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ASX Announcement

For immediate release

19 August 2020

RESULTS ANNOUNCEMENT
FOR THE FULL YEAR ENDED 30 JUNE 2020

Melbourne, Australia – CSL (ASX:CSL; USOTC:CSLLY)

As approved by the Board of CSL Limited, and in accordance with ASX Listing Rule 4.3A, please find attached the following for immediate release to the market:

- Appendix 4E – Full Year Report;
- Operating and Financial Review for the full year ended 30 June 2020, which accompanies the Directors' Report;
- Directors' Report (including the Remuneration Report); and
- Financial Report.

Authorised for lodgment by:

Fiona Mead
Company Secretary

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CSL Limited

ABN: 99 051 588 348

ASX Full-year information 30 June 2020

Lodged with the ASX under Listing Rule 4.3A.

Contents

CSL Limited

ABN: 99 051 588 348

ASX Full-year information 30 June 2020

(Previous corresponding period: Year ended 30 June 2019)

Results for Announcement to the Market

	2020 US$m	2019 US$m	Percentage change
Sales revenue (revenue from ordinary activities)	8,796.6	8,205.4	7.2%
Total other revenues	354.2	333.2	6.3%
Total revenue and other income	**9,150.8**	**8,538.6**	7.2%
Profit before income tax expense	2,572.7	2,341.1	9.9%
Income tax expense	(470.2)	(422.4)	11.3%
Reported profit from ordinary activities after tax attributable to members of the parent entity	**2,102.5**	**1,918.7**	9.6%
Reported Net profit after tax attributable to members of the parent entity	**2,102.5**	**1,918.7**	9.6%

Reported

- Sales revenue up 7.2% to US$8.8 billion.
- Net profit after tax for the year attributable to members of the parent entity up 9.6% to US$2.1 billion.

Underlying Net Profit after Tax at Constant Currency[1]

- Underlying sales revenue at constant currency up 8.9% at US$8.9 billion.
- Underlying net profit after tax for the year at constant currency up 17.1% to US$2.2 billion.

Dividends

	Amount per security	Franked amount per security
Final dividend (determined subsequent to balance date#)	US$1.07	Unfranked*
Interim dividend (paid on 9 April 2020)	US$0.95	Unfranked
Final dividend (prior year, paid on 11 October 2019)	US$1.00	Unfranked

Record date for determining entitlements to the final dividend: 11 September 2020

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

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

Explanation of results

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

Other information required by Listing Rule 4.3A

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

[1] Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. This is done in three parts: (a) by converting the current period net profit of entities in the group that have reporting currencies other than US Dollars at the rates that were applicable to the prior comparable period ("translation currency effect"); (b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior comparable period ("transaction currency effect"); and (c) by adjusting for current year foreign currency gains and losses. The sum of translation currency effect, transaction currency effect and foreign currency gains and losses is the amount by which reported net profit is adjusted to calculate the operational result.

<u>Summary NPAT</u>

Reported Net Profit after Tax	$2,102.5m
Translation Currency Effect (a)	$ (1.0m)
Transaction Currency Effect (b)	$ 60.1m
Foreign Currency (Gains) and Losses (c)	$ 85.4m
Constant Currency Net Profit after Tax *	$ 2,247.0m

<u>(a) Translation Currency Effect ($1.0m)</u>
Average Exchange rates used for calculation in major currencies (12 months to Jun 20/Jun 19) were as follows: USD/EUR (0.90/0.87); USD/CHF (0.98/0.99)

<u>(b) Transaction Currency Effect $60.1m</u>
Transaction currency effect is calculated by reference to the applicable prior comparative period exchange rates. The calculation takes into account the timing of sales both internally within the CSL Group (i.e. from a manufacturer to a distributor) and externally (i.e. to the final customer) and the relevant exchange rates applicable to each transaction.

<u>(c) Foreign Currency Losses $85.4m</u>
Foreign currency losses recorded during the period.

<u>Summary Sales</u>

Reported Sales	$8,796.6m
Currency Effect	$141.2m
Constant Currency Sales *	$8,937.8m

* Constant Currency Net Profit after Tax and Sales have not been audited or reviewed in accordance with Australian Auditing Standards.

Additional Information

NTA Backing

	30 June 2020	30 June 2019
Net tangible asset backing per ordinary security	US$9.66	US$7.44

Changes in controlled entities

The Group completed one acquisition during the financial year which was the acquisition of 100% equity of Vitaeris Inc, and two of its wholly owned subsidiaries. Details of the acquisition are in Note 1b to the financial statements.

Audit report

The audit report is contained in the attached Financial Report.

Fiona Mead
Company Secretary
18 August 2020

Chairman and CEO Message

Dear Stakeholders,

In writing this message we have had the opportunity to reflect on the sobering and far-reaching impact that the COVID-19 pandemic has had on our global community.

While the pandemic has certainly added complexity to our business and operating environment, CSL has had a number of notable achievements throughout the year, including the Company's 25th anniversary as a listed company on the Australian Securities Exchange. We are pleased to share some of those success stories in this report.

Business Highlights

CSL has continued to deliver value to shareholders because of our unwavering focus on delivering innovative products to people with rare and serious disease, and to protecting the health of the public with our influenza vaccines portfolio.

This year we made a series of investments designed to strengthen the next-generation therapeutic areas within our portfolio. We exercised an option to fully acquire biotechnology company Vitaeris, specifically its late-stage monoclonal antibody therapy to address long-term rejection in kidney transplants. Additionally, subject to receiving regulatory approval we acquired the exclusive global license rights to commercialise a Phase 3 stage program adeno-associated virus (AAV) gene therapy program for the treatment of haemophilia B from uniQure, an asset that if successful will prove transformational for patients suffering this disease. Expanding our stem cell gene therapy portfolio, we established an alliance with Seattle Children's Research Institute to develop stem cell gene therapies for primary immunodeficiency diseases.

We also entered into a long-term strategic partnership with Thermo Fisher Scientific for the lease of our state-of-the-art biotech manufacturing facility currently under construction in Lengnau, Switzerland. When construction is complete, Thermo Fisher will lease and operate the Lengnau facility and provide production support for CSL's biologics portfolio. This decision was made following a strategic review and will allow us to access capabilities from an experienced partner and leverage our own internal investments.

While some clinical trial stage programs in our research portfolio have been slowed due to COVID-19, our Phase 3 program investigating CSL112 for reduction of recurrent cardiovascular events is progressing well. Over 9,500 patients are now recruited and the results of a futility analysis have provided us the confidence to continue as planned.

As we've seen with the recent registration of Flucelvax in Europe, Seqirus continues to go from strength to strength as its differentiated product portfolio gains a strong reputation in global markets.

Our relationships with the biomedical community have always been critical to the way we approach our innovation portfolio. In planning for future growth, we made the decision to build a bespoke facility to house our Company's Australian headquarters and expand our R&D footprint with a new 16-storey building in the heart of Melbourne's biomedical precinct. It will accommodate 800 employees from 2024. The move ensures we are well placed to strengthen our partnerships and deepen the valuable relationships we have with the local biomedical community. The move will also bring key elements of our Australian operations together, fostering stronger internal collaboration.

With our robust research and development (R&D) pipeline, Commercial and Operations excellence, passionate people and global reputation as a leading biotechnology company, we have delivered a strong result for the year. It reflects the focused execution of our strategy, robust demand for our differentiated medicines and our commitment for meeting the needs of people who rely on our therapies.

We are pleased to deliver a record dividend to shareholders of US$2.02 per share for 2020.

Unified by our Values

Throughout the pandemic period, the majority of our employees have continued to work on our sites and in our laboratories carrying out roles that are critical to ensuring our business continuity.

For many others in our workforce, it has meant working remotely and adopting new technologies to ensure our culture of collaboration continues as we prepare for the safe return to our office sites.

Through this challenging environment, our employees have stayed focused while demonstrating creativity, flexibility and resilience in continuing to do their jobs and doing them well. Our people remain unified by our Values of Patient Focus, Innovation, Integrity, Collaboration and Superior Performance and we sincerely thank them for their commitment.

Using our assets to join the COVID-19 battle

We are privileged to be in a unique position of having capabilities, competencies and assets across the organisation to respond to COVID-19.

These efforts range from participating in the development and manufacture of a novel vaccine in partnership with the University of Queensland, to forming and leading an unprecedented global industry alliance to develop a hyperimmune treatment for the most serious cases. Our scientists involved in these programs are working with urgency and we thank them for their tireless commitment over the past few months.

During the COVID-19 pandemic, a few hundred of our employees have tested positive for the virus. They, along with their loved ones, have had our full support as they focus on their recovery.

Seeing so many people affected by COVID-19, over the past several months, makes us even more determined in our efforts to fight the virus. Yet, no single vaccine or therapeutic approach is going to solve this health crisis; multiple approaches are essential.

We remain optimistic that the extraordinary amount of scientific collaboration happening across industry, academia and government, including many initiatives we are proud to be a part of, will lead to effective treatments and vaccines in the near future. Until that time, we are greatly encouraged by the fast adjustments that our business has been able to make to adapt to changing conditions, and help us endure any impacts of the pandemic.

We are confident that from the pandemic crisis, society will eventually discover many benefits arising from it, ranging across the acceleration and adoption of new technologies, a deep resilience and ability to recover by the community, and a significant contribution to science and medicine.

Board Renewal

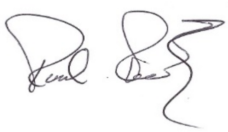
One of the Board's priorities is to ensure it has the capabilities and domain expertise to govern our complex, global business effectively. We welcomed two new Board members, Carolyn Hewson and Pascal Soriot, and farewelled Tachi Yamada.

We are excited to have Carolyn and Pascal join our Board as they will further contribute to the right balance of attributes, skills, experience and diversity to deliver best practice governance. Not only do we take a structured and rigorous approach to Board succession, we apply this level of review throughout the organisation to make sure that we have an agile, best in class and principles-based management team reflecting our Values. We are proud that external stakeholders recognise this with Forbes including CSL in its Best Employers for Diversity rankings 2020.

We believe that we are well-positioned to bring our strategy for the future to life. Our continued momentum would not be possible without the remarkable efforts of our people, our donors, our external partners and, of course, our patients.

As always, we thank you for your support.

Please stay healthy and safe.



Dr Brian McNamee AO
Chairman

Paul Perreault
CEO and Managing Director

Our Company

CSL is a global biotechnology leader which develops and delivers innovative medicines that save lives, protects public health and helps people with life-threatening medical conditions live full lives.

1. Our businesses

CSL Behring

CSL Behring is a global leader in developing and delivering high-quality medicines that treat people with rare and serious diseases. Our treatments offer promise for people who are living with conditions in the immunology, haematology, cardiovascular and metabolic, respiratory, and transplant therapeutic areas. CSL Behring drives more than 85% of overall company revenue with substantial markets in more than 100 countries across Asia Pacific, Europe, Latin America and North America.

Seqirus

As one of the largest influenza vaccine providers in the world, Seqirus is a major contributor to the prevention of influenza globally and a transcontinental partner in pandemic preparedness.

Seqirus operates state-of-the-art production facilities in the United States (US), the United Kingdom (UK) and Australia and utilises both egg-based and cell-based manufacturing technologies as well as a proprietary adjuvant. It has leading research and development (R&D) capabilities, a broad and differentiated product portfolio and commercial operations in more than 20 countries.

2. Our product portfolio

CSL Behring

We meet patients' needs using the latest recombinant and plasma-derived technologies. CSL Behring discovers, develops and delivers the broadest range of products in the industry for treating rare and serious diseases such as haemophilia, von Willebrand disease (vWD), primary immune deficiencies (PI), chronic inflammatory demyelinating polyneuropathy (CIDP), hereditary angioedema (HAE) and inherited respiratory disease.

CSL Behring's products are also used in cardiac surgery, for burn treatment and for urgent warfarin reversal.

Our therapeutic areas comprise:

- immunology;
- haematology;
- cardiovascular and metabolic;
- respiratory; and
- transplant.

Seqirus

Our broad range of influenza vaccines meets the needs of different populations around the world. In Australia and the Asia Pacific region, Seqirus is a leading provider of in-licensed vaccines and specialty pharmaceuticals. It is also the world's only supplier of a unique range of products made in the national interest for the Australian Government, including antivenoms and Q fever vaccine.

Influenza Vaccines
Egg-based and cell-based products, seasonal, pre-pandemic and pandemic influenza vaccines

Products of National Significance
Q fever vaccine and antivenoms for venomous creatures in Australia and other Pacific countries

In-licensed Vaccines and Pharmaceuticals
For Australia and New Zealand

More on CSL.com (Expertise)

3. Our research and development pipeline

Working every day and knowing people's lives depend on it, CSL's world-class R&D organisation continues to evolve as a biotechnology leader by advancing high-quality science and technology through our own high-calibre scientists and innovative collaborations. R&D utilises its expertise in four strategic platforms – plasma fractionation; recombinant protein technology; cell and gene therapy; and vaccine development – to develop and deliver innovative medicines that address unmet medical needs or enhance current treatments that help patients lead full lives.

CSL's strong R&D pipeline includes new treatments that utilise the above platforms and align with its leading-edge scientific technology and commercial capabilities across our six therapeutic areas: immunology; haematology; cardiovascular and metabolic; respiratory; transplant; and influenza.

Looking towards 2030, R&D is striving to deliver on the current portfolio of medicines and continue to build a full and innovative pipeline that will make a meaningful difference to the lives of patients with rare and serious diseases. This pipeline will also make a substantial contribution to our future revenue well into the following decades.

Global Research and Development Pipeline 2019/20

Immunology

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **Haegarda**® (C1 Esterase Inhibitor) Subcutaneous in Japan
- **Hizentra**® (20% subcutaneous Ig) Dermatomyositis
- **Hizentra**® (20% subcutaneous Ig) Systemic Sclerosis
- **Privigen**® (10% intravenous Ig) Systemic Sclerosis
- **Garadacimab** (Anti-FXIIa mAb) Hereditary Angioedema
- **CSL324** (Anti-G-CSFR mAb) Hidradenitis Suppurativa
- **CSL730** (Recombinant Trivalent Human IgG1 Fc Multimer)*
- **CSL510** Modified Fibrinogen
- **Gene Therapy Treatments** Primary Immune Deficiency*

Haematology

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **Idelvion**® (Recombinant rFIX-FP) Haemophilia B
- **Afstyla**® (Recombinant FVIII) Haemophilia A
- **CSL630** (pdFVIII Ruide)
- **CSL200** (CAL-H) Sickle Cell Disease
- **CSL889** (Hemopexin) Sickle Cell Disease
- **CSL888** (Haptoglobin) Subarachnoid Haemorrhage

Respiratory

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **ZEMAIRA®/RESPREEZA**® (Alpha1-Proteinase Inhibitor)
- **CSL311** (Anti-Beta Common mAb)
- **CSL787** (Nebulised Ig)

Cardiovascular and Metabolic

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **CSL112** (ApoA-1) Acute Coronary Syndrome
- **CSL346** (Anti-VEGFB mAb) Diabetic Kidney Disease

Transplant

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **CSL842** (C1 Esterase Inhibitor) Refractory Antibody Mediated Rejection
- **CSL964** (Alpha Antitrypsin) Prevention of Graft versus Host Disease
- **CSL964** (Alpha Antitrypsin) Treatment of Graft versus Host Disease*
- **Clazakizumab** (Anti-IL-6 mAb) Antibody Mediated Rejection
- **CSL040** (Novel Complement Inhibitor)

Influenza Vaccines

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **AFLURIA**® Quad (Quadrivalent Egg-based Influenza Vaccine)
- **FLUCELVAX**® Quadrivalent (Quadrivalent Cell-based Influenza Vaccine)
- **FLUAD**® Trivalent (Adjuvanted Influenza Vaccine)
- **FLUAD**® Quadrivalent (Adjuvanted Influenza Vaccine)
- **Adjuvanted Cell Culture Influenza Vaccine** (aQIVc)
- **Self-amplifying mRNA Influenza Vaccine**

Outlicensed Programs

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **Mavrilimumab** (Anti-GM-CSFR mAb)
- **CSL334/ASLAN004** (Anti-IL-13R mAb) Atopic Dermatitis
- **LASN01** (Anti-IL-11R mAb)
- **P. Gingivalis** Periodontal Disease

COVID-19

Research | Pre-Clinical | Clinical | Registration | Post-Launch

- **CSL312** (Anti-FXIIa mAb) Acute Lung Injury
- **CSL324** (Anti-G-CSFR mAb) Acute Lung Injury
- **CSL451** (aCoV2)*
- **COVID-19 Hyperimmune Therapy***

* Partnered projects.

CSL's pipeline also includes Life Cycle Managment projects that address regulatory post-marketing commitments, pathogen safety, capacity expansions, yield improvements, and new packages and sizes.

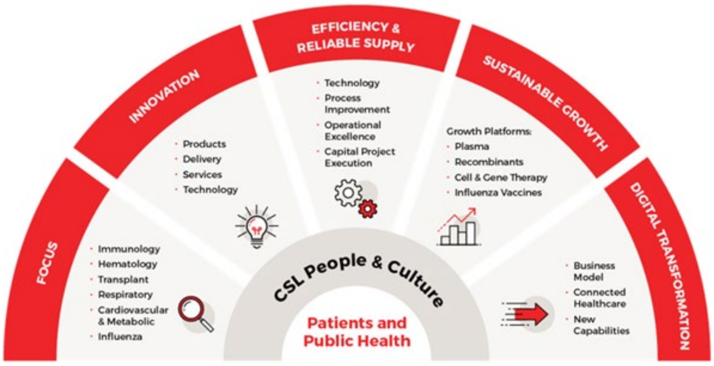
Strategy and Performance

In 2020, we are at the start of a decade full of promise. We are continually investigating new ways to bring lifesaving therapies to patients across the globe. We are also expanding production as we drive toward future sustainable growth. The new decade will bring advancements in medicine and technology as part of a continued evolution of biotechnology. It's an evolution we are excited to be a part of and our 2030 strategy is developed with this evolution at its heart.

1. Our 2030 strategy

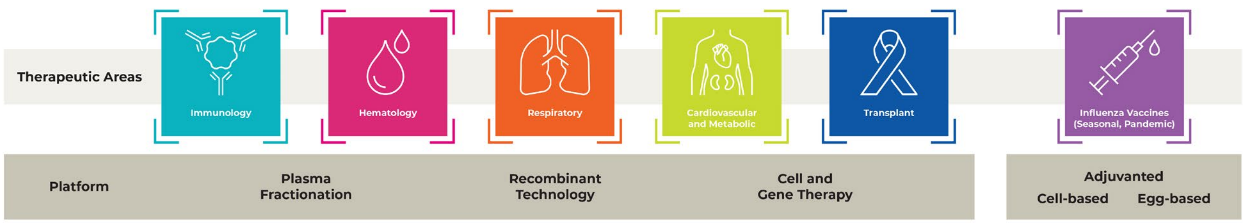
The 2020 strategy demonstrated that, in addition to growing our global plasma business, we could develop and launch class-leading recombinant products like IDELVION® and build Seqirus into the second-largest influenza vaccine innovator in the world. Along the way, we also expanded our platform technologies for future growth with the acquisition of Calimmune, offering a new strategic cell and gene therapy platform. The 2020 strategy has positioned CSL for continued and sustainable growth across the enterprise.

Our new 2030 strategy was developed to build on our success and further serve our patients and enhance public health, which are both at the core of what we do every day. With our global workforce and strong culture, we look to execute our 2030 strategy through the following areas: focus; innovation; efficiency and reliable supply; digital transformation; and further advance our sustainable growth.



We focus in areas where we have the capabilities required to deliver value. We have chosen therapeutic areas (TAs) where we have strong assets and established expertise, such as immunology and haematology, and emerging TAs where we see opportunities to grow our business, such as transplant, respiratory, and cardiovascular and metabolic (CVM). In the influenza vaccine business, our focus is on continued growth of our cell-based products which we believe will lead to improved outcomes compared to egg-based products.

TA leadership teams, co-led by senior leaders in R&D and Commercial, have been established to maximise the benefits of our products in their areas and to identify unmet patient needs that can be addressed by our core technology platforms: plasma fractionation, recombinant technology, cell and gene therapy and vaccines.



Innovation is in our DNA and we are committed to delivering novel therapies to patients in our core TAs. In our industry, bringing new products to market is lengthy and complex, given the need for extensive testing in the clinic to ensure the safety and efficacy of our product candidates. Today, we contribute around 10% of our sales to R&D to develop clinical candidates and discover new molecules. Over the 2030 timeframe, we will see the results from major clinical programs in emerging TA's like CVM and transplant that have the potential to fill unmet patient need. We are also growing our early stage portfolio, through our in-house capabilities and through collaborations with external partners, to find the next generation of therapies that will treat patients in the coming years.

Efficiency and reliable supply is critical for meeting the increasing demand for our core plasma products, such as HIZENTRA® and PRIVIGEN®, and our emerging cell-based influenza vaccine products. As one of the global leaders in plasma fractionation, we look for opportunities to invest in capital projects that will increase our ability to meet the needs of patients. We approach the next decade of growth being the most efficient derived-plasma operator in the market and aim to serve more patients through a network strategy that requires investments in technology, operational excellence and process improvement. Outside plasma, we have plans to increase capacity and optimise processes for our cell-based influenza vaccine products.

Sustainable growth of our business requires that patients who will benefit most from our therapies have access and that we also capture the value that our products brings to patients. Global demand for our core products is increasing and we are committed to grow our business by maximising the value of our franchises. For our therapeutic areas, we will continually expand our portfolio of products to deliver unmet need to patients and value to stakeholders.

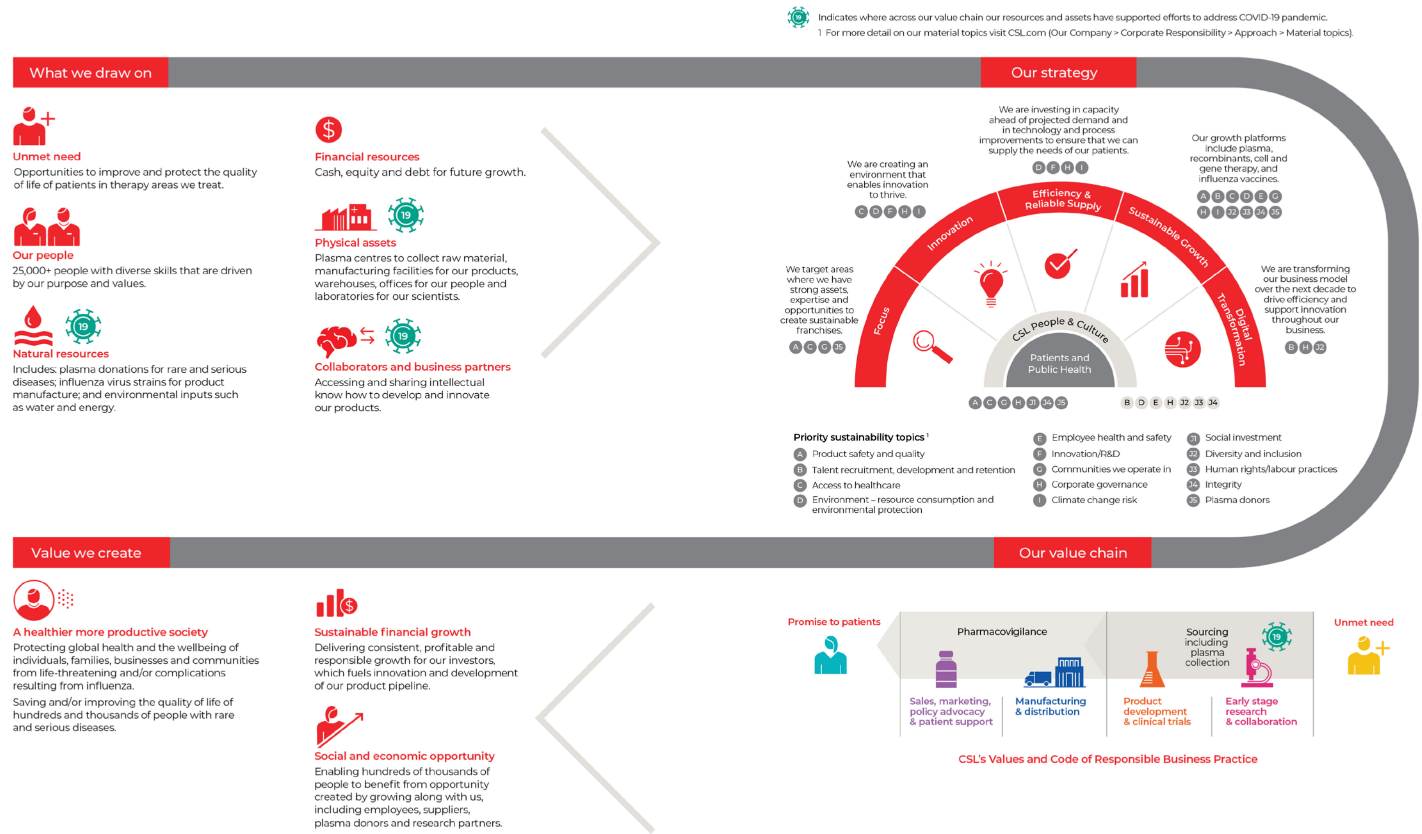
We see potential in the years ahead to create enhanced value and to better serve our patients through the use of data, connectivity and technologies that can improve our operations and increase our understanding of the patient experience. Today, we are taking the necessary steps to enable digital transformation throughout the business.

We are a trusted partner in protecting public health, and through our unique capabilities and expertise, take such responsibility seriously. We have partnered with governments for influenza pandemic vaccine manufacturing and our response to COVID-19 has demonstrated how CSL can respond with flexibility and purpose to events that impact global health. The 2030 strategy will bring new opportunities and new ways of doing business. Today, we are more than 27,000 employees and growing. Guiding us, both internally and in the evolving world around us, are the core CSL Values we established years ago: Patient Focus, Innovation, Integrity, Collaboration and Superior Performance.

Delivering on our 2030 strategy is not without risk, and we provide more detail on the material risks that could affect the execution of our strategy in the next section.

2. How we create value

CSL's ultimate goal is to deliver value through fulfilling unmet patient needs and protecting public health. With patients at the core of our focus, we also strive to deliver sustainable financial growth for our shareholders and other stakeholders who rely on our operations for economic and social prosperity. We achieve this through high-quality, focused innovation capabilities, operational excellence and global commercial strength. At the origins of our value chain, plasma donors fuel our pipeline, while partners and collaborators support innovation. Employees enable value creation by driving our performance to deliver against our strategy and our promise.



3. United Nations sustainable development goals

In September 2015, the General Assembly of the United Nations (UN) adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). The goals seek to address global challenges, including those related to health and wellbeing, education, poverty, inequality, climate change, peace and justice. CSL has identified seven goals where performance against our strategic objectives, and continuous improvement across our priority sustainability topics, can impact achievement of these goals.

CSL's identified UN Sustainable Development Goals

For more information on how CSL supports the UN Sustainable Development Goals visit CSL.com (Our Company > Corporate Responsibility > Approach).

4. Our financial review

Reported results

CSL announced a net profit after tax of US$2,103 million for the 12 months ending 30 June 2020, up 10% when compared to the prior comparable period. Net profit after tax at constant currency[2] grew 17%.

[2] Constant Currency removes the impact of exchange rate movements to facilitate comparability of operational performance for the Group. This is done in three parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars, at the rates that were applicable to the prior comparable period (Translation Currency Effect); b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior comparable period (Transaction Currency Effect); and c) by adjusting for current year foreign currency gains and losses (Foreign Currency

Sales revenue was US$8,797 million, up 9% on a constant currency basis when compared to the prior comparable period.

Expense performance

- Research and development expenses were US$922 million, up 12%[2] when compared to the prior comparable period.
- Selling and marketing expenses were US$896 million, an increase of 5%[2].
- Depreciation and amortisation expense was US$420 million, up 13%[2].
- Net finance costs were US$144 million, down 17%[2].

Financial position

- Capital expenditure was US$1,368 million, up 7% when compared to the prior comparable period.
- Cashflow from operations was US$2,488 million, up 51%.
- CSL's balance sheet remains in a strong position with net assets of US$6,527 million.
- Current assets increased by 16% to US$6,446 million.
- Non-current assets increased by 33% to US$9,019 million.
- Current liabilities decreased by 2% to US$2,142 million.
- Non-current liabilities increased by 39% to $6,796 million.

5. Our operating review

CSL Behring

Total revenue was US$7,854 million, up 9% at constant currency basis when compared to the prior comparable period.

Immunoglobulin (Ig) product sales of US$4,014 million grew 22% on a constant currency basis underpinned by strong demand for PRIVIGEN® (Immune Globulin Intravenous (Human), 10% Liquid) and HIZENTRA® (Immune Globulin Subcutaneous (Human), 20% Liquid).

Global demand for immunoglobulin is being driven by increased disease awareness and diagnosis as well as increase usage of Ig for the treatment of chronic conditions such as primary immune deficiency and the expanding utilisation of Ig for the treatment of secondary immune deficiencies.

Another contributing factor to the strong growth in Ig was the label claim granted to PRIVIGEN® and HIZENTRA® in the US for the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP) in 2018.

The fastest growing area of the Ig market is the subcutaneous segment in which HIZENTRA® continues to build its market leadership position. HIZENTRA® is the only subcutaneous product approved for CIDP and has been granted orphan exclusivity for this indication in the US.

Specialty product sales of US$1,697 million grew 10% on a constant currency basis. The main drivers of this growth was KCENTRA® and HAEGARDA®.

Effect). The sum of translation currency effect, transaction currency effect and foreign currency effect is the amount by which reported net profit is adjusted to calculate the result at constant currency.

Sales of KCENTRA (4-factor prothrombin complex concentrate) in the US were strong, driven by an expansion of new accounts and expanding usage in existing accounts.

HAEGARDA®, our therapy for patients with hereditary angioedema, also grew strongly as usage increased and additional supply came on stream.

Growth in specialty products was tempered by lower wound healing sales in Japan following the return to market of a competitor.

Haemophilia product sales of US$1,122 million increased 8% on a constant currency basis.

CSL Behring's haemophilia portfolio continues to evolve with strong growth in the recombinant haemophilia products of 18% on a constant currency basis over the prior comparable period. This was partly offset by the continued decline in plasma-derived coagulation products which fell 3% on a constant currency basis.

IDELVION, CSL's Behring's novel long-acting recombinant factor IX product for the treatment of haemophilia B, continued to grow strongly in the prophylaxis segment of the markets where we have launched the product.

AFSTYLA®, a novel recombinant factor VIII product for the treatment of haemophilia A patients, also delivered strong growth despite intense competition in this market.

Plasma-derived haemophilia sales decreased due to the competitive pressures in this segment of the market.

Albumin sales grew strongly in key markets with the planned exception of China, where we transitioned to our new direct distribution model. The transition has seen overall albumin sales decrease of 36% to US$640 million, which is in line with guidance.

Seqirus

Total revenue was US$1,297 million, up 11% at constant currency basis driven by our seasonal influenza vaccines, with a significant increase in demand for FLUAD®, Seqirus' adjuvanted influenza vaccine for the elderly market and increased sales of FLUCELVAX® Quadrivalent influenza vaccine.

6. Business strategies, prospects and likely developments

This OFR sets out information on CSL's business strategies and prospects for future financial years, and refers to likely developments in CSL's operations and the expected results of those operations in future financial years.

Information in the OFR is provided to enable shareholders to make an informed assessment of the business strategies and prospects for future financial years of the CSL Group. Certain information is excluded from the OFR (which forms part of the Directors' Report) on the basis that such information relates to impending developments or matters in the course of negotiation and disclosure would be unreasonably prejudicial to the interests of CSL. Reasons that could be considered unreasonably prejudicial to the interests of CSL include: providing information that is misleading due to the fact it is premature or preliminary in nature, relates to commercially sensitive contracts, would undermine the confidentiality between CSL and contract counterparties, or would otherwise unreasonably damage CSL. The categories of information omitted include forward looking estimates and projections prepared for internal management purposes, information which is developing and susceptible to change and information relating to commercial contracts and pricing.

Our Material Risks

CSL operates in a fast paced and constantly evolving environment of science, technology and healthcare. We are exposed to risks inherent in the global pharmaceutical industry, and in particular the plasma therapies industry. Therefore, we regularly review our group risk profile to proactively identify material business risks and opportunities that could impact our operations. Managing risks includes both the mitigation of disruptive risks and the preparation for seizing opportunities. Our global Risk Management Framework is designed to ensure robust risk oversight that is fit-for-purpose for both the operation of our business and to support our strategy and deliver on our commitments to patients and public health.

As part of our risk management process, the Board and management have identified the key risks that are material to CSL. We describe these material group risks below and explain our approach to managing them in the context of delivering on our 2030 strategy. These risks are not listed in any order of significance, nor are they all encompassing.

1. Patient safety and product quality

Patient safety is paramount for CSL's ongoing sustainability as a global biotechnology leader and our long-term strategy of efficiency and reliable supply. When we talk about patient safety, we mean both in the use and administration of registered products as well as in the conduct of our clinical trials. While it is inherent in our industry that patients and trial participants may experience adverse reactions to therapies, CSL's manufacturing, product quality assurance and pharmacovigilance practices serve to ensure the highest standards of safety and the preservation of our reputational integrity.

We ensure that our processes and procedures meet good pharmacovigilance practice (GPV) and good clinical practice (GCP) standards and that product information is up-to-date and contains all relevant information to assist healthcare practitioners to appropriately prescribe CSL products. For clinical trials, participants are informed and acknowledge awareness of the benefits and risks of participation in the trial through use of Informed Consent Forms approved by regulators.

In terms of ensuring product quality is met through our manufacturing and supply, we adopt and comply with a broad suite of internationally recognised standards (GxP), including good manufacturing practice (GMP), good laboratory practice (GLP) and good distribution practice (GDP). We are frequently inspected by independent regulatory authorities ensuring compliance with these standards, and we also undertake our own GMP quality audits of our third-party suppliers.

2. Product innovation and competition

We recognise that an impediment to delivering on our innovation and sustainable growth strategies is the changing competitive landscape for new technologies and disruptive therapies, such as gene and cell therapies. This material risk may alter the economics and characteristics of, and the demand for, CSL's plasma and adjacent therapies, and may also impact our platforms and capabilities in plasma fractionation, recombinant technology, and cell and gene therapy.

We strategically review our existing and future product pipeline against market demand and continually evaluate our competitive landscape. A key part of our strategy includes diversity in our product pipeline, and focus on six therapeutic areas (immunology, haematology, respiratory, cardiovascular & metabolic, transplant, and influenza). We incorporate product lifecycle development and management, as well as development of new therapies, in each therapeutic area strategy. In addition to proprietary research, CSL's competitive approach includes licensing, acquiring or partnering with third parties to remain competitive and advance growth within our chosen therapeutic areas.

With respect to continued growth and innovation in the competitive global influenza vaccine market, we recognise the need to continue leading in development and manufacture of cell culture influenza vaccines. Failure to capitalise on this innovative technology will diminish growth in this product sector, whereas success will deliver competitive advantages.

3. Supply, capacity and operations

Having a sustainable and reliable supply chain is critical to the success of our 2030 Strategy, particularly to achieving consistent and efficient supply. When considering this material risk, we include the sustainability of collecting and acquiring human plasma, as well as the scalability of specialised companies who supply raw materials and bespoke manufacturing equipment to match our business demand and growth objectives.

In 2020, we opened 40 new plasma collection centres. We utilise modern techniques and technologies to facilitate the most efficient donation process in our new plasma collection centres, and we consistently update our existing plasma collection centres to seek to provide a comfortable and safe donor experience. External sources of plasma may be utilised as needed and available to supplement collections to meet demand.

We endeavour to invest in manufacturing capacity ahead of projected demand to ensure that we can supply the needs of patients. Our operations also accommodate investments in technology and process improvements to enhance efficiency and reduce costs, including improving immunoglobulin protein yield from each litre of plasma and pursuing the development of new plasma-derived proteins for therapeutic use to further improve the economic value of each litre of plasma. CSL also seeks to develop non-plasma alternative therapies to supplement patient needs.

Our End-to-End Operations Network Strategy practice continually evaluates short-, mid-, and long-term needs to inform decisions on capital and operational expenditures to ensure a resilient, reliable, and sustainable supply chain. We continually examine and prioritise our operational effectiveness efforts, capital plans, inventory targets, supply chain visibility and regulatory strategies to enhance the positions of our products from a business continuity and supply chain resilience standpoint.

4. Market access

Policymaking around market access is a multi-stakeholder engagement process, which includes governments, payers/insurers, patient advocacy groups, medical societies, and non-governmental organisations. We recognise that if we are not successful in maintaining an economic and reliable supply of our therapies for our stakeholders, it may adversely affect our ability to execute our strategy and to deliver sustainable growth. In particular we recognise that macroeconomic pressures on pricing and payers (including barrier taxes) may impair access, growth and new market entries. CSL works closely with stakeholders in all markets and continually seeks to ensure pricing of our therapies remains competitive in all markets. By continually seeking to innovate in our product portfolio, we can also expand our access to competitive markets.

5. People and culture

Our people and culture are essential to our delivery of our 2030 strategy. Our people and our ability to maintain our desired culture are integral to operating at the standards expected by our stakeholders and community. We have a number of programs and policies in place to ensure that our Values underlie how we do things and guide our work, including our CSL Speak Up Policy and our Code of Responsible Business Practice.

We also recognise the need to have the right people in the right roles in order to execute our 2030 strategy. In order to attract, develop and retain skilled and talented people in a globally competitive environment, we frequently benchmark ourselves against the markets in which we operate to ensure we offer total rewards that are comparable to our peers and competitors.

In addition to this, we recognise the evolution of our workforce environment. We continually challenge ourselves to create a work dynamic that ensures our people can focus on meaningful, valuable work. We have recently implemented the *Promising Futures* initiative, which emphasises digitalisation and automation, development and re-skilling, collaboration and connectivity and customised rewards for attracting next-generation talent.

6. Privacy and cybersecurity

Maintaining privacy and security of our patient, plasma donor, employee and company data is critical and at the forefront of all that we do. It is an essential risk to manage to ensure that we can deliver on our 2030 strategy. Over the past 12 months, we have seen an increase in cyberthreats against individuals and companies. The nature of these cyberattacks are constantly evolving and can include sophisticated phishing scams and attacks on critical infrastructure. The privacy and security of our patient, donor, employee and corporate information may be compromised by breaches of our IT security and unauthorised or inadvertent release of information through human error or espionage.

CSL continuously monitors and assesses its cybersecurity threats. We have implemented robust and externally tested security controls for our IT systems, data centre infrastructure, and data sets based on our understanding of known threats and best practice industry knowledge. We also provide educational updates and training so that our people can recognise and properly respond to a cyberattack or report a privacy breach.

Further detail about our risk management framework and how we manage our business risks is provided in our 2020 Corporate Governance Statement available on CSL.com (Our Company > Corporate Governance).

Outlook

Strong progress in market demand has been seen over the past twelve months which lays a good foundation to supporting our 2030 strategy. In saying this, predicting the underlying outlook in the market and providing a trend is challenging given the circumstances presented by COVID-19.

In the medium term CSL expects to continue to grow through developing differentiated plasma-derived and recombinant products, expanding markets and indications for those products as well as seasonal and pandemic influenza vaccines. We believe that demand for our plasma, recombinant and vaccine products continues to be robust, particularly for immunoglobulins and influenza vaccines. Governments around the world recognise the essential products and capabilities that we provide to their communities. It is unlikely that this demand will change in a material way in the medium term.

The COVID-19 pandemic does, however, present a challenge for the global plasma industry. The collection of plasma has been adversely impacted in the past few months as communities respond to shelter-in-place orders, extended lockdowns and other government actions. To mitigate this, we have a number of initiatives in place to sustain plasma collections. It is our view that, at some point, the pandemic will recede and, with that in mind, we continue to invest in plasma collection and manufacturing facilities as well as our hallmark research and development programs.

Seqirus is expected to continue to perform well and deliver another strong profitable year. Governments around the world want to protect their populations from the potential co-infection of influenza and COVID-19. This, together with Seqirus' differentiated products, underpins this expectation.

We have faced an exceptionally challenging environment with the COVID-19 pandemic, and although the situation remains highly fluid, we remain positive about CSL's prospects for the future. Driven by our promise, and guided by our Values in making our decisions, we remain committed to delivering innovative medicines that saves lives, protect public health and help people with life-threatening medical conditions live full lives.

More information in relation to our Outlook is provided in our full year investor briefing pack, and further information on the factors that could affect our Outlook is provided in Our Material Risks.

Directors' Report

The Board of Directors of CSL Limited (CSL) has pleasure in presenting their report on the consolidated entity for the year ended 30 June 2020.

1. Principal Activities, Strategy and Operating Model

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

CSL is a leader in global biotechnology, and develops and delivers innovative medicines that saves lives, protects public health and help people with life threatening medical conditions to live full lives. CSL's strategy is delivered through its five strategic objectives for 2030: focus, innovation, efficiency and reliable supply, sustainable growth and digital transformation. More detail on CSL's performance against its 2020 strategic objectives can be found in Strategy and Performance.

CSL's operating model for its two businesses, CSL Behring and Seqirus, leverage multifunctional teams that connect to share best practice. CSL's operating model is based around four key value creation activities: early stage research, product translation, manufacturing and patient access. CSL's commercial and functional areas operate at a global level, with the Global Leadership Group responsible for the day-to-day management of the group and delivery of CSL's strategic objectives. More detail on CSL's operations can be found in Our Company and Strategy and Performance.

2. Operating and Financial Review

CSL discloses financial performance primarily by business. This provides the most meaningful insight into the nature and financial outcomes of CSL's activities and facilitates greater comparability against industry peers. Information on the operations and financial position for CSL is set out in the Operating and Financial Review (OFR). The OFR comprises of the Chairman and CEO message, Strategy and Performance, Our Company, Our Material Risks and Outlook accompanying this Directors' Report.

3. Directors

The directors who served at any time during FY2020 or up until the date of this Directors' Report were Dr Brian McNamee AO, Mr Paul Perreault, Professor Andrew Cuthbertson AO, Mr Bruce Brook, Ms Carolyn Hewson AO, Dr Megan Clark AC, Mr Abbas Hussain, Ms Marie McDonald, Ms Christine O'Reilly and Dr Tadataka Yamada KBE.

Further details of the current directors are set out in the Governance section of CSL's 2019/20 Annual Report or CSL's website, CSL.com. These details include the period for which each director held office up to the date of this Directors' Report, their qualifications, independence, experience and particular responsibilities, the directorships held in other listed companies since 1 July 2017 and the period for which each directorship has been held.

Dr Tadataka Yamada KBE served as a Non-executive Director of CSL from September 2016 until his retirement on 16 October 2019.

Ms Carolyn Hewson AO was appointed as a Non-executive Director of CSL with effect from 9 December 2019. Mr Pascal Soriot was appointed as a Non-executive Director or CSL with effect from 19 August 2020.

4. Company secretaries

Ms Fiona Mead, B.Com/LLB (Hons) FGIA, GAICD, was appointed and commenced in the position of Company Secretary and Head of Corporate Governance on 4 June 2018 and continues in office as at the date of this report. Ms Mead was previously the Company Secretary and a member of the Executive Leadership Team at Tabcorp Holdings Limited. Prior to that, she was the Company Secretary at Asciano Limited. Ms Mead also served as Assistant Company Secretary at Telstra Corporation.

Mr John Levy served as an Assistant Company Secretary from 16 August 2011 until his resignation from this position on 8 August 2019.

5. Directors' attendances at meetings

The Board meets as often as necessary to fulfil its role. Directors are required to allocate time to CSL to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met nine times, with all of those meetings held in Australia.

Members of the Global Leadership Group and other members of senior management attend Board meetings by invitation. Attendance at Board and standing Board committee meetings during FY2020 is set out in the table 1 below. The Directors also visited various locations of the CSL Group's operations inside and outside Australia and met with local management.

Table 1: FY2020 Director Attendance at Board and Committee meetings.

	Board of Directors		Audit & Risk Management Committee		Securities & Market Disclosure Committee		Human Resources & Remuneration Committee		Innovation & Development Committee		Corporate Governance & Nomination Committee	
	A	B	A[3]	B	A	B	A[4]	B	A	B	A	B
B McNamee	9	9		5*	4	4		5*	3	3	2	2
B Brook	9	9	6	6				1*		3*	2	2
C Hewson	7	7	3	3			3	3		1*	1	1
M Clark	9	9		1*			6	6	3	3	2	2
A Cuthbertson	9	9		2*					3	3		
A Hussain	9	8[5]					6	6	3	3		
M McDonald	9	9	6	6			6	6		3*		
P Perreault	9	9		6*	4	4		6*	3	3		2*
C O'Reilly	9	8[6]	6	6			6	6		3*	2	2
T Yamada	2	2										

A Number of meetings held whilst a member.
B Number of meetings attended. Board Committee meetings are open to all Directors to attend. Where a Director attended a meeting of a Committee of which they were not a member, it is indicated with an asterisk*.

6. Dividends

On 18 August 2020 the directors resolved to pay a final dividend of US$1.07 per ordinary share, unfranked, bringing dividends per share for 2020 to US$2.02 per share. In accordance with determinations by the directors, CSL does not operate a dividend investment plan.

Dividends paid during the year were as follows:

Dividend	Date paid	Unfranked dividend per share US$	Total dividend US$
Final Dividend for Year Ended 30 June 2019	11/10/2019	100 cents	$453.9m
Interim Dividend for Year Ended 30 June 2020	09/04/2020	95 cents	$429.2m

Dividends are determined after period-end and announced with the results for the period. Interim dividends are determined in February and paid in April. Final dividends are determined in August and paid in October. Dividends determined are not recorded as a liability at the end of the period to which they relate.

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year not otherwise disclosed in this report 'ASX Full-year information 30 June 2020' including the financial statements.

8. Developments in operations in future years and expected results

The OFR sets out information on CSL's business strategies and prospectus for future financial years, and refers to likely developments in CSL's operations and the expected results of those operations in future financial years. Certain information regarding developments in operations in future years and expected results of those operations is excluded because it is likely to results in material prejudice to the Group.

[3] One of the Audit & Risk Management Committee meetings was held jointly with the Human Resources and Remuneration Committee.
[4] One of the Human Resources and Remuneration Committee meetings was held jointly with the Audit & Risk Management Committee.
[5] One Board meeting was arranged at short notice which meant two Non-executive Directors could not attend.
[6] One Board meeting was arranged at short notice which meant two Non-executive Directors could not attend.

9. Significant events after year end

Other than Mr Soriot joining the CSL Board from 19 August 2020 and information as disclosed in the financial statements, the directors are not aware of any other matter of circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the consolidated entity, results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

10. Environment, Health, Safety and Sustainability performance

CSL has an Environmental, Health, Safety and Sustainability (EHS[2]) Management System that its facilities operate to industry and regulatory standards. This system includes compliance with government regulations and commitments for continuous improvement of health and safety in the workplace, as well as minimising the impact of operations on the environment. To drive this system, CSL implemented an EHS[2] Management System (EHSMS) Standard. Internal audits at one site demonstrated compliance with the EHSMS in FY2019/20. Completion of the remaining internal audits are planned over the next one to two years.

Development, implementation, and improvement of employee health and safety processes and programs continue to focus on enhancement of a strong safety culture. Our Australian operations continue classification as an Established Licensee in respect to CSL's self-insurance licence as granted by the Safety, Rehabilitation and Compensation Commission.

Australian and foreign laws regulate environmental and safety obligations and waste discharge quotas. Government agency audits and site inspections monitor CSL environmental and safety performance. The following is a summary of findings identified or with continued action over the reporting period.

In 2020, CSL, Parkville (Australia) submitted a proposed remediation plan for the identified groundwater contamination to the environmental authority. CSL has sought a meeting with the Environmental Protection Agency (EPA) to discuss a path forward on this issue. An environmental assessment of the broader Parkville site has been completed and we are currently reviewing the results to determine what further action may be required.

In 2020, CSL, Broadmeadows (Australia) received a non-compliance notice from the local water authority for a wastewater discharge of acetic acid in exceedance of the local limit. Investigations are ongoing in consultation with the water authority.

In 2019/20, CSL, Kankakee (US) experienced wastewater pH violations identified through sampling by the local environmental authority. In 2020, CSL entered into an agreement with the local environmental authority to allow periodic non-compliance with the site permit for pH until completion of a pH neutralisation system by November 2021.

In 2019, CSL, Kankakee received a Notice of Intent to File a Civil Administrative Complaint from the federal environmental authority for alleged violations of the Clean Air Act identified during a 2018 inspection. CSL and the environmental authority are continuing to discuss the potential violations with a final complaint or order expected to be filed in 2020.

In 2020, CSL Plasma, Margate (US) received a Citation and Notification of Penalty fine following a 2019 employee exposure to dry ice.

As part of compliance and continuous improvement in regulatory and voluntary environmental performance, CSL continues to report on key environmental aspects including energy consumption, emissions, water use and management of waste as part of CSL's annual reporting on CSL.com (see Corporate Responsibility) and submission to the CDP (previously known as Carbon Disclosure Project). CSL has met its reporting obligations under the Australian Government's National Greenhouse and Energy Reporting Act (2007) and Victorian Government's Industrial Waste Management Policy (National Pollutant Inventory).

Monitoring environment, climate change risks, and control measures means that CSL is ready for new and emerging regulatory requirements. CSL's environmental performance is particularly important and relevant to select stakeholders and CSL reaffirms its commitment to continue to participate in initiatives such as CDP's (climate change and water disclosures) to help inform investors of its environmental management approach and performance.

Additional EHS[2] performance details, including workplace safety, will be provided in Sections 6 and 8 of CSL's 2019/20 Annual Report and on CSL.com.

11. Directors' shareholdings and interest

At 30 June 2020, the interests of the Directors who held office at 30 June 2020 in the shares, options and performance rights of CSL are set out in the Remuneration Report – Tables 10 and 11 for executive Key Management Personnel (KMP) and Tables 16 and 17 for Non-Executive Directors. It is contrary to Board policy for KMP to limit exposure to risk in relation to these securities. From time to time the Company Secretary makes inquiries of KMP as to their compliance with this policy.

12. Directors' interests in contracts

Section 14 of this report sets out particulars of the Director's Deed entered into by CSL with each director in relation to access to Board papers, indemnity and insurance.

13. Performance Rights and Options

As at 30 June 2020, the number of unissued ordinary shares in CSL under options and under performance rights are set out in Note 5 on page 19 and Note 18 on page 42 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 CSL 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 CSL is set out in Note 5 of the Financial Statements. Since the end of the financial year, no shares were issued under CSL's Performance Rights Plan.

Since the end of the financial year, there has been no change to the information contained in Note 5 or Note 18 to the Financial Statements.

14. 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:

CSL 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 CSL or of a subsidiary (as defined in the *Corporations Act 2001*) (Cth) 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 CSL will purchase and annually renew a liability insurance program which covers all past, present and future directors and officers against liability for acts and omissions in their respective capacity on behalf of CSL. Coverage will be maintained for a minimum of seven years following the cessation of office for each director appointment for acts or omissions during their time served; 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 CSL during the director's period of appointment.

In addition to the Director's Deeds, Rule 95 of CSL's constitution requires CSL to indemnify each "officer" of CSL and of each wholly owned subsidiary of CSL out of the assets of CSL "to the relevant extent" against any liability incurred by the officer in the conduct of the business of CSL or in the conduct of the business of such wholly owned subsidiary of CSL 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 CSL. The indemnity only applies to the extent CSL 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.

CSL paid insurance premiums of US$3,791,684 in respect of a contract insuring each individual director of CSL and each full time executive officer, director and secretary of CSL 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.

15. Indemnification of auditors

To the extent permitted by law, CSL has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

16. Auditor independence and non-audit services

CSL may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with CSL 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 confirm 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 CSL, acting as an advocate for CSL 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 to CSL and its subsidiaries in respect to the year ended 30 June 2020:

AUDIT SERVICES – Ernst & Young Australia	2020 US$	2019 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	1,851,091	1,374,356
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements here there is discretion as to whether the service is provided by the auditor or another firm		
- Sustainability assurance	110,982	64,778
- Agreed upon procedures and other audit engagements	9,749	30,544
Fees for other services		
Due diligence	375,384	-
Remuneration advisory	232,728	186,845
Tax compliance	22,288	-
Total fees to Ernst & Young (Australia)	**2,602,222**	**1,656,523**
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	3,649,937	3,469,810
Fees for assurance services that are required by legislation to be provided by the auditor	38,540	13,459
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements here there is discretion as to whether the service is provided by the auditor or another firm		
- Agreed upon procedures and other audit engagements	110,806	28,226
Fees for other services	28,463	31,283
Total fees to overseas member firms of Ernst & Young (Australia)	**3,827,746**	**3,542,778**

Total audit services	**5,771,105**	**4,981,174**
Total non-audit services	**658,863**	**218,128**
Total auditor's remuneration	**6,429,968**	**5,199,301**

The role of the Audit & Risk Management Committee of the CSL Board of Directors (ARMC) is to oversee the integrity and quality of half year and full year financial reporting and disclosures. A key responsibility arising from this role is the appointment of the Company's independent auditor, including the selection, review and evaluation of the audit signing partner(s) and the negotiation of audit fees.

In accordance with its Charter and with CSL's commitment to best practice corporate governance practices, the ARMC regularly reviews the performance of the Company's independent auditor.

Matters considered in reviewing the performance of the Company's independent auditor in the 2020 financial year included:

- the professional qualifications and effectiveness of the auditor, the audit signing partner(s) and other key engagement partners;
- the auditor's historical and recent performance on the Company's audit, including the extent and quality of their communications with the ARMC;
- an analysis of the auditor's known legal risks and significant proceedings that may impair its ability to perform CSL's annual audit;
- the appropriateness of the auditor's fees;
- the auditor's independence policies and its processes for maintaining its independence and objectivity;
- the auditor's tenure as the Company's independent auditor and its depth of understanding of the Company's global business, operations and systems, accounting policies and practices, including the potential effect on the financial statements of the major risks and exposures facing the Company, and internal control over financial reporting; and
- the auditor's capability, expertise and efficiency in handling the breadth and complexity of CSL's global operations.

The current audit signing partners for CSL's auditor, EY, are Mr Rodney Piltz and Ms Kylie Bodenham.

In light of EY's status as CSL's incumbent auditor since 2002, the ARMC will give consideration to all options available at the next scheduled rotation, including the conduct of a competitive tender process.

The next rotation of audit signing partner for EY is scheduled to take place at the conclusion of the 2023 financial year.

17. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $100,000 (where rounding is applicable) unless specifically stated otherwise under the relief available to CSL under ASIC Corporations Instrument 2016/19. CSL is an entity to which the Instrument applies.

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Auditor's Independence Declaration to the Directors of CSL Limited

As lead auditor for the audit of the financial report of CSL Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CSL Limited and the entities it controlled during the financial year.

Ernst & Young

Rodney Piltz
Partner
18 August 2020

18.Remuneration Report

Dear Shareholder,

On behalf of the Board, I am pleased to present CSL's Remuneration Report (Report) for the year ended 30 June 2020. This Report contains detailed information regarding CSL's Key Management Personnel (KMP) for 2020.

CSL plays a critical role in the global community – providing live-saving therapies to people with serious disease, and vaccines that protect public health. The Board is proud of the entire CSL team for delivering on this critical role.

Delivering on our Promise in 2020

Led by our Chief Executive Officer and Managing Director (CEO), Mr Paul Perreault, the leadership team has delivered an outstanding year, exceeding targets set in many areas. The team has also responded to the COVID-19 pandemic by prioritising staff, donors and patients and supporting global efforts to fight COVID-19. In 2020 we have delivered:

- An increase to Net Profit after Tax (NPAT) of 17.1% on a constant currency basis;
- A 8.9% increase in Revenue on a constant currency basis;
- Growth in Earnings per Share on a constant currency basis of 17%;
- Return on Invested Capital (ROIC) of 21.6%;
- The opening of 40 new plasma collection centres globally - taking the total to 227;
- The building of a growth pipeline of new medicines through investment in R&D;
- Progression in our diversity strategy with 57% female representation; and
- Employee engagement results above the global external norm.

CSL's Response to COVID-19 and the Impact on Remuneration

As outlined earlier in this Annual Report, CSL has contributed swiftly and strongly to the global response to COVID-19 by participating in the search for and development of potential therapies, vaccines and treatments in partnership with others. The company helped staff work from home, implemented safe protocols for staff and donors, and offered staff caregiver leave of absence and allowances to help balance work with home responsibilities. Payments to staff and donors at our plasma collection centres were increased in some areas to address the additional requirements of COVID-19. CSL has not accepted any government workforce support packages.

Our teams have delivered strongly on financial and non-financial targets and as a result, the pandemic has not materially impacted financial performance of CSL in 2020. However, in assessing outcomes for 2020, the Board did consider the impact of COVID-19 to ensure an appropriate balance between remuneration delivered to our executives and alignment with performance. Following this review, the Board exercised its discretion and the financial metric outcomes for the Short Term Incentive (STI) component of remuneration, NPAT and Cash Flow from Operations (CFO), were adjusted downward from the actual outcomes achieved. The Board chose not to apply the 'Leading and Managing' modifier to STI outcomes which allows for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure. In setting targets for 2021, the hurdle for the maximum performance payment outcome for CFO has been extended.

Competition for talent in the pharmaceutical/biotechnology industry has increased as the world focusses on health care. The Board will continue to review the competitiveness of our remuneration framework as we focus on balancing the delivery of long term sustainable business performance with the need to attract and retain outstanding executives.

2020 Key Management Personnel Changes

In 2020, following changes to the structure of our leadership team, KMP were reviewed to include those leaders with authority and responsibility for planning, directing and controlling the activities of CSL. As a result we are reporting a smaller KMP group this year as opposed to all executives who report to the CEO. The remuneration framework described is the same for all of the senior executives reporting to the CEO.

In 2021, Professor Andrew Cuthbertson will transition into an executive advisory role, supporting the CEO in strategic global projects. Professor Cuthbertson remains an Executive Director.

We will also farewell our Chief Financial Officer, Mr David Lamont, and thank him for his outstanding contribution to CSL.

2020 CEO Remuneration Outcomes

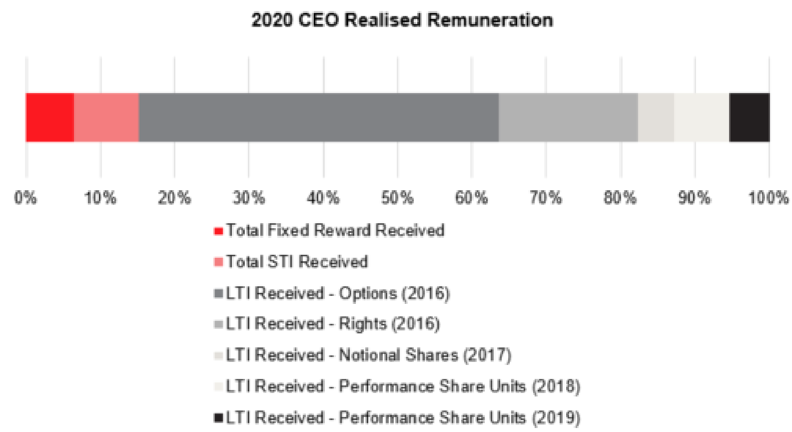
We congratulate our CEO, who was named by the Harvard Business Review as one of the top 100 CEOs in the world and was also named The Australian Financial Review 2019 Business Person of the Year and the Australian Herald Sun's Business Daily CEO of the Year 2019.

In 2020, Mr Perreault had no changes to his fixed reward nor to his STI target, which stayed flat at US$1,751,000 and 120% of fixed reward respectively. He received an increase to his long term incentive (LTI) opportunity at target, now set at 400% of fixed reward (an increase from 350% in the prior year). The increase to the LTI target drives focus on long term performance delivery and rewards will only be earned when performance hurdles are met.

Following above target performance in 2020, Mr Perreault will receive a STI cash payment of US$2,477,746. The STI outcome for Mr Perreault was 118% of target, based on the two financial measures of 'above target' performance on both NPAT and CFO and between 'threshold' and 'target' performance on three individual non-financial measures. Details of the outcomes can be found in sections 5 and 7.1 of the Report.

During the year Mr Perreault had LTI vesting of US$23,923,845 based on the CSL share price at the date of vesting. Of this amount, US$18,592,836 relates to the increase in the CSL share price since the date of grant of each award. Awards were granted annually over the period 1 October 2015 to 1 September 2018. Refer to section 5.3.3 and table 6 of the Report for detailed information. In 2021, there will be the final vesting of legacy programs with the vesting of Options and Performance Rights granted in October 2016. Thereafter, these legacy plans will cease.

In addition to the disclosure of statutory remuneration, we also disclose CEO and Executive KMP 'realised' remuneration. Mr Perreault's 'realised' remuneration for 2020 was US$28,224,845 and this is a 21% increase from the prior year (full detail provided in section 7.2, table 12).



Remuneration in 2021

For 2021, the Board has determined that there will be no increase to any component of Mr Perreault's total target reward – remaining at fixed reward of US$1,751,000, a STI target of 120% and a LTI target of 400%. Mr Perreault's total target reward will be US$10,856,200 with the maximum potential outcome being US$11,906,800. While total target reward is below the median of the global pharmaceutical/biotechnology peer group, given the current global economic environment and investor and community sentiment, the Board believes no increase is warranted at this time.

For our remaining Executive KMP, in 2021 our Chief Operating Officer Dr Paul McKenzie will receive an increase to his fixed reward and long term incentive target to reflect an increase in responsibilities to include leadership of the Seqirus business. These increases better align Dr McKenzie towards the median of the global pharmaceutical/biotechnology peer group in accordance with our remuneration policy. Internal pay relativity has also been considered by the Board.

Professor Cuthbertson's total reward in 2021 has been adjusted to reflect his reduced responsibilities and he will no longer participate in CSL's STI and LTI plans. No changes will be made to Mr Lamont's reward for his remaining period of employment with CSL. He will not receive a LTI grant in September 2020.

Following benchmarking with ASX10 and ASX 25 Non-Executive Director (NED) remuneration, in 2021 there will be a 2.8% increase to Board fees. There will be no payment of the NED travel allowance until international travel of our overseas NEDs resumes.

Shareholder Engagement and Review of our Reward Framework in 2021

Over the year, we enjoyed conversations with many of our shareholders and welcomed their feedback on our executive reward framework. In response to this feedback, for the LTI awards granted in 2020, the Board introduced an annual threshold of ROIC performance that must be achieved before vesting can occur – the measure is the Investment Hurdle Rate (IHR). This was added as a gateway condition of the LTI target to ensure the ROIC is delivering an appropriate return each financial year as well as over the seven year rolling average period and aligns with shareholder outcomes. If the ROIC outcome is below the IHR, no vesting will occur in that year. The Board decided not to make any further changes to the framework this year in light of continuing uncertainty in the external market.

In 2021, we will undertake a formal review of the framework, ensuring each component is fit for purpose for CSL and enables us to attract, engage and retain talent, compete with larger global pharmaceutical companies and motivate our people to deliver their best performance. We will review the STI and LTI design, making sure our framework drives sustainable long term results and aligns the interests of executives with our shareholders. The review will include the STI framework, LTI measures, tranche structure and vesting schedule. We look forward to engaging with you as we undergo this review process.

Thank you to my fellow committee members and thank you for supporting CSL and the patients we serve around the world.

Dr Megan Clark AC
Chair
Human Resources and Remuneration Committee

Contents

Independent audit of the Report

The Remuneration Report (Report) has been audited by Ernst & Young. Please see page 58 of the Financial Statements for Ernst & Young's report.

1. CSL Key Management Personnel

This Report sets out remuneration information for Key Management Personnel (KMP) which includes Non-Executive Directors (NEDs), Executive Directors (i.e. the Chief Executive Officer and Managing Director (CEO) and Chief Scientific Officer) and those key executives who have authority and responsibility for planning, directing and controlling the activities of CSL during the financial year (together with the Executive Directors, herein referred to as Executive KMP). The CSL KMP during the year ended 30 June 2020 and changes to KMP are outlined in Table 1.

In 2020, the Global Leadership Group (CEO and direct reports) changed as a result of the commencement of employment of Dr Paul McKenzie and the retirement of Mr Gordon Naylor. In addition, reporting structures, roles and responsibilities changed and this provided the opportunity for CSL to review who has authority and responsibility for planning, directing and controlling the activities of CSL. Following the review, CSL has introduced changes to the composition of its KMP. Previous disclosures included all direct reports to the CEO.

Table 1: CSL Key Management Personnel in 2020

Non-Executive Directors
Chairman Dr Brian McNamee AO
Mr Bruce Brook
Dr Megan Clark AC
Ms Carolyn Hewson AO – appointed 9 December 2019
Mr Shah Abbas Hussain
Ms Marie McDonald
Ms Christine O'Reilly
Executive Key Management Personnel
Executive Director and Chief Executive Officer and Managing Director (CEO) Mr Paul Perreault
Executive Director and Chief Scientific Officer (CSO) Professor Andrew Cuthbertson AO
Chief Financial Officer Mr David Lamont[1]
Chief Operating Officer Dr Paul McKenzie – appointed 1 July 2019

Former Non-Executive Directors
Dr Tadataka Yamada KBE – retired 16 October 2019
Former Executive Key Management Personnel
EVP Legal & Group General Counsel Mr Greg Boss* – ceased to be KMP 30 June 2019
EVP & Chief Commercial Officer Mr William Campbell* – ceased to be KMP 30 June 2019
EVP Quality & Business Services Ms Karen Etchberger* – ceased to be KMP 30 June 2019
EVP Research & Development Dr William Mezzanotte* – ceased to be KMP 30 June 2019
President, Seqirus Mr Gordon Naylor – ceased to be KMP 30 June 2019
EVP Manufacturing Operations & Planning Mr Val Romberg – ceased to be KMP 30 June 2019
EVP & Chief Human Resources Officer Ms Elizabeth Walker* – ceased to be KMP 30 June 2019

*Remains a current employee as at 30 June 2020 and the date of this Report

[1] D Lamont will cease employment on 30 October 2020 by way of resignation.

2. 2020 Remuneration Outcomes at a Glance

CEO	• No increase to fixed reward • A short term incentive (STI) payment of US$2,477,746 – 79% of maximum opportunity • A long term incentive (LTI) grant of US$7,004,000 – 400% of fixed remuneration • LTI vesting during the year of US$23,923,845 (face value at vest) • Received ‘realised’ remuneration in financial year 2020 of US$28,224,945.
Other Executive KMP	• No increase to fixed reward • STI awards were paid at an average of 82% of maximum opportunity and were in the range of US$699,030 to US$1,164,765 • Annual LTI grants for all other Executive KMP were in the range of US$1,182,690 to US$2,981,906 (face value at grant) • LTI vesting for Professor Cuthbertson of US$2,018,233 (face value at vest) • LTI vesting for Mr Lamont of US$2,272,478 (face value at vest) • Dr McKenzie received a sign on equity award of US$4,740,637 as partial compensation for forgone Biogen equity awards, US$1,684,148 of which was ‘realised’ during 2020 (face value at vest) • ‘Realised’ remuneration in 2020 received as follows: o Professor Cuthbertson – US$3,425,261 o Mr Lamont – US$4,044,761 o Dr McKenzie – US$4,349,026
Non-Executive Directors	• Received an average increase to fees of 1.9%

3. Global Remuneration Framework

3.1 Global Total Rewards Principles

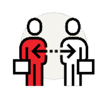
To deliver on our promise to patients and protect public health, we rely on our people and need to ensure a strong global talent supply. Our Total Rewards Principles, reviewed and simplified in 2020, enable us to attract, engage and retain talent, provide us with the flexibility to address talent challenges in various markets and allows us to compete with larger global pharmaceutical companies. We motivate our people to deliver their best performance by enabling an approach that integrates market competitive and differentiated reward programs that align to CSL’s strategy and business objectives.

Common Global Structure

- We leverage a market-based approach to offer competitive rewards, balancing both a global and local view
- We align employee and shareholder interests, and consider community expectations
- We benchmark ourselves against the life sciences industry[2]
- We have a single pay design for all senior executives

Results and Behaviours

- We are committed to a pay for performance culture based on both role requirements and how the individual performs
- Living our CSL Values is a non-negotiable expectation



Internal Equity, Inclusive Culture

- We reward fairly and competitively
- We strive and monitor for equal pay for equal work

Effort Matters

- We celebrate and recognise both the effort that is required along the way as well as the real results created by our employees

Holistic Approach to Well-Being

- We foster an environment of well-being that is multi-dimensional – physical, emotional, financial and social health

Simplicity and Clarity

- We aim to create easy to understand programs and policies so people value and use them
- We are committed to transparency in our communications – internally and externally

[2] CSL Plasma is benchmarked against the Retail industry.

3.2 Remuneration Framework

As a leading global biotechnology company with manufacturing sites across six countries and over 26,000 employees in 39 countries, CSL develops and delivers innovative biotherapies and influenza vaccines that save lives, and help people with life-threatening medical conditions live full lives. This requires a research to commercialisation lifecycle that can extend seven to ten years. Accordingly, we have designed a reward framework that effectively incentivises and rewards our executives over the long term.

Our reward framework combines elements of traditional Fixed Reward (or base salary), STI and LTI plans with enhancements to several design factors to suit CSL's business, a very different business to other companies in Australia, and with a diverse global employee and shareholder base. Our international footprint requires global leadership and, with executives based in different countries, we need to ensure our framework is fair, equitable and market competitive in the countries and industry in which we operate in order to attract and retain highly talented people.

3.2.1 Remuneration Framework Elements

	Fixed Reward (FR)	Short Term Incentive (STI)	Long Term Incentive (LTI)
Purpose	Attract, retain and engage key talent to deliver our CSL strategy	Reward performance against annual Key Performance Indicators (KPIs) - maintaining a focus on underlying value creation within the business operations is critical to the success and sustainability of CSL	Alignment to longer term performance and strategy of CSL, building economic alignment between Executive KMP and shareholders over the long term
Structure	Cash – salary and superannuation / pension	Cash	Performance Share Units[3]
Approach	Reviewed annually Determined based on the scope, complexity and responsibilities of the role, experience and performance Reviewed through both an internal and external relativity lens Peer group[4] – global pharmaceutical/biotechnology peers or a general industry view depending on role (desired positioning at the median)	Paid annually Mr Perreault's target is 120% of FR, Dr McKenzie's target is 100% of FR and the target for Professor Cuthbertson and Mr Lamont is 85% of FR Maximum payout is 150% of target for all Executive KMP Outcomes based on business (70%) and individual performance measures (30%), except for Professor Cuthbertson who has a 60% / 40% split	Granted annually with vesting in instalments over a four year period – 25% each year Performance measure is Return on Invested Capital - measured on a seven year rolling return in the year the award vests
Risk Management	Before determining remuneration outcomes and vesting, we ensure alignment with risk management outcomes to hold executives accountable for effective risk management – both financial and non-financial. In addition, all variable reward is subject to the Malus and Clawback Policy and the Board has full discretion over the outcome of any variable reward payment and vesting The Board has the discretion to apply a 'Leading and Managing' modifier to both the STI and LTI outcomes - formally recognising the importance of CSL's culture including leadership behaviours, values, diversity objectives and management of risk. The modifier allows for the Board to adjust in exceptional circumstances +20% / -50% of annual STI earned, and/or LTI opportunity granted. The modifier is also available to adjust for risk management outcomes following the implementation of a more formal risk / consequence management framework. The Board has a discretion in all circumstances, including a significant risk management failure, to reduce further, including to zero		
Shareholding Requirement	Executive KMP must hold CSL shares equal to 100% of FR (300% for the CEO) within five years from the date of appointment to their role		

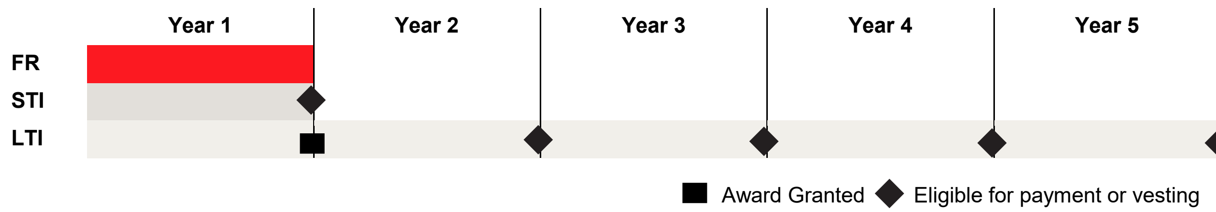
[3] Legacy LTI plans (Options and Performance Rights) remain in place with final reporting in 2021. See section 10.1 for more details on testing and key plan characteristics.
[4] The global pharmaceutical/biotechnology industry peer group serves as a primary reference group for remuneration benchmarking, created such that CSL falls in the middle of the group with respect to market capitalisation and revenue. The group represents global industry peers and is updated annually. The peer group in 2020 included: Alexion Pharmaceuticals, Inc.; Allergan plc; AstraZeneca PLC; Bayer Aktiengesellschaft; Biogen Inc.; BioMarin Pharmaceutical Inc.; Celgene Corporation; Eli Lilly and Company; GlaxoSmithKline plc; Gilead Sciences Inc.; Grifols, S.A.; Incyte Corporation; Jazz Pharmaceuticals Public Limited Company; Merck Kommanditgesellschaft auf Aktien; Novo Nordisk A/S; Regeneron Pharmaceuticals, Inc.; Shire plc; UCB SA; Vertex Pharmaceuticals Incorporated. For the 2021 year, AbbVie Inc., Amgen Inc., Bausch Health Companies Inc. and Bristol-Myers Squibb Company are added to the peer group and BioMarin Pharmaceutical Inc, Celgene Corporation, Incyte Corporation, Jazz Pharmaceuticals plc and Shire plc have been removed. In addition, two general industry reference groups representing Australia and North America also help us ensure we pay appropriately to reward senior talent and may be used as a primary, or hybrid, data set for certain Executive KMP dependent on role and location.

Benefits	We also provide market competitive benefits to attract and retain key talent. Benefits may include, but are not limited to, accident, disability and death insurance, health insurance, car parking and participation in local benefit programs

As noted in the letter from the Chair, in 2021 we will be reviewing our remuneration framework for executives, with any changes to be implemented effective 1 July 2021. The review of our framework is directed at ensuring the arrangements in place facilitate the delivery of our 2030 strategy, deliver outstanding returns to shareholders and ensure a market competitive program. The review will include the STI framework, LTI measures, tranche structure and vesting schedule.

3.2.2 Remuneration Delivery Timeline

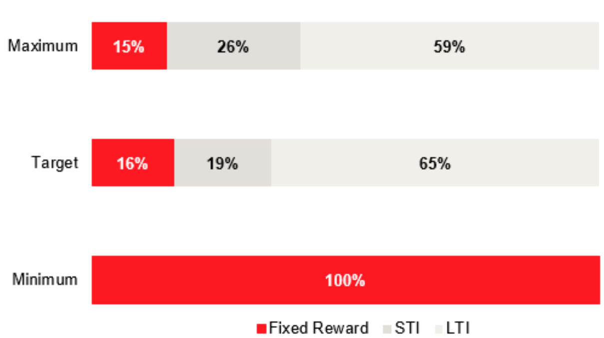
The diagram below illustrates how the components of 2020 Executive KMP remuneration is delivered over a five year period.



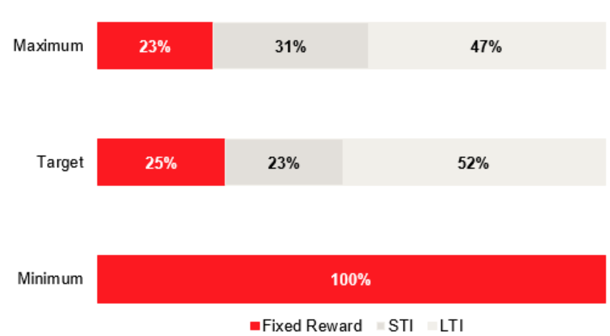
3.2.3 Pay Mix

The following diagram sets out the remuneration mix for Executive KMP in 2020. The majority of the target reward mix is variable remuneration and is at risk. This better aligns Executive KMP rewards with shareholder interests and is aligned to our pay for performance philosophy, focussing efforts on driving growth and long term performance and sustainability. The data for Executive KMP excluding the CEO is a weighted average.

Remuneration Mix – CEO



Remuneration Mix – Executive KMP



From a market alignment perspective, within our global pharmaceutical/biotechnology peer group our Executive KMP reward is competitive in the elements of fixed reward and STI, however LTI remains below market comparators for all roles, including the CEO. The latter component remains a focus for the Board to ensure we have competitive reward packages and effectively incentivise for the long term success of the organisation by aligning outcomes with shareholder interests.

3.2.4 Short Term Incentive (STI)

Rewarding performance over an annual period, the STI program is designed to drive business performance and the creation of shareholder value. KPIs on which Executive KMP are assessed and rewarded are challenging and not just duties expected in the normal course of their role.

The key features of the program for cash awards for the year ended 30 June 2020 (to be paid in September 2020) are detailed as follows. In 2021, we will review the STI program to ensure it remains competitive and fit for purpose.

<table>
<tr><th>Feature</th><th colspan="2">Description</th></tr>
<tr><td>Performance Period</td><td colspan="2">Annual aligned with the financial year - 1 July 2019 to 30 June 2020</td></tr>
<tr><td rowspan="2">Performance Measures</td><td colspan="2">Each Executive KMP has a maximum of six KPIs. The KPIs are made up of two critical financial measures of CSL business strength, shared by all participants – Net Profit after Tax (NPAT) and Cash Flow from Operations (CFO), plus up to four individual business building KPIs. Hurdles are set at threshold, target and maximum levels of performance and there is real difference between under achieve / achieve / over achieve targets and measures, so that a challenging but meaningful incentive is provided</td></tr>
<tr><td>Financial - Financial growth is the foundation of long term sustainability and evidences our competitive advantage, whilst pursuing profitable growth aligns employee and shareholder objectives. The financial performance measures are NPAT measured at constant currency and CFO measured at the reported rate</td><td>Individual - Individual performance hurdles align with strategic priorities, encourage appropriate decision making, and balance performance in non-financial priorities. The individual performance measures are based on individual responsibilities and categories include divisional performance, achievement of strategic objectives and improvement in operations, risk management, compliance, people, health and safety and quality</td></tr>
<tr><td>Performance Measure Weighting</td><td colspan="2">The weighting of the measures in 2020 is as follows:
• NPAT 35% / CFO 35% / Individual 30% - Mr Perreault, Mr Lamont and Dr McKenzie
• NPAT 30% / CFO 30% / Individual 40% - Professor Cuthbertson

In 2021, we will adjust the weighting of the CFO measure, reducing to 25% for Mr Perreault, Dr McKenzie and the new Chief Financial Officer. The change focuses our leaders on growing a sustainable business and driving cost efficiencies through their individual objectives, which will have their weighting increased accordingly</td></tr>
<tr><td>Executive KMP STI Targets</td><td colspan="2">• Mr Perreault – 120%
• Dr McKenzie – 100%
• Professor Cuthbertson and Mr Lamont – 85%</td></tr>
<tr><td rowspan="5">Vesting</td><td>Below Threshold</td><td>0% earned</td></tr>
<tr><td>Between Threshold and Target</td><td>50% earned on achievement of threshold level performance, increasing on a straight-line basis to 100% earned on achievement of target level performance</td></tr>
<tr><td>Target</td><td>100% earned</td></tr>
<tr><td>Maximum</td><td>100% earned at target level performance, increasing on a straight-line basis to 150% earned on achievement of maximum level performance (capped)</td></tr>
<tr><td colspan="2">The above STI Outcome percentages are then multiplied by the KPI weighting and individual STI opportunity (as disclosed in Table 3 in section 5.2 below) to determine the payment amount</td></tr>
<tr><td>Cessation of Employment</td><td colspan="2">A “good leaver” (such as retirement) may receive a pro-rata payment paid in the ordinary course based on the portion of the Performance Period worked, subject to Performance Measures being met. If the Executive KMP is not a “good leaver”, no payment will be made</td></tr>
</table>

3.2.5 Long Term Incentive (LTI)

Introduced in 2017, our current LTI plan was designed to align our executives’ equity interests with those of our shareholders by rewarding sustainable Return on Invested Capital (ROIC) outcomes over the longer term – a fit for purpose design to ensure the long term growth of the organisation and returns to our shareholders. The instalment vesting of awards over a four year period will only deliver reward where CSL performance has been strong over the longer term. When our target performance is achieved, we want our executives to have their LTI vest – we set targets that not only provide excellent outcomes for shareholders both absolutely and relative to the performance of our global peers, but also reward and assist us in retaining our talent.

The Board establishes a ROIC hurdle for each annual grant, taking into consideration the CSL budget and longer term forecast annual ROIC over the four year term of the grant, together with the historical annual ROIC achieved that will form part of the performance test over the four year annual testing period. The ROIC hurdle established is tested against market analyst consensus for reasonableness. The Board also reviews peer group ROIC numbers to ensure the performance levels we are targeting are appropriate.

For awards granted in 2020 (on 1 September 2019 to Mr Lamont and Dr McKenzie and on 23 October 2019 to Mr Perreault and Professor Cuthbertson), the Board introduced an annual threshold of ROIC performance that must be achieved before vesting can occur – the measure is the Investment Hurdle Rate (IHR). The IHR is the minimum return we require on our investments to ensure we are making sound investment decisions and appropriately manage risk and cover our cost of capital. This was added as a gateway condition of the LTI target to ensure that the ROIC is delivering an appropriate return each financial year as well as over the seven year rolling average period and aligns with shareholder outcomes and expectations. If the ROIC outcome for a year is below the IHR, no vesting will occur in that year.

The key features of the program for 2020 LTI awards are detailed as follows.

Feature	Description	
Summary	A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion, a cash equivalent payment. No price is payable by the Executive KMP on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by an Executive KMP	
Security	Performance Share Unit (PSU)	
Grant Methodology	To determine the number of PSUs issued, a five day weighted average share price is used. The LTI opportunity for each Executive KMP is divided by the calculated face value to determine the number of securities granted.	
Performance Period	Seven year rolling average: Tranche 1 - 1 July 2013 to 30 June 2020; Tranche 2 - 1 July 2014 to 30 June 2021 Tranche 3 - 1 July 2015 to 30 June 2022; and Tranche 4 - 1 July 2016 to 30 June 2023	
Gateway Performance Measure	No vesting will occur unless an Investment Hurdle Rate (IHR) is achieved. The IHR is the minimum return CSL requires on its investments to ensure it is making sound investment decisions and appropriately managing risk and covering its cost base	
Performance Measure	Return on Invested Capital	
Performance Target	Threshold – 22.0% Target – 25.0%	
Executive KMP LTI Targets (target opportunity set as a percentage of Fixed Reward)	• Mr Perreault – 400% • Dr McKenzie – 315% • Professor Cuthbertson – 200% • Mr Lamont – 135%	
Vesting Schedule	Below Threshold	0% earned
	Between Threshold and Target	50% of target opportunity earned on achievement of threshold level performance, increasing on a straight-line basis to 100% of target opportunity earned on achievement of target level performance
	Target	100% of target opportunity earned
	Maximum	Outcome capped at 100%
Vesting Date	Subject to performance, 25% of the award vests annually over four years: Tranche 1 - 1 September 2020; Tranche 2 - 1 September 2021; Tranche 3 - 1 September 2022; and Tranche 4 - 1 September 2023	
Retesting	No retest of any tranche	
Cessation of Employment	A "good leaver" (such as retirement) may retain a pro-rated number of PSUs based on time elapsed since grant date, subject to original terms and conditions including test date. If an Executive KMP is not a "good leaver", all unvested awards will be forfeited	
Change of Control	In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of CSL during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board	
Dividends and Voting Rights	No dividends or dividend equivalents are paid on unvested awards. Executive KMP are only eligible for dividends once shares have been allocated following vesting of any PSUs. PSUs do not carry any voting rights prior to vesting and allocation of shares	

3.2.6 Leading and Managing Modifier

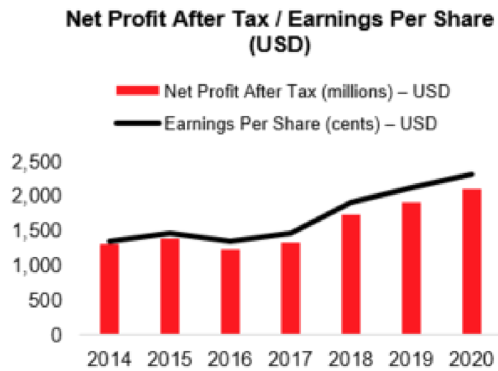
The Board, based on recommendations from the CEO for Executive KMP, and the Human Resources and Remuneration Committee (HRRC) for the CEO, has the discretion to apply a 'Leading and Managing' modifier to both the STI and LTI opportunity – allowing for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure across culture and diversity. Applied to the overall STI outcome or LTI target opportunity, there can be an increase of up to 20% or a decrease of up to 50% applied. In 2020, the Leading and Managing modifier was not used as the CEO and the Board determined that all Executive KMP had met expectations in the leadership of their respective business units and outcomes delivered, and consistently modelled the CSL Values. Below sets out an illustrative example of how the Modifier is used on STI outcomes.

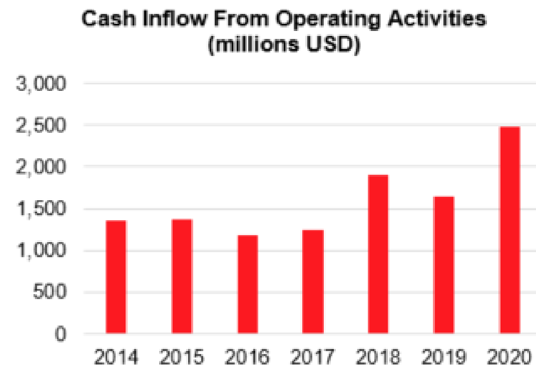
In addition to consideration during the determination of KPI outcomes, the modifier is also utilised for the assessment of the management of risk - both financial and non-financial. In consultation with the Audit and Risk Management Committee, the HRRC use a principles approach to ensure alignment between remuneration outcomes and performance. This enables Management to bring awareness to behaviours that encourage unacceptable levels of risk and discourage those behaviours, promotes behaviours that encourage acceptable levels of risk and enables the Board to recognise and appropriately address both acceptable and unacceptable behaviours. In the event of a significant risk management failure, the Board has the discretion to adjust further than the 50% downwards outcome, including to zero.

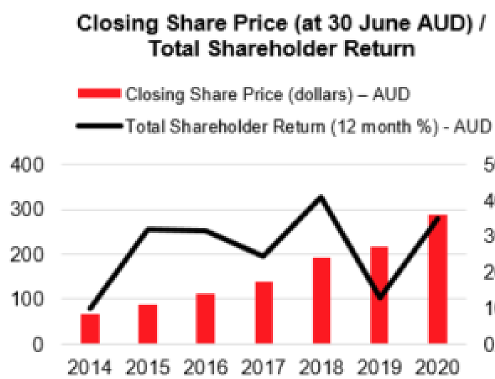
4. CSL Performance and Shareholder Returns

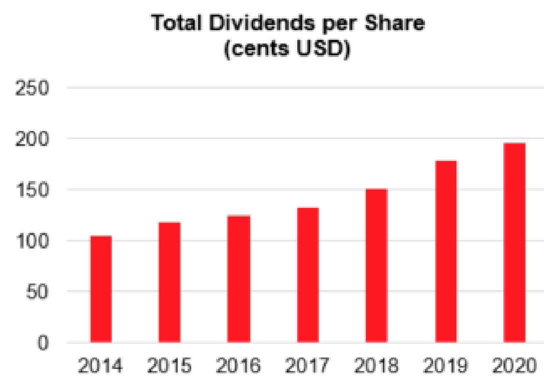
4.1 Financial Performance from 2014 to 2020

The following graphs[5] summarise key financial performance over the past seven financial years. We have disclosed over a seven year period to align with our ROIC LTI performance measurement period.









[5] The 2016 Annual Return on Invested Capital figure includes the gain on acquisition of Novartis' global influenza vaccine business of US$176.1m. The opening share price on 1 July 2015 was A$86.21. The Total Dividends per Share is the actual total dividends paid within the financial year.

5. Executive Key Management Personnel Outcomes in 2020

5.1 CSL Performance

2020 has been another year of outstanding performance outcomes. Financial performance has been strong and we continue to develop and progress our research and development pipeline, consistently innovating to ensure a sustainable business. Our new end to end supply chain model continues to be implemented enabling an efficient and reliable supply. CSL has been on the forefront in the response to the COVID-19 pandemic. As the pandemic evolved, CSL continued to provide an uninterrupted supply of our medicines around the world. Our team is working with academia, industry and governments globally to combat the novel coronavirus COVID-19.

The following performance outcomes, as aligned to the CSL strategy, were achieved resulting in an average overall STI payment outcome of 122% of target level opportunity across the Executive KMP (see Table 3). The minimum STI earned as a percentage of target level opportunity was 118% and the maximum was 126% - the latter was 84% of the maximum STI outcome that could be achieved. Additional quantitative objectives, which were also integral to the achievement of individual performance, were considered by the Board when assessing Executive KMP performance. However, these remain confidential for commercial reasons.

Table 2: CSL Achievements in 2020

Strategy Component	Rating	Outcome
Financial		
NPAT	●	• Reported NPAT above target at US$2,102.5m
CFO	●	• Reported CFO above target at US$2,488.3m
People	●	• CSL named in the Top 500 companies for Diversity in the US by Forbes • Continued employee engagement scores above the global norm • Key leadership appointments following organisational operating structure review
Focus	●	• Agreement for a primary immunodeficiency gene therapy collaboration with the Seattle Children's Research expanding our cell and gene therapy footprint into the Immunology Therapeutic Area • Acquisition of Vitaeris
Innovation	●	• HIZENTRA® granted Orphan Drug Exclusivity for CIDP • HIZENTRA® Dermatomyositis Phase III study initiated • CSL112 trial (cardiovascular disease) Phase III progressing • CSL200 first patient with sickle cell disease dosed • US FDA approval of AUDENZTM - world's first adjuvanted, cell-based influenza A (H5N1) pandemic vaccine • FLUCELVAX® launched in EU • FLUAD® preferred recommendations in UK and Australia, and QIV approved in Australia • Positive real world effectiveness evidence continuing for FLUCELVAX® and FLUAD® • Commenced aQIVc development
Efficiency and Reliable Supply	●	• 40 plasma collection centres opened taking our total to 277 globally • Operationalisation of our new End to End Supply Chain model • Successful implementation of the final phase of the new Enterprise Resource Planning system in Asia Pacific – the system is now fully implemented globally • Major capital projects at all manufacturing sites progressing to support future demand • Transition to Good Supply Practices (GSP) license in China
Sustainable Growth	●	• Global expansion with two new offices opening (Saudi Arabia and Colombia) • Strategic partnership with Thermo Fisher Scientific for the lease of CSL's Lengnau biotech manufacturing facility

● Target Exceeded ● Target Partially Met
● Target Met ● Target Not Met

5.2 STI Outcomes by Executive KMP in 2020

The financial performance of CSL (NPAT and CFO) makes up the majority weighting of the KPIs for Executive KMP, incentivising the delivery of strong financial performance – 70% for Mr Perreault, Mr Lamont and Dr McKenzie and 60% for Professor Cuthbertson. Both NPAT and CFO at 30 June 2020 resulted in above target performance and after reviewing the outcome and considering the impact of COVID-19, the Board exercised its discretion and reduced outcomes for certain unbudgeted actual outcomes. The remaining KPIs measured individual performance. Achievements that contributed to the outcomes detailed in Table 3 below can be found in Table 2 of this Report. The Board made no adjustments under the Malus and Clawback Policy and no risk management, behaviour or compliance issues involving Executive KMP were identified during the joint consultation between the HRRC and Audit and Risk Management Committee.

Table 3: STI Outcomes in 2020

Executive	Value of STI Earned US$	STI opportunity at Target level hurdle as a % of FR	STI opportunity at Maximum level hurdle as a % of FR	STI earned as % of Target opportunity	STI earned as % of Maximum opportunity	STI earned as % of FR	Financial Performance Outcome	Individual Performance Outcome
P Perreault	2,477,746	120%	180%	118%	79%	142%	Between Target and Maximum	Between Threshold and Target
A Cuthbertson	699,030	85%	128%	121%	81%	103%	Between Target and Maximum	Between Target and Maximum
D Lamont	901,581	85%	128%	124%	83%	105%	Between Target and Maximum	Between Target and Maximum
P McKenzie	1,164,765	100%	150%	126%	84%	126%	Between Target and Maximum	Between Target and Maximum

5.3 LTI Outcomes by Executive KMP in 2020

5.3.1 LTI awards tested in 2020

In 2020, in the course of annual performance testing, four LTI grants were tested across both legacy and current LTI awards. Due to CSL's performance against a peer group of global pharmaceutical and biotechnology companies, and CSL's strong share price growth over the performance period, vesting value outcomes were high. The table below shows the performance of CSL against the targets with vesting occurring in August 2019 and September 2019.

Table 4: LTI Awards Tested in 2020

Grant Date	Security	Tranche	Performance Period	Exercise Price A$	Performance Outcome	Vesting Outcome
1 October 2015	Option	1	1 July 2015 – 30 June 2019	89.52	Individual Performance	100% vested
	Right	1		-	RTSR ranking – 98th%ile against a peer group of global Pharmaceutical and Biotechnology companies	100% vested
	Right	2			Annual EPS growth at 9.7%	57.31% vested[6]
	Right	3			Annual EPS growth at 9.7%	0% vested[7]
1 October 2016	Notional Share	1	1 July 2016 – 30 June 2019	-	Individual Performance	100% vested
1 October 2017	PSU	2	1 July 2012 – 30 June 2019	-	Seven year ROIC at 28.2%	100% vested
1 October 2018	PSU	1	1 July 2012 – 30 June 2019	-	Seven year ROIC at 28.2%	100% vested

[6] The remaining 42.69% of this tranche has lapsed – there is no retest.
[7] The full tranche has lapsed – there is no retest.

5.3.2 Fair Value of awards granted, vested and lapsed equity in 2020

The table below details the fair value at the date of grant for all awards granted[8], vested and lapsed in 2020. The values are shown in Australian Dollars.

Table 5: Grant Fair Value

Security	Tranche	Grant Date	Vest / Lapse Date	Fair Value at Grant A$
Option	1	1 Oct 2015	15 Aug 2019	13.51
Right	1	1 Oct 2015	15 Aug 2019	60.92
Right	2 / 3	1 Oct 2015	15 Aug 2019	83.12
Notional Share	1	1 Oct 2016	30 Sep 2019	107.25
PSU	2	1 Oct 2017	1 Sep 2019	129.01
PSU	1	1 Sep 2018	1 Sep 2019	223.06
PSU	1	1 Sep 2019	1 Sep 2020	232.89
PSU	2	1 Sep 2019	1 Sep 2021	230.50
PSU	3	1 Sep 2019	1 Sep 2022	228.14
PSU	4	1 Sep 2019	1 Sep 2023	225.80
Restricted Share Unit (RSU)	1	1 Sep 2019	1 Mar 2020	234.10

[8] The grant date of PSUs granted to P Perreault and A Cuthbertson was 23 October 2019.

5.3.3 Summary of Executive KMP granted, vested and lapsed equity in 2020

The table below summarises the details of equity awards granted, vested and lapsed in US Dollars for each Executive KMP. For awards granted, the maximum number of securities that may vest is shown. For accounting purposes, the maximum value of each grant is the fair value of the equity granted multiplied by the number of equity instruments granted, or remaining each year. Ultimately, the maximum value of the equity awards will be equal to the number of securities granted multiplied by the CSL share price at the time of vesting. The minimum number of securities and the value of the equity awards is zero if the equity award is fully lapsed.

For Dr McKenzie, the awards granted include the 2020 annual LTI grant, and the awards provided on commencement of employment. Dr McKenzie, an accomplished global leader with diverse biotechnology experience, brought significant experience and leadership capabilities to CSL that will continue to drive CSL's sustainable growth. A sign-on award was made to compensate for the loss of Biogen (prior employer) equity-based incentives Dr McKenzie held at the time of cessation of his employment with Biogen. The awards were pro-rated and aligned to conditions of the awards at Biogen - performance hurdled awards were discounted and replaced with CSL performance hurdled awards, and time-based awards were matched with CSL time-based awards. The awards were provided in the form of PSUs and RSUs, with each PSU and RSU being a conditional right to receive a share in CSL (or a cash equivalent payment). The vesting schedule was adjusted to match the dates on which CSL awards vest following testing of performance conditions – vesting periods were extended beyond those of the relevant Biogen incentives. No price is payable by Dr McKenzie on the grant or vesting of Rights awarded as a sign-on award. Further details of how remuneration is determined is set out in section 9.2 and details on the terms of the awards can be found in section 3.2.5 for the PSU grants, and section 11.2 for RSU grants.

Table 6: Movement in equity in 2020

Executive	Security	Grant Date	Vesting Date	Exercise Price A$	Fair Value at Grant US$	Face Value at Grant US$[9]	Granted	Vested	Lapsed	Face Value at Vest – Vested Award US$[10]	Face Value at Lapse – Lapsed Award US$[11]
P Perreault	Option	1 Oct 2015	15 Aug 2019	89.52	1,343,515	-	147,911	147,911	-	13,633,051	-
	Right	1 Oct 2015	15 Aug 2019	-	2,267,098	2,850,433	47,138	34,934	12,204	5,322,482	1,859,380
	Notional Share	1 Oct 2016	30 Sep 2019	-	615,735	615,735	8,559	8,559	-	1,344,776	-
	PSU	1 Oct 2017	1 Sep 2019	-	1,128,724	1,172,032	13,013	13,013	-	2,107,400	-
	PSU	1 Sep 2018	1 Sep 2019	-	1,404,032	1,430,784	9,362	9,362	-	1,516,136	-
	PSU	1 Sep 2019	1 Sep 2020	-	1,734,442	1,793,873	11,077	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2021	-	1,716,643	1,793,873	11,077	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2022	-	1,699,067	1,793,873	11,077	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2023	-	1,681,336	1,793,549	11,075	-	-	-	-
A Cuthbertson	Right	1 Oct 2015	15 Aug 2019	-	437,571	550,155	9,098	6,743	2,355	1,027,352	358,804
	Notional Share	1 Oct 2016	30 Sep 2019	-	131,291	131,291	1,825	1,825	-	286,741	-

[9] Securities granted multiplied by the closing CSL share price on the date of grant. For Options granted, Options were multiplied by the share price at the date of grant minus the exercise price payable (A$89.52). The face value of the Options at the date of grant for Mr Perreault is shown as zero as the exercise price was higher than the closing CSL share price on the date of grant. The AUD value was converted to USD at an average exchange rate for the 2020 financial year of 1.48735.
[10] Securities vested multiplied by the closing CSL share price on the date of vest. For Options vested during the year, Options were multiplied by the share price at the date of vesting minus the exercise price payable (A$89.52). The AUD value was converted to USD at an average exchange rate for the 2020 financial year of 1.48735.
[11] Securities lapsed multiplied by the closing CSL share price on the date of lapse. The AUD value was converted to USD at an average exchange rate for the 2020 financial year of 1.48735.

Executive	Security	Grant Date	Vesting Date	Exercise Price A$	Fair Value at Grant US$	Face Value at Grant US$[9]	Granted	Vested	Lapsed	Face Value at Vest – Vested Award US$[10]	Face Value at Lapse – Lapsed Award US$[11]
	PSU	1 Oct 2017	1 Sep 2019	-	183,104	190,130	2,111	2,111	-	341,867	-
	PSU	1 Sep 2018	1 Sep 2019	-	335,486	341,878	2,237	2,237	-	362,273	-
	PSU	1 Sep 2019	1 Sep 2020	-	335,552	347,050	2,143	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2021	-	332,108	347,050	2,143	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2022	-	328,708	347,050	2,143	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2023	-	325,185	346,888	2,142	-	-	-	-
D Lamont	Right	1 Jan 2016	15 Aug 2019	-	712,321	868,479	12,266	9,090	3,176	1,384,936	483,890
	Notional Share	1 Oct 2016	30 Sep 2019	-	124,312	124,312	1,728	1,728	-	271,501	-
	PSU	1 Oct 2017	1 Sep 2019	-	176,859	183,645	2,039	2,039	-	330,207	-
	PSU	1 Sep 2018	1 Sep 2019	-	264,700	269,743	1,765	1,765	-	285,834	-
	PSU	1 Sep 2019	1 Sep 2020	-	285,916	295,713	1,826	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2021	-	282,982	295,713	1,826	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2022	-	280,084	295,713	1,826	-	-	-	-
	PSU	1 Sep 2019	1 Sep 2023	-	277,060	295,551	1,825	-	-	-	-
P McKenzie	PSU (sign-on)	1 Sep 2019	1 Sep 2020	-	858,218	887,624	5,481	-	-	-	-
	PSU (sign-on)	1 Sep 2019	1 Sep 2021	-	1,415,064	1,478,726	9,131	-	-	-	-
	PSU (sign-on)	1 Sep 2019	1 Sep 2022	-	1,007,139	1,063,336	6,566	-	-	-	-
	PSU (LTI)	1 Sep 2019	1 Sep 2020	-	720,740	745,436	4,603	-	-	-	-
	PSU (LTI)	1 Sep 2019	1 Sep 2021	-	713,344	745,436	4,603	-	-	-	-
	PSU (LTI)	1 Sep 2019	1 Sep 2022	-	706,040	745,436	4,603	-	-	-	-
	PSU (LTI)	1 Sep 2019	1 Sep 2023	-	698,950	745,598	4,604	-	-	-	-
	RSU	1 Sep 2019	1 Mar 2020[12]	-	1,274,105	1,310,951	8,095	8,095	-	1,684,148	-

[12] The RSU award granted to P McKenzie vested at 100% due to performance and service conditions being met – no portion of the award was lapsed. See section 11.2 for details of award terms.

5.3.4 Executive KMP 2021 equity vesting opportunity

In 2021, our final legacy LTI awards will be tested which will result in one further year of complexity in the reporting of awards that either vest or lapse across multiple award securities and terms and conditions, including performance measures. In regard to the awards granted in 2017 (grant date of 1 October 2016), the value of any vesting is expected to be high – as has been the case over the past two years. This outcome reflects the exceptionally strong CSL share price over the performance period. The high vesting value is also in line with the shareholder returns over the same period.

The following tables set out a preview of the awards that will be tested in 2021 for Executive KMP with Table 8 providing the specific grant details for each Executive KMP. The face value in Table 7 is provided in Australian Dollars.

Table 7: LTI awards to be tested in 2021

Grant Date	Security	Performance Measure	Exercise Price A$	Face Value of a CSL Share at Date of Grant A$
1 October 2016	Option	Individual Performance	107.25	107.00
1 October 2016	Right	Relative Total Shareholder Return (rTSR)	-	107.00
1 October 2016	Right	Earnings per Share growth (EPSg)	-	107.00
1 October 2017	Performance Share Unit	ROIC	-	133.96
1 September 2018	Performance Share Unit	ROIC	-	227.31
1 September 2019	Performance Share Unit	ROIC	-	240.87

Table 8: Executive KMP LTI opportunity to be tested in 2021

Executive	Number of Options	Number of Performance Rights	Number of Performance Share Units
P Perreault	163,514	51,727	33,452
A Cuthbertson	-	11,389	6,491
D Lamont	-	11,683	5,630
P McKenzie	-	-	10,084

6. Executive Key Management Personnel Statutory Remuneration Tables

Remuneration is reported in US Dollars (USD), unless otherwise stated. This is consistent with the presentation currency used by CSL. Remuneration for Executive KMP located in Australia is paid in Australian Dollars (AUD) and converted to USD based on the average exchange rate for the 2020 financial year of 1.48735. Valuation of equity awards was converted from AUD to USD using the same average exchange rate.

6.1 Executive KMP Remuneration 2019 and 2020

All amounts are presented in US Dollars.

Table 9: Statutory Remuneration Disclosure – Executive KMP

		Short Term Benefits			Post-Employment	Other Long Term	Share Based Payments[14]						
Executive	**Year[13]**	**Cash Salary and Fees US$[15]**	**Cash Bonus US$[16]**	**Non-Monetary US$[17]**	**Super US$**	**LSL US$**	**Performance Rights US$**	**Options US$**	**Performance Share Units US$**	**Restricted Share Units US$**	**EDIP US$[18][19]**	**Total US$**	**% Performance Related**
P Perreault – CEO and Managing Director	**2020**	**1,676,919**	**2,477,746**	**52,404**	**19,950**	**-**	**717,831**	**473,426**	**5,474,555**	**-**	**223,961**	**11,116,792**	**84%**
	2019	1,676,922	1,979,386	48,880	19,600	-	1,356,333	887,634	4,120,925	-	721,358	10,811,038	84%
A Cuthbertson - Chief Scientific Officer	**2020**	**714,704**	**699,030**	**29,944**	**16,808**	**16,531**	**158,047**	**-**	**1,114,393**	**-**	**47,754**	**2,797,211**	**72%**
	2019	734,862	563,225	29,944	17,948	28,810	262,534	-	864,952	-	146,773	2,649,048	69%
D Lamont - Chief Financial Officer	**2020**	**887,558**	**901,581**	**14,747**	**16,808**	**20,979**	**162,128**	**-**	**937,367**	**-**	**45,216**	**2,986,384**	**69%**
	2019	899,222	722,033	14,747	17,948	24,062	390,393	-	727,202	-	143,391	2,938,998	67%
P McKenzie Chief Operating Officer	**2020**	**999,747**	**1,164,765**	**552,870**	**22,243**	**-**	**-**	**-**	**2,817,245**	**1,274,105**	**-**	**6,830,975**	**77%**
	2019	-	-	-	-	-	-	-	-	-	-	-	-
Former Executive KMP													
G Boss - EVP Legal & Group General Counsel	**2020**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019	620,991	412,369	42,211	19,600	-	209,065	148,002	704,205	-	153,988	2,310,431	70%
W Campbell - EVP & Chief Commercial Officer	**2020**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019	602,309	542,463	48,721	19,527	-	163,389	-	832,508	-	157,394	2,366,311	72%

[13] The AUD, GBP and CHF compensation paid during the years ended 30 June 2019 and 30 June 2020 have been converted to USD. For the 30 June 2020 compensation, this has been converted to USD at an average exchange rate for the 2020 financial year: AUD – 1.48735. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the exchange rates. No cash sign on payments or termination benefits were paid in 2020.

[14] The Performance Rights and Options have been valued using a combination of the Binomial and Black Scholes option valuation methodologies including Monte Carlo simulation as at the grant date adjusted for the probability of hurdles being achieved. The Performance Share Units and Restricted Share Units have been valued using the Black Scholes option valuation methodology. These valuations were undertaken by Deloitte and PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the Options, Performance Rights, Performance Share Units and Restricted Share Units over the period from grant date to vesting date in accordance with applicable accounting standards.

[15] Includes cash salary, cash allowances and short term compensated absences, such as annual leave entitlements accrued but not taken during the year.

[16] The cash bonus in respect of 2020 is scheduled to be paid in September 2020. The cash component of the cash bonus received in 2019 was paid in full in September 2019 for all Executive KMP as previously disclosed, with no adjustment.

[17] Includes any health benefits, insurances benefits and other benefits. For International Assignees and domestic relocations, this may include personal tax advice, health insurance, removalists, temporary accommodation and other expatriate assignment benefits.

[18] The fair value of the EDIP cash settled deferred payment 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.

[19] The 2019 EDIP share based payment amount has been restated due to an error in the calculation of the figures stated in the 2019 Remuneration Report. This also impacts the 2019 Totals.

Executive	Year[13]	Short Term Benefits: Cash Salary and Fees US$[15]	Short Term Benefits: Cash Bonus US$[16]	Short Term Benefits: Non-Monetary US$[17]	Post-Employment: Super US$	Other Long Term: LSL US$	Share Based Payments[14]: Performance Rights US$	Share Based Payments[14]: Options US$	Share Based Payments[14]: Performance Share Units US$	Share Based Payments[14]: Restricted Share Units US$	Share Based Payments[14]: EDIP US$[18][19]	Total US$	% Performance Related
K Etchberger - EVP Quality & Business Services	**2020**	-	-	-	-	-	-	-	-	-	-	-	-
	2019	571,637	390,147	50,726	18,121	-	191,722	135,246	643,523	-	140,701	2,141,823	70%
W Mezzanotte – EVP Research & Development	**2020**	-	-	-	-	-	-	-	-	-	-	-	-
	2019[20]	729,267	443,564	19,795	20,261	-	77,238	-	435,084	104,046	67,893	1,897,148	59%
G Naylor - President, Seqirus	**2020**	-	-	-	-	-	-	-	-	-	-	-	-
	2019	1,005,103	956,298	56,312	81,438	33,508	327,065	199,825	808,866	-	95,151	3,563,566	67%
V Romberg - EVP Manufacturing Operations & Planning	**2020**	-	-	-	-	-	-	-	-	-	-	-	-
	2019	740,540	434,527	113,374	21,413	-	229,882	132,465	711,701	-	229,823	2,613,725	67%
E Walker - EVP & Chief Human Resources Officer	**2020**	-	-	-	-	-	-	-	-	-	-	-	-
	2019	453,805	312,510	30,339	-	-	-	-	451,076	18,094	87,294	1,353,118	64%
TOTAL	**2020**	**4,278,928**	**5,243,122**	**649,965**	**75,809**	**37,510**	**1,038,006**	**473,426**	**10,343,560**	**1,274,105**	**316,931**	**23,731,362**	**79%**
	2019	8,034,658	6,756,522	455,049	235,856	86,380	3,207,621	1,503,172	10,300,042	122,140	1,943,766	32,645,206	73%

6.2 Executive KMP Shareholdings

Details of shares held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 10. Details of Options, Performance Rights, Performance Share Units and Restricted Share Units held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 11. Any amounts are presented in US Dollars. Following the vesting of awards, any trading undertaken by Executive KMP was subject to the Group Securities Dealing Policy (outlined in section 9.6). Approved trading disclosed was actioned in accordance with the Policy, including forced trades to cover CSL tax withholding obligations.

[20] The period reported is 1 October 2018 to 30 June 2019 being the period W Mezzanotte was Executive KMP.

Table 10: Executive KMP Shareholdings

Executive	Balance at 1 July 2019	Number of shares acquired on exercise of Options, Performance Rights, Performance Share Units or Restricted Share Units during year	Value of shares acquired on exercise of Options[21], Performance Rights, Performance Share Units or Restricted Share Units during year US$	Number of (Shares Sold) / Purchased	Balance at 30 June 2020
P Perreault	76,072	205,220	32,276,337	(153,911)	127,381
A Cuthbertson	78,091	11,091	1,762,240	-	89,182
D Lamont	14,454	12,894	2,079,286	(8,073)	19,275
P McKenzie	-	8,095	1,684,148	(4,082)	4,013

There have been no movements in shareholdings of Executive KMP between 30 June 2020 and the date of this Report.

Table 11: Executive KMP Option, Performance Right, Performance Share Unit and Restricted Share Unit Holding

								Balance as at 30 June 2020	
Executive	Security	Balance as at 1 July 2019	Number Granted	Number Exercised	Number Lapsed	Balance as at 30 June 2020	Number Vested During Year	Vested[22]	Unvested
P Perreault	Option	311,425	-	147,911	-	163,514	147,911	-	163,514
	Right	98,865	-	34,934	12,204	51,727	34,934	-	51,727
	PSU	76,488	44,306	22,375	-	98,419	22,375	-	98,419
A Cuthbertson	Option	-	-	-	-	-	-	-	-
	Right	20,487	-	6,743	2,355	11,389	6,743	-	11,389
	PSU	15,278	8,571	4,348	-	19,501	4,348	-	19,501
D Lamont	Option	-	-	-	-	-	-	-	-
	Right	23,949	-	9,090	3,176	11,683	9,090	-	11,683
	PSU	13,175	7,303	3,804	-	16,674	3,804	-	16,674
P McKenzie	Option	-	-	-	-	-	-	-	-
	Right	-	-	-	-	-	-	-	-
	PSU	-	39,591	-	-	39,591	-	-	39,591
	RSU	-	8,095	8,095	-	-	8,095	-	-

[21] The value of Options at exercise date has been determined by the share price at the close of business on exercise date less the Option exercise price, multiplied by the number of Options exercised during 2020. For Performance Rights, Performance Share Units and Restricted Share Units, the value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of securities exercised during 2020. The AUD value was converted to USD at an average exchange rate for the year of 1.48735.

[22] Vested awards are exercisable to the Executive KMP. There are no vested and unexercisable awards.

7. 2020 and 2021 Executive Key Management Personnel Remuneration

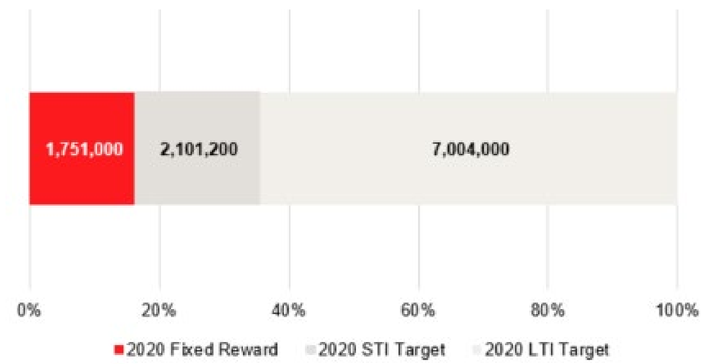
7.1 CEO Remuneration

7.1.1 2020 CEO Remuneration Outcome

The Board determines any increases to reward for the CEO based on his performance and relative to external benchmarks. When comparing Mr Perreault's total reward to the reward of CEOs across the pharmaceutical/biotechnology peer group, Mr Perreault lags the median – specifically on the LTI component. As has been the case for the past four years, there was no increase to fixed reward, remaining at US$1,751,000. Mr Perreault's STI percentage remained set at 120% of his Fixed Reward for target performance and his maximum payout opportunity capped at 180% for outstanding performance. An increase was applied to LTI as communicated in our 2019 Remuneration Report – the target is now 400% of fixed reward (also maximum opportunity) and the LTI is both time and performance hurdled. Irrespective of these changes, Mr Perreault is still below the median for the pharmaceutical/biotechnology peer group.

Mr Perreault's target reward for 2020 is displayed below.

2020 CEO Total Target Reward – USD



The 2020 STI outcome for Mr Perreault was 118% of target based on the two key measures of above target NPAT and CFO performance outcome and individual performance that resulted in an outcome between threshold and target. Individual outcomes against objectives set for Mr Perreault included:

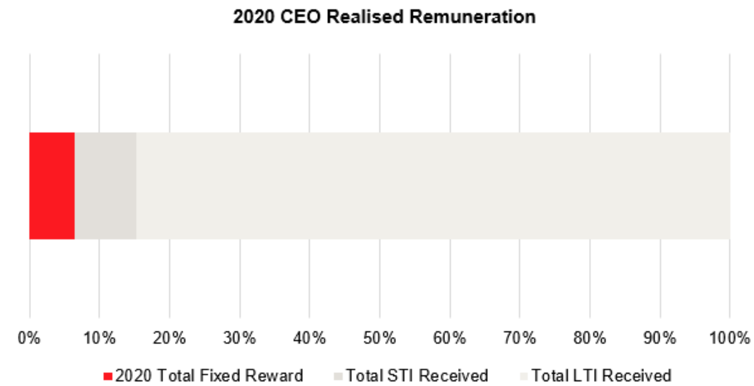
Outcome	Commentary
	The optimisation of our newly implemented business model across the End to End Supply Chain. Succession management and bench strength of critical roles focus with key leadership roles in place and / or transitioned. The transformation of our 'Enabling Functions' to ensure enterprise-wide operating models and functions is underway, ensuring the CSL Group is able to deliver on our 2030 strategy. Delivery of the 2020 diversity targets and objectives
	Global, sustainable growth continues through the creation and implementation of the 2030 strategy with a focus on Patients, Therapeutic Areas, Efficiency and Reliable Supply, Innovation and Digital Transformation. Key outcomes are included in section 5.1, table 2
	Stewardship of our culture and achievement of cultural initiatives focused on values, innovation, effective risk management, employee health and safety, and compliance. Employee engagement outcomes continue to be above the global norm. Celebrate the Promise, CSL's new global recognition program piloted and on track for global rollout in early 2021. Safety outcomes have continued to improve over prior year and key metrics continue to outperform industry averages

Target Exceeded Target Partially Met
Target Met Target Not Met

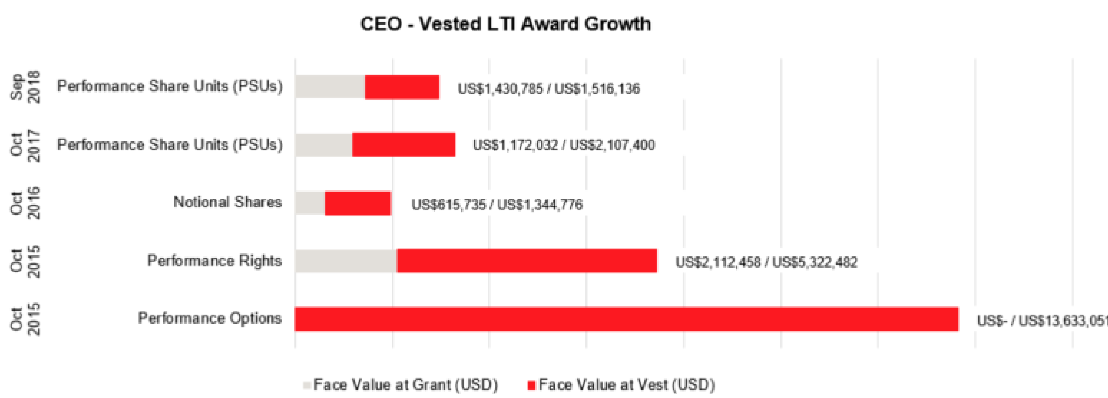
The achievement against targets set resulted in a cash payment of US$2,477,746 (to be paid in September 2020). Further detail can be found in section 5.2.

7.1.2 2020 CEO Realised Remuneration

Below we have disclosed the CEO 'realised' remuneration with a full view of all Executive KMP 'realised' remuneration detailed in section 7.2, Table 12. This is a voluntary disclosure which the Board believes is simple and affords a transparent view of what the CEO's actual take-home pay was in 2020. Further details related to how each of the below elements is determined is provided in section 9.2. These outcomes are aligned with the CEO's and CSL's performance during 2020, as well as being aligned to CSL's longer term performance. This information has not been prepared in accordance with the Australian accounting standards. See section 6.1 (Table 9) for the Statutory Remuneration disclosure that has been prepared in accordance with the Australian accounting standards.



Mr Perreault's total 'realised' remuneration for 2020 was US$28,224,945 and this is a 21% increase from the prior year. Driving this increase was the vesting of LTI awards made under our legacy plans – the 2016 Option and Performance Right and 2017 Executive Deferred Incentive Plan awards (granted 1 October 2015 and 1 October 2016 respectively with further details in section 5.3). As you will have experienced as shareholders, there has been a significant increase in the CSL share price over this period (Options had an exercise price of A$89.52 (set at grant[23]) and the share price at vesting was A$226.61) leading to increased reward outcomes for the CEO. The graph below depicts the increase in value of each of the vested awards over the period of grant to vest using the face value of the vested award at each point in time (CSL closing share price). For Options, the value shown is the difference between the exercise price and the closing price on date of vest.



Given the long term nature of CSL's legacy remuneration plans, we will also see their impact on the 'realised' remuneration of our Executive KMP in our 2021 Remuneration Report when we report on vesting outcomes for the 2017 LTI awards (granted 1 October 2016).

[23] At the date of grant, the Options were out of the money as the exercise price was higher than the CSL closing share price on the date of grant.

7.1.3 2021 CEO Remuneration Targets

In 2021 the Board has determined that there will be no increase to any component of total reward for Mr Perreault. Mr Perreault's fixed reward will remain at US$1,751,000, his STI target at 120% of fixed reward and the LTI target at 400% of fixed reward. While the Board recognises Mr Perreault's total reward is below the global pharmaceutical/biotechnology peer group, given the current global economic environment and investor and community sentiment, the Board believes no increase is warranted at this time.

7.2 2020 Executive KMP Realised Remuneration

Table 12 shows the 'realised' remuneration of Executive KMP for the year ended 30 June 2020 in US Dollars. This is a voluntary disclosure that the Board believes is simple and affords a transparent view of what the Executive KMP actual take-home pay was in 2020.

The main difference between 'realised' remuneration disclosures, and the statutory disclosures in section 6, is that the 'realised' remuneration table includes the value of performance based awards that vested or were paid in the period (calculated at the date of vesting), while the statutory tables include the accounting expense over the period the performance hurdles are met.

Some of the 'realised' remuneration in the table was earned over the previous three to four years, but was not paid until 2020. This includes cash settled LTI earned between 2017 and 2020 and equity settled LTI earned over four years from 2016 to 2020. The significant increase in the CSL share price over the period of grant to vest has provided Executive KMP with a significant increase in value of the LTI component of reward. This has been demonstrated in the table below. The benefit of the increased share price has been shared by shareholders and Executive KMP alike.

Table 12: Executive KMP 'realised' remuneration (received or available as cash) in 2020

Executive	2020 Total Fixed Reward US$ [24]	2020 Short Term Incentive US$ [25]	Cash Settled LTI in 2020 US$ [26]	LTI Vested in 2020 US$ [27]	Total LTI Received US$	Total Reward Received US$	Total LTI Reward Received (valued at grant date) US$[28]	LTI Growth in Value (due to share price growth) US$[29]
Period Earned	**2020**	**2020**	**2017 – 2020**	**2016 – 2020**	**2016 – 2020**	**2016 – 2020**	**2016 – 2020**	**2016 – 2020**
P Perreault	1,823,354	2,477,746	1,344,776	22,579,069	23,923,845	28,224,945	5,331,009	18,592,836
A Cuthbertson	707,998	699,030	286,741	1,731,492	2,018,233	3,425,261	1,071,048	947,185
D Lamont	870,702	901,581	271,501	2,000,977	2,272,478	4,044,761	1,221,306	1,051,172
P McKenzie	1,500,113	1,164,765	-	1,648,148	1,684,148	4,349,026	1,310,951	373,197

7.3 2020 and 2021 Executive KMP Remuneration Adjustments

CSL competes for talent in a global market and we need to attract and retain high calibre executives in a highly competitive global pharmaceutical and biotechnology industry. The unique skill set with specialised pharmaceutical and biotechnology expertise and experience that we require is critical to enable us to deliver on our strategy, promise to patients and deliver returns to our shareholders.

Table 13 below sets out the changes to Executive KMP reward for 2020 (effective 1 September 2019) and 2021 (effective 1 September 2020). Where applicable the higher increase is applied to the LTI portion of the reward mix, driving focus on long term performance delivery and is in line with our pay for performance philosophy – rewards will only be earned where performance hurdles are met.

As noted earlier in this report, a global pharmaceutical/biotechnology peer group is used for external benchmarking. We align reward with the median of this peer group. The below rewards position our Executive KMP more competitively in the market, at or below the median for total reward. The increases also take into consideration the skills and experience of Executive KMP. In determining reward, the Board considers internal pay relativity across the full Global Leadership Group.

For Dr McKenzie, in 2021 there will be an expansion of role to include responsibility for the Seqirus business. The adjustment to salary and LTI reflects this increased responsibility in addition to market position and internal relativity.

In 2021, Professor Cuthbertson will begin the transition to retirement from his executive duties. He will remain an Executive Director and continue to lead special projects across the CSL Group. Professor Cuthbertson's prior Chief Scientific Officer role responsibilities will be undertaken by Dr William Mezzanotte and Dr Andrew Nash, who reports to Dr Mezzanotte. Accordingly, the remuneration structure for Professor Cuthbertson will be adjusted and will include salary only – remunerating for his work on the Board and leading the project and consulting work. Professor Cuthbertson will not be eligible for any STI or LTI awards.

[24] Includes base salary, retirement / superannuation benefits, and other benefits such as insurances, relocation and allowances paid in 2020.
[25] Relates to STI earned in 2020 and will be paid in September 2020 (refer to section 5.2).
[26] Value of awards vested at 30 September 2019 under the Executive Deferred Incentive Plan (EDIP) and paid in October 2019 (refer to section 5.3).
[27] Value of LTI vested at 15 August 2019 (Options and Performance Rights) and 1 September 2019 and 1 March 2020 (Performance Share Units and Restricted Share Units) that became unrestricted (refer to section 5.3). The value at vest has been determined by multiplying the number of vested units by the closing share price on the date of vest. For Options, it is the difference between the closing share price and the exercise price. This has been converted to USD at an average exchange rate for the 2020 financial year of 1.48735.
[28] The value at grant has been determined by multiplying the number of vested units by the closing share price on the date of grant. For Options, it is the difference between the closing share price and the exercise price. This has been converted to USD at an average exchange rate for the 2020 financial year of 1.48735.
[29] This figure shows the increase in market value of the LTI awards due to share price growth between the grant date and the vesting date. The increase in value of the awards is calculated by multiplying the number of vested and/or exercised awards by the difference between the share price of CSL shares on the grant date and the vesting date or exercise date (as applicable). This has been converted to USD at an average exchange rate for the 2020 financial year of 1.48735.

Mr Lamont will not receive any increase to fixed reward and will not receive a LTI grant in September 2020 due to his resignation which takes effect on 30 October 2020. On cessation of employment Mr Lamont will not be granted "good leaver" status and will therefore not retain any unvested LTI awards.

Table 13: Adjustments to Executive KMP reward 2020 and 2021

Executive	Year	% change in FR	% change in STI $ opportunity at target	% change in LTI $ opportunity at target	Total Reward Adjustment %	Total Reward Adjustment US$
P Perreault	2021	-	-	-	-	-
	2020	-	-	14%	9%	875,500
A Cuthbertson	2021	-35%	-100%	-100%	-83%	(2,168,730)
	2020	-	-	-	-	-
D Lamont	2021	-	-	-	-	-
	2020	-	-	8%	3%	91,396
P McKenzie	2021	3%	3%	14%	10%	476,375
	2020	-	-	-	-	-

8 Non-Executive Director Remuneration

8.1 NED fee policy

Feature	Description
Strategic objective	CSL's NED fee arrangements are designed to appropriately compensate suitably qualified directors, with appropriate experience and expertise, for their Board responsibilities and contribution to Board committees. In the 2020 year, the Board had four Committees for which fees were payable
Maximum aggregate fees approved by shareholders	The current maximum aggregate fee pool of A$4,000,000 was approved by shareholders on 12 October 2016 and has applied from this date. Actual NED fees paid during the 2020 year (including superannuation contributions, NED Rights Plan sacrifice amounts and Committee fees) is within this agreed limit, and totalled A$2,594,787. NEDs may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties and this reimbursement is not included within this limit
Remuneration reviews	The Board reviews NED fees on an annual basis in line with general industry practice. Fees are set with reference to the responsibilities and time commitments expected of NEDs along with consideration to the level of fees paid to NEDs of comparable Australian companies
Independence	To ensure independence and impartiality is maintained, NEDs do not receive any performance related remuneration
NED Equity	The NEDs participate in the NED Rights Plan - introduced to enable NEDs to build up meaningful levels of equity more quickly. Under the plan, NEDs sacrifice at least 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no cost. The number of Rights granted is equivalent to the fee sacrificed divided by the prevailing market price of CSL shares at that time. Rights are allocated in two tranches and vesting occurs following the disclosure of half year and full year financial results following the grant of Rights. For Australian based NEDs, shares are allocated at vesting of the Rights and for overseas based NEDs, shares are allocated at the end of the nominated restriction period. At the end of a nominated restriction period, of three to fifteen years, the NED is able to access their shares. No price is payable on vesting and exercise of rights. Shares are automatically allocated without the need for exercise by a NED. As this is a salary sacrifice plan, no performance conditions apply to the Rights. The shares are purchased on-market. Additional shares may be purchased by NEDs on-market at prevailing share prices in accordance with CSL's Securities Dealing Policy
Shareholding Requirement	NEDs must hold CSL shares equal to 100% of their Board base fee within five years from the date of appointment to their role
Post-Employment Benefits	Superannuation contributions are made in accordance with legislation and are included in the reported base fee and are not additional to the base fee. NEDs are not entitled to any compensation on cessation of appointment
Contracts	NEDs 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

8.2 NED fees in 2020

The following table provides details of current Board and Committee fees from 1 July 2019. As a truly global business, our NED fee structure allows us to attract and recruit globally experienced directors.

In 2020, after reviewing both ASX12 and ASX25 comparative Board fees, the Board has determined to increase Board and Committee fees by 2.8% from 1 July 2020. These increases ensure market competitive fees and allow us to attract and retain high quality NEDs. Fees remain within the existing aggregate fee pool approved by shareholders in 2016. The Board considers that sufficient headroom remains within the existing fee pool. Committee fees are not payable to the Chairman or to members of the Securities & Market Disclosure Committee.

Table 14: NED Fees 2020 and 2021

	2020 Fees		2021 Fees	
Board Chairman Fee	A$798,000		A$820,350	
Board NED Base Fee	A$232,050		A$238,550	
Committee Fees	**Committee Chair**	**Committee Member**	**Committee Chair**	**Committee Member**
Audit & Risk Management	A$65,800	A$32,400	A$67,650	A$33,300
Corporate Governance & Nomination	A$28,500	A$14,300	A$29,300	A$14,700
Human Resources & Remuneration	A$55,000	A$28,500	A$56,550	A$29,300
Innovation & Development	A$55,000	A$28,500	A$56,550	A$29,300

A travel allowance of A$15,000 per annum is in place for those NEDs who reside outside of Australia and travel to and from Australia to attend Board and Committee meetings. Where no travel is undertaken in a quarter, no allowance is paid.

8.3 Non-Executive Share Purchases

During 2020, CSL completed two on-market purchases of shares for the purposes of the NED Rights Plan. A total of 1,920 shares were purchased during the reporting period and the average price paid per share was A$278.31.

8.4 Non-Executive Director Statutory Remuneration Tables

Remuneration is reported in US Dollars, unless otherwise stated. This is consistent with the presentation currency used by CSL. Valuation of equity awards was converted from Australian Dollars (AUD) to USD at the average exchange rate of 1.48735 for the 2020 financial year.

8.4.1 Non-Executive Director Remuneration 2019 and 2020

All amounts are presented in US Dollars.

Table 15: Statutory Remuneration Disclosure – Non-Executive Directors

		Short Term Benefits	Post Employment		Share Based Payments	
Non-Executive Director	**Year**	**Cash Salary and Fees US$[30]**	**Superannuation US$**	**Retirement Benefits US$**	**Rights US$[31]**	**Total US$**
B McNamee - Chairman	**2020**	**415,099**	**14,121**	**-**	**106,768**	**535,988**
	2019	308,865	14,823	-	120,659	444,347
B Brook	**2020**	**133,343**	**14,121**	**-**	**60,325**	**207,789**
	2019	155,980	14,740	-	45,200	215,920
M Clark	**2020**	**176,446**	**14,121**	**-**	**30,692**	**221,259**
	2019	184,840	14,740	-	30,126	229,706
C Hewson[32]	**2020**	**15,816**	**7,060**	**-**	**61,332**	**84,208**
	2019	-	-	-	-	-
A Hussain	**2020**	**170,277**	**423**	**-**	**30,692**	**201,392**
	2019	163,264	7,599	-	30,126	200,989

[30] The AUD compensation paid during the years ended 30 June 2019 and 30 June 2020 have been converted to USD. For the 2020 compensation, this has been converted to USD at an average exchange rate for the 2020 financial year: AUD – 1.48735. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the AUD/USD exchange rates.
[31] As disclosed in the section titled "Non-Executive Director Remuneration", NEDs participate in the NED Rights Plan under which NEDs are required to take at least 20% of their after-tax base fees (excluding superannuation guarantee contributions) in the form of Rights. Rights are granted upfront and are expensed over the period of grant to vest. The Fair Value per Right at the grant date of 22 August 2019 was A$229.22 for Tranche 1 and A$227.92 for Tranche 2. For the grant made to C Hewson on 20 February 2020, the Fair Value for the tranche granted was A$331.29.
[32] In 2020 C Hewson was a NED for the period 9 December 2019 to 30 June 2020.

Non-Executive Director	Year	Short Term Benefits Cash Salary and Fees US$[30]	Post Employment Superannuation US$	Retirement Benefits US$	Share Based Payments Rights US$[31]	Total US$
M McDonald	**2020**	**136,035**	**14,121**	**-**	**45,574**	**195,730**
	2019	151,040	14,349	-	37,586	202,975
C O'Reilly	**2020**	**162,258**	**7,060**	**-**	**46,082**	**215,400**
	2019	162,584	14,740	-	45,200	222,524
Former Non-Executive Director						
J Shine	**2020**	**-**	**-**	**-**	**-**	**-**
	2019[33]	125,769	5,310	-	32,285	163,364
D Anstice	**2020**	**-**	**-**	**-**	**-**	**-**
	2019[34]	13,003	1,235	-	46,806	61,044
T Yamada	**2020[35]**	**8,530**	**-**	**-**	**87,774**	**96,304**
	2019	20,102	-	-	150,786	170,888
TOTAL	**2020**	**1,217,804**	**71,027**	**-**	**469,239**	**1,758,070**
	2019	1,285,447	87,536	-	538,774	1,911,757

8.4.2 Non-Executive Director Shareholdings

Details of shares held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 16. Any amounts are presented in US Dollars. Details of Rights held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 17. Following the vesting of awards, any trading undertaken by NEDs was subject to the Group Securities Dealing Policy (outlined in section 9.6).

Table 16: Non-Executive Director Shareholdings

KMP	Balance at 1 July 2019	Number of shares acquired on exercise of Rights during year	Value of shares acquired on exercise of Rights during year US$[36]	Number of (Shares Sold) / Purchased	Balance at 30 June 2020
Non-Executive Director					
B McNamee	178,049	766	142,173	(17,758)	161,057
B Brook	4,964	358	69,168	-	5,322
M Clark	2,663	206	38,785	355	3,224
C Hewson	-	-	-	174	174
A Hussain	41	-	-	-	41
M McDonald	2,701	282	53,977	-	2,983
C O'Reilly	3,384	308	57,989	-	3,692
Former Non-Executive Director					
T Yamada[37]	283	-	-	-	283

There have been no movements in shareholdings of NEDs between 30 June 2020 and the date of this Report.

[33] In 2019 J Shine was a NED for the period 1 July 2018 to 17 October 2018.
[34] In 2019 D Anstice was a NED for the period 1 July 2018 to 17 October 2018.
[35] In 2020 T Yamada was a NED for the period 1 July 2019 to 16 October 2019.
[36] The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2020. The AUD value was converted to USD at an average rate for the year of 1.48735.
[37] The closing balance for T Yamada is 16 October 2019 being the date T Yamada ceased to be a Non-Executive Director and KMP.

Table 17: Non-Executive Director Right Holdings

KMP	Instrument	Balance at 1 July 2019	Number Granted[38]	Face Value of Rights Granted US$[39]	Fair Value of Rights Granted US$[40]	Number Exercised	Value of Rights Exercised US$[41]	Number Lapsed	Balance at 30 June 2020	Number Vested During Year	Balance at 30 June 2020	
											Vested[42]	Unvested
Non-Executive Director												
B McNamee	Right	420	692	111,131	106,344	766	142,173	-	346	766	-	346
B Brook	Right	157	402	64,559	61,778	358	69,168	-	201	358	-	201
M Clark	Right	105	201	32,279	30,889	206	38,785	-	100	206	-	100
C Hewson	Right	-	388	88,350	86,423	-	-	-	388	-	-	388
A Hussain	Right	210	201	32,279	30,889	-	-	-	411	206	311	100
M McDonald	Right	131	302	48,499	46,410	282	53,977	-	151	282	-	151
C O'Reilly	Right	157	302	48,499	46,410	308	57,989	-	151	308	-	151
Former Non-Executive Director												
T Yamada[43]	Right	1,051	1,006	161,558	154,598	-	-	-	2,057	525	1,051	1,006

[38] The number of Rights granted is determined by dividing the NEDs elected percentage of pre-tax base fee (minimum 20%) by the five day volume weighted average price at which CSL shares were traded on the ASX ending on (and including) the last ASX trading day prior to the date of grant of the Rights being 21 August 2019 of A$230.46. The Rights were granted on 22 August 2019 in two tranches. Tranche one had a vesting date of 17 February 2020 and tranche two vests 24 August 2020. For C Hewson, the five day volume weighted average price at which CSL shares were traded on the ASX ending on (and including) the last ASX trading day prior to the date of grant of the Rights, 19 February 2020, was A$332.64. The Rights were granted on 20 February 2020 in one tranche with a vesting date of 24 August 2020.

[39] The value at grant date has been determined by the share price at the close of business on the grant date of 22 August 2019 being A$238.86 and for C Hewson the share price at the close of business on 20 February of A$338.68 multiplied by the number of Rights granted during 2020. The AUD value was converted to USD at an average exchange rate for the year of 1.48735.

[40] The value of Rights is calculated based on an assessment of the fair market value of the instruments in accordance with the accounting standards (refer to Note 18 in the Financial Statements). The fair value of each Right granted on 22 August 2019 was Tranche 1: A$229.22 and Tranche 2: A$227.92 and for C Hewson A$331.29 multiplied by the number of Rights granted during 2020.

[41] The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2020. The AUD value was converted to USD at an average exchange rate for the year of 1.48735. Australian based NEDs have Rights exercised at the vesting date and a holding lock is placed on the shares for a period of three to fifteen years as elected by the NED. The UK and US based NED hold vested but unexercisable Rights until the end of the nominated restriction period.

[42] Vested Rights are exercisable to the NED at the end of the nominated restriction period. All vested Rights are currently unexercisable until the end of the nominated restriction period.

[43] The closing balance for T Yamada is 16 October 2019 being the date T Yamada ceased to be a Non-Executive Director and KMP.

9. Remuneration Governance

The following diagram illustrates CSL's remuneration governance framework.

CSL Board:
The Board is responsible for the oversight and strategic direction of CSL. It monitors operational and financial performance, human resources policies and practices, and approves the company's budgets and business plans. It is also responsible for overseeing CSL's risk management, financial reporting and compliance framework.

The Board reviews, makes comment on, and as appropriate, approves HRRC remuneration recommendations. The Board approves the remuneration and remuneration outcomes for the CEO and Non-Executive Directors and approves the policies and processes that govern both.

HRRC:
The HRRC has oversight of all aspects of remuneration at CSL. The Board has delegated responsibility to the HRRC for reviewing and making recommendations to the Board with regard to:

- Executive remuneration design;
- Approval of awards to the CEO;
- Senior executive succession planning;
- The design and implementation of any incentive plan (including equity based arrangements);
- The remuneration and other benefits applicable to NEDs; and
- The CSL diversity policy and measurable objectives for achieving gender diversity.
- The HRRC is able to approve the remuneration of Executive KMP (excluding the CEO).

Members
Dr Megan Clark AC (Chair), Mr Abbas Hussain, Ms Carolyn Hewson AO, Ms Marie McDonald and Ms Christine O'Reilly.

Charter
Full responsibilities of the HRRC are outlined in its Charter, which is reviewed annually. The Charter is available on CSL's website at http://www.csl.com.au/about/governance.htm

Audit and Risk Management Committee (ARMC):
The ARMC assists the Board in the governance of CSL's financial reporting and disclosures, risk identification and management, and compliance.

The ARMC advises the HRRC on any material risk management and financial matters that may impact remuneration outcomes.

External Remuneration Advisers:
The Board and the HRRC may seek and consider advice directly from external advisers, who are independent of management.

In 2020 the HRRC engaged the services of Aon Consulting in the US, and EY in Australia. Under engagement and communication protocols adopted by CSL, the market data and other advice were provided directly to the HRRC by both Aon Consulting and EY. Neither Aon Consulting nor EY provided Remuneration Recommendations during the 2020 financial year.

Joint HRRC and ARMC meetings:
The Committees meet at least annually to review and consider relevant risk management matters in the determination of the Executive KMP remuneration outcomes.

9.1 HRRC Activities

During 2020, the HRRC met formally on six occasions involving the following activities:

- Review of the executive remuneration framework;
- Review and consideration of investor feedback received across the year;
- Appointment of external remuneration advisers;
- Review of senior executive appointments and remuneration arrangements;
- Review of STI and LTI arrangements, and reward outcomes for senior executives;
- Review of the CSL diversity objectives and report, and gender pay review and progress against diversity objectives;
- Review of talent and succession planning for senior executives;
- Review of long term remuneration strategy and global trends in remuneration;
- Review of NED remuneration; and
- Review of the HRRC Charter and HRRC performance.

9.2 Remuneration Determination

The Board has discretion across each element of Executive KMP reward and considers business performance, individual performance and shareholder experience before setting and approving reward outcomes.

Remuneration recommendations – Reviewed on an annual basis, the CEO makes a recommendation to the HRRC for Executive KMP, with the HRRC recommending to the Board for the CEO, any change to fixed reward and STI and LTI targets for the year ahead. Recommendations take into consideration market conditions, position in market within the global pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. Remuneration is reviewed in the context of Total Reward. There is a higher proportion of Total Reward in the form of performance related variable pay.

STI outcomes - A formal review of Executive KMP progress against objectives is conducted twice annually by the CEO and annually by the Board for the CEO. Regular performance conversations are held during the year. Following the full year performance review, the CEO makes recommendations in respect of Executive KMP to the HRRC. The HRRC and the Board assess individual performance against objectives at the end of the financial year, and approve the actual STI payments to be made. The Board determines the outcomes for the CEO, based on recommendations from the HRRC, who are informed by the Chair of the Board and HRRC. The Board believes this is the most appropriate method of measurement.

LTI outcomes – The HRRC assess performance against the hurdle measures set at grant by the Board. Following this, the HRRC undertakes a review to ensure the remuneration outcomes are aligned with overall business performance and the shareholder experience and then submits outcomes to the Board for approval. The Board believes this is the most appropriate method of measurement.

Board discretion – Prior to approving all remuneration outcomes, the Board assesses the quality of the outcomes and reviews the Malus and Clawback Policy. It also considers the 'Leading and Managing' modifier and ensures that the interaction of remuneration outcomes is in alignment with risk management outcomes for the year and that any material risk issues and behaviours and/or compliance breaches are addressed. This review is done in conjunction with the ARMC. The Board has discretion to determine final vesting outcomes to ensure outcomes are in line with CSL performance, market reported financial outcomes and shareholder outcomes. The discretion can be used to both increase and reduce vesting outcomes, which includes reducing to zero. In 2020, after reviewing the outcome for the NPAT and CFO STI metrics, and considering the impact of COVID-19, the Board exercised its discretion and reduced outcomes for certain unbudgeted actual outcomes.

New Hires and Internal Promotions – The Remuneration Framework as set out in section 3.2 applies to the remuneration arrangements for any newly hired or promoted Executive KMP, ensuring a market competitive Total Reward offering. In the case of external hires, the HRRC and Board may determine that it is appropriate for a commencement benefit to be offered. Commencement benefits in the form of cash and/or equity can be made to compensate for remuneration being forfeited from a former employer. For any foregone equity awards, CSL equity will be used as compensation. Awards may be discounted to take into consideration any performance conditions on the award at the former employer and the HRRC will determine the appropriate service and performance conditions on the CSL award within the CSL framework. For internal promotions, the HRRC may determine that an award of equity should be made to ensure an appropriate Total Reward package. This is done as hurdled equity under the LTI framework described in 3.2.5.

9.3 Contractual Provisions for Executive KMP

Executive KMP are employed on individual service contracts that outline the terms of their employment, which include:

Duration of Contract	Notice Period Employee	Notice Period CSL*	Termination Payment
No fixed term	Six months	Six months	12 months

*CSL may also terminate at any time without notice for serious misconduct and/or breach of contract.

9.4 Other Transactions

No loans or related party transactions were made to Executive KMP or their associates during 2020.

No loans were made to NEDs during 2020. NEDs and their related entities conducted the following transactions with CSL, as part of a normal supplier relationship on 'arm's length' terms:

- CSL has entered into a number of contracts, including collaborative research agreements, with Monash University, of which Dr Megan Clark AC is a member of Council;
- Financial services provided by Bank of America Merrill Lynch of which Dr Megan Clark AC is a member of the Australian Advisory Board and is a member of the Global Advisory Council of the Bank of America;
- CSL has entered into a research collaboration with the Centre of Eye Research Australia, of which Professor Andrew Cuthbertson AO is a director;
- CSL has entered into a number of contracts, including collaborative research agreements, with the Walter and Eliza Hall Institute for Medical Research (WEHI), of which Ms Marie McDonald is a director;

- Corporate finance advisory services provided by Flagstaff Partners of which Ms Marie McDonald is a senior adviser;
- CSL has entered into a research collaboration with the Baker Heart and Diabetes Institute, of which Ms Christine O'Reilly is a Director; and
- CSL has a corporate account with Medibank Private Limited, of which Ms Christine O'Reilly is a director.

9.5 Malus and Clawback Policy

CSL operates a Malus and Clawback Policy. "Malus" means adjusting or cancelling all or part of an individual's variable remuneration as a consequence of a materially adverse development occurring prior to payment (in the case of cash incentives) and/or prior to vesting (in the case of equity incentives). "Clawback" means seeking recovery of a benefit paid to take into account a materially adverse development that only comes to light after payment, including shares delivered post vesting.

The Board, in its discretion, may apply the policy to any incentive provided to a senior executive, including a former senior executive, in the event of a material misstatement or omission in the financial statements of a Group company or the CSL Group, or other material error, or in the event of fraud, dishonesty or other serious and wilful misconduct involving a senior executive, leading to a senior executive receiving a benefit greater than the amount which would have been due based on the corrected financial statements or had the error or misconduct not occurred.

In 2020, following a joint review of reward outcomes by both the HRRC and the ARMC, there was no application of the policy.

9.6 Securities Dealing

The CSL Securities Dealing Policy prohibits employees from using price protection arrangements (e.g. hedging) in respect of CSL securities, or allowing them to be used. The Policy also provides that no CSL securities can be used in connection with a margin loan. Upon vesting of an award, an employee may only deal in their CSL securities in accordance with the Policy. A breach of the Policy may result in disciplinary action. A copy of the Policy is available on the CSL Limited website at http://www.csl.com.au/about/governance.htm.

9.7 Minimum Shareholding Guideline

To be met within a target of the first five years of appointment, or within five years for current incumbents, and to be held whilst in the role at CSL, the following levels of vested equity must be held:

- CEO: Three times base salary;
- Executive KMP: One times base salary; and
- NEDs: One times base fee.

As at 30 June 2020, all KMP hold, or are on track to hold, the minimum shareholding requirement within the relevant time period.

10. Legacy Equity Programs

The following tables provide information on the key characteristics of legacy programs that were on foot during the 2020 reporting period. The 2018 (granted October 2017) and 2019 (granted September 2018) PSU LTI awards have the same key characteristics as the 2020 award disclosed in section 3.2.5.

10.1 Key Characteristics of Prior Financial Year Performance Right and Option Grants

Feature	2016-2017
Grant Date	1 October 2015 (reported 2016 / expiry 30 Sep 2020), 1 October 2016 (reported 2017 / expiry 30 Sep 2021)
Instrument	Options and Performance Rights
Tranches	One tranche of Options and three tranches of Performance Rights
Performance Period	Four years
Performance Measure	Options - individual performance measure Performance Rights T1 – rTSR against selected global Pharmaceutical and Biotechnology companies, and T2 and T3 - EPSg
Vesting Schedule	**Tranche 1 - rTSR** < 50th %ile – 0% vesting 50th %ile – 50% vesting Between 50th and 75th %ile - Straight line vesting from 50% to 100% vesting ≥ 75th %ile – 100% vesting **Tranche 2 – EPS target performance** < 8% – 0% vesting 8% to 13% - Straight line vesting from 35% to 100% vesting 13% - 100% vesting **Tranche 3 – EPS maximum performance** 13% - 0% vesting 13% to 15% - Straight line vesting from 0% to 100% vesting 15% - 100% vesting
Exercise Price	Options only: 2016 – A$89.52 and 2017 – A$107.25
Retesting	No retest

10.2 Key Characteristics of Prior Financial Year Executive Deferred Incentive Plan Grants

Feature	2017
Grant Date	1 October 2016 (reported 2017)
Instrument	Notional Shares
Tranches	One
Performance Period	Three years
Performance Measure	Individual performance measure
Vesting Schedule	100% if performance measure met
Exercise Price	N/A
Settlement	Value of the award at vest is based on the five day weighted average share price up to the award maturity date multiplied by the number of Notional Shares held
Retesting	No retest

11. Additional Employee Equity Programs

In addition to the Executive Performance and Alignment Plan LTI program described earlier in this Report, CSL operates two additional employee equity programs – the Global Employee Share Plan and the Retain and Grow Plan. An overview of those programs is provided below.

11.1 Global Employee Share Plan

CSL's Global Employee Share Plan (GESP) provides all employees the opportunity to share in the ownership of our company and share in our future.

Operating across two six month contribution periods, an employee can elect to make post tax salary contributions between A$365 and A$6,000 per six month period. The employee then receives shares at a minimum 15% discount to the applicable market rate over the five day period up to an including the first and last ASX trading days of the six month period, whichever is the lower. Shares are then held in restriction for a period of one or three years as determined upfront by the employee. The shares may be issued or purchased on market.

To participate in GESP an employee must have at least six months service at the start of the contribution period. Participation is open to regular permanent full or part time and fixed term contract employees and excludes Executive Directors.

11.2 Retain and Grow Plan

The CSL Group Retain and Grow (RGP) LTI program is designed to attract, motivate and retain key talent across the organisation. RGP provides eligible employees with longer-term share ownership in CSL, enabling them to share in the company's success and any capital growth.

The RGP recognises those individuals in management roles (Manager to Senior Vice President) across the CSL Group. Awards under the RGP are not guaranteed and the CSL Board will review participation on an annual basis.

Key plan elements are as follows

- A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion, a cash equivalent payment. No price is payable by the participant on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by a participant;
- The security is a Restricted Share Unit (RSU) – settled as an Ordinary Fully Paid Share;
- LTI opportunity set as % of local salary (converted to Australian Dollars (AUD) at grant);
- Number of RSUs determined using face value (5 day weighted average share price);
- Individual performance hurdle – must not fail to meet performance expectations;
- 25% of RSUs will vest on the first, second, third and fourth anniversaries of the Issue Date;
- There is no retesting of awards;
- On cessation of employment a “good leaver” (such as retirement) may retain a pro-rated number of RSUs based on time elapsed since grant date, subject to original terms and conditions. If a participant is not a “good leaver”, all unvested awards will be forfeited;
- In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of the participant during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board; and
- No dividends or dividend equivalents are paid on unvested awards. Participants are only eligible for dividends once shares have been allocated following vesting of any RSUs. RSUs do not carry any voting rights prior to vesting and allocation of shares.

Our Senior Vice President and Vice President employees participate in both the Executive Performance and Alignment and Retain and Grow LTI Plans with a higher portion of awards aligned to the executive plan.

The RGP is also used for commencement benefits, retention and recognition awards. The difference to the annual program is the vesting schedule, which is reviewed and determined on a case by case basis.

CSL Calendar

2020 Key Dates

19 August	Annual profit and final dividend announcement
10 September	Shares traded ex-dividend
11 September	Record date for final dividend
9 October	Final dividend paid
14 October	Annual General Meeting
31 December	Half Year ends

2021 Key Dates

16 February	Half year profit and interim dividend announcement
4 March	Shares traded ex-dividend
5 March	Record date for interim dividend
1 April	Interim dividend paid
30 June	Full Year ends
18 August	Annual profit and final dividend announcement
2 September	Shares traded ex-dividend
3 September	Record date for final dividend
30 September	Final dividend paid
12 October	Annual General Meeting
31 December	Half Year ends

2020 Annual General Meeting

The 2020 Annual General Meeting will be held on Wednesday 14 October 2020. In accordance with CSL's Constitution, the closing date for director candidate nominations is Wednesday 2 September, being at least 30 business days before the Annual General Meeting.

CSL Limited

ABN: 99 051 588 348

Financial Statements 30 June 2020

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2020

		Consolidated Entity	
	Notes	2020 US$m	2019 US$m
Continuing operations			
Sales and service revenue		**8,796.6**	8,205.4
Influenza Pandemic Facility Reservation fees		**145.4**	133.4
Royalties and License revenue		**158.5**	171.1
Other Income		**50.3**	28.7
Total Operating Revenue		**9,150.8**	8,538.6
Cost of sales		**(3,924.4)**	(3,761.2)
Gross profit		**5,226.4**	4,777.4
Research and development expenses	6	**(921.8)**	(831.8)
Selling and marketing expenses		**(896.2)**	(866.8)
General and administration expenses		**(691.8)**	(574.8)
Operating profit		**2,716.5**	2,504.0
Finance costs	2	**(150.8)**	(176.7)
Finance income		**7.0**	13.8
Profit before income tax expense		**2,572.7**	2,341.1
Income tax expense	3	**(470.2)**	(422.4)
Net profit for the period		**2,102.5**	1,918.7
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of hedges on foreign investments	12	**13.3**	(34.8)
Items that will not be reclassified subsequently to profit or loss			
Actuarial (losses)/gains on defined benefit plans, net of tax	19	**(13.6)**	(67.1)
Total of other comprehensive income/(loss)		**(0.3)**	(101.9)
Total comprehensive income for the period		**2,102.2**	1,816.8
Earnings per share (based on net profit for the period)		**US$**	US$
Basic earnings per share	10	**4.633**	4.236
Diluted earnings per share	10	**4.615**	4.226

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

Consolidated Balance Sheet

As at 30 June 2020

		Consolidated Entity	
	Notes	2020 US$m	2019 US$m
CURRENT ASSETS			
Cash and cash equivalents	14	**1,194.4**	657.8
Receivables and contract assets	15	**1,703.9**	1,821.7
Inventories	4	**3,509.5**	3,038.8
Current tax assets		**35.1**	21.4
Other financial assets		**3.3**	0.4
Total Current Assets		**6,446.2**	5,540.1
NON-CURRENT ASSETS			
Property, plant and equipment	8	**5,366.0**	4,484.3
Intangible assets	7	**2,140.2**	1,878.3
Right-of-use assets	8	**939.4**	-
Deferred tax assets	3	**543.0**	378.7
Other receivables	15	**14.3**	21.6
Other financial assets		**14.2**	9.9
Retirement benefit assets	18	**1.4**	1.5
Total Non-Current Assets		**9,018.5**	6,774.3
TOTAL ASSETS		**15,464.6**	12,314.4
CURRENT LIABILITIES			
Trade and other payables	15	**1,525.4**	1,407.7
Interest-bearing liabilities and borrowings	11	**202.3**	420.6
Current tax liabilities		**253.7**	162.2
Provisions	16	**156.9**	194.9
Deferred government grants	9	**3.2**	2.8
Total Current Liabilities		**2,141.5**	2,188.2
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	11	**5,790.5**	4,242.2
Retirement benefit liabilities	18	**347.5**	307.0
Deferred tax liabilities	3	**352.0**	168.7
Provisions	16	**41.7**	35.9
Deferred government grants	9	**40.1**	34.6
Other non-current liabilities	15	**223.8**	86.5
Total Non-Current Liabilities		**6,795.7**	4,874.9
TOTAL LIABILITIES		**8,937.2**	7,063.1
NET ASSETS		**6,527.4**	5,251.3
EQUITY			
Contributed equity	12	**(4,561.0)**	(4,603.0)
Reserves	12	**336.3**	242.0
Retained earnings	19	**10,752.1**	9,612.3
TOTAL EQUITY		**6,527.4**	5,251.3

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2020

Consolidated Entity	Contributed Equity US$m		Foreign currency translation reserve US$m		Share based payment reserve US$m		Retained earnings US$m		Total US$m	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
As at the beginning of the year	**(4,603.0)**	(4,634.5)	**(5.7)**	29.1	**247.7**	195.1	**9,612.3**	8,490.2	**5,251.3**	4,079.9
Profit for the period	**-**	-	**-**	-	**-**	-	**2,102.5**	1,918.7	**2,102.5**	1,918.7
Other comprehensive income	**-**	-	**13.3**	(34.8)	**-**	-	**(13.6)**	(67.1)	**(0.3)**	(101.9)
Total comprehensive income for the full year									**2,102.2**	1,816.8
Transactions with owners in their capacity as owners										
Opening balance sheet adjustment adopting AASB 16 and 15 (See Accounting Policies disclosure)	**-**	-	**-**	-	**-**	-	**(65.0)**	74.0	**(65.0)**	74.0
Share based payments	**-**	-	**-**	-	**81.0**	52.6	**-**	-	**81.0**	52.6
Dividends	**-**	-	**-**	-	**-**	-	**(883.1)**	(806.8)	**(883.1)**	(806.8)
Share issues										
– Employee share scheme	**42.0**	31.5	**-**	-	**-**	-		-	**42.0**	31.5
Other	**-**	-	**-**	-	**-**	-	**(0.8)**	3.3	**(0.8)**	3.3
As at the end of the year	**(4,561.0)**	(4,603.0)	**7.6**	(5.7)	**328.7**	247.7	**10,752.3**	9,612.3	**6,527.6**	5,251.3

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

The format of the consolidated statement of cash flows was changed to the indirect method of presentation for the cash flows from operating activities. The prior comparative period was changed to align to the new format, which is informative in showing the impact of changes in the balance sheet on cash flows.

		Consolidated Entity	
	Notes	2020 US$m	2019 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,572.7**	2,341.1
Adjustments for:			
Depreciation and amortisation		**419.8**	375.5
Inventory provisions		**189.5**	191.3
Share-based payments expense		**81.0**	52.0
Bad debt provision		**10.1**	(3.5)
Finance costs		**142.4**	127.8
Loss (gain) on disposal of property, plant and equipment		**0.5**	(0.8)
Changes in operating assets and liabilities:			
Decrease / (increase) in trade and other receivables		**124.9**	(367.1)
Increase in inventories		**(686.0)**	(558.3)
Increase in trade and other payables		**157.8**	136.2
(Decrease) / increase in provisions and other		**(27.0)**	18.6
Income tax paid		**(355.0)**	(527.7)
Finance costs paid		**(142.4)**	(140.7)
Net cash inflow from operating activities		**2,488.3**	1,644.4
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(1,206.8)**	(1,117.6)
Payments for intangible assets		**(160.8)**	(167.2)
Payment for business acquisition (Net of cash acquired)		**(17.8)**	-
Receipts/(payments) from other investing activities		**18.7**	(2.5)
Net cash outflow from investing activities		**(1,366.7)**	(1,287.3)
Cash flows from Financing Activities			
Proceeds from issue of shares		**42.0**	31.8
Dividends paid	10	**(883.1)**	(806.8)
Proceeds from borrowings	11	**1,652.7**	898.5
Repayment of borrowings	11	**(1,399.2)**	(610.2)
Principal payments of AASB 16 lease liabilities		**(54.7)**	-
Other financing activities		**(0.4)**	(4.8)
Net cash (outflow) / inflow from financing activities		**(642.7)**	(491.5)
Net (decrease)/increase in cash and cash equivalents		**478.9**	(134.4)
Cash and cash equivalents at the beginning of the financial year		**657.8**	812.7
Exchange rate variations on foreign cash and cash equivalent balances		**14.6**	(20.5)
Cash and cash equivalents at the end of the period		**1,151.3**	657.8
Reconciliation of cash and cash equivalents Cash and cash equivalents at the end of the period as shown in the statement of cash flows is reconciled as follows:			
Cash and cash equivalents		**1,194.4**	657.8
Bank overdrafts		**(43.1)**	-
Cash and cash equivalents at the end of the period		**1,151.3**	657.8

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

Contents

About this Report

Notes to the financial statements:

Corporate information

CSL Limited ("CSL") is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 18 August 2020.

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

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, International Financial Reporting Standards (IFRS) and the Corporations Act 2001. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest hundred thousand dollars.

The report is presented in US Dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 30 June 2020. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns. A list of significant controlled entities (subsidiaries) at year-end is contained in Note 17.

The financial results 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. The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions. Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

d. Other accounting policies

Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

e. Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates of future events are required. Material judgements and estimates are found in the following notes:

Note g:	AASB 16 Leases	Page 8
Note 2:	Revenue and Expenses	Page 14
Note 3:	Tax	Page 16
Note 4:	Inventories	Page 18
Note 5:	People Costs	Page 19
Note 7:	Intangible Assets	Page 23
Note 15:	Trade Receivables & Payables	Page 38
Note 16:	Provisions	Page 40

f. The notes to the financial statements

The notes to these financial statements have been organised into logical groupings to help users find and understand the information they need. Where possible, related information has been provided in the same place. More detailed information (for example, valuation methodologies and certain reconciliations) has been placed at the rear of the document and cross-referenced where necessary. CSL has also reviewed the notes for materiality and relevance and provided additional information where it is helpful to an understanding of the Group's performance.

g. Significant changes in the current reporting period

The consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2019, except for the adoption of AASB 16 Leases and AASB Interpretation 23 Uncertainty over Income Tax Treatments.

AASB Interpretation 23 clarifies the application of recognition and measurement requirements of AASB 112 Income Taxes where there is uncertainty over income tax treatments. The adoption of this interpretation did not result in any material change to the financial statements of the group.

AASB 16 supersedes AASB 117 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted AASB16 using the modified retrospective method of adoption with the date of initial application of July 1, 2019. The Group elected to use the transition practical expedient approach allowing the following:

- Standard to be applied only to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4 at the date of initial application;
- Recognition exemptions for lease contracts that, at initial application date, have a remaining lease term of 12 months or less;
- Recognition exemptions for lease contracts for which the underlying asset is of low value;
- Apply a single discount rate to a portfolio of leases with reasonable similar characteristics;
- Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease; and
- Exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application

The effect of adopting AASB 16 is as follows:

Impact on the balance sheet (increase/(decrease)) as at 1 July 2019

	US$m
Assets	
Right-of-use assets	926
Finance lease assets	(11)
Total assets	915
Liabilities	
Interest-bearing liabilities	1,004
Finance lease liabilities	(11)
Asset retirement obligations	25
Trade and other payables	(29)
Deferred tax liabilities	(9)
Total liabilities	980
Equity	
Retained earnings	(65)

The Group has lease contracts for various items of plant, land and vehicles. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of income on a straight-line basis over the lease term. Any accrued rent was recognised under Trade and other payables.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group applied AASB 16 at the date of initial application as though effective at the commencement date of existing lease contracts. The comparative information in the consolidated financial statements has not been restated.

As at 1 July 2019:

- Right-of-use assets of $926m were recognised and presented separately in the balance sheet. The right-of-use-asset at the time of adoption was the carrying amount as if the Standard had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application.
- Lease liabilities of $1,004m were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and included under interest bearing liabilities
- Trade and other payables of $29m related to previous operating leases were derecognised.
- Deferred tax liabilities decreased by $9m because of the deferred tax impact of the changes in assets and liabilities.
- Finance lease assets and liabilities of $11m were removed and included in right-of-use assets and liabilities
- Asset retirement obligations of $25m were recorded.
- The net effect of these adjustments had been adjusted to Retained earnings ($65m)

The lease liabilities as at 1 July 2019 can reconciled to the operating lease commitments as of 30 June 2019 as follows:

Operating Lease Commitments Reconciliation

	US$m
Operating lease commitments as at 30 June 2019	**735**
Weighted Average Incremental Borrowing Rate	2.52%
Discounted Operating Lease Commitments as at 1 July 2019	**669**
Add: Commitments relating to leases previously classified as finance leases	11
Payments in optional extension periods not recognised as at 30 June 2019	324
Lease Liabilities as at 1 July 2019	**1,004**

For the year ended 30 June 2020 included in the statement of income is depreciation of right-of-use assets of $70.9m and interest expense of $26.0m. Expense for these leases would have been recorded under rent expense prior to the adoption of AASB 16.

After adoption of AASB 16, the Group's cash flows from operating activities include only payments for the interest portion of lease payments (included in borrowing costs paid) and cash flows from financing include repayment of the principal portion of the lease liabilities.

Below are the new accounting policies of the Group upon adoption of AASB 16:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any restoration obligations, accumulated depreciation, or impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised less any lease incentives received and initial direct costs. Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to annual impairment assessment as discussed in Note 8 – PPE (Property, Plant & Equipment). Based on each lease category, the following table summarises the range of useful lives (i.e. lease terms) for AASB 16 Leases:

ROU assets useful lives	Plasma Centres	Office Leases	Warehouse Leases	Land Leases	Vehicles
	Years	Years	Years	Years	Years
Minimum	3	<1	1	4	3
Maximum	40	30	35	101	4
Average	25	8	13	60	3.5

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The following table summarises the maturity profile of the Group's lease liabilities based upon contractual undiscounted payments:

Repayable in	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
As at 30 June 2020	91.0	88.8	84.6	82.1	76.2	891.0	1,313.7

In considering further disclosures around variable lease consideration, the Group's leases are subject only to future rent increases related to fair market rental adjustments and adjustments linked to price index changes. Approximately 90% of lease liabilities relate to plasma collection centres, offices, and warehouses subject primarily to future fair market rental adjustments. The remaining approximate 10% of lease liabilities relates to long-term land leases that are subject to periodic index adjustments. Accordingly, the rental arrangements themselves do not pose any incremental or unique risk specific to variable lease considerations that would warrant further evaluation beyond what we have disclosed in Note 11, which addresses financial risk in the context of the Group's collective business activities.

The Group's lease liabilities are inclusive of extension options the Group is reasonably certain to exercise based upon our judgement as of 30 June 2020. For lease extension options that the Group is not reasonably certain to exercise as of 30 June 2020, these are appropriately excluded from the lease liabilities under AASB 16. However, the Group has analysed the lease contracts to determine potential future lease payments (undiscounted) to which there is a contractual right to exercise an extension. We have summarised these undiscounted potential future lease payments split between those due in five years or less or greater than five years in the following table:

Undiscounted potential future lease payments	5 years or less	Greater than 5 years	Total
	US$m	US$m	US$m
As at 30 June 2020	3.8	95.5	99.3

The Group applied the same methodology in applying AASB 16 in determining the potential future lease payments not included in the lease liability as we did for lease extension options included in the lease liability as of 30 June 2020. Should facts and circumstances change the Group's current assessment of the reasonable certainty about not extending these contracts beyond those included in our lease liabilities, these undiscounted potential future lease payments represent and approximate additional lease payments that would become contractually due.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption, which relates to leases such as office photocopiers, gas storage cylinders, and other miscellaneous low value assets that would not have quantitative or qualitative significance to recognise in our adoption of AASB 16 or ongoing accounting for leases under AASB 16. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgements

Determination of the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Calculation of the incremental borrowing rates

Where the lessee cannot readily determine the interest rate implicit in the lease contracts, the present value of the lease liabilities are estimated using the incremental borrowing rate based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable.

Set out below, are the carrying amounts of the right-of-use assets and lease liabilities and the movements during the period:

	Plasma Centres	Office Leases	Warehouse Leases	Land Leases	Vehicles	Total	Lease liabilities
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
As at 1 July 2019	**452**	**259**	**113**	**95**	**6**	**926**	**(1,004)**
Additions	58	19	6	0	2	85	(85)
Depreciation expense	(23)	(39)	(9)	(1)	-	(72)	-
Interest expense	-	-	-	-	-	-	(26)
Payments	-	-	-	-	-	-	81
As at 30 June 2020	**488**	**239**	**110**	**94**	**8**	**939**	**(1,034)**

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Our Current Performance

Note 1: Segment Information and Business Combinations

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are consistent with the way the CEO (who is the chief operating decision-maker) monitors and assesses business performance in order to make decisions about resource allocation. Performance assessment is based on EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation and amortisation). These measures are different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense. This is because decisions that affect net interest expense and tax expense are made at the Group level. It is not considered appropriate to measure segment performance at the net profit after tax level.

The Group's operating segments are:

- **CSL Behring** – manufactures, markets, and develops plasma therapies (plasma products and recombinants), conducts early stage research on plasma and non-plasma therapies, excluding influenza, receives licence and royalty income from the commercialisation of intellectual property and undertakes the administrative and corporate function required to support the Group.
- **Seqirus** – manufactures and distributes non-plasma biotherapeutic products and develops influenza related products.

	CSL Behring US$m		Seqirus US$m		Consolidated Entity US$m	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Sales and service revenue	**7,661.0**	7,187.3	**1,135.6**	1,018.1	**8,796.6**	8,205.4
Influenza Pandemic Facility Reservation fees	**-**	-	**145.4**	133.4	**145.4**	133.4
Royalties and License revenue	**158.5**	151.1	**-**	20.0	**158.5**	171.1
Other Income	**34.2**	4.5	**16.1**	24.2	**50.3**	28.7
Total segment revenue	**7,853.7**	7,342.9	**1,297.1**	1,195.7	**9,150.8**	8,538.6
Segment Gross Profit	**4,540.3**	4,195.1	**686.1**	582.3	**5,226.4**	4,777.4
Segment Gross Profit %	**57.8%**	57.1%	**52.9%**	48.7%	**57.1%**	56.0%
Segment EBIT	**2,451.4**	2,350.6	**265.1**	153.4	**2,716.5**	2,504.0
Consolidated Operating Profit					**2,716.5**	2,504.0
Finance income					**7.0**	13.8
Finance costs					**(150.8)**	(176.7)
Consolidated profit before tax					**2,572.7**	2,341.1
Income tax expense					**(470.2)**	(422.4)
Consolidated net profit after tax					**2,102.5**	1,918.7
Amortisation	**42.8**	76.5	**29.7**	25.8	**72.5**	102.3
Depreciation	**309.9**	244.5	**37.4**	28.6	**347.3**	273.1
Segment EBITDA	**2,804.1**	2,671.6	**332.2**	207.8	**3,136.3**	2,879.4

Note 1: Segment Information and Business Combinations continued

	CSL Behring US$m		Seqirus US$m		Intersegment Elimination US$m		Consolidated Entity US$m	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Segment assets	**14,193.4**	11,249.7	**1,617.0**	1,333.5	**(345.8)**	(268.8)	**15,464.6**	12,314.4
Segment liabilities	**8,510.2**	6,697.3	**715.1**	634.6	**(288.1)**	(268.8)	**8,937.2**	7,063.1
Other Information – capital expenditure								
Payments for property, plant and equipment	**1,079.9**	1,017.0	**126.9**	100.6	**-**	-	**1,206.8**	1,117.6
Payments for intangibles	**136.2**	142.1	**24.6**	25.1	**-**	-	**160.8**	167.2
Total capital expenditures	**1,216.1**	1,159.1	**151.5**	125.9	**-**	-	**1,367.6**	1,284.8

Inter-segment sales

Inter-segment sales are carried out on an arm's length basis and reflect current market prices.

Geographical areas of operation

The Group operates predominantly in Australia, the USA, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'.

Geographic areas	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of world US$m		Total US$m	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
External Operating Revenue	**752.3**	702.2	**4,598.2**	3,973.9	**825.9**	763.9	**478.2**	510.4	**285.8**	216.0	**215.3**	625.8	**1,995.1**	1,746.4	**9,150.8**	8,538.6
PPE, ROU, and intangible assets	**1,063.9**	840.0	**3,419.2**	2,159.5	**936.8**	737.1	**362.2**	333.0	**2,298.1**	1,804.0	**69.0**	472.3	**296.4**	16.7	**8,445.6**	6,362.6

Note 1b: Business Combination

Vitaeris acquisition

On 8 June 2020 CSL acquired 100% of the equity of Vitaeris Inc. for an upfront payment of $20m and a series of contingent payments subject to the achievement of development milestones. Vitaeris has developed clazakizumab, a potential treatment of chronic active antibody-mediated rejection, the leading cause of long-term rejection in kidney transplant recipients. CSL had entered into a strategic collaboration with Vitaeris in 2017, one of the main drivers behind the acquisition was to be in a position to exercise greater control over the R&D program than was possible under the collaboration. CSL acquired control of Vitaeris through the acquisition of 100% of its share capital.

The provisional fair value of assets and liabilities acquired were:

Asset Class	**$m**
Cash	2.2
Trade and other receivables	0.1
Prepaid expenses	3.0
Intellectual property	188.0
Goodwill	52.6
Trade payables & other	(8.8)
Other liabilities	(3.5)
Deferred tax liabilities	(52.6)
Fair Value of Net Assets Acquired	**181.0**
Consideration paid	20.0
Contingent consideration recognised as a liability at the date of acquisition	161.0

The liability recognised at the date of acquisition has been calculated by reference to our judgement of the expected probability and timing of the contingent consideration, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using an appropriate discount rate. The liability is included in the other non-current liabilities amount on the balance sheet.

The range of undiscounted contingent consideration is expected to be between $0, in the event no product receives regulatory approval, and $470m. The outcome is dependent on the technical success of the research program and the commercial success of any resultant product. At this stage of development these factors are unknown and judgement has been exercised in the determination of the fair value of the contingent consideration.

The goodwill recognised is a consequence of the recognition of deferred tax liabilities in respect of indefinite lived intellectual property in accordance with accounting standards.

Since CSL obtained control of the acquired business it has incurred $0.8m of R&D expenses as a result of the ongoing research activity.

Note 2: Revenue and Expenses

Recognition and measurement of revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services.

Further information about each source of revenue from contracts with customers and the criteria for recognition follows.

Sales: Revenue is earned (constrained by variable considerations, which include returns, discounts, rebates and allowances) from the sale of products and services. Sales are recognised when performance obligations are either satisfied over time or at a point in time. Generally the supply of product under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when control of the product passes to the customer, or generally upon shipment.

Significant estimates on Seqirus sales returns is performed in respect of the influenza season expected to be subject to return. The estimate is performed with inputs including historical returns and customer sales data amongst other factors.

For contracts where the customer controls the plasma (tolling contracts) and the Group provides fractionation services – the Group recognises revenue over time as the performance obligations are satisfied based upon a percentage of completion of our fractionation services.

Royalties: Revenue from licensees of CSL intellectual property reflect a right to use the intellectual property as it exists at the point in time in which the licence is granted. Where consideration is based on sales of product by the licensee, it is recognised when the customer's subsequent sales of product occurs.

Licence revenue: Revenue from licensees of CSL intellectual property reflects the transfer of a right to use the intellectual property as it exists at the point in time in which the licence is transferred to the customer. Consideration is highly variable and estimated using the most likely amount method. Subsequently, the estimate is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty is resolved. Revenue is recognised as or when the performance obligations are satisfied.

Influenza Pandemic facility reservation fees: Revenue from governments in return for access to influenza manufacturing facilities in the event of a pandemic. Contracts are time based and revenue is recognised progressively over the life of the relevant contract, which aligns to the performance obligations being satisfied.

Revenue from contracts with customers includes amounts in Total Operating Revenue except Other Income.

Expenses	2020 US$m	2019 US$m
Finance costs	142.4	127.8
Unrealised foreign currency (gains) losses on debt	8.4	48.9
Total finance costs	**150.8**	176.7
Depreciation and amortisation of fixed assets	347.3	273.1
Amortisation of intangibles	72.5	102.3
Total depreciation and amortisation expense	**419.8**	375.4
Write-down of inventory to net realisable value	189.5	191.3
Employee benefits expense	2,528.1	2,184.2

Recognition and measurement of expenses

Total finance costs: Includes interest expense & borrowing costs, including interest expense related to the adoption of AASB 16, which have been disclosed separately in section g of our significant accounting policies. Non-AASB 16 related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. Capitalised interest for qualifying assets during the year ended 30 June 2020 was $15.8m (2019: $16.4m). Interest-bearing liabilities and borrowings are stated at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method. Unrealised foreign currency gains on debt is related to the EUR350m and CHF400m of Senior Unsecured Notes in the US Private Placement market (see Note 11). The foreign currency risk related to this debt was partially hedged as a cash flow hedge in 2020 and 2019.

Depreciation and amortisation: Depreciation and amortisation of fixed assets includes depreciation of fixed assets and right-of-use assets, which can be found in Note 8 and in section g of our significant accounting policies. Refer to Note 7 for full details on amortisation of intangible assets.

Write-down of inventory to net realisable value: Included in Cost of Sales in the Statement of Comprehensive Income. Refer to Note 4 for details of inventories.

Rental Expenses: The majority of rental expenses related to previously categorised operating leases are now reflected as depreciation expense under AASB 16, which we have disclosed separately in section g of our significant accounting policies. Therefore, rental expenses primarily include rental charges that did not meet the recognition criteria under AASB 16 and are charged to the statement of comprehensive income on a straight-line basis over the period of the rental period.

Employee benefits expense: Refer to Note 5 for further details.

Goods and Services Tax and other foreign equivalents (GST)

Revenues, expenses and assets are recognised net of GST, except where GST 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.

Note 3: Tax

	2020 US$m	2019 US$m
a. Income tax expense recognised in the statement of comprehensive income		
Current tax expense		
Current year	**410.4**	428.5
Deferred tax expense/(recovery)		
Origination and reversal of temporary differences	**28.7**	7.2
Total deferred tax expense/(recovery)	**28.7**	7.2
Over/(under) provided in prior years	**31.2**	(13.3)
Income tax expense	**470.2**	422.4
b. Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**2,572.7**	2,341.1
Income tax calculated at 30% (2019: 30%)	**771.8**	702.3
Effects of different rates of tax on overseas income	**(325.8)**	(256.1)
Research and development incentives	**(22.8)**	(25.5)
(Over)/under provision in prior year	**31.2**	(13.3)
Revaluation of Deferred Tax Balances	**51.7**	0.0
Other (non-assessable revenue)/non-deductible expenses	**(35.9)**	15.0
Income tax expense	**470.2**	422.4
c. Income tax recognised directly in equity		
Deferred tax benefit/(expense)		
Share-based payments	**6.8**	0.6
Income tax benefit/(expense) recognised in equity	**6.8**	0.6
d. Deferred tax assets and liabilities		
Deferred tax asset	**543.0**	378.7
Deferred tax liability	**(352.0)**	(168.7)
Net deferred tax asset	**191.0**	210.0
Deferred tax balances reflect temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Inventories	**246.0**	215.6
Property, plant and equipment	**(285.0)**	(162.6)
Intangible assets	**(227.8)**	(169.0)
Trade and other payables	**72.0**	32.7
Recognised carry forward tax losses[a]	**142.2**	183.4
Retirement liabilities, net	**69.1**	50.9
Receivables and contract assets	**(19.8)**	(54.9)
Other assets	**0.5**	4.9
Interest bearing liabilities	**55.7**	13.5
Other liabilities and provisions	**75.9**	74.2
Tax bases not in net assets – share-based payments	**34.0**	(0.4)
Total recognised in the statement of comprehensive income	**162.4**	188.3
Amounts recognised in equity		
Share-based payments	**28.6**	21.8
Net deferred tax asset	**191.0**	210.0

a. Deferred tax assets in respect of carry forward tax losses are principally recorded in CSL entities in Switzerland and the UK (prior year: Switzerland and the UK) and are recognised as it is probable that future taxable profit will be available in those entities to utilise the losses.

Note 3: Tax continued

	2020 US$m	2019 US$m
e. Movement in temporary differences during the year		
Opening balance	**210.0**	207.6
Credited/(charged) to profit before tax	**(9.3)**	0.3
Charged to other comprehensive income	**(0.1)**	9.7
Net deferred tax asset/(liability) recognised in business combination	**0.0**	0.6
Credited/(charged) to equity	**(9.6)**	(8.2)
Closing balance	**191.0**	210.0
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised for the following items:		
Tax losses with no expiry date[b]	**0.4**	0.4

b. 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.

Current taxes

Current tax assets and liabilities are the amounts expected to be recovered from (or paid to) tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws that are enacted or substantively enacted as at the balance sheet date.

Deferred taxes

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses, only if it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available to utilise them, they are reduced accordingly.

Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

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 if they relate to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or in equity, and not in the income statement.

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

Key Judgements and Estimates – Tax

The risk of uncertain tax positions, and recognition and recoverability of deferred tax assets, are regularly assessed. To do this requires judgements about the application of income tax legislation in jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions, which include matters such as the availability and timing of tax deductions and the application of the arm’s length principle to related party transactions, are subject to risk and uncertainty. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded as a credit or charge to the statement of comprehensive income.

Note 4: Inventories

	2020 US$m	2019 US$m
Raw materials	**876.8**	915.2
Work in progress	**1,361.1**	1,049.2
Finished products	**1,271.6**	1,074.4
Total inventories	**3,509.5**	3,038.8

Raw Materials

Raw materials comprise collected and purchased plasma, chemicals, filters and other inputs to production that will be further processed into saleable products but have yet to be allocated to manufacturing.

Work in Progress

Work in progress comprises all inventory items that are currently in use in manufacturing and intermediate products such as pastes generated from the initial stages of the plasma production process.

Finished Products

Finished products comprise material that is ready for sale and has passed all quality control tests.

Inventories generally have expiry dates and the Group provides for product that is short dated. Expiry dates for raw material are no longer relevant once the materials are used in production. At this stage the relevant expiry date is that applicable to the resultant intermediate or finished product.

Inventories are carried at the lower of cost or net realisable value. Cost includes direct material and labour and an appropriate proportion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Net realisable value is the estimated revenue that can be earned from the sale of a product less the estimated costs of both completion and selling. The Group assesses net realisable value of plasma derived products on a basket of products basis given their joint product nature.

Key Judgements and Estimates – Inventory

Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for the Group’s products. These factors are taken into account in determining the appropriate level of provisioning for inventory.

Note 5: People Costs

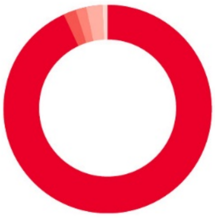
(a) Employee Benefits

Employee benefits include salaries and wages, annual leave and long-service leave, defined benefit and defined contribution plans and share-based payments incentive awards.

People Cost 2020 – $2,528.1m

- Salaries and wages **$2,361.6**
- Defined benefit plan expense **$46.1**
- Defined contribution plan expense **$44.4**
- Equity settled share-based payments expense (LTI) **$73.6**
- Cash settled share-based payments expense (EDIP) **$2.4**

People Cost 2019 – $2,184.2m



- Salaries and wages **$2,033.3**
- Defined benefit plan expense **$46.0**
- Defined contribution plan expense **$37.1**
- Equity settled share-based payments expense (LTI) **$52.0**
- Cash settled share-based payments expense (EDIP) **$15.8**

Salaries and wages

Wages and salaries include non-monetary benefits, annual leave and long service leave. These are recognised and presented in different ways in the financial statements:

- The liability for annual leave and the portion of long service leave expected to be paid within twelve months is measured at the amount expected to be paid.
- The liability for long service leave and annual leave expected to be paid after one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.
- The liability for annual leave and the portion of long service leave that has vested at the reporting date is included in the current provision for employee benefits.
- The portion of long service leave that has not vested at the reporting date is included in the non-current provision for employee benefits.

Defined benefit plans

	2020 US$m	2019 US$m
Expenses/(gains) recognised in the statement of comprehensive income are as follows:		
Current service costs	**41.1**	33.1
Net interest cost	**3.3**	3.8
Past service costs	**0.0**	0.2
Total included in employee benefits expense	**44.4**	37.1

Defined benefit pension plans provide either a defined lump sum or ongoing pension benefits for employees upon retirement, based on years of service and final average salary.

Liabilities or assets in relation to these plans are recognised in the balance sheet, measured as the present value of the obligation less the fair value of the pension fund's assets at that date.

Present value is based on expected future payments to the reporting date, calculated by independent actuaries using the projected unit credit method. Past service costs are recognised in income on the earlier of the date of plan amendments or curtailment, and the date that the Group recognises restructuring related costs.

Detailed information about the Group's defined benefit plans is in Note 18.

Key Judgements and Estimates – People Costs

The determination of certain employee benefit liabilities requires an estimation of future employee service periods and salary levels and the timing of benefit payments. These assessments are made based on past experience and anticipated future trends. The expected future payments are discounted using the rate applicable to high quality corporate bonds. Discount rates are matched to the expected payment dates of the liabilities.

Defined contribution plans

The Group makes contributions to various defined contribution pension plans and the Group's obligation is limited to these contributions. The amount recognised as an expense for the year ended 30 June 2020 was $47.3m (2019: $46.0m).

Equity settled share-based payments expense

Share-based payments expenses arise from plans that award long-term incentives.

Detailed information about the terms and conditions of the share-based payments arrangements is presented in Note 18.

Outstanding share-based payment equity instruments

The number and weighted average exercise price for each share-based payment scheme outstanding is as follows. All schemes are settled by physical delivery of shares except for instruments granted to good leavers from 2012 onwards, which may be settled in cash at the discretion of the company.

	Options		Performance Rights		Retain and Grow Plan (RGP)		Executive Performance and Alignment Plan (EPA)		Non-Executive Director Plan (NED) #		Global Employee Share Plan (GESP)		Total
	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	
Outstanding at the beginning of the year	615,840	A$97.83	422,448	A$0.00	500,756	A$0.00	315,838	A$0.00	2,231	A$0.00	106,780	A$166.31	1,963,893
Granted during the year	-	A$0.00	-	A$0.00	444,508	A$0.00	237,555	A$0.00	3,494	A$0.00	190,609	A$222.78	876,166
Exercised during the year	299,078	A$89.52	151,486	A$0.00	168,866	A$0.00	91,822	A$0.00	3,116	A$0.00	198,823	A$180.89	913,191
Cash settled during the year	-	A$0.00	2,297	A$0.00	-	A$0.00	195	A$0.00	-	A$0.00	-	A$180.89	2,492
Forfeited during the year	8,576	A$0.00	57,301	A$0.00	59,294	A$0.00	27,853	A$0.00	861 *	A$0.00	-	A$0.00	153,885
GESP True-up[1]	-	A$0.00	-	A$0.00	-	A$0.00	-	A$0.00	-	A$0.00	2,058	A$166.31	2,058
Closing balance at the end of the year	308,188	A$105.63	211,364	A$0.00	717,102	A$0.00	433,523	A$0.00	1,748	A$0.00	96,508	A$243.95	1,768,433
Exercisable at the end of the year	28,245	A$89.52	2,590	A$0.00	-	A$0.00	-	A$0.00	311	A$0.00	-	-	31,146

*Forfeitures as a result of Director retirement

As noted in Note 18 Non-Executive Directors pay a portion of their pre-tax base fee in return for the grant of rights under his Plan

[1] The exercise price at which GESP plan shares are issued is calculated at a 15% discount of the five day VWAP up to and including 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 to be issued is not yet known (and may differ from the assumptions and fair values disclosed above). The number of shares which may ultimately be issued from entitlements granted on 1 March 2020 has been estimated based on information available as at 30 June 2020.

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

	2020	2019
Options	A$243.87	A$215.88
Performance Rights	A$243.73	A$209.97
RGP	A$248.01	A$227.29
EPA	A$239.85	A$229.43
GESP	A$276.35	A$204.39

Cash-settled share-based payments expense

The Group did not grant any notional shares related to the Executive Deferred Incentive Plan (EDIP) plan in the current fiscal year as this plan has been replaced with other equity-based schemes as previously disclosed. All cash settlements ceased after 30 September 2019 and the EDIP ceased to operate. The amount of the cash payment was determined by reference to the CSL share price immediately before the award maturity date.

The October 2016 EDIP grant, which is the final EDIP grant and payment, vested during the period ended 30 June 2020 and an amount of $37.6m was paid to participants (2019: $30.1m).

(b) Key management personnel disclosures

The remuneration of key management personnel is disclosed in section 18 of the Directors' Report and has been audited.

Total compensation for key management personnel

	2020 US$	2019 US$
Total of short term remuneration elements	**11,389,819**	16,531,676
Total of post-employment elements	**146,836**	323,392
Total of other long term elements	**37,510**	86,380
Total of share-based payments	**13,915,267**	17,615,515
Total of all remuneration elements	**25,489,432**	34,556,963

The prior year share based payment amount has been restated to align with the Remuneration Report.

Our Future

Note 6: Research & Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. At the point of approval, the total cost of development has largely been incurred. Development costs incurred after regulatory approval are expensed.

The Group also gains control of Intellectual Property (IP) through acquisitions or licence arrangements. In certain circumstances the acquired IP will be capitalised, dependant on the phase of development.

For the year ended 30 June 2020, the research costs, net of recoveries, were $921.8m (2019: $831.8m). Further information about the Group's research and development activities can be found on the CSL website.

Note 7: Intangible Assets

	Goodwill US$m		Intellectual Property US$m		Software US$m		Intangible capital work in progress US$m		Total US$m	
Year	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Cost	**1,154.2**	1,101.8	**575.7**	565.6	**696.1**	618.5	**133.4**	148.4	**2,559.5**	2,434.3
Accumulated amortisation	**-**	-	**(184.1)**	(332.1)	**(235.2)**	(223.9)	**-**	-	**(419.3)**	(556.0)
Net carrying amount	**1,154.2**	1,101.8	**391.7**	233.5	**460.9**	394.6	**133.4**	148.4	**2,140.2**	1,878.3
Movement										
Net carrying amount at the beginning of the year	**1,101.8**	1,102.0	**233.5**	262.9	**394.6**	257.8	**148.4**	179.8	**1,878.3**	1,802.5
Additions[2]	**-**	-	**-**	10.2	**44.2**	3.2	**76.8**	172.9	**121.0**	186.3
Business acquisition	**52.6**	-	**188.0**	-	**-**	-	**-**	-	**240.6**	-
Transfers from intangible capital work in progress	**-**	-	**-**	-	**93.1**	204.0	**(93.1)**	(204.0)	**-**	-
Transfers to/from property, plant and equipment	**-**	-	**-**	-	**(1.0)**	-	**-**	1.0	**(1.0)**	1.0
Disposals	**-**	-	**(25.2)**	(1.5)	**-**	(0.1)	**(0.1)**	0.1	**(25.3)**	(1.5)
Amortisation for the year[3]	**-**	-	**(3.7)**	(37.2)	**(68.7)**	(65.1)	**-**	-	**(72.5)**	(102.3)
Currency translation differences	**(0.2)**	(0.2)	**(0.9)**	(0.9)	**(1.3)**	(5.2)	**1.5**	(1.4)	**(0.9)**	(7.7)
Net carrying amount at the end of the year	**1,154.2**	1,101.8	**391.7**	233.5	**460.9**	394.6	**133.5**	148.4	**2,140.2**	1,878.3

2 The intangible capital work in progress additions relate to two significant information technology projects.
3 The amortisation charge is recognised in general and administration expenses in the statement of comprehensive income.

Goodwill

Any excess of the fair value of the purchase consideration of an acquired business over the fair value of the identifiable net assets (minus incidental expenses) is recorded as goodwill.

Goodwill is allocated to each of the cash-generating units but is monitored at the segment (business unit) level. The aggregate carrying amounts of goodwill allocated to each business unit are as follows:

	2020 $m	2019 $m
CSL Behring	**1,154.2**	1,101.8
Closing balance of goodwill as at 30 June	**1,154.2**	1,101.8

Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Impairment occurs when a business unit's recoverable amount falls below the carrying value of its net assets.

The results of the impairment test show that each business unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. Consequently, there is no goodwill impairment as at 30 June 2020.

A change in assumptions significant enough to lead to impairment is not considered a reasonable possibility.

Intellectual property

Intellectual property acquired separately or in a business combination is initially measured at cost, which is its fair value at the date of acquisition. Following initial recognition, it is carried at cost less any amortisation and impairment.

Amortisation is calculated on a straight-line basis over periods generally ranging from 5 – 20 years. Certain intellectual property acquired in a business combination is considered to have an indefinite life

Software

Costs incurred in developing or acquiring software, licences or systems that will contribute future financial benefits are capitalised. These 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, where the Group has the intention and ability to use the asset.

Recognition and measurement

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 of the asset. Significant software intangible assets are amortised over a ten year useful life. The amortisation period and method is reviewed at each financial year end at a minimum.

Intangible assets with indefinite useful lives are not amortised. The useful life of these intangibles is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable.

Impairment of intangible assets

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.

Intangible assets that have an indefinite useful life (including goodwill) 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.

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), other than goodwill that is monitored at the segment level.

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.

Key Judgements and Estimates

The impairment assessment process requires significant judgement. Determining whether goodwill and indefinite lived intangibles have been impaired requires an estimation of the recoverable amount of the cash generating units using a discounted cash flow methodology. The goodwill calculation uses cash flow projections based on operating budgets and a ten-year strategic business plan, after which a terminal value, based on our view of the longer term growth profile of the business is applied. Cash flows have been discounted using an implied pre-tax discount rate of 7.6% (2019: 10.6%) which is calculated with reference to external analyst views, long-term government bond rates and the company's pre-tax cost of debt.

The determination of cash flows over the life of an asset requires judgement in assessing the future demand for the Group's products, any changes in the price and cost of those products and of other costs incurred by the Group.

The intangible assets acquired in the Calimmune business combination comprise a disease specific project and two platform technologies. The disease specific research program is actively being advanced and it is the Group's intent to fund this program for the next twelve months. The platform technologies support both the disease specific project and other potential projects, two such projects have been identified to date and the Group continues to explore other projects that will utilise these platforms. Factors considered in the exercise of our judgement include the progress of the research project, time to market and the anticipated competitive landscape. These factors require judgement and may change in future periods, the impairment analysis takes into account the latest available information.

Note 8: Property, Plant and Equipment

	Land US$m		Buildings US$m		Leasehold Improvements US$m		Plant and Equipment US$m		Right of Use assets US$m		Capital work in progress US$m		Total US$m	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Cost	**38.8**	38.8	**782.0**	687.5	**461.0**	381.5	**3,302.9**	3,040.0	**1,347.2**	-	**2,852.5**	2,221.0	**8,784.3**	6,403.2
Accumulated depreciation / amortisation	**-**	-	**(220.4)**	(197.5)	**(136.3)**	(115.7)	**(1,714.5)**	(1,584.5)	**(407.8)**	-	**-**	-	**(2,478.9)**	(1,918.9)
Net carrying amount	**38.8**	38.8	**561.7**	490.0	**324.8**	265.9	**1,588.4**	1,455.5	**939.4**	-	**2,852.5**	2,221.0	**6,305.4**	4,484.3
Movement														
Net carrying amount at the start of the year	**38.8**	39.9	**490.0**	489.9	**265.9**	230.9	**1,468.6**	1,436.8	**925.8**	-	**2,221.0**	1,340.5	**5,410.0**	3,551.4
Transferred from capital work in progress	**-**	-	**92.9**	32.7	**84.5**	58.8	**297.0**	246.2	**-**	-	**(474.4)**	(337.7)	**-**	-
Additions[4]	**-**	0.1	**-**	0.6	**-**	1.7	**63.2**	12.3	**85.3**	-	**1,124.6**	1,232.3	**1,273.1**	1,250.4
Disposals	**-**	-	**-**	(0.1)	**(5.0)**	(4.7)	**(129.3)**	(89.9)	**-**	-	**(8.2)**	1.8	**(142.6)**	(97.2)
Other Adjustments	**-**	-	**(4.6)**	-	**-**	-	**-**	-	**-**	-	**(0.5)**	(1.0)	**(5.1)**	(1.0)
Depreciation / amortisation for the year	**-**	-	**(24.1)**	(25.7)	**(22.9)**	(24.0)	**(229.3)**	(220.6)	**(71.7)**	-	**-**	-	**(348.0)**	(273.2)
Accumulated depreciation / amortisation on disposals	**-**	-	**-**	0.4	**2.3**	4.0	**110.9**	88.7	**-**	-	**-**	-	**113.2**	96.5
Currency translation differences	**(0.1)**	(1.1)	**7.5**	(7.8)	**(0.0)**	(0.9)	**7.3**	(18.0)	**-**	-	**(10.0)**	(14.9)	**4.7**	(42.6)
Net carrying amount at the end of the year	**38.7**	38.8	**561.7**	490.0	**324.8**	265.9	**1,588.4**	1,455.5	**939.4**	-	**2,852.5**	2,221.0	**6,305.4**	**4,484.3**

[4] The capital work in progress additions are the result of major capacity projects. One of these projects is our recombinant protein facility in Lengnau which is subject to an agreement with Thermo Fisher to lease the facility to them upon the achievement of defined milestones.

Property, plant and equipment

Land, buildings, capital work in progress and plant and equipment assets are recorded at historical cost less, where applicable, depreciation and amortisation.

Depreciation is on a straight-line basis over the estimated useful life of the asset.

Buildings	5 – 40 years
Plant and equipment	3 – 15 years
Leasehold improvements	5 – 25 years

Assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Items of property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their use or disposal.

Impairment testing for property, plant and equipment occurs if an impairment trigger is identified. No impairment triggers have been identified in the current year.

Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income when realised.

40% of the Holly Springs facility, acquired with the Novartis Influenza business, is legally owned by the US Government. Full legal title will transfer to CSL on the completion of the Final Closeout Technical Report, expected in the next one to three years. CSL has full control of the asset and 100% of the value of the facility is included in the consolidated financial statements.

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.

Note 9: Deferred Government Grants

	2020 US$m	2019 US$m
Current deferred income	**3.2**	2.8
Non-current deferred income	**40.1**	34.6
Total deferred government grants	**43.3**	37.4

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.

Returns, Risk & Capital Management

Note 10: Shareholder Returns

Dividends

Dividends are paid from the retained earnings and profits of CSL Limited, as the parent entity of the Group. (See Note 19 for the Group's retained earnings). During the year, the parent entity reported profits of US$93.1m (2019: US$461.9m). The parent entity's retained earnings as at 30 June 2020 were US$7,706.4m (2019: US$8,484.4m). During the financial year US$883.1m was distributed to shareholders by way of a dividend, with a further US$485.8m being determined as a dividend payable subsequent to the balance date.

Dividend paid	2020 US$m	2019 US$m
Paid: Final ordinary dividend of US$1.00 per share, unfranked, paid on 11 October 2019 for FY19 (prior year: US$0.93 per share, unfranked, paid on 12 October 2018 for FY18)	**453.9**	420.3
Paid: Interim ordinary dividend of US$0.95 per share, unfranked, paid on 9 April 2020 for FY20 (prior year: US$0.85 per share, unfranked, paid on 12 April 2019 for FY19)	**429.2**	386.5
Total paid	**883.1**	806.8
Dividend determined, but not paid at year end: Final ordinary dividend of US$1.07 per share, unfranked, expected to be paid on 9 October 2020 for FY20, based on shares on issue at reporting date. The aggregate amount of the proposed dividend will depend on actual number of shares on issue at dividend record date (prior year: US$1.00 per share, unfranked paid on 11 October 2019 for FY19)	**485.8**	453.1

The distribution in respect of the 2020 financial year represents a US$2.02 dividend paid for FY2020 on each ordinary share held. These dividends are approximately 43.6% of the Group's basic earnings per share ("EPS") of US$4.63.

Earnings per Share

CSL's basic and diluted EPS are calculated using the Group's net profit for the financial year of US$2,102.5m (2019: US$1,918.7m).

	2020	2019
Basic EPS	**US$4.633**	US$4.236
Weighted average number of ordinary shares	**453,808,099**	452,919,486
Diluted EPS	**US$4.615**	US$4.226
Adjusted weighted average number of ordinary shares, represented by:	**455,605,010**	454,027,808
Weighted average ordinary shares	**453,808,099**	452,919,486
Plus:		
Employee Share Schemes (See Note 5 & Note 18)	**1,796,911**	1,108,322

Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share schemes operated by the Group.

On-market Share Buyback

The Group did not undertake any share buy backs during the year.

Contributed Equity

The following table illustrates the movement in the Group's contributed equity.[5]

	2020		2019	
	Numbers of shares	US$m	Numbers of shares	US$m
Opening balance at 1 July	**453,138,632**	**(4,603.0)**	452,400,784	(4,634.5)
Shares issued to employees (see also Notes 5 and 18):				
Performance Options Plan	299,078	18.0	206,748	10.8
Performance Rights Plan (for nil consideration)	151,486	-	201,460	-
Retain and Grow Plan (for nil consideration)	168,866	-	82,222	-
Executive Performance & Alignment plan	91,822	-	51,628	-
Global Employee Share Plan (GESP)	198,823	24.0	195,790	20.7
Closing balance	**454,048,707**	**(4,561.0)**	453,138,632	(4,603.0)

[5] 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 Group 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 in equity.

Note 11: Financial Risk Management

CSL holds financial instruments that arise from the Group's need to access financing, from the Group's operational activities and as part of the Group's risk management activities.

The Group is exposed to financial risks associated with its financial instruments. Financial instruments comprise cash and cash equivalents, receivables, payables, bank loans and overdrafts, unsecured notes, and lease liabilities.

The primary risks these give rise to are:

• Foreign exchange risk.

• Interest rate risk.

• Credit risk.

• Funding and liquidity risk.

• Capital management risk.

Source of Risk	Risk Mitigation
a. Foreign exchange risk	
The Group is exposed to foreign exchange risk because of its international operations. These risks relate to future commercial transactions, assets and liabilities denominated in other currencies and net investments in foreign operations.	Where possible CSL takes advantage of natural hedging (i.e. the existence of payables and receivables in the same currency). The Group also 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.
b. Interest Rate Risk	
The Group is exposed to interest rate risk through its primary financial assets and liabilities.	The Group mitigates interest rate risk on borrowings primarily by entering into fixed rate arrangements, which are not subject to interest rate movements in the ordinary course. If necessary, CSL also hedges interest rate risk using derivative instruments. As at 30 June 2020, no derivative financial instruments hedging interest rate risk were outstanding (2019: Nil).
c. Credit Risk	
The Group is exposed to credit risk from financial instruments contracts and trade and other receivables. The maximum exposure to credit risk at reporting date is the carrying amount, net of any provision for impairment inclusive of any lifetime expected credit loss under AASB 9, if applicable, of each financial asset in the balance sheet.	The Group mitigates credit risk from financial instruments contracts by only entering into transactions with counterparties who have sound credit ratings and with whom the Group has a signed netting agreement. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group minimises the credit risk associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. Creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies.
d. Funding and Liquidity Risk	
The Group is exposed to funding and liquidity risk from operations and from external borrowing. One type 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. Another type of this risk is liquidity risk, which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations 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 Group mitigates funding and liquidity risks by ensuring that: • The Group has sufficient funds on hand to achieve its working capital and investment objectives • The Group focusses on improving operational cash flow and maintaining a strong balance sheet • 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 • It has adequate flexibility in financing to balance short-term liquidity requirements and long-term core funding and minimise refinancing risk
e. Capital Risk Management	
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern while providing returns to shareholders and benefits to other stakeholders. Capital is defined as the amount subscribed by shareholders to the Company's ordinary shares and amounts advanced by debt providers to any Group entity.	The Group aims to maintain a capital structure, which reflects the use of a prudent level of debt funding. The aim is to reduce the Group's cost of capital without adversely affecting the credit margins applied to the Group's debt funding. Each year the Directors determine the dividend taking into account factors such as profitability and liquidity. The Directors have proposed share buybacks in previous years, consistent with the aim of maintaining an efficient balance sheet, and with the ability to cease a buyback at any point should circumstances such as liquidity conditions change.

Risk management approach

The Group uses sensitivity analysis (together with other methods) to measure the extent of financial risks and decide if they need to be mitigated.

If so, the Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swaps, to support its objective of achieving financial targets while seeking to protect future financial security.

The aim is to reduce the impact of short-term fluctuations in currency or interest rates on the Group's earnings.

Derivatives are exclusively used for this purpose and not as trading or other speculative instruments.

a. Foreign exchange risk

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.

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.

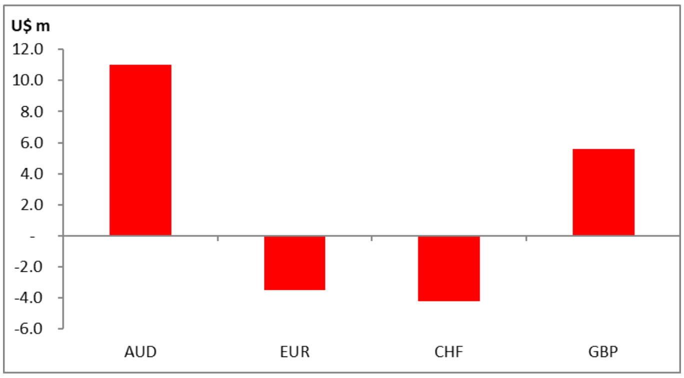
The total value of forward exchange contracts in place at reporting date is nil (2019: Nil).

Sensitivity analysis – USD values

Profit after tax – sensitivity to general movement of 1%
A movement of 1% in the USD exchange rate against AUD, EUR, CHF and GBP would not generate a material impact to profit after tax.

Equity – sensitivity to general movement of 1%
Any change in equity is recorded in the Foreign Currency Translation Reserve.

FX Sensitivity on Equity (US$m)



This calculation is based on changing the actual exchange rate of US Dollars to AUD, EUR, CHF and GBP as at 30 June 2020 by 1% and applying these adjusted rates to the net assets (excluding investments in subsidiaries) of the foreign currency denominated financial statements of various Group entities.

b. Interest rate risk

At 30 June 2020, it is estimated that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed the Group's profit after tax by approximately $8.1m. This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end.

At 30 June 2020, 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 $6.7m. This calculation is based on applying a 1% movement to the total of the Group's floating rate unsecured bank loans at year end.

As at 30 June 2020, the Group had the following bank facilities, unsecured notes and finance leases:

- Five revolving committed bank facilities totalling $1,607.9m are available. Of these facilities $70.9m mature in the twelve months, $37.2m in November 2022 and $1.5b in February 2025. Interest on the facilities is paid quarterly in arrears at a variable rate. As at the reporting date the Group had $1,158.2m in undrawn funds available under these facilities
- US$750m uncommitted Commercial Paper Program. As at the reporting date there was $740.0m in undrawn funds available under this facility;

- EUR214.7m committed bank facility (the KfW loan) with quarterly repayments commencing in September 2020 through to September 2027;

- US$2,900m of Senior Unsecured Notes in the US Private Placement market. The notes mature in November 2021 (US$250m), March 2023 (US$150m), November 2023 (US$200m), March 2025 (US$100m), October 2025 (US$100m), October 2026 (US$150m), November 2026 (US$100m), May 2027 (US$100m), October 2027 (US$250m), October 2028 (US$200m), October 2029 (US$200m), August 2030 (U$300m), October 2031 (US$200m), May 2032 (US$150m), October 2032 (US$150m), May 2035 (U$200m) and October 2037 (US$100m). The weighted average interest rate on the notes is fixed at 3.23%.

- EUR350m of Senior Unsecured Notes in the US Private Placement market. The Notes mature in November 2022 (EUR100m), November 2024 (EUR150m) and November 2026 (EUR100m). The weighted average interest rate on the notes is fixed at 1.90%;

- CHF400m of Senior Unsecured Notes in the US Private Placement market. The notes mature in October 2023 (CHF150m) and October 2025 (CHF250m). The weighted average interest rate on the notes is fixed at 0.88%;

- US$500m of Unsecured Floating Rate Notes (the QDI Bond) in the Hong Kong market. The notes mature in December 2021;

- Finance leases with a weighted average lease term of 5 years (2019: 5 years). The weighted average discount rate implicit in the leases is 5.24% (2019: 4.69%). The Group's lease liabilities are secured by leased assets of $13.1m (2019: $13.1m). In the event of default, leased assets revert to the lessor.

The Group is in compliance with all debt covenants.

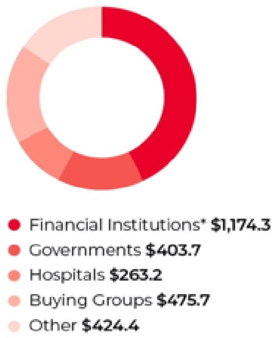
c. Credit Risk

The Group only invests its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'BBB+' or better, as assessed by independent rating agencies.

	Floating rate [6]		Non-Interest bearing		Total		Average Closing Interest Rate	
		US$m		US$m		US$m		%
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Financial Assets								
Cash and cash equivalents	**1,194.4**	657.8	**-**	-	**1,194.4**	657.8	**0.24%**	0.5%
Trade and other receivables	**-**	-	**1,572.5**	1,726.5	**1,572.5**	1,726.5	**-**	-
Other financial assets	**-**	-	**17.5**	10.3	**17.5**	10.3	**-**	-
	1,194.4	657.8	**1,590.0**	1,736.8	**2,784.4**	2,394.6		

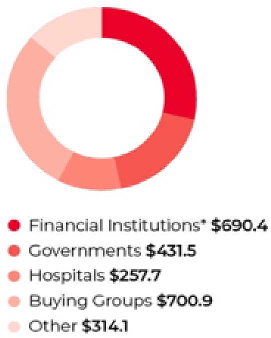
[6] Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets and liabilities are subject to reset within the next six months.

Credit quality of financial assets
(30 June 2020 in $m)



* US$1,194.4m of the assets held with financial institutions are held as cash or cash equivalents, $5.6m of trade and other receivables and $17.4m of other financial assets. Financial assets held with non-financial institutions include US$1,566.9m of trade and other receivables and $0.05m of other financial assets.

Credit quality of financial assets
(30 June 2019 in $m)



* US$657.8m of the assets held with financial institutions are held as cash or cash equivalents, $22.6m of trade and other receivables and $10.0m of other financial assets. Financial assets held with non-financial institutions include US$1,703.9m of trade and other receivables and $0.4m of other financial assets.

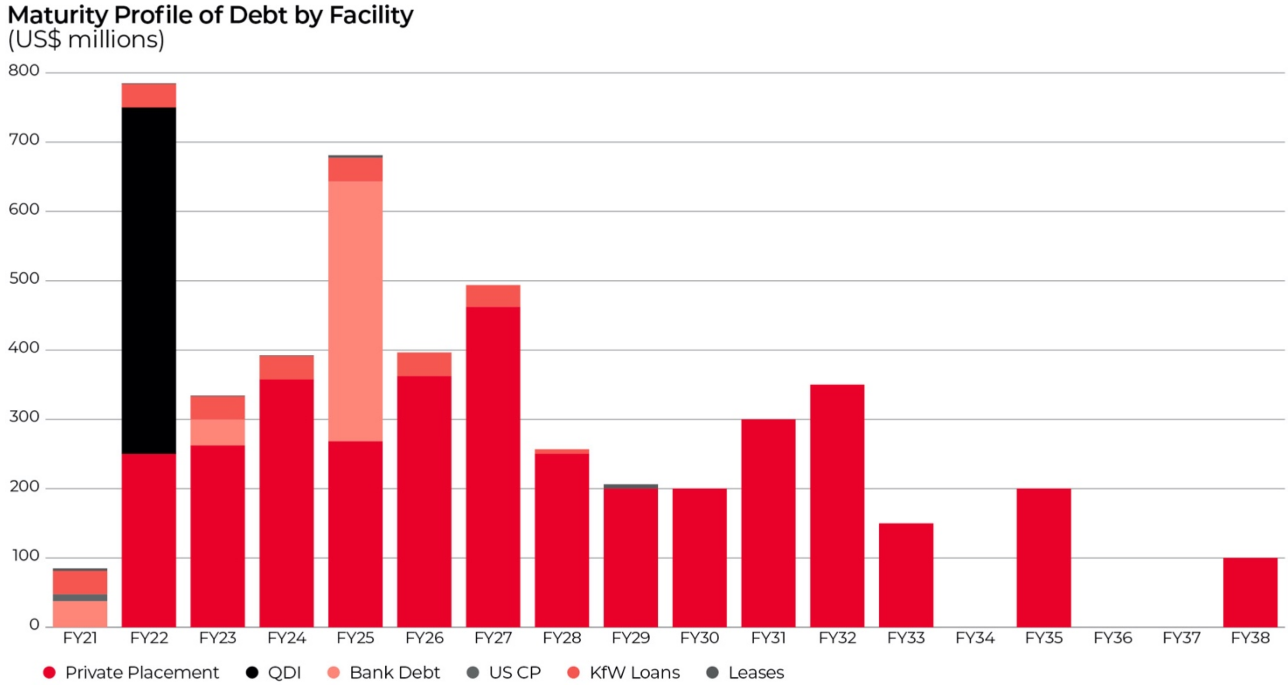
Refer to Note 15 for the Group's policy on expected credit loss.

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

Government or government-backed entities (such as hospitals) often account for a significant proportion of trade receivables. As a result, the Group carries receivables from a number of Southern European governments. The credit risk associated with trading in these countries is considered on a country-by-country basis and the Group's trading strategy is adjusted accordingly. The factors taken into account in determining the credit risk of a particular country include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank. An analysis of trade receivables that are past due and, where required, the associated provision for expected credit loss, is as follows. All other financial assets are less than 30 days overdue.

	Trade Receivables					
	Gross		Provision		Net	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Trade receivables:						
current	**1,191.0**	1,311.8	**9.2**	3.6	**1,181.8**	1,308.2
less than 30 days overdue	**46.1**	18.7	**-**	-	**46.1**	18.7
between 30 and 90 days overdue	**27.7**	38.1	**-**	0.1	**27.7**	38.0
more than 90 days overdue	**47.5**	87.8	**16.1**	13.8	**31.4**	74.0
	1,312.3	1,456.4	**25.3**	17.5	**1,287.0**	1,438.9

d. Funding and liquidity risk



The following table analyses the Group's financial liabilities excluding AASB 16 lease liabilities

Interest-bearing liabilities and borrowings	2020 US$m	2019 US$m
Current		
Bank overdrafts – Unsecured	**43.1**	-
Bank Borrowings – Unsecured	**70.9**	85.6
Commercial Paper	**10.0**	181.9
Senior Unsecured Notes - Unsecured	**-**	150.0
Other liability – Secured	**3.1**	3.1
	127.1	420.6
Non-current		
Bank loans – Unsecured	**619.7**	769.0
Senior Unsecured Notes - Unsecured	**4,204.9**	3,453.7
Other liability - Secured	**7.1**	19.5
	4,831.7	4,242.2

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 the borrowings.

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.

The Group is in compliance with all debt covenants.

The following table categorises the financial liabilities into relevant maturity periods, taking into account the remaining period at the reporting date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the balance sheet.

	Contractual payments due									
	1 year or less US$m		Between 1 year and 5 years US$m		Over 5 years US$m		Total US$m		Average interest Rate %	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Trade and other payables (non-interest bearing)	**1,525.4**	1,407.7	**-**	-	**-**	-	**1,525.4**	1,407.7	**-**	-
Bank loans – unsecured (floating rates)	**39.9**	77.4	**426.8**	533.6	**-**	-	**466.7**	611.0	**1.3%**	3.1%
Bank loans – unsecured (fixed rates)	**36.3**	28.4	**141.7**	180.1	**73.1**	73.9	**251.1**	282.4	**1.0%**	1.0%
Bank overdraft – unsecured (floating rates)	**43.1**	-	**-**	-	**-**	-	**43.1**	-	**-**	-
Commercial Paper Program (floating rates)	**10.0**	184.3	**-**	-	**-**	-	**10.0**	184.3	**0.4%**	2.6%
Senior unsecured notes (fixed rates)	**104.9**	238.7	**1,498.9**	1,503.0	**2,924.1**	2,041.5	**4,527.9**	3,783.2	**2.8%**	2.9%
Senior unsecured notes (floating rate)	**4.5**	14.6	**502.3**	521.9	**-**	-	**506.8**	536.5	**0.9%**	3.0%
Other liabilities (fixed rates)	**5.2**	3.3	**6.8**	13.8	**7.8**	9.3	**19.8**	26.4	**5.2%**	4.7%
	1,769.3	1,954.4	**2,576.5**	2,752.4	**3,005.0**	2,124.7	**7,350.8**	6,831.5	**-**	-

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

Fair value of financial assets and financial liabilities

The carrying value of financial assets and liabilities is materially the same as the fair value. The following methods and assumptions were used to determine the net fair values of financial assets and liabilities.

Cash

The carrying value of cash equals fair value, due to the liquid nature of cash.

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 be equal to its fair value.

Interest bearing liabilities

Fair value is calculated based on the discounted expected principal and interest cash flows, using rates currently available for debt of similar terms, credit risk and remaining maturities.

The Group also has external loans payable that have been designated as a hedge of its investment in foreign subsidiaries (known as a net investment hedge).

An effective hedge is one that meets certain criteria. Gains or losses on the net investment hedge that relate to the effective portion of the hedge are recognised in equity. Gains or losses relating to the ineffective portion, if any, are recognised in the consolidated statement of comprehensive income.

Valuation of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the method used:

Level 1: Items traded with quoted prices in active markets for identical liabilities
Level 2: Items with significantly observable inputs other than quoted prices in active markets
Level 3: Items with unobservable inputs (not based on observable market data)

There were no derivatives outstanding as of 30 June 2020 (30 June 2019 – nil).

There were no transfers between Level 1 and 2 during the year.

Note 12: Equity and Reserves

(a) Contributed Equity

	2020 US$m	2019 US$m
Ordinary shares issued and fully paid	-	-
Share buy-back reserve	**(4,561.0)**	(4,603.0)
Total contributed equity	**(4,561.0)**	(4,603.0)

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

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

Information relating to employee performance option plans and GESP, including details of shares issued under the scheme, is set out in Note 5.

(b) Reserves

Movement in reserves

	Share-based payments reserve (i) US$m		Foreign currency translation reserve (ii) US$m		Total US$m	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Opening balance	**247.7**	195.1	**(5.7)**	29.1	**242.0**	224.2
Share-based payments expense	**74.3**	52.0			**74.3**	52.0
Deferred tax on share-based payments	**6.8**	0.6			**6.8**	0.6
Net exchange gains / (losses) on translation of foreign subsidiaries, net of hedge			**13.3**	(34.7)	**13.3**	(34.7)
Closing balance	**328.7**	247.7	**7.6**	(5.6)	**336.3**	242.0

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 GESP rights issued to employees.

ii. Foreign currency translation reserve

Where the functional currency of a subsidiary is not US dollars, its assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity. Exchange differences arising from borrowings designated as hedges of net investments in foreign entities are also included in this reserve.

Note 13: Commitments and Contingencies[6]

(a) Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	Capital Commitments US$m	
	2020	**2019**
Not later than one year	**505.9**	802.0
Later than one year but not later than five years	**79.1**	148.4
Total	**585.0**	950.4

The Company has entered into a lease for a building, currently under construction in Melbourne, as our new global headquarters. The lease is expected to commence in early 2023 with an annual lease cost of approximately $15m.

(b) Contingent assets and liabilities

Litigation

The Group is involved in litigation in the ordinary course of business, including litigation for breach of contract and other claims. The Group remains subject to certain patent infringement actions brought by competitors. CSL is highly confident in our intellectual property positions which are the product of many years of innovative research by the Group. The Company is vigorously defending against the claims.

Other Contingent assets and liabilities

On 24 June 2020 the Group entered into an exclusive licence with Uniqure for Haemophilia-B gene therapy. The transaction is subject to regulatory approvals and will not close until FY2021. The upfront payment is expected to be $450m upon approval followed by regulatory and commercial milestones.

[6] Commitments and contingencies are disclosed net of the amount of GST (or equivalent) recoverable from, or payable to, a taxation authority

Efficiency of Operation

Note 14: Cash and Cash Equivalents

	2020 US$m	2019 US$m
Reconciliation of cash and cash equivalents		
Cash at bank and on hand	**773.4**	653.8
Cash deposits	**421.0**	4.0
Total cash and cash equivalents	**1,194.4**	657.8

Cash, cash equivalents and bank overdrafts

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. They are made up of:

- Cash on hand.
- At call deposits with banks or financial institutions.
- Investments in money market instruments with original maturities of six months or less, that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

Cash flows are presented 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.

Note 15: Trade Receivables and Payables

(a) Trade and other receivables

	2020 US$m	2019 US$m
Current		
Trade receivables	**1,121.1**	1,274.4
Contract Assets	**191.2**	182.0
Less: Provision for expected credit loss	**(25.3)**	(17.5)
	1,287.0	1,438.9
Sundry receivables	**271.2**	266.0
Prepayments	**145.7**	116.8
Carrying amount of current receivables and contract assets[7]	**1,703.9**	1,821.7
Non-current		
Long term deposits/other receivables	**14.3**	21.6
Carrying amount of non-current other receivables[7]	**14.3**	21.6

Trade, other receivables, and contract assets are initially recorded at fair value and are generally due for settlement within 30 to 60 days from date of invoice. Collectability is regularly reviewed at an operating unit level.

A provision for expected credit loss (ECL) is recognised in accordance with AASB 9. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. 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 expected credit loss has been recognised becomes uncollectible in a subsequent period, it is written off against the provision.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next

[7] 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 11 for more information on the risk management policy of the Group and the credit quality of trade receivables.

12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets and deferred revenue (contract liabilities): The completion of performance obligations often differs from contract payment schedules. A contact asset is initially recognised for revenue earned from satisfying a performance obligation (AASB 15); however, the receipt of consideration is conditional upon the full satisfaction of the performance obligation within the contract. Upon completing the full performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Amounts billed in accordance with customer contracts, but where the Group had not yet provided a good or service, are recorded and presented as part of deferred revenue. Deferred revenue is recognised as revenue when the Group performs under the contract

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

As at 30 June 2020, the Group had made provision for expected credit loss of $25.3m (2019: $17.5m).

	2020 US$m	2019 US$m
Opening balance at 1 July	**17.5**	21.5
Additional allowance/(utilised/written back)	**7.8**	(3.5)
Currency translation differences	**(0.0)**	(0.5)
Closing balance at 30 June	**25.3**	17.5

Non-trade receivables do not include any impaired or overdue amounts and it is expected they will be received when due. The Group does not hold any collateral in respect to other receivable balances.

Key Judgements and Estimates

In applying the Group's accounting policy to trade and other receivables with governments and related entities in South Eastern Europe as set out in Note 11, significant judgement is involved in assessing the expected credit loss of trade or other receivable amounts. Matters considered include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

(b) Trade and other payables

	2020 US$m	2019 US$m
Current		
Trade payables	**458.3**	422.6
Accruals and other payables	**1,067.1**	951.5
Share-based payments (EDIP)	**-**	33.6
Carrying amount of current trade and other payables	**1,525.4**	1,407.7
Non-current		
Accruals and other payables	**223.8**	86.5
Carrying amount of non-current other payables	**223.8**	86.5

Trade and other payables represent amounts reflected at notional amounts owed to suppliers for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

Receivables and payables include 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.

Note 16: Provisions

	Employee benefits	Legal	Other	Total
	US$m	US$m	US$m	US$m
Current				
Carrying amount at the start of the year	130.4	63.7	0.8	194.9
Utilised	-	(40.7)	-	(40.7)
Reversal of previously recognised provision	-	(23.0)	-	(23.0)
Additions	25.7	-	-	25.7
Carrying amount at the end of the year	**156.1**	**-**	**0.8**	**156.9**
Non-current				
Carrying amount at the start of the year	35.9	-	-	35.9
Additions	5.8	-	-	5.8
Carrying amount at the end of the year	**41.7**	**-**	**-**	**41.7**

Provisions are recognised when all three of the following conditions are met:

- The Group has a present or constructive obligation arising from a past transaction or event
- It is probable that an outflow of resources will be required to settle the obligation
- A reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses.

Provisions recognised reflect our 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 to settle the obligation at a pre-tax discount rate that reflects current market assessments of the time value of money and of the risks specific to the obligation.

Detailed information about the employee benefits is presented in Note 5.

Other Notes

Note 17: Related Party Transactions

Ultimate controlling entity

The ultimate controlling entity is CSL Limited, otherwise described as the parent company.

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.
- Management fees were paid to a controlled entity.
- R&D services were charged from and to controlled entities.

The transactions were undertaken on commercial terms and conditions.

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

Ownership interests in related parties

All transactions with subsidiaries have been eliminated on consolidation.

Subsidiaries

The following table lists the Group's material subsidiaries.

		Percentage owned	
Company	Country of Incorporation	2020 %	2019 %
CSL Limited	Australia		
Subsidiaries of CSL Limited:			
CSL Innovation Pty Ltd*	Australia	**100**	100
CSL Behring (Australia) Pty Ltd	Australia	**100**	100
CSL Behring LLC	USA	**100**	100
CSL Plasma Inc	USA	**100**	100
CSL Behring GmbH	Germany	**100**	100
CSL Behring AG	Switzerland	**100**	100
CSL Behring Lengnau AG	Switzerland	**100**	100
Seqirus UK Limited	UK	**100**	100
Seqirus Pty Ltd	Australia	**100**	100
Seqirus Vaccines Limited	UK	**100**	100
Seqirus Inc	USA	**100**	100

* This entity was named Zenyth Therapeutics Pty Ltd until 1 June 2019

Key management personnel transactions with the Group

The following transactions with key management personnel and their related entities have occurred during the financial year. These transactions occur as part of a normal supplier or partner relationship on "arm's length" terms:

CSL has entered into a number of contracts, including collaborative research agreements, with Monash University, of which Megan Clark is a member of Council.

CSL has entered into a number of contracts, including collaborative research agreements, with the Walter and Eliza Hall Institute for Medical Research, of which Marie McDonald is a director.

CSL has received advisory services from Flagstaff Partners, of which Marie McDonald is a Senior Advisor.

CSL has entered into a research collaboration with Frazier Healthcare, of which Tadataka Yamada is a partner.

CSL in Australia has a corporate account with Medibank Private Limited, of which Christine O'Reilly is a director.

CSL has entered into a research collaboration with the Baker Heart and Diabetes Institute, of which Christine O'Reilly is a director.

CSL has received financial services from Bank of America Merrill Lynch, of which Megan Clark is a member of the Australian Advisory Board.

CSL has a commercial arrangement to acquire laboratory supplies from Agilent Technologies, of which Tadataka Yamada is a director

CSL has entered into a research collaboration with the Centre of Eye Research Australia, of which Andrew Cuthbertson is a director.

Note 18: Detailed Information – People Costs

(a) Defined benefit plans

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

The surplus/deficit for each defined benefit plan operated by the Group is as follows:

	June 2020 $m			June 2019 $m		
Pension Plan	Plan Assets	Accrued benefit	Plan surplus/ (deficit)	Plan Assets	Accrued benefit	Plan surplus/ (deficit)
CSL Pension Plan (Australia) - provides a lump sum benefit upon exit	**17.8**	**(18.6)**	**(0.8)**	20.3	(19.0)	1.3
CSL Behring AG Pension Plan (Switzerland) - provides an ongoing pension	**649.7**	**(730.5)**	**(80.8)**	582.6	(664.4)	(81.8)
CSL Behring Union Pension Plan (USA) - provides an ongoing pension	**68.0**	**(66.6)**	**1.4**	62.2	(62.0)	0.2
CSL Behring GmbH Supplementary Pension Plan (Germany) - provides an ongoing pension	**-**	**(226.9)**	**(226.9)**	-	(190.0)	(190.0)
bioCSL GmbH Pension Plan (Germany) - provides an ongoing pension	**-**	**(3.0)**	**(3.0)**	-	(2.9)	(2.9)
CSL Behring KG Pension Plan (Germany) - provides an ongoing pension	**-**	**(17.7)**	**(17.7)**	-	(14.7)	(14.7)
CSL Plasma GmbH Pension Plan (Germany) - provides an ongoing pension	**-**	**(0.3)**	**(0.3)**	-	(0.3)	(0.3)
CSL Behring KK Retirement Allowance Plan (Japan) - provides a lump sum benefit upon exit	**-**	**(15.4)**	**(15.4)**	-	(14.7)	(14.7)
CSL Behring S.A. Pension Plan (France) - provides a lump sum benefit upon exit	**-**	**(1.5)**	**(1.5)**	-	(1.4)	(1.4)
CSL Behring S.p.A Pension Plan (Italy) - provides a lump sum benefit upon exit	**-**	**(1.1)**	**(1.1)**	-	(1.2)	(1.2)
Total	**735.5**	**(1,081.6)**	**(346.1)**	665.1	(970.6)	(305.5)

In addition to the plans listed above, CSL Behring GmbH and Seqirus GmbH employees are members of multi-employer plans administered by an unrelated third party. CSL Behring GmbH, Seqirus GmbH and their employees make contributions to the plans and receive pension entitlements on retirement. Participating employers may have to make additional contributions in the event that the plans have insufficient assets to meet their obligations. However, there is insufficient information available to determine this amount on an employer by employer basis. The contributions made by CSL Behring GmbH and Seqirus GmbH are determined by the Plan Actuary and are designed to be sufficient to meet the obligations of the plans based on actuarial assumptions. Contributions made by CSL Behring GmbH and Seqirus GmbH are expensed in the year in which they are made.

Movements in Accrued benefits and assets

During the financial year the value of accrued benefits increased by $111.6m, mainly attributable to three main factors:

- Actuarial adjustments, due primarily to lower discount rates at the end of the year than originally anticipated by the actuary, generated an increase in accrued benefits of $46.6m. These adjustments do not affect the profit and loss as they are recorded in Other Comprehensive Income.
- Service cost charged to the profit and loss of $41.1m. This amount represents the increased benefit entitlement of members, arising from an additional year of service and salary increases
- Interest costs of $9.1m, representing the discount rate on the benefit obligation and anticipated monthly benefit payments.

In the prior year the value of accrued benefits increased by $131.5m. The increase is mainly attributable to three main factors:

- Actuarial adjustments, due primarily to lower discount rates at the end of the year than originally anticipated by the actuary, generated an increase in accrued benefits of $46.7m. These adjustments do not affect the profit and loss as they are recorded in Other Comprehensive Income.
- Service cost charged to the profit and loss of $33.1m. This amount represents the increased benefit entitlement of members, arising from an additional year of service and salary increases
- Interest costs of $11.9m, representing the discount rate on the benefit obligation and anticipated monthly benefit payments.

Plan assets increased by $70.4m during the financial year. The increase is mainly attributable to the following factors:

- Contributions made by employer and employee increased plan assets by $39.3m.

Investment returns increased plan assets by $27.1m; and

Offsetting these increases were benefits paid by the plans of $9.3m and unfavourable foreign currency movements of $0.4m which are taken directly to the Foreign Currency Translation Reserve.

In the prior year the value of plan assets increased by 38.3m. Contributing factors were investment returns earned on plan assets ($5.9m), employer and employee contributions ($37.9m); offset by benefits paid by the plan ($3.7m) and unfavourable currency movements ($1.1m).

The principal actuarial assumptions, expressed as weighted averages, at the reporting date are:	2020 %	2019 %
Discount rate	**0.7%**	1.0%
Future salary increases	**2.1%**	2.1%
Future pension increases	**0.5%**	0.4%

Plan Assets:

The major categories of total plan assets are as follows:	2020 $m	2019 $m
Cash	**21.9**	40.8
Instruments quoted in active markets:		
Equity Instruments	**241.7**	227.3
Bonds	**328.9**	278.7
Unquoted investments – property	**143.3**	115.1
Other assets	**(0.3)**	3.2
Total Plan assets	**735.5**	665.1

The variable with the most significant impact on the defined benefit obligation is the discount rate applied in the calculation of accrued benefits. A decrease in the average discount rate applied to the calculation of accrued benefits of 0.25% would increase the defined benefit obligation by $70.6m. An increase in the average discount rate of 0.25% would reduce the defined benefit obligation by $66.7m.

The defined benefit obligation will be discharged over an extended period as members exit the plans. The plan actuaries have estimated that the following payments will be required to satisfy the obligation. The actual payments will depend on the pattern of employee exits from the Group's plans.

Year ended 30 June 2020	$44.4m (2019: 22.8m)
Between two and five years	$164.1m (2019: 99.3m)
Between five and ten years	$197.5m (2019: 148.1m)
Beyond ten years	$676.0m (2019: 699.7m)

(b) Share-based payments – equity settled

In 2017 CSL introduced a new long term incentive framework. Legacy programs will cease to operate in 2020.

Long Term Incentives under the current framework

A face value equity allocation methodology, being a volume weighted average share price based on the market price of a CSL share at the time of grant, is used to determine the number of units granted to a participant under each of the shared based payment plans, which are as follows:

The Executive Performance and Alignment Plan (EPA) that grants Performance Share Units (PSU) to qualifying executives. Vesting is subject to continuing employment, satisfactory performance and the achievement of an absolute return measure. The return measure is a seven year rolling average Return on Invested Capital.

The Retain and Grow Plan (RGP) that grants Restricted Share Units (RSU) to qualifying employees, participation in the RGP plan is broader than in the EPA plan. Vesting is subject to continuing employment and satisfactory performance.

Under both the EPA and annual RGP plans grants will vest in equal tranches on the first, second, third and fourth anniversaries of grant. For RGP commencement benefit awards, vesting dates will vary.

There have been no changes to the terms of grant of any existing instruments.

The fair value of the PSUs and RSUs granted is estimated at the date of grant using an adjusted form of the Black-Scholes model, considering the terms and conditions upon which the PSUs and RSUs were granted. There is no exercise price payable on PSUs or RSUs. On 1 September 2019, 231,742 PSUs and 419,673 RSUs were granted. The relevant tranche of PSUs and RSUs will exercise upon vesting on 1 September 2020, 2021, 2022, and 2023 and 1 March 2020, 2021, 2022, and 2023.On 1 March 2020, 5,813 PSUs and 24,835 RSUs were granted. The relevant tranche of PSUs and RSUs will exercise upon vesting between March 2020 and September 2023.

Legacy Share-based Long Term Incentives (LTI) issued in October 2015 and October 2016

Performance rights grants made in 2016 will vest over a four year period with no retest. The EPS growth test has 100% vesting occurring at a 13% compound annual growth rate and the potential for additional vesting on the achievement of stretch EPS growth targets. The relative TSR test is against a cohort of global pharmaceutical and biotechnology companies with 50% vesting where CSL's performance is at the 50th percentile rising to 100% vesting at the 75th percentile. Performance Options also vest over a four year period and have no performance hurdles. The options only have value when the share price on exercise exceeds the exercise price. The company does not provide loans to fund the exercise of options.

The Non-Executive Directors Plan (NED)

The Non-Executive Directors (NED) pay a minimum of 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no cost. There is a nominated restriction period, of three to fifteen years, after which the NED will have access to their shares.

On 22 August 2019, 3,106 Rights were granted under the NED vesting on 17 February 2020 and 24 August 2020. On February 20, 2020, 388 Rights were granted under NED vesting on August 24, 2020.

Global Employee Share Plan (GESP)

The Global Employee Share Plan (GESP) allows employees to make contributions from after tax salary up to a maximum of A$6,000 per 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.

Recognition and measurement

The fair value of options or rights is recognised as an employee benefit expense with a corresponding increase in equity. 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. Fair value is independently determined using a combination of the Binomial and Black Scholes valuation methodologies, including Monte Carlo simulation, considering the terms and conditions on which the options and rights were granted. The fair value of the options granted excludes the impact of any non-market vesting conditions, which 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 considers 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 the vesting is conditional upon a market condition and that market condition is not met.

Valuation assumptions and fair values of equity instruments granted

The model inputs for performance share units, restricted share units and GESP awards granted during the year ended 30 June 2020 included:

	Fair Value[8]	Share Price	Exercise Price	Expected Volatility[9]	Life Assumption	Expected Dividend Yield	Risk-free Interest Rate
	A$	A$	A$				
Performance Share Units (by grant date)							
1 September 2019 - Tranche 1	$232.89	$235.31	Nil	24.40%	12 months	1.03%	0.66%
1 September 2019 - Tranche 2	$230.50	$235.31	Nil	21.48%	24 months	1.03%	0.73%
1 September 2019 - Tranche 3	$228.14	$235.31	Nil	21.87%	36 months	1.03%	0.72%
1 September 2019 - Tranche 4	$225.80	$235.31	Nil	21.32%	48 months	1.03%	0.80%
1 March 2020 - Tranche 1	$314.88	$316.27	Nil	20.63%	6 months	0.86%	0.62%
1 March 2020 - Tranche 2	$312.15	$316.27	Nil	22.91%	18 months	0.86%	0.49%
1 March 2020 - Tranche 3	$309.45	$316.27	Nil	21.00%	30 months	0.86%	0.42%
1 March 2020 - Tranche 4	$306.76	$316.27	Nil	21.39%	42 months	0.86%	0.48%
Restricted Share Units (by grant date)							
1 September 2019 - Tranche 1	$235.31	$235.31	Nil	n/a	Nil	1.03%	1.00%
1 September 2019 - Tranche 1	$234.10	$235.31	Nil	21.15%	6 months	1.03%	0.85%
1 September 2019 - Tranche 1	$232.89	$235.31	Nil	24.40%	12 months	1.03%	0.66%
1 September 2019 - Tranche 2	$231.70	$235.31	Nil	22.94%	18 months	1.03%	0.64%
1 September 2019 - Tranche 2	$230.50	$235.31	Nil	21.48%	24 months	1.03%	0.73%
1 September 2019 - Tranche 3	$229.33	$235.31	Nil	20.78%	30 months	1.03%	0.72%
1 September 2019 - Tranche 3	$228.14	$235.31	Nil	21.87%	36 months	1.03%	0.72%
1 September 2019 - Tranche 4	$226.98	$235.31	Nil	21.54%	42 months	1.03%	0.76%
1 September 2019 - Tranche 4	$225.80	$235.31	Nil	21.32%	48 months	1.03%	0.80%
1 March 2020 - Tranche 1	$316.27	$316.27	Nil	n/a	0 months	0.86%	0.75%
1 March 2020 - Tranche 1	$314.88	$316.27	Nil	20.63%	6 months	0.86%	0.62%
1 March 2020 - Tranche 2	$313.56	$316.27	Nil	20.65%	12 months	0.86%	0.50%
1 March 2020 - Tranche 2	$312.15	$316.27	Nil	22.91%	18 months	0.86%	0.50%
1 March 2020 - Tranche 3	$310.81	$316.27	Nil	22.91%	24 months	0.86%	0.49%
1 March 2020 - Tranche 3	$309.45	$316.27	Nil	21.00%	30 months	0.86%	0.49%
1 March 2020 - Tranche 4	$306.76	$316.27	Nil	21.39%	42 months	0.86%	0.42%
Rights (by grant date)							
22 August 2019 - Tranche 1	$229.22	$230.46	Nil	21.20%	6 months	1.10%	1.01%
22 August 2019 - Tranche 2	$227.92	$230.46	Nil	24.38%	12 months	1.10%	0.87%
20 February - Tranche 1	$331.29	$332.64	Nil	19.00%	6 months	0.79%	0.83%
GESP (by grant date)[10]							
1 September 2019 - Tranche 1	$ 78.11	$240.87	$162.76	20.00%	6 months	1.75%	1.75%
6 March 2020 - Tranche 1	$108.37	$309.44	$201.70	20.00%	6 months	1.50%	1.75%

[8] PSUs are subject to a ROIC based performance measure

[9] 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

[10] 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 a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Note 19: Detailed Information – Shareholder Returns

	Consolidated Entity	
Note	2020 $m	2019 $m
Retained earnings		
Opening balance at 1 July	**9,612.3**	8,490.2
Net profit for the year	**2,102.5**	1,918.7
Opening Balance Sheet adj. for accounting pronouncement adoptions	**(65.0)**	74.0
Dividends	**(883.1)**	(806.8)
Actuarial gain on defined benefit plans	**(27.1)**	(76.8)
Deferred tax on actuarial gain on defined benefit plans	**12.5**	13.0
Closing balance at 30 June	**10,752.1**	9,612.3
Performance Options Plan		
Options exercised under Performance Option plans as follows		
299,078 issued at A$89.52 (2019:8,530 issued at A$29.34; 198,218 issued at A$73.93)	18.0	10.8
	18.0	10.8
Global Employee Share Plan (GESP)		
104,722 issued at A$162.76 in September/October 2019 (2019: 97,889 issued at A$138.00 on 24 September 2018)	**11.6**	9.7
94,101 issued at A$201.07 on 10 March 2020 (2019: 97,901 issued at A$160.69 on March/April 2019)	**12.4**	11.1
	42.0	20.8

Note 20: Auditor Remuneration

During the year, the following fees were paid or were payable for services provided by CSL's auditor and by the auditor's related practices:

AUDIT SERVICES – Ernst & Young Australia	2020 US$	2019 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	1,851,091	1,374,356
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements here there is discretion as to whether the service is provided by the auditor or another firm		
- Sustainability assurance	110,982	64,778
- Agreed upon procedures and other audit engagements	9,749	30,544
Fees for other services		
Due diligence	375,384	-
Remuneration advisory	232,728	186,845
Tax compliance	22,288	-
Total fees to Ernst & Young (Australia)	**2,602,222**	**1,656,523**
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	3,649,937	3,469,810
Fees for assurance services that are required by legislation to be provided by the auditor	38,540	13,459
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements here there is discretion as to whether the service is provided by the auditor or another firm		
- Agreed upon procedures and other audit engagements	110,806	28,226
Fees for other services	28,463	31,283
Total fees to overseas member firms of Ernst & Young (Australia)	**3,827,746**	**3,542,778**
Total audit services	**5,771,105**	**4,981,174**
Total non-audit services	**658,863**	**218,128**
Total auditor's remuneration	**6,429,968**	**5,199,301**

Note 21: Deed of Cross Guarantee

On 3 February 2017, a deed of cross guarantee was executed between CSL Limited and some of its wholly owned entities, namely CSL International Pty Ltd (now CSL Behring (Holdings) Pty Ltd), CSL Finance Pty Ltd, Seqirus (Australia) Pty Ltd), Zenyth Therapeutics Pty Ltd (now CSL Innovation Pty Ltd), Seqirus Pty Ltd, CSL Behring (Australia) Pty Ltd and Seqirus Holdings Australia Pty Ltd. During the year ended 30 June 2020, CSL IP Investments Pty Ltd and Amrad Pty Ltd, were added to the deed. Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by CSL Limited, they also represent the 'Extended Closed Group'. A consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2020 and 30 June 2019 and a consolidated balance sheet as at each date for the Closed Group is set out below.

	Consolidated Closed Group	
Income Statement	**2020 US$m**	**2019 US$m**
Continuing operations		
Sales revenue	**1,035.3**	830.9
Cost of sales	**(488.3)**	(558.7)
Gross profit	**547.0**	272.2
Sundry revenues	**25.7**	38.9
Dividend income	**521.9**	745.9
Interest income	**1.3**	31.6
Research and development expenses	**(141.8)**	(148.3)
Selling and marketing expenses	**(44.9)**	(51.8)
General and administration expenses	**(95.6)**	(168.6)
Finance costs	**(26.1)**	(27.4)
Profit before income tax expense	**787.6**	692.5
Income tax expense	**(20.3)**	(0.1)
Profit for the year	**767.3**	692.4

Balance Sheet	2020 US$m	2019 US$m
Current Assets		
Cash and cash equivalents	**481.8**	13.6
Trade and other receivables	**407.5**	386.2
Inventories	**212.3**	205.1
Total Current Assets	**1,101.6**	604.9
Non-current assets		
Trade and other receivables	**48.1**	40.9
Other financial assets	**14,631.1**	14,627.2
Property, plant and equipment	**841.1**	723.6
Deferred tax assets	**121.9**	56.1
Intangible assets	**23.3**	29.9
Retirement benefit assets	**-**	1.3
Total Non-Current Assets	**15,665.5**	15,479.0
Total assets	**16,767.1**	16,083.9
Current liabilities		
Trade and other payables	**770.1**	71.1
Provisions	**53.0**	47.8
Deferred government grants	**2.9**	2.7
Total Current Liabilities	**826.0**	121.6
Non-current liabilities		
Trade and other payables	**26.6**	325.4
Interest-bearing liabilities and borrowings	**1,429.2**	1,207.7
Provisions	**9.4**	8.0
Deferred government grants	**27.8**	30.9
Total Non-Current Liabilities	**1,493.0**	1,572.0
Total liabilities	**2,319.0**	1,693.6
Net assets	**14,448.1**	14,390.3
Equity		
Contributed equity	**(3,476.6)**	(3,434.0)
Reserves	**304.2**	88.3
Retained earnings	**17,620.5**	17,736.0
TOTAL EQUITY	**14,448.1**	14,390.3

Summary of movements in consolidated retained earnings of the Closed Group	2020 US$m	2019 US$m
Retained earnings at beginning of the financial year	**17,735.9**	17,720.0
Net profit	**767.3**	692.4
Actuarial gain/(loss) on defined benefit plans, net of tax	**0.4**	0.6
Dividends provided for or paid	**(883.1)**	(677.1)
Retained earnings at the end of the financial year	**17,620.5**	17,735.9

Note 22: Parent Entity Information

		2020 US$m	2019 US$m
	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:		
	Current assets	**310.6**	336.9
	Total assets	**6,272.1**	6,072.1
	Current liabilities	**323.7**	42.3
	Total liabilities	**3,181.0**	2,269.0
	Contributed equity	**(4,014.9)**	(4,057.1)
	Foreign Currency Translation Reserve	**(600.4)**	(624.2)
	Retained earnings	**7,706.4**	8,484.4
	Net Assets & Total Equity	**3,091.0**	3,803.1
	Profit or loss for the year	**93.1**	**461.9**
	Total comprehensive income	**117.9**	201.6

(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 all external debt facilities of the Group. In addition, the parent entity provides letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains a controlled entity).

(c) Contingent liabilities of the parent entity

The parent entity did not have any material contingent liabilities as at 30 June 2020 or 30 June 2019. For information about guarantees given by the parent entity, please refer above and to Note 21.

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

The parent entity did not have any material contractual commitments for the acquisition of property, plant and equipment as at 30 June 2020 or 30 June 2019.

Note 23: 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.

Note 24: New and Revised Accounting Standards

New and revised standards and interpretations adopted by the Group

The Group has adopted, for the first time, certain standards and amendments to accounting standards. The adoption of AASB 16 Leases and AASB Interpretation 23 Uncertainty over income tax treatments as of 1 July 2019 has been disclosed in these financial statements.

Directors' Declaration

1) In the opinion of the Directors:

   a) the financial statements and notes of the company and of the Group are in accordance with the Corporations Act 2001 (Cth), including:

      i. giving a true and fair view of the company's and Group's financial position as at 30 June 2020 and of their performance for the year ended on that date; and
      ii. complying with Australian Accounting Standards and Corporations Regulations 2001.

   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) About this Report (a) in the notes to the financial statements confirms that the financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3) 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 (Cth) for the financial period ended 30 June 2020.

4) 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 21 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 3 February 2017.

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

Brian McNamee AO
Chairman

Paul Perreault
Managing Director

Melbourne
August 18 2020

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Independent Auditor's Report to the Members of CSL Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Existence and valuation of inventories

Why significant	How our audit addressed the key audit matter
At 30 June 2020, the Group holds inventories of $3,509.5 million which are recorded at the lower of cost and net realisable value. The Group's accounting for inventories is complex as the nature of products being produced and the strict quality and efficacy requirements it must comply with leads to a risk that inventories may be valued at greater than their recoverable amount. Provisions can be recognised for all components of inventories, including raw materials, work in progress and finished goods. The Group considers a number of factors when determining the appropriate level of inventory provisioning, including regulatory approvals and future demand for the Group's products. In addition, the geographic footprint of the Group and the movements and sale of inventory between the Group's operations means both the existence of inventories and the valuation of inventories is a key audit matter. This includes considering whether any mark up of inventories from sales within the Group is appropriately eliminated in the consolidated financial statements. The Group's disclosures with respect to inventories is included in Note 4 of the financial report.	We have assessed the carrying value of inventories, including costing and provisions for obsolescence and net realisable value at 30 June 2020. The existence of inventories has been tested through our attendance at regular cycle counts conducted throughout the period or through attendance at year-end inventory stocktakes in all locations with significant stock holdings. Due to the COVID-19 pandemic, we observed counts through video-conferencing technology at certain locations where we were unable to physically attend inventory counts in material locations due to local restrictions. Observing physical inventories assisted with our valuation assessment as we were able to identify quality issues and validate expiry dates of products. We assessed the appropriateness of the determination of inventory cost by assessing the accuracy of the standard costing used by the Group and assessing the recognition of variances from standard costs. We assessed whether inventory is recognised at the lower of cost or net realisable value at period end by comparing the inventory value measured at cost to audit evidence supporting net realisable value such as the current selling price of the products and achieved margins. We assessed whether the provisions for obsolescence calculated by the Group reflect known quality issues and commercial considerations including product expiration, market demand, and manufacturing plans, as well as their compliance with Australian Accounting Standards, and consistent application from prior periods. We assessed the Group's financial report consolidation process, the elimination of any unrealised profits on transactions between group entities and resultant tax consequences. We have substantively tested the inputs to the calculation of the intercompany profit in stock, and verified that it eliminated upon consolidation We have assessed the Group's disclosures with respect to inventories in Note 4 of the financial report.

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2. Uncertain Tax Positions

Why significant	How our audit addressed the key audit matter
The Group operates in a number of different tax jurisdictions, all of which have specific tax risks and regulations that need to be considered. In particular, transfer pricing arrangements relating to transactions within the Group are significant with a large number of cross-border purchases and sales, intercompany charges as well as transfers of intellectual property between Group entities in different tax jurisdictions. The Group's disclosures with respect to taxation are included in Note 3 of the financial report.	We assessed the Group's various tax exposures to assess whether adequate provisions have been recorded for exposures with higher risk and uncertainty. Involving our taxation specialists in relevant countries, our audit procedures included: ▶ assessing the Group's determination of current and deferred income tax expense, with particular focus on uncertain tax positions and consideration of AASB Interpretation 23 'Uncertainty over Income Tax Treatments'; ▶ considering any third-party taxation advice received; ▶ understanding the status of and accounting for any tax audits being conducted by regulators around the world and their findings; and ▶ considering the Group's transfer pricing documentation.

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3. Implementation of AASB 16 Leases

Why significant	How our audit addressed the key audit matter
The Group adopted AASB 16 Leases ("AASB 16") from 1 July 2019, which resulted in the recognition of $926 million of right-of-use assets and $1,004 million lease liabilities at adoption date. The application of this accounting standard is inherently complex due to the volume of operating leases held by the Group and the judgements applied by management, including: ▶ the determination of the lease term considering the impact of lease extension options; ▶ the calculation of incremental borrowing rates, particularly in multiple geographic regions Key judgements applied to the Group's leases are set out in the *Significant changes in the current reporting period* section of the financial statements.	We selected a sample of lease agreements to determine the appropriateness of the judgements and accounting treatments applied in determining the transition adjustment upon adoption of the new standard, including: ▶ the determination of the lease term; ▶ the identification of non-lease components; ▶ the treatment of adjustments to lease payments (both fixed and variable rate adjustments); ▶ the impact of lease modifications; ▶ the determination of discount rates used in calculating lease liabilities; and ▶ the application of practical expedients available under AASB 16 We evaluated the effectiveness of the Group's processes and controls to capture and measure the right-of-use asset and associated liability including the completeness of the balances. We selected a sample of leases from the Group's contract management system and assessed whether they have been appropriately recognised under the standard. We selected a sample of lease contracts to determine the appropriateness of the discount rate used by the Group. Where an incremental borrowing rate is applied, we involved our debt advisory specialists to assess the interest rates applied by the Group We assessed the calculation of the adjustment to opening retained earnings calculated by the Group. We have assessed the Group's disclosures with respect to leases the *Significant changes in the current reporting period* section of the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of CSL Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Rodney Piltz Partner Melbourne 18 August 2020	Kylie Bodenham Partner Melbourne 18 August 2020