



ASX Announcement

For immediate release

14 February 2018

Half Year Result 2018¹

CSL Limited (ASX:CSL; USOTC:CSLLY) today announced a reported net profit after tax (NPAT) of \$1,086 million for the six months ended 31 December 2017, up 35% or 31% on a constant currency (CC)² basis. Earnings per share (EPS) grew 36% or 32% on a constant currency basis.

PERFORMANCE HIGHLIGHTS

Financial

- Revenue \$4,147 million, up 11% at CC²
- Earnings before interest and tax (EBIT) \$1,476 million, up 31% at CC
- NPAT \$1,086 million, up 31% at CC
- EPS \$2.40, up 32% at CC
- Interim dividend³ increased to \$0.79 per share, up 23%

Operational

CSL Behring

- Immunoglobulin sales up 13% on trailing period at CC
- Exceptionally strong demand for Idelvion[®] (rFIX-FP)
- Specialty Products sales up 19% on trailing period at CC

Seqirus

- Seasonal influenza vaccine sales up 43% - strong QIV growth
- Holly Springs cell culture facility – output up four fold
- FLUAD[®] approved in the UK

¹ All figures are expressed in US dollars unless otherwise stated.

² Constant currency removes the impact of exchange rate movements, facilitating comparability of operational performance. For further detail please refer to CSL's Financial Statements for the Half Year ended December 2017 (Directors' Report).

³ For shareholders with an Australian registered address, the final dividend of US\$0.79 will be unfranked for Australian tax purposes and paid on 13 April 2018 in A\$ at an amount of A\$1.004959 per share (at an exchange rate of A\$1.2721/US\$1.00). For shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ\$1.087830 per share (at an exchange rate of NZ\$1.3770/US\$1.00). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US\$. CSL also offers shareholders the opportunity to receive dividend payments in US\$ by direct credit to a US bank account.

Innovation

- Privigen® (10% liquid IVIG) approved for CIDP in US
- Hizentra® (SCIG) positive CHMP recommendation for CIDP in the EU
- Proprietary stem cell gene therapy platform - Calimmune acquisition
- Transplant franchise expanding – Vitaeris collaboration

Efficiency

- Plasma collection centre openings on track
- Major capital projects - start-up phase
 - Broadmeadows
 - Privigen module 4
 - Alburex® facility
 - Kankakee – base fractionation facility

“CSL’s focused execution of our strategic priorities delivered outstanding results in the first half, especially considering the strength of the prior comparable period,” said CSL Chief Executive Officer and Managing Director Paul Perreault. “Our results reflect the effectiveness of our patient-focused R&D pipeline, robust demand for our differentiated products, and market leadership positions around the world. Investments in R&D, production and commercial capabilities have positioned us well for sustainable growth and continue to deliver on our promise to patients with rare and serious diseases.”

“In the half, we successfully launched Haegarda®, a transformational therapy for patients with Hereditary Angioedema (HAE). Haegarda® provides unprecedented reduction in oedema attacks and significantly reduces the need for rescue medication,” Mr. Perreault noted.

“High demand continues for Idelvion®. Based on feedback from patients and healthcare providers it is clear that our next generation recombinant coagulation therapy, which has now been launched in 13 countries, is quickly becoming the new standard of care for Haemophilia B patients.”

“Our immunoglobulin products Hizentra® and Privigen® continued to deliver strong performance. To some extent their growth has been masked by atypical market conditions in the prior comparable period when some competitors experienced supply constraints. A comparison of the immunoglobulins sales to the trailing period (six months ended June 2017) saw the immunoglobulin portfolio growing 13%,” Mr. Perreault added.

“Seqirus continues to progress as planned. The Holly Springs facility, which produces a unique cell culture seasonal influenza vaccine, quadrupled the number of FLUCELVAX® doses produced this season. While significant work remains, our strategy for Seqirus is paying off.”

“Our emerging transplant franchise is developing well. We are investigating the use of current CSL products to treat patients with graft versus host disease or experiencing antibody mediated rejection. In addition we also entered into a collaboration with Vitaeris for a monoclonal antibody as part of our growing transplant capabilities,” Mr Perreault concluded.

OUTLOOK (at FY17 exchange rates)

Commenting on CSL’s outlook, Mr. Perreault said, “Solid ongoing demand for CSL Behring biotherapies is expected, including the strong patient uptake of our newly approved specialty product Haegarda®.”

“The haemophilia market continues to evolve and our new generation products, Idelvion® (rFIX-FP) and Afstyla® (rFVIII-SC) are well placed in the market. Looking forward, we expect Helixate® sales to decline as the product winds down. Competition in the factor VIII space remains intense as new entrants come to market.”

“An uneven profit profile for CSL is expected for the first and second half results, due to the seasonality of the influenza business and the timing of expenses – particularly research and development,” Mr. Perreault added.

“CSL Group’s net profit after tax for FY18 is now expected to be in the range of approximately \$1,550 to \$1,600 million at constant currency,” Mr. Perreault concluded.

In compiling the company’s financial forecasts for FY18, a number of key variables which may have a significant impact on guidance have been identified and these have been included the footnote⁴ below.

⁴ Key variables that could cause actual results to differ materially include: the success and timing of research and development activities, decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; competitive developments affecting our products; the ability to successfully market new and existing products; difficulties or delays in manufacturing; trade buying patterns and fluctuations in interest and currency exchange rates; legislation or regulations that affect product production,



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CAPITAL MANAGEMENT

Capital management

During the first half of FY18, CSL completed a US private placement raising approximately US\$700 million for general corporate purposes, as part of the company's overall capital management program.

FURTHER INFORMATION

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 CSL's website www.csl.com.au. A glossary of medical terms can also be found on the website. For further information, please contact:

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Group Results

Half year ended Dec US\$ Millions	Dec 2016 Reported	Dec 2017 Reported	Dec 2017 at CC ⁵	Change % ⁵
Sales	3,553	3,999	3,941	11%
Other Revenue / Income	124	148	147	
Total Revenue / Income	3,677	4,147	4,088	11%
Earnings before Interest, Tax, Depreciation & Amortisation	1,226	1,617	1,575	28%
Depreciation/Amortisation	(131)	(141)	(138)	
Earnings before Interest and Tax	1,095	1,476	1,437	31%
Net Interest Expense	(38)	(52)	(52)	
Tax Expense	(251)	(338)	(330)	
Net Profit after Tax	806	1,086	1,055	31%
Interim Dividend	0.64	0.79		23%
EPS	1.77	2.40	2.33	32.0%

⁵ Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. For further details please refer to CSL's Financial Statements for the Half Year ended December 2017 (Directors' Report).

CSL



2018 Half Year Results

14 February 2018

Paul Perreault CEO & MD

David Lamont CFO

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Delivering on Strategy



Growth

- Ig sales up 13% on trailing period @ CC¹
- Exceptionally strong HAEGARDA[®] launch
- IDELVION[®] fast becoming standard of care
- Specialty Products up 19% on TP @ CC¹



Influenza

- Seasonal influenza vaccine sales up 43% on PCP @ CC
- Holly Springs
 - doses produced quadrupled
- FLUAD[®] - UK approval



Innovation

- Priven[®] approved for CIDP in US
- Hizentra[®] positive CHMP recommendation for CIDP in EU
- Proprietary stem cell gene therapy platform
 - Calimmune acquisition
- Emerging Transplant franchise
 - Vitaeris collaboration



People & Culture

- Appointments
 - Bill Campbell – Commercial
 - Elizabeth Walker – HR
- Calimmune & Ruide integration



Efficiency

- Collection centre openings on track
- Major capital projects – start-up phase

1. Growth shown at constant currency to remove the impact of exchange rate movements facilitating comparability of operational performance. See end note for further detail.

CSL Behring Revenue – 1H18

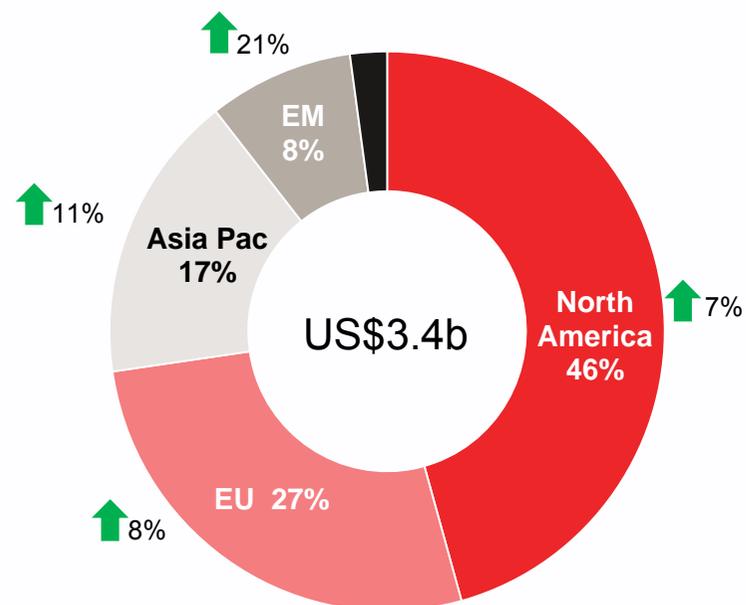


Therapeutic Group

Therapy	PCP ¹ 1H18 vs 1H17	TP ¹ 1H18 vs 2H17
Immunoglobulins	7.4%	12.6%
Haemophilia	5.1%	5.6%
Albumin	3.9%	8.3%
Specialty	20.4%	19.4%
Other	(23.3)%	(40.0)%
Total	8.1%	10.1%

**Atypical market 1H17
stronger TP growth**

Region



1. Growth percentages shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance. See end note for further detail.
PCP – Prior Comparable Period. TP – Trailing Period.

Strong Ig Growth



- Strong Ig growth, especially the US
 - Up 13% on TP @ CC¹
(atypical market conditions 1H17)
- CIDP is largest Ig indication
 - Privigen[®] approved for CIDP in US
 - Hizentra[®] CIDP approval exp. 1H CY18
- Carimune[®] – migration to next generation products

Hizentra[®]

SCIG market leader

7 years and 51 countries

90,000 patient years

~5m exposures

Most prescribed SCIG worldwide

60% of new SCIG starts

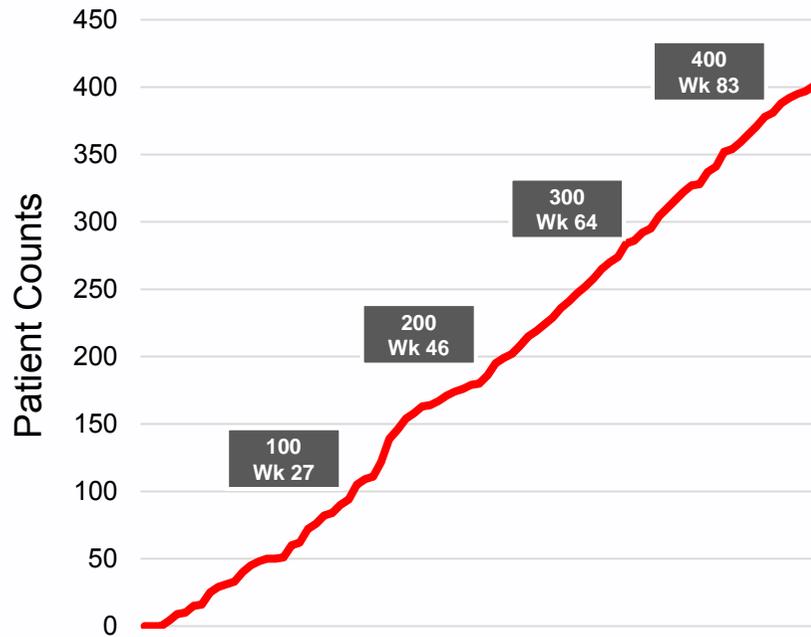
**SCIG is the
fastest growth segment**

1. Growth/Numbers shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance. See end note for further detail.

Haemophilia



US IDELVION® PATIENT GROWTH



- Launched in 13 countries: exceptional growth
- Market leadership in a number of countries
- Japan exceeding patient expectations following 2 week prescription limit removed Dec 2017



- Launched in 13 countries
- Very competitive market

Specialty Products



HAEGARDA®

Very successful chronic drug launch in the US

- Transformational product
- Natural C1-INH replacing missing or dysfunctional protein
- 95% reduction in attacks

Kcentra®

- Up 32% on PCP in US
- Warfarin still in high use
- Continued significant use of fresh frozen plasma for reversal of bleeding
- Strong launch and acceptance in Japan

Efficiency



Plasma Collections

- Unparalleled growth in collection centre openings – on track
- Latent efficiency gains in fleet as new centres mature
- New Donor Management System rolled out
- Plasma supply tightness continues

Major capital projects - start-up phase

- Broadmeadows
 - Privigen® module 4
 - Alburex® facility
- Kankakee base fractionation facility

Innovation



TRANSPLANT

- Emerging franchise
- High unmet need
- Leverages existing products
- Vitaeris collaboration

CIDP

- Privigen® approved in US
- Hizentra®
 - positive EU recommendation
 - US approval anticipated 1H18

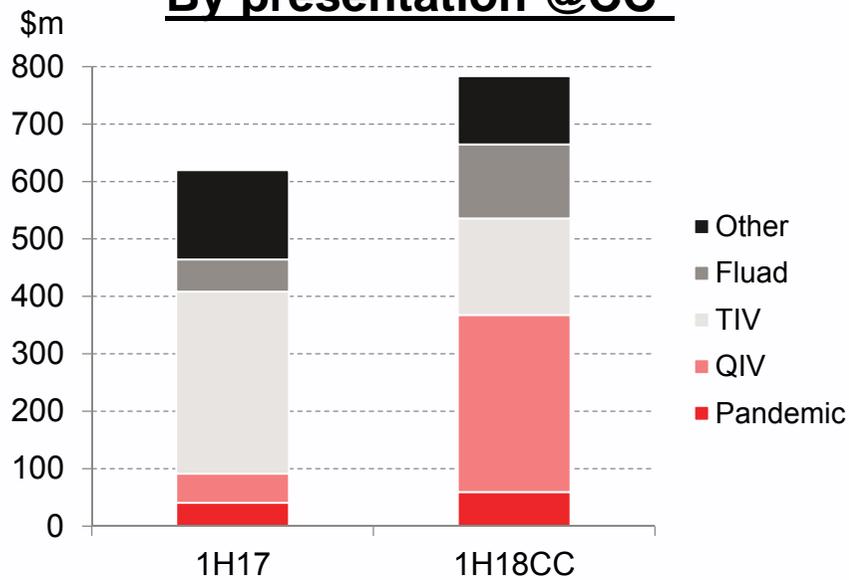
OTHER DEVELOPMENTS

- Proprietary stem cell gene therapy platform - Calimmune acquisition
- CSL112 - Phase 3 study commencing 1H CY18
- CSL730 (Fc Multimer) – Phase 1 trial commenced

Seqirus Revenue – 1H18

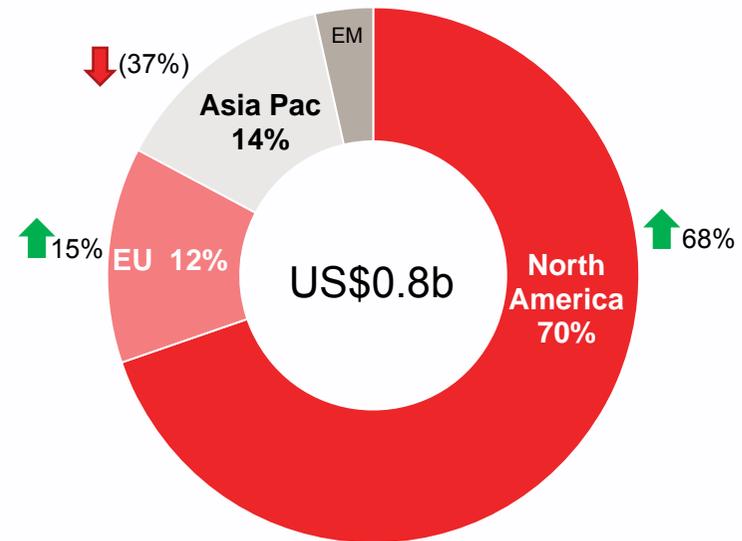


By presentation @CC¹



Switch to QIV & Flud creating revenue growth

Region



1. Growth shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance. See end note for further detail.

Seqirus – Operational Highlights



- Approval of FLUAD in the UK
 - The only recommended vaccine for 65+ in 2018/19 season
- First use of cell-specific virus seed in production of FLUCELVAX
- Holly Springs cell culture facility – output up four fold
- Submission of cell-based QIV dossier for EU registration
 - Preparations underway for 2019/20 season launch
- Near completion of formulation suite in Liverpool, with further expansion planned in fill & finish

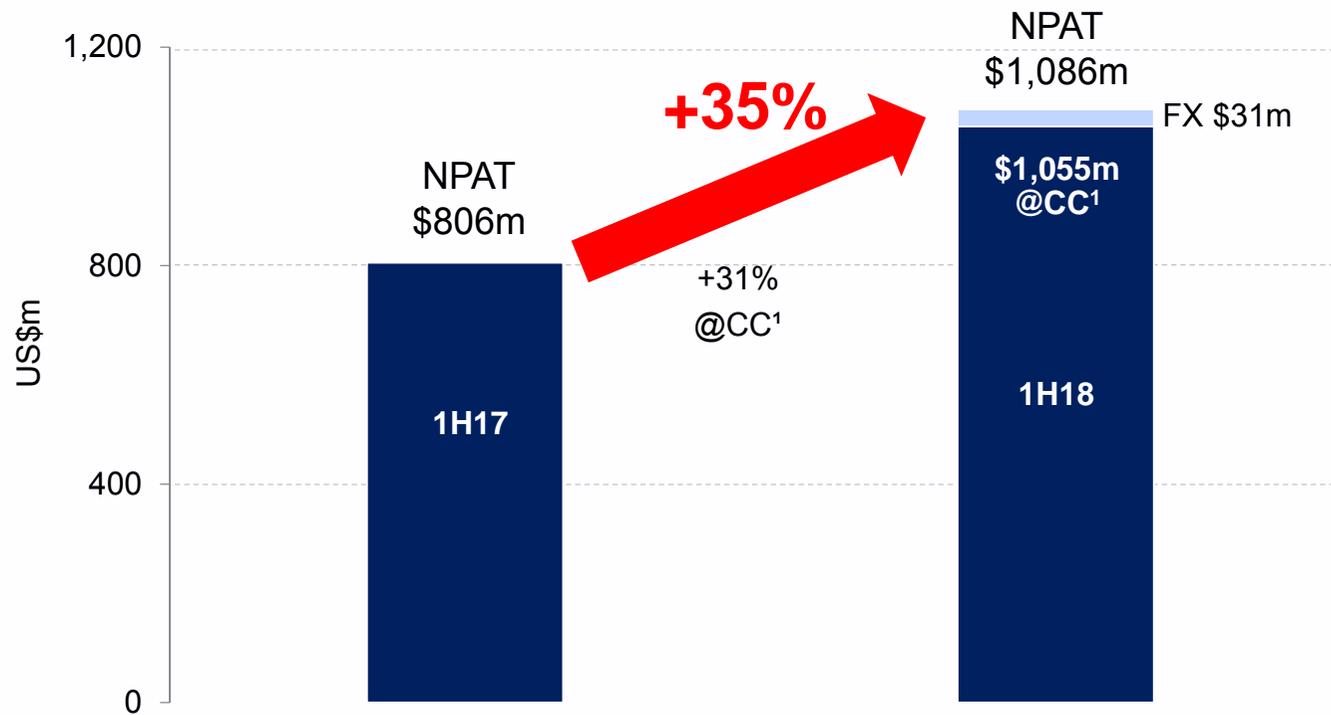


Strategy on track

Financials

David Lamont - CFO

Financial Highlights - NPAT



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

Financial Highlights - Group

Half year ended Dec US\$ Millions	1H17 Reported	1H18 Reported	1H18 at CC ¹	Change %
Total Revenue	3,677	4,147	4,088	11% ¹
EBIT	1,095	1,476	1,437	31% ¹
<i>EBIT margin</i>	29.8%	35.6%	35.1%	
NPAT	806	1,086	1,055	31% ¹
Cashflow from Ops	664	840	-	27%
ROIC ²	31.2%	32.8%	-	-
EPS	1.77	2.40	2.33	32% ¹
DPS	0.64	0.79	-	23%

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

² Annualised.

Financial Highlights - Segments

CSL Behring

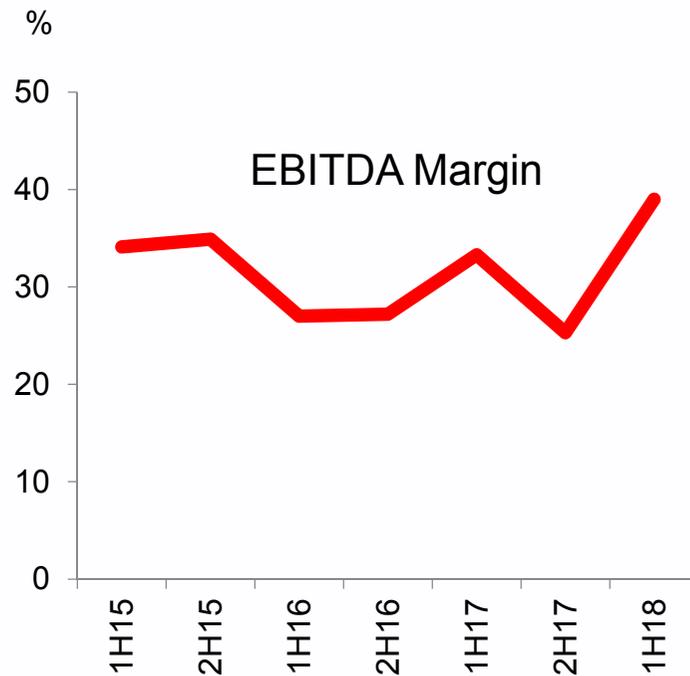
US\$ Millions	1H17 Reported	1H18 Reported	Change % at CC ¹
Sales	2,976	3,289	9%
Other Rev.	81	67	(16%)
Total Rev.	3,057	3,356	8%
EBIT	1,098	1,291	15%
<i>EBIT margin</i>	35.9%	38.5%	

Seqirus

US\$ Millions	1H17 Reported	1H18 Reported	Change % at CC ¹
Sales	577	710	22%
Other Rev.	43	81	86%
Total Rev.	620	791	26%
EBIT	(3)	185	-
<i>EBIT margin</i>	(0.5%)	23.3%	

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

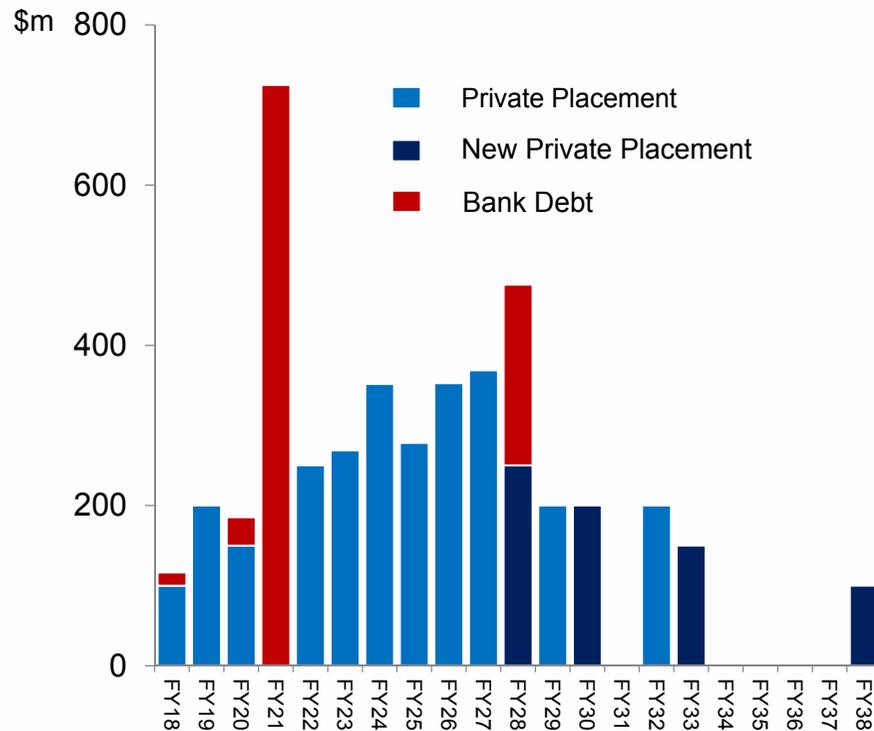
Margin Growth



Margin drivers

- Ig mix shift
- Transition of Haemophilia portfolio
- Growth in speciality products
 - Haegarda[®] & Kcentra[®]
- Uneven expenditure phasing
- Strong seasonal Seqirus performance

Debt Maturity Profile



New US\$700m private placement

- Completed October 2017
- Weighted average fixed rate of 3.36%
- Average life of 13.1 years

Total debt portfolio

- Weighted average rate of ~2.7%

Outlook for FY18¹

***NPAT updated to range
~\$1,550m to \$1,600m @ CC^{2,3}***

- Business environment expectations 2H18
 - Continued strong demand for plasma therapy products
 - Transitioning of Haemophilia portfolio
 - Uneven expenditure phasing
 - Accelerated R&D investment 2H
 - Seqirus seasonality – loss making 2H

Innovation 2H¹

***CSL112 Phase 3
commencing***

***Hizentra[®] CIDP
approval***

¹ For forward looking statements, refer to Legal Notice on page 2

² Constant Currency (CC) removes the impact of exchange rates movements to facilitate comparability

18 ³ Full year FX impact is expected to be ~\$10m favourable, assuming current rates remain steady for the remainder of the year

Financial Appendix

CSL Behring Sales

Half year ended December US\$ Millions	Dec 2016	Dec 2017	Dec 2017 CC ¹	Change % ¹
Immunoglobulins	1,426	1,558	1,532	7%
Albumin	433	452	450	4%
Haemophilia				
- Recombinants	234	260	254	8%
- Plasma	282	297	288	2%
Specialty	588	717	708	20%
Total Product Sales	2,963	3,284	3,232	9%
<i>Other sales (mainly plasma)</i>	13	5	5	
<i>Total Sales</i>	2,976	3,289	3,237	

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

Seqirus Sales

Half year ended December US\$ Millions	Dec 2016	Dec 2017	Dec 2017 CC ¹	Change % ¹
QIV	51	308	308	504%
TIV	317	171	168	-47%
Adjuvanted	56	131	129	130%
Pandemic	41	60	59	44%
Other / In-licence	155	121	120	-23%
Total Revenue	620	791	784	26%

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

Notes

(#) Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance for the Group. This is done in three parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars, at the rates that were applicable to the prior comparable period (translation currency effect); 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 comparable period (transaction currency effect); and c) by adjusting for current year foreign currency gains and losses. The sum of translation currency effect, transaction currency effect and foreign currency gains and losses is the amount by which reported net profit is adjusted to calculate the operational result.

Summary NPAT

Reported net profit after tax	\$1,086.3m
Translation currency effect (a)	\$ (19.0m)
Transaction currency effect (b)	\$ 21.3m
Foreign Currency (gains) & losses (c)	\$ (33.5m)
Constant currency net profit after tax *	\$1,055.1m

a) Translation Currency Effect \$(19.0m)

Average Exchange rates used for calculation in major currencies (Six months to Dec 17/Dec 16) were as follows: USD/EUR (0.85/0.91); USD/CHF (0.97/0.99).

b) Transaction Currency Effect \$21.3m

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.

c) Foreign Currency Gains (\$33.5m)

Foreign currency gains recorded during the period.

Summary Sales

Reported sales	\$3,998.5m
Currency effect	\$ (57.4m)
Constant currency sales*	\$3,941.1m

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

CSL Limited

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