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CSL

ASX Announcement

For immediate release

22 August 2012

Full Year Result FY2012

Reported profit of A$983m

- ***Up 16% at constant currency[1]***
- ***US $1 billion profit[2] milestone reached***

Earnings per share A189.2¢

- ***Up 21% at constant currency***

Cash flow from operations of A$1,160 million, up 14%

Board to consider further share buyback of up to A$900m

CSL Limited (ASX:CSL) today announced a net profit after tax of A$983 million for the twelve months ended 30 June 2012, up A$42 million or 4.5% on a reported basis when compared to the prior comparable period. This result included an unfavourable foreign exchange impact of A$108 million. On a constant currency[1] basis, net profit after tax grew 16%. Earnings per share growth continues to benefit from current and past capital management initiatives.

KEY ITEMS

Financial

- Sales revenue A$4.4 billion, up 12% at constant currency when compared to the prior comparable period
  - *CSL Behring sales A$3.6 billion, up 11% at constant currency*
- Reported net profit after tax A$983 million, up 4.5%
  - *Up 16% at constant currency*
  - *Foreign currency headwind of A$108 million*
  - *US $1 billion profit milestone reached*
- Reported earnings per share A189.2¢, up 9%
  - *Up 21% at constant currency*
- Research and development expenditure of A$355 million, up 13% at constant currency

[1] Constant currency removes the impact of exchange rate movements to facilitate comparability. See end note[#] for further detail.
[2] The Group's result in USD has been prepared by translating the results of all entities in the Group into US dollars using average exchange rates. Accounting policies used in the preparation of the Group's financial statements have been consistently applied in this process.

- Cash flow from operations of A$1,160 million, up 14%
- Strong balance sheet with cash on hand of A$1,155 million and borrowings of A$1,272 million
- Capital Management
    - ~A$800m in new lines of credit
    - US$750m private placement
    - The current A$900m on-market share buyback[3] approximately 77% complete
- Final dividend increased to A47¢ per share, unfranked, payable on 12 October 2012.
- Total ordinary dividends for the year increased to A83¢ per share

Operational

CSL Behring

- Immunoglobulin sales US$1.7 billion, up 15%
    - Strong demand for Privigen® and Hizentra®
    - Privigen® – European phase III study in chronic inflammatory demyelinating polyneuropathy (CIDP) completed
    - Hizentra® – clinical trial commenced for subcutaneous treatment of CIDP
- Albumin sales US$448m, up 15% (includes Asian sales)
    - Strong demand in Asia
- Specialty product sales US$618m, up 18%
    - RiaSTAP™ - phase III peri-operative bleeding study initiated in Europe
    - Berinert® - US and European approval for self-administration
    - Pro-thrombin complex concentrate – Biologics license application submitted to US Food and Drug Administration (FDA)

Research & Development

- Recombinant haemophilia pipeline
    - rIX-FP
        - Commencement of phase II/III pivotal study
        - US FDA grants orphan drug status
    - rVIII-SingleChain – Commencement of phase I/III study
    - rVIIa-FP
        - US FDA grants orphan drug status
        - Commencement of phase I trial
- GARDASIL*
    - Recommended for vaccinating boys in Australia, Canada & USA

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

Dr Brian McNamee, CSL's Managing Director, said "This year I am pleased to report that the Company has a reached a US $1 billion dollar profit milestone."

"The appreciation of the Australian dollar masks the company's excellent operating performance. At constant currency, CSL's profit came in above guidance, growing 16%, with actual shareholder returns even stronger. The current A$900m share buyback program provides additional leverage with earnings per share growth of 21% at constant currency."

"Our immunoglobulin products, Privigen® and Hizentra® have been the star performers in our product portfolio. Specialty products also did very well, led by hereditary angioedema product, Berinert®," Dr McNamee said.

OUTLOOK *(at 11/12 exchange rates)*

Commenting on CSL's outlook, Dr McNamee said "We are entering an exciting phase in the Company's development with the recombinant coagulation portfolio reaching some important milestones. In our suite of specialty products, fibrinogen and pro-thrombin complex are giving rise to an evolving paradigm in the treatment of peri-operative bleeding."

"Looking into 2013 we anticipate trading conditions to be similar to those of fiscal 2012 with global demand tempered by ongoing economic pressures. Our global sales reach, our extensive portfolio and our research and development programs are well supported by a solid balance sheet. As part of an ongoing focus on productivity we are reorganising operations to better align our plasma fractionation activities into one seamless international operation."

"This financial year, using fiscal 2012 profit of US$1,024 million as the base, we anticipate profit growth of approximately 12% at constant currency. Earnings per share growth will again exceed profit growth expectations as shareholders benefit from the ongoing effect of share buybacks. I'm pleased to foreshadow that following completion of the current buyback program the Board will consider new capital management initiatives, which may include a further on-market share buyback program of up to A$900 million," Dr McNamee said.

In compiling the Company's financial forecasts for the year ending 30 June 2013 a number of key variables which may have a significant impact on guidance have been identified and these have been included in the footnote[4] below.

BUSINESS REVIEW
Results overview

CSL Behring sales of A$3.6 billion grew 11%, at constant currency, when compared to the prior comparable period.

Immunoglobulin sales grew 15% in US dollar terms. Demand for Privigen®, and Hizentra® was particularly strong. Privigen® growth has benefited from the Company's 'Supply Guarantee' in the US market and higher share of tenders in Canadian and European markets. Hizentra® growth was underpinned by strong demand from primary immune deficient patients in the US. Sales mix shift between Carimune® to Privigen® and Vivaglobin® to Hizentra® have also contributed to the growth in immunoglobulin sales.

Albumin sales, including Asian sales[5], grew 15% in US dollar terms. Growth was underpinned by ongoing demand in China, strong US hospital demand growth and a re-evaluation of clinical use of Albumin in Germany.

Haemophilia product sales grew 5% in US dollar terms. Volume growth for plasma derived factor VIII products, lead by Beriate®, grew 15%. This was offset to some extent by the ongoing geographic shift towards new lower priced emerging markets. Haemate® demand in Europe for immune tolerance therapy treatment was a strong contributor to this growth.

Specialty products grew 18% in US dollar terms. The changing paradigm for the treatment of peri-operative bleeding has underpinned growth in demand for fibrinogen product Haemocomplettan® in Europe. The launch of Corifact® in the US and Beriplex® in Canada also contributed to growth in the peri-operative bleeding segment. US

[4] 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.

[5] Adjusted to include CSL Behring albumin products sold in Asia by CSL Biotherapies.

volumes for Berinert® more than doubled as a result of approval for both self-administration and a laryngeal indication. Zemaira®, used to treat Alpha-1 associated emphysema, also contributed significantly with strong US patient growth.

Other Human Health (CSL Biotherapies) sales of A$813 million, up 10%, included A$128 million of albumin sales into Asia and A$266 million of plasma therapy sales from the Broadmeadows plant. Also contributing to growth were influenza sales of A$141 million, boosted by solid sales into northern hemisphere markets. GARDASIL* sales in Australia and New Zealand were A$33m following growth in the Australian National Immunisation Program and private markets.

Intellectual Property Licensing revenue was A$137 million up 43%. Royalty contributions from Human Papillomavirus Vaccines totalled A$107 million and the sale of intellectual property associated with enzyme replacement treatment for Mucopolysaccharidosis contributed A$20 million to revenue.

Operational integration of Broadmeadows facility with CSL Behring

During the period the company commenced integration of the Australian plasma operations with CSL Behring. This action creates a single plasma business within the CSL group building on the scale and efficiencies achieved to date. It also leverages the new biotech and plasma manufacturing facilities at Broadmeadows now under construction. Dr Simon Green, currently Senior Vice President of Product Development, Global Research and Development, will assume the position of Senior Vice President with responsibility for Australian plasma fractionation operations.

The vaccines and pharmaceutical operations will be placed into a stand-alone business unit within the CSL Group. Dr John Anderson, currently Vice President of Commercial Operations for CSL Biotherapies has been appointed Senior Vice President of this business unit and will report directly to the Chief Executive Officer.

Dr Jeff Davies, Executive Vice President CSL Biotherapies will retire from CSL later this year after a long and successful career with the company.

CSL expects the new operating structures to be in place by 1 January 2013.

Successor to Chief Executive Officer announced

On 3 August 2012, CSL Chairman, Professor John Shine, announced that after 23 years leading CSL, 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 will leave CSL in July 2013 and will be succeeded by Paul Perreault, currently President of CSL Behring.

The detailed announcement can be found on the company website at www.csl.com.au/investor

US Dollar Reporting

In February this year the company announced its decision to move to US dollar reporting commencing for the 2012/13 financial year. US dollars are the pharmaceutical industry standard currency for reporting purposes. The move also reflects the increasing predominance of the Company's worldwide sales and operations in US dollars.

To assist investors during the transition the Company intends to lodge with the Australian Securities Exchange in November this year complete sets of financial statements for the first half and full year financial 2012, restated in US dollars. Selected 5 year historical numbers will also be provided in US dollars.

Included with today's results presentation materials is a high level statement of the Group's income and expenses in US dollar terms. This can be found on the company website at www.csl.com.au/investor

RESEARCH & DEVELOPMENT

Immunoglobulins

During January 2012, CSL Behring concluded its phase III trial studying the use of Privigen® in the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP). Trial results have been drawn together and submitted for registration in Europe.
On 26 March 2012 CSL Behring announced that the first patient had been enrolled in a clinical trial designed to evaluate the efficacy, safety and tolerability of two different doses of Hizentra®, subcutaneous immunoglobulin, in maintenance treatment of CIDP.

Haemophilia
CSL is working on a number of innovative recombinant factors for the treatment of Haemophilia.

Recombinant IX-FP
On 2 February 2012, CSL Behring announced results of a phase I study evaluating a recombinant fusion protein linking coagulation factor IX with albumin (rIX-FP) in patients with severe haemophilia B. Results of the study showed the rIX-FP was well tolerated with no serious adverse events, no presence of inhibitors to Factor IX and no antibodies to rIX-FP reported. Terminal half-life (a measure of how long the drug lasts in the body) was more than five times longer in comparison to values associated with current recombinant FIX therapy.

On 20 March 2012, CSL Behring announced that the first patient had been dosed in a phase II/III in a prospective, open-label, multi-centre study to evaluate the safety, efficacy and pharmacokinetics of rIX-FP.

On 8 June 2012 CSL Behring announced that it had been granted orphan drug status by the US Food and Drug Administration (FDA) for its novel recombinant fusion protein linking coagulation factor IX with recombinant albumin. The orphan drug destination is granted for the treatment and prophylaxis of bleeding episodes in patients with congenital factor IX deficiency and control for bleeding in peri-operative settings. The US FDA's Orphan Drug Designation program provides orphan status to unique drugs and biologics, defined as those intended for the safe and effective treatment or prevention of rare diseases that affect fewer the 200,000 people in the US.

Recombinant VIII-SingleChain
The candidate molecule being studied for the treatment of haemophilia A, is a unique single chain recombinant factor VIII (rVIII-SingleChain). On 15 February 2012, CSL Behring screened the first patient for its rVIII-SingleChain phase I trial.

In house studies have shown that the molecular integrity of rVIII-SingleChain is significantly increased using the single chain design, resulting in a homogenous product that may be more stable than currently available options. In addition, in-vitro studies have shown that rVIII-SingleChain demonstrates a very strong affinity to von Willebrand factor (VWF) and a faster and more efficient binding to VWF. The factor VIII/VWF complex plays an important role in the physiological activity and clearance of factor VIII and has been shown to have an influence on the presentation of factor VIII to the immune system.

Recombinant VIIa-FP
On 16 February 2012, CSL Behring announced that it had been granted orphan drug designation by the US FDA for its novel recombinant fusion protein linking activated coagulation factor VIIa with recombinant albumin (rVIIa-FP). The Orphan Drug Designation was granted for the treatment and prophylaxis of bleeding episodes in patients with congenital haemophilia and inhibitors to coagulation factor VIII or IX.

On 20 March 2012, CSL Behring announced that the first in-human dosing of recombinant fusion protein linking coagulation factor VIIa with albumin. This novel therapy is being developed to treat haemophilia A and haemophilia B patients who have inhibitors.

Specialty Plasma Products
Berinert® (C1-Esterase Inhibitor)
On 25 August 2011, CSL Behring announced that European health authorities approved self-administration of Berinert®, a C1-esterase inhibitor concentrate indicated in Europe for the treatment of acute attacks of hereditary angioedema (HAE), a rare, serious and sometimes life-threatening genetic disorder. The expanded European label allows patients to self-administer Berinert® by intravenous infusion, after consultation with a physician and after receiving the appropriate training. Berinert® is licensed in Europe for treatment of acute HAE attacks.

On 3 January 2012, CSL Behring announced US FDA approval of a label expansion for self-administration of Berinert®, C1 esterase inhibitor (Human) for the treatment of acute attacks of HAE. With appropriate training from a physician, patients in the US can now self-administer Berinert® by intravenous infusion. As part of the US label expansion, Berinert® is now also indicated to treat life-threatening laryngeal HAE attacks, as well as facial and abdominal attacks.

On 3 May 2012, CSL Behring announced that it had initiated an international phase I/II study of a volume-reduced, subcutaneous formulation of C1-esterase inhibitors (C1-INH) concentrate in patients with hereditary angioedema.

RiaSTAP® (Fibrinogen)
RiaSTAP® is approved in the US for treatment of acute bleeding episodes in patients with congenital fibrinogen deficiency.

On 15 March 2012, CSL Behring announced that the first patient had been treated in a Phase III clinical trial evaluating the efficacy and safety of fibrinogen concentrate in controlling micro-vascular bleeding during aortic aneurysm surgery. The purpose of this study is to demonstrate that fibrinogen concentrate can reduce peri-operative bleeding and therefore the volume of donor blood products (eg fresh frozen plasma, platelets, and red blood cells) needed during the complex cardiovascular surgical procedures such as aortic aneurysm surgery.

Pro-thrombin complex concentrate
On 29 May 2012, CSL Behring announced that the US FDA had accepted for standard review its Biologics License Application for the human 4-factor pro-thrombin complex concentrate for the urgent reversal of vitamin K-antagonist therapy (ie warfarin) in patients with acute major bleeding. If approved by the US FDA, the CSL Behring 4-factors PCC would be the first product of its kind available in the US.

CAM3001
During the period under review, CSL's antibody licensee Medimmune/AstraZeneca successfully completed a phase IIa study of a monoclonal antibody targeting the GM-CSF Receptor for the potential treatment of Rheumatoid Arthritis. Mavrilimumab* showed a rapid and significant clinical effect compared to placebo with a safety profile supporting further clinical development.

CAPITAL MANAGEMENT

Debt Refinancing
On 9 November 2011, CSL announced that it had completed a debt refinancing program which included:

- A US$750 million private placement in the US; and
- The equivalent of approximately A$800 million in new lines of credit with its banks

The funds are being used to repay existing debt, fund CSL's capital management plan, including the on-market share buyback of up to A$900 million announced at the 2011 Annual General Meeting, and for general corporate purposes.

Share Buyback
On 19 October 2011, CSL announced its intention to conduct an on-market share buyback of up to A$900 million. Under the Australian Securities Exchange listing rules this buyback[6] has a 12 month completion window. To date CSL has repurchased approximately 20 million shares for approximately $689 million, representing ~77% of the intended repurchase program.

CSL's balance sheet remains very sound. Cash and cash equivalents totalled $1,155 million as at 30 June 2012, with interest bearing liabilities totalling $1,272 million. Undrawn debt facilities totalled $448 million.

Board to consider further on-market share buyback of up to A$900 million
Following the completion of the current buyback, which has A$211m remaining, the Board will consider further capital management initiatives, which may include a further on-market share buyback program of up to A$900 million.

Additional details about CSL's results are included in the Company's 4E 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.

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[6] CSL reserves the right to suspend or terminate buybacks at any time.

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

Group Results
Australian Dollars

Twelve months ended June A$ Millions	**Jun 2011** Reported	**Jun 2012** Reported	**Jun 2012** Constant Currency#	**Change** %[7]
Sales	**4,188**	**4,433**	**4,673**	**11.6%**
Other Revenue / Income	134	191	198	
Total Revenue / Income	**4,322**	**4,624**	**4,871**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,357**	**1,386**	**1,524**	**12.3%**
Depreciation/Amortisation	173	173	175	
Earnings before Interest and Tax	**1,184**	**1,215**	**1,349**	**13.9%**
Net Interest Expense / (Income)	(14)	(2)	(1)	
Tax Expense	257	234	259	
Net Profit after Tax	**941**	**983**	**1,091**	**15.9%**
Total Ordinary Dividends (cents)	80.00	83.00		
Final Dividends (cents)	45.00	47.00		
Basic EPS (cents)	174.00	189.25	210.07	21%

[7] Change between Jun 2012 results at constant currency and Jun 2011 reported results.

Group Results

US Dollars[8]

Twelve months ended June US$ Millions	Jun 2011 Reported	Jun 2012 Reported	Change %[9]
Sales	**4,097**	**4,616**	**12.7%**
Other Revenue / Income	131	197	
Total Revenue / Income	**4,228**	**4,813**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,324**	**1,446**	**9.2%**
Depreciation/Amortisation	170	178	
Earnings before Interest and Tax	**1,154**	**1,268**	**9.8%**
Net Interest Expense / (Income)	(13)	(2)	
Tax Expense	249	246	
Net Profit after Tax	**918**	**1,024**	**11.5%**
Basic EPS (US cents)	169.81	197.20	16.1%

[8] The Group's result in USD has been prepared by translating the results of all entities in the Group into US dollars using average exchange rates. Accounting policies used in the preparation of the Group's financial statements have been consistently applied in this process.

[9] Change between Jun 2011 reported results and Jun 2012 reported results.

*[#]**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 Australian 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

Reported Net Profit after Tax	*A$ 982.6m*
Translation Currency Effect (a)	*A$ 17.3m*
Transaction Currency Effect (b)	*A$ 90.8m*
*Constant currency Net Profit after Tax **	*A$1,090.7m*

a) Translation Currency Effect A$17.3m

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

	Twelve months ended	
	Jun 11	*Jun 12*
AUD/USD	*0.98*	*1.04*
AUD/EUR	*0.72*	*0.77*
AUD/CHF	*0.94*	*0.92*

b) Transaction Currency Effect A$90.8m

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.

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

CSL Limited

ABN: 99 051 588 348

ASX Full-year information
30 June 2012

Lodged with the ASX under Listing Rule 4.3A.

Contents

CSL Limited

ABN: 99 051 588 348

Appendix 4E

Full-year ended 30 June 2012

(Previous corresponding period:
Year ended 30 June 2011)

Results for Announcement to the Market

	2012 $m	2011 $m
Sales revenue	4,433.2	4,187.6
Total other revenues	190.5	134.0
Total revenue and other income	**4,623.7**	**4,321.6**
Profit before income tax expense	1,216.8	1,198.1
Income tax expense	(234.2)	(257.5)
Reported Net profit after tax attributable to members of the parent entity	**982.6**	**940.6**

Reported

- Total revenue and other income up 7.0% to $4.62 billion.
- Net profit after tax for the year attributable to members of the parent entity up 4.5% to $0.98 billion.

Constant Currency [1]

- **Sales revenue at constant currency up 11.6% to $4.67 billion.**
- **Operational net profit after tax for the year at constant currency up 15.9% to $1.09 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 (declared subsequent to balance date#)	47.00¢	Unfranked *
Interim dividend (paid on 13 April 2012)	36.00¢	Unfranked
Final dividend (prior year, paid on 14 October 2011)	45.00¢	2.00¢
# Record date for determining entitlements to the dividend:	21 September 2012	

***** 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 "Review of operations" 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 2012	30 June 2011
Net tangible asset backing per ordinary security	**$5.08**	$5.20

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 Bailey
Company Secretary

22 August 2012

CSL Limited

ABN: 99 051 588 348

Annual Financial Report

for the year ended 30 June 2012

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 2012.

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)
Mr J H Akehurst
Mr D W Anstice
Ms C E O'Reilly
Mr I A Renard, AM
Mr M A Renshaw
Mr P J Turner

Mr B R Brook was appointed Director on 17 August 2011, elected at the 2011 Annual General Meeting and continues in office at the date of this report.
Miss E A Alexander, AM, and Mr D J Simpson retired at the Annual General Meeting held on 19 October 2011.

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 Funding Committee was set up to oversee the debt raising component of CSL's capital management plan. The Funding Committee comprised Mr I A Renard (Chair), Professor J Shine, Ms C E O'Reilly and Mr P J Turner and met on four 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***
J Shine	9	9	2[1]		3	3[1]		3	3	6
B A McNamee	9	9	4[2]		3	6[2]		3	3	3[2]
J H Akehurst	6	9				6	6	2[2]		4
D W Anstice	8	9				6	6	3	3	6
B R Brook	6	6	3	3		2[2]		3[2]		4
C E O'Reilly	9	9	4	4		6	6	3[2]		6
I A Renard	9	9	4	4	1	1[2]		3[2]		6
M A Renshaw	8	9						2	3	5
P J Turner	9	9						3[2]		1[2]
E A Alexander	4	4	1	1	1	2[1]		1[1]		1
D J Simpson	4	4	1	1		3	3	1		1

[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 Results

The Group announced a net profit after tax of A$983 million for the twelve months ended 30 June 2012, up 4.5% when compared to the prior comparable period. This result included an unfavourable foreign exchange impact of A$108 million. On a constant currency[1] basis, operational net profit after tax grew 16%. Sales revenue was A$4.4 billion, up 12% on a constant currency basis when compared to the twelve months ended 30 June 2011, with research and development expenditure of A$355 million up 13% at constant currency. Cash flow from operations was A$1,160 million.

6. Dividends

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

2010-2011 An interim dividend of 35 cents per share, unfranked, was paid on 8 April 2011. A final dividend of 45 cents per ordinary share, franked to 2 cents per share, for the year ended 30 June 2011 was paid on 14 October 2011.

2011-2012 An interim dividend of 36 cents per share, unfranked, was paid on 13 April 2012. The Company's Directors have declared a final dividend of 47 cents per ordinary share, unfranked, for the year ended 30 June 2012.

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

Total dividends for the 2011-2012 year are:

	On Ordinary shares
	$m
Interim dividend paid 13 April 2012	185.9
Final dividend payable on 12 October 2012	238.3

7. Review of Operations

CSL Behring sales of A$3.6 billion grew 11% at constant currency when compared to the prior comparable period.

Immunoglobulin sales grew 15% in US dollar terms. Demand for Privigen®, and Hizentra® was particularly strong. Privigen® growth has benefited from the Company's 'Supply Guarantee' in the US market and higher share of tenders in Canadian and European markets. Hizentra® growth was underpinned by strong demand from primary immune deficient patients in the US. Sales mix shift between Carimune® to Privigen® and Vivaglobin® to Hizentra® have also contributed to the growth in immunoglobulin sales.

Albumin sales, including Asian sales[2], grew 15% in US dollar terms. Growth was underpinned by ongoing demand in China, strong US hospital demand growth and a re-evaluation of clinical use of Albumin in Germany.

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[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 Australian 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

Reported Net Profit after Tax	$ 982.6m
Translation Currency Effect (a)	$ 17.3m
Transaction Currency Effect (b)	$ 90.8m
Constant currency Net Profit after Tax *	$1,090.7m

a) Translation Currency Effect $17.3m

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

	12 months to	
	Jun 12	Jun 11
AUD/USD	1.04	0.98
AUD/EUR	0.77	0.72
AUD/CHF	0.92	0.94

b) Transaction Currency Effect $90.8m

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.

* Constant currency Net Profit after Tax has not been audited or reviewed in accordance with Australian Auditing Standards

[2] Adjusted to include CSL Behring products sold in Asia by CSL Biotherapies.

Haemophilia product sales grew 5% in US dollar terms. Volume growth for plasma derived factor VIII products, lead by Beriate®, grew 15%. This was offset to some extent by the ongoing geographic mix shift towards new lower priced emerging markets. Haemate® demand in Europe for immune tolerance therapy treatment was a strong contributor to this growth.

Specialty products grew 18% in US dollar terms. The changing paradigm for the treatment of peri-operative bleeding has underpinned growth in demand for fibrinogen product Haemocomplettan® in Europe. The launch of Corifact® in the US and Beriplex® in Canada also contributed to growth in the peri-operative bleeding segment. US volumes for Berinert® more than doubled as a result of approval for both self administration and a laryngeal indication. Zemaira®, used to treat Alpha-1 associated emphysema, also contributed significantly with strong US patient growth.

Other Human Health (CSL Biotherapies) sales of A$813 million, up 10% on the prior corresponding period, included A$128 million of albumin sales into Asia and A$266 million of plasma therapy sales from the Broadmeadows plant. Also contributing growth were influenza sales of A$141 million, boosted by solid sales into northern hemisphere markets. Gardasil* sales in Australia and New Zealand were A$33m following growth in the Australian National Immunisation Program and private markets.

Intellectual Property Licensing revenue was A$137 million up 43% on the prior corresponding period. Royalty contributions from Human Papillomavirus Vaccines totalled A$107 million and the sale of intellectual property associated with enzyme replacement treatment for Mucopolysaccyharidosis contributed A$20 million to revenue.

8. Significant changes in the State of Affairs

On 19 October 2011, the Company announced its intention to conduct a further on-market buyback of up to $900 million, representing approximately 6% of shares then on issue. Up to 30 June 2012, the Company purchased 18,522,253 shares under this announced buyback, returning approximately $635 million to shareholders. From 1 July to 9 July 2012, an additional 1,379,814 shares were purchased, bringing the total returned to shareholders to approximately $689 million. Post 9 July 2012 up to 22 August 2012, no further shares have been bought back.

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

9. Significant events after year end

On 3 August 2012, CSL 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 will leave CSL in July 2013 and will be succeeded by Mr Paul Perreault, currently President of CSL Behring.

The US Food and Drug Administration (FDA) has closed out the Warning Letter issued to CSL Biotherapies as a result of its 2011 inspection of CSL's influenza vaccine manufacturing operations in Parkville, Australia. Product for the forthcoming Northern Hemisphere season has been released by the FDA for the US market and imminent regulatory release in the UK and Europe is expected.

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

10. Likely Developments, Business Strategies and Future Prospects

In the medium term the Company expects to continue to grow through developing differentiated plasma products, 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. Further comments on likely developments and expected results of certain aspects of the operations of the consolidated entity and on the business strategies and prospects for future financial years of the consolidated entity, are contained in the Year in Review in the Annual Report and in section 7 of this Directors' Report. Additional information of this nature can be found on the Company's website, www.csl.com.au. Any further information of this nature has been omitted as it would unreasonably prejudice the interests of the Company to refer further to such matters.

11. 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. These standards include strict compliance with government regulations and a commitment to minimising the impact of operations on the environment. The Company also maintains certifications to relevant external Health, Safety and Environment management systems including EMAS III certification and certification to AS/NZ4801 (*AS/NZ4801:2001 Occupational health and safety management systems - Specification with guidance for use).*

The Company's global Health, Safety and Environment Management System ensures the consolidated entity continuously reviews its health, safety and environmental responsibilities, including regulatory compliance, and seeks to continuously improve its approach to health, safety and environmental management.

Lost time injury frequency rate (LTIFR) and medical treatment injury frequency rate (MTIFR) continue to record improved performance. 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.

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

No environmental breaches have been notified by the Environmental Protection Authority in Victoria, Australia, or by any other equivalent interstate or foreign government agency in relation to the Company's Australian, European, North American or Asia Pacific operations during the year ended 30 June 2012. An official warning letter was issued to CSL Biotherapies in November 2011 by the Environmental Protection Authority in Victoria, Australia (EPA) for use of incorrect waste codes on EPA waste transport certificates of quarantine waste. This deficiency was promptly addressed to the satisfaction of the EPA.

The consolidated group has undertaken a number of studies to assess the risks that climate change poses to the Company and its operations. The studies indicate that climate change and measures introduced or announced by various governments to address climate change do not pose any significant risks or significant financial impact to its operations in the short to medium term. Climate change risk and control measures continue to be monitored and acted upon by the Company to ensure compliance to new and emerging regulatory requirements.

As part of compliance and continuous improvement in environmental reporting, 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 sustainability report, Our Corporate Responsibility, available on the Company's website. 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).*

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.

12. Directors' Shareholdings and Interests

At the date of this report, the interests of the directors who held office at 30 June 2012 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.

13. Directors' Interests in Contracts

Section 15 of this Report sets out particulars of the Directors Deed entered into by the Company with each director in relation to Board paper access (indemnity and insurance matters).

14. Share Options

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

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

The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in the Company is set out in Note 27 (b) and (c) of the Financial Statements. Since the end of the financial year, 23,094 shares were issued under the Company's Performance Rights Plan.

15. Indemnification of Directors and Officers

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

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

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

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

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

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

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

The Company paid insurance premiums of $1,317,371.41 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.

16. 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 2012:

	$
Due diligence and completion audits	-
Compliance and other services	330,087
Total fee paid for non-audit services	330,087

17. 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.

18. Remuneration Report

Message from the Board

The Board's philosophy and general approach to Key Management Personnel (KMP) remuneration remained unchanged in 2012. This letter highlights a number of developments that have occurred in 2012.

In October 2011, Chairmanship of the Human Resources and Remuneration Committee was taken by Mr. John Akehurst on the retirement of Mr. David Simpson.

CSL is a global company in terms of ownership, operations and employees. The CSL Board considers the expectations both of shareholders and of employees when defining its remuneration practices and exercising its discretion with respect to annual awards. In this regard we note that CSL has an internationally diverse shareholder base (37.3% of CSL's shares were held outside Australia as at 30 June 2012). From a revenue perspective, 89.1% of the Group's sales revenue in 2012 was generated by CSL operations outside Australia. As at 30 June 2012, the Group employed 10,515 people worldwide of which 83% were employed outside Australia.

The strong appreciation of the A$ versus many other currencies, particularly the US$ and Euro over recent years has meant that shareholders in Australia have not fully benefitted from the Company's performance (in A$) compared with shareholders in countries whose currencies have depreciated against the A$. The Board is also mindful of the need to attract, retain and reward executives in the many geographic locations in which they are employed. We believe that we continue to address these considerations in a way which meets expectations of shareholders while balancing risk and creating sustainable value over the long term.

Each year we assess the remuneration for CSL senior executives against the remuneration for equivalent positions in a range of comparator companies, in terms both of the quantum and mix of pay components. Following the 2011 review, we concluded that both our total reward, and particularly the Short Term Incentive (STI) opportunity of our KMP were below market position and made some adjustments.

Our revised maximum STI awards and the actual 2012 awards are detailed in the report. At the same time, we deferred one-third of the STI of the three most senior executives reporting to the CEO. Our deferral method is described on page 12.

This year's remuneration report contains additional information about the context and calculation of STI payments. While not formulaic, the quantum of STI rewards for the KMP as a whole is impacted by overall CSL business performance across a range of financial measures at constant currency. During 2012 the Company's growth in sales revenue and NPAT at constant currency remained strong, at 12% and 16% respectively.

Our STI approach is built on individual work-plans with stretch targets which, taken as a whole, will deliver against our plans. We also reward individual KMP depending upon their success in implementing initiatives which will benefit shareholders in future years and on a range of measures which we have described on page 11.

In October 2011, we made an award of equity to KMP executives as participants in the long-term incentive (LTI) plan, which is described on page 13. We have reviewed our LTI scheme in 2012 and decided to make future awards in the form of Performance Rights only. As we are changing the Company's reporting currency to the USD in 2013, the hurdles for future grants will be set and measured in US dollars. For the 2012 grant, we will also move away from cliff vesting and introduce a graduated vesting scale based on Earnings per Share growth.

In 2012, selected KMP, and particularly those based in the US, received awards under the Executive Deferred Incentive Plan. The value is linked to share price, with payment contingent on continued service to encourage key personnel retention, and is consistent with market practice.

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

John Akehurst
Chairman
HR and Remuneration Committee

John Shine AO
Chairman
CSL Limited

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

Directors' Report

Introduction

This Remuneration Report sets out the Company's remuneration framework and practices and the remuneration arrangements for the 2012 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[1]	Chairman
Mr John Akehurst	Non-Executive Director
Mr David Anstice	Non-Executive Director
Mr Bruce Brook[2]	Non-Executive Director
Ms Christine O'Reilly	Non-Executive Director
Mr Ian Renard	Non-Executive Director
Mr Maurice Renshaw	Non-Executive Director
Ms Elizabeth Alexander[3]	Chairman
Mr David Simpson[5]	Non-Executive Director
Executive KMP including Executive Directors	**Position**
Dr Brian McNamee	Managing Director
Mr Peter Turner	Executive Director
Mr Paul Perreault	President CSL Behring
Mr Gordon Naylor	Chief Financial Officer
Dr Andrew Cuthbertson	Chief Scientific Officer
Dr Jeff Davies	Executive Vice President, CSL Biotherapies
Mr Greg Boss	Group General Counsel
Dr Ingolf Sieper	Executive Vice President, Commercial Operations
Ms Mary Sontrop	Executive Vice President Operations
Ms Karen Etchberger	Executive Vice President Plasma, Supply Chain and IT
Mr Edward Bailey	Company Secretary
Ms Jill Lever	Senior Vice President, Human Capital

[1] Appointed Chairman of the Board on 19 October 2011
[2] Appointed Non-Executive Director on 17 August 2011
[3] Retired from the Board on 19 October 2011

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.

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 $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 2010. 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	$550,000	$40,000	$30,000	-	-	$30,000
Members	$180,000	$20,000	$15,000	-	-	$15,000

The Chairperson 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. Ms Elizabeth Alexander was entitled to a retirement allowance, at the level frozen for her in 2003, upon her retirement as a Director in October 2011. 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 2011 and 2012 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 that the Company meets 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 for approval by 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 2012, TFR for Australia based Executive KMP was primarily compared with matched executives from an ASX 50 peer group comprising 19 ASX50 companies either side of CSL in market capitalisation such that CSL approximates to the 50th percentile.

Remuneration for US based Executive KMP was primarily compared with 17 international biomedical and pharmaceutical companies where CSL approximated to the 50th percentile on revenue.

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.

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 at budgeted currency exchange rates.

For Executive KMP, work-plan targets which are used to assess STI focus on:

- quantifiable business outcomes 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**.

In 2012, a review of the total remuneration and remuneration mix of companies of comparable size and complexity was conducted and concluded that CSL's Executive KMP STI levels were below market. This has been addressed through increases to the maximum STI opportunity in 2012. At the same time, one-third of any STI awards for Mr Perreault, Mr Naylor and Dr Cuthbertson became subject to deferral as described in the section Deferred Short Term Incentive below.

Table 2 below shows the bonus opportunity for each Executive KMP and the actual award made for 2012.

Table 2 – Executive KMP Short Term Incentive Bonus Opportunity and Actual 2012 Bonus

Executive KMP including Executive Directors	Bonus Potential Maximum % of 2012 Fixed Remuneration at 30 June 2012	STI Awarded as a % of Potential in 2012	Actual Bonus Award in 2012 $
Dr Brian McNamee	120%	95%	$3,071,334
Mr Paul Perreault	85%	95%	$713,031
Mr Gordon Naylor	85%	85%	$689,019
Dr Andrew Cuthbertson	85%	90%	$585,731
Dr Jeff Davies	70%	65%	$245,746
Mr Greg Boss	70%	85%	$289,293
Dr Ingolf Sieper	70%	95%	$330,751
Ms Mary Sontrop	70%	95%	$319,042
Ms Karen Etchberger	70%	85%	$220,584
Mr Edward Bailey	50%	85%	$175,965
Ms Jill Lever	50%	90%	$201,428
Mr Peter Turner	50%	0	n/a

Deferred Short Term Incentive (STI)

For the Managing Director and the three most senior executives (Mr Perreault, Mr Naylor and Dr Cuthbertson), 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).

In the event of the Managing Director leaving the Company for any reason, the earned but deferred STI is payable in full either at the end of the original 3 year period or earlier at the Board's discretion. For the other three Executive KMP, the deferred STI lapses in the event of resignation.

Executive Deferred Incentive Plan (EDIP)

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). The EDIP was introduced in 2010 and provides deferred cash incentives in the form of Phantom Shares which 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 phantom shares for some Executive KMP in 2012 under the EDIP. This was done primarily to bring US-based executives closer to US market practice. Outside the US, this was done for retention where the executive's overall remuneration was below the market median for comparable roles.

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 phantom shares ('A'). Three years from the end of the entitlement year, the executive is entitled to the payment of a cash amount equivalent to the relevant number of phantom 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 the Board, in its absolute discretion, to determine that some or all of the phantom shares will not lapse upon cessation of employment in the case of voluntary retirement, bona fide redundancy, death or total and permanent disablement or for any other reason as determined by the Board in its discretion. The number of phantom shares for which rewards are 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 of phantom shares for Executive KMP in 2012 was as follows:

Table 3 – Executive KMP Deferred Cash Awards in 2012 with 2015 vesting date

Executive KMP	Number of Phantom Shares	Face Value at Grant Date
Mr Peter Turner	n/a	n/a
Mr Paul Perreault	7,900	$232,102
Mr Gordon Naylor	n/a	n/a
Dr Andrew Cuthbertson	n/a	n/a
Dr Jeff Davies	2,850	$83,733
Mr Greg Boss	3,750	$110,175
Dr Ingolf Sieper	5,350	$157,183
Ms Mary Sontrop	3,950	$116,051
Ms Karen Etchberger	2,950	$86,671
Mr Edward Bailey	n/a	n/a
Ms Jill Lever	2,300	$67,574

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.

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. Performance Options are 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.

Each grant of Performance Rights and Performance Options is evenly split into two tranches (each consisting of both Performance Rights and Performance Options) 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 and Performance Options in each tranche are subject to an EPS performance hurdle (see Table 6 for details); the other fifty percent are subject to a relative TSR performance hurdle (also see Table 6). Where the applicable performance hurdles are met, vesting occurs and the Performance Rights and Performance Options may be exercised by the executive holding them at any time from then until the rights and options expire seven years from the date of their initial grant (subject to compliance with CSL's insider trading rules).

Performance Rights and Performance Options 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 exchange rates and other factors contributing to volatility over which executives have little control. In addition, the re-test extends the life of the incentive plan to motivate executives for higher performance levels over a longer period.

Rights and options 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 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 and Performance Options that do not vest at the single re-test opportunity will lapse. The key characteristics and terms and conditions of Performance Rights and Performance Options granted in 2012 are explained in Table 6.

The terms and conditions and key characteristics of Performance Rights and Performance Options changed at the October 2010 grant. The characteristics of grants made between 2007 and 2009 are summarised in Table 15.

Vesting outcomes for Performance Rights and Performance Options that reached their vesting date in 2012 are shown in Table 4.

Table 4 – 2012 Vesting Outcomes (Performance Rights and Performance Options granted 2007-2009)

Performance Rights			
Grant Date	**Vesting Outcome**	**Exercise Price**	**Relative TSR Percentile Ranking**
October 2007	Vested October 2011	$0.00	72.7th
April 2008	Vested April 2012	$0.00	65.6th
October 2008	Did not vest	$0.00	Below 50th
April 2009	Did not vest	$0.00	Below 50th
October 2009	Vested October 2011	$0.00	53.1th
Performance Options			
Grant Date	**Vest Date**	**Exercise Price**	**Compound Annual EPS Growth**
October 2007	Vested October 2011	$35.46	15.3%
April 2008	Vested April 2012	$36.23	15.3%
October 2008	Vested October 2011	$37.91	10.9%
April 2009	Vested April 2012	$32.50	10.9%
October 2009	Did not vest	$33.68	Below 10%

In the 2012 year, long-term incentives in the form of Performance Rights and Performance Options were offered to all Executive KMP and to 13 other Senior Executives at the level of Senior Vice President and above. The grant of Performance Rights and Options to the Managing Director is in accordance with the resolution approved by shareholders for grants to Executive Directors at the 2010 annual general meeting.

The Board determined a maximum allocation value for the 2012 LTI grants of $8.5 million. 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 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 2012 LTI grant for each executive 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 2012 (October 2011 grant date)

Executive KMP including Executive Directors	Rights and Options* 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 and performance options 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).

Key features of grants under the PRP since 2010 include:

- 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 is 80% Performance Rights and 20% Performance Options;
- EPS and TSR measures (see Table 6) 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 the Board, in its absolute discretion, to determine that some or 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 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 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 LTI grants are paid out for executives who remain in employment during the full LTI performance periods.

The key characteristics and terms and conditions of Performance Rights and Performance Options granted in 2012 are summarised in Table 6.

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).

Performance Rights and Performance Options 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 50^{th} percentile of the comparator group, ranked by TSR performance.

(ii) Basic Earnings per Share (EPS)

Performance Rights and Performance Options 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 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. 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.

Table 6 – Key Characteristics of Performance Rights and Options granted in 2012

<table>
<tr><th rowspan="2">LTI Grant year</th><th rowspan="2">Tranche</th><th rowspan="2">Proportion of Grant</th><th colspan="2">Tranche comprises</th><th colspan="2">Applicable performance hurdle</th><th rowspan="2">Vesting Period years</th><th rowspan="2">Re-test opportunities</th></tr>
<tr><th>Performance Options</th><th>Performance Rights</th><th>Performance Options</th><th>Performance Rights</th></tr>
<tr><td rowspan="2">2012</td><td>1</td><td>50%</td><td>20%</td><td>80%</td><td colspan="2" rowspan="2">50% EPS / 50% TSR</td><td>3</td><td>1</td></tr>
<tr><td>2</td><td>50%</td><td>20%</td><td>80%</td><td>4</td><td>1</td></tr>
</table>

<table>
<tr><th>LTI Grant year</th><th colspan="2">Level of performance at the expiration of the vesting period
(or at retest where applicable)</th><th>Amount of grant which vests</th></tr>
<tr><td rowspan="5">2012</td><td>50% of options and rights granted</td><td>EPS growth = or >10% compound</td><td>100%</td></tr>
<tr><td rowspan="4">50% of options and rights granted</td><td>Below the 50^{th} percentile in relative TSR performance</td><td>0%</td></tr>
<tr><td>At the 50^{th} percentile in relative TSR performance</td><td>50%</td></tr>
<tr><td>Between the 50^{th} and 75^{th} percentile in relative TSR performance</td><td>Straight line vesting from 50% to 100%</td></tr>
<tr><td>Above the 75^{th} percentile in relative TSR performance</td><td>100%</td></tr>
</table>

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 2012, the aggregate number of CSL shares under (a) and (b) above was 1.04% 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

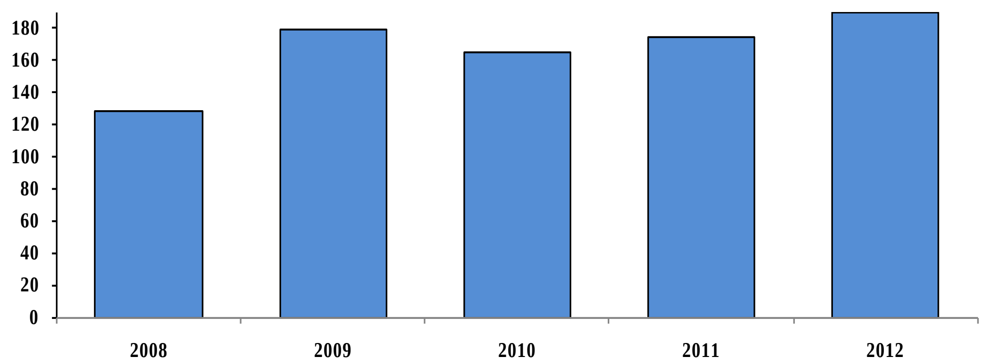
The Company's remuneration framework aims to incentivise Executive KMP towards growth, sustainability of the business, and the creation of shareholder value in the short and the long term. This is seen in two ways:

- 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 and performance options, 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 $79m (or 13.3 cents per share) arising from the termination of the Talecris acquisition; and
- 2010 financial year excluded the favourable NPAT impact of $122m (or 21.5 cents 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.

Table 7 – Annual Compound Growth in Basic EPS

Year of Grant	Compound EPS growth to end of financial year			
	2009	2010	2011	2012
2008	41%	13%	11%	10%
2009		-8%	-1%	2%
2010			6%	7%
2011				9%

The company's TSR performance over the relevant performance periods up to 30 June 2012 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 2012

Performance Right Issue	Indicative Relative TSR Percentile Ranking
October 2008	60.9th
April 2009	44th
October 2009	74.6th
October 2010	77.4th
October 2011	93.9th

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.

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 2012, 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 2012 year.

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	Other Advice to the Company
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 and Fees Review for Non-Executive Directors, review of 2012 Remuneration Report and LTI Plan Design: $150,270.	Data Analysis and benchmarking for Non-KMP Executives $23,148.

Remuneration Tables

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

Table 9 - Executive and Non-Executive Directors' Remuneration

Directors	Year	Short-term benefits			Post employment			Other long-term		Share Based Payments			
		Cash salary and fees[1]	Cash bonus	Non-monetary benefits	Super-annuation	Retirement benefits[2]	Termination Payments[3]	Long service leave	Deferred Incentive	Performance rights[4]	Performance options[4]	Cash Settled Deferred Payment[5]	Total
		$	$	$	$	$	$	$	$	$	$	$	$
Executive Directors													
Dr Brian McNamee *Managing Director*	**2012**	**2,633,096**	**2,047,556**	**-**	**50,000**	**-**	**-**	**161,355**	**1,023,778**	**1,126,653**	**643,731**	**-**	**7,686,169**
	2011	2,503,863	1,359,666	-	49,999	-	-	168,630	679,833	865,915	862,939	-	6,490,845
Mr Peter Turner[6] *Executive Director*	**2012**	**482,868**	**-**	**3,632**	**246,708**	**-**	**1,082,259**	**17,512**	**-**	**335,350**	**244,098**	**113,058**	**2,525,485**
	2011	1,094,863	538,053	16,127	243,231	-	-	80,896	-	380,123	375,124	68,742	2,797,159
Tony Cipa[7] *Finance Director*	**2012**	**-**	**-**	**-**	**-**	**`-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2011	764,477	-	-	21,071	-	500,523	18,773	-	22,948	33,842	-	1,361,634
Non-Executive Directors													
Professor John Shine[8] *Chairman*	**2012**	**407,235**	**-**	**-**	**36,651**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**443,886**
	2011	178,899	-	-	16,101	-	-	-	-	-	-	-	195,000
Ms Elizabeth Alexander[10] *Chairman*	**2012**	**152,199**	**-**	**-**	**13,698**	**323,259**	**-**	**-**	**-**	**-**	**-**	**-**	**489,156**
	2011	527,294	-	-	22,706	-	-	-	-	-	-	-	550,000
Mr John Akehurst *Non-executive Director*	**2012**	**188,073**	**-**	**-**	**16,927**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**205,000**
	2011	178,899	-	-	16,101	-	-	-	-	-	-	-	195,000
Mr David Anstice *Non-executive Director*	**2012**	**192,661**	**-**	**-**	**17,339**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**210,000**
	2011	192,661	-	-	17,339	-	-	-	-	-	-	-	210,000
Mr Bruce Brook[9] *Non-executive Director*	**2012**	**156,727**	**-**	**-**	**14,106**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**170,833**
Ms Christine O'Reilly *Non-executive Director*	**2012**	**197,248**	**-**	**-**	**17,752**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**215,000**
	2011	67,278	-	-	6,055	-	-	-	-	-	-	-	73,333
Mr Ian Renard *Non-executive Director*	**2012**	**201,835**	**-**	**-**	**18,165**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**220,000**
	2011	201,835	-	-	18,165	-	-	-	-	-	-	-	220,000
Mr Maurice Renshaw *Non-executive Director*	**2012**	**192,661**	**-**	**-**	**17,339**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**210,000**
	2011	192,661	-	-	17,339	-	-	-	-	-	-	-	210,000
Mr David Simpson[10] *Non-executive Director*	**2012**	**63,647**	**-**	**-**	**5,728**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**69,375**
	2011	211,009	-	-	18,991	-	-	-	-	-	-	-	230,000
Total of all Directors	**2012**	**4,868,250**	**2,047,556**	**3,632**	**454,413**	**323,259**	**1,082,259**	**178,867**	**1,023,778**	**1,462,003**	**887,829**	**113,058**	**12,444,904**
	2011	6,113,739	1,897,719	16,127	447,098	-	500,523	268,299	679,833	1,268,986	1,271,905	68,742	12,532,971

[1] As disclosed in the section titled "Non-Executive Director Remuneration", Non-Executive Directors participate in the NED Share Plan under which Non-Executive Directors are required to take at least 20% of their 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. Cash salary and fees and cash bonuses paid in foreign currency in respect to Mr P Turner who was based overseas have been converted to Australian dollars at an average exchange rate for the year. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the respective currency exchange rates.

[2] 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.

[3] Redundancy payments due under his contract to be payable upon termination.

[4] 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.

[5] 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.

[6] Mr Turner completed his assignment and returned to Australia in October 2011. He has been working in the capacity of Executive Director.

[7] As announced to the ASX in December 2009, Mr Cipa resigned from his positions as Chief Financial Officer and Executive Director at the conclusion of the AGM in October 2010. He was available to the Company in an advisory capacity until 31 March 2011 at which time he received entitlements due under his contract.

[8] Appointed Chairman of the Board on 19 October 2011

[9] Mr Brook was appointed Director from 17 August 2011 and his remuneration is referrable to services rendered from that date until 30 June 2012.

[10] Retired from the Board on 19 October 2011.

Table 10 -Executive Key Management Personnel remuneration

Executive	Year	Short-term benefits			Post employment		Other Long-term			Share Based Payments			
		Cash salary and fees[1]	Cash Bonus[1]	Non-Monetary Benefits[1]	Super-annuation[1]	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 Paul Perreault	**2012**	**933,853**	**475,354**	**18,422**	**16,835**	**-**	**-**	**-**	**-**	**278,304**	**168,067**	**150,091**	**2,040,926**
President CSL Behring	2011	491,796	243,989	19,286	20,431	-	-	-	-	207,867	223,915	46,605	1,253,889
Mr Gordon Naylor	**2012**	**894,203**	**459,346**	**-**	**25,000**	**-**	**-**	**65,728**	**-**	**333,113**	**179,881**	**42,157**	**1,999,428**
Chief Financial Officer	2011	880,316	361,879	11,956	35,944	-	-	152,763	-	240,480	221,795	25,633	1,930,766
Dr Andrew Cuthbertson	**2012**	**688,159**	**390,487**	**-**	**50,000**	**-**	**-**	**41,532**	**-**	**273,132**	**148,966**	**62,597**	**1,654,873**
Chief Scientific Officer	2011	687,297	316,098	-	50,000	-	-	32,687	-	206,758	195,958	38,060	1,526,858
Dr Jeff Davies	**2012**	**449,759**	**245,746**	**-**	**210,628**	**-**	**506,474**	**27,303**	**-**	**207,498**	**137,436**	**87,175**	**1,872,019**
Executive VP, CSL Biotherapies	2011	430,268	167,174	-	119,882	-	-	33,408	-	177,641	188,058	36,895	1,153,326
Mr Greg Boss	**2012**	**480,157**	**289,293**	**18,421**	**16,912**	**-**	**-**	**-**	**-**	**208,465**	**127,996**	**87,877**	**1,229,121**
Group General Counsel	2011	494,107	219,570	19,285	19,119	-	-	-	-	172,261	169,731	32,235	1,126,308
Dr Ingolf Sieper[5] *Executive VP, Comm Ops*	**2012**	**520,337**	**330,751**	**10,154**	**-**	**-**	**-**	**-**	**-**	**87,329**	**46,476**	**103,390**	**1,098,437**
Ms Mary Sontrop	**2012**	**501,519**	**319,042**	**8,873**	**288,403**	**-**	**-**	**25,210**	**-**	**208,557**	**137,784**	**99,956**	**1,589,344**
Executive VP, Operations	2011	507,597	231,590	11,872	131,901	-	-	45,843	-	181,140	189,491	38,449	1,337,883
Ms Karen Etchberger	**2012**	**369,121**	**220,584**	**19,561**	**14,452**	**-**	**-**	**-**	**-**	**151,857**	**90,677**	**58,084**	**924,336**
Executive VP, Plasma, Supply Chain & IT	2011	378,196	172,298	26,591	22,697	-	-	-	-	123,724	121,201	18,642	863,349
Mr Edward Bailey	**2012**	**372,123**	**175,965**	**-**	**25,000**	**-**	**-**	**17,040**	**-**	**118,386**	**57,416**	**16,607**	**782,537**
Company Secretary	2011	379,786	117,180	-	25,000	-	-	33,717	-	79,178	61,366	10,098	706,325
Ms Jill Lever	**2012**	**399,362**	**201,428**	**-**	**49,843**	**-**	**-**	**11,477**	**-**	**119,286**	**60,940**	**36,712**	**879,048**
Senior VP, Human Capital	2011	356,587	168,912	-	43,552	-	-	11,730	-	72,713	60,070	9,321	722,885
Total KMP remuneration	**2012**	**5,608,593**	**3,107,996**	**75,431**	**697,073**	**-**	**506,474**	**188,290**	**-**	**1,985,927**	**1,155,639**	**744,646**	**14,070,069**
	2011	4,605,950	1,998,690	88,990	468,526	-	-	310,148	-	1,461,762	1,431,585	255,938	10,621,589

[1] Cash salary and fees, cash bonuses and superannuation paid in foreign currency in respect to executives based overseas have been converted to Australian dollars at an average exchange rate for the year. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the respective currency exchange rates. The remuneration amounts disclosed in respect of Mr Perreault, Mr Boss, Mr Sieper, Ms Sontrop and Ms Etchberger are impacted by the AUD/USD exchange rate. All other executives listed in Table 10 receive remuneration which is solely denominated in Australian dollars.

[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.

[5] Mr Sieper has been an Executive KMP at CSL Behring in the role of Executive Vice President Commercial Operations from 1 July 2011.

Executive Key Management Personnel

Table 11 below shows the cash elements of Total Reward actually available to Executive KMP in the 2012 year, as well as the value of equity from former years that vested in 2012 (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 2012[1]

Executive KMP including Executive Directors	Total 2012 Fixed Remuneration[2]	STI Applicable to the 2012 year[3]	Cash Settled Deferred STI in 2012[4]	LTI Vested in 2012[5]	Total Reward (received or available)
Dr Brian McNamee [6]	$2,694,153	$2,047,556	$506,259	$497,303	$5,745,271
Mr Peter Turner	$974,102	-	-	$202,455	$1,176,557
Mr Paul Perreault[6]	$876,003	$475,354	-	$134,848	$1,486,205
Mr Gordon Naylor[6]	$953,659	$459,346	-	$108,382	$1,521,387
Dr Andrew Cuthbertson[6]	$765,661	$390,487	-	$112,442	$1,268,590
Dr Jeffrey Davies	$540,101	$245,746	-	$89,880	$875,727
Mr Gregory Boss	$481,619	$289,293	-	$82,454	$853,366
Dr Ingolf Sieper	$497,369	$330,751	-	$54,898	$883,018
Ms Mary Sontrop	$475,955	$319,042	-	$91,406	$886,403
Ms Karen Etchberger	$368,930	$220,584	-	$66,660	$656,174
Mr Edward Bailey	$414,036	$175,965	-	$34,133	$624,134
Ms Jill Lever	$447,617	$201,428	-	$27,630	$676,675

[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] 2012 Fixed remuneration and STI paid in USD converted to AUD using 2012 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 2012 in Table 11 is equivalent to "Cash Bonus" in Tables 9 and 10.

[4] Cash Settled Deferred STI in 2012 was recorded in the equivalent to Table 9 in 2008, 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.

[6] Dr McNamee, Mr Perreault, Mr Naylor and Dr Cuthbertson are entitled to an additional Deferred STI payment as per the terms outlined on page 12.

Fixed and Performance Remuneration Components

Table 12 - Executive KMP remuneration components in the 2012 year

Remuneration Components as a Proportion of Total Remuneration	Fixed Remuneration[7]	Variable Remuneration					Total (100%)
		Cash Based Bonuses[8]	Share Based Payments			Total	
			Performance rights	Performance options	Cash Settled Deferred Payment		
Executive Directors							
Dr Brian McNamee	37%	40%	15%	8%	-	63%	100%
Mr Peter Turner	73%	-	13%	10%	4%	27%	100%
Other Executives							
Mr Paul Perreault	47%	24%	14%	8%	7%	53%	100%
Mr Gordon Naylor	49%	23%	17%	9%	2%	51%	100%
Dr Andrew Cuthbertson	47%	23%	17%	9%	4%	53%	100%
Dr Jeff Davies	64%	13%	11%	7%	5%	36%	100%
Mr Greg Boss	42%	24%	17%	10%	7%	58%	100%
Dr Ingolf Sieper	48%	30%	8%	4%	10%	52%	100%
Ms Mary Sontrop	52%	20%	13%	9%	6%	48%	100%
Ms Karen Etchberger	44%	24%	16%	10%	6%	56%	100%
Mr Edward Bailey	53%	23%	15%	7%	2%	47%	100%
Ms Jill Lever	52%	23%	14%	7%	4%	48%	100%

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

[8] 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 and Dr Cuthbertson.

Table 13 - Executive KMP performance remuneration components in the 2012 year

Key management person	Cash incentives[1]			Accounting Values being amortised in respect of the 2012 Share Based Payment grants in future years[2]				Remuneration consisting of Share Based Payments	Grant date value of options & rights granted during 2012	Reporting date value of EDIP granted during 2012[3]	Value of options & rights exercised during 2012 at exercise date[4]
	Maximum short-term incentive potential	Percentage Awarded[1]	Percentage Not Awarded[1]	2013 $	2014 $	2015 $	2016 $	%	$	$	$
Executive Directors											
Dr Brian McNamee	120%	95%	5%	622,789	622,789	356,793	67,337	23%	2,135,521	-	-
Mr Peter Turner	n/a	-	-	-	-	-	-	27%	-	-	202,322
Other executives											
Mr Paul Perreault	85%	95%	5%	276,134	276,134	126,692	19,239	29%	610,160	294,573	131,637
Mr Gordon Naylor	85%	85%	15%	180,855	180,855	103,610	19,554	28%	620,144	-	119,032
Dr Andrew Cuthbertson	85%	90%	10%	145,136	145,136	83,148	15,692	30%	497,666	-	112,552
Dr Jeff Davies	70%	65%	35%	129,993	129,993	63,107	10,225	23%	324,275	106,270	378,293
Mr Greg Boss	70%	85%	15%	137,037	137,037	63,553	9,777	34%	310,072	139,829	81,105
Dr Ingolf Sieper	70%	95%	5%	158,995	158,995	69,752	10,001	22%	317,173	199,489	65,124
Ms Mary Sontrop	70%	95%	5%	138,331	138,331	63,497	9,648	28%	305,984	147,287	216,338
Ms Karen Etchberger	70%	85%	15%	105,620	105,620	48,745	7,455	32%	236,439	109,999	73,162
Mr Edward Bailey	50%	85%	15%	66,393	66,393	38,037	7,179	24%	227,660	-	97,864
Ms Jill Lever	50%	90%	10%	100,452	100,452	48,377	7,770	25%	246,422	85,762	26,317

[1] Cash incentives awarded and not awarded relate to the period ended 30 June 2012. All cash incentive amounts are payable in full shortly after the conclusion of the 30 June 2012 financial year with the exception of the component that is subject to deferred settlement for Dr McNamee, Mr Perreault, Mr Naylor and Dr Cuthbertson.

[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 2012.

[3] The value of the cumulative EDIP grants over 2011 and 2012 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 2012.

[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 2012.

Executive Key Management Personnel

Options and Rights Holdings

Table 14 - Executive KMP performance right holdings

Key management person	Balance at 1 July 2011	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2012	Number Vested during the year	Balance at 30 June 2012	
							Vested and exercisable	Unvested
Executive Directors								
Dr Brian McNamee	118,904	72,440	-	-	191,344	35,057	16,289	175,055
Mr Peter Turner	52,472	-	6,627	-	45,845	13,491	-	45,845
Other executives								
Mr Paul Perreault	27,824	20,700	4,414	-	44,110	7,510	-	44,110
Mr Gordon Naylor	34,000	21,040	3,550	-	51,490	5,782	-	51,490
Dr Andrew Cuthbertson	28,928	16,880	3,683	-	42,125	7,523	-	42,125
Dr Jeff Davies	42,610	11,000	10,350	-	43,260	5,464	11,260	32,000
Mr Greg Boss	23,764	10,520	2,699	-	31,585	4,931	-	31,585
Dr Ingolf Sieper	6,492	10,760	1,797	-	15,455	3,813	-	15,455
Ms Mary Sontrop	24,532	10,380	2,992	-	31,920	5,512	-	31,920
Ms Karen Etchberger	17,092	8,020	2,182	-	22,930	4,054	-	22,930
Mr Edward Bailey	13,840	7,720	2,630	-	18,930	1,886	1,020	17,910
Ms Jill Lever	10,300	8,360	905	-	17,755	905	-	17,755
Total	**400,758**	**197,820**	**41,829**	**-**	**556,749**	**95,928**	**28,569**	**528,180**

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 - A summary of the key characteristics applicable to performance rights and performance options granted between 2007 and 2009**

<table>
<tr><th rowspan="2">LTI Grant years</th><th rowspan="2">Tranche</th><th rowspan="2">Proportion of Grant</th><th colspan="2">Tranche comprises</th><th colspan="2">Applicable performance hurdle</th><th rowspan="2">Vesting Period years</th><th rowspan="2">Re-test opportunities</th></tr>
<tr><th>Performance Options</th><th>Performance Rights</th><th>Performance Options and</th><th>Performance Rights</th></tr>
<tr><td rowspan="3">2007 - 2009</td><td>1</td><td>25%</td><td>60%</td><td>40%</td><td colspan="2" rowspan="3">EPS / TSR</td><td>2</td><td>3</td></tr>
<tr><td>2</td><td>35%</td><td>60%</td><td>40%</td><td>3</td><td>2</td></tr>
<tr><td>3</td><td>40%</td><td>60%</td><td>40%</td><td>4</td><td>1</td></tr>
</table>

<table>
<tr><th>LTI Grant years</th><th colspan="2">Level of performance at the expiration of the vesting period

(or later period where applicable)</th><th>Amount of grant which vests</th></tr>
<tr><td rowspan="2">2007-2009</td><td>Options</td><td>EPS growth>10% compound</td><td>100%</td></tr>
<tr><td>Rights</td><td>At or above 50th percentile in relative TSR performance</td><td>100%</td></tr>
</table>

* 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 15.

Table 16 - The terms and conditions of the performance rights granted to Executive KMP in the 2011 and 2012 financial years

Terms and Conditions for Performance right grants during 2011 and 2012				
Grant Date	**Tranche**	**Value per Right at Grant Date**	**First Exercise Date**	**Last Exercise Date**
1 October 2010	1	26.59	30 September 2013	30 September 2014
1 October 2010	2	26.23	30 September 2014	30 September 2015
1 October 2011	1	23.75	30 September 2014	30 September 2015
1 October 2011	2	23.41	30 September 2015	30 September 2016

Table 17 - Shares issued to Executive KMP on exercise of performance rights during 2012

Executive	Date Performance Rights Granted	Number of shares issued
Mr Peter Turner	1 October 2007	3,672
	1 October 2009	2,955
Mr Paul Perreault	1 October 2007	2,544
	1 October 2009	1,870
Mr Gordon Naylor	1 October 2007	1,680
	1 October 2009	1,870
Dr Andrew Cuthbertson	1 October 2007	2,208
	1 October 2009	1,475
Dr Jeff Davies	7 June 2005	10,350
Mr Greg Boss	1 October 2007	1,224
	1 October 2009	1,475
Dr Ingolf Sieper	1 October 2007	1,032
	1 October 2009	765
Ms Mary Sontrop	1 October 2007	1,392
	1 October 2009	1,600
Ms Karen Etchberger	1 October 2007	1,152
	1 October 2009	1,030
Mr Edward Bailey	2 October 2006	1,920
	1 October 2009	710
Jill Lever	1 October 2009	905

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

Directors' Report

Options and Rights Holdings

Table 18 - Executive KMP option holdings

Key management person	Balance at 1 July 2011	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2012	Number Vested during the year	Balance at 30 June 2012	
							Vested and exercisable	Unvested
Executive Directors								
Dr Brian McNamee	299,400	65,200	-	-	364,600	57,264	122,568	242,032
Mr Peter Turner	128,700	-	-	-	128,700	23,682	49,932	78,768
Other executives								
Mr Paul Perreault	77,140	18,620	-	-	95,760	14,869	31,920	63,840
Mr Gordon Naylor	75,660	18,920	-	-	94,580	12,133	25,080	69,500
Dr Andrew Cuthbertson	68,980	15,200	-	-	84,180	12,998	27,864	56,316
Dr Jeff Davies	82,920	9,900	-	-	92,820	10,791	43,152	49,668
Mr Greg Boss	56,520	9,460	-	-	65,980	9,224	18,924	47,056
Dr Ingolf Sieper	18,800	9,680	5,580	-	22,900	4,171	3,324	19,576
Ms Mary Sontrop	70,996	9,340	8,496	-	71,840	10,959	22,332	49,508
Ms Karen Etchberger	47,872	7,220	-	-	55,092	7,167	21,540	33,552
Mr Edward Bailey	20,500	6,960	-	-	27,460	1,665	3,552	23,908
Ms Jill Lever	18,740	7,520	-	-	26,260	-	-	26,260
Total	**966,228**	**178,020**	**14,076**	**-**	**1,130,172**	**164,923**	**370,188**	**759,984**

Table 19- Terms and conditions of the options granted to Executive KMP (amongst others) during 2011 and 2012

Terms and Conditions for Options grant during 2011 and 2012				
Grant Date	Tranche	Value per Option at Grant Date	First Exercise Date	Last Exercise Date
1 October 2010	1	8.46	30 September 2013	30 September 2014
1 October 2010	2	8.90	30 September 2014	30 September 2015
1 October 2011	1	6.34	30 September 2014	30 September 2015
1 October 2011	2	6.77	30 September 2015	30 September 2016

Table 20 - Shares issued to Executive KMP on exercise of options during 2012

Executive	Date Options Granted	Number of shares issued	$ amount paid per share	$ amount unpaid per share
Dr Ingolf Sieper	1 October 2007	5,580	35.46	-
Ms Mary Sontrop	2 October 2006	8,496	17.48	-

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

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

John Shine, AO (Director)

Brian McNamee, AO (Director)

Melbourne
22 August 2012

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

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Auditor's Independence Declaration to the Directors of CSL Limited

In relation to our audit of the financial report of CSL Limited for the financial year ended 30 June 2012, 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

22 August 2012

CSL Limited

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2012

		Consolidated Group	
		2012	2011
	Notes	**$m**	$m
Continuing operations			
Sales revenue	**3**	**4,433.2**	4,187.6
Cost of sales		**(2,293.7)**	(2,128.9)
Gross profit		**2,139.5**	2,058.7
Other revenues	**3**	**190.5**	134.0
Research and development expenses		**(355.0)**	(325.1)
Selling and marketing expenses		**(488.6)**	(440.1)
General and administration expenses	**3**	**(230.5)**	(214.9)
Finance costs	**3**	**(39.1)**	(14.5)
Profit before income tax expense		**1,216.8**	1,198.1
Income tax expense	**4**	**(234.2)**	(257.5)
Profit attributable to members of the parent company	**22**	**982.6**	940.6
Other comprehensive income			
Exchange differences on translation of foreign operations, net of hedges on foreign investments	**21**	**(115.9)**	(193.4)
Actuarial gains/(losses) on defined benefit plans, net of tax	**22**	**(48.1)**	(11.2)
Mark to Market adjustment on available-for-sale financial assets	**21**	**0.9**	(0.9)
Total of other comprehensive income/(expenses)		**(163.1)**	(205.5)
Total comprehensive income for the period	**24**	**819.5**	735.1

Earnings per share	**5**	**Cents**	Cents
Basic earnings per share		**189.24**	174.01
Diluted earnings per share		**188.85**	173.60

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 2012

	Notes	Consolidated Group 2012 $m	2011 $m
CURRENT ASSETS			
Cash and cash equivalents	**6**	**1,155.1**	479.4
Trade and other receivables	**7**	**772.9**	808.7
Inventories	**8**	**1,462.1**	1,456.0
Current tax assets	**16**	**5.3**	-
Other financial assets	**9**	**1.8**	18.0
Total Current Assets		**3,397.2**	2,762.1
NON-CURRENT ASSETS			
Trade and other receivables	**7**	**10.3**	4.5
Other financial assets	**9**	**1.1**	2.3
Property, plant and equipment	**10**	**1,361.7**	1,207.3
Deferred tax assets	**11**	**195.7**	174.2
Intangible assets	**12**	**853.3**	915.0
Retirement benefit assets	**13**	**-**	2.6
Total Non-Current Assets		**2,422.1**	2,305.9
TOTAL ASSETS		**5,819.3**	5,068.0
CURRENT LIABILITIES			
Trade and other payables	**14**	**528.9**	493.5
Interest-bearing liabilities and borrowings	**15**	**167.2**	226.2
Current tax liabilities	**16**	**139.8**	131.7
Provisions	**17**	**99.0**	88.6
Deferred government grants	**18**	**1.0**	1.0
Derivative financial instruments	**19**	**1.4**	5.1
Total Current Liabilities		**937.3**	946.1
NON-CURRENT LIABILITIES			
Trade and other payables	**14**	**15.2**	4.0
Interest-bearing liabilities and borrowings	**15**	**1,104.4**	190.0
Deferred tax liabilities	**11**	**109.5**	122.2
Provisions	**17**	**27.6**	28.5
Deferred government grants	**18**	**29.8**	18.9
Retirement benefit liabilities	**13**	**167.2**	113.9
Total Non-Current Liabilities		**1,453.7**	477.5
TOTAL LIABILITIES		**2,391.0**	1,423.6
NET ASSETS		**3,428.3**	3,644.4
EQUITY			
Contributed equity	**20**	**(373.3)**	253.9
Reserves	**21**	**(522.9)**	(421.6)
Retained earnings	**22**	**4,324.5**	3,812.1
TOTAL EQUITY	**24**	**3,428.3**	3,644.4

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 2012

Consolidated Group	Notes	Contributed Equity $m	Foreign currency translation reserve $m	Share based payment reserve $m	Available-for-sale investment reserve $m	Retained earnings $m	Total $m
At 1 July 2011		**253.9**	**(520.2)**	**99.5**	**(0.9)**	**3,812.1**	**3,644.4**
Profit for the period		**-**	**-**	**-**	**-**	**982.6**	**982.6**
Other comprehensive income		**-**	**(115.9)**	**-**	**0.9**	**(48.1)**	**(163.1)**
Total comprehensive income for the full year		**-**	**(115.9)**	**-**	**0.9**	**934.50**	**819.5**
Transactions with owners in their capacity as owners							
Share based payments	21	**-**	**-**	**13.7**	**-**	**-**	**13.7**
Dividends	23	**-**	**-**	**-**	**-**	**(422.1)**	**(422.1)**
Share buy back	20	**(635.7)**	**-**	**-**	**-**	**-**	**(635.7)**
Share issues							
- Employee share scheme	20	**8.5**	**-**	**-**	**-**	**-**	**8.5**
Balance as at 30 June 2012		**(373.3)**	**(636.1)**	**113.2**	**-**	**4,324.5**	**3,428.3**
At 1 July 2010		1,139.2	(326.8)	84.2	-	3,318.6	4,215.2
Profit for the period		-		-	-	940.6	940.6
Other comprehensive income		-	(193.4)	-	(0.9)	(11.2)	(205.5)
Total comprehensive income for the full year		-	(193.4)	-	(0.9)	929.4	735.1
Transactions with owners in their capacity as owners							
Share based payments	21	-	-	15.3	-	-	15.3
Dividends	23	-	-	-	-	(435.9)	(435.9)
Share buy back	20	(900.0)	-	-	-	-	(900.0)
Share issues							
- Employee share scheme	20	14.7	-	-	-	-	14.7
Balance as at 30 June 2011		253.9	(520.2)	99.5	(0.9)	3,812.1	3,644.4

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 2012

	Notes	Consolidated Group 2012 $m	2011 $m
Cash flows from Operating Activities			
Receipts from customers		**4,653.6**	4,302.8
Payments to suppliers and employees		**(3,250.1)**	(3,012.5)
Cash generated from operations		**1,403.5**	1,290.3
Income taxes paid		**(244.7)**	(288.6)
Interest received		**35.7**	30.4
Finance costs paid		**(34.5)**	(14.0)
Net cash inflow from operating activities	**25**	**1,160.0**	1,018.1
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		**0.1**	0.3
Payments for property, plant and equipment		**(297.2)**	(198.5)
Payments for intangible assets		**(13.7)**	(13.7)
Receipts from other financial assets		**1.0**	2.3
Net cash outflow from investing activities		**(309.8)**	(209.6)
Cash flows from Financing Activities			
Proceeds from issue of shares		**9.8**	16.6
Dividends paid	**23**	**(422.1)**	(435.9)
Proceeds from borrowings		**1,057.3**	49.3
Repayment of borrowings		**(232.2)**	(18.3)
Payment for shares bought back		**(625.8)**	(900.0)
Payment for settlement of finance hedges		**0.6**	(0.3)
Net cash outflow from financing activities		**(212.4)**	(1,288.6)
Net increase/(decrease) in cash and cash equivalents		**637.8**	(480.1)
Cash and cash equivalents at the beginning of the financial year		**478.8**	994.5
Exchange rate variations on foreign cash and cash equivalent balances		**35.3**	(35.6)
Cash at the end of the financial year	**25**	**1,151.9**	478.8

For non-cash financing activities refer to note 25.

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

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 22 August 2012.

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.

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 became effective during the year: AASB 124 (Related Party Disclosures); AASB 2009-12, AASB 2010-4, AASB 2010-5; AASB 1054; AASB 2010-6 and AASB 2010-9.

Since many of the amendments mandated accounting policies that had historically been applied by the Group the introduction of these standards did not result in a material change in the Group's financial result or the extent of 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.

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.

1. Summary of significant accounting policies (continued)

(c) Segment reporting

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

(d) Foreign currency translation

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

ii. Translation and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in functional currencies are recognised in the 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.

iii. Group companies
The results of foreign subsidiaries are translated into Australian dollars at average exchange rates. Assets and liabilities of foreign subsidiaries are translated to Australian dollars at exchange rates prevailing at balance date. 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.

(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.

1. Summary of significant accounting policies (continued)

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

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

(i) Income tax

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

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

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

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

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

Current and deferred tax balances attributable to amounts recognised 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 (previously three months) or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the balance sheet bank overdrafts are included within current interest bearing liabilities and borrowings. For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

(k) Trade and other receivables

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

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

(l) Inventories

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

1. Summary of significant accounting policies (continued)

(m) Investments and other financial assets

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

i. *Financial assets at fair value through profit and loss*
Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Financial assets at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the 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. 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.

1. Summary of significant accounting policies (continued)

(o) Property, plant and equipment

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

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

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

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

(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.

1. Summary of significant accounting policies (continued)

(s) Goodwill and intangibles

i. Goodwill

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

ii. Intangibles

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

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

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

iii. 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.

(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.

1. Summary of significant accounting policies (continued)

(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.

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

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

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

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

1. Summary of significant accounting policies (continued)

(z) Share-based payment transactions

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.

(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.

1. Summary of significant accounting policies (continued)

(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 2012 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: AASB 2010-8, AASB 2011-9, AASB 9, AASB 10, AASB 11, AASB 12, AASB 13, AASB119, AASB 2011-4, AASB 1053, IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34

The amendments prescribe certain classification and measurement rules in respect of financial assets, 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 and introduce changes to accounting for employee benefits (in particular defined benefit pension plans). 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.

(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 products.
- Intellectual Property Licensing – revenue and associated expenses from the licensing of Intellectual Property generated by the Group to unrelated third parties.
- Other Human Health – comprises CSL Bioplasma and CSL Biotherapies. These businesses manufacture and distribute biotherapeutic products and are disclosed in aggregate as they exhibit similar economic characteristics.

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

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

Restatement of prior year comparables
(a) Certain R&D projects, where the Company has yet to determine the ultimate commercialisation strategy, have been reclassified from CSL Behring to Other Human Health to facilitate comparability.
(b) The Company revised its allocation methodology for certain corporate costs during the 2012 financial year. The revised methodology has been applied to the prior year.

CSL Limited and its controlled entities
Notes to the Financial Statements
for the year ended 30 June 2012

2 Segment Information (continued)

	CSL Behring 2012 $m	Intellectual Property Licensing 2012 $m	Other Human Health 2012 $m	Intersegment Elimination 2012 $m	Consolidated Group 2012 $m
Sales to external customers	3,619.8	-	813.4	-	4,433.2
Inter-segment sales	138.5	-	-	(138.5)	-
Other revenue (excl interest income)	4.5	137.1	7.8	-	149.4
Total segment revenue	3,762.8	137.1	821.2	(138.5)	4,582.6
Interest income					41.1
Unallocated revenue / income					-
Consolidated revenue					4,623.7
Segment EBIT	1,184.7	121.1	(42.0)	-	1,263.8
Unallocated revenue / income less unallocated costs					(49.0)
Consolidated EBIT					1,214.8
Interest income					41.1
Finance costs					(39.1)
Consolidated profit before tax					1,216.8
Income tax expense					(234.2)
Consolidated net profit after tax					982.6
Amortisation	28.6	-	-	-	28.6
Depreciation	94.3	-	43.4	-	137.7
Segment EBITDA	1,307.6	121.1	1.4	-	1,430.1
Unallocated revenue / income less unallocated costs					(49.0)
Unallocated depreciation and amortisation					5.2
Consolidated EBITDA					1,386.3
Segment assets	4,211.5	21.0	1,072.2	(165.9)	5,138.8
Other unallocated assets					1,575.9
Elimination of amounts between operating segments and unallocated					(895.4)
Total assets					5,819.3
Segment liabilities	1,830.8	4.0	489.9	(165.9)	2,158.8
Other unallocated liabilities					1,127.6
Elimination of amounts between operating segments and unallocated					(895.4)
Total liabilities					2,391.0
Other information - capital expenditure					
Payments for property, plant and equipment	181.0	-	116.2	-	297.2
Payments for software intangibles	13.7	-	-	-	13.7
Total capital expenditure	194.7	-	116.2	-	310.9

CSL Limited and its controlled entities
Notes to the Financial Statements
for the year ended 30 June 2012

2 Segment Information (continued)

	CSL Behring 2011 $m	Intellectual Property Licensing 2011 $m	Other Human Health 2011 $m	Intersegment Elimination 2011 $m	Consolidated Group 2011 $m
Sales to external customers	3,452.4	-	735.2	-	4,187.6
Inter-segment sales	116.9	-	2.7	(119.6)	-
Other revenue (excl interest income)	5.0	95.7	4.8	-	105.5
Total segment revenue	3,574.3	95.7	742.7	(119.6)	4,293.1
Interest income					28.4
Unallocated revenue / income					0.1
Consolidated revenue					4,321.6
Segment EBIT	1,162.4	82.8	(19.8)	-	1,225.4
Unallocated revenue / income less unallocated costs					(41.2)
Consolidated EBIT					1,184.2
Interest income					28.4
Finance costs					(14.5)
Consolidated profit before tax					1,198.1
Income tax expense					(257.5)
Consolidated net profit after tax					940.6
Amortisation	26.8	-	10.7	-	37.5
Depreciation	92.6	-	37.7	-	130.3
Segment EBITDA	1,281.8	82.8	28.6	-	1,393.2
Unallocated revenue / income less unallocated costs					(41.2)
Unallocated depreciation and amortisation					4.8
Consolidated EBITDA					1,356.8
Segment assets	4,172.6	16.5	911.9	(109.4)	4,991.6
Other unallocated assets					321.5
Elimination of amounts between operating segments and unallocated					(245.1)
Total assets					5,068.0
Segment liabilities	1,146.7	3.7	351.3	(109.4)	1,392.3
Other unallocated liabilities					276.4
Elimination of amounts between operating segments and unallocated					(245.1)
Total liabilities					1,423.6
Other information - capital expenditure					
Payments for property, plant and equipment	122.6	-	75.9	-	198.5
Payments for software intangibles	13.7	-	-	-	13.7
Total capital expenditure	136.3	-	75.9	-	212.2

2 Segment Information (continued)

Geographic areas	Australia	United States	Switzerland	Germany	Rest of world	Total
June 2012	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
External sales revenue	**578.2**	**1,705.2**	**140.9**	**651.4**	**1,357.5**	**4,433.2**
Property, plant, equipment and intangible assets	**545.3**	**465.5**	**955.5**	**235.5**	**13.2**	**2,215.0**
June 2011						
External sales revenue	527.9	1,605.5	156.9	644.6	1,252.7	4,187.6
Property, plant, equipment and intangible assets	478.3	368.6	1,008.2	251.8	15.4	2,122.3

	Consolidated Group	
	2012 **$m**	2011 $m
3 Revenue and expenses from continuing operations		
Revenue		
Sales revenue	**4,433.2**	4,187.6
Other revenue		
Royalties and licence revenue	**137.1**	95.7
Finance revenue	**41.1**	28.4
Rent	**1.2**	1.0
Other revenue	**11.1**	8.9
Total other revenues	**190.5**	134.0
Total revenue from continuing operations	**4,623.7**	4,321.6
Finance revenue comprises:		
Interest income:		
Other persons and/or corporations	**41.1**	28.4
Total finance revenue	**41.1**	28.4
Finance costs		
Interest expense:		
Other persons and/or corporations	**39.1**	14.5
Total finance costs	**39.1**	14.5

		Consolidated Group	
		2012	2011
	Notes	**$m**	$m
3 Revenue and expenses (continued)			
Depreciation and amortisation			
Depreciation and amortisation of fixed assets			
Building depreciation	**10**	**13.4**	12.4
Plant and equipment depreciation	**10**	**120.9**	114.7
Leased property, plant and equipment amortisation	**10**	**2.8**	3.1
Leasehold improvements amortisation	**10**	**5.9**	4.9
Total depreciation and amortisation of fixed assets		**143.0**	135.1
Amortisation of intangibles			
Intellectual property	**12**	**18.1**	22.8
Software	**12**	**10.4**	8.2
Total amortisation of intangibles		**28.5**	31.0
Impairment loss			
Intellectual property	**12**	**-**	6.5
Total depreciation, amortisation and impairment expense		**171.5**	172.6
Other expenses			
Write-down of inventory to net realisable value		**76.7**	50.6
Doubtful debts		**26.6**	24.9
Net loss on disposal of property, plant and equipment		**2.6**	1.3
Net foreign exchange loss		**7.4**	14.6
Lease payments and related expenses			
Rental expenses relating to operating leases		**34.2**	31.9
Employee benefits expense			
Salaries and wages		**947.0**	914.4
Defined benefit plan expense	**26(a)**	**19.9**	20.3
Defined contribution plan expense	**26(b)**	**19.9**	19.4
Share based payments expense (LTI)	**21**	**11.8**	14.5
Share based payments expense (EDIP)		**11.3**	4.0
Total employee benefits expense		**1,009.9**	972.6

	Notes	Consolidated Group 2012 $m	2011 $m
4 Income tax expense			
Income tax expense recognised in the statement of comprehensive income			
Current tax expense			
Current year		**252.7**	261.9
Deferred tax expense			
Origination and reversal of temporary differences	**11**	**(19.1)**	4.5
Tax losses recognised		**-**	(0.1)
Total deferred tax expense		**(19.1)**	4.4
Over provided in prior years		**0.6**	(8.8)
Income tax expense		**234.2**	257.5

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:

	Notes	2012 $m	2011 $m
Accounting profit before income tax		**1,216.8**	1,198.1
Income tax calculated at 30% (2011: 30%)		**365.0**	359.4
Research and development		**(11.0)**	(14.0)
Other non-deductible items		**3.0**	5.8
Utilisation of tax losses/unrecognised deferred tax		**-**	(0.1)
Effects of different rates of tax on overseas income		**(123.4)**	(84.8)
Over provision in prior year		**0.6**	(8.8)
Income tax expense		**234.2**	257.5
Income tax recognised directly in equity			
Deferred tax benefit			
Share based payments		**1.0**	(3.5)
Income tax benefit recognised in equity	**11**	**1.0**	(3.5)

	Consolidated Group	
	2012	2011
	$m	$m
5 Earnings Per Share		
Earnings used in calculating basic and dilutive earnings per share comprises:		
Profit attributable to ordinary shareholders	**982.6**	940.6

	Number of shares	
	2012	2011
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	**519,233,274**	540,530,188
Effect of dilutive securities:		
Employee options	**95,871**	273,892
Employee performance rights	**966,277**	1,002,133
Global employee share plan	**9,380**	4,903
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share:	**520,304,802**	541,811,116

Conversions, calls, subscription or issues after 30 June 2012

Subsequent to 30 June 2012, 23,094 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	
	2012	2011
	$m	$m
6 Cash and cash equivalents		
Cash at bank and on hand	**337.5**	294.9
Cash deposits	**817.6**	184.5
Total cash and cash equivalents	**1,155.1**	479.4

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.

7 Trade and other receivables		
Current		
Trade receivables	**713.5**	734.4
Less: Provision for impairment loss *(i)*	**(45.6)**	(22.9)
	667.9	711.5
Sundry receivables	**76.7**	67.1
Prepayments	**28.3**	30.1
Carrying amount of current trade and other receivables*	**772.9**	808.7
Non Current		
Related parties		
Loans to other employees	**0.1**	1.1
Long term deposits	**3.6**	3.4
Other receivables	**6.6**	-
Carrying amount of non current trade and other receivables*	**10.3**	4.5

*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 2012, the Group had current trade receivables which were impaired and had a nominal value of $45,570,936 (2011: $22,891,265). 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	**22.9**	25.6
Additional allowance / (utilised)	**26.0**	(1.2)
Currency translation differences	**(3.3)**	(1.5)
Closing balance at 30 June	**45.6**	22.9

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

(ii) Other receivables

The other classes within trade and other receivables do not contain impaired or overdue receivable amounts and it is expected that all of these amounts will be received when due. Loans provided to key management personnel to purchase the company's shares on the exercise of options are secured against those shares. The Group does not hold any collateral in respect to other receivable balances.

		Consolidated Group	
		2012	2011
		$m	$m
8	**Inventories**		
	Raw materials and stores at the lower of cost and net realisable value	**316.4**	285.3
	Work in progress at the lower of cost and net realisable value	**415.4**	462.5
	Finished goods at the lower of cost and net realisable value	**730.3**	708.2
	Total inventories at the lower of cost and net realisable value	**1,462.1**	1,456.0

		Consolidated Group	
		2012	2011
		$m	$m
9	**Other financial assets**		
	Current		
	At fair value through the profit or loss:		
	Managed financial assets (held for trading)	**1.8**	2.7
	Available-for-sale financial assets	**-**	15.3
	Total current other financial assets as at 30 June	**1.8**	18.0
	Non-current		
	At fair value through the profit or loss:		
	Managed financial assets	**1.1**	2.3
	Total non-current other financial assets as at 30 June	**1.1**	2.3

		Consolidated Group	
		2012	2011
		$m	$m
10	**Property, Plant and Equipment**		
	Land at cost		
	Opening balance 1 July	**25.3**	25.5
	Currency translation differences	**(0.1)**	(0.2)
	Closing balance 30 June	**25.2**	25.3
	Buildings at cost		
	Opening balance 1 July	**283.9**	275.0
	Transferred from capital work in progress	**17.8**	15.9
	Other additions	**-**	0.1
	Disposals	**(0.7)**	(0.4)
	Transfers	**-**	(0.3)
	Currency translation differences	**(9.0)**	(6.4)
	Closing balance 30 June	**292.0**	283.9
	Accumulated depreciation and impairment losses		
	Opening balance 1 July	**76.8**	66.4
	Depreciation for the year	**13.4**	12.4
	Disposals	**(0.4)**	(0.3)
	Currency translation differences	**(3.6)**	(1.7)
	Closing balance 30 June	**86.2**	76.8
	Net book value of buildings	**205.8**	207.1
	Net book value of land and buildings	**231.0**	232.4
	Leasehold improvements at cost		
	Opening balance 1 July	**63.8**	67.1
	Transferred from capital work in progress	**15.7**	15.0
	Other additions	**0.5**	1.1
	Disposals	**(0.9)**	(5.7)
	Transfers	**-**	0.5
	Currency translation differences	**4.3**	(14.2)
	Closing balance 30 June	**83.4**	63.8
	Accumulated amortisation and impairment		
	Opening balance 1 July	**20.0**	26.8
	Amortisation for the year	**5.9**	4.9
	Disposals	**(0.8)**	(5.4)
	Transfers	**-**	0.1
	Currency translation differences	**1.5**	(6.4)
	Closing balance 30 June	**26.6**	20.0
	Net book value of leasehold improvements	**56.8**	43.8

	Consolidated Group	
	2012	2011
	$m	$m
10 Property, Plant and Equipment (continued)		
Plant and equipment at cost		
Opening balance 1 July	**1,514.9**	1,405.7
Transferred from capital work in progress	**137.3**	207.1
Other additions	**16.4**	27.0
Disposals	**(18.2)**	(34.9)
Transfers	**-**	(0.2)
Transfers to intangibles	**-**	(1.8)
Currency translation differences	**(51.3)**	(88.0)
Closing balance 30 June	**1,599.1**	1,514.9
Accumulated depreciation and impairment		
Opening balance 1 July	**762.1**	738.3
Depreciation for the year	**120.9**	114.7
Disposals	**(17.3)**	(34.1)
Transfers	**-**	(0.1)
Currency translation differences	**(24.8)**	(56.7)
Closing balance 30 June	**840.9**	762.1
Net book value of plant and equipment	**758.2**	752.8
Leased property, plant and equipment at cost		
Opening balance 1 July	**32.9**	37.5
Other additions	**1.1**	1.1
Disposals	**(1.3)**	(1.3)
Currency translation differences	**(2.2)**	(4.4)
Closing balance 30 June	**30.5**	32.9
Accumulated amortisation and impairment		
Opening balance	**14.4**	14.2
Amortisation for the year	**2.8**	3.1
Disposals	**(0.9)**	(0.8)
Currency translation differences	**(1.6)**	(2.1)
Closing balance 30 June	**14.7**	14.4
Net book value of leased property, plant and equipment	**15.8**	18.5
Capital work in progress		
Opening balance 1 July	**159.8**	242.8
Other additions	**314.0**	170.2
Disposals	**(1.0)**	-
Transferred to buildings at cost	**(17.8)**	(15.9)
Transferred to plant and equipment at cost	**(137.3)**	(207.1)
Transferred to leasehold improvements at cost	**(15.7)**	(15.0)
Transfers to intangibles	**-**	(3.4)
Currency translation differences	**(2.1)**	(11.8)
Closing balance 30 June	**299.9**	159.8
Total net book value of property, plant and equipment	**1,361.7**	1,207.3

11 Deferred tax assets and liabilities

	Consolidated Group 2012 $m	Consolidated Group 2011 $m
Deferred tax asset	**195.7**	174.2
Deferred tax liability	**(109.5)**	(122.2)
Net deferred tax asset/(liability)	**86.2**	52.0
Deferred tax balances reflect temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Trade and other receivables	**(8.7)**	(4.3)
Inventories	**90.5**	69.9
Property, plant and equipment	**(70.5)**	(63.9)
Intangible assets	**(42.5)**	(37.0)
Other assets	**(0.6)**	1.3
Trade and other payables	**10.4**	8.6
Interest bearing liabilities	**3.9**	4.0
Other liabilities and provisions	**50.2**	33.2
Retirement assets/(liabilities)	**30.2**	15.3
Tax bases not in net assets – share based payments	**10.1**	4.3
Recognised carry-forward tax losses	**8.4**	14.9
	81.4	46.3
Amounts recognised in equity		
Capital raising costs	**1.9**	3.8
Share based payments	**2.9**	1.9
	4.8	5.7
Net deferred tax asset/(liability)	**86.2**	52.0
Movement in temporary differences during the year		
Opening balance	**52.0**	76.5
Credited/(charged) to profit before tax	**19.1**	(4.5)
Credited/(charged) to other comprehensive income	**15.8**	(1.3)
Credited/(charged) to equity	**1.0**	(3.5)
Currency translation difference	**(1.7)**	(15.2)
Closing balance	**86.2**	52.0
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**	-
Expiry date greater than 1 year but less than 5 years	**-**	0.1
Expiry date greater than 5 years	**-**	-
No expiry date	**0.7**	0.8
	0.8	0.9

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.

		Note	Consolidated Group 2012 $m	2011 $m
12	**Intangible Assets**			
	Carrying amounts			
	Goodwill			
	Opening balance at 1 July		**712.6**	722.0
	Currency translation differences		**(39.9)**	(9.4)
	Closing balance at 30 June		**672.7**	712.6
	Intellectual property			
	Opening balance at 1 July		**354.9**	358.2
	Additions		**0.7**	-
	Disposals		**(1.7)**	-
	Currency translation differences		**(13.4)**	(3.3)
	Closing balance at 30 June		**340.5**	354.9
	Accumulated amortisation and impairment			
	Opening balance at 1 July		**198.8**	171.5
	Amortisation for the year		**18.1**	22.8
	Current year impairment charge	**3**	**-**	6.5
	Currency translation differences		**(6.3)**	(2.0)
	Closing balance at 30 June		**210.6**	198.8
	Net intellectual property		**129.9**	156.1
	Software			
	Opening balance at 1 July		**54.4**	59.4
	Additions		**0.6**	0.5
	Disposals		**-**	(1.9)
	Transfers from intangible capital work in progress		**14.8**	6.8
	Currency translation differences		**1.2**	(10.4)
	Closing balance at 30 June		**71.0**	54.4
	Accumulated amortisation and impairment			
	Opening balance at 1 July		**18.7**	12.6
	Amortisation for the year		**10.4**	8.2
	Currency translation differences		**0.4**	(2.1)
	Closing balance at 30 June		**29.5**	18.7
	Net Software		**41.5**	35.7
	Intangible capital work in progress			
	Opening balance at 1 July		**10.6**	-
	Additions		**13.0**	13.2
	Transfers to software intangibles		**(14.8)**	(6.8)
	Transfers from property, plant and equipment		**-**	5.3
	Currency translation differences		**0.4**	(1.1)
	Closing balance at 30 June		**9.2**	10.6
	Total net intangible assets as at 30 June		**853.3**	915.0

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

	Consolidated Group	
	2012	2011
	$m	$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:

	2012 $m	2011 $m
CSL Behring	**660.6**	700.5
CSL Biotherapies	**12.1**	12.1
Closing balance of goodwill as at 30 June	**672.7**	712.6

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 of 8.4% (2011: 10.3%) 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 2012 $m	2011 $m
13	**Retirement benefit assets and liabilities**		
	Retirement benefit assets		
	Non-current defined benefit plans (refer note 26)	**-**	2.6
	Retirement benefit liabilities		
	Non-current defined benefit plans (refer note 26)	**167.2**	113.9
14	**Trade and other payables**		
	Current		
	Trade payables	**217.9**	244.7
	Accruals and other payables	**311.0**	248.8
	Carrying amount of current trade and other payables	**528.9**	493.5
	Non-current		
	Share based payments (EDIP)	**15.2**	4.0
	Carrying amount of non-current trade and other payables	**15.2**	4.0
15	**Interest-bearing liabilities and borrowings**		
	Current		
	Bank overdrafts – Unsecured	**3.2**	0.6
	Bank loans – Unsecured *(a)*	**-**	209.0
	Senior Unsecured Notes - Unsecured *(b)*	**161.1**	13.7
	Lease liability – Secured *(c)*	**2.9**	2.9
		167.2	226.2
	Non-current		
	Bank loans – Unsecured *(a)*	**346.6**	-
	Senior Unsecured Notes - Unsecured *(b)*	**734.4**	162.9
	Lease liability - Secured *(c)*	**23.4**	27.1
		1,104.4	190.0

(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 $447.9m in undrawn funds available under these facilities.

(b) Represents US$844.1 million and Euro 55.9 million of Senior Unsecured Notes placed into the US Private Placement market. The Euro notes and US$94.1 million of the US$ notes mature in December 2012. The balance of the US$ notes mature in November 2018 (US$200m), November 2021 (US$250m), November 2023 (US$200m) and November 2026 (US$100m). The weighted average interest rate on the notes is fixed at 4.04% for the US$ notes and 4.67% for the Euro notes.

(c) Finance leases have an average lease term of 12 years (2011: 12 years). The weighted average discount rate implicit in the leases is 5.75% (2011: 5.65%). The Group's lease liabilities are secured by leased assets of $15.3 million (2011: $18.5 million). In the event of default, leased assets revert to the lessor.

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

		Consolidated Group	
		2012	2011
		$m	$m
16	**Tax liabilities**		
	Current tax receivable	**5.3**	-
		5.3	-
	Current income tax liability	**139.8**	131.7
		139.8	131.7
17	**Provisions**		
	Current		
	Employee benefits	**80.6**	71.6
	Restructuring	**6.6**	4.1
	Onerous contracts	**10.1**	11.0
	Other	**1.7**	1.9
		99.0	88.6
	Non-current		
	Employee benefits	**26.8**	27.4
	Other	**0.8**	1.1
		27.6	28.5

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.

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	
		2012	2011
		$m	$m
17	**Provisions (continued)**		
	Movements in provisions		
	Restructuring		
	Opening balance	**4.1**	6.4
	Provided	**3.6**	1.8
	Payments made	**(1.1)**	(4.1)
	Closing balance	**6.6**	4.1
	Onerous contracts		
	Opening balance	**11.0**	11.7
	Currency differences	**(0.9)**	(0.7)
	Closing balance	**10.1**	11.0
	Other		
	Opening balance	**3.0**	4.2
	Additional provision	**0.3**	(0.3)
	Payments made	**(0.6)**	(0.8)
	Currency differences	**(0.2)**	(0.1)
	Closing balance	**2.5**	3.0
18	**Deferred government grants**		
	Current deferred income	**1.0**	1.0
	Non-current deferred income	**29.8**	18.9
	Total deferred government grants	**30.8**	19.9
19	**Derivative financial instruments – current liabilities**		
	Forward Currency Contracts	**1.4**	5.1

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	
		2012	2011
		$m	$m
20	**Contributed equity**		
	Ordinary shares issued and fully paid	**-**	253.9
	Share buy-back reserve	**(373.3)**	-
	Total contributed equity	**(373.3)**	253.9

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.

	2012		2011	
	Number of shares	**$m**	Number of shares	$m
Movement in contributed equity				
Opening balance at 1 July	**524,840,532**	**253.9**	549,692,886	1,139.2
Shares issued to employees via:				
- Performance Options *(i)*	**163,814**	**3.5**	540,971	9.6
- Performance Rights (for nil consideration)	**240,178**	**-**	483,734	-
- GESP *(ii)*	**207,576**	**5.0**	186,110	5.1
Share buy-back, inclusive of cost	**(18,522,253)**	**(635.7)**	(26,063,169)	(900.0)
Closing balance	**506,929,847**	**(373.3)**	524,840,532	253.9

		Consolidated Group	
		2012	2011
		$m	$m
(i)	Options exercised under Performance Option plans as disclosed in note 27 were as follows		
	- 128,670 issued at $17.48 (2011: 534,707 issued at $17.48)	**2.2**	9.4
	- 30,849 issued at $35.46 (2011: 6,264 issued at $35.46)	**1.1**	0.2
	- 4,295 issued at $37.91 (2011: Nil)	**0.2**	-
		3.5	9.6
(ii)	Shares issued to employees under Global Employee Share Plan (GESP) as disclosed in note 27 were as follows:		
	- 102,876 issued at $24.17 on 7 September 2011	**2.5**	2.6
	- 104,700 issued at $24.03 on 8 March 2012	**2.5**	2.5
		5.0	5.1

	Consolidated Group	
	2012	2011
	$m	$m
21 Reserves		
Share based payments reserve	**113.2**	99.5
Foreign currency translation reserve	**(636.1)**	(520.2)
Available-for-sale investments reserve	**-**	(0.9)
Carrying value of reserves at 30 June	**(522.9)**	(421.6)
Movements in reserves		
Share based payments reserve (i)		
Opening balance at 1 July	**99.5**	84.2
Share based payments expense	**11.8**	14.5
Deferred tax on share based payments	**1.9**	0.8
Closing balance at 30 June	**113.2**	99.5
Foreign currency translation reserve (ii)		
Opening balance at 1 July	**(520.2)**	(326.8)
Net exchange gains / (losses) on translation of foreign subsidiaries, net of hedge	**(115.9)**	(193.4)
Closing balance at 30 June	**(636.1)**	(520.2)
Available-for-sale investments reserve (iii)		
Opening balance at 1 July	**(0.9)**	-
Mark to market adjustment on available-for-sale financial assets	**0.9**	(0.9)
Closing balance at 30 June	**-**	(0.9)

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.

	Note	Consolidated Group 2012 $m	2011 $m
22 Retained earnings			
Opening balance at 1 July		**3,812.1**	3,318.6
Net profit for the year		**982.6**	940.6
Dividends	**23**	**(422.1)**	(435.9)
Actuarial gain/(loss) on defined benefit plans		**(63.9)**	(9.9)
Deferred tax on actuarial gain/(loss) on defined benefit plans		**15.8**	(1.3)
Closing balance at 30 June		**4,324.5**	3,812.1

23 Dividends

Dividends paid

Dividends recognised in the current year by the Company are:

	2012 $m	2011 $m
Final ordinary dividend of 45 cents per share, franked to 4%, paid on 14 October 2011 (2011: 45 cents per share, franked to 11%)	**236.2**	247.5
Interim ordinary dividend of 36 cents per share, unfranked, paid on 13 April 2012 (2011: 35 cents per share, unfranked)	**185.9**	188.4
	422.1	435.9

Dividends not recognised at year end

	2012 $m	2011 $m
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 47 cents per share, unfranked. (2011: ordinary dividend of 45 cents per share, franked to 2.00 cents per share). The final dividend is expected to be paid on 12 October 2012. Based on the number of shares on issue as at reporting date, the aggregate amount of the proposed dividend would be:	**238.3**	236.2

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

			Consolidated Group	
		Notes	**2012 $m**	2011 $m
24	**Equity**			
	Total equity at the beginning of the financial year		**3,644.4**	4,215.2
	Total comprehensive income for the period		**819.5**	735.1
	Movement in contributed equity	**20**	**(627.2)**	(885.3)
	Dividends	**23**	**(422.1)**	(435.9)
	Movement in share based payments reserve	**21**	**13.7**	15.3
	Total equity at the end of the financial year		**3,428.3**	3,644.4

25 Statement of Cash Flows

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

Cash at the end of the year is shown in the cash flow statement as:			
Cash at bank and on hand	**6**	**337.5**	294.9
Cash deposits	**6**	**817.6**	184.5
Bank overdrafts	**15**	**(3.2)**	(0.6)
		1,151.9	478.8

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

Profit after tax	**982.6**	940.6
Non-cash items in profit after tax		
Depreciation, amortisation and impairment charges	**171.5**	172.6
(Gain)/loss on disposal of property, plant and equipment	**2.6**	1.3
Mark to market adjustment on available-for-sale investments	**(0.9)**	0.9
Share based payments expense	**23.1**	18.5
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**1.7**	48.6
(Increase)/decrease in inventories	**(33.1)**	(156.9)
(Increase)/decrease in retirement benefit assets	**2.6**	2.2
Increase/decrease in net tax assets and liabilities	**(14.7)**	10.2
Increase/(decrease) in trade and other payables	**12.9**	21.4
Increase/(decrease) in provisions	**14.2**	(40.0)
Increase/(decrease) in retirement benefit liabilities	**(2.5)**	(1.3)
Net cash inflow from operating activities	**1,160.0**	1,018.1

(c) Non cash financing activities

Acquisition of plant and equipment by means of finance leases	**1.1**	1.1

	Consolidated Group	
	2012	2011
	$m	$m
26 Employee benefits		
A reconciliation of the employee benefits recognised is as follows:		
Retirement benefit assets – non-current (note 13)	**-**	2.6
Provision for employee benefits – current (note 17)	**80.6**	71.6
Retirement benefit liabilities – non-current (note 13)	**167.2**	113.9
Provision for employee benefits – non-current (note 17)	**26.8**	27.4
	274.6	212.9

	Number of FTEs	
	2012	2011
The number of full time equivalents employed at 30 June	**10,515**	10,411

(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	
	2012	2011
	$m	$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	**111.3**	111.4
Contributions received	**(20.6)**	(16.9)
Benefits paid	**(3.0)**	(5.8)
Expense/(benefit) recognised in the statement of comprehensive income	**19.9**	20.3
Actuarial (gains)/losses recognised in equity	**67.6**	9.9
Currency translation differences	**(8.0)**	(7.6)
Closing balance	**167.2**	111.3
Net liability/(asset) for defined benefit obligation is reconciled to the balance sheet as follows:		
Retirement benefit assets – non-current (note 13)	**-**	(2.6)
Retirement benefit liabilities – non-current (note 13)	**167.2**	113.9
Net liability/(asset)	**167.2**	111.3

Amounts for the current and previous periods are as follows:

	Consolidated Group		
	2012	2011	2010
	$m	$m	$m
Defined benefit obligation	**547.3**	492.2	467.4
Plan assets	**380.1**	380.9	355.9
Surplus/(deficit)	**(167.2)**	(111.3)	(111.5)
Experience adjustments on plan liabilities	**(58.7)**	(12.9)	(2.3)
Experience adjustments on plan assets	**(8.9)**	3.7	7.5
Actual return on plan assets	**8.5**	19.6	24.6

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	
	2012	2011
	$m	$m

26 Employee benefits (continued)

(a) Defined benefit plans (continued)

Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	**492.2**	467.4
Service cost	**19.4**	18.8
Interest cost	**17.5**	17.4
Contributions by members	**5.6**	5.3
Actuarial (gains)/losses	**58.7**	12.9
Benefits paid	**(16.2)**	(19.3)
Other movements	**-**	(1.0)
Currency translation differences	**(29.9)**	(9.3)
Closing balance	**547.3**	492.2

The present value of the defined benefit obligation comprises:		
Present value of wholly unfunded obligations	**115.8**	92.9
Present value of funded obligations	**431.5**	399.3
	547.3	492.2

Changes in the fair value of plan assets are as follows:		
Opening balance	**380.9**	355.9
Expected return on plan assets	**17.4**	15.9
Actuarial gains/(losses) on plan assets	**(8.9)**	3.7
Contributions by employer	**20.6**	16.9
Contributions by members	**5.7**	5.3
Benefits paid	**(13.2)**	(15.4)
Other movements	**(0.4)**	(0.4)
Currency translation differences	**(22.0)**	(1.0)
Closing balance	**380.1**	380.9

The major categories of plan assets as a percentage of total plan assets is as follows:		
Cash	**5.2%**	4.1%
Equity instruments	**33.7%**	35.2%
Debt instruments	**43.0%**	45.4%
Property	**16.5%**	13.6%
Other assets	**1.6%**	1.7%
	100.0%	100.0%

Expenses/(gains) recognised in the statement of comprehensive income are as follows:		
Current service costs	**19.9**	18.8
Interest on obligation	**17.5**	17.4
Expected return on assets	**(17.5)**	(15.9)
Total included in employee benefits expense	**19.9**	20.3

	Consolidated Group	
	2012	2011
	$m	$m

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:

	2012	2011
Discount rate	**3.0%**	3.7%
Expected return on assets and expected long-term rate of return on assets[1]	**3.4%**	3.7%
Future salary increases	**2.3%**	2.3%
Future pension increases	**0.4%**	0.3%

[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] $m**	**Accrued benefit[2] $m**	**Plan surplus / (deficit) $m**
Consolidated Group – June 2012			
CSL Pension Plan (Australia)	**34.3**	**(40.4)**	**(6.1)**
CSL Behring AG Pension Fund (Switzerland)	**298.7**	**(328.7)**	**(30.0)**
CSL Behring Union Pension Plan (US UPP)	**47.1**	**(62.4)**	**(15.3)**
CSL Behring GmbH Supplementary Pension Plan (Germany)	**-**	**(89.5)**	**(89.5)**
CSL Pharma GmbH Pension Plan (Germany)	**-**	**(1.7)**	**(1.7)**
CSL Behring KG Pension Plan (Germany)	**-**	**(5.7)**	**(5.7)**
CSL Plasma GmbH Pension Plan (Germany)	**-**	**(0.2)**	**(0.2)**
CSL Behring KK Retirement Allowance Plan (Japan)	**-**	**(17.3)**	**(17.3)**
CSL Behring S.A. Pension Plan (France)	**-**	**(0.4)**	**(0.4)**
CSL Behring S.p.A Pension Plan (Italy)	**-**	**(1.0)**	**(1.0)**
	380.1	**(547.3)**	**(167.2)**
Consolidated Group – June 2011			
CSL Pension Plan (Australia)	35.4	(32.8)	2.6
CSL Behring AG Pension Fund (Switzerland)	301.8	(315.3)	(13.5)
CSL Behring Union Pension Plan (US UPP)	43.7	(51.2)	(7.5)
CSL Behring GmbH Supplementary Pension Plan (Germany)	-	(72.0)	(72.0)
CSL Pharma GmbH Pension Plan (Germany)	-	(1.5)	(1.5)
CSL Behring KG Pension Plan (Germany)	-	(3.9)	(3.9)
CSL Plasma GmbH Pension Plan (Germany)	-	(0.2)	(0.2)
CSL Behring KK Retirement Allowance Plan (Japan)	-	(13.7)	(13.7)
CSL Behring S.A. Pension Plan (France)	-	(0.3)	(0.3)
CSL Behring S.p.A Pension Plan (Italy)	-	(1.3)	(1.3)
	380.9	(492.2)	(111.3)

[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. Following a recent review of these arrangements 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 300% of the employee contribution to Penka 1 (2012: €3.9m, 2011: €3.9m) and 100% of the employee contribution to Penka 2 (2012: €0.5m, 2011: €0.4m), 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 2012 was $19.9m (2011: $19.4m).

	Consolidated Group	
	2012	2011
	$m	$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	**11.8**	14.5
Expense arising from cash-settled share-based payment transactions	**11.3**	4.0
	23.1	18.5

(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. The terms and conditions associated with the provision of SESOP II loans are set out in note 28(b) and the remuneration report. At 30 June 2012, 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 in 2009.

27 Share based payments (continued)

(b) Share based payment schemes (continued)

Share based long term incentives issued since October 2010

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

Global Employee Share Plan (GESP)

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

Executive Deferred Incentive Plan (EDIP)

On 1 October 2011, 581,750 phantom shares were granted to employees under the Executive Deferred Incentive Plan (2011: 518,750). This plan provides for a grant of phantom 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 2012	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2012
Options (by grant date)									
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	$36.56	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. 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 2012 has been estimated based on information available as at 30 June 2012.

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

Options	$33.39
Performance Rights	$32.78
GESP	$30.14

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 2011	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2011
Options (by grant date)									
2 October 2006	815,711	-	534,707	11,352	-	269,652	$17.48	2-Oct-13	269,652
1 October 2007	660,140	-	6,264	58,356	-	595,520	$35.46	30-Sep-14	357,272
1 April 2008	3,240	-	-	-	-	3,240	$36.56	31-Mar-15	810
1 October 2008	762,840	-	-	78,600	-	684,240	$37.91	30-Sep-15	171,060
1 April 2009	13,840	-	-	4,540	-	9,300	$32.50	31-Mar-16	-
1 October 2009	1,102,880	-	-	36,560	-	1,066,320	$33.68	30-Sep-16	-
1 October 2010	-	216,420	-	-	-	216,420	$33.45	30-Sep-17	-
	3,358,651	216,420	540,971	189,408	-	2,844,692			798,794
Performance Rights (by grant date)									
28 April 2004	60,000	-	60,000	-	-	-	Nil	31-Mar-11	-
21 June 2004	8,400	-	8,400	-	-	-	Nil	31-Mar-11	-
29 October 2004	20,900	-	11,400	-	-	9,500	Nil	25-Aug-11	9,500
15 July 2005	45,000	-	45,000	-	-	-	Nil	7-Jun-12	-
7 September 2005	106,750	-	39,800	-	-	66,950	Nil	7-Jun-12	66,950
7 March 2006	45,000	-	45,000	-	-	-	Nil	20-Dec-12	-
6 April 2006	8,400	-	8,400	-	-	-	Nil	20-Dec-12	-
2 October 2006	253,665	-	186,633	4,080	-	62,952	Nil	2-Oct-13	62,952
1 October 2007	216,285	-	79,101	11,370	-	125,814	Nil	30-Sep-14	33,822
1 April 2008	1,460	-	-	-	-	1,460	Nil	31-Mar-15	876
1 October 2008	273,100	-	-	25,260	-	247,840	Nil	30-Sep-15	-
1 April 2009	5,120	-	-	1,680	-	3,440	Nil	31-Mar-16	-
1 October 2009	371,580	-	-	13,340	-	358,240	Nil	30-Sep-16	-
1 October 2010	-	284,420	-	-	-	284,420	Nil	30-Sep-17	-
	1,415,660	284,420	483,734	55,730	-	1,160,616			174,100
GESP (by grant date)									
1 March 2010	95,517	-	95,517	-	-	-	$27.29	31-Aug-10	-
1 September 2010	-	90,593	90,593	-	-	-	$27.51	28-Feb-11	-
1 March 2011 #	-	92,645	-	-	-	92,645	$28.10	31-Aug-11	-
	95,517	183,238	186,110	-	-	92,645			
Total	**4,869,828**	**684,078**	**1,210,815**	**245,138**	**-**	**4,097,953**			**972,894**

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	$34.57
Performance Rights	$33.38
GESP	$34.24

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)							
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] 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)							
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	$4.88	$32.53	$27.65	27.0%	6 months	2.5%	3.44%

[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	
	2012	2011
October 2010 grant		
Dividend yield (%)	**2.5%**	2.5%
Fair value of grants at reporting date ($)	**$38.22**	$31.27
October 2011 grant		
Dividend yield (%)	**2.5%**	-
Fair value of grants at reporting date ($)	**$37.29**	-

(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 2012 is $15,175,483 (2011: $3,982,898). No cash-settled awards vested during the period ended 30 June 2012 (2011: $Nil).

28 Key management personnel disclosures

The following were key management personnel of the Group at any time during the 2012 and 2011 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)
D W Anstice	**Executives**
B Brook (appointed 16 August 2011)	P Perreault (President, CSL Behring)
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)
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, KMP since 1 July 2011)
	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	
	$	$
	2012	2011
Short term remuneration elements		
Salary and Fees	**10,476,843**	10,781,388
Short term incentive cash bonus	**5,155,552**	3,896,409
Non-monetary benefits	**79,063**	105,117
Total of short term remuneration elements	**15,711,458**	14,782,914
Post-employment elements		
Pension benefits	**1,151,486**	853,925
Retirement benefits	**323,259**	-
Total of post-employment elements	**1,474,745**	853,925
Other long term elements		
Long service leave and equivalents	**367,157**	578,447
Deferred cash incentive	**1,023,778**	679,833
Total of other long term elements	**1,390,935**	1,258,280
Share-based payments		
Equity settled performance rights	**3,447,930**	2,730,748
Equity settled options	**2,043,468**	2,703,490
Cash settled options	**857,704**	324,680
Total of share based payments	**6,349,102**	5,758,918
Other remuneration elements		
Termination benefits	**1,588,733**	500,523
Total of all remuneration elements [1]	**26,514,973**	23,154,560

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

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

		Opening balance	Interest charged	Closing balance	Number in group
		$	$	$	
Total for key management personnel	**2012**	**-**	**-**	**-**	**-**
	2011	978,950	-	-	-
Total for other related parties	**2012**	-	-	-	-
	2011	-	-	-	-
Total for key management personnel and their related parties	**2012**	**-**	**-**	**-**	**-**
	2011	978,950	-	-	-

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

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

- The Group has a number of contractual relationships, including property leases and collaborative research arrangements, with the University of Melbourne of which 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)

(d) Options over equity instruments granted as compensation

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

Key management person	Balance at 1 July 2011	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2012	Number Vested during the year	Vested and exercisable at 30 June 2012	Unvested at 30 June 2012
Executive Directors								
B A McNamee	299,400	65,200	-	-	364,600	57,264	122,568	242,032
P Turner	128,700	-	-	-	128,700	23,682	49,932	78,768
Other executives								
P Perreault	77,140	18,620	-	-	95,760	14,869	31,920	63,840
G Naylor	75,660	18,920	-	-	94,580	12,133	25,080	69,500
A Cuthbertson	68,980	15,200	-	-	84,180	12,998	27,864	56,316
J Davies	82,920	9,900	-	-	92,820	10,791	43,152	49,668
G Boss	56,520	9,460	-	-	65,980	9,224	18,924	47,056
I Sieper	18,800	9,680	5,580	-	22,900	4,171	3,324	19,576
M Sontrop	70,996	9,340	8,496	-	71,840	10,959	22,332	49,508
K Etchberger	47,872	7,220	-	-	55,092	7,167	21,540	33,552
E Bailey	20,500	6,960	-	-	27,460	1,665	3,552	23,908
J Lever	18,740	7,520	-	-	26,260	-	-	26,260
Total	**966,228**	**178,020**	**14,076**	**-**	**1,130,172**	**164,923**	**370,188**	**759,984**

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.

(e) Performance rights over equity instruments granted as compensation

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

Key management person	Balance at 1 July 2011	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2012	Number Vested during the year	Vested and exercisable at 30 June 2012	Unvested at 30 June 2012
Executive Directors								
B A McNamee	118,904	72,440	-	-	191,344	35,057	16,289	175,055
P Turner	52,472	-	6,627	-	45,845	13,491	-	45,845
Other executives								
P Perreault	27,824	20,700	4,414	-	44,110	7,510	-	44,110
G Naylor	34,000	21,040	3,550	-	51,490	5,782	-	51,490
A Cuthbertson	28,928	16,880	3,683	-	42,125	7,523	-	42,125
J Davies	42,610	11,000	10,350	-	43,260	5,464	11,260	32,000
G Boss	23,764	10,520	2,699	-	31,585	4,931	-	31,585
I Sieper	6,492	10,760	1,797	-	15,455	3,813	-	15,455
M Sontrop	24,532	10,380	2,992	-	31,920	5,512	-	31,920
K Etchberger	17,092	8,020	2,182	-	22,930	4,054	-	22,930
E Bailey	13,840	7,720	2,630	-	18,930	1,886	1,020	17,910
J Lever	10,300	8,360	905	-	17,755	905	-	17,755
Total	**400,758**	**197,820**	**41,829**	**-**	**556,749**	**95,928**	**28,569**	**528,180**

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.

(f) Exercise of equity instruments granted as compensation

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

	30 June 2012			30 June 2011		
	Date Option Granted	**Number of shares**	**Paid per share $**	**Date Option Granted**	**Number of shares**	**Paid per share $**
B McNamee				2 October 2006	158,760	17.48
A M Cipa				2 October 2006	58,140	17.48
A Cuthbertson				2 October 2006	24,390	17.48
G Naylor				2 October 2006	14,220	17.48
E Bailey				2 October 2006	4,320	17.48
Paul Perreault				2 October 2006	19,620	17.48
P Turner				2 October 2006	23,256	17.48
G Boss				2 October 2006	7,584	17.48
I Sieper	**2 October 2007**	**5,580**	**35.46**			
M Sontrop	**2 October 2006**	**8,496**	**17.48**			
Total		**14,076**			310,290	

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 2012		30 June 2011	
	Date Performance Right Granted	**Number of shares**	**Date Performance Right Granted**	**Number of Shares**
P Turner	1 October 2007	3,672	2 October 2006	6,864
	1 October 2009	2,955	1 October 2007	3,213
P Perreault	1 October 2007	2,544	2 October 2006	3,096
	1 October 2009	1,870	1 October 2007	2,226
G Naylor	1 October 2007	1,680	2 October 2006	2,232
	1 October 2009	1,870	1 October 2007	1,470
A Cuthbertson	1 October 2007	2,208	2 October 2006	7,200
	1 October 2009	1,475	1 October 2007	3,312
J Davies	7 June 2005	10,350		
G Boss	1 October 2007	1,224	2 October 2006	2,232
	1 October 2009	1,475	1 October 2007	1,071
I Sieper	1 October 2007	1,032		
	1 October 2009	765		
M Sontrop	1 October 2007	1,392	2 October 2006	2,520
	1 October 2009	1,600	1 October 2007	1,218
K Etchberger	1 October 2007	1,152	2 October 2006	1,872
	1 October 2009	1,030	1 October 2007	1,008
E Bailey	1 October 2007	1,920		
	1 October 2009	710		
J Lever	1 October 2009	905		
B McNamee			2 October 2006	46,920
			1 October 2007	14,436
A M Cipa			31 March 2004	60,000
			7 June 2005	45,000
			20 December 2005	45,000
			2 October 2006	17,160
			1 October 2007	5,508
Total		**41,829**		**273,558**

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 2012 are set out below.

Movements in shares	Balance at 1 July 2011	Shares acquired on exercise of performance rights during year	Shares acquired on exercise of options during year	(Shares sold)/ Purchased	Balance at 30 June 2012
Non-Executive Directors					
J Shine	**4,025**	-	-	1,080	**5,105**
E A Alexander	**30,459**	-	-	955	**31,414**
J Akehurst	**30,042**	-	-	581	**30,623**
D W Anstice	**7,005**	-	-	726	**7,731**
I A Renard	**18,100**	-	-	575	**18,675**
M A Renshaw	**7,303**	-	-	581	**7,884**
C O'Reilly	**602**	-	-	581	**1,183**
B Brook	**-**	-	-	3,346	**3,346**
D J Simpson	**3,485**	-	-	312	**3,797**
Executive Directors					
B A McNamee	**835,669**	-	-	-	**835,669**
P Turner	**160,569**	6,627	-	(45,000)	**122,196**
Executives					
P Perreault	**2,071**	4,414	-	(4,248)	**2,237**
G Naylor	**101,299**	3,550	-	(40,814)	**64,035**
A Cuthbertson	**63,175**	3,683	-	-	**66,858**
J Davies	**735**	10,350	-	-	**11,085**
G Boss	**564**	2,699	-	(2,460)	**803**
I Sieper	**-**	1,797	5,580	(7,377)	**-**
M Sontrop	**22,864**	2,992	8,496	(2,813)	**31,539**
K Etchberger	**9,870**	2,182	-	-	**12,052**
E Bailey	**2,441**	2,630	-	(2,380)	**2,691**
J Lever	**-**	905	-	-	**905**
Total	**1,300,278**	41,829	14,076	(96,355)	**1,259,828**

There have been no movements in shareholdings of key management personnel between 30 June 2012 and the date of this report.

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

During the year 29,050 phantom 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	
		2012	2011
		$	$

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:

		2012 $	2011 $
(a)	Audit services		
	Ernst & Young	**1,045,025**	802,000
	Ernst & Young related practices	**2,349,210**	2,137,336
	Total remuneration for audit services	**3,394,235**	2,939,336
(b)	Other services		
	Ernst & Young		
	- compliance and other services	**98,700**	16,500
	Ernst & Young related practices		
	- compliance and other services	**231,387**	104,196
	Total remuneration for non audit services	**330,087**	120,696
	Total remuneration for all services rendered	**3,724,322**	3,060,032

	Consolidated Group	
	2012	2011
	$m	$m

31 Commitments and contingencies

(a) Operating leases

	2012 $m	2011 $m
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Not later than one year	**32.4**	31.7
Later than one year but not later than five years	**90.0**	91.4
Later than five years	**161.5**	163.6
	283.9	286.7

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.

31 Commitments and contingencies (continued)

(b) Finance leases

	Consolidated Group 2012 $m	Consolidated Group 2011 $m
Commitments in relation to finance leases are payable as follows:		
Not later than one year	**4.2**	4.3
Later than one year but not later than five years	**11.5**	13.9
Later than five years	**22.4**	26.1
Total minimum lease payments	**38.1**	44.3
Future finance charges	**(11.8)**	(14.3)
Finance lease liability	**26.3**	30.0
The present value of finance lease liabilities is as follows:		
Not later than one year	**2.9**	2.9
Later than one year but not later than five years	**7.3**	8.9
Later than five years	**16.1**	18.2
	26.3	30.0
Finance lease – current liability (refer note 15)	**2.9**	2.9
Finance lease – non-current liability (refer note 15)	**23.4**	27.1
	26.3	30.0

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

	Consolidated Group 2012 $m	Consolidated Group 2011 $m
Current		
Finance leases (refer note 15)	**2.9**	2.9
Non-current		
Finance leases (refer note 15)	**23.4**	27.1
	26.3	30.0

(d) Capital commitments

	Consolidated Group 2012 $m	Consolidated Group 2011 $m
Capital expenditure contracted for at balance date but not provided for in the financial statements, payable:		
Not later than one year	**122.0**	63.6
Later than one year but not later than five years	**77.4**	14.0
Later than five years	**-**	-
	199.4	77.6

(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	
	2012	2011
	$m	$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:

	2012 $m	2011 $m
Service agreements	**9.6**	8.3

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. An estimate of the financial effect of this litigation cannot be calculated as it is not practicable at this stage. The Group has disclaimed liability for, and is vigorously defending, all current material claims and actions that have been made.

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		
		2012	2011	
		%	%	
Company:				
CSL Limited	Australia			
Subsidiaries of CSL Limited:				
CSL Employee Share Trust	Australia	**100**	100	
CSL Biotherapies Pty Ltd	Australia	**100**	100	
Cervax Pty Ltd	Australia	**74**	74	
CSL Biotherapies (NZ) Limited	New Zealand	**100**	100	(a)
Iscotec AB	Sweden	**100**	100	(a)
Zenyth Therapeutics Pty Ltd	Australia	**100**	100	
Zenyth Operations Pty Ltd	Australia	**100**	100	
Amrad Pty Ltd	Australia	**100**	100	
CSL International Pty Ltd	Australia	**100**	100	
CSL Finance Pty Ltd	Australia	**100**	100	
CSL Behring ApS	Denmark	**100**	100	(a)
CSL Behring AG	Switzerland	**100**	100	(a)
ZLB GmbH	Germany	**100**	100	(a)
CSL UK Holdings Limited	England	**100**	100	(a)
ZLB Bioplasma UK Limited	England	**100**	100	(a)
CSL Behring sp.z.o.o.	Poland	**100**	-	(a)(b)
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)
CSL Biotherapies GmbH	Germany	**100**	100	(a)
CSL Behring Foundation for Research and Advancement of Patient Health	USA	**100**	100	(a)
CSL Behring Verwaltungs GmbH	Germany	**100**	100	(a)
CSL Behring Beteiligungs GmbH & Co KG	Germany	**100**	100	(a)
CSL Plasma GmbH	Germany	**100**	100	(a)
CSL Behring GmbH	Germany	**100**	100	(a)
CSL Behring GmbH	Austria	**100**	100	(a)
CSL Behring S.A.	Spain	**100**	100	(a)
CSL Behring A.B.	Sweden	**100**	100	(a)
CSL Behring S.p.A.	Italy	**100**	100	(a)
CSL Behring N.V.	Belgium	**100**	100	(a)
CSL Behring B.V	Netherlands	**100**	100	(a)
CSL Behring Lda	Portugal	**100**	100	(a)
CSL Behring MEPE	Greece	**100**	100	(a)

	Country of incorporation	Percentage Owned		
		2012	2011	
		%	%	
32 Controlled Entities (continued)				
CSL International Pty Ltd (continued)				
CSL Biotherapies Asia Pacific Limited	Hong Kong	**100**	100	(a)
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**	-	(a)(b)
CSL Behring Holdings Ltd.	England	**100**	100	(a)
CSL Behring UK Ltd.	England	**100**	100	(a)

(a) Audited by affiliates of the Company auditors.
(b) CSL Behring sp.z.o.o. and CSL Behring K.f.t. were incorporated during the 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. 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 2012 and a consolidated balance sheet as at that date.

Income Statement	**Consolidated Group**	
	2012	2011
	$m	$m
Continuing operations		
Sales revenue	**650.8**	584.4
Cost of sales	**(387.2)**	(337.8)
Gross profit	**263.6**	246.6
Sundry revenues	**86.0**	110.1
Dividend income	**1,843.7**	756.1
Interest income	**39.4**	25.3
Research and development expenses	**(154.5)**	(153.2)
Selling and marketing expenses	**(68.8)**	(56.5)
General and administration expenses	**(92.7)**	(74.5)
Finance costs	**(6.3)**	(7.7)
Profit before income tax expense	**1,910.4**	846.2
Income tax (expense) / benefit	**(6.9)**	(15.4)
Profit for the year	**1,903.5**	830.8

	Consolidated Group	
	2012	2011
	$m	$m

33 Deed of Cross Guarantee (continued)

Balance sheet

	2012 $m	2011 $m
CURRENT ASSETS		
Cash and cash equivalent	**829.0**	193.6
Trade and other receivables	**112.3**	96.4
Inventories	**198.0**	175.6
Total Current Assets	**1,139.3**	465.6
NON-CURRENT ASSETS		
Trade and other receivables	**9.1**	9.4
Other financial assets	**1,823.3**	1,817.2
Property, plant and equipment	**521.2**	454.1
Deferred tax assets	**11.7**	12.8
Intangible assets	**24.1**	24.1
Retirement benefit assets	**-**	2.6
Total Non-Current assets	**2,389.4**	2,320.2
TOTAL ASSETS	**3,528.7**	2,785.8
CURRENT LIABILITIES		
Trade and other payables	**136.6**	123.2
Interest-bearing liabilities and borrowings	**119.6**	11.3
Current tax liabilities	**0.0**	5.5
Provisions	**49.6**	38.9
Deferred government grants	**1.0**	1.0
Total Current Liabilities	**306.8**	179.9
NON-CURRENT LIABILITIES		
Trade and other payables	**5.6**	1.1
Interest-bearing liabilities and borrowings	**-**	117.1
Provisions	**7.5**	7.7
Deferred government grants	**29.8**	18.9
Retirement benefit liabilities	**6.0**	-
Total Non-Current Liabilities	**48.9**	144.8
TOTAL LIABILITIES	**355.7**	324.7
NET ASSETS	**3,173.0**	2,461.1
EQUITY		
Contributed equity	**(373.2)**	253.9
Reserves	**130.4**	116.3
Retained earnings	**3,415.8**	2,090.9
TOTAL EQUITY	**3,173.0**	2,461.1

Summary of movements in consolidated retained earnings of the Closed Group

	2012 $m	2011 $m
Retained earnings at beginning of the financial year	**2,090.9**	1,696.5
Net profit	**1,903.5**	830.8
Actuarial gain / (loss) on defined benefit plans, net of tax	**(6.5)**	(0.5)
Dividends provided for or paid	**(572.1)**	(435.9)
Retained earnings at the end of the financial year	**3,415.8**	2,090.9

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 Australian 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		2012		2011	
			Buy	Sell	Buy	Sell
Currency	2012	2011	$m	$m	$m	$m
US Dollar						
3 months or less	**1.0174**	1.0737	**18.6**	**(249.8)**	6.7	(142.2)
Swiss Francs						
3 months or less	**0.9685**	0.8928	**303.2**	**(16.0)**	310.9	(31.3)
Argentina Peso						
3 months or less	**4.5846**	4.4104	**-**	**(11.6)**	-	(7.7)
Euro						
3 months or less	**0.8053**	0.7472	**433.4**	**(328.8)**	337.7	(321.1)
Pounds Sterling						
3 months or less	**0.6496**	0.6673	**5.8**	**(24.7)**	0.8	(15.7)
Hungarian Florint						
3 months or less	**234.34**	196.43	**-**	**(2.7)**	-	(2.6)
Japanese Yen						
3 months or less	**80.39**	86.38	**-**	**(15.8)**	0.5	(24.0)
Swedish Kroner						
3 months or less	**7.0699**	6.7818	**0.3**	**(13.7)**	-	(12.7)
Danish Kroner						
3 months or less	**5.9916**	5.5239	**1.1**	**(7.4)**	-	(9.8)
Mexican Peso						
3 months or less	**12.6347**	12.6347	**1.1**	**(37.7)**	3.4	(46.5)
Brazilian Real						
3 months or less	**2.1060**	1.6855	**-**	**(9.5)**	-	(2.5)
Czech Koruna						
3 months or less	**20.74**	-	**-**	**(1.2)**	-	-
Chinese Renimbi						
3 months or less	**6.4448**	-	**-**	**(25.5)**	-	-
New Zealand Dollar						
3 months or less	**-**	1.2924	**-**	**-**	-	(0.3)
Hong Kong Dollar						
3 months or less	**-**	8.2828	**-**	**-**	-	(0.8)
Australian Dollar						
3 months or less	**0.8809**	0.8860	**28.5**	**(47.6)**	18.9	(61.7)
			792.0	**792.0**	678.9	(678.9)

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

Included in Interest Bearing Liabilities (refer note 15) as at 30 June 2012, are Unsecured Notes amounting to US$44.8m (2011: US$51.8m) and EUR 55.9m (2011: EUR 58.3m) that are designated as a hedge of the Group's investment in CSLB Holdings Inc and CSL Behring GmbH. A net foreign exchange gain of $3.6m (2011: gain of $18.6m) was recognised in equity on translation of these borrowings to Australian Dollars.

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 2012, no derivative financial instruments hedging interest rate risk were outstanding (2011: 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 2012	Floating rate (a)	1 year or less	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	Average interest Rate
	$m	$m	$m	$m	$m	$m	%
Financial Assets							
Cash and cash equivalents	**1,155.1**	**-**	**-**	**-**	**-**	**1,155.1**	**3.6%**
Trade and other receivables	**-**	**-**	**-**	**-**	**783.2**	**783.2**	**-**
Other financial assets	**-**	**-**	**-**	**-**	**2.9**	**2.9**	**-**
	1,155.1	**-**	**-**	**-**	**786.1**	**1,941.2**	
Financial Liabilities							
Trade and other payables	**-**	**-**	**-**	**-**	**544.1**	**544.1**	**-**
Bank loans – unsecured	**346.6**	**-**	**-**	**-**	**-**	**346.6**	**1.3%**
Bank overdraft – unsecured	**3.2**	**-**	**-**	**-**	**-**	**3.2**	**2.8%**
Senior unsecured notes	**-**	**161.1**	**-**	**734.4**	**-**	**895.5**	**4.1%**
Lease liabilities	**-**	**2.9**	**7.3**	**16.1**	**-**	**26.3**	**5.8%**
Other financial liabilities	**-**	**-**	**-**	**-**	**1.4**	**1.4**	**-**
	349.8	**164.0**	**7.3**	**750.5**	**545.5**	**1,817.1**	

		Fixed interest rate maturing in					
Consolidated Group – June 2011	Floating rate (a)	1 year or less	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	Average interest rate
	$m	$m	$m	$m	$m	$m	%
Financial Assets							
Cash and cash equivalents	479.4	-	-	-	-	479.4	2.5%
Trade and other receivables	-	-	-	-	813.2	813.2	-
Other financial assets	-	-	-	-	20.3	20.3	-
	479.4	-	-	-	833.5	1,312.9	
Financial Liabilities							
Trade and other payables	-	-	-	-	497.5	497.5	-
Bank loans – unsecured	209.0	-	-	-	-	209.0	0.6%
Bank overdraft – unsecured	0.6	-	-	-	-	0.6	2.5%
Senior unsecured notes	-	13.7	162.9	-	-	176.6	5.3%
Lease liabilities	-	2.9	8.9	18.2	-	30.0	5.7%
Other financial liabilities	-	-	-	-	5.1	5.1	-
	209.6	16.6	171.8	18.2	502.6	918.8	

(a) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All floating rate financial assets and liabilities mature within one year.

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 2012 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 $8.1m. 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 2012 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 $2.2m. This calculation is based on applying a 1% movement to the total of the Group's unsecured bank loans at year end. All other interest bearing debt amounts are subject to fixed rate and therefore not subject to interest rate movements in the ordinary course.

It is estimated that a general movement of one percentage point in the value of the Australian Dollar against other currencies would change the Group's profit after tax by approximately $9.7m for the year ended 30 June 2012 comprising $2.7m, $5.7m and $1.3m against the Euro, Swiss Franc and US Dollar respectively. This calculation is based on changing the actual exchange rate of Australian Dollars to all other currencies during the year by 1% and applying these adjusted rates to the translation of the foreign currency denominated financial statements of various Group entities.

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

Credit Risk

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

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

The Group minimises the credit risks associated with trade and other debtors by undertaking transactions with a large number of customers in various countries.

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

34 Financial Risk Management Objectives and Policies (continued)

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

For the year ended 30 June 2012	Financial Institutions $m	Governments $m	Hospitals $m	Buying Groups $m	Other $m	Total $m
Cash and cash equivalents	**1,155.1**	**-**	**-**	**-**	**-**	**1,155.1**
Trade and other receivables	**6.3**	**44.7**	**223.4**	**317.4**	**191.4**	**783.2**
Other financial assets	**2.9**	**-**	**-**	**-**	**-**	**2.9**
	1,164.3	**44.7**	**223.4**	**317.4**	**191.4**	**1,941.2**
For the year ended 30 June 2011						
Cash and cash equivalents	479.4	-	-	-	-	479.4
Trade and other receivables	0.9	121.5	229.9	256.2	204.7	813.2
Other financial assets	5.0	15.3	-	-	-	20.3
	485.3	136.8	229.9	256.2	204.7	1,312.9

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: Not impaired		Provision for impairment
	Not impaired	Impaired	
For the year ended 30 June 2012:	**$m**	**$m**	**$m**
Trade and other receivables:			
current but not overdue	**524.7**	**-**	**-**
less than 30 days overdue	**53.3**	**-**	**-**
more than 30 but less than 90 days overdue	**48.4**	**-**	**-**
more than 90 days overdue	**41.5**	**45.6**	**45.6**
	667.9	**45.6**	**45.6**
For the year ended 30 June 2011:			
Trade and other receivables:			
current but not overdue	515.2	-	-
less than 30 days overdue	52.2	-	-
more than 30 but less than 90 days overdue	56.7	-	-
more than 90 days overdue	87.4	22.9	22.9
	711.5	22.9	22.9

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.

During the 2011 year CSL Behring MEPE received zero coupon government bonds issued by the Greek government in settlement of €53.0m of trade receivables. During the prior financial year, €33.7m of bonds were traded at discounts ranging between 10% and 50% of the nominal value of the bonds. The remaining bonds held by the Group have been traded in the current year at discounts ranging between 42% and 80% of the nominal value of the bonds. The proceeds from the sale of bonds have been recognised in cash flows from operations.

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.

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 2012	**1 year or less**	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$m	**$m**	**$m**	**$m**
Financial Liabilities				
Trade and other payables	**528.9**	**15.2**	**-**	**544.1**
Bank loans – unsecured	**-**	**346.6**	**-**	**346.6**
Bank overdraft – unsecured	**3.2**	**-**	**-**	**3.2**
Senior unsecured notes	**161.1**	**-**	**734.4**	**895.5**
Lease liabilities	**2.9**	**7.3**	**16.1**	**26.3**
Other financial liabilities	**1.4**	**-**	**-**	**1.4**
	697.5	**369.1**	**750.5**	**1,817.1**
Consolidated Group – June 2011				
Financial Liabilities				
Trade and other payables	493.5	4.0	-	497.5
Bank loans – unsecured	209.0	-	-	209.0
Bank overdraft – unsecured	0.6	-	-	0.6
Senior unsecured notes	13.7	162.9	-	176.6
Lease liabilities	2.9	8.9	18.2	30.0
Other financial liabilities	5.1	-	-	5.1
	724.8	175.8	18.2	918.8

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 2012 $m**	**Fair Value 2012 $m**	Carrying amount 2011 $m	Fair Value 2011 $m
Financial Liabilities				
Interest bearing liabilities and borrowings				
Unsecured bank loans	**346.6**	**346.6**	209.0	209.0
Unsecured notes	**895.5**	**901.6**	176.6	176.7

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 44% of Net Profit after Tax.

During the 2012 financial year, the parent company announced a $900m buy-back. At balance date, 18,522,253 shares have been purchased for $635.7m.

	2012	2011
	$m	$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:

	2012 $m	2011 $m
Current assets	**207.7**	461.0
Total assets	**2,953.7**	2,299.1
Current liabilities	**189.8**	516.7
Total liabilities	**401.7**	544.4
Contributed equity	**(373.2)**	253.9
Share based payments reserve	**101.2**	88.5
Retained earnings	**2,824.0**	1,412.3
	2,552.0	1,754.7
Profit or loss for the year	**1,840.3**	794.9
Total comprehensive income	**1,833.9**	795.5

(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 2012 or 30 June 2011. 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:

	2012 $m	2011 $m
Not later than one year	**74.0**	34.0
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
	74.0	34.0

36 Subsequent events

On 3 August 2012, CSL announced that Dr Brian McNamee had agreed with the Board of Directors the timing of the handover to his successor as Chief Executive Officer & Managing Director. Dr McNamee will leave CSL in July 2013 and will be succeeded by Paul Perreault, currently President of CSL Behring.

The US Food and Drug Administration (FDA) has closed out the Warning Letter issued to CSL Biotherapies as a result of its 2011 inspection of CSL's influenza vaccine manufacturing operations in Parkville, Australia. Product for the forthcoming Northern Hemisphere season has been released by the FDA for the US market and imminent regulatory release in the UK and Europe is expected.

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 2012 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 2012.

(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

Brian A McNamee AO
Managing Director

Melbourne
22 August 2012

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Independent auditor's report to the members of CSL Limited

Report on the financial report

We have audited the accompanying financial report of CSL Limited, which comprises the consolidated balance sheet as at 30 June 2012, 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 2012 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 2012. 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 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Glenn Carmody
Partner

Melbourne
22 August 2012

CSL Limited
2012 Full Year Result

22 August 2012

CSL

Disclaimer

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 whether and when to approve our products as well as their decisions regarding labeling and other matters that would affect the commercial potential of our products; 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, including legal costs, settlement costs and the risk of adverse decisions or settlements; 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. Given these uncertainties, readers are cautioned to not place undue reliance on such forward looking statements.

Subject to any continuing obligations under applicable law or any relevant listing rules of the 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.

Financials

Reported total sales A$4.4 billion, up 12% at constant currency[1] (CC)

Reported EBIT A$1,215 million, up 14% at CC

Reported NPAT A$983 million, up 16% at CC

- *Foreign currency headwind $108 million*
- *NPAT US$1,024 million[2]*

Reported EPS A189.2¢, up 21% at CC

R&D investment A$355 million, up 13% at CC

Cashflow from operations A$1,160 million, up 14%

Strong balance sheet - cash A$1,155m, borrowings A$1,272m

A$900m on-market share buyback ~77% complete

Final dividend increased to A47¢ (unfranked), total A83¢

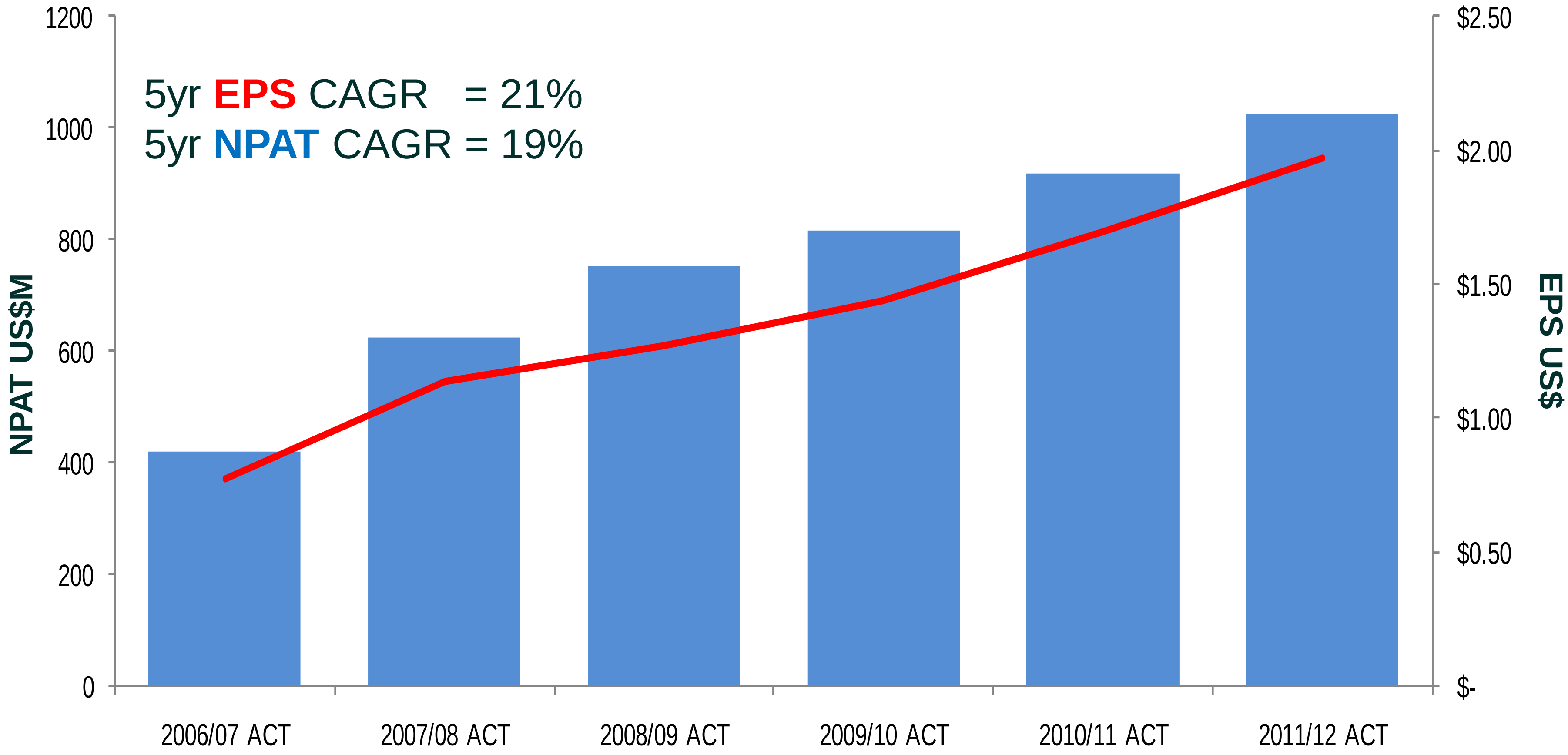
- US $1 billion profit milestone reached -

CSL™

1. *Constant currency removes the impact of exchange rate movements to facilitate comparability. See end note for further detail.*
2. *Prepared by translating the result of all entities in the Group into US dollars using average exchange rates.*

Moving to US dollar reporting in FY2013

- Profit growth in US dollars[1]



1. *Prepared by translating the result of all entities in the Group into US dollars using average exchange rates.*
2. *Chart excludes material 'one-off' transactions to reflect continuing operations*

Operational Highlights (1)

CSL Behring

- Immunoglobulin sales US$1.7 billion, up 15%
  - Strong demand for Privigen® & Hizentra®
  - Privigen® - European Phase III study in CIDP completed
  - Hizentra® – clinical trial commenced for subcutaneous CIDP
- Albumin sales US$448 million, up 15% (includes Asian Sales)
  - Strong demand in Asia
- Specialty products US$618 million, up 18%
  - Berinert® - US & EU approval for self administration
  - RiaSTAP™ - Ph III peri-operative bleeding study initiated in EU
  - Pro-thrombin complex concentrate – Biologics license application submitted to US Food and Drug Administration (FDA)

Operational Highlights (2)

Recombinant haemophilia pipeline

- rIX-FP
  - Commencement of phase II/III pivotal trial
  - US FDA grants orphan drug status
- rVIII-SingleChain – Commencement of phase I/III trial
- rVIIa - FP
  - US FDA grants orphan drug status
  - Commencement of phase I trial

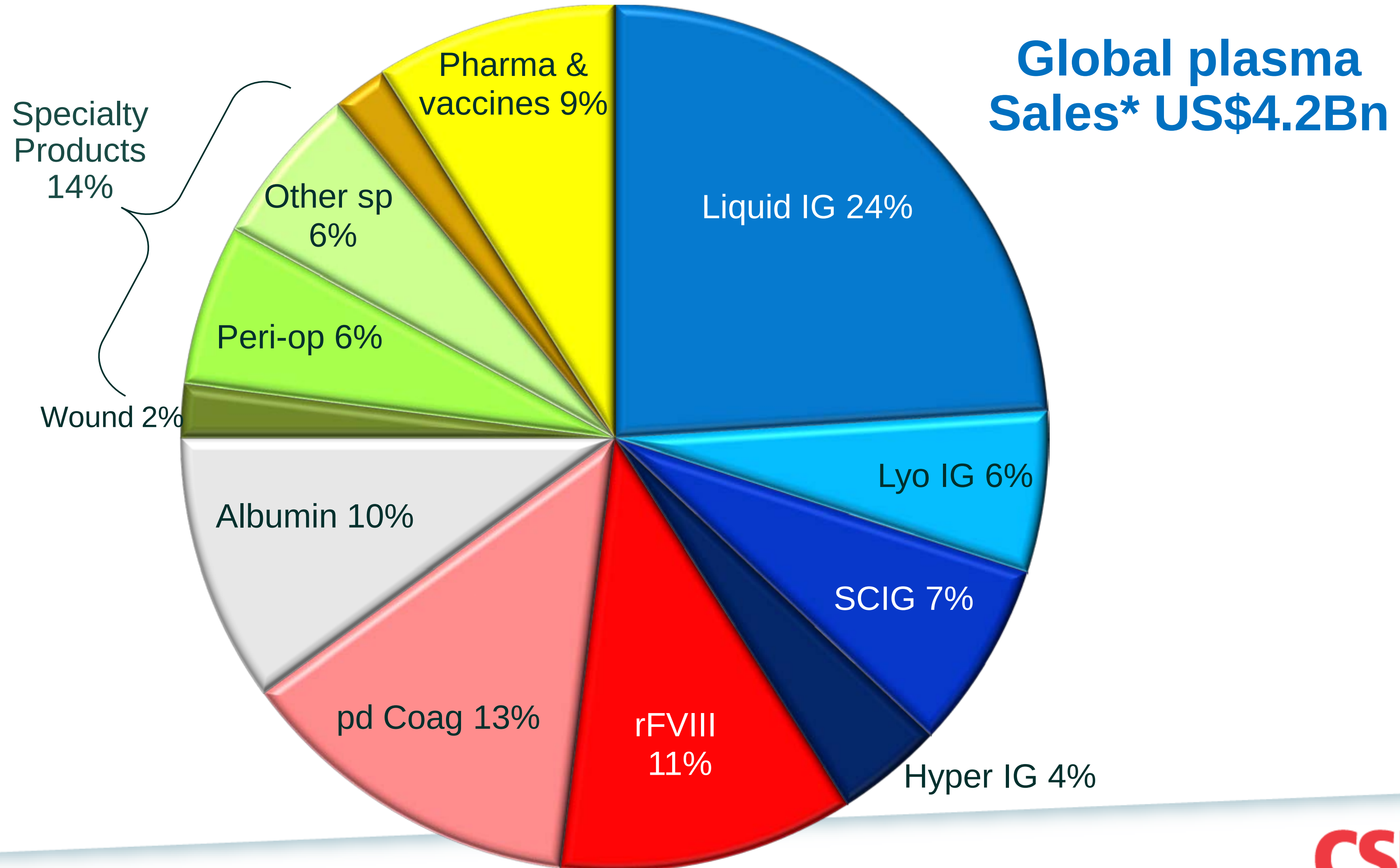
Gardasil* recommendation for boys in Australia, Canada & USA

Capital Management

- ~A$800m in new lines of credit
- US$750m private placement
- $A900 million share buyback ~77% complete

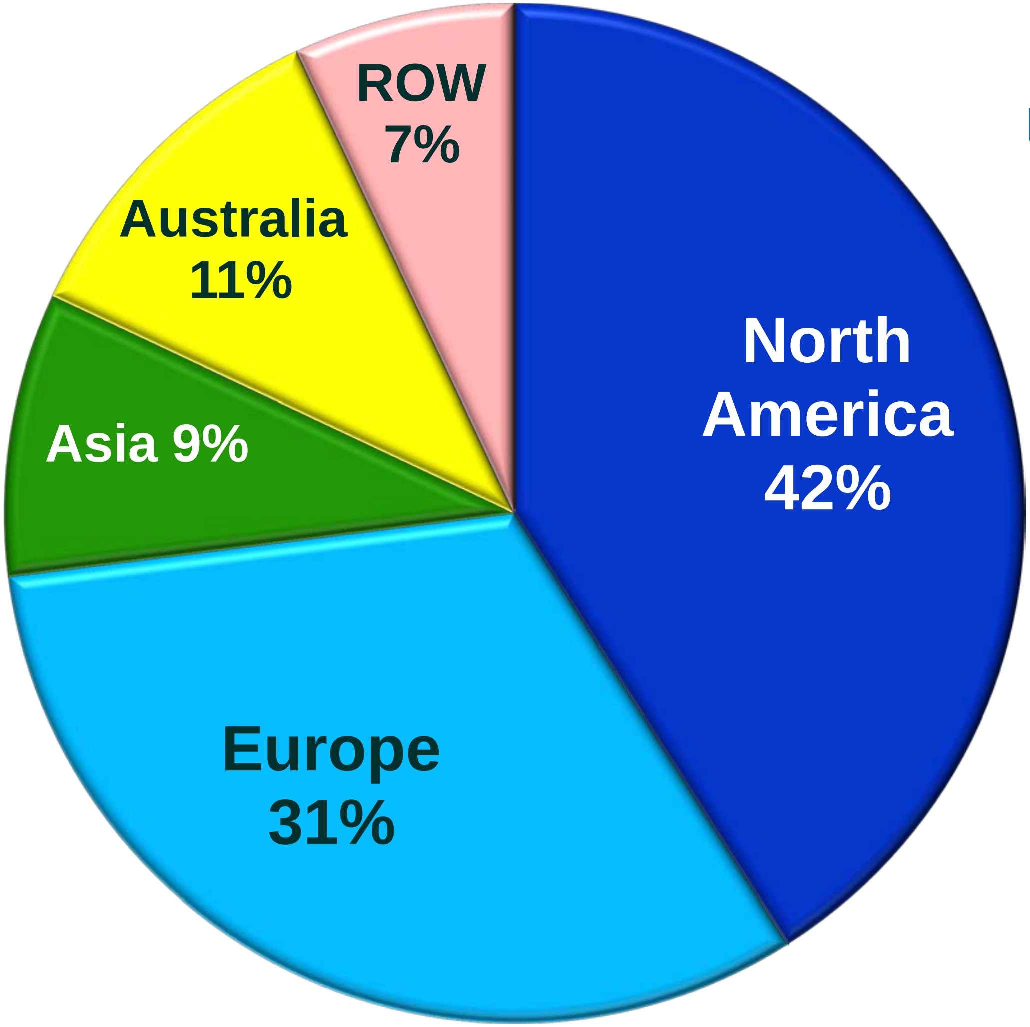
* GARDASIL is a trademark of Merck & Co. Inc.

CSL Group FY2012 Sales US$4.6 Billion
Key Products



* Includes CSL Behring & Broadmeadows

Broad Geographic Sales Reach



FY2012
US$4.6Bn

Outlook for FY2013
@ 11/12 exchange rates

US dollar reporting commencing FY2013

Board to consider a further on-market share buyback[1] of up to A$900m

Operational integration of Broadmeadows facility with CSL Behring

Financial outlook

- *Revenue growth* *~ 10% @ CC*
- *R&D investment growth* *~15% @ CC*
- *Net profit after tax growth* *~12% @ CC (FY2012 NPAT US$1,024m)*
- *EPS expected to exceed NPAT growth driven by past and current capital management initiatives[1]*

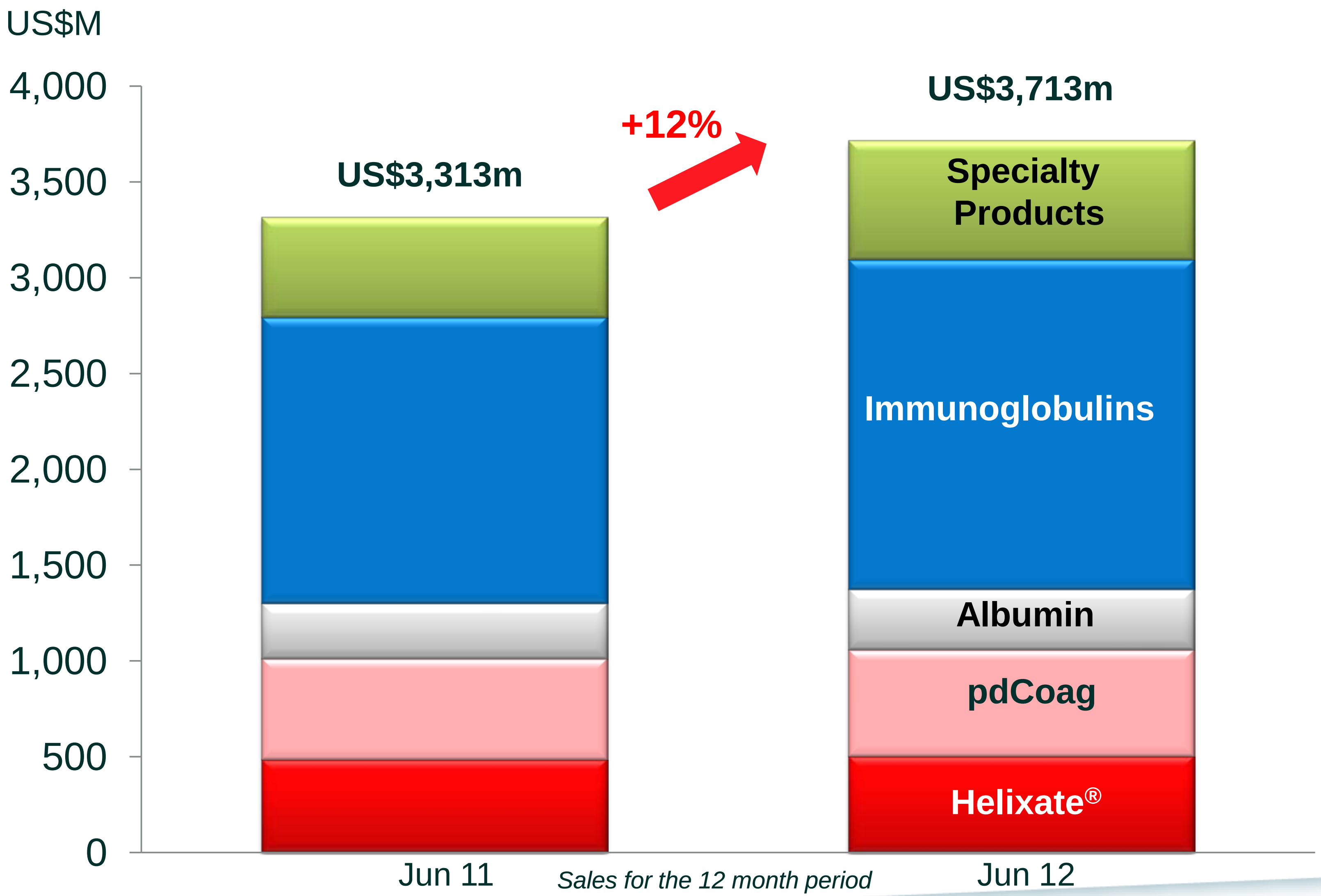
Outlook statements are subject to:
Material price and volume movements on core plasma products, competitor activity, changes in healthcare regulations and reimbursement policies, royalties arising from the sale of Human Papillomavirus Vaccine, implementation of the Company's influenza strategy and plasma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

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

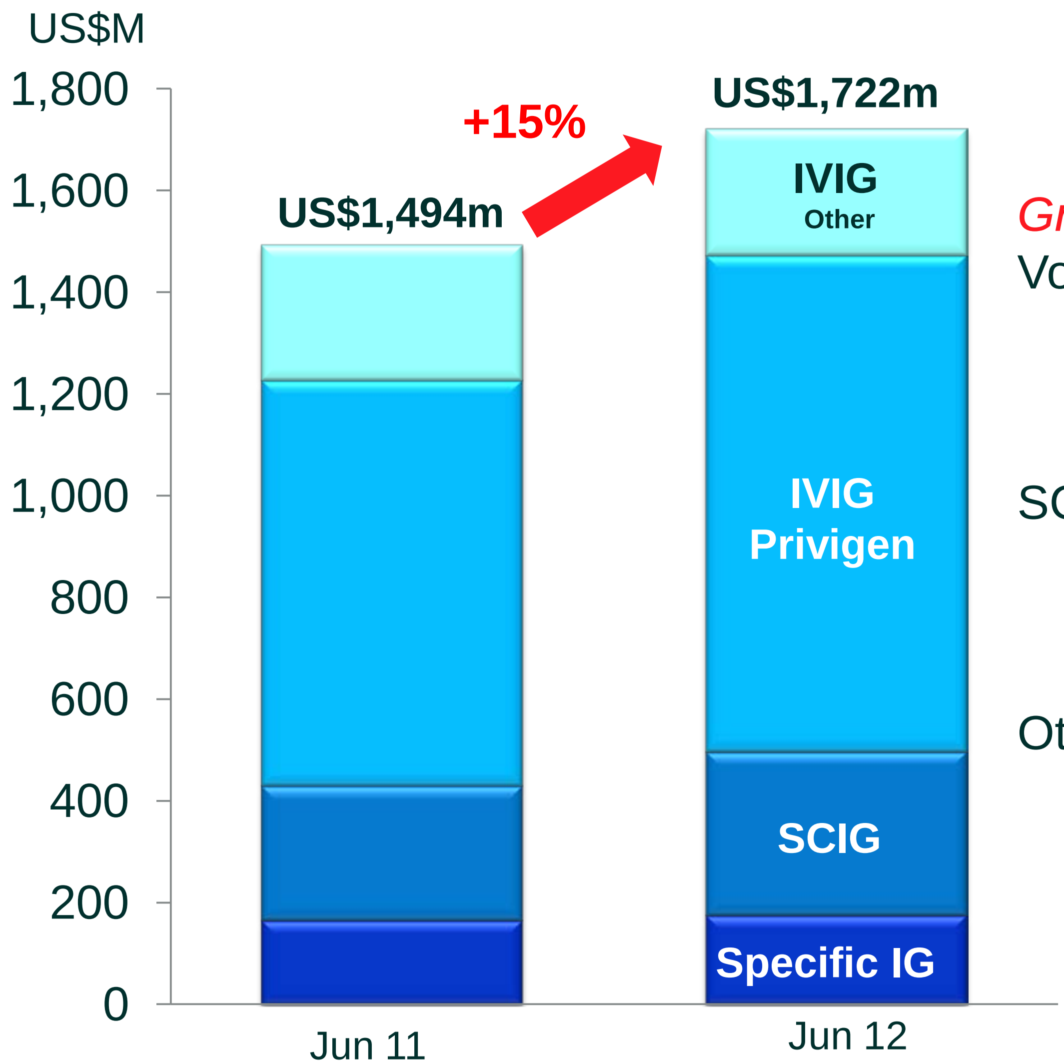
Human Health
Business Unit Performance

- CSL Behring
- Other Human Health
  - CSL Biotherapies and CSL Research & Development
- Intellectual Property Licensing

CSL Behring product sales up 12% in USD terms



Immunoglobulins



Sales for the 12 month period

Highlights

Growth

Volume

- US, Canada, France & UK.
- US 'Privigen Promise' guaranteeing supply

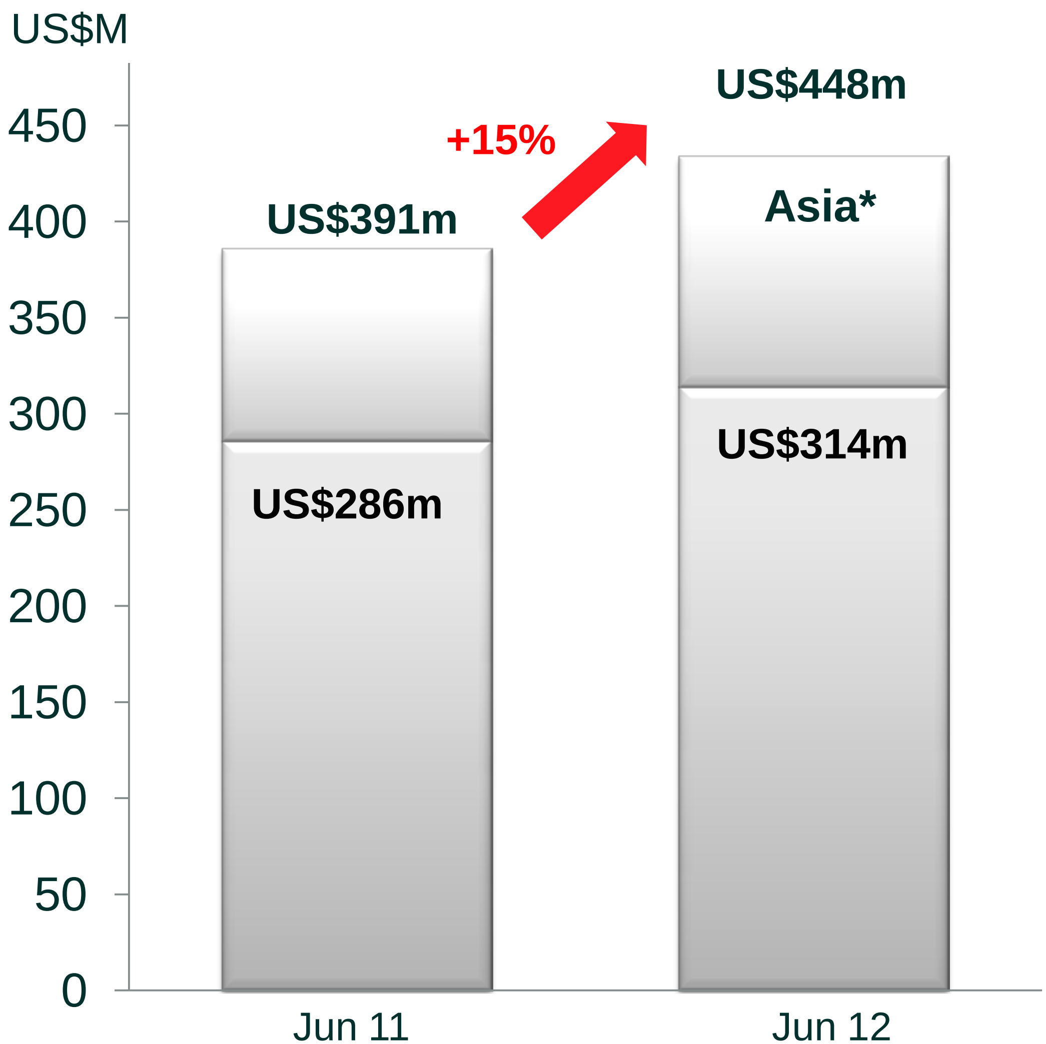
SCIG demand

- US PID patient demand
- Migration to Hizentra® from Vivaglobin®

Other growth drivers

- Sales mix
- Rhophylac® growth
- Competitor returning

Albumin



Sales for the 12 month period

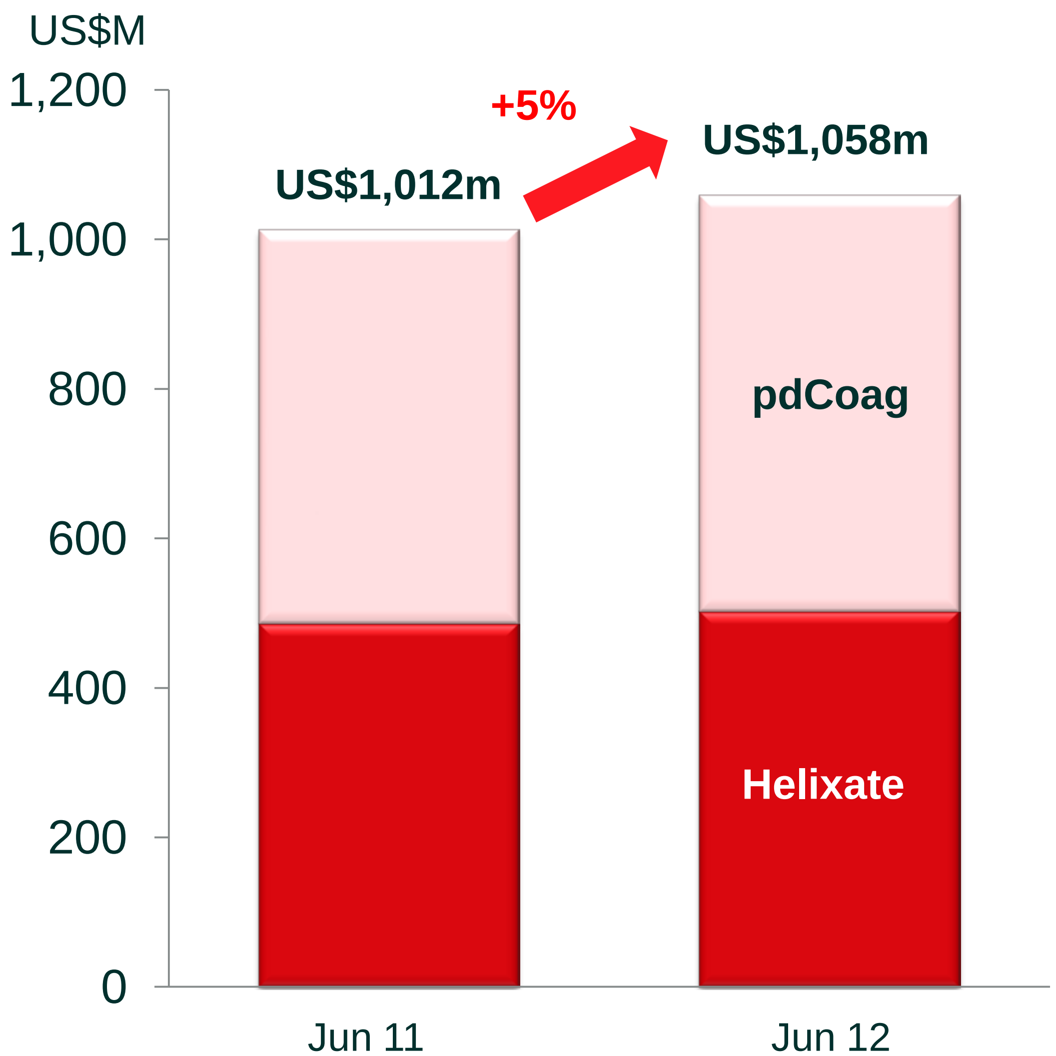
Highlights

Growth

- Continuing strong demand in Asia
- US Hospital demand
- Germany clinical usage re-evaluation

* *CSL Behring albumin sold in Asia by CSL Biotherapies*

Haemophilia



Sales for the 12 month period

Highlights

Growth

PdFVIII

- Volume up 15%
- Haemate demand for ITT patient treatment in Europe
- Mix shift to Beriate® in lower priced emerging markets

Helixate®

- Demand growth in USA

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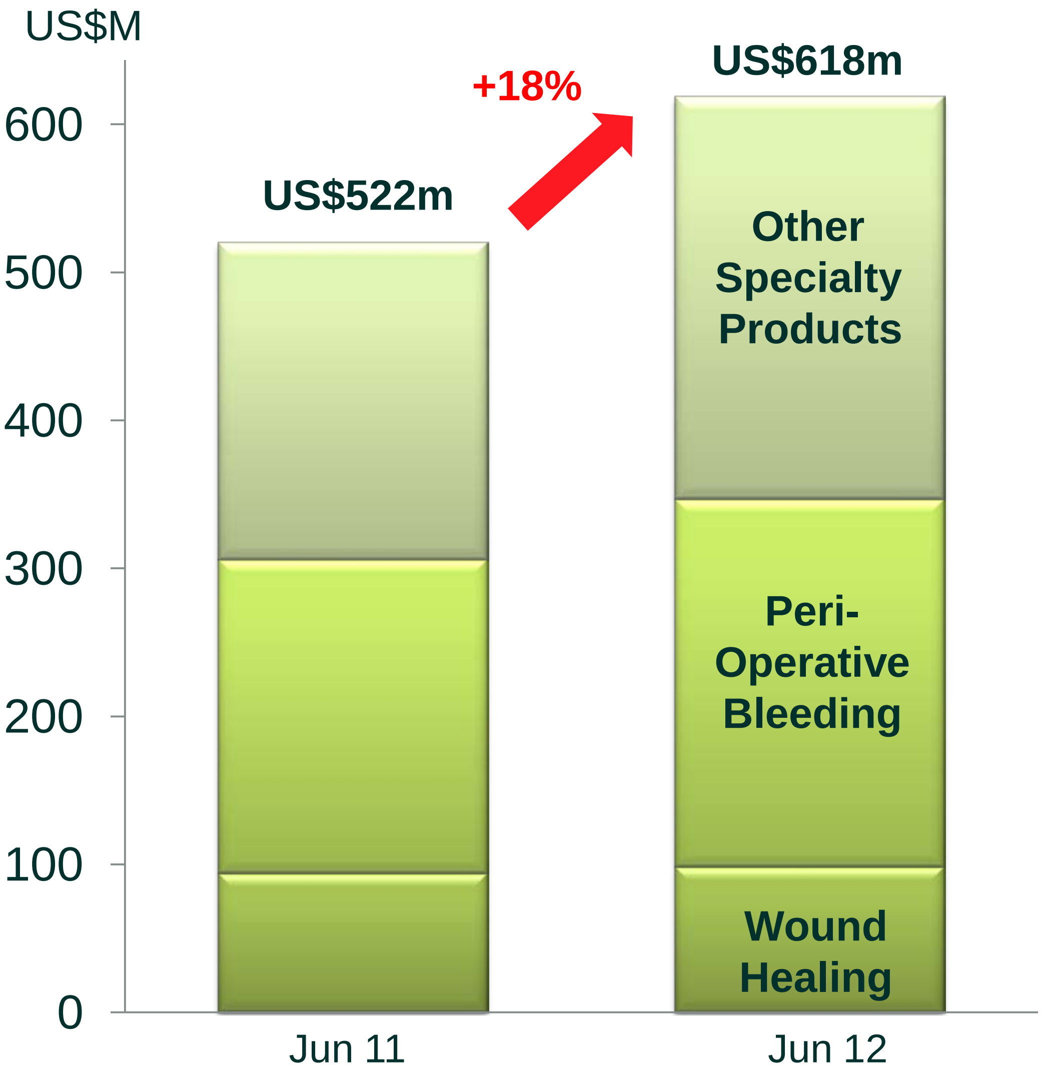
Specialty Products



Sales for the 12 month period

Highlights

Peri-operative Bleeding

- Growing awareness of changing treatment paradigm for POB
- BleedingHaemocomplettan® / RiaSTAP® - EU demand
- Corifact ® - Launch in US
- Beriplex® - Launch in Canada

Other

- Berinert® P - US self administration approval & laryngeal indication
- Zemaira ® - US patient growth

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Facilities Development

Bern

- IgLab Module 2 online increasing capacity

Marburg

- Filling facilities modernised and extended
- Facilities for purification and formulation of recombinant proteins opened

Kankakee

- Albumin and base fractionation capacity expansion at Kankakee

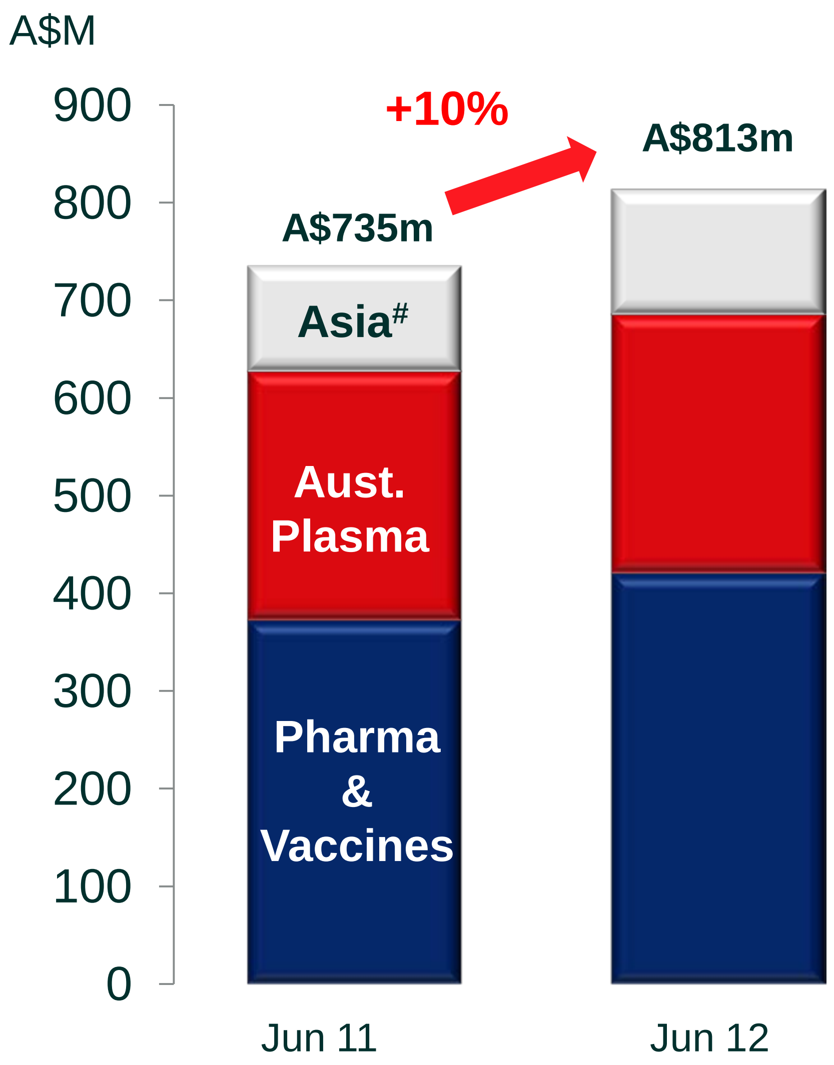
Plasma collection fleet

- Six new centres opened in the US
- New electronic donor management system driving efficiencies

Broadmeadows

- 15m gram Privigen® facility on track for being operational 2016
- Recombinant cell culture facility completed, validation underway

Other Human Health – CSL Biotherapies



Highlights

Albumin demand growth in Asia

Broadmeadows plasma therapy sales A$266m

Influenza sales A$141m following solid US and European demand

Gardasil* sales in Aust. & NZ of A$33m following growth in Australian NIP and private markets

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

\# *CSL Behring albumin sold in Asia by CSL Biotherapies*

CSL Intellectual Property Licensing

Revenue A$137m, up 43%

Gardasil* (HPV royalties A$107m)

- Label expansion to cover anal cancer in Australia
- Australian vaccination program expanded to 12-13 yr old boys
- Japanese rollout commenced

Mucopolysaccharidosis (A$20m)

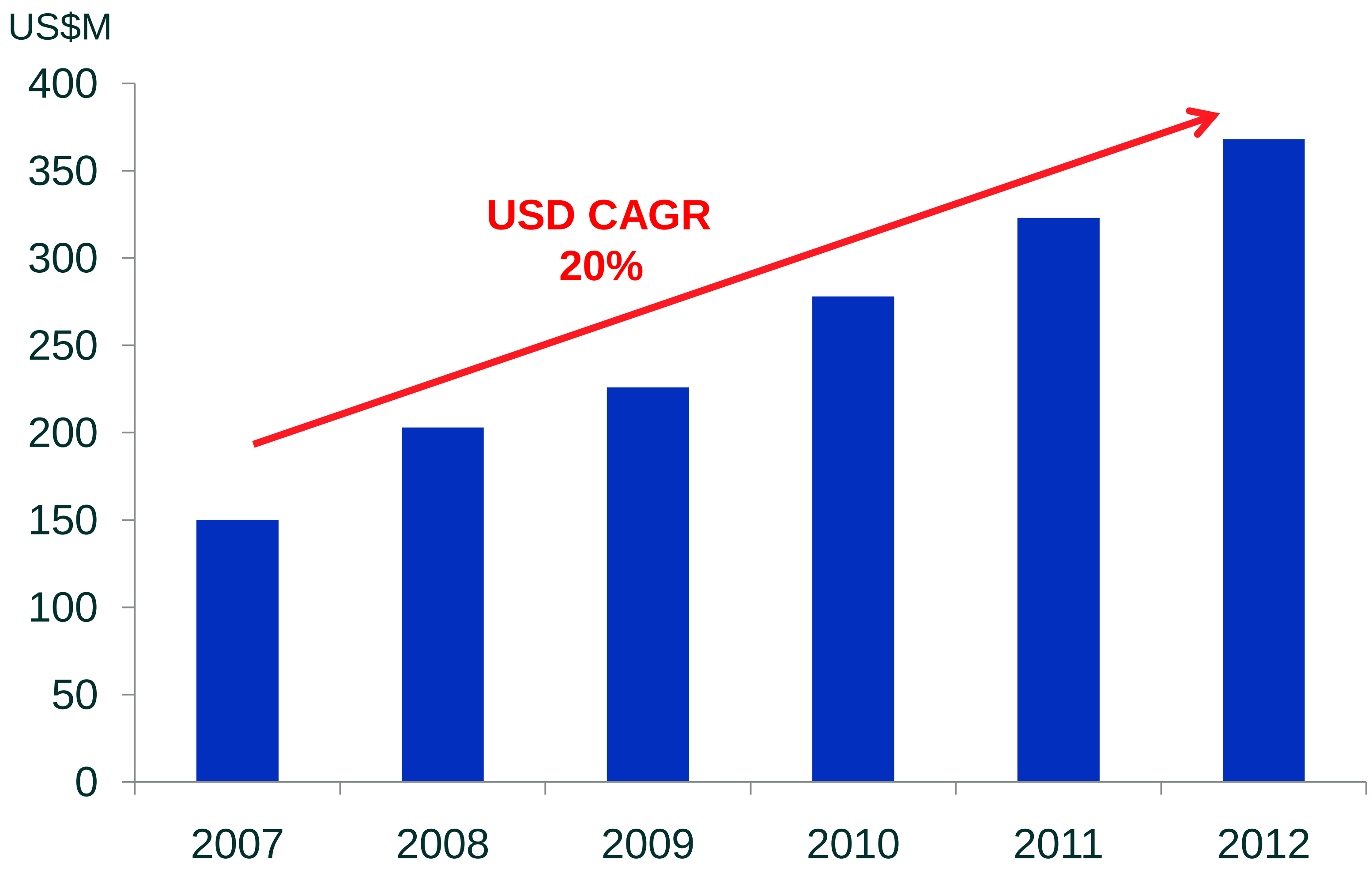
- One-off sale of IP associated with enzyme replacement treatment for MPS

CAM3001 (GM-CSFRα mAb)

- Licensee Medimmume/AstraZeneca completed Phase IIa study in Rheumatoid Arthritis
- Clinical effect and safety profile support further development

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

Commitment to Research & Development



R&D Investment

R&D Regulatory Update

Hizentra® (20% subcutaneous immunoglobulin)

- Additional approvals in Europe and Canada

Privigen® (10% intravenous immunoglobulin)

- Dossier submitted in Europe for CIDP

Berinert ® (C1 Esterase Inhibitor)

- US approved label expansion for self administration and laryngeal attacks of HAE

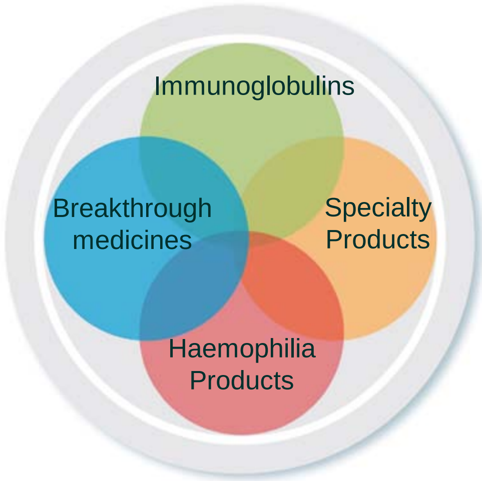
Prothrombin Complex Concentrate

- Dossier submitted in US for acute bleeding

Biostate®

- Dossier filed with European Medicines Agency

R&D Highlights



Berinert® (C1 esterase inhibitor)

- Phase II study of high concentration subcutaneous formulation

Hizentra®

- Commencement of Phase III study in CIDP

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

- Commencement of phase II/III pivotal study
- Phase I data demonstrate >5x half life extension

rVIII-SingleChain

- Commencement of phase I/III trial

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

- Commencement of phase I trial

RiaSTAP™ (Fibrinogen)

- Phase III aortic surgery study initiated

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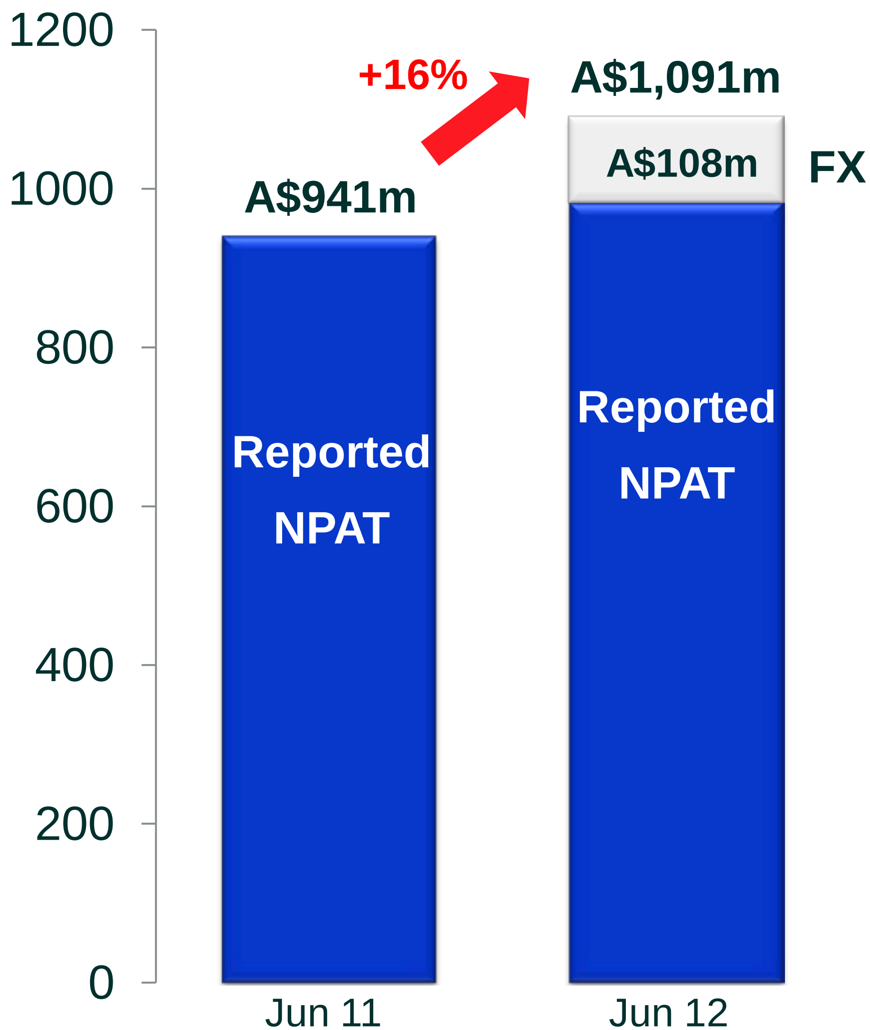
Financial Detail

FY 2012 Net Profit after Tax up 16% at CC



NPAT for the 12 month period

FX impact

Reported NPAT	A$983m
Foreign currency*	-ve A$108m
NPAT at CC	A$1,091m
NPAT in USD	US$1,024m

Notable items

MPS royalty – one-off sale of IP

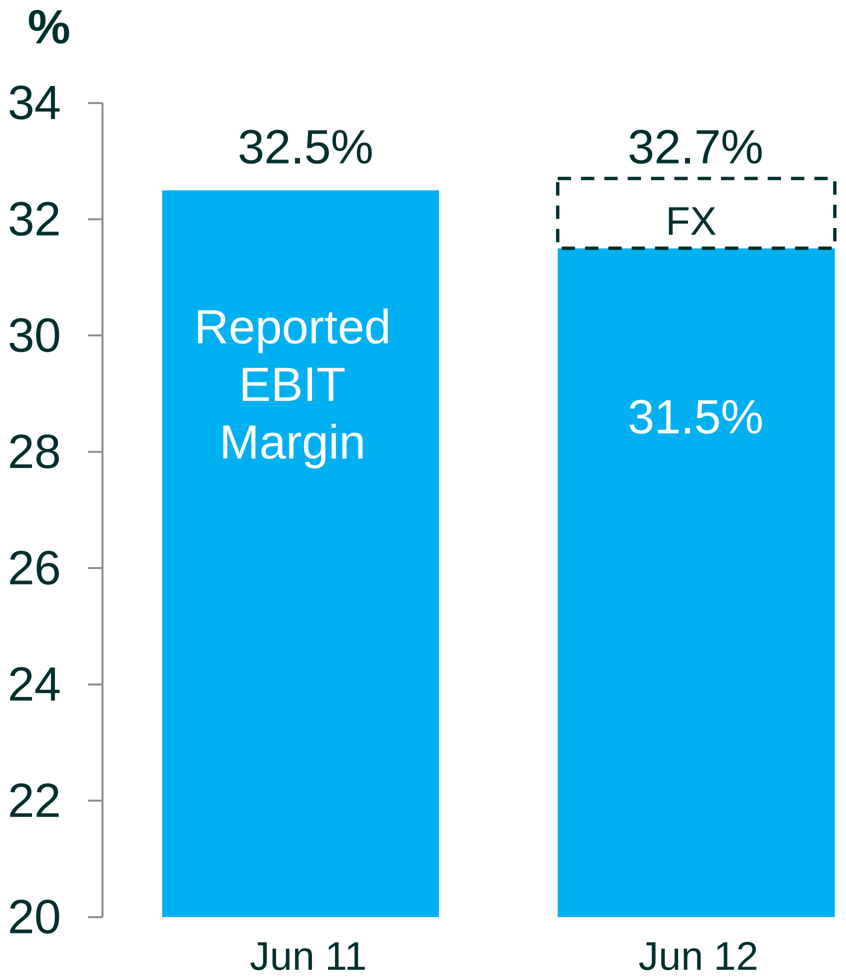
*Gardasil** pipeline stocking Japan*

Competitor returning

* *Based on FY11 exchange rates*

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

CSL Behring - Reported EBIT Margin



Foreign Exchange

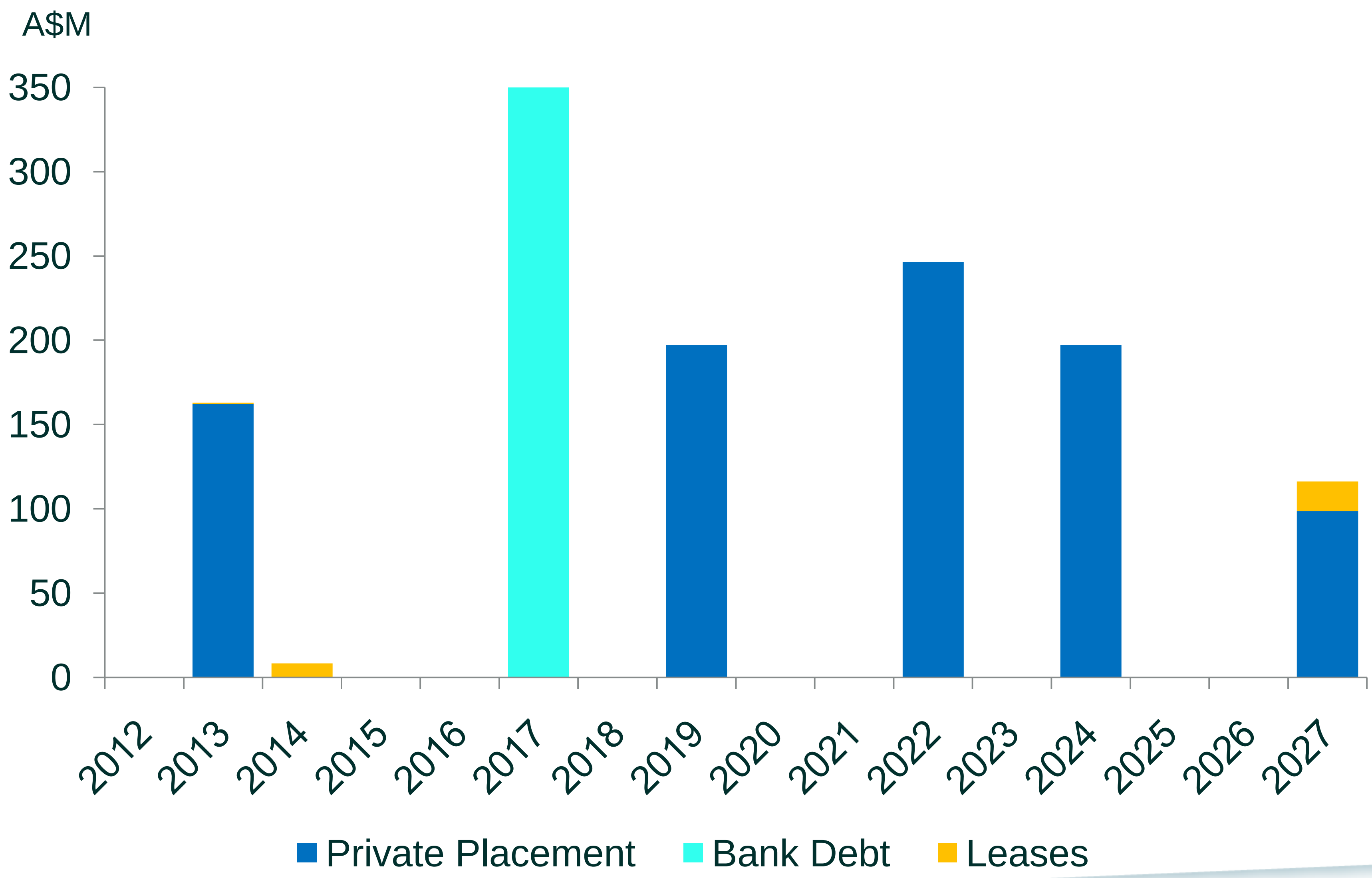
- FX masks operational margin
- Swiss Franc strengthening against the USD

Financial Discipline

	FY11	FY12
Cashflow from operations	A$1,018m	A$1,160m
Capital Investment	A$212m	A$311m
Cash cycle - days	146	131
Cash conversion %	97.3	103.8

- Balance Sheet Strength -

Debt Maturity Profile



Capital Management

Cash on hand A$1,155 million

Debt Refinancing

- US$750 million private placement in the US
- ~A$800 million in new lines of credit - Undrawn A$448m

Current A$900m On-Market Buyback*

- Commenced 18 Oct 2011, 12 months to complete
- ~20 million shares repurchased, ~77% complete

Board to Consider New Capital Management Initiatives

- May include on-market buyback of up to A$900m
- Following completion of current program which has A$211m remaining

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

Looking forward

NPAT growth ~12% at CC *(FY2012 NPAT US$1,024m)*

- Note forward looking statement disclaimer – slide 2

US dollar reporting commencing fiscal 2013

- 1H12 & FY12 financials provided in USD Nov 2012
  - 5 years of historical key financials

Operational integration of Broadmeadows facility with CSL Behring

- Segment note amended at FY2013 results

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

CSL Growth Strategy

Immunoglobulins
Privigen® Hizentra®

Emerging 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

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Appendix

Group Results

Australian dollars

Twelve months ended June A$ Millions	Jun 2011 Reported	Jun 2012 Reported	Jun 2012 CC[1]	Change %
Sales	**4,188**	**4,433**	**4,673**	**11.6%**
Other Revenue / Income	134	191	198	
Total Revenue / Income	**4,322**	**4,624**	**4,871**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,357**	**1,386**	**1,524**	**12.3%**
Depreciation/Amortisation	173	173	175	
Earnings before Interest and Tax	**1,184**	**1,215**	**1,349**	**13.9%**
Net Interest Expense / (Income)	(14)	(2)	(1)	
Tax Expense	257	234	259	
Net Profit	**941**	**983**	**1,091**	**15.9%**
Total Ordinary Dividends (cents)	80.00	83.00		
Final Dividend (cents)	45.00	47.00		
Basic EPS (cents)	174.00	189.25	210.07	21%

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

Group Results

US dollars

Twelve months ended June US$ Millions	Jun 2011 Reported	Jun 2012 Reported	Change %
Sales	**4,097**	**4,616**	**12.7%**
Other Revenue / Income	131	197	
Total Revenue / Income	**4,228**	**4,813**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,324**	**1,446**	**9.2%**
Depreciation/Amortisation	170	178	
Earnings before Interest and Tax	**1,154**	**1,268**	**9.8%**
Net Interest Expense / (Income)	(13)	(2)	
Tax Expense	249	246	
Net Profit	**918**	**1,024**	**11.5%**
Basic EPS (cents)	169.81	197.20	16.1%

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

CSL Behring Sales

US dollars

Full year ended June	FY11 USD$M	FY12 USD$M	FY12 USD$M CC	Change %
rFVIII	**486**	**502**	**501**	**3%**
pdCoag	**527**	**557**	**557**	**6%**
Albumin (excludes Asian sales)	**286**	**314**	**312**	**9%**
Immunoglobulins	**1,494**	**1,722**	**1,719**	**15%**
Specialty Products	**520**	**618**	**610**	**17%**
- Wound healing	*94*	*98*	*94*	*--%*
- Peri-operative bleeding	*212*	*248*	*246*	*16%*
- Other specialty products	*214*	*272*	*270*	*26%*
Total Product Sales	**3,313**	**3,713**	**3,699**	**12%**
Other sales (mainly plasma)	*66*	*50*	*50*	*-24%*
Total Sales	*3,379*	*3,763*	*3,749*	*11%*

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 Australian 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

Reported Net Profit after Tax	*A$ 982.6m*
Translation Currency Effect (1)	*A$ 17.3m*
Transaction Currency Effect (2)	*A$ 90.8m*
*Constant Currency Net Profit after Tax **	*A$1,090.7m*

1) Translation Currency Effect A$17.3m

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

	Twelve months ended	
	Jun 11	*Jun 12*
AUD/USD	*0.98*	*1.04*
AUD/EUR	*0.72*	*0.77*
AUD/CHF	*0.94*	*0.92*

2) Transaction Currency Effect A$90.8m

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.

** Constant Currency Net profit after Tax has not been audited or reviewed in accordance with Australian Auditing Standards*

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