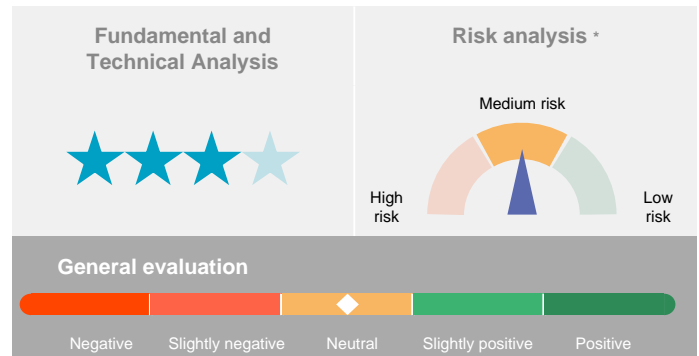


CSL LTD.

Health Care - Pharmaceuticals

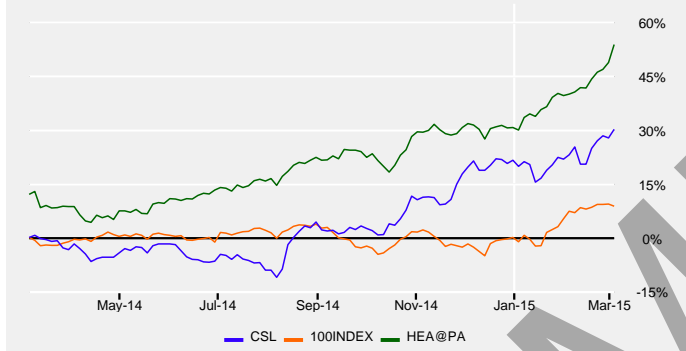
CSL LTD. **AUD 93.55**
 AU000000CSL8 | CSL | Australia
 Analysis of 07-Mar-2015
 Closing price of 06-Mar-2015

CSL LTD. active in the sector «Pharmaceuticals», belongs to the industry group «Health Care».
 Its market capitalization of USD 34.28 bn. ranks it among large-cap stocks.
 During the last 12 months this stock has reached a high of AUD 93.55 and a low of AUD 63.94; its current price of AUD 93.55 places it near its 52 week high and 46.3% above its bottom (bi-weekly closing).
 Performance since March 7, 2014: CSL LTD.: 30.1%, Health Care: 35.8%, 100INDEX: 8.7%



Company Name	Price	Perf YtD	Mkt Cap in \$bn	Stars	Risk Zone	Nb of Stocks	7wk EPS Rev	LT P/E	LT Growth	Div	4wk Rel Perf
CSL LTD.	93.55	7.9%	34.28	★★★★☆	Medium		-4.1%	21.1	17.0%	1.7%	4.5%
Health Care (PA)	182.00	17.8%	481.80	★★★★☆	Medium	77	2.3%	21.9	20.0%	1.7%	7.6%
TSC_Pacific	172.00	5.4%	13,676.88	★★★★★	Low	1,730	2.7%	13.8	13.5%	3.0%	2.3%

Comparison [March 7, 2014 - March 6, 2015]



The four-week relative performance of its reference group («Health Care») is positive.

Dividend

The 12-month indicated dividend yield is 1.7%. This estimated dividend represents 36.5% of the estimated earnings. Consequently, the dividend is easily covered, and very likely to prove sustainable.

Summary of the fundamental and technical analysis

1. The negative driving earnings revisions trend is specific to the stock.
2. In terms of valuation, the stock has reasonable potential.
3. The technical trend is positive in a positive environment.
4. The stock showed a relative overperformance in a positive environment «Health Care».

Fundamental and Technical Analysis

Price level analysis

In order to assess whether CSL LTD. is currently fairly priced, we focus on the Peter Lynch's broadly accepted methodology which compares the projected earnings growth and dividend with the estimated PE ratio. Based on this,

- CSL LTD. is fundamentally fairly valued compared to its theoretical fair price.
- its valuation is less attractive than the Pacific «Health Care» aggregate.

The "Forecasted Growth + Estimated Dividend Yield/ Estimated Price Earnings" ratio below 0.9 indicates that investors must pay a premium for the estimated growth potential of 1.2%.

The fundamental price potential for CSL LTD. is reasonable, though other stocks in the same industry group present more upward potential.

Earnings revisions

CSL LTD. is strongly followed by financial analysts, as over the last three months an average of 13 analysts provided earnings estimate forecasts up until the year 2017.

Currently, these analysts are negatively revising their earnings growth estimates (-4.1%) compared with seven weeks ago. This negative pressure on the growth expectations has been apparent since February 13, 2015 when the stock closed at the price of AUD 86.54 and acts slightly in counterweight to the positive technical trend.

The positioning of CSL LTD. vs. its reference sector («Health Care») accentuates that the clearly negative trend of earnings revisions is a problem specific to the stock, because its environment is -on the contrary- being positively revised.

Technical trend and relative performance

Since January 27, 2015, the medium-term technical trend is positive, at a price of AUD 86.42. Its adjusted technical reverse point is AUD 86.96, or 7.0% under the current price.

The four-week relative performance against the reference index 100INDEX is 4.5%. The technical trend is also positive, which validates this overperformance and confirms the investors' interest in this stock.

Checklist

Stars	★★★★☆	Strong interest since 06-Mar-2015.
Earnings Rev Trend	🔴	★ Analysts negative since 13-Feb-2015
Valuation Rating	🟡	★ Fairly priced
MT Tech Trend	🟢	★ Trend positive since 27-Jan-2015
4wk Rel Perf	4.5%	★ vs. 100INDEX
Risk Zone	🟡	No change over 1 year.
Global Evaluation	🟡	Downgrade from slightly positive to neutral the 09-Jan-2015.

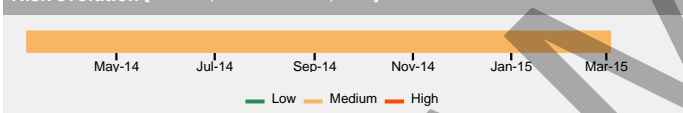
CSL LTD. - Sector and/or Group comparison

Company Name	Symbol	Market	Price	Perf YTD	Mkt Cap in \$bn	Stars	Risk Zone	G/PE Ratio	LT P/E	LT Growth	Div	Volatility 1M	Global Evaluation
CSL LTD.	CSL	AU	93.55	7.9%	34.28	★★★★☆	🌟	0.89	21.1	17.0%	1.7%	22.7%	🟡🟡🟡🟡
RAMSAY HEALTH CARE LTD.	RHC	AU	68.48	19.9%	10.91	★★★★☆	🌟	0.88	25.0	20.2%	1.8%	15.4%	🟡🟡🟡🟡
RESMED INCO.	RMD	AU	8.61	24.1%	9.26	★★★★★	🌟	0.98	20.1	17.8%	1.9%	28.9%	🟡🟡🟡🟡
SONIC HEALTHCARE LIMITED	SHL	AU	19.75	6.8%	6.13	★★★★★	🌟	1.08	15.7	13.0%	3.9%	13.5%	🟡🟡🟡🟡
JOHNSON & JOHNSON	JNJ	US	100.11	-4.3%	278.35	★★★★☆	🌟	0.90	13.9	9.5%	3.1%	12.1%	🟡🟡🟡🟡
NOVARTIS AG	NOVN	CH	96.20	4.2%	264.70	★★★★★	🌟	1.05	14.8	12.6%	3.0%	16.1%	🟡🟡🟡🟡
ROCHE HOLDING AG	ROG	CH	260.00	-3.7%	228.35	★★★★☆	🌟	0.80	16.9	10.5%	3.0%	18.9%	🟡🟡🟡🟡
PFIZER INCO.	PFE	US	33.97	9.1%	208.20	★★★★☆	🌟	0.84	14.2	8.6%	3.3%	14.3%	🟡🟡🟡🟡
MERCK & COMPANY INCO.	MRK	US	56.84	0.1%	161.32	★★★★☆	🌟	1.01	12.8	9.6%	3.2%	9.6%	🟡🟡🟡🟡
SANOFI	SAN	FR	87.65	15.9%	125.60	★★★★☆	🌟	1.00	13.2	9.5%	3.8%	16.5%	🟡🟡🟡🟡
NOVO NORDISK A/S	NOVOB	DK	321.10	23.4%	124.05	★★★★★	🌟	1.19	16.4	17.4%	2.0%	26.9%	🟡🟡🟡🟡

CSL LTD. (AUD) [March 7, 2014 - March 6, 2015]



Risk evolution [March 7, 2014 - March 6, 2015]



Risk profile



Risk Analysis * within the asset class equity

Beta, Correlation and Volatility

Beta is often used as a measure of risk. Where a Beta is greater than 100, the stock is more volatile and therefore more risky. A Beta of 0.68 indicates that for 1% of index variation, CSL LTD. varies on average by 0.68%. But a Beta analysis coupled with the correlation gives a more relevant assessment.

Correlation is the degree of similarity in which a stock fluctuates in relation to its reference index. CSL LTD. has a correlation rate of 0.43. This indicates that 43% of the stock's movements are explained by index variations. CSL LTD. is fairly correlated to 100INDEX.

The volatility is also used as a risk factor. It measures the magnitude of the high and low movements of a stock or index. The higher the volatility, the more risky a stock is considered to be. The 1 month annualized volatility of CSL LTD. is : 22.7%, that of the index 100INDEX is 6.5% and that of the world aggregate for the group Health Care is 4.7%. By comparison, the average volatility of the stocks that make up the reference index is slightly higher at 25.9%.

The risk factor in bear markets

The "Bear Market Factor" measures the behavior of a stock in declining markets. In this context, CSL LTD. has a tendency to drop in the same proportion as the index 100INDEX. This behavior provides an average risk positioning during market declines.

The risk factor in rising markets

The "Bad News Factor" measures the behavior of a stock in rising markets. This behavior shows that in the case of specific pressure, CSL LTD. is slightly sanctioned by the market. When the stock goes down in a rising environment, its average deviation is -1.35%.

Summary of the risk analysis

Globally, the risk the investor takes on with CSL LTD. can be considered average and this more than one year.

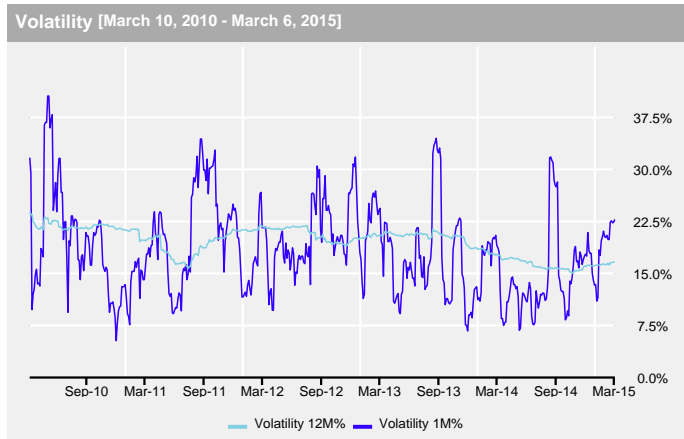
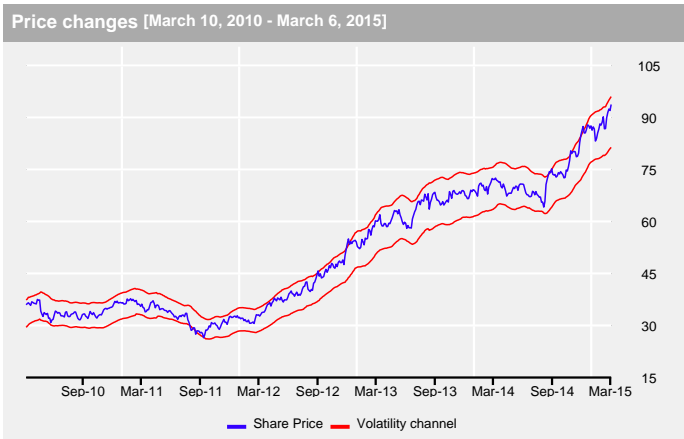
Conclusion

At the analysis date of March 6, 2015, the general impression that the fundamental and technical elements (valuation, earnings revisions, group benchmarking, technical factors) give is slightly positive. Moreover, the combination of the different criteria of risk appreciation (volatility, correlation coefficient, Beta, Bear Market Factor, Bad News Factor) leads to a general qualification of medium risk. By combining the slightly positive fundamental and technical analysis, with the medium risk, the general evaluation seems medium.

Key figures

Annualized estimate for current year to	2017
Estimated PE (LT PE) for 2017	21.1
Projected earnings growth (LT Growth)	17.0%
Dividend	1.7%
Number of analysts	13
First analysis date	02-Jan-2002

5 year history



Price changes over 5 years

The volatility channel shows a stock's average fluctuations over the last 5 years.

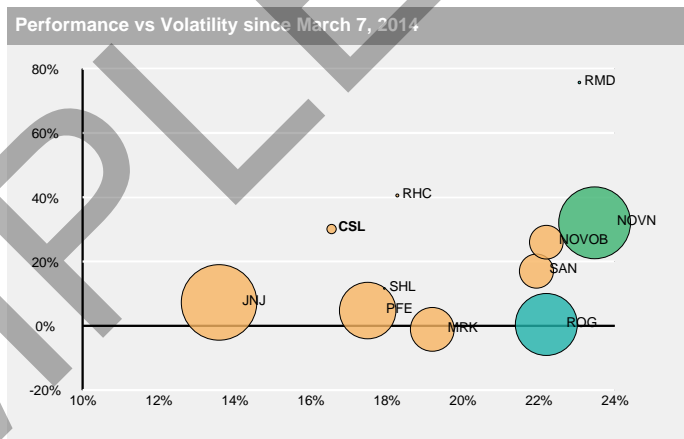
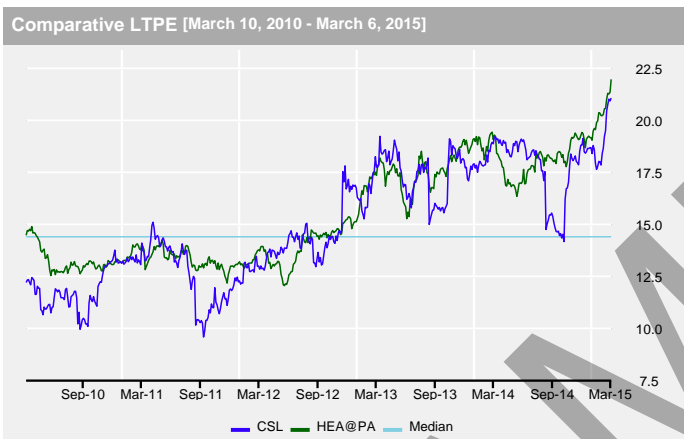
During this period, the high of AUD 93.55 was reached on March 2015 and the low of AUD 26.27 in the month of September 2011.

The price development is generally in the volatility channel whose upper and lower limits are presented here. Crossing one of these limits is an exceptional situation accompanied by strong increases in short-term volatility.

Volatility over 5 years

As of the last update, the monthly volatility of (22.7%) is higher than the last few years' average of (18.3%). The high magnitude of short term price fluctuations indicates this stock is very nervous.

On the other hand, long term volatility 16.6% of CSL LTD. is clearly higher than that of the index 100INDEX (10.7%), reflecting much higher price variations for this particular stock than for the Australian market.



Comparative evolution of the LTPE over 5 years

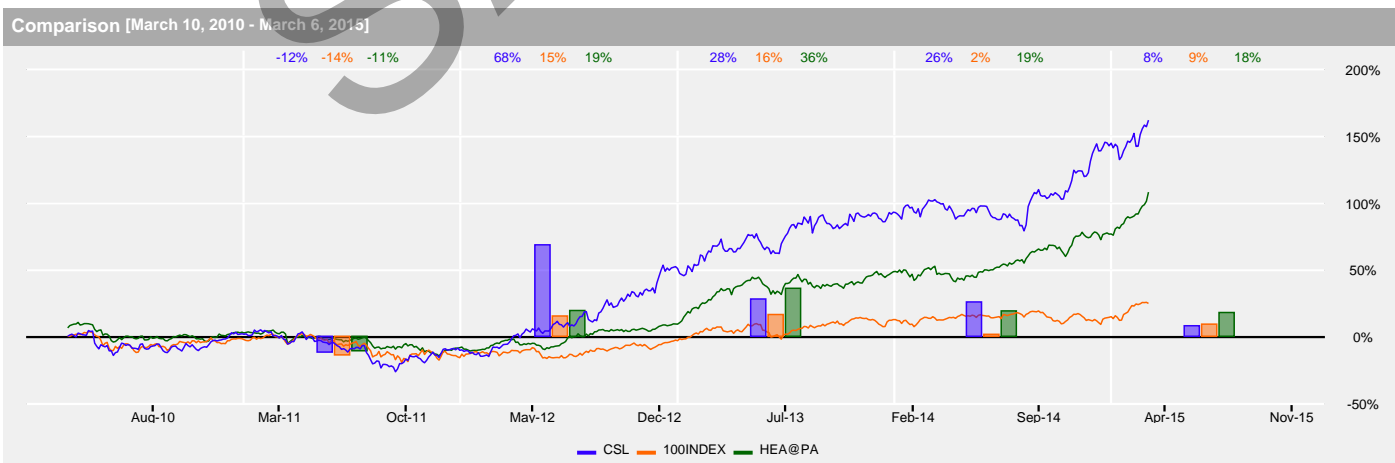
The forward PE of CSL LTD. is close to that of its group Health Care, as it currently stands at 21.05 and the group's forward PE is 21.95. This indicates the stock's valuation is not far from that of its industry group.

On the other hand, historically speaking, this stock is currently trading above its median value of 14.38.

Performance and Volatility

The vertical axis measures the performance since March 7, 2014 of the 10 stocks presented in the table on page 2, while the horizontal axis measures the 12 month annualized volatility.

The bubbles are sized according to market capitalization, and their colors indicate the overall rating (Global Valuation).



Comparative performance over 5 years

On a 5 year moving average, the performance of the stock CSL LTD. is 161.6%, vs. 24.6% for the 100INDEX and 83.5% for the group Health Care (HEA@PA).

Number of Stocks

The number of stocks in the index that can be analyzed.

Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued 🟢🟢 to strongly overvalued 🔴🔴.

Stars

theScreener.com's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

In this easy-to-use rating system, stars are earned for each element specified below:

- Earnings Rev Trend 🟢 = ★★★★★
- Valuation Rating 🟢, 🟢🟢, 🟢🟢🟢 = ★★★★★
- MT Tech Trend 🟢 = ★★★★★
- 4 week Relative Performance > 1% = ★★★★★

Therefore, a stock can earn a maximum of four stars.

The lowest rating a stock can have is no stars.

Once a stock has earned a star, it will keep it until:

- Earnings Rev Trend becomes negative 🔴
- Valuation Rating becomes negative 🔴, 🔴🔴
- MT Tech Trend becomes negative 🔴
- 4 week Relative Performance drops below -1% (<-1%)

Div

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

Earnings Rev. Trend

The symbol 🟢 shows that compared with their earnings revisions of seven weeks ago, the analysts have now raised their estimates (7wk EPS Rev; > 1%); the symbol 🔴 indicates that compared with their earnings revisions of seven weeks ago, the analysts have now lowered their estimates (7wk EPS Rev < -1%).

When the earnings revisions (7wk EPS Rev) fall between +1% and -1%, the trend is considered to be neutral 🟡.

The symbol 🟢 indicates that the last significant revisions have been trending positive.

The symbol 🔴 indicates that the last significant revisions have been negative.

7wk EPS Rev

This is an abbreviation for 7 week Earnings Per Share Revision. This column indicates the value of these revised earnings. A figure of 2.8 signifies that compared with seven weeks ago, the analysts have now revised and raised their estimates by 2.8%. On the contrary, a negative number means that the earnings would have been revised lower.

G/PE Ratio

In order to establish our Valuation Rating, we calculate the estimated growth of future earnings (LT Growth) plus dividend in %, divided by the estimated future PE ratio (Long Term P/E).

LT PE

This is the relationship between the price (P) and the estimated long-term future earnings (E LT).

LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

MT Tech Trend

The MT Tech Trend indicates the current trend, positive 🟢 or negative 🔴, and the Tech Reverse indicates up to which price this trend will remain valid.

When a price falls to 1.75% above or below the Tech Reverse, the MT Tech Trend is considered neutral 🟡.

Once the price breaks out of the +1.75% neutral zone, the MT Tech Trend will change to positive.

The symbol 🟢 indicates that the previous MT Tech Trend was positive.

The symbol 🔴 indicates that the previous MT Tech Trend was negative.

4wk (Rel) Perf.

This figure measures the performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. In this purely objective analysis, the actual reasons for a stock's behavior are not important. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news.

The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period.

The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

Risk Zone

The price developments of stocks are generally volatile and contain high risks that can result in a total loss. Based on a their historical behavior, stocks are classified by risk levels. These risk levels have to be considered solely in relative historic comparison to other stocks. Please note that even "Low Risk" stocks are equities and therefore high risk investments that can lose up to all of their value, and that based on the past no firm conclusions can be taken into the future.

Risk zones are determined by measuring the "Bear Market Factor" and the "Bad News Factor" against a world reference.

There are three types of risk ratings:

- Low Risk: The risk indicators fall below the world reference average.
- Medium Risk: The risk indicators are situated higher than the world reference average, but lower than one standard deviation.
- High Risk: The risk indicators are at levels higher than one standard deviation.

Volatility 12 M

Volatility is also used as a risk factor. It measures the magnitude of the high and low movements of a stock or index. The higher the volatility, the more risky a stock is considered to be.

% of Stocks in Uptrend

This is the percentage of stocks in a given list that have a positive Medium Term Technical Trend. If, for example, the aggregate of Technology / World, (which is made up of 458 stocks) has 8% "of stocks in Uptrend," it means that 38 of the stocks within that aggregate have a positive Medium Term Technical Trend.

Beta

Beta is often used as a measure of risk. Where a Beta is greater than 100, the stock is more volatile than its reference index and therefore more risky.

Correlation

Correlation is the degree of similarity (in %) in which a stock fluctuates in relation to its reference index.

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More information: www.thescreener.com/en/wc/methodology.htm

Earnings forecasts provided by THOMSON REUTERS. Funds data provided by MORNINGSTAR.