CSL Limited
45 Poplar Road Parkville
Victoria 3052 Australia

T +613 9389 1911
F +613 9389 1434
www.csl.com.au

ASX Announcement

For immediate release

14 August 2013

Full Year Result FY2013

Reported Profit of US$1,216m, up 19%
- ***Up 21% at constant currency[1]***

Earnings per share US$2.44, up 24%
- ***Up 26% at constant currency[1]***

Final dividend lifted to US$0.52 per share
- ***Total dividends for full year US$1.02, up 18%***

Board to consider further share buyback of a similar amount to the current program

CSL Limited (ASX:CSL) today announced a net profit after tax (NPAT) of US$1,216 million for the twelve months ended 30 June 2013, up US$192 million or 19% on a reported basis when compared to the prior comparable period (PCP). The result included an unfavourable foreign exchange impact of US$18 million. On a constant currency[1] basis, net profit after tax grew 21%, slightly ahead of guidance. Earnings per share grew 24%, benefiting from current and past capital management initiatives.

KEY ITEMS

Financial

- Sales US$5.0 billion, up 7% on PCP
    - *Up 10% at constant currency[1]*
- EBIT US$1,486 million, up 17%
    - *Up 19% at constant currency*
    - *EBIT margin grew from 26.6% to 29.1%*
- Reported net profit after tax US$1,216 million, up 19% on PCP
    - *Up 21% at constant currency*
- Reported earnings per share US$2.44, up 24% on PCP
    - *Up 26% at constant currency*
- Research and development investment of US$427 million, up 16% on PCP
- Cash flow from operations of US$1,312 million, up 9% on PCP
- Strong balance sheet with cash on hand of US$762 million

[1] Constant currency removes the impact of exchange rate movements to facilitate comparability. See end note (#) for further detail.

- Fully converted to US dollar reporting
- Final dividend[2] increased to US$0.52 per share, unfranked for Australian tax purposes, payable on 4 October 2013
- Total ordinary dividends for the year increased to US$1.02 per share, up 18% on PCP
    - Total ordinary dividends converted to Australian currency increased to A$1.056 cents per share, up 27% on PCP

Operational

- Strong sales growth in immunoglobulins, albumin and specialty products
- Margin expansion arising from operational efficiencies and sales mix
- Stronger footprint in developing markets
- US approves Kcentra™ for urgent warfarin reversal
- European approval of Privigen® for treatment of chronic immune demyelinating polyneuropathy
- Facilities expansion at US, European and Australian manufacturing sites
- Capital management
    - Current share buyback[3] ~97% complete
    - US$500m private placement complete
    - Dividend payment date brought forward
    - Board to consider further share buyback of a similar amount to the current program
- Australian plasma operations integrated with CSL Behring and bioCSL established for vaccines, pharmaceuticals and diagnostics

CSL Chief Executive Officer, Paul Perreault said “This is an excellent result and reflects the combined effort of many people across the Company, in particular our immediate past Chief Executive Officer, Dr Brian McNamee.”

[2] For shareholders with an Australian registered address, dividends will be paid in A$ at an amount of A$0.5698 per share (at an exchange rate of A$1.0957/US$1.0000), and for shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ$0.6506 per share (at an exchange rate of NZ$1.2511/US$1.0000). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US$.

[3] CSL reserves the right to suspend or terminate buy-backs at any time.

"The Company's core products of immunoglobulin and albumin have performed very well and we have strengthened our margins through a change in sales mix and a relentless pursuit of efficiency."

"Our suite of specialty products grew strongly, supported by the registration in the US of Kcentra, a product used in the urgent reversal of anticoagulant warfarin in patients with acute major bleeding," Mr Perreault said.

OPERATING REVIEW

CSL Behring sales of US$4.5 billion grew 10% in constant currency terms, when compared to the prior comparable period.

Immunoglobulin product sales of US$2,081 million grew 9% in constant currency terms. Demand for subcutaneous immunoglobulin (SCIG), lead by Hizentra®, was particularly strong in both the US and Europe, growing 27% in constant currency terms, when compared to the prior comparable period. Hizentra® offers patients the convenience of self administration at home.

Intravenous immunoglobulin sales growth was led by strong demand for Privigen® in the US, somewhat offset by a price reduction for Carimune®, which competes at the low price end of the market. Approved indications for Privigen® were expanded in April 2013 when the European Commission granted marketing authorisation for its use in the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP).

Albumin sales of US$601 million grew 28% in constant currency terms. Growth was underpinned by demand in China, which was aided by domestic plasma supply interruptions. Improved distribution logistics in China also helped grow sales. In Europe sales of albumin were enhanced by a favourable re-evaluation of albumin usage in intensive care units.

Haemophilia product sales of US$1,090 million grew 2% in constant currency terms. Plasma derived coagulation factors grew 5% in constant currency terms, led by Beriate®, which grew 22% in volume of units sold, largely arising from stronger demand in Latin America, particularly Brazil. Sales from this volume growth, however, were offset to some extent by the ongoing geographic sales shift towards lower priced developing markets. Recombinant FVIII sales declined 1% in constant currency terms, influenced by the number of clinical trials underway for new generation recombinant factor VIII products where patients receive clinical trial products at no cost.

Specialty products sales of US$719 million grew 17% in constant currency terms. The changing paradigm for the treatment of peri-operative bleeding continued to underpin growth in demand for fibrinogen product Haemocomplettan® in Europe.

In April 2013 the US Food and Drug Administration (FDA) approved Kcentra™ for urgent warfarin reversal in patients with acute major bleeding. Kcentra™ is the first FDA approved 4-factor prothrombin complex concentrate for warfarin reversal in the US. It is marketed in more than 25 countries, including under the trade names of Beriplex® and Confidex® outside the US. Demand for Beriplex® grew well, particularly in Europe.

Robust demand continues for Berinert®, which is used for the treatment of acute attacks in patients with hereditary angioedema. In January 2013, Berinert® received US approval for self administration and use in the treatment of laryngeal attacks. Both indications contributed to the increased sales of the product.

bioCSL sales of US$449 million grew 8% in constant currency terms, when compared to the prior comparable period. GARDASIL* sales were US$57m, up strongly following the commencement of the vaccination program for boys in Australia. Influenza vaccine sales fell to US$137 million in what has been a challenging year for this business. CSL's influenza vaccine is manufactured in Australia with the majority sold into the northern hemisphere. The Australian operating environment together with global influenza market dynamics, has put these sales and margins under significant competitive pressure.

CSL Intellectual Property revenue was US$134 million, underpinned by solid growth in royalty contributions from Human Papillomavirus Vaccines.

Group EBIT margin[4] grew from 26.6% to 29.1% driven by improved efficiencies and a change in sales mix across the portfolio of products.

[4] EBIT margin is calculated by dividing earnings before interest and tax by total revenue.

OUTLOOK *(at 12/13 exchange rates)*

Commenting on CSL's outlook, CSL Chief Executive Officer Paul Perreault said, "Looking into 2014 we see trading conditions being tempered again by ongoing economic pressures. To meet this challenge we remain focussed on the patients who rely on our products. This focus underpins our strategic thinking, particularly in relation to product innovation and is complemented by our continued drive to instil an efficiency mindset right across the Company."

"Our research and development spend is forecast to grow faster than our growth in profit as we approach commercialisation of several recombinant coagulation products currently in development."

"This financial year we anticipate profit growth of approximately 10% at constant currency. Earnings per share growth will again exceed profit growth expectations as shareholders benefit from the ongoing effect of past and current share buybacks. I'm pleased to again foreshadow that following the completion of the current share buyback program the Board will consider new capital management initiatives which may include a further on-market share buyback program of a similar amount to the current program," Mr Perreault said.

In compiling the Company's financial forecasts for the year ending 30 June 2014 a number of key variables which may have a significant impact on guidance have been identified and these have been included in the footnote[5] below.

BOARD OF DIRECTORS

CSL today announced two changes to the Company's Board of Directors. Mr Ian Renard, AM, has indicated his intention to retire as a director of the Board, as at the conclusion of the Company's Annual General Meeting on 16 October 2013. Ms Marie

[5] Key variables which may have a significant impact on guidance include material price and volume movements in plasma products, competitor activity, changes in healthcare regulations and reimbursement policies, royalties arising from the sale of Human Papillomavirus Vaccine, internationalisation of the Company's influenza vaccine sales and plasma therapy life cycle management strategies, enforcement of key intellectual property, regulatory risk, litigation, the effective tax rate and foreign exchange movements.

McDonald has been appointed a Director of the Board, effective from 14 August 2013. For further information please see the separate ASX announcement.

The Company farewelled long-standing Chief Executive Officer Dr Brian McNamee, who stood down after 23 years of outstanding leadership. During Dr McNamee's tenure, CSL was listed on the Australian Securities Exchange and has grown to become a global specialty biopharmaceutical company and market leader in plasma protein therapies.

Additional details about CSL's results are included in the Company's 4D statement, investor presentation slides and webcast, all of which can be found on the Company's website www.csl.com.au A glossary of medical terms can also be found on the website.

For further information, please contact:

Investors:
Mark Dehring
Head of Investor Relations
CSL Limited
Telephone: +613 9389 2818
Email: mark.dehring@csl.com.au

Media:
Sharon McHale
Senior Director Public Affairs
CSL Limited
Telephone: +613 9389 1506
Mobile +614 0997 8314
Email: sharon.mchale@csl.com.au

Tim Duncan
Hintons & Associates
Phone: +613 9600 1979
Mobile: +614 0844 1122
Email: tduncan@hintons.com.au

® Trademarks of CSL Limited or its affiliates.
* GARDASIL is a trademark of Merck & Co. Inc.

Group Results
US Dollars

Twelve months ended June US$ Millions	**Jun 2012** Reported	**Jun 2013** Reported	**Jun 2013** Constant Currency#	**Change** %
Sales	**4,616**	**4,950**	**5,056**	**9.5%**
Other Revenue / Income	197	179	180	
Total Revenue / Income	**4,813**	**5,129**	**5,236**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,446**	**1,687**	**1,717**	**18.7%**
Depreciation/Amortisation	178	201	207	
Earnings before Interest and Tax	**1,268**	**1,486**	**1,510**	**19.1%**
Net Interest Expense / (Income)	(2)	18	18	
Tax Expense	246	251	258	
Net Profit after Tax	**1,024**	**1,216**	**1,234**	**20.5%**
Total Ordinary Dividends (US$)	0.86	1.02		18%
Final Dividend (US$)	0.49	0.52		
Basic EPS (US$)	1.97	2.44	2.48	26%

***Constant currency** removes the impact of exchange rate movements to facilitate comparability by restating the current year's results at the prior year's rates. This is done in two parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars at the rates that were applicable to the prior year ("translation currency effect") and comparing this with the actual profit of those entities for the current year; and b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior year ("transaction currency effect") and comparing this with the actual transaction recorded in the current year. The sum of translation currency effect and transaction currency effect is the amount by which reported net profit is adjusted to calculate the result at constant currency.*

Summary NPAT

Reported net profit after tax	*US$ 1,216.3m*
Translation currency effect (a)	*US$ 66.6m*
Transaction currency effect (b)	*US$ (48.9)m*
*Constant currency net profit after tax**	*US$ 1,234.0m*

a) Translation Currency Effect US$66.6m
Average Exchange rates used for calculation in major currencies were as follows:

	Twelve months ended	
	Jun 12	*Jun 13*
USD/CHF	*0.89*	*0.94*
USD/EUR	*0.74*	*0.77*

b) Transaction Currency Effect US$(48.9)m
Transaction currency effect is calculated by reference to the applicable prior year exchange rates. The calculation takes into account the timing of sales both internally within the CSL Group (ie from a manufacturer to a distributor) and externally (ie to the final customer) and the relevant exchange rates applicable to each transaction.

Summary Sales

Reported sales	US$ 4,950.4m
Currency effect (c)	US$ 105.0m
Constant currency sales *	US$ 5,055.5m

c) Constant Currency Effect $105m
Constant currency effect is presented as a single amount due to the complex and interrelated nature of currency impact on sales.

** Constant currency net profit after tax and sales have not been audited or reviewed in accordance with Australian Auditing Standards*

CSL Limited

ABN: 99 051 588 348

ASX Full-year information
30 June 2013

Lodged with the ASX under Listing Rule 4.3A.

Contents

Results for Announcement to the Market

Additional Information

Directors' Report

Financial Report

CSL Limited

ABN: 99 051 588 348

Appendix 4E

Full-year ended 30 June 2013

(Previous corresponding period:
Year ended 30 June 2012)

Results for Announcement to the Market

	2013 US$m	2012 US$m
Sales revenue	4,950.4	4,616.4
Total other revenues	179.1	197.2
Total revenue and other income	**5,129.5**	**4,813.6**
Profit before income tax expense	1,467.4	1,270.0
Income tax expense	(251.1)	(246.1)
Reported Net profit after tax attributable to members of the parent entity	**1,216.3**	**1,023.9**

Reported

- Sales revenue up 7.2% to US$4.95 billion.
- Net profit after tax for the year attributable to members of the parent entity up 18.8% to US$1.22 billion.

Constant Currency [1]

- **Sales revenue at constant currency up 9.5% to US$5.06 billion.**
- **Operational net profit after tax for the year at constant currency up 20.5% to US$1.23 billion.**

[1] Excludes the impact of foreign exchange movements in the period under review. Refer to the footnote on page 2 of the Directors' Report for further detail.

Dividends

	Amount per security	Franked amount per security
Final dividend (determined subsequent to balance date#)	US$0.52	Unfranked *
Interim dividend (paid on 5 April 2013)	US$0.50	Unfranked
Final dividend (prior year, paid on 12 October 2012)	A$0.47	Unfranked
# Record date for determining entitlements to the dividend:	13 September 2013	

***** Under Australian law non-resident withholding tax is not payable on the unfranked component of this dividend as that portion will be declared to be wholly conduit foreign income.

Explanation of results
For further explanation of the results please refer to the accompanying press release and "Operating and Financial Review" in the Directors' report that is within the Full year report.

Other information required by Listing Rule 4.3A
The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached Additional Information, Directors' Report, Financial Report and media release.

Additional Information

NTA Backing

	30 June 2013	30 June 2012
Net tangible asset backing per ordinary security	**US$4.41**	US$5.15

Changes in controlled entities

The Parent Company did not dispose of any entities during the year.

Audit report

The audit report is contained in the attached Financial Report.

E H Bailey
Company Secretary

14 August 2013

CSL Limited

ABN: 99 051 588 348

Annual Financial Report

for the year ended 30 June 2013

Directors' Report

The Board of Directors of CSL Limited has pleasure in presenting their report on the consolidated entity for the year ended 30 June 2013.

1. Directors

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

Professor J Shine AO (Chairman)
Dr B A McNamee AO (Managing Director and Chief Executive Officer) - until 30 June 2013)
Mr J H Akehurst
Mr D W Anstice
Mr B R Brook
Ms C E O'Reilly
Mr I A Renard AM
Mr M A Renshaw

Mr P R Perreault was appointed an Executive Director on 13 February 2013 and continues in office at the date of this report. Dr B A McNamee was succeeded by Mr P R Perreault as Managing Director and Chief Executive Officer as of 1 July 2013. Mr P J Turner retired at the Annual General Meeting held on 17 October 2012.

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

2. Company Secretary

Mr E H Bailey, B.Com/LLB, FCIS, was appointed to the position of Company Secretary on 1 January 2009 and continues in office at the date of this report. Mr Bailey joined CSL Limited in 2000 and had occupied the role of Assistant Company Secretary from 2001. Before joining CSL Limited, Mr Bailey was a Senior Associate with Arthur Robinson & Hedderwicks. On 16 August 2011, Mr J Levy, CPA, was appointed as Assistant Company Secretary. Mr Levy has held a number of senior finance positions within the CSL Group since joining CSL Limited in 1989.

3. Directors' Attendances at Meetings

The table below shows the number of directors' meetings held (including meetings of Board Committees) and number of meetings attended by each of the directors of the Company during the year. In addition, a Capital Structuring Committee was set up to oversee the debt raising component of CSL's capital management plan. The Capital Structuring Committee comprised Mr I A Renard (Chair), Professor J Shine, Ms C E O'Reilly and Mr B R Brook and met on two occasions during the year. On two separate occasions during the year, the directors visited various of the Company's operations outside Australia and met with local management.

	Board of Directors		**Audit & Risk Management Committee**		**Securities & Market Disclosure Committee**	**Human Resources & Remuneration Committee**		**Innovation & Development Committee**		**Nomination Committee**	
	A	***B***	***A***	***B***	***A***	***A***	***B***	***A***	***B***	***A***	***B***
J Shine	8	8	2[1]		11	6[1]		2	2	6	6
B A McNamee	8	8	3[2]		10	6[2]		2	2	3[2]	
J H Akehurst	8	8				6	6	2[1]		6	6
D W Anstice	8	8			1	6	6	2	2	5	6
B R Brook	8	8	4	4				2[1]		6	6
P R Perreault	2	2	3[2]		1	4[2]		2[1]		1[2]	
C E O'Reilly	8	8	4	4	1	6	6	2[1]		6	6
I A Renard	8	8	4	4	1			2[1]		6	6
M A Renshaw	6	8						2	2	5	6
P J Turner	4	4						1[2]			

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

A Number of meetings (including meetings of Board Committees) attended during the period.

B Maximum number of meetings that could have been attended during the period.

4. Principal Activities

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

5. Operating and Financial Review and Future Prospects

(a) Financial Review

The Group announced a net profit after tax of US$1,216 million for the twelve months ended 30 June 2013, up 19% when compared to the prior comparable period. This result included an unfavourable foreign exchange impact of US$18 million. On a constant currency[1] basis, operational net profit after tax grew 21%. Sales revenue was US$5.0 billion, up 10% on a constant currency basis when compared to the prior comparable period, with research and development expenditure of US$427 million up 16%. Cash flow from operations was US$1,312 million, up 9% when compared to the prior comparable period.

(b) Operating Review

CSL Behring sales of US$4.5 billion grew 10% in constant currency terms, when compared to the prior comparable period.

Immunoglobulin product sales of US$2,081 million grew 9% in constant currency terms. Demand for subcutaneous immunoglobulin (SCIG), lead by Hizentra®, was particularly strong in both the US and Europe, growing 27% when compared to the prior comparable period. Hizentra® offers patients the convenience of self administration at home.

Intravenous immunoglobulin sales growth was led by strong demand for Privigen® in the US, somewhat offset by a price reduction for Carimune®, which competes at the low price end of the market. Approved indications for Privigen® were expanded in April 2013 when the European Commission granted marketing authorisation for its use in the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP).

Albumin sales of US$601 million grew 28% in constant currency terms. Growth was underpinned by demand in China, which was aided by domestic plasma supply interruptions. Improved distribution logistics in China also helped grow sales. In Europe sales of albumin were enhanced by a favourable re-evaluation of albumin usage in intensive care units.

Haemophilia product sales of US$1,090 million grew 2% in constant currency terms. Plasma derived coagulation factors grew 5% in constant currency terms led by Beriate®, which grew 22% in volume of units sold, largely arising from stronger demand in Latin America, particularly Brazil. Sales from this volume growth, however, were offset to some extent by the ongoing geographic sales shift towards lower priced emerging markets. Recombinant FVIII sales declined 1% in constant currency terms, influenced by the number of clinical trials underway for new generation recombinant factor FVIII products where patients receive clinical trial products at no cost.

---

[1] Constant currency removes the impact of exchange rate movements to facilitate comparability by restating the current year's results at the prior year's rates. This is done in two parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars at the rates that were applicable to the prior year (**translation currency effect**) and comparing this with the actual profit of those entities for the current year; and b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior year (**transaction currency effect**) and comparing this with the actual transaction recorded in the current year. The sum of translation currency effect and transaction currency effect is the amount by which reported net profit is adjusted to calculate the result at constant currency.

Summary NPAT

Reported net profit after tax	US$ 1,216.3m
Translation currency effect (a)	US$ 66.6m
Transaction currency effect (b)	US$ (48.9)m
Constant currency net profit after tax *	US$ 1,234.0m

a) Translation Currency Effect $66.6m

Average Exchange rates used for calculation in major currencies were as follows:

	12 months to	
	Jun 12	Jun 13
USD/CHF	0.89	0.94
USD/EUR	0.74	0.77

b) Transaction Currency Effect $(48.9)m

Transaction currency effect is calculated by reference to the applicable prior year exchange rates. The calculation takes into account the timing of sales both internally within the CSL Group (ie from a manufacturer to a distributor) and externally (ie to the final customer) and the relevant exchange rates applicable to each transaction.

Summary Sales

Reported sales	US$4,950.4m
Currency effect (c)	US$ 105.0m
Constant currency sales	US$5,055.5m

c) Constant Currency Effect $105.0m

Constant currency effect is presented as a single amount due to complex and interrelated nature of currency impact on sales.

* Constant currency net profit after tax and sales have not been audited or reviewed in accordance with Australian Auditing Standards

Specialty products sales of US$719 million grew 17% in constant currency terms. The changing paradigm for the treatment of peri-operative bleeding continued to underpin growth in demand for fibrinogen product Haemocomplettan® in Europe.

In April 2013 the US Food and Drug Administration (FDA) approved Kcentra™ for urgent warfarin reversal in patients with acute major bleeding. Kcentra™ is the first FDA approved 4-factor prothrombin complex concentrate for warfarin reversal in the US. It is marketed in more than 25 countries, including under the trade names of Beriplex® and Confidex® outside the US. Demand for Beriplex® grew well, particularly in Europe.

Robust demand continues in the US for Berinert®, which is used for the treatment of acute attacks in patients with hereditary angioedema. In January 2013, Berinert® received US approval for self administration and use in the treatment of laryngeal attacks. Both indications contributed to the increased sales of the product.

bioCSL sales of US$449 million grew 8% in constant currency terms, when compared to the prior comparable period. GARDASIL* sales were US$57m, up strongly following the commencement of the vaccination program for boys in Australia. Influenza vaccine sales fell to US$137 million in what has been a challenging year for this business. CSL's influenza vaccine is manufactured in Australia with the majority sold into the northern hemisphere. The Australian operating environment together with global influenza market dynamics, has put these sales and margins under significant competitive pressure.

CSL Intellectual Property revenue was US$134 million, underpinned by solid growth in royalty contributions from Human Papillomavirus Vaccines.

Group EBIT margin[2] grew from 26.6% to 29.1% driven by improved efficiencies and a change in sales mix across the portfolio of products.

Set out below is a summary of the key information disclosed to the Australian Securities Exchange during the period under review:

- On 3 August 2012, CSL announced that Mr P R Perreault would succeed Dr B A McNamee as Managing Director and Chief Executive Officer of CSL Limited;
- On 22 August 2012, CSL announced its full year results for the year ending 30 June 2012;
- On 17 October 2012, CSL announced its intention to conduct an on-market buyback of up to A$900 million;
- On 27 November 2012, CSL announced that it had lifted its net profit after tax guidance for fiscal 2013 from approximately 12% to approximately 20% at constant currency;
- On 6 December 2012, CSL announced its Research and Development Day briefing to Analysts;
- On 13 February 2013, CSL announced its half year results for the half year ending 31 December 2012;
- On 13 February 2013, CSL announced that Mr P Perreault had been appointed as an Executive Director of CSL Limited;
- On 8 March 2013, CSL announced the terms of appointment of Mr P R Perreault as Managing Director and Chief Executive Officer;
- On 28 March 2013, CSL announced that it had closed a US$500 million private placement in the US; and
- On 28 June 2013, CSL announced the terms of departure of Dr B A McNamee as Managing Director and Chief Executive Officer.

Full details of all information disclosed to the Australian Securities Exchange during the period under review can be obtained from the ASX website (www.asx.com.au).

(c) Future Prospects

In the medium term the Company expects to continue to grow through developing differentiated plasma products, receiving royalty flows from the exploitation of the Human Papillomavirus Vaccine by Merck & Co, Inc, and the commercialisation of the Company's technology.

Over the longer term the Company intends to develop new products which are protected by its own intellectual property and which are high margin human health medicines marketed and sold by the Company's global operations.

This is underpinned by the Company's research and development strategy that comprises four main areas:

- Immunoglobulins – support and enhance the current portfolio with improved patient convenience, yield improvements, expanded labels and new formulation science;
- Haemophilia Products – support and enhance the current portfolio with new plasma-derived products, recombinant coagulation factors and coagulation research;
- Speciality Products – expand the use of speciality plasma products through new markets, novel indications and new modes of administration; and
- Breakthrough Medicines – develop new protein-based therapies for significant unmet medical needs and multiple indications.

Further comments on likely developments and expected results of certain aspects of the operations of the consolidated entity and on the business strategies and prospects for future financial years of the consolidated entity, are contained in the Year in Review in the Annual Report and in section 5 (b) of this Directors' Report. Additional information of this nature can be found on the Company's website, www.csl.com.au. Any further information of this nature has been omitted as it would unreasonably prejudice the interests of the Company to refer further to such matters.

---

[2] EBIT margin is calculated by dividing earnings before interest and tax by total revenue.

6. Dividends

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

2011-2012 An interim dividend of A$0.36 per share, unfranked, was paid on 13 April 2012. A final dividend of A$0.47 per ordinary share, unfranked, for the year ended 30 June 2012 was paid on 12 October 2012.

2012-2013 An interim dividend of US$0.50 per share, unfranked, was paid on 5 April 2013. The Company's Directors have determined a final dividend of US$0.52 per ordinary share, unfranked, for the year ended 30 June 2013.

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

Total dividends for the 2012-2013 year are:

	On Ordinary shares US$m
Interim dividend paid 5 April 2013	252.3
Final dividend payable on 4 October 2013	253.4

7. Significant changes in the State of Affairs

From 1 July 2012, the Company effected a change in its presentation currency from Australian dollars to US dollars. For more information, please refer to Note 1(a) of the Financial Report.

On 17 October 2012, the Company announced its intention to conduct a further on-market buyback of up to $900 million, representing approximately 4% of shares then on issue. Up to 30 June 2013, the Company purchased 14,849,288 shares under this announced buyback, returning approximately A$852 million to shareholders. From 1 July to 2 July 2013, an additional 265,799 shares were purchased, bringing the total returned to shareholders to approximately A$869 million. Post 3 July 2013 up to 14 August 2013, no further shares have been bought back.

On 1 January 2013, the Australian plasma operations were integrated with CSL Behring, creating a single global plasma business, and the Australian-based vaccines, pharmaceuticals, diagnostics and logistics businesses were combined under a new stand-alone business unit called bioCSL. For more information, please refer to Note 2 of the Financial Report.

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

8. Significant events after year end

On 1 July 2013, Mr P R Perreault succeeded Dr B A McNamee as Managing Director and Chief Executive Officer.

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

9. Health, Safety and Environmental Performance

The Company continues to operate a global Health, Safety and Environment Management System that ensures its facilities operate to internationally recognised standards. This framework includes compliance with government regulations and commitments to continuously improving the health and safety of the Company's workforce as well as minimising the impact of operations on the environment. The Company also maintains certifications to relevant external Health, Safety and Environment management systems including the EU Eco-Management and Audit Scheme (EMAS), ISO 50001 Energy Management, and AS/NZ4801 Occupational Health and Safety Management Systems.

Lost time injury frequency rate (LTIFR) continues to record improved performance while the Medical Treatment Injury Rate (MTIFR) has decreased slightly in performance as compared to the all-time low rate achieved in 2012. There has been a significant improvement in the Days Lost Frequency Rate (DLFR) over the last year with the trend continuing in a positive direction. For our Australian operations tier 3 status was maintained in regard to CSL Limited's self-insurance licence granted by the Safety, Rehabilitation and Compensation Commission.

No environmental breaches have been notified by the Environmental Protection Authority in Victoria, Australia, or by any other equivalent interstate or foreign government agency in relation to the Company's Australian, European, North American or Asia Pacific operations during the year ended 30 June 2013.

Environmental obligations and waste discharge quotas are regulated under applicable Australian and foreign laws. Environmental performance is monitored and subjected from time to time to government agency audits and site inspections. The Company continues to refine data collection systems and processes to ensure we are well prepared for new regulatory requirements.

As part of compliance and continuous improvement in environmental performance, both regulatory and voluntary, the Company continues to report on key environmental issues including energy consumption, emissions, water use and management of waste as part of the Company's annual sustainability. The Company has met its reporting obligations under the Australian Government's *National Greenhouse Energy Reporting Act (2007)* and Victoria Government's *Industrial Waste Management Policy, National Pollutant Inventory (IWMP NPI)*.

Globally, we continue to evaluate potential risks to the Company and its operations associated with climate change. To date, studies indicate that climate change, and measures introduced or announced by various governments to address climate change, do not pose a significant risk or financial impact to the Company in the short to medium term. Climate change risks and control measures continue to be monitored to ensure compliance to new and emerging regulatory requirements.

Further details and reporting in relation to health, safety and environmental performance can be found in the Company's sustainability report, Our Corporate Responsibility, available on the Company's website.

10. Directors' Shareholdings and Interests

At the date of this report, the interests of the directors who held office at 30 June 2013 in the shares, options and performance rights of the Company are set out in Note 28(g) of the Financial Report. It is contrary to Board policy for key management personnel to limit exposure to risk in relation to these securities. From time to time the Company Secretary makes inquiries of key management personnel as to their compliance with this policy.

11. Directors' Interests in Contracts

Section 13 of this Report sets out particulars of the Directors Deed entered into by the Company with each director in relation to Board paper access (indemnity and insurance matters).

12. Performance Rights and Options

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

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

The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in the Company is set out in Note 27 (b) and (c) of the Financial Statements. Since the end of the financial year, 6,863 shares were issued under the Company's Performance Rights Plan.

13. Indemnification of Directors and Officers

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

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

(a) an ongoing and unlimited indemnity to the relevant director against liability incurred by that director in or arising out of the conduct of the business of the Company or of a subsidiary (as defined in the *Corporations Act 2001*) or in or arising out of the discharge of the duties of that director. The indemnity is given to the extent permitted by law and to the extent and for the amount that the relevant director is not otherwise entitled to be, and is not actually, indemnified by another person or out of the assets of a corporation, where the liability is incurred in or arising out of the conduct of the business of that corporation or in the discharge of the duties of the director in relation to that corporation;

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

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

In addition to the Director's Deeds, Rule 95 of the Company's constitution requires the Company to indemnify each "officer" of the Company and of each wholly owned subsidiary of the Company out of the assets of the Company "to the relevant extent" against any liability incurred by the officer in the conduct of the business of the Company or in the conduct of the business of such wholly owned subsidiary of the Company or in the discharge of the duties of the officer unless incurred in circumstances which the Board resolves do not justify indemnification.

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

The Company paid insurance premiums of US$1,233,370 in respect of a contract insuring each individual director of the Company and each full time executive officer, director and secretary of the Company and its controlled entities, against certain liabilities and expenses (including liability for certain legal costs) arising as a result of work performed in their respective capacities, to the extent permitted by law.

14. Auditor independence and non-audit services

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

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

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure that they do not impact the impartiality and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

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

Ernst & Young and its related practices received or are due to receive the following amounts for the provision of non-audit services in respect to the year ended 30 June 2013:

	US$
Due diligence and completion audits	-
Compliance and other services	170,587
Total fee paid for non-audit services	170,587

15. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $100,000 (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

[balance of page intentionally left blank]

16. Remuneration Report

Message from the Board

The Board's philosophy and general approach to Key Management Personnel (KMP) remuneration remained largely consistent with the previous year.

On 30 June 2013 Dr Brian McNamee, stepped down from his position as Chief Executive Officer and Managing Director. On 1 July 2013, Mr. Paul Perreault assumed the position of Managing Director and Chief Executive Officer. The contractual arrangements for Mr Perreault and the end-of-service arrangements for Dr McNamee were the subject of ASX releases in March and June respectively. The CSL Board supports transparency in termination arrangements and has provided extensive detail on Dr. McNamee's arrangements both in an ASX Release and in the footnotes to Table 9. Dr McNamee's reported remuneration for 2013 includes the full value of long term incentives that were granted under the Performance Rights Plan (the Plan) and reported between 2009 and 2012. This value has been fully accrued in the 2013 accounts. These rights and options remain at risk and will vest in future on their planned vesting dates, only if they meet the requirements of the Plan which include the applicable performance hurdles. The reported value includes the pro-rated settlement due to Dr McNamee under the Company's "good leaver" arrangements (as described on page 16) as well as the non pro-rated settlement which remain subject to a shareholder vote at the 2013 Annual General Meeting in October.

We have added new commentary on page 12 to describe the current status of the Board's discretion on clawing back or cancelling STI bonuses in the event of a material misstatement. The Board will ensure that it has the necessary flexibility to respond to exceptional circumstances and will describe the policy more fully in the 2014 remuneration report.

CSL is a global company in terms of ownership, operations and employees. 41.2% of CSL's shares were held outside Australia as at 30 June 2013; 88.7% of the Group's sales revenue in 2013 was generated outside Australia and, as at 30 June 2013, 83.6% of the Group's 11,285 full time equivalent employees and five of the ten KMP were employed outside Australia.

The Board is mindful of the need to attract, retain and reward executives in the many geographic locations in which they are employed. We continue to address these considerations in a way which meets expectations of both shareholders and executives balancing the different expectations that exist in different geographies. The Board aims to balance risk and create sustainable value over the long term.

Each year we compare the remuneration for CSL Executive KMP against that of equivalent positions in a range of peer companies, in terms both of the quantum and the mix of pay components. The data for 2013 was collected and presented directly to the Board by Guerdon Associates. During 2013, in preparation for our leadership transition to a new Chief Executive Officer, several KMP were given increased responsibilities. In several cases this involved an increase to their fixed remuneration and/or to their overall Short Term Incentive (STI) opportunity. This was also an opportunity to extend the practice of STI deferral and six KMP had part of their STI subject to deferral.

For all KMP the maximum STI awards and the actual 2013 awards are detailed in the report. The deferral method is described on page 13.

Our STI approach is built on individual work-plans which, taken as a whole, will deliver our business plans. The aggregate of all STI awards for the Executive KMP is related to CSL's overall business performance across a range of financial measures. We then reward individual Executive KMP on measurable business outcomes which are specified in their performance plans for the current year and on their success in implementing initiatives which will benefit shareholders in future years. We have described our approach on page 12. The Board continues to believe that basingSTI awards on a combination of overall business result; individual, measurable business outcomes and other significant achievements, is the best driver of sustained high performance and, therefore, best aligns with the interest of shareholders.

In October 2012, we made an award of Performance Rights to KMP executives as participants in the long-term incentive (LTI) plan, which is described on page 14. The hurdles for this and future grants will be set and measured in US dollars in line with our reporting currency. The hurdles for the most recent grant are described on page 15 and for past grants on page 27. The main LTI changes for 2013 were the adjustment to graduated vesting for the compound EPS hurdle and the move to measuring relative TSR through comparison with an international index of Pharma and Biotech companies rather than using an ASX comparator group.

In 2013, US-based KMP again received part of their LTI award under the Executive Deferred Incentive Plan to better align with US market practice.

We continue to aim for a fair and equitable approach to KMP remuneration which rewards the ongoing success of a highly experienced senior executive team and meets the expectations of all shareholders. We welcome feedback on our remuneration practices and on our communication of remuneration matters in this report.

John Akehurst	**John Shine AO**
Chairman	**Chairman**
HR and Remuneration Committee	**CSL Limited**

The above letter does not form part of the audited Remuneration Report.

Introduction

This Remuneration Report sets out the Company's remuneration framework and practices and the remuneration arrangements for the 2013 financial year. This report has been prepared in accordance with the requirements of the *Corporations Act 2001* and the Corporations Regulations 2001. It has been audited pursuant to section 308(3C) of the *Corporations Act 2001*.

Key Management Personnel

Key Management Personnel (KMP) in this report are those individuals having authority and responsibility for planning, directing and controlling the major activities of the Company during the financial year. They include Non-Executive Directors, Executive Directors and Executive KMP. All are listed below:

Non-Executive Directors	Position
Professor John Shine	Chairman
Mr John Akehurst	Non-Executive Director
Mr David Anstice	Non-Executive Director
Mr Bruce Brook	Non-Executive Director
Ms Christine O'Reilly	Non-Executive Director
Mr Ian Renard	Non-Executive Director
Mr Maurice Renshaw	Non-Executive Director
Executive KMP including Executive Directors	**Position**
Dr Brian McNamee[1]	Managing Director
Mr Peter Turner[2]	Executive Director
Mr Paul Perreault[3]	Managing Director & Chief Executive Officer
Mr Gordon Naylor	Chief Financial Officer
Dr Andrew Cuthbertson	Chief Scientific Officer
Dr Jeff Davies[4]	Executive Vice President, CSL Biotherapies
Mr Greg Boss	Executive Vice President Legal & Group General Counsel
Dr Ingolf Sieper	Executive Vice President, Commercial Operations
Ms Mary Sontrop	Executive Vice President Manufacturing Operations & Planning
Ms Karen Etchberger	Executive Vice President Quality and Business Services
Mr Edward Bailey	Company Secretary
Ms Jill Lever	Senior Vice President, Human Capital

Remuneration Framework

CSL is one of the largest specialist plasma protein therapeutics companies in the world. We are a vertically integrated organisation with a broad geographic footprint in terms of product sourcing, manufacturing and R&D. This produces many management complexities, requiring constant liaison across functions and geographies by work groups operating in what are effectively management matrices. We have therefore chosen a remuneration framework that has a high degree of global consistency to encourage people to work together for common goals. A significant proportion of executive reward is linked to share price in recognition of the need to work across geographies and functional groups to achieve long-term goals. Employees transfer across geographies to work. The selection and mix of remuneration components which are applied in most countries are therefore broadly the same.

[1] Ceased in role as Managing Director and Chief Executive Officer on 30 June 2013
[2] Retired as Executive Director on 17 October 2012
[3] Appointed as Executive Director from 13 February 2013 and as Managing Director and Chief Executive Officer from 1 July 2013
[4] Ceased employment on 31 December 2012

Through an effective remuneration framework the Company aims to:

- provide fair and equitable rewards;
- utilise common reward components that can be applied globally;
- align rewards to business outcomes that create value for shareholders;
- drive a high performance culture by rewarding the achievement of strategic and business objectives;
- encourage teamwork;
- ensure an appropriate pay mix to balance our focus on both short term and longer term performance;
- attract, retain and motivate high calibre employees; and
- ensure remuneration is competitive in each of our international employment markets.

Human Resource and Remuneration Framework Responsibilities

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

The full Board has responsibility for:

(a) approving any framework or policy for setting the remuneration of the Managing Director and the Company's executives;

(b) appointing and, where appropriate, removing the Managing Director, approving other key executive appointments, and planning for executive succession;

(c) overseeing and evaluating the performance of the Managing Director and other senior executives who report to the Managing Director in the context of the company's strategies and objectives;

(d) reviewing and approving the remuneration of the Managing Director and those senior executives who report to the Managing Director, inclusive of fixed pay and short and long term incentive components (subject to any approval of shareholders in General Meeting for Executive Directors to acquire securities under an employee incentive scheme);

(e) approving the establishment of or any amendment to employee share, performance option, performance rights and deferred cash incentive plans;

(f) reviewing and approving remuneration and other benefits to be paid to Non-Executive Directors (subject to any maximum sum for remuneration of Non-Executive Directors approved by shareholders in General Meeting);

(g) on an annual basis, approving measurable objectives for achieving gender diversity and assessing progress towards achieving them; and

(h) Board succession planning to ensure an appropriate mix of skills, experience, expertise and diversity (subject to the power of shareholders in General Meeting to elect or re-elect directors).

The HRRC is responsible for approving human resources initiatives of the CSL Group generally. The HRRC's responsibilities include:

(a) recommending to the Board a framework or policy for setting the remuneration of the Managing Director and the CSL Group's executives. The policy should aim to set remuneration outcomes which:

    (i) are competitive, equitable and designed to attract and retain high quality executives;

    (ii) motivate executives to pursue the long-term growth of the CSL Group; and

    (iii) establish a clear relationship between executive performance and remuneration.

(b) reviewing and recommending to the Board the design of any share, performance option, performance rights, retention and deferred cash incentive plans including performance measures and any amendments to such schemes or plans;

(c) reviewing and recommending to the Board, proposals from the Managing Director for allocations under share, performance option, performance rights, retention and deferred cash incentive plans;

(d) reviewing, approving and monitoring the implementation of the Company's Human Resources Strategic Plan, and Performance Management Systems;

(e) reviewing and recommending to the Board the total individual remuneration package of the Managing Director and of all senior executives who report to the Managing Director;

(f) reviewing the CSL Group's executive succession plan;

(g) reviewing and recommending to the Board the remuneration and other benefits of the Non-Executive Directors;

(h) engaging on behalf of the Company and interacting directly with any remuneration consultant required to assist the HRRC in matters related to the design of the CSL Group's key management personnel remuneration system and the implementation of appropriate remuneration levels within the agreed system;

(i) overseeing the establishment of and regular review of the CSL Group's diversity policy and reviewing and recommending to the Board measurable objectives for achieving gender diversity;

(j) reviewing and reporting to the Board at least annually on the relative proportion of women and men within the CSL Group and of the remuneration by gender of CSL Group employees at all levels;

(k) reviewing the Company's global health, safety and environmental performance; and

(l) reporting to the Board the findings and recommendations of the HRRC after each meeting.

The HRRC comprises three independent Non-Executive Directors, John Akehurst (Chairman), David Anstice and Christine O'Reilly. Jill Lever, Senior Vice President – Human Capital, acts as the secretary of the HRRC. The Board Chairperson and any other director may attend any meeting of the HRRC in an ex officio capacity. The Managing Director, Senior Executives and professional advisors retained by the HRRC attend meetings by invitation.

The HRRC endorses and recommends to the Board for approval the performance measures and hurdles used in incentive plans each year, reviews the outcomes of the performance management process, oversees the succession planning process and authorises the allocation of long-term incentives (once approved by the Board). The Committee meets when required to perform these functions and at other times as are required to discharge its responsibilities. Information about the HRRC meetings held during the year and individual Directors' attendance at these meetings can be found in section 3 of this Directors' Report.

Non-Executive Directors' Remuneration

A remuneration pool of up to A$2,500,000 for the payment of Non-Executive Directors was approved by shareholders on 13 October 2010. This limit has applied from 1 July 2010 and any increases to the limit are subject to shareholder approval at a General Meeting.

The Board believes that the fee structure approved for Non-Executive Directors must:

- enable the Company to attract and retain suitably qualified directors with appropriate experience and expertise; and
- have regard to directors' Board responsibilities and their activities on Board committees.

Table 1 below sets out annual Non-Executive Director Board and committee fees which became effective 1 July 2012. The fees are inclusive of superannuation.

Table 1 – Annual Non-Executive Director Board and Committee Fees

Role	Board Base Fee	Audit & Risk Management Committee	Human Resources & Remuneration Committee	Nomination Committee	Securities & Market Disclosure Committee	Innovation & Development Committee
Chairman	A$572,000	A$40,000	A$40,000	-	-	A$40,000
Members	A$187,200	A$20,000	A$20,000	-	-	A$20,000

The fees have increased by 3% from 1 July 2013.

As stated in Section 3 of this Report, a Capital Structuring Committee was established during the year. No additional remuneration was paid to those Directors who served on that Committee.

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

Non-Executive Directors participate in the Non-Executive Directors' Share Plan approved by shareholders at the 2002 annual general meeting, as amended. The Non-Executive Directors' Share Plan requires that each Non-Executive Director takes at least 20% of their after-tax director's base fee (excluding superannuation guarantee contributions) in the form of shares in CSL Limited. Shares are purchased by Directors on-market at prevailing share prices, twice yearly, after the announcement of the Company's half and full year results.

In 1994, the shareholders approved the Non-Executive Directors' Retirement Plan (the NED Retirement Plan). The Board closed the NED Retirement Plan to future participants, and froze the amount of the retirement allowance for existing participants, as at 31 December 2003. Mr Ian Renard is the only remaining Non-Executive Director who has an entitlement to a retirement allowance (at the level frozen for him in 2003) under the NED Retirement Plan.

Directors may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties.

Table 9 shows remuneration paid to Non-Executive Directors in respect to the 2012 and 2013 years.

Executive KMP Remuneration Structure and Link to Business Strategy

The diagram below outlines the Company's remuneration structure for all Executive KMP. The mix of total fixed remuneration, STI and LTI vary as a proportion of total potential reward for each Executive KMP.

Total Potential Reward								
Total Fixed Remuneration (Cash salary and Benefits)	+	Short Term Incentive (STI)	+	Long Term Incentive (LTI) being performance rights and performance options	+	Executive Deferred Incentive Plan (EDIP) Discretionary grants to selected executives each year	=	Total Potential Reward
Fixed		Variable						

The Company's Executive KMP remuneration is directly linked to its business strategy. The Board conducts an annual strategy review with Management and following this, business plans are prepared which lead to the approval by the Board of a detailed activity plan and budget for the subsequent year and directional objectives and plans for the medium to long term.

The performance targets or key performance indicators (KPIs) which govern the STI payment to each Executive KMP are selected by the Managing Director during the Company's planning process to reflect the contribution required from each individual (and the part of the business for which they have responsibility) in order for the Company to meet its agreed business plan and budget for the year. These KPIs include financial and operational performance measures, which are specific to the responsibilities of each individual. These KPIs form part of a challenging work plan and are approved by the Board and recorded in the Company's performance management system. The Board is responsible for the selection of KPIs and for the approval of the work plan for the Managing Director.

A formal review of each Executive KMP's progress against his or her specific objectives is conducted twice annually by the Managing Director. Following the full year performance review, the Managing Director makes recommendations to the HRRC and subsequently to the Board regarding the level of STI payment to be made to each Executive KMP, excluding himself. The Board evaluates the Managing Director's performance against his pre-agreed KPIs and agrees his STI payment. The Board retains the discretion to vary the level of STI payment to each Executive KMP to take account of specific circumstances during the year to avoid a formulaic outcome which does not reflect the performance of the Company or the contribution of the individual.

In addition to the requirement to achieve annual performance targets, our strategy looks to achieve long term growth in shareholder returns. The interests of shareholders and Executive KMP are aligned in this respect through the long term incentive scheme (LTI) which rewards Executive KMPs when the Company meets its cumulative financial goals over a number of years.

Further details of both STI and LTI targets and hurdles are provided in the following section of this report.

Total Fixed Remuneration (TFR)

TFR is set on an individual basis for each Executive KMP, based on assessment of job weight defined as part of the Company's global job evaluation system. The appropriate level of remuneration is then set by considering market data for comparable roles in the country of domicile. Adjustments are also made to reflect the incumbent's experience in the role.

The annual rate of increase in an Executive KMP's TFR is primarily driven by market remuneration benchmarking reviews undertaken by the Company's external remuneration advisers (Guerdon Associates). It is also influenced by prior performance against objectives.

In 2013, TFR for Australia based Executive KMP was primarily compared with matched executives from an ASX 50 peer group comprising 20 ASX50 companies where CSL approximates to the 50th percentile on market capitalisation.

Remuneration for US based Executive KMP was primarily compared with 16 international biomedical and pharmaceutical companies where CSL approximated to the 50th percentile on market capitalisation.

Short-term Incentives (STI)

The STI is a variable cash reward paid annually to Executive KMP who meet or exceed their agreed individual work-plan objectives. As outlined previously, CSL rates Executive KMP performance and awards STI on evidence that the Executive KMP has achieved stretching work plan objectives and dealt with unplanned challenges in a way that contributes to short-term results and to the long-term positioning of the Company. In addition to consideration of quantitative targets, the approach requires judgement to be exercised on how well the Executive KMP prioritised and met the year's challenges in a complex business with many moving parts. The Board retains ultimate discretion over STI payments. CSL believes this method delivers appropriate and just outcomes, while minimising unintended consequences that may arise with a more formulaic method.

Currently the Board has discretion to cancel deferred STI awards and unvested LTI awards where the individual is found to have acted fraudulently. The awards applicable to the 2013 financial year will explicitly reference the Board's discretion in relation to clawing back STI awards in the case of a material misstatement or other significant discovery which, had it been known at the time of the award, would have made a difference to the offer or the quantum of the award whether or not the individual KMP was involved or aware of the relevant events. In the event of CSL being faced with a material misstatement or similar situation the Board's response and the actions taken will be detailed in the remuneration report.

Awards vary between 60-100% of the maximum opportunity dependent on individual performance. In the event that an Executive KMP does not meet the required performance to justify a 60% award, he or she receives zero. An average award level of 85% across the Executive KMP Group would be expected if the CSL Group achieves its planned financial outcomes in US dollars.

For Executive KMP, work-plan targets which are used to assess the individual's STI award focus on:

- quantifiable business outcomes relevant to the KMP's area of accountability which taken collectively will deliver the Company's operational result for the year;
- delivery of relevant strategic milestones which are required for longer term growth; and
- operational improvements and change initiatives which build a strong and sustainable business.

The diagram below illustrates how work-plans are structured.

Category	Measures
Quantified performance outcomes for the current year aligned to the individual's area of responsibility	Forming up to **60%** of the agreed work-plan for those Executive KMP with P&L responsibilities, production or sales and revenue accountability.
Achievement of defined **strategic objectives** required to position the Company for longer term **growth**.	Forming up to **20%** of the agreed work-plan for Executive KMP with P&L responsibilities and up to **80%** of the agreed work-plan for functional leaders.
Building a strong and sustainable business through delivery of improvements and change initiatives in operational excellence, risk-management, compliance, operational excellence and health, safety and environment (HSE).	Forming up to **20%** of the agreed work-plan for all Executive KMP.

Additionally, **leadership performance** is an important part of the assessment of individual performance, including:

- managing to the Company's standards in areas of quality, safety of medicines, health, operational safety and environment and maintaining high personal and organisational levels of **compliance and quality**;
- attracting, developing and **nurturing talent** in the long-term interests of the CSL Group including support for the CSL diversity policy and objectives;
- handling unplanned events responsibly, pro-actively and with high standards of integrity ensuring both actions and communications are well-managed to appropriately **protect the Company's reputation** across our stakeholder groups; and
- when representing the Company internally and externally in formal and informal environments demonstrating **high standards of personal leadership and behaviour**.

Table 2 below shows the bonus opportunity for each Executive KMP and the actual award made for 2013.

Table 2 – Executive KMP Short Term Incentive Bonus Opportunity and Actual 2013 Bonus

Executive KMP including Executive Directors	Bonus Potential Maximum % of 2013 Fixed Remuneration at 30 June 2013	STI Awarded as a % of Potential in 2013	Actual Bonus Award in 2013 (US$)[1]
Dr Brian McNamee	120%	100%	$3,565,838
Mr Paul Perreault	100%	100%	$1,102,500
Mr Gordon Naylor	85%	95%	$841,426
Dr Andrew Cuthbertson	85%	95%	$675,552
Dr Jeff Davies	N.A.	N.A.	-
Mr Greg Boss	70%	90%	$337,830
Dr Ingolf Sieper *	85%	95%	$461,021
Ms Mary Sontrop *	85%	90%	$448,493
Ms Karen Etchberger	70%	90%	$288,727
Mr Edward Bailey	50%	85%	$203,151
Ms Jill Lever	50%	92%	$237,715
Mr Peter Turner	N.A.	N.A.	-

* Effective 1 January 2013, STI opportunity increased for the second half of the performance year with one-third of awarded STI deferred for three years

Deferred Short Term Incentive (STI)

For the Managing Director and the five most senior executive KMP in 2013 (Mr Perreault, Mr Naylor, Dr Cuthbertson, Ms Sontrop and Dr Sieper), one-third of any awarded STI is deferred. The deferral operates as follows:

- the deferred amount is divided by CSL Limited's volume weighted share price during the last week of the entitlement year to give a number ('A'); and
- 3 years from the end of the entitlement year (or earlier at the Board's discretion), the executive is entitled to the payment of a cash amount equivalent to 'A' multiplied by CSL Limited's volume weighted share price during the last week immediately prior to the end of that 3-year period (or such earlier period as the Board may determine).

The deferred STI of Executive KMP lapses in the event of resignation however, in the case where an Executive KMP leaves the Company as a "Good Leaver", the deferred portion will be settled at its due date in full.

Executive Deferred Incentive Plan (EDIP)

Equity linked deferred cash incentives may be offered at the discretion of the Board to selected Executive KMP each year under the Executive Deferred Incentive Plan (EDIP) which was introduced in 2010. The value of the grant is divided by the current share price to create a number of notional shares. These are converted to cash at the end of a 3 year vesting period (based on CSL Limited's volume weighted average share price during the 5 trading days immediately preceding the vesting date).

The Board approved an allocation of equity linked cash settled awards for US-based Executive KMP in 2013 under the EDIP to bring US-based executives closer to market practice in the US where the remuneration mix typically includes a higher LTI component, part or all of which is in the form of equity which vests without application of business hurdles other than continued satisfactory service. EDIP awards will continue to be made on a selective basis where there are market or retention needs.

The value of the EDIP was tied to share price to align executive interests with those of shareholders.

The face value of awards (refer to Table 3) was divided by CSL Limited's volume-weighted share price during the last week of the entitlement year to give a number of notional shares ('A'). Three years from the end of the entitlement year, the executive is

[1] The Australian dollar bonus awards during the year ended 30 June 2013 have been converted to US Dollars at an average exchange rate for the year.

entitled to the payment of a cash amount equivalent to the relevant number of notional shares ('A') multiplied by the volume-weighted share price during the last week immediately prior to the end of that 3-year period.

The deferred incentive will be forfeited if the executive resigns during the deferral period.

A "Good Leaver" policy applies to the EDIP. This policy allows that a proportion of the value will not lapse upon cessation of employment by a KMP in the case of voluntary retirement, bona fide redundancy, death or total and permanent disablement, mutually agreed separation to facilitate CSL's succession transitions or for any other reason as determined by the Board in its discretion. Rewards paid under the "Good Leaver" policy will generally be pro-rated according to the proportion the period between the grant date and the employment end date represents of the total three-year deferral period. Any pro-rated awards will be paid out at the same time and on the same terms as the equivalent EDIP awards are paid out for executives who remain in employment during the full three-year deferral period.

The allocation under the Executive Deferred Incentive Plan for Executive KMP in 2013 was as follows:

Table 3 – Executive KMP Deferred Cash Awards in 2013 (October 2012 award date) with 2016 vesting date

Executive KMP	Number of Notional Shares	Face Value at Grant Date (US$)
Mr Peter Turner	N.A.	N.A.
Mr Paul Perreault	12,700	$588,709
Mr Gordon Naylor	N.A.	N.A.
Dr Andrew Cuthbertson	N.A.	N.A.
Dr Jeff Davies	N.A.	N.A.
Mr Greg Boss	4,200	$194,691
Dr Ingolf Sieper	5,500	$254,953
Ms Mary Sontrop	5,300	$245,682
Ms Karen Etchberger	2,450	$113,570
Mr Edward Bailey	N.A.	N.A.
Ms Jill Lever	N.A.	N.A.

Long-term Incentives - Performance Rights and Performance Options

Long-term incentives are offered each year at the discretion of the Board in the form of Performance Rights and/or Performance Options delivered under the CSL Performance Rights Plan (PRP), which has been operating since 2003 with periodic changes to the PRP Rules.

In the 2013 year, long-term incentives in the form of Performance Rights were offered to all Executive KMP and to 12 other Senior Executives at the level of Senior Vice President and above. The grant of Performance Rights to the Managing Director in 2013 is in accordance with the resolution approved by shareholders for grants to Executive Directors at the 2010 annual general meeting.

Performance Rights are issued for nil cash consideration and entitle the holder to subscribe for one share in CSL Limited for nil consideration when they vest. The grant of Performance Rights is evenly split into two tranches with, respectively, 3-year and 4-year vesting periods. At the end of a vesting period, an assessment is made as to whether or not the performance hurdles have been met. Fifty percent of the Performance Rights in each tranche are subject to an EPS performance hurdle (see Table 4 for details); the other fifty percent is subject to a relative TSR performance hurdle (also see Table 4). Where the applicable performance hurdles are met, vesting occurs and the Performance Rights may be exercised by the executive holding them at any time from then until the rights expire seven years from the date of their initial grant (subject to compliance with CSL's insider trading rules).

Performance Rights that do not vest at the initial 3-year or 4-year performance tests will be re-tested once. The re-test recognises that CSL's results may be impacted in the short term by factors contributing to volatility over which executives have little control.

Rights will only vest on re-test to the extent that performance over the extended re-test period exceeds that at which vesting was achieved over the initial performance period. This means that re-testing will only provide a benefit to executives if performance over the additional 12 months of the re-test period is at a higher level than that required for vesting over the original testing period. The opportunity for re-testing on this basis provides a clear performance incentive for management and avoids a cliff effect at the end of the vesting initial period. Any Performance Rights that do not vest at the single re-test opportunity will lapse.

The "Good Leaver" policy allows that a proportion of unvested LTI Performance Rights will not lapse upon cessation of employment in the case of voluntary retirement, bona fide redundancy, death or total and permanent disablement, mutually agreed separation to facilitate CSL's succession transitions or any other reason as determined by the Board in its discretion. The number of Performance Rights for which rewards are paid under the "Good Leaver" policy will generally be pro-rated reflecting the period of service between the grant date and the employment end date. "Good Leaver" awards will generally be paid out at the same date and against the same business hurdles as the equivalent LTI grants of executives who remain in ongoing employment.

Table 4 – Key Characteristics of Performance Rights granted in 2013 (October 2012 grant date)

LTI Grant year	Tranche	Proportion of Grant	Applicable performance hurdle	Vesting Period years	Re-test opportunities
2013	1	50%	50% EPS / 50% TSR	3	1
	2	50%		4	1

LTI Grant year	Level of performance at the expiration of the vesting period (or at retest where applicable)		Amount of grant which vests
2013	50% of rights granted	EPS growth below 8% compound	0%
		EPS growth = 8% to 12% compound	Straight line vesting from 50% to 100%
	50% of rights granted	Below the performance of the MSCI Gross Pharmaceutical Index	0%
		CSL's TSR performance exceeds the performance of the MSCI Gross Pharmaceutical Index	100%

In 2013, the Board determined a maximum allocation value for the LTI grants of A$8.7 million to all Executive KMP and to 12 other Senior Executives at the level of Senior Vice President and above. The value which may ultimately be realised from these awards is dependent upon CSL's performance and its future share price. In accordance with Board Policy, Executive KMP and Senior Executives are not permitted, either by hedging or any other method, to limit their exposure to risk in relation to any share based equity rewards. From time to time, the Company Secretary makes inquiries of Executive KMP as to their compliance with this policy.

The 2013 LTI grant for each Executive KMP was based on a percentage of the executive's fixed remuneration that rises with job weight, as noted in Table 5 below.

Table 5 – Executive KMP – Long Term Incentive in 2013 (October 2012 grant date)

Executive KMP including Executive Directors	Performance Rights * as a% of Fixed Remuneration
Dr Brian McNamee	80%
Mr Paul Perreault	65%
Mr Gordon Naylor	65%
Dr Andrew Cuthbertson	65%
Dr Jeff Davies	60%
Mr Gregory Boss	60%
Dr Ingolf Sieper	60%
Ms Mary Sontrop	60%
Ms Karen Etchberger	60%
Mr Edward Bailey	55%
Ms Jill Lever	55%

* The number of performance rights is calculated based on an assessment of the fair market value of the instruments in accordance with the accounting standards (refer Note 27 in the Financial Statements).

Prior to October 2012, LTI grants in the 2011 and 2012 years were made in the form of Performance Rights and Performance Options. Performance Rights were issued for nil cash consideration and entitle the holder to subscribe for one share in CSL limited for nil consideration when they vest. Performance Options were also issued for nil consideration and, when they vest, entitle the holder to acquire one share in CSL Limited at a purchase price equivalent to CSL Limited's volume weighted average share price in the week immediately prior to the date of grant.

Key features of grants under the PRP in 2011 and 2012 years included:

- Subject to performance hurdles being satisfied, vesting of 50% of the LTI award will occur after 3 years, with the remaining 50% vesting after the 4th anniversary of the award date;
- The mix of long-term incentives was 80% Performance Rights and 20% Performance Options;
- EPS and TSR measures (see Table 15) are applied to both Performance Rights and Performance Options;
- Each tranche of Performance Rights and Performance Options will have one re-test opportunity in the event that performance hurdles are not met at the first testing date. If the performance hurdles are not met on the re-test dates the instruments lapse; and
- The "Good Leaver" policy allows that all unvested LTI Performance Rights and Performance Options will not lapse upon cessation of employment in the case of voluntary retirement, bona fide redundancy, death or total and permanent disablement, mutually agreed separation to facilitate CSL's succession transitions or any other reason as determined by the Board in its discretion. The number of Performance Rights and Performance Options for which rewards are paid under the "Good Leaver" policy will generally be pro-rated reflecting the period of service between the grant date and the employment end date. "Good Leaver" awards will generally be paid out at the same date and against the same business hurdles as the equivalent LTI grants of executives who remain in ongoing employment.

The key characteristics and terms and conditions of Performance Rights and Performance Options granted between 2007 and 2010 inclusive are summarised in Table 16.

Vesting outcomes for Performance Rights and Performance Options that reached their vesting date in 2013 are shown in Table 6.

Table 6 – 2013 Vesting Outcomes (Performance Rights and Performance Options granted 2009-2010)

Performance Rights			
Grant Date	**Vesting Outcome**	**Exercise Price**	**Relative TSR Percentile Ranking**
October 2008	Vested in October 2012	$0.00	70.3rd
April 2009	Vested in April 2013	$0.00	70th
October 2009	Vested October 2012	$0.00	82.2nd
Performance Options			
Grant Date	**Vest Date**	**Exercise Price**	**Compound Annual EPS Growth in A$**
October 2008	Vested in October 2012	$37.91	10.3%
April 2009	Vested April 2013	$32.50	10.3%
October 2009	Did not vest	$33.68	Below 10%

LTI Business Performance Hurdles

Two performance hurdles are used to assess whether or not Performance Rights and Performance Options vest at the testing dates.

(i) Relative Total Shareholder Return (TSR)

Total Shareholder Return measures growth in shareholder value – essentially movement in share price plus dividends (assuming reinvestment) – over the period between grant date and vesting date (or re-test date where applicable).

In 2013 the CSL Board adopted a new form of relative TSR measure which better reflects CSL's position as a company whose competitors are others in the global pharmaceutical and biotech industry. Performance Rights granted in 2013 that are subject to a relative TSR hurdle vest according to CSL's TSR performance over the relevant performance period, compared with the TSR performance of an international index of pharmaceutical and biotech companies, specifically, the MSCI Gross Pharmaceuticals Index (the "Index"). Performance Rights dependent on the relative TSR performance hurdle will vest in full if CSL's TSR over the relevant performance period exceeds the performance of the Index over the relevant performance period. None of the Performance Rights dependent on the relative TSR performance hurdle will vest if CSL's TSR over the relevant performance period does not exceed the performance of the Index over the relevant performance period.

Performance Rights and Performance Options granted in 2011 and 2012 that are subject to a relative TSR hurdle vest according to CSL's TSR performance over the relevant performance period, compared with the TSR performance of the companies in the ASX100 index at grant date (excluding commercial banks, oil and gas and metals and mining companies) over the same period. If by a test date, a peer group company has been de-listed due to a merger, both pre- and post-merger entities are excluded from the peer group, along with any other de-listed entities. Performance Rights and Performance Options subject to a TSR hurdle will only start to vest when CSL's TSR over the relevant performance period is at least equal to the TSR of the company which is at the 50th percentile of the comparator group, ranked by TSR performance.

(ii) Basic Earnings per Share (EPS)

In 2013 the CSL Board adjusted the EPS measure to create a graduated vesting scale. Performance Rights granted in 2013 that are subject to an EPS hurdle vest on a graduated vesting scale with 50% vesting at 8% EPS compound growth per annum through to 100% vesting at or above 12% EPS compound growth per annum. None of the Performance Rights dependent on the EPS performance hurdle will vest if CSL's compound EPS growth per annum is below 8%. This is measured from 30 June in the financial year preceding a grant of Performance Rights or Performance Options until 30 June in the financial year prior to the relevant test date. The Board may use its discretion to adjust the EPS used for performance measurement purposes to exclude the profit and loss impact attributable to significant events or transactions.

Performance Rights and Performance Options granted in 2011 and 2012 that are subject to an EPS hurdle vest where CSL Limited achieves a compound EPS growth per annum of 10% or greater. This is measured from 30 June in the financial year preceding a grant of Performance Rights or Performance Options until 30 June in the financial year prior to the relevant test date. The Board may adjust the EPS used for performance measurement purposes to exclude the profit and loss impact attributable to significant events or transactions. In the past, adjustments have been made in respect of the contingent payment relating to the acquisition of Aventis Behring and profit after tax upon disposal of JRH Biosciences, the cancelled Talecris acquisition and the sales of H1N1 vaccines.

The Board will primarily consider the extent to which the Company has met the hurdles applicable to a grant of performance rights and performance options but retains discretion in approving the vesting of performance rights and performance options having considered a range of parameters and measures of the underlying operational performance and growth of the Company.

Cap on Issue of Equity to Employees

The PRP Rules approved by shareholders at the 2003 Annual General Meeting require that, at any point in time, the aggregate number of CSL shares that:

- have previously been issued to employees under the Company's employee equity plans and which remain subject to the rules of the relevant plan (e.g. a disposal restriction); and
- would be issued if all outstanding share options under such plans (whether or not vested at the time) were to be exercised,

must not exceed 7.5% of the total number of CSL shares on issue at that time.

As at 30 June 2013, the aggregate number of CSL shares under (a) and (b) above was 0.84% of the total number of CSL shares on issue.

In addition, to satisfy a condition of the exemption granted by the Australian Securities and Investments Commission from certain prospectus and licensing laws, CSL must ensure that, at the time of each offer of shares or share options under an employee equity plan, the aggregate number of CSL shares which are:

- the subject of outstanding offers of shares or share options to, or outstanding share options held by employees in Australia; and
- issued to employees in Australia under the Company's equity plans in the 5 year period preceding the offer.

in each case, after disregarding offers to or holdings of exempt offer recipients, must not exceed 5% of the total number of CSL shares on issue at the time of the offer.

Relationship between Company Performance and Executive KMP Remuneration

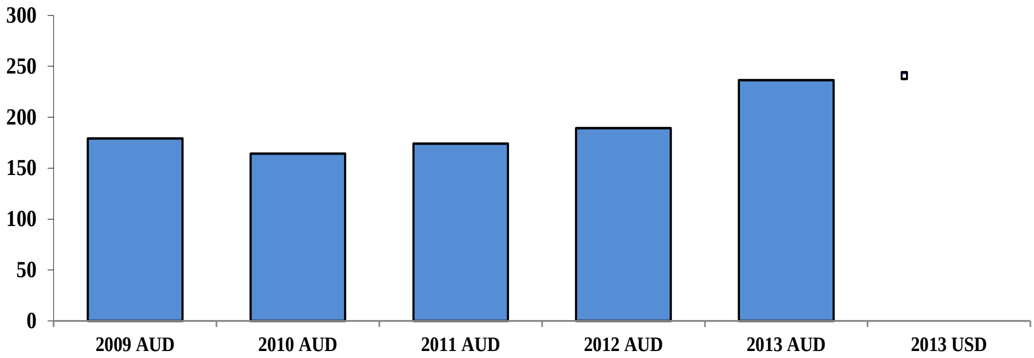
The Company's remuneration framework aims to incentivise Executive KMP towards growth, sustainability of the business, and the creation of shareholder value in the short and the long term. This is seen in two ways:

- Cash Short-Term Incentives, whether paid immediately or deferred, depend on performance and outcomes for the completed performance year (as explained on page 11).
- Long-Term Incentives, in the form of performance rights, are linked to average annual compound growth in EPS (adjusted for significant one off events) and relative TSR performance. This is explained further on page 16.

Earnings per share (EPS) and relative Total Shareholder Return (TSR) as shown below are proxies for creation of shareholder value. However, these measures are not able to capture the difference in value creation for Australian and international shareholders arising from currency movements and the global nature of CSL's business.

The company's EPS over the last five years is displayed in the graph below.

CSL Limited - Basic earnings per share (cents)*



* In the above graph, the EPS used for performance management purposes has been adjusted to exclude the profit and loss impact attributable to the following significant events and transactions:

- 2009 financial year excluded the favourable NPAT impact of A$79m (or A$0.133 per share) arising from the termination of the Talecris acquisition; and
- 2010 financial year excluded the favourable NPAT impact of A$122m (orA$0. 215 per share) attributable to H1N1 pandemic influenza sales.

Table 7 below illustrates the Company's annual compound growth in basic EPS in respect of performance options granted in 2008, 2009, 2010 and 2011 respectively and performance rights granted in October 2011 and 2012.

Table 7 – Annual Compound Growth in Basic EPS^

Year of Grant	Test Currency	Compound EPS growth to end of financial year			
		2010	2011	2012	2013
2008	AUD	13%	11%	10%	N.A.
2009	AUD	-8%	-1%	2%	7%
2010	AUD		6%	7%	13%
2011	AUD			9%	17%
2012	USD				24%

^ The test currency was changed for the 2012 and subsequent grants to USD.

The company's TSR performance over the relevant performance periods up to 30 June 2013 in respect of as yet unvested performance rights shown in Table 8 below is indicative and for information purposes. The formal TSR calculations will be undertaken at the relevant test dates.

Table 8 – Relative TSR Performance from Grant Date to 30 June 2013

Performance Right Issue	Indicative Relative TSR Percentile Ranking
October 2009	90.3rd
October 2010	91.9th
October 2011	96.9th

Note: For the October 2012 grant of Performance Rights, CSL's performance is measured against the MSCI Gross Pharma Index (the "Index") in US Dollars. As at 30 June 2013, CSL's TSR was 19.3% compared with the Index TSR of 18.6%.

Employment Contracts

Non-Executive Directors

There are no specific employment contracts with Non-Executive Directors. Non-Executive Directors are appointed under a letter of appointment and are subject to ordinary election and rotation requirements as stipulated in the ASX Listing Rules and CSL Limited's constitution.

Executive KMP (including Executive Directors)

The Managing Director and Executive KMP are employed under individual service contracts. The service contract outlines terms of employment, including fixed remuneration. The potential short-term incentive may be stipulated in the contract or be governed by the Company's remuneration policy which sets out the level applicable to various seniority levels. The award of short-term or long-term incentives remains at the discretion of the Board.

Employment contracts for Executive KMP do not have a fixed term. The contracts may be terminated by the Company or the Executive by giving 6 months notice. An Executive KMP's employment may be terminated without notice and without payment in lieu in the event of serious misconduct and/or breach of contract. On termination by the Company for other reasons, including redundancy, an Executive KMP is entitled to 6 months notice and to receive 12 months salary (excluding non-cash benefits). New contracts from November 2009 explicitly limit termination payments in accordance with the provisions of the *Corporations Act 2001*, as amended in 2009, unless shareholder approval is sought to exceed those limits.

Chief Executive Officer End of Service Arrangements

In August 2012, the CSL Chairman announced that Dr Brian McNamee had agreed with the Board of Directors the timing of the handover to his successor as Chief Executive Officer and Managing Director. Dr McNamee ceased employment as Chief Executive Officer and Managing Director on 30 June 2013 but will continue in an advisory capacity to the Board until 15 October 2013. It has been mutually agreed that his active remunerated service during this period will be limited to a maximum of ten days with the remainder of the remuneration being taken from his existing leave entitlements.

Dr McNamee's end-of-service entitlements are payable in the 2014 year in accordance with the provisions of the *Corporations Act 2011*, as amended. This would normally include pro-ration of unvested long term incentives under the Company's "Good Leaver" arrangements, however, in view of Dr. McNamee's exceptional period of service as Chief Executive Officer and the degree of shareholder value generated under his leadership, the Board believes that the circumstances merit special treatment. Therefore, the Board has determined to seek shareholder approval at the 2013 Annual General Meeting to enable unvested long term incentives granted and reported in the period 2010-2012 to be settled in full at their future vesting date, subject to the performance criteria being satisfied. Full details of Dr McNamee's arrangements are detailed in the footnotes to Table 9.

Advisers to the HRRC

The Board and HRRC engage the services of independent consultants for the provision of market remuneration data and to advise on the remuneration of Non-Executive Directors, Executive Directors and Executive Key Management Personnel.

In 2013, Guerdon Associates was selected as the "Remuneration Consultant" to provide advice directly related to remuneration decisions for Executive KMP and as commissioned and instructed by the Chairman of the HRRC. The terms of engagement identify that all remuneration recommendations for the Executive KMP be sent directly to the HRRC through the Chairman and prohibit the Consultant from providing such material directly to CSL management. The terms of engagement also require that Guerdon Associates provide, with their report, a declaration of their independence from the KMPs to whom their recommendations relate, to ensure that the HRRC and Board may be satisfied that KMP remuneration advice and recommendations are made free from undue influence from CSL management generally and from KMPs specifically.

Guerdon Associates made no 'remuneration recommendations' as defined in the *Corporations Act 2001* during the 2013 year.

Directors' Report

The table below summarises the services by Guerdon Associates during the year and the fees paid for services provided.

Remuneration Consultant	Remuneration recommendations	Advice to the Board
Guerdon Associates	There were no Remuneration recommendations as defined in the *Corporations Act 2001*.	Market Data analysis and remuneration review for the Managing Director and Executive KMP: A$76,025

Remuneration Tables

Remuneration Tables and additional Remuneration Disclosures are outlined in the following section of this report.

[balance of page intentionally left blank]

Table 9 - Executive and Non-Executive Directors' Remuneration[1]

Directors	Year	Short-term benefits			Post employment			Other long-term		Share Based Payments			Total
		Cash salary and fees[2]	Cash bonus	Non-monetary benefits	Super-annuation	Retirement benefits[3]	Termination Payments[4 5]	Long service leave	Deferred Incentive	Performance rights[6]	Performance options[6]	Cash Settled Deferred Payment[7]	
		$	$	$	$	$	$	$	$	$	$	$	$
Executive Directors													
Dr Brian McNamee[8] *Managing Director*	**2013**	**3,411,461**	**2,377,226**	**-**	**25,770**	**-**	**2,906,732**	**182,828**	**1,188,612**	**7,748,063**	**1,771,722**	**-**	**19,612,414**
	2012	2,739,670	2,130,431	-	52,024	-	-	167,886	1,065,215	1,172,254	669,786	-	7,997,266
Mr Paul Perreault[9] *Executive Director & President CSL Behring*	**2013**	**1,133,439**	**735,000**	**46,098**	**17,850**	**-**	**-**	**-**	**82,432**	**430,195**	**110,078**	**481,073**	**3,036,165**
	2012	971,650	494,594	19,168	17,516	-	-	-	-	289,568	174,870	156,166	2,123,532
Mr Peter Turner[10] *Executive Director*	**2013**	**320,581**	**-**	**-**	**71,008**	**-**	**-**	**81,740**	**-**	**5,049**	**27,976**	**23,465**	**529,819**
	2012	502,413	-	3,779	256,694	-	1,126,063	18,220	-	348,923	253,978	117,634	2,627,704
Non-Executive Directors													
Professor John Shine[11] *Chairman*	**2013**	**567,456**	**-**	**-**	**22,162**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**589,618**
	2012	423,717	-	-	38,135	-	-	-	-	-	-	-	461,852
Ms Elizabeth Alexander[13] *Chairman*	**2013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2012	158,359	-	-	14,252	336,343	-	-	-	-	-	-	508,954
Mr John Akehurst *Non-executive Director*	**2013**	**214,861**	**-**	**-**	**19,337**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**234,198**
	2012	195,685	-	-	17,612	-	-	-	-	-	-	-	213,297
Mr David Anstice *Non-executive Director*	**2013**	**217,221**	**-**	**-**	**16,977**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**234,198**
	2012	200,459	-	-	18,041	-	-	-	-	-	-	-	218,500
Mr Bruce Brook[12] *Non-executive Director*	**2013**	**196,605**	**-**	**-**	**16,977**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**213,582**
	2012	163,072	-	-	14,676	-	-	-	-	-	-	-	177,748
Ms Christine O'Reilly *Non-executive Director*	**2013**	**214,861**	**-**	**-**	**19,337**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**234,198**
	2012	205,231	-	-	18,471	-	-	-	-	-	-	-	223,702
Mr Ian Renard *Non-executive Director*	**2013**	**217,221**	**-**	**-**	**16,977**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**234,198**
	2012	210,004	-	-	18,900	-	-	-	-	-	-	-	228,904
Mr Maurice Renshaw *Non-executive Director*	**2013**	**214,861**	**-**	**-**	**19,337**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**234,198**
	2012	200,459	-	-	18,041	-	-	-	-	-	-	-	218,500
Mr David Simpson[13] *Non-executive Director*	**2013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2012	66,223	-	-	5,960	-	-	-	-	-	-	-	72,183
Total of all Directors	**2013**	**6,708,567**	**3,112,226**	**46,098**	**245,732**	**-**	**2,906,732**	**264,568**	**1,271,044**	**8,183,307**	**1,909,776**	**504,538**	**25,152,588**
	2012	6,036,942	2,625,025	22,947	490,322	336,343	1,126,063	186,106	1,065,215	1,810,745	1,098,634	273,800	15,072,142

1 The Australian dollar compensation paid during the years ended 30 June 2012 and 30 June 2013 have been converted to US Dollars at an average exchange rate for the year. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the AUD/USD exchange rates.
2 As disclosed in the section titled "Non-Executive Director Remuneration", Non-Executive Directors participate in the NED Share Plan under which Non-Executive Directors are required to take at least 20% of their after-tax base fees (excluding superannuation guarantee contributions) in the form of shares in the Company which are purchased on-market at prevailing share prices. The value of this remuneration element is included in cash, salary and fees.
3 Retirement allowance paid to Ms Alexander upon her retirement as a Director under the Non-Executive Directors' Retirement Plan. For a summary of the residual application of that Plan, see the section on Non-Executive Directors' Remuneration above.
4 Mr Turner received redundancy payments due under his contract paid upon termination.
5 As announced to the ASX in June 2013, Dr McNamee is to receive a severance payment upon cessation of employment on 15 October 2013.
6 The options and rights have been valued using a combination of the Binomial and Black Scholes option valuation methodologies as at the grant date adjusted for the probability of performance hurdles being achieved. This valuation was undertaken by PricewaterhouseCoopers. The amounts disclosed in remuneration have been determined by allocating the value of the options and performance rights evenly over the period from grant date to vesting date in accordance with applicable accounting standards. As a result, the current year includes options that were granted in prior years.
7 The fair value of the cash settled deferred payment (EDIP) has been measured by reference to the CSL share price at reporting date, adjusted for the dividend yield and the number of days left in the vesting period.
8 In accordance with accounting standards, remuneration for Dr McNamee reflects the cost to the company as determined on an accruals basis. The proposed retention of certain Performance Rights and Performance Options by Dr McNamee, following his cessation of employment, is subject to shareholder approval under a resolution being put before the 2013 AGM. The company believes that the recognition criteria for the expense relating to any such retention have been met in respect of FY 2013, and accordingly the assessed current value of any such retention (being approx. $7 million) has been included in Dr McNamee's remuneration for (and expensed in) FY 2013.
9 Mr Perreault was appointed Director on 13 February 2013. As Mr Perreault was considered a key management person prior to his appointment to Director in both the prior and current year, his remuneration covers the 12 month period ended 30 June 2013. To enable a comparison, remuneration earned by Mr Perreault in the prior year as a key management person has been reclassified and is now disclosed in Table 9.
10 Mr Turner completed his assignment and returned to Australia in October 2011. He was an Executive Director until cessation of employment in October 2012.
11 Appointed Chairman of the Board on 19 October 2011
12 Mr Brook was appointed Director from 17 August 2011 and his remuneration in 2012 is referable to services rendered from that date until 30 June 2012.
13 Retired from the Board on 19 October 2011.

Directors' Report

***Table 10 -Executive Key Management Personnel remuneration*[1]**

Executive	Year	Short-term benefits			Post employment		Other Long-term			Share Based Payments			
		Cash salary and fees	Cash Bonus	Non-Monetary Benefits	Super-annuation	Retirement Benefits	Termination benefits[2]	Long Service Leave	Deferred Incentive	Performance rights[3]	Performance options[3]	Cash Settled Deferred Payment[4]	Total
		$	$	$	$	$	$	$	$	$	$	$	$
Key Management Personnel													
Mr Gordon Naylor *Chief Financial Officer*	**2013**	**981,950**	**560,950**	**-**	**25,770**	**-**	**-**	**51,703**	**78,916**	**481,467**	**124,603**	**69,477**	**2,374,836**
	2012	930,396	477,938	-	26,012	-	-	68,388	-	346,596	187,162	43,863	2,080,355
Dr Andrew Cuthbertson *Chief Scientific Officer*	**2013**	**778,794**	**450,368**	**-**	**25,770**	**-**	**-**	**38,870**	**67,086**	**389,801**	**100,812**	**103,162**	**1,954,663**
	2012	716,012	406,292	-	52,024	-	-	43,213	-	284,187	154,995	65,131	1,721,854
Dr Jeff Davies *Executive VP, CSL Biotherapies*	**2013**	**241,975**	**-**	**-**	**(11,547)**	**-**	**-**	**25,593**	**-**	**15,277**	**22,865**	**30,158**	**324,321**
	2012	467,964	255,693	-	219,153	-	526,974	28,408	-	215,896	142,999	90,703	1,947,790
Mr Greg Boss *Group General Counsel*	**2013**	**541,314**	**337,830**	**19,946**	**13,138**	**-**	**-**	**-**	**-**	**266,140**	**81,647**	**228,169**	**1,488,184**
	2012	499,590	301,002	19,167	17,596	-	-	-	-	216,903	133,177	91,434	1,278,869
Dr Ingolf Sieper *Executive VP, Comm Ops*	**2013**	**615,714**	**376,748**	**13,568**	**-**	**-**	**-**	**-**	**-**	**162,891**	**32,505**	**281,868**	**1,483,294**
	2012	541,397	344,138	10,565	-	-	-	-	-	90,864	48,357	107,575	1,142,896
Ms Mary Sontrop *Executive VP, Operations*	**2013**	**727,076**	**366,510**	**30,705**	**276,516**	**-**	**-**	**67,341**	**-**	**263,835**	**83,732**	**265,743**	**2,081,458**
	2012	521,818	331,955	9,232	300,076	-	-	26,231	-	216,998	143,361	104,002	1,653,673
Ms Karen Etchberger *Executive VP, Plasma, Supply Chain & IT*	**2013**	**457,864**	**288,727**	**19,925**	**17,177**	**-**	**-**	**-**	**-**	**199,207**	**58,866**	**148,398**	**1,190,164**
	2012	384,062	229,512	20,353	15,037	-	-	-	-	158,003	94,347	60,435	961,749
Mr Edward Bailey *Company Secretary*	**2013**	**455,394**	**203,151**	**-**	**25,770**	**-**	**-**	**27,848**	**-**	**179,284**	**44,487**	**27,370**	**963,304**
	2012	387,184	183,087	-	26,012	-	-	17,730	-	123,178	59,740	17,279	814,210
Ms Jill Lever *Senior VP, Human Capital*	**2013**	**465,181**	**237,715**	**-**	**25,770**	**-**	**-**	**20,124**	**-**	**187,237**	**48,456**	**72,738**	**1,057,221**
	2012	415,524	209,581	-	51,861	-	-	11,942	-	124,114	63,407	38,198	914,627
Total KMP remuneration	**2013**	**5,265,262**	**2,821,999**	**84,144**	**398,364**	**-**	**-**	**231,479**	**146,002**	**2,145,139**	**597,973**	**1,227,083**	**12,917,445**
	2012	4,863,947	2,739,198	59,317	707,771	-	526,974	195,912	-	1,776,739	1,027,545	618,620	12,516,023

[1] The Australian dollar compensation paid during the years ended 30 June 2012 and 30 June 2013 have been converted to US Dollars at an average exchange rate for the year. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the AUD/USD exchange rates.
[2] Redundancy payments due under his contract to be payable upon termination.
[3] The options and rights have been valued using a combination of the Binomial and Black Scholes option valuation methodologies as at the grant date adjusted for the probability of hurdles being achieved. This valuation was undertaken by PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the options and performance rights evenly over the period from grant date to vesting date in accordance with applicable accounting standards. As a result, the current year includes options that were granted in prior years.
[4] The fair value of the cash settled deferred payment (EDIP) has been measured by reference to the CSL share price at reporting date, adjusted for the dividend yield and the number of days left in the vesting period.

Executive Key Management Personnel

Table 11 below shows the cash elements of Total Reward actually available to Executive KMP in the 2013 year, as well as the value of equity from former years that vested in 2013 (the fair value of which was originally reported in accordance with the accounting standards in the year it was granted).

Table 11 – Executive KMP - Elements of Remuneration Received or Available as Cash in respect of 2013[1]

Executive KMP including Executive Directors	Total 2013 Fixed Remuneration[2]	STI Applicable to the 2013 year[3]	Cash Settled Deferred STI in 2013[4]	LTI Vested in 2013[5]	Total Reward (received or available)
Dr Brian McNamee [6]	$2,971,533	$2,377,226	$705,341	$1,823,740	$7,877,840
Mr Paul Perreault[6]	$1,071,875	$735,000	-	$476,417	$2,283,292
Mr Peter Turner	$293,797	-	-	$817,734	$1,111,531
Mr Gordon Naylor[6]	$1,042,013	$560,950	-	$476,417	$2,079,380
Dr Andrew Cuthbertson[6]	$836,597	$450,368		$408,614	$1,695,579
Dr Jeffrey Davies	$242,060	-	-	$445,244	$687,304
Mr Gregory Boss	$531,180	$337,830	-	$375,767	$1,244,777
Dr Ingolf Sieper[6]	$574,856	$376,748	-	$193,088	$1,144,692
Ms Mary Sontrop[6]	$570,078	$366,510	-	$445,244	$1,381,832
Ms Karen Etchberger	$432,303	$288,727	-	$249,121	$970,151
Mr Edward Bailey	$478,003	$203,151	-	$105,067	$786,221
Ms Jill Lever	$516,772	$237,715	-	$62,310	$816,797

[1] Executive KMP remuneration details prepared in accordance with statutory requirements and Accounting Standards are presented in Tables 9 and 10 of this report.

[2] 2013 Fixed remuneration and STI paid in AUD converted to USD using 2013 average exchange rate. Total Fixed Remuneration in Table 11 is based on Total Employment Cost (TEC) for the relevant executive. This differs from the methodology to calculate "Cash Salary & Fees" used in Tables 9 and 10 due to the treatment of annual leave accrued and annual leave/long service leave taken during the financial year, and the separation of non salary sacrificed Superannuation benefits in a separate column. Table 9 and 10 adjust TEC for differences between leave accrued/taken and separates Superannuation. Table 11 ignores this timing difference for leave and the separation of Superannuation that occurs in Tables 9 and 10.

[3] STI applicable to 2013 in Table 11 is equivalent to "Cash Bonus" in Tables 9 and 10.

[4] Cash Settled Deferred STI in 2013 was recorded in the equivalent to Table 9 in 2009, the year in which it was awarded. Table 11 shows the amount paid during the year.

[5] Rights vested during the year and Options (less exercise price) vested during the year, multiplied by the share price at the date of vesting. This differs from the amounts recorded as "Share Based Payments" in Tables 9 and 10. Tables 9 and 10 are prepared in accordance with accounting standards that require the fair value of each instrument to be determined and for the total value of each grant to be expensed over the vesting period. Tables 9 and 10 therefore include amounts related to multiple grants of LTI instruments, the majority of which will vest in future years. The LTI vested has been converted from AUD to USD using the 2013 average exchange rate.

[6] Dr McNamee, Mr Perreault, Mr Naylor, Dr Cuthbertson, Dr Sieper and Ms Sontrop are entitled to an additional Deferred STI payment as per the terms outlined on page 13.

Fixed and Performance Remuneration Components

Table 12 - Executive KMP remuneration components in the 2013 year

Remuneration Components as a Proportion of Total Remuneration	Fixed Remuneration[1]	Variable Remuneration					Total (100%)
		Cash Based Bonuses[2]	Share Based Payments			Total	
			Performance rights	Performance options	Cash Settled Deferred Payment		
Executive Directors							
Dr Brian McNamee	33%	18%	40%	9%	-	67%	100%
Mr Paul Perreault	39%	27%	14%	4%	16%	61%	100%
Mr Peter Turner	89%	-	1%	5%	5%	11%	100%
Other Executives							
Mr Gordon Naylor	45%	27%	20%	5%	3%	55%	100%
Dr Andrew Cuthbertson	43%	27%	20%	5%	5%	57%	100%
Dr Jeff Davies	78%	-	5%	7%	10%	22%	100%
Mr Greg Boss	39%	23%	18%	5%	15%	61%	100%
Dr Ingolf Sieper	42%	25%	11%	2%	20%	58%	100%
Ms Mary Sontrop	53%	17%	13%	4%	13%	47%	100%
Ms Karen Etchberger	42%	24%	17%	5%	12%	58%	100%
Mr Edward Bailey	53%	21%	18%	5%	3%	47%	100%
Ms Jill Lever	48%	22%	18%	5%	7%	52%	100%

[1] Fixed remuneration comprises cash salary, superannuation and non-monetary benefits.

[2] Cash based bonuses include amounts awarded which are due and payable shortly after the conclusion of the financial year as well as that component which is subject to deferred settlement terms for Dr McNamee, Mr Perreault, Mr Naylor, Dr Cuthbertson, Dr Sieper and Ms Sontrop.

Table 13 - Executive KMP performance remuneration components in the 2013 year

Key management person	Cash incentives[1]			Accounting Values being amortised in respect of the 2013 Share Based Payment grants in future years[2]				Remuneration consisting of Share Based Payments	Grant date value of options & rights granted during 2013	Reporting date value of EDIP granted during 2013[3]	Value of options & rights exercised during 2013 at exercise date[4]
	Maximum short-term incentive potential	Percentage Awarded[1]	Percentage Not Awarded[1]	2014 $	2015 $	2016 $	2017 $	%	$	$	$
Executive Directors											
Dr Brian McNamee	120%	100%	0%	-	-	-	-	49%	3,637,289	-	773,154
Mr Paul Perreault	100%	100%	0%	464,767	464,767	182,980	22,105	34%	709,974	770,992	751,318
Mr Peter Turner	n/a	-	-	-	-	-	-	11%	-	-	1,292,692
Other executives											
Mr Gordon Naylor	85%	95%	5%	198,015	198,015	112,724	21,091	28%	677,406	-	499,572
Dr Andrew Cuthbertson	85%	95%	5%	158,877	158,877	90,444	16,922	30%	543,517	-	1,214,901
Dr Jeff Davies	n/a	-	-	-	-	-	-	22%	-	-	1,624,689
Mr Greg Boss	70%	90%	10%	178,153	178,153	74,432	9,914	38%	318,439	254,974	693,981
Dr Ingolf Sieper	85%	95%	5%	210,407	210,407	84,441	10,545	33%	338,703	333,894	201,857
Ms Mary Sontrop	85%	90%	10%	204,452	204,452	82,336	10,343	30%	332,190	321,752	915,789
Ms Karen Etchberger	70%	90%	10%	121,975	121,975	53,695	7,706	34%	247,514	148,735	262,278
Mr Edward Bailey	50%	85%	15%	76,794	76,794	43,717	8,179	26%	262,712	-	79,327
Ms Jill Lever	50%	92%	8%	83,141	83,141	47,330	8,855	30%	284,424	-	61,958

[1] Cash incentives awarded and not awarded relate to the period ended 30 June 2013. All cash incentive amounts are payable in full shortly after the conclusion of the 30 June 2013 financial year with the exception of the component that is subject to deferred settlement for Dr McNamee, Mr Perreault, Mr Naylor, Dr Cuthbertson, Dr Sieper and Ms Sontrop.

[2] The value of performance rights and performance options is determined at grant date and is then amortised over the applicable vesting period. The amounts included in the table above are consistent with this amortisation amount for 2013.

[3] The value of the cumulative EDIP grants over 2011, 2012 and 2013 was re-calculated at reporting date and then amortised over the applicable vesting period. The amounts included in the table above are consistent with this amortisation amount for 2013.

[4] The value at exercise date has been determined by the share price at the close of business on exercise date less the option/right exercise price (if any) multiplied by the number of options/rights exercised during 2013.

Executive Key Management Personnel

Options and Rights Holdings

Table 14 - Executive KMP performance right holdings

Key management person	Balance at 1 July 2012	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2013	Number Vested during the year	Balance at 30 June 2013	
							Vested and exercisable	Unvested
Executive Directors								
Dr Brian McNamee	191,344	65,700	15,996	-	241,048	30,931	31,224	209,824
Mr Paul Perreault	44,110	19,620	8,118	-	55,612	8,118	-	55,612
Mr Peter Turner	45,845	-	13,857	12,123	19,865	13,857	-	19,865
Other executives								
Mr Gordon Naylor	51,490	18,720	8,118	-	62,092	8,118	-	62,092
Dr Andrew Cuthbertson	42,125	15,020	6,925	-	50,220	6,925	-	50,220
Dr Jeff Davies	43,260	-	18,800	11,215	13,245	7,540	-	13,245
Mr Greg Boss	31,585	8,800	6,405	-	33,980	6,405	-	33,980
Dr Ingolf Sieper	15,455	9,360	3,471	-	21,344	3,471	-	21,344
Ms Mary Sontrop	31,920	9,180	7,540	-	33,560	7,540	-	33,560
Ms Karen Etchberger	22,930	6,840	4,262	-	25,508	4,262	-	25,508
Mr Edward Bailey	18,930	7,260	994	-	25,196	1,954	1,980	23,216
Ms Jill Lever	17,755	7,860	1,267	-	24,348	1,267	-	24,348
Total	**556,749**	**168,360**	**95,753**	**23,338**	**606,018**	**100,388**	**33,204**	**572,814**

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

Table 15 – Key Characteristics of Performance Rights and Options granted in 2011 and 2012

LTI Grant year	Tranche	Proportion of Grant	Tranche comprises		Applicable performance hurdle		Vesting Period years	Re-test opportunities
			Performance Options	Performance Rights	Performance Options	Performance Rights		
2011-12	1	50%	20%	80%	50% EPS / 50% TSR		3	1
	2	50%	20%	80%			4	1

LTI Grant year	Level of performance at the expiration of the vesting period (or at retest where applicable)		Amount of grant which vests
2011-2012	50% of options and rights granted	EPS growth = or >10% compound	100%
	50% of options and rights granted	Below the 50th percentile in relative TSR performance	0%
		At the 50th percentile in relative TSR performance	50%
		Between the 50th and 75th percentile in relative TSR performance	Straight line vesting from 50% to 100%
		Above the 75th percentile in relative TSR performance	100%

*Table 16 - A summary of the key characteristics applicable to performance rights and performance options granted between 2007 and 2010**

LTI Grant years	Tranche	Proportion of Grant	Tranche comprises		Applicable performance hurdle		Vesting Period years	Re-test opportunities
			Performance Options	Performance Rights	Performance Options and	Performance Rights		
2007 - 2010	1	25%	60%	40%	EPS / TSR		2	3
	2	35%	60%	40%			3	2
	3	40%	60%	40%			4	1

LTI Grant years	Level of performance at the expiration of the vesting period (or later period where applicable)		Amount of grant which vests
2007-2010	Options	EPS growth>10% compound	100%
	Rights	At or above 50th percentile in relative TSR performance	100%

* During 2012, the Company obtained a waiver of Listing Rule 6.23.4 from the ASX to give the Board the discretion to allow Performance Rights and Performance Options granted prior to August 2010 to continue in force and not lapse where the participant ceases employment with CSL in “Good Leaver” circumstances outlined on page 16.

Table 16 - The terms and conditions of the performance rights granted to Executive KMP in the 2012 and 2013 financial years

Terms and Conditions for Performance right grants during 2012 and 2013				
Grant Date	Tranche	Value per Right at Grant Date	First Exercise Date	Last Exercise Date
1 October 2011	1	23.75	30 September 2014	30 September 2015
1 October 2011	2	23.41	30 September 2015	30 September 2016
1 October 2012	1	35.52	30 September 2015	30 September 2016
1 October 2012	2	34.69	30 September 2016	30 September 2017

Table 17 - Shares issued to Executive KMP on exercise of performance rights during 2013

Executive	Date Performance Rights Granted	Number of shares issued
Dr Brian McNamee	1 October 2009	15,996
Mr Peter Turner	1 October 2008	9,720
	1 October 2009	4,137
Mr Paul Perreault	1 October 2008	5,500
	1 October 2009	2,618
Mr Gordon Naylor	1 October 2008	5,500
	1 October 2009	2,618
Dr Andrew Cuthbertson	1 October 2008	4,860
	1 October 2009	2,065
Dr Jeff Davies	1 October 2006	6,300
	1 October 2007	3,360
	1 October 2008	5,300
	1 October 2009	3,840
Mr Greg Boss	1 October 2008	4,340
	1 October 2009	2,065
Dr Ingolf Sieper	1 October 2008	2,400
	1 October 2009	1,071
Ms Mary Sontrop	1 October 2008	5,300
	1 October 2009	2,240
Ms Karen Etchberger	1 October 2008	2,820
	1 October 2009	1,442
Mr Edward Bailey	1 October 2009	994
Jill Lever	1 October 2009	1,267

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

Table 18 - Executive KMP option holdings

Key management person	Balance at 1 July 2012	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2013	Number Vested during the year	Balance at 30 June 2013	
							Vested and exercisable	Unvested
Executive Directors								
Dr Brian McNamee	364,600	-	-	-	364,600	29,952	152,520	212,080
Mr Paul Perreault	95,760	-	20,460	-	75,300	7,640	19,100	56,200
Mr Peter Turner	128,700	-	63,420	12,616	52,664	13,488	-	52,664
Other executives								
Mr Gordon Naylor	94,580	-	-	-	94,580	7,640	32,720	61,860
Dr Andrew Cuthbertson	84,180	-	34,600	-	49,580	6,736	-	49,580
Dr Jeff Davies	92,820	-	50,520	10,950	31,350	7,368	-	31,350
Mr Greg Boss	65,980	-	24,940	-	41,040	6,016	-	41,040
Dr Ingolf Sieper	22,900	-	5,540	-	17,360	2,216	-	17,360
Ms Mary Sontrop	71,840	-	29,700	-	42,140	7,368	-	42,140
Ms Karen Etchberger	55,092	-	-	-	55,092	3,912	25,452	29,640
Mr Edward Bailey	27,460	-	3,552	-	23,908	888	888	23,020
Ms Jill Lever	26,260	-	-	-	26,260	-	-	26,260
Total	**1,130,172**	**-**	**232,732**	**23,566**	**873,874**	**93,224**	**230,680**	**643,194**

*Table 19- Terms and conditions of the options granted to Executive KMP in the 2012 financial year**

Terms and Conditions for Options grant during 2012 and 2013				
Grant Date	**Tranche**	**Value per Option at Grant Date**	**First Exercise Date**	**Last Exercise Date**
1 October 2011	1	6.34	30 September 2014	30 September 2015
1 October 2011	2	6.77	30 September 2015	30 September 2016

* no options were granted in the 2013 financial year.

Table 20 - Shares issued to Executive KMP on exercise of options during 2013

Executive	Date Options Granted	Number of shares issued	$ amount paid per share	$ amount unpaid per share
Mr Peter Turner	1 October 2007	29,700	35.46	-
	1 October 2008	33,720	37.91	-
Mr Paul Perreault	1 October 2007	20,460	35.46	-
Dr Andrew Cuthbertson	1 October 2007	17,760	35.46	-
	1 October 2008	16,840	37.91	-
Dr Jeff Davies	1 October 2006	21,240	17.48	-
	1 October 2007	10,860	35.46	-
	1 October 2008	18,420	37.91	-
Mr Greg Boss	1 October 2007	9,900	35.46	-
	1 October 2008	15,040	37.91	-
Dr Ingolf Sieper	1 October 2008	5,540	37.91	-
Ms Mary Sontrop	1 October 2007	11,280	35.46	-
	1 October 2008	18,420	37.91	-
Mr Edward Bailey	1 October 2007	2,220	35.46	-
	1 October 2008	1,332	37.91	-

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

Directors' Report

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

John Shine AO (Director)

Paul Perreault (Director)

Melbourne
14 August 2013

® Registered trademark of CSL or its affiliates.
* Gardasil is a trademark of Merck & Co, Inc.

Building a better working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of CSL Limited

In relation to our audit of the financial report of CSL Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Glenn Carmody
Partner
14 August 2013

CSL Limited

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2013

	Notes	Consolidated Group 2013 US$m	2012 US$m
Continuing operations			
Sales revenue	3	**4,950.4**	4,616.4
Cost of sales		**(2,391.4)**	(2,389.9)
Gross profit		**2,559.0**	2,226.5
Other revenues	3	**179.1**	197.2
Research and development expenses		**(426.8)**	(369.7)
Selling and marketing expenses		**(516.2)**	(505.8)
General and administration expenses		**(280.0)**	(237.7)
Finance costs	3	**(47.7)**	(40.5)
Profit before income tax expense		**1,467.4**	1,270.0
Income tax expense	4	**(251.1)**	(246.1)
Profit attributable to members of the parent company	22	**1,216.3**	1,023.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of hedges on foreign investments	21	**(85.3)**	(364.5)
Mark to Market adjustment on available-for-sale financial assets	21	**-**	1.2
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit plans, net of tax	22	**(23.0)**	(49.2)
Total of other comprehensive income/(expenses)		**(108.3)**	(412.5)
Total comprehensive income for the period	24	**1,108.0**	611.4

Earnings per share	5	**US$**	US$
Basic earnings per share		**2.439**	1.972
Diluted earnings per share		**2.431**	1.967

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CSL Limited

Consolidated Balance Sheet

As at 30 June 2013

		Consolidated Group		
		2013	2012	1 July 2011
	Notes	**US$m**	US$m	US$m
CURRENT ASSETS				
Cash and cash equivalents	**6**	**762.2**	1,171.4	515.2
Trade and other receivables	**7**	**850.5**	783.8	869.0
Inventories	**8**	**1,639.4**	1,482.7	1,564.8
Current tax assets	**16**	**6.7**	5.4	-
Other financial assets	**9**	**0.5**	1.8	19.3
Total Current Assets		**3,259.3**	3,445.1	2,968.3
NON-CURRENT ASSETS				
Trade and other receivables	**7**	**8.6**	10.4	4.9
Other financial assets	**9**	**1.0**	1.1	2.4
Property, plant and equipment	**10**	**1,587.2**	1,380.9	1,297.5
Deferred tax assets	**11**	**263.7**	198.5	187.2
Intangible assets	**12**	**855.7**	865.3	983.4
Retirement benefit assets	**13**	**-**	**-**	2.8
Total Non-Current Assets		**2,716.2**	2,456.2	2,478.2
TOTAL ASSETS		**5,975.5**	5,901.3	5,446.5
CURRENT LIABILITIES				
Trade and other payables	**14**	**647.9**	536.3	530.4
Interest-bearing liabilities and borrowings	**15**	**5.7**	169.6	243.1
Current tax liabilities	**16**	**159.9**	141.7	141.5
Provisions	**17**	**88.4**	100.3	95.2
Deferred government grants	**18**	**0.9**	1.0	1.1
Derivative financial instruments	**19**	**3.8**	1.4	5.4
Total Current Liabilities		**906.6**	950.3	1,016.7
NON-CURRENT LIABILITIES				
Trade and other payables	**14**	**23.2**	15.4	4.3
Interest-bearing liabilities and borrowings	**15**	**1,673.2**	1,120.0	204.3
Deferred tax liabilities	**11**	**115.0**	111.1	131.3
Provisions	**17**	**34.2**	28.0	30.6
Deferred government grants	**18**	**37.0**	30.2	20.3
Retirement benefit liabilities	**13**	**179.5**	169.6	122.4
Total Non-Current Liabilities		**2,062.1**	1,474.3	513.2
TOTAL LIABILITIES		**2,968.7**	2,424.6	1,529.9
NET ASSETS		**3,006.8**	3,476.7	3,916.6
EQUITY				
Contributed equity	**20**	**(1,978.3)**	(869.1)	(228.0)
Reserves	**21**	**578.3**	632.9	982.1
Retained earnings	**22**	**4,406.8**	3,712.9	3,162.5
TOTAL EQUITY	**24**	**3,006.8**	3,476.7	3,916.6

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

CSL Limited

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

Consolidated Group	Notes	Contributed Equity US$m	Foreign currency translation reserve US$m	Share based payment reserve US$m	Available-for-sale investment reserve US$m	Retained earnings US$m	Total US$m
At 1 July 2012		**(869.1)**	**536.6**	**96.3**	**-**	**3,712.9**	**3,476.7**
Profit for the period		**-**	**-**	**-**	**-**	**1,216.3**	**1,216.3**
Other comprehensive income		**-**	**(85.3)**	**-**	**-**	**(23.0)**	**(108.3)**
Total comprehensive income for the full year		**-**	**(85.3)**	**-**	**-**	**1,193.3**	**1,108.0**
Transactions with owners in their capacity as owners							
Share based payments	21	**-**	**-**	**30.7**	**-**	**-**	**30.7**
Dividends	23	**-**	**-**	**-**	**-**	**(499.4)**	**(499.4)**
Share buy back	20	**(1,135.6)**	**-**	**-**	**-**	**-**	**(1,135.6)**
Share issues							
- Employee share scheme	20	**36.1**	**-**	**-**	-	**-**	**36.1**
Tax Adjustment		**(9.7)**	**-**	**-**	**-**	**-**	**(9.7)**
Balance as at 30 June 2013		**(1,978.3)**	**451.3**	**127.0**	**-**	**4,406.8**	**3,006.8**
At 1 July 2011		(228.0)	901.1	82.2	(1.2)	3,162.5	3,916.6
Profit for the period		**-**	**-**	**-**		1,023.9	1,023.9
Other comprehensive income		**-**	(364.5)	**-**	1.2	(49.2)	(412.5)
Total comprehensive income for the full year		-	(364.5)	-	1.2	974.7	611.4
Transactions with owners in their capacity as owners							
Share based payments	21	**-**	**-**	14.1	**-**	**-**	14.1
Dividends	23	**-**	**-**	**-**	**-**	(424.3)	(424.3)
Share buy back	20	(650.1)	**-**	**-**	**-**	**-**	(650.1)
Share issues							
- Employee share scheme	20	9.0	**-**	**-**	**-**	**-**	9.0
Balance as at 30 June 2012		(869.1)	536.6	96.3	-	3,712.9	3,476.7

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CSL Limited
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2013

	Notes	Consolidated Group 2013 US$m	2012 US$m
Cash flows from Operating Activities			
Receipts from customers		**5,104.7**	4,839.5
Payments to suppliers and employees		**(3,479.2)**	(3,383.1)
Cash generated from operations		**1,625.5**	1,456.4
Income taxes paid		**(298.2)**	(252.3)
Interest received		**33.9**	37.2
Finance costs paid		**(49.5)**	(35.5)
Net cash inflow from operating activities	**25**	**1,311.7**	1,205.8
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		**0.4**	0.1
Payments for property, plant and equipment		**(433.2)**	(309.2)
Payments for intangible assets		**(16.9)**	(14.2)
Receipts from other financial assets		**0.2**	1.1
Net cash outflow from investing activities		**(449.5)**	(322.2)
Cash flows from Financing Activities			
Proceeds from issue of shares		**36.1**	10.3
Dividends paid	**23**	**(499.4)**	(424.3)
Proceeds from borrowings		**565.6**	1,112.4
Repayment of borrowings		**(171.3)**	(243.6)
Payment for shares bought back		**(1,150.1)**	(650.1)
Payment for settlement of finance hedges		**0.6**	0.6
Net cash outflow from financing activities		**(1,218.5)**	(194.7)
Net increase/(decrease) in cash and cash equivalents		**(356.3)**	688.9
Cash and cash equivalents at the beginning of the financial year		**1,168.1**	514.6
Exchange rate variations on foreign cash and cash equivalent balances		**(52.0)**	(35.4)
Cash at the end of the financial year	**25**	**759.8**	1,168.1

For non-cash financing activities refer to note 25.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CSL Limited and its controlled entities
Notes to the Financial Statements
For the Year Ended 30 June 2013

1. Corporate information

CSL Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL Limited and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of the directors on 14 August 2013.

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

Summary of significant accounting policies

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

(a) Basis of preparation

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

Change in presentation currency

The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency. The change in presentation currency from Australian Dollars to US Dollars represents a voluntary change in accounting policy which has been applied retrospectively. US Dollars are the pharmaceutical industry standard currency for reporting purposes. The move also reflects the predominance of the Company's worldwide sales and operations in US Dollars.

This change has been applied on the basis as if Group had always reported in USD. The Consolidated Statement of Comprehensive Income has been converted to USD using the average exchange rate for the relevant period. The Balance Sheet to Net Assets (ie Current and Non-Current Assets as well as Current and Non-Current Liabilities) has been converted to USD using the exchange rate as of the relevant balance date. The Equity section of the Balance Sheet has been converted to USD using approximate historical exchange rates. As a consequence of the change in presentation currency an additional column has been added to the Balance Sheet and certain associated notes, this shows the USD balances at the commencement of the prior comparative period.

Critical accounting estimates

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

Rounding of amounts

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

Adoption of accounting standards

The group has adopted the following accounting standards that contained changes that became effective during the year relating to the presentation of Other Comprehensive Income: AASB 2011-9.

The amendments only resulted in a change in the presentation of Other Comprehensive Income and therefore did not result in a material change in the Group's financial result or the extent of other disclosures in the financial report.

(b) Principles of consolidation

i. Subsidiaries

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

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

1. Summary of significant accounting policies (continued)

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

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

(c) Segment reporting

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

(d) Foreign currency translation

i. Functional currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of CSL Limited (the parent entity of the Group) are measured in Australian Dollars which is that entity's functional currency (see Note 35).

ii. Presentation currency
The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency. The change in presentation currency from Australian Dollars to US Dollars represents a voluntary change in accounting policy which has been applied retrospectively using the methodology outlined in Note 1(a).

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

iv. Group companies
The results of foreign subsidiaries are translated into US Dollars at average exchange rates. Assets and liabilities of foreign subsidiaries are translated to US Dollars at exchange rates prevailing at balance date. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

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

(e) Revenue recognition

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

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

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

iii. Other revenue
Other revenue is recognised as it accrues.

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

1. Summary of significant accounting policies (continued)

(f) Government grants

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

(g) Borrowing costs

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

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

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

(i) Income tax

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

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

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

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

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

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or in equity, respectively.

CSL Ltd and its 100% owned Australian subsidiaries have formed a tax consolidated group effective from 1 July 2003.

(j) Cash, cash equivalents and bank overdrafts

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. The balance sheet comprises cash on hand, at call deposits with banks or financial institutions and investments in money market instruments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the balance sheet bank overdrafts are included within current interest bearing liabilities and borrowings. For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

1. Summary of significant accounting policies (continued)

(k) Trade and other receivables

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

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

(l) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost includes direct material and labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Investments and other financial assets

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

i. Financial assets at fair value through profit and loss

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

ii. Loans and receivables

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

iii. Available for sale investments

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

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models.

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

The fair values of investments that are actively traded in organised financial markets are determined by reference to market prices. For investments that are not actively traded, fair values are determined using valuation techniques.

1. Summary of significant accounting policies (continued)

These techniques include: using recent arm's length transactions involving the same or substantially the same instruments as a guide to value, discounted cash flow analysis and various pricing models.

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

(n) Business combinations

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

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

(o) Property, plant and equipment

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

Depreciable assets are depreciated using the method that best matches the utilisation of the asset over its useful economic life. For the majority of assets in the group the straight line method is used to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Buildings	5 – 40 years
Plant and equipment	3 – 15 years
Leasehold improvements	5 – 10 years

Certain assets are being depreciated using a diminishing value method over a period of 3 years as this method best matches the utilisation of these assets over their estimated useful economic life.

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

(p) Impairment of assets

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

(q) Leasehold improvements

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

1. Summary of significant accounting policies (continued)

(r) Leases

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

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

(s) Goodwill and intangibles

i. Goodwill

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

ii. Intangibles

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

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

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

iii. IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has the intention and ability to use the asset.

iv. Research and development costs

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

1. Summary of significant accounting policies (continued)

(t) Trade and other payables

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

(u) Interest-bearing liabilities and borrowings

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

(v) Derivative financial instruments

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

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

(w) Provisions

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

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

(x) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the current provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

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

(y) Pension plans

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

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

1. Summary of significant accounting policies (continued)

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

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

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

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

(z) Share-based payment transactions

i. Equity-settled transactions

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

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

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

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

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

ii. Cash-settled transactions

The Group also provides benefits to its employees (including key management personnel) in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of CSL Limited.

The ultimate cost of these cash-settled transactions will be equal to the actual cash paid to the employees, which will be the fair value at settlement date.

The cumulative cost recognised until settlement is a liability and the periodic determination of this liability is as follows:

(a) At each reporting date between grant and settlement, the fair value of the award is determined.
(b) During the vesting period, the liability recognised at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
(c) From the end of the vesting period until settlement, the liability recognised is the full fair value of the liability at the reporting date.
(d) All changes in the liability are recognised in employee benefits expense for the period.

The fair value of the liability is determined by reference to the CSL Limited share price at reporting date, adjusted for the dividend yield and the number of days left in the vesting period.

1. Summary of significant accounting policies (continued)

(aa) Contributed equity / Share buy-back reserve

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

(bb) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the financial year.

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

(cc) Dividends

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

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

Certain new and revised accounting standards and interpretations have been published that are not mandatory for the June 2013 reporting period. An assessment of the impact of these new standards and interpretations is set out below.

New Standards and Amendments to Australian Accounting Standards applicable from 1 July 2013:

AASB 10, 12, 13, 119, 2012-2, 2012-5, 2012-9, 2011-4, 1053

This group of standards establish a new control model, introduce changes to the way in which joint arrangements are accounted for, change the disclosure of interest in other entities, introduce a single source of guidance for fair value measurement, introduce changes to accounting for employee benefits (in particular defined benefit pension plans) amend certain financial instruments disclosures and introduce a differential financial reporting framework.

New Standards and Amendments to Australian Accounting Standards applicable to subsequent financial years:

1 July 2014: AASB 2012-3, Interpretation 21 (Levies)

This standard adds application guidance to AASB132 Financial Instruments: Presentation. Interpretation 21 confirms the point at which certain liabilities should be recognised.

1 July 2015: AASB 9

This standard includes requirements for the classification and measurement of financial assets. These requirements improve and simplify the approach when compared to AASB139.

On the date of their respective first time application, the amended standards are not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports.

1. Summary of significant accounting policies (continued)

(ee) Critical accounting estimates and judgements

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

i. Testing goodwill and intangible assets for impairment

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

ii. Income taxes

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

iii. Trade and other receivables

Government or Government backed entities, such as hospitals, often account for a significant proportion of the aggregate trade receivable balances attributable to the various countries in which the Group operates. In particular countries, most notably Spain, Greece, Italy and Portugal, there is some heightened uncertainty as to the timeframe in which trade receivables are likely to be recovered from Government and Government related entities and/or the amount likely to be recovered from them due to heightened concerns over sovereign risk. Accordingly, in applying the Group's accounting policy in respect to trade and other receivables as set out in note 1(k), and particularly in respect to debts owed by Government and Government related entities in these countries, significant judgement is involved in first assessing whether or not trade or other receivable amounts are impaired and thereafter in assessing the extent of impairment.

2 Segment Information

Description of Segments
Reportable segments are:

- CSL Behring – manufactures, markets and develops plasma therapies (plasma products and recombinants).
- bioCSL - manufactures and distributes non-plasma biotherapeutic products.
- CSL Intellectual Property – revenue and associated expenses from the licensing of Intellectual Property generated by the Group to unrelated third parties and Research & Development expenses on projects where the company has yet to determine the ultimate commercialisation strategy.

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

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

Restatement of prior year comparables
The company undertook an internal reorganisation of its Australian business with effect from 1 January 2013. With effect from that date the Australian plasma operations of the company were integrated with CSL Behring and bioCSL was established as a standalone business focussing on the manufacturing and supply of biotherapeutic products. Previously both operations had been components of the Other Human Health segment.

The final component of the Other Human Health segment was Research & Development expenses on projects where the company has yet to determine the ultimate commercialisation strategy. Expenses relating to these projects are now included in the new segment "CSL Intellectual Property". This new segment incorporates income generated by the Group from the commercialisation of intellectual property with unrelated third parties. This was previously reported in the Intellectual Property segment.

The new definition has been applied to the full financial year ended 30 June 2012 as if the changes in structure had been effective from 1 July 2011, this has been done to facilitate comparability over multiple reporting periods.

CSL Limited and its controlled entities
Notes to the Financial Statements
For the Year Ended 30 June 2013

2 Segment Information (continued)

	CSL Behring 2013 US$m	bioCSL 2013 US$m	CSL Intellectual Property 2013 US$m	Intersegment Elimination 2013 US$m	Consolidated Group 2013 US$m
Sales to external customers	**4,500.9**	**449.5**	**-**	**-**	**4,950.4**
Other revenue (excl interest income)	**3.5**	**10.9**	**134.3**	**-**	**148.7**
Total segment revenue	**4,504.4**	**460.4**	**134.3**	**-**	**5,099.1**
Interest income					**29.4**
Unallocated revenue/income					**1.0**
Consolidated revenue					**5,129.5**
Segment EBIT	**1,562.2**	**(1.5)**	**0.2**	**-**	**1,560.9**
Unallocated revenue/income less unallocated costs					**(75.2)**
Consolidated EBIT					**1,485.7**
Interest income					**29.4**
Finance costs					**(47.7)**
Consolidated profit before tax					**1,467.4**
Income tax expense					**(251.1)**
Consolidated net profit after tax					**1,216.3**
Amortisation	**31.1**	**-**	**-**	**-**	**31.1**
Depreciation	**120.7**	**26.8**	**7.6**	**-**	**155.1**
Segment EBITDA	**1,714.0**	**25.3**	**7.8**	**-**	**1,747.1**
Unallocated revenue/income less unallocated costs					**(75.2)**
Unallocated depreciation and amortisation					**15.4**
Consolidated EBITDA					**1,687.3**
Segment assets	**5,117.6**	**369.8**	**27.9**	**(54.2)**	**5,461.1**
Other unallocated assets					**1,560.8**
Elimination of amounts between operating segments and unallocated					**(1,046.4)**
Total assets					**5,975.5**
Segment liabilities	**2,115.4**	**121.1**	**4.2**	**(54.2)**	**2,186.5**
Other unallocated liabilities					**1,828.6**
Elimination of amounts between operating segments and unallocated					**(1,046.4)**
Total liabilities					**2,968.7**
Other information - capital expenditure					
Payments for property, plant and equipment	**407.3**	**16.6**	**9.3**	**-**	**433.2**
Payments for software intangibles	**16.9**	**-**	**-**	**-**	**16.9**
Total capital expenditure	**424.2**	**16.6**	**9.3**	**-**	**450.1**

CSL Limited and its controlled entities
Notes to the Financial Statements
For the Year Ended 30 June 2013

2 Segment Information (continued)

	CSL Behring 2012 US$m	bioCSL 2012 US$m	CSL Intellectual Property 2012 US$m	Intersegment Elimination 2012 US$m	Consolidated Group 2012 US$m
Sales to external customers	4,193.4	423.0	-	-	4,616.4
Other revenue (excl interest income)	5.1	7.9	141.4	-	154.4
Total segment revenue	4,198.5	430.9	141.4	-	4,770.8
Interest income					42.8
Unallocated revenue/income					0.0
Consolidated revenue					4,813.6
Segment EBIT	1,273.3	22.1	13.9	-	1,309.3
Unallocated revenue/income less unallocated costs					(41.6)
Consolidated EBIT					1,267.7
Interest income					42.8
Finance costs					(40.5)
Consolidated profit before tax					1,270.0
Income tax expense					(246.1)
Consolidated net profit after tax					1,023.9
Amortisation	29.7	-	-	-	29.7
Depreciation	116.6	12.2	8.3	-	137.1
Segment EBITDA	1,419.6	34.3	22.2	-	1,476.1
Unallocated revenue/income less unallocated costs					(41.6)
Unallocated depreciation and amortisation					11.2
Consolidated EBITDA					1,445.7
Segment assets	4,784.3	342.4	21.2	(20.6)	5,127.3
Other unallocated assets					1,635.7
Elimination of amounts between operating segments and unallocated					(861.7)
Total assets					5,901.3
Segment liabilities	2,025.9	77.2	4.0	(20.6)	2,086.5
Other unallocated liabilities					1,199.8
Elimination of amounts between operating segments and unallocated					(861.7)
Total liabilities					2,424.6
Other information - capital expenditure					
Payments for property, plant and equipment	278.9	20.4	9.9	-	309.2
Payments for software intangibles	14.2	-	-	-	14.2
Total capital expenditure	293.1	20.4	9.9	-	323.4

2 Segment Information (continued)

Geographic areas	Australia	United States	Switzerland	Germany	Rest of world	Total
June 2013	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**
External sales revenue	**630.3**	**1,868.2**	**148.4**	**739.4**	**1,564.1**	**4,950.4**
Property, plant, equipment and intangible assets	**563.3**	**587.8**	**1,005.6**	**276.7**	**9.5**	**2,442.9**
June 2012						
External sales revenue	604.1	1,774.6	146.5	678.8	1,412.4	4,616.4
Property, plant, equipment and intangible assets	553.0	472.0	969.0	238.8	13.4	2,246.2

3 Revenue and expenses from continuing operations

	Consolidated Group	
	2013 US$m	2012 US$m
Revenue		
Sales revenue	**4,950.4**	4,616.4
Other revenue		
Royalties and licence revenue	**129.7**	142.3
Finance revenue	**29.4**	42.8
Rent	**1.3**	1.3
Other revenue	**18.7**	10.8
Total other revenues	**179.1**	197.2
Total revenue from continuing operations	**5,129.5**	4,813.6
Finance revenue comprises:		
Interest income:		
Other persons and/or corporations	**29.4**	42.8
Total finance revenue	**29.4**	42.8
Finance costs		
Interest expense:		
Other persons and/or corporations	**47.7**	40.5
Total finance costs	**47.7**	40.5

		Consolidated Group	
		2013	2012
	Notes	**US$m**	US$m

3 Revenue and expenses (continued)

	Notes	2013 US$m	2012 US$m
Depreciation and amortisation			
Depreciation and amortisation of fixed assets			
Building depreciation	**10**	**13.7**	13.9
Plant and equipment depreciation [1]	**10**	**146.7**	125.4
Leased property, plant and equipment amortisation	**10**	**2.8**	3.0
Leasehold improvements amortisation	**10**	**7.3**	6.1
Total depreciation and amortisation of fixed assets		**170.5**	148.4
Amortisation of intangibles			
Intellectual property	**12**	**16.7**	18.8
Software	**12**	**14.4**	10.8
Total amortisation of intangibles		**31.1**	29.6
Total depreciation, amortisation and impairment expense		**201.6**	178.0
Other expenses			
Write-down of inventory to net realisable value		**46.0**	78.5
Doubtful debts		**(3.3)**	27.1
Net loss on disposal of property, plant and equipment		**0.6**	2.5
Net foreign exchange loss		**13.0**	7.7
Lease payments and related expenses			
Rental expenses relating to operating leases		**32.9**	34.7
Employee benefits expense			
Salaries and wages		**1,039.0**	985.1
Defined benefit plan expense	**26(a)**	**1.6**	20.6
Defined contribution plan expense	**26(b)**	**23.5**	19.8
Share based payments expense (LTI)	**21**	**16.2**	12.1
Share based payments expense (EDIP)	**27**	**36.9**	11.7
Total employee benefits expense		**1,117.2**	1,049.3

[1] The increase in plant and equipment depreciation reflects the change in depreciation methodology discussed in Note 1(o) and is related to the influenza vaccine production assets.

		Consolidated Group	
		2013	2012
	Notes	**US$m**	US$m
4 Income tax expense			
Income tax expense recognised in the statement of comprehensive income			
Current tax expense			
Current year		**302.6**	266.1
Deferred tax expense			
Origination and reversal of temporary differences	**11**	**(47.2)**	(19.4)
Total deferred tax expense		**(47.2)**	(19.4)
Over provided in prior years		**(4.3)**	(0.6)
Income tax expense		**251.1**	246.1

Reconciliation between tax expense and pre-tax net profit

The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting profit before income tax		**1,467.4**	1,270.0
Income tax calculated at 30% (2012: 30%)		**440.2**	381.0
Research and development		**(13.7)**	(10.7)
Other non-deductible items		**(0.6)**	4.1
Effects of different rates of tax on overseas income		**(170.5)**	(127.7)
Over provision in prior year		**(4.3)**	(0.6)
Income tax expense		**251.1**	246.1

Income tax recognised directly in equity			
Deferred tax benefit			
Share based payments		**11.3**	1.0
Income tax benefit recognised in equity	**11**	**11.3**	1.0

	Consolidated Group	
	2013	2012
	US$m	US$m
5 Earnings Per Share		
Earnings used in calculating basic and dilutive earnings per share comprises:		
Profit attributable to ordinary shareholders	**1,216.3**	1,023.9

	Number of shares	
	2013	2012
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	**498,606,572**	519,233,274
Effect of dilutive securities:		
Employee options	**755,853**	95,871
Employee performance rights	**935,133**	965,977
Global employee share plan	**17,966**	9,380
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share:	**500,315,524**	520,304,502

Conversions, calls, subscription or issues after 30 June 2013

Subsequent to 30 June 2013, 6,863 shares have been issued to employees as a result of the exercise of performance rights and performance options. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary or potential ordinary shares since the reporting date and before the completion of this financial report.

Options and performance rights

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

		Consolidated Group		
		2013	2012	1 July 2011
		US$m	US$m	US$m
6	**Cash and cash equivalents**			
	Cash at bank and on hand	**203.5**	342.3	316.9
	Cash deposits	**558.7**	829.1	198.3
	Total cash and cash equivalents	**762.2**	1,171.4	515.2

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

		2013	2012	1 July 2011
7	**Trade and other receivables**			
	Current			
	Trade receivables	**778.5**	723.6	789.2
	Less: Provision for impairment loss *(i)*	**(40.9)**	(46.2)	(24.6)
		737.6	677.4	764.6
	Sundry receivables	**77.2**	77.7	72.1
	Prepayments	**35.7**	28.7	32.3
	Carrying amount of current trade and other receivables*	**850.5**	783.8	869.0
	Non Current			
	Related parties			
	Loans to other employees	**0.2**	0.1	1.2
	Long term deposits	**1.5**	3.6	-
	Other receivables	**6.9**	6.7	3.7
	Carrying amount of non current trade and other receivables*	**8.6**	10.4	4.9

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

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

As at 30 June 2013, the Group had current trade receivables which were impaired and had a nominal value of $40.9m (2012: $46.2m). These receivables have been provided for within the Group's provisions for impairment loss. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. Movements in the provision for impairment loss are reconciled as follows:

Opening balance at 1 July	**46.2**	24.6
Additional allowance/(utilised/written back)	**(7.2)**	26.5
Currency translation differences	**1.9**	(4.9)
Closing balance at 30 June	**40.9**	46.2

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

(ii) Other receivables

The other classes within trade and other receivables do not contain impaired or overdue receivable amounts and it is expected that all of these amounts will be received when due. The Group does not hold any collateral in respect to other receivable balances.

		Consolidated Group		
		2013	2012	1 July 2011
		US$m	US$m	US$m
8	**Inventories**			
	Raw materials and stores at the lower of cost and net realisable value	**367.1**	320.9	306.6
	Work in progress at the lower of cost and net realisable value	**564.7**	421.2	497.0
	Finished goods at the lower of cost and net realisable value	**707.6**	740.6	761.2
	Total inventories at the lower of cost and net realisable value	**1,639.4**	1,482.7	1,564.8
9	**Other financial assets**			
	Current			
	At fair value through the profit or loss:			
	Managed financial assets (held for trading)	**0.5**	1.8	19.3
	Total current other financial assets as at 30 June	**0.5**	1.8	19.3
	Non-current			
	At fair value through the profit or loss:			
	Managed financial assets	**1.0**	1.1	2.4
	Total non-current other financial assets as at 30 June	**1.0**	1.1	2.4

		Consolidated Group	
		2013	2012
		US$m	US$m
10	**Property, Plant and Equipment**		
	Land at cost		
	Opening balance 1 July	**25.6**	27.2
	Currency translation differences	**(2.1)**	(1.6)
	Closing balance 30 June	**23.5**	25.6
	Buildings at cost		
	Opening balance 1 July	**296.2**	305.1
	Transferred from capital work in progress	**25.6**	17.5
	Disposals	**(0.7)**	(0.6)
	Currency translation differences	**(8.8)**	(25.8)
	Closing balance 30 June	**312.3**	296.2
	Accumulated depreciation and impairment losses		
	Opening balance 1 July	**87.5**	82.5
	Depreciation for the year	**13.7**	13.9
	Disposals	**(0.6)**	(0.4)
	Currency translation differences	**(2.0)**	(8.5)
	Closing balance 30 June	**98.6**	87.5
	Net book value of buildings	**213.7**	208.7
	Net book value of land and buildings	**237.2**	234.3
	Leasehold improvements at cost		
	Opening balance 1 July	**84.4**	68.5
	Transferred from capital work in progress	**16.6**	16.6
	Other additions	**1.6**	0.5
	Disposals	**(1.3)**	(0.9)
	Currency translation differences	**(1.5)**	(0.3)
	Closing balance 30 June	**99.8**	84.4
	Accumulated amortisation and impairment		
	Opening balance 1 July	**27.0**	21.5
	Amortisation for the year	**7.3**	6.1
	Disposals	**(1.2)**	(0.8)
	Currency translation differences	**0.1**	0.2
	Closing balance 30 June	**33.2**	27.0
	Net book value of leasehold improvements	**66.6**	57.4

		Consolidated Group	
		2013	2012
		US$m	US$m
10	**Property, Plant and Equipment (continued)**		
	Plant and equipment at cost		
	Opening balance 1 July	**1,621.6**	1,628.1
	Transferred from capital work in progress	**143.0**	137.7
	Other additions	**15.8**	16.9
	Disposals	**(23.7)**	(18.9)
	Currency translation differences	**(21.0)**	(142.2)
	Closing balance 30 June	**1,735.7**	1,621.6
	Accumulated depreciation and impairment		
	Opening balance 1 July	**852.6**	819.0
	Depreciation for the year	**146.7**	125.4
	Disposals	**(23.2)**	(18.0)
	Currency translation differences	**(12.0)**	(73.8)
	Closing balance 30 June	**964.1**	852.6
	Net book value of plant and equipment	**771.6**	769.0
	Leased property, plant and equipment at cost		
	Opening balance 1 July	**30.9**	35.3
	Other additions	**2.4**	1.1
	Disposals	**(1.2)**	(1.3)
	Currency translation differences	**1.8**	(4.2)
	Closing balance 30 June	**33.9**	30.9
	Accumulated amortisation and impairment		
	Opening balance	**15.0**	15.4
	Amortisation for the year	**2.8**	3.0
	Disposals	**(0.8)**	(0.9)
	Currency translation differences	**1.4**	(2.5)
	Closing balance 30 June	**18.4**	15.0
	Net book value of leased property, plant and equipment	**15.5**	15.9
	Capital work in progress		
	Opening balance 1 July	**304.3**	171.8
	Other additions	**403.1**	324.6
	Disposals	**-**	(1.0)
	Transferred to buildings at cost	**(25.6)**	(17.5)
	Transferred to plant and equipment at cost	**(143.0)**	(137.7)
	Transferred to leasehold improvements at cost	**(16.6)**	(16.6)
	Transfers to intangibles	**(4.6)**	-
	Currency translation differences	**(21.3)**	(19.3)
	Closing balance 30 June	**496.3**	304.3
	Total net book value of property, plant and equipment	**1,587.2**	1,380.9

	Consolidated Group		
	2013	2012	1 July 2011
	US$m	US$m	US$m
11 Deferred tax assets and liabilities			
Deferred tax asset	**263.7**	198.5	187.2
Deferred tax liability	**(115.0)**	(111.1)	(131.3)
Net deferred tax asset/(liability)	**148.7**	87.4	55.9
Deferred tax balances reflect temporary differences attributable to:			
Amounts recognised in the statement of comprehensive income			
Trade and other receivables	**0.9**	(8.8)	
Inventories	**107.8**	91.8	
Property, plant and equipment	**(58.7)**	(71.5)	
Intangible assets	**(76.6)**	(43.1)	
Other assets	**(0.7)**	(0.6)	
Trade and other payables	**15.7**	10.5	
Interest bearing liabilities	**0.1**	3.9	
Other liabilities and provisions	**58.9**	50.9	
Retirement assets/(liabilities)	**31.2**	30.6	
Tax bases not in net assets – share based payments	**26.6**	10.4	
Recognised carry-forward tax losses	**16.5**	8.6	
Research and development offsets	**11.0**	-	
	132.7	82.7	
Amounts recognised in equity			
Capital raising costs	**1.8**	1.8	
Share based payments	**14.2**	2.9	
	16.0	4.7	
Net deferred tax asset/(liability)	**148.7**	87.4	
Movement in temporary differences during the year			
Opening balance	**87.4**	55.9	
Credited/(charged) to profit before tax	**47.2**	19.4	
Credited/(charged) to other comprehensive income	**5.3**	15.9	
Credited/(charged) to equity	**11.3**	1.0	
Currency translation difference	**(2.5)**	(4.8)	
Closing balance	**148.7**	87.4	
Unrecognised deferred tax assets			
Deferred tax assets have not been recognised in respect of the following items:			
Tax losses:			
Expiry date in less than 1 year	**-**	0.1	
No expiry date	**0.6**	0.7	
	0.6	0.8	

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

		Consolidated Group	
		2013	2012
		US$m	US$m
12	**Intangible Assets**		
	Carrying amounts		
	Goodwill		
	Opening balance at 1 July	**682.2**	766.0
	Currency translation differences	**5.3**	(83.8)
	Closing balance at 30 June	**687.5**	682.2
	Intellectual property		
	Opening balance at 1 July	**345.2**	381.4
	Additions	**0.2**	0.6
	Transfers	**(0.7)**	**-**
	Disposals	**(2.1)**	(1.6)
	Currency translation differences	**(10.8)**	(35.2)
	Closing balance at 30 June	**331.8**	345.2
	Accumulated amortisation and impairment		
	Opening balance at 1 July	**213.6**	213.7
	Amortisation for the year	**16.7**	18.8
	Currency translation differences	**(9.9)**	(18.9)
	Closing balance at 30 June	**220.4**	213.6
	Net intellectual property	**111.4**	131.6
	Software		
	Opening balance at 1 July	**72.0**	58.5
	Additions	**0.7**	0.6
	Transfers from intangible capital work in progress	**18.6**	15.0
	Currency translation differences	**0.1**	(2.1)
	Closing balance at 30 June	**91.4**	72.0
	Accumulated amortisation and impairment		
	Opening balance at 1 July	**29.9**	20.2
	Amortisation for the year	**14.4**	10.8
	Currency translation differences	**0.1**	(1.1)
	Closing balance at 30 June	**44.4**	29.9
	Net Software	**47.0**	42.1
	Intangible capital work in progress		
	Opening balance at 1 July	**9.4**	11.4
	Additions	**13.7**	13.3
	Transfers	**(17.9)**	(15.0)
	Transfers from property, plant and equipment	**4.6**	-
	Currency translation differences	**-**	(0.3)
	Closing balance at 30 June	**9.8**	9.4
	Total net intangible assets as at 30 June	**855.7**	865.3

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

	Consolidated Group	
	2013	2012
	US$m	US$m

12 Intangible Assets (continued)

Impairment tests for cash generating units containing goodwill
For the purpose of impairment testing, goodwill is allocated to the business unit which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

CSL Behring	**676.3**	669.9
CSL Intellectual Property	**11.2**	12.3
Closing balance of goodwill as at 30 June	**687.5**	682.2

The impairment tests for these cash generating units are based on value in use calculations. These calculations use cash flow projections based on actual operating results and the three-year strategic business plan, after which a terminal value is calculated based on a business valuation multiple. The valuation multiple has been calculated based on independent external analyst views, long term government bond rates and the company's pre-tax cost of debt. Projected cash flows have been discounted by using the implied pre-tax discount rate 9.5% (2012: 8.9%) associated with the business valuation multiple discussed above. Each unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. It is not considered a reasonable possibility for a change in assumptions to occur that would lead to a unit's recoverable amount falling below the carrying value of each unit's respective net assets.

		Consolidated Group		
		2013	2012	1 July 2011
		US$m	US$m	US$m
13	**Retirement benefit assets and liabilities**			
	Retirement benefit assets			
	Non-current defined benefit plans (refer note 26)	**-**	-	2.8
	Retirement benefit liabilities			
	Non-current defined benefit plans (refer note 26)	**179.5**	169.6	122.4
14	**Trade and other payables**			
	Current			
	Trade payables	**261.1**	220.9	263.0
	Accruals and other payables	**362.7**	315.4	267.4
	Share based payments (EDIP)	**24.1**	-	-
	Carrying amount of current trade and other payables	**647.9**	536.3	530.4
	Non-current			
	Share based payments (EDIP)	**23.2**	15.4	4.3
	Carrying amount of non-current trade and other payables	**23.2**	15.4	4.3
15	**Interest-bearing liabilities and borrowings**			
	Current			
	Bank overdrafts – Unsecured	**2.4**	3.3	0.6
	Bank loans – Unsecured *(a)*	**-**	-	224.7
	Senior Unsecured Notes – Unsecured *(b)*	**-**	163.4	14.7
	Lease liability – Secured *(c)*	**3.3**	2.9	3.1
		5.7	169.6	243.1
	Non-current			
	Bank loans – Unsecured *(a)*	**406.6**	351.4	-
	Senior Unsecured Notes - Unsecured *(b)*	**1,243.5**	744.8	175.2
	Lease liability - Secured *(c)*	**23.1**	23.8	29.1
		1,673.2	1,120.0	204.3

(a) The Group has three revolving committed bank facilities. These facilities mature in November 2016. Interest on the facilities is paid quarterly in arrears at a variable rate. As at the reporting date the Group had $391.5 million in undrawn funds available under these facilities.

(b) Represents US$1,250.0 million of Senior Unsecured Notes placed into the US Private Placement market. The notes mature in March 2018 (US$100m), November 2018 (US$200m), March 2020 (US$150m), November 2021 (US$250m), March 2023 (US$150m), November 2023 (US$200m), March 2025 (US$100m) and November 2026 (US$100m). The weighted average interest rate on the notes is fixed at 3.41%.

(c) Finance leases have an average lease term of 12 years (2012: 12 years). The weighted average discount rate implicit in the leases is 5.85% (2012: 5.65%). The Group's lease liabilities are secured by leased assets of $15.5 million (2012: $15.9m). In the event of default, leased assets revert to the lessor.

The Company is in compliance with all debt covenants.

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

		Consolidated Group		
		2013	2012	1 July 2011
		US$m	US$m	US$m
16	**Tax liabilities**			
	Current tax receivable	**6.7**	5.4	-
		6.7	5.4	-
	Current income tax liability	**159.9**	141.7	141.5
		159.9	141.7	141.5
17	**Provisions**			
	Current			
	Employee benefits	**81.6**	81.7	76.9
	Restructuring	**5.3**	6.6	4.4
	Onerous contracts	**-**	10.3	11.9
	Other	**1.5**	1.7	2.0
		88.4	100.3	95.2
	Non-current			
	Employee benefits	**33.4**	27.2	29.4
	Other	**0.8**	0.8	1.2
		34.2	28.0	30.6

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

Onerous contracts
The provision recognised is based on the excess of the estimated cash flows to meet the unavoidable costs, over the estimated cash flows to be received in relation to certain contracts, having regard to the risks of the activities relating to the contracts. During the financial year the final onerous contract matter relating to the acquisition of Aventis Behring was resolved in the Company's favour. Accordingly the provision is no longer required and has been reversed.

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

		Consolidated Group		
		2013	2012	1 July 2011
		US$m	US$m	US$m
17	**Provisions (continued)**			
	Movements in provisions			
	Restructuring			
	Opening balance	**6.6**	4.4	
	Provided	**4.0**	3.4	
	Payments made	**(4.8)**	(1.1)	
	Currency differences	**(0.5)**	(0.1)	
	Closing balance	**5.3**	6.6	
	Onerous contracts			
	Opening balance	**10.3**	11.9	
	Reversal of provision no longer required	**(10.6)**	-	
	Currency differences	**0.3**	(1.6)	
	Closing balance	**-**	10.3	
	Other			
	Opening balance	**2.5**	3.2	
	Additional provision	**0.6**	0.3	
	Payments made	**(0.6)**	(0.6)	
	Currency differences	**(0.2)**	(0.4)	
	Closing balance	**2.3**	2.5	
18	**Deferred government grants**			
	Current deferred income	**0.9**	1.0	1.1
	Non-current deferred income	**37.0**	30.2	20.3
	Total deferred government grants	**37.9**	31.2	21.4
19	**Derivative financial instruments – current liabilities**			
	Forward Currency Contracts	**3.8**	1.4	5.4

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

		Consolidated Group		
		2013	2012	1 July 2011
		US$m	US$m	US$m
20	**Contributed equity**			
	Ordinary shares issued and fully paid	**-**	-	-
	Share buy-back reserve	**(1,978.3)**	(869.1)	(228.0)
	Total contributed equity	**(1,978.3)**	(869.1)	(228.0)

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

Due to share buy-backs, the balance for ordinary share contributed equity has been reduced to nil, and a reserve created to reflect the excess of shares bought over the original amount of subscribed capital.

	2013		2012	
	Number of shares	**US$m**	Number of shares	US$m
Movement in contributed equity				
Opening balance at 1 July	**506,929,847**	**(869.1)**	524,840,532	(228.0)
Shares issued to employees via:				
- Performance Options *(i)*	**853,680**	**30.4**	163,814	3.6
- Performance Rights (for nil consideration)	**364,264**	**-**	240,178	-
- GESP *(ii)*	**171,111**	**5.7**	207,576	5.4
Share buy-back, inclusive of cost	**(20,966,720)**	**(1,135.6)**	(18,522,253)	(650.1)
Tax Adjustment	**-**	**(9.7)**	-	-
Closing balance	**487,352,182**	**(1,978.3)**	506,929,847	(869.1)

		Consolidated Group	
		2013	2012
		US$m	US$m
(i)	Options exercised under Performance Option plans as disclosed in note 27 were as follows		
	- 97,762 issued at A$17.48 (2012: 128,670 issued at A$17.48)	**1.8**	2.3
	- 342,918 issued at A$35.46 (2012: 30,849 issued at A$35.46)	**12.6**	1.1
	- 3,240 issued at A$36.23 (2012: Nil)	**0.1**	-
	- 393,166 issued at A$37.91 (2012: 4,295 issued at A$37.91)	**15.4**	0.2
	- 7,104 issued at A$32.50 (2012: Nil)	**0.2**	-
	- 2,550 issued at A$33.45 (2012: Nil)	**0.1**	-
	- 6,940 issued at A$29.34 (2012: Nil)	**0.2**	-
		30.4	3.6
(ii)	Shares issued to employees under Global Employee Share Plan (GESP) as disclosed in note 27 were as follows:		
	- 95,521 issued at A$27.87 on 7 September 2012	**2.8**	2.7
	- 75,590 issued at A$37.45 on 7 March 2013	**2.9**	2.7
		5.7	5.4

	Consolidated Group		
	2013 US$m	2012 US$m	1 July 2011 US$m
21 Reserves			
Share based payments reserve	**127.0**	96.3	82.2
Foreign currency translation reserve	**451.3**	536.6	901.1
Available-for-sale investments reserve	**-**	-	(1.2)
Carrying value of reserves at 30 June	**578.3**	632.9	982.1
Movements in reserves			
Share based payments reserve (i)			
Opening balance at 1 July	**96.3**	82.2	
Share based payments expense	**16.2**	12.1	
Deferred tax on share based payments	**14.5**	2.0	
Closing balance at 30 June	**127.0**	96.3	
Foreign currency translation reserve (ii)			
Opening balance at 1 July	**536.6**	901.1	
Net exchange gains / (losses) on translation of foreign subsidiaries, net of hedge	**(85.3)**	(364.5)	
Closing balance at 30 June	**451.3**	536.6	
Available-for-sale investments reserve (iii)			
Opening balance at 1 July	**-**	(1.2)	
Mark to market adjustment on available-for-sale financial assets	**-**	1.2	
Closing balance at 30 June	**-**	-	

Nature and purpose of reserves

(i) *Share based payments reserve*

The share based payments reserve is used to recognise the fair value of options, performance rights and global employee share plan rights issued to employees.

(ii) *Foreign currency translation reserve*

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

(iii) *Available-for-sale investments reserve*

Changes in the fair value and exchange differences arising on translation of investments classified as available-for-sale financial assets are recognised in other comprehensive income, as described in note 1(m) and accumulated in a separate reserve within equity. Amounts are reclassified to profit and loss when the associated assets are sold or impaired.

			Consolidated Group	
		Note	**2013 US$m**	2012 US$m
22	**Retained earnings**			
	Opening balance at 1 July		**3,712.9**	3,162.5
	Net profit for the year		**1,216.3**	1,023.9
	Dividends	**23**	**(499.4)**	(424.3)
	Actuarial gain/(loss) on defined benefit plans		**(28.3)**	(65.1)
	Deferred tax on actuarial gain/(loss) on defined benefit plans		**5.3**	15.9
	Closing balance at 30 June		**4,406.8**	3,712.9
23	**Dividends**			
	Dividends paid			
	Dividends recognised in the current year by the Company are:			
	Final ordinary dividend of A$0.47 per share, unfranked, paid on 12 October 2012 (2012: A$0.45 per share, franked to 4%)		**247.1**	231.0
	Interim ordinary dividend of US$0.50 per share, unfranked, paid on 5 April 2013 (2012: A$0.36 per share, unfranked)		**252.3**	193.3
			499.4	424.3
	Dividends not recognised at year end			
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of US$0.52 per share, unfranked (2012: ordinary dividend of Australian A$0.47 per share, unfranked). The final dividend is expected to be paid on 4 October 2013. Based on the number of shares on issue as at reporting date, the aggregate amount of the proposed dividend would be:		**253.4**	257.2
	The actual aggregate dividend amount paid out of profits will be dependent on the actual number of shares on issue at dividend record date.			

	Notes	Consolidated Group 2013 US$m	2012 US$m
24 Equity			
Total equity at the beginning of the financial year		**3,476.7**	3,916.6
Total comprehensive income for the period		**1,108.0**	611.4
Movement in contributed equity	**20**	**(1,109.2)**	(641.1)
Dividends	**23**	**(499.4)**	(424.3)
Movement in share based payments reserve	**21**	**30.7**	14.1
Total equity at the end of the financial year		**3,006.8**	3,476.7

25 Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents and non-cash financing and investing activities

	Notes	2013 US$m	2012 US$m
Cash at the end of the year is shown in the cash flow statement as:			
Cash at bank and on hand	**6**	**203.5**	342.3
Cash deposits	**6**	**558.7**	829.1
Bank overdrafts	**15**	**(2.4)**	(3.3)
		759.8	1,168.1

(b) Reconciliation of Profit after tax to Cash Flows from Operations

	2013 US$m	2012 US$m
Profit after tax	**1,216.3**	1,023.9
Non-cash items in profit after tax		
Depreciation, amortisation and impairment charges	**201.6**	178.0
(Gain)/loss on disposal of property, plant and equipment	**0.6**	2.5
Share based payments expense	**53.1**	23.8
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(14.1)**	2.9
(Increase)/decrease in inventories	**(162.8)**	(31.9)
(Increase)/decrease in retirement benefit assets	**-**	2.6
Increase/decrease in net tax assets and liabilities	**(47.1)**	(6.2)
Increase/(decrease) in trade and other payables	**85.6**	1.8
Increase/(decrease) in provisions	**(31.8)**	10.6
Increase/(decrease) in retirement benefit liabilities	**10.3**	(2.2)
Net cash inflow from operating activities	**1,311.7**	1,205.8

(c) Non cash financing activities

	2013 US$m	2012 US$m
Acquisition of plant and equipment by means of finance leases	**2.4**	1.1

	Consolidated Group	
	2013	2012
	US$m	US$m

26 Employee benefits

A reconciliation of the employee benefits recognised is as follows:

	2013 US$m	2012 US$m
Retirement benefit assets – non-current (note 13)	**-**	-
Provision for employee benefits – current (note 17)	**81.6**	81.7
Retirement benefit liabilities – non-current (note 13)	**179.5**	169.6
Provision for employee benefits – non-current (note 17)	**33.4**	27.2
	294.5	278.5

	Number of FTEs	
	2013	2012
The number of full time equivalents employed at 30 June	**11,285**	10,515

(a) Defined benefit plans

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

	Consolidated Group	
	2013	2012
	US$m	US$m
Movements in the net liability/(asset) for defined benefit obligations recognised in the balance sheet		
Net liability/(asset) for defined benefit obligation:		
Opening balance	**169.6**	119.7
Contributions received	**(10.8)**	(21.1)
Benefits paid	**(3.8)**	(3.1)
Expense/(benefit) recognised in the statement of comprehensive income	**1.6**	20.6
Actuarial (gains)/losses recognised in equity	**22.1**	69.3
Currency translation differences	**0.8**	(15.8)
Closing balance	**179.5**	169.6
Net liability/(asset) for defined benefit obligation is reconciled to the balance sheet as follows:		
Retirement benefit assets – non-current (note 13)	**-**	-
Retirement benefit liabilities – non-current (note 13)	**179.5**	169.6
Net liability/(asset)	**179.5**	169.6

Amounts for the current and previous periods are as follows:

	Consolidated Group		
	2013	2012	2011
	US$m	US$m	US$m
Defined benefit obligation	**615.7**	555.0	529.0
Plan assets	**436.2**	385.4	409.4
Surplus/(deficit)	**(179.5)**	(169.6)	(119.6)
Experience adjustments on plan liabilities	**(56.3)**	(60.3)	(13.9)
Experience adjustments on plan assets	**34.2**	(9.0)	4.0
Actual return on plan assets	**49.8**	8.8	21.1

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

	Consolidated Group	
	2013	2012
	US$m	US$m

26 Employee benefits (continued)

(a) Defined benefit plans (continued)

	2013 US$m	2012 US$m
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	**555.0**	529.0
Service cost	**21.5**	19.9
Interest cost	**16.6**	18.0
Contributions by members	**6.1**	5.9
Actuarial (gains)/losses	**56.3**	60.3
Benefits paid	**(19.3)**	(16.5)
Past service costs #	**(21.8)**	-
Other movements	**0.6**	-
Currency translation differences	**0.7**	(61.6)
Closing balance	**615.7**	555.0
The present value of the defined benefit obligation comprises:		
Present value of wholly unfunded obligations	**142.2**	117.4
Present value of funded obligations	**473.5**	437.6
	615.7	555.0
Changes in the fair value of plan assets are as follows:		
Opening balance	**385.4**	409.3
Expected return on plan assets	**15.7**	17.8
Actuarial gains/(losses) on plan assets	**34.2**	(9.0)
Contributions by employer	**10.8**	21.1
Contributions by members	**6.1**	5.9
Benefits paid	**(15.7)**	(13.5)
Other movements	**(0.3)**	(0.4)
Currency translation differences	**-**	(45.8)
Closing balance	**436.2**	385.4
The major categories of plan assets as a percentage of total plan assets is as follows:		
Cash	**7.0%**	5.2%
Equity instruments	**35.5%**	33.7%
Debt instruments	**41.9%**	43.0%
Property	**14.3%**	16.5%
Other assets	**1.3%**	1.6%
	100.0%	100.0%
Expenses/(gains) recognised in the statement of comprehensive income are as follows:		
Current service costs	**22.5**	20.4
Interest on obligation	**16.6**	18.0
Expected return on assets	**(15.7)**	(17.8)
Past service costs #	**(21.8)**	-
Total included in employee benefits expense	**1.6**	20.6

past service costs arise as a consequence of a reduction in plan benefits

	Consolidated Group	
	2013	2012

26 Employee benefits (continued)

(a) Defined benefit plans (continued)

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

	2013	2012
Discount rate	**2.5%**	3.0%
Expected return on assets and expected long-term rate of return on assets[1]	**3.1%**	3.4%
Future salary increases	**2.2%**	2.3%
Future pension increases	**0.4%**	0.4%

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

Surplus/(deficit) for each defined benefit plan on a funding basis	**Plan assets[2] US$m**	**Accrued benefit[2] US$m**	**Plan surplus / (deficit) US$m**
Consolidated Group – June 2013			
CSL Pension Plan (Australia)	**33.7**	**(34.3)**	**(0.6)**
CSL Behring AG Pension Fund (Switzerland)	**347.7**	**(370.2)**	**(22.5)**
CSL Behring Union Pension Plan (US UPP)	**54.8**	**(68.9)**	**(14.1)**
CSL Behring GmbH Supplementary Pension Plan (Germany)	**-**	**(116.0)**	**(116.0)**
CSL Pharma GmbH Pension Plan (Germany)	**-**	**(2.0)**	**(2.0)**
CSL Behring KG Pension Plan (Germany)	**-**	**(7.7)**	**(7.7)**
CSL Plasma GmbH Pension Plan (Germany)	**-**	**(0.2)**	**(0.2)**
CSL Behring KK Retirement Allowance Plan (Japan)	**-**	**(14.7)**	**(14.7)**
CSL Behring S.A. Pension Plan (France)	**-**	**(0.4)**	**(0.4)**
CSL Behring S.p.A Pension Plan (Italy)	**-**	**(1.3)**	**(1.3)**
	436.2	**(615.7)**	**(179.5)**
Consolidated Group – June 2012			
CSL Pension Plan (Australia)	34.8	(40.9)	(6.1)
CSL Behring AG Pension Fund (Switzerland)	302.8	(333.3)	(30.5)
CSL Behring Union Pension Plan (US UPP)	47.8	(63.3)	(15.5)
CSL Behring GmbH Supplementary Pension Plan (Germany)	-	(90.7)	(90.7)
CSL Pharma GmbH Pension Plan (Germany)	-	(1.8)	(1.8)
CSL Behring KG Pension Plan (Germany)	-	(5.8)	(5.8)
CSL Plasma GmbH Pension Plan (Germany)	-	(0.2)	(0.2)
CSL Behring KK Retirement Allowance Plan (Japan)	-	(17.5)	(17.5)
CSL Behring S.A. Pension Plan (France)	-	(0.4)	(0.4)
CSL Behring S.p.A Pension Plan (Italy)	-	(1.1)	(1.1)
	385.4	(555.0)	(169.6)

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

In addition to the above, CSL Behring GmbH employees are members of two multi-employer pension plans ("Penka 1" and "Penka 2") administered by an unrelated third party. CSL Behring and the employees make contributions to the plans and receive pension entitlements on retirement. CSL is aware that there is the potential for the employer to have to make additional contributions in the event that the multi-employer fund does not have sufficient assets to pay all benefits. There is insufficient information available for the scheme to be shown at the CSL Group level because the pension assets cannot be split between the participating companies. The company's contributions are advised by the funds and are designed to cover expected liabilities based on actuarial assumptions. CSL Behring GmbH contribute 400% of the employee contribution to Penka 1 from 1 January 2013, previously the rate was 300% of the employee contribution (2013: €4.5m, 2012: €3.9m) and 100% of the employee contribution to Penka 2 (2013: €0.6m, 2012: €0.4m), Until the change in contribution rate for Penka 1 neither of these contribution rates has changed since 2007. Contributions are expensed in the year in which they are made.

(b) Defined contribution plans

The Group makes contributions to various defined contribution pension plans. The amounts recognised as an expense for the year ended 30 June 2013 was $23.5m (2012: $19.8m).

	Consolidated Group	
	2013	2012
	US$m	US$m
27 Share based payments		
(a) Recognised share based payments expenses		
The expense recognised for employee services rendered during the year is as follows:		
Expense arising from equity-settled share-based payment transactions	**16.2**	12.2
Expense arising from cash-settled share-based payment transactions	**36.9**	11.6
	53.1	23.8

(b) Share based payment schemes

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

Senior Executive Share Ownership Plan (SESOP II)

The SESOP II plan was approved by special resolution at the annual general meeting of the Company on 20 November 1997. The plan governed the provision of share based long term incentives in the form of options issued between 1997 and 1 July 2003 inclusive. There have been no SESOP II options issued since July 2003. Other than those which lapsed, all SESOP II options vested in earlier financial years following the achievement of a 7% compound growth in earnings per share over their vesting period. All SESOP II options which were capable of vesting have now been exercised. The price payable on exercise of SESOP II options equalled the weighted average price over the 5 days preceding the issue date of the options. Upon request, interest bearing loans were available to employees to fund the exercise of their SESOP II options. At 30 June 2013, no loans remain outstanding.

Employee Performance Rights Plan (the plan)

The Employee Performance Rights Plan was approved by special resolution at the annual general meeting of the Company on 16 October 2003.

Share based long term incentives issued between October 2003 and April 2006

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

Share based long term incentives issued between May 2006 and October 2009

The Employee Performance Rights Plan was amended with effect from October 2006. Under the amended plan, share based long term incentives issued between October 2006 and October 2009 comprise grants made to executives of both performance rights and performance options, each subject to a different performance hurdle. Each long-term incentive grant generally consisted of 50% performance rights and 50% performance options. Grants of performance rights and performance options were issued for nil consideration. The plan, as amended, retained the TSR performance hurdle and provided for 100% vesting of performance rights at the expiration of their vesting period if the Company's TSR performance was at or above the 50th percentile on the relevant test date. Under the revised plan, performance options were subject to an earnings per share (EPS) performance hurdle. 10% compound EPS growth per annum is required for the performance options to vest at the expiration of their vesting period. EPS growth is measured from 30 June in the financial year preceding the grant of options until 30 June in the financial year prior to the relevant test date. Vested performance options entitle the holder to one ordinary share on payment of an exercise price equal to the volume weighted average CSL share price over the week up to and including the date of grant. Performance rights and performance options issued between October 2006 and October 2009 were issued for a term of seven years. A portion, namely 25%, of the number of instruments granted becomes exercisable, subject to satisfying the relevant performance hurdle, after the second anniversary of the date of grant. Again, subject to satisfying the relevant performance hurdle, further portions of 35% and 40% of the number of instruments granted become exercisable after the third and fourth anniversaries post date of grant, respectively. If the portion tested at the applicable anniversary meets the relevant performance hurdle, that portion of rights and options vest and become exercisable until the expiry date. If the portion tested fails to meet the performance hurdle the portion is carried over to the next anniversary and retested. After the fifth anniversary, any performance rights and performance options not vested lapse. Importantly, there is an individual employee hurdle requiring an executive to obtain for the financial year prior to exercise of the Performance Rights and Performance Options, a satisfactory (or equivalent) rating under the Company's performance management system. The last grant of performance rights and options to be issued on these terms was in October 2009.

27 Share based payments (continued)

(b) Share based payment schemes (continued)

Share based long term incentives issued between October 2010 and October 2011

Changes were made to the terms and conditions and key characteristics of Performance Rights and Performance Options granted since October 2010 and the number of employees who received grants was reduced following the introduction of the Employee Deferred Incentive Plan. Employees receiving a grant under the Plan received 80% of their entitlement in Performance Rights and 20% in Performance Options. Subject to performance hurdles being satisfied vesting of 50% of the LTI award will occur after 3 years, with the remaining 50% vesting after the 4th anniversary of the award date. EPS and TSR measures are applied to both Performance Rights and Performance Options as detailed in the Remuneration Report.

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

Share based long term incentives issued since October 2012

Prior to October 2012, LTI grants in October 2010 and 2011 were made up in the form of Performance Rights and Performance Options. Changes were made to the plan in October 2012 with LTI grants to be made up of solely Performance Rights. The hurdles for this and future grants will be set and measured in US Dollars in line with our reporting currency. Subject to performance hurdles being satisfied vesting of 50% of the LTI award will occur after 3 years, with the remaining 50% vesting after the 4th anniversary of the award date. The main changes were the adjustment to graduated vesting for the compound EPS hurdle and the move to measuring relative TSR through comparison with an international index of Pharma and Biotech companies rather than using an ASX comparator group.

Global Employee Share Plan (GESP)

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

Executive Deferred Incentive Plan (EDIP)

On 1 October 2012, 418,200 notional shares were granted to employees under the Executive Deferred Incentive Plan (2012: 584,400). This plan provides for a grant of notional shares which will generate a cash payment to participants in three years time, provided they are still employed by the company and receive a satisfactory performance review over that period. The amount of the cash payment will be determined by reference to the CSL share price immediately before the three year anniversary.

27 Share based payments (continued)

(c) Outstanding share based payment equity instruments

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

June 2013	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2013
Options (by grant date)							**A$**		
2 October 2006	140,982	-	97,762	-	-	43,220	$17.48	2-Oct-13	43,220
1 October 2007	521,831	-	342,918	4,380	-	174,533	$35.46	30-Sep-14	174,533
1 April 2008	3,240	-	3,240	-	-	-	$36.23	31-Mar-15	-
1 October 2008	651,585	-	393,166	4,904	-	253,515	$37.91	30-Sep-15	253,515
1 April 2009	7,760	-	7,104	-	-	656	$32.50	31-Mar-16	656
1 October 2009	1,020,640	-	-	35,171	-	985,469	$33.68	30-Sep-16	-
1 October 2010	216,420	-	2,550	13,769	-	200,101	$33.45	30-Sep-17	-
1 October 2011	261,140	-	6,940	6,290	-	247,910	$29.34	30-Sep-18	-
	2,823,598	-	853,680	64,514	-	1,905,404			471,924
Performance Rights (by grant date)									
2 October 2006	32,277	-	24,459	-	-	7,818	Nil	2-Oct-13	7,818
1 October 2007	51,800	-	23,885	-	-	27,915	Nil	30-Sep-14	27,915
1 April 2008	252	-	252	-	-	-	Nil	31-Mar-15	-
1 October 2008	235,580	-	183,778	2,400	-	49,402	Nil	30-Sep-15	49,402
1 April 2009	2,880	-	2,280	-	-	600	Nil	31-Mar-16	600
1 October 2009	282,905	-	118,540	5,074	-	159,291	Nil	30-Sep-16	28,864
1 October 2010	284,420	-	3,350	18,091	-	262,979	Nil	30-Sep-17	-
1 October 2011	290,200	-	7,720	6,989	-	275,491	Nil	30-Sep-18	-
1 October 2012	-	247,780	-	-	-	247,780	Nil	30-Sep-19	-
	1,180,314	247,780	364,264	32,554	-	1,031,276			114,599
GESP (by grant date)									
1 March 2012	95,521	-	95,521	-	-	-	$27.87	31-Aug-12	-
1 September 2012	-	75,590	75,590	-	-	-	$37.45	28-Feb-13	-
1 March 2013 [#]	-	68,878	-	-	-	68,878	$50.98	31-Aug-13	-
	95,521	144,468	171,111	-	-	68,878			
Total	**4,099,433**	**392,248**	**1,389,055**	**97,068**	**-**	**3,005,558**			**586,523**

[#] As noted above, the exercise price at which GESP plan shares are issued is calculated at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period. Accordingly the exercise price and the final number of shares issued is not yet known (and may differ from the assumptions and fair values disclosed below). The number of shares which may ultimately be issued based on entitlements granted on 1 March 2013 has been estimated based on information available as at 30 June 2013.

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

Options	A$48.46
Performance Rights	A$50.10
GESP	A$50.84

27 Share based payments (continued)

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

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

June 2012	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2012
Options (by grant date)							**A$**		
2 October 2006	269,652	-	128,670	-	-	140,982	$17.48	2-Oct-13	140,982
1 October 2007	595,520	-	30,849	42,840	-	521,831	$35.46	30-Sep-14	521,831
1 April 2008	3,240	-	-	-	-	3,240	$36.23	31-Mar-15	3,240
1 October 2008	684,240	-	4,295	28,360	-	651,585	$37.91	30-Sep-15	389,233
1 April 2009	9,300	-	-	1,540	-	7,760	$32.50	31-Mar-16	4,656
1 October 2009	1,066,320	-	-	45,680	-	1,020,640	$33.68	30-Sep-16	-
1 October 2010	216,420	-	-	-	-	216,420	$33.45	30-Sep-17	-
1 October 2011	-	261,140	-	-	-	261,140	$29.34	30-Sep-18	-
	2,844,692	261,140	163,814	118,420	-	2,823,598			1,059,942
Performance Rights (by grant date)									
29 October 2004	9,500	-	9,500	-	-	-	Nil	25-Aug-11	-
7 September 2005	66,950	-	66,950	-	-	-	Nil	7-Jun-12	-
2 October 2006	62,952	-	30,675	-	-	32,277	Nil	2-Oct-13	32,277
1 October 2007	125,814	-	70,810	3,204	-	51,800	Nil	30-Sep-14	51,800
1 April 2008	1,460	-	1,208	-	-	252	Nil	31-Mar-15	252
1 October 2008	247,840	-	-	12,260	-	235,580	Nil	30-Sep-15	-
1 April 2009	3,440	-	-	560	-	2,880	Nil	31-Mar-16	-
1 October 2009	358,240	-	60,735	14,600	-	282,905	Nil	30-Sep-16	27,875
1 October 2010	284,420	-	-	-	-	284,420	Nil	30-Sep-17	-
1 October 2011	-	290,200	-	-	-	290,200	Nil	30-Sep-18	-
	1,160,616	290,200	239,878	30,624	-	1,180,314			112,204
GESP (by grant date)									
1 March 2011	102,876	-	102,876	-	-	-	$24.17	31-Aug-11	-
1 September 2011	-	104,700	104,700	-	-	-	$24.03	28-Feb-12	-
1 March 2012 [#]	-	99,215	-	-	-	99,215	$27.65	31-Aug-12	-
	102,876	203,915	207,576	-	-	99,215			-
Total	**4,108,184**	**755,255**	**611,268**	**149,044**	**-**	**4,103,127**			**1,172,146**

[#] As noted above, the exercise price at which GESP plan shares are issued is calculated at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

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

Options	A$33.39
Performance Rights	A$32.78
GESP	A$30.14

27 Share based payments (continued)

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

	Fair Value[1]	Share Price	Exercise Price	Expected volatility[2]	Life assumption	Expected dividend yield	Risk free interest rate
Performance Rights (by grant date)	**A$**	**A$**	**A$**				
29 October 2004	$6.90	$9.60	Nil	34.0%	4 years	2.0%	5.32%
7 September 2005	$8.13	$11.58	Nil	27.0%	4 years	1.5%	5.10%
2 October 2006 – Tranche 1	$14.20	$18.01	Nil	27.0%	2 years	1.5%	5.67%
2 October 2006 – Tranche 2	$13.32	$18.01	Nil	27.0%	3 years	1.5%	5.67%
2 October 2006 – Tranche 3	$12.47	$18.01	Nil	27.0%	4 years	1.5%	5.67%
1 October 2007 – Tranche 1	$28.65	$35.93	Nil	29.0%	2 years	1.5%	6.45%
1 October 2007 – Tranche 2	$26.78	$35.93	Nil	29.0%	3 years	1.5%	6.45%
1 October 2007 – Tranche 3	$25.20	$35.93	Nil	29.0%	4 years	1.5%	6.45%
1 April 2008 – Tranche 1	$30.27	$36.56	Nil	32.0%	2 years	1.5%	6.00%
1 April 2008 – Tranche 2	$29.06	$36.56	Nil	32.0%	3 years	1.5%	6.00%
1 April 2008 – Tranche 3	$27.57	$36.56	Nil	32.0%	4 years	1.5%	6.00%
1 October 2008 – Tranche 1	$33.30	$38.75	Nil	33.0%	2 years	1.5%	5.22%
1 October 2008 – Tranche 2	$31.72	$38.75	Nil	33.0%	3 years	1.5%	5.22%
1 October 2008 – Tranche 3	$30.15	$38.75	Nil	33.0%	4 years	1.5%	5.22%
1 April 2009 – Tranche 1	$27.55	$32.10	Nil	33.0%	2 years	1.5%	3.94%
1 April 2009 – Tranche 2	$26.55	$32.10	Nil	33.0%	3 years	1.5%	3.94%
1 April 2009 – Tranche 3	$25.50	$32.10	Nil	33.0%	4 years	1.5%	3.94%
1 October 2009 – Tranche 1	$28.91	$33.44	Nil	33.0%	2 years	1.5%	5.16%
1 October 2009 – Tranche 2	$27.72	$33.44	Nil	33.0%	3 years	1.5%	5.16%
1 October 2009 – Tranche 3	$26.31	$33.44	Nil	33.0%	4 years	1.5%	5.16%
1 October 2010 – Tranche 1	$26.59	$32.94	Nil	30.0%	3 years	2.5%	4.83%
1 October 2010 – Tranche 2	$26.23	$32.94	Nil	30.0%	4 years	2.5%	4.91%
1 October 2011 – Tranche 1	$23.75	$29.34	Nil	27.0%	3 years	2.5%	3.44%
1 October 2011 – Tranche 2	$23.41	$29.34	Nil	27.0%	4 years	2.5%	3.52%
1 October 2012 – Tranche 1	$35.52	$45.76	Nil	21.0%	3 years	2.0%	2.41%
1 October 2012 – Tranche 2	$34.69	$45.76	Nil	21.0%	4 years	2.0%	2.50%

[1] Options and rights granted are subject to a service condition. Option grants made between 2006 and 2009 are also subject to a non-market vesting condition based on earnings per share (EPS). Service conditions and non-market conditions are not taken into account in the determination of fair value at grant date. Contrastingly, grants of rights made between 2006 and 2009 are also subject to a market vesting condition based on total shareholder returns (TSR), a condition which is taken into account when the fair value of rights is determined. However as a result of the comprehensive review carried out on the PRP, since October 2010 grants of Performance Rights and Options now consist of a market vesting condition TSR hurdle and a non market vesting condition EPS hurdle equally applied to each grant.

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

27 Share based payments (continued)

(d) Valuation assumptions and fair values of equity instruments granted (continued)

	Fair Value[1]	Share Price	Exercise Price	Expected volatility[2]	Life assumption	Expected dividend yield	Risk free interest rate
Options (by grant date)	**A$**	**A$**	**A$**				
2 October 2006 – Tranche 1	$5.71	$18.01	$17.48	27.0%	2 years	1.5%	5.67%
2 October 2006 – Tranche 2	$5.83	$18.01	$17.48	27.0%	3 years	1.5%	5.67%
2 October 2006 – Tranche 3	$5.96	$18.01	$17.48	27.0%	4 years	1.5%	5.67%
1 October 2007 – Tranche 1	$12.06	$35.93	$35.46	29.0%	2 years	1.5%	6.45%
1 October 2007 – Tranche 2	$12.33	$35.93	$35.46	29.0%	3 years	1.5%	6.45%
1 October 2007 – Tranche 3	$12.59	$35.93	$35.46	29.0%	4 years	1.5%	6.45%
1 April 2008 – Tranche 1	$12.64	$36.56	$36.23	32.0%	2 years	1.5%	6.00%
1 April 2008 – Tranche 2	$12.92	$36.56	$36.23	32.0%	3 years	1.5%	6.00%
1 April 2008 – Tranche 3	$13.18	$36.56	$36.23	32.0%	4 years	1.5%	6.00%
1 October 2008 – Tranche 1	$13.31	$38.75	$37.91	33.0%	2 years	1.5%	5.22%
1 October 2008 – Tranche 2	$13.58	$38.75	$37.91	33.0%	3 years	1.5%	5.22%
1 October 2008 – Tranche 3	$13.85	$38.75	$37.91	33.0%	4 years	1.5%	5.22%
1 April 2009 – Tranche 1	$9.27	$32.10	$32.50	33.0%	2 years	1.5%	3.94%
1 April 2009 – Tranche 2	$9.73	$32.10	$32.50	33.0%	3 years	1.5%	3.94%
1 April 2009 – Tranche 3	$10.15	$32.10	$32.50	33.0%	4 years	1.5%	3.94%
1 October 2009 – Tranche 1	$10.34	$33.44	$33.68	33.0%	2 years	1.5%	5.16%
1 October 2009 – Tranche 2	$10.87	$33.44	$33.68	33.0%	3 years	1.5%	5.16%
1 October 2009 – Tranche 3	$11.36	$33.44	$33.68	33.0%	4 years	1.5%	5.16%
1 October 2010 – Tranche 1	$8.46	$32.94	$33.45	30.0%	3 years	2.5%	4.83%
1 October 2010 – Tranche 2	$8.90	$32.94	$33.45	30.0%	4 years	2.5%	4.91%
1 October 2011 – Tranche 1	$6.34	$29.34	$29.34	27.0%	3 years	2.5%	3.44%
1 October 2011 – Tranche 2	$6.77	$29.34	$29.34	27.0%	4 years	2.5%	3.52%
GESP (by grant date)[3]							
1 March 2008	$5.51	$36.75	$31.24	32.0%	6 months	1.5%	6.00%
1 September 2008	$5.62	$37.50	$31.88	33.0%	6 months	1.5%	5.22%
1 March 2009	$4.84	$32.29	$27.45	33.0%	6 months	1.5%	3.94%
1 September 2009	$4.94	$32.96	$28.02	33.0%	6 months	1.5%	5.16%
1 March 2010	$4.81	$32.10	$27.29	30.0%	6 months	2.5%	4.83%
1 September 2010	$4.86	$32.37	$27.51	30.0%	6 months	2.5%	4.83%
1 March 2011	$4.27	$28.44	$24.17	27.0%	6 months	2.5%	3.44%
1 September 2011	$4.24	$28.27	$24.03	27.0%	6 months	2.5%	3.44%
1 March 2012	$4.92	$32.79	$27.87	21.0%	6 months	2.0%	2.41%
1 September 2012	$6.61	$44.06	$37.45	21.0%	6 months	2.0%	2.41%
1 March 2013	$9.00	$59.98	$50.98	21.0%	6 months	2.0%	2.41%

[1] Options and rights granted are subject to a service condition. Option grants made between 2006 and 2009 are also subject to a non-market vesting condition based on earnings per share (EPS). Service conditions and non-market conditions are not taken into account in the determination of fair value at grant date. Contrastingly, grants of rights made between 2006 and 2009 are also subject to a market vesting condition based on total shareholder returns (TSR), a condition which is taken into account when the fair value of rights is determined. However as a result of the comprehensive review carried out on the PRP, since October 2010 grants of Performance Rights and Options now consist of a market vesting condition TSR hurdle and a non market vesting condition EPS hurdle equally applied to each grant.

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

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

27 Share based payments (continued)

(e) Cash-settled EDIP

The fair value of the cash-settled options is measured by reference to the CSL share price at reporting date, adjusted for the dividend yield and the number of days left in the vesting period.

The following table lists the inputs to the models used during the year:

	Consolidated Group	
	2013	2012
October 2010 grant		
Dividend yield (%)	**2.0%**	**2.5%**
Fair value of grants at reporting date	**A$61.27**	**A$38.22**
October 2011 grant		
Dividend yield (%)	**2.0%**	**2.5%**
Fair value of grants at reporting date	**A$60.07**	**A$37.29**
October 2012 grant		
Dividend yield (%)	**2.0%**	-
Fair value of grants at reporting date	**A$58.89**	-

(f) Recognised cash-settled share based payments liability

The carrying amount of the liability relating to the cash-settled share-based payment at 30 June 2013 is $47.3m (2012: $15.4m). No cash-settled awards vested during the period ended 30 June 2013 (2012: $Nil).

28 Key management personnel disclosures

The following were key management personnel of the Group at any time during the 2013 and 2012 financial years and unless otherwise indicated they were key management personnel (KMP) during the whole of those financial years:

Non-executive directors	**Executive directors**
J Shine (appointed as Chairman 19 October 2011)	B A McNamee (Chief Executive Officer & Managing Director)
J Akehurst	P Turner (Executive Director retired 17 October 2012)
D W Anstice	P Perreault (Executive Director from 13 February 2013 & President, CSL Behring)
B Brook (appointed 16 August 2011)	**Executives**
C O'Reilly	G Naylor (Chief Financial Officer)
I A Renard	A Cuthbertson (Chief Scientific Officer)
M A Renshaw	J Davies (Executive VP, CSL Biotherapies until 31 December 2012)
E A Alexander (Chairman, retired 19 October 2011)	G Boss (Group General Counsel)
D Simpson (retired 19 October 2011)	I Sieper (Executive VP, Commercial Operations)
	M Sontrop (Executive VP, Operations)
	K Etchberger (Executive VP, Plasma, Supply Chain and IT)
	E Bailey (Company Secretary)
	J Lever (Senior VP, Human Capital)

(a) ***Total compensation for key management personnel***

	Consolidated Group	
	US$	US$
	2013	2012
Short term remuneration elements		
Salary and Fees	**11,973,829**	10,900,889
Short term incentive cash bonus	**5,934,225**	5,364,223
Non-monetary benefits	**130,242**	82,264
Total of short term remuneration elements	**18,038,296**	16,347,376
Post-employment elements		
Pension benefits	**644,096**	1,198,093
Retirement benefits	**-**	336,343
Total of post-employment elements	**644,096**	1,534,436
Other long term elements		
Long service leave and equivalents	**496,047**	382,018
Deferred cash incentive	**1,417,046**	1,065,215
Total of other long term elements	**1,913,093**	1,447,233
Share-based payments		
Equity settled performance rights	**10,328,446**	3,587,484
Equity settled options	**2,507,749**	2,126,179
Cash settled options	**1,731,621**	892,420
Total of share based payments	**14,567,816**	6,606,083
Other remuneration elements		
Termination benefits	**2,906,732**	1,653,037
Total of all remuneration elements [1]	**38,070,033**	27,588,165

The basis upon which remuneration amounts have been determined is further described in the remuneration report included in section 18 of the Directors' Report.

[1] This note discloses remuneration of individuals defined as KMP for the relevant period.

28 Key management personnel disclosures (continued)

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

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

- The Group has a number of contractual relationships, including property leases and collaborative research arrangements, with the University of Melbourne of which Ms Elizabeth Alexander is the Chancellor and Dr Virginia Mansour (whose husband is Dr Brian McNamee) is a member of the Council.

28 Key management personnel disclosures (continued)

(c) Options over equity instruments granted as compensation

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

Key management person	Balance at 1 July 2012	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2013	Number Vested during the year	Vested and exercisable at 30 June 2013	Unvested at 30 June 2013
Executive Directors								
B A McNamee	364,600	-	-	-	364,600	29,952	152,520	212,080
P Perreault	95,760	-	20,460	-	75,300	7,640	19,100	56,200
P Turner	128,700	-	63,420	12,616	52,664	13,488	-	52,664
Other executives								
G Naylor	94,580	-	-	-	94,580	7,640	32,720	61,860
A Cuthbertson	84,180	-	34,600	-	49,580	6,736	-	49,580
J Davies	92,820	-	50,520	10,950	31,350	7,368	-	31,350
G Boss	65,980	-	24,940	-	41,040	6,016	-	41,040
I Sieper	22,900	-	5,540	-	17,360	2,216	-	17,360
M Sontrop	71,840	-	29,700	-	42,140	7,368	-	42,140
K Etchberger	55,092	-	-	-	55,092	3,912	25,452	29,640
E Bailey	27,460	-	3,552	-	23,908	888	888	23,020
J Lever	26,260	-	-	-	26,260	-	-	26,260
Total	**1,130,172**	**-**	**232,732**	**23,566**	**873,874**	**93,224**	**230,680**	**643,194**

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

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

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

(d) Performance rights over equity instruments granted as compensation

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

Key management person	Balance at 1 July 2012	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2013	Number Vested during the year	Vested and exercisable at 30 June 2013	Unvested at 30 June 2013
Executive Directors								
B A McNamee	191,344	65,700	15,996	-	241,048	30,931	31,224	209,824
P Perreault	44,110	19,620	8,118	-	55,612	8,118	-	55,612
P Turner	45,845	-	13,857	12,123	19,865	13,857	-	19,865
Other executives								
G Naylor	51,490	18,720	8,118	-	62,092	8,118	-	62,092
A Cuthbertson	42,125	15,020	6,925	-	50,220	6,925	-	50,220
J Davies	43,260	-	18,800	11,215	13,245	7,540	-	13,245
G Boss	31,585	8,800	6,405	-	33,980	6,405	-	33,980
I Sieper	15,455	9,360	3,471	-	21,344	3,471	-	21,344
M Sontrop	31,920	9,180	7,540	-	33,560	7,540	-	33,560
K Etchberger	22,930	6,840	4,262	-	25,508	4,262	-	25,508
E Bailey	18,930	7,260	994	-	25,196	1,954	1,980	23,216
J Lever	17,755	7,860	1,267	-	24,348	1,267	-	24,348
Total	**556,749**	**168,360**	**95,753**	**23,338**	**606,018**	**100,388**	**33,204**	**572,814**

28 Key management personnel disclosures (continued)

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

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

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

During the reporting period there have been no changes to the terms pertaining to issues of options, performance options and performance rights which have been granted as compensation to a key management person in the prior periods and in the current period. A resolution will be presented to the AGM in October 2013 relating to a variation in the terms of Dr McNamee's "good leaver" arrangements. This constitutes a modification to the terms of a prior grant. The Company has included the associated expense in the 2013 accounts, but recognises that shareholders have not had an opportunity to vote on the resolution as at the date of this report.

(e) Exercise of equity instruments granted as compensation

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

	30 June 2013			30 June 2012		
	Date Option Granted	**Number of shares**	**Paid per share A$**	**Date Option Granted**	**Number of shares**	**Paid per share A$**
P Perreault	**1 October 2007**	**20,460**	**35.46**			
P Turner	**1 October 2007**	**29,700**	**35.46**			
	1 October 2008	**33,720**	**37.91**			
A Cuthbertson	**1 October 2007**	**17,760**	**35.46**			
	1 October 2008	**16,840**	**37.91**			
J Davies	**2 October 2006**	**21,240**	**17.48**			
	1 October 2007	**10,860**	**35.46**			
	1 October 2008	**18,420**	**37.91**			
G Boss	**1 October 2007**	**9,900**	**35.46**			
	1 October 2008	**15,040**	**37.91**			
I Sieper	**1 October 2008**	**5,540**	**37.91**	1 October 2007	5,580	35.46
M Sontrop	**1 October 2007**	**11,280**	**35.46**	2 October 2006	8,496	17.48
	1 October 2008	**18,420**	**37.91**			
E Bailey	**1 October 2007**	**2,220**	**35.46**			
	1 October 2008	**1,332**	**37.91**			
Total		**232,732**			14,076	

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

28 Key management personnel disclosures (continued)

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

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

	30 June 2013		30 June 2012	
	Date Performance Right Granted	**Number of shares**	**Date Performance Right Granted**	**Number of Shares**
B McNamee	**1 October 2009**	**15,996**		
P Turner	**1 October 2008**	**9,720**	1 October 2007	3,672
	1 October 2009	**4,137**	1 October 2009	2,955
P Perreault	**1 October 2008**	**5,500**	1 October 2007	2,544
	1 October 2009	**2,618**	1 October 2009	1,870
G Naylor	**1 October 2008**	**5,500**	1 October 2007	1,680
	1 October 2009	**2,618**	1 October 2009	1,870
A Cuthbertson	**1 October 2008**	**4,860**	1 October 2007	2,208
	1 October 2009	**2,065**	1 October 2009	1,475
J Davies	**2 October 2006**	**6,300**	7 June 2005	10,350
	1 October 2007	**3,360**		
	1 October 2008	**5,300**		
	1 October 2009	**3,840**		
G Boss	**1 October 2008**	**4,340**	1 October 2007	1,224
	1 October 2009	**2,065**	1 October 2009	1,475
I Sieper	**1 October 2008**	**2,400**	1 October 2007	1,032
	1 October 2009	**1,071**	1 October 2009	765
M Sontrop	**1 October 2008**	**5,300**	1 October 2007	1,392
	1 October 2009	**2,240**	1 October 2009	1,600
K Etchberger	**1 October 2008**	**2,820**	1 October 2007	1,152
	1 October 2009	**1,442**	1 October 2009	1,030
E Bailey	**1 October 2009**	**994**	1 October 2007	1,920
			1 October 2009	710
J Lever	**1 October 2009**	**1,267**	1 October 2009	905
Total		**95,753**		**41,829**

No amount is payable on the exercise of performance rights.

28 Key management personnel disclosures (continued)

(g) Key management personnel shareholdings

Movements in the respective shareholdings of key management personnel during the year ended 30 June 2013 are set out below.

Movements in shares	Balance at 1 July 2012	Shares acquired on exercise of performance rights during year	Shares acquired on exercise of options during year	(Shares sold)/ Purchased	Balance at 30 June 2013
Non-Executive Directors					
J Shine	**5,105**	-	-	1,144	**6,249**
J Akehurst	**30,623**	-	-	377	**31,000**
D W Anstice	**7,731**	-	-	468	**8,199**
I A Renard	**18,675**	-	-	378	**19,053**
M A Renshaw	**7,884**	-	-	373	**8,257**
C O'Reilly	**1,183**	-	-	373	**1,556**
B Brook	**3,346**	-	-	373	**3,719**
Executive Directors					
B A McNamee	**835,669**	15,996	-	-	**851,665**
P Perreault	**2,237**	8,118	20,460	(20,386)	**10,429**
P Turner	**122,196**	13,857	63,420	(77,277)	**122,196**
Executives					
G Naylor	**64,035**	8,118	-	(16,613)	**55,540**
A Cuthbertson	**66,858**	6,925	34,600	(38,585)	**69,798**
G Boss	**803**	6,405	24,940	(26,060)	**6,088**
I Sieper	**-**	3,471	5,540	(9,011)	**-**
M Sontrop	**31,539**	7,540	29,700	(68,164)	**615**
K Etchberger	**12,052**	4,262	-	-	**16,314**
E Bailey	**2,691**	994	3,552	(4,359)	**2,878**
J Lever	**905**	1,267	-	(905)	**1,267**
J Davies	**11,085**	18,800	50,520	(59,044)	**21,361**
Total	**1,224,617**	95,753	232,732	(316,918)	**1,236,184**

There have been no movements in shareholdings of key management personnel between 30 June 2013 and the date of this report.

(h) Cash Settled Options granted as compensation to Key management personnel

During the year 30,150 notional shares were granted to KMPs under the Executive Deferred Incentive Plan. This was done primarily to reduce the risk of loss of executives in roles that are: key to the delivery of operating or strategic objectives; manage critical activities; or undertake functions requiring skills that are in short supply and are actively sought in the market.

For further details, including key terms and conditions, grant date and exercise dates regarding the EDIP, refer to Note 27 (b) and (e).

29 Non key management personnel related party disclosure

Ultimate Controlling Entity

The ultimate controlling entity is CSL Limited.

Identity of related parties

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

Other related party transactions

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

Wholly owned subsidiaries

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

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

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

Partly owned subsidiaries

- No transactions occurred during the year.

Transactions with key management personnel and their related parties

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

Transactions with other related parties

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

Ownership interests in related parties

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

	Consolidated Group	
	2013	2012
	US$	US$

30 Remuneration of Auditors

During the year the following fees were paid or were payable for services provided by the auditor of the parent entity and its related practices:

	2013 US$	2012 US$
(a) Audit services		
Ernst & Young	**900,811**	1,059,760
Ernst & Young related practices	**2,313,038**	2,382,333
Total remuneration for audit services	**3,213,849**	3,442,093
(b) Other services		
Ernst & Young		
- compliance and other services	**56,452**	100,092
Ernst & Young related practices		
- compliance and other services	**114,135**	234,650
Total remuneration for non audit services	**170,587**	334,742
Total remuneration for all services rendered	**3,384,436**	3,776,835

	Consolidated Group	
	2013	2012
	US$m	US$m

31 Commitments and contingencies

(a) Operating leases

	2013 US$m	2012 US$m
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Not later than one year	**31.6**	32.8
Later than one year but not later than five years	**101.1**	91.3
Later than five years	**233.0**	163.7
	365.7	287.8

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

	Consolidated Group	
	2013	2012
	US$m	US$m

31 Commitments and contingencies (continued)

(b) Finance leases

	2013 US$m	2012 US$m
Commitments in relation to finance leases are payable as follows:		
Not later than one year	**4.5**	4.2
Later than one year but not later than five years	**11.4**	11.7
Later than five years	**21.5**	22.7
Total minimum lease payments	**37.4**	38.6
Future finance charges	**(11.0)**	(11.9)
Finance lease liability	**26.4**	26.7
The present value of finance lease liabilities is as follows:		
Not later than one year	**3.3**	2.9
Later than one year but not later than five years	**7.3**	7.5
Later than five years	**15.8**	16.3
	26.4	26.7
Finance lease – current liability (refer note 15)	**3.3**	2.9
Finance lease – non-current liability (refer note 15)	**23.1**	23.8
	26.4	26.7

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

(c) Total lease liability

	2013 US$m	2012 US$m
Current		
Finance leases (refer note 15)	**3.3**	2.9
Non-current		
Finance leases (refer note 15)	**23.1**	23.8
	26.4	26.7

(d) Capital commitments

	2013 US$m	2012 US$m
Capital expenditure contracted for at balance date but not provided for in the financial statements, payable:		
Not later than one year	**101.5**	123.7
Later than one year but not later than five years	**6.1**	78.5
Later than five years	**-**	-
	107.6	202.2

(e) Contingent assets and liabilities

Guarantees

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

	Consolidated Group	
	2013	2012
	US$m	US$m

31 Commitments and contingencies (continued)

Service agreements

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

Service agreements	**6.3**	9.9

Litigation

The Group is involved in litigation in the U.S. claiming that the Group and a competitor, along with an industry trade association, conspired to restrict output and fix and raise prices of certain plasma-derived therapies in the U.S. The lawsuits, filed by representative plaintiffs, seek status to proceed as class actions on behalf of "all others similarly situated". The Group believes the litigation is unsupported by fact and without merit and will robustly defend the claims.

The Group is involved in other litigation in the ordinary course of business.

The directors believe that future payment of a material amount in respect of litigation is remote. The Group has disclaimed liability for, and is vigorously defending, all current material claims and actions that have been made.

32 Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

	Country of incorporation	Percentage Owned		
		2013	2012	
		%	%	
Company:				
CSL Limited	Australia			
Subsidiaries of CSL Limited:				
CSL Employee Share Trust	Australia	**100**	100	
bioCSL Pty Ltd	Australia	**100**	-	(j)
bioCSL (Australia) Pty Ltd	Australia	**100**	100	(c)(f)
bioCSL (NZ) Limited	New Zealand	**100**	100	(a)(d)(g)
bioCSL Inc	USA	**100**	-	(a)(j)
Cervax Pty Ltd	Australia	**74**	74	
Iscotec AB	Sweden	**100**	100	(a)
Zenyth Therapeutics Pty Ltd	Australia	**100**	100	
Zenyth Operations Pty Ltd	Australia	**100**	100	
Amrad Pty Ltd	Australia	**100**	100	
CSL Behring (Australia) Pty Ltd	Australia	**100**	-	(j)
CSL Behring (Privigen) Pty Ltd	Australia	**100**	-	(j)
CSL International Pty Ltd	Australia	**100**	100	
CSL Finance Pty Ltd	Australia	**100**	100	
CSL Behring ApS	Denmark	**100**	100	(a)
CSL UK Holdings Limited	England	**100**	100	(a)(b)
ZLB Bioplasma UK Limited	England	**100**	100	(a)
CSL Behring sp.z.o.o.	Poland	**100**	100	(a)
CSLB Holdings Inc	USA	**100**	100	
CSL Biotherapies Inc	USA	**100**	100	
ZLB Bioplasma (Hong Kong) Limited	Hong Kong	**100**	100	(a)
CSL Behring LLC	USA	**100**	100	(a)
CSL Plasma Inc	USA	**100**	100	(a)
CSL Behring Canada Inc.	Canada	**100**	100	(a)
CSL Behring Brazil Comercio de Produtos Farmaceuticals Ltda	Brazil	**100**	100	(a)
CSL Behring KK	Japan	**100**	100	(a)
CSL Behring S.A. de C.V.	Mexico	**100**	100	(a)
CSL Behring S.A.	France	**100**	100	(a)
BioCSL GmbH	Germany	**100**	100	(a)(h)
CSL Behring Foundation for Research and Advancement of Patient Health	USA	**100**	100	(a)
CSL Behring Verwaltungs GmbH	Germany	**100**	100	(a)
CSL Behring Beteiligungs GmbH & Co KG	Germany	**100**	100	(a)
CSL Plasma GmbH	Germany	**100**	100	(a)
CSL Behring GmbH	Germany	**100**	100	(a)
CSL Behring GmbH	Austria	**100**	100	(a)
CSL Behring S.A.	Spain	**100**	100	(a)
CSL Behring A.B.	Sweden	**100**	100	(a)
CSL Behring S.p.A.	Italy	**100**	100	(a)
CSL Behring N.V.	Belgium	**100**	100	(a)
CSL Behring B.V	Netherlands	**100**	100	(a)
CSL Behring Lda	Portugal	**100**	100	(a)
CSL Behring MEPE	Greece	**100**	100	(a)

	Country of incorporation	Percentage Owned		
		2013	2012	
		%	%	

32 Controlled Entities (continued)

	Country of incorporation	2013 %	2012 %	
CSL International Pty Ltd (continued)				
CSL Behring Asia Pacific Limited	Hong Kong	**100**	100	(a)(i)
CSL (Shanghai) Biotherapies Consulting Ltd	China	**100**	100	(a)
CSL Behring S.A.	Argentina	**100**	100	(a)
CSL Behring Panama S.A.	Panama	**100**	100	(a)
CSL Behring s.r.o.	Czech Republic	**100**	100	(a)
CSL Behring K.f.t.	Hungary	**100**	100	(a)
CSL Behring Holdings Ltd.	England	**100**	100	(a)
CSL Behring UK Ltd.	England	**100**	100	(a)
CSL Behring AG	Switzerland	**100**	100	(a)(b)
ZLB GmbH	Germany	**-**	100	(e)

(a) Audited by affiliates of the Company auditors.
(b) The shares in CSL Behring AG were transferred from CSL Behring ApS to CSL Behring Holdings Ltd during the year
(c) The shares in bioCSL (Australia) Pty Ltd were transferred from CSL Limited to bioCSL Pty Ltd during the year
(d) The shares in bioCSL (NZ) Limited were transferred from CSL Limited to bioCSL Pty Ltd during the year
(e) Dormant entity deregistered during the year
(f) Previously CSL Biotherapies Pty Ltd
(g) Previously CSL Biotherapies (NZ) Limited
(h) Previously CSL Biotherapies GmbH
(i) Previously CSL Biotherapies Asia Pacific Limited
(j) Incorporated during the 2013 financial year

33 Deed of Cross Guarantee

On 22 October 2009, a deed of cross guarantee was executed between CSL Limited and some of its wholly owned entities, namely CSL International Pty Ltd, CSL Finance Pty Ltd, CSL Biotherapies Pty Ltd and Zenyth Therapeutics Pty Ltd. During the year bioCSL Pty Ltd, CSL Behring (Australia) Pty Ltd and CSL Behring (Privigen) Pty Ltd were added to the deed. Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by CSL Limited they also represent the 'Extended Closed Group'. In respect to the Closed Group comprising the aforementioned entities, set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2013 and a consolidated balance sheet as at that date.

Income Statement	**Consolidated Group**	
	2013	2012
	A$m	A$m
Continuing operations		
Sales revenue	**697.3**	650.8
Cost of sales	**(447.3)**	(387.2)
Gross profit	**250.0**	263.6
Sundry revenues	**16.4**	86.0
Dividend income #	**18,746.1**	1,843.7
Interest income	**27.8**	39.4
Research and development expenses	**(188.5)**	(154.5)
Selling and marketing expenses	**(73.0)**	(68.8)
General and administration expenses	**(130.7)**	(92.7)
Finance costs	**36.5**	(6.3)
Profit before income tax expense	**18,684.6**	1,910.4
Income tax (expense)/benefit	**28.3**	(6.9)
Profit for the year	**18,712.9**	1,903.5

Dividend income in 2013 includes an amount resulting from a gain on the sale of an entity, at fair value, from one Group company to another. This transaction eliminates on consolidation at the CSL Group level but not at the Closed Group level presented in this note. The gain was paid as a dividend to CSL International Pty Ltd, a member of the Closed Group.

33 Deed of Cross Guarantee (continued)

Balance sheet

	Consolidated Group 2013 A$m	2012 A$m
CURRENT ASSETS		
Cash and cash equivalents	**621.1**	829.0
Trade and other receivables	**117.6**	112.3
Inventories	**196.6**	198.0
Total Current Assets	**935.3**	1,139.3
NON-CURRENT ASSETS		
Trade and other receivables	**45.3**	9.1
Other financial assets #	**19,006.1**	1,823.3
Property, plant and equipment	**584.3**	521.2
Deferred tax assets	**24.1**	11.7
Intangible assets	**67.9**	24.1
Total Non-Current Assets	**19,727.7**	2,389.4
TOTAL ASSETS	**20,663.0**	3,528.7
CURRENT LIABILITIES		
Trade and other payables	**190.9**	136.6
Interest-bearing liabilities and borrowings	**-**	119.6
Provisions	**46.9**	49.6
Deferred government grants	**1.0**	1.0
Total Current Liabilities	**238.8**	306.8
NON-CURRENT LIABILITIES		
Trade and other payables	**15.5**	5.6
Deferred tax liabilities	**14.9**	-
Provisions	**13.0**	7.5
Deferred government grants	**39.9**	29.8
Retirement benefit liabilities	**0.6**	6.0
Total Non-Current Liabilities	**83.9**	48.9
TOTAL LIABILITIES	**322.7**	355.7
NET ASSETS	**20,340.3**	3,173.0
EQUITY		
Contributed equity	**(1,464.7)**	(373.2)
Reserves	**152.7**	130.4
Retained earnings	**21,652.3**	3,415.8
TOTAL EQUITY	**20,340.3**	3,173.0
Summary of movements in consolidated retained earnings of the Closed Group		
Retained earnings at beginning of the financial year	**3,415.8**	2,090.9
Net profit	**18,712.9**	1,903.5
Actuarial gain/(loss) on defined benefit plans, net of tax	**1.8**	(6.5)
Dividends provided for or paid	**(478.2)**	(572.1)
Retained earnings at the end of the financial year	**21,652.3**	3,415.8

The increase in other financial assets results from the sale of an entity from one Group company to another at fair value.

34 Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, unsecured notes, lease liabilities, available for sale assets and derivative instruments.

The Group's activities expose it to a variety of financial risks: market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swaps, to manage specifically identified risks as approved by the board of directors. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security. The accounting policy applied by the Group in respect to derivative financial instruments is outlined in note 1(v). Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks.

Market Risk

1. *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than the entity's functional currency and net investments in foreign operations. The Group's Treasury risk management policy is to hedge contractual commitments denominated in a foreign currency.

The Group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at predetermined exchange rates. The objective is to match the contracts with committed future cash flows from sales and purchases in foreign currencies to protect the Group against exchange rate movements. Contracts to buy and sell foreign currencies are entered into from time to time to offset purchase and sale obligations in order to maintain a desired hedge position.

34 Financial Risk Management Objectives and Policies (continued)

The table below summarises by currency the US dollar value of forward exchange agreements at balance date. Foreign currency amounts are translated at rates prevailing at reporting date. Entities in the group enter into forward contracts to hedge foreign currency receivables from other entities within the Group. These receivables are eliminated on consolidation, however, the hedges are in place to protect the entities from movements in exchange rates that would give rise to a profit or loss impact.

	Average Exchange Rate		2013		2012	
			Buy	Sell	Buy	Sell
Currency	**2013**	**2012**	**US$m**	**US$m**	**US$m**	**US$m**
US Dollar [1]						
3 months or less	**1.2265**	1.3123	**14.0**	**(228.0)**	20.1	(253.0)
Swiss Francs						
3 months or less	**0.9442**	0.9550	**324.6**	**(85.1)**	306.0	(16.2)
Argentina Peso						
3 months or less	**5.3758**	4.5208	**-**	**(15.6)**	-	(11.7)
Euro						
3 months or less	**0.7666**	0.8197	**479.1**	**(348.2)**	436.3	(334.5)
Pounds Sterling						
3 months or less	**0.6550**	0.6406	**0.7**	**(24.2)**	5.9	(25.1)
Hungarian Florint						
3 months or less	**226.66**	231.09	**-**	**(3.2)**	-	(2.8)
Japanese Yen						
3 months or less	**98.90**	79.27	**2.7**	**(16.4)**	-	(16.0)
Swedish Kroner						
3 months or less	**6.7266**	6.9716	**1.6**	**(15.9)**	0.3	(13.9)
Danish Kroner						
3 months or less	**5.7103**	5.9083	-	**(9.3)**	1.1	(7.5)
Mexican Peso						
3 months or less	**12.9995**	13.5914	-	**(42.5)**	1.1	(35.0)
Brazilian Real						
3 months or less	**2.1989**	2.0767	**-**	**(15.9)**	-	(9.6)
Czech Koruna						
3 months or less	**19.95**	20.45	**-**	**(1.8)**	-	(1.2)
Chinese Renimbi						
3 months or less	**6.1453**	6.3552	**-**	**(48.4)**	-	(25.9)
New Zealand Dollar						
3 months or less	**1.2819**	**-**	**-**	**(2.7)**	-	-
Polish Zloty						
3 months or less	**3.3097**	**-**	**-**	**(3.2)**	-	-
Australian Dollar						
3 months or less	**1.0816**	0.9906	**78.6**	**(40.9)**	28.5	(46.9)
			901.3	**(901.3)**	799.3	(799.3)

[1] US Dollar hedge contracts are in place in Group entities with functional currencies other than US Dollars.

The Group reduces its foreign exchange risk on net investments in foreign operations, by denominating external borrowings in currencies that match the currencies of its foreign investments.

There was no ineffectiveness recognised on this hedging during the year.

34 Financial Risk Management Objectives and Policies (continued)

2. *Interest rate risk*

The Group is exposed to interest rate risk through primary financial assets and liabilities. In accordance with the Group entities approved risk management policies, derivative financial instruments such as interest rate swaps are used to hedge interest rate risk exposures. As at 30 June 2013, no derivative financial instruments hedging interest rate risk were outstanding (2012: Nil).

The following tables summarise interest rate risk for financial assets and financial liabilities, the effective interest rates as at balance date and the periods in which they reprice.

		Fixed interest rate maturing in					
Consolidated Group – June 2013	Floating rate (a)	1 year or less	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	Average interest Rate
	US$m	US$m	US$m	US$m	US$m	US$m	%
Financial Assets							
Cash and cash equivalents	**762.2**	**-**	**-**	**-**	**-**	**762.2**	**3.0%**
Trade and other receivables	**-**	**-**	**-**	**-**	**859.1**	**859.1**	**-**
Other financial assets	**-**	**-**	**-**	**-**	**1.5**	**1.5**	**-**
	762.2	**-**	**-**	**-**	**860.6**	**1,622.8**	
Financial Liabilities							
Trade and other payables	**-**	**-**	**-**	**-**	**671.1**	**671.1**	**-**
Bank loans – unsecured	**406.6**	**-**	**-**	**-**	**-**	**406.6**	**1.0%**
Bank overdraft – unsecured	**2.4**	**-**	**-**	**-**	**-**	**2.4**	**2.2%**
Senior unsecured notes	**-**	**-**	**-**	**1,243.5**	**-**	**1,243.5**	**3.4%**
Lease liabilities	**-**	**3.3**	**7.5**	**15.6**	**-**	**26.4**	**5.9%**
Other financial liabilities	**-**	**-**	**-**	**-**	**3.8**	**3.8**	**-**
	409.0	**3.3**	**7.5**	**1,259.1**	**674.9**	**2,353.8**	

		Fixed interest rate maturing in					
Consolidated Group – June 2012	Floating rate (a)	1 year or less	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	Average interest rate
	US$m	US$m	US$m	US$m	US$m	US$m	%
Financial Assets							
Cash and cash equivalents	1,171.4	-	-	-	-	1,171.4	3.6%
Trade and other receivables	-	-	-	-	794.2	794.2	-
Other financial assets	-	-	-	-	2.9	2.9	-
	1,171.4	-	-	-	797.1	1,968.5	
Financial Liabilities							
Trade and other payables	-	-	-	-	551.7	551.7	-
Bank loans – unsecured	351.4	-	-	-	-	351.4	1.3%
Bank overdraft – unsecured	3.3	-	-	-	-	3.3	2.8%
Senior unsecured notes	-	163.4	744.8	-	-	908.2	4.1%
Lease liabilities	-	2.9	7.5	16.3	-	26.7	5.8%
Other financial liabilities	-	-	-	-	1.4	1.4	-
	354.7	166.3	752.3	16.3	553.1	1,842.7	

(a) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets and liabilities are subject to reset within the next six months.

34 Financial Risk Management Objectives and Policies (continued)

Sensitivity analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. However, over the longer-term, permanent changes in foreign exchange and interest rates would give rise to a Group statement of comprehensive income impact.

At 30 June 2013 it is estimated that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed the Group's profit after tax by approximately $5.3m. This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end. All other financial asset amounts are subject to fixed rate and therefore not subject to interest rate movements in the ordinary course.

At 30 June 2013 it is estimated that a general movement of one percentage point in the interest rates applicable to floating rate unsecured bank loans would have changed the Group's profit after tax by approximately $2.5m. This calculation is based on applying a 1% movement to the total of the Group's unsecured bank loans at year end. All other interest bearing debt amounts are subject to fixed rate and therefore not subject to interest rate movements in the ordinary course.

It is estimated that a general movement of one percentage point in the value of the US Dollar against other currencies would change the Group's profit after tax by approximately $3.8m for the year ended 30 June 2013 comprising $2.2m and $1.6m against the Euro and Swiss Franc respectively. This calculation is based on changing the actual exchange rate of US Dollars to all other currencies during the year by 1% and applying these adjusted rates to the translation of the foreign currency denominated financial statements of various Group entities.

It is estimated that a general movement of one percentage point in the value of the US Dollar against other currencies would change the Group's equity by approximately $32.4m as at 30 June 2013 comprising $6.9m, $13.3m, $12.2m against the Euro, Swiss Franc and Australian Dollar respectively. The change in equity would be recorded in the Foreign Currency Translation Reserve. This calculation is based on changing the actual exchange rate of US Dollars to all other currencies as at 30 June 2013 by 1% and applying these adjusted rates to the net assets excluding investments in subsidiaries of the foreign currency denominated financial statements of various Group entities. Australian Dollars is material to equity as a result of the assets, including cash, held by Australian Dollar denominated entities but is not material to profit & loss.

These sensitivity estimates may not apply in future years due to changes in the mix of profits derived in different currencies and in the Group's net debt levels.

Credit Risk

Credit risk represents the extent of credit related losses that the Group may be subject to on amounts to be exchanged under financial instruments contracts or the amount receivable from trade and other debtors. Management has established policies to monitor and limit the exposure to credit risk on an on-going basis.

Transactions involving derivative financial instruments are with counterparties with whom the Group has a signed netting agreement as well as sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group's policy is to only invest its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'A' or better, as assessed by independent rating agencies.

The Group minimises the credit risks associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. Entities in the Group undertake a review of the credit worthiness of customers, prior to granting credit, using trade references and credit reference agencies.

The maximum exposure to credit risk at balance date is the carrying amount, net of any provision for impairment, of each financial asset in the balance sheet.

34 Financial Risk Management Objectives and Policies (continued)

The credit quality of financial assets that are neither past due, nor impaired is as follows:

For the year ended 30 June 2013	Financial Institutions US$m	Governments US$m	Hospitals US$m	Buying Groups US$m	Other US$m	Total US$m
Cash and cash equivalents	**762.2**	**-**	**-**	**-**	**-**	**762.2**
Trade and other receivables	**1.9**	**45.5**	**230.6**	**341.9**	**239.2**	**859.1**
Other financial assets	**1.5**	**-**	**-**	**-**	**-**	**1.5**
	765.6	**45.5**	**230.6**	**341.9**	**239.2**	**1,622.8**
For the year ended 30 June 2012						
Cash and cash equivalents	1,171.4	-	-	-	-	1,171.4
Trade and other receivables	6.4	45.3	226.6	321.9	194.0	794.2
Other financial assets	2.9	-	-	-	-	2.9
	1,180.7	45.3	226.6	321.9	194.0	1,968.5

The Group has not renegotiated any material collection/repayment terms of any financial assets in the current financial year.

An analysis of trade receivables that are past due and, where required, the associated provision for impairment is as follows. All other financial assets are less than 30 days overdue.

	Trade receivables which are:		Provision for impairment
	Not impaired	Impaired	
For the year ended 30 June 2013:	US$m	US$m	US$m
Trade and other receivables:			
current but not overdue	**619.6**	**-**	**-**
less than 30 days overdue	**41.6**	**-**	**-**
more than 30 but less than 90 days overdue	**42.1**	**-**	**-**
more than 90 days overdue	**34.3**	**40.9**	**40.9**
	737.6	**40.9**	**40.9**
For the year ended 30 June 2012:			
Trade and other receivables:			
current but not overdue	532.1	-	-
less than 30 days overdue	54.1	-	-
more than 30 but less than 90 days overdue	49.1	-	-
more than 90 days overdue	42.1	46.2	46.2
	677.4	46.2	46.2

Financial assets are considered impaired where there is objective evidence that the Group will not be able to collect all amounts due according to the original trade and other receivable terms. Factors considered when determining if an impairment exists include aging and timing of expected receipts and the credit worthiness of counterparties. A provision for impairment is created for the difference between the assets carrying amount and the present value of estimated future cash flows. The Group's trading terms do not generally include the requirement for customers to provide collateral as security for financial assets.

The Group carries receivables from a number of Southern European governments. The credit risk associated with trading in these countries is considered on a country-by-country basis and the Group's trading strategy is adjusted accordingly. The factors taken into account in determining the credit risk of a particular country include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

34 Financial Risk Management Objectives and Policies (continued)

Funding and liquidity risk

Funding and liquidity risk is the risk that CSL cannot meet its financial commitments as and when they fall due. One form of this risk is credit spread risk which is the risk that in refinancing its debt, CSL may be exposed to an increased credit spread (the credit spread is the margin that must be paid over the equivalent government or risk free rate or swap rate). Another form of this risk is liquidity risk which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations at any reasonable cost when required.

Liquidity and re-financing risks are not significant for the Group, as CSL has a prudent gearing level and strong cash flows. The focus on improving operational cash flow and maintaining a strong balance sheet mitigates refinancing and liquidity risks enabling the Group to actively manage its capital position.

CSL's objectives in managing its funding and liquidity risks include ensuring the Group can meet its financial commitments as and when they fall due, ensuring the Group has sufficient funds to achieve its working capital and investment objectives, ensuring that short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimising the cost of funding and maximising the return on any surplus funds through efficient cash management, and ensuring adequate flexibility in financing to balance short-term liquidity requirements and long-term core funding, and minimise refinancing risk.

The below table shows the profile of financial liabilities:

	Maturing in			
Consolidated Group – June 2013	**1 year or less**	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	US$m	**US$m**	**US$m**	**US$m**
Financial Liabilities				
Trade and other payables	**647.9**	**23.2**	**-**	**671.1**
Bank loans – unsecured	**-**	**406.6**	**-**	**406.6**
Bank overdraft – unsecured	**2.4**	**-**	**-**	**2.4**
Senior unsecured notes	**-**	**-**	**1,243.5**	**1,243.5**
Lease liabilities	**3.3**	**7.3**	**15.8**	**26.4**
Other financial liabilities	**3.8**	**-**	**-**	**3.8**
	657.4	**437.1**	**1,259.3**	**2,353.8**
Consolidated Group – June 2012				
Financial Liabilities				
Trade and other payables	536.3	15.4	-	551.7
Bank loans – unsecured	-	351.4	-	351.4
Bank overdraft – unsecured	3.3	-	-	3.3
Senior unsecured notes	163.4	744.8	-	908.2
Lease liabilities	2.9	7.5	16.3	26.7
Other financial liabilities	1.4	-	-	1.4
	707.3	1,119.1	16.3	1,842.7

34 Financial Risk Management Objectives and Policies (continued)

Fair values

With the exception of certain of the Group's financial liabilities as disclosed in the table below, the remainder of the Group's financial assets and financial liabilities have a fair value equal to the carrying value of those assets and liabilities as shown in the Group's balance sheet. There are no unrecognised gains or losses in respect to any financial asset or financial liability.

Consolidated Group	**Carrying amount 2013**	**Fair Value 2013**	Carrying amount 2012	Fair Value 2012
	US$m	**US$m**	US$m	US$m
Financial Liabilities				
Interest bearing liabilities and borrowings				
Unsecured bank loans	**406.6**	**406.6**	351.4	351.4
Unsecured notes	**1,243.5**	**1,250.0**	908.2	914.4

The following methods and assumptions were used to determine the net fair values of financial assets and liabilities:

Trade and other receivables/payables

The carrying value of trade and other receivables/payables with a remaining life of less than one year is deemed to reflect its fair value.

Other financial assets – derivatives

Forward exchange contracts are 'marked to market' using listed market prices.

Other financial assets – available-for-sale financial assets

Fair value is calculated using quoted prices in active markets.

Other financial assets – other

Fair value is estimated using valuation techniques including recent arm's length transactions of like assets, discounted cash flow analysis and comparison to fair values of similar financial instruments.

Interest bearing liabilities and borrowings

Fair value is calculated based on the discounted expected future principal and interest cash flows.

Interest bearing liabilities and borrowings – finance leases

The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements. The estimated fair values reflect change in interest rates.

Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern whilst providing returns to shareholders and benefits to other stakeholders. The Group aims to maintain a capital structure which reflects the use of a prudent level of debt funding so as to reduce the Group's cost of capital without adversely affecting either of their credit ratings.

Each year the Directors determine the dividend taking into account factors such as liquidity and the availability of franking credits. The full year dividend, as disclosed in note 23, represents a payout ratio of 42% of Net Profit after Tax.

During the 2013 financial year, the parent company announced a further A$900m buy-back. During the year, 20,966,720 shares have been purchased for US$1,145.4m. The shares purchased during the year include both the completion of the previous buyback and shares purchased under the buyback announced during the year.

	2013 A$m	2012 A$m

35 Information relating to CSL Limited ('the parent entity')

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 A$m	2012 A$m
Current assets	**32.5**	207.7
Total assets	**2,636.8**	2,953.7
Current liabilities	**149.0**	189.8
Total liabilities	**229.4**	401.7
Contributed equity	**(1,464.7)**	(373.2)
Share based payments reserve	**122.4**	101.2
Retained earnings	**3,749.7**	2,824.0
	2,407.4	2,552.0
Profit or loss for the year	**1,398.8**	1,840.3
Total comprehensive income	**1,400.0**	1,833.9

(b) Guarantees entered into by the parent entity

The parent entity provides certain financial guarantees in the ordinary course of business. No liability has been recognised in relation to these guarantees as the fair value of the guarantees is immaterial. These guarantees are mainly related to debt facilities of the Group. In addition the parent entity provides guarantees to some subsidiaries in respect of certain receivables from other group companies.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2013 or 30 June 2012. For information about guarantees given by the parent entity, please refer above.

(d) Contractual commitments for the acquisition of property, plant or equipment

Capital expenditure contracted for at balance date but not provided for in the financial statements, payable:

	2013 A$m	2012 A$m
Not later than one year	**-**	74.0
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
	-	74.0

36 Subsequent events

On 1 July 2013, Mr P R Perreault succeeded Dr B A McNamee as Managing Director and Chief Executive Officer.

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

CSL Limited and its controlled entities
Directors' Declaration

(1) In the opinion of the Directors:

(a) the financial report, and the remuneration report included in the directors' report of the company and of the Group are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and Group's financial position as at 30 June 2013 and of their performance for the year ended on that date;

(ii) complying with Australian Accounting Standards and Corporations Regulations 2001; and

(iii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2013.

(3) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee dated 22 October 2009.

This declaration is made in accordance with a resolution of the directors.

John Shine AO
Chairman

Paul Perreault
Managing Director

Melbourne
14 August 2013

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's report to the members of CSL Limited

Report on the financial report

We have audited the accompanying financial report of CSL Limited, which comprises the consolidated balance sheet as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion:

a. the financial report of CSL Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in section 18 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of CSL Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Glenn Carmody
Partner
Melbourne
14 August 2013

CSL LIMITED

2013 Full Year Result

14 August 2013

Legal Notice

Forward looking statements

The materials in this presentation speak only as of the date of these materials, and include forward looking statements about CSL Limited and its related bodies corporate (CSL) financial results and estimates, business prospects and products in research, all of which involve substantial risks and uncertainties, many of which are outside the control of, and are unknown to, CSL. You can identify these forward looking statements by the fact that they use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “may,” “assume,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Factors that could cause actual results to differ materially include: the success of research and development activities, decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; competitive developments affecting our products; the ability to successfully market new and existing products; difficulties or delays in manufacturing; trade buying patterns and fluctuations in interest and currency exchange rates; legislation or regulations that affect product production, distribution, pricing, reimbursement or access; litigation or government investigations, and CSL’s ability to protect its patents and other intellectual property. The statements being made in this presentation do not constitute an offer to sell, or solicitation of an offer to buy, any securities of CSL.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including CSL). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

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

Trademarks

Except where otherwise noted, brand names designated by a ™ or ® throughout this presentation are trademarks either owned by and/or licensed to CSL or its affiliates.

CSL™

Reported Financials

Sales US$5.0 billion, up 7% *(up 10% CC[1])*

EBIT US$1,486 million, up 17% *(up 19% CC)*

EBIT margin grew from 26.6% to 29.1%

NPAT US$1,216 million, up 19% *(up 21% CC[1])*

EPS US$2.44, up 24% *(up 26% CC[1])*

R&D investment US$427 million, up 16%

Cashflow from operations US$1,312 million, up 9%

Strong balance sheet

Final dividend increased to US$0.52 (unfranked)

Fully Converted to US Dollar Reporting

1. Constant Currency (CC) removes the impact of exchange rate movements to facilitate comparability. See end note for further detail.

Operational Highlights

Strong growth in immunoglobulin, albumin and specialty products

Margin expansion arising from operational efficiencies & sales mix

Stronger footprint in developing markets

Kcentra™ (4F-PCC) approved by US FDA

European Commission approves Privigen® for CIDP

Facilities expansion – investing for growth

Capital Management

- Current share buyback* 97% complete
- US$500m private placement complete
- Dividend payment date brought forward
- Board to consider further share buyback* of a similar amount to the current program

Australian operations reorganised

** CSL reserves the right to suspend or terminate buybacks at any time*

Company Reorganisation

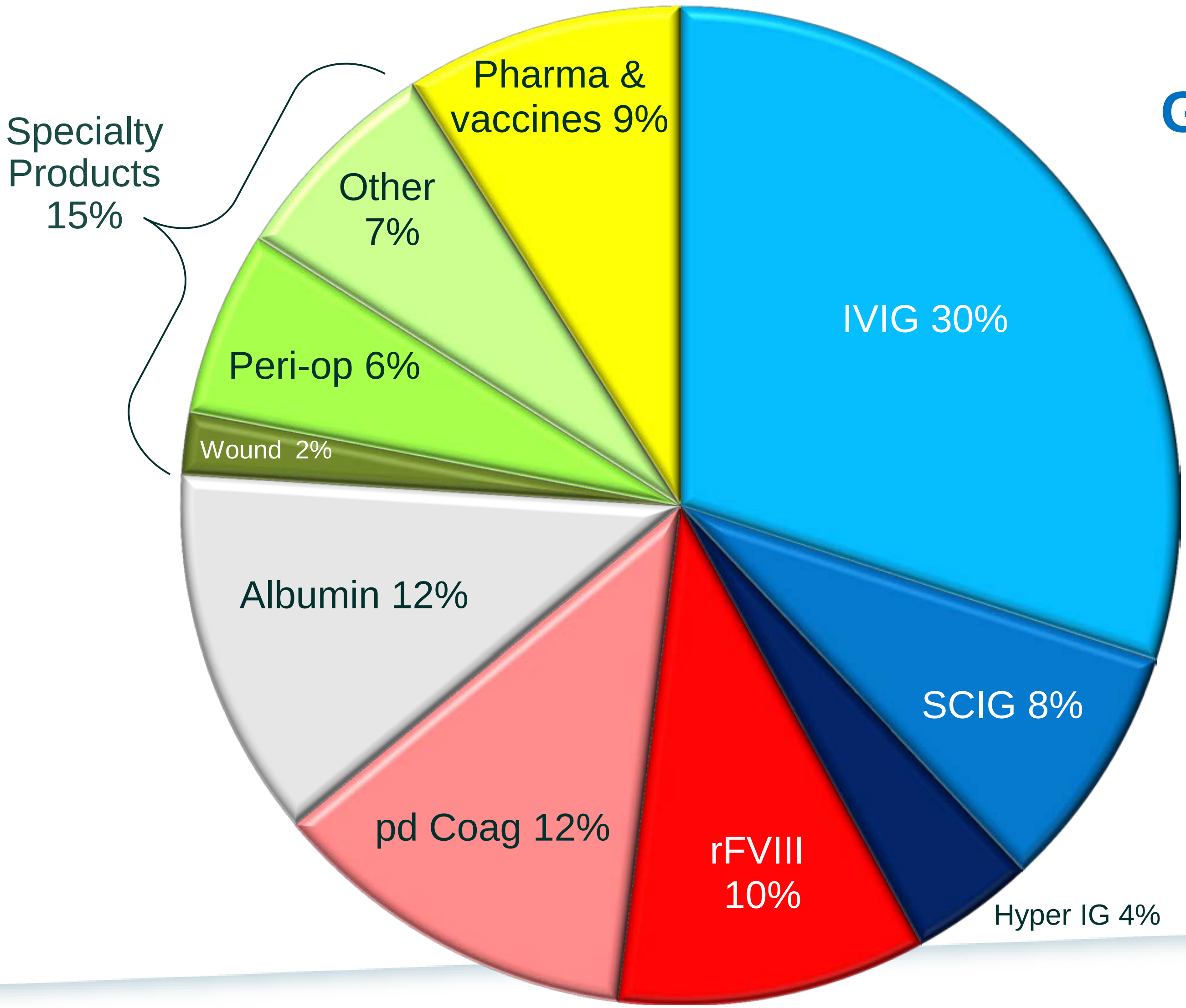
CSL Behring

- Australian plasma operations (Broadmeadows) integrated into the operations of CSL Behring
- Creates a single plasma business within the CSL Group
- Builds on CSL Behring's scale and efficiencies achieved to-date
- Leverages new biotech and plasma manufacturing facilities currently under construction at Broadmeadows

bioCSL

- Creates a stand alone business unit within CSL group
- Incorporates vaccines, pharmaceuticals and diagnostics

Group Sales FY2013 US$5.0b



Product Groupings

CSL™

Outlook for FY2014
@ 12/13 exchange rates

Board to consider a further on-market share buyback* of a similar amount to the current program

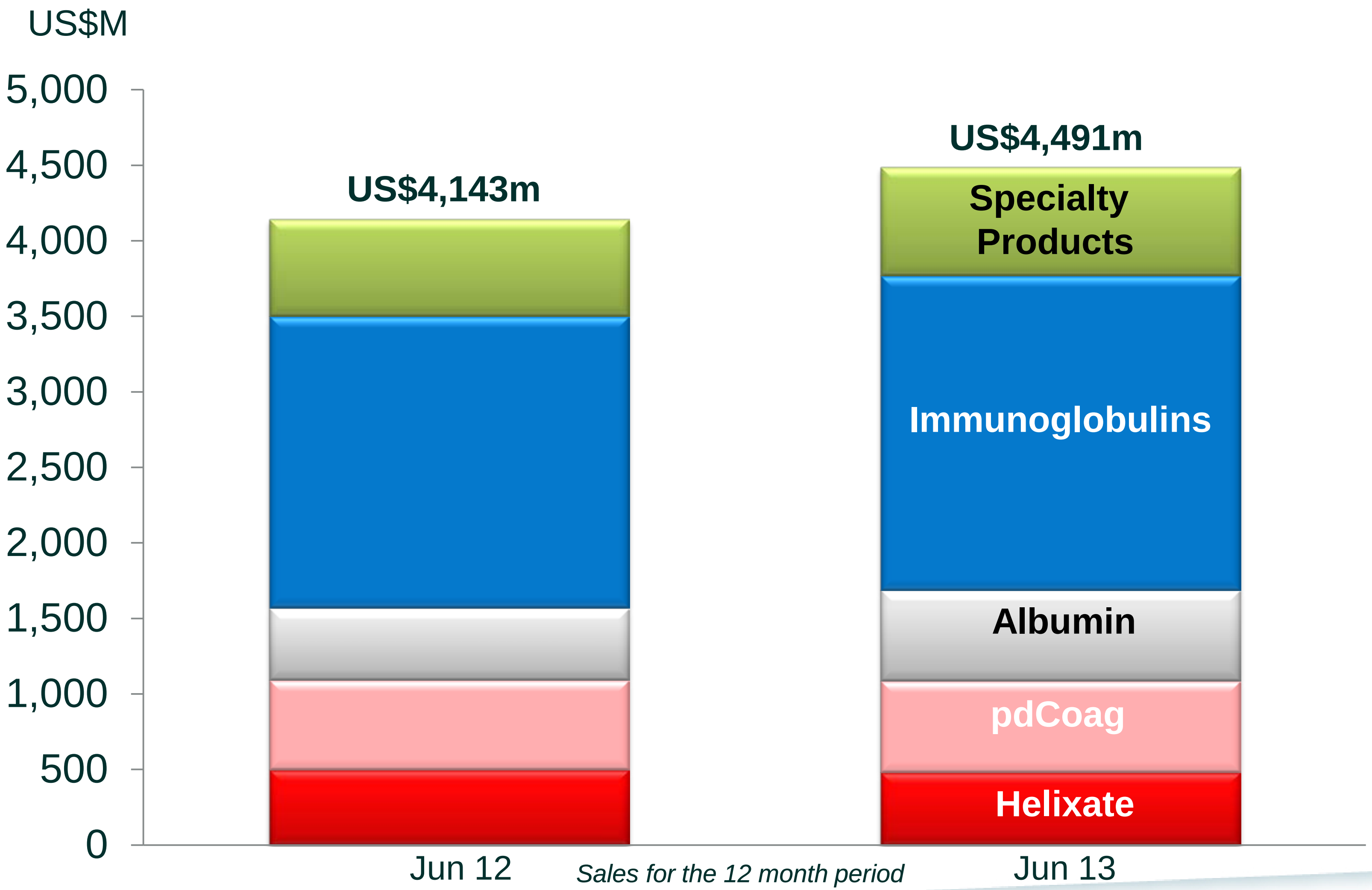
Financial outlook

- Revenue growth ~ 9% @ CC
- R&D investment growth ~13% @ CC
- NPAT growth ~10% @ CC
- *EPS will exceed NPAT growth driven by past and current capital management initiatives*

Outlook statements are subject to:
Material price and volume movements on core plasma products, competitor activity, changes in healthcare regulations and reimbursement policies, royalties arising from the sale of Human Papillomavirus vaccine, implementation of the Company's influenza strategy and plasma therapy life cycle management strategies, enforcement of key intellectual property, regulatory risk, litigation, the effective tax rate and foreign exchange movements.

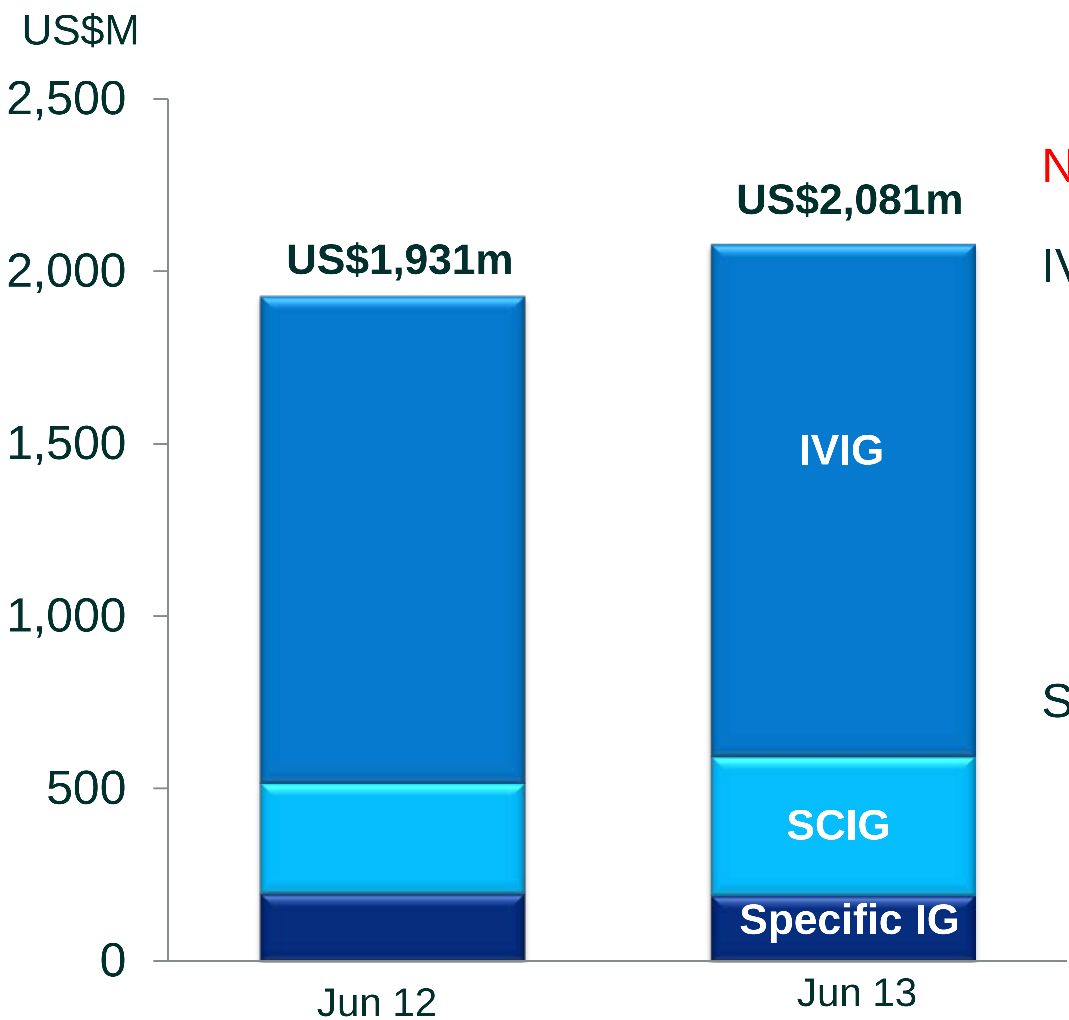
** CSL reserves the right to suspend or terminate buybacks at any time*

CSL Behring*
Product Sales up 11% @ CC



** CSL Behring now includes sale of products manufactured at the Broadmeadows facility*

Immunoglobulins
Sales up 9% @CC



Sales for the 12 month period

Highlights

Normal IG up 10% in CC terms

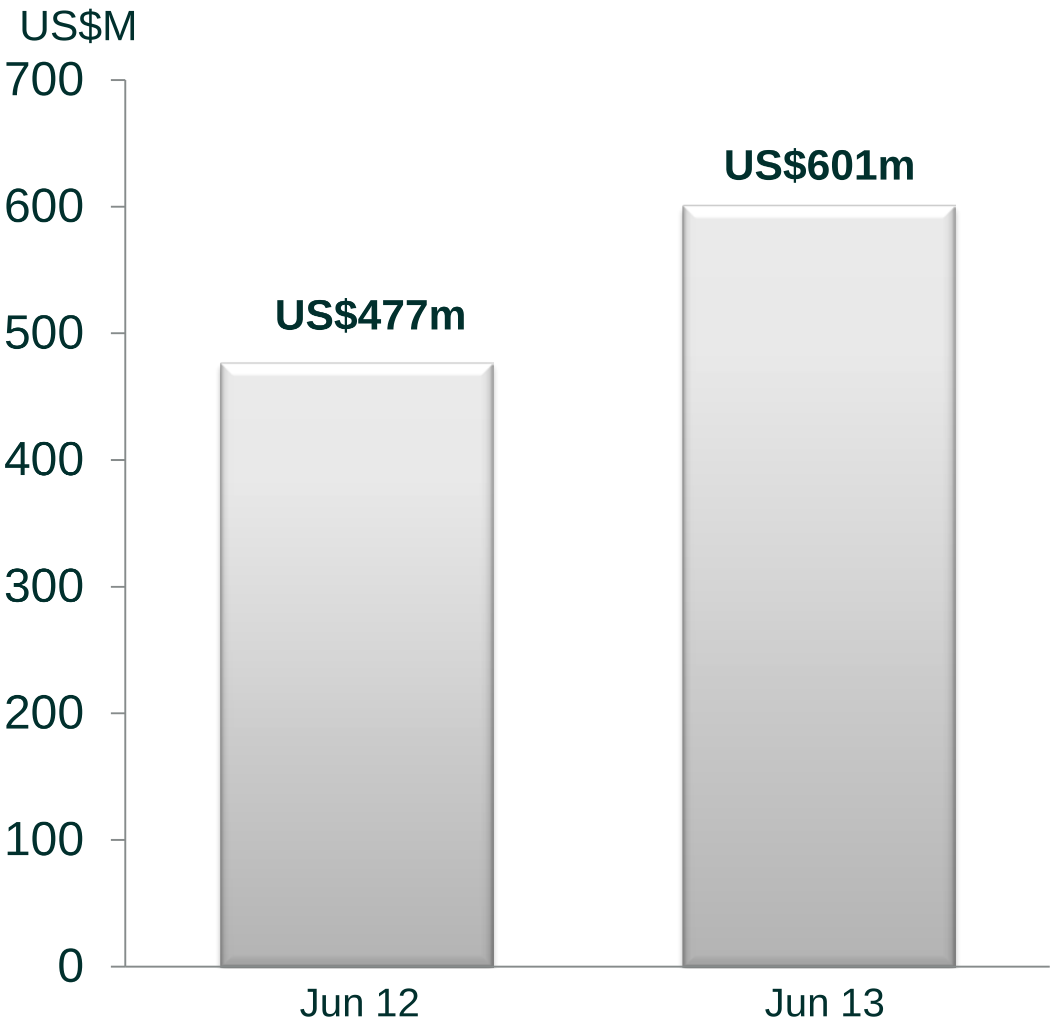
IVIG

- US – strong demand for Privigen®
- Privigen® - continued new market launch activities
- Carimune® competitive pressure
- Intragam® flat

SCIG

- Strong demand for Hizentra® in US & EU
- EU migration to Hizentra® from Vivaglobin® complete

Albumin
Sales up 28% @CC



Sales for the 12 month period

Highlights

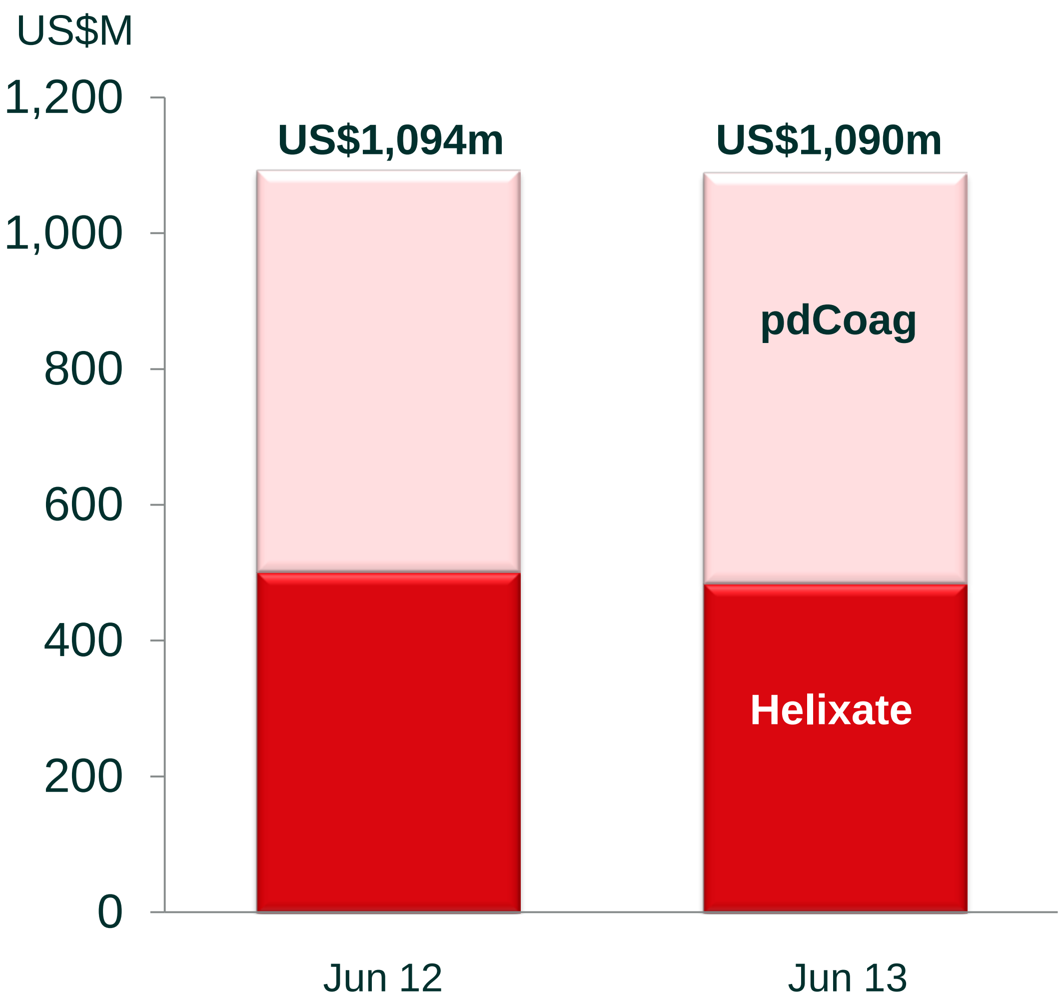
Asia

- Strong demand growth
- Improved distribution logistics in China

Global Dynamics

- Favourable re-evaluation of albumin usage in intensive care units
- USFDA & EMA caution on use of hydroxyethyl starch solutions

Haemophilia
Sales up 2% @CC



Sales for the 12 month period

Highlights

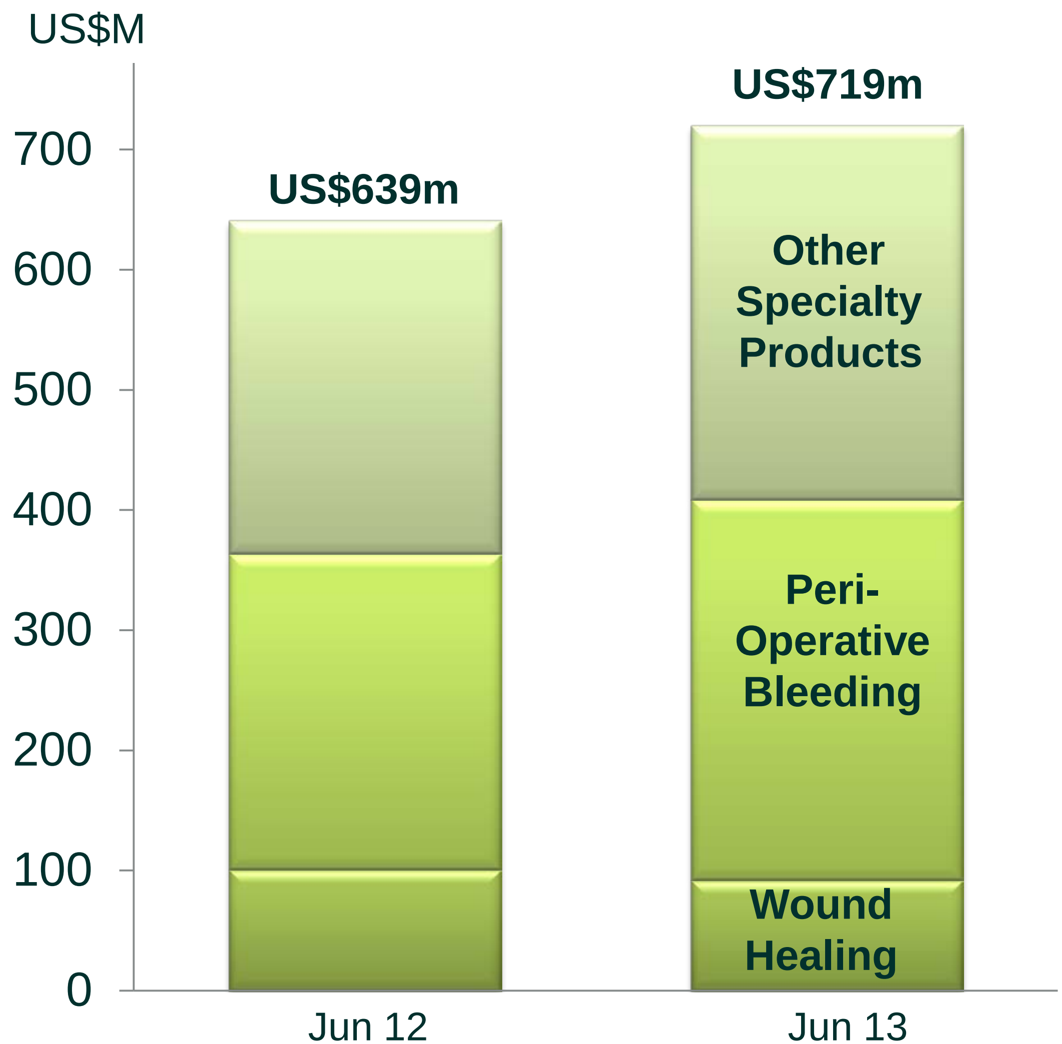
PdFVIII

- Strong Beriate® volume growth in Latin American markets, particularly Brazil
- Geographic shift towards lower priced developing markets

Helixate®

- Multiple clinical trials in new generation rFVIII absorbing product

Specialty Products
Sales up 17% @CC



Sales for the 12 month period

Highlights

- Berinert® P – strong demand
- Label expansions for Berinert® P
- Changing treatment paradigm driving strong demand for Haemocomplettan®
- Beriplex® - strong demand in Europe
- Kcentra™ approved by USFDA for warfarin reversal

Facilities Expansion
Investing for Growth

Recombinant Cell Culture Facility

- Clinical production targeted for Q1, 2014

Plasma fractionation

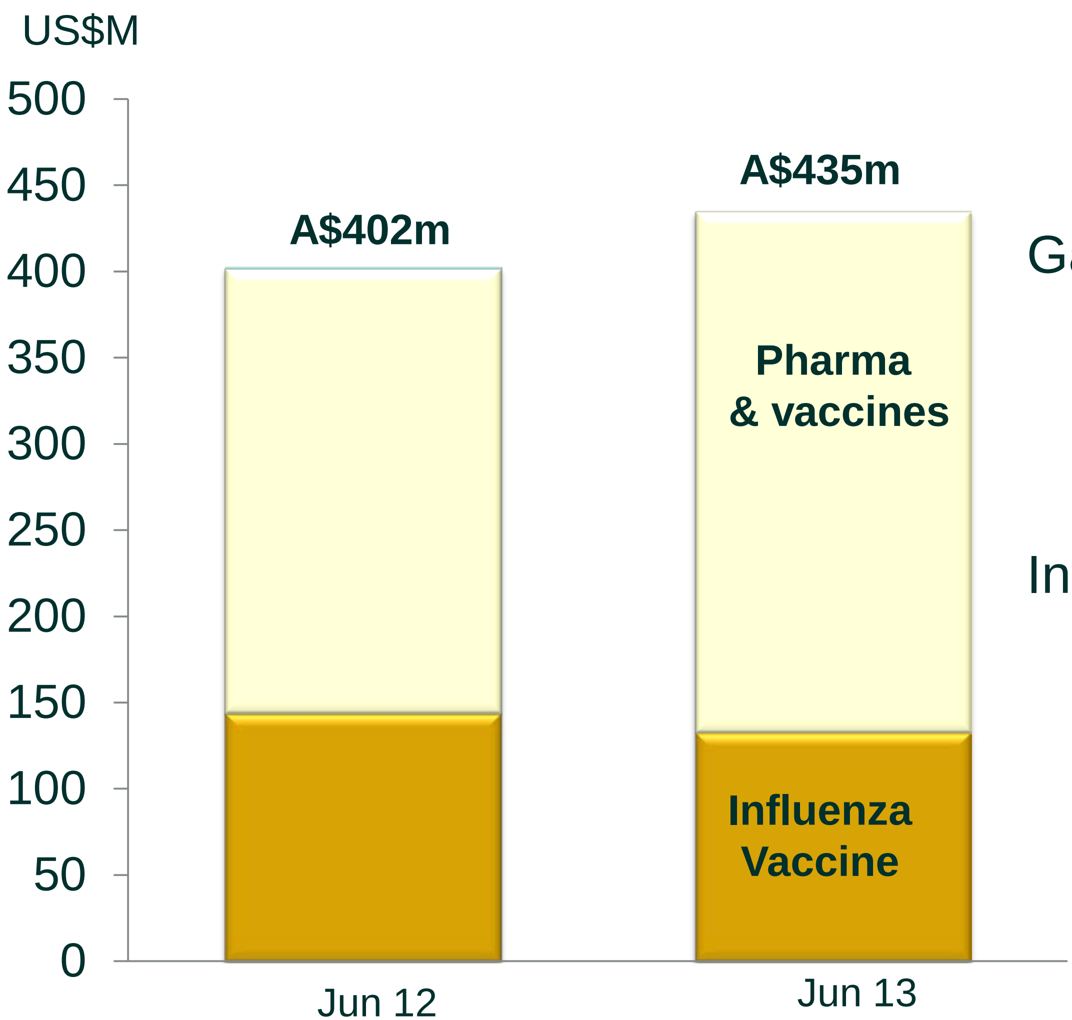
- Construction of Broadmeadows Privigen® facility completed in June with commercial start up targeted for 2016
- Albumin capacity expansion at Kankakee, Bern & Marburg sites
- Kankakee base fractionation expansion complete 2014

Plasma

- 9 new collection centres opened in the USA
- Second US plasma logistics centre opened in Mesquite, TX
- US Laboratory expansion underway to double the size
- Completed transition to in-house Nucleic Acid Testing

CSL

bioCSL
Sales up 8% @CC



Sales for the 12 month period

Highlights

Gardasil* sales A$55m

- Strong growth following commencement of program to vaccinate Australian boys

Influenza sales A$133m

- Global influenza dynamic
- Australian operating environment has given rise to difficult trading conditions

** Gardasil is a trademark of Merck & Co.*

CSL Intellectual Property Licensing

Segment Revenue US$134m

HPV royalties $128m up $17m

- Growth in Gardasil* royalties
- Progression of 9-valent vaccine

ISCOMATRIX® adjuvant

- Partners continue to advance vaccine programs
- Merck Research Labs initiated Dengue Study
- Positive results from Novavax Phase I H5N1 study

CAM3001 (GM-CSFRα)

- Licensee Medimmume/AstraZeneca continue Phase IIb studies in Rheumatoid Arthritis

** Gardasil is a trademark of Merck & Co.*

CSL™

R&D Update

rIX-FP (rec fusion protein linking factor IX with albumin)

- Phase I/II study shows clinical efficacy for once weekly prophylaxis
- Enrolment of first patient in paediatric Phase II/III pivotal study

rVIII-SingleChain

- Phase I of Phase I/III study supports improved half-life
- Phase III study commenced

rVIIa-FP (rec fusion protein linking factor VIIa with albumin)

- Successful completion of Phase I study in healthy volunteers

Hizentra®

- NDA for PID indication submitted to Japan PMDA

Privigen®

- EMA approval for treatment of patients with CIDP

R&D Update

Kcentra® (4-Factor Prothrombin Complex Concentrate)

- FDA approval for urgent Warfarin reversal in patients with acute major bleeding

Berinert®

- EMA approval for short-term prophylaxis in adults and children
- Phase I/II subcutaneous prophylaxis study completed

Corifact®

- FDA approval for expanded indication
- Prophylactic and surgical indications for FXIII deficiency

CSL112 (reconstituted High Density Lipoprotein)

- Enhances cholesterol efflux
- Phase IIa study completed

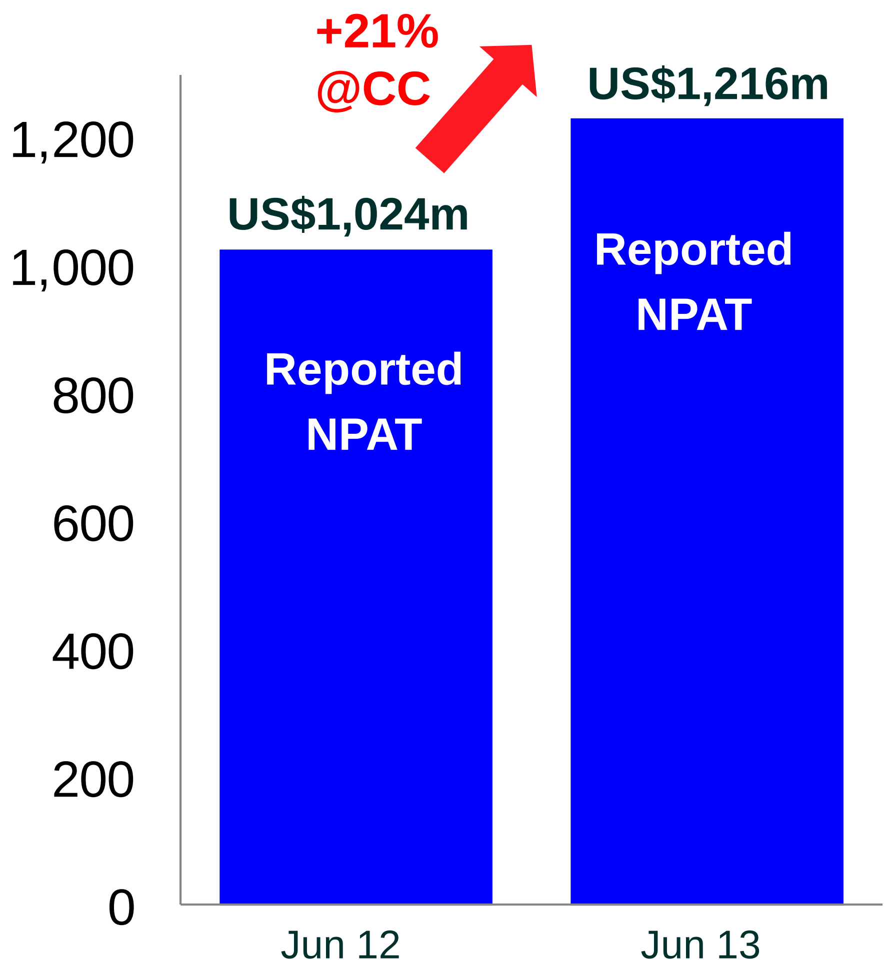
CSL362 (anti-IL-3Rα mAb)

- Commencement of phase I study in AML

Business Performance FY13

Financial Detail

FY2013 Net Profit after Tax up 19% *(up 21% @ CC)*



NPAT for the 12 month period

Notable items:

- FX headwind of US$18m at NPAT line
- Gardasil* royalty growth
- China - change in distribution model
- Pension plan amendment
- Onerous legacy contracts resolved

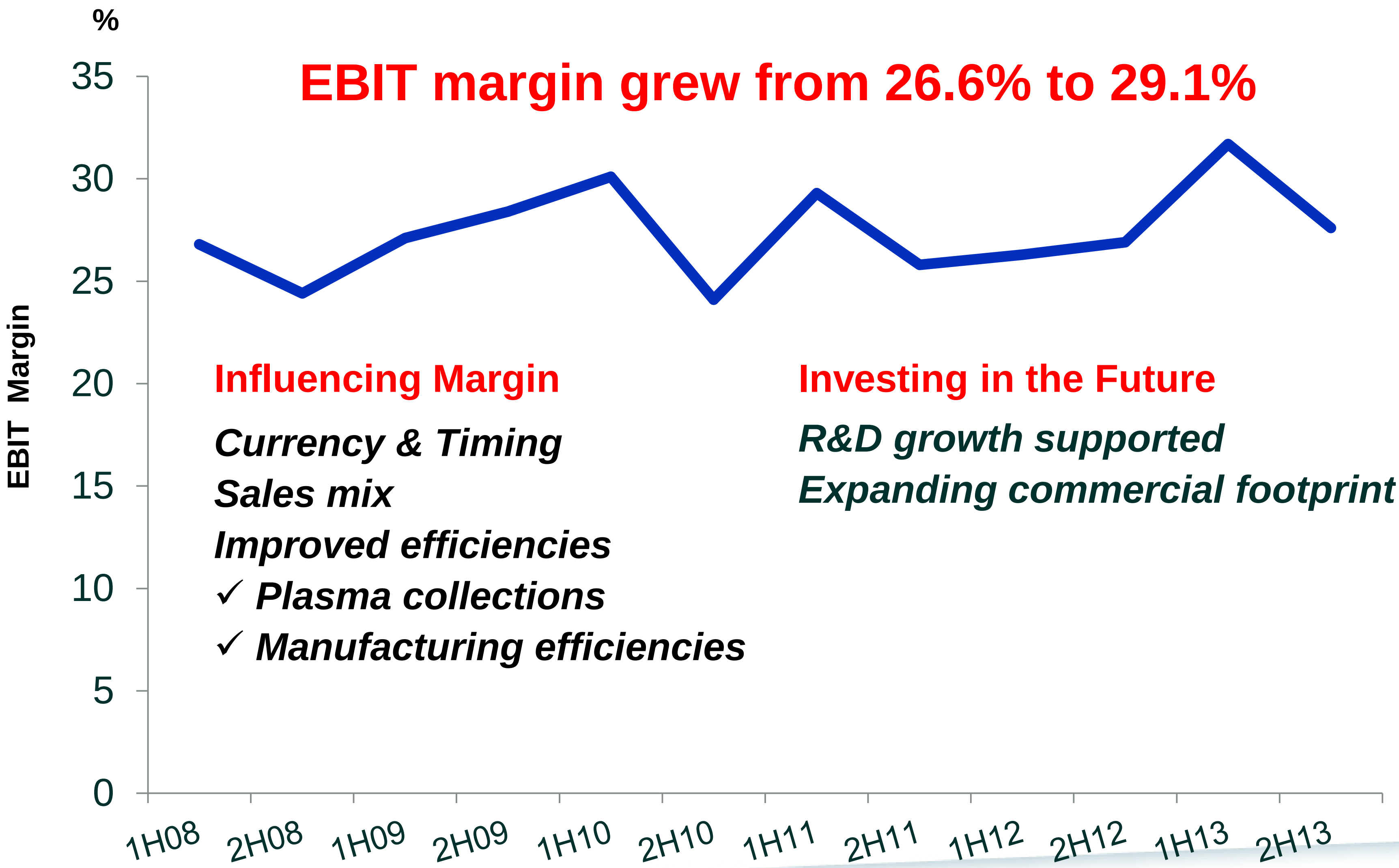
1H v 2H

- Sales into China 1H
- R&D spend skewed to 2H

** Gardasil is a trademark of Merck & Co.*

CSL

Reported USD EBIT Margin



EBIT margin grew from 26.6% to 29.1%

Influencing Margin

Currency & Timing

Sales mix

Improved efficiencies

- ✓ ***Plasma collections***
- ✓ ***Manufacturing efficiencies***

Investing in the Future

R&D growth supported

Expanding commercial footprint

Looking Forward

NPAT growth ~10% at CC

EBIT growth ~14% at CC

Notable items

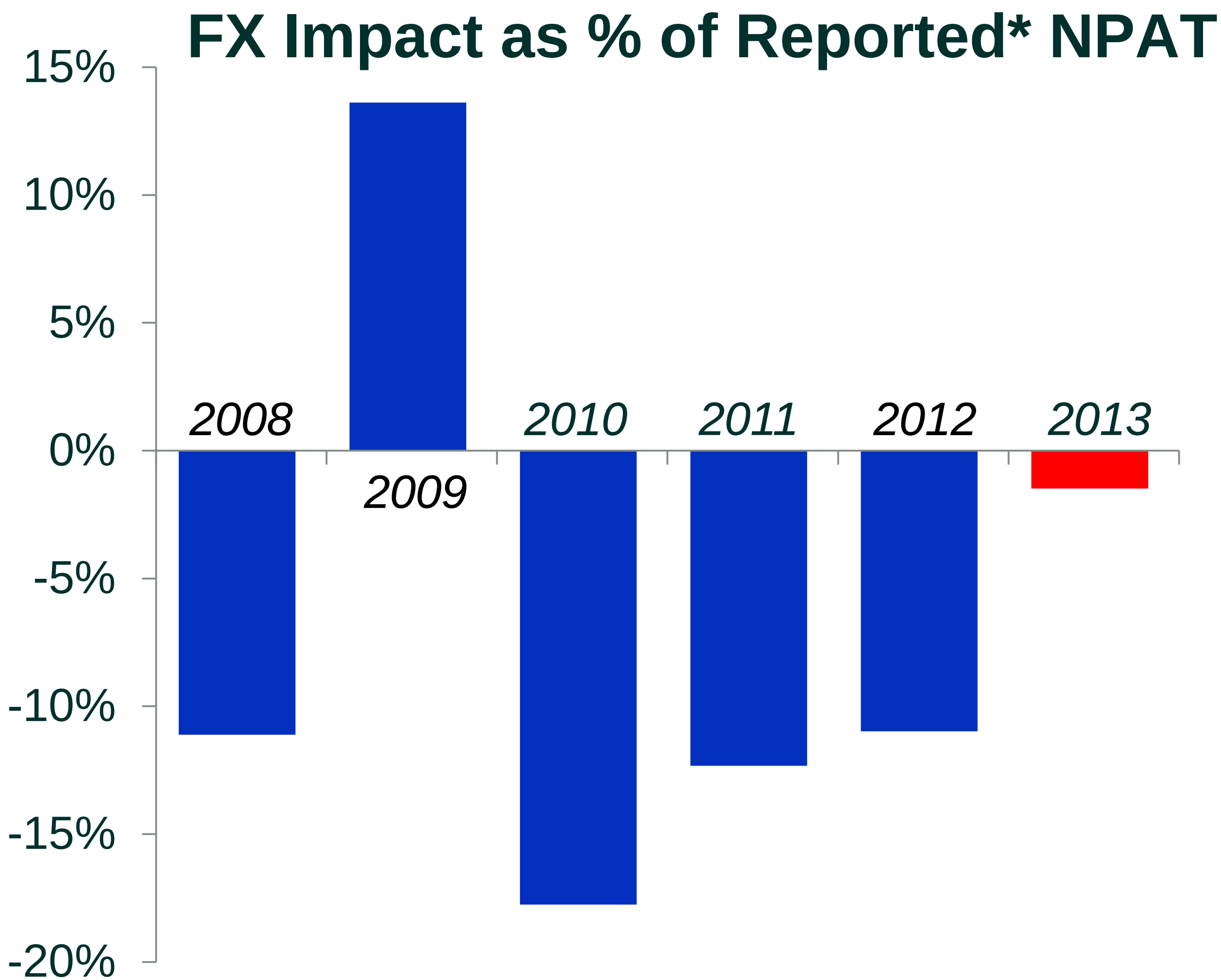
- Ongoing demand for core and specialty products
- Modest margin growth
- Interest expense expected to increase in line with company gearing
- Effective tax rate sensitivities
- Continuing bioCSL challenges

Financial Discipline

	FY2012	FY2013
Cashflow from operations	$1,206m	$1,312m
Capital Investment	$323m	$450m
Days receivable	57	52
Cash conversion %	101%	96%

- Balance Sheet Strength -

Transition to USD reporting



Profit volatility reduced

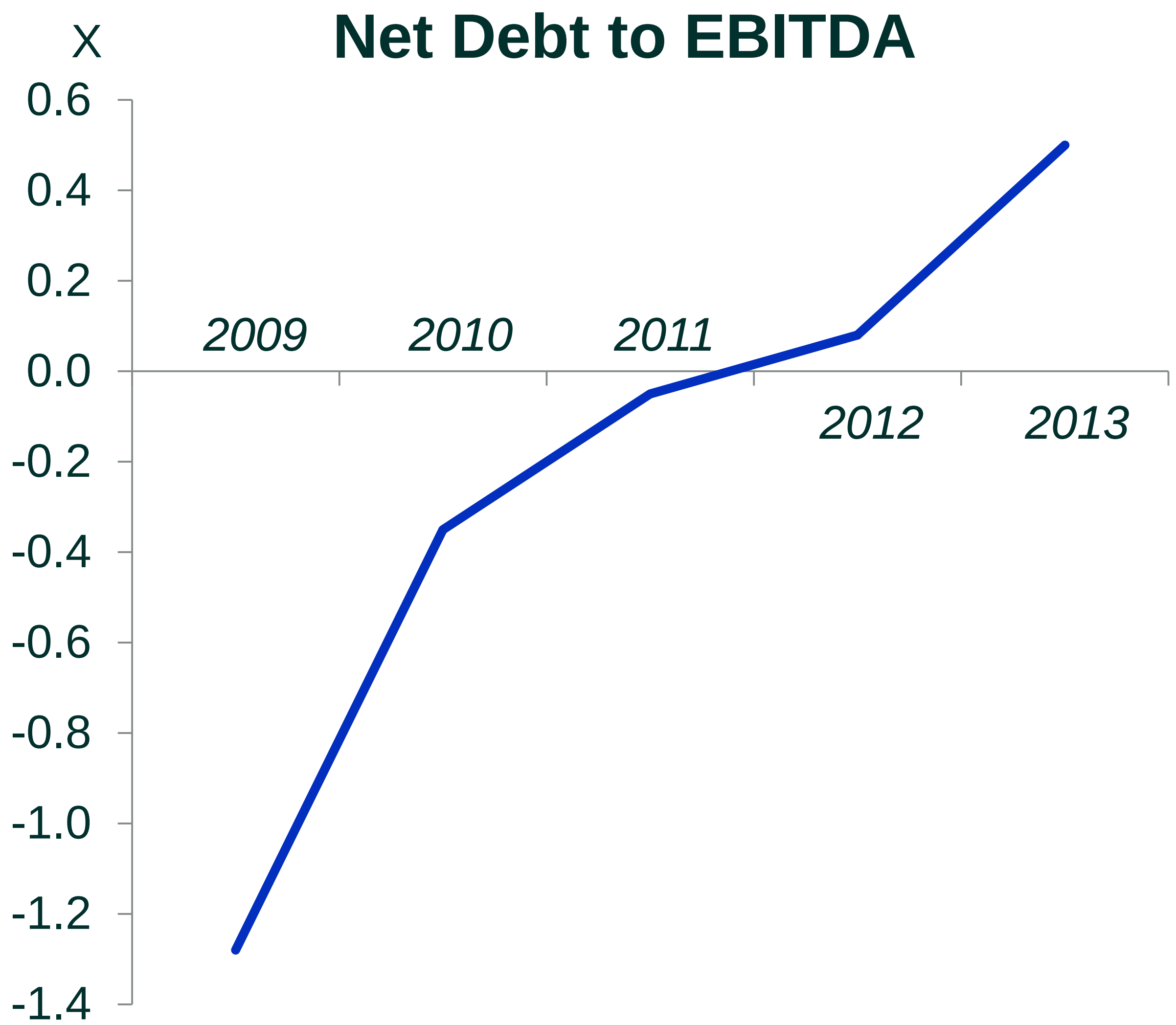
Key remaining exposures

- USD/CHF
- USD/EUR

Transaction & translation FX largely offset

** Calculated using reported numbers ie FY2008 – FY2012 in AUD, FY2013 in USD*

Capital Management



Optimising the cost of capital

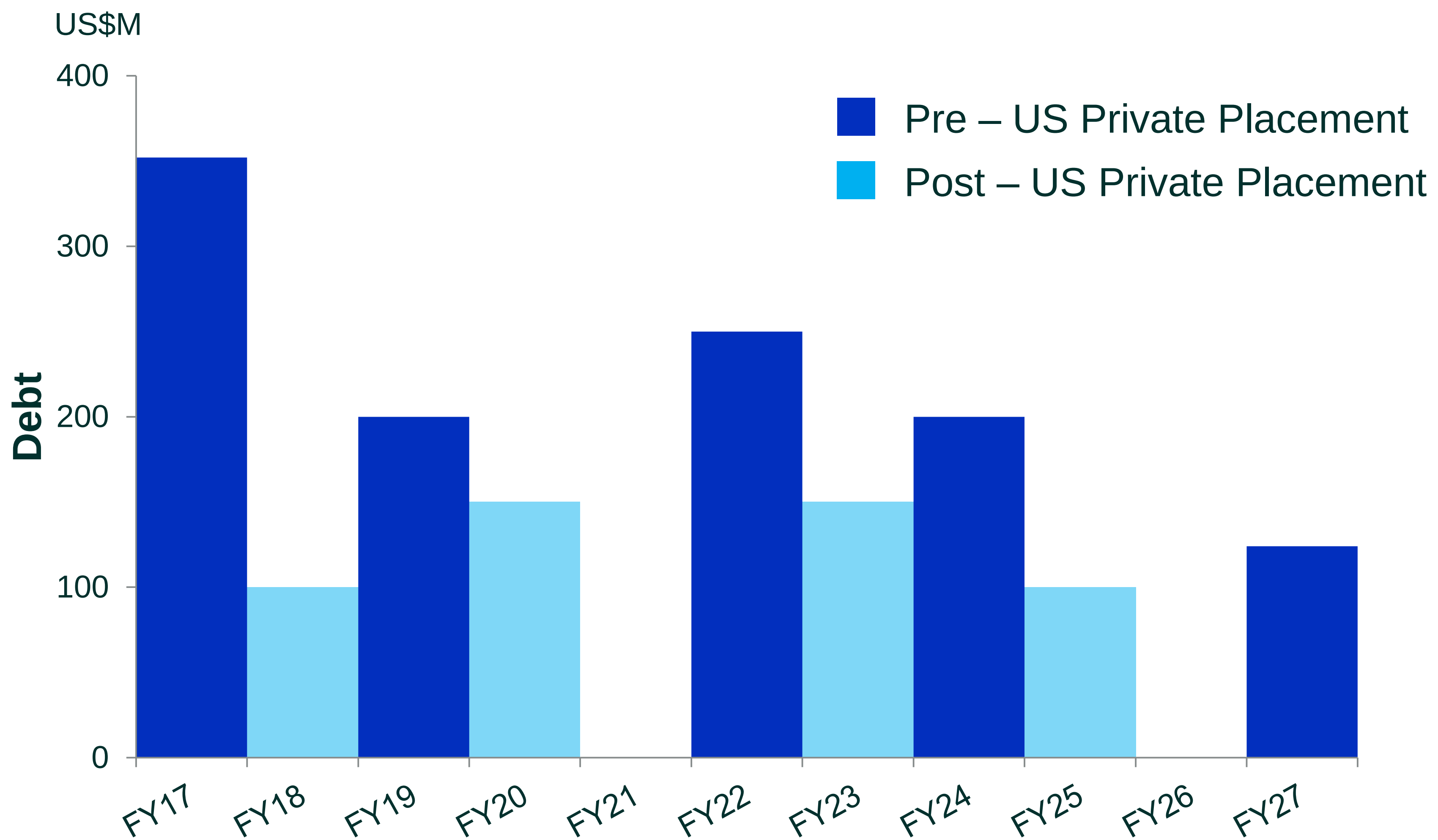
A$900m buyback 97% complete

US$500m private placement complete

- *Fixed average interest of 2.81%*
- *Ave life 8.5 years*

Board to consider further buyback of a similar amount to the current program

Improved Maturity Profile



CSL Growth Strategy

Immunoglobulins
Privigen® Hizentra®

Developing markets
Albumin, FVIII

Market growth
All products

Specialty products
RiaSTAP®, Beriplex®, Cytogam®, Berinert®, Zemaira®

Recombinant Coagulation Factors
rIX-FP, rVIIa-FP, rVIII-SingleChain

Biotech
AML, RA

New Plasma Fractions
rHDL

R&D capabilities - Financial strength

CSL™

CSL LIMITED

2013 Full Year Result

14 August 2013

Group Results
US Dollars

Full year ended June US$ Millions	Jun 2012 Reported	Jun 2013 Reported	Jun 2013 CC[1]	Change %
Sales	**4,616**	**4,950**	**5,056**	**9.5%**
Other Revenue / Income	197	179	180	
Total Revenue / Income	**4,813**	**5,129**	**5,236**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,446**	**1,687**	**1,717**	**18.7%**
Depreciation/Amortisation	178	201	207	
Earnings before Interest and Tax	**1,268**	**1,486**	**1,510**	**19.1%**
Net Interest Expense / (Income)	(2)	18	18	
Tax Expense	246	251	258	
Net Profit after Tax	**1,024**	**1,216**	**1,234**	**20.5%**
Total Ordinary Dividends (US$)	0.86	1.02		18%
Final Dividend (US$)	0.49	0.52		
Basic EPS (US$)	1.97	2.44	2.48	26%

1. Constant Currency (CC) removes the impact of exchange rate movements to facilitate comparability. See end note for further detail.

CSL™

CSL Behring Sales
US Dollars

Full year ended June	FY12 USD$M	FY13 USD$M	FY13 USD$M CC[1]	Change %
rFVIII	**502**	**485**	*496*	**-1%**
pdCoag	**592**	**605**	*621*	**5%**
Albumin	**477**	**601**	*609*	**28%**
Immunoglobulins	**1,931**	**2,081**	*2,109*	**9%**
Specialty Products	**641**	**719**	*746*	**17%**
- Wound healing	*101*	*92*	*99*	*- 2%*
- Peri-operative bleeding	*263*	*317*	*331*	*26%*
- Other specialty products	*277*	*310*	*316*	*14%*
Total Product Sales	**4,143**	**4,491**	*4,581*	**11%**
Other sales (mainly plasma)	*50*	*10*		
Total Sales	*4,193*	*4,501*		

1. Constant Currency (CC) removes the impact of exchange rate movements to facilitate comparability. See end note for further detail.

Notes

***Constant currency** removes the impact of exchange rate movements to facilitate comparability by restating the current year's results at the prior year's rates. This is done in two parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars at the rates that were applicable to the prior year ("translation currency effect") and comparing this with the actual profit of those entities for the current year; and b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior year ("transaction currency effect") and comparing this with the actual transaction recorded in the current year. The sum of translation currency effect and transaction currency effect is the amount by which reported net profit is adjusted to calculate the result at constant currency.*

Summary NPAT

Reported Net Profit after Tax	*US$ 1,216.3m*
Translation Currency Effect (a)	*US$ 66.6m*
Transaction Currency Effect (b)	*US$ (48.9)m*
*Constant Currency Net Profit after Tax **	*US$ 1,234m*

a) Translation Currency Effect US$66.6m

Average Exchange rates used for calculation in major currencies were as follows:

	Twelve months ended	
	Jun 12	*Jun 13*
USD/CHF	*0.89*	*0.94*
USD/EUR	*0.74*	*0.77*

b) Transaction Currency Effect US$(48.9m)

Transaction currency effect is calculated by reference to the applicable prior year exchange rates. The calculation takes into account the timing of sales both internally within the CSL Group (ie from a manufacturer to a distributor) and externally (ie to the final customer) and the relevant exchange rates applicable to each transaction.

Summary Sales

Reported Sales	*US$ 4,950.4m*
Currency Effect (c)	*US$ 105.0m*
*Constant Currency Sales **	*US$ 5,055.5m*

c) Constant Currency Effect $105m

Constant currency effect is presented as a single amount due to the complex and interrelated nature of currency impact on sales.

** Constant currency net profit after tax and sales has not been audited or reviewed in accordance with Australian Auditing Standards*