About CSL

The CSL Group develops, manufactures and markets biologically-based health care products that benefit the community.

Our products include human and veterinary pharmaceuticals (notably vaccines), products derived from human plasma, diagnostics, and cell culture reagents.

We continue to build CSL in ways that benefit our shareholders by:

- Meeting customers' expectations with quality products and excellent services;
- Investing in development of new products and introducing those products into domestic and international markets;
- Pursuing national and international collaborations that build on our scientific, manufacturing and marketing expertise;
- Developing a flexible, committed and skilled workforce rewarded for excellence and innovation;
- Ensuring our workplaces are healthy for employees and the community;
- Striving for continuous improvement in all areas of our business.

CSL is firmly committed to research and development, quality assurance and the development of international product and marketing alliances.

In Australia, we are a leading investor in pharmaceutical research and development, and one of the largest employers in the pharmaceutical manufacturing industry.

Our earnings are supported by established brands with strong market shares. We continue to achieve improvements in profitability as the Company expands its business nationally and internationally through products developed both by CSL and in collaboration with partners.

Internet: http://www.csl.com.au
**CSL Limited**

CSL Limited develops, manufactures and markets pharmaceutical products of biological origin. Our business is health care.

- Life-saving products derived from human plasma.
- Pharmaceuticals and diagnostics essential to community health.
- Veterinary vaccines and diagnostics to protect livestock and companion animals.
- Cell culture and blood grouping reagents.

**Annual General Meeting**

Wednesday 18 October 2000 at 11:00am

Function Centre, National Tennis Centre
Melbourne Park, Batman Avenue
Melbourne 3000

**Financial Calendar**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>22 September</td>
<td>Shares traded ex-dividend</td>
</tr>
<tr>
<td>26 September</td>
<td>Record date for final dividend</td>
</tr>
<tr>
<td>12 October</td>
<td>Final dividend paid</td>
</tr>
<tr>
<td>18 October</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>31 December</td>
<td>Half year paid</td>
</tr>
<tr>
<td>20 February</td>
<td>Half year profit and interim dividend announcement</td>
</tr>
<tr>
<td>6 April</td>
<td>Shares traded ex-dividend</td>
</tr>
<tr>
<td>11 April</td>
<td>Record date for interim-dividend</td>
</tr>
<tr>
<td>25 April</td>
<td>Interim dividend paid</td>
</tr>
<tr>
<td>30 April</td>
<td>Year ends</td>
</tr>
<tr>
<td>21 August</td>
<td>Annual profit and final dividend announcement</td>
</tr>
<tr>
<td>21 September</td>
<td>Shares traded ex-dividend</td>
</tr>
<tr>
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</tr>
<tr>
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**Major Pharmaceutical products marketed by CSL**

<table>
<thead>
<tr>
<th>Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clotting Factors</td>
<td>MonoFix®-VF</td>
</tr>
<tr>
<td>Anti-infections</td>
<td>Intragam® P</td>
</tr>
<tr>
<td>Sera</td>
<td>Albumex®</td>
</tr>
<tr>
<td>Plasmoglobin</td>
<td>Daivonex®</td>
</tr>
<tr>
<td>Other products</td>
<td>Flomax*</td>
</tr>
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**Major Animal Health products marketed by CSL**

<table>
<thead>
<tr>
<th>Class</th>
<th>Product</th>
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<tbody>
<tr>
<td>Blood grouping reagents</td>
<td>Avonex*</td>
</tr>
<tr>
<td>Vaccines</td>
<td>PedvaxHIB*</td>
</tr>
<tr>
<td>Vaccines</td>
<td>Tripacel*</td>
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<tr>
<td>Vaccines</td>
<td>Bovigam®</td>
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<tr>
<td>Antibiotics</td>
<td>Moxacin®</td>
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<tr>
<td>Antibiotics</td>
<td>Flopen®</td>
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**Major Bioplasma products marketed by CSL**

<table>
<thead>
<tr>
<th>Class</th>
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<tbody>
<tr>
<td>Immunoglobulins</td>
<td>Intragma®</td>
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<td>Immunoglobulins</td>
<td>Intragam® P</td>
</tr>
<tr>
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</tr>
<tr>
<td>Immunoglobulins</td>
<td>MonoFix®-VF</td>
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<tr>
<td>Immunoglobulins</td>
<td>Daivonex®</td>
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**Major Biopharmaceutical products marketed by CSL**

<table>
<thead>
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<th>Class</th>
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<tbody>
<tr>
<td>Clotting Factors</td>
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<tr>
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<tr>
<td>Plasmoglobin</td>
<td>Daivonex®</td>
</tr>
<tr>
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<td>Flomax*</td>
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**Major Biosciences products marketed by CSL**

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<tr>
<th>Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotherapy products</td>
<td>Avonex*</td>
</tr>
<tr>
<td>Biotherapy products</td>
<td>PedvaxHIB*</td>
</tr>
<tr>
<td>Biotherapy products</td>
<td>Tripacel*</td>
</tr>
<tr>
<td>Biotherapy products</td>
<td>Bovigam®</td>
</tr>
<tr>
<td>Antibiotics</td>
<td>Moxacin®</td>
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<tr>
<td>Antibiotics</td>
<td>Flopen®</td>
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</tbody>
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**Major Bioresources products marketed by CSL**

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<tr>
<th>Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clotting Factors</td>
<td>MonoFix®-VF</td>
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<tr>
<td>Anti-infections</td>
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</table>
CSL’s Year at a Glance

Group revenues of $504.3m from CSL businesses in 1999-2000 (up 18.7%) have produced an after tax profit of $54.4m - an increase of 14.8% on the previous year.

**Pharmaceutical ($175.4m sales revenue)**

The increase in sales revenue by our Pharmaceutical Group has been achieved through continuing growth in CSL's vaccines business and a resurgence in pharmaceuticals from the launch of new products and key new listings on the Pharmaceutical Benefits Scheme.

**Bioplasma ($140.4m sales revenue)**

In June 2000, CSL entered into a conditional agreement to purchase the plasma fractionation assets and business from a foundation affiliated with the Swiss Red Cross. This will make CSL one of the five largest fractionators of plasma in the world. The Bioplasma Division’s sales revenue growth this year came from further increases in the volumes of plasma processed and from new products.

**Animal Health ($47.1m sales revenue)**

The Animal Health Group has performed well this year to deliver an 11.6% increase in revenue. This result reflects domestic success with sheep and cattle vaccines and significant international growth for canine and feline vaccines through Biosev Animal Health Inc., our subsidiary in the USA. Our Paracheck® diagnostic test kit became the first CSL product to be licensed by the US Department of Agriculture.

**Biosciences ($87.7m sales revenue)**

Another strong performance from the Biosciences Group increased sales revenue by 17% to $87.7m this year. The excellent 24% sales growth by JRH Biosciences (from $63.3m to $79.7m) comes from increasing demand for JRH proprietary and customised cell culture media products. As a platform for expanding services to European customers, JRH acquired a cell culture media products manufacturer in the United Kingdom.

**New Product Development**

All four of CSL's businesses have well established R&D groups dedicated to product development and enhancement, and improvements in manufacturing technology. Our major collaborations for key research and development projects to make good progress. Key projects include our collaboration with Merck & Co Inc. to develop a vaccine to prevent genital warts and cervical cancer, and with Astralis to develop a vaccine to treat Helicobacter pylori infections associated with peptic ulcers and stomach cancer. Another important project is the work being carried out on ISCOM™ adjuvant technology to increase and modulate immune responses when combined with antigens.
The Year in Review

Financial Highlights

Steady growth this year produced Group revenues of $504.3m and delivered an after tax profit of $54.4m for the Company.

Corporate Objectives for 1999-2000

Our corporate objectives for the past year as stated to shareholders in our 1998-99 Annual Report and at our last Annual General Meeting were:

- To continue to improve financial returns as a growing international company;
- To further entrench our domestic market position by building on competitive strengths;
- To develop our international plasma products, veterinary vaccines and cell culture businesses, and evaluate the international potential for other niche biological products;
- To position our Pharmaceutical and Biosciences businesses for sustainable growth and profitability;
- To foster innovation, new product development and leadership.

Outcomes

The most significant development for CSL during the past year has been the agreement to acquire the fractionation assets and business (ZLB) of Rotkreuzstiftung Zentrallaboratorium Blutspendedienst SRK, a foundation of the Swiss Red Cross.

This offers CSL a unique opportunity to accelerate strategic objectives, build upon existing alliances, broaden our product pipeline and increase product development capabilities. It also delivers global scale plasma fractionation to the CSL Group and provides immediate access to the US plasma products market, the world's largest. ZLB has the only plasma products facility outside the USA with US Food and Drug Administration (FDA) accreditation. It is the world's fifth largest plasma fractionator, generating annual sales last calendar year equivalent to A$258 million.

JRH Biosciences, our US-based international cell culture business, has again achieved record sales revenue of A$175.4m, a 14% increase on last year. To expand services to JRH's European market, we acquired the cell culture media products manufacturer, Imperial Laboratories Limited, located at Andover in the United Kingdom (UK), in September 1999.

On 19 June 1998, the CSL Animal Health Group established its presence in the USA as Bicor Animal Health. Bicor produces a range of vaccines for small animals and is growing strongly in the world's largest animal health market. Both market share and gross margins have been enhanced by new products and packaging innovations.

Dividends to Shareholders

An interim dividend on ordinary shares of 8 cents per share (franked at 36%) was paid on 26 April 2000. A final dividend on ordinary shares of 15 cents per share (franked at 34%) will be paid on 12 October 2000.

The total dividend for the year of $33.1m (23 cents per share) represents a payout ratio of 61% of net profit after tax.

Financial Highlights

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total revenue</td>
<td>504.3</td>
<td>424.9</td>
<td>18.7</td>
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<tr>
<td>Sales revenue</td>
<td>450.6</td>
<td>413.5</td>
<td>9.0</td>
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<tr>
<td>Research and development</td>
<td>41.6</td>
<td>40.8</td>
<td>9.0</td>
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<tr>
<td>Operating profit before interest and income tax</td>
<td>77.2</td>
<td>68.7</td>
<td>12.4</td>
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<tr>
<td>Operating profit after tax</td>
<td>54.4</td>
<td>47.4</td>
<td>14.8</td>
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<tr>
<td>Capital investment</td>
<td>37.2</td>
<td>39.0</td>
<td>(4.6)</td>
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<tr>
<td>Total assets at 30 June</td>
<td>946.5</td>
<td>561.5</td>
<td>68.6</td>
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<tr>
<td>Shareholders' funds at 30 June</td>
<td>793.6</td>
<td>414.9</td>
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<td>Earnings per share (cents)</td>
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<td>13.0</td>
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There is a five-year statistical summary on page 26.
Financial Highlights

The Year in Review

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JRH Biosciences, our US-based international cell culture business, has again achieved record sales revenue of A$76.7m, an increase of 24% on last year. To expand services to JRH's European market, we acquired the cell culture media products manufacturer, Imperial Laboratories Limited, located at Andover in the United Kingdom (UK), in September 1999.

On 19 June 1998, the CSL Animal Health Group established its presence in the USA as BioCor Animal Health. BioCor produces a range of vaccines for small animals and is growing strongly in the world's largest animal health market. Both market share and gross margins have been enhanced by new products and packaging innovations.

Financial Highlights

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Another important international development for CSL with potential to create a significant long-term market is the collaboration with DynPort LLC to manufacture our Q fever vaccine. CSL has been working with the University of Queensland to develop a vaccine for genital warts and cervical cancer is at the clinical development studies stage. These studies are being carried out in the USA.

We are testing candidate antigens (which induce immune response) and novel adjuvants (which enhance immune response) in animal models for the project to develop a vaccine to prevent and treat peptic ulcers associated with the bacterium Helicobacter pylori. AstraZeneca and The University of New South Wales are collaborating with CSL on this project.

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The progress made with new product development has been satisfactory and is described in more detail in this Annual Report under the New Product Development and the Business Report sections.

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The Year in Review

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We are now testing candidate antigens (which induce immune response) and novel adjuvants (which enhance immune response) in animal models for the project to develop a vaccine to prevent and treat peptic ulcers associated with the bacterium Helicobacter pylori. AstraZeneca and the University of New South Wales are collaborating with CSL on this project.

Providing immunotherapy for cancer and for chronic infectious diseases are potential clinical applications of the ISCOM™ adjuvant technology we obtained through our acquisition of biotec AB (Sweden). ISCOM™ adjuvants have the potential to increase and modulate immune responses when combined with antigens. Currently, we are testing this technology with proprietary antigens in two proof-of-principle human clinical trials.

In both early stage studies, our aims are to demonstrate the specific immune responses believed to underpin successful cancer immunotherapy.

We are also working on defining antigens in the bacterium Porphrymonas gingivalis (which induce immune response) and novel adjuvants (which enhance immune response) in animal models for the project to develop a vaccine to prevent and treat periodontal infections. Another early stage project is aimed at the development of a vaccine to prevent the symptoms of glandular fever.

Bioplasma R&D work continues on development of new and improved immunoglobulins, the fibrin bandage project with the American Red Cross Biomedical Services, and a number of product enhancements.

Another important international development for CSL with potential to create a significant long-term market is the collaboration with DynPort LLC to manufacture our Q fever vaccine for the US Department of Defense. Q fever production facilities at CSL are being expanded to provide extra manufacturing capacity and upgraded to meet all US FDA requirements. Gaining FDA approval for these new facilities and US registration for our vaccine requires further clinical work, which will be a substantial task.

Our US subsidiary, Bioceq Animal Health, is now well integrated into the CSL Group and showed 25% revenue growth. Market share and gross margin have been enhanced by product reformulation and packaging improvements.

The Biosciences Group

The Biosciences Group (including RH Biosciences Inc.) produced a strong result with consolidated sales revenue of $67.7m, 17% ahead of last year’s record performance of $57m.

Biosciences operations in Australia have been structured to focus on our more profitable activities, and low margin agency lines have been rationalised. As a result, domestic sales revenue fell 18% to $13m but profit increased due to higher margins and reduced operating costs.

J RH has extended an agreement with GroPep Limited (Australia) for the exclusive worldwide marketing rights to GroPep’s range of recombinant growth factors used in cell culture applications to improve certain media formulations.

The J RH serum manufacturing facility at Lenexa in Kansas has been upgraded to deliver the highest level of compliance with the Code of Good Manufacturing Practice in the industry.

Business growth continues to be driven by the successful development and commercialisation of new biopharmaceutical products for which the Biosciences Group supplies cell culture media.

New Product Development

Our pharmaceutical research and development activities continue to be directed towards biological products designed to act on or through the immune system. The Bioplasma, Animal Health and Biosciences businesses each have their own R&D groups dedicated to product development and enhancement, and improving manufacturing technology.

The progress made with new product development has been satisfactory and is described in more detail in this Annual Report under the New Product Development and the Business Report sections.
The value of our Animal Health Group R&D has again been confirmed through an agreement with a major animal health company for the global distribution of CSL's Spirovac® bovine leptospirosis vaccine. Key Animal Health R&D projects include the development of immunocastration, leptospiral and Bordetella vaccines.

The Biosciences Group R&D centres on development of high quality cell culture media for specific applications and gamma-irradiation technology to purify sera.

Finance and Share Allocations
Our agreement to acquire the ZLB business resulted from a process of competitive tender for an initial consideration equivalent to A$898m, with further payments up to A$115.1m to be made, if certain performance targets are achieved.

The acquisition will be funded with a mixture of available cash reserves, new equity and a senior debt facility. The initial consideration will be payable as to 77.5% on completion and 22.5% deferred until 2005.

To finance this sum, an underwritten institutional placement was conducted under a book build process. Equity of $353m net of placement costs was raised, comprising 16.5 million new shares at a final allocation price of $22.00 per share.

The final allocation was made at the CSL closing share price of $22.00 per share on 7 June 2000, which represented a 3.6% premium to the 30 day volume weighted average price up to 7 June 2000 of $21.24 per share for CSL shares. The remaining balance is being financed by a syndicated bank loan of $400m.

In August 1999, an allocation of 45,552 fully-paid ordinary shares was made to employees who opted to receive shares under the Company's General Employee Share Ownership Plan (GESOP). The shares were taken in preference to cash bonuses up to $800 that employees may have earned under the Enterprise Bargaining Agreement on the basis of work and Company performance. It is encouraging to see that 65% of our employees preferred the share option.

Caselco Insurance Pty Ltd (in Liquidation)
The activities of Caselco Insurance Pty Ltd (our captive insurer) were wound up in June this year. Caselco was established in 1988 at a time when Australia's product liability regime was under review and insurance underwriters worldwide were treating pharmaceuticals with caution. Circumstances have since improved and CSL has returned to direct insurance with underwriters who understand and support the CSL Group's business.

The Board
There have been no changes to the membership of the Board during the year, apart from the retirement of the former Chairman, Mr Colin Harper, at the conclusion of the last Annual General Meeting, as foreshadowed in the last Annual Report.

Since the close of the financial year, Mr Tony Cipa has been appointed to the Board as a second Executive Director as Finance Director.

During the year, the Charter of CSL's Audit Committee was revised and it is now known as the Audit and Risk Management Committee. This Committee ensures the integrity and quality of financial reporting and disclosures. Other objectives include identification and management of key business, financial and regulatory risks, compliance with relevant laws, regulations, standards and codes, and the adequacy of internal controls.

The Year Ahead
CSL's major corporate objectives for the year ahead are:
• To further improve our financial returns as a growing international Company;
• To build a global business for our Bioplasma products with strong market positions in both Europe and the USA;
• To further entrench our market position in Australia and continue to build on our competitive strengths;
• To continue to develop our Animal Health and Biosciences Groups as specialised international businesses;
• To position the Pharmaceutical Group for sustainable growth through commercialisation of niche products with international potential;
• To foster innovation, new product development and partnering as key drivers for growth and competitiveness.

Peter Wade
Chairman
Brian McNamee
Chief Executive

Our Thanks to Management and Staff
The successes we continue to achieve are the result of the good work of people throughout the Company at all levels. The Board recognises the commitment of our employees, which underpins yet another positive outcome for CSL this year.
The value of our Animal Health Group R&D has again been confirmed through an agreement with a major animal health company for the global distribution of CSL’s Spirovac® bovine lepto vaccine. Key Animal Health R&D projects include the development of immunocastration, leptospiral and Bordetella vaccines.

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To finance this sum, an underwritten institutional placement was conducted under a book build process. Equity of $353m net of placement costs was raised, comprising 16.5 million new shares at a final allocation price of $22.00 per share. This new issue represented approximately 12.4% of the total number of shares on issue prior to the offering.

The final allocation was made at the CSL closing share price of $22.00 per share on 7 June 2000, which represented a 3.6% premium to the 30 day volume weighted average price up to 7 June 2000 of $21.24 per share for CSL shares. The remaining balance is being financed by a syndicated bank loan of $400m.

In August 1999, an allocation of 45,552 fully-paid ordinary shares was made to employees who opted to receive shares under the Company’s General Employee Share Ownership Plan (GESOP). The shares were taken in preference to cash bonuses up to $800 that employees may have earned under the Enterprise Bargaining Agreement on the basis of work and company performance. It is encouraging to see that 65% of our employees preferred the share option.

Coselco Insurance Pty Ltd (In Liquidation)
The activities of Coselco Insurance Pty Ltd (our captive insurer) were wound up in June this year. Coselco was established in 1988 at a time when Australia’s product liability regime was under review and insurance underwriters worldwide were treating pharmaceuticals with caution. Circumstances have since improved and CSL has returned to direct insurance with underwriters who understand and support the CSL Group’s business.

The Board
There have been no changes to the membership of the Board during the year, apart from the retirement of the former Chairman, Mr Colin Harper, at the conclusion of the last Annual General Meeting, as foreshadowed in the last Annual Report.

Since the close of the financial year, Mr Tony Cipa has been appointed to the Board as a second Executive Director as Finance Director.

During the year, the Charter of CSL’s Audit Committee was revised and it is now known as the Audit and Risk Management Committee. This Committee ensures the integrity and quality of financial reporting and disclosures. Other objectives include identification and management of key business, financial and regulatory risks, compliance with relevant laws, regulations, standards and codes, and the adequacy of internal controls.

The Year Ahead
CSL’s major corporate objectives for the year ahead are:
• To further improve our financial returns as a growing international company;
• To build a global business for our Bioplasma products with strong market positions in both Europe and the USA;
• To further strengthen our market position in Australia and continue to build on our competitive strengths;
• To continue to develop our Animal Health and Biosciences Groups as specialised international businesses;
• To position the Pharmaceutical Group for sustainable growth through commercialisation of niche products with international potential;
• To foster innovation, new product development and partnering as key drivers for growth and competitiveness.

Peter Wade
Chairman

Brian McNamee
Chief Executive

Our Thanks to Management and Staff
The successes we continue to achieve are the result of the good work of people throughout the Company at all levels. The Board recognises the commitment of our employees, which underpin yet another positive outcome for CSL this year.
Pharmaceutical Sales: $175.4 million

In March 2000, CSL entered into a collaborative agreement with DynPort LLC to develop and subsequently manufacture a Q Fever vaccine for the US Department of Defense. CSL's Q Fever production facilities in Melbourne are now being expanded and modified to meet US Federal Drug Administration (FDA) requirements.

CSL continues to develop new international markets for Fluvax® influenza vaccine, one of our leading products.

INTERNATIONAL GROWTH

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CSL continues to develop new international markets for Fluvax® influenza vaccine, one of our leading products.

A further exciting prospect for vaccine distribution in Australia and New Zealand is Menjugate*. We negotiated a licence agreement with Chiron (USA) for this vaccine, a meningococcal C vaccine already used in large-scale immunisation programs in the United Kingdom.

A significant milestone this year was the Pharmaceutical Benefits Advisory Committee recommendation for listing of Tramal* (tramadol) as a PBS item for the treatment of severe pain. The listing takes effect in November 2000.

The Pharmaceutical Group develops, manufactures and markets biological products for human use and markets vaccines and other prescription pharmaceuticals in Australia and New Zealand for international partners.

**Major Pharmaceutical products marketed by CSL**

<table>
<thead>
<tr>
<th>Vaccines</th>
<th>For prevention of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluvax®</td>
<td>Influenza</td>
</tr>
<tr>
<td>Pneumovax*</td>
<td>Pneumococcal infection</td>
</tr>
<tr>
<td>Tet-Tox®</td>
<td>Tetanus</td>
</tr>
<tr>
<td>Tripacel*</td>
<td>Diphtheria, tetanus and whooping cough</td>
</tr>
<tr>
<td>ADT®</td>
<td>Diphtheria and tetanus</td>
</tr>
<tr>
<td>DAIVONEX*</td>
<td>Haemophilus influenzae</td>
</tr>
<tr>
<td>H-B-VAX II*</td>
<td>Hepatitis B infection</td>
</tr>
<tr>
<td>PedvaxHIB*</td>
<td>HIB disease</td>
</tr>
<tr>
<td>VAQTA*</td>
<td>Hepatitis A infection</td>
</tr>
<tr>
<td>VAXIMMUNE</td>
<td>Haemophilus influenzae</td>
</tr>
<tr>
<td>ATLANTIS</td>
<td>Hepatitis B infection</td>
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<tr>
<td>CORREW</td>
<td>Haemophilus influenzae</td>
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<tr>
<td>ALTREX</td>
<td>Haemophilus influenzae</td>
</tr>
<tr>
<td>ADVANTAN</td>
<td>Inflammatory dermatoses</td>
</tr>
<tr>
<td>AVONEX*</td>
<td>Multiple sclerosis</td>
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</tbody>
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* See inside back cover
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CSI's Director of Research and Development, Dr Andrew Cuthbertson (left) and Business Director, Pharmaceutical Group, Dr Susan Hurley, with Mr Colin Armit who recently took up his appointment as President of the CSL Pharmaceutical Group.

Colin has come to CSL with an outstanding management and leadership record in the pharmaceutical industry having worked for both Glaxo and SmithKline in a number of international commercial roles. Most recently, Colin was Managing Director of GlaxoWellcome Australia (1995-99) and Chairman of the Australian Pharmaceutical Manufacturers Association (1998-99).

A further exciting prospect for vaccine distribution in Australia and New Zealand is Menjugate*. We have negotiated a licence agreement with Chiron (USA) for this vaccine, a meningococcal C vaccine already used in large-scale immunisation programs in the United Kingdom.

Tramal* has previously been successfully launched as a non-PBS prescription item and is on most Australian hospital formularies.

Avonex* is now well established in Australia as a treatment for people with multiple sclerosis and the use of this product continues to increase rapidly. Avonex* is now also available as a government reimbursed product in New Zealand and is being taken up for patient treatment. Following its marketing approval, Avanex* is now available with government subsidy to Australian Repatriation beneficiaries for the treatment of symptoms associated with benign prostatic hypertrophy (enlarged prostate).

Following considerable growth in sales revenue over the past five years and the launch of a number of significant new products, our sales force has been increased to ensure products marketed on behalf of our international partners continue to be promoted effectively and responsibly.
New Product Development

A leading Australian investor in pharmaceutical research and development, CSL directs its activities towards biological products designed to act on or through the immune system.

Focus on Novel Immunotherapeutics

The Pharmaceutical R&D program focuses on new product development activities in the area of novel immunotherapeutics for serious human diseases.

Vaccine to Prevent HPV Infection

We continue to make good progress in our collaboration with Merck and Co Inc., (USA) and the University of Queensland towards developing a vaccine to prevent genital warts and cervical cancer. These diseases are primarily caused by four strains of human papilloma virus (HPV) - all of which will be represented in the final vaccine. The project is now in a series of clinical development studies in the United States.

Peptic Ulcers and Stomach Cancer

Peptic ulcers and stomach cancer are associated with Helicobacter pylori (Hp) infections. CSL has a major collaboration with AstraZeneca and the University of New South Wales to develop a vaccine to treat these Hp infections. We are now testing candidate antigens and novel adjuvants in animal models in preparation for proceeding to human proof-of-principle studies.

ISCOM™ Adjuvant Technology

ISCOM™ adjuvant technology increases and modulates the immune response when combined with antigens. The key potential clinical application for this technology is to provide immunotherapy for chronic infectious diseases and cancer.

We are testing the value of the adjuvant by combining it with proprietary antigens in two human proof-of-principle clinical trials. The first, which began enrolling patients in Queensland in March 2000, is designed to treat women chronically infected with HIV and who are showing signs of cervical cancer. The second, in collaboration with the Ludwig Institute for Cancer Research (New York), combines CSL's ISCOM™ adjuvant with the proprietary Ludwig cancer antigen NY ES O-1, and will begin enrolling patients in the forthcoming year.

In both these early stage studies our aim is to demonstrate the specific immune responses in humans that are believed to underpin successful cancer immunotherapy.

New Projects

In collaboration with the Australian Genome Research Foundation and the Australian National Genomic Information Service, we have completed a genome-sequencing project which helped us to define potential antigens in the bacterium Porphrymonas gingivalis for future vaccine development. This organism, which has a strong association with adult periodontal disease, is being studied in collaboration with the University of Melbourne Dental School.

We have also begun an early stage program to develop an epitope-based vaccine to prevent the symptoms of glandular fever. This project arises from Professor Dennis Moss's research in the Co-operative Research Centre for Vaccine Technology (CRC-VT), and has now been licensed by CSL.

CSL, the Industry Partner in the CRC-VT

CSL will continue as the industry partner in the CRC-VT. The CRC-VT has been awarded a second round of seven year funding by the Australian Government and has added the Australian Red Cross Blood Service and Monash University to its original partners - the Walter and Eliza Hall Institute, the Queensland Institute for Medical research, CSIRO and the University of Melbourne.

CSL continues to fund early stage research projects in universities and research institutes, as well as maintaining collaborative projects with a number of major international organisations.

Our strategy for research and development is to identify, secure and add value to intellectual property as the basis for the development of innovative biopharmaceutical products.

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Our strategy for research and development is to identify, secure and add value to intellectual property as the basis for the development of innovative biopharmaceutical products.
New Product Development

Our Bioplasma, Animal Health and Biosciences businesses each have their own R&D groups dedicated to product development and enhancement, and improvements in manufacturing technology. Our Bioplasma R&D work includes the fibrin bandage project with the American Red Cross Biomedical Services, the continuing development of new and improved immunotherapeutics for serious human diseases.

Animal Health Group R&D projects include the development of immuno-castration, leptospiral and Bordetella vaccines.

The Biosciences Group R&D centres on development of high quality cell culture media for specific applications and gamma irradiation technology to purify sera.

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13

Acquisition of ZLB Plasma Fractionation Business

In June 2000, CSL entered into a conditional agreement to purchase the plasma fractionation assets and business (ZLB) from a foundation affiliated with the Swiss Red Cross. This acquisition makes CSL, for the first time, the world's largest manufacturer of plasma products. CSL now has the ability to process plasma on a scale significantly larger than the Australian market can absorb, giving it the potential to become a major global player in the manufacture of plasma products.

The purchase strengthens our existing relationship with the American Red Cross, a large customer of ZLB, and builds on our expertise in the use of voluntary donated plasma as the primary raw material for manufacture of plasma products.

ZLB's main product is IVIG which it pioneered in the late 1970s. IVIG is one of the world's largest and fastest growing plasma products with worldwide sales of about $1.3 billion. IVIG is used to treat a range of autoimmune diseases, infections and a range of autoimmune diseases.

The Bioplasma Division continues to work closely with the Australian Red Cross Blood Service and similar international blood transfusion services. Products manufactured on behalf of other countries, using plasma they supply, are returned to their country of origin.

People born deficient in Factor VIII and Factor IX experience severe bleeding into their joints and muscles which causes extreme pain as well as long periods of impaired mobility. Treatment with clotting factor replaces missing clotting factor and allows people to lead active lives.

Intragam® P is an intravenous immunoglobulin used to treat people with congenital or acquired deficiencies, which may be recurrent infections. Intragam® P can allow these people to live healthier lives, as active members of the community.

Albumex® is human serum albumin, a plasma-volume expander used in patients suffering severe blood loss, and undergoing surgical procedures.

INTERNATIONAL GROWTH

When CSL acquires the plasma fractionation assets and business of ZLB this year, it will be a very significant event in our history. Located in Zürich, Switzerland, ZLB is the third largest manufacturer of plasma products in the world. CSL’s main product is intravenous immunoglobulin (IVIG), one of the world’s fastest growing plasma products. CSL has the only FDA-approved plasma products plant outside the USA, where a strong demand for IVIG and higher prices contributed to the rest of the world. Through ZLB, we have accelerated by several years CSL’s long-term strategy of entry into the US plasma products market.

CSL has obtained Australian market approval for Biostate® (high purity double virus inactivated Factor VIII). The product will be introduced in the coming year. Work is continuing on the development of new and improved intravenous immunoglobulins to improve their utility and convenience to patients.

CSL’s Bioplasma Division is the exclusive manufacturer in Australia of products derived from human plasma. CSL also processes plasma supplied by other countries into a range of products.

CSL’s Bioplasma Division has recorded an 8% growth in revenue this year, from $129.8 million to $140.4 million, as a result of processing increased volumes of plasma and the introduction of new products.

Customer Relations

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Australian Red Cross Blood Service

The Australian Red Cross Blood Service again increased its supplies of plasma to CSL to help meet the continuing strong domestic demand for plasma products and to establish a national reserve to cover potential supply interruptions.

CSL’s Intragam® P and Albumex® (double virally inactivated) were both introduced into the Australian market during the year. These high purity products with an additional safety margin have been well received by clinicians.

Our first sales to the Middle East were achieved this year when shipments of albumin were made to Egypt. These sales, coupled with ongoing demand in Asian markets resulted in a 15% increase in international business.

American Red Cross Biomedical Services

Last year, CSL entered into an agreement with American Red Cross Biomedical Services to manufacture plasma products on their behalf and to co-develop a fibrin bandage product. The technology to manufacture fibrin bandages has been successfully transferred to CSL, and a method of manufacture at production scale is being developed.

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ZLB's main product is IVIG which it pioneered in the late 1970s. IVIG is one of the world's largest and fastest growing plasma products with worldwide sales of about $1.3 billion and projected market growth of 5 per cent per year to 2004. Other ZLB products include: Rhophylac® (whole plasma), Rhophylac® (lyophilized human plasma), and Albuferon® (human serum albumin). ZLB is well positioned to grow internationally.

Intragam® P and Albumex® (double virus inactivated) have been successfully transferred to CSL, and a method of manufacture at production scale is being developed. CSL has obtained Australian market approval for Intragam® P and has been approved to manufacture Albuferon® (human serum albumin) at the ZLB facility. CSL will manufacture Intragam® P at the ZLB facility in the first half of 2000 and Albuferon® in the second half of 2000.

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Intragam® P and Albuferon® (double virus inactivated) have been successfully transferred to CSL, and a method of manufacture at production scale is being developed.

Thanks to regular treatments with Intragam® P (just left) and Albuferon® (shown here with their dog "Breck") and many other Australians are able to lead healthier lives.
Animal Health

The Animal Health Group develops, manufactures and markets vaccines for the prevention of disease in farm livestock (sheep, cattle and pigs) and companion animals (horses, dogs and cats).


The Animal Health Group has continued to grow steadily both in Australia and internationally to record $47.1m in sales revenue - an increase of 11.8% on the previous year.

In Australia, the growth achieved in sheep and cattle vaccines is the result of product differentiation, focused marketing, improvements in cattle, sheep and wool prices, and the absence of drought. Some recovery in the pork industry and reduced competition helped in this sector while increased competition constrained the sales of cat and dog vaccines.

We are achieving significant sales of our Glanvac® B12 sheep vaccines. The vitamin B12 included in these vaccines enhances animal productivity in areas where pasture deficiency in cobalt leads to B12 deficiency in the sheep. CSL's combined Glanvac® B12 vaccine has also reduced labor costs by supplying all requirements in a single dose.

Our diagnostic kit Parachek® for detecting Johne's disease in cattle has become the first CSL product to be licensed by the US Department of Agriculture. In the USA, Europe and Australia, Johne's disease is now emerging as an extremely significant problem. In the USA, 40 States have initiated control programs for this disease. CSL's serological test for Johne's is among the best available and our gamma interferon mediated test, now in late stage development, should gain wide acceptance as it will enable earlier disease diagnosis.

Research and Development

The value of our veterinary research and development program has again been confirmed through an agreement with a major multinational for the global distribution of Biocor Animal Health. This agreement will extend our market share and gross margin for American canine and feline vaccines.

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Biocor Animal Health, Inc

Bronchicine® kennel cough vaccine was a major contributor to Biocor's 25% sales growth in the USA. This highly efficacious vaccine has been further improved by reformulation. We have also substantially enhanced both our market share and gross margin for American canine and feline vaccines by introducing single dose packaging.

Later in the year, we will significantly expand Biocor's product portfolio by adding bovine viral and bacterial vaccines to our US product range. Now in this market, retail store packaging will be used to launch these products under the Surround™ and HerdVac™ brand names.

Major Animal Health products marketed by CSL

<table>
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<tr>
<td>Glanvac®</td>
<td>Cheesy gland and clostridial diseases, selenium deficiency and vitamin B12 deficiency in sheep</td>
</tr>
<tr>
<td>Ultravac® 5 in 1</td>
<td>Clostridial diseases in cattle and sheep</td>
</tr>
<tr>
<td>Scabiger®</td>
<td>Sebaceous mammary in sheep</td>
</tr>
<tr>
<td>Kenneltex®</td>
<td>Ketonic cough in dogs</td>
</tr>
<tr>
<td>Frena®</td>
<td>Vet diseases in cats</td>
</tr>
<tr>
<td>Rhinovent®</td>
<td>Vet and ringworm diseases in cattle</td>
</tr>
<tr>
<td>Bupvacc®</td>
<td>Bacterial diseases in cattle</td>
</tr>
<tr>
<td>Langrange®</td>
<td>Listeria in cattle</td>
</tr>
<tr>
<td>Ultravac® 7 in 1</td>
<td>Vet and clostridial diseases in cattle</td>
</tr>
<tr>
<td>Surround™</td>
<td>Vet and bacterial diseases in cattle</td>
</tr>
<tr>
<td>HerdVac™</td>
<td>Vet and bacterial diseases in cattle</td>
</tr>
</tbody>
</table>

Diagnostic Products: For diagnosis of:

<table>
<thead>
<tr>
<th>Vaccines:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bovigam®</td>
<td>Bovine tuberculosis</td>
</tr>
<tr>
<td>Parachek®</td>
<td>Johne's disease in cattle</td>
</tr>
</tbody>
</table>

* Products registered and marketed (and for which trademarks are used) by CSL or its affiliates in the USA
The Animal Health Group develops, manufactures and markets vaccines for the prevention of disease in farm livestock (sheep, cattle and pigs) and companion animals (horses, dogs and cats).

**1999-2000 Business Report**

The Animal Health Group has continued to grow steadily both in Australia and internationally to record $47.1m in sales revenue - an increase of 11.6% on the previous year. In Australia, the growth achieved in sheep and cattle vaccines is the result of product differentiation, focused marketing, improvements in cattle, sheep and wool prices, and the absence of drought. Some recovery in the pork industry and reduced competition helped in this sector while increased competition constrained the sales of cat and dog vaccines.

In the international arena, CSL’s Ultravac® and Longrange® vaccines for cattle are both well established in the Australian market. CSL’s Ultravac® and Longrange® vaccines for cattle are both well established in the Australian market. Our diagnostic kit Parachek® for detecting Johne’s disease in cattle has become the first CSL product to be licensed by the US Department of Agriculture. In the USA, Europe and Australia, Johne’s disease is now emerging as an extremely significant problem. In the USA, 40 States have initiated control programs for this disease. CSL’s serological test for Johne’s disease, among the best available and our gamma interferon mediated test, now in late stage development, should gain wide acceptance as it will enable earlier disease diagnosis.

**Research and Development**

The value of our veterinary research and development program has again been confirmed through an agreement with a major multinational for the global distribution of our Bovitox® bovine leptospirosis vaccine. The agreement will lead to significantly improved international sales. Further partnering is envisaged to better exploit our existing products and strong pipeline in regions where we do not yet have a direct presence.

Our R&D strategy will continue to reflect the opportunities and market access offered through Bovitox in the USA and international partnering. Key R&D projects include the development of new immuno-castration, leptospiral and Bordetella vaccines.

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### Major Animal Health products marketed by CSL

<table>
<thead>
<tr>
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</tr>
<tr>
<td>Scabigard®</td>
<td>Sclerosing mycoplasma in sheep</td>
</tr>
<tr>
<td>Canvac®</td>
<td>Vibriotic and clostridial diseases in dogs</td>
</tr>
<tr>
<td>Bronchicine®</td>
<td>Kennel cough in dogs</td>
</tr>
<tr>
<td>Frenac®</td>
<td>Viral diseases in cats</td>
</tr>
<tr>
<td>Rhotoparc®</td>
<td>Viral and chlamydial diseases in cattle</td>
</tr>
<tr>
<td>Bovigam®</td>
<td>Bovine tuberculosis</td>
</tr>
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Biosciences

The Biosciences Group develops, manufactures and markets cell culture reagents, blood grouping reagents and human diagnostics. Our cell culture reagents include dry powder media, liquid media and sera, used in the manufacture of vaccines, biopharmaceuticals and gene therapy products.


A strong performance has delivered consolidated sales revenue of $87.7m for the Biosciences Group, a result 17% ahead of the previous year’s $75.7m.

Continuing the trend established over the past two years, JRH Biosciences again achieved record sales revenue of $76.7m, an increase of 24% on last year’s $61.8m. The growth in demand for JRH’s proprietary and customised media products continues to be driven by the development and successful commercialisation of new biotechnology-derived drugs and vaccines.

As foreshadowed in last year’s business report, Biosciences operations in Australia have been restructured to focus on our more profitable activities. Due to rationalisation of low margin agency lines, domestic sales revenue fell 18% to $11m. However, profit increased significantly due to higher margins and reduced operating costs.

Imperial Laboratories Limited

During the year, JRH completed the acquisition of the operating assets and business of the cell culture media products manufacturer, Imperial Laboratories Limited, located at Andover in the United Kingdom. The integration of Imperial with JRH has progressed smoothly and the business is now trading as JRH Imperial Laboratories Limited.

The acquisition provides a platform from which to expand services to European customers. These services will include cGMP product distribution capabilities, more technical support and expanded customer service teams.

In March 2000, JRH extended an agreement with GroPep Limited (Australia) for the exclusive worldwide rights to a range of GroPep’s recombinant growth factors.

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Biopharmaceutical manufacturers also continue to demand traceable high quality sera and other animal derived cell culture supplements. In this regard, JRH has successfully completed on time and on budget the upgrade of its serum manufacturing facility in Kansas, USA. The new facility delivers the highest level of cGMP compliance in our industry.

Biosciences Business Outlook

Australian based operations will continue to focus on our domestic market in blood bank diagnostic products, and on effectively managing costs.

The business outlook for JRH continues to look encouraging based on our strong position in the industrial cell culture reagents market. The expected increase in successful commercialisation of new biopharmaceuticals should continue to drive the growing demand for media products.

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Biosciences

JRH Biosciences' media development scientists Brenda Friesner (left) and Lina Tao use Long R3IGF-I recombinant growth factor in many of JRH's custom and serum-free media formulations. Produced by GroPep Limited (Australia), this recombinant analog of human insulin-like growth factor demonstrates greater potency than insulin in cell culture applications. JRH has an agreement to 2011 for exclusive worldwide marketing rights to a range of GroPep's recombinant growth factors.

In March 2000, JRH extended an agreement with GroPep Limited (Australia) to 2011 for the exclusive worldwide marketing rights to GroPep's range of recombinant growth factors used in cell culture media applications. The synergies between JRH and GroPep bring our customers regulatory-friendly media, especially formulations developed for increased protein production in cultures and cells. Biopharmaceutical manufacturers also continue to demand traceable high quality serum and other animal derived cell culture supplements. In this regard, JRH has successfully completed on time and on budget the upgrade of its serum manufacturing facility in Kansas, USA. The new facility delivers the highest level of cGMP compliance in our industry.


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In September 1999, CSL acquired the business and assets of the cell culture media products manufacturer, Imperial Laboratories Limited, located at Andover in the United Kingdom. This latest acquisition is a platform for an expanded range of services to RJH's European customers.
Our People

We are ensuring the achievement of CSL’s global business objectives by optimising our people’s capacity to contribute.

Developing a World-class Working Environment

CSL continues to develop a world-class working environment characterised by flexibility, progressive leadership and career structures that reward our people for their skills and the personal contributions they make to business objectives. During the year, much of this development has been achieved as a result of implementing leading edge initiatives introduced into CSL in consultation and co-operation with employees and employee representatives.

Skills-based Career Structures

Skills-based career structures allow operational employees to be rewarded for the levels of skills and flexibility they offer CSL. Implementing these progressive career structures has introduced a major change in the way our people are remunerated. Developing such structures has been a significant achievement. A number of formal agreements are now in place and being progressively implemented in the operational areas of our Bioplasma Division and Pharmaceutical Group, and in our warehousing and trades operations.

The 1999 Enterprise Agreement negotiated and certified in the past year has further strengthened performance-based remuneration systems, workplace flexibility and ongoing commitments that allow CSL to continue to develop innovative, safe and positive work environments.

Ongoing leadership development continues to be a priority strategy. This year saw the culmination of CSL’s senior leadership development program “Leading for Competitive Advantage, Phase 3” with the completion of the third phase of that program

The “Frontline Management Initiative” (FMI) has been fully implemented as our primary middle management leadership development program. Run in collaboration with the Royal Melbourne Institute of Technology (RMIT), the program is a nationally accredited tertiary course and participants receive a Diploma on completion. CSL was a pilot company for this important learning initiative, and we have attracted Australia-wide attention for our success with the FMI program.

Prefered Employer Strategy

CSL has continued to implement an integrated strategy that ensures we can rightly be considered a preferred employer in the pharmaceutical industry. A range of benefits has been made available for all employees, includingrounted leasing of vehicles, salary sacrifice for superannuation, and spousal superannuation.

Our mission is to be a growing Australian public company specialising in biological products benefiting Australian and international health care.

To enhance shareholder wealth, we will:

- Meet customers’ expectations with quality products and excellent service;
- Invest in the development of new products and the introduction of these products into Australian and international markets;
- Pursue collaborations which build on our scientific, manufacturing and marketing expertise;
- Develop a flexible, committed and skilled workforce rewarded for excellence and innovation;
- Ensure our workplace is healthy for employees and the community;
- Strive for continuous improvement in all areas of our business.
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Pharmaceutical Division staff taking part in CSL’s Frontline Management Initiative (FMI) leadership development program include (left to right) John Montalto (Team Leader, syringe line and antibiotics), Bob Nicol (Maintenance Co-ordinator) and Steve Hiladakis (Team Leader, Antisera Production). The FMI program is a nationally accredited tertiary Diploma course.

An integrated range of “family-friendly” initiatives has also been developed and implemented for the benefit of our employees. These initiatives were recognised this year when CSL received the “Mother Friendly” Workplace Award of the Nursing Mothers’ Association of Australia. Significantly, CSL is the first manufacturer and one of only fifty companies across Australia to have been recognised in this way.

Executive Management Group
During the year, Professor Ian Gust AO retired and Dr Andrew Cuthbertson succeeded him as Director of Research and Development and the Company’s Chief Scientific Officer. Mr Steve McLuckie retired and Mr Colin Arnett took up the appointment of President of the newly-formed Pharmaceutical Group. Mr Bob Mason (Vice President - Corporate Projects) and Mr David Doberty (General Manager, Business Services) also retired from full-time responsibilities. All four retiring executives have given distinguished service to CSL and will continue to make themselves available over the next year to allow smooth transitions and access to their many years of experience.

Mr Peter Turner (formerly General Manager Bioplasma) has transferred to Switzerland and will become President of ZL Bioplasma AG. Mr Paul Bordonaro (formerly President of the Biociences Group) has become the new General Manager Bioplasma. Mr Thomas Gidley joined the Executive Management Group this year as President of J RH Biosciences Inc, with direct responsibility to the Managing Director.

OUR MISSION

Our mission is to be a growing Australian public company specialising in biological products benefiting Australian and international health care.

To enhance shareholder wealth, we will:
- Meet customers’ expectations with quality products and excellent service;
- Invest in the development of new products and the introduction of these products into Australian and international markets;
- Pursue collaborations which build on our scientific, manufacturing and marketing expertise;
- Develop a flexible, committed and skilled workforce rewarded for excellence and innovation;
- Ensure our workplace is healthy for employees and the community;
- Strive for continuous improvement in all areas of our business.
### Controlled Entities

#### The CSL Group

<table>
<thead>
<tr>
<th>Controlled Entity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSL Limited</strong></td>
<td>Based in Melbourne, is a public company listed on the Australian Stock Exchange and the parent company of the CSL Group. All subsidiary companies in the Group are wholly owned by the parent company except Cervax Pty Ltd, a company in which CSL has a majority shareholding.</td>
</tr>
<tr>
<td><strong>Coselco Insurance Pty Ltd (In Liquidation)</strong></td>
<td>Registered in Melbourne, provided a range of insurances for CSL. Coselco was wound up voluntarily on 30 June 2000.</td>
</tr>
<tr>
<td><strong>Filtron Pty Ltd</strong></td>
<td>Based in Melbourne, is operationally part of CSL’s Biosciences Group. Filtron manufactures quality Australian serum used to produce cell culture media.</td>
</tr>
<tr>
<td><strong>CSL (New Zealand) Limited</strong></td>
<td>Based in Auckland, is the New Zealand marketing arm for CSL’s Pharmaceutical, Bioplasma, Animal Health and Biosciences businesses. The company also manufactures a range of veterinary viral vaccines at a dedicated plant in Upper Hutt, near Wellington.</td>
</tr>
<tr>
<td><strong>Iscotec AB</strong></td>
<td>A Swedish company, is a subsidiary of CSL and Isotec has technology that enhances the immune response to vaccines.</td>
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<td><strong>Cervax Pty Ltd</strong></td>
<td>74% owned by CSL Limited, is a company formed to undertake a specific research and development project.</td>
</tr>
<tr>
<td><strong>CSL International Pty Ltd</strong></td>
<td>Located in Melbourne, is a holding company for the international operations of the CSL Group.</td>
</tr>
<tr>
<td><strong>CSL Europe Pty Ltd</strong></td>
<td>Located in Melbourne, is a holding company for future international operations.</td>
</tr>
<tr>
<td><strong>CSL UK Limited</strong></td>
<td>Is a subsidiary of CSL International Pty Ltd.</td>
</tr>
<tr>
<td><strong>CSL US Inc</strong></td>
<td>Is a subsidiary of CSL US Inc.</td>
</tr>
<tr>
<td><strong>JRH Biosciences Inc</strong></td>
<td>Is a subsidiary of CSL US Inc. Based in Kansas in the United States, JRH is one of the largest manufacturers of specialised cell culture media in the world. Operationally part of CSL’s Biosciences Group.</td>
</tr>
<tr>
<td><strong>Biocor Animal Health Inc</strong></td>
<td>Is a subsidiary of CSL US Inc. Based in Omaha, Nebraska, in the United States, Biocor manufactures and markets veterinary vaccines.</td>
</tr>
<tr>
<td><strong>CSL Bioplasma Inc</strong></td>
<td>Is a subsidiary of CSL US Inc. CSL Bioplasma Inc has been established to undertake clinical trial programs related to registration of CSL’s portfolio of plasma products in the United States.</td>
</tr>
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<td><strong>JRH Biosciences Limited</strong></td>
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#### Executive Management Group

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<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>Dr Brian McNamee</td>
</tr>
<tr>
<td>Company Secretary &amp; General Counsel</td>
<td>Peter Turvey</td>
</tr>
<tr>
<td>Finance Director</td>
<td>Tony Cipa</td>
</tr>
<tr>
<td>President - Pharmaceutical Group</td>
<td>Colin Armit</td>
</tr>
<tr>
<td>President - ZLB Bioplasma AG</td>
<td>Peter Turner</td>
</tr>
<tr>
<td>President - JRH Biosciences Inc</td>
<td>Thomas Glitra</td>
</tr>
<tr>
<td>President - Animal Health Group</td>
<td>Hugh Middleton</td>
</tr>
<tr>
<td>Director - Research and Development</td>
<td>Dr Andrew Guthbertson</td>
</tr>
<tr>
<td>General Manager - Bioplasma</td>
<td>Paul Bordonaro</td>
</tr>
<tr>
<td>General Manager - Human Resources</td>
<td>Kelvin Manly</td>
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Cervax Pty Ltd, 74% owned by CSL Limited, is a company formed to undertake a specific research and development project.

CSL International Pty Ltd, located in Melbourne, is a holding company for the international operations of the CSL Group.

CSL Europe Pty Ltd, located in Melbourne, is a holding company for future international operations.

CSL UK Limited is a subsidiary of CSL International Pty Ltd.

CSL US Inc., and JRH Biosciences Limited are subsidiaries of CSL UK Limited.

JRH Biosciences Limited, based in Andover in the United Kingdom, is a subsidiary of CSL UK Limited and is the European sales and marketing arm for JRH Biosciences Inc.

CSL US Inc is a subsidiary of CSL US Inc.

JRH Biosciences Inc, Biocor Animal Health Inc and CSL Bioplasma Inc are subsidiaries of CSL US Inc.

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Executive Management Group

Managing Director - Dr Brian McNamee

Company Secretary & General Counsel - Peter Turvey

Finance Director - Tony Cipa

President - Pharmaceutical Group - Colin Armit

President - ZLB Bioplasma AG - Peter Turner

President - Animal Health Group - Dr Hugh Middleton

President - JRH Biosciences Inc - Thomas Giarla

Director - Research and Development - Dr Andrew Guthrie

General Manager - Bioplasma - Paul Bordonaro

General Manager - Human Resources - Kelvin Milroy
Directors’ Profiles

Peter H Wade, FCPA, FAICD - Chairman (age 66)
- Finance, Management (resident in Victoria)

Mr Wade was elected to the Board in 1994. He had previously served CSL as a Commissioner and Director from 1985 to 1993, including a period as Acting Chairman during 1988. Mr Wade is a Director of Talcorp Holdings Limited, former Managing Director, North Limited and former Chairman of Acacia Resources Limited, Energy Resources of Australia Limited, and Gunns Kilndried Timber Industries Limited.

Cian R McDonald, BSc (Hons) (age 67)
- International Pharmaceutical Industry (resident in Victoria)

Mr McDonald was appointed a Director of CSL in October 1992. Mr McDonald was formerly Group Vice President, Pharmaceuticals, of Syntex Corporation, President of Syntex Pharmaceuticals International Limited, Vice President Asia Pacific of GD Searle & Co and a former Director of Agen Limited Group. He is a past Managing Director of Searle Australia Pty Limited and Mead Johnson Pty Limited, and is a Director of AptaChem BioSciences Managers Limited. Mr McDonald is a Member of the Audit and Risk Management Committee.

Cian R Cipa, BBus (Acc), Grad Dip (Acc), ACIS (age 49)
- Finance (resident in Victoria)

Mr Cipa was appointed to the CSL Board 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 1991. Since that time he has been employed at large public companies where he has significant exposure to mergers and acquisitions.

Ellen A Alexander, AM, BCom, FCPA, FAIM, FCA, FAICD (age 57)
- Accounting (resident in Victoria)

Miss Alexander was appointed to the CSL Board in July 1991. She is a Partner of PricewaterhouseCoopers, and a Director of Amcor Limited and Boral Limited. She is National Vice President of the Australian Institute of Company Directors, a Member of the Corporations and Securities Panel of the Australian Securities and Investment Commission, past National President of the Australian Society of Certified Practising Accountants, a Member of the Council of the Australian Defence Force Academy and a Member of the Deputy Prime Minister’s Trade Policy and Advisory Committee. She was a Member of the National Commission of Audit. Miss Alexander is Chairman of the Audit and Risk Management Committee.

Kenneth J Roberts, AM, BEc, FCPA, FAIM, FAICD (age 62)
- International Pharmaceutical Industry, Management, Marketing (resident in NSW)

Mr Roberts was appointed to the Board in February 1996. Formerly, he was Chairman and Managing Director of Wellcome Australia and Director of Marketing Development for the Wellcome worldwide group. He is Chairman of the Royal Australian College of Physicians Research and Education Foundation, St Kilda Australia Pty Ltd and Open Software Associates Limited. Mr Roberts is also a Member of the Board of the Australian Genome Research Facility and the University of Queensland Centre for Drug Design and Development, and a Council Member of the National Museum of Australia.

Company Secretary - Peter R Turvey, BA LLB
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Peter H Wade, FCPA, FAIMD - Chairman (age 66)
- Finance, Management (resident in Victoria)

Mr Wade was elected to the Board in 1994. He had previously served CSL as a Commissioner and Director from 1985 to 1993, including a period as Acting Chairman during 1988. Mr Wade is a Director of Toyo Bird Holdings Limited, former Managing Director, North Limited and former Chairman of Acacia Resources Limited, Energy Resources of Australia Limited, and Gunn’s Kiln dried Timber Industries Limited.

Brian A McNamee, MB, BS - Managing Director (age 43)
- Pharmaceutical Industry, Medicine (resident in Victoria)

Dr McNamee is the Chief Executive and Managing Director of CSL. Dr McNamee completed Bachelor of Medicine and Bachelor of Surgery Degrees at the University of Melbourne in 1979. Before taking up his present position in 1990, Dr McNamee was Managing Director and Chief Executive of Pacfic Biotechnology Limited in Sydney, NSW (1988-89), General Manager, Fostervale Products Division, F H Fudding & Co Limited, Adelaide, South Australia (1984-87), and International Product Manager, Dr Meadus & Co, based in Cologne, West Germany (1982-84).

Elizabeth A Alexander, AM, BCom, FCPA, FAIM, FCA, FAICD (age 57)
- Accounting (resident in Victoria)

Miss Alexander was appointed to the CSL Board in July 1991. She is a Partner of PriceewaterhouseCoopers, and a Director of Acrum Limited and Bond Limited. She is a National Vice President of the Australian Institute of Company Directors, a Member of the Corporations and Securities Panel of the Australian Securities and Investments Commission, a National Director of the Australian Society of Certified Practising Accountants, a Member of the Council of the Australian Defence Force Academy and a Member of the Deputy Prime Minister’s Trade Policy and Advisory Committee. She was a Member of the National Commission of Audit. Miss Alexander is Chairman of the Audit and Risk Management Committee.

Ian A Renard, BA, LLB, FAIMD (age 54)
- Law (resident in Victoria)

Mr Renard was appointed to the CSL Board in August 1998. He is a Partner of Arthur Robinson & Hedderwicks, solicitors, practicing in company and commercial law. He is a Director of AMP Limited, 나오리 Mining Limited, Encoren Australia Pty Ltd and Hebe Services Pty Ltd, and was formerly a Director of North Limited. Mr Renard is also a Member of the Council of the University of Melbourne and a Member of the Board of Governors of Melbourne University Private Limited. Mr Renard is a Member of the Audit and Risk Management Committee.

Kenneth J Roberts, MA, BSc, FCPA, FAIM, FICD (age 62)
- International Pharmaceutical Industry, Management, Marketing (resident in NSW)

Mr Roberts was appointed to the Board in February 1996. Formerly, he was Chairman and Managing Director of Wellcome Australia and a Director of Marketing Development for the Wellcome worldwide group. He is Chairman of the Royal Australian College of Physicians Research and Education Foundation, South Australia (1999-2001), and Director of Euston Investments Pty Ltd, and Open Software Associates Limited. Mr Roberts is also a Member of the Board of the Australian Cancer Research Facility and the University of Queensland Centre for Drug Design and Development, and a Council Member of the National Museum of Australia.

Arthur C Webster, BVSc, DipBact (Lond) (age 56)
- Animal Health Industry, Commerce (resident in NSW)

Dr Webster was appointed to the CSL Board in March 1998. He was formerly Technical Director then Managing Director of the animal health company Cyanamid Webster Pty Ltd and a Member of the Board of Governors, University of Western Sydney.

Antoni M Cipa, BBus (Acc), Grad Dip (Acc), ACSF (age 45)
- Finance (resident in Victoria)

Mr Cipa was appointed to the CSL Board as Finance Director in August 2000. Mr Cipa commenced his employment at CSL in 1988 as Finance Manager. He was instrumental in the float of the Company in 1994 at which time he was appointed Chief Financial Officer. Prior to joining CSL, Mr Cipa was employed at large public companies where he had significant exposure to mergers and acquisitions.

Company Secretary - Peter R Turvey, BA LLB

Directors’ Profiles
Corporate Governance

This statement outlines the Company’s main Corporate Governance practices, all of which were in place throughout the financial year.

Shareholders

The Board of Directors seeks to ensure that the shareholders are informed of all major developments affecting the economic entity’s state of affairs.

The participation of shareholders at the Annual General Meeting is appreciated.

The Board of Directors and its Committees

The Board is responsible for the corporate governance of the Company, including strategic direction, establishing operational criteria and monitoring the achievement of objectives and conduct of operations. The Board delegates responsibility for executive management of the Company to the Managing Director who has regard to matters reserved for the Board, and who is accountable to the Board. The Board reports to the shareholders.

The Board is responsible for the internal control framework and has developed a set of policies, procedures, practices and various committees which set criteria and enable the Board to monitor compliance with statutory, legal, stakeholder and best practice requirements. This framework is regularly reviewed in accordance with a program.

The Board delegates certain powers to Committees, which assist it by examining various issues and making recommendations to the Board. Committees of the Board are the Audit and Risk Management Committee, Remuneration Committee, Securities Committee and Nomination Committee. The Board also delegates specific responsibilities to ad hoc committees of directors from time to time.

Composition of the Board

Profiles of the directors of the Company, including details of their qualifications, age and experience, are set out on pages 22 and 23 of this Annual Report.

The Managing Director and Finance Director are CSL’s only executive directors. The Chairman and all of the other directors are non-executive and are independent. No director acts as a nominee or representative of any particular shareholder.

Nomination Committee

The Nomination Committee is responsible for reviewing the Board’s membership and making recommendations on new appointments.

The full Board comprises the Nomination Committee. In the event of the Nomination Committee inviting a person to become a Director, that person will be subject to election by the shareholders at the next general meeting in accordance with the Corporations Law.

The composition of the Board is determined based on the following principles:

- Non-executive directors should be independent of the Company and its management;
- The Chairman should not be a current or past executive of the Company;
- The majority of the Board should comprise directors who are non-executive; and
- The Board should comprise directors who represent a broad range of expertise, qualifications, experience and age.

Criteria for selection of non-executive directors include ability, experience and specific skills such as strengths in the pharmaceutical industry, financial, legal, marketing or other areas, including international experience. When a vacancy is foreseen or where it is considered that the Board would benefit from the services of a new director with particular expertise, unless an obvious candidate exists, a panel of candidates with appropriate skills and experience is considered. Appointments should ideally be able to serve for at least eight years before retiring from the Board.

Membership and performance of the Board is reviewed annually. The composition of the Board is reviewed in relation to the appropriate mix of skills and experience.

Directors have adopted guidelines which, in addition to the above, relate to the size of the Board and maximum length of service on the Board (15 years). Procedures to bring about the retirement or removal of a director should there be less than adequate contribution to the Board are included in the guidelines. These guidelines also contain a policy regulating the dealings by directors in securities of the Company.

Independent professional advice may be sought by directors, at the Company’s expense, to allow directors to carry out their duties. Prior approval of the Chairman is required. The director should give reasons for the request, nominate the person from whom advice is to be sought and obtain a quote. Independent professional advice obtained this way will be made available to the whole Board.

The composition, powers and authority of the boards of controlled entities are subject to the approval of the parent Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee is comprised of three to five non-executive directors appointed for terms of three years. Membership is confirmed annually. The names of current Committee members are included in the directors’ profiles. The external auditors, Managing Director, Finance Director, Company Secretary, and the Manager - Internal Audit, attend all Audit and Risk Management Committee meetings.

Responsibilities of the Audit and Risk Management Committee

The Audit and Risk Management Committee is comprised of three to five non-executive directors appointed for terms of three years. Membership is confirmed annually. The names of current Committee members are included in the directors’ profiles. The external auditors, Managing Director, Finance Director, Company Secretary, and the Manager - Internal Audit, attend all Audit and Risk Management Committee meetings.

The primary responsibility of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities in relation to the:

- Integrity and quality of the interim and annual financial reporting and disclosure;
- Identification and management of key business, financial and regulatory risks;
- Compliance with relevant laws, regulations, standards and codes; and
- Adequacy of the internal control framework.

These responsibilities embrace the oversight of risk management processes, external audit and internal audit.

To accord with this, a revised Charter for the Committee was adopted by the Board during the year. The management committee of responsible executives which maintains oversight of risk assessment and related practices as they apply to systems, the environment, health, safety, product liability, physical assets, security, disaster recovery, risk financing and compliance now reports to the Audit and Risk Management Committee.

In addition, the Audit and Risk Management Committee will:

- Ensure non-executive directors to maintain oversight of the Company’s finances and confidence in the financial reporting;
- Review and recommend the adoption of the annual and half-yearly financial reports;
- Enhance the credibility and objectivity of financial reports with other interested parties including shareholders, regulators and creditors;
- Provide an independent communication forum for directors, management and auditors, both internal and external, in relation to the financial affairs of the Company, and thus maintain the independence of a strong audit function; and
- Review risk management and report to the Board on its effectiveness in safeguarding the Company’s assets.

The performance of the external auditor, Arthur Andersen, is reviewed by the Audit and Risk Management Committee.

Remuneration Committee

The Remuneration Committee is comprised of all non-executive directors. The Committee meets at the commencement of each financial year in relation to the remuneration of the Managing Director and General Managers, and from time to time as required on other business within its responsibility.

The remuneration of non-executive directors in accordance with Rule 88 of the Company’s Constitution and the remuneration of directors for extra services in accordance with Rules 89 and 90.

Deciding the remuneration of the Managing Director in accordance with Rule 130;

Considering and recommending to the Board the terms of the service contract of the Managing Director;

Endorsing remuneration proposals of the Managing Director in relation to General Managers; and

Oversawing of the Company’s Senior Executive Share Ownership and General Employee Share Ownership Plans.

Continued on page 26.
Composition of the Board

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Audit and Risk Management Committee

The Audit and Risk Management Committee is comprised of three to five non-executive directors appointed for terms of three years. Membership is confirmed annually. The names of current Committee members are included in the directors' profiles. The external auditors, Managing Director, Finance Director, Company Secretary, and the Manager - Internal Audit, attend all Audit and Risk Management Committee meetings.

Responsibilities of the Audit and Risk Management Committee

The primary responsibility of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities in relation to:

- Integrity and quality of the interim and annual financial reporting and disclosure;
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In addition, the Audit and Risk Management Committee will:

- Ensure non-executive directors maintain oversight of the Company's finances and confidence in the financial reports;
- Review and recommend the adoption of the annual and half-yearly financial reports;
- Enhance the credibility and objectivity of financial reports with other interested parties including shareholders, regulators and creditors;
- Provide an independent communication forum for directors, management and auditors, both internal and external, in relation to the financial affairs of the Company, and thus maintain the independence of a strong audit function; and
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The responsibilities of the Remuneration Committee are:

- Deciding the remuneration of non-executive directors in accordance with Rule 100 of the Company's Constitution and the remuneration of directors for extra services in accordance with Rules 89 and 90;
- Deciding the remuneration of the Managing Director in accordance with Rule 100;
- Considering and recommending to the Board the terms of the service contract of the Managing Director;
- Endorsing remuneration proposals of the Managing Director in relation to General Managers; and
- Overseeing the Company's Senior Executive Share Ownership and General Employee Share Ownership Plans.

Continued on page 26
Corporate Citizenship

The Company which contains, inter alia, the arrangements regarding payment of remuneration in the form of salary and incentive awards. The incentive awards are linked to the long term performance of the Company’s Code of Ethical Practices.

The Managing Director has a contract of employment with the Company which contains arrangements regarding payment of remuneration in the form of salary and incentive awards. The incentive awards are linked to the long term performance of the Company’s Code of Ethical Practices.

All directors, executives, managers and employees are expected to act with integrity and objectivity and maintain appropriate ethical standards which are articulated in the Company’s Code of Ethical Practices. The Code of Conduct of the Australian Pharmaceutical Manufacturers Association, the Code of Good Manufacturing Practice, the Code of Good Laboratory Practice and similar standards applicable to the pharmaceutical and veterinary industries.

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Our continuing aim is to ensure that CSL’s business operations are carried out in workplaces that are safe and healthy for our employees, for the community and for the environment.

Occupational Health and Safety

CSL has again completed a year in which no significant health, safety or environmental incidents have been reported, demonstrating our success in providing healthy and safe workplaces.

It is Company policy to comply with relevant health and safety laws and regulations in all the jurisdictions in which we operate. We maintain and develop safe and healthy workplaces, supported by policies, guidelines and standard operating procedures. This includes the Health, Safety and Environment Advisory Committee and related networks throughout the Company in which employees and unions are represented.

Last year, CSL’s plasma products facility at Broadmeadows in Melbourne achieved an advanced level Safety/ASP accreditation from the Victorian WorkCover Authority (VWA). We have committed our Parkville site to achieving Safety/ASP certification in the next two years. Established to provide a benchmark for assessing and improving health and safety management processes, this award is given only to organisations that can demonstrate an effective system for the management and delivery of occupational health and safety in the workplace.

CSL administers rehabilitation programs that assist employees injured in the workplace to return to work in the shortest possible time. Lost time injury frequency rates and medical treatment injury frequency rates are the measures of performance used and we are achieving success against these standards.

The Environment

Each CSL site is involved in activities aimed at minimising the impact of its operations on the community and the environment. During the past year, operations and practices have been reviewed to ensure regulatory compliance and environmental integrity, in conformity with CSL Group policy.

The Australian National Pollutant Inventory, coordinated by the Federal Government, requires all major manufacturing operations to report on atmospheric emissions for certain specified chemicals. CSL reports on combustion products from our natural gas boilers, our only requirement in this regard.

CSL maintains a number of agreements for proper disposal of solid and liquid wastes. At each location, we have agreements for liquid waste discharge to the sewer and for safe disposal of biohazardous and other forms of solid waste.

We regularly review our waste management practices looking for new ways to minimise waste and to recycle materials. We also review our electricity, gas, water and other manufacturing inputs to ensure their efficient use and minimal environmental impact.

As an example of the type of projects successfully undertaken this year, our Bioscience Division received the 1999-2000 National Safety Council of Australia Award for Excellence in a new stormwater interception pit.
Corporate Citizenship

CSL’s business operations are carried out in workplaces that are safe and healthy for our employees, for the community and for the environment.

Occupational Health and Safety

CSL has again completed a year in which no significant health, safety or environmental incidents have been reported, demonstrating our success in providing healthy and safe workplaces.

It is Company policy to comply with relevant health and safety laws and regulations in all the jurisdictions in which we are located and to ensure our facilities continue to operate to the satisfaction of the regulatory authorities concerned.

Our employees are encouraged to participate in a wide range of activities, through which we maintain and develop safe and healthy workplaces, supported by policies, guidelines and standard operating procedures. This includes the Health, Safety and Environment Advisory Committees and related networks throughout the Company in which employees and unions are represented.

Last year, CSL’s plasma products facility at Broadmeadows in Melbourne achieved an advanced level SafetyMAP certification from the Victorian WorkCover Authority (VWA). We have committed to achieving SafetyMAP certification in the next two years. Established to provide a benchmark for assessing and improving health and safety management processes, this award is given only to organisations that can demonstrate an effective system for the management and delivery of occupational health and safety in the workplace.

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Remuneration of Directors

Non-executive directors’ fees of an amount not exceeding $400,000 in total are provided for in the Company’s Constitution. This sum can only be increased by the Company at a general meeting. Non-executive directors’ fees for 1999-2000, are contained in the notes to the financial statements. Remuneration for any extra services by individual directors may be approved under Rules 89 and 90 from time to time.

A multi-disciplinary corporate project team coordinated all Year 2000 activities, which ensured that the Company’s business operations were not interrupted as a consequence of century dating problems with systems and/or equipment.

Ethical Standards

All directors, executives, managers and employees are expected to act with integrity and objectivity and maintain appropriate ethical standards which are articulated in the Company’s Code of Ethical Practices.

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Five Year Summary

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<tr>
<td>Total revenue</td>
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<td>366.7</td>
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<td>413.5</td>
<td>351.5</td>
<td>305.0</td>
<td>281.1</td>
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<tr>
<td>Research and development</td>
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<td>40.8</td>
<td>39.1</td>
<td>36.6</td>
<td>30.2</td>
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<tr>
<td>Operating profit before interest and income tax</td>
<td>77.2</td>
<td>68.7</td>
<td>58.1</td>
<td>48.1</td>
<td>41.6</td>
</tr>
<tr>
<td>Operating profit after tax</td>
<td>54.4</td>
<td>47.4</td>
<td>40.9</td>
<td>35.2</td>
<td>29.0</td>
</tr>
<tr>
<td>Profit after tax and abnormal item</td>
<td>54.4</td>
<td>47.4</td>
<td>44.8</td>
<td>35.2</td>
<td>29.0</td>
</tr>
<tr>
<td>Capital investment</td>
<td>37.2</td>
<td>39.0</td>
<td>21.3</td>
<td>15.6</td>
<td>16.2</td>
</tr>
<tr>
<td>Total assets at 30 June</td>
<td>548.5</td>
<td>561.5</td>
<td>523.8</td>
<td>511.1</td>
<td>474.7</td>
</tr>
<tr>
<td>Shareholders’ funds at 30 June</td>
<td>793.6</td>
<td>414.9</td>
<td>300.3</td>
<td>263.0</td>
<td>341.6</td>
</tr>
<tr>
<td>Net tangible assets per share at 30 June ($)</td>
<td>5.32</td>
<td>3.15</td>
<td>2.97</td>
<td>2.79</td>
<td>2.62</td>
</tr>
<tr>
<td>Weighted average number of shares (million)</td>
<td>133.4</td>
<td>131.4</td>
<td>131.1</td>
<td>130.0</td>
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<tr>
<td>Earnings per share (cents)</td>
<td>40.8</td>
<td>36.1</td>
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<tr>
<td>Dividend per share (cents)</td>
<td>23.0</td>
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<td>18.0</td>
<td>15.5</td>
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Finance Report

Strong growth in both profitability and revenue was sustained during the 1999-2000 year. Revenues increased by 18.7% to $504.3m with strong margins recorded in all business units throughout the year. A feature of the increase is the continued contribution from international revenues that now represent 27% of the Group’s sales revenue. Of particular note was JRH Biosciences, which achieved record sales revenue of A$76.7m, being an increase of 24%.

Operating Profit

Operating profit before interest and tax increased by 12.4% to $77.2m.

Profit after tax of $54.4m was an increase of 14.8% over the profit after tax recorded last year. Group investment in research and development grew by 6.9% to $43.6m which is consistent with the Group’s stated objective of continued growth in research and development.

Earnings Per Share

Earnings per share of 40.8 cents represents an increase of 13% over the prior year.

Shareholders Funds

Shareholders Funds increased by 91.3% to $793.6m. During the year, the Company raised $353m through an equity placement of 16.5m shares. The allocation made on 7 June 2000 was placed at $22.00 per share, which represented a premium of 3.6% to the 30 day weighted average price (up to 7 June 2000) of $21.24 per share. Net tangible assets per share increased by 68.9% to $5.32.

Dividend

The directors have declared a final dividend of $22.4m (15 cents per share) fully franked. The total dividend for the year of $33.1m (23 cents per share) represents a payout of 61% of net profit after tax consistent with prior years.

Cash Flows

Working capital management continues to be a priority in all CSL Group companies. Cash flows from operations generated $54.1m for the year along with debt reduction of $4.9m.

Capital investment during the year remained consistent at $37.2m, while proceeds from the redemption of the Group’s managed fund investments realised $38.5m.

Net cash on hand (cash and investments less borrowings) increased by $375.8m to $412.4m from the prior year mainly as a result of the equity placement disclosed above.
Five Year Summary

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<td>Dividend per share (cents)</td>
<td>23.0</td>
<td>21.0</td>
<td>18.0</td>
<td>15.5</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Finance Report

Strong growth in both profitability and revenue was sustained during the 1999-2000 year. Revenues increased by 18.7% to $504.3m with strong margins recorded in all business units throughout the year.

A feature of the increase is the continued contribution from international revenues that now represent 27% of the Group’s sales revenue. Of particular note was JRH Biosciences, which achieved record sales revenue of $76.7m, being an increase of 24%.

Operating Profit
Operating profit before interest and tax increased by 12.4% to $77.2m.

Profit after tax of $54.4m was an increase of 14.8% over the profit after tax recorded last year. Group investment in research and development grew by 6.9% to $43.6m which is consistent with the Group’s stated objective of continued growth in research and development.

Shareholders Funds
Shareholders Funds increased by 91.3% to $793.6m. During the year, the Company raised $353m through an equity placement of 16.5m shares. The allocation made on 7 June 2000 was placed at $22.00 per share, which represented a premium of 3.6% to the 30 day weighted average price ($21.24 per share).

Net tangible assets per share increased by 68.9% to $5.32.

Dividend
The directors have declared a final dividend of $22.4m (15 cents per share) fully franked. The total dividend for the year of $33.1m (23 cents per share) represents a payout of 61% of net profit after tax consistent with prior years.

Cash Flows
Working capital management continues to be a priority in all CSL Group companies. Cash flows from operations generated $54.1m for the year along with debt reduction of $4.9m.

Capital investment during the year remained consistent at $37.2m, while proceeds from the redemption of the Group’s managed fund investments realised $38.5m.

Net cash on hand (cash and investments less borrowings) increased by $375.8m to $412.4m from the prior year mainly as a result of the equity placement disclosed above.
Share Information

CSL Limited

Issued capital:
Ordinary shares: 149,075,746

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 1963 (Cth) (the CSL Act) on 2 November 1961. On 1 April 1981, 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 1980 (Cth). On 3 October 1991, the name of the Company was changed to CSL Limited. The Commonwealth divested all of its shares by public float on 31 July 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 limited ordinary shares have been traded on the Australian Stock Exchange since 30 May 1994. Melbourne is the Home Exchange.

Distribution of Shareholdings as at 30 June 2000

<table>
<thead>
<tr>
<th>Range</th>
<th>Holders</th>
<th>Shares</th>
<th>% Total Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 1,000</td>
<td>16,553</td>
<td>11,956,895</td>
<td>8.02</td>
</tr>
<tr>
<td>1,001 - 5,000</td>
<td>11,659</td>
<td>27,850,622</td>
<td>18.68</td>
</tr>
<tr>
<td>5,001 - 10,000</td>
<td>929</td>
<td>6,088,069</td>
<td>4.63</td>
</tr>
<tr>
<td>10,001 - 100,000</td>
<td>308</td>
<td>10,197,128</td>
<td>6.84</td>
</tr>
<tr>
<td>100,001 and over</td>
<td>90</td>
<td>92,163,002</td>
<td>61.83</td>
</tr>
</tbody>
</table>

Total Shareholders 29,629 149,075,746 100.00

Number of shareholders with less than a marketable parcel of 15 shares (based on the share price at 30 June 2000)
17 88

Substantial Shareholders
See page 31 of this Annual Report.

Voting Rights
At a general meeting, subject to restrictions imposed on significant foreign shareholders and 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 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 members of the board or 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
There are no significant foreign shareholdings as at 30 June 2000.

CITATION 30.1

Shareholder Information

Share Registry
Computershare Registry Services Pty Ltd
Level 12, 565 Bourke Street
Melbourne Victoria 3000
Telephone: 03 9611 5711
Facsimile: 03 9611 5720

GPO Box 2975EE
Melbourne Victoria 3001
1800 646 882 outside Melbourne

Shareholders with inquiries should telephone or write to the Share Registry at the above address.

Separate shareholdings may be consolidated by advising the Share Registry in writing.

Change of address should be notified to the Share Registry in writing without delay. Shareholders who are Broker sponsored on the CHESS sub-register must notify their sponsoring Broker of a change of address.

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The Annual Meeting will be held at the Function Centre, National Tennis Centre, Melbourne Park, Batman Avenue, Melbourne at 10:00am on Wednesday 18 October 2000.

CSL's Twenty Largest Shareholders as at 30 June 2000

<table>
<thead>
<tr>
<th>Shareholder Account</th>
<th>Shares</th>
<th>% Total Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Chase Manhattan Nominees Limited</td>
<td>10,057,039</td>
<td>12.78</td>
</tr>
<tr>
<td>2 National Nominees Limited</td>
<td>9,289,740</td>
<td>6.23</td>
</tr>
<tr>
<td>3 Westpac Custodian Nominees Limited</td>
<td>9,137,799</td>
<td>6.13</td>
</tr>
<tr>
<td>4 AMP Life Limited</td>
<td>3,154,569</td>
<td>2.12</td>
</tr>
<tr>
<td>5 Citibank Nominees Pty Limited</td>
<td>2,996,246</td>
<td>1.33</td>
</tr>
<tr>
<td>6 MLC Limited</td>
<td>2,108,246</td>
<td>1.41</td>
</tr>
<tr>
<td>7 Permanent Trustee Australia Limited Fir020</td>
<td>2,199,182</td>
<td>1.47</td>
</tr>
<tr>
<td>8 Queensland Investment Corporation</td>
<td>2,176,451</td>
<td>1.33</td>
</tr>
<tr>
<td>9 ANZ Bank Nominees Limited</td>
<td>1,956,504</td>
<td>1.32</td>
</tr>
<tr>
<td>10 Permanent Trustee Australia Limited Fir027</td>
<td>1,889,559</td>
<td>1.25</td>
</tr>
<tr>
<td>11 Perpetual Trustee Victoria Limited Mrtpaf</td>
<td>1,851,312</td>
<td>1.24</td>
</tr>
<tr>
<td>12 Permanent Trustee Australia Limited Fir038</td>
<td>1,762,305</td>
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<td>13 Perpetual Trustee Nominees Limited</td>
<td>1,431,290</td>
<td>0.96</td>
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<tr>
<td>14 Commonwealth Custodial Services Limited</td>
<td>1,385,475</td>
<td>0.93</td>
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<tr>
<td>15 Perpetual Trustees Victoria Limited Brpura</td>
<td>1,373,297</td>
<td>0.92</td>
</tr>
<tr>
<td>16 HSBC Custody Nominees (Australia) Limited</td>
<td>1,325,706</td>
<td>0.89</td>
</tr>
<tr>
<td>17 AMP Nominees Pty Limited</td>
<td>1,262,771</td>
<td>0.85</td>
</tr>
<tr>
<td>18 Perpetual Trustees Victoria Limited Mrtpbl</td>
<td>1,189,006</td>
<td>0.80</td>
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<tr>
<td>19 Commonwealth Custodial Services Limited Lgss</td>
<td>1,149,810</td>
<td>0.77</td>
</tr>
<tr>
<td>20 Perpetual Trustee Victoria Limited Supr</td>
<td>1,079,437</td>
<td>0.72</td>
</tr>
</tbody>
</table>

In addition, substantial shareholding notices have been received from the following:

CSA Group of Companies | 14,305,127 | 9.64 |
Deutsche Bank Group | 10,445,390 | 7.24 |
Mercury Asset Management Ltd | 8,174,859 | 5.49 |
AMP Limited and its related bodies corporate | 6,151,866 | 4.37 |
Share Information

CSL Limited

Issued capital:
Ordinary shares: 149,075,746

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) on 2 November 1961. On 1 April 1981, 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 about by the Commonwealth Serum Laboratories (Conversion into Public Company) Act 1980 (Cth). On 2 October 1991, the name of the Company was changed to CSL Limited. The Commonwealth divested all of its shares by public float on 31 January 1994.

The CSL Sale Act 1993 (Cth) amended 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.

Distribution of Shareholdings as at 30 June 2000

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<td>27,850,622</td>
<td>18.68</td>
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<td>5,001 - 10,000</td>
<td>929</td>
<td>6,908,099</td>
<td>4.63</td>
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<tr>
<td>10,001 - 50,000</td>
<td>398</td>
<td>10,197,128</td>
<td>6.84</td>
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<tr>
<td>50,001 and over</td>
<td>90</td>
<td>92,163,002</td>
<td>61.83</td>
</tr>
<tr>
<td>Total Shareholders</td>
<td>29,629</td>
<td>149,075,746</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Number of shareholders with less than a marketable parcel of 15 shares (based on the share price at 30 June 2000) 17

Substantial Shareholders

See page 31 of this Annual Report.

Voting Rights

At a general meeting, subject to restrictions imposed on significant foreign shareholders 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 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

There are no significant foreign shareholdings as at 30 June 2000.

CSL’s Twenty Largest Shareholders as at 30 June 2000

<table>
<thead>
<tr>
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<td>12.78</td>
<td></td>
</tr>
<tr>
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<td>9,289,740</td>
<td>6.53</td>
<td></td>
</tr>
<tr>
<td>3 Westpac Custodian Nominees Limited</td>
<td>9,137,799</td>
<td>6.13</td>
<td></td>
</tr>
<tr>
<td>4 AMP Life Limited</td>
<td>3,256,432</td>
<td>2.18</td>
<td></td>
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<tr>
<td>5 Citibank Nominees Pty Limited</td>
<td>3,154,926</td>
<td>2.12</td>
<td></td>
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<tr>
<td>6 MLC Limited</td>
<td>2,419,490</td>
<td>1.62</td>
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<tr>
<td>7 Permanent Trustee Australia Limited</td>
<td>FR0020</td>
<td>1.38</td>
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</tr>
<tr>
<td>8 Queensland Investment Corporation</td>
<td>2,276,462</td>
<td>1.53</td>
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<tr>
<td>9 ANZ Nominees Limited</td>
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<td>10 Permanent Trustee Australia Limited</td>
<td>FR0027</td>
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<td>11 Perpetual Trustees Victoria Limited</td>
<td>1,851,312</td>
<td>1.24</td>
<td></td>
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<tr>
<td>12 Permanent Trustee Australia Limited</td>
<td>FR0031</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>13 Perpetual Trustees Nominees Limited</td>
<td>1,431,290</td>
<td>0.96</td>
<td></td>
</tr>
<tr>
<td>14 Commonwealth Custodial Services Limited</td>
<td>1,366,470</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>15 Perpetual Trustees Victoria Limited</td>
<td>1,373,501</td>
<td>0.92</td>
<td></td>
</tr>
<tr>
<td>16 HSBC Custody Nominees (Australia) Limited</td>
<td>1,375,706</td>
<td>0.92</td>
<td></td>
</tr>
<tr>
<td>17 AMP Nominees Pty Limited</td>
<td>1,262,771</td>
<td>0.85</td>
<td></td>
</tr>
<tr>
<td>18 Perpetual Trustees Victoria Limited</td>
<td>MTRBAL</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td>19 Commonwealth Custodial Services Limited</td>
<td>U250</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>20 Perpetual Trustees Victoria Limited</td>
<td>SUPER</td>
<td>0.72</td>
<td></td>
</tr>
</tbody>
</table>

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CSL Business Offices

CSL Limited

Registered Head Office
45 Poplar Road
Parkville
Victoria 3052 Australia
Telephone: +61 3 9389 1911
Facsimile: +61 3 9389 1434

Bioplasma Division
189 Camp Road
Broadmeadows
Victoria 3047
Telephone: +61 3 9846 5000
Facsimile: +61 3 9846 5009

State Sales Offices

Victoria and Tasmania
45 Poplar Road
Parkville
Victoria 3052
Telephone:
- Pharmaceutical: +61 3 9389 1408
- Animal Health: +61 3 9389 1251
- Biosciences: +61 3 9389 1644
Facsimile: +61 3 9389 1727

New South Wales
25-27 Paul Street North
North Ryde
New South Wales 2113
Telephone: (02) 9887 4433
Facsimile: (02) 9887 3171

Queensland
14 Duckpond Street
Mansfield
Queensland 4122
Telephone: (07) 3949 6140
Facsimile: (07) 3949 6141

South Australia and Northern Territory
11 Condie Avenue
Elizabethtown
South Australia 5039
Telephone: (08) 8276 3000
Facsimile: (08) 8277 6956

Western Australia
205-207 Fitzgerald Street
Perth
Western Australia 6000
Telephone: (08) 9338 7322
Facsimile: (08) 9327 6166

International Offices

CSL (New Zealand) Limited
Pharmaceutical Group
Bioplasma Division
Biosciences Group
Level 4, Building 10
666 Great South Road
Central Park, Penrose
Auckland 6
New Zealand
Telephone: +64 9 579 6106
Facsimile: +64 9 579 6106

CSL (New Zealand) Limited
Animal Health Group
2-6 Shakespeare Avenue
Upper Hutt
New Zealand
Telephone: +64 4 527 5038
Facsimile: +64 4 527 5032

CSL UK Limited
J RH Biosciences Limited
Smeaton Road
West Portway
Andover
Hampshire SP10 3LF
England
Telephone: +44 1628 333 311
Facsimile: +44 1628 332 412

J RH Biosciences Inc
1300 W. 107th Street
Loneos
Kansas 66215 USA
Telephone: +1 913 469 5580
US Toll Free: +1 800 205 6032
Facsimile: +1 913 469 5584

Bivacor Animal Health Inc
2720 North 84th Street
Omaha
Nebraska 68134 USA
Telephone: +1 402 393 7440
Facsimile: +1 402 393 4712
About CSL

The CSL Group develops, manufactures and markets biologically-based health care products that benefit the community.

Our products include human and veterinary pharmaceuticals (notably vaccines), products derived from human plasma, diagnostics, and cell culture reagents.

We continue to build CSL in ways that benefit our shareholders by:

• Meeting customers’ expectations with quality products and excellent service;

• Investing in development of new products and introducing those products into domestic and international markets;

• Pursuing national and international collaborations that build on our scientific, manufacturing and marketing expertise;

• Developing a flexible, committed and skilled workforce rewarded for excellence and innovation;

• Ensuring our workplaces are healthy for employees and the community;

• Striving for continuous improvement in all areas of our business.

CSL is firmly committed to research and development, quality assurance and the development of international product and marketing alliances.

In Australia, we are a leading investor in pharmaceutical research and development, and one of the largest employers in the pharmaceutical manufacturing industry.

Our earnings are supported by established brands with strong market shares. We continue to achieve improvements in profitability as the Company expands its business nationally and internationally through products developed both by CSL and in collaboration with partners.

Internet: http://www.csl.com.au
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