



ASX Announcement

For immediate release

12 February 2014

Half Year Result 1H 2014 US Settlement Impacts Half Year Profit Exceptional Performance in Specialty Products Full Year Profit Guidance Re-Affirmed

CSL Limited (ASX:CSL) today announced a net profit after tax (NPAT) of US\$646 million for the six months ended 31 December 2013, up US\$21 million or 3% on a reported basis when compared to the prior comparable period (PCP). The result included a one-off U.S. antitrust class action litigation settlement of US\$64 million, or US\$39 million after tax.

KEY ITEMS

Financial

- Revenue US\$2,691 million, up 5% on PCP
 - *Up 6% at constant currency¹*
- EBIT US\$818 million, up 5%
 - *Up 2% at constant currency*
- NPAT US\$646 million, up 3% on PCP
 - *Up 2% at constant currency*
- Research and development investment increased to US\$229 million
- Interim dividend² increased to US\$0.53 per share, unfranked for Australian tax purposes, payable on 4 April 2014
 - *Converted to Australian currency, interim dividend increased to approximately A\$0.59 per share, up 21% on PCP*

Operational

- Hizentra[®] (subcutaneous immunoglobulin)
 - *U.S. approval for bi-weekly administration*

¹ Constant currency removes the impact of exchange rate movements to facilitate comparability. See end note (#) for further detail.

² For shareholders with an Australian registered address, dividends will be paid in A\$ at an amount of A\$0.588830 per share (at an exchange rate of A\$1.1110/US\$1.00), and for shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ\$0.639021 per share (at an exchange rate of NZ\$1.2057/US\$1.00). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US\$.

- Japanese approval for treatment of primary immune deficiency and secondary immune deficiency
- Kcentra® (4 factor pro-thrombin complex concentrate) - approved by U.S. FDA for surgical use
- CSL 362 (acute myeloid leukaemia) – license agreement with Janssen Biotech, Inc.
- CSL 112 (acute coronary syndrome) – global phase IIb clinical trial commencing in 2014
- Alpha-1 (hereditary lung / liver disease) – innovative diagnostic test kit launched
- A\$950 million share buyback³ 22% complete
- Agreement to settle U.S. antitrust class action litigation
- Establishing a sponsored Level 1 American Depository Receipts program

CSL Chief Executive Officer and Managing Director, Paul Perreault said “The underlying result is solid and I’m also very pleased with the progress we’ve made in bringing new products to market and with the advances in our research and development pipeline. We’ve also been able to remove the risk and distraction associated with the U.S. antitrust class action litigation.”

“The Company’s specialty products again performed exceptionally well, led by a very successful rollout of Kcentra® in the U.S. Our subcutaneous immunoglobulin, Hizentra®, continues to be in strong demand,” Mr Perreault said.

OPERATING REVIEW

CSL Behring sales of US\$2.4 billion grew 6% in constant currency terms, when compared to the prior comparable period.

Immunoglobulin product sales of US\$1,085 million grew 7% in constant currency terms in a global market that remains robust. Demand for subcutaneous immunoglobulin (SCIG) was strong in both the U.S. and Europe. Hizentra® offers patients the convenience of self administration at home.

Intravenous immunoglobulin sales growth was underpinned by strong demand for Carimune® in the US and Brazil. Privigen® also contributed to growth, benefiting from a

³ CSL reserves the right to suspend or terminate buy-backs at any time.

full six months of sales with an expanded indication in Europe to include its use in the treatment of chronic inflammatory demyelinating polyneuropathy.

Albumin sales of US\$313 million grew 7% in constant currency terms. Albumin demand in Europe was solid, boosted by cautionary statements from the regulator in relation to the use of hydroxyethyl starches, which are sometimes used as an alternative to albumin. This growth follows a very strong prior comparable period, which was driven by sales in China.

Haemophilia product sales of US\$550 million declined 4% in constant currency terms. Humate® sales in the U.S. were strong arising from increased usage in surgery. However, this was offset by the conclusion of a number of treatment programs for immune tolerance therapy patients. In addition the timing of plasma derived haemophilia product sales in tender markets can be uneven. Recombinant factor VIII sales declined 1% in constant currency terms, influenced by the number of clinical trials underway for new generation recombinant factor VIII products where patients receive clinical trial products at no cost.

Specialty products sales of US\$403 million grew 16% in constant currency terms. In April 2013 the U.S. Food and Drug Administration (FDA) approved Kcentra® for urgent warfarin reversal in patients with acute major bleeding. This was followed in December 2013 with approval for an expanded indication to include the urgent reversal of acquired coagulation factor deficiency induced by vitamin K antagonist (e.g. warfarin) therapy in adult patients needing urgent surgery or other invasive procedures. These developments have underpinned strong growth in U.S. demand for Kcentra®. In August 2013 the U.S. Centres for Medicare and Medicaid Services approved a new technology add-on payment for Kcentra® recognising its significant clinical advancement for reversing the effects of warfarin in patients who experience acute major bleeding. Kcentra® was granted Orphan Drug Marketing Exclusivity for a period of 7 years effective December 2013 based on the approved surgical indication.

Strong demand continues for Berinert®, which is used for the treatment of acute attacks in patients with hereditary angioedema. The U.S. FDA approval in 2012 of a label expansion to include self administration is underpinning new patient take up.

bioCSL sales of US\$217 million declined 7% in constant currency terms. Influenza sales totalled A\$94 million. Strong demand in the US was more than offset by a reduction in

European sales following market exit by bioCSL's business partner in that region. GARDASIL* sales grew strongly arising from higher than expected uptake in Australia.

CSL Intellectual Property revenue was US\$101 million, driven by granting of a license to Janssen Biotech, Inc., to progress CSL's acute myeloid leukaemia product currently in development. Also contributing to growth were royalty contributions from Human Papillomavirus Vaccines.

OUTLOOK (at 12/13 exchange rates)

Commenting on CSL's outlook, Chief Executive Officer and Managing Director Paul Perreault said, "We are optimistic about continued demand for plasma therapies. Our current capacity expansions and product innovations put us in a good position for the future. Competition is vigorous but I believe our philosophy of sustainable continuous improvement in everything we do is fundamental to dealing with these pressures. Efficiency and productivity are key to our ongoing success.

I'm pleased to re-affirm our profit outlook. Net profit after tax growth for the current full financial year is expected to be approximately 7% at 2012/2013 exchange rates.

Earnings per share growth will exceed profit growth expectations as shareholders benefit from the ongoing effect of past and current share buybacks," Mr Perreault said.

In compiling the Company's financial forecasts for the year ending 30 June 2014 a number of key variables which may have a significant impact on guidance have been identified and these have been included in the footnote⁴ below.

Additional details about CSL's results are included in the Company's 4D statement, investor presentation slides and webcast, all of which can be found on the Company's website www.csl.com.au A glossary of medical terms can also be found on the website.

⁴ Key variables which may have a significant impact on guidance include material price and volume movements in plasma products, competitor activity, changes in healthcare regulations and reimbursement policies, royalties arising from the sale of Human Papillomavirus Vaccine, internationalisation of the Company's influenza vaccine sales and plasma therapy life cycle management strategies, enforcement of key intellectual property, regulatory risk, litigation, the effective tax rate and foreign exchange movements.



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* GARDASIL is a trademark of Merck & Co. Inc.

Group Results

US Dollars

Six months ended Dec US\$ Millions	Dec 2012 Reported	Dec 2013 Reported	Dec 2013 at CC [#]	Change %
Sales	2,482	2,574	2,595	4.5%
Other Revenue / Income	84	117	117	
Total Revenue / Income	2,567	2,691	2,713	5.7%
Earnings before Interest, Tax, Depreciation & Amortisation	881	912	897	1.8%
Depreciation/Amortisation	98	94	96	
Earnings before Interest and Tax	783	818	801	2.3%
Net Interest Expense / (Income)	7	16	14	
Tax Expense	151	157	151	
Net Profit after Tax	625	646	636	1.7%
Interim Dividend (US\$)	0.50	0.53		6.0%
Basic EPS (US\$)	1.24	1.33	1.31	5.4%

(#) **Constant currency** removes the impact of exchange rate movements to facilitate comparability by restating the current year's results at the prior year's rates. This is done in two 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 year ("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 year ("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	\$645.7m
Translation Currency Effect (a)	\$ (9.1m)
Transaction Currency Effect (b)	\$ (1.1m)
Constant Currency Net Profit after Tax *	\$635.5m

(a) Translation Currency Effect (\$9.1m)

Average Exchange rates used for calculation in major currencies (six months to Dec 13/Dec 12) were as follows: USD/EUR (0.75/0.79); USD/CHF(0.92/0.95)

(b) Transaction Currency Effect (\$1.1m)

Transaction currency effect is calculated by reference to the applicable prior year 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	\$2,574.2m
Currency Effect (c)	\$21.0 m
Constant Currency Sales *	\$2,595.2m

c) Constant Currency Effect \$21.0m

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.