



CSL LIMITED
HALF YEAR REPORT
2013-2014

CSL™

DIVIDEND TO SHAREHOLDERS

AN INTERIM UNFRANKED DIVIDEND OF US\$0.53 PER SHARE IS PAYABLE ON 4 APRIL 2014

For shareholders with an Australian registered address, dividends will be paid in A\$ at an amount of A\$0.588830 per share (at an exchange rate of A\$1.1110/US\$1.00), and for shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ\$0.639021 per share (at an exchange rate of NZ\$1.2057/US\$1.00). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US\$.

HALF YEAR FINANCIAL RESULTS

CSL GROUP RESULTS IN US DOLLARS

SIX MONTHS ENDED DECEMBER

US\$ MILLIONS

SALES

OTHER REVENUE / INCOME

TOTAL REVENUE / INCOME

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION

DEPRECIATION / AMORTISATION

EARNINGS BEFORE INTEREST AND TAX

NET INTEREST EXPENSE / (INCOME)

TAX EXPENSE

NET PROFIT AFTER TAX

INTERIM DIVIDEND (US\$)

BASIC EPS (US\$)

† Constant currency removes the impact of exchange rate movements to facilitate comparability. For further details, please refer to the ASX announcement of Half Year results lodged on 12 February 2014.

CHAIRMAN'S REPORT



PROFESSOR JOHN SHINE AO
CHAIRMAN

Dear Shareholder,

I am pleased to report a net profit after tax of US\$646 million for the half year ended 31 December 2013, an increase of US\$21 million (3%) on the same period last year. This result includes the US antitrust class action litigation settlement announced in October 2013.

CSL Group sales revenue increased 5% to US\$2,691 million. EBIT grew 5% to US\$818 million. Cash flow from operations was US\$513 million.

Dec 2012	Dec 2013	Dec 2013	Change [†]
REPORTED	REPORTED	CONSTANT CURRENCY [†]	%
2,482	2,574	2,595	4.5%
84	117	117	
2,567	2,691	2,713	5.7%
881	912	897	1.8%
98	94	96	
783	818	801	2.3%
7	16	14	
151	157	151	
625	646	636	1.7%
0.50	0.53		6.0%
1.24	1.33	1.31	5.4%

[†] Change between December 2013 results at constant currency and December 2012 reported results.

On 16 October 2013, CSL announced an on-market share buyback¹ of up to A\$950 million which is now more than 33% complete with around 4.57 million shares repurchased for approximately A\$313 million as at 18 March 2014. Shareholders continue to benefit from this current and previous capital management initiatives through improved investment return ratios, such as earnings per share and return on equity. In six prior buybacks since 2005, approximately 22% of Company shares have been bought back contributing a boost to earnings per share for shareholders in excess of 15%.

Your Directors have announced an increased interim unfranked dividend of US\$0.53 per share, payable on 4 April 2014². When converted to Australian currency, this interim dividend is approximately A\$0.59 per share, up 21% on the same period last year.

BUSINESS REVIEW

CSL Behring sales grew 6% in constant currency³ to US\$2.4 billion compared to the same period last year with increased sales of 7% for immunoglobulins, 7% for albumin, and 16% for our specialty products. Haemophilia products sales declined 4%.

Immunoglobulin sales reached US\$1,085 million in a global market that remains robust. Demand for subcutaneous immunoglobulin was strong with Hizentra[®] offering patients the convenience of self administration at home. The approval of Hizentra[®] in the US for bi-weekly administration, and in Japan for use in treatment of primary immune deficiency and secondary immune deficiency, is expected to contribute to the continuing strong demand for subcutaneous immunoglobulin.

Intravenous immunoglobulin sales growth was underpinned by strong demand for Carimune[®] in the US and Brazil. Privigen[®] also contributed to growth, benefiting from a full six months of sales with an expanded indication in Europe to include the treatment of chronic inflammatory demyelinating polyneuropathy (or CIDP).

Albumin sales growth to US\$313 million included solid demand in Europe boosted by cautionary statements from the regulator about the use of hydroxyethyl starches, sometimes used as an alternative to albumin. This result follows strong growth in the same period last year which was driven by sales in China.

Haemophilia product sales of US\$550 million included strong Humate[®] sales in the US arising from increased use in surgery offset by the conclusion of a number of treatment programs for immune tolerance therapy patients. An ongoing factor affecting sales growth is that timing of plasma derived haemophilia

product sales in tender markets can be uneven. A slight decline in sales of our recombinant factor VIII product Helixate® was influenced by a large number of competitor clinical trials that resulted in an abundance of product available to patients at no cost.

Specialty products recorded strong sales of US\$403 million. In April 2013, Kcentra® (4 factor pro-thrombin complex concentrate) was approved in the US for urgent warfarin reversal in patients with acute major bleeding. This was followed in December 2013 with approval for Kcentra® in the US for the urgent reversal of warfarin therapy in adult patients needing surgery.

In August 2013, the US Centres for Medicare and Medicaid Services approved a new technology add-on payment for Kcentra® recognising its significant clinical advancement for reversing the effects of warfarin in patients who experience acute major bleeding. Effective from December 2013, Kcentra® was granted Orphan Drug Marketing Exclusivity for a period of seven years based on the approved surgical indication.

Strong demand continues for Berinert®, a specialty product used for the treatment of acute attacks in patients with hereditary angioedema. Underpinning new patient take up is the US approval in 2012 of a label expansion to include self administration.

bioCSL sales of US\$217 million declined 7% in constant currency³ terms. Influenza vaccine sales totalled A\$94 million but strong demand in the US was more than offset by a reduction in European sales following market exit by bioCSL's business partner in that region. GARDASIL⁴ vaccine sales grew strongly as a result of higher than expected uptake in Australia.

CSL's intellectual property revenue for the period was US\$101 million. CSL's license agreement with Janssen Biotech, Inc. to progress the CSL362 acute myeloid leukaemia product and royalties from Human Papillomavirus Vaccines contributed to growth in this area.

CSL has made good progress bringing new products to market and our strong commitment to investment in research and development continues to be reflected in R&D pipeline advances.

In addition to new product approvals for Hizentra® in the US and in Japan, and for Kcentra® in the US, other R&D pipeline advances include the launch of a diagnostic test kit for Alpha-1 (hereditary lung/liver disease), a global phase IIb clinical trial commencing in 2014 for CSL112 (acute coronary syndrome), and a licensing agreement with Janssen Biotech, Inc. for CSL362 (acute myeloid

leukaemia). CSL is delighted to have attracted Janssen, a high quality partner who shares our commitment to developing CSL362 as a novel monoclonal antibody therapy to address a significant unmet medical need.

Good progress continues to be made in a number of pivotal clinical studies for the development of a family of recombinant coagulation medicines to treat haemophilia and other coagulation disorders.

YOUR BOARD


In August 2013, Marie McDonald was appointed to the CSL Board. Marie has practised in company and commercial law and is a partner of Ashurst (formerly Blake Dawson). Marie is a member of the Audit and Risk Management Committee (ARMC).

In October 2013, Ian Renard retired from the CSL Board after more than 15 years of service. Ian was an extremely valuable contributor, especially in his capacity as a member of the ARMC, which he chaired since October 2008.

We are delighted to welcome Marie to the Board and wish to express our sincere gratitude for Ian's exceptional service as a Director.

BUSINESS OUTLOOK

CSL remains well positioned for future growth through ongoing capacity expansion, optimal integration of global manufacturing and supply chain capabilities, commitment to developing innovative new and improved products, and a continuing focus on strong financial management.



**Professor John Shine AO, Chairman
March 2014**

- ¹ *CSL reserves the right to suspend or terminate buybacks at any time.*
- ² *For further details, please refer to the ASX announcement of Half Year results lodged on 12 February 2014.*
- ³ *Constant currency removes the impact of exchange rate movements to facilitate comparability. For further details, please refer to the ASX announcement of Half Year results lodged on 12 February 2014.*
- ⁴ *GARDASIL is a trademark of Merck & Co. Inc.*

SHAREHOLDER INFORMATION

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street Abbotsford VIC 3067
Postal Address: GPO Box 2975 Melbourne VIC 3001

Enquiries within Australia: 1800 646 882
Enquiries outside Australia: 61 3 9415 4178
Investor enquiries online: www.investorcentre.com/contact
Website: www.investorcentre.com

Shareholders with enquiries should go online to www.investorcentre.com/contact, telephone or write to the Share Registry at the above address.

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

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

Direct payment of dividends into a nominated account is required for shareholders with an Australian or New Zealand registered address. These shareholders must provide a payment instruction online via the Investor Centre at www.investorcentre.com or by obtaining a direct credit form from the Share Registry or by advising the Share Registry in writing with particulars.

The Annual General Meeting will be held at the Function Centre, National Tennis Centre, Melbourne Park, Batman Avenue, Melbourne at 10:00am on Wednesday 15 October 2014.

There is a public car park adjacent to the Function Centre that will be available to shareholders at no charge.

For more detailed information on results
Visit our website: <http://www.csl.com.au/investors>

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CSL Behring

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Designed and produced by Fidelis Design Associates, Melbourne.

The paper stock used for the production of this document contains 80% post consumer fibre and 20% totally chlorine free pulp. It is an FSC Mixed Sources Certified paper, which ensures that all virgin pulp is derived from well-managed forests and controlled sources. It is manufactured by an ISO 14001 certified mill.

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