# CSL Limited
# 2013/14 Half Year Result

12 February 2014

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## Trademarks

# Reported Financials

Revenue US$2.7 billion, up 5% *(up 6% @CC[1])*

EBIT US$818 million, up 5% *(up 2% @CC)*

NPAT US$646 million, up 3% *(up 2% @CC)*

- *Result includes one-off US antitrust class action settlement of US$64m, or US$39m after tax*

R&D investment increased to US$229 million

EPS US$1.33, up 7% *(up 5% @CC)*

Cashflow from operations US$513 million

Interim dividend increased to US$0.53 (unfranked)

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

# Operational Highlights

Hizentra®

- US approval for bi-weekly administration
- Japanese approval for treatment of PID and SID

Kcentra ® (4F-PCC) - Approved by US FDA for surgical use

CSL 362 (AML) – license agreement with Janssen Biotech, Inc.

CSL 112 (rHDL) – global phase IIb clinical trial commencing 2014

Alpha-1 – innovative diagnostic test kit launched

A$950m share buyback* 22% complete

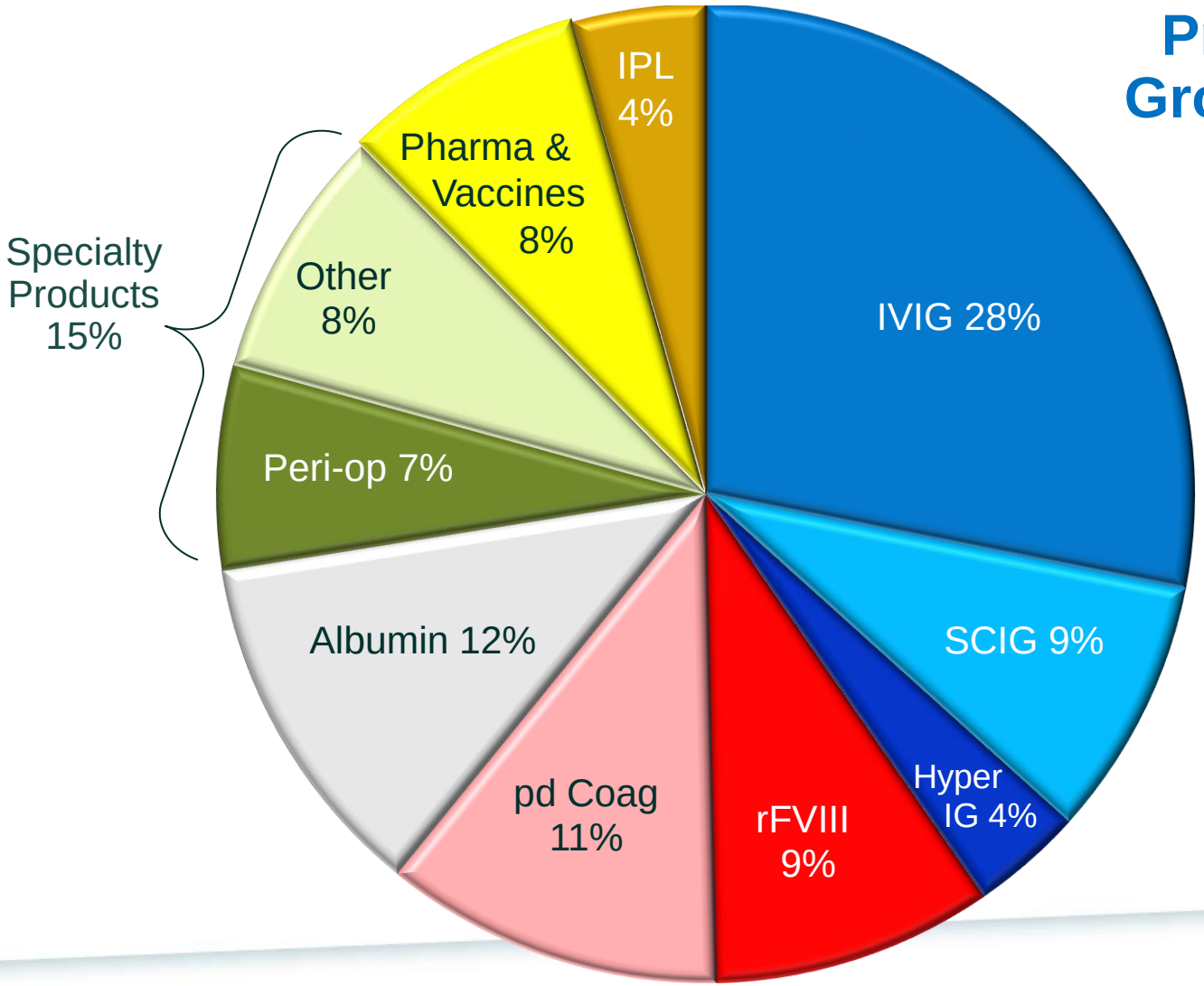
Agreement to settle US antitrust class action litigation

Establishing a sponsored Level 1 ADR program

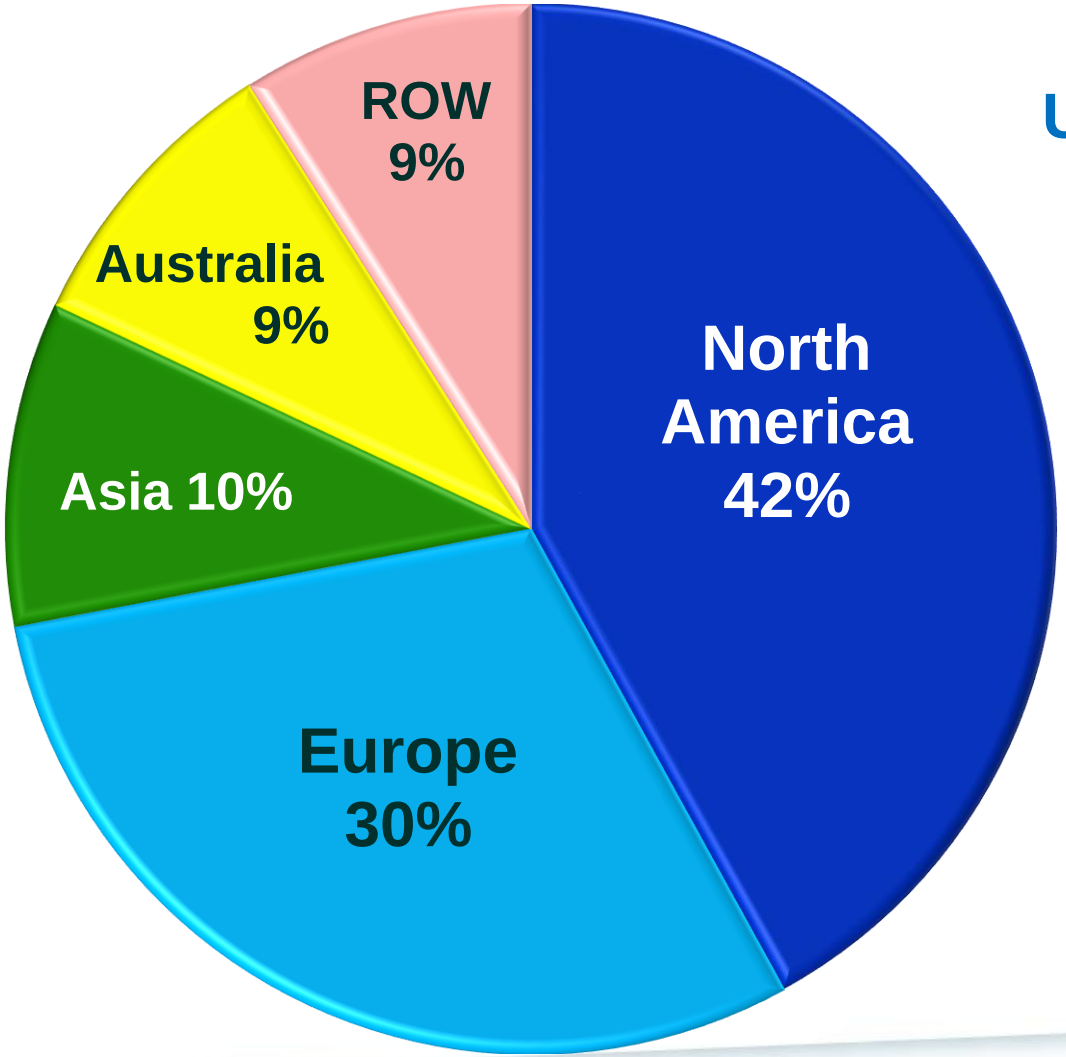
** CSL reserves the right to suspend or terminate buybacks at any time*

# Group Revenue 1H14 US$2.7b

## Product Groupings



# Broad Geographic Sales Reach




**1H14**
**US$2.6Bn**

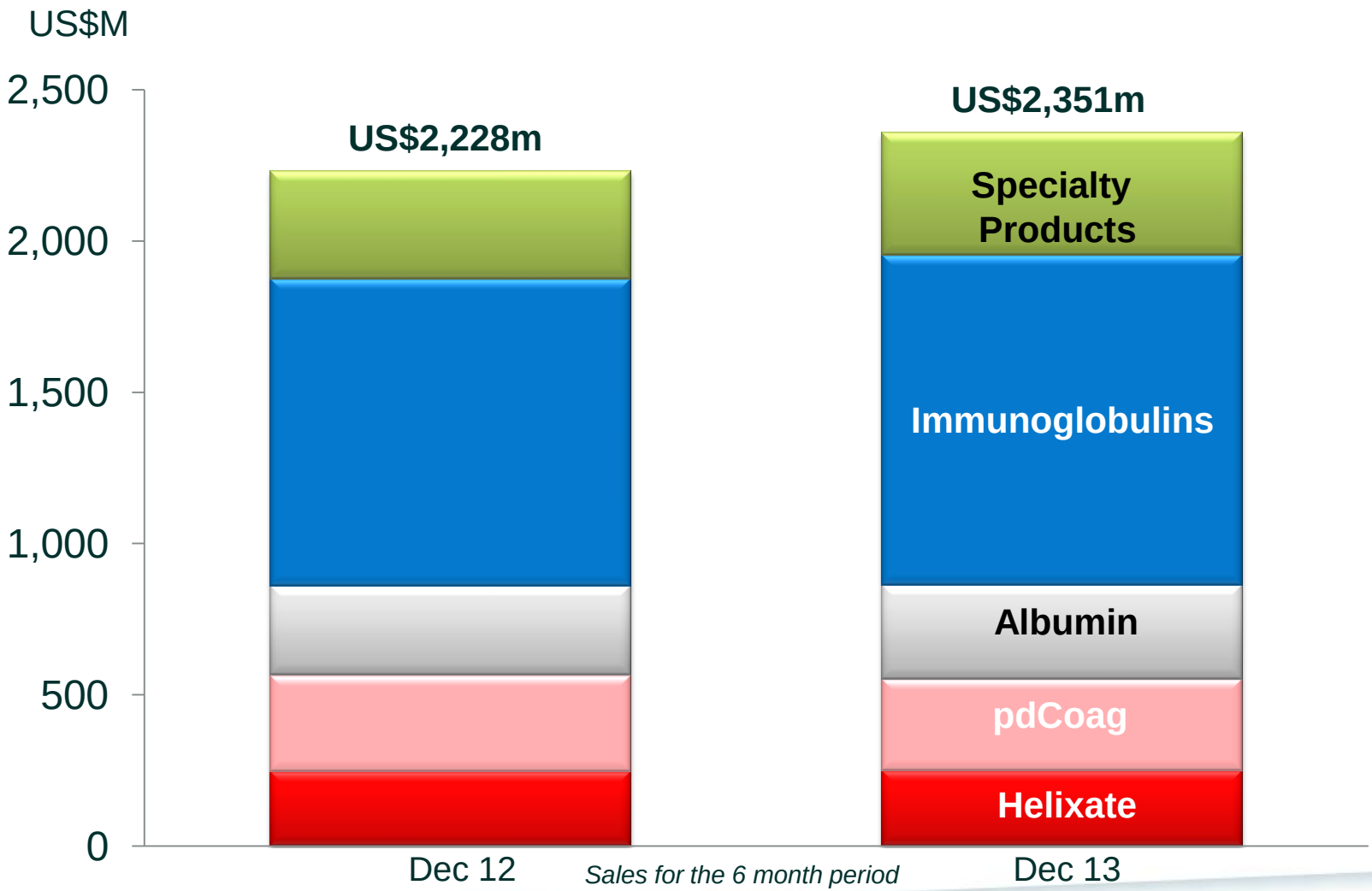
# Outlook for FY2014 @ 12/13 exchange rates

Guidance, adjusted for US class action settlement, re-affirmed

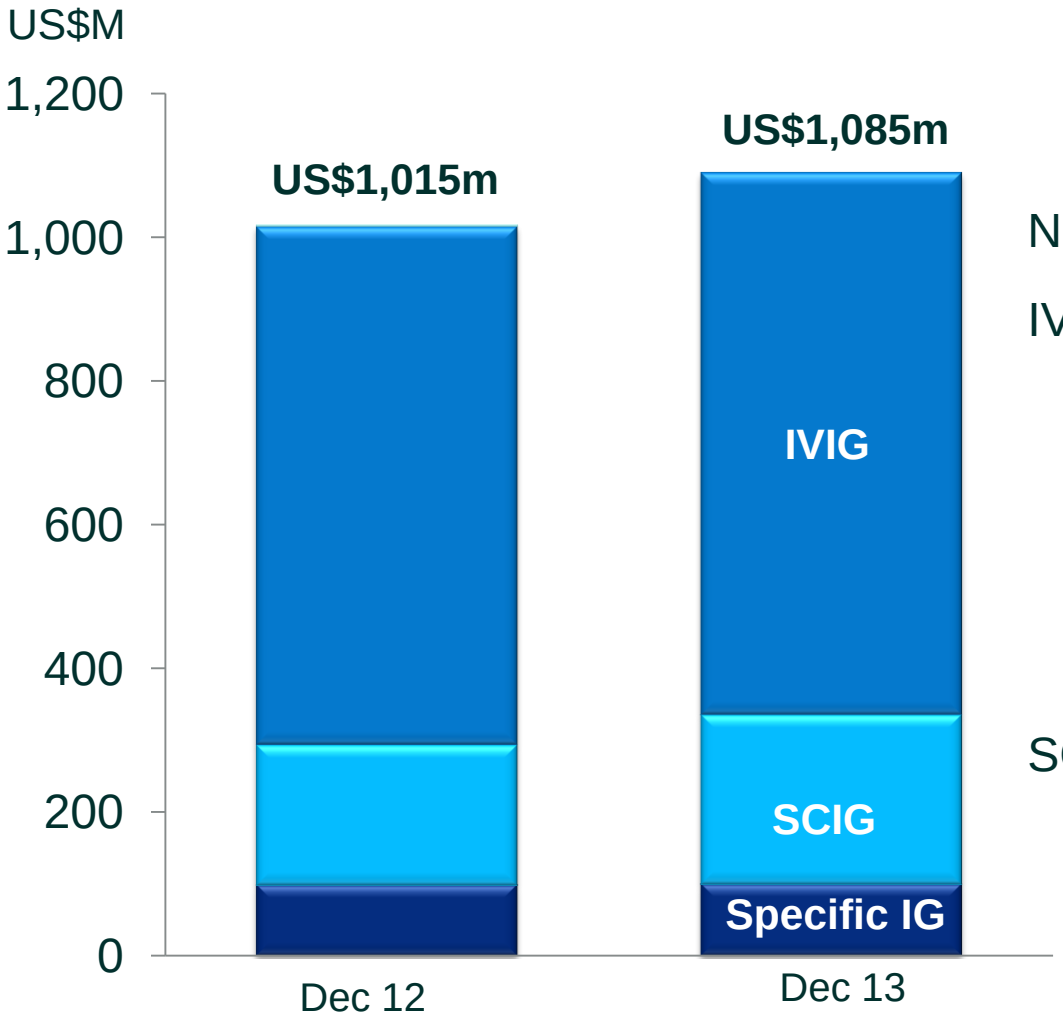
- EBIT growth ~10% @ CC
- NPAT growth ~7% @ CC
- EPS will exceed NPAT growth driven by past and current capital management initiatives

Outlook statements are subject to:
Material price and volume movements on core plasma products, competitor activity, changes in healthcare regulations and reimbursement policies, royalties arising from the sale of Human Papillomavirus vaccine, implementation of the Company's influenza strategy and plasma therapy life cycle management strategies, enforcement of key intellectual property, regulatory risk, litigation, the effective tax rate and foreign exchange movements.

# CSL Behring
# Product Sales up 6% @ CC



# Immunoglobulins
# Sales up 7% @CC




*Sales for the 6 month period*

## Highlights

Normal IG up 8% @ CC

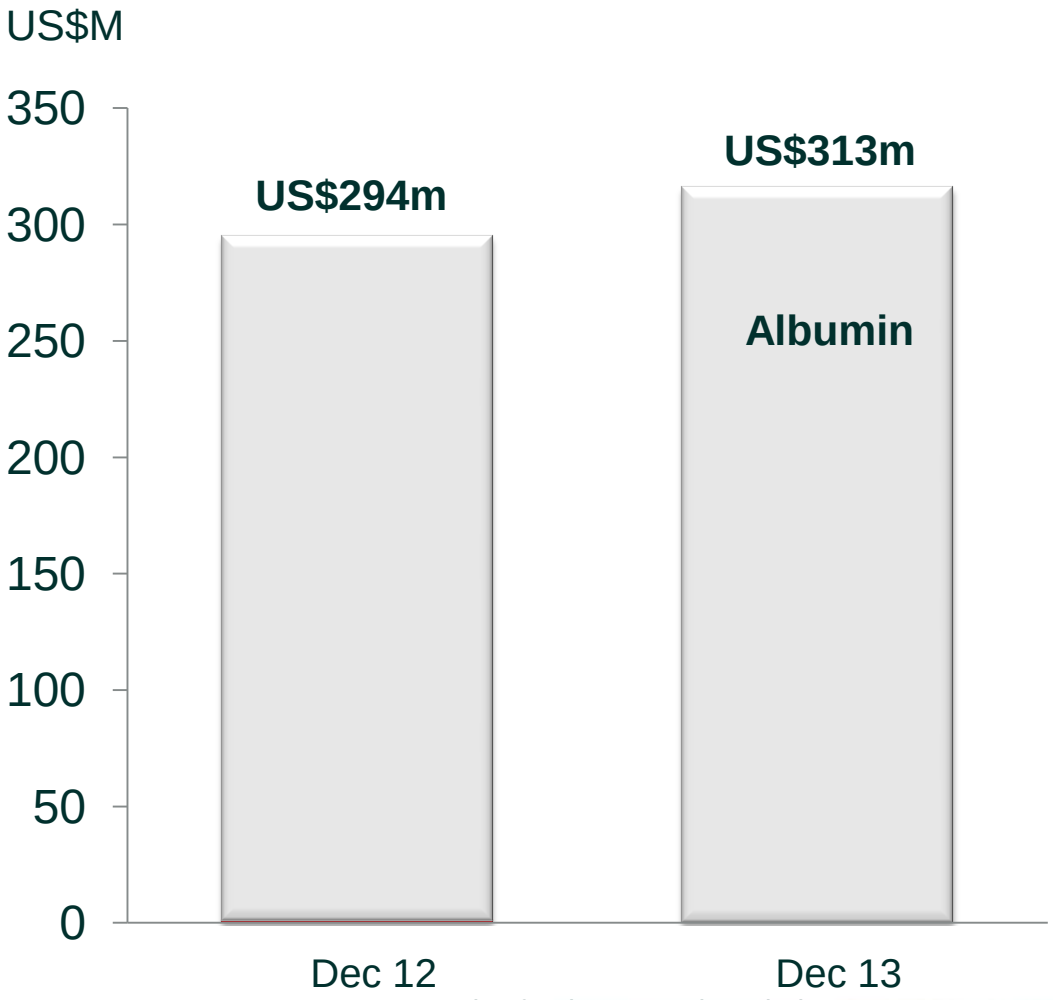
IVIG

- US
  - Good market growth
  - Competitive pressure
- Europe
  - New CIDP indication positive for demand

SCIG

- Ongoing strong demand for Hizentra® in US & EU

# Albumin
# Sales up 7% @ CC




*Sales for the 6 month period*

## Highlights

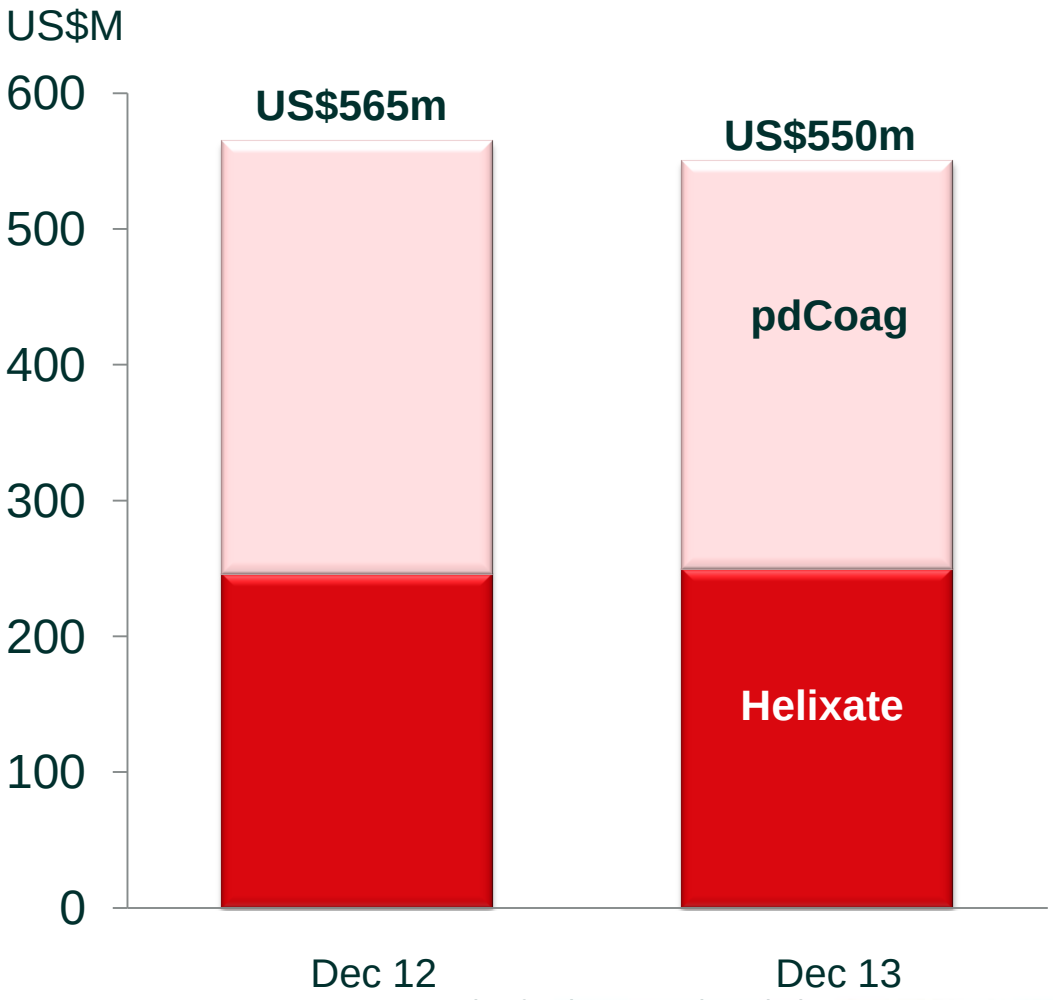
Europe

- Solid demand following EMA's caution on use of hydroxyethyl starch solutions

China

- Ongoing strong demand
- Strong prior comparable period

# Haemophilia
# Sales down 4% @ CC




*Sales for the 6 month period*

## Highlights

PdFVIII

- Solid US demand for Humate® for use in surgery
- Tender markets tend to be 'lumpy'

Helixate®

- Multiple clinical trials in new generation rFVIII absorbing product otherwise for sale

# Specialty Products
# Sales up 16% @CC


*Sales for the 6 month period*

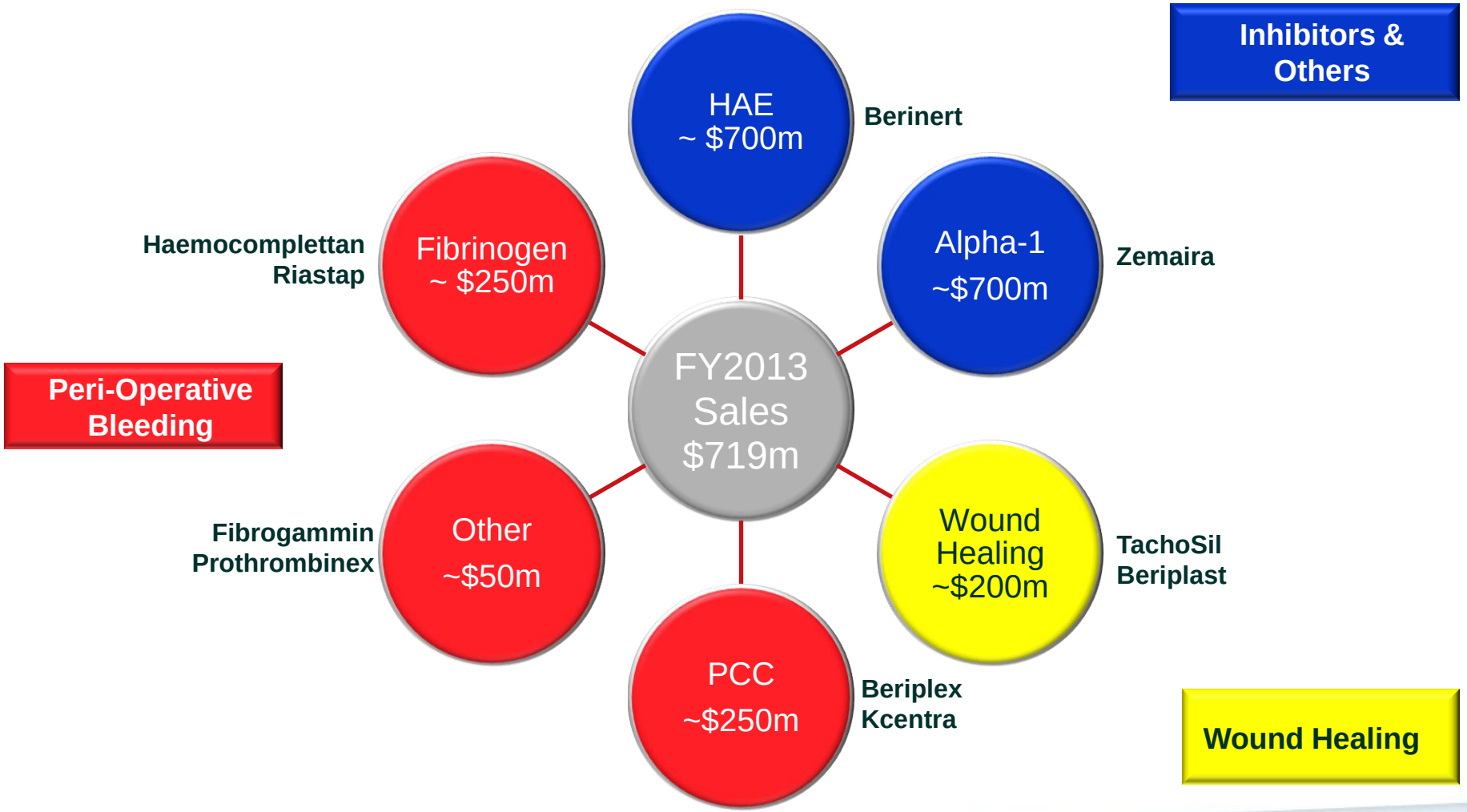
## Highlights

K-centra®
- Strong demand in US following approval & launch
- Orphan drug status

Berinert® P
- Self administration label driving new patient take-up.

Zemaira®
- New patient acquisition
- Launch of diagnostic testing program

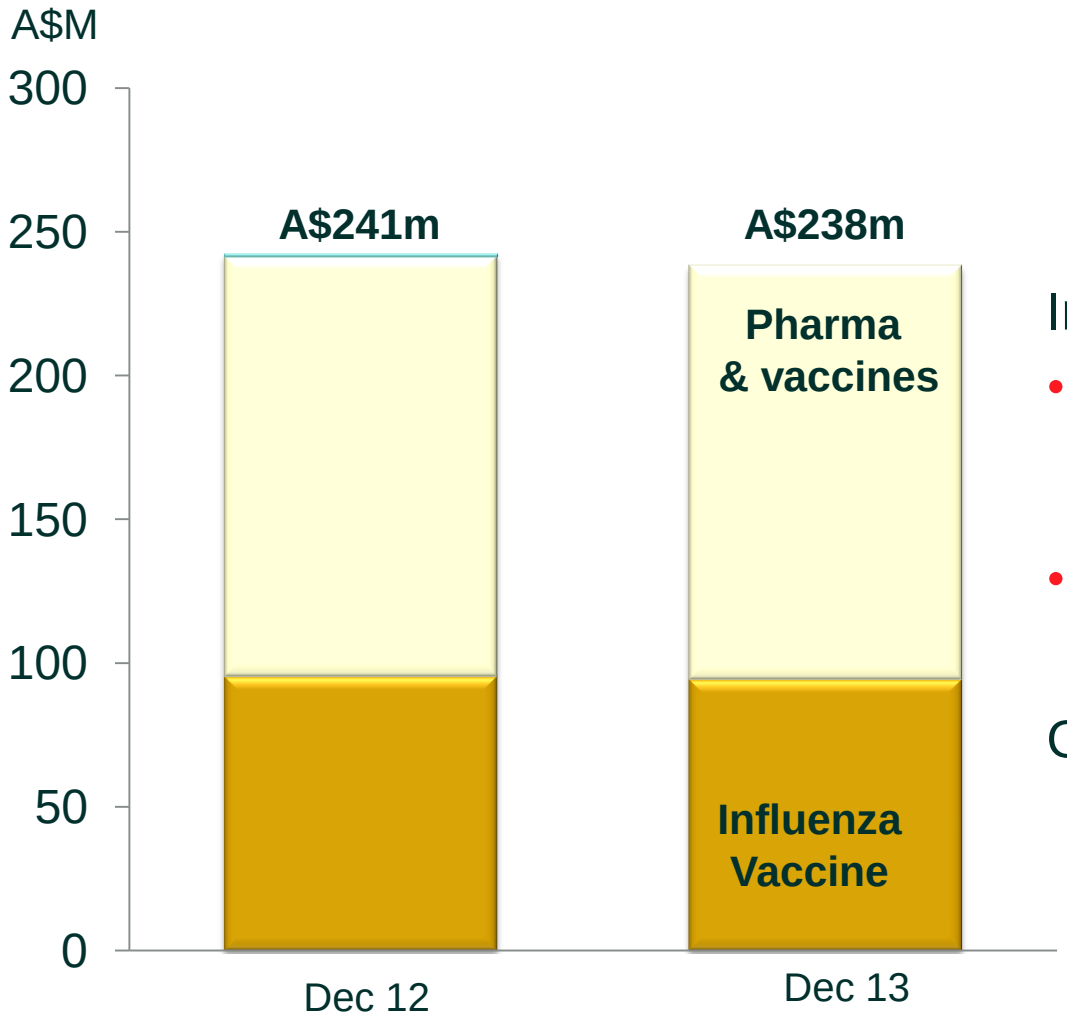
# Specialty Products Current Markets






CSL Estimates of Target Markets

# bioCSL
# Sales down 7% @CC




*Sales for the 6 month period*

## Highlights

Influenza sales A$94m

- Increased US demand
  - Growing US commercial operations
- European sales down after partner exits market

Gardasil* sales strong following higher than expected uptake in Australia

** Gardasil is a trademark of Merck & Co.*

# CSL Intellectual Property Licensing

Segment Revenue US$101m

HPV royalties $78m up $10m

- Growth in Gardasil* royalties
- Progression of 9-valent vaccine

CSL362 (anti-IL-3Rα mAb)

- Phase I trial in AML in progress
- Exclusive worldwide license with Janssen Biotech Inc to develop and commercialise CSL362
- Collaborative research program to support use in other indications

CAM3001 (GM-CSFRα)

- Medimmune/AstraZeneca continue Phase IIb studies in RA

ISCOMATRIX® adjuvant

- Merck Research Labs Phase I Dengue Study fully enrolled

** Gardasil is a trademark of Merck & Co.*

# R&D Update

rIX-FP (rec fusion protein linking factor IX with albumin)

- Pivotal Phase III study enrolment complete
- Preliminary data demonstrates efficacy

rVIII-SingleChain

- Phase I/III study supports twice weekly dosing

rVIIa-FP (rec fusion protein linking factor VIIa with albumin)

- Phase II/III trial in patients with inhibitors to commence in 2014

Hizentra®

- Administration options in US and EU expanded to include dosing once every two weeks (biweekly)
- Approval in Japan for PID and SID

# R&D Update

Kcentra® (4-Factor Prothrombin Complex Concentrate )

- FDA approval for expanded indication to include urgent Warfarin reversal in patients undergoing surgery (in addition to major bleeding)

Zemaira®

- Efficacy data from Phase III/IV study submitted in EU and US

Berinert®

- Pivotal Phase III subcutaneous prophylaxis study commenced

CSL112 (reconstituted High Density Lipoprotein)

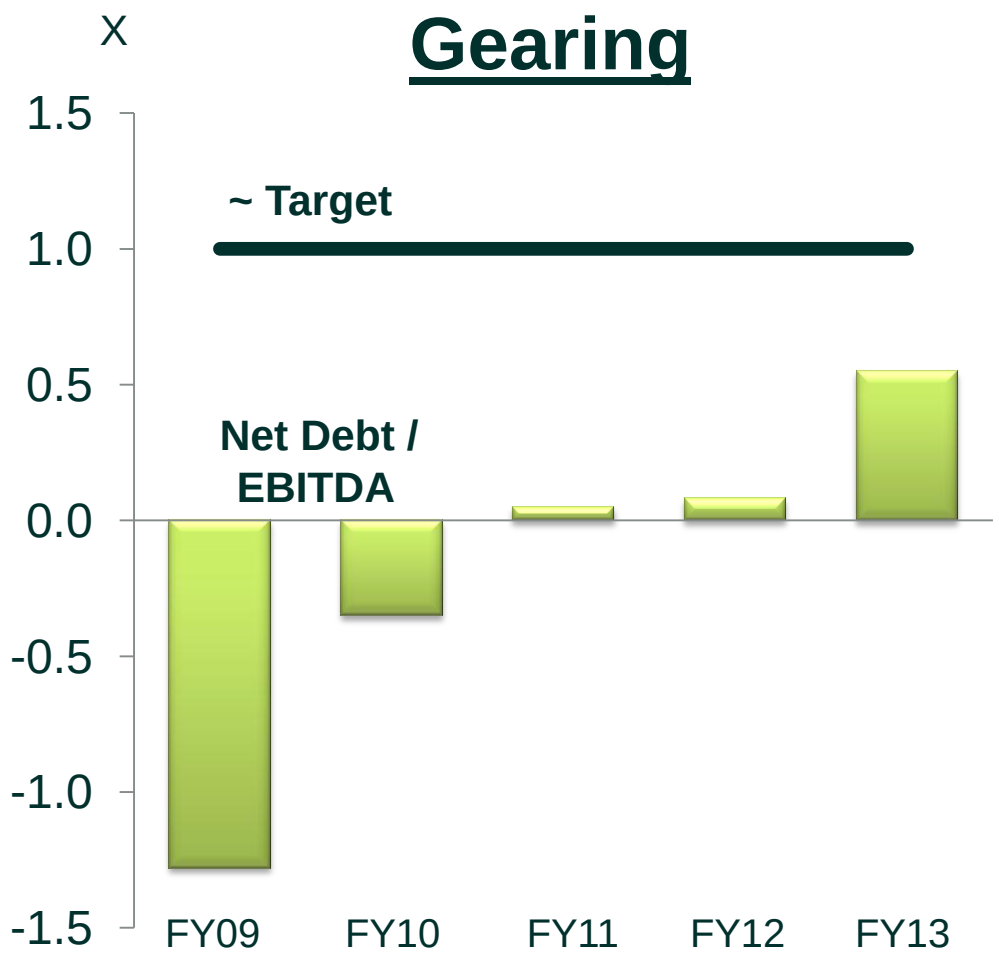
- Phase IIa data supports mechanism of action and further development

# Financial Detail

# Notable Items

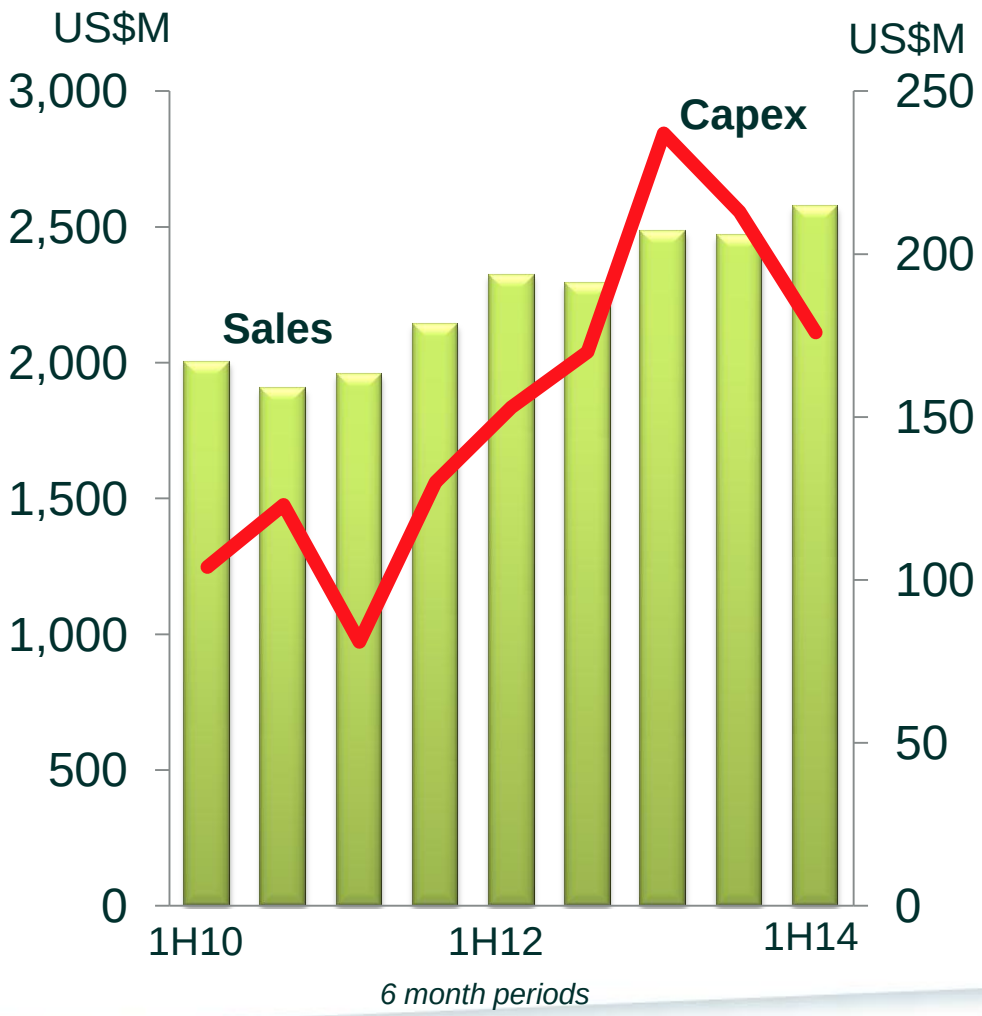
- US antitrust class action settlement
- China PCP sales benefit
- AASB 119 – Employee Benefits
  - Minor PCP adjustment
- Foreign Exchange

# Balance Sheet Management




- Buyback 22% Complete
- Accumulated effect of buybacks since 2005 on current period EPS ~17%
- Gearing @1H14 0.6x
- Gearing target range ~1x Net debt/EBITDA

# Cashflow Items




## Capex

- 1H v 2H phasing

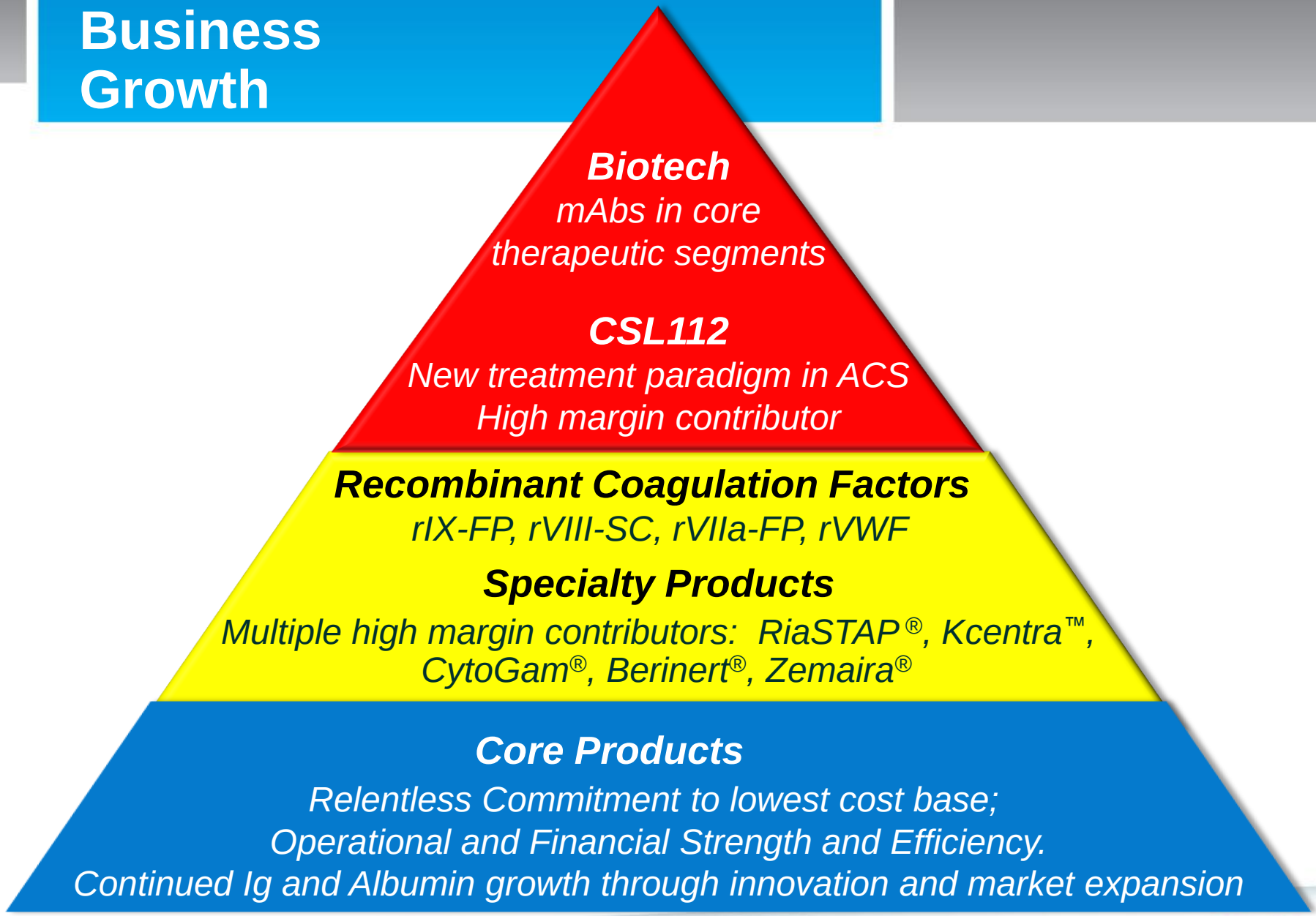
## Cashflow

- US litigation settlement
- Tax payment timing
- Net interest

# Establishing a Sponsored Level 1 ADR

- American Depository Receipts (ADRs) are tradeable and transferrable financial instruments in the US capital markets
- One sponsored program to replace several unsponsored programs
- Facilitates engagement with existing and potential ADR holders

# Business Growth



# CSL Limited
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# Group Results

***US Dollars***

| Six months ended Dec<br>US$ Millions | **Dec 2012**<br>Reported | **Dec 2013**<br>Reported | **Dec 2013**<br>at CC[1] | **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%** |
| Final Dividend (US$) | 0.50 | 0.53 | | 6.0% |
| Basic EPS (US$) | 1.24 | 1.33 | 1.31 | 5.4% |

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

# CSL Behring Sales

***US Dollars***

| Half year ended December | 1H13 USD$M | 1H14 USD$M | 1H14 USD$M CC[1] | Change % |
|---|---|---|---|---|
| **rFVIII** | **246** | **249** | *244* | **-1%** |
| **pdCoag** | **318** | **301** | *296* | **-7%** |
| **Albumin** | **294** | **313** | *316* | **7%** |
| **Immunoglobulins** | **1,015** | **1,085** | *1,088* | **7%** |
| **Specialty Products** | **355** | **403** | *412* | **16%** |
| *- Wound healing* | *52* | *48* | *58* | *11%* |
| *- Peri-operative bleeding* | *155* | *183* | *179* | *15%* |
| *- Other specialty products* | *148* | *173* | *175* | *18%* |
| **Total Product Sales** | **2,228** | **2,351** | *2,356* | **6%** |
| *Other sales (mainly plasma)* | *5* | *6* | | |
| *Total Sales* | *2,233* | *2,357* | | |

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

# Notes

(#) **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.