bank overdrafts – Unsecured	**5,905**	5,994	**55,055**	5,789
Bank loans – Unsecured (a)	**305,518**	104,001	**-**	-
Senior Unsecured Notes - Unsecured (b)	**17,706**	15,313	**-**	-
Lease liability – Secured (c)	**3,229**	2,744	**-**	-
	332,358	128,052	**55,055**	5,789
Non-current				
Bank loans - Unsecured (a)	**96,468**	554,253	**-**	-
Senior Unsecured Notes - Unsecured (b)	**248,851**	235,800	**-**	-
Lease liability - Secured (c)	**40,101**	35,081	**-**	-
	385,420	825,134	**-**	-

(a) During the year the one year tranche ($250m) of the Group's global multicurrency facility matured. The facility has two tranches with maturity dates in March 2010 ($400m) and March 2012 ($250m). Interest on the facility is paid quarterly in arrears at a variable rate. As at the reporting date the Group had $248m in undrawn funds available under this facility.

(b) Represents US$127.9 million and Euro 63.1 million of Senior Unsecured Notes placed into the US Private Placement market. The notes have biannual repayments and mature in December 2012. The interest rate on the US$ notes is fixed at 5.30% and 5.90%. The interest rate on the Euro notes is fixed at 3.98% and 4.70%.

(c) Finance leases have an average lease term of 14 years (2008: 15 years). The weighted average discount rate implicit in the leases is 5.72% (2008: 6.35%). The Group's lease liabilities are secured by leased assets of $29.3 million (2008: $25.1 million). In the event of default, leased assets revert to the lessor.

Note 34 has further information about the Group's exposure to interest rate risk, foreign exchange risk and the fair value of financial assets and liabilities.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
16 Tax assets					
Current tax receivable		**12,174**	-	**12,174**	-
Tax receivable – wholly owned subsidiaries		**-**	-	**45,987**	40,136
		12,174	-	**58,161**	40,136
Tax liabilities					
Current income tax liability		**101,173**	123,018	**-**	54,157
		101,173	123,018	**-**	54,157
17 Provisions					
Current					
Employee benefits	26	**73,305**	67,601	**31,158**	29,546
Restructuring		**7,757**	6,941	**-**	-
Onerous contracts		**14,217**	13,427	**-**	-
Surplus lease space		**77**	195	**-**	-
Provision for contingent consideration		**26,247**	49,437	**-**	-
Other		**5,356**	1,924	**639**	782
		126,959	139,525	**31,797**	30,328
Non-current					
Employee benefits	26	**37,326**	40,005	**5,423**	5,485
Other		**1,485**	1,548	**1,150**	1,202
		38,811	41,553	**6,573**	6,687

Restructuring

A restructuring provision is recognised when the main features of the restructuring are planned. Restructuring plans must set out the businesses, locations and approximate number of employees affected and the expenditures that will be undertaken, together with an implementation timetable. There must be a demonstrable commitment and valid expectation that the restructuring plan will be implemented prior to a provision being recognised.

Onerous contracts

The provision recognised is based on the excess of the estimated cash flows to meet the unavoidable costs, over the estimated cash flows to be received in relation to certain contracts, having regard to the risks of the activities relating to the contracts.

Surplus lease space

A surplus lease space provision has been recognised in respect to the net obligation payable for various non-cancellable operating leases where the leases have been identified as surplus to the Group's current requirements.

Provision for contingent consideration on acquisitions

A provision for contingent consideration is recognised when it is probable that payment will be made and the amount can be measured reliably.

Discounting

Where the effect of discounting is determined to be material to the provision, the net estimated cash flows are discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
17 Provisions (continued)				
Movements in provisions				
Restructuring				
Opening balance	**6,941**	6,704	**-**	-
Payments made	**-**	(186)	**-**	-
Currency differences	**816**	423	**-**	-
Closing balance	**7,757**	6,941	**-**	-
Onerous contracts				
Opening balance	**13,427**	14,833	**-**	-
Provisions recognised	**-**	571	**-**	-
Payments made	**-**	(2,399)	**-**	-
Currency differences	**790**	422	**-**	-
Closing balance	**14,217**	13,427	**-**	-
Surplus lease space				
Opening balance	**195**	724	**-**	-
Payments made	**(171)**	(499)	**-**	-
Currency differences	**53**	(30)	**-**	-
Closing balance	**77**	195	**-**	-
Contingent consideration				
Opening balance	**49,437**	83,472	**-**	-
Payments made	**(32,292)**	(26,578)	**-**	-
Currency differences	**9,102**	(7,457)	**-**	-
Closing balance	**26,247**	49,437	**-**	-
Other				
Opening balance	**3,472**	3,032	**1,984**	2,038
Additional provision	**5,214**	1,859	**795**	1,289
Payments made	**(1,852)**	(1,409)	**(990)**	(1,343)
Currency differences	**7**	(10)	**-**	-
Closing balance	**6,841**	3,472	**1,789**	1,984
18 Deferred government grants				
Current deferred income	**469**	469	**469**	469
Non-current deferred income	**12,083**	6,950	**12,083**	6,950
Total deferred government grants	**12,552**	7,419	**12,552**	7,419
19 Derivative Financial Instruments – current liabilities				
Forward Currency Contracts	**873**	167	**-**	-

The Group has entered into forward currency contracts as an economic hedge against variations in the value of certain trade payable amounts due to currency fluctuations. All movements in the fair value of these forward currency contracts are recognised in the profit and loss when they occur.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
20 Contributed equity				
Ordinary shares issued and fully paid	**2,760,207**	1,034,337	**2,760,207**	1,034,337

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

	2009		2008	
	Number of shares	$000	Number of shares	$000
Movement in ordinary shares on issue				
Opening balance at 1 July	**550,400,606**	**1,034,337**	549,126,066	1,023,941
Shares issued to parties other than CSL employees through participation in:				
- Institutional Offer for $36.75 consideration	**47,500,000**	**1,745,625**	-	-
- Retail Offer for $36.75 consideration	**3,955,203**	**145,354**	-	-
- Capital raising costs in respect to the institutional and retail offers	**-**	**(39,723)**	-	-
Shares issued to employees via:				
- SESOP II (i)	**347,000**	**3,066**	847,300	7,101
- Performance Options (ii)	**104,235**	**1,822**	-	-
- Performance Rights (for nil consideration)	**1,024,751**	**-**	293,400	-
- GESP (iii)	**168,767**	**5,334**	133,840	3,295
Share buy-back, inclusive of cost (iv)	**(4,261,134)**	**(135,608)**	-	-
Closing balance	**599,239,428**	**2,760,207**	550,400,606	1,034,337

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
(i) Options exercised under SESOP II as disclosed in note 27 were as follows:				
- 194,400 issued at $4.06 (2008: 193,200 issued at $4.06)	**789**	785	**789**	785
- Nil (2008: 18,000 issued at $6.89)	**-**	124	**-**	124
- 32,600 issued at $9.32 (2008: 578,260 issued at $9.32)	**304**	5,390	**304**	5,390
- Nil (2008: 39,240 issued at $12.51)	**-**	492	**-**	492
- 120,000 issued at $16.44 (2008: nil)	**1,973**	-	**1,973**	-
- Nil (2008: 18,600 issued at $16.65)	**-**	310	**-**	310
	3,066	7,101	**3,066**	7,101
(ii) Options exercised under Performance Option plans as disclosed in note 27 were as follows				
- 104,235 issued at $17.48	**1,822**	-	**1,822**	-
(iii) Shares issued to employees under Global Employee Share Plan (GESP) as disclosed in note 27 were as follows:				
- 72,350 issued at $31.24 on 5 September 2008	**2,260**	1,559	**2,260**	1,559
- 96,417 issued at $31.88 on 10 March 2009	**3,074**	1,736	**3,074**	1,736
	5,334	3,295	**5,334**	3,295

(iv) Pursuant to the share buyback announced to the market on 9 June 2009, to 30 June 2009 the Parent Company purchased 4,261,134 ordinary shares on market at an average price of $31.83 per share, with prices ranging from $31.03 to $32.32. Subsequent to year end and from 1 July until 10 July 2009, an additional 4,282,285 shares were purchased with prices ranging between $30.39 and $31.85. Post 10 July and up to 19 August 2009, no further shares have been bought back.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
21 Reserves				
Share based payments reserve	**65,739**	37,253	**55,565**	27,823
Foreign currency translation reserve	**(50,541)**	(171,552)	**-**	-
Carrying value of reserves at 30 June	**15,198**	(134,299)	**55,565**	27,823
Movements in reserves				
Share based payments reserve (i)				
Opening balance at 1 July	**37,253**	30,147	**27,823**	30,147
Share based payments expense	**16,801**	12,607	**16,801**	12,607
Deferred tax on share based payments	**11,685**	(8,324)	**10,941**	(1,092)
Transfers to subsidiaries (ii)	**-**	-	**-**	(13,839)
Currency difference	**-**	2,823	**-**	-
Closing balance at 30 June	**65,739**	37,253	**55,565**	27,823
Net unrealised gains reserve (iii)				
Opening balance at 1 July	**-**	2,957	**-**	2,957
Unrealised gains/(losses) on revaluation of available-for-sale investments	**-**	(2,957)	**-**	(2,957)
Closing balance at 30 June	**-**	-	**-**	-
Foreign currency translation reserve (iv)				
Opening balance at 1 July	**(171,552)**	(223,475)	**-**	-
Transfers to retained earnings	**-**	29	**-**	-
Net exchange gains/(losses) on translation of foreign subsidiaries, net of hedge	**121,011**	51,894	**-**	-
Closing balance at 30 June	**(50,541)**	(171,552)	**-**	-

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) In 2008, in accordance with new accounting standard requirements, $13.8m of the reserve balance that was attributable to future tax benefits that may be realised by United States based subsidiaries was transferred to the balance sheets of those subsidiaries.

(iii) 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.

(iv) 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.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Company	
	Note	2009 $000	2008 $000	2009 $000	2008 $000
22 Retained earnings					
Opening balance at 1 July		**1,906,087**	1,435,279	**634,196**	430,773
Net profit for the year		**1,145,932**	701,802	**413,195**	433,827
Dividends	23	**(319,492)**	(227,431)	**(319,492)**	(227,431)
Actuarial gain/(loss) on defined benefit plans		**(57,093)**	(4,389)	**(8,193)**	(4,248)
Transfers from reserves		**-**	(29)	**-**	-
Deferred tax on actuarial gain/(loss) on defined benefit plans		**12,056**	855	**2,458**	1,275
Closing balance at 30 June		**2,687,490**	1,906,087	**722,164**	634,196
23 Dividends					
Dividends paid					
Dividends recognised in the current year by the Company are:					
Final ordinary dividend of 23 cents per share, franked to 100%, paid on 10 October 2008 (2008: 18.33 cents per share, franked to 50%)		**138,510**	100,840	**138,510**	100,840
Interim ordinary dividend of 30 cents per share, unfranked, paid on 9 April 2009 (2008: 23 cents per share, unfranked)		**180,982**	126,591	**180,982**	126,591
		319,492	227,431	**319,492**	227,431
Dividends not recognised at year end					
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 40 cents per share, unfranked (2008: ordinary dividend of 23 cents per share, fully franked). The final dividend is expected to be paid on 9 October 2009. Based on the number of shares on issue as at reporting date, the aggregate amount of the proposed dividend would be:		**239,695**	126,592	**239,695**	126,592

The actual aggregate dividend amount paid out of profits will be dependent on the actual number of shares on issue at dividend record date.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Company 2009 $000	Parent Company 2008 $000
24 Equity					
Total equity at the beginning of the financial year		**2,806,125**	2,268,849	**1,696,356**	1,487,818
Total recognised income and expense for the year attributable to equity holders		**1,221,906**	747,205	**407,461**	427,897
Movement in contributed equity	20	**1,725,870**	10,396	**1,725,870**	10,396
Dividends	23	**(319,492)**	(227,431)	**(319,492)**	(227,431)
Movement in share based payments reserve	21	**28,486**	7,106	**27,741**	(2,324)
Total equity at the end of the financial year		**5,462,895**	2,806,125	**3,537,936**	1,696,356
25 Statement of Cash Flows					
(a) Reconciliation of cash and cash equivalents and non-cash financing and investing activities					
Cash at the end of the year is shown in the cash flow statement as:					
Cash at bank and on hand	6	**410,278**	156,927	**-**	-
Cash deposits	6	**2,117,819**	544,663	**-**	-
Bank overdrafts	15	**(5,905)**	(5,994)	**(55,055)**	(5,789)
		2,522,192	695,596	**(55,055)**	(5,789)
(b) Reconciliation of Profit after tax to Cash Flows from Operations					
Profit after tax		**1,145,932**	701,802	**413,195**	433,827
Non-cash items in profit after tax					
Depreciation, amortisation and impairment charges		**181,606**	143,446	**38,960**	45,910
(Gain)/loss on disposal of property, plant and equipment		**1,170**	917	**407**	850
Finance costs		**-**	78		-
Unwinding of discount		**-**	173	**-**	-
Dividends and management fees		**-**	-	**(388,236)**	(401,885)
Share based payments expense		**16,801**	12,607	**7,972**	6,266
Changes in assets and liabilities:					
(Increase)/decrease in trade and other receivables		**(115,545)**	(113,016)	**(9,305)**	(29,249)
(Increase)/decrease in inventories		**(228,234)**	(84,130)	**12,708**	(8,037)
(Increase)/decrease in retirement benefit assets		**9,150**	4,252	**3,518**	4,369
Increase/decrease in net tax assets and liabilities		**(60,523)**	12,433	**(82,701)**	21,191
Increase/(decrease) in trade and other payables		**97,996**	24,530	**24,831**	81,119
Increase/(decrease) in deferred government grants		**-**	2,358	**-**	2,358
Increase/(decrease) in provisions		**(12,693)**	(10,398)	**26,151**	(5,506)
Increase/(decrease) in retirement benefit liabilities		**(10,836)**	(5,796)	**(5,420)**	(4,248)
Net cash inflow from operating activities		**1,024,824**	689,256	**42,080**	146,965
(c) Non cash financing activities					
Acquisition of plant and equipment by means of finance leases		**7,691**	2,352	**-**	-

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
26 Employee benefits				
A reconciliation of the employee benefits recognised is as follows:				
Retirement benefit assets – non-current (note 13)	**-**	8,052	**-**	3,518
Provision for employee benefits – current (note 17)	**73,305**	67,601	**31,158**	29,546
Retirement benefit liabilities – non-current (note 13)	**133,894**	85,571	**2,772**	-
Provision for employee benefits – non-current (note 17)	**37,326**	40,005	**5,423**	5,485
	244,525	193,177	**39,353**	35,031
The number of full time equivalents employed at 30 June	**10,340**	9,276	**1,697**	1,570

(a) Defined benefit plans

The Group sponsors a range of defined benefit pension plans that provide pension benefits for its worldwide employees upon retirement. Entities of the Group who operate the defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice.

Movements in the net liability/(asset) for defined benefit obligations recognised in the balance sheet

	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Company 2009 $000	Parent Company 2008 $000
Net liability/(asset) for defined benefit obligation:				
Opening balance	**77,519**	72,485	**(3,518)**	(7,887)
Contributions received	**(18,026)**	(13,997)	**(3,262)**	(1,344)
Benefits paid	**(3,357)**	(2,274)	**-**	-
Expense/(benefit) recognised in the income statement	**19,818**	14,740	**1,717**	1,465
Actuarial (gains)/losses recognised in equity	**57,093**	4,389	**8,192**	4,248
Other movements	**(323)**	935	**(357)**	-
Currency translation differences	**1,170**	1,241	**-**	-
Closing balance	**133,894**	77,519	**2,772**	(3,518)
Net liability/(asset) for defined benefit obligation is reconciled to the balance sheet as follows:				
Retirement benefit assets – non-current (note 13)	**-**	(8,052)	**-**	(3,518)
Retirement benefit liabilities – non-current (note 13)	**133,894**	85,571	**2,772**	-
Net liability/(asset)	**133,894**	77,519	**2,772**	(3,518)

Amounts for the current and previous periods are as follows:

	Consolidated Group			Parent Company		
	2009 $000	2008 $000	2007 $000	2009 $000	2008 $000	2007 $000
Defined benefit obligation	**467,887**	393,474	371,106	**30,788**	29,801	26,661
Plan assets	**333,993**	315,955	298,621	**28,016**	33,319	34,548
Surplus/(deficit)	**(133,894)**	(77,519)	(72,485)	**(2,772)**	3,518	7,887
Experience adjustments on plan liabilities	**(8,016)**	14,723	(1,983)	**699**	(1,715)	2,038
Experience adjustments on plan assets	**(46,040)**	(14,525)	12,253	**(7,503)**	(2,533)	3,725
Actual return on plan assets	**(27,010)**	1,898	28,018	**(5,215)**	(149)	5,736

The Group and the Parent Company have used the AASB 1 exemption and disclosed amounts under AASB 1.20A(p) above for each annual reporting period prospectively from the AIFRS transition date (1 July 2004).

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
26 Employee benefits (continued)				
(a) Defined benefit plans (continued)				
Changes in the present value of the defined benefit obligation are as follows:				
Opening balance	**393,474**	371,106	**29,801**	26,661
Service cost	**19,240**	15,514	**2,335**	2,294
Interest cost	**19,608**	15,006	**1,670**	1,555
Past service costs	**-**	644	**-**	-
Contributions by members	**5,234**	3,885	**-**	-
Actuarial (gains)/losses	**8,016**	(10,136)	**689**	1,715
Benefits paid	**(18,038)**	(12,844)	**(3,129)**	(2,156)
Other movements	**(544)**	667	**(578)**	(268)
Currency translation differences	**40,897**	9,632	**-**	-
Closing balance	**467,887**	393,474	**30,788**	29,801
The present value of the defined benefit obligation comprises:				
Present value of wholly unfunded obligations	**93,248**	76,075	**-**	-
Present value of funded obligations	**374,639**	317,399	**30,788**	29,801
	467,887	393,474	**30,788**	29,801
Changes in the fair value of plan assets are as follows:				
Opening balance	**315,955**	298,621	**33,319**	34,548
Expected return on plan assets	**19,030**	16,423	**2,288**	2,384
Actuarial gains/(losses) on plan assets	**(49,071)**	(14,525)	**(7,503)**	(2,533)
Contributions by employer	**18,026**	13,997	**3,262**	1,344
Contributions by members	**5,234**	3,885	**-**	-
Benefits paid	**(14,681)**	(10,570)	**(3,129)**	(2,156)
Other movements	**(228)**	(268)	**(221)**	(268)
Currency translation differences	**39,728**	8,392	**-**	-
Closing balance	**333,993**	315,955	**28,016**	33,319
The major categories of plan assets as a percentage of total plan assets is as follows:				
Cash	**2.7%**	1.7%	**2.0%**	2.0%
Equity instruments	**28.0%**	31.7%	**56.3%**	64.0%
Debt instruments	**51.9%**	50.7%	**8.9%**	12.0%
Property	**15.6%**	14.6%	**11.8%**	10.0%
Other assets	**1.8%**	1.3%	**21.0%**	12.0%
	100.0%	100.0%	**100.0%**	100.0%
Expenses/(gains) recognised in the income statement are as follows:				
Current service costs	**19,240**	15,514	**2,335**	2,294
Interest on obligation	**19,608**	15,006	**1,670**	1,555
Expected return on assets	**(19,030)**	(16,423)	**(2,288)**	(2,384)
Past service costs	**-**	643	**-**	-
Total included in employee benefits expense	**19,818**	14,740	**1,717**	1,465

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
26 Employee benefits (continued)				
(a) Defined benefit plans (continued)				
The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:				
Discount rate	**6.0%**	4.3%	**5.6%**	6.0%
Expected return on assets and expected long-term rate of return on assets[1]	**3.9%**	5.0%	**7.0%**	7.0%
Future salary increases	**2.5%**	2.3%	**5.0%**	5.0%
Future pension increases	**0.9%**	0.7%	**-**	-

[1]The expected long-term rate of return is based on the portfolio as a whole.

Surplus/(deficit) for each defined benefit plan on a funding basis

	Plan assets[1]	Accrued benefit[1]	Plan surplus / (deficit)
	$000	$000	$000
Consolidated Group – June 2009			
CSL Pension Plan (Australia)[2]	**28,016**	**(30,788)**	**(2,772)**
CSL Bioplasma AG Pension Fund (Switzerland)	**263,898**	**(287,552)**	**(23,654)**
CSL Behring Union Pension Plan (US UPP)	**42,079**	**(56,300)**	**(14,221)**
CSL Behring GmbH Pension Plan (Germany)	**-**	**(76,041)**	**(76,041)**
CSL Pharma GmbH Pension Plan (Germany)	**-**	**(1,560)**	**(1,560)**
CSL Behring KG Pension Plan (Germany)	**-**	**(3,608)**	**(3,608)**
CSL Plasma GmbH Pension Plan (Germany)	**-**	**(125)**	**(125)**
CSL Behring KK Retirement Allowance Plan (Japan)	**-**	**(11,913)**	**(11,913)**
	333,993	**(467,887)**	**(133,894)**
Consolidated Group – June 2008			
CSL Pension Plan (Australia)[2]	33,319	(29,801)	3,518
CSL Bioplasma AG Pension Fund (Switzerland)	240,694	(236,160)	4,534
CSL Behring Union Pension Plan (US UPP)	41,942	(51,438)	(9,496)
CSL Behring GmbH Pension Plan (Germany)	-	(63,755)	(63,755)
CSL Pharma GmbH Pension Plan (Germany)	-	(1,527)	(1,527)
CSL Behring KG Pension Plan (Germany)	-	(3,006)	(3,006)
CSL Plasma GmbH Pension Plan (Germany)	-	(117)	(117)
CSL Behring KK Retirement Allowance Plan (Japan)	-	(7,670)	(7,670)
	315,955	(393,474)	(77,519)

[1] Plan assets at net market value and accrued benefits have been calculated at 30 June, being the date of the most recent financial statements of the plans.

[2] The CSL Pension Plan (Australia) is also the defined benefit plan of the Parent Company. On 1 June 2007 the CSL Pension Plan ceased operation as a stand alone fund. The Assets and Liabilities of the Plan were transferred to AustralianSuper under a Successor Fund Transfer Deed and the Plan now operates as a sub-plan of AustralianSuper.

(b) Defined contribution plans

The Group and Parent Company makes contributions to various defined contribution pension plans. The amounts recognised as an expense for the year ended 30 June 2009 was $19,433,000 and $11,605,000 respectively (2008: $15,854,000 and $10,934,000).

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

27 Share based payments

(a) Share based payment schemes

The Company operates the following schemes that entitles key management personnel and senior employees to purchase shares in the Company under and subject to certain conditions:

Senior Executive Share Ownership Plan (SESOP II)

The SESOP II plan was approved by special resolution at the annual general meeting of the Company on 20 November 1997. The plan governed the provision of share based long term incentives in the form of options issued between 1997 and 1 July 2003 inclusive. There has been so SESOP II options issued since July 2003. Other than those which lapsed, all SESOP II options vested in earlier financial years following the achievement of a 7% compound growth in earnings per share over their vesting period. 77,040 SESOP II options which have not yet been exercised as at 30 June 2009 must be exercised no later than 1 July 2010 or they will lapse. The price payable on exercise of SESOP II options equals the weighted average price over the 5 days preceding the issue date of the options. Upon request, interest bearing loans were available to employees to fund the exercise of their SESOP II options. The terms and conditions associated with the provision of SESOP II loans are set out in note 28(b) and the remuneration report.

Employee Performance Rights Plan (the plan)

The Employee Performance Rights Plan was approved by special resolution at the annual general meeting of the Company on 16 October 2003. The plan, as originally approved, governed the provision of share based long term incentives in the form of performance rights issued between 16 October 2003 and 6 April 2006 inclusive. Other than those which lapsed, all performance rights issued under the original plan vested prior to 30 June 2009. Vesting of the performance rights was contingent on the Company achieving a Total Shareholder Return (TSR) which was at or above the 50th percentile relative to the TSR of a peer group of companies comprising those entities within the ASX top 100 index by market capitalisation (excluding companies with the GICS industry codes of commercial banks, oil and gas and metals and mining). The original plan provided for vesting of 50% of the rights if the Company was ranked at the 50th percentile of TSR performance and for 100% of the rights to vest if the Company was placed at or above the 75th percentile. Relative TSR performance between the 50th and 75th percentile resulted in the proportion of performance rights that vested increasing on a straight-line basis. Vested performance rights which are exercised entitle the holder to one ordinary share for nil consideration.

The plan was amended with effect from October 2006. Under the amended plan, share based long term incentives issued since October 2006 now comprise grants made to executives of both performance rights and performance options, each subject to a different performance hurdle. Each long-term incentive grant generally consists of 50% performance rights and 50% performance options. Grants of performance rights and performance options are issued for nil consideration. The new plan retained the TSR performance hurdle and provided for 100% vesting of performance rights at the expiration of their vesting period if the Company's TSR performance was at or above the 50th percentile on the relevant test date. Under the new plan, performance options are subject to an earnings per share (EPS) performance hurdle. 10% compound EPS growth per annum is required for the performance options to vest at the expiration of their vesting period. EPS growth is measured from 30 June in the financial year preceding the grant of options until 30 June in the financial year prior to the relevant test date. Vested performance options entitle the holder to one ordinary share on payment of an exercise price equal to the volume weighted average CSL share price over the week up to and including the date of grant.

Under the Employee Performance Rights Plan, performance rights and performance options are issued for a term of seven years. Current offers provide for a portion becoming exercisable, subject to satisfying the relevant performance hurdle, after the second anniversary of the date of grant. Full vesting does not occur until four years post grant date. If the portion tested at the applicable anniversary meets the relevant performance hurdle, that portion of rights and options vest and become exercisable until the expiry date. If the portion tested fails to meet the performance hurdle the portion is carried over to the next anniversary and retested. After the fifth anniversary, any performance rights and performance options not vested lapse. Importantly, there is an individual employee hurdle requiring an executive to obtain for the financial year prior to exercise of the Performance Rights and Performance Options, a satisfactory (or equivalent) rating under the Company's performance management system.

Company provided loans are not available to fund the exercise of performance options under the plan.

The last grant of performance rights and options to be issued on these terms will be in 2009. As set out in section 15 (Remuneration Report) of the Directors' Report, certain changes will be made to the Performance Rights Plan with effect from 1 January 2010.

Global Employee Share Plan (GESP)

The 'Global Employee Share Plan' (GESP) operates whereby employees make contributions from after tax salary up to a maximum of $3,000 per each six month contribution period. The employees receive the shares at a 15% discount to the applicable market rate, as quoted on the ASX on the first day or the last day of the six month contribution period, whichever is lower.

27 Share based payments (continued)

(b) Outstanding share based payment equity instruments

The number and exercise price for each share based payment scheme outstanding is presented as follows. All options and rights are settled by physical delivery of shares.

June 2009	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2009
Options (by grant date)									
21 August 2001*	120,000	-	120,000	-	-	-	$16.44	20-Aug-08	-
23 July 2002*	100,400	-	32,600	-	-	67,800	$9.32	23-Jul-09	67,800
1 July 2003	203,640	-	194,400	-	-	9,240	$4.06	1-Jul-10	9,240
2 October 2006	1,256,340	-	104,235	63,225	-	1,088,880	$17.48	2-Oct-13	203,415
1 October 2007	714,600	-	-	25,680	-	688,920	$35.46	30-Sep-14	-
1 April 2008	3,240	-	-	-	-	3,240	$36.56	31-Mar-15	-
1 October 2008	-	794,720	-	2,540	-	792,180	$37.91	30-Sep-15	-
1 April 2009	-	15,380	-	-	-	15,380	$32.50	31-Mar-16	-
	2,398,220	810,100	451,235	91,445	-	2,665,640			280,455
Performance Rights (by grant date)									
16 October 2003	90,000	-	90,000	-	-	-	Nil	27-Oct-10	-
15 December 2003	5,400	-	-	-	-	5,400	Nil	27-Oct-10	5,400
28 April 2004	180,000	-	120,000	-	-	60,000	Nil	31-Mar-11	60,000
21 June 2004	8,400	-	-	-	-	8,400	Nil	31-Mar-11	8,400
29 October 2004	45,300	-	7,200	-	-	38,100	Nil	25-Aug-11	38,100
15 July 2005	165,000	-	-	-	-	165,000	Nil	7-Jun-12	165,000
7 September 2005	890,850	-	642,506	3,494	-	244,850	Nil	7-Jun-12	244,850
7 March 2006	157,500	-	-	-	-	157,500	Nil	20-Dec-12	157,500
6 April 2006	114,150	-	98,250	-	-	15,900	Nil	20-Dec-12	15,900
2 October 2006	450,480	-	66,795	20,085	-	363,600	Nil	2-Oct-13	43,920
1 October 2007	274,980	-	-	9,180	-	265,800	Nil	30-Sep-14	-
1 April 2008	1,460	-	-	-	-	1,460	Nil	31-Mar-15	-
1 October 2008	-	287,860	-	1,080	-	286,780	Nil	30-Sep-15	-
1 April 2009	-	5,680	-	-	-	5,680	Nil	31-Mar-16	-
	2,383,520	293,540	1,024,751	33,839	-	1,618,470			739,070
GESP (by grant date)									
1 March 2008	72,350	-	72,350	-	-	-	$31.24	31-Aug-08	-
1 September 2008	-	96,417	96,417	-	-	-	$31.88	28-Feb-09	-
1 March 2009#	-	103,640	-	-	-	103,640	$27.33	31-Aug-09	-
	72,350	200,057	168,767	-	-	103,640			
Total	**4,854,090**	**1,303,697**	**1,644,753**	**125,284**	**-**	**4,387,750**			**1,019,525**

*AASB 2 has not been applied to these options as they were issued before 7 November 2002.

#As noted above, the exercise price at which GESP plan shares are issued is calculated at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period. Accordingly the exercise price and the final number of shares issued is not yet known (and may differ from the assumptions and fair values disclosed below). The number of shares which may ultimately be issued based on entitlements granted on 1 March 2009 has been estimated based on information available as at 30 June 2009.

The weighted average share price at the dates of exercise, by equity instrument type, is as follows:

Options	$36.69
Performance Rights	$34.25
GESP	$37.16

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

27 Share based payments (continued)

(b) Outstanding share based payment equity instruments (continued)

The number and exercise price for each share based payment scheme outstanding is presented as follows. All options are settled by physical delivery of shares.

June 2008	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2009
Options (by grant date)									
21 August 2001*	120,000	-	-	-	-	120,000	$16.44	20-Aug-08	120,000
23 August 2001*	39,240	-	39,240	-	-	-	$12.51	22-Aug-08	-
10 December 2001*	18,600	-	18,600	-	-	-	$16.65	09-Dec-08	-
23 July 2002*	696,660	-	578,260	18,000	-	100,400	$9.32	23-Jul-09	100,400
16 October 2002*	18,000	-	18,000	-	-	-	$6.89	16-Oct-09	-
1 July 2003	396,840	-	193,200	-	-	203,640	$4.06	01-Jul-10	-
2 October 2006	1,352,340	-	-	96,000	-	1,256,340	$17.48	02-Oct-13	-
1 October 2007	-	730,620	-	16,020	-	714,600	$35.46	30-Sep-14	-
1 April 2008	-	3,240	-	-	-	3,240	$36.56	31-Mar-15	-
	2,641,680	733,860	847,300	130,020	-	2,398,220			220,400
Performance Rights (by grant date)									
16 October 2003	90,000	-	-	-	-	90,000	Nil	27-Oct-10	90,000
15 December 2003	49,800	-	44,400	-	-	5,400	Nil	27-Oct-10	5,400
28 April 2004	180,000	-	-	-	-	180,000	Nil	31-Mar-11	180,000
21 June 2004	57,900	-	49,500	-	-	8,400	Nil	31-Mar-11	8,400
29 October 2004	235,500	-	190,200	-	-	45,300	Nil	25-Aug-11	45,300
15 July 2005	165,000	-	-	-	-	165,000	Nil	07-Jun-12	-
07 September 2005	978,600	-	-	87,750	-	890,850	Nil	07-Jun-12	-
07 March 2006	157,500	-	-	-	-	157,500	Nil	20-Dec-12	-
06 April 2006	122,550	-	-	8,400	-	114,150	Nil	20-Dec-12	-
02 October 2006	487,920	-	-	37,440	-	450,480	Nil	02-Oct-13	-
01 October 2007	-	282,420	-	7,440	-	274,980	Nil	30-Sep-14	-
01 April 2008	-	1,460	-	-	-	1,460	Nil	31-Mar-15	-
	2,524,770	283,880	284,100	141,030	-	2,383,520			329,100
GESP (by grant date)									
1 March 2007	70,344	-	70,344	-	-	-	$22.17	31-Aug-07	-
1 September 2007	-	63,496	63,496	-	-	-	$27.50	28-Feb-08	-
1 March 2008#	-	65,984	-	-	-	65,984	$30.35	31-Aug-08	-
	70,344	129,480	133,840	-	-	65,984			-
Total	**5,236,794**	**1,147,220**	**1,265,240**	**271,050**	**-**	**4,847,724**			**549,500**

*AASB 2 has not been applied to these options as they were issued before 7 November 2002.

#As noted above, the exercise price at which GESP plan shares are issued is calculated at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period. Accordingly the exercise price and the final number of shares issued is not yet known (and may differ from the assumptions and fair values disclosed below). The above disclosures are estimated based on information available as at 30 June 2008.

The weighted average share price at the dates of exercise, by equity instrument type, is as follows:

Options	$33.26
Performance Rights	$32.39
GESP	$35.56

27 Share based payments (continued)

(c) Valuation assumptions and fair values of equity instruments granted

The fair value of services received in return for equity instruments granted are measured by reference to the fair value of equity instruments granted. The estimate of fair value of the services received is measured based on a combination of the Binomial and Black Scholes option valuation methodologies. The expected vesting period of equity instruments is also used as an input into the valuation model applied.

The following tables summarise the assumptions and fair values of unexercised equity instruments issued after 7 November 2002:

	Fair Value[1]	Share Price	Exercise Price	Expected volatility[2]	Life assumption	Expected dividend yield	Risk free interest rate
Options (by grant date)							
1 July 2003	$1.53	$4.03	$4.06	37.0%	3–5 years	2.5%	5.60%
2 October 2006 – Tranche 1	$5.71	$18.01	$17.48	27.0%	2 years	1.5%	5.67%
2 October 2006 – Tranche 2	$5.83	$18.01	$17.48	27.0%	3 years	1.5%	5.67%
2 October 2006 – Tranche 3	$5.96	$18.01	$17.48	27.0%	4 years	1.5%	5.67%
1 October 2007 – Tranche 1	$12.06	$35.93	$35.46	29.0%	2 years	1.5%	6.45%
1 October 2007 – Tranche 2	$12.33	$35.93	$35.46	29.0%	3 years	1.5%	6.45%
1 October 2007 – Tranche 3	$12.59	$35.93	$35.46	29.0%	4 years	1.5%	6.45%
1 April 2008 – Tranche 1	$12.64	$36.56	$36.23	32.0%	2 years	1.5%	6.00%
1 April 2008 – Tranche 2	$12.92	$36.56	$36.23	32.0%	3 years	1.5%	6.00%
1 April 2008 – Tranche 3	$13.18	$36.56	$36.23	32.0%	4 years	1.5%	6.00%
1 October 2008 – Tranche 1	$13.31	$38.75	$37.91	33.0%	2 years	1.5%	5.22%
1 October 2008 – Tranche 2	$13.58	$38.75	$37.91	33.0%	3 years	1.5%	5.22%
1 October 2008 – Tranche 3	$13.85	$38.75	$37.91	33.0%	4 years	1.5%	5.22%
1 April 2009 – Tranche 1	$9.27	$32.10	$32.50	33.0%	2 years	1.5%	3.94%
1 April 2009 – Tranche 2	$9.73	$32.10	$32.50	33.0%	3 years	1.5%	3.94%
1 April 2009 – Tranche 3	$10.15	$32.10	$32.50	33.0%	4 years	1.5%	3.94%
Performance Rights (by grant date)							
16 October 2003	$3.51	$5.42	Nil	37.0%	4 years	2.5%	5.61%
15 December 2003	$3.78	$5.84	Nil	37.0%	4 years	2.5%	5.79%
28 April 2004	$5.05	$7.64	Nil	35.0%	4 years	2.0%	5.71%
21 June 2004	$4.78	$7.24	Nil	34.0%	4 years	2.0%	5.63%
29 October 2004	$6.90	$9.60	Nil	34.0%	4 years	2.0%	5.32%
15 July 2005	$8.17	$11.63	Nil	27.0%	4 years	1.5%	5.19%
7 September 2005	$8.13	$11.58	Nil	27.0%	4 years	1.5%	5.10%
7 March 2006	$14.53	$17.75	Nil	27.0%	4 years	1.5%	5.37%
6 April 2006	$14.32	$17.80	Nil	27.0%	4 years	1.5%	5.51%
2 October 2006 – Tranche 1	$14.20	$18.01	Nil	27.0%	2 years	1.5%	5.67%
2 October 2006 – Tranche 2	$13.32	$18.01	Nil	27.0%	3 years	1.5%	5.67%
2 October 2006 – Tranche 3	$12.47	$18.01	Nil	27.0%	4 years	1.5%	5.67%
1 October 2007 – Tranche 1	$28.65	$35.93	Nil	29.0%	2 years	1.5%	6.45%
1 October 2007 – Tranche 2	$26.78	$35.93	Nil	29.0%	3 years	1.5%	6.45%
1 October 2007 – Tranche 3	$25.20	$35.93	Nil	29.0%	4 years	1.5%	6.45%
1 April 2008 – Tranche 1	$30.27	$36.56	Nil	32.0%	2 years	1.5%	6.00%
1 April 2008 – Tranche 2	$29.06	$36.56	Nil	32.0%	3 years	1.5%	6.00%
1 April 2008 – Tranche 3	$27.57	$36.56	Nil	32.0%	4 years	1.5%	6.00%
1 October 2008 – Tranche 1	$33.30	$38.75	Nil	33.0%	2 years	1.5%	5.22%
1 October 2008 – Tranche 2	$31.72	$38.75	Nil	33.0%	3 years	1.5%	5.22%
1 October 2008 – Tranche 3	$30.15	$38.75	Nil	33.0%	4 years	1.5%	5.22%
1 April 2009 – Tranche 1	$27.55	$32.10	Nil	33.0%	2 years	1.5%	3.94%
1 April 2009 – Tranche 2	$26.55	$32.10	Nil	33.0%	3 years	1.5%	3.94%
1 April 2009 – Tranche 3	$25.50	$32.10	Nil	33.0%	4 years	1.5%	3.94%

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

27 Share based payments (continued)

	Fair Value[1]	Share Price	Exercise Price	Expected volatility[2]	Life assumption	Expected dividend yield	Risk free interest rate
GESP (by grant date)[3]							
1 September 2007	$5.77	$32.35	$27.50	29.0%	6 months	1.5%	6.45%
1 March 2008	$5.51	$36.75	$31.24	32.0%	6 months	1.5%	6.00%
1 September 2008	$5.62	$37.50	$31.88	33.0%	6 months	1.5%	5.22%
1 March 2009	$4.82	$32.15	$27.33	33.0%	6 months	1.5%	3.94%

[1] Options and rights granted are subject to a service condition. Options are also subject to a non-market vesting condition based on earnings per share. Service conditions and non-market conditions are not taken into account in the determination of fair value at grant date. Contrastingly, grants of rights are also subject to a market vesting condition based on total shareholder returns, a condition which is taken into account when the fair value of rights is determined.

[2] The expected volatility is based on the historic volatility (calculated based on the remaining life assumption of each equity instrument), adjusted for any expected changes to future volatility due to publicly available information.

[3] The fair value of GESP equity instruments is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at the lower of the ASX market price on the first and last dates of the contribution period.

28 Key management personnel disclosures

The following were key management personnel of the Group at any time during the 2009 and 2008 financial years and unless otherwise indicated they were key management personnel during the whole of those financial years:

Non-executive directors

E A Alexander (Chairman)
J Akehurst
D W Anstice (appointed 2 Sept 2008)
I A Renard
M A Renshaw
K J Roberts (retired 15 Oct 2008)
J Shine
D J Simpson

Executive directors

B A McNamee (Chief Executive Officer and Managing Director)
A M Cipa (Finance Director)

Executives

P Turner (President, CSL Behring)
C Armit (President, CSL Biotherapies, retired 31 Dec 2007)
A Cuthbertson (Chief Scientific Officer)
P Turvey (Company Secretary / General Counsel, ceased to be a KMP 31 Dec 2008)
E Bailey (Company Secretary, appointed 1 Jan 2009)
G Boss (General Counsel, appointed 1 Jan 2009)
T Giarla (President, CSL Bioplasma, ceased to be a KMP 29 Feb 2008)
A von Bibra (General Manager Human Resources, resigned 31 Dec 2008)
J Lever (Senior Vice President Human Capital, appointed 1 June 2009)
M Sontrop (General Manager, CSL Biotherapies Australia & New Zealand)
J Davies (General Manager, CSL Bioplasma, appointed 1 March 2008)

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

28 Key management personnel disclosures (continued)

(a) Total compensation for key management personnel

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Short term				
Salary and Fees	**7,935,050**	7,407,484	**6,374,401**	6,472,756
Short term incentive cash bonus	**2,852,237**	2,879,478	**2,104,087**	2,379,327
Non-monetary benefits	**41,307**	170,553	**15,384**	158,209
Total	**10,828,594**	10,457,515	**8,493,872**	9,010,292
Post-employment				
Pension benefits	**938,482**	1,291,873	**680,598**	784,835
Retirement benefits	**263,725**	3,187	**263,725**	3,187
Total	**1,202,207**	1,295,060	**944,323**	788,022
Other long-term - Long service leave and equivalents	**434,608**	467,717	**305,138**	356,204
Deferred cash incentive	**560,000**	583,822	**560,000**	583,822
Termination benefits	**521,285**	-	**521,285**	-
Share-based payments				
Equity settled performance rights	**2,742,344**	2,505,205	**2,241,153**	2,109,762
Equity settled options	**2,049,993**	1,422,084	**1,663,141**	1,212,546
	4,792,337	3,927,289	**3,904,294**	3,322,308
Total	**18,339,031**	16,731,403	**14,728,912**	14,060,648

(b) Loans to key management personnel and their related parties (Group)

Details regarding the aggregate of loans made, guaranteed or secured by any entity in the Group to key management personnel and their related parties, and the number of individuals in each group, are as follows:

		Opening balance	Interest charged	Closing balance	Number in group
		$	$	$	$
Total for key management personnel	**2009**	**944,914**	**16,163**	**619,760**	**6**
	2008	1,174,820	33,522	745,154	5
Total for other related parties	**2009**	**-**	**-**	**-**	**-**
	2008	-	-	-	-
Total for key management personnel and their related parties	**2009**	**944,914**	**16,163**	**619,760**	**6**
	2008	1,174,820	33,522	745,154	5

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

28 Key management personnel disclosures (continued)

Details regarding loans outstanding at the reporting date to key management personnel and their related parties at any time during the reporting period, are as follows:

	Balance at 1 July 2008	Balance at 30 June 2009	Highest owing in period	Interest charged	Interest not charged
	$	$	$	$	$
Key Management Personnel					
A M Cipa	43,122	-	43,122	-	-
P Turner	110,000	-	110,000	-	-
A Cuthbertson	420,000	420,000	420,000	12,760	10,298
P Turvey	139,850	-	139,850	-	1,304
A von Bibra	32,182	-	32,182	-	-
E Bailey	199,760	199,760	240,363	3,403	7,563
Total	**944,914**	**619,760**	**985,517**	**16,163**	**19,165**

All of the loans relate to SESOP and SESOP II under which key management personnel were provided with loans to fund the exercise of options. SESOP was terminated by the Company and there are no longer any outstanding options under this plan. No grants of options have been made under SESOP II since July 2003.

Loans to key management personnel relating to SESOP are interest free. Loans relating to SESOP II are charged interest at a concessional average rate of 2.5%. This is based on interest being charged equivalent to the after-tax cash amount of dividends on the underlying shares (excluding the impact of imputation and assuming a marginal income tax rate of 46.5%). The average commercial rate of interest during the year was 5.49% (2008: 9.59%).

(c) Other key management personnel transactions with the company or its controlled entities

The key management personnel and their related entities have the following transactions with entities within the Group that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing at arm's length in similar circumstances:

- The Group has a number of contractual relationships, including property leases and collaborative research arrangements, with the University of Melbourne of which Mr Ian Renard was the Chancellor until 10 January 2009 and of which Miss Elizabeth Alexander is the Chair of the Finance Committee and a member of the Council and Dr Virginia Mansour (whose husband is Dr Brian McNamee) is a member of the Council.

(d) Options over equity instruments granted as compensation

The movement during the reporting period in the number of options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management person	Balance at 1 July 2008	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2009	Number Vested during the year	Vested and exercisable at 30 June 2009	Unvested at 30 June 2009
Executive Directors								
B A McNamee	236,400	74,880	-	-	311,280	39,690	39,690	271,590
A M Cipa	87,840	33,720	-	-	121,560	14,535	14,535	107,025
Other executives								
P Turner	87,840	33,720	14,535	-	107,025	14,535	-	107,025
A Cuthbertson	50,280	16,840	8,130	-	58,990	8,130	-	58,990
P Turvey	38,340	-	-	-	38,340	6,345	6,345	31,995
E Bailey	25,140	2,220	18,600	-	8,760	1,080	1,080	7,680
G Boss	38,460	15,040	9,600	-	43,900	4,740	4,740	39,160
M Sontrop	47,520	18,420	15,000	-	50,940	5,310	5,310	45,630
J Davies	32,100	18,420	-	-	50,520	5,310	5,310	45,210
A von Bibra	36,240	-	12,600	23,640	-	4,680	-	-
J Lever	-	-	-	-	-	-	-	-
Total	**680,160**	**213,260**	**78,465**	**23,640**	**791,315**	**104,355**	**77,010**	**714,305**

The assumptions inherent in the valuation of options granted to key management personnel, amongst others, during the financial year and the fair value of each option granted are set out in Note 27(c).

No options have been granted since the end of the financial year. The options have been provided at no cost to the recipients.

For further details, including the key terms and conditions, grant and exercise dates for options granted to executives, refer note 27.

28 Key management personnel disclosures (continued)

(e) Performance Rights over equity instruments granted as compensation

The movement during the reporting period in the number of performance rights over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management person	Balance at 1 July 2008	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2009	Number Vested during the year	Vested and exercisable at 30 June 2009	Unvested at 30 June 2009
Executive Directors								
B A McNamee	513,480	21,600	210,000	-	325,080	244,230	244,230	80,850
A M Cipa	176,340	9,720	-	-	186,060	94,290	154,290	31,770
Other executives						-		
P Turner	114,990	9,720	92,940	-	31,770	92,940	-	31,770
A Cuthbertson	57,870	4,860	45,150	-	17,580	45,150	-	17,580
P Turvey	42,270	-	32,625	-	9,645	32,625	-	9,645
E Bailey	9,840	960	-	-	10,800	3,180	7,380	3,420
G Boss	21,690	4,340	14,445	-	11,585	14,445	-	11,585
M Sontrop	31,830	5,300	23,625	-	13,505	23,625	-	13,505
J Davies	20,010	5,300	-	-	25,310	11,925	11,925	13,385
A von Bibra	18,360	-	11,280	7,080	-	11,280	-	-
J Lever	-	-	-	-	-	-	-	-
Total	**1,006,680**	**61,800**	**430,065**	**7,080**	**631,335**	**573,690**	**417,825**	**213,510**

The assumptions inherent in the valuation of performance rights granted to key management personnel, amongst others, during the financial year and the fair value of each option granted are set out in Note 27(c).

No performance rights have been granted since the end of the financial year. The performance rights have been provided at no cost to the recipients.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and performance rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

(f) Exercise of equity instruments granted as compensation

During the reporting period, the following shares were issued on the exercise of options granted as compensation:

	30 June 2009			30 June 2008		
	Date Option Granted	Number of shares	Paid per share $	Date Option Granted	Number of shares	Paid per share $
C Armit				23 July 2002	30,000	9.32
P Turvey				23 July 2002	30,000	9.32
T Giarla				21 August 2001	30,000	12.51
J Davies				23 July 2002	18,000	9.32
P Turner	2 October 2006	14,535	17.48	23 July 2002	90,000	9.32
M Sontrop	1 July 2003	15,000	4.06	1 July 2003	15,000	4.06
A Cuthbertson	2 October 2006	8,130	17.48	23 July 2002	45,000	9.32
A von Bibra	1 July 2003	7,920	4.06	1 July 2003	7,920	4.06
A von Bibra	2 October 2006	4,680	17.48			
E Bailey	1 July 2003	18,600	4.06			
G Boss	1 July 2003	9,600	4.06			
Total		**78,465**			**265,920**	

There are no amounts unpaid on the shares issued as a result of the exercise of options.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

28 Key management personnel disclosures (continued)

(f) Exercise of equity instruments granted as compensation (continued)

During the reporting period, persons who were key management personnel were issued the following shares on the exercise of performance rights granted as compensation:

	30 June 2009		30 June 2008	
	Date Performance Option Granted	Number of shares	Date Performance Right Granted	Number of shares
B McNamee	26 October 2003	90,000	-	-
	30 March 2004	120,000	-	-
P Turner	7 June 2005	52,950	-	-
	20 December 2005	35,700	-	-
	2 October 2006	4,290	-	-
A Cuthbertson	7 June 2005	15,750	-	-
	20 December 2005	27,000	-	-
	2 October 2006	2,400	-	-
P Turvey	7 June 2005	18,750	-	-
	20 December 2005	12,000	-	-
	2 October 2006	1,875	-	-
G Boss	7 June 2005	13,050	-	-
	2 October 2006	1,395	-	-
A von Bibra	7 June 2005	9,900	-	-
	2 October 2006	1,380	-	-
M Sontrop	7 June 2005	22,050	-	-
	2 October 2006	1,575	-	-
C Armit			29 October 2004	18,000
T Giarla			29 October 2004	18,000
Total		**430,065**		**36,000**

No amount is payable on the exercise of performance rights.

(g) Key management personnel shareholdings

Movements in the respective shareholdings of key management personnel during the year ended 30 June 2009 are set out below.

Movements in shares	Balance at 1 July 2008	Shares acquired on exercise of performance rights during year	Shares acquired on exercise of options during year	(Shares sold)/ Purchased	Balance at 30 June 2009
Non-Executive Directors					
E A Alexander	**24,722**	-	-	2,831	**27,553**
J Akehurst	**22,239**	-	-	6,752	**28,991**
D W Anstice	**-**	-	-	5,696	**5,696**
I A Renard	**22,419**	-	-	1,123	**23,542**
M A Renshaw	**5,277**	-	-	980	**6,257**
K J Roberts	**17,814**	-	-	682	**18,496**
J Shine	**1,836**	-	-	1,143	**2,979**
D J Simpson	**1,323**	-	-	1,116	**2,439**
Executive Directors					
B A McNamee	**625,533**	210,000	-	136	**835,669**
A M Cipa	**25,641**	-	-	136	**25,777**
Executives					
P Turner	**74,526**	92,940	14,535	(18,825)	**163,176**
A Cuthbertson	**79,437**	45,150	8,130	136	**132,853**
P Turvey	**19,441**	32,625	-	(47,299)	**4,767**
E Bailey	**13,816**	-	18,600	(18,410)	**14,006**
G Boss	**3,912**	14,445	9,600	(26,384)	**1,573**
A von Bibra	**10,502**	11,280	12,600	(12,748)	**21,634**
J Lever	**-**	-	-	-	**-**
M Sontrop	**21,835**	23,625	15,000	(14,810)	**45,650**
J Davies	**14,463**	-	-	272	**14,735**
Total	**984,736**	**430,065**	**78,465**	**(117,473)**	**1,375,793**

There have been no movements in shareholdings of key management personnel between 30 June 2009 and the date of this report.

29 Non key management personnel related party disclosure

Ultimate Controlling Entity

The ultimate controlling entity is CSL Limited.

Identity of related parties

The parent company has a related party relationship with its subsidiaries (see note 32) and with its key management personnel (see note 28).

Other related party transactions

The Parent Company entered into the following transactions during the year with related parties in the Group:

Wholly owned subsidiaries

- Loans were advanced and repayments received on the long term intercompany accounts;
- Interest was charged on outstanding intercompany loan account balances;
- Sales and purchases of products;
- Licensing of intellectual property;
- Provision of marketing services by controlled entities; and
- Management fees were received from a controlled entity.

The sales, purchases and other services were undertaken on commercial terms and conditions.

Payment for intercompany transactions is through intercompany loan accounts and may be subject to extended payment terms.

Amounts payable to and receivable from wholly owned subsidiaries are set out in the notes 7, 14 and 16.

Partly owned subsidiaries

- No transactions occurred during the year.

Amounts receivable from partly owned subsidiaries are set out in the note 7.

Transactions with key management personnel and their related parties

Disclosures relating to key management personnel are disclosed in note 28.

Transactions with other related parties

During the year, the parent and subsidiaries made contributions to defined benefit and contribution pension plans as disclosed in note 26.

Ownership interests in related parties

The ownership interests in related parties in the Group are disclosed in note 32. All transactions with subsidiaries have been eliminated on consolidation.

	Consolidated Group		Parent Company	
	2009 $	2008 $	2009 $	2008 $
30 Remuneration of Auditors				
During the year the following fees were paid or were payable for services provided by the auditor of the parent entity and its related practices:				
(a) Audit services				
Ernst & Young	**845,446**	820,143	**845,446**	820,143
Ernst & Young related practices	**2,645,333**	2,363,235	**-**	-
Total remuneration for audit services	**3,490,779**	3,183,378	**845,446**	820,143
(b) Other services				
Ernst & Young				
- due diligence / completion audits	**-**	48,668	**-**	48,668
- compliance and other services	**52,000**	57,660	**-**	57,660
Ernst & Young related practices				
- due diligence / completion audits	**21,481**	697,902	**-**	-
- compliance and other services	**170,554**	15,356	**-**	-
Total remuneration for non audit services	**244,035**	819,586	**-**	106,328
Total remuneration for all services rendered	**3,734,814**	4,002,964	**845,446**	926,471

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Company	
	2009 $000	2008 $000	2009 $000	2008 $000
31 Commitments and contingencies				
(a) Operating leases				
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:				
Not later than one year	**38,305**	30,076	**1,415**	1,199
Later than one year but not later than five years	**97,231**	76,533	**1,313**	1,264
Later than five years	**132,220**	116,296	**62**	123
	267,756	222,905	**2,790**	2,586

Operating leases entered into relate predominantly to leased land and rental properties. The leases have varying terms and renewal rights. Rental payments under the leases are predominantly fixed, but generally contain inflation escalation clauses. No operating lease contains restrictions on financing or other leasing activities.

	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Company 2009 $000	Parent Company 2008 $000
(b) Finance leases				
Commitments in relation to finance leases are payable as follows:				
Not later than one year	**5,484**	4,900	**-**	-
Later than one year but not later than five years	**20,000**	17,786	**-**	-
Later than five years	**40,709**	38,972	**-**	-
Total minimum lease payments	**66,193**	61,658	**-**	-
Future finance charges	**(22,863)**	(23,833)	**-**	-
Finance lease liability	**43,330**	37,825	**-**	-
The present value of finance lease liabilities is as follows:				
Not later than one year	**3,229**	2,744	**-**	-
Later than one year but not later than five years	**12,381**	9,962	**-**	-
Later than five years	**27,720**	25,119	**-**	-
	43,330	37,825	**-**	-
Finance lease – current liability (refer note 15)	**3,229**	2,744	**-**	-
Finance lease – non-current liability (refer note 15)	**40,101**	35,081	**-**	-
	43,330	37,825	**-**	-

Finance leases entered into relate predominantly to leased plant and equipment. The leases have varying terms but lease payments are generally fixed for the life of the agreement. In some instances, at the end of the lease term the Group has the option to purchase the equipment. No finance leases contain restrictions on financing or other leasing activities.

	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Company 2009 $000	Parent Company 2008 $000
(c) Total lease liability				
Current				
Finance leases (refer note 15)	**3,229**	2,744	**-**	-
Surplus lease space (refer note 17)	**77**	195	-	-
	3,306	2,939	**-**	-
Non-current				
Finance leases (refer note 15)	**40,101**	35,081	**-**	-
	43,407	38,020	**-**	-
(d) Capital commitments				
Capital expenditure contracted for at balance date but not provided for in the financial statements, payable:				
Not later than one year	**86,744**	68,733	**26,977**	13,814
Later than one year but not later than five years	**-**	3,642	**-**	-
Later than five years	**-**	-	**-**	-
	86,744	72,375	**26,977**	13,814

31 Commitments and contingencies (Continued)

(e) Contingent assets and liabilities

Guarantees

The Group and Parent Company provide certain financial guarantees in the ordinary course of business. No liability has been recognised in relation to these guarantees as the fair value of the guarantees is immaterial.

Service agreements

The maximum contingent liability for benefits under service agreements, in the event of an involuntary redundancy, is between 3 to 12 months. Agreements are held with the managing director and persons who take part in the management of Group entities. The maximum liability that could arise, for which no provisions are included in the financial statements is as follows:

	Consolidated Group		Parent Company	
	2009 $	2008 $	2009 $	2008 $
Service agreements	**10,404**	9,543	**6,544**	6,623

Litigation

The Group has recently been served with two lawsuits filed in the US courts alleging that the Group and a competitor had conspired to restrict output and artificially increase the price of plasma-derived therapies in the US. Both actions were filed by individual, private hospital groups but were filed as class actions. The Group believes that these lawsuits are unsupported by fact and without merit and will robustly defend against these suits.

The Group is involved in other 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 Group has disclaimed liability for, and is vigorously defending, all current material claims and actions that have been made.

Deed of cross guarantee

The Parent Company has entered into a deed of cross guarantee in accordance with a class order issued by the Australian Securities and Investments Commission. The Parent Company, and the subsidiaries which are party to the deed, have guaranteed the repayment of all current and future creditors in the event that any of these companies are wound up. Refer note 33 for details.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

32 Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

	Country of incorporation	Percentage Owned		
		2009 %	2008 %	
Company:				
CSL Limited	Australia			
Subsidiaries of CSL Limited:				
CSL Employee Share Trust	Australia	**100**	0	(d)
CSL Biotherapies Pty Ltd	Australia	**100**	100	
Cervax Pty Ltd	Australia	**74**	74	
CSL Biotherapies (NZ) Limited	New Zealand	**100**	100	(a)
Iscotec AB	Sweden	**100**	100	(a)
Zenyth Therapeutics Pty Ltd	Australia	**100**	100	
Zenyth Operations Pty Ltd	Australia	**100**	100	
Amrad Pty Ltd	Australia	**100**	100	
CSL International Pty Ltd	Australia	**100**	100	
CSL Finance Pty Ltd	Australia	**100**	100	
CSL Behring ApS	Denmark	**100**	100	(a)
CSL Behring AG	Switzerland	**100**	100	(a)
CSL Behring (Switzerland) AG	Switzerland	**100**	100	(a)(c)
ZLB GmbH	Germany	**100**	100	(a)
CSL UK Holdings Limited	England	**100**	100	(a)
ZLB Bioplasma UK Limited	England	**100**	100	(a)
CSLB Holdings Inc	USA	**100**	100	
CSL Biotherapies Inc	USA	**100**	100	(a)
ZLB Bioplasma (Hong Kong) Limited	Hong Kong	**100**	100	(a)
CSL Behring LLC	USA	**100**	100	(a)
CSL Behring Sales Force Inc.	USA	**0**	100	(a)(b)
CSL Plasma Inc	USA	**100**	100	(a)
CSL Behring Canada Inc.	Canada	**100**	100	(a)
CSL Behring Brazil Comercio de Produtos Farmaceuticals Ltda	Brazil	**100**	100	(a)
CSL Behring KK	Japan	**100**	100	(a)
CSL Behring S.A. de C.V.	Mexico	**100**	100	(a)
CSL Behring S.A.	France	**100**	100	(a)
CSL Biotherapies GmbH	Germany	**100**	100	(a)
CSL Behring Foundation for Research and Advancement of Patient Health	USA	**100**	100	(a)
CSL Behring Verwaltungs GmbH	Germany	**100**	100	(a)
CSL Behring Beteiligungs GmbH & Co KG	Germany	**100**	100	(a)
CSL Plasma GmbH	Germany	**100**	100	(a)
CSL Behring GmbH	Germany	**100**	100	(a)
CSL Behring GmbH	Austria	**100**	100	(a)
CSL Behring S.A.	Spain	**100**	100	(a)
CSL Behring A.B.	Sweden	**100**	100	(a)
CSL Behring S.p.A.	Italy	**100**	100	(a)
CSL Behring N.V.	Belgium	**100**	100	(a)
CSL Behring B.V	Netherlands	**100**	100	(a)
CSL Behring Lda	Portugal	**100**	100	(a)
CSL Behring MEPE	Greece	**100**	100	(a)
CSL Biotherapies Asia Pacific Limited	Hong Kong	**100**	100	(a)
CSL Behring S.A.	Argentina	**100**	100	(a)
CSL Behring Holdings Ltd.	England	**100**	100	(a)
CSL Behring UK Ltd.	England	**100**	100	(a)

(a) Audited by affiliates of the Company auditors.
(b) CSL Behring Sales Force Inc was merged with CSL Behring LLC on 1 April 2009
(c) CSL Behring (Switzerland) AG was sold by CSL Behring GmbH to CSL Behring AG on 22 June 2009
(d) Special purpose vehicle established during the year to facilitate CSL's employee share scheme

33 Deed of Cross Guarantee

On 28 June 2007, a deed of cross guarantee was executed between CSL Limited and some of its wholly owned entities, namely CSL International Pty Ltd, CSL Finance Pty Ltd, CSL Biotherapies Pty Ltd and Zenyth Therapeutics Pty Ltd. Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by CSL Limited they also represent the 'Extended Closed Group'. In respect to the Closed Group comprising the aforementioned entities, set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2009 and a consolidated balance sheet as at that date.

Income Statement	Consolidated Group	
	2009 $000	2008 $000
Continuing operations		
Sales revenue	**686,063**	666,088
Cost of sales	**(412,843)**	(360,739)
Gross profit	**273,220**	305,349
Sundry revenues	**341,515**	198,277
Dividend income	**244,993**	333,616
Interest income	**45,193**	49,084
Research and development expenses	**(175,614)**	(130,357)
Selling and marketing expenses	**(69,451)**	(74,738)
General and administration expenses	**(125,259)**	(114,595)
Finance costs	**(20,269)**	(28,387)
Profit before income tax expense	**514,328**	538,249
Income tax (expense) / benefit	**6,634**	(47,164)
Profit for the year	**520,962**	491,085

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FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group	
	2009 $000	2008 $000
33 Deed of Cross Guarantee (continued)		
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalent	**2,078,414**	513,897
Trade and other receivables	**121,853**	508,317
Current tax assets	**17,414**	-
Inventories	**122,604**	120,324
Total Current Assets	**2,340,285**	1,142,538
NON-CURRENT ASSETS		
Trade and other receivables	**279,176**	198,901
Other financial assets	**1,797,493**	1,235,573
Property, plant and equipment	**379,849**	348,242
Deferred tax assets	**30,070**	22,133
Intangible assets	**37,497**	57,550
Retirement benefit assets	**-**	3,518
Total Non-Current assets	**2,524,085**	1,865,917
TOTAL ASSETS	**4,864,370**	3,008,455
CURRENT LIABILITIES		
Trade and other payables	**287,290**	145,881
Interest-bearing liabilities and borrowings	**200,648**	16,540
Current tax liabilities	**-**	54,157
Provisions	**31,798**	30,328
Deferred government grants	**469**	469
Total Current Liabilities	**520,205**	247,375
NON-CURRENT LIABILITIES		
Trade and other payables	**54**	994
Interest-bearing liabilities and borrowings	**177,607**	548,013
Deferred tax liabilities	**11,997**	14,704
Provisions	**6,573**	6,687
Deferred government grants	**12,083**	6,950
Retirement benefit liabilities	**2,772**	-
Total Non-Current Liabilities	**211,086**	577,348
TOTAL LIABILITIES	**731,291**	824,723
NET ASSETS	**4,133,079**	2,183,732
EQUITY		
Contributed equity	**2,760,207**	1,034,337
Reserves	**66,349**	38,608
Retained earnings	**1,306,523**	1,110,787
TOTAL EQUITY	**4,133,079**	2,183,732
Summary of movements in consolidated retained earnings of the Closed Group		
Retained earnings at beginning of the financial year	**1,110,787**	850,107
Net profit	**520,962**	491,085
Actuarial gain / (loss) on defined benefit plans, net of tax	**(5,734)**	(2,974)
Dividends provided for or paid	**(319,492)**	(227,431)
Retained earnings at the end of the financial year	**1,306,523**	1,110,787

34 Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, unsecured notes, lease liabilities, available for sale assets and derivative instruments.

The Group's activities expose it to a variety of financial risks: market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swaps, to manage specifically identified risks as approved by the board of directors. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security. The accounting policy applied by the Group in respect to derivative financial instruments is outlined in note 1(v). Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks.

Market Risk

1. *Foreign exchange risk*

The Group and parent entity operate internationally and are exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than the entity's functional currency and net investments in foreign operations. The Group's Treasury risk management policy is to hedge contractual commitments denominated in a foreign currency.

The Group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at predetermined exchange rates. The objective is to match the contracts with committed future cash flows from sales and purchases in foreign currencies to protect the Group against exchange rate movements. Contracts to buy and sell foreign currencies are entered into from time to time to offset purchase and sale obligations in order to maintain a desired hedge position.

The table below summarises by currency the Australian dollar value of forward exchange agreements at balance date. Foreign currency amounts are translated at rates prevailing at reporting date. The Parent Company and other subsidiaries also enter into forward contracts to hedge foreign currency receivables from other entities within the Group. These receivables are eliminated on consolidation, however, the hedges are in place to protect the Parent Company and other Group subsidiaries from movements in exchange rates that would give rise to an income statement impact.

	Average Exchange Rate		2009		2008	
Currency	2009	2008	Buy $000	Sell $000	Buy $000	Sell $000
US Dollars						
3 months or less	**0.8113**	0.9594	**-**	**(97,146)**	5,180	(277,820)
Swiss Francs						
3 months or less	**0.8767**	0.9872	**148,561**	**(24,457)**	112,535	(21,877)
Argentina Peso						
3 months or less	**3.0738**	2.8558	**-**	**(9,272)**	-	(9,017)
Euro						
3 months or less	**0.5737**	0.6082	**211,299**	**(173,170)**	146,686	(118,795)
Pounds Sterling						
3 months or less	**0.4875**	0.4767	**3,815**	**(31,454)**	-	(4,780)
Hungarian Florint						
3 months or less	**158.25**	139.79	**-**	**(2,891)**	-	(1,237)
Japanese Yen						
3 months or less	**77.82**	101.92	**-**	**(15,721)**	-	(14,329)
Swedish Kroner						
3 months or less	**6.1996**	5.7198	**-**	**(10,592)**	-	(14,799)
Danish Kroner						
3 months or less	**4.2789**	4.5188	**1,439**	**(2,211)**	843	(3,121)
Mexican Peso						
3 months or less	**10.6936**	9.4658	**7,469**	**(36,714)**	-	(22,470)
Brazilian Real						
3 months or less	**1.5854**	-	**-**	**(1,451)**	-	-
New Zealand Dollar						
3 months or less	**1.2400**	-	**484**	**-**	-	-
Australian Dollars						
3 months or less	**0.7853**	0.9596	**39,897**	**(7,885)**	231,268	(8,267)
			412,964	**(412,964)**	496,512	(496,512)

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

34 Financial Risk Management Objectives and Policies (continued)

The Group reduces its foreign exchange risk on net investments in foreign operations, by denominating external borrowings in currencies that match the currencies of its foreign investments.

Included in Interest Bearing Liabilities (refer note 15) as at 30 June 2009, are Unsecured Notes amounting to US$65.8m (2008: US$72.72m) and EUR 63.1m (2008: EUR 65.50m) that are designated as a hedge of the Group's investment in CSL Holdings Inc and CSL Behring GmbH. A net foreign exchange loss of $23.1m (2008: gain of $6.7m) was recognised in equity on translation of these borrowings to Australian Dollars.

Included in Interest Bearing Liabilities (refer note 15) as at 30 June 2009, are Bank Loans amounting to CHF 160m (2008: CHF nil, EUR 130m) that are designated as a hedge of the Group's investment in CSL Behring AG. A net foreign exchange gain of $29.0m (2008: loss of $7.3m) was recognised in equity on translation of these borrowings to Australian Dollars.

There was no ineffectiveness recognised on this hedging during the year.

2. *Interest rate risk*

The Group is exposed to interest rate risk through primary financial assets and liabilities. In accordance with the Group entities approved risk management policies, derivative financial instruments such as interest rate swaps are used to hedge interest rate risk exposures. As at 30 June 2009, no derivative financial instruments hedging interest rate risk were outstanding (2008: Nil).

The following tables summarise interest rate risk for financial assets and financial liabilities, the effective interest rates as at balance date and the periods in which they reprice.

Consolidated Group – June 2009	Floating rate (a)	Fixed interest rate maturing in 1 year or less	Over 1 year to 5 years	Over 5 years	Non interest bearing	Total	Average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash and cash equivalents	2,528,097	-	-	-	-	2,528,097	2.7%
Trade and other receivables	-	-	-	-	896,109	896,109	-
Other financial assets	-	-	-	-	9,251	9,251	-
	2,528,097	-	-	-	905,360	3,433,457	
Financial Liabilities							
Trade and other payables	-	-	-	-	663,818	663,818	-
Bank loans – unsecured	401,986	-	-	-	-	401,986	0.6%
Bank overdraft – unsecured	5,905	-	-	-	-	5,905	8.9%
Senior unsecured notes	-	17,706	248,851	-	-	266,557	5.2%
Lease liabilities	-	3,229	12,381	27,720	-	43,330	5.7%
Other financial liabilities	-	-	-	-	873	873	-
	407,891	20,935	261,232	27,720	664,691	1,382,469	

34 Financial Risk Management Objectives and Policies (continued)

Consolidated Group – June 2008	Floating rate (a)	Fixed interest rate maturing in 1 year or less	Over 1 year to 5 years	Over 5 years	Non interest bearing	Total	Average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash and cash equivalents	701,590	-	-	-	-	701,590	6.7%
Trade and other receivables	-	-	-	-	717,550	717,550	-
Other financial assets	-	-	-	-	9,955	9,955	-
	701,590	-	-	-	727,505	1,429,095	
Financial Liabilities							
Trade and other payables	-	-	-	-	444,723	444,723	-
Bank loans – unsecured	658,254	-	-	-	-	658,254	3.5%
Bank overdraft – unsecured	5,994	-	-	-	-	5,994	6.0%
Senior unsecured notes	-	15,313	235,800	-	-	251,113	5.2%
Lease liabilities	-	2,744	9,962	25,119	-	37,825	6.4%
Other financial liabilities	-	-	-	-	167	167	-
	664,248	18,057	245,762	25,119	444,890	1,398,076	

(a) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.

The following tables summarise interest rate risk for income-earning financial assets and interest-bearing financial liabilities, the effective interest rates as at balance date and the periods in which they reprice.

Parent Company – June 2009	Floating rate (a)	Fixed interest rate maturing in 1 year or less	Over 1 year to 5 years	Over 5 years	Non interest bearing	Total	Average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other receivables	**-**	**-**	**-**	**-**	**2,906,420**	**2,906,420**	**-**
Other financial assets	**-**	**-**	**-**	**-**	**1,348,974**	**1,348,974**	**-**
	-	**-**	**-**	**-**	**4,255,394**	**4,255,394**	
Financial Liabilities							
Trade and other payables	**-**	**-**	**-**	**-**	**1,149,211**	**1,149,211**	**-**
Bank Overdrafts – Unsecured	**55,055**	**-**	**-**	**-**	**-**	**55,055**	**8.9%**
	55,055	**-**	**-**	**-**	**1,149,211**	**1,204,266**	

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

34 Financial Risk Management Objectives and Policies (continued)

Parent Company – June 2008	Floating rate (a)	Fixed interest rate maturing in 1 year or less	Over 1 year to 5 years	Over 5 years	Non interest bearing	Total	Average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash and cash equivalents	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	676,656	676,656	-
Other financial assets	-	-	-	-	1,340,144	1,340,144	-
	-	-	-	-	2,016,800	2,016,800	
Financial Liabilities							
Trade and other payables	-	-	-	-	684,820	684,820	-
Bank Overdrafts – Unsecured	5,789	-	-	-	-	5,789	6.0%
	5,789	-	-	-	684,820	690,609	

(a) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.

Sensitivity analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. However, over the longer-term, permanent changes in foreign exchange and interest rates would give rise to a Group income statement impact.

At 30 June 2009 it is estimated that a general movement of one percentage point in the interest rates applicable to floating rate unsecured bank loans would have changed the Group's profit after tax by approximately $2.6 million. This calculation is based on applying a 1% movement to the total of the Group's unsecured bank loans at year end. All other interest bearing debt amounts are subject to fixed rate and therefore not subject to interest rate movements in the ordinary course.

It is estimated that a general movement of one percentage point in the value of the Australian Dollar against other currencies would change the Group's profit after tax by approximately $8.3m for the year ended 30 June 2009 comprising $3.9m, $3.7m, $0.3m and $0.4m against the Euro, Swiss Franc, US Dollar and all other currencies respectively. This calculation is based on changing the actual exchange rate of Australian Dollars to all other currencies during the year by 1% and applying these adjusted rates to the translation of the foreign currency denominated financial statements of various Group entities.

These sensitivity estimates may not apply in future years due to changes in the mix of profits derived in different currencies and in the Group's net debt levels.

Credit Risk

Credit risk represents the extent of credit related losses that the Group may be subject to on amounts to be exchanged under financial instruments contracts or the amount receivable from trade and other debtors. Management has established policies to monitor and limit the exposure to credit risk on an on-going basis.

Transactions involving derivative financial instruments are with counterparties with whom the Group has a signed netting agreement as well as sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group's policy is to only invest its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'A' or better, as assessed by independent rating agencies.

The Group minimises the credit risks associated with trade and other debtors by undertaking transactions with a large number of customers in various countries.

The maximum exposure to credit risk at balance date is the carrying amount, net of any provision for impairment, of each financial asset in the balance sheet.

34 Financial Risk Management Objectives and Policies (continued)

The credit quality of financial assets that are neither past due, nor impaired is as follows:

For the year ended 30 June 2009	Financial Institutions	Governments	Hospitals	Buying Groups	Other	Total
Cash and cash equivalents	**2,528,097**	**-**	**-**	**-**	**-**	**2,528,097**
Trade and other receivables	**1,388**	**52,831**	**301,889**	**267,506**	**272,495**	**896,109**
Other financial assets	**9,251**	**-**	**-**	**-**	**-**	**9,251**
	2,538,736	**52,831**	**301,889**	**267,506**	**272,495**	**3,433,457**
For the year ended 30 June 2008						
Cash and cash equivalents	701,590	-	-	-	-	701,590
Trade and other receivables	3,290	53,363	251,171	201,239	208,487	717,550
Other financial assets	9,955	-	-	-	-	9,955
	714,835	53,363	251,171	201,239	208,487	1,429,095

The Group has not renegotiated any material collection/repayment terms of any financial assets in the current financial year.

An analysis of trade receivables that are past due and, where required, the associated provision for impairment is as follows. All other financial assets are less than 30 days overdue.

For the year ended 30 June 2009:	Trade receivables which are: Not impaired	Impaired	Provision for impairment
	$000	**$000**	**$000**
Trade and other receivables:			
current but not overdue	**497,175**	**-**	**-**
less than 30 days overdue	**92,628**	**-**	**-**
more than 30 but less than 90 days overdue	**48,065**	**-**	**-**
more than 90 days overdue	**121,018**	**20,254**	**20,254**
	758,886	**20,254**	**20,254**
For the year ended 30 June 2008:			
Trade and other receivables:			
current but not overdue	391,033	-	-
less than 30 days overdue	93,624	-	-
more than 30 but less than 90 days overdue	46,378	-	-
more than 90 days overdue	64,206	20,415	20,415
	595,241	20,415	20,415

Financial assets are considered impaired where there is objective evidence that the Group will not be able to collect all amounts due according to the original trade and other receivable terms. Factors considered when determining if an impairment exists include aging and timing of expected receipts and the credit worthiness of counterparties. A provision for impairment is created for the difference between the assets carrying amount and the present value of estimated future cash flows. The Group's trading terms do not generally include the requirement for customers to provide collateral as security for financial assets.

CSL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2009

34 Financial Risk Management Objectives and Policies (continued)

Funding and liquidity risk

Funding and liquidity risk is the risk that CSL cannot meet its financial commitments as and when they fall due. One form of this risk is credit spread risk which is the risk that in refinancing its debt, CSL may be exposed to an increased credit spread (the credit spread is the margin that must be paid over the equivalent government or risk free rate or swap rate). Another form of this risk is liquidity risk which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations at any reasonable cost when required.

Liquidity and re-financing risks are not significant for the Group, as CSL has a prudent gearing level and strong cash flows. The focus on improving operational cash flow and maintaining a strong balance sheet mitigates refinancing and liquidity risks enabling the Group to actively manage its capital position.

CSL's objectives in managing its funding and liquidity risks include ensuring the Group can meet its financial commitments as and when they fall due, ensuring the Group has sufficient funds to achieve its working capital and investment objectives, ensuring that short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimising the cost of funding and maximising the return on any surplus funds through efficient cash management, and ensuring adequate flexibility in financing to balance short-term liquidity requirements and long-term core funding, and minimise refinancing risk.

The below table shows the profile of financial liabilities:

		Maturing in:		
Consolidated Group – June 2009	**1 year or less**	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial Liabilities				
Trade and other payables	**663,818**	**-**	**-**	**663,818**
Bank loans – unsecured	**305,518**	**96,468**	**-**	**401,986**
Bank overdraft – unsecured	**5,905**	**-**	**-**	**5,905**
Senior unsecured notes	**17,706**	**248,851**	**-**	**266,557**
Lease liabilities	**3,229**	**12,381**	**27,720**	**43,330**
Other financial liabilities	**873**	**-**	**-**	**873**
	997,049	**357,700**	**27,720**	**1,382,469**
Consolidated Group – June 2008				
Financial Liabilities				
Trade and other payables	444,723	-	-	444,723
Bank loans – unsecured	104,001	554,253	-	658,254
Bank overdraft – unsecured	5,994	-	-	5,994
Senior unsecured notes	15,313	235,800	-	251,113
Lease liabilities	2,744	9,962	25,119	37,825
Other financial liabilities	167	-	-	167
	572,942	800,015	25,119	1,398,076

		Maturing in:		
Parent Company – June 2009	**1 year or less**	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial Liabilities				
Trade and other payables	**1,149,211**	**-**	**-**	**1,149,211**
Bank Overdrafts – Unsecured	**55,055**	**-**	**-**	**55,055**
	1,204,266	**-**	**-**	**1,204,266**
Parent Company – June 2008				
Financial Liabilities				
Trade and other payables	684,820	-	-	684,820
Bank Overdrafts – Unsecured	5,789	-	-	5,789
	690,609	-	-	690,609

34 Financial Risk Management Objectives and Policies (continued)

Fair values

With the exception of certain of the Group's financial liabilities as disclosed in the table below, the remainder of the Group's and the company's financial assets and financial liabilities have a fair value equal to the carrying value of those assets and liabilities as shown in the Group's and company's respective balance sheet. There are no unrecognised gains or losses in respect to any financial asset or financial liability.

Consolidated Group	Carrying amount 2009	Fair Value 2009	Carrying amount 2008	Fair Value 2008
	$000	$000	$000	$000
Financial Liabilities				
Interest bearing liabilities and borrowings				
Unsecured bank loans	**401,986**	**402,227**	658,254	658,676
Unsecured notes	**266,557**	**267,415**	251,113	252,286

The following methods and assumptions were used to determine the net fair values of financial assets and liabilities:

Trade and other receivables / payables

The carrying value of trade and other receivables/payables with a remaining life of less than one year is deemed to reflect its fair value.

Other financial assets – derivatives

Forward exchange contracts are 'marked to market' using listed market prices.

Other financial assets – other

Fair value is estimated using valuation techniques including recent arm's length transactions of like assets, discounted cash flow analysis and comparison to fair values of similar financial instruments.

Interest bearing liabilities and borrowings

Fair value is calculated based on the discounted expected future principal and interest cash flows.

Interest bearing liabilities and borrowings – finance leases

The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements. The estimated fair values reflect change in interest rates.

Capital Risk Management

The Group's and the Parent Company's objectives when managing capital are to safeguard their ability to continue as a going concern whilst providing returns to shareholders and benefits to other stakeholders. The Group aims to maintain a capital structure which reflects the use of a prudent level of debt funding so as to reduce the Group's and the parent entity's cost of capital without adversely affecting either of their credit ratings.

In the ordinary course, the parent targets to distribute 35% of each year's profit after tax by way of dividends. Amounts paid by way of dividend are disclosed in note 23.

During 2009, the parent raised $1.85 billion of new equity capital in anticipation of applying the funds raised, together with amounts available under newly secured debt finance facilities, to fund a potential acquisition opportunity as set out in note 3. Ultimately the acquisition did not proceed. The Parent Company announced a share buyback program on 9 June 2009. Up to 54,863,000 of shares, or 9% of total shares on issue as at 9 June 2009, may be bought back under the buyback program. The buyback is expected to improve investment return ratios such as earnings per share and return on equity to the benefit of shareholders in the future. Up to 30 June 2009, the Parent Company had purchased 4,261,134 ordinary shares on market at an average price of $31.83 per share, with prices ranging from $31.03 to $32.32. Subsequent to year end and from 1 July until 10 July 2009, an additional 4,282,285 shares were purchased with prices ranging between $30.39 and $31.85. Post 10 July and up to 19 August 2009, no further shares have been bought back.

35 Subsequent events

Other than as disclosed elsewhere in the financial statements, there are no other matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

CSL LIMITED

DIRECTORS' DECLARATION

1. In the opinion of the Directors:

   (a) the financial report, and the remuneration report included in the directors' report of the company and of the Group are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the company's and Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001; and

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

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2009.

3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee dated 28 June 2007.

This declaration is made in accordance with a resolution of the directors.

Elizabeth A Alexander

Brian A McNamee

Chairman Managing Director

Melbourne

19 August 2009

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CSL LIMITED

Report on the Financial Report

We have audited the accompanying financial report of CSL Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the 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 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. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met 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. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of CSL Limited is in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the financial position of CSL Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in Section 15 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of CSL Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Denis Thorn
Partner
Melbourne
19 August 2009

Designed and produced by Fidelis Design Associates, Melbourne.

Paper stocks used for the production of this document are environmentally responsible papers manufactured by ISO 14001 certified mills using Elemental Chlorine Free (ECF) pulp. They are FSC Mixed Sources certified, which ensures that all virgin pulp is derived from well-managed forests and controlled sources.

CSL BEHRING

CSL Behring is a global leader in biotherapies with the broadest range of quality products in our industry and substantial markets in the US, Europe and Japan.

Our therapies are indicated for treatment of coagulation disorders including haemophilia and von Willebrand disease, primary immune deficiencies and inherited respiratory disease.

CSL Behring products are also used to prevent haemolytic disease in newborns, speed recovery from heart surgery, prevent infection in people undergoing solid organ transplants, and help victims of shock and burns to recover faster.

CSL BIOPLASMA

CSL Bioplasma provides plasma fractionation services in Melbourne under contracts with Australia, New Zealand, Hong Kong, Malaysia, Singapore, and Taiwan. We market commercial plasma products in Asia (excluding Japan) and operate an immunohaematology blood grouping business in Australia.

CSL BIOTHERAPIES

CSL Biotherapies manufactures and markets vaccines and pharmaceutical products in Australia and New Zealand and is responsible for global sales of our influenza vaccines.

In-licensed pharmaceutical products include vaccines and a range of neurological, cardio-thoracic, dermatological, analgesic, urological, allergy and emergency products.

NEW PRODUCT DEVELOPMENT

CSL continues to invest in the development of protein-based medicines to treat serious human illnesses. Today, most of our licensed medicines are purified from human plasma or made from traditional sources, like influenza vaccines. In addition, CSL is building the capabilities required to develop future products using recombinant DNA technology.

Global research and development activities support CSL's core licensed product businesses and three other areas of new product development:

- *Replacement therapies that enhance our plasma products portfolio;*
- *Therapeutic proteins based on recombinant proteins and antibodies; and*
- *Vaccines that use our proprietary ISCOMATRIX® adjuvant and/or our influenza vaccine capabilities.*

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FURTHER INFORMATION

For further information about CSL and its operations, refer to Company announcements to the Australian Securities Exchange and our website:

www.csl.com.au