

CSL Limited

ABN: 99 051 588 348

ASX Half-year Information 31 December 2014

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction
with the 30 June 2014 Annual Report.

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CSL Limited
ABN: 99 051 588 348

Appendix 4D
Half-year ended 31 December 2014

(Previous corresponding period:
Half-year ended 31 December 2013)

Results for Announcement to the Market

Reported

- Revenues from continuing operations up 5.6% to US\$2.8 billion.
- Net profit after tax for the period attributable to members up 7.2% to US\$692.2 million.

*Constant Currency*¹

- Sales revenue at constant currency up 8.3% to US\$2.8 billion.
- Net profit after tax for the period at constant currency up 9.1% to US\$705.0 million.

Dividends

	Amount per security (US cents)	Franked amount per security (US cents)
Interim dividend (determined subsequent to balance date)	58.0¢	Unfranked*
Interim dividend from the previous corresponding period	53.0¢	Unfranked
Final dividend (prior year)	60.0¢	Unfranked

Record date for determining entitlements to the dividend: 18 March 2015

* 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.

The Company's Dividend Reinvestment Plan remains suspended and does not apply to the interim dividend.

Explanation of results

For further explanation of the results please refer to the accompanying press release and "Review of Operations" in the Directors' Report that is within the Half-year Report.

The half year financial statements are presented in US\$ unless otherwise stated.

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 Half-year Report (which includes the Directors' Report) and Media Release.

¹ Constant currency removes the impact of exchange rate movements to facilitate comparability by restating the current period's results at the prior comparable period's rates. This is done in two 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"); and (b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior comparable period ("transaction currency effect"). The sum of translation currency effect and transaction currency effect is the amount by which reported net profit is adjusted to calculate the result at constant currency.

Summary NPAT

Reported Net Profit after Tax	\$692.2m
Translation Currency Effect (a)	\$ 13.5m
Transaction Currency Effect (b)	\$ (0.7m)
Constant Currency Net Profit after Tax *	\$705.0m

(a) Translation Currency Effect \$13.5m

Average Exchange rates used for calculation in major currencies (six months to Dec 14/Dec 13) were as follows: USD/EUR (0.77/0.75); USD/CHF(0.93/0.92)

(b) Transaction Currency Effect (\$0.7m)

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 (ie from a manufacturer to a distributor) and externally (ie to the final customer) and the relevant exchange rates applicable to each transaction.

Summary Sales

Reported Sales	\$2,744.1m
Currency Effect (c)	44.6m
Constant Currency Sales *	\$2,788.7m

c) Constant Currency Effect \$44.6m

Constant currency effect is presented as a single amount due to the complex and interrelated nature of currency impacts on sales.

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

CSL Limited

Half-year Report – 31 December 2014

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This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by CSL Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CSL Limited

Directors' Report

The Board of Directors of CSL Limited has pleasure in presenting their report on the consolidated entity for the half-year ended 31 December 2014.

Directors

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

Professor J Shine, AO (Chairman)
Mr P R Perreault (Managing Director and Chief Executive Officer)
Mr J H Akehurst
Mr D W Anstice
Mr B R Brook
Ms M E McDonald
Ms C E O'Reilly
Mr M A Renshaw

Review of Operations

For the half year ended 31 December 2014, total revenue of the Group was US\$2.8 billion, up 6% compared to the prior comparative period. Reported net profit after tax was US\$692m for the six months ended 31 December 2014, up 7% when compared to the prior comparative period.

CSL Behring sales of US\$2.5 billion grew 8% in constant currency terms when compared to the prior comparable period.

Immunoglobulin product sales of US\$1,122 million grew 5% in constant currency terms, with normal immunoglobulin volume growing 11%. Global market conditions remain robust, but competitive. Intravenous immunoglobulin sales growth was underpinned by strong demand for Privigen[®], which benefited from an expanded indication in Europe to include its use in the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP). The average immunoglobulin price was negatively impacted as a greater proportion of sales were made into lower priced markets

Demand for subcutaneous immunoglobulin (SCIG) was strong in both the U.S. and Europe. Hizentra[®] offers patients the convenience of self-administration at home. In the U.S. the expansion of administration frequency options to include flexible dosing has driven an increased penetration of the product into the Primary Immune Deficiency (PID) patient market.

Albumin sales of US\$358 million grew 16% in constant currency terms, driven by ongoing strong global demand. Demand in China grew particularly well, boosted by improved penetration into hospitals. CSL's uniquely broad manufacturing footprint and suite of product presentations provides an attractive portfolio of choice to customers.

Haemophilia product sales of US\$558 million grew 3% in constant currency terms. Plasma derived haemophilia sales grew 5%, boosted by success in several European tenders and the treatment of additional immune tolerance patients. Recombinant factor VIII also grew modestly after securing a number of European tenders. This market, however, remains competitive particularly with new entrants.

Specialty products sales of US\$443 million grew 13% in constant currency terms, with growth tempered by a sales decline of wound healing products in Japan. Excluding these sales, the remaining group of specialty products grew 16%, driven largely by sales of Kcentra[®] and Berinert[®].

Kcentra[®] (4 factor pro-thrombin complex concentrate) grew strongly following the launch of the surgical indication approved by the U.S. FDA. Also during the period, the U.S. Centres for Medicare and Medicaid Services approved an extension to the new technology add-on payment for Kcentra[®] through to September 2015, recognising its significant clinical advancement in reversing the effects of warfarin in patients who experience acute major bleeding.

There was continued strong demand for Berinert[®] (C1-esterase inhibitor concentrate), which is used for the treatment of acute attacks in patients with hereditary angioedema. In 2012, the U.S. FDA approved a label expansion to include self-administration and now in excess of 70% of patients are now self-administering Berinert[®].

bioCSL sales of A\$276 million grew 15% in constant currency terms. Influenza vaccine sales grew strongly to A\$116 million, driven by a severe influenza season in the northern hemisphere. Contributing to the strength of the influenza vaccine sales was the cancellation of a third party distribution agreement in the U.S. with commercial operations returning to bioCSL. Moderating bioCSL's growth was a reduction in sales of Gardasil following the conclusion of the male "catch-up" immunisation program in Australia.

CSL Intellectual Property revenue of US\$92 million declined 9% in constant currency terms, driven by a reduction in royalties received on intellectual property associated with human papillomavirus vaccines, which contributed US\$64 million to revenue.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Rounding of Amounts

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

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

John Shine AO
Chairman

Paul Perreault
Managing Director

11 February 2015



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Auditor's Independence Declaration to the Directors of CSL Limited

In relation to our review of the financial report of CSL Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Glenn Carmody
Partner
11 February 2015

CSL Limited and its controlled entities
Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2014

	Consolidated Entity		
		December	December
	Notes	2014	2013
		US\$m	US\$m
Sales revenue		2,744.1	2,574.2
Cost of sales		(1,363.5)	(1,231.2)
Gross profit		1,380.6	1,343.0
Other revenue	4(a)	103.8	127.5
Research and development expenses		(233.4)	(229.3)
Selling and marketing expenses		(242.1)	(242.1)
General and administration expenses	4(c)	(123.3)	(170.4)
Finance costs	4(b)	(28.6)	(26.3)
Profit before income tax expense		857.0	802.4
Income tax expense	5	(164.8)	(156.7)
Net profit for the period		692.2	645.7
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of hedges on net foreign investments	11	(425.7)	75.1
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit plans, net of tax		(50.8)	19.3
Total other comprehensive income/(expense)		(476.5)	94.4
Total comprehensive income for the period		215.7	740.1
Earnings per share (based on net profit for the period)			
		Cents	Cents
Basic earnings per share	6	146.0	133.0
Diluted earnings per share	6	145.5	132.6

CSL Limited and its controlled entities
Consolidated Balance Sheet
As at 31 December 2014

	Consolidated Entity		
		December	June
		2014	2014
	Notes	US\$m	US\$m
CURRENT ASSETS			
Cash and cash equivalents	7	1,060.6	608.7
Trade and other receivables		917.0	953.4
Inventories		1,627.2	1,644.5
Current tax assets		23.1	0.7
Other financial assets		0.3	0.3
Total Current Assets		3,628.2	3,207.6
NON-CURRENT ASSETS			
Trade and other receivables		8.0	8.2
Other financial assets		0.7	1.0
Property, plant and equipment	8	1,752.6	1,831.0
Deferred tax assets		279.0	299.1
Intangible assets		850.9	924.1
Retirement benefit assets	14	3.9	6.7
Total Non-Current Assets		2,895.1	3,070.1
TOTAL ASSETS		6,523.3	6,277.7
CURRENT LIABILITIES			
Trade and other payables		626.4	631.4
Interest-bearing liabilities	9	1.0	5.6
Current tax liabilities		77.5	114.6
Provisions		74.4	90.1
Deferred government grants		2.5	2.3
Derivative financial instruments		3.3	1.3
Total Current Liabilities		785.1	845.3
NON-CURRENT LIABILITIES			
Trade and other payables		11.4	19.4
Interest-bearing liabilities	9	2,329.1	1,884.7
Deferred tax liabilities		122.1	127.7
Provisions		32.5	36.0
Deferred government grants		37.2	40.9
Retirement benefit liabilities	14	207.8	161.7
Total Non-Current Liabilities		2,740.1	2,270.4
TOTAL LIABILITIES		3,525.2	3,115.7
NET ASSETS		2,998.1	3,162.0
EQUITY			
Contributed equity	10	(2,912.1)	(2,797.8)
Reserves	11	315.7	738.3
Retained earnings		5,594.5	5,221.5
TOTAL EQUITY		2,998.1	3,162.0

CSL Limited and its controlled entities
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2014

	Ordinary shares	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total
	US\$m	US\$m	US\$m	US\$m	US\$m
At 1 July 2014	(2,797.8)	599.5	138.8	5,221.5	3,162.0
Profit for the period	-	-	-	692.2	692.2
Other comprehensive income/(loss)	-	(425.7)	-	(50.8)	(476.5)
Total comprehensive income for the half year	-	(425.7)	-	641.4	215.7
Transactions with owners in their capacity as owners					
Share based payments	11	-	-	3.1	-
Dividends	12	-	-	(268.4)	(268.4)
Share buy back	10	(142.7)	-	-	(142.7)
Share issues					
- Employee share scheme	10	28.4	-	-	28.4
Balance as at 31 December 2014	(2,912.1)	173.8	141.9	5,594.5	2,998.1
At 1 July 2013	(1,978.3)	451.3	127.0	4,417.7	3,017.7
Profit for the period	-	-	-	645.7	645.7
Other comprehensive income	-	75.1	-	19.3	94.4
Total comprehensive income for the half year	-	75.1	-	665.0	740.1
Transactions with owners in their capacity as owners					
Share based payments	11	-	-	2.8	-
Dividends	12	-	-	(255.8)	(255.8)
Share buy back		(233.9)	-	-	(233.9)
Share issues					
- Employee share scheme		13.1	-	-	13.1
Tax adjustment ¹		8.6			8.6
Balance as at 31 December 2013	(2,190.5)	526.4	129.8	4,826.9	3,292.6

¹ In the period ended 31 December 2013 the Group successfully resolved an outstanding tax matter with the ATO relating to equity raising costs.

CSL Limited and its controlled entities
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2014

	Consolidated Entity	
	December 2014 US\$m	December 2013 US\$m
Notes		
Cash flows from Operating Activities		
Receipts from customers (inclusive of goods and services tax)	2,955.3	2,682.0
Payments to suppliers and employees (inclusive of goods and services tax)	(2,084.9)	(1,949.3)
	870.4	732.7
Interest received	6.5	10.8
Income taxes paid	(193.2)	(206.6)
Borrowing costs	(27.7)	(24.4)
Net cash inflow from operating activities	656.0	512.5
Cash flows from Investing Activities		
Proceeds from sale of property, plant and equipment	0.1	0.1
Payments for property, plant and equipment	(161.3)	(170.4)
Payments for intangible assets	(15.6)	(18.6)
Receipts from other financial assets	0.1	-
Net cash outflow from investing activities	(176.7)	(188.9)
Cash flows from Financing Activities		
Proceeds from issue of shares	28.4	13.1
Payment for shares bought back	(164.0)	(241.7)
Dividends paid	(268.4)	(255.8)
Proceeds from borrowings	9 494.1	100.0
Repayment of borrowings	9 (2.3)	(1.9)
Net cash inflow / (outflow) from financing activities	87.8	(386.3)
Net increase (decrease) in cash and cash equivalents	567.1	(62.7)
Cash and cash equivalents at the beginning of the period	606.2	759.8
Exchange rate variations on foreign cash and cash equivalent balances	(112.7)	(7.3)
Cash and cash equivalents at the end of the period	1,060.6	689.8
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	7 1,060.6	694.0
Bank overdrafts	-	(4.2)
	1,060.6	689.8

CSL Limited and its controlled entities

Notes to the financial statements

For the half-year ended 31 December 2014

1 Corporate Information

CSL Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL Limited and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of the directors on 11 February 2015.

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

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of Accounting

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of CSL Limited as at 30 June 2014.

It is also recommended that the half-year financial report be considered together with any public announcements made by CSL Limited and its controlled entities during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under ASX listing rules.

(b) Basis of Preparation

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year financial report has been prepared under the historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The consolidated financial statements are presented in US Dollars which is the Group's presentation currency. US Dollars are used because they are the pharmaceutical industry standard currency for reporting purposes and the predominant currency of the worldwide sales and operating expenses of the Group.

(c) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations effective as of 1 July 2014.

New standards, interpretations and amendments adopted by the Company

The Company applies, for the first time, certain standards and amendments that require potentially restatement of previous financial statements. These include AASB 1031 *Materiality*, AASB 2012-3 *Interpretation 21 (Levies)*, AASB 2013-4 *Novation of Derivatives and Continuation of Hedge Accounting*, AASB 2013-5 *Investment Entities*, AASB 2013-9 *Conceptual Framework, Materiality and Financial Instruments*, and AASB 2014-1 *Amendments to Australian Accounting Standards*. None of the standards adopted for the first time in the current reporting period has resulted in a restatement of previous financial statements.

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2014

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(d) Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of CSL Limited and its subsidiaries as at 31 December 2014 ('the Group').

3 Segment Information

Reportable segments are:

- CSL Behring – manufactures, markets and develops plasma therapies (plasma products and recombinants).
- bioCSL – manufactures and distributes non-plasma biotherapeutic products.
- CSL Intellectual Property – revenue and associated expenses from the licensing of Intellectual Property generated by the Group to unrelated third parties and Research & Development expenses on projects where the company has yet to determine the ultimate commercialisation strategy.

Geographical areas of operation

The Group operates predominantly in three specific geographic areas, namely Australia, the United States of America, and Germany. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World' in note 3.

Segment Accounting Policies

Inter-segment sales are carried out on an arm's length basis and reflect current market prices. During the financial period, there were no changes in segment accounting policies.

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2014

3 Segment information (continued)

	CSL Behring December 2014 US\$m	bioCSL December 2014 US\$m	CSL Intellectual Property December 2014 US\$m	Intersegment Elimination December 2014 US\$m	Consolidated Group December 2014 US\$m
Sales to external customers	2,492.0	252.1	-	-	2,744.1
Inter-segment sales	-	-	-	-	-
Other revenue / Other income (excl interest income)	1.2	3.0	91.6	-	95.8
Total segment revenue	2,493.2	255.1	91.6	-	2,839.9
Interest income					7.3
Unallocated revenue / income					0.7
Consolidated revenue					2,847.9
Segment EBIT	860.0	3.0	42.5	-	905.5
Unallocated revenue / income less unallocated costs					(27.2)
Consolidated EBIT					878.3
Interest income					7.3
Finance costs					(28.6)
Consolidated profit before tax					857.0
Income tax expense					(164.8)
Consolidated net profit after tax					692.2
Amortisation	11.9	0.4	-	-	12.3
Depreciation	65.1	3.5	3.6	-	72.2
Segment EBITDA	937.0	6.9	46.1	-	990.0
Unallocated revenue / income less unallocated costs					(27.2)
Unallocated depreciation and amortisation					6.1
Consolidated EBITDA					968.9

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2014

3 Segment information (continued)

	CSL Behring December 2014 US\$m	bioCSL December 2014 US\$m	CSL Intellectual Property December 2014 US\$m	Intersegment Elimination December 2014 US\$m	Consolidated Group December 2014 US\$m
Segment assets	5,520.9	427.6	25.0	(159.1)	5,814.4
Other unallocated assets					1,840.2
Elimination of amounts between operating segments and unallocated					(1,131.3)
Total assets					6,523.3
Segment liabilities	2,101.9	196.6	3.8	(159.1)	2,143.2
Other unallocated liabilities					2,513.3
Elimination of amounts between operating segments and unallocated					(1,131.3)
Total liabilities					3,525.2
	CSL Behring December 2013 US\$m	bioCSL December 2013 US\$m	CSL Intellectual Property December 2013 US\$m	Intersegment Elimination December 2013 US\$m	Consolidated Group December 2013 US\$m
Sales to external customers	2,356.9	217.3	-	-	2,574.2
Inter-segment sales	-	-	-	-	-
Other revenue / Other income (excl interest income)	2.0	13.7	101.1	-	116.8
Total segment revenue	2,358.9	231.0	101.1	-	2691.0
Interest income					10.7
Unallocated revenue / income					-
Consolidated revenue					2,701.7
Segment EBIT	792.8	14.1	41.8	-	848.7
Unallocated revenue / income less unallocated costs					(30.7)
Consolidated EBIT					818.0
Interest income					10.7
Finance costs					(26.3)
Consolidated profit before tax					802.4
Income tax expense					(156.7)
Consolidated net profit after tax					645.7
Amortisation	15.0	-	-	-	15.0
Depreciation	62.6	6.9	3.5	-	73.0
Segment EBITDA	870.4	21.0	45.3	-	936.7
Unallocated revenue / income less unallocated costs					(30.7)
Unallocated depreciation and amortisation					6.2
Consolidated EBITDA					912.2

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2014

3 Segment information (continued)

	CSL Behring June 2014 US\$m	bioCSL June 2014 US\$m	CSL Intellectual Property June 2014 US\$m	Intersegment Elimination June 2014 US\$m	Consolidated Group June 2014 US\$m
Segment assets	5,486.3	378.4	24.2	(32.5)	5,856.4
Other unallocated assets					1,573.2
Elimination of amounts between operating segments and unallocated					(1,151.9)
Total assets					6,277.7
Segment liabilities	2,118.8	116.1	3.6	(32.5)	2,206.0
Other unallocated liabilities					2,061.6
Elimination of amounts between operating segments and unallocated					(1,151.9)
Total liabilities					3,115.7

Geographic areas	Australia US\$m	United States US\$m	Germany US\$m	Rest of world US\$m	Total US\$m
December 2014					
External sales revenue	288.0	1,029.6	415.3	1,011.2	2,744.1
December 2013					
External sales revenue	272.5	979.2	387.7	934.8	2,574.2

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2014

4 Revenue, Income and Expenses from continuing operations

	Consolidated Entity	
	December	December
	2014	2013
	US\$m	US\$m
(a) Other Revenue		
Interest income	7.3	10.7
Royalties	64.7	78.7
Other revenue	31.8	38.1
Total other revenues	103.8	127.5
(b) Finance Costs	28.6	26.3
(c) Other Expenses		
General and administration expenses:		
<p>During the half-year ended 31 December 2014, general and administration expenses have decreased due to the settlement of the antitrust class action litigation which was expensed in the prior comparative period.</p>		
Expense of share based payments	22.1	20.4
Amortisation of intangibles	12.3	15.0
Other relevant expenses		
Depreciation and amortisation of property, plant and equipment	78.3	79.2
Net foreign exchange losses	4.9	15.1

5 Income Tax

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 expense	857.0	802.4
Income tax calculated at 30%	257.1	240.7
Tax effect of non-assessable / non-deductible items:		
Research and development	(5.2)	(8.7)
Other (non-assessable revenue) / non-deductible expenses	2.7	(0.2)
Effects of different rates of tax on overseas income	(70.1)	(73.5)
Under / (over) provision in prior year	(19.7)	(1.6)
Income tax expense	164.8	156.7

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2014

6 Earnings Per Share

	Consolidated Entity	
	December	December
	2014	2013
	US\$m	US\$m
The following reflects the income and share information used in the calculation of basic and diluted earnings per share:		
Earnings used in calculating basic earnings per share	692.2	645.7
<hr/>		
	Number of shares	
	December	December
	2014	2013
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	474,204,685	485,354,422
Effect of dilutive securities:		
Employee share options	669,295	688,737
Employee performance rights	873,115	865,677
Global employee share plan (GESP)	20,670	4,199
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share:	475,767,765	486,913,035

Refer to note 10 for a reconciliation of the movement in issued shares.

Conversions, calls, subscription or issues after 31 December 2014

Subsequent to the reporting date there were 41,968 ordinary shares issued, as required under the Employee Performance Rights Plan.

7 Cash and cash equivalents

	Consolidated Entity	
	December	June
	2014	2014
	US\$m	US\$m
Cash at bank and on hand	303.0	393.0
Cash deposits	757.6	215.7
Total cash and cash equivalents	1,060.6	608.7

8 Property, Plant and Equipment

During the half-year ended 31 December 2014, the Group acquired assets with a cost of \$157.2m (2013: \$164.9m).

CSL Limited and its controlled entities
Notes to the financial statements
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9 Borrowings and repayments

For the half year ended 31 December 2014, the Group has repaid \$2.3m of interest bearing debt related to finance lease repayments and received proceeds totalling \$494.1m comprising a \$50.0m drawdown on an existing 3rd party debt facility and €350.0m (\$444.1m) from a new private placement effective in November 2014.

As at balance date the Group had \$141.1m in undrawn liquidity available under its bank debt facilities.

10 Contributed Equity

	Consolidated Entity	
	December 2014 US\$m	June 2014 US\$m
Ordinary shares issued and fully paid	-	-
Share buy-back reserve	(2,912.1)	(2,797.8)
Total contributed equity	(2,912.1)	(2,797.8)

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

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

Movements in the contributed equity

	Number of Shares	US\$m
Ordinary shares		
Balance as at 1 July 2014	474,788,269	(2,797.8)
Shares issued to employees via:		
- Performance Option Plan	838,257	24.7
- Performance Rights Plan (for nil consideration)	246,928	-
- Global Employee Share Plan (GESp)	64,668	3.7
Share buy-back, inclusive of cost	(2,085,937)	(142.7)
Balance as at 31 December 2014	473,852,185	(2,912.1)

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11 Reserves

	Consolidated Entity	
	December 2014 US\$m	June 2014 US\$m
<i>Composition</i>		
Share based payments reserve	141.9	138.8
Foreign currency translation reserve	173.8	599.5
Total reserves	315.7	738.3

12 Dividends

	Consolidated Entity	
	December 2014 US\$m	December 2013 US\$m
<i>Ordinary shares</i>		
Dividends provided for or paid during the half-year	268.4	255.8

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 58.0 US cents (2013 – 53.0 US cents) per fully paid ordinary share, unfranked. The proposed interim dividend is expected to be paid on 10 April 2015. Based on the number of shares on issue as at reporting date, the aggregate amount of the proposed dividend would be:

274.8	256.6
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The actual aggregate dividend amount paid out of profits will be dependent on the actual number of shares on issue at dividend record date.

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13 NTA Backing

	December	June
	2014	2014
	US\$	US\$
Net tangible asset backing per ordinary security	4.53	4.71

14 Retirement Benefit Liabilities

The Group sponsors a range of defined benefit pension plans that provide either a lump sum or ongoing pension benefits for its worldwide employees upon retirement. Entities of the Group who operate the defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice. Full details of the Group's plans can be found in the June 2014 Financial Statements.

For the half year ended 31 December 2014, the net liability for defined benefit obligations increased by \$48.9m. The increase in net liability is largely the result of changes in the discount rates (December 2014: 1.83%, June 2014: 2.40%) used by plan actuaries to value the defined benefit obligation. The effect of changes in discount rates is included directly in equity and does not affect the profit and loss for the period. Other factors that can affect the net liability include contributions received, benefits paid and currency translation differences, however these factors did not have a material impact in the six months to December 2014.

15 Share Based Payment Plans

(a) Long Term Incentives

On 1 October 2014, 167,697 performance rights and 191,454 performance options were granted to senior executives under the CSL Performance Rights Plan. The exercise price for the performance rights is nil, the exercise price for the performance options is A\$73.93. The performance rights and options will become exercisable on 30 September 2018. The fair value of the performance rights and performance options granted is estimated at the date of grant using an adjusted form of the Black-Scholes model, taking into account the terms and conditions upon which the performance rights and performance options were granted.

Performance rights granted in October 2014 have two performance hurdles. One tranche will be tested against an Earnings per Share (EPS) hurdle and will vest on a sliding scale with 35% of the rights vesting if the Group achieves 8% compound annual growth in USD denominated EPS over the vesting period rising to 100% if the compound annual growth rate achieves 13% and to 125% if the compound annual growth rates achieves 15%. A further tranche will be tested against a cohort of like global Pharmaceutical and Biotechnology companies that have manufacturing operations, a research and development pipeline and a comparable market capitalisation. 50% of this tranche will vest where CSL's performance is at the 50th percentile with 100% vesting at the 75th percentile.

Options, which are granted to US based key management personnel only, have no performance hurdles.

The following table lists the inputs into the model used for performance rights and options issued in the half-year ended 31 December 2014:

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	December 2014
Dividend yield (%)	2.0%
Expected volatility (%)	20.0%
Risk-free interest rate (%)	2.9%
<i>Fair Value of Performance rights</i>	
EPS tested tranche	A\$47.69
rTSR tested tranche	A\$68.64
<i>Fair Value of Performance options</i>	A\$12.29

(b) Executive Deferred Incentive Plan (EDIP)

On 1 October 2014, 268,760 notional shares were granted to employees under the EDIP. This plan provides for a grant of notional shares which will generate a cash payment to participants in three years time, provided they are still employed by the company and receive a satisfactory performance review over that period. The amount of the cash payment will be determined by reference to the CSL share price immediately before the three year anniversary.

The following table lists the inputs to the model used for grant issued in the half-year ended 31 December 2014:

	December 2014
Dividend yield (%)	1.5%
Fair Value of grants at reporting date, adjusted for the dividend yield and the number of days left in the vesting period	A\$86.68

16 Commitments and contingencies

(a) Capital commitments

	December 2014	June 2014
	US\$m	US\$m
During the half year, the capital expenditure contracted for but not provided for in the financial statements, payable:		
Not later than one year	116.4	99.3
Later than one year but not later than five years	7.2	1.1
Later than five years	-	-
	123.6	100.4

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(b) Contingent assets and liabilities

Litigation

The Group is involved in litigation in the ordinary course of business.

The Group believes that future payment of a material amount in respect of current litigation is remote.

(c) Contingent acquisition

On October 27th 2014 CSL announced that it had agreed to acquire Novartis' global influenza vaccine business for US\$275m. Final settlement of the transaction, which remains subject to regulatory approval, is expected to occur on or about 31 December 2015. The business will be combined with bioCSL.

CSL Limited

Directors' Declarations

The directors declare that:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Made in accordance with a resolution of directors.

John Shine AO
Chairman

Paul Perreault
Managing Director

Melbourne
11 February 2014

To the members of CSL Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CSL Limited, which comprises the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of CSL Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CSL Limited is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Ernst & Young

Glenn Carmody
Partner
Melbourne
11 February 2015