CSL Limited
45 Poplar Road Parkville
Victoria 3052 Australia

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

CSL

ASX Announcement

For immediate release

17 August 2011

Full Year Result FY2011
Reported Profit $941 million ($1,057m at constant currency[1])
- ***Underlying[2] profit up 14%***
Cash flow from operations $1,018 million
Solid demand for next generation immunoglobulin products
Facilities expansion to support demand growth
Capital management initiatives foreshadowed
Final dividend 45 cents per share
New Chairman announced

CSL Limited today reported a net profit after tax of $941 million for the twelve months ended 30 June 2011, down $112 million or 11% when compared to the prior comparable period. This result included an unfavourable foreign exchange impact of $116 million. On a constant currency[1] basis, operational net profit after tax grew 14% after excluding a one-off contribution from the sale of pandemic influenza vaccine (H_1N_1) in the prior period.

KEY ITEMS

Financial

- Sales revenue $4.2 billion, up 9% on an underlying[2] basis when compared to the twelve months ended 30 June 2010
- Reported net profit after tax $941 million, up 14% on an underlying basis
  - Foreign currency headwind of $116 million
- Research and development expenditure of $325 million up 9% at constant currency
- Cash flow from operations of $1,018 million
- Strong balance sheet, cash on hand $479 million, borrowings $416 million
- On market share buyback complete – further capital management foreshadowed
- Earnings per share of 174.0 cents
- Final dividend 45 cents per share, franked to 4.4%, payable on 14 October 2011.
- Total ordinary dividends for the year were 80 cents per share.

[1] Constant Currency removes the impact of exchange rate movements to facilitate comparability. See note 7 for further detail.
[2] Excludes the one-off contribution from the sale of pandemic influenza vaccine (H_1N_1) in the prior comparable period and the impact of foreign exchange movements in the period under review.

Operational

- Privigen® (10% liquid intravenous immunoglobulin)
  - Solid demand
  - Transition program from Carimune® well progressed
  - New Privigen® manufacturing facility
- Hizentra® (20% liquid subcutaneous immunoglobulin)
  - Strong new patient uptake
  - US Food and Drug Administration (FDA) approval to extend shelf life
  - European Commission marketing authorisation
- Specialty products
  - Corifact® (Factor XIII Concentrate), approved by US FDA
  - RiaSTAP™ (Congenital Fibrinogen Deficiency), European approval
- Recombinant factor IX-FP
  - Phase I study patient recruitment completed
- GARDASIL* (Human Papillomavirus Vaccine)
  - US FDA approved GARDASIL* for prevention of anal cancer and anal intraepithelial neoplasia caused by human papilloma virus in males and females 9 through 26 years of age

Dr Brian McNamee, CSL's Managing Director, said "This is an impressive result in what has been a turbulent period. Despite the global economic instability CSL's performance has demonstrated its underlying momentum and resilience.

"Our portfolio of immunoglobulins did particularly well. Transition programs to new generation products, Privigen® and Hizentra®, are well underway and multiple regulatory approvals have been received to manufacture and distribute these products around the world. New capacity for Albumin is under construction at multiple sites and the Board has approved the construction of a new Privigen® manufacturing facility, at our Broadmeadows site, to support global demand.

"We completed our 4th on-market share buyback in June this year and our balance sheet remains very strong and net debt free. Cashflow continues to be robust and the Board has foreshadowed that later this year it will be considering capital management initiatives, which may include a further on-market share buyback," Dr McNamee said.

OUTLOOK *(at 10/11 exchange rates)*

Commenting on CSL's outlook, Dr McNamee said "looking into fiscal 2012 we anticipate similar trading conditions to fiscal 2011. Our broad portfolio of products, ongoing product development and our geographic reach position us well to compete effectively.

"This financial year we again anticipate solid growth in reported profit of approximately 10%, using fiscal 2011 exchange rates. However, the US dollar is currently trading at historic lows against the Swiss Franc and should current rates prevail throughout the fiscal year we anticipate a foreign exchange headwind[3] to fiscal 2012 reported profit," Dr McNamee said.

In compiling the Company's financial forecasts for the year ending 30 June 2012 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. To assist investors in determining the impact of movement in key currency pairs, we have provided with our results materials a foreign currency sensitivity analysis. The materials have also been posted on the Company's website www.csl.com.au

Also provided, at the end of this release, is a restatement of the Group's results in US dollars. This is provided to assist investors, as US dollars are the pharmaceutical industry standard currency for reporting purposes and this also reflects the increasing proportion of the Company's earnings outside Australia.

[3] A foreign exchange sensitivity table and summary of foreign exchange impact on FY2012 guidance is provided in the results presentation slide pack which can be found in the investor section of the company website at www.csl.com.au

[4] Key variables which may have a significant impact on guidance include 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, 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.

BUSINESS REVIEW
Results overview

CSL Behring sales of US$3.4 billion grew 10% on a constant currency basis when compared to the twelve months ended 30 June 2010. Sales contribution from the immunoglobulins and specialty products portfolios underpinned this growth.

Immunoglobulins grew 25% in constant currency terms. Volume growth for intravenous immunoglobulins, lead by Privigen®, was strong. The balance of growth arose from a product mix shift in demand towards subcutaneous immunoglobulin, largely Hizentra®, and sales arising from the withdrawal of a competitor from the market place. This competitor has since returned to certain markets and is expected to increasingly compete for sales during the coming year.

The Critical Care segment, including Asian sales[5], grew 9% in constant currency terms underpinned by strong demand for specialty products Haemocomplettan® P/ RiaSTAP® (fibrinogen concentrate) particularly in peri-operative bleeding management and Berinert® P (C-1 esterase inhibitor), following growth in US patient numbers. Growth in albumin sales continues with ongoing demand from China.

Haemophilia product sales declined 1% in constant currency terms. Volume growth for plasma derived FVIII, led by Beriate®, was approximately 8%. Typically, however, these sales are in new lower priced markets. Including sales of product manufactured at the Broadmeadows facility, volume growth in plasma derived FVIII was 9%.

During the period CSL Behring recorded an expense of $25 million relating to losses on receivables in Southern European countries. The majority of these losses arose from the sale of Greek Government bonds at a discount to their face value. These bonds were issued to CSL Behring in settlement of long standing Greek Government hospital receivables.

Other Human Health (CSL Biotherapies) sales of $735 million grew 4% on an underlying basis when compared to the twelve months ended 30 June 2010. The prior period included a one-off contribution of $235 million from novel A (H_1N_1) influenza (swine flu) vaccine sales.

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

Underlying growth during the period was driven by the Australian plasma therapies business following an increase in plasma collections by the Australian Red Cross Blood Service. Biostate® (Human coagulation factor VIII and human von Willebrand factor (VWF) complex) sales were particularly strong, arising from demand for Immune Tolerance Therapy and von Willebrand disease treatments.

This growth was offset by the conclusion of a Gardasil* (Human Papillomavirus vaccine) catch-up program in New Zealand and the normalisation of Pneumovax* (Pneumococcal vaccine) sales following the booster program in fiscal 2010. Influenza sales of $125 million were up 5% on a constant currency basis.

Intellectual Property Licensing revenue of $96 million was down 6% on a constant currency basis. Royalty contribution from Human Papillomavirus Vaccines largely accounts for the decline, with receipts this year of $83 million.

Business development

Immunoglobulins
Hizentra® (Immune Globulin Subcutaneous (Human) 20% Liquid)
Hizentra® is the first and only 20% subcutaneous immunoglobulin (SCIg) approved in the US by the FDA that may be stored at room temperature. Subcutaneous immunoglobulin replacement therapy provides patients with the convenience of self infusion in the comfort of their own home. This new formulation further adds to patient convenience through reduced infusion time and greater portability.

CSL Behring experienced a strong patient uptake of Hizentra® during the period. To meet this growth in demand the company sought and received a number of regulatory approvals:

- On 18 August 2010 the US FDA approved a supplemental Biologics Licence Application to extend the shelf life of Hizentra®, from 18 month to 24 months.
- On 24 February 2011 the US FDA approved a supplemental Biologics Licence Application to further extend the shelf life of Hizentra®, from 24 month to 30 months.
- On 8 April 2011 CSL Behring's capacity to produce Hizentra® significantly increased following US FDA approval of Expansion Module 1 of the company's

new high tech production facility in Bern Switzerland, where Hizentra® is produced.
- On 21 April 2011 the European Commission granted marketing authorisation for Hizentra®, for treating patients diagnosed with primary immunodeficiency as well as secondary immunodeficiencies. This authorisation is valid for all 29 European/European Economic Area member states.

Privigen® (Immune Globulin Subcutaneous (Human) 10% Liquid)
In March 2011 the company's Privigen® production capacity was significantly expanded when the US FDA and Swissmedic approved the Expansion Module 2 of the new immunoglobulin plant in Bern, Switzerland.

Haemophilia
Recombinant Factor VIII
On 19 May 2011 CSL Behring announced advances in developing new technologies to meet the unmet therapeutic needs of patients with haemophilia A. CSL627, a unique single chain recombinant factor VIII (rFVIII) being developed for the treatment of haemophilia A, will soon enter phase I clinical testing.

Recombinant factor IX-FP
CSL Behring is working on a recombinant fusion protein (CSL654) linking coagulation factor FIX with albumin. It is being tested to demonstrate an extension of factor half life. Patient recruitment for a phase I study is now complete.

Specialty Plasma Products
Berinert® (C1-Esterase Inhibitor), now licensed in 30 countries
On 27 January 2011 CSL Behring announced that it had been granted national marketing authorisation in Israel to market Berinert® for the treatment of acute hereditary angioedema (HAE) attacks in any body location. With this most recent approval Berinert® is now licensed in 30 countries, including in Europe, Japan, North America, South America and Australia.

Beriplex® (Anti-Coagulant reversal),
Phase III clinical trials for Beriplex® to arrest bleeding caused by anti-coagulation therapy were completed. A Biological License Application to the US FDA is expected to be submitted in the first quarter of calendar 2012.

Corifact™ (Factor XIII Concentrate (Human))
On 18 February 2011 CSL Behring announced the US FDA had granted marketing approval for Corifact™ Factor XIII concentrate (Human) for the routine prophylactic treatment of congenital factor XIII (FXIII) deficiency. At the time Corifact™ was already available for use in 12 countries through the world under the trade name Fibrogammin® P. Corifact™ is the first and only FXIII concentrate approved in the US.

RiaStap™ (Congenital Fibrinogen Deficiency)
During July 2010 Riastap™, used in the treatment of patients with congenital deficiency of fibrinogen, gained approval across Europe, following the completion of the mutual recognition process. In addition, RiaSTAP™ was approved by the Australian Therapeutics Goods Administration on 2 August 2010.

Cytogam® (Cytomegalovirus Immune Globulin Intravenous (Human))
During September the US FDA and Swissmedic approved the production process transfer of Cytogam® from the US based toll manufacturers to CSL Behring, Bern. This product was acquired from MedImmune in December 2006. Cytogam® is a specialty immunoglobulin enriched in antibodies against cytomegalovirus. It is used to prevent infection associated with organ transplantation.

Vaccine Technologies
Human Papillomavirus Vaccine
- In October 2010, the Australian Therapeutics Goods Administration (TGA) approved the extension of the indication for GARDASIL* to include males up to 26 years of age for the prevention of external genital lesions and infection caused by human papillomavirus (HPV).
- In December 2010, the US FDA approved GARDASIL* for the prevention of anal cancer and anal intraepithelial neoplasia (AIN) grades 1, 2 and 3 (anal dysplasias and precancerous lesions) caused by HPV in males and females 9 through 26 years of age.
- During the period, CSL Biotherapies submitted applications in Australia for government funding of GARDASIL* to include males on the National Immunisation Program. A decision is expected later this year.

ISCOMATRIX® adjuvant
During the period CSL signed a worldwide research license and option agreement with Pfizer Inc., granting certain rights and options for the use of CSL's ISCOMATRIX® adjuvant. Building on the License and Option Agreement signed between CSL and

Wyeth in 2006, and following the acquisition of Wyeth by Pfizer, this new agreement significantly expands the breadth of use of ISCOMATRIX® adjuvant in Pfizer's pipeline of investigational vaccine products for infectious diseases and other indications.

Influenza vaccine
The FDA and European regulators have approved CSL Biotherapies' annual strain update and the release of CSL Biotherapies seasonal influenza vaccine for the 2011/2012 Northern Hemisphere influenza season.

Progress has been made towards the close-out of compliance issues at CSL Biotherapies' Parkville site following receipt of the FDA's Warning Letter in June 2011. CSL Biotherapies submitted a comprehensive response to the letter and met with the FDA to discuss the response in detail. Corrective actions continue to be implemented in close consultation with the FDA. The TGA has been closely involved with this process, ensuring our approach is consistent with Australian regulatory requirements.

Facilities Development – supporting growth
New Privigen® manufacturing capacity
The Board has approved construction of a new Privigen® manufacturing facility at the Company's Broadmeadows site in Australia. The 15 million gram capacity plant is expected to be in place by fiscal 2016. This initiative enhances operational integration with CSL Behring to maximise single platform efficiencies such as supply chain management, information technology systems, product dossier management and product development programs.

Capacity and efficiency continues to be optimised at the Bern facility across all Privigen® production modules.

Multi-site albumin capacity expansion
The Company's Kankakee, Bern & Marburg sites are being expanded to accommodate growth in demand for Albumin.

New biotech facilities
Bulk recombinant protein production - Broadmeadows
On 16 July 2010 CSL announced a major biotechnology project at CSL's manufacturing site in Broadmeadows, Australia. The centrepiece of the project will be the creation of Victoria's first large scale biotechnology facility for the late stage development of new therapies for cancer, bleeding disorders and inflammation.

Funding for the facility has been supported by contributions from the Commonwealth and Victorian Governments. Construction commenced in November 2010 with completion expected in 2013.

Protein purification - Marburg
In early November 2010, CSL unveiled a state of the art biotech purification plant in Marburg, Germany. This facility will be used in the production of recombinant coagulation therapies.

CSL Plasma
Favourable market conditions for recovered plasma have allowed the Company to increase plasma volumes purchased. The Company's own collection fleet will be expanded with the opening of two new plasma collection centres in Florida later this year. A new electronic management system (paperless) has been implemented in all collection centres improving both the quality and efficiency of operations as well as enhancing the donor experience.

Corporate Responsibility

In December, CSL received the 2010 Sustainable Company of the Year award by the Australian Ethical Investor Magazine. CSL received the award in recognition of its leadership, in the sector, in environmental, social and governance practices and progress in sustainability reporting.

On 1 February 2011, CSL released its second global Corporate Responsibility Report, providing a comprehensive account of the Company's economic, social and environmental performance in 2009/10. The report details CSL's achievements and challenges across its corporate responsibility priority areas and is available on the Company's website www.csl.com.au

Capital Management

Share Buyback
On 18 August 2010, CSL announced its intention to conduct an on-market share buyback of up to $900 million. This program was completed in June of this year with the purchase and cancellation of approximately 26.1 million shares.

Capital management foreshadowed during FY2012
During the first half of fiscal 2012 the Company intends to modestly leverage the balance sheet via new bank debt and private placement facilities totalling around $1 billion. These funds will be used to pay down existing facilities totalling $385 million, which mature during calendar 2012. Following the completion of the debt raising process the Board will consider capital management initiatives, which may include a further on-market share buyback of up to $900 million.

Changes to CSL Board and Senior Executive Group

Board
CSL's Chairman, Ms Elizabeth Alexander, and Director, Mr David Simpson, have indicated their intention to retire as Directors at the conclusion of the Company's Annual General Meeting on 19 October 2011.

Professor John Shine, who has been a Director of the Company since June 2006, will take over as Chairman of the Company following the conclusion of the Company's Annual General Meeting on 19 October 2011.

Mr Bruce Brook has been appointed a Director of the Company effective from 17 August 2011.

For further information please see the separate ASX announcement.

Senior Executives
Effective 1 July 2011, as previously announced, Mr Paul Perreault was appointed President, CSL Behring, replacing Peter Turner, who will return to Australia later this year to undertake a range of projects and continue as an Executive Director. Prior to his appointment Mr Perreault held the position of Executive Vice President, Commercial Operations. He has been succeeded by Dr Ingolf Sieper, formerly Vice President, Central Europe Commercial Operations.

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

For further information, please contact:

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

Nerida Mossop
Hinton & Associates
Phone: +613 9600 1979
Mobile: +614 3736 1433
Email: nmossop@hintons.com.au

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

Group Results

Full year ended June $ Millions	June 2010 Reported	June 2010 Underlying[6]	June 2011 Reported	June 2011 CC[7]	Change %[8]
Sales	**4,456**	**4,221**	**4,188**	**4,584**	**8.6%**
Other Revenue / Income	171	171	134	145	
Total Revenue / Income	**4,627**	**4,392**	**4,322**	**4,729**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,514**	**1,339**	**1,357**	**1,510**	**12.7%**
Depreciation/Amortisation	157	157	173	183	
Earnings before Interest and Tax	**1,357**	**1,182**	**1,184**	**1,327**	**12.2%**
Net Interest Expense / (Income)	(22)	(22)	(14)	(13)	
Tax Expense	326	273	257	283	
Net Profit after Tax	**1,053**	**931**	**941**	**1,057**	**13.6%**
Total Ordinary Dividends (cents)	80.00		80.00		
Final Dividends (cents)	45.00		45.00		
Basic EPS (cents)	185.77		174.03		

[6] Excludes the one-off impact of pandemic influenza vaccine (H_1N_1).

[7] 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: 1) 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 2) 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.

[8] Change between June 2011 results at constant currency and June 2010 underlying results.

Group Results

***Restated in US Dollars*[9]**

Full year ended June US$ Millions	June 2010 Reported	June 2010 Underlying[6]	June 2011 Reported	Change %[10]
Sales	**3,909**	**3,702**	**4,097**	**10.7%**
Other Revenue / Income	149	149	131	
Total Revenue / Income	**4,058**	**3,851**	**4,228**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,326**	**1,172**	**1,324**	**13.0%**
Depreciation/Amortisation	137	137	170	
Earnings before Interest and Tax	**1,188**	**1,035**	**1,154**	**11.5%**
Net Interest Expense / (Income)	(19)	(19)	(13)	
Tax Expense	286	240	249	
Net Profit after Tax	**921**	**814**	**918**	**12.8%**

[9] 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.

[10] Change between June 2011 reported results and June 2010 underlying results.

CSL Limited

ABN: 99 051 588 348

ASX Full-year information
30 June 2011

Lodged with the ASX under Listing Rule 4.3A.

Contents

CSL Limited

ABN: 99 051 588 348

Appendix 4E

Full-year ended 30 June 2011

(Previous corresponding period:
Year ended 30 June 2010)

Results for Announcement to the Market

	2011 $000	2010 $000
Sales revenue	4,187,554	4,455,821
Total other revenues	134,014	171,123
Total revenue and other income	**4,321,568**	**4,626,944**
Profit before income tax expense	1,198,119	1,379,455
Income tax expense	(257,518)	(326,554)
Reported Net profit after tax attributable to members of the parent entity	**940,601**	**1,052,901**
Less: One off Item [1]	**-**	**(122,300)**
Operational Net profit after tax	**940,601**	**930,601**

Reported

- Total revenue and other income down 6.6% to $4.32 billion.
- Net profit after tax for the year attributable to members of the parent entity down 10.7% to $0.94 billion.
- Operational net profit after tax up 1.1% to $0.94 billion.

Constant Currency [2]

- **Sales revenue at constant currency up 8.6% to $4.58 billion.**
- **Operational net profit after tax for the year at constant currency up 13.6% to $1.06 billion.**

1 Operational profits from pandemic influenza vaccine (H_1N_1) sales

2 Excludes the one-off contribution from the sale of H_1N_1 vaccine and 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[#])	45.00¢	2.00¢ *
Interim dividend (paid on 8 April 2011)	35.00¢	Unfranked
Final dividend (prior year, paid on 8 October 2010)	45.00¢	5.28¢
[#] Record date for determining entitlements to the dividend:	23 September 2011	

***** 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 2011	30 June 2010
Net tangible asset backing per ordinary security	**$5.20**	$5.93

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

17 August 2011

CSL Limited

ABN: 99 051 588 348

Annual Financial Report

for the year ended 30 June 2011

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 2011.

1. Directors

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

Miss E A Alexander, AM (Chairman)
Dr B A McNamee, AO (Managing Director)
Mr J H Akehurst
Mr D W Anstice
Mr I A Renard
Mr M A Renshaw
Professor J Shine, AO
Mr D J Simpson
Mr P J Turner

Ms C O'Reilly was appointed Director on 16 February 2011 and continues in office at the date of this report.
Mr A M Cipa retired at the Annual General Meeting held on 13 October 2010

Particulars of the directors' qualifications, experience, all directorships of public 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, following the retirement of Mr P R Turvey from the position. 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, on two separate occasions last year, the directors visited various of the Company's operations in each of the US and Europe 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***
E A Alexander	7	7	4	4	6	4[1]		3[1]		5
B A McNamee	7	7	4[2]	4	6	5[2]		4	4	3[2]
J H Akehurst	7	7				5	5	2[1]		5
D W Anstice	7	7				5	5	4	4	5
A M Cipa	3	3	1[2]	1						
C O'Reilly	2	2	1	1				2[1]		2
I A Renard	7	7	4	4				3[1]		5
M A Renshaw	7	7						3	4	5
J Shine	7	7			2			4	4	5
D J Simpson	7	7	4	4	1	5	5	3[1]		5
P J Turner	7	7						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 $941 million for the twelve months ended 30 June 2011, down $112 million or 11% when compared to the prior comparable period. This result included an unfavourable foreign exchange impact of $116 million. On a constant currency[1] basis, operational net profit after tax grew 14% after excluding a one-off contribution from the sale of pandemic influenza vaccine (H_1N_1) in the prior period. Sales revenue $4.2 billion, up 9% on an underlying[2] basis when compared to the twelve months ended 30 June 2010, with research and development expenditure of $325 million up 9% at constant currency. Cash flow from operations was $1,018 million.

6. Dividends

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

2009-2010 An interim dividend of 35 cents per share, unfranked, was paid on 9 April 2010. An unfranked final dividend of 45 cents per ordinary share, franked to 5.28 cents per share, for the year ended 30 June 2010 was paid on 8 October 2010.

2010-2011 An interim dividend of 35 cents per share, unfranked, was paid on 8 April 2011. The Company's Directors have declared a final dividend of 45 cents per ordinary share, franked to 2 cents per share, for the year ended 30 June 2011.

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

Total dividends for the 2010-2011 year are:

	On Ordinary shares
	$000
Interim dividend paid 8 April 2011	188,393
Final dividend payable on 14 October 2011	236,178

7. Review of Operations

CSL Behring sales of US$3.4 billion grew 10% on a constant currency basis when compared to the twelve months ended 30 June 2010. Sales contribution from the immunoglobulins and specialty products portfolios underpinned this growth.

Immunoglobulins grew 25% in constant currency terms. Volume growth for intravenous immunoglobulins, lead by Privigen®, was strong. The balance of growth arose from a product mix shift in demand towards subcutaneous immunoglobulin, largely Hizentra®, and sales arising from the withdrawal of a competitor from the market place. This competitor has since returned to certain markets and is expected to increasingly compete for sales during the coming year.

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Underlying growth during the period was driven by the Australian plasma therapies business following an increase in plasma collections by the Australian Red Cross Blood Service. Biostate® (Human coagulation factor VIII and human von Willebrand factor (VWF) complex) sales were particularly strong, arising from demand for Immune Tolerance Therapy and von Willebrand disease treatments.

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[1] Constant currency removes the impact of exchange rate movements to facilitate comparability by restating the current year result at the prior year's rates. This is done in two parts: 1) 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 2) 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.

[2] Excludes the one-off contribution from the sale of pandemic influenza vaccine (H_1N_1) in the prior comparable period and the impact of foreign exchange movements in the period under review.

[3] Adjusted to include CSL Behring critical care products sold in Asia by CSL Biotherapies.

This growth was offset by the conclusion of a Gardasil* (Human Papillomavirus vaccine) catch-up program in New Zealand drawing to an end and the normalisation of Pneumovax* (Pneumococcal vaccine) sales following the booster program in fiscal 2010. Influenza sales of $125 million were up 5% on a constant currency basis.

Intellectual Property Licensing revenue of $96 million was down 10% on a constant currency basis. Royalty contribution from Human Papillomavirus Vaccines largely accounts for the decline, with receipts this year of $83 million.

8. Significant changes in the State of Affairs

On 18 August 2010, the Company announced its intention to conduct a further on-market buyback of up to $900 million, representing approximately 5% of shares then on issue. During the financial year, the Company completed this announced share buyback of 26.063,169 shares returning $900 million to shareholders.

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

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, expanding flu vaccine sales internationally, 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 recognized 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, the Safety, Rehabilitation and Compensation Commission granted an extension to the CSL Limited self-insurance licence until 30 June 2015 with tier 3 status maintained.

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 2011.

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 its Corporate Responsibility Report - 2010. Other reporting included reporting under the Australian Government’s *National Greenhouse Energy Reporting Act (2007). The Company’s* Australian operations did not exceed thresholds for NGER data publication for the 2010 reporting year.

12. Directors' Shareholdings and Interests

At the date of this report, the interests of the directors who held office at 30 June 2011 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, no 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 $1,313,940 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 2011:

	$
Due diligence and completion audits	-
Compliance and other services	120,696
Total fee paid for non-audit services	120,696

17. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (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 CSL Board has this year adapted the style and content of this report with the intention of adding clarity and transparency. We appreciate feedback from CSL's shareholders on our communication of remuneration matters.

Our remuneration philosophy is underpinned by a rigorous approach to performance management which is applied to senior executives and throughout the organisation.

CSL is a global company in terms of ownership, operations and employees. The CSL Board considers the reasonable expectations of shareholders, noting that nearly 40% of CSL's shares were held outside Australia as at 30 June 2011. We are 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 have addressed these considerations in a balanced way.

In 2010-2011, we implemented the outcomes of an in-depth review of long term incentives, the main conclusions of which were published in last year's remuneration report. Long term incentives in the form of equity (performance rights and performance options) are now available only to the most senior executives.

In October 2010 we introduced a new element into our remuneration mix in the form of (three year) deferred cash incentives for a number of executives. More details are contained in this report. Our intention in this was to improve our overall market remuneration position in order to maximise retention of key executives while continuing to align executive reward and shareholder returns.

We have reviewed and increased the number of senior executives who are defined as Key Management Personnel (KMP). Previously this was limited to those direct reports to the Managing Director who met the KMP criteria. In this and future reports, we will additionally include Executive Vice President positions reporting into the President CSL Behring, of which we currently have three based in the United States.

During 2011 the Company's growth in sales revenue and in NPAT at constant currency was 9% and 14% respectively (after removing the sales and NPAT impact of H1N1 vaccines in 2010). This continued strong performance was taken into account in the Executive KMP short term incentive awards.

Understanding the remuneration landscape in the markets within which we operate is an important input to remuneration decisions. For support with providing market data and analysis for the 2011 Senior Executive remuneration review we have appointed Guerdon Associates who are contracted by the Human Resources and Remuneration Committee (HRRC) and report directly to them.

The HRRC and Board Charters were amended in July 2011 to include new responsibilities relating to diversity. The CSL Diversity Policy and measurable objectives have been set and are described in the Corporate Governance Statement within CSL's Annual Report. We look forward to following through and reporting on these objectives in next year's report.

David Simpson
Chairman
HR and Remuneration Committee

Elizabeth Alexander
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 2011 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
Ms Elizabeth Alexander	Chairman
Mr John Akehurst	Non-Executive Director
Mr David Anstice	Non-Executive Director
Mr Ian Renard	Non-Executive Director
Mr Maurice Renshaw	Non-Executive Director
Professor John Shine	Non-Executive Director
Mr David Simpson	Non-Executive Director
Ms Christine O'Reilly[1]	Non-Executive Director
Executive KMP including Executive Directors	**Position**
Dr. Brian McNamee	Managing Director
Mr Peter Turner[2]	Executive Director
Mr Paul Perreault[3]	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
Ms Mary Sontrop[4]	Executive Vice President Operations
Ms Karen Etchberger[5]	Executive Vice President Plasma, Supply Chain and IT
Mr Edward Bailey	Company Secretary
Ms Jill Lever	Senior Vice President, Human Capital
Mr Tony Cipa[6]	Finance Director

[1] Appointed Non-Executive Director from 16 Feb 2011.

[2] President CSL Behring throughout the year. Became a CSL Limited Director in December 2009.

[3] Executive KMP for the full year in the role of Executive Vice President Commercial Operations. Appointed as President, CSL Behring (Designate) on 29 March 2011 and assumed the role on 1 July 2011.

[4] Relocated to the US in the role of Executive Vice President Operations CSL Behring from 1 April 2010.

[5] Executive KMP at CSL Behring in the role of Executive Vice President Plasma, Supply Chain & IT.

[6] Ceased to be an Executive Director and KMP from 13 October 2010 and employment ceased 31 March 2011.

Remuneration Framework

Through an effective remuneration framework the Company aims to:

- provide fair and equitable rewards;
- align rewards to business outcomes that create value for shareholders;
- drive a high performance culture by rewarding the achievement of strategic and business objectives;
- 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 bi-annually 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 four independent Non-Executive Directors, namely David Simpson (Chairman), John Akehurst, David Anstice and Christine O'Reilly (from 1 May 2011). Jill Lever, Senior Vice President – Human Capital, acts as the secretary of the HRRC. The Board Chairperson 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 meets at the conclusion of the performance management process, at the conclusion of the succession planning process, prior to the allocation of long-term incentives 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 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.

The Board terminated the Non-Executive Director retirement plan as at 31 December 2003 and froze the retirement allowance as at that date. The Non-Executive Directors who remain entitled to a retirement allowance at the level frozen in 2003 are Elizabeth Alexander and Ian Renard.

Directors may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties.
Table 10 shows remuneration paid to Non-Executive Directors in respect to the 2010 and 2011 years.

Structure of Executive KMP Remuneration

Executive KMP remuneration details prepared in accordance with statutory requirements and accounting standards are contained in Table 11 of this report.

The diagram below outlines the Company's remuneration structure for the Executive KMP covered in this report.

Total Potential Reward						
Total Fixed Remuneration (Cash salary and Benefits)	+	Short Term Incentive (STI)	+	Long Term Incentive (LTI) being performance rights, performance options and deferred cash incentives	=	Total Potential Reward
Fixed		Variable				

Table 2 below shows the key elements of Total Reward in 2011 as the cash elements actually available to Executive KMP in the 2011 year as well as the value of equity from former years that vested in 2011 and which was originally reported under accounting standards in the year it was granted.

Table 2 – Executive KMP - Elements of Remuneration Received or Available as Cash in 2011

Executive KMP including Executive Directors	Total 2011 Fixed Remuneration	STI Applicable to the 2011 year	LTI Vested in 2011*	Total Reward (received or available)
Dr Brian McNamee ∆	$2,517,900	$1,359,666	$1,614,786	$5,492,352
Mr Peter Turner #	$1,071,414	$538,053	$584,753	$2,194,220
Mr Paul Perreault #	$480,992	$243,989	$274,788	$999,769
Mr Gordon Naylor	$851,481	$361,879	$188,035	$1,401,395
Dr Andrew Cuthbertson	$702,441	$316,098	$333,033	$1,351,572
Dr Jeffrey Davies	$514,382	$167,174	$205,387	$886,943
Mr Gregory Boss #	$476,792	$219,570	$185,228	$881,590
Ms Mary Sontrop #	$480,928	$231,590	$206,260	$918,778
Ms Karen Etchberger #	$378,285	$172,298	$161,008	$711,591
Mr Edward Bailey	$390,600	$117,180	$55,959	$563,739
Ms Jill Lever **	$422,280	$168,912	n/a	$591,192
Mr Tony Cipa ***	$750,784	-	$584,785	$1,335,569

∆Dr McNamee is entitled to an additional Deferred STI payment of $679,833 applicable to the 2011 year in accordance with the terms outlined on page 10.

*Number of Options (excluding exercise price) and rights vested during the year multiplied by the share price of $32.20 at the date of vesting.

** Ms Lever commenced employment on 1 June 2009 i.e. after the award date of the grants which vested during the 2011 year.

*** Mr Cipa's fixed remuneration until cessation of employment on 31 March 2011. Mr. Cipa ceased to be a Director on 13 October 2010.

2011 Fixed remuneration and STI paid in USD converted to AUD using 2011 average exchange rate.

Total Fixed Remuneration (TFR)

TFR is set based on a combination of an internal assessment of job weight (through a global job evaluation system), review of market data for comparable roles and the incumbent's qualifications and experience. The rate of TFR progression is influenced by annual reviews of performance against objectives and changes in the remuneration market data which is provided by Guerdon Associates. TFR is delivered as cash or benefits.

Short-term Incentives (STI)

The STI is a variable reward paid annually in cash to Executives who meet or exceed agreed objectives based on their annual performance evaluated under CSL's performance management system. Table 3 below shows the bonus opportunity of each KMP and the outcome of the STI review for 2011.

Table 3 – Executive KMP Short Term Bonus Opportunity and Actual 2011 Bonus

Executive KMP including Executive Directors	Bonus Potential Maximum % of 2011 Fixed Remuneration at 30 June 2011	STI Awarded as a % of Potential in 2011	Actual Bonus Award in 2011 $
Dr Brian McNamee*	90%	90%	$2,039,499
Mr Peter Turner	50%	100%	$538,053
Mr Paul Perreault	50%	100%	$243,989
Mr Gordon Naylor	50%	85%	$361,879
Dr Andrew Cuthbertson	50%	90%	$316,098
Dr Jeff Davies	50%	65%	$167,174
Mr Greg Boss	50%	90%	$219,570
Ms Mary Sontrop	50%	95%	$231,590
Ms Karen Etchberger	50%	90%	$172,298
Mr Edward Bailey	40%	75%	$117,180
Ms Jill Lever	40%	100%	$168,912
Mr Tony Cipa	50%	0	n/a

*One-third of Dr. McNamee's awarded STI bonus is deferred in accordance with the terms outlined on Page 10.

The Board approves the Managing Director's performance objectives, ensures that they are consistent with Board approved corporate objectives, plans and budgets after removing the impact of currency and reviews performance against objectives regularly throughout the year. The Managing Director sets the performance objectives of his direct reports, with those objectives subject to HRRC review. Performance objectives include a blend of financial, corporate and individual objectives and typically include targets in relation to contribution to earnings in the respective operating currency, the successful implementation of strategic initiatives, management of operating expenses, customer service, behaviour that is consistent with the CSL Group values, risk management (including Health, Safety and Environment objectives) and portfolio management.

A formal review of each Executive KMP's progress against his or her specific objectives is conducted twice annually by the Managing Director, with the full year performance review discussed by the HRRC and confirmed by the Board.

Managing Director's Deferred Short Term Incentive

A deferred cash incentive arrangement has been in place for the Managing Director since 2008. It operates as follows:

- if at the end of the financial year, the Managing Director's performance generates an entitlement to a cash settled STI then it also generates an entitlement to an additional deferred cash amount;
- the additional deferred cash reward is equal to 50% of the STI awarded for performance during that financial year. The amount is then 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 Managing Director 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 periods as the Board may determine).

The Managing Director receives a cash payment upon the expiry of the relevant 3 year period (or earlier at the Board's discretion). In the event of the Managing Director leaving the Company 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.

In 2011 the Managing Director became entitled to a further deferred STI.

Executive Deferred Cash Incentives

Deferred Cash Incentives may be offered at the discretion of the Board under the Executive Deferred Incentive Plan (EDIP) 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 Executive KMP in 2011 under the EDIP. 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.

In 2011 the face value of such awards to Executive KMP was between 30% and 80% of the individual's awarded STI bonus. The face value (refer to Table 4) was divided by CSL Limited's volume weighted share price during the last week of the entitlement year to give a number ('A'). Three years from the end of the entitlement year the Executive is entitled to the payment of a cash amount equivalent to 'A' multiplied by the volume weighted share price during the last week immediately prior to the end of that 3 year period.

To qualify for the cash payment, Executive KMP must achieve at least a 'good' rating under CSL's performance management system and must remain in employment for the full three year period.

A "Good Leaver" policy applies to the EDIP. This policy allows the Board in its absolute discretion, to determine that any or all of the 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. Those phantom shares which do not lapse will generally be calculated on a pro-rated basis between the grant date and the employment end date. The pro-rated grants will be subject to the ongoing application of the vesting and expiry provisions of the EDIP.

In the event of a Change in Control, the Board may determine the manner in which Phantom Share Awards will be dealt with so that each participant remains in a financial position which is as near as possible to that which existed immediately prior to the Change of Control Event occurring.

The allocation of phantom shares for Executive KMP in 2011 was as follows:

Table 4 – Executive KMP Deferred Cash Awards in 2011

Executive KMP including Executive Directors	Number of Phantom Shares	Face Value at Grant Date *$
Mr Peter Turner	8,850	296,033
Mr Paul Perreault	6,000	200,700
Mr Gordon Naylor	3,300	110,385
Dr Andrew Cuthbertson	4,900	163,905
Dr Jeff Davies	4,750	158,888
Mr Greg Boss	4,150	138,818
Ms Mary Sontrop	4,950	165,578
Ms Karen Etchberger	2,400	80,280
Mr Edward Bailey	1,300	43,485
Ms Jill Lever	1,200	40,140

* Volume weighted share price during the 5 days immediately preceding grant date multiplied by the number of phantom shares.

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 Performance Options delivered under the CSL Performance Rights Plan (the "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, they 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.

A grant of Performance Rights and Performance Options is split into tranches, with each tranche having a different vesting period. At the end of a vesting period, an assessment is made as to whether or not the performance hurdles attaching to the particular tranche have been met. Both EPS and TSR performance hurdles are applied to both Performance Rights and Performance Options. Where the applicable performance hurdles are met, the tranche vests and the underlying instruments become exercisable until their expiry date. Any vested but unexercised Performance Rights and Performance Options expire seven years from the date of their initial grant. When performance hurdles have not been met, then the particular tranche of Performance Rights or Performance Options can be carried over to the next anniversary and retested. Any Performance Rights and Performance Options that have not vested at the retest opportunity then lapse. The key characteristics and terms and conditions of Performance Rights and Performance Options granted in 2011 are explained in Table 7.

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 2006 and 2009 are summarised in Table 15.

During 2011, a number of tranches of Performance Rights and Performance Options granted between 2006 and 2009 reached the test date for vesting. The outcomes are shown in Table 5.

Table 5 – 2011 Vesting Outcomes (Performance Rights and Performance Options granted 2006-2009)

Performance Rights			
Grant Date	**Tranche**	**Vest Date**	**Relative TSR Percentile Ranking**
October 2006	Tranche 3	October 2010	96.7th
October 2007	Tranche 2	October 2010	82.8th
April 2008	Tranche 2	April 2011	72.8th
October 2008	Tranche 1	Did not vest	-
April 2009	Tranche 1	Did not vest	-
Performance Options			
Grant Date	**Tranche**	**Vest Date**	**Compound Annual EPS Growth**
October 2006	Tranche 3	October 2010	26.41%
October 2007	Tranche 2	October 2010	18.57%
April 2008	Tranche 2	April 2011	18.58%
October 2008	Tranche 1	October 2010	13.48%
April 2009	Tranche 1	April 2011	13.44%

In 2010 the Board completed a comprehensive review of the PRP with independent advice provided by Ernst and Young and made a number of changes to the PRP design. Long term incentives in the form of Performance Rights and Performance Options were offered in the 2011 year 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 Executive Directors is in accordance with the resolution approved by shareholders at the 2010 annual general meeting.

The Board determined a maximum allocation value for Executive KMP and 13 other Senior Executives of $9.4 million in 2010/2011 for LTI equity awards comprising performance rights and performance options. 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 grant of long term incentives to Executive KMP including Executive Directors in 2011 is based on a percentage of fixed remuneration rising with job weight as noted in Table 6 below.

Table 6 – Executive KMP – Long Term Incentive in 2011

Executive KMP including Executive Directors	Rights and Options* as a % of Fixed Remuneration
Dr Brian McNamee	80%
Mr Peter Turner	75%
Mr Paul Perreault	75%
Mr Gordon Naylor	75%
Dr Andrew Cuthbertson	75%
Dr Jeff Davies	70%
Mr Gregory Boss	75%
Ms Mary Sontrop	70%
Ms Karen Etchberger	70%
Mr Edward Bailey	60%
Ms Jill Lever	60%

* The number of performance rights and performance options are 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 the October 2010 grant under the PRP 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;

- Both EPS and TSR measures (see Table 7) are applied to both Performance Rights and Performance Options;

- Each tranche of Performance Rights and Performance Options will have one retest opportunity in the event that performance hurdles are not met at the first testing date. If the performance hurdles are not met on the retest dates the instruments lapse; and

- The "Good Leaver" policy allows the Board in its absolute discretion, to determine that any or all of the 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. Those Performance Rights and Performance Options which do not lapse will generally be calculated on a pro-rated basis between the grant date and the employment end date. The pro-rated grants will be subject to the ongoing application of the vesting and expiry provisions of the PRP Rules.

- In the event of a Change in Control, the Board may determine the manner in which Performance Rights and Performance Options will be dealt with so that each participants remains in a financial position which is as near as possible to that which existed immediately prior to the Change of Control Event occurring.

The key characteristics and terms and conditions of Performance Rights and Performance Options granted in 2011 are summarised in Table 7.

LTI Business Performance Hurdles

Two types of quantitative performance hurdles are used to assess whether or not performance rights and performance options vest at the relevant testing dates. The use of these performance hurdles results in an alignment of long-term incentive rewards/outcomes with corporate performance and returns to shareholders. They increase the market competitiveness of Executive KMP remuneration and facilitate the attraction and retention of high calibre executives.

(i) Relative Total Shareholder Return (TSR)

A company's TSR is measured by reference to increases in share price between grant date and vesting date (or retest date where applicable) and by reference to dividends paid during those dates. Performance Rights and Performance Options subject to a TSR hurdle only start to vest when CSL's TSR places it at or above the 50^{th} percentile of relative TSR performance as compared against a peer group. The peer group is the ASX top 100 companies by market capitalisation (excluding commercial banks, oil and gas and metals and mining). The peer group of companies whose TSR performance is compared to CSL's is fixed at the date when a grant of rights and options is made. If on a test date, a de-listing occurs of companies in the peer group on grant date because of a merger into a new entity, the merged entities, both pre and post merger are excluded from the peer group.

(ii) Basic Earnings per Share (EPS)

Performance Rights and Performance Options subject to an EPS hurdle only 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 this has been done 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 7 – Key Characteristics of Performance Rights and Options granted 2011

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

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

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 2011 the aggregate number of CSL shares under (a) and (b) above was 0.99% 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 and long-term sustainability of the business, and the creation of shareholder value.

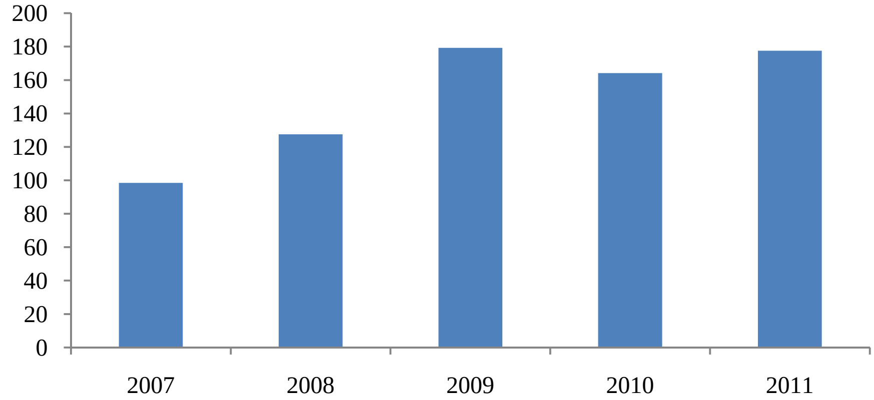
Performance objectives for short term incentive awards include a blend of financial, corporate and individual objectives and typically include targets in relation to contribution to earnings (in the respective operating currency), the successful implementation of strategic initiatives, management of operating expenses, customer service, behaviour that is consistent with the CSL Group values, risk management (including Health, Safety and Environment objectives) and portfolio management.

The creation of shareholder value is reflected in the Company's earnings per share (EPS) and Total Shareholder Return (TSR).

The payment of long-term equity rewards in the form of performance rights and performance options is linked to compound EPS (adjusted for significant one off events) and relative TSR. This is explained further on page 14.

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 8 below illustrates the Company's annual compound growth in basic EPS in respect of performance options granted in 2007, 2008, 2009 and 2010 respectively.

Table 8 – Annual Compound Growth in Basic EPS

Year of Grant	Compound EPS growth to end of financial year			
	2008	2009	2010	2011
2007	30%	35%	19%	15%
2008		41%	13%	11%
2009			-8%	-1%
2010				6%

The company's TSR performance over the relevant performance periods up to 30 June 2011 in respect of as yet unvested performance rights shown in Table 9 below is indicative and for information purposes. The formal TSR calculations will be undertaken at the vesting date.

Table 9 – Relative TSR Performance from Grant Date to 30 June 2011

Performance Right Issue	Indicative Relative TSR Percentile Ranking
October 2007	77.2%
April 2008	68.6%
October 2008	40.9%
April 2009	17.7%
October 2009	54.6%
October 2010	52.3%

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)

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 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 receive12 months salary (excluding non-cash benefits). New contracts from November 2009 contain provisions which explicitly limit termination payments in accordance with the changes implemented by the Australian Government 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. During 2010/2011, remuneration consulting services were provided by Guerdon Associates. Ernst & Young assisted in the design of a revised long-term incentive scheme which was introduced from 1 October 2010.

In 2011, Guerdon Associates was appointed as principal advisers on executive remuneration contracted by and reporting directly to the HRRC.
Remuneration for Australia based Executive KMP was primarily compared with: matched executives from an ASX 50 peer group comprising 18 ASX50 companies either side of CSL in market capitalisation such that CSL approximated to the 50^{th} percentile.

Remuneration for US based Executive KMP was primarily compared with 14 international biomedical and pharmaceutical companies where CSL approximated to the 50^{th} percentile on market capitalisation.

The comparison with relevant market data is an important input to the positioning of Executive KMP remuneration. In determining appropriate Executive KMP remuneration, the Board also take into consideration internal relativities, experience and performance.

Remuneration Tables

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

Directors' Report

Table 10 - Executive and Non-Executive Directors Remuneration

Directors	Year	Short-term benefits			Post employment			Other long-term		Share Based Payments			Total
		Cash salary and fees[1]	Cash bonus	Non-monetary benefits	Super-annuation	Retirement benefits	Termination Payments	Long service leave	Deferred Incentive	Performance rights[2]	Performance options[2]	Cash Settled Deferred Payment[5]	
		$	$	$	$	$		$	$	$	$		$
Executive Directors													
Dr Brian McNamee	**2011**	**2,503,863**	**1,359,666**	**-**	**49,999**	**-**	**-**	**168,630**	**679,833**	**865,915**	**862,939**	**-**	**6,490,845**
Managing Director	2010	2,195,406	1,260,000	-	50,000	-	-	110,918	630,000	851,712	985,329	-	6,083,365
Mr Peter Turner	**2011**	**1,094,863**	**538,053**	**16,127**	**243,231**	**-**	**-**	**80,896**	**-**	**380,123**	**375,124**	**68,742**	**2,797,159**
Executive Director	2010	1,115,605	593,866	13,330	247,735	-	-	88,077	-	338,256	415,303	-	2,812,172
Mr Tony Cipa[3]	**2011**	**764,477**	**-**	**-**	**21,071**	**-**	**500,523**	**18,773**	**-**	**22,948**	**33,842**	**-**	**1,361,634**
Finance Director	2010	937,292	350,366	-	19,668	-	-	98,327	-	93,968	14,969	-	1,514,590
Non-executive Directors													
Ms Elizabeth Alexander	**2011**	**527,294**	**-**	**-**	**22,706**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**550,000**
Chairman	2010	440,894	-	-	29,106	-	-	-	-	-	-	-	470,000
Mr John Akehurst	**2011**	**178,899**	**-**	**-**	**16,101**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**195,000**
Non-executive Director	2010	175,138	-	-	15,762	-	-	-	-	-	-	-	190,900
Mr David Anstice	**2011**	**192,661**	**-**	**-**	**17,339**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**210,000**
Non-executive Director	2010	185,138	-	-	16,662	-	-	-	-	-	-	-	201,800
Mr Ian Renard	**2011**	**201,835**	**-**	**-**	**18,165**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**220,000**
Non-executive Director	2010	195,138	-	-	17,562	-	-	-	-	-	-	-	212,700
Mr Maurice Renshaw	**2011**	**192,661**	**-**	**-**	**17,339**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**210,000**
Non-executive Director	2010	185,138	-	-	16,662	-	-	-	-	-	-	-	201,800
Professor John Shine	**2011**	**178,899**	**-**	**-**	**16,101**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**195,000**
Non-executive Director	2010	175,138	-	-	15,762	-	-	-	-	-	-	-	190,900
Mr David Simpson	**2011**	**211,009**	**-**	**-**	**18,991**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**230,000**
Non-executive Director	2010	200,138	-	-	18,012	-	-	-	-	-	-	-	218,150
Ms Christine O'Reilly[4] *Non-executive Director*	**2011**	**67,278**	**-**	**-**	**6,055**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**73,333**
Total of all Directors	**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**
	2010	5,805,025	2,204,232	13,330	446,931	-	-	297,322	630,000	1,283,936	1,415,601	-	12,096,377

[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] 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.

[3] 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 Annual General Meeting 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.

[4] Ms C O'Reilly was appointed Director from 16 February 2011 and her remuneration is referrable to services rendered from that date until 30 June 2011.

[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.

Table 11 - Non-Director Executive Key Management Personnel remuneration

Executive	Year	Short-term benefits			Post employment		Other Long-term			Share Based Payments			
		Cash salary and fees[5]	Cash Bonus[5]	Non-Monetary Benefits[5]	Super-annuation[5]	Retirement Benefits	Termination benefits	Long Service Leave	Deferred Incentive	Performance rights[6]	Performance options[6]	Cash Settled Deferred Payment[10]	Total
		$	$	$	$	$	$	$	$	$	$	$	$
Key Management Personnel													
Mr Paul Perreault[7] *President CSL Behring*	**2011**	**491,796**	**243,989**	**19,286**	**20,431**	**-**	**-**	**-**	**-**	**207,867**	**223,915**	**46,605**	**1,253,889**
	2010	500,955	252,467	21,889	20,832	-	-	-	-	192,564	249,460	-	1,238,167
Mr Gordon Naylor *Chief Financial Officer*	**2011**	**898,684**	**361,879**	**11,956**	**17,576**	**-**	**-**	**152,763**	**-**	**240,480**	**221,795**	**25,633**	**1,930,766**
	2010	507,545	222,328	39,868	22,109	-	-	65,485	-	149,426	222,863	-	1,229,624
Dr Andrew Cuthbertson *Chief Scientific Officer*	**2011**	**713,045**	**316,098**	**-**	**24,252**	**-**	**-**	**32,687**	**-**	**206,758**	**195,958**	**38,060**	**1,526,858**
	2010	625,063	311,831	2,458	36,137	-	-	45,681	-	192,344	219,090	-	1,432,604
Dr Jeff Davies *Executive VP, CSL Biotherapies*	**2011**	**430,268**	**167,174**	**-**	**119,882**	**-**	**-**	**33,408**	**-**	**177,641**	**188,058**	**36,895**	**1,153,326**
	2010	429,639	226,233	-	135,396	-	-	50,385	-	135,301	201,617	-	1,178,571
Mr Greg Boss *Group General Counsel*	**2011**	**494,107**	**219,570**	**19,285**	**19,119**	**-**	**-**	**-**	**-**	**172,261**	**169,731**	**32,235**	**1,126,308**
	2010	462,257	244,701	21,397	21,218	-	-	-	-	118,166	176,052	-	1,043,791
Ms Mary Sontrop[8] *Executive VP, Operations*	**2011**	**507,597**	**231,590**	**11,872**	**131,901**	**-**	**-**	**45,843**	**-**	**181,140**	**189,491**	**38,449**	**1,337,883**
	2010	375,374	236,618	1,035	144,963	-	-	25,781	-	136,087	202,910	-	1,122,768
Ms Karen Etchberger[9] *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 *Company Secretary*	**2011**	**388,386**	**117,180**	**-**	**16,400**	**-**	**-**	**33,717**	**-**	**79,178**	**61,366**	**10,098**	**706,325**
	2010	298,592	104,160	6,595	26,876	-	-	11,405	-	40,361	49,834	-	537,823
Ms Jill Lever *Senior VP, Human Capital*	**2011**	**365,570**	**168,912**	**-**	**34,569**	**-**	**-**	**11,730**	**-**	**72,713**	**60,070**	**9,321**	**722,885**
	2010	331,680	108,800	-	28,073	-	-	7,798	-	25,584	37,648	-	539,583
Total KMP remuneration	**2011**	**4,667,649**	**1,998,690**	**88,990**	**406,827**	**-**	**-**	**310,148**	**-**	**1,461,762**	**1,431,585**	**255,938**	**10,621,589**
	2010	3,531,105	1,707,138	93,242	435,604	-	-	206,535	-	989,833	1,359,474	-	8,322,931

[5] 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, Ms Sontrop and Ms Etchberger are impacted by the AUD/USD exchange rate. All other executives listed in Table 11 receive remuneration which is solely denominated in Australian dollars.

[6] The options and rights have been valued using a combination of the Binomial and Black Scholes option valuation methodologies as at the grant date adjusted for the probability of 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.

[7] Mr Perreault's appointment as President CSL Behring Designate was announced to the ASX in March 2011. He assumed the role on 1 July 2011. The 2010 remuneration report disclosed his remuneration as he was one of the top five remunerated executives in that year. His total remuneration disclosed for the 2011 is attributable to a 12 month period rather than solely to the period subsequent to his appointment to his present role.

[8] Ms Sontrop relocated to the US to assume the role of Executive Vice President Operations CSL Behring from 1 April 2010. Her 2010 remuneration represents her remuneration for a 12 month period ending 30 June 2010.

[9] Ms Etchberger is the Executive Vice President Plasma, Supply Chain and IT and is an Executive KMP.

[10] The fair value of the cash settled deferred payment (EDIP) has been measured by reference to the CSL share price at reporting date, adjusted for the dividend yield and the number of days left in the vesting period.

Executive Key Management Personnel

Fixed and Performance Remuneration Components

Table 12 - Executive KMP remuneration components in the 2011 year

Remuneration Components as a Proportion of Total Remuneration	Fixed Remuneration[1]	Variable Remuneration					Total (100%)
		Cash Based Bonuses[2]	Share Based Payments			Total	
			Performance rights	Performance options	Cash Settled Deferred Payment		
Executive Directors							
Dr Brian McNamee	42%	32%	13%	13%	-	58%	100%
Mr Peter Turner	51%	19%	14%	13%	3%	49%	100%
Mr Tony Cipa	96%	-	2%	2%	-	4%	100%
Other Executives							
Mr Paul Perreault	42%	19%	17%	18%	4%	58%	100%
Mr Gordon Naylor	56%	18%	13%	12%	1%	44%	100%
Dr Andrew Cuthbertson	50%	20%	14%	13%	3%	50%	100%
Dr Jeff Davies	51%	15%	15%	16%	3%	49%	100%
Mr Greg Boss	47%	20%	15%	15%	3%	53%	100%
Ms Mary Sontrop	52%	17%	14%	14%	3%	48%	100%
Ms Karen Etchberger	50%	20%	14%	14%	2%	50%	100%
Mr Edward Bailey	62%	17%	11%	9%	1%	38%	100%
Ms Jill Lever	57%	23%	10%	9%	1%	43%	100%

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

[2]Cash based bonuses include amounts awarded which are due and payable shortly after the conclusion of the financial year as well as that component of Dr McNamee's entitlement which is subject to deferred settlement terms.

Table 13 - Executive KMP performance remuneration components in the 2011 year

Key management person	Cash incentives[1]			Accounting Values being amortised in respect of the 2011 Share Based Payment grants in future years[2]				Remuneration consisting of Share Based Payments	Grant date value of options & rights granted during 2011	Reporting date value of EDIP granted during 2011[3]	Value of options & rights exercised during 2011 at exercise date[4]
	Maximum short-term incentive potential	Percentage Awarded[1]	Percentage Not Awarded[1]	2012 $	2013 $	2014 $	2015 $	%	$	$	$
Executive Directors											
Dr Brian McNamee	90%	90%	10%	589,194	587,584	336,370	63,445	26%	2,014,464	-	8,021,027
Mr Peter Turner	50%	100%	0%	355,720	354,748	173,524	28,344	30%	899,960	276,736	1,227,654
Mr Tony Cipa	50%	-	-	-	-	-	-	4%	-	-	7,326,118
Other executives											
Mr Paul Perreault	50%	100%	0%	181,484	180,988	83,571	12,790	39%	406,088	187,618	810,615
Mr Gordon Naylor	50%	85%	15%	221,252	220,647	115,292	20,111	26%	638,539	103,190	599,139
Dr Andrew Cuthbertson	50%	90%	10%	205,316	204,755	100,850	16,594	30%	526,879	153,221	1,194,647
Dr Jeff Davies	50%	65%	35%	154,914	154,491	72,577	11,335	34%	359,913	148,531	-
Mr Greg Boss	50%	90%	10%	162,148	161,705	78,710	12,790	33%	406,088	129,769	357,420
Ms Mary Sontrop	50%	95%	5%	162,191	161,748	76,063	11,894	31%	377,646	154,785	129,372
Ms Karen Etchberger	50%	90%	10%	112,020	111,714	55,937	9,361	30%	297,235	75,047	98,496
Mr Edward Bailey	40%	75%	25%	82,140	81,916	42,552	7,382	21%	234,383	40,651	142,733
Ms Jill Lever	40%	100%	0%	77,038	76,828	39,973	6,945	20%	220,513	37,524	-

[1] Cash incentives awarded and not awarded relate to the period ended 30 June 2011. All cash incentive amounts are payable in full shortly after the conclusion of the 30 June 2011 financial year with the exception of that component of Dr McNamee’s cash incentive that is subject to deferred settlement.

The extent to which executives meet and exceed their annual performance objectives determines the level of award received. To be awarded 100% of the potential short-term incentive, the executive is required to have exceeded all performance objectives.

[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 2011.

[3] The value of the EDIP 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 2011.

[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 2011.

Executive Key Management Personnel

Options and Rights Holdings

Table 14 - Executive KMP performance right holdings

Key management person	Balance at 1 July 2010	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2011	Number Vested during the year	Balance at 30 June 2011	
							Vested and exercisable	Unvested
Executive Directors								
Mr Brian McNamee	119,240	61,020	61,356	-	118,904	27,189	-	118,904
Mr Peter Turner	35,289	27,260	10,077	-	52,472	10,077	-	52,472
Mr Tony Cipa	186,060	-	172,668	13,392	-	10,077	-	-
Other executives								
Mr Paul Perreault	20,846	12,300	5,322	-	27,824	5,322	-	27,824
Mr Gordon Naylor	18,362	19,340	3,702	-	34,000	3,702	-	34,000
Mr Andrew Cuthbertson	23,480	15,960	10,512	-	28,928	5,772	-	28,928
Dr Jeff Davies	31,710	10,900	-	-	42,610	3,696	18,666	23,944
Mr Greg Boss	14,767	12,300	3,303	-	23,764	3,303	-	23,764
Ms Mary Sontrop	16,830	11,440	3,738	-	24,532	3,738	-	24,532
Ms Karen Etchberger	10,972	9,000	2,880	-	17,092	2,880	-	17,092
Mr Edward Bailey	6,740	7,100	-	-	13,840	1,125	2,532	11,308
Ms Jill Lever	3,620	6,680	-	-	10,300	-	-	10,300
Total	**487,916**	**193,300**	**273,558**	**13,392**	**394,266**	**76,881**	**21,198**	**373,068**

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 2006 and 2009

LTI Grant years	Tranche	Proportion of Grant	Tranche comprises		Applicable performance hurdle		Vesting Period years	Re-test opportunities
			Performance Options	Performance Rights	Performance Options and	Performance Rights		
2006 - 2009	1	25%	60%	40%	EPS / TSR		2	3
	2	35%	60%	40%			3	2
	3	40%	60%	40%			4	1

LTI Grant years	Level of performance at the expiration of the vesting period (or later period where applicable)		Amount of grant which vests
2006-2009	Options	EPS growth>10% compound	100%
	Rights	At or above 50th percentile in relative TSR performance	100%

Table 16 - The terms and conditions of the performance rights granted to Executive KMP in the 2010 and 2011 financial years

Terms and Conditions for Performance right grants during 2010 and 2011				
Grant Date	**Tranche**	**Value per Right at Grant Date**	**First Exercise Date**	**Last Exercise Date**
1 October 2009	1	28.91	30 September 2011	30 September 2014
1 October 2009	2	27.72	30 September 2012	30 September 2014
1 October 2009	3	26.31	30 September 2013	30 September 2014
1 October 2010	1	26.59	30 September 2013	30 September 2015
1 October 2010	2	26.23	30 September 2014	30 September 2015

Table 17 - Shares issued to Executive KMP on exercise of performance rights during 2011

Executive	Date Performance Rights Granted	Number of shares issued
Dr Brian McNamee	2 October 2006	46,920
	1 October 2007	14,436
Mr Peter Turner	2 October 2006	6,864
	1 October 2007	3,213
Mr Tony 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
Mr Paul Perreault	2 October 2006	3,096
	1 October 2007	2,226
Mr Gordon Naylor	2 October 2006	2,232
	1 October 2007	1,470
Dr Andrew Cuthbertson	2 October 2006	7,200
	1 October 2007	3,312
Mr Greg Boss	2 October 2006	2,232
	1 October 2007	1,071
Ms Mary Sontrop	2 October 2006	2,520
	1 October 2007	1,218
Ms Karen Etchberger	2 October 2006	1,872
	1 October 2007	1,008

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

Options and Rights Holdings

Table 18 - Executive KMP option holdings

Key management person	Balance at 1 July 2010	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2011	Number Vested during the year	Balance at 30 June 2011	
							Vested and exercisable	Unvested
Executive Directors								
Dr Brian McNamee	411,740	46,420	158,760	-	299,400	109,398	65,304	234,096
Mr Peter Turner	131,216	20,740	23,256	-	128,700	42,081	26,250	102,450
Mr Tony Cipa	121,560	-	58,140	63,420	-	42,081	-	-
Other executives								
Mr Paul Perreault	87,400	9,360	19,620	-	77,140	22,400	17,051	60,089
Mr Gordon Naylor	75,160	14,720	14,220	-	75,660	17,126	12,947	62,713
Dr Andrew Cuthbertson	81,230	12,140	24,390	-	68,980	23,434	14,866	54,114
Dr Jeff Davies	74,620	8,300	-	-	82,920	16,902	32,361	50,559
Mr Greg Boss	54,744	9,360	7,584	-	56,520	14,809	9,700	46,820
Ms Mary Sontrop	62,296	8,700	-	-	70,996	17,049	19,869	51,127
Ms Karen Etchberger	41,012	6,860	-	-	47,872	12,033	14,373	33,499
Mr Edward Bailey	19,420	5,400	4,320	-	20,500	3,060	1,887	18,613
Ms Jill Lever	13,660	5,080	-	-	18,740	-	-	18,740
Total	**1,174,058**	**147,080**	**310,290**	**63,420**	**947,428**	**320,373**	**214,608**	**732,820**

Table 19- Terms and conditions of the options granted to Executive KMP (amongst others) during 2010 and 2011

Terms and Conditions for Options grant during 2010 and 2011				
Grant Date	Tranche	Value per Option at Grant Date	First Exercise Date	Last Exercise Date
1 October 2009	1	10.34	30 September 2011	30 September 2014
1 October 2009	2	10.87	30 September 2012	30 September 2014
1 October 2009	3	11.36	30 September 2013	30 September 2014
1 October 2010	1	8.46	30 September 2013	30 September 2015
1 October 2010	2	8.90	30 September 2014	30 September 2015

Table 20 - Shares issued to Executive KMP on exercise of options during 2011

Executive	Date Options Granted	Number of shares issued	$ amount paid per share	$ amount unpaid per share
Dr Brian McNamee	2 October 2006	158,760	17.48	-
Mr Peter Turner	2 October 2006	23,256	17.48	-
Mr Tony Cipa	2 October 2006	58,140	17.48	-
Mr Paul Perreault	2 October 2006	19,620	17.48	-
Mr Gordon Naylor	2 October 2006	14,220	17.48	-
Dr Andrew Cuthbertson	2 October 2006	24,390	17.48	-
Mr Greg Boss	2 October 2006	7,584	17.48	-
Mr Edward Bailey	2 October 2006	4,320	17.48	-

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

Directors' Report

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

Elizabeth Alexander, AM (Director)

Brian A McNamee, AO (Director)
Melbourne
17 August 2011

Ernst & Young

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

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

Auditor's Independence Declaration to the Directors of CSL Limited

In relation to our audit of the financial report of CSL Limited for the financial year ended 30 June 2011, 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
17 August 2011

CSL Limited

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2011

		Consolidated Group	
		2011	2010
	Notes	**$000**	$000
Continuing operations			
Sales revenue	**3**	**4,187,554**	4,455,821
Cost of sales		**(2,128,873)**	(2,184,850)
Gross profit		**2,058,681**	2,270,971
Other revenues	**3**	**134,014**	171,123
Research and development expenses		**(325,146)**	(316,722)
Selling and marketing expenses		**(440,091)**	(489,399)
General and administration expenses	**3**	**(214,858)**	(238,361)
Finance costs	**3**	**(14,481)**	(18,157)
Profit before income tax expense		**1,198,119**	1,379,455
Income tax expense	**4**	**(257,518)**	(326,554)
Profit attributable to members of the parent company	**22**	**940,601**	1,052,901
Other comprehensive income			
Exchange differences on translation of foreign operations, net of hedges on foreign investments	**21**	**(193,438)**	(276,237)
Actuarial gains/(losses) on defined benefit plans, net of tax	**22**	**(11,201)**	7,667
Mark to Market adjustment on available-for-sale financial assets	**21**	**(913)**	-
Total of other comprehensive income/(expenses)		**(205,552)**	(268,570)
Total comprehensive income for the period	**24**	**735,049**	784,331

Earnings per share	**5**	**Cents**	Cents
Basic earnings per share		**174.01**	185.77
Diluted earnings per share		**173.60**	185.19

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 2011

		Consolidated Group	
		2011	2010
	Notes	**$000**	$000
CURRENT ASSETS			
Cash and cash equivalents	**6**	**479,403**	1,001,059
Trade and other receivables	**7**	**808,651**	883,002
Inventories	**8**	**1,455,995**	1,454,616
Other financial assets	**9**	**17,993**	479
Total Current Assets		**2,762,042**	3,339,156
NON-CURRENT ASSETS			
Trade and other receivables	**7**	**4,544**	7,570
Other financial assets	**9**	**2,280**	4,589
Property, plant and equipment	**10**	**1,207,288**	1,207,839
Deferred tax assets	**11**	**174,206**	191,410
Intangible assets	**12**	**915,049**	955,513
Retirement benefit assets	**13**	**2,588**	4,967
Total Non-Current Assets		**2,305,955**	2,371,888
TOTAL ASSETS		**5,067,997**	5,711,044
CURRENT LIABILITIES			
Trade and other payables	**14**	**493,506**	485,403
Interest-bearing liabilities and borrowings	**15**	**226,214**	25,984
Current tax liabilities	**16**	**131,729**	176,809
Provisions	**17**	**88,620**	95,697
Deferred government grants	**18**	**995**	995
Derivative financial instruments	**19**	**5,054**	1,991
Total Current Liabilities		**946,118**	786,879
NON-CURRENT LIABILITIES			
Trade and other payables	**14**	**3,983**	-
Interest-bearing liabilities and borrowings	**15**	**190,030**	436,219
Deferred tax liabilities	**11**	**122,202**	114,822
Provisions	**17**	**28,470**	30,924
Deferred government grants	**18**	**18,910**	10,605
Retirement benefit liabilities	**13**	**113,924**	116,401
Total Non-Current Liabilities		**477,519**	708,971
TOTAL LIABILITIES		**1,423,637**	1,495,850
NET ASSETS		**3,644,360**	4,215,194
EQUITY			
Contributed equity	**20**	**253,896**	1,139,228
Reserves	**21**	**(421,635)**	(242,615)
Retained earnings	**22**	**3,812,099**	3,318,581
TOTAL EQUITY	**24**	**3,644,360**	4,215,194

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 2011

Consolidated Group	Notes	Ordinary shares $000	Foreign currency translation reserve $000	Share based payment reserve $000	Available-for-sale investment reserve $000	Retained earnings $000	Total $000
At 1 July 2010		**1,139,228**	**(326,778)**	**84,163**	**-**	**3,318,581**	**4,215,194**
Profit for the period		-		-	**-**	**940,601**	**940,601**
Other comprehensive income		-	**(193,438)**	**-**	**(913)**	**(11,201)**	**(205,552)**
Total comprehensive income for the full year		**-**	**(193,438)**	**-**	**(913)**	**929,400**	**735,049**
Transactions with owners in their capacity as owners							
Share based payments	21	**-**	-	**15,331**	-	-	**15,331**
Dividends	23	**-**	-	-	**-**	**(435,882)**	**(435,882)**
Share buy back	20	**(900,000)**	-	-	-	-	**(900,000)**
Share issues							
- Employee share scheme	20	**14,668**	-	-	-	-	**14,668**
Balance as at 30 June 2011		**253,896**	**(520,216)**	**99,494**	**(913)**	**3,812,099**	**3,644,360**
At 1 July 2009		2,760,207	(50,541)	65,739	-	2,687,490	5,462,895
Profit for the period		-	-	-	-	1,052,901	1,052,901
Other comprehensive income		-	(276,237)	-	-	7,667	(268,570)
Total comprehensive income for the full year		-	(276,237)	-	-	1,060,568	784,331
Transactions with owners in their capacity as owners							
Share based payments	21	-	-	18,424	-	-	18,424
Dividends	23	-	-	-	-	(429,477)	(429,477)
Share buy back	20	(1,640,584)	-	-	-	-	(1,640,584)
Capital raising tax benefit	20	9,341	-	-	-	-	9,341
Share issues							
- Employee share scheme	20	10,264	-	-	-	-	10,264
Balance as at 30 June 2010		1,139,228	(326,778)	84,163	-	3,318,581	4,215,194

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

CSL Limited

Consolidated Cash Flow Statement

for the year ended 30 June 2011

	Notes	Consolidated Group 2011 $000	2010 $000
Cash flows from Operating Activities			
Receipts from customers		**4,302,820**	4,543,363
Payments to suppliers and employees		**(3,012,454)**	(3,213,925)
Cash generated from operations		**1,290,366**	1,329,438
Income taxes paid		**(288,651)**	(179,822)
Interest received		**30,399**	39,210
Finance costs paid		**(13,995)**	(20,334)
Net cash inflow from operating activities	**25**	**1,018,119**	1,168,492
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		**320**	641
Payments for property, plant and equipment		**(198,472)**	(244,288)
Payments for intangible assets		**(13,738)**	(51,926)
Receipts from other financial assets		**2,248**	2,619
Net cash outflow from investing activities		**(209,642)**	(292,954)
Cash flows from Financing Activities			
Proceeds from issue of shares		**16,626**	13,194
Dividends paid	**23**	**(435,882)**	(429,477)
Proceeds from borrowings		**49,256**	-
Repayment of borrowings		**(18,292)**	(214,821)
Payment for shares bought back		**(900,000)**	(1,721,317)
Payment for settlement of finance hedges		**(302)**	(126)
Net cash outflow from financing activities		**(1,288,594)**	(2,352,547)
Net increase/(decrease) in cash and cash equivalents		**(480,117)**	(1,477,009)
Cash and cash equivalents at the beginning of the financial year		**994,505**	2,522,192
Exchange rate variations on foreign cash and cash equivalent balances		**(35,569)**	(50,678)
Cash at the end of the financial year	**25**	**478,819**	994,505

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 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 17 August 2011.

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 thousand dollars.

Adoption of accounting standards

The group has adopted the following accounting standards that became effective during the year: AASB 2009-5, AASB 2009-8, AASB 2009-10 and AASB 2010-3. The major changes that affect the Group are in the classification of leases for land, classification of cash flows, share based payments expense and classification of financial instruments. 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 in the balance sheet comprise cash on hand, at call deposits with banks or financial institutions and investments in money market instruments with original maturities of 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 as lessee 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 profit or loss.

(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

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 2011 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 9, AASB 124, AASB 1054, AASB 2009-11, AASB 2009-12, AASB 2009-14, AASB 2010-2, AASB 2010-4, AASB 2010-5, AASB 2010-6, AASB 2010-7, AASB 2010-8, AASB 2011-1, AASB 2011-2, IFRS 10, IFRS 11, IFRS 12 and IFRS 13

The amendments prescribe certain recognition, measurement and disclosure rules in respect of certain types of transactions, assets and liabilities. In many instances where the amendments are relevant to the preparation of the Group's financial statements they generally clarify that the accounting policies historically adopted by the Group are now mandatory. 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.

2 Segment Information (continued)

	CSL Behring 2011 $000	Intellectual Property Licensing 2011 $000	Other Human Health 2011 $000	Intersegment Elimination 2011 $000	Consolidated Group 2011 $000
Sales to external customers	**3,452,395**	**-**	**735,159**	**-**	**4,187,554**
Inter-segment sales	**116,947**	**-**	**2,643**	**(119,590)**	**-**
Other revenue / other income (excl interest income)	**4,995**	**95,730**	**4,797**	**-**	**105,522**
Total segment revenue	**3,574,337**	**95,730**	**742,599**	**(119,590)**	**4,293,076**
Interest income					**28,354**
Unallocated revenue / income					**138**
Consolidated revenue					**4,321,568**
Segment EBIT	**1,061,726**	**82,809**	**71,685**	**-**	**1,216,220**
Unallocated revenue / income less unallocated costs					**(31,974)**
Consolidated EBIT					**1,184,246**
Interest income					**28,354**
Finance costs					**(14,481)**
Consolidated profit before tax					**1,198,119**
Income tax expense					**(257,518)**
Consolidated net profit after tax					**940,601**
Amortisation	**26,811**	**-**	**10,730**	**-**	**37,541**
Depreciation	**92,571**	**-**	**37,677**	**-**	**130,248**
Segment EBITDA	**1,181,108**	**82,809**	**120,092**	**-**	**1,384,009**
Unallocated revenue / income less unallocated costs					**(31,974)**
Unallocated depreciation and amortisation					**4,853**
Consolidated EBITDA					**1,356,888**
Segment assets	4,172,616	16,534	911,861	(109,440)	4,991,571
Other unallocated assets					321,515
Elimination of amounts between operating segments and unallocated					(245,089)
Total assets					**5,067,997**
Segment liabilities	1,146,676	3,710	351,340	(109,440)	1,392,286
Other unallocated liabilities					276,440
Elimination of amounts between operating segments and unallocated					(245,089)
Total liabilities					**1,423,637**
Other information - capital expenditure					
Property, plant and equipment	122,618	-	75,854	-	**198,472**
Payments for intellectual property	-	-	-	-	**-**
Payments for software intangibles	13,738	-	-	-	**13,738**
Total capital expenditure	136,356	-	**75,854**	-	**212,210**

2 Segment Information (continued)

	CSL Behring 2010 $000	Intellectual Property Licensing 2010 $000	Other Human Health 2010 $000	Intersegment Elimination 2010 $000	Consolidated Group 2010 $000
Sales to external customers	3,497,821	-	958,000	-	4,455,821
Inter-segment sales	126,966	-	276	(127,242)	-
Other revenue / other income (excl interest income)	5,746	111,530	8,303	-	125,579
Total segment revenue	3,630,533	111,530	966,579	(127,242)	4,581,400
Interest income					40,485
Unallocated revenue / income					5,059
Consolidated revenue					4,626,944
Segment EBIT	1,130,546	96,295	160,473	-	1,387,314
Unallocated revenue / income less unallocated costs					(30,187)
Consolidated EBIT					1,357,127
Interest income					40,485
Finance costs					(18,157)
Consolidated profit before tax					1,379,455
Income tax expense					(326,554)
Consolidated net profit after tax					1,052,901
Amortisation	26,708	-	4,180	-	30,888
Depreciation	86,263	-	37,188	-	123,451
Segment EBITDA	1,243,517	96,295	201,841	-	1,541,653
Unallocated revenue / income less unallocated costs					(30,187)
Unallocated depreciation and amortisation					2,276
Consolidated EBITDA					1,513,742
Segment assets	4,288,442	23,029	796,575	(76,771)	5,031,275
Other unallocated assets					1,325,883
Elimination of amounts between operating segments and unallocated					(646,114)
Total assets					5,711,044
Segment liabilities	1,195,279	4,181	722,224	(76,771)	1,844,913
Other unallocated liabilities					297,051
Elimination of amounts between operating segments and unallocated					(646,114)
Total liabilities					1,495,850
Other information - capital expenditure					
Property, plant and equipment	163,511	-	80,777	-	244,288
Payments for intellectual property	30,935	-	-	-	30,935
Payments for software intangibles	20,991	-	-	-	20,991
Total capital expenditure	215,437	-	80,777	-	296,214

2 Segment Information (continued)

Geographic areas	Australia	United States	Switzerland	Germany	Rest of world	Total
June 2011	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
External sales revenue	**527,892**	**1,605,511**	**156,843**	**644,575**	**1,252,733**	**4,187,554**
Property, plant, equipment and intangible assets	**478,272**	**368,620**	**1,008,203**	**251,803**	**15,439**	**2,122,337**
June 2010						
External sales revenue	620,757	1,742,487	153,607	675,843	1,263,127	4,455,821
Property, plant, equipment and intangible assets	454,473	445,479	992,360	251,638	19,402	2,163,352

	Consolidated Group	
	2011 $000	2010 $000
3 Revenue and expenses from continuing operations		
Revenue		
Sales revenue	**4,187,554**	4,455,821
Other revenue		
Royalties and licence revenue	**95,730**	111,530
Finance revenue	**28,354**	40,485
Rent	**1,028**	1,003
Other revenue	**8,902**	18,105
Total other revenues	**134,014**	171,123
Total revenue from continuing operations	**4,321,568**	4,626,944
Finance revenue comprises:		
Interest income:		
Other persons and/or corporations	**28,354**	40,395
Key management personnel and other staff	**-**	90
	28,354	40,485
Finance costs		
Interest expense:		
Other persons and/or corporations	**14,481**	18,157
Total finance costs	**14,481**	18,157

		Consolidated Group	
		2011	2010
	Notes	**$000**	$000
3 Revenue and expenses (continued)			
Depreciation and amortisation			
Depreciation and amortisation of fixed assets			
Building depreciation	**10**	**12,430**	12,302
Plant and equipment depreciation	**10**	**114,715**	105,741
Leased property, plant and equipment amortisation	**10**	**3,062**	3,445
Leasehold improvements amortisation	**10**	**4,895**	4,239
Total depreciation and amortisation of fixed assets		**135,102**	125,727
Amortisation of intangibles			
Intellectual property	**12**	**22,749**	23,433
Software	**12**	**8,241**	7,455
Total amortisation of intangibles		**30,990**	30,888
Impairment loss			
Intellectual property	**12**	**6,550**	-
Total depreciation, amortisation and impairment expense		**172,642**	156,615
Other expenses			
Write-down of inventory to net realisable value		**50,567**	71,863
Doubtful debts		**24,866**	10,823
Net loss on disposal of property, plant and equipment		**1,279**	1,168
Net foreign exchange loss		**14,588**	10,312
Lease payments and related expenses			
Rental expenses relating to operating leases		**31,918**	39,504
Employee benefits expense			
Salaries and wages		**914,352**	975,321
Defined benefit plan expense	**26(a)**	**20,315**	21,526
Defined contribution plan expense	**26(b)**	**19,422**	19,901
Share based payments expense (LTI)	**21**	**14,488**	16,725
Share based payments expense (EDIP)	**14**	**3,983**	-
		972,560	1,033,473

		Consolidated Group	
		2011	2010
	Notes	**$000**	$000
4 Income tax expense			
Income tax expense recognised in the statement of comprehensive income			
Current tax expense			
Current year		**261,858**	304,252
Deferred tax expense			
Origination and reversal of temporary differences	**11**	**4,549**	34,253
Tax losses recognised		**(50)**	-
		4,499	34,253
Over provided in prior years		**(8,839)**	(11,951)
Income tax expense		**257,518**	326,554

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:

		2011	2010
Accounting profit before income tax		**1,198,119**	1,379,455
Income tax calculated at 30% (2010: 30%)		**359,436**	413,836
Research and development		**(13,973)**	(13,569)
Other non-deductible items		**5,762**	1,388
Utilisation of tax losses/unrecognised deferred tax		**(50)**	-
Revaluation of deferred tax balances		**-**	58
Effects of different rates of tax on overseas income		**(84,818)**	(63,208)
Over provision in prior year		**(8,839)**	(11,951)
Income tax expense		**257,518**	326,554
Income tax recognised directly in equity			
Deferred tax benefit			
Share based payments		**(3,508)**	1,699
Capital raising costs		**-**	5,636
Income tax benefit recognised in equity	**11**	**(3,508)**	7,335

	Consolidated Group	
	2011	2010
	$000	$000
5 Earnings Per Share		
Earnings used in calculating basic and dilutive earnings per share comprises:		
Profit attributable to ordinary shareholders	**940,601**	1,052,901

	Number of shares	
	2011	2010
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	**540,530,188**	566,781,567
Effect of dilutive securities:		
Employee options	**273,892**	444,613
Employee performance rights	**1,002,133**	1,336,412
Global employee share plan	**4,903**	312
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share:	**541,811,116**	568,562,904

Conversions, calls, subscription or issues after 30 June 2011

Subsequent to 30 June 2011, no 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	
	2011	2010
	$000	$000
6 Cash and cash equivalents		
Cash at bank and on hand	**294,883**	257,756
Cash deposits	**184,520**	743,303
	479,403	1,001,059

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	**734,366**	827,078
Less: Provision for impairment loss *(i)*	**(22,891)**	(25,615)
	711,475	801,463
Sundry receivables	**67,084**	54,911
Prepayments	**30,092**	26,628
Carrying amount of current trade and other receivables*	**808,651**	883,002
Non Current		
Related parties		
Loans to key management personnel – other executives**	**-**	979
Loans to other employees	**1,093**	2,499
Long term deposits	**3,451**	4,092
Carrying amount of non current trade and other receivables*	**4,544**	7,570

*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.

**Further information relating to loans to key management personnel is set out in note 28.

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

As at 30 June 2011, the Group had current trade receivables which were impaired and had a nominal value of $22,891,265 (2010: $25,614,775). 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	**25,615**	20,254
Additional allowance / (utilised)	**(1,227)**	8,693
Currency translation differences	**(1,497)**	(3,332)
Closing balance at 30 June	**22,891**	25,615

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	
		2011	2010
		$000	$000
8	**Inventories**		
	Raw materials and stores – at cost	**290,763**	300,107
	Less: Allowance for diminution in value	**(5,489)**	(11,306)
	Raw materials and stores – net	**285,274**	288,801
	Work in progress – at cost	**496,132**	570,121
	Less: Allowance for diminution in value	**(33,662)**	(37,530)
	Work in progress – net	**462,470**	532,591
	Finished goods – at cost	**733,612**	653,012
	Less: Allowance for diminution in value	**(25,361)**	(19,788)
	Finished goods - net	**708,251**	633,224
	Total inventories at the lower of cost and net realisable value	**1,455,995**	1,454,616

9	**Other financial assets**		
	Current		
	At fair value through the profit or loss:		
	Managed financial assets (held for trading)	**2,745**	479
	Available-for-sale financial assets	**15,248**	-
	Total current other financial assets as at 30 June	**17,993**	479
	Non-current		
	At fair value through the profit or loss:		
	Managed financial assets	**2,280**	4,589
	Total non-current other financial assets as at 30 June	**2,280**	4,589

		Consolidated Group	
		2011	2010
		$000	$000
10	**Property, Plant and Equipment**		
	Land at cost		
	Opening balance 1 July	**25,494**	25,589
	Currency translation differences	**(187)**	(95)
	Closing balance 30 June	**25,307**	25,494
	Buildings at cost		
	Opening balance 1 July	**275,036**	266,756
	Transferred from capital work in progress	**15,886**	21,936
	Other additions	**130**	509
	Disposals	**(410)**	(476)
	Transfers	**(327)**	-
	Currency translation differences	**(6,442)**	(13,689)
	Closing balance 30 June	**283,873**	275,036
	Accumulated depreciation and impairment losses		
	Opening balance 1 July	**66,411**	58,702
	Depreciation for the year	**12,430**	12,302
	Disposals	**(374)**	(236)
	Currency translation differences	**(1,734)**	(4,357)
	Closing balance 30 June	**76,733**	66,411
	Net book value of buildings	**207,140**	208,625
	Net book value of land and buildings	**232,447**	234,119
	Leasehold improvements at cost		
	Opening balance 1 July	**67,084**	67,479
	Transferred from capital work in progress	**14,975**	6,617
	Other additions	**1,168**	900
	Disposals	**(5,721)**	(5,952)
	Transfers	**503**	-
	Currency translation differences	**(14,236)**	(1,960)
	Closing balance 30 June	**63,773**	67,084
	Accumulated amortisation and impairment		
	Opening balance 1 July	**26,863**	29,611
	Amortisation for the year	**4,895**	4,239
	Disposals	**(5,416)**	(5,539)
	Transfers	**63**	-
	Currency translation differences	**(6,371)**	(1,448)
	Closing balance 30 June	**20,034**	26,863
	Net book value of leasehold improvements	**43,739**	40,221

		Consolidated Group	
		2011	2010
		$000	$000
10	**Property, Plant and Equipment (continued)**		
	Plant and equipment at cost		
	Opening balance 1 July	**1,405,733**	1,321,694
	Transferred from capital work in progress	**207,080**	218,655
	Other additions	**26,958**	6,085
	Disposals	**(34,874)**	(28,638)
	Transfers	**(176)**	-
	Transfers to intangibles	**(1,852)**	-
	Currency translation differences	**(87,977)**	(112,063)
	Closing balance 30 June	**1,514,892**	1,405,733
	Accumulated depreciation and impairment		
	Opening balance 1 July	**738,258**	725,632
	Depreciation for the year	**114,715**	105,741
	Disposals	**(34,160)**	(27,968)
	Transfers	**(63)**	-
	Currency translation differences	**(56,695)**	(65,147)
	Closing balance 30 June	**762,055**	738,258
	Net book value of plant and equipment	**752,837**	667,475
	Leased property, plant and equipment at cost		
	Opening balance 1 July	**37,470**	45,293
	Other additions	**1,051**	1,478
	Disposals	**(1,350)**	(992)
	Currency translation differences	**(4,352)**	(8,309)
	Closing balance 30 June	**32,819**	37,470
	Accumulated amortisation and impairment		
	Opening balance	**14,201**	15,947
	Amortisation for the year	**3,062**	3,445
	Disposals	**(817)**	(617)
	Currency translation differences	**(2,078)**	(4,574)
	Closing balance 30 June	**14,368**	14,201
	Net book value of leased property, plant and equipment	**18,451**	23,269
	Capital work in progress		
	Opening balance 1 July	**242,755**	265,647
	Other additions	**170,216**	236,794
	Disposals	**(6)**	(65)
	Transferred to buildings at cost	**(15,886)**	(21,936)
	Transferred to plant and equipment at cost	**(207,080)**	(218,655)
	Transferred to leasehold improvements at cost	**(14,975)**	(6,617)
	Transfers to intangibles	**(3,451)**	-
	Currency translation differences	**(11,759)**	(12,413)
	Closing balance 30 June	**159,814**	242,755
	Total net book value of property, plant and equipment	**1,207,288**	1,207,839

	Consolidated Group	
	2011	2010
	$000	$000

11 Deferred tax assets and liabilities

	2011 $000	2010 $000
Deferred tax asset	**174,206**	191,410
Deferred tax liability	**(122,202)**	(114,822)
Net deferred tax asset/(liability)	**52,004**	76,588
Deferred tax balances reflect temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Trade and other receivables	**(4,286)**	(6,797)
Inventories	**69,899**	73,144
Property, plant and equipment	**(63,869)**	(54,373)
Intangible assets	**(36,950)**	(29,482)
Other assets	**1,285**	(128)
Trade and other payables	**8,641**	7,385
Interest bearing liabilities	**3,958**	4,152
Other liabilities and provisions	**33,212**	39,769
Retirement assets/(liabilities)	**15,311**	12,764
Tax bases not in net assets – share based payments	**4,322**	5,979
Recognised carry-forward tax losses	**14,854**	13,155
	46,377	65,568
Amounts recognised in equity		
Capital raising costs	**3,751**	5,636
Share based payments	**1,876**	5,384
	5,627	11,020
Net deferred tax asset/(liability)	**52,004**	76,588
Movement in temporary differences during the year		
Opening balance	**76,588**	119,034
Credited/(charged) to profit before tax	**(4,549)**	(34,253)
Credited/(charged) to other comprehensive income	**(1,302)**	2,402
Credited/(charged) to equity	**(3,508)**	7,335
Currency translation difference	**(15,225)**	(17,930)
Closing balance	**52,004**	76,588
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	**-**	-
Expiry date greater than 1 year but less than 5 years	**107**	115
Expiry date greater than 5 years	**-**	-
No expiry date	**759**	841
	866	956

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.

		Notes	Consolidated Group 2011 $000	2010 $000
12	**Intangible Assets**			
	Carrying amounts			
	Goodwill			
	Opening balance at 1 July		**722,040**	758,298
	Currency translation differences		**(9,370)**	(36,258)
	Closing balance at 30 June		**712,670**	722,040
	Intellectual property			
	Opening balance at 1 July		**358,236**	367,965
	Additions		**-**	2,166
	Disposals		**-**	(259)
	Currency translation differences		**(3,316)**	(11,636)
	Closing balance at 30 June		**354,920**	358,236
	Accumulated amortisation and impairment			
	Opening balance at 1 July		**171,575**	151,716
	Amortisation for the year		**22,749**	23,433
	Current year impairment charge	**3**	**6,550**	-
	Amortisation written back on disposal		**-**	(259)
	Currency translation differences		**(2,035)**	(3,315)
	Closing balance at 30 June		**198,839**	171,575
	Net intellectual property		**156,081**	186,661
	Software			
	Opening balance at 1 July		**59,400**	40,194
	Additions		**549**	20,991
	Disposals		**(1,900)**	-
	Transfers from intangible capital work in progress		**6,768**	-
	Currency translation differences		**(10,364)**	(1,785)
	Closing balance at 30 June		**54,453**	59,400
	Accumulated amortisation and impairment			
	Opening balance at 1 July		**12,588**	5,258
	Amortisation for the year		**8,241**	7,455
	Currency translation differences		**(2,073)**	(125)
	Closing balance at 30 June		**18,756**	12,588
	Net Software		**35,697**	46,812
	Intangible capital work in progress			
	Opening balance at 1 July		**-**	-
	Additions		**13,189**	-
	Transfers to software intangibles		**(6,768)**	-
	Transfers from property, plant and equipment		**5,303**	-
	Currency translation differences		**(1,123)**	-
	Closing balance at 30 June		**10,601**	-
	Total net intangible assets as at 30 June		**915,049**	955,513

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

		Consolidated Group	
		2011	2010
	Notes	**$000**	$000

12 Intangible Assets (continued)

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

CSL Behring		**700,587**	709,957
CSL Biotherapies		**12,083**	12,083
Closing balance of goodwill as at 30 June		**712,670**	722,040

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 10.3% (2010: 11.4%) 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	
		2011	2010
		$000	$000
13	**Retirement benefit assets and liabilities**		
	Retirement benefit assets		
	Non-current defined benefit plans (refer note 26)	**2,588**	4,967
	Retirement benefit liabilities		
	Non-current defined benefit plans (refer note 26)	**113,924**	116,401
14	**Trade and other payables**		
	Current		
	Trade payables	**244,711**	210,180
	Accruals and other payables	**248,795**	275,223
	Carrying amount of current trade and other payables	**493,506**	485,403
	Non-current		
	Share based payments (EDIP)	**3,983**	-
	Carrying amount of non-current trade and other payables	**3,983**	-
15	**Interest-bearing liabilities and borrowings**		
	Current		
	Bank overdrafts – Unsecured	**584**	6,554
	Bank loans – Unsecured *(a)*	**209,039**	-
	Senior Unsecured Notes - Unsecured *(b)*	**13,697**	16,312
	Lease liability – Secured *(c)*	**2,894**	3,118
		226,214	25,984
	Non-current		
	Bank loans - Unsecured	**-**	196,984
	Senior Unsecured Notes - Unsecured *(b)*	**162,926**	207,159
	Lease liability - Secured *(c)*	**27,104**	32,076
		190,030	436,219

(a) This facility matures in March 2012. Interest on the facility is paid quarterly in arrears at a variable rate. As at the reporting date the Group had $41.4m in undrawn funds available under this facility.

(b) Represents US$105.4 million and Euro 58.3 million of Senior Unsecured Notes placed into the US Private Placement market. The notes have biannual repayments and mature in December 2012. The interest rate on the US$ notes is fixed at 5.30% and 5.90%. The interest rate on the Euro notes is fixed at 3.98% and 4.70%.

(c) Finance leases have an average lease term of 12 years (2010: 13 years). The weighted average discount rate implicit in the leases is 5.65% (2010: 5.51%). The Group's lease liabilities are secured by leased assets of $18.5 million (2010: $23.3 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	
		2011	2010
		$000	$000
16	**Tax liabilities**		
	Current income tax liability	**131,729**	176,809
		131,729	176,809
17	**Provisions**		
	Current		
	Employee benefits	**71,570**	74,532
	Restructuring	**4,107**	6,458
	Onerous contracts	**11,034**	11,721
	Other	**1,909**	2,986
		88,620	95,697
	Non-current		
	Employee benefits	**27,391**	29,729
	Other	**1,079**	1,195
		28,470	30,924

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 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	
		2011	2010
		$000	$000
17	**Provisions (continued)**		
	Movements in provisions		
	Restructuring		
	Opening balance	**6,458**	7,757
	Provided / (released)	**1,790**	(474)
	Payments made	**(4,141)**	-
	Currency differences	**-**	(825)
	Closing balance	**4,107**	6,458
	Onerous contracts		
	Opening balance	**11,721**	14,217
	Currency differences	**(687)**	(2,496)
	Closing balance	**11,034**	11,721
	Surplus lease space		
	Opening balance	**-**	77
	Payments made	**-**	(73)
	Currency differences	**-**	(4)
	Closing balance	**-**	-
	Contingent consideration		
	Opening balance	**-**	26,247
	Payments made	**-**	(28,769)
	Currency differences	**-**	2,522
	Closing balance	**-**	-
	Other		
	Opening balance	**4,181**	6,841
	Additional provision	**(311)**	1,719
	Payments made	**(784)**	(1,481)
	Currency differences	**(99)**	(2,898)
	Closing balance	**2,987**	4,181
18	**Deferred government grants**		
	Current deferred income	**995**	995
	Non-current deferred income	**18,910**	10,605
	Total deferred government grants	**19,905**	11,600
19	**Derivative financial instruments – current liabilities**		
	Forward Currency Contracts	**5,054**	1,991

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	
	2011	2010
	$000	$000
20 Contributed equity		
Ordinary shares issued and fully paid	**253,896**	1,139,228

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.

	2011		2010	
	Number of shares	**$000**	Number of shares	$000
Movement in ordinary shares on issue				
Opening balance at 1 July	**549,692,886**	**1,139,228**	599,239,428	2,760,207
Shares issued to parties other than CSL employees through participation in:				
- Capital raising tax benefit	**-**	**-**	-	9,341
Shares issued to employees via:				
- SESOP II *(i)*	**-**	**-**	77,040	670
- Performance Options *(ii)*	**540,971**	**9,569**	253,154	4,432
- Performance Rights (for nil consideration)	**483,734**	**-**	539,006	-
- GESP *(iii)*	**186,110**	**5,099**	186,124	5,162
Share buy-back, inclusive of cost	**(26,063,169)**	**(900,000)**	(50,601,866)	(1,640,584)
Closing balance	**524,840,532**	**253,896**	549,692,886	1,139,228

	Consolidated Group	
	2011	2010
	$000	$000
(i) Options exercised under SESOP II as disclosed in note 27 were as follows:		
- Nil (2010: 9,240 issued at $4.06)	**-**	38
- Nil (2010: 67,800 issued at $9.32)	**-**	632
	-	670
(ii) Options exercised under Performance Option plans as disclosed in note 27 were as follows		
- 534,707 issued at $17.48 (2010: 252,769 issued at $17.48)	**9,347**	4,418
- 6,264 issued at $35.46 (2010: 385 issued at $35.46)	**222**	14
	9,569	4,432
(iii) Shares issued to employees under Global Employee Share Plan (GESP) as disclosed in note 27 were as follows:		
- 95,517 issued at $27.29 on 7 September 2010	**2,607**	2,572
- 90,593 issued at $27.51 on 10 March 2011	**2,492**	2,590
	5,099	5,162

	Consolidated Group	
	2011	2010
	$000	$000
21 Reserves		
Share based payments reserve	**99,494**	84,163
Foreign currency translation reserve	**(520,216)**	(326,778)
Available-for-sale investments reserve	**(913)**	-
Carrying value of reserves at 30 June	**(421,635)**	(242,615)
Movements in reserves		
Share based payments reserve (i)		
Opening balance at 1 July	**84,163**	65,739
Share based payments expense	**14,488**	16,725
Deferred tax on share based payments	**843**	1,699
Closing balance at 30 June	**99,494**	84,163
Foreign currency translation reserve (ii)		
Opening balance at 1 July	**(326,778)**	(50,541)
Net exchange gains / (losses) on translation of foreign subsidiaries, net of hedge	**(193,438)**	(276,237)
Closing balance at 30 June	**(520,216)**	(326,778)
Available-for-sale investments reserve (iii)		
Opening balance at 1 July	**-**	-
Mark to market adjustment on available-for-sale financial assets	**(913)**	-
Closing balance at 30 June	**(913)**	-

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 2011 $000	Consolidated Group 2010 $000
22	**Retained earnings**			
	Opening balance at 1 July		**3,318,581**	2,687,490
	Net profit for the year		**940,601**	1,052,901
	Dividends	**23**	**(435,882)**	(429,477)
	Actuarial gain/(loss) on defined benefit plans		**(9,899)**	5,265
	Deferred tax on actuarial gain/(loss) on defined benefit plans		**(1,302)**	2,402
	Closing balance at 30 June		**3,812,099**	3,318,581

		Consolidated Group 2011 $000	Consolidated Group 2010 $000
23	**Dividends**		
	Dividends paid		
	Dividends recognised in the current year by the Company are:		
	Final ordinary dividend of 45 cents per share, franked to 11%, paid on 8 October 2010 (2010: 40 cents per share, unfranked)	**247,489**	235,665
	Interim ordinary dividend of 35 cents per share, unfranked, paid on 8 April 2011 (2010: 35 cents per share, unfranked)	**188,393**	193,812
		435,882	429,477
	Dividends not recognised at year end		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 45 cents per share, franked to 2.00 cents per share (2010: ordinary dividend of 45 cents per share, franked to 5.28 cents per share). The final dividend is expected to be paid on 14 October 2011. Based on the number of shares on issue as at reporting date, the aggregate amount of the proposed dividend would be:	**236,178**	247,364
	The actual aggregate dividend amount paid out of profits will be dependent on the actual number of shares on issue at dividend record date.		

		Notes	Consolidated Group 2011 $000	2010 $000
24	**Equity**			
	Total equity at the beginning of the financial year		**4,215,194**	5,462,895
	Total comprehensive income for the period		**735,049**	784,331
	Movement in contributed equity	**20**	**(885,332)**	(1,620,979)
	Dividends	**23**	**(435,882)**	(429,477)
	Movement in share based payments reserve	**21**	**15,331**	18,424
	Total equity at the end of the financial year		**3,644,360**	4,215,194
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**	**294,883**	257,756
	Cash deposits	**6**	**184,520**	743,303
	Bank overdrafts	**15**	**(584)**	(6,554)
			478,819	994,505
(b)	**Reconciliation of Profit after tax to Cash Flows from Operations**			
	Profit after tax		**940,601**	1,052,901
	Non-cash items in profit after tax			
	Depreciation, amortisation and impairment charges		**172,642**	156,615
	(Gain)/loss on disposal of property, plant and equipment		**1,279**	1,168
	Mark to market adjustment on available-for-sale investments		**913**	-
	Share based payments expense		**14,488**	16,725
	Changes in assets and liabilities:			
	(Increase)/decrease in trade and other receivables		**48,604**	(77,686)
	(Increase)/decrease in inventories		**(156,934)**	(74,383)
	(Increase)/decrease in retirement benefit assets		**2,224**	(4,736)
	Increase/decrease in net tax assets and liabilities		**10,234**	146,732
	Increase/(decrease) in trade and other payables		**25,440**	(28,482)
	Increase/(decrease) in provisions		**(40,059)**	(25,523)
	Increase/(decrease) in retirement benefit liabilities		**(1,313)**	5,161
	Net cash inflow from operating activities		**1,018,119**	1,168,492
(c)	**Non cash financing activities**			
	Acquisition of plant and equipment by means of finance leases		**1,051**	1,478

	Consolidated Group 2011 $000	2010 $000
26 Employee benefits		
A reconciliation of the employee benefits recognised is as follows:		
Retirement benefit assets – non-current (note 13)	**2,588**	4,967
Provision for employee benefits – current (note 17)	**71,570**	74,532
Retirement benefit liabilities – non-current (note 13)	**113,924**	116,401
Provision for employee benefits – non-current (note 17)	**27,391**	29,729
	212,885	220,662
The number of full time equivalents employed at 30 June	**10,411**	9,992

(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.

Movements in the net liability/(asset) for defined benefit obligations recognised in the balance sheet

	2011 $000	2010 $000
Net liability/(asset) for defined benefit obligation:		
Opening balance	**111,434**	133,894
Contributions received	**(16,917)**	(18,883)
Benefits paid	**(5,822)**	(3,126)
Expense/(benefit) recognised in the statement of comprehensive income	**20,315**	21,526
Actuarial (gains)/losses recognised in equity	**9,899**	(5,265)
Other movements	**-**	368
Currency translation differences	**(7,573)**	(17,080)
Closing balance	**111,336**	111,434
Net liability/(asset) for defined benefit obligation is reconciled to the balance sheet as follows:		
Retirement benefit assets – non-current (note 13)	**(2,588)**	(4,967)
Retirement benefit liabilities – non-current (note 13)	**113,924**	116,401
Net liability/(asset)	**111,336**	111,434

Amounts for the current and previous periods are as follows:

	Consolidated Group 2011 $000	2010 $000	2009 $000
Defined benefit obligation	**492,194**	467,379	467,887
Plan assets	**380,858**	355,945	333,993
Surplus/(deficit)	**(111,336)**	(111,434)	(133,894)
Experience adjustments on plan liabilities	**(12,857)**	(2,270)	(8,016)
Experience adjustments on plan assets	**3,657**	7,535	(46,040)
Actual return on plan assets	**19,607**	24,643	(27,010)

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	
	2011	2010
	$000	$000

26 Employee benefits (continued)

(a) Defined benefit plans (continued)

Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	**467,379**	467,887
Service cost	**18,831**	20,098
Interest cost	**17,433**	18,536
Contributions by members	**5,270**	5,829
Actuarial (gains)/losses	**12,857**	2,270
Benefits paid	**(19,291)**	(14,467)
Other movements	**(973)**	(522)
Currency translation differences	**(9,312)**	(32,252)
Closing balance	**492,194**	467,379

The present value of the defined benefit obligation comprises:		
Present value of wholly unfunded obligations	**92,914**	98,474
Present value of funded obligations	**399,280**	368,905
	492,194	467,379

Changes in the fair value of plan assets are as follows:		
Opening balance	**355,945**	333,993
Expected return on plan assets	**15,949**	17,108
Actuarial gains/(losses) on plan assets	**3,657**	7,535
Contributions by employer	**16,917**	18,883
Contributions by members	**5,270**	5,829
Benefits paid	**(15,448)**	(11,341)
Other movements	**(412)**	(890)
Currency translation differences	**(1,020)**	(15,172)
Closing balance	**380,858**	355,945

The major categories of plan assets as a percentage of total plan assets is as follows:		
Cash	**4.1%**	3.5%
Equity instruments	**35.2%**	33.8%
Debt instruments	**45.4%**	48.8%
Property	**13.6%**	12.7%
Other assets	**1.7%**	1.2%
	100.0%	100.0%

Expenses/(gains) recognised in the statement of comprehensive income are as follows:		
Current service costs	**18,831**	20,098
Interest on obligation	**17,433**	18,536
Expected return on assets	**(15,949)**	(17,108)
Total included in employee benefits expense	**20,315**	21,526

	Consolidated Group	
	2011	2010
	$000	$000

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:

	2011	2010
Discount rate	**3.7%**	4.0%
Expected return on assets and expected long-term rate of return on assets[1]	**3.7%**	3.8%
Future salary increases	**2.3%**	2.3%
Future pension increases	**0.3%**	0.4%

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

Surplus/(deficit) for each defined benefit plan on a funding basis	**Plan assets[1] $000**	**Accrued benefit[1] $000**	**Plan surplus / (deficit) $000**
Consolidated Group – June 2011			
CSL Pension Plan (Australia)	**35,401**	**(32,813)**	**2,588**
CSL Behring AG Pension Fund (Switzerland)	**301,730**	**(315,293)**	**(13,563)**
CSL Behring Union Pension Plan (US UPP)	**43,727**	**(51,175)**	**(7,448)**
CSL Behring GmbH Supplementary Pension Plan (Germany)	**-**	**(71,986)**	**(71,986)**
CSL Pharma GmbH Pension Plan (Germany)	**-**	**(1,557)**	**(1,557)**
CSL Behring KG Pension Plan (Germany)	**-**	**(3,892)**	**(3,892)**
CSL Plasma GmbH Pension Plan (Germany)	**-**	**(184)**	**(184)**
CSL Behring KK Retirement Allowance Plan (Japan)	**-**	**(13,724)**	**(13,724)**
CSL Behring S.A. Pension Plan (France)	**-**	**(312)**	**(312)**
CSL Behring S.p.A Pension Plan (Italy)	**-**	**(1,258)**	**(1,258)**
	380,858	**(492,194)**	**(111,336)**
Consolidated Group – June 2010			
CSL Pension Plan (Australia)	33,020	(31,873)	1,147
CSL Behring AG Pension Fund (Switzerland)	278,215	(274,395)	3,820
CSL Behring Union Pension Plan (US UPP)	44,710	(62,637)	(17,927)
CSL Behring GmbH Supplementary Pension Plan (Germany)	-	(78,409)	(78,409)
CSL Pharma GmbH Pension Plan (Germany)	-	(1,768)	(1,768)
CSL Behring KG Pension Plan (Germany)	-	(3,962)	(3,962)
CSL Plasma GmbH Pension Plan (Germany)	-	(111)	(111)
CSL Behring KK Retirement Allowance Plan (Japan)	-	(14,224)	(14,224)
	355,945	(467,379)	(111,434)

[1] 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 (2011: €3.9m, 2010: €4.0m) and 100% of the employee contribution to Penka 2 (2011: €0.4m, 2010: €0.7m), 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 2011 was $19,422,000 (2010: $19,901,000).

	Consolidated Group	
	2011	2010
	$000	$000
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	**14,488**	16,725
Expense arising from cash-settled share-based payment transactions	**3,983**	-
	18,471	16,725

(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 2011, 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 in October 2010

Changes were made to the terms and conditions and key characteristics of Performance Rights and Performance Options granted in 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 2010, 518,750 phantom shares were granted to employees under the Executive Deferred Incentive Plan. 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 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. 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 2011 has been estimated based on information available as at 30 June 2011.

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)

(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 2010	Opening Balance	Granted	Exercised	Forfeited	Lapsed	Closing balance	Exercise Price	Expiry date	Vested at 30 June 2010
Options (by grant date)									
23 July 2002*	67,800	-	67,800	-	-	-	$9.32	23-Jul-09	-
1 July 2003	9,240	-	9,240	-	-	-	$4.06	1-Jul-10	-
2 October 2006	1,088,880	-	252,769	20,400	-	815,711	$17.48	2-Oct-13	359,159
1 October 2007	688,920	-	385	28,395	-	660,140	$35.46	30-Sep-14	164,960
1 April 2008	3,240	-	-	-	-	3,240	$36.56	31-Mar-15	-
1 October 2008	792,180	-	-	29,340	-	762,840	$37.91	30-Sep-15	-
1 April 2009	15,380	-	-	1,540	-	13,840	$32.50	31-Mar-16	-
1 October 2009	-	1,105,760	-	2,880	-	1,102,880	$33.68	30-Sep-16	-
	2,665,640	1,105,760	330,194	82,555	-	3,358,651			524,119
Performance Rights (by grant date)									
15 December 2003	5,400	-	5,400	-	-	-	Nil	27-Oct-10	-
28 April 2004	60,000	-	-	-	-	60,000	Nil	31-Mar-11	60,000
21 June 2004	8,400	-	-	-	-	8,400	Nil	31-Mar-11	8,400
29 October 2004	38,100	-	17,200	-	-	20,900	Nil	25-Aug-11	20,900
15 July 2005	165,000	-	120,000	-	-	45,000	Nil	7-Jun-12	45,000
7 September 2005	244,850	-	138,100	-	-	106,750	Nil	7-Jun-12	106,750
7 March 2006	157,500	-	112,500	-	-	45,000	Nil	20-Dec-12	45,000
6 April 2006	15,900	-	7,500	-	-	8,400	Nil	20-Dec-12	8,400
2 October 2006	363,600	-	100,851	9,084	-	253,665	Nil	2-Oct-13	359,159
1 October 2007	265,800	-	37,755	11,760	-	216,285	Nil	30-Sep-14	26,970
1 April 2008	1,460	-	-	-	-	1,460	Nil	31-Mar-15	-
1 October 2008	286,780	-	-	13,680	-	273,100	Nil	30-Sep-15	-
1 April 2009	5,680	-	-	560	-	5,120	Nil	31-Mar-16	-
1 October 2009	-	372,720	-	1,140	-	371,580	Nil	30-Sep-16	-
	1,618,470	372,720	539,306	36,224	-	1,415,660			680,579
GESP (by grant date)									
1 March 2009	93,696	-	93,696	-	-	-	$27.45	31-Aug-09	-
1 September 2009	-	92,428	92,428	-	-	-	$28.02	28-Feb-10	-
1 March 2010	-	99,203	-	-	-	99,203	$27.69	31-Aug-10	-
	93,696	191,631	186,124	-	-	99,203			
Total	4,377,806	1,670,111	1,055,624	118,779	-	4,873,514			1,204,698

* AASB 2 has not been applied to these options as they were issued before 7 November 2002.

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

Options	$32.36
Performance Rights	$34.32
GESP	$34.84

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)							
16 October 2003	$3.51	$5.42	Nil	37.0%	4 years	2.5%	5.61%
15 December 2003	$3.78	$5.84	Nil	37.0%	4 years	2.5%	5.79%
28 April 2004	$5.05	$7.64	Nil	35.0%	4 years	2.0%	5.71%
21 June 2004	$4.78	$7.24	Nil	34.0%	4 years	2.0%	5.63%
29 October 2004	$6.90	$9.60	Nil	34.0%	4 years	2.0%	5.32%
15 July 2005	$8.17	$11.63	Nil	27.0%	4 years	1.5%	5.19%
7 September 2005	$8.13	$11.58	Nil	27.0%	4 years	1.5%	5.10%
7 March 2006	$14.53	$17.75	Nil	27.0%	4 years	1.5%	5.37%
6 April 2006	$14.32	$17.80	Nil	27.0%	4 years	1.5%	5.51%
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] 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, both the 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)							
1 July 2003	$1.53	$4.03	$4.06	37.0%	3–5 years	2.5%	5.60%
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%
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	$4.96	$33.06	$28.10	30.0%	6 months	2.5%	4.83%

[1] Options and rights granted are subject to a service condition. Options are also subject to a non-market vesting condition based on earnings per share. Service conditions and non-market conditions are not taken into account in the determination of fair value at grant date. Contrastingly, grants of rights are also subject to a market vesting condition based on total shareholder returns, a condition which is taken into account when the fair value of rights is determined.

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

(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 2011 is $3,982,898 (2010: $Nil). No cash-settled awards vested during the period ended 30 June 2011 (2010: $Nil).

28 Key management personnel disclosures

The following were key management personnel of the Group at any time during the 2011 and 2010 financial years and unless otherwise indicated they were key management personnel (KMP) during the whole of those financial years:

Non-executive directors	Executive directors
E A Alexander (Chairman)	B A McNamee (Chief Executive Officer & Managing Director)
J Akehurst	A M Cipa (Finance Director & KMP until 13 October 2010)
D W Anstice	P Turner (Executive Director & President, CSL Behring)
I A Renard	**Executives**
M A Renshaw	G Naylor (Chief Financial Officer, KMP since 1 January 2010)
J Shine	A Cuthbertson (Chief Scientific Officer)
D Simpson	E Bailey (Company Secretary)
C O'Reilly (appointed 16 Feb 2011)	G Boss (General Counsel)
	J Lever (Senior VP, Human Capital)
	M Sontrop (Executive VP, Operations CSL Behring, KMP since 1 July 2010)
	J Davies (Executive VP, CSL Biotherapies)
	P Perreault (Executive VP, Commercial Operations, KMP since 1 July 2010, appointed President Designate, CSL Behring on 29 March 2011)
	K Etchberger (Executive VP, Plasma, Supply Chain and IT, KMP since 1 July 2010)

(a) *Total compensation for key management personnel*

	Consolidated Group	
	$	$
	2011	2010
Short term remuneration elements		
Salary and Fees	**10,781,388**	8,835,175
Short term incentive cash bonus	**3,896,409**	3,658,903
Non-monetary benefits	**105,117**	84,683
Total of short term remuneration elements	**14,782,914**	12,578,761
Post-employment elements		
Pension benefits	**853,925**	861,703
Retirement benefits	**-**	-
Total of post-employment elements	**853,925**	861,703
Other long term elements		
Long service leave and equivalents	**578,447**	503,857
Deferred cash incentive	**679,833**	630,000
Total of other long term elements	**1,258,280**	1,133,857
Share-based payments		
Equity settled performance rights	**2,730,748**	2,081,205
Equity settled options	**2,703,490**	2,525,615
Cash settled options	**324,680**	-
Total of share based payments	**5,758,918**	4,606,820
Other remuneration elements		
Termination benefits	**500,523**	-
Total of all remuneration elements [1]	**23,154,560**	19,181,141

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	**2011**	**978,950**	**-**	**-**	**-**
	2010	1,598,710	51,393	978,950	3
Total for other related parties	**2011**	-	-	-	-
	2010	-	-	-	-
Total for key management personnel and their related parties	**2011**	**978,950**	**-**	**-**	**-**
	2010	1,598,710	51,393	978,950	3

Details regarding loans outstanding at the reporting date to key management personnel and their related parties at any time during the reporting period, are as follows:

	Balance at 1 July 2010	Balance at 30 June 2011	Highest owing in period	Interest charged	Interest not charged
	$	$	$	$	$
Key Management Personnel					
G Naylor	978,950	-	978,950	-	11,956
Total	**978,950**	**-**	**978,950**	**-**	**11,956**

All of the loans relate to SESOP and SESOP II under which key management personnel were provided with loans to fund the exercise of options. SESOP was terminated by the Company and there are no longer any outstanding options under this plan. No grants of options have been made under SESOP II since July 2003.

Loans to key management personnel relating to SESOP are interest free. Loans relating to SESOP II are charged interest at a concessional average rate of 2.5%. This is based on interest being charged equivalent to the after-tax cash amount of dividends on the underlying shares (excluding the impact of imputation and assuming a marginal income tax rate of 46.5%). The average commercial rate of interest during the year was 7.19% (2010: 6.89%).

(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 2010	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2011	Number Vested during the year	Vested and exercisable at 30 June 2011	Unvested at 30 June 2011
Executive Directors								
B A McNamee	411,740	46,420	158,760	-	299,400	109,398	65,304	234,096
P Turner	131,216	20,740	23,256	-	128,700	42,081	26,250	102,450
A M Cipa	121,560	-	58,140	63,420	-	42,081	-	-
Other executives								
P Perreault	87,400	9,360	19,620	-	77,140	22,400	17,051	60,089
G Naylor	75,160	14,720	14,220	-	75,660	17,126	12,947	62,713
A Cuthbertson	81,230	12,140	24,390	-	68,980	23,434	14,866	54,114
J Davies	74,620	8,300	-	-	82,920	16,902	32,361	50,559
G Boss	54,744	9,360	7,584	-	56,520	14,809	9,700	46,820
M Sontrop	62,296	8,700	-	-	70,996	17,049	19,869	51,127
K Etchberger	41,012	6,860	-	-	47,872	12,033	14,373	33,499
E Bailey	19,420	5,400	4,320	-	20,500	3,060	1,887	18,613
J Lever	13,660	5,080	-	-	18,740	-	-	18,740
Total	**1,174,058**	**147,080**	**310,290**	**63,420**	**947,428**	**320,373**	**214,608**	**732,820**

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(c).

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 2010	Number Granted	Number Exercised	Number Lapsed / Forfeited	Balance at 30 June 2011	Number Vested during the year	Vested and exercisable at 30 June 2011	Unvested at 30 June 2011
Executive Directors								
B A McNamee	119,240	61,020	61,356	-	118,904	27,189	-	118,904
P Turner	35,289	27,260	10,077	-	52,472	10,077	-	52,472
A M Cipa	186,060	-	172,668	13,392	-	10,077	-	-
Other executives								
P Perreault	20,846	12,300	5,322	-	27,824	5,322	-	27,824
G Naylor	18,362	19,340	3,702	-	34,000	3,702	-	34,000
A Cuthbertson	23,480	15,960	10,512	-	28,928	5,772	-	28,928
J Davies	31,710	10,900	-	-	42,610	3,696	18,666	23,944
G Boss	14,767	12,300	3,303	-	23,764	3,303	-	23,764
M Sontrop	16,830	11,440	3,738	-	24,532	3,738	-	24,532
K Etchberger	10,972	9,000	2,880	-	17,092	2,880	-	17,092
E Bailey	6,740	7,100	-	-	13,840	1,125	2,532	11,308
J Lever	3,620	6,680	-	-	10,300	-	-	10,300
Total	487,916	193,300	273,558	13,392	394,266	76,881	21,198	373,068

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(c).

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 2011			30 June 2010		
	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**	2 October 2006	20,349	17.48
G Boss	**2 October 2006**	**7,584**	**17.48**	2 October 2006	11,376	17.48
M Sontrop				2 October 2006	12,744	17.48
Total		**310,290**			**44,469**	

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 2011		30 June 2010	
	Date Performance Right Granted	**Number of shares**	**Date Performance Right Granted**	**Number of Shares**
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		
A Cuthbertson	2 October 2006	7,200		
	1 October 2007	3,312		
P Perreault	2 October 2006	3,096		
	1 October 2007	2,226		
K Etchberger	2 October 2006	1,872		
	1 October 2007	1,008		
G Naylor	2 October 2006	2,232	2 October 2006	1,953
	1 October 2007	1,470	1 October 2007	1,050
B McNamee	2 October 2006	46,920	7 June 2005	120,000
	1 October 2007	14,436	20 December 2005	112,500
G Boss	2 October 2006	2,232	2 October 2006	1,953
	1 October 2007	1,071	1 October 2007	765
M Sontrop	2 October 2006	2,520	2 October 2006	2,205
	1 October 2007	1,218	1 October 2007	870
P Turner	2 October 2006	6,864	2 October 2006	6,006
	1 October 2007	3,213	1 October 2007	2,295
E Bailey			25 August 2004	4,200
			7 June 2005	2,700
Total		**273,558**		**256,497**

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 2011 are set out below.

Movements in shares	Balance at 1 July 2010	Shares acquired on exercise of performance rights during year	Shares acquired on exercise of options during year	(Shares sold)/ Purchased	Balance at 30 June 2011
Non-Executive Directors					
E A Alexander	**28,911**	-	-	1,548	**30,459**
J Akehurst	**29,512**	-	-	530	**30,042**
D W Anstice	**6,346**	-	-	659	**7,005**
I A Renard	**17,572**	-	-	528	**18,100**
M A Renshaw	**6,777**	-	-	526	**7,303**
J Shine	**3,499**	-	-	526	**4,025**
D J Simpson	**2,959**	-	-	526	**3,485**
C O'Reilly	**-**	-	-	61	**61**
Executive Directors					
B A McNamee	**835,669**	61,356	158,760	(220,116)	**835,669**
P Turner	**160,569**	10,077	23,256	(33,333)	**160,569**
A M Cipa	**25,777**	172,668	58,140	(256,585)	**-**
Executives					
P Perreault	**1,910**	5,322	19,620	(24,781)	**2,071**
G Naylor	**188,159**	3,702	14,220	(104,782)	**101,299**
A Cuthbertson	**54,553**	10,512	24,390	(26,280)	**63,175**
J Davies	**735**	-	-	-	**735**
G Boss	**358**	3,303	7,584	(10,681)	**564**
M Sontrop	**22,674**	3,738	-	(3,548)	**22,864**
K Etchberger	**6,990**	2,880	-	-	**9,870**
E Bailey	**2,222**	-	4,320	(4,101)	**2,441**
J Lever	-	-	-	-	**-**
Total	**1,395,192**	**273,558**	**310,290**	**(679,303)**	**1,299,737**

There have been no movements in shareholdings of key management personnel between 30 June 2011 and the date of this report.

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

During the year 41,800 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.

Amounts receivable from partly owned subsidiaries are set out in the note 7.

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	
		2011	2010
		$	$

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:

		2011 $	2010 $
(a)	Audit services		
	Ernst & Young	**802,000**	770,800
	Ernst & Young related practices	**2,137,336**	2,437,888
	Total remuneration for audit services	**2,939,336**	3,208,688
(b)	Other services		
	Ernst & Young		
	- compliance and other services	**16,500**	209,421
	Ernst & Young related practices		
	- compliance and other services	**104,196**	101,566
	Total remuneration for non audit services	**120,696**	310,987
	Total remuneration for all services rendered	**3,060,032**	3,519,675

		Consolidated Group	
		2011	2010
		$000	$000

31 Commitments and contingencies

(a) Operating leases

	2011 $000	2010 $000
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Not later than one year	**31,725**	36,455
Later than one year but not later than five years	**91,385**	105,343
Later than five years	**163,577**	171,442
	286,687	313,240

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

	Consolidated Group 2011 $000	2010 $000
31 Commitments and contingencies (continued)		
(b) Finance leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	**4,333**	4,875
Later than one year but not later than five years	**13,925**	16,921
Later than five years	**26,092**	30,403
Total minimum lease payments	**44,350**	52,199
Future finance charges	**(14,352)**	(17,005)
Finance lease liability	**29,998**	35,194
The present value of finance lease liabilities is as follows:		
Not later than one year	**2,894**	3,118
Later than one year but not later than five years	**8,866**	11,130
Later than five years	**18,238**	20,946
	29,998	35,194
Finance lease – current liability (refer note 15)	**2,894**	3,118
Finance lease – non-current liability (refer note 15)	**27,104**	32,076
	29,998	35,194

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.

	2011 $000	2010 $000
(c) Total lease liability		
Current		
Finance leases (refer note 15)	**2,894**	3,118
Non-current		
Finance leases (refer note 15)	**27,104**	32,076
	29,998	35,194
(d) Capital commitments		
Capital expenditure contracted for at balance date but not provided for in the financial statements, payable:		
Not later than one year	**63,571**	61,226
Later than one year but not later than five years	**14,044**	23
Later than five years	**-**	-
	77,615	61,249

(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	
	2011	2010
	$000	$000

31 Commitments and contingencies (continued)

Service agreements

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

Service agreements	**8,324**	11,609

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		
		2011	2010	
		%	%	
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)
CSL Behring (Switzerland) AG	Switzerland	**-**	100	(c)
ZLB GmbH	Germany	**100**	100	(a)
CSL UK Holdings Limited	England	**100**	100	(a)
ZLB Bioplasma UK Limited	England	**100**	100	(a)
CSLB Holdings Inc	USA	**100**	100	
CSL Biotherapies Inc	USA	**100**	100	
ZLB Bioplasma (Hong Kong) Limited	Hong Kong	**100**	100	(a)
CSL Behring LLC	USA	**100**	100	(a)
CSL Plasma Inc	USA	**100**	100	(a)
CSL Behring Canada Inc.	Canada	**100**	100	(a)
CSL Behring Brazil Comercio de Produtos Farmaceuticals Ltda	Brazil	**100**	100	(a)
CSL Behring KK	Japan	**100**	100	(a)
CSL Behring S.A. de C.V.	Mexico	**100**	100	(a)
CSL Behring S.A.	France	**100**	100	(a)
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		
		2011	2010	
		%	%	

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**	-	(a)(b)
CSL Behring s.r.o.	Czech Republic	**100**	-	(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 Panama S.A. and CSL Behring s.r.o. were incorporated during the year.
(c) CSL Behring (Switzerland) AG was dissolved 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 2011 and a consolidated balance sheet as at that date.

Income Statement	**Consolidated Group**	
	2011	2010
	$000	$000
Continuing operations		
Sales revenue	**584,361**	773,158
Cost of sales	**(337,764)**	(346,456)
Gross profit	**246,597**	426,702
Sundry revenues	**110,141**	125,681
Dividend income	**756,109**	639,114
Interest income	**25,252**	38,436
Research and development expenses	**(153,238)**	(198,168)
Selling and marketing expenses	**(56,502)**	(91,458)
General and administration expenses	**(74,467)**	(73,557)
Finance costs	**(7,662)**	(10,050)
Profit before income tax expense	**846,230**	856,700
Income tax (expense) / benefit	**(15,397)**	(37,819)
Profit for the year	**830,833**	818,881

33 Deed of Cross Guarantee (continued)

Balance sheet

	Consolidated Group 2011 $000	Consolidated Group 2010 $000
CURRENT ASSETS		
Cash and cash equivalent	**193,644**	730,389
Trade and other receivables	**96,392**	81,757
Inventories	**175,535**	147,895
Total Current Assets	**465,571**	960,041
NON-CURRENT ASSETS		
Trade and other receivables	**9,356**	11,791
Other financial assets	**1,817,232**	1,808,445
Property, plant and equipment	**454,132**	421,155
Deferred tax assets	**12,768**	29,173
Intangible assets	**24,140**	33,317
Retirement benefit assets	**2,588**	1,147
Total Non-Current assets	**2,320,216**	2,305,028
TOTAL ASSETS	**2,785,787**	3,265,069
CURRENT LIABILITIES		
Trade and other payables	**123,145**	112,178
Interest-bearing liabilities and borrowings	**11,336**	11,305
Current tax liabilities	**5,534**	4,558
Provisions	**38,902**	40,003
Deferred government grants	**995**	995
Total Current Liabilities	**179,912**	169,039
NON-CURRENT LIABILITIES		
Trade and other payables	**1,147**	21
Interest-bearing liabilities and borrowings	**117,065**	144,314
Deferred tax liabilities	**-**	13,881
Provisions	**7,694**	7,373
Deferred government grants	**18,910**	10,605
Total Non-Current Liabilities	**144,816**	176,194
TOTAL LIABILITIES	**324,728**	345,233
NET ASSETS	**2,461,059**	2,919,836
EQUITY		
Contributed equity	**253,896**	1,139,228
Reserves	**116,316**	84,134
Retained earnings	**2,090,847**	1,696,474
TOTAL EQUITY	**2,461,059**	2,919,836

Summary of movements in consolidated retained earnings of the Closed Group

	2011 $000	2010 $000
Retained earnings at beginning of the financial year	**1,696,474**	1,306,523
Net profit	**830,833**	818,881
Actuarial gain / (loss) on defined benefit plans, net of tax	**(578)**	547
Dividends provided for or paid	**(435,882)**	(429,477)
Retained earnings at the end of the financial year	**2,090,847**	1,696,474

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.

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		2011		2010	
			Buy	Sell	Buy	Sell
Currency	**2011**	**2010**	**$000**	**$000**	**$000**	**$000**
US Dollar						
3 months or less	**1.0737**	0.8510	**6,676**	**(142,139)**	23,064	(148,046)
Swiss Francs						
3 months or less	**0.8928**	0.9220	**310,898**	**(31,322)**	265,149	(31,847)
Argentina Peso						
3 months or less	**4.4104**	3.3478	**-**	**(7,664)**	-	(10,962)
Euro						
3 months or less	**0.7472**	0.6901	**337,735**	**(321,081)**	304,297	(299,279)
Pounds Sterling						
3 months or less	**0.6673**	0.5655	**830**	**(15,722)**	2,811	(23,334)
Hungarian Florint						
3 months or less	**196.43**	200.20	**-**	**(2,622)**	-	(1,866)
Japanese Yen						
3 months or less	**86.38**	75.47	**445**	**(24,017)**	2,830	(23,911)
Swedish Kroner						
3 months or less	**6.7818**	6.6258	**-**	**(12,694)**	-	(14,325)
Danish Kroner						
3 months or less	**5.5239**	5.1957	**-**	**(9,808)**	1,103	(8,108)
Mexican Peso						
3 months or less	**12.6347**	10.9505	**3,360**	**(46,502)**	3,833	(51,242)
Brazilian Real						
3 months or less	**1.6855**	1.5412	**-**	**(2,492)**	-	(649)
New Zealand Dollar						
3 months or less	**1.2924**	-	**-**	**(310)**	-	-
Hong Kong Dollar						
3 months or less	**8.2828**	-	**-**	**(809)**	-	-
Australian Dollar						
3 months or less	**0.8860**	0.7930	**18,930**	**(61,692)**	26,742	(16,260)
			678,874	**(678,874)**	629,829	(629,829)

34 Financial Risk Management Objectives and Policies (continued)

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 2011, are Unsecured Notes amounting to US$105.4m (2010: US$58.8m) and EUR 58.3m (2010: EUR 60.7m) 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 $18.6m (2010: gain of $23.2m) was recognised in equity on translation of these borrowings to Australian Dollars.

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

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 2011, no derivative financial instruments hedging interest rate risk were outstanding (2010: 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 2011	Floating rate (a)	1 year or less	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	Average interest Rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash and cash equivalents	**479,403**	**-**	**-**	**-**	**-**	**479,403**	**2.5%**
Trade and other receivables	**-**	**-**	**-**	**-**	**813,195**	**813,195**	**-**
Other financial assets	**-**	**-**	**-**	**-**	**20,273**	**20,273**	**-**
	479,403	**-**	**-**	**-**	**833,468**	**1,312,871**	
Financial Liabilities							
Trade and other payables	**-**	**-**	**-**	**-**	**497,489**	**497,489**	**-**
Bank loans – unsecured	**209,039**	**-**	**-**	**-**	**-**	**209,039**	**0.6%**
Bank overdraft – unsecured	**584**	**-**	**-**	**-**	**-**	**584**	**2.5%**
Senior unsecured notes	**-**	**13,697**	**162,926**	**-**	**-**	**176,623**	**5.3%**
Lease liabilities	**-**	**2,894**	**8,866**	**18,238**	**-**	**29,998**	**5.7%**
Other financial liabilities	**-**	**-**	**-**	**-**	**5,054**	**5,054**	**-**
	209,623	**16,591**	**171,792**	**18,238**	**502,543**	**918,787**	

34 Financial Risk Management Objectives and Policies (continued)

Consolidated Group – June 2010	Floating rate (a)	Fixed interest rate maturing in: 1 year or less	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	Average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash and cash equivalents	1,001,059	-	-	-	-	1,001,059	4.1%
Trade and other receivables	-	-	-	-	890,572	890,572	-
Other financial assets	-	-	-	-	5,068	5,068	-
	1,001,059	-	-	-	895,640	1,896,699	
Financial Liabilities							
Trade and other payables	-	-	-	-	485,403	485,403	-
Bank loans – unsecured	196,984	-	-	-	-	196,984	0.9%
Bank overdraft – unsecured	6,554	-	-	-	-	6,554	3.8%
Senior unsecured notes	-	16,312	207,159	-	-	223,471	5.3%
Lease liabilities	-	3,118	11,130	20,946	-	35,194	5.5%
Other financial liabilities	-	-	-	-	1,991	1,991	-
	203,538	19,430	218,289	20,946	487,394	949,597	

(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.

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 2011 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 $3.3m. This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end. All other financial asset amounts are subject to fixed rate and therefore not subject to interest rate movements in the ordinary course.

At 30 June 2011 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 $1.5m. This calculation is based on applying a 1% movement to the total of the Group's unsecured bank loans at year end. All other interest bearing debt amounts are subject to fixed rate and therefore not subject to interest rate movements in the ordinary course.

It is estimated that a general movement of one percentage point in the value of the Australian Dollar against other currencies would change the Group's profit after tax by approximately $10.3m for the year ended 30 June 2011 comprising $3.1m, $5.6m and $1.6m 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 2011	**Financial Institutions**	**Governments**	**Hospitals**	**Buying Groups**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	**479,403**	**-**	**-**	**-**	**-**	**479,403**
Trade and other receivables	**869**	**121,483**	**229,915**	**256,239**	**204,689**	**813,195**
Other financial assets	**5,025**	**15,248**	**-**	**-**	**-**	**20,273**
	485,297	**136,731**	**229,915**	**256,239**	**204,689**	**1,312,871**
For the year ended 30 June 2010						
Cash and cash equivalents	1,001,059	-	-	-	-	1,001,059
Trade and other receivables	2,771	52,652	301,892	328,467	204,790	890,572
Other financial assets	5,068	-	-	-	-	5,068
	1,008,898	52,652	301,892	328,467	204,790	1,896,699

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

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

	Trade receivables which are:		**Provision for impairment**
	Not impaired	**Impaired**	
For the year ended 30 June 2011:	**$000**	**$000**	**$000**
Trade and other receivables:			
current but not overdue	**515,213**	**-**	**-**
less than 30 days overdue	**52,223**	**-**	**-**
more than 30 but less than 90 days overdue	**56,686**	**-**	**-**
more than 90 days overdue	**87,353**	**22,891**	**22,891**
	711,475	**22,891**	**22,891**
For the year ended 30 June 2010:			
Trade and other receivables:			
current but not overdue	580,935	-	-
less than 30 days overdue	40,405	-	-
more than 30 but less than 90 days overdue	51,810	-	-
more than 90 days overdue	128,313	25,615	25,615
	801,463	25,615	25,615

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 year CSL Behring MEPE received zero coupon government bonds issued by the Greek government in settlement of €53.0m of trade receivables. Prior to the recognition of the bonds as a financial asset, the group recorded a provision for doubtful debts equal to the difference between the nominal value of the bonds and their estimated market value. During the 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 at 30 June 2011 have been classified as an Available-for-sale Financial Asset in the balance sheet and are carried at fair value. The difference between the fair value at balance date and the fair value on initial recognition of the bonds has been reflected in Other Comprehensive Income. The proceeds from the sale of bonds have been recognised in cash flows from operations.

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 2011	**1 year or less**	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial Liabilities				
Trade and other payables	**493,506**	**3,983**	**-**	**497,489**
Bank loans – unsecured	**209,039**	**-**	**-**	**209,039**
Bank overdraft – unsecured	**584**	**-**	**-**	**584**
Senior unsecured notes	**13,697**	**162,926**	**-**	**176,623**
Lease liabilities	**2,894**	**8,866**	**18,238**	**29,998**
Other financial liabilities	**5,054**	**-**	**-**	**5,054**
	724,774	**175,775**	**18,238**	**918,787**
Consolidated Group – June 2010				
Financial Liabilities				
Trade and other payables	485,403	-	-	485,403
Bank loans – unsecured	-	196,984	-	196,984
Bank overdraft – unsecured	6,554	-	-	6,554
Senior unsecured notes	16,312	207,159	-	223,471
Lease liabilities	3,118	11,130	20,946	35,194
Other financial liabilities	1,991	-	-	1,991
	513,378	415,273	20,946	949,597

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 2011 $000**	**Fair Value 2011 $000**	Carrying amount 2010 $000	Fair Value 2010 $000
Financial Liabilities				
Interest bearing liabilities and borrowings				
Unsecured bank loans	**209,039**	**209,039**	196,984	196,886
Unsecured notes	**176,623**	**176,739**	223,471	223,958

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 46% of Net Profit after Tax.

During the 2011 financial year, the parent company completed a $900m buyback, in total 26,063,169 ordinary shares were purchased.

	2011 $000	2010 $000

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:

	2011 $000	2010 $000
Current assets	**460,973**	2,288,354
Total assets	**2,299,084**	4,089,043
Current liabilities	**516,663**	1,805,821
Total liabilities	**544,413**	1,823,799
Issued capital	**253,896**	1,139,228
Share based payments reserve	**88,443**	73,351
Retained earnings	**1,412,332**	1,052,665
	1,754,671	2,265,244
Profit or loss for the year	**794,879**	759,431
Total comprehensive income	**795,549**	759,978

(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 2011 or 30 June 2010. 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:

	2011 $000	2010 $000
Not later than one year	**33,965**	23,793
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
	33,965	23,793

36 Subsequent events

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 2011 and of their performance for the year ended on that date; and

(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 2011.

(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 28 June 2007.

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

Elizabeth A Alexander
Chairman

Brian A McNamee
Managing Director

Melbourne
17 August 2011

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

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

Independent auditor's report to the members of CSL Limited

Report on the financial report

We have audited the accompanying financial report of CSL Limited, which comprises the consolidated balance sheet as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2011 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 2011. 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 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Glenn Carmody
Partner
Melbourne
17 August 2011

CSL Limited
2011 Full Year Result

17 August 2011

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's 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

Total sales $4.2 billion, underlying[1] sales up 9%

EBIT $1,184 million, underlying[1] EBIT up 12.2%

NPAT $941 million, underlying[1] NPAT up 13.6%

- Foreign currency headwind $116m

R&D investment $325 million, up 9% at constant currency[2]

Operating cashflow $1,018 million

Strong Balance Sheet - cash $479m, borrowings $416m

On market share buyback complete

- Further capital management foreshadowed

EPS 174 cents

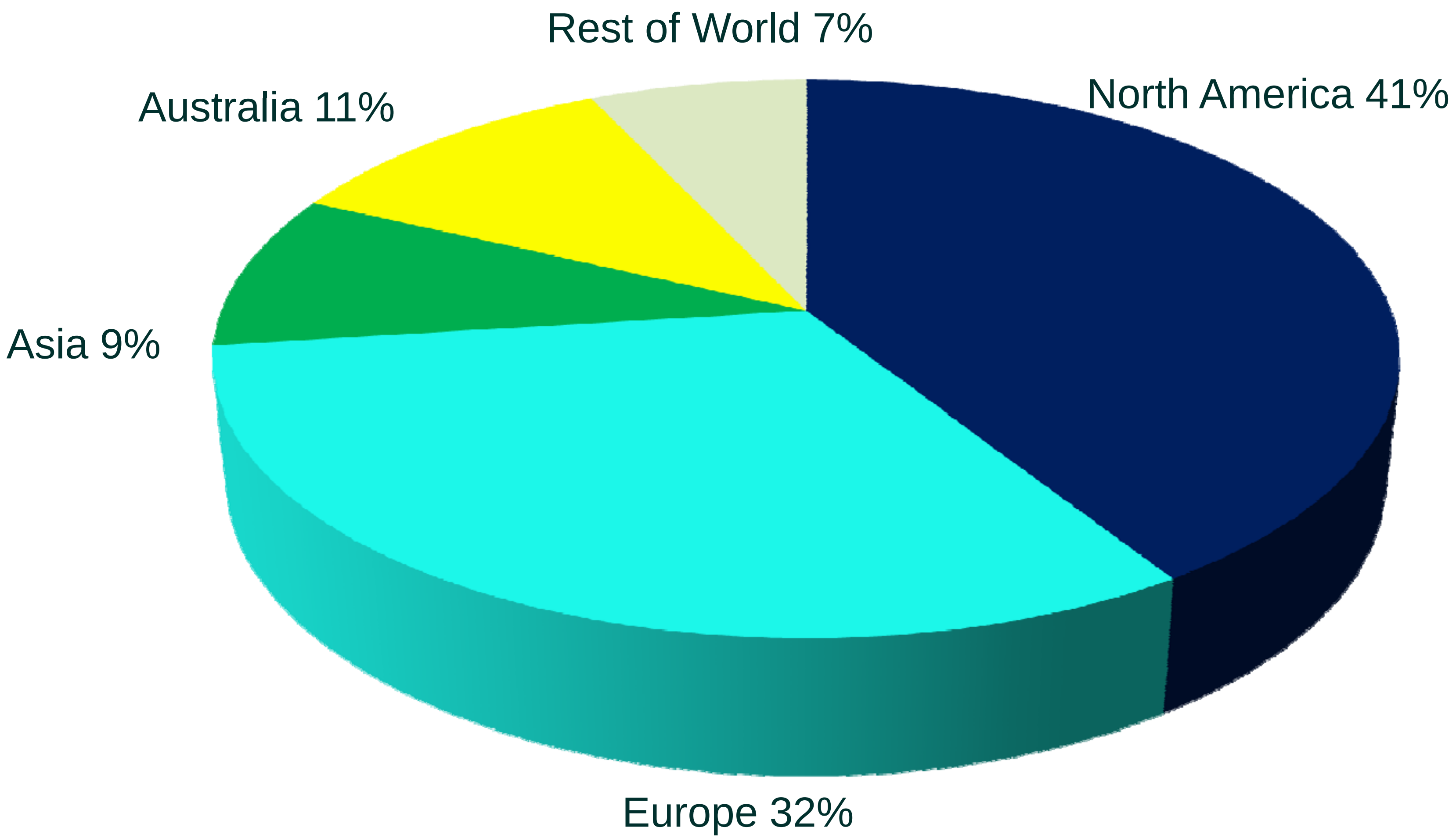
Final dividend 45 cents (franked 4.4%)

Total dividend 80 cents, payout 46%

1 Excludes the one-off contribution of H1N1 in the prior period and the impact of foreign exchange movements.

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

Global Sales $4.2 Billion



Operational Highlights

Immunglobulins portfolio

- Strong demand
- Broad product range – Hizentra ®, Privigen ®, Carimune ®

Specialty products

- Corifact® (Factor XIII Concentrate), approved by US FDA
- RiaStap™ (Congenital Fibrinogen Deficiency), Australian & European approval

Emerging market penetration

GARDASIL* (Human Papillomavirus Vaccine)

- US FDA approval for prevention of male and female anal cancer

Facilities Development – Supporting Growth

Privigen® manufacturing capacity expansion

- New 15 million gram facility at Broadmeadows
- Capacity optimisation at Bern

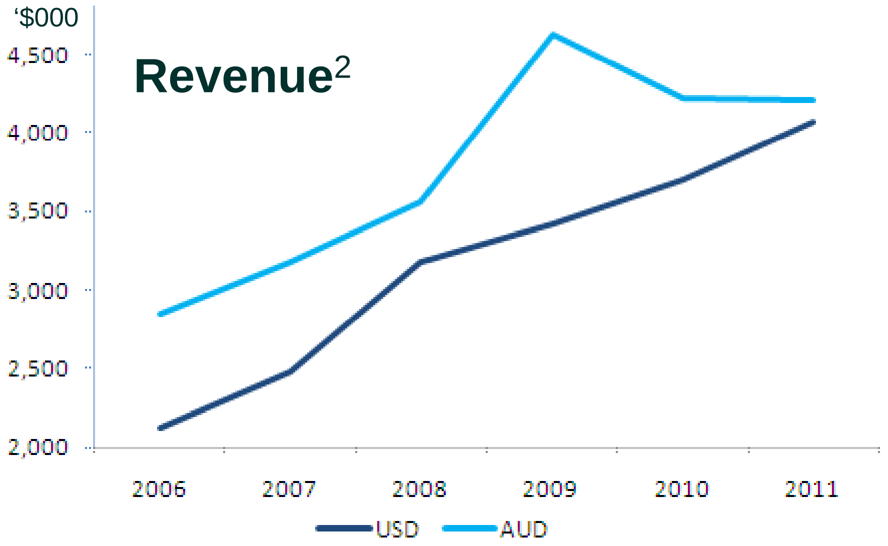
Multi-site albumin capacity expansion

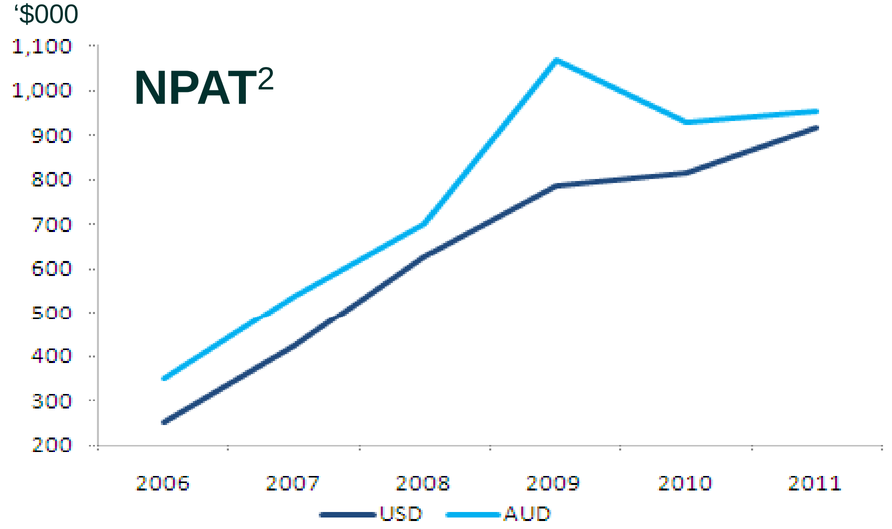
New biotech facilities

- Bulk recombinant protein production - Broadmeadows
- Protein purification and finishing - Marburg

New plasma collection centres

AUD v USD reporting[1]





USD reporting

Benefits

- Most closely matches constant currency results
- Industry standard currency
- Facilitates company comparability
- Low proportion of AUD earnings

[1] Group result adjusted for the impact of H1N1 in FY2010 and Talecris in FY2009

[2] The Group's adjusted result in USD has been prepared by translating the results of all entities in the Group into US dollars using average fiscal year exchange rates.

Outlook for FY2012
@ 10/11 exchange rates

Revenue	~$4.7 bn
R&D	~360m
Net profit after tax*	~$1,040m

Growth ~10%

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.

* See appendix for foreign exchange sensitivity table

Human Health
Business Unit Performance

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

CSL Behring

Product sales US$3,314m up 11% at cc

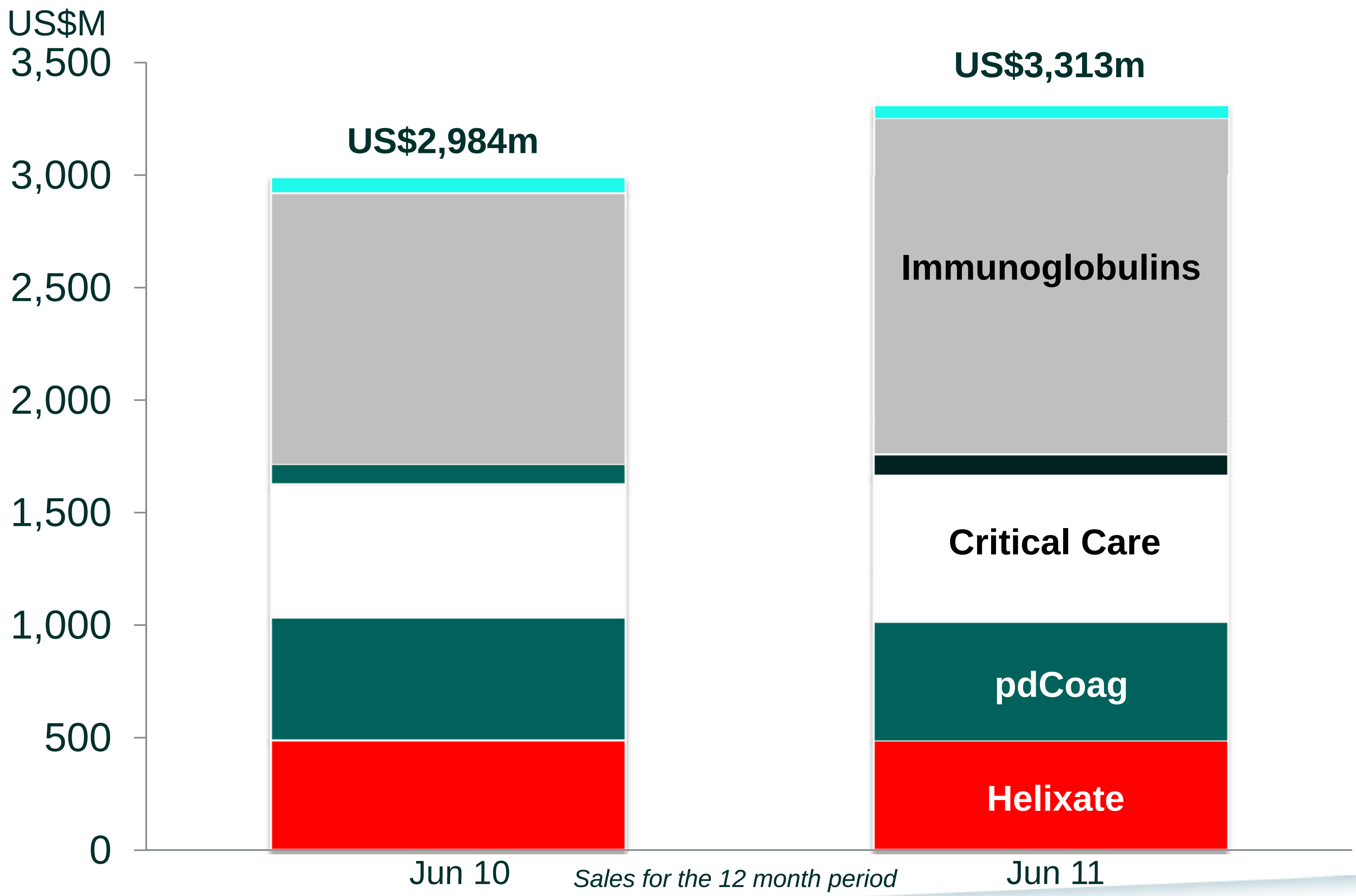
Immunoglobulins

- Privigen
  - IgLab Module 2 approved in US and Europe
- Hizentra® (IgPro20 sc)
  - European approval April 2011
  - Facility expansion approved by US and EU regulators

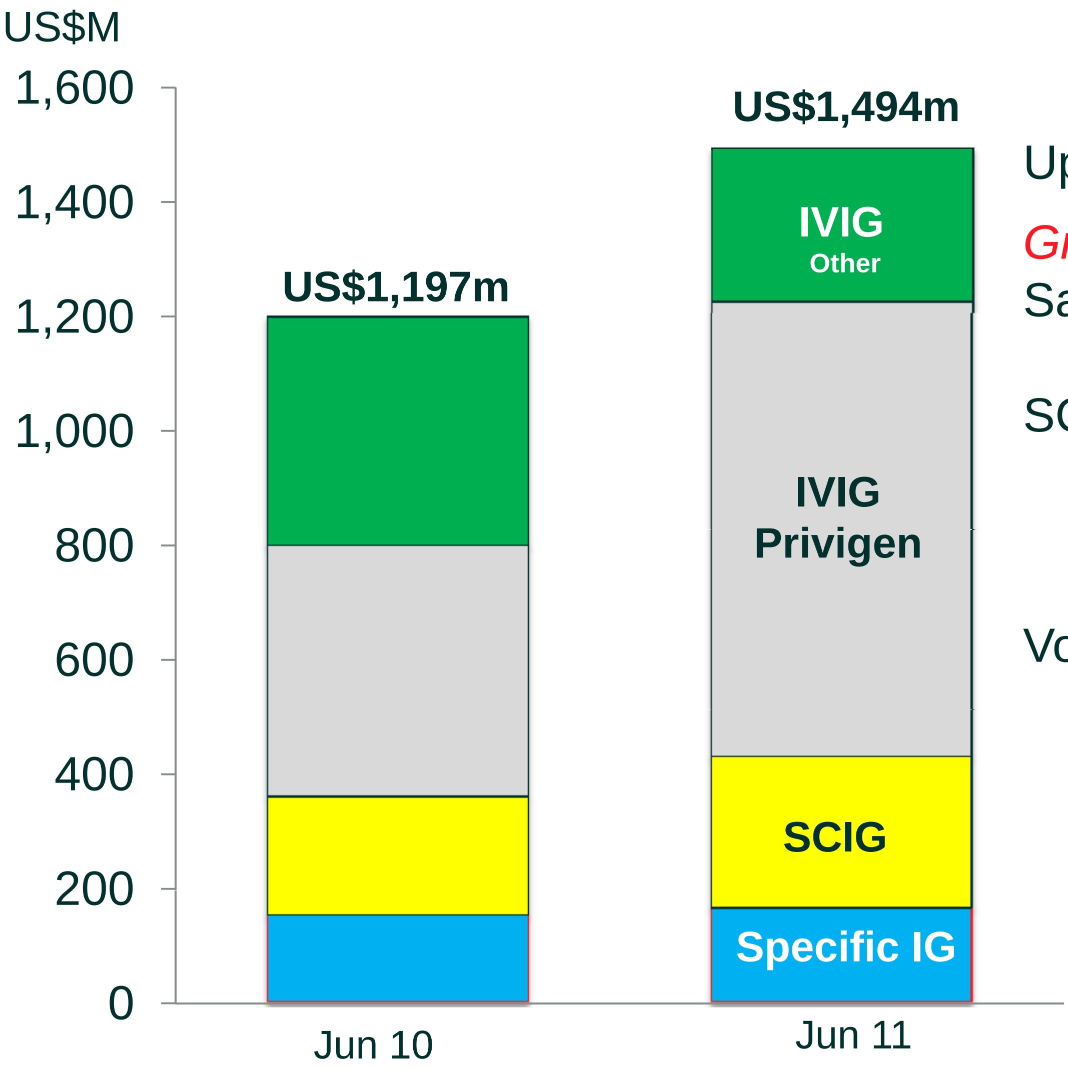
Specialty plasma products

- Berinert® now licensed in 30 countries
- Beriplex® phase III clinical trials completed
- Corifact® approved by US FDA
- Cytogam® production process approved for transfer to Bern
- RiaSTAP™ European approval

CSL Behring – Product sales up 11% in cc terms



Immunoglobulins



Sales for the 12 month period

Highlights

Up 25% in cc terms

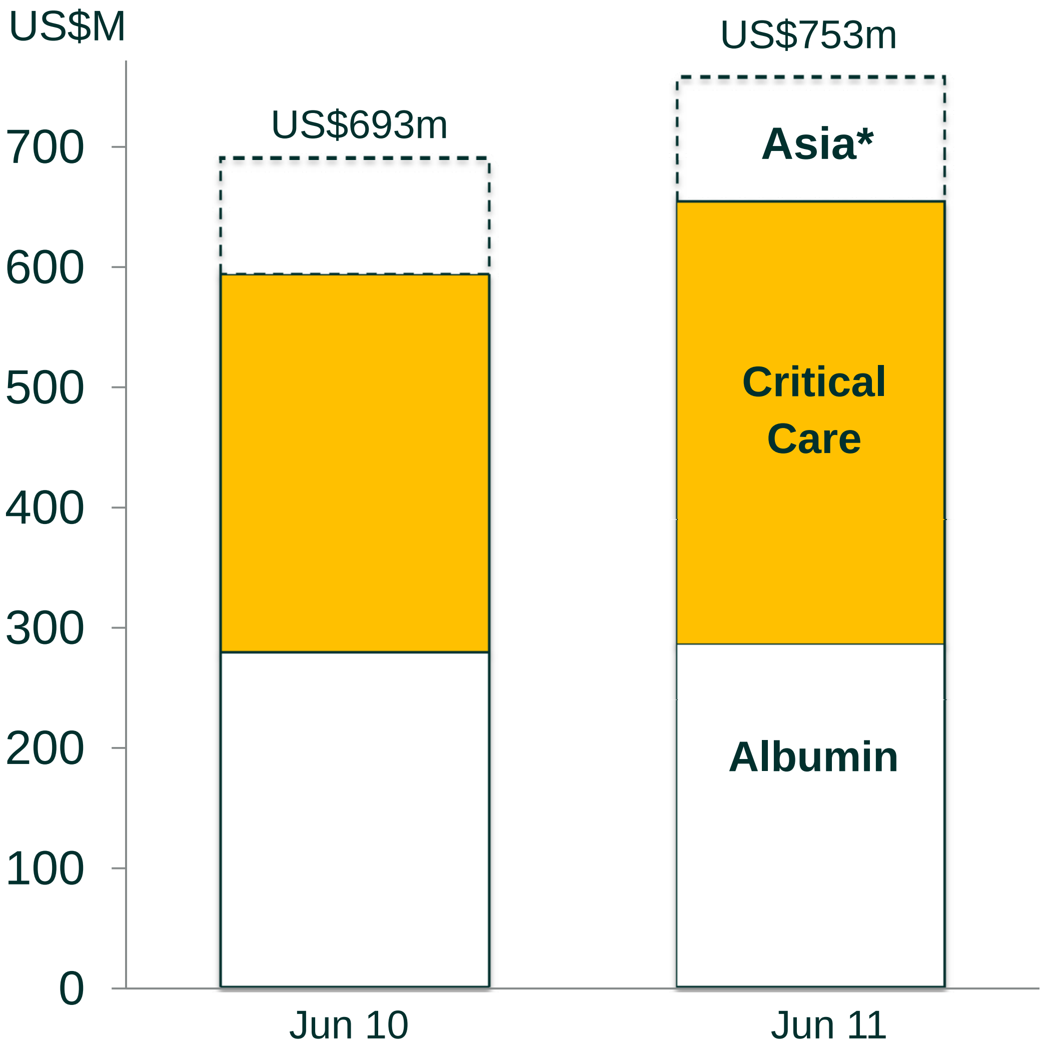
Growth

Sales mix
- Migration to Privigen®

SCIG demand
- New patients
- Transition to Hizentra®
- Rolling EU launches of Hizentra®

Volume
- US Privigen promise
- Canada expansion
- European demand strong
- Rhophylac® growth
- Competitor withdrawal

Critical Care



Sales for the 12 month period

Highlights

Up 9% in cc terms

Albumin growth

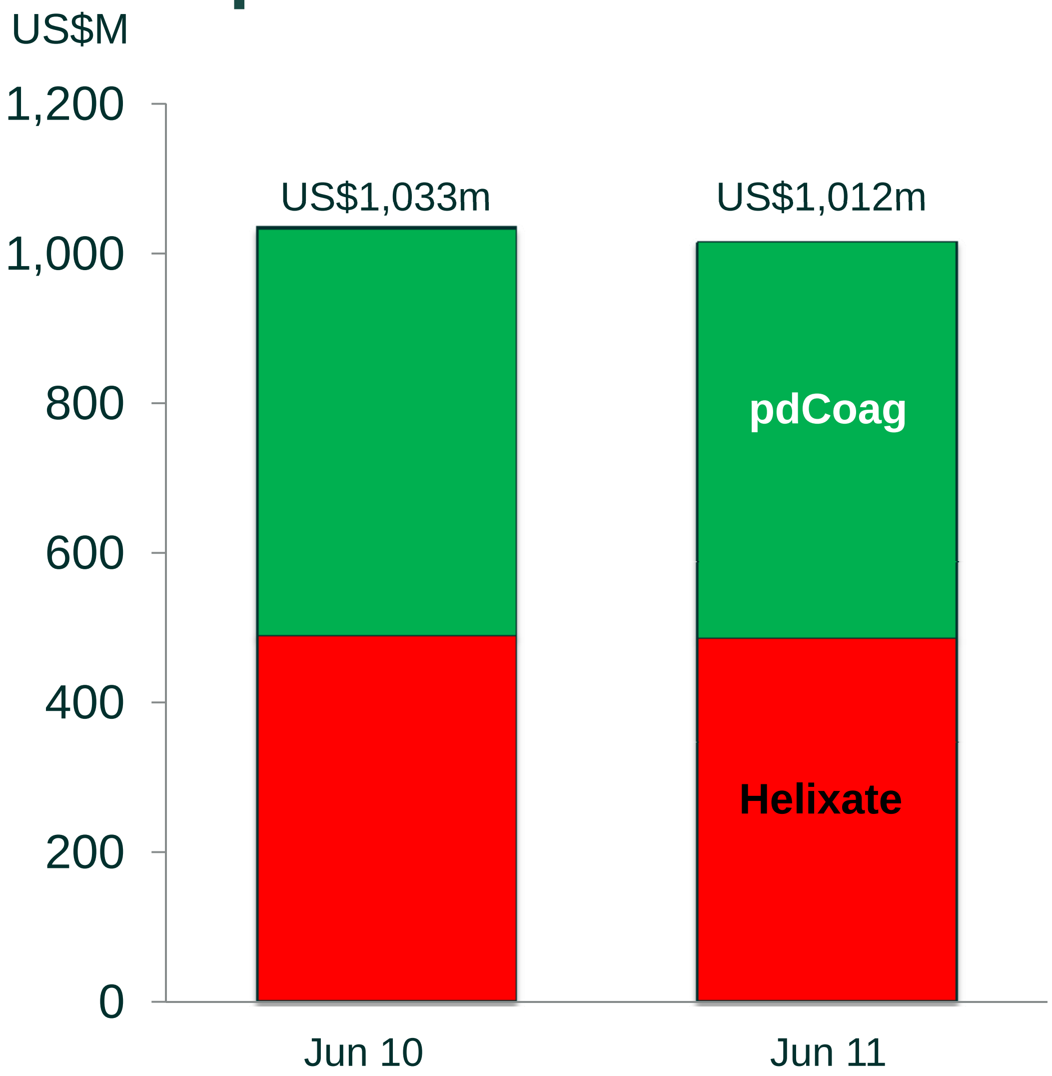
- Updated clinical guidelines
- Supply chain changes

Critical Care products growth

- Haemocomplettan® / RiaSTAP® ongoing peri-operative bleeding management demand
- Berinert® P - US patient growth
- Beriplex® - Warfarin reversal

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

Haemophilia



Sales for the 12 month period

Highlights

Down 1% in cc terms

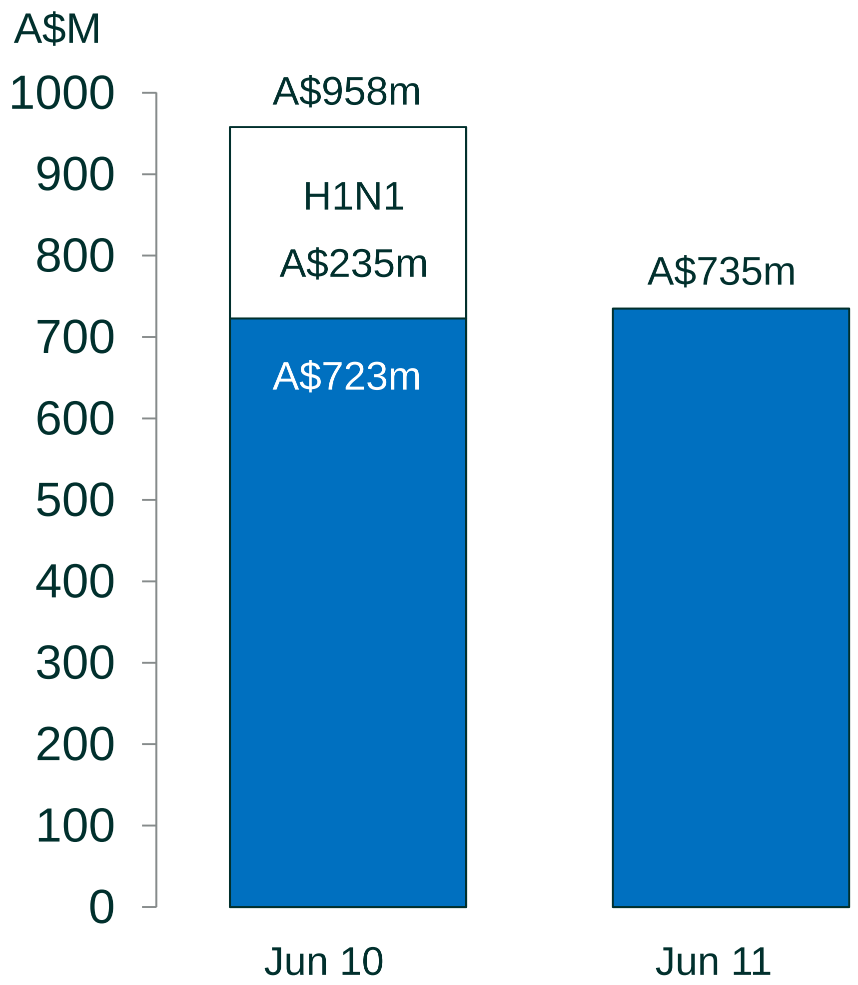
PdFVIII

- 8% volume growth in lower priced markets
- Beriate® demand growth in Russia, Poland & Brazil

Helixate®

- UK tender reduction

Other Human Health
(CSL Biotherapies)



Highlights

Up 4% in cc terms

Plasma therapies sales growth
- ARCBS collections growth
- Biostate® sales into Asia and South America
- RiaSTAP® approved by TGA

GARDASIL® Australia & NZ $24.8m (FY10 $47m)
- Successful conclusion of catch-up programs in Australia.

Influenza sales $125m up 5% at CC

CSL

CSL Intellectual Property Licensing

Revenue $96m, down 6% on CC terms

HPV royalties $83m

- TGA approval for use in males 9 to 26 yrs for prevention of external genital lesions
- Submission to PBAC to extend current program

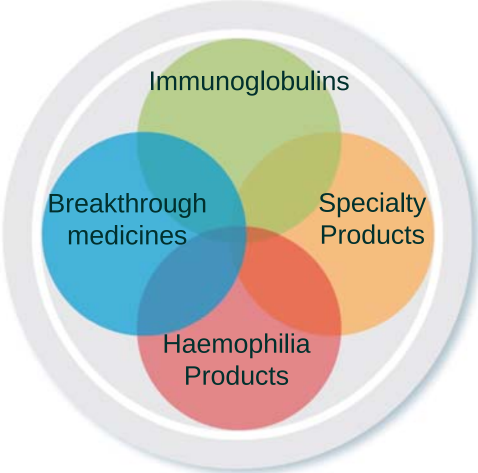
Mavrilimumab (GM-CSFRα)

- Medimmune/AstraZeneca Phase II study in RA
- Recruitment completed
- Results expected Q4 11

Periodontal disease

- Research agreement with Sanofi pasteur
- Option to an exclusive worldwide license

R&D Highlights



Coagulation/Haemophilia

Recombinant Factor IX-FP

- Phase I study patient recruitment completed

Recombinant Factor VIII

- Unique single chain rFVIII phase I study Q4 11

Recombinant Factor VIIa-FP

- Pharm/tox studies commenced

Immunologlobulins

Privigen®

- European Phase III study in CIDP initiated

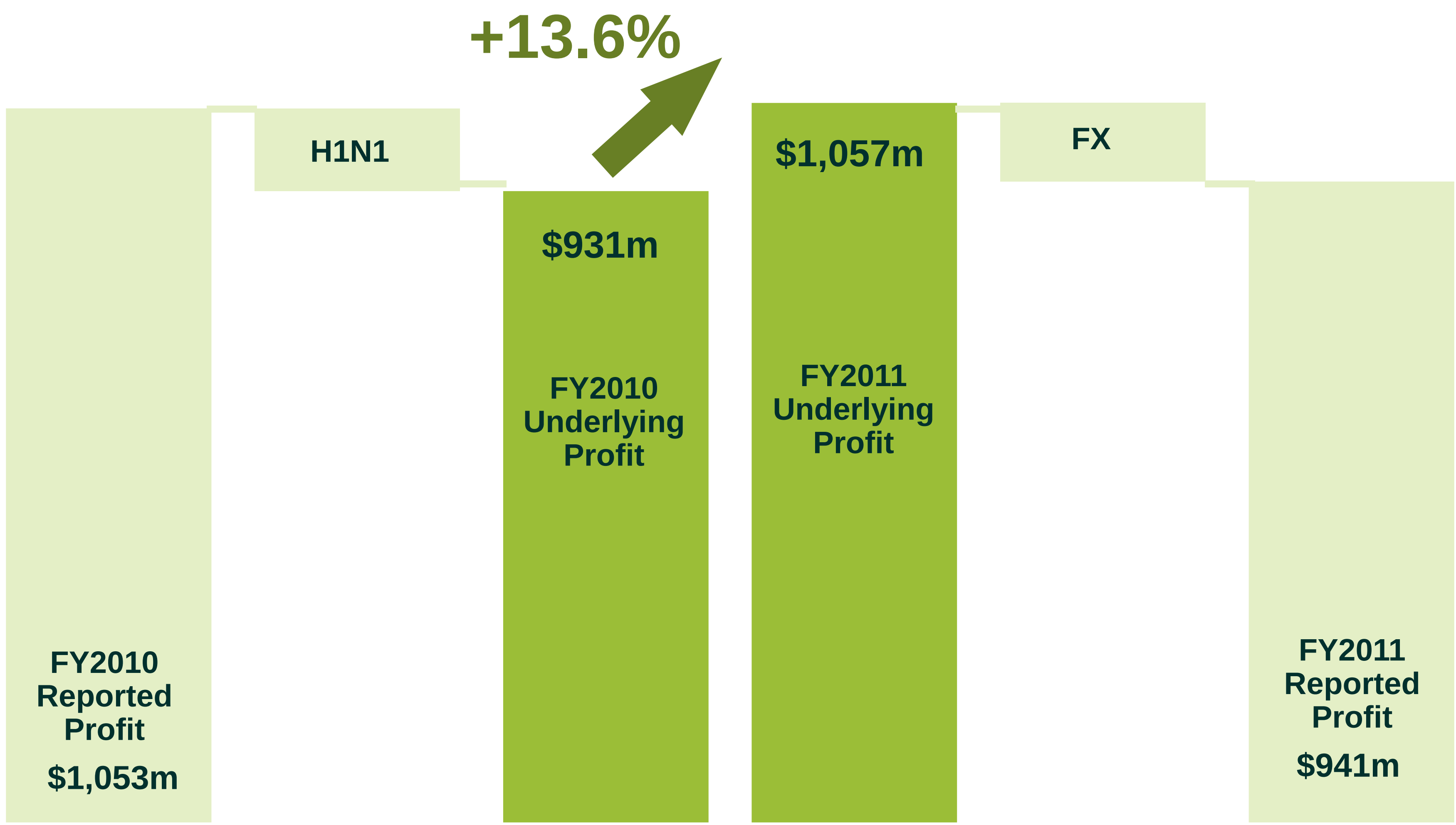
Breakthrough Medicines

Reconstituted HDL

- Phase I dosing study completed

Financial Detail

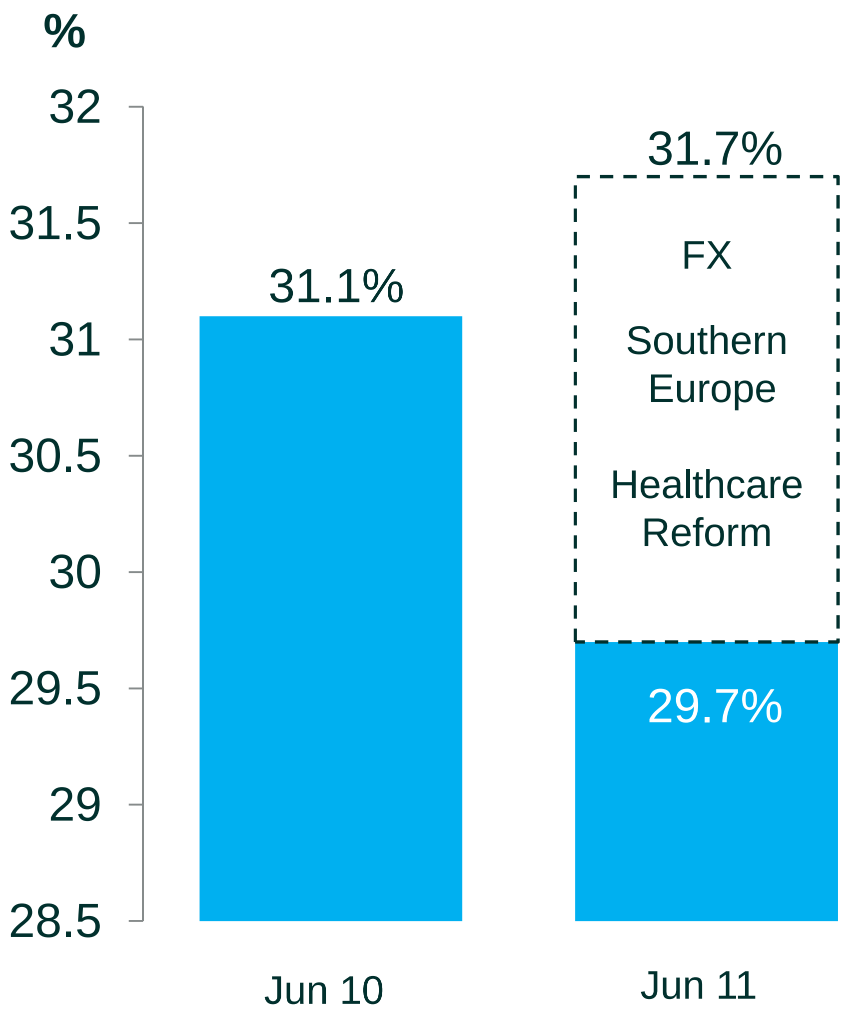
Underlying profit up 13.6% @ constant currency



FY2011 guidance @ constant currency $980m – $1,030m

"…at the top of this range…"

CSL Behring - Reported EBIT Margin



Notable items

- Foreign Exchange
  - Weakening USD against the Swiss Franc
- Southern Europe
  - Discount on Greek bonds
- Healthcare reform
  - US & EU

Strong Financial Discipline

Cashflow from operations $1.0 billion

Capital expenditure $212m

Working Capital	**2010**	**2011**
Cash cycle	145	147

Financial Leverage	**2010**	**2011**
• Cash on hand	$1,001m	$479m
• Debt	$462m	$416m

- Balance Sheet Strength -

Capital Management

On-Market Buyback

Completed June 2010

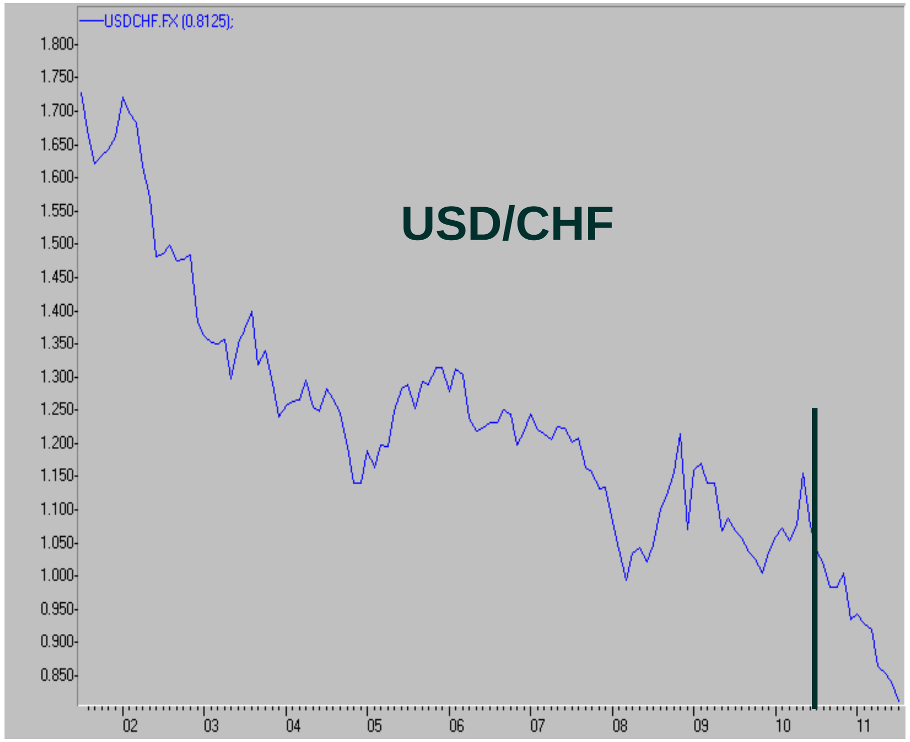
- 26m shares ~5% of issued capital
- $900m returned to shareholders

Capital management foreshadowed during FY2012

- Modestly leverage balance sheet
  - Net debt/EBITDA target zone 0.7 to 1.2x
- Raise new bank debt and Private Placement facilities ~$1bn
- Pay down facilities maturing calendar 2012 of $385m
- Board to consider alternative capital management initiatives
  - May include share buyback of up to $900m

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

Currency Effects



Translation

Transaction FX dependant on

- Sale or purchase date & size
  - Considerable variance month to month
- Exchange rate at a point in time

Key drivers

- Certain sales of immunoglobulin – USD/CHF
- Certain sales of coagulation products – USD/EUR
- Certain sales of influenza vaccine – AUD/USD
- HPV vaccines royalty – AUD/USD

Composite figure guidance to date

- Worked reasonably well until current period of significant FX movements

Rough Transaction Guide

Rough guide

- Transaction FX estimate –ve A$175m
- USDCHF key sensitivity
  - Reference rate 0.76
  - 1% movement from reference rate is +/- $5m to estimate

Considerations

- USD weakening against the CHF gives rise to –ve impact
- Updates to be provided with half yearly results
  - Necessary as the sale mix continually changes

Transaction FX estimate – rough guide only

CSL™

FX Impact on FY2012 Guidance*

Foreign Exchange *(post tax)*

	FY12 Est.
Translation	~ $ 90m
Transaction	~ $(175)m
Total	~ $ (85)m

Net profit after tax outlook

NPAT FY2012 at constant currency	~$1,040m
Growth ~10% on FY2011 profit	
Est. foreign currency NPAT impact	~ $(85)m
NPAT FY2012 at current rates	**~A$955m**

- Full year impact
- See appendix for foreign exchange sensitivity table

CSL Growth Strategy

Immunoglobulins
Privigen® Hizentra ®

Emerging markets
Albumin, FVIII

Market growth
All products

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

Recombinant Coagulants
rFIX, rFVIIII, rFVIIa

Biotech
AML, RA

New Plasma Fractions
rHDL

R&D capabilities - Financial strength

Appendix

Group Results

Full year ended June $ Millions	June 2010 Reported	June 2010 Underlying*	June 2011 Reported	June 2011 CC**	Change %
Sales	**4,456**	**4,221**	**4,188**	**4,584**	**8.6%**
Other Revenue / Income	171	171	134	145	
Total Revenue / Income	**4,627**	**4,392**	**4,322**	**4,729**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,514**	**1,339**	**1,357**	**1,510**	**12.7%**
Depreciation/Amortisation	157	157	173	183	
Earnings before Interest and Tax	**1,357**	**1,182**	**1,184**	**1,327**	**12.2%**
Net Interest Expense / (Income)	(22)	(22)	(14)	(13)	
Tax Expense	326	274	257	283	
Net Profit	**1,053**	**931**	**941**	**1,057**	**13.6%**
Total Ordinary Dividends (cents)	80.00		35.00		
Final Dividend (cents)	45.00		45.00		
Basic EPS (cents)	185.8		174.0		

* *Excludes the one-off contribution from the sale of pandemic influenza vaccine (H_1N_1) in the prior comparable period.*

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

Group Results
*Restated in US Dollars**

Full year ended June US$ Millions	June 2010 Reported	June 2010 Underlying*	June 2011 Reported	Change %
Sales	**3,909**	**3,702**	**4,097**	**10.7%**
Other Revenue / Income	149	149	131	
Total Revenue / Income	**4,058**	**3,851**	**4,228**	
Earnings before Interest, Tax, Depreciation & Amortisation	**1,326**	**1,172**	**1,324**	**13.0%**
Depreciation/Amortisation	137	137	170	
Earnings before Interest and Tax	**1,188**	**1,035**	**1,154**	**11.5%**
Net Interest Expense / (Income)	(19)	(19)	(13)	
Tax Expense	286	240	249	
Net Profit	**921**	**814**	**918**	**12.8%**

•The Group's result in USD has been prepared by translating the results of all entities in the Group into US dollars using average fiscal year exchange rates.

CSL Behring Sales

Year ended June	FY10 USD$M	FY11 USD$M	FY11 USD$M CC	Change %
rFVIII	**489**	**486**	**493**	**1**
pdCoag	**544**	**527**	**533**	**-2**
Specialty Critical Care	**313**	**367**	**365**	**17**
Albumin (excludes Asian sales)	**279**	**286**	**282**	**1**
Wound Healing	**90**	**94**	**87**	**-4**
Immunoglobulins	**1,197**	**1,493**	**1,493**	**25**
Other Product Sales	**73**	**61**	**61**	**-16**
Total Product Sales	**2,984**	**3,313**	**3,313**	**11**
Other sales (mainly plasma)	*85*	*66*	*66*	*-22*
Total Sales	*3,069*	*3,380*	*3,379*	*10*

Foreign Exchange Sensitivity

FY2012 - Full year NPAT impact

Translation - Ready Reckoner

Sensitivity to 1% movement in key currency pairs

	FY11 Rates	1% rate change impact on FY12
• AUD/USD*	0.98	+/- $1.6m
• AUD/EUR	0.72	+/- $3.1m
• AUD/CHF	0.96	+/- $5.6m

Transaction – estimate -ve$175m

Sensitivity to 1% movement in key currency pair

	Reference Rate	1% rate change impact on estimate
• USD/CHF	0.76	+/- $5m

* *Includes HPV Royalties*

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: 1) 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 2) 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.*