Acquisition of Novartis' Influenza Vaccines Business

27th October 2014

CSL™

Legal Notice

Forward looking statements

The materials in this presentation speak only as of the date of these materials, and include forward looking statements about CSL Limited and its related bodies corporate (CSL) financial results and estimates, business prospects and products in research, all of which involve substantial risks and uncertainties, many of which are outside the control of, and are unknown to, CSL. You can identify these forward looking statements by the fact that they use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “may,” “assume,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Factors that could cause actual results to differ materially include: the success of research and development activities, decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; competitive developments affecting our products; the ability to successfully market new and existing products; difficulties or delays in manufacturing; trade buying patterns and fluctuations in interest and currency exchange rates; legislation or regulations that affect product production, distribution, pricing, reimbursement, access or tax; litigation or government investigations, and CSL’s ability to protect its patents and other intellectual property. The statements being made in this presentation do not constitute an offer to sell, or solicitation of an offer to buy, any securities of CSL.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including CSL). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

Subject to any continuing obligations under applicable law or any relevant listing rules of the Australian Securities Exchange, CSL disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of CSL since the date of these materials.

Trademarks

Except where otherwise noted, brand names designated by a ™ or ® throughout this presentation are trademarks either owned by and/or licensed to CSL or its affiliates.

Acquisition of Novartis' influenza vaccines business for US$275 million

- Attractive opportunity to create leading global position
- Scale economies, product differentiation and pandemic preparedness contracts to drive sales growth and robust margins
- State-of-the-art facilities with substantial capacity to support growth
- Significant value creation potential for CSL and enhanced strategic optionality for bioCSL

CSL™

Combined business well placed for growth

- #2 position in global influenza vaccine industry
- Combined influenza vaccine sales expected to approach US$1 billion in 3 to 5 years
- Well positioned for growth following recent significant investment
  - ✓ State-of-the-art facilities in Holly Springs, US and Liverpool, UK
  - ✓ Diversified, late stage pipeline
- Significant pandemic preparedness contracts, including US and UK
- Synergies estimated at US$75 million pa by FY20

CSL™

Influenza vaccine industry dynamics

- US$4 billion global industry for seasonal influenza vaccine
- In typical year:
  - 5-20% of the global population contract influenza
  - 3-5 million cases of severe illness
  - 300,000-500,000 deaths
- Industry currently shifting from TIV to QIV
- Governments increasingly focused on local production for pandemic preparedness

Current bioCSL influenza business transforming

- Anticipate FY15 Northern Hemisphere sales of ~22 million doses vs 18 million doses in FY14
- Established commercial infrastructure in US, achieving 45% volume growth in FY15
- FDA approval of first needle-free delivery system for inactivated influenza vaccine
- New product registrations in Europe
- Commenced clinical trials for QIV
- Focusing on speed to market and operational efficiencies

CSL™

Differentiated product portfolio

Fluad™

- Differentiated, adjuvanted influenza vaccine
- Currently registered outside US for 65yr+
- Manufactured in Liverpool, UK

FLUCELVAX Influenza Virus Vaccine

- Cell-culture influenza vaccine
- Currently registered for 18yr+
- Holly Springs, US, licensed for seasonal production in 2014

afluria INFLUENZA VACCINE

Fluvax®

- Existing bioCSL influenza vaccine
- Currently indicated for 5yr+
- Manufactured in Parkville, Australia

CSL™

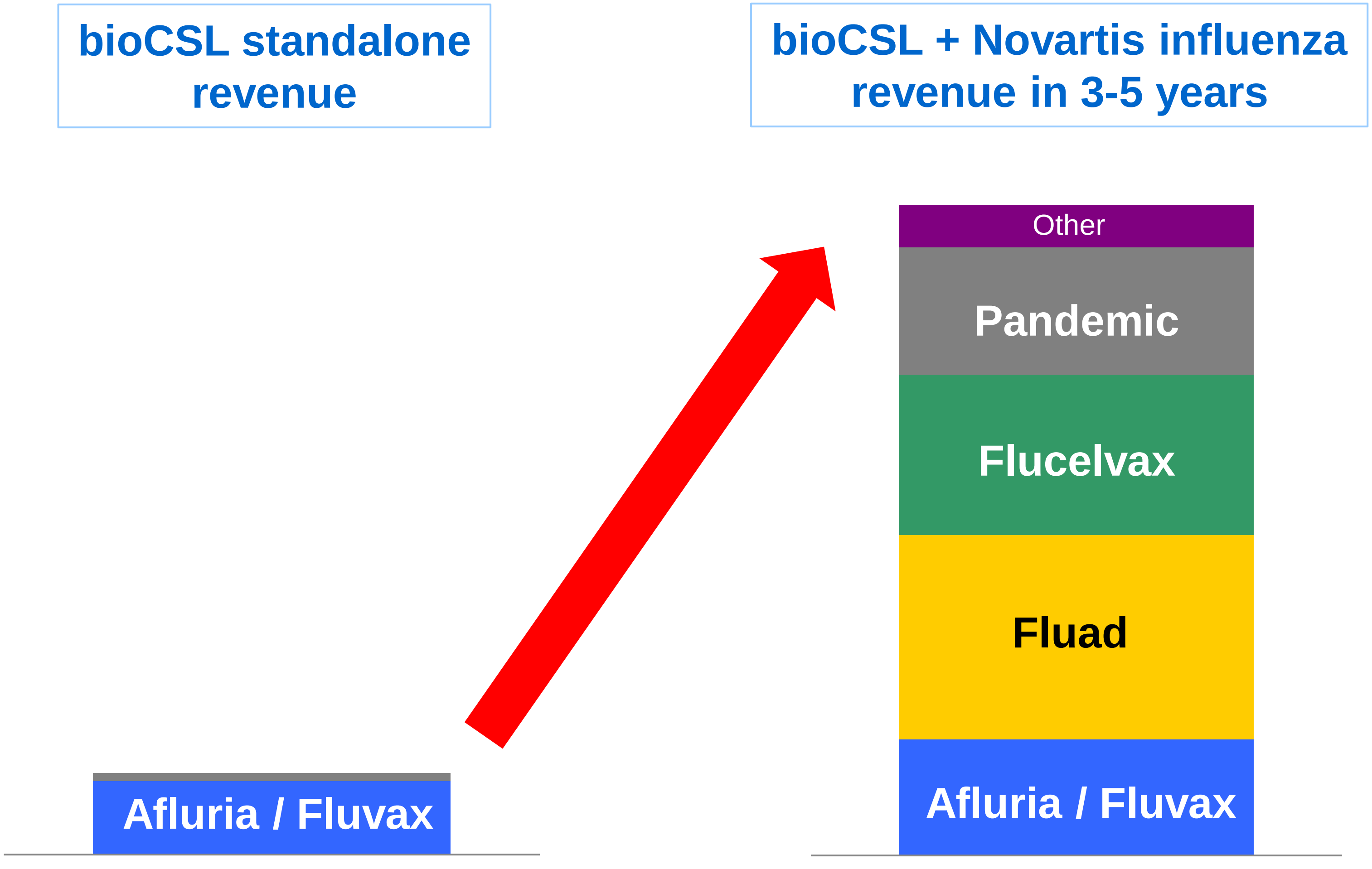
Key R&D Programs Well Advanced

Fluad™	TIV	Filing	• Filing in 2014
FLUCELVAX Influenza Virus Vaccine	TIV	Phase III	• PIII completing 2014 • Expand age (18yr+ to 4yr+)
	aQIV	Phase III	• Adjuvanted QIV • Filing in 2015+
	QIVc	Phase III	• Cell culture QIV • Filing in 2015+
afluria INFLUENZA VACCINE / Fluvax®	QIV	Phase III	• Age 18yr+ • Filing 2015
	QIV	Phase III	• Age 5yr+ • Filing 2016
	QIV	Phase III	• Age 6mo+ • Filing 2017

bioCSL Product (green) Novartis Product (blue)

CSL

Medium term product portfolio expansion



Addition of state-of-the-art cell culture and egg based manufacturing capabilities

Holly Springs, US


Liverpool, UK

Overall Network

- Pandemic and seasonal capacity
- State-of-the-art facilities

Holly Springs, US

- Cell culture production, first major advancement in influenza production in over 40 years
- Result of joint partnership with US Department of Health and Human Services
- Capacity of 50m seasonal doses

Liverpool, UK

- Egg-based production
- UK's only injectable flu vaccine facility
- Capacity of 40m seasonal doses

Marburg, Germany

- Vaccine-sparing MF59 vaccine adjuvant, shown to enhance immune response

CSL™

Key Novartis influenza vaccine business financials

Key P&L Items 12 Months to 31 Dec 2013	
Net Sales	US$527 million
R&D	US$144 million
EBITDA(1)	(US$138 million)

Key Balance Sheet Items as at 31 Dec 2013	
PP&E	US$687 million
Inventory	US$90 million

(1) Equivalent to operating income before depreciation and amortisation

CSL™

Financial impacts

- Fair value of net assets acquired expected to exceed consideration, resulting in a one-off accounting gain
- Financial impacts
  - Including accounting gain on acquisition, accretive in FY16
  - Accretive within 2-3 years
  - Synergies of US$75 million per annum by FY20
  - Integration costs of US$100 million predominantly in FY16
- Funding
  - Funding through surplus cash
  - No impact on A$950 million buyback announced at AGM
  - Acquisition expected to close during second half of CY15
  - Transaction costs in FY15

CSL™