



ASX Announcement

For immediate release

13 February 2013

Interim Result

Reported profit of US\$627m, up 24%
Earnings per share US124.7¢, up 30%
Cash flow from operations of US\$670 million, up 24%
Dividends lifted to US50¢ per share, up 33%

CSL Limited (ASX:CSL) today announced a net profit after tax of US\$627 million for the six months ended 31 December 2012, up US\$123 million or 24% on a reported basis when compared to the prior comparable period (PCP). Earnings per share grew 30%, benefiting from current and past capital management initiatives.

KEY ITEMS

Financial

- Sales revenue US\$2.5 billion, up 7% on PCP
 - *Up 11% at Constant Currency¹*
- Reported net profit after tax US\$627 million, up 24% on PCP
 - *Up 25% at Constant Currency*
- Reported earnings per share US124.7¢, up 30% on PCP
- Research and development investment of US\$190 million, up 14% on PCP
- Cash flow from operations of US\$670 million, up 24% on PCP
- Strong balance sheet
- Interim dividend² increased to US50¢ per share, unfranked for Australian tax purposes, payable on 5 April 2013³.

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 A48.66¢ per share (at an exchange rate of A\$0.9732/US\$1.0000), and for shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ59.775¢ per share (at an exchange rate of NZ\$1.1955/US\$1.0000). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US\$. Exchange rate fixed at the date of dividend determination.

³ For further information see separate ASX announcement.

Operational

- Margin expansion arising from operational efficiencies
- Strengthening presence in emerging markets
- Australian operations reorganised
 - *CSL Behring, Broadmeadows* - plasma operations
 - *bioCSL* - vaccines, pharmaceutical and diagnostics businesses
- Facilities expansion – investing for growth
- Capital management
 - Current buyback⁴ ~21% complete
 - New US\$300m private placement foreshadowed

OUTLOOK (at 11/12 exchange rates)

Commenting on CSL's outlook, Dr McNamee said "It's been a very productive half year during which we have successfully strengthened our presence in emerging markets."

"Ongoing efficiency initiatives underpin much of our long term trend in margin improvement, with this first half benefiting from some expense phasing. Research and development investment in particular is planned to be skewed towards the second half of the financial year."

"Although global business conditions remain mixed, we are able to reaffirm our upgraded profit outlook. We continue to anticipate fiscal year 2013 net profit after tax to grow by approximately 20% at constant currency[#]. Earnings per share growth will again exceed profit growth as shareholders benefit from the ongoing effect of past and current capital management initiatives. This year we anticipate earnings per share growth of approximately 24%," Dr McNamee said.

In compiling the Company's financial forecasts for the year ending 30 June 2013 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.

⁴ CSL reserves the right to suspend or terminate buy-backs at any time.

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

BUSINESS REVIEW**Results overview**

CSL Behring sales of US\$1.96 billion grew 9% in constant currency terms, when compared to the prior comparable period.

Immunoglobulin sales of US\$912 million grew 10% in constant currency terms. Demand for Privigen® was particularly strong in the US. Demand for subcutaneous immunoglobulin (SCIG), lead by Hizentra®, was robust in both the US and Europe, growing 30% when compared to the prior comparable period. The Company's transitioning of patients from Vivaglobin® to new generation SCIG Hizentra® is now almost complete.

Albumin sales, excluding Asian sales⁶, of US\$163 million grew 8% in constant currency terms. Including Asian sales, albumin sales grew 27% at constant currency. Growth was underpinned by ongoing demand in China and the favourable re-evaluation of albumin usage in intensive care units in Europe.

Haemophilia product sales of US\$542 million grew 6% in constant currency terms. Volume growth for plasma derived factor VIII products was lead by Beriate®. Demand was particularly strong in Argentina, Poland and Brazil. This volume growth was offset to some extent by the ongoing geographic shift towards lower priced emerging markets.

Specialty products sales of US\$345 million grew 15% in constant currency terms. The changing paradigm for the treatment of peri-operative bleeding has underpinned growth in demand for fibrinogen product Haemocomplettan® in Europe. Demand for Beriplex®, human prothrombin concentrate used in the emergency reversal of anticoagulation, grew well, particularly in France. Robust demand continues in the US for Berinert®, which is used for the treatment of acute attacks in patients with hereditary angioedema.

Other Human Health sales of US\$518 million grew 19% in constant currency terms, when compared to the prior comparable period, or 9% excluding US\$117 million of albumin sales into Asia. CSL's Broadmeadow's plant contributed US\$137 million in plasma therapy sales. Also contributing to growth were influenza sales of US\$97 million,

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.

⁶ CSL Behring albumin products sold in Asia by CSL Biotherapies.

boosted by solid sales into northern hemisphere markets. GARDASIL* sales in Australia and New Zealand were US\$20m following growth in the Australian National Immunisation Program and private markets.

Intellectual Property Licensing revenue was US\$72 million, which is predominantly royalty contributions from Human Papillomavirus Vaccines.

Australian Operations Reorganised

The integration of the Australian plasma operations with CSL Behring previously announced is now complete. This action creates a single plasma business within the CSL group building on the scale and efficiencies achieved to date. It also leverages the new biotech and plasma manufacturing facilities at Broadmeadows now under construction.

The vaccines and pharmaceutical operations is now a stand-alone business unit within the CSL Group and operating under the name *bioCSL*.

Financial reporting of this new organisational structure will commence with the FY2013 results announcement in August 2013. To assist investors during the transition the Company intends to lodge with the Australian Securities Exchange in June this year the prior period financial segment numbers reflecting this change.

Appointment of Paul Perreault as Executive Director

CSL Limited is pleased to announce the appointment of Mr Paul Perreault to the CSL Limited Board as an Executive Director effective 13 February 2013. Mr Perreault currently holds the position of President, CSL Behring and, as announced on 3 August 2012, he will succeed Dr Brian McNamee as Managing Director of CSL on 1 July 2013.

The detailed announcement can be found on the company website at www.csl.com.au/investor

RESEARCH & DEVELOPMENT**Immunoglobulin***Hizentra®*

A new study conducted in Japan supports the previously demonstrated safety and efficacy of Hizentra® (Immune Globulin Subcutaneous, Human) for the treatment of primary immunodeficiency (PID). Hizentra is the first and only 20 percent subcutaneous immunoglobulin (SCIG) therapy in the world for the treatment of PID, a rare and serious group of diseases of the immune system. It is the first SCIG therapy to demonstrate safety and efficacy in Japanese subjects. Based on these excellent results, CSL Behring submitted the new drug application (NDA) for Hizentra to the Pharmaceutical and Medicines Devices Agency (PMDA) in Japan on 28 September, 2012.

The Phase III study, conducted in Japanese patients who converted from intravenous immunoglobulin (IVIG) treatment, found that a dose-equivalent switch to Hizentra therapy maintained serum IgG (immunoglobulin) at a similar level of trough concentration to previous IVIG therapy. Results showed that Hizentra provided effective passive immunity in adults and children to control most recurrent infections and improved patients' overall quality of life.

Haemophilia*rIX-FP*

On 21 January 2013, CSL announced that the first patient has been enrolled in the pivotal pediatric phase III study to evaluate the safety, efficacy and pharmacokinetics of recombinant fusion protein linking coagulation factor IX with recombinant albumin (rIX-FP) in previously treated children.

Results of a Phase I study evaluating recombinant fusion protein linking coagulation Factor IX with albumin (rIX-FP) in patients with severe hemophilia B were publicly presented earlier this year and published in BLOOD 2012 showing that rIX-FP achieved a 91.57 hours terminal half-life, incremental recovery of 1.376 (IU/dL) / (IU/kg), and clearance of 0.75 mL/h/kg. This was an extension in half-life of 5.3 times that of the current recombinant FIX therapy.

Specialty Plasma Products*Fibrinogen*

A Phase II study published in December 2012 in the journal *Anesthesiology* showed that human fibrinogen concentrate can significantly reduce the need for blood transfusion when given as an intra-operative, targeted first-line haemostatic therapy in bleeding patients undergoing aortic replacement surgery.

This is the world's largest randomized, double-blind, placebo-controlled study of fibrinogen concentrate therapy. Results suggest proactive, targeted treatment with fibrinogen concentrate may safely reduce the need for transfusions, restore clotting ability, and protect patients undergoing aortic surgery from the adverse events associated with donor blood transfusion.

FACILITIES EXPANSION – INVESTING FOR GROWTH

The Company is currently undertaking significant facilities expansion activities to support growth.

Recombinant Cell Culture Facility

Facility validation and preparation for regulatory approval is currently underway with clinical production targeted for later this year.

Privigen®

Construction of a 15 million gram capacity Privigen plant at the Company's Broadmeadow's facility in Australia is scheduled for completion in the second half of fiscal 2013. Facility commissioning and regulatory approvals will take place over the next 2 years with commercial start up expected in 2016.

Albumin & Base Fractionation

The Company's Kankakee, Bern & Marburg sites are being expanded to accommodate growth in demand for Albumin. Expansion of base fractionation capacity at Kankakee is targeted for completion in 2014.

Plasma

The Company's fleet of plasma collection centres was expanded with the opening of 4 collection centres in the USA with a further 6 centres scheduled for opening later this

year. In support of this growth the company is constructing a second plasma logistics centre in the USA and doubling the size of the existing plasma testing laboratory facility.

CAPITAL MANAGEMENT

Share Buyback

On 17 October 2012, CSL announced its intention to conduct an on-market share buyback of up to A\$900 million. Under the Australian Securities Exchange listing rules this buyback⁷ has a 12 month completion window. To date CSL has repurchased approximately 3.7 million shares for approximately \$190 million, representing ~21% of the intended buyback program.

CSL's balance sheet remains very sound. Cash and cash equivalents totalled \$757 million as at 31 December 2012 and net debt stands at \$371 million.

Capital management foreshadowed

During the second half of fiscal 2013 the Company intends to raise around US\$300 million via a new US private placement facility. These funds will be used to repay existing debt, fund CSL's capital management plan, including the on-market share buyback of up to A\$900 million announced at the 2012 Annual General Meeting, and for general corporate purposes. The tenor of the funds will be designed to facilitate a balanced long term debt maturity profile.

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.

⁷ CSL reserves the right to suspend or terminate buybacks at any time.



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

Group Results

US Dollars

Six months ended December US\$ Millions	Dec 2011 Reported	Dec 2012 Reported	Dec 2012 Constant Currency [#]	Change %
Sales	2,324	2,482	2,568	10.5%
Other Revenue / Income	91	84	84	
Total Revenue / Income	2,414	2,567	2,652	
Earnings before Interest, Tax, Depreciation & Amortisation	720	884	898	24.7%
Depreciation/Amortisation	86	98	102	
Earnings before Interest and Tax	634	786	796	25.6%
Net Interest Expense / (Income)	-	7	7	
Tax Expense	130	152	157	
Net Profit after Tax	504	627	632	25.4%
Interim Dividend (US cents)	37.57	50.00		
Basic EPS (US cents)	96.3	124.7	125.7	30.5%

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\$	626.9m
Translation Currency Effect (a)	US\$	60.5m
Transaction Currency Effect (b)	US\$	(55.6)m
Constant currency Net Profit after Tax*	US\$	631.8m

a) Translation Currency Effect US\$60.5m

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

	Six months ended	
	Dec 11	Dec 12
USD/CHF	0.85	0.95
USD/EUR	0.71	0.79

b) Transaction Currency Effect US\$(55.6)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	\$2,482.3m
Currency Effect (c)	\$85.3m
Constant Currency Sales *	\$2,567.6m

c) Constant Currency Effect \$85.3m

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