

CSL LIMITED
HALF YEAR REPORT
2010-2011



CSL™

Chairman's Report

Dear Shareholder,

I am pleased to report a net profit after tax of \$500 million for the half year ended 31 December 2010. This result has been achieved despite an unfavourable \$47 million foreign exchange impact and without the one-off contribution from pandemic influenza vaccine (H₁N₁) sales in the same period last year.

Underlying[†] CSL Group sales revenue increased 7% to \$2.1 billion and cash flow from operations was \$408 million. At the end of the half year, our balance sheet was sound with \$719 million in cash and equivalents and interest bearing liabilities of \$384 million.

Dividend to Shareholders

An interim unfranked dividend of 35 cents per share is payable on 8 April 2011.



ELIZABETH ALEXANDER, CHAIRMAN

Half Year Financial Results

CSL Group Results

HALF YEAR ENDED DECEMBER	2009		2010		CHANGE [‡]
	REPORTED	UNDERLYING [*]	REPORTED	CONSTANT CURRENCY [†]	
\$ MILLIONS					%
Sales	2,317.4	2,157.3	2,116.3	2,300.4	7%
Other Revenue / Income	97.6	97.6	74.6	78.2	
Total Revenue / Income	2,415.0	2,254.9	2,190.9	2,378.6	
Earnings before Interest, Tax, Depreciation and Amortisation	874.5	751.1	718.7	784.5	4%
Depreciation / Amortisation	78.4	78.3	82.6	88.3	
Earnings before Interest and Tax	796.1	672.8	636.1	696.2	3%
Net Interest Expense / (Income)	(15.2)	(15.2)	(10.9)	(10.9)	
Tax Expense	193.9	157.0	146.8	160.2	
Net Profit after Tax	617.4	531.0	500.2	546.9	3%
Interim Dividend (cents)	35.00		35.00		
Basic EPS (cents)	106.34		91.45		

* Excludes the one-off impact of pandemic influenza vaccine (H₁N₁).

† Constant currency removes the impact of exchange rate movements to facilitate comparability.

‡ The percentage change compares 2010 constant currency results with 2009 underlying results.

Our underlying¹ business has continued to grow. We have reached a number of important milestones in the development of our existing portfolio that will support continued growth. These include licensing into new geographic and patient markets. Given the challenges of currency headwinds, Government health care reforms and continuing weak economic conditions in a number of countries where we operate, this is a noteworthy achievement.

Announced on 18 August 2010, our on-market share buyback of up to \$900 million² is now more than 52% complete with 13,711,175 shares repurchased as at 15 March 2011 for approximately \$470 million. The benefit to shareholders comes through improved investment return ratios, such as earnings per share and return on equity.

Your Directors have announced an interim unfranked dividend of 35 cents per share, payable to shareholders on 8 April 2011.

BUSINESS GROUP PERFORMANCE

In constant currency³, CSL Behring sales revenue increased 8% to US\$1.6 billion compared to the same period last year, underpinned by a 22% growth in sales of immunoglobulins. Approximately half of this growth has been driven by increased volume of our intravenous immunoglobulins and the balance has come from a shift in sales mix along with the strong demand for Hizentra[®], our next generation subcutaneous immunoglobulin.

Also contributing to our result was a 5% increase in our critical care product sales in constant currency³, underpinned by albumin volume growth, particularly in the US and China. Specialty products, and Berinert[®] P (C-1 esterase inhibitor) in particular, also made a significant contribution. Sales of haemophilia therapies (down 2% in constant currency³) were affected by competitive pressure, particularly in Europe, and by additional rebates payable by CSL Behring as a result of an increase in patients covered by Medicaid in the US.

CSL Biotherapies underlying¹ sales revenue grew 4% to \$375 million compared to the same period last year which benefited from a one-off contribution of \$160 million from pandemic influenza vaccine (H₁N₁) sales. Underlying¹ growth driven by our Australian plasma therapies business was partly

offset by the delayed entry of our seasonal influenza vaccine into the US market and our non-participation in the paediatric influenza vaccine market.

BUSINESS DEVELOPMENT

On 16 July 2010, CSL announced a major biotechnology project at our Broadmeadows manufacturing facility in Melbourne, Australia and the construction commenced in November. The centrepiece of the project is the creation of Victoria's first large scale biotechnology facility for the late stage development of new therapies for cancer, bleeding disorders and inflammation.

On 18 August 2010, the US FDA approved a supplemental Biologics License Application to extend the shelf life of Hizentra[®] from 18 to 24 months. The first and only 20% subcutaneous immunoglobulin approved in the US by the FDA, Hizentra[®] can be stored at room temperature. Subcutaneous immunoglobulin replacement therapy provides Primary Immune Deficiency patients with the convenience of self infusion in their own homes as well as greater portability.

In October 2010, Australia's Therapeutics Goods Administration (TGA) approved extension of the indications for GARDASIL^{®4} to include males up to 26 years of age for the prevention of external genital lesions and infection caused by human papillomavirus (HPV). In November 2010, CSL submitted an application in Australia for the government funding of GARDASIL^{®4} to include males in the National Immunisation Program.

In December 2010, the US FDA approved GARDASIL^{®4} for prevention of anal cancer and anal intraepithelial neoplasia (AIN) grades 1, 2 and 3 (anal dysplasia's and precancerous lesions) caused by HPV in males and females 9 to 26 years of age. CSL has submitted data to the Australian Therapeutic Goods Administration (TGA) to support the licensing of GARDASIL^{®4} in Australia for prevention of anal cancer and AIN.

On 27 January this year, CSL Behring announced that Israel had granted national marketing authorisation for Berinert[®] (C1-esterase inhibitor) for the treatment of acute hereditary

angioedema (HAE) attacks. Berinert® is now licensed in 30 countries including Australia and Japan, and markets in Europe, North and South America.

CSL has signed a worldwide research License and Option Agreement that grants Pfizer Inc., certain rights and options for CSL's ISCOMATRIX® adjuvant. Building on the License and Option Agreement signed by CSL and Wyeth in 2006 (and following Pfizer's acquisition of Wyeth) the new agreement significantly expands the scope for the use of ISCOMATRIX® adjuvant in Pfizer's pipeline of investigational vaccine products for infectious diseases and other indications.

CORPORATE RESPONSIBILITY REPORT

On 1 February 2011, CSL released its second Corporate Responsibility Report which provides a comprehensive account of our economic, social and environmental performance in 2009-2010. The report details our achievements and challenges across corporate responsibility priority areas and is available on CSL's website: www.csl.com.au. I encourage you to read the Report and to provide us with feedback about its contents.

BUSINESS OUTLOOK

Trading conditions in the second half of this year are expected to remain similar. CSL remains well positioned with a broad portfolio of products, global market reach, and a very strong balance sheet.



Elizabeth Alexander, Chairman
March 2011

¹ Excludes the one-off contribution from the sale of pandemic influenza vaccine (H₁N₁) in the prior comparable period and the impact of exchange rate movements in the period under review.

² CSL reserves the right to suspend or terminate the buyback at any time.

³ Constant currency removes the impact of exchange rate movements to facilitate comparability.

⁴ GARDASIL® is a trademark of Merck & Co. Inc.

Shareholder Information

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street Abbotsford VIC 3067
Postal Address: GPO Box 2975 Melbourne VIC 3001

Enquiries within Australia: 1800 646 882
Enquiries outside Australia: 61 3 9415 4178
Investor enquiries facsimile: 61 3 9473 2500
Website: www.investorcentre.com
Email: web.queries@computershare.com.au

Shareholders with enquiries should email, telephone or write to the Share Registry at the above address.

Separate shareholdings may be consolidated by advising the Share Registry in writing or by completing a Request to Consolidate Holdings form which can be found online at the above website.

Change of address should be notified to the Share Registry online via the Investor Centre at www.investorcentre.com, by telephone or in writing without delay. Shareholders who are broker sponsored on the CHESS sub-register must notify their sponsoring broker of a change of address.

Direct payment of dividends into a nominated account may be arranged with the Share Registry. Shareholders are encouraged to use this option by providing a payment instruction online via the Investor Centre at www.investorcentre.com or by obtaining a direct credit form from the Share Registry or by advising the Share Registry in writing with particulars.

The Annual General Meeting will be held at the Function Centre, National Tennis Centre, Melbourne Park, Batman Avenue, Melbourne at 10:00am on Wednesday 19 October 2011.

There is a public car park adjacent to the Function Centre that will be available to shareholders at no charge.

For more detailed information on results

Visit our website: <http://www.csl.com.au/investors>

Cover

Maggie Aziz works in Research and Development at CSL's Parkville site in Australia.

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