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ASX Announcement

For immediate release

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Half Year Result 2018[1]

CSL Limited (ASX:CSL; USOTC:CSLLY) today announced a reported net profit after tax (NPAT) of $1,086 million for the six months ended 31 December 2017, up 35% or 31% on a constant currency (CC)[2] basis. Earnings per share (EPS) grew 36% or 32% on a constant currency basis.

PERFORMANCE HIGHLIGHTS

Financial

- Revenue $4,147 million, up 11% at CC[2]
- Earnings before interest and tax (EBIT) $1,476 million, up 31% at CC
- NPAT $1,086 million, up 31% at CC
- EPS $2.40, up 32% at CC
- Interim dividend[3] increased to $0.79 per share, up 23%

Operational

CSL Behring

- Immunoglobulin sales up 13% on trailing period at CC
- Exceptionally strong demand for Idelvion® (rFIX-FP)
- Specialty Products sales up 19% on trailing period at CC

Seqirus

- Seasonal influenza vaccine sales up 43% - strong QIV growth
- Holly Springs cell culture facility – output up four fold
- FLUAD® approved in the UK

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[1] All figures are expressed in US dollars unless otherwise stated.

[2] Constant currency removes the impact of exchange rate movements, facilitating comparability of operational performance. For further detail please refer to CSL's Financial Statements for the Half Year ended December 2017 (Directors' Report).

[3] For shareholders with an Australian registered address, the final dividend of US$0.79 will be unfranked for Australian tax purposes and paid on 13 April 2018 in A$ at an amount of A$1.004959 per share (at an exchange rate of A$1.2721/US$1.00). For shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ$1.087830 per share (at an exchange rate of NZ$1.3770/US$1.00). The exchange rates used are fixed at the date of dividend determination. All other shareholders will be paid in US$. CSL also offers shareholders the opportunity to receive dividend payments in US$ by direct credit to a US bank account.

Innovation

- Privigen® (10% liquid IVIG) approved for CIDP in US
- Hizentra® (SCIG) positive CHMP recommendation for CIDP in the EU
- Proprietary stem cell gene therapy platform - Calimmune acquisition
- Transplant franchise expanding – Vitaeris collaboration

Efficiency

- Plasma collection centre openings on track
- Major capital projects - start-up phase
  - Broadmeadows
    - Privigen module 4
    - Alburex® facility
  - Kankakee – base fractionation facility

"CSL's focused execution of our strategic priorities delivered outstanding results in the first half, especially considering the strength of the prior comparable period," said CSL Chief Executive Officer and Managing Director Paul Perreault. "Our results reflect the effectiveness of our patient-focused R&D pipeline, robust demand for our differentiated products, and market leadership positions around the world. Investments in R&D, production and commercial capabilities have positioned us well for sustainable growth and continue to deliver on our promise to patients with rare and serious diseases."

"In the half, we successfully launched Haegarda®, a transformational therapy for patients with Hereditary Angioedema (HAE). Haegarda® provides unprecedented reduction in oedema attacks and significantly reduces the need for rescue medication," Mr. Perreault noted.

"High demand continues for Idelvion®. Based on feedback from patients and healthcare providers it is clear that our next generation recombinant coagulation therapy, which has now been launched in 13 countries, is quickly becoming the new standard of care for Haemophilia B patients."

"Our immunoglobulin products Hizentra® and Privigen® continued to deliver strong performance. To some extent their growth has been masked by atypical market conditions in the prior comparable period when some competitors experienced supply constraints. A comparison of the immunoglobulins sales to the trailing period (six months ended June 2017) saw the immunoglobulin portfolio growing 13%," Mr. Perreault added.

"Seqirus continues to progress as planned. The Holly Springs facility, which produces a unique cell culture seasonal influenza vaccine, quadrupled the number of FLUCELVAX® doses produced this season. While significant work remains, our strategy for Seqirus is paying off."

"Our emerging transplant franchise is developing well. We are investigating the use of current CSL products to treat patients with graft versus host disease or experiencing antibody mediated rejection. In addition we also entered into a collaboration with Vitaeris for a monoclonal antibody as part of our growing transplant capabilities," Mr Perreault concluded.

OUTLOOK *(at FY17 exchange rates)*

Commenting on CSL's outlook, Mr. Perreault said, "Solid ongoing demand for CSL Behring biotherapies is expected, including the strong patient uptake of our newly approved specialty product Haegarda®."

"The haemophilia market continues to evolve and our new generation products, Idelvion® (rFIX-FP) and Afstyla® (rFVIII-SC) are well placed in the market. Looking forward, we expect Helixate® sales to decline as the product winds down. Competition in the factor VIII space remains intense as new entrants come to market."

"An uneven profit profile for CSL is expected for the first and second half results, due to the seasonality of the influenza business and the timing of expenses – particularly research and development," Mr. Perreault added.

"CSL Group's net profit after tax for FY18 is now expected to be in the range of approximately $1,550 to $1,600 million at constant currency," Mr. Perreault concluded.

In compiling the company's financial forecasts for FY18, a number of key variables which may have a significant impact on guidance have been identified and these have been included the footnote[4] below.

[4] Key variables that could cause actual results to differ materially include: the success and timing of research and development activities, decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; competitive developments affecting our products; the ability to successfully market new and existing products; difficulties or delays in manufacturing; trade buying patterns and fluctuations in interest and currency exchange rates; legislation or regulations that affect product production,

CAPITAL MANAGEMENT

Capital management
During the first half of FY18, CSL completed a US private placement raising approximately US$700 million for general corporate purposes, as part of the company's overall capital management program.

FURTHER INFORMATION

Additional details about CSL's results are included in the company's 4E statement, investor presentation slides and webcast, all of which can be found on CSL's website www.csl.com.au A glossary of medical terms can also be found on the website. For further information, please contact:

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distribution, pricing, reimbursement, access or tax; acquisitions and divestitures; research collaborations; litigation or government investigations; and CSL's ability to protect its patents and other intellectual property.

Group Results

Half year ended Dec US$ Millions	**Dec 2016** Reported	**Dec 2017** Reported	**Dec 2017** at CC[5]	**Change** %[5]
Sales	**3,553**	**3,999**	**3,941**	**11%**
Other Revenue / Income	124	148	147	
Total Revenue / Income	**3,677**	**4,147**	**4,088**	**11%**
Earnings before Interest, Tax, Depreciation & Amortisation	**1,226**	**1,617**	**1,575**	**28%**
Depreciation/Amortisation	(131)	(141)	(138)	
Earnings before Interest and Tax	**1,095**	**1,476**	**1,437**	**31%**
Net Interest Expense	(38)	(52)	(52)	
Tax Expense	(251)	(338)	(330)	
Net Profit after Tax	**806**	**1,086**	**1,055**	**31%**
Interim Dividend	0.64	0.79		23%
EPS	1.77	2.40	2.33	32.0%

[5] Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. For further details please refer to CSL's Financial Statements for the Half Year ended December 2017 (Directors' Report).