



DEAR SHAREHOLDER

I am pleased to report an outstanding performance for our half year result.

For the six months ended 31 December 2017, CSL reported (when compared to the prior comparable period):

- Revenue of US\$4.1 billion, up 11% at constant currency (CC)¹;
- A net profit after tax (NPAT) of US\$1,086 million, up 31% at CC;
- Reported earnings per share of US\$2.40, up 32% at CC; and
- An interim dividend of US\$0.79 per share (approximately A\$1.00 per share), an increase of 23%.

Our outstanding performance is a result of the focused execution of our strategic priorities. Our results reflect the effectiveness of our patient-focused research and development (R&D) pipeline, robust demand for our differentiated products, and market leadership positions around the world.

The breadth of our product portfolio remains a key driver for revenue growth. As a global leader in immunoglobulins (Ig), our momentum grew in the first half of the year. Additionally, high demand continued for CSL Behring's innovative recombinant coagulation factor IDELVION[®], which has now been launched in 13 countries. IDELVION is clearly becoming the new standard of care for Hemophilia B patients and driving expansion of our new generation of recombinant coagulation therapies. In the Hemophilia A market, AFSTYLA[®] delivered good growth as patients transitioned to it in a very competitive landscape.

In the first half, we also successfully launched HAEGARDA[®], our transformational therapy for patients with Hereditary Angioedema (HAE). This treatment option is a prime example of our commitment to maximising the value of our portfolio and delivering new products that offer significant benefits to patients.

At CSL, efficiency is a significant advantage for us. We continued to grow our CSL Plasma collection network, and advanced a number of major capacity expansion projects across the company. We also saw continued progress with Seqirus, which took important steps to expand both its capacity and market reach.

Our commitment to remaining at the forefront of innovation is stronger than ever and CSL moved forward with a number of transformational R&D initiatives in the first half. With our emerging transplant franchise developing well, we entered into collaboration with Vitaeris for a monoclonal antibody as part of our growing capabilities. We also expanded into gene therapy with the Calimmune acquisition and announced our decision to proceed with the Phase III study of CSL112, a therapy to help reduce the high incidence of early recurrent cardiovascular events following a heart attack.

For CSL's business outlook, we expect solid ongoing demand for CSL Behring biotherapies, including the strong patient uptake of our newly approved specialty product HAEGARDA and new generation IDELVION and AFSTYLA products.



An uneven profit profile is expected for the first and second half results, due to the seasonality of the influenza business and the timing of expenses, particularly our R&D activities.

CSL has never been better positioned for sustainable growth with investments in R&D, production and commercial capabilities. As a global biotechnology leader, we are driven by our promise to develop innovative medicines and reliably supply them to patients with rare and serious diseases. Our success hinges on the expertise and deep commitment of our diverse global workforce, over 20,000 employees located in more than 30 countries.

You can find more information on our half year performance on our website www.csl.com.au.

On behalf of the Board, I thank you for your ongoing support.



Professor John Shine AC,
Chairman April 2018

GROUP RESULTS

Half year ended December US\$ Millions	Dec 2016 REPORTED	Dec 2017 REPORTED	Dec 2017 AT CC ¹	Change ¹ %
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 (US\$)	0.64	0.79		23
EPS (US\$)	1.77	2.40	2.33	32

¹ Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. For further details, please refer to the ASX announcement of Half Year results lodged on 14 February 2018.