CSL Limited

ABN: 99 051 588 348

ASX Half-year Information
31 December 2012

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction
with the 30 June 2012 Annual Report.

Contents

CSL Limited
ABN: 99 051 588 348

Appendix 4D
Half-year ended 31 December 2012
(Previous corresponding period:
Half-year ended 31 December 2011)

Results for Announcement to the Market

Reported

- Revenues from continuing operations up 6.4% to US$2.58 billion.
- Net profit after tax for the period attributable to members up 24.3% to US$626.9m.

Constant Currency [1]

- Sales revenue at constant currency up 11% to US$2.6 billion.
- Net profit after tax for the period at constant currency up 25% to US$631.8 million.

Dividends

	Amount per security (US cents)	**Franked amount per security (US cents)**
Interim dividend (determined subsequent to balance date)	50.00¢	Unfranked*
Interim dividend from the previous corresponding period	37.57¢	Unfranked*
Final dividend (prior year)	48.92¢	Unfranked*
Record date for determining entitlements to the dividend:	12 March 2013	

***** Non-resident withholding tax is not payable on this dividend as it will be declared to be wholly conduit foreign income.

The Company's Dividend Reinvestment Plan remains suspended and does not apply to the interim dividend.

Explanation of results
For further explanation of the results please refer to the accompanying press release and “Review of Operations” in the Directors’ Report that is within the Half-year Report.

The half year financial statements are presented in US$ unless otherwise stated.

Other information required by Listing Rule 4.3A
The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached Half-year Report (which includes the Directors’ Report) and Media Release.

[1] 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.

<u>Summary NPAT</u>

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

<u>(a) Translation Currency Effect $60.5m</u>
Average Exchange rates used for calculation in major currencies (six months to Dec 12/Dec 11) were as follows: USD/EUR (0.79/0.71); USD/CHF(0.95/0.85)

<u>(b) Transaction Currency Effect $(55.6m)</u>
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.

<u>Summary Sales</u>

Reported Sales	$2,482.3m
Currency Effect (c)	$85.3 m
Constant Currency Sales *	$2,567.6m

<u>c) Constant Currency Effect $85.3m</u>
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.

CSL Limited
Half-year Report – 31 December 2012

Contents

This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2012 and any public announcements made by CSL Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. In particular refer to the ASX announcement on 23 October 2012, where the Company lodged sets of financial statements for the first half and full year financial 2012, restated in US Dollars. These restated financial statements in US dollars form the prior comparable period disclosures in the Interim Financial Report.

CSL Limited
Directors' Report

The Board of Directors of CSL Limited has pleasure in presenting their report on the consolidated entity for the half-year ended 31 December 2012.

Directors

The following persons were Directors of CSL Limited during the whole of the half-year and up to the date of this report:

Professor J Shine, AO (Chairman)
Dr B A McNamee, AO (Managing Director)
Mr J H Akehurst
Mr D W Anstice
Mr B R Brook
Ms C E O'Reilly
Mr I A Renard, AM
Mr M A Renshaw

Mr P J Turner was a director from the beginning of the financial year until his retirement on 17 October 2012.

Review of Operations

For the half year ended 31 December 2012, total sales revenue of the Group was $2.5 billion, up 7% compared to the prior corresponding period. Reported net profit after tax was $627 million for the six months ended 31 December 2012, up 24% when compared to the prior corresponding period. Net operating cash flow from operations was $670 million, up 24% when compared to the prior corresponding period.

CSL Behring sales of $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 sales[2], 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.

[2] CSL Behring albumin products sold in Asia by CSL Biotherapies.

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, boosted by solid sales into northern hemisphere markets. GARDASIL[3] 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Rounding of Amounts

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

This report has been made in accordance with a resolution of the directors.

John Shine AO	Brian A McNamee AO
CHAIRMAN	MANAGING DIRECTOR

13 February 2013

[3] GARDASIL is a trademark of Merck & Co. Inc

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Auditor's Independence Declaration to the Directors of CSL Limited

In relation to our review of the financial report of CSL Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Glenn Carmody
Partner
13 February 2013

CSL Limited and its controlled entities
Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2012

	Notes	Consolidated Entity **December 2012 US$m**	 December 2011 US$m
Sales revenue		**2,482.3**	2,324.0
Cost of sales		**(1,188.9)**	(1,252.9)
Gross profit		**1,293.4**	1,071.1
Other revenue	4(a)	**101.4**	105.4
Research and development expenses		**(190.2)**	(167.4)
Selling and marketing expenses		**(242.3)**	(231.5)
General and administration expenses	4(c)	**(159.5)**	(128.8)
Finance costs	4(b)	**(24.4)**	(14.9)
Profit before income tax expense		**778.4**	633.9
Income tax expense	5	**(151.5)**	(129.6)
Net profit for the period		**626.9**	504.3
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of hedges on net foreign investments	11	**129.3**	(319.0)
Mark to market adjustment on available-for-sale financial assets		**-**	(1.0)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit plans, net of tax		**(32.5)**	(33.7)
Total of other comprehensive income/(expense)		**96.8**	(353.7)
Total comprehensive income for the period		**723.7**	150.6

Earnings per share (based on net profit for the period)		**Cents**	Cents
Basic earnings per share	6	**124.68**	96.25
Diluted earnings per share	6	**124.30**	96.07

CSL Limited and its controlled entities
Consolidated Balance Sheet
As at 31 December 2012

	Notes	Consolidated Entity **December 2012 US$m**	 June 2012 US$m
CURRENT ASSETS			
Cash and cash equivalents	7	**756.7**	1,171.4
Trade and other receivables		**839.6**	783.8
Inventories		**1,537.2**	1,482.7
Current tax assets		**5.2**	5.4
Other financial assets		**1.9**	1.8
Total Current Assets		**3,140.6**	3,445.1
NON-CURRENT ASSETS			
Trade and other receivables		**9.9**	10.4
Other financial assets		**1.0**	1.1
Property, plant and equipment	8	**1,561.9**	1,380.9
Deferred tax assets		**213.5**	198.5
Intangible assets		**885.5**	865.3
Total Non-Current Assets		**2,671.8**	2,456.2
TOTAL ASSETS		**5,812.4**	5,901.3
CURRENT LIABILITIES			
Trade and other payables		**517.1**	536.3
Interest-bearing liabilities	9	**7.1**	169.6
Current tax liabilities		**138.0**	141.7
Provisions		**97.2**	100.3
Deferred government grants		**1.0**	1.0
Derivative financial instruments		**0.8**	1.4
Total Current Liabilities		**761.2**	950.3
NON-CURRENT LIABILITIES			
Trade and other payables		**14.4**	15.4
Interest bearing liabilities	9	**1,120.7**	1,120.0
Deferred tax liabilities		**115.5**	111.1
Provisions		**29.2**	28.0
Deferred government grants		**41.9**	30.2
Retirement benefit liabilities	14	**217.8**	169.6
Total Non-Current Liabilities		**1,539.5**	1,474.3
TOTAL LIABILITIES		**2,300.7**	2,424.6
NET ASSETS		**3,511.7**	3,476.7
EQUITY			
Contributed equity	10	**(1,322.0)**	(869.1)
Reserves	11	**773.5**	632.9
Retained earnings		**4,060.2**	3,712.9
TOTAL EQUITY		**3,511.7**	3,476.7

CSL Limited and its controlled entities
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2012

		Ordinary shares US$m	Foreign currency translation reserve US$m	Share based payment reserve US$m	Available-for-sale investment reserve US$m	Retained earnings US$m	Total US$m
At 1 July 2012		(869.1)	536.6	96.3	-	3,712.9	3,476.7
Profit for the period		-	-	-	-	626.9	626.9
Other comprehensive income		-	129.3	-	-	(32.5)	96.8
Total comprehensive income for the half year		-	129.3	-	-	594.4	723.7
Transactions with owners in their capacity as owners							
Share based payments	11	-	-	11.3	-	-	11.3
Dividends	12	-	-	-	-	(247.1)	(247.1)
Share buy back	10	(473.6)	-	-	-	-	(473.6)
Share issues							
- Employee share scheme	10	29.5	-	-	-	-	29.5
Tax adjustment	10	(8.8)					(8.8)
Balance as at 31 December 2012		**(1,322.0)**	**665.9**	**107.6**	**-**	**4,060.2**	**3,511.7**
At 1 July 2011		(228.0)	901.1	82.2	(1.2)	3,162.5	3,916.6
Profit for the period		-	-	-	-	504.3	504.3
Other comprehensive income		-	(319.0)	-	(1.0)	(33.7)	(353.7)
Total comprehensive income for the half year		-	(319.0)	-	(1.0)	470.6	150.6
Transactions with owners in their capacity as owners							
Share based payments	11	-	-	6.4	-	-	6.4
Dividends	12	-	-	-	-	(231.0)	(231.0)
Share buy back	10	(181.8)	-	-	-	-	(181.8)
Share issues							
- Employee share scheme	10	3.8	-	-	-	-	3.8
Balance as at 31 December 2011		**(406.0)**	**582.1**	**88.6**	**(2.2)**	**3,402.1**	**3,664.6**

CSL Limited and its controlled entities
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2012

	Notes	December 2012 US$m	December 2011 US$m
		Consolidated Entity	
Cash flows from Operating Activities			
Receipts from customers (inclusive of goods and services tax)		**2,564.4**	2,430.7
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,722.0)**	(1,747.8)
		842.4	682.9
Interest received		**19.7**	9.2
Income taxes paid		**(167.8)**	(140.9)
Borrowing costs		**(24.1)**	(12.4)
Net cash inflow / (outflow) from operating activities		**670.2**	538.8
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		**-**	0.4
Payments for property, plant and equipment		**(231.9)**	(147.6)
Payments for intangible assets		**(5.2)**	(5.4)
Receipts from other financial assets		**0.2**	0.8
Net cash inflow / (outflow) from investing activities		**(236.9)**	(151.8)
Cash flows from Financing Activities			
Proceeds from issue of shares		**29.5**	4.0
Payment for shares bought back		**(480.8)**	(181.8)
Dividends paid		**(247.1)**	(231.0)
Receipts on closure of foreign exchange hedges		**0.1**	0.6
Proceeds from borrowings	9	**-**	1,112.4
Repayment of borrowings	9	**(170.0)**	(242.2)
Net cash inflow / (outflow) from financing activities		**(868.3)**	462.0
Net increase (decrease) in cash and cash equivalents		**(435.0)**	849.0
Cash and cash equivalents at the beginning of the period		**1,168.2**	514.6
Exchange rate variations on foreign cash and cash equivalent balances		**18.5**	(46.4)
Cash and cash equivalents at the end of the period		**751.7**	1,317.2

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the period as shown in the statement of cash flows is reconciled as follows:

	Notes	December 2012 US$m	December 2011 US$m
Cash and cash equivalents	7	**756.7**	1,317.2
Bank overdrafts		**(5.0)**	-
		751.7	1,317.2

CSL Limited and its controlled entities
Notes to the financial statements
For the half-year ended 31 December 2012

1 Corporate Information

The financial report of CSL Limited (the Company) for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 13 February 2013. CSL Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 Summary of Significant Accounting Policies

(a) Basis of Accounting

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of CSL Limited as at 30 June 2012.

It is also recommended that the half-year financial report be considered together with any public announcements made by CSL Limited and its controlled entities during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under ASX listing rules.

(b) Basis of Preparation

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, and land and buildings.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The consolidated Financial Statements are presented in US Dollars, following the announcement in February 2012 that the company was moving to US Dollar reporting for the 2012/13 financial year.

(c) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012.

The change in presentation currency from Australian dollars to US dollars represents a voluntary change in accounting policy which has been applied retrospectively. US dollars are the pharmaceutical industry standard currency for reporting purposes. The move also reflects the predominance of the Company's worldwide sales and operations in US dollars.

(d) Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of CSL Limited and its subsidiaries as at 31 December 2012 ('the Group').

3 Segment Information

Reportable segments are:

(a) CSL Behring – manufactures, markets and develops plasma products.
(b) Intellectual Property Licensing – revenue and associated expenses from the licensing of Intellectual Property generated by the Group to unrelated third parties.
(c) Other Human Health – comprises CSL Biotherapies, which manufactures, markets and develops biotherapeutic products, and Research & Development.

Research & Development expense is allocated in accordance with management's expectation as to where a project's value will be realised. Where this is uncertain the expense is allocated to Other Human Health.

	CSL Behring December 2012 US$m	Intellectual Property Licensing December 2012 US$m	Other Human Health December 2012 US$m	Intersegment Elimination December 2012 US$m	Consolidated Group December 2012 US$m
Sales to external customers	1,964.3	-	518.0	-	2,482.3
Inter-segment sales	122.3	-	-	(122.3)	-
Other revenue / Other income (excl interest income)	1.9	71.9	10.2	-	84.0
Total segment revenue	**2,088.5**	**71.9**	**528.2**	**(122.3)**	**2,566.3**
Interest income					17.1
Unallocated revenue / income					0.3
Consolidated revenue					**2,583.7**
Segment EBIT[4]	**797.3**	**61.7**	**(40.3)**	**-**	**818.7**
Unallocated revenue / income less unallocated costs					(33.0)
Consolidated EBIT					**785.7**
Interest income					17.1
Finance costs					(24.4)
Consolidated profit before tax					**778.4**
Income tax expense					(151.5)
Consolidated net profit after tax					**626.9**
Amortisation	14.8	-	-	-	14.8
Depreciation	48.1	-	32.2	-	80.3
Segment EBITDA[5]	**860.2**	**61.7**	**(8.1)**	**-**	**913.8**
Unallocated revenue / income less unallocated costs					(33.0)
Unallocated depreciation and amortisation					2.8
Consolidated EBITDA					**883.6**

[4] Segment EBIT is a measure of operating profit for the segment. It reflects all transactions recorded in that segment with the exception of interest income, interest expense and income tax expense.

[5] Segment EBITDA is Segment EBIT plus charges for depreciation of tangible fixed assets and amortisation of intangible assets employed in that segment.

3 Segment information (continued)

	CSL Behring December 2012 US$m	Intellectual Property Licensing December 2012 US$m	Other Human Health December 2012 US$m	Intersegment Elimination December 2012 US$m	Consolidated Group December 2012 US$m
Segment assets	**4,444.7**	**24.0**	**1,170.3**	**(165.9)**	**5,473.1**
Other unallocated assets					2,064.3
Elimination of amounts between operating segments and unallocated					(1,725.0)
Total assets					**5,812.4**
Segment liabilities	**1,978.6**	**5.4**	**1,226.6**	**(165.9)**	**3,044.7**
Other unallocated liabilities					981.0
Elimination of amounts between operating segments and unallocated					(1,725.0)
Total liabilities					**2,300.7**

	CSL Behring December 2011 US$m	Intellectual Property Licensing December 2011 US$m	Other Human Health December 2011 US$m	Intersegment Elimination December 2011 US$m	Consolidated Group December 2011 US$m
Sales to external customers	1,883.2	-	440.8	-	2,324.0
Inter-segment sales	66.9	-	-	(66.9)	-
Other revenue / Other income (excl interest income)	2.6	82.4	4.9	-	89.9
Total segment revenue	**1,952.7**	**82.4**	**445.7**	**(66.9)**	**2,413.9**
Interest income					14.9
Unallocated revenue / income					0.6
Consolidated revenue					**2,429.4**
Segment EBIT	**583.3**	**72.9**	**(5.1)**	**-**	**651.1**
Unallocated revenue / income less unallocated costs					(17.2)
Consolidated EBIT					**633.9**
Interest income					14.9
Finance costs					(14.9)
Consolidated profit before tax					**633.9**
Income tax expense					(129.6)
Consolidated net profit after tax					**504.3**
Amortisation	14.8	-	-	-	14.8
Depreciation	48.9	-	20.1	-	69.0
Segment EBITDA	**647.0**	**72.9**	**15.0**	**-**	**734.9**
Unallocated revenue / income less unallocated costs					(17.3)
Unallocated depreciation and amortisation					2.5
Consolidated EBITDA					**720.1**

3 Segment information (continued)

	CSL Behring June 2012 US$m	Intellectual Property Licensing June 2012 US$m	Other Human Health June 2012 US$m	Intersegment Elimination June 2012 US$m	Consolidated Group June 2012 US$m
Segment assets	4,270.9	21.2	1,087.3	(168.2)	5,211.2
Other unallocated assets					1,598.1
Elimination of amounts between operating segments and unallocated					(908.0)
Total assets					**5,901.3**
Segment liabilities	1,856.6	4.0	496.8	(168.2)	2,189.2
Other unallocated liabilities					1,143.4
Elimination of amounts between operating segments and unallocated					(908.0)
Total liabilities					**2,424.6**

Geographic areas	**Australia** US$m	**United States** US$m	**Switzerland** US$m	**Germany** US$m	**Rest of world** US$m	**Total** US$m
December 2012						
External sales revenue	**308.5**	**946.4**	**70.9**	**385.8**	**770.7**	**2,482.3**
December 2011						
External sales revenue	286.3	899.0	76.6	356.9	705.2	2,324.0

4 Revenue, Income and Expenses from continuing operations

	Consolidated Entity	
	December 2012 US$m	December 2011 US$m
(a) Other Revenue		
Interest income	**17.1**	14.9
Rent	**0.7**	0.6
Royalties	**68.4**	64.6
Sundry	**15.2**	25.3
	101.4	105.4
(b) Finance Costs		
Interest paid / payable	**24.4**	14.9
(c) Other Expenses		
General and administration expenses:		
Expense of share based payments	**23.2**	11.7
Amortisation of intellectual property and software	**14.8**	14.8
Other relevant expenses		
Depreciation and amortisation of property, plant and equipment	**83.1**	71.5
Net foreign exchange losses	**3.3**	4.7

5 Income Tax

The reconciliation between income tax expense and the consolidated entity's applicable tax rate is as follows:

Profit from continuing activities before income tax expense	**778.4**	633.9
Income tax calculated at 30%	**233.5**	190.2
Tax effect of non-assessable / non-deductible items		
Research and development	**(7.9)**	(6.4)
Other (non-assessable revenue)/non-deductible expenses	**(2.3)**	2.1
Effects of different rates of tax on overseas income	**(74.3)**	(53.7)
Under (over) provision in previous year	**2.5**	(2.6)
Income tax expense	**151.5**	129.6

6 Earnings Per Share

	Consolidated Entity	
	December 2012 US$m	December 2011 US$m
The following reflects the income and share information used in the calculation of basic and diluted earnings per share:		
Earnings used in calculating basic earnings per share	**626.9**	504.3

	Number of shares	
	December 2012	December 2011
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	**502,807,390**	523,991,134
Effect of dilutive securities:		
Share options	**589,189**	107,358
Performance rights	**935,837**	898,462
Global employee share plan	**11,465**	7,377
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**504,343,881**	525,004,331

Refer to note 10 for a reconciliation of the movement in issued shares.

Conversions, calls, subscription or issues after 31 December 2012
Subsequent to the reporting date 6,635 ordinary shares were issued, as required under the Employee Performance Rights Plan. There have been no other ordinary shares issued since the reporting date and before the completion of this financial report. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

7 Cash and cash equivalents

	Consolidated Entity	
	December 2012 US$m	June 2012 US$m
Cash at bank and on hand	**278.0**	342.3
Cash deposits	**478.7**	829.1
Total cash and cash equivalents	**756.7**	1,171.4

8 Property, Plant and Equipment

During the half-year ended 31 December 2012, the Group acquired assets with a cost of $225.0m (2011: $148.4m).

9 Borrowings and repayments

For the half year ended 31 December 2012, the Group has repaid US$170.0m of interest bearing debt, made up of US$2.0m for finance lease repayments, and the repayment of US$168.0m for the 2002 US Private Placement issue.

As at balance date the Group had US$458m in undrawn liquidity available under its bank debt facilities.

10 Contributed Equity

	Consolidated Entity	
	December 2012 US$m	June 2012 US$m
Ordinary shares issued and fully paid	**-**	-
Share buy-back reserve	**(1,322.0)**	(869.1)
Total contributed equity	**(1,322.0)**	(869.1)

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Due to share buy-backs, the balance for ordinary share contributed equity has been reduced to nil, and a reserve created to reflect the excess of shares bought over the original amount of subscribed capital.

Movements in the contributed equity

	Number of Shares	US$m
Ordinary shares		
Balance as at 1 July 2012	**506,929,847**	**(869.1)**
Shares issued to CSL employees through participation in:		
- Performance Option Plan	**740,696**	**26.7**
- Performance Rights Plan	**285,898**	**-**
- Global Employee Share Plan	**95,521**	**2.8**
Shares acquired under the Share Buy Back	**(9,859,292)**	**(473.6)**
Tax adjustment	**-**	**(8.8)**
Balance as at 31 December 2012	**498,192,670**	**(1,322.0)**

11 Reserves

	Consolidated Entity	
	December 2012 US$m	June 2012 US$m
Composition		
Share based payments reserve (i)	**107.6**	96.3
Foreign currency translation reserve (ii)	**665.9**	536.6
	773.5	632.9

Nature and purpose of reserves

(i) *Share based payments reserve*

The share based payments reserve is used to recognise the fair value of options and performance rights issued but not exercised.

(ii) *Foreign currency translation reserve*

Following the change in presentation currency from Australian dollars to US dollars (note 2c), the results are translated into US dollars at average exchange rates for subsidiaries with a functional currency other than US dollars. For those subsidiaries assets and liabilities are translated to US dollars at exchange rates prevailing at balance date and resulting exchange differences are recognised in the foreign currency translation reserve in equity. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to the foreign currency translation reserve in equity.

12 Dividends

	Consolidated Entity	
	December 2012 US$m	December 2011 US$m
Ordinary shares		
Dividends provided for or paid during the half-year	**247.1**	231.0
Dividends not recognised at the end of the half-year		
Since the end of the half-year the directors have recommended the payment of an interim dividend of 50.00 US cents (2011 – 37.57 US cents) per fully paid ordinary share, unfranked. The aggregate amount of the proposed interim dividend expected to be paid on 5 April 2013 out of retained earnings at 31 December 2012, but not recognised as a liability at the end of the half-year, is:	**249.1**	195.1

13 NTA Backing

	December 2012 $	June 2012 $
Net tangible asset backing per ordinary security	**5.27**	5.15

14 Retirement Benefit Liabilities

The Group sponsors a range of defined benefit pension plans that provide pension benefits for its worldwide employees upon retirement. Entities of the Group who operate the defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice.

	December 2012 US$m
Movements in the net liability for defined benefit obligations recognised in the balance sheet	
Net liability for defined benefit obligation:	
Opening balance	**169.6**
Contributions received	**(5.1)**
Benefits paid	**(4.7)**
Expense recognised in the statement of comprehensive income	**14.3**
Actuarial losses recognised in equity	**36.9**
Currency translation differences	**6.8**
Closing balance	**217.8**

Defined Benefit Plan liabilities are discounted to present value using a corporate or government bond rate as at the date of the Actuarial assessment. Over the six months to December 2012 most jurisdictions in which the Group operates Defined Benefit Plans have experienced reductions in the appropriate discount rate.

	December 2012	June 2012
The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:		
Discount rate	**2.4%**	3.0%
Expected return on assets and expected long-term rate of return on assets[1]	**2.5%**	3.4%
Future salary increases	**2.4%**	2.3%
Future pension increases	**0.4%**	0.4%

[1]Expressed as per annum return. The expected rate of return is based on the portfolio as a whole.

15 Share Based Payment Plans

(a) Long Term Incentives

On 1 October 2012, 247,780 performance rights were granted to senior executives under the CSL Performance Rights Plan. The exercise price for the performance rights is Nil. The performance rights will become exercisable between 30 September 2015 and 30 September 2017. The fair value of the performance rights granted is estimated as at the date of grant using an adjusted form of the Black-Scholes model, taking into account the terms and conditions upon which the performance rights were granted.

Performance rights granted in October 2012 have two performance hurdles with each hurdle applying to half of each tranche. The performance rights tested against an Earnings per Share (EPS) hurdle will vest on a sliding scale with 50% of the rights vesting if the group achieves 8% compound annual growth in USD-denominated EPS over the relevant period, rising to 100% vesting if the compound annual growth rate in USD-denominated EPS reaches 12% over the relevant period. The performance rights tested against a comparator group will only vest if the total shareholder return for CSL, denominated in USD, exceeds the growth in the MSCI Gross Pharma Index for the relevant period.

The following table lists the inputs to the model used for performance rights issued in the half-year ended 31 December 2012:

	December 2012
Dividend yield (%)	2.0%
Expected volatility (%)	21.0%
Risk-free interest rate (%)	2.50%
Fair Value of Performance Rights	
3 year vesting	$35.52
4 year vesting	$34.69

(b) Executive Deferred Incentive Plan

On 1 October 2012, 408,950 phantom shares were granted to employees under the Executive Deferred Incentive Plan. This plan provides for a grant of phantom shares which will generate a cash payment to participants in three years time, provided they are still employed by the company and receive a satisfactory performance review over that period. The amount of the cash payment will be determined by reference to the CSL share price immediately before the three year anniversary.

The following table lists the inputs to the model used for grant issued in the half-year ended 31 December 2012:

	December 2012
Dividend yield (%)	2.0%
Fair Value of Grant at reporting date, adjusted for the dividend yield and the number of days left in the vesting period	$50.36

16 Commitments and contingencies

(a) Capital commitments

	December 2012 US$m	June 2012 US$m
During the half year, the capital expenditure contracted for but not provided for in the financial statements, payable:		
Not later than one year	**136.9**	123.7
Later than one year but not later than five years	**12.3**	78.5
Later than five years	**-**	-
	149.2	202.2

(b) Contingent assets and liabilities

Litigation

The Group is involved in litigation in the U.S. claiming that the Group and a competitor, along with an industry trade association, conspired to restrict output and fix and raise prices of certain plasma-derived therapies in the U.S. The lawsuits, filed by representative plaintiffs, seek status to proceed as class actions on behalf of 'all others similarly situated'. The Group believes the litigation is unsupported by fact and without merit and will robustly defend the claims.

The Group is involved in other litigation in the ordinary course of business.

The directors believe that future payment of a material amount in respect of litigation is remote. The Group has disclaimed liability for, and is vigorously defending, all current material claims and actions that have been made.

CSL Limited
Directors' Declarations

The directors declare that:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act* 2001, and:

   (i) give a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date of the consolidated entity; and

   (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Made in accordance with a resolution of directors.

John Shine AO	Brian A McNamee AO
Chairman	Managing Director

Melbourne
13 February 2013

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To the members of CSL Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CSL Limited, which comprises the consolidated balance sheet as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CSL Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CSL Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Glenn Carmody
Partner
Melbourne
13 February 2013