



ASX Announcement

For immediate release

27 October 2014

CSL to acquire Novartis influenza vaccine business

CSL Limited (ASX:CSL; USOTC:CSLLY) today announced that it has agreed to acquire Novartis' global influenza vaccine business for US\$275 million. The business will be combined with CSL's subsidiary, bioCSL.

Combining bioCSL's existing influenza vaccine operations with the Novartis business will create the number two global player in the US\$4 billion global influenza vaccine industry, with manufacturing plants in the US, UK, Germany and Australia, a diversified product portfolio and strong pre-pandemic and pandemic franchises in its major centres of operation.

The combined business will have a strong growth profile and is expected to achieve sales approaching US\$1 billion per annum over the next 3 to 5 years.

The Novartis influenza vaccine business is one of the largest in the world, with net sales in the 12 months to 31 December 2013 of US\$527 million. The business has state-of-the-art manufacturing facilities and a diversified, late stage product pipeline.

CSL Managing Director and Chief Executive Officer, Mr Paul Perreault, today said, "The Novartis influenza vaccine business provides bioCSL with a global leadership position in an attractive sector we understand intimately. It will transform bioCSL by giving it first class facilities and global scale as well as product and geographic diversity.

"CSL has demonstrated its ability to make the most of specialist pharmaceutical acquisitions in areas we know well and this transaction has the potential to create a global platform for bioCSL that is comparable in many aspects to our global protein science business".

Final settlement of the transaction is expected to occur in the second half of calendar year 2015, subject to regulatory approval.

Acquisition synergies are estimated to reach US\$75 million per annum by fiscal year 2020. Integration costs are estimated at \$US100 million, accruing predominantly in fiscal year 2016.

The acquisition is expected to be funded through surplus cash and is not expected to impact the share buy-back program announced at the Company's Annual General Meeting in October 2014.



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Media and analyst briefings

CSL's Chief Executive Officer, Mr Paul Perreault will host the following briefings today (AEDT):

10.15am media conference call

Australia: 1800 908 299
International: +612 9007 8048
Conference ID No: 854967

11.00am analyst conference call

Australia: 1800 908 299
International: +612 9007 8048
Conference ID No: 290247

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