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MARK DEHRING, IR, CSL LIMITED: Okay, ladies and gentlemen, we will make a start. Good morning and welcome to CSL's full year results briefing for fiscal 2014. I have with me here in the room Paul Perreault, Chief Executive Officer of CSL, and Gordon Naylor, Chief Financial Officer.

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As with past practice, Paul will be providing an overview of the results and operations and Gordon will be picking up on some of the financials. Please note, this is being webcast and we have quite a number of people online, so during Q&A I do ask that you use the microphones.

And before we start, I draw your attention to the forward statement disclaimer contained in your packs. And with that, I'll hand over to Paul.

PAUL PERREAULT, CEO, CSL LIMITED: Thank you, Mark. Good morning everyone. It's a pleasure to present the CSL results to you all this morning. As Mark said, Gordon will be filling in on some of the financials, detailed financials as we go forward.

Please do note the forward-looking statement slide. Obviously these are the forward-looking statements are identifiable and we have called out the risks and the caveats around the representations in this presentation.

So I'm very pleased to report that CSL has produced a strong result this year across all of our financials in what remains a very competitive marketplace. When we take a look at the revenues of $5.5 billion, it's up 8% at constant currency.

The EBIT line at $1.637 million, up 11%, up 10% at constant currency and NPAT at $1307, up 8% and the same at constant currency. And this all is -- this result does include the one-off for the US anti-trust class action settlement that we had earlier last financial year -- this past financial year.

R&D investment was up again, to $466 million, that's 11% at constant currency. We continue to invest in the future of the organisation as part of our strategy and I'll talk more about R&D in a little bit. And our final dividend increased to $0.60 unfranked and that's up 15%.

For the operational highlights we had a number of things happening obviously this year and one of the highlights was Hizentra and the approval for flexible dosing for Hizentra. What this means is that you can dose Hizentra once every two weeks as opposed to once a week, and we actually have some flexible dosing that's being submitted to the agencies around -- even going to more -- a longer dosing interval than once every two weeks. So the final cokinetics of this product really support the dosing flexibility, which is great because it does give patients additional options to infuse subcutaneous immunoglobulin with Hizentra at a high concentration.

Kcentra was approved for surgical use, so you know the year before last we had Hizentra approved for the reversal of severe bleeding on patients with -- taking Warfarin or Coumadin, and this past year we had the additional indication for those patients in surgery that also were on Coumadin or Warfarin that had severe bleeds during surgery. So an expansion of the label that has shown significant growth for this particular product that I'll talk about in a minute.

We continued to expand our facilities to support our growth. Obviously you have to plan these things well ahead of time. Facilities don't pop up overnight and so you have to do your planning years in advance, and we've done that on the back of really demand. So when we see the market demand we start to invest and

make sure that we have enough capacity to supply these lifesaving and life-extending products to patients. CSL362, we had a license agreement with Janssen Biotech this year. This produce is for acute myeloid leukaemia and actually has utility we believe in expanded indications beyond that.

BioCSL, our Australian vaccines pharmaceutical business, is in the middle of what we termed the turnaround process. We separated this business over a year ago to really get a close look at the financials and the health of this business here in Australia, and Gordon will talk a little bit more about that later in the presentation.

In terms of capital management, we're in the process of completing the current share buyback of about AUD950 million, that's about 93% complete at this particular point. And we will have a new foreshadowing of a buyback by the **Board** of up to another AUD950 million once this share buyback is complete and the **Board** makes a determination.

We also are doing a private placement that we're foreshadowing of up to EUR300 million. And of course, we did settle that class action suit which we were able to move on with the business. I think the litigious nature of the US was such that it was really of benefit to the **Company** to settle and move on with the rest of our business.

In terms of the facilities expansion that I mentioned, many of you may have visited Broadmeadows in March. We had a bit of a tour back in March and I hope you enjoyed the tour there. Certainly the biotech manufacturing facility that we have opened in Melbourne to really supply our clinical trial material for our recombinant proteins as well as early stage **commercial** launch has a fantastic new facility that is currently in the process of manufacturing those clinical trial materials. We did announce recently that we are going to be putting in a new recombinant coagulation manufacturing plant for full commercialisation in Lengnau, Switzerland.

Our plasma business, we -- in the **commercial** start-up of Broadmeadow's Privigen facility, we expect that to open in 2016. The multi-**site** capacity expansion that we've had across the rest of our sites, including an expansion of base fractionation and additional albumin capacity is well underway and we expect some approvals in the Kankakee area later this year.

In terms of collections of plasma, we opened 18 centres this past year in the United States. Again, you have to collect this plasma well ahead of when you may need it because it takes time to ramp these centres up and really get the donors flowing through the centre. But with 18 facilities that takes our fleet globally to 106 centres and we also opened a second plasma logistics centre in the United States. This is the area where we store the plasma and then ship it out to the manufacturing facility once it's ready for production.

We did expand our laboratory in Knoxville, Tennessee, where we will now be able to perform 64 million tests per year, quite a large facility for testing of the plasma, and we have transitioned to in-house nucleic acid testing in the Europe lab. We did do that in the US in fiscal 2013, so we've in-sourced all of our NAT testing.

In terms of the **Group** revenue and through the product groupings you can see that we have a bit of a broad mix in terms of the products. Somebody hit a slide, go back. You can see that the IG area contributes to quite a number of -- actually, 43% of our revenues in terms of IG. Mark, I think I did miss a slide, didn't I? Okay.

The albumin at 13% of our revenues now as well as our coagulation portfolio that's -- okay, so I don't think I'm hitting anything, and I'll see where we go. Mark, is there -- excuse us just for a second as we get the technology right. Okay. So albumin at 13% and our specialty products which account for 15% of our revenue. I'll try to move it.

So we do have a broad sales reach in terms of where the products obviously are **sold** and you can see that we've called out bioCSL as a segment with seven -- okay -- with 7% of our sales, but North America contributing 41%, Europe you can see the numbers there at 29% and Asia at 10%.

In terms of our outlook for this financial year we expect revenue growth of around 8% as well as reported EBIT of around 15%, which is important because it really highlights the underlying growth of the business, and the reported NPAT of around 12%. And I think that as we continue to look at our EPS growth we think that that will exceed NPAT growth going forward, and that's driven not only by our underlying growth in the business but also by some benefit from our capital management initiatives. I mentioned before, and we are foreshadowing that the **Board** will consider a further buyback to help us maintain that capital management discipline that we've had in the past.

In terms of the product sales, digging into this a little bit you can see that we had growth in pretty much all the segments. We had significant growth in specialty products, significant growth in immunoglobulin,

significant growth in albumin. Our plasma-derived and our recombinant haemophilia portfolio was slightly down and we'll delve into a few of the details on these segments now.

So in terms of immunoglobulins, normal IG was up about 13%. IG growth in total was 12%, that's diminished a little bit by the hyper immune area but in terms of normal IG, 13% growth which I think was extremely strong. This was driven by a number of factors including the fast adoption of additional patients in Europe with Privigen due to our new indication with CIDP, as well as a strong demand in Latin America. We had a very strong demand for IG and Privigen specifically in Latin America this year, so our Latin American operations continue to help us drive forward.

Certainly the Hizentra, as I mentioned before, is a key factor in terms of our growth. Hizentra was up 19% this year in terms of growth, so again very strong growth in the subcutaneous space, and I think the flexible dosing option in the US has really assisted us in that growth as well. So having that option to be more flexible with the dosing and the label has ensured physicians that this is a product that does have a bit of flexibility in terms of how patients are able to adapt and use it in their treatment. So we see ongoing demand for Hizentra in the US and Europe and certainly Privigen, as I said, has shown some very good growth in the second half as well.

When we take a look at albumin sales, up 16%. You would expect that albumin would be growing quite strongly because IG is growing, and as you know with our economics of our business the albumin growth will come with the IG growth and so as we continue to grow IG, albumin should grow, and it did.

We were very happy to see that we had very strong demand in **China**. Our albumin growth in **China** was up 29% this year. It's a huge number, but it just shows that there's a real need and a demand in **China** for albumin. Certainly, our ability to manage our distribution quite effectively, the changes we made in distribution last year with the addition of Cardinal as a partner in our distribution in **China**, and our ability to actually deliver in **China** through the changes in serialisation and the way that the product flows through the ports has been extremely beneficial. We have a very strong logistics team that really helps us in the **China** marketplace.

In Europe, the solid demand for albumin was [still there]. There is still a flow-on effect from the starches and the downplay of the starches in a number of indications and the addition of albumin in terms of treatment therapies. And in the rest of the world we had strong demand. Again LatAm, Latin America was strong in albumin and Brazil particularly we saw some great strength in albumin this year.

Haemophilia was down 4% at constant currency. A number of factors here in terms of the plasma-derived segment and the recombinant segment. For plasma-derived, as you know a lot of the plasma-derived utilisation is in countries that are not switched over to recombinant.

A lot of the emerging markets and some of the Eastern European markets, most of these tend to be tender markets, government markets and the tenders are a bit lumpy. The timing is not always aligned with our fiscal years for the issuance of these tenders so we kind of go up and down a bit, depending on our ability to compete in the tenders with our competitors. Again, a very competitive space.

But we do see growth in the emerging markets and we also did have some impact, we had a number of high utilisation patients that were on a immune tolerance therapy that resolved the inhibitors and came off of the high dose therapies in plasma-derived and these patients can actually use millions of units a year so it does have an impact when they resolve the inhibitor. We're happy they resolve the inhibitor certainly but it does impact sales at some point.

In terms of Helixate, I think the movement in sales mix, the multiple clinical trials that our competitors are running which allows patients to go on product free of charge because they're on the clinical trial material, eats into the **commercial** markets. This is not **commercial** product that the patients are currently on when they're in the clinical trials, so that has an impact across the marketplace in terms of the recombinants.

Oobviously we've had some new entrants, and people that have not currently been in our space that are now entering the market like the biogenetics of the world. So a lot of competition in this space but I have to say we're well-placed for the future with our recombinant portfolio and we still have a strong plasma-derived portfolio as well. So we'll continue to push forward and we don't mind the competition; we're just ready to get into the game.

In terms of specialty products, another very, very strong performance this year in our specialty products portfolio, up 18%, which was a tremendous effort. Kcentra and Beriplex, so it's -- the name in other markets is Beriplex, in the US it's Kcentra -- grew by 98% this past year. So a tremendous effort in terms of the growth of Kcentra; it just shows the actual medical need of these products in terms of resolving patients' bleeds when they didn't have options prior.

The other thing about the specialty products was Berinert continues to grow. We saw 25% increase in Berinert sales this past year across the globe. Zemaira grew at 10%, fibrinogen was in the 6% range. So the specialty products continued to show this growth based on the medical need of these rare diseases that these products actually help resolve.

So I can't say enough about the specialty product portfolio. We certainly -- with our broad breadth of products in our portfolio it's a real advantage to have this great cadre of specialty products to be able to continue growing over the next number of years.

BioCSL, this is in Australian dollars, just to remind you now that we're switching back to bioCSL which is really the Australian business for pharmaceuticals and vaccines, and flu vaccines, so we do look at in the Australian dollar terms. The business turnaround is underway. The influenza sales this year were AUD125 million. We did see increased US demand.

We did have a partner, (inaudible) exit the market in the EU and they were a good customer for us in terms of antigen sales, so that went away, which depressed our flu sales a bit. But the seasonal flu business continues to go well and so far this year we've seen strong demand in the US and Europe for the northern hemisphere season which is just underway.

Next I'll move on to the IP segment and intellectual **property**. When we take a look here you can see that the HPV royalties were $119 million, that was down on an annual basis of about 7%. As you vaccinate more and more people obviously the opportunity to vaccinate people as they come into age is lessened based on the catch up programs which we've had in the past.

So the royalties from the HPV were down about 7% however we are excited that the 9-valent vaccine was submitted this past February to the US authorities and will be submitted in other jurisdictions. This will cover five new potential cancers with the 9-valent, which is I think a great growth opportunity. So we expect to hear something within this financial year back from the agency, or Merck does, on the 9-valent.

CSL362 I mentioned briefly earlier, and certainly in AML we think this is a fantastic opportunity. Janssen is a great partner and they certainly have the expertise in oncology to take this product and really develop it the way it should be developed. I think that when you take a look at the benefit that you get from CSL362 you actually are able to take and generate killer cells from the natural immunity system within the body against the AML, the cancer cells. So it's a fantastic product really.

When we take a look at the AstraZeneca arrangement that we have in rheumatoid arthritis, this program continues to advance and we've completed, or AstraZeneca has completed, multiple Phase II studies. So far the results have been extremely promising so we're looking forward to the continuation of those programs within AstraZeneca. Then in terms of ISCOMATRIX, we continue to see benefit, the Merck Dengue Study is ongoing and there is a New England Journal of Medicine article that show the effects that ISCOMATRIX is able to generate, not only on antibodies but in terms of dose sparing. So a very good outcome so far for ISCOMATRIX.

Quickly I'll move just to look a bit of the R&D update and the highlights there. Certainly our recombinant portfolio in terms of recombinant factor IX fusion protein, our recombinant VIIa fusion protein and our recombinant factor VIII-SingleChain product are all moving through development and many in the later stage. So the factor IX program, which the pivotal phase III study enrolment was completed this past year, the pharmacokinetic data supports 14 day treatment regimen.

So again a very significant change from the market leader today, BeneFIX, and I think we can compete quite readily with the (inaudible) product as well. So we're looking forward to putting that submission through, hopefully this fiscal year and we'll see where we go. But certainly the data is very, very strong.

The recombinant factor VIII program, the phase I/III study support twice weekly dosing. The first patient was enrolled in the paediatric study and we do have to have some paediatric patients as well, so that continues to move. Our recruitment is strong in this particular product as well, so very pleased with the way our clinical **group** has been performing there. With recombinant VIIa fusion protein, we have -- the phase II/III trial is due to commence this year, so this calendar year, and we're moving that forward as well. Very exciting product because, again, the fusion protein technology is very similar to what we're using for our factor IX product where we've seen the every two week dosing. So we're looking for some excellent results there.

In terms of Hizentra, the administration options in the EU and the US, in terms of that flexible dosing, has been really helpful for patients and we see the growth that we experienced with Hizentra this year. That was done with pharmacometric modelling which was quite a unique way to approach the agency without having to do a full scale clinical trial, because the data actually works.

We have some very intelligent scientists in our **group** here in Australia that took a look at the modelling from the data that was in the clinical trials and were able to put a submission together that the agencies were well prepared to receive. In terms of the approval in Japan for primary immune deficiency and secondary immune deficiency, this also has another way of the expansion obviously of our portfolio across our geographies. This is the first and only subcutaneous IG available in Japan.

Kcentra I've talked about and certainly the expanded indication in surgery was extremely helpful in terms of driving additional utilisation in the hospitals. Zemaira we have the efficacy data from our phase III/IV study and that submission has been put into the US regulators and the EU regulators. In the EU we're looking for approval of Zemaira and in the US we're looking for expanded labelling with the data that we have. Berinert, the pivotal phase III subcutaneous prophylaxis study has started. Berinert has, as I mentioned before, grown at 25% this past year. When we look at a high concentration and a subcutaneous administration it would be of big benefit to patients that currently today only have the IV option with a C1-esterase inhibitor.

Going into CSL112, another very exciting program for us in terms of development. The phase IIa data supports our mechanism of action and we presented that at the American College of Cardiology this past year. Our global phase IIb program is initiated now, so we're initiating the phase IIb program that will have approximately 1200 patients and we'll look to drive that as quickly as possible.

This is a unique product that can actually cause the efflux of cholesterol out of plaque after a heart attack and that's really when patients are most susceptible for a second event and potentially death. So in this time period after the first heart attack, patients really need to be stabilised and that's where we see a lot of utility for CSL112, assuming that all of the trials continue to progress as we've seen thus far. Risk is always in R&D, but certainly exciting in terms of the opportunities.

Then with that I'm going to hand it over to Gordon and Gordon will take you through some of the financial detail.

GORDON NAYLOR, CFO, CSL LIMITED: Thanks Paul, good morning everyone. As Mark mentioned I'll talk you through some of the financial detail behind the results that Paul has announced this morning. In addition to the accounting result I'll also cover some thoughts on the development of margin structure, which is always a popular topic, and talk about management of the balance sheet cashflow and then finish up by talking about progress we're making with bioCSL.

So you're all aware now that our reported NPAT result was a shade over $1.3 billion for the full year. On a reported basis that's up 8% on the last financial year and pretty much the same growth in constant currency terms. You will recall the FY13 was especially strong, helped by a few special items including the boost in albumin sales in **China** following the change in distributor model at the beginning of that financial year.

By far the most significant influence on the FY14 result was our settlement of the long running US class action. The cost of the settlement was $64 million, or $39 million after tax as the expense was tax deductible in the US. Our EBIT growth for the full year was 11% or 10% in constant currency terms. Obviously EBIT was also adversely affected by the class action settlement.

The main reason that EBIT grew more strongly than NPAT in FY14 was due to a step-up in the reported effective tax rate from 17.1% to 18.5%. As I foreshadowed a year ago, and confirmed in February, we did successfully complete the strategic decision making around manufacturing of the recombinant haemophilia portfolio which was followed by migration of the ownership of these assets to Switzerland.

The transfer itself nets out in the consolidated accounts but there is a tax effect that you can see in the reported ETR. Similarly our current thinking, in expectation of ongoing clinical success with CSL112, or RHDL, is to make the strategic manufacturing decision for that asset in FY15 and to follow that decision with migrating the asset to the appropriate location. This will also net out in the consolidated accounts but again will tend to inflate the effective tax rate due in that year of migration. That's the main reason our EBIT growth guidance is stronger than NPAT growth guidance for FY15.

In light of these one offs EBIT is probably more indicative of underlying profit growth and the **Company**'s operational performance. In past years when we reported in Australian dollars, we saw significant volatility caused by currency fluctuations. In the main the change to US dollar reporting, as well as our active management of our natural currency hedges, continues to dampen these effects in the reported accounts. So that a moderate **transaction** headwind in this year, for the year just completed, has been more than offset by a translational tailwind to give us a small net tailwind of only $3.3 million at the NPAT line.

Different parts of the accounts are affected differently by currency. For example the general depreciation of the US dollar against our other major currencies has inflated the balance sheet slightly by about 4%. You

can see this in the movement of the foreign currency translation reserve. In these accounts, as at the half year, we've adopted AASB 119, the accounting standard which deals with our defined benefit plans.

The standard has a modest net effect upon the reported figures but also required us to restate the prior period, reducing the FY13 reported profit by about $5 million. Finally you'll note in the accounts that the inventory write-downs are up a little this year but still within the usual 5% of COGS. The write-down is already in the reported cost of sales and, as it's mainly the result of an accounting shift in plasma cost allocation, the cost will continue to occur in the future.

So moving onto margin, we always get a lot of questions about the strategic development of the **Group**'s margin structure. Broadly speaking however there are two confounding factors that are important to understand. The first is that half year figures tend to move round a bit. Not surprising given that the working capital cycle of the business is about nine months, so about one and a half times the six monthly reporting periods. As usual we do recommend that you focus upon the full year margin figures which tend to be more reflective of the underlying trends.

The other issue that plays out in the short run margin structure is the influence of the investments that we make back into the business to ensure long run sustainability. From a financial perspective these investments are mainly into R&D and also operating assets. As you know we expense R&D investments in the period in which they're incurred and capitalise investments in operating assets.

These investments are many and varied but have two common characteristics. They tend to be lumpy in nature, as they're driven by business needs rather than accounting periods. Secondly, they tend to be long term, investment projects typically take three to 10 years to implement and the useful lives of these assets can span decades. So this chart is a rough attempt to show a pre-investment view of the profit structure of the **Group**.

We've used US dollar reported figures over the last 10 or so semesters and simply backed out the whole R&D expense from EBITDA to give us this chart of EBITDAR&D, which is the pre-tax profit of the **Company** if we hypothetically ceased reinvestments in the business. So it's clearly unsustainable but it's still interesting to look at the chart and make some observations.

So I've got two comments to make about the trend line. Firstly, although there is some noise around the accounting periods, the effect is relatively muted. Secondly, you can clearly see the long run benefits of operating leverage as we gradually improve operations over time to lower unit costs, broaden the product portfolio and gain the benefits of business scale.

If I can now turn to the classic EBIT margin view, which we've presented a few times in the past, but now updated with the FY14 reported results. This is now a more sustainable pre-tax and financing view of the business. So all of the reinvestments are now incorporated in these figures. The basis of the calculation is the same but the curve is more bumpy, corresponding particularly to the timing of R&D investments and when large operating assets come online.

Over the long term and looking through the short run volatility you can see that, whilst it's fairly meaningless to consider half year margins in isolation, we are sustaining, and maybe even expanding slightly, the operating margin structure over time. This is quite remarkable given the growth of the business in such a strongly competitive environment.

If I can move now onto the balance sheet and cashflow, we do continue to be very focused on the financial fundamentals of the business. Operating cashflow of $1.4 billion, so exceeding NPAT, was strong for the year especially in the second half. At the period end we've got good cash balances to support operational needs, the buyback and dividends.

CapEx for the year came in a little over $400 million, consistent with our expectations. Paul has given you some details of our current capital investments. Looking forward I anticipate that capital investment for FY15 will be approximately $450 million, driven by the ongoing capacity expansion programs and what we anticipate will be the early spend on the new recombinant haemophilia facility in Lengnau in the canton of Bern in Switzerland. I'll provide an update on this at the half year.

We have continued to keep the balance sheet efficient by managing working capital carefully. You can see that the modest reduction in working capital cycle which we achieved was driven by more efficient inventory management and that cash, beyond what we need for liquidity, is being returned to shareholders. As a result of these measures free cashflow was particularly impressive for the year.

As Paul mentioned, the current AUD950 million buyback is going well. We're now 93% complete and we will resume buying sometime in the next few days. This program fits into the strategic context of working toward a loose target of net debt to EBITDA ratio of about 1 times, to ensure that the balance sheet is

prudently efficient. The chart shows our steady progress toward this target over the last few years so that we're now sitting at about 0.7 times.

As Paul's mentioned, we do anticipate that during the coming financial year we'll look to tap the US private debt markets again as part of this strategy. It's also interesting to note that if we look back over all the buybacks that we've undertaken since 2005, and excluding the [Telequest] **transaction** that was roughly a net wash, you can see that the accumulated buybacks have boosted earnings per share by about 19% which is real value to our shareholders.

As Paul mentioned, the turnaround of bioCSL does continue to make good progress but we do have a little way to go. We've taken over responsibility for the distribution of flu in the important northern hemisphere markets, and as Paul has mentioned, this season's distributions are running well to date.

In the second half we were successful in gaining two important new in-licensing agreement and two logistics customers that will help to secure those parts of the business. Behind the scenes we are working hard to reduce the unit cost base of the business, especially in flu and in business infrastructure within bioCSL. These initiatives are key to making the business, especially flu, more nimble and competitive in a demanding global landscape.

It's especially important that we're efficient, given that the majority of our production operations are in Australia, which as you know has a consistently strong currency. These changes are all expensive through the transition phase and we expect it may take a few more periods before the business is fully performing as a whole. But I'm very confident that we can return bioCSL to sustainable profitability.

So I'll hand over now to Paul who'll run you through our strategic framework for the **Group**.

PAUL PERREAULT: Thank you Gordon, I appreciate the excellent job that you did explaining all of the financials in detail and I hope everybody was as excited as I was to hear about them, not that I didn't hear about them before.

Certainly the strategy for the **Company** is solid. When I take a look at the strategy that's been employed over the past number of years and look at what's paying off today, it's really a credit to the people in our organisation that are focused every day on making sure that we deliver these life-saving and life-extending therapies to patients.

It really starts with the base of the business. So at the bottom of the triangle, in terms of our core products, this relentless commitment to our -- really being efficient and productive in everything that we do, and to really build on our core of albumin and IG growth. But also continuing to expand into our recombinant and specialty products, I mentioned the specialty products, earlier which have been a real benefit to CSL in terms of our ability to access new patient therapies and new patient markets and additional markets around the globe.

So the continued development of our recombinant portfolio, our investment in R&D which needs to continue because in this business you have to innovate and you have to product differentiate. By doing those things in our strategy at that next level, it's going to help sustain CSL in our growth tracks that we've had in the past.

Certainly it's a competitive market and you also have to look for new things that are in the horizon and so our biotech, our antibodies, the research that we do here at Bio21 where we share space at Melbourne University is extremely important to our future of longer term investment in R&D. Things like CSL112 which we think can be transforming in a market where patients continue to pass away based on this horrible disease in the cardiovascular area, is a real opportunity for us should it continue to progress the way that the early trials have gone.

So really building from our base of strengths, continuing to focus on the basics of the business. Sometimes people say, well, it's a bit boring and I say that's okay. It's a very strong boring business so it's boring in the sense that maybe from a strategic perspective that we've talked about our strategy for a number of years. The nice thing is that we're able to deliver on it and that really does talk about the credit of the people that are focused on making sure that we hit all of these individual items day in and day out and commit to the patients that we serve.

It's a wonderful **company**. I appreciate all of your support and your interest in CSL and with that I think Mark will move to questions.

Questions and Answers

MARK DEHRING: Ladies and gentlemen, we'll take some questions here first in Melbourne and then we'll take them online. So we'll just pass the microphones around. So Ian, why don't you go first?

IAN ABBOTT, ANALYST, GOLDMAN SACHS: Great, yes thanks. Ian Abbott from Goldman Sachs. Kcentra was one of the standouts in the result. Just wondering where you are in the launch of that product in terms of the ramp up. Have you got to a point where you'd regard it as a reasonably steady state or do you still see a fair bit of ramp in that through fiscal 2015?

PAUL PERREAULT: I would say Ian, that we continue to see growth in Kcentra because there is over -- in the US, for instance, there is about 5000 hospitals. We focus the first year out of the gate on the largest institutions which take an awful lot of time because the approvals that they have, the committees that they have to go through, they have these pharmacy and therapeutic committees that you have to get approvals for, for any new product that comes into these institutions so there's a process you have to go through. So we've accessed hundreds of those main hospitals and we're moving into the second tier but it's going to take time before you get everywhere.

The problem with these patients that bleed is that they just don't live around all the big hospitals and so you have to then expand and get to all of the hospitals around the country. The other thing is it's a new therapy. There hasn't been anything like this in 50 years and so you have to get physicians understanding exactly what the product is. There has to be awareness of the product and you have to get the science out there in terms of what this product actually does for patients. So it is spreading well.

I would say it's -- certainly the uptake has been strong but there's still more room to grow and we are continuing to register and launch in new countries as well so there is room for growth in Kcentra.

IAN ABBOTT: Thank you and just to switch topics, [subcu] was a big area of growth as well. One of your competitors has had some initial positive news -- hasn't had the final positive news but it has had initial positive news. To what extent does your guidance capture some of that risk into 2015?

PAUL PERREAULT: Thank you Ian. In terms of the guidance, we certainly have taken [High Q] into account. So we don't assume that competitors won't be successful and so when we look at our numbers and we look at our growth and our strategy, we take competitors' activities into account. So I would say it's covered and, as you say, the final approval from the agency hasn't come yet but they had a good response from the BPAC committee.

IAN ABBOTT: Thank you.

MARK DEHRING: Thanks Ian. Andrew Goodsall.

ANDREW GOODSALL, ANALYST, UBS: Andrew Goodsall from UBS. Sorry, (inaudible). Andrew Goodsall from UBS. Just trying to understand volume growth. Historically I think you've told us, look at albumin, it gives you a bit of an indication. Obviously **China** and higher priced **China** has helped that so I guess if we were to strip out **China** could you give us a sense of where your volumes were for the year?

PAUL PERREAULT: Across just albumin or all products?

ANDREW GOODSALL: I think just overall fractionation throughput --

PAUL PERREAULT: I would say, Andrew, that most of the growth was volume so when you look at our growth pricing is fairly steady. It's up and down in different markets but I'm always cautious about talking about price gains because I think that in this environment, in the health care environment, where governments are big payers and you've got especially distributors and pharmacies as well that are under pressure to deliver to patients, the pricing is going to move around a bit. But I wouldn't look to our growth and say it's going to come from price.

We assume pricing to be fairly flat. In our projections it's all about the volume which is why we have the major capacity expansions under way because we see the demand. We still think IG is growing globally in the 6% to 8% range. You can look at snippets of data at PPTA and others and see where you get the ups and downs. I think the most recent data was somewhere around 10% but there's lagging indicators in those numbers as well but still a strong demand for these products overall.

The key aspects are, do you have enough plasma to manufacture these products and do you have enough capacity to actually put the plasma through your plants? So I think we're well placed.

ANDREW GOODSALL: I guess if we strip out the second half, it looks to us like your IG was actually up close to something like 17% in the second half. So, again, just trying to understand how much of that was volume or just mixed shift amongst --

PAUL PERREAULT: It's mostly volume and it's based on a number of initiatives that we had under way in terms of our penetration into the IDN market in the US. We had some very good growth in Brazil as well in the second half and others areas of Latin America that we didn't have in the first half. So I think that there

were a number of factors around that. Some of it was part of the strategy, some of it was really some opportunities that arose in markets where we had infrastructure.

ANDREW GOODSALL: Just a final one from me, just on Kcentra, picking up from Ian's comment. We're actually hearing that some people wanted more supply and I know you're building out another unit in Germany. Were you constrained at all during that half or early year?

PAUL PERREAULT: It's hard to see 98% growth as constrained but I would say that we have certainly been looking at where the product is placed. So we manage it because this is a product that because of the success that we've had, some people want more than others and most of it's in the distribution channel and we want it in the hospitals because that's where the patients are going to show up. So we've been watching it very closely.

ANDREW GOODSALL: Thank you.

MARK DEHRING: Thanks Andrew. We'll now take a few questions online. So we have David Low from Deutsche Bank.

DAVID LOW, ANALYST, DEUTSCHE BANK: Thanks Mark. Just touching on the pricing comment that you made Paul, it looks to me that the revenue growth was dramatically above what your larger competitors have reported from their plasma businesses and Gordon's obviously touched on margins. Would it be fair to say that average pricing is down in the second half because of the geographic mix and product mix versus what we saw a year ago or in the first half?

PAUL PERREAULT: David, there's always mix in the markets and mix in the products. We did see Carimune, for example, if you look at that area that's our fighting brand and there are some competitors trying to move into the US market and discounting. So we use Carimune in that so there's some pricing mix there. That probably was a bit different than Privigen, for instance, which stayed mostly flat.

So there is some price mix that goes on but the bulk of it is volume. When you're seeing volume demand in the marketplace at 6% to 8% on a global basis that's pretty significant on a base of IG volume that's currently out there today.

DAVID LOW: The growth in countries like Brazil and Latin America, I mean are emerging markets typically at lower price points?

PAUL PERREAULT: It just depends. Some yes, some no. It just depends on the marketplace and really the treatment methodology that physicians are using in those markets and what the governments are willing to pay for because, again, all the governments have a different aspect. So for instance, if you look across Europe we know that the IG prices in Europe are traditionally less than they are in the US. The products are used for the same indications but that's where the market had evolved to at that particular point. So Japan still has some very good pricing. Even though they put a lot of pressure each year on manufacturers to lower price, or mandate it actually, they still start at a higher base so it just depends on the market.

DAVID LOW: Great, thanks and just the other question I had was on the haemophilia products in development, particularly the SingleChain factor VIII, we've now seen a fair bit of data and pricing from Biogen. I was just wondering if you could talk in terms of what the latest data that CSL's seeing from their product, how it compares in terms of dosing with the extended half-life products that we see out there and we see coming?

PAUL PERREAULT: I think we compete extremely well. I say it would be a very competitive product to what's out there in terms of the data that's being presented. We understand coagulation extremely well. It is in our heritage, all the way back to the Behringwerke days in Germany. That's where our coagulation expertise really started and when you look at the data in detail and you start to sort through the actual results and certainly our people look closely at that, I'd say we compete extremely well.

DAVID LOW: The (technical difficulty) extended half-life therapy effectively the dosing looks comparable.

PAUL PERREAULT: I'm sorry you broke up. I didn't hear the whole question.

DAVID LOW: I just wanted to make sure I understood that you see the dosing as comparable to what Biogen's presented and is out there in the market.

PAUL PERREAULT: Yes, I would say based on what we've seen, it's going to be very competitive and I would say that long-acting factor VIII is something that everybody continues to work on. It's not like factor IX where we've already demonstrated 14 day dosing intervals. Factor VIII is a very difficult molecule to characterise and to actually develop into a longer acting vein. That's why we're seeing that you're reducing a dose or so a week but you're still dosing every week.

It's a tough molecule to work with and so everybody is -- nobody's gotten there yet so we'll keep after it. Certainly we have programs ongoing but in the first step, it's to reduce the dosing at least once a week which is important for a family where they have a child with haemophilia or multiple children with haemophilia which a number of families do. Trying to get them out in the morning and onto the bus when they have to stop and put a needle in their vein, sometimes it's not the most convenient thing for mothers and kids to be doing. So it's one of those things where even one less dose per week is significant in terms of patient convenience.

DAVID LOW: Right, thanks very much.

MARK DEHRING: Thanks David. We also have Sean Laaman from Morgan Stanley online. Do you have some questions Sean?

SEAN LAAMAN, ANALYST, MORGAN STANLEY: Yes, thank you Mark and good morning gents. Just a couple. The first one, just on some of the dynamics in the albumin market in **China**. We understand that surprisingly, I suppose, Baxter had some missteps in that market. I'm wondering if you could just describe, if you've seen any benefit based into your numbers as a result of those missteps, is the first question, and whether that's sustainable. Secondly, just first [cut of] numbers, so excuse me if they're wrong, but I'm getting about 40% or so second half growth in your POB franchise and ex that, I see that you've stopped reporting separately the wound healing but ex the perioperative bleeding, it seems that we're getting about mid-single digit growth in the second half.

So I'm wondering ex-Kcentra, essentially what's the sustainable growth for specialty products going forward? Thanks.

PAUL PERREAULT: I don't think I caught the number that you said about the growth at first where you said you calculated a growth of --

SEAN LAAMAN: 40 -- around 40%, four-zero, in the second half.

PAUL PERREAULT: For which **group**?

SEAN LAAMAN: The perioperative bleeding.

PAUL PERREAULT: Okay, so that's mostly in the Kcentra area and, as you know, the full year we were up 98% so it's about half of it, I guess. So it's about right but I would say that I continue to see growth in that franchise. The wound healing is mainly a Japanese marketplace for us in terms of wound healing and there are new competitors in Japan in the wound healing. Not everything grows in specialty products so when I said 98% growth in Kcentra and 25% in Berinert you say, well, geez maybe you should be growing it 40% in specialty products but indeed Zemaira grew at 10%, fibrinogen was growing at 4% to 6%. Fibrinogen also is in the perioperative space as well in a number of countries.

So how you characterise these products in terms of the categories is one thing but I would say it is sustainable. The specialty products are a growth driver force clearly and I think there's a lot more to be done as we move into new countries and continue to expand the labelling on some of these products as well. So it's a very good franchise for us and I continue to see that.

In terms of your other question around **China**, I really can't comment on my competitors and what's happened there. I don't know any of the details really. All I can say is that when I look at where we started in **China** 10 years ago and I look at where we are today, there weren't really other competitors there that may have had a problem. We've been competing with locals in **China** as well as additional people that have come into **China** and we really haven't missed a beat in terms of our growth. So I think there's still sustainability. There's a lot of people in **China** as people continue to move out of the agricultural areas and into the urban areas. The tier two hospitals are getting more and more business.

There is a migration into the cities and so we continue to see growth and access to products in albumin is certainly one of them.

SEAN LAAMAN: Right, thank you Paul.

MARK DEHRING: Thanks Sean. We have David Stanton from CSLA next.

DAVID STANTON, ANALYST, CLSA: Thanks very much for taking my question. Just perhaps to ask in a different way from what Sean said, should we be thinking specialty products can continue to grow at about double system in line with historic, would be my first question.

PAUL PERREAULT: I think we still have room to grow in the double digits with specialty products. When we look at the numbers and we've said for the last couple of years we should be growing around 15%, 16%

in specialty products. For the last few years we've been able to deliver that and I do think that we'll continue to see opportunities there. Will it be dropped to 12% or 11% versus 15% or 16% or 17% or 18%? It'll move around clearly but there is opportunity because, again, inherently in the term specialty is the fact that they are special.

These are products that people have not had access to. They're for rare diseases and specialty utilisation areas and when you need it you need to have it and if you don't know about it and now you get access to it, you'll see the growth continue. I have a very -- I'm quite bullish on our specialty product portfolio. I look at the utilisation and the need and the benefit that patients have from these products and very, I would say, strong opinion that we'll continue to perform in that space.

DAVID STANTON: Thanks, and my second question -- wouldn't want Gordon to miss out. So could he give us any colour in terms of DNA and tax rate for FY15, that would be great? Thank you.

GORDON NAYLOR: Thank you David, for thinking about me. I think on DNA, it might go up a little bit because we do have a few assets coming online. I can't quantify that off the top of my head but I think that would be the trend. It's one of those lumpiness things that I talked about where these assets come online and you get hit by the depreciation. Just an accounting effect. The economic cost is different of course and then on effective tax rate, I think I implicitly -- you can work out the numbers from the difference between the NPAT growth numbers and EBIT growth numbers.

We do expect, and I've forgotten exactly how it works, but it'll tend to be a bit elevated I think in the coming year because of that transfer that we anticipate for 112.

DAVID STANTON: Sorry, just lastly then, so we should [break] that in probably as an ongoing thing, at least for the next couple of years in terms of that elevated tax rate?

GORDON NAYLOR: Yes, I think I've said in the past that we had expected over the longer run that our effective tax rate will probably sit 18%, 19%, 20%, something in there, and that's the way it's been playing out. We've got a few moving pieces there. You get a bit of mix effect, for example, as these specialty products that Paul talks about, we're growing faster than the rest of the **company**. So that tends to carry with it a higher tax rate, so you get a little bit of mix there but overall I think you're pretty comfortable somewhere in that 18%, 19%, 20% is quite a reasonable number to use as your base (inaudible).

DAVID STANTON: Thank you.

MARK DEHRING: Thanks Dave. We have some questions from Craig Collie at Macquarie.

CRAIG COLLIE, ANALYST, MACQUARIE **GROUP**: Thanks guys. Can you hear me okay?

MARK DEHRING: We can.

CRAIG COLLIE: Great. Just to dive a little bit deeper on the competitive environment, Paul, you've said that you see market growth IG very strong. Recent data is as good as can be expected of -- in the longer term. Just to look at the competitive dynamics, you've had a couple of competitors who have had supply capacity issues in the past and there's a bit of chatter out there that those are resolved and some of those competitors are now competing pretty aggressively especially in the US. Can you talk to that assumption and elaborate on whether or not that's accurate or not?

PAUL PERREAULT: Well, sure Craig. I'm not sure how much time you have but we can give it a go. I would say that, as I've said during the presentation and as I continue to say, it is a competitive market. I also don't mind. Competition drives people, it forces you to innovate, to differentiate, to really try to come up with something that's unique for patients in terms of the product proposition, in terms of convenience, in terms of availability. Some of the competition out there have -- are well placed to compete really strongly, others are struggling to compete with those types of advantages.

So you look at a skilled player like ourselves and you look at what we're investing in our R&D and you look at what we're doing in the business in terms of our ability to expand to meet demand, in terms of our investments in capital. You look at our expansion of our plasma collection because without the raw material you're not going to be able to grow. And you look at when we started all that, it was well before everybody started talking about these issues. I think it just goes to the strength and the understanding that we have in the industry.

So I look at our game plan and I say, look here's where I see the competition. Obviously I look at that landscape, but I try to execute extremely well within the organisation on the things that we need to focus on and as I said with the strategy slide, people might say, because many of you have been following us for a while, boy it looks kind of the same. You've changed the picture but it looks kind of the same. It is the same

but there's nuances. There's nuances behind all of those areas that we're working on in terms of innovation, product differentiation, patient convenience and impact in terms of our R&D portfolio.

So look, it is competitive and it will become more competitive because you've got government pressures in terms of payers. You've got new people entering the space, like the Biogens and the Novos that are really expanding into the recombinant haemophilia space. But you also have to be able to really understand what's driving the economics behind the business and when you look at our underlying financials I feel very strongly that we're well placed to compete in a competitive market place.

I think our results this year show that. I think that people should have confidence in the game plan and the underlying aspects of what we're doing, so that would be my comment.

CRAIG COLLIE: Great and then just to dig a little bit deeper on plasma-derived factor VIII, so plenty of positive points across your result. One potential weakness perhaps was that number going backwards a little. You highlighted a few one offs, does that mean that your expectations going forward are, I guess better than what you've printed this year?

PAUL PERREAULT: Well again it depends. The tender market is lumpy and that's also a competitive market because the competition has plasma-derived factor VIII as well. So depending on what you see in the various tender markets, I would say that until we really are fully entrenched with our new recombinant therapies it will be a battle in the trenches on plasma-derived factor VIII.

Again, our ability to manufacture with our multiple sites around the globe have product available because the other part of these tenders is not just pricing. It's actually when you can deliver the product against the tender, because there is many nuances in terms of what the tenders require in terms of delivery and the amount that needs to be delivered within a certain timeframe. I think we'll continue to do okay. There might be a few percentage points down over the next year or so or a few percentage points up, depending on timing of some of the opportunities, but what's really going to drive us forward is our recombinant portfolio in the haemophilia space.

CRAIG COLLIE: Okay, thanks Paul, just one quick question for Gordon. I think Gordon, in the past you've given us some guidance on R&D, any I guess guidance for next year?

GORDON NAYLOR: Look I think it will continue to grow in line with the business. I think we're running at about 9.1% revenue in the year just gone. The last two or three years it's been about the same, maybe a tad less in the past. So I'd expect it just to continue to grow with the business. The -- obviously it's influenced by the progress on these different clinical programs. So it might move around a little bit. Obviously those figures are inside the guidelines that we've given.

CRAIG COLLIE: Great, thanks a lot guys.

MARK DEHRING: Thanks Craig, we'll now take some questions from Steve Wheen at JP Morgan.

STEVE WHEEN, ANALYST, JP MORGAN: Yes, thanks very much. Just a question following on from that, on R&D. The guidance that you previously gave was for it to grow by about 13% in the constant currency basis. I take your point about the long term nature and the lumpiness and the difficulty to predict the timing around R&D, but the fact that you came in less than that guidance for R&D this year, does that mean there's a little bit of catch up that will take place next year in terms of what you're expecting?

PAUL PERREAULT: Hi Steve, how are you doing? Look in terms of the R&D, I think that you will see some movements around, but because we're increasing our R&D spend this year again, I'm not sure you'll be able to ferret out what it is, whether it was just a transfer over or whether it's the additional movement of our trials into the later stage development process.

So I think our guidance is that we will increase our R&D this year. The timing of some of those payments and such are interesting but we've also been able to get some efficiencies in R&D this year as well through some changes we've made in our clinical operations **group**.

So for instance we've had some sites in the past that we opened to try to get additional patients that actually had never recruited a patient. In the past we would keep running them and now we actually are shutting them down. Which -- it costs money to keep them open. You still have to monitor, you still have to go, so we've taken a look at our operations. So when we talk about efficiencies and productivity, we look across the whole business. So I wouldn't say it's impacting at all our investment in R&D. We're just trying to also make sure that we're efficient in everything we're doing.

STEVE WHEEN: Great, and then just one other thing about the guidance, just trying to tease out what the base is. Included in FY13 there was obviously a license payment with Janssen. With that not there, would

that suggest the underlying growth is stronger, or is there expectations of further milestone payments for Janssen within the FY15 year?

GORDON NAYLOR: Yes look, I think be careful not to overanalyse this one Steve. I think there's no doubt that was in the first half of the FY14, but there's a few other things as well, which move. I think we have an ongoing program, we've got obviously the arrangements with Janssen, but we've got other things we're doing as well. So I'd be a bit cautious about drawing that one out as being a one-off. I think you'll see similar things in the future.

STEVE WHEEN: Is that a comment specifically about FY15, or is that further out than that?

GORDON NAYLOR: It's a general comment, but it's a broader, longer range comment. So FY15, you should just refer to the guidance, which we've given.

STEVE WHEEN: Yes sure. Okay and just another follow on question on the recombinant factor VIII, have you quoted the half-life that you're now looking at? It suggests that given you're now looking at twice weekly dosing, that half-life has actually improved a bit.

PAUL PERREAULT: We have published a few papers and presented a few conferences, so off the top of my head Steve, I can't tell what we've quoted publicly. So I'd have to go back and come back to you.

STEVE WHEEN: Okay, that's all from me, thanks.

MARK DEHRING: Thanks Steve, next question comes from Alex Smith at Citi.

ALEX SMITH, ANALYST, CITIGROUP: Yes thanks, just a question the margins. If I strip out the $64 million, I'm still looking at EBITDA margins in CSL Behring down a little bit. Given the really strong sales growth that that **group** has achieved and that a lot of growth is coming from a really high margin product and specialty and Hizentra and so forth, can you help me understand why margins haven't expanded quite considerably in the period? Is R&D spend a head wind there, COGS, additional expenses or is there pricing pressure? Can you sort

of -- I would have anticipated margin expansion would have been a lot stronger?

GORDON NAYLOR: I think you've answered your own question Alex. There's a whole lot of things going on there. The other -- like pricing pressures and so on. The other thing I would point you to is currency. So Behring in particular is the most probably exposed part of the **group** with respect to the movement between the Swiss franc and the US dollar and that will directly impact margin. So there was -- that directly squeezed it, so be careful about that.

ALEX SMITH: Okay so things like the COGS -- it's obviously cost more to [collect those] when you're opening new centres and pricing pressure in the marketplace -- features that will continue into FY15?

GORDON NAYLOR: That's probably true. I don't think we're expecting that the marketplace is going to get a whole lot less competitive or that our customers are going to get much more -- much less price sensitive. So I think that's probably fair.

ALEX SMITH: Maybe just a second question on Kogenate sales reported by Bayer were down 20% in the second quarter and they commented that they were using capacity for their long acting product. How does that impact your ability to source Helixate supply into FY15? Do you have adequate inventory to continue to grow that product et cetera? Just trying to understand how that impacts CSL.

PAUL PERREAULT: Thank you, I think certainly we're working closely with Bayer, they've been a great partner and there is some pain that has to be shared when we're trying to develop new products and the manufacturing process being impacted by the development of these new agents. So I think that also is a point to some of our -- you saw that Helixate was down about 1% this year versus last year. A lot of that is due to the fact that it's difficult if the product is not flowing fully. We're not short on product, but I don't expect that it will impact FY15 significantly. We're working with Bayer quite closely on these inventory levels.

ALEX SMITH: Terrific, thanks for that.

MARK DEHRING: Thanks Alex. We'll take one more question online and then we'll come back to the room here in Melbourne. So we have Saul Hadassin from Credit Suisse.

SAUL HADASSIN, ANALYST, CREDIT SUISSE: Thank you, good afternoon. Paul, just if I could explore US IVIG growth in a little bit more detail. So excluding Hizentra, do you think you managed to grow in line with market there? Do you see any material share shift in those particular product categories of Privigen and Carimune?

PAUL PERREAULT: Thanks Saul, look, I think we're more in line with the market when you look at the IV growth of Privigen and Carimune in the US marketplace. Hizentra is the driver, clearly, it's differentiated, it's a phenomenal product, but we were still able to show some very good growth in the second half in Privigen and some of that is part of our strategy with the -- some of the customers there in the US, which has been helpful.

The US market is very, very competitive in IG. It's the largest market in the world, there's tens of millions of grams going into that marketplace and competitors that are looking to expand really look at where the growth is being driven from. It's being driven from the largest market, so the competition is quite fierce in the US, but again that's okay. We'll manage with it and continue to grow, is my view.

It's an interesting environment in the US with IG, but again with differentiated products and with a premium product like Privigen, we've been able to do okay.

SAUL HADASSIN: Right thanks and is it your assessment that the PPJ data is an accurate reflection of volume growth in the US?

PAUL PERREAULT: It's one data point and it's a lagging data point, so I think it's okay to look at if you're trying to get some trending going, but I wouldn't rely 100% on that for your models.

SAUL HADASSIN: Cool, okay, just moving on to fibrinogen quickly, so you mentioned a 4% to 6% growth rate. I was just wondering if there's been any progress on trying to get that product -- in terms of into clinical programs in the US?

PAUL PERREAULT: Yes.

SAUL HADASSIN: So what does that consist of?

PAUL PERREAULT: So we've been in discussions with the agency around the clinical trial design for fibrinogen in the US and I think those discussions are progressing well. Our trial that we're running across Europe and Japan has recruited. So we're anxiously putting all of the data together there as well. So that's been a big success. When we opened the trial for cardiac bleeding in Japan we recruited quite rapidly. There's a number of physicians in Japan who were quite excited about having the opportunity for fibrinogen and they really moved quickly to recruit patients in the aortic bleeding trial we have running. So that was very helpful because they were able to significantly improve our timelines on that trial.

SAUL HADASSIN: Right, thanks and final question, just on albumin. I haven't had a chance to try and pull out the **China** sales, but are you able to comment on what that growth was ex-**China** for albumin in fiscal 2014 and the starch effect, again is that again something that we should see temper in terms of growth into FY15?

PAUL PERREAULT: Look ex -- well so we were up 16% in albumin and **China**'s about 40% of our albumin sales today and we were up 29%, so I haven't backed out the number. I'm sure you can.

GORDON NAYLOR: I'm sure Saul's got a spread sheet.

PAUL PERREAULT: Probably. So from that perspective I think it was still strong demand. I think the starches still do have that hangover effect. So we've been able to see some growth, as I said, in Europe and we actually had some very good growth again in Latin America. You know our Latin American affiliates are really starting to come online. Argentina, Brazil, Mexico have been -- they're strong this year, so we're very pleased with the growth we've seen there.

SAUL HADASSIN: Right thank you, that's all I had.

MARK DEHRING: Great, thanks Saul. Look we have no further questions, so with that I'll draw the meeting to a close and thank you very much for your interest in the **company**, good bye.

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