



15 April 2005

CSL - AIFRS TAXATION UPDATE

CSL Limited advised today that it has completed a preliminary review of taxation implications arising from the introduction of the Australian equivalents to International Financial Reporting Standards (AIFRS) and its impact on the treatment of the discount on acquisition of Aventis Behring.

The company advised that as it foreshadowed at its half-year result announcement on 23 February this year, under the new AIFRS reporting requirements, it expected to report additional tax expense for accounting purposes. There will be no cash implications arising from this change to AIFRS.

CSL advised that at the date of transition to AIFRS, it will be required to recognise deferred tax assets in respect of the unrealised portion of the discount on acquisition and other fair value adjustments that remain in the balance sheet at that date, noting that these deferred tax assets will then flow through the income tax expense line as the assets to which the fair value and discount relate to are realised. The effect of this for the year ended 30 June 2006 is expected to be in the range of \$35m to \$45m, the company said.

OUTLOOK

The company reaffirmed its outlook for a net profit after tax for 2004/05 of between \$270 and \$295 million⁽¹⁾ with a result toward the upper end of this range largely dependent upon selling a higher amount of inventory acquired at a discount from Aventis Behring.

The company also reiterated comments made at the time of the first half result announcement regarding sales revenue trends going forward confirming that the production volumes of the combined Aventis Behring and ZLB businesses had been reduced by approximately one million litres. Despite this significant reduction in production the company noted that it does not expect any material change to the Group's total sales revenue in fiscal 2006 compared to 2005, after adjusting for the loss in sales from JRH, with sales growth expected to return thereafter.

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⁽¹⁾ Subject to currency fluctuation and material price movement in core plasma products. Full year NPAT forecast assumes a rate of 1.22USDCHF for 2H05 (currently ~ 1.19). Does not include profit on sale of JRH.