Acquisition of a Chinese plasma fractionator

13 June 2017
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Acquisition of 80% equity of a Chinese plasma fractionator - Wuhan Zhong Yuan Rui De Biological Products, for US$352 million

- Provides CSL with a strategic presence in the Chinese plasma fractionation market
- Complements CSL Behring’s position as the leading supplier of imported albumin in China
- Better serve patients with rare and serious diseases
- Wuhan Zhong Yuan Rui De Biological Products (“Ruide”)
  - A wholly owned subsidiary of Humanwell Healthcare Group
  - Includes a manufacturing facility and four plasma-collection centers

(1) The agreement includes a milestone based performance mechanism to enable CSL to increase its ownership in Ruide over time.
China is an important market with significant potential to expand

<table>
<thead>
<tr>
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<th>US</th>
<th>China</th>
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<tbody>
<tr>
<td>Population (Million)(^1)</td>
<td>320</td>
<td>1,380</td>
</tr>
<tr>
<td>GDP Growth (%)(^2)</td>
<td>1.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Plasma Collection Volume (Tons)(^3)</td>
<td>31,100</td>
<td>7,120</td>
</tr>
<tr>
<td>Plasma Product Market ($Billion)(^4)</td>
<td>8.6</td>
<td>3.3</td>
</tr>
<tr>
<td>-Growth rate (%)</td>
<td>10</td>
<td>15</td>
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<tr>
<td>Plasma product usage(^5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Albumin (gram per 1000 capita)</td>
<td>548</td>
<td>223</td>
</tr>
<tr>
<td>-Ig (gram per 1000 capita)</td>
<td>210</td>
<td>15</td>
</tr>
<tr>
<td>-FVIII (IU per capita)</td>
<td>8.8</td>
<td>&lt;0.2</td>
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Source:
Transaction provides CSL an opportunity to participate fully in China, a strategically important market

- China’s plasma products market estimated to be US$3.3 billion in 2016, with an annual growth rate of 15%.
- China is the fastest growing immunoglobulin (Ig) market worldwide, second only in volume to the US. Over the next five years, China’s Ig demand is expected to grow strongly and significantly outstrip supply.
- Current regulatory restrictions on the sale or distribution of all imported plasma products (except for albumin)
- Tremendous opportunity for both patients and donors in China to benefit from CSL’s extensive plasma capabilities
  - Leverage CSL’s expertise in plasma collection, manufacturing and new product innovation
  - Enhance the plasma donor experience
China plasma market has been growing at 15% per year.

China is the market leader – currently limited to importation of Albumin only.

Demand for Immunoglobulin is expected to significantly increase in the future

China IVlg domestic supply and demand (2010-26F)
Millions of vials (2.5g / vial)

Source: L.E.K. research and analysis
Acquisition of Ruide provides CSL with domestic manufacturing presence

- Founded in 1995 and has 300+ employees
- Acquired by Humanwell in 2010
- Operates four plasma collection stations
  - Plasma collection 127 tonnes in 2016
- Manufacturing facility located in Wuhan
  - Processing capacity ~400 tonnes
- Six products approved, including Albumin, Ig for IV Injection, Rabies Ig, and other hyperimmunes
- Planning to launch multiple coagulation factors over the coming years (e.g. Factor VIII, Fibrinogen and PCC)
Adding China to CSL’s global manufacturing footprint
Key Financials

- Ruide business is profitable
- Key metrics for 12 Months to 31 December 2016
  - Sales US$30m
- One off costs ~US$10 million
- Acquisition will be debt funded
- Inclusion of financing costs give rise to a small EPS dilution in initial years
- Outlook - 5 years post acquisition
  - Sales of ~US$100m
  - EBIT margin comparable to CSL Behring business
Transaction details

• CSL will take full operational control of Ruide, including the nomination and appointment of management

• Transaction expected to close in the second half of calendar year 2017, subject to regulatory approval

• Residual 20% equity
  o Clear path to 100% ownership on achievement of milestones
  o Total acquisition value
    o Initial 80% stake - US$352m
    o Remaining 20% stake - between US$96m & US$142m
      o Est. based on timing & achievement of performance milestones

• No impact on the current share buy-back program