Full Year Result 2017
CSL Delivers Exceptional Performance

CSL Limited (ASX:CSL; USOTC:CSLLY) today announced a net profit after tax (NPAT) of $1,337 million for the 12 months ended 30 June 2017. Underlying NPAT was up 24% and underlying earnings per share (EPS) grew 26%, both on a constant currency (CC) basis.

PERFORMANCE HIGHLIGHTS

Financial
- Revenue $6,923 million
  - Up 15% at CC
- Earnings before interest and tax (EBIT) $1,769 million
  - Underlying EBIT up 23% at CC
- NPAT $1,337 million
  - Underlying NPAT up 24% at CC
- EPS $2.94
  - Underlying EPS up 26% at CC
- Total FY17 dividend increased to $1.36 per share, up 8%

Operational
CSL Behring
- Immunoglobulin (Ig) sales, excluding hyperimmunes, grew 16% at CC
- Specialty products sales increased 20% at CC
- Strong demand for Idelvion® (rFIX-FP) continued in its first full year of availability

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1 All figures are expressed in US dollars unless otherwise stated.
2 Underlying excludes from FY16 financials the one off items relating to the Novartis influenza vaccines business, which was acquired on 31 July 2015.
3 Constant currency removes the impact of exchange rate movements, facilitating comparability of operational performance. For further detail please refer to CSL’s Financial Statements 2016-2017 (Directors’ Report).
4 For shareholders with an Australian registered address, the final dividend of US$0.72 will be unfranked for Australian tax purposes and paid on 13 October 2017 in A$ at an amount of A$0.915264 per share (at an exchange rate of A$1.2712/US$1.00). For shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ$0.986328 per share (at an exchange rate of NZ$1.3699/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.
CSL 830 (Haegarda®) approved by the US Food and Drug Administration (FDA)
Hizentra® - Largest ever neurological clinical trial completed
Opened 28 plasma centres during the year
Three new monoclonal antibodies entered phase I clinical trials
License agreement reached with Momenta Pharmaceuticals.

Influenza (Seqirus)
- Solid revenue growth of 23%, reflecting planned transition to quadrivalent products, FLUAD® and increase in pandemic reservation fees
- Four-fold increase in seasonal output at Holly Springs site

Corporate
- Acquisition of majority stake in Chinese plasma fractionator Ruide
- ‘A’ grade credit ratings issued by Moody’s and Standard & Poor’s
- A$500 million share buyback⁵, ~91% complete⁶

“CSL’s 2017 results were exceptional. Our strong year reflects the successful execution of our strategy,” said CSL Chief Executive Officer and Managing Director Paul Perreault. “We delivered on our promise to provide innovative medicines to patients with rare and serious diseases in more than 60 countries. As a result, our business performance again created significant value for shareholders and other stakeholders.”

“CSL Behring’s strong performance included achieving two milestones which were particularly significant: the FDA approval of Haegarda® and the continued expansion of our next generation recombinant coagulations therapies, especially Idelvion®,” Mr. Perreault noted. “Haegarda®, which treats Hereditary Angioedema (HAE), is a transformational therapy for patients. Haegarda® provides 95% reduction in oedema attacks, reduces the need for rescue medication and is the first and only subcutaneous formulation. Another area of strong growth is Idelvion® (rFIX-FP). In its first full year, Idelvion® has become the new standard of care for patients with Haemophilia B, given its unsurpassed profile and significant patient benefits. Feedback and product adoption from both patients and physicians have been extremely positive.”

“We also continued to expand our plasma collection network. With nearly 180 centres in the US and Europe, CSL is uniquely positioned to leverage our network to drive future

⁵ CSL reserves the right to terminate buy-backs at any time.
⁶ As at 16 August 2017
growth. We intend to open 25-30 centres over the next year, a level of expansion which is unmatched in the industry.”

“Seqirus continued to make steady progress, including securing multiple new product licences and executing a number of initiatives designed to position the business for profitability and growth,” Mr. Perreault added.

“To continue delivering on our promise to patients, we further strengthened our future growth opportunities in 2017, including three key initiatives,” Mr. Perreault noted.

“We laid the groundwork in support of Hizentra by completing the largest ever neurological clinical study. This data is the basis for our licensure applications submitted to the FDA for use of both Hizentra® and Privigen®.”

“Additionally, we reached an agreement with Momenta Pharmaceuticals in January to develop Fc multimer proteins.”

“Later in the year, we acquired a majority stake in Chinese fractionator Ruide. This is a modest entry point into a one of the largest and fastest growing immunoglobulin markets in the world. We now have the capabilities to expand our efforts in delivering life-saving therapies to Chinese patients with rare and serious diseases,” Mr. Perreault concluded.

OUTLOOK  (at FY17 exchange rates)

Commenting on CSL’s outlook, Mr. Perreault said, “We expect solid ongoing demand for CSL Behring biotherapies and strong market acceptance of our newly approved specialty product Haegarda®."

“The haemophilia market continues to evolve. Our new generation products, Idelvion® (rFIX-FP) and Afstyla® (rFVIII-SC) are well placed and expected to more than offset the anticipated decline in earnings contribution from Helixate®, as our supply contract ends this calendar year.”

“Seqirus is expected to continue its path toward profitability,” Mr. Perreault added.
“CSL Group’s net profit after tax for FY18 is expected to be in the range of approximately $1,480 million to $1,550 million at constant currency. This compares to FY17 reported profit of $1,337 million,” 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 footnote7 below.

**CAPITAL MANAGEMENT**

*Share Buyback*
In October 2016, CSL announced its intention to conduct an on-market share buyback of up to A$500 million. To date, CSL has purchased approximately 3.6 million shares for approximately A$454 million, representing approximately 91% of the intended buyback program. No share buyback is foreshadowed in FY18.

*Debt Ratings*
CSL’s balance sheet and debt serviceability remain strong. Net debt to EBITDA stands at 1.5x. During the second half of FY17, CSL sought debt ratings to facilitate debt diversification and enable access to wider debt markets. Ratings issued are strong investment grades as follows:
- Moody’s A3, stable outlook
- S&P A-, stable outlook

*Capital management*
During the first half of FY18, CSL intends to approach the US private placement market to raise approximately US$600 million for general corporate purposes, as part of the company’s overall capital management program.

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7 Key variables that could cause actual results to differ materially include: the success 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, 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.
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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Group Results

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<tr>
<th></th>
<th>Jun 2016 Reported</th>
<th>Jun 2016 Underlying&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Jun 2017 Reported</th>
<th>Jun 2017 at CC&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>5,909</td>
<td>5,909</td>
<td>6,616</td>
<td>6,688</td>
<td>13%</td>
</tr>
<tr>
<td>Other Revenue / Income</td>
<td>206</td>
<td>206</td>
<td>307</td>
<td>314</td>
<td></td>
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<tr>
<td><strong>Total Revenue / Income</strong></td>
<td>6,115</td>
<td>6,115</td>
<td>6,923</td>
<td>7,002</td>
<td>15%</td>
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<tr>
<td><strong>Earnings before Interest, Tax, Depreciation &amp; Amortisation</strong></td>
<td>1,658</td>
<td>1,749</td>
<td>2,048</td>
<td>2,163</td>
<td>24%</td>
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<tr>
<td>Depreciation/Amortisation</td>
<td>(220)</td>
<td>(220)</td>
<td>(279)</td>
<td>(285)</td>
<td></td>
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<tr>
<td><strong>Earnings before Interest and Tax</strong></td>
<td>1,438</td>
<td>1,529</td>
<td>1,769</td>
<td>1,878</td>
<td>23%</td>
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<tr>
<td>Gain on Acquisition</td>
<td>176</td>
<td></td>
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<td>Net Interest Expense</td>
<td>(58)</td>
<td>(58)</td>
<td>(79)</td>
<td>(80)</td>
<td></td>
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<tr>
<td>Tax Expense</td>
<td>(314)</td>
<td>(318)</td>
<td>(353)</td>
<td>(371)</td>
<td></td>
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<tr>
<td><strong>Net Profit after Tax</strong></td>
<td>1,242</td>
<td>1,153</td>
<td>1,337</td>
<td>1,427</td>
<td>24%</td>
</tr>
<tr>
<td>Total Dividend</td>
<td>1.26</td>
<td></td>
<td>1.36</td>
<td></td>
<td>8%</td>
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<tr>
<td>EPS</td>
<td>2.689</td>
<td>2.495</td>
<td>2.937</td>
<td>3.134</td>
<td>25.6%</td>
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<sup>a</sup> Excludes one-off items relating to the acquisition of Novartis' influenza vaccines business, acquired on 31 July 2015.

<sup>b</sup> 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 2016-2017 (Directors' Report).