



ASX Announcement

For immediate release

14 August 2013

Full Year Result FY2013

Reported Profit of US\$1,216m, up 19%

- ***Up 21% at constant currency¹***

Earnings per share US\$2.44, up 24%

- ***Up 26% at constant currency¹***

Final dividend lifted to US\$0.52 per share

- ***Total dividends for full year US\$1.02, up 18%***

Board to consider further share buyback of a similar amount to the current program

CSL Limited (ASX:CSL) today announced a net profit after tax (NPAT) of US\$1,216 million for the twelve months ended 30 June 2013, up US\$192 million or 19% on a reported basis when compared to the prior comparable period (PCP). The result included an unfavourable foreign exchange impact of US\$18 million. On a constant currency¹ basis, net profit after tax grew 21%, slightly ahead of guidance. Earnings per share grew 24%, benefiting from current and past capital management initiatives.

KEY ITEMS

Financial

- Sales US\$5.0 billion, up 7% on PCP
 - *Up 10% at constant currency¹*
- EBIT US\$1,486 million, up 17%
 - *Up 19% at constant currency*
 - *EBIT margin grew from 26.6% to 29.1%*
- Reported net profit after tax US\$1,216 million, up 19% on PCP
 - *Up 21% at constant currency*
- Reported earnings per share US\$2.44, up 24% on PCP
 - *Up 26% at constant currency*
- Research and development investment of US\$427 million, up 16% on PCP
- Cash flow from operations of US\$1,312 million, up 9% on PCP
- Strong balance sheet with cash on hand of US\$762 million

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

- Fully converted to US dollar reporting
- Final dividend² increased to US\$0.52 per share, unfranked for Australian tax purposes, payable on 4 October 2013
- Total ordinary dividends for the year increased to US\$1.02 per share, up 18% on PCP
 - Total ordinary dividends converted to Australian currency increased to A\$1.056 cents per share, up 27% on PCP

Operational

- Strong sales growth in immunoglobulins, albumin and specialty products
- Margin expansion arising from operational efficiencies and sales mix
- Stronger footprint in developing markets
- US approves Kcentra[™] for urgent warfarin reversal
- European approval of Privigen[®] for treatment of chronic immune demyelinating polyneuropathy
- Facilities expansion at US, European and Australian manufacturing sites
- Capital management
 - Current share buyback³ ~97% complete
 - US\$500m private placement complete
 - Dividend payment date brought forward
 - Board to consider further share buyback of a similar amount to the current program
- Australian plasma operations integrated with CSL Behring and bioCSL established for vaccines, pharmaceuticals and diagnostics

CSL Chief Executive Officer, Paul Perreault said “This is an excellent result and reflects the combined effort of many people across the Company, in particular our immediate past Chief Executive Officer, Dr Brian McNamee.”

² For shareholders with an Australian registered address, dividends will be paid in A\$ at an amount of A\$0.5698 per share (at an exchange rate of A\$1.0957/US\$1.0000), and for shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ\$0.6506 per share (at an exchange rate of NZ\$1.2511/US\$1.0000). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US\$.

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

“The Company’s core products of immunoglobulin and albumin have performed very well and we have strengthened our margins through a change in sales mix and a relentless pursuit of efficiency.”

“Our suite of specialty products grew strongly, supported by the registration in the US of Kcentra, a product used in the urgent reversal of anticoagulant warfarin in patients with acute major bleeding,” Mr Perreault said.

OPERATING REVIEW

CSL Behring sales of US\$4.5 billion grew 10% in constant currency terms, when compared to the prior comparable period.

Immunoglobulin product sales of US\$2,081 million grew 9% in constant currency terms. Demand for subcutaneous immunoglobulin (SCIG), lead by Hizentra[®], was particularly strong in both the US and Europe, growing 27% in constant currency terms, when compared to the prior comparable period. Hizentra[®] offers patients the convenience of self administration at home.

Intravenous immunoglobulin sales growth was led by strong demand for Privigen[®] in the US, somewhat offset by a price reduction for Carimune[®], which competes at the low price end of the market. Approved indications for Privigen[®] were expanded in April 2013 when the European Commission granted marketing authorisation for its use in the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP).

Albumin sales of US\$601 million grew 28% in constant currency terms. Growth was underpinned by demand in China, which was aided by domestic plasma supply interruptions. Improved distribution logistics in China also helped grow sales. In Europe sales of albumin were enhanced by a favourable re-evaluation of albumin usage in intensive care units.

Haemophilia product sales of US\$1,090 million grew 2% in constant currency terms. Plasma derived coagulation factors grew 5% in constant currency terms, led by Beriate[®], which grew 22% in volume of units sold, largely arising from stronger demand in Latin America, particularly Brazil. Sales from this volume growth, however, were offset to some extent by the ongoing geographic sales shift towards lower priced developing markets. Recombinant FVIII 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\$719 million grew 17% in constant currency terms. The changing paradigm for the treatment of peri-operative bleeding continued to underpin growth in demand for fibrinogen product Haemocomplettan® in Europe.

In April 2013 the US Food and Drug Administration (FDA) approved Kcentra™ for urgent warfarin reversal in patients with acute major bleeding. Kcentra™ is the first FDA approved 4-factor prothrombin complex concentrate for warfarin reversal in the US. It is marketed in more than 25 countries, including under the trade names of Beriplex® and Confidex® outside the US. Demand for Beriplex® grew well, particularly in Europe.

Robust demand continues for Berinert®, which is used for the treatment of acute attacks in patients with hereditary angioedema. In January 2013, Berinert® received US approval for self administration and use in the treatment of laryngeal attacks. Both indications contributed to the increased sales of the product.

bioCSL sales of US\$449 million grew 8% in constant currency terms, when compared to the prior comparable period. GARDASIL* sales were US\$57m, up strongly following the commencement of the vaccination program for boys in Australia. Influenza vaccine sales fell to US\$137 million in what has been a challenging year for this business. CSL's influenza vaccine is manufactured in Australia with the majority sold into the northern hemisphere. The Australian operating environment together with global influenza market dynamics, has put these sales and margins under significant competitive pressure.

CSL Intellectual Property revenue was US\$134 million, underpinned by solid growth in royalty contributions from Human Papillomavirus Vaccines.

Group EBIT margin⁴ grew from 26.6% to 29.1% driven by improved efficiencies and a change in sales mix across the portfolio of products.

⁴ EBIT margin is calculated by dividing earnings before interest and tax by total revenue.

OUTLOOK (at 12/13 exchange rates)

Commenting on CSL's outlook, CSL Chief Executive Officer Paul Perreault said, "Looking into 2014 we see trading conditions being tempered again by ongoing economic pressures. To meet this challenge we remain focussed on the patients who rely on our products. This focus underpins our strategic thinking, particularly in relation to product innovation and is complemented by our continued drive to instil an efficiency mindset right across the Company."

"Our research and development spend is forecast to grow faster than our growth in profit as we approach commercialisation of several recombinant coagulation products currently in development."

"This financial year we anticipate profit growth of approximately 10% at constant currency. Earnings per share growth will again exceed profit growth expectations as shareholders benefit from the ongoing effect of past and current share buybacks. I'm pleased to again foreshadow that following the completion of the current share buyback program the Board will consider new capital management initiatives which may include a further on-market share buyback program of a similar amount to the current program," 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 footnote⁵ below.

BOARD OF DIRECTORS

CSL today announced two changes to the Company's Board of Directors. Mr Ian Renard, AM, has indicated his intention to retire as a director of the Board, as at the conclusion of the Company's Annual General Meeting on 16 October 2013. Ms Marie

⁵ 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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McDonald has been appointed a Director of the Board, effective from 14 August 2013. For further information please see the separate ASX announcement.

The Company farewelled long-standing Chief Executive Officer Dr Brian McNamee, who stood down after 23 years of outstanding leadership. During Dr McNamee's tenure, CSL was listed on the Australian Securities Exchange and has grown to become a global specialty biopharmaceutical company and market leader in plasma protein therapies.

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.

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

Group Results

US Dollars

Twelve months ended June US\$ Millions	Jun 2012 Reported	Jun 2013 Reported	Jun 2013 Constant Currency [#]	Change %
Sales	4,616	4,950	5,056	9.5%
Other Revenue / Income	197	179	180	
Total Revenue / Income	4,813	5,129	5,236	
Earnings before Interest, Tax, Depreciation & Amortisation	1,446	1,687	1,717	18.7%
Depreciation/Amortisation	178	201	207	
Earnings before Interest and Tax	1,268	1,486	1,510	19.1%
Net Interest Expense / (Income)	(2)	18	18	
Tax Expense	246	251	258	
Net Profit after Tax	1,024	1,216	1,234	20.5%
Total Ordinary Dividends (US\$)	0.86	1.02		18%
Final Dividend (US\$)	0.49	0.52		
Basic EPS (US\$)	1.97	2.44	2.48	26%

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 comparing this with the actual profit of those entities for the current year; 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") and comparing this with the actual transaction recorded in the current year. 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	US\$ 1,216.3m
Translation currency effect (a)	US\$ 66.6m
Transaction currency effect (b)	US\$ (48.9)m
Constant currency net profit after tax*	US\$ 1,234.0m

a) Translation Currency Effect US\$66.6m

Average Exchange rates used for calculation in major currencies were as follows:

	Twelve months ended	
	Jun 12	Jun 13
USD/CHF	0.89	0.94
USD/EUR	0.74	0.77

b) Transaction Currency Effect US\$(48.9)m

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	US\$ 4,950.4m
Currency effect (c)	US\$ 105.0m
Constant currency sales *	US\$ 5,055.5m

c) Constant Currency Effect \$105m

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

* Constant currency net profit after tax and sales have not been audited or reviewed in accordance with Australian Auditing Standards